

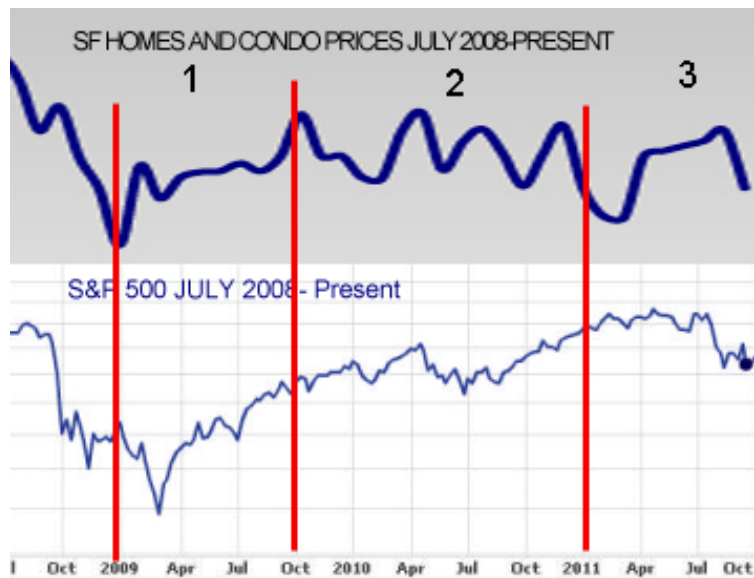
## San Francisco Real Estate Forecast Update

Written by Callum Hutchins, Sotheby's International Realty  
May be viewed at [www.callumhutchins.com](http://www.callumhutchins.com)  
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In the Forecast from January <sup>1</sup> I acknowledged the challenges that lay ahead but felt confident in calling for 0-5% appreciation for the year. As we dug into the first part of 2011 we hit a bump- after rising 10% following the economic meltdown at the end of 2008, prices were falling again. Despite occasional rays of hope, consumer confidence and unemployment continued to exert downward pressure on our market.

It was against this back drop that the 3rdQ numbers rolled in. Citywide median prices are down a little more than 4% this year, but blue-chip neighborhoods have made gains. Take a look at the stats for District 5 on the other side, with median home prices up over 12% and condos up 2.5+% this year. Also of note are District 7 condos up 4+%, District 8 homes up 6% and District 9 condos price per square foot up over 7%. Don't blink that District 7 median home prices are down over 8% this year- the average price is holding and values in this volatile market can spike up practically overnight.

What could drive such gains? The positive influences on our market right now are interest rates and local technology employment. In what must have been an alternate reality, the bank that originated my home loan just a year ago called me and said they wanted to refinance my loan to a lower rate and at zero cost. All they wanted was a copy of my drivers license and a year's tax return, and they did the rest of the paperwork. \$1M, 5 year loans can be had for 3.5%, with 30 year money in the low 4's. Regarding technology employment, the strength of this sector is fueling appreciation in the kinds of properties those Buyers want to own, and is not necessarily IPO driven. It is in two tiers, a starter property tier driven by the workforce of the tech companies, and the high-end tier, driven by executive purchases. Modern design, turnkey condition and southern freeway access can be big pluses for these Buyers.



Take a look at the graphs to the left, a SF price graph superimposed over an S&P 500 graph. You can see the hole we climbed out of Jan-Oct 2009 in period (1), then typical seasonal fluctuations and flat prices though period (2). The bump we hit (3) was Jan-Apr of 2011. We should have caught the seasonal wave back up here but instead prices fell, and you can see the lagging dip of the S&P. Buyers are uneasy about the constant up and down of the stock market and the economy, and it will take some stability before Buyers have the confidence to push prices up across the board again. Meanwhile we are very much a City of micro markets, each performing quite differently

from another depending on the supply and demand within that segment. Even within a well performing neighborhood there are opportunities if you are willing to renovate, deal with a tenant-occupied property, or take on other advanced variables.

Thank you for taking the time to read this. I represent Buyers and Sellers in the purchase and sale of homes, condominiums, TIC's, and apartment buildings, so if you can ever think of anyone looking to buy or sell **I am grateful for the referral**. I work with Buyers and Sellers in all price ranges, so if you are reading this newsletter I am never too busy for you. It is impossible to address every aspect of the market in this Forecast, so if you have a specific question please contact me at (415) 901-1760 or at [callum@callumhutchins.com](mailto:callum@callumhutchins.com). Thank you,

