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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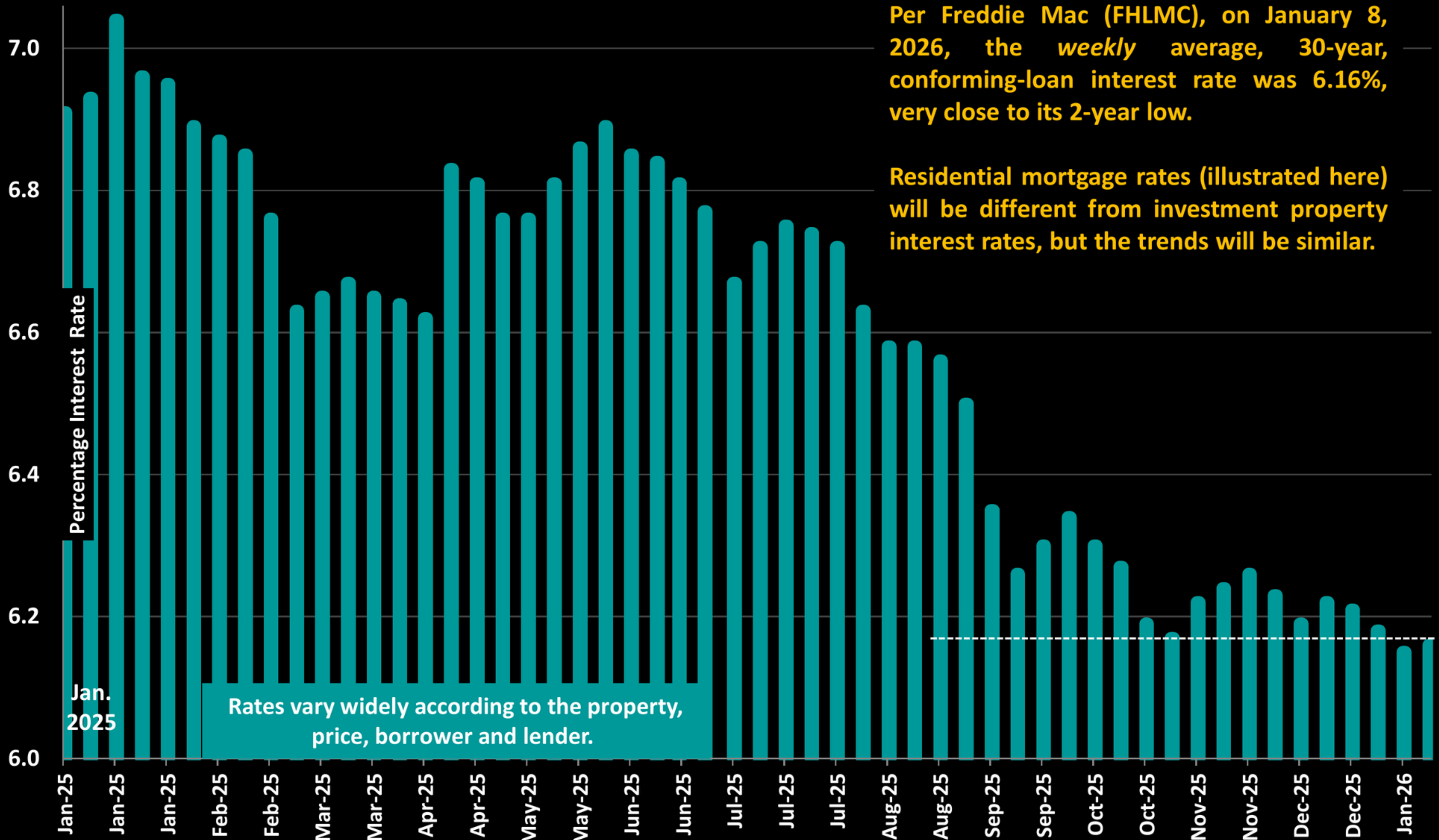
With the AI startup boom expanding rapidly, the large year-over-year increase in rental rates (approximately 12%), and the significant decline in interest rates, San Francisco's residential income market began a substantial rebound in 2025, the effects of which are expected to accelerate in 2026.

Mortgage Interest Rates in 2025 – 2026 YTD

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



Per Freddie Mac (FHLMC), on January 8, 2026, the *weekly* average, 30-year, conforming-loan interest rate was 6.16%, very close to its 2-year low.

Residential mortgage rates (illustrated here) will be different from investment property interest rates, but the trends will be similar.

*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.

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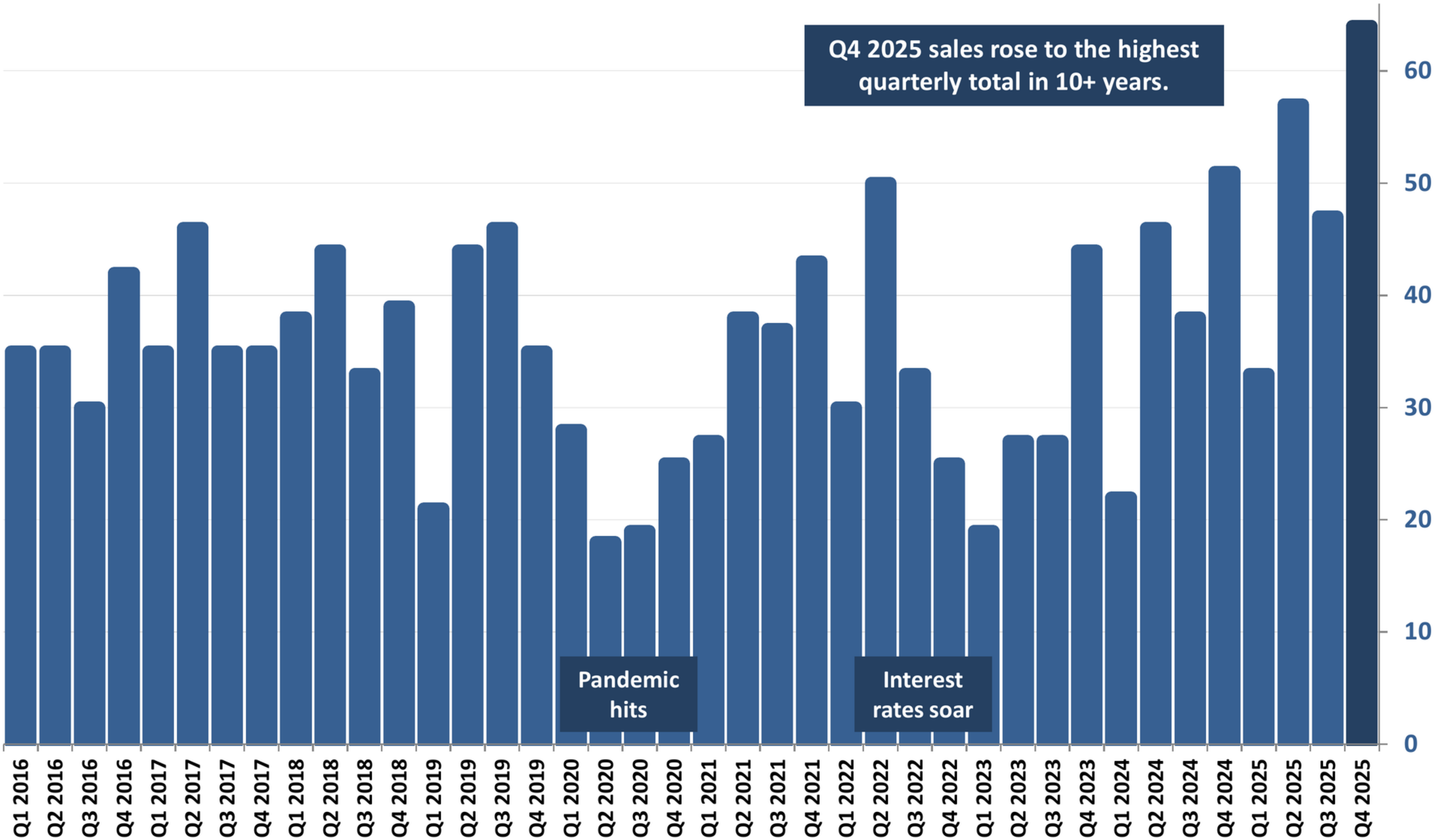
Listings Closing Sale by Quarter since 2016

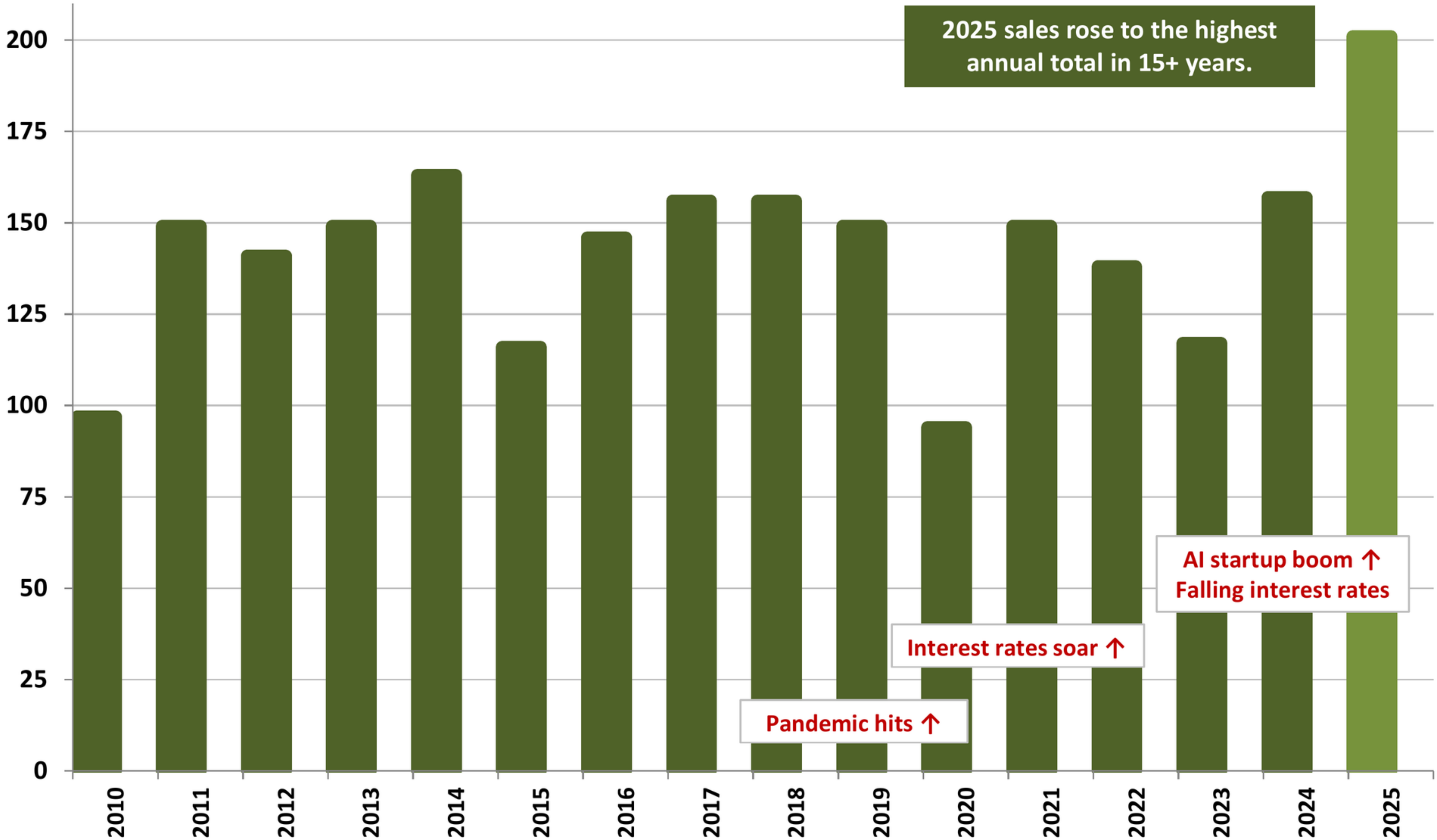
San Francisco Apartment Building Market – 5+ Units



*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.

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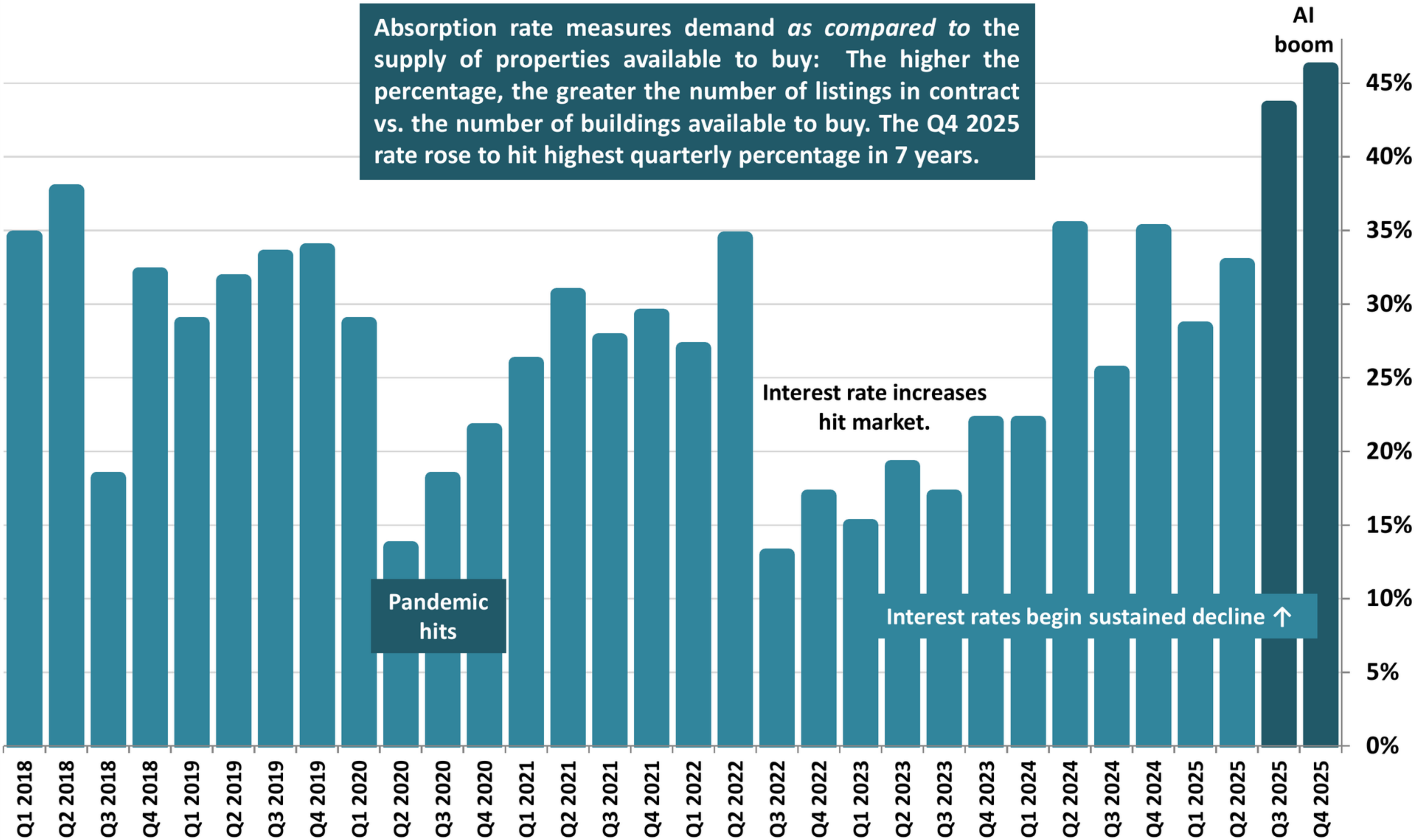
Percentage of Listings Accepting Offers in Quarter

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

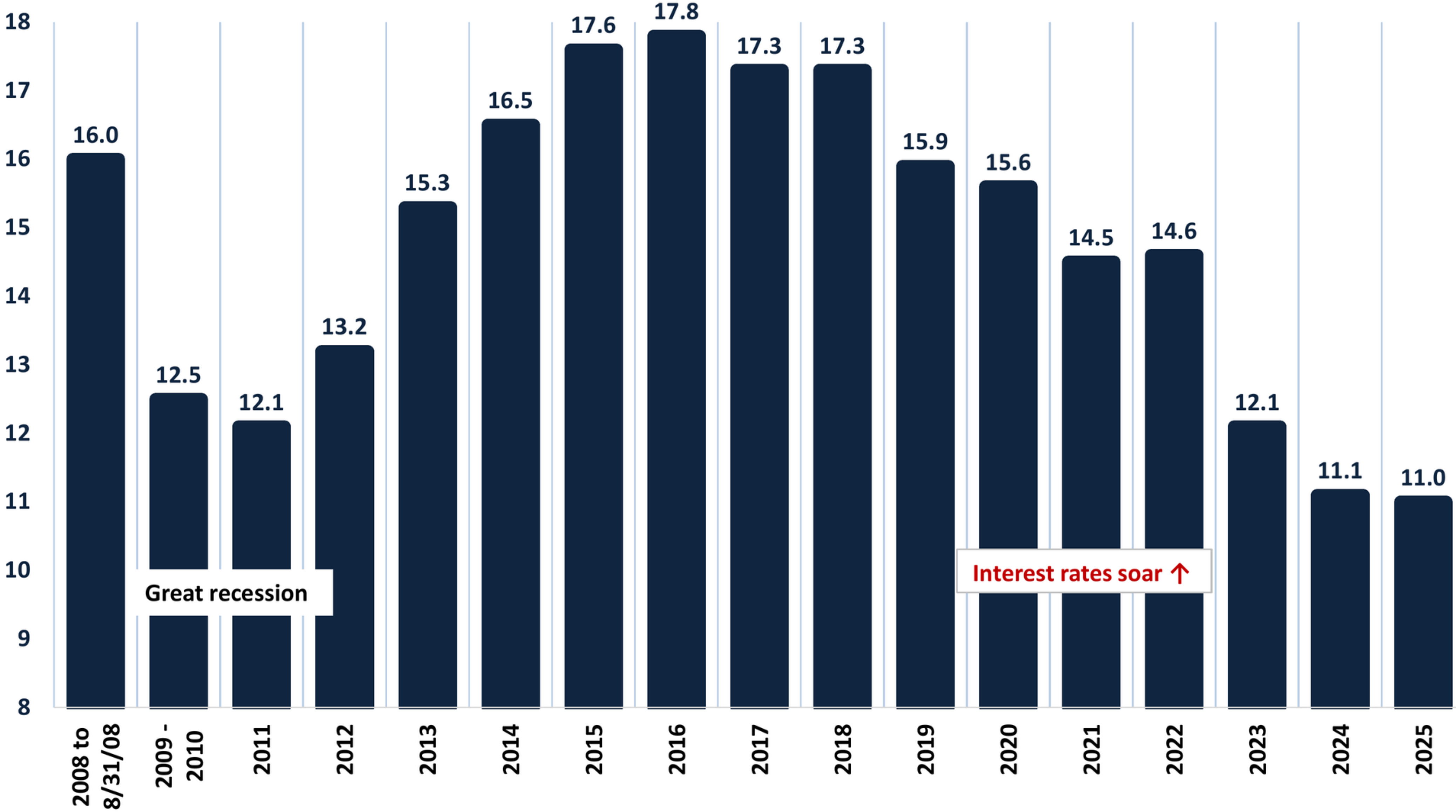


Per SFARMLS sales data. These analyses were performed in good faith with data derived from sources deemed reliable but may contain errors and are subject to revision. Percentages rounded. All numbers to be considered approximate and may change with late-reported activity. Not all listings or sales are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

