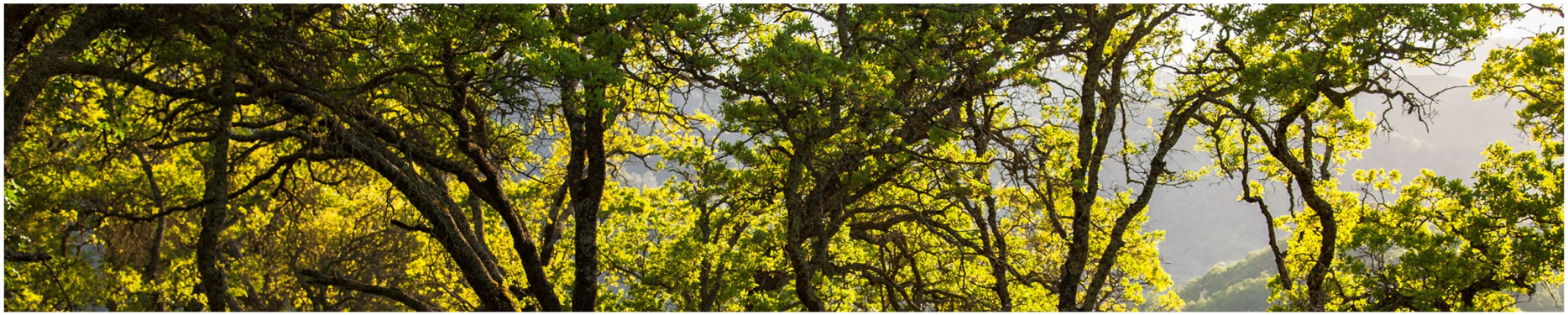

Moving into Spring, Markets Remain Very Heated

So far in 2022, Bay Area real estate markets appear largely unfazed by higher interest rates, volatility in financial markets, and troubling international events. The prevailing dynamic remains one of strong buyer demand competing for an inadequate inventory of listings for sale: Crowded open houses, multiple offers, fierce overbidding, fast sales, and upward pressure on home prices remain the norm. That is not to say there haven't been buyers negatively impacted by higher loan rates and/or recent declines in stock portfolios; and some buyers and sellers *have* become more hesitant or paused their plans, awaiting more clarity amid recent developments. But not enough to move the needle on the fundamentally very-high-demand/very-low-supply conditions which dominated 2021.

As typical at the start of the year, the number of new listings coming on market and the number of listings going into contract continue to rise. These normally climb rapidly through spring, characteristically the biggest selling season of the year.

This report will review a number of standard indicators, as well as home values, interest rates, factors that can affect real estate markets, and how market cycles have broadly played out over the last 4 decades. March and April data will soon provide further indications of the market's direction in 2022.

Sales in one month mostly reflect market dynamics in the previous month, and activity typically ebbs and flows by season. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported activity.

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