Bay Area Housing Affordability

Per California Association of Realtors
Housing Affordability Index (HAI)
Q3 2019 Update, Published November 2019

Bay Area housing affordability percentages ticked up considerably in Q3 2019 as compared to Q3 2018.

Generally stabilizing or slightly declining median home prices, plus increasing median household incomes and dramatically falling interest rates = a jump in year-over-year housing affordability.

The CA Association of Realtors Housing Affordability Index estimates the percentage of households who can afford to buy a median priced HOUSE with a 20% down-payment, at prevailing fixed 30-year interest rates, with associated housing expenses such at taxes and insurance. Counties contain cities, and cities contain neighborhoods of widely varying values, market conditions and affluence.

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https://www.car.org/marketdata/data/haimethodology. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate. SF condo figures calculated by Compass using CAR percentages proportional to published median sales prices.

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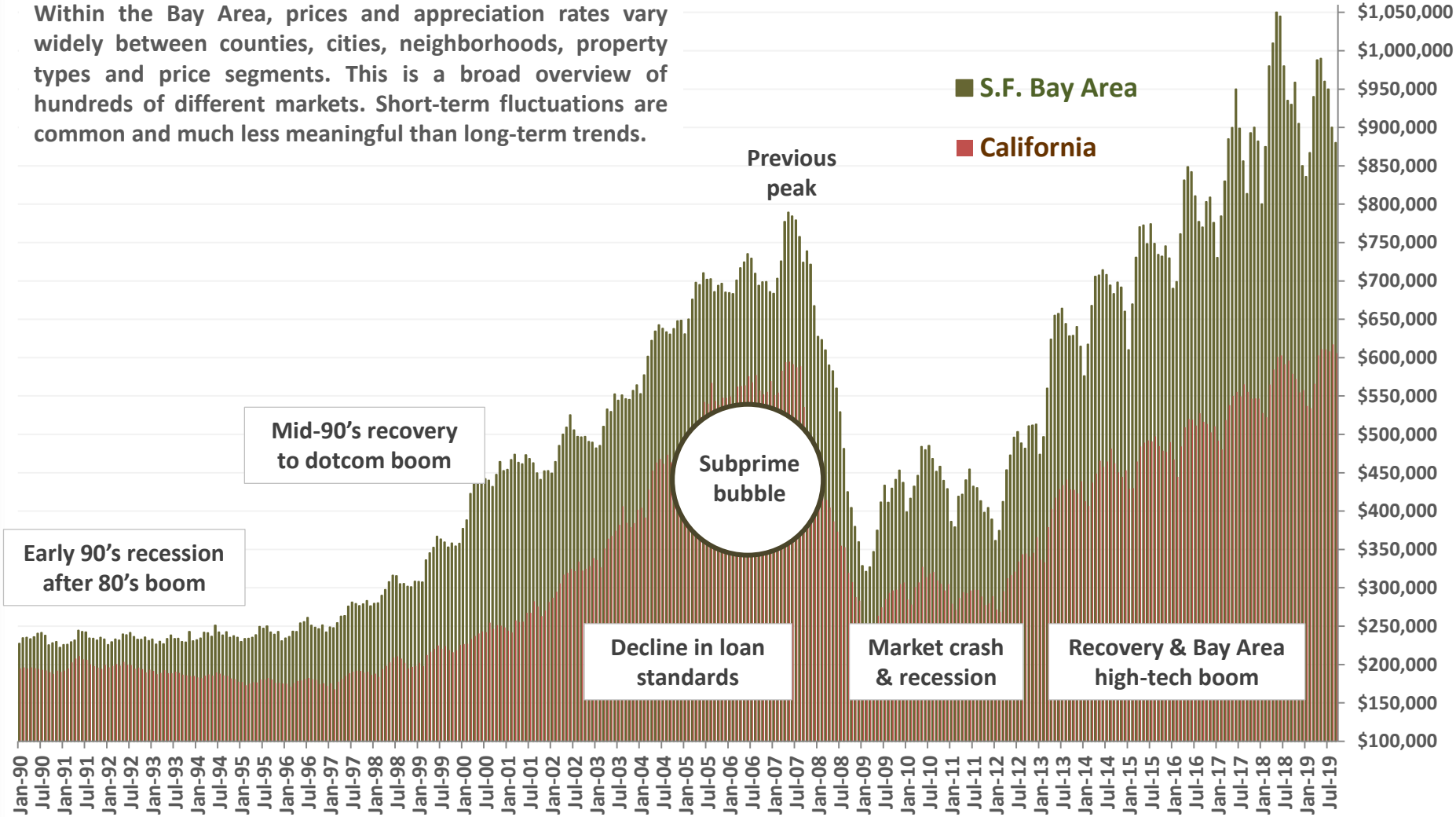
Bay Area Home Price Appreciation

Median House Sales Prices, 1990 - Present

Median sales prices for existing houses, 9 Bay Area Counties, per CA Association of Realtors

Within the Bay Area, prices and appreciation rates vary widely between counties, cities, neighborhoods, property types and price segments. This is a broad overview of hundreds of different markets. Short-term fluctuations are common and much less meaningful than long-term trends.



Updated through 9/30/19. *Monthly* median sales prices for "existing" houses since 1990 by month, per CA Association of Realtors. May contain errors and subject to revision. All numbers are approximate.

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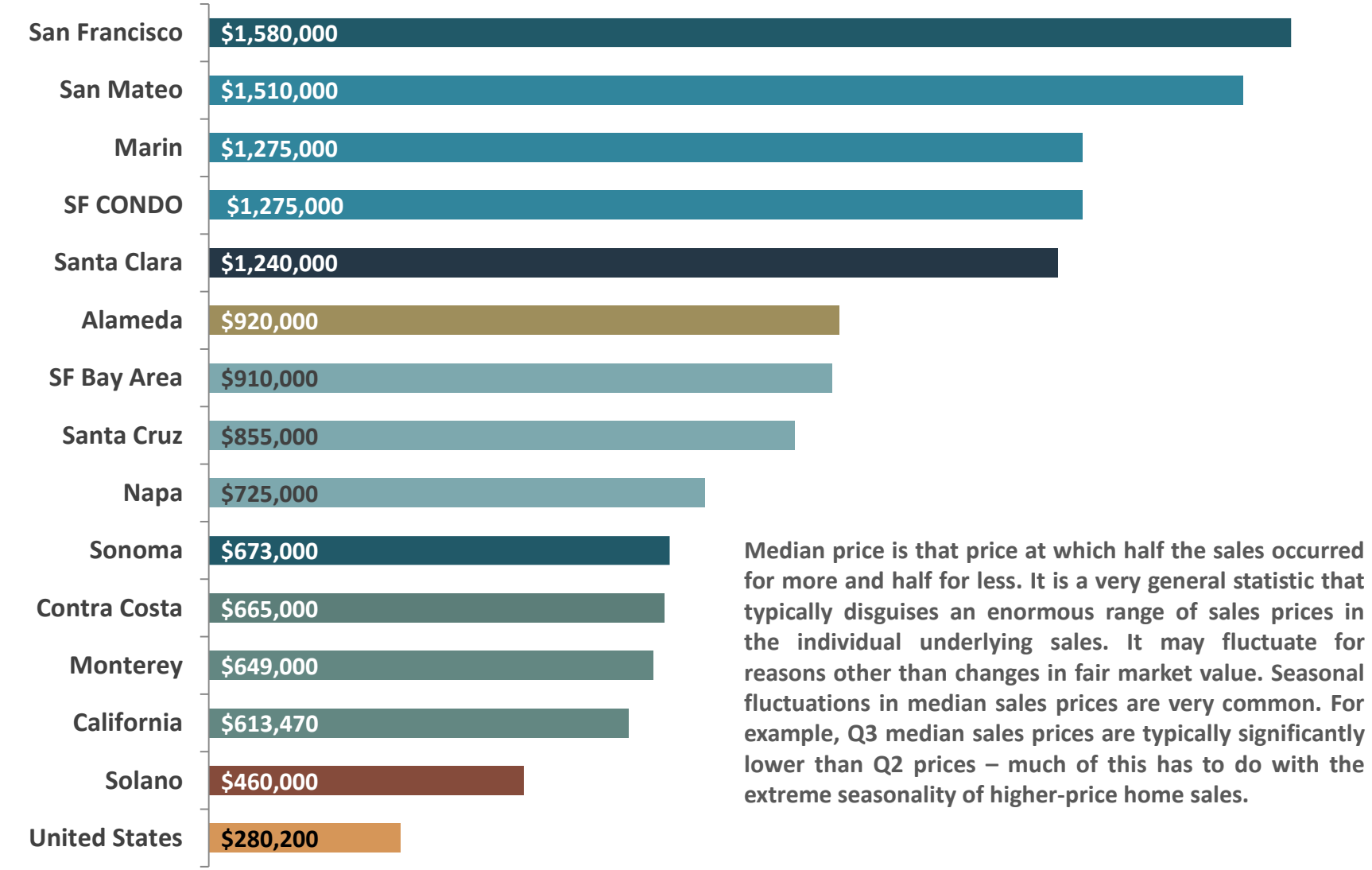
Median House Sales Prices

by Bay Area County, Q3 2019

Approximate numbers, per CAR Housing Affordability Index calculations



Median price is that price at which half the sales occurred for more and half for less. It is a very general statistic that typically disguises an enormous range of sales prices in the individual underlying sales. It may fluctuate for reasons other than changes in fair market value. Seasonal fluctuations in median sales prices are very common. For example, Q3 median sales prices are typically significantly lower than Q2 prices – much of this has to do with the extreme seasonality of higher-price home sales.

Data per California Association of Realtors: "C.A.R.'s Traditional Housing Affordability Index (HAI). Methodology can be found on www.CAR.org, Market Data section. SF condo median sales price calculated per MLS sales data.

