



The San Francisco Apartment Building Market

January 2025 Multi-Family Market Report for Residential 5+ Unit Buildings

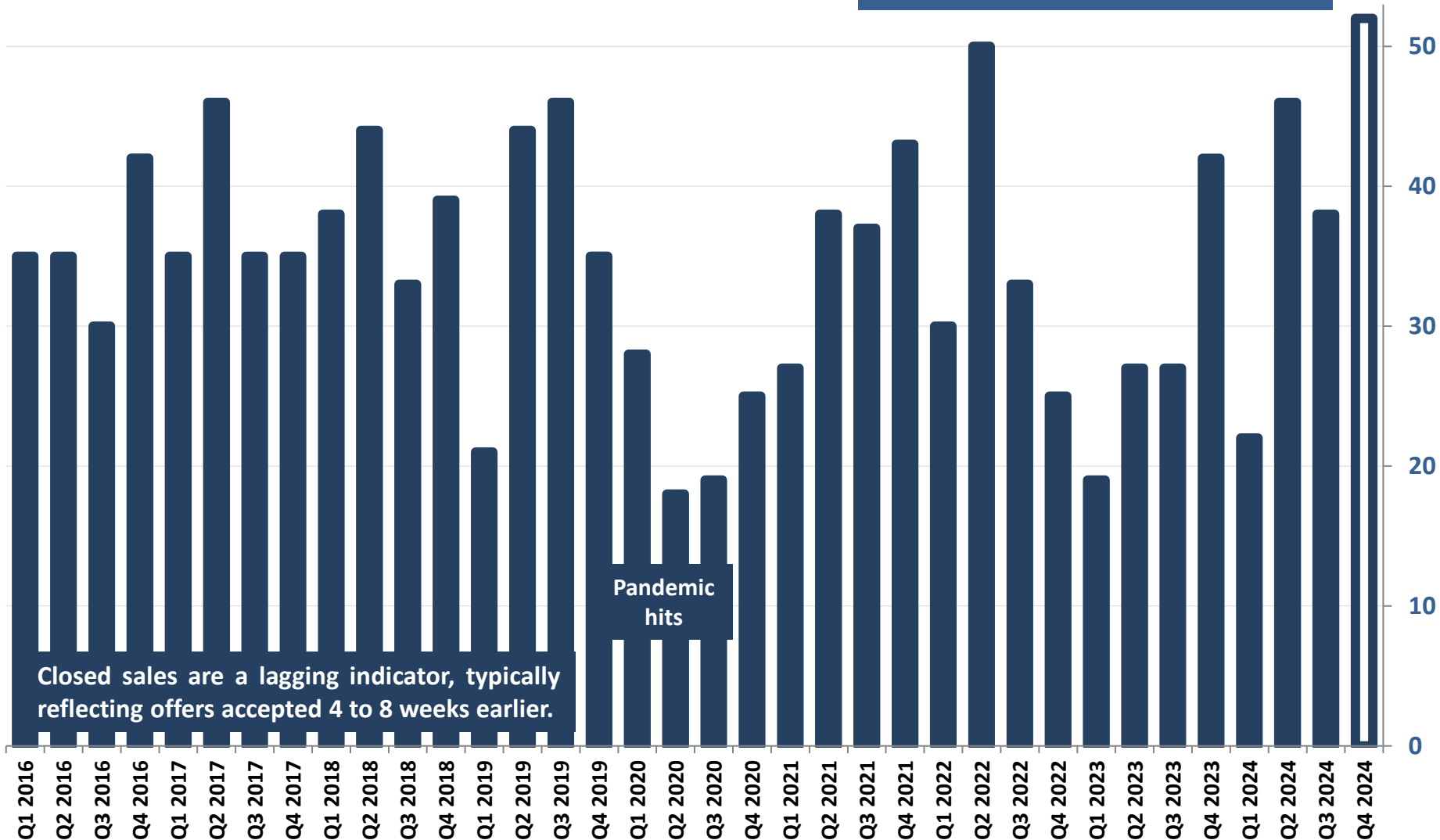
5+ unit residential income buildings: Listings and sales reported to NorCal MLS Alliance by early January 2025. This market consists of a relatively small number of sales, of buildings of widely varying sizes, qualities and financial characteristics, across a broad range of locations: This makes meaningful statistical analysis more difficult. The statistics in this report should be considered *general indicators*, not exact measurements applicable to any particular property. All numbers are approximate.

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Listings Closing Sale in Quarter

San Francisco Apartment Building Market – 5+ Units

Q4 2024 saw the highest quarterly number of 5+ unit apartment building sales in over 8 years. Year over year, 2024 sales rose about 35% over 2023.*

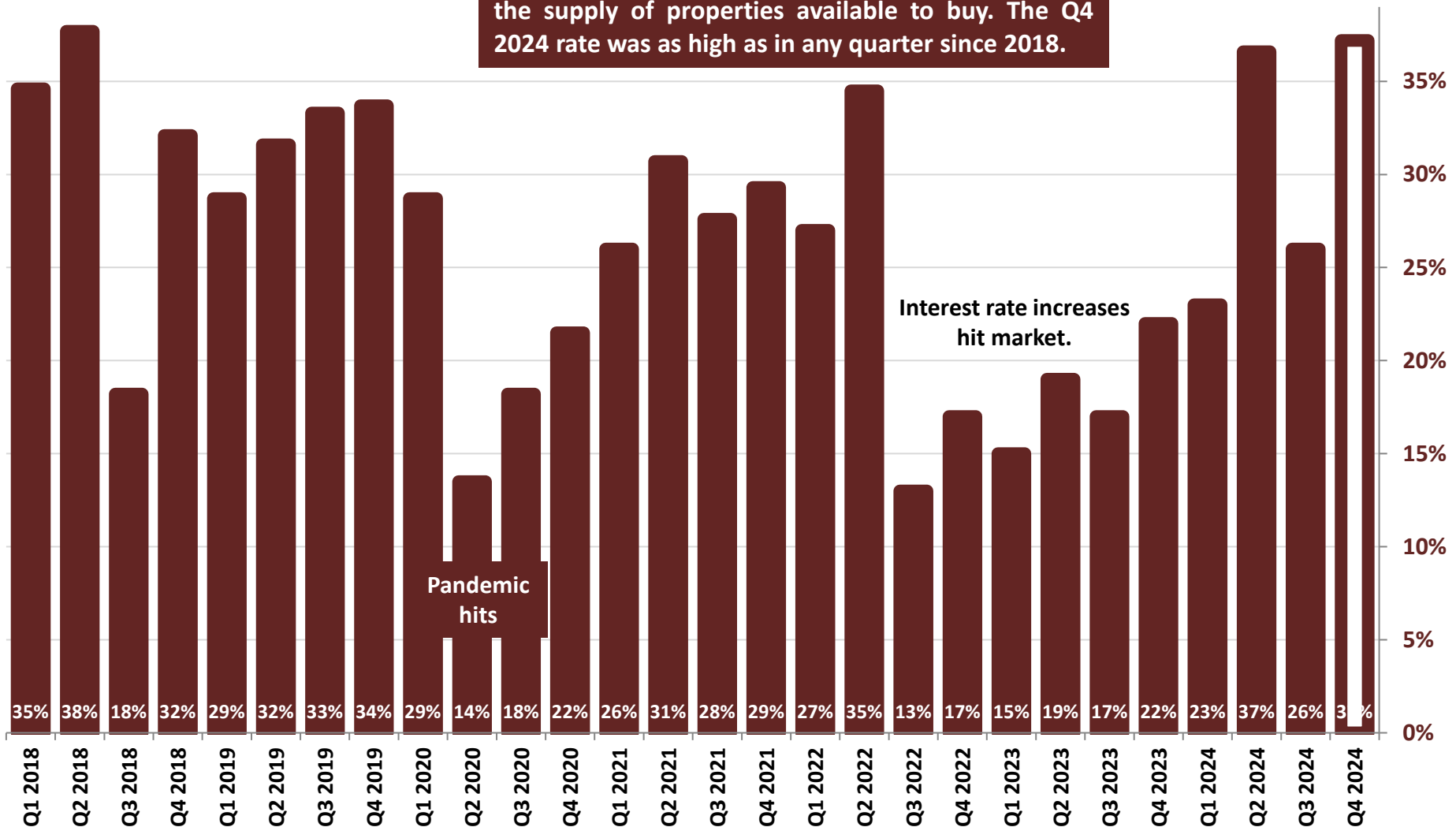


*Sales reported to NorCal Regional MLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales. Not all sales are reported to MLS.

