

# SAN FRANCISCO MARKET UPDATE | Q1 2023

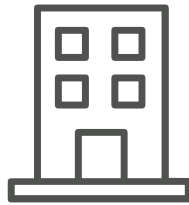
## SNAPSHOT

Similar to the residential market, it's evident that the multifamily market has seen a significant decline in most key metrics compared to the unprecedented demand spike that was experienced in late 2020 and early 2021. The first quarter recorded a 16.5 percent reduced median sales price for two-to-four unit buildings and a 12.1 percent reduction for five-plus unit buildings compared to the same time last year.

Despite these figures, the current real estate market sentiment is vastly different from what it was just a couple of months ago. Many buyers are taking advantage of the current landscape and securing deals that haven't been seen in years. However, while the current situation seems promising for buyers, fluctuating interest rates and limited inventory continue to be significant barriers in the market.

On a more positive note, rental rates in San Francisco have continued to moderately improve. Zumper.com reported an average annual gain of 3 percent.

### 2-4 UNIT BUILDINGS



#### Q1-2023

MEDIAN SALES PRICE	\$1,712,500 ↓
DAYS ON MARKET	38 ↑
\$/SQ. FT.	\$587 ↓
\$/UNIT	\$741,667 ↓
# FOR SALE LAST DAY OF MARCH	138 ↓
WENT INTO CONTRACT	71 ↓
PROPERTIES SOLD	60 ↓

### 5+ UNIT BUILDINGS



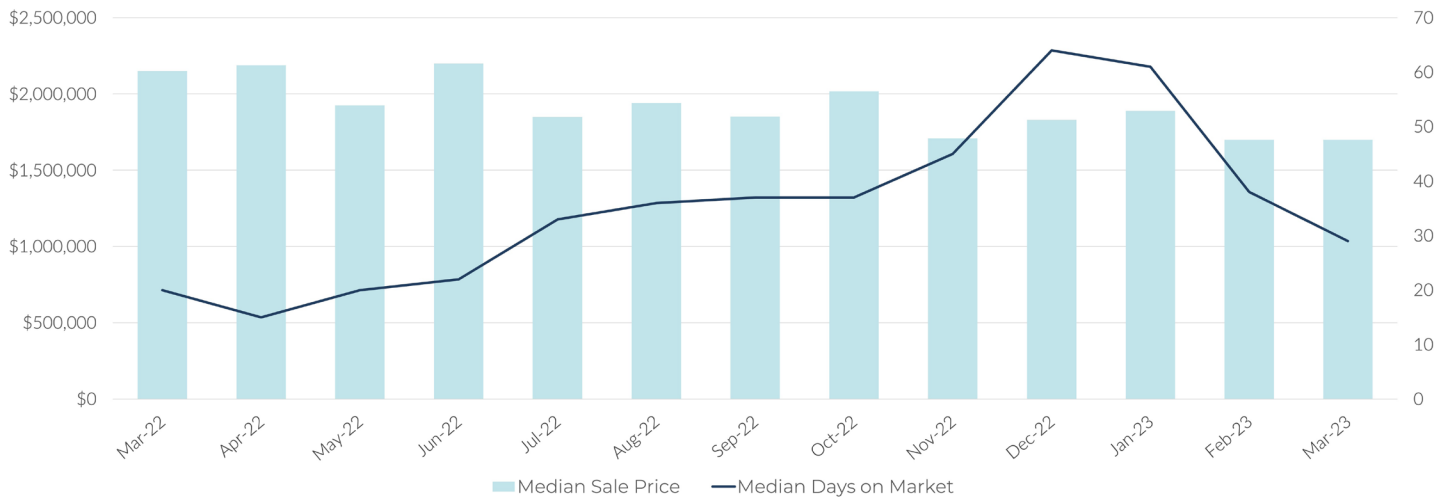
#### Q1-2023

MEDIAN SALES PRICE	\$2,750,000 ↓
DAYS ON MARKET	93 ↑
\$/SQ. FT.	\$455 ↓
\$/UNIT	\$343,750 ↓
# FOR SALE LAST DAY OF MARCH	91 ↑
WENT INTO CONTRACT	23 ↓
PROPERTIES SOLD	19* ↓

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## 2-4 UNIT BUILDINGS

### MONTH-OVER-MONTH COMPARISON



CHANGE IN PAST MONTH:

SALE PRICE: **No Change**

DAYS ON MARKET: **-9 Days**

### YEAR-OVER-YEAR COMPARISON

	MEDIAN			
	Q1-2023	Q1-2022	%Δ	2021
SALES PRICE	\$1,712,500	\$2,050,000	-16.5%	\$2,020,000
DAYS ON MARKET	38	30	+26.7%	31
\$/SQ. FT.	\$587	\$712	-17.6%	\$692
PRICE PER UNIT.	\$741,667	\$852,500	-13.0%	\$850,000



The first quarter recorded a 16.5 percent reduced median sales price for two-to-four unit buildings and a 12.1 percent reduction for five-plus unit buildings compared to the same time last year."

