

S.F. sale price statistics don't always tell the full story

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It's a real estate cliché that agents create a home's list price, but only the buyer sets the sale price. In the San Francisco market, that can mean multiple-offer bidding wars that increase the home's value by \$200,000. But it can also mean that, despite an agent's best efforts, a home can sell for less than expected.

Even in a market that's robust, there are off weeks. One week after Jackie Cuneo announced a sale with eight offers and a sale price \$250,000 over asking, the news was a little more sedate.

There were still several homes that sold for more than asking. One agent sold a property on 15th Street that drew seven offers. Another sold a property for \$50,000 more than asking, with one offer. A property on Page Street received four offers and sold for \$125,000 above asking.

But there were also the other sales: One property received four offers but still sold for slightly less than the list price. Another property received one offer and sold for \$50,000 less than asking. One property, listed at \$420,000 in Daly City, received two offers and sold for slightly under the asking price.

Some of this, of course, is what agents like to call a marketing strategy. Houses are listed at lowball prices in hopes of generating bidding wars that drive the sale price higher than the seller had hoped for.

"Even though it seems illogical, it does seem that things sell better, for higher prices, when the prices initially are low," said agent Peter Goss.

Zephyr owner Bill Drypolcher knows that some people, especially in the blogosphere, think of this as sneaky. Take, for instance, a property on Webster Street listed by one of Drypolcher's agents: It has drawn the attention of real estate Web sites such as Curbed SF and SocketSite because its price has been reduced three times.

SocketSite chided, "Regardless, and once again, we can't help but note that if 841 Webster sells for one dollar over \$989,000 (which is \$310,000 less than the original list price) it will be recorded as selling for 'over asking' and quite possibly with 'multiple bids!' Ah, those wacky little marketing statistics (and tactics)."

Even though the market is picking up steam as spring warms up -- recently, Zephyr had 18 new listings, a sign that the increase in inventory for spring is finally getting under way -- there are always homes that sell for under asking, he said. Over the past 12 weeks, Zephyr statistics show that an average of 1 in 4 of their properties sell for under the asking price. Meanwhile, about half of their properties sell for more than asking.

What does that mean? To Drypolcher, it means that the market is balanced.

"The market is doing well -- I don't think it's on fire like it has been, but it's doing well," he said.

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