



Soaring Interest Rates & Housing Costs; Continuing Strong Demand, Low Inventory of Listings & High Market Velocity

The market remained heated (probably overheated) in Q1, as our review of home-price appreciation, and supply and demand indicators will illustrate. However, as of March 31st, mortgage interest rates have skyrocketed 50% in 2022, with a particularly large jump in March. Because of the time involved in the home-buying process – the search, loan qualification, going into contract, escrow, closing sale – any significant effects of the recent spike won't show up until Q2. Rates may stabilize, rise further, or drop back down – they can change *very* quickly – and the exact, follow-on effects are unknown. Interest rates are only 1 factor: Local economic conditions, financial markets, wealth creation, housing affordability, consumer confidence, inflation, migration, the pandemic, war, debt and government policies can all have big market impacts, and they are flashing both positive and negative signals.

For buyers financing their purchase, interest rates play an enormous role in monthly housing costs. Depending on the speed and scale of changes, declining interest rates can help supercharge demand, as they did in 2021, while rapidly increasing rates typically cool the market, as occurred in the 2nd half of 2018. If both interest rates *and* home prices soar, there is a double whammy on housing affordability. It is very difficult to accurately predict interest rate changes: 3 months ago, Freddie Mac predicted an average, 30-year, fixed rate of 3.6% for 2022; at the end of March, it hit 4.67%.

“Low inventory” does not necessarily mean fewer homes are being put up for sale. Indeed, sales volumes hit multi-year highs in 2021, fed by an *increase* in new listings. But “inventory” is measured by what is for sale *on a given day*, and even if the quantity of new listings is steady or climbing, the number of active listings can drop *if they are selling more quickly*. Historically high market velocity has been pushing the supply of active listings (on any given day) down to historic lows.

This report contains analyses reviewing many of these issues through Q1 2022. Q2 is typically the highest-demand, most active selling season of the year.

Sales in one month mostly reflect market dynamics in the previous month, and activity typically ebbs and flows by season. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported activity.

