



MULTIFAMILY REPORT

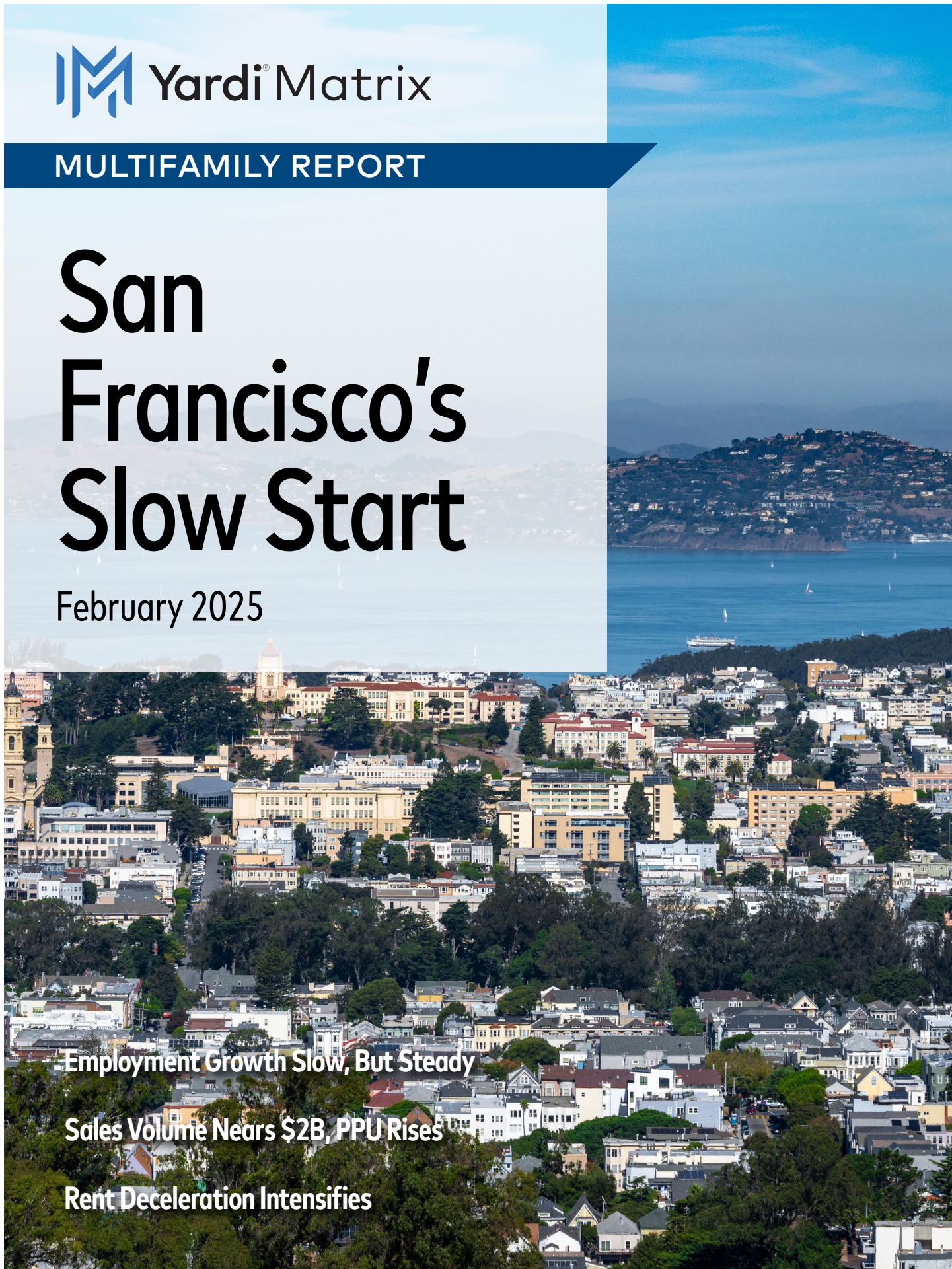
San Francisco's Slow Start

February 2025

Employment Growth Slow, But Steady

Sales Volume Nears \$2B, PPU Rises

Rent Deceleration Intensifies



SAN FRANCISCO MULTIFAMILY



Affordable Housing Dominates Pipeline

San Francisco's overall performance in 2024 was stable, amid seasonal slowdowns and economic challenges. Average advertised asking rents declined 0.4%, on a trailing three-month basis through December, and by 0.5% year-over-year, to \$2,786. Meanwhile, the U.S. rate rose 0.6% year-over-year. The occupancy rate in stabilized properties was up 30 basis points year-over-year through November, to 95.6%, ahead of the 94.7% U.S. figure.

Employment growth rebounded in 2024, climbing 0.6% year-over-year through November, but was still behind the 1.3% U.S. average. San Francisco added 14,300 net jobs over the 12-month period through November, led by education and health services (16,200) and trade, transportation and utilities (7,100). Half of the metro's sectors lost a combined 19,200 positions, with the most losses recorded in information (-9,100) and manufacturing (-6,500). The metro's unemployment rate stood at 4.3% in November, just above the 4.2% U.S. figure. Project updates include the completion of the first phase of San Francisco's Mission Rock 28-acre masterplan and the delivery of the first two buildings at Southline, a 31-acre science and technology development in South San Francisco.

Developers delivered 7,754 units in 2024, down 13.9% year-over-year. The pipeline included 13,620 units under construction as of December. More than half of these were in fully affordable projects.

Market Analysis | February 2025

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Recent San Francisco Transactions

Hillsdale Garden



City: San Mateo, Calif.
Buyer: Ethos Real Estate
Purchase Price: \$252 MM
Price per Unit: \$362,070

Franklin 299



City: Redwood City, Calif.
Buyer: Acacia Capital
Purchase Price: \$184 MM
Price per Unit: \$605,263

Larkspur Courts



City: Larkspur, Calif.
Buyer: Carmel Partners
Purchase Price: \$132 MM
Price per Unit: \$530,242

Encore



City: Redwood City, Calif.
Buyer: SCS Development Co.
Purchase Price: \$66 MM
Price per Unit: \$733,333