



Colliers



Q2 2025 MARKET OVERVIEW

San Francisco Multifamily

BAY AREA MULTIFAMILY TEAM REPORT

San Francisco Market Overview

As we move through Q2 2025, the San Francisco multifamily market is showing continued signs of recovery and renewed stability. Transaction volume has increased year-over-year, with a noticeable pickup in activity within the 10+ unit space, reflecting growing investor interest, even as the segment remains selective and competitive. Simultaneously, the rental market has strengthened, with units leasing more quickly, tenant demand gaining momentum, and rents trending upward across several neighborhoods. Landlords are benefiting from improved tenant demand and declining vacancy rates. Importantly, this marks the fourth consecutive quarter of positive momentum in San Francisco's multifamily sector — a clear signal that the recovery is not just holding but building. Investor sentiment has improved as a result, leading to more efficient deal execution and tighter bid-ask spreads. As the market moves through the middle of the year, the tone has clearly shifted — from caution to growing confidence.

Sales of 10+ unit buildings in San Francisco's multifamily market continued to gain momentum in the first half of 2025, with 40 transactions recorded compared to 23 during the same period last year. This rise suggests a growing demand for larger buildings, as investors look for opportunities with more scale and long-term potential. Although this portion of the market remains selective, the increased volume signals renewed interest and stronger investor engagement.

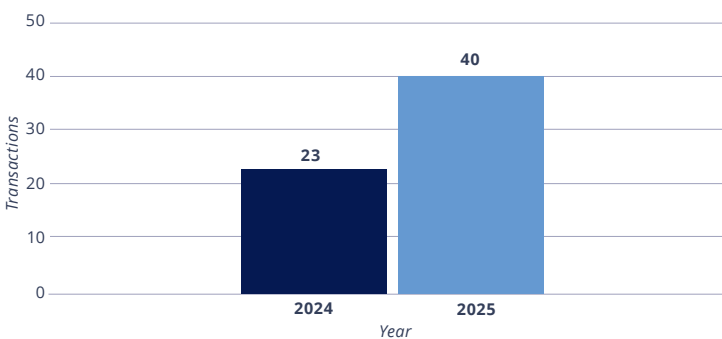
Looking at where activity was concentrated, certain districts saw more momentum than others. District 8 (North) — which includes Russian Hill, Nob Hill, Telegraph Hill, and North Beach — led the city in sales volume for Q2 2025. This marks a change from recent quarters, where other areas had taken the lead. Historically one of San Francisco's most active multifamily markets, District 8's return to the top suggests the City may be reverting to more familiar patterns, with investor interest gravitating back to well-established neighborhoods with strong fundamentals and lasting appeal. The uptick in rental demand across these areas is likely playing a key role, as stronger leasing activity and rising rents make these properties more attractive from an investment standpoint.

Market Indicators	Q2 2024	Q2 2025	Y-O-Y Change
Average of FED (Qtly)	5.33%	4.33%	-100 (BPS)
Average of 10-Yr Treasury	4.45%	4.29%	-16 (BPS)
Average of \$/SF	\$408.69	\$391.89	-4.11%
Average of \$/Unit	\$383,372	\$356,225	-7.08%
Average of CAP	5.75%	5.61%	-14(BPS)

Source: Colliers | MacroTrends

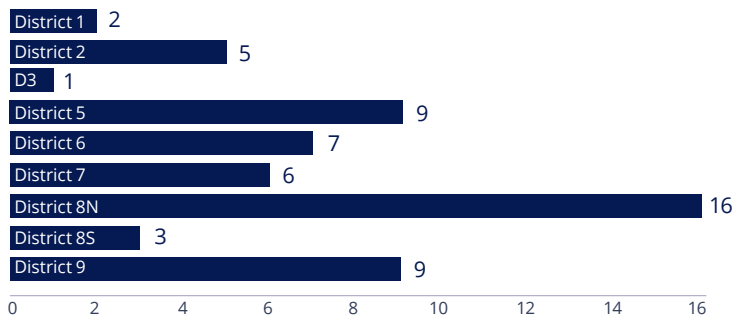
Total 10+ Unit Sales 2024 vs. 2025

Q1-Q2



Transactions by District (SF)