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Percentage of Households Able to Afford Median Priced House

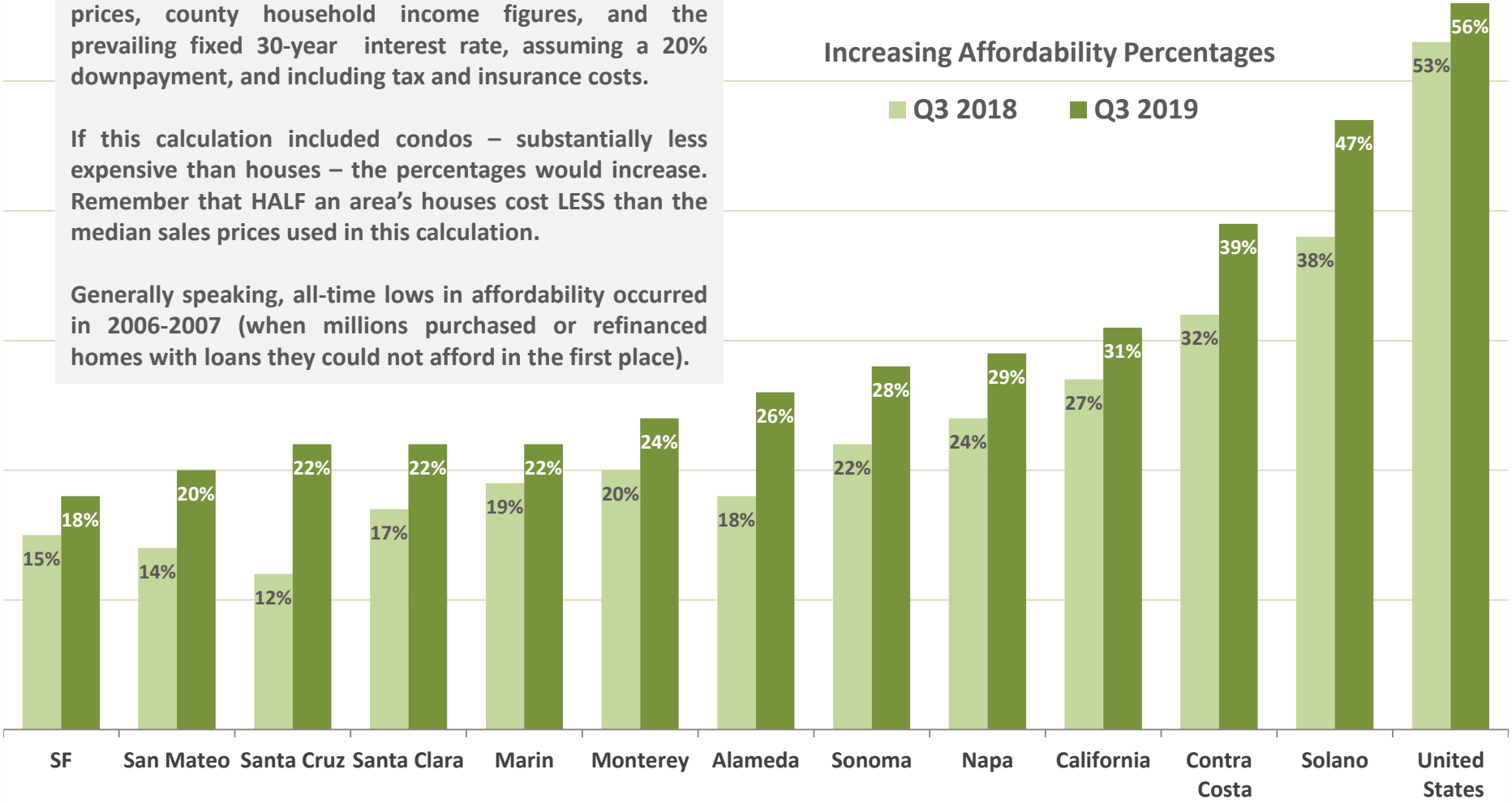
by Bay Area County, Q3 2018 vs. Q3 2019

Per CAR Housing Affordability Index

This statistic is calculated using Q3 median house sales prices, county household income figures, and the prevailing fixed 30-year interest rate, assuming a 20% downpayment, and including tax and insurance costs.

If this calculation included condos – substantially less expensive than houses – the percentages would increase. Remember that HALF an area's houses cost LESS than the median sales prices used in this calculation.

Generally speaking, all-time lows in affordability occurred in 2006-2007 (when millions purchased or refinanced homes with loans they could not afford in the first place).



Calculation per California Association of Realtors: C.A.R.'s Traditional Housing Affordability Index (HAI). Methodology can be found on www.CAR.org, Market Data section.

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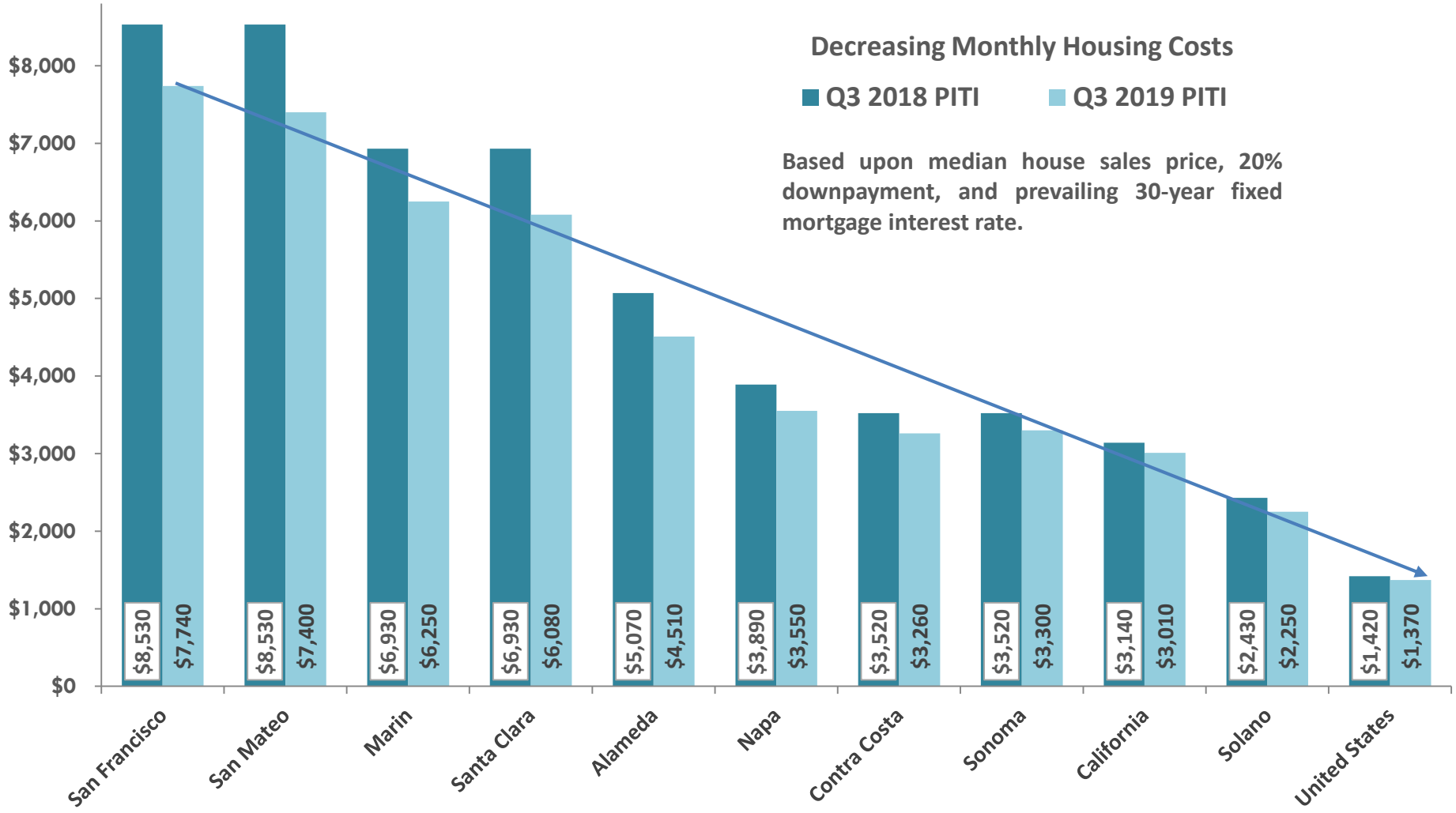
Monthly Housing Costs at Median House Sales Price

Principal, Interest, Taxes & Insurance (PITI): Q3 2018 vs. Q3 2019

Per CAR Housing Affordability Index



Calculation per California Association of Realtors: "C.A.R.'s Traditional Housing Affordability Index (HAI). Methodology can be found on www.CAR.org, Market Data section. SF number calculated by Compass. All numbers should be considered approximate, and subject to possible error and revision.

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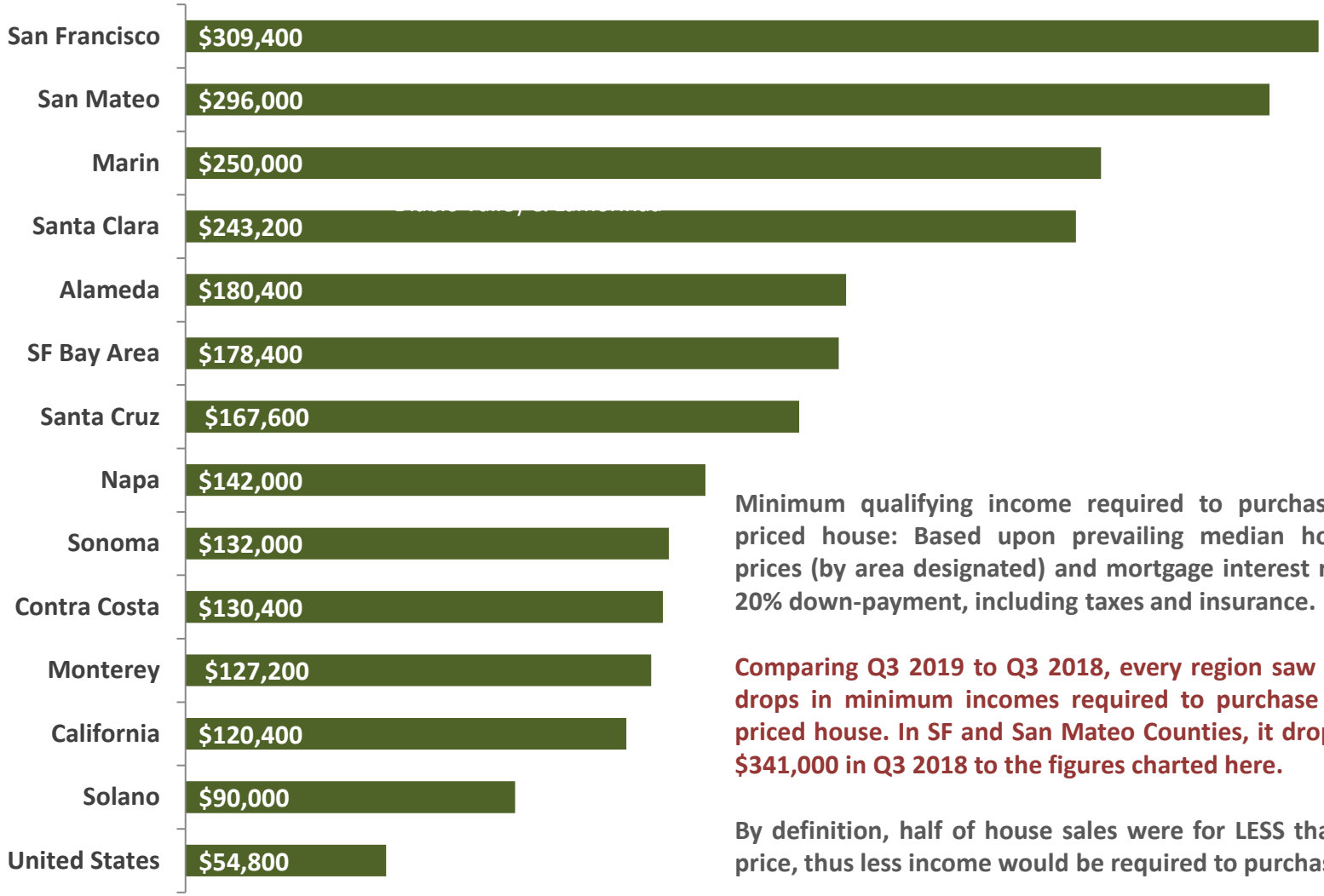
Minimum Qualifying Income to Purchase

Median Sales Priced House, by Bay Area County, Q3 2019

Per CAR Housing Affordability Index, incl. taxes & insurance.



