

SAN FRANCISCO MARKET UPDATE | Q2 2023

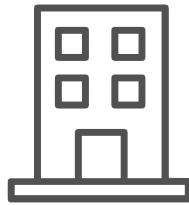
SNAPSHOT

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



5+ UNIT BUILDINGS



Q2-2023

MEDIAN SALES PRICE	\$1,897,500 ↓
DAYS ON MARKET	30 ↑
\$/SQ. FT.	\$629 ↓
\$/UNIT	\$750,000 ↓
# FOR SALE LAST DAY OF JULY	145 ↓
WENT INTO CONTRACT	112 ↓
PROPERTIES SOLD	108 ↓

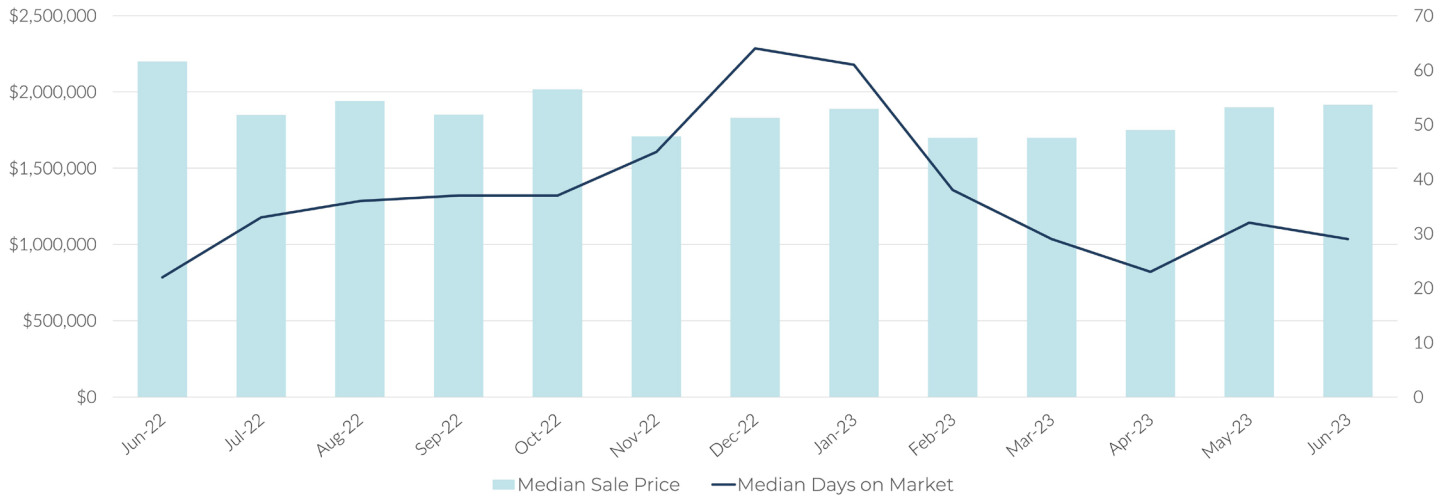
Q2-2023

MEDIAN SALES PRICE	\$2,400,000 ↓
DAYS ON MARKET	62 ↑
\$/SQ. FT.	\$397 ↓
\$/UNIT	\$313,333 ↓
# FOR SALE LAST DAY OF JULY	99 ↑
WENT INTO CONTRACT	28 ↓
PROPERTIES SOLD	27 ↓

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2-4 UNIT BUILDINGS

MONTH-OVER-MONTH COMPARISON



CHANGE IN PAST MONTH:

SