



# The San Francisco Apartment Building Market

## January 2026 Multi-Family Market Report for Residential 5+ Unit Buildings

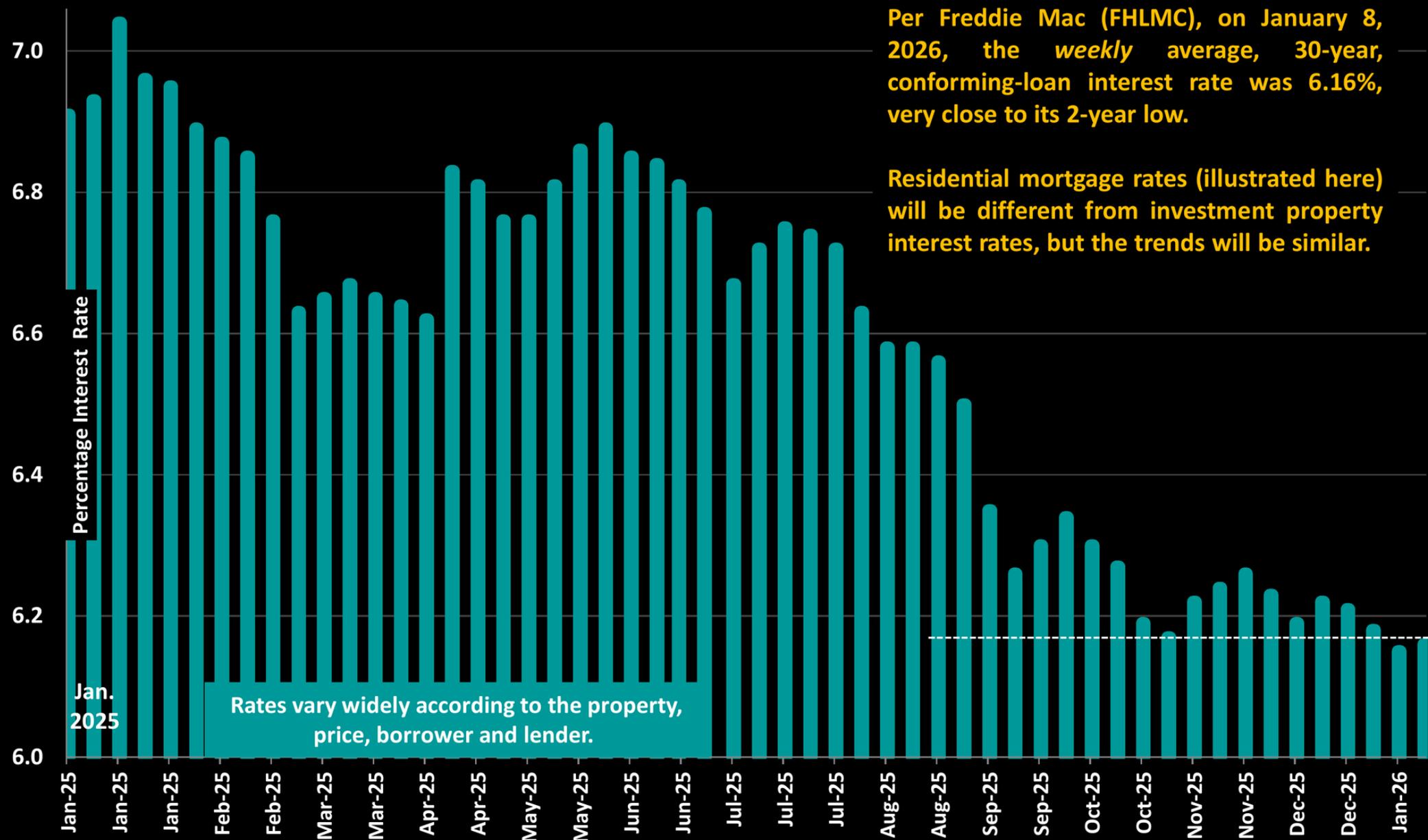
5+ unit residential income buildings: Market activity reported to NorCal MLS Alliance by early January 2026. This market consists of a relatively small number of sales, of buildings of widely varying sizes, qualities and financial characteristics, across a broad range of locations: This makes meaningful statistical analysis more difficult. The statistics in this report should be considered *general indicators*, not exact measurements applicable to any particular property. All numbers are approximate.

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**With the AI startup boom expanding rapidly, the large year-over-year increase in rental rates (approximately 12%), 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.**

# Mortgage Interest Rates in 2025 – 2026 YTD

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

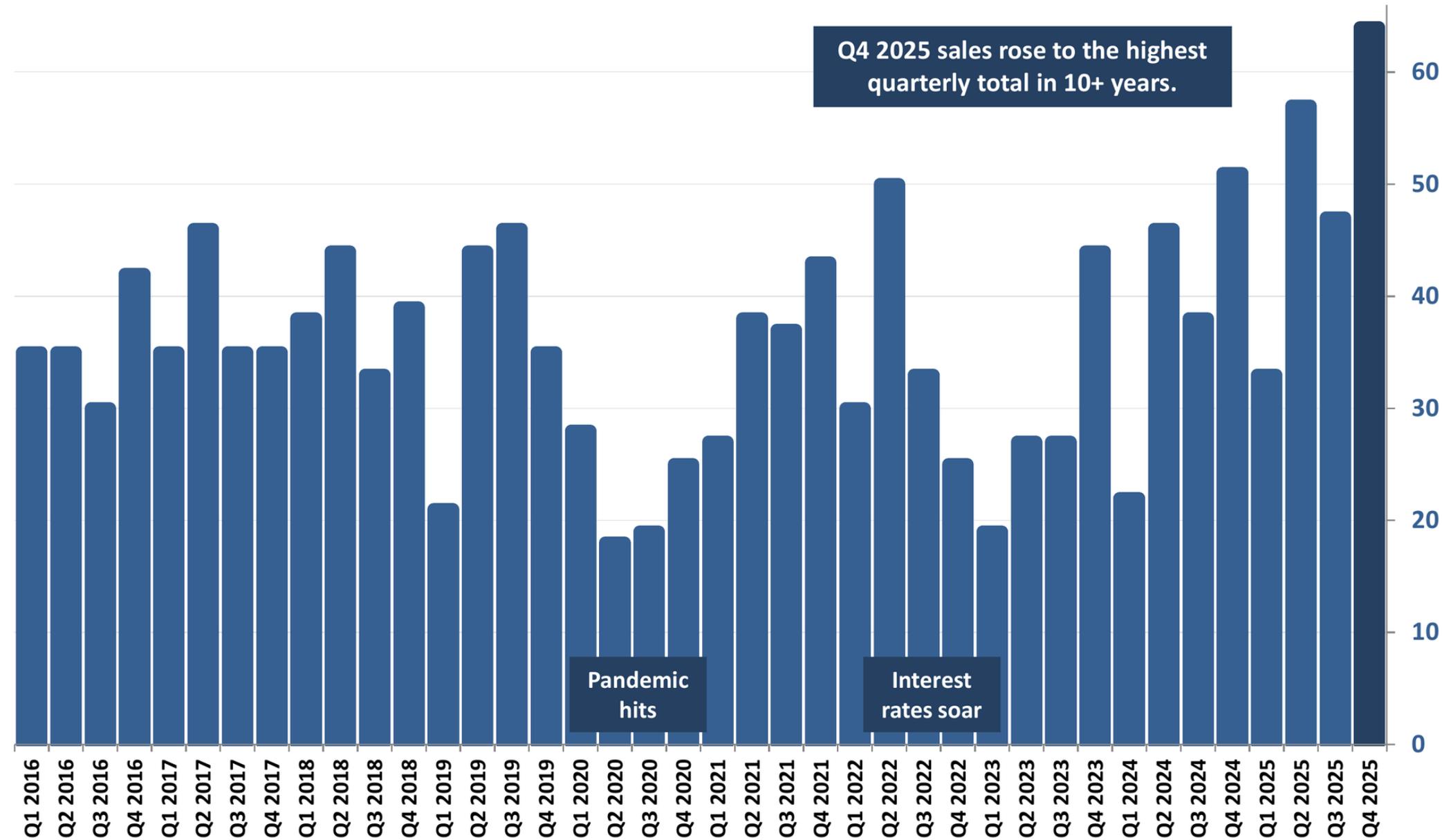


\*Freddie Mac (FHLMC), 30-Year Fixed Rate Mortgage Weekly Average: <https://www.freddiemac.com/pmms>. Data from sources deemed reliable. Different sources of mortgage data sometimes vary in their determinations of daily and weekly rates. Data from sources deemed reliable but may contain errors. All numbers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



# Listings Closing Sale by Quarter since 2016

## San Francisco Apartment Building Market – 5+ Units



Q4 2025 sales rose to the highest quarterly total in 10+ years.

