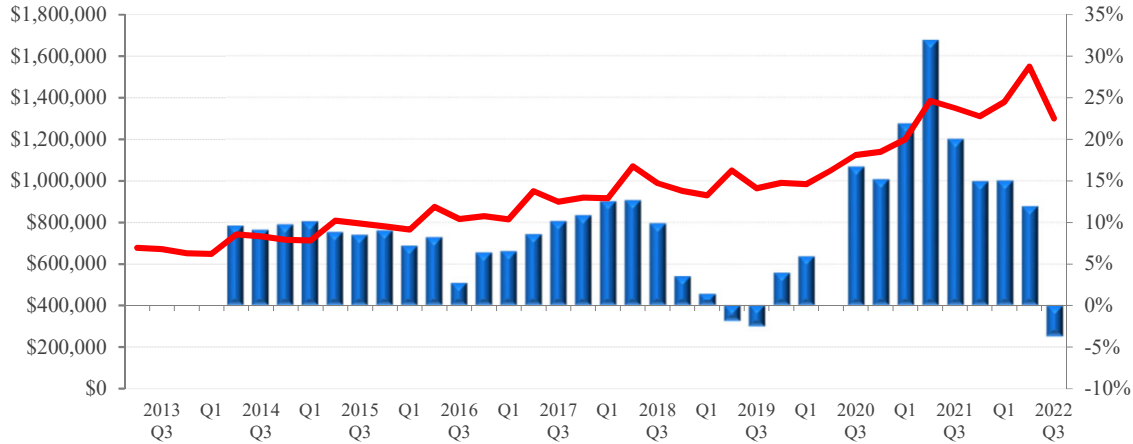


# San Francisco-Oakland-Hayward Area

## Local Market Report, Third Quarter 2022

### Today's Market...

**Median Price (Red Line) and One-year Price Growth**



<b>Local Price Trends</b>			
Price Activity	San Francisco	U.S.	<b>Local Trend</b>
Current Median Home Price (2022 Q3)	\$1,300,000	\$391,467	Year-over-year price growth swung negative this quarter after growing last quarter
1-year (4-quarter) Appreciation (2022 Q3)	-3.7%	8.6%	
3-year (12-quarter) Appreciation (2022 Q3)	34.9%	41.4%	
3-year (12-quarter) Housing Equity Gain*	\$336,000	\$114,567	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$504,500	\$164,133	
9-year (36 quarters) Housing Equity Gain*	\$627,800	\$184,600	

\*Note: Equity gain reflects price appreciation only

	San Francisco	U.S.	
<b>Conforming Loan Limit**</b>	\$1,089,300	\$1,089,300	Government-backed financing is limited in this market, hampering home sales
<b>FHA Loan Limit</b>	\$1,089,300	\$1,089,300	
<b>Local Median to Conforming Limit Ratio</b>	119%	not comparable	

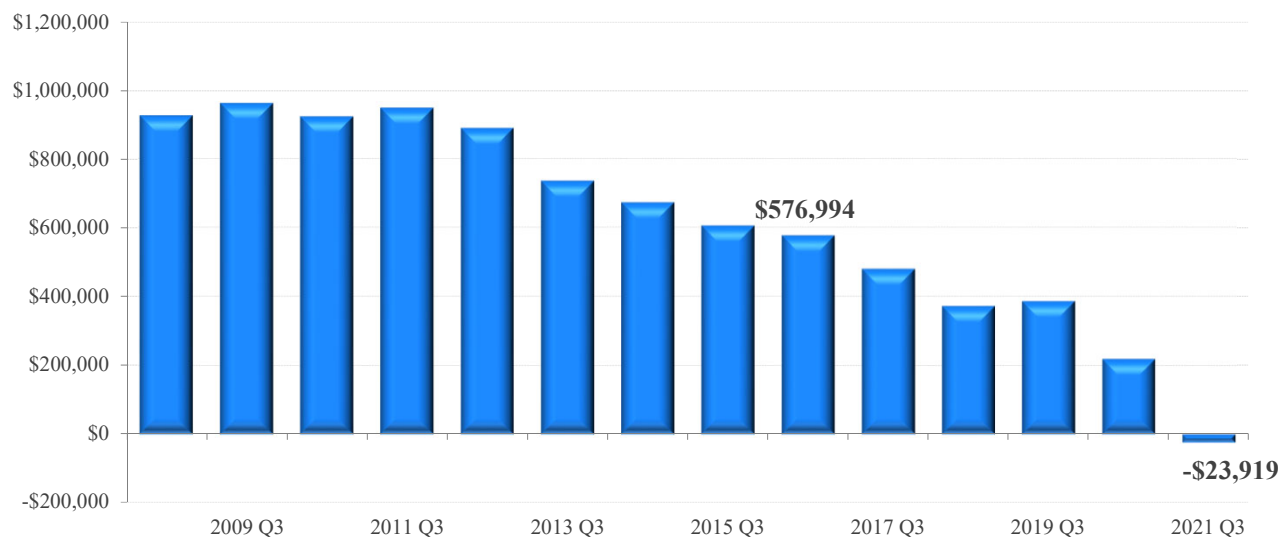
Note: limits are current and include the changes made on January 1st 2023.

