

# SAN FRANCISCO MARKET UPDATE | 2023 YEAR IN REVIEW

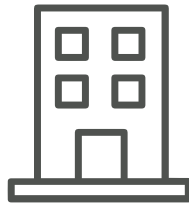
## SNAPSHOT

In 2023, the market grappled with significant challenges, including elevated interest rates, uncertainties in the financial markets, unfavorable media portrayals, and a noticeable scarcity of property listings in the majority of neighborhoods, resulting in a marked decrease in sales volume. The multifamily housing market witnessed a substantial decline across various key metrics since its height in 2021. Last year, the median sales price for two-to-four-unit buildings saw a notable reduction of 12.3 percent, while five-plus unit buildings experienced a 17.6 percent decrease when compared to the same period in 2022.

Despite these statistics, the prevailing sentiment in the market is one of enthusiasm. Many prospective buyers are capitalizing on the present landscape and securing deals that haven't been available for years. Media coverage is also exhibiting a positive trend, indicating a shift towards a more favorable market sentiment. Furthermore, the downtown district is experiencing growth, particularly in the expansion of AI companies, contributing to the overall economic landscape.

According to Zillow, rental rates have been on a downward trend since April, with the median rent now standing at \$3,300 per month.

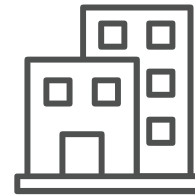
### 2-4 UNIT BUILDINGS



2023

MEDIAN SALES PRICE	\$1,737,500 ↓
DAYS ON MARKET	33 ↑
\$/SQ. FT.	\$623 ↓
\$/UNIT	\$750,000 ↓
# FOR SALE LAST DAY OF YEAR	68 ↓
WENT INTO CONTRACT	371 ↓
PROPERTIES SOLD	361 ↓

### 5+ UNIT BUILDINGS



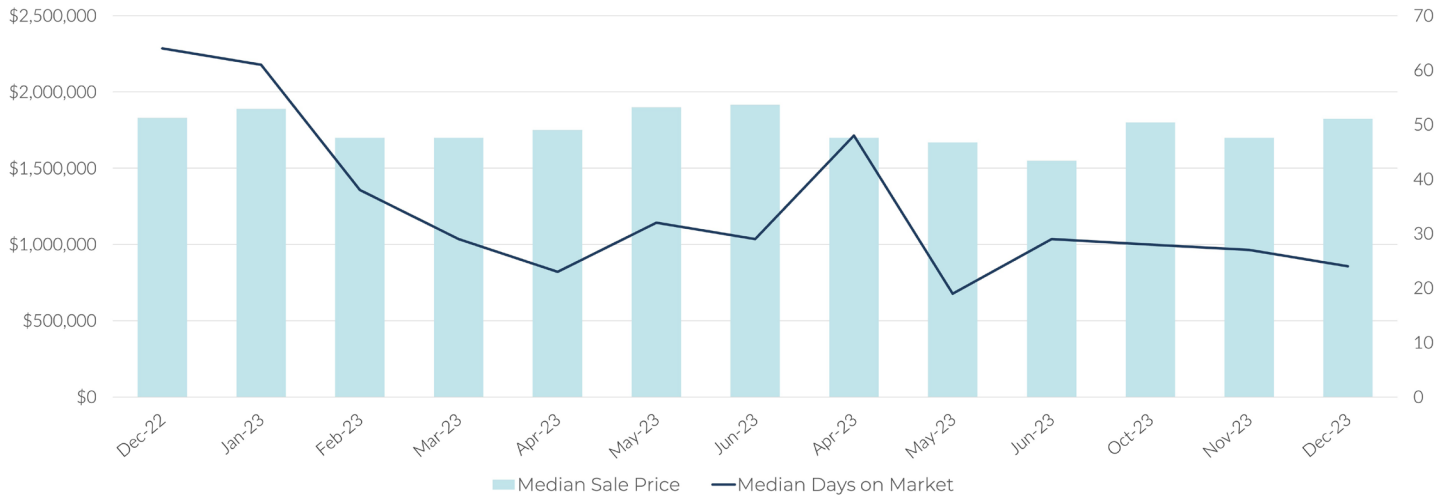
2023

MEDIAN SALES PRICE	\$2,512,500 ↓
DAYS ON MARKET	61 ↑
\$/SQ. FT.	\$408 ↓
\$/UNIT	\$343,750 ↓
# FOR SALE LAST DAY OF YEAR	71 ↓
WENT INTO CONTRACT	115 ↓
PROPERTIES SOLD	116 ↓

