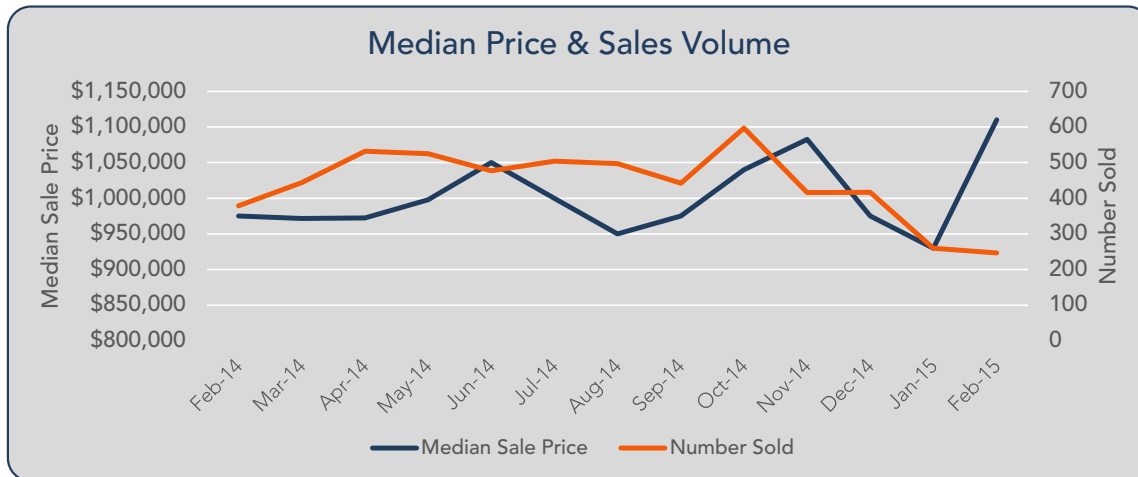


SAN FRANCISCO MARKET UPDATE MARCH 2015

Limited Inventory Creates Opportunity for Homesellers

A strengthening employment market is expected to offset implications of an expected rate hike in the 3rd quarter. A recent Reuters poll forecast the 30-year mortgage rate at 4% this year, and approximately 4.5% next year. The 30-year mortgage rate currently stands at 3.76%. Sales volume continues to be hampered by low inventory levels and affordability issues. Sales volume in February was at its lowest level in twelve months. Inventory in San Francisco is at a three-year low. As a result, homebuyers are bidding approximately five to six percent over list prices.



Most Recent Month

\$1,110,000 Median
 ↑ 14% year-over-year
 -
 247 Sold
 ↓ 35% year-over-year

Neighborhood Values

Bayview/Hunters Point is experiencing high levels of appreciation, largely due to massive redevelopment efforts at The San Francisco Shipyard. The precipitous decline in Noe Valley's median sale price results from a concentration of higher priced single family home sales in the prior versus current period, and is therefore not necessarily an indication of actual price depreciation.

Sub-Market	Median Sale \$	Year-Over-Year Change
Alamo Square/NOPA	\$1,226,500	8%
Bayview/Hunters Point	\$705,000	59%
Bernal Heights	\$1,229,000	7%
Castro	\$1,387,500	8%
Cole Valley/Haight	\$1,375,000	6%
Dogpatch	\$1,045,000	13%
Glen Park	\$1,707,500	20%
Hayes Valley	\$1,100,000	28%
Marina/Cow Hollow	\$1,452,500	-2%

Sub-Market	Median Sale \$	Year-Over-Year Change
Mission	\$901,200	-18%
Nob Hill/FIDI	\$1,465,000	15%
Noe Valley	\$1,272,500	-41%
North Beach	\$950,000	-4%
Pacific Heights	\$2,080,000	20%
Potrero Hill	\$1,335,000	20%
Richmond	\$1,195,000	18%
South of Market	\$1,281,500	33%
Sunset	\$1,035,000	25%