

Gloom and Boom

Housing Market Currently a Mixed Bag for Both Buyers and Sellers in San Francisco

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By Katharine Holland

How is the real estate market?

Inventory is down. On broker's tour last week, I visited several properties that had been open Sunday and were already in contract by Tuesday. Buyers are determined to buy and there is not much out there.

The nice homes that are priced right are selling quickly. However, homes that are overpriced or without parking, or have brick foundations or unpleasant views of parking lots, and other faults are not moving.

We are also seeing multiple offers again. We are not where we were two years ago, but the market has changed again from what it was in the fall.

Remember last fall when we saw "for sale" signs at every corner? That is not the case right now. Interesting how things change week to week. San Francisco saw a six percent appreciation rate in 2006.

Good news as this is not the case in many parts of the country or even in other cities in the Bay Area. Not quite the 20 percent annual appreciation we had for many years in a row, but still going up, which is great.

Some people wonder how the hundreds of condominiums under construction on Rincon Hill will affect condo values. We still have a shortage of homes in San Francisco. There is only so

much room here. Many of the new condos coming on are being bought as second or third homes. The average price of a 2 bedroom condo in South Beach is \$1,000,000 and \$800,000 in South of Market. Not bad for a market that has hundreds of more units coming online. I enjoy representing clients in new construction as it is fun to give them a choice of views and décor.

On another note, I am meeting with many sellers who took out an equity line to remodel, pay down bills or buy a new car. Some are upset when they hear what I can get them for their home, as they anticipated appreciation continuing at the same rate. So, money

they need to buy another place has been eaten up by their spending. Be very careful with equity line spending at this time. Along these lines, sellers also need to remember to set their list price based on the market value, rather than what their net from the sale might be.

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