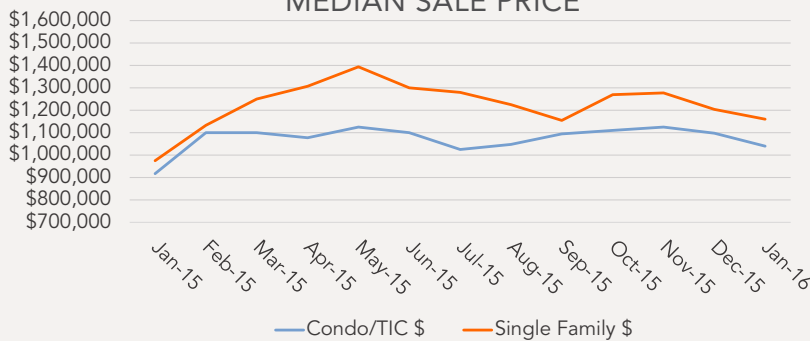


SAN FRANCISCO MARKET UPDATE FEBRUARY 2016

SOLID ECONOMIC INDICATORS

The first month of the year saw continued upward pressure on pricing, despite headwinds in the international economy. The Citywide January 2016 median price grew 16% year-over-year, while sales volume decreased slightly, by eight-percent. As expected, inventory levels have increased substantially, rising about eighty-percent versus the first week of January. This dramatic rise in inventory is partly accounted for by a relisting of properties which did not sell in Q4 2015. San Francisco continues to post near-record low unemployment rates, with the most recent figure clocking in at 3.3%. Recent turmoil in international markets has placed some doubt on the continued strength of the local economy. In a recent opinion piece, San Francisco Fed President John Williams stated that "...the economy still has a good head of steam...and strong fundamentals point to continued strength going forward." The upcoming spring selling season is expected to be fruitful. Between January and May of last year, the median sale price grew by over 30 percent. Interest rates and lending programs continue to be favorable to the growth of the market.

MEDIAN SALE PRICE



JANUARY 2016 MEDIAN

Condo/TIC
\$1,040,000
 + 13% year-over-year

Single Family
\$1,160,000
 + 19% year-over-year

MEDIAN NEIGHBORHOOD VALUES

Neighborhood	Condo/TIC \$	Condo/TIC \$/SqFt	Single Family \$	Single Family \$/SqFt
Alamo Square/NOPA	\$1,280,000	\$939	\$3,125,000	\$971
Bayview/Hunters Point	\$702,500	\$601	\$680,000	\$507
Bernal Heights/Glen Park	\$974,000	\$872	\$1,305,000	\$941
Buena Vista/Corona Heights	\$1,356,500	\$1,044	\$2,138,850	\$1,018
Castro/Duboce Triangle	\$1,252,500	\$1,022	\$2,242,188	\$1,110
Cole Valley/Haight-Ashbury	\$1,275,063	\$916	\$2,651,000	\$1,000
Diamond Heights	\$669,538	\$745	\$1,560,000	\$672
Dogpatch	\$1,215,000	\$899	N/A	N/A
Hayes Valley	\$1,310,000	\$1,075	\$2,010,000	\$897
Lower Pac/Laurel Heights	\$1,237,500	\$1,005	\$2,445,000	\$996
Marina/Cow Hollow	\$1,569,000	\$1,166	\$3,600,000	\$1,476
Mission	\$1,050,000	\$992	\$1,550,000	\$842
Mission Dolores	\$1,275,000	\$1,013	N/A	N/A
Mission Bay	\$1,152,000	\$1,093	N/A	N/A
Nob Hill	\$1,112,000	\$1,065	N/A	N/A
Noe Valley	\$1,235,000	\$1,019	\$2,155,000	\$1,154
North Beach/Fisherman's Wharf	\$970,000	\$967	N/A	N/A
Pacific/Presidio Heights	\$1,400,000	\$1,158	\$4,625,000	\$1,402
Potrero Hill	\$1,117,500	\$1,076	\$1,420,000	\$1,145
Richmond	\$925,000	\$758	\$1,480,000	\$797
Russian Hill	\$1,371,150	\$1,128	\$4,014,000	\$1,562
SOMA	\$900,000	\$937	N/A	N/A
South Beach/Yerba Buena	\$1,228,000	\$1,211	N/A	N/A
Sunset	\$890,000	\$780	\$1,205,400	\$772

N/A results from insufficient sales data. Sources: SFAR, Freddie Mac, CEEDD, FRBSF; Data from 8/1/2015 - 1/31/2016 was used for neighborhood values. Property types covered: Single-family & condo/TIC. BMRs and senior housing have been excluded from stats where possible. All information is deemed reliable, but not guaranteed for accuracy. ©2016 Vanguard Properties. All rights reserved. Equal Housing Opportunity. BRE No. 01486075