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# The San Francisco Bay Area Apartment Building Market

April 2018 Market Report  
**Main Focus on 5+ Unit Buildings**

For San Francisco, Alameda & Marin Counties

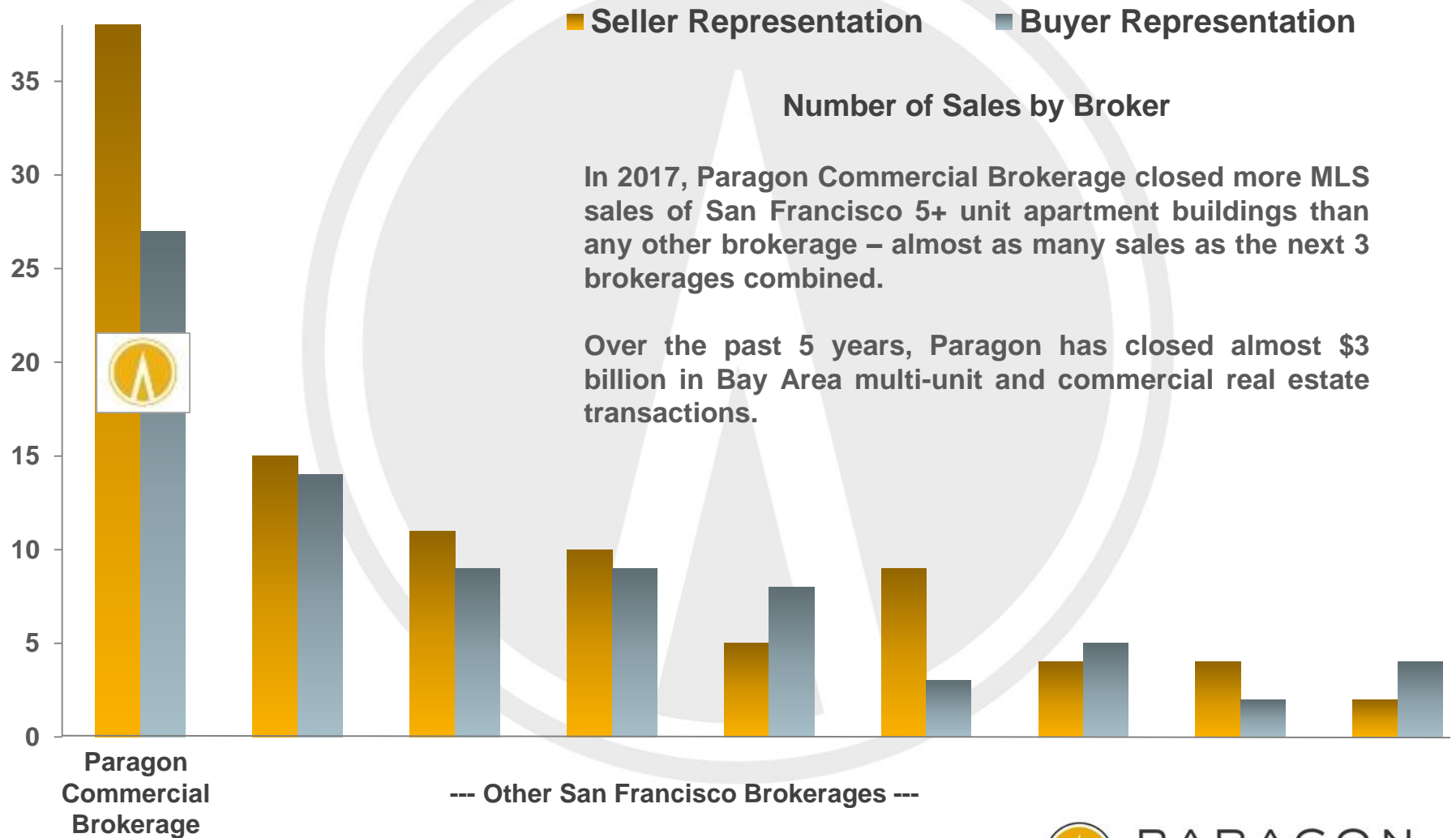


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# San Francisco Apartment Building Sales by Broker

## 5+ Unit Residential Property MLS Sales in 2017

Transaction sides for MLS sales of 5+ unit bldgs.



2017 sales reported to MLS by 1/3/18, per Broker Metrics.



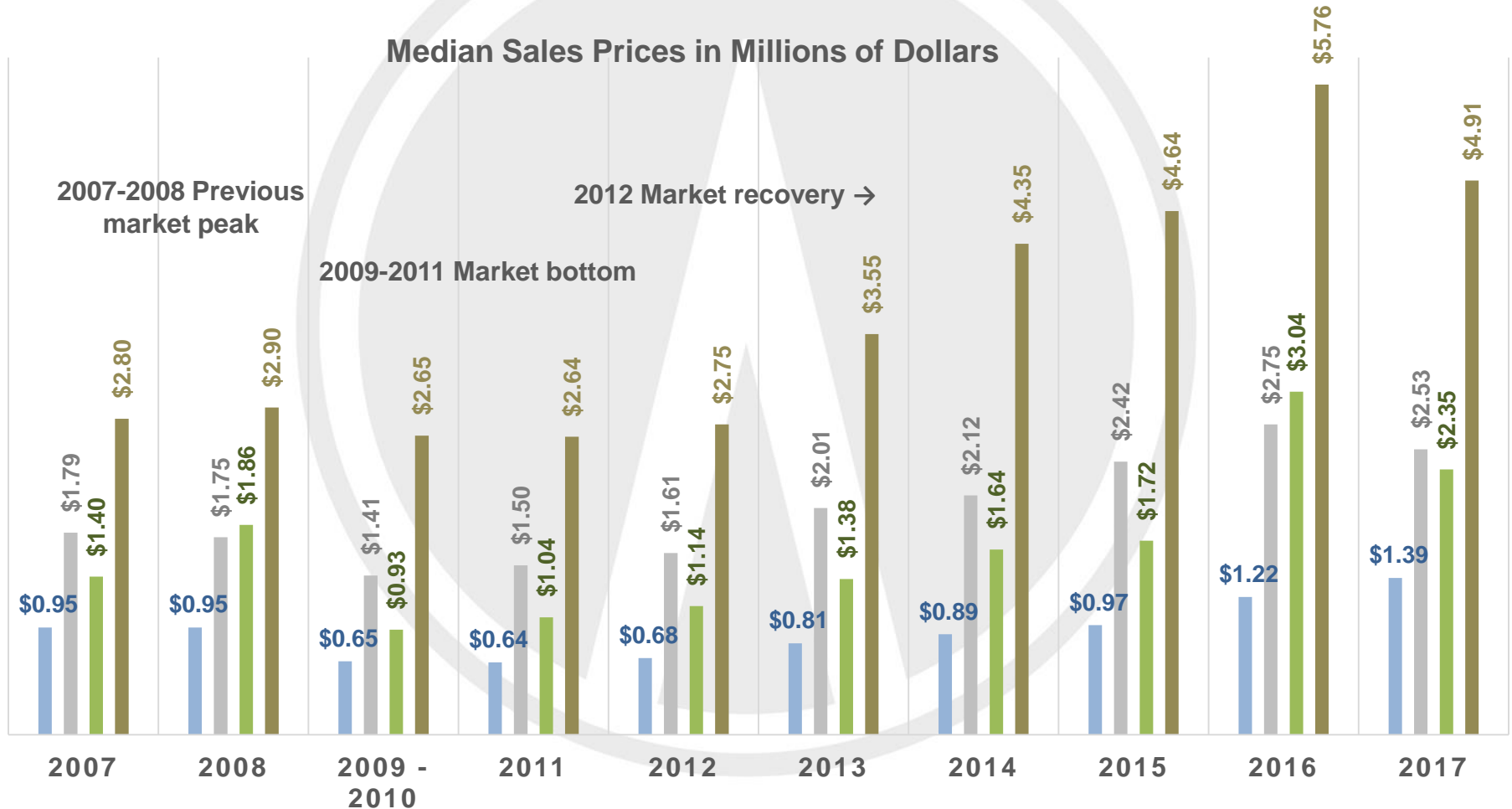
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# Median Sales Prices in Millions of Dollars

## San Francisco & Alameda 5-15 Unit Building Sales

County residential multi-unit sales  
reported to MLS through 12/21/17

■ Alameda 5-9 Units   ■ San Francisco 5-9 Units   ■ Alameda 10-15 Units   ■ San Francisco 10-15 Units



Because of the relatively small number of sales and the huge variety in buildings sold, this is a very general statistic when applied to investment property MLS sales. Data is from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.



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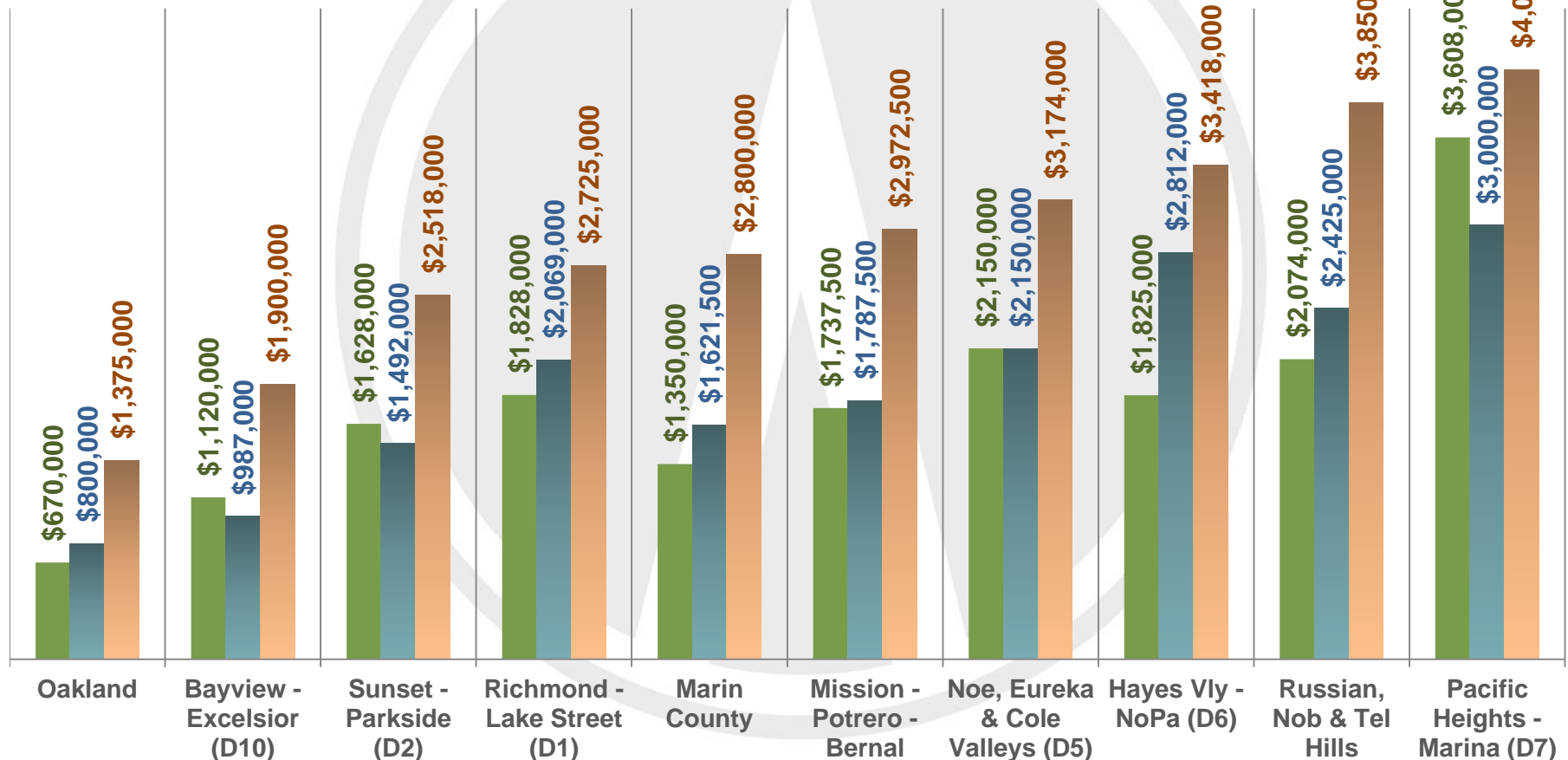
# San Francisco, Oakland & Marin County

## Residential Multi-Unit Properties, Median Sales Prices

MLS Sales reported  
3/20/17 – 3/19/18

■ 2 Unit Buildings ■ 3-4 Unit Buildings ■ 5-15 Unit Buildings

### Median Sales Prices



Neighborhood titles often stand for larger districts. Some markets had relatively few sales in the period. Data from sources deemed reliable but may contain errors and subject to revision.