Percentage of Listings Accepting Offers in Quarter

San Francisco 5+ Unit, Multi-Family Building Market Dynamics

Absorption rate measures demand *as compared to* the supply of properties available to buy. The Q4 2024 rate was as high as in any quarter since 2018.



Per SFARMLS 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. Percentages rounded. All numbers to be considered approximate, and may change with late-reported activity. Not all listings or sales are reported to MLS.

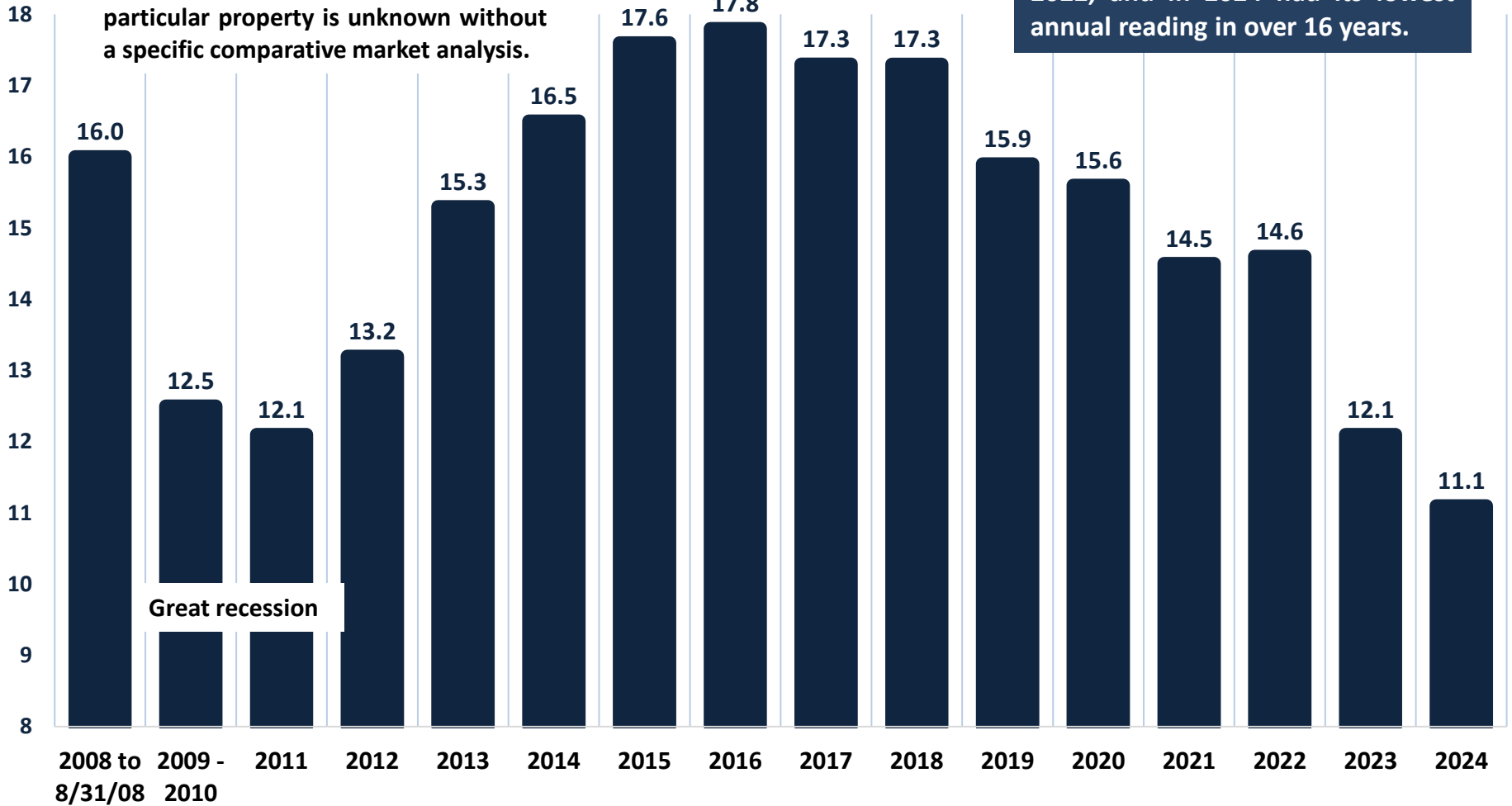


Average Gross Rent Multiple by Year

San Francisco 5+ Unit Apartment Building Sales

The average gross rent multiple has substantially declined since mid-2022, and in 2024 had its lowest annual reading in over 16 years.

How this analysis applies to any particular property is unknown without a specific comparative market analysis.



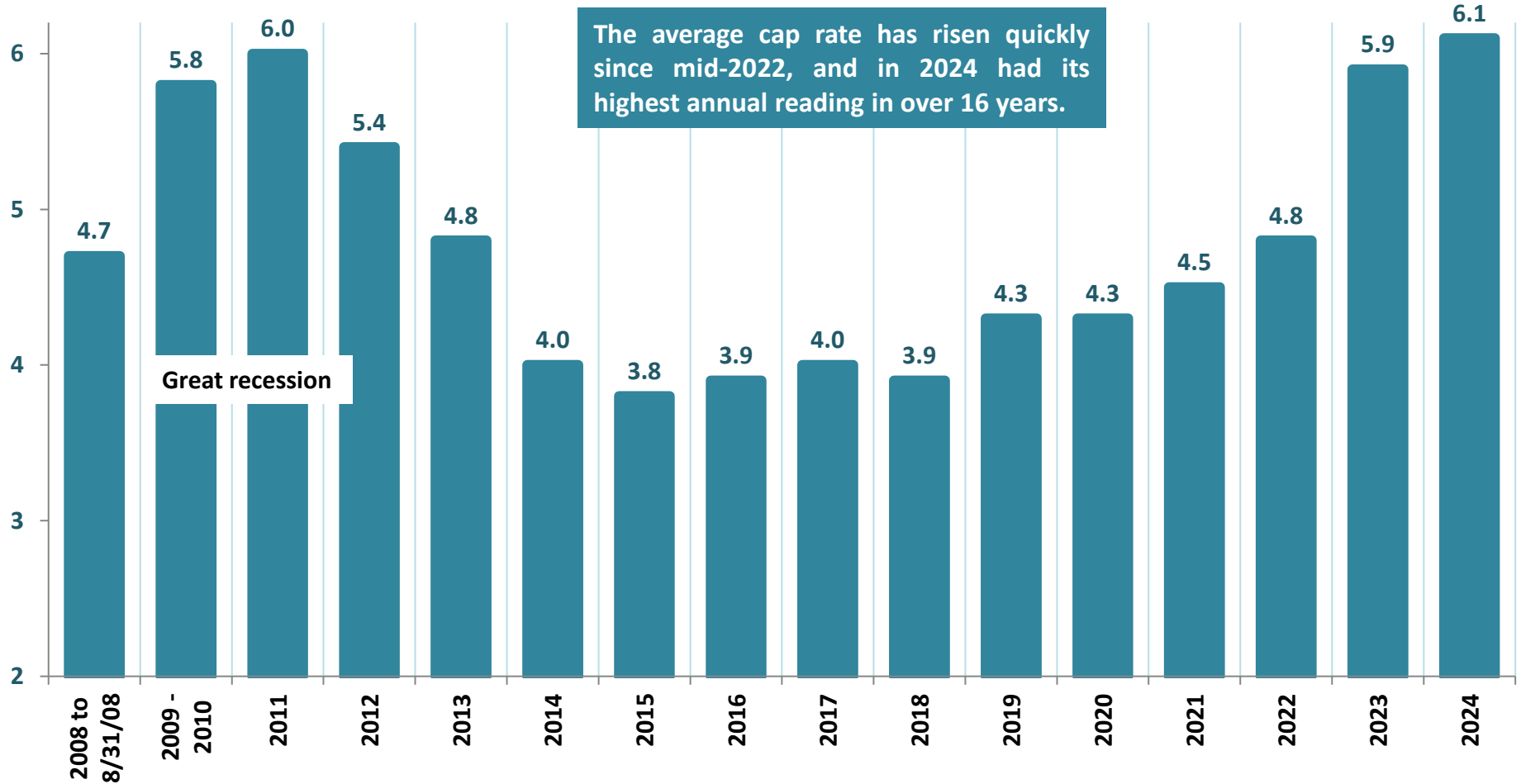
GRM is calculated by dividing the sales price by the annual gross rents. It is a very general statistic and all numbers should be considered very approximate. This data is from sources deemed reliable, but may contain errors and subject to revision. Outlier sales that would distort the statistic were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