Minimum qualifying income required to purchase median priced house: Based upon prevailing median house sales prices (by area designated) and mortgage interest rates, with 20% down-payment, including taxes and insurance.

Comparing Q3 2019 to Q3 2018, every region saw significant drops in minimum incomes required to purchase a median priced house. In SF and San Mateo Counties, it dropped from $341,000 in Q3 2018 to the figures charted here.

By definition, half of house sales were for LESS than median price, thus less income would be required to purchase them.

Data per California Association of Realtors: "C.A.R.'s Traditional Housing Affordability Index (HAI). Methodology can be found on www.CAR.org, Market Data section. SF condo figure calculated by Compass using CAR methodology percentages. All numbers are approximate.

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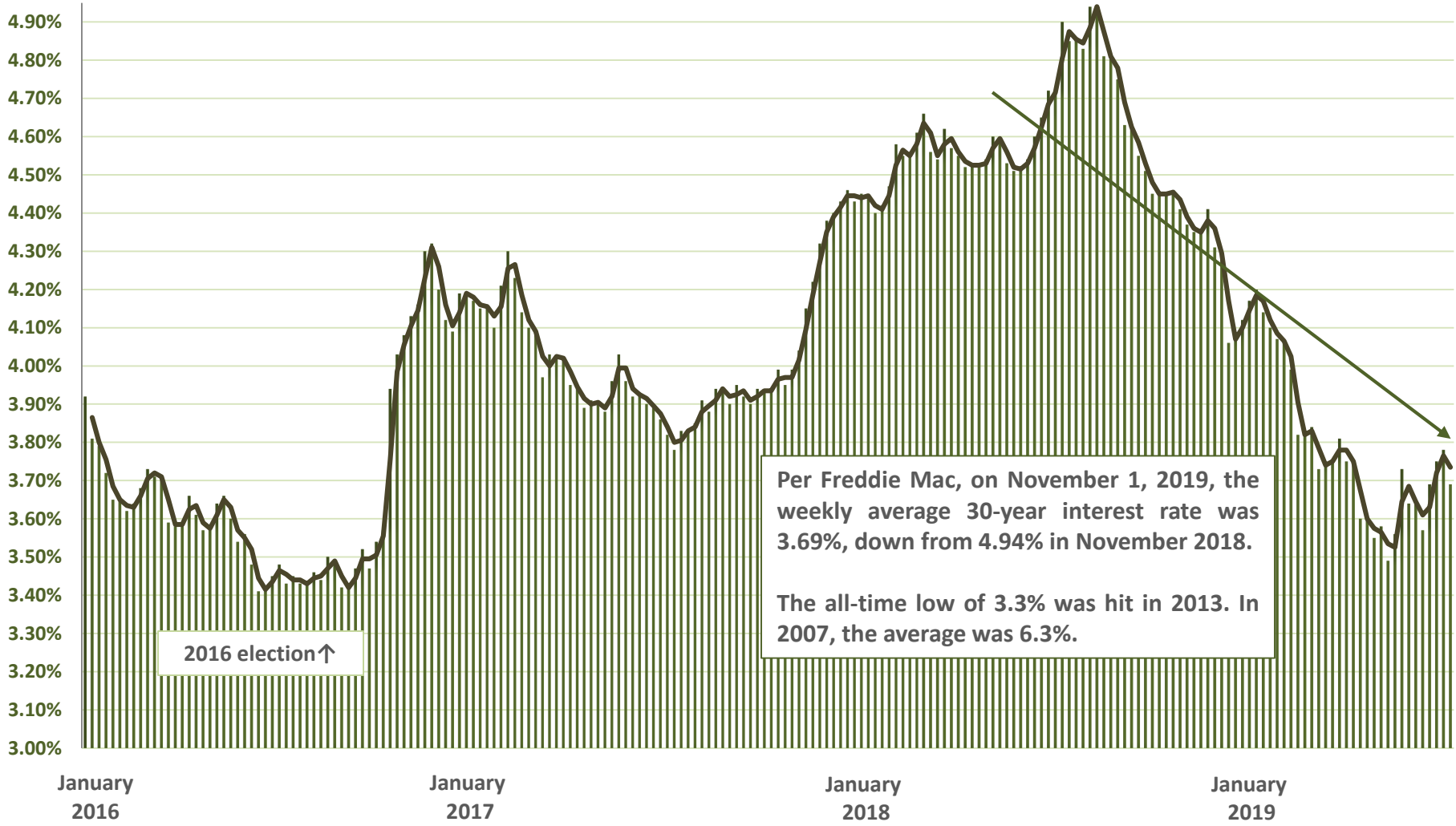
Mortgage Interest Rate Trends, 2016 – 2019

30-Year Conforming Loans, Weekly Average Readings

Rates published by the FHLMC,
January 7, 2016 – November 1, 2019



Interest rates may fluctuate suddenly and dramatically, and it is very difficult to predict rate changes. Data from sources deemed reliable but not guaranteed. Anyone interested in residential home loans should consult with a qualified mortgage professional and their accountant.

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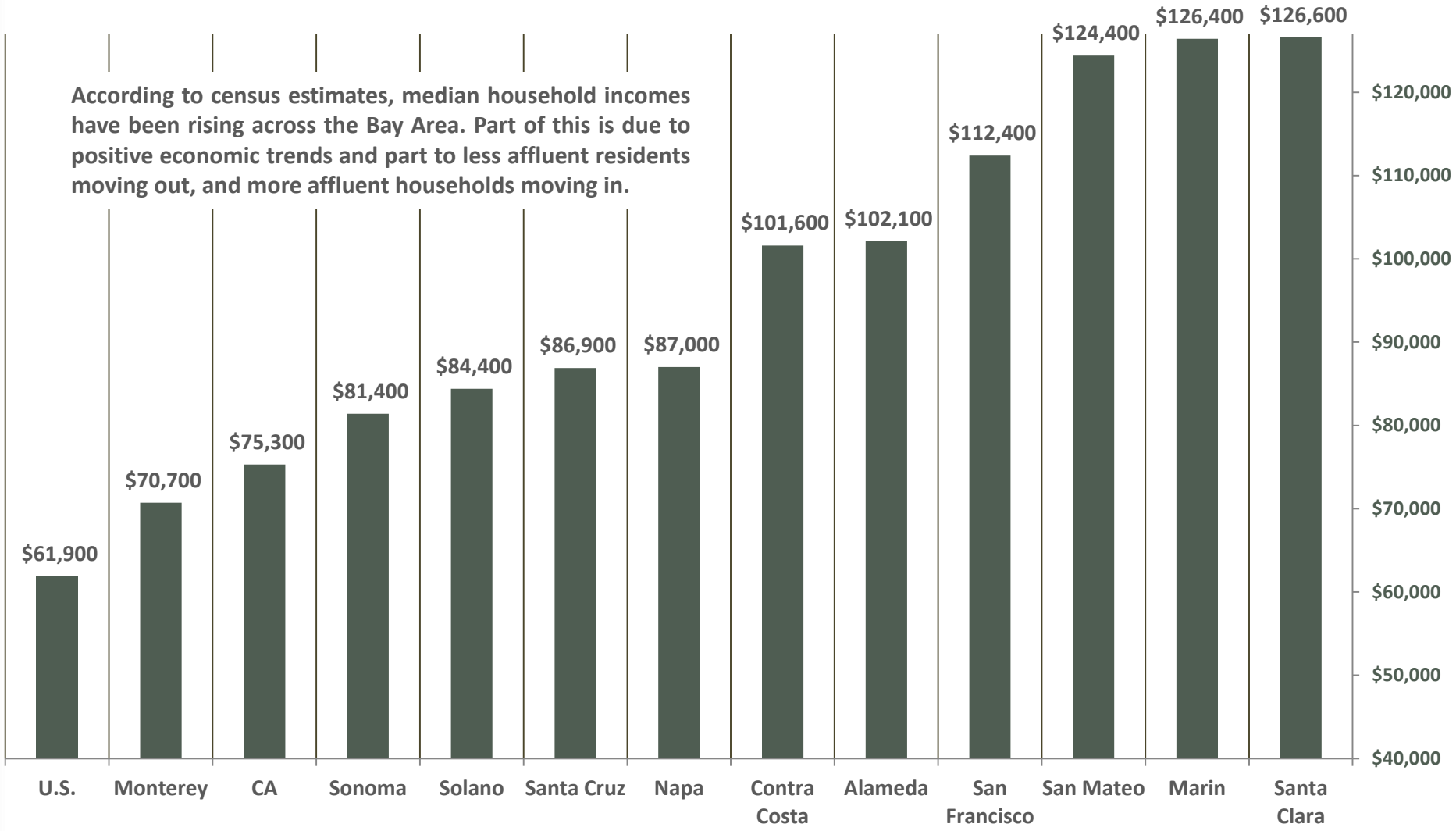
Median Household Income

by Bay Area County, 2018 U.S. Census Estimates

Per U.S. Census ACS 1-year estimates



These analyses were performed in good faith with data derived from sources deemed reliable, but may contain errors and are subject to revision. All numbers should be considered approximate.

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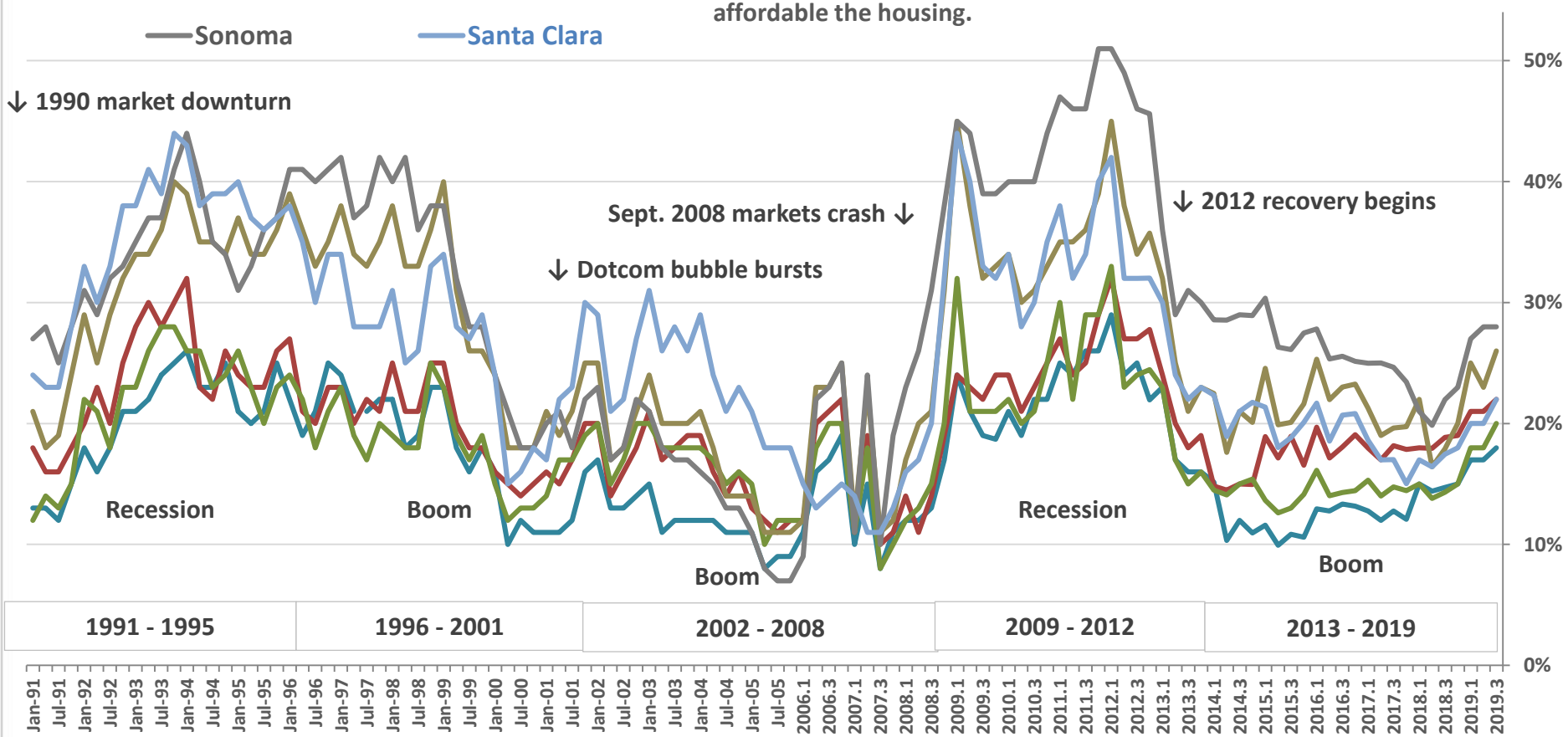
Bay Area Housing Affordability Trends

Selected Bay Area Counties, 1991 – Q3 2019

Per CAR Housing Affordability Index

The Housing Affordability Index measures the percentage of households that can afford to buy the median priced house. The big factors are median sales price, mortgage interest rates, and household income distribution. The lower the percentage, the less affordable the housing.



Data from sources deemed reliable, but may contain errors and subject to revision. The methodology for CAR Housing Affordability Index calculations can be found here: https://www.car.org/en/marketdata/data/haimethodology

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Bay Area Median House Sales Prices*

By City, Region & Selected Neighborhood, Reflecting 12 Months Sales through Mid-Late Spring 2019

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$400,000 - $500,000	
Vallejo	$ 415,000
Pittsburg	$ 450,000
Vacaville	$ 450,000
Antioch	$ 460,000
San Pablo	$ 460,000
Fairfield	$ 460,000
South Oakland	$ 480,000
Russian River	$ 490,000
$500,000 - $750,000	
American Canyon	$ 525,000
Richmond	$ 545,000
Cloverdale	$ 565,000
Fruitvale (Oak)	$ 580,000
Rohnert Park	$ 600,000
Watsonville	$602,000
Concord	$ 620,000
Cotati	$ 625,000
Santa Rosa SE	$ 635,000
Martinez	$ 635,000
Windsor	$ 650,000
Petaluma East	$ 670,000
Santa Rosa NE	$ 675,000
San Leandro	$ 698,000
Napa (city of)	$ 705,000
Hayward	$ 710,000
Oakmont	$ 725,000
$750,000 - $1 Million	
Sonoma (city of)	$ 750,000
Glen Ellen	$ 750,000

Calistoga	$ 750,000
Alum Rock (S.J.)	$ 775,000
Healdsburg	$ 780,000
Gilroy	$ 789,000
Sebastopol	$ 800,000
Oakland - All	$ 800,000
Petaluma West	$ 820,000
Pleasant Hill	$ 820,000
NOBE (Oak)	$ 820,000
South San Jose	$ 825,000
Livermore	$ 830,000
Clayton	$ 840,000
Monterey	$850,000
San Geronimo Valley	$ 850,000
Sea Ranch	$ 870,000
Castro Valley	$ 870,000
Bayview (SF)	$ 912,500
Newark	$ 930,000
El Cerrito	$ 935,000
Fairfax	$ 950,000
Novato	$ 950,000
Dillon Beach	$ 950,000
Union City	$ 950,000
Kenwood	$ 975,000
Penngrove	$ 980,000
Bodega Bay	$ 995,000
East Palo Alto	$ 995,000
$1m - $1.25 Million	
Santa Cruz	$1,012,000
Albany	$1,020,000

Aptos	$1,025,000
Blossom Valley (S.J.)	$1,025,000
Central San Jose	$1,030,000
Daly City	$1,045,000
Morgan Hill	$1,050,000
Scotts Valley	$1,052,000
Moss Beach	$1,075,000
Dublin	$1,080,000
Point Richmond	$1,080,000
North San Rafael	$1,100,000
South San Francisco	$1,100,000
Pacifica	$1,100,000
Excelsior (SF)	$1,100,000
Alameda (city of)	$1,112,500
Walnut Creek	$1,140,000
San Jose - All	$1,145,000
Milpitas	$1,150,000
Berryessa (S.J.)	$1,150,000
Central Berkeley	$1,150,000
Fremont	$1,185,000
Yountville	$1,195,000
San Bruno	$1,200,000
Brisbane	$1,200,000
San Ramon	$1,200,000
Evergreen (S.J.)	$1,220,000
Pleasanton	$1,235,000
Montclair (Oak)	$1,235,000
$1.25m - $1.5 Million	
Montara	$1,250,000
Kensington	$1,250,000

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San Anselmo	$1,275,000
Cambrian (S.J.)	$1,280,000
St. Helena	$1,300,000
Berkeley - All	$1,300,000
Central San Rafael	$1,325,000
Danville	$1,350,000
Moraga	$1,387,000
Berkeley Hills	$1,395,000
Santa Clara (city of)	$1,400,000
Half Moon Bay	$1,425,000
Lakeshore (Oak)	$1,432,000
Campbell	$1,450,000
Willow Glen (S.J.)	$1,465,000
Sunset District (SF)	$1,475,000
$1.5m - $2 Million	
Bernal Heights (SF)	$1,500,000
Orinda	$1,532,000
Corte Madera	$1,550,000
Lafayette	$1,550,000
Alamaden Valley (S.J.)	$1,595,000
San Mateo (city of)	$1,600,000
San Francisco - All	$1,600,000

Rockridge (Oak)	$1,645,000
Redwood City	$1,650,000
Mill Valley	$1,675,000
Greenbrae	$1,695,000
Blackhawk	$1,700,000
Alamo	$1,740,000
Millbrae	$1,767,000
Diablo	$1,775,000
Larkspur	$1,800,000
Sunnyvale	$1,800,000
Foster City	$1,800,000
Belmont	$1,800,000
Richmond District (SF)	$1,800,000
Carmel	$1,850,000
Claremont Hills (Berk)	$1,900,000
San Carlos	$1,950,000
$2m - $3 Million	
Sausalito	$2,000,000
Redwood Shores	$2,015,000
Mountain View	$2,250,000
Noe Valley (SF)	$2,300,000
Piedmont	$2,300,000

Kentfield	$2,350,000
Cupertino	$2,350,000
Burlingame	$2,350,000
Stinson Beach	$2,375,000
Ross	$2,425,000
Los Gatos/M. Sereno	$2,475,000
Menlo Park	$2,550,000
Tiburon	$2,625,000
St. Francis Wood (SF)	$2,750,000
Saratoga	$2,820,000
$3m - $5 Million	
Woodside	$3,050,000
Palo Alto	$3,100,000
Belvedere	$3,200,000
Los Altos	$3,300,000
Portola Valley	$3,340,000
Hillsborough	$4,200,000
Los Altos Hills	$4,675,000
$5 Million+	
Pacific Heights (SF)	$5,200,000
Atherton	$6,600,000

* **How a median sales price applies to any individual home is impossible to say without a specific comparative market analysis.** Median sales price is that price at which half the sales occurred for more and half for less: It is a huge generality that disguises an enormous range of sales prices in the underlying sales. These median house sales prices reflect sales occurring in the 12 months through mid-late spring 2019. Median sales prices often fluctuate for reasons other than changes in fair market value, and altering the period of the sales being measured, even by a month or two, will often change the median sales price for a city or neighborhood - sometimes significantly. Median sales prices in Sonoma and Napa Counties were for those houses on lots of 2 acres or less. When the MLS system for the county broke out "detached" houses, the analysis was limited to such. This analysis was performed in good faith with data deemed reliable but may contain errors and subject to revision. **All numbers to be considered approximate.**

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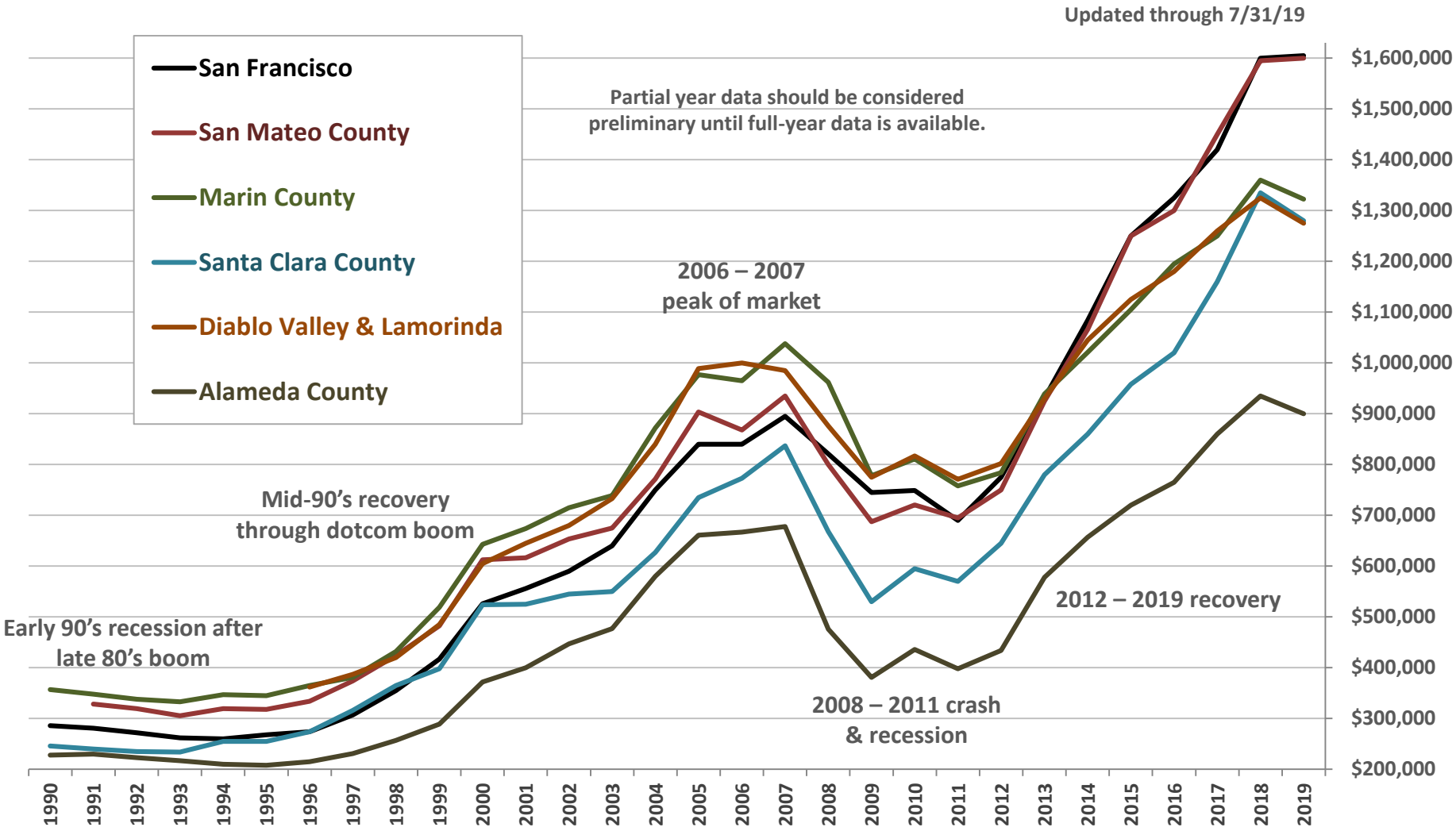
Annual Median Bay Area House Sales Prices

Single Family Home Sales, 1990 – 2019 [7/31/19]

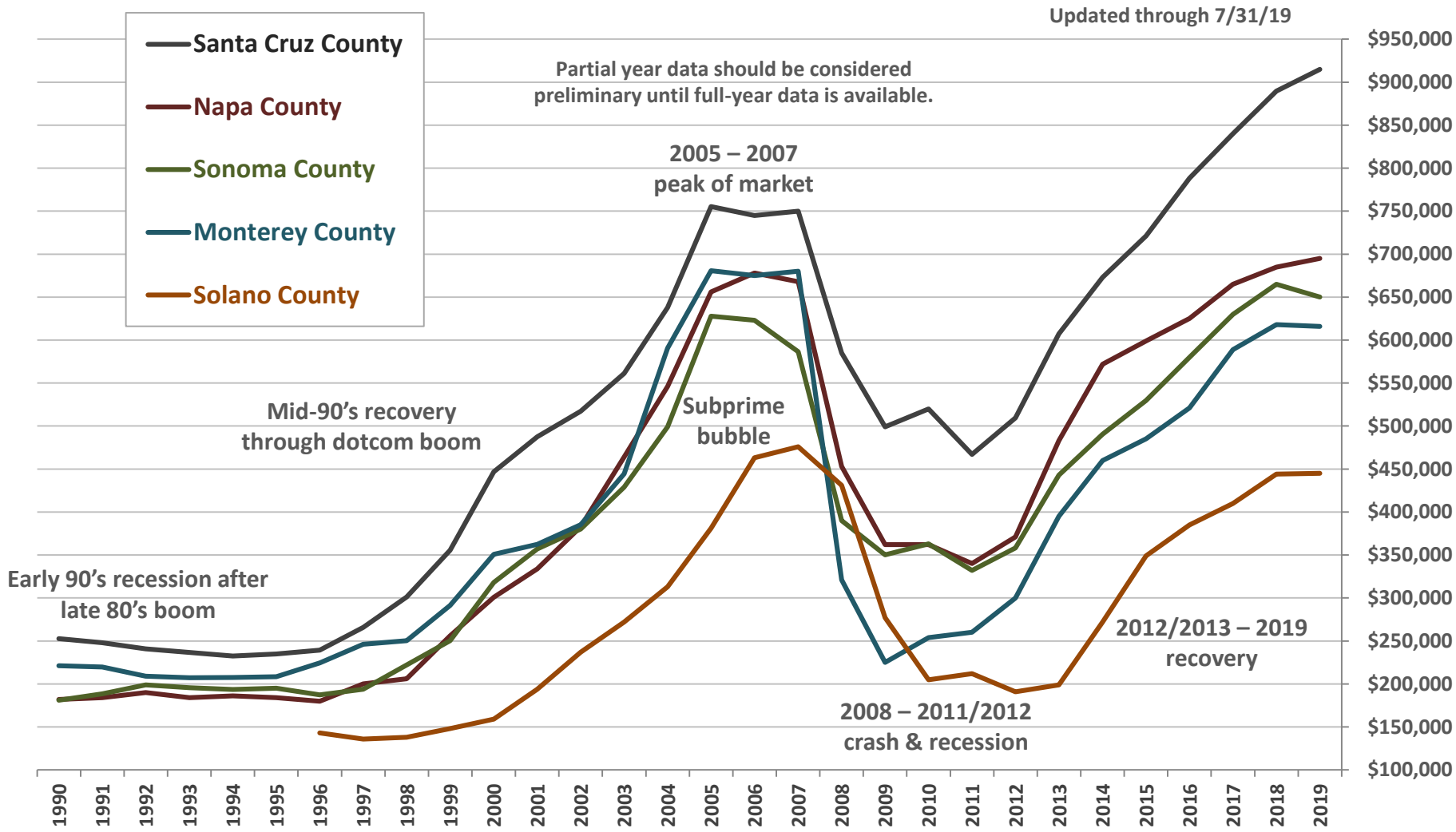


Median prices disguise an enormous variety of prices in the underlying individual sales. Data from the California Associations of Realtors Annual Historical Data Summary and local MLS associations. Deemed reliable but may contain errors and is subject to revision. All numbers are approximate.

COMPASS

Annual Median Bay Area House Sales Prices

Single Family Home Sales, 1990 – 2019 [7/31/19]



Median prices disguise an enormous variety of prices in the underlying individual sales. Data from the California Associations of Realtors Annual Historical Data Summary and local MLS associations. Deemed reliable but may contain errors and is subject to revision. All numbers are approximate.

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National Housing Affordability Index

by Metro Statistical Area (MSA)

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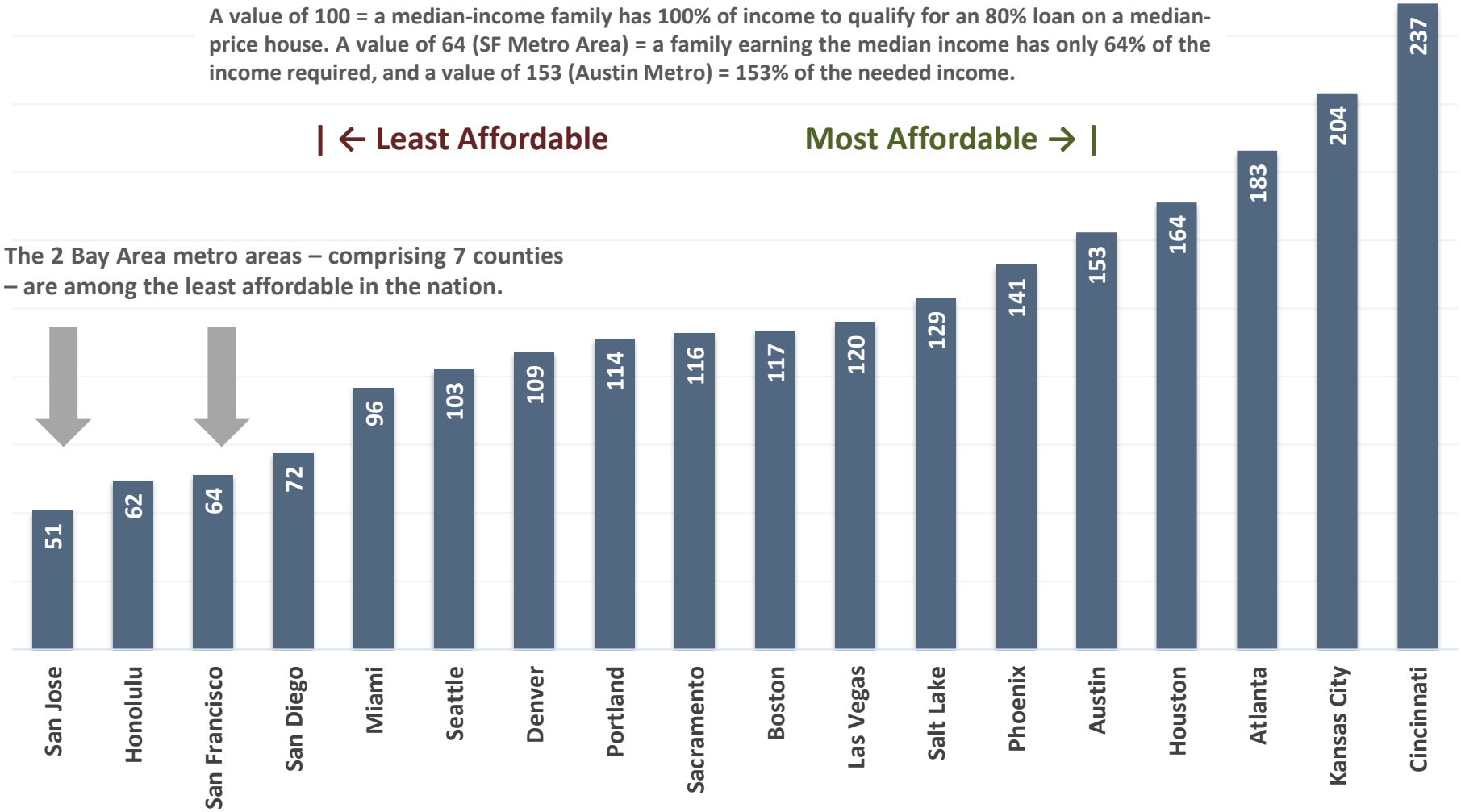
A value of 100 = a median-income family has 100% of income to qualify for an 80% loan on a median-price house. A value of 64 (SF Metro Area) = a family earning the median income has only 64% of the income required, and a value of 153 (Austin Metro) = 153% of the needed income.



