The San Francisco
Smaller Apartment Building Market

October 2022 Report
2-4 Unit Multi-Family Buildings

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As in the general residential market in San Francisco and the Bay Area, the smaller apartment building market in the city saw significant effects on buyer demand and property values in the 3rd quarter from the economic headwinds that have arisen and strengthened since 2022 began: What could best be described as a market correction.

On the positive side, rental rates have continued to slightly improve.

The market is still adjusting to volatile and unsettled economic conditions, and definitive conclusions should not be made based upon a single quarter's data. The autumn selling season runs until mid-November, when the mid-winter holiday slowdown usually begins.

Data reported to regional MLS associations. Q3 2022 numbers are estimates using data available in early October: Late reported sales may alter these numbers. Statistics are generalities, essentially summaries of disparate data generated by dozens, hundreds or thousands of unique, individual sales. They are best seen not as precise measurements, but as broad, comparative indicators. Anomalous fluctuations in statistics are not uncommon, especially in smaller market segments with fewer sales. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. How these figures apply to any particular property is unknown without a specific comparative market analysis.

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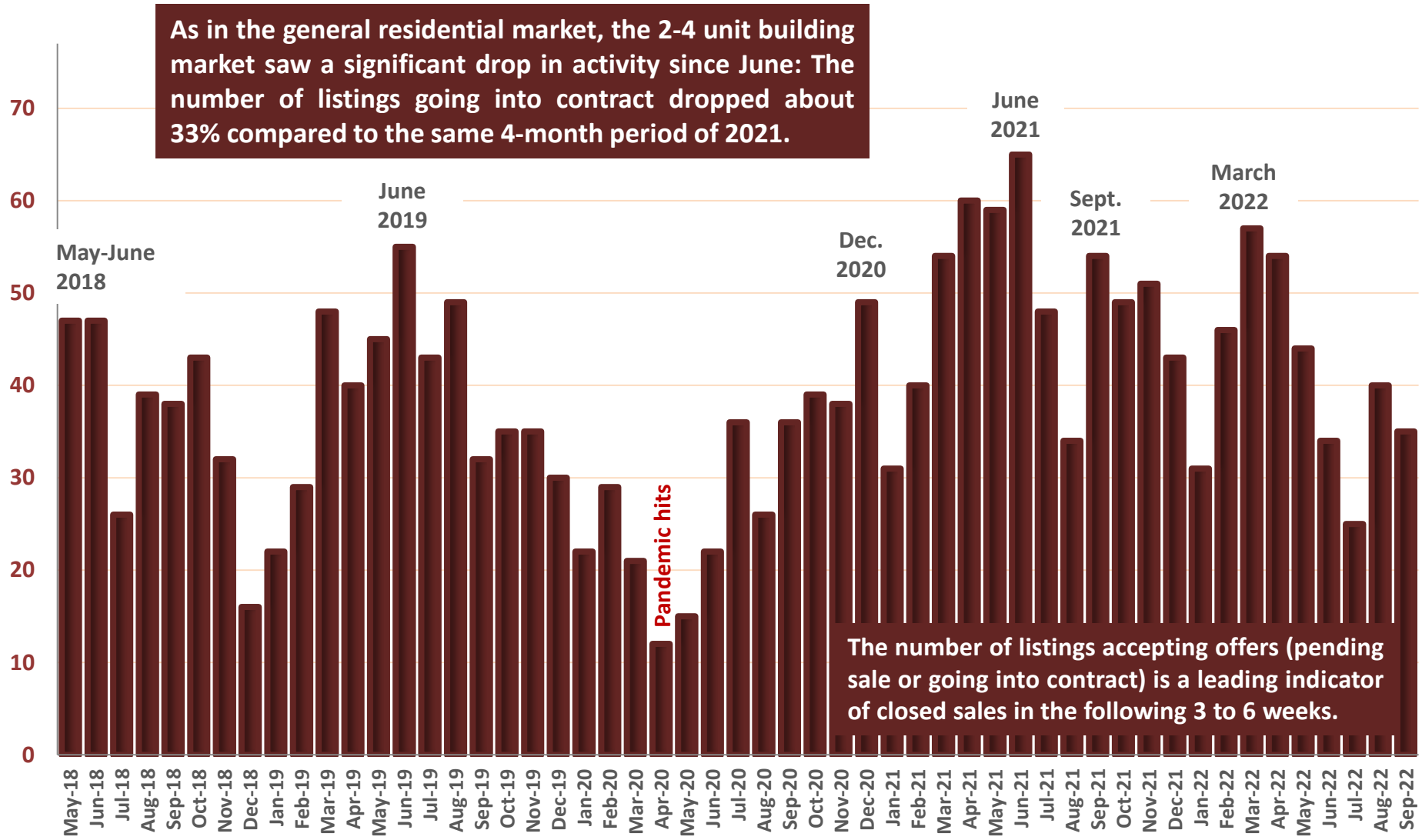
Listings Accepting Offers (Going into Contract)

San Francisco 2-4 Unit Building Market by Month



As reported to MLS, per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate. Last reading estimated and may change with late reported activity.

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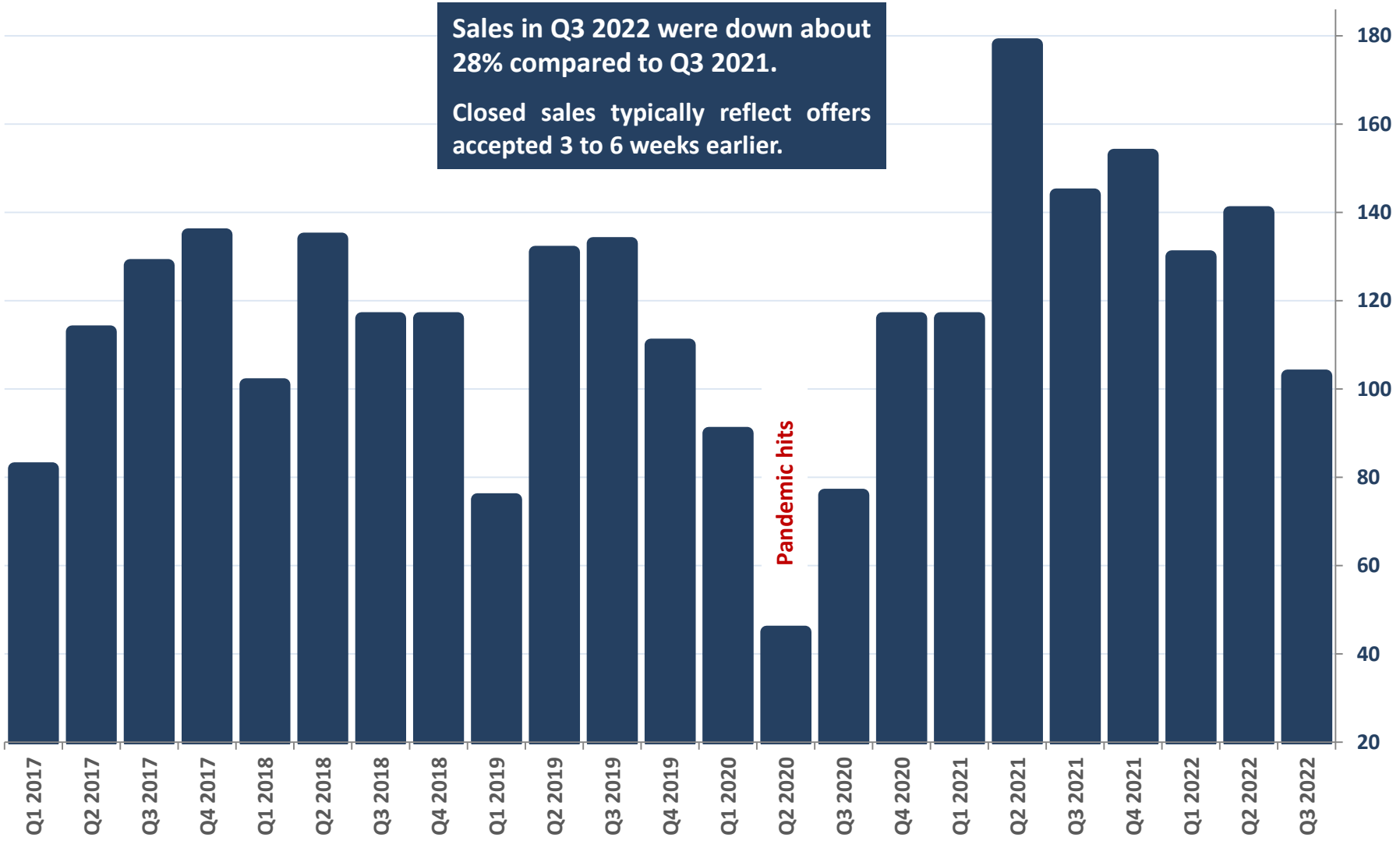
San Francisco 2-4 Unit Building Sales

Sales Volume, 2017 – Present, by Quarter



As reported to SFARMLS, MLSLISTINGS, per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate. Last reading estimated and may change with late reported activity.

