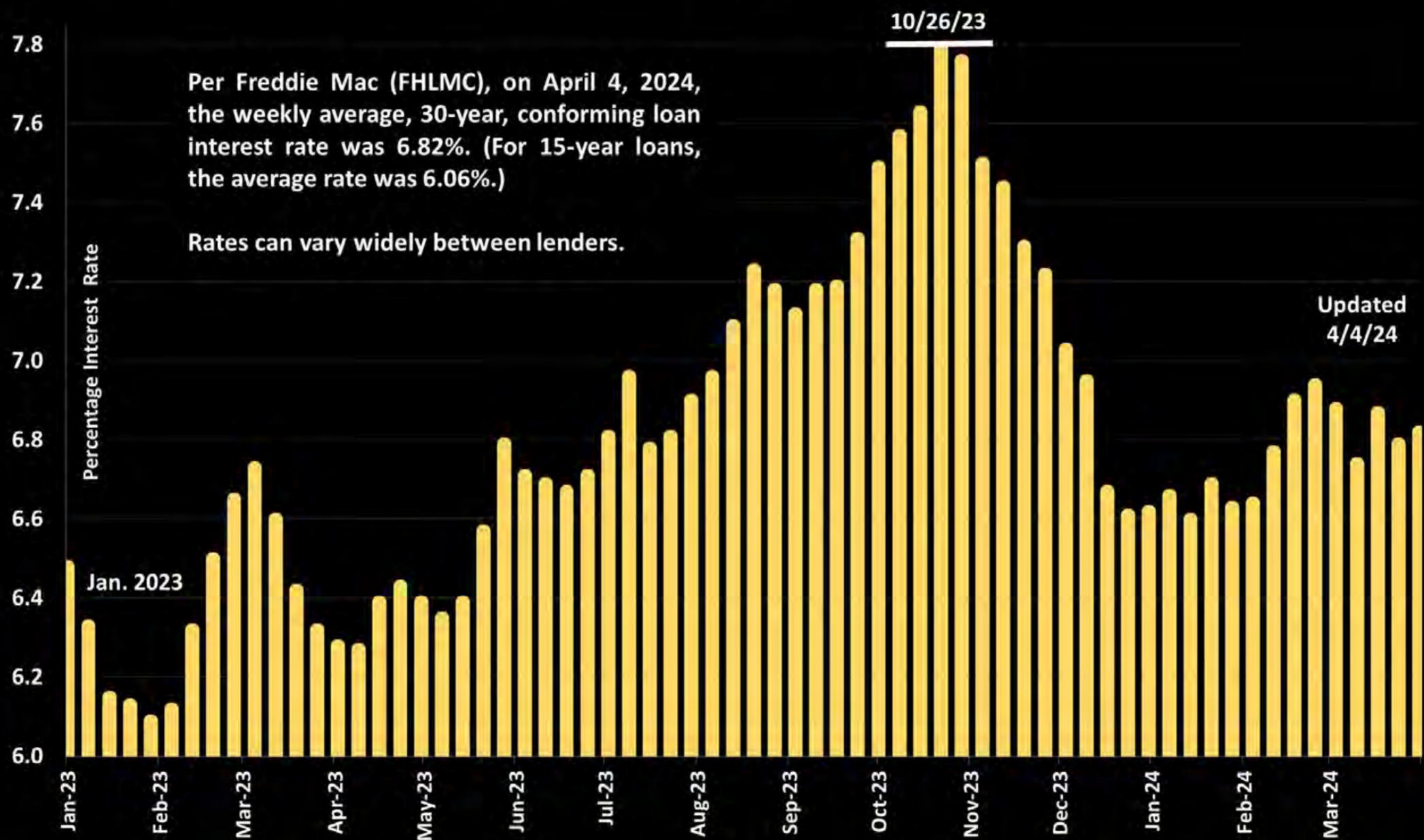


Mortgage Interest Rates in 2023-2024

30-Year Conforming Fixed-Rate Loans, Weekly Average Readings*

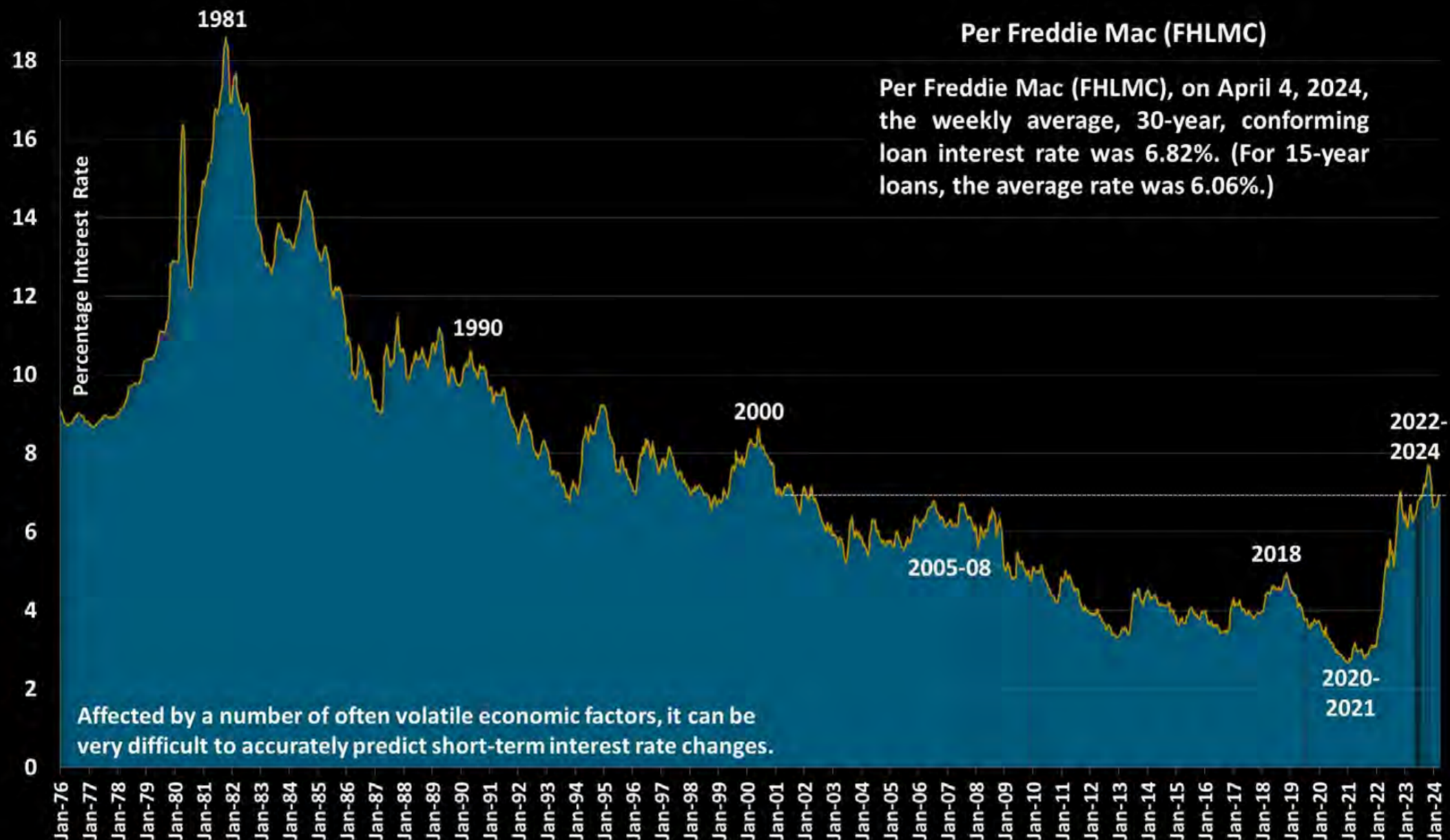


*Freddie Mac (FHLMC), 30-Year Fixed Rate Mortgage Weekly Average: <https://www.freddiemac.com/pmms>. Data from sources deemed reliable. Different sources of mortgage data sometimes vary in their determinations of daily and weekly rates. Data from sources deemed reliable, but may contain errors. All numbers approximate.



Mortgage Interest Rates, Long-Term Trends since 1976

30-Year Conforming Fixed-Rate Loans, Weekly Average Readings

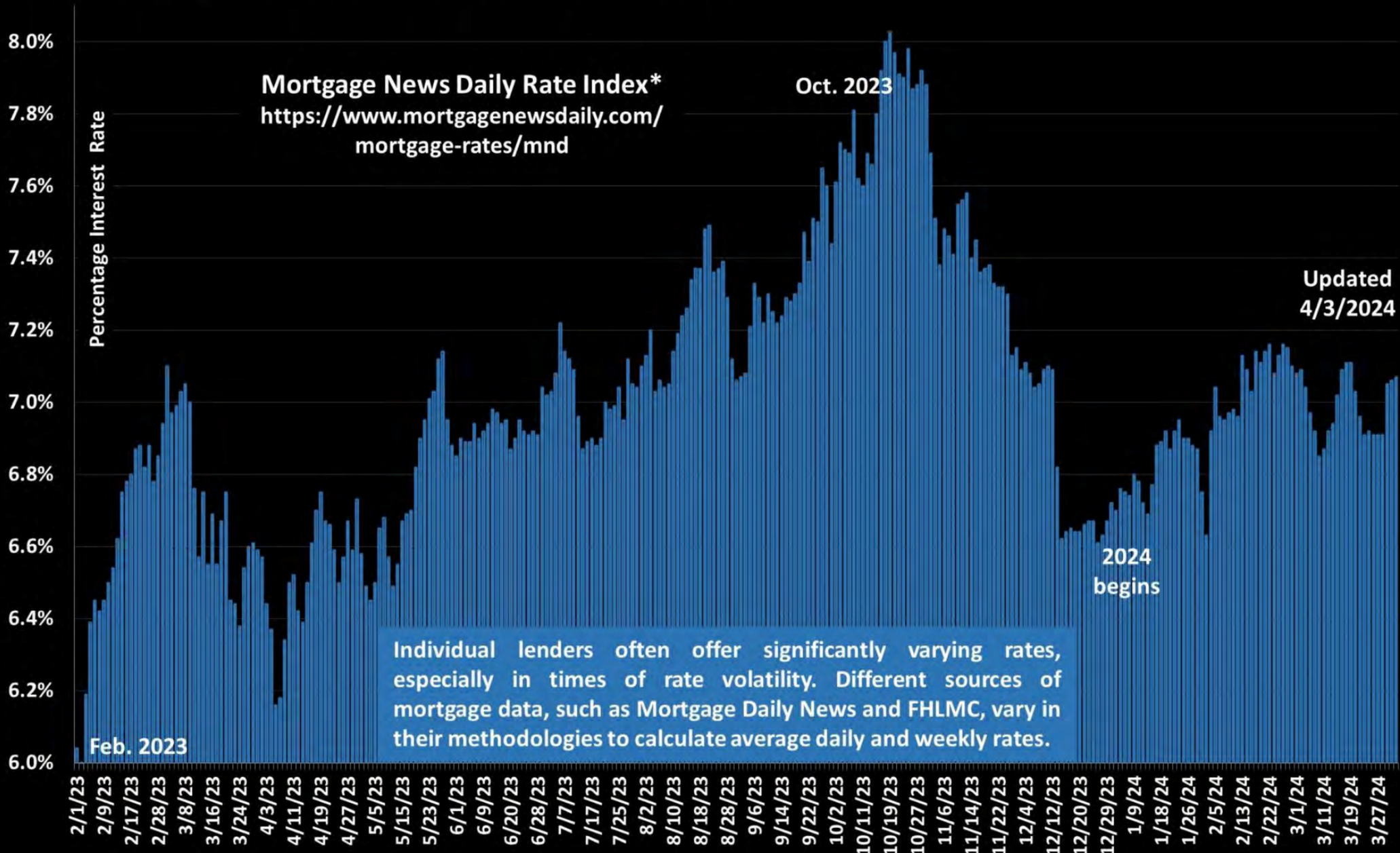


Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States, retrieved from Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MORTGAGE30US>. FHLMC: <https://www.freddiemac.com/pmms>. Data from sources deemed reliable but not guaranteed. All numbers approximate.

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Mortgage Interest Rates since Early 2023

30-Year Fixed-Rate Loans, Daily Average Readings*



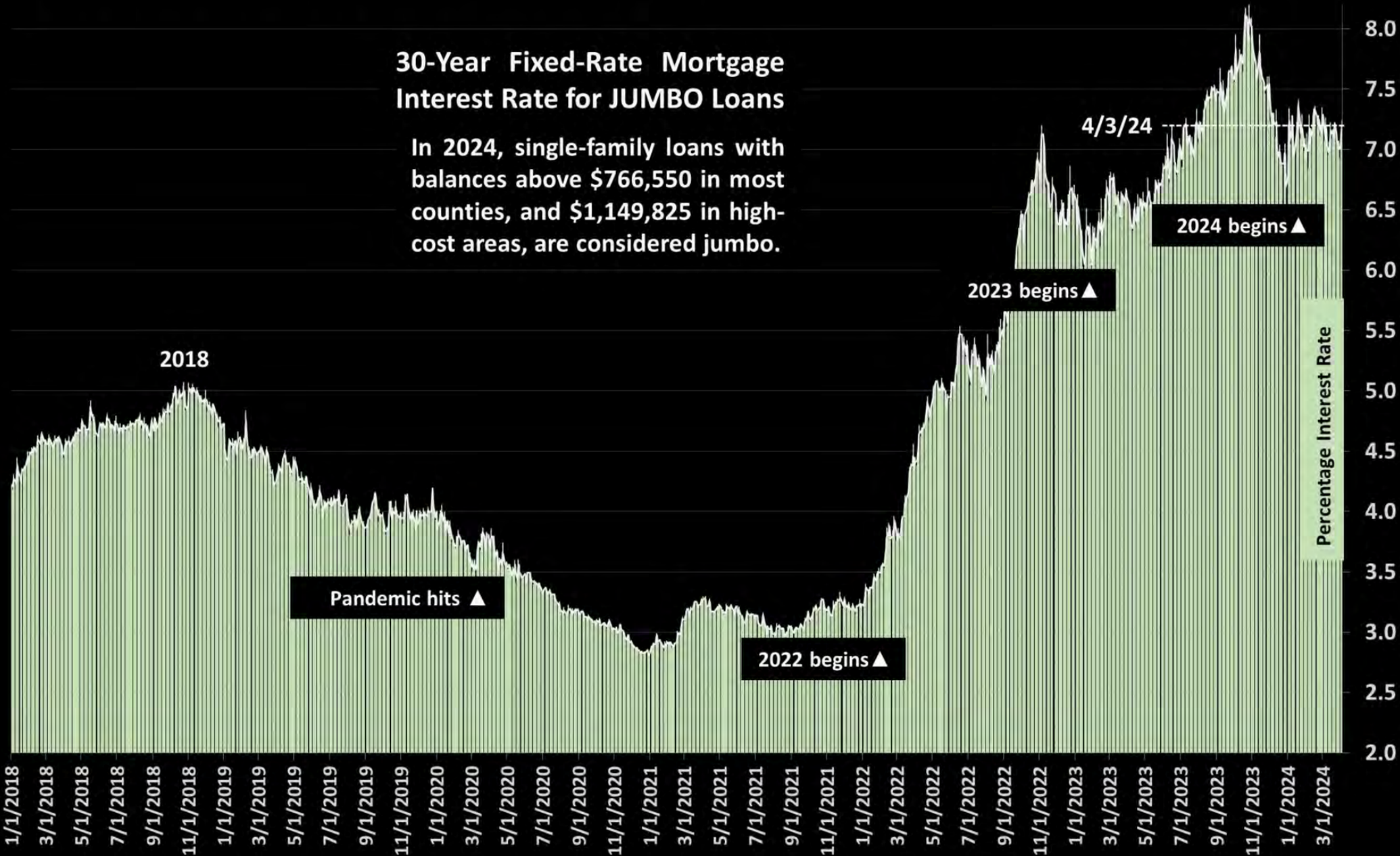
*Per <https://www.mortgagenewsdaily.com/>: "Rate offerings vary—sometimes substantially—from lender to lender... The index is expressed as an average." Daily rates can change quickly. Data from sources deemed reliable, but not guaranteed. All numbers approximate.

30-Year, Fixed-Rate, JUMBO Mortgage Index*

Optimal Blue Mortgage Market Index since 2018

30-Year Fixed-Rate Mortgage Interest Rate for JUMBO Loans

In 2024, single-family loans with balances above \$766,550 in most counties, and \$1,149,825 in high-cost areas, are considered jumbo.



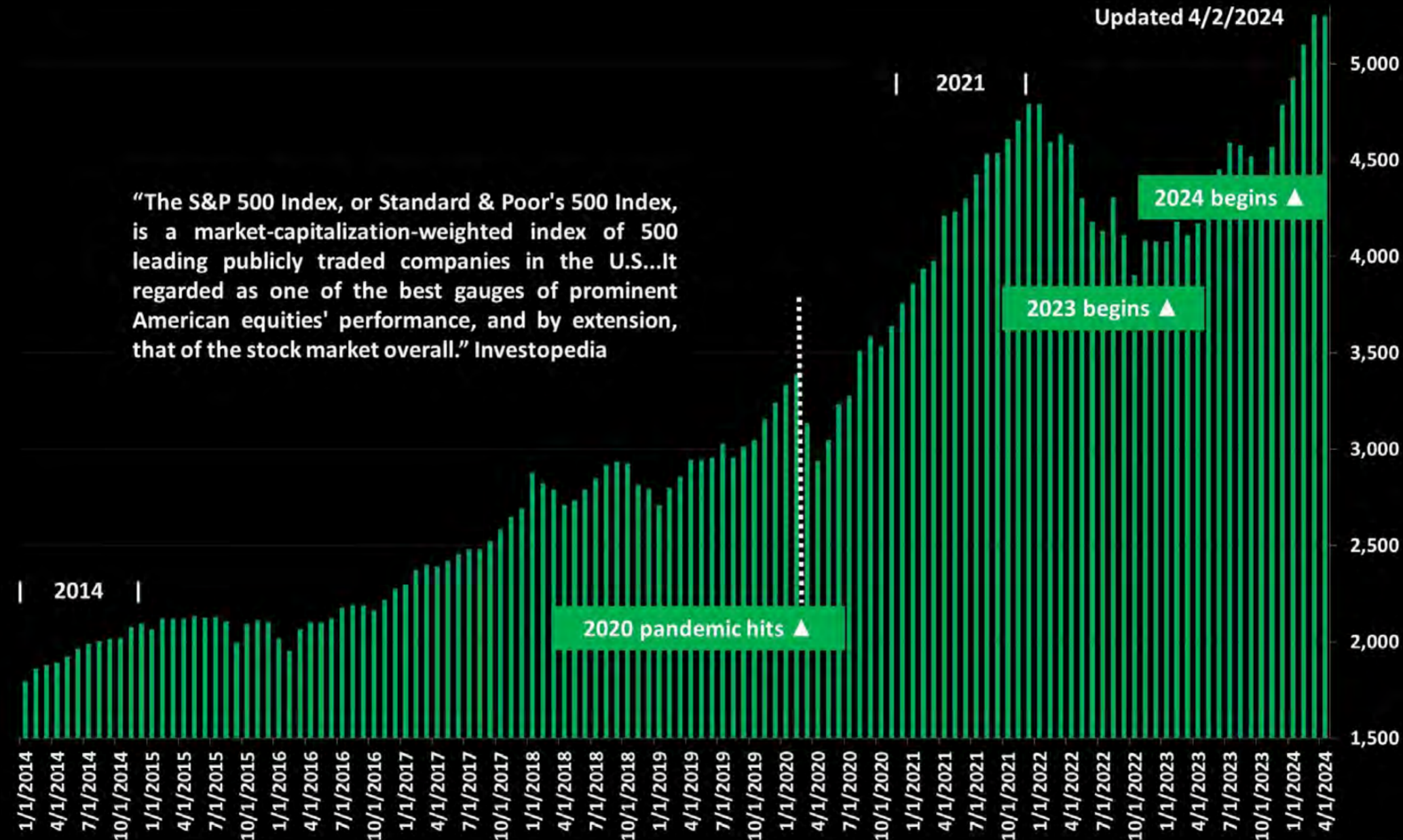
* Optimal Blue, 30-Year Fixed Rate Jumbo Mortgage Index, on a given day. Retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/OBMMIJUMBO30YF>. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate.

S&P 500 Stock Market Index

Since 2014

“The S&P 500 Index, or Standard & Poor's 500 Index, is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S...It regarded as one of the best gauges of prominent American equities' performance, and by extension, that of the stock market overall.” Investopedia

Updated 4/2/2024



Per Federal Reserve Bank of St. Louis: <https://fred.stlouisfed.org/series/SP500> or Marketwatch.com. Data from sources deemed reliable, but may contain errors and subject to revision. Daily data translated into monthly columns. For general illustration purposes only.

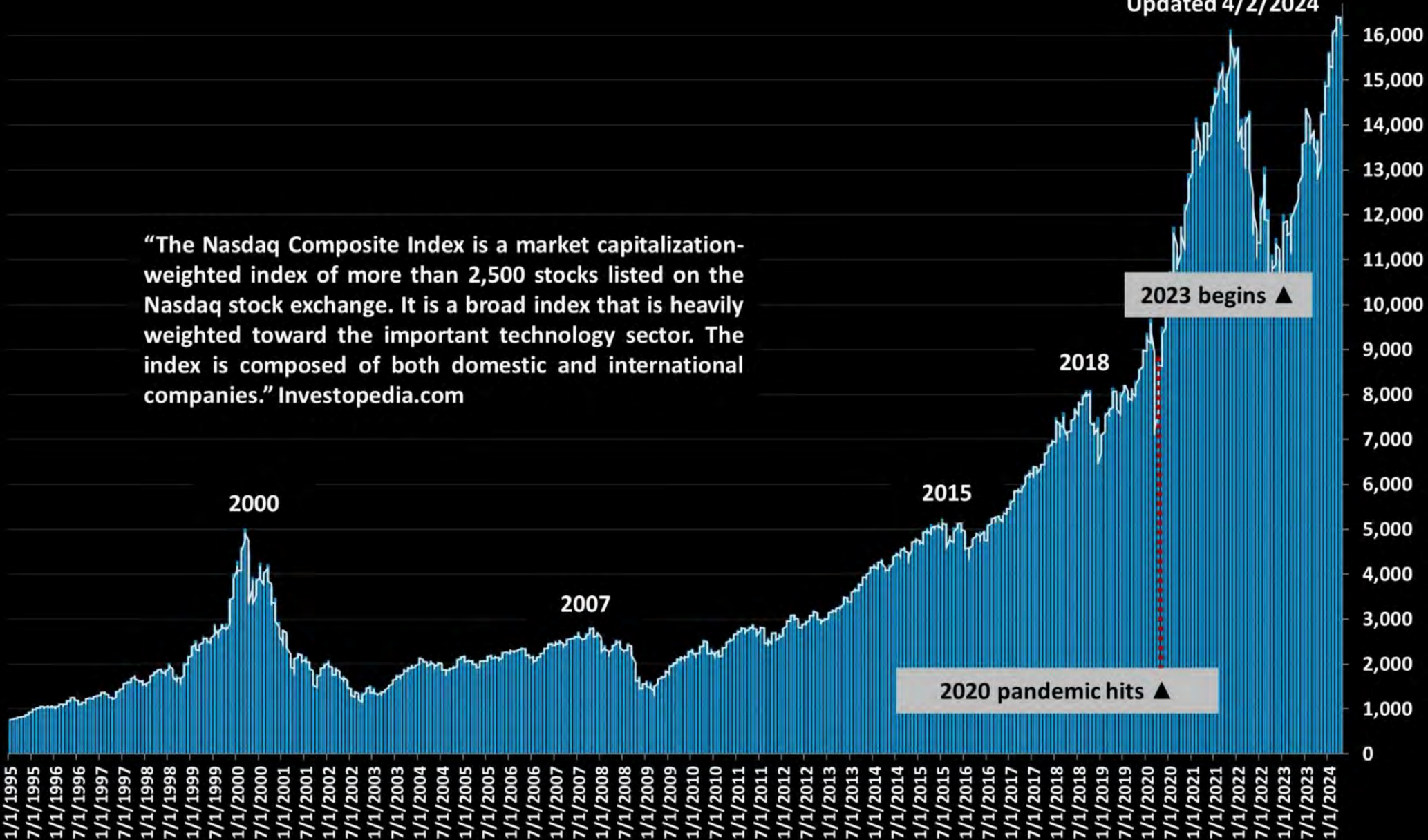
COMPASS

Nasdaq Composite Index

January 1995 to 2024 YTD

Updated 4/2/2024

“The Nasdaq Composite Index is a market capitalization-weighted index of more than 2,500 stocks listed on the Nasdaq stock exchange. It is a broad index that is heavily weighted toward the important technology sector. The index is composed of both domestic and international companies.” Investopedia.com



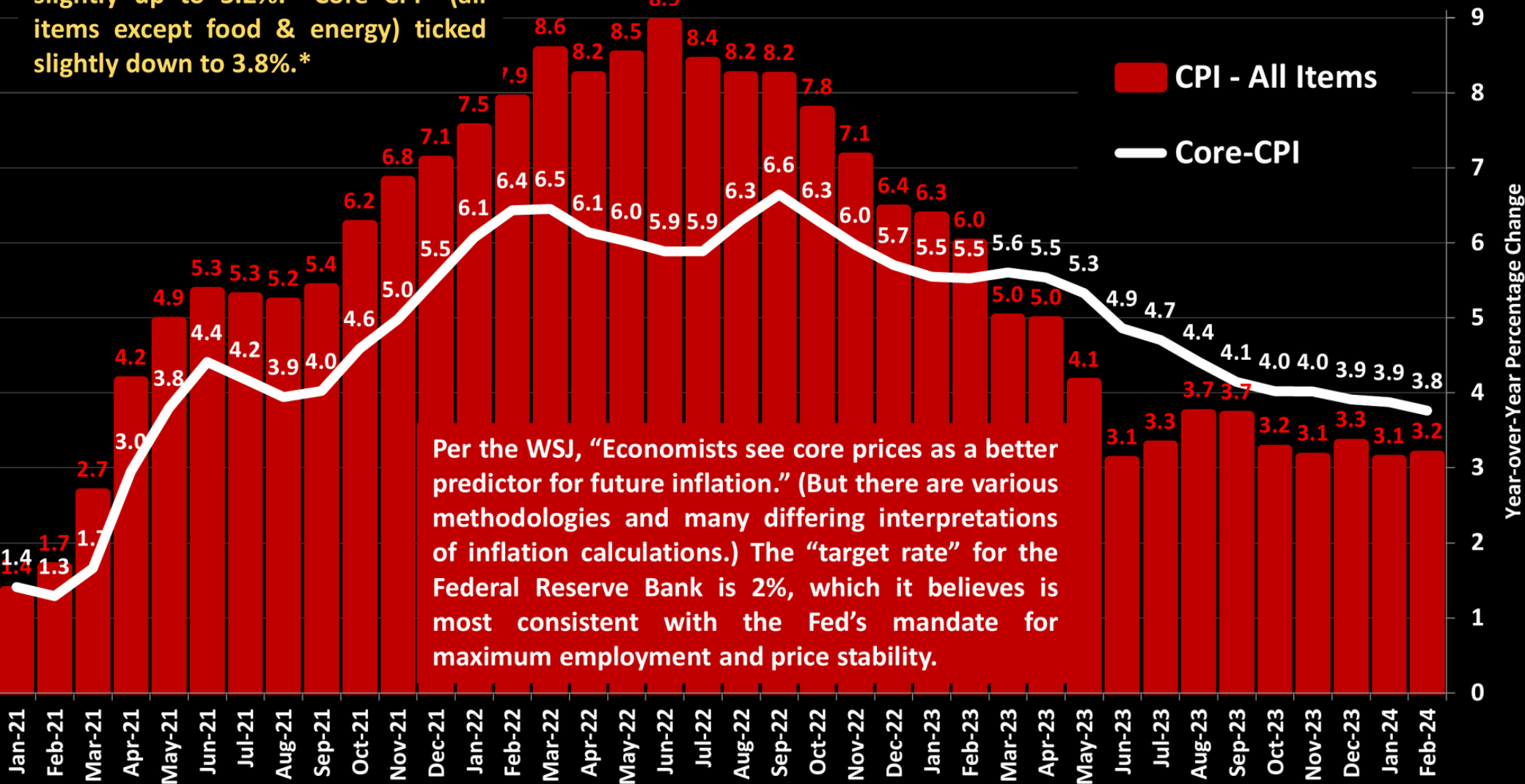
Per Yahoo Finance or MarketWatch.com data download. Because of number of data points, not every week has a separate column. Data from sources deemed reliable, but may contain errors and subject to revision. For general illustration purposes only.

