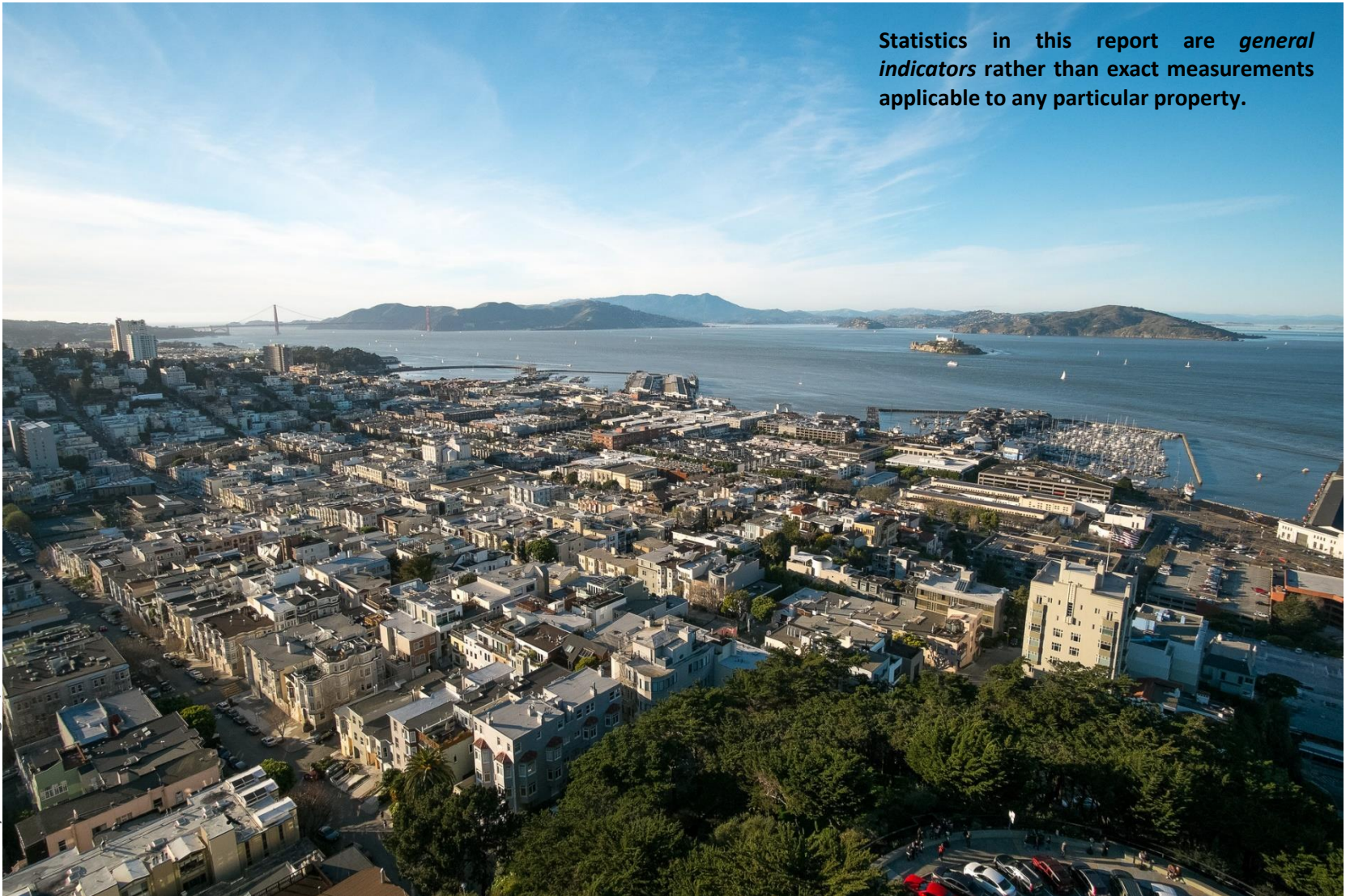


Statistics in this report are *general indicators* rather than exact measurements applicable to any particular property.

Photo by Mark Hogan, used under Creative Commons license



## The San Francisco 2-4 Unit Apartment Building Market

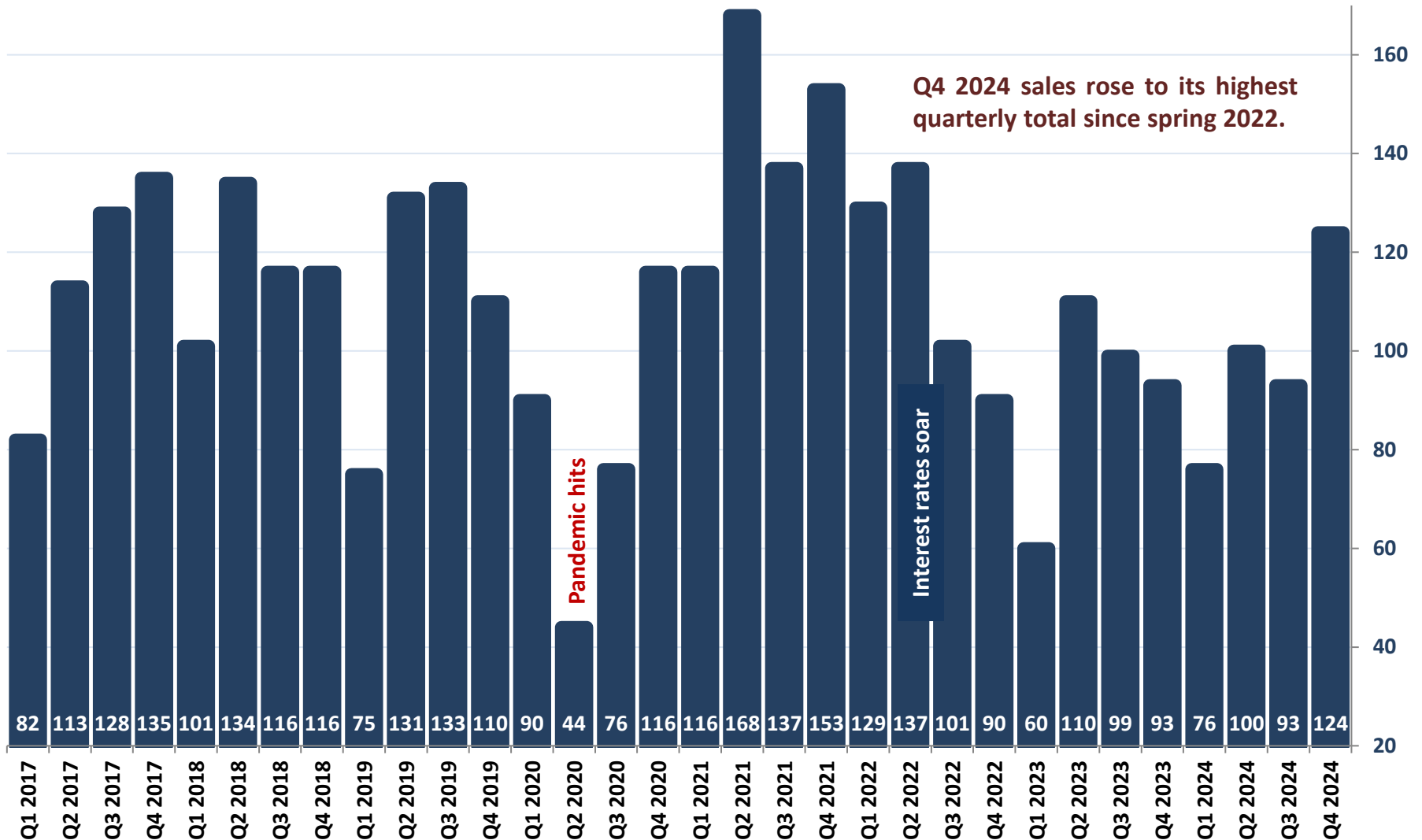
January 2025 Report

COMPASS

# San Francisco 2-4 Unit Building Sales

## Sales Volume, 2017 – Present, by Quarter

Closed sales typically reflect offers accepted 3 to 6 weeks earlier. The market is often subject to seasonal trends in supply and demand.



As reported NorCal MLS Alliance. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate. Last reading estimated and may change with late reported activity.

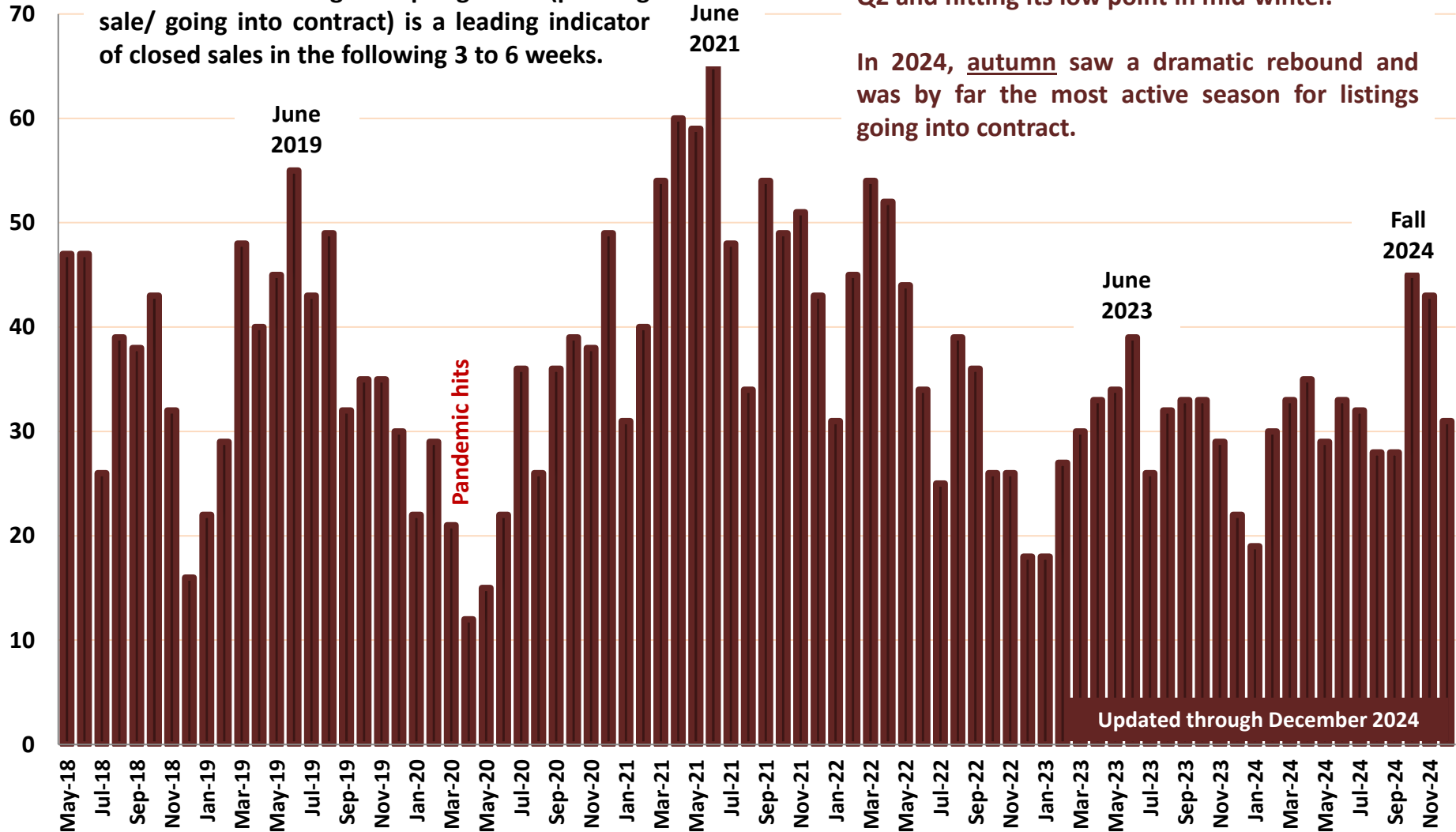


# Listings Accepting Offers (Going into Contract) San Francisco 2-4 Unit Building Market by Month

The number of listings accepting offers (pending sale/ going into contract) is a leading indicator of closed sales in the following 3 to 6 weeks.

Among other factors, the market is typically subject to seasonal trends in supply and demand, with accepted-offer activity usually peaking in Q2 and hitting its low point in mid-winter.

In 2024, autumn saw a dramatic rebound and was by far the most active season for listings going into contract.



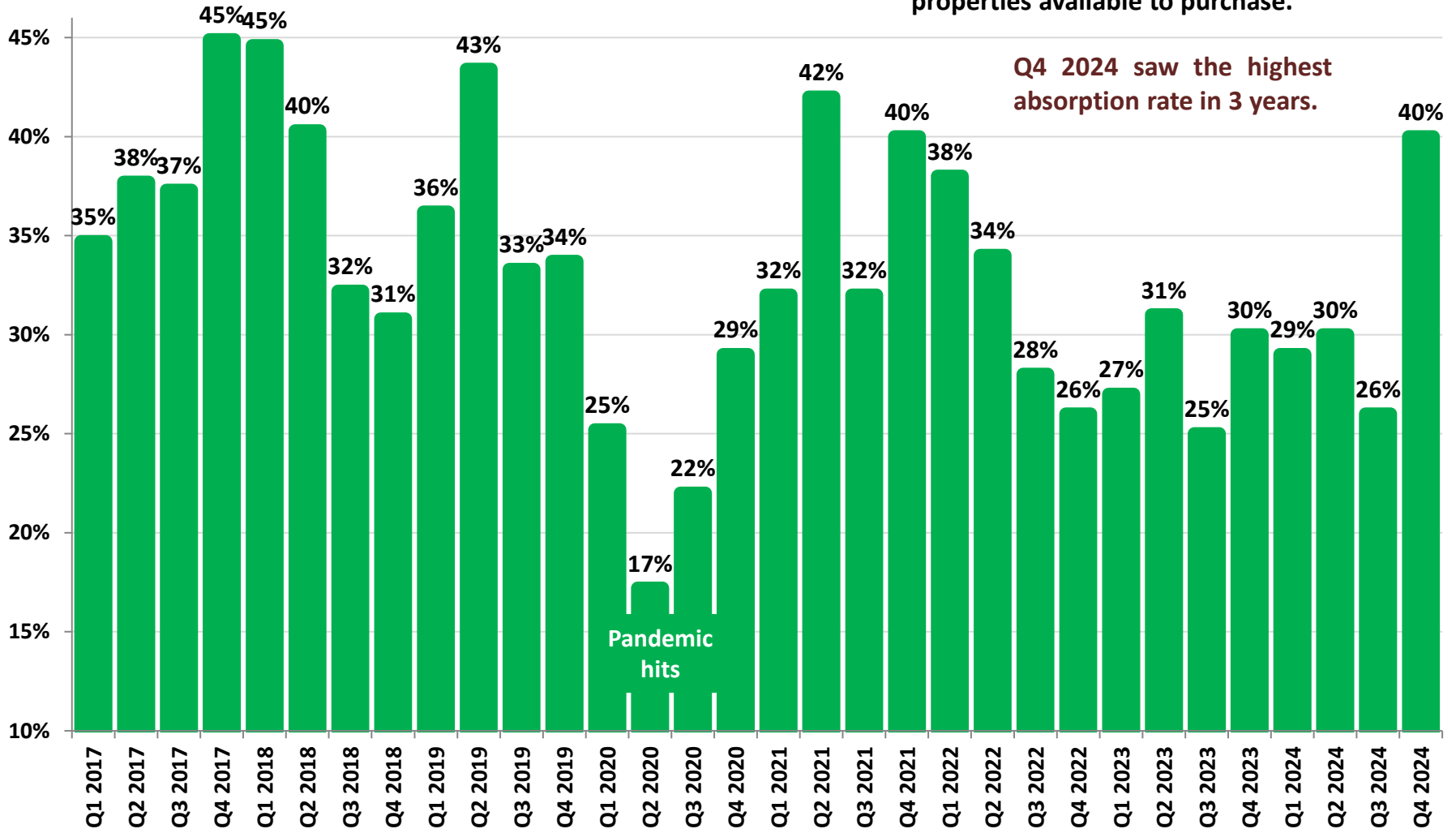
As reported to MLS, per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate. Last reading estimated and may change with late reported activity.



# Percentage of Listings Accepting Offers

## San Francisco 2-4 Unit Building Market by Quarter

Absorption Rate: The higher the percentage of listings accepting offers, the stronger the buyer demand *as compared to* the supply of properties available to purchase.



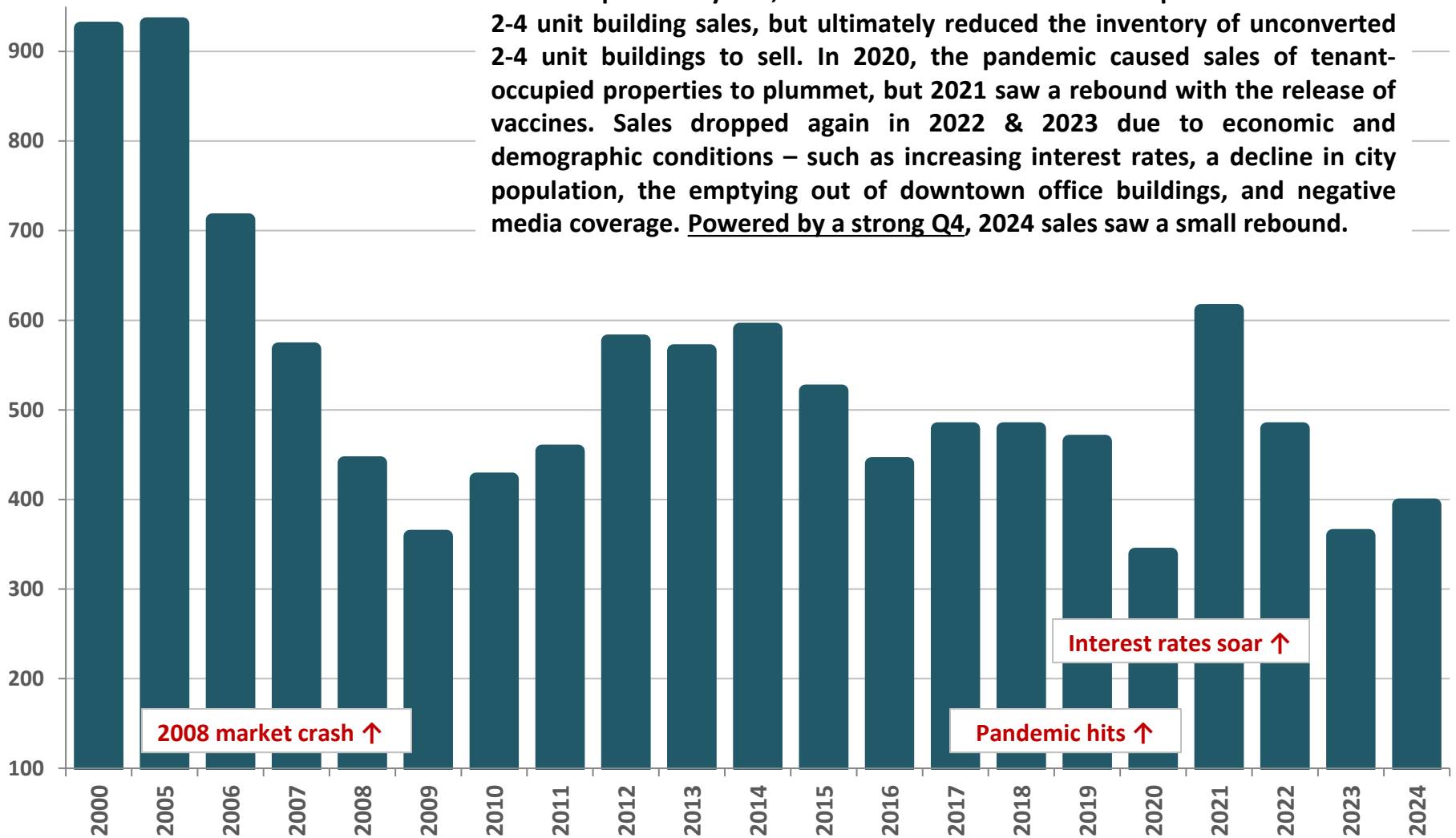
Based upon SFARMLS activity; per Broker Metrics. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate, and may change with late reported activity.



# San Francisco Residential 2-4 Unit Building Sales

## Number of Buildings Sold by Year

Over the past 25+ years, the condo and TIC conversion option first increased 2-4 unit building sales, but ultimately reduced the inventory of unconverted 2-4 unit buildings to sell. In 2020, the pandemic caused sales of tenant-occupied properties to plummet, but 2021 saw a rebound with the release of vaccines. Sales dropped again in 2022 & 2023 due to economic and demographic conditions – such as increasing interest rates, a decline in city population, the emptying out of downtown office buildings, and negative media coverage. Powered by a strong Q4, 2024 sales saw a small rebound.