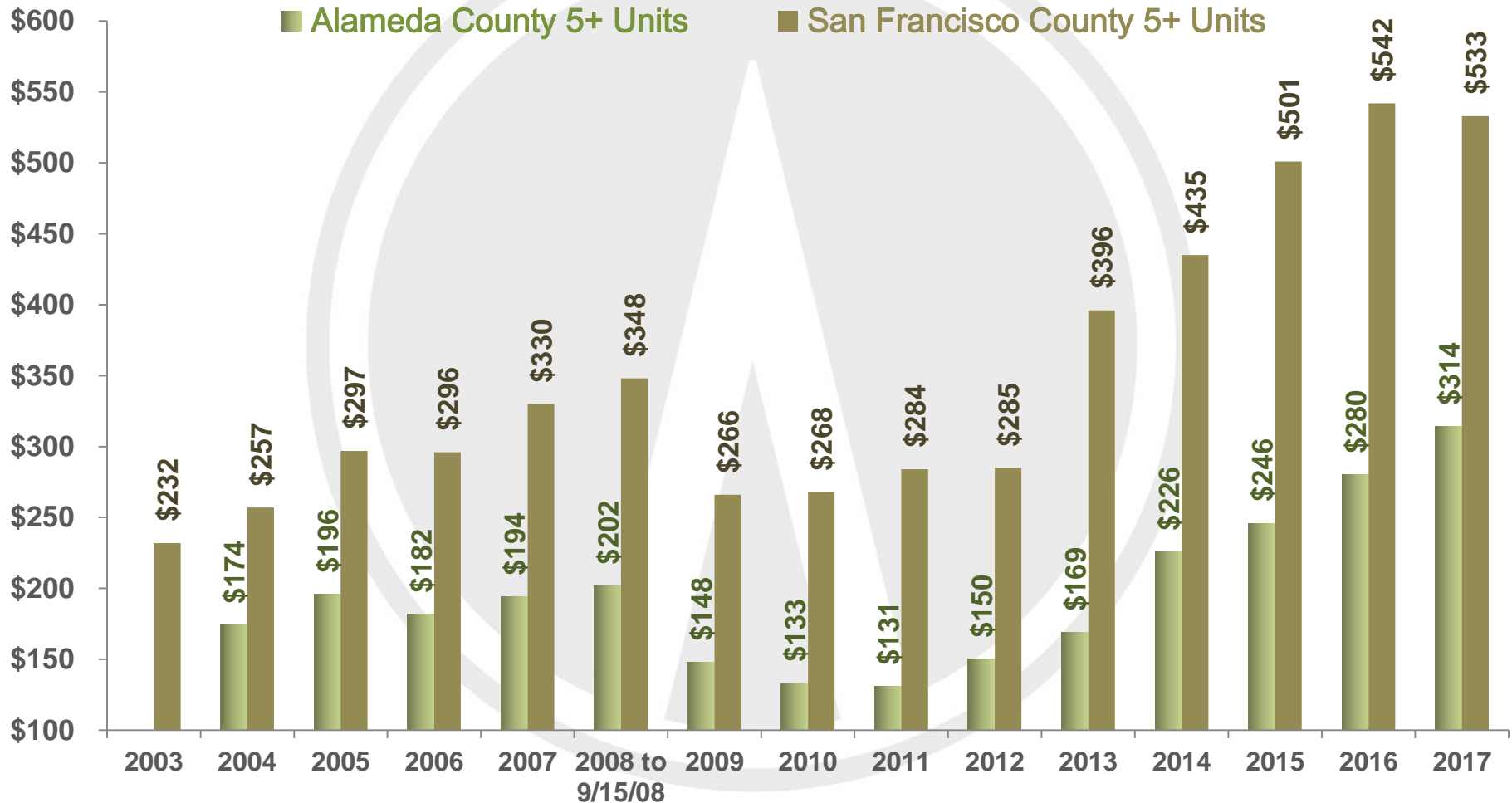


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# Average Dollar per Square Foot Values

## San Francisco & Alameda, 5+ Unit Apartment Building Sales

Sales reported  
to MLS by  
12/21/17



Because of the relatively small number of sales and the huge variety in buildings sold, average dollar per square foot is a very general statistic when applied to investment property sales. Data is from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.



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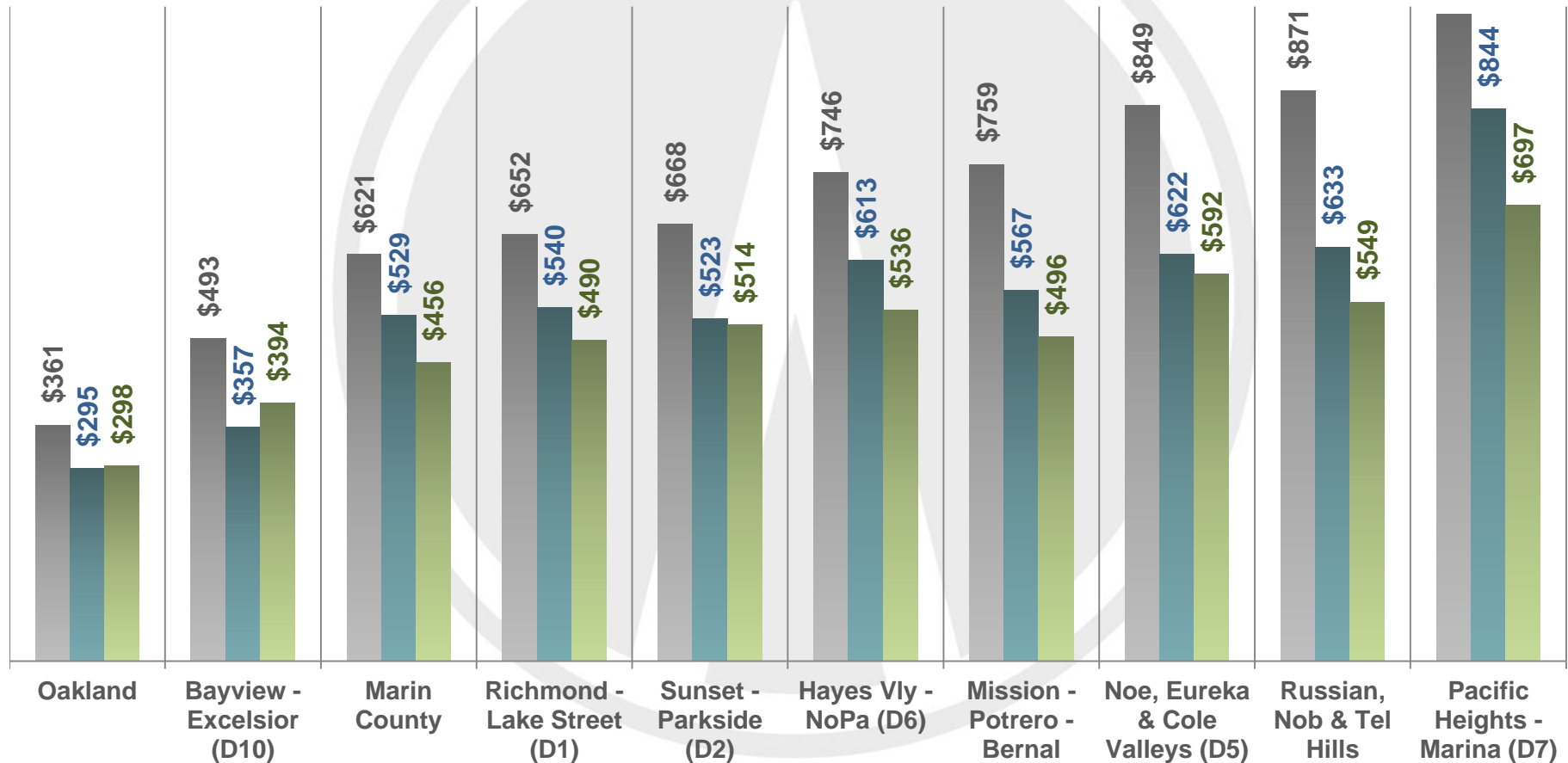
# San Francisco, Oakland & Marin County

## Residential Multi-Unit Properties, Average Dollar per Square Foot

MLS Sales reported  
3/20/17 – 3/19/18

■ 2 Unit Buildings ■ 3-4 Unit Buildings ■ 5-15 Unit Buildings

Average Dollar per Square Foot



Neighborhood titles often stand for larger districts. Some markets had relatively few sales in the period. Outlier sales excluded when identified. Data from sources deemed reliable but may contain errors and subject to revision.

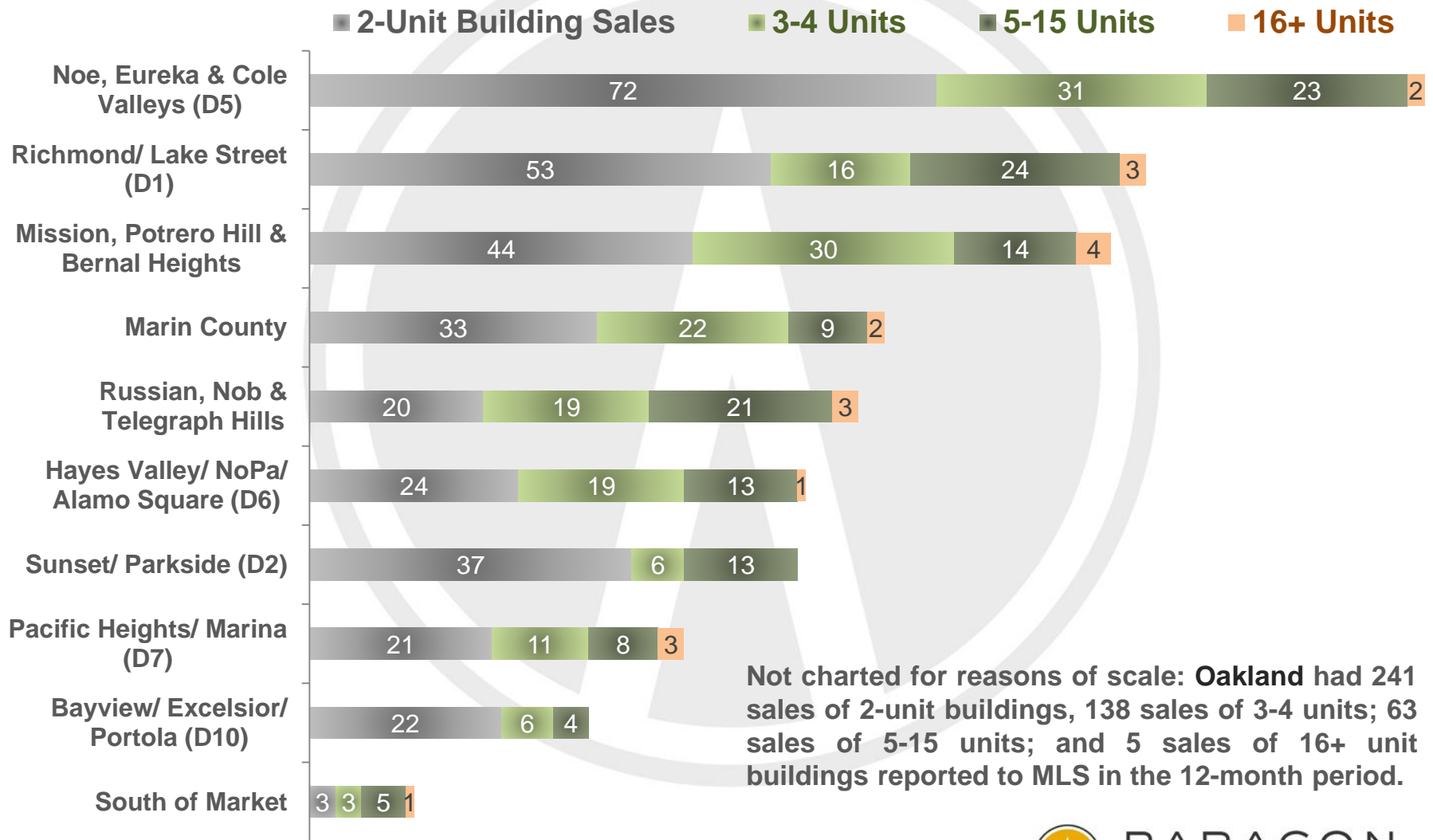


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# Multi-Unit Residential Property Sales

San Francisco Districts, Marin & Oakland [3/20/17 – 3/19/18]

Sales reported to MLS in the 12 month period



Does not include sales unreported to MLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.



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# 5-8 Unit Residential Building Values

## 2017 Sales Review\*: SF Districts, Marin & Alameda Counties

Sales reported to MLS

Selected Neighborhoods/ Districts	Number of Sales	Median Sales Price	Average GRM*/ Cap Rate	Average Dollar per Square Foot
Pacific & Presidio Heights, Cow Hollow & Marina (District 7)	4	\$4,118,000	18.8/ 3.8	\$590/sq.ft.
Noe, Eureka & Cole Valleys; Ashbury & Corona Heights; Mission Dolores (D5)	22	\$2,932,500	18.1/ 3.9	\$568
Russian, Nob & Telegraph Hills; North Beach	13	\$2,475,000	18.4/ 3.6	\$483
North of Panhandle (NoPa), Alamo Square, Hayes Valley, Lower Pacific Heights (D6)	5	\$2,400,000	16.7/ 4.6	\$516
Lake Street, Richmond District, Lone Mountain (District 1)	11	\$2,225,000	20.5/ 3.5	\$507
Marin County	3	\$2,200,000	15/ 4.9	\$479
Inner Mission, Bernal Heights, SoMa (District 9)	11	\$1,963,000	16.6/ 4.4	\$496
Sunset, Parkside (District 2)	6	\$1,944,000	17.2/ 4.1	\$473
Alameda County	66	\$1,382,500	N/A	\$324

\* GRM = Gross Rent Multiple. Median price is that price at which half the sales occurred for more and half for less. Dollar per square foot is based upon the building's interior living space and does not include garages, storage, unfinished attics and basements; or rooms built without permit. Cap rate measures the % return on investment – income less expenses – if the property was purchased all cash. All these statistics are gross generalities for a basket of diverse sales in which the underlying sales often have wide disparities in values

This analysis was performed in good faith with data derived from sources deemed reliable, but may contain errors and is subject to revision. \* Data from MLS sales in 2017 through the first 3 weeks of December. Figures were adjusted for outlier sales, when identified. All numbers approximate.



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# 9-15 Unit Residential Building Values

## 2017 Sales Review\*: SF Districts, Marin & Alameda Counties

Sales reported to MLS

Selected Neighborhoods/ Districts	Number of Sales	Median Sales Price	Average GRM*/Cap Rate	Average Dollar per Square Foot
Pacific & Presidio Heights, Cow Hollow & Marina (District 7)	2	\$5,962,500	N/A	\$706/sq.ft.
Russian, Nob & Telegraph Hills; North Beach	8	\$5,936,500	18.9/ 3.3	\$607
Lake Street, Richmond District, Lone Mountain (District 1)	6	\$4,979,500	16.9/ 3.7	\$493
Noe, Eureka & Cole Valleys; Ashbury & Corona Heights; Mission Dolores (D5)	4	\$4,705,000	16.6/ 3.9	\$494
Sunset, Parkside (District 2)	3	\$4,700,000	N/A	\$492
North of Panhandle (NoPa), Alamo Square, Hayes Valley, Lower Pacific Heights (D6)	8	\$4,637,500	16.7/ 4.4	\$543
Inner Mission, SoMa, Bernal Heights (District 9)	6	\$3,955,000	15.8/ 3.9	\$451
Marin County	5	\$3,400,000	18/ N/A	\$490
Alameda County	24	\$2,072,500	N/A	\$283

**For residential properties of 16 to 30 units:** San Francisco had 17 sales during the period, at a median sales price of \$6,395,000, average GRM of 17, Cap Rate of 3.5, and dollar per square foot value of \$595. Alameda County had 5 sales at a median sales price of \$4,800,000 and an average dollar per square foot value of \$356 (GRM and Cap Rate not available). Marin only had 2 sales, which is not enough to generate meaningful statistics.