COMPASS

Inflation: Consumer Price Index (CPI), 2021 – 2024 YTD*

Year-over-Year Percentage Change, by Month

The general “CPI-All Items” inflation reading for February 2024 ticked slightly up to 3.2%. “Core CPI” (all items except food & energy) ticked slightly down to 3.8%.*



Per the WSJ, “Economists see core prices as a better predictor for future inflation.” (But there are various methodologies and many differing interpretations of inflation calculations.) The “target rate” for the Federal Reserve Bank is 2%, which it believes is most consistent with the Fed’s mandate for maximum employment and price stability.

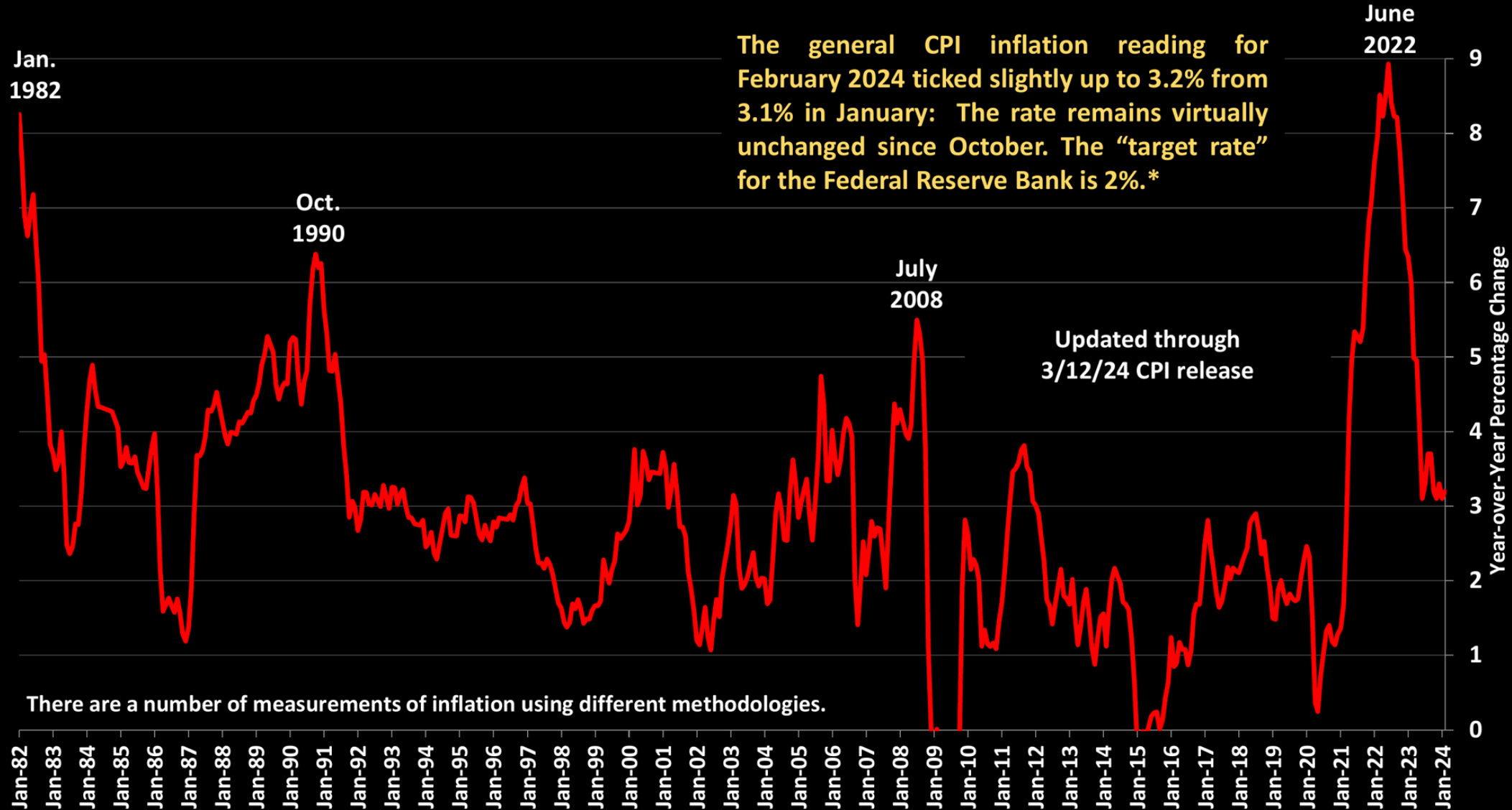
*Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], per Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/graph/?g=8dGq>. Data from U.S. Bureau of Labor Statistics. CPIAUCSL is a price index of a basket of goods and services paid by urban consumers. This index includes roughly 88 percent of the total population. Data from sources deemed reliable, but may contain errors and subject to revision.



Inflation: Consumer Price Index Since 1982*

Year-over-Year % Change, Long-Term Trends

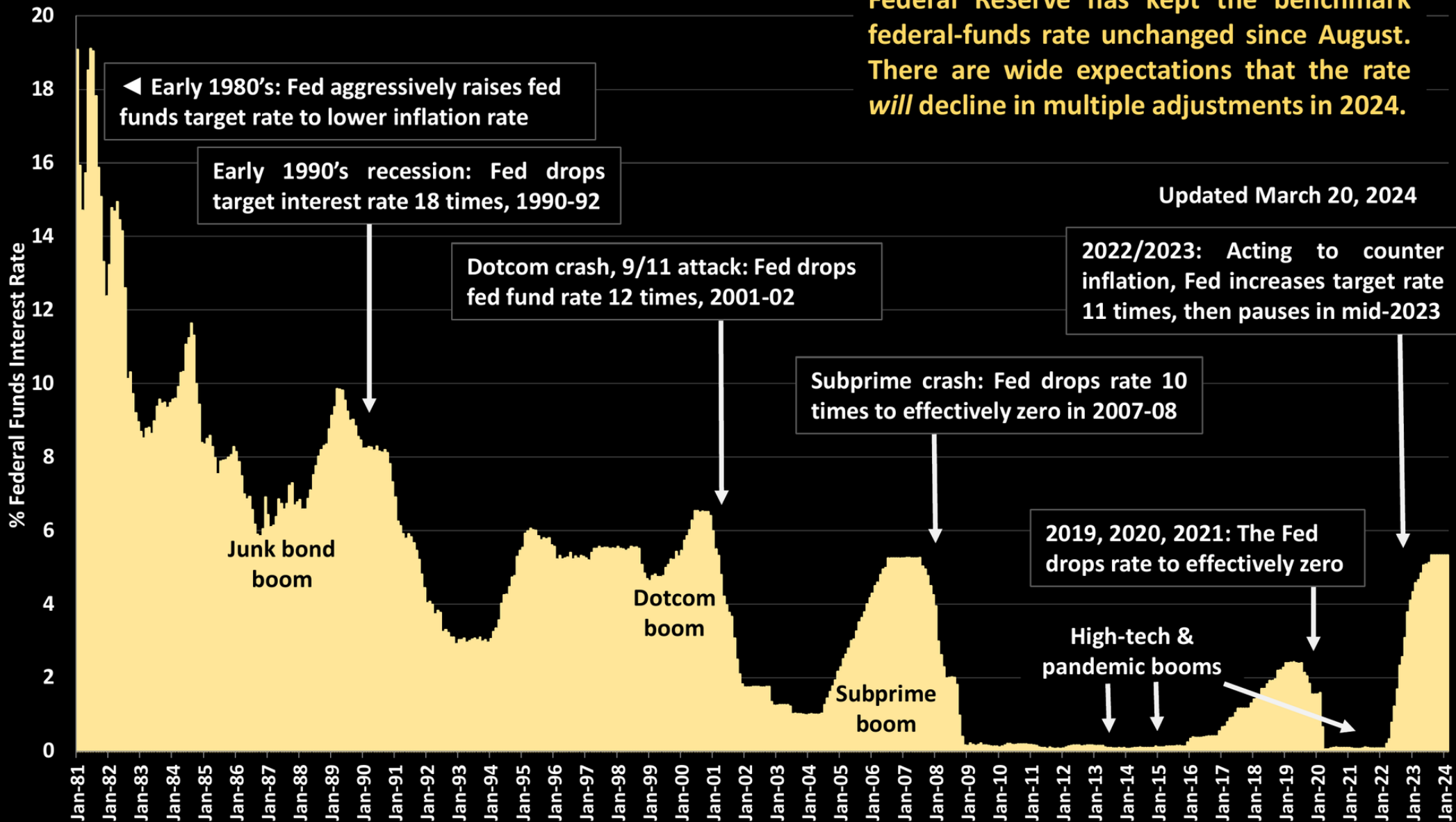
The general CPI inflation reading for February 2024 ticked slightly up to 3.2% from 3.1% in January: The rate remains virtually unchanged since October. The “target rate” for the Federal Reserve Bank is 2%.*



*Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/graph/?g=8dGq>. Data from U.S. Bureau of Labor Statistics. CPIAUCSL is a price index of a basket of goods and services paid by urban consumers. This particular index includes roughly 88 percent of the total population. Data from sources deemed reliable, but may contain errors and subject to revision.

Federal Funds Interest Rate since 1981 & Economic Interventions by Federal Reserve Bank*

After 11 increases since March 2022, the Federal Reserve has kept the benchmark federal-funds rate unchanged since August. There are wide expectations that the rate *will* decline in multiple adjustments in 2024.

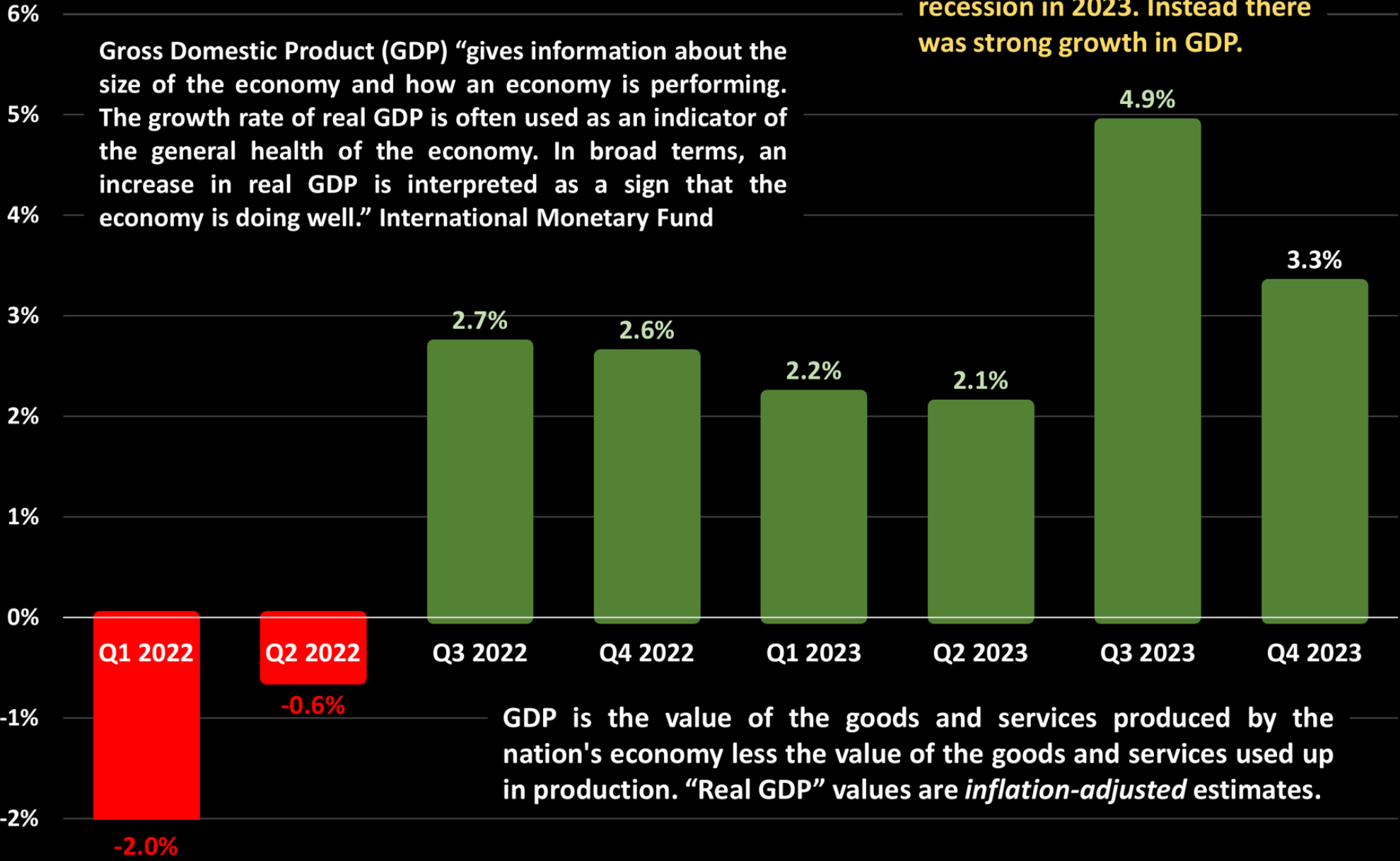


* Per Federal Reserve Bank of St. Louis and New York; <https://fred.stlouisfed.org/series/FEDFUNDS>; Last reading per <https://www.newyorkfed.org/markets/reference-rates/effr>. Other data referenced from sources deemed reliable, but may contain errors and subject to revision.

Quarter to Quarter Change in U.S. Real GDP

Seasonally Adjusted Annual Rate, since 2022*

Many economists expected a recession in 2023. Instead there was strong growth in GDP.

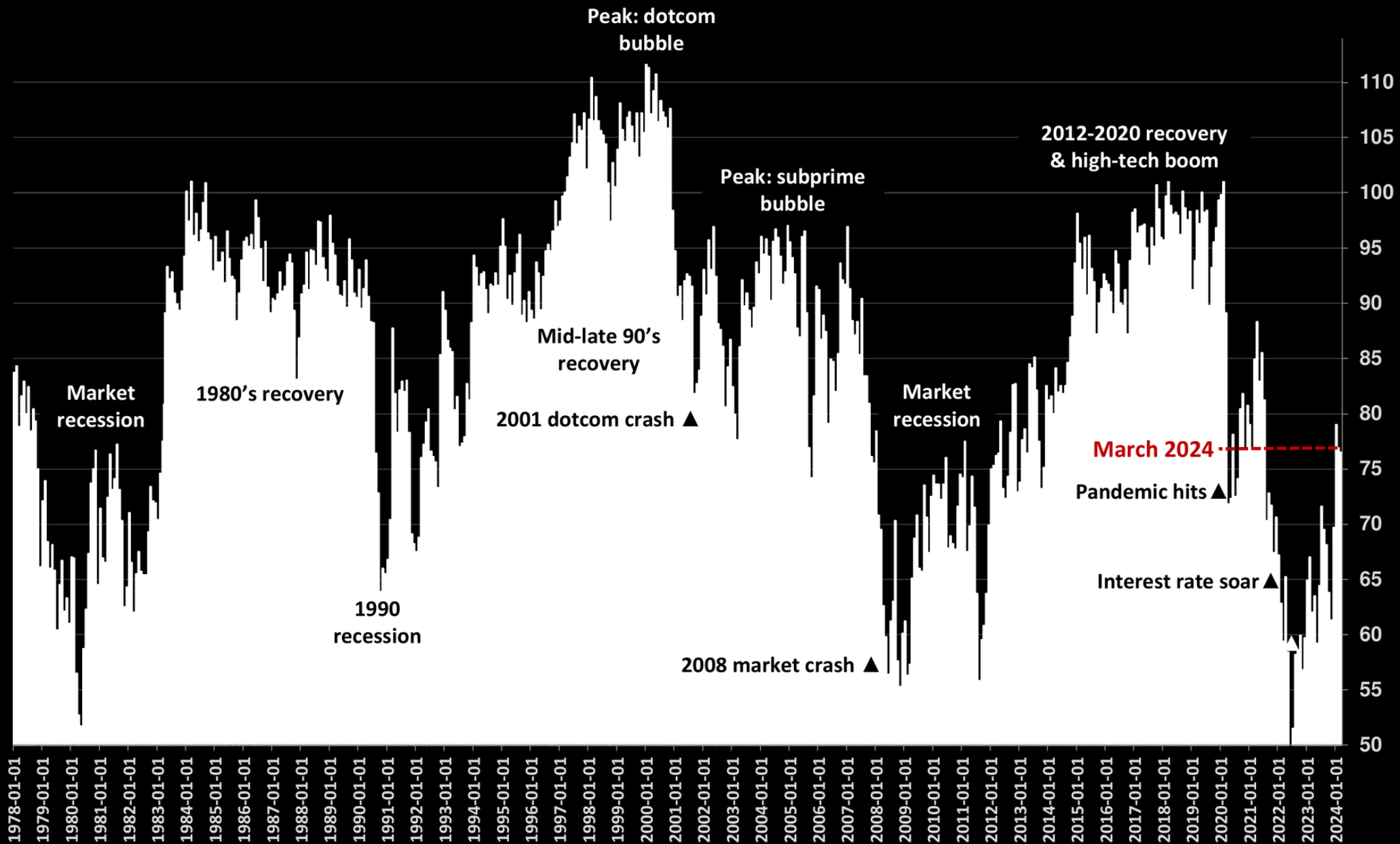


*U.S. Bureau of Economic Analysis, Real Gross Domestic Product, Percent Change from Preceding Period, Quarterly, Seasonally Adjusted Annual Rate, per Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/A191RL1Q225SBEA>. Data from sources deemed reliable, but may contain errors, and last reading subject to subsequent revision by the Bureau of Economic Analysis.



Consumer Sentiment (Confidence) Index*

University of Michigan, since 1978



*University of Michigan: Consumer Sentiment [UMCSENT], per Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/UMCSENT>. Not seasonally adjusted. 1966, Q1 = 100. 2023, 2024 readings per <http://www.sca.isr.umich.edu/>. Mid-month readings labeled "preliminary."

Economic, Demographic & Market Factors Behind the Historic Decline in Listings for Sale

The plunge in the supply of homes on the market available for purchase by owner-occupier homebuyers has been the single greatest factor in market dynamics since the great recession.

[CLICK HERE TO ACCESS FULL REPORT](#)

Population growth, interest rate changes, the aging of homeowners and homebuyers, investor homebuying, tax law, inadequate new home construction, declining affordability, an increase in the speed at which listings sell, and the pandemic have combined to cause an unprecedented imbalance between supply and demand. Buyer competition for an inadequate supply of listings has become the dominant reality of the national real estate market.



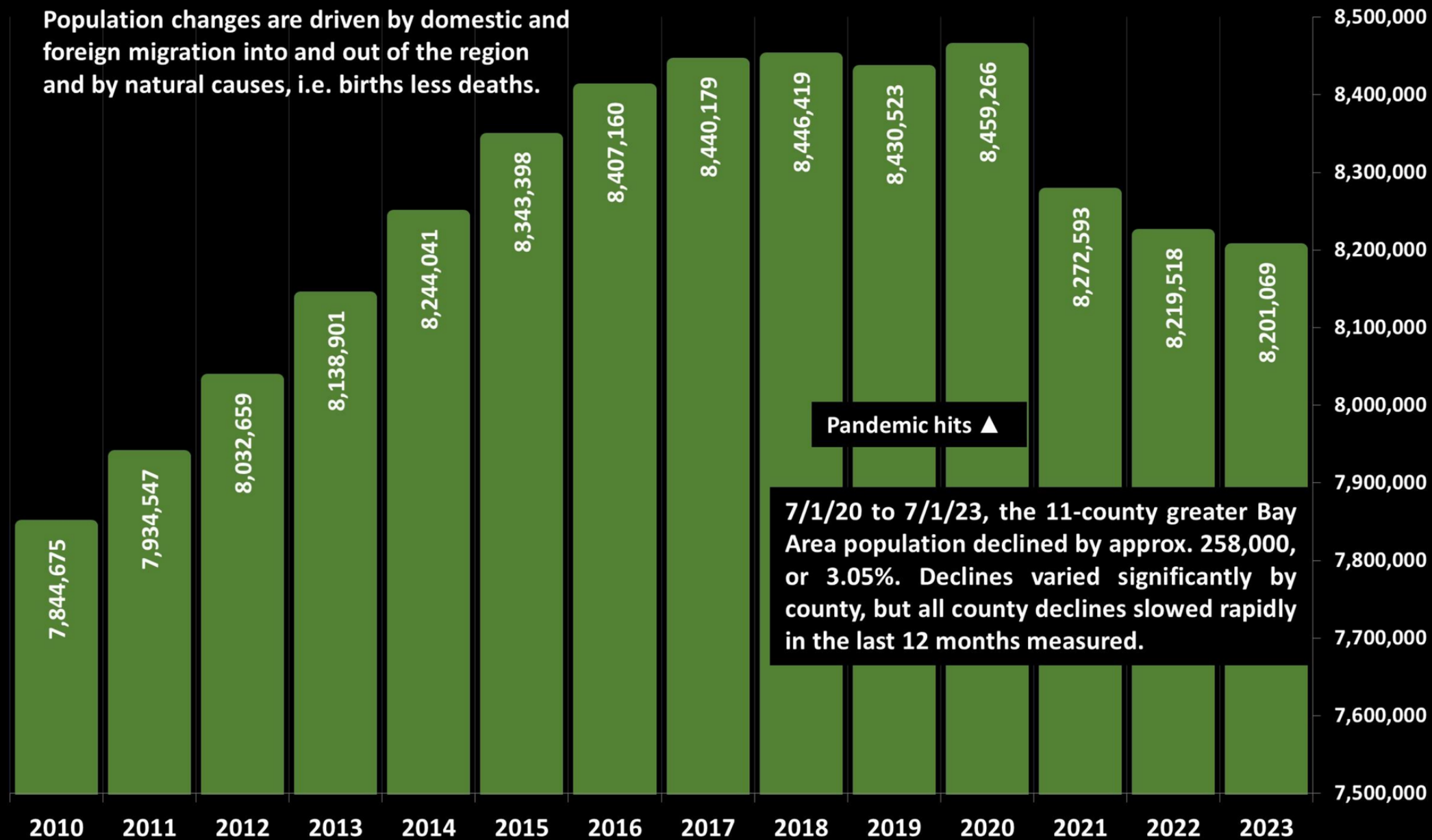
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Greater Bay Area Population Trends since 2010

U.S. Census Estimates, July 1st to July 1st

Changes measured from July 1st of previous year to July 1st of labeled year.

Population changes are driven by domestic and foreign migration into and out of the region and by natural causes, i.e. births less deaths.



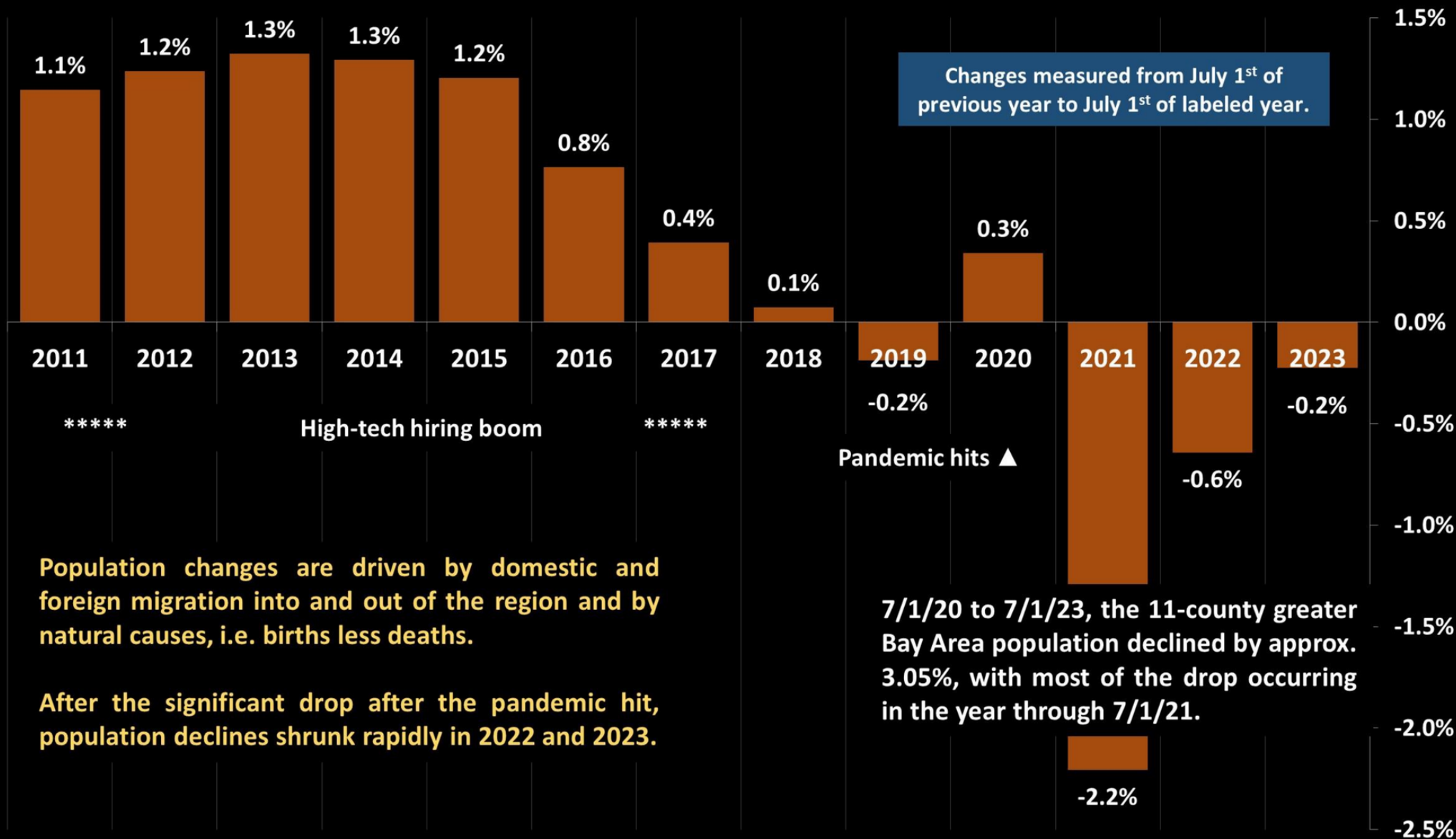
Pandemic hits ▲

7/1/20 to 7/1/23, the 11-county greater Bay Area population declined by approx. 258,000, or 3.05%. Declines varied significantly by county, but all county declines slowed rapidly in the last 12 months measured.

*Per U.S. Census estimates. 2020-2023 data released 3/14/2024. For 11 greater Bay Area Counties, Napa to Monterey. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. The Census often revises numbers in later releases.

Greater Bay Area: Year-over-Year Population Changes

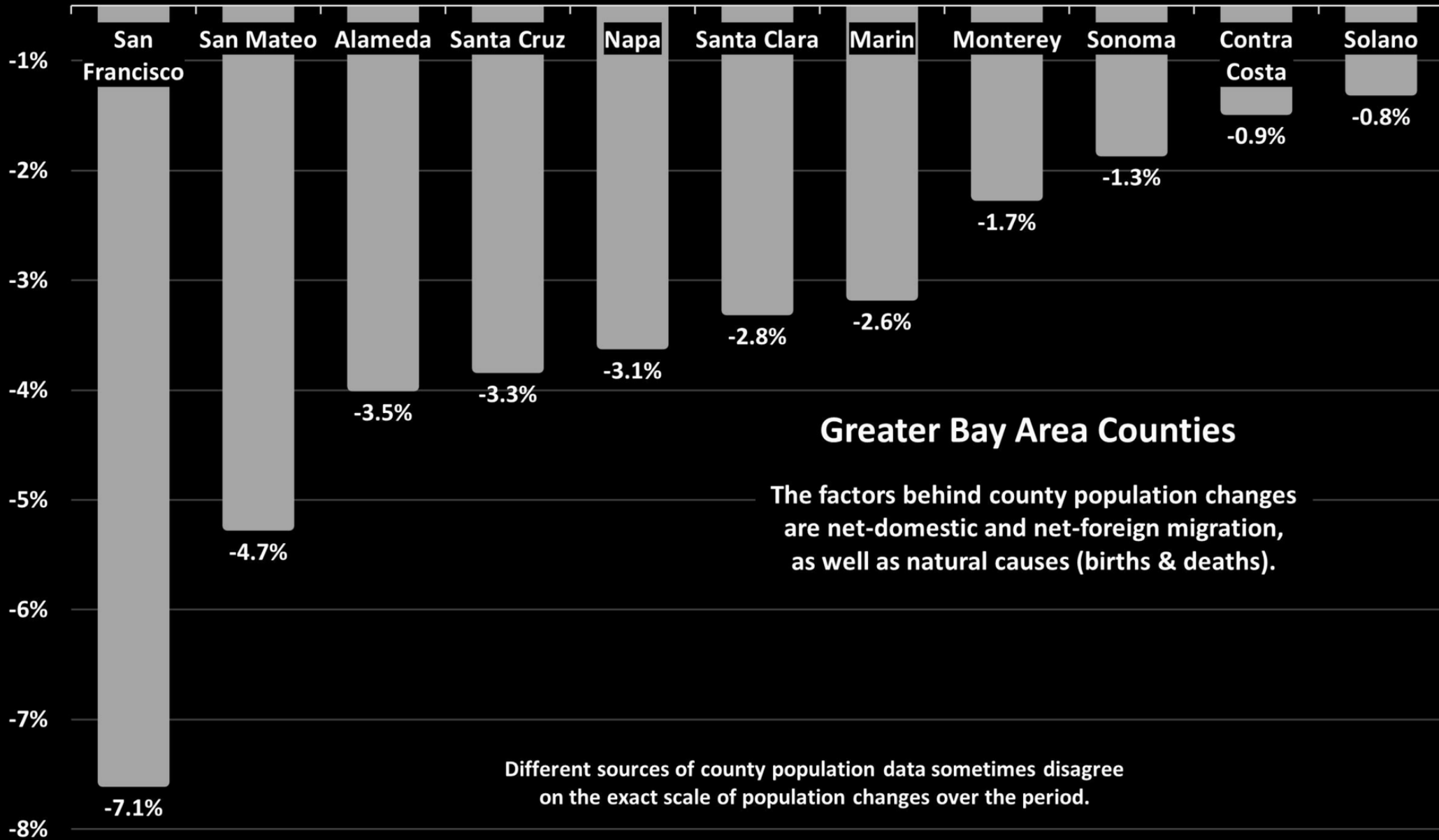
U.S. Census Estimates, Annual Change, July 1st to July 1st



*Per U.S. Census estimates. 2020-2023 data released 3/14/2024. For 11 greater Bay Area Counties, Napa to Monterey. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. The Census often revises numbers in later releases.

