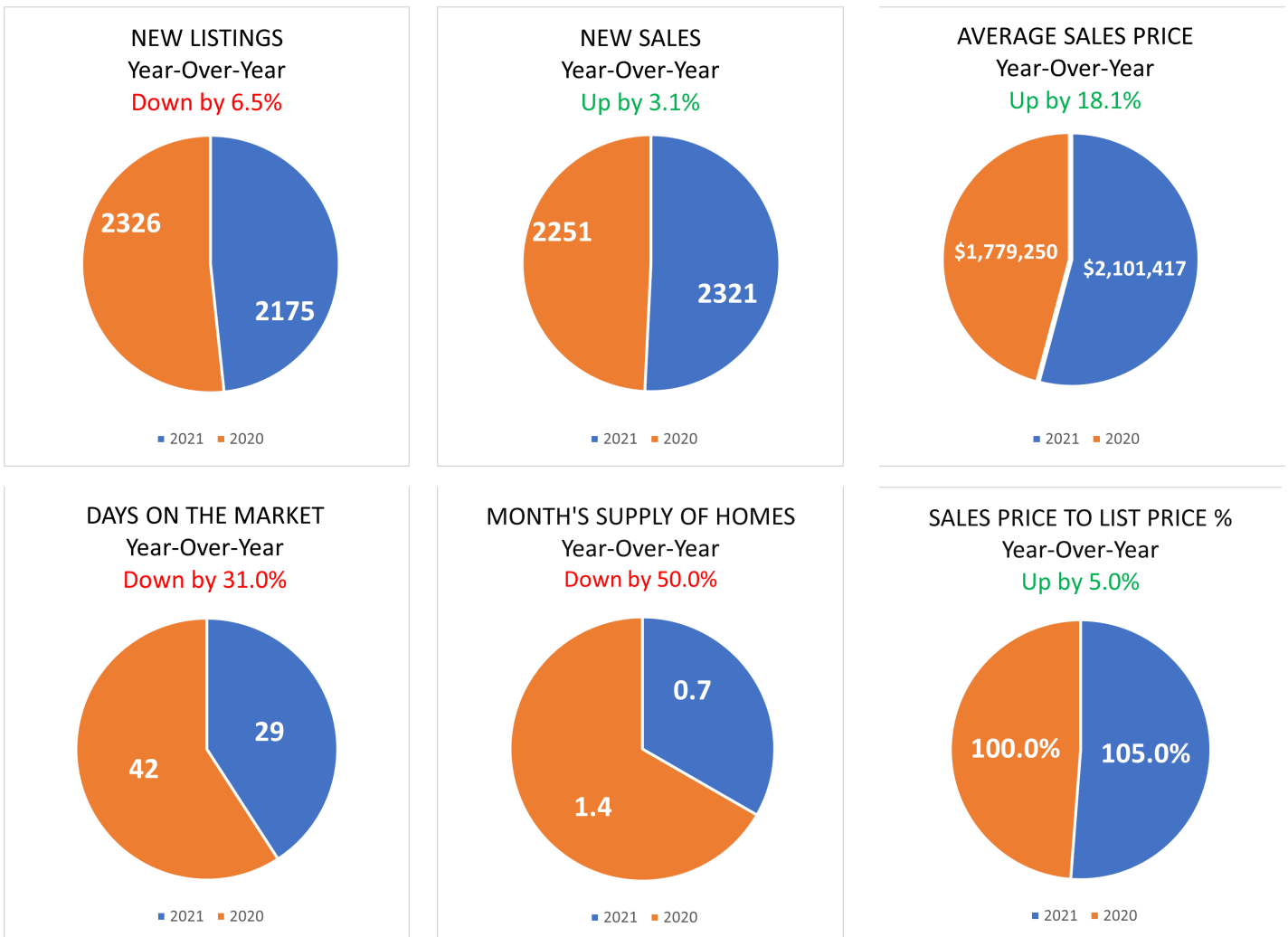


## JANUARY 2022

### IN THIS ISSUE

- Year-to-Year Market Trends 2020 to 2021
- December Market Activity Report
- National Price Appreciation Projections
- Mortgage Rate Update and Expert Predictions