This analysis was performed in good faith with data derived from sources deemed reliable, but may contain errors and is subject to revision. \* Data from MLS sales in 2017 through the first 3 weeks of December. Figures were adjusted for anomalous outlier sales, when identified. All numbers approximate.

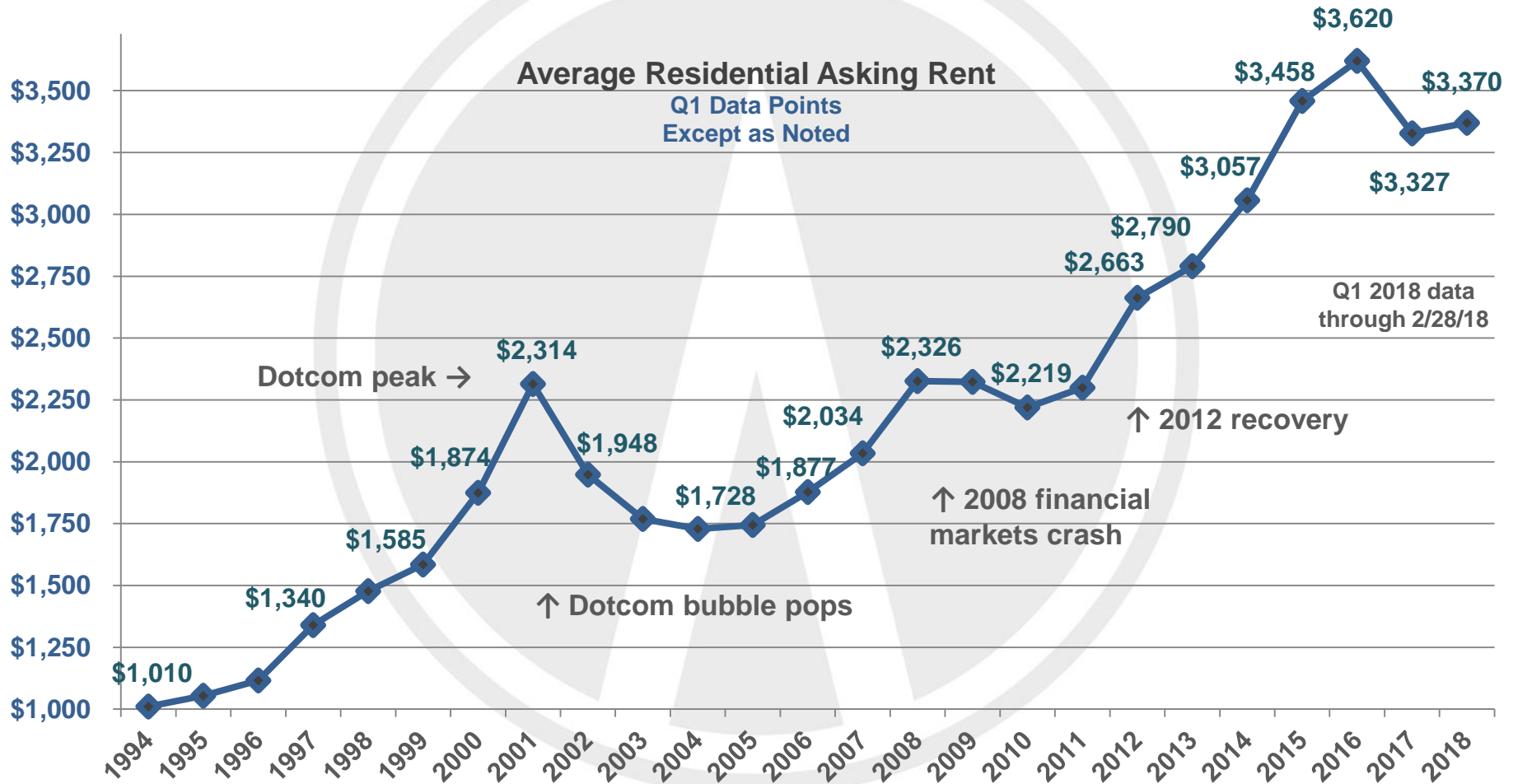


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# San Francisco Residential Rents

## Weighted Average Asking Rent, Q1 Data Points, 1994 - Present

Per RealFacts LLC &  
Zillow Rent index.



1<sup>st</sup> quarter data points except, as noted, for last reading per RealFacts LLC, for buildings with at least 50 units. 2017- onward estimated using Zillow Rent Index data. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

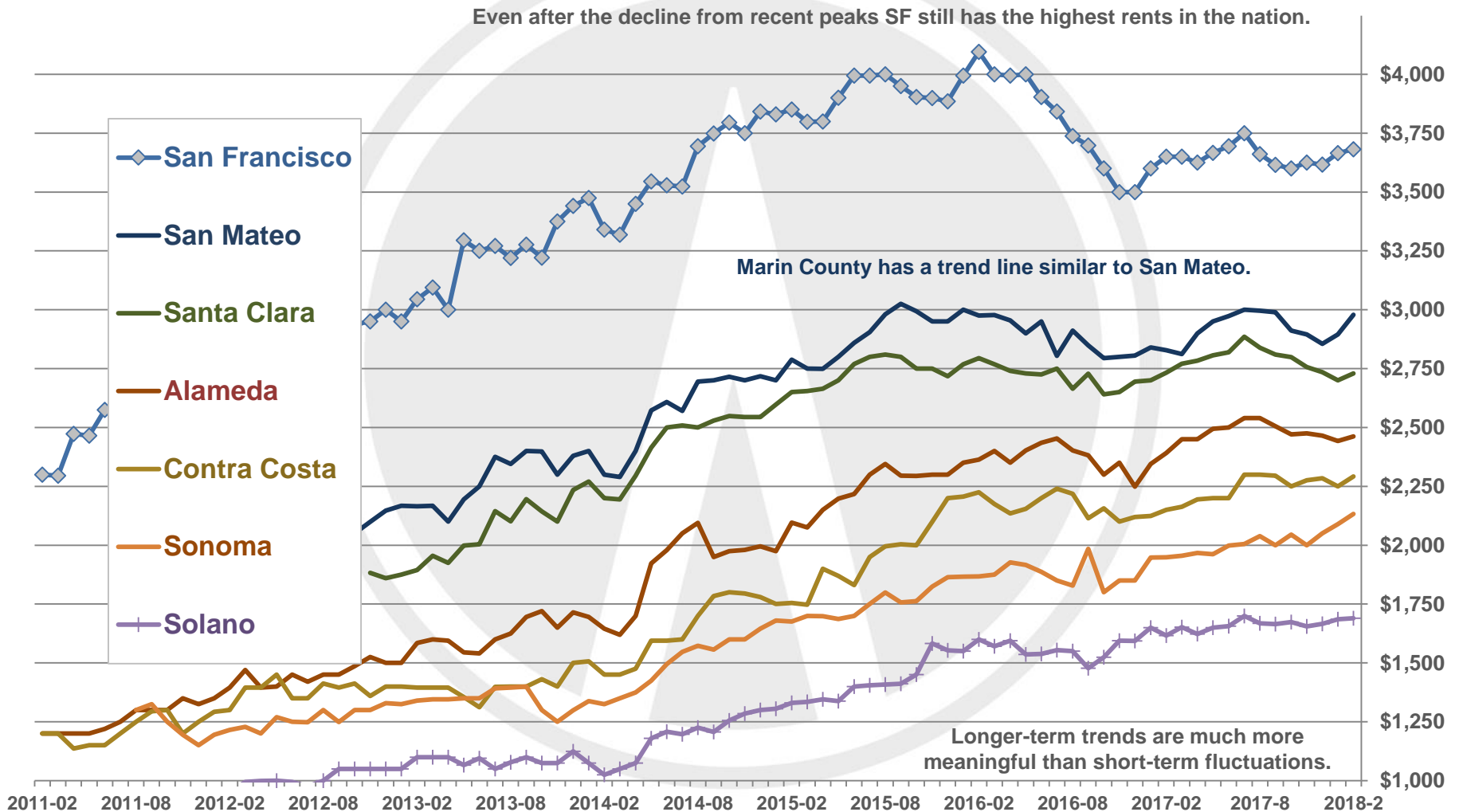


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# Median List Rents since 2011

## Bay Area Counties

Data per Zillow, 5+ unit buildings through February 2018



Per Zillow rental data by month. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate.



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# Median List Rent per Square Foot

## Selected Bay Area Counties & New York

Data per Zillow for the 6-month period through 2/28/18



Data from sources deemed reliable, but may contain errors and is subject to revision. Unit size and quality may vary by county. All numbers should be considered approximations.

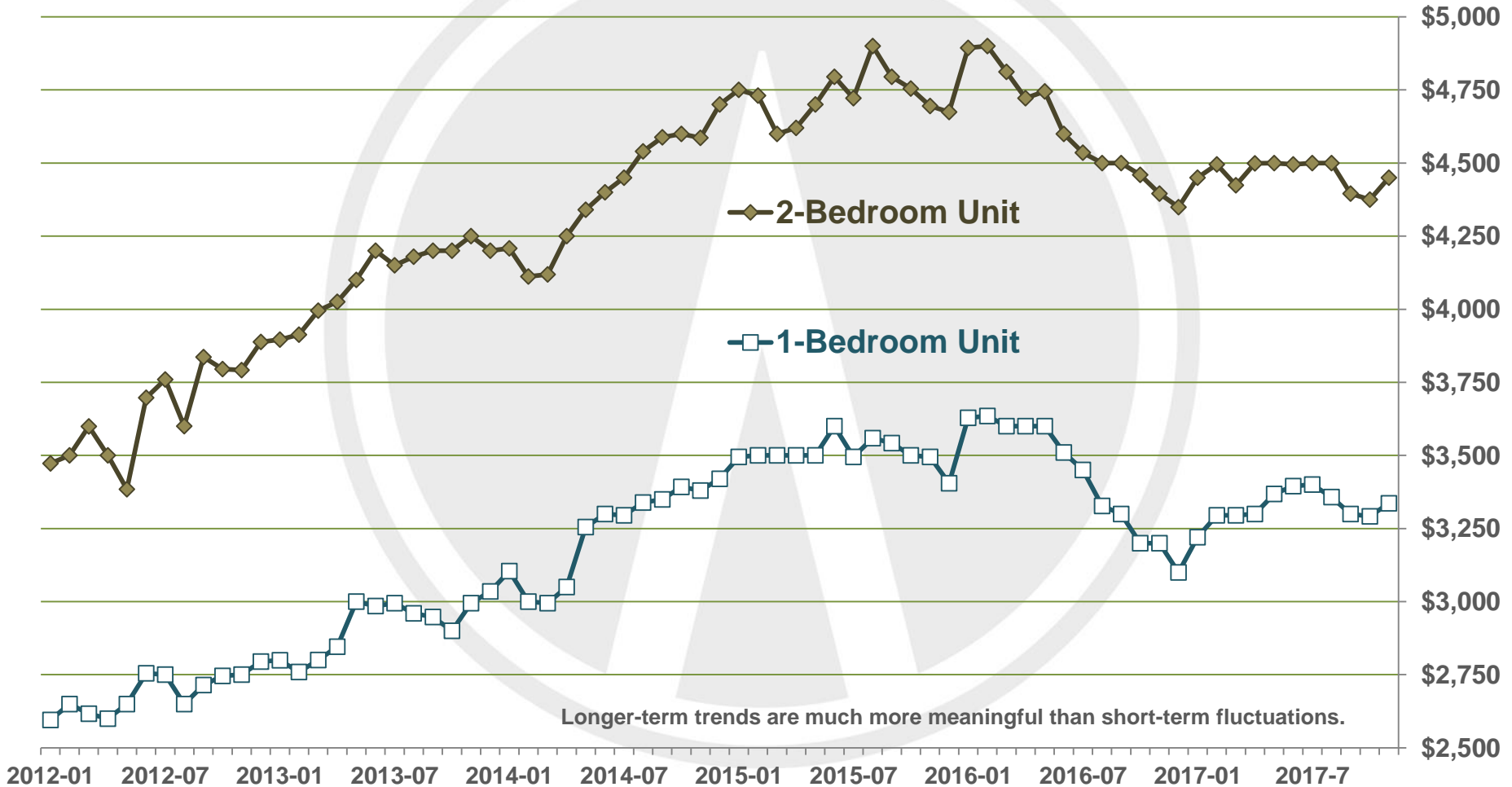


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# San Francisco Median List Rents