County Percentage Population Changes since the Pandemic

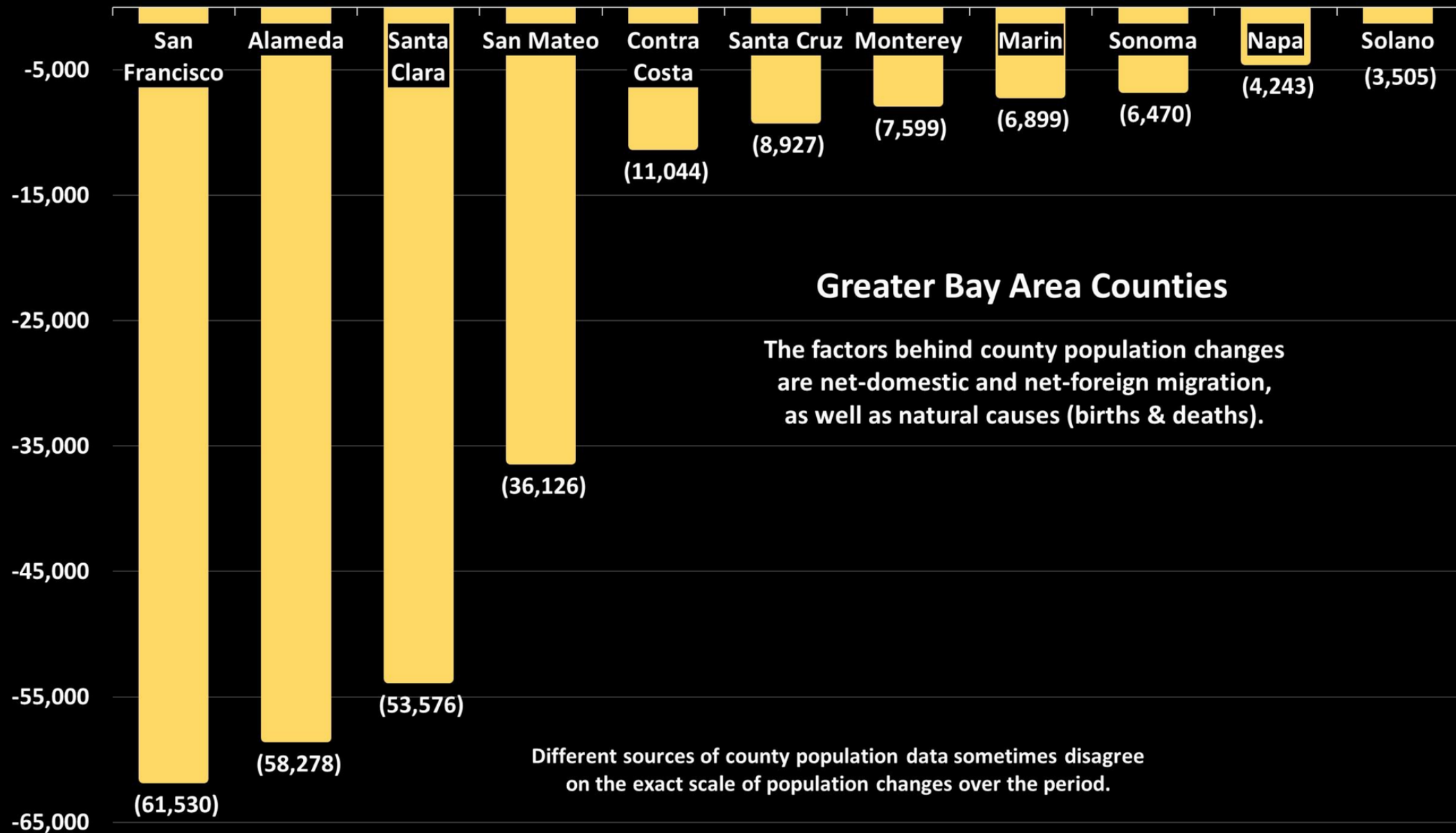
U.S. Census Estimates: July 1, 2020 to July 1, 2023*



* U.S. Census Annual Estimates of Resident Population Change for CA Counties. Published by Census on 3/14/2024. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate and may be revised in later releases.

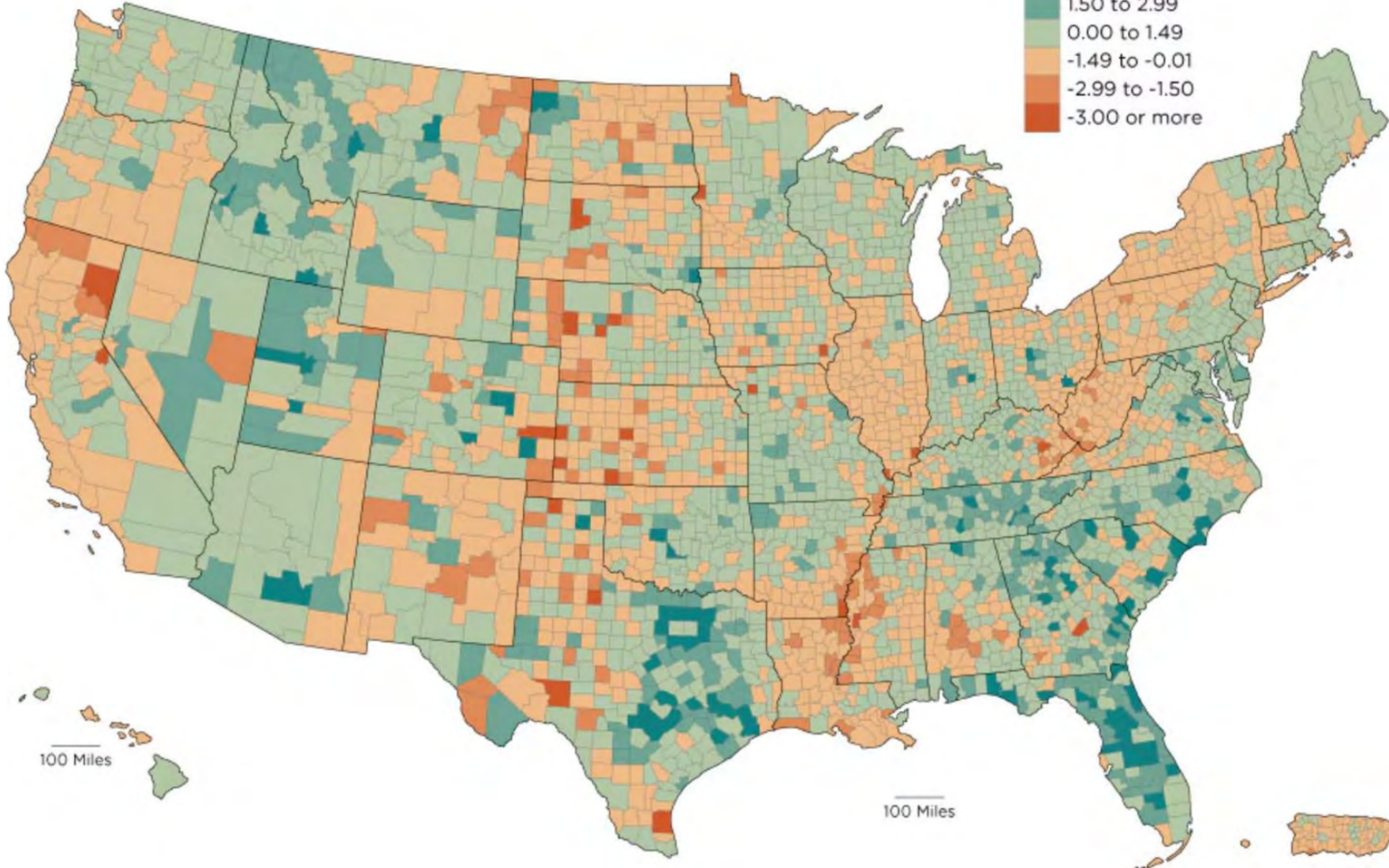
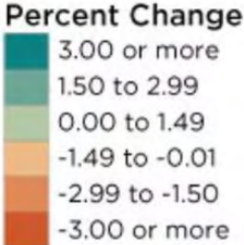
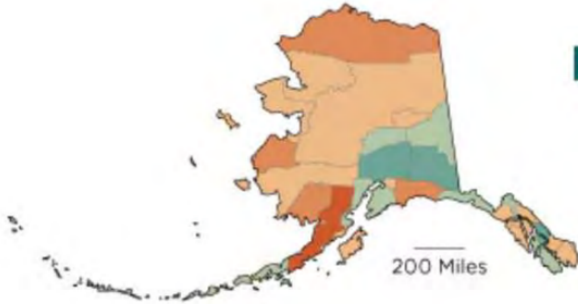
County Population Changes since the Pandemic

U.S. Census Estimates: July 1, 2020 to July 1, 2023*



* U.S. Census Annual Estimates of Resident Population Change for CA Counties. Published by Census on 3/14/2024. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate and may be revised in later releases.

Percent Change in County Population: July 1, 2022, to July 1, 2023



U.S. Homeowner's Insurance Premiums

Change in Cost since 1998, by Month*

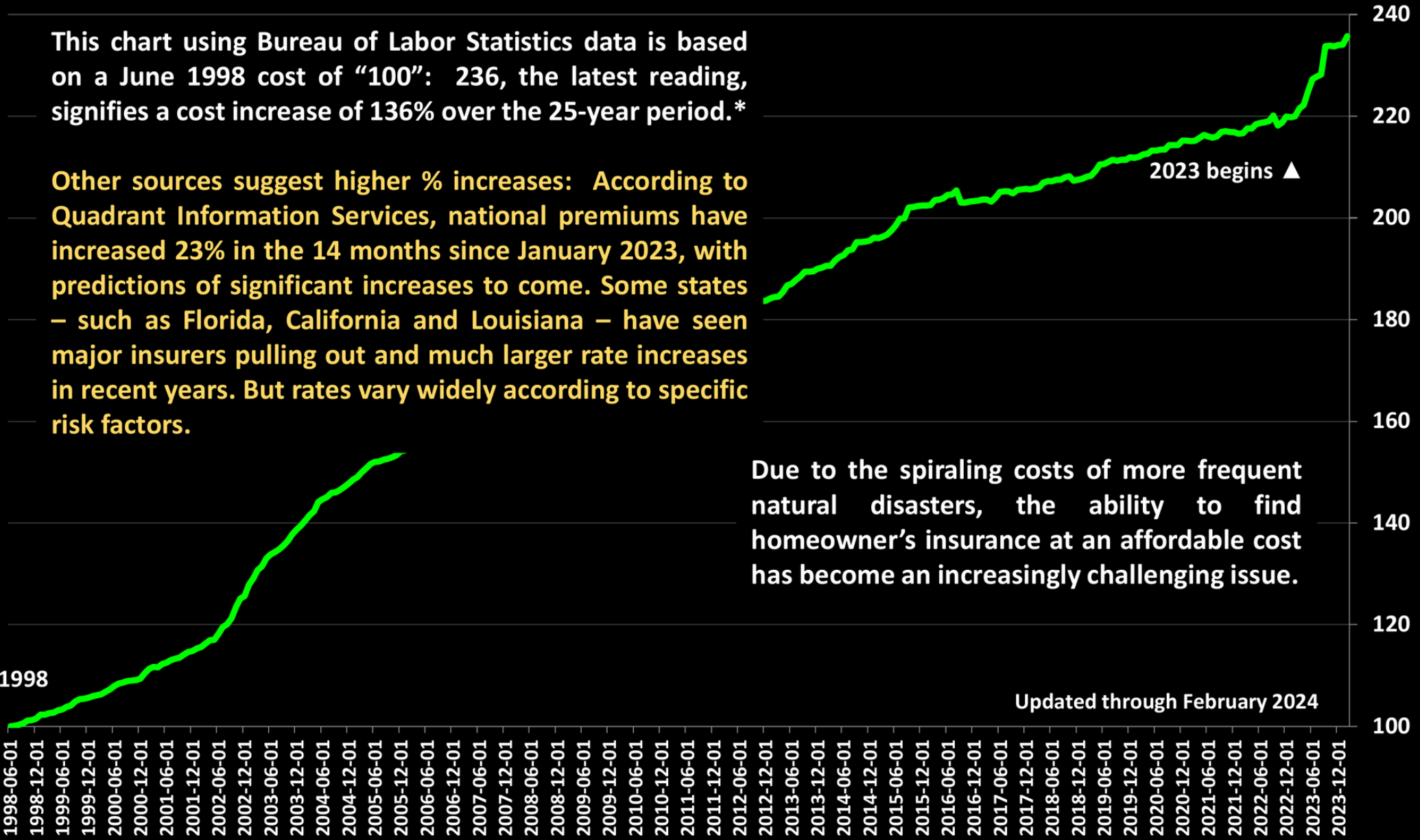
This chart using Bureau of Labor Statistics data is based on a June 1998 cost of "100": 236, the latest reading, signifies a cost increase of 136% over the 25-year period.*

Other sources suggest higher % increases: According to Quadrant Information Services, national premiums have increased 23% in the 14 months since January 2023, with predictions of significant increases to come. Some states – such as Florida, California and Louisiana – have seen major insurers pulling out and much larger rate increases in recent years. But rates vary widely according to specific risk factors.

Due to the spiraling costs of more frequent natural disasters, the ability to find homeowner's insurance at an affordable cost has become an increasingly challenging issue.

2023 begins ▲

Updated through February 2024



*U.S. Bureau of Labor Statistics, Premiums for Homeowner's Insurance, from Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCU9241269241262>. Not seasonally adjusted. Data from sources deemed reliable, but may contain errors and subject to revision.

United States Billion-Dollar Disaster Type Counts

- Drought
- Flooding
- Freeze
- Severe Storm
- Tropical Cyclone
- Wildfire
- Winter Storm

In inflation-adjusted dollars, the annual cost of U.S. billion-dollar natural disasters has gone from \$21.5 billion per year in the 1980's to \$144.3 billion per year in 2021-2023, an increase of 570%. This is the main factor behind soaring homeowner's insurance costs.

Time Period	Billion-Dollar Disasters	Events/Year	Cost	Cost/Year
1980s (1980-1989)	33	3.3	\$214.6B	\$21.5B
1990s (1990-1999)	57	5.7	\$327.7B	\$32.8B
2000s (2000-2009)	67	6.7	\$607.2B	\$60.7B
2010s (2010-2019)	131	13.1	\$972.5B	\$97.3B
Last 5 Years (2019-2023)	102	20.4	\$605.5B	\$121.1B
Last 3 Years (2021-2023)	66	22.0	\$433.0B	\$144.3B

Select Time Period Comparisons of United States Billion-Dollar Drought, Flooding, Freeze, Severe Storm, Tropical Cyclone, Wildfire, and Winter Storm Statistics (CPI-Adjusted). Table by National Centers for Environmental Information.



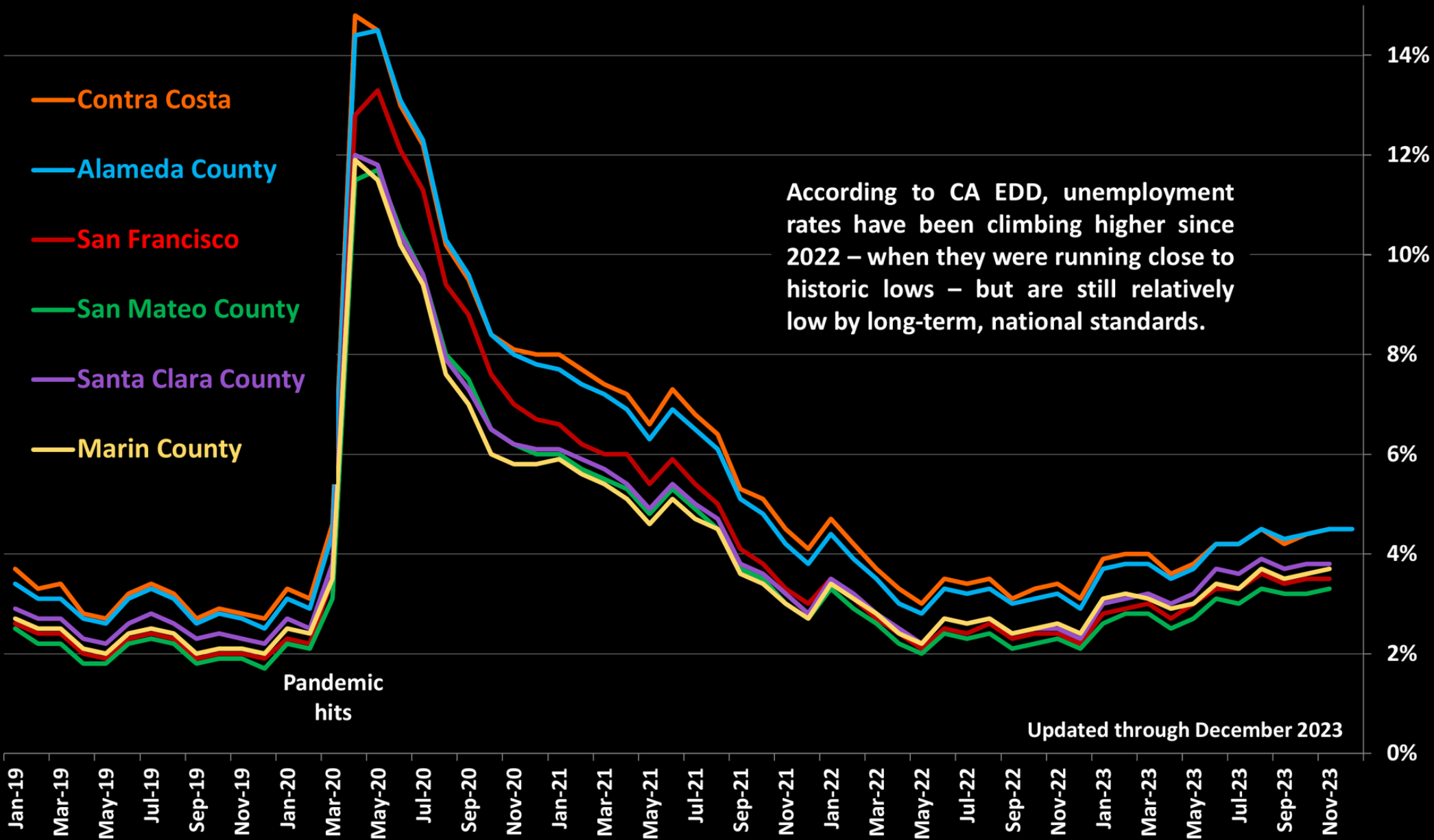
<https://www.ncei.noaa.gov/access/billions/state-summary/US>

Provided by



San Francisco Bay Area Unemployment Rates

Selected Bay Area Counties, since 2019



According to CA EDD, unemployment rates have been climbing higher since 2022 – when they were running close to historic lows – but are still relatively low by long-term, national standards.

Pandemic hits

Updated through December 2023

Estimates per CA Employment Development Dept. (EDD). Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. EDD often revises estimates in later reports.



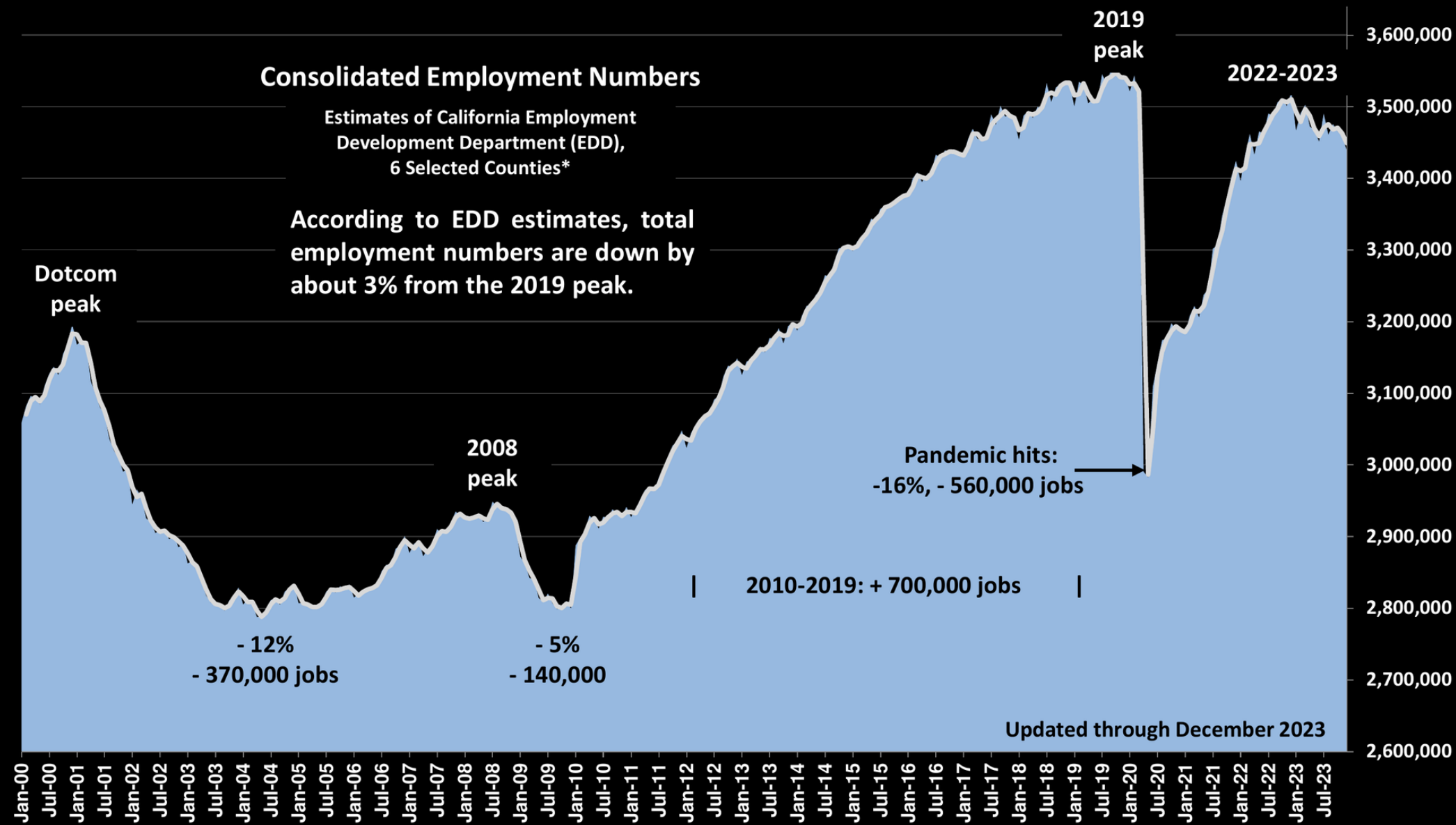
San Francisco Bay Area Employment Trends*

Number of Employed Residents since 2000

Consolidated Employment Numbers

Estimates of California Employment
Development Department (EDD),
6 Selected Counties*

According to EDD estimates, total
employment numbers are down by
about 3% from the 2019 peak.



*San Francisco, Marin, Alameda, Contra Costa, San Mateo & Santa Clara Counties. Line delineates 2-month rolling average. Last month's data is labeled "preliminary" by EDD. EDD often goes back to revise past data releases. Data from sources deemed reliable but may contain errors and subject to revision. Approximate illustration.

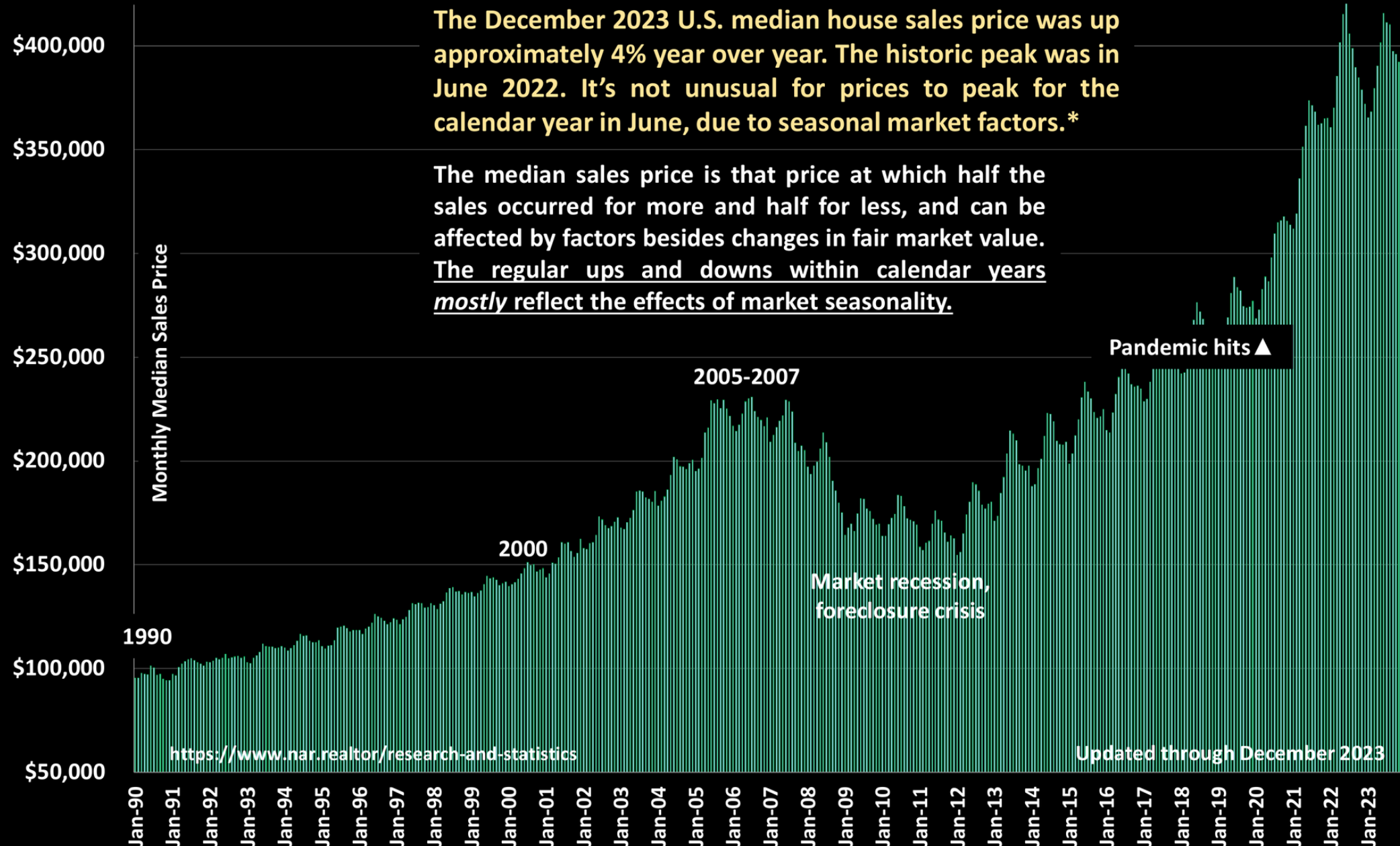
U.S. Median Single-Family-Home Sales Price

Long-Term Market Dynamics, by Month, since 1990*

2022-23

The December 2023 U.S. median house sales price was up approximately 4% year over year. The historic peak was in June 2022. It's not unusual for prices to peak for the calendar year in June, due to seasonal market factors.*

The median sales price is that price at which half the sales occurred for more and half for less, and can be affected by factors besides changes in fair market value. The regular ups and downs within calendar years mostly reflect the effects of market seasonality.



