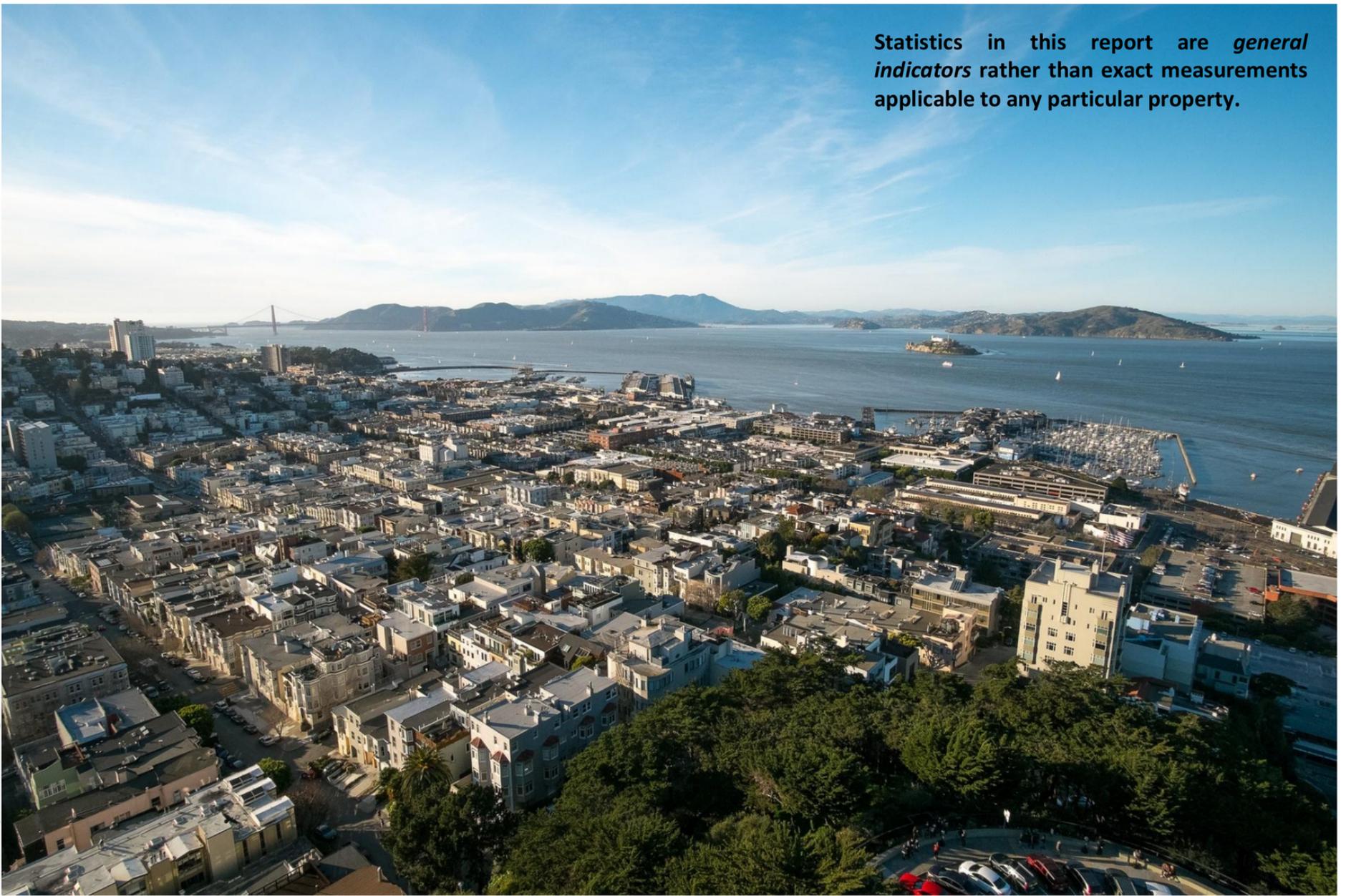


Statistics in this report are *general indicators* rather than exact measurements applicable to any particular property.

Photo by Mark Hogan, used under Creative Commons license



The San Francisco 2-4 Unit Apartment Building Market

January 2026 Report

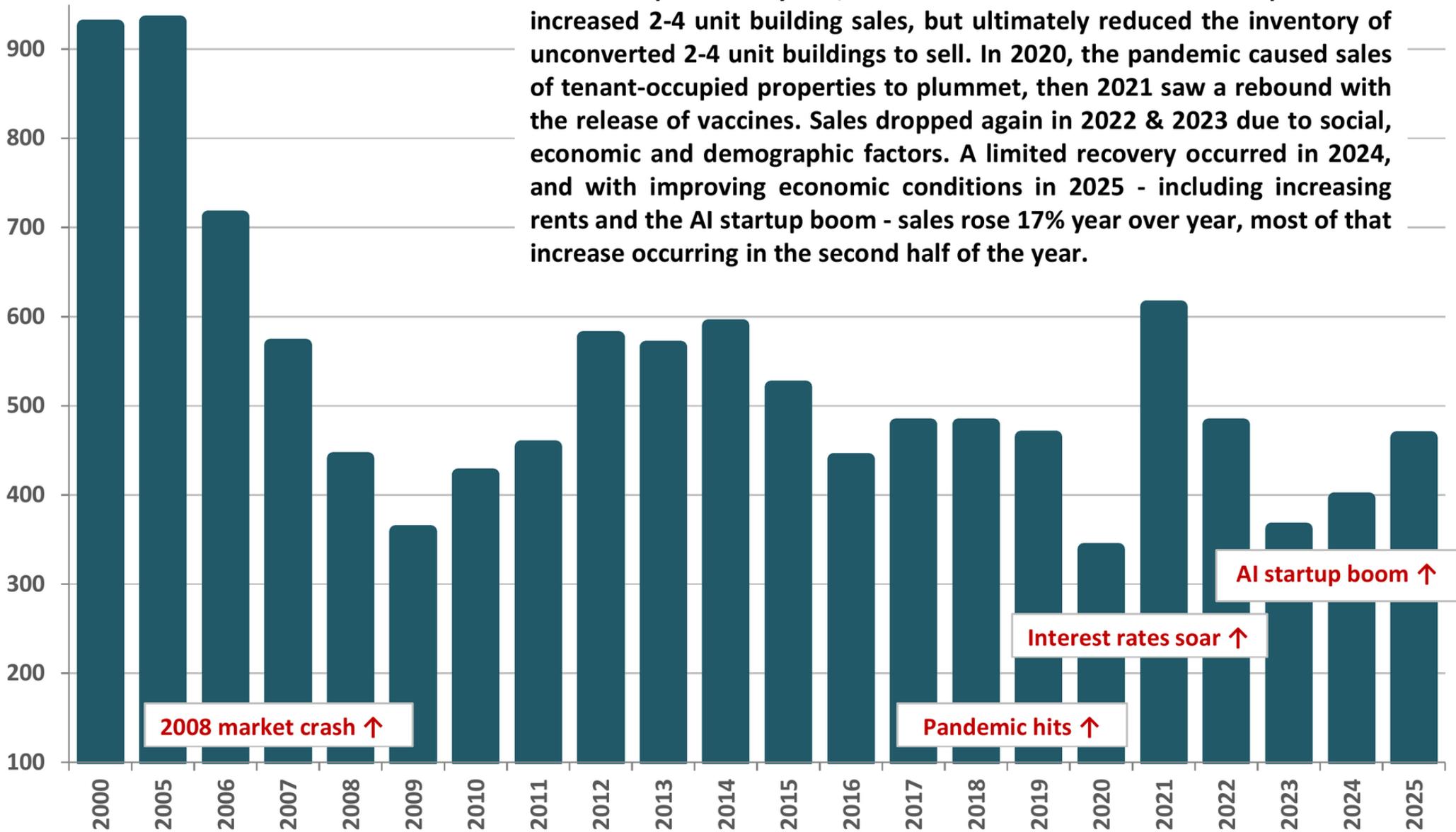
COMPASS

With the AI startup boom expanding rapidly, the large year-over-year increase in rental rates, and the significant decline in interest rates, San Francisco's residential income market began a substantial rebound in 2025, the effects of which are expected to accelerate in 2026.

San Francisco Residential 2-4 Unit Building Sales

Number of Buildings Sold by Year

Over the past 25+ years, the condo and TIC conversion option first increased 2-4 unit building sales, but ultimately reduced the inventory of unconverted 2-4 unit buildings to sell. In 2020, the pandemic caused sales of tenant-occupied properties to plummet, then 2021 saw a rebound with the release of vaccines. Sales dropped again in 2022 & 2023 due to social, economic and demographic factors. A limited recovery occurred in 2024, and with improving economic conditions in 2025 - including increasing rents and the AI startup boom - sales rose 17% year over year, most of that increase occurring in the second half of the year.



2008 market crash ↑

Pandemic hits ↑

Interest rates soar ↑

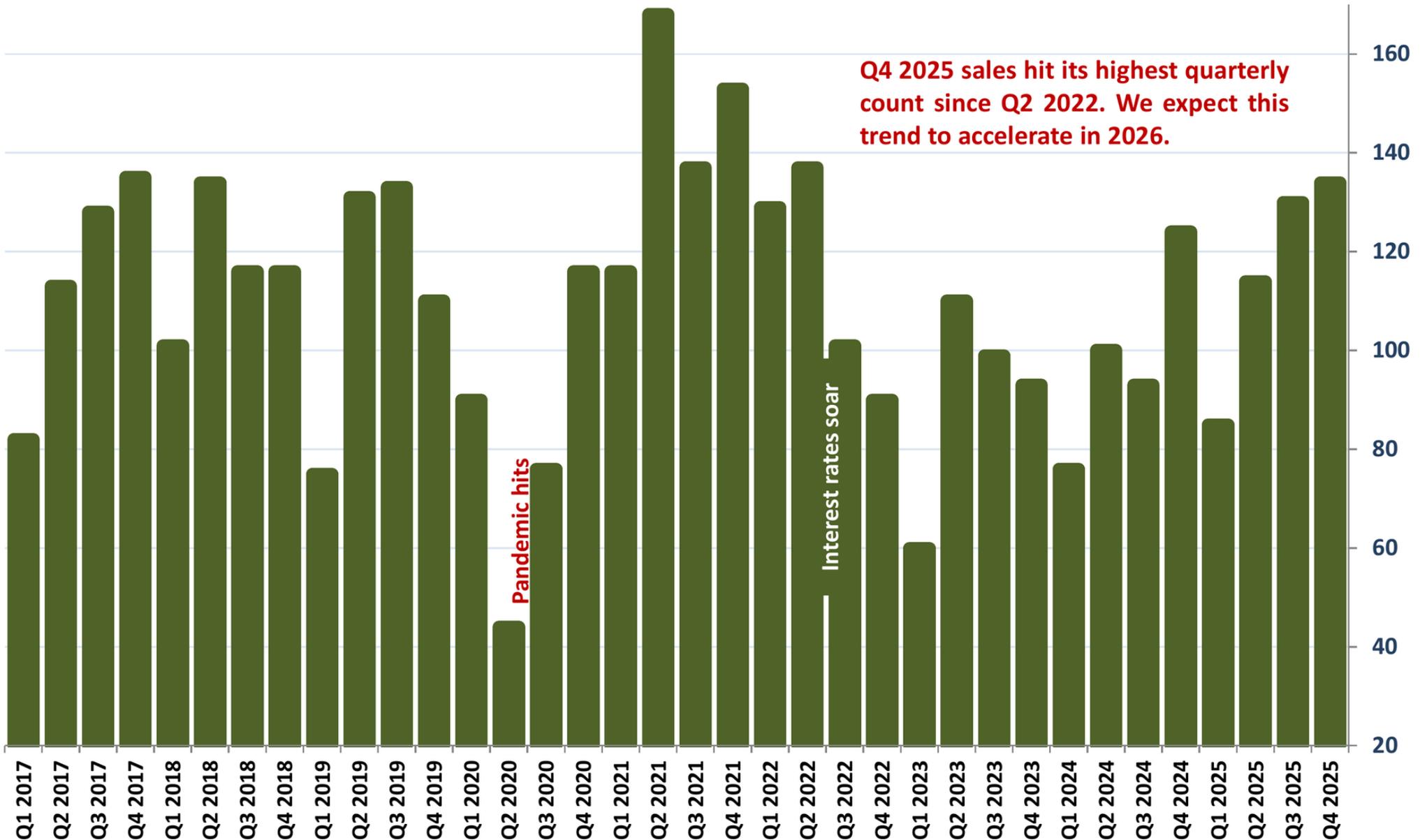
AI startup boom ↑

Sales reported to MLS. Years 2001-2004 omitted. Includes houses with units. Data from sources deemed reliable but may contain errors and is subject to revision. 2025 sales estimated using data available in early January 2026. All numbers are approximate and may change with late reported sales.

San Francisco 2-4 Unit Building Sales

Sales Volume, 2017 – Present, by Quarter

Closed sales typically reflect offers accepted 3 to 6 weeks earlier. The market is often subject to seasonal trends in supply and demand.

