SF APARTMENT magazine

MARKET *in* MOTION

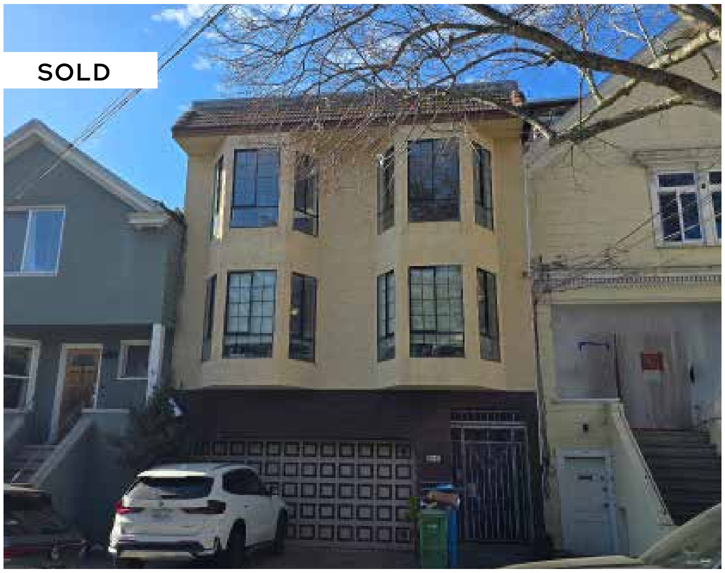
DOWNTOWN FINDS ITS FOOTING

San Francisco Apartment Association
June 2026 / $7.00

JAY GREENBERG

35+ Years as an established and recognized leader in the San Francisco Apartment Sales Market

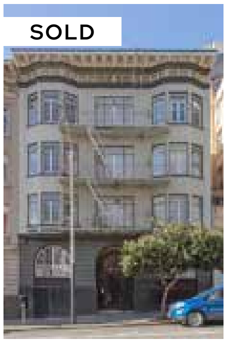
NOPA | 6 Units



LAUREN HEIGHTS | 2 Units

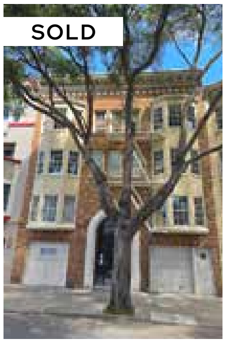
NOPA
12 Units

NOPA
9 Units



Downtown
16 Units

Marina District
4 Units



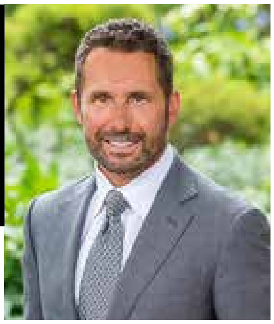
NOPA
12 Units

Marina District
9 Units

- Exclusive Representation
- Tailored Marketing
- Top-of-the-Market Pricing
- Your Goals Are My Business

Considering buying, selling, or want to talk strategy? Contact me today for a consultation on any real estate matter.

JAY GREENBERG
Senior Director
415.378.6755
jay@jayhgreenberg.com
jayhgreenberg.com



COMPASS COMMERCIAL

Caps and Comebacks

written by JAY H. GREENBERG

Rising rents, tightening vacancies, and renewed investor confidence are fueling San Francisco multifamily's rebound.

After several years of volatility, the San Francisco multifamily market has continued to evolve through the first quarter of 2026, reflecting a notable shift in momentum. After peaking in 2020 and experiencing a broad correction through most of 2024, the market is now showing encouraging signs of recovery.

Value indicators present a more constructive outlook, with pricing metrics in both the 5-9-unit and 10-plus-unit segments beginning to stabilize and, in many cases, trend upward. Transaction volume and dollar activity increased significantly, signaling renewed investor confidence and stronger market participation.

With limited new construction, strengthening rental demand, and improving leasing fundamentals, the multifamily market has shifted from defensive positioning to renewed momentum. Sales activity accelerated meaningfully in early 2026, pricing stabilized across several key metrics, and investor sentiment improved as operating performance strengthened.

Beyond transactional activity, broader sentiment around San Francisco has also improved. Increased emphasis on public safety, street conditions, and quality-of-life issues under the city's new administration has contributed to a more stable and orderly urban environment. These qualitative improvements have played an important role in restoring confidence among residents, owners, and investors alike.