*Data copyright, National Association of Realtors®. All rights reserved. Used with permission. Existing single family dwellings only, does not include new-home sales. Last month labeled "preliminary." Data from sources deemed reliable, but may contain errors and subject to revision.

2023 Median House Sales Prices

Selected U.S. Metro Areas*

“Metro Areas” typically cover *much larger* regions – multiple counties or even parts of multiple states – than the cities they are named for, with wide variations in values between submarkets.

Metro Area	Median House Sales Price	Metro Area	Median House Sales Price	Metro Area	Median House Sales Price
San Jose-Sunnyvale-Santa Clara, CA	\$ 1,765,000	New York-Newark (NY, NJ, PA)	\$ 636,900	Charleston, SC	\$ 423,200
San Francisco-Oakland-Hayward	\$ 1,272,500	Wash DC-Alexandria (DC, VA, MD, WV)	\$ 602,700	Madison, WI	\$ 417,900
Anaheim-Santa Ana, Irvine, CA	\$ 1,260,000	Miami-W. Palm Beach-Ft Lauderdale	\$ 593,000	Tampa-Clearwater-St. Petersburg, FL	\$ 405,000
Urban Honolulu, HI	\$ 1,055,900	Portland-Vancouver (OR-WA)	\$ 584,800	Nashville-Franklin, TN	\$ 401,500
San Diego-Carlsbad, CA	\$ 931,200	Salt Lake City, UT	\$ 542,200	Dallas-Fort Worth-Arlington, TX	\$ 381,900
Boulder, CO	\$ 857,200	Sacramento-Roseville, CA	\$ 527,100	Minneapolis-St. Paul (MN, WI)	\$ 379,900
Los Angeles-Long Beach-Glendale	\$ 833,400	Manchester-Nashua, NH	\$ 485,300	Atlanta-Marietta, GA	\$ 370,000
Naples-Immokalee, FL	\$ 790,000	Austin-Round Rock, TX	\$ 481,200	Hartford, CT	\$ 355,900
Seattle-Tacoma-Bellevue, WA	\$ 735,000	Boise-Nampa, ID	\$ 477,600	Chicago-Naperville-Elgin (IL, IN, WI)	\$ 351,200
Boston-Cambridge-Newton, MA	\$ 714,000	Phoenix-Mesa-Scottsdale, AZ	\$ 459,600	Houston-Sugar Land-Woodlands, TX	\$ 340,300
Bridgeport-Stamford, CT	\$ 694,100	Asheville, NC	\$ 456,600	Kansas City MO, KS	\$ 320,100
Denver-Aurora-Lakewood, CO	\$ 661,000	Las Vegas-Paradise-Henderson, NV	\$ 450,400	Pittsburg, PA	\$ 216,300

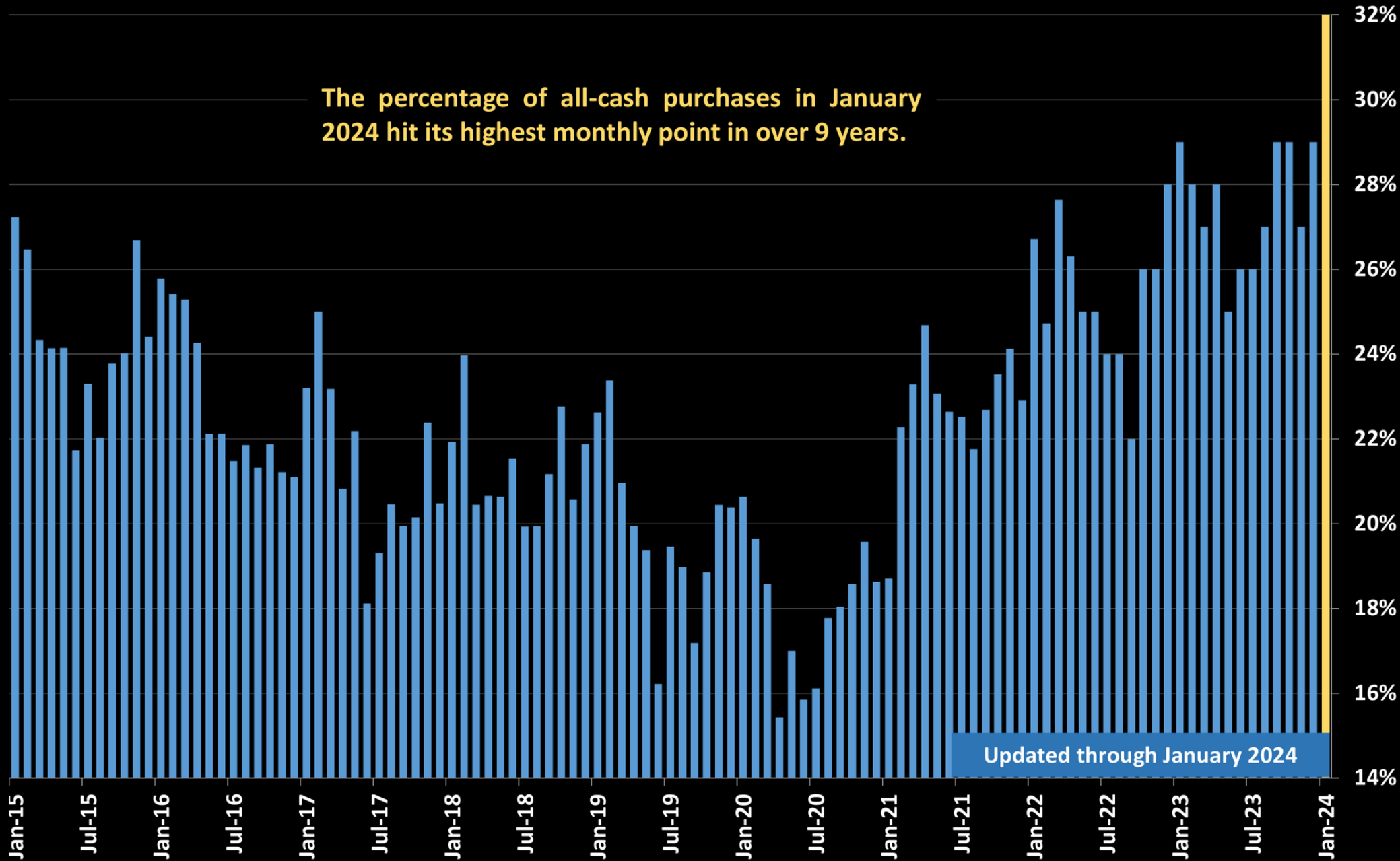
*Data copyright, National Association of Realtors®: All rights reserved. Used with permission. 2023 sales of existing single family homes, preliminary calculations. May contain errors and subject to revision. All numbers approximate.



U.S. Percentage of All-Cash Buyers

National Market Dynamics since 2015, by Month*

The percentage of all-cash purchases in January 2024 hit its highest monthly point in over 9 years.

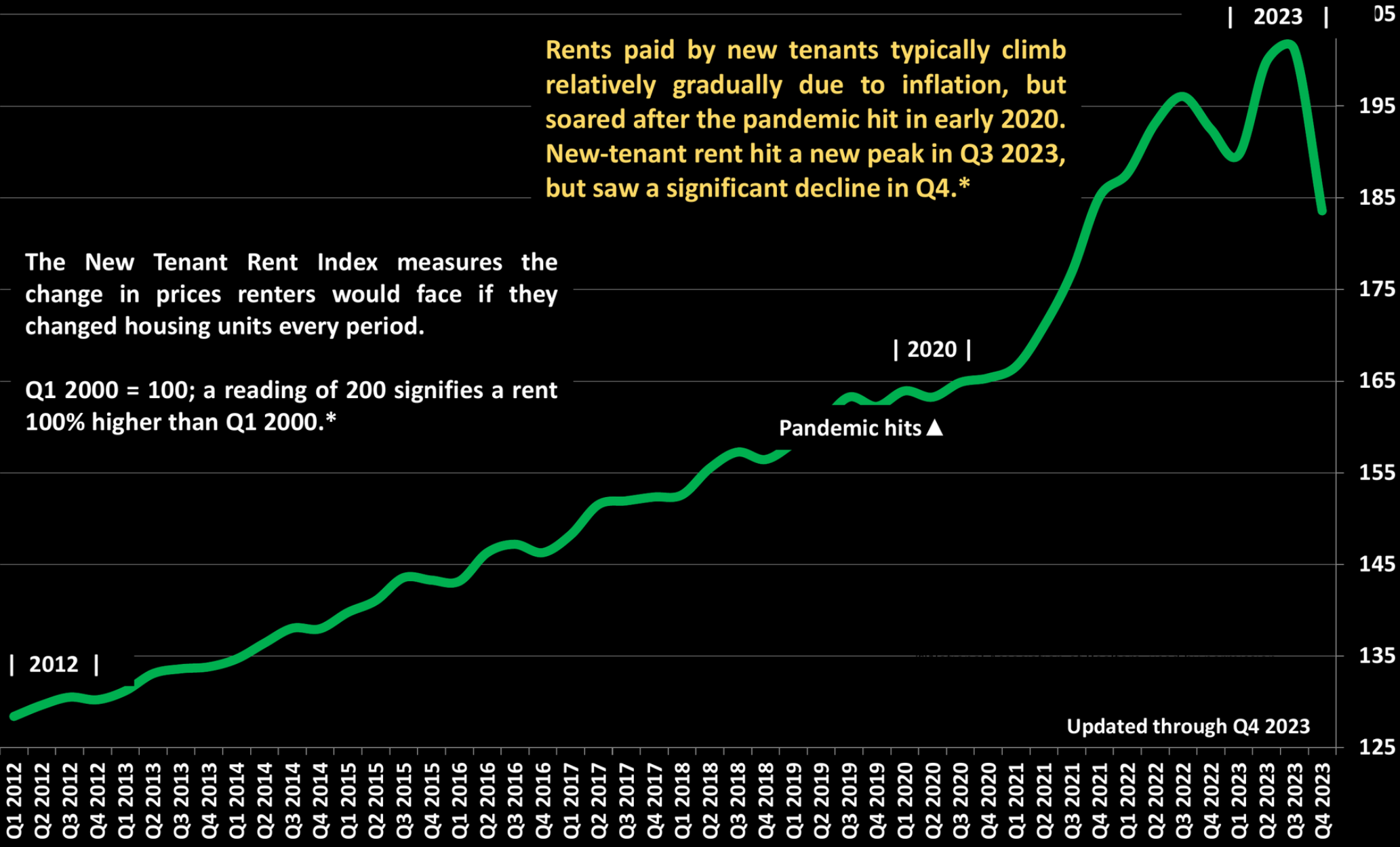


*Realtors® Confidence Index Survey. Data copyright, National Association of Realtors®. All rights reserved. Used with permission. 3-month rolling average of NAR data. All numbers are approximate good-faith estimates based on a survey of Realtors. Data from sources deemed reliable, but may contain errors and subject to revision.



New-Tenant Rent Index

Bureau of Labor Statistics, Quarterly CPI Measurement*



Rents paid by new tenants typically climb relatively gradually due to inflation, but soared after the pandemic hit in early 2020. New-tenant rent hit a new peak in Q3 2023, but saw a significant decline in Q4.*

The New Tenant Rent Index measures the change in prices renters would face if they changed housing units every period.

Q1 2000 = 100; a reading of 200 signifies a rent 100% higher than Q1 2000.*

Updated through Q4 2023

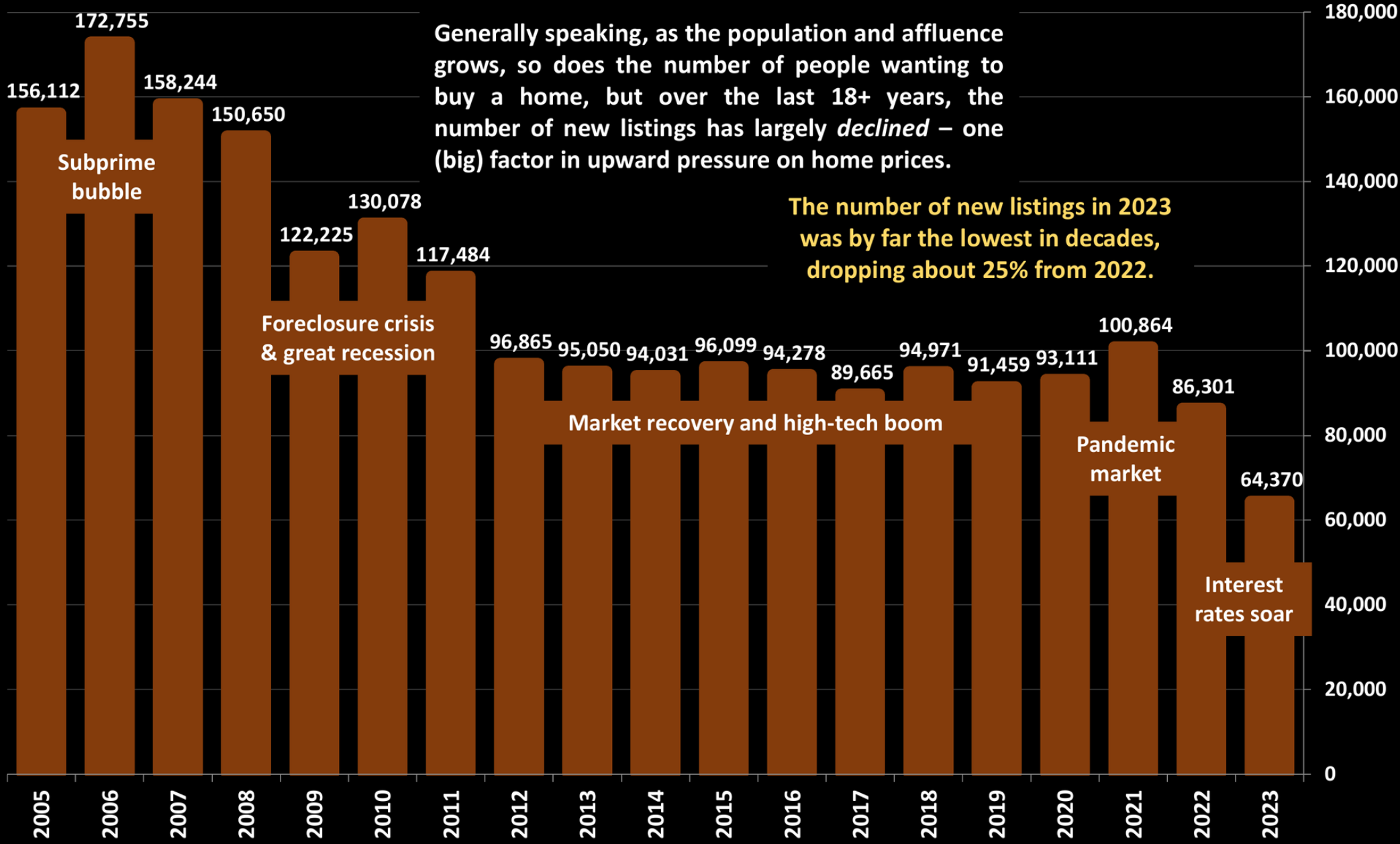
*U.S. Bureau of Labor Statistics: New Tenant Rent Index uses the "economic rent" calculated for the CPI-U Rent of Primary Residence Index. <https://www.bls.gov/pir/new-tenant-rent.htm>. All numbers to be considered approximate. Last quarter's data should be considered preliminary until substantiated over the longer term.



San Francisco Bay Area: Annual New-Listing Volume

Number of New Listings Coming on Market by Year, since 2005*

Reflecting new listings in 11 greater Bay Area counties from Napa to Monterey



*All attached and detached residential home listings posted to NorCal MLS Alliance per Infosparks calculations in early January 2024. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, and may change due to late-reported activity. Not all listings are posted to MLS.



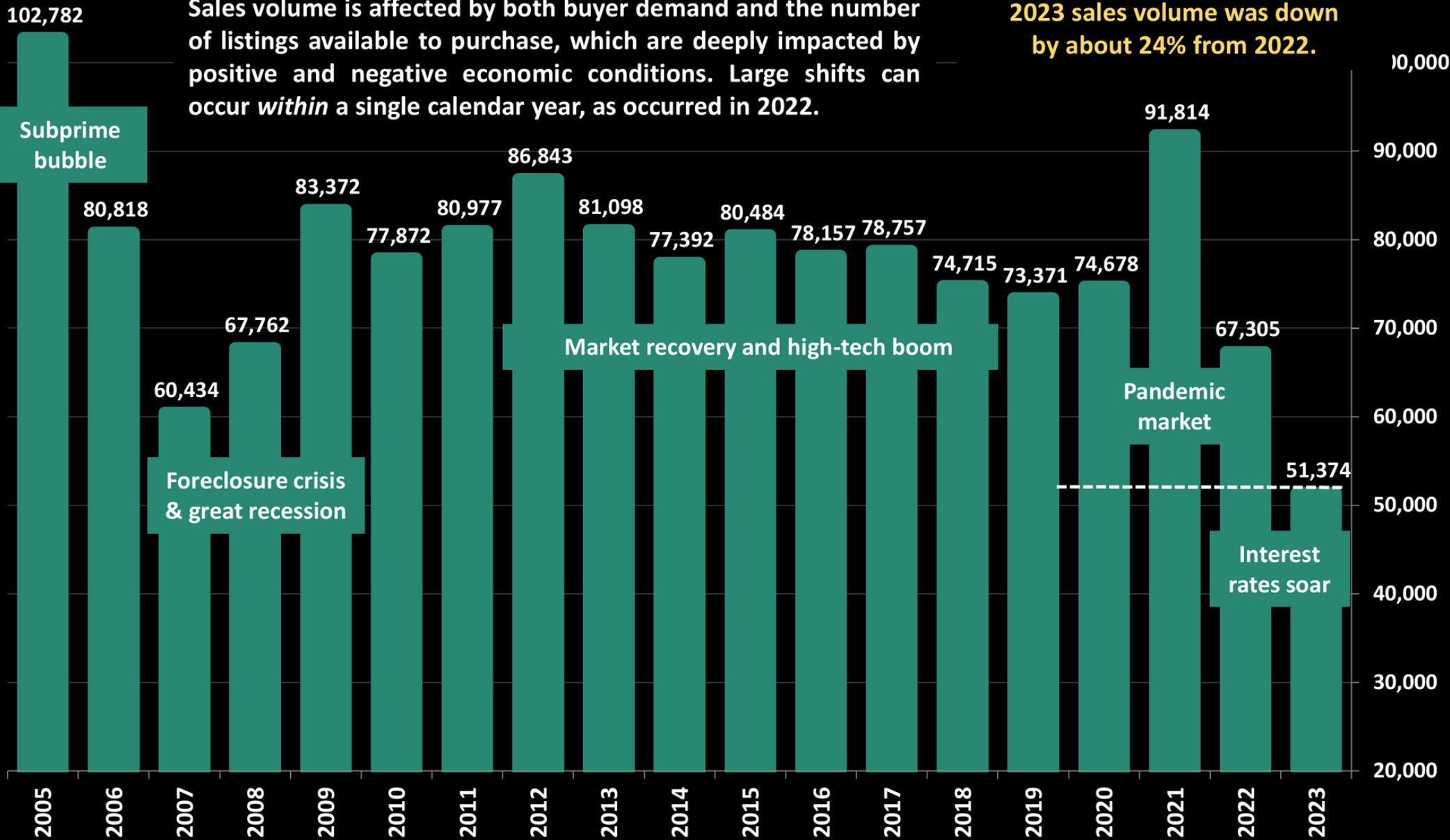
San Francisco Bay Area: Annual Sales Volume

Number of Home Sales by Year, since 2005*

Reflecting sales in 11 Greater Bay Area counties from Napa to Monterey.

Sales volume is affected by both buyer demand and the number of listings available to purchase, which are deeply impacted by positive and negative economic conditions. Large shifts can occur *within* a single calendar year, as occurred in 2022.

2023 sales volume was down by about 24% from 2022.



*All attached and detached residential home sales reported to NorCal MLS Alliance per Infosparks calculations. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, with last year's total estimated based on available data in early January, and may change due to late-reported sales. Not all sales are reported to MLS.

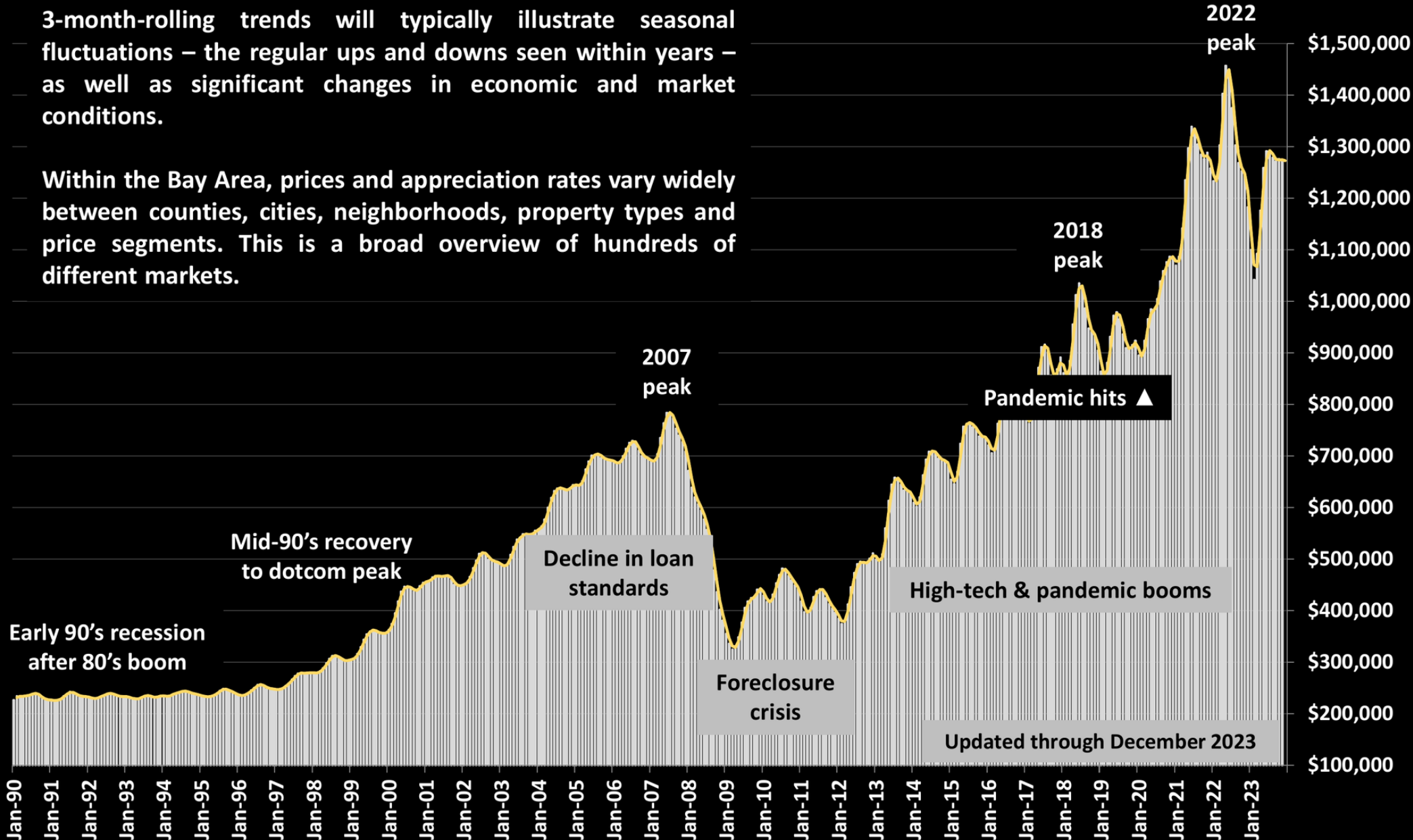
Bay Area Home Price Appreciation – Long-Term Overview

Monthly Median House Sales Prices since 1990, 3-Month Rolling Average

Reflecting sales in 9 Bay Area Counties from Napa to Santa Clara

3-month-rolling trends will typically illustrate seasonal fluctuations – the regular ups and downs seen within years – as well as significant changes in economic and market conditions.

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.



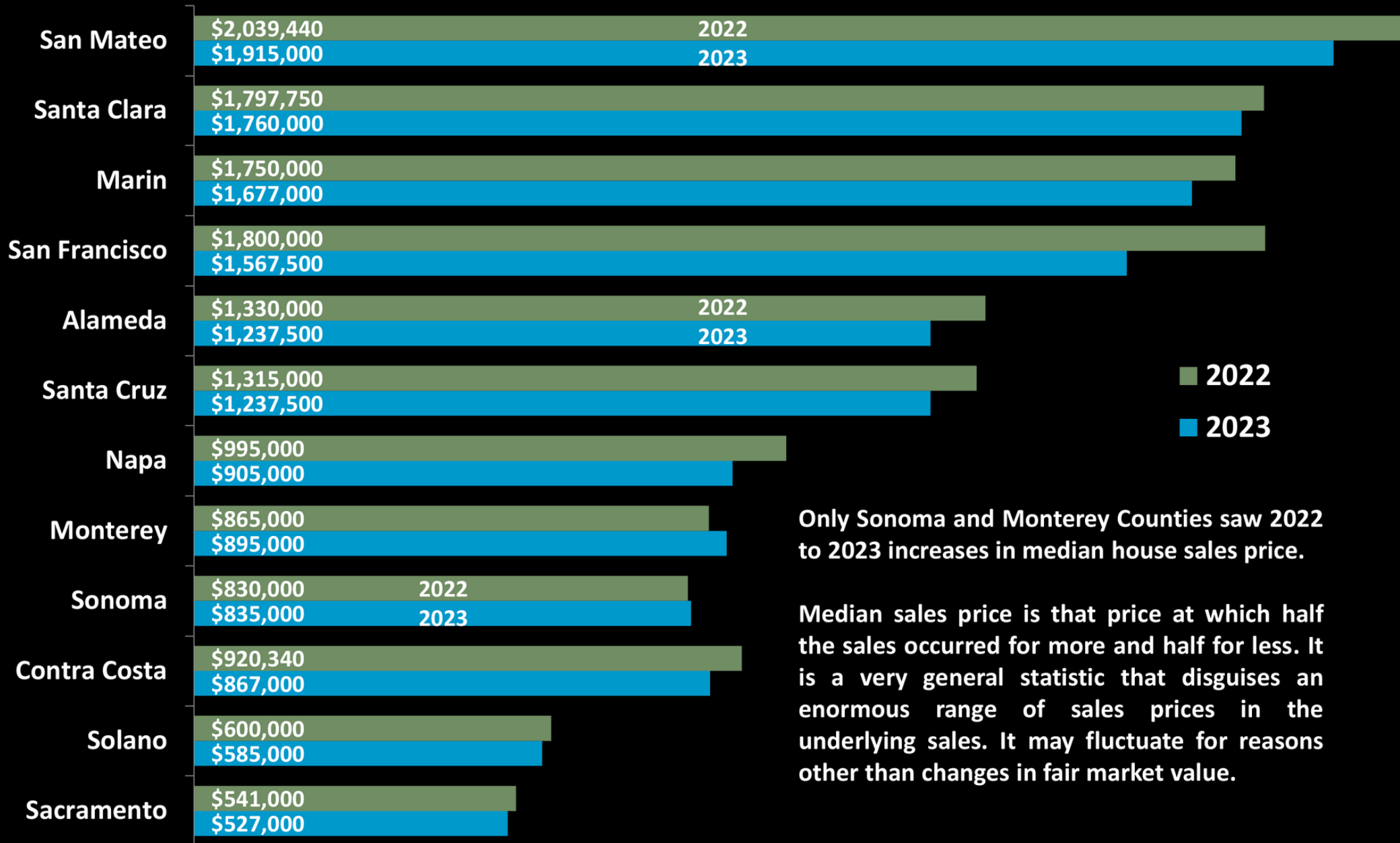
Each point reflects a 3-month rolling average of monthly median sales prices for existing houses, 9 Bay Area Counties, per CA Assoc. of Realtors. Last month per house sales reported to NorCal MLS Alliance. 2-period moving trend line. Analysis may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.



