

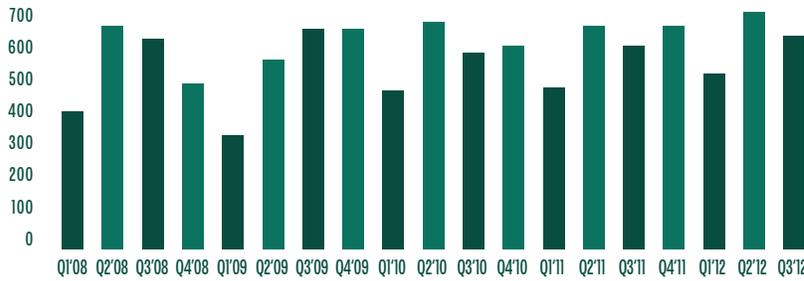
SAN FRANCISCO

The San Francisco market saw the price of a single family home rise 10 percent to \$1.049 million compared with the same quarter a year ago. The average home price was down compared with the second quarter. Price per square foot rose to \$536, an increase compared with both the prior quarter and year. The quarter also saw a significant quickening in the pace of sales with the number of days on market dropping markedly from both the prior year and quarter. Limited inventory and an increasing number of buyers, particularly Silicon Valley buyers, are fueling the strong market.

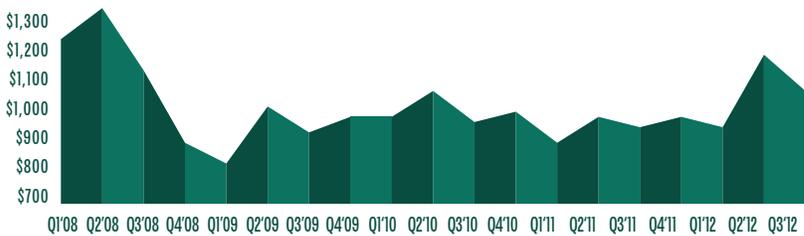
Noe Valley saw a particularly strong third quarter, especially for condo sales. The average price of a condo in the neighborhood jumped 22 percent to \$1.065 million amid a significant increase in the number of units sold and decline in days on market compared with the year-ago quarter. The price of a single family home also climbed, though less dramatically, rising 7 percent to \$1.4 million. The neighborhood is particularly popular with younger buyers starting families, who place a premium on the easy commute to the South Bay and the proximity to the culture and restaurants of the Mission.

	Average Sales Price	Days on Market	Average Price per SqFt	
SAN FRANCISCO	Q3 2012	\$1,048,673	47	\$536
	change	-7%	-10%	3%
SAN FRANCISCO	Q2 2012	\$1,131,352	52	\$522
	Q3 2012	\$1,048,673	47	\$536
	change	10%	-24%	12%
	Q3 2011	\$956,568	62	\$477

Quantity Sold — Five Years/Quarter



Average Sales Price Five Years/Quarter (in thousands)

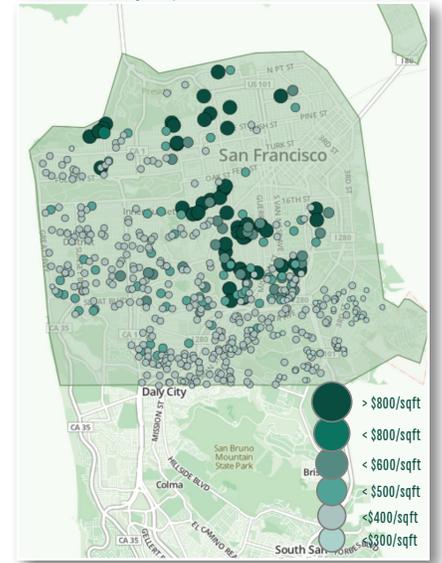


Sales Price Change

Pricing correctly again proved important during the quarter. Homes that were well-priced and didn't require a price change fared well, with 8 percent of those homes selling above their original asking price, an increase from a year earlier. On the other hand, sellers who tested the market and were forced to lower their asking price wound up selling their homes 10 percent below the asking price on average.

Sales	without price change	with price change
Q3 2012	8%	-10%
Q3 2011	2%	-13%

San Francisco Single Family Home Sales Price by Square Foot



Average Sales Price by Neighborhood - The Top 10

Average home prices rose significantly in many of the city's most expensive neighborhoods, with the most significant gains coming in Presidio Heights and Pacific Heights.

Neighborhood	Q3 2012	Q3 2011	% Change
Pacific Heights	\$7,798,964	\$4,570,556	71%
Presidio Heights	\$4,475,000	\$2,250,000	99%
Cow Hollow	\$4,299,500	\$2,946,000	46%
Russian Hill*	\$3,132,500	\$4,408,367	-29%
Buena Vista Park	\$2,615,000	\$1,933,875	35%
Marina	\$2,465,625	\$2,076,286	19%
Jordan Park/Laurel Heights	\$2,438,000	\$1,670,000	46%
St. Francis Wood	\$2,292,500	\$2,036,000	13%
Sea Cliff*	\$2,261,000	\$3,715,000	-39%
Eureka Valley/Dolores Heights	\$2,157,200	\$1,579,506	37%

*In these neighborhoods the number of homes sold was too small to create a statistically significant sample.

