SAN FRANCISCO MARKET UPDATE FEBRUARY 2016

SOLID ECONOMIC INDICATORS

The first month of the year saw continued upward pressure on pricing, despite headwinds in the international economy. The Citywide January 2016 median price grew 16% year-over-year, while sales volume decreased slightly, by eight-percent. As expected, inventory levels have increased substantially, rising about eighty-percent versus the first week of January. This dramatic rise in inventory is partly accounted for by a relisting of properties which did not sell in Q4 2015. San Francisco continues to post near-record low unemployment rates, with the most recent figure clocking in at 3.3%. Recent turmoil in international markets has placed some doubt on the continued strength of the local economy. In a recent opinion piece, San Francisco Fed President John Williams stated that “…the economy still has a good head of steam...and strong fundamentals point to continued strength going forward.” The upcoming spring selling season is expected to be fruitful. Between January and May of last year, the median sale price grew by over 30 percent. Interest rates and lending programs continue to be favorable to the growth of the market.

N/A results from insufficient sales data. Sources: SFAR, Freddie Mac, CEEDD, FRBSF; Data from 8/1/2015 - 1/31/2016 was used for neighborhood values. Property types covered: Single-family & condo/TIC. BMRs and senior housing have been excluded from stats where possible. All information is deemed reliable, but not guaranteed for accuracy. ©2016 Vanguard Properties. All rights reserved. Equal Housing Opportunity. BRE No. 01486075