2008 market crash ↑

Pandemic hits ↑

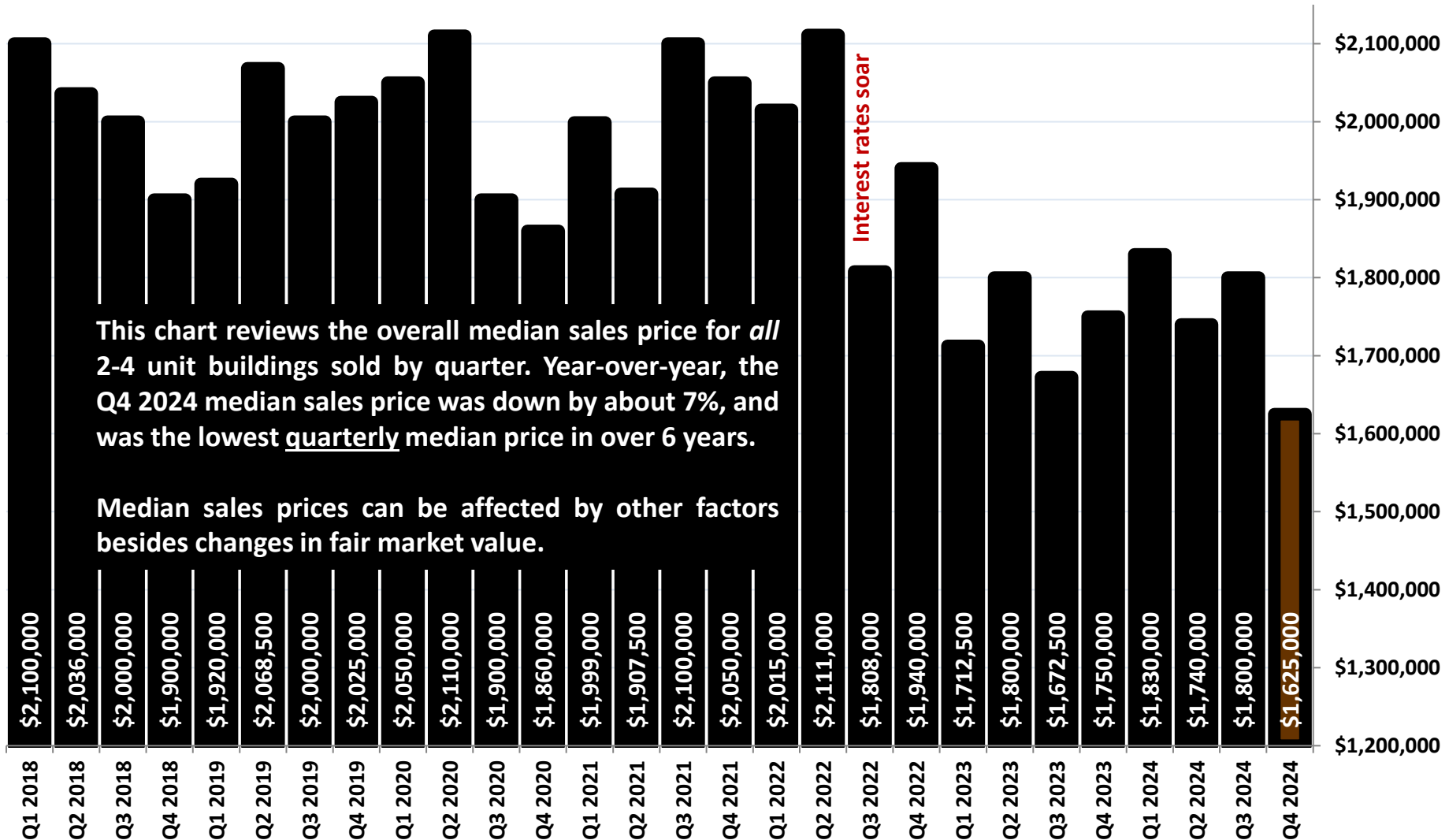
Interest rates soar ↑

Sales reported to MLS. Years 2001-2004 omitted. Data from sources deemed reliable, but may contain errors and is subject to revision. 2024 sales estimated using data available in early January 2025. All numbers are approximate, and may change with late reported sales.

# San Francisco 2-4 Unit Building Values

## Median Sales Prices, by Quarter

How these prices apply to any particular property is unknown without a specific comparative market analysis.



As reported to NorCal MLS Alliance. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, and may change with late reported activity.



# Median Sales Price Trends since 2011 by Year

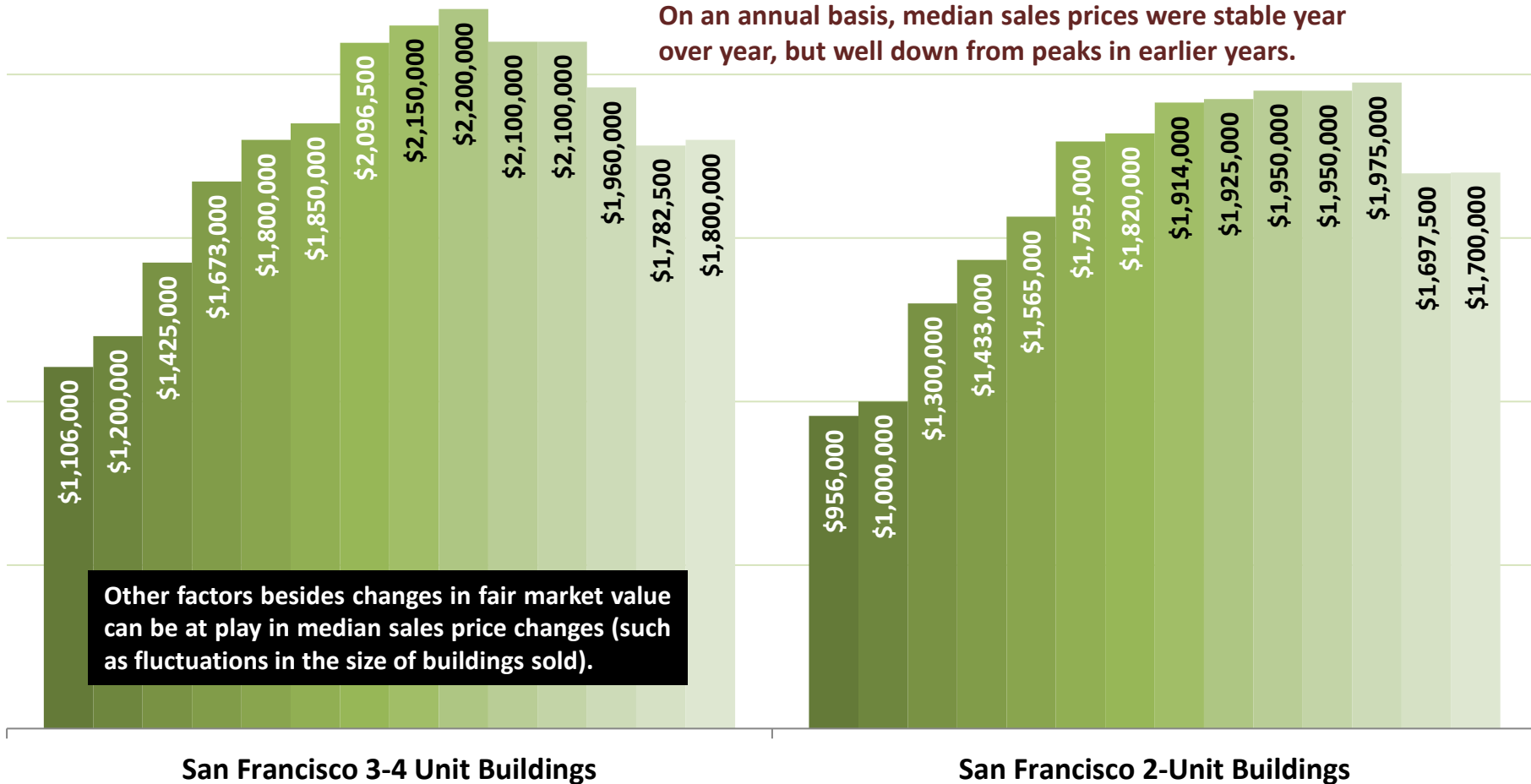
## San Francisco 2-4 Unit Residential Buildings\*

A specific comparative market analysis is required to value any particular property.

### Annual Median Sales Prices

■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023 ■ 2024

On an annual basis, median sales prices were stable year over year, but well down from peaks in earlier years.

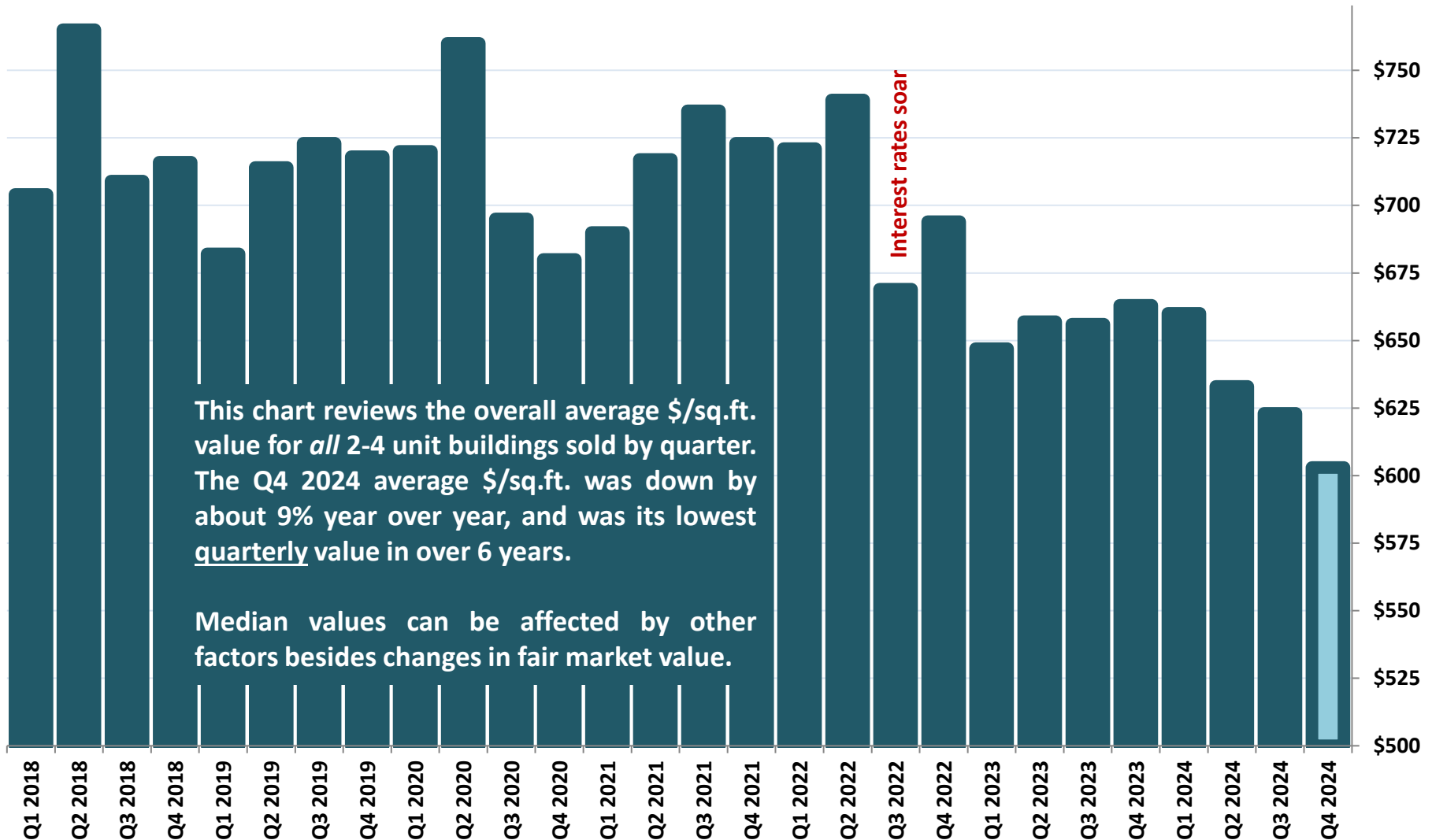


\*Sales reported to NorCal MLS Alliance by 12/31/24. These prices are generalities reflecting sales of a wide variety of buildings in locations of differing values. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate. Late reported sales may change data.

# San Francisco 2-4 Unit Building Values

## Average Dollar per Square Foot Values, by Quarter

How these prices apply to any particular property is unknown without a specific comparative market analysis.



As reported to NorCal MLS Alliance. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, and may change with late reported activity.



