



MULTIFAMILY REPORT

# San Francisco's Oscillation

February 2024



**Occupancy Stays Flat**

**PPU Continues Deceleration**

**Construction Starts Moderate**

# SAN FRANCISCO MULTIFAMILY



## Occupancy Plateau Bucks Trend

Despite some San Francisco officials bracing for a potential "doom loop," optimism persists for a rebound to pre-pandemic performance. Rents declined 0.4% on a trailing three-month basis through December, to \$2,753, but last year developers also delivered the third-largest annual volume since 2016. Meanwhile, demand kept occupancy flat at a still healthy 95.3% in December.

San Francisco's employment market expanded 2.1%, or 42,000 net jobs, on a year-over-year basis, trailing the 2.3% U.S. rate. During this time, three sectors lost 14,200 jobs combined, and the hardest hit remained professional and business services (-9,500 jobs). Unemployment in the metro rose from 3.3% in January to 4.0% in November, but still outperformed the state (4.9%), Los Angeles (4.7%), San Diego (4.2%) and Sacramento (4.5%), and trailed the national (3.7%) and San Jose (3.9%) figures. Education and health services and leisure and hospitality led job gains, adding 39,200 jobs combined.

Developers delivered 7,737 units in 2023, and in December had 16,573 units underway and 126,500 in the planning and permitting stages. Meanwhile, transaction activity dropped to the lowest level recorded this past decade, at \$1.1 billion in sales, for a price per unit that plummeted 38% year-over-year, to \$215,575 in December.

## Market Analysis | February 2024

### Contacts

#### Jeff Adler

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

#### Ron Brock, Jr.

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

#### Doug Ressler

Media Contact  
[Doug.Ressler@Yardi.com](mailto:Doug.Ressler@Yardi.com)  
(480) 695-3365

#### Author

#### Anca Gagiuc

Senior Associate Editor

### Recent San Francisco Transactions

#### Artist Walk



City: Fremont, Calif.  
Buyer: MG Properties  
Purchase Price: \$90 MM  
Price per Unit: \$484,865

#### Arrive Sonoma Ridge



City: Santa Rosa, Calif.  
Buyer: FPA Multifamily  
Purchase Price: \$60 MM  
Price per Unit: \$\$333,333

#### The Boulders



City: Walnut Creek, Calif.  
Buyer: Granite Capital Group  
Purchase Price: \$58 MM  
Price per Unit: \$353,393

#### ReNew Avery Park



City: Fairfield, Calif.  
Buyer: FPA Multifamily  
Purchase Price: \$27 MM  
Price per Unit: \$196,691