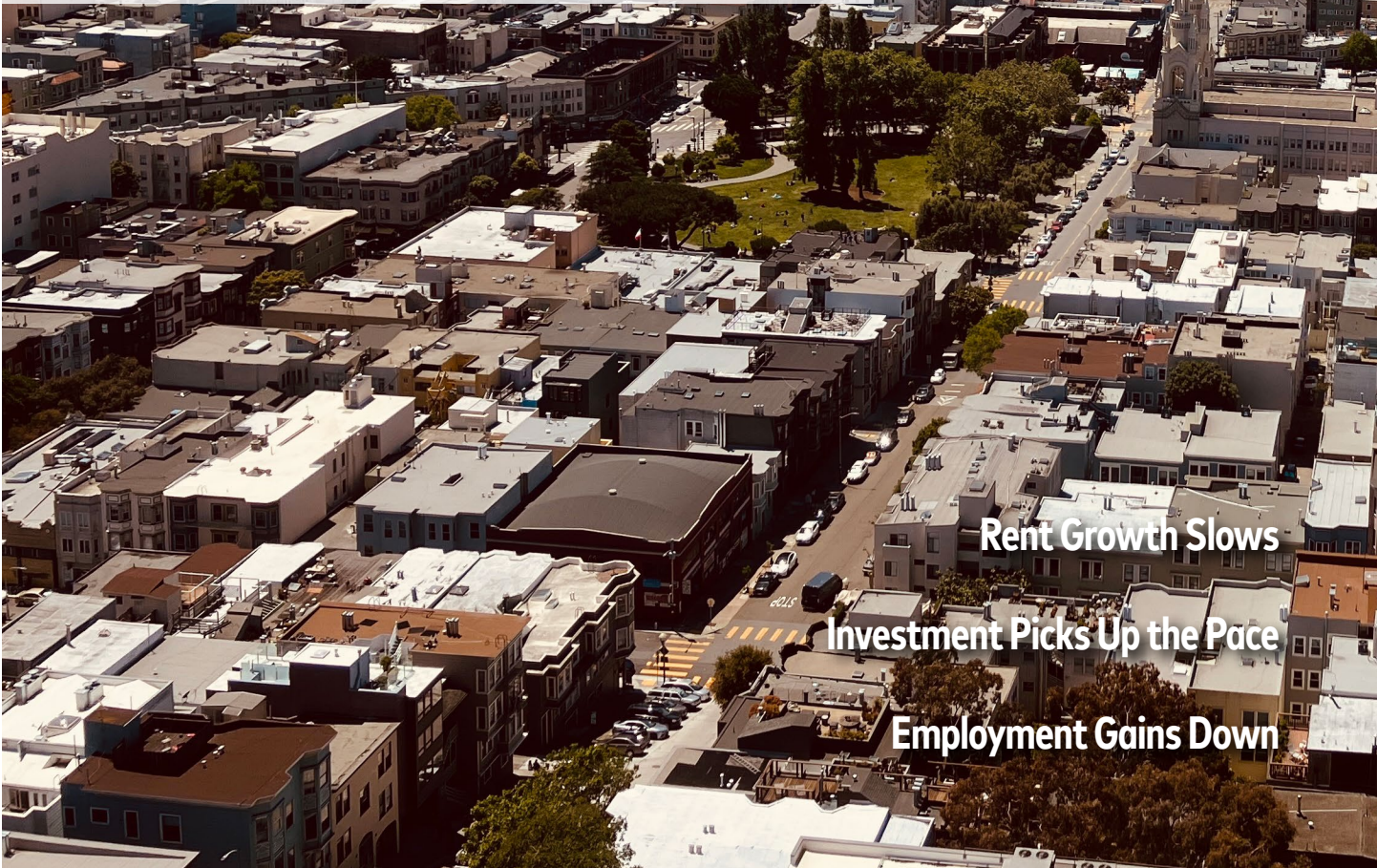




MULTIFAMILY REPORT

# San Francisco Endures

November 2025



Rent Growth Slows

Investment Picks Up the Pace

Employment Gains Down

# SAN FRANCISCO MULTIFAMILY



## Rents Slow, Still Above U.S.

San Francisco's multifamily market ended the third quarter with a slower momentum, but some positive spots remain among the metro's fundamentals. Average advertised asking rents were up 0.2%, on a trailing three-month basis through September, to an average of \$2,926. Year-over-year, rates were up 2.6%, significantly ahead of the 0.9% U.S. figure. The large number of deliveries last year, along with continued economic uncertainty pressured performance. Still, overall average occupancy in stabilized assets remained healthy, at 95.8% as of August, 110 basis points above the U.S. rate.