by Unit Size (Bedroom Count) since 2012

Data per Zillow through  
November 2017



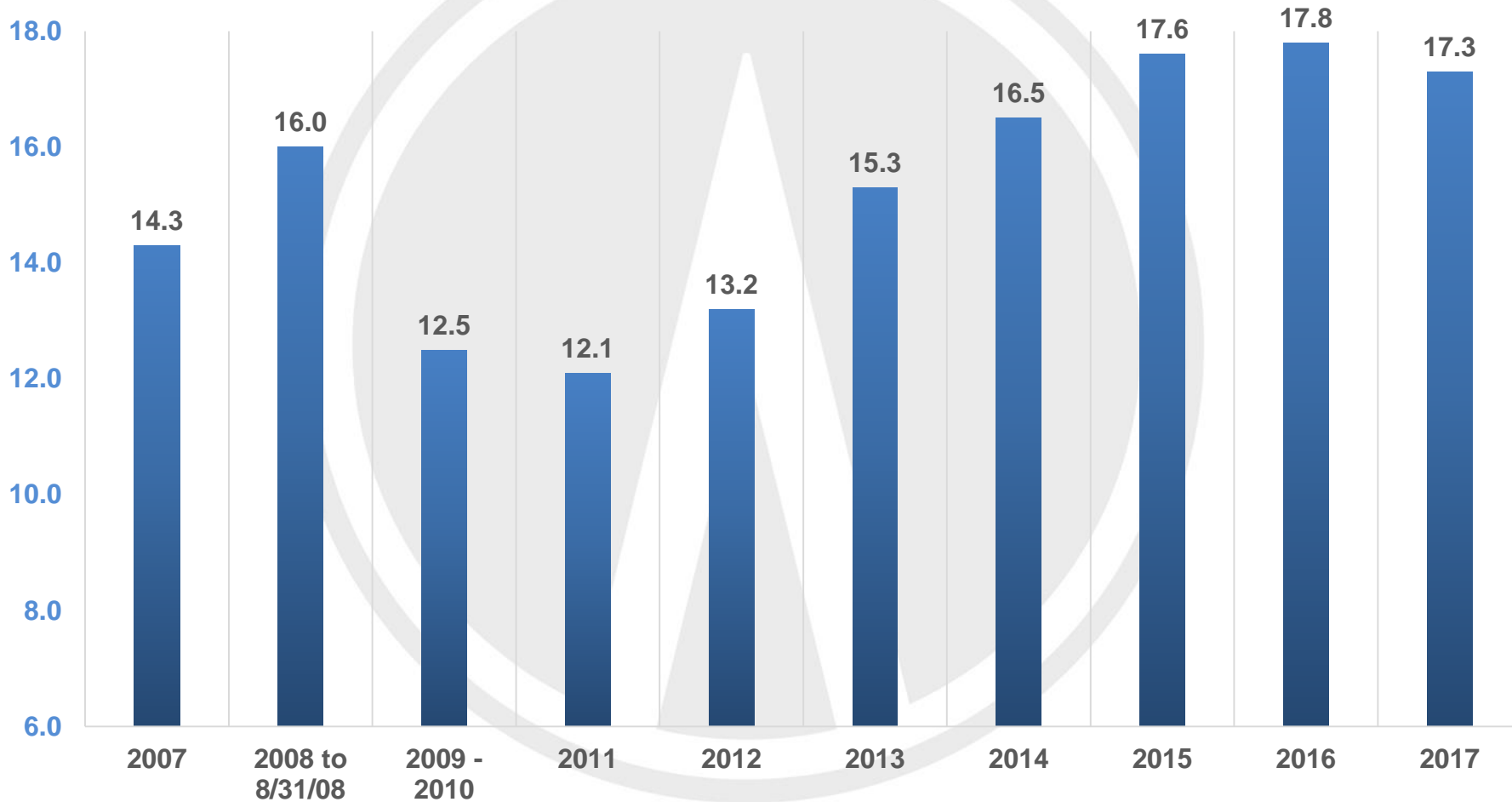
Per Zillow rental data by month. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate.



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# Average Gross Rent Multiples

## San Francisco 5+ Unit Apartment Building Sales



GRM is calculated by dividing the sales price by the annual gross rents. It is a very general statistic and all numbers should be considered approximate. This data is from sources deemed reliable, but may contain errors and subject to revision. Outlier sales that would distort the statistic were deleted from the analysis when identified.

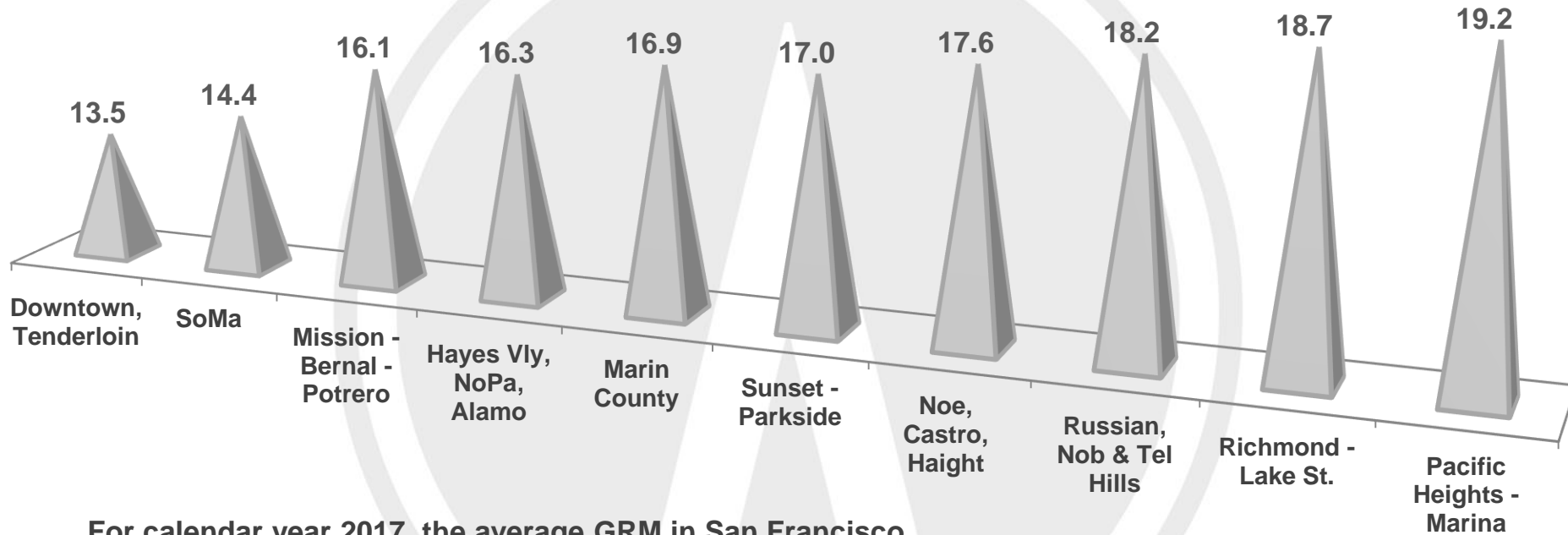


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# Average Gross Rent Multiple (GRM)

San Francisco & Marin, 5+ Unit Buildings [3/27/17 – 3/26/18]

Sales of 5+ unit buildings  
reported to MLS.



For calendar year 2017, the average GRM in San Francisco was 17.3. In 2011, at the bottom of the market, it was 12.1.

Average GRMs are gross generalities, with wide variances amid the underlying individual sales in each submarket.

Gross Rent Multiple is simply the sales price divided by the total rental income of the property. It is a very general statistic, which doesn't account for expenses or income upside potential, and only as good as the data provided in MLS by listing agents. Data from sources deemed reliable, but may contain errors and subject to revision. Outliers removed from analysis, when identified.

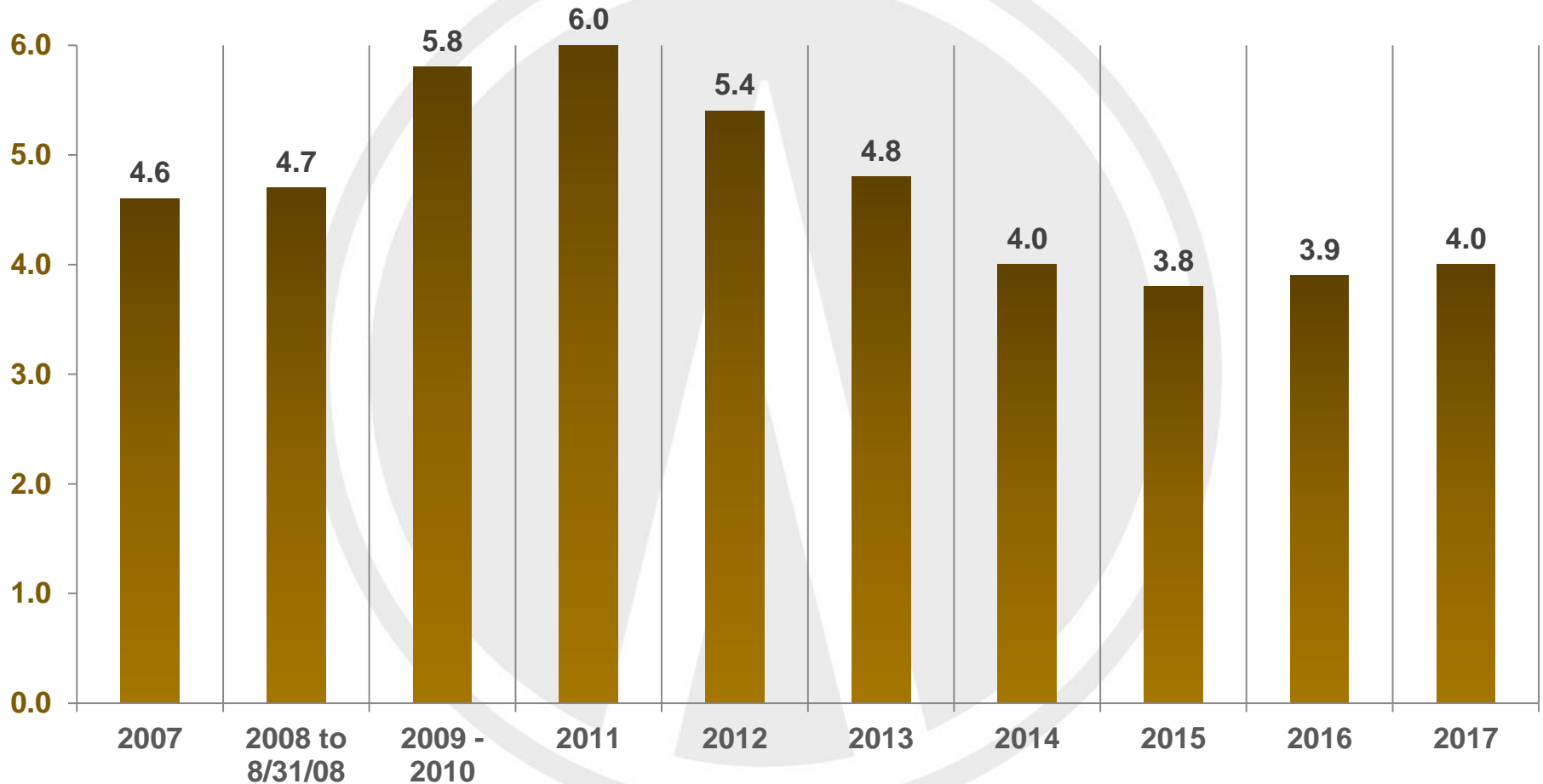


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# Average Cap Rates

## San Francisco 5+ Unit Apartment Building Sales



Capitalization rate calculations – sales price divided by net income (excluding mortgage costs), or return on investment as if the property had been purchased all cash – are only as good as the income and expense data provided by listing agents, and should be considered general approximations. Data from sources deemed reliable, but may contain errors and is subject to revision. Outlier sales that would distort the statistic were deleted from analysis when identified.

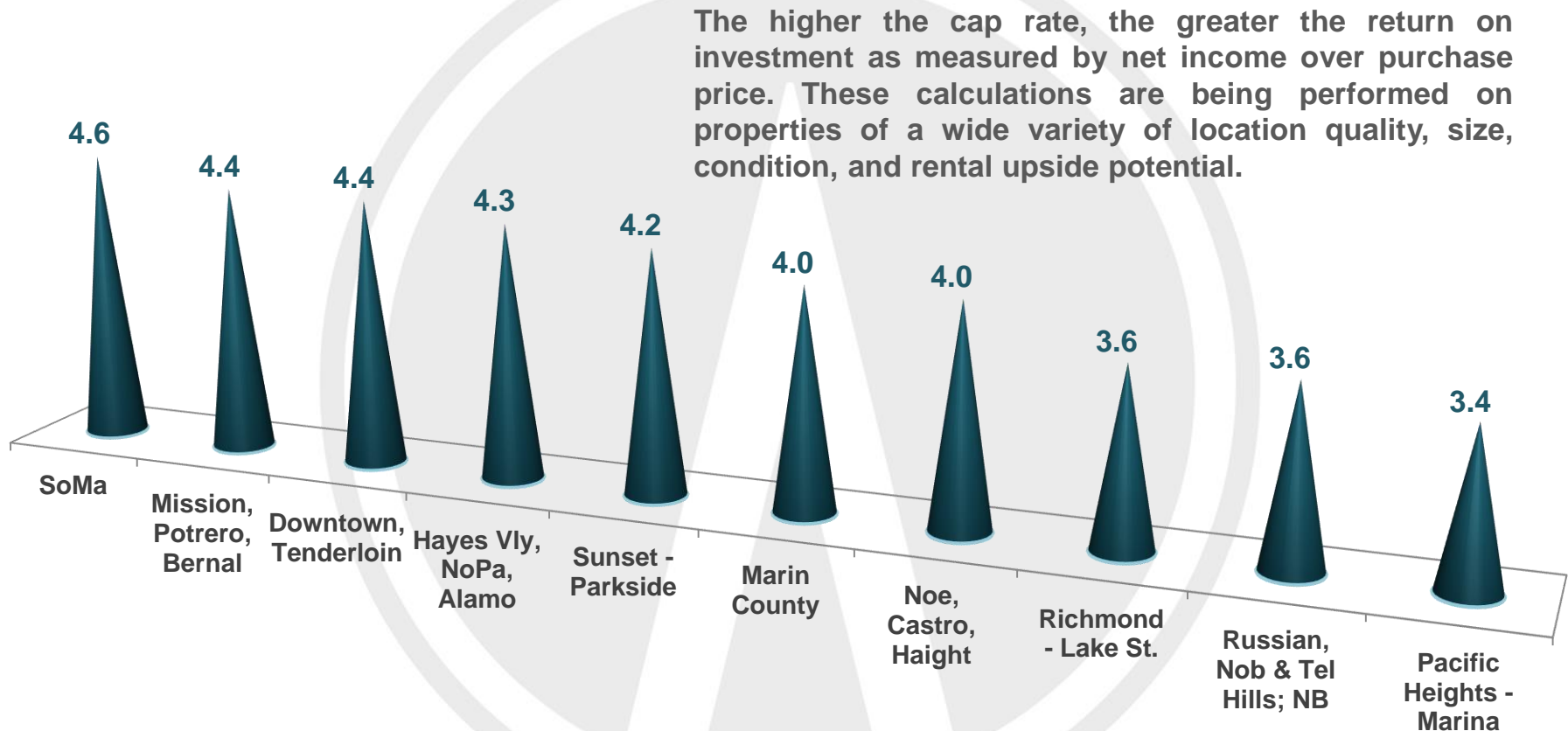


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# Average Cap Rates

By Submarket, Sales of 5+ Unit Buildings [3/27/17 – 3/26/18]

Sales of 5+ unit buildings  
reported to MLS.