Average Cap Rate by Year

San Francisco 5+ Unit Apartment Building Sales

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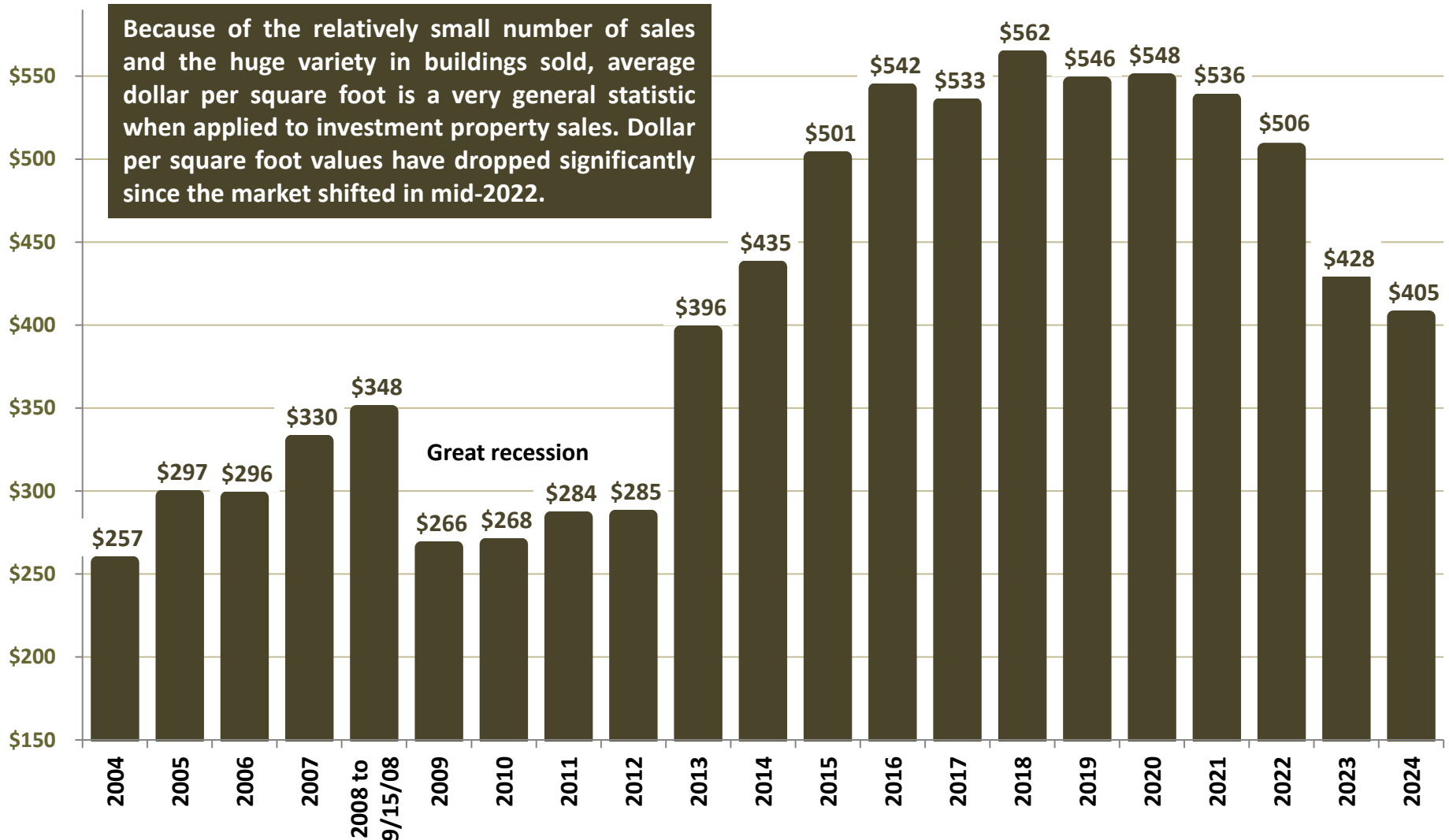


Capitalization rate calculations – sales price divided by net income (excluding mortgage costs), or return on investment as if the property had been purchased all cash – are only as good as the income and expense data provided by listing agents, and should be considered general approximations. Data from 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.

Average Dollar per Square Foot by Year

San Francisco 5+ Unit Apartment Building Sales

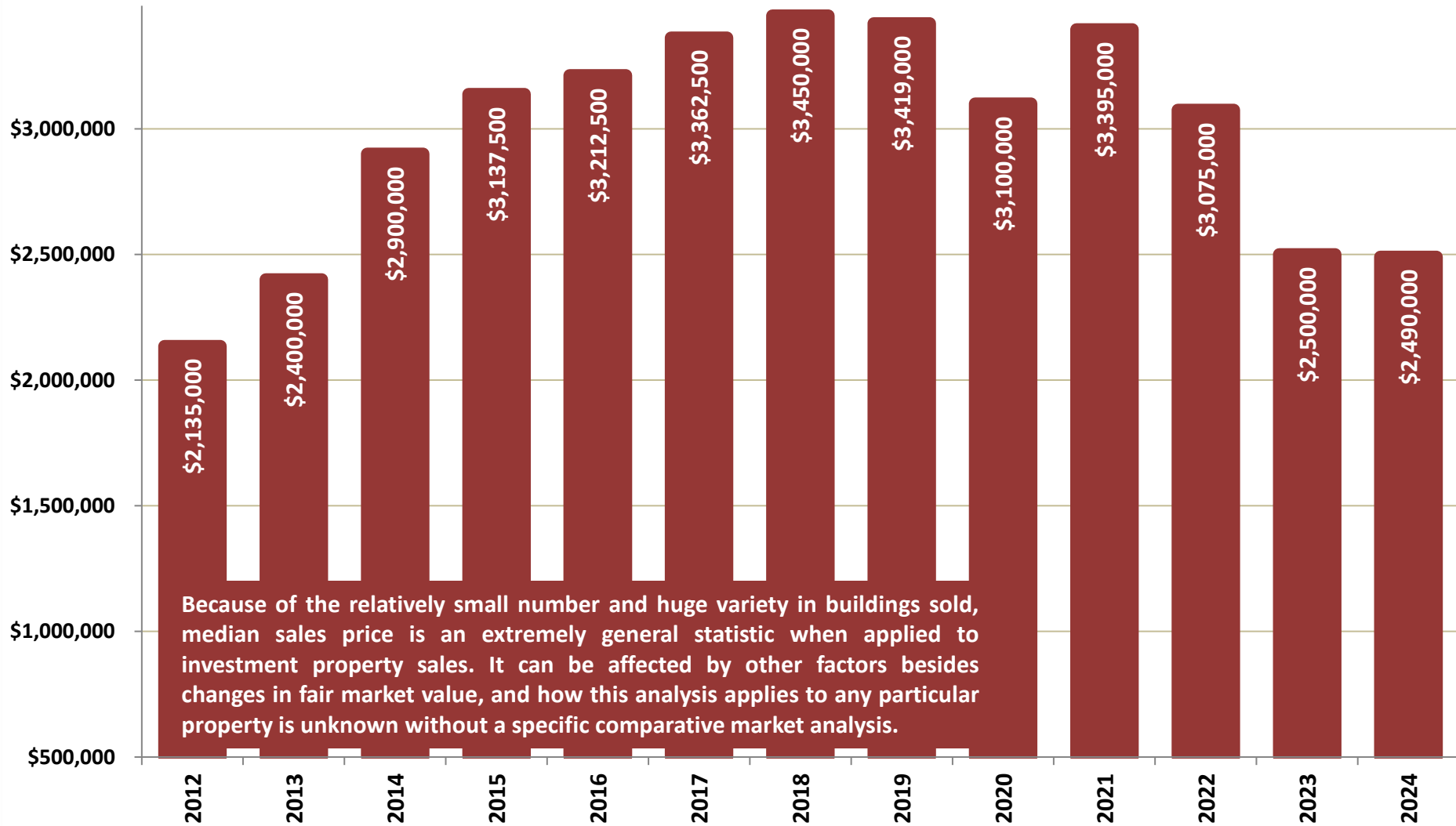
How this analysis applies to any particular property is unknown without a specific comparative market analysis.