## Year-to-Year Market Trends

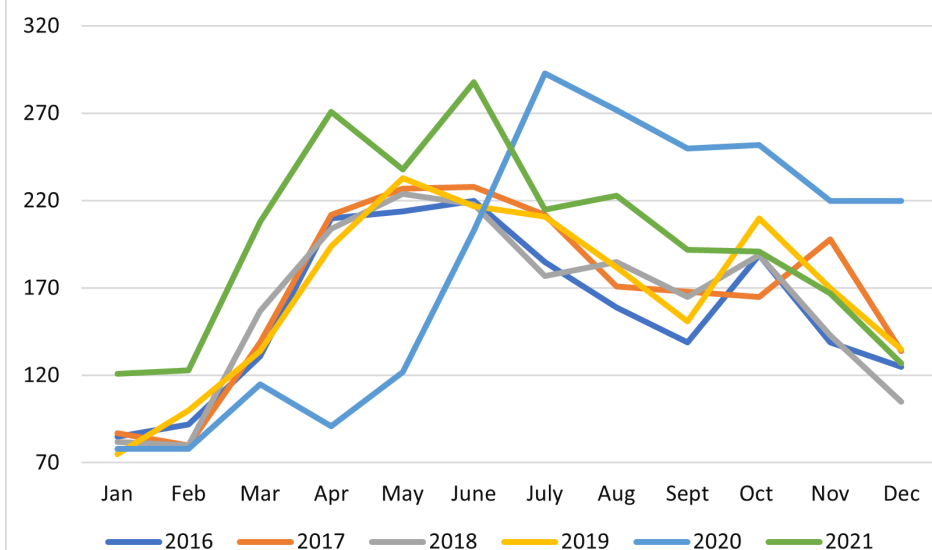


## Year-to-Year Summary of Key Metrics

Metric	2020	2021	% Change
New Listings	2326	2175	-6.5%
New Sales	2251	2321	+3.1%
Average Sales Price	\$1,779,250	\$2,101,417	+18.1%
Days on the Market	42	29	-31.0%
Month's Supply of Homes	1.4	0.7	-50.0%
Sales Price to List Price %	100	105	+5.0%

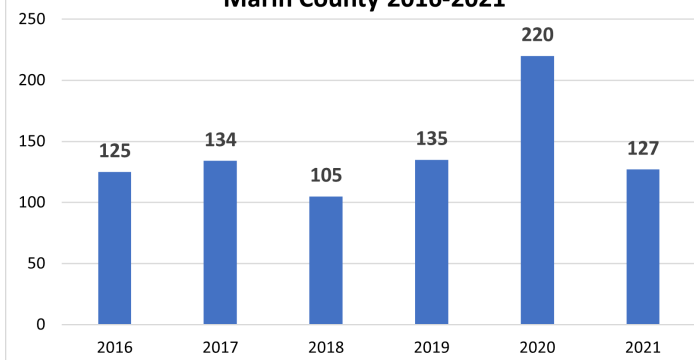
The above table calculates the percentage change from calendar years 2020 to 2021.

### 6 YEARS OF SALES TRENDS 2016-2021 MARIN COUNTY SINGLE FAMILY HOMES

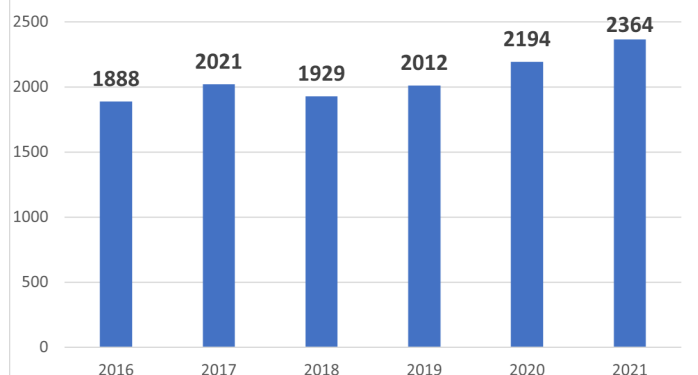


This graph charts the monthly closed sales for years 2016 through 2021. Through June, 2021 outsold each of the previous 5 years, due to pent-up demand from the initial Covid19 paralysis, and the historically low interest rates. By July, demand began to drop following a typical path down into the holiday season, undoubtedly the result of inflation news and the expected rise in interest rates. We ended the year in December right in the middle of the pack.

