



MULTIFAMILY REPORT

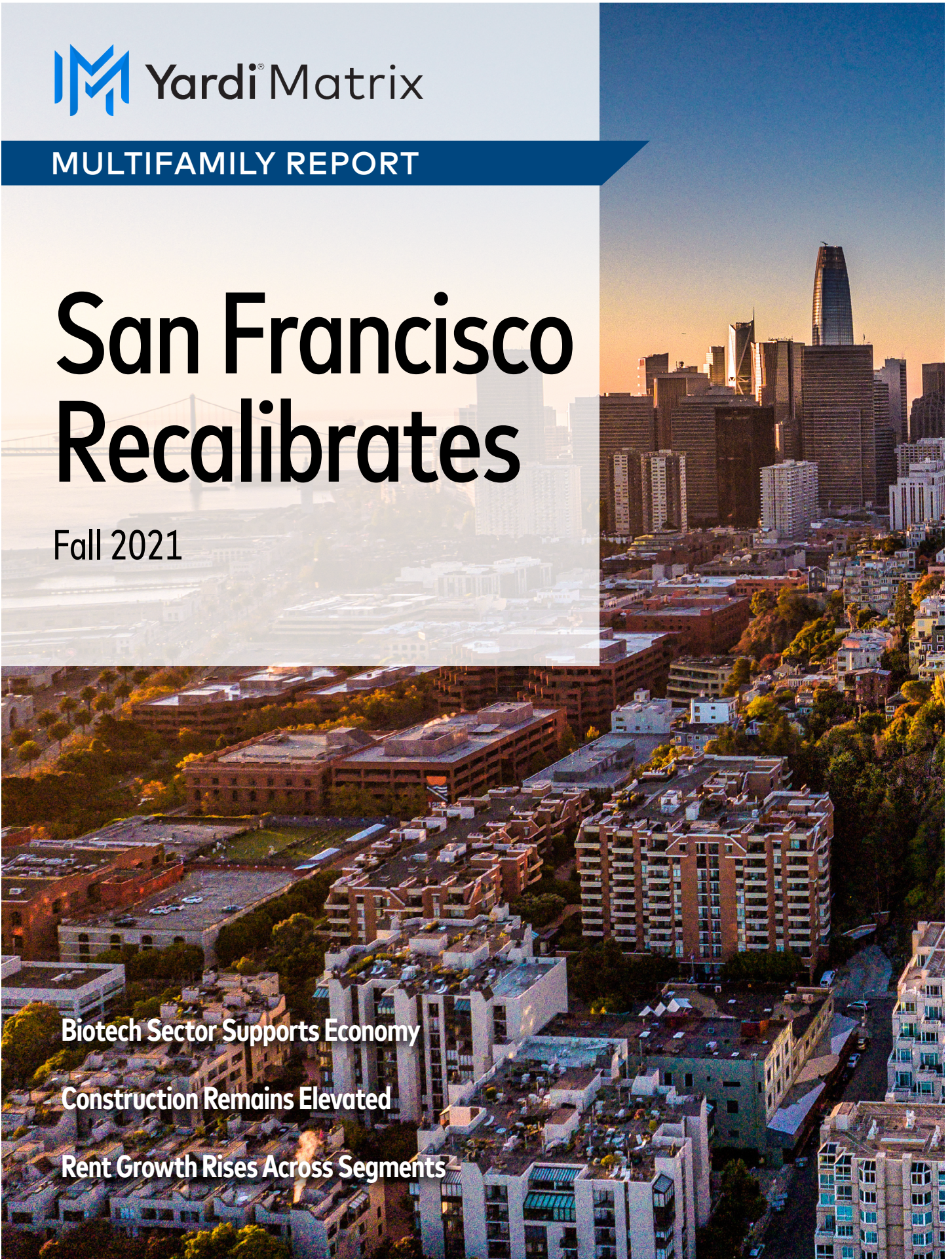
San Francisco Recalibrates

Fall 2021

Biotech Sector Supports Economy

Construction Remains Elevated

Rent Growth Rises Across Segments



SAN FRANCISCO MULTIFAMILY



Volatility Persists, Demand Improves

While not out of the woods yet, the Bay Area's multifamily market is slowly rebounding, in part supported by early returners to the metro. Rents rose 1.2% on a trailing three-month basis through September to \$2,640, with the occupancy rate in stabilized properties especially boosted in the Lifestyle segment, at 94.9%.

The employment market still lags the nation (+2.5%), up less than 0.1% in the 12 months ending in July. Similarly, the unemployment rate—at 5.6% in August—was behind the 5.2% U.S. average, yet it outperformed the 7.5% state figure. Leisure and hospitality led gains, adding 54,700 jobs, or 27.8%, with leisure traffic reaching pre-pandemic levels. Consequently, United Airlines announced the addition of 4,000 jobs in the Bay Area. Professional and business services added 27,200 jobs, but the tech sector is still struggling, as a new spike in virus cases delayed the return to office for many employers. In addition, Tesla's relocation of its headquarters to Austin has been a blow. The biotech sector is thriving, thanks to life science companies' access to key fundamentals for this industry: talent, strong research partnerships and proximity to capital.

Developers delivered 6,396 units in 2021 through September and had another 23,835 underway. Meanwhile, \$1.7 billion in multifamily assets traded, with the per-unit price reaching \$400,077.

Market Analysis | Fall 2021

Contacts

Jeff Adler

Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc

Senior Associate Editor

Recent San Francisco Transactions

Fountains at Emerald Park



City: Dublin, Calif.
Buyer: Catalyst Housing Group
Purchase Price: \$190 MM
Price per Unit: \$586,420

Summit at Sausalito



City: Sausalito, Calif.
Buyer: Catalyst Housing Group
Purchase Price: \$122 MM
Price per Unit: \$616,162

The Exchange at Bayfront



City: Hercules, Calif.
Buyer: Catalyst Housing Group
Purchase Price: \$114 MM
Price per Unit: \$659,884

Diablo Vista



City: Livermore, Calif.
Buyer: Interstate Equities Corp.
Purchase Price: \$49 MM
Price per Unit: \$362,963