



CoreLogic S&P Case-Shiller Home Price Index Update

A Compass Report for the San Francisco Metro Area, November 26, 2019

The CoreLogic S&P Case-Shiller Home Price Index does not evaluate median *sales price* changes, but employs its own proprietary algorithm to measure home price appreciation over time. Since its indices cover large areas – for example, the San Francisco Metro Area is comprised of 5 counties – which themselves contain communities of widely varying home values, the C-S chart numbers do not refer to *specific* prices, but instead reflect prices *as compared to those prevailing in January 2000*, which are all designated as having a consistent value of 100. **A reading of 250 signifies that home prices have appreciated 150% above the price prevailing in January 2000.**

Case-Shiller divides all the house sales into thirds, or tiers: The third of sales with the lowest prices is the low-price tier; the third of sales with the highest sales prices is the high-price tier; and the third in between is the mid-price. The price ranges of these tiers change as the market changes. **The 3 price tiers experienced dramatically different bubbles, crashes and recoveries over the past 18+ years**, to a large degree determined by how badly the tier was affected by the subprime financing crisis. The low price tier was worst affected – huge bubble, huge crash, most dramatic recovery – and the high-price least affected (but still significantly affected).

Most house sales in expensive counties such as San Francisco, Marin and San Mateo, as well as affluent communities in other Bay Area counties are in the "high price tier", and many would qualify for an "ultra-high-price tier," if such existed. All counties, to varying degrees, have sales in all 3 price tiers.

The Index is published 2 months after the month delineated – the September 2019 index was released 11/26/19 – reflects a 3-month rolling calculation, and one month's sales generally reflect accepted-offer activity in the *previous* month. **The Index is looking into a rear-view mirror at the market 3 to 5 months ago: The Sept. 2019 reading, released in late November, mostly reflects market conditions in June – August 2019.**

The 5 counties in our Case-Shiller Metro Statistical Area are San Francisco, Marin, San Mateo, Alameda and Contra Costa: Alameda and Contra Costa are *by far* the largest markets; SF itself comprises only about 7% of house sales in the metro area. We believe the Index *generally* applies to other Bay Area counties, such as Sonoma and Santa Clara, though those 2 have had somewhat softer markets over the past year. There are hundreds of unique real estate markets in such a broad region, with different dynamics, moving at varying speeds, sometimes in different directions. How the C-S Index applies to any particular property is impossible to know without a specific comparative market analysis.

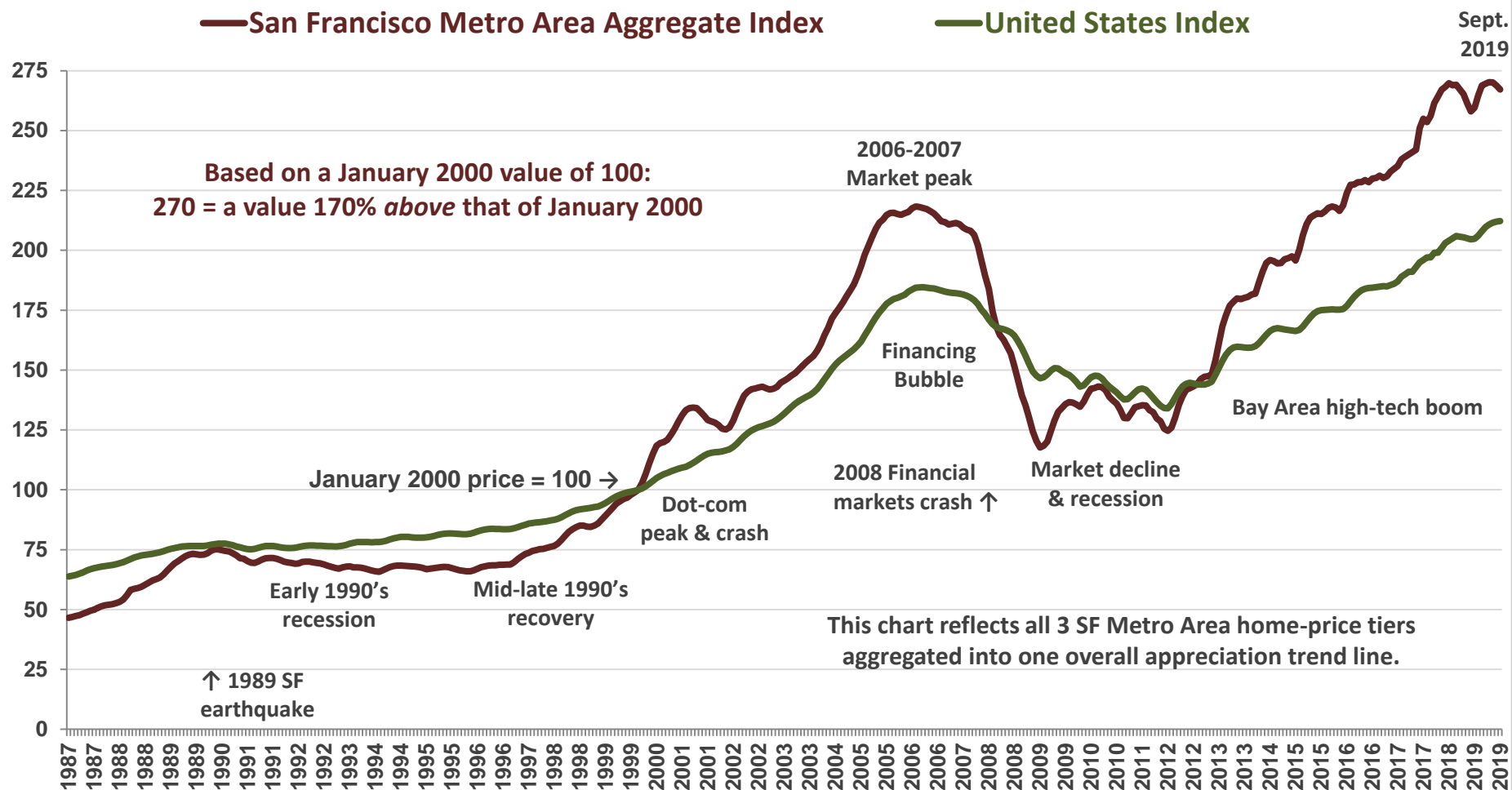
<https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

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CoreLogic S&P Case-Shiller Home Price Index: Appreciation since 1987

United States vs. San Francisco Metro-Area (Overall, Aggregate Index)

Not seasonally adjusted



*The C-S Index 5-county San Francisco Metro Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The Index is published 2 months after the month specified and reflects a 3-month rolling average. The chart reflects all price segments in the metro area, and San Francisco County is only a small percentage of overall metro area house sales. <https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