#### Local NAR Leadership

The San Francisco-Oakland-Hayward market is part of region 13 in the NAR governance system, which includes all of California, Hawaii, and Guam. The 2022 NAR Regional Vice President representing region 13 is Shannon King.

## Benefits of Ownership: Total Equity Appreciation

### Total Equity Accrued to Owner by Year and Quarter of Purchase



### Total Equity Gained\*\* through 2022 Q3 from quarter in which home was of purchased

Price Activity	San Francisco	U.S.	Local Trend
1-year (4-quarter)	\$23,919	\$38,029	Price trends in the last three years have undercut the steady post-recession home equity growth despite owners paying down principle
3-year (12-quarter)*	\$386,873	\$129,179	
5-year (20-quarter)*	\$479,537	\$160,886	
7-year (28 quarters)*	\$606,016	\$193,144	
9-year (36 quarters)*	\$735,747	\$217,820	

\*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

# Drivers of Local Supply and Demand...

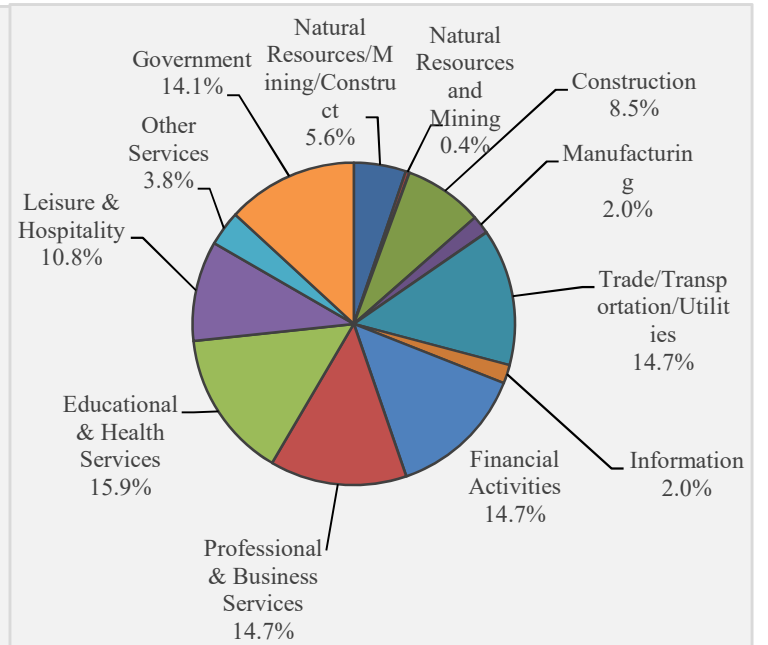
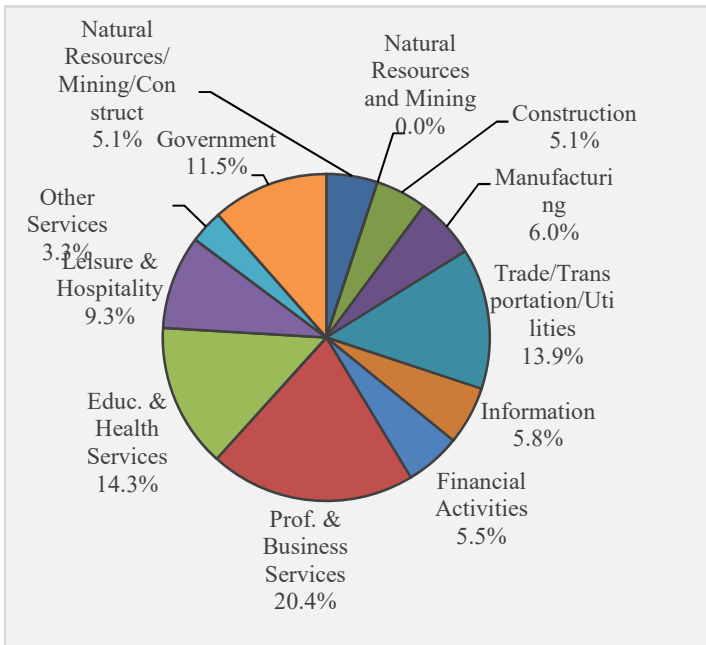