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

Median Sales Price by Year

San Francisco 5+ Unit Apartment Building Sales



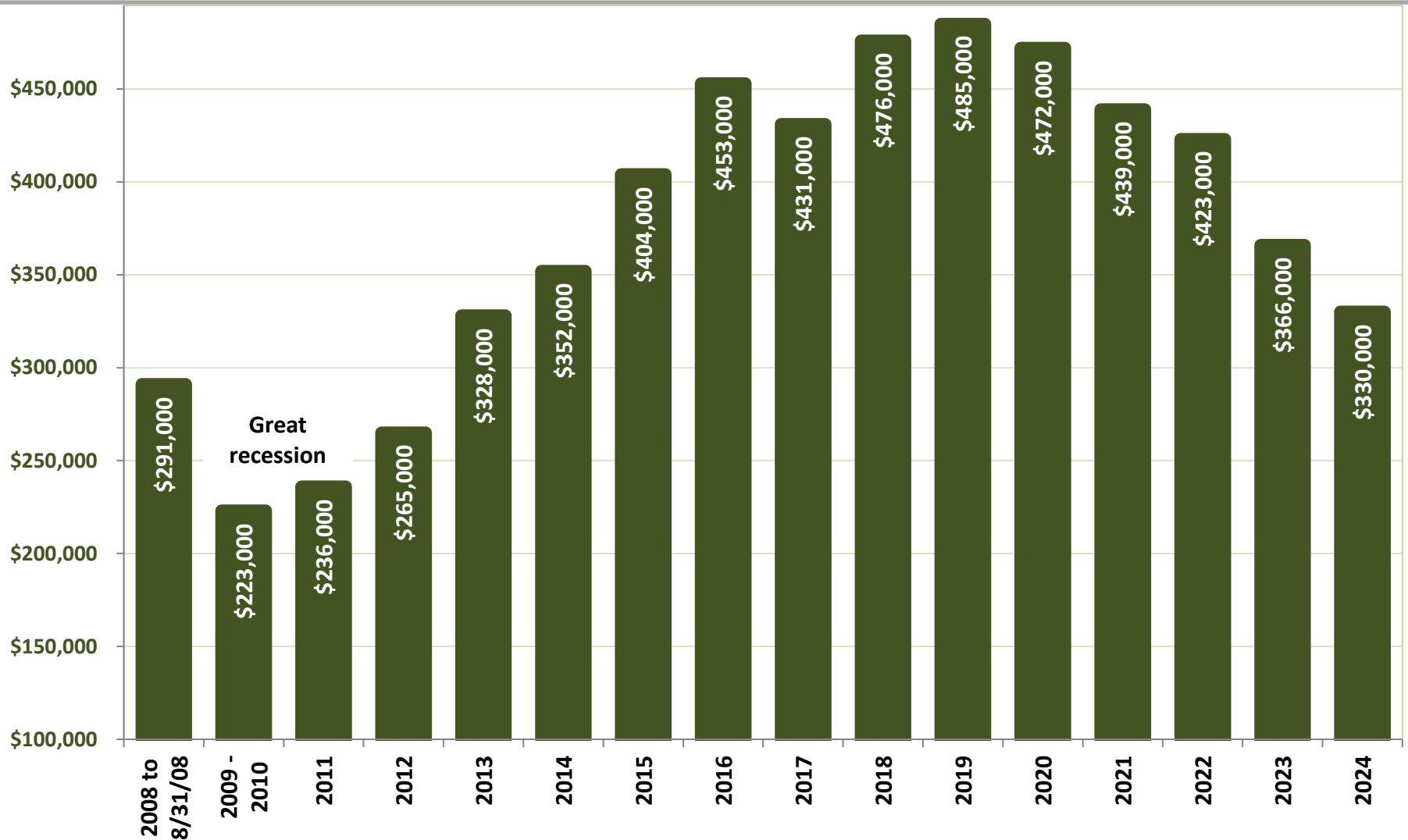
Because of the relatively small number and huge variety in buildings sold, median sales price is an extremely general statistic when applied to investment property sales. It can be affected by other factors besides changes in fair market value, and how this analysis applies to any particular property is unknown without a specific comparative market analysis.

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

Average Price per Unit by Year

San Francisco 5+ Unit Apartment Building Sales

How this analysis applies to any particular property is unknown without a specific comparative market analysis.