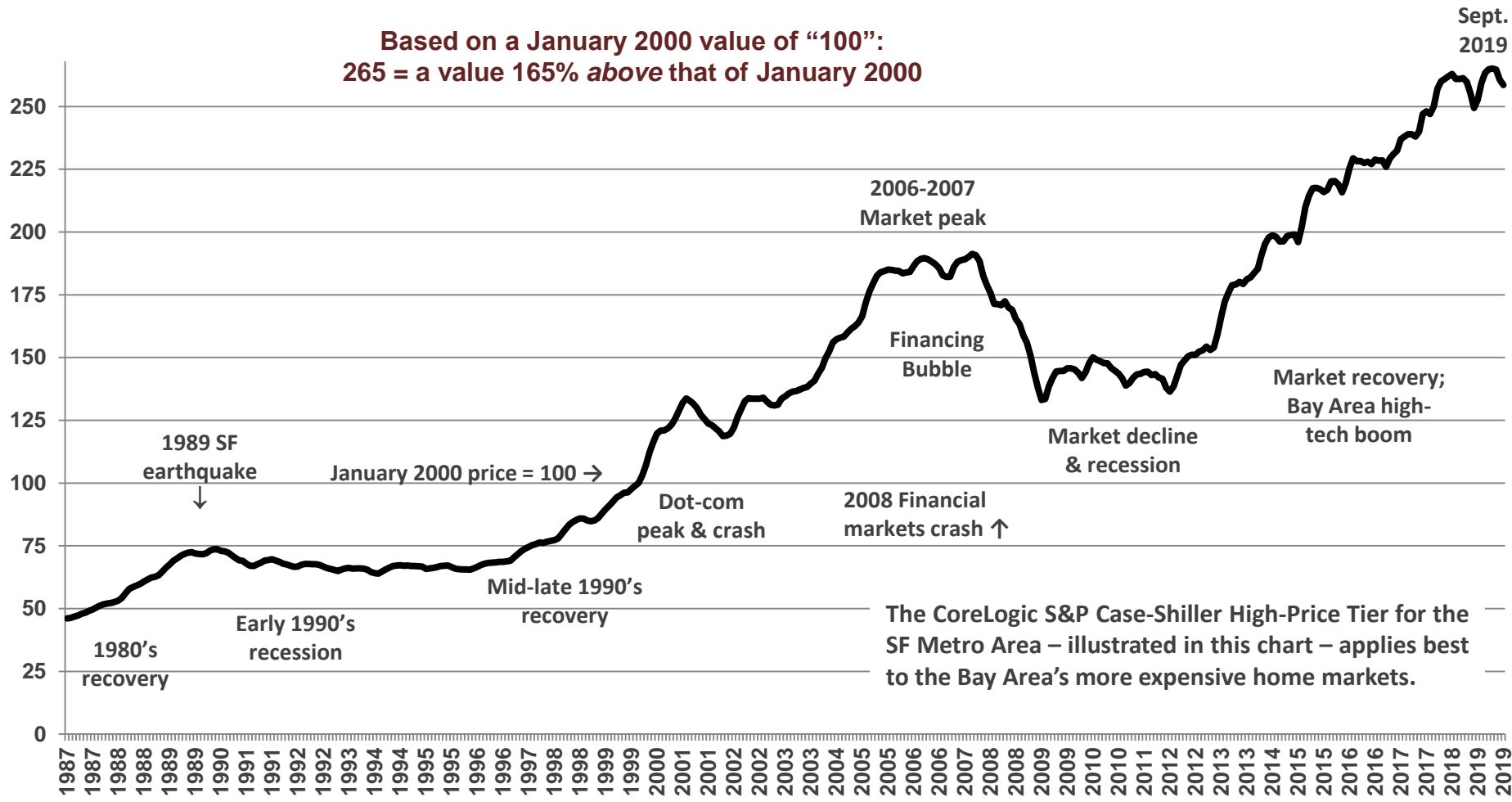
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CoreLogic S&P Case-Shiller Home Price Index: Appreciation since 1987

San Francisco Metro-Area High-Price-Tier Index

Not seasonally adjusted

**Based on a January 2000 value of "100":
265 = a value 165% above that of January 2000**



The CoreLogic S&P Case-Shiller High-Price Tier for the SF Metro Area – illustrated in this chart – applies best to the Bay Area's more expensive home markets.

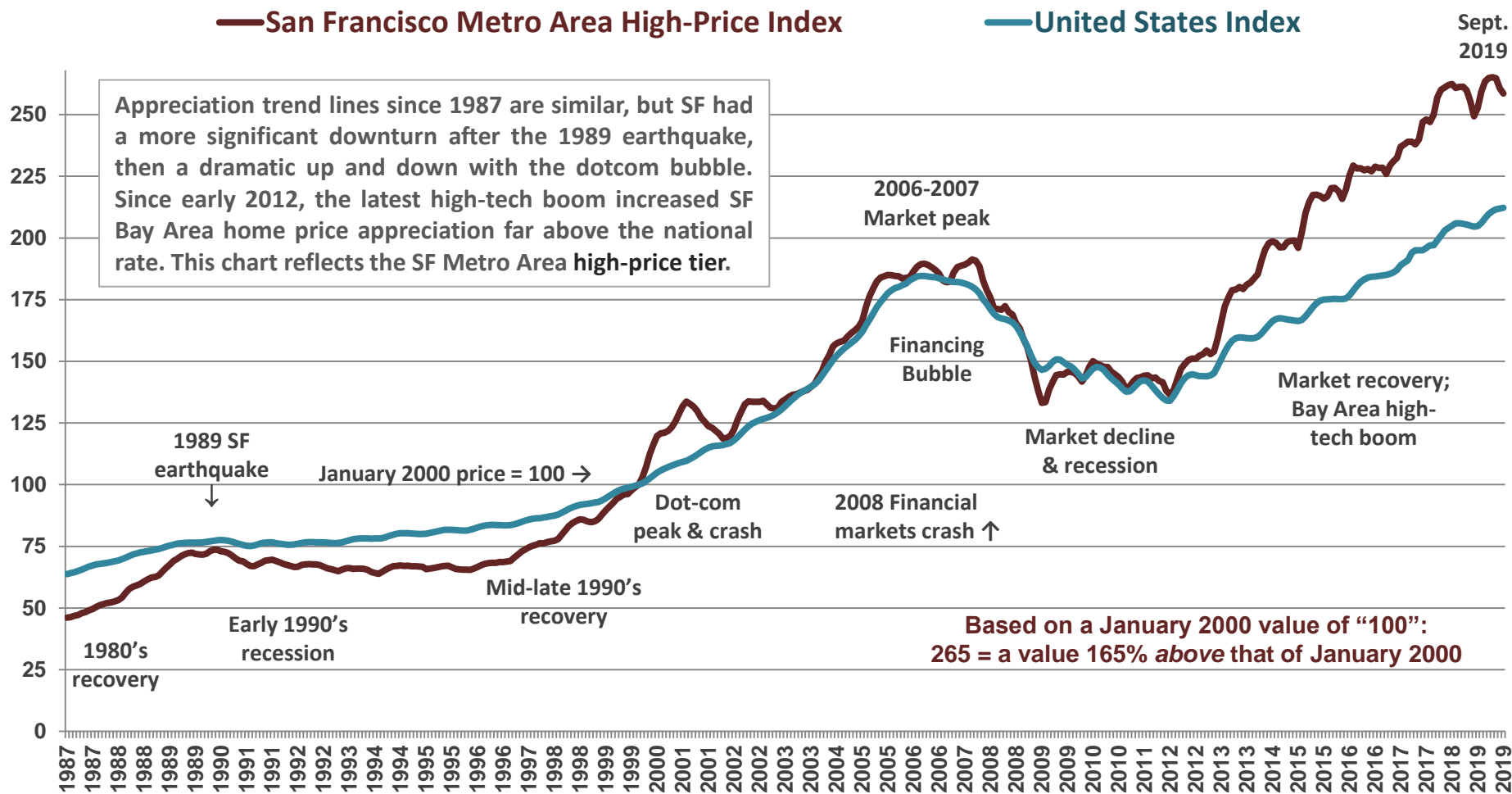
*The C-S Index 5-county San Francisco Metro Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The Index is published 2 months after the month specified and reflects a 3-month rolling average. The high-price tier reflects the top third of home sales in the SF metro area, which applies to the city of San Francisco better than other tiers. <https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

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CoreLogic S&P Case-Shiller Home Price Index: Appreciation since 1987