### 6 Years of December Sales Marin County 2016-2021

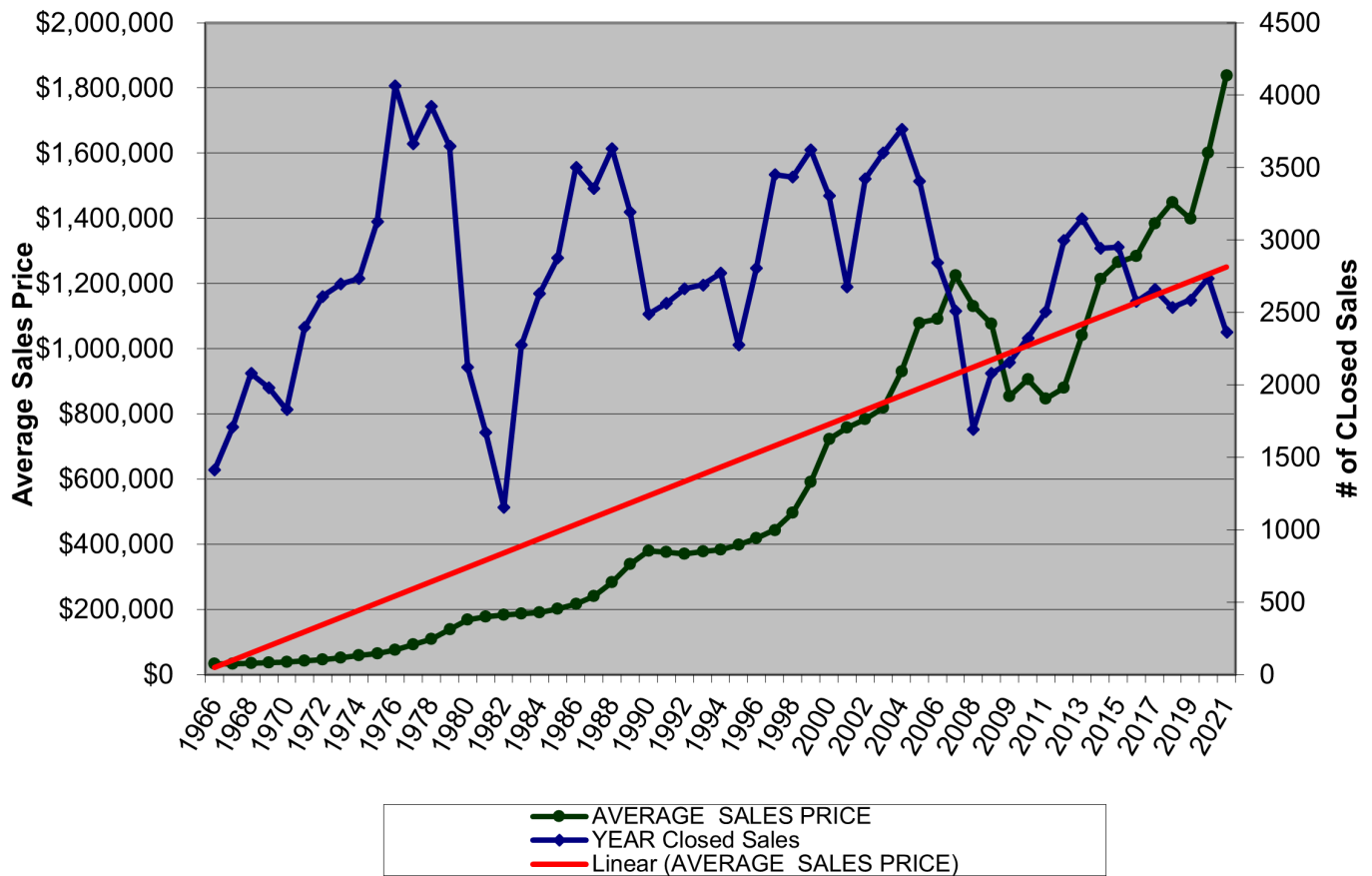


### Marin County Jan.-Dec. Closed Sales, 2016-2021



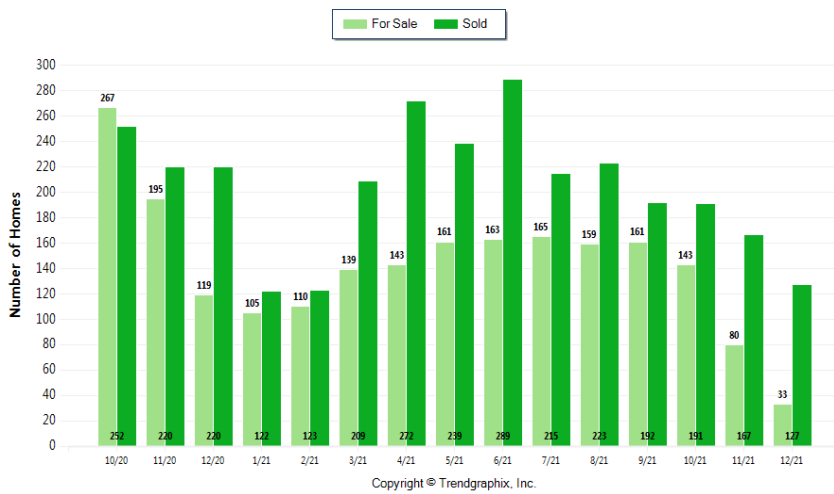
The chart on the left gives the actual number of sales in December for each of the 6 years. On the right are the closed sales for calendar years 2016 through 2021. Even though sales fell off in the second half, 2021 still ended the year with more closed sales than any of the previous 5 years.

