

Months-Supply-of-Inventory (MSI) & Days-on-Market (DOM) Analysis

Below is an analysis of Inventory Supply in San Francisco, showing a sharp change occurring in the market since September. The changes are particularly dramatic in several neighborhoods that have been very strong sellers' markets heretofore. By nature, these analyses are snapshots, which can sometimes change dramatically from month to month.

Opinions vary but roughly speaking 4-6 months supply of inventory is considered a "balanced" market between buyers and sellers; less than 4 months is considered a sellers' market; and more than 6 months is considered a buyers' market. By these definitions, for the first time in years, the home market in probably most of San Francisco's neighborhoods can now be considered a buyers' market – a time when buyers can usually secure substantially better deals than in the past.

Area/Property Type	Months Supply of Inventory (MSI)	Average Days on Market (homes under contract)	Average Days on Market (homes for sale)
All SF: SFD	5.4 months	52 days	120 days
All SF: Condo	8.9 months	64 days	90 days
All SF: TIC	9.5 months	58 days	98 days
District 1: SFD & Condo	6.2 months	56 days	85 days
District 2: SFD	4.2 months	51 days	80 days
District 3: SFD	5.6 months	61 days	96 days
District 4: SFD	3.6 months	63 days	84 days
District 5: SFD	14 months	45 days	140 days
District 5: Condo	4.3 months	41 days	71 days
District 5: TIC	6.9 months	66 days	87 days
District 6: Condo	8.1 months	49 days	152 days
District 7: SFD	20 months	20 days (only 2 ratifications)	179 days
District 7: Condo	11.2 months	40 days	71 days
District 8: Condo	8.1 months	58 days	81 days
District 9: SFD	8.9 months	53 days	185 days
District 9: Condo	14.5 months	89 days	101 days

IMPORTANT: As this analysis was done on 12/1/08 regarding November 08 activity, the Months-Supply-of-Inventory figure is probably skewed somewhat higher than it should be since a number of offers accepted – probably a relatively small number considering the amount of activity during a typical Thanksgiving week – occurring in November may not have yet been reported to MLS. An extreme example of this is District 7 houses: since only 2 reportedly went into contract in November, if 2 more offer acceptances occurred in November but have not yet been reported, the MSI would decline from 20 months to 10 months – still very high by historical standards. District 5 only reported 8 houses under contract out of 112 available as of 11/30/08. A few more unreported offer acceptances would reduce that MSI from 14 months to 8 – 10 months (still very high by historical standards).