

2nd QUARTER 2021

Market Activity Report



The following snapshots compare activity in Q2 2021 to Q1 2021 and Q2 2020.

The arrows indicate the trend in relation to Q2 2021, and the percentages at the bottom give you the increase or decrease.

Closed Sales

Q2 2021 797

Q1 2021

453



76%

Q2 2020

416



91.6%

Active Listings

Q2 2021 467

Q1 2021

354



32%

Q2 2020

791



41%

Pending (New) Sales

Q2 2021 772

Q1 2021

553



39.6%

Q2 2020

576



34%

New Listings

Q2 2021 647

Q1 2021

632



2.4%

Q2 2020

631



2.5%

Mo's Supply of Listings

Q2 2021 0.6

Q1 2021

0.8



25%

Q2 2020

2.0



70%

Days on Market

Q2 2021 23

Q1 2021

39



41%

Q2 2020

38



39%

Average Sales Price

Q2 2021 \$2,239,000

Q1 2021

\$1,907,000



17.4%

Q2 2020

\$1,691,300



32.4%

S.P./L.P. Ratio

Q2 2021 106.3%

Q1 2021

103%



3.2%

Q2 2020

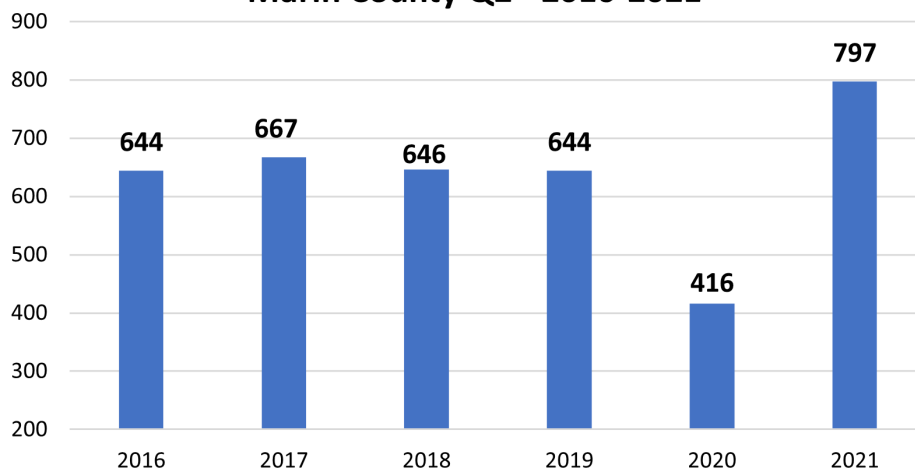
99%



7.4%

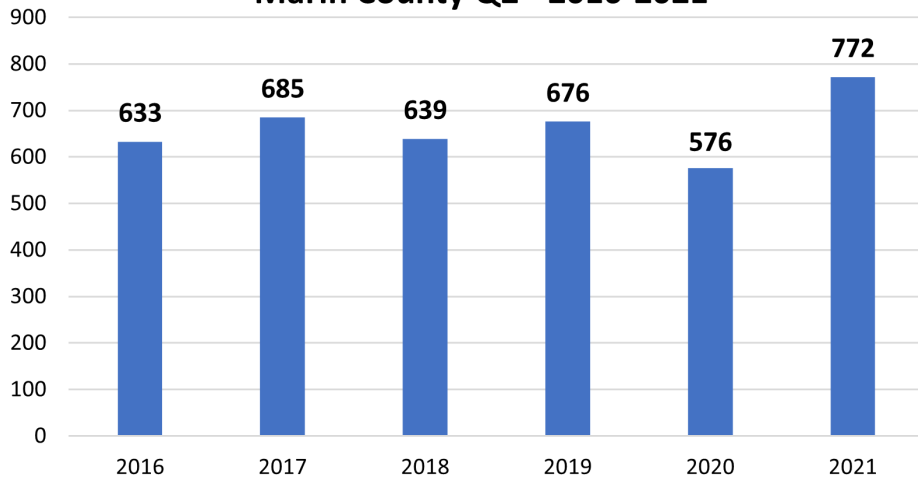
The first half of 2021 has been a record-breaking period for the real estate industry, highlighted by historically low interest rates, home values climbing higher than we have ever seen, and sales that have recorded record highs each month in most areas of Northern California.