Local Economic Outlook	San Francisco	U.S.	
12-month Job Change (Sep)	109,200	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Aug)	112,800	Not Comparable	
36-month Job Change (Sep)	-32,500	Not Comparable	Unemployment in San Francisco is better than the national average and improving
Current Unemployment Rate (Sep)	2.6%	3.5%	
Year-ago Unemployment Rate	4.6%	4.7%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	4.6%	4.3%	

## Share of Total Employment by Industry

San Francisco-Oakland-Hayward Area

U.S.



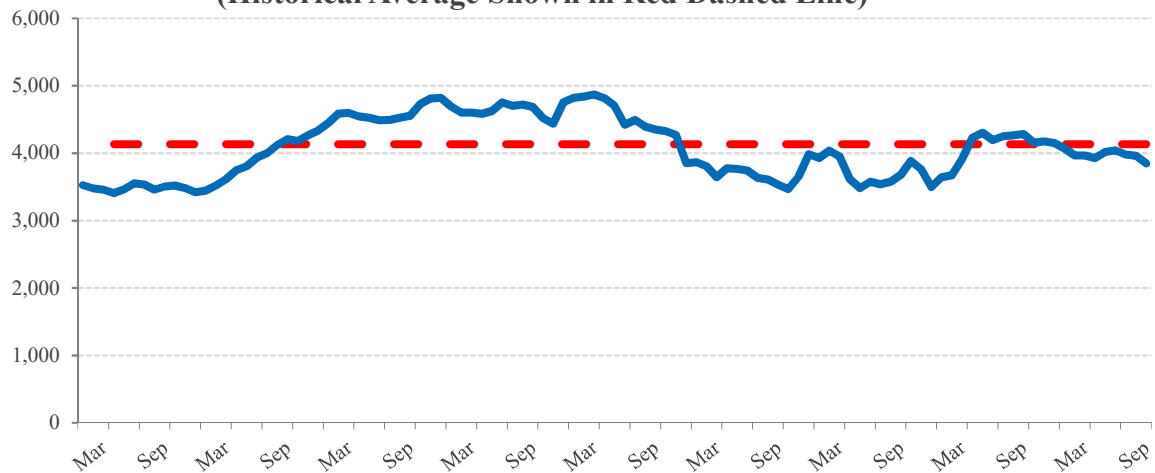
### 12-month Employment Change by Industry (Sep - 2022)

Goods Producing	NA	Information	8,800
Natural Resources/Mining/Construction	5,200	Financial Activities	2,200
Natural Resources and Mining	0	Prof. & Business Services	33,700
Construction	5,200	Educ. & Health Services	6,100
Manufacturing	7,500	Leisure & Hospitality	24,600
Service Providing Excluding Government	NA	Other Services	8,800
Trade/Transportation/Utilities	14,700	Government	1,200