Marin County House Price Appreciation

Median House Sales Prices, 2015 – Present, by Quarter

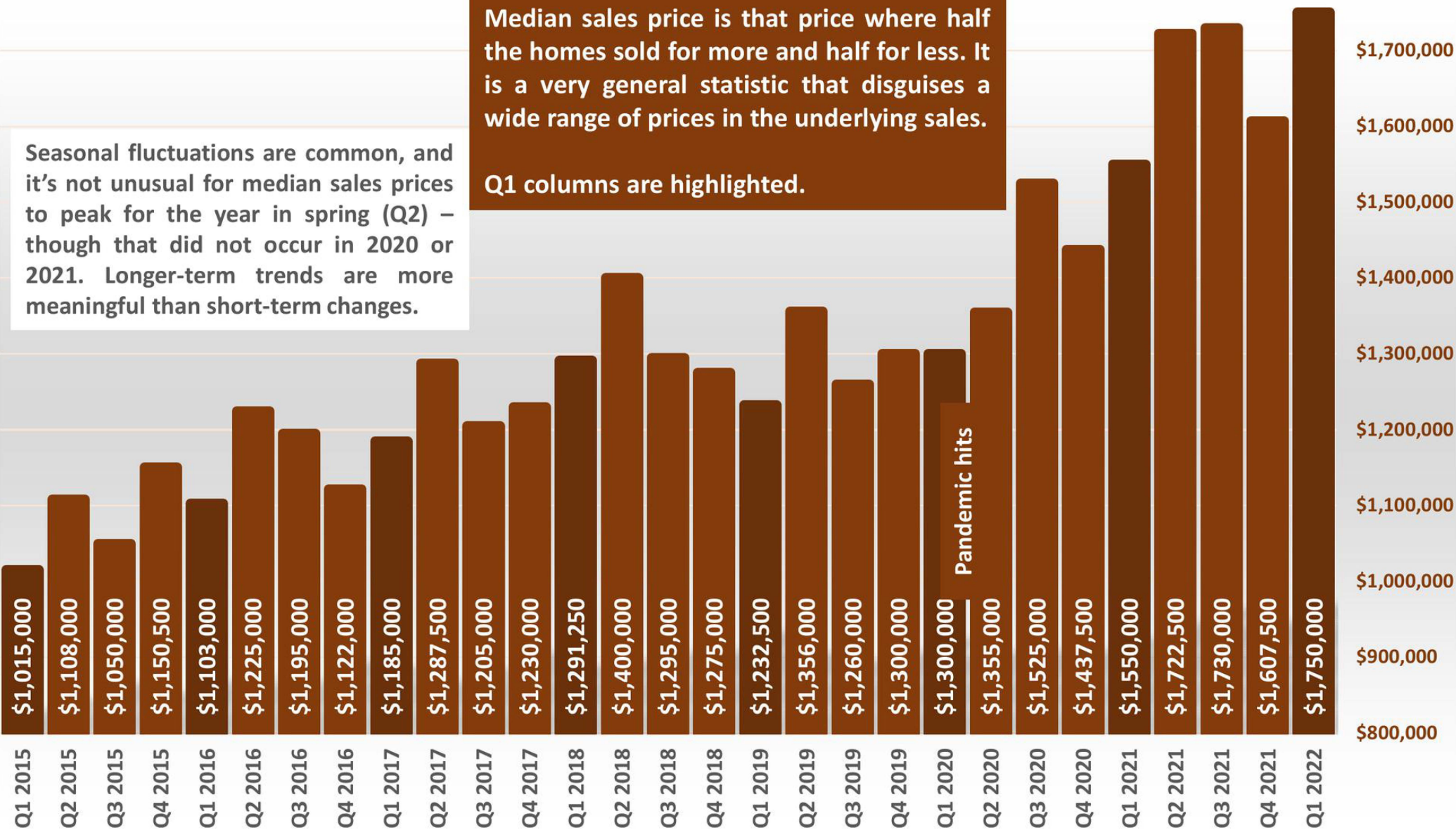
As reported to NorCal Regional MLS, per Infosparks

Seasonal fluctuations are common, and it's not unusual for median sales prices to peak for the year in spring (Q2) – though that did not occur in 2020 or 2021. Longer-term trends are more meaningful than short-term changes.

Median sales price is that price where half the homes sold for more and half for less. It is a very general statistic that disguises a wide range of prices in the underlying sales.

Q1 columns are highlighted.

Pandemic hits



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 can be affected by other factors besides changes in fair market value. All numbers are approximate and subject to revision. Last period reading may change with late-reported sales.



