SAN FRANCISCO MULTI-UNIT MARKET UPDATE

2025 YEAR IN REVIEW

VANGUARD PROPERTIES

MARKET UPDATE

SAN FRANCISCO | 2025 YEAR IN REVIEW

San Francisco's multifamily sector roared back to life in 2025, delivering the highest transaction volume in years and signaling renewed investor confidence. In the 5-plus-unit segment, sales jumped 28.7 percent to 202 buildings — the most trades since 2005 — while contracts climbed 28.1 percent, reflecting aggressive demand amid tightening supply. Two-to-four-unit buildings also rebounded meaningfully, with contracts up 17.4 percent and closed sales up 18.0 percent, as investors capitalized on stabilizing values and improving cash flow.

Pricing remained disciplined as activity accelerated. In the 2–4 unit segment, the median sales price dipped slightly, but underlying value metrics strengthened, with median price per unit rising 6.3 percent and price per square foot increasing 1.5 percent. Sellers continued to perform well, receiving 102.5 percent of list price on average, with nearly 45 percent of buildings selling over asking. In the 5-plus-unit segment, median price per unit increased 4.9 percent, and faster absorption reflected growing competition despite modest adjustments in price per square foot.

Rising rents were a major catalyst throughout the year, materially improving income projections and underwriting assumptions. Strong demand driven by the city's AI-led tech resurgence and increased office attendance pushed rents higher, reinforcing investor confidence and supporting higher valuations across both small and large multifamily assets.

Lower mortgage rates and improving capital markets sentiment helped bring sidelined capital back into the market in the second half of the year. Combined with limited supply and strengthening rental fundamentals, these conditions marked 2025 as a clear turning point for San Francisco's multifamily sector. Heading into 2026, the market appears well positioned for continued momentum, particularly for well-located, income-producing properties.

2-4 UNIT BUILDINGS

2025

Median Sales Price	$1,703,000 ↓
Days on market	27
$ / SQ. FT.	$597 ↑
$ / Unit	$740,750 ↑
# For Sale On Last Day Of Year	82 ↑
Went Into Contract	472 ↑
Properties Sold	465 ↑

5+ UNIT BUILDINGS

2025

Median Sales Price	$2,582,500 ↑
Days On Market	42 ↓
$ / Sq. Ft.	$387 ↓
$ / Unit	$329,167 ↑
# For Sale Last Day Of Year	32 ↓
Went Into Contract	214 ↑
Properties Sold	202 ↑

* Small sample size; use caution when interpreting statistics. Sources: SFAR MLS & BrokerMetrics; Property types covered: Single-family, Condominiums, Loft condominiums, TIC, and Stock COOP. 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.

VANGUARD PROPERTIES

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2-4 UNIT BUILDINGS

MONTH-OVER-MONTH COMPARISON

CHANGE IN PAST MONTH:

SALES PRICE: **+0.7%**

DAYS ON MARKET: **+3 days**

YEAR-OVER-YEAR COMPARISON

"Two-to-four-unit buildings also rebounded meaningfully, with contracts up 17.4 percent and closed sales up 18.0 percent, as investors capitalized on stabilizing values and improving cash flow."