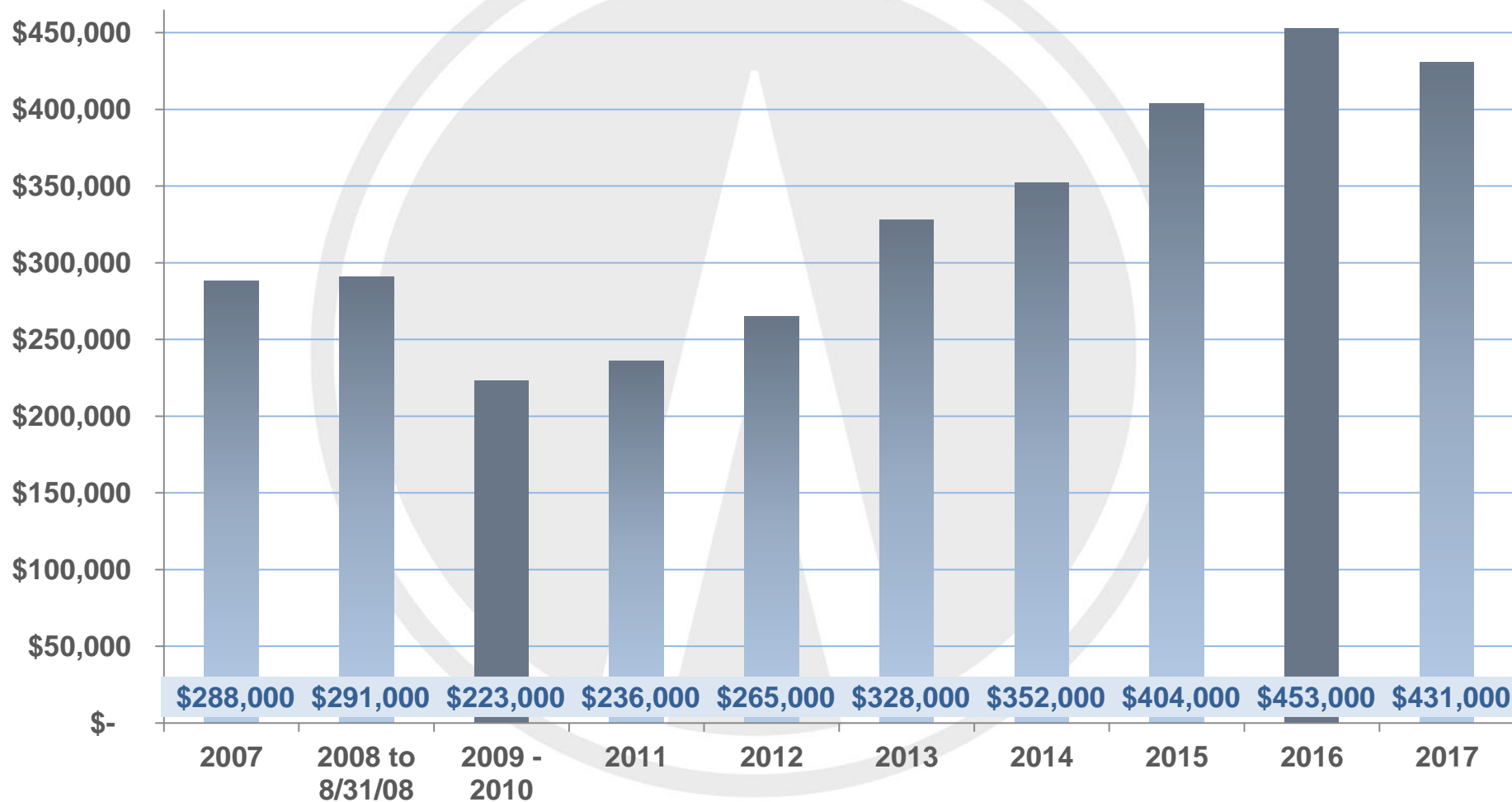
Capitalization rate calculations – sales price divided by net income (excluding mortgage costs), or return on investment as if the property had been purchased all cash – are only as good as the income and expense data provided by listing agents, so these numbers should be considered very general approximations. Data from sources deemed reliable, but may contain errors and subject to revision. Outlier sales removed from analysis when identified.



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# Average Price per Unit

## San Francisco 5+ Unit Apartment Building Sales



Because of the huge variety in buildings sold, this is a very general statistic when applied to SF investment property sales. This data is from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate.



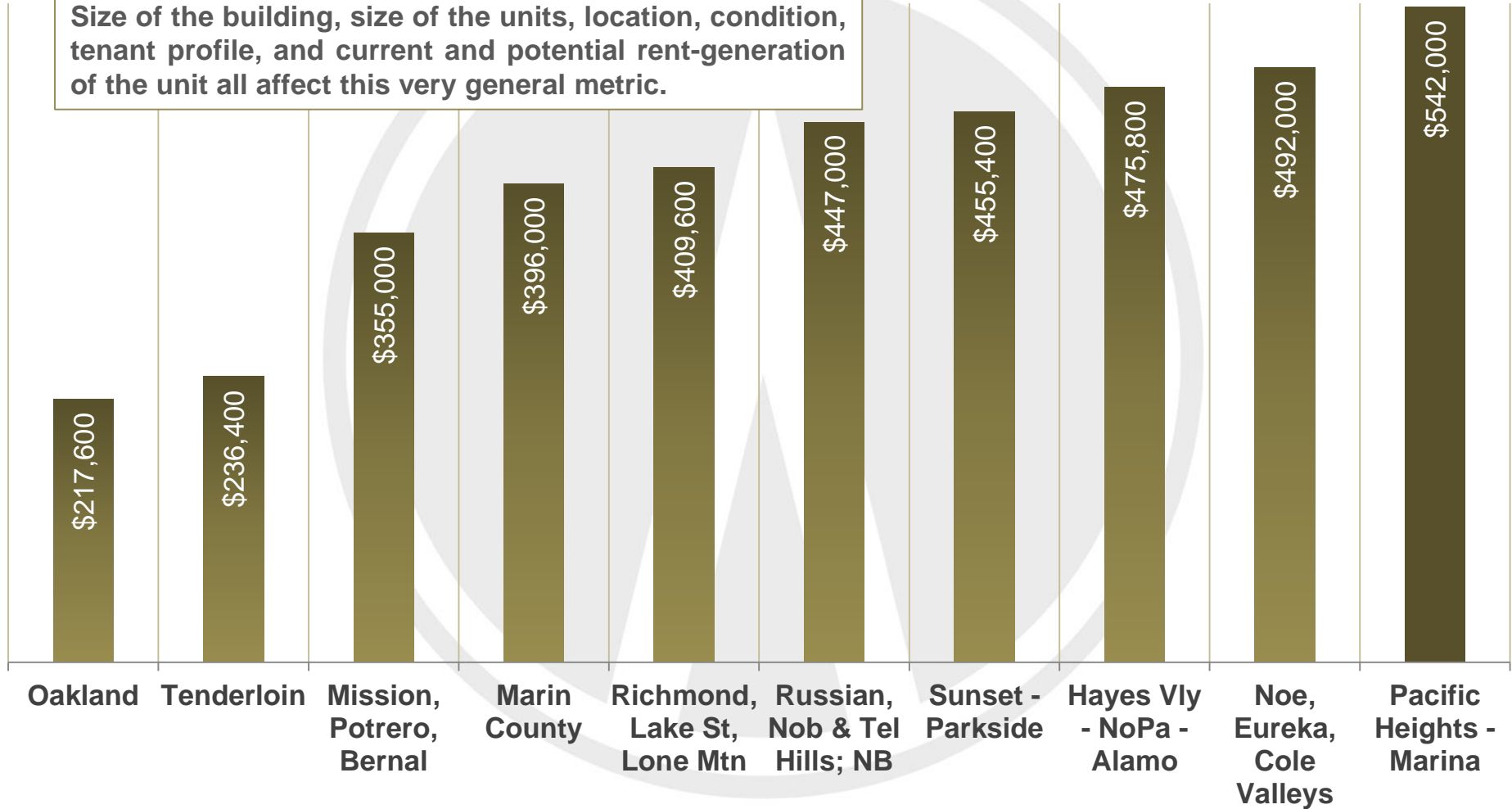
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# Average Price per Unit – Selected Submarkets

5+ Unit Apartment Building Sales [3/27/17 – 3/26/18]

Sales reported to MLS.

Size of the building, size of the units, location, condition, tenant profile, and current and potential rent-generation of the unit all affect this very general metric.



Neighborhood titles often stand for larger districts. Data from sources deemed reliable but may contain errors and subject to revision. Numbers should be considered very approximate since a very wide variety of buildings are in this mix. The devil is always in the details.

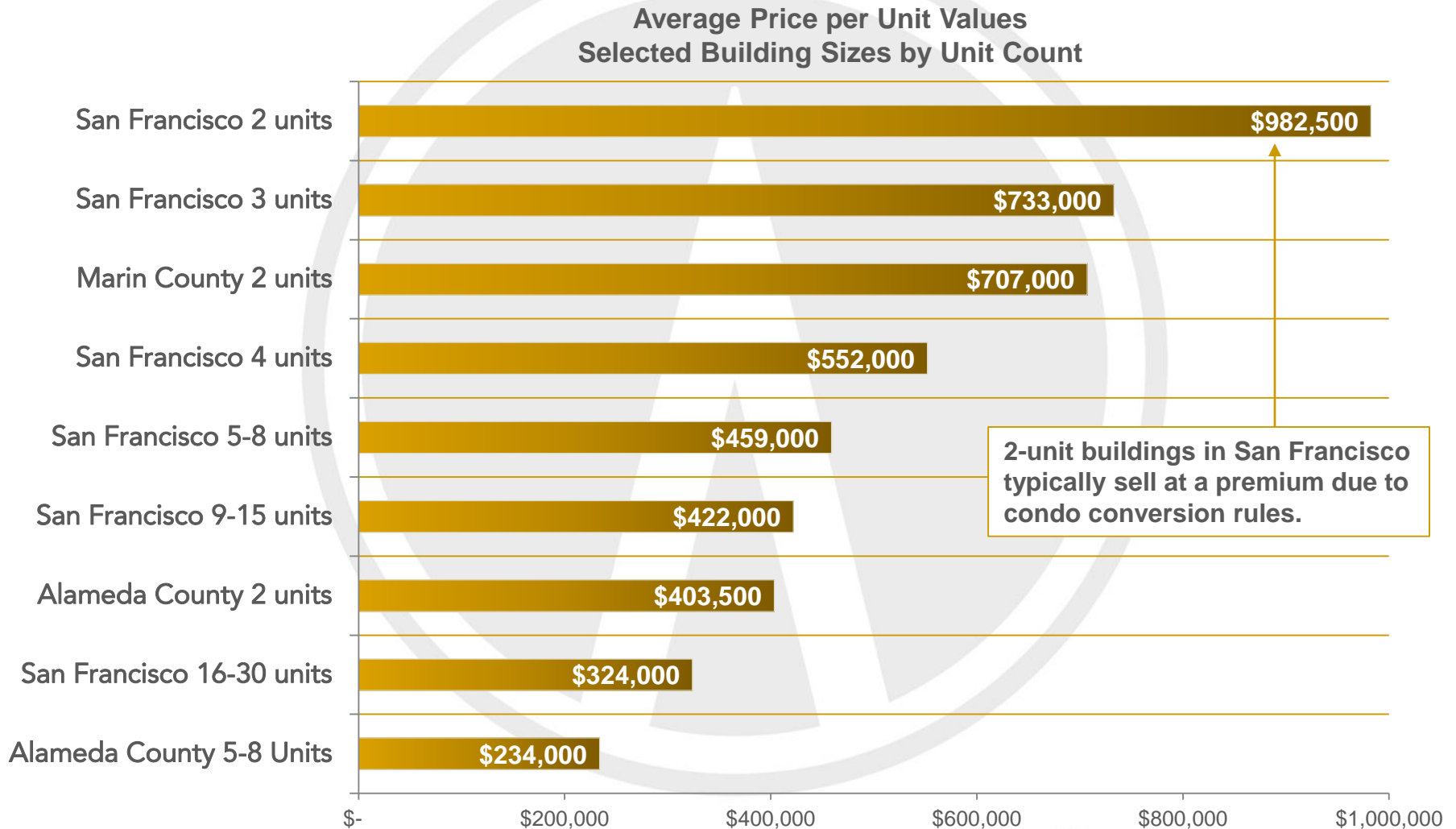


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# Price per Unit on Sale in 2017