United States vs. San Francisco Metro-Area High-Price-Tier Index

Not seasonally adjusted



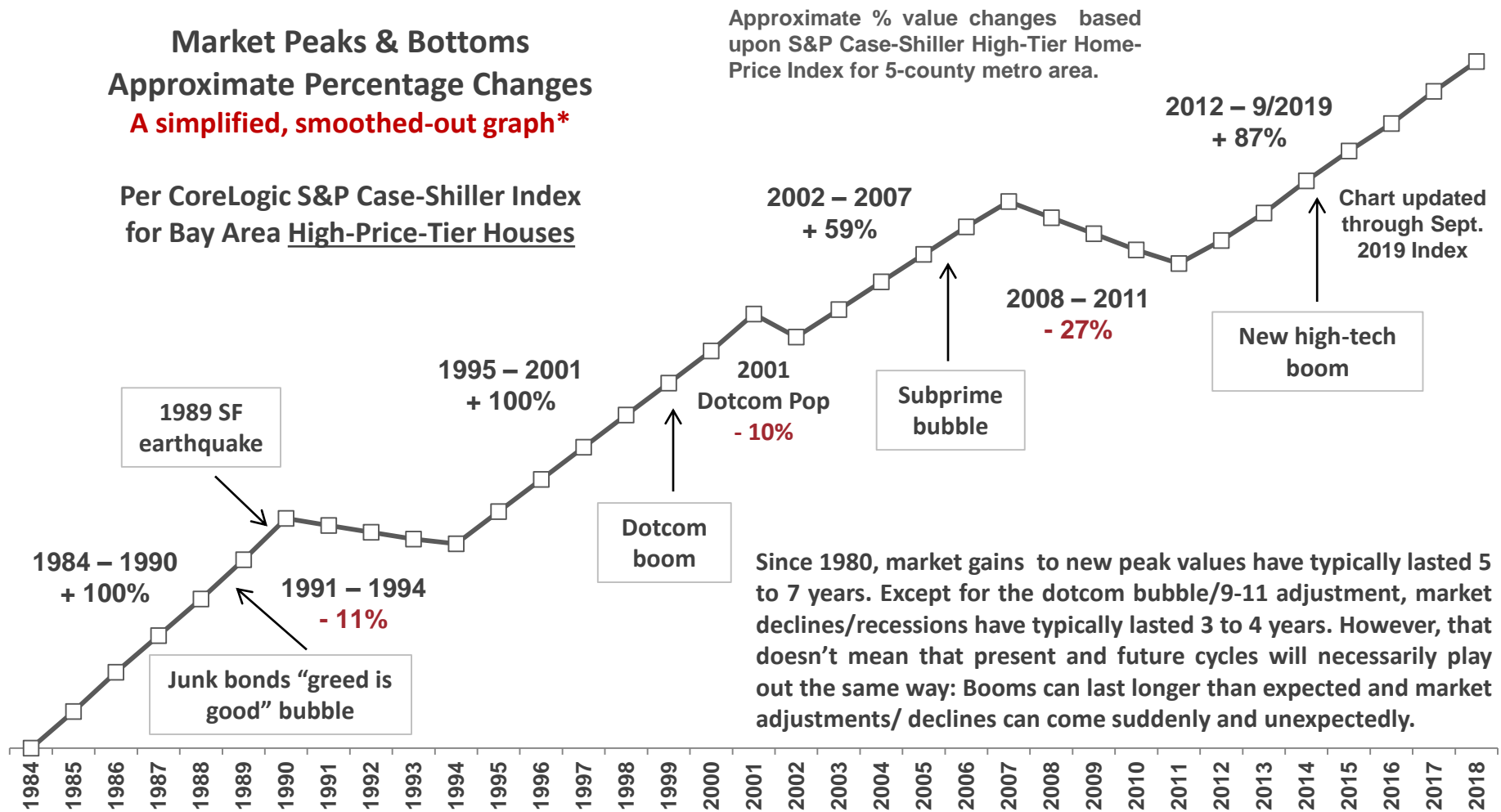
*The C-S Index 5-county San Francisco Metro Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The Index is published 2 months after the month specified and reflects a 3-month rolling average. The high-price tier reflects the top third of home sales in the SF metro area, which applies to the city of San Francisco better than other tiers. <https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

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San Francisco Bay Area Real Estate Market Cycles

Home Price Increases & Declines, by Percentage, 1984 – Present

<https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>



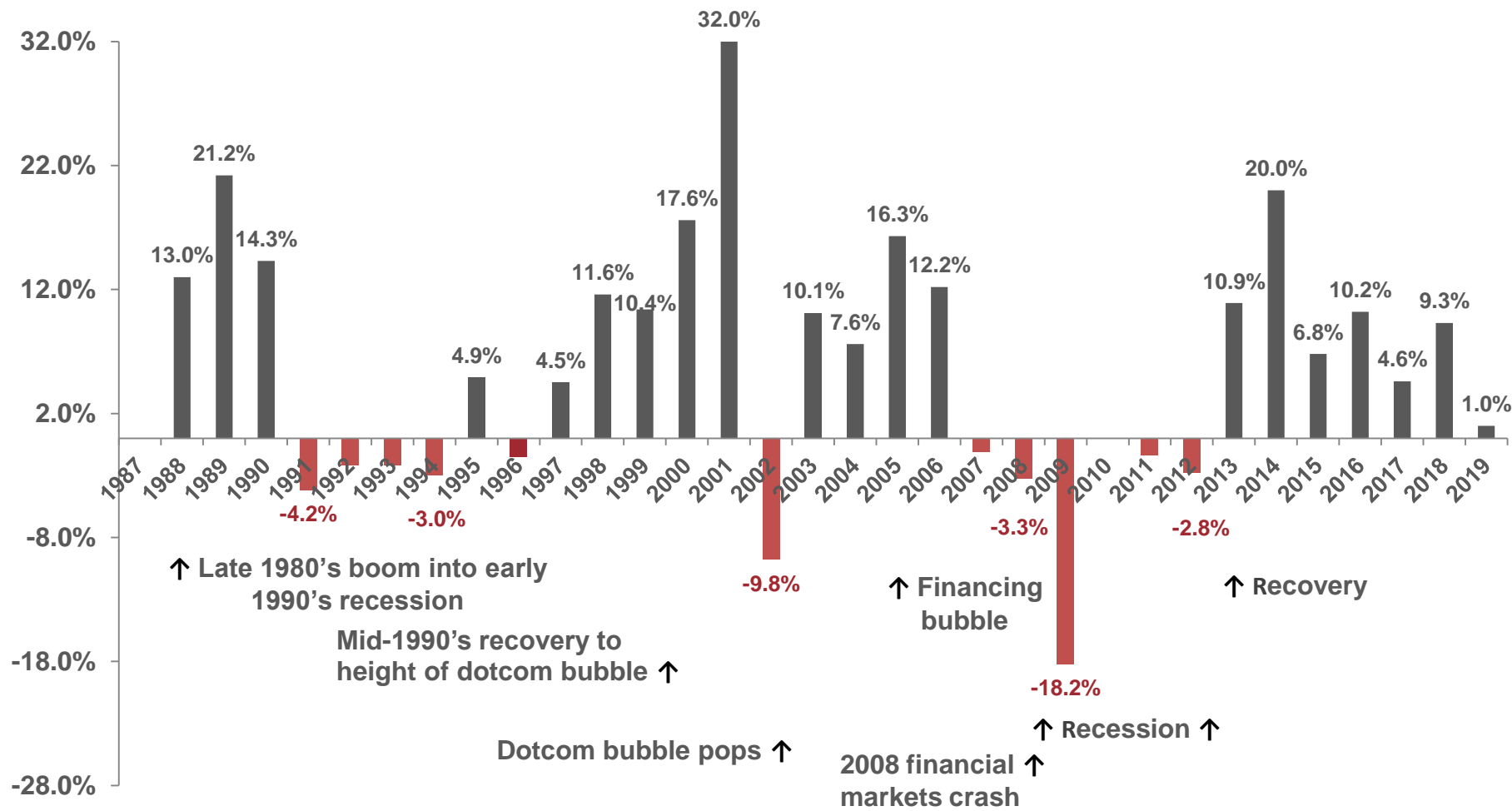
* The years between market peaks and bottoms are not accurately represented, but entered as straight lines between high and low points to illustrate percentage changes over time. Shorter-term fluctuations are not reflected on this chart. All numbers are approximate and subject to revision.

