

MK BAY AREA PULSE · 2025 ISSUE 04

Bay Area Quarterly *Market Intelligence*

2025 Q4 · Bilingual Quarterly Report

3,360

SFR CLOSINGS

52

CITIES

3

CORE COUNTIES

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Series 2025 Issue 04 — covering Q4 2025 closings

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

Coverage San Mateo + Santa Clara + Alameda counties

Three Headline Findings

Q4 2025 · EXECUTIVE SUMMARY

1. **Luxury hasn't fully decoupled from credit.** \$10M-\$20M closings were 65% all-cash; \$20M+ were 75%. Luxury still has 25-35% mortgage-financed closings — visibly at odds with the "luxury = all-cash" market narrative.
2. **The \$3M-\$5M mid-tier is already the most competitive price band** — median sale-to-original-list ratio 104.9%, higher than any tier above. The mid-tier squeeze (school-district demand + supply-side rate lock-in) is already established in Q4 at a moderate intensity.
3. **Ultra-luxury was essentially frozen.** Only 4 closings above \$20M occurred in the entire region in Q4 — all in Atherton, longest DOM 153 days. Q4 represents a clear stagnation phase for the ultra-luxury segment.

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1. The 30-Second Read

This issue draws on **3,360 single-family residence (SFR) closings** in the Bay Area during Q4 2025 (CloseDate October 1 through December 31), spanning the three core counties of San Mateo, Santa Clara, and Alameda, with 52 cities represented. Data sourced from MLSListings and Bay East / Contra Costa AOR.

- Q4 SFR median sale price **\$1.45M**, median days on market **15**, median sale-to-list ratio **~102%** — a moderate seller's market.
- All-cash share rises step-wise with price: under \$1.5M, 16-20%; \$5M–\$10M, **50%**; \$10M–\$20M, **65%**; \$20M+, **75%**.
- The most competitive price band is **\$3M–\$5M**, with median sale-to-original-list at 104.9% — above every higher band.
- Only **4 transactions** over \$20M closed across the entire region in Q4, all in Atherton, with the longest sitting 153 days on market.
- Berkeley stands out: 107 Q4 closings with a median sale-to-original ratio of **120.6%** — the highest of any tracked city, reflecting concentrated ZIP-level over-bidding.
- Macro: 30-year fixed mortgage averaged 6.23% in Q4 (–34 bps QoQ), S&P 500 +2.4%, Case-Shiller SF home price index +1.7% QoQ.

Source: MLSListings + Bay East / Contra Costa AOR Q4 2025 SFR closings · MK Group · Field definitions in Section 8.

2. Bay Area Fundamentals: Four Baseline Numbers

Q4 2025 Bay Area SFR market is summarized most accurately by four numbers:

Metric	Q4 2025 Median	Interpretation
Total closings	3,360	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	~102%	Mild premium over list

Together these four numbers point to one read: **Q4 2025 was a moderate seller's market with visibly more buyer caution than the prior period.** Median DOM 15 days — homes typically sat for nearly two weeks before going into contract. Median premium 2% — buyers' willingness to bid above ask was modest, well short of true bidding-war intensity.