# Average Dollar per Square Foot Values by Year

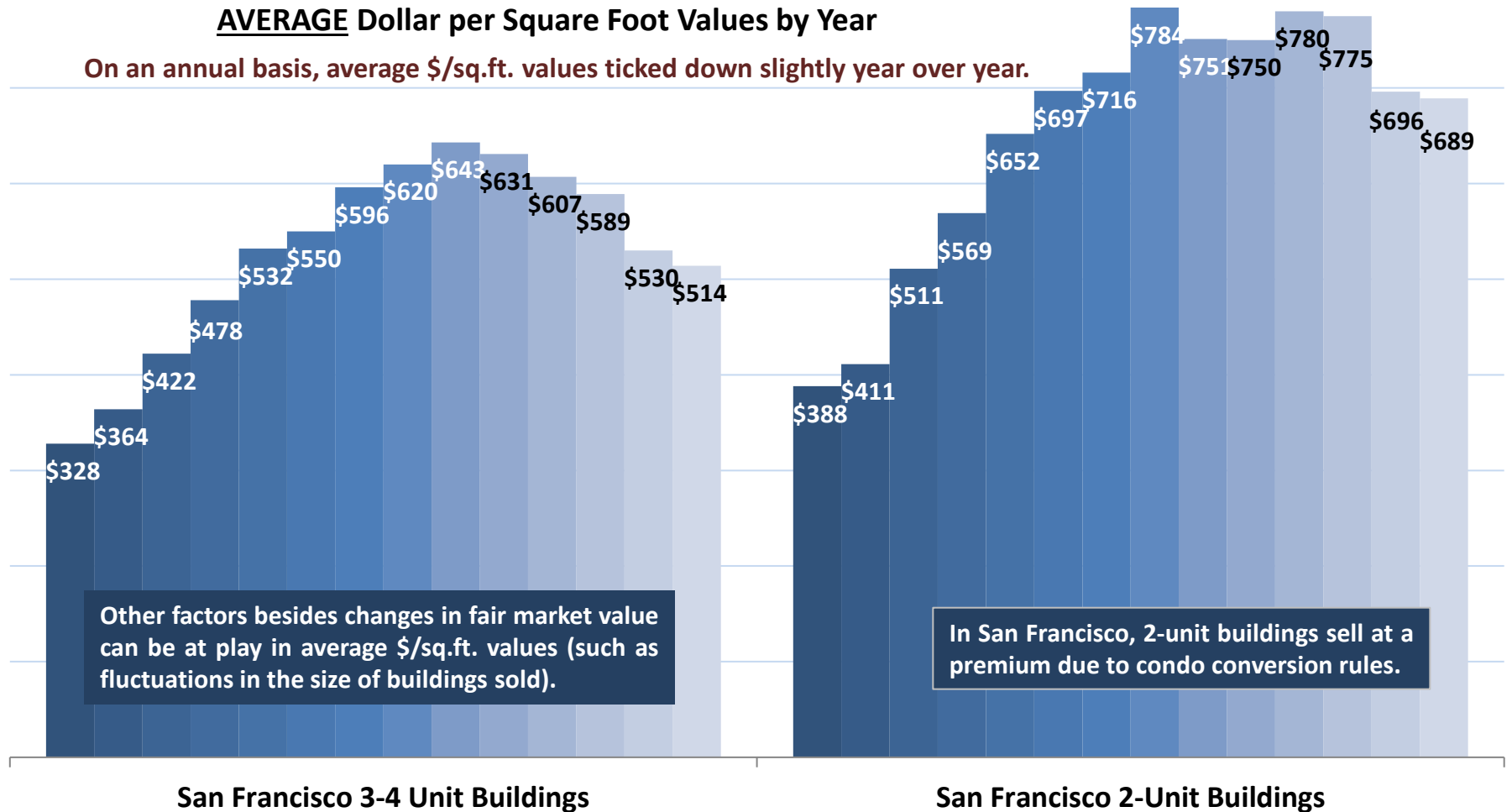
## San Francisco 2-4 Unit Residential Building Sales since 2011

A specific comparative market analysis is required to value any particular property.

■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023 ■ 2024

### AVERAGE Dollar per Square Foot Values by Year

On an annual basis, average \$/sq.ft. values ticked down slightly year over year.



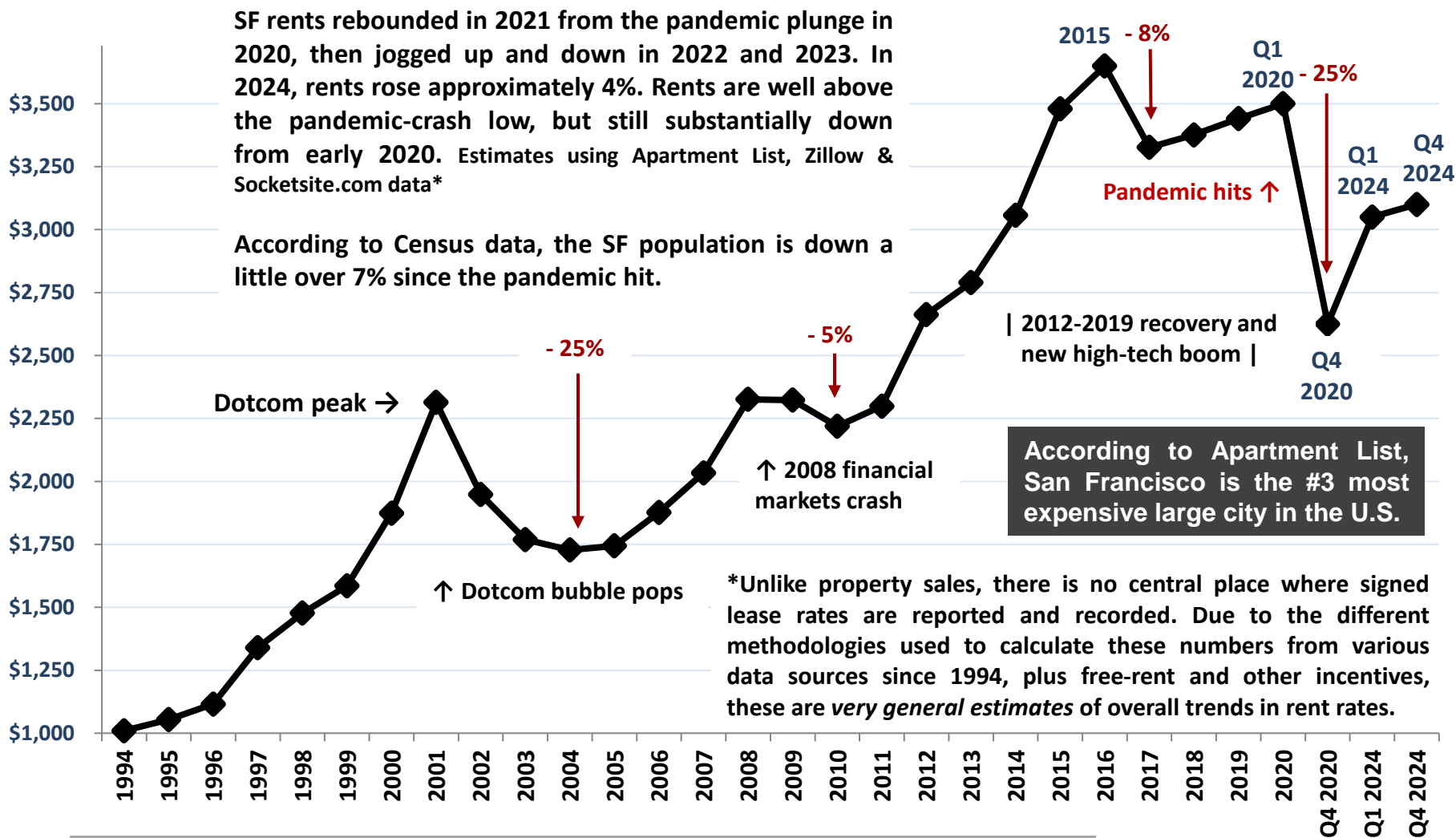
Other factors besides changes in fair market value can be at play in average \$/sq.ft. values (such as fluctuations in the size of buildings sold).

In San Francisco, 2-unit buildings sell at a premium due to condo conversion rules.

Sales reported to NorCal MLS Alliance by 12/31/24. These values are generalities reflecting sales of a wide variety of buildings in locations of differing values. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate. Late reported sales may alter these numbers.

# San Francisco Residential Rents – Approximate, Good Faith Estimates\*

## Average Asking Rent, 1994 – Present, Q1 Data Points (through 2020, then as labeled)



1<sup>st</sup> quarter data points except, as noted. Numbers are estimated using data from a variety of rental data sources over the past 25+ years, using differing methodologies. Data from sources deemed reasonably reliable but may contain errors and subject to revision. All numbers are good-faith estimates and very approximate.

# San Francisco Residential Income Market

## Market Dynamics: Buildings by Number of Units\*

### Multi-Family Buildings with Up to 8 Units

Market indicators can change dramatically from period to period, due to both economic conditions and seasonal trends. Market activity typically hits its low point in December.

| Prop. Type         | # Listings for Sale* | # Listings in Contract* | 2024 Sales* | Median Sales Price | Median \$/Sq.Ft.** | Median Size (Sq.Ft.) | Avg. Days on Market | Sales Over List Price |
|--------------------|----------------------|-------------------------|-------------|--------------------|--------------------|----------------------|---------------------|-----------------------|
| 2-Unit Buildings   | 31                   | 18                      | 220 sales   | \$1,700,000        | \$654/sq.ft.       | 2647 sq.ft.          | 41 days             | 52%                   |
| 3-Unit Buildings   | 32                   | 12                      | 86 sales    | \$1,800,000        | \$479/sq.ft.       | 3653 sq.ft.          | 56 days             | 28%                   |
| 4-Unit Buildings   | 18                   | 9                       | 59 sales    | \$1,812,500        | \$498/sq.ft.       | 3515 sq.ft.          | 52 days             | 31%                   |
| 5-8 Unit Buildings | 25                   | 20                      | 96 sales    | \$2,125,000        | \$405/sq.ft.       | 4752 sq.ft.          | 65 days             | 22%                   |

\*Listings for Sale (Active/Coming-Soon) & Listings in Contract (pending sale) posted to MLS as of 12/30/24: The number of listings for sale usually drops to its annual low count at the very end of the year. Other statistics per 2024 sales reported by late December 2024. \*\*Median dollar per square foot calculations will vary from average \$/sq.ft. calculations, though both are legitimate methods of measurement. Not all sales report square footage figures.

Statistics often rise and fall according to *seasonal* trends. Average-days-on-market measures the time from listing until offer acceptance for those properties that sold.

Data reported to NorCal MLS Alliance, may contain errors and subject to revision. Not all activity is reported to MLS. All numbers approximate. Statistics based on past activity may not apply to future trends and can be distorted by outlier data (especially in low sales volume segments). Numbers change constantly.



