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## Bay Area Home Sales Remain Sluggish in March as Median Sale Price Inches Below a Year Earlier; For the Fourth Consecutive Month, Sales Were the Lowest for That Month in 11 Years

New data released today by CoreLogic® shows a total of 6,124 new and existing houses and condominiums were sold in Alameda, Contra Costa, Marin, Napa, Santa Clara, San Francisco, San Mateo, Solano and Sonoma counties in March 2019. This number is up 39.4 percent month over month from 4,393 sales in February 2019,\* and down 14.8 percent year over year from 7,184 sales in March 2018.

Total March 2019 home sales in the San Francisco Bay Area were the lowest for that month in 11 years, since 4,898 homes were sold in March 2008. Each month since December 2018 has logged the lowest sales for that month in 11 years. Sales have fallen on a year-over-year basis for the past 10 consecutive months. Those declines have been in the double digits— from 12 to 21.6 percent— for the last five consecutive months.

Since 1988, the average change in San Francisco Bay Area home sales between February and March is a gain of 39.9 percent. March sales have ranged from a low of 4,898 in 2008, to a high of 12,645 in 2004. March 2019 sales were 27.4 percent below the March average of 8,435.

In March 2019, sales of newly-built homes (detached houses and condos combined) were 42.6 percent below the month's historical average, while resales were 25.5 percent below the month's average. Ignoring the 2003–2006 housing boom that was fueled by risky home loans, March 2019 resales were 21.8 percent below the long-term average for the month.

“The Bay Area logged a normal, seasonal surge in home sales between February and March this year, but last month still marked the fourth month in a row in which sales were the lowest for that month in 11 years,” said Andrew LePage, a CoreLogic analyst. “The home sales recorded in March mainly reflect buyer purchasing decisions in February. This was after the end of the partial federal government shutdown as the stock market was trending higher while mortgage rates were trending lower, although rates fell further in March. Those factors bode well for stronger sales than we've seen in recent months, but any impending upswing in activity wasn't evident in the March data. Beginning in late spring last year, some potential buyers got priced out and others simply stepped out of the market amid concerns prices were near a peak. The next two months will likely clarify whether many of those who put plans on hold in 2018 are being lured back into the market by this year's lower mortgage rates, higher inventory and buyers' improved negotiating position.”

The median price paid for all homes sold in the San Francisco Bay Area in March 2019 was \$830,000, up 7.8 percent from \$770,000 in February 2019 and down 0.1 percent from \$831,000 in March 2018. The annual decline for the March 2019 median marked the first year-over-year decrease since March 2012, when the median dipped 0.6 percent. Before March 2019, the median sale price had risen year-over-year for 83 consecutive months (since April 2012). Both May and June 2018 had the highest ever median sale price: \$875,000.

“The tiny, year-over-year decline—0.1 percent—in the Bay Area's overall median sale price last month marked the first such decrease in seven years. It reflects a trend that began in mid-2018 when home sales slowed and inventory grew, forcing sellers to be more competitive,” LePage said. “The year-over-year increase in the region's median sale price was 16.2 percent in March last year. But after that, the gains in the median gradually decreased each month and fell to the 2 to 3 percent range early this year and then disappeared this March. Combined with other data, this suggests home prices in March were about the same as 2018 and in some cases were up or down a bit, depending on the area. Of the region's nine counties, three of them—Marin, Santa Clara and Sonoma—posted annual declines last month in their overall median sale prices, while one (San Mateo) experienced no change and the rest had gains from 0.4 to 5.3 percent.”

Home sales of \$500,000 or more accounted for 79.1 percent of all sales in March 2019, up from 76.2 percent in February 2019 and up from 78.8 percent in March 2018.

Additional San Francisco Bay Area Highlights for March 2019:

- ▶ Absentee buyers—mostly investors, but also second-home buyers—bought 16.7 percent of all homes sold in March 2019. This is down from 19.4 percent in February 2019, and down from 20.2 percent in March 2018. The absentee buyer share peaked at 28.8 percent in February 2013, and since 2000, the monthly average has been 16.5 percent.
- ▶ Jumbo mortgages accounted for 38.1 percent of the total number of home purchase loans used in the San Francisco Bay Area in March 2019, up from 32.4 percent in February 2019 and down from 40.4 percent in March 2018.
- ▶ Jumbo loans represented 60.5 percent of the total dollar volume of all home purchase originations in March 2019, up from 54.5 percent in February 2019 and down from 62.7 percent in March 2018.
- ▶ Jumbo loans are those that exceed the “conforming loan limit,” which is regulated and varies by county. Nationally, the base conforming loan limit for single-family homes in 2019 is \$484,350, up from \$453,100 in 2018. In high-cost areas, including most of the San Francisco Bay Area, the limit is now \$726,525, up from the 2018 maximum of \$679,650.
- ▶ Adjustable-rate mortgages (ARMs) made up 24.8 percent of the number of purchase loans used to buy homes in the Bay Area in March 2019. This is up from 22.4 percent in February 2019 and up from 24.6 percent in March 2018. ARMs, which offer lower initial interest rates and monthly payments compared with fixed-rate mortgages, are more common in the middle and high-end of the market where the impact on monthly payments is larger. In March 2019, the median price paid for Bay Area homes purchased with ARMs was \$1,224,500, compared with a median of \$830,000 for all homes purchased. The ARM share ranged from 5.1 percent of purchase loans in Solano County to 41.1 percent in San Francisco County.
- ▶ Real estate-owned (REO) sales represented 0.8 percent of total San Francisco Bay Area home sales in March 2019, down from 1 percent in February 2019 and down from 0.9 percent in March 2018. REOs are foreclosed homes that lenders sold on the open market.

\* When necessary, February 2019 data was revised. Revisions are standard, and to ensure accuracy CoreLogic incorporates newly released data to provide updated results.

**YEAR-OVER-YEAR CHANGE**

TOTAL HOMES SOLD/MEDIAN PRICE FOR SELECT SAN FRANCISCO BAY AREA COUNTIES (REFLECTS TOTAL HOME SALES)

County	Homes Sold March 2018	Homes Sold March 2019	Percent Change	Median Sale Price March 2018	Median Sale Price March 2019	Percent Change
Alameda	1,505	1,284	-14.7%	\$810,000	\$822,000	1.5%
Contra Costa	1,423	1,187	-16.6%	\$591,000	\$603,000	2.0%
Marin	237	223	-5.9%	\$1,143,500	\$1,090,000	-4.7%
Napa	99	96	-3.0%	\$610,000	\$630,000	3.3%
Santa Clara	1,656	1,430	-13.6%	\$1,200,000	\$1,080,000	-10.0%
San Francisco	517	455	-12.0%	\$1,310,000	\$1,380,000	5.3%
San Mateo	592	490	-17.2%	\$1,308,500	\$1,308,500	0.0%
Solano	564	525	-6.9%	\$425,000	\$426,500	0.4%
Sonoma	591	434	-26.6%	\$590,000	\$575,000	-2.5%
<b>Bay Area Total</b>	<b>7,184</b>	<b>6,124</b>	<b>-14.8%</b>	<b>\$831,000</b>	<b>\$830,000</b>	<b>-0.1%</b>

Source: CoreLogic

**MONTH-OVER-MONTH CHANGE**

TOTAL HOMES SOLD/MEDIAN PRICE FOR SELECT SAN FRANCISCO BAY AREA COUNTIES (REFLECTS TOTAL HOME SALES)

County	Homes Sold February 2019	Homes Sold March 2019	Percent Change	Median Sale Price February 2019	Median Sale Price March 2019	Percent Change
Alameda	903	1,284	42.2%	\$785,000	\$822,000	4.7%
Contra Costa	851	1,187	39.5%	\$594,750	\$603,000	1.4%
Marin	180	223	23.9%	\$1,025,000	\$1,090,000	6.3%
Napa	79	96	21.5%	\$590,000	\$630,000	6.8%
Santa Clara	922	1,430	55.1%	\$1,000,000	\$1,080,000	8.0%
San Francisco	303	455	50.2%	\$1,250,000	\$1,380,000	10.4%
San Mateo	382	490	28.3%	\$1,210,000	\$1,308,500	8.1%
Solano	414	525	26.8%	\$410,000	\$426,500	4.0%
Sonoma	359	434	20.9%	\$540,000	\$575,000	6.5%
<b>Bay Area Total</b>	<b>4,393</b>	<b>6,124</b>	<b>39.4%</b>	<b>\$770,000</b>	<b>\$830,000</b>	<b>7.8%</b>

Source: CoreLogic