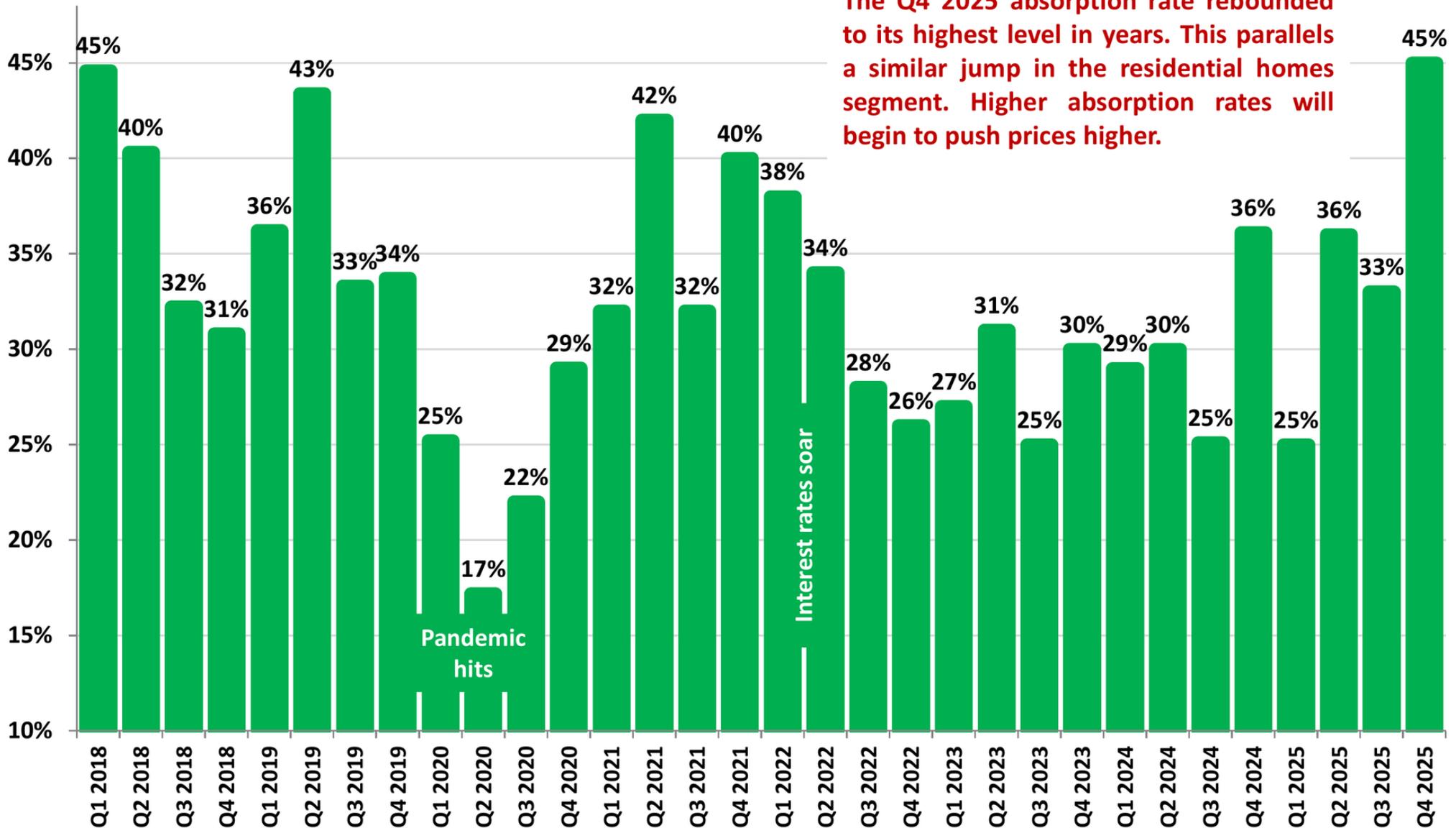


As reported to NorCal MLS Alliance. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate. Last reading estimated and may change with late reported activity.

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.

The Q4 2025 absorption rate rebounded to its highest level in years. This parallels a similar jump in the residential homes segment. Higher absorption rates will begin to push prices higher.



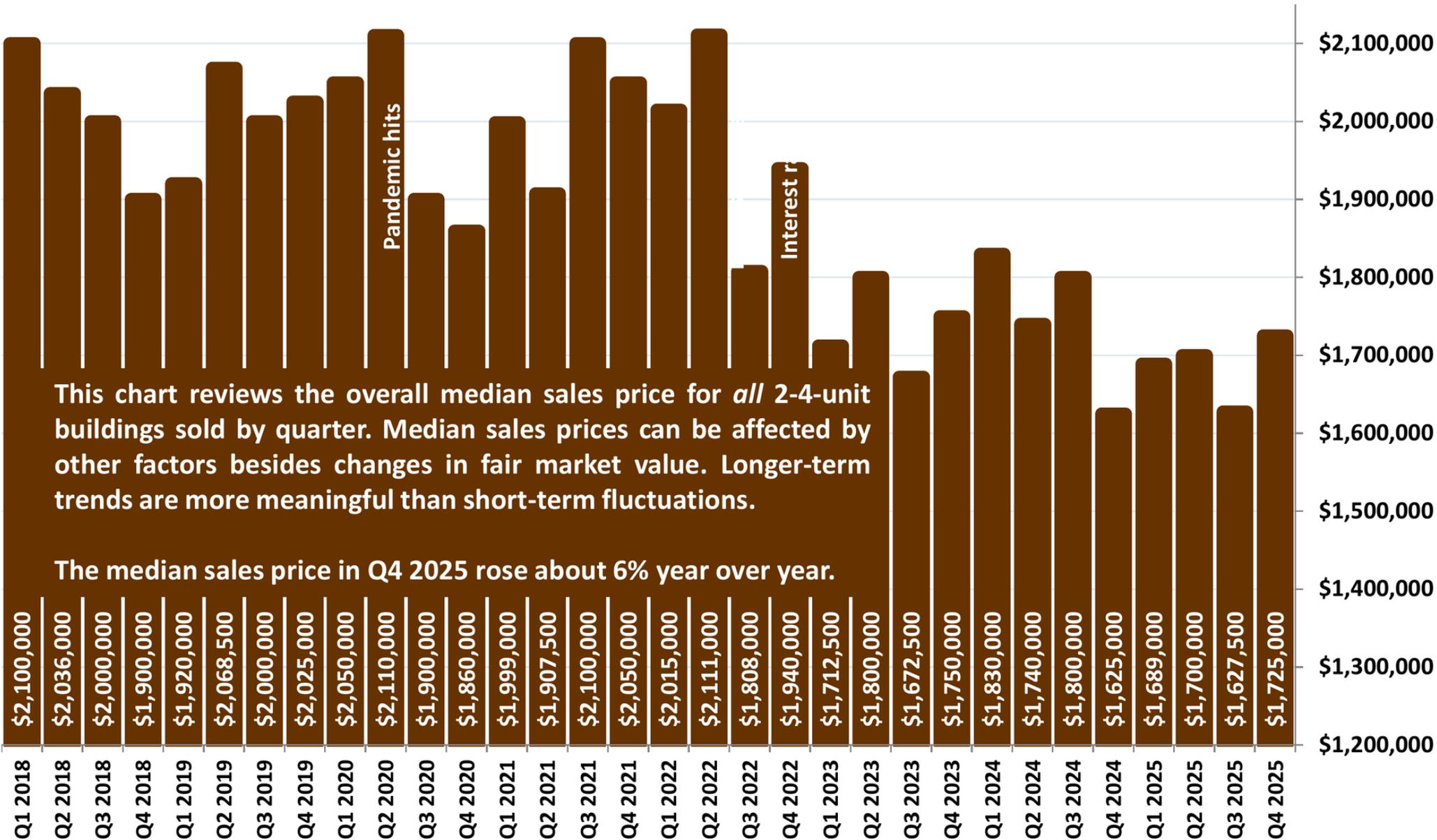
Based upon SFARMLS activity; per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate and may change with late reported activity.



San Francisco 2-4 Unit Building Values

Median Sales Prices, by Quarter

How these prices apply to any particular property is unknown without a specific comparative market analysis.



This chart reviews the overall median sales price for *all* 2-4-unit buildings sold by quarter. Median sales prices can be affected by other factors besides changes in fair market value. Longer-term trends are more meaningful than short-term fluctuations.

The median sales price in Q4 2025 rose about 6% year over year.

As reported to NorCal MLS Alliance. Does not include units classified as houses or condos. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate and may change with late reported activity.



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.

ANNUAL Median Sales Prices

■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023 ■ 2024 ■ 2025



Other factors besides changes in fair market value can be at play in median sales price changes (such as fluctuations in the size of buildings sold).

San Francisco 3-4 Unit Buildings

San Francisco 2-Unit Buildings

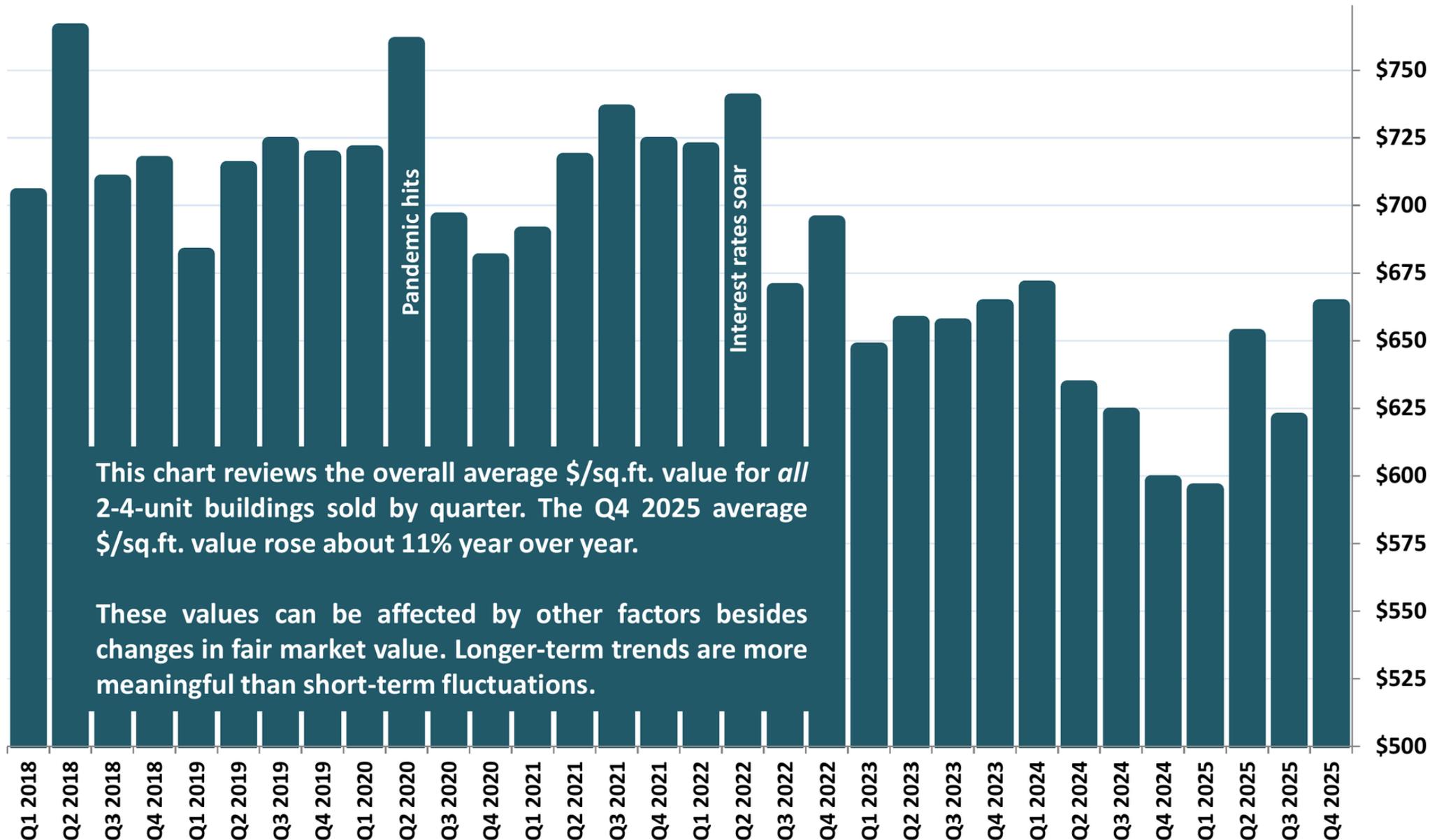
*Sales reported to NorCal MLS Alliance by 1/8/26. Multiple unit buildings classified as houses or condos excluded. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate. Late reported sales may change data.



San Francisco 2-4 Unit Building Values

Average Dollar per Square Foot Values, by Quarter

How these prices apply to any particular property is unknown without a specific comparative market analysis.



As reported to NorCal MLS Alliance. Does not include units classified as houses or condos. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate and may change with late reported activity.



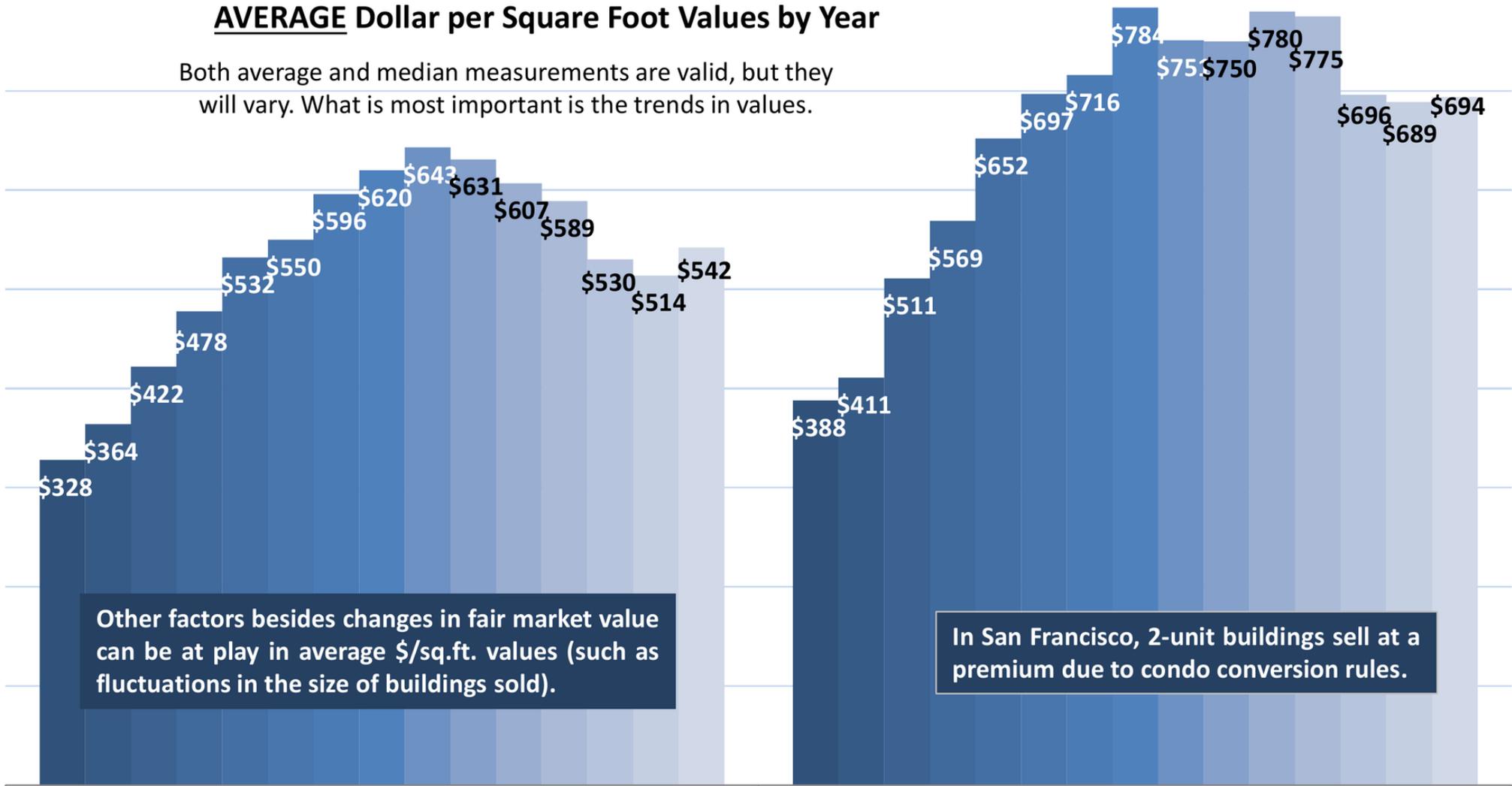
Average Dollar per Square Foot Values by Year

San Francisco 2-4 Unit Residential Building Sales since 2011

■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023 ■ 2024 ■ 2025

AVERAGE Dollar per Square Foot Values by Year

Both average and median measurements are valid, but they will vary. What is most important is the trends in values.



