



## *In This Issue* *August 2020*

*The July Surprise!*

*National Market Trends*

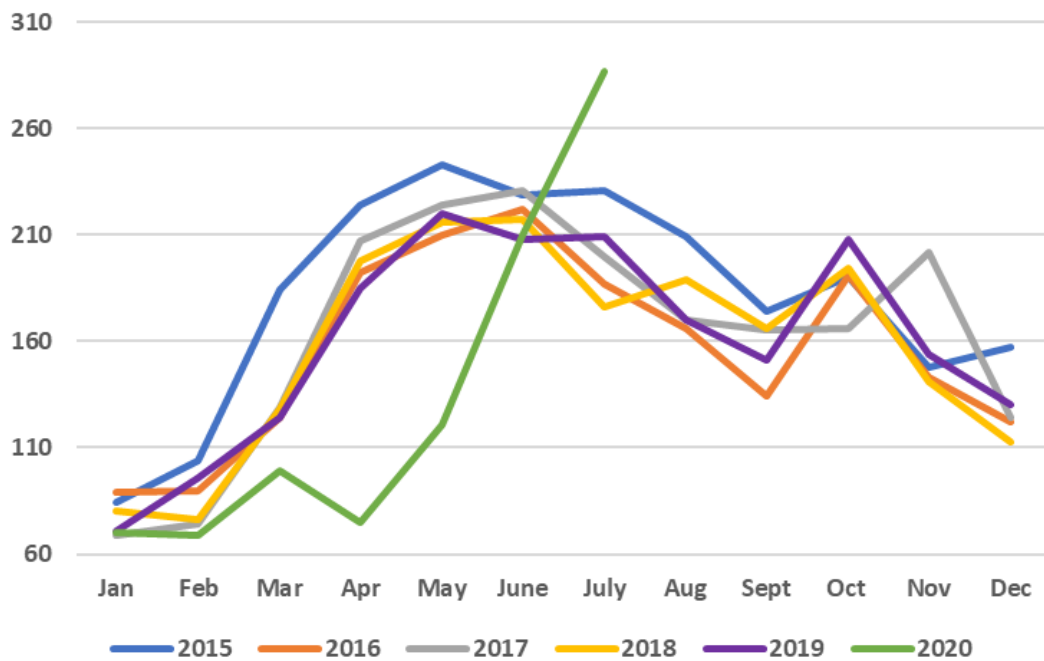
*Debunking a Popular Pandemic Myth*

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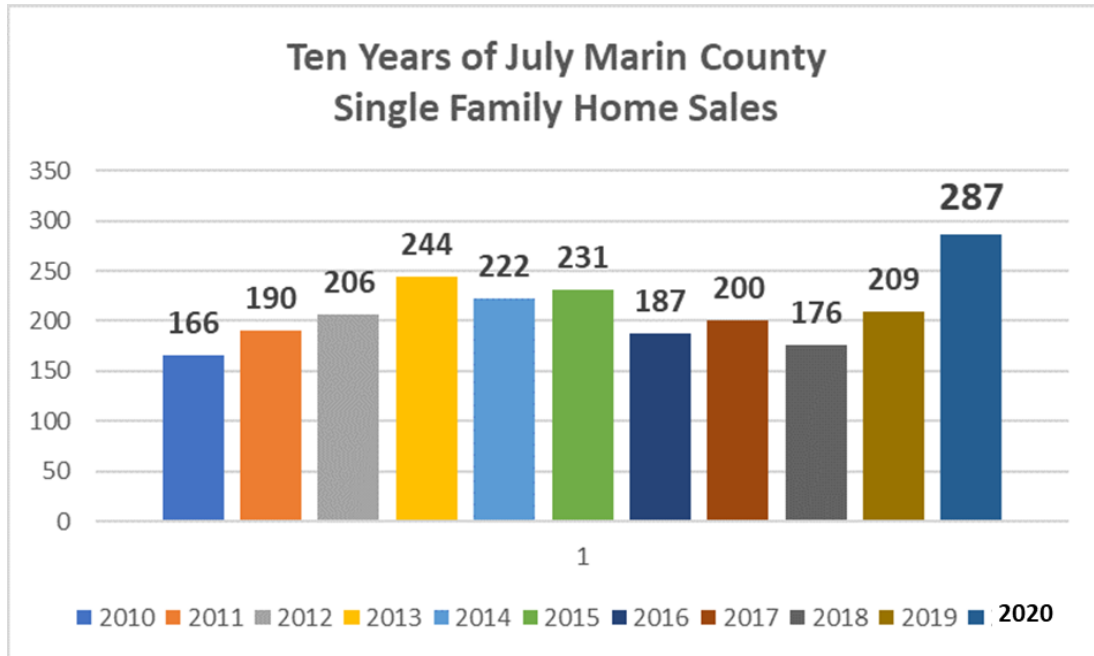
**6 Years of Sales Trends 2015-2020**  
**Marin County Residential Single Family Homes**



THE JULY SURPRISE

July sales didn't just match the previous 5 years – they smashed through and soared ahead of the pack!

The following slide compares July 2020 to the previous 10 years of July sales. Closed sales were 17.6% higher than in July 2013, the peak of the market recovery following the Great Recession.