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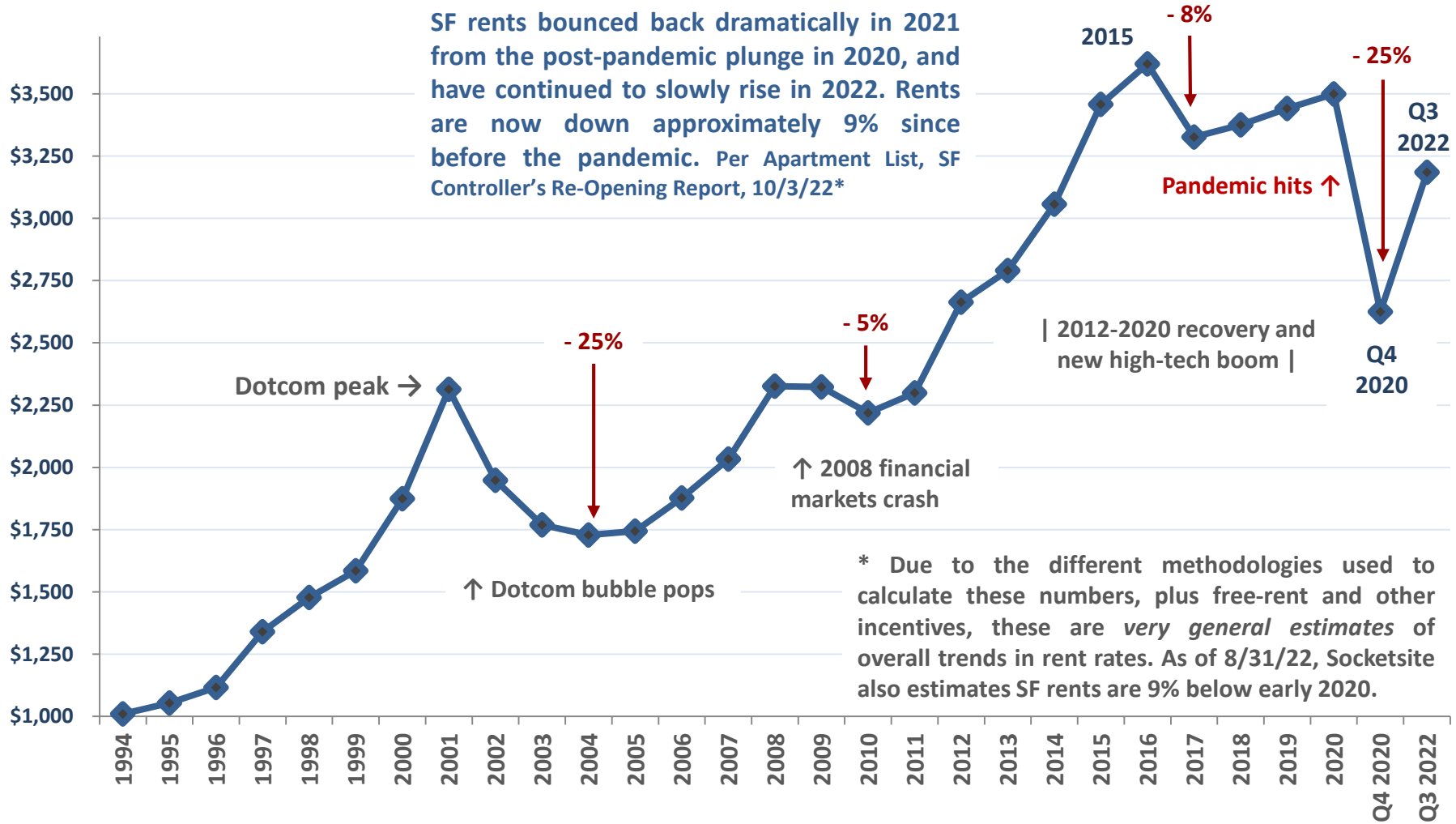
San Francisco Residential Rents – Approximate, Good Faith Estimates*

Average Asking Rent, 1994 – Present, Q1 Data Points (except as noted)



* Due to the different methodologies used to calculate these numbers, plus free-rent and other incentives, these are *very general estimates* of overall trends in rent rates. As of 8/31/22, Socketsite also estimates SF rents are 9% below early 2020.

1st quarter data points except, as noted for Q4 2020 and Q3 2022. Numbers are estimated using data from a number of rental data sources. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are good-faith estimates and very approximate.

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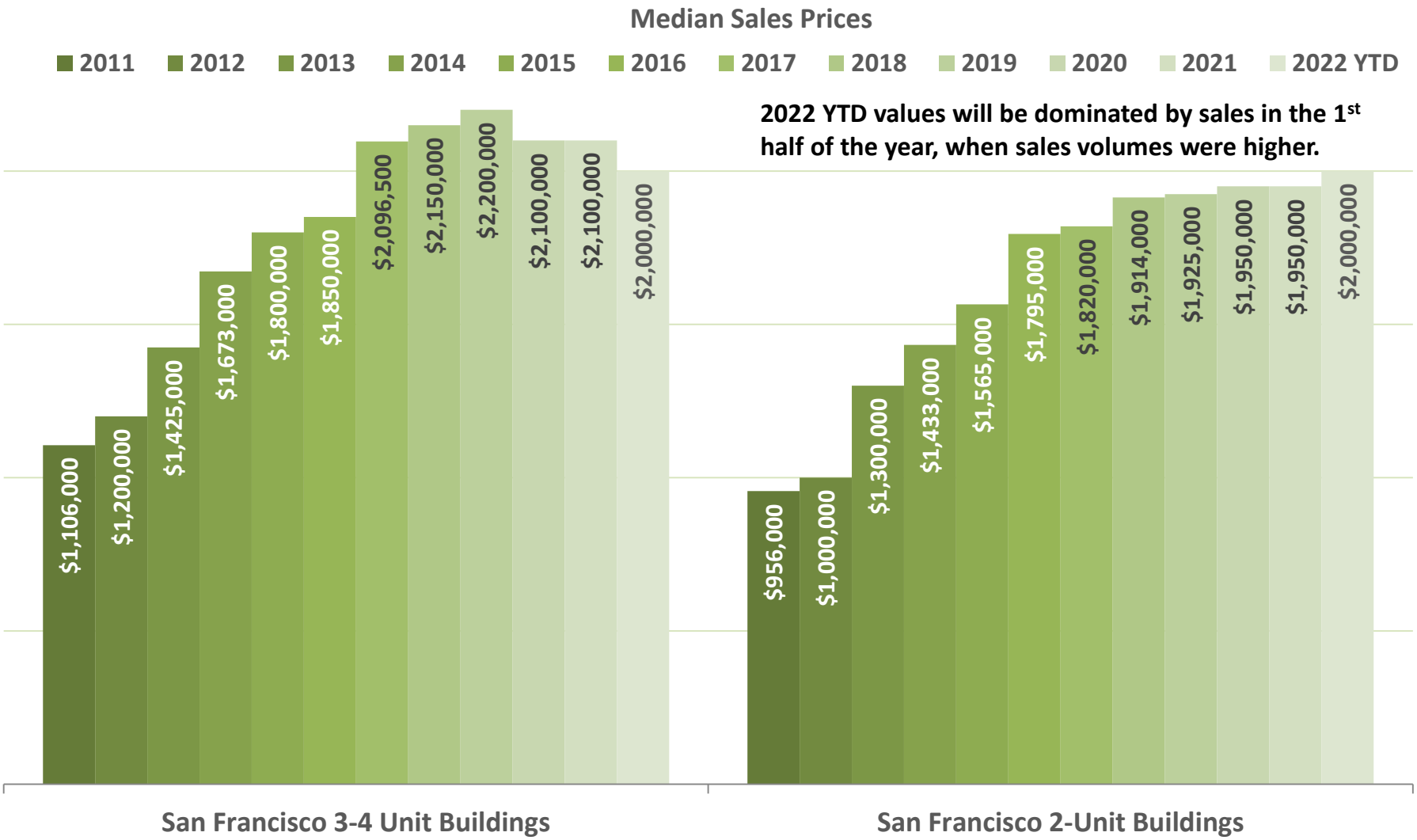
Median Sales Price Trends since 2011 by Year

San Francisco 2-4 Unit Residential Buildings

A specific comparative market analysis is required to value any particular property.



