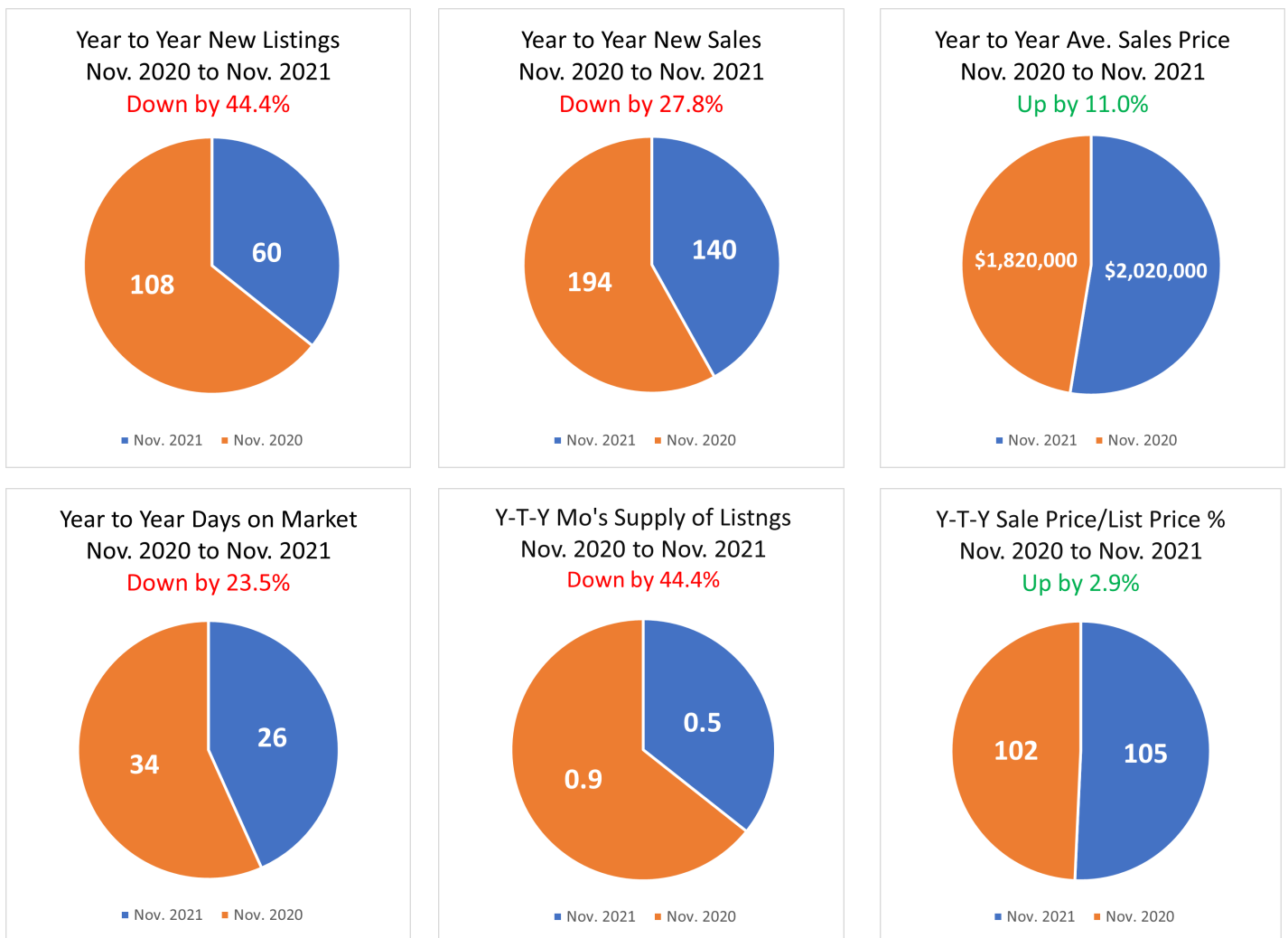


DECEMBER 2021

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Year-to-Year Market Trends



Year-to-Year Summary of Key Metrics

Metric	Nov. 2020	Nov. 2021	% Change
New Listings	108	60	-44.4%
New Sales	194	140	-27.8%
Ave. Sales Price	\$1,820,000	\$2,020,000	+11.0%
Days on Market	34	26	-23.5%
Months's Supply of Listings	0.9	0.5	-44.4%
Sales Price to List Price Ratio	102%	105%	+2.9%

The above table calculates the percentage change from November 2020 to November 2021 for some of the more revealing metrics.