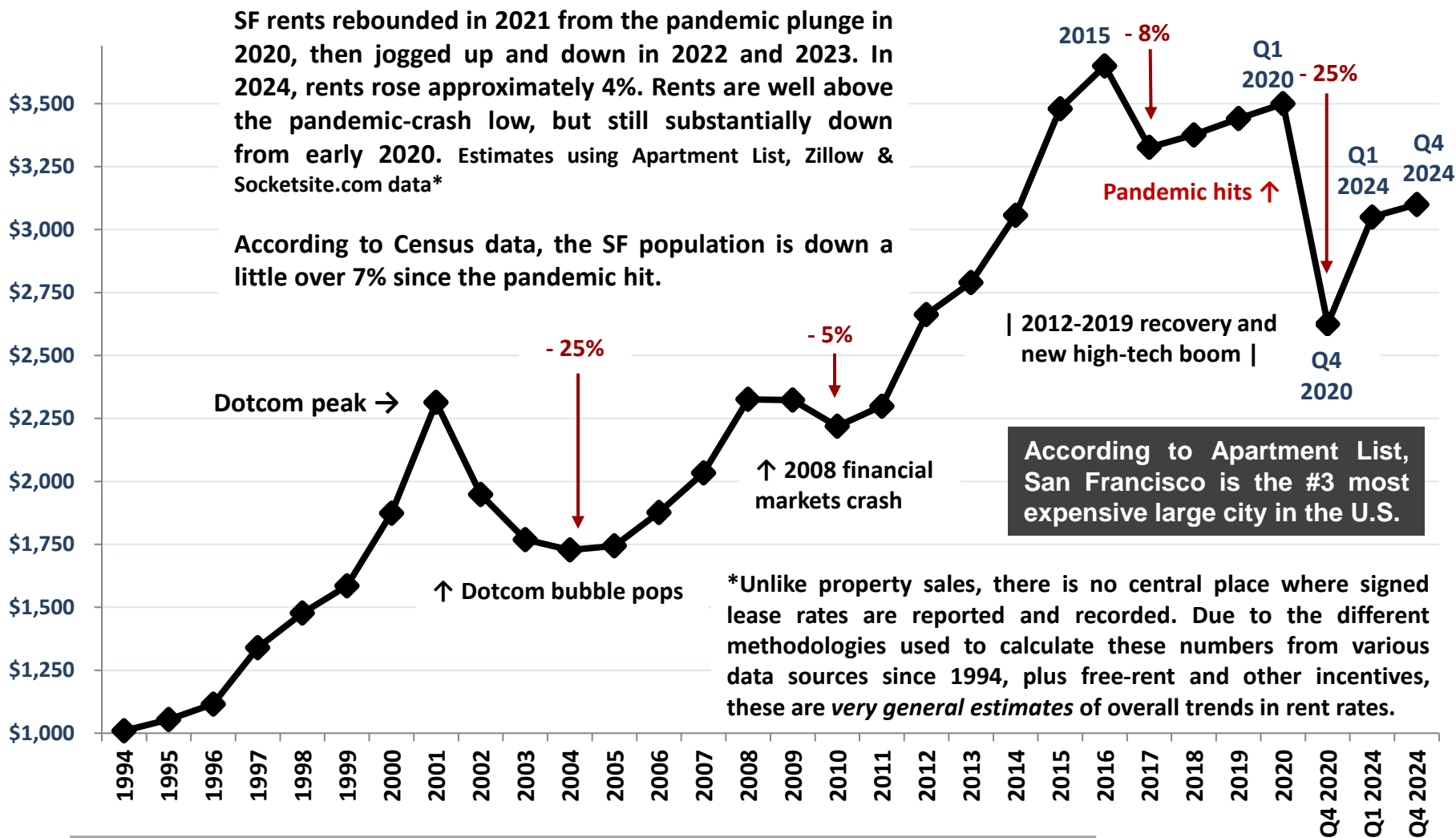


Because of the huge variety in buildings sold, this is a very general statistic when applied to SF investment property sales. This data is from sources deemed reliable but may contain errors and subject to revision. Outlier sales deleted when identified. All numbers should be considered very approximate.



San Francisco Residential Rents – Approximate, Good Faith Estimates*

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



1st 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.

5+ Unit Multi-Family Building Markets

2024 Sales by San Francisco Realtor District*

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

San Francisco Realtor District	Median Sales Price	Median \$/Sq.Ft.	Median # of Units	Median Size (Sq.Ft.)	Median GRM/ Cap Rate*	Median Days on Market
Pacific & Presidio Heights, Cow Hollow & Marina (D7)	\$4,100,000	\$501/sq.ft.	12 units	7776 sq.ft.	11.6/ 5.7	47 days
Noe, Eureka & Cole Valleys; Ashbury & Corona Hghts (D5)	\$2,375,000	\$411/sq.ft.	6 units	5750 sq.ft.	11.6/ 5.9	39 days
Lake Street, Richmond District, Jordan Park (D1)	\$2,388,000	\$414/sq.ft.	6 units	4780 sq.ft.	11.3/ 6.4	36 days
NoPa, Alamo Square, Hayes Valley, Lwr Pacific Heights (D6)	\$2,560,000	\$382/sq.ft.	6 units	6700 sq.ft.	11.2/ 6.3	40 days
Russian, Nob & Telegraph Hills; North Beach (D8, North)	\$2,664,000	\$416/sq.ft.	8 units	6420 sq.ft.	11.3/ 6.1	45 days
Sunset, Parkside (District 2)	\$2,300,000	\$395/sq.ft.	6 units	5650 sq.ft.	11.7/ 6.0	32 days
Mission, Bernal Heights, Potrero Hill, SoMa (D9)	\$1,870,000	\$287/sq.ft.	6 units	5220 sq.ft.	10.8/ 6.2	132 days
Downtown, Tenderloin, Civic Center (D8, South)	\$3,000,000	\$263/sq.ft.	17 units	9358 sq.ft.	8.4/ 7.1	84 days

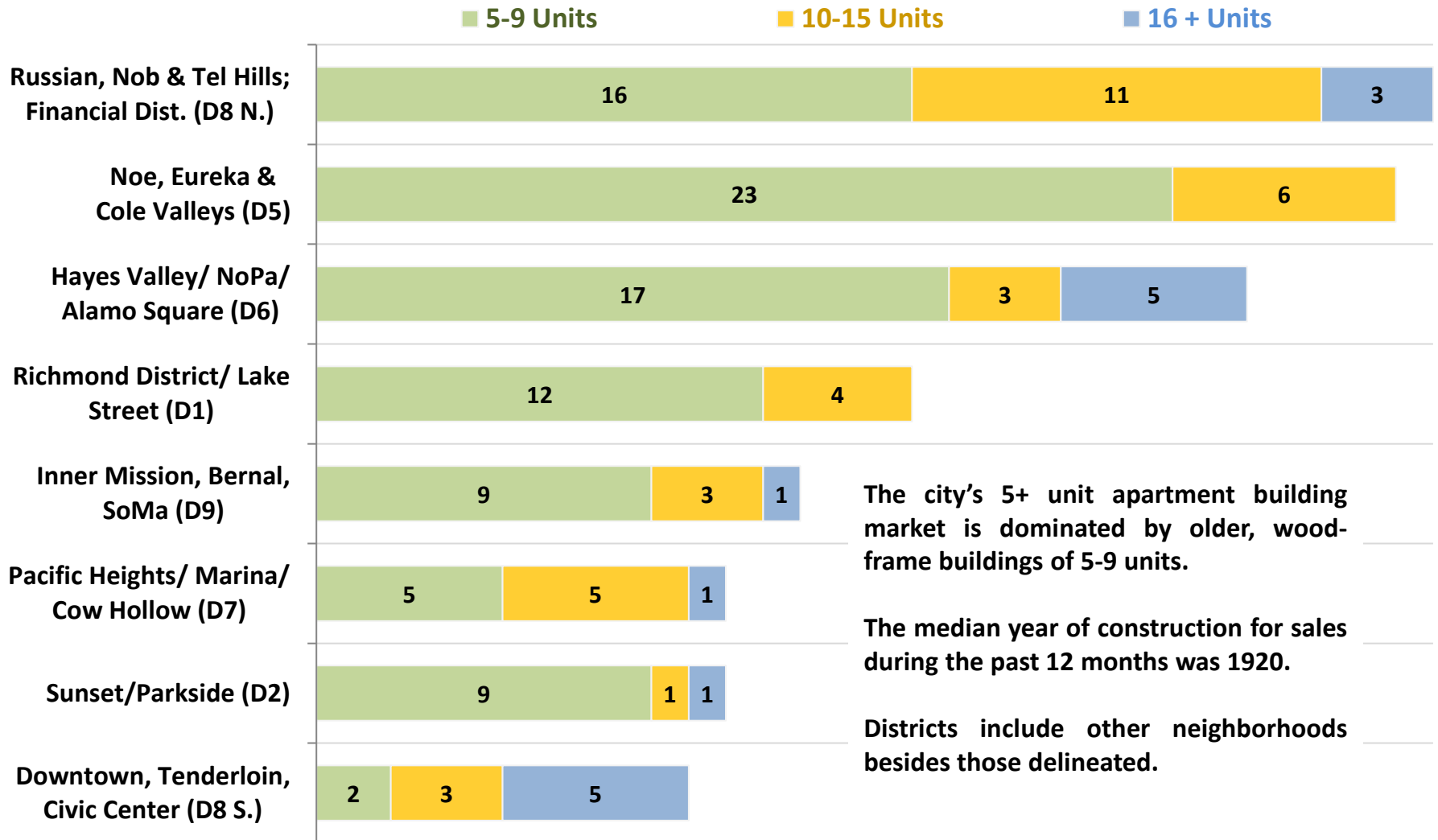
* GRM = Gross Rent Multiple. Median price is that price at which half the sales occurred for more and half for less. Dollar per square foot is based upon the building's interior living space and does not include garages, storage, unfinished attics and basements; or rooms built without permit. Cap rate measures the % return on investment – income less expenses – if the property was purchased all cash. These statistics are gross generalities for sales with wide disparities in size, quality, condition, tenant profile, rent control factors, and values. Realtor districts contain neighborhoods of varying values. Not all sales are reported to MLS.

*12 months sales reported to NorCal MLS Alliance by 12/31/24. Data from sources deemed reliable but may contain errors and subject to revision. May include some mixed-use properties. All numbers approximate and may change with late-reported sales.

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Multi-Unit Residential Property Sales, 5+ Units

2024 Sales by San Francisco Realtor District*



The city's 5+ unit apartment building market is dominated by older, wood-frame buildings of 5-9 units.

The median year of construction for sales during the past 12 months was 1920.

Districts include other neighborhoods besides those delineated.

*12 months sales reported to NorCal MLS Alliance by 12/31/24. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate, and late reported sales may change numbers. Not all sales are reported to MLS. Other city districts had fewer sales in the period.