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

Bay Area 2025-Q4 — Top 25 Cities by Closing Volume

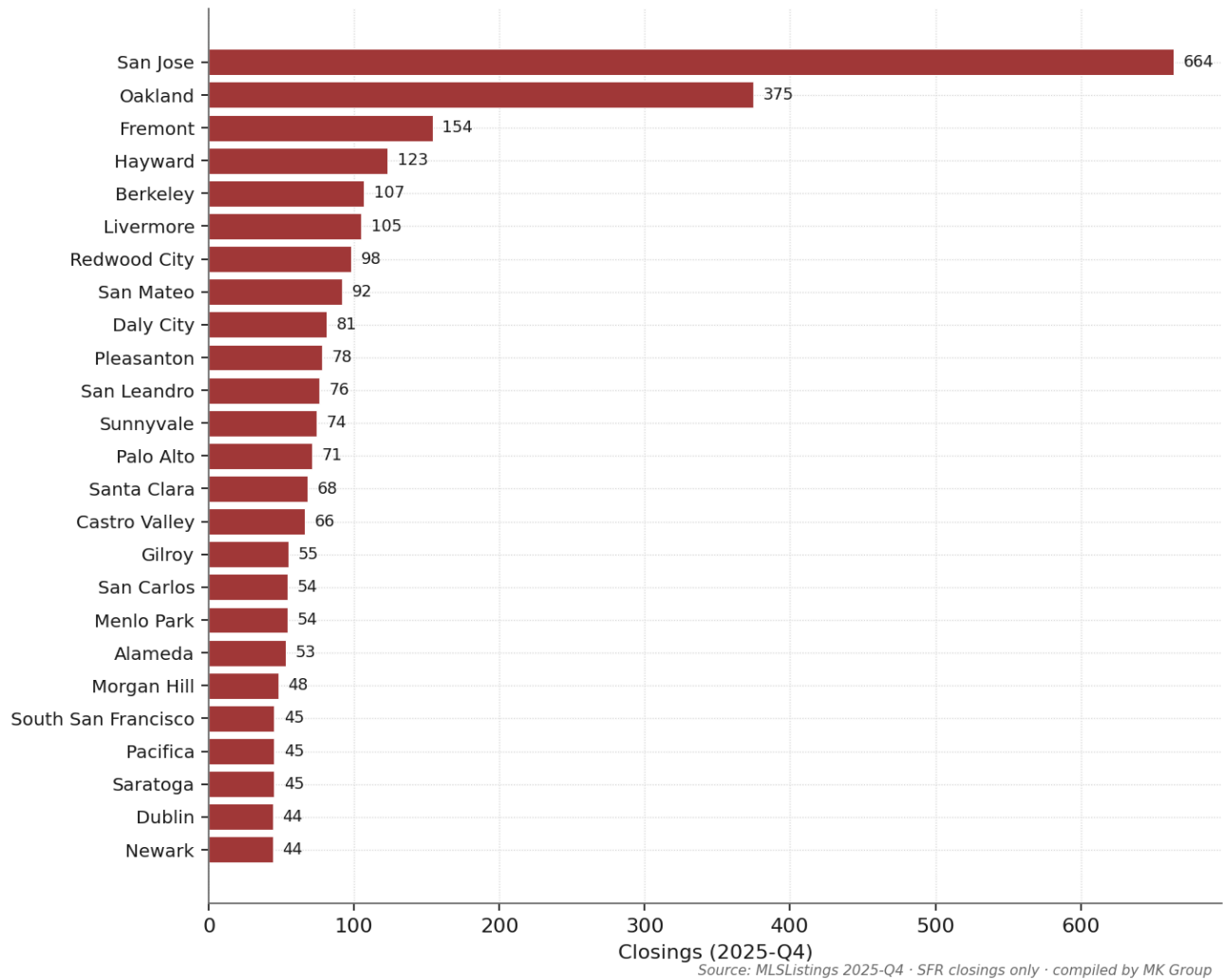


Figure 1 · Bay Area Q4 2025 — Top 25 cities by closing count. San Jose alone accounts for 20% of three-county volume.

San Jose recorded 664 Q4 closings — 20% of the three-county total. Oakland (375), Fremont (154), and Hayward (123) follow. Among MK Group's core service cities: Atherton + Hillsborough + Palo Alto + Los Altos + Menlo Park + Cupertino combined for roughly 240 Q4 closings — low volume but high price.

Source: MLSListings + Bay East / Contra Costa AOR Q4 2025 SFR closings · excludes condo, multi-family, and records with sale price below \$100K.