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## 2-4 UNIT BUILDINGS

### MONTH-OVER-MONTH COMPARISON



CHANGE IN PAST MONTH:

SALE PRICE: **+7.4%**

DAYS ON MARKET: **-3 days**

### YEAR-OVER-YEAR COMPARISON

	MEDIAN			
	2023	2022	%Δ	2021
SALES PRICE	\$1,737,500	\$1,981,500	-12.3%	\$2,020,000
DAYS ON MARKET	33	30	+10.0%	31
\$/SQ. FT.	\$623	\$695	-10.4%	\$692
PRICE PER UNIT.	\$750,000	\$800,000	-6.3%	\$850,000

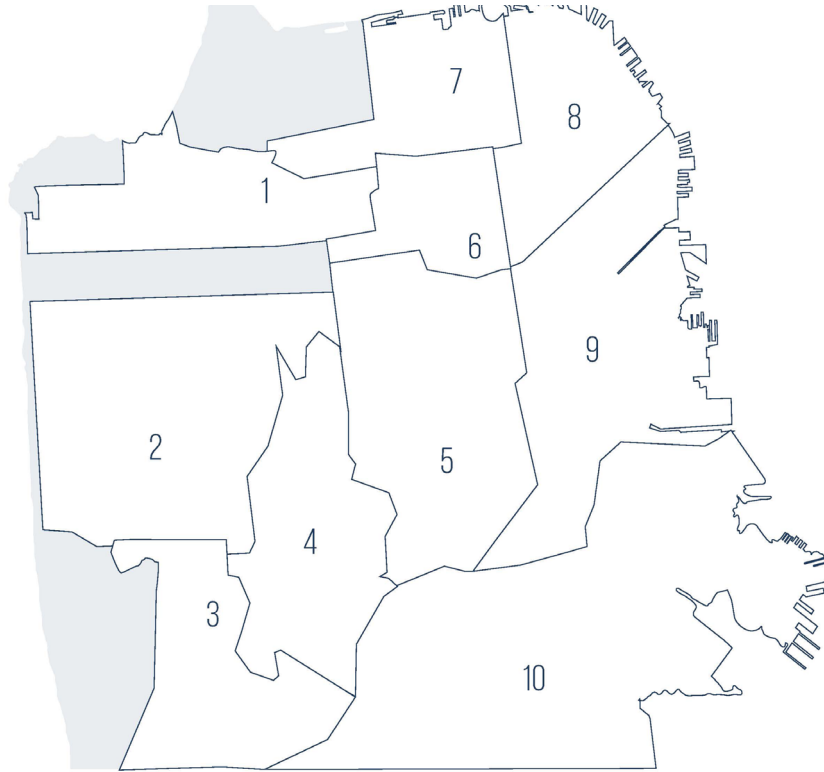


*The multifamily housing market witnessed a substantial decline across various key metrics since its height in 2021.*

### TOTAL

	2023	2022	%Δ	2021
WENT INTO CONTRACT	371	446	-16.8%	557
PROPERTIES SOLD	361	475	-24.0%	607
# FOR SALE LAST DAY OF YEAR	68	120	-43.3%	119
% OF PROPERTIES SOLD OVER LIST PRICE	39.3%	45.7%	-14.0%	48.3%
% OF LIST PRICE RECEIVED (AVERAGE)	100.4%	103.4%	-2.9%	103.1%