Metric	Nov. 2019	Nov. 2020	% Change
New Listings	87	108	+24.1%
New Sales	139	194	+39.6%
Average Sales Price	\$1,582,000	\$2,820,000	+15.0%
Days on Market	56	34	-39.3%
Months Supply of Listings	1.2	0.9	-25.0%
Sales Price to List Price Ratio	99%	102%	+3.0%

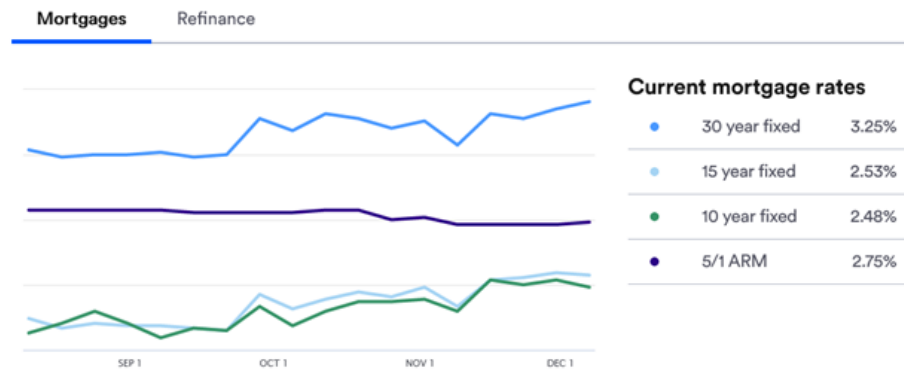
This table gives the same calculations for November 2019 to November.

Metric	Nov. 2019 to 2020	Nov. 2020 to 2021
New Listings	+24.1%	-44.4%
New Sales	+39.6%	-27.8%
Ave. Sales Price	+15.0%	+11.0%
Days on Market	-39.3%	-23.5%
Months's Supply of Listings	-25.0%	-44.4%
Sales Price to List Price Ratio	+3.0%	+2.9%

Here is a side-by-side comparison of the percentage change from 11/19 to 11/20 and the change from 11/20 to 11/21. It shows a significant shift in the supply/demand relationship. From 11/19 to 11/20, the number of new listings increased by **24.1%**. But from 11/20 to 11/21, listings decreased **44.4%** - a dramatic drop-off. While the year-over-year change in new sales also went down, they fared much better than listings. The result was a growing reduction in the month's supply of listings, which fell off by **25.0%** from 11/19 to 11/20 and by **44.4%** from 11/20 to 11/21.

As long as the number of new listings continues to drop more rapidly than new sales, the number of homes available for sale will continue to decrease, prolonging the strong seller's market.

CURRENT MORTGAGE INTEREST RATES AND INDUSTRY EXPERT PREDICTIONS



Today's national mortgage rate trends

For today, Friday, December 13, 2021, the average 30-year fixed-mortgage rate is 3.25%, an increase of 2 basis points from a week ago. If you're looking to refinance your current loan, the national 30-year fixed refinance rate is 3.24%, an increase of 4 basis points from a week ago. Meanwhile, the national 15-year fixed refinance rate is 2.51%, unchanged from a week ago. Whether you are looking to buy or refinance, Bankrate often has offers well below the national average to help you finance your home for less. *Courtesy of Bankrate.com*

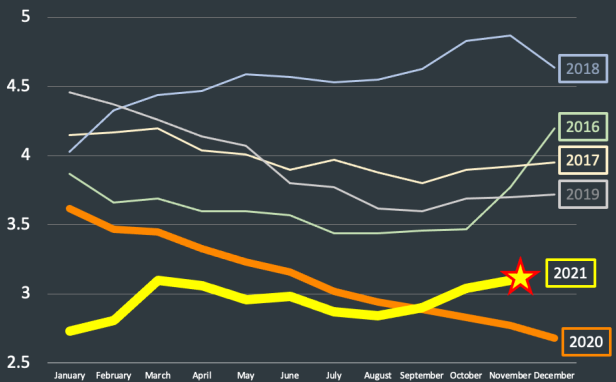
Mortgage Rate Projections

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 1Q	3.4	3.2	3.3	3.3	3.30%
2022 2Q	3.5	3.2	3.5	3.5	3.43%
2022 3Q	3.6	3.3	3.7	3.6	3.55%
2022 4Q	3.7	3.4	4.0	3.7	3.70%