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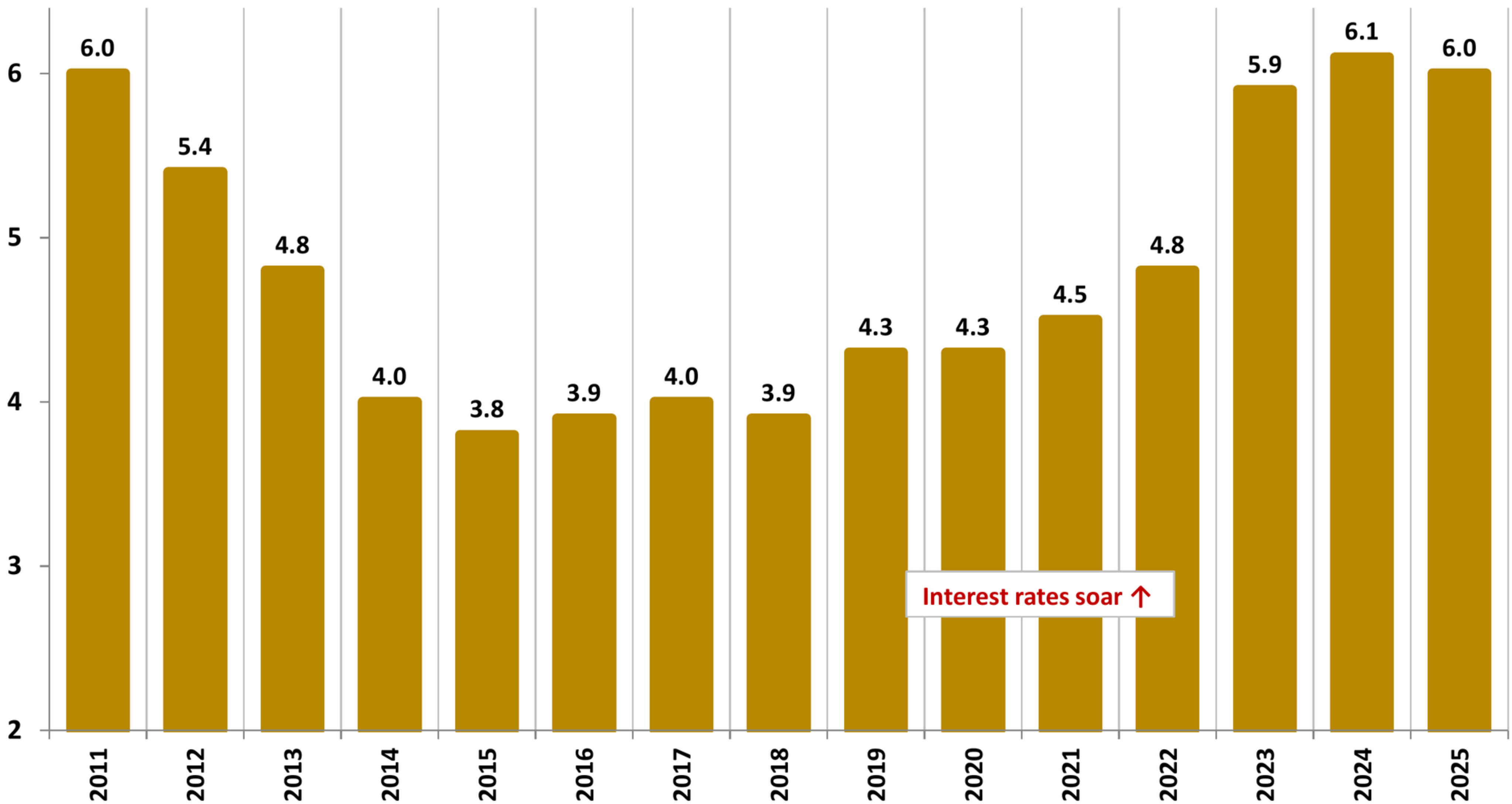
Average Annual Cap Rate*

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.

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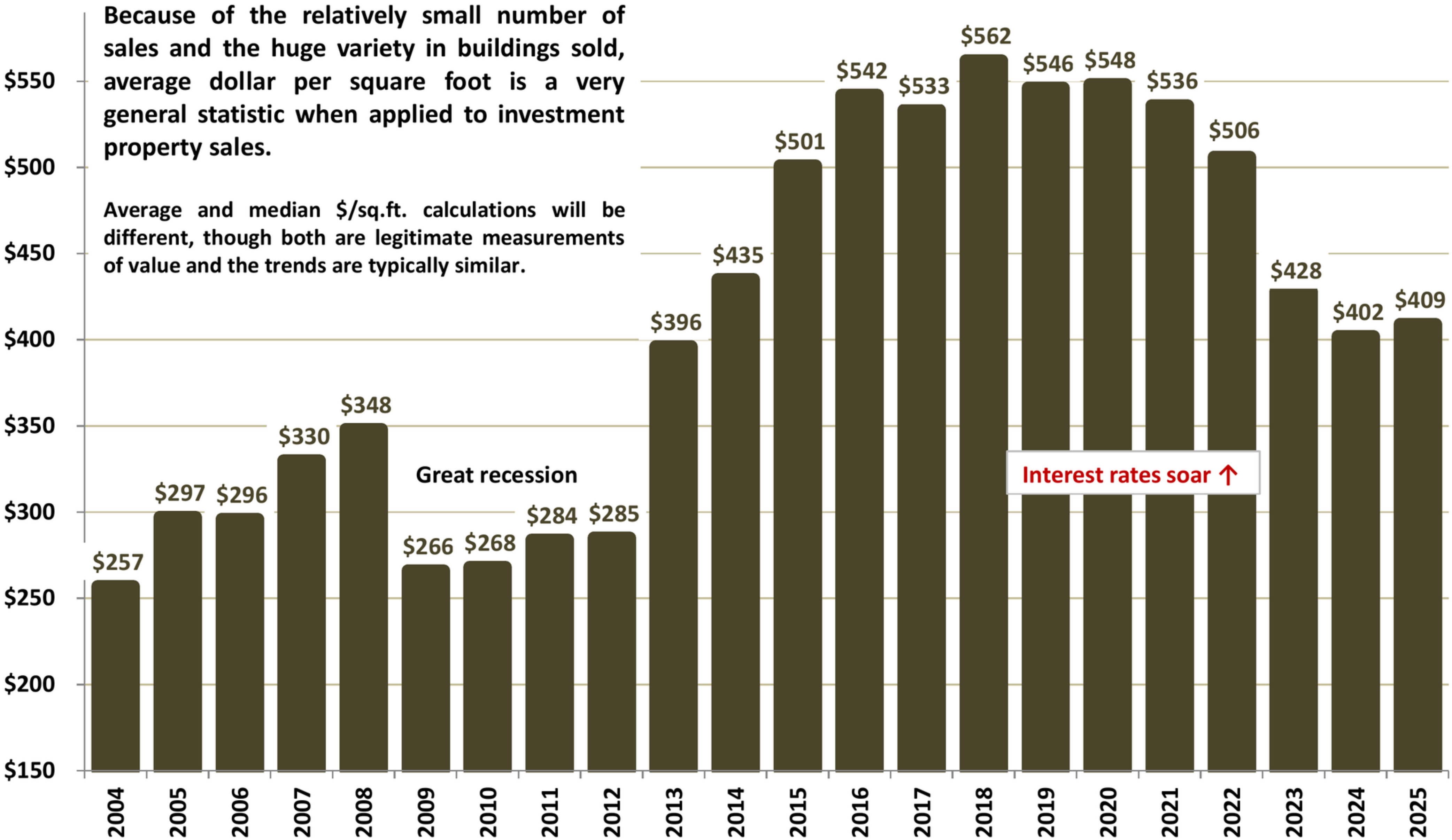
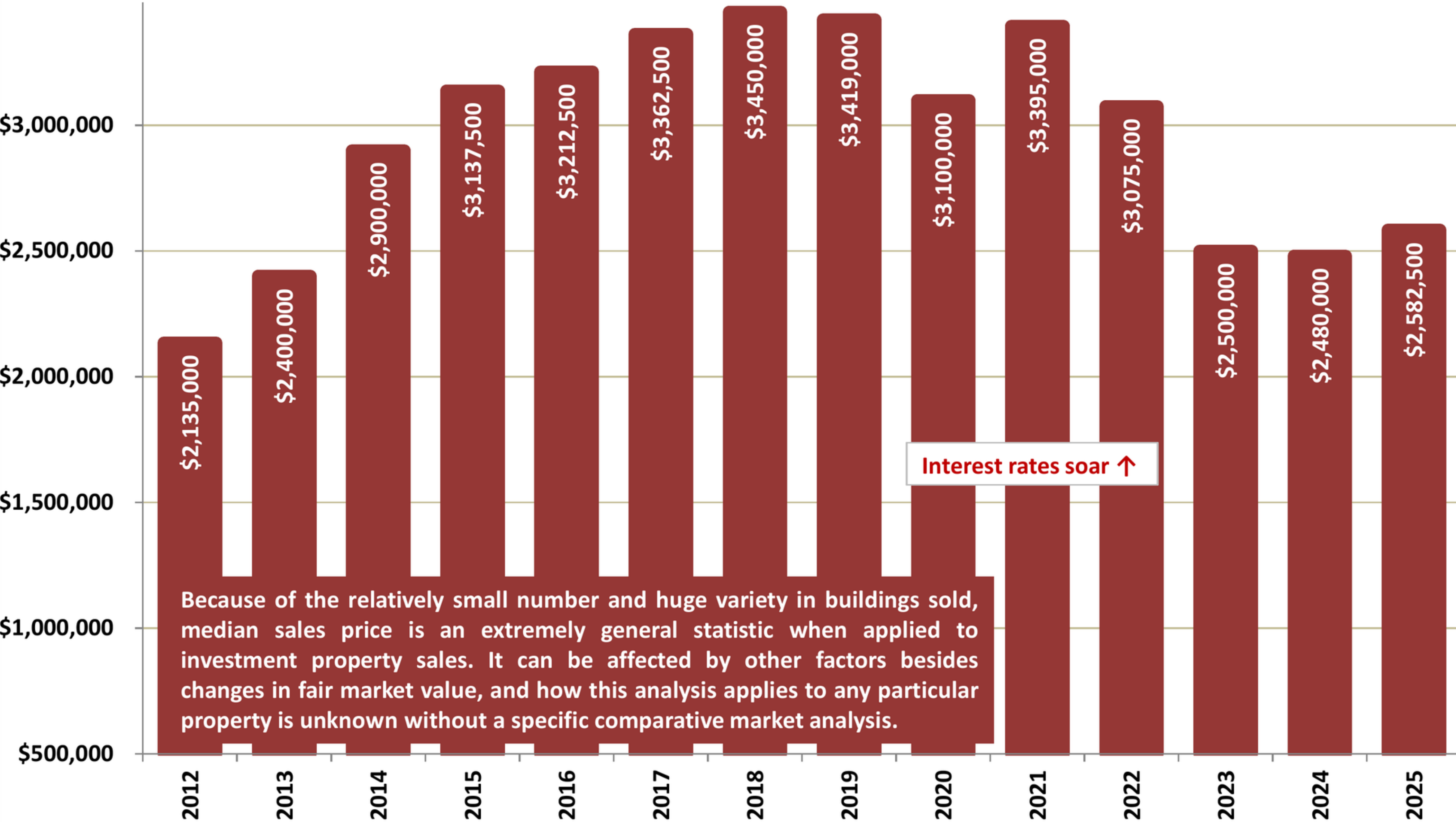
Average Dollar per Square Foot by Year

San Francisco 5+ Unit Apartment Building Sales



Median Sales Price by Year

San Francisco 5+ Unit Apartment Building Sales



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.