## MEDIAN AREA VALUES (2023)



DISTRICT	2-4 UNIT BUILDINGS	\$/SQ. FT.	% OF LIST PRICE RECEIVED (AVERAGE)	BUILDINGS SOLD
District 1	\$1,775,000	\$581	101.3%	64
District 2	\$1,680,000	\$566	102.6%	41*
District 3	\$1,225,000	\$416	89.5%	4*
District 4	\$1,690,000	\$651	102.5%	6*
District 5	\$1,900,000	\$666	99.0%	89
District 6	\$1,625,000	\$563	102.6%	30*
District 7	\$2,652,500	\$847	97.3%	26*
District 8	\$1,875,000	\$660	95.7%	29*
District 9	\$1,550,000	\$579	102.8%	56
District 10	\$1,200,000	\$500	101.6%	16*

\* Small sample size: use caution when interpreting statistics. Sources: SFAR MLS & BrokerMetrics; Property types covered: 2-4 unit buildings. Only property data posted on the MLS is covered. All information is deemed reliable, but not guaranteed for accuracy. All data is subject to errors, omissions, revisions, and is not warranted. ©2024 Vanguard Properties. All rights reserved. Equal Housing Opportunity. DRE No. 01486075

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## 5+ UNIT BUILDINGS

### YEAR-OVER-YEAR COMPARISON

	2023	2022	%Δ	2021	
MEDIAN	SALES PRICE	\$2,512,500	\$3,050,000	-17.6%	\$3,395,000
	DAYS ON MARKET	61	54	+13.0%	57
	\$ / SQ. FT.	\$408	\$505	-19.2%	\$523
	PRICE PER UNIT.	\$343,750	\$399,167	-13.9%	\$408,333
	CAP RATE.	5.64%	4.70%	+20.0%	4.49%
	GROSS RENT MULTIPLIER.	12.1	14.4	-16.0%	14.8
TOTAL	WENT INTO CONTRACT	115	132	-12.9%	150
	PROPERTIES SOLD	116	137	-15.3%	149
	# FOR SALE LAST DAY OF YEAR.	71	75	-5.3%	54
	% OF PROPERTIES SOLD OVER LIST PRICE.	10.3%	22.6%	-54.4%	18.1%
	% OF LIST PRICE RECEIVED (AVERAGE)	93.8%	95.7%	-2.0%	96.1%

“Despite these statistics, the prevailing sentiment in the market is one of enthusiasm. Many prospective buyers are capitalizing on the present landscape and securing deals that haven’t been available for years.”

### MEDIAN AREA VALUES (2023)

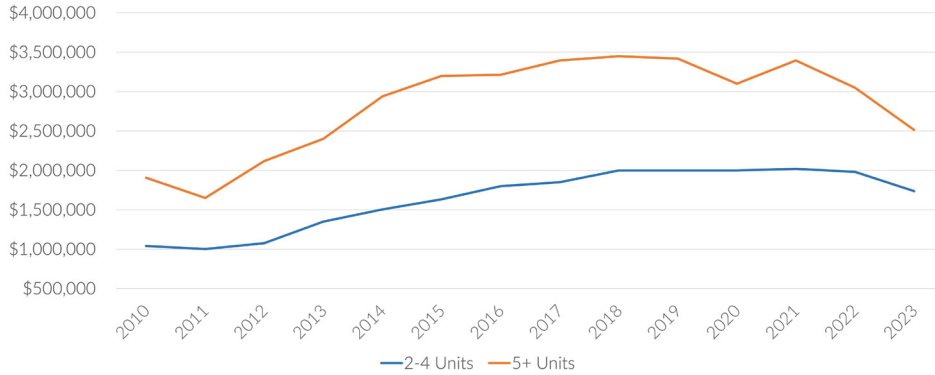
DISTRICT	5+ UNIT BUILDINGS	\$ / SQ. FT.	PRICE PER UNIT	CAP RATE.	GROSS RENT MULTIPLIER	BUILDINGS SOLD
District 1	\$3,250,000	\$446	\$361,111	5.87%	13.7	7*
District 2	\$1,595,000	\$403	\$290,500	3.62%	12.6	4*
District 3	-	-	-	-	-	0
District 4	-	-	-	-	-	0
District 5	\$2,287,500	\$444	\$383,333	5.55%	12	27*
District 6	\$2,680,000	\$375	\$360,833	6.02%	11.2	22*
District 7	\$3,650,000	\$541	\$520,100	5.40%	12.5	17*
District 8	\$2,400,000	\$360	\$280,000	5.55%	11	29*
District 9	\$1,816,500	\$301	\$271,188	5.83%	11.8	8*
District 10	\$1,217,500	\$307	\$226,000	6.13%	10.9	2*