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San Francisco Bay Area Home Price Changes Since 1987

Annual % Change, for SF Metro Area, S&P Case-Shiller Index High-Price-Tier Homes

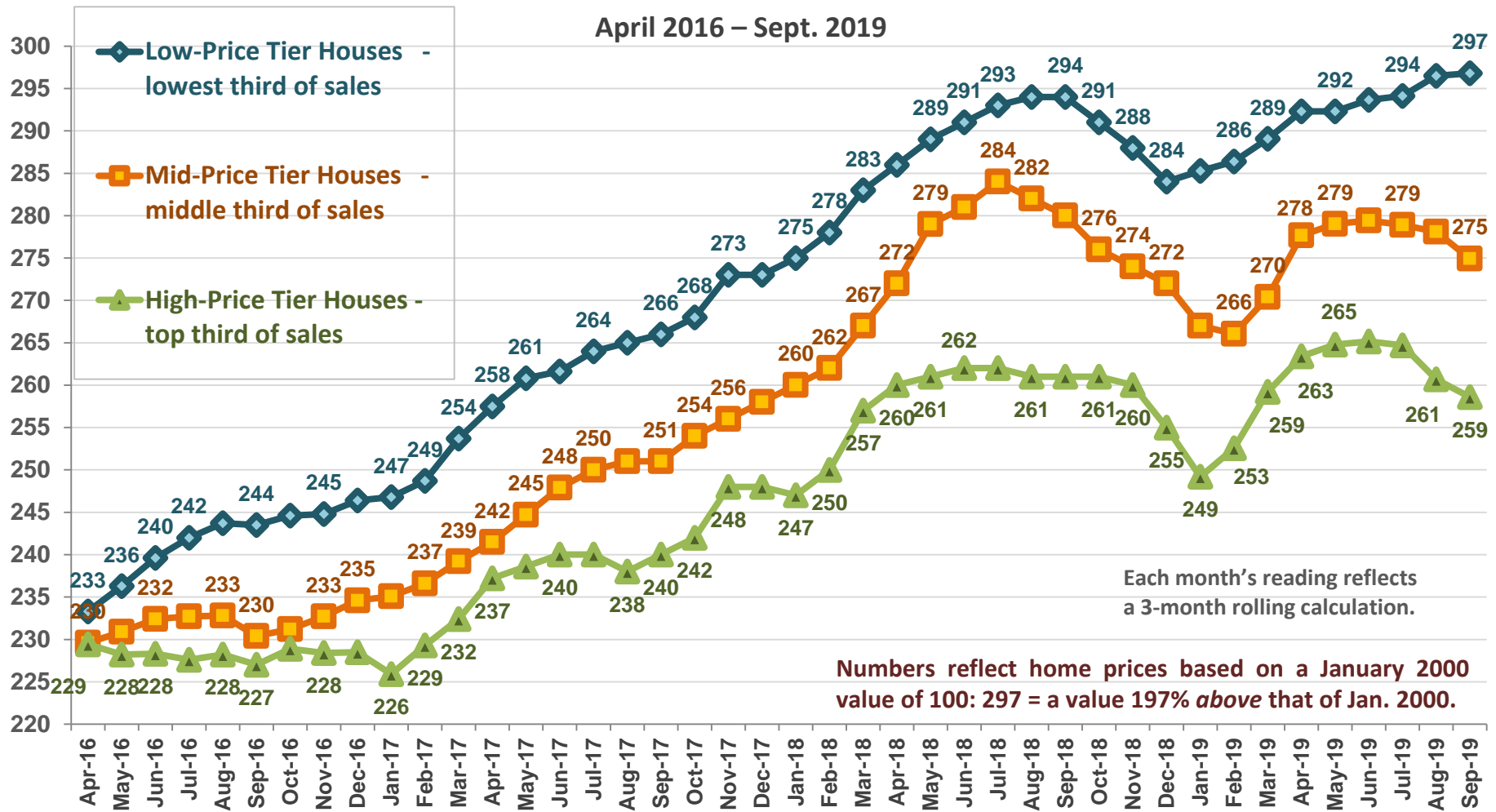
Year-over-Year Percentage Change, January Data Points, Higher-Price Homes



Percentages reflect annual percentage change in Case-Shiller Index home price readings for house sales in 5 Bay Area Counties, for the upper third of unit sales by price range, from January to January. Data from sources deemed reliable but may contain errors and subject to revision.

CoreLogic S&P Case-Shiller Home Price Index

Short-Term Changes by Price Tier, San Francisco 5-County Metro Area*



*Includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The Index is published 2 months after the month delineated and reflects a 3-month rolling average. Each house-price tier represents one third of the number of total sales. All numbers approximate and subject to revision.

<https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

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CoreLogic S&P Case-Shiller High-Tier Home Price Index

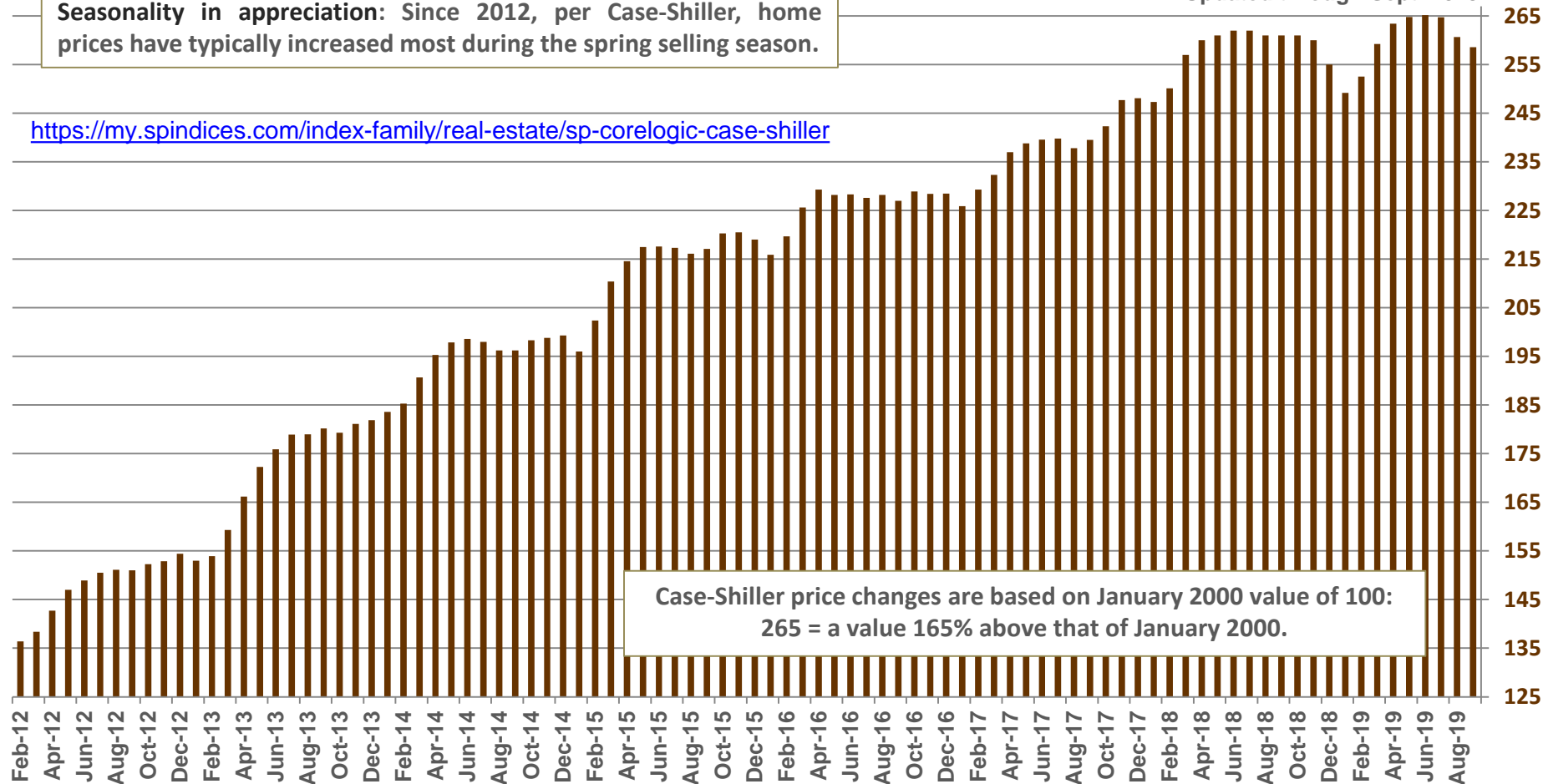
2012 - Present, San Francisco 5-County Metro Area*

"High Tier" Price Houses: San Francisco METRO AREA*

Seasonality in appreciation: Since 2012, per Case-Shiller, home prices have typically increased most during the spring selling season.