Pandemic hits

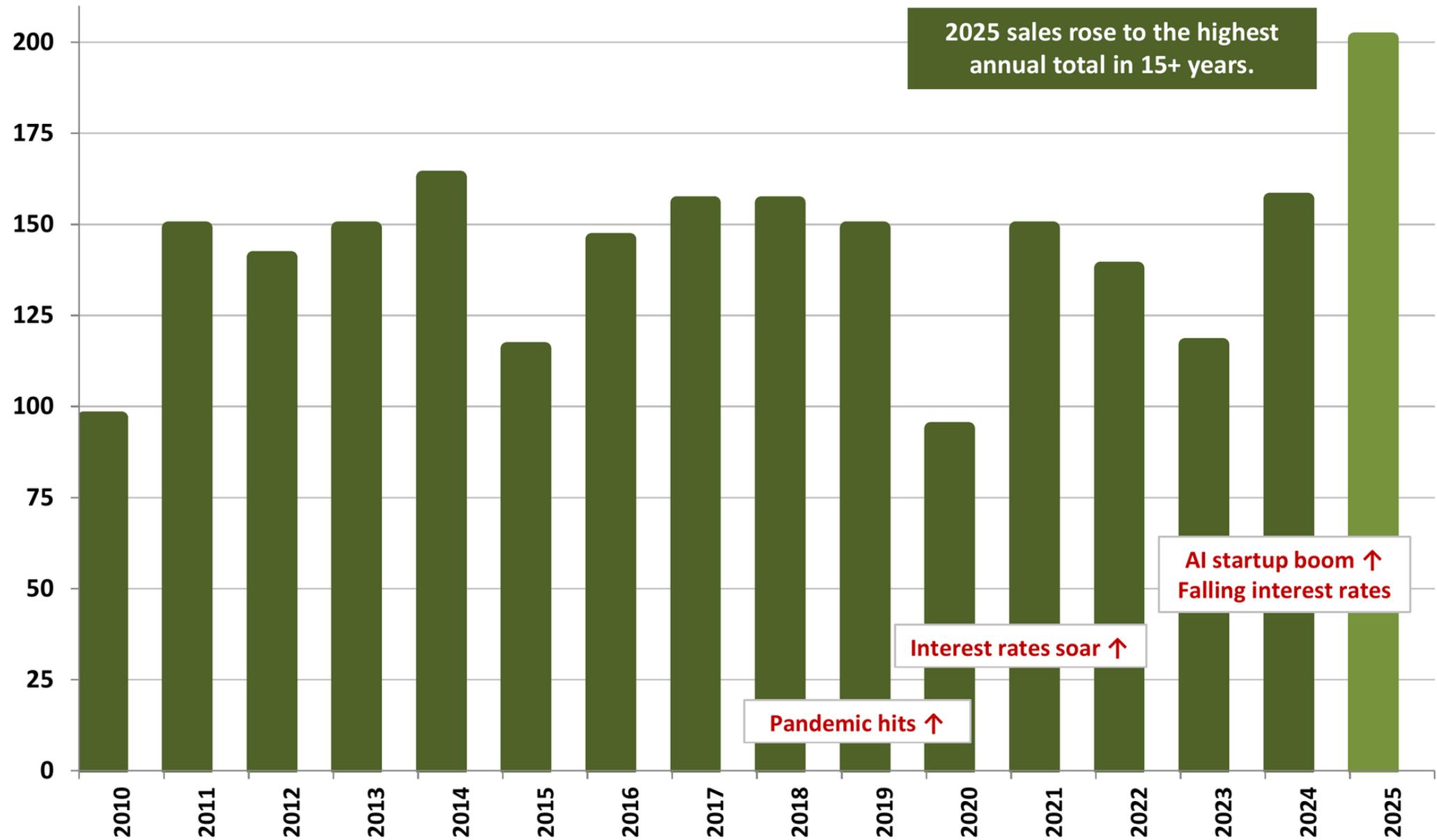
Interest rates soar

\*Sales reported to NorCal Regional MLS by 1/8/26. Data from sources deemed reliable but may contain errors and subject to revision. All numbers approximate and may change with late-reported sales. Not all sales are reported to MLS.



# Listings Closing Sale by Year since 2010

## San Francisco Apartment Building Market – 5+ Units

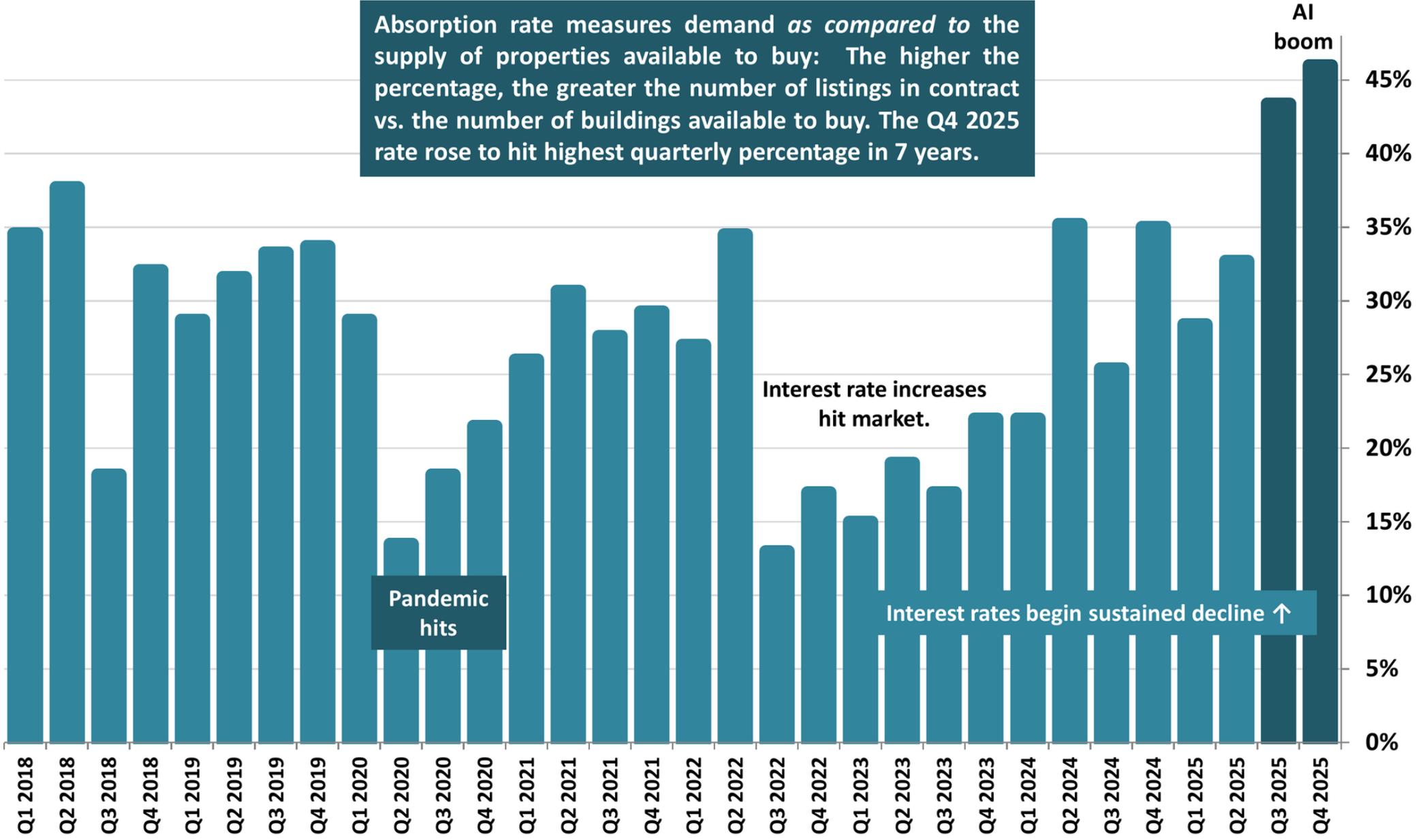


Sales reported to MLS. Data from sources deemed reliable but may contain errors and is subject to revision. 2025 sales estimated using data available in early January 2026. All numbers are approximate and may change with late reported sales.

# Percentage of Listings Accepting Offers in Quarter

## San Francisco 5+ Unit, Multi-Family Building Market Dynamics

Absorption rate measures demand *as compared to* the supply of properties available to buy: The higher the percentage, the greater the number of listings in contract vs. the number of buildings available to buy. The Q4 2025 rate rose to hit highest quarterly percentage in 7 years.

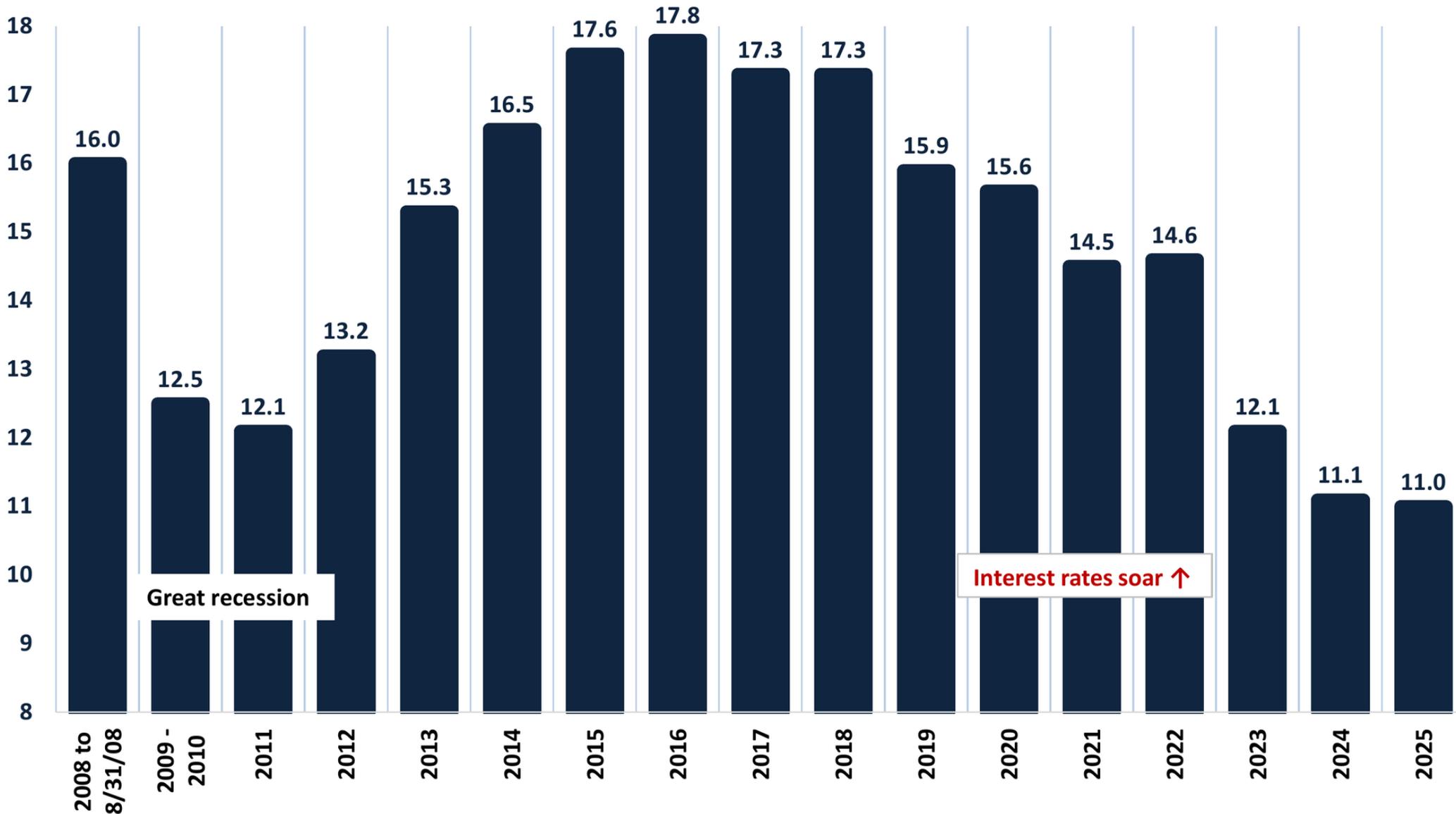


Per SFARMLS sales data. These analyses were performed in good faith with data derived from sources deemed reliable but may contain errors and are subject to revision. Percentages rounded. All numbers to be considered approximate and may change with late-reported activity. Not all listings or sales are reported to MLS.

