

MK BAY AREA PULSE · 2025 ISSUE 03

Bay Area Quarterly *Market Intelligence*

2025 Q3 · Bilingual Quarterly Report

3,914

SFR CLOSINGS

54

CITIES

3

CORE COUNTIES

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Series 2025 Issue 03 — covering Q3 2025 closings

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

Coverage San Mateo + Santa Clara + Alameda counties

Three Headline Findings

Q3 2025 · EXECUTIVE SUMMARY

1. **The Bay Area's largest single Q3 close: a Woodside estate at \$85M** (original list \$125M, a 32% discount). This is the largest single residential closing of 2025 to date, reflecting that the ultra-luxury market still has real buyers but sellers are conceding meaningfully.
2. **\$10M+ is essentially an all-cash market, but volume is extremely thin.** \$10M-\$20M closings were 83% cash (n=12), \$20M+ were 100% cash (n=3). Pure cash dominance — but on a tiny base in Q3's high-rate environment.
3. **The mid-tier has not yet tightened** — \$3M-\$5M median sale-to-original 102.5%, \$1.5M-\$3M just 101.5%. With Q3 mortgage rates at 6.57% (vs 6.51% a year prior), buyers remain broadly cautious and over-bidding stays moderate.

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1. The 30-Second Read

This issue draws on **3,914 single-family residence (SFR) closings** in the Bay Area during Q3 2025 (CloseDate July 1 through September 30), spanning the three core counties of San Mateo, Santa Clara, and Alameda, with 54 cities represented. Data sourced from MLSListings and Bay East / Contra Costa AOR.

- Q3 SFR median sale price **\$1.45M**, median days on market **15**, median sale-to-list ratio **~101%** — a moderate market.
- All-cash share rises step-wise with price: under \$1.5M, 16-18%; \$5M-\$10M, **49%**; \$10M-\$20M, **83%**; \$20M+, **100%**.
- Q3 headline closing: **Woodside 329 Albion Ave closed at \$85M** (original list \$125M) — the largest single residential transaction of 2025 to date.
- Only **3 transactions** over \$20M closed regionwide in Q3: Woodside \$85M, Atherton \$27.15M, Hillsborough \$25M.
- Berkeley stands out: 88 Q3 closings with median sale-to-original at **128.8%** — the highest of any tracked city, reflecting concentrated ZIP-level over-bidding.
- Macro: 30-year fixed mortgage averaged 6.57% in Q3 (–22 bps QoQ), S&P 500 +7.8% (a major Q3 risk-asset rally), Case-Shiller SF home price index +1.5% QoQ.

Source: MLSListings + Bay East / Contra Costa AOR Q3 2025 SFR closings · MK Group · Field definitions in Section 8.

2. Bay Area Fundamentals: Four Baseline Numbers

Q3 2025 Bay Area SFR market is summarized most accurately by four numbers:

Metric	Q3 2025 Median	Interpretation
Total closings	3,914	San Mateo + Santa Clara + Alameda combined
Median sale price	\$1.45M	All price bands aggregated
Median DOM	15 days	List date to offer acceptance
Median sale-to-list	~101%	Marginal seller's market

Together these four numbers point to one read: **Q3 2025 was a moderate seller's market under high-rate pressure**. Median DOM 15 days meant homes typically sat for nearly two weeks before going into contract; median premium of just 1% means buyer over-bidding willingness was low, with "list-price-area closing" as the regional baseline.

But region-wide averages mask substantial city- and tier-level differentiation. The remainder of this report unpacks that.