**6 Years of Closed Sales
Marin County Q2 - 2016-2021**



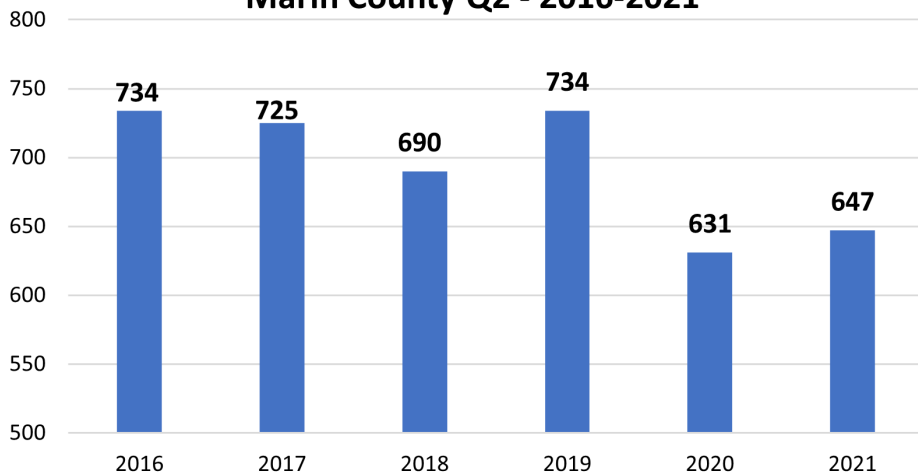
Despite low inventories of available homes, closed sales in the second quarter of 2021 eclipsed each of the previous 5 years. Sales in Q2 topped the previous year by 91.6% and was up 32% compared with the previous 5 second quarters.

6 Years of Pending (New) Sales Marin County Q2 - 2016-2021



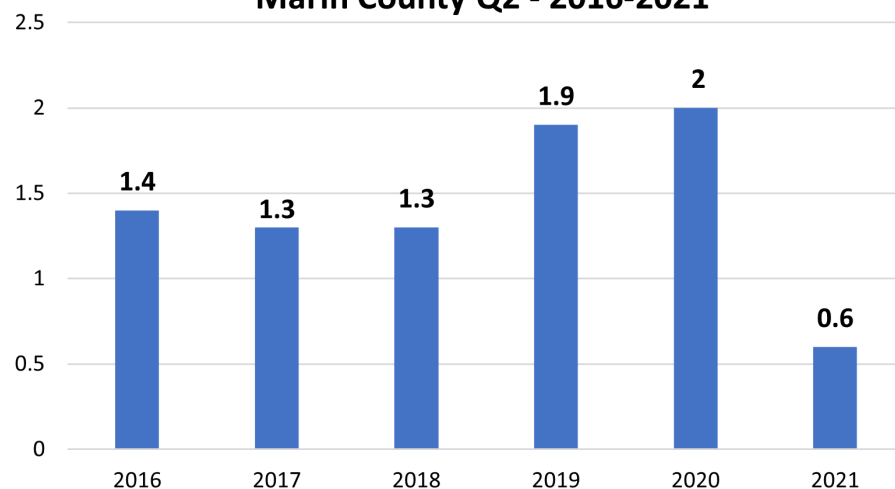
Pending sales tell us the actual number of listings that went into escrow during the quarter. In Q2 2021, we pending 196 more homes that in Q2 2020 and 130 more than the average of the previous 5 second quarters.

6 Years of New Listings Marin County Q2 - 2016-2021



It is no secret that the weak area of the housing market has been the inventory of homes for sale. This graph tells the story. Though new listings taken last quarter were slightly ahead of 2020 they were still very low compared to 2016 - 2019.

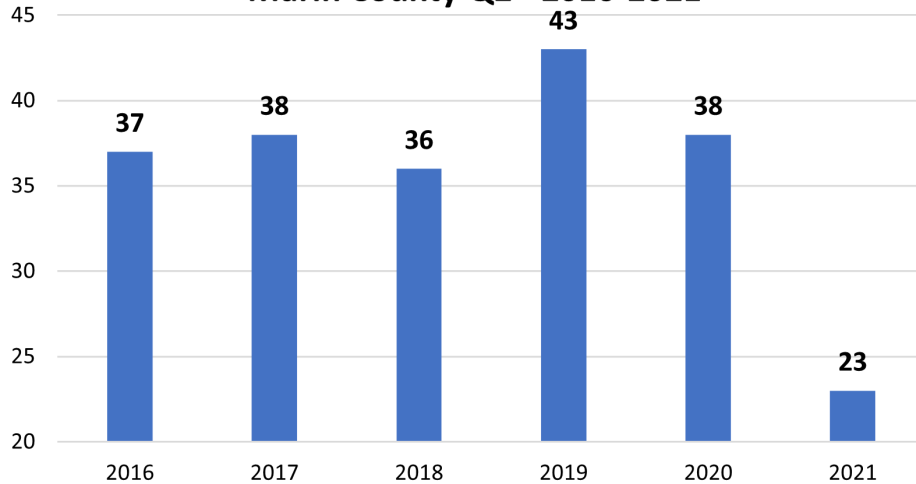
6 Years of the Ave. Month's Supply of Inventory Marin County Q2 - 2016-2021