Sales reported to NorCal MLS Alliance as of 9/30/22. These prices are generalities reflecting sales of a wide variety of buildings in locations of differing values. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximate. Late reported sales may change data.

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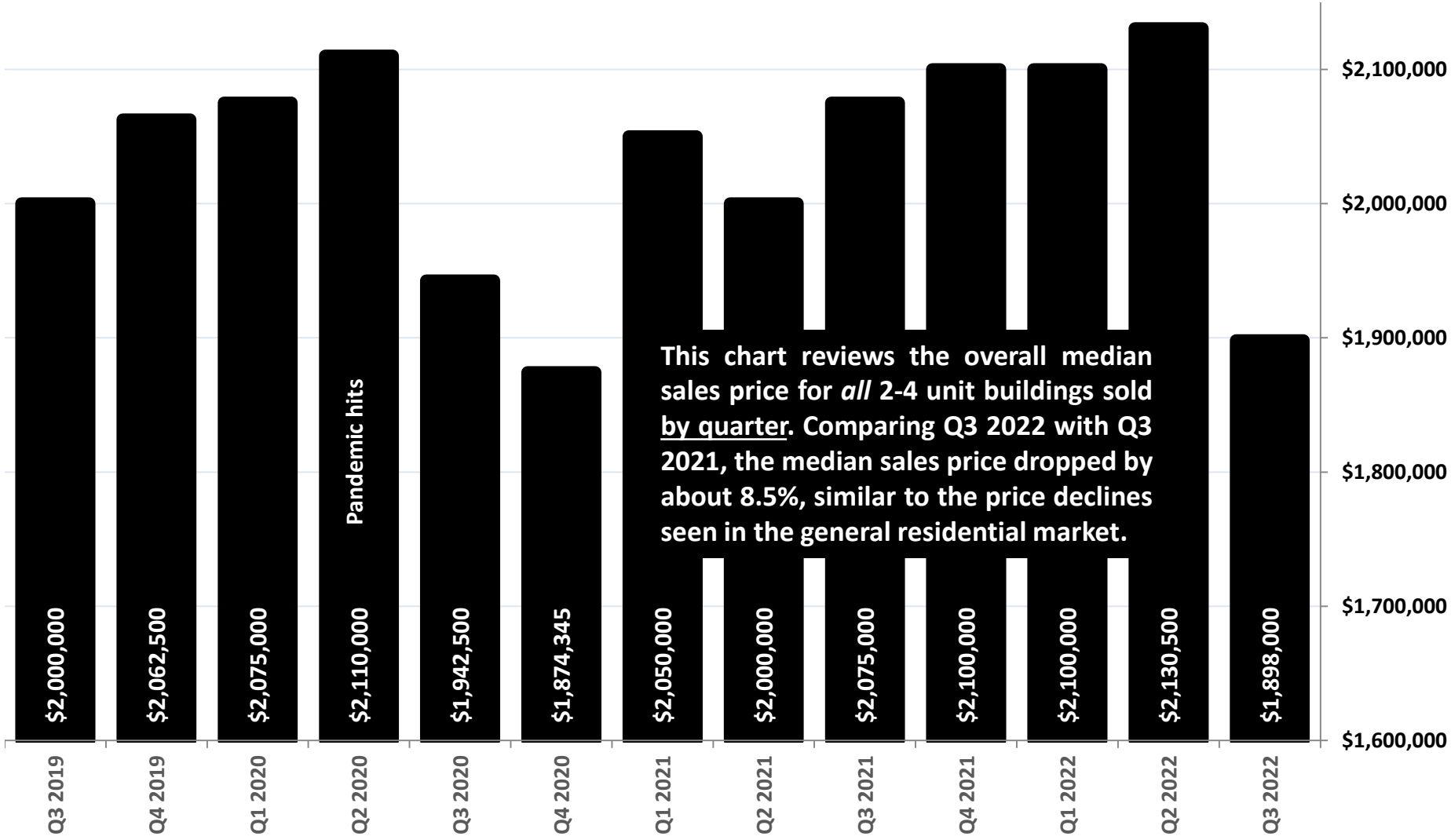
San Francisco 2-4 Unit Building Values

Median Sales Prices, by Quarter

Closed sales typically reflect offers accepted 3 to 6 weeks earlier.



This chart reviews the overall median sales price for *all* 2-4 unit buildings sold by quarter. Comparing Q3 2022 with Q3 2021, the median sales price dropped by about 8.5%, similar to the price declines seen in the general residential market.

As reported to SFARMLS, per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, and may change with late reported activity.

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Average Dollar per Square Foot Values by Year

San Francisco 2-4 Unit Residential Building Sales since 2011

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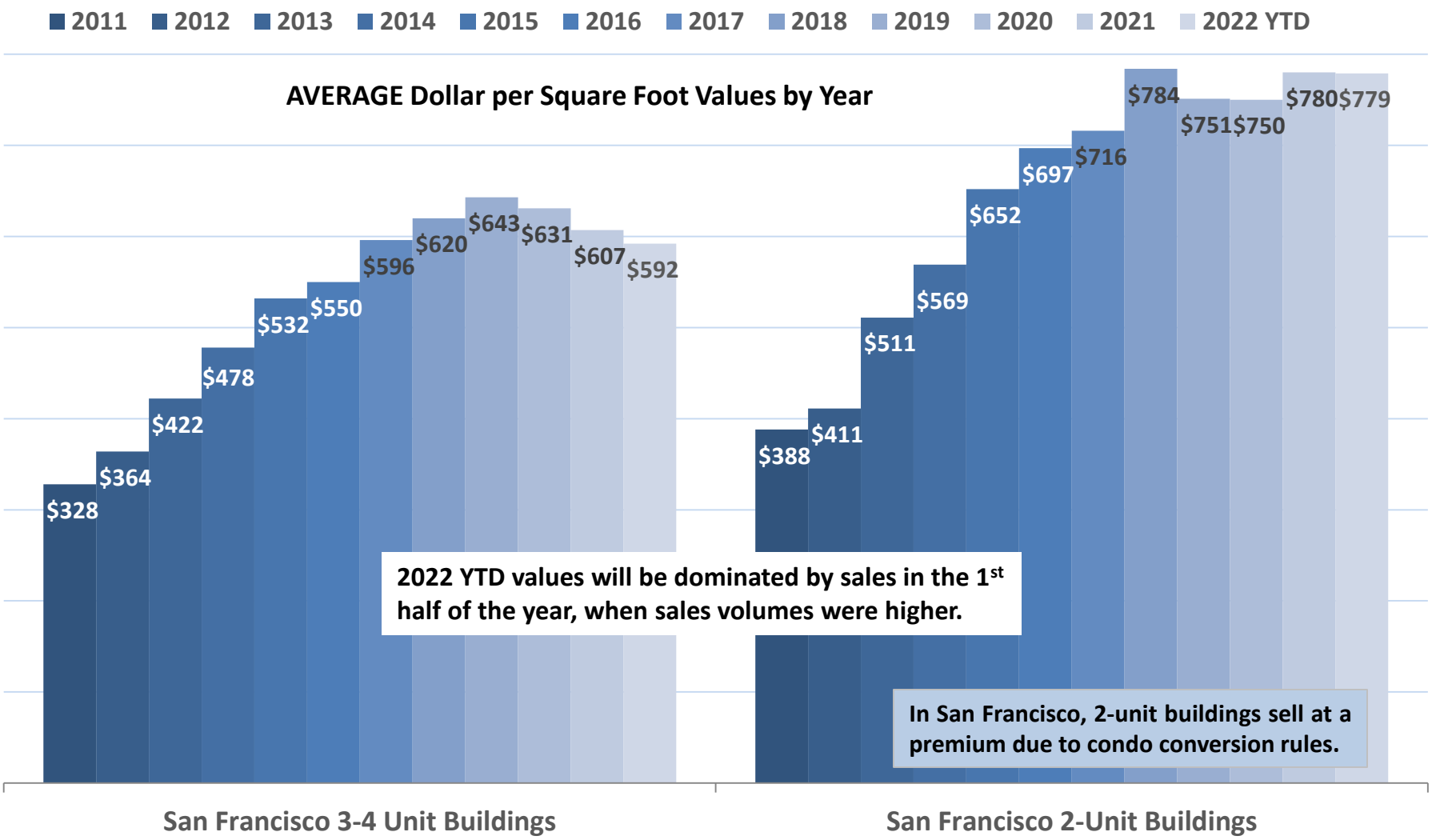