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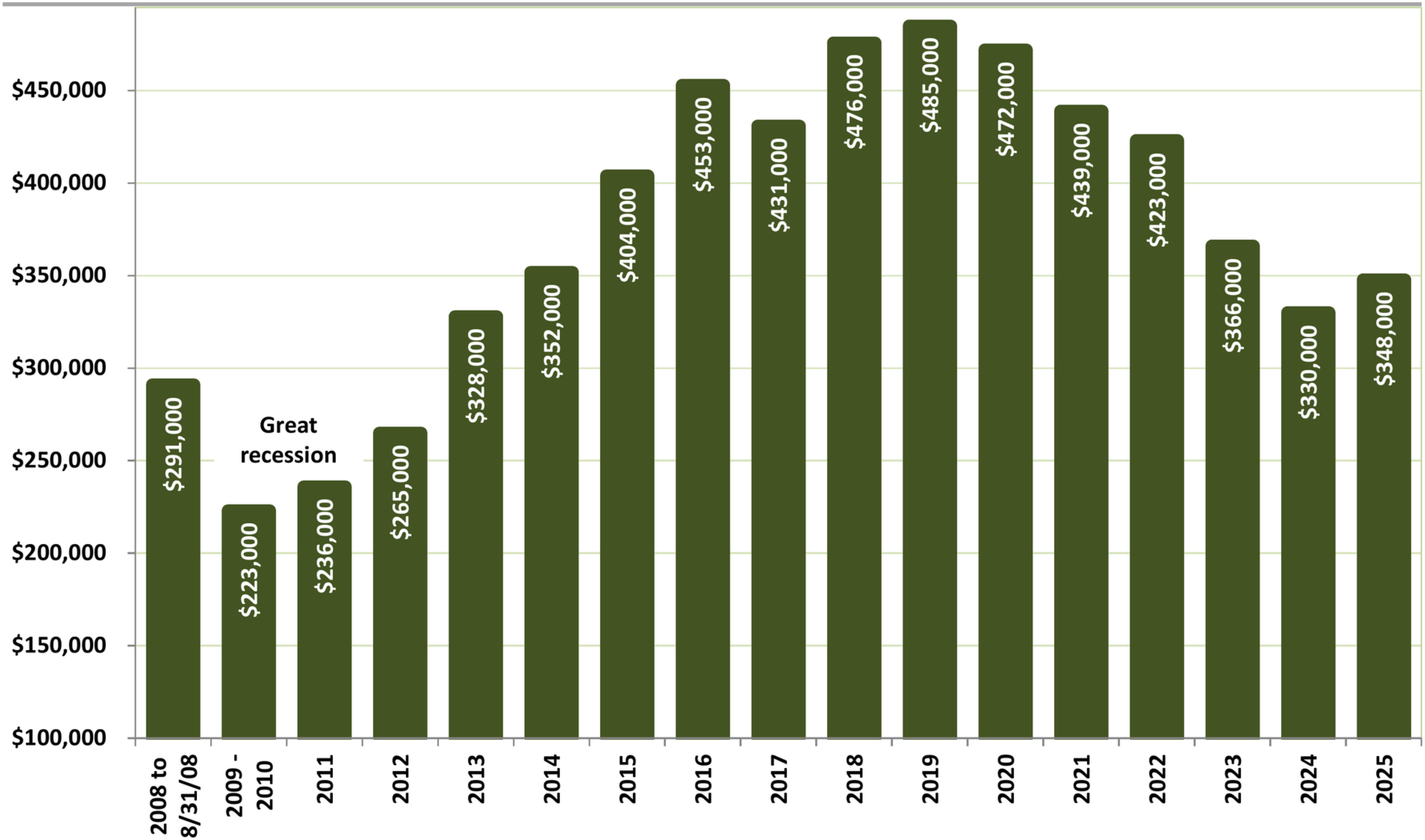
Average Price per Unit by Year

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.

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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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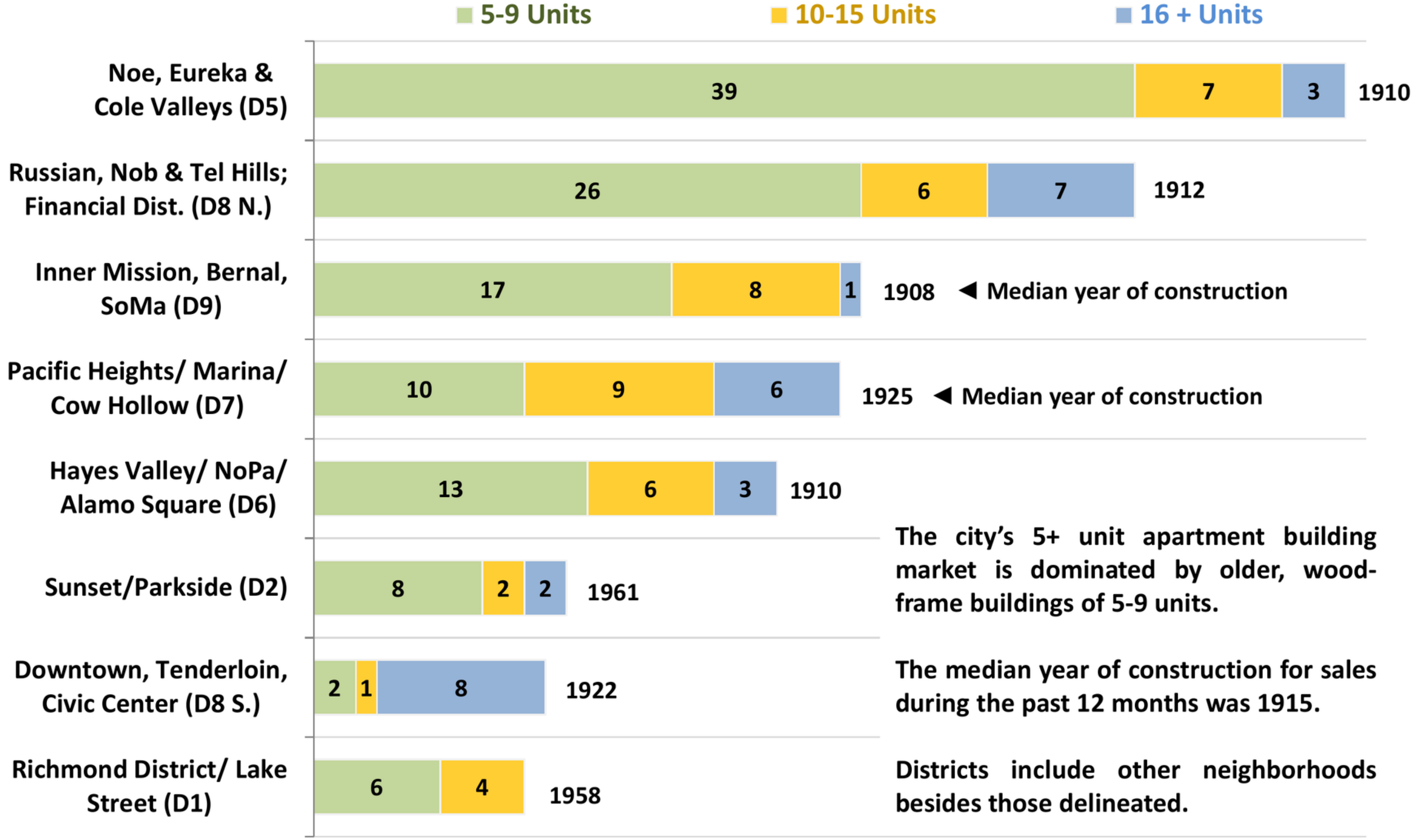
Multi-Unit Residential Property Sales, 5+ Units

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.