Comparative Median House Prices

2022 & 2023 Median House Sales Prices, by County*

Annual calendar year sales reported to MLS



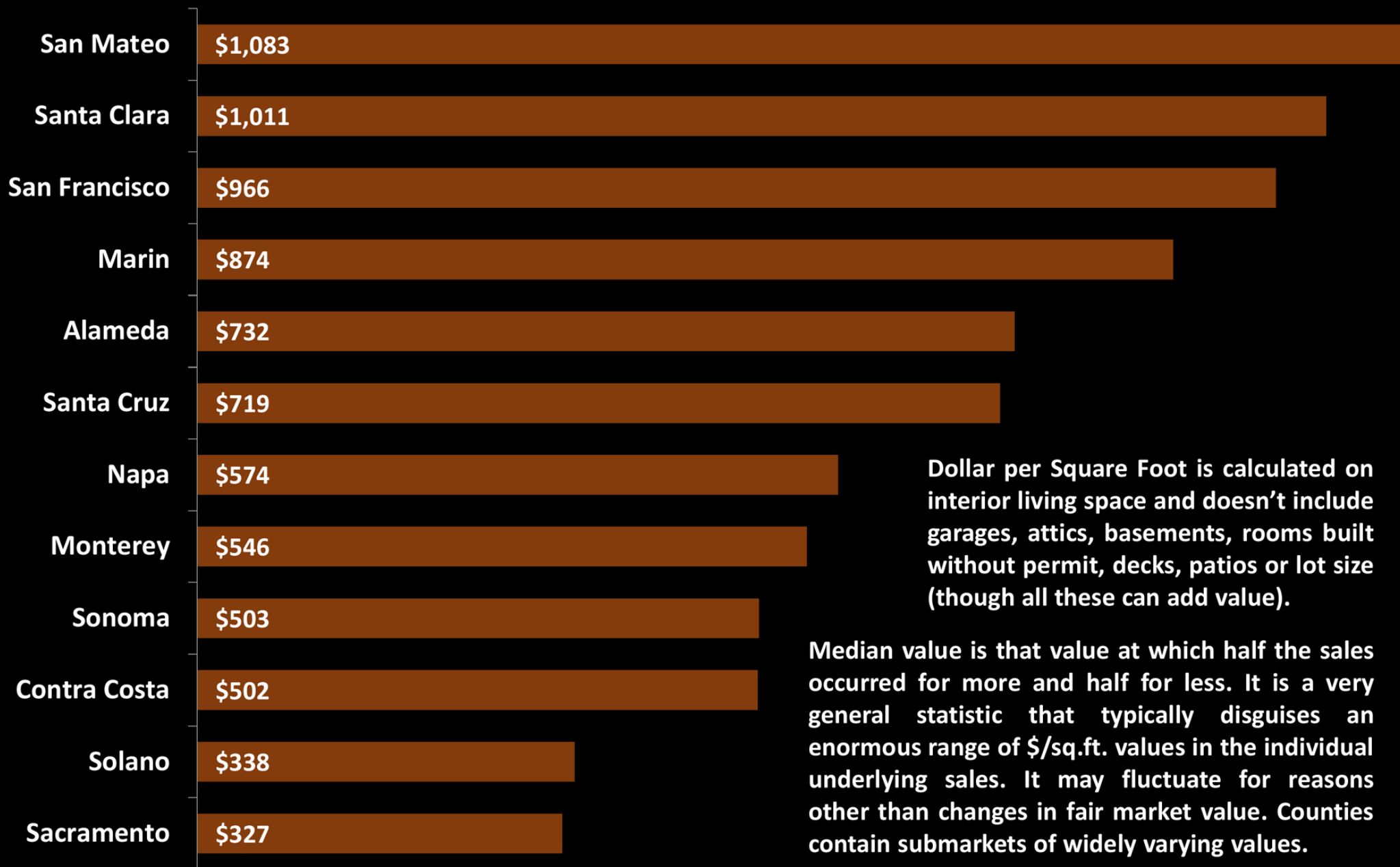
Only Sonoma and Monterey Counties saw 2022 to 2023 increases in median house sales price.

Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic that disguises an enormous range of sales prices in the underlying sales. It may fluctuate for reasons other than changes in fair market value.

*2022 per CA. Association of Realtors annual historical survey for existing single family dwellings. 2023 an estimate based on house sales reported to NorCal MLS Alliance by early Jan. 2024. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales. Various sources of data may calculate median sales prices slightly differently.

Comparative Median Dollar per Square Foot House Values

2023 House Sales, by County*



Dollar per Square Foot is calculated on interior living space and doesn't include garages, attics, basements, rooms built without permit, decks, patios or lot size (though all these can add value).

Median value is that value 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 \$/sq.ft. values in the individual underlying sales. It may fluctuate for reasons other than changes in fair market value. Counties contain submarkets of widely varying values.

*House sales reported to NorCal MLS Alliance. Deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.

San Francisco Bay Area Annual Sales - \$5,000,000+

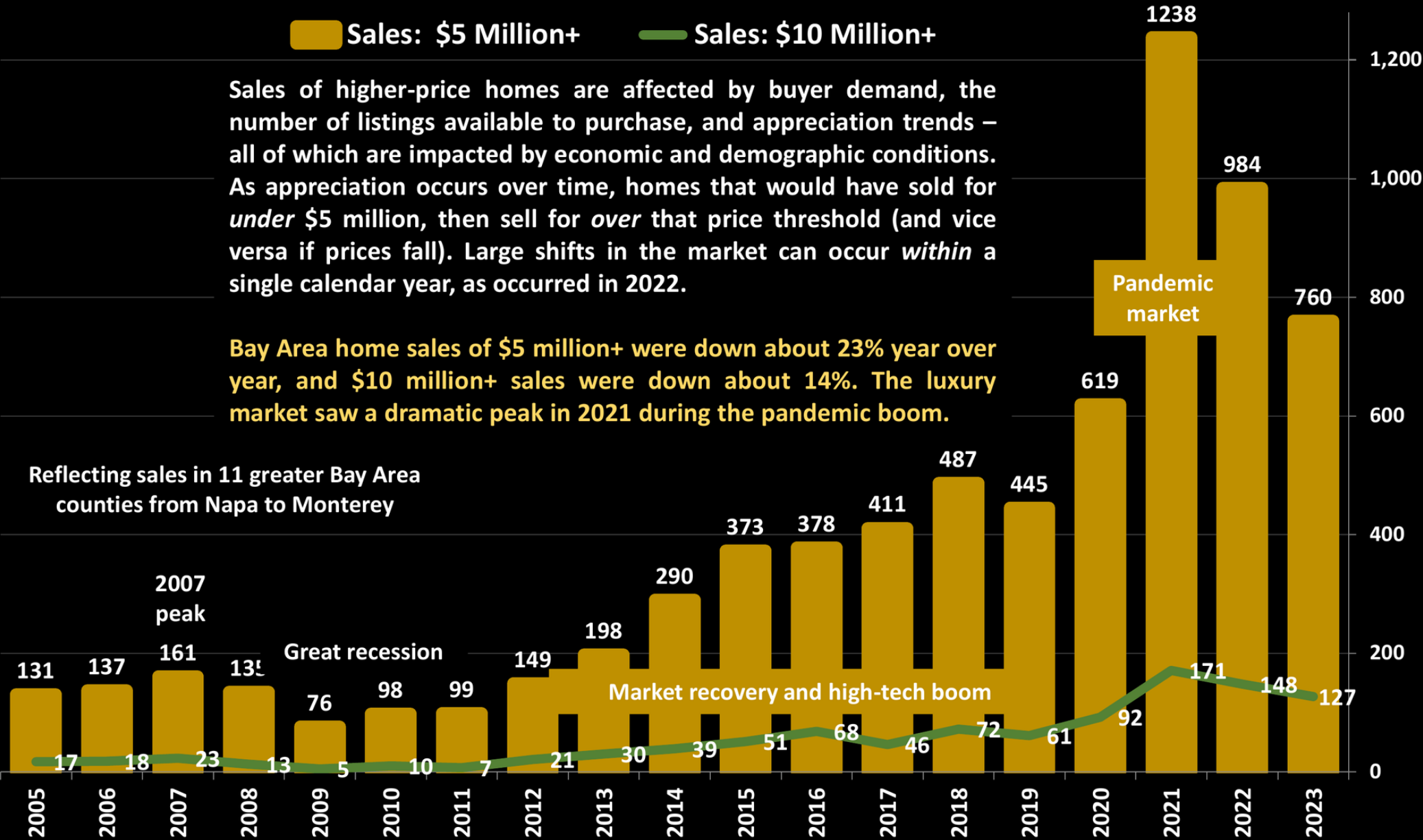
Number of Luxury Home Sales by Year, since 2005*

■ Sales: \$5 Million+
 — Sales: \$10 Million+

Sales of higher-price homes are affected by buyer demand, the number of listings available to purchase, and appreciation trends – all of which are impacted by economic and demographic conditions. As appreciation occurs over time, homes that would have sold for *under* \$5 million, then sell for *over* that price threshold (and vice versa if prices fall). Large shifts in the market can occur *within* a single calendar year, as occurred in 2022.

Bay Area home sales of \$5 million+ were down about 23% year over year, and \$10 million+ sales were down about 14%. The luxury market saw a dramatic peak in 2021 during the pandemic boom.

Reflecting sales in 11 greater Bay Area counties from Napa to Monterey



*All attached and detached residential home sales reported to NorCal MLS Alliance per Infosparks calculations. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, with last year's total estimated based on available data in early January, and may change due to late-reported sales. Not all luxury home sales are reported to MLS.

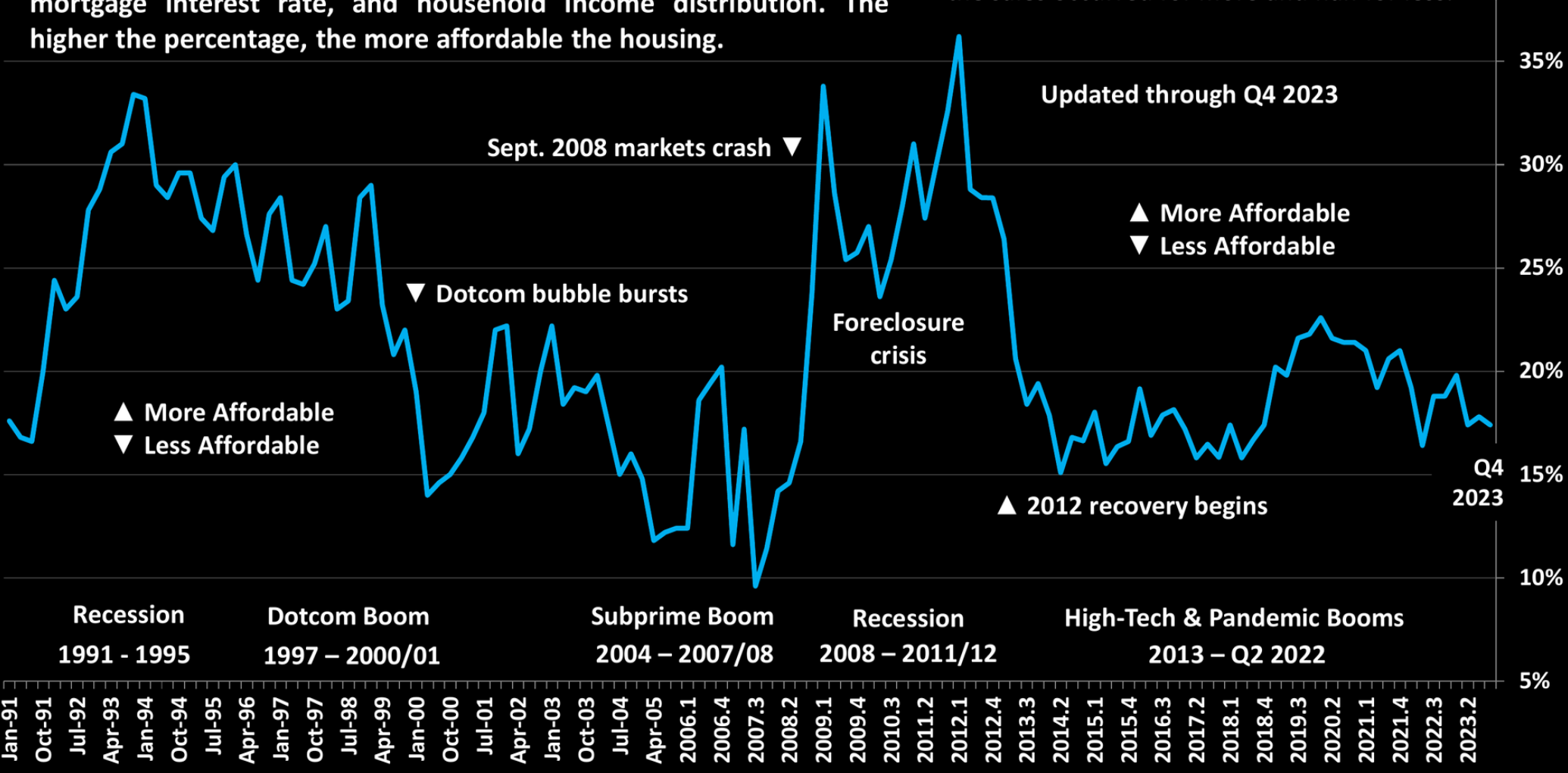
Bay Area Housing Affordability Trends

Selected Bay Area Counties, since 1991*

The Housing Affordability Index measures the percentage of households that can afford to buy the median priced house (does *not* include condos or townhouses, which are typically less expensive). The major factors are median house sales prices, the prevailing mortgage interest rate, and household income distribution. The higher the percentage, the more affordable the housing.

Percentage of Households Able to Afford Median Priced House

The median price is that price at which half the sales occurred for more and half for less.



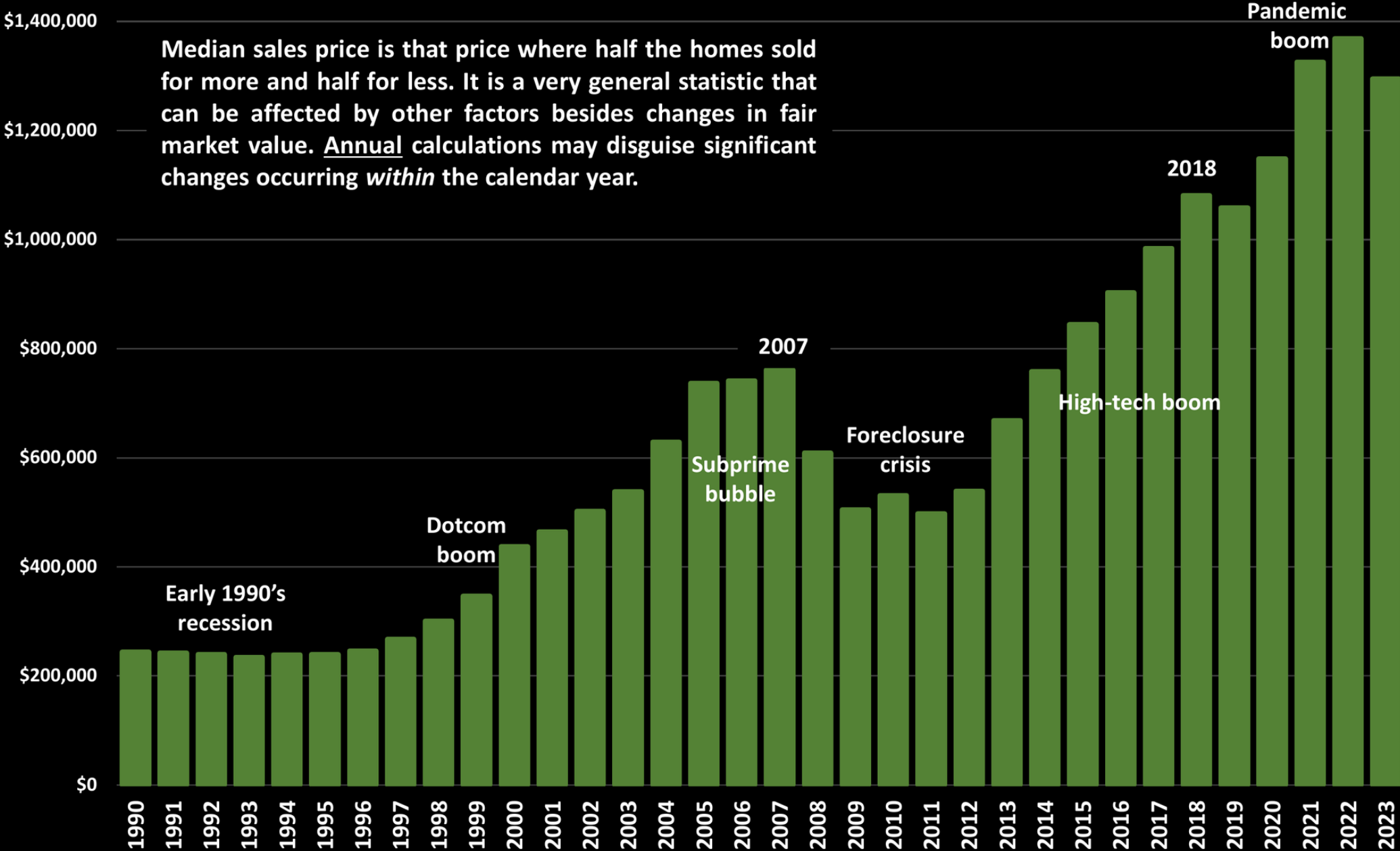
* Average percentage for San Francisco, San Mateo, Santa Clara, Alameda and Marin Counties. Data from sources deemed reliable, but may contain errors and subject to revision. Per CAR Housing Affordability Index. Methodology: <https://www.car.org/en/marketdata/data/haimethodology>



Bay Area Median Home Price Trends

Avg. Annual Median HOUSE Sales Prices, 1990 – Present*

Median sales price is that price where half the homes sold for more and half for less. It is a very general statistic that can be affected by other factors besides changes in fair market value. Annual calculations may disguise significant changes occurring *within* the calendar year.



*Sales reported to MLS: Average of annual median house sales prices for 8 Bay Area Counties, per CA Association of Realtors historical survey. 2022-2023 data per NorCal MLS Alliance, per Infosparks, sales reported by early 2024. All numbers approximate, may contain errors and subject to revision.

Factors in Bay Area Real Estate Markets

Many of these factors' effects can swing both positive and negative; sometimes effects are deeply counter-intuitive (e.g. a pandemic causing a fierce housing boom). Economic, political, social and ecological dynamics constantly change and interact in difficult-to-predict ways. Market-changing developments can percolate gradually, or arise quickly and unexpectedly. The impact of specific factors can vary by market segment.

Local economic conditions: High-tech booms, employment, housing affordability & development, venture capital & foreign investment, pro/anti-business sentiment, etc.

Interest rates	Stock markets	Inflation	Consumer confidence
Household wealth; personal, corporate, govt. debt levels		Massive, governmental economic interventions (including by the Fed): post 9/11/2001, post 9/2008, post 3/2020	
Natural disasters such as COVID, 1989 earthquake, 2017-21 fires, drought			
Domestic & foreign migration; federal immigration policy; demographic changes			
Tax law e.g. real estate tax benefits & credits, 2017 SALT-deduction limitation		Rental market dynamics	State income tax disparities
International economic/political events, e.g. large oil price swings, military/economic conflict, foreign economic crises, 9/11, 2015 Chinese stock market crash			
Local, state & national politics		Social and quality of life issues: Crime, homelessness, cost of living, economic inequality, partisan politics, etc.	
Financial industry manipulation, fraud, engineering, recklessness, e.g. junk bonds, S&L collapse, predatory lending, abandonment of risk mgmt. & underwriting standards, CDOs & rating-agency deceit, insider trading, over-leveraged investing; irrational exuberance			

Summary Points about Migration & Population Changes

Most people moving out-of-county in the Bay Area *move to an adjacent county* (often to more affordable, less densely populated counties), or to the circle of even more affordable CA counties outside the Bay Area. (There has also been significant, recent migration to other areas such as Lake Tahoe and San Diego.) Within the Bay Area, the *general* direction is from more expensive housing locations to more affordable markets (but there are many exceptions).

Since the pandemic struck, migration and population changes often played out differently between homeowners of varying types (house, condo, etc.), tenants, and university students (as schools closed and reopened), with differing effects on county housing markets. The pandemic also had some significant effects, presumably temporary, on birth and death rates.

Per U.S. Census data, when moving out of state, Bay Area and CA residents mostly choose states with no state income tax (Texas, Nevada, Washington, Florida), other adjacent states (Arizona, with a much lower state income tax rate, and Oregon) and/or states with major high-tech centers (Texas, Washington). Colorado is also typically in the top 7. All of which have lower housing costs. CA has the highest state income taxes for affluent residents in the country.

People moving *into* the Bay Area come from everywhere - including a very significant number coming from foreign countries. Even as domestic migration rates have turned negative in recent years, foreign immigration rates have typically stayed positive (after plunging in the immediate aftermath of the pandemic hitting).

There is often a lot of *2-way traffic* between locations: for example, *between* Bay Area counties; between SoCal or New York and the Bay Area; between Texas or Washington and California. Hundreds of thousands of residents move within, into and out of the Bay Area every year.

There are many volatile economic and demographic factors still at play, and how they will affect migration and population in coming years is unknown.

State population numbers typically increase over time, but in recent years, there have been significant variations between states, mostly due to domestic and foreign migration trends. These often have substantial effects on housing markets.

Percent Change in State Population

Percent change

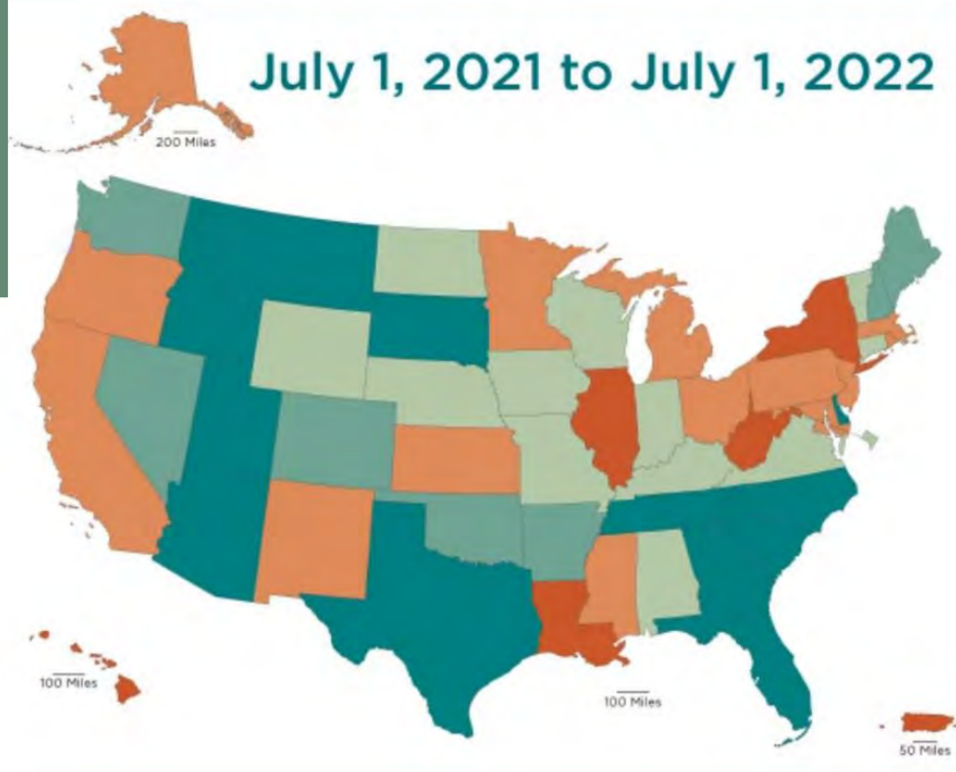


Small % declines due to domestic migration trends in high-population states can lead to larger % gains in less populated states.

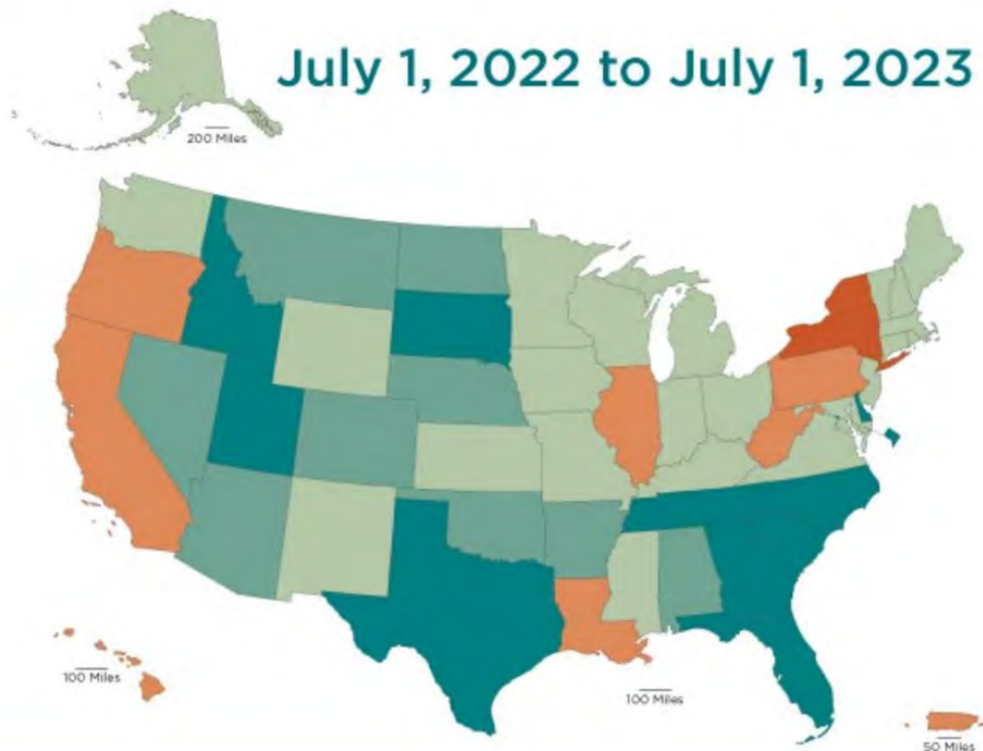
United States[®]
Census
Bureau

U.S. Department of Commerce
U.S. CENSUS BUREAU
[census.gov](https://www.census.gov)

July 1, 2021 to July 1, 2022



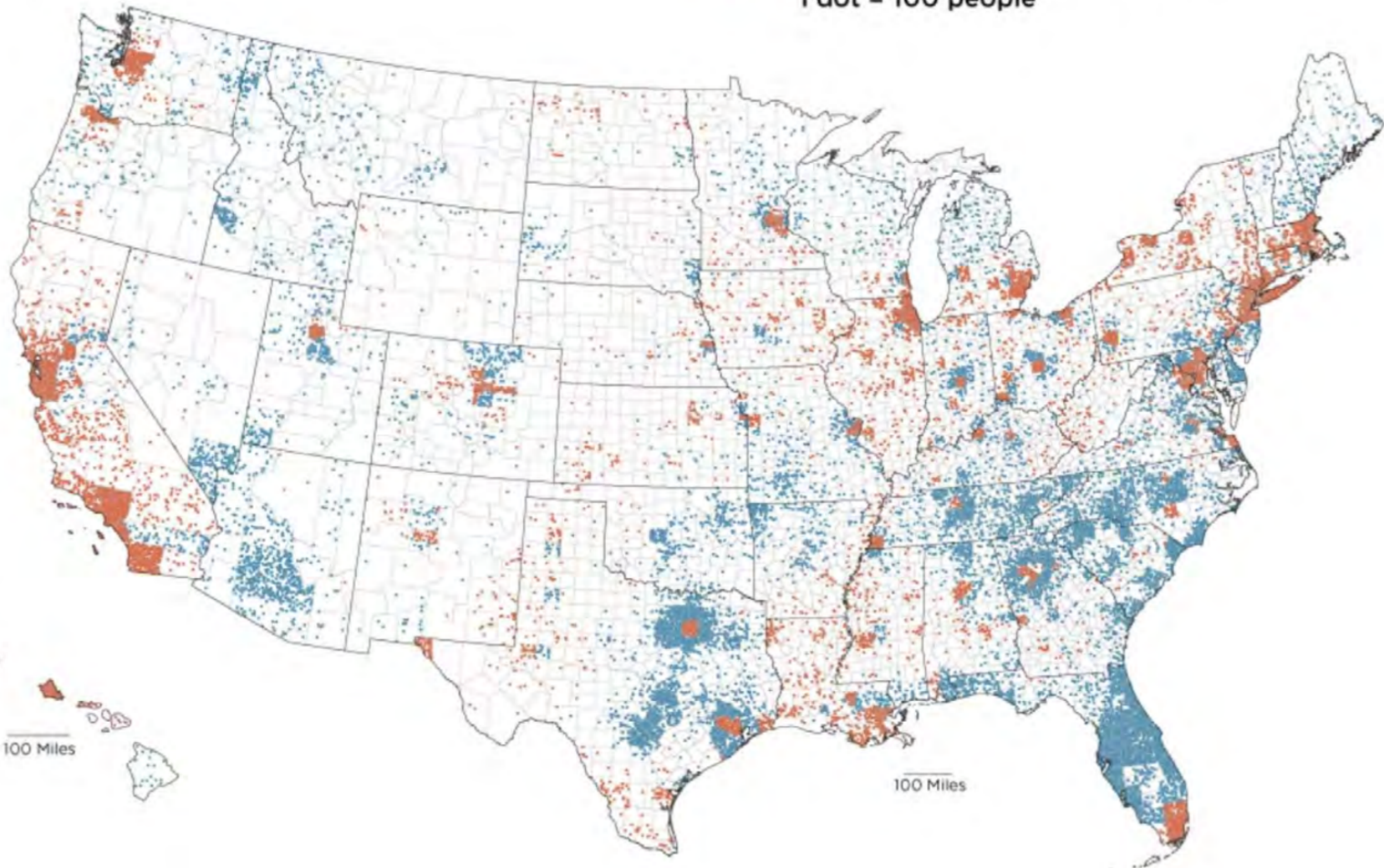
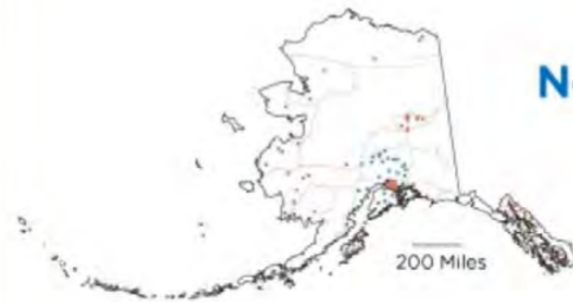
July 1, 2022 to July 1, 2023