**SURPRISINGLY POSITIVE NATIONAL  
TRENDS DURING THE PANDEMIC**

***an astonishing  
rebound...***

-Realtor.com

**Shockingly Strong**

-HousingWire

***"Pulled something of a high-wire act in the second quarter"***

-ATTOM Data Solutions

***Stared the pandemic right in  
the eye and hasn't blinked.***

-Zillow



**Has been nothing  
short of remarkable**

-Meyers Research



"... Of American adults considering a future home purchase in the second quarter of 2020, about half (49%) are not simply planning it, they are actively engaged in the process to find a home. That is a significantly higher share than the comparable figure a year ago (41%), which suggests that the COVID-19 crisis and its accompanying record-low mortgage rates have converted some prospective buyers into active buyers."

NAHB



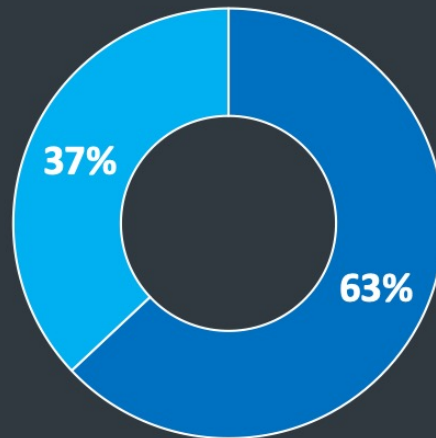
"Despite the crippling and ongoing coronavirus pandemic, millions out of work, a recession, a national reckoning over systemic racism, and a highly contentious presidential election just around the corner, the residential real estate market is staging an astonishing rebound."

realtor.com



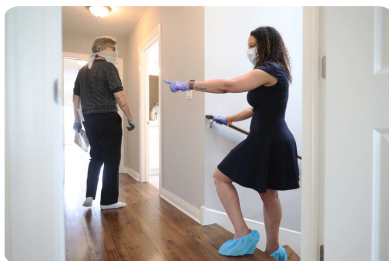
## Plan to Buy Home Due to Remote Work Ability

■ Yes ■ No



realtor.com

Even with historically low interest rates, many industry experts are shocked at the strength of the current sales market. Some of the strong buyer demand may be due to cultural changes as a response to the pandemic. Many industries (like real estate sales) have adapted to the need for social distancing and have discovered the tangible benefits of working remotely. Expenses can certainly be cut if employers can reduce the amount of brick and mortar workspace. And, since they don't have to consider commute time, employee's ability to work remotely expands their location options. They may choose to reside in a more rural area or to a town that provides better schools for their children. As this graph shows, a survey of buyers by [realtor.com](https://www.realtor.com) revealed that 63% of respondents were planning to buy a home due to their ability to work remotely.



**Coronavirus  
Real Estate Myth:  
It's a terrible time to sell  
your home.**

Fear of coronavirus exposure is probably the main reason some people are keeping their homes off the market, but many might also assume that selling a home right now is just a futile endeavor, plagued by few home buyers and low prices.

**But on the contrary**, the latest statistics suggest that now is one of the **best times in years to sell a home** for several reasons.

"Given the pandemic and uncertainty it's caused, the general sentiment [among some owners] is that now is not a good time to sell your home," says **Danielle Hale**, chief economist at [realtor.com](https://www.realtor.com). "Yet so far, the data suggests the opposite—that buyers outnumber sellers in the housing market, which means it's better to be a seller than a buyer."

The aforementioned low housing inventory is one reason why those who do list their homes will enjoy a strong seller's market, characterized by bidding wars that could fetch them a high price.

"Multiple offers could be fairly common over the next few months," predicts **Lawrence Yun**, chief economist at the National Association of Realtors®.

"As long as buyer demand remains strong, I expect the market to remain tipped in favor of sellers," says Hale.

