



Colliers

Q1 2025 MARKET OVERVIEW

# San Francisco Multifamily

BAY AREA MULTIFAMILY TEAM REPORT



# San Francisco Market Overview

Q1 2025

As we step into 2025, the San Francisco multifamily real estate market is demonstrating signs of robust recovery. With the market gaining momentum, we are seeing a notable uptick in both transaction volume and the pace at which deals are being closed. Sellers are benefiting from faster, more decisive outcomes, with deals reaching the finish line quicker than in the previous five years. The market's recovery is being further supported by stabilization in interest rates, alongside growing investor confidence, as evidenced by the narrowing gaps between listing prices and final sale prices. These positive trends, combined with continued improvements in rental income, signal a strong foundation for the year ahead. As San Francisco's multifamily sector gains steam, it's clear that the market is shifting from a period of uncertainty to one of renewed optimism and growth.

One of the most notable trends in the San Francisco multifamily real estate market this quarter is the significant reduction in days on market. A key indicator of market acceleration, the average number of days a property is on the market before going under contract has seen a marked decline. In Q1 of 2024, the average days on market was 86, reflecting a more cautious and slower pace of transactions as sellers and buyers navigated a more uncertain landscape. Fast forward to Q1 of 2025, and this number has dropped to 73 days—showing a clear and steady trend toward faster deal closures.

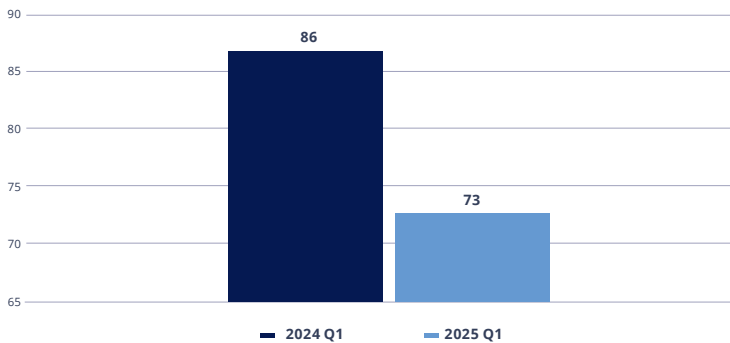
This reduction in time spent on the market signifies a shift in market sentiment. As buyer confidence grows, fueled by stable interest rates and improving economic conditions, properties are moving more quickly through the sales process. Sellers are seeing more decisive offers, and buyers are acting more swiftly, leading to a reduction in time between listing and closing.

Market Indicators	Q1 2024	Q1 2025	Y-O-Y Change
Average of FED (Qtly)	5.33%	4.33%	-100 (BPS)
Average of 10-Yr Treasury	4.30%	4.45%	+15 (BPS)
Average of \$/SF	\$386.07	\$420.93	+9.0%
Average of \$/Unit	\$303,672	\$334,693	+10.2%
Average of CAP	5.56%	5.58%	+2 (BPS)