Metro statistical areas often encompass large areas: the SF MSA includes Alameda, Contra Costa, San Mateo, Marin and San Francisco Counties.

2018 preliminary measurements: 20% downpayment on median-price existing single family dwelling at prevailing loan rates; principal & interest cannot equal more than 25% of median family income. Index methodology: www.nar.realtor/topics/housing-affordability-index

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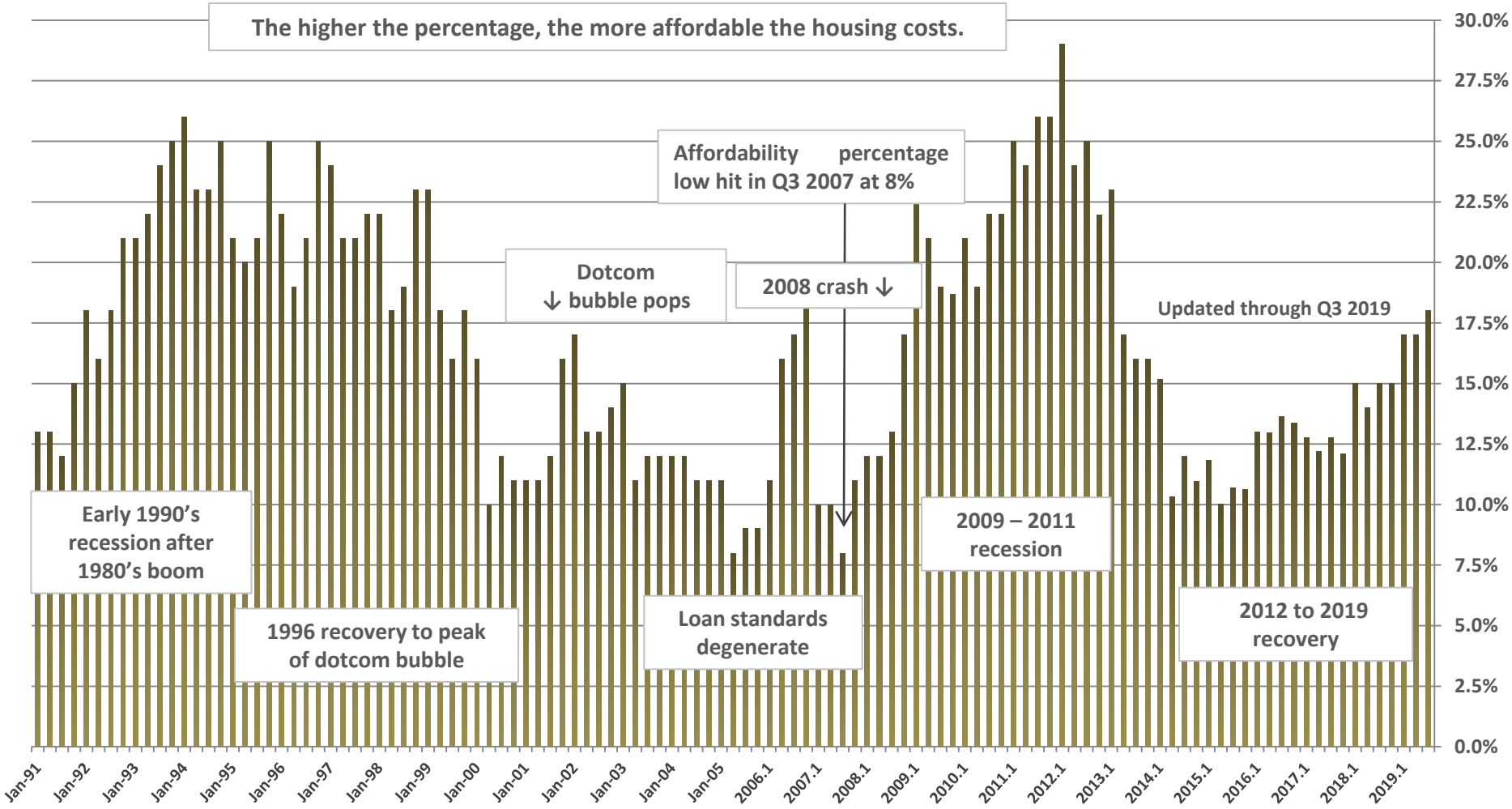
San Francisco Housing Affordability Index since 1991

Percentage of Households Able to Afford Median Price House, Using Estimated Monthly Housing Costs (PITI), at Prevailing Interest Rates & HH Income Distribution Figures

Per CAR Housing Affordability Index:
January or quarterly readings



Data per California Association of Realtors: "C.A.R.'s Traditional Housing Affordability Index (HAI) measures the percentage of households that can afford to purchase the median priced home ...based on traditional assumptions."

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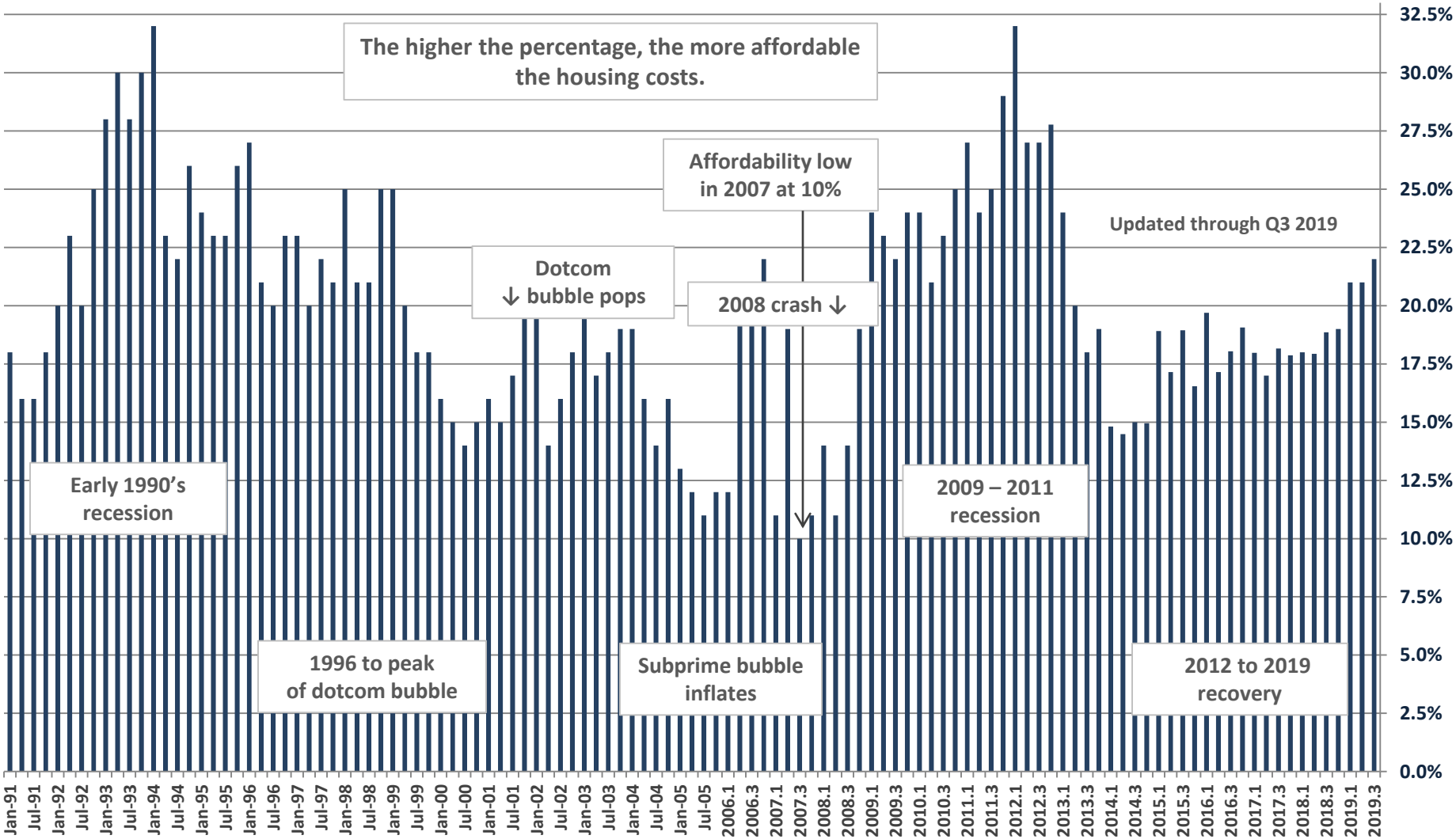
Marin County Housing Affordability Index since 1991

Percentage of Households Able to Afford Median Price House, Using Estimated Monthly Housing Costs (PITI), at Prevailing Interest Rates & HH Income Distribution Figures

Per CAR Housing Affordability Index:
January or quarterly readings



Data per California Association of Realtors: "C.A.R.'s Traditional Housing Affordability Index (HAI) measures the percentage of households that can afford to purchase the median priced home ...based on traditional assumptions."