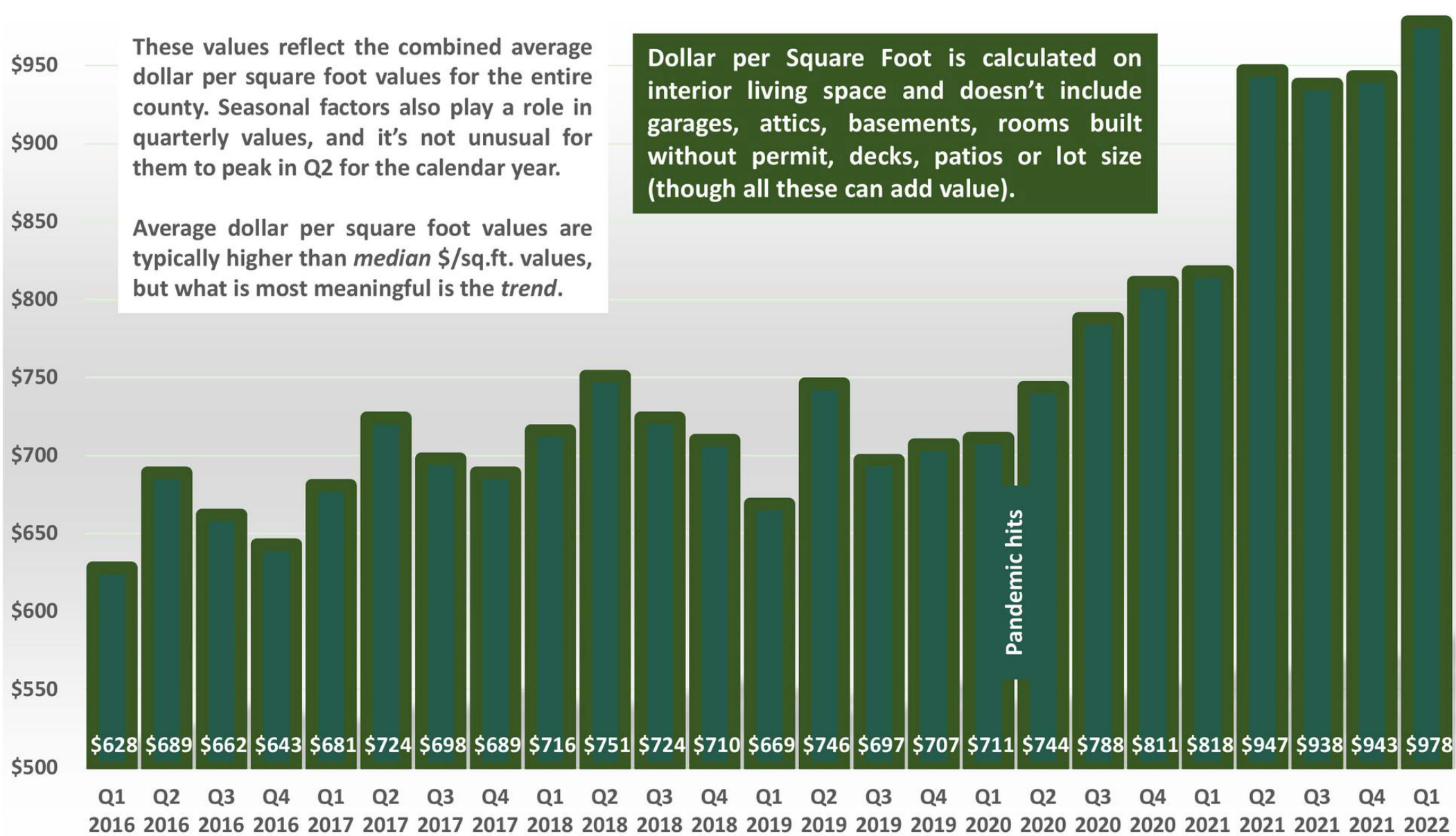
Marin County House Values

Average Dollar per Square Foot Values, by Quarter

These values reflect the combined average dollar per square foot values for the entire county. Seasonal factors also play a role in quarterly values, and it's not unusual for them to peak in Q2 for the calendar year.

Average dollar per square foot values are typically higher than *median* \$/sq.ft. values, but what is most meaningful is the *trend*.

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).



Bareis MLS house sales data per Broker Metrics: deemed reliable but may contain errors and is subject to revision. All numbers approximate, and may change with late-reported sales.

Marin County: HOUSE Market Snapshot

Statistics by City/Town/Region, 6 Months Sales*

Within compilations of sales, gradations in quality of location, construction, condition, amenities, home & lot size are almost infinite.