Source: Colliers | MacroTrends

## Average Days on Market

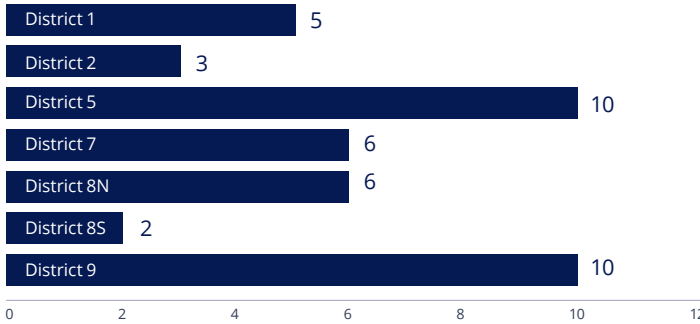
Q1 2024 vs. 2025



Source: 5+ Unit Buildings | Colliers, MLS

## Transactions by District (SF)

Q1 2025



Source: 5+ Unit Buildings | Colliers, MLS

## Notable Sale Transactions

Address	Market	Units	GRM	CAP	\$/SF	\$/Unit
1135-1175 Ellis St	Cathedral Hill	108	12.47	4.81%	\$329.69	\$400,000
2341 Chestnut St	Marina	24	11.53	5.20%	\$506.13	\$327,083
95 Cervantes Blvd	Marina	15	11.00	5.45%	\$592.11	\$375,000
1330 Jones St	Nob Hill	36	8.03	6.32%	\$409.40	\$402,778
2843 Webster St	Pacific Heights	15	12.62	4.96%	\$410.05	\$413,333
3035 Webster St	Cow Hollow	7	12.35	4.86%	\$544.93	\$350,000
2054 Hyde St	Russian Hill	9	11.70	5.13%	\$652.47	\$377,778
2435 Union St	Cow Hollow	12	12.80	4.69%	\$433.57	\$419,372

Sold by Colliers



## Surge in Buyer Activity Hits District 7

District 7 is showing a particularly strong uptick in activity, with deal flow moving at an accelerated pace. In Q1 2025, the average days on market in the district dropped to just 25 days, compared to 59 days in 2024—a clear indication of renewed confidence and urgency among buyers. This momentum reflects a broader trend across the city: a flight to quality, where well-located, higher-quality assets are drawing heightened interest and moving swiftly through the transaction process. While activity is picking up citywide, District 7 serves as a prime example of how quickly deals are progressing when the right product hits the market. As we move further into 2025, the San Francisco multifamily market continues to gain traction, driven by selective yet motivated buyer demand.



## Lurie's Rezoning Plan

Mayor Daniel Lurie has unveiled a transformative rezoning plan aimed at addressing San Francisco's ongoing housing crisis. The proposal seeks to allow taller buildings along key transit corridors, from the Marina to the Sunset and Richmond districts, potentially adding 36,000 new housing units. Lurie's "family zoning" approach targets areas that have seen little development in recent decades, proposing height increases for buildings up to 85 feet along streets like Geary and Taraval, and even up to 140-foot towers in select areas. This plan not only aims to accommodate the city's growing population but also ensures that San Francisco meets state housing requirements, potentially averting state intervention in local housing decisions.

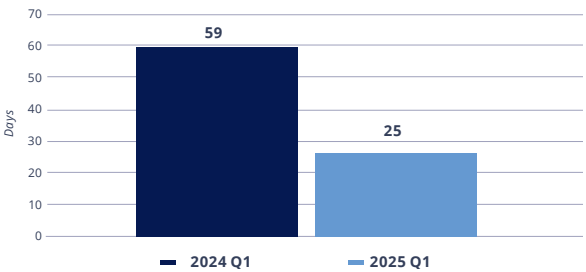


## Multifamily Volume Jumps 40%

The San Francisco multifamily real estate market is showing robust activity, with transaction volume experiencing a notable increase this quarter. In Q1 of 2025, there were 45 transactions—a significant rise from 32 in the same period last year. This 40% boost in volume reflects a shift in market dynamics, with more properties changing hands and active engagement from both buyers and sellers. A notable development this quarter is the marked increase in buyer activity. Property tours and showings have been significantly more active compared to previous quarters, reflecting a heightened level of interest across the investor landscape. This surge in engagement is translating into more competitive bidding environments and shorter decision-making timelines. Whether driven by improved clarity in the market or a desire to capitalize on favorable conditions, investors are entering the market with greater urgency. This increase in on-the-ground activity not only reinforces broader market trends but also signals a deeper level of confidence that is likely to persist in the months ahead.