San Francisco 5+ Unit Apartment Building Sales

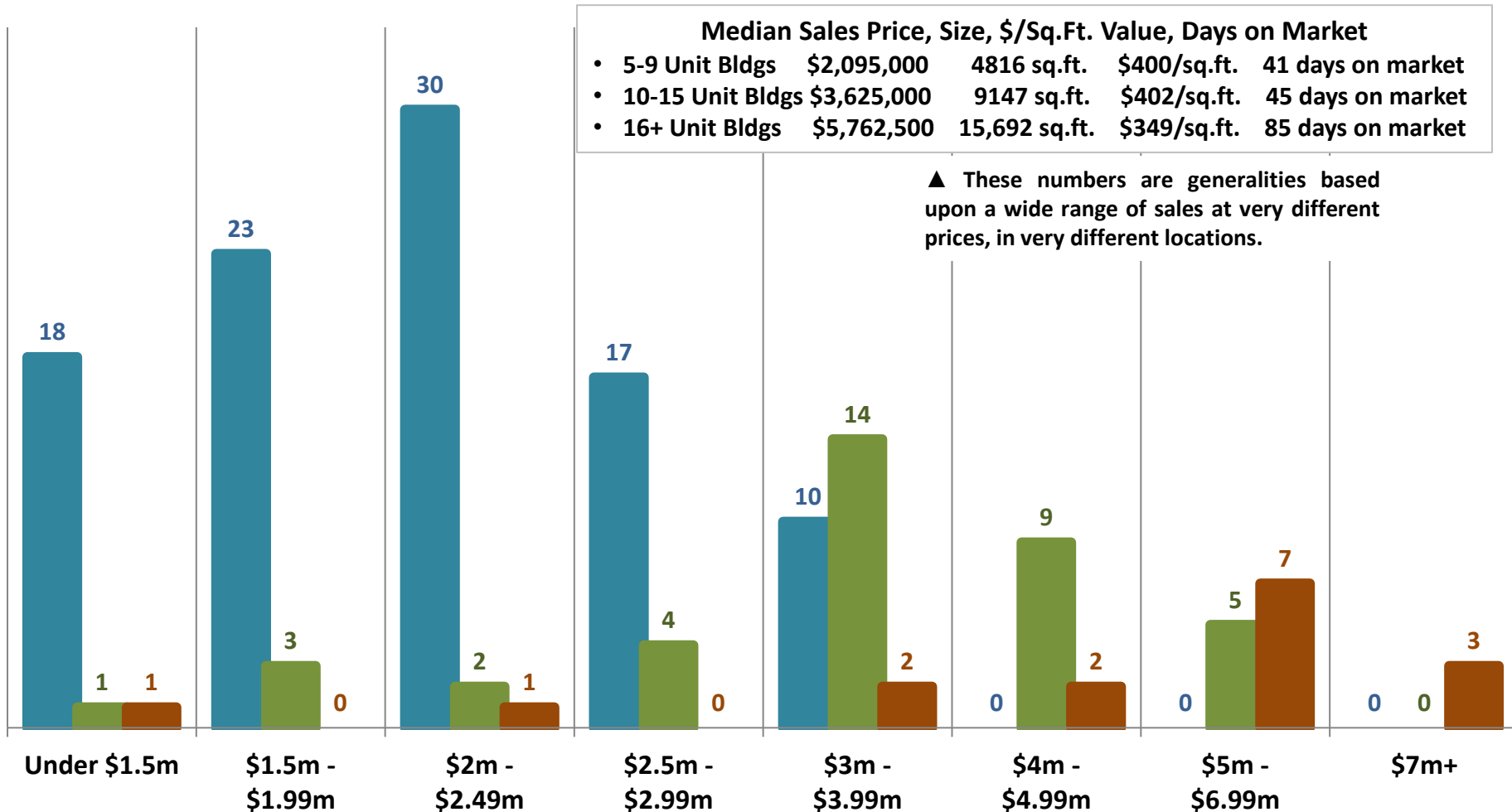
2024 Sales by Price Segment*

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

■ 5-9 Unit Buildings

■ 10-15 Unit Buildings

■ 16+ Unit Buildings



*12 months sales reported to NorCal MLS Alliance by 12/31/24. Data from sources deemed reliable, but subject to error and revision. All numbers approximate and may change with late-reported sales. Not all sales are reported to MLS.

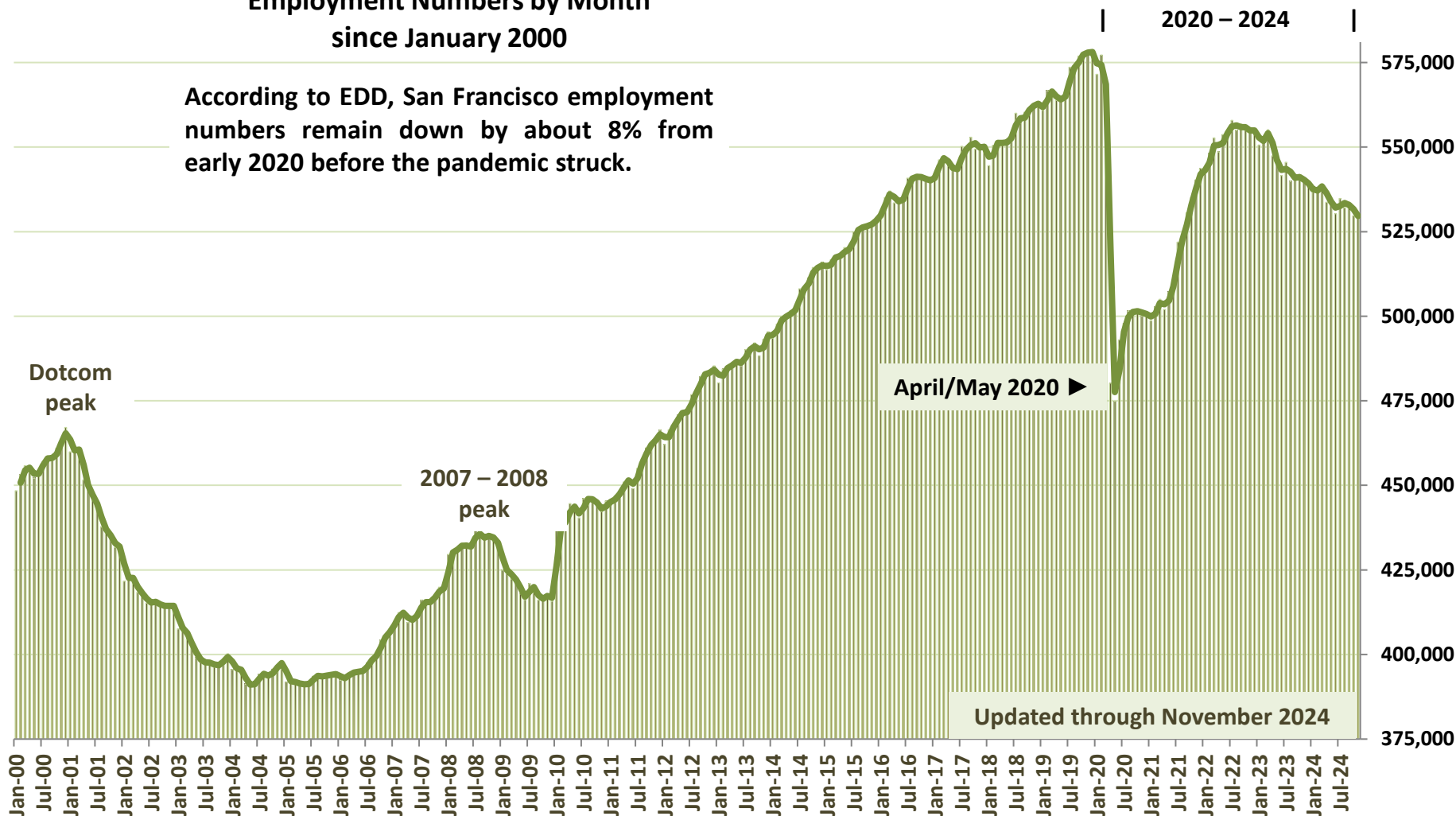
San Francisco Employment Trends

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.