<sup>1</sup>Available at <http://callumhutchins.com/2011Forecast.pdf>

**QUARTERLY SALES UPDATE**  
Jan - Sept 2010 vs. Jan - Sept 2011

CITYWIDE	# OF SALES			AVERAGE PRICE			MEDIAN PRICE			\$/Sq Ft		
	2010	2011	% Diff	2010	2011	% Diff	2010	2011	% Diff	2010	2011	% Diff
<b>SINGLE FAMILY HOMES</b>	1291	1352	4.73%	\$ 1,171,951	\$ 1,105,847	-5.64%	\$ 850,000	\$ 809,000	-4.82%	\$ 627	\$ 588	-6.34%
<b>CONDOS</b>	1511	1633	8.07%	\$ 770,625	\$ 763,089	-0.98%	\$ 680,000	\$ 650,000	-4.41%	\$ 640	\$ 635	-0.73%
<b>2-4 UNITS</b>	277	287	3.61%	\$ 1,156,448	\$ 1,154,858	-0.14%	\$ 1,087,500	\$ 1,035,000	-4.83%	\$ 368	\$ 381	3.56%
<b>5+ UNITS</b>	72	105	45.83%	\$ 2,645,151	\$ 2,359,897	-10.78%	\$ 1,891,000	\$ 1,650,000	-12.74%	\$ 290	\$ 263	-9.30%

**DISTRICT 5**  
Glen Park, Haight Ashbury, Noe Valley, Twin Peaks, Cole Valley/Parnassus Hts, Buena Vista/Ashbury Hts, Corona Heights, Clarendon Heights, Duboce Triangle, Eureka Valley/Dolores Hts/Castro, Mission Dolores

DISTRICT 5	# OF SALES			AVERAGE PRICE			MEDIAN PRICE			\$/Sq Ft		
	2010	2011	% Diff	2010	2011	% Diff	2010	2011	% Diff	2010	2011	% Diff
<b>SINGLE FAMILY HOMES</b>	203	239	17.73%	\$ 1,393,240	\$ 1,460,961	4.86%	\$ 1,298,400	\$ 1,460,961	12.52%	\$ 672	\$ 673	0.13%
<b>CONDOS</b>	243	245	0.82%	\$ 815,573	\$ 831,804	1.99%	\$ 765,000	\$ 785,000	2.61%	\$ 623	\$ 596	-4.22%

**DISTRICT 7**  
Marina, Pacific Heights, Presidio Heights, Cow Hollow

DISTRICT 7	# OF SALES			AVERAGE PRICE			MEDIAN PRICE			\$/Sq Ft		
	2010	2011	% Diff	2010	2011	% Diff	2010	2011	% Diff	2010	2011	% Diff
<b>SINGLE FAMILY HOMES</b>	93	70	-24.73%	\$ 3,337,530	\$ 3,363,118	0.77%	\$ 2,950,000	\$ 2,695,000	-8.64%	\$ 931	\$ 857	-7.96%
<b>CONDOS</b>	162	153	-5.56%	\$ 1,149,725	\$ 1,183,549	2.94%	\$ 960,000	\$ 999,000	4.06%	\$ 743	\$ 784	5.46%

**DISTRICT 8**  
Downtown, Financial District/Barbary Coast, Nob Hill, North Beach, Russian Hill, Van Ness/Civic Center, Telegraph Hill, North Waterfront, Tenderloin

DISTRICT 8	# OF SALES			AVERAGE PRICE			MEDIAN PRICE			\$/Sq Ft		
	2010	2011	% Diff	2010	2011	% Diff	2010	2011	% Diff	2010	2011	% Diff
<b>SINGLE FAMILY HOMES</b>	16	25	56.25%	\$ 2,203,438	\$ 2,538,780	15.22%	\$ 2,025,000	\$ 2,150,000	6.17%	\$ 923	\$ 897	-2.86%
<b>CONDOS</b>	272	319	17.28%	\$ 812,274	\$ 761,462	-6.26%	\$ 654,500	\$ 629,000	-3.90%	\$ 734	\$ 669	-8.97%

**DISTRICT 9**  
Bernal Heights, Inner Mission, Mission Bay, Potrero Hill, South of Market, Yerba Buena, South Beach, Central Waterfront/Dogpatch

DISTRICT 9	# OF SALES			AVERAGE PRICE			MEDIAN PRICE			\$/Sq Ft		
	2010	2011	% Diff	2010	2011	% Diff	2010	2011	% Diff	2010	2011	% Diff
<b>SINGLE FAMILY HOMES</b>	149	168	12.75%	\$ 819,116	\$ 796,266	-2.79%	\$ 799,000	\$ 752,500	-5.82%	\$ 542	\$ 539	-0.68%
<b>CONDOS</b>	561	591	5.35%	\$ 691,486	\$ 715,111	3.42%	\$ 625,000	\$ 609,000	-2.56%	\$ 613	\$ 657	7.22%