The result of skyrocketing sales and diminishing numbers of listings is a 0.6 Month's Supply of Unsold Inventory. That means that, given the current rate of sale, we would sell all available listings within a little more than 2 weeks. More homes will come on the market during that time but some communities have suffered short periods where there were no homes available to purchase. This severe sup-

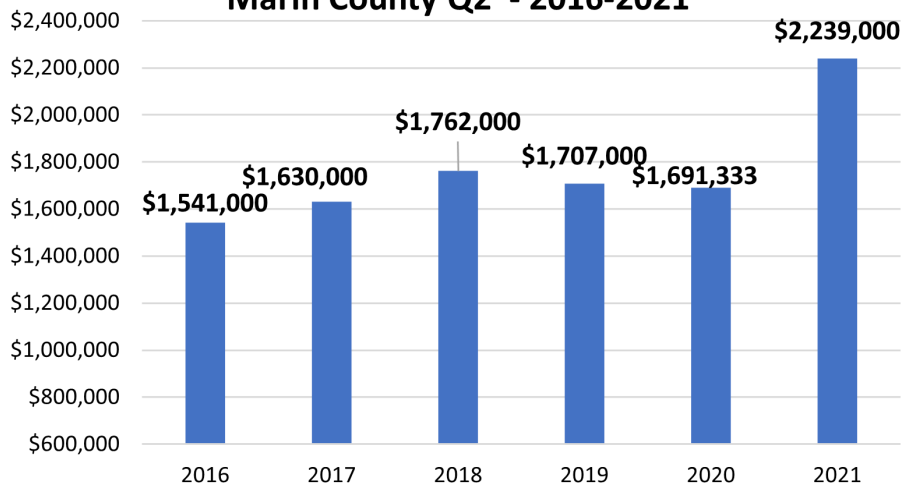
demand imbalance has created an extreme seller's market that is driving home prices up at a rate we haven't seen since the end of the "Great Recession."

6 Years of the Ave. Days on Market Marin County Q2 - 2016-2021



It will come as no surprise that the lack of inventory and high buyer demand have driven the amount of time it takes to obtain an acceptable offer and have all contingencies removed to a new low of 23 days. That is 39.5% faster than one year ago.

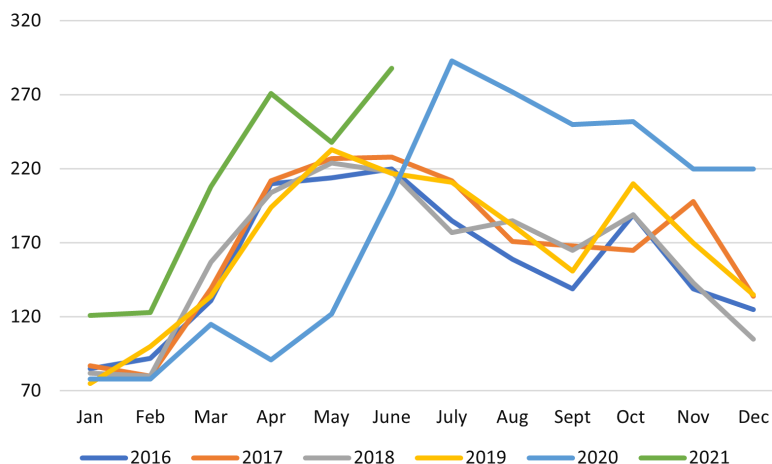
6 Years of Average Sales Price Marin County Q2 - 2016-2021



The chart is a dramatic representation of how low supply and high demand have driven up the average sales price of Marin County homes to record highs. From Q2 2020 to Q2 2021, the price increased by 32.4%.