City/Region in alphabetical order	Median House Sales Price	Median \$ per Sq.Ft.	Median House Sq. Ft.	Median Lot Size in Acres	Median Days on Market	Sales Price to List Price %*	Highest Sale in Period
Belvedere	\$4,875,000	\$1932/sq.ft.	2709 sq.ft.	.21 acre	30 days	106% of LP	\$20,000,000
Corte Madera	\$2,000,000	\$1138	1616 sq.ft.	.17	9 days	113%	\$3,650,000
Fairfax	\$1,275,000	\$856	1463 sq.ft.	.16	10 days	114%	\$3,730,000
Greenbrae	\$2,175,000	\$946	2276 sq.ft.	.20	13 days	111%	\$3,500,000
Kentfield	\$2,563,500	\$1172	2502 sq.ft.	.30	14 days	107%	\$16,000,000
Larkspur	\$2,349,000	\$1154/sq.ft.	2035 sq.ft.	.17	8 days	112%	\$4,750,000
Mill Valley	\$1,995,000	\$1028	1910 sq.ft.	.20	11 days	113%	\$8,000,000
Novato	\$1,225,000	\$623	2000 sq.ft.	.21	18 days	107%	\$4,195,000
Ross (only 13 sales)	\$4,300,000	\$1572	2470 sq.ft.	.34	8 days	108%	\$28,100,000

Median values are those values at which half the homes sold for more and half for less. They are *very general* statistics that typically disguise a wide range of values in the underlying sales.

*Sales reported to NorCal MLS Alliance, 9/15/21-3/15/22. Sales price to LP % refers to homes which sold within 30 days. Statistics are broad generalities summarizing disparate data. Data derived from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. Outlier data adjusted when identified.

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San Anselmo	\$1,655,000	\$966/sq.ft.	1820 sq.ft.	.17 acre	9 days	112% of LP	\$4,405,000
San Geronimo Vly	\$1,068,000	\$636	1512 sq.ft.	.29	13 days	117%	\$1,900,000
Central San Rafael 94901	\$1,550,000	\$825	1953 sq.ft.	.19	13 days	111%	\$8,000,000
North San Rafael 94903	\$1,358,500	\$752	1789 sq.ft.	.18	14 days	109%	\$3,165,000
Sausalito	\$2,120,000	\$1024	2154 sq.ft.	.12	19 days	106%	\$5,020,000
Stinson Beach (only 8 sales)	\$3,520,000	\$2070/sq.ft.	1450 sq.ft.	.15	15 days	115%	\$12,600,000
Tiburon	\$3,250,000	\$1180	3112 sq.ft.	.24	13 days	105%	\$20,000,000
West Marin*	\$1,800,000	\$1131	1740 sq.ft.	.34	14 days	105%	\$3,950,000
Marin County CONDO Sales	\$662,000	\$610	1112 sq.ft.	---	31 days	106%	\$3,965,000
Marin County TOWNHOUSES	\$851,000	\$563	1540 sq.ft.	---	15 days	106%	\$3,250,000