The Average of these projections by Freddie Mac, Fannie Mae, the Mortgage Banker's Association, and the National Association of Realtors show interest rates climbing to **3.30%** in the first quarter of 2022 and reaching **3.70%** in the fourth quarter of 2022. Yes rates are rising but the next graph puts these increased rates into perspective.

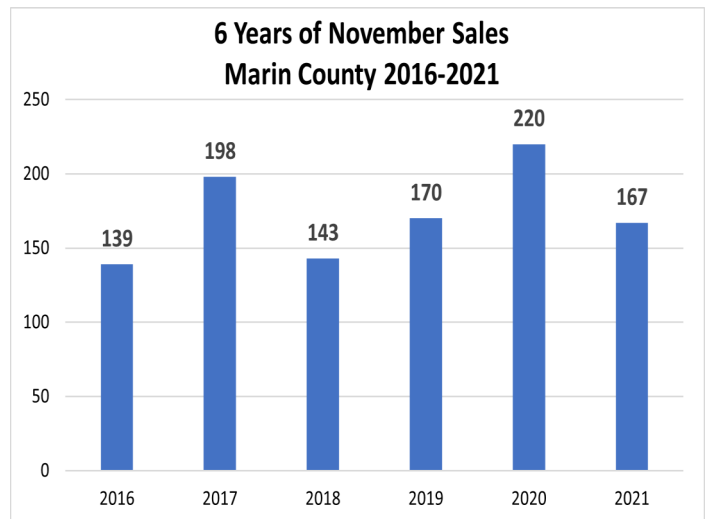
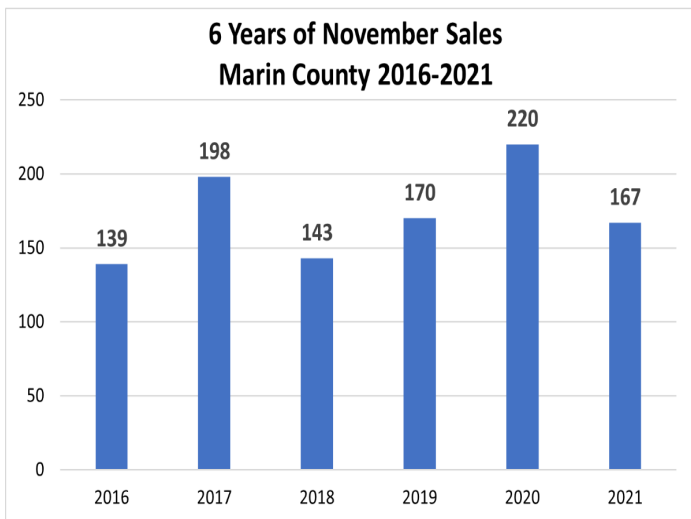
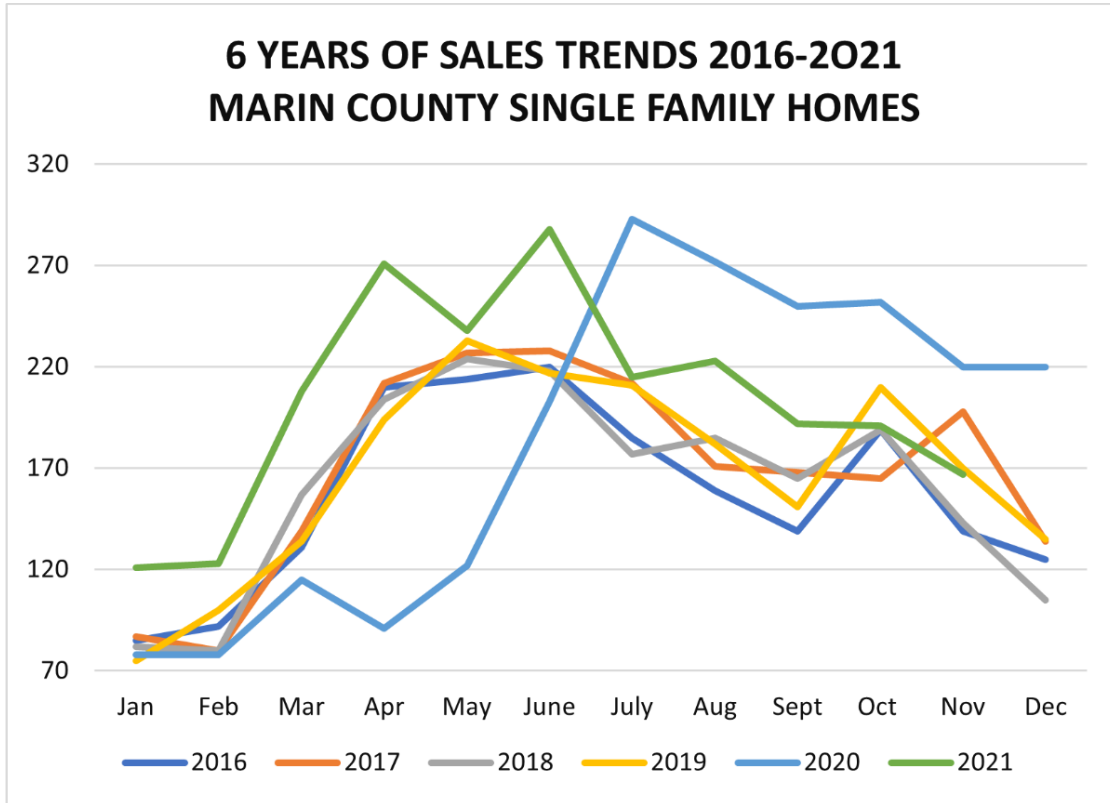
Some Historical Perspective on Today's Mortgage Rates