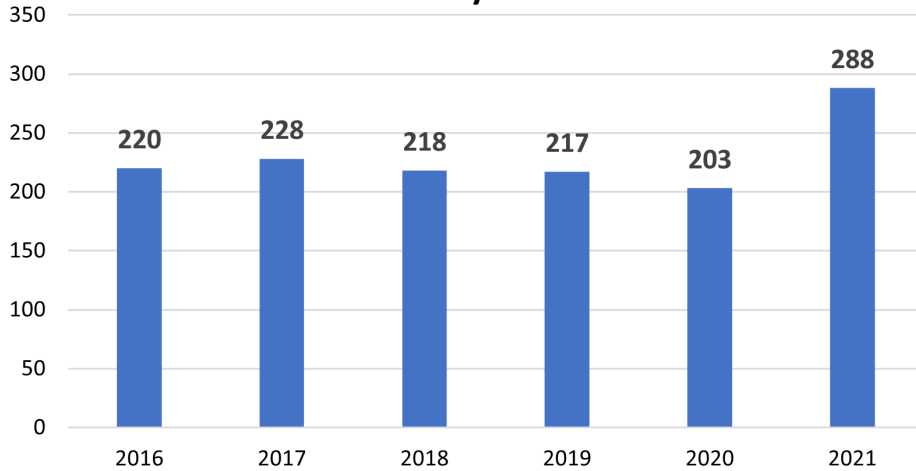
JUNE SALES COMPARED TO THE LAST 5 YEARS

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



This slide charts monthly sales from 2016 through 2021. The light blue line follows the drop-off in closed sales in April due to business closures and "shelter in place" initiated in the hopes of slowing down the covid-19 infection rate. When the real estate industry initiated protective policies to allow buyers and sellers to conduct their business in relative safety, sales exploded, peaking in July. 2021 sales have remained well above the previous 5 years. They took a bit of a dive in May but then rebounded in June.

6 Years of June Sales Marin County 2016-2020



This chart below compares the Q2 sales from 2016 through 2021. 2021 sales increased by 41.9% over 2020 and by 32.6% over the average of the previous 5 years.

MORTGAGE INTEREST RATES

The table below shows mortgage interest rates as of July 10, 2021.

Product	Interest Rate	APR
30-Year Fixed Rate	3.060%	3.790%
20-Year Fixed Rate	2.950%	3.610%
15-Year Fixed Rate	2.420%	3.320%
7/1 ARM	2.890%	3.990%
5/1 ARM	2.800%	4.060%
10/1 ARM	3.120%	4.040%
30-Year Fixed-Rate FHA	2.860%	3.610%
30-Year Fixed-Rate VA	2.890%	3.720%
30-Year Fixed-Rate Jumbo	3.120%	3.930%
15-Year Fixed-Rate Jumbo	2.640%	3.470%
7/1 ARM Jumbo	3.010%	4.050%
5/1 ARM Jumbo	2.780%	3.830%

Mortgage Rates Freddie Mac 30-Year Fixed Rate

- Actual
- Projected



	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Rate	3.7	3.6	3.5	3.8	4.2	4.0	3.9	3.9	4.3	4.5	4.6	4.8	4.4	4	3.7	3.7	3.5	3.2	3.0	2.8	2.9	3.2	3.3	3.4	3.5	3.6	3.7	3.8

Freddie Mac

This graph charts 30-year fixed mortgage rates from Q1 2016 through Q1 2021 with predictions through Q4 2022. Rates hit a high of 4.8% in Q4 2018 then dropped to 2.8% in the 4th quarter of 2020, the lowest rate in recorded history. Freddie Mac predicts that rates will increase steadily, growing to 3.8% in Q4 of 2022.

Mortgage Rate Projections

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2021 3Q	3.3	3.1	3.3	3.2	3.22%
2021 4Q	3.4	3.2	3.5	3.4	3.37%
2022 1Q	3.5	3.3	3.7	3.5	3.50%
2022 2Q	3.6	3.3	4.0	3.5	3.60%

Here are the current projections from Freddie Mac, Fannie Mae, the Mortgage Bankers Association and the National Association of Realtors. The average opinion of these four industry leaders shows rates slowly increasing from 3.22% in Q3 2021 to 3.60% in Q2 2022.

“Rising interest rates reduce house-buying power and affordability, but are often a sign of a strong economy, which increases home buyer demand. By any historic standard, today’s mortgage rates remain historically low and will continue to boost house-buying power and keep purchase demand robust.”

Mark Fleming
Chief Economist at First American



“Treasury rates have really been moving up since the election, but mortgage rates have kept going down...”

We’re going to start to see mortgage rates drift up with Treasury rates, as opposed to moving in the opposite direction.”

Michael Fratantoni
Chief Economist at MBA



My but we live in interesting times. We are still fighting the pandemic, with new variants cropping up causing many to pull their masks out of the drawer and soldier on for a while longer. And now, the governor has included Marin, Sonoma and Mendocino in his declaration of a drought emergency, just as we enter into a new fire season. But the news isn't all bad. Fully vaccinated families have begun to congregate, soaking up those hugs and kisses that were on hold for the last year and a half. Restaurants are opening, adapting well to the outdoor eating experience.

And the economy is expanding, in large part due to the very active housing market. Just think of the ancillary businesses that benefit when homes sell - lenders, title companies, appraisers, painters, contractors, hardware stores, landscape businesses, lumber yards and manufacturers, roofing contractors, plumbers, electricians... It goes on and on. The really good news is that with interest rates still at or below 3% most economists believe that we will have robust home sales at least through 2022. Some even give us another 5 years of strong sales. In the next few weeks or months, the Federal Reserve will take steps to raise interest rates in order to keep inflation under control. That's a good thing. And rates will still be low enough to make housing affordable to those who want to grab their piece of the American dream.

So, enjoy the warm weather, stay safe and remember I am always available to help you with your buying or selling decisions.



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