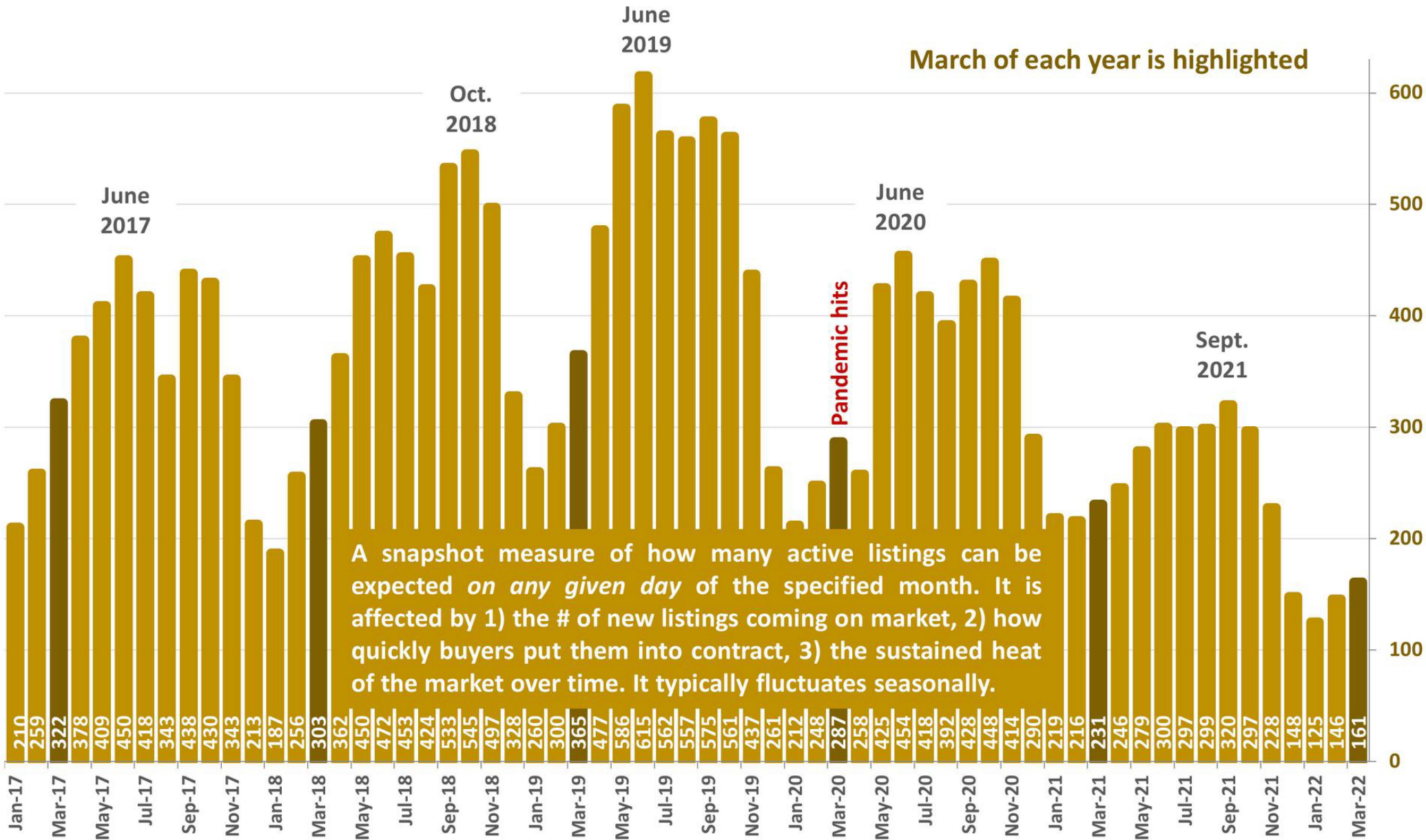
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Active Listings on Market, by Month since 2017

Marin County Real Estate Market Dynamics & Seasonality

For houses, condos, townhomes



Per Realtor.com Research: <https://www.realtor.com/research/data/>, listings posted on site. Data from sources deemed reliable, but may contain errors and subject to revision. May not include "coming soon" listings. All numbers should be considered approximate.