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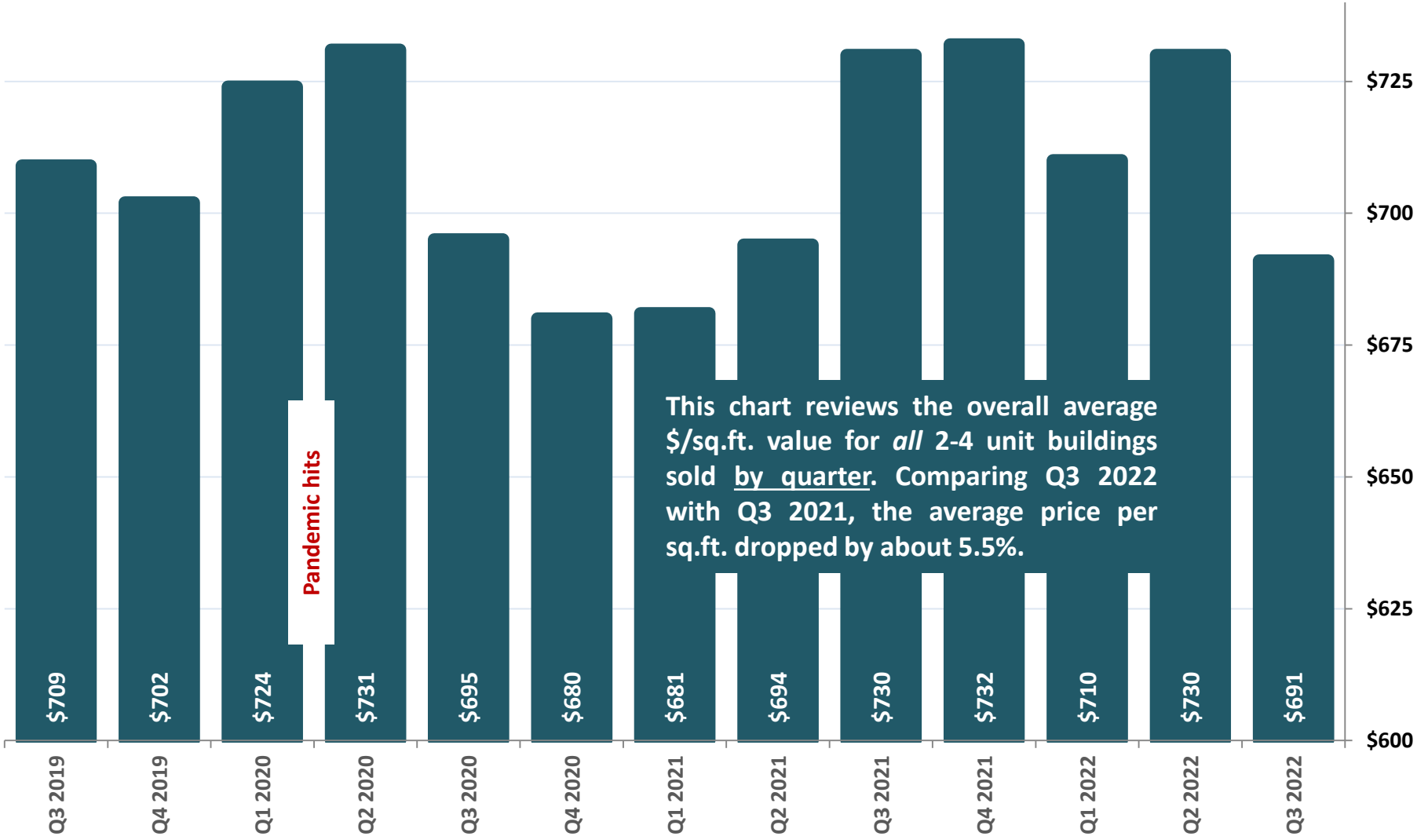

This chart reviews the overall average $/sq.ft. value for *all* 2-4 unit buildings sold by quarter. Comparing Q3 2022 with Q3 2021, the average price per sq.ft. dropped by about 5.5%.

As reported to SFARMLS, per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate, and may change with late reported activity.

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2-4 Unit Residential Building Values by San Francisco Realtor District

Median Sales Prices, Building Square Footage, $/Sq.Ft. Values – 2022 YTD Sales*

San Francisco District	2-Unit Buildings	3-Unit Buildings	4-Unit Buildings
Pacific & Presidio Heights, Cow Hollow & Marina (District 7)	$3,280,000 3239 sq.ft. - $933/sq.ft.	$3,025,000 3636 sq.ft. - $826/sq.ft.	Not enough sales for statistics
Russian, Nob & Telegraph Hills; North Beach (District 8)	$1,950,000 2728 sq.ft. - $707/sq.ft.	$2,612,500 3632 sq.ft. - $781/sq.ft.	Not enough sales for statistics
Noe, Eureka & Cole Valleys; Ashbury & Corona Heights; Mission Dolores (D5)	$2,180,000 2584 sq.ft. - $856/sq.ft	$1,805,000 2903 sq.ft. - $625/sq.ft.	$2,150,000 3600 sq.ft. - $587/sq.ft.
North of Panhandle (NoPa), Alamo Square, Hayes Valley, Lower Pacific Heights (D6)	$2,720,000 3050 sq.ft. - $852/sq.ft.	$2,067,500 4080 sq.ft. - $552/sq.ft.	$1,960,000 3801 sq.ft. - $555/sq.ft.
Lake Street, Richmond District, Lone Mountain, Jordan Park (District 1)	$1,989,000 2950 sq.ft. - $740/sq.ft.	$1,800,000 3420 sq.ft. - $525/sq.ft.	$2,100,000 3920 sq.ft. - $587/sq.ft.
Potrero Hill, Bernal Heights, Inner Mission, South of Market (District 9)	$1,627,500 2356 sq.ft. - $745/sq.ft.	$1,675,000 3170 sq.ft. - $492/sq.ft.	$1,537,500 2919 sq.ft. - $579/sq.ft.
Sunset, Parkside (District 2)	$1,854,000 2486 sq.ft. - $748/sq.ft.	$1,781,500 Insufficient data	$1,550,000 3257 sq.ft. - $486/sq.ft.
Bayview-Excelsior-Visitacion Valley (District 10)	$1,050,000 2020 sq.ft. - $514/sq.ft.	$1,329,000 Insufficient data	Not enough sales for statistics

*Data from sales as reported to NorCal MLS Alliance in 2022, as reported by 9/30/22. This analysis was performed in good faith with data derived from sources deemed reliable, but may contain errors and subject to revision. Many factors affect multi-unit values, including income, tenant profile and owner-occupancy. How these values apply to any particular property is unknown without a specific comparative market analysis. Due to the large variety of buildings and circumstances, these numbers to be considered very approximate. Not all listings gave square footage figures.