# Average Gross Rent Multiple by Year

## San Francisco 5+ Unit Apartment Building Sales

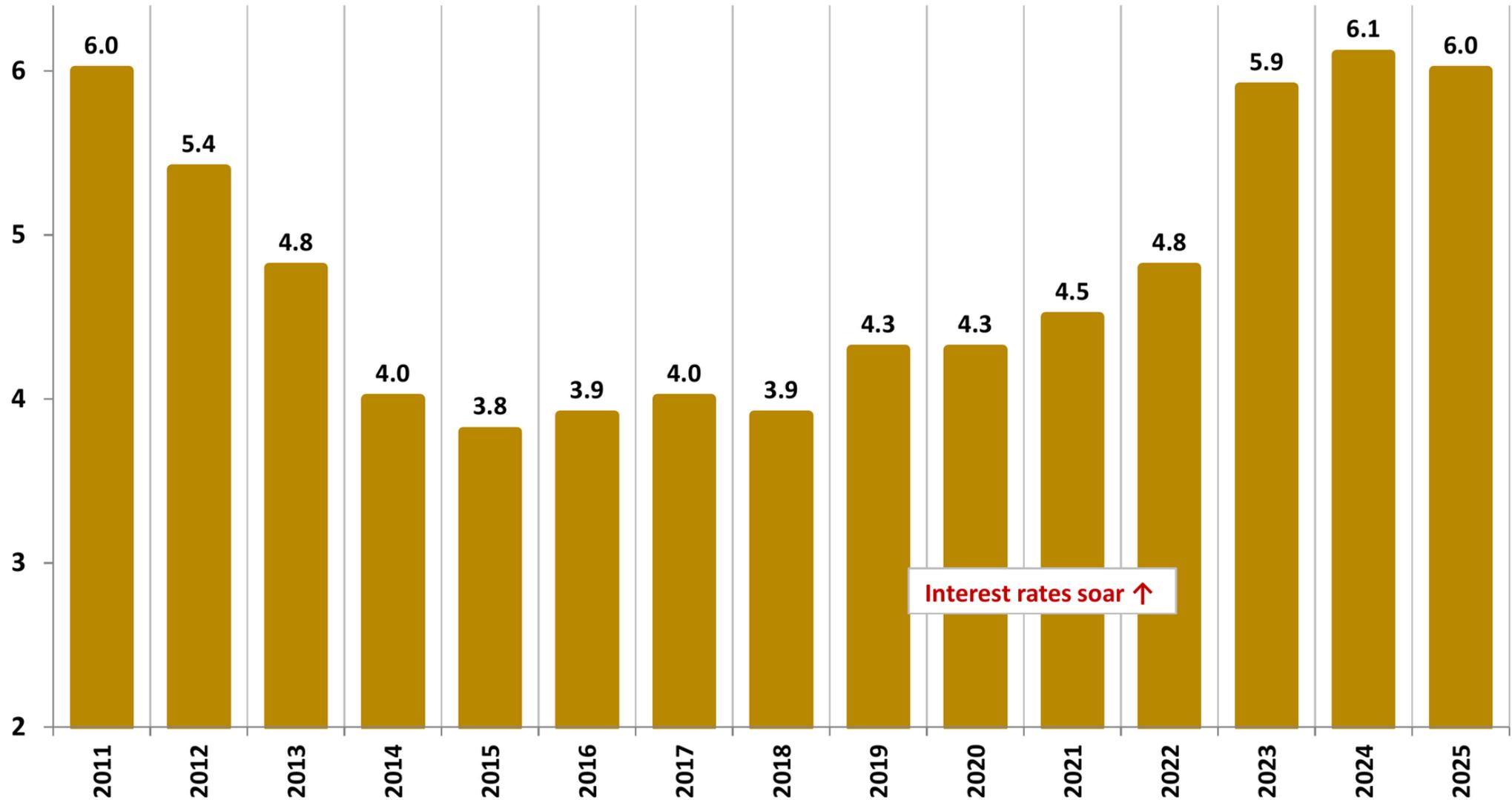
How this analysis applies to any particular property is unknown without a specific comparative market analysis.



GRM is calculated by dividing the sales price by the annual gross rents. It is a very general statistic and all numbers should be considered very approximate. This data is from sources deemed reliable but may contain errors and subject to revision. Outlier sales that would distort the statistic were deleted from the analysis when identified. Based on data provided by listing agents, which can vary in reliability.

# Average Annual Cap Rate\*

## San Francisco 5+ Unit Apartment Building Sales



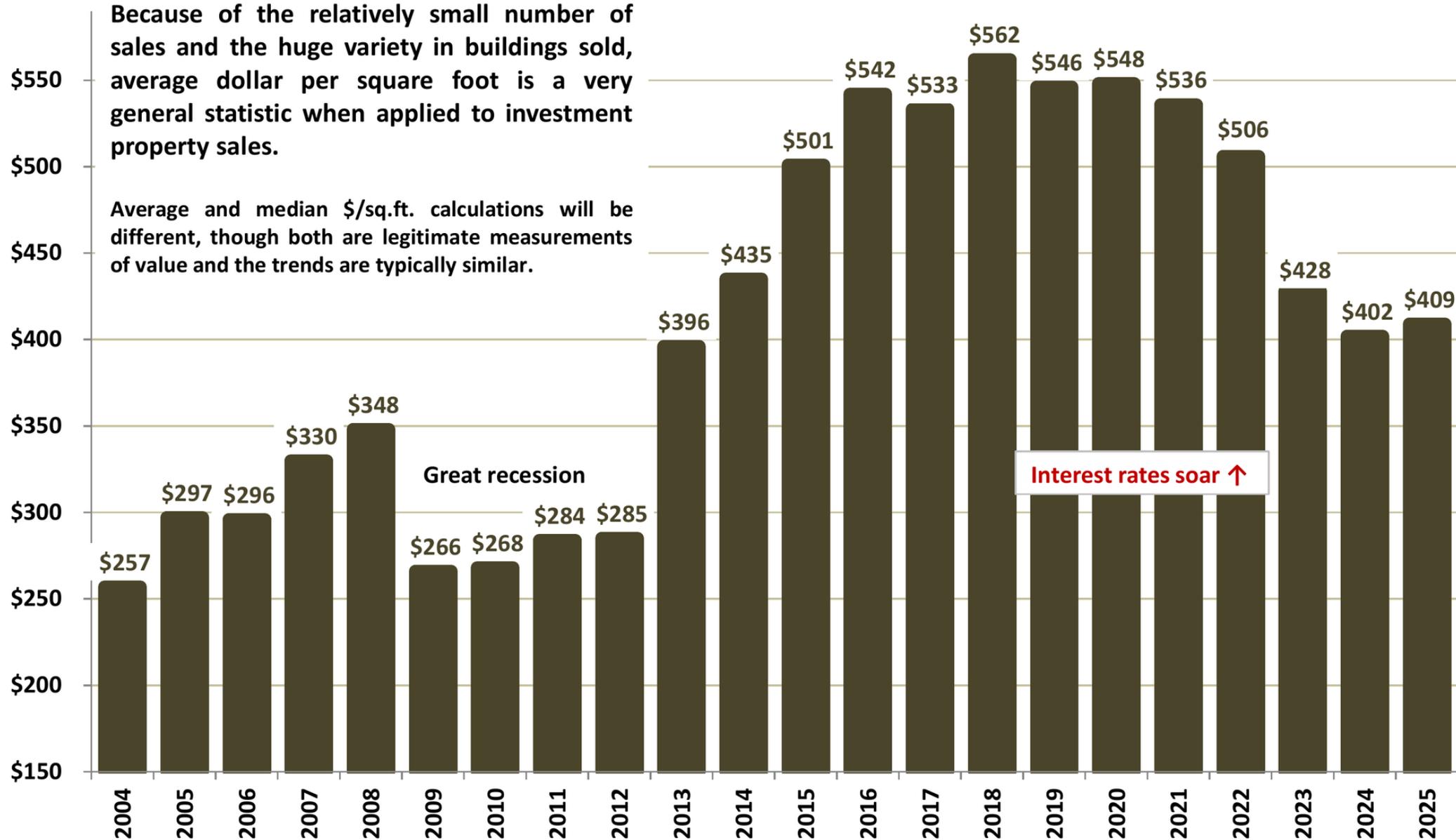
Capitalization rate calculations – sales price divided by net income (excluding mortgage costs), or return on investment as if the property had been purchased all cash – are only as good as the income and expense data provided by listing agents and should be considered general approximations. Data from sources deemed reliable but may contain errors and is subject to revision. Outlier sales that would distort the statistic were deleted from analysis when identified.

# Average Dollar per Square Foot by Year

## San Francisco 5+ Unit Apartment Building Sales

Because of the relatively small number of sales and the huge variety in buildings sold, average dollar per square foot is a very general statistic when applied to investment property sales.

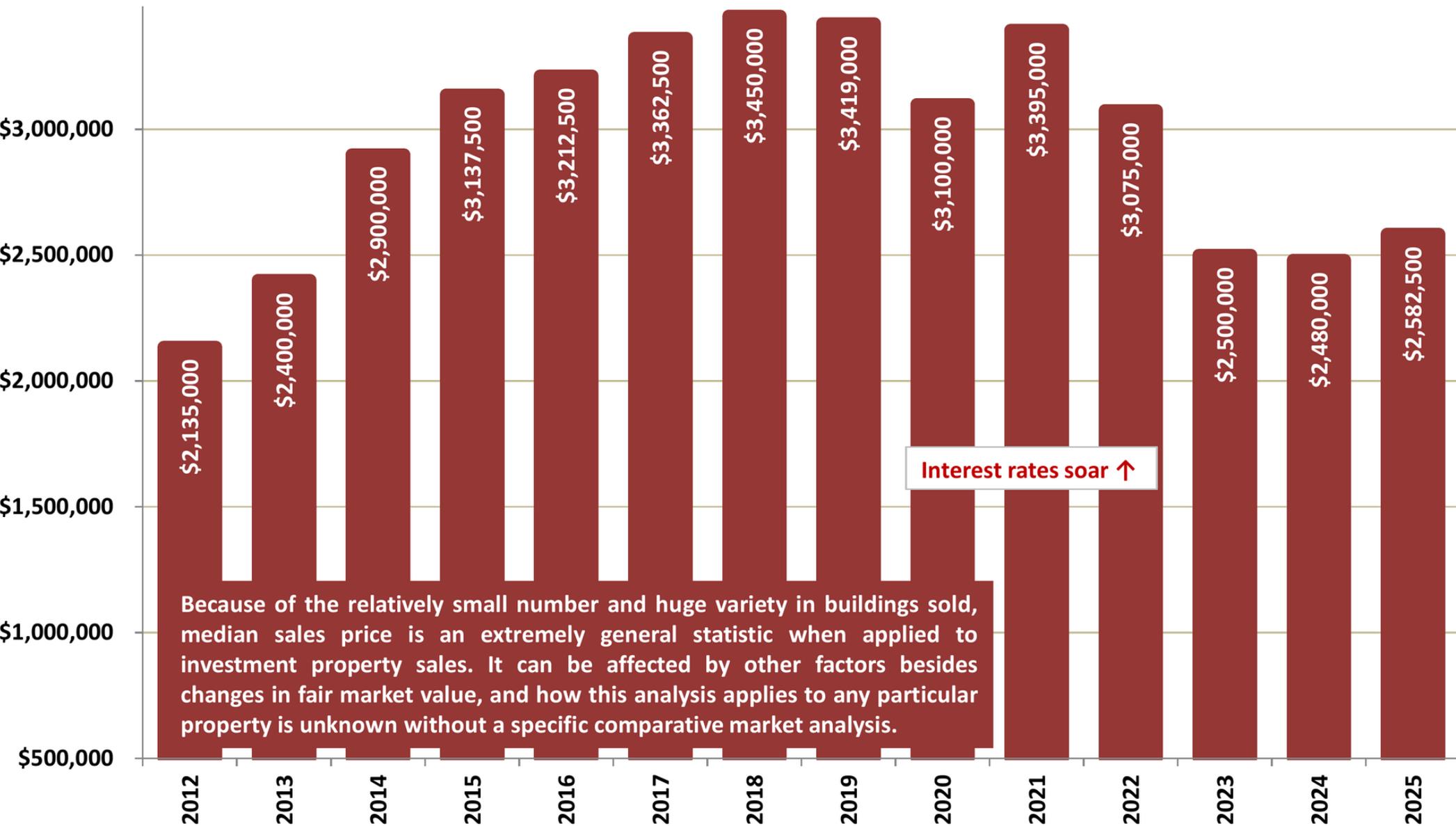
Average and median \$/sq.ft. calculations will be different, though both are legitimate measurements of value and the trends are typically similar.



