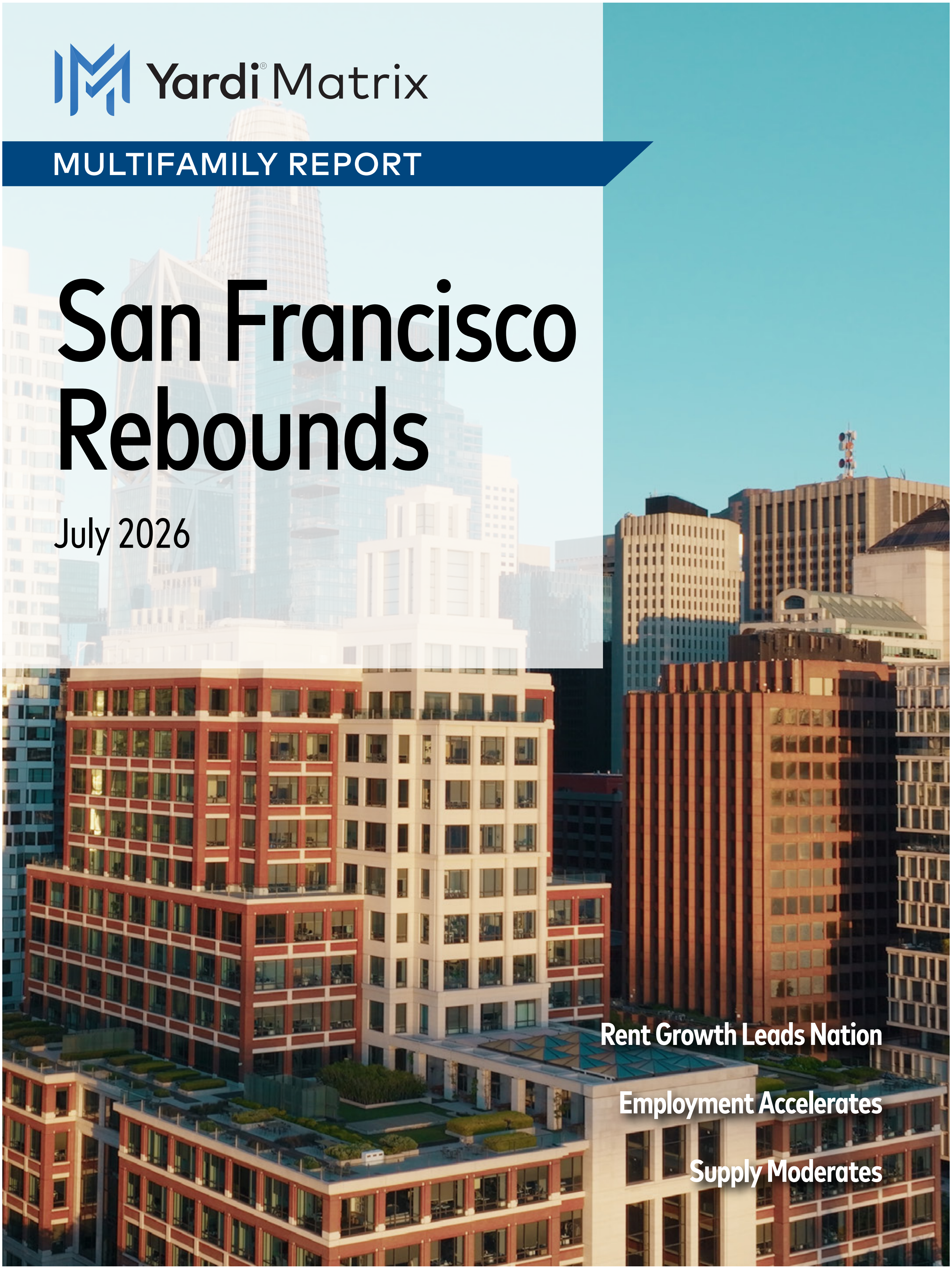
Yardi Matrix

MULTIFAMILY REPORT

San Francisco Rebounds

July 2026



Rent Growth Leads Nation

Employment Accelerates

Supply Moderates

SAN FRANCISCO MULTIFAMILY

Yardi Matrix

Rents Accelerate, Supply Winds Down

San Francisco's multifamily market entered full recovery mode in the spring leasing season, with most fundamentals improving. Average advertised asking rents were up 0.8%, on a trailing three-month basis through May, to an average of $3,019, 50 basis points ahead of the U.S. figure. Year-over-year rents increased 4.5%, placing San Francisco at the top of the ranking among the 30 major metros tracked by Yardi Matrix and 430 basis points higher than the national average. Overall occupancy ticked up 20 basis points, to 95.9% as of April, while the national figure clocked in at 94.1%.

