

Yardi® Matrix

The Bay Cruises On

Multifamily Report Fall 2019

Rent Growth Stays Above US Average

Investment Surpasses Last Year's Volume

Tech Titans Alleviate Affordability Woes

SAN FRANCISCO MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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Employment Growth Sustains Demand

San Francisco's formidable economy is attracting and retaining talent despite the limited housing supply and a shortage of affordable properties. While rent growth moderated throughout the year, it rose 2.4% year-over-year through October, 80 basis points below the national average. Standing at \$2,738, the average rent was nearly double the national figure. California's new rent control bill will take effect in January 2020.

San Francisco gained 67,400 jobs in the 12 months ending in September, pushing the unemployment rate down to 2.2% as of September, 90 basis points below January's figure. Professional and business services (21,700 jobs) and education and health services (16,100 jobs), the metro's main economic pillars, continued to lead growth. Despite a shortage of workers for these sectors due to high housing costs, technology companies have continued to scout for new hires and even pledged more than \$4.5 billion toward affordable housing in the Bay City. While many operators in the financial activities sector (4,700 jobs) have reduced their local workforces, Visa is expanding with a 13-story office tower planned at the Giants' Mission Rock waterfront project.

In 2019 through October, more than \$2.8 billion in multifamily apartments traded at an average price per unit of \$452,344. During the same period, 3,932 units came online, already surpassing last year's total deliveries.

Recent San Francisco Transactions

Blu Harbor



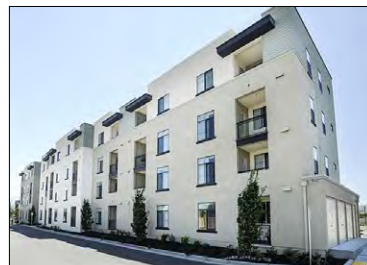
City: Redwood City, Calif.
Buyer: GID
Purchase Price: \$326 MM
Price per Unit: \$810,000

The Courtyards at 65th Street



City: Emeryville, Calif.
Buyer: Essex Property Trust
Purchase Price: \$178 MM
Price per Unit: \$537,764

Brio



City: Walnut Creek, Calif.
Buyer: Essex Property Trust
Purchase Price: \$165 MM
Price per Unit: \$549,667

777 Hamilton



City: Menlo Park, Calif.
Buyer: Essex Property Trust
Purchase Price: \$148 MM
Price per Unit: \$758,974