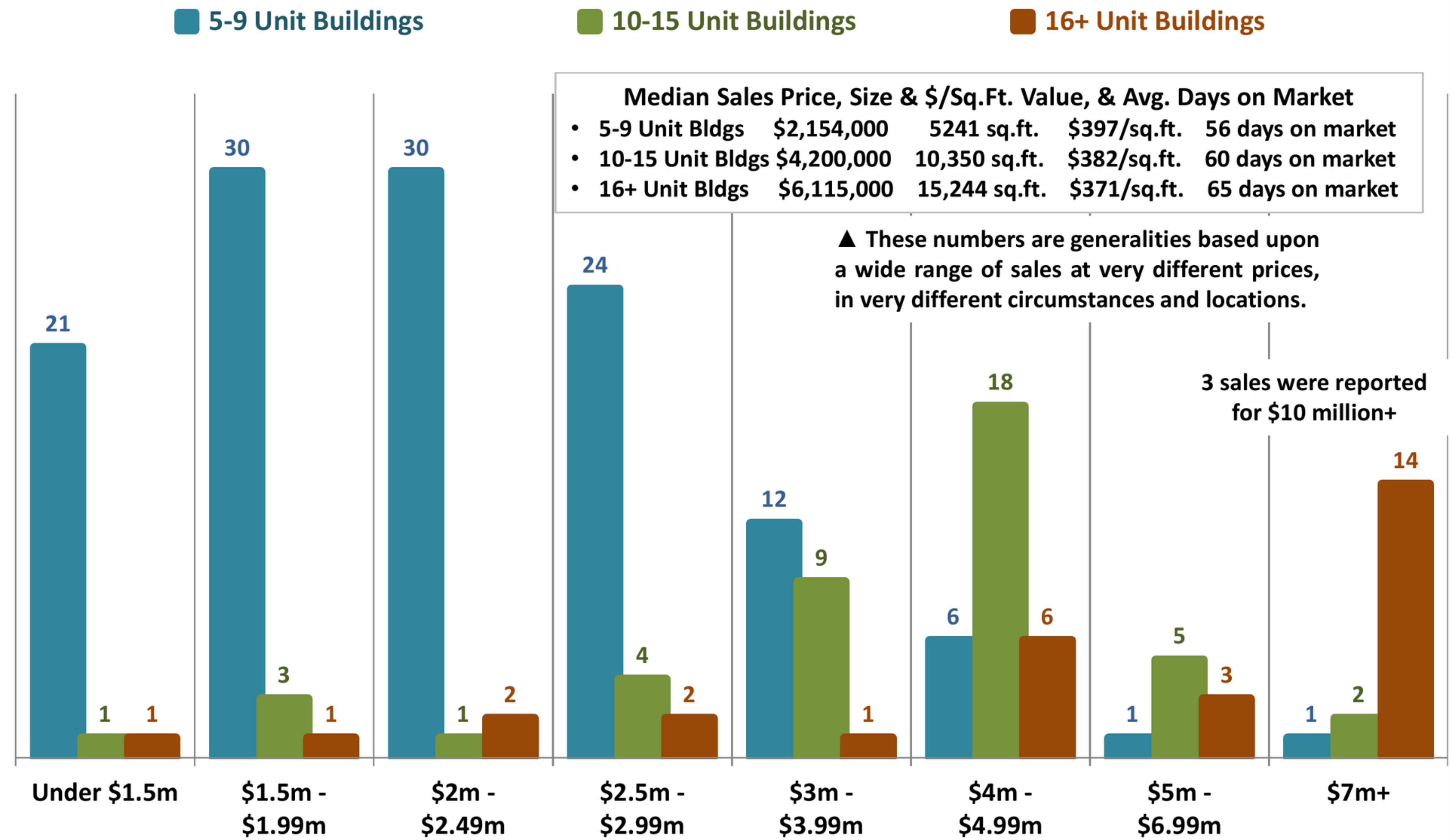
Districts include other neighborhoods besides those delineated.

*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.



*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.

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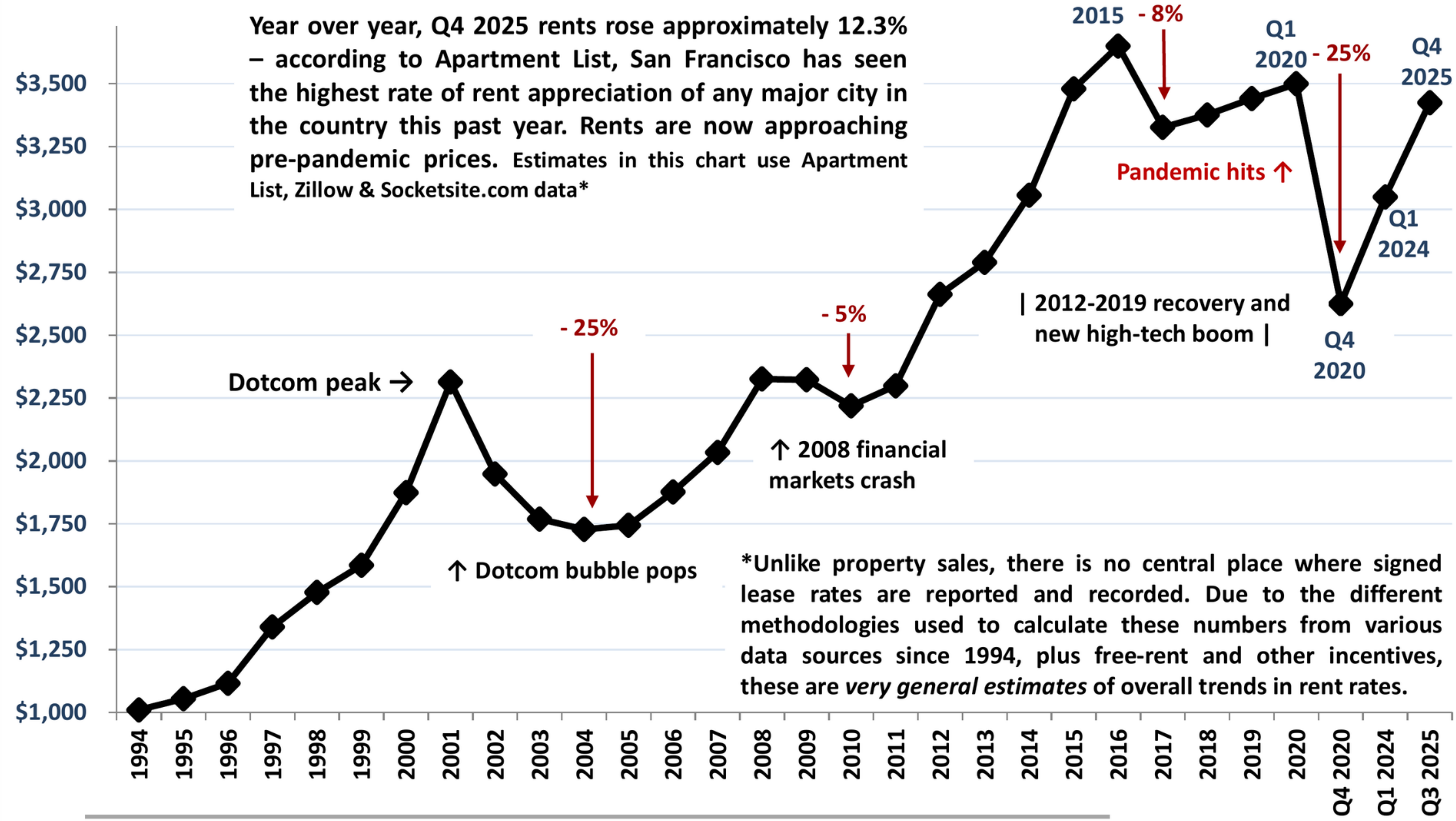
San Francisco Residential Rents – Very Approximate, Good Faith Estimates*

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

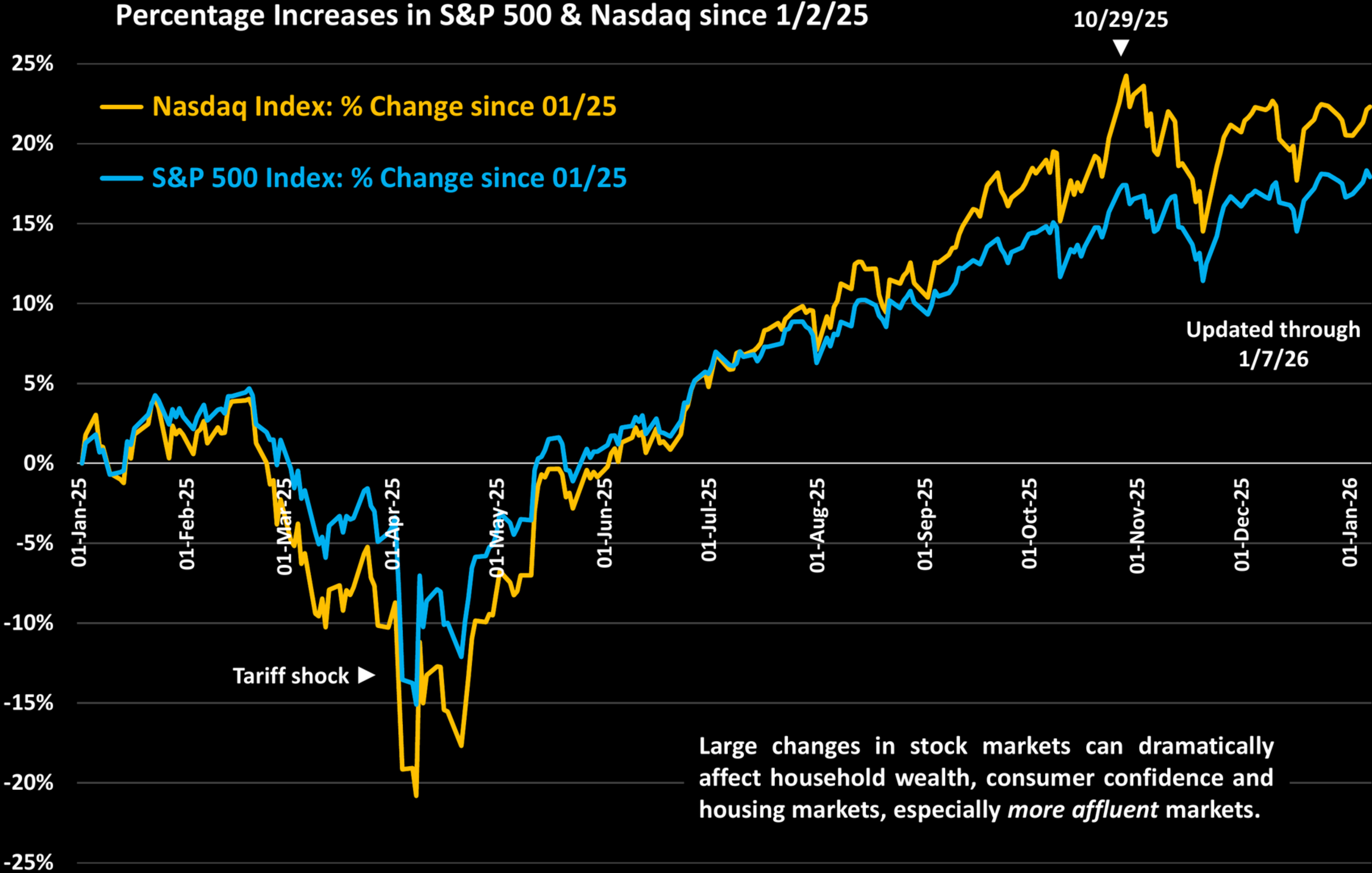


1st quarter data points except as noted. Numbers are estimated using data from a variety of rental data sources over the past 25+ years, using differing methodologies. Data from sources deemed reasonably reliable but may contain errors and subject to revision. All numbers are good-faith estimates and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

Selected Economic Indicators

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.