Year-over-year employment growth in San Francisco was 0.2% through February, 30 basis points ahead of the U.S. rate. This marked the beginning of a recovery after more than 17 months of contractions. Unemployment improved as well, at 3.9% in April, 40 basis points below the U.S. and up 20 basis points year-over-year, according to preliminary data from the Bureau of Labor Statistics. Several transit and infrastructure mega projects are ongoing in the Bay Area and will likely boost transit-oriented residential development in the coming decade. Among recent projects, the SFMTA board approved $612 million for the Mission District busyard modernization.

Supply expansion returned to a more moderate pace. Year-to-date through May, developers added 832 units, with another 11,639 units under construction.

Market Analysis | July 2026

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Recent San Francisco Transactions

Finch at Larkspur

City: Larkspur, Calif.
Buyer: Pacific Urban Investors
Purchase Price: $170 MM
Price per Unit: $497,515

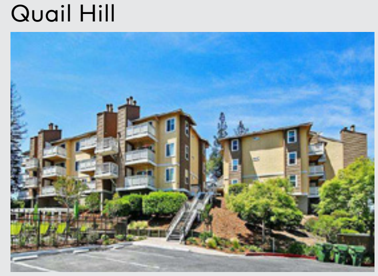
Sunset Towers

City: San Francisco
Buyer: Friedkin Property Group
Purchase Price: $105 MM
Price per Unit: $432,099

923 Folsom

City: San Francisco
Buyer: Stockbridge Capital Group
Purchase Price: $64 MM
Price per Unit: $558,696

Quail Hill

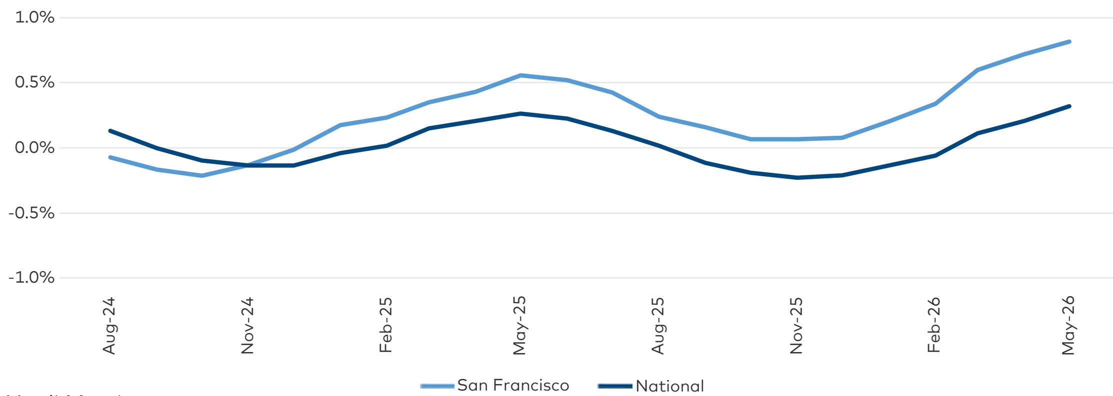


City: Castro Valley, Calif.
Buyer: MLG Capital
Purchase Price: $36 MM
Price per Unit: $370,833

