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## Bay Area Home Sales Were the Slowest for August in Seven Years as Activity Drops 10 Percent Year Over Year; Median Sale Price Declines Month to Month Again but was Still Up 12 Percent Year Over Year

New data released today by CoreLogic shows a total of 7,659 new and existing houses and condominiums were sold in Alameda, Contra Costa, Marin, Napa, Santa Clara, San Francisco, San Mateo, Solano and Sonoma counties in August 2018. This number is up 1.8 percent month over month from 7,524 sales in July 2018,\* and down 9.9 percent year over year from 8,504 sales in August 2017.

Since 1988, the average change in San Francisco Bay Area home sales between July and August is a gain of 2.3 percent. August sales have ranged from a low of 6,688 in 1992, to a high of 13,940 in 2004. August 2018 sales were 17.9 percent below the August average of 9,332, and were the lowest for an August since 2011 when 7,489 homes were sold.

In August 2018, sales of newly built homes (detached houses and condos combined) were 40.7 percent below the month's historical average, while resales were 15.2 percent below the month's average. Ignoring the 2003-2006 housing boom that was fueled by risky home loans, August 2018 resales were 10.4 percent below the long-term average for the month.

"Bay Area home sales have fallen year over year for the last three consecutive months, and this summer's activity was the slowest for the June-through-August period in seven years," said Andrew LePage, a CoreLogic analyst. "The nearly 7 percent annual decline in sales this summer was the largest since sales fell 12.4 percent in the summer of 2010. Much of the recent slowdown can be attributed to the lack of affordable inventory on the market. Unlike the frenzied market of the mid-2000s, many struggling to buy today don't have the option to stretch financially with the sort of subprime and other risky financing that fueled a lot of homebuying late in the last cycle."

The median price paid for all homes sold in the San Francisco Bay Area in August 2018 was \$830,000, down 2.4 percent from \$850,000 in July 2018 and up 12.2 percent from \$740,000 in August 2017. The \$875,000 median price in both June and May 2018 was the highest ever.

Over the last eight months, year-over-year gains in the region's median sale price have averaged 13.4 percent each month, up from an average year-over-year gain of 8.2 percent during the same period last year. On a year-over-year basis, the median sale price has risen for 77 consecutive months (since April 2012) with double-digit gains over the last 13 consecutive months.

"Waning affordability reflects price hikes and a significant rise in mortgage interest rates this year," LePage said. "While the Bay Area's median sale price rose about 12 percent year over year in August, the monthly mortgage payment on the median-priced home jumped 21.5 percent due to a roughly 0.7-percentage-point gain in mortgage rates over that period."

Home sales of \$500,000 or more accounted for 80.4 percent of all sales in August 2018, up from 80.2 percent in July 2018 and up from 75.5 percent in August 2017.

Additional San Francisco Bay Area Highlights for August 2018:

- ▶ Absentee buyers—mostly investors, but also second-home buyers—bought 16.8 percent of all homes sold in August 2018. This is slightly up from 16.6 percent in July 2018, and up from 15.8 percent in August 2017. The absentee buyer share peaked at 28.4 percent in February 2013, and since 1988, the monthly average has been about 15 percent.
- ▶ Jumbo mortgages accounted for 39.7 percent of the total number of home purchase loans used in the San Francisco Bay Area in August 2018, down from 41 percent in July 2018 and up from 37.4 percent in August 2017.
- ▶ Jumbo loans represented 61.1 percent of the total dollar volume of all home purchase originations in August 2018, down from 63.2 percent in July 2018 and up from 58.4 percent in August 2017.