Other factors besides changes in fair market value can be at play in average \$/sq.ft. values (such as fluctuations in the size of buildings sold).

In San Francisco, 2-unit buildings sell at a premium due to condo conversion rules.

San Francisco 3-4 Unit Buildings

San Francisco 2-Unit Buildings

Sales reported to NorCal MLS Alliance by 1/8/26. Multiple unit buildings classified as houses or condos excluded. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate. Late reported sales may alter these numbers.

San Francisco Residential Income Market

Market Dynamics: Buildings by Number of Units*

Multi-Family Buildings with Up to 8 Units

The number of listings for sale in early January is typically the lowest count of the year. New listings accelerate as the market wakes up.

Market indicators can change dramatically from period to period, due to both economic conditions and seasonal trends.

Prop. Type	# Listings for Sale*	# Listings in Contract*	12 Months Sales*	Median Sales Price	Median \$/Sq.Ft.**	Median Size (Sq.Ft.)	Avg. Days on Market**
2-Unit Buildings	41	17	264 sales	\$1,682,500	\$646/sq.ft.	2604 sq.ft.	43 days
3-Unit Buildings	25	10	98 sales	\$1,867,500	\$523/sq.ft.	3752 sq.ft.	54 days
4-Unit Buildings	17	4	74 sales	\$1,647,500	\$506/sq.ft.	3561 sq.ft.	58 days
5-8 Unit Buildings	15	24	117 sales	\$2,100,000	\$397/sq.ft.	5174 sq.ft.	54 days

*Listings for Sale (Active/Coming-Soon) & Listings in Contract (pending sale) posted to MLS as of early January 2026. Other statistics per 12 months sales reported for 2025. **Median calculations will vary from average calculations, though both are legitimate methods of measurement. Not all sales report square footage figures.

Statistics often rise and fall according to *seasonal* trends. Average-days-on-market measures the time from going on market until offer acceptance for those properties that sold.

Data reported to NorCal MLS Alliance, may contain errors and subject to revision. Not all activity is reported to MLS. Multiple unit buildings classified as houses or condos excluded. All numbers approximate. Statistics based on past activity may not apply to future trends and can be distorted by outlier data (especially in low sales volume segments). Outlier data removed when identified. Numbers change constantly.



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

Median Sales Price, Median Size & Median \$/Sq.Ft. Value – 2025 Sales*

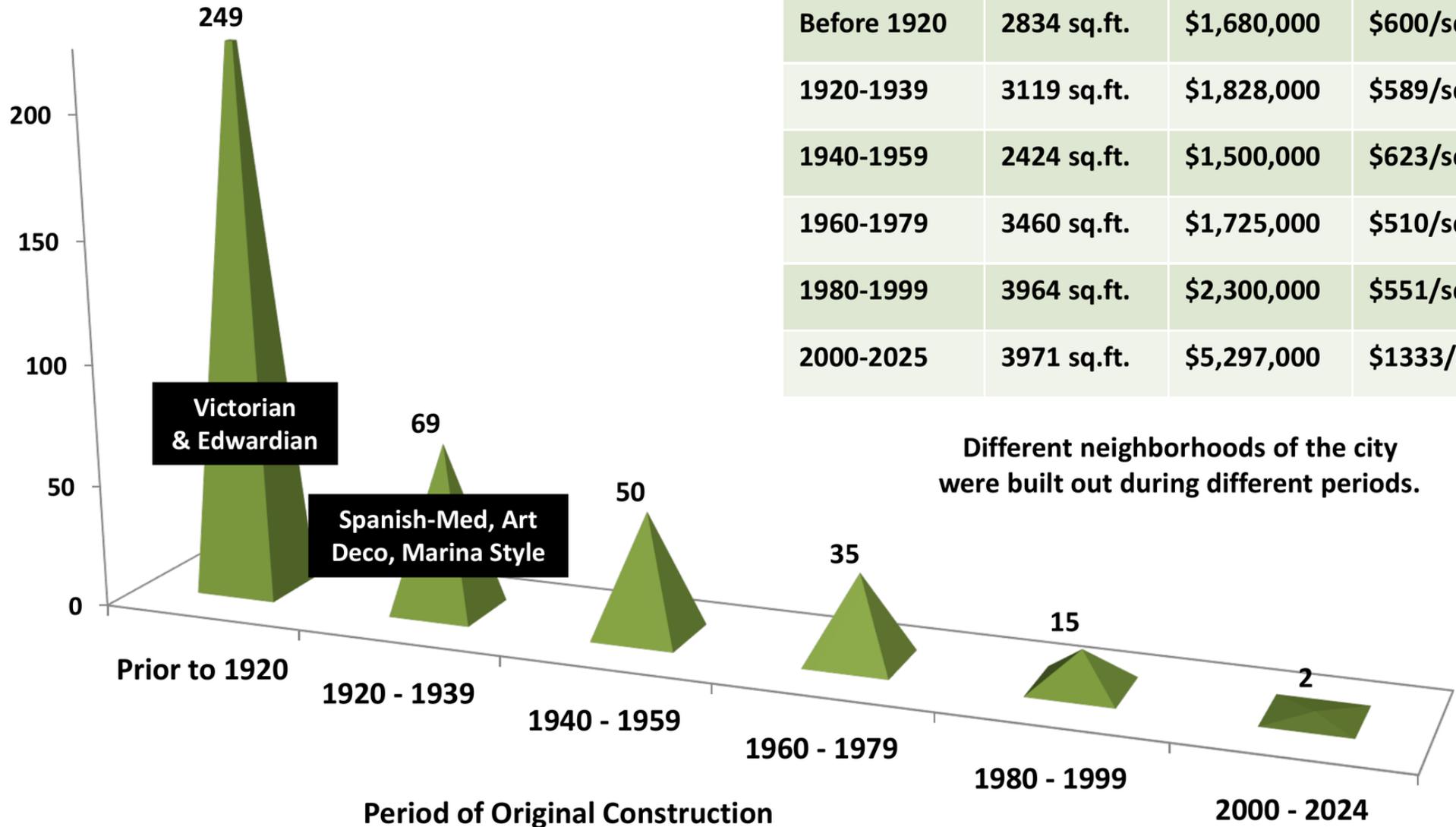
San Francisco District	2-Unit Buildings	3-Unit Buildings	4-Unit Buildings
Pacific & Presidio Heights, Cow Hollow & Marina (District 7)	\$3,300,000 3100 sq.ft.-\$970/sq.ft.	\$3,515,000 4766 sq.ft.-\$818/sq.ft.	Not enough sales for statistics
Russian, Nob & Telegraph Hills; North Beach (District 8)	\$1,800,000 2616 sq.ft.-\$709/sq.ft.	\$2,000,000 3645 sq.ft.-\$477/sq.ft.	Not enough sales for statistics
Noe, Eureka & Cole Valleys; Ashbury & Corona Heights; Mission Dolores (D5)	\$1,850,000 2604 sq.ft.-\$758/sq.ft.	\$1,800,000 3141 sq.ft.-\$591/sq.ft.	\$1,625,000 3100 sq.ft.-\$542/sq.ft.
North of Panhandle (NoPa), Alamo Square, Hayes Valley, Lower Pacific Heights (D6)	\$1,600,000 2760 sq.ft.-\$572/sq.ft.	\$2,100,000 3637 sq.ft.-\$604/sq.ft.	Not enough sales for statistics
Lake Street, Richmond District, Lone Mountain, Jordan Park (District 1)	\$1,800,000 3033 sq.ft.-\$581/sq.ft.	\$1,962,500 3734 sq.ft.-\$503/sq.ft.	\$1,632,500 3776 sq.ft.-\$464/sq.ft.
Inner Mission, Potrero Hill, Bernal Heights, South of Market (District 9)	\$1,300,000 2390 sq.ft.-\$586/sq.ft.	\$1,260,000 3944 sq.ft.-\$299/sq.ft.	\$1,669,000 3600 sq.ft.-\$402/sq.ft.
Sunset, Parkside (District 2)	\$1,510,000 2275 sq.ft.-\$637/sq.ft.	\$1,450,000 3250 sq.ft.-\$436/sq.ft.	\$1,550,000 3130 sq.ft.-\$495/sq.ft.
Bayview-Excelsior-Visitacion Valley (District 10)	\$1,224,000 2112 sq.ft.-\$552/sq.ft.	Not enough sales for analysis	Not enough sales for statistics

*2025 sales reported to NorCal MLS Alliance by early January 2026. 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, condition, tenant profile, rent control and owner-occupancy. **How these values apply to any particular property is unknown without a specific comparative market analysis.** Houses with units and condo buildings excluded. All numbers approximate and may change with late-reported sales. Not all listings gave sq.ft.

COMPASS

San Francisco 2-4 Unit Building Sales

Number of Sales by Era of Construction



2025 2-4 Unit Residential Building Sales*

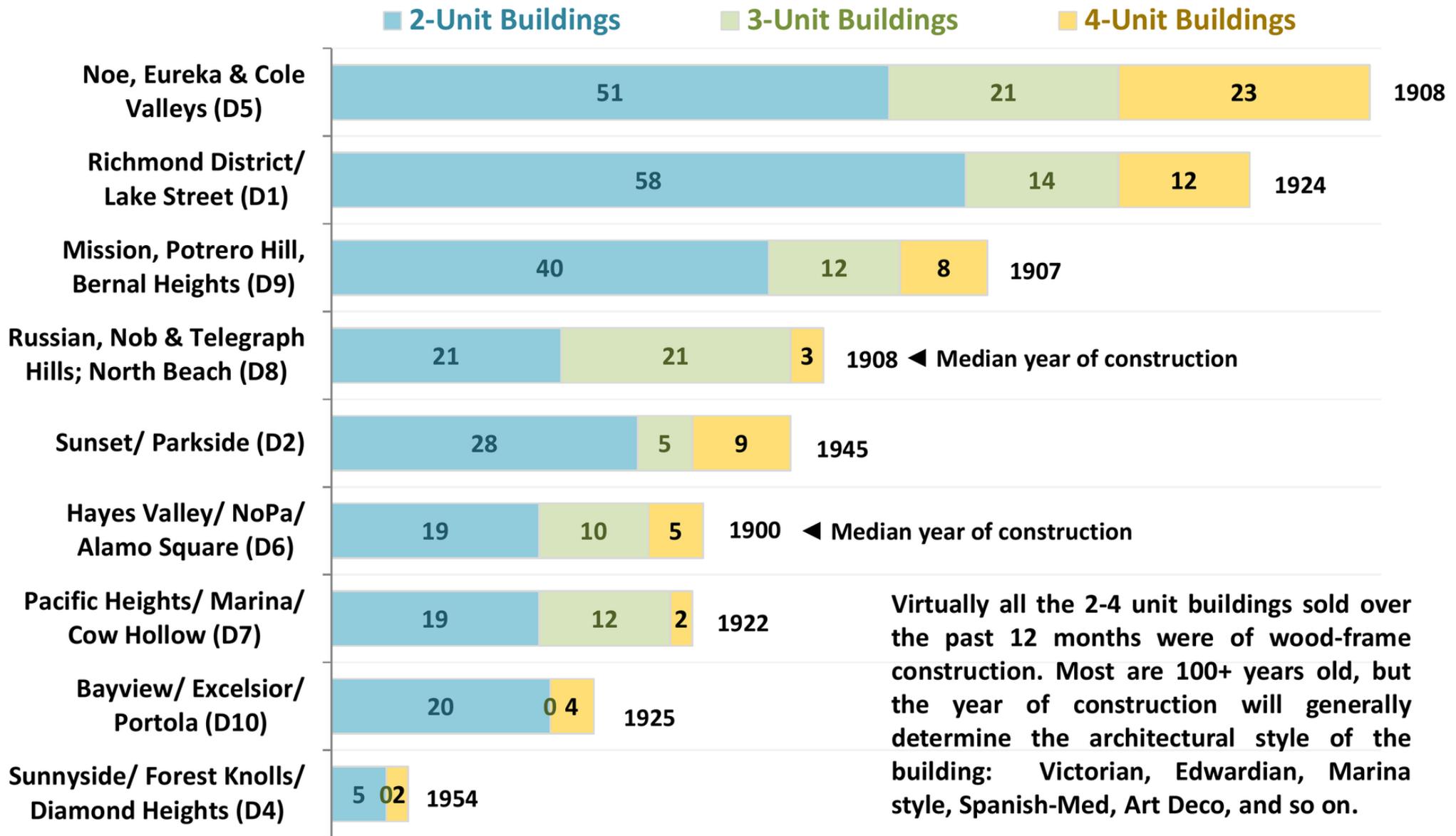
Year Built	Median Sq.Ft.	Median Sale Price	Median \$/Sq.Ft.
Before 1920	2834 sq.ft.	\$1,680,000	\$600/sq.ft.
1920-1939	3119 sq.ft.	\$1,828,000	\$589/sq.ft.
1940-1959	2424 sq.ft.	\$1,500,000	\$623/sq.ft.
1960-1979	3460 sq.ft.	\$1,725,000	\$510/sq.ft.
1980-1999	3964 sq.ft.	\$2,300,000	\$551/sq.ft.
2000-2025	3971 sq.ft.	\$5,297,000	\$1333/sq.ft.