RENT TRENDS

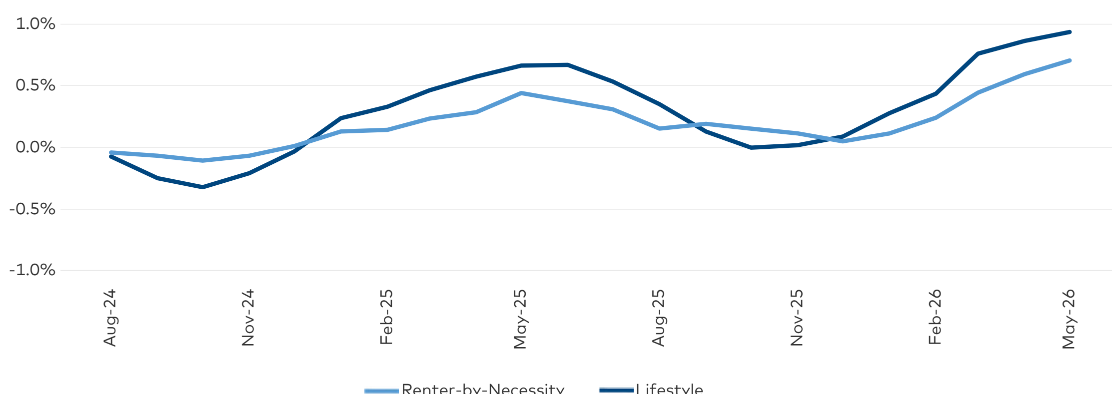
- San Francisco average advertised asking rents grew 0.8%, on a trailing three-month (T3) basis through May, to an average of $3,019, 50 basis points ahead of the nation. Rent growth accelerated following the sluggish improvements recorded in the second half of 2025, with the spring leasing season in full swing, boosted by recovering job growth and stock expansion. Year-over-year, rents in San Francisco were up 4.5%, placing the metro at the top of the ranking among the 30 major metros tracked by Yardi Matrix, and ahead of the 0.2% national average.
- Advertised asking rents for the upscale Lifestyle segment were up 0.9%, on a T3 basis through May, to $3,474, while the rate for working-class Renter-by-Necessity properties inched up 0.7%, to $2,676.
- The occupancy rate for stabilized assets ticked up 20 basis points year-over-year through April, to 95.9%, 180 basis points above the national average, even as nearly 18,000 units came online since 2024 across the metro. Lifestyle occupancy inched up 10 basis points, to 96.2%, while the RBN figure recorded a 20-basis-point uptick, to 95.6%.
- Submarkets in the San Francisco Peninsula led gains for year-over-year advertised asking rent growth. The top three were China Basin, where rates climbed 18.4%, to $5,013, followed by NE San Francisco (12.8% to $4,023) and Eastern San Francisco (12.5% to $4,156). In the East Bay, growth was led by East Oakland/Oakland Hills (4.9% to $2,789), Alameda (3.8% to $3,073) and Dublin (3.5% to $2,952).

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

- San Francisco's employment growth clocked in at 0.2% year-over-year through February, 30 basis points ahead of the nation. This marked a 20-basis-point improvement over the previous month and the first uptick in overall job growth since at least September 2024. The metro's performance was sluggish last year, with the yearly rate down 1.0% throughout the first half and only slightly improving in the second.
- The metro's unemployment rate stood at 3.9% in April, 40 basis points below the U.S. average and up 20 basis points year-over-year, according to preliminary data from the BLS.
- San Francisco added 16,000 net jobs over the 12-month period ending in February, with only two sectors accounting for those gains. Education and health services added 19,900, while leisure and hospitality grew by 12,700 positions. Meanwhile, a combined 16,600 net loss was recorded across the remaining seven sectors, with manufacturing taking the biggest hit (-7,200).
- The SFMTA board approved the $612 million Potrero Yard, a public-private partnership aiming to modernize the 100-year-old Mission District bus yard, which could boost transit-oriented development once complete in 2030-31. The project entails the construction of a four-story maintenance hub with a 246-bus capacity.

San Francisco Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	524.9	18.5%
70	Leisure and Hospitality	308.7	10.9%
15	Mining, Logging and Construction	144.5	5.1%
60	Professional and Business Services	514.4	18.1%
50	Information	133.5	4.7%
55	Financial Activities	136.7	4.8%
90	Government	397.4	14.0%
40	Trade, Transportation and Utilities	406	14.3%
80	Other Services	100.6	3.5%
30	Manufacturing	172.6	6.1%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- San Francisco's population ticked down 0.2% from 2019 to 2022, losing 9,090 residents.
- The latest U.S. Census estimates point to the trend reversing, with a 1.1% projection between 2022 and 2024, trailing the 1.8% national figure.

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

- Developers had 11,639 units under construction as of May, along with an additional 140,000 units in the planning and permitting stages. Of the under-construction pipeline, 52.1% were units in Lifestyle projects, while 43.2% were in fully affordable developments. The share of fully affordable construction continues to grow across the metro and in May it was more than double the 17.1% national average.