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

# Median Sales Price by Year

## San Francisco 5+ Unit Apartment Building Sales

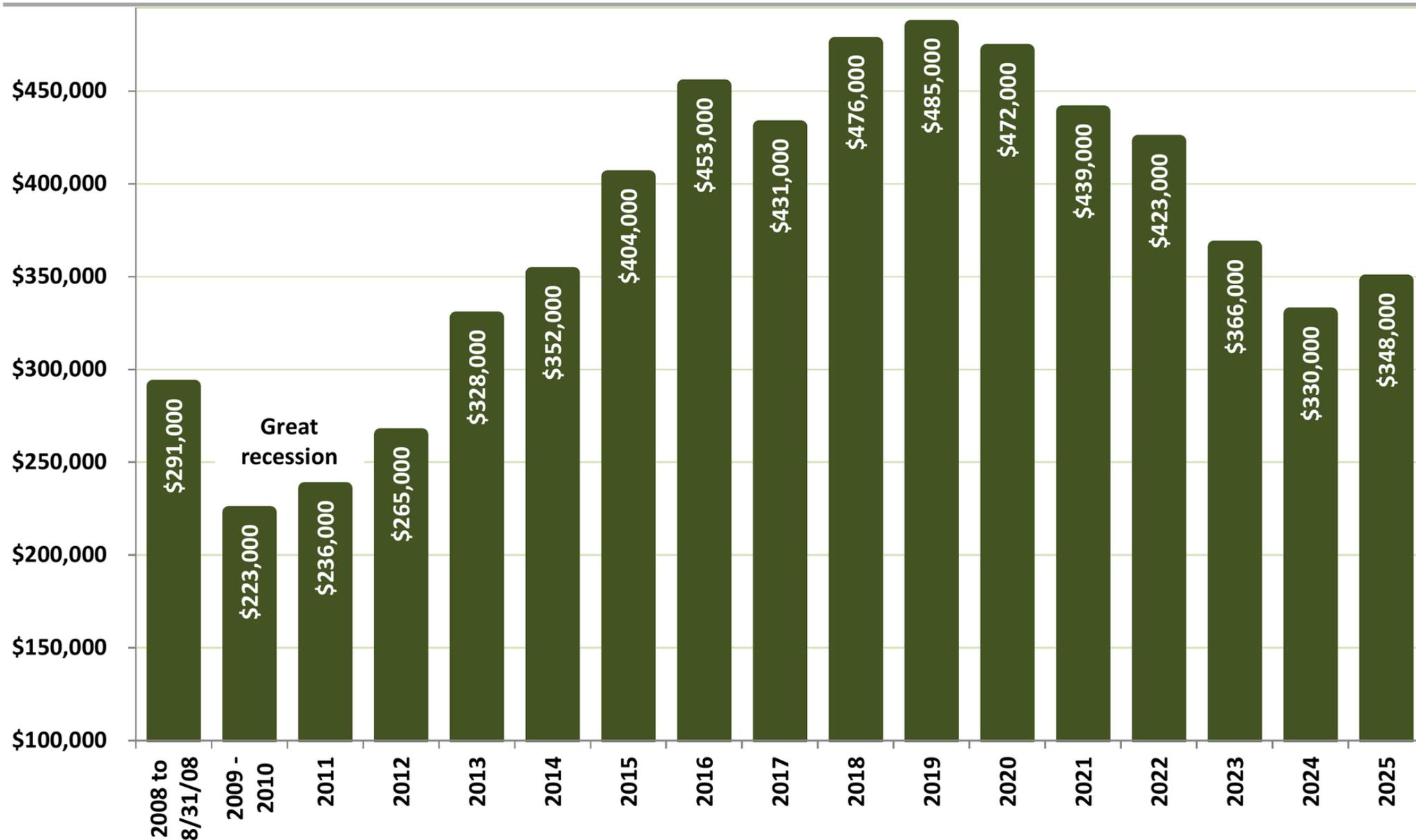


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# Average Price per Unit by Year

## San Francisco 5+ Unit Apartment Building Sales

How this analysis applies to any particular property is unknown without a specific comparative market analysis.



Because of the huge variety in buildings sold, this is a very general statistic when applied to SF investment property sales. This data is from sources deemed reliable but may contain errors and subject to revision. Outlier sales deleted when identified. All numbers should be considered very approximate.

# 5+ Unit Multi-Family Building Markets

## 2025 Sales, by San Francisco Realtor District\*

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

San Francisco Realtor District	Median Sales Price	Median \$/Sq.Ft.	Median # of Units	Median Size (Sq.Ft.)	Median GRM/ Cap Rate*	Avg. Days on Market
Pacific & Presidio Heights, Cow Hollow & Marina (D7)	\$4,850,000	\$473/sq.ft.	12 units	8925 sq.ft.	12.5/ 5.3	42 days
Noe, Eureka & Cole Valleys; Ashbury & Corona Hghts (D5)	\$2,300,000	\$385/sq.ft.	6 units	5534 sq.ft.	11.2/ 5.8	55 days
Lake Street, Richmond District, Jordan Park (D1)	\$2,650,000	\$427/sq.ft.	8 units	5790 sq.ft.	11.2/ 5.8	51 days
NoPa, Alamo Square, Hayes Valley, Lwr Pacific Heights (D6)	\$3,050,000	\$385/sq.ft.	7 units	7907 sq.ft.	10.6/ 6.0	49 days
Russian, Nob & Telegraph Hills; North Beach (D8, North)	\$2,760,000	\$408/sq.ft.	7 units	7075 sq.ft.	11.5/ 5.9	71 days
Sunset, Parkside (District 2)	\$2,035,000	\$400/sq.ft.	6 units	4385 sq.ft.	11.0/ 6.2	35 days
Mission, Bernal Heights, Potrero Hill, SoMa (D9)	\$1,777,000	\$320/sq.ft.	6 units	6364 sq.ft.	10.2/ 6.7	72 days
Downtown, Tenderloin, Civic Center (D8, South)	\$2,600,000	\$295/sq.ft.	17 units	11,500 sq.ft.	8.9/ 7.2	111 days

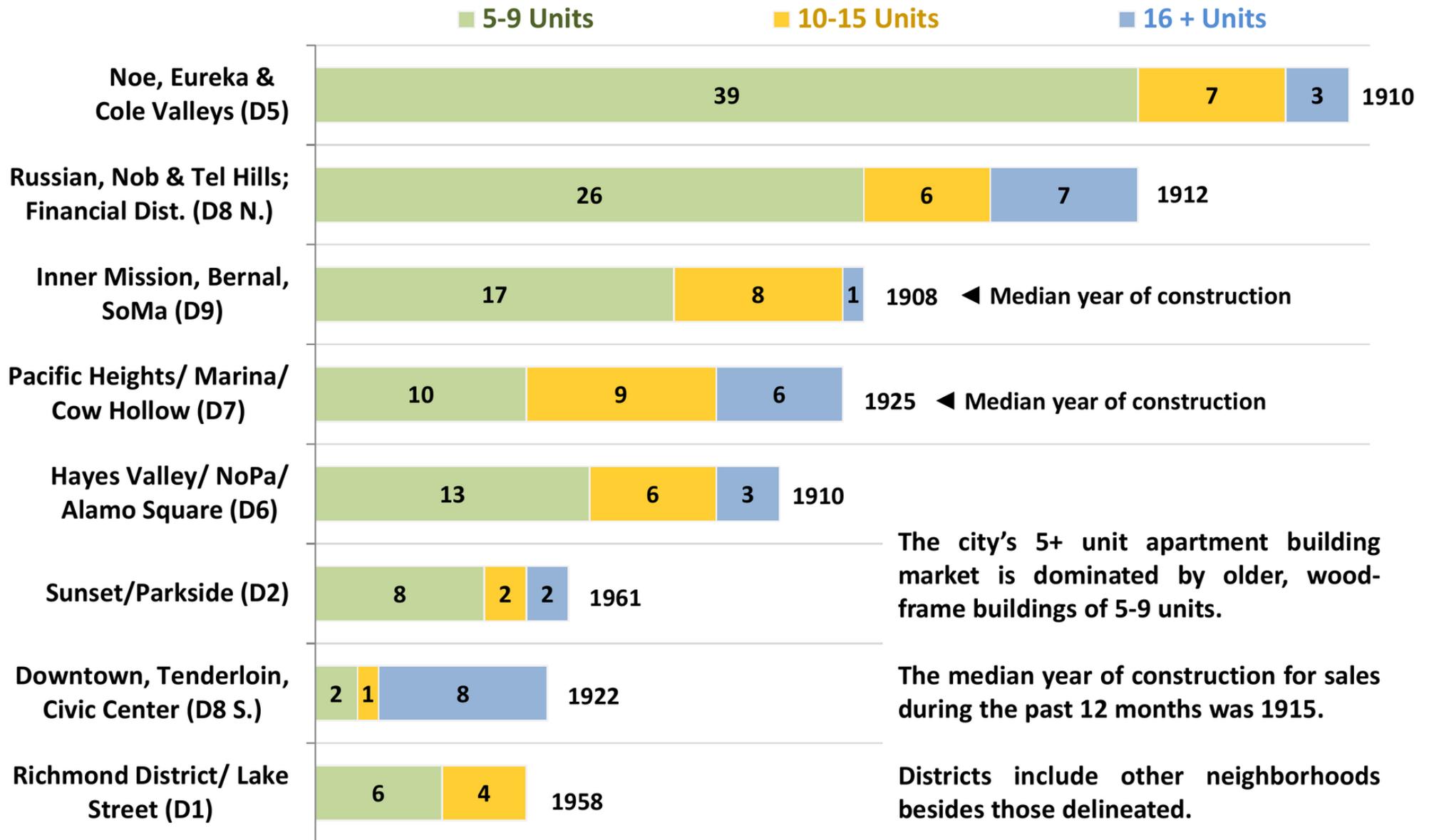
\* GRM = Gross Rent Multiple. Median price is that price at which half the sales occurred for more and half for less. Dollar per square foot is based upon the building's interior living space and does not include garages, storage, unfinished attics and basements, or rooms built without permit. Cap rate measures the % return on investment – income less expenses – if the property was purchased all cash. These statistics are gross generalities for sales with wide disparities in size, quality, condition, tenant profile, rent control factors, and values. Realtor districts contain neighborhoods of varying values. Not all sales are reported to MLS.

