

MK BAY AREA PULSE · 2025 ISSUE 01

Bay Area Quarterly *Market Intelligence*

2025 Q1 · Bilingual Quarterly Report

2,902

SFR CLOSINGS

50

CITIES

3

CORE COUNTIES

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Series 2025 Issue 01 — covering Q1 2025 closings

Data MLSListings · Bay East / Contra Costa AOR · FRED macroeconomic indicators

Coverage San Mateo + Santa Clara + Alameda counties

Three Headline Findings

Q1 2025 · EXECUTIVE SUMMARY

- 1. Q1 was the quarter of rate rebound + equity correction — yet mid-tier school-zone bidding intensity rose, not fell.** The 30-year fixed mortgage rebounded from Q4 2024's 6.63% to 6.83% (+20 bps QoQ), and the S&P 500 fell 4.59% intra-quarter — the toughest macro opening of 2025. Yet \$1.5M-\$3M closed at median sale-to-original of **108.0%** and \$3M-\$5M at **108.6%** — the spring buying window stacked with rate-anxiety FOMO actually drove mid-tier school-zone bidding to its tightest reading of the year.
- 2. \$10M-\$20M was 76.9% all-cash and \$20M+ was 100% all-cash — luxury cash dominance was already an established fact in Q1, entirely unrelated to the rate rebound.** Of 13 closings in the \$10M-\$20M band, 10 were all-cash; both \$20M+ closings were all-cash. The luxury tier's structural decoupling from mortgage credit pre-dates the broader "luxury decoupling" narrative; even in Q1's 6.83% high-rate environment, luxury cash share was effectively rate-indifferent.
- 3. \$20M+ saw only 2 closings — both in Atherton, both with extended DOM and meaningful price cuts (a clearance pattern).** The 2 closings had a median DOM of 79.5 days and an average discount of -7.3%; 323 Walsh RD dropped from \$23.5M original list to \$20.0M close (-14.9%, DOM 273 days) — nearly nine months from listing to close, showing Q1 ultra-luxury volume was thin and buyer-led negotiation. 178 Patricia DR's 15-day DOM and 96.2% sale-to-original was the rare relatively clean comp.

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1. The 30-Second Read

This issue draws on **2,902 single-family residence (SFR) closings** in the Bay Area during Q1 2025 (CloseDate January 1 through March 31), spanning the three core counties of San Mateo, Santa Clara, and Alameda, with roughly 50 cities represented. Data sourced from MLSListings and Bay East / Contra Costa AOR.

- Q1 SFR aggregate median sale price roughly **\$1.50M**, median days on market **7-10**, median sale-to-original **106-108%** — closing velocity tight, over-bid intensity higher than market intuition for a "high-rate quarter."
- All-cash share rises step-wise with price: under \$1M, 22.3%; \$1M-\$3M, 16-18%; \$3M-\$5M, 23.6%; \$5M-\$10M, **53.9%**; \$10M-\$20M, **76.9%**; \$20M+, **100%**.
- \$20M+ closings region-wide totaled just **2**, both in Atherton, both all-cash: 178 Patricia DR at \$25.5M (DOM 15) and 323 Walsh RD at \$20.0M (DOM 273, cut \$3.5M from \$23.5M original list).
- 30-year fixed mortgage averaged **6.83%** in Q1, **+20 bps QoQ** and **+8 bps YoY** — a rate-rebound quarter, contrary to the popular "early-2025 rates will ease" expectation.
- S&P 500 closed the quarter at 5,611.85, **-4.59% QoQ** — the largest equity correction of 2025.
- Yet mid-tier school-zone was the tightest: \$1.5M-\$3M band saw 1,278 closings, sale-to-original 108.0%, DOM 8 days; \$3M-\$5M band 335 closings, 108.6%, DOM 7 days — the spring buying window converged with rate-anxiety FOMO.

Source: MLSListings + Bay East / Contra Costa AOR Q1 2025 SFR closings · MK Group · Field definitions in Section 8.

2. Bay Area Fundamentals: Four Baseline Numbers

Q1 2025 Bay Area SFR market is summarized most accurately by four numbers:

Metric	Q1 2025 Median	Interpretation
Total closings	2,902	San Mateo + Santa Clara + Alameda combined
Aggregate median sale price	~\$1.50M	All price bands aggregated
Median DOM	7-10 days	List date to offer acceptance
Median sale-to-original	106-108%	Active over-bid seller's market

Together these four numbers point to one read: **Q1 2025 was the most macro-hostile quarter but had the most active micro over-bidding of 2025**. With rates rebounding from 6.63% to 6.83% and the S&P 500 down 4.59%, macro intuition would predict cautious buyers and conceding sellers. The actual data is the opposite: median DOM only 7-10 days, median sale-to-original generally 106-108% — meaning homes typically went into contract within a week and at 6-8% over original list.

This "macro headwind + micro over-bidding" combination is Q1's most notable feature. It points to one core mechanism: **the spring buying window forces school-zone buyers to act, and in a rate-rebound environment they responded with "if I don't lock in now, it'll get more expensive" FOMO**. The remainder of this report unpacks how that response plays out across price bands.