MEDIAN

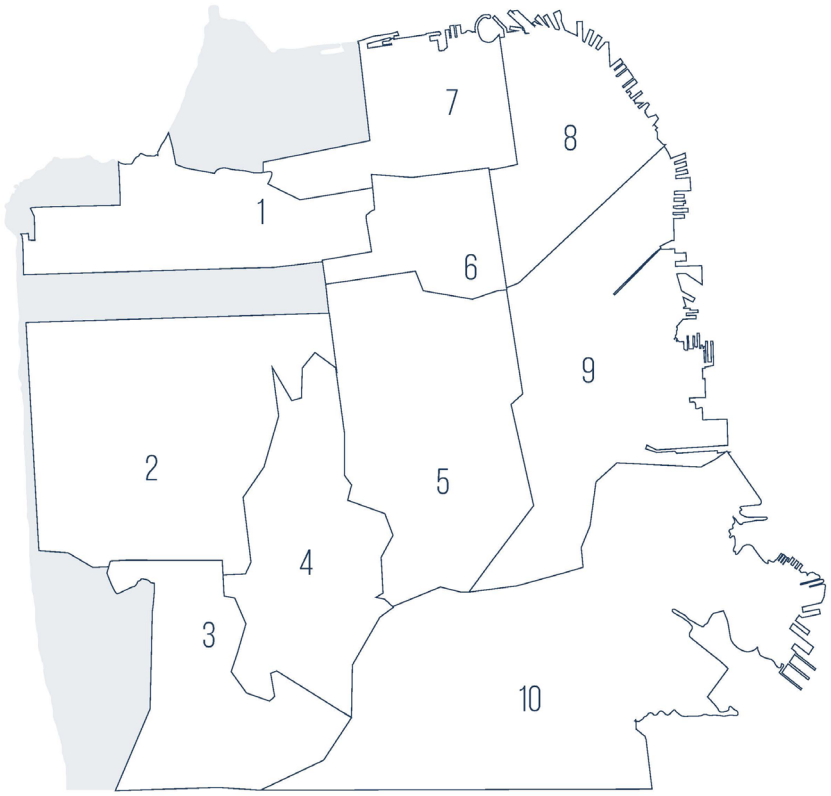
	2025	2024	%Δ	2023
Sales Price	$1,703,000	$1,730,000	-1.6%	$1,737,500
Days On Market	27	27	0.0%	33
$ / SQ. FT.	$597	$588	+1.5%	$623
Price Per Unit	$740,750	$697,000	+6.3%	$750,000

TOTAL

	2025	2024	%Δ	2023
Went Into Contract	472	402	+17.4%	371
Properties Sold	465	394	+18.0%	361
# For Sale Last Day of Year	82	72	+13.9%	68
% Of Properties Sold Over List	44.9%	44.7%	+0.4%	39.3%
% Of List Price Received *(Average)*	102.5%	102.2%	+0.3%	100.4%

Sources: SFAR MLS & BrokerMetrics; Property types covered: Single-family. 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.

VANGUARD PROPERTIES



DISTRICT	2-4 UNIT BUILDINGS	$ / SQ. FT.	% OF LIST PRICE RECEIVED (AVERAGE)	BUILDINGS SOLD
District 1	$1,800,000	$544	104.7%	90
District 2	$1,530,300	$610	103.8%	48*
District 3	$1,062,500	$495	91.4%	2*
District 4	$1,925,000	$674	106.0%	8*
District 5	$1,762,500	$619	102.4%	102
District 6	$1,700,000	$575	99.6%	35*
District 7	$3,350,000	$823	101.6%	39*
District 8	$2,000,000	$601	100.6%	54
District 9	$1,300,000	$524	101.3%	62
District 10	$1,210,000	$550	103.9%	25*

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5+ UNIT BUILDINGS

YEAR-OVER-YEAR COMPARISON

		2025	2024	%Δ	2023
MEDIAN	Sales Price	$2,582,500	$2,480,000	+4.1%	$2,512,500
	Days On Market	42	45	+4.1%	61
	$ / Sq. Ft.	$387	$399	-3.0%	$408
	Price Per Unit	$329,167	$313,667	+4.9%	$343,750
	Cap Rate	6.01%	6.08%	-1.2%	5.64%
	Gross Rent Multiplier	10.9	11.4	-4.4%	12.1
TOTAL	Went Into Contract	214	167	+28.1%	115
	Properties Sold	202	157	+28.7%	116
	# For Sale Last Day Of Year	32	44	-27.3%	71
	% Of Properties Sold Over List Price	24.3%	19.7%	+23.4%	10.3%
	% Of List Price Received (Average)	96.9%	96.4%	+0.5%	93.8%

"In the 5-plus-unit segment, sales jumped 28.7 percent to 202 buildings — the most trades since 2005 — while contracts climbed 28.1 percent, reflecting aggressive demand amid tightening supply."

MEDIAN AREA VALUES

DISTRICT	5+ UNIT BUILDINGS	$ / SQ. FT.	PRICE PER UNIT	CAP RATE.	GROSS RENT MULTIPLIER	BUILDINGS SOLD
District 1	$2,650,000	$427	$301,227	5.83%	11.2	10*
District 2	$2,035,000	$400	$334,083	6.23%	11	12*
District 3	$2,311,000	$365	$256,778	6.19%	10.92	1*
District 4	$4,210,000	$397	$350,833	4.89%	13.18	1*
District 5	$2,300,000	$382	$336,005	5.75%	10.9	49*
District 6	$2,825,000	$385	$315,278	6.02%	10.6	23*
District 7	$4,900,000	$476	$414,417	5.15%	12.3	26*
District 8	$2,830,000	$370	$300,000	5.97%	10.5	52
District 9	$1,777,000	$316	$255,000	6.34%	9.7	26*
District 10	$1,637,500	$216	$204,688	6.26%	9.8	2*