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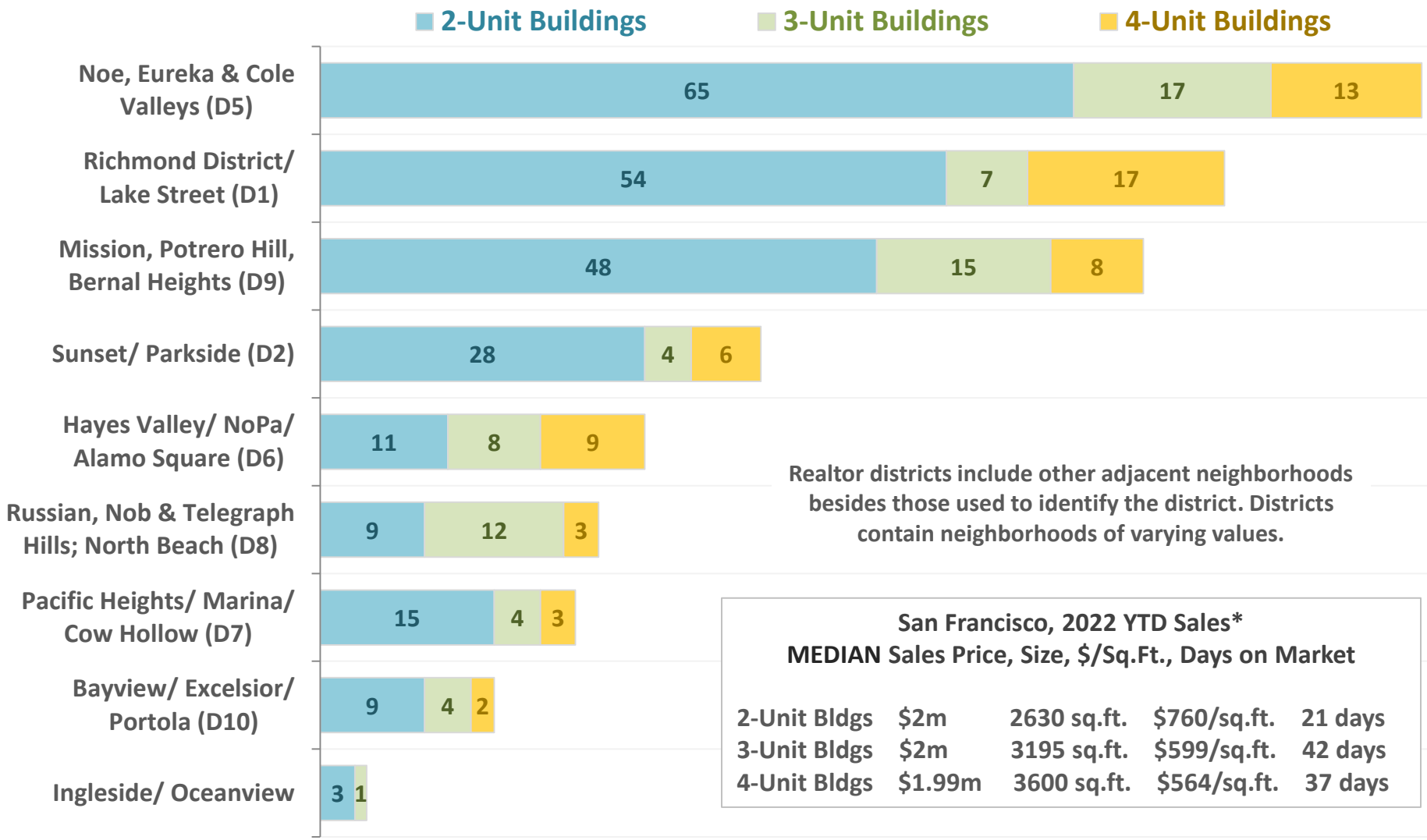
2-4 Unit Residential Property Sales

by San Francisco Realtor District, 2022 YTD Sales*



Realtor districts include other adjacent neighborhoods besides those used to identify the district. Districts contain neighborhoods of varying values.

San Francisco, 2022 YTD Sales*
MEDIAN Sales Price, Size, $/Sq.Ft., Days on Market

2-Unit Bldgs	$2m	2630 sq.ft.	$760/sq.ft.	21 days
3-Unit Bldgs	$2m	3195 sq.ft.	$599/sq.ft.	42 days
4-Unit Bldgs	$1.99m	3600 sq.ft.	$564/sq.ft.	37 days

*2022 sales reported to NorCal MLS Alliance by September 30, 2022. Not all sales are reported. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.

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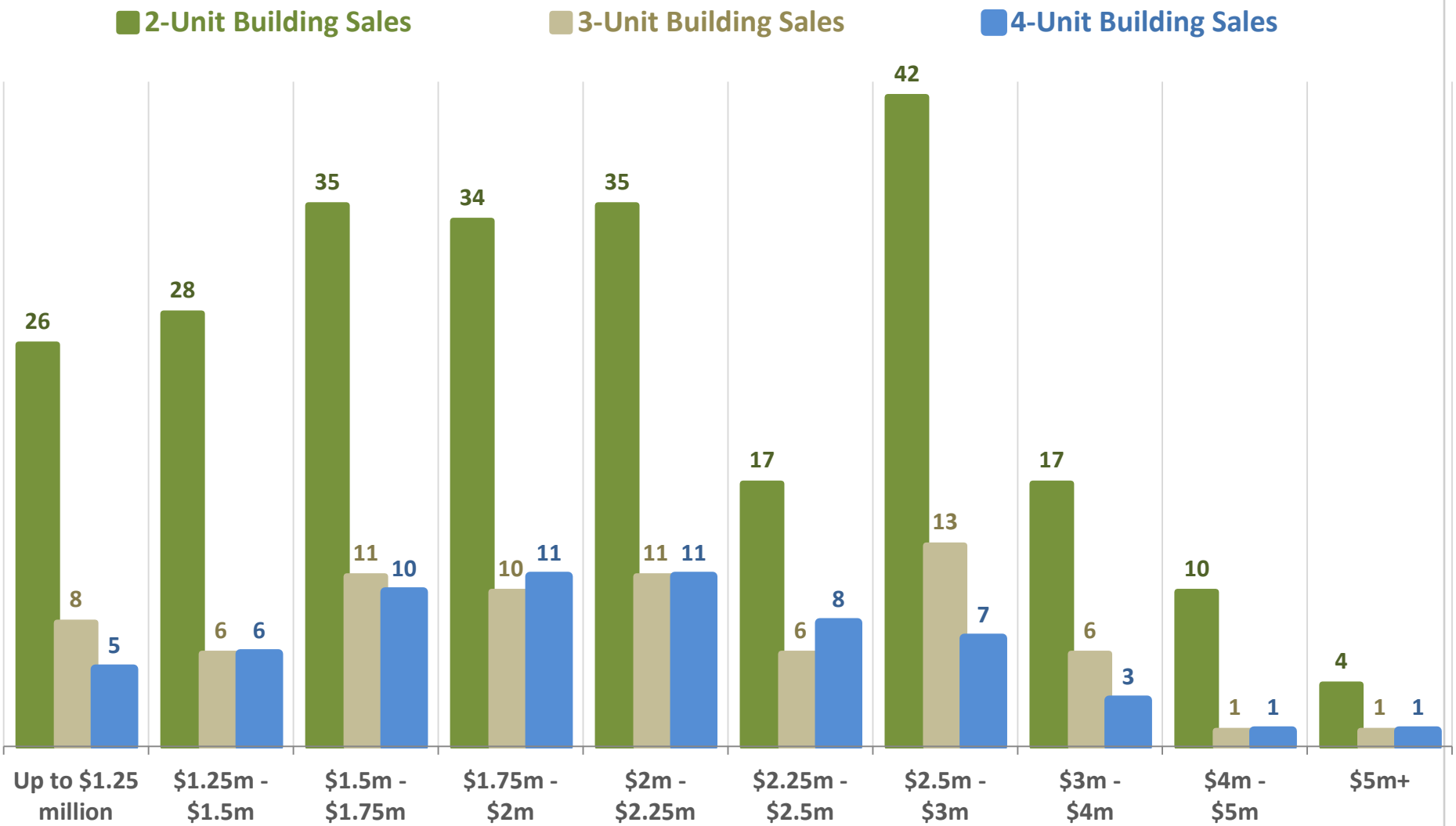
San Francisco 2-4 Unit Residential Buildings

2022 YTD Sales by Number of Units & Price Segment*



* "M" signifies millions of dollars. 2022 sales reported to NorCal MLS Alliance by 9/30/22. Mixed use buildings excluded. Late reported sales may alter these numbers. Data from sources deemed reliable, but subject to error and revision. Not all sales report square footage. All numbers approximate.