The rental market has also strengthened considerably over the past twelve months. Leasing agents throughout the city are reporting competitive activity, with many units receiving multiple applications after only one or two showings. Vacancy rates have tightened meaningfully, and owners are increasingly seeing market-rate units lease at pricing levels that would have seemed aggressive just two years ago. Rising rents have become one of the primary drivers supporting improved investor sentiment and renewed acquisition activity.

The following sections compare first-quarter 2026 metrics against prior years and highlight trends currently shaping San Francisco's multifamily investment market.

5-9 Units

Price per Square Foot

The average Q1 price per square foot was $578 in 2020, declining to $540 in 2021 and $507 in 2022. In 2023, values remained relatively stable at $502 per square foot before falling 16% in 2024 to $420. In 2025, pricing held at $422 per square foot. In 2026, pricing improved, with the average increasing approximately 7% to $451 per square foot.

Gross Rent Multiplier (GRMs)

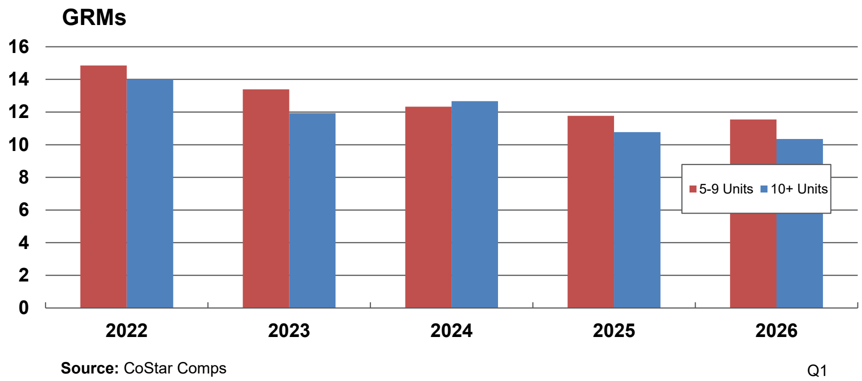
The average GRM was 17.17 in 2020, declining to 14.70 in 2021 before increasing slightly to 14.85 in 2022. In 2023, the average declined 9.83% to 13.39 and fell another 7.45% in Q1 2024 to 12.33. In 2025, the GRM declined further to 11.77 before settling at 11.55 in 2026.

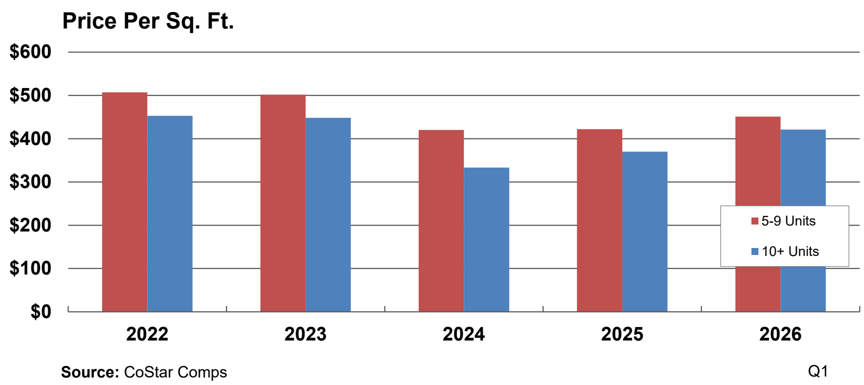
Cost per Unit

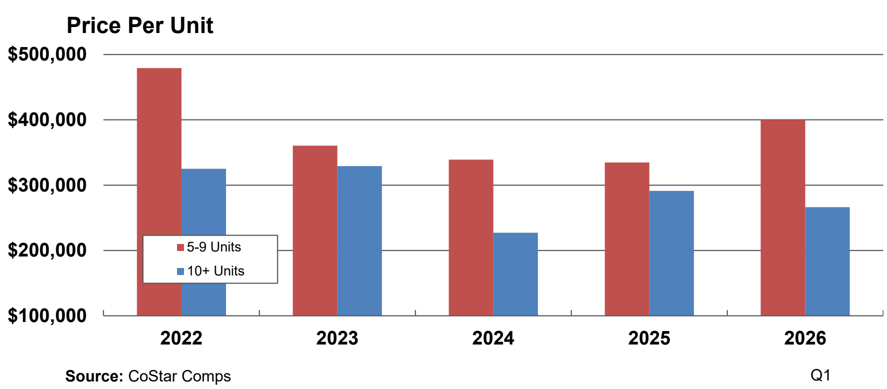
The average cost per unit was $533,000 in 2020, declining to $423,000 in 2021 before rebounding to $479,000 in 2022. In 2023, pricing fell 24.84% to $360,000 per unit and declined another 5.83% in Q1 2024 to $339,000. In 2025, pricing remained relatively stable at $334,000 per unit. In 2026, values rebounded significantly, increasing approximately 19.5% to $400,000 per unit.