### Average Days on Market (District 7)

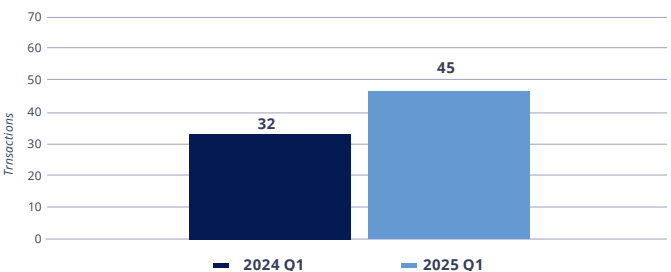
Q1 2025 vs. Q1 2024



Source: 5+ Unit Buildings | Colliers, MLS

### Total Sales

Q1 2025 vs. Q1 2024



Source: 5+ Unit Buildings | Colliers, MLS

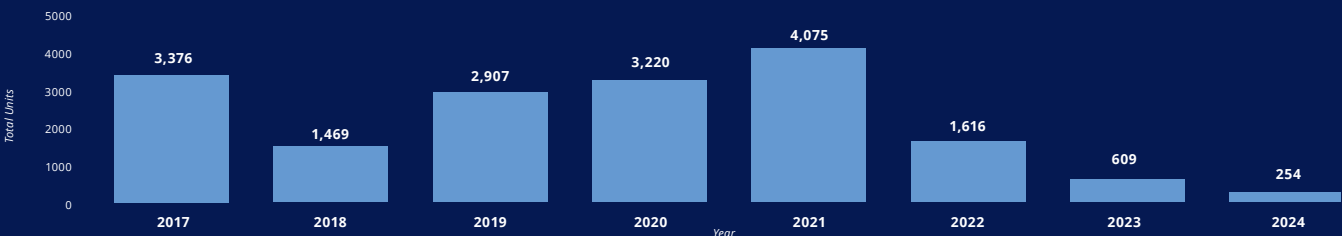


## Limited Builds, Rising Demand

Since 2017, San Francisco has seen a steady decline in new multifamily development activity. A combination of rising construction costs, complex entitlement processes, and broader economic uncertainty has contributed to the slowdown, resulting in fewer projects breaking ground year over year. Today, that trend continues—with only a limited number of developments currently under construction.

This lack of new supply has important implications for the rental and investment landscape. As population demand stabilizes and interest in urban living returns, the limited flow of new inventory will likely place upward pressure on rents and, in turn, support the appreciation of existing asset values. This imbalance between demand and limited new supply is setting the stage for a stronger rental market and upward pressure on existing asset values across the board.

## Delivered San Francisco Multi-Family Developments (20+ Units)



# Our Team

Colliers has one of the largest and most experienced teams of multifamily advisors in the industry with professionals located in key markets throughout North America.

Our combination of market dominance, expertise, and singular focus makes us uniquely successful in helping our clients achieve their acquisition and/or disposition objectives.

## San Francisco Multifamily Team



**\$5.215 B**  
in closed sales



**910 +**  
apartment  
buildings  
sold



**80 +**  
years of  
combined  
experience

### About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 62 countries, our 17,000 enterprising professionals work collaboratively to provide expert real estate and investment advice to clients. For more than 27 years, our experienced leadership with significant inside ownership has delivered compound annual investment returns of 20% for shareholders. With annual revenues of \$4.1 billion and more than \$50 billion of assets under management, Colliers maximizes the potential of property and real assets to accelerate the success of our clients, our investors and our people.

### #welovesf



Colliers is actively engaged in supporting #WeLoveSF by encouraging businesses, property owners, and individuals to embrace the #WeLoveSF message. They facilitate the incorporation of the campaign's logo into various marketing materials, promoting it on social media, and encouraging people to share their affection for the city in their daily lives.

Significant stakeholders like BXP, Hudson Pacific, Presidio Bay Ventures, and Invesco are also on board, incorporating the #WeLoveSF logo into their properties and marketing efforts. With Colliers facilitating these initiatives, the collective goal is to revitalize the city's image and foster a positive atmosphere within the real estate market.

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