



Colliers

Q3 2025 MARKET OVERVIEW

# San Francisco Multifamily

BAY AREA MULTIFAMILY TEAM REPORT

# San Francisco Market Overview

Q3 2025

As we move through Q3 2025, the San Francisco multifamily market continues to build on its steady recovery with conditions largely consistent with the prior quarter. Transaction activity has remained healthy, supported by sustained investor interest and competition in the 10+ unit segment, while deal flow is marked by more efficient execution and compressed cap rates. The rental market remains a bright spot — units are leasing quickly, tenant demand is strong, and rents are holding firm or trending upward across key submarkets. Vacancy rates continue to edge down, reinforcing stability for landlords and further strengthening fundamentals. These dynamics highlight a market that is not only holding its gains but steadily re-establishing a stronger foundation for long-term growth.

Sales of 10+ unit buildings in San Francisco’s multifamily market showed steady activity in Q2 and Q3 of 2025, with 46 transactions recorded compared to 35 during the same period last year. The year-over-year increase reflects a meaningful pickup in investor activity, highlighting sustained demand for larger buildings as investors continue to favor opportunities with scale and long-term potential. This marks the third consecutive quarter of

positive transaction growth, underscoring the durability of investor interest and signaling that momentum in this segment is becoming increasingly entrenched. Meanwhile, the 5–9 unit segment has held relatively steady compared to last year, reflecting ongoing demand from investors who value smaller-scale opportunities. While momentum is stronger in the 10+ unit market, the 5–9 unit space continues to demonstrate resilience and remains an important part of San Francisco’s multifamily landscape.

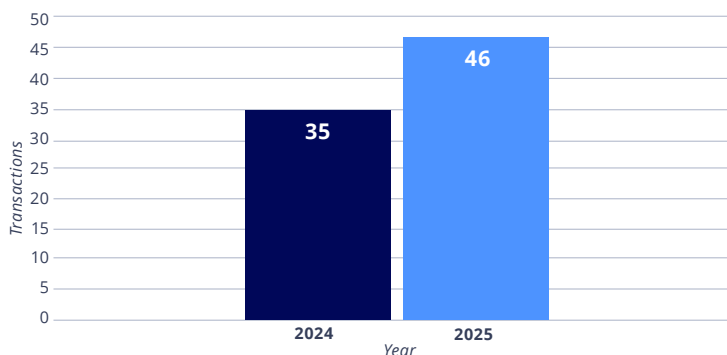
Looking at where activity was concentrated, District 5 — which includes Noe Valley, Mission Dolores, Haight Ashbury, Duboce Triangle, and surrounding neighborhoods — led the city in sales transactions for Q3 2025 with 14 recorded deals. The district’s mix of vibrant residential communities and high-demand rental markets continues to attract investor capital. District 7 — encompassing Pacific Heights, Cow Hollow, Presidio Heights, and the Marina — was a close second with 12 transactions, underscoring the enduring appeal of San Francisco’s premier neighborhoods. Together, these two districts highlight both the strength of established luxury markets and the growing momentum in dynamic, centrally located submarkets.

Market Indicators	Q3 2024	Q3 2025	Y-O-Y Change
Average of FED (Qtly)	5.27%	4.32%	-95 (BPS)
Average of 10-Yr Treasury	3.95%	4.26%	+31 (BPS)
Average of \$/SF	\$408	\$402	-1.47%
Average of \$/Unit	\$332,720	\$367,094	+10.3%
Average of CAP	6.06%	5.88%	-18 (BPS)

Source: Colliers | MacroTrends

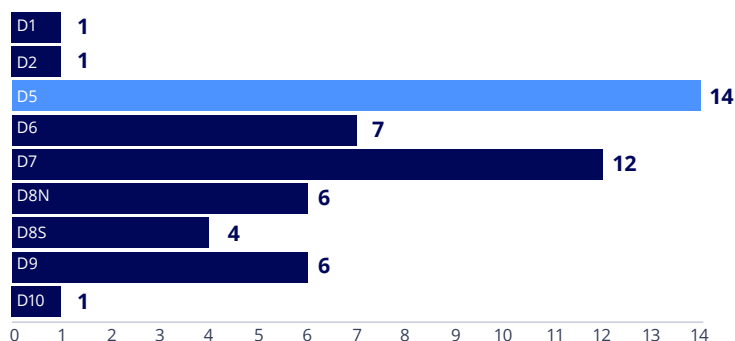
## Total 10+ Unit Sales 2024 vs. 2025

Q2-Q3



## Transactions by District (SF)

Q3 2025



Source: 5+ Unit Buildings | Colliers, MLS

## Notable Sale Transactions

Address	Market	Units	Price	\$/SF	\$/Unit
3260 Gough St	Marina	18	\$9,700,000	\$644	\$538,889
3401 Clay St	Presidio Heights	31	\$14,783,985	\$419	\$476,903
1060 Bush St	Downtown	75	\$16,500,000	\$351	\$220,000
3770 24th St	Noe Valley	27	\$8,400,000	\$473	\$311,111
2201 Pacific Ave	Pacific Heights	38	\$21,883,000	\$514	\$575,868
3434 Sacramento St	Presidio Heights	12	\$4,000,000	\$478	\$333,333