### TOTAL

	Q1-2023	Q1-2022	%Δ	2021
WENT INTO CONTRACT	71	119	-40.3%	557
PROPERTIES SOLD	60	135	-55.6%	607
# FOR SALE LAST DAY OF MARCH	138	152	-9.2%	193
% OF PROPERTIES SOLD OVER LIST PRICE	33.3%	48.9%	-31.9%	48.3%
% OF LIST PRICE RECEIVED (AVERAGE)	100.1%	105.8%	-5.4%	103.1%

## MEDIAN AREA VALUES (Q1 2023)

DISTRICT	2-4 UNIT BUILDINGS	\$ / SQ. FT.	% OF LIST PRICE RECEIVED (AVERAGE)	BUILDINGS SOLD
District 1	\$1,990,000	\$505	100.3%	10*
District 2	\$1,700,000	\$543	96.9%	7*
District 3	-	-	-	0
District 4	\$1,637,500	\$727	101.2%	2*
District 5	\$1,955,000	\$668	98.5%	15*
District 6	\$1,653,500	\$568	120.1%	6*
District 7	\$3,310,000	\$949	95.5%	5*
District 8	\$2,250,000	\$484	90.6%	4*
District 9	\$1,650,000	\$578	100.9%	7*
District 10	\$1,225,000	\$510	94.4%	4*

\* Small sample size (n<50); use caution when interpreting statistics. Sources: SFAR MLS & BrokerMetrics; Property types covered: 2-4 unit buildings. 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. ©2023 Vanguard Properties. All rights reserved. Equal Housing Opportunity. DRE No. 01486075

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## 5+ UNIT BUILDINGS

### YEAR-OVER-YEAR COMPARISON

	Q1-2023	Q1-2022	%Δ	2021	
MEDIAN	SALES PRICE	\$2,750,000	\$3,127,500	-12.1%	\$3,395,000
	DAYS ON MARKET	93	70	+32.9%	57
	\$/SQ. FT.	\$455	\$499	-8.8%	\$523
	PRICE PER UNIT.	\$343,750	\$426,100	-19.3%	\$408,333
	CAP RATE.	5.56%	5.05%	+10.1%	4.49%
	GROSS RENT MULTIPLIER.	12.4	14.9	-16.8%	14.8
TOTAL	WENT INTO CONTRACT	23	34	-32.4%	150
	PROPERTIES SOLD	19*	30*	-36.7%	149
	# FOR SALE LAST DAY OF MARCH.	91	81	+12.3%	84
	% OF PROPERTIES SOLD OVER LIST PRICE.	5.3%	30.0%	-82.3%	18.1%
	% OF LIST PRICE RECEIVED (AVERAGE)	90.4%	98.5%	-8.2%	96.1%

“Despite these figures, the current real estate market sentiment is vastly different from what it was just a couple of months ago. Many buyers are taking advantage of the current landscape and securing deals that haven't been seen in years.”