Different neighborhoods of the city were built out during different periods.

Sales reported to NorCal MLS Alliance in 2025. Not all sales provided construction dates. Data derived from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

2-4 Unit Residential Property Sales by San Francisco Realtor District, 2025 Sales*

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



Virtually all the 2-4 unit buildings sold over the past 12 months were of wood-frame construction. Most are 100+ years old, but the year of construction will generally determine the architectural style of the building: Victorian, Edwardian, Marina style, Spanish-Med, Art Deco, and so on.

*12 months sales reported to NorCal MLS Alliance in 2025. This analysis was performed in good faith with data derived from sources deemed reliable but may contain errors and subject to revision. All numbers approximate and may change with late-reported sales.

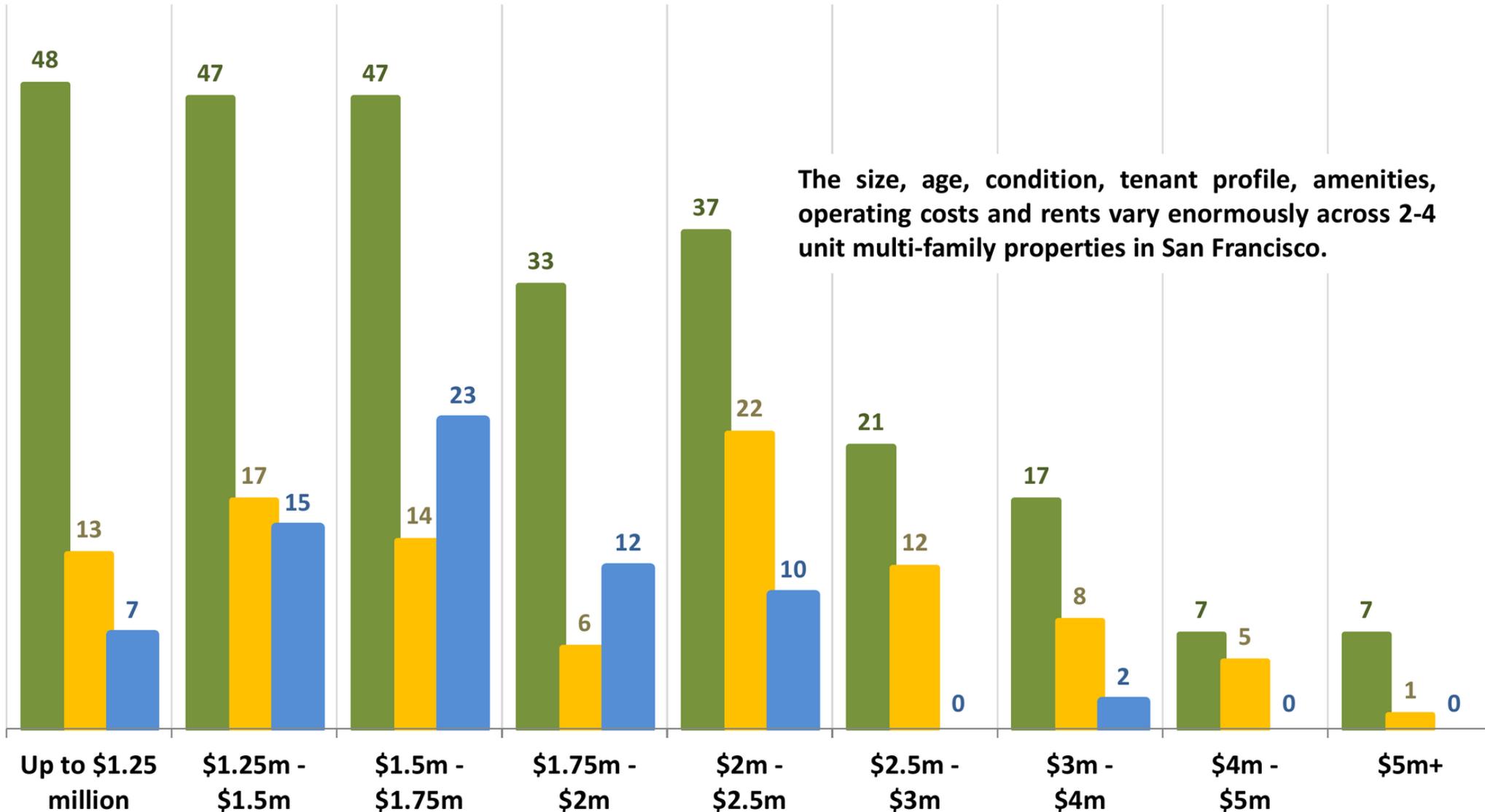
San Francisco 2-4 Unit Residential Buildings

2025 Sales by Number of Units & Price Segment*

■ 2-Unit Building Sales

■ 3-Unit Building Sales

■ 4-Unit Building Sales



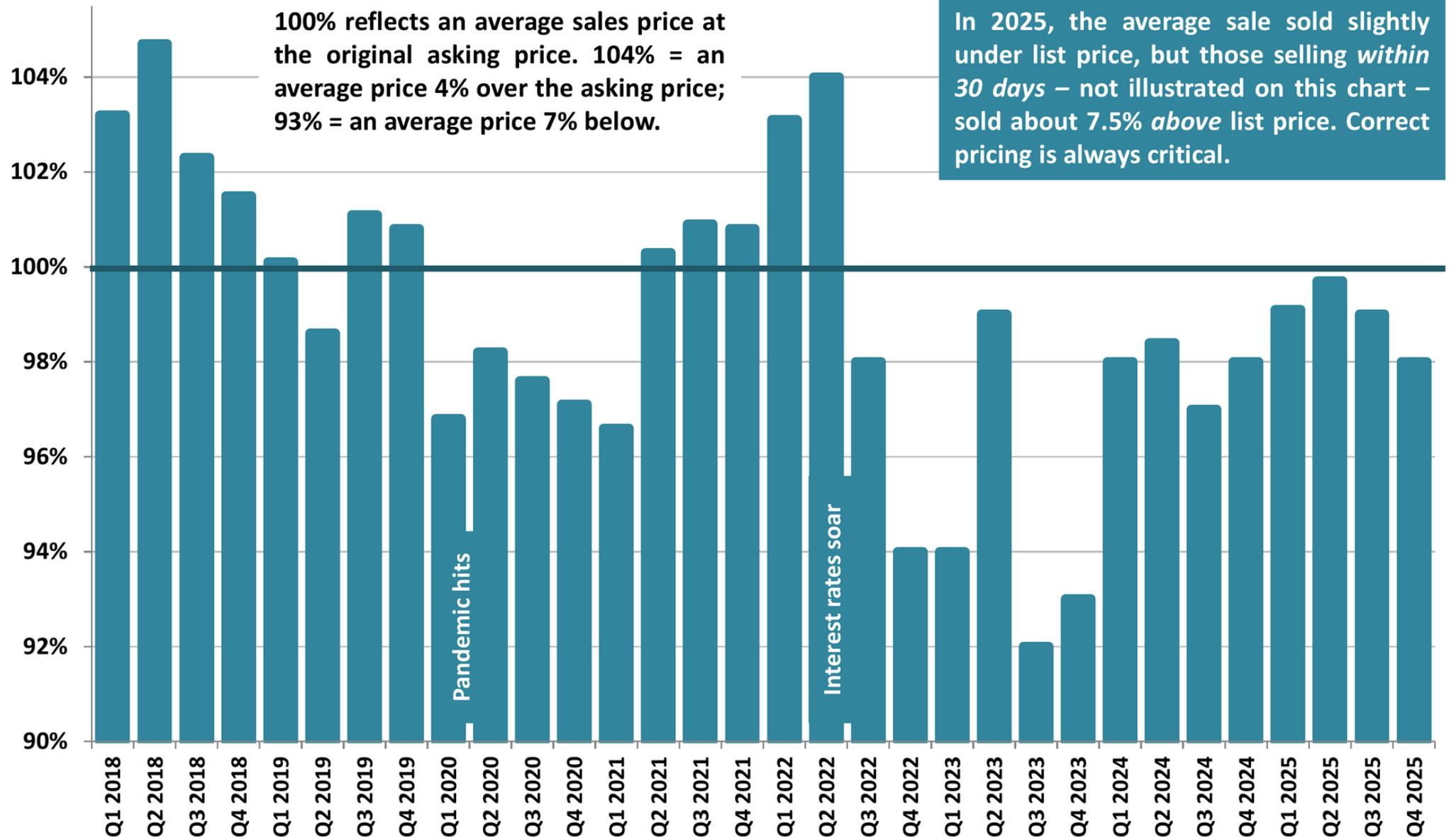
The size, age, condition, tenant profile, amenities, operating costs and rents vary enormously across 2-4 unit multi-family properties in San Francisco.

*12 months sales reported to NorCal MLS Alliance in 2025. Data from sources deemed reliable but may contain errors and subject to revision. Multiple units classified as houses or condos excluded. All numbers approximate and may change with late reported sales.

Sales Price to Original List Price Percentage

San Francisco 2-4 Unit Buildings, by Quarter

Based upon SFARMLS activity, per Broker Metrics



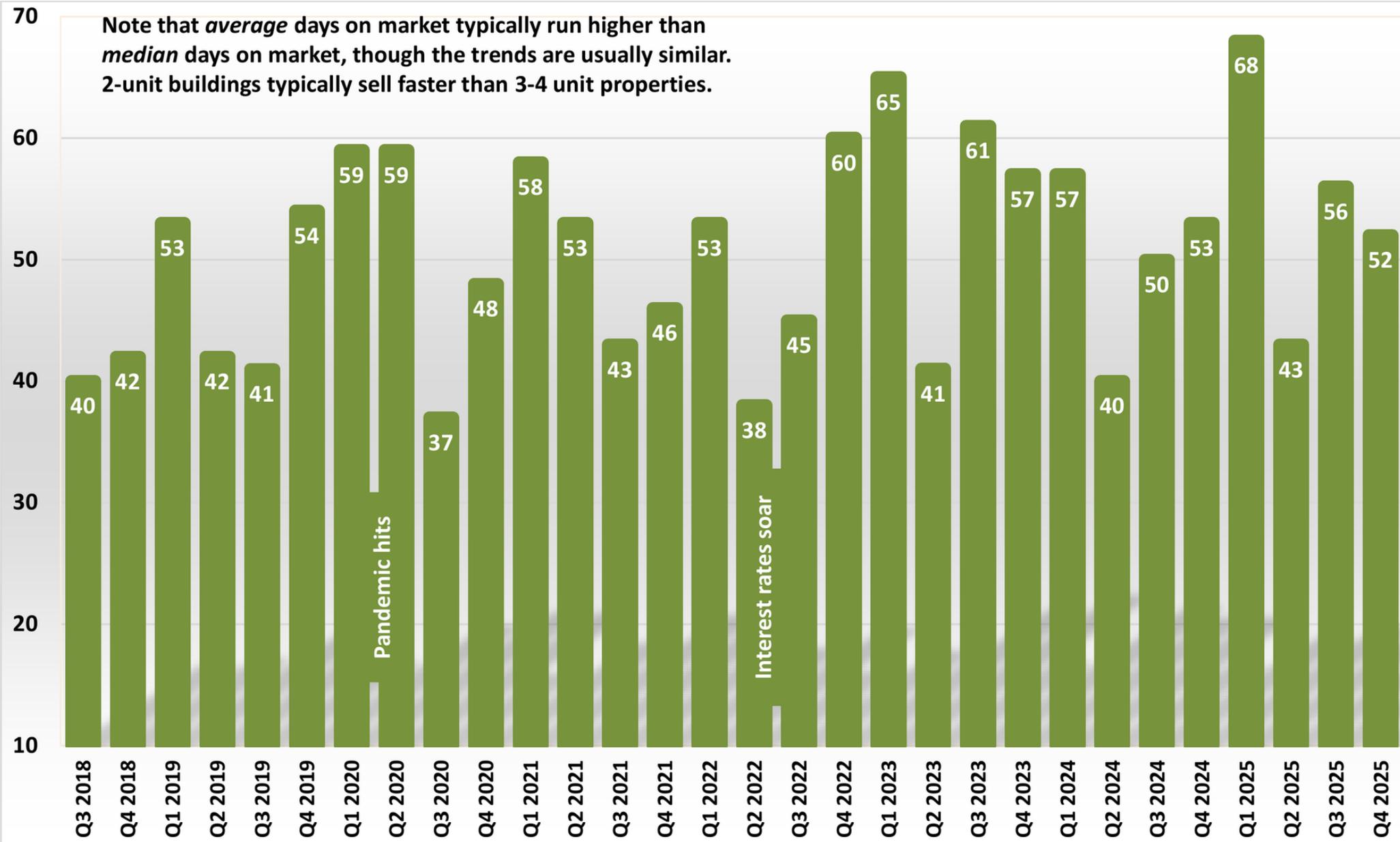
Data from sources deemed reliable but may contain errors and subject to revision.
All numbers are approximate. Fluctuations in this metric are not unusual.



Average Days on Market by Quarter

San Francisco 2-4 Residential Unit Building Sales

In 2025 YTD, about half of sales went into contract in less than 30 days.



