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## Bay Area Home Sales Rise in February; Median Sale Price Up Close to 13 Percent Year Over Year for Second Consecutive Month

New data released today by CoreLogic shows a total of 4,929 new and existing houses and condominiums sold in Alameda, Contra Costa, Marin, Napa, Santa Clara, San Francisco, San Mateo, Solano and Sonoma counties in February 2018, up 9.5 percent month over month from 4,503 sales in January 2018\*, and up 1.9 percent year over year from 4,835 sales in February 2017. Since 1988, the average change in sales between January and February increased by 2.7 percent. February sales have ranged from a low of 3,989 in 2008 to a high of 8,901 in 2002, and February 2018 sales were 18.7 percent below the February average of 6,061 sales since 1988 when data for this report began (data start dates vary by county).

In February 2018, sales of newly built homes — detached houses and condos combined — were 27.3 percent below average for the month of February, while resales were 17.5 percent below the month's average. Ignoring the 2003-2006 housing boom that was fueled by risky home loans, February 2018 resales were 13.9 percent above the long-term average for the month.

"Bay Area home sales gained momentum in February, rising on a year-over-year basis for the first time in four months," said Andrew LePage, a CoreLogic analyst. "Although last month's sales were well below average for a February they were the second-highest for that month in the last five years. A 12.6 percent annual increase in \$500,000-plus transactions last month compensated for an 18.3 percent year-over-year drop in deals below \$500,000. The number of homes that sold for \$1 million or more this February rose about 33 percent year over year, to a record high level — 1,558 sales — for a February."

The median price paid for all homes sold in the San Francisco Bay Area in February 2018 was \$750,000, up 5.6 percent month over month from \$710,000 in January 2018\*, and up 12.5 percent year over year from \$666,550 in February 2017. The February 2018 median sale price was 4.3 percent below the region's peak median of \$784,000 (reached in November 2017). Adjusting for inflation, however, the Bay Area's median sale price in February 2018 was 8.7 percent below its June 2006 inflation-adjusted peak.

For the past six months, the region has posted an average year-over-year gain in its median sale price of 12.8 percent, up from an average year-over-year gain of 5.3 percent during the same six-month period a year earlier. On a year-over-year basis, the median has risen for 71 consecutive months — since April 2012 — and gains have been double-digit for the last seven months.

"The median price paid for a Bay Area home has been rising on a year-over-year basis every month for just under six years," LePage said. "The severe imbalance between the region's housing supply and demand suggests continued upward pressure on prices. However, if mortgage rates continue to climb higher some of that pressure would be relieved as more buyers are priced out of the market. Last month one of the region's nine counties — Santa Clara — logged a record median sale price for all homes combined, while the median paid for resale detached houses hit record levels in Santa Clara, San Francisco and San Mateo counties."

Home sales of \$500,000 or more accounted for 73.5 percent of all sales in February 2018, up from 71.7 percent in January 2018, and up from 66.9 percent in February 2017.

Additional San Francisco Bay Area Highlights for February 2018:

- ▶ Absentee buyers, mostly investors, but also second-home buyers, bought 21.2 percent of all homes sold in February 2018. This was up from 20.9 percent in January 2018\*, and up from 17.9 percent in February 2017. The absentee buyer share peaked at 28.4 percent in February 2013, and the monthly average since 1988 was about 15 percent.
- ▶ Jumbo mortgages accounted for 33.8 percent of the total number of home purchase loans used in the San Francisco Bay Area in February 2018, up from 30 percent in January 2018\*, and up from 30.4 percent in February 2017. Jumbo mortgages represented 55.7 percent of the total dollar volume of all home purchase originations in February 2018, up from 51.2 percent in January 2018\*, and up from 51.5 percent in February 2017. Jumbo mortgages are loans that exceed the "conforming loan

limit,” which is set by regulation 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 mortgage 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 8.4 percent of home purchase loans in the San Francisco Bay Area in February 2018, down from 10.2 percent in January 2018\*, and down from 14.3 percent in February 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 February 2018 at 18.6 percent, followed by Contra Costa County at 12.6 percent and Sonoma County at 8.3 percent.
- ▶ Real estate-owned (REO) sales represented 1.2 percent of total home sales in February 2018, down from 1.4 percent in January 2018\*, and down from 1.6 percent in February 2017. REOs are homes that lenders took back through foreclosure and then sold on the open market.

\* When necessary January 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 February 2017	Homes Sold February 2018	Percent Change	Median Sale Price February 2017	Median Sale Price February 2018	Percent Change
Alameda	974	1,008	3.5%	\$684,500	\$761,000	11.2%
Contra Costa	987	991	0.4%	\$508,500	\$571,550	12.4%
Marin	164	167	1.8%	\$815,000	\$885,750	8.7%
Napa	88	92	4.5%	\$551,250	\$605,000	9.8%
Santa Clara	1,067	1,088	2.0%	\$845,000	\$1,080,000	27.8%
San Francisco	359	289	-19.5%	\$1,152,550	\$1,223,000	6.1%
San Mateo	384	408	6.3%	\$1,027,000	\$1,265,000	23.1%
Solano	446	434	-2.7%	\$360,500	\$410,000	13.7%
Sonoma	366	452	23.5%	\$525,000	\$519,000	-1.1%
Bay Area Total	4,835	4,929	1.9%	\$666,550	\$750,000	12.5%

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 January 2018	Homes Sold February 2018	Percent Change	Median Sale Price January 2018	Median Sale Price February 2018	Percent Change
Alameda	941	1,008	7.1%	\$750,000	\$761,000	1.5%
Contra Costa	941	991	5.3%	\$525,000	\$571,550	8.9%
Marin	149	167	12.1%	\$915,000	\$885,750	-3.2%
Napa	97	92	-5.2%	\$605,000	\$605,000	0%
Santa Clara	989	1,088	10%	\$960,000	\$1,080,000	12.5%
San Francisco	262	289	10.3%	\$1,100,000	\$1,223,000	11.2%
San Mateo	312	408	30.8%	\$1,215,000	\$1,265,000	4.1%
Solano	418	434	3.8%	\$403,500	\$410,000	1.6%
Sonoma	394	452	14.7%	\$566,000	\$519,000	-8.3%
<b>Bay Area Total</b>	<b>4,503</b>	<b>4,929</b>	<b>9.5%</b>	<b>\$710,000</b>	<b>\$750,000</b>	<b>5.6%</b>

Source: CoreLogic