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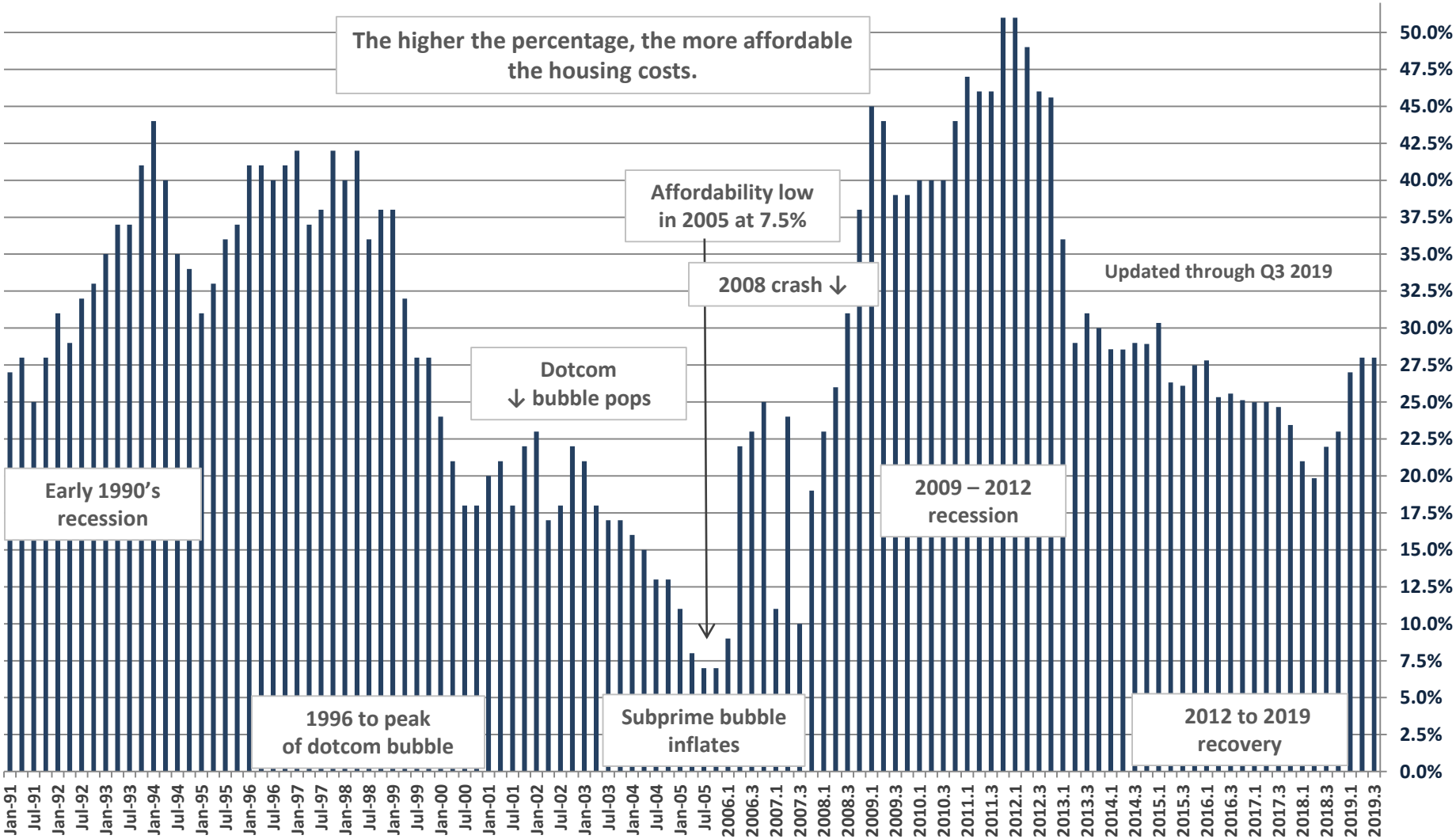
Sonoma County Housing Affordability Index since 1991

Percentage of Households Able to Afford Median Price House, Using Estimated Monthly Housing Costs (PITI), at Prevailing Interest Rates & HH Income Distribution Figures

Per CAR Housing Affordability Index:
January or quarterly readings



Data per California Association of Realtors: "C.A.R.'s Traditional Housing Affordability Index (HAI) measures the percentage of households that can afford to purchase the median priced home ...based on traditional assumptions."

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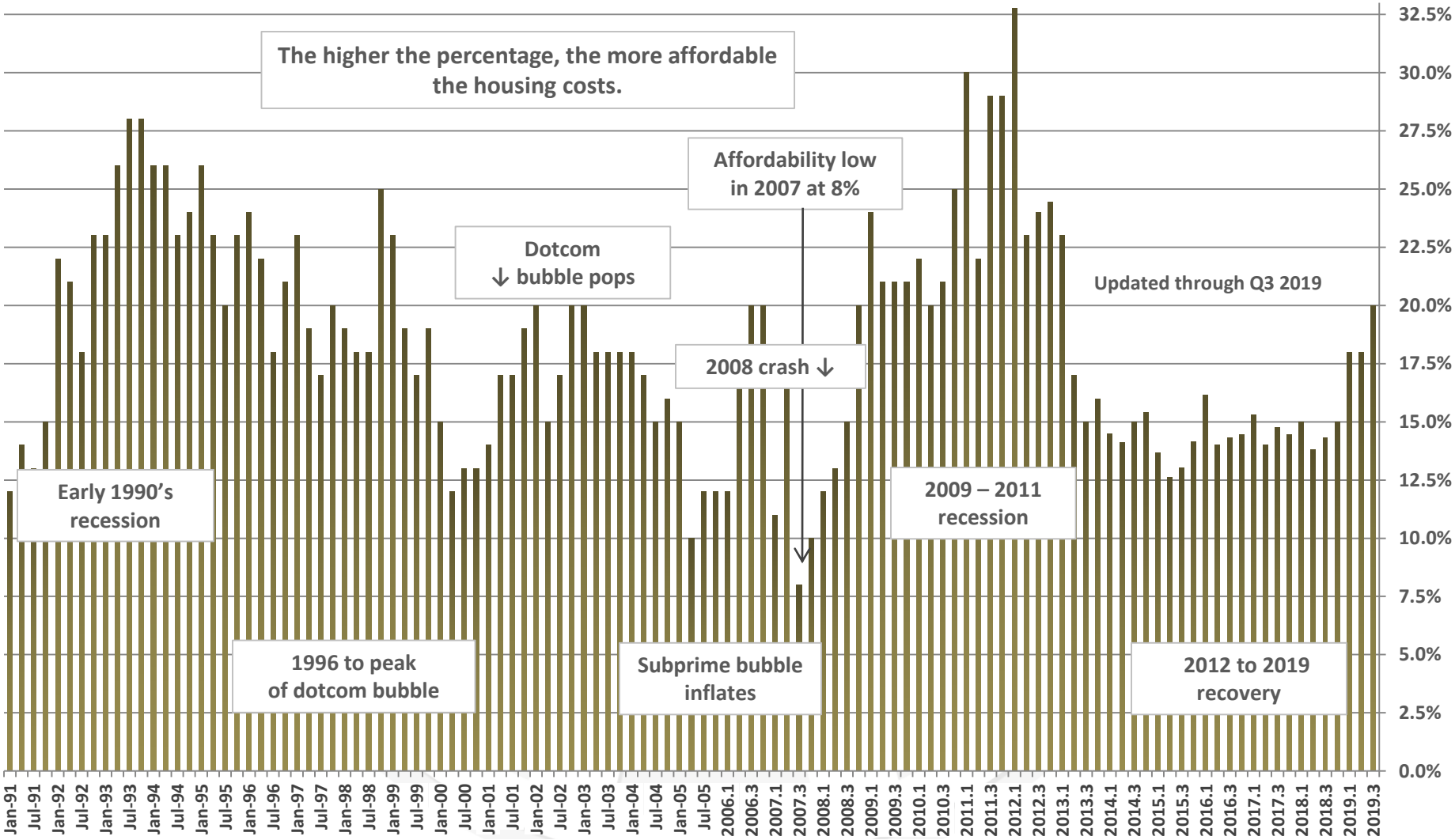
San Mateo County Housing Affordability Index since 1991

Percentage of Households Able to Afford Median Price House, Using Estimated Monthly Housing Costs (PITI), at Prevailing Interest Rates & HH Income Distribution Figures

Per CAR Housing Affordability Index:
January or quarterly readings



Data per California Association of Realtors: "C.A.R.'s Traditional Housing Affordability Index (HAI) measures the percentage of households that can afford to purchase the median priced home ...based on traditional assumptions."

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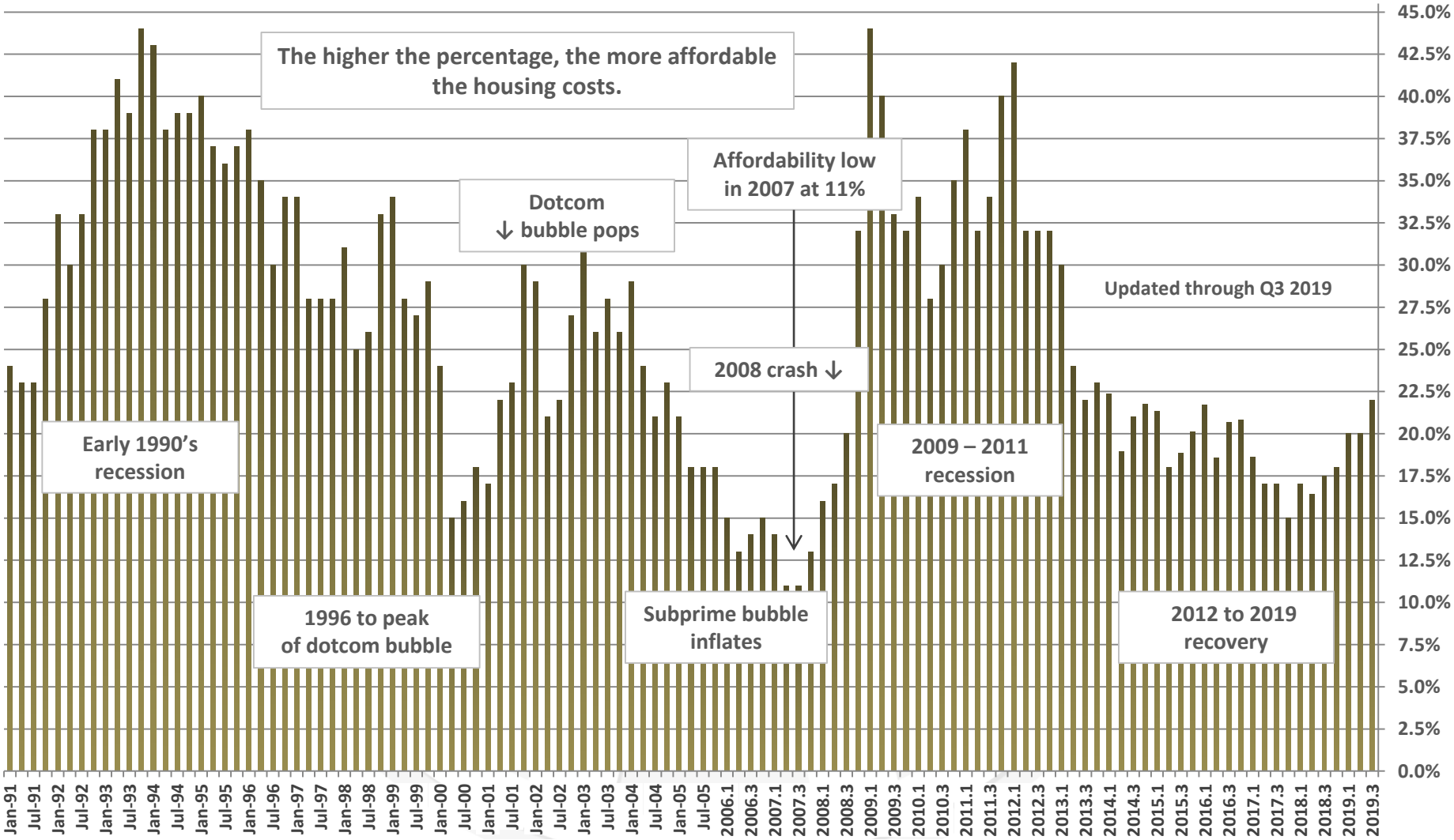
Santa Clara County Housing Affordability Index since 1991