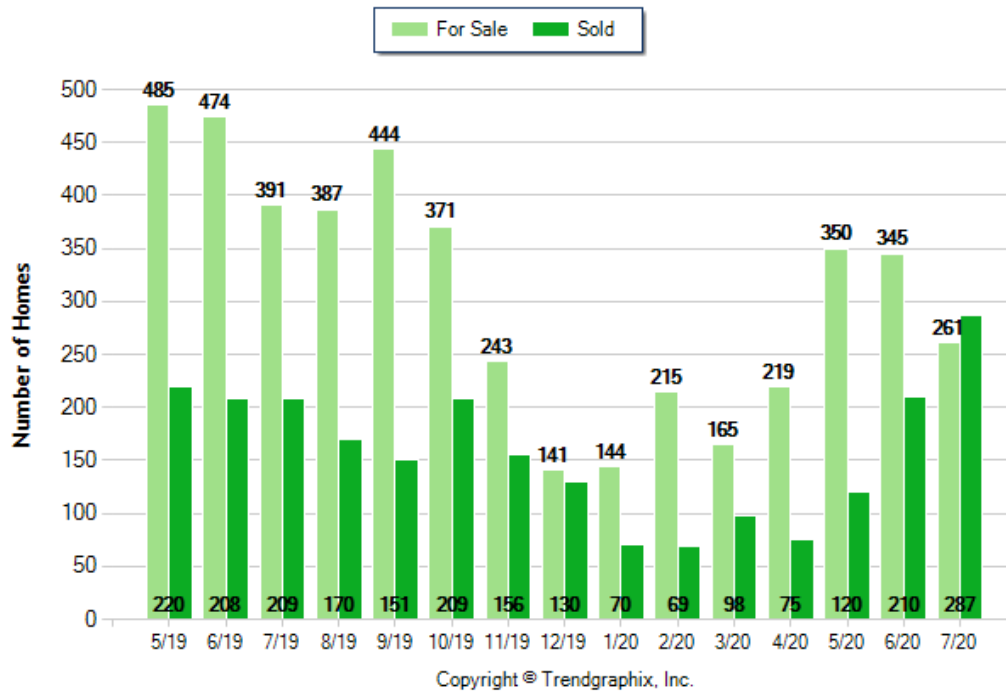
*Realtor.com*

## KEY JULY METRICS AT-A-GLANCE

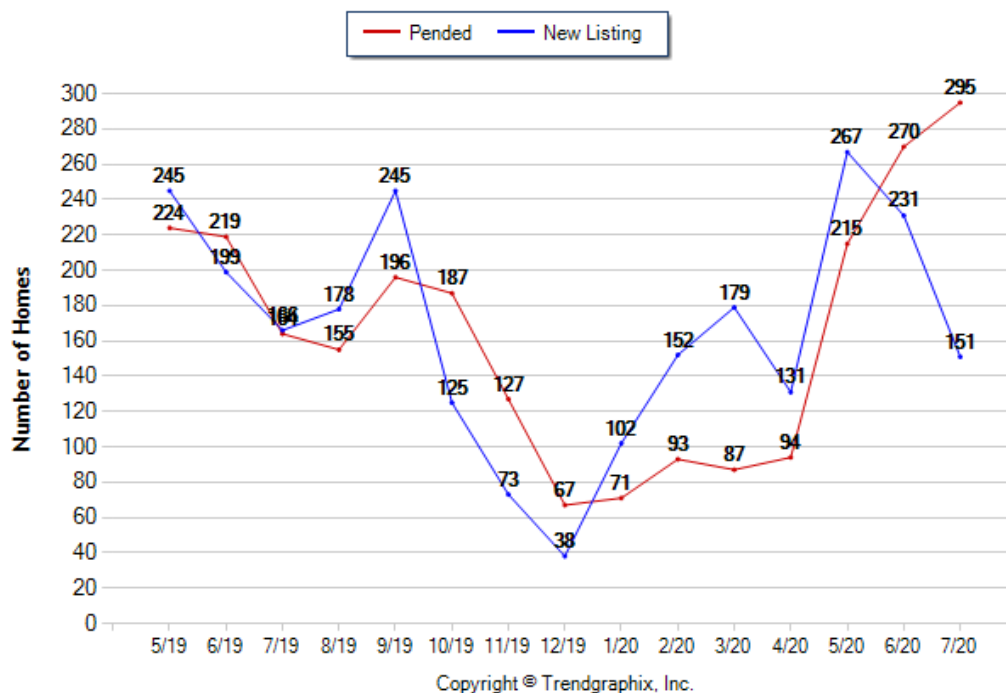
month-over-month changes

<b>New (Pending) Sales</b> <b>UP by 9.3%</b>	<b>Closed Sales</b> <b>UP by 37%</b>
<b>Active Listings</b> <b>DOWN by 24.3%</b>	<b>New Monthly Listings</b> <b>DOWN by 34.6%</b>
<b>Month's Supply of Inventory</b> <b>DOWN by 44%</b>	<b>Average Sold Price</b> <b>DOWN by 2.2%</b>
<b>Average Price-Per-Sq.Ft.</b> <b>DOWN by 3.8%</b>	<b>Days on the Market</b> <b>DOWN by 9.8%</b>

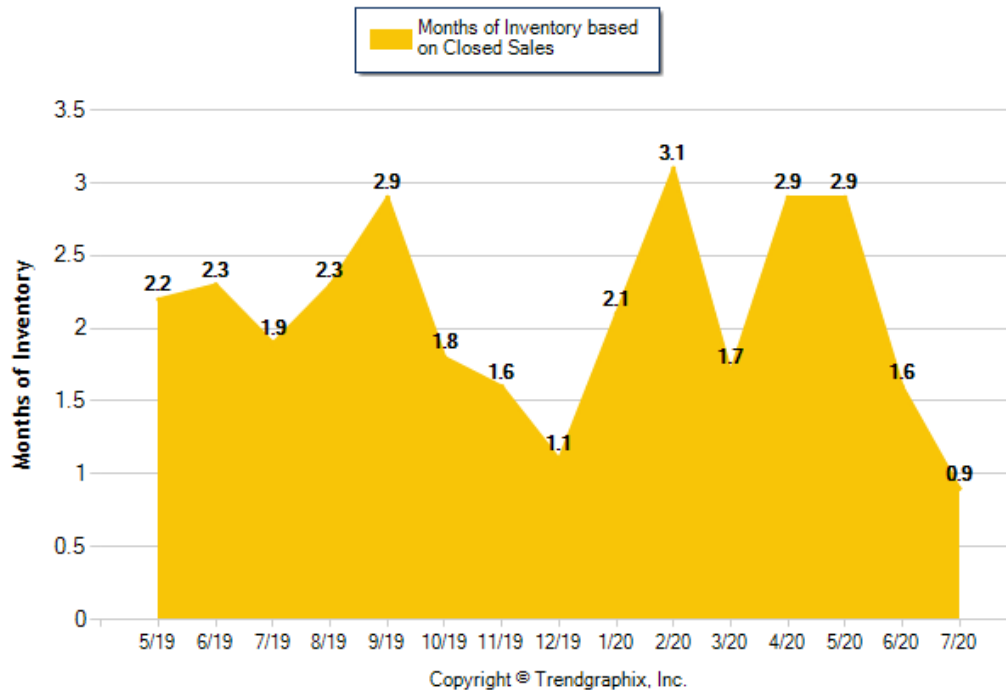
# Marin County Detailed Market Activity July 2020