- ▶ Jumbo loans are those that exceed the “conforming loan limit,” which is regulated and varies by county. Nationally, the base conforming loan limit for single-family homes this year is \$453,100, but high-cost areas (including most of the San Francisco Bay Area) have higher limits of up to \$679,650. A rise in the jumbo loan share of home purchase loans can be related to higher home prices, an increase in the share of sales occurring in the market’s higher end or the greater availability of funding for jumbo loans.
- ▶ Government-insured Federal Housing Administration (FHA) loans accounted for 4 percent of all home purchase loans in the San Francisco Bay Area in August 2018, down from 4.3 percent in July 2018 and down from 11.2 percent in August 2017.
- ▶ Low-down-payment FHA loans accounted for a substantially higher share of home purchase loans in the more affordable stretches of the Bay Area. For example, Solano County had the highest FHA share in August 2018 at 11.6 percent, followed by Napa County at 6 percent and Contra Costa County at 5.8 percent.
- ▶ Real estate-owned (REO) sales represented 0.7 percent of total San Francisco Bay Area home sales in August 2018, up from 0.6 percent in July 2018 and down from 0.9 percent in August 2017. REOs are foreclosed homes that lenders sold on the open market.

\* When necessary, July 2018 data was revised. Revisions are standard, and to ensure accuracy CoreLogic incorporates newly released data to provide updated results.

#### YEAR-OVER-YEAR CHANGE

TOTAL HOMES SOLD/MEDIAN PRICE FOR SELECT SAN FRANCISCO BAY AREA COUNTIES (REFLECTS TOTAL HOME SALES)

County	Homes Sold August 2017	Homes Sold August 2018	Percent Change	Median Sale Price August 2017	Median Sale Price August 2018	Percent Change
Alameda	1,860	1,626	-12.6%	\$759,500	\$850,000	11.9%
Contra Costa	1,760	1,538	-12.6%	\$573,000	\$614,500	7.2%
Marin	294	306	4.1%	\$965,000	\$1,000,000	3.6%
Napa	138	150	8.7%	\$596,000	\$660,000	10.7%
Santa Clara	1,864	1,691	-9.3%	\$935,000	\$1,120,000	19.8%
San Francisco	495	466	-5.9%	\$1,222,500	\$1,310,000	7.2%
San Mateo	670	600	-10.4%	\$1,150,000	\$1,300,000	13.0%
Solano	736	619	-15.9%	\$398,000	\$430,000	8.0%
Sonoma	687	663	-3.5%	\$574,500	\$607,000	5.7%
<b>Bay Area Total</b>	<b>8,504</b>	<b>7,659</b>	<b>-9.9%</b>	<b>\$740,000</b>	<b>\$830,000</b>	<b>12.2%</b>

Source: CoreLogic

**MONTH-OVER-MONTH CHANGE**

TOTAL HOMES SOLD/MEDIAN PRICE FOR SELECT SAN FRANCISCO BAY AREA COUNTIES (REFLECTS TOTAL HOME SALES)

County	Homes Sold July 2018	Homes Sold August 2018	Percent Change	Median Sale Price July 2018	Median Sale Price August 2018	Percent Change
Alameda	1,628	1,626	-0.1%	\$854,000	\$850,000	-0.5%
Contra Costa	1,579	1,538	-2.6%	\$632,750	\$614,500	-2.9%
Marin	291	306	5.2%	\$1,100,000	\$1,000,000	-9.1%
Napa	129	150	16.3%	\$669,500	\$660,000	-1.4%
Santa Clara	1,612	1,691	4.9%	\$1,108,000	\$1,120,000	1.1%
San Francisco	487	466	-4.3%	\$1,300,000	\$1,310,000	0.8%
San Mateo	588	600	2.0%	\$1,360,000	\$1,300,000	-4.4%
Solano	621	619	-0.3%	\$432,000	\$430,000	-0.5%
Sonoma	589	663	12.6%	\$599,000	\$607,000	1.3%
<b>Bay Area Total</b>	<b>7,524</b>	<b>7,659</b>	<b>1.8%</b>	<b>\$850,000</b>	<b>\$830,000</b>	<b>-2.4%</b>

Source: CoreLogic