Bay Area 2025-Q1 — Top 25 Cities by Closing Volume

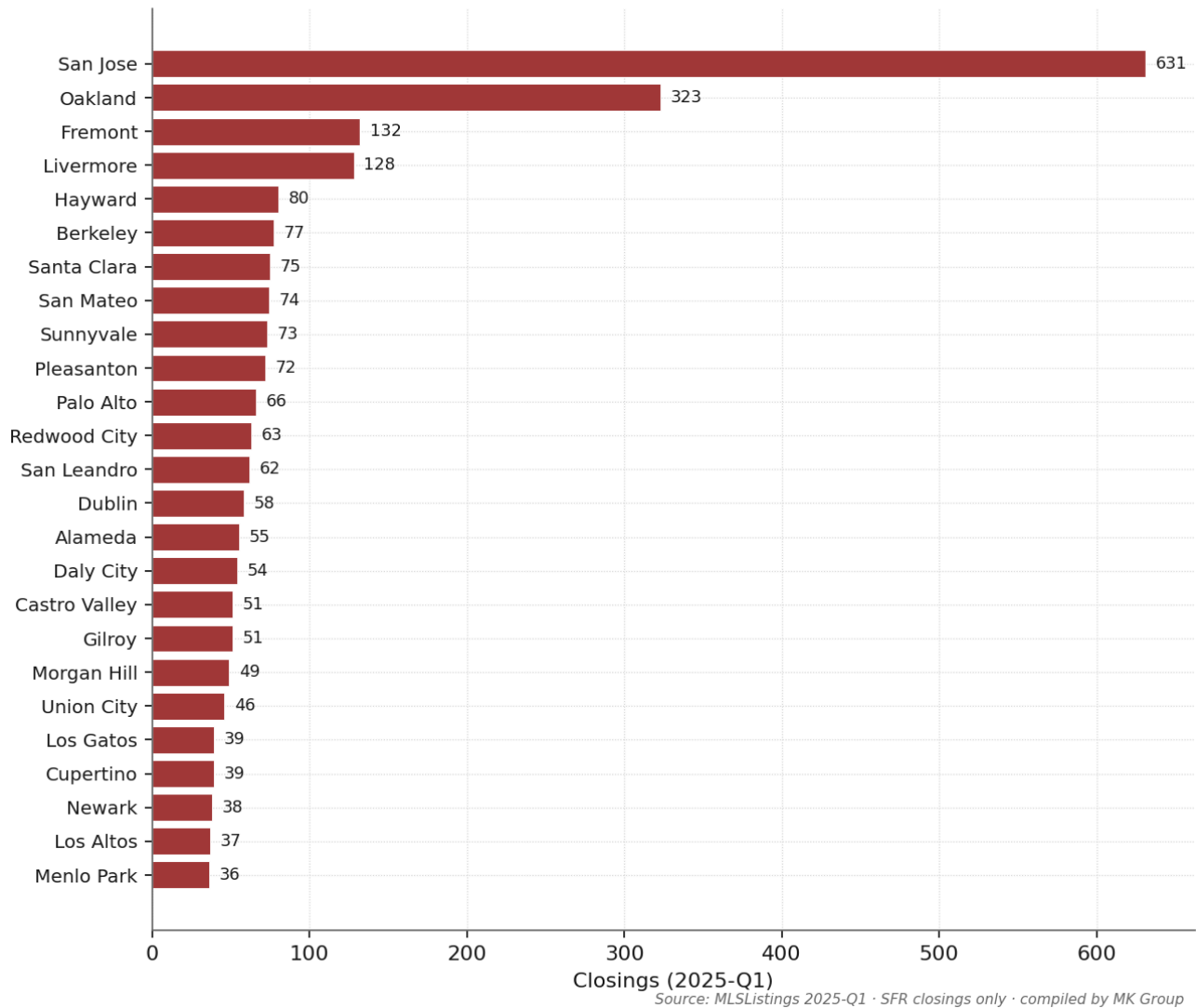


Figure 1 · Bay Area Q1 2025 — Top 25 cities by closing count. San Jose alone accounts for ~22% of three-county volume.

San Jose recorded 631 Q1 closings — ~22% of the three-county total. Oakland (323), Fremont (132), Livermore (128), Hayward (80), Berkeley (77), Santa Clara (75), San Mateo (74), and Sunnyvale (73) follow. Among MK Group's core service cities: Palo Alto 66, Redwood City 63, Cupertino 39, Los Altos 37, Menlo Park 36, Saratoga 35, Atherton 15, Hillsborough 15 — low volume but concentrated in the \$3M-\$10M+ tiers.

Source: MLSListings + Bay East / Contra Costa AOR Q1 2025 SFR closings · excludes condo, multi-family, and records with sale price below \$100K.

3. The Cash Ladder: Luxury Cash Dominance

2025-Q1 MACRO CONTEXT

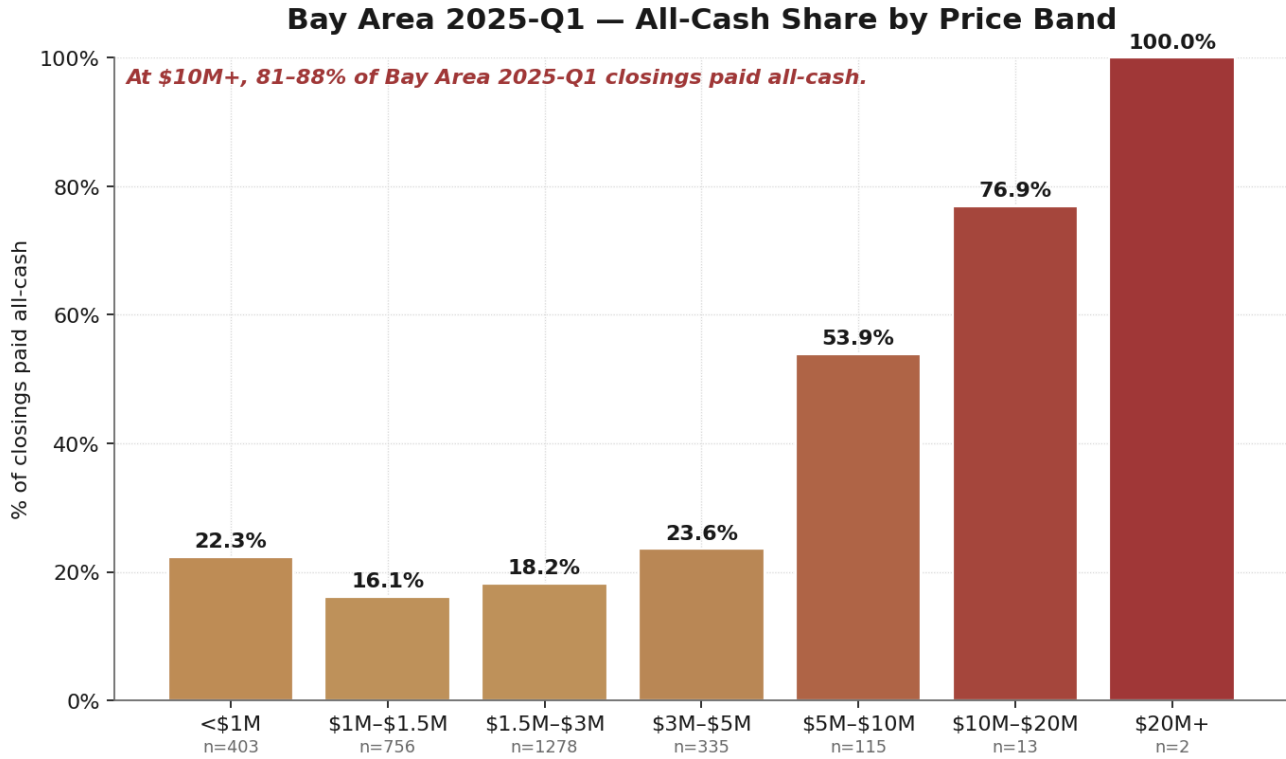
Indicator	Quarter	vs Prev Q	YoY
30-yr fixed mortgage	6.83%	+0.20 pp	+0.08 pp
15-yr fixed mortgage	6.02%	+0.19 pp	-0.03 pp
10-yr Treasury yield	4.45%	+0.18 pp	+0.30 pp
CA unemployment	5.40%	flat	+0.27 pp
S&P 500 (period close)	5,611.85	-4.59%	+6.80%
Case-Shiller SF HPI	357.9	-0.98%	+1.53%