Percentage of Households Able to Afford Median Price House, Using Estimated Monthly Housing Costs (PITI), at Prevailing Interest Rates & HH Income Distribution Figures

Per CAR Housing Affordability Index:
January or quarterly readings



Data per California Association of Realtors: "C.A.R.'s Traditional Housing Affordability Index (HAI) measures the percentage of households that can afford to purchase the median priced home ...based on traditional assumptions."

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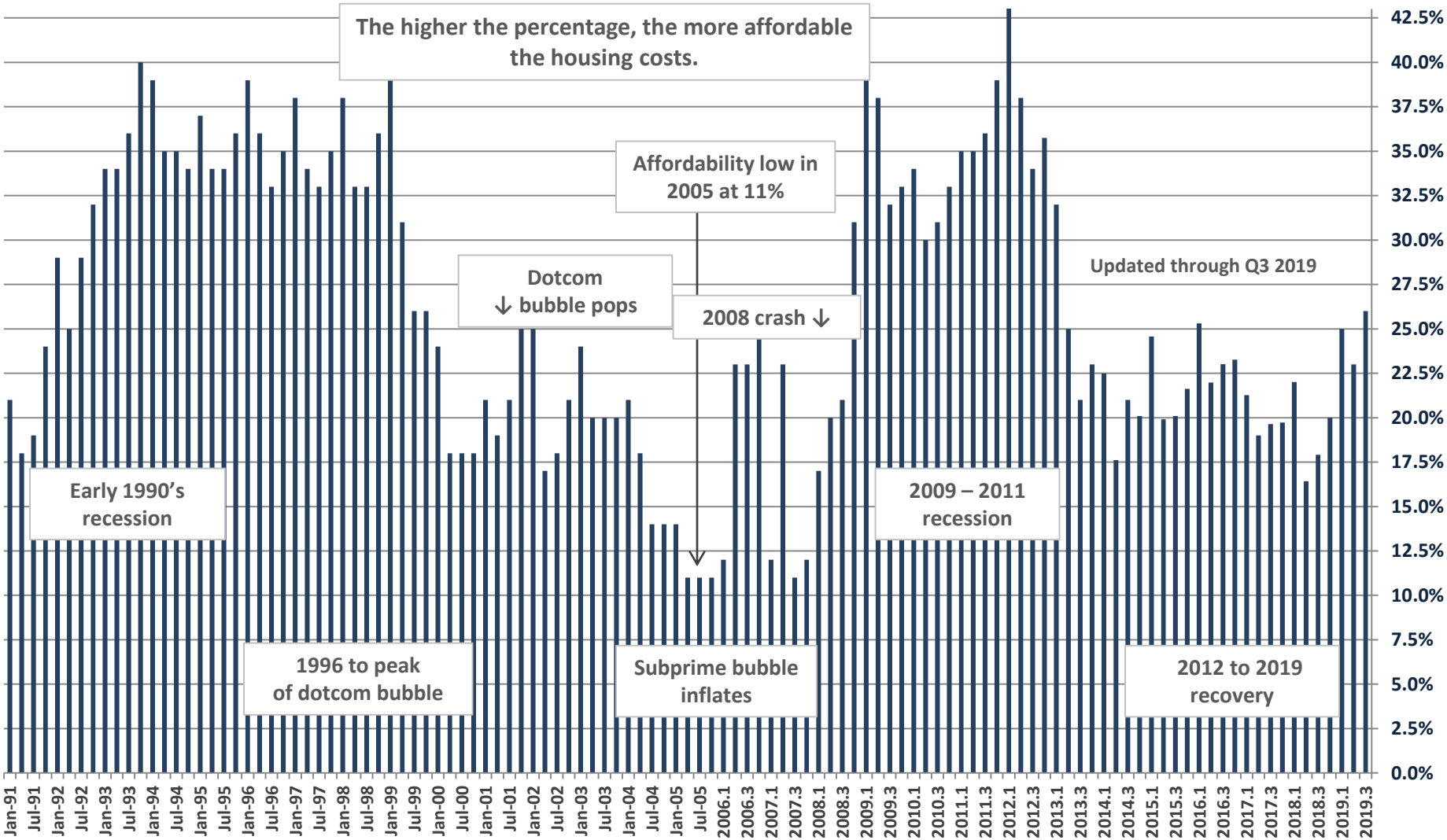
Alameda County Housing Affordability Index since 1991

Percentage of Households Able to Afford Median Price House, Using Estimated Monthly Housing Costs (PITI), at Prevailing Interest Rates & HH Income Distribution Figures

Per CAR Housing Affordability Index:
January or quarterly readings



Data per California Association of Realtors: "C.A.R.'s Traditional Housing Affordability Index (HAI) measures the percentage of households that can afford to purchase the median priced home ...based on traditional assumptions."

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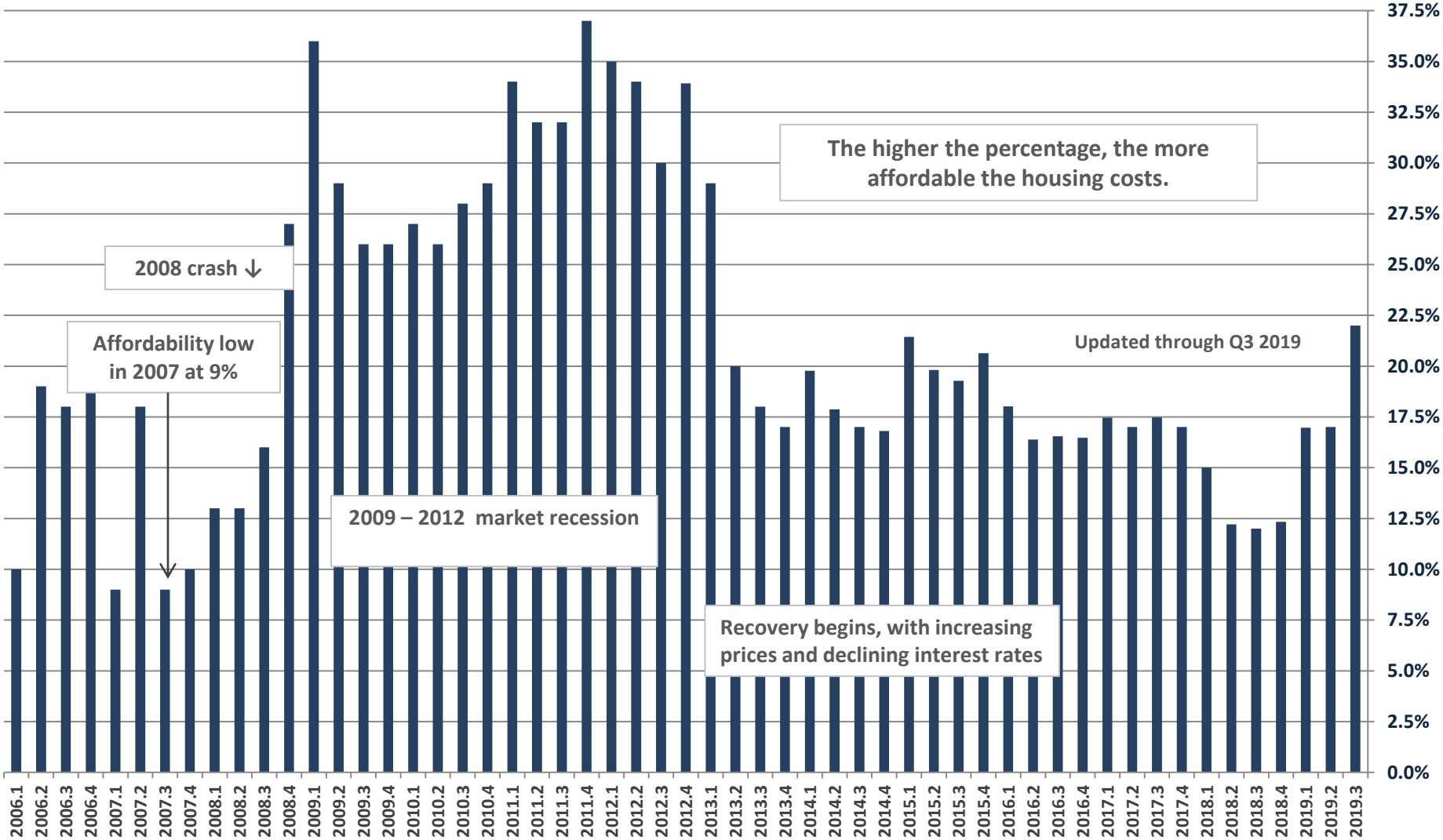
Santa Cruz County Housing Affordability Index since 2006

Percentage of Households Able to Afford Median Price House, Using Estimated Monthly Housing Costs (PITI), at Prevailing Interest Rates & HH Income Distribution Figures

Per CAR Housing Affordability Index:
January or quarterly readings



Data per California Association of Realtors: "C.A.R.'s Traditional Housing Affordability Index (HAI) measures the percentage of households that can afford to purchase the median priced home ...based on traditional assumptions."

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Per California Association of Realtors Housing Affordability Index (HAI):

https://www.car.org/marketdata/data/haitraditional
https://www.car.org/marketdata/data/haimethodology

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