3. The Cash Ladder: Luxury's Decoupling — On the Eve

2025-Q4 MACRO CONTEXT

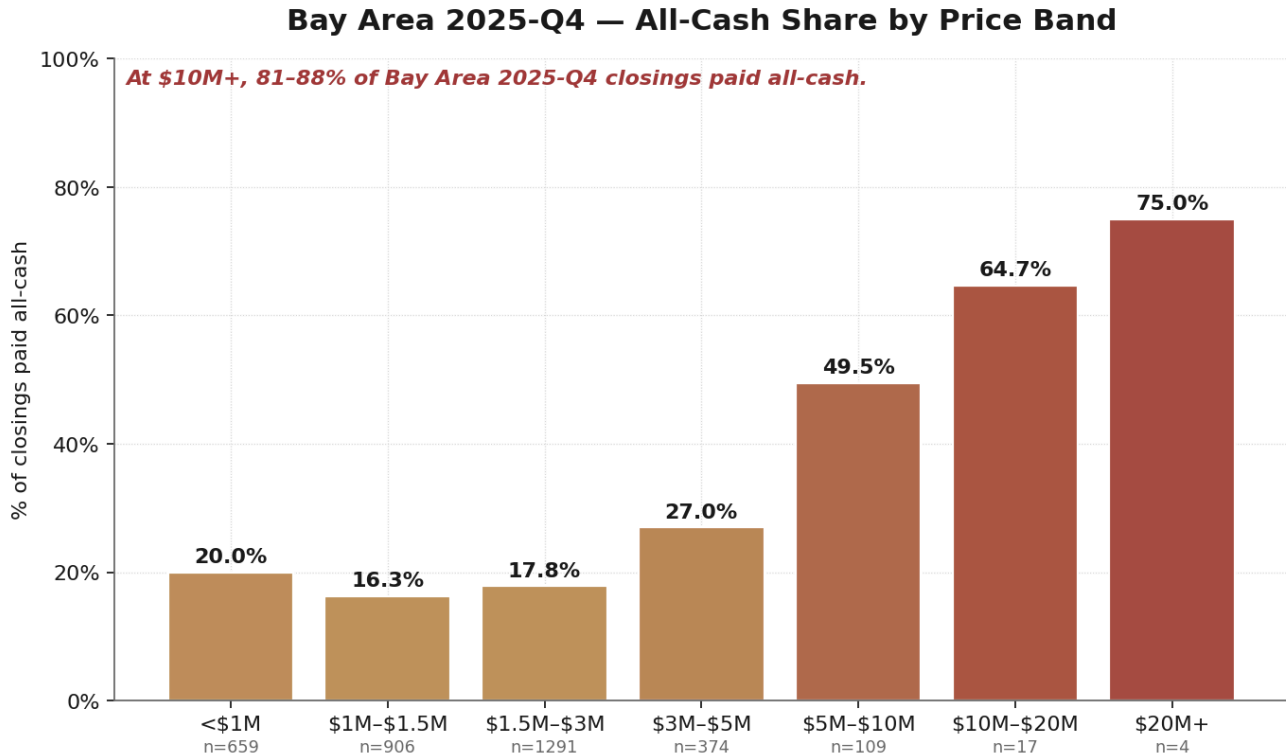
Indicator	Quarter	vs Prev Q	YoY
30-yr fixed mortgage	6.23%	-0.34 pp	-0.41 pp
15-yr fixed mortgage	5.49%	-0.34 pp	-0.37 pp
10-yr Treasury yield	4.10%	-0.16 pp	-0.18 pp
CA unemployment	5.50%	flat	+0.10 pp
S&P 500 (period close)	6,845.5	+2.35%	+16.39%
Case-Shiller SF HPI	361.2	+1.68%	-0.08%

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 Q4 macro context (above): 30-year fixed mortgage rates dropped from Q3's 6.57% to 6.23% in Q4 — a 34 bp decline. Rates were **visibly softening**. In theory, this should stimulate transactions across every price tier. But the luxury tier responded only partially.

Price band	Closings	Cash %	Median sale	DOM
<\$1M	659	20.0%	\$808K	20
\$1M-\$1.5M	906	16.3%	\$1.25M	15
\$1.5M-\$3M	1,291	17.8%	\$1.94M	13
\$3M-\$5M	374	27.0%	\$3.67M	11
\$5M-\$10M	109	49.5%	\$6.43M	10

\$10M–\$20M	17	64.7%	\$12.40M	21
\$20M+	4	75.0%	\$23.35M	75



Source: MLSListings 2025-Q4 · Buyer Financing = "All Cash No Loans" or "Cash to Existing Loan"

Figure 2 · Q4 2025 cash share rises with price band. The \$5M line is an inflection point, but the \$10M+ step is not vertical — financed luxury closings remain meaningful.