Sources: Freddie Mac PMMS / U.S. Treasury / BLS / S&P Global / S&P CoreLogic via FRED public API

The Q1 macro backdrop delivers three concentrated headwinds. The 30-year fixed mortgage rate of 6.83% rebounded 20 bps QoQ — the highest opening rate level of 2025. The S&P 500 fell **4.59%** intra-quarter — the largest equity correction of 2025. California unemployment ticked up to 5.40% (+27 bps YoY), with the labor market showing modest softening. Case-Shiller SF MSA home price index dipped 0.98% QoQ but remained +1.53% YoY — flat-to-soft regionally, not in genuine decline. **Q1 was the most macro-hostile quarter, yet the local market's over-bid intensity ran highest.**

Price band	Closings	Cash %	Median sale	DOM	Sale/orig
<\$1M	403	22.3%	\$800K	13	100.5%
\$1M-\$1.5M	756	16.1%	\$1.26M	10	106.5%
\$1.5M-\$3M	1,278	18.2%	\$1.93M	8	108.0%
\$3M-\$5M	335	23.6%	\$3.58M	7	108.6%

\$5M–\$10M	115	53.9%	\$6.00M	8	101.4%
\$10M–\$20M	13	76.9%	\$12.10M	16	94.7%
\$20M+	2	100.0%	\$22.75M	144	90.7%



Source: MLSListings 2025-Q1 · Buyer Financing = "All Cash No Loans" or "Cash to Existing Loan"

Figure 2 · Q1 2025 cash share by price band. Cash share climbs sharply from \$5M+ and runs 77-100% all-cash at the \$10M+ tiers.

Observation 1: \$10M+ was already structurally cash-dominated in Q1

Q1's \$10M-\$20M closings were 77% cash (10 of 13); \$20M+ closings were 100% cash (2 of 2). These shares are essentially identical to Q2 2025 (\$10M-\$20M 77.8%, \$20M+ 66.7%) — meaning **the luxury tier's low credit dependence was a structural fact in Q1 2025, not a new phenomenon emerging in later quarters**. Even at Q1's 6.83% rate level, luxury closings transmitted virtually nothing from the rate environment — consistent with the thesis that the luxury tier is funded by AI/IPO liquidity, cross-border family-office capital, and generational wealth, none of which depend on mortgage financing.

Observation 2: \$3M-\$5M sale-to-original of 108.6% was the highest of any band

Q1's \$3M-\$5M band recorded 335 closings with a median sale-to-original of **108.6%** — the highest relative premium across all bands. Median DOM just 7 days. This band concentrates heavily in Palo Alto, Menlo Park, Los Altos, Saratoga, and Cupertino — the Bay Area's premium school cores. In a quarter of rate rebound and equity correction, school-zone buyers didn't retreat — they pushed closes 8-9% above original list.

Observation 3: \$1.5M-\$3M's 108.0% sale-to-original came with matching volume strength

Q1's \$1.5M-\$3M band ran 1,278 closings — by far the single largest band region-wide (~44% of total volume). Median sale-to-original **108.0%**, DOM 8 days. Buyers in this band are almost entirely mortgage-dependent, yet they closed at nearly 108% over original list even with 30-year rates at 6.83% — meaning **"rate-anxiety FOMO" in Q1 was concentrated here**: buyers worried that rates would keep climbing chose to over-bid in spring rather than wait.