<https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

Updated through Sept. 2019



*The C-S Index 5-county San Francisco Metropolitan Statistical Area (MSA) includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. Most of San Francisco, southern Marin, San Mateo and central Contra Costa house sales are "high tier". The Index measures a 3-month rolling average. Reports are released 2 months after the month delineated.

These analyses were performed in good faith with data derived from sources deemed reliable, but they may contain errors and are subject to revision.

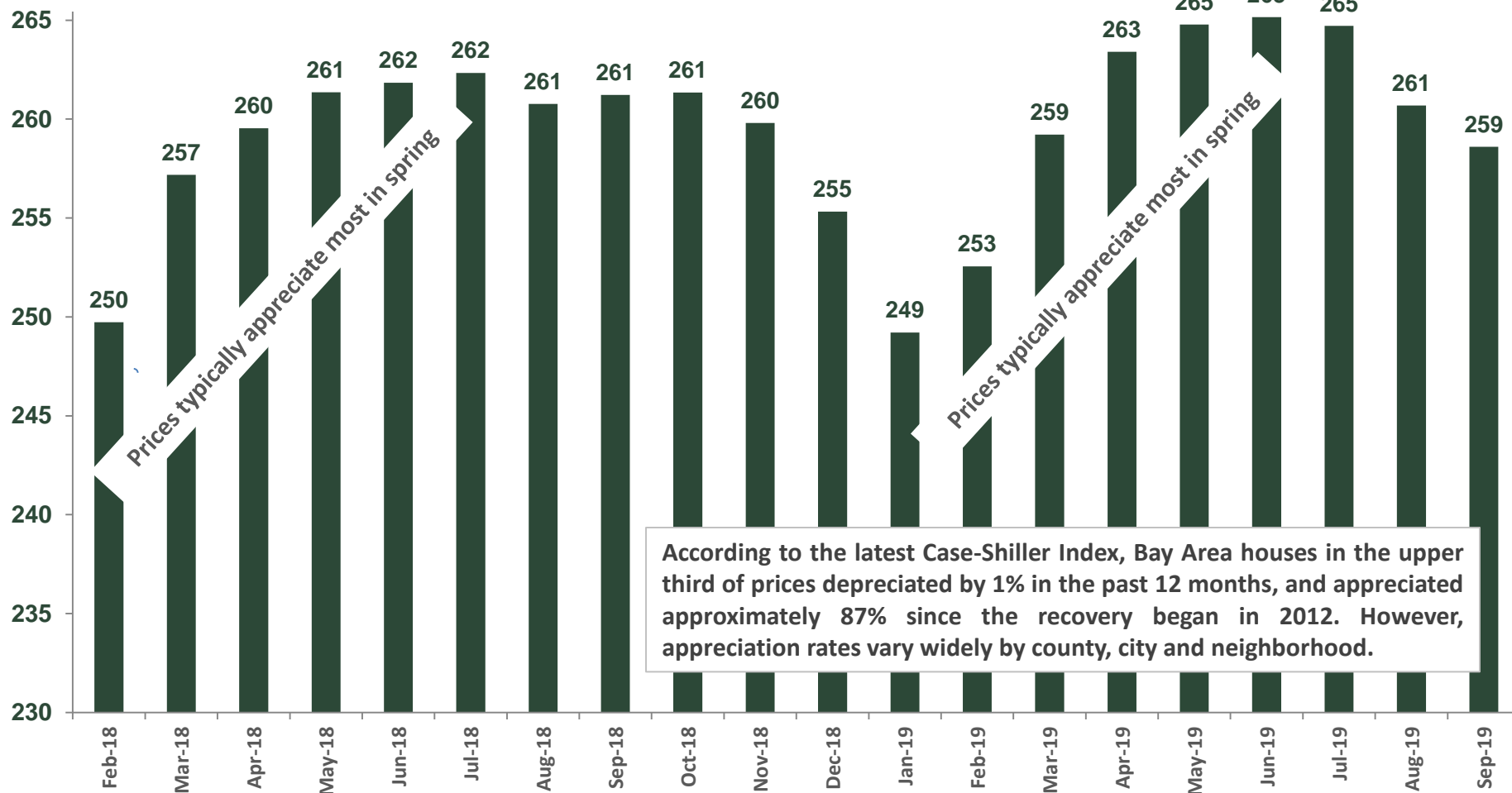
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CoreLogic S&P Case-Shiller High-Price-Tier Home Index

Short-Term Changes, San Francisco 5-County Metro Area*

"High Tier" Price Houses, San Francisco 5-County METRO AREA*

Numbers reflect home prices based on a January 2000 value of 100: 265 = a price 165% above Jan. 2000.



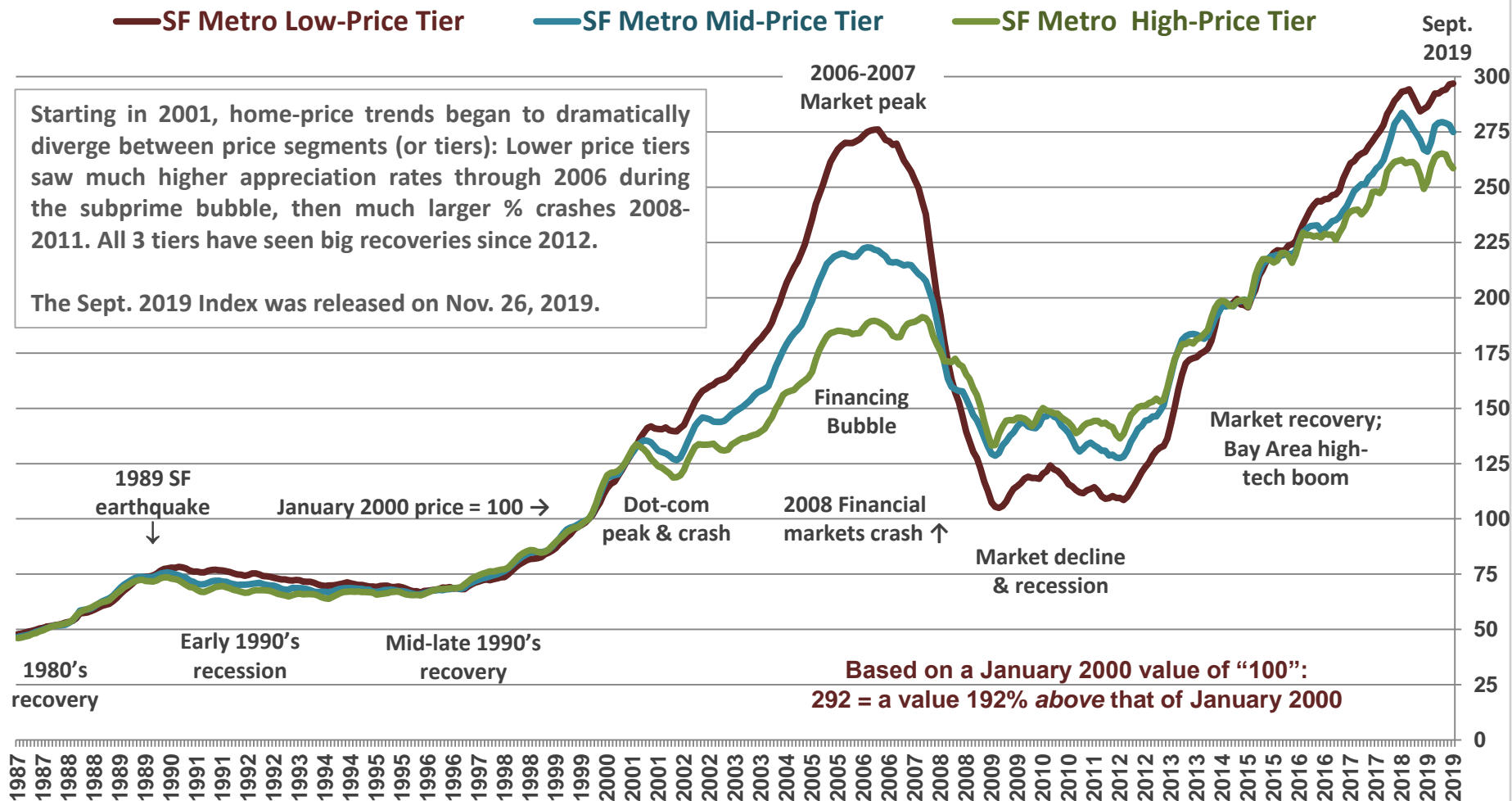
*The C-S Index 5-county San Francisco Metropolitan Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The majority of the house sales in San Francisco, Marin and San Mateo are in the "high price tier". The Index is published 2 months after the month delineated and reflects a 3-month rolling figure. Short-term fluctuations are less important than long-term trends. <https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