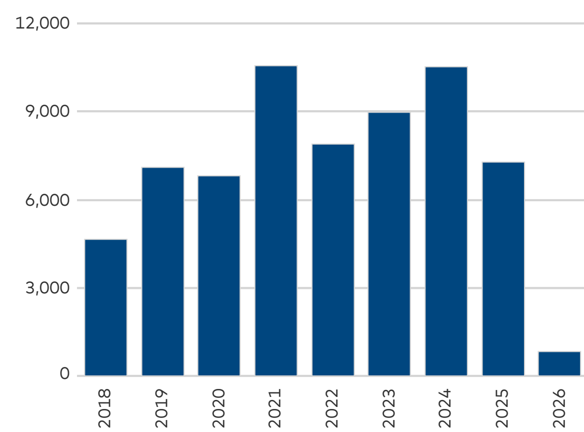
- A total of 832 units came online across the metro year-to-date through May, which accounted for 0.3% of existing stock and was 40 basis points below the national figure. Completions decreased 74.5% compared to the same period last year, in line with national trends. Activity is projected to remain below the historical average this year, as only 4,560 units are expected to come online, nearly half of the 7,973-unit annual average recorded from 2018 to 2025.

- Developers broke ground on 1,830 units across 10 projects year-to-date through May, on par with the 1,458 units and 12 assets that work started on in the same period last year.

- Activity was concentrated across the Peninsula market, which had 8,384 units under construction in May, while the East Bay market contained the remaining 3,255 units. Among the metro's submarkets, South San Francisco (1,841 units) and Redwood City (1,441) led activity in the Peninsula, while the top East Bay submarkets were San Ramon–West/Danville (456) and Downtown Oakland (415).

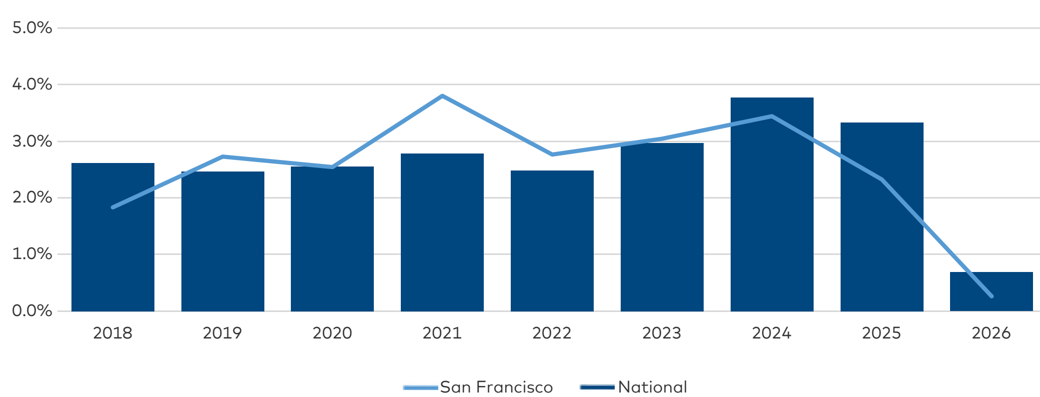
- Essex Property Trust's 543-unit development, dubbed Linden, in South San Francisco was the largest project underway in May. Completion is scheduled for 2027.

San Francisco Completions (as of May 2026)



Source: Yardi Matrix

San Francisco vs. National Completions as a Percentage of Total Stock (as of May 2026)