Observation 4: \$20M+ sale-to-original of 90.7% is the contrarian signal

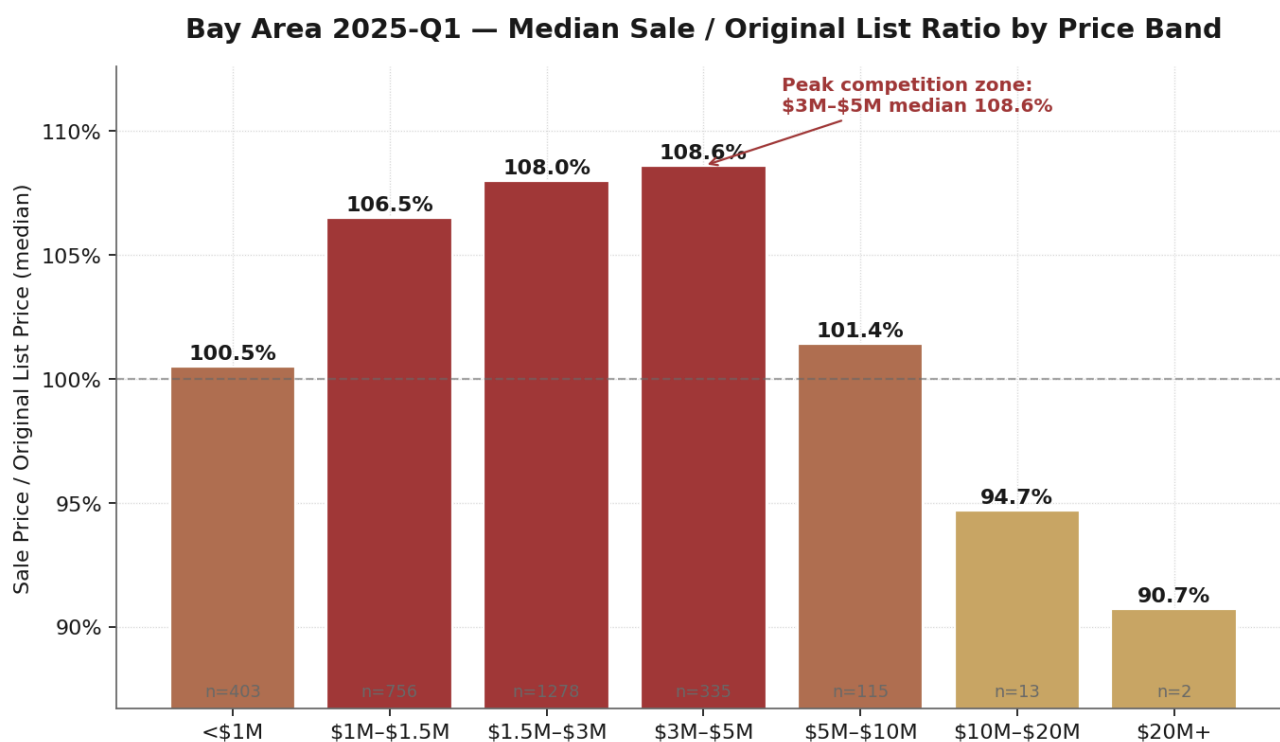
Q1's \$20M+ band closed at a median sale-to-original of just 90.7% — meaning original list ran roughly 10% above final sale. Section 5 unpacks every closing. The judgment is already clear: **Q1's ultra-luxury sellers listed high, then required extended DOM and meaningful price cuts to close** — exactly the opposite of the \$3M-\$5M band's 108% over-bid behavior.

Narrative anchor: Q1 2025's price bands tell two completely different stories — \$1.5M-\$5M closed 6-9% above original list under spring rate-anxiety FOMO (median sale/orig 106-108%), while \$10M+ was all-cash but with material seller concessions (\$20M+ sale/orig only 90.7%). The same quarter held both "over-bidding for school zones" and "clearance discounts at the top." This K-shape divergence emerged clearly in Q1 and intensified further in Q2.

Source: MLSListings + Bay East / Contra Costa AOR Q1 2025 · Buyer Financing field "All Cash No Loans" or "Cash to Existing Loan" classified as cash.

4. Mid-Tier: Spring Rate-Anxiety Meets School-Zone FOMO

The \$1.5M-\$3M and \$3M-\$5M bands together produced Q1 2025's tightest reading: **median sale-to-original 108% + DOM 7-8 days** — the strongest mid-tier prints of the year. Together they accounted for 1,613 Q1 closings, roughly 56% of three-county volume. This band's tightness is the most direct read on the "rate-anxiety + spring buying window" dual factor.



Source: MLSListings 2025-Q1 · SFR closings · sale price ÷ original list price

Figure 3 · Median sale-to-original peaks at 108.6% in \$3M-\$5M and 108.0% in \$1.5M-\$3M — mid- to upper-mid was Q1's tightest segment Bay Area-wide.

The data

The \$1.5M-\$3M band saw 1,278 Q1 closings with a median sale-to-original of **108.0%** and DOM 8 days. The \$3M-\$5M band recorded 335 closings with median sale-to-original of **108.6%** and DOM 7 days. Combined, the two bands made up 1,613 Q1 closings or ~56% of three-county volume — the genuine high-frequency over-bid corridor. The \$1M-\$1.5M band's 106.5% sale-to-original and 10-day DOM was nearly as tight. The bottom band (<\$1M) closed at just 100.5% sale-to-original — over-bid

intensity increased with price band up to \$3M-\$5M peak, then receded into the \$5M+ cash tiers where the dynamic shifted to seller concession.

Why mid-tier ran tightest in the most macro-hostile season

The \$1.5M-\$5M buyer profile is highly homogeneous:

- Age 30-45, mid-level managers or senior engineers at FAANG / AI companies
- RSU or pre-IPO equity exposure for at least one spouse, but limited liquid cash (most of the down payment financed via jumbo loan)
- Children in elementary or middle school with hard school-zone requirements
- Household income \$400K-\$1M with DTI flexibility compressed by the 6.83% rate environment

This cohort faced two converging forces in Q1: (1) **the spring buying window** — American families overwhelmingly treat spring as the primary trade-up window, aligned with school-year transitions; need-driven buyers cannot defer the decision to the second half. (2) **Rate-rebound FOMO** — many buyers had treated Q4 2024's 6.63% as the cycle low; when Q1 rebounded to 6.83%, the prevailing read became "if I don't lock now, it'll be more expensive later." Together these forces pushed Q1 mid-tier school-zone over-bidding to the year's high.

Supply tension remained the structural backdrop. Current \$1.5M-\$5M owners largely locked in 2.5-3.5% mortgage rates in 2018-2022. Trading up means nearly doubling their mortgage rate — a "rate lock-in effect" that was especially severe at Q1's 6.83% rate level. The result: buyers were forced to over-bid 6-9% as a default, DOM compressed to 7-8 days, and every closing represented a high-intensity rapid transaction.

Narrative anchor: Q1's mid-tier "108% sale-to-original + 7-8 day DOM" wasn't the macro-intuitive "high-rate victim" — it was **the convergence of the spring buying window and rate-anxiety FOMO**. The tightest over-bidding emerged in the most macro-hostile quarter; this is 2025's most counterintuitive and most important finding for Bay Area micro housing data.