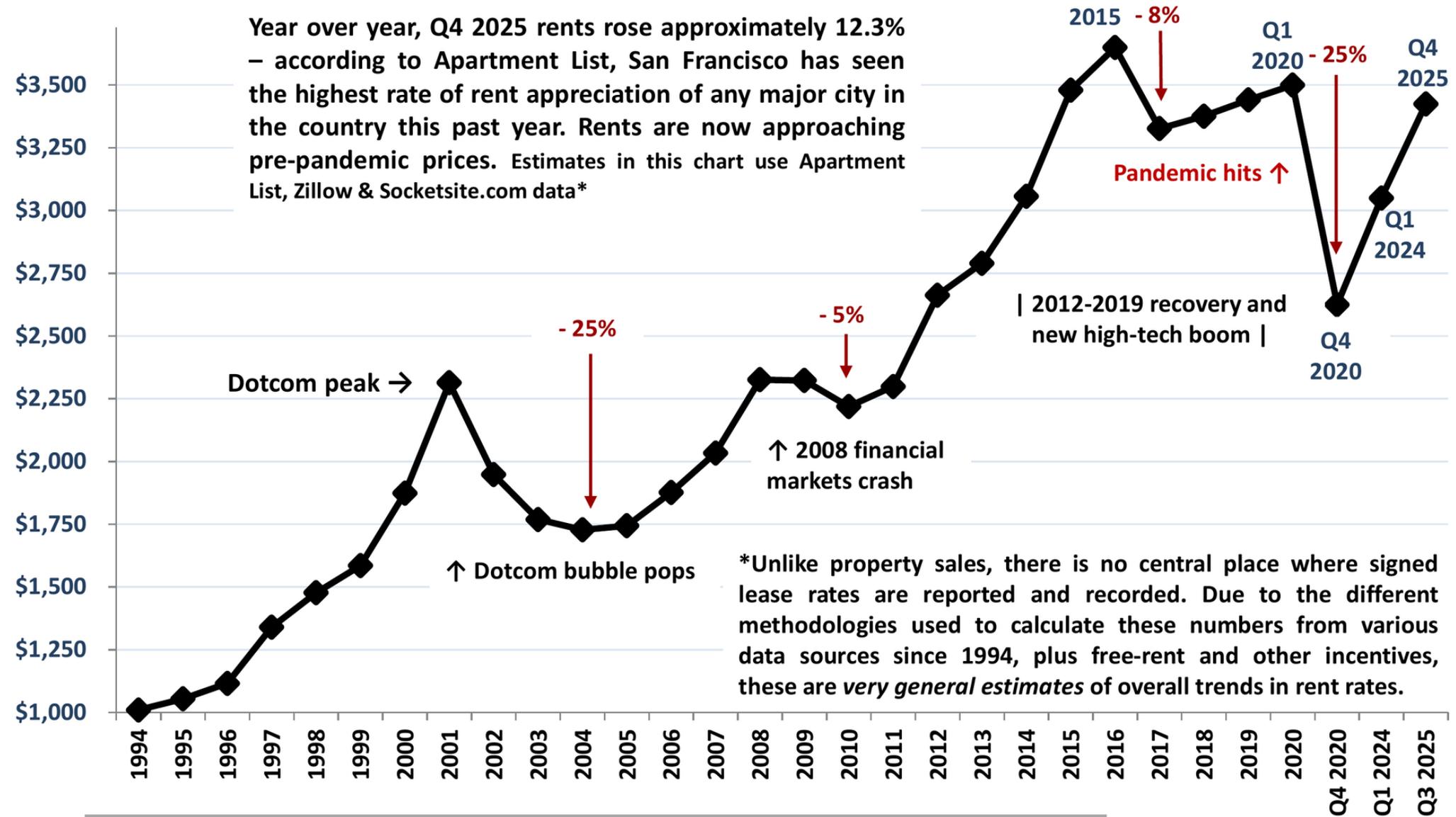
Sales reported to SFARMLS. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate. Last reading may change with late-reported activity. Outlier sales adjusted when identified.



San Francisco Residential Rents – Very Approximate, Good Faith Estimates*

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

Year over year, Q4 2025 rents rose approximately 12.3% – according to Apartment List, San Francisco has seen the highest rate of rent appreciation of any major city in the country this past year. Rents are now approaching pre-pandemic prices. Estimates in this chart use Apartment List, Zillow & Socketsite.com data*



*Unlike property sales, there is no central place where signed lease rates are reported and recorded. Due to the different methodologies used to calculate these numbers from various data sources since 1994, plus free-rent and other incentives, these are *very general estimates* of overall trends in rent rates.

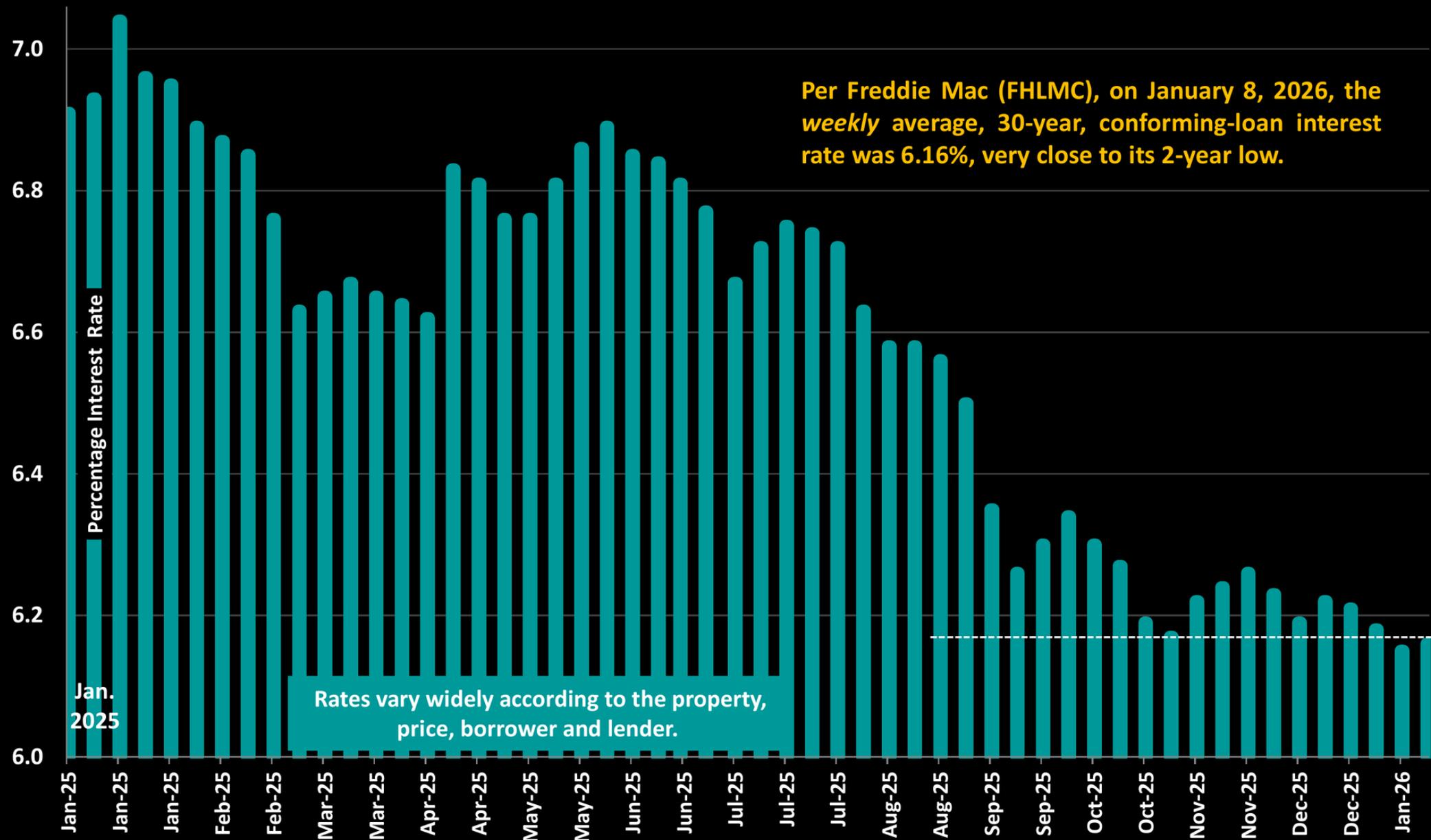
1st quarter data points except as noted. Numbers are estimated using data from a variety of rental data sources over the past 25+ years, using differing methodologies. Data from sources deemed reasonably reliable but may contain errors and subject to revision. All numbers are good-faith estimates and very approximate.



Selected Economic Indicators

Mortgage Interest Rates in 2025 – 2026 YTD

30-Year Conforming Fixed-Rate Loans, Weekly Average Readings*

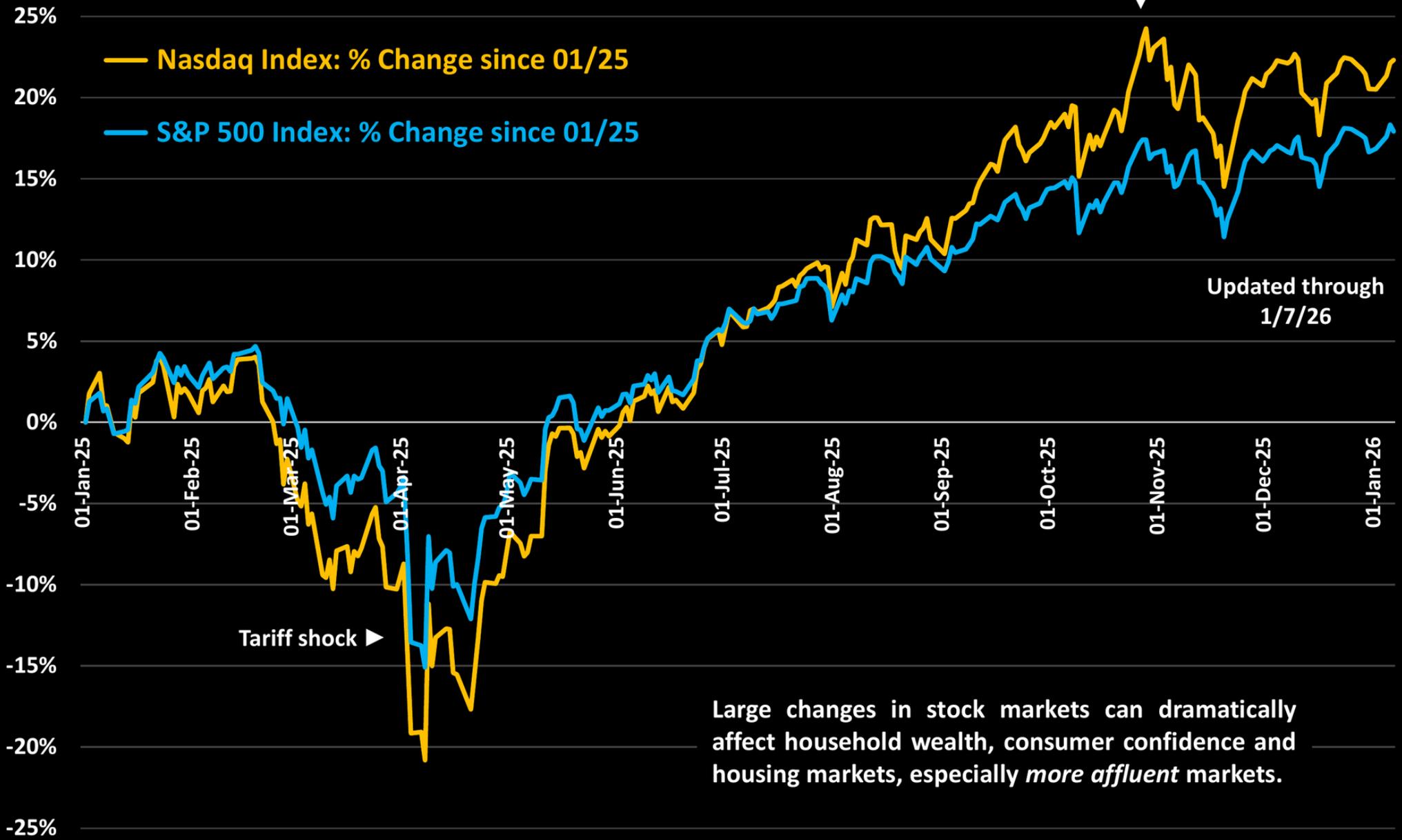


*Freddie Mac (FHLMC), 30-Year Fixed Rate Mortgage Weekly Average: <https://www.freddiemac.com/pmms>. Data from sources deemed reliable. Different sources of mortgage data sometimes vary in their determinations of daily and weekly rates. Data from sources deemed reliable but may contain errors. All numbers approximate.