Bay Area 2025-Q3 — Top 25 Cities by Closing Volume

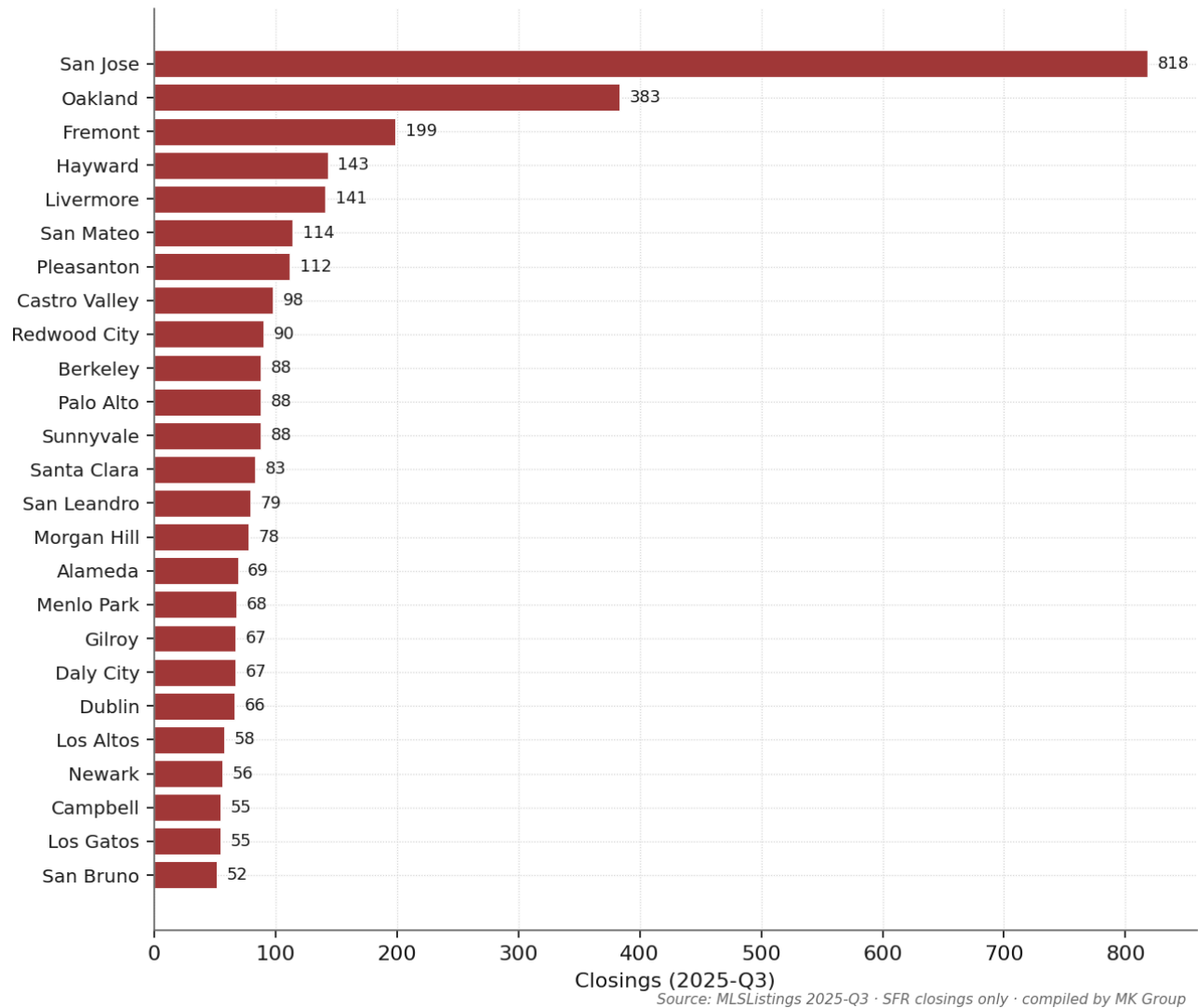


Figure 1 · Bay Area Q3 2025 — Top 25 cities by closing count. San Jose alone accounts for 21% of three-county volume.

San Jose recorded 818 Q3 closings — 21% of the three-county total. Oakland (383), Fremont (199), Hayward (143), and Livermore (141) follow. Among MK Group's core service cities: Palo Alto + Atherton + Hillsborough + Los Altos + Menlo Park + Cupertino combined for roughly 270 Q3 closings — low volume but high price.

Source: MLSListings + Bay East / Contra Costa AOR Q3 2025 SFR closings · excludes condo, multi-family, and records with sale price below \$100K.