\*12 months sales reported to NorCal MLS Alliance through December 2025. Data from sources deemed reliable but may contain errors and subject to revision. Not all sales reported the data used in this analysis. May include some mixed-use properties. All numbers approximate and may change with late-reported sales.

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# Multi-Unit Residential Property Sales, 5+ Units

## 2025 Sales, by San Francisco Realtor District\*



The city's 5+ unit apartment building market is dominated by older, wood-frame buildings of 5-9 units.

The median year of construction for sales during the past 12 months was 1915.

Districts include other neighborhoods besides those delineated.

\*2025 months sales reported to NorCal MLS Alliance by early January 2026. Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate, and late reported sales may change numbers. Not all sales are reported to MLS. Other city districts had fewer sales in the period.



# San Francisco 5+ Unit Apartment Building Sales

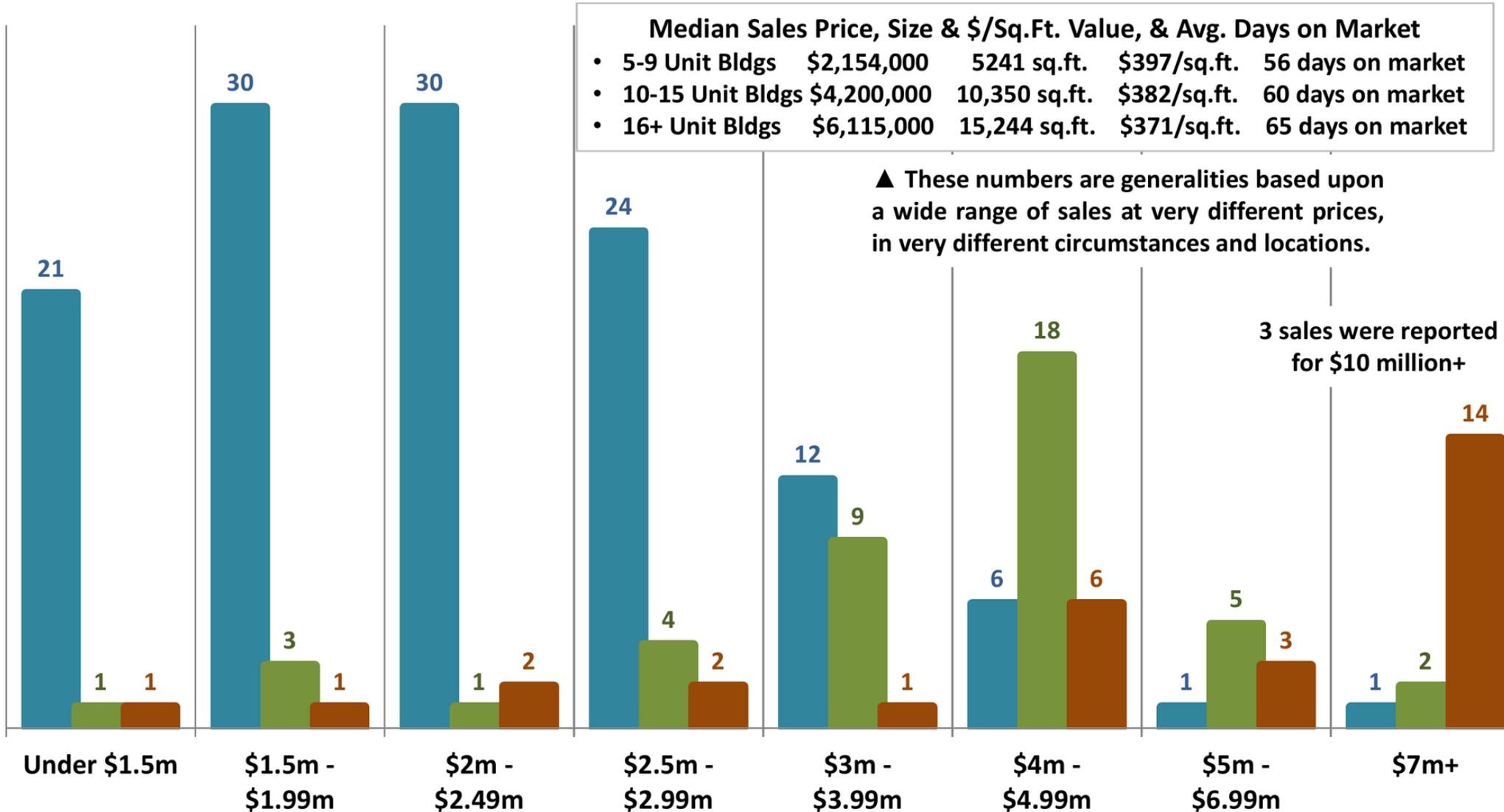
## 2025 Sales by Price Segment\*

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

■ 5-9 Unit Buildings

■ 10-15 Unit Buildings

■ 16+ Unit Buildings

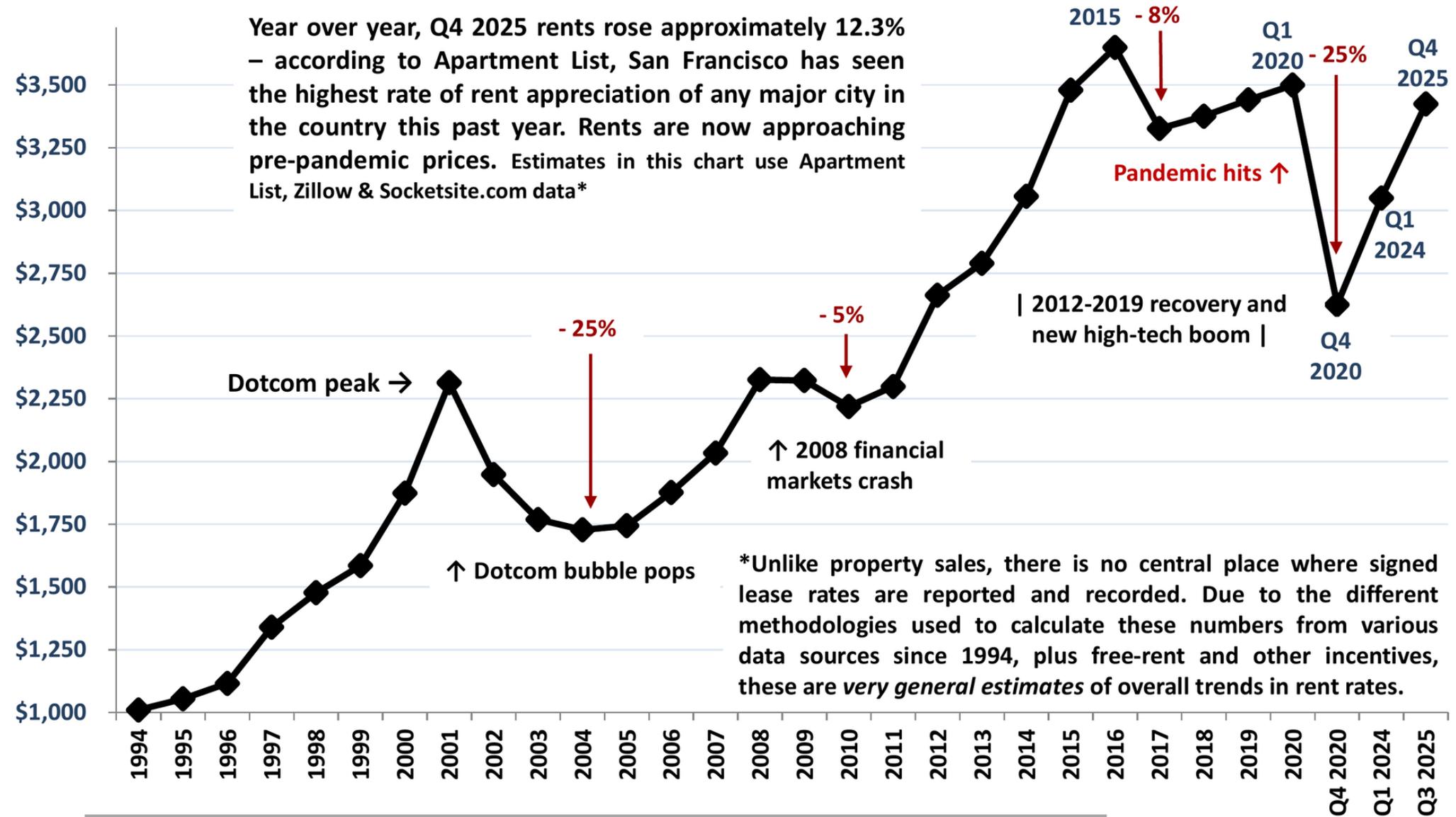


\*2025 sales reported to NorCal MLS Alliance by early January 2026. Data from sources deemed reliable, but subject to error and revision. All numbers approximate and may change with late-reported sales. Not all sales are reported to MLS.