Financial Markets, 2025 – 2026 YTD

Percentage Increases in S&P 500 & Nasdaq since 1/2/25



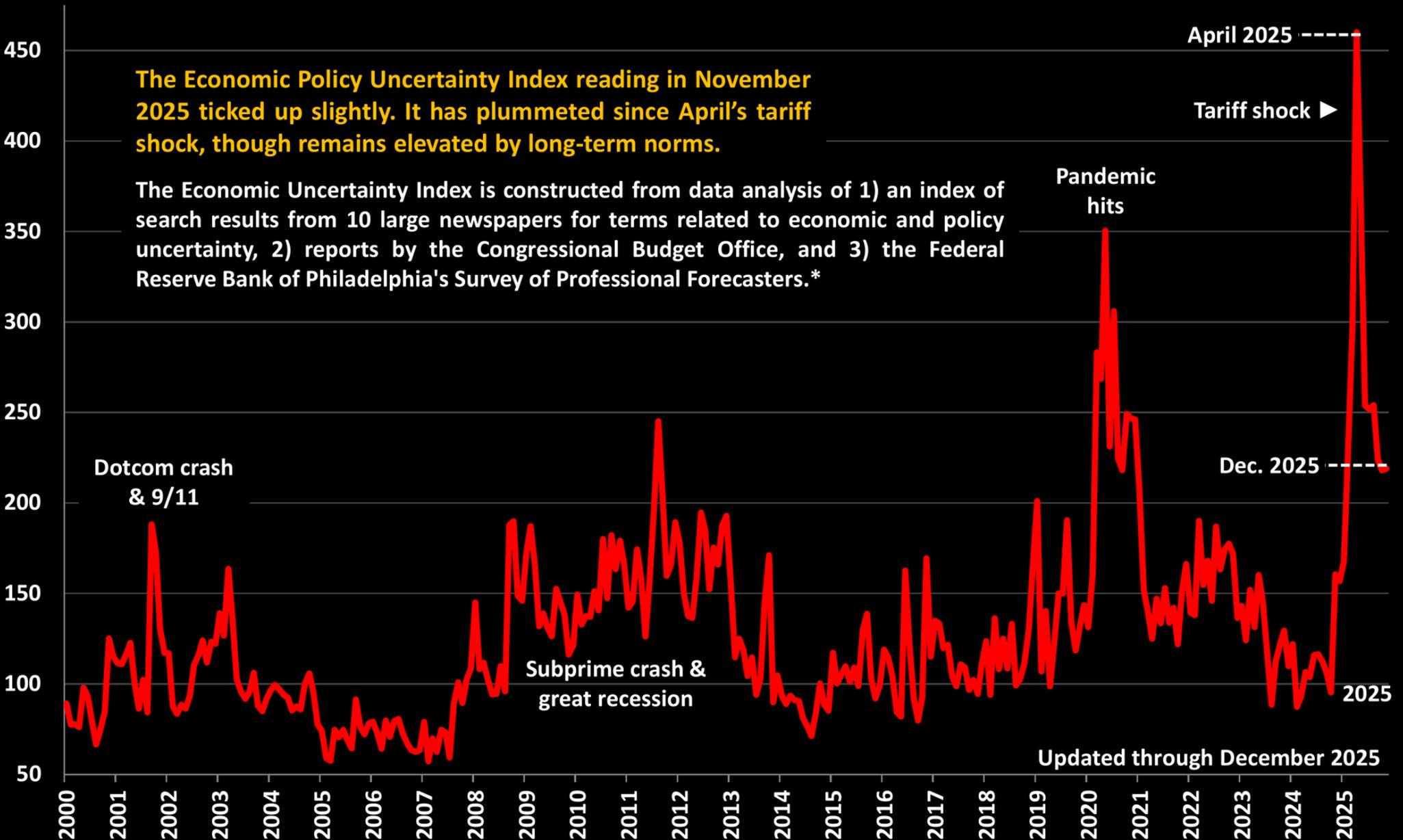
Large changes in stock markets can dramatically affect household wealth, consumer confidence and housing markets, especially *more affluent* markets.

Data per MarketWatch.com. Data from source deemed reliable but may contain errors and subject to revision. Financial market values change constantly and all numbers to be considered approximate. Financial markets can be prone to significant volatility even on a short-term basis.



Economic Policy Uncertainty Index*

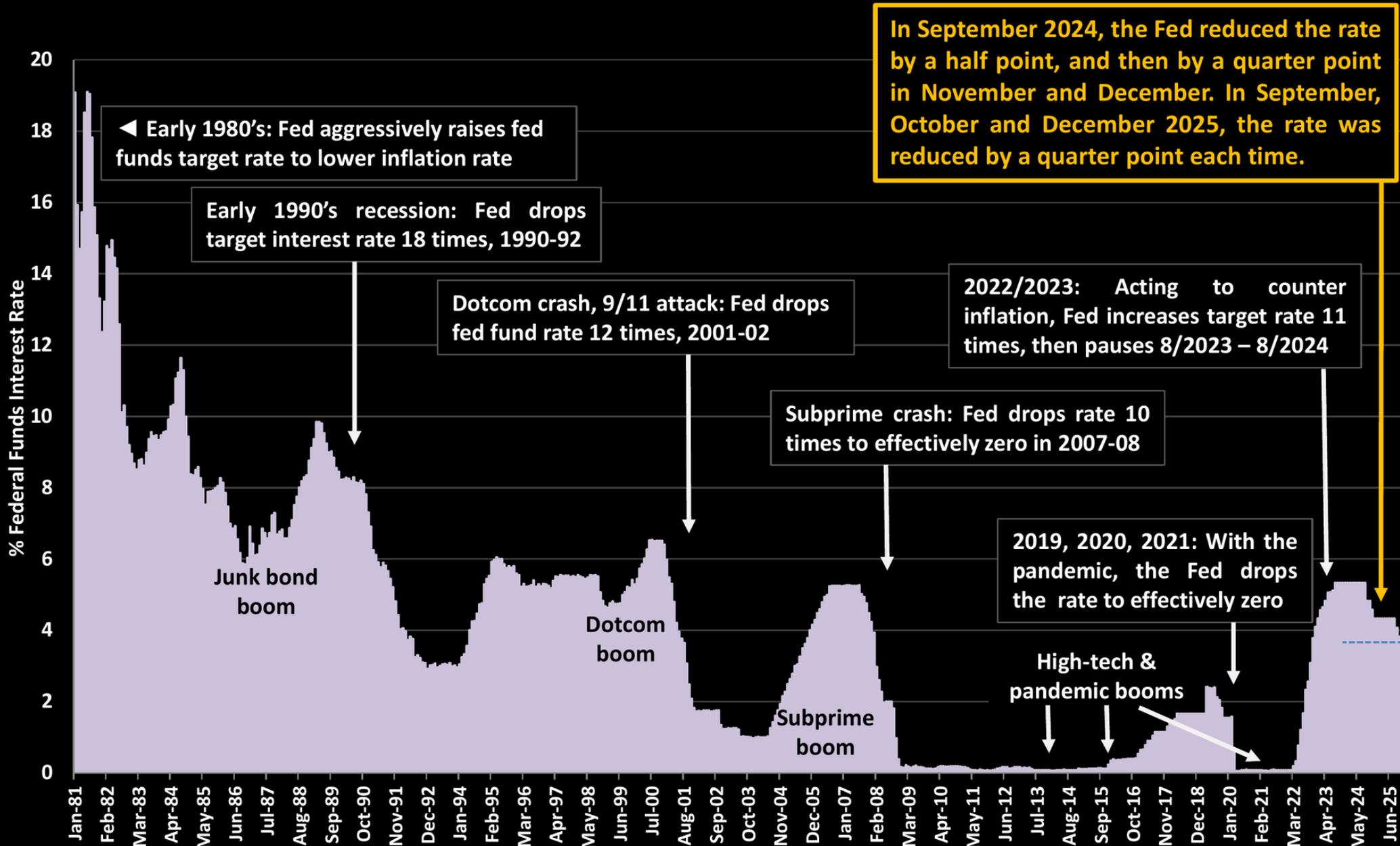
By Month since January 2000



*Source: 'Measuring Economic Policy Uncertainty' by Scott Baker, Nicholas Bloom and Steven J. Davis, 3-component index, www.PolicyUncertainty.com, https://www.policyuncertainty.com/us_monthly.html. Data from sources deemed reliable, but numbers to be considered approximate and subject to revision.

Federal Funds Interest Rate since 1981 & Economic Interventions by Federal Reserve Bank*

Updated December 10, 2025



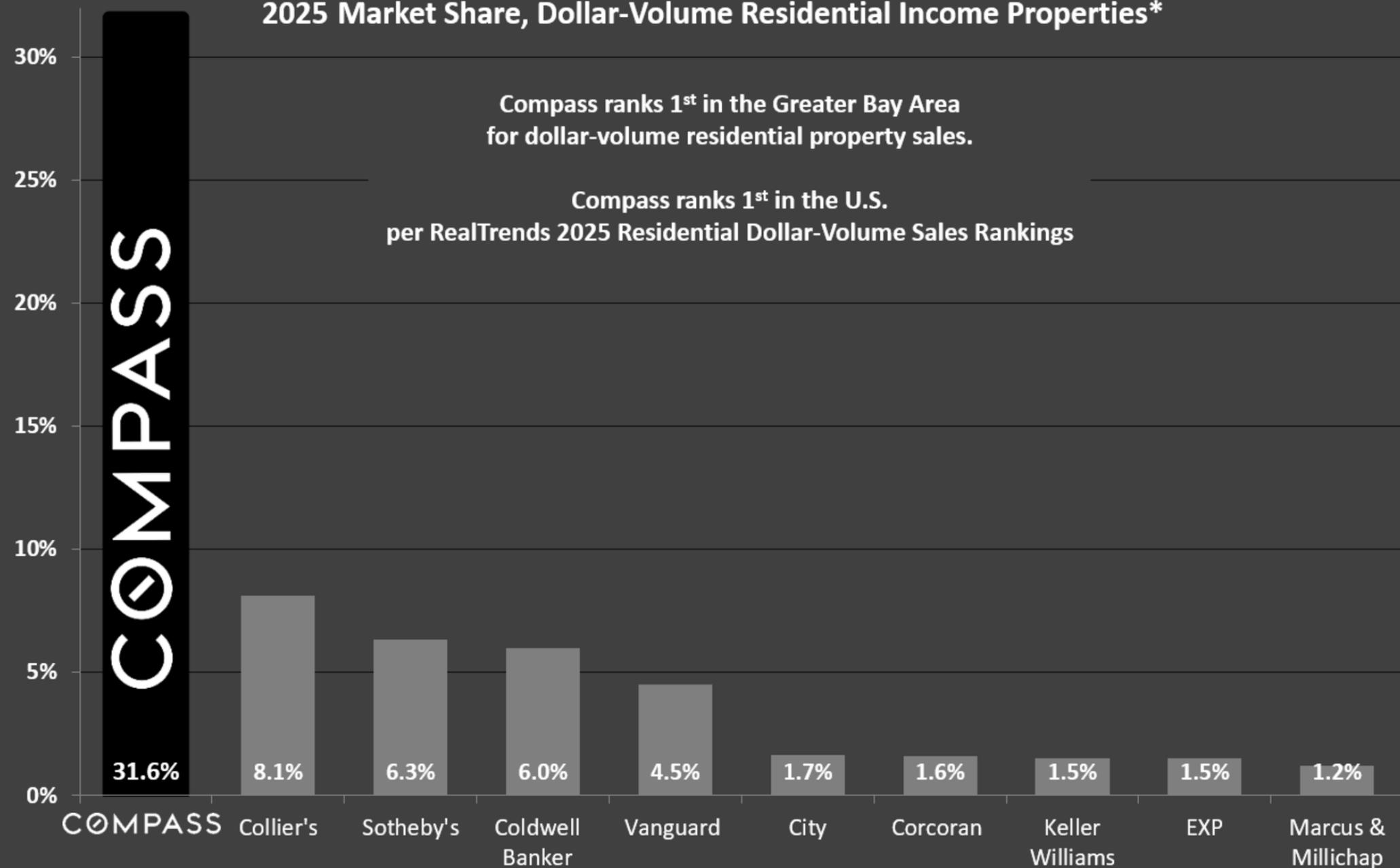
* Per Federal Reserve Bank of St. Louis and New York; <https://fred.stlouisfed.org/series/FEDFUNDS>; Last reading per <https://www.newyorkfed.org/markets/reference-rates/effr>. Other data referenced from sources deemed reliable but may contain errors and subject to revision.

San Francisco Multi-Family Building Sales by Broker

2025 Market Share, Dollar-Volume Residential Income Properties*

Compass ranks 1st in the Greater Bay Area
for dollar-volume residential property sales.

Compass ranks 1st in the U.S.
per RealTrends 2025 Residential Dollar-Volume Sales Rankings



*2025 residential multi-family property sales reported to NorCal MLS Alliance by early January 2026. Analysis made in good faith using transaction-side, dollar-volume sales data, per TrendGraphix. Data from sources deemed reliable but should be considered approximate.

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.

Compass is a real estate broker licensed by the State of California, DRE 01527235. Equal Housing Opportunity. This report has been prepared solely for information purposes. The information herein is based on or derived from information generally available to the public and/or from sources believed to be reliable. No representation or warranty can be given with respect to the accuracy or completeness of the information. Compass disclaims any and all liability relating to this report, including without limitation any express or implied representations or warranties for statements contained in, and omissions from, the report. Nothing contained herein is intended to be or should be read as any regulatory, legal, tax, accounting or other advice and Compass does not provide such advice. All opinions are subject to change without notice. Compass makes no representation regarding the accuracy of any statements regarding any references to the laws, statutes or regulations of any state are those of the author(s). Past performance is no guarantee of future results.