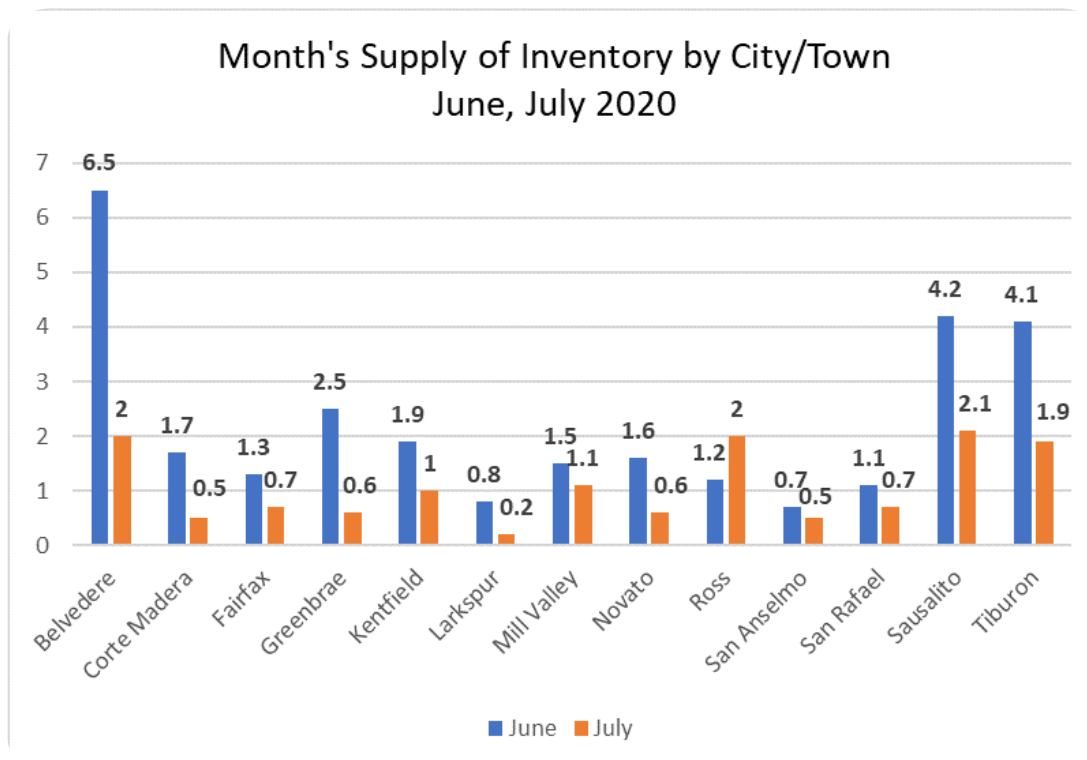
While July closed sales went up by 37% month-to-month, active listings went down by 24%.



In July, pending sales were up by 9.3% while new listings were down by 35%. The following slide shows how rising sales and falling listings affect the Month's Supply of Inventory.



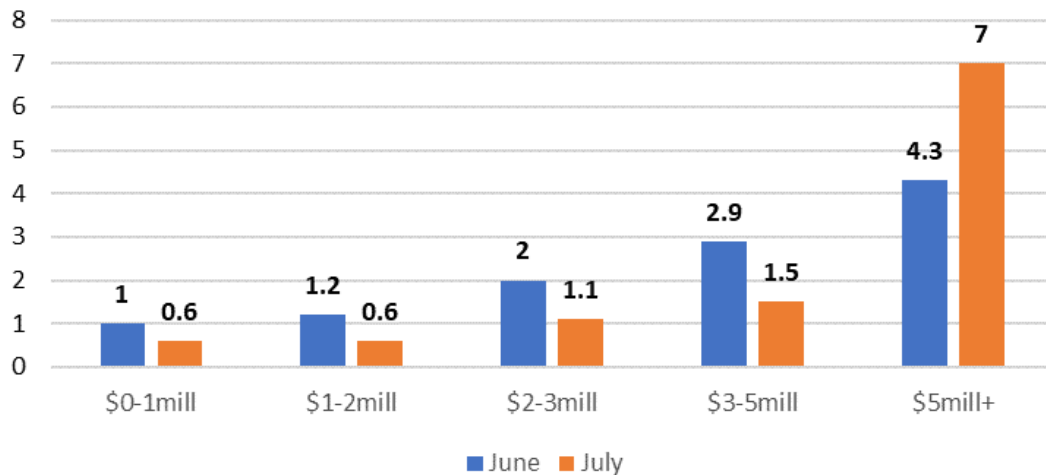
As sales surge, New Listings falter - driving down the supply of homes for sale. Yes, the seller's market is alive and well. The Marin County Month's Supply of Inventory dropped 44% month-to-month, 53% year-to-year and 69% since May 2020.