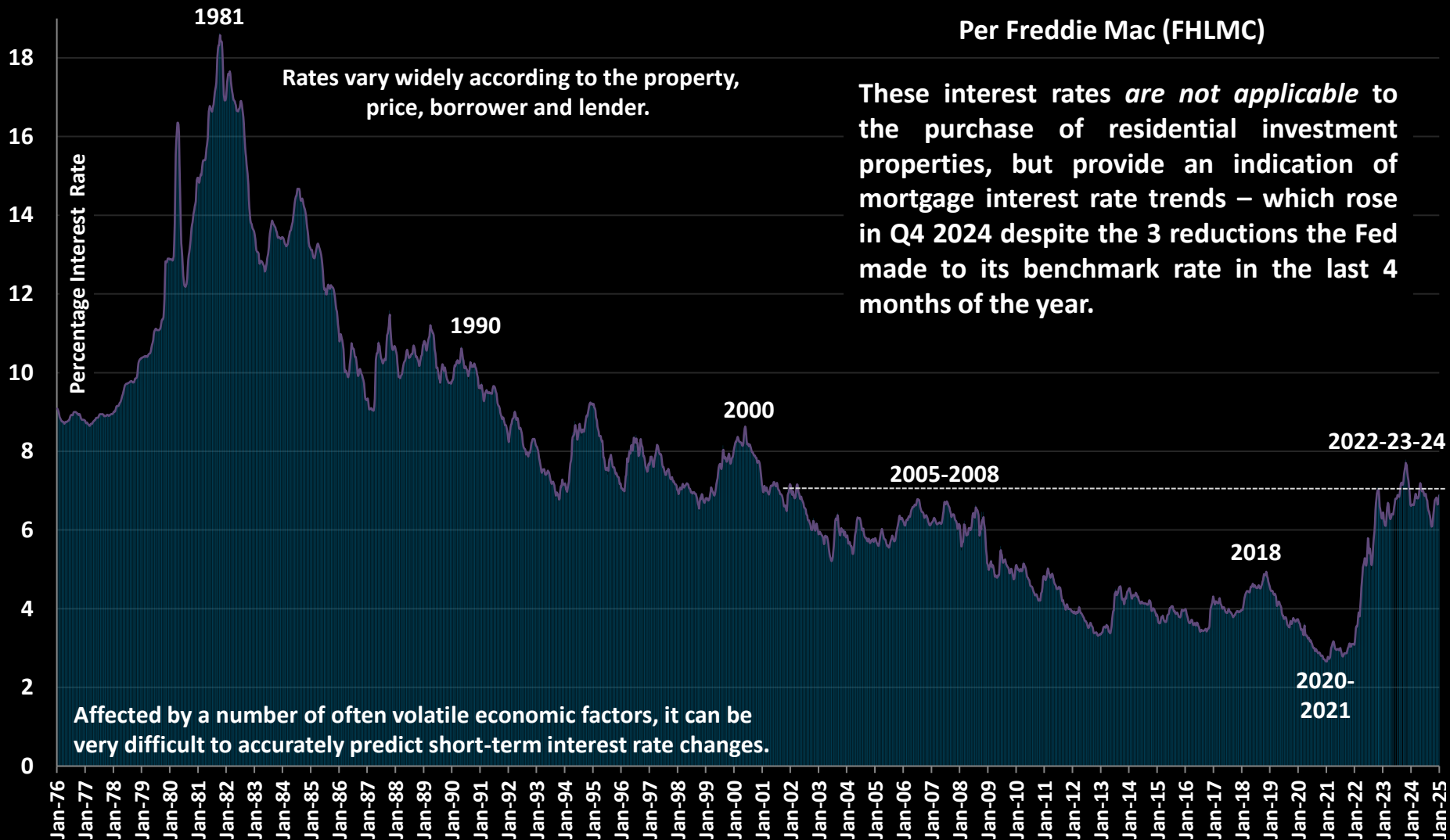


Per California Employment Development Dept. (EDD) . Last month's data is labeled "preliminary" by EDD. EDD often goes back to revise past data releases. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.



Mortgage Interest Rates, Long-Term Trends since 1976

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

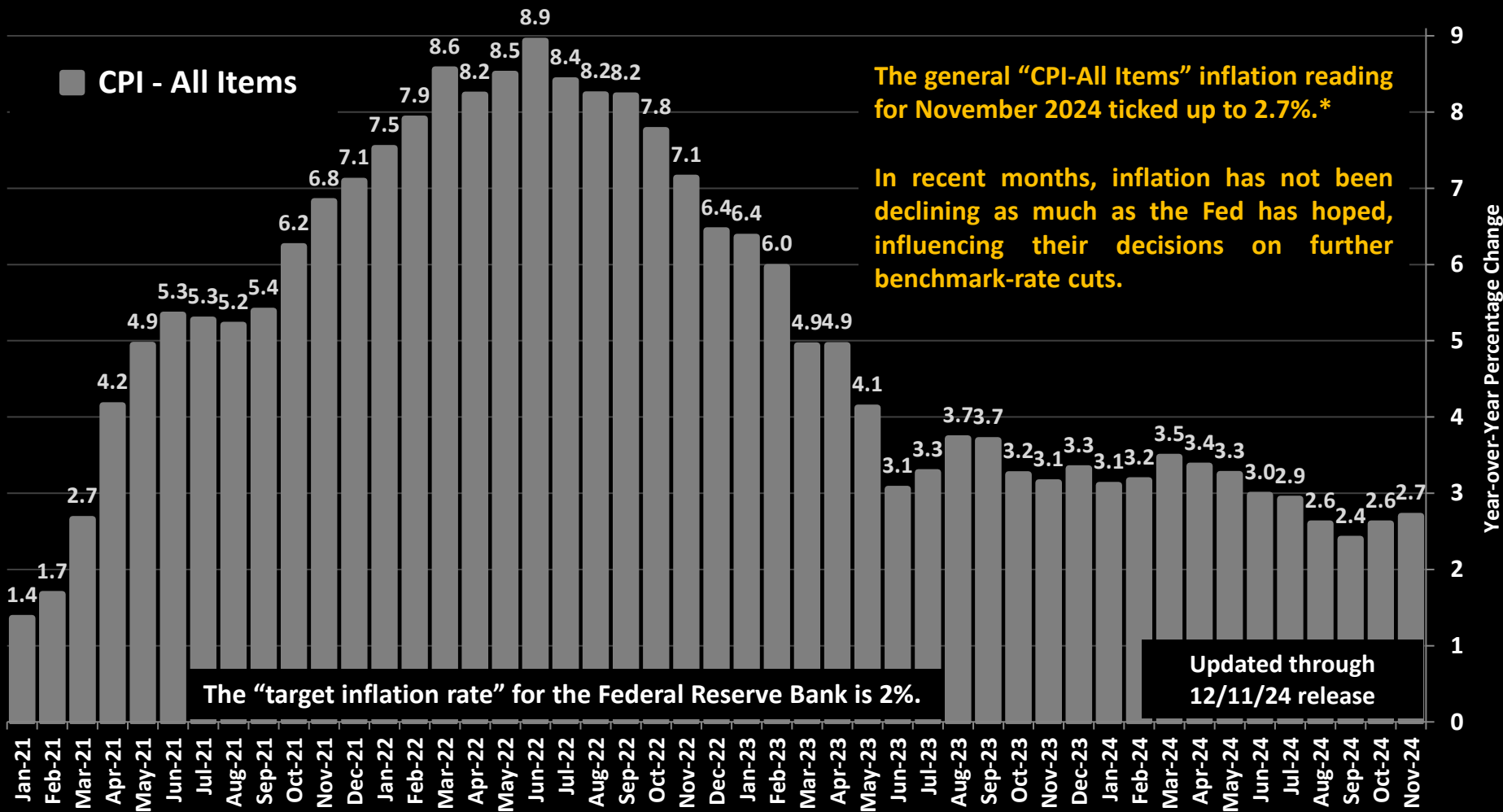


Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States, retrieved from Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MORTGAGE30US>. FHLMC: <https://www.freddiemac.com/pmms>. Data from sources deemed reliable but not guaranteed. All numbers approximate.