## San Francisco, Marin & Alameda Counties

Sales reported to MLS  
through 12/31/17



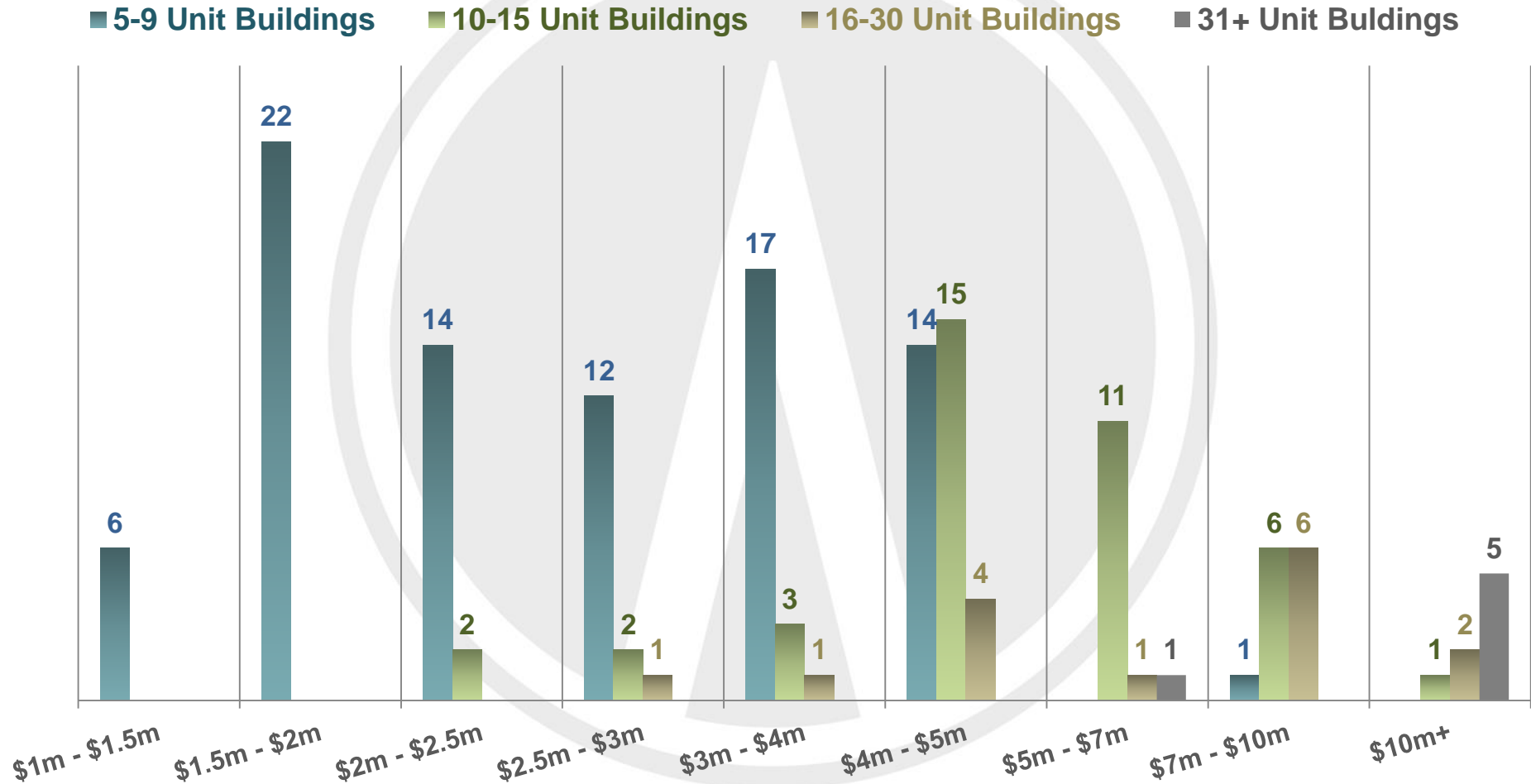
These prices are gross generalities reflecting sales of a wide variety of buildings and unit sizes in locations of differing values. Data from sources deemed reliable, but may contain errors and subject to revision. Outlier sales were removed from the analysis when identified. All numbers to be considered very general approximations.



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# San Francisco 5+ Unit Apartment Building Sales

## 2017 Sales by Price Segment



“M” signifies millions of dollars. Data from sources deemed reliable, but subject to error and revision. We try to track all sales, but some sales may be missing. All numbers to be considered approximate.

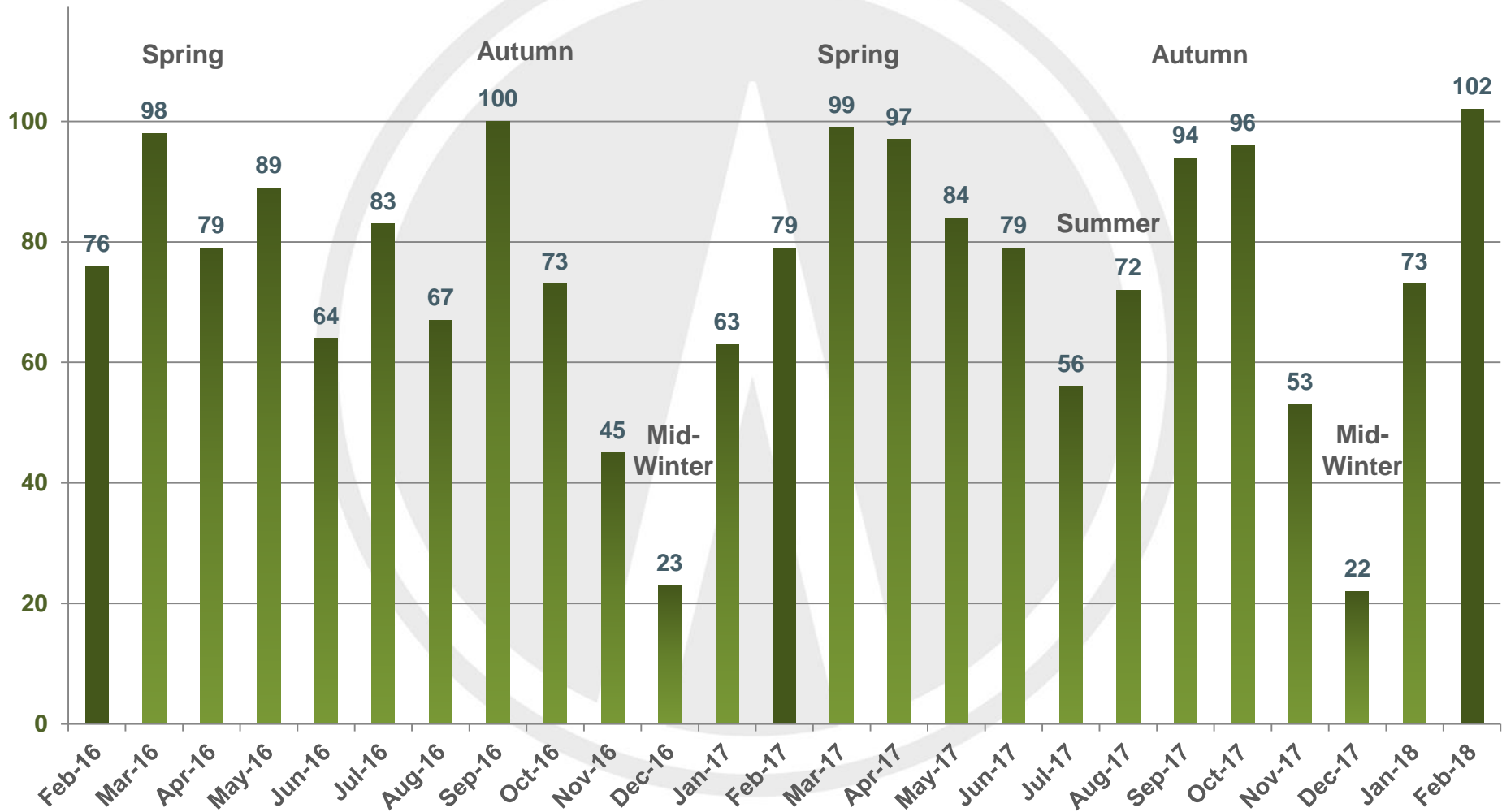


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# New Listings Coming on Market, by Month

## Seasonality & the SF Multi-Unit Residential Market

MLS 2-4 unit and 5+ unit activity, per Broker Metrics.



As reported to MLS only. Data from sources deemed reliable, but may contain errors and subject to revision. Based upon MLS activity. All numbers approximate.



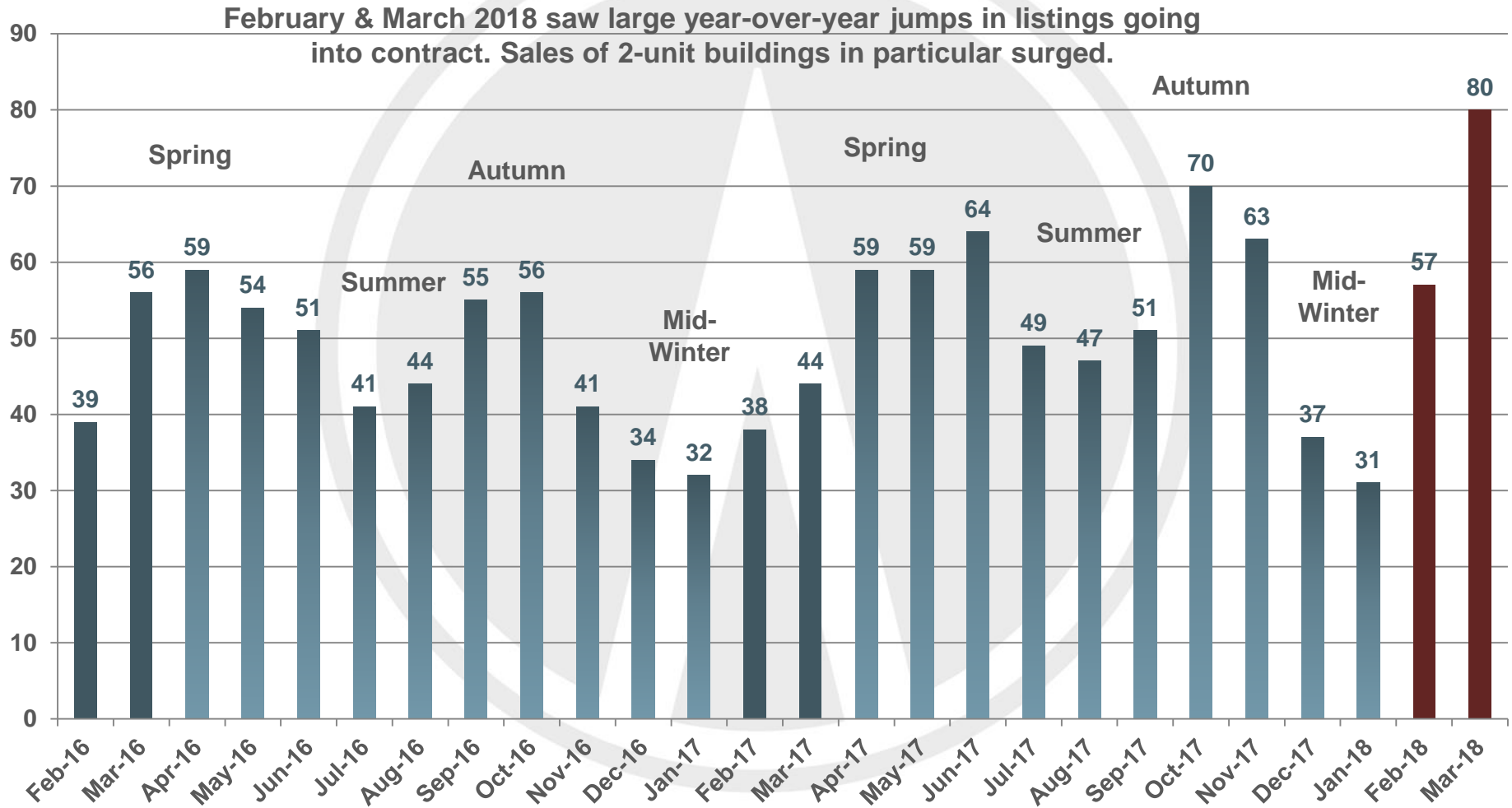
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# Listings Accepting Offers by Month

## Seasonality & the SF Multi-Unit Residential Market

MLS 2-4 unit and 5+ unit activity, per Broker Metrics.



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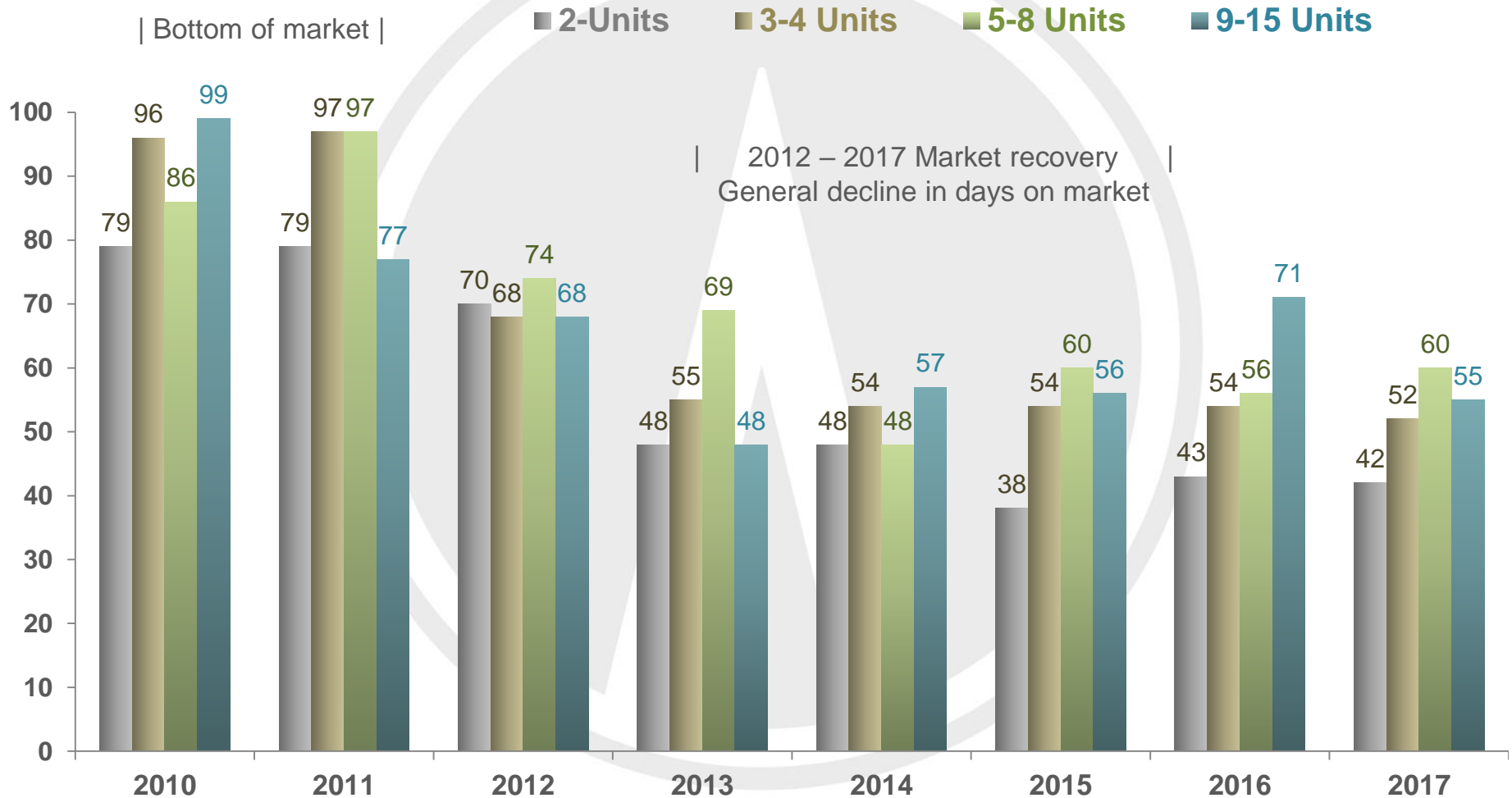


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# Average Days on Market until Acceptance of Offer

## San Francisco Multi-Unit Residential Sales since 2010

Per MLS sales data.