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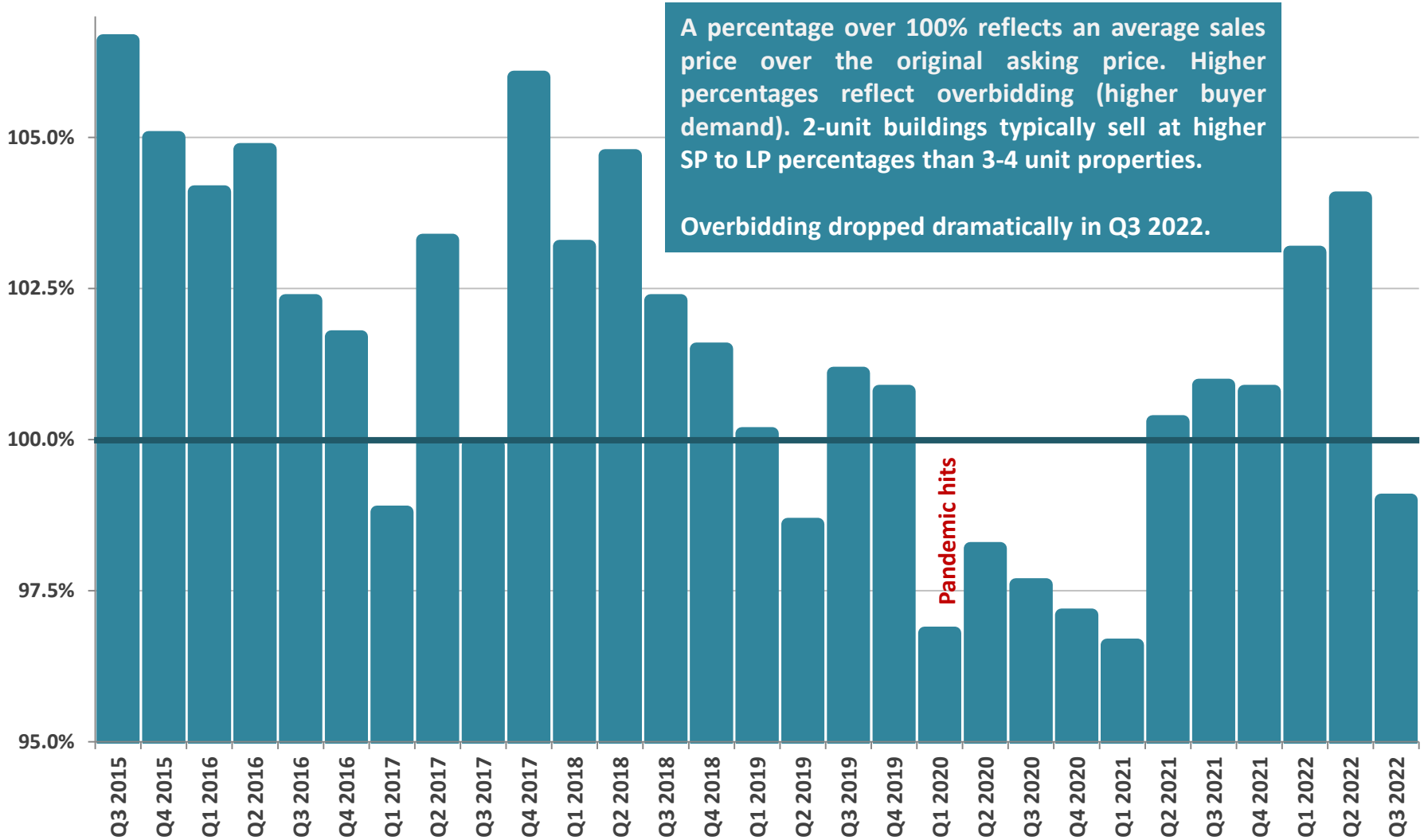
Sales Price to Original List Price Percentage

San Francisco 2-4 Unit Buildings, by Quarter

Based upon SFARMLS activity, per Broker Metrics



Data from sources deemed reliable, but may contain errors and subject to revision.
All numbers are approximate. Fluctuations in this metric are not unusual.

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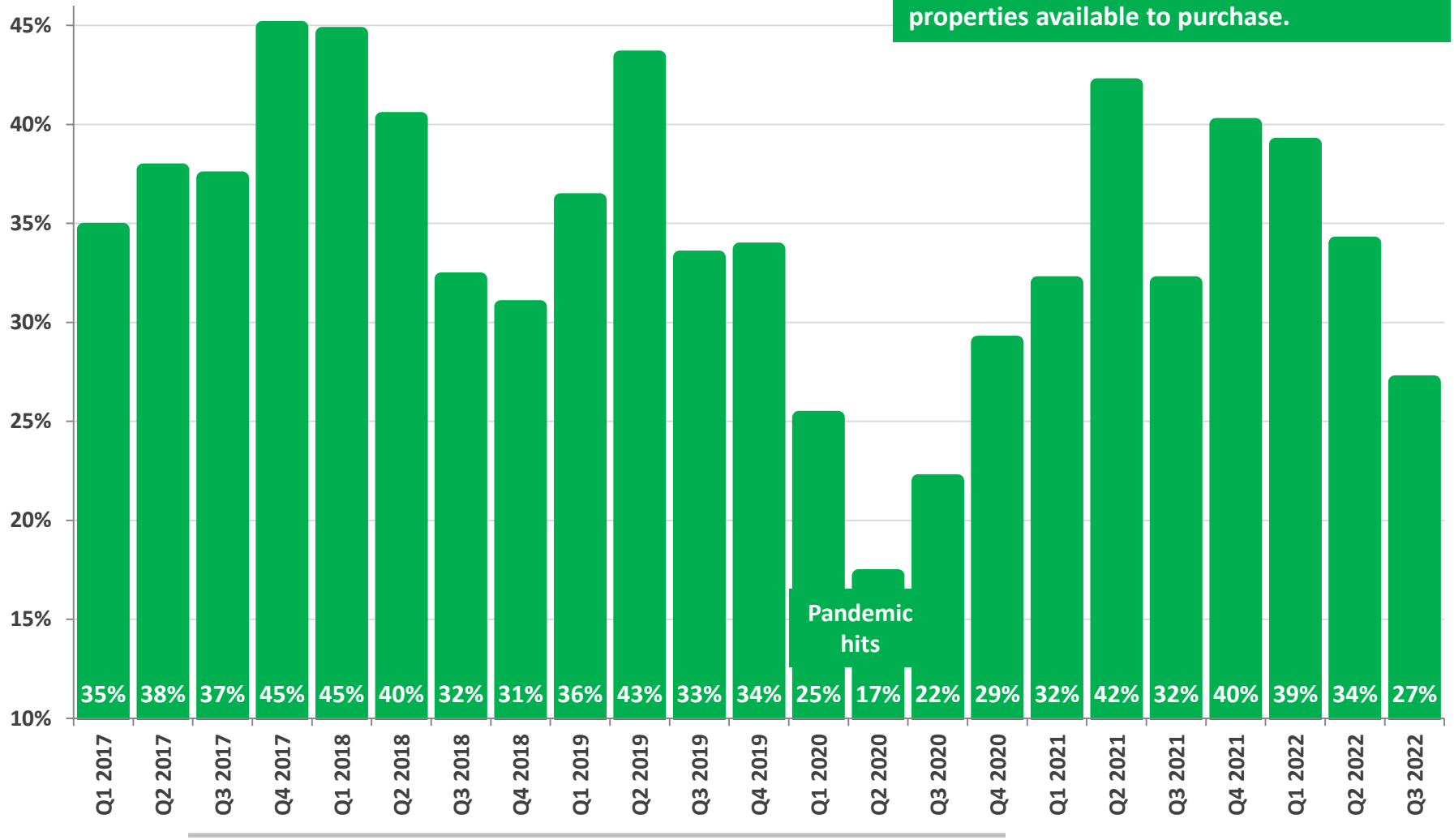
Percentage of Listings Accepting Offers

San Francisco 2-4 Unit Building Market by Quarter

Absorption Rate: The higher the percentage of listings accepting offers, the stronger the buyer demand *as compared to* the supply of properties available to purchase.