While tracking the county-wide month's supply of inventory gives us a general sense of how the market is trending, it isn't really useful when sellers need to price their listings or buyers needs to decide what price to offer. As you can see, the supply of available listings varies considerably from town to town. In July that supply varied from about a one-week supply in Larkspur to 2.1 months in Sausalito. For the first time since I've been tracking the inventory of individual towns, only one increased month-over-month - that was Ross that went from 1.2 months in June to 2 months in July. The housing supply decreased in all of the remaining 12 towns. This dramatic decrease in available listings was due to a combination of high, interest-rate driven demand and sellers who mistakenly believe that this is a bad time to sell. But, as the chief economist for [realtor.com](https://www.realtor.com) informs us, it is a great time to be a seller.



### Month's Supply of Inventory by Price Range June, July 2020

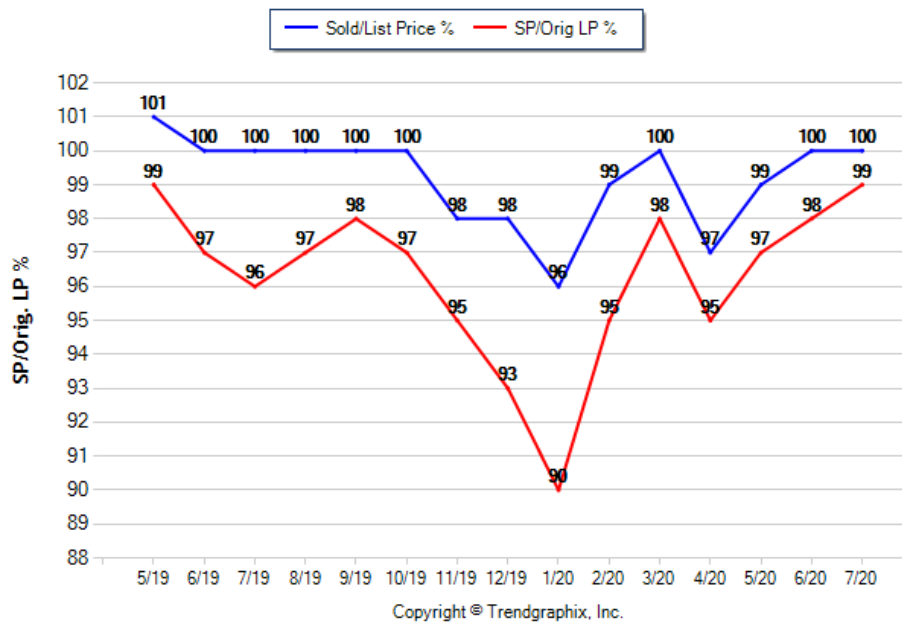


Here I've broken down the housing inventory by price range. The inventory dropped by around 50% in every price range with the exception of the luxury homes priced at \$5,000,000 and above.

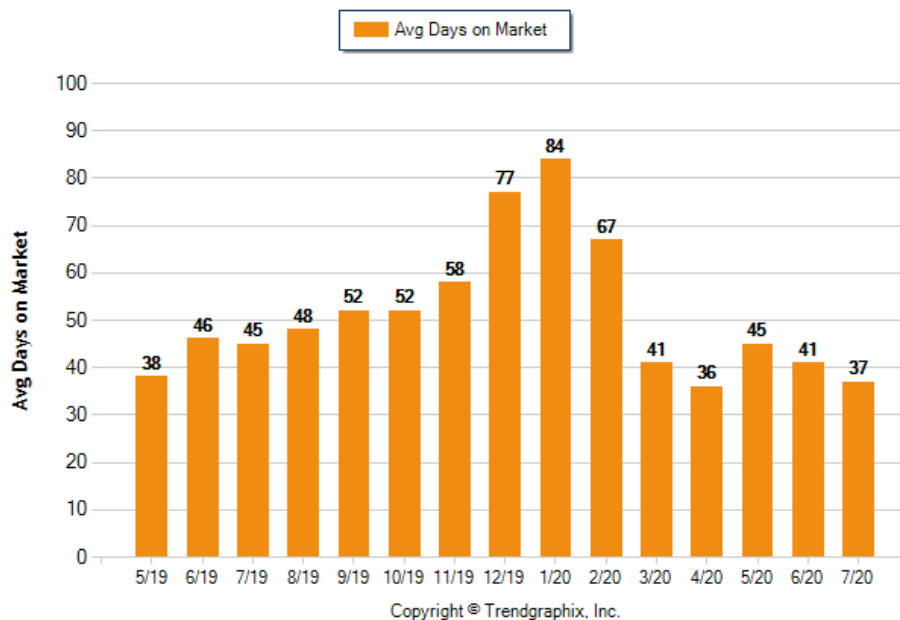
“The severity of **inventory tightness** should remain a relative **benefit to home prices**, but is also a **risk factor to the degree of rebound in unit sales** going forward.”

