



Jaime Pera's Marin Real Estate Market Update Year End 2018

Happy New Year!

I've got one word that may best describe the 2019 Marin Real Estate Market: Opportunity!

Opportunity for buyers who have been shut out of the market because of extreme demand, rising values, and the overwhelming number of multiple offers and all cash offers.

Opportunities for sellers who have wanted to upsize or downsize in an extreme market but could not move forward without first selling their home. Sellers in today's changing market have been dealt a powerful card: Purchase offers that are subject to the sale of your own home are being accepted with more regularity.

The national trend is leaning towards increased inventory with fewer sales. So far Marin has followed this trend as sales for single family dwellings decreased 3.6% over 2017 (1,893 vs 1,961) and year-end inventory jumped 40% over prior year (175 vs 125). Further signs of a slowing/pausing market are evidenced by sharp increases in the number of price reductions and cancelled escrows during the second half of 2018. This supports the idea that buyers have reached a limit due to high property values, higher mortgage rates, declining stock values, the potential impact of the 2018 federal tax law changes, and other uncertainties.

To add to this thinking, there are three other significant signs that point to a slowing market: 1) The percentage of multiple offers slipped 10.7% from 71.5% in 2017 to 63.8% in 2018, 2) the number of all cash offers decreased 5.1% from 2017 (707 vs 745), and 3) average sales price for single family dwellings rose only 4.3% in 2018 after rising 8% in 2017, and much more in prior years.

Key Statistics	Marin County Single Family Dwellings		
	Percent Change	2018	2017
For Sale	40.0%	175	125
New Listings	1.1%	2,185	2,161
Sold Properties	-3.5%	1,893	1,961
Sold Properties - Off Market (Note 1)	0.8%	244	242
Off Market % of Sold Properties	4.4%	12.89%	12.34%
Sold Properties - Multiple Offers	-13.8%	1,208	1,402
Multiple Offers - % of Sold Properties	-10.7%	63.8%	71.5%
Sold Properties - All Cash	-5.1%	707	745
All Cash - % of Sold Properties	-1.7%	37.3%	38.0%
Average Sales Price	4.3%	1,667,550	1,598,367

Has the market permanently changed or is it pausing? I believe it has changed. So far not in a dramatic way but enough to make one see that transaction velocity is slowing, leading to longer days on the market for listings, which gives buyers more time to select properties and more properties to choose from. Based on this trend, I expect that the number of new listings in 2019 will closely mirror the number of new listings in 2018 and 2017, AND that inventory will slowly rise until a price equilibrium has been reached between buyers and sellers. I also forecast 3% to 5% fewer closed sales in 2019. Anecdotally I can tell you that as we approached the end of 2018 the market became a bit spottier as well priced properties that would have sold immediately in 2017 and the early part of 2018 would without reason receive no offers. Conversely, there were many properties that received no offers because they were materially overpriced, and they did not sell until those listing prices were reduced. Unfortunately, these sellers ended up receiving less for their homes than they would have had their homes been priced correctly in the first place.

Note to Sellers:

Historically the spring selling season is by far the best time to sell your home as Marin homes on average sell for 10% more than other seasons. Note that in most areas it remains a seller's market but as mentioned above things are slowly changing. Therefore, it is imperative when selling that you do not overprice your home. We are also seeing more purchase offers accepted that are subject to the sale of your own home which for the longest time was not an acceptable practice. This is a huge opportunity for those who must sell before buying.

Wondering about your home's value? Please contact me to receive a professionally prepared market analysis, discuss options, and answer any questions you have.

[What's your home worth? CLICK HERE FOR AN APPROXIMATE VALUE OF YOUR HOME.](#)

Note to Buyers:

This is an excellent time for buyers to search for a diamond in the rough and negotiate on a home that has been on the market for 45 days or longer. There are some beautiful homes out there AND less competition. Currently, 59% of all single-family dwellings, or 119 homes (out of 203) across all price ranges have been on the market for 45 days or longer! This is the perfect time to negotiate and negotiate hard! *I also have a list of off market properties in all price ranges. These are properties that sellers have chosen to market privately and not expose to the multiple listing service and the internet.*

Bottom Line:

Don't be afraid of a declining market! The decision to buy or sell is a personal one, and although market trends can tell what's happening overall, it doesn't reflect what's going on in your own life: relocating, job promotion, growing family, shrinking household, need for lower maintenance, etc. In a seller's market, people still buy. In a buyer's market, people still sell.

Let's talk about what's right for you now and in the long-term.

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