Net Domestic Migration by County: 2021-2022

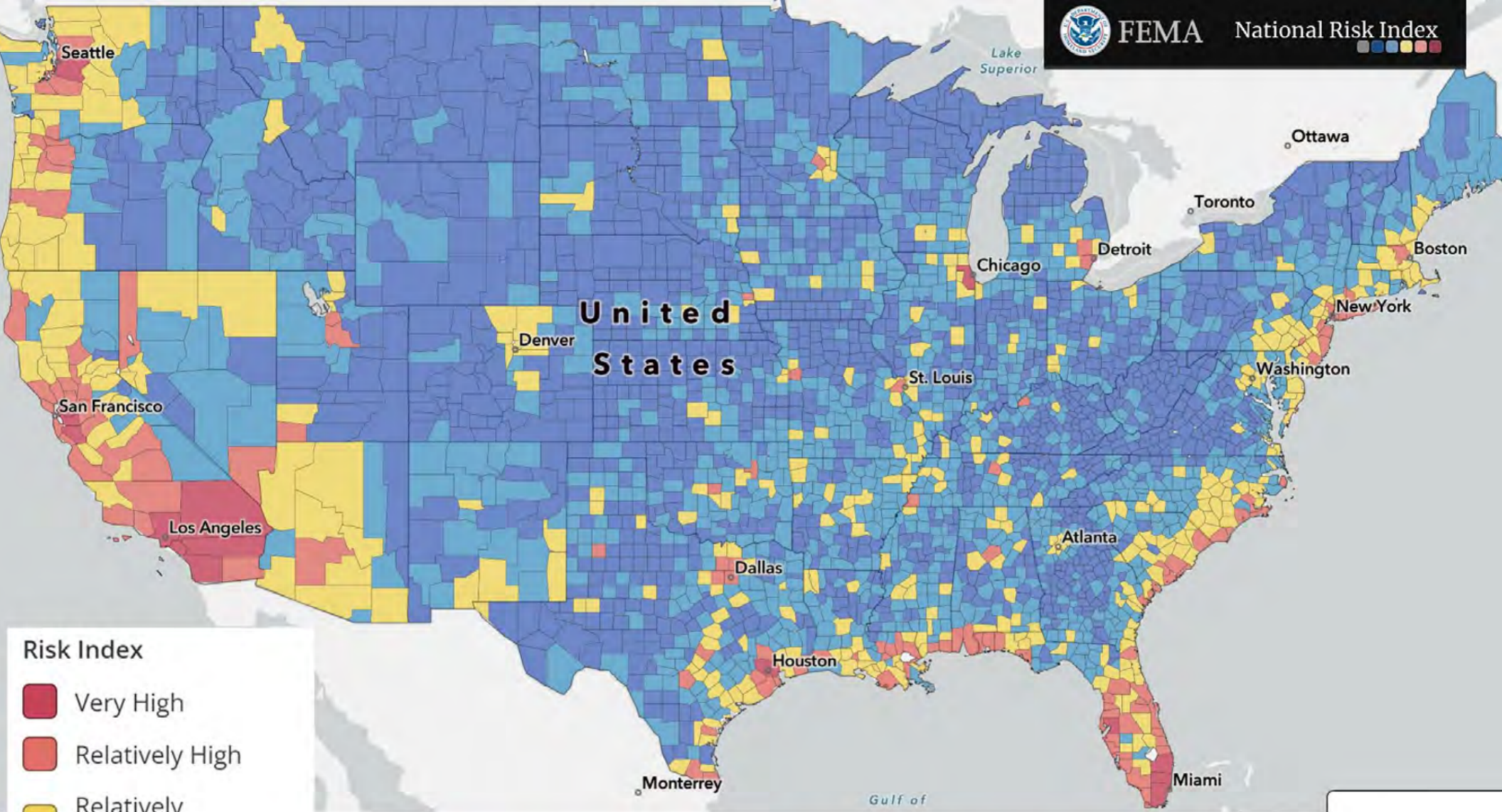
Population movements occurred from counties in orange to counties in blue.

- Positive net domestic migration
 - Negative net domestic migration
- 1 dot = 100 people



Source: U.S. Census Bureau, Vintage 2022 Population Estimates.

Data released 3/30/23



Risk Index

- Very High
- Relatively High
- Relatively Moderate
- Relatively Low
- Very Low
- No Rating
- Not Applicable
- Insufficient Data

Risk Index: 18 Natural Hazards, Consolidated Risk

$$\frac{\text{Expected Annual Loss} \times \text{Social Vulnerability}}{\text{Community Resilience}} = \text{Risk Index}$$

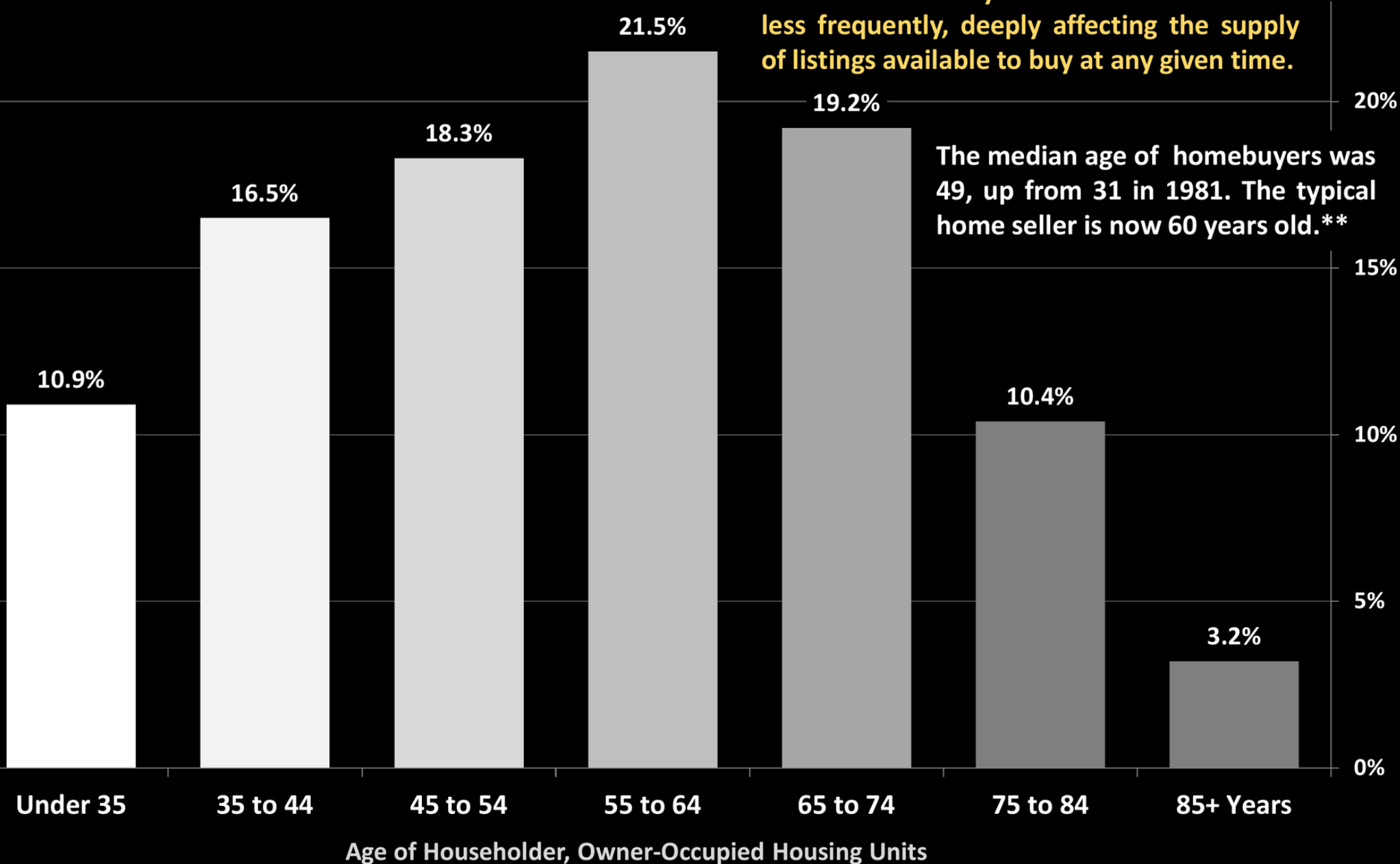
The cost of housing within each county will be a significant element in this calculation.

Map and ratings from FEMA, as of 2/21/24:
<https://hazards.fema.gov/nri/map>

Percentage of U.S. Homeowners by Age

U.S. Census Estimates, 2022*

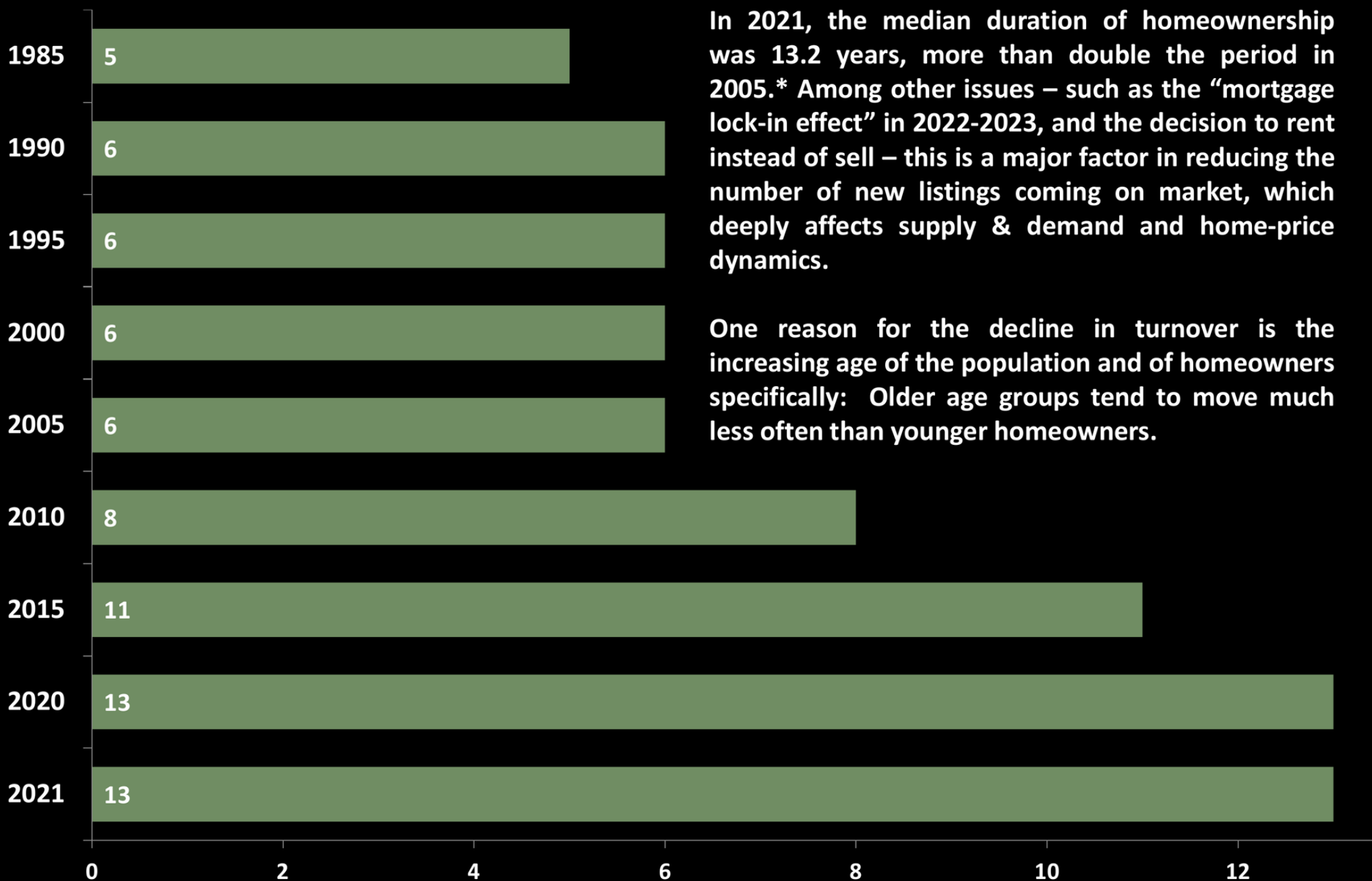
Over 54% of U.S. homeowners are now aged 55 years and above. Generally speaking, as people age, they move much less often, which means they sell their homes much less frequently, deeply affecting the supply of listings available to buy at any given time.



*U.S. Census, 2022 1-year ACS estimates, "Demographic Characteristics for Occupied Housing Units." Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. ** Per National Association of Realtors, 11/2023

Period of Homeownership before Selling

National Data, in Years, since 1985*



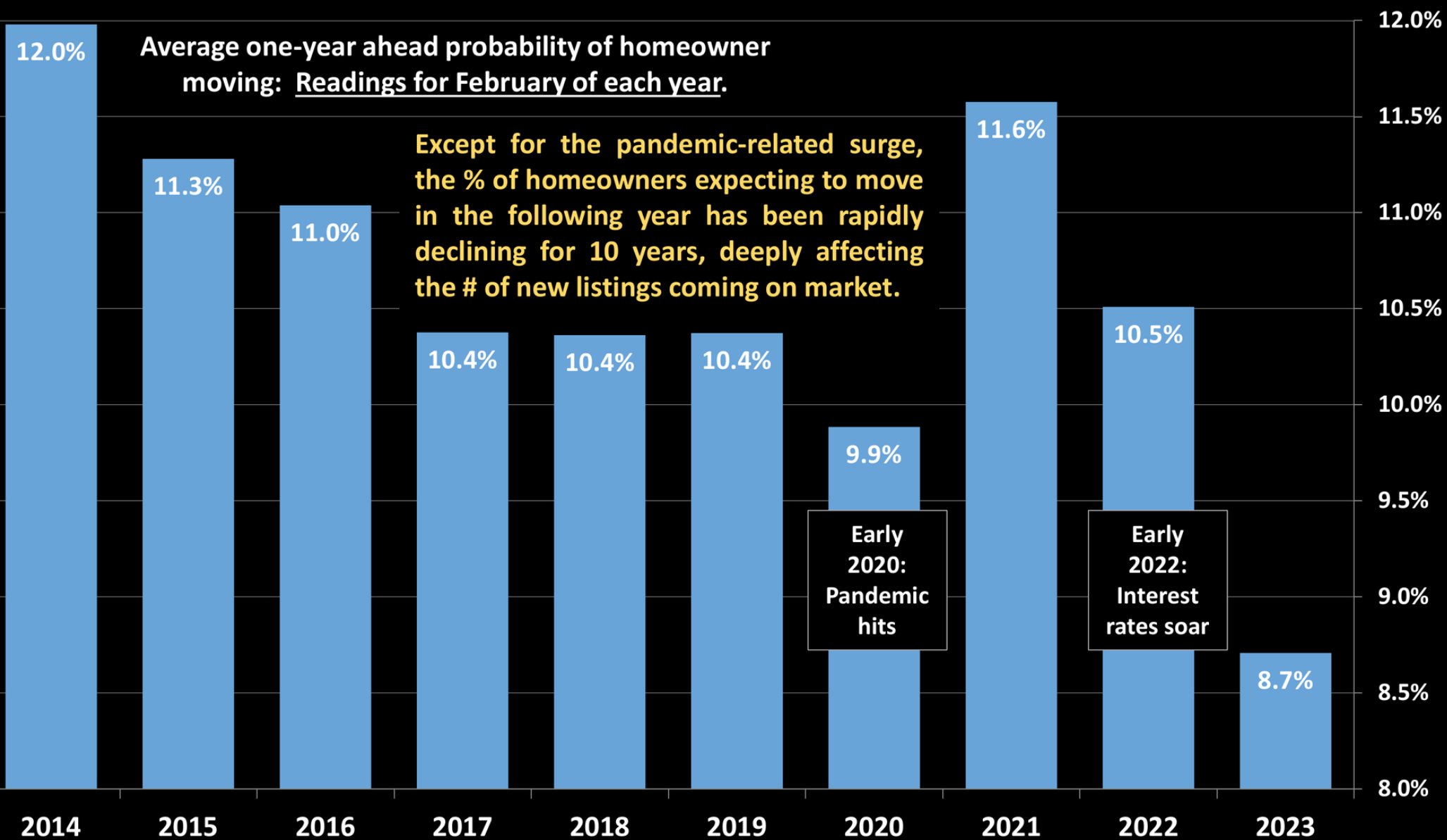
In 2021, the median duration of homeownership was 13.2 years, more than double the period in 2005.* Among other issues – such as the “mortgage lock-in effect” in 2022-2023, and the decision to rent instead of sell – this is a major factor in reducing the number of new listings coming on market, which deeply affects supply & demand and home-price dynamics.

One reason for the decline in turnover is the increasing age of the population and of homeowners specifically: Older age groups tend to move much less often than younger homeowners.

*Data per <https://www.thezebra.com/resources/home/average-length-of-homeownership/>. Data from sources deemed reliable, but not guaranteed and may contain errors. All numbers should be considered approximate.

U.S. Homeowner: "Probability of Moving" in Next 12 Months

Federal Reserve Bank of New York, Survey of Consumer Expectations*

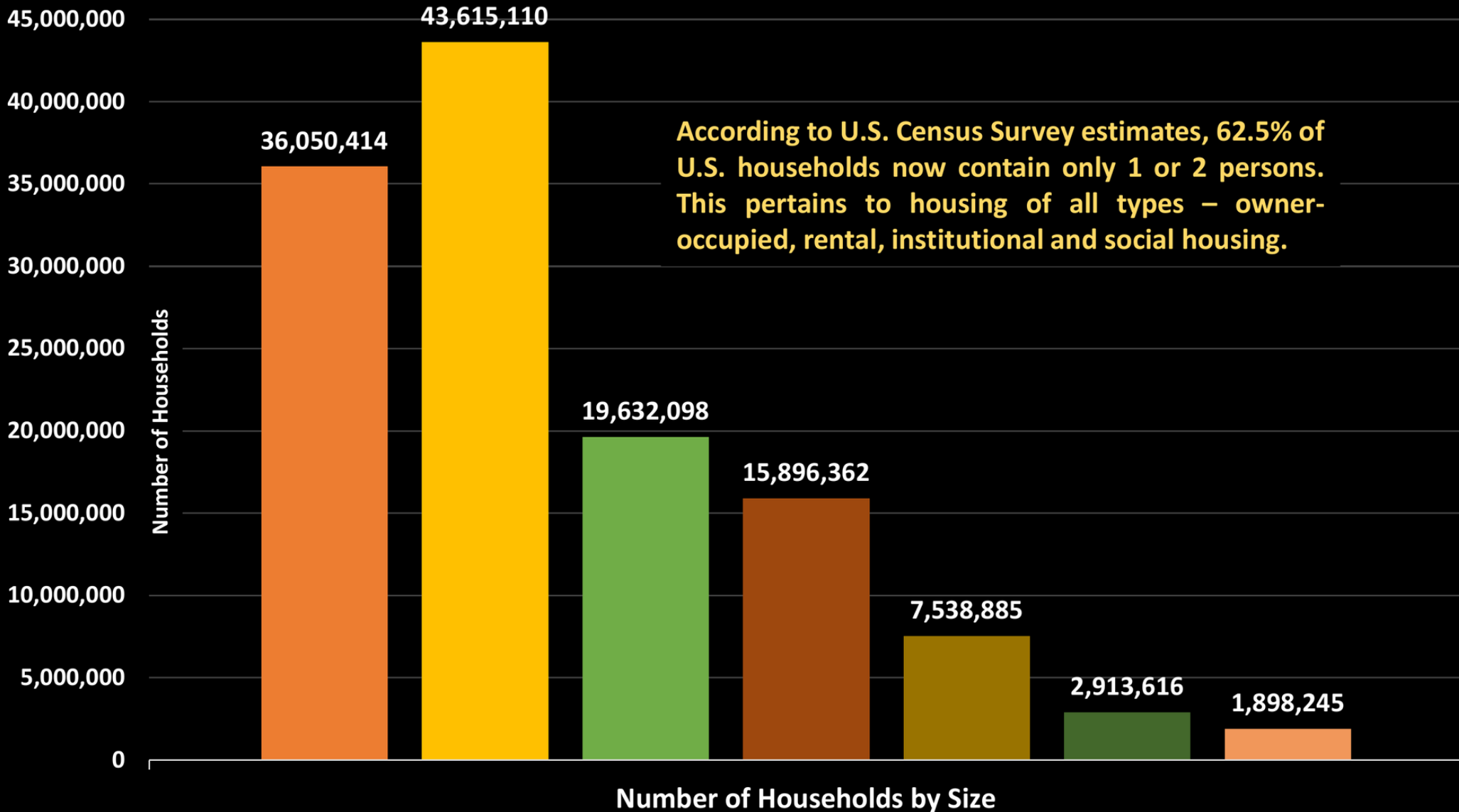


*Source: Survey of Consumer Expectations, © 2013-2023 Federal Reserve Bank of New York (FRBNY). The SCE data are available without charge at <http://www.newyorkfed.org/microeconomics/sce> and may be used subject to license terms posted there. FRBNY disclaims any responsibility for this analysis and interpretation of Survey of Consumer Expectations data. https://www.newyorkfed.org/microeconomics/sce/housing#/owners_21

National Household Size

Number of Households by HH Size*

1-Person 2-Person 3-Person 4-Person 5-Person 6-Person 7+ Person

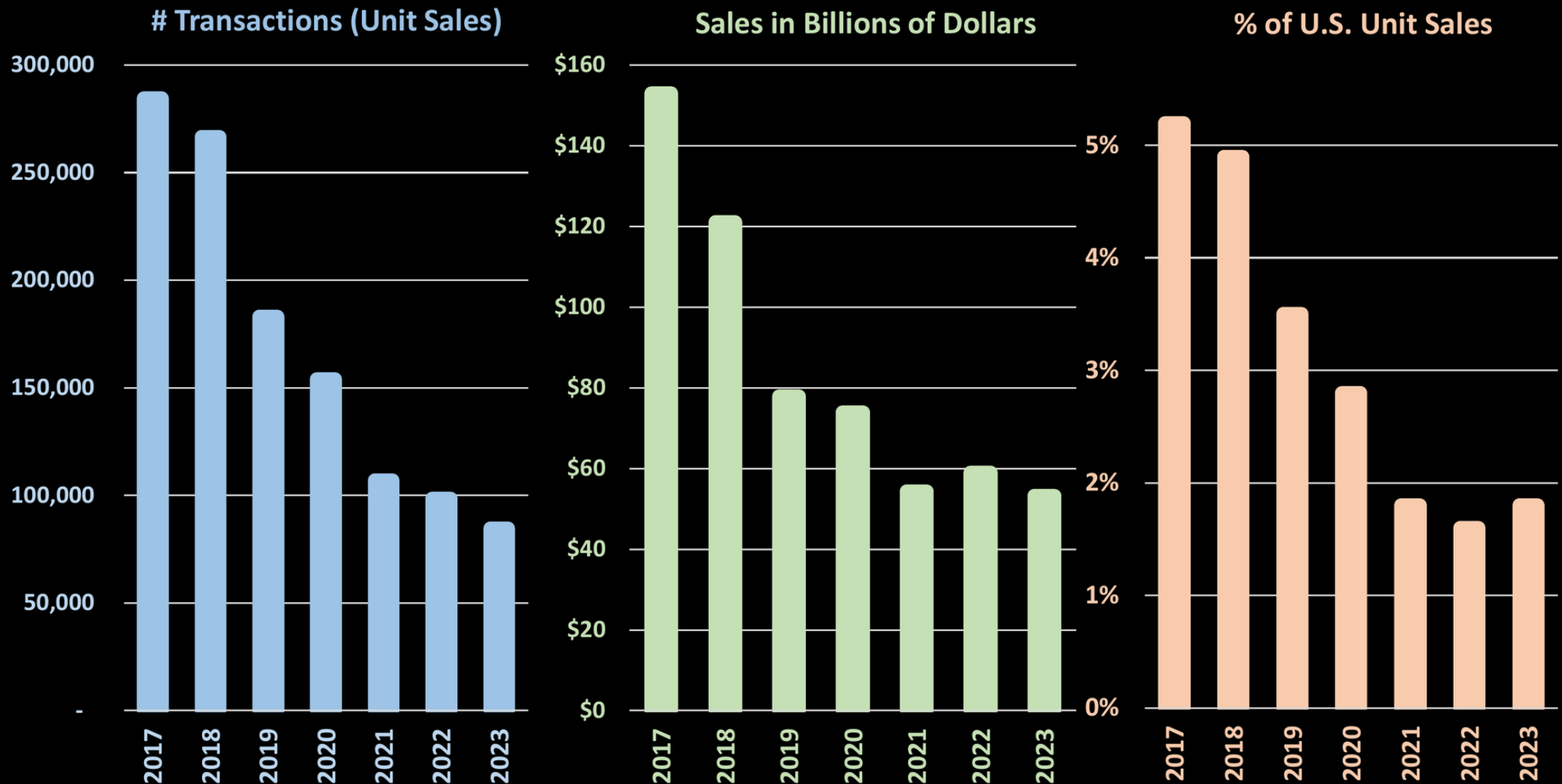


*U.S. Census, 2021 1-Year ACS Estimates: <https://data.census.gov/table?q=United+States+Housing>. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate estimates with published margins of error. Households of all types.