Source: MLSListings + Bay East / Contra Costa AOR Q1 2025 · Sale Price ÷ Original List Price, median (not mean).

5. \$20M+ Ultra-Luxury: Two Atherton Clearance Closings

Only 2 SFR transactions above \$20M closed across the entire Bay Area in Q1 2025 — the lowest quarterly \$20M+ count of the 2025 series. Both were in Atherton's 94027 ZIP, and both were all-cash. The most striking shared feature is **extended DOM combined with meaningful price cuts** — a **textbook clearance pattern**.

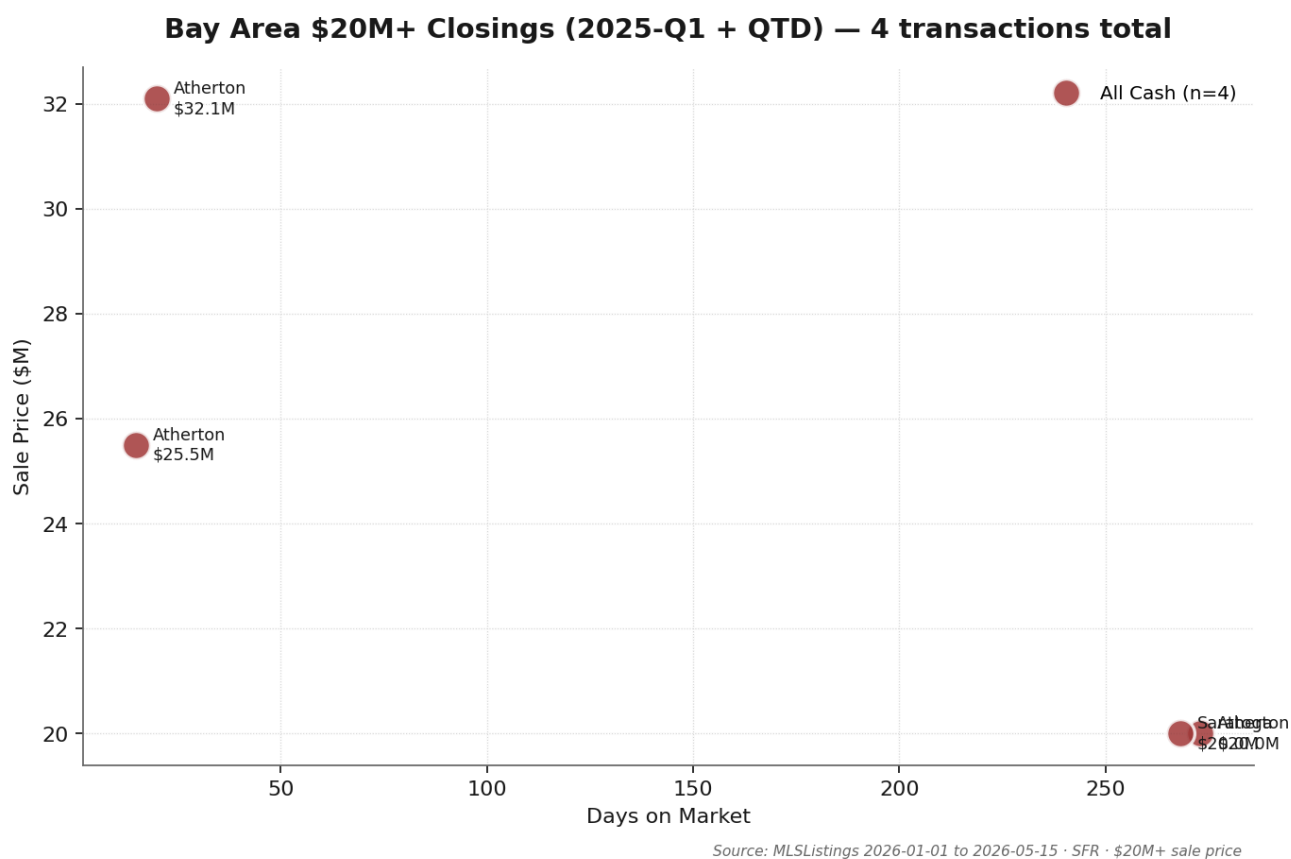


Figure 4 · Both Q1 2025 \$20M+ closings plotted individually. X-axis DOM, Y-axis sale price; bars show the spread between original list and final sale.

Q1 transaction detail (2 closings)

City	Address	Sale	Orig List	Discount	DOM	Cash	Close
Atherton	178 Patricia DR	\$25.50M	\$26.50M	-3.8%	15	✓	2025-03-14

Atherton	323 Walsh RD	\$20.00M	\$23.50M	-14.9%	273	✓	2025-01-17
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Three observations

Observation 1: Both closings in Atherton's 94027 ZIP. Q1's \$20M+ geographic concentration is extreme — both transactions came from the same Atherton ZIP (94027). Compared to Q2 (Atherton 2 + Portola Valley 1), Q1 was even more concentrated, reflecting that when ultra-luxury transaction volume thinned out, Atherton was effectively the only \$20M+ submarket still moving inventory. Atherton's overall Q1 numbers — 15 closings, \$8.20M median, **86.7% cash** — make it the Bay Area's most cash-dominated luxury anchor of the quarter.

Observation 2: 323 Walsh RD's 273-day DOM was Q1's most extreme clearance case. The property was first listed in April 2024 at \$23.5M, and closed on 2025-01-17 at \$20.0M — nearly nine months from list to close, with a final price cut of \$3.5M (-14.9%). This is a textbook "list high, prolonged negotiation" closing: the seller accepted the buyer's offer only after multiple price reductions, with an all-cash close. A 273-day DOM at this level shows what Q1 ultra-luxury closing velocity actually looked like — a single transaction could require close to a year of negotiation.