30-year fixed rate



Freddie Mac

NOVEMBER Market Activity



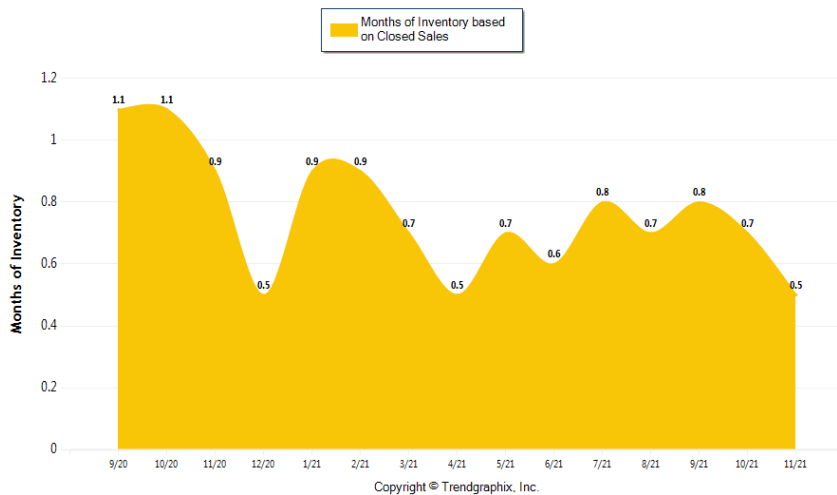
The chart on the left shows the sales figures for the above graph. The chart on the right shows the year-to-date sales volume for each of the 6 years. Though closed sales volume in 2021 is trending down, we've continued to maintain a year-to-date lead - up by 13.3% over last year and 20.0% over the average of the previous 5 years.