The metro's job market saw only slight improvement, as employment was down 0.5% year-over-year basis through July, trailing the nation by 130 basis points. Still, the contraction was smaller than at the start of the year. Unemployment stood at 4.8% in August, 50 basis points above the national figure, according to preliminary data from the Bureau of Labor Statistics. Over the 12-month period ending in July, San Francisco lost 9,700 jobs. Only four sectors registered gains, for a total of 26,800 positions. Education and health services comprised the bulk of that, with 22,600 jobs.

Following a stellar performance last year, when more than 10,000 units came online, development activity slowed down. Only 3,828 units were completed in the first three quarters of the year. Investment picked up the pace, as \$1.8 billion traded in this time frame, a 55.6% increase year-over-year.

## Market Analysis | November 2025

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### Recent San Francisco Transactions

#### Alchemy



City: San Francisco  
Buyer: Carmel Partners  
Purchase Price: \$199 MM  
Price per Unit: \$602,197

#### The Waymark



City: Walnut Creek, Calif.  
Buyer: Acacia Capital  
Purchase Price: \$190 MM  
Price per Unit: \$530,726

#### The Madelon



City: San Francisco  
Buyer: Rubicon Point Partners  
Purchase Price: \$119 MM  
Price per Unit: \$1,355,909

#### Park Central

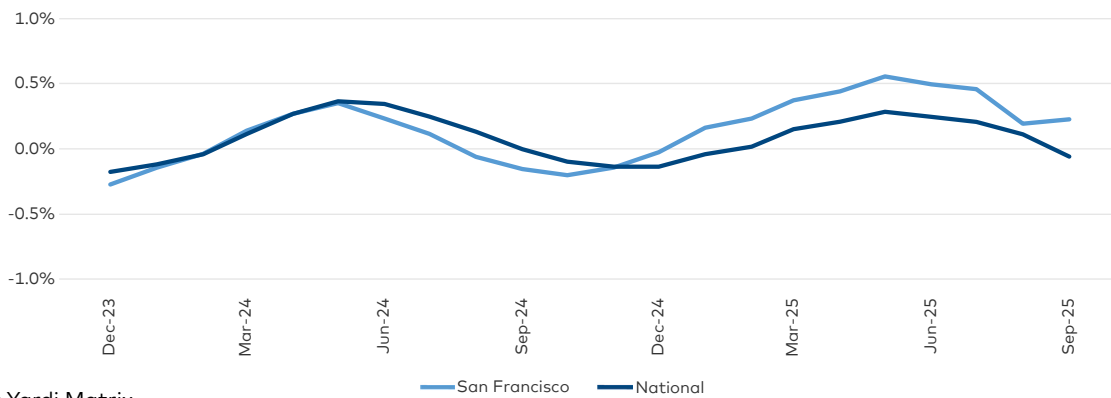


City: Concord, Calif.  
Buyer: Abacus Capital Group  
Purchase Price: \$98 MM  
Price per Unit: \$379,344