Based upon SFARMLS activity; per Broker Metrics. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate, and may change with late reported activity.

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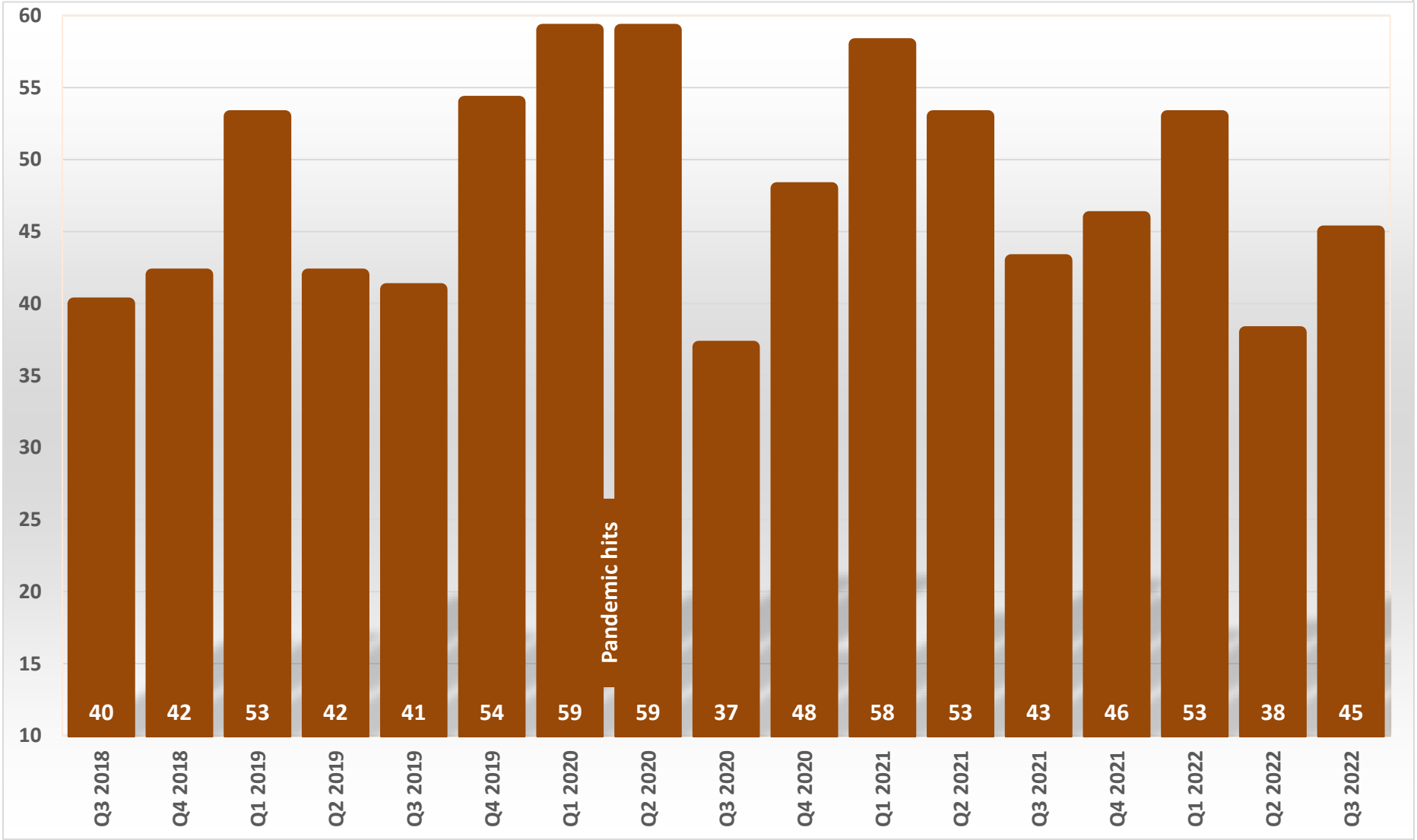
Average Days on Market by Quarter

San Francisco 2-4 Residential Unit Building Sales

2-unit buildings typically sell faster than 3-4 unit properties.



Residential market activity reported to SFARMLS, per Broker Metrics. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate. Last reading may change with late-reported activity.

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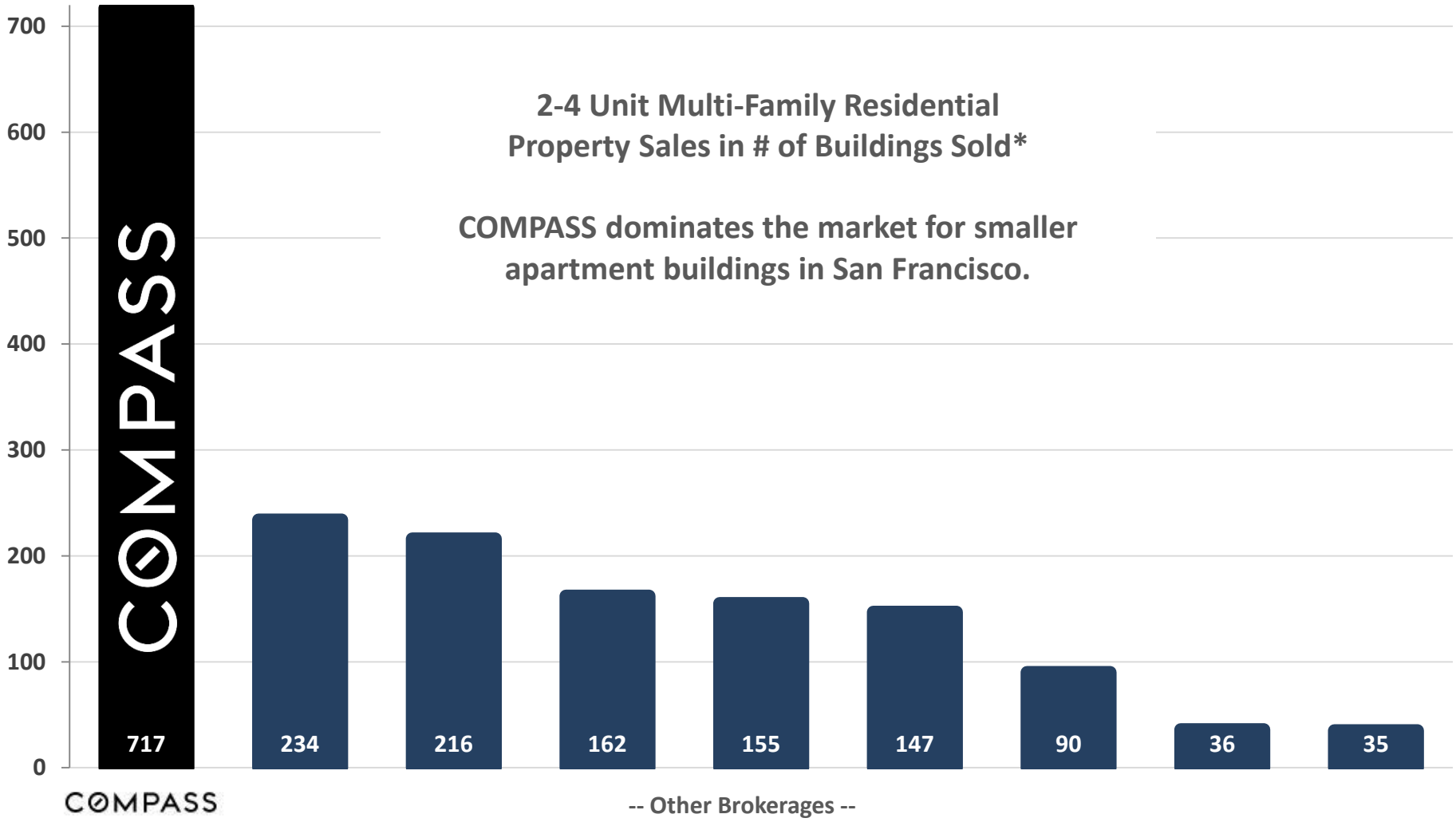
San Francisco 2-4 Unit Multi-Family Building Sales

By Broker, Residential Income Property Sales, 2020-2022 YTD*



* Transaction-side sales, 2-4 unit "residential income" buildings, 1/1/20 – sales reported by 9/30/22, per Broker Metrics.
Sales reported to SFARMLS & MLSLISTINGS: Not all sales are reported, and late-reported sales may change numbers.