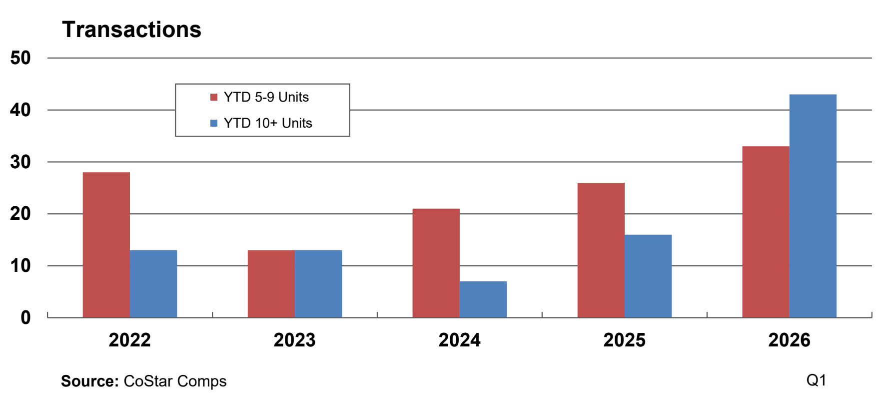
Dollar Volume

Total dollar volume was $82 million in 2020, declining to $49 million in Q1 2021 before rebounding to $84 million in 2022. In 2023, volume fell sharply to $28 million, representing a 66.67% year-over-year decline. Activity recovered in 2024, increasing to $43 million, and continued upward in 2025 to $57 million. In 2026, dollar volume increased another 48% to $85 million.









Transactions

There were 25 transactions in 2020. Transactions declined to 19 in 2021, then increased to 28 in 2022. In 2023, activity fell sharply to 13 closings, which then rebounded to 21 transactions in 2024. Momentum continued in Q1 2025 with 26 closings. In 2026, transactions increased another 27% year over year to 33 closings.

The smaller-building segment has continued to attract substantial investor attention entering 2026. Many buyers remain drawn to 5-9-unit properties because of their relative affordability compared to larger assets, as well as the flexibility they offer for owner-users, family offices, and private investors. Strong rental demand and improving operational performance have helped support pricing stabilization after several years of downward pressure.

10-Plus Units

Price per Square Foot

The average price per square foot peaked at $621 in Q1 2020, declining to $480 in 2021 and $453 in 2022. In 2023, values remained relatively stable at $448 per square foot before falling 25% in Q1 2024 to $333. Pricing improved in Q1 2025 to $370 per square foot and continued upward in Q1 2026, increasing 13.78% to $421 per square foot.

Gross Rent Multiplier (GRMs)

The average GRM was 17.02 in Q1 2020 before dropping to 13.38 in 2021. This number increased slightly to 14.01 in 2022, dropped 15% to 11.94 in 2023, and then increased to 12.67 in 2024. In Q1 2025, the GRM declined to 10.77 and settled slightly lower at 10.35 in 2026.

Price per Unit

The average cost per unit was $488,000 in 2020, declining to $365,000 in 2021 and $325,000 in 2022. In 2023, pricing remained relatively stable at $329,000 per unit before falling sharply in Q1 2024 to $227,000, a 31% year-over-year decline. In Q1 2025, pricing rebounded 28% to $291,000 per unit. In Q1 2026, values declined another 8.61% to $266,000 per unit.

Dollar Volume

Total dollar volume was $236 million in Q1 2020, declining to $100 million in 2021, $77 million in 2022, and $54 million in 2023, a 30% year-over-year decline. The downturn continued in Q1 2024, with volume dropping another 53% to $25 million. Activity rebounded sharply in Q1 2025 to $76 million and accelerated further in 2026 to $180 million, representing a 137% year-over-year increase.

Transactions

Transactions totaled 22 in 2020, then declined to 11 in 2021 before increasing modestly to 13 in both 2022 and 2023. Transactions dropped again to 7 in 2024 before increasing again to 16 in 2025, representing a 128% year-over-year increase. The momentum accelerated significantly in Q1 2026, with transactions rising to 43 closings, up 168% year over year.

