San Francisco Multifamily Market Report

A snapshot of pricing, rents, and investment activity for owners and investors evaluating a purchase or sale. Published every four months.

Every figure on this page is for the City & County of San Francisco — no other Bay Area submarket is included.

$1.95M
2-UNIT MEDIAN PRICE, YTD
San Francisco 2-unit buildings

$2.18M
3–4 UNIT MEDIAN PRICE, YTD
San Francisco 3–4 unit buildings

$2.65M
5–9 UNIT MEDIAN PRICE, Q1
Up 10.5% year-over-year

5.9%
CAP RATE, 5+ UNIT BLDGS
Q1 2026 average across San Francisco sales

+14.7%
ASKING RENTS, YOY
San Francisco 5+ unit buildings

$1.28B
INVESTMENT SALES, H1 2026
San Francisco multifamily, down ~18% from H1 2025

Small buildings: 2–4 units

San Francisco's building stock skews small — roughly 21,430 buildings citywide hold 2–4 units, compared with about 4,506 in the 5–9 unit range and 3,626 with 10 or more. Pricing on this segment continues to run well ahead of larger buildings on a per-square-foot basis, a sign of steady owner-user and small-investor demand.

SEGMENT	MEDIAN PRICE, YTD	PRICE / SQ. FT.
2-unit buildings	$1,950,000	$784
3–4 unit buildings	$2,180,000	$604

Mid-size buildings: 5–9 units

This is the segment I work most directly, and Q1 2026 was its strongest opening quarter since 2018 — on the heels of 2025, itself the strongest year for 5+ unit sales in more than 15 years. Typical stock here is a wood-frame building built around 1915.

METRIC	Q1 2026
Median sale price	$2,650,000
Price per square foot	$432
Price per unit	~$366,000
Gross rent multiplier	11.7x
Cap rate (average)	5.9%
Days on market	40–147, by neighborhood

Small buildings are pricing at nearly double the per-square-foot rate of 5–9 unit properties ($784–$604 vs. $432) — worth factoring into any decision about which segment to target, whether buying or selling.

Investment sales & rents

San Francisco multifamily investment sales totaled $1.28 billion in the first half of 2026 — down about 18% from H1 2025's exceptionally strong $1.56 billion, but still historically elevated. Asking rents on 5+ unit buildings are up 14.7% year-over-year citywide, with median asking rent now above $3,100/month, and the report authors describe the current backdrop as "record-high rents" alongside "historically low inventory."

Read together with the pricing data on the previous page, the picture is a market where rent growth, sale pricing, and transaction volume are all moving up at once — a meaningfully different environment than the softer stretch San Francisco multifamily saw in 2022–2024.

Rents and prices are now moving together — rents up 14.7%, 5–9 unit sale prices up 10.5%, both year-over-year. That's a healthier signal than either move alone: it suggests income growth is what's driving pricing, not simply looser cap rates.

What's driving the market

Tech and AI-sector hiring bringing high-paying jobs back into the city is the most commonly cited driver behind the current run of rent growth, alongside several years of very limited new construction keeping a lid on available inventory. Both dynamics show up in the numbers: rents at record highs, and 2025–2026 among the strongest sales stretches the 5+ unit segment has seen in over a decade.

What this means for owners and buyers

- **Sellers** of well-located buildings are entering the market at a genuinely strong point — Q1 2026 was the best opening quarter for 5+ unit sales since 2018, and pricing has followed rents upward rather than lagging behind them.
- **Buyers** should expect competition on well-priced product in both the small (2–4 unit) and mid-size (5–9 unit) segments; days-on-market data shows a wide range by neighborhood, so local knowledge still matters more than citywide averages.
- **Both sides** benefit from a valuation grounded in San-Francisco-specific comps rather than broader regional data, which can understate or overstate what's actually happening on a given block.

Sources: third-party market data, including San Francisco apartment building market reports (5+ unit and 2–4 unit segments, reflecting MLS-reported transactions through early Q2 2026) and CoStar, "San Francisco multifamily investment sales stay elevated in the first half of 2026" (H1 2026 investment sales volume). All data is specific to the City and County of San Francisco. Figures reflect third-party market research current as of publication and are provided for general informational purposes only — not investment, legal, or tax advice. Consult the appropriate professional before making a real estate decision. Published as the first edition of a report Matt Campana updates roughly every four months.

The AI effect on San Francisco real estate

San Francisco's AI sector has moved from a talking point to the single biggest force in the city's real estate market. OpenAI and Anthropic have each leased more than 1 million square feet of San Francisco office space, anchoring a leasing market on pace for its strongest year since 1996, and AI-related venture funding into the city topped $252 billion in the first five months of 2026 alone — more than double all of 2025. That capital and hiring is now flowing directly into home prices, rents, and how deals get done on both sides of the table.

1M+ sq. ft.
LEASED BY OPENAI, AND SEPARATELY BY ANTHROPIC
Each company's San Francisco office footprint as of spring 2026

15.3%
ASKING RENT GROWTH, YOY
San Francisco citywide, accelerating through mid-2026

144
HOMES SOLD $1M+ OVER ASKING, H1 2026
Up from just 8 over the same period in 2025

What it means for sellers

Sellers of well-located properties are operating in one of the strongest markets San Francisco has seen in years. Roughly a third of sales are now all-cash, and overbids that once ran 15–20% above asking are routinely landing in the 25–50% range. Some sellers are even fielding offers backed by pre-IPO equity in OpenAI or Anthropic in lieu of cash. For owners of well-positioned buildings, this is a favorable environment to test the market.

What it means for buyers

For buyers, the same dynamics translate into intensified competition and compressed timelines. Citywide inventory is down roughly 40% year-over-year, and well-priced listings are drawing offers within days. Renters are feeling a parallel squeeze: asking rents are up more than 15% year-over-year citywide, with some Marina and Pacific Heights units up over 50% since mid-2025. Buyers and renters who move decisively, with financing and diligence already in order, are best positioned to compete.

The effect isn't confined to one neighborhood. AI-driven demand is most visible around Hayes Valley's cluster of AI company offices, but it's showing up as far out as the Outer Sunset, where a home listed near $990,000 recently sold for $2.5 million.

Sources: third-party reporting on San Francisco's AI-driven real estate market, including office-leasing data and residential sales and rental figures reported as of mid-2026. Figures are provided for general informational purposes only — not investment, legal, or tax advice. Consult the appropriate professional before making a real estate decision.

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