## 2-4 Unit Residential Building Values by San Francisco Realtor District

Median Sales Price, Median Size & Median \$/Sq.Ft. Value – 12 Months Sales\*

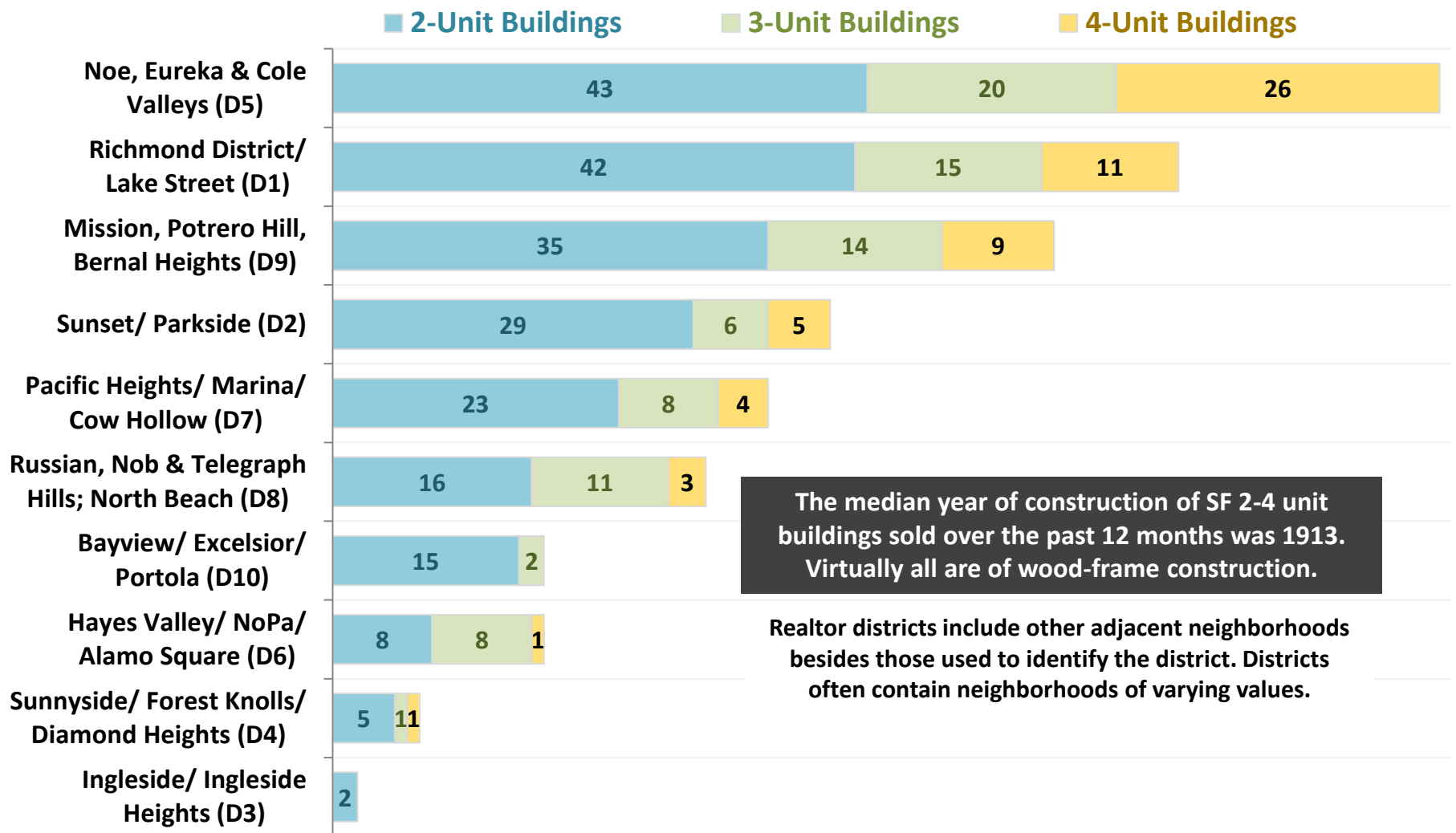
| San Francisco District  | 2-Unit Buildings                        | 3-Unit Buildings                        | 4-Unit Buildings                        |
|---|---|---|---|
| Pacific & Presidio Heights, Cow Hollow & Marina (District 7)                      | \$2,635,000<br>3454 sq.ft.-\$851/sq.ft. | \$2,782,500<br>4027 sq.ft.-\$637/sq.ft. | \$2,612,500<br>4328 sq.ft.-\$651/sq.ft. |
| Russian, Nob & Telegraph Hills; North Beach (District 8)                          | \$1,682,500<br>2332 sq.ft.-\$697/sq.ft. | \$1,726,000<br>3924 sq.ft.-\$448/sq.ft. | Not enough sales<br>for statistics      |
| Noe, Eureka & Cole Valleys; Ashbury & Corona Heights; Mission Dolores (D5)        | \$2,050,000<br>2540 sq.ft.-\$763/sq.ft. | \$1,570,000<br>3579 sq.ft.-\$509/sq.ft. | \$1,750,000<br>3392 sq.ft.-\$563/sq.ft. |
| North of Panhandle (NoPa), Alamo Square, Hayes Valley, Lower Pacific Heights (D6) | \$1,775,000<br>3045 sq.ft.-\$652/sq.ft. | \$2,170,000<br>3980 sq.ft.-\$565/sq.ft. | Not enough sales<br>for statistics      |
| Lake Street, Richmond District, Lone Mountain, Jordan Park (District 1)           | \$1,750,000<br>3150 sq.ft.-\$555/sq.ft. | \$1,850,000<br>3200 sq.ft.-\$500/sq.ft. | \$1,863,000<br>3564 sq.ft.-\$474/sq.ft. |
| Inner Mission, Potrero Hill, Bernal Heights, South of Market (District 9)         | \$1,275,000<br>2419 sq.ft.-\$501/sq.ft. | \$1,280,000<br>3461 sq.ft.-\$448/sq.ft. | \$1,360,000<br>2825 sq.ft.-\$463/sq.ft. |
| Sunset, Parkside (District 2)   | \$1,725,000<br>2561 sq.ft.-\$647/sq.ft. | \$1,556,500<br>3167 sq.ft.-\$521/sq.ft. | \$1,700,000<br>3744 sq.ft.-\$433/sq.ft. |
| Bayview-Excelsior-Visitacion Valley (District 10)                                 | \$935,000<br>2250 sq.ft.-\$423/sq.ft.   | Not enough sales<br>for analysis        | Not enough sales<br>for statistics      |

\*12 months sales reported to NorCal MLS Alliance by late December 2024. This analysis was performed in good faith with data derived from sources deemed reliable but may contain errors and subject to revision. Many factors affect multi-unit values, including income, condition, tenant profile, rent control and owner-occupancy. **How these values apply to any particular property is unknown without a specific comparative market analysis.** Houses with units and condo buildings excluded. All numbers approximate and may change with late-reported sales. Not all listings gave sq.ft.

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# 2-4 Unit Residential Property Sales

by San Francisco Realtor District, 12 Months Sales\*



The median year of construction of SF 2-4 unit buildings sold over the past 12 months was 1913. Virtually all are of wood-frame construction.

Realtor districts include other adjacent neighborhoods besides those used to identify the district. Districts often contain neighborhoods of varying values.

\*12 months sales reported to NorCal MLS Alliance by late December 2024. This analysis was performed in good faith with data derived from sources deemed reliable but may contain errors and subject to revision. All numbers approximate and may change with late-reported sales. Not all listings provided square footage figures.



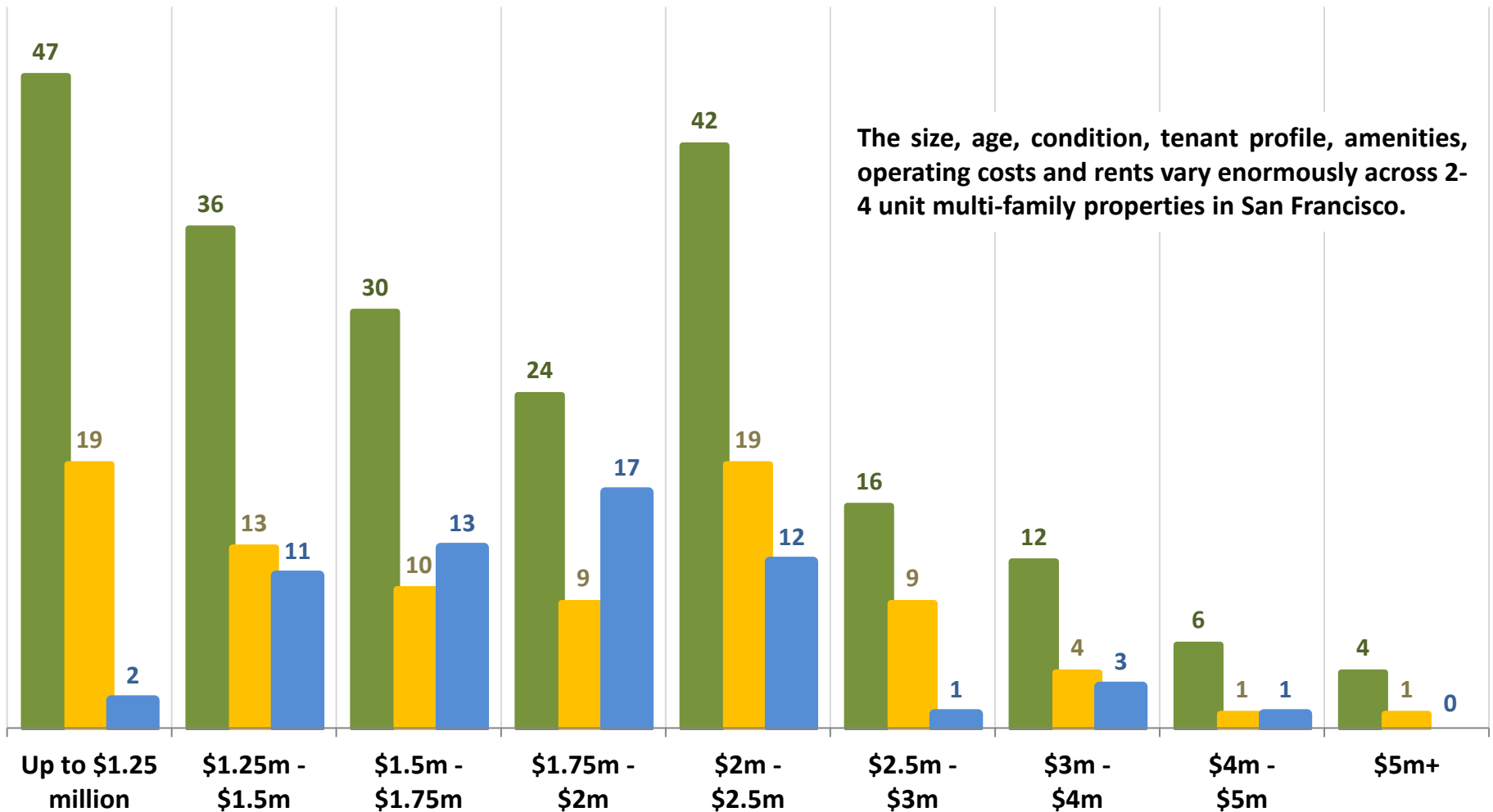
# San Francisco 2-4 Unit Residential Buildings

