



MULTIFAMILY REPORT

San Francisco Rents Retain Annual Gains

February 2026

YoY Rents Outperform US

Pipeline Moderates, PPU Surges

Employment Continues to Struggle

SAN FRANCISCO MULTIFAMILY



Short-Term Rents Soften, Occupancy Climbs

San Francisco's fundamentals softened at year-end 2025, as average advertised asking rents fell 0.4%, on a trailing three-month basis through December, to \$2,885, while the national rate declined 0.3% to \$1,737. Year-over-year, rents rose 1.9%, marking the fifth strongest performance among Yardi Matrix's top 30 metros. The occupancy rate in stabilized properties continued to climb, up 40 basis points year-over-year, to 95.8% in November.

Employment was down 0.5% year-over-year through September, while the national average was up 0.8%. Unemployment held at 4.4% in November, on par with the U.S. and below the state (5.5%). San Francisco lost 12,100 net jobs in the 12 months ending in September, with gains recorded only in education and health services (21,600 jobs) and other services (1,300). All other sectors lost 35,000 jobs combined, with professional and business services (-11,200) and manufacturing (-8,900) taking the largest hits. Notable project updates included the \$2.6 billion Terminal 3 West Modernization at San Francisco International Airport and UCSF's Helen Diller Hospital at Parnassus Heights moving forward under a \$4.3 billion budget, with an expected opening in 2030.

Supply growth moderated in 2025, with 5,811 units delivered and 10,851 underway. Investment volume totaled \$2.4 billion in 2025, and the average price per unit rose 20% year-over-year, to \$415,946 in December.

Market Analysis | February 2026

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Recent San Francisco Transactions

The Overlook at Walnut Creek



City: Walnut Creek, Calif.
Buyer: TA Realty
Purchase Price: \$163 MM
Price per Unit: \$571,930

Lido Square



City: Pittsburg, Calif.
Buyer: Reliant Group
Purchase Price: \$90 MM
Price per Unit: \$552,147

Bay Village



City: Vallejo, Calif.
Buyer: Sack Capital Partners
Purchase Price: \$57 MM
Price per Unit: \$219,231

Grosvenor Court



City: San Francisco
Buyer: Ballast Investments
Purchase Price: \$32 MM
Price per Unit: \$370,930