3. The Cash Ladder: Luxury Cash Dominance

2025-Q3 MACRO CONTEXT

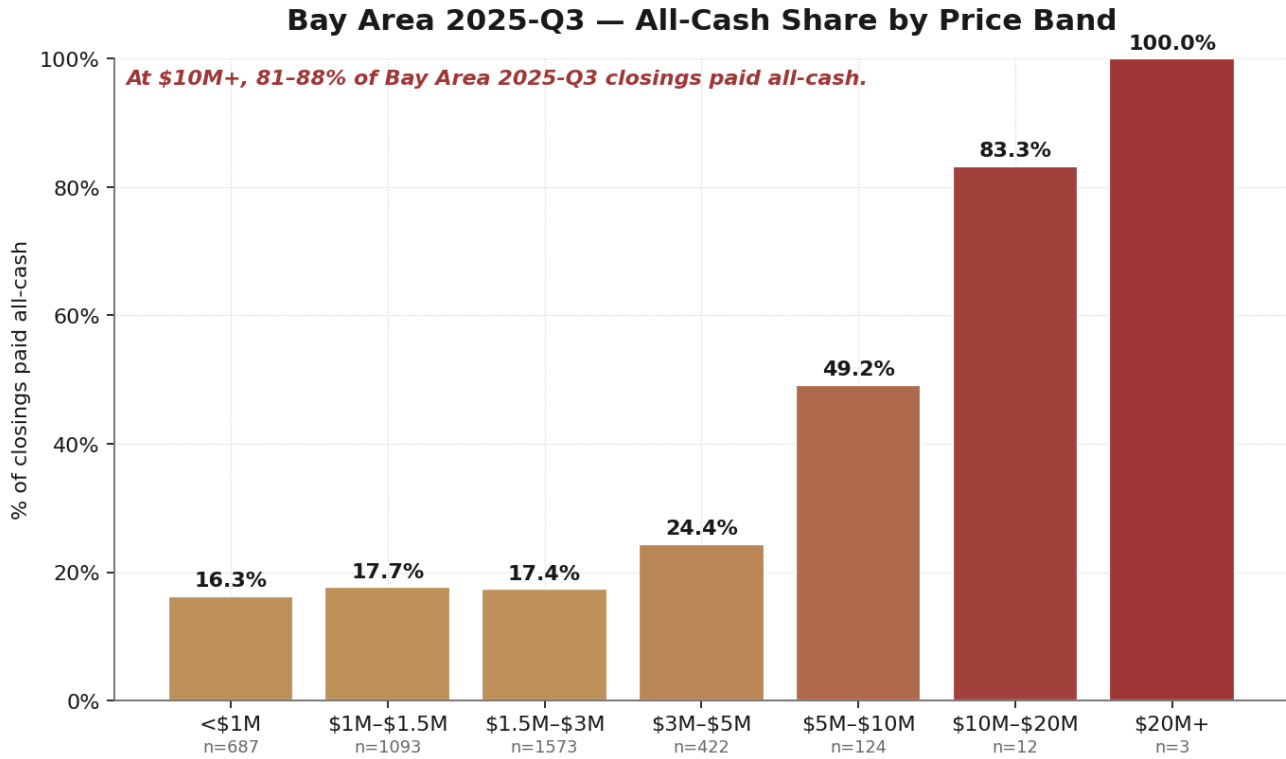
Indicator	Quarter	vs Prev Q	YoY
30-yr fixed mortgage	6.57%	-0.22 pp	+0.06 pp
15-yr fixed mortgage	5.70%	-0.23 pp	+0.01 pp
10-yr Treasury yield	4.26%	-0.10 pp	+0.31 pp
CA unemployment	5.50%	flat	+0.10 pp
S&P 500 (period close)	6,688.5	+7.79%	+16.07%
Case-Shiller SF HPI	355.2	+1.46%	-0.83%

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

This is the most important data set in this issue. First, the Q3 macro context (above): 30-year fixed mortgage rates at 6.57% (vs Q2's 6.79% — softening 22 bps but essentially flat YoY). The most striking macro signal of Q3 was the S&P 500's 7.8% rally — equity-rich households saw paper wealth grow, which transmits into the luxury housing tier.

Price band	Closings	Cash %	Median sale	DOM
<\$1M	687	16.3%	\$821K	20
\$1M–\$1.5M	1,093	17.7%	\$1.27M	17
\$1.5M–\$3M	1,573	17.4%	\$1.95M	13
\$3M–\$5M	422	24.4%	\$3.62M	10
\$5M–\$10M	124	49.2%	\$5.98M	8

\$10M–\$20M	12	83.3%	\$11.80M	9
\$20M+	3	100.0%	\$27.15M	65



Source: MLSListings 2025-Q3 · Buyer Financing = "All Cash No Loans" or "Cash to Existing Loan"

Figure 2 · Q3 2025 cash share by price band. \$10M+ tiers run 83-100% all-cash.