# 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\*

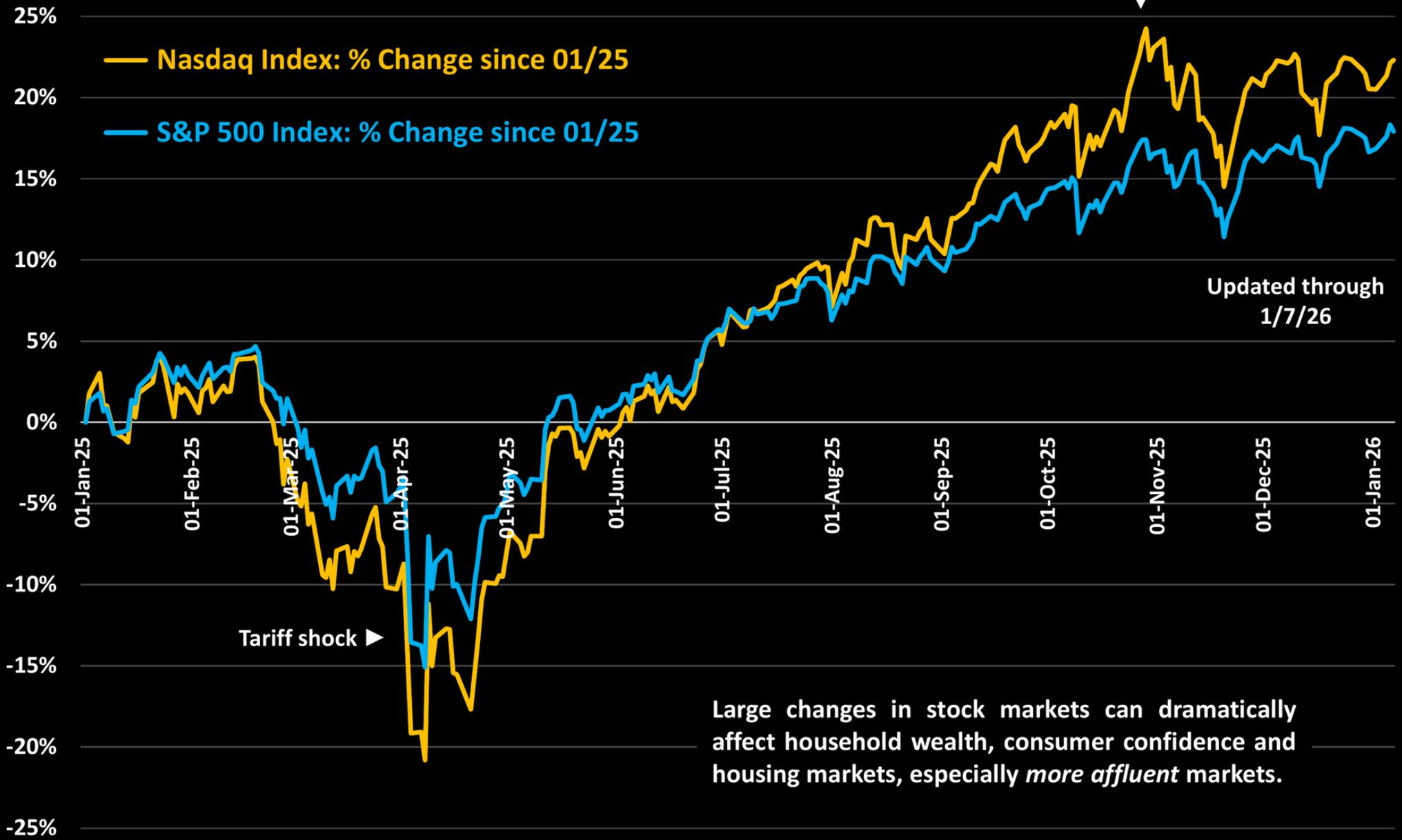


1<sup>st</sup> quarter data points except as noted. Numbers are estimated using data from a variety of rental data sources over the past 25+ years, using differing methodologies. Data from sources deemed reasonably reliable but may contain errors and subject to revision. All numbers are good-faith estimates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

## **Selected Economic Indicators**

# Financial Markets, 2025 – 2026 YTD

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



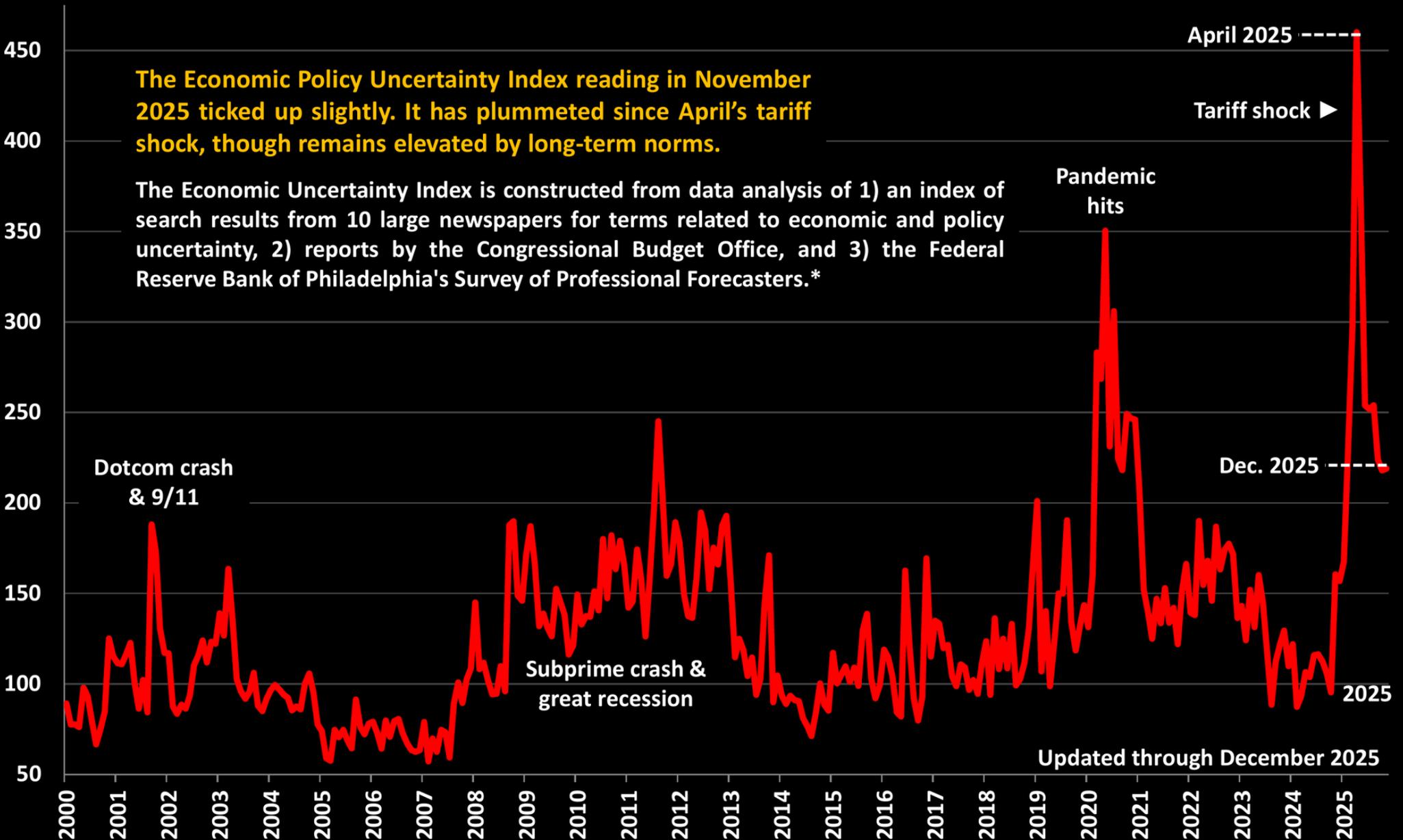
Large changes in stock markets can dramatically affect household wealth, consumer confidence and housing markets, especially *more affluent* markets.

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\*

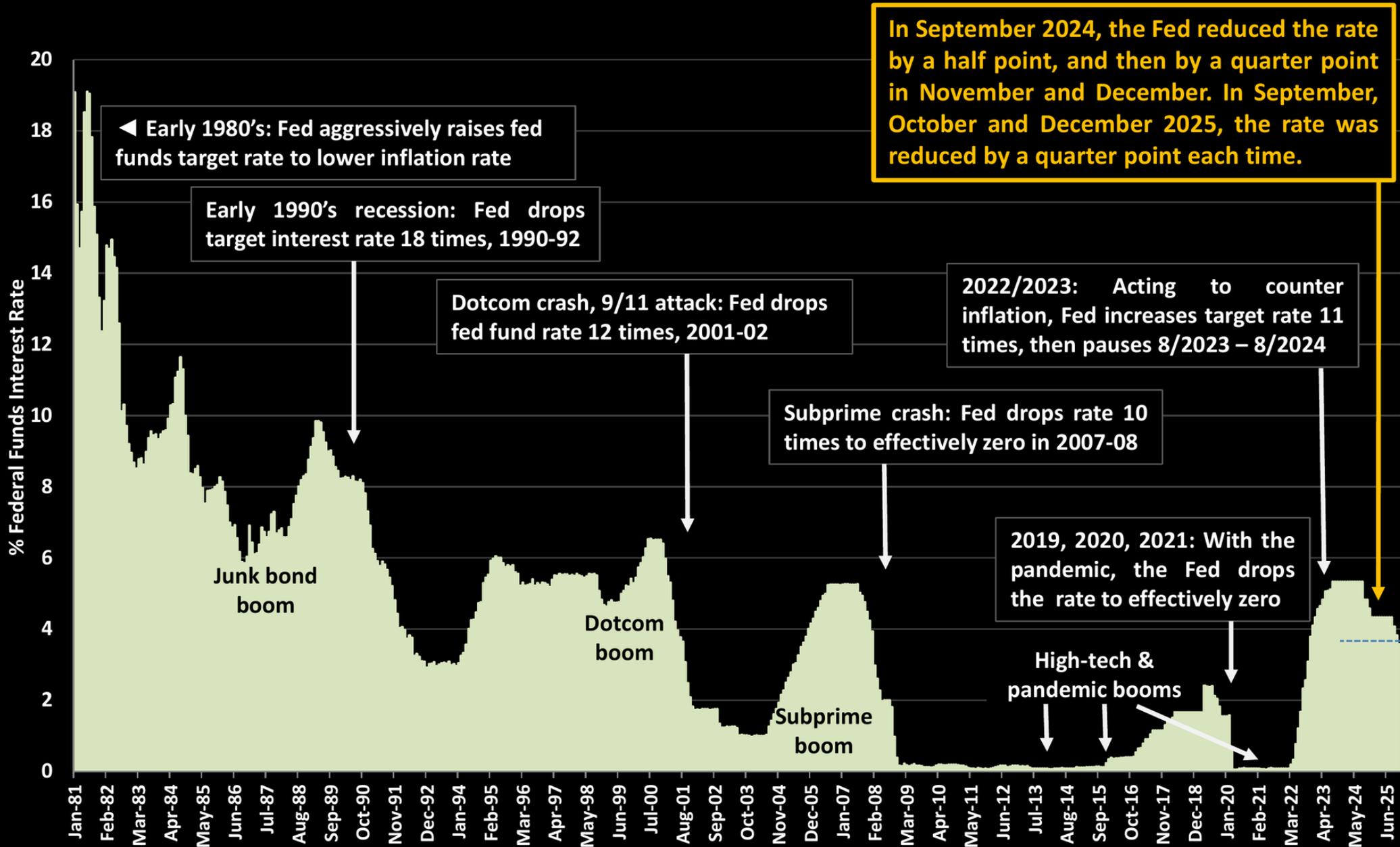
By Month since January 2000



\*Source: 'Measuring Economic Policy Uncertainty' by Scott Baker, Nicholas Bloom and Steven J. Davis, 3-component index, [www.PolicyUncertainty.com](http://www.PolicyUncertainty.com), [https://www.policyuncertainty.com/us\\_monthly.html](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

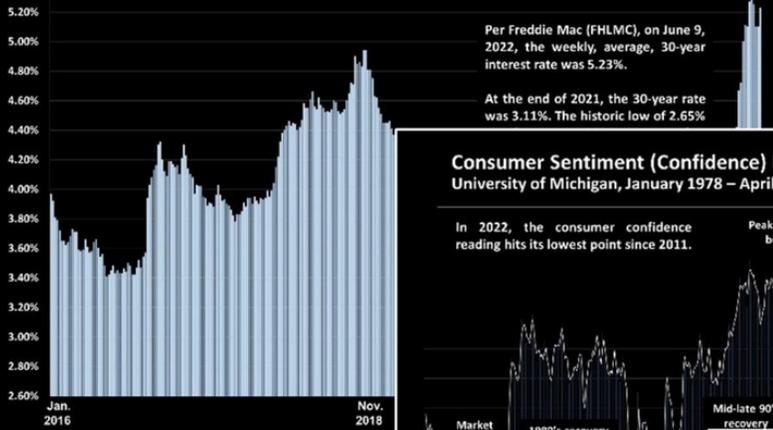


\* Per Federal Reserve Bank of St. Louis and New York; <https://fred.stlouisfed.org/series/FEDFUNDS>;  
Last reading per <https://www.newyorkfed.org/markets/reference-rates/effr>. Other data referenced from sources deemed reliable but may contain errors and subject to revision.