## RENT TRENDS

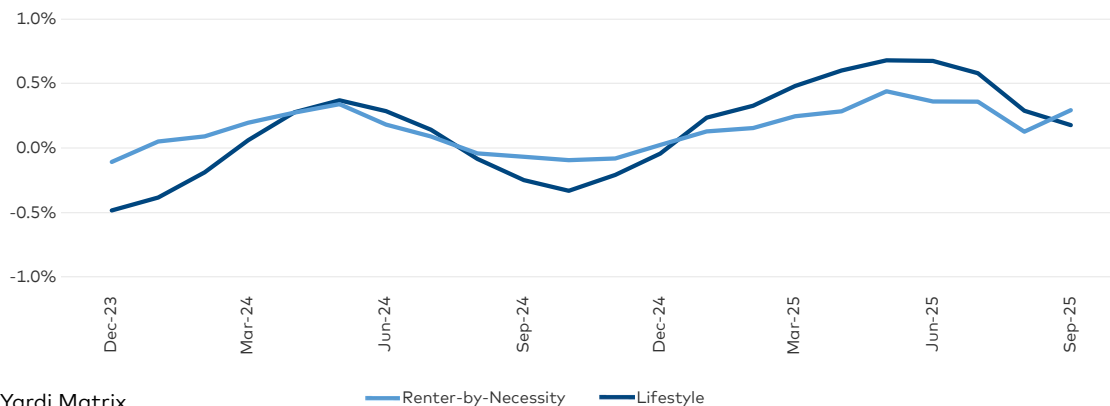
- ▶ San Francisco's advertised asking rent growth slowed down to a 0.2% uptick, on a trailing three-month (T3) basis through September, to an average of \$2,926, 30 basis points ahead of the nation. The gap between San Francisco and the U.S. maintained at relatively the same level throughout the summer months, closely following the overall trend. However, on a year-over-year basis, rents in the metro were up 2.6%, significantly ahead of the 0.9% U.S. figure.
- ▶ Average advertised asking rents for the working-class Renter-by-Necessity segment were up 0.3%, on a T3 basis through September, to \$2,612, while rates for upscale Lifestyle properties ticked up 0.2%, to \$3,359. The latter performed better during the summer leasing season, leading the former by about 30 basis points.
- ▶ Overall occupancy in stabilized assets ticked up 40 basis points year-over-year, to 95.8% in August, 110 basis points above the U.S. average. Considering 2024's outstanding delivery volume, this highlights San Francisco's continued need for more housing. Occupancy for RBN assets was up 30 basis points, to 95.5%, while the Lifestyle figure was up 40 basis points, to 96.1%.
- ▶ Several submarkets stood out for advertised asking rent growth year-over-year through September across both market segments. In the Peninsula, Eastern San Francisco (up 9.2%, to \$3,859), San Mateo (8.8% to \$3,801) and China Basin (8.5% to \$4,355) led growth. In the East Bay, East Oakland–Oakland Hills (7.6% to \$2,690), Alameda (5.8% to \$2,983) and Union City (3.5% to \$2,651) were the top performers.

### San Francisco vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

### San Francisco Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- ▶ Employment in San Francisco continued to decrease, with the rate down 0.5% on a year-over-year basis through July, while the U.S. figure stood at a positive 0.8%. This marked a period of more than 18 months of contractions for the metro's job market. A combination of tech slowdowns and targeted layoffs in office-using industries impacted the job market. Still-high office vacancy and declining population also exerted pressure on the metro's performance.
- ▶ Unemployment clocked in at 4.8% in August, 50 basis points above the national figure. The slowdown was visible here as well, with the rate up 80 basis points since December last year, according to preliminary BLS data.
- ▶ Over the 12-month period ending in July, San Francisco had a net loss of 9,700 jobs. Only four sectors registered gains, for a total of 26,800 positions. Education and health services spearheaded that growth, adding 22,600 jobs. Professional and business services lost 10,800 positions, followed by manufacturing (-7,700).
- ▶ Several major projects hit milestones across the metro this year. A new, 280,000-square-foot cancer research center broke ground at the mixed-use Potrero Power Station development, set to include health care and lab space. In September, San Francisco's newest public park opened on Treasure Island, which is undergoing a multidecade, \$6 billion rebuild.

### San Francisco Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	511.9	18.0%
90	Government	376.2	13.2%
80	Other Services	105.8	3.7%
40	Trade, Transportation and Utilities	414.8	14.5%
15	Mining, Logging and Construction	151.9	5.3%
55	Financial Activities	143	5.0%
70	Leisure and Hospitality	306.5	10.8%
50	Information	134.7	4.7%
30	Manufacturing	180	6.3%
60	Professional and Business Services	526.2	18.5%

Sources: Yardi Matrix, Bureau of Labor Statistics

## Population

- ▶ San Francisco's population remained on a downward trend, contracting 0.7% from 2021 to 2022, representing more than 33,000 residents.
- ▶ The U.S. population overall was still on a growth trend, up 0.4% through the same period.

