

Marin Real Estate Update – Q3 2020

The Big Picture:

The real estate market in Marin over the summer has been on fire! Pardon the reference to the actual fires that have been so much in evidence. With the coronavirus, people out of work, businesses shuttered and a recession, you would think that activity would slow down and prices drop. But that hasn't been the case at all. **Prices of single family homes have risen 21% from a year ago and condos have gone up 15%.**

The average price paid was 2% above the list price.

The Days on Market has gone from 27 to 26 reflecting a fast-moving sales landscape.

The median price of a single family home in Marin has gone from \$1,282,500 a year ago to \$1,547,000 this quarter. And the **median price of a condo has gone from \$630,000 to \$725,000.**

This is the first time in memory when single family homes in every single sub-market in Marin were up from the same quarter a year ago, between 8 – 40%.

What is causing this skyrocketing price appreciation? Some of the reasons posited in addition to the imbalance between supply and demand that I had cited in my Q2 report are these:

- **Ultra low interest rates** mean that buyers can borrow more and afford higher-priced properties
- With so many **companies in San Francisco allowing their employees to work from home**, many are leaving the urban environment with it's homelessness, drug users, car break-ins, etc for the appeal of Marin's suburban lifestyles
- **With stimulus programs and the Federal Reserve buying debt from the banks**, many of the trillions of dollars being pumped into the economy find their way into mortgages or home equity.

Are we in a housing bubble? It certainly seems so. Will the bubble burst? That's the big question. It's not likely that prices can sustain an annual 20% plus rate of increase indefinitely. If the bubble doesn't burst, I would at least expect the rate of increase to slow substantially over the coming quarters.

It has shifted from a *Buyers Market* to a *Balanced Market* for homes over \$1,500,000 and remains a *Sellers Market* for homes less than that.

Prices:

The statistics for median prices for each sub-market are shown below.

Single Family Homes	Year	Qtr	Year	Qtr			
	Change	Change	Change	Change			
Belvedere/Tiburon	\$3,300,000	10%	-2%	Novato	\$1,061,400	9%	11%
CM/Greenbrae/Larkspur	\$1,743,000	19%	3%	San Anselmo	\$1,445,000	20%	9%
Fairfax/San Geronimo	\$1,135,000	13%	19%	San Rafael	\$1,399,000	19%	15%
Kentfield/Ross	\$3,425,000	23%	-1%	Sausalito	\$2,250,000	40%	32%
Mill Valley	\$1,830,000	8%	-2%	All Marin	\$1,547,250	21%	7%

Condos/Townhomes		Year Change	Qtr Change			Year Change	Qtr Change
Tiburon/Mill Valley	\$932,500	-2%	-3%	San Rafael	\$739,000	31%	12%
CM/Greenbrae/Larkspur*	\$695,000	-6%	-25%	Sausalito*	\$985,584	19%	5%
Novato	\$577,500	5%	11%	All Marin	\$725,000	15%	0%

Statistics from BAREIS MLS, deemed reliable, but not guaranteed.

* Less than 25 homes have sold this quarter for this area, so these statistics are less reliable than those for other markets.

Inventory and Time on Market

The **number of homes listed increased from 441** of July 6 to 556 as of October 6, which is exactly the number that were on the market at this time a year ago.

Inventory remains at a low 2-month supply.

There are 3 Active distressed listings, down from 4 last quarter. Distressed properties are those in foreclosure, short sales and bank-owned properties.

Buyers or Sellers Market?

It's generally considered a Buyers Market when less than 25% of listings are in escrow, a Balanced Market when 25-40% are in escrow, and a Sellers Market when more than 40% are in escrow. By this measure,

- It remains **a Sellers Market for homes priced less than \$900,000**, with 46% of the for-sale homes in escrow.
- It also remains **a Sellers Market for homes priced between \$900,000 - \$1,500,000** (46% are in escrow).
- It remains **a Balanced Market for homes priced more than \$1,500,000** (31% in escrow.)

For questions about the market, or to receive a Comparative Market Analysis showing the current value of your home, give me a call!



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