The larger-building sector has experienced some of the strongest recovery momentum entering 2026. Investors have increasingly returned to the market as improving rent growth and lower vacancy rates strengthened underwriting assumptions. Well-positioned assets, particularly those with operational upside or renovation potential, are attracting substantial interest and competitive bidding activity. Transaction levels within the 10-plus-unit category reflect growing confidence that San Francisco multifamily fundamentals are improving meaningfully after several difficult years.

My Two Cents

The sales dynamics have shifted meaningfully from a buyers' market through much of 2024 to a far more competitive environment entering 2026. While value indicators remain somewhat mixed, transaction activity tells a much clearer story. Across both categories combined, dollar volume increased approximately 99% year over year, while total closings increased roughly 81%. The numbers

THE STERN GROVE FESTIVAL & SPRECKELS TEMPLE OF MUSIC LINEUP

Looking for one of San Francisco's tried-and-true summer traditions? From the iconic Stern Grove Festival to longtime Golden Gate Park concert series favorites, the city's free outdoor music calendar remains one of the best ways to spend a summer weekend in San Francisco.

STERN GROVE FESTIVAL 2026 LINEUP

JUNE 14 – Peter Cat Recording Co. + Marinero
JUNE 21 – Bomba Estéreo + La Misa Negra
JUNE 28 – Japanese Breakfast
JULY 5 – Major Lazer + Fijiana + DJ Bad Juuju
JULY 19 – Charley Crockett + Nicki Bluhm
JULY 26 – Suki Waterhouse
AUGUST 2 – Violent Femmes + Tune-Yards
AUGUST 9 – Patti LaBelle + Destini Wolf
AUGUST 15 – Public Enemy
AUGUST 16 – Al Green + Goapele + The GLIDE Ensemble

SPRECKELS TEMPLE OF MUSIC IN GOLDEN GATE PARK 2026 LINEUP

JUNE 7 – A Celebration of Pride and Community
JUNE 14 – Trombonology!
JUNE 21 – Juneteenth and Father's Day
JUNE 28 – Around the World in 90 Minutes
JULY 4 – Happy 250th America!
JULY 5 – Musical Landscapes
JULY 12 – The Magic of Disney
JULY 19 – Musical Treasures
JULY 26 – A Bonnie Scottish Celebration
AUGUST 2 – Say Thank You to Our First Responders!
AUGUST 9 – Tune Town
AUGUST 16 – Celebrating Hungarian Culture
AUGUST 23 – Celebrating Ukrainian Culture
AUGUST 30 – ¡Ole! The Heart of Spain 1:00 PM 2:30 PM

The concerts take place at the Spreckels Temple of Music (also known as the Bandshell). Location: Spreckels Temple of Music (AKA the Bandshell), Golden Gate Park, 75 Hagiwara Tea Garden Drive. For details, visit *goldengateparkband.org*.

are even more impressive within the 10-plus-unit sector, where dollar volume increased 137% and transactions rose 168% year over year.

Well-priced offerings are moving quickly, and multiple-offer situations have become increasingly common. The downtown sales market remains in recovery mode, but activity has improved materially over the past twelve months. Buyers appear far more willing to move aggressively on opportunities that are priced correctly and offer operational upside.

Last year at this time, I wrote about rapidly escalating rents on the Peninsula beginning to work their way into San Francisco. That trend has continued and, in many neighborhoods, accelerated. Leasing agents are reporting competitive bidding activity after only one or two showings. One property manager recently shared that his leasing agent gathers recent rent comparables and simply adds $500 to the asking rent.

Within the past thirty days, two of my clients rented studio apartments in the North Panhandle neighborhood for $3,495 without parking or in-unit laundry. Just twenty-four months ago, that pricing would have been associated with a one-bedroom apartment. These types of rental increases are becoming increasingly common throughout many San Francisco neighborhoods and are materially improving property income potential.

Rising rents, improving occupancy, stronger investor confidence, and increasing transaction activity have all contributed to a much healthier investment environment entering 2026. While challenges remain, the overall trajectory of the market has improved significantly compared to the conditions owners faced between 2020 and 2024.

If you'd like to discuss how current trends may affect your property or if you're considering buying, selling, or want to talk strategy—feel free to reach out to me directly at *jay@jayhgreenberg.com*. I'm here as a resource and I'd be happy to connect.