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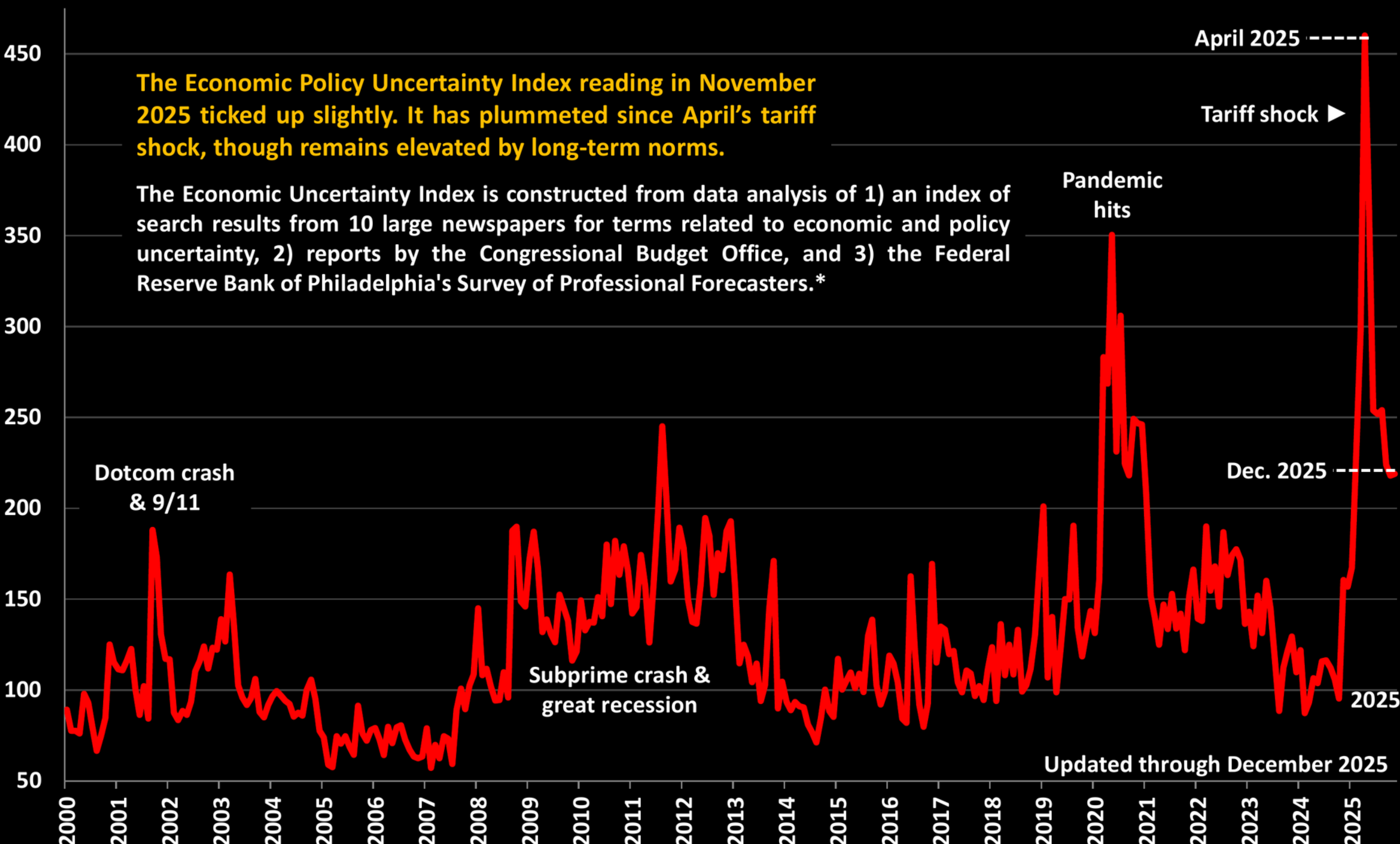
Economic Policy Uncertainty Index*

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.

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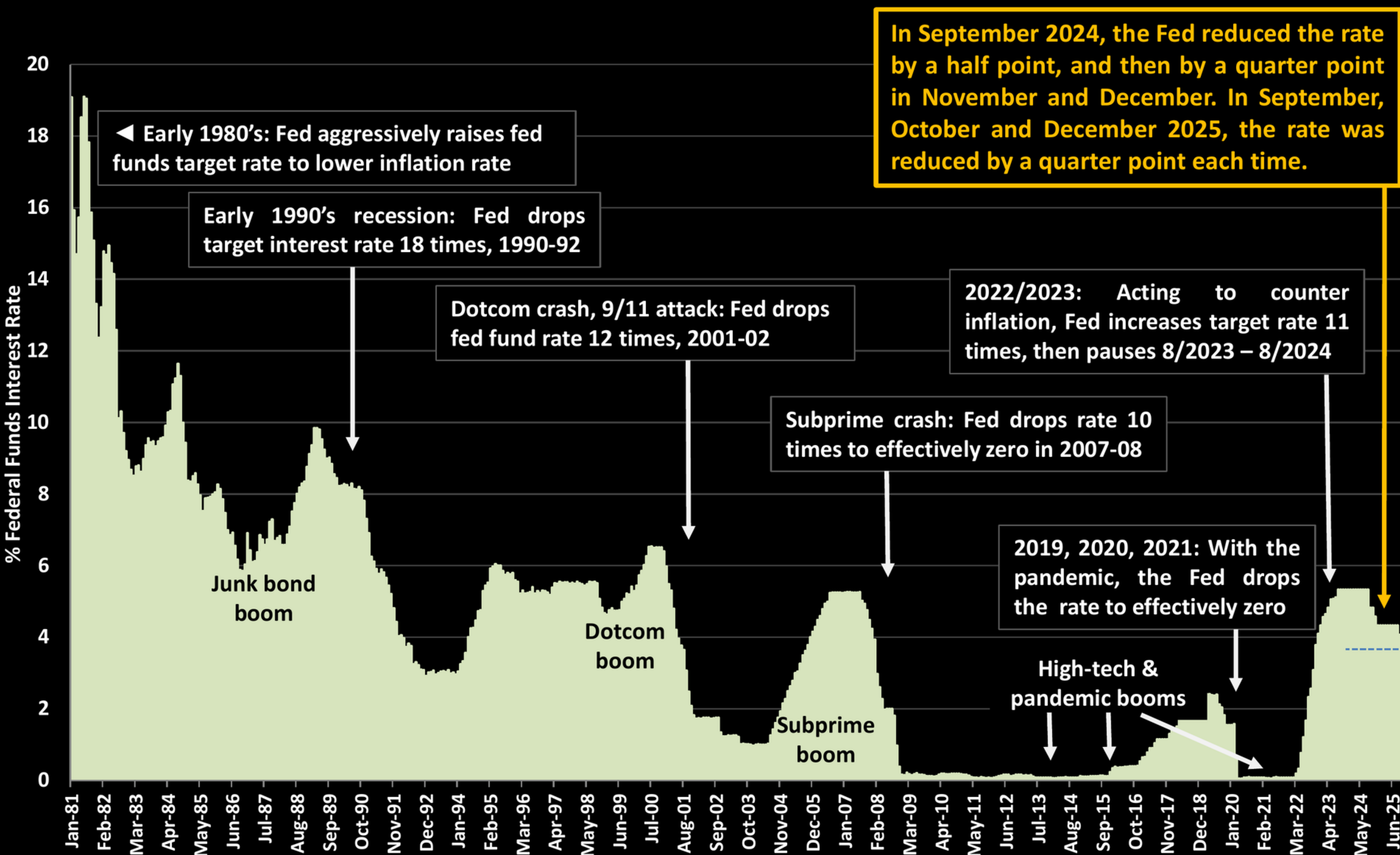
Federal Funds Interest Rate since 1981

& 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.