Zelman Associates  
June 25<sup>th</sup> Broker Report

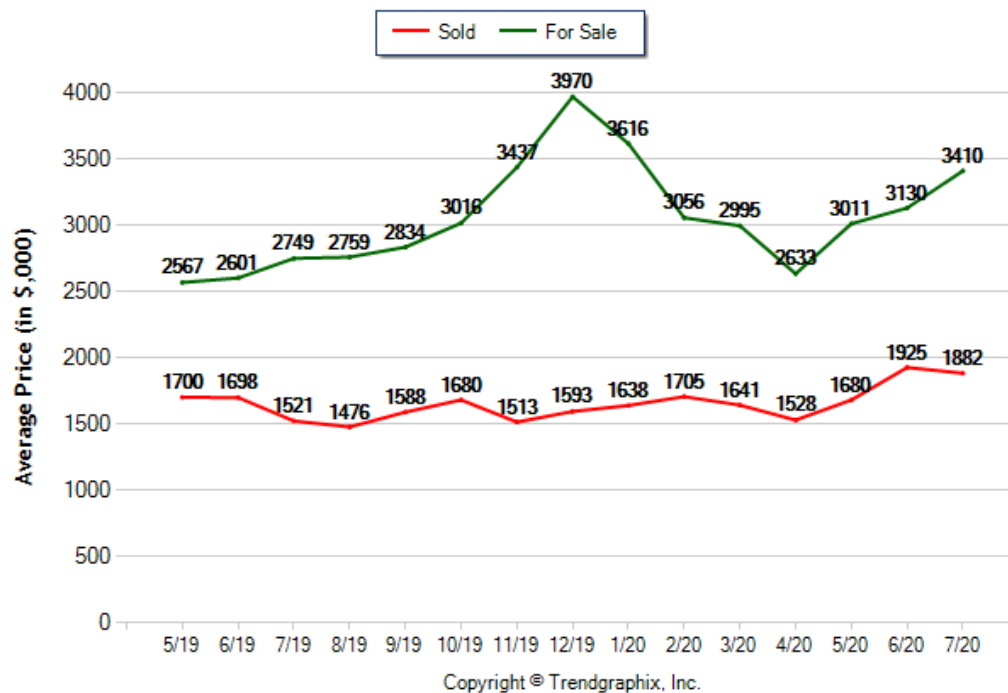
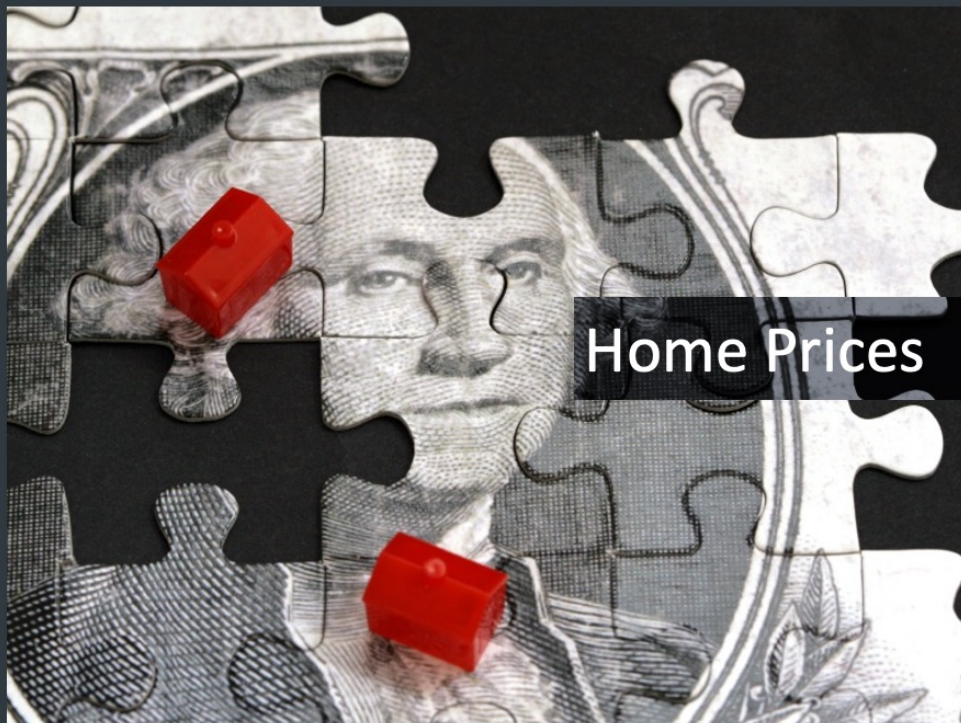




An effect of the low supply/high demand market is that homes are selling more quickly and for prices close to or in excess of list prices. In July, homes that closed escrow sold, on average, for 99% of the original list price and 100% of the list price at the time offers were accepted. This indicates that, on average, it only required 1% price decreases to attract acceptable offers.

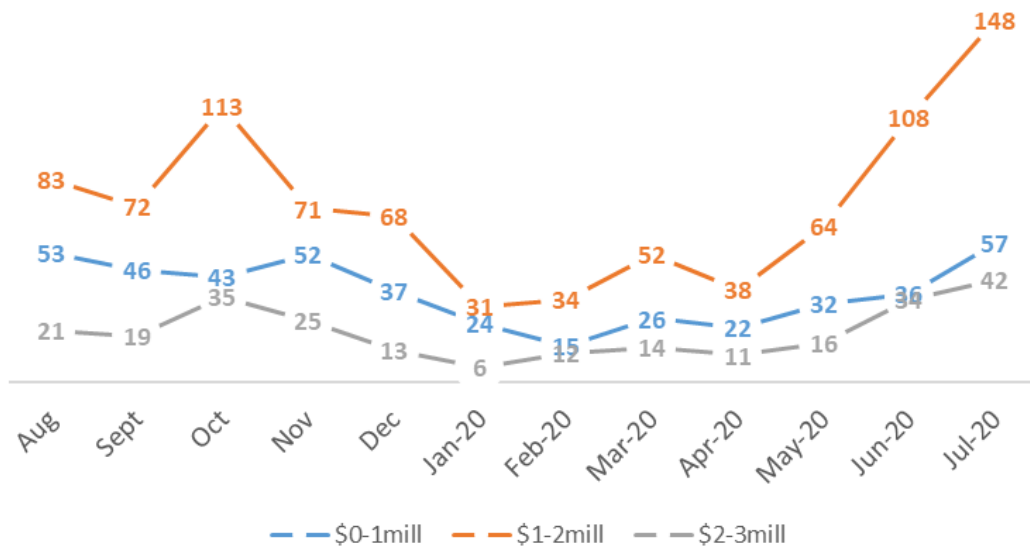


Because of the high demand and low supply, those homes that are on the market for sale are selling fast. In July, the average time from listing date to a sale with all contingencies removed crept down to 37 days.