Marin County Homes Market: Supply & Demand*

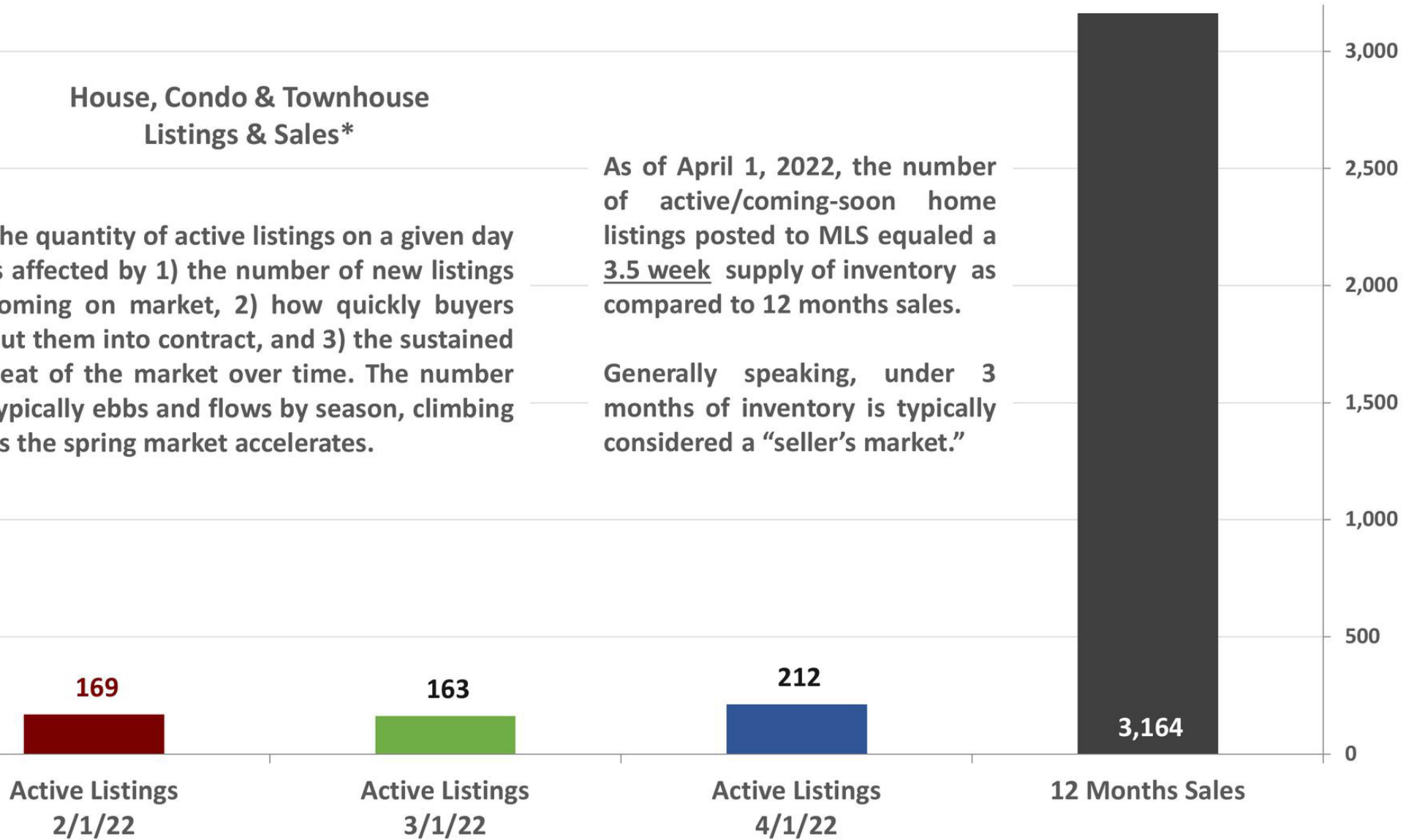
Active & Coming-Soon Listings vs. 12 Months Sales

House, Condo & Townhouse Listings & Sales*

The quantity of active listings on a given day is affected by 1) the number of new listings coming on market, 2) how quickly buyers put them into contract, and 3) the sustained heat of the market over time. The number typically ebbs and flows by season, climbing as the spring market accelerates.

As of April 1, 2022, the number of active/coming-soon home listings posted to MLS equaled a 3.5 week supply of inventory as compared to 12 months sales.

Generally speaking, under 3 months of inventory is typically considered a “seller’s market.”