## 56 Years of Marin County Real Estate Sales 1965 - 2021 All Residential Properties



This graph tells a 56 year story of the resilience of Marin County home prices. The blue line represents closed sales. The dramatic drop in sales, like in 1982, 1990 and 2008 represent recessions. Comparing the average sales price curve to the sales curve, with the exception of the financial crisis and resultant recession from 2005-2008, prices have been steady relative to sales. The dramatic divergence of the price and sales curves from 2020 to 2021 was primarily created by our lack of inventory. As you saw from the year-to-year statistics above, the month's supply of inventory in Marin dropped by 50% last year. That created a severe seller's market causing buyers to bid up prices as they faced highly competitive multiple offer situations.

# MARKET ACTIVITY REPORT

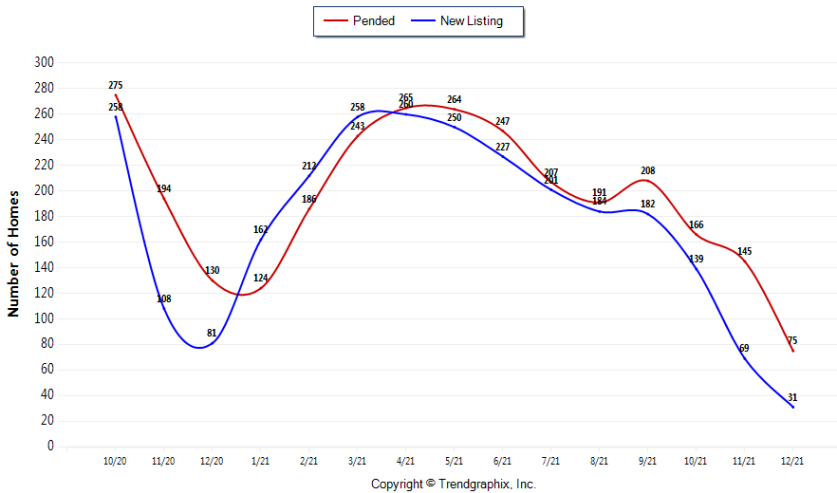


## Month-to-Month

	Closed Sales	Active Listings
November	167	80
December	127	33
% Change	-24%	-59%

## Q4, 2020 to Q4, 2021

	Closed Sales	Active Listings
Q4 2020	692	485
Q4 2021	581	256
% Change	-16%	-47%

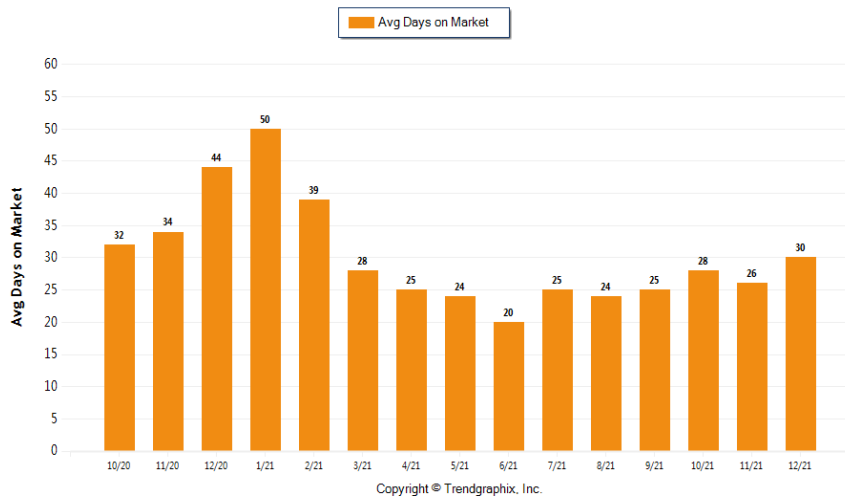


## Month-to-Month

	New (Pending) Sales	New Listings
November	145	69
December	75	31
% Change	-48%	-55%