Foreign-Buyer U.S. Home Purchases

Measuring 12-Month Periods, 2017-2023*

According to estimates by the National Association of Realtors®, the number of existing homes purchased by foreign buyers just hit its lowest level in at least 14 years.*

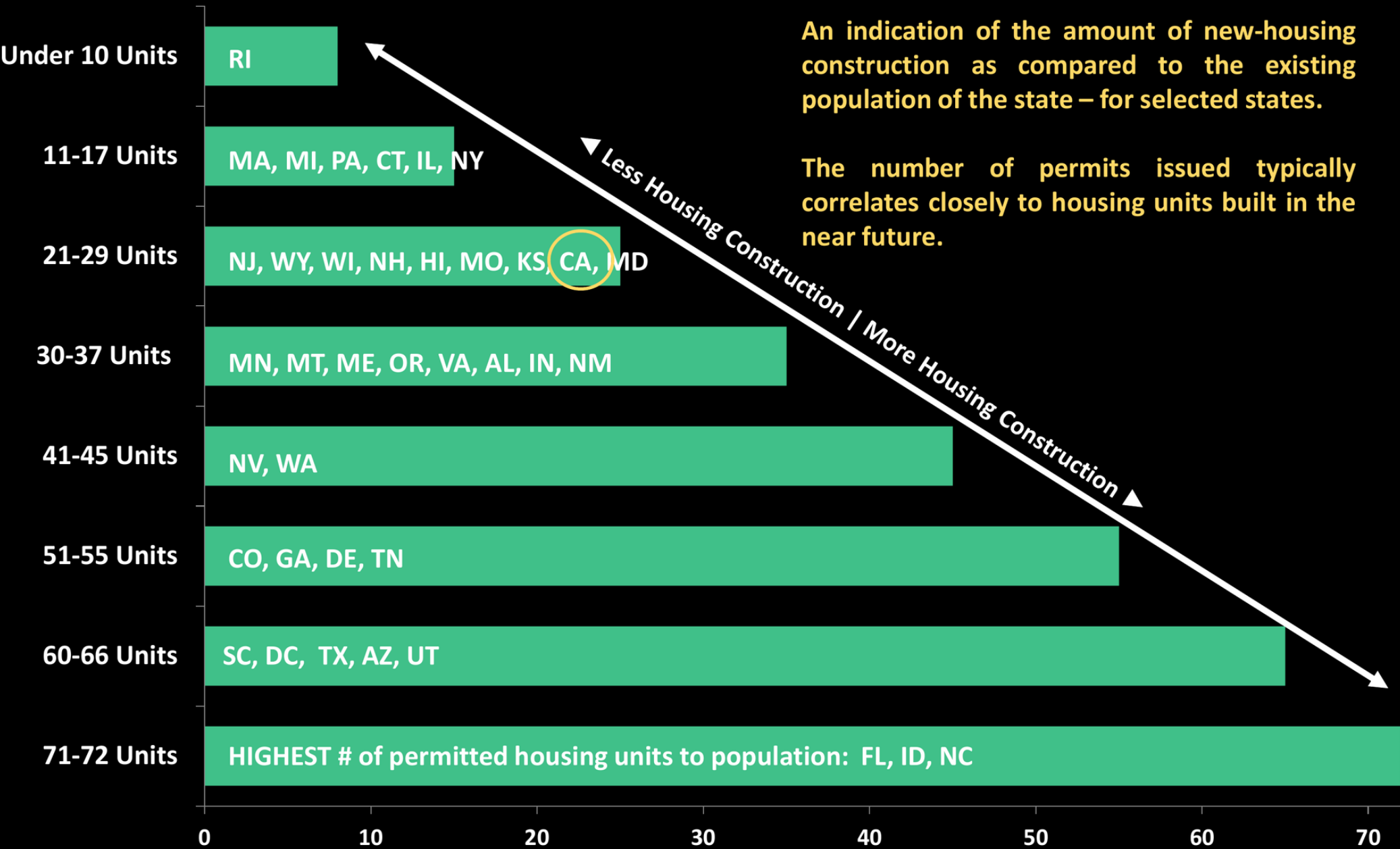


* Years designated reflect estimated existing-home sales from April of the previous year through March of the year specified: Purchases by resident and non-resident foreign nationals. Estimates from the "2023 International Transactions in U.S. Residential Real Estate" published by the NATIONAL ASSOCIATION of REALTORS® 8/1/23, based upon a survey of Realtors. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate, good-faith estimates.



New Construction by State

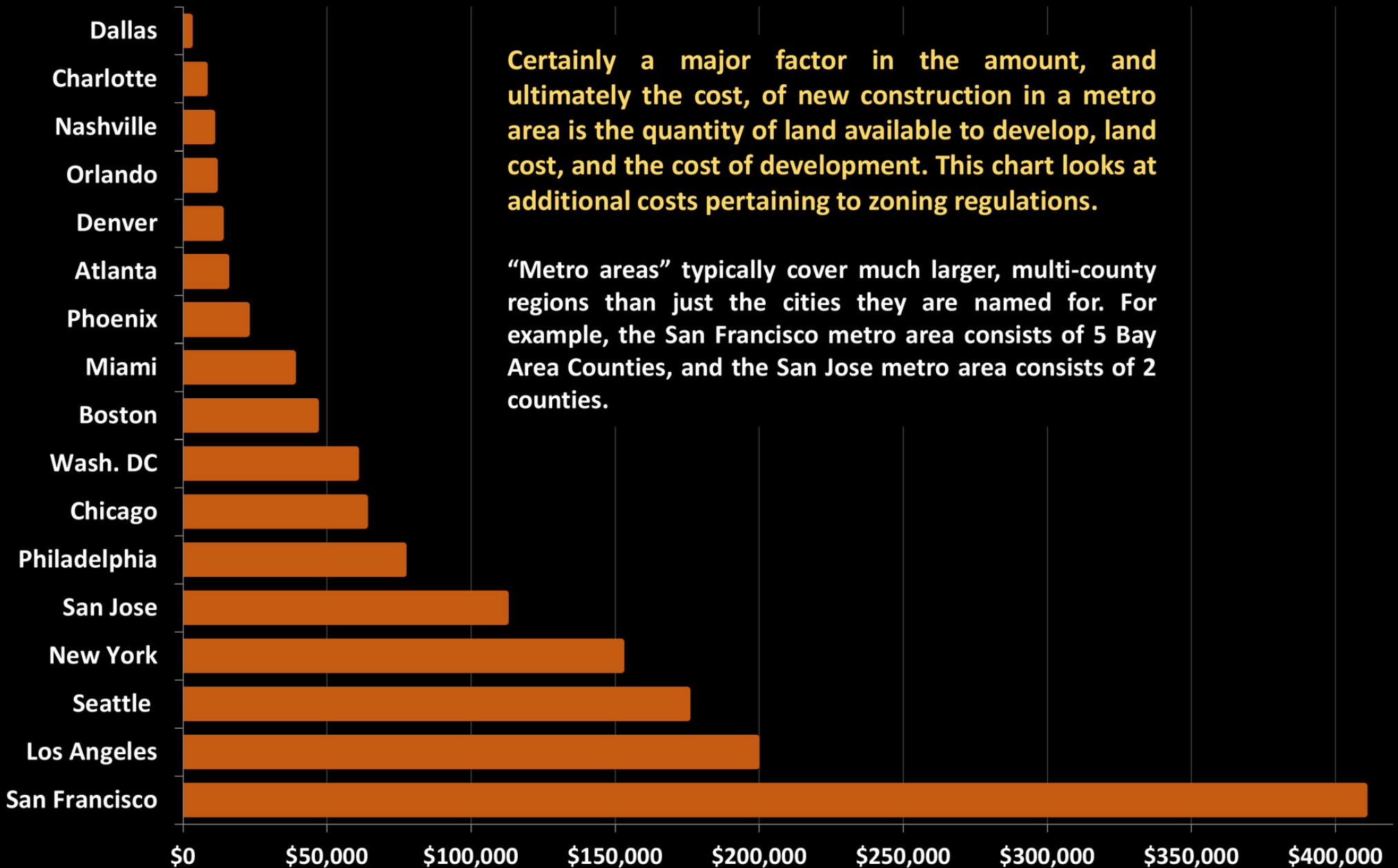
Housing Units Permitted, by Month, per 100,000 Residents*



*Monthly average for year ending September 2023 for single family and multiple unit construction. Data per U.S. Census Building Permits Survey, as reported by *The Washington Post*, "Where We Build Homes Helps Explain America's Political Divide," 11/24/23. Data from sources deemed reliable, but not guaranteed and may contain errors. All numbers approximate.

How Much Do Zoning Regulations Add to Land Cost?

Added Cost per Quarter Acre Lot, For Selected U.S. Metro Areas*



Certainly a major factor in the amount, and ultimately the cost, of new construction in a metro area is the quantity of land available to develop, land cost, and the cost of development. This chart looks at additional costs pertaining to zoning regulations.

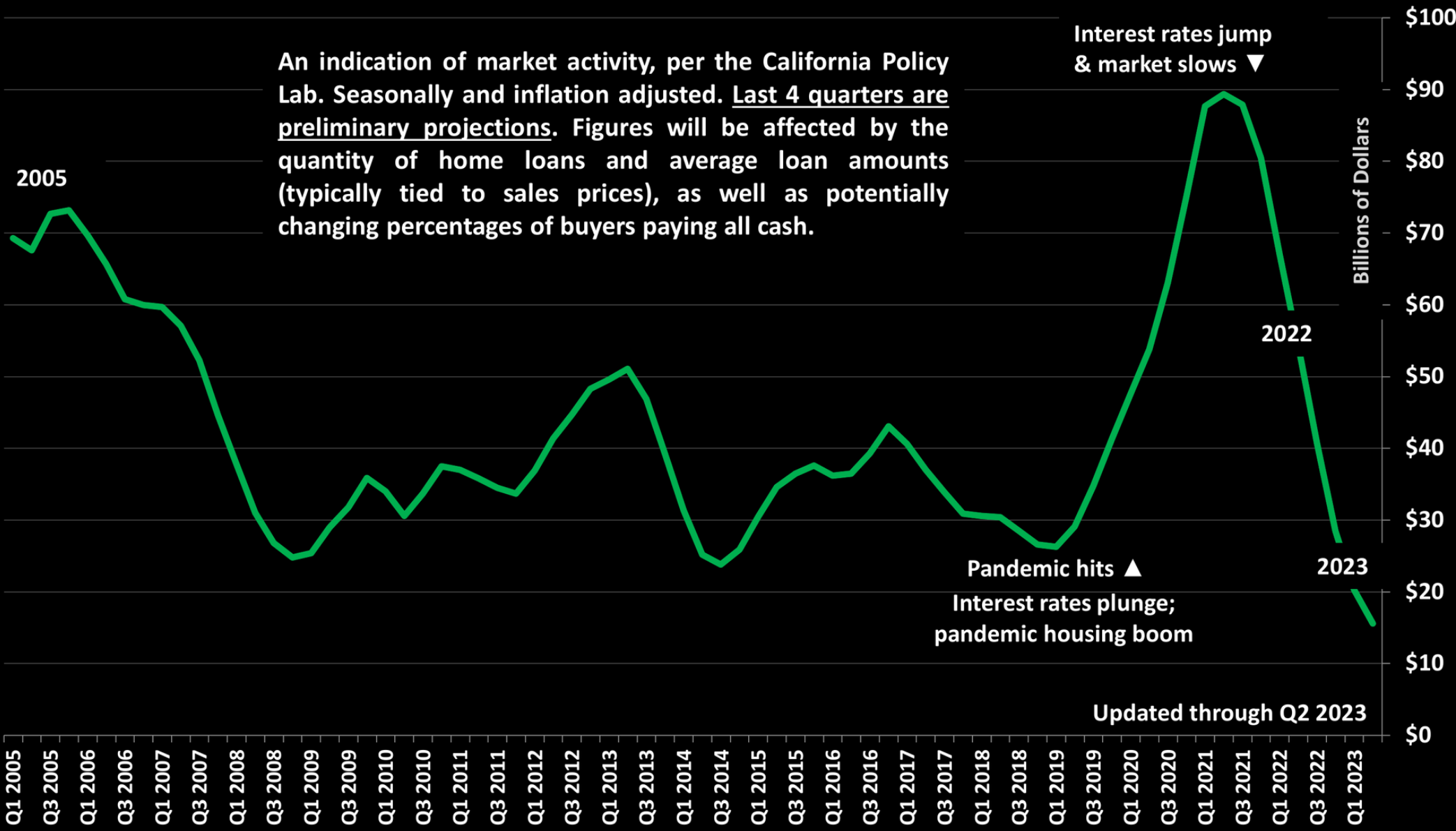
“Metro areas” typically cover much larger, multi-county regions than just the cities they are named for. For example, the San Francisco metro area consists of 5 Bay Area Counties, and the San Jose metro area consists of 2 counties.

*Additional cost of zoning and related restrictions per quarter acre. Data per Gyourko & Krimmel, Journal of Urban Economics, 2021, as reported by *The Washington Post*, “Where We Build Homes Helps Explain America’s Political Divide,” 11/24/23. Data from sources deemed reliable, but not guaranteed and may contain errors. All numbers rounded and approximate.

Mortgage Originations: New Bay Area Home Loans

Dollar Volume of New Loans in Billions, by Quarter since 2005*

An indication of market activity, per the California Policy Lab. Seasonally and inflation adjusted. Last 4 quarters are preliminary projections. Figures will be affected by the quantity of home loans and average loan amounts (typically tied to sales prices), as well as potentially changing percentages of buyers paying all cash.

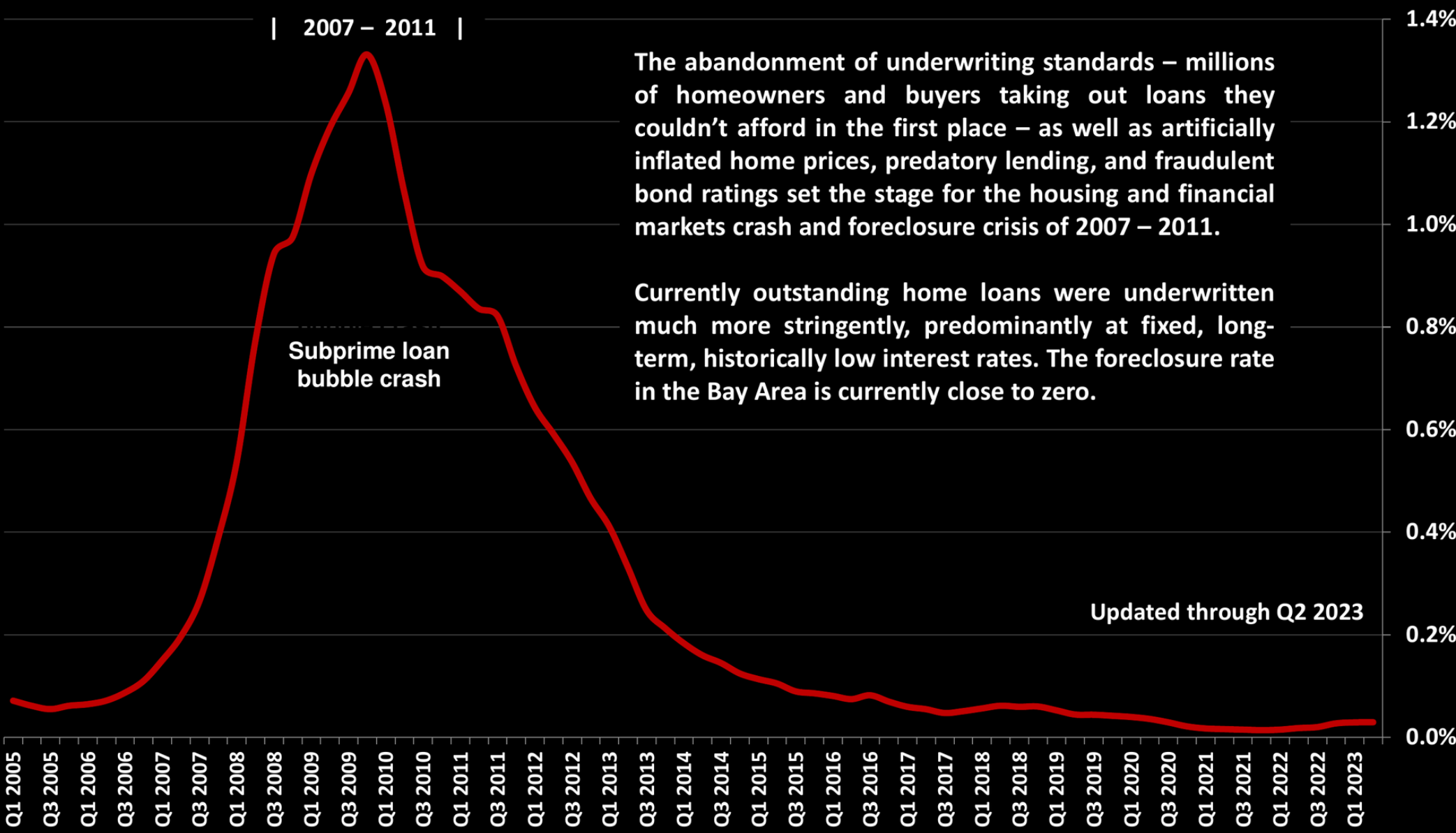


*Dollar volume new home loan originations in billions of dollars, per CA Policy Lab: <https://www.capolicylab.org/california-credit-dashboard/new-loan-originations/#TotalOrigination>. Seasonally and inflation adjusted. Last 4 quarters are projections. Data from sources deemed reliable but may contain errors and subject to revision.



Bay Area Mortgage Foreclosure Rate since 2005

% of Mortgages That Started Foreclosure Process, by Quarter*



The abandonment of underwriting standards – millions of homeowners and buyers taking out loans they couldn't afford in the first place – as well as artificially inflated home prices, predatory lending, and fraudulent bond ratings set the stage for the housing and financial markets crash and foreclosure crisis of 2007 – 2011.

Currently outstanding home loans were underwritten much more stringently, predominantly at fixed, long-term, historically low interest rates. The foreclosure rate in the Bay Area is currently close to zero.

Updated through Q2 2023

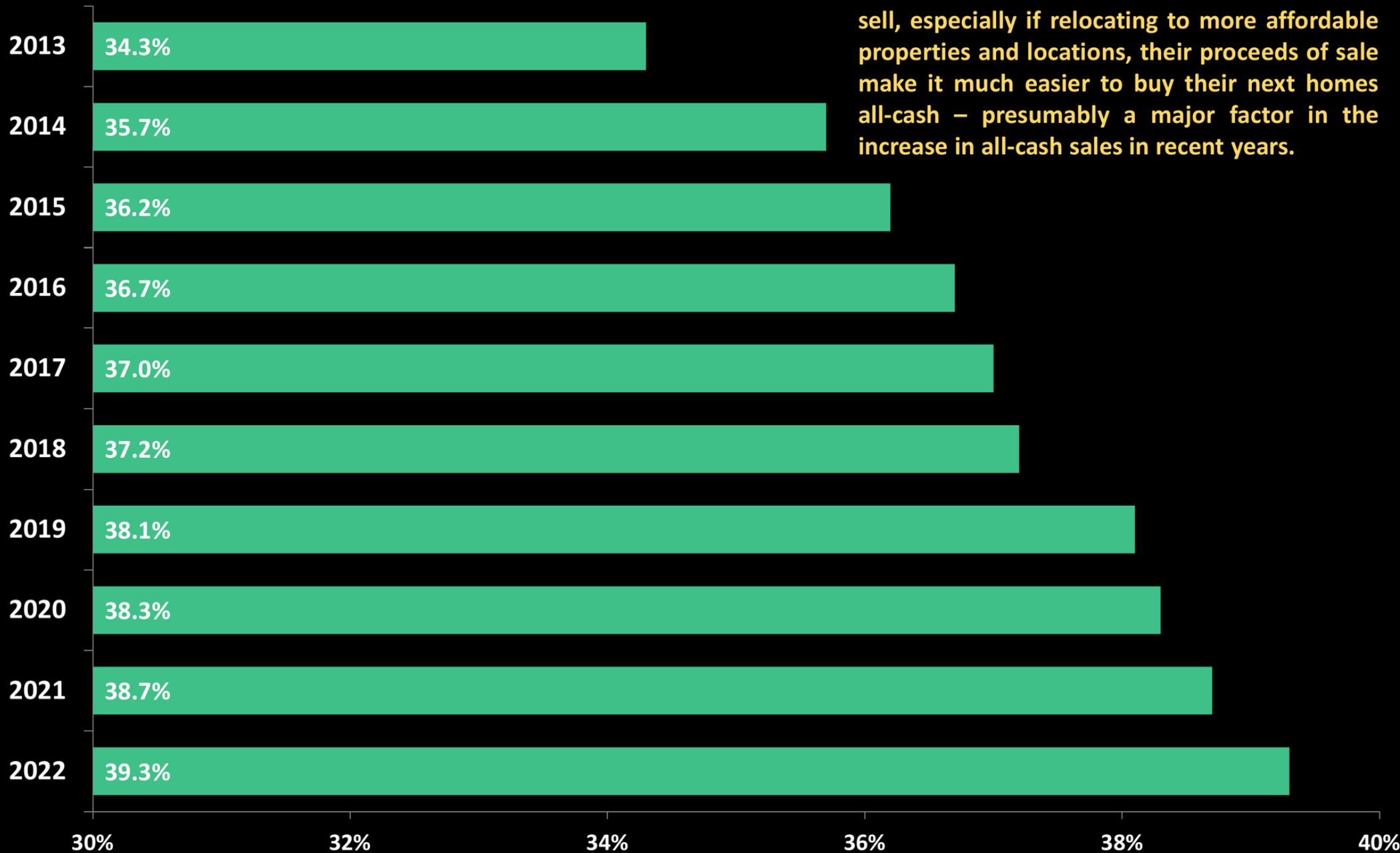
*Percentage of mortgages where a foreclosure proceeding began in quarter, per CA Policy Lab: <https://www.capolicylab.org/california-credit-dashboard/financial-distress/#Foreclosures>. Seasonally adjusted. Data from sources deemed reliable but may contain errors and subject to revision.



U.S. Mortgage-Free Homes

National Percentage: Homes Owned Free & Clear*

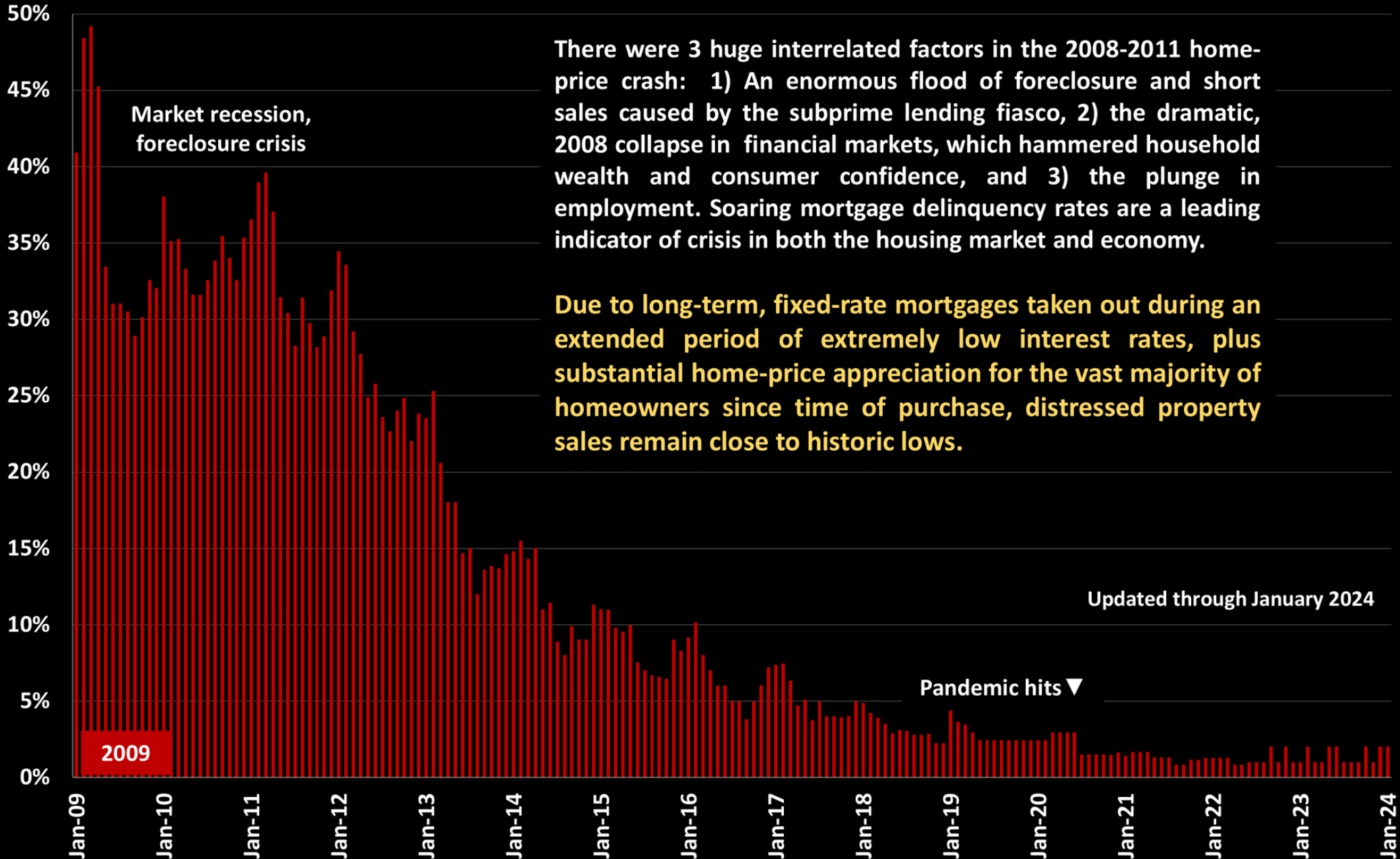
Over 39% of owner-occupied homes – involving approximately 33 million U.S. households – are owned free and clear. When these households sell, especially if relocating to more affordable properties and locations, their proceeds of sale make it much easier to buy their next homes all-cash – presumably a major factor in the increase in all-cash sales in recent years.



*Data per U.S. Census as reported on by Bloomberg News, "The Share of Americans Who Are Mortgage-Free Is at an All-Time High," 11/17/23. Data from sources deemed reliable, but not guaranteed and may contain errors. All numbers should be considered approximate.

U.S. Percentage of Distressed Home Sales

Foreclosures & Short Sales as % of Total Sales, by Month, since 2009*



There were 3 huge interrelated factors in the 2008-2011 home-price crash: 1) An enormous flood of foreclosure and short sales caused by the subprime lending fiasco, 2) the dramatic, 2008 collapse in financial markets, which hammered household wealth and consumer confidence, and 3) the plunge in employment. Soaring mortgage delinquency rates are a leading indicator of crisis in both the housing market and economy.

Due to long-term, fixed-rate mortgages taken out during an extended period of extremely low interest rates, plus substantial home-price appreciation for the vast majority of homeowners since time of purchase, distressed property sales remain close to historic lows.

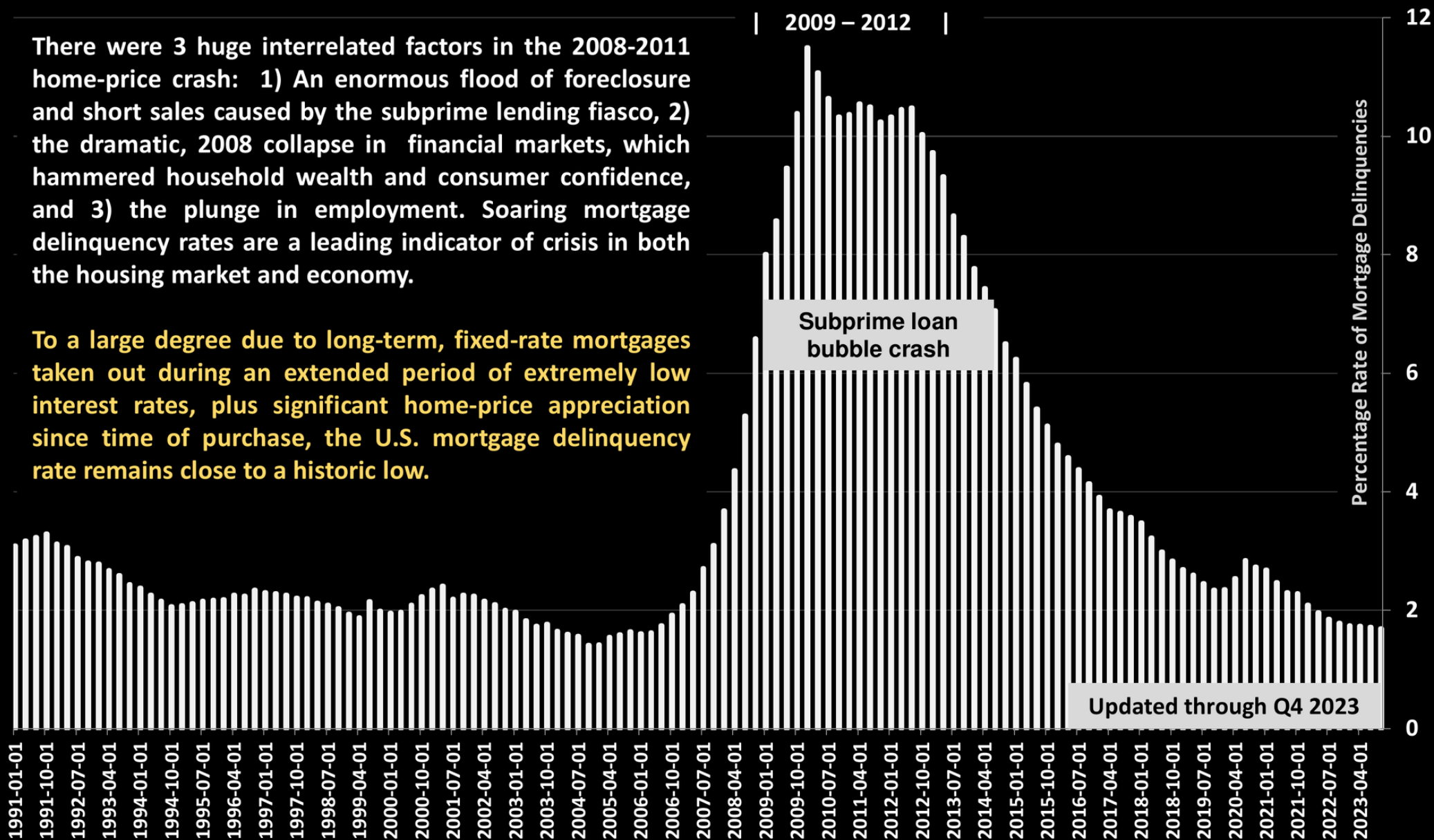
*per Realtors® Confidence Index Survey. Data copyright National Association of Realtors®. All rights reserved. Used with permission. All numbers are approximate good-faith estimates based on a survey of Realtors. Data from sources deemed reliable, but may contain errors and subject to revision.