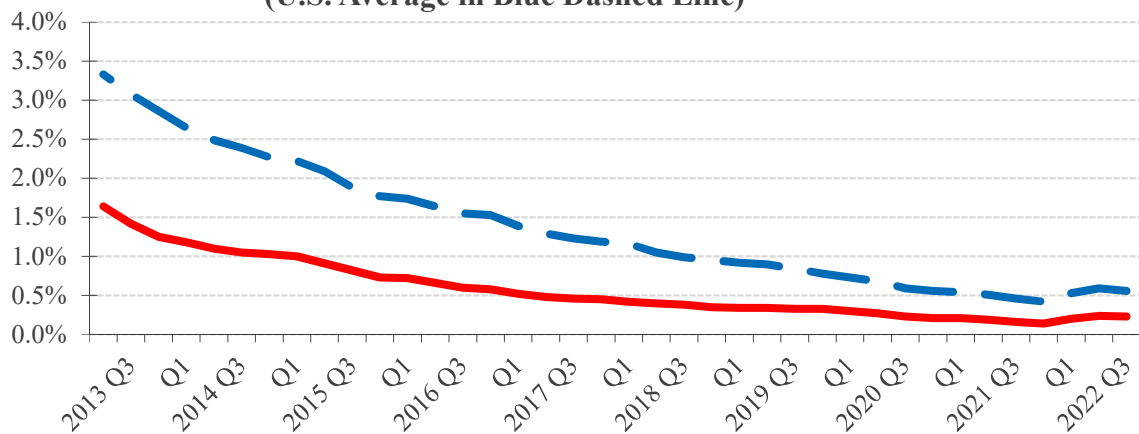
State Economic Activity Index	California	U.S.	
12-month change (2022 - Sep)	8.5%	4.9%	California's economy is stronger than the nation's, but slowed from last month's 9.27% change
36-month change (2022 - Sep)	9.9%	5.2%	

New Housing Construction			
Local Fundamentals	San Francisco	U.S.	
12-month Sum of 1-unit Building Permits through Sep	3,850	not comparable	The current level of construction is 6.9% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	4,135	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Sep) 12-month sum vs. a year ago	-10.1%	-7.7%	Construction is down from last year, but appears to have bottomed.