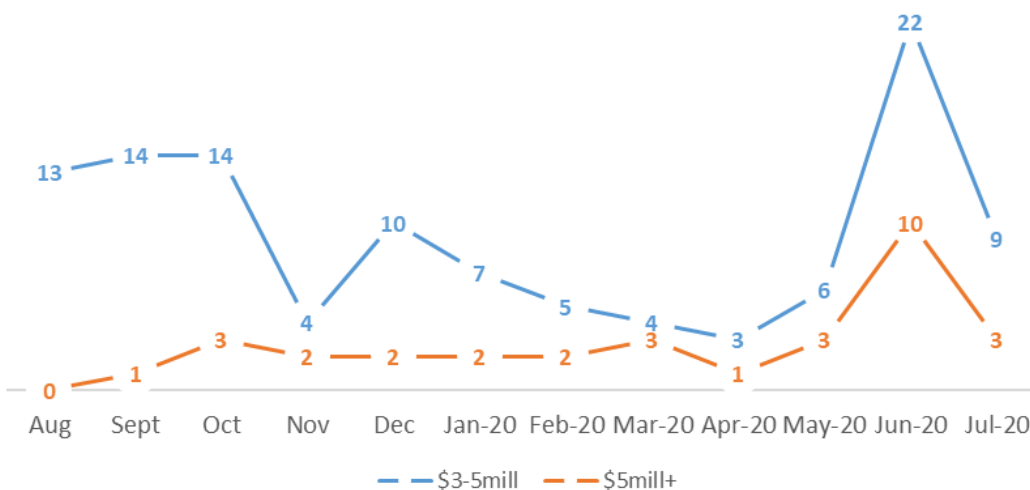
In July, the average list price of a Marin County single family home was \$3,410,000, up from \$3,130,000 in June. The average sales price was \$1,882,000, down from \$1,925,000 in June.

## TWELVE MONTHS OF SALES BY PRICE RANGE LOW TO MID-RANGE PRICES



I created this graph and the one to follow to give a more accurate indication of how homes are selling in various price ranges. In Marin, the highest demand is for homes prices from \$1-2million. Sales in this category have increased dramatically since April - up by 390%. The next most popular price range, homes priced at \$1million or less, have had a 260% increase in sales since April. Homes priced from \$2-3million had a 382% increase in sales.

## TWELVE MONTHS OF SALES BY PRICE RANGE LUXURY HOMES



In the luxury market, home prices from \$3-5million did very well in June but slipped considerably in July, ending with a 300% increase since April -

from 3 sales to 9. The highest priced homes, those selling for \$5million or more were also up 300% with one sale in April and 3 in July.

	June	July	Average	Rank
Belvedere	\$1,173	\$1,593	\$1,383	1
Corte Madera	\$864	\$901	\$883	8
Fairfax	\$645	\$660	\$653	12
Greenbrae	\$828	\$855	\$842	9
Kentfield	\$990	\$909	\$950	6
Larkspur	\$876	\$992	\$934	7
Mill Valley	\$1,007	\$913	\$960	5
Novato	\$500	\$489	\$495	13
Ross	\$1,353	\$944	\$1,149	2
San Anselmo	\$739	\$706	\$723	10
San Rafael	\$644	\$691	\$668	11
Sausalito	\$1,053	\$991	\$1,022	4
Tiburon	\$949	\$1,136	\$1,043	3

This table gives you the Price-Per-Square-Foot for June and July 2020 plus the average of the two - and the rankings from highest price-per-square-foot to lowest. On average, the highest price-per-square-foot was Belvedere at \$1,383, followed by Ross at \$1,149. The most affordable City was Novato at \$495 followed by Fairfax at \$653.

"The pandemic **has not stopped the consistent home price growth** we have witnessed in recent years."

Quicken Loans



"Last month's forecast of a 6.6% home price decline through May 2021 has been revised as projected unemployment rates through 2020 showed improvement. The recent rebound of home sales suggests **the pandemic did not derail home buyers**, who continue to be motivated by historically low mortgage rates. This, coupled with the declining supply of homes for sale, **could shield home price growth from the impacts of the current economic uncertainty**. As a result, the latest forecast reports home **prices will decline a moderate 1% between June 2020 and June 2021.**"