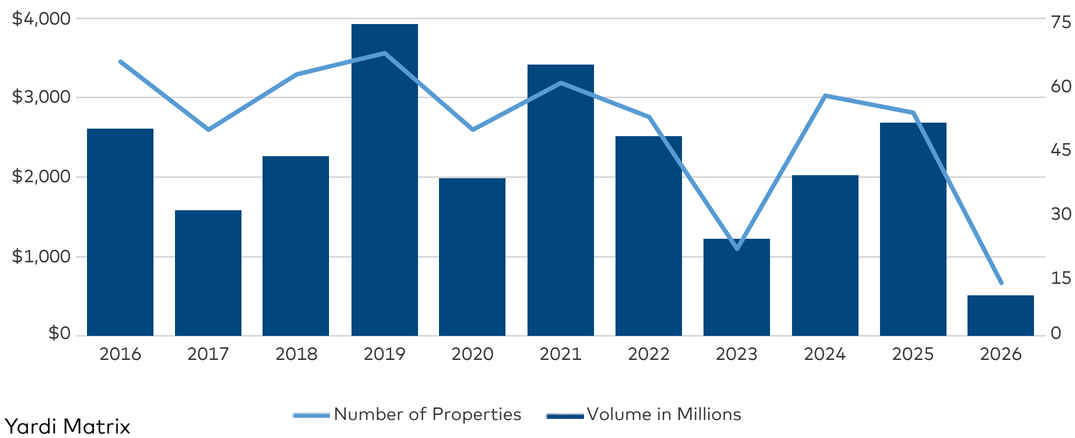


Source: Yardi Matrix

TRANSACTIONS

- San Francisco investors traded $509 million in multifamily assets year-to-date through May, nearly half of the $958 million that was recorded in the same period last year, pointing to the holding pattern that investors find themselves in. A total of 14 assets changed hands. Four were Lifestyle properties and 10 were RBN. Last year was the third-best of the decade, with $2.7 billion, surpassed by 2019 ($3.9 billion) and 2021 ($3.4 billion).
- The average price per unit was $393,426 in May, down some $5,000 from the figure recorded in 2025. The price gap between quality segments tightened somewhat, with RBN at $376,986 and Lifestyle at $458,429.
- Pacific Urban Investors paid $170 million for Finch at Larkspur, a 342-unit asset in the Peninsula market. The sale marked the largest transaction in the first five months of the year. Catalyst Housing Group sold the property for $497,514 per unit.

San Francisco Sales Volume and Number of Properties Sold (as of May 2026)



Source: Yardi Matrix

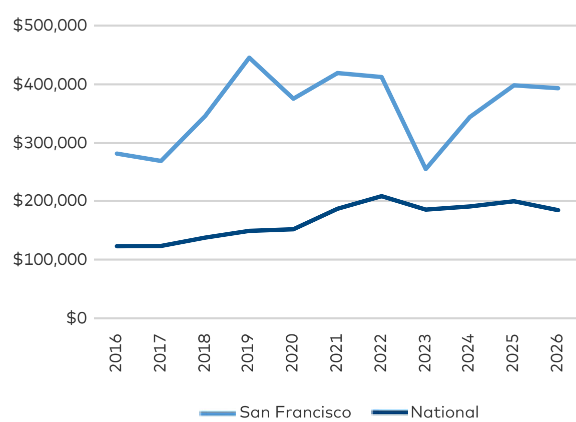
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Walnut Creek/Lafayette	394
Golden Gate Park	274
Eastern San Francisco	184
Tiburon/Sausalito	170
East Oakland/Oakland Hills	119
Concord	117
Antioch/Oakley	111

Source: Yardi Matrix

[1] From June 2025 to May 2026

San Francisco vs. National Sales Price per Unit



Source: Yardi Matrix

LISTICLE

MULTI-HOUSING NEWS

data by Yardi Matrix

Top 10 Markets for Self Storage Transactions in 2025

By Agota Felhazi

Single-asset self storage transactions topped $2.6 billion in 2025, up from roughly $2.4 billion in 2024, according to Yardi Matrix data. The average price per square foot rose 6.6% to $117.01, while average deal size increased from $4.9 million to more than $5.9 million. The list excludes portfolio sales and facilities still in development. The top 10 metros accounted for 42.3% of national sales volume, up from 32.5% in 2024.