Q2 2025



Source: 5+ Unit Buildings | Colliers, MLS

Notable Sale Transactions

■ Sold by Colliers

Address	Market	Units	GRM	CAP	\$/SF	\$/Unit
1000 Green St	Russian Hill	62	7.82	4.47%	\$320	\$500,577
1530 Gough St	Lower Pacific Heights	38	10.40	6.20%	\$539	\$258,553
275 Grand View Ave	Noe Valley	15	10.95	5.48%	\$335	\$300,000
1048 Union St	Russian Hill	22	11.10	5.41%	\$582	\$429,545
2351 Washington St	Pacific Heights	15	11.60	5.32%	\$563	\$335,162
1949 Chestnut St	Marina	13	12.18	5.35%	\$473	\$480,769
160 Portola Dr	Twin Peaks	16	10.02	5.18%	\$262	\$225,000
1991 California St	Pacific Heights	18	12.57	5.07%	\$411	\$418,611
2041 Pierce St	Pacific Heights	5	14.30	4.20%	\$1,184	\$899,000
2054 Hyde St	Russian Hill	9	11.70	5.13%	\$652	\$377,778



Rent Recovery in Full Swing

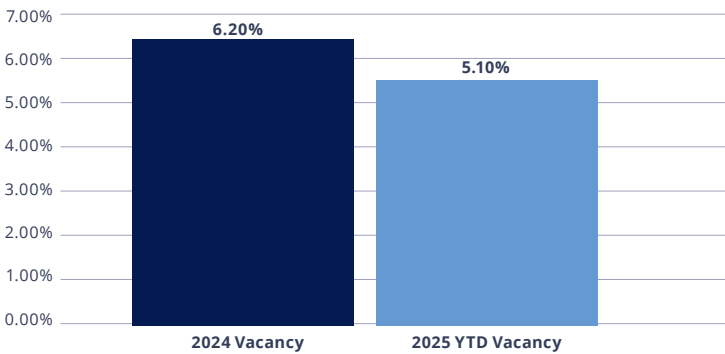
The San Francisco rental market has shown strong signs of improvement throughout Q2 2025. Vacancy rates are down across nearly every neighborhood, and competition for quality units has noticeably intensified. As leasing activity accelerates, landlords are seeing fewer days on market, multiple applicants per listing, and stronger overall tenant profiles. Rents are rising in tandem, with several parts of the City approaching or surpassing pre-pandemic pricing benchmarks. Anecdotally, property managers are echoing this momentum. In a recent conversation with a local manager overseeing a sizable portfolio, they noted that new leases are being signed at rates approximately 15–20% higher than what comparable units fetched just a year ago. When asked whether these tenants fit a specific demographic or employment profile, the answer was no — the demand is being driven by a broad and diverse mix of renters. Professionals from various industries and backgrounds are reentering the market or relocating within the city, reflecting renewed confidence in San Francisco’s urban core and lifestyle appeal.

When asked how long it typically takes to lease a unit, the same manager explained that many never even make it to the open market. With a deep waitlist and a steady flow of referrals, available apartments are often spoken for before they’re officially listed. This dynamic highlights just how competitive the market has become and underscores the strength of tenant demand across the board. Notably, professionally managed buildings tend to see even lower vacancy rates, benefiting from operational efficiency, tenant retention strategies, and a strong reputation among renters.