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

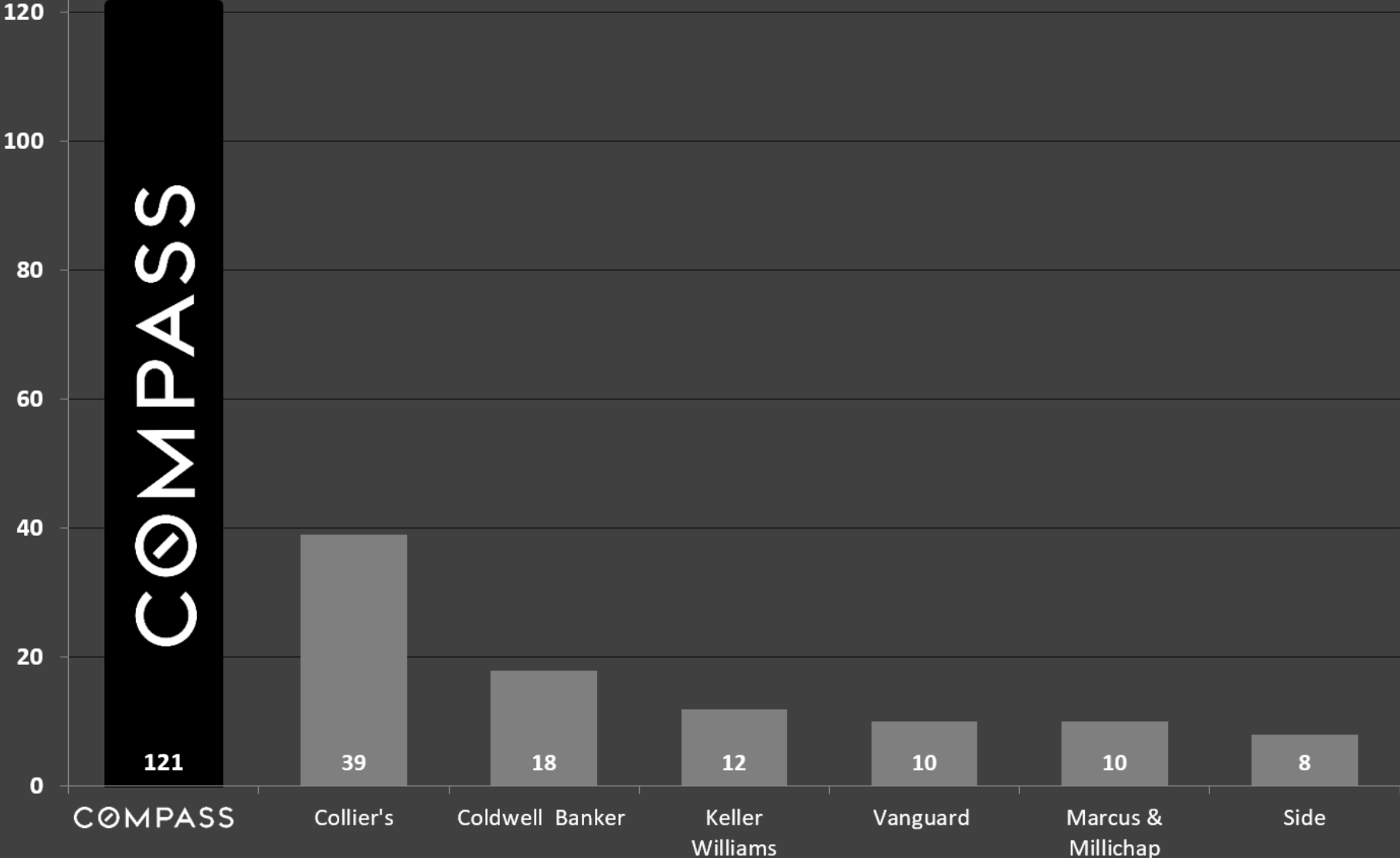
Year-over-Year Percentage Change, by Month



*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 5+ Unit, 2024 Multi-Family Building Sales

Number Sold by Broker, Residential Income Properties*

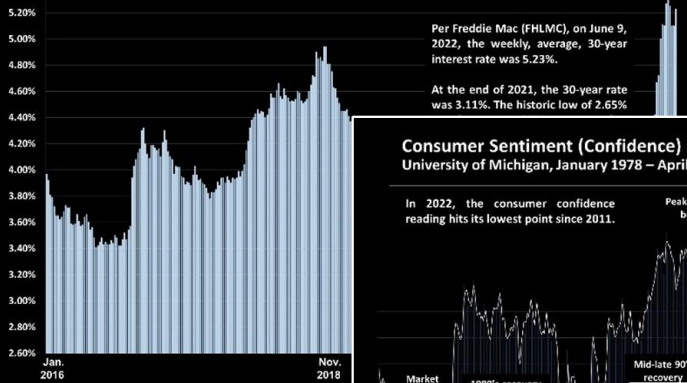


*12 months 5+ unit residential income property sales reported to NorCal MLS Alliance, 1/1/24-12/31/24. Analysis made in good faith using transaction-side data, per the MLS Ranking Report. Data from sources deemed reliable but should be considered approximate.

Mortgage Interest Rate Trends, 2016 – Present

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

Rates published by the FHLMC

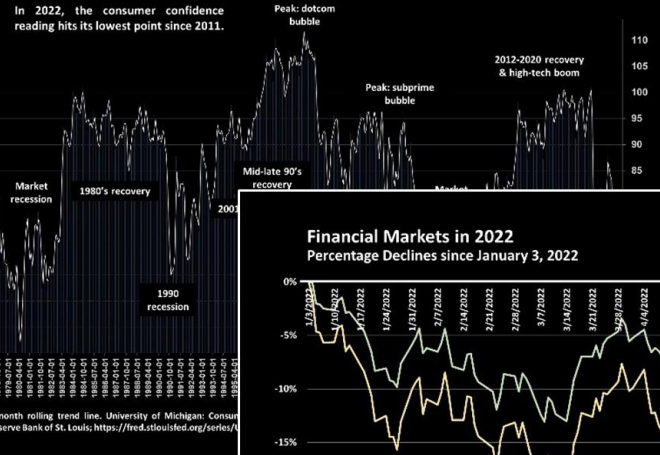


Interest rates may fluctuate suddenly and dramatically, and changes. Data from sources deemed reliable but not guaranteed. Home loans should consult with a qualified mortgage professional.

Consumer Sentiment (Confidence) Index

University of Michigan, January 1978 – April 2022

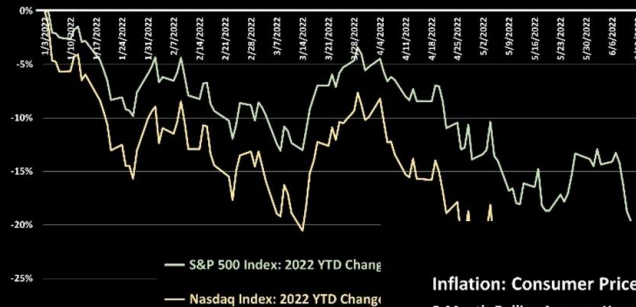
As published by the Federal Reserve Bank of St. Louis



Click Here for Review of Selected Macroeconomic Trends

Financial Markets in 2022

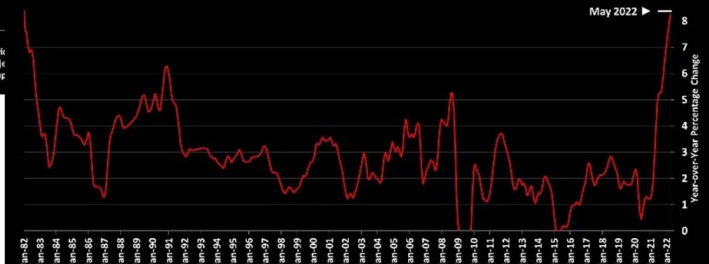
Percentage Declines since January 3, 2022



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
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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
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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.
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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. Late reported listings and sales may change these statistics. 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. Numbers may change with late-reported sales activity.

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