

# Affordability Attracts Homebuyers to Condominiums

## Sales Improve as Distressed Properties Drive Modest Price Declines

FIRST QUARTER 2011

### SAN FRANCISCO

Despite caution from lenders hesitant to approve loans on condominiums in some complexes, slightly lower sales prices and extremely favorable interest rates pushed sales of resale condominiums higher on a year-over-year basis in the City and County of San Francisco, according to an analysis of MLS data by the research division of Better Homes and Gardens Mason-McDuffie Real Estate.

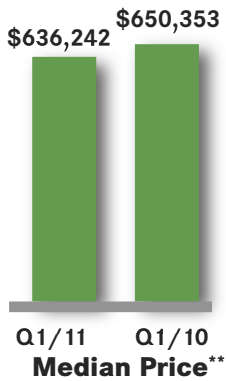
Citywide, 455 previously owned condominiums were sold in the first quarter, an increase of 5 percent from 433 condominiums sold in the fourth quarter and up 22 percent from 372 units sold during last year's first quarter. Despite the increase, the average number of days a resale condominium was on the market before sale rose to 64 days in the first quarter, an increase of 18 days from last year's opening quarter. "Days on market" ranged from a low of 52 days during the first quarter in District 5 (Noe Valley/Glen Park/Haight Ashbury) to a high of 85 days in District 10 (Bayview/Excelsior/Visitacion Valley).

District 9 (Inner Mission/Potrero Hill/South of Market) again led the way with 149 closed sales for the quarter, up 24 percent from the fourth quarter and 23 percent higher than the year-ago period. District 8 (Nob Hill/Russian Hill/Telegraph Hill) followed with 83 sales, the same number as in the fourth quarter and 22 percent above last year's 68 sales. District 5 (Noe Valley/Glen Park/Haight Ashbury) recorded 70 sales,

down slightly from 73 in the final quarter of 2010 but up 17 percent from the same quarter a year ago.

Favorable prices on bank short sale and REO properties continued to attract homebuyers seeking affordable home purchase options. Citywide, the median price of a resale condominium declined 2 percent from \$650,353 in the first quarter of last year to \$636,242 in this year's first quarter. Among the 10 neighborhoods included in the report, four registered median price gains on an annualized basis, led by District 1 (Richmond) with an 8 percent increase in the median sales price from a year ago. District 4 (Diamond Heights/Mt. Sutro/West Portal) experienced the most significant decline, with a median sales price that was 34 percent below the median price recorded in last year's first quarter.

Looking ahead to the peak homebuying season, the San Francisco condominium market will continue to face challenges as lenders remain cautious when it comes to originating new loans on condominiums located within complexes where there are large numbers of rental units, significant numbers of distressed properties, or issues related to homeowner associations. Buyers will want to be sure to consult a REALTOR® who is familiar with the marketplace and with issues facing condominium sellers and buyers.



### SAN FRANCISCO YEAR-TO-YEAR MARKET COMPARISON

Neighborhood	Homes Sold Q1/11	Homes Sold Q1/10	% Change	Avg DOM* Q1/11	Avg DOM* Q1/10	Change (days)	Median Price Q1/11	Median Price Q1/10	% Change
District 1	20	19	5	65	57	8	\$701,900	\$650,000	8
District 2	15	7	114	59	19	40	\$620,000	\$705,000	-12
District 3	10	8	25	65	18	47	\$289,000	\$356,500	-19
District 4	11	7	57	60	54	6	\$352,000	\$530,000	-34
District 5	70	60	17	52	34	18	\$785,000	\$755,000	4
District 6	39	29	34	56	47	9	\$590,000	\$682,000	-13
District 7	41	38	8	58	53	5	\$875,000	\$962,500	-9
District 8	83	68	22	75	68	7	\$630,000	\$627,500	.4
District 9	149	121	23	61	67	-6	\$590,000	\$569,000	4
District 10	17	15	13	85	47	38	\$315,000	\$327,500	-4

San Francisco District Guide:

- District 1 - Central Richmond, Inner Richmond, Jordan Park/Laurel Heights, Lake, Outer Richmond, Sea Cliff, Lone Mountain.
- District 2 - Golden Gate Heights, Outer Parkside, Outer Sunset, Parkside, Central Sunset, Inner Sunset, Inner Parkside.
- District 3 - Lake Shore, Merced Heights, Pine Lake Park, Stonestown, Lakeside, Merced Manor, Ingleside Heights, Ingleside, Oceanview.
- District 4 - Balboa Terrace, Diamond Heights, Forest Hill, Forest Knolls, Ingleside Terrace, Midtown Terrace, St. Francis Wood, Miraloma Park, Forest Hill Extension, Sherwood Forest, Monterey Heights, Mount Davidson Manor, Westwood Highlands, Westwood Park, Sunnyside, West Portal.
- District 5 - Glen Park, Haight Ashbury, Noe Valley, Twin Peaks, Parnassus/Ashbury Heights, Buena Vista Park, Corona Heights, Clarendon Heights, Duboce Triangle, Eureka Valley/Dolores Heights, Mission Dolores.
- District 6 - Anza Vista, Hayes Valley, Lower Pacific Heights, Western Addition, Alamo Square, North Panhandle.
- District 7 - Marina, Pacific Heights, Presidio Heights, Cow Hollow.
- District 8 - Downtown, Financial District, Nob Hill, North Beach, Russian Hill, Van Ness/Civic Center, Telegraph Hill, North Waterfront, Tenderloin.
- District 9 - Bernal Heights, Inner Mission, Mission Bay, Potrero Hill, South of Market, South Beach, Central Waterfront.
- District 10 - Bayview, Crocker Amazon, Excelsior, Outer Mission, Visitacion Valley, Portola, Silver Terrace, Mission Terrace, Hunters Point, Bayview Heights.

Note: Home sales and median price data are for resale condominiums only. New construction, lofts and tenant-in-common properties are not included in this report. \* 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 county is the mean of median home prices of districts within San Francisco County. Data are sourced from multiple listing services and are deemed reliable but not guaranteed. All percentages rounded to nearest whole number. Produced by the Research Division at Better Homes and Gardens Mason-McDuffie Real Estate.



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