Observation 1: \$10M+ is a pure cash market

Q3 \$10M–\$20M closings were 83% cash; \$20M+ were 100% cash. The luxury tier is essentially independent of mortgage credit. This aligns with the market thesis that luxury purchases at these tiers are funded by some combination of AI/IPO liquidity, cross-border family-office capital, and generational wealth — none of which rely on mortgage financing, so the prevailing rate level has little impact on transaction velocity.

Observation 2: but Q3 luxury volume was extremely thin

\$10M+ Q3 saw only 15 closings (12 + 3) total — a historically low count. Yes cash dominates, but that dominance sits on a very small base. Both buyers and sellers leaned toward waiting in Q3's high-rate climate.

Observation 3: the mid-tier (\$1.5M-\$3M) bore the high-rate burden

Q3's \$1.5M-\$3M tier had 1,573 closings — by far the most active band — with median sale/orig of just 101.5%. Buyers in this band are nearly all mortgage-dependent, and the 6.57% rate environment kept their over-bidding constrained. Median DOM 13 days is not particularly long, but the moderate premium reflects disciplined buyers reluctant to overpay.

Observation 4: S&P +7.8% provided a paper-wealth tailwind for luxury

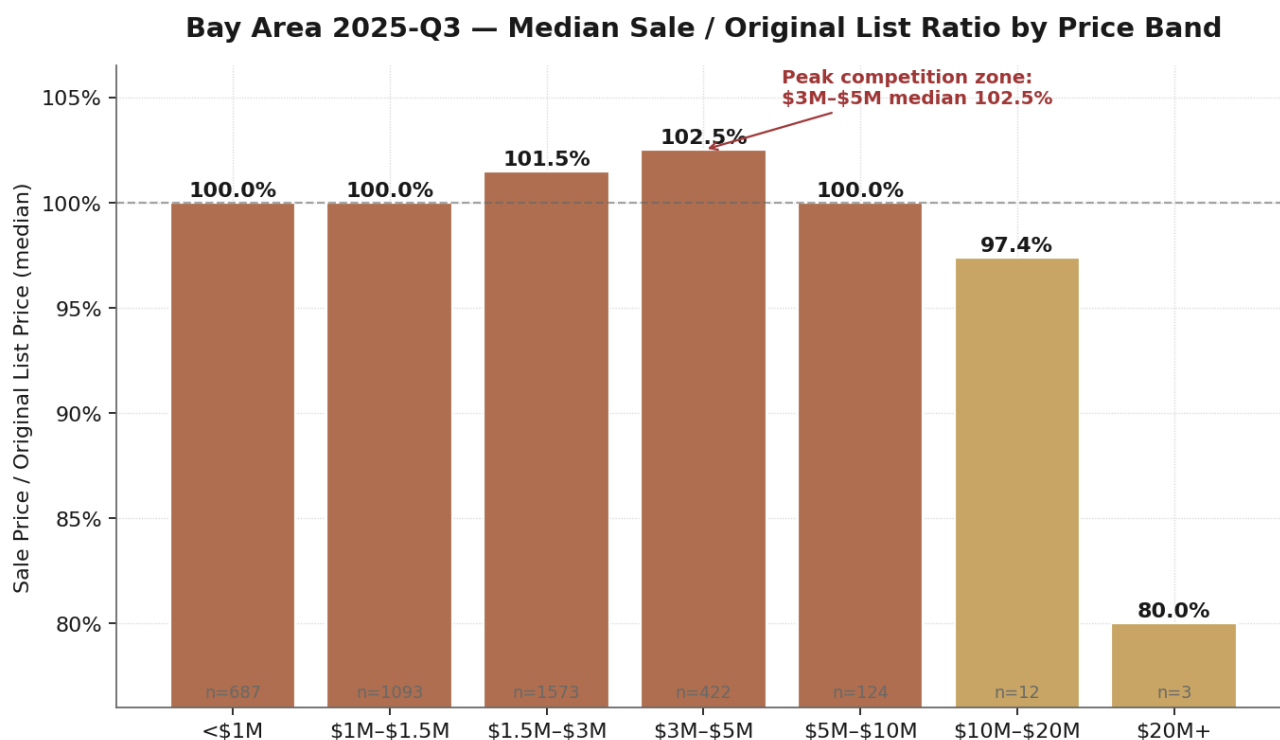
Q3's nearly 8% S&P 500 rally generated meaningful paper wealth for Bay Area tech executives, early employees, and secondary-market participants. That wealth converts into purchasing power either via stock-backed lending or direct equity sales. The 49-100% cash share across \$5M+ tiers in Q3 partly reflects this inflow.