## 12 Months Sales by Number of Units & Price Segment\*

■ 2-Unit Building Sales

■ 3-Unit Building Sales

■ 4-Unit Building Sales

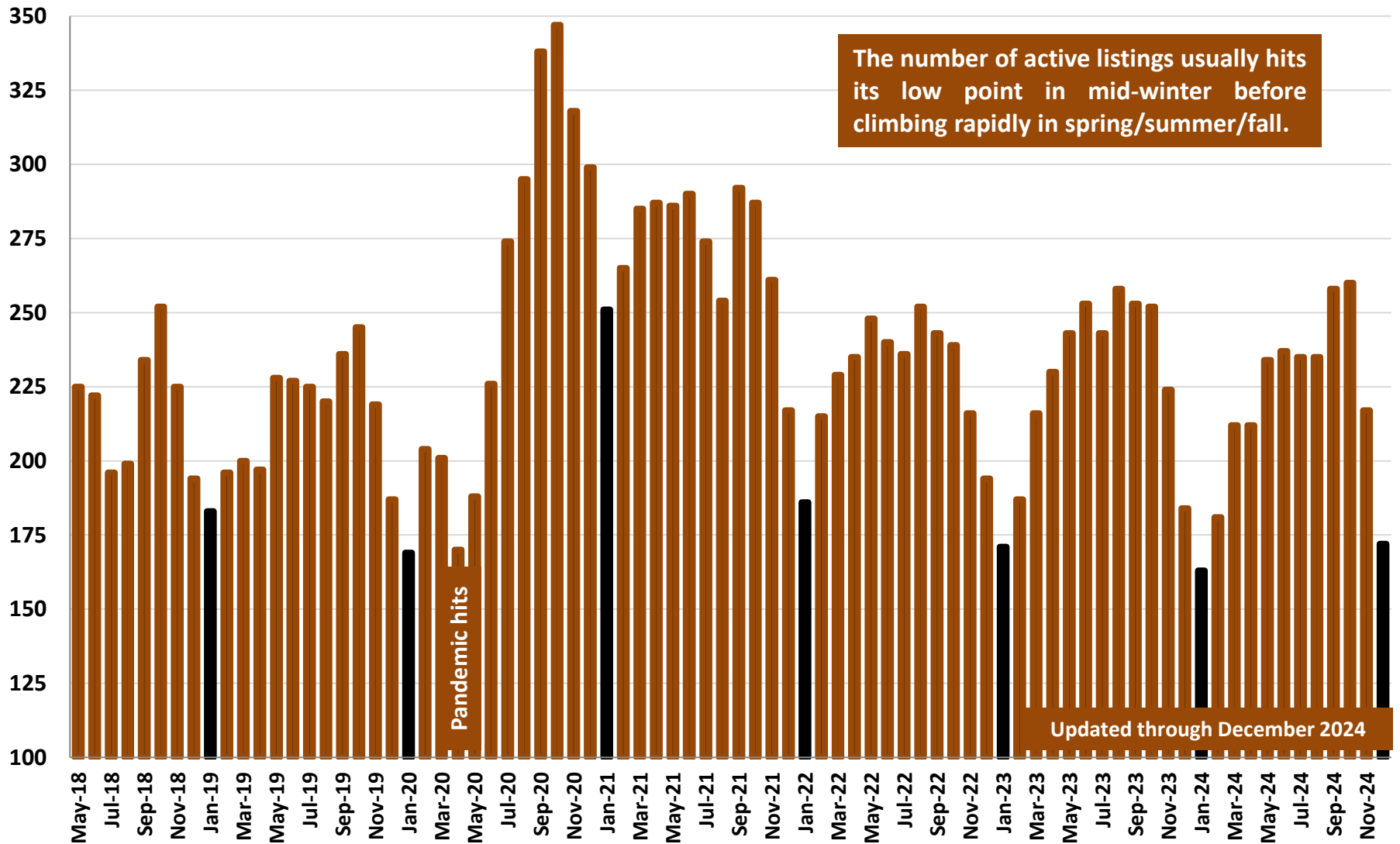


The size, age, condition, tenant profile, amenities, operating costs and rents vary enormously across 2-4 unit multi-family properties in San Francisco.

\*12 months sales reported to NorCal MLS Alliance by 12/30/2024. Data derived from sources deemed reliable but may contain errors and subject to revision. All numbers approximate and may change with late reported sales.

# Active Listings on Market in Month

## San Francisco 2-4 Multi-Family Building Market, since Spring 2018



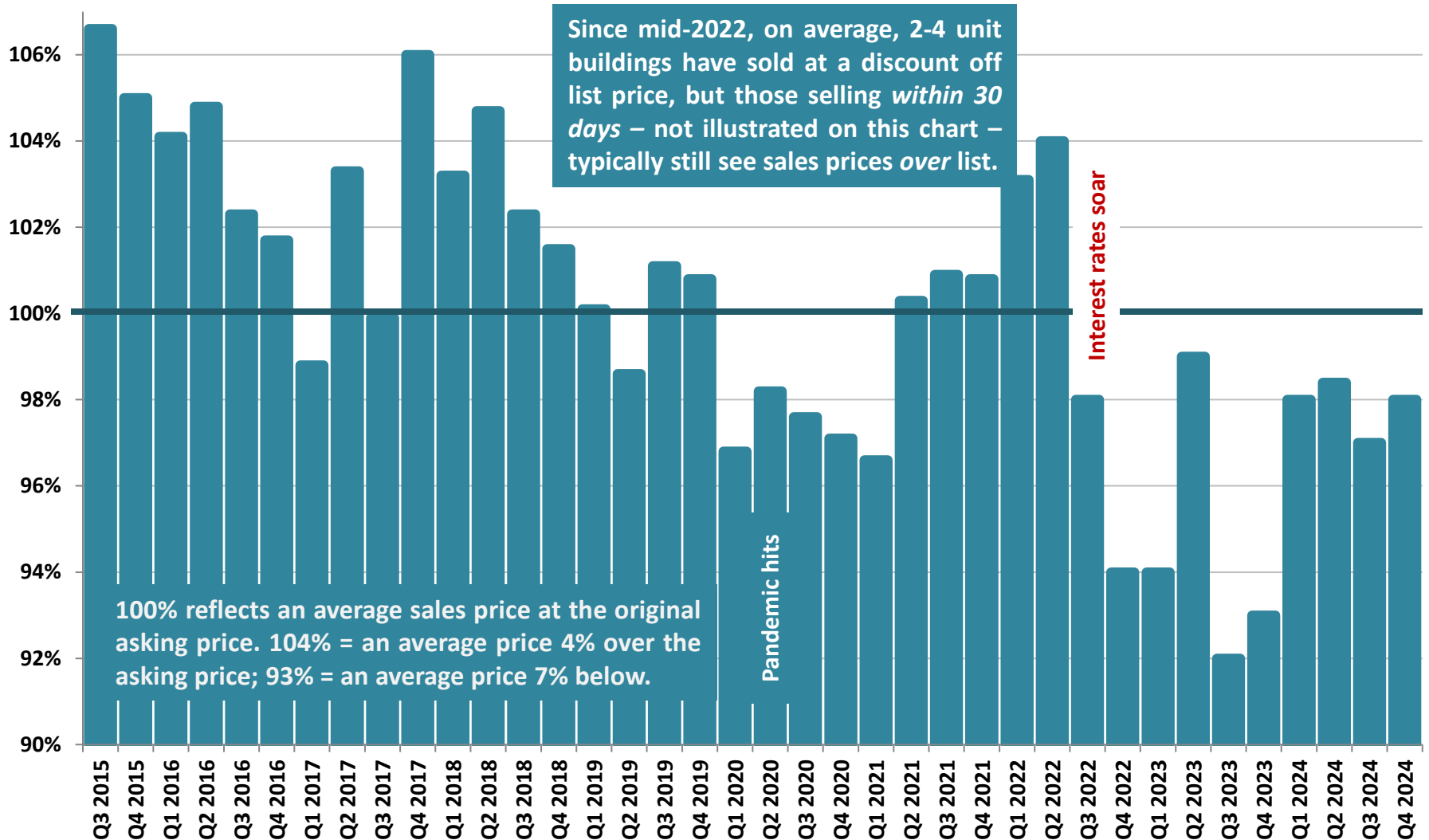
As reported to SFARMLS & MLSLISTINGS, per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, and may change with late reported activity.



# Sales Price to Original List Price Percentage

## San Francisco 2-4 Unit Buildings, by Quarter

Based upon SFARMLS activity, per Broker Metrics



Data from sources deemed reliable, but may contain errors and subject to revision.  
All numbers are approximate. Fluctuations in this metric are not unusual.



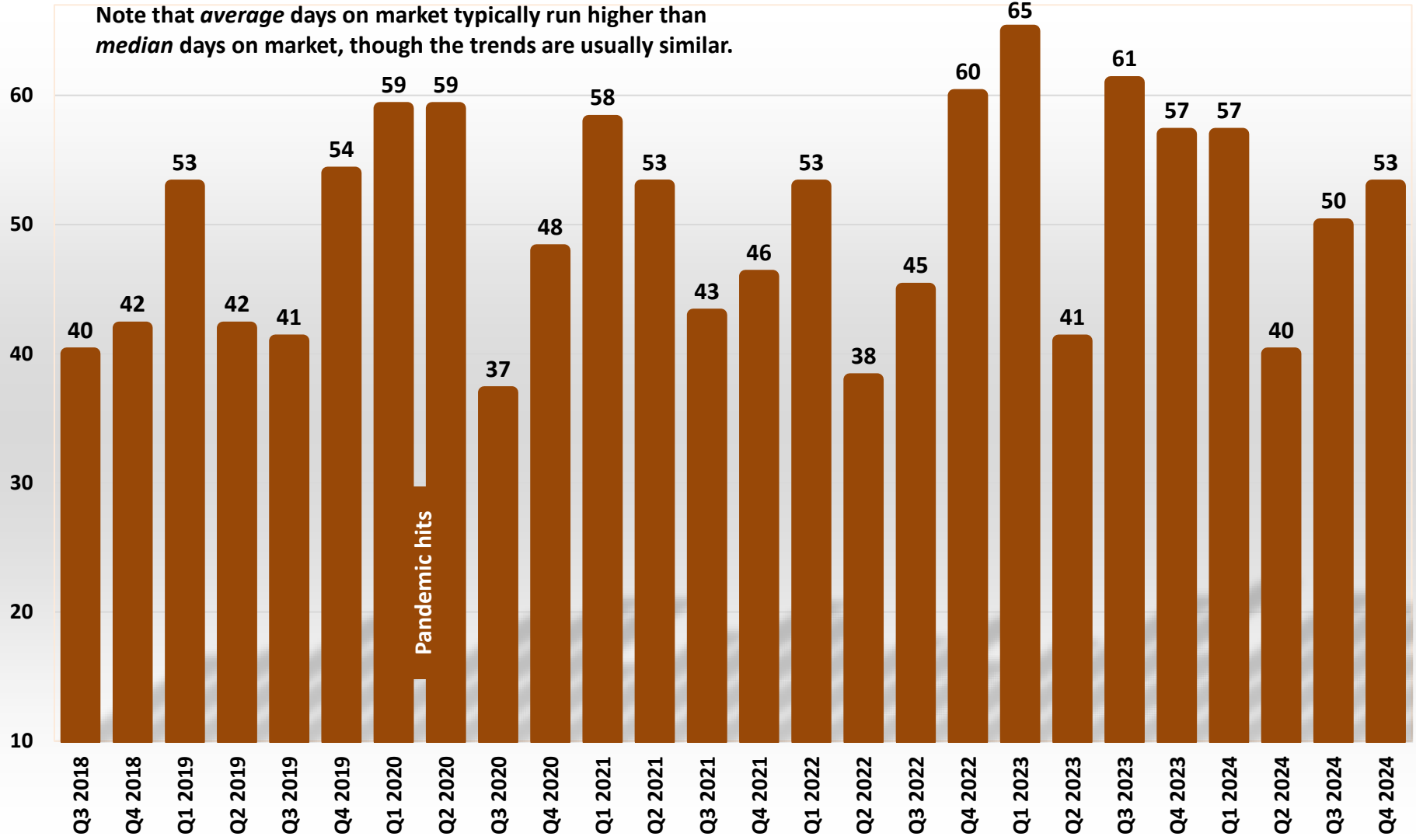


# Average Days on Market by Quarter

## San Francisco 2-4 Residential Unit Building Sales

2-unit buildings typically sell faster than 3-4 unit properties.

Note that *average* days on market typically run higher than *median* days on market, though the trends are usually similar.



Sales reported to SFARMLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate. Last reading may change with late-reported activity. Outlier sales adjusted when identified.