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CoreLogic S&P Case-Shiller Home Price Index since 1987

San Francisco Metro Area Trends by House-Price Tier*

Not seasonally adjusted



*The C-S Index 5-county San Francisco Metro Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The Index is published 2 months after the month specified and reflects a 3-month rolling average. Each price tier reflects one third of housing stock. Where these tiers range in prices varies as the market changes. <https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

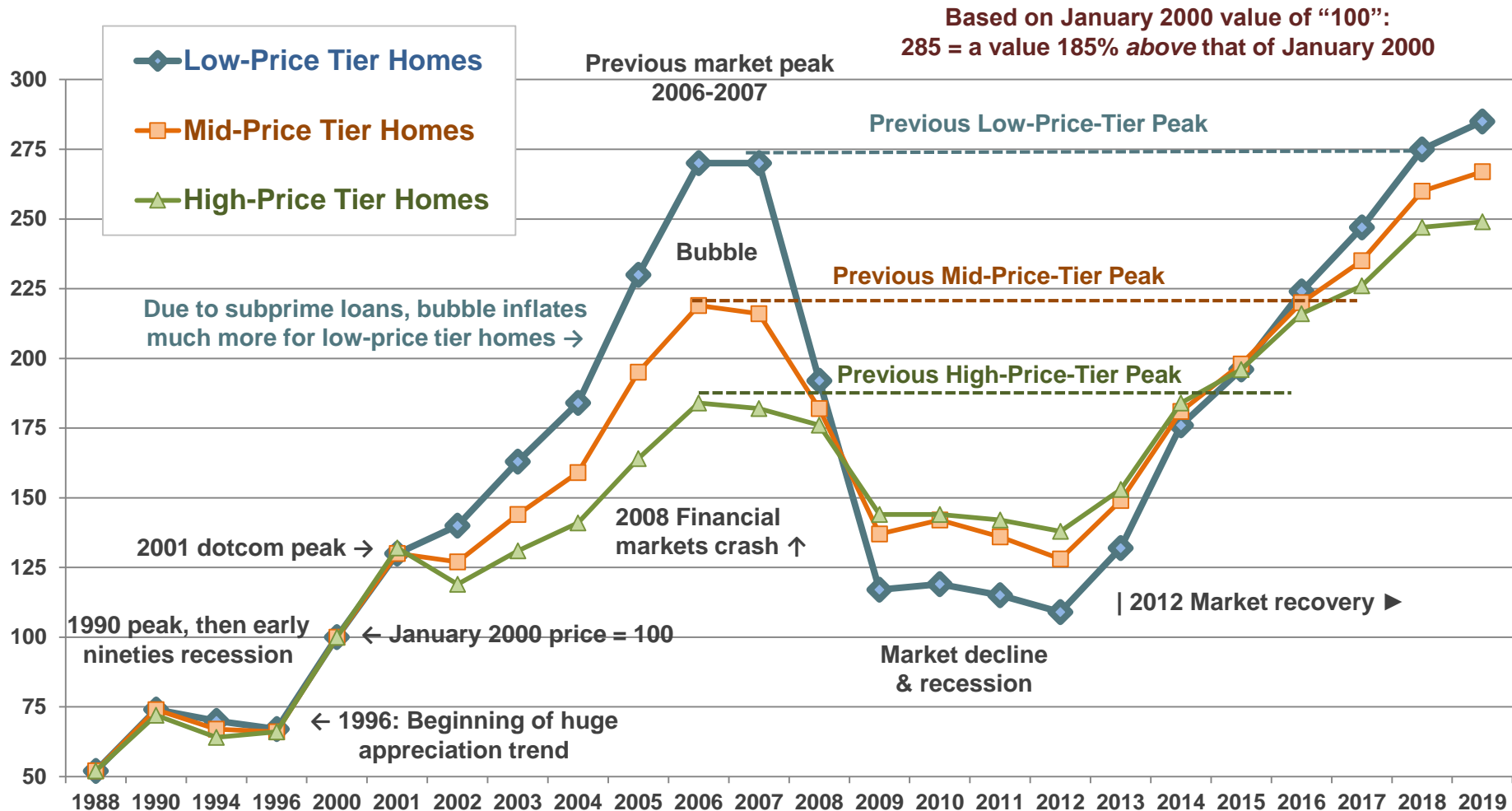
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CoreLogic S&P Case-Shiller Home Price Index

1988 – Present, All Price Tiers, House Prices

San Francisco 5-County Metro Area* – January Data Points

Case-Shiller divides market into thirds by price and number of sales: low, mid and high price