### San Francisco vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
San Francisco	4,701,332	4,709,220	4,725,584	4,692,242

Source: U.S. Census

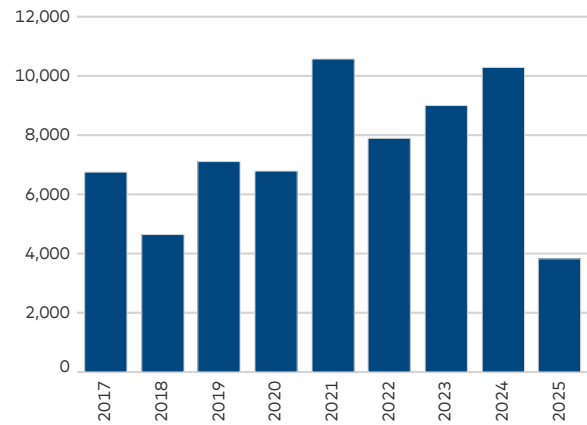
## SUPPLY

- ▶ San Francisco developers had 10,731 units under construction in September, with another 140,000 in the planning and permitting stages. Just over half of the pipeline consisted of units in Lifestyle projects, in line with nationwide trends. However, San Francisco's share of units in fully affordable projects stood at 39.6%, far above the national average (15.9%), as well as Los Angeles (29.1%) and San Diego (29.0%).
- ▶ A total of 3,828 units came online across the metro in the first three quarters, down 53.2% from the total recorded in the same period last year. Completions represented 1.2% of existing stock, 100 basis points below the national figure. Development activity slowed down closer to historical performance, following 2024's ranking as second-best in the past eight years, with 10,284 units delivered. On average, San Francisco has added roughly 7,900 units per year since 2017.
- ▶ The slowdown was visible among construction starts as well, with 2,021 units (12 projects) breaking ground in the first three quarters, down from the 3,025 units (21 properties) that started construction in the same period in 2024.
- ▶ The Peninsula market had four of the top five most active submarkets—Redwood City (1,013

units underway), Santa Rosa (821), Eastern San Francisco (804) and Burlingame (800). In the East Bay market, East Fremont led with 797 units under construction.

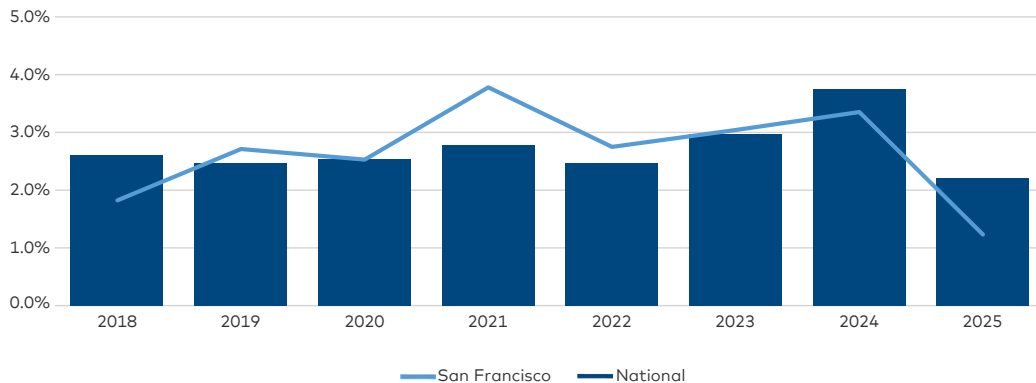
- ▶ Greystar's 335-unit Vasara in Redwood City was the largest project to come online this year through September. United Overseas Bank provided a \$135 million construction loan.