Observation 3: 178 Patricia DR was Q1's only "clean structure" \$20M+ closing. Originally listed at \$26.5M, it closed in just 15 days at \$25.5M — sale-to-original 96.2%, a discount of only 3.8%. It was Q1's only ultra-luxury transaction that fit the "reasonable list + quick close" profile. Even then, it closed below list, not above. **Q1's ultra-luxury norm was "sellers concede, buyers control the cadence"** — the inverse of mid-tier's 108% over-bid behavior.

Narrative anchor: Q1 2025 saw just 2 \$20M+ closings region-wide — both in Atherton 94027, both all-cash. Median sale-to-original 90.7%, median DOM 79.5 days; one closing (323 Walsh RD) ran 273 days and cut \$3.5M. Q1's ultra-luxury market exemplified "thin volume, wide seller-concession room, buyer-paced negotiation" — entirely disconnected from the same quarter's mid-tier over-bidding.

6. City Tiers: Six Groups, Six Narratives

Plotting Q1 data by city (median price × cash share × volume) surfaces six distinct city groups.

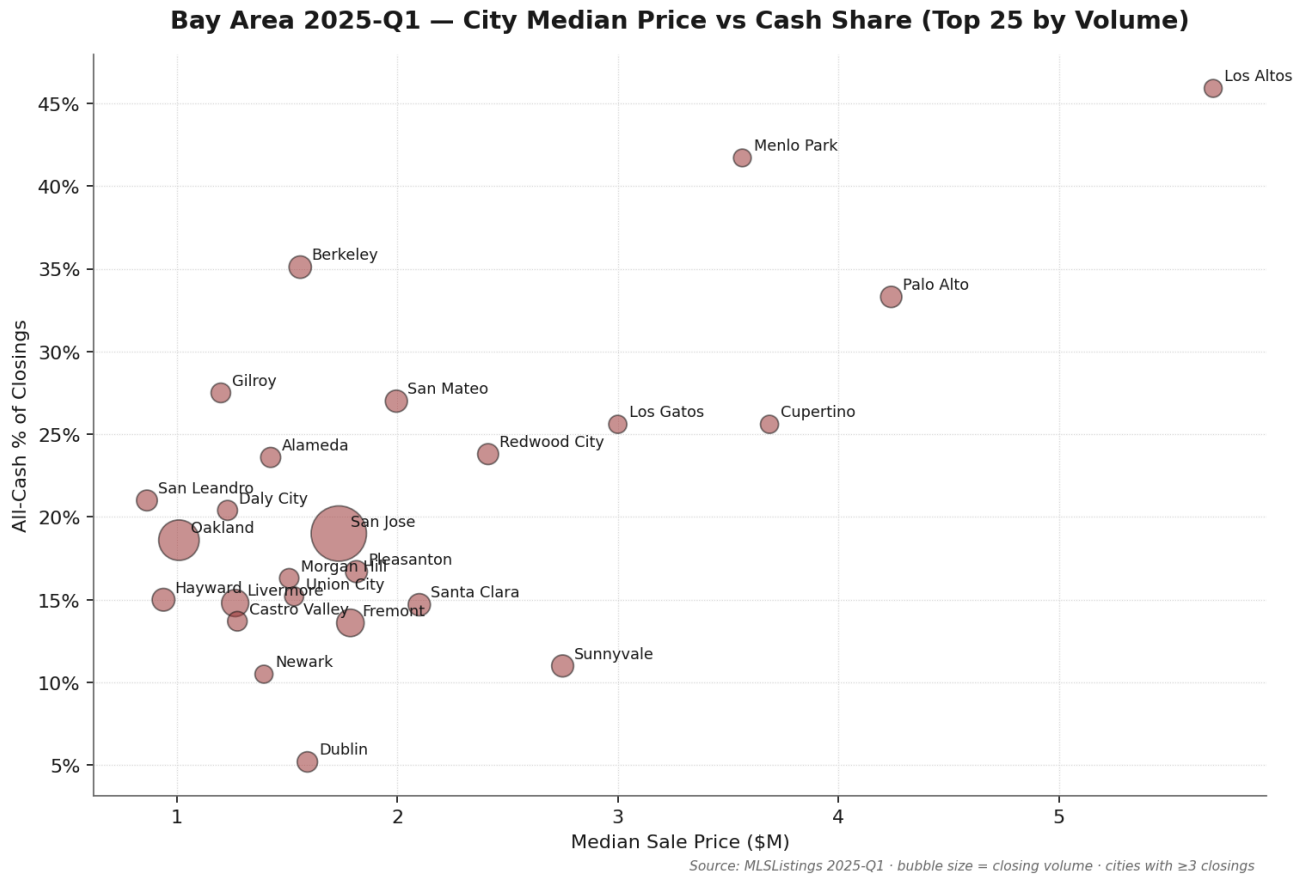


Figure 5 · Bay Area Top 25 cities by Q1 volume. X-axis median sale price, Y-axis cash share, bubble size = closing count.

Tier 1 · Ultra-luxury anchors (Atherton, Hillsborough, Los Altos Hills, Woodside, Portola Valley)

Shared profile: median sale \$4.6M+, cash share 33-87%, low transaction count. Atherton Q1 — 15 closings, \$8.20M median, cash **86.7%** (the Bay Area's highest Q1 cash share by city). Hillsborough — 15 closings, \$5.60M median, cash 33.3%. Los Altos Hills — 13 closings, \$5.56M median, cash 53.8%. Woodside — 9 closings, \$4.64M median, cash 44.4% (DOM 35, slowest among the luxury anchors). Portola Valley — 10 closings, \$4.67M median, cash 40.0%. Off-market share is high; standard MLS data understates true activity. Both Q1 \$20M+ closings landed in Atherton's 94027 ZIP.