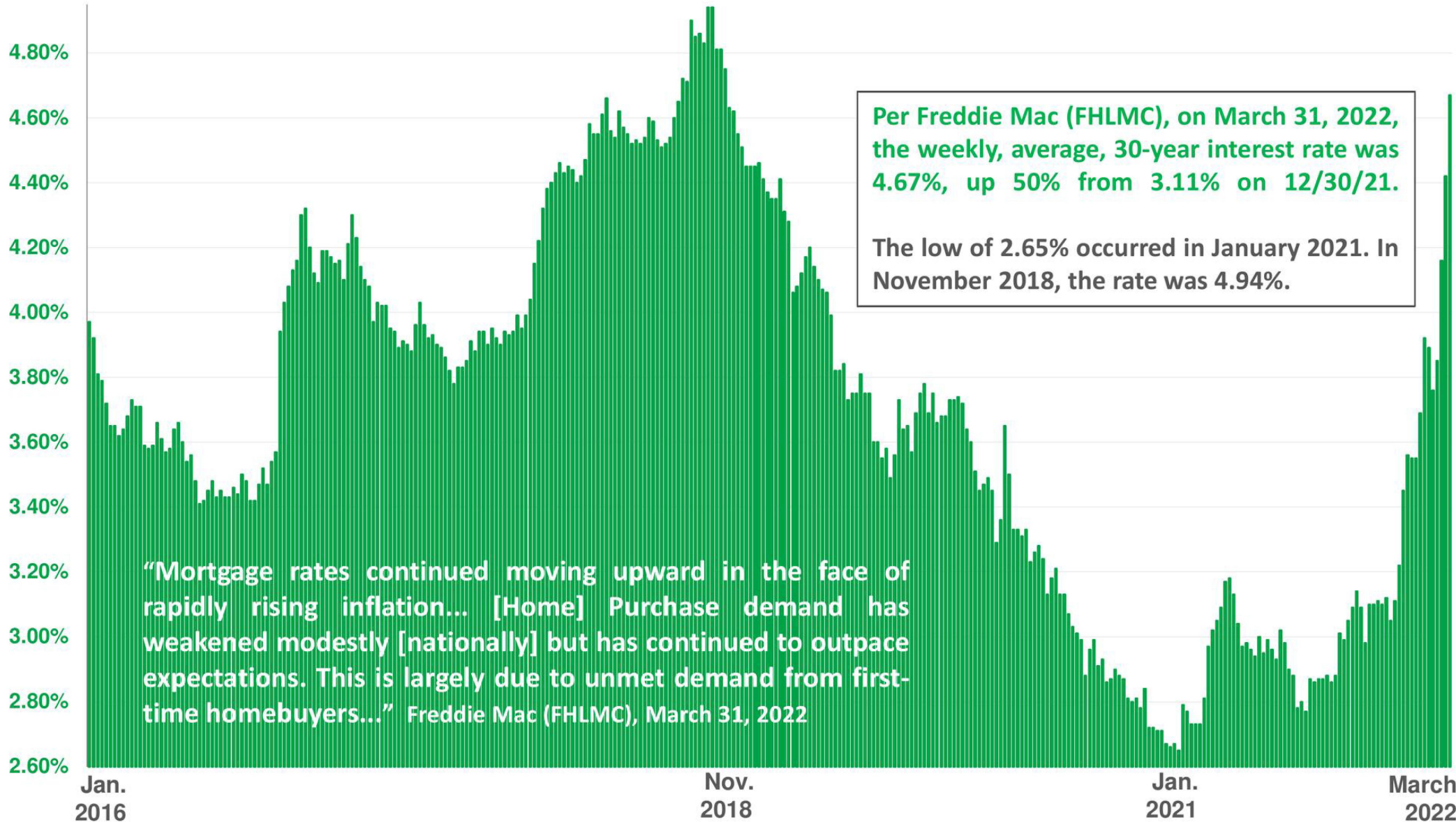


* Active/Coming-Soon listings posted to NorCal MLS Alliance vs. 12 months sales of MLS home listings through 2/28/22. Data from sources deemed reliable, but may contain errors and subject to revision. Not all listings are posted to MLS. All numbers approximate. The number of active listings constantly changes.

Mortgage Interest Rate Trends, 2016 – Present

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

Rates published by the FHLMC



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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