These analyses were performed in good faith with data derived from sources deemed reliable, but may contain errors and are subject to revision. All numbers to be considered approximate.

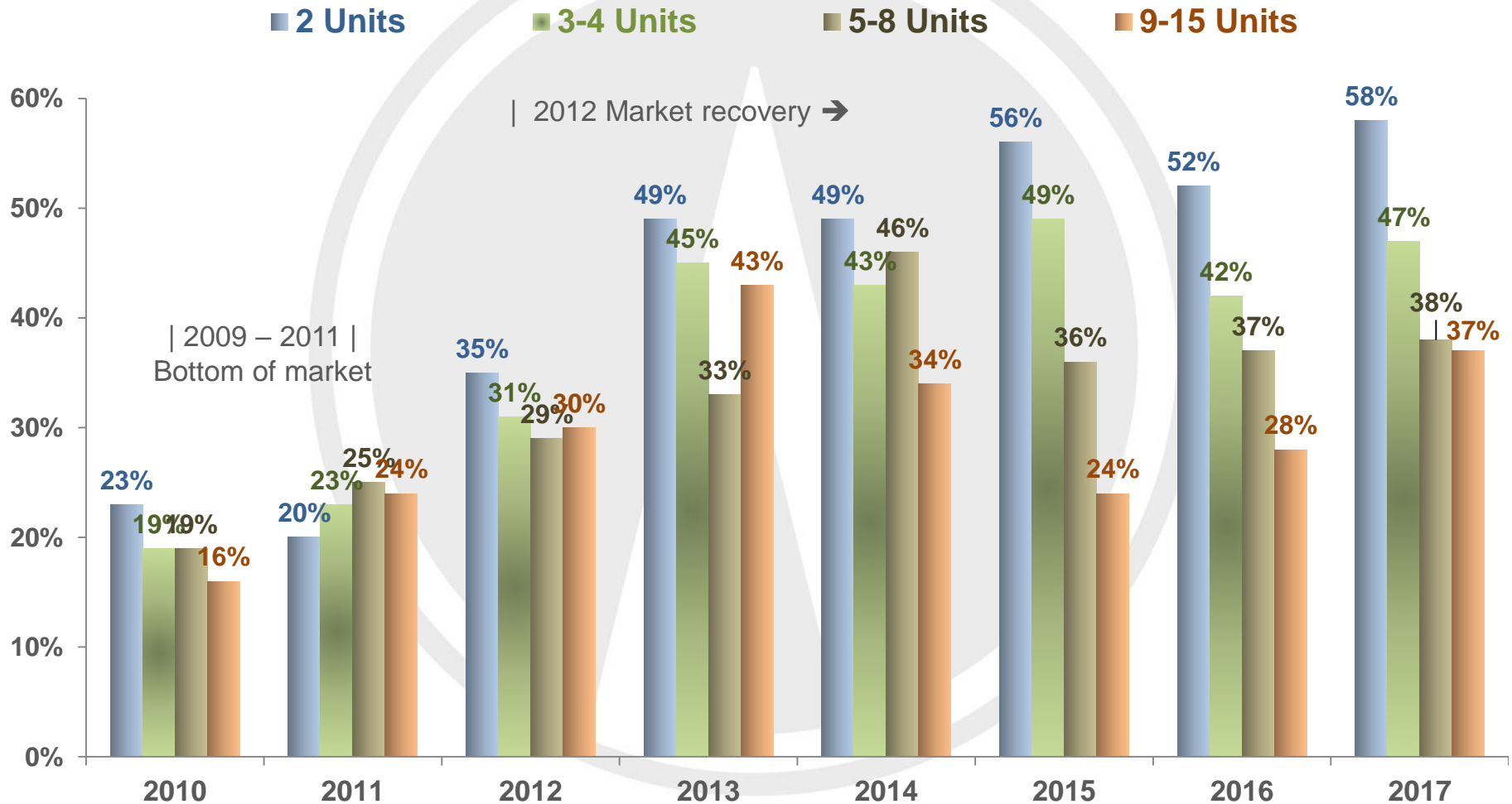


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# % of Sales Selling Within 30 Days of Coming on Market

## San Francisco Multi-Unit Residential Sales since 2010

Per MLS sales data.



The selling period refers to the time between a listing coming on market and accepting an offer. These analyses were performed in good faith with data derived from sources deemed reliable, but may contain errors and are subject to revision. All numbers to be considered approximate.

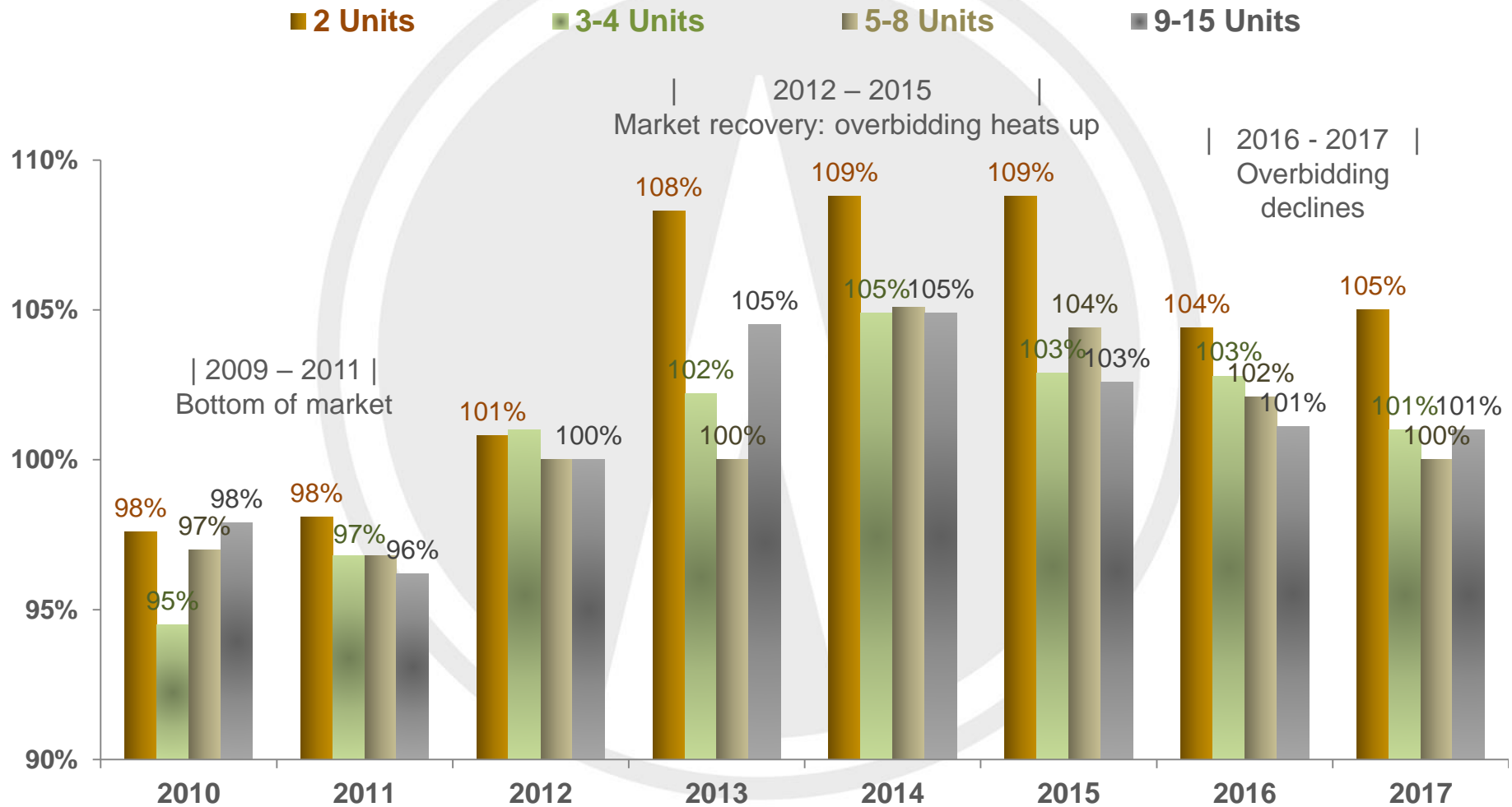


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# Avg. Sales Price to Final List Price Percentage

## San Francisco Multi-Unit Residential Sales since 2010

Per MLS sales data.



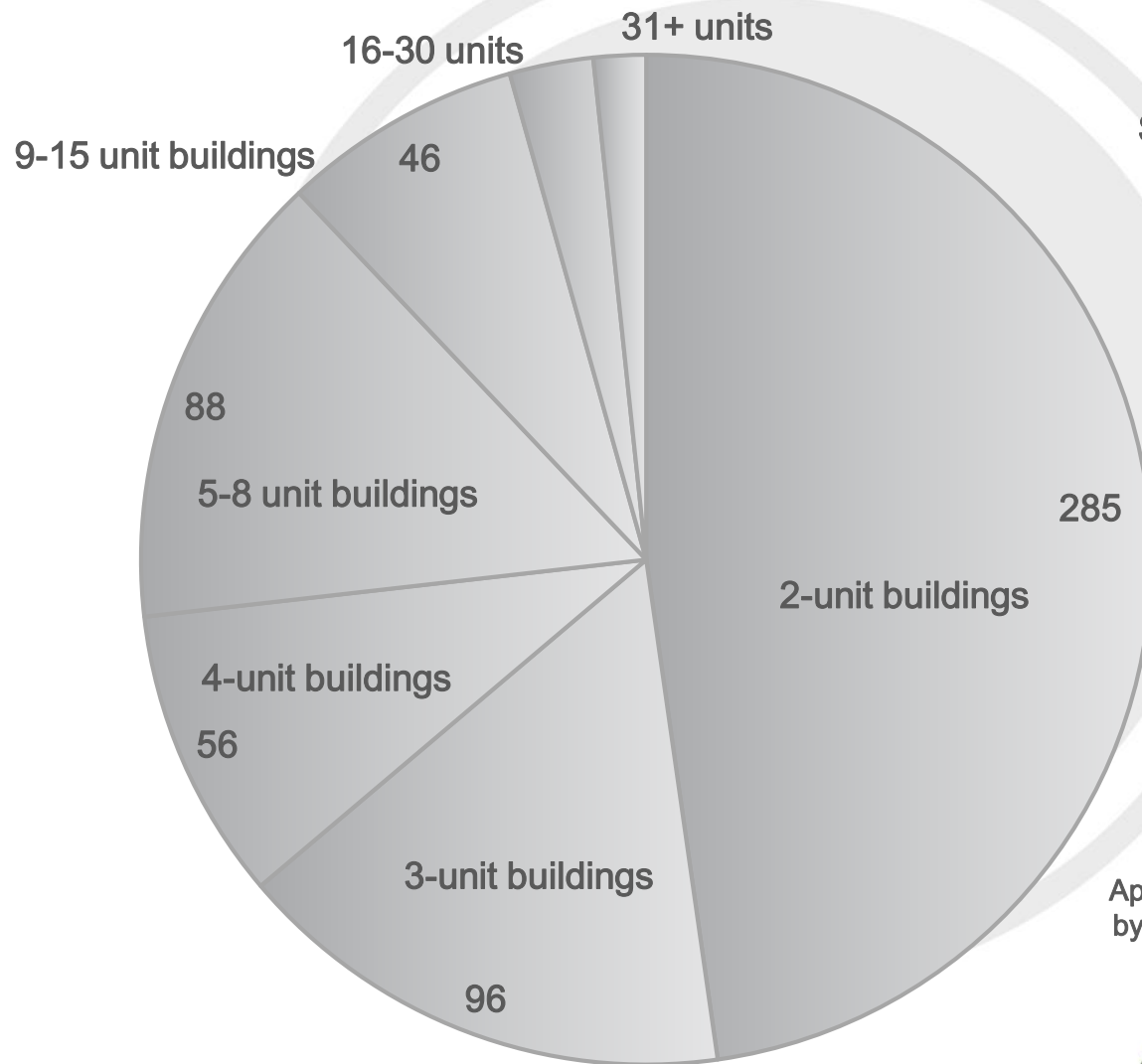
Comparison of sales price to final list price. Outliers removed when identified. These analyses were performed in good faith with data derived from sources deemed reliable, but may contain errors and are subject to revision. All numbers to be considered approximate.



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# San Francisco Multi-Unit Residential Building Market

## 2017 Sales Activity by Unit Count



San Francisco's residential investment market is dominated by the sale of smaller buildings.