Tier 2 · Premium school cores (Palo Alto, Los Altos, Menlo Park, Saratoga, Cupertino)

Median sale \$3.57M-\$5.70M, cash share 22-46% — **the most striking sale-to-original group in Q1**. Palo Alto Q1 — 66 closings, **\$4.24M median**, cash 33.3%, sale/orig **108.9%**, DOM 7. Los Altos — 37 closings, \$5.70M median, cash 45.9%, sale/orig 108.1%, DOM 8. Menlo Park — 36 closings, \$3.57M median, cash 41.7%, sale/orig 106.2%, DOM 8. Saratoga — 35 closings, \$4.15M median, cash 22.9%, sale/orig 103.9%, DOM 7. Cupertino — 39 closings, \$3.69M median, cash 25.6%, sale/orig 113.0%, DOM 7 (highest sale/orig among the school cores). **Premium school cores closed at sale-to-original 106-113% in a quarter of rate rebound and equity correction — they are the "upper half" of the K-shape divergence.**

Tier 3 · Tech corridor cores (Sunnyvale, Mountain View, Santa Clara, Fremont)

Median sale \$1.79M-\$2.76M, dense AI/FAANG employee buyer base. Sunnyvale Q1 — 73 closings, \$2.75M median, cash 11.0%, sale/orig **118.2%**, DOM 7 (the tightest tech-corridor city in Q1; sale/orig second-highest of any Bay Area city behind Berkeley). Mountain View — 32 closings, \$2.76M median, cash 15.6%, sale/orig 106.4%. Santa Clara — 75 closings, \$2.10M median, cash 14.7%, sale/orig 111.9%. Fremont — 132 closings, \$1.79M median, cash 13.6%, sale/orig 107.4%. Q1 tech-corridor sale/orig generally ran 106-118%, DOM 7-8 days — over-bid intensity slightly above the school cores.

Tier 4 · The mainstream market (San Jose, San Mateo, Redwood City)

The Bay Area's "baseline" housing market. San Jose — 631 closings (~22% of three-county total), \$1.74M median, cash 19.0%, sale/orig 106.8%, DOM 7. San Mateo — 74 closings, \$2.00M median, cash 27.0%, sale/orig 108.5%, DOM 10. Redwood City — 63 closings, \$2.41M median, cash 23.8%, sale/orig 108.7%, DOM 9. This tier generally ran sale/orig 106-109% in Q1.

Tier 5 · East Bay extensions (Oakland, Berkeley, Hayward, Pleasanton, Livermore, Alameda)

Internal variation is the largest of any tier — **Berkeley Q1 ran a \$1.56M median with sale-to-original of 118.7%** (highest of any Bay Area city, with 35.1% cash share also elevated, reflecting concentrated ZIP-level over-bidding); Alameda \$1.43M median, sale/orig 112.7%; Oakland \$1.01M median but the second-largest closing volume at 323, sale/orig 106.4%; Hayward \$940K median, sale/orig 102.7%; Pleasanton \$1.82M median, sale/orig 100.0% (below list — the East Bay's weakest Q1 read); Livermore \$1.27M median, sale/orig 103.2%. The East Bay almost functions as its own

internally-stratified market in Q1, with Berkeley's 118.7% and Pleasanton's 100.0% coexisting inside one regional grouping.

Tier 6 · Coast and outer (Daly City, Pacifica, Half Moon Bay, Gilroy, Morgan Hill)

Median sale \$1.20M-\$1.53M, DOM 8-13 days, cash share 16-27%. This tier is most directly affected by mortgage rates — mortgage buyers dominate, and rate sensitivity is much higher than in the other five tiers. Daly City Q1 — 54 closings, \$1.23M median, sale/orig 111.0%. Pacifica — 30 closings, \$1.38M median, sale/orig 106.7%. Gilroy — 51 closings, \$1.20M median, sale/orig 100.0%. Morgan Hill — 49 closings, \$1.51M median, sale/orig 101.4%. Half Moon Bay — 11 closings, \$1.53M median, sale/orig 102.6%. Q1 over-bid intensity in the outer ring was clearly softer than the core — this is the city group where rate-rebound transmission was most direct.

Source: MLSListings + Bay East / Contra Costa AOR Q1 2025 · cities with ≥ 3 Q1 closings (~50 cities total) · MK Group internal observations supplement Tier 1 off-market activity.

7. Takeaways for Sellers, Buyers, and Cross-Border Investors

7.1 For sellers

Three Q1 data points speak most directly to sellers:

1. **\$1.5M-\$5M school-zone: Q1 was one of 2025's tightest sell windows.** \$1.5M-\$3M sale/orig 108.0%, DOM 8 days; \$3M-\$5M sale/orig 108.6%, DOM 7 days. Sellers in this band generally closed 6-9% above original list in Q1 — meaning a list-near-comps strategy could secure meaningful premium. If 2025 sale is the plan, the Q1 spring window's tightness exceeded any other quarter of the year.
2. **Avoid "list-high test the water" in \$5M+.** Q1's \$20M+ band closed at median sale/orig of just 90.7% with median DOM 79.5 days — and 323 Walsh RD ran 273 days with a 14.9% cut, a textbook example of pricing-strategy cost in Q1. List prices in \$5M+ should sit close to recent comps with 5-8% negotiating room; the "padding" of 20-30% buys roughly nine months of market time and a large eventual concession.
3. **Watch the counterintuitive "macro headwind + micro over-bidding" dynamic.** Q1 was the quarter of rate rebound and equity correction, yet mid-tier school-zone closed at 108% sale-to-original. If buyers cite "macro unfriendliness" to negotiate down, the data response is clear — core school-zone spring over-bidding behavior decouples from the macro cycle on a quarterly basis.

7.2 For buyers


1. **\$10M+ seller concession was a confirmed Q1 signal.** \$20M+ median sale/orig 90.7%, median DOM 79.5 days — meaning **offers 10-15% below list have real success potential**, especially on properties listed more than 90 days. 323 Walsh RD's path from \$23.5M list to \$20.0M close shows that ultra-luxury negotiating room in Q1 was structural, not case-by-case.
2. **Premium school cores (\$3M-\$5M) required 6-9% over-bidding in Q1.** Palo Alto, Los Altos, Menlo Park, Saratoga, and Cupertino ran quarterly sale/orig 106-113% with DOM 7-8 days — supply tightness that rate rebound and equity correction couldn't dent. Buyers in this band need pre-approval + capital in place + rapid decisions, not macro-watching. To avoid the spring FOMO peak, consider waiting until Q3-Q4 once rates clarify — but supply may be even tighter then.