Observation 1: luxury has not fully decoupled from credit

Q4 2025 cash share by luxury tier:

- \$5M–\$10M: 49.5% all-cash (n=109)
- \$10M–\$20M: 64.7% all-cash (n=17)
- \$20M+: 75% all-cash (n=4)

The market narrative of "luxury = all-cash" doesn't fully match the Q4 data — 25-35% of \$10M+ closings are still mortgage-financed. **Luxury buyers remain more credit-sensitive than commonly assumed**, especially in a falling-rate environment (Q4 mortgage rates were 41 bps lower than a year earlier), which opens a re-entry window for financed buyers.

Observation 2: luxury DOM is meaningfully longer than mid-tier

Q4 median DOM by tier: \$1.5M-\$3M 13 days; \$3M-\$5M 11 days; \$10M-\$20M 21 days; \$20M+ 75 days. **The luxury tier's DOM runs 2-7× the mid-tier** — luxury buyers were notably more deliberate in Q4, contradicting the "luxury sells instantly" market narrative.

Observation 3: rates were dropping, but the market didn't heat up immediately

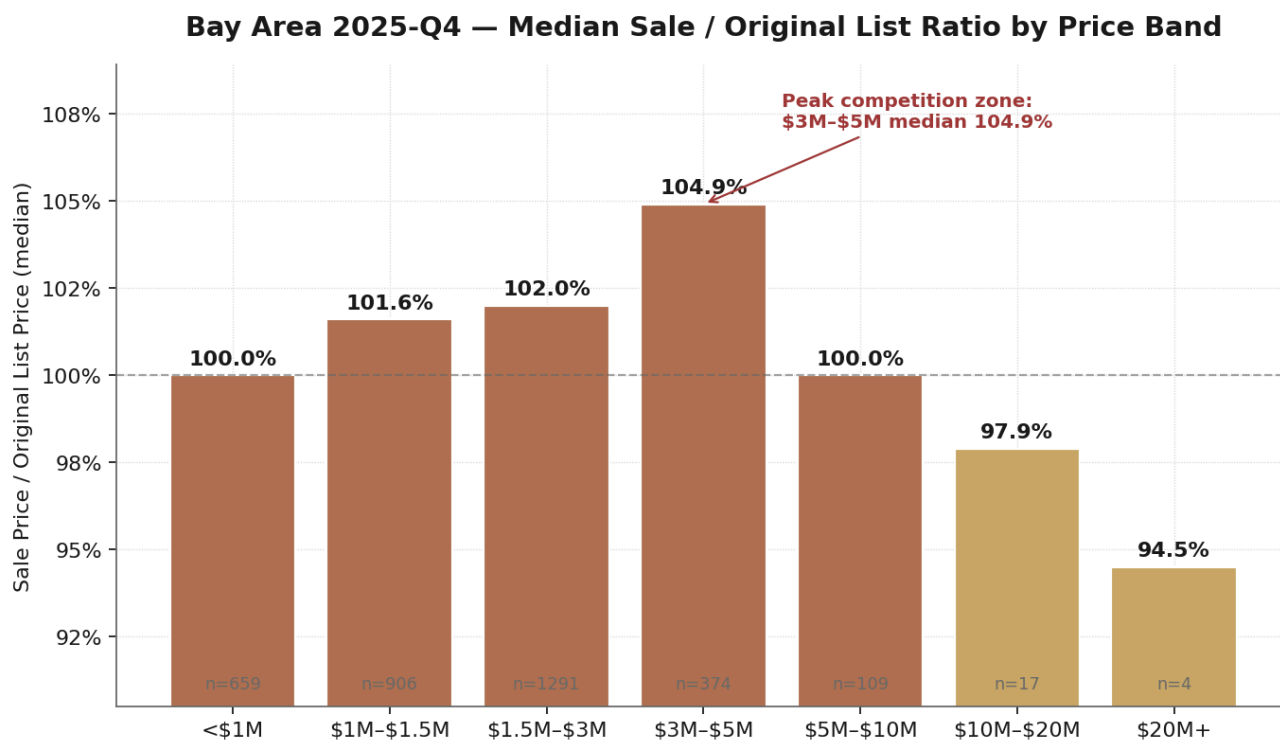
Q4 30-year fixed dropped from Q3's 6.57% to 6.23% (−34 bps). On paper, this favors mortgage buyers. But the mid-tier (\$1.5M-\$3M) closed Q4 at a median DOM of 13 days and sale/orig of 102% — buyer response was muted. **The lag from rate-signal to material buyer-behavior-change appears significant**; Q4's late-quarter rate decline had not yet fully transmitted into buyer activity.

