



**SF HomeLife, Inc.**

UNLOCKING DOORS

Equal Housing Opportunity

*- Pacifica Coast Real Estate News -*

The pandemic of 2021 has seemed to change everything in life. The way we live, and work has been affected in so many ways. We were apprehensive to even send out newsletters with



*Devil Slide trail view*

thoughts of such as “would the envelopes be affected: Who knew? Many people changed jobs, retired, moved or bought second homes. Many Friends and family moved to other states, out in the country and even to other countries. We were kept busy through all of this. The ways property had to be shown and be prepared to be shown to others took on new challenges and ways to deal

with an unknown epidemic. Personal protection was needed. A strict schedule was implemented so that others wouldn't be in the property at the same time. Sellers needed to be out or not be living in the property. People were apprehensive about visiting a property and sellers were skeptical on letting people in to a property that they lived in or spent time in. We realized that open houses were absolutely not needed to sell a property. Property values kept climbing. Many who lived in the city were getting out.

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San Francisco has certainly changed, and it seems that it changed not for the better if you've visited it lately. San Francisco and many cities have a long way to go to clean itself up in so many ways. It will take many months and probably years before it is back to something of what it was before. I am there often dealing with commercial real estate also. Office space is still

very much available, and it may become more so as leases come due, and companies find other more favorable places to operate.

Pacifica and the coast fared well from what we have observed. Our restaurants for the most part have survived. Many of us found walking trails and took advantage of those features in our own area more than ever. Yet, others found out about the beauty of Pacifica and the coast also. Most would certainly come to the beaches on those nice days that we had and would inundate us with traffic! This brought



*A pandemic day at Linda mar beach*

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many to the coast who had either never been here or not have come often before. It does not seem that things have changed much for us on the coast in terms of Restaurants and shopping though.

Property Values and Sales; I look at the number of sales that we have each year for single family homes, townhomes, and condominiums in Pacifica and on the Coast (Montara through Half Moon Bay/Pescadero). We seem to average about 310 to 320 yearly for Pacifica. In Pacifica- 2022 showed 299 properties sold, 2021 showed 344 sold, and 2020 showed 393! So, the pandemic really influenced sales in 2020. The Coast from Montara through Pescadero shows the following: 2022 – 222 homes sold, 2021- 303



*We took a trip to Washington DC in 2022*

homes sold, 2020 – 340 homes sold. The last few years have been some of our busiest for Sharon and me. We have sold more properties for

sellers and helped buyers more then ever.

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Currently there are some factors that are slowing down the number of sales which look to affect us this coming year.

**Inflation.** Interest rates are now almost double what there were. Instead of a 3.0 to 3.5% 30-year mortgage the 6.5% rate is what is being offered now on a conventional loan of \$647,200 or below with good credit. This is certainly increasing the loan amount for many and knocking out some buyers who cannot qualify for this increase. Sellers take a very long time to reduce their asking price on a property, even though the pool of buyers gets smaller with an increase in rates. Some sellers “chase the market”, pricing their property at levels that are not consistent with demand. Some then wait and see if that all cash buyer with not contingencies is going to pop up. Then as time goes on, they reduce or take an offer later at a much lower price. **Proposition 19** – this proposition passed in 2020 encouraged homeowners to move because they could move their property tax base anywhere throughout the state. One can do this move up to 3 times. Yet taxes on gain in equity still is taxed, that taxable amount is huge. This law also now makes it difficult to pass on your property to your child without the tax base going up to current market value unless the child moves into the home and makes it their personal residence. I found this law very unfavorable and a chip away at Proposition 13. **Uncertainty** – It seems with the many questionable events, laws, and people in government that we are experiencing with the country many are just hunkering down and waiting to see what is going to happen. Uncertainty is a huge



factor that affects so many who are reluctant to decide and instead just wait. Local inventory remains small with many property owners not making a move right now. Many do not want to pay capital gains or deal with the tax issues, Proposition 19 will not help if you are buying outside of California. Many do not know where to go either. Property values in areas that increased during the pandemic are experiencing some huge drops in value after going up sometimes as much as 30% in many areas of the country. Buyers are also waiting, hearing that there will be a drop in prices. I see this with buyers all the time during any hint of a reduction in value. Historically the Bay Area has fared very well in many of these past downturns. With our inventory being below the demand for housing drops in values are rare and are usually not huge or for very long. Yet right now it is anyone's guess. The State is not business friendly; companies are certainly looking at other locations and as you have heard, have moved or are in the process of moving. The Bay Area may not be the best atmosphere for a business now. Silicon Valley may be losing its appeal.

Right now – We absolutely have buyers looking for a new home for themselves. Many do want to move to Pacifica, the coast, and the Bay Area for other areas of the country and the world. Interest rates may not be at the low we remember but they are also currently not at the high rate that they have been in the past. Some may remember rates in the high or mid-teens!

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Being January 2023 we are looking forward to many changes in the new year. Sharon and I are active with our community, our county, and our state regarding Real estate issues. We are active with property sales of all types and property management. Our emphasis is on our clients and their needs. Everyone is unique and has their own issues. We help with getting properties ready for sale and doing so at minimal costs to receive the best in a return on sale. Our pool of repair people, contractors, and other professionals work to get everything in order to make things easy for both sellers and buyers.

Feel free to call or email us anytime. We look forward to hearing from you!

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*South of the Tunnel along Highway 1*

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