Sold by Colliers



# Leadership in Action

Since taking office, Mayor Daniel Lurie has advanced policies reshaping San Francisco's trajectory in ways that benefit multifamily investment. His Family Zoning Plan could unlock up to

36,000 new housing units by increasing density in key neighborhoods, while PermitSF reforms are streamlining project delivery. Support for office-to-residential conversions and the completion of developments like Shirley Chisholm Village reflect a pragmatic push to expand both market-rate and affordable housing.

A key driver of this shift is Lurie's return-to-office mandate: as of August 2025, around 8,000 city workers must now work in-office at least four days a week. Originally planned for April but delayed due to union negotiations, the policy aims to boost government efficiency and revitalize downtown and neighborhood commercial corridors.

Early signs show the mandate is reinforcing multifamily demand. Increased foot traffic is enhancing the appeal of nearby housing, daytime sales for small businesses are rising, and transit ridership is adjusting to accommodate returning workers. These trends are restoring urban patterns that support stable occupancy, rent growth, and reduced risk.

In sum, the alignment of supply-side reforms with demand-side recovery signals not just rebound—but the foundation for durable, long-term growth in multifamily investment.

Sources: Grow SF, SF Chronicle, SF Standard, AxiosMLS

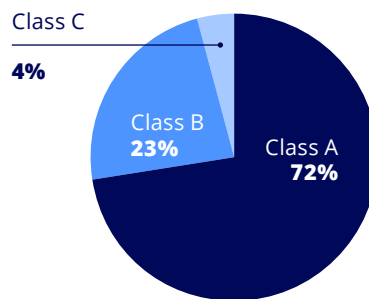
## VC & AI Expansion Fuels Multifamily Demand

Office leasing by San Francisco's top private and venture-backed occupiers has remained strong in 2025, with the top 10 firms accounting for substantial square footage. These commitments signal confidence in the city's economic base and bring with them expanding headcounts that directly translate into housing demand.

For the multifamily sector, the impact is clear: as companies grow their presence, employees seek housing close to work, driving occupancy, supporting rent growth, and reinforcing stability in core neighborhoods. Venture-backed firms anchoring office demand also send an important signal to investors — San Francisco remains a hub for innovation and long-term growth. The connection between office leasing momentum and multifamily performance underscores how both sectors are advancing the city's recovery in tandem.

## Square Feet Leased

By Office Class



## Top 10 Private / Venture Backed Occupiers

By Square Feet Leased

OpenAI Harvey

databricks persona

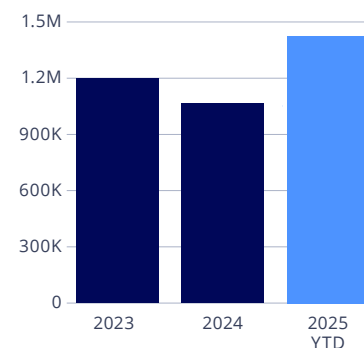
ANTHROPIC World Labs

scale sigma

Notion SIERRA

## Annual Leasing Activity

AI Related



Sources: Colliers Research, CoStar, Pitchbook

# 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



\$5.449 B  
in closed sales



935 +  
apartment  
buildings  
sold



95 +  
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  
[thedlteam.com](http://thedlteam.com) | [colliers.com](http://colliers.com)



## Contact Information

### Brad Lagomarsino

Vice Chair  
+1 415 288 7847  
[brad.lago@colliers.com](mailto:brad.lago@colliers.com)  
CalBRE#01058500

### Dustin Dolby

Executive Vice President  
+1 415 288 7869  
[dustin.dolby@colliers.com](mailto:dustin.dolby@colliers.com)  
CalBRE#01963487

### James Devincenti

Vice Chair  
+1 415 288 7848  
[j.d@colliers.com](mailto:j.d@colliers.com)  
CalBRE#00951916

### Payam Nejad

Senior Vice President  
+1 415 288 7872  
[payam@colliers.com](mailto:payam@colliers.com)  
CalBRE#01372042

### Ryan O'Keefe

Investment Associate  
+1 415 288 7806  
[ryan.okeefe@colliers.com](mailto:ryan.okeefe@colliers.com)  
CalBRE#02122038

### Adam Carosso

Investment Associate  
+1 415 501 9949  
[adam.carosso@colliers.com](mailto:adam.carosso@colliers.com)  
CalBRE#02122807

## Contributors

### Dara Kasrovi

Financial Analyst  
[dara.kasrovi@colliers.com](mailto:dara.kasrovi@colliers.com)  
CalBRE#02235885

### Annie Evans

Marketing Specialist  
[annie.evans@colliers.com](mailto:annie.evans@colliers.com)