\* Small sample size: use caution when interpreting statistics. Sources: SFAR MLS & BrokerMetrics; Property types covered: 5+ unit buildings. Only property data posted on the MLS is covered. All information is deemed reliable, but not guaranteed for accuracy. All data is subject to errors, omissions, revisions, and is not warranted. ©2024 Vanguard Properties. All rights reserved. Equal Housing Opportunity. DRE No. 01486075

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## YEAR-OVER-YEAR COMPARISONS

### MEDIAN SALE PRICE



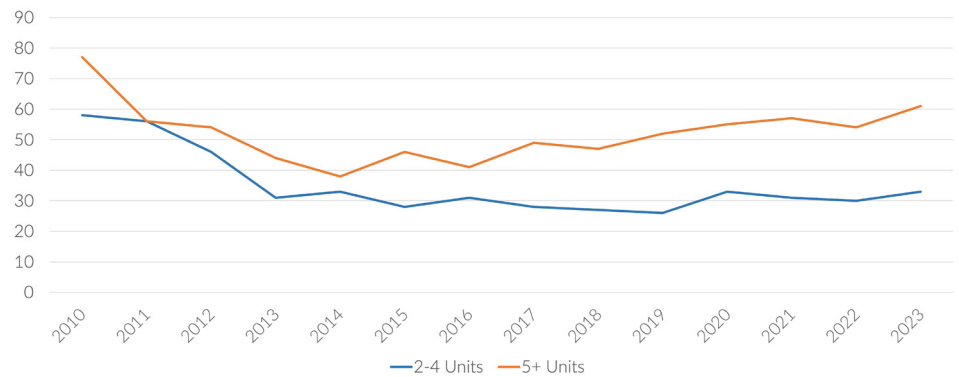
2-4 UNIT BUILDINGS  
**\$1,737,500**  
 -12.3% year-over-year

5+ UNIT BUILDINGS  
**\$2,512,500**  
 -17.6% year-over-year

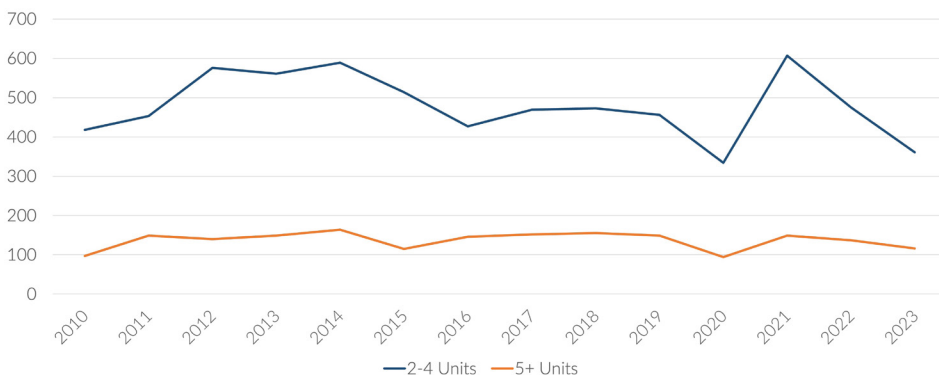
### MEDIAN MARKET TIME

2-4 UNIT BUILDINGS  
**33 days**  
 +3 day change year-over-year

5+ UNIT BUILDINGS  
**61 days**  
 +7 day change year-over-year



### NUMBER OF SALES



2-4 UNIT BUILDINGS  
**361**  
 -24.0% year-over-year

5+ UNIT BUILDINGS\*  
**116**  
 -15.3% year-over-year

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