## Q4, 2020 to Q4, 2021

	New (Pending) Sales	New Listings
Q4 2020	599	447
Q4 2021	386	239
% Change	-56%	-47%



### Month-to-Month

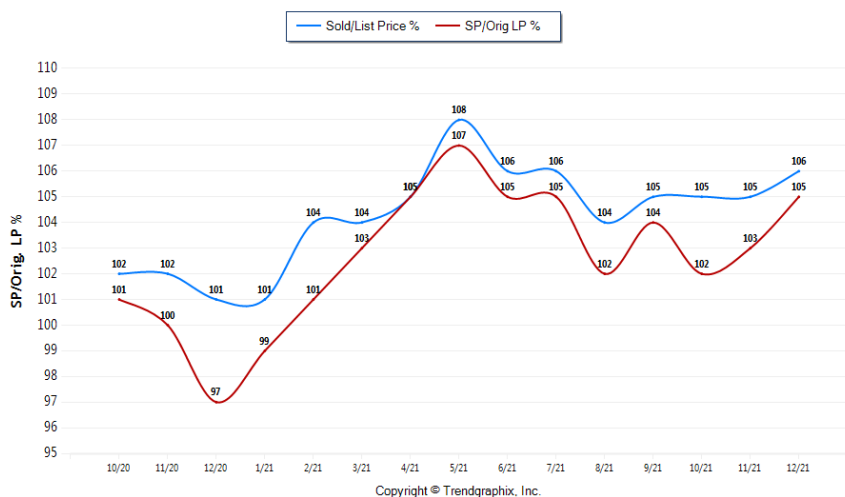
#### Days on the Market

November	26
December	30
% Change	+15%

#### Q4, 2020 to Q4, 2021

#### Days on the Market

Q4 2020	110
Q4 2021	84
% Change	-24%



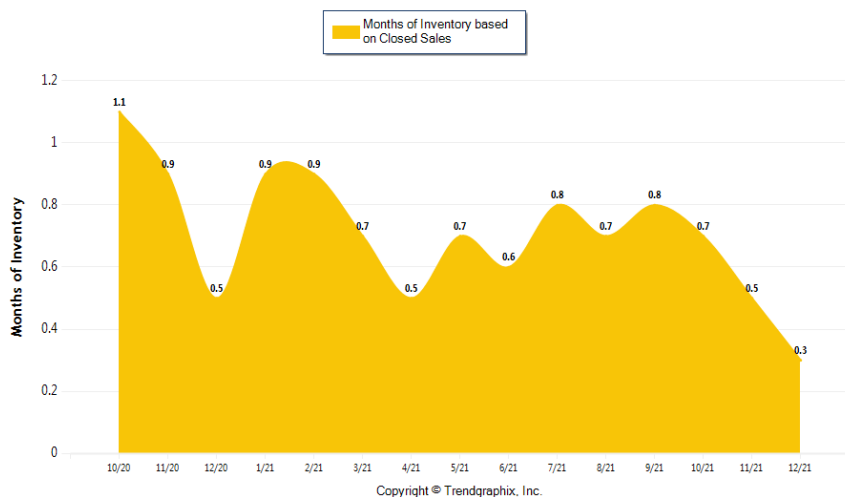
### Month-to-Month

	SP/LP	SP/Original LP%
November	105	103
December	106	105
% Change	+0.95%	+1.9%

#### Q4, 2020 to Q4, 2021

	SP/LP	SP/Original LP%
Q4 2020	305	297
Q4 2021	316	310
% Change	+3.6%	+5.4%

SP/LP is the % Sales Price to List Price at the time the properties went into contract.