### Mortgage Interest Rate Trends, 2016 – Present

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

Rates published by the FHLMC



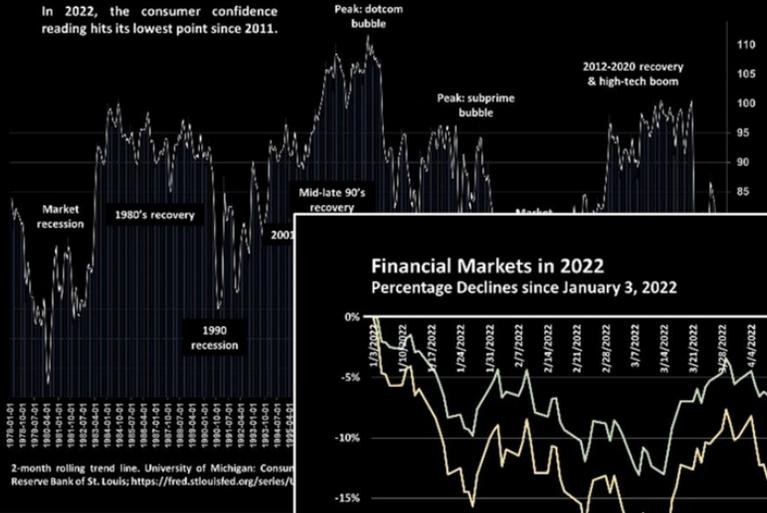
Interest rates may fluctuate suddenly and dramatically, and changes. Data from sources deemed reliable but not guaranteed. Home loans should consult with a qualified mortgage professional.

### Consumer Sentiment (Confidence) Index

University of Michigan, January 1978 – April 2022

As published by the Federal Reserve Bank of St. Louis

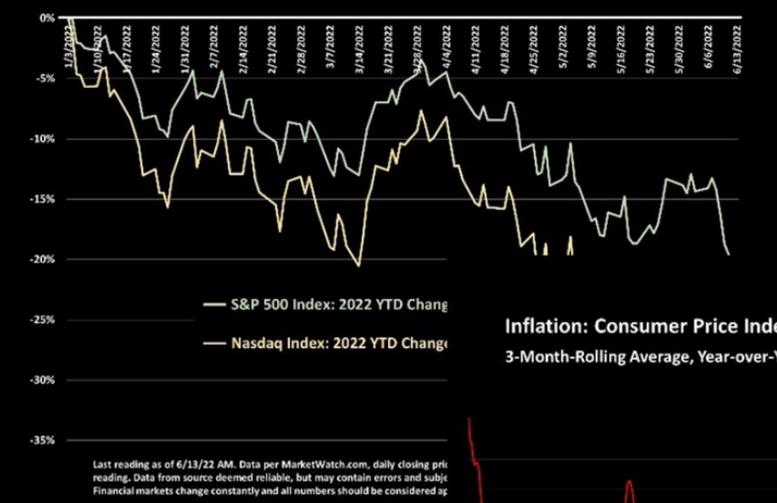
In 2022, the consumer confidence reading hits its lowest point since 2011.



**Click Here for Review of Selected Macroeconomic Trends**

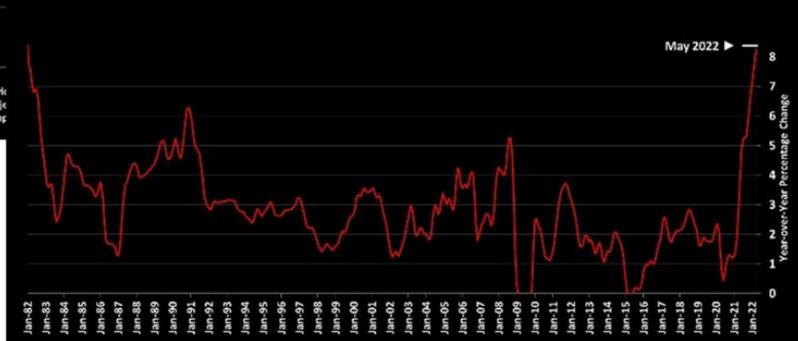
### Financial Markets in 2022

Percentage Declines since January 3, 2022



### Inflation: Consumer Price Index, 1982 – 2022\*

3-Month-Rolling Average, Year-over-Year % Change



\*3-month rolling average of Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPIAUCSL>, June 2022. Data from U.S. Bureau of Labor Statistics. All Items (CPIAUCSL) is a price index of a basket of goods and services paid by urban consumers. This particular index includes roughly 88 percent of the total population. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

### 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, gov't. 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.

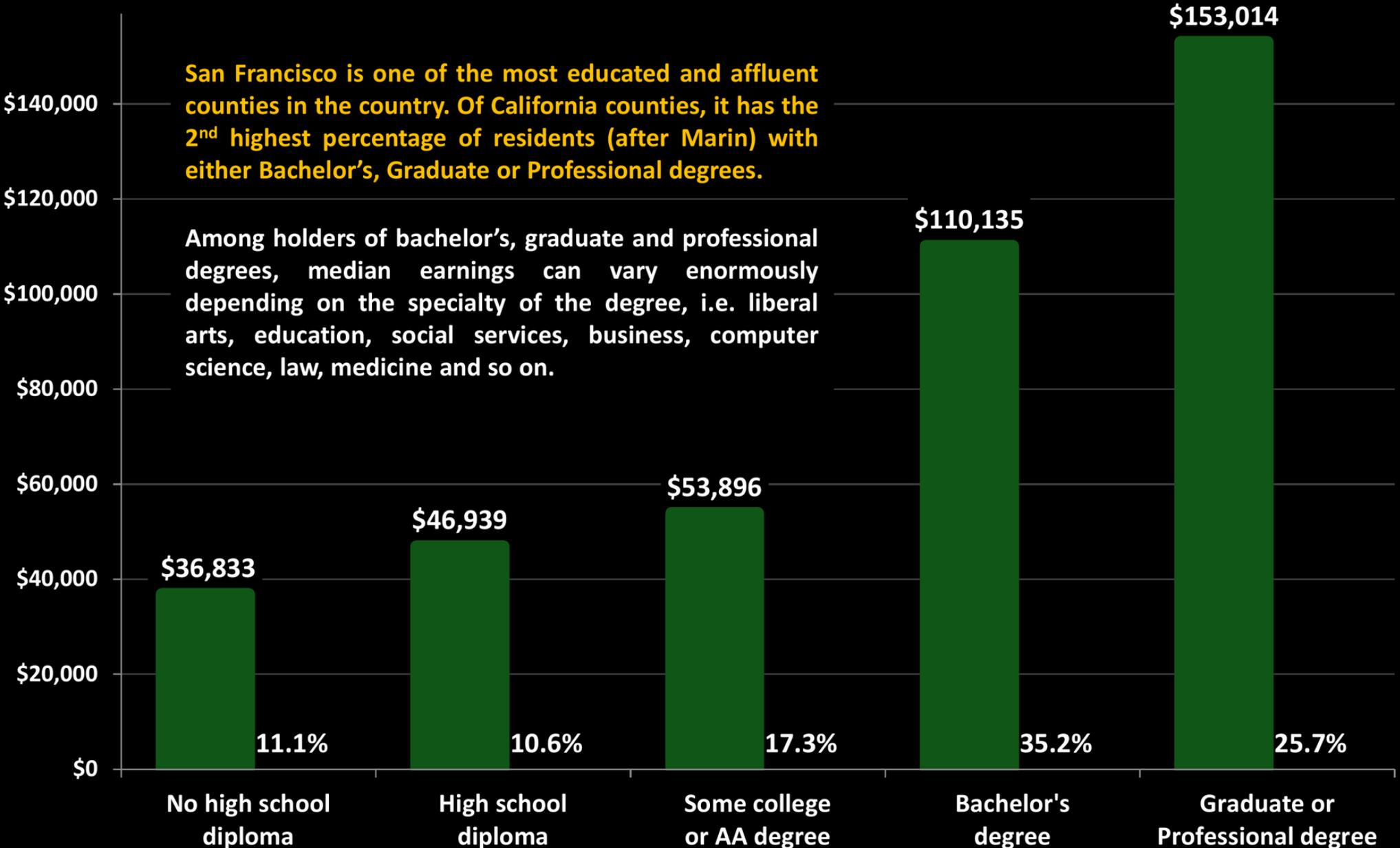
Financial industry manipulation, fraud, engineering, recklessness, e.g. junk bonds, S&L collapse, predatory lending, abandonment of risk mgmt. & underwriting standards, CDOs & rating-agency deceit, insider trading, over-leveraged investing; Irrational exuberance

# 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 2<sup>nd</sup> highest percentage of residents (after Marin) with either Bachelor's, Graduate or Professional degrees.