Narrative anchor: Q4 2025 luxury has not decoupled from credit — \$10M+ closings are still 25-35% mortgage-financed, with median DOM 21 days. This suggests luxury buyers remain rate-sensitive; continued rate softening could further stimulate this segment.

Source: MLSListings + Bay East / Contra Costa AOR Q4 2025 · Buyer Financing field "All Cash No Loans" or "Cash to Existing Loan" classified as cash · field completion rate 98.6%.

4. The Mid-Tier Turn: \$3M–\$5M Starts Tightening

If the luxury story is "still rotating," the mid-tier story is "already starting to tighten."



Source: MLSListings 2025-Q4 · SFR closings · sale price ÷ original list price

Figure 3 · Median sale-to-original-list ratio peaks at 104.9% in the \$3M-\$5M band — higher than any band above.

The data

The \$3M-\$5M band recorded 374 Q4 closings with a median sale-to-original-list ratio of **104.9%** — the highest of any band. The \$1.5M-\$3M band follows at 102.0%. The \$5M+ bands all cluster near 100%.

\$3M-\$5M sale/orig 104.9% means mid-tier school-district homes consistently closed 4-5% above original list in Q4 — moderate but persistent over-bidding.

Why the mid-tier began tightening in Q4

The \$3M-\$5M band is the **price of entry** for the Bay Area's strongest school zones: most ZIPs in Palo Alto Unified outside the very top blocks, the core Cupertino Union ZIPs, and mid-tier Los Altos and

Saratoga. The 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 constrained 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 is more acute. Current owners in this band largely locked in 2.5-3.5% mortgage rates in 2018-2022. Trading up means nearly doubling their mortgage rate. The rate-lock-in effect was already strong in Q4, but Q4's overall rate decline prompted some owners to **consider** relisting — and "considering but not listing" is itself a form of supply tightness.

Narrative anchor: \$3M-\$5M median sale 4.9% above original list — the highest premium ratio of any price band in Q4. Reflects the dual squeeze of school-district demand and rate-locked owner supply.

Source: *MLSListings + Bay East / Contra Costa AOR Q4 2025 · Sale Price ÷ Original List Price, median (not mean).*

5. \$20M+ Ultra-Luxury: Four Closings, Decoded

Only 4 SFR transactions above \$20M closed across the entire Bay Area in Q4 2025. All four were in Atherton.