### Month-to-Month

#### Month's Supply of Inventory

November	0.5 months
December	0.3 months
% Change	-40%

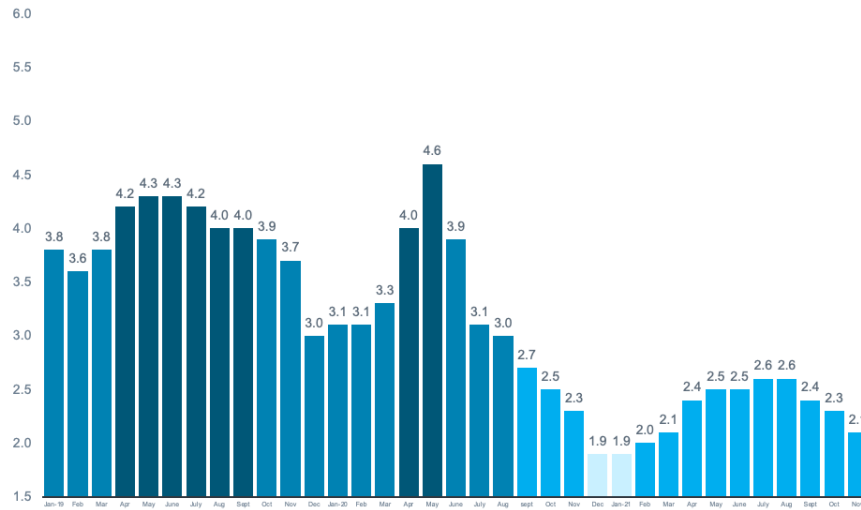
#### Q4, 2020 to Q4, 2021

#### Month's Supply of Inventory

Q4 2020	2.5 months
Q4 2021	1.5 months
% Change	-40%

## Months Inventory of Homes for Sale

Since 2019

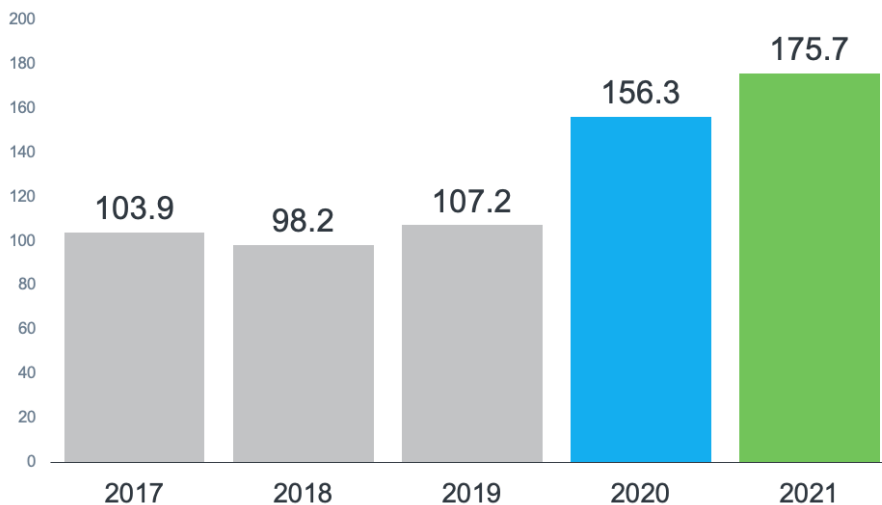


Source: NAR

This chart from the National Association of Realtors shows that, at least, we are not alone. The bars represent how many months it would take to sell all available listings given the concurrent rate of sale since January 2019. The high during this period came in May of 2020 with 4.6 months of inventory. It hit bottom in December 2020 and January 2021 with only 1.9 months. Inventories picked up some momentum around the middle of last year then dropped to 2.1 months in November.

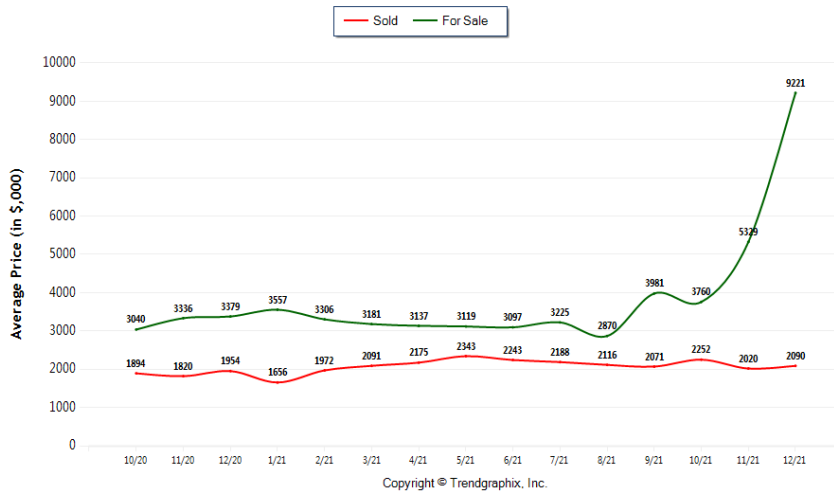
## Showings Crush Pre-Pandemic Numbers

Showing Index over the Last 5 Novembers



Source: ShowingTime

In contrast to waning inventories, property showings on a National level are well above pre-pandemic levels. Econ 101 tell us what happens when supply is low and demand high - prices rise.



