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Bay Area Home Sales Decline to a Nine-Year Low for an August; For the Fourth Consecutive Month, the Region's Median Sale Price Fell Moderately Year Over Year

New data released today by CoreLogic® shows a total of 7,247 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 August 2019. This number is down 2.3% month over month from 7,416 sales in July 2019,* and down 5.7% year over year from 7,682 sales in August 2018.

Total home sales in the San Francisco Bay Area in August 2019 were the lowest for that month since August 2010, when 6,698 homes sold. For the past 13 consecutive months, sales have fallen on a year-over-year basis.

Since 1988, the average change in San Francisco Bay Area home sales between July and August is an increase of 2.3%. August sales have ranged from a low of 6,688 in 1992, to a high of 13,940 in 2004. August 2019 sales were 21.6% below the August average of 9,246.

In August 2019, sales of newly-built homes (detached houses and condos combined) were 45.8% below the month's historical average, while resales (detached houses and condos combined) were 18.8% below the month's average. Ignoring the 2003–2006 housing boom that was fueled by risky home loans, August 2019 resales were 14.1% below the long-term average for the month.

“Although Bay Area home sales in August fell nearly 6% from a year earlier, the recent drop in mortgage rates likely helped temper that decline,” said Andrew LePage, a CoreLogic analyst. “From March through August this year, when mortgage rates trended lower, home sales fell about 7% compared with that same six-month period last year. In the second half of 2018, when mortgage rates climbed, home sales fell nearly 12% compared with the second half of 2017. Some buyers no doubt remain parked on the sidelines, concerned about the possibility of buying near a price peak, and affordability remains a huge hurdle for many. But for some, this year's drop in mortgage rates has been meaningful. While the median price paid for a home last month was down 2.4% compared with August 2018, the principal-and-interest mortgage payment on that median-priced home was 13% lower because of a roughly 1 percentage point drop in mortgage rates. The combination of the drop in the median price as well as mortgage rates translates into a savings of about \$450 on the monthly payment for the median-priced home, assuming a 20% down payment and a fixed-rate 30-year loan.”

The median price paid for all homes sold in the San Francisco Bay Area in August 2019 was \$810,000, down 0.7% from \$816,000 in July 2019 and down 2.4% from \$830,000 in August 2018. This is the fourth

consecutive month in which the regional median sale price has fallen on a year-over-year basis, beginning with a 1.9% year-over-year decline this May, followed by a 2% dip in June and a 4% drop in July. The median also dipped 0.1% year over year this March but, compared with a year earlier, remained flat in April. Before this March, the median sale price had risen on a year-over-year basis for 83 consecutive months—since April 2012. The \$875,000 median in June 2018 was the highest ever. The highest median so far this year was in May, when it reached \$858,000.

“The region’s median sale price has remained flat or has fallen modestly on a year-over-year basis for the past six months, dipping as much as 4% in July,” LePage said. “Last month’s 2.4% annual decline in the median reflects both lower home prices in some areas as well as a shift toward a lower share of sales occurring in some of the region’s more expensive areas. Among the region’s nine counties, five posted modest annual gains in their medians, between just under 1% and nearly 3%, while four counties logged annual declines of 1% to 8%. The CoreLogic Home Price Index (HPI), a repeat sales index designed to correct for changes in market mix, shows that on a year-over-year basis, the region’s home prices in recent months have fallen modestly—between about 1% to nearly 6%—in four of the counties, while the remaining five counties experienced modest increases—from just under 2% to about 4%.”

In July, the most recent month for which the HPI data are available, Alameda, San Mateo, Santa Clara and Sonoma counties experienced annual declines of 0.8%, 0.9%, 5.8% and 0.8%, respectively. The HPI showed home prices in Contra Costa, Marin, Napa, San Francisco and Solano counties rose 1.6%, 2.9%, 3.9%, 1.7% and 1.7%, respectively.

Home sales of \$500,000 or more accounted for 79.2% of all sales in August 2019, down from 80.6% in both July 2019 and August 2018.

Additional San Francisco Bay Area Highlights for August 2019:

- Absentee buyers—mostly investors, but also second-home buyers—bought 16.9% of all homes sold in August 2019. This is up from 15.9% in July 2019, and down from 17.1% in August 2018. The absentee buyer share peaked at 28.8% in February 2013, and since 2000, the monthly average has been 16.5%.
- Adjustable-rate mortgages (ARMs) made up 20.7% of the number of purchase loans used to buy homes in the Bay Area in August 2019. This is down from 22.7% in July 2019 and down from 24.9% in August 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 August 2019, the median price paid for Bay Area homes purchased with ARMs was \$1,245,000, compared with a median of \$810,000 for all homes purchased. The ARM share ranged from 3.2% of purchase loans in Solano County to 38.7% in San Francisco County.
- Jumbo mortgages accounted for 35.8% of the total number of home purchase loans used in the San Francisco Bay Area in August 2019, down from 38.3% in July 2019 and down from 39.6% in August 2018.
- Jumbo loans represented 57% of the total dollar volume of all home purchase originations in August 2019, down from 59.9% in July 2019 and down from 61.1% in August 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.
- Real estate-owned (REO) sales represented 0.5% of total San Francisco Bay Area home sales in August 2019, unchanged from July 2019 and down from 0.7% in August 2018. REOs are foreclosed homes that lenders sold on the open market.

* When necessary, July 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 August 2018	Homes Sold August 2019	Percent Change	Median Sale Price August 2018	Median Sale Price August 2019	Percent Change
Alameda	1,635	1,527	-6.6%	\$850,000	\$825,000	-2.9%
Contra Costa	1,541	1,529	-0.8%	\$614,500	\$630,000	2.5%
Marin	305	310	1.6%	\$1,000,000	\$1,007,000	0.7%
Napa	150	122	-18.7%	\$660,000	\$635,000	-3.8%
Santa Clara	1,697	1,519	-10.5%	\$1,112,500	\$1,023,000	-8.0%
San Francisco	466	424	-9.0%	\$1,312,500	\$1,350,000	2.9%
San Mateo	602	549	-8.8%	\$1,300,000	\$1,286,500	-1.0%
Solano	619	671	8.4%	\$430,000	\$440,000	2.3%
Sonoma	667	596	-10.6%	\$610,000	\$615,000	0.8%
Bay Area Total	7,682	7,247	-5.7%	\$830,000	\$810,000	-2.4%

Source: CoreLogic

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County	Homes Sold July 2019	Homes Sold August 2019	Percent Change	Median Sale Price July 2019	Median Sale Price August 2019	Percent Change
Alameda	1,516	1,527	0.7%	\$838,500	\$825,000	-1.6%
Contra Costa	1,542	1,529	-0.8%	\$615,000	\$630,000	2.4%
Marin	335	310	-7.5%	\$1,060,000	\$1,007,000	-5.0%
Napa	149	122	-18.1%	\$638,500	\$635,000	-0.5%
Santa Clara	1,503	1,519	1.1%	\$1,100,000	\$1,023,000	-7.0%
San Francisco	486	424	-12.8%	\$1,350,000	\$1,350,000	0.0%
San Mateo	602	549	-8.8%	\$1,330,000	\$1,286,500	-3.3%
Solano	644	671	4.2%	\$450,000	\$440,000	-2.2%
Sonoma	639	596	-6.7%	\$587,000	\$615,000	4.8%
Bay Area Total	7,416	7,247	-2.3%	\$816,000	\$810,000	-0.7%

Source: CoreLogic