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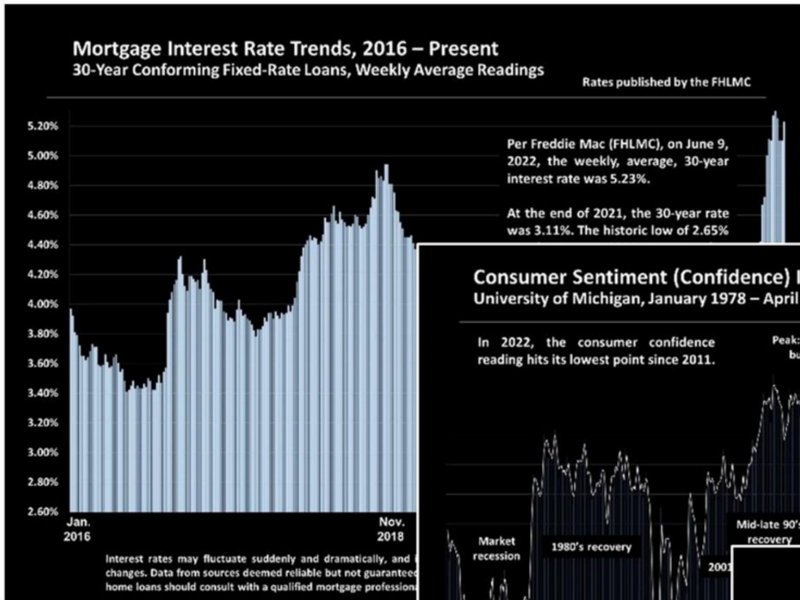
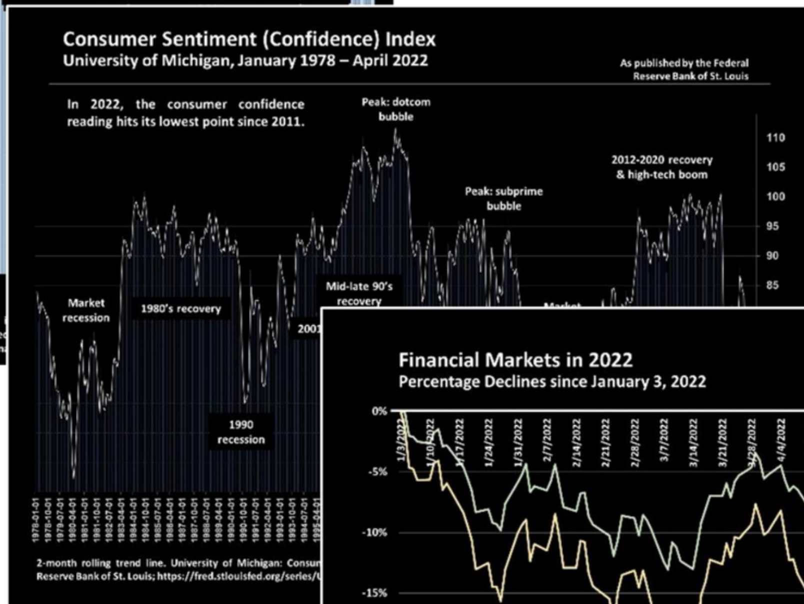
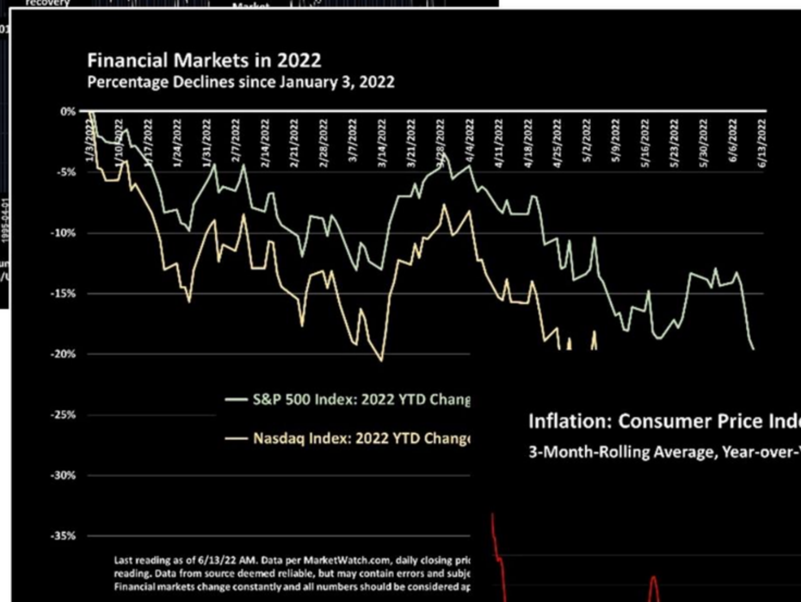
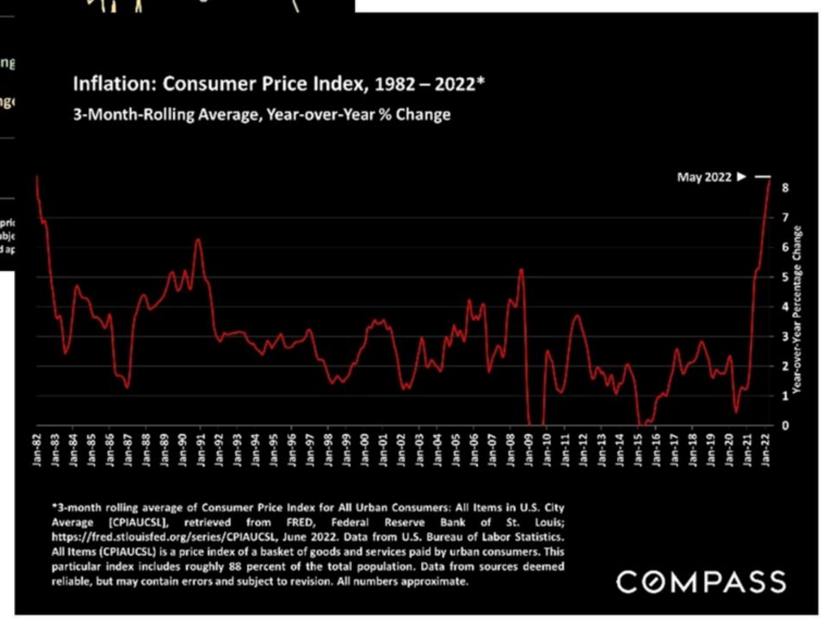