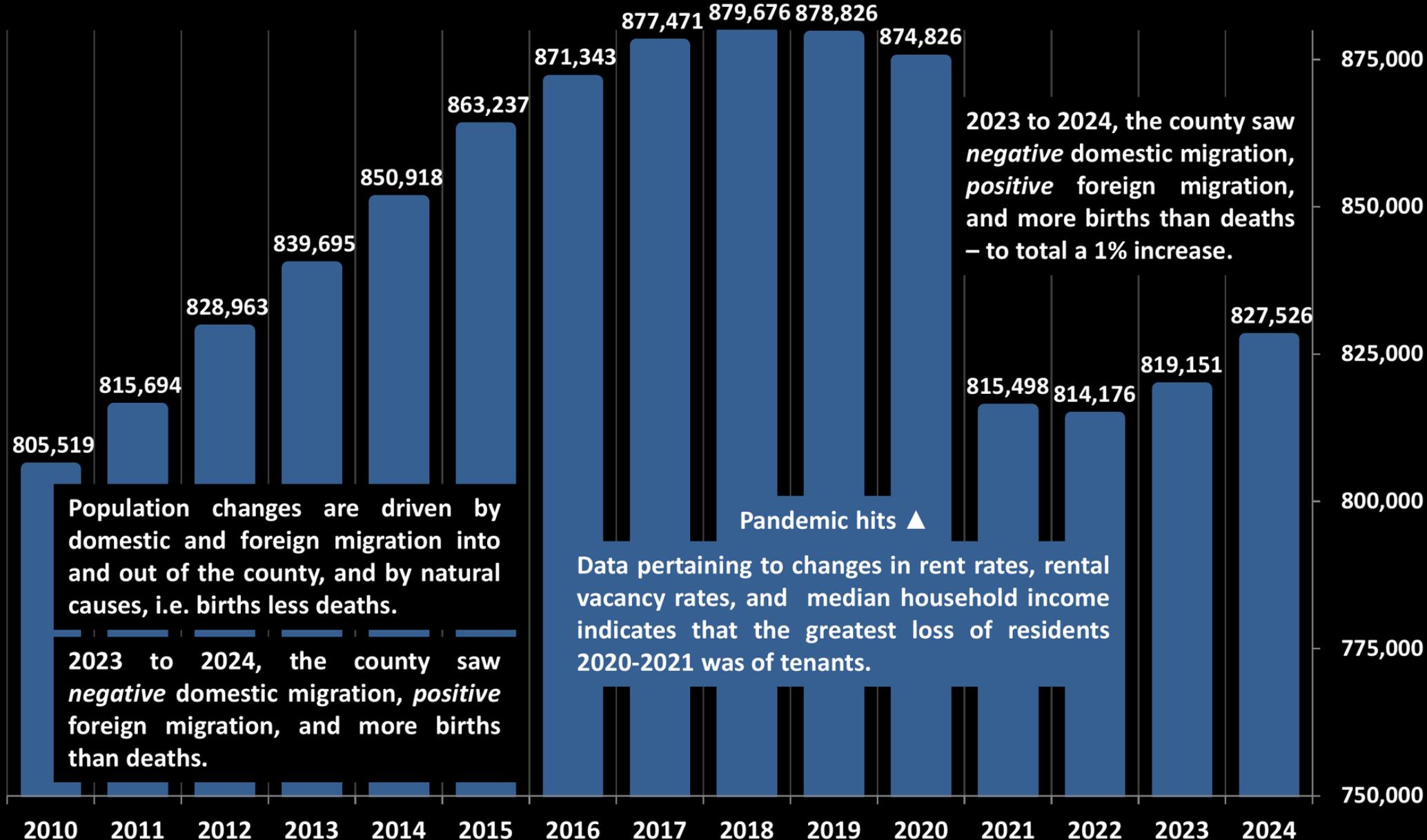
© 2026 Compass

COMPASS

San Francisco Population Trends since 2010

U.S. Census Estimates, July 1st to July 1st

Changes measured from July 1st of previous year to July 1st of labeled year.

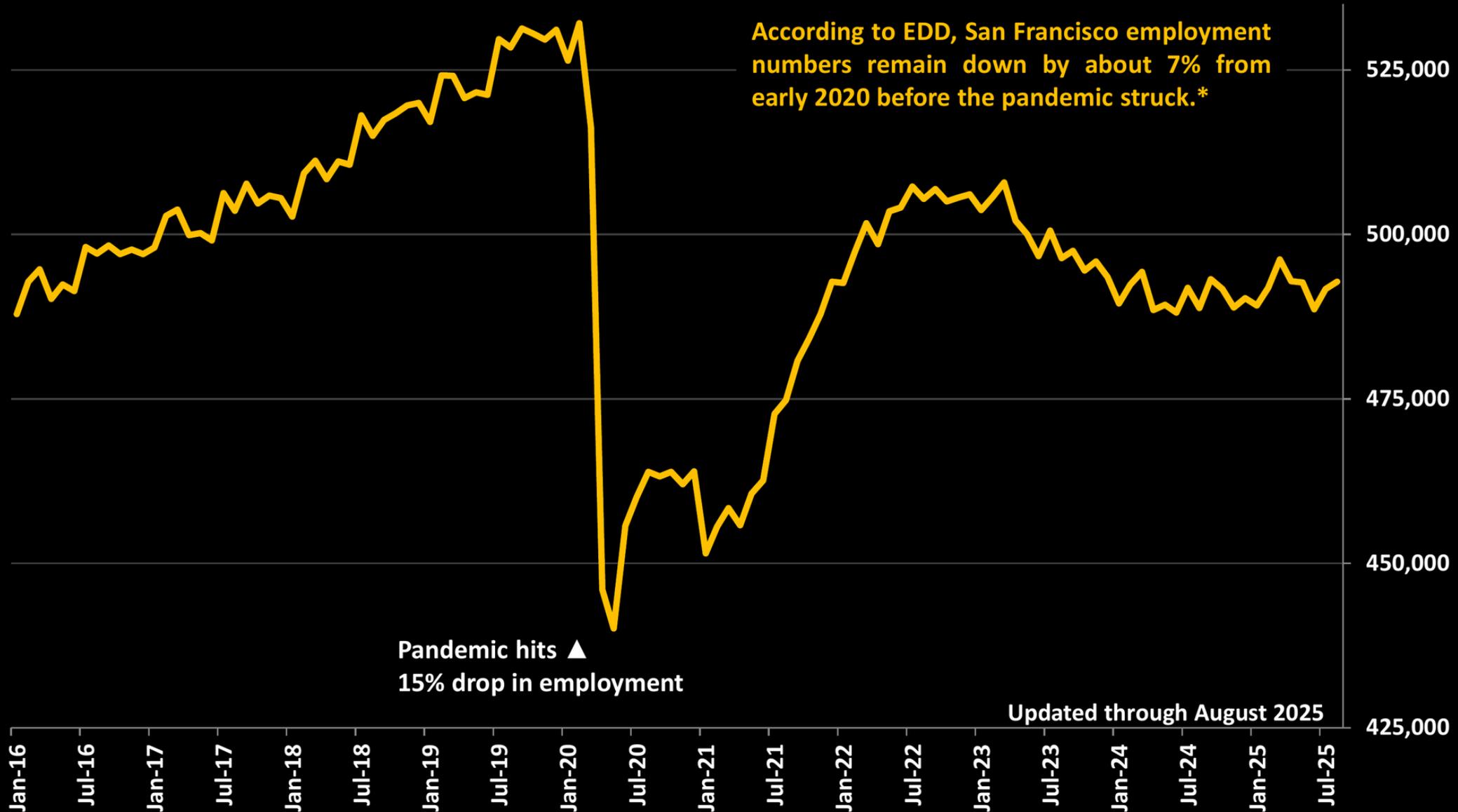


Estimates as of July 1 of each year. 2020-2024 data published March 13, 2025 by U.S. Census. The Census often revises numbers in subsequent estimates. All numbers to be considered approximate.



San Francisco Employment Trends

Number of Employed Residents, by Month since 2016*

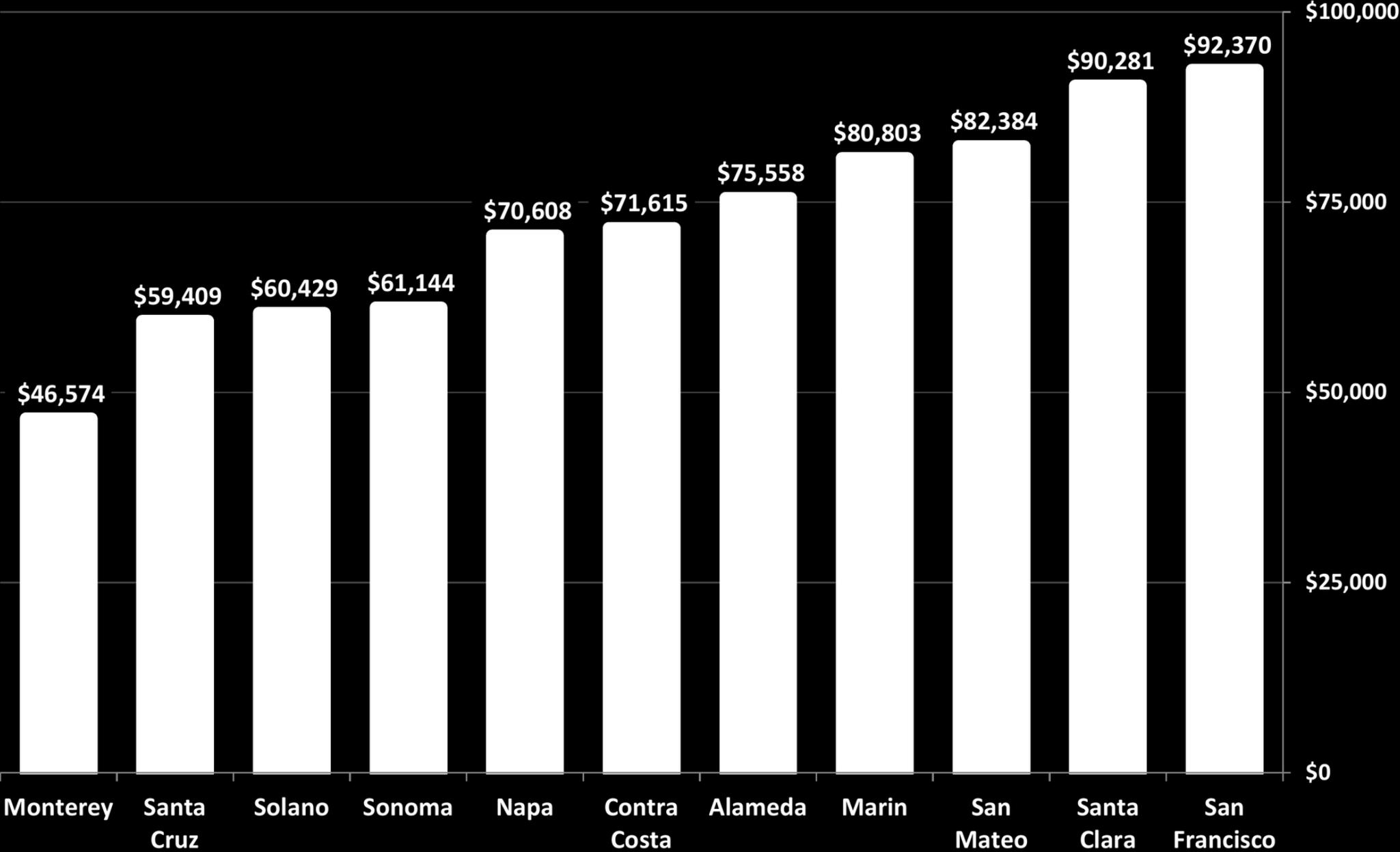


*Per California Employment Development Dept. (EDD) . Last month's data is labeled "preliminary" by EDD. EDD often goes back to revise past data releases. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.

Median Resident Income

Residents 25+ Years of Age, by Bay Area County

Per U.S. Census 2024 1-Year ACS estimates published September 2025



2024 inflation adjusted estimates. These analyses were performed in good faith with data derived from sources deemed reliable, but may contain errors and are subject to revision. Published with margins of error. All numbers approximate.

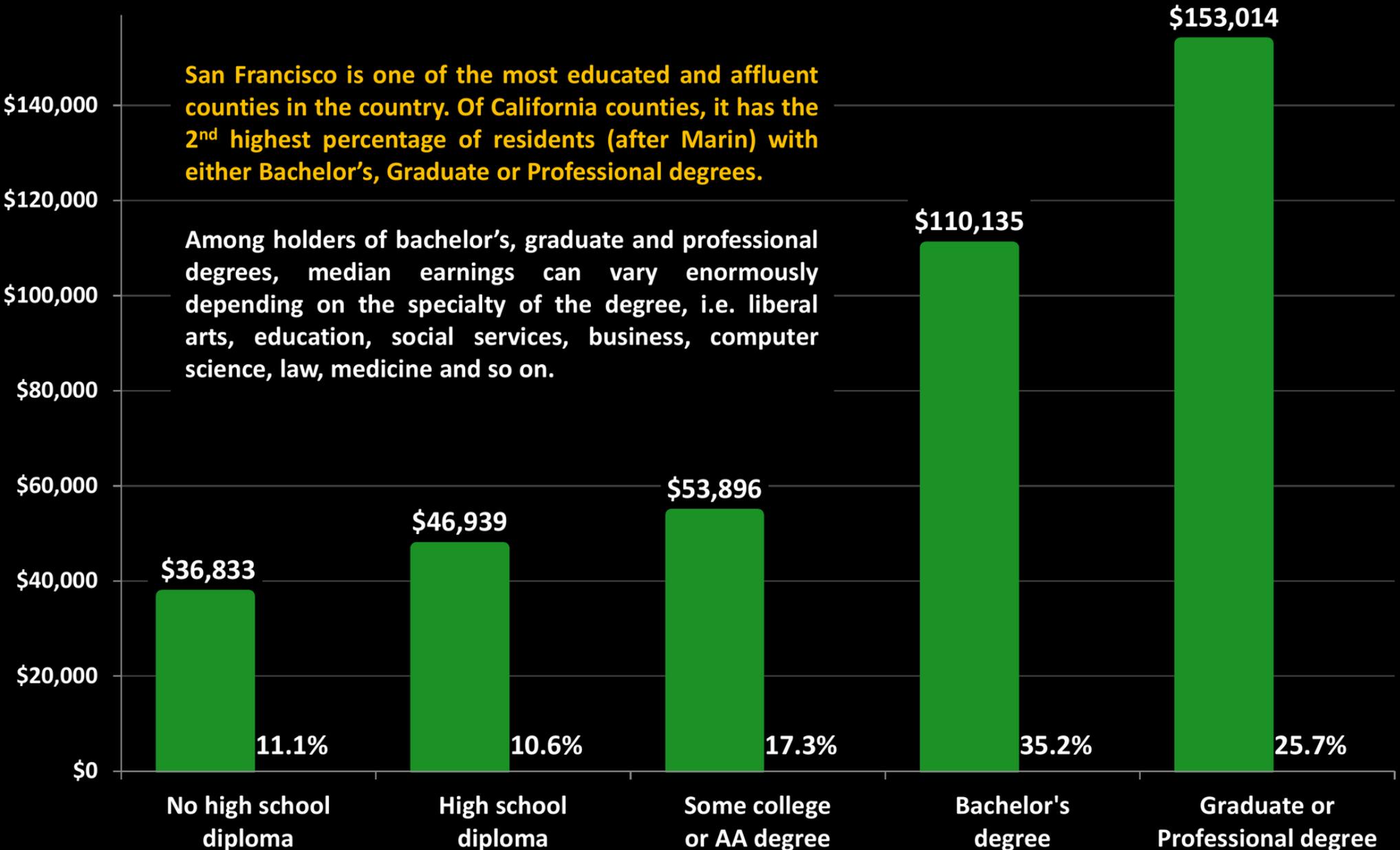


San Francisco Demographic Snapshot

Median Resident Earnings & Percentage of Population by Level of Education*

San Francisco is one of the most educated and affluent counties in the country. Of California counties, it has the 2nd highest percentage of residents (after Marin) with either Bachelor's, Graduate or Professional degrees.