Delinquency Rate on U.S. Single Family Mortgages

Percentage by Quarter since 1991*

There were 3 huge interrelated factors in the 2008-2011 home-price crash: 1) An enormous flood of foreclosure and short sales caused by the subprime lending fiasco, 2) the dramatic, 2008 collapse in financial markets, which hammered household wealth and consumer confidence, and 3) the plunge in employment. Soaring mortgage delinquency rates are a leading indicator of crisis in both the housing market and economy.

To a large degree due to long-term, fixed-rate mortgages taken out during an extended period of extremely low interest rates, plus significant home-price appreciation since time of purchase, the U.S. mortgage delinquency rate remains close to a historic low.

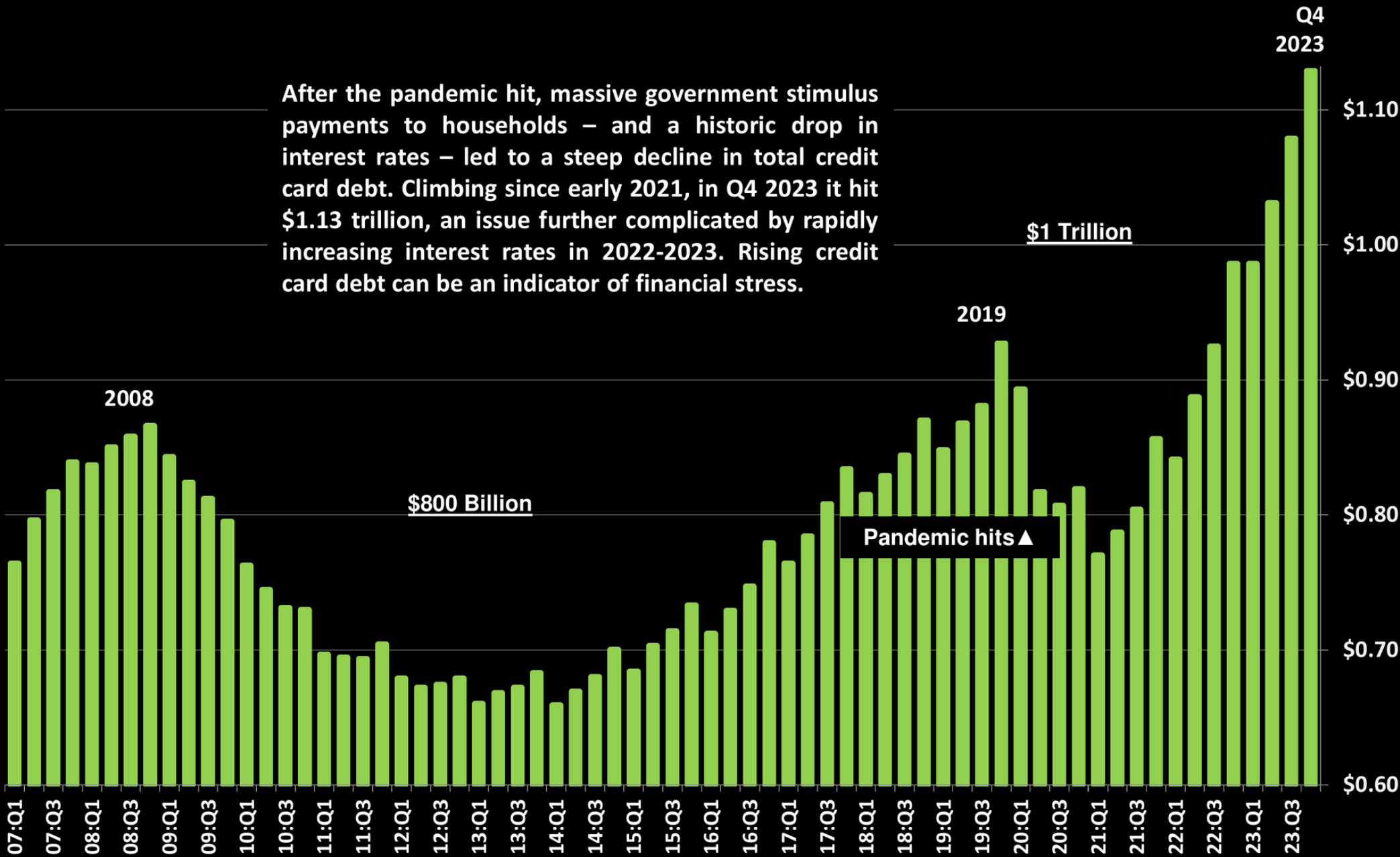


*Delinquency Rate on Single-Family Residential Mortgages, Domestic Offices, All Commercial Banks, per Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/DRSFRMACBS>. Data from sources deemed reliable but may contain errors and subject to revision. All numbers to be considered approximate. 2-period moving trend line.

U.S. Credit Card Debt

Since 2007, in Trillions of Dollars, by Quarter

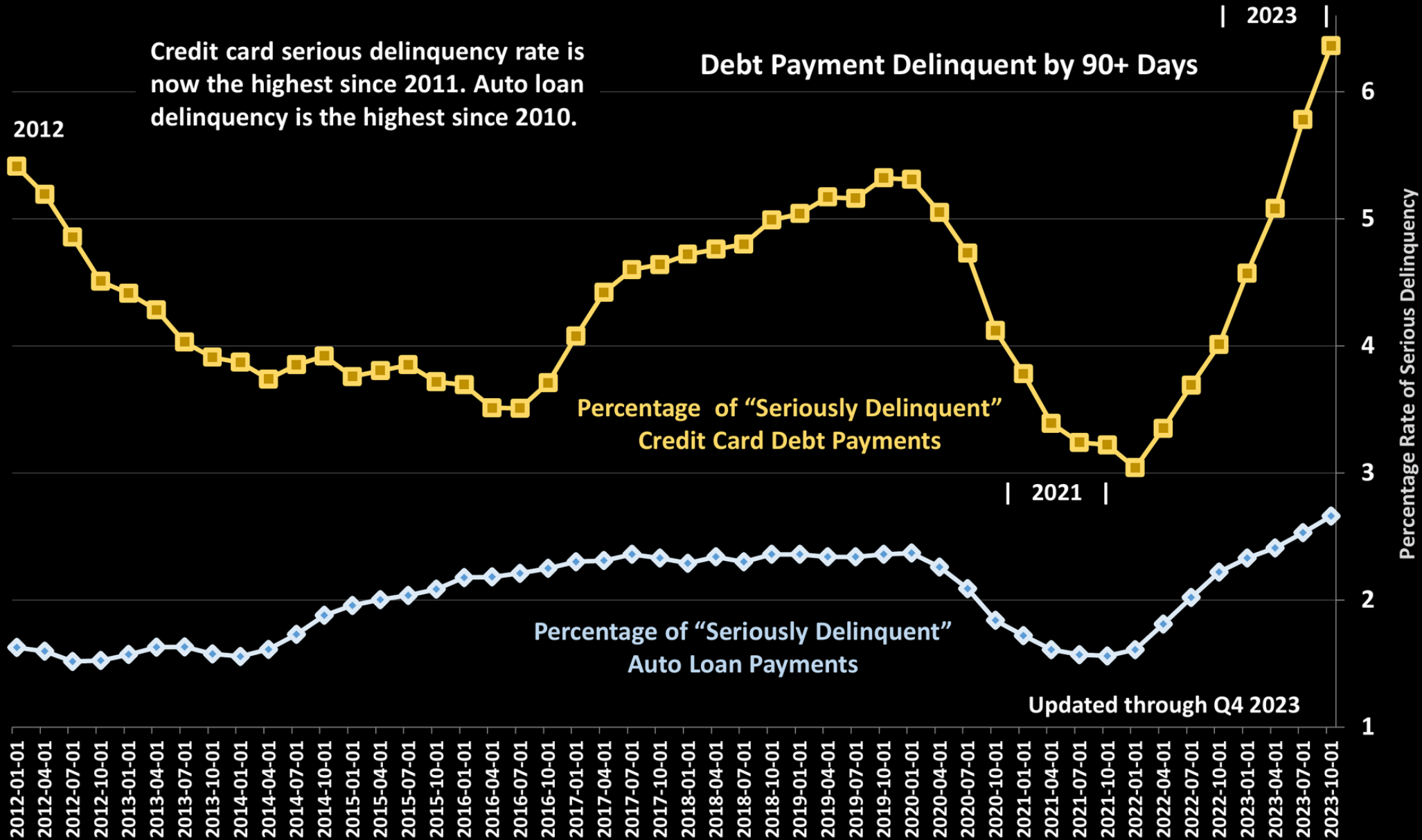
After the pandemic hit, massive government stimulus payments to households – and a historic drop in interest rates – led to a steep decline in total credit card debt. Climbing since early 2021, in Q4 2023 it hit \$1.13 trillion, an issue further complicated by rapidly increasing interest rates in 2022-2023. Rising credit card debt can be an indicator of financial stress.



Per Federal Reserve Bank of New York: <https://www.newyorkfed.org/microeconomics/hhdc.html>.
 Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate. Not adjusted for inflation.

Delinquency Rates on Auto Loans & Credit Card Debt

“Seriously Delinquent,” Percentage by Quarter since 2012*



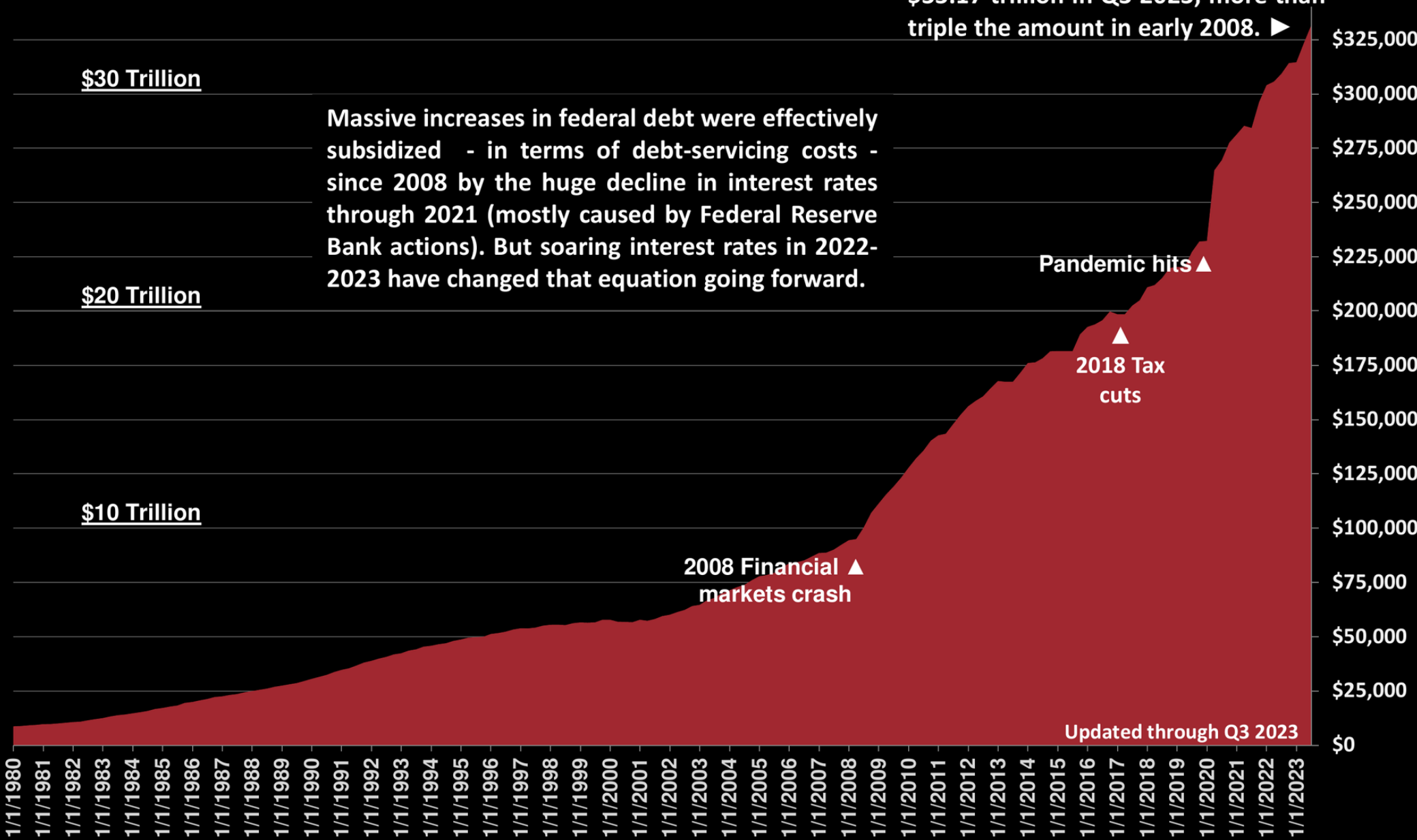
Per Federal Reserve Bank of New York: <https://www.newyorkfed.org/microeconomics/hhdc.html>. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.



Federal Debt

Since 1980, in Millions of Dollars

The sum of all outstanding debt owed by the federal government was \$33.17 trillion in Q3 2023, more than triple the amount in early 2008. ▶



Massive increases in federal debt were effectively subsidized - in terms of debt-servicing costs - since 2008 by the huge decline in interest rates through 2021 (mostly caused by Federal Reserve Bank actions). But soaring interest rates in 2022-2023 have changed that equation going forward.

Per Federal Reserve Bank of St. Louis: <https://fred.stlouisfed.org/series/GFDEBTN> . Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate. Not seasonally adjusted.

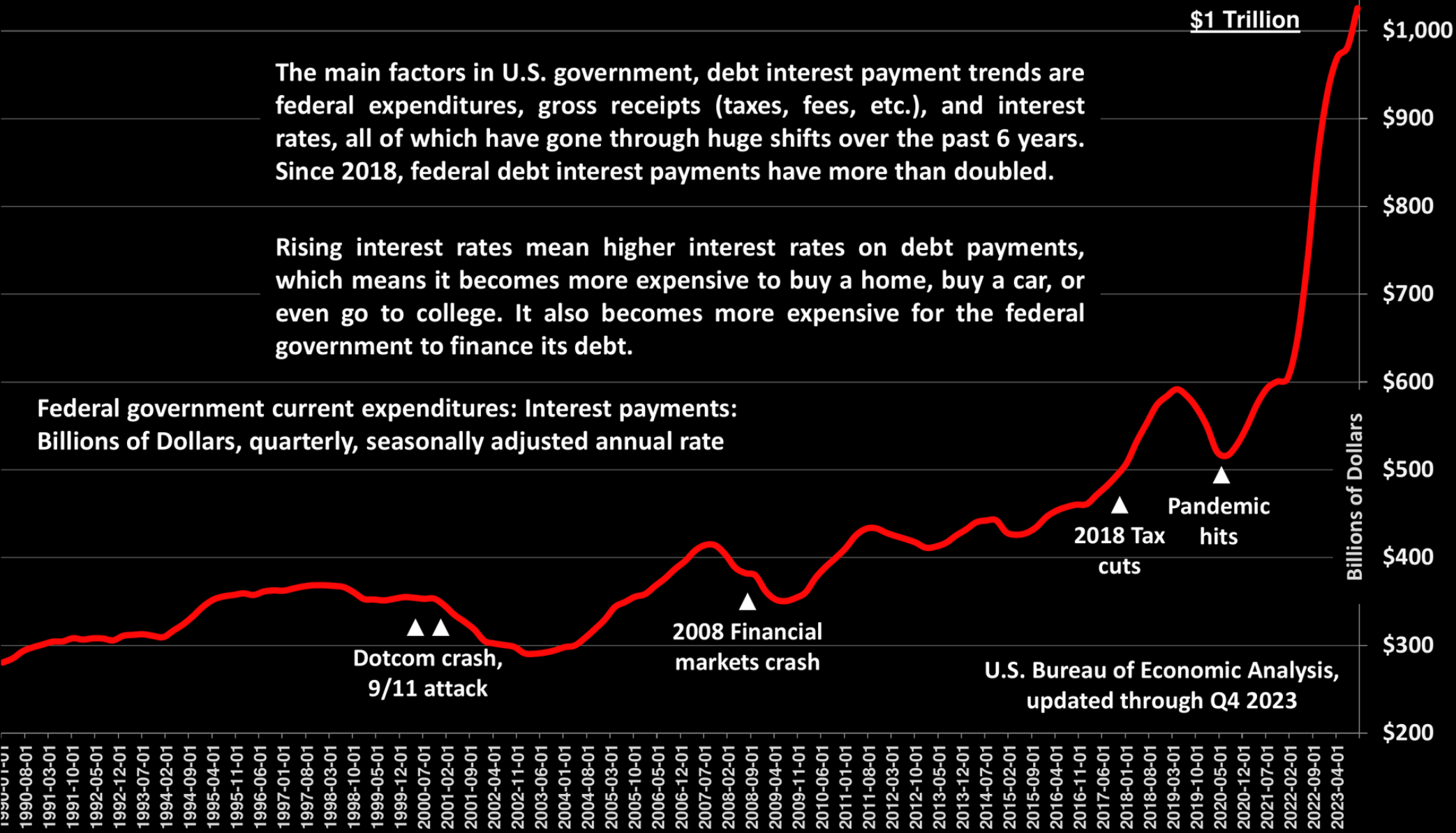
Federal Debt Interest Payments, Annualized Rate 1990 – Present, in Billions of Dollars, by Quarter

In Q4 2023, the annualized rate of federal debt interest payments exceeded a trillion dollars for the first time ▼

The main factors in U.S. government, debt interest payment trends are federal expenditures, gross receipts (taxes, fees, etc.), and interest rates, all of which have gone through huge shifts over the past 6 years. Since 2018, federal debt interest payments have more than doubled.

Rising interest rates mean higher interest rates on debt payments, which means it becomes more expensive to buy a home, buy a car, or even go to college. It also becomes more expensive for the federal government to finance its debt.

Federal government current expenditures: Interest payments:
Billions of Dollars, quarterly, seasonally adjusted annual rate



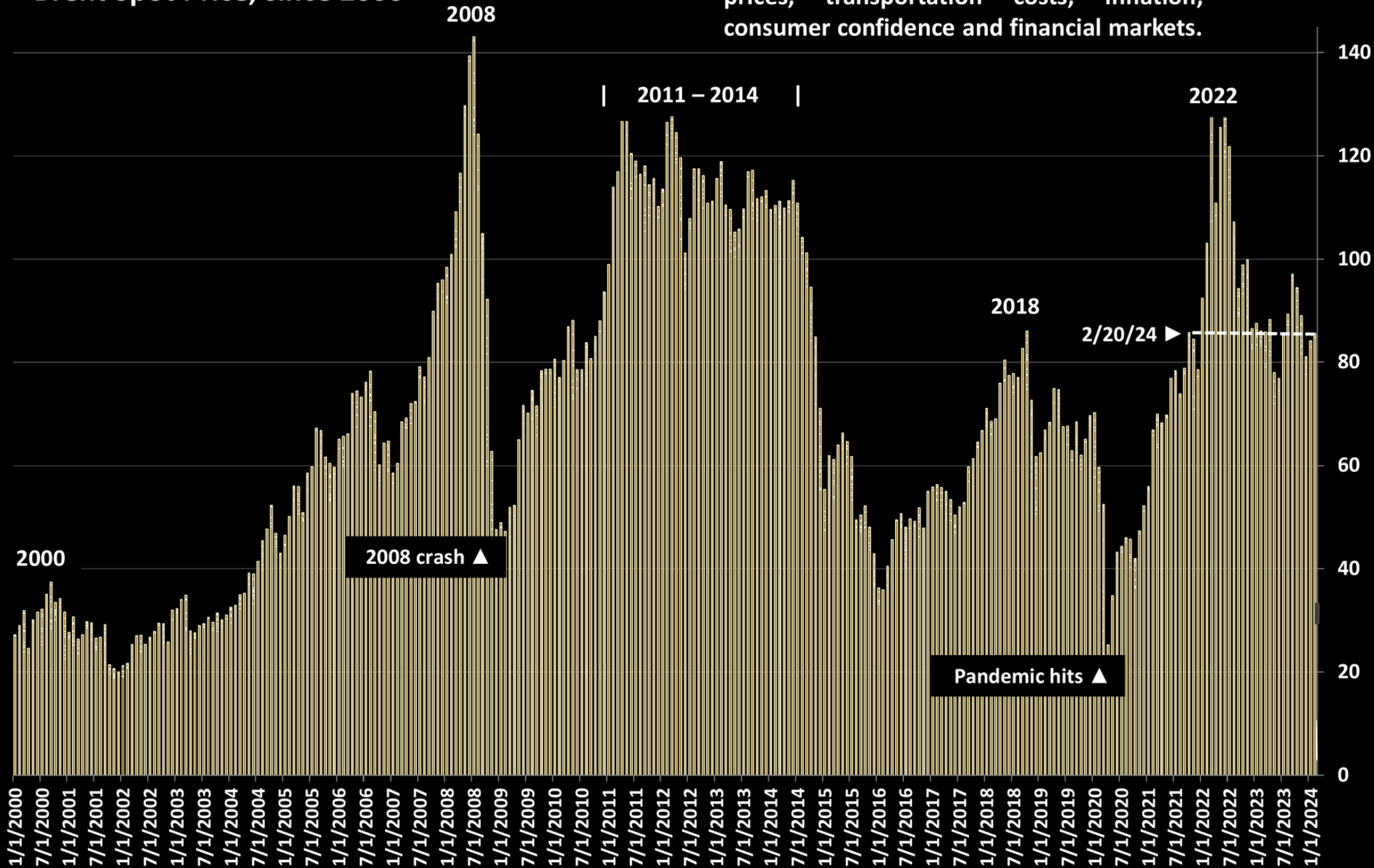
U.S. Bureau of Economic Analysis, updated through Q4 2023

Per Federal Reserve Bank of St. Louis: https://fredblog.stlouisfed.org/2018/03/the-cost-of-owing/?utm_source=series_page&utm_medium=related_content&utm_term=related_resources&utm_campaign=fredblog. Data from sources deemed reliable but may contain errors and subject to revision.

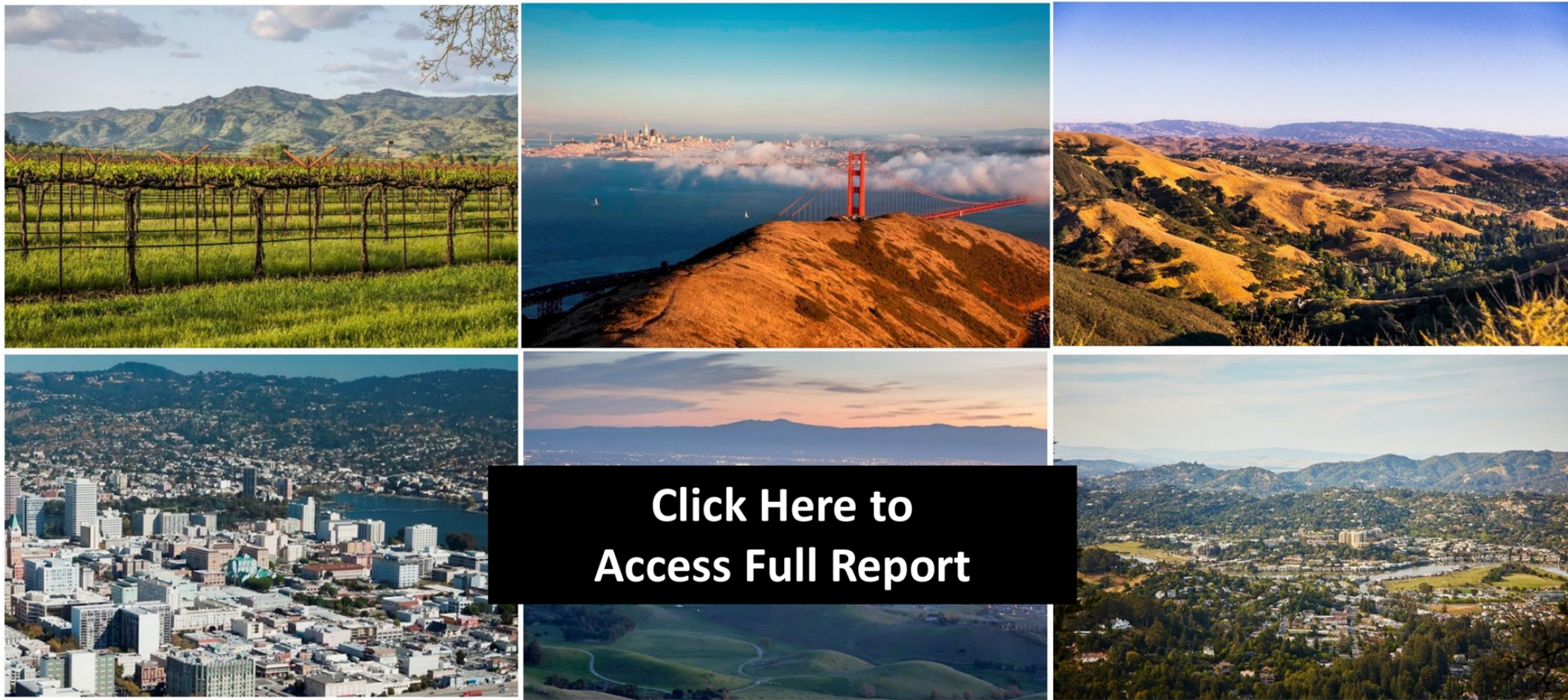


Crude Oil, Price per Barrel Brent Spot Price, since 2000*

Dramatic ups and downs in oil prices can have considerable effects on consumer prices, transportation costs, inflation, consumer confidence and financial markets.



*Per U.S. Energy Information Administration, Crude Oil Prices: Europe Brent, Daily Spot Price: <https://www.eia.gov/dnav/pet/hist/RBRTED.htm>. Data from sources deemed reliable, but may contain errors.



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San Francisco Bay Area Home Price Appreciation Trends since 1990

The early 1990's recession, the dotcom boom, subprime bubble and crash, market recovery, high-tech boom – and pandemic.

Important notes and caveats regarding the context and methodology of this report are detailed on the last page. All calculations to be considered very approximate, good-faith estimates. How this report applies to any particular home is unknown without a specific comparative market analysis.

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July 2022. The economic headwinds that have been building over recent months are now having very significant impacts on the market's supply and demand dynamics, and year-over-year home-price appreciation rates.

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July 2022. Home prices in the cities and towns of affluent Marin County, market conditions and trends, luxury home sales, supply and d...

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Statistics are generalities, essentially summaries of widely disparate data generated by dozens, hundreds or thousands of unique, individual sales occurring within different time periods. They are best seen not as precise measurements, but as broad, comparative indicators, with reasonable margins of error. Anomalous fluctuations in statistics are not uncommon, especially in smaller, expensive market segments. Last period data should be considered estimates that may change with late-reported data. Different analytics programs sometimes define statistics – such as “active listings,” “days on market,” and “months supply of inventory” – differently: what is most meaningful are not specific calculations but the *trends* they illustrate. Most listing and sales data derives from the local or regional multi-listing service (MLS) of the area specified in the analysis, but not all listings or sales are reported to MLS and these won’t be reflected in the data. “Homes” signifies real-property, single-household housing units: houses, condos, co-ops, townhouses, duets and TICs (but not mobile homes), as applicable to each market. City/town names refer specifically to the named cities and towns, or their MLS areas, unless otherwise delineated. Multi-county metro areas will be specified as such. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate.

Many aspects of value cannot be adequately reflected in median and average statistics: curb appeal, age, condition, amenities, views, lot size, quality of outdoor space, “bonus” rooms, additional parking, quality of location *within* the neighborhood, and so on. How any of these statistics apply to any particular home is unknown without a specific comparative market analysis.

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