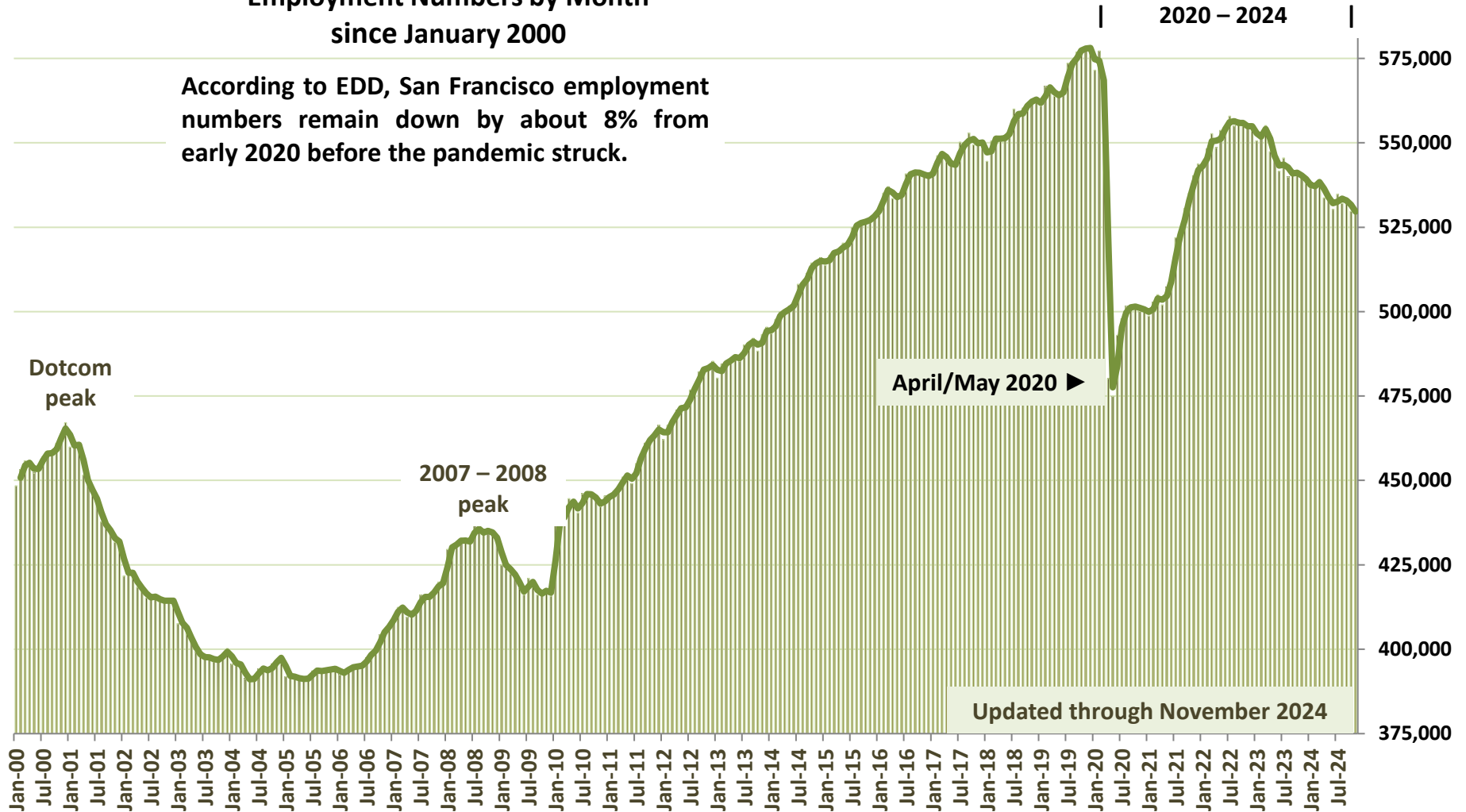
# San Francisco Employment Trends

## Number of Employed Residents since 2000

Per California Employment  
Development Dept. (EDD)

### Employment Numbers by Month since January 2000

According to EDD, San Francisco employment numbers remain down by about 8% from early 2020 before the pandemic struck.

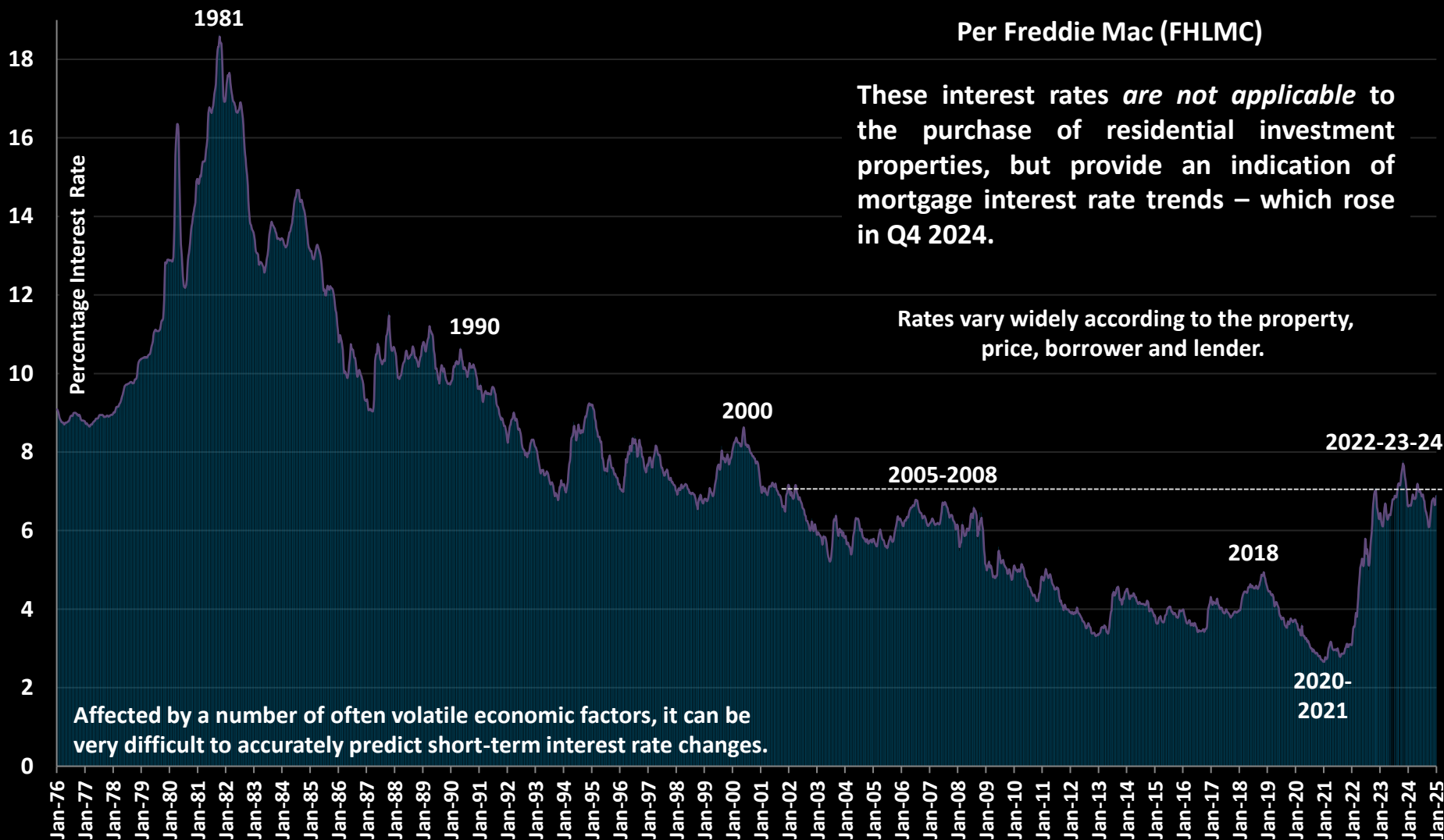


Per California Employment Development Dept. (EDD) . Last month's data is labeled "preliminary" by EDD. EDD often goes back to revise past data releases. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.



# Mortgage Interest Rates, Long-Term Trends since 1976

## 30-Year Conforming Fixed-Rate Loans, Weekly Average Readings

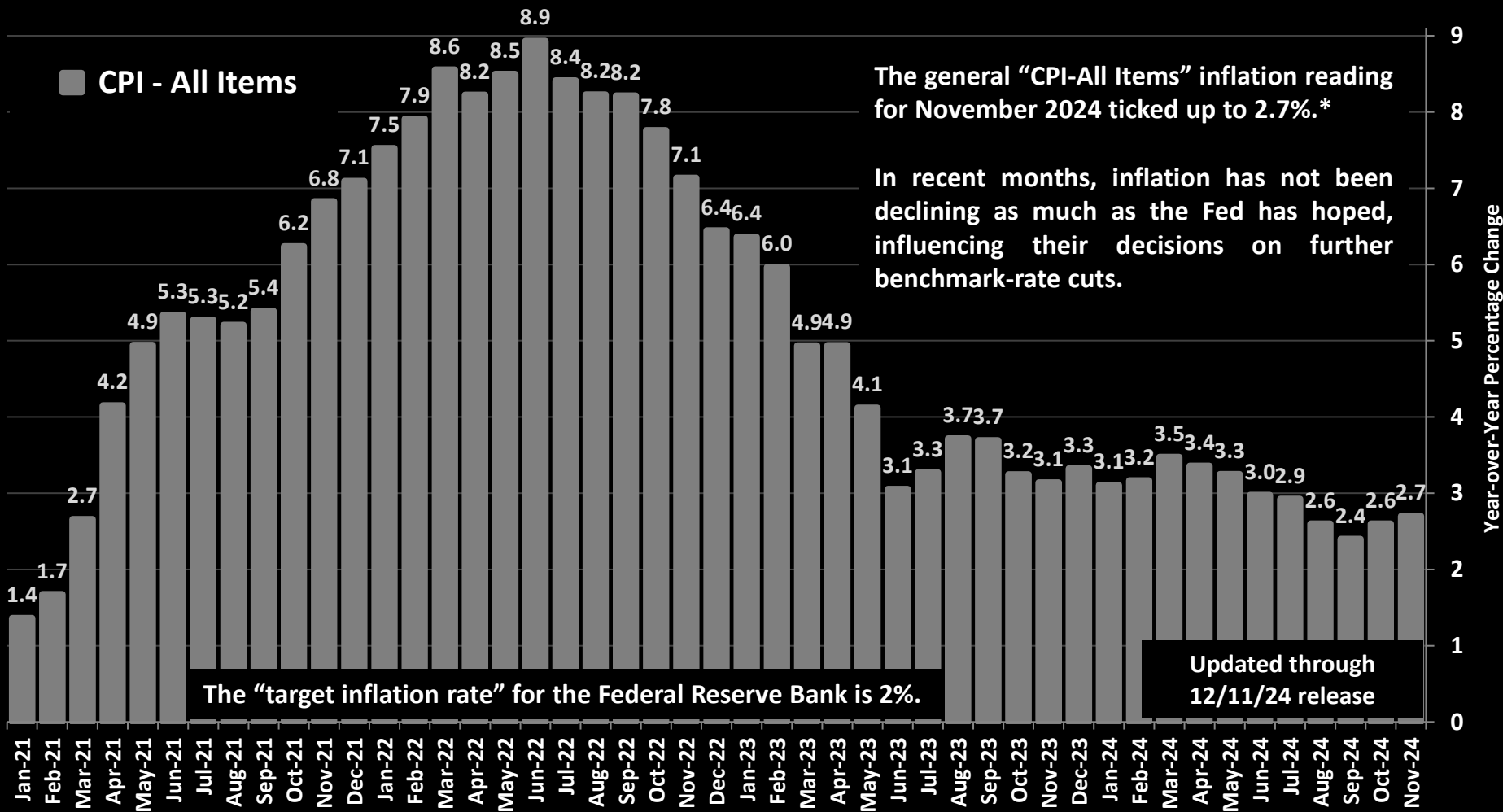


Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States, retrieved from Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MORTGAGE30US>. FHLMC: <https://www.freddiemac.com/pmms>. Data from sources deemed reliable but not guaranteed. All numbers approximate.