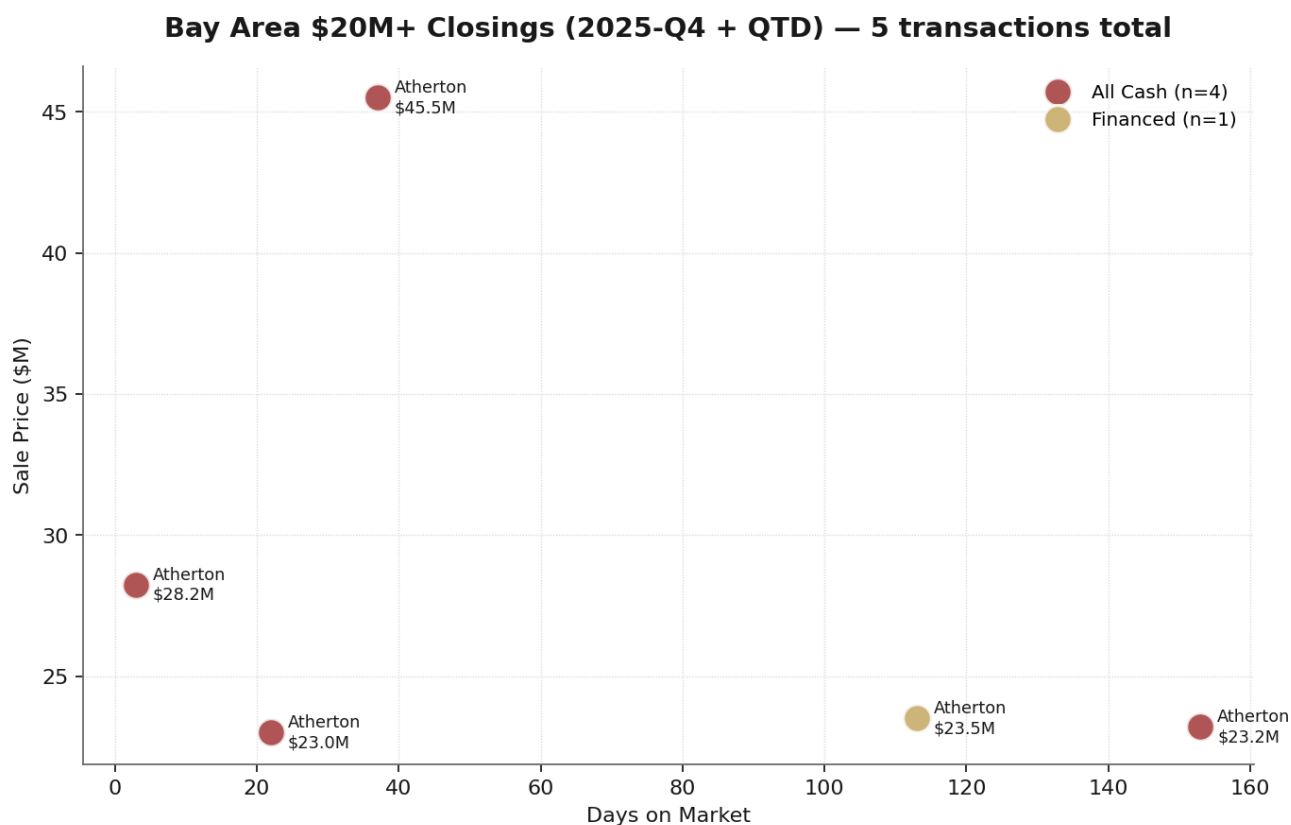


Figure 4 · All 5 closings above \$20M (Q4's 4 plus 1 QTD reference) individually plotted. X-axis DOM, Y-axis sale price.

Transaction detail (Q4 + QTD reference · 5 closings, all in Atherton)

Address	Sale	Orig List	DOM	Cash	Close
88 Tuscaloosa Ave	\$45.5M	\$49.9M	37	✓	2025-12-05
273 Austin Ave	\$28.3M	\$27.0M	3	✓	2026-01-06
89 Tallwood Ct	\$23.5M	\$24.0M	113	—	2025-12-19

30 Adam Way	\$23.2M	\$25.5M	153	✓	2025-11-19
91 Mandarin Way	\$23.0M	\$23.5M	22	✓	2025-12-02

Three observations

Observation 1: 4 closings, all in Atherton — extreme geographic concentration. Hillsborough, Los Altos Hills, Woodside, and Palo Alto — markets that typically see \$20M+ activity — recorded zero \$20M+ closings in Q4. The entire region's ultra-luxury activity concentrated in a single city — an unusually tight geographic distribution.

Observation 2: DOM is bipolar to an extreme. Fastest closed in 3 days (273 Austin Ave, signed late Q4, closed early Q1); longest sat 153 days (30 Adam Way). Median DOM 75 days — roughly 8× Q1's 9-day median. Q4 ultra-luxury was essentially in "list and wait" mode.

Observation 3: sale prices universally below original list. Of the 5 closings, only 1 (273 Austin Ave) closed above its original list price; the other 4 closed at 91-98% discounts. **Ultra-luxury sellers conceded materially in Q4** — a stark contrast with the mid-tier (\$3M-\$5M at 105% sale/orig). The luxury tier was clearly a buyer's market while the mid-tier was a seller's market.