**San Francisco Completions** (as of September 2025)



Source: Yardi Matrix

**San Francisco vs. National Completions as a Percentage of Total Stock** (as of September 2025)

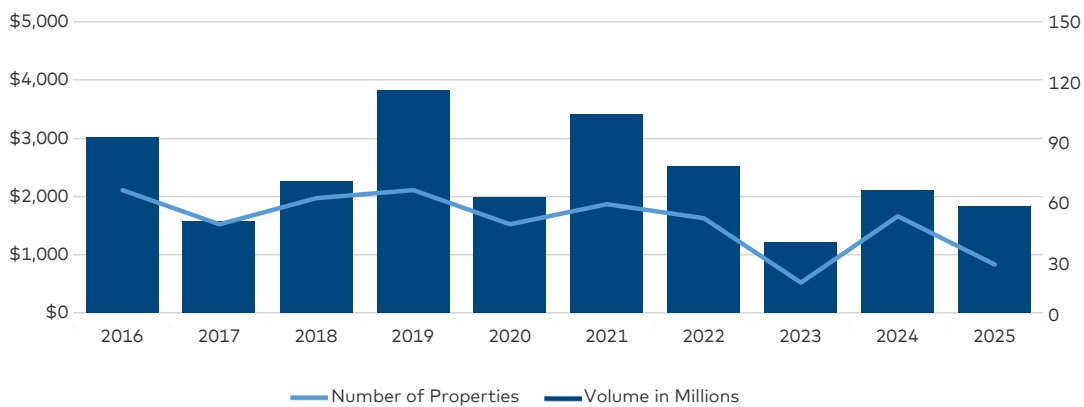


Source: Yardi Matrix

## TRANSACTIONS

- ▶ San Francisco investors traded \$1.8 billion in multifamily assets year-to-date through September—up 55.6% year-over-year. This came closer to historic performance, as the average annual sales volume for the past 10 years stood at \$2.4 billion. Activity recovered at a quicker pace than in similar metros since last year and investors continued to focus on the upscale market. Of the 30 single-asset transactions closed in this period, 20 involved Lifestyle assets.
- ▶ The average per-unit price rose 32.8% from 2024's figure, clocking in at \$457,549. Lifestyle assets traded at an average of \$473,374 per unit (down 27.7%), while RBN properties sold for \$402,206 per unit (up 51.7%).
- ▶ Carmel Partners paid \$199 million for the 330-unit Alchemy in what was the largest transaction of the year through September. In another sale, Rubicon Point Partners paid a record \$1,355,909 per unit for an 88-unit asset.

### San Francisco Sales Volume and Number of Properties Sold (as of September 2025)



Source: Yardi Matrix

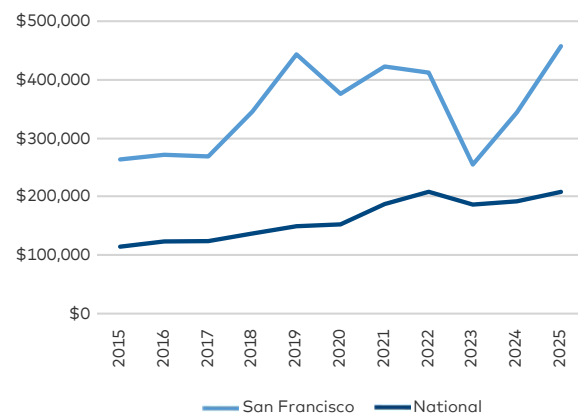
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Redwood City	373
Foster City	267
Downtown Oakland	256
San Mateo	252
Golden Gate Park	237
Walnut Creek-Lafayette	221
Alameda	187

