



MULTIFAMILY REPORT

San Francisco's Momentum

July 2025

T3 Rent Growth Outpaces Nation

Investment Momentum Grows

Completions Slow Down

SAN FRANCISCO MULTIFAMILY



Rent Recovery on Track, Supply Winds Down

The San Francisco multifamily market neared the end of the second quarter with mixed results, with some fundamentals pointing to a potential recovery amid wider economic uncertainty. Average advertised asking rents were up 0.5%, on a trailing three-month basis through May, to an average of \$2,880, outpacing the national figure by 20 basis points. Rent development continued its recovery after last year's contractions. The supply surge recorded in 2024 did not impact the metro's overall occupancy, which ticked up 10 basis points year-over-year, to 95.4% as of April. The rate was 100 basis points higher than the national average.

Unemployment in the metro stood at 3.9% in April, with only a 10-basis-point downtick from December last year, according to preliminary data from the Bureau of Labor Statistics. Job growth did not improve, with the year-over-year figure down 0.5% as of March. Over the 12-month period ending in March, the metro recorded a net loss of 18,900 jobs. Only two sectors recorded a net positive performance: education and health services, which added 16,600 positions, and government, which gained 2,800 jobs.

Development activity slowed down but moved closer to historic averages, with just 1,430 units, or 0.5% of existing stock, added in the first five months of the year. A total of 12,255 units were under construction in May, while an additional 130,000 units were in the planning and permitting stages.

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Recent San Francisco Transactions

The Plaza



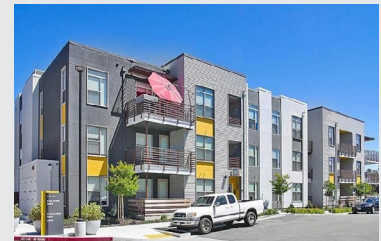
City: Foster City, Calif.
Buyer: Essex Property Trust
Purchase Price: \$161 MM
Price per Unit: \$525,733

The Union Flats



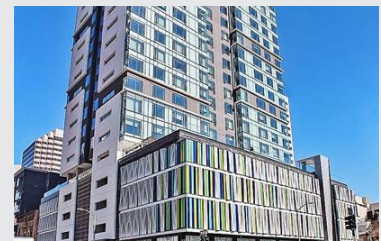
City: Union City, Calif.
Buyer: The Roxborough Group
Purchase Price: \$82 MM
Price per Unit: \$335,802

ROEN Menlo Park



City: Menlo Park, Calif.
Buyer: Essex Property Trust
Purchase Price: \$79 MM
Price per Unit: \$539,384

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City: Oakland, Calif.
Buyer: Three Steps Properties
Purchase Price: \$78 MM
Price per Unit: \$378,641