

# State of the MARKET

MARIN • JANUARY 2020

## HOW'S THE MARKET?

"After 10 years of economic growth – aren't we due for a recession?" That was the question asked as we kicked off 2019. Now the results say otherwise. A strong economy coupled with historically low mortgage interest rates and tight inventory have created a year-over-year finish that is almost spot on with where we were a year ago. The charts you'll read will show the number of sales of single family homes remarkably steady in all price points.

So what has changed? Although the number of sales is consistent, 2019 was the first year since 2009 where the median price fell. 2018 saw a median price increase of 6% whereas 2019 saw a decrease of 3%. Plus other changes appeared – days on the market increased and the number of multiple offers decreased. So, instead of a recession, signs suggest that some balance may be returning to the market.

And what can we expect for 2020? Chief Investment Officer for First Republic Bank, Christopher Wolfe, described 2020 as a year of two halves. He predicts a robust first two quarters driven by cheap mortgage money and strong fundamentals (GDP, unemployment and job growth). He went on to say that the market might get confused up to election day making for bumpy third and fourth quarters. An election year is typically stable – let's see how this one plays out.

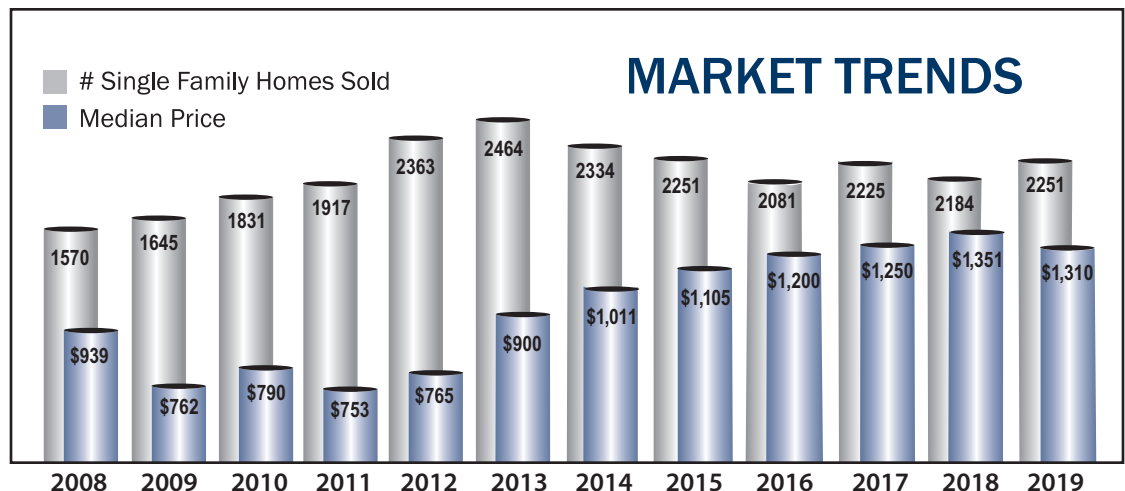
## MARIN SALES BY PRICE POINT

Price	# Homes Sold									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Above \$4 million	22	34	38	75	75	70	90	86	89	
\$3 - \$4 million	33	30	41	93	84	66	100	105	110	
\$2 - \$3 million	97	122	172	207	230	233	281	298	298	
\$1.5 - \$2 million	131	185	246	248	279	288	347	397	378	
\$1 - \$1.5 million	302	367	550	551	601	627	674	715	774	
\$800,000 - \$1 million	278	342	467	447	456	436	412	383	355	
Below \$800,000	1054	1283	950	713	526	361	321	200	247	
	<b>1917</b>	<b>2363</b>	<b>2464</b>	<b>2334</b>	<b>2251</b>	<b>2081</b>	<b>2225</b>	<b>2184</b>	<b>2251</b>	

Single family home sales in 2019 were strikingly consistent by price point to where we were a year ago. One noticeable change is that for the past six years, the number of sales below \$800,000 have declined rapidly as prices rose. This year home sales at this price point increased as prices stabilized. Coupled with lowering mortgage interest rates, this is encouraging news as buyers strive to call Marin home.



Patricia Oxman  
Broker  
BRE# 01103895



2019 was a year of record long expansion fueled by economic productivity and cheap mortgage interest rates. The Federal Reserve's choice to not only stop raising interest rates but to do the first rate cut in more than a decade motivated buyers and relieved investors' anxiety about a potential recession. Sales stayed constant while the median price dropped from \$1,351,000 in 2018 to \$1,310,000 in 2019, a decrease of 3%.

GOLDEN GATE SOTHEBY'S INTERNATIONAL REALTY

PATRICIA OXMAN

[www.RealEstateInMarin.com](http://www.RealEstateInMarin.com)

415-461-4100