Source: Yardi Matrix

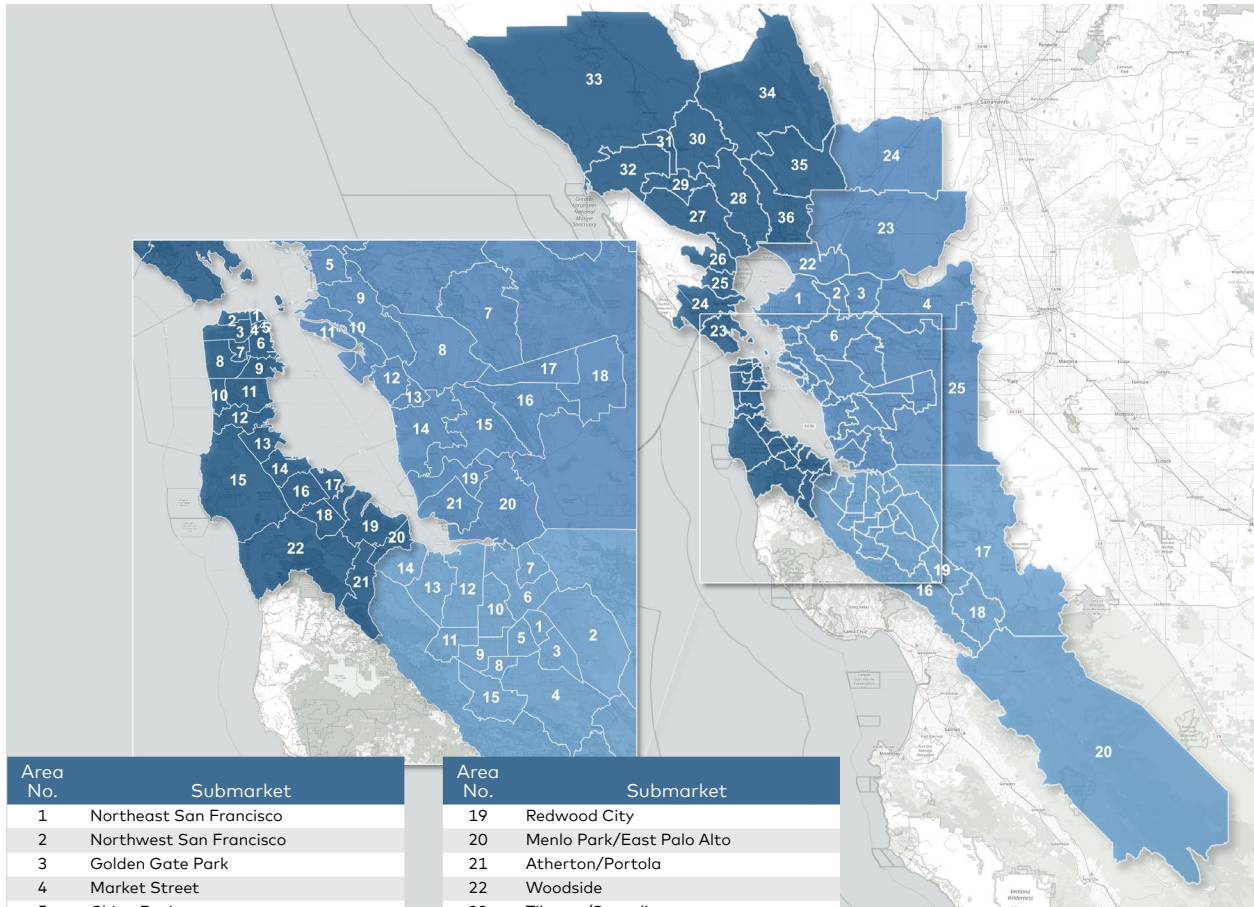
<sup>1</sup> From October 2024 to September 2025

### San Francisco vs. National Sales Price per Unit



Source: Yardi Matrix

# SAN FRANCISCO SUBMARKETS



Area No.	Submarket
1	Northeast San Francisco
2	Northwest San Francisco
3	Golden Gate Park
4	Market Street
5	China Basin
6	Eastern San Francisco
7	Central San Francisco
8	Southwest San Francisco
9	Southeast San Francisco
10	Broadmoor/Daly City
11	Colma/Brisbane
12	South San Francisco
13	Millbrae/Airport
14	Burlingame
15	Moss Beach
16	San Mateo
17	Foster City
18	Belmont/San Carlos

Area No.	Submarket
19	Redwood City
20	Menlo Park/East Palo Alto
21	Atherton/Portola
22	Woodside
23	Tiburon/Sausalito
24	San Rafael
25	Lucas Valley
26	Novato
27	Petaluma
28	Sonoma
29	Rohnert Park
30	Santa Rosa
31	Roseland
32	Sebastapol
33	Northern Sonoma County
34	Deer Park/St. Helena
35	Napa North
36	Napa South

Area No.	Submarket
1	Central San Jose
2	East San Jose
3	South San Jose
4	Far South San Jose
5	Central San Jose West
6	North San Jose
7	Milpitas
8	Campbell
9	West San Jose
10	Santa Clara
11	Cupertino
12	Sunnyvale
13	Mountain View-Los Altos
14	Palo Alto-Stanford
15	Los Gatos-Saratoga
16	West Santa Clara County
17	East Santa Clara County
18	Gilroy
19	Morgan Hill
20	San Benito County

Area No.	Submarket
1	Richmond
2	Pleasant Hill/Martinez
3	Concord
4	Antioch/Oakley
5	Berkeley
6	Walnut Creek/Lafayette
7	San Ramon-West/Danville
8	Castro Valley
9	East Oakland/Oakland Hills
10	Downtown Oakland
11	Alameda
12	San Leandro
13	San Lorenzo

Area No.	Submarket
14	Hayward
15	Union City
16	Pleasanton
17	Dublin
18	Livermore
19	West Fremont
20	East Fremont
21	South Buckhead
22	Midtown
23	Lindbergh
24	North Druid Hills
25	North Decatur/Clarkston/Scottdale

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- ▶ *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- ▶ *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- ▶ *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- ▶ *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- ▶ *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- ▶ *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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