

2008 was the year of the credit crunch and a financial meltdown of the like not seen since 1932. For the first three quarters there was moderate growth in real estate prices in San Francisco, but the market came to a dead stop in October. City-wide the average sale price of homes sold through the MLS registered its first decline since 2002, by 7.2%. The average sale price in the City ended up just over \$1,117,000, or \$87,000 less than last year. This loss was entirely due to the poor fourth quarter, as year-on-year comparisons until the end of the third quarter still showed prices going up. There was a distinct lack of activity throughout the year, which resulted in the number of home sales being down a further 7% from last year and at their lowest-ever level. However, well-priced listings continued to attract multiple offers.

Condominium, cooperative apartment and T-I-C sales activity showed a volume drop of over 24% City-wide, compared to 2007, but the number of sales through the MLS in those categories does not count several large developments (which close units but do not list them all with the MLS). Both in the prime areas of Districts 7 & 8 and City-wide the average sale price in this category was up slightly.

The tightening of the mortgage market which followed the failure of a few of the higher risk-taking mortgage lenders finally impacted the San Francisco housing market to a significant degree. Lenders are taking longer to approve borrowers, requiring larger down payments, and reviewing property appraisals much more carefully.

For 2008, there were only 1235 closings of listed homes, condos and co-ops which sold for \$1,000,000 or more, compared to 1576 last year, a 21.6% decrease, which is reflective of the overall drop in sales activity.

A full 2008 versus 2007 district-by-district sales comparison chart for both homes and condominiums is shown below.

The San Francisco District Map can be viewed by clicking on this link:

<http://www.classicSFproperties.com/districtmap.htm>

David Parry

(415) 351 - 4611

dparry@mcguire.com

www.classicSFproperties.com

Professional services offered:

San Francisco Real Estate consulting, Selling Real Estate in San Francisco, Buying Real Estate in San Francisco, Condominium Conversion in San Francisco, Investment Property Analysis for San Francisco apartments, Commercial Real Estate in San Francisco, Relocation to San Francisco, Lofts in San Francisco, Tenancy-In-Common (TIC) sales in San Francisco; Real Estate Expert Witness.

San Francisco neighborhoods served:

Pacific Heights, Presidio Heights, Cow Hollow, Marina, Russian Hill, Nob Hill, Telegraph Hill, North Beach, North Waterfront, South of Market (SoMa), South Beach, Mission Bay, Downtown, Financial District, Chinatown, Tenderloin, Van Ness Corridor, Lower Pacific Heights, Western Addition, Jordan Park, Lone Mountain, Inner Richmond, Lake Street, Sea Cliff, Central Richmond, Anza Vista, Laurel Heights, Hayes Valley, Duboce Triangle, North Panhandle, Haight Ashbury, Cole Valley, Ashbury Heights, Buena Vista Park, Corona Heights, Twin Peaks, Clarendon Heights, Golden Gate Heights, Inner Sunset, West Portal, Potrero Hill, Mission Dolores, Castro, Eureka Valley, Dolores Heights, Noe Valley, Glen Park, Parnassus Heights, Parkside, Sunset, St. Francis Wood, Forest Hill, Forest Hill Extension, Forest Knolls, West Portal, Miraloma Park, Westwood Highlands, Monterey Heights, Mt. Davidson Manor, Sherwood Forest, Sunnyside, Balboa Terrace, Ingleside Terrace, Merced Manor, Lakeside, Bernal Heights, Potrero Hill, Mission Terrace.

Professional and academic qualifications:

Full-time San Francisco REALTOR® since 1986; Past-President of the San Francisco Association of REALTORS®; current Director of the California Association of REALTORS®; former Director of the National Association of REALTORS® representing San Francisco's 5,000 members; Director of zipLogix, a California Association of REALTORS® technology subsidiary; Graduate, Real Estate Institute (GRI); Electronic Internet Professional (ePro); Bachelors Degree in Computer Science; Masters Degree in Systems Analysis.

2008 vs 2007 San Francisco sales analysis

SFDs	2008			2007			#change	Schange
District	#sales	Avg. SP	Total sales \$\$	#sales	Avg. SP	Total sales \$\$		
1	180	\$1,498,059	\$269,650,620	200	\$1,552,769	\$310,553,800	-10.00%	-3.52%
2	418	\$841,483	\$351,739,894	441	\$891,689	\$393,234,849	-5.22%	-5.63%
3	166	\$668,319	\$110,940,954	167	\$792,406	\$132,331,802	-0.60%	-15.66%
4	281	\$1,124,429	\$315,964,549	330	\$1,126,477	\$371,737,410	-14.85%	-0.18%
5	312	\$1,549,920	\$483,575,040	328	\$1,477,988	\$484,780,064	-4.88%	4.87%
6	26	\$1,571,365	\$40,855,490	43	\$1,613,116	\$69,363,988	-39.53%	-2.59%
7	91	\$3,801,604	\$345,945,964	102	\$4,454,931	\$454,402,962	-10.78%	-14.67%
8	22	\$3,272,322	\$71,991,084	18	\$2,460,611	\$44,290,998	22.22%	32.99%
9	166	\$874,907	\$145,234,562	230	\$962,586	\$221,394,780	-27.83%	-9.11%
10	498	\$555,906	\$276,841,188	463	\$679,147	\$314,445,061	7.56%	-18.15%
S.F.	2160	\$1,117,009	\$2,412,739,345	2322	\$1,204,365	\$2,796,535,714	-6.98%	-7.25%
D7&8	113	\$3,698,558	\$417,937,048	120	\$4,155,783	\$498,693,960	-5.83%	-11.00%
Others	2047	\$974,500	\$1,994,802,297	2202	\$1,043,525	\$2,297,841,754	-7.04%	-6.61%

CNDs	2008			2007			#change	Schange
District	#sales	Avg. SP	Total sales \$\$	#sales	Avg. SP	Total sales \$\$		
1	123	\$877,159	\$107,890,557	181	\$873,995	\$158,193,095	-32.04%	0.36%
2	50	\$685,160	\$34,258,000	55	\$704,180	\$38,729,900	-9.09%	-2.70%
3	18	\$466,244	\$8,392,392	31	\$508,952	\$15,777,512	-41.94%	-8.39%
4	39	\$581,072	\$22,661,808	64	\$563,314	\$36,052,096	-39.06%	3.15%
5	436	\$834,758	\$363,954,488	581	\$809,987	\$470,602,447	-24.96%	3.06%
6	270	\$674,380	\$182,082,600	358	\$713,467	\$255,421,186	-24.58%	-5.48%
7	257	\$1,261,314	\$324,157,698	372	\$1,176,807	\$437,772,204	-30.91%	7.18%
8	426	\$920,460	\$392,115,960	517	\$900,870	\$465,749,790	-17.60%	2.17%
9	670	\$781,100	\$523,337,000	845	\$781,522	\$660,386,090	-20.71%	-0.05%
10	39	\$418,324	\$16,314,636	69	\$465,837	\$32,142,753	-43.48%	-10.20%
S.F.	2328	\$848,439	\$1,975,165,139	3073	\$836,585	\$2,570,827,073	-24.24%	1.42%
D7&8	683	\$1,048,717	\$716,273,658	889	\$1,016,335	\$903,521,994	-23.17%	3.19%
Others	1645	\$765,284	\$1,258,891,481	2184	\$763,418	\$1,667,305,079	-24.68%	0.24%