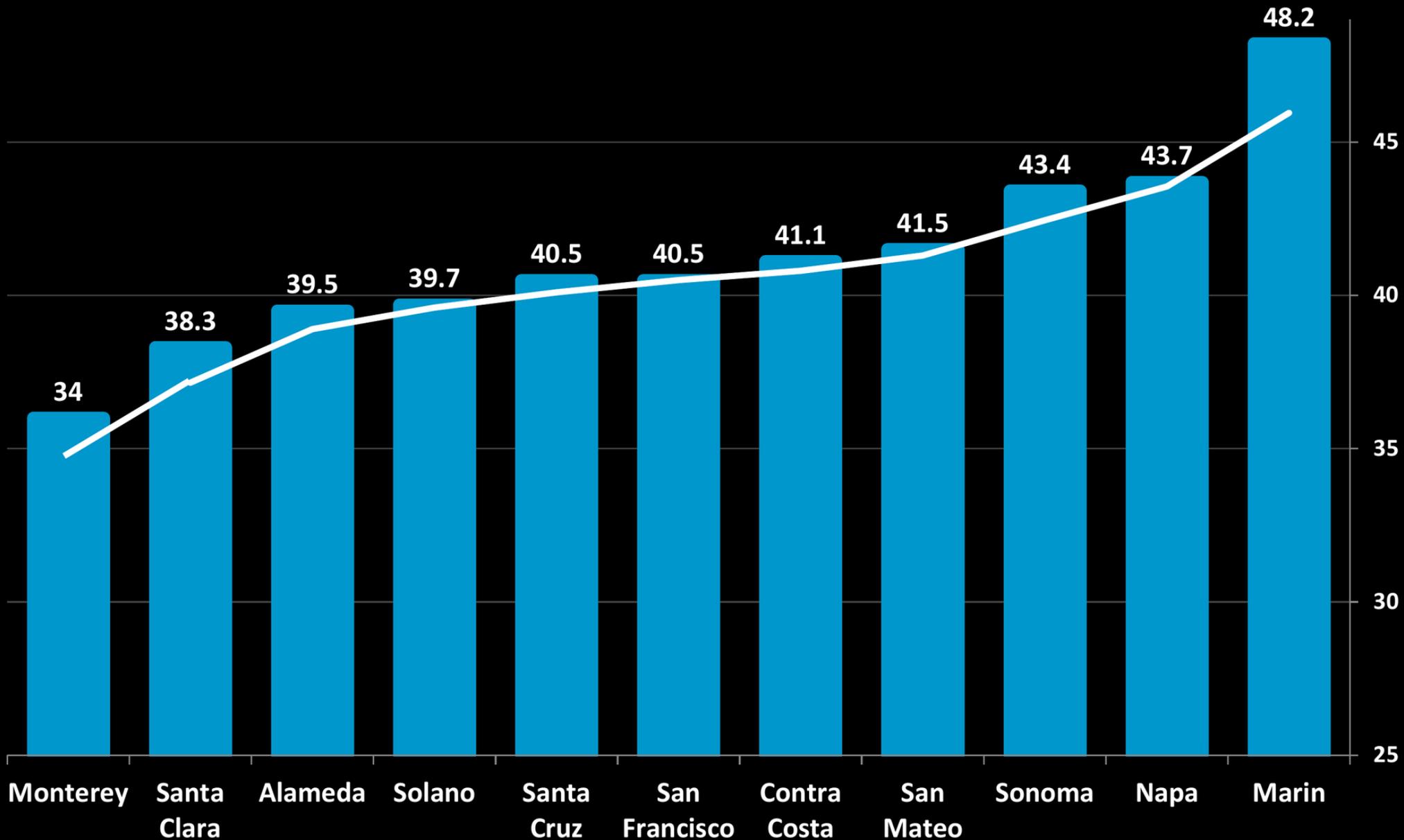
Among holders of bachelor's, graduate and professional degrees, median earnings can vary enormously depending on the specialty of the degree, i.e. liberal arts, education, social services, business, computer science, law, medicine and so on.



\* 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.

# Median Age of Residents by Bay Area County

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

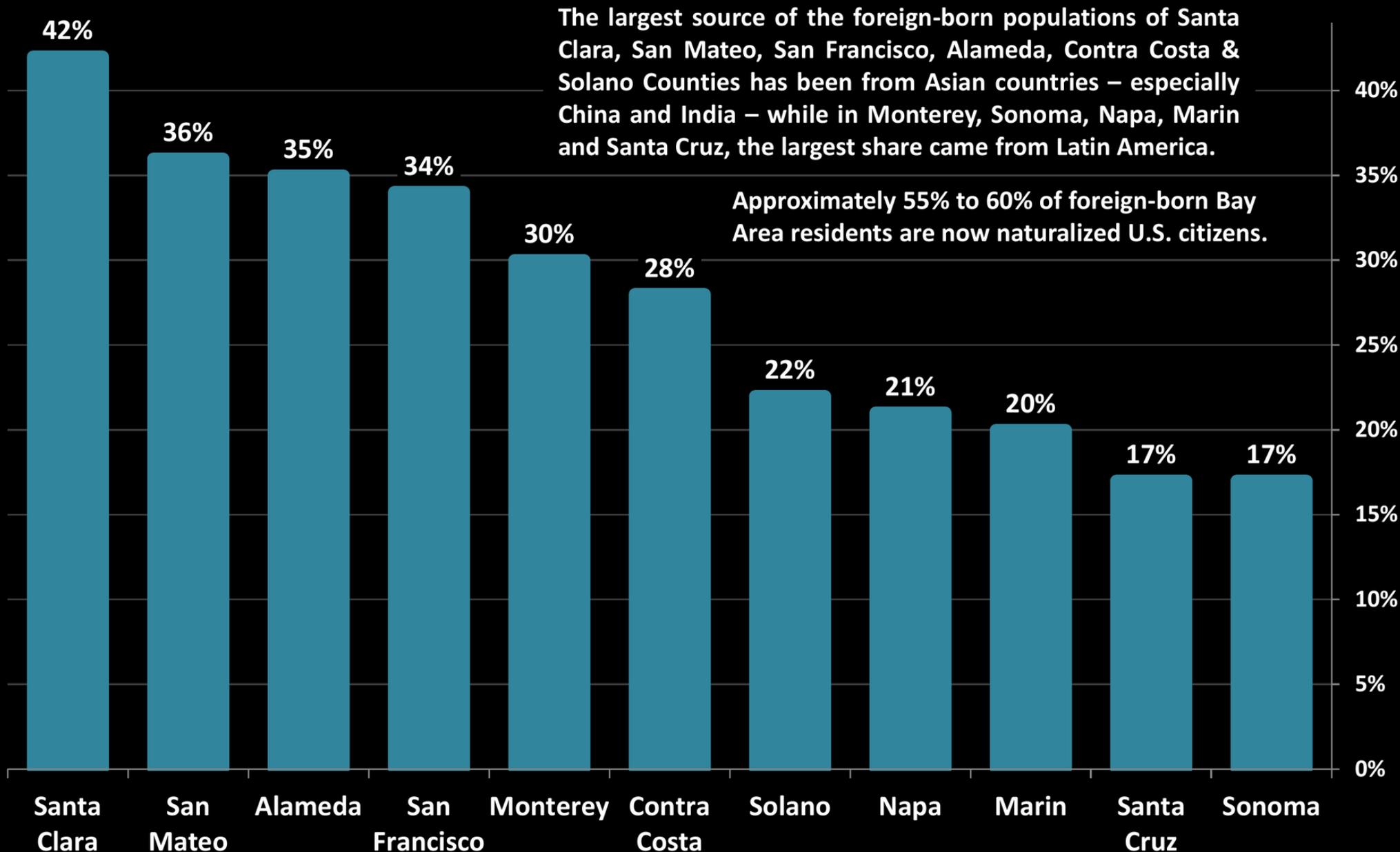


Derived from sources deemed reliable, but may contain errors and are subject to revision. All numbers should be considered approximate.

# Foreign-Born Residents

## Percentage of Population, by Bay Area County

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



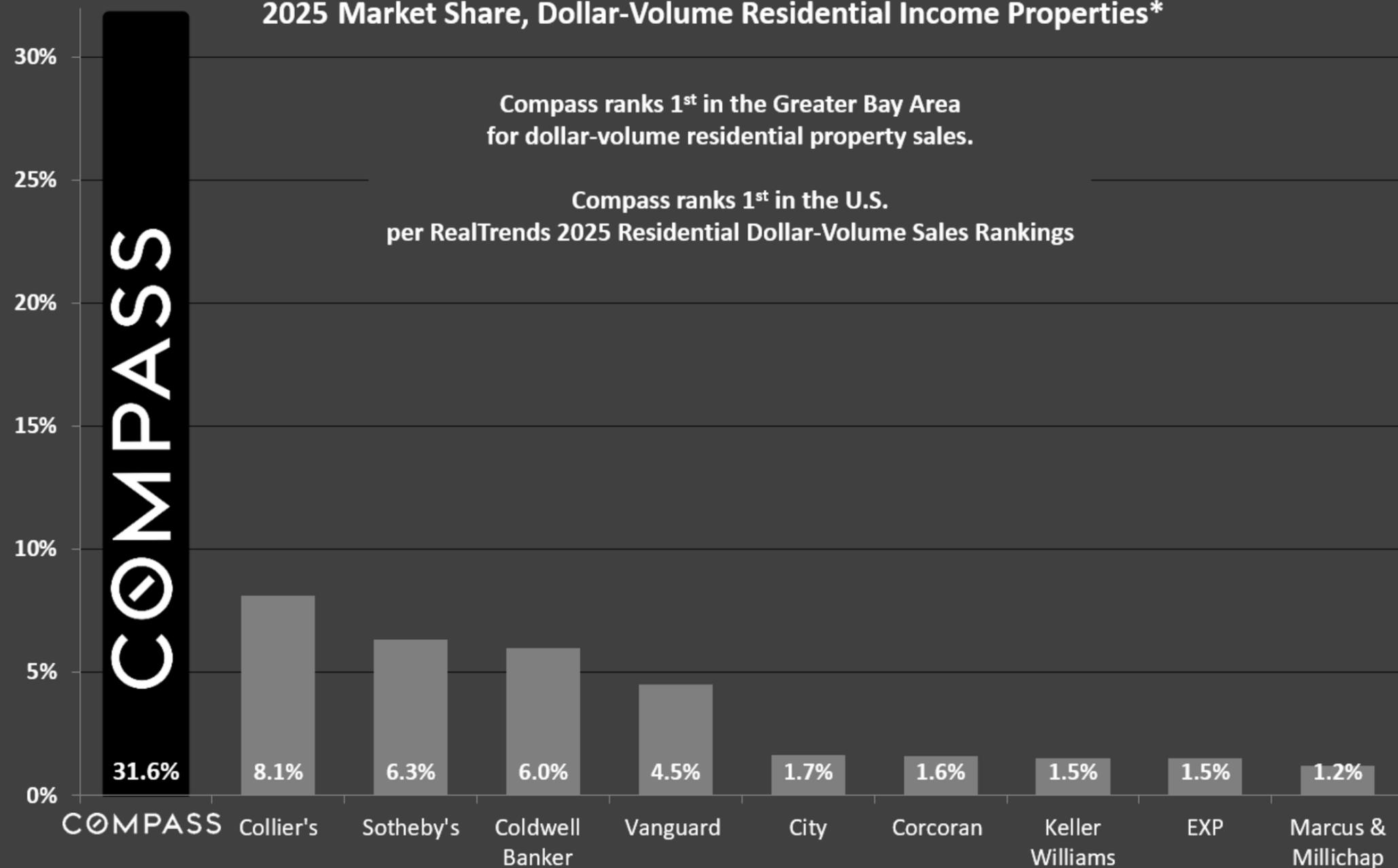
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# San Francisco Multi-Family Building Sales by Broker

## 2025 Market Share, Dollar-Volume Residential Income Properties\*

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

Compass ranks 1<sup>st</sup> 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.

# 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.

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## 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.

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## 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...

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

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

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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. Late reported listings and sales may change these statistics. 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.

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