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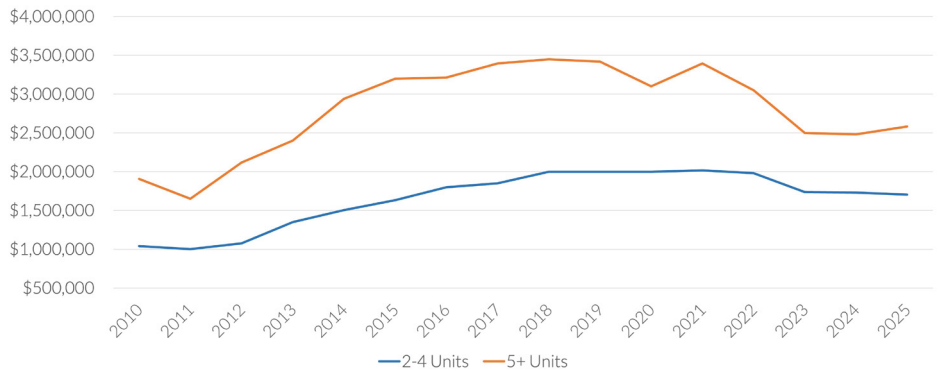
YEAR-OVER-YEAR COMPARISONS

MEDIAN SALE PRICE



2-4 Unit Buildings

$1,703,000

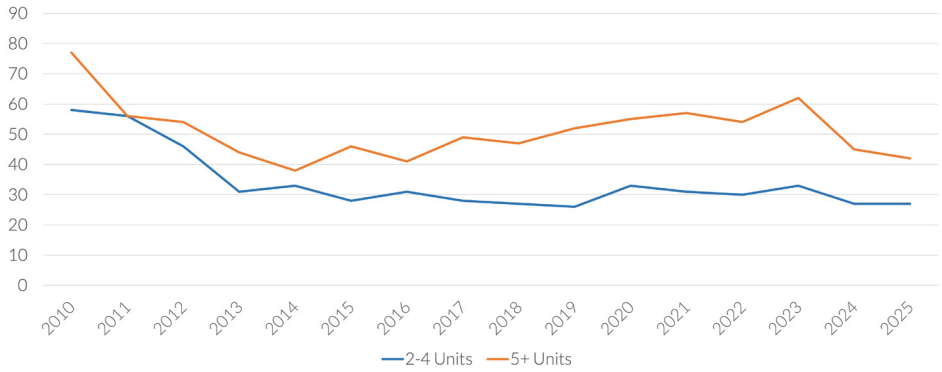
-1.6% change year-over-year

5+ Unit Buildings

$2,582,500

+4.1% change year-over-year

MEDIAN MARKET TIME



2-4 Unit Buildings

27 days

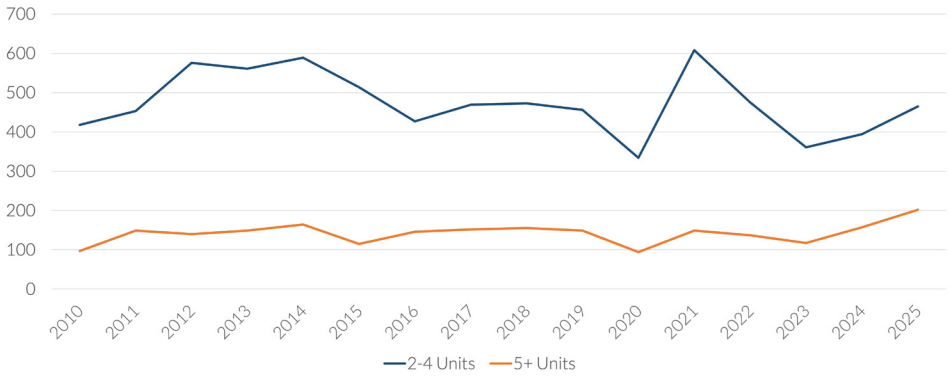
No change year-over-year

5+ Unit Buildings

42 days

-3 day change year-over-year

NUMBER OF SALES



2-4 Unit Buildings

465

+18.0% change year-over-year

5+ Unit Buildings

202

+28.7% change year-over-year

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