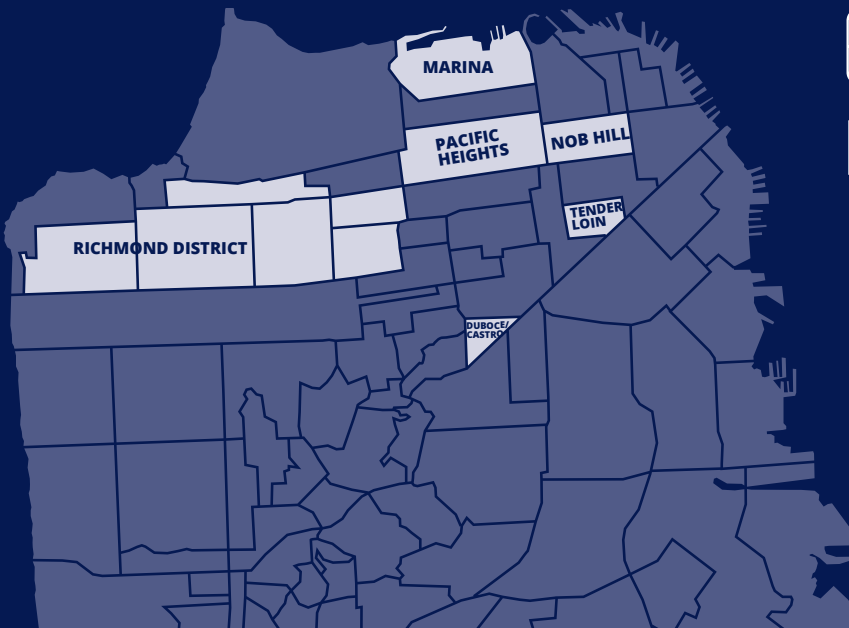
This broad-based demand speaks to the depth and resilience of the city’s rental ecosystem. With fewer concessions, faster lease-ups, and upward pressure on pricing, the landscape has clearly shifted in favor of landlords. While affordability remains a long-term consideration, the current environment suggests a sustained recovery in rental fundamentals — one that’s bringing new energy back into San Francisco’s multifamily market.



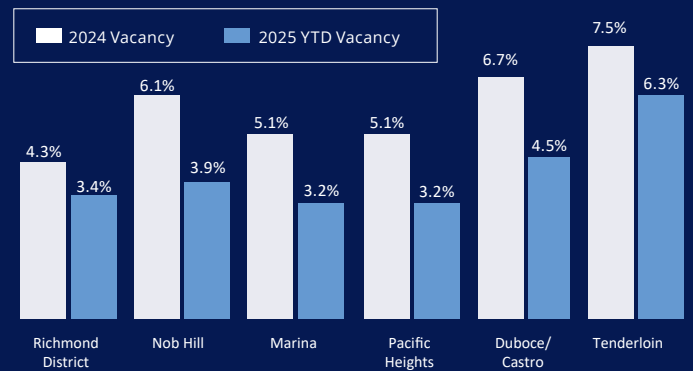
Overall Multifamily Vacancy Rates



**Data is a blended representation of third-party sources, including CoStar, and insights provided by a local operator*



San Francisco Rental Vacancy Rates by Neighborhood



**Data is a blended representation of third-party sources, including CoStar, and insights provided by a local operator*

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



\$5.139 B
in closed sales



901 +
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.

101 Second Street, 11th Floor
San Francisco, CA 94105

+1 415 788 3100
dlteam.com | colliers.com



Contact Information

Brad Lagomarsino

Vice Chair
+1 415 288 7847
brad.lago@colliers.com
CalBRE#01058500

Dustin Dolby

Executive Vice President
+1 415 288 7869
dustin.dolby@colliers.com
CalBRE#01963487

James Devincenti

Vice Chair
+1 415 288 7848
j.d@colliers.com
CalBRE#00951916

Payam Nejad

Senior Vice President
+1 415 288 7872
payam@colliers.com
CalBRE#01372042

Ryan O'Keefe

Investment Associate
+1 415 288 7806
ryan.okeefe@colliers.com
CalBRE#02122038

Adam Carosso

Investment Associate
+1 415 501 9949
adam.carosso@colliers.com
CalBRE#02122807

Contributors

Dara Kasrovi

Financial Analyst
dara.kasrovi@colliers.com
CalBRE#02235885

Annie Evans

Marketing Specialist
annie.evans@colliers.com