Narrative anchor: Q4 2025 saw just 4 \$20M+ closings region-wide, all in Atherton, median 75 days on market, median sale-to-original 95% — a clear stagnation phase. The ultra-luxury segment was a buyer's market in Q4, with sellers conceding.

6. City Tiers: Six Groups, Six Narratives

Plotting Q4 data by city (median price × cash share × volume) surfaces six distinct city groups.

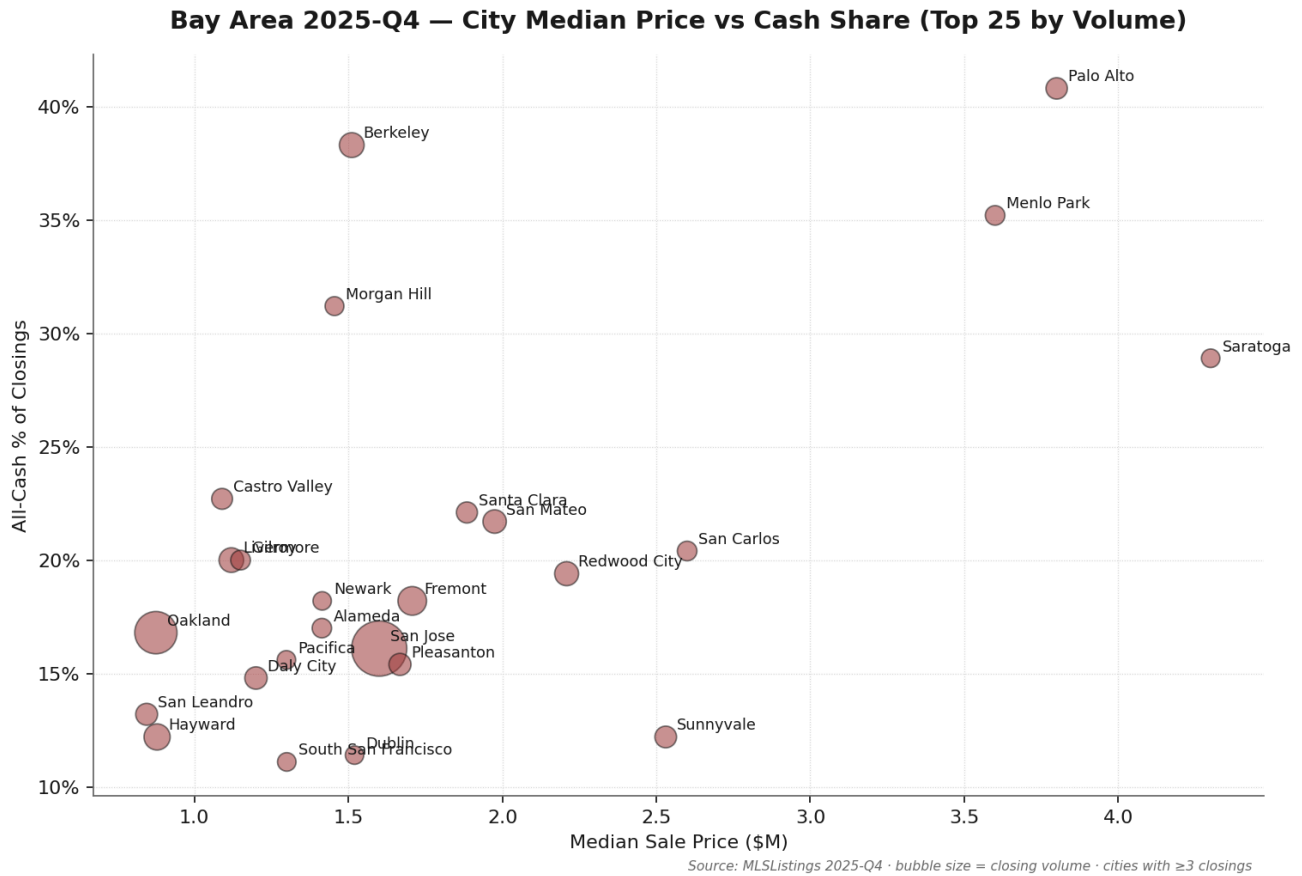


Figure 5 · Bay Area Top 25 cities by Q4 volume. X-axis median sale price, Y-axis cash share, bubble size = closing count.