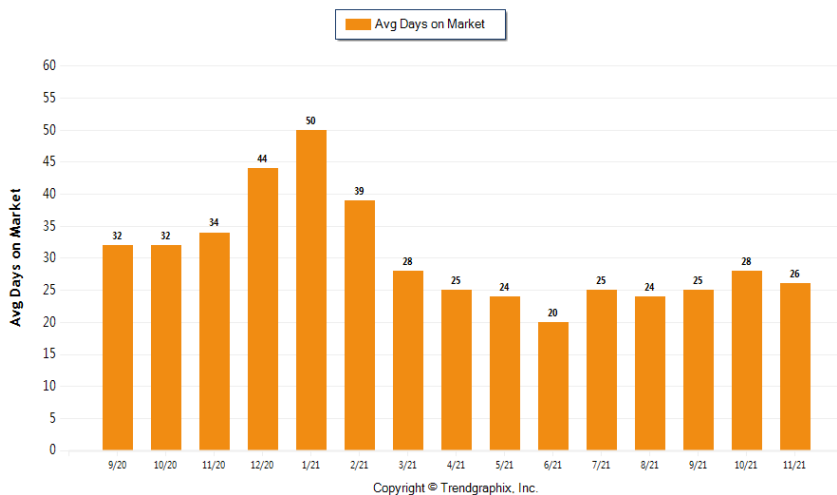
This graph charts the number of active listings for sale on the last day of each month, the number of closed sales and the number of new (pending) sales during each month. If you compare the For Sale bars (light green) and Sold bars (dark green) for September, October and November 2021 to those same three months in 2020, you see how much both have fallen. Here is a side-by

	9/20	9/21	10/20	10/21	11/20	11/21
For Sale	264	161	267	143	195	80
Sold	250	192	252	191	220	167

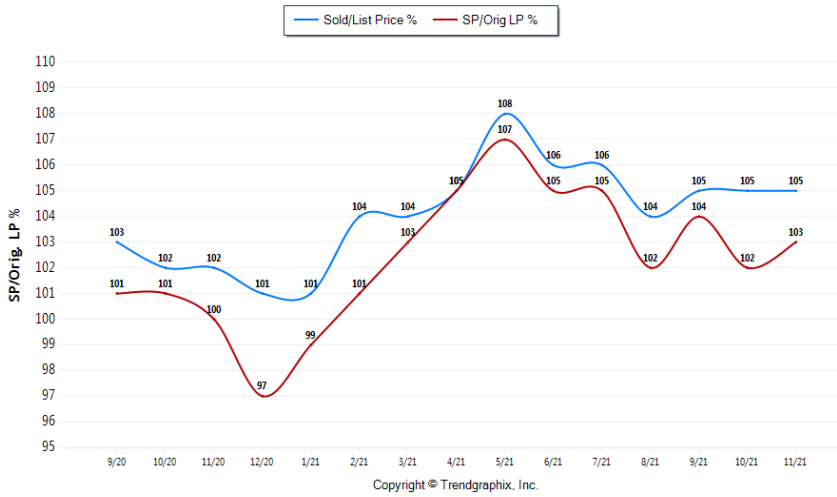
The red line represents the number of new (Pending) sales each month. With new sales declining from 166 in October to 140 in November, we can expect another drop in closed sales in December.



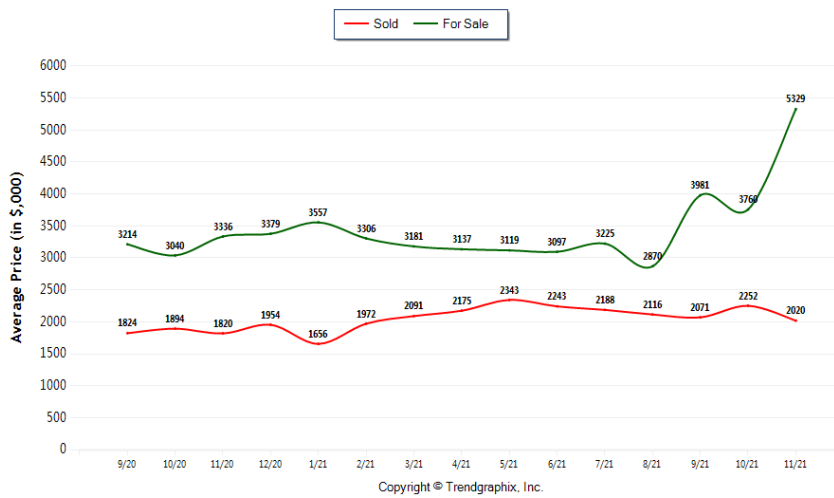
The month's supply of inventory dropped from 0.7 months in October to 0.5 in November. That means that, at the current rate of sale, every listing now available for sale would be sold in about 2 weeks. The sliding supply of listings reflects the fact that new listings continue to fall more rapidly than new sales.