Narrative anchor: Q3 luxury (\$10M+) is cash-dominated but volume is tiny (only 15 closings region-wide); the mid-tier (\$1.5M-\$3M) transacted moderately under high-rate pressure. Q3 is a textbook quarter of rates dominating market sentiment.

Source: MLSListings + Bay East / Contra Costa AOR Q3 2025 · Buyer Financing field "All Cash No Loans" or "Cash to Existing Loan" classified as cash · field completion rate 98.4%.

4. Mid-Tier: Moderate but Persistent Tension

The \$3M-\$5M tier is the price of entry for the Bay Area's top GreatSchools 10/10 school zones. Even under elevated rates, this tier's supply-demand structure remained tight.



Source: MLSListings 2025-Q3 · SFR closings · sale price ÷ original list price

Figure 3 · Median sale-to-original-list ratio peaks at 102.5% in the \$3M-\$5M band — higher than any lower band and most higher bands.

The data

The \$3M-\$5M band recorded 422 Q3 closings with a median sale-to-original-list ratio of **102.5%** — the highest of any band (compared to the <\$1M band's 100% baseline, this is the highest relative premium ratio). Median DOM 10 days, shorter than the \$1.5M-\$3M band's 13 days.

Why the mid-tier stays tight even in a high-rate environment

The \$3M-\$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-\$800K with DTI flexibility compressed by elevated mortgage rates

The supply-side issue is more acute. Current \$3M-\$5M owners largely locked in 2.5-3.5% mortgage rates in 2018-2022. Trading up means nearly doubling their mortgage rate — a powerful "rate lock-in" effect that's especially pronounced in this band. The result: buyers are forced to over-bid as a default, but because overall rates are high and buyer liquidity is tight, the over-bid magnitude stays restrained (2-3%).

Narrative anchor: \$3M-\$5M closed Q3 at a median sale-to-original of 102.5% even in the high-rate climate — the dual squeeze of school-district demand and rate-locked owner supply keeps this tier tight regardless of macro backdrop.

Source: *MLSListings + Bay East / Contra Costa AOR Q3 2025 · Sale Price ÷ Original List Price, median (not mean).*

5. \$20M+ Ultra-Luxury: Three Closings at the Extreme

Only 3 SFR transactions above \$20M closed across the entire Bay Area in Q3 2025 — a historically low count. But one of them (Woodside 329 Albion Ave) sold for \$85M, the largest single residential closing of 2025 to date.