CoreLogic



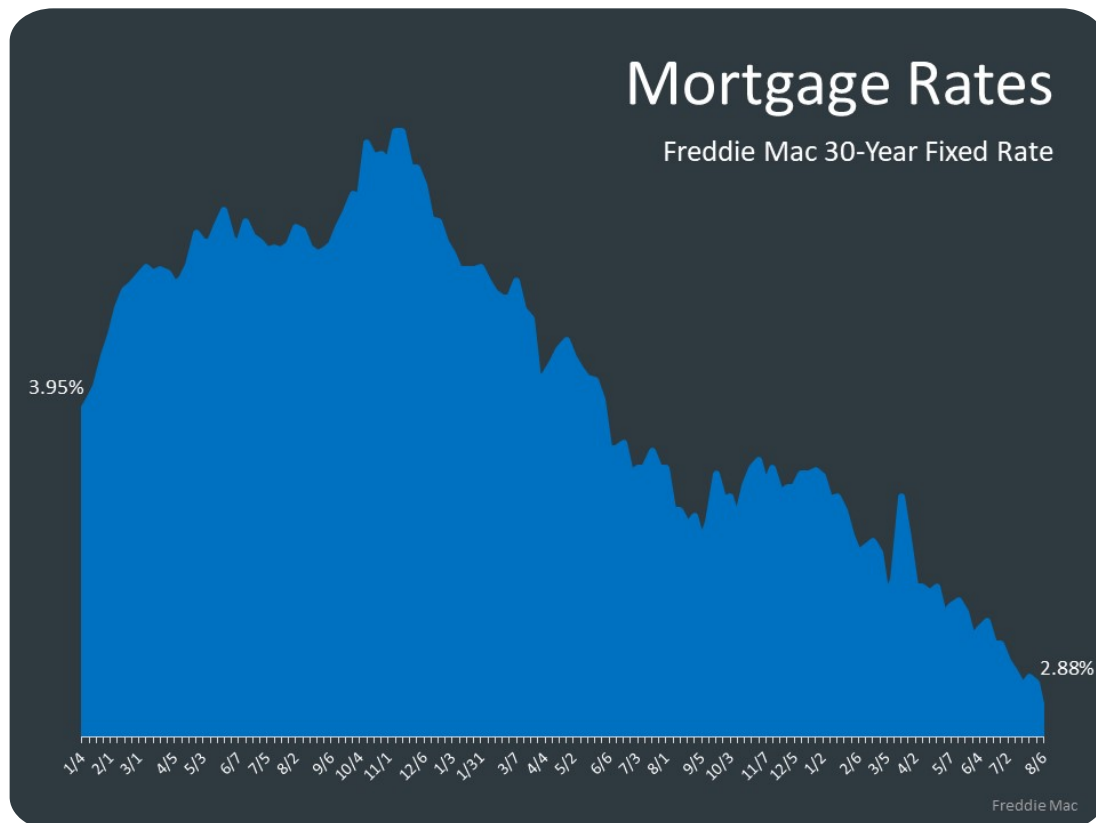
## Home Prices Projected to Continue to Appreciate

Source	2020	2021	2022
Home Price Expectation Survey	-0.32	+0.94	+2.88
Mortgage Bankers Association	+4.3	+3.2	+2.4
Zelman & Assoc.	+3.0	+4.2	+4.6
Fannie Mae	+0.4	+2.1	N/A
National Association of Realtors	+3.8	+2.1	N/A
Freddie Mac	+0.4	+0.7	N/A

Real estate industry experts vary considerably in their opinions of where national home appreciation rates are headed. 2020 predictions range from -.32% to +4.3%. While all of the respondents believe prices will continue to rise in 2021, two out of the six (the Mortgage Bankers Association and National Association of Realtors) see the rate of increase going down. For 2022, the three who responded all believe rates will increase - two predicting that the rate of increase will continue to rise and one (the Mortgage Bankers Association) that it will slow down.



## MORTGAGE INTEREST RATES



This graph shows the 30-year fixed mortgage rate movement since the beginning of 2018 - which began the year at 3.95%. Rates peaked in late

2018 and have been trending down ever since - to a low of 2.88% on August 6th, 2020.

## Mortgage Rate Projections

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2020 3Q	3.3	3.0	3.2	2.9	3.10%
2020 4Q	3.3	3.0	3.3	3.0	3.15%
2021 1Q	3.2	2.9	3.4	3.0	3.12%
2021 2Q	3.2	2.9	3.4	3.1	3.15%

The average of predictions from these four industry experts don't show much movement through the middle of next year. The average rate of 3.1% in Q3, 2020 is only expected to climb to 3.15% by the second quarter of 2021.

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Two major themes define July 2020: 1. Strong, interest-rate driven demand, and 2. Shrinking housing inventory due to the strong demand for homes and the reticence by some sellers to list amid the chaos brought on by the pandemic. If these trends continue, they will perpetuate and strengthen the extreme seller's market - a market characterized by strong offers, bidding wars with multiple offers, clean offers with a minimum of contingencies, reduced marketing times, and short escrow periods. As long as this market persists, sellers will enjoy the upper hand at the negotiating table.

In the meantime, enjoy the summer weather. Gym closed - no problem. The Northbay has hundreds of parks and hiking trails. If you aren't that familiar with the options, download the app, AllTrails. It gives detailed information on hundreds of parks in Marin and Sonoma counties. In Marin you can purchase an annual pass for a few popular parks - Black Point Boat Launch, Miller Point



Boat Launch, Stafford Lake Park, Paradise Beach Park, and McNears Beach Park - \$95 or \$42 for seniors age 65 or older. In Sonoma County you can purchase a 12-month pass for more than 50 regional parks - \$69 or \$49 for seniors 62 and older. Have fun and be safe. When alone on a trail, you won't need to wear a mask, but keep one handy for those times when you have to pass within 6 feet of another hiker.

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