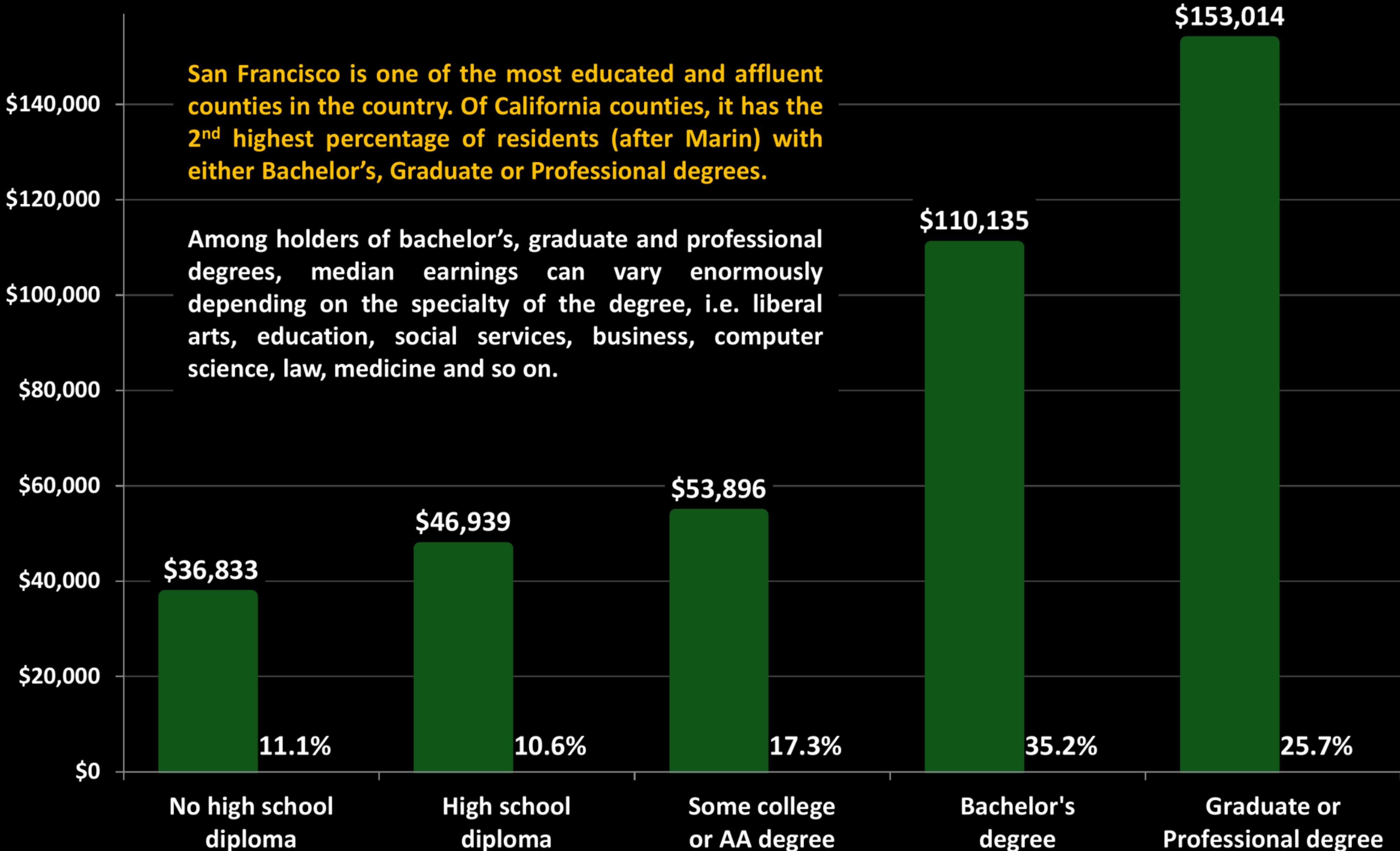




Click Here for Review of Selected Macroeconomic Trends

San Francisco Demographic Snapshot

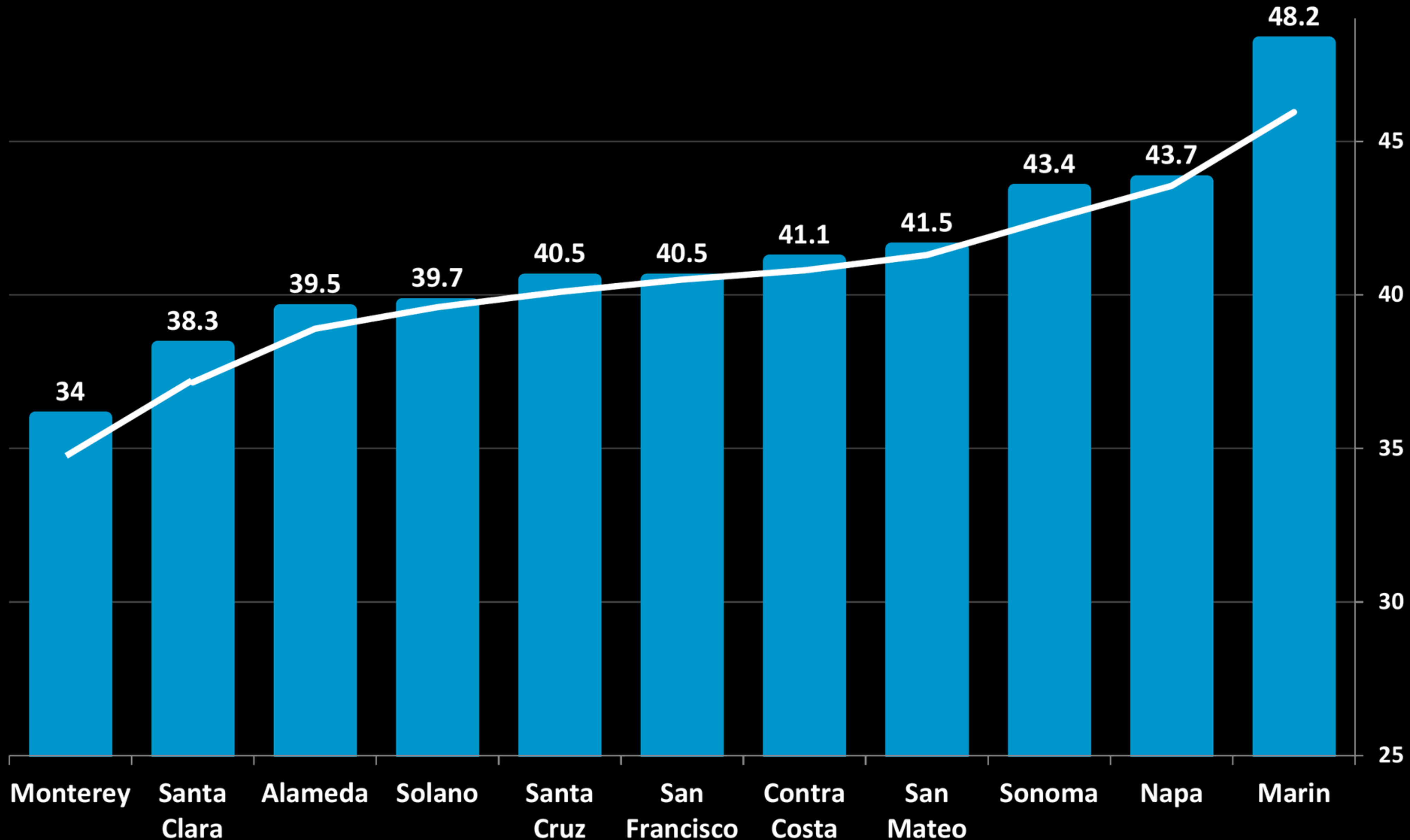
Median Resident Earnings & Percentage of Population by Level of Education*



* 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



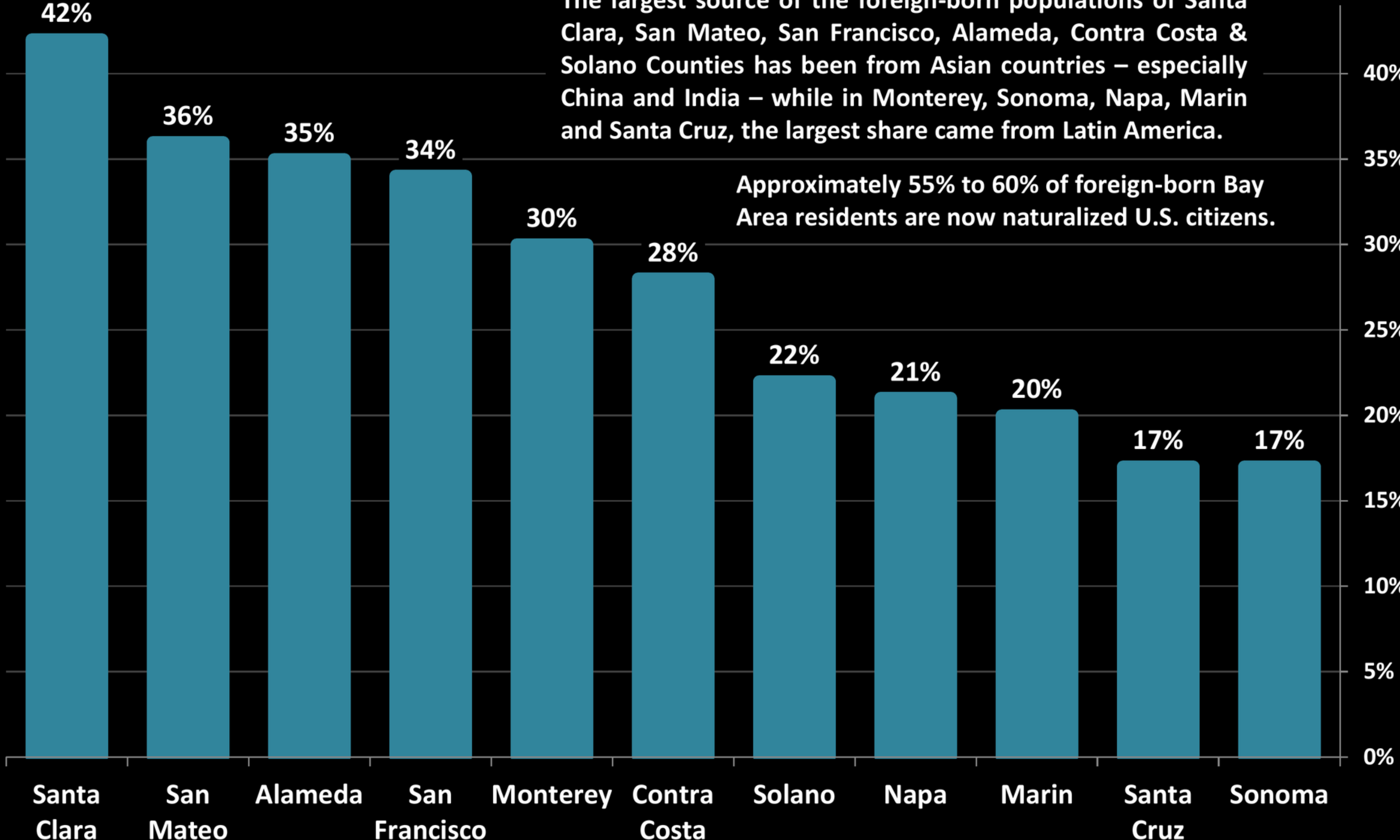
Foreign-Born Residents

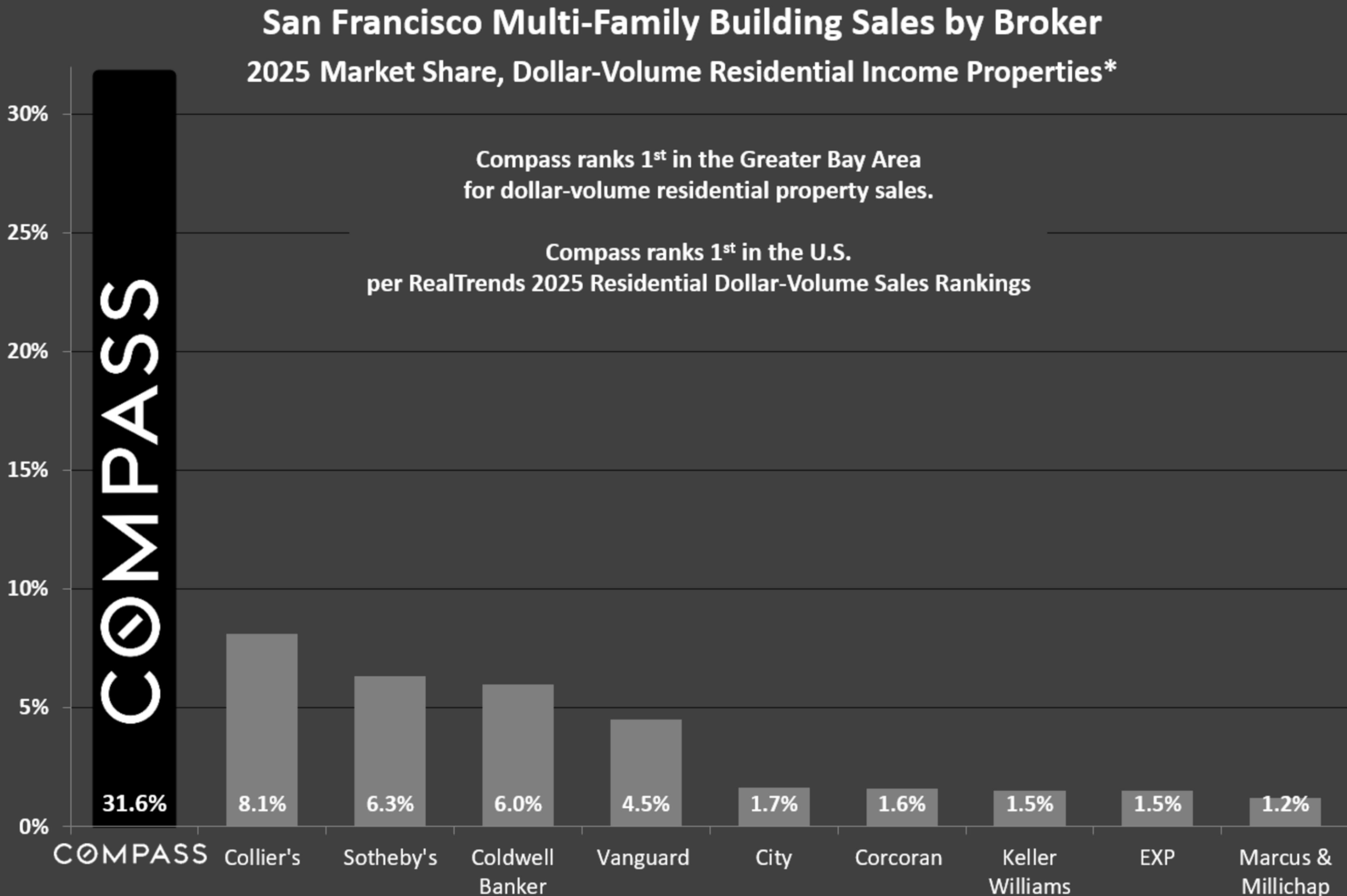
Percentage of Population, by Bay Area County

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

The largest source of the foreign-born populations of Santa Clara, San Mateo, San Francisco, Alameda, Contra Costa & Solano Counties has been from Asian countries – especially China and India – while in Monterey, Sonoma, Napa, Marin and Santa Cruz, the largest share came from Latin America.

Approximately 55% to 60% of foreign-born Bay Area residents are now naturalized U.S. citizens.





*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.

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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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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.

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. Numbers may change with late-reported sales activity.

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