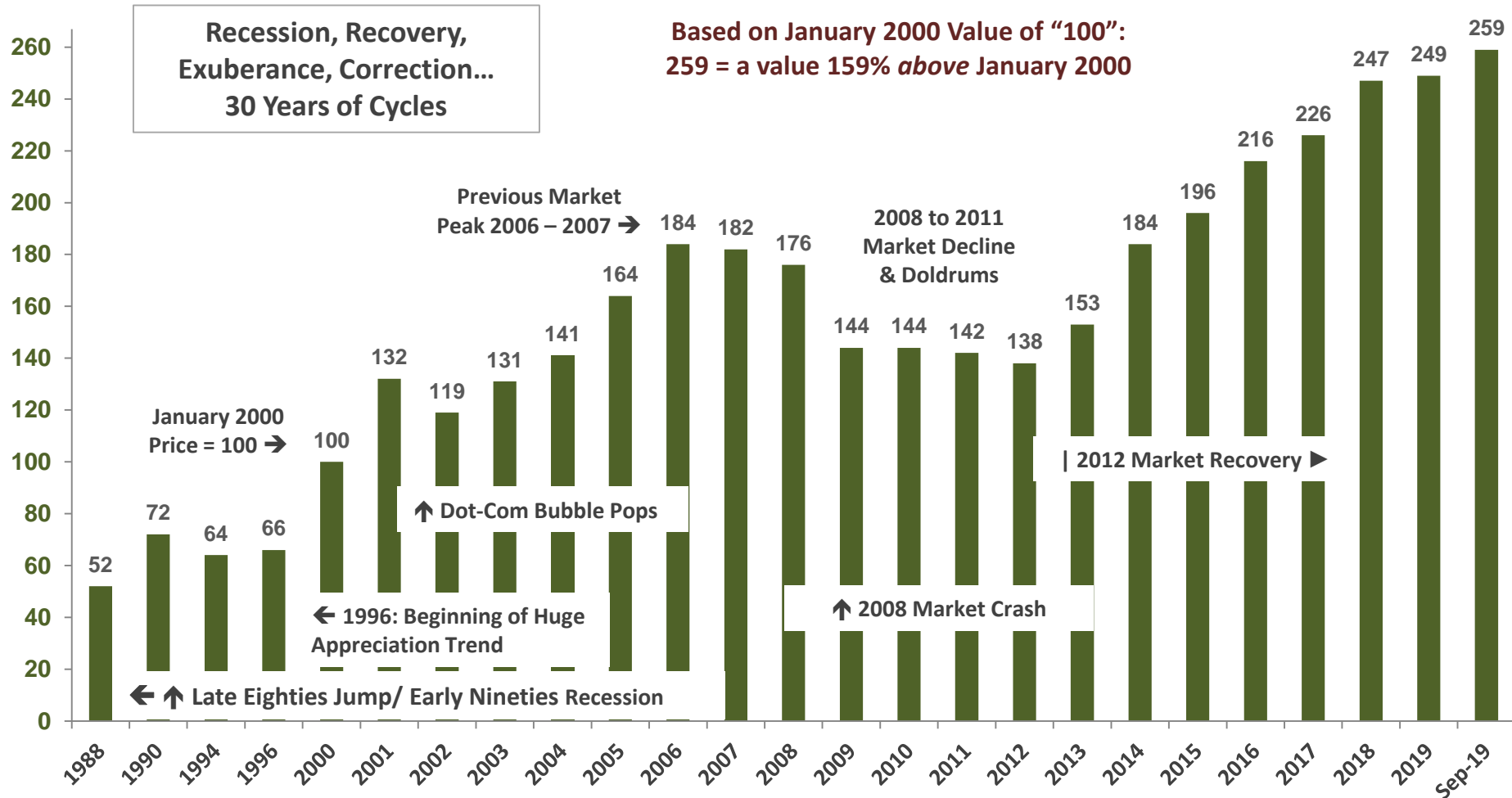


*The C-S Index 5-county San Francisco Metro Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The Index is published 2 months after the month specified and reflects a 3-month rolling average. Graph not proportional from 1988-2000. January data points except for last entry as noted. All numbers approximate and subject to revision. <https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

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S&P Case-Shiller High-Tier Home Price Index, 1988 – Present Real Estate Cycles, SF Bay Area San Francisco 5-County Metro Area* – January Data Points + Last Month

"High Tier" Price Houses,
January Data Points



Data points above are for January of each year, except as noted. *The C-S Index 5-county San Francisco Metro Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The Index is published 2 months after the month specified. In April 2019, the high tier began at \$1.18 million. Graph not proportional from 1988-2000. <https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

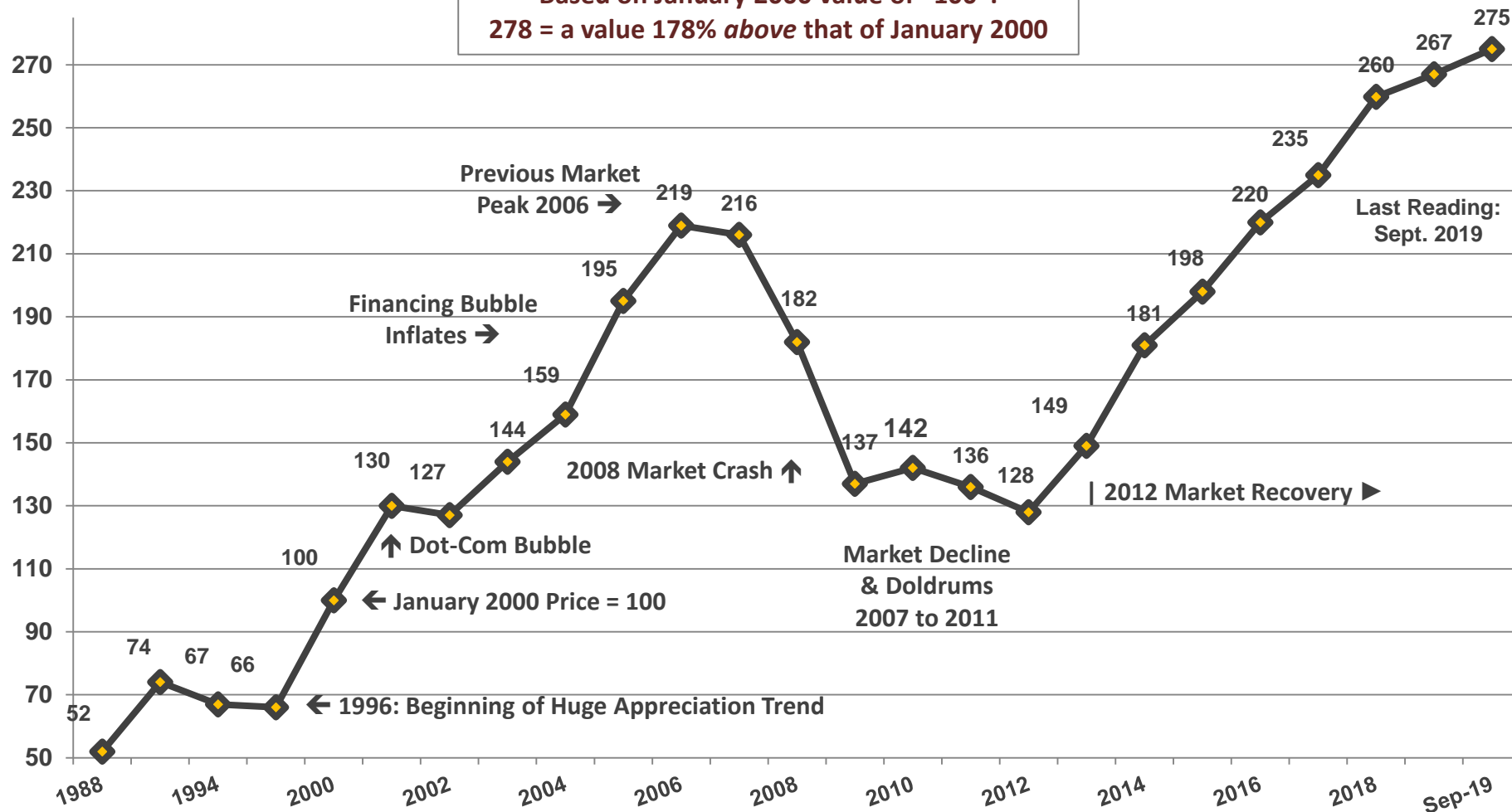
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CoreLogic S&P Case-Shiller Mid-Tier Home Price Index, 1988 – Present Real Estate Cycles, SF Bay Area

San Francisco 5-County Metro Area* – January Data Points + Last Month

"Mid Tier" Price Houses,
January Data Points

Based on January 2000 value of "100":
278 = a value 178% *above* that of January 2000