# Inflation: Consumer Price Index (CPI), 2021 – 2024 YTD\*

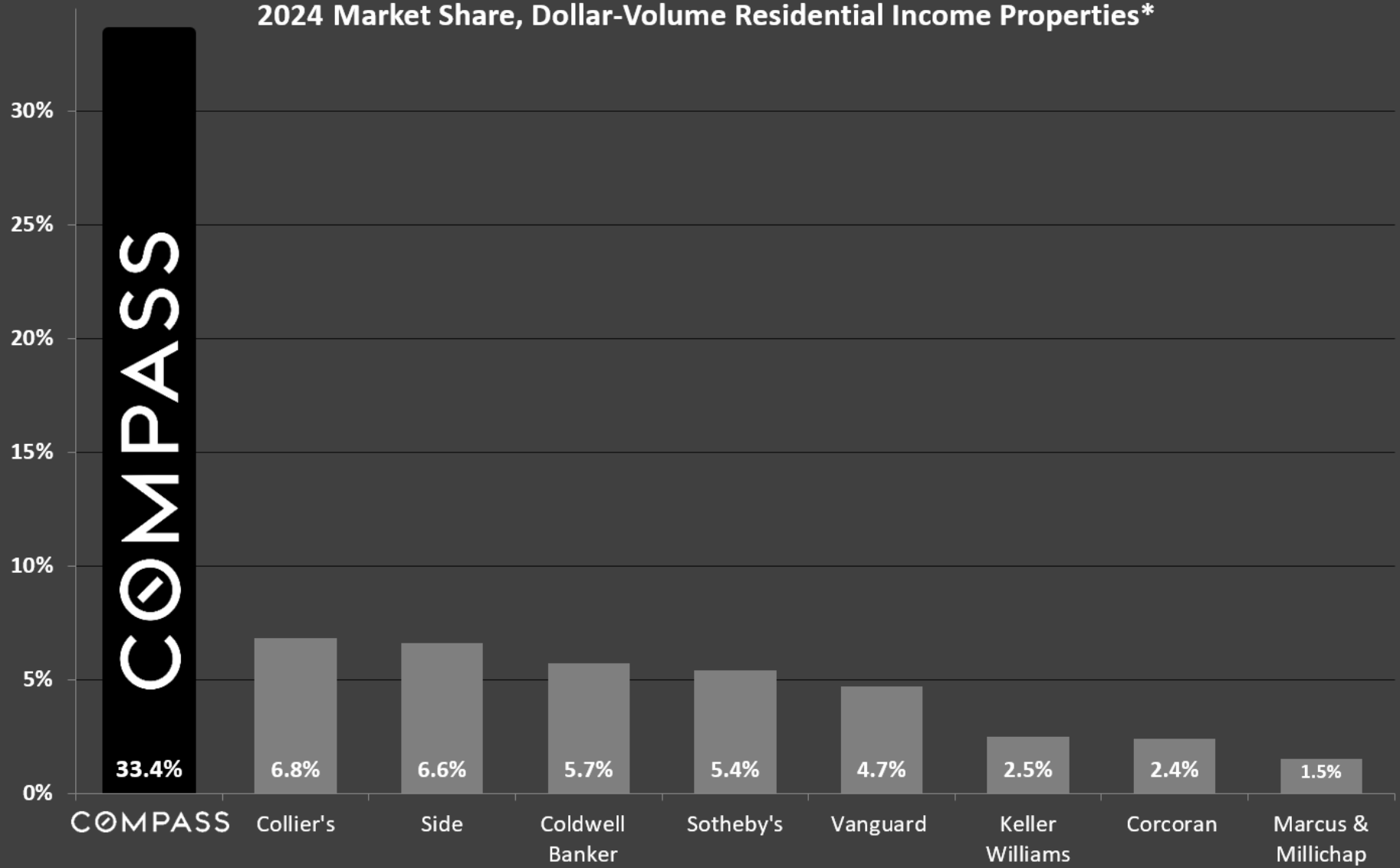
## Year-over-Year Percentage Change, by Month



\*Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], per Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/graph/?g=8dGq>. Data from U.S. Bureau of Labor Statistics. CPIAUCSL is a price index of a basket of goods and services paid by urban consumers. This index includes roughly 88 percent of the total population. Data from sources deemed reliable but may contain errors and subject to revision.

# San Francisco Multi-Family Building Sales by Broker

## 2024 Market Share, Dollar-Volume Residential Income Properties\*

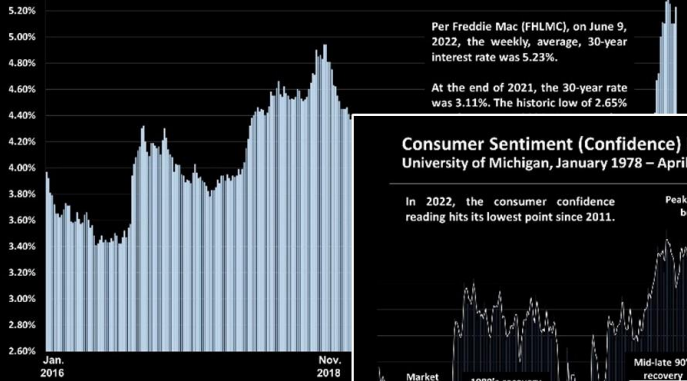


\*12 months residential multi-family property sales reported to NorCal MLS Alliance, 1/1/24-12/31/24. Analysis made in good faith using transaction-side, dollar-volume sales data, per MLS Ranking Report. Data from sources deemed reliable but should be considered approximate.

### Mortgage Interest Rate Trends, 2016 – Present

30-Year Conforming Fixed-Rate Loans, Weekly Average Readings

Rates published by the FHLMC



Per Freddie Mac (FHLMC), on June 9, 2022, the weekly, average, 30-year interest rate was 5.23%.

At the end of 2021, the 30-year rate was 3.11%. The historic low of 2.65%

Interest rates may fluctuate suddenly and dramatically, and changes. Data from sources deemed reliable but not guaranteed. Home loans should consult with a qualified mortgage professional.

### Consumer Sentiment (Confidence) Index

University of Michigan, January 1978 – April 2022

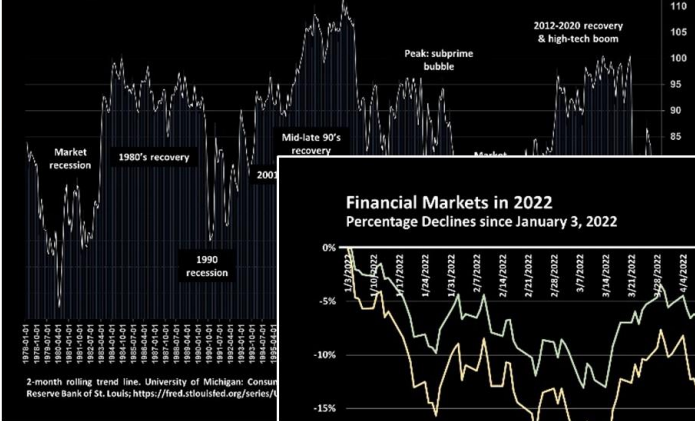
As published by the Federal Reserve Bank of St. Louis

In 2022, the consumer confidence reading hits its lowest point since 2011.

Peak: dotcom bubble

2012-2020 recovery & high-tech boom

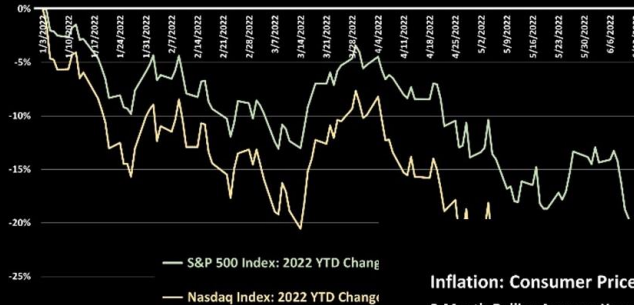
Click Here for Review of Selected Macroeconomic Trends



2-month rolling trend line. University of Michigan Consumer Sentiment Index. Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/>

### Financial Markets in 2022

Percentage Declines since January 3, 2022



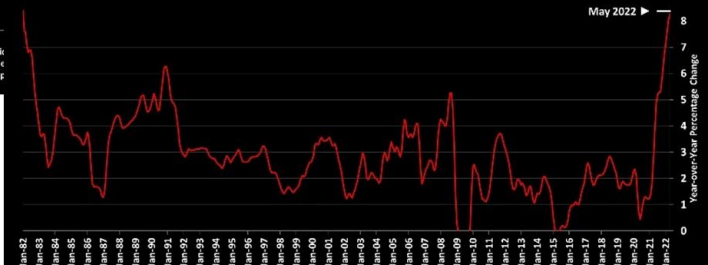
— S&P 500 Index: 2022 YTD Change

— Nasdaq Index: 2022 YTD Change

Last reading as of 6/13/22 AM. Data per MarketWatch.com, daily closing price reading. Data from source deemed reliable, but may contain errors and subject to revision. Financial markets change constantly and all numbers should be considered as approximate.

### Inflation: Consumer Price Index, 1982 – 2022\*

3-Month-Rolling Average, Year-over-Year % Change



\*3 month rolling average of Consumer Price Index for All Urban Consumers: All Items in U.S. City Average (CPIAUCSL), retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPIAUCSL>, June 2022. Data from U.S. Bureau of Labor Statistics. All Items (CPIAUCSL) is a price index of a basket of goods and services paid for by urban consumers. This particular index includes roughly 88 percent of the total population. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

### Factors in Bay Area Real Estate Markets

Many of these factors can swing both positive and negative; sometimes effects are deeply counter-intuitive (e.g. a pandemic causing a fierce housing boom). Economic, political, social and ecological dynamics constantly change and interact in difficult-to-predict ways. Market-changing developments can percolate gradually, or arise quickly and unexpectedly. The impact of specific factors can vary by market segment.

Local economic conditions: High-tech booms, employment, housing affordability & development, venture capital & foreign investment, pro/anti-business sentiment, etc.

Interest rates    Stock markets    Inflation    Consumer confidence

Household wealth; personal, corporate, gov't. debt levels    Massive, governmental economic interventions (including by the Fed); post 9/11/2001, post 9/2008, post 3/2020

Natural disasters such as COVID, 1989 earthquake, 2017-21 fires, drought

Domestic & foreign migration; federal immigration policy; demographic changes

Tax law e.g. real estate tax benefits & credits, 2017 SALT-deduction limitation    Rental market dynamics    State income tax disparities

International economic/political events, e.g. large oil price swings, military/economic conflict, foreign economic crises, 9/11, 2015 Chinese stock market crash

Local, state & national politics    Social and quality of life issues: Crime, homelessness, cost of living, economic inequality, partisan politics, etc.

Financial industry manipulation, fraud, engineering, recklessness, e.g. junk bonds, S&L collapse, predatory lending, abandonment of risk mgmt. & underwriting standards, CDOs & rating-agency deceit, insider trading, over-leveraged investing; irrational exuberance

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.

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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