

Favorable Home Prices Encourage Bargain-Hunters

Strongest First Quarter Sales in Three Years

FIRST QUARTER 2011

SAN FRANCISCO

San Franciscans sold more homes in the first quarter of 2011 than they did in the previous three first quarters as homebuyers took advantage of favorable home prices and interest rates, according to an analysis of MLS data by the research division of Better Homes and Gardens Mason-McDuffie Real Estate.

In the City and County of San Francisco, 479 existing, single-family detached homes changed hands during this year's first quarter – up 3 percent from 467 homes sold in the first quarter of 2010. The most recent figure also topped first quarter sales figures dating back to 2008.

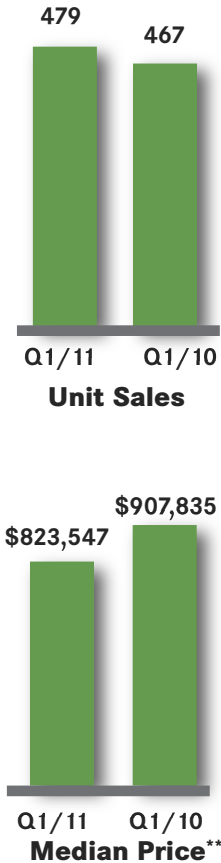
The number of homes sold jumped 48 percent from a year ago in District 2 (Sunset) but increased slightly or remained flat in five other neighborhoods. District 1 (Richmond) registered a 3 percent increase in the number of homes sold on an annualized basis, followed by District 5 (Noe Valley/Glen Park/Haight Ashbury) and District 10 (Bayview/Excelsior/Visitacion Valley) with 2 percent increases. The number of homes sold in Districts 7 (Marina/Pacific Heights) and 8 (Nob Hill/Russian Hill/Telegraph Hill) remained unchanged from a year ago.

Homebuyers came looking for lower-priced bargains: In fact, the percentage of homes sold in the \$1 million-plus price range fell to its lowest level since 2005. As a consequence, the citywide median price of a home sold during the quarter de-

clined 9 percent on an annualized basis to \$823,547, down from \$907,835 a year ago.

The median sales price fell slightly or was flat in those neighborhoods that accounted for the greatest number of home sales. District 4 (Diamond Heights/Mt. Davidson/West Portal) registered a very slight .3 percent increase in the median sales price, while District 9 (Inner Mission/Potrero Hill/South of Market) logged a 1 percent price decline. Districts 10 (Bayview/Excelsior/Visitacion Valley) and 7 (Marina/Pacific Heights) recorded slightly higher but still modest price declines of 3 percent and 4 percent, respectively. Fewer sales of more expensive homes in Districts 1 (Richmond), 2 (Sunset) and 3 (Stonestown/Ingleside/Oceanview) caused steeper percentage declines on an annualized basis in those areas. Though prices rose sharply in Districts 6 (Hayes Valley/Western Addition) and 8 (Nob Hill/Russian Hill/Telegraph Hill), the impact on the median sales price was minimal.

Looking ahead to the peak homebuying season, home sales should continue at a steady pace and San Franciscans can anticipate continued competition among homebuyers for properties in the most affordable neighborhoods. Everyone will be keeping a close eye on job growth and mortgage interest rates; any significant movement in either could stimulate additional homebuying activity in the months ahead.



SAN FRANCISCO YEAR-TO-YEAR MARKET COMPARISON

| City | 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 | 32 | 31 | 3 | 63 | 60 | 3 | \$877,500 | \$1,550,000 | -43 |
| District 2 | 95 | 64 | 48 | 42 | 36 | 6 | \$668,000 | \$746,500 | -11 |
| District 3 | 40 | 50 | -20 | 70 | 51 | 19 | \$454,000 | \$560,000 | -19 |
| District 4 | 50 | 58 | -14 | 53 | 53 | 0 | \$797,500 | \$795,000 | .3 |
| District 5 | 64 | 63 | 2 | 47 | 44 | 3 | \$1,278,500 | \$1,345,000 | -5 |
| District 6 | 5 | 9 | -44 | 26 | 34 | -8 | \$1,385,000 | \$1,220,000 | 14 |
| District 7 | 21 | 21 | 0 | 68 | 63 | 5 | \$2,725,000 | \$2,850,000 | -4 |
| District 8 | 4 | 4 | 0 | 58 | 113 | -55 | \$2,437,500 | \$1,775,000 | 37 |
| District 9 | 40 | 42 | -5 | 52 | 44 | 8 | \$757,500 | \$761,500 | -1 |
| District 10 | 128 | 125 | 2 | 61 | 46 | 15 | \$460,000 | \$475,000 | -3 |

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, Visitacion Valley, Portola, Silver Terrace, Mission Terrace, Hunters Point, Bayview Heights.

* 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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