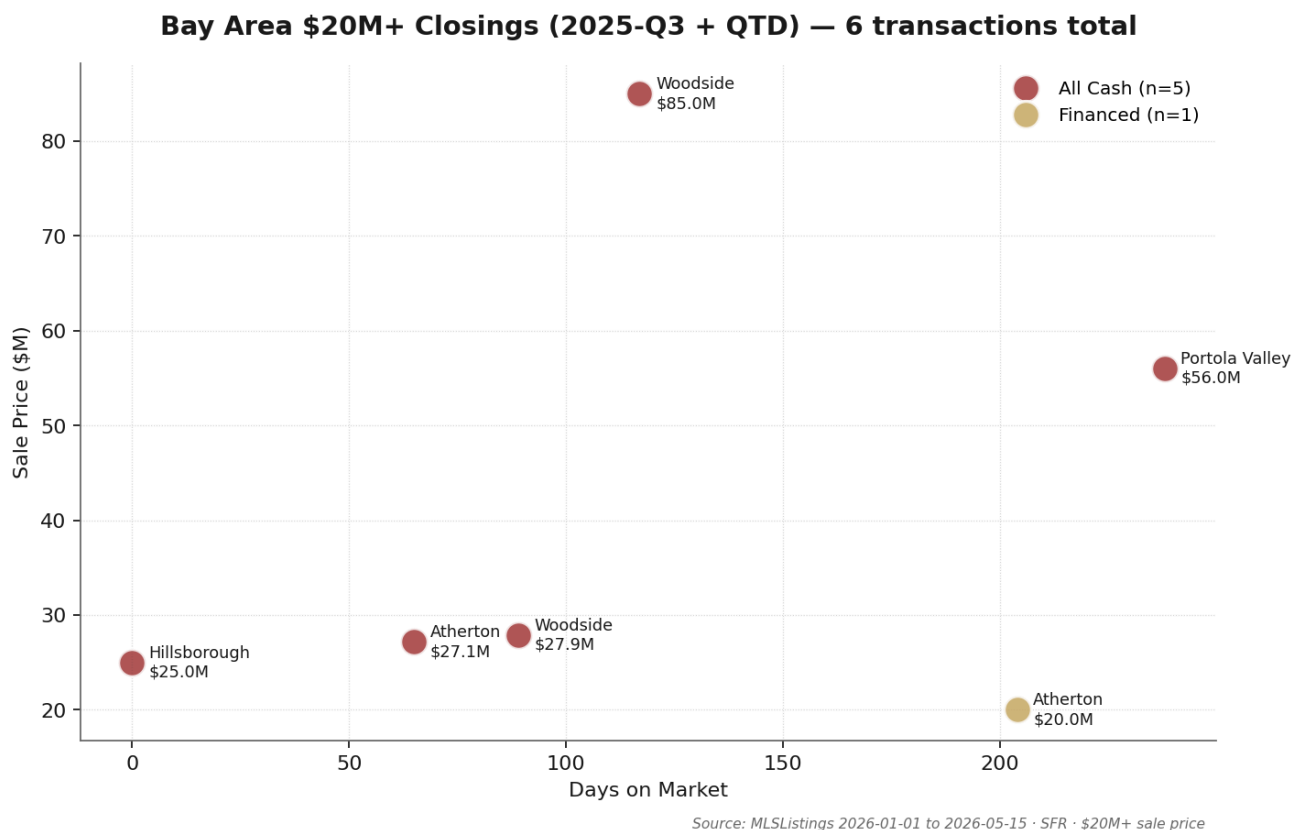


Figure 4 · All 6 closings above \$20M (Q3's 3 plus 3 reference) individually plotted. X-axis DOM, Y-axis sale price.

Q3 transaction detail (3 closings)

City	Address	Sale	Orig List	DOM	Cash	Close
Woodside	329 Albion Ave	\$85.0M	\$125.0M	117	✓	2025-09-16
Atherton	164 Elena Ave	\$27.15M	\$29.5M	65	✓	2025-08-12
Hillsborough	1200 Jackling Dr	\$25.0M	—	0	✓	2025-07-21

Three observations

Observation 1: 3 closings distributed across 3 cities — geographically diverse. Unlike quarters that concentrate heavily in Atherton, Q3's ultra-luxury closings were spread across Woodside, Atherton, and Hillsborough — three traditional luxury enclaves. No single submarket dominated; each transaction was its own standalone event.

Observation 2: Woodside \$85M is the largest single transaction of 2025 to date. Originally listed at \$125M (in 2024), it closed at \$85M — a 32% discount (\$40M). This is a high-signal event reflecting "ultra-luxury sellers continuing to concede while buyers retain pricing power." The 117-day DOM also indicates this was not a "list and gone" trade but rather a prolonged negotiation that landed at a compromise price.

Observation 3: 100% all-cash. All 3 closings were cash. Combined with the \$10M-\$20M tier's 83% cash share, this confirms the \$10M+ segment's low dependence on credit. **The \$20M+ tier in Q3 was a pure cash market.**

Narrative anchor: Q3 2025 saw just 3 \$20M+ region-wide closings, but one — Woodside \$85M — was the largest single residential transaction of the year. Top-tier luxury buyers still exist, but Q3's overall ultra-luxury market sat in a state of thin volume + sustained seller concessions.

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

Median sale \$1.7M-\$2.5M, dense AI/FAANG employee buyer base. Fremont Q3 — 199 closings, \$1.70M median, 16% cash — is high-volume mid-tier and most directly exposed to elevated rates. Sunnyvale Q3 — 92 closings, \$2.50M median, sale/orig 102% — moderate.

