Q2 2026 MARKET OVERVIEW

San Francisco Multifamily

BAY AREA MULTIFAMILY TEAM REPORT

San Francisco
Market Overview

Q2 2026

Q2 2026 reinforced the growing strength of San Francisco's multifamily investment market. Sales activity remained healthy, with total dollar volume increasing year over year and a steady flow of properties reaching the market and closing. Despite continued financing headwinds and elevated long-term interest rates, investor demand has remained competitive, particularly for well-located assets with strong underlying fundamentals. Buyer and seller expectations have also become more closely aligned, contributing to a significant narrowing of the gap between asking and sale prices. In many cases, competitive bidding has pushed properties to or above their original asking prices, reflecting deeper buyer pools and renewed confidence in the market. Both private and institutional capital remain active across a range of deal sizes.

In 2026, transaction volume for San Francisco multifamily properties has maintained a strong pace, while average price per square foot has continued to rise. This combination demonstrates that pricing gains are occurring alongside sustained market activity, rather than being driven by a limited number of isolated transactions. The strength in transaction volume, together with improving price per square foot, reinforces deeper buyer pools, stronger bidding environments, more efficient price discovery, and growing confidence in San Francisco's long-term multifamily fundamentals.

Looking at where transaction activity was concentrated in the second quarter of 2026, District 7—which includes Pacific Heights, Cow Hollow, Presidio Heights, and the Marina—led the market with 17 closed multifamily transactions. District 8 North—which encompasses Russian Hill, Nob Hill, Telegraph Hill, and North Beach—followed with 12 transactions, further demonstrating demand for well-located assets in San Francisco's northern neighborhoods. The level of activity in both districts reflects continued investor confidence in established submarkets with durable rental fundamentals and strong long-term value.

One of the key factors supporting San Francisco's multifamily market in 2026 has been the city's renewed economic momentum, aided in part by the continued expansion of the artificial intelligence sector. Growing AI companies are creating jobs, leasing office space, and attracting highly skilled workers back to the city, helping strengthen housing demand across a broad range of neighborhoods. These stronger rental fundamentals are also influencing the investment market, with buyers responding to the city's improving outlook through greater confidence, deeper participation, and increased competition for well-located multifamily assets. The shift has also renewed interest from out-of-state capital, adding further depth to the market. As the technology sector continues to expand and more residents return to San Francisco, durable housing demand and growing investor conviction are supporting continued momentum through the remainder of 2026.

Market Indicators

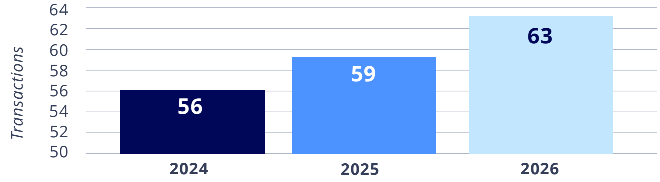
Q2 2025 vs. Q2 2026

Market Indicators	Q2 2025	Q2 2026	Y-O-Y Change
Average of FED (Qtly)	4.33%	3.63%	-70 (BPS)
Average of 10-Yr Treasury	4.38%	4.42%	+4 (BPS)
Average of $/SF	$388	$448	+15.5%
Average of $/Unit	$348,774	$359,625	+3.1%
Average of CAP	5.72%	5.52%	-20 (BPS)

Source: 5+ Unit Buildings | Colliers, MLS, MacroTrends

Total 5+ Unit Sales

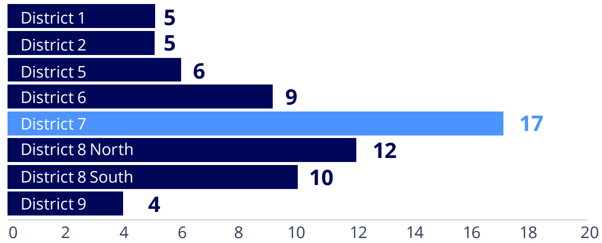
Q2 Historical (2024, 2025, 2026)



Source: 5+ Unit Buildings | Colliers, MLS

Transactions by District (SF)