### MEDIAN AREA VALUES (Q1 2023)

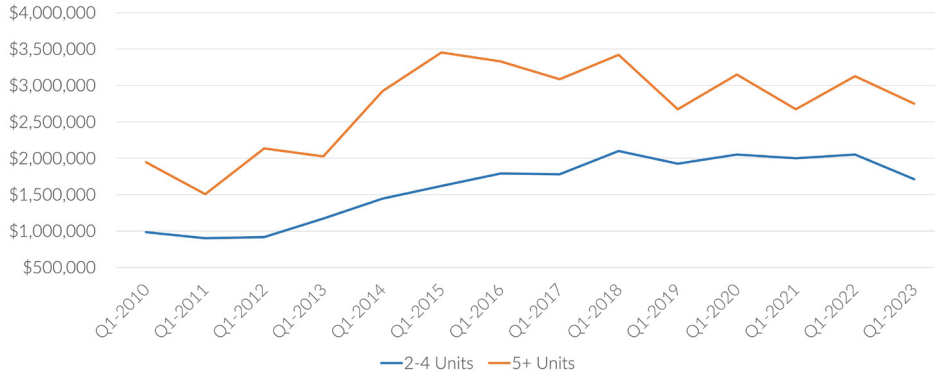
DISTRICT	5+ UNIT BUILDINGS	\$/SQ. FT.	PRICE PER UNIT	CAP RATE.	GROSS RENT MULTIPLIER	BUILDINGS SOLD
District 1	\$2,750,000	\$455	\$343,750	-	-	1*
District 2	\$1,190,000	\$438	\$238,000	5.97%	11.6	1*
District 3	-	-	-	-	-	0
District 4	-	-	-	-	-	0
District 5	\$2,662,500	\$446	\$380,000	5.55%	12.8	6*
District 6	\$2,660,000	\$367	\$266,000	5.82%	11.4	3*
District 7	\$4,143,750	\$588	\$410,000	4.91%	14.3	5*
District 8	\$3,961,209	\$482	\$375,699	-	-	2*
District 9	\$2,095,000	\$364	\$261,875	5.56%	12.4	1*
District 10	-	-	-	-	-	0

\* Small sample size (n<50); use caution when interpreting statistics. Sources: SFAR MLS & BrokerMetrics; Property types covered: 5+ unit buildings. 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. ©2023 Vanguard Properties. All rights reserved. Equal Housing Opportunity. DRE No. 01486075

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## YEAR-OVER-YEAR COMPARISONS

### MEDIAN SALE PRICE



2-4 UNIT BUILDINGS  
\$1,712,500

-16.5% year-over-year

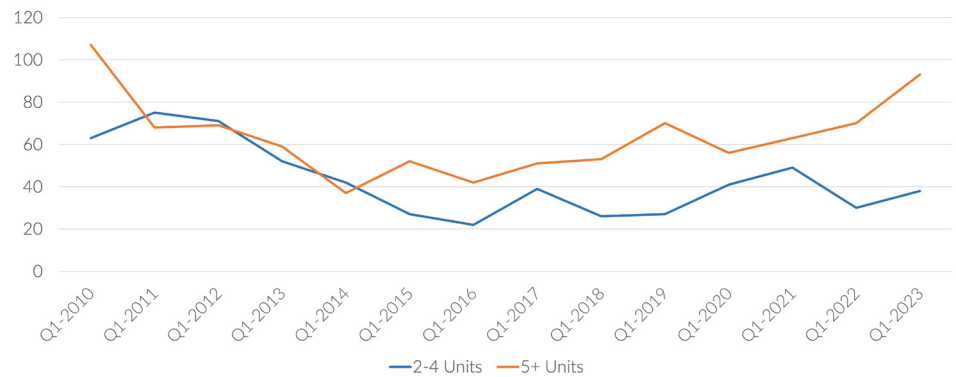
5+ UNIT BUILDINGS  
\$2,750,000

-12.1% year-over-year

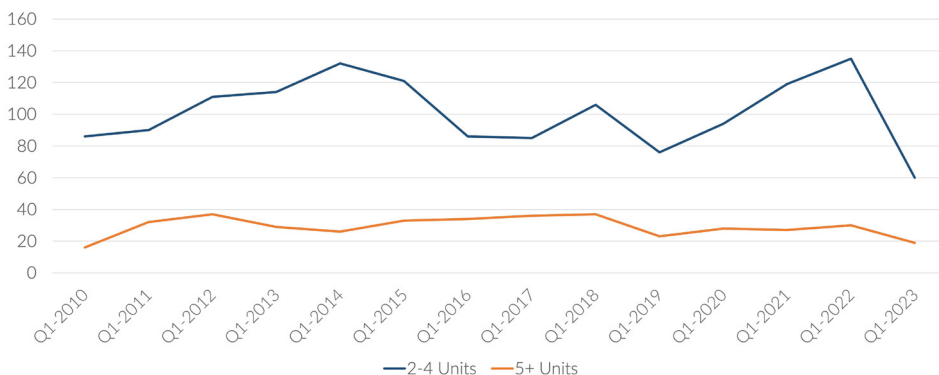
### MEDIAN MARKET TIME

2-4 UNIT BUILDINGS  
38 days  
+8 day change year-over-year

5+ UNIT BUILDINGS  
93 days  
+23 day change year-over-year



### NUMBER OF SALES



2-4 UNIT BUILDINGS  
60

-55.6% year-over-year

5+ UNIT BUILDINGS\*  
19

-36.7% year-over-year

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