In November, the average number of days from listing homes until they were in contract with all contingencies removed was 26, down from 28 in October.

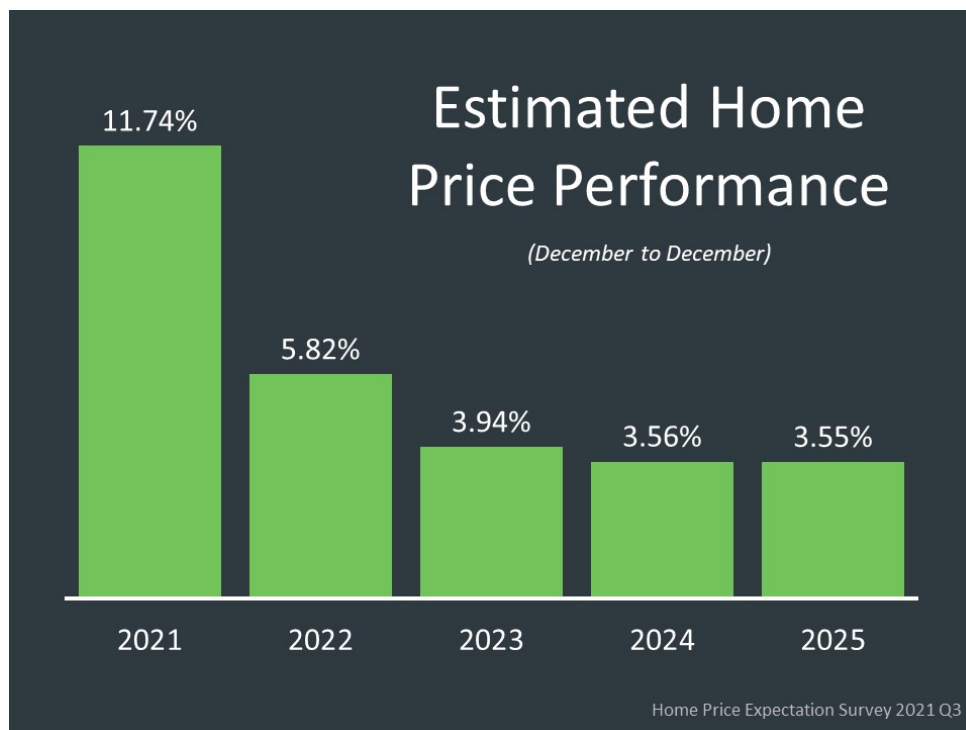


On average, the ratio of the November sales price to the original list price was 103%, and 105% of the list price at the time offers were accepted. That indicates that, on average, it required a 2% price reduction to attract acceptable offers. It is also more evidence of the effects of the supply/demand imbalance.



The average list price of a Marin County single family home in November was \$5,329,000, up from \$3,760,000 in October. That dramatic increase was undoubtedly due to one or more very high priced homes coming onto the market. The average sales price in November was \$2,020,000, down from \$2,252,000 in October.

The next chart is an estimate of national home price appreciation from December 2021 to December 2025 compiled by a survey of 100 economists and other industry experts.



The market trends are pretty well defined at this time:

Interest rates are slowly increasing with the likelihood that the 30-year fixed mortgage will hit 3.70% by the fourth quarter of 2022.

The inventory of homes for sale continues to fall. However in the last couple of weeks they have come up a bit. Some sellers who postponed their next housing move due to the pandemic are expected to enter the market soon. A recent survey by Realtor.com found that the majority of prospective sellers are planning to list their homes this winter.

Sales have slowed down but not as much as new listings. Buyer demand is expected to remain strong as millennials age into their prime home-buying years in large numbers.

All trends considered, it looks like the housing market will remain strong for 2022. In the meantime, enjoy the chilly weather and have a wonderful holiday celebration. If you are considering a change in your real estate positions in the coming year, I am here to answer any questions you may have and would be happy to assist you in analyzing your optimal strategy.



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