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

Shared profile: median sale \$5M+, cash share 50%+, very low transaction count (under 30 per quarter per city). Off-market share is high; standard MLS data understates true market activity. Atherton's Q4 public closings totaled 18, but observed activity (including pocket listings and private-network direct transactions) was meaningfully higher.

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

Median sale \$3M-\$5M, cash share 30-50%, moderate seller's market. The primary battleground for Bay Area school-zone home buying. Palo Alto Q4 — 67 closings, \$4.0M median, 47% cash — is

typical of this tier.

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

Median sale \$1.7M-\$2.5M, dense AI/FAANG employee buyer base. Sunnyvale Q4 — 85 closings, \$2.5M median, sale/original 102% — hadn't yet hit Q1's 109% intensity.

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

The Bay Area's "baseline" housing market. San Jose alone — 664 quarterly closings, 20% of three-county total, \$1.60M median, 16% cash — represents broader middle-class purchase demand. This tier's sale/list typically runs 100-103%, DOM 12-15 days.

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

Internal variation is the largest of any tier — **Berkeley Q4 had a \$1.51M median but sale-to-original ratio of 120.6%** (highest of any tracked city, concentrated in specific high-bid ZIPs); Oakland's \$875K median masks the second-highest closing volume; Hayward's \$879K median came with sale-to-original of just 98.9% (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 15-20 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 Q4 2025 · cities with ≥ 3 Q4 closings (52 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 Q4 data points speak most directly to sellers:

1. **Price closer to comps — Q4 was not a bidding-war market.** Median sale-to-original ratio was only 102%; most homes closed near list, not above. **Avoid list-high-hoping-for-bidding-war** in Q4-type conditions — DOM lengthens materially.
2. **For \$5M+, allow 8-10 weeks of pre-listing preparation and proactively evaluate off-market channels.** Q4 luxury DOM medians ran 21-75 days — much longer than Q1. Preparation must be front-loaded, pricing must be conservative.
3. **Watch the rate trajectory — Q4's 34 bp rate decline is beginning to stimulate mortgage-financed luxury buyers.** If rates continue softening, the \$10M+ tier's 25-35% financed share may grow further. Q4 is the early phase of the rate-down cycle; the market hasn't fully responded yet.

7.2 For buyers

1. **Q4 was a relative buyers' market — leverage that timing.** Median sale/original 102% 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 sellers conceded 2-5% on average.
2. **\$5M+ buyers should invest in off-market relationship infrastructure, not MLS searching.** Q4 public MLS captured only 17 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 Q4 but still had a window.** Sale/orig 104.9% means roughly 5% over-bid was sufficient. If rates continue softening, mid-tier competition will only intensify — Q4 is a reasonable entry timing.

7.3 For cross-border investors

1. **Q4 cash advantage in \$5M-\$10M is the strongest differentiation window.** \$5M-\$10M cash share is 49.5% — a cash close competes with half the field on equal terms. But **\$10M+ cash**

65-75% — luxury cash is still not dominant, and cross-border cash buyers retain a meaningful relative edge in Q4.

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 Q4 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.

Q4 in one sentence: Q4 2025 is the early phase of the rate-down cycle — rates softened 34 bps but buyer behavior change lags, with elevated DOM and moderate premiums. Luxury has not decoupled from credit; mid-tier has begun tightening. **The market is in transition but the inflection has not fully formed.**

⚠️ 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 Q4 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

- Q4 primary data: CloseDate \in [2025-10-01, 2025-12-31], 3,360 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 98.6% 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 15 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 93% of the time (14 of 15).

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 "4 closings" figure for \$20M+ refers to MLS-recorded transactions only; true volume is likely 50-100% higher (off-market share tends to be higher in weaker markets where luxury sellers prefer private transactions).
- This issue does not include strict YoY comparison — 2024 Q4 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 overview

This is the **fourth and final issue of the 2025 series**. The Q1–Q3 quarterly reports stand alone and are archived at mkbayarea.com/pulse.

MK Bay Area Pulse · 2025 Issue 04 · Q4 2025

Fourth issue of the 2025 series · mkbayarea.com

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