

## A 2008 perspective

High End S.F. Residential Property Market Update

Tom Pollock

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## A 2008 perspective

How's Business?

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## A 2008 perspective

**How's Business?**

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## A 2008 perspective

**How's Business?**



Office of Federal Housing  
Enterprise Oversight

## A 2008 perspective

**How's Business?**

...but what about the "High End"?

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## A 2008 perspective

How high is the "High End"?

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## A 2008 perspective

How high is the "High End"?

Median Price House in 2008:

- Nationally - \$208,600 \* N.A.R

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## A 2008 perspective

How high is the "High End"?

Median Price House in 2008:

- Nationally - \$208,600 \* N.A.R
- Statewide - \$384,840 \* C.A.R

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## A 2008 perspective

How high is the "High End"?

Median Price House in 2008:

- Nationally - \$208,600 \* N.A.R
- Statewide - \$384,840 \* C.A.R
- San Francisco - \$517,000 \* DataQuick

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## A 2008 perspective

How high is the "High End"?

Median Price House in 2008:

- Nationally - \$208,600 \* N.A.R
- Statewide - \$384,840 \* C.A.R
- Regional - \$517,000 \* DataQuick

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## A 2008 perspective

How high is the "High End"?

Median Price House in 2008:

- Nationally - \$208,600 \* N.A.R
- Statewide - \$384,840 \* C.A.R
- Regional - \$517,000 \* DataQuick
- San Francisco - \$790,000 \* S.F.A.R.

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## A 2008 perspective

How high is the "High End"?

High & Low Properties 2008


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## A 2008 perspective

How high is the "High End"?

High & Low Properties 2008

1125 Mendell St.



2br/1ba 925s.f.  
\$260,000.00


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## A 2008 perspective

How high is the "High End"?


High & Low Properties 2008

1125 Mendell St.



2br/1ba 925s.f.  
\$260,000.00

230 Sea Cliff Avenue



6br/5.5ba 6000s.f.  
\$14,500,000.00

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## A 2008 perspective

How high is the "High End"?

Coldwell Banker Previews - \$1m

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## A 2008 perspective

How high is the "High End"?

Coldwell Banker Previews - \$1m  
Christie's Great Estates - \$1m

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## A 2008 perspective

How high is the "High End"?

Coldwell Banker Previews - \$1m  
Christie's Great Estates - \$1m  
Sotheby's International Realty - \$2m

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What can I get for my \$2,000,000.00

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## A 2008 perspective

What can I get for my \$\$\$

325 Broderick St.



6br/3ba  
\$2.0m March '08  
(\$2.129m list)

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## A 2008 perspective

What can I get for my \$\$\$

325 Broderick St.



6br/3ba  
\$2.0m March '08  
(\$2.129m list)

2423 Filbert St.




2br/1.5ba  
\$2.050m May '08  
(\$1.7m list)

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What if my budget is unlimited?

2901 Broadway St.




7br/7ba  
\$48,000,000

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## A 2008 perspective

What if my budget is unlimited?

2845 Broadway St.



4br? 4ba? – fixer  
14,000+ sq.ft.  
\$65,000,000

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## A 2008 perspective

Q: Who is buying these places?

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### A 2008 perspective

Q: Who is buying these places?

- Tech Execs – “Google Millionaires”

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### A 2008 perspective

Q: Who is buying these places?

- Tech Execs – “Google Millionaires”
- Financial Execs – “Hedge Fund Bonus”

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### A 2008 perspective

Q: Who is buying these places?

- Tech Execs – “Google Millionaires”
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- Empty Nesters

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### A 2008 perspective

Q: Who is buying these places?

- Tech Execs – “Google Millionaires”
- Financial Execs – “Hedge Fund Bonus”
- Empty Nesters
- “Pied-a-terre Buyers”

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### A 2008 perspective

Q: Who is buying these places?

- Tech Execs – “Google Millionaires”
- Financial Execs – “Hedge Fund Bonus”
- Empty Nesters
- “Pied-a-terre Buyers”
- Rock Stars

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### A 2008 perspective

Q: Who is buying these places?

- Tech Execs – “Google Millionaires”
- Financial Execs – “Hedge Fund Bonus”
- Empty Nesters
- “Pied-a-terre Buyers”
- Rock Stars

A: The same people who always did

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## A 2008 perspective

Q: What are "High-End" buyers buying?

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## A 2008 perspective

Q: What are "High-End" buyers buying?

- New or Remodeled Properties

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## A 2008 perspective

Q: What are "High-End" buyers buying?

- New or Remodeled Properties
- Fixer Uppers

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## A 2008 perspective

Q: What are "High-End" buyers buying?

- New or Remodeled Properties
- Fixer Uppers
- Rental Units (condos)

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## A 2008 perspective

Sales Prices: Up or down?

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## A 2008 perspective

Sales Prices: Up

- 2007 SFR Avg: \$3.384 Med: \$2.795
- 2008 SFR Avg: \$3.542 Med: \$2.8

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## A 2008 perspective

Sales Prices: Up

- 2007 SFR Avg: \$3.384 Med: \$2.795
- 2008 SFR Avg: \$3.542 Med: \$2.8

Days on Market: Longer or Shorter?

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## A 2008 perspective

Sales Prices: Up

- 2007 SFR Avg: \$3.384 Med: \$2.795
- 2008 SFR Avg: \$3.542 Med: \$2.8

Days on Market: Longer

- 2007 SFR Avg: 40
- 2008 SFR Avg: 41

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## A 2008 perspective

Sales Prices: Up

- 2007 SFR Avg: \$3.384 Med: \$2.795
- 2008 SFR Avg: \$3.542 Med: \$2.8

Days on Market: Longer

- 2007 SFR Avg: 40
- 2008 SFR Avg: 41

Sales Volume: Higher or Lower?

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## A 2008 perspective

Sales Prices: Up

- 2007 SFR Avg: \$3.384 Med: \$2.795
- 2008 SFR Avg: \$3.542 Med: \$2.8

Days on Market: Longer

- 2007 SFR Avg: 40
- 2008 SFR Avg: 41

Sales Volume: Higher

- 2007 SFR: 115
- 2008 SFR: 127

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## A 2008 perspective

Be skeptical about the stats

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## A 2008 perspective

Be skeptical about the stats

- Off market sales

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## A 2008 perspective

Be skeptical about the stats

- Off market sales
- Non-disclosed sales prices

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## A 2008 perspective

Be skeptical about the stats

- Off market sales
- Non-disclosed sales prices
- Pre-marketed "Pocket Listings"

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## A 2008 perspective

Be skeptical about the stats

- Off market sales
- Non-disclosed sales prices
- Pre-marketed "Pocket Listings"
- Withdrawn before close

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Conclusions:

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## A 2008 perspective

Conclusions:

- Stats are flawed

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## A 2008 perspective

Conclusions:

- Stats are flawed
  - Marketing skewed

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### Conclusions:

- Stats are flawed
  - Marketing skewed
  - “Apples to Apples” hard to figure

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### Conclusions:

- Stats are flawed
  - Marketing skewed
  - “Apples to Apples” hard to figure
- Sellers are reluctant

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### Conclusions:

- Stats are flawed
  - Marketing skewed
  - “Apples to Apples” hard to figure
- Sellers are reluctant
- Buyers are picky

## A 2008 perspective

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### Conclusions:

- Stats are flawed
  - Marketing skewed
  - “Apples to Apples” hard to figure
- Sellers are reluctant
- Buyers are picky
- Pricing is critical

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### My advice to clients:

## A 2008 perspective

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### My advice to clients:

- Lower your risk threshold

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## A 2008 perspective

My advice to clients:

- Lower your risk threshold
  - Price conservatively

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## A 2008 perspective

My advice to clients:

- Lower your risk threshold
  - Price conservatively
  - Offer low

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## A 2008 perspective

My advice to clients:

- Lower your risk threshold
  - Price conservatively
  - Offer low
- Stick to the fundamentals

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## A 2008 perspective

My advice to clients:

- Lower your risk threshold
  - Price conservatively
  - Offer low
- Stick to the fundamentals
  - Location: Transitions go both ways

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## A 2008 perspective

My advice to clients:

- Lower your risk threshold
  - Price conservatively
  - Offer low
- Stick to the fundamentals
  - Location: Transitions go both ways
  - Land: "7 x 7"

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## A 2008 perspective

My advice to clients:

- Lower your risk threshold
  - Price conservatively
  - Offer low
- Stick to the fundamentals
  - Location: Transitions go both ways
  - Land: "7 x 7"
  - Looking back: "the day after"

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**Don't be afraid!**

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