



Market Analysis of San Francisco Realtor District 9

**The Condo Market in South Beach, SOMA & Inner Mission
& the House (SFD) Market in Potrero Hill & Bernal Heights**

District 9 is a huge district of San Francisco encompassing neighborhoods of great variety – in ambiance, age and type of housing, quality of neighborhood commercial district, and property values. South Beach, which hardly existed as a residential district 12 years ago (much less one of the highest value residential districts in the city) has little in common with Bernal Heights, an older boutique neighborhood filled Victorians. Now there is the development of large projects in Mission Bay, also in District 9. For the purposes of this analysis, we'll be looking at condo sales in South Beach, South of Market (SOMA) and Inner Mission – because condo/lofts dominate the real estate market there. However, an important caveat: this analysis is based upon sales reported to the Multiple Listing Service (MLS) and will not include new-development sales that are not reported. The largest addition of new homes in San Francisco is occurring in these neighborhoods in the form of large condo projects – some of which are very high end. In Potrero Hill and Bernal Heights, we'll look at *house* sales. There are houses in Inner Mission and condos in Potrero and Bernal, but they will not be included in this analysis. 09/24/08

The House & Condo Market in District 9:

Comparing the activity of the 1st eight months of 2007 with the comparable period of 2008

(as reported to the SF Multiple Listing Service)

- SFD = single family dwelling, i.e. house. LP = list price at time of accepted offer
- \$/sq.ft. = dollar per square foot of living space. \$2m = \$2,000,000
- Days on Market (DOM) = for sold properties, the period between going on market and being designated as pending sale; for properties *for sale*, the period they've been on the market
- Median price = that price at which half the properties sold for more and half for less
- Months Supply of Inventory (MSI) = time it will take to sell the current inventory of available properties at the current rate of sales

Condo Sales in South Beach, SOMA & Inner Mission

	1/1/07–8/31/07	1/1/08–8/31/08	Analysis
<u>Total Sales</u>	382	323	Reported sales to MLS down 15%
High Sale	\$4,695,000	\$8,975,000	Amazing prices now being achieved in South Beach & SOMA
South Beach Condos			
<u>South Beach Condos</u>	138	121	
So. Beach Average \$/sq.ft.	\$855/sq.ft.	\$838/sq.ft.	2% reduction in average dollar per square foot, probably statistically irrelevant
So. Beach Avg Days on Market	59 days	72 days	Typically, condos are taking longer to sell
Months Supply/Inventory	2.5 months	4.6 months	Inventory growing but still low against national MSI of approx. 11 months
South of Market Condos			
<u>South of Market Condos</u>	171	130	24% reduction in condo sales in SOMA
SOMA Average \$/sq.ft.	\$741/sq.ft.	\$757/sq.ft.	2% increase in average dollar per square foot, probably statistically irrelevant
SOMA Avg Days on Market	43 days	63 days	Days on market have been increasing
SOMA Months of Inventory	5.8	6.4	A relatively high level of inventory for SF (not high by national rates)
Inner Mission Condos			
<u>Inner Mission Condos</u>	73	72	Virtually no change
Inner Mission Avg \$/sq.ft.	\$603/sq.ft.	\$601/sq.ft.	Hierarchy of values: South Beach at the top, then SOMA, then the Mission
Mission Avg Days on Market	49 days	63 days	Days on market have been increasing
Mission Months/Inventory	1.2 months	3.1 months	Inventory growing but still relatively low
Condo Sales \$2m+			
<u>Condo Sales \$2m+</u>	8	15	27% of \$2m+ condo sales in SF were in South Beach, SOMA & Mission Bay
\$2m+ Condo Avg \$/sq.ft.	\$1510/sq.ft.	\$1505/sq.ft.	Incredible \$/sq.ft. figures in buildings like Four Seasons, St. Regis & Radiance

2-Bedroom, 2-Bath Condo Sales in South Beach, SOMA & Inner Mission

	1/1/07–8/31/07	1/1/08–8/31/08	Analysis
<u>South Beach 2/2 Condos</u>	70	58	17% reduction in sales reported to MLS
Median Sales Price	\$1,042,500	\$966,500	Median price down 7.3%
Average \$/sq.ft.	\$899/sq.ft.	\$874/sq.ft.	3% decrease in average \$/sq.ft., but still very high
Average Days on Market	59 days	65 days	Small increase in days on market
% of Sales which went Pending within 30 days	33% at an average of 101% of List Price	40% at an avg of 98.9% of LP	The market is not as hot as it was in previous years, but it is not weak. The opening of new condo developments affects the supply/demand equation
<u>SOMA 2/2 Condo Sales</u>	39	28	28% reduction in sales – generally condo and TIC sales have been hit harder than house sales in the market changes of the past year
Median Sales Price	\$775,000	\$775,000	No change in median sales price
Average \$/sq.ft.	\$721/sq.ft.	\$651/sq.ft.	10% reduction in average \$/sq.ft. (odd considering median sales price)
Average Days on Market	48 days	55 days	
% of Sales Pending within 30 days	44% at an average of 100.5% of LP	50% at avg of 99.4% of LP	Half of condos selling accepting offers within 30 days at an average of just below asking price in 2008 YTD
<u>Mission 2/2 Condos</u>	20	18	Small decrease
Median Sales Price	\$647,000	\$680,000	5% increase, perhaps a reflection of continued gentrification of the Mission
Average \$/sq.ft.	\$575/sq.ft.	\$607/sq.ft.	6% increase