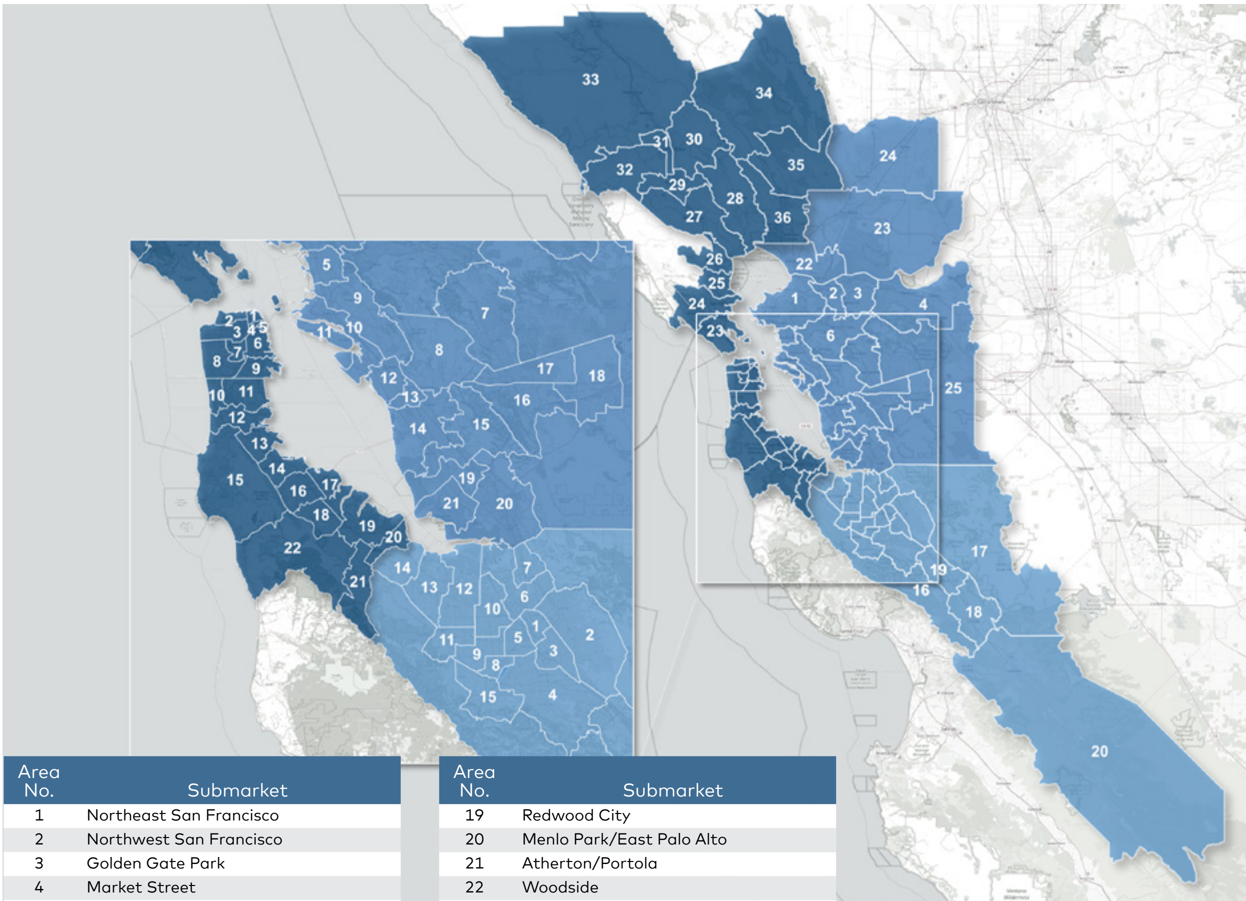
Rank	Metro	Total Square Feet Sold	Avg. Price Per Square Foot	Sales Volume (MM)
1	San Francisco	1,271,812	$208.9	$211.5M
2	New York Suburbs	909,311	$174.2	$129.2M
3	Seattle	696,649	$181.3	$118.7M
4	Atlanta	1,151,869	$118.4	$117.9M
5	Miami	907,496	$143.7	$113.6M
6	Las Vegas	856,649	$122.8	$105.2M
7	Nashville	584,907	$172.4	$100.8M
8	Tampa	821,384	$141.0	$93.8M
9	Los Angeles	382,851	$151.7	$58.1M
10	Boston	375,602	$170.3	$54M

SAN FRANCISCO

San Francisco led the nation with nearly $212 million in self storage sales, more than double 2024's volume and equal to 8.1% of national activity. Sixteen properties totaling 1.3 million square feet traded, while the average price rose 28.3% to $208.85 per square foot.

A key deal was Ancora Group Holdings' $47 million purchase of a Walnut Creek, Calif., Extra Space Storage facility.

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.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.

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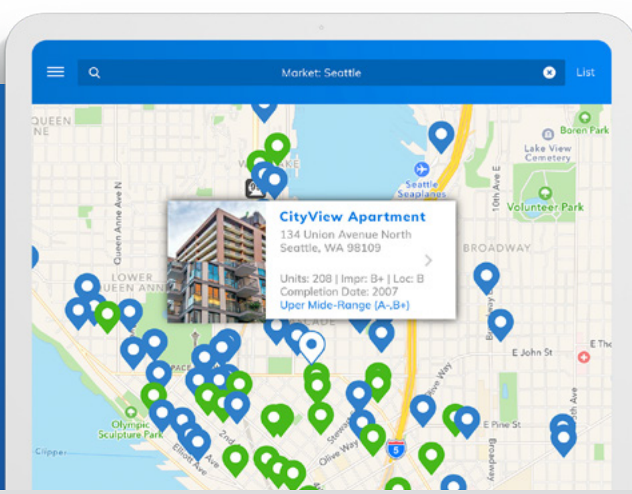
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily provides accurate data on nearly **23.5 million units,** covering over **92% of the U.S. population.**

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