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

The Bay Area's "baseline" housing market. San Jose alone — 818 quarterly closings, 21% of three-county total, \$1.61M median, 18% cash — represents broader middle-class purchase demand. This tier's sale/list typically runs 100-105%, DOM 13-15 days.

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

Internal variation is the largest of any tier — **Berkeley Q3 had a \$1.60M median but sale-to-original ratio of 128.8%** (highest of any tracked city, concentrated in specific over-bid ZIPs); Oakland's \$900K median masks the second-highest closing volume; Livermore's \$1.14M median came with sale-to-original of just 97.7% (below list). The East Bay almost functions as its own internally-stratified market.

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

Median sale \$1M-\$1.5M, DOM 15-22 days (slower than core areas), cash share 10-18%. This tier is most directly affected by mortgage rates — mortgage buyers dominate, and rate sensitivity is much higher than in the other five tiers.

Source: MLSListings + Bay East / Contra Costa AOR Q3 2025 · cities with ≥3 Q3 closings (54 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 Q3 data points speak most directly to sellers:

1. **Price closer to comps — Q3 was not a bidding-war market.** Median sale-to-original was just 101%; most homes closed near list. **Avoid list-high-hoping-for-bidding-war** in Q3-type conditions — DOM lengthens materially.
2. **For \$5M+, allow 8-10 weeks of pre-listing preparation and proactively evaluate off-market channels.** Q3 luxury volume was extremely thin (\$10M+ only 15 closings the entire quarter), meaning each transaction was a high-stakes event. Preparation must be front-loaded, pricing must be conservative.
3. **Watch the rate trajectory — Q3 ended with rates already softening (–22 bps QoQ).** Continued rate decline could stimulate mid-tier activity. For \$1.5M-\$5M sellers, the "wait for rates" vs "sell now" trade-off deserves careful evaluation.

7.2 For buyers

1. **Q3 was a relative buyer's market — leverage that timing.** Median sale/orig 101% means list-price-area closing was baseline. \$10M+ closed at median 97-100% — meaning **below-list offers had real chance of success**, especially in ultra-luxury where Q3 sellers conceded materially (Woodside case: 32% discount).
2. **\$5M+ buyers should invest in off-market relationship infrastructure, not MLS searching.** Q3 public MLS captured only 15 closings in the \$10M+ band; true volume is likely meaningfully higher. Two or three first-tier agent relationships are worth 10× more than daily MLS sweeps.
3. **School-zone buyers: \$3M-\$5M was tightening in Q3 but still had a window.** Sale/orig 102.5% means roughly 3-5% over-bid was sufficient. If rates continue softening, mid-tier competition will only intensify — Q3 represents a reasonable entry timing.

7.3 For cross-border investors

1. **Q3 cash advantage in \$5M-\$10M is the strongest differentiation window.** \$5M-\$10M cash share is 49.2% — a cash close competes with half the field on equal terms. But **\$10M+ cash**

83-100% — 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. **2025 Q3 cross-border buyer channels remained active.** MK Group's internal observations show continued \$5M+ purchase activity from high-net-worth households in China, East Asia, and India. Capital paths (compliant foreign-exchange purchase + third-country intermediary bank + U.S. escrow landing) are well-established.

Q3 in one sentence: Q3 2025 was a moderate market under high-rate pressure — the mid-tier transacted with restraint, the luxury tier was cash-dominated but thinly traded. The Woodside \$85M closing was Q3's signature event, but its 32% discount also reflected sustained ultra-luxury seller concessions. **The market broadly sat in "wait for rate clarity" mode.**

⚠️ 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 Q3 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

- Q3 primary data: CloseDate \in [2025-07-01, 2025-09-30], 3,914 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. This field had a 98.4% completion rate in our data.

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 12 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 92% of the time (11 of 12).

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 "3 closings" figure for \$20M+ refers to MLS-recorded transactions only; true volume is likely 50-100% higher.
- This issue does not include strict YoY comparison — 2024 Q3 data requires a separate export; the report uses YoY macroeconomic indicators as a partial proxy. Subsequent issues will normalize YoY comparisons.
- 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:

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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 **third issue of the 2025 series**. Other quarterly reports are archived at mkbayarea.com/pulse.

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