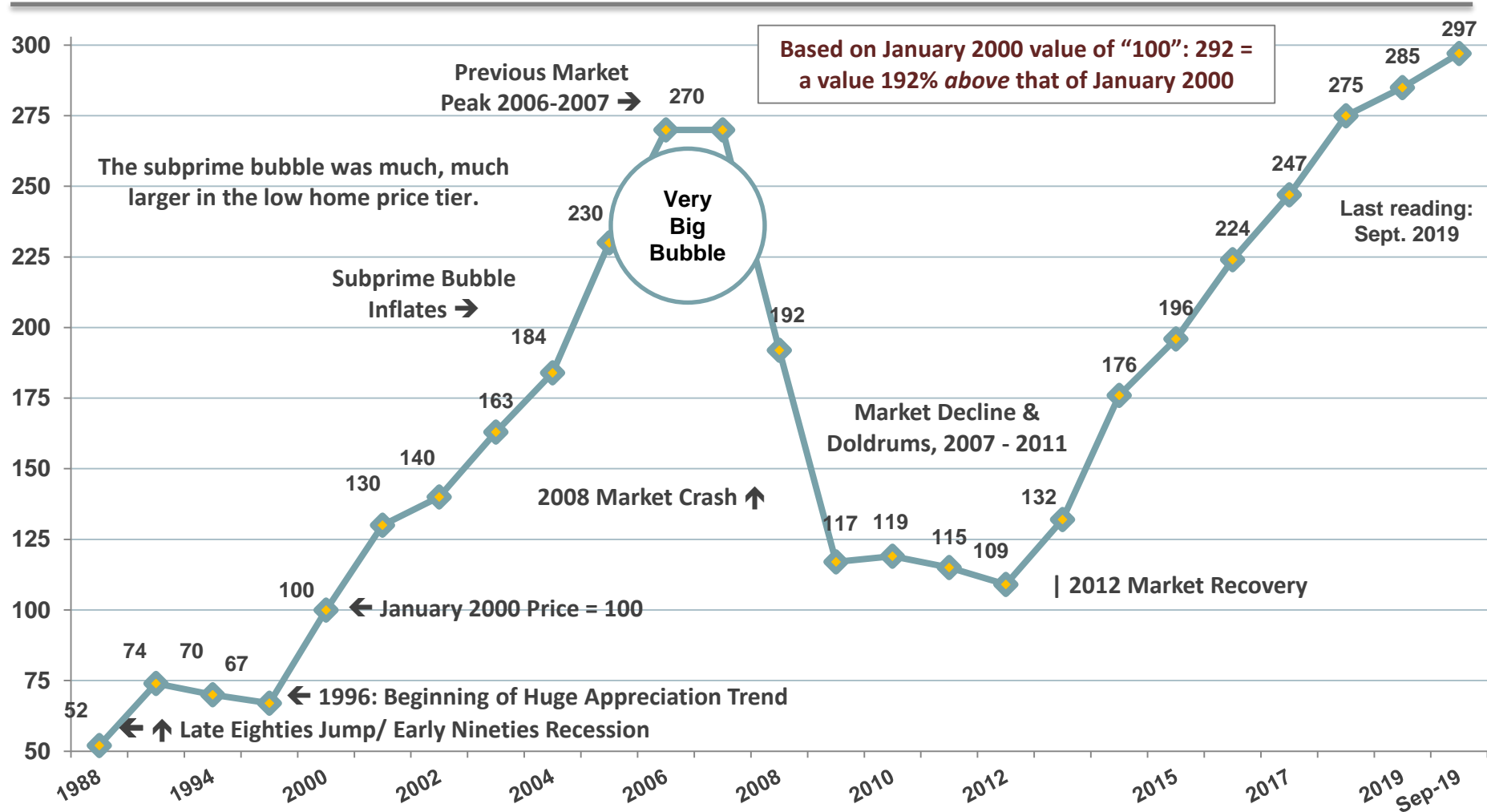
Price changes based on January 2000 value = 100. Data points above are for January of each year, except as noted. *The C-S Index 5-county San Francisco Metro Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The Index is published 2 months after the month specified. Graph not proportional from 1988-2000. All numbers approximate and subject to revision. <https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

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CoreLogic S&P Case-Shiller Low-Tier Home Price Index, 1988 – Present Real Estate Cycles, SF Bay Area

San Francisco 5-County Metro Area* – January Data Points + Last Month

"Low Price Tier" Houses, January Data Points, except last reading



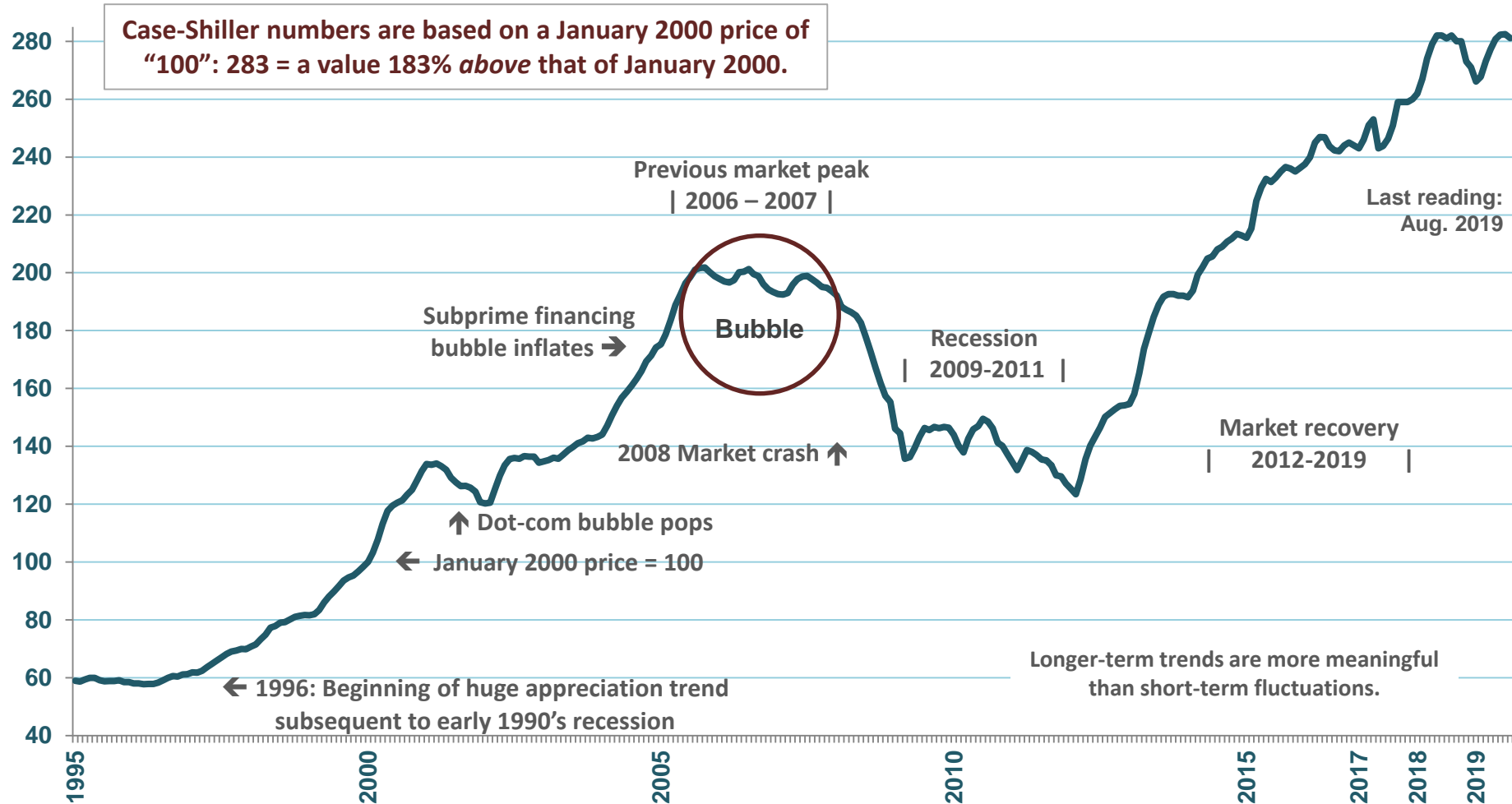
Price changes based on January 2000 value = 100. Data points above are for January of each year, except as noted. *The C-S Index 5-county San Francisco Metro Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. The Index is published 2 months after the month specified. Graph not proportional from 1988-2000. <https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

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CoreLogic S&P Case-Shiller Home Price Index - Condos

1995 – Present, San Francisco 5-County Metro Area*

<https://my.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>



Price changes based on January 2000 value = 100. Year markers are for January of the designated year. *The C-S Index 5-county San Francisco Metro Statistical Area includes San Francisco, Marin, San Mateo, Alameda and Contra Costa counties. Data from sources deemed reliable but may contain errors and subject to revision.

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Data courtesy of S&P Dow Jones Indices LLC, CoreLogic S&P/Case-Shiller:

More information: <https://us.spindices.com/index-family/real-estate/sp-corelogic-case-shiller>

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