Approximate number of building sales by unit count in 2017. Includes mixed-use properties.

Estimated totals based on sales reported to MLS by 12/29/17. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate.

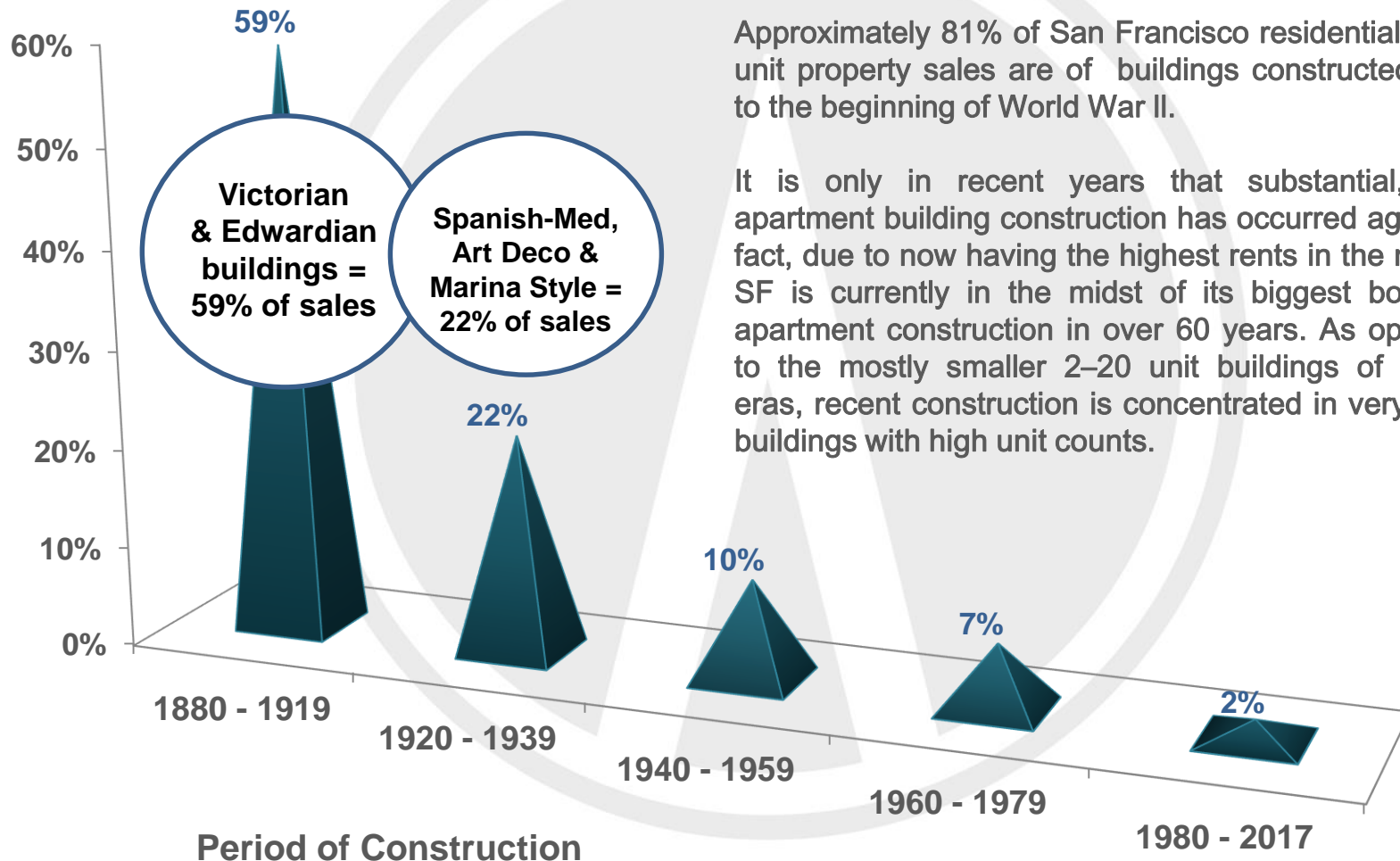


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# San Francisco Residential Multi-Unit Buildings

## 2017 Sales by Era of Construction

Sales reported  
to MLS.



These analyses were performed in good faith with data derived from sources deemed reliable, but they may contain errors and are subject to revision. All numbers should be considered general approximations.



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San Francisco Q1 2018  
5+ Unit Apartment Building Sales  
Compiled by Paragon Commercial Brokerage

ADDRESS	DISTRICT	SALES PRICE	UNITS	\$/UNIT	GRM	SQ. FT.	\$/SQ. FT.	CAP RATE	YR. BLT.
266 19th Ave	Central Richmond	\$2,100,000	6	\$350,000	16.0	4,398	\$477	4.0	1964
101 Balboa St	Inner Richmond	\$2,175,000	7	\$310,714	19.6	6,325	\$344	3.8	1906
195 2nd Ave.	Inner Richmond	\$6,200,000	13	\$476,923	22.2	12,372	\$501	2.1	1923
190 8th Ave	Lake Street	\$3,165,000	7	\$452,143	22.0	7,270	\$435	2.9	1916
140 20th Ave	Lake Street	\$8,500,000	18	\$472,222		18,870	\$450		1927
870-874 47th Ave	Outer Richmond	\$3,250,000	8	\$406,250	16.0	4,900	\$663	4.4	1957
1301-11 40th Ave	Outer Sunset	\$2,200,000	8	\$275,000	15.4	5,630	\$391	4.9	1957
239 Hugo St	Inner Sunset	\$3,050,000	5	\$610,000		6,696	\$455		1912
1549 Ocean Ave	Ingleside	\$1,950,000	10	\$195,000	21.6	5,512	\$354		1925
906-910 Stanyan	Cole Valley	\$2,205,000	5	\$441,000		5,325	\$414		1906
840 Waller St	Buena Vista Park	\$10,250,000	15	\$683,333	16.6	10,416	\$984	4.5	1962
2140-44 Market	Duboce Triangle	\$7,100,000	28	\$253,571					
3983 17th St	Eureka Valley	\$3,740,000	7	\$534,286	18.9	5,776	\$648	3.4	1925
1813 15th St	Mission Dolores	\$2,800,000	5	\$560,000	13.3	4,837	\$579	5.4	1910
240 St Joseph's	Anza Vista	\$7,188,888	15	\$479,259	18.8	10,433	\$652	3.1	1963
1635 Gough St	Lower Pacific Heights	\$17,500,000	30	\$583,333		25,662	\$652		1929
902 Divisadero	Alamo Square	\$4,995,000	7	\$713,571	14.2	8,223	\$607	5.1	1913
1290 Grove St	Alamo Square	\$24,000,000	36	\$666,667	22.1	38,455	\$624	2.7	1929
3425 Scott St	Marina	\$4,100,000	6	\$683,333	14.6	5,260	\$779	5.1	1924
2635 Fillmore	Pacific Heights	\$13,450,000	14	\$960,714	20.7	13,182	\$1,020	2.9	1968



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ADDRESS	DISTRICT	SALES PRICE	UNITS	\$/UNIT	GRM	SQ. FT.	\$/SQ. FT.	CAP RATE	YR. BLT.
2400 Washington	Pacific Heights	\$3,650,000	6	\$608,333	18.8	4,880	\$748	3.7	1900
2199 Pacific	Pacific Heights	\$11,350,000	15	\$756,667	22.2	14,000	\$811	2.7	1964
2791 Greenwich	Cow Hollow	\$4,050,000	6	\$675,000	19.9	5,748	\$705	3.2	1900
824 Hyde St	Downtown	\$3,050,000	14	\$217,857		7,480	\$408		
530 Stockton St	Financial District	\$19,500,000	48	\$406,250		25,110	\$777		1923
1600 Larkin St	Nob Hill	\$6,225,000	12	\$518,750	17.1	9,090	\$685	3.8	1964
490 Francisco	North Beach	\$3,105,000	6	\$517,500	15.7	3,556	\$873	4.9	
1472 Filbert St	Russian Hill	\$36,750,000	72	\$510,417					1927
741 Ellis St	Tenderloin	\$6,250,000	9	\$694,444	14.4	11,447	\$546	5.0	2002
455 Ellis St	Tenderloin	\$2,200,000	10	\$220,000		5,808	\$379		1911
1754-60 Mission	Inner Mission	\$3,775,000	9	\$419,444	12.0	5,970	\$632	6.1	1906
3632 26th St	Inner Mission	2,600,000	9	\$288,889	13.8	5,293	\$491	5.4	1920
65-69 Woodward	Inner Mission	2,000,000	6	\$333,333	17.6	4,163	\$480	3.7	1906
3280 17th St	Inner Mission	\$7,750,000	16	\$484,375	15.4	14,150	\$548	4.6	1922
1016-18 Shotwell	Inner Mission	\$3,275,000	6	\$545,833	15.2	8,208	\$399	4.2	1900
201-205 9th St	SoMa	\$7,600,000	34	\$223,529	11.7	11,180	\$680	5.8	1907
611 Minna St	SoMa	\$2,925,000	12	\$243,750	13.7	4,740	\$617	4.6	1907
220 6th St	SoMa	\$4,268,000	5	\$853,600	13.9	9,325	\$458	5.3	1914
4717-21 Mission	Excelsior	\$2,600,000	11	\$236,364	13.0	9,900	\$263	5.2	1926
Averages		\$6,739,536	14	\$483,632	16.9	9,719	\$582	4.2	

Data from sources deemed reliable, but may contain errors and subject to revision. May not include every sale closed during the period. Based upon data provided by listing agent and all numbers should be considered approximate.

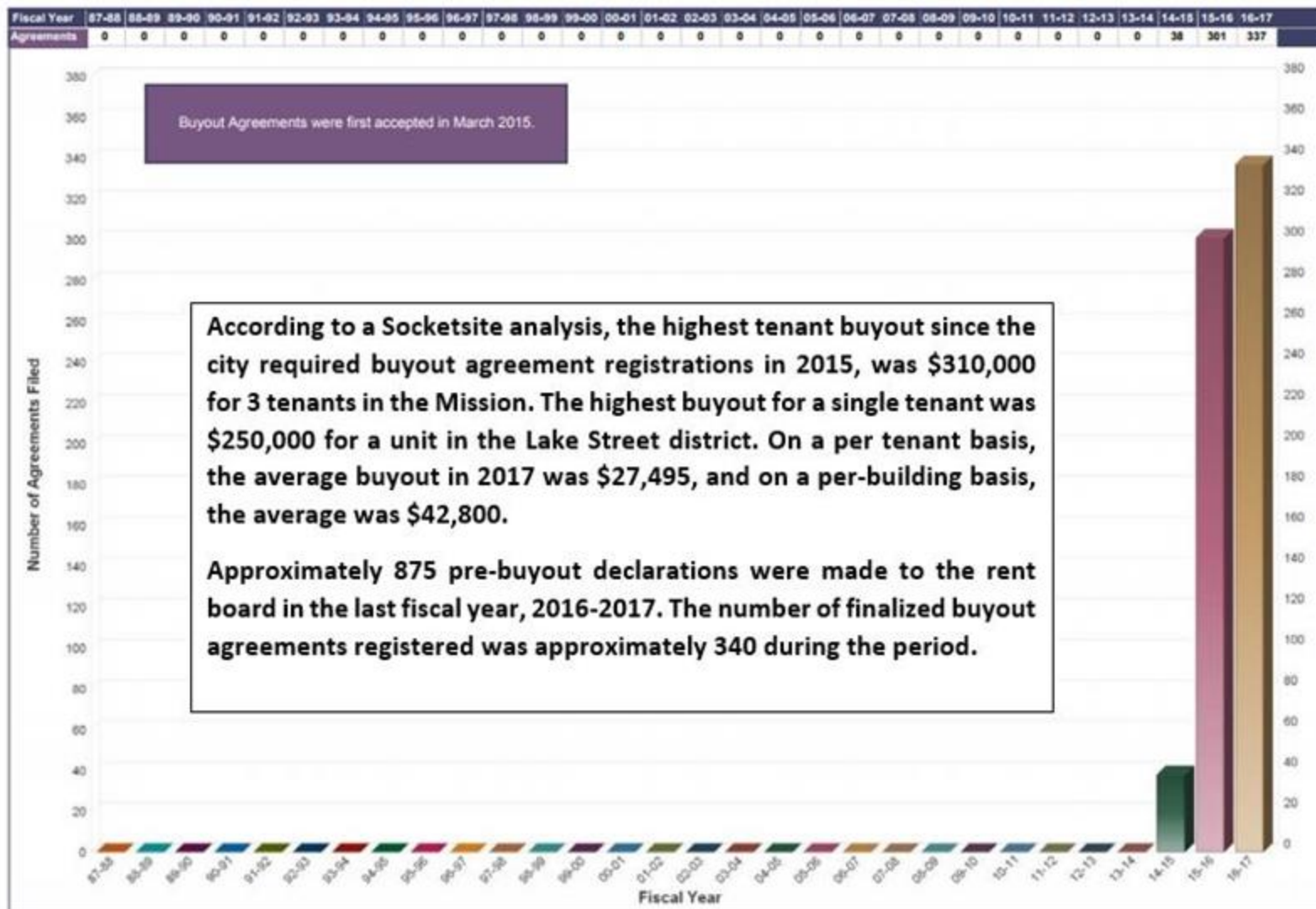
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## Tenant Buyout Statistics from the SF Rent Board

### Buyout Agreements • 30-Year Trend



Note that the quantity of sales in any given local submarket is usually relatively small and/or the number of sales that report the necessary financial information can be limited. Buildings of different ages, qualities and sizes selling in different periods can cause these average and median figures to fluctuate significantly. Furthermore, the reliability of some of these calculations depends upon the quality of the income and expense figures provided by the listing agents, and sometimes instead of actual numbers, much less meaningful projected or scheduled figures are used. Therefore, the above statistics should be considered very general indicators, and how they apply to any particular property without a specific comparative market analysis is unknown. If you would like such a specific analysis, please contact me.

These analyses were made in good faith with data from sources deemed reliable, but they may contain errors and are subject to revision. Statistics are generalities and all numbers should be considered approximate.

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