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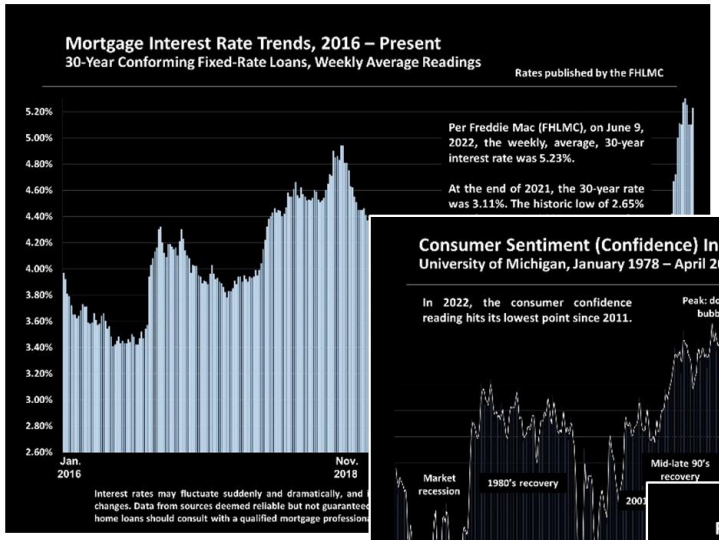

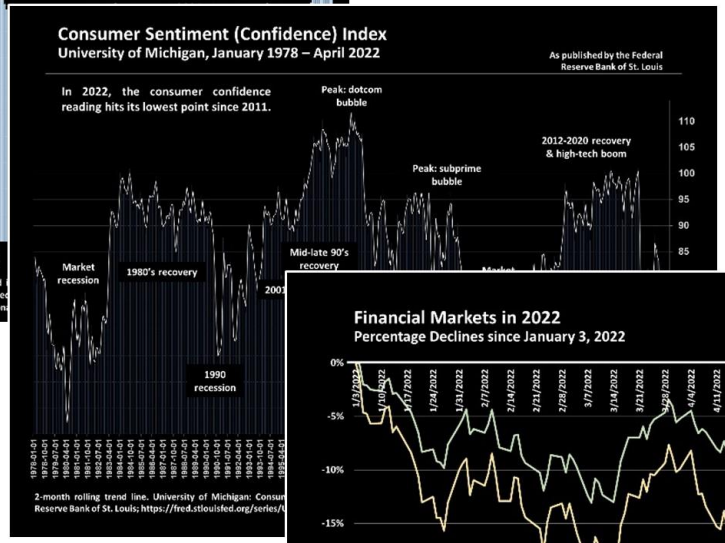

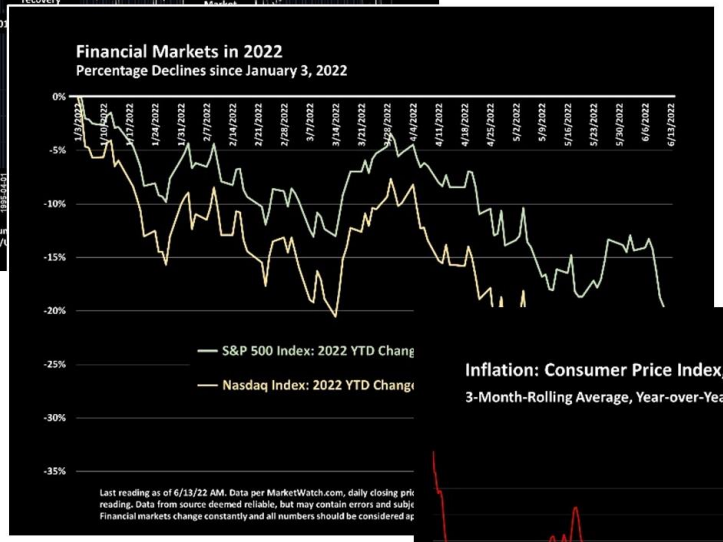

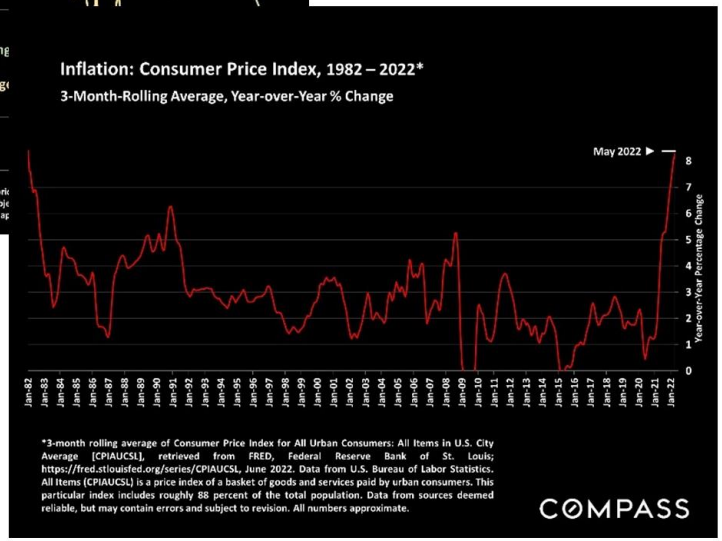

Click Here for Review of Selected Macroeconomic Trends

Factors in Bay Area Real Estate Markets

Many of these factors' effects can swing both positive and negative; sometimes effects are deeply counter-intuitive (e.g. a pandemic causing a fierce housing boom). Economic, political, social and ecological dynamics constantly change and interact in difficult-to-predict ways. Market-changing developments can percolate gradually, or arise quickly and unexpectedly. The impact of specific factors can vary by market segment.

Local economic conditions: High-tech booms, employment, housing affordability & development, venture capital & foreign investment, pro/anti-business sentiment, etc.			
Interest rates	Stock markets	Inflation	Consumer confidence
Household wealth; personal, corporate, govt. debt levels	Massive, governmental economic interventions (including by the Fed): post 9/11/2001, post 9/2008, post 3/2020		
Natural disasters such as COVID, 1989 earthquake, 2017-21 fires, drought			
Domestic & foreign migration; federal immigration policy; demographic changes			
Tax law e.g. real estate tax benefits & credits, 2017 SALT-deduction limitation	Rental market dynamics	State income tax disparities	
International economic/political events, e.g. large oil price swings, military/economic conflict, foreign economic crises, 9/11, 2015 Chinese stock market crash			
Local, state & national politics	Social and quality of life issues: Crime, homelessness, cost of living, economic inequality, partisan politics, etc.		
Financial industry manipulation, fraud, engineering, recklessness, e.g. junk bonds, S&L collapse, predatory lending, abandonment of risk mgmt. & underwriting standards, CDOs & rating-agency deceit, insider trading, over-leveraged investing; irrational exuberance			

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Note that the quantity of sales in any given local submarket is usually relatively small and/or the number of sales that report the necessary financial information can be limited. Buildings of different ages, qualities and sizes selling in different periods can cause these average and median figures to fluctuate significantly. Furthermore, the reliability of some of these calculations depends upon the quality of the income and expense figures provided by the listing agents, and sometimes instead of actual numbers, much less meaningful projected or scheduled figures are used. Therefore, the above statistics should be considered very general indicators, and how they apply to any particular property without a specific comparative market analysis is unknown.

These analyses were made in good faith with data from sources deemed reliable, but they may contain errors and are subject to revision. Statistics are generalities and all numbers should be considered approximate.

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