**Construction: 12-month Sum of Local Housing Permits**  
(Historical Average Shown in Red Dashed Line)

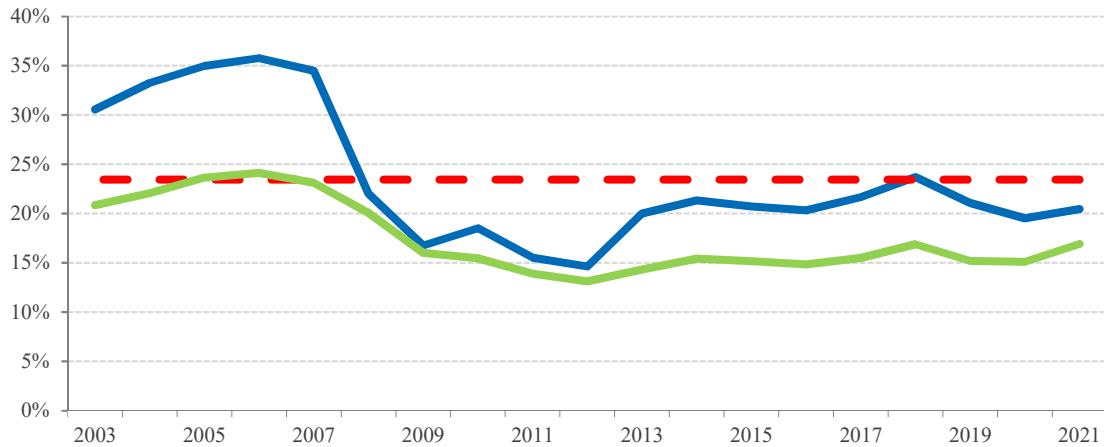


**State Total Foreclosure Rate vs. U.S Average**  
(U.S. Average in Blue Dashed Line)



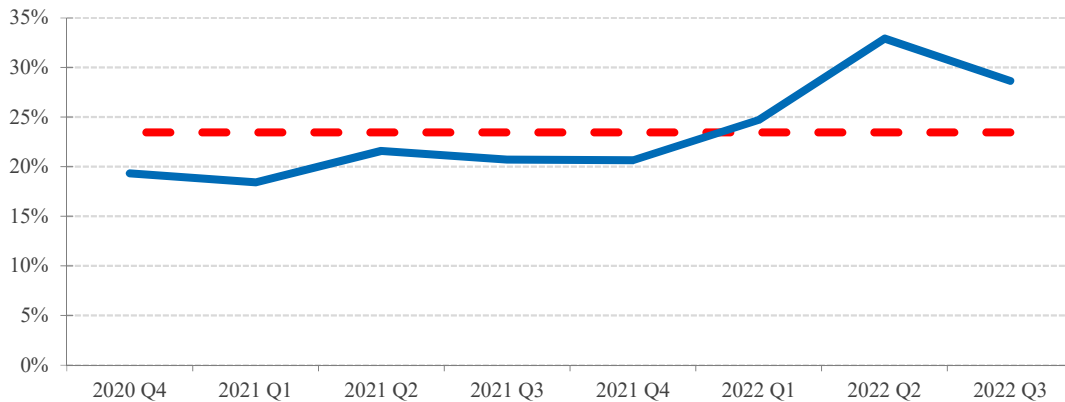
# Affordability

**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Red, U.S. Average in Green)

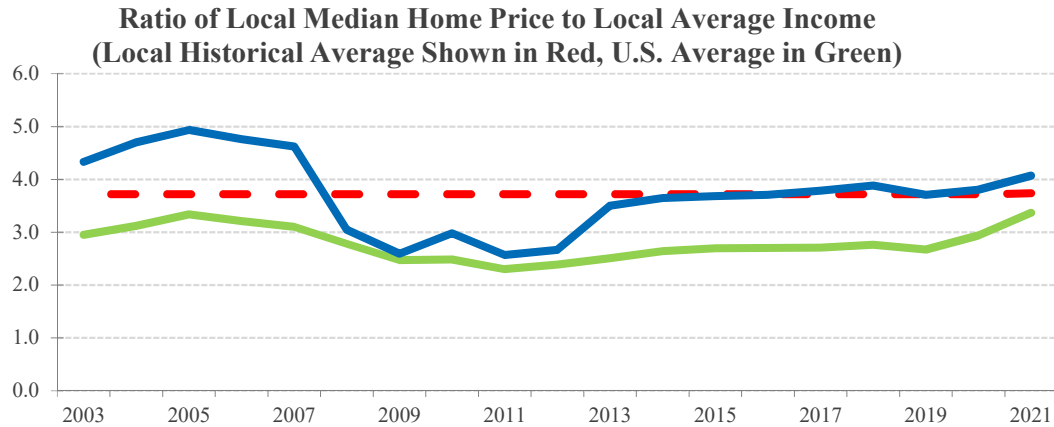


Monthly Mortgage Payment to Income	San Francisco	U.S.	
Ratio for 2021	20.5%	16.9%	Weak by local standards and could weigh on demand
Ratio for 2022 Q3	28.7%	24.4%	
Historical Average	23.5%	18.1%	Weaker affordability than most markets

**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	San Francisco	U.S.	
Ratio for 2021	4.1	3.4	The price-to-income ratio eased, but could be better
Ratio for 2022 Q3	4.2	3.6	
Historical Average	3.7	2.7	Less affordable than most markets



## The Mortgage Market



Mortgage rates continued their upward trek in the third quarter of the year. Due to elevated inflation, the Federal Reserve raised twice its short-term interest rates by 75 basis points each time. While both rising inflation and higher interest rates typically move up mortgage rates, the 30-year fixed mortgage rate surpassed the 6.5 percent threshold moving closer to 7 percent. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate rose to 5.6 percent in Q3 2022 from 2.9 percent a year earlier. As long as inflation remains elevated, mortgage rates will continue to rise. NAR forecasts the 30-year fixed mortgage rate to average 6.5 percent at the end of the year.

## Geographic Coverage for this Report

The San Francisco area referred to in this report covers the geographic area of the San Francisco-Oakland-Hayward metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

[Alameda County, Contra Costa County, Marin County, San Francisco County, and San Mateo County](#)

More information on the OMB's geographic definitions can be found at [https://obamawhitehouse.archives.gov/omb/bulletins\\_default/](https://obamawhitehouse.archives.gov/omb/bulletins_default/)

