



## MULTIFAMILY REPORT

# San Francisco Recalibrates

Fall 2021

**Biotech Sector Supports Economy**

**Construction Remains Elevated**

**Rent Growth Rises Across Segments**





# SAN FRANCISCO MULTIFAMILY



## Volatility Persists, Demand Improves

While not out of the woods yet, the Bay Area's multifamily market is slowly rebounding, in part supported by early returners to the metro. Rents rose 1.2% on a trailing three-month basis through September to \$2,640, with the occupancy rate in stabilized properties especially boosted in the Lifestyle segment, at 94.9%.

The employment market still lags the nation (+2.5%), up less than 0.1% in the 12 months ending in July. Similarly, the unemployment rate—at 5.6% in August—was behind the 5.2% U.S. average, yet it outperformed the 7.5% state figure. Leisure and hospitality led gains, adding 54,700 jobs, or 27.8%, with leisure traffic reaching pre-pandemic levels. Consequently, United Airlines announced the addition of 4,000 jobs in the Bay Area. Professional and business services added 27,200 jobs, but the tech sector is still struggling, as a new spike in virus cases delayed the return to office for many employers. In addition, Tesla's relocation of its headquarters to Austin has been a blow. The biotech sector is thriving, thanks to life science companies' access to key fundamentals for this industry: talent, strong research partnerships and proximity to capital.

Developers delivered 6,396 units in 2021 through September and had another 23,835 underway. Meanwhile, \$1.7 billion in multifamily assets traded, with the per-unit price reaching \$400,077.

## Market Analysis | Fall 2021

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### Recent San Francisco Transactions

#### Fountains at Emerald Park



City: Dublin, Calif.  
Buyer: Catalyst Housing Group  
Purchase Price: \$190 MM  
Price per Unit: \$586,420

#### Summit at Sausalito



City: Sausalito, Calif.  
Buyer: Catalyst Housing Group  
Purchase Price: \$122 MM  
Price per Unit: \$616,162

#### The Exchange at Bayfront



City: Hercules, Calif.  
Buyer: Catalyst Housing Group  
Purchase Price: \$114 MM  
Price per Unit: \$659,884

#### Diablo Vista



City: Livermore, Calif.  
Buyer: Interstate Equities Corp.  
Purchase Price: \$49 MM  
Price per Unit: \$362,963