Bernal Heights & Potrero Hill House (SFD) Sales

	1/1/07–8/31/07	1/1/08–8/31/08	Analysis
<u>Total House (SFD) Sales</u>	134	103	23% reduction in sales (Potrero & Bernal combined)
Average \$/sq.ft.	\$689/sq.ft.	\$634/sq.ft.	8% reduction in average dollar per square foot
Avg Days on Market	35 days	39 days	No significant change
Highest Home Sale	\$2,551,000	\$3,000,000	The 2008 high price is approximate
<u>2 Bedroom Bernal SFD Sales</u>	41	41	No change
Median Sales Price	\$800,000	\$725,000	9% reduction in median sales price for 2 BR homes in Bernal
Average \$/sq.ft.	\$711/sq.ft.	\$654/sq.ft.	8% reduction in average \$/sq.ft.
Avg Days on Mkt	36 days	29 days	2 BR houses in Bernal selling quickly
% of Home Sales Pending within 30 days	66% at an average of 108.6% of List Price	68% at an avg of 105.2% of LP	Almost two thirds of home sales going pending within 30 days at a significant % over list price – indication of high demand and limited supply
<u>3 Bedroom Bernal SFD Sales</u>	42	31	26% reduction in sales in 3 BR homes in Bernal
Median Sales Price	\$1,042,000	\$857,000	17% reduction in median sales price – since \$/sq.ft. is virtually unchanged perhaps just a reflection of smaller houses selling in 2008
Average \$/sq.ft.	\$657/sq.ft.	\$649/sq.ft.	Virtually no change in average \$/sq.ft.
Avg Days on Mkt	32 days	34 days	3 BR houses in Bernal selling quickly
% of Home Sales Pending within 30 days	64% at an average of 111% of List Price	65% at an avg of 107.5% of LP	Almost two thirds of home sales going pending within 30 days at a significant % over list price – an indication of high demand and limited supply

Potrero Hill & Bernal Heights House (SFD) Sales

	1/1/07–8/31/07	1/1/08–8/31/08	Analysis
<u>2 Bedroom Potrero SFD Sales</u>	11	12	The # of sales is quite low, so all the statistical changes in this year-to-year comparison are relatively suspect as pertaining to trends
Median Sales Price	\$920,000	\$822,500	11% reduction – based upon a small number of sales
Average \$/sq.ft.	\$855/sq.ft.	\$642/sq.ft.	Very high demand in 07 w/2 sales over \$1100/sq.ft. = high overall \$/sq.ft. In 08 only half of sales reported square footage, so figure may be unreliable
Avg Days on Mkt	21 days	51 days	Very hot market in 2007; slowing in 2008 (may be quality of inventory issue)
% of Home Sales Pending within 30 days	91% at an average of 110% of List Price	33% at an avg of 106.2% of LP	In 2007 the figure is unusually high – 91% selling very quickly, averaging 10% over asking – a sign of very high demand and low supply
<u>3 Bedroom Potrero SFD Sales</u>	14	8	Sample size is small, so changes may not be indicative of definitive trends
Median Sales Price	\$1,225,000	\$1,000,000	In 2007 8 sales over \$1.2m; in 2008 only 1 over \$1.2m. Half the sales in 2008 were described as “fixers” or “tenant occupied”
Average \$/sq.ft.	\$667/sq.ft.	\$547/sq.ft.	18% reduction – but with so few sales, may not be indicative of actual trends
Avg Days on Mkt	50 days	49 days	No real change
% of Home Sales Pending within 30 days	50% at an average of 110% of List Price	25% at an avg of 96.7% of LP	Major shift in how fast the houses sold and at what percentage of list price – but again, the sample size of sales is quite small
<u>Supply/ Inventory: Bernal SFD</u>	1.8 months	3.2 months	In Bernal, very low inventory supply in 2007; moderately low in 2008. In Potrero, MSI is higher, but still moderate. MSI stats as of August of 07 or 08
<u>Supply/Inventory: Potrero SFD</u>	4.3 months	5.0 months	

All data from sources deemed reliable, but not guaranteed and may contain errors and omissions. Average and median figures are generalities, sometimes affected by “unusual” events, and do not necessarily pertain to specific properties or changes in value for specific properties. Small percentage changes may not be statistically relevant.

For more detailed information on the current market, please contact me.