### Month-to-Month

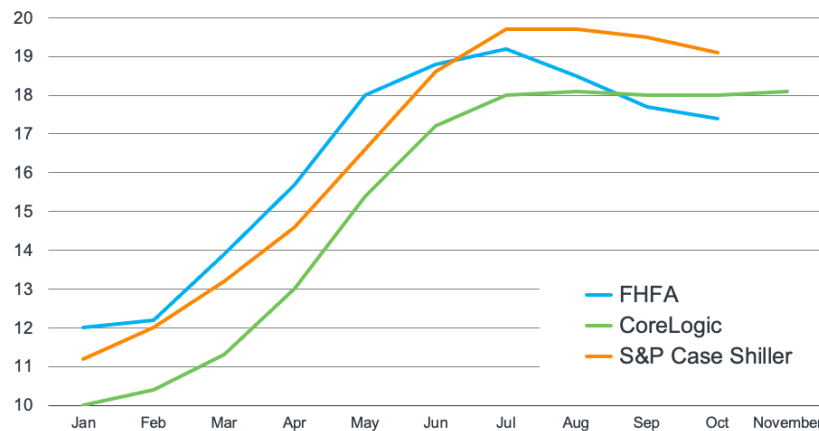
	Ave. List Price	Ave. Sales Price
November	\$5,329,000	\$2,020,000
December	\$9,221,000	\$2,090,000
% Change	<b>+73%</b>	<b>+3.3%</b>

### Q4, 2020 to Q4, 2021

	Ave. List Price	Ave. Sales Price
Q4 2020	\$3,251,667	\$1,889,333
Q4 2021	\$6,103,333	\$2,120,667
% Change	<b>+87.7%</b>	<b>+12.2%</b>

## Has Home Price Acceleration Peaked?

Percent Year-Over-Year Monthly Price Increases 2021

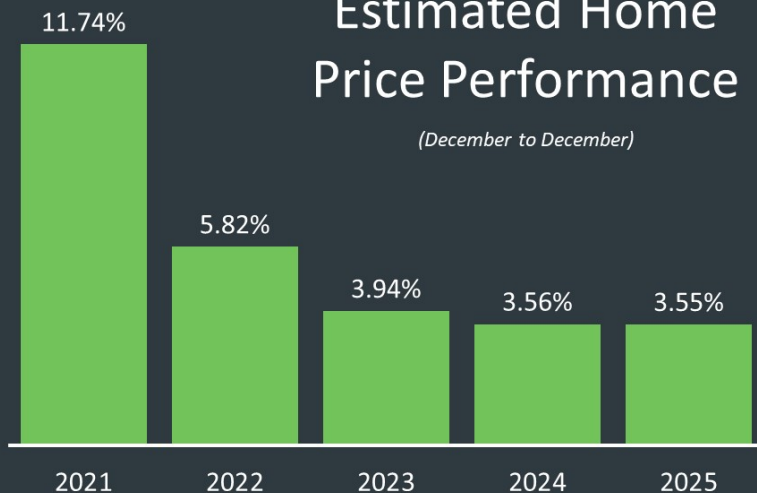


Source: CoreLogic, FHFA, SP Case Shiller

This graph represents year-over-year monthly home price increases nationally, as analyzed by three respected industry experts. They all show prices peaking in July then leveling off or dropping in the second half of the year.

## Estimated Home Price Performance

(December to December)

