

# SAN FRANCISCO BAY AREA

A market overview of single-family detached home sales

Q1  
2010

## UNIT SALES



## MEDIAN PRICE\*\*



## Tighter Inventory, Strong Buyer Interest Lead to a More Stable Bay Area Housing Market

A dwindling supply of bank REOs and a shortage of available homes in most price ranges contributed to an overall softening of sales of existing single-family detached homes in the San Francisco Bay Area during the first quarter of 2010, according to an analysis of MLS data issued by the research division of Prudential California Realty.

Across the nine-county Bay Area, 10,106 existing single-family detached homes changed hands during the first quarter, down 8 percent from a particularly robust 13,288 homes sold in the fourth quarter and 10,934 homes sold a year ago. Meanwhile, the median price of a home sold in the Bay Area during the first quarter declined from \$562,775 in the fourth quarter to \$488,274 but was a solid 33 percent higher than the first quarter 2009 median sales price of \$366,790.

For the fourth consecutive quarter, Contra Costa County led the pace of sales with 2,249 closed transactions in the first quarter, followed by Santa Clara County (2,143 sales) and Alameda County (2,028 sales). Marin County registered a 58 percent year-over-year increase in sales, followed by San Francisco (+35%), San Mateo (+23%) and Santa Clara (+12%). Sales figures were down substantially from the previous quarter and year-before periods in outer-ring counties, which have experienced the highest rate of

foreclosures over the past four quarters.

The Bay Area continued to show other signs of a return to stability. The average number of days a home was on the market before sale declined from 70 days in the first quarter of last year to 61 days in this year's first quarter. Homes sold in Alameda and Solano counties registered the fewest days on the market for the quarter at 45 days, with Marin County the only one reporting an average market time of more than 90 days.

Among Bay Area counties, the median price of a resale home rose from the third to the fourth quarter in only San Francisco and Marin counties. Compared with a year ago, however, all nine counties showed improvement, led by Contra Costa (+34%), Alameda (+28%), Santa Clara (+25%) and San Mateo (+20%). The improvement in median sales price was attributed to the presence of multiple offers on many properties and a slight return in some markets of more traditional equity home sales.

Looking ahead, the jury is out on whether the expiration of federal and state homebuyer income tax credits will further soften home sales, although an increase in short sale closings may pick up the slack. Sales also may be bolstered as homebuyers become educated about the HUD/FHA 203k loan that offers a low down payment bundled with a home renovation allowance.

M A R K E T C O M P A R I S O N									
County	Homes Sold Q1/10	Homes Sold Q1/09	% Change	Avg DOM* Q1/10	Avg DOM* Q1/09	Change '10/'09 (days)	Median** Price Q1/10	Median** Price Q1/09	% Change
Alameda	2,028	2,236	-9	45	57	-12	\$404,358	\$315,843	28
Contra Costa	2,249	3,049	-26	48	69	-21	\$350,330	\$262,047	34
Marin	334	212	58	104	76	28	\$841,775	\$800,170	5
Napa	148	151	-2	85	84	1	\$340,750	\$330,000	3
San Francisco	451	333	35	54	62	-8	\$918,871	\$814,818	13
San Mateo	734	597	23	55	62	-8	\$847,349	\$708,238	20
Santa Clara	2,143	1,912	12	55	66	-11	\$646,928	\$518,871	25
Solano	1,110	1,421	-22	45	69	-24	\$203,402	\$189,820	7
Sonoma	909	1,023	-11	59	81	-22	\$371,901	\$322,428	15
Bay Area Total	10,106	10,934	-8	61	70	-9	\$488,274	\$366,790	33

\* Days on market is the number of days a property was listed on the market until it went under contract at its final listing price. This may not reflect previous listings.

\*\*The median home price for the entire Bay Area is the mean of median home prices of each of the nine Bay Area counties. Each county's median home price is the mean of median home prices of each of the cities within that county.

Data are sourced from multiple listing services and are deemed reliable but not guaranteed. All percentages rounded to nearest whole number.

Bay Area refers to sales within Alameda County, Contra Costa County, Marin County, Napa County, San Francisco County, San Mateo County, Santa Clara County, Solano County and Sonoma County.

Produced by the Prudential California Realty Research Division.