Among holders of bachelor's, graduate and professional degrees, median earnings can vary enormously depending on the specialty of the degree, i.e. liberal arts, education, social services, business, computer science, law, medicine and so on.

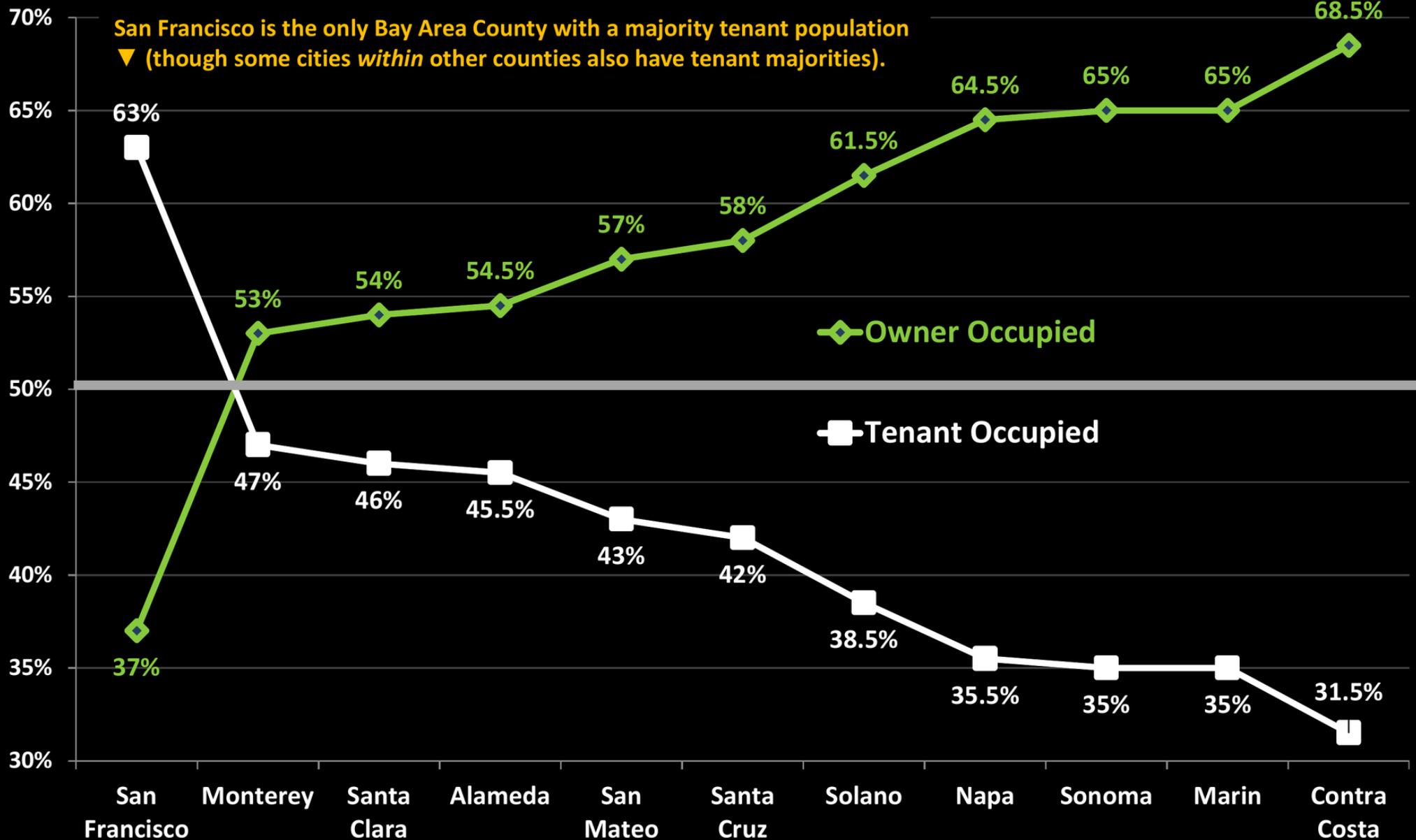


* U.S. Census 2024 ACS 1-Year Estimates, published September 2025. Residents 25+ years of age. Income estimates pertain to residents with earnings. Data from sources deemed reliable, but may contain errors and subject to revision. Estimates often published with significant margins of error.

Owner & Tenant Occupancy

Percentage of Housing Units, by Bay Area County

Per U.S. Census 2024 1-Year ACS estimates published September 2025

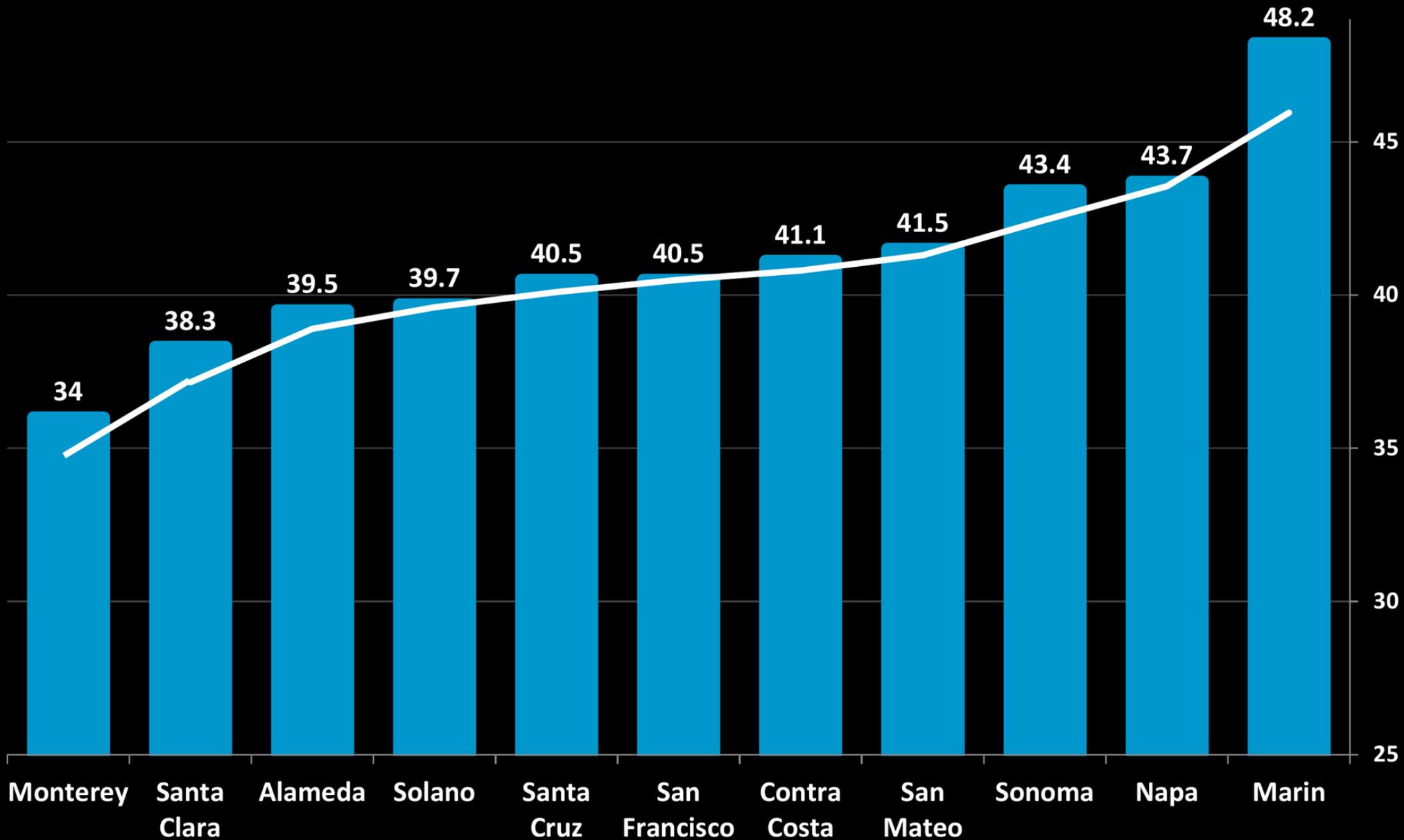


Percentage of occupied housing units occupied by owners or tenants. Data derived from sources deemed reliable, but may contain errors and are subject to revision. All numbers approximate.



Median Age of Residents by Bay Area County

2024 U.S. Census ACS 1-year
estimates, released 9/2025

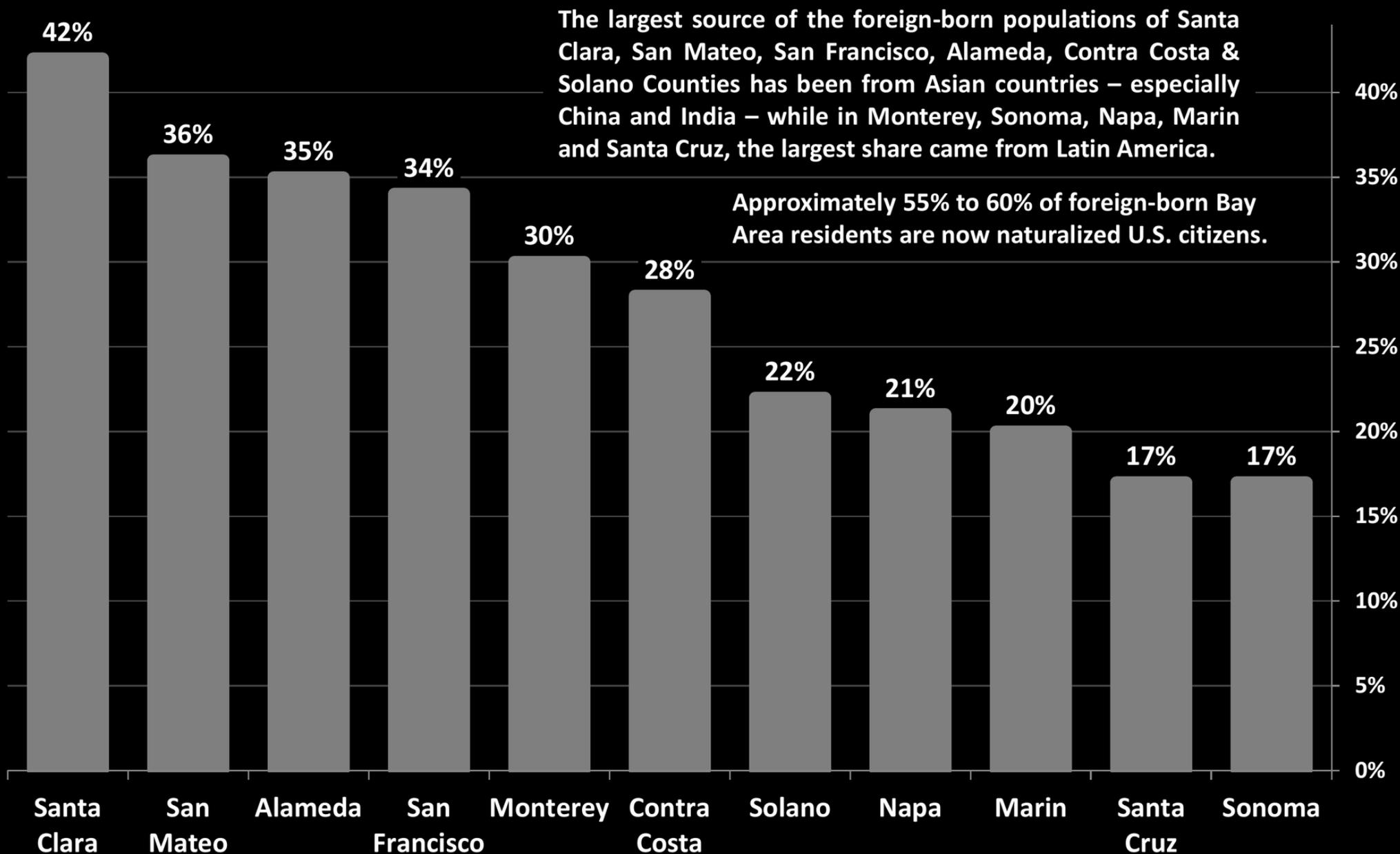


Derived from sources deemed reliable, but may contain errors and are subject to revision. All numbers should be considered approximate.

Foreign-Born Residents

Percentage of Population, by Bay Area County

2024 U.S. Census ACS 1-year estimates, released 9/2025



These analyses were performed in good faith with data derived from sources deemed reliable, but may contain errors and are subject to revision. Published with margins of error. All numbers approximate.

Bay Area market reports.

The most up-to-date and comprehensive analysis of San Francisco home prices, values, conditions and trends of the San Francisco Bay Area residential real estate market.

[Click Here for COMPASS Bay Area Market Reports](#)

San Francisco Home Prices, Market Conditions & Trends

July 2022. The economic headwinds that have been building over recent months are now having very significant impacts on the market's supply and demand dynamics, and year-over-year home-price appreciation rates.

[Read more](#)



Santa Clara County Home Prices, Market Conditions

July 2022. Real estate market conditions, house and condo prices, supply and demand trends, luxury home sales in Santa Clara County, f...

[Read more](#)



San Mateo County Home Prices, Market Conditions

July 2022. The San Mateo County real estate market: The economic headwinds that have been building over recent months are now having ...

[Read more](#)



Marin County Home Prices, Market Conditions & Trends

July 2022. Home prices in the cities and towns of affluent Marin County, market conditions and trends, luxury home sales, supply and d...

[Read more](#)