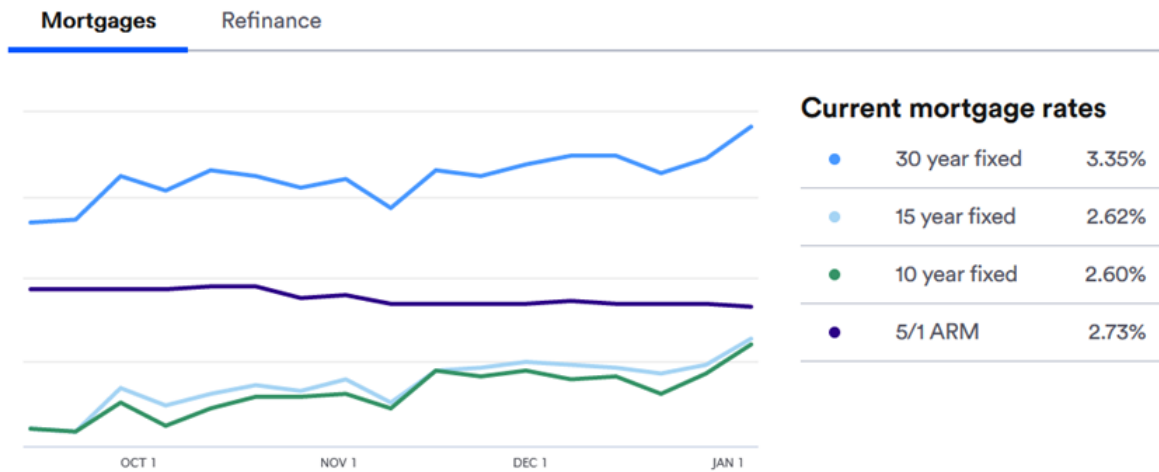


Home Price Expectation Survey 2021 Q3

This bar graph shows estimates from the Home Price Expectation Survey, taken from 100 economists and other industry experts. The average of their predictions show appreciation slowing this year and normalizing through 2025.

# CURRENT MORTGAGE INTEREST RATES AND INDUSTRY EXPERT PREDICTIONS

## Weekly national mortgage rate trends



## Mortgage industry insights

### Last call for super-low mortgage rates?

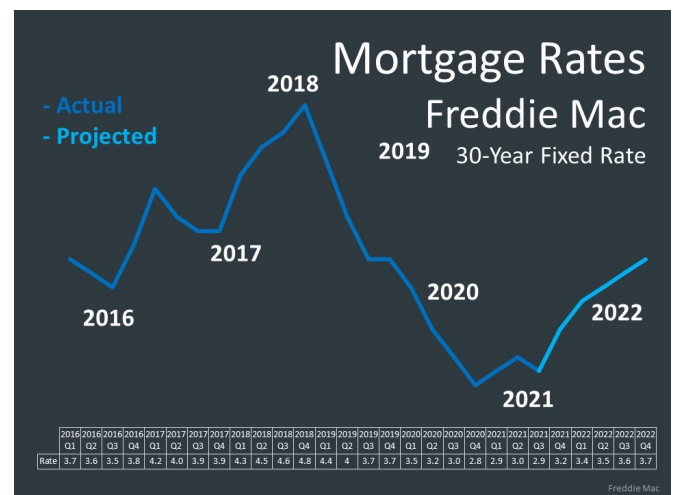
Most experts expect mortgage rates will rise in 2022. While rates hovered around 3 percent for much of 2021, they should be closer to 3.5 percent — and possibly higher — before the end of next year, according to economists at the National Association of Realtors. While that's still very low by historical standards, the record-setting days are probably behind us now, and the trend points upward from here. Now's the chance to take advantage of today's low rates before they climb higher.

### Mortgage Rate Projections

December 2021

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 1Q	3.4	3.2	3.3	3.3	<b>3.30%</b>
2022 2Q	3.5	3.3	3.5	3.5	<b>3.45%</b>
2022 3Q	3.6	3.3	3.7	3.6	<b>3.55%</b>
2022 4Q	3.7	3.4	4.0	3.7	<b>3.70%</b>

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.



The chart shows the rate movement from 2016 through Q3, 2021 and then projects future rate changes through 2022. We hit a high of 4.8% in the fourth quarter of 2018 and a low of 2.9% in the third quarter of 2021. Currently the average rate for a 30-year fixed rate loan is 3.35%. Freddie Mac predicts that this rate will hit 3.7% by the fourth quarter of 2022.



Summarizing the current state of the market, inventories of available listings continue to fall while sales continue to rise. With a plethora of motivated buyers competing for a diminishing number of homes for sale, well-priced homes in good condition are selling well above list price. Many buyers are continuing to sacrifice safety for success by making offers as free of contingencies as possible, while offering additional incentives to sellers, like free rent-backs and quick closes.

There is a slow shift in play however. Rising interest rates and the frustrations of dealing with the fierce competition for homes is driving some buyers out of the market. This trend will surely gain momentum as the Federal Reserve takes steps to curb the rising rate of inflation, which has grown from 1.4 in January, 2021 to 7 today. Just as the Fed took actions to lower interest rates in order to fuel the recovery, they will soon reverse their policies, raising rates to cool off the economy. Eventually, this trend will result in a full transition from our current seller's market to a buyer's market. Home price appreciation has already begun to slow down and is expected to drop from the current national rate of 11.74% to 3.55% in 2025, a rate that is considered "normal."

There are, of course, many local, national and international factors that effect our economy and, therefore, the real estate market. I will continue to monitor current trends and report back to you in these newsletters. And, please, if I can ever answer any of your real estate questions, or help you plan your future buying or selling activities, just give me a call, text or email and we can get together whether in person or virtually, whichever you prefer.



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