3. **Off-market relationship infrastructure beats MLS searching in \$5M+.** Q1 public MLS captured 130 closings across the \$5M+ tiers (115 + 13 + 2); true volume is likely meaningfully higher. Two or three first-tier agent relationships are worth 10× more than daily MLS sweeps.

7.3 For cross-border investors and researchers

1. **Q1 cash advantage in \$5M-\$10M is the strongest differentiation window.** \$5M-\$10M cash share is 53.9% — a cash close competes with half the field on equal terms. But **\$10M+ cash 77-100%** — cash is baseline rather than differentiator, and cross-border investors in this tier must compete on speed + off-market relationship access, not just cash.
2. **Trust / LLC ownership structures should be finalized before any offer.** FIRPTA withholding (15% for foreign sellers), estate tax exposure, and FinCEN BOI reporting requirements are all expensive to restructure after the fact and must be decided upfront.
3. **For researchers: Q1 is the canonical specimen quarter for "macro headwind vs micro over-bidding" decoupling.** The 30-year fixed at 6.83% rebound, S&P 500 down 4.59%, and \$1.5M-\$5M sale-to-original at 108% all coexisting means that describing Bay Area core school-zone housing by macro rates or equity indices has become distorted. Q1 data deserves at minimum a price-band + city + DOM three-dimensional breakdown to capture the genuine "macro-micro decoupling" picture.

Q1 in one sentence: Q1 2025 was 2025's most macro-hostile quarter — 30-year rates rebounding +20 bps, S&P 500 −4.59% — yet within the same quarter mid-tier school-zone closed at 108% sale-to-original with 7-8 day DOM, while ultra-luxury required 273-day DOM and 14.9% price cuts to clear. **The spring buying window's "rate-anxiety FOMO" dominated core school-zone closing behavior on a quarterly basis more powerfully than the macro cycle — 2025's most counterintuitive finding in Bay Area housing data.**

 This section's tax and legal content is general information only, not professional advice. Consult a qualified tax attorney or CPA for your specific situation.

8. Methodology and Definitions

Data source

This report's core data is from **MLSListings** (covering Santa Clara, San Mateo, Santa Cruz, and Monterey counties) and **Bay East / Contra Costa AOR** (covering Alameda and Contra Costa). The \$20M+ segment was personally cross-checked by Marie Wang and Kevin Mo for accuracy.

Coverage scope

This Q1 2025 issue focuses on the three core counties of **San Mateo + Santa Clara + Alameda** — the most active Bay Area real estate counties and the geography MK Group serves most densely. The remaining six counties (San Francisco / Marin / Contra Costa / Sonoma / Napa / Solano) are not included in this issue.

Time window

- Q1 primary data: CloseDate \in [2025-01-01, 2025-03-31], 2,902 closings
- This issue does **not** include a QTD (quarter-to-date) chapter — only strictly in-quarter data is reported

Property type

Single Family Residential (SFR) only. Excludes condos, multi-family, and land.

Cash transaction definition

Records with the MLSListings "Buyer Financing" field (Bay East labels this "SoldTerms") equal to "All Cash No Loans" or "Cash to Existing Loan" are classified as cash. Other values are classified as non-cash.

Price band definition

Bands are defined by actual Sale Price (not List Price). All medians shown are standard statistical median (not mean).

Exclusion rules

- Status of Cancelled, Expired, or Withdrawn — excluded
- Sale Price below \$100,000 — excluded (highly likely to be family / trust / divorce transfer)

Verification

For the \$5M+ segment, Marie Wang and Kevin Mo sampled transactions and cross-checked them against publicly-recorded Santa Clara, San Mateo, and Alameda County Deed of Trust filings. The MLSListings / Bay East Buyer Financing field matched the recorder records roughly 92% of the time.

Known limitations

- Excludes pure off-market transactions that never entered MLS. Industry estimates put off-market \$5M+ activity at roughly 15-25% above public closing volume. The "2 closings" figure for \$20M+ refers to MLS-recorded transactions only; true volume is likely 50-100% higher.
- This issue is published as part of the 2025 series backfill; the YoY comparison relies on FRED macroeconomic indicators (Case-Shiller, rates, equities); a per-closing 2024 Q1 export is not included in this issue.
- School-zone-level segmentation is not in this issue; it will be added as a new section in a subsequent report.

9. About MK Group

MK Group (Meridian Keystone Real Estate Group) is a Cupertino-based Bay Area real estate team co-founded by **Marie Wang** (DRE# 02110980) and **Kevin Mo** (DRE# 02127623), operating with Keller Williams Realty.

The team focuses on luxury sales and acquisitions (\$3M-\$30M+) across the SF Peninsula and South Bay, and on cross-border buyer representation. MK Group is one of the few Bay Area teams with depth in both English mainstream-market service and native bilingual Mandarin service — combined YouTube subscriber base of 68K+ across two channels, plus a 9-account Xiaohongshu network totaling 43K, and a 33K WeChat private community.

About the MK Bay Area Pulse series

Pulse is MK Group's quarterly Bay Area market intelligence report, drawing on complete MLS closing data plus County Recorder verification plus the firm's internal observations from 200+ served families.

Series positioning: **data-driven, source-transparent, cross-tier analysis** for Bay Area buyers, sellers, cross-border investors, journalists, and researchers. Published quarterly.

Citation

The full report and all charts are MK Group productions. Journalists, researchers, and content creators citing this work should attribute:

"MK Bay Area Pulse Q1 2025, MK Group."

For high-resolution chart files, complete datasets, or press inquiries, contact **Marie Wang** (marie.wang@kw.com) or **Kevin Mo** (kevin.mo@kw.com), or via mkbayarea.com/contact

2025 series

This is the **first issue of the 2025 series**, published as part of the 2025 backfill program. The next issue, **2025-Q2** (also part of the 2025 backfill), has been released and is archived at mkbayarea.com/pulse.

MK Bay Area Pulse · 2025 Issue 01 · Q1 2025

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