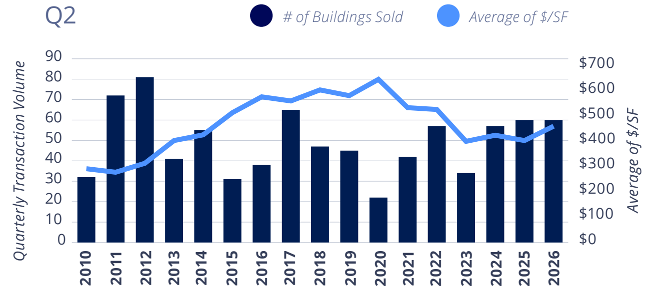
Q2 2026



Source: 5+ Unit Buildings | Colliers, MLS

Quarterly Transactional Volume vs. Price per Square Foot

Q2



Source: 5+ Unit Buildings | Colliers, MLS

Notable Colliers Sale Transactions

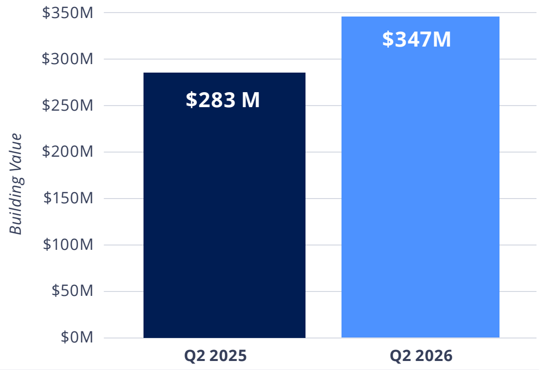
Address	Market	Units	Price	$/SF	$/Unit
2240 Pacific Ave	Pacific Heights	12	$6,500,000	$536	$541,667
1490 Chestnut St	Marina	11	$4,950,000	$706	$450,000
41 Palm Ave	Jordan Park	4	$2,800,000	$712	$700,000
2512-2516 Sacramento St	Pacific Heights	6	$3,275,000	$775	$545,833
1875 California St	Pacific Heights	7	$4,650,000	$598	$664,286

Investors Pursue **Larger Opportunities**

Total multifamily sales volume in the second quarter of 2026 reached approximately $346.8 million, up from $283.2 million in Q2 2025—a year-over-year increase of nearly 23%. The rise in total dollar volume suggests growing investor activity and a greater willingness to pursue larger transactions and more substantial opportunities across San Francisco. As capital continues to return to the market, buyers appear increasingly comfortable deploying larger equity checks, contributing to a more competitive investment environment and continued momentum in the city's multifamily sector.

Total Sold Building Value

Q2 2025 vs. Q2 2026



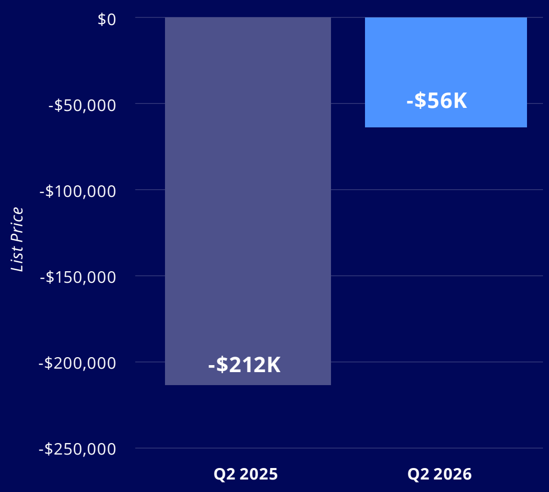
Source: 5+ Unit Buildings | Colliers, MLS

Resilient Buyer Demand **Drives Stronger Pricing**

The pricing environment showed a meaningful improvement in Q2 2026, as the spread between initial asking prices and final sale prices contracted sharply. In Q2 2025, properties sold for an average of $212,146 below asking price. By Q2 2026, that gap had narrowed to just $56,434 below asking, representing an approximately 73% year-over-year improvement. This shift speaks to the continued resilience of San Francisco's multifamily market. Despite interest rates moving in a direction that remains challenging for investors, buyer demand has remained competitive, with many well-positioned properties attracting multiple offers and, in some cases, selling above asking price. Sellers also appear to be pricing assets more in line with current market conditions, resulting in stronger execution and greater alignment between buyer and seller expectations. Taken together, the narrowing pricing gap, competitive bidding activity, and continued willingness of buyers to transact despite elevated borrowing costs point to a healthier and more efficient market. These trends suggest improving liquidity, stronger price discovery, and continued confidence in the long-term fundamentals of San Francisco multifamily.

List vs. Sale Price Differential

Q2 2025 vs. Q2 2026



Source: 5+ Unit Buildings | Colliers, MLS

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

$6.131 B
in closed sales

1,038 +
apartment buildings sold

115 +
years of combined experience

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