*Data is sourced from the San Francisco Multiple Listing Service, the East Bay Region District Listing Service, Bay Area Real Estate Information Services, and MLS Listings (MLS). MLS data is provided by individual listing brokerages. These are sources we deem reliable. We have no reason to doubt their accuracy, but we do not guarantee them. Past performance does not guarantee future performance.

San Francisco County Condominiums

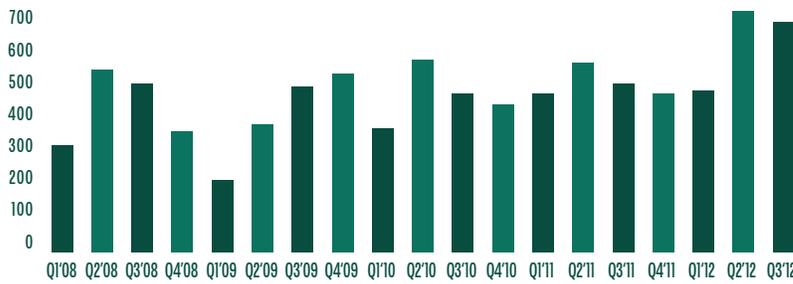
SAN FRANCISCO

Gains in San Francisco's condo market during the quarter were even more pronounced, with the average sale price rising 16 percent to \$823,217 compared with the third quarter of 2011. The pace of sales also increased dramatically as the average number of days on market fell to just 51, a decrease of more than 30 percent from the same period a year earlier. The quarter also saw a 36 percent spike in the number of deals closed — 666 condos sold during the three-month period compared with 489 in the third quarter of 2011.

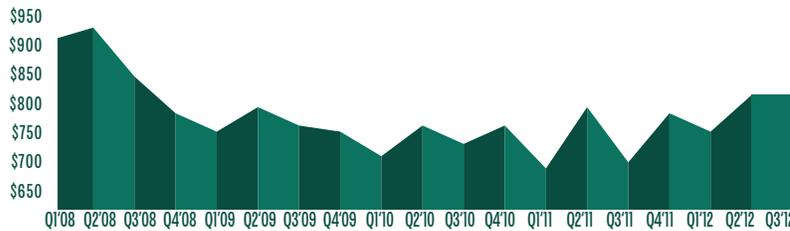
The condo market is being driven in part by empty nesters returning to the city, seeking the walkability of urban living and proximity to cultural and sporting events. Neighborhoods including Russian Hill and the Financial District saw big increases in condo prices during the quarter while Noe Valley (see section on single family homes on opposite page) also saw strong condo sales.

	Average Sales Price	Days on Market	Average Price per SqFt	
SAN FRANCISCO	Q3 2012	\$823,217	51	\$676
	change	0%	-14%	4%
	Q2 2012	822,206	60	\$650
SAN FRANCISCO	Q3 2012	\$823,217	51	\$676
	change	16%	-34%	12%
	Q3 2011	\$707,735	77	\$604

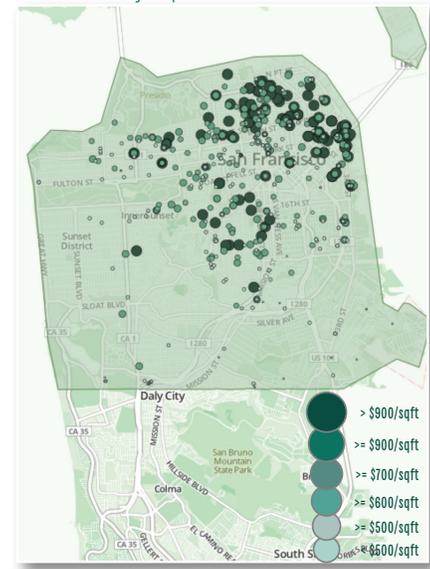
Quantity Sold — Five Years/Quarter



Average Sales Price Five Years/Quarter (in thousands)



San Francisco Condominium Sales Price by Square Foot



Sales Price Change

Pricing correctly remains important. Condos that didn't require a price change fared well, with those units selling for an average of 3 percent above their original asking price, an increase from a year earlier. On the other hand, sellers who tested the market and were forced to lower their asking price wound up selling their homes an average of 8 percent below their original asking price.

Sales	without price change	with price change
Q3 2012	3%	-8%
Q3 2011	-1%	-11%

Average Sales Price by Neighborhood - The Top 10

Home prices rose in each of the city's 10 most expensive neighborhoods for which data was available in the quarter, with the greatest gains coming in Telegraph Hill, Glen Park and Russian Hill.

Neighborhood	Q3 2012	Q3 2011	% Change
Telegraph Hill*	\$1,626,000	\$643,800	153%
Presidio Heights	\$1,417,500	n/a	
Golden Gate Heights	\$1,330,000	n/a	
Russian Hill	\$1,181,940	\$762,893	55%
Marina	\$1,169,500	\$1,071,449	9%
Financial Dist	\$1,158,000	\$944,643	23%
Haight Ashbury	\$1,128,727	\$666,786	69%
Noe Valley	\$1,065,214	\$874,387	22%
Glen Park	\$1,033,250	\$570,000	81%
Corona Heights	\$1,029,143	\$945,388	9%

*Data is sourced from the San Francisco Multiple Listing Service, the East Bay Region District Listing Service, Bay Area Real Estate Information Services, and MLS Listings (MLS). MLS data is provided by individual listing brokerages. These are sources we deem reliable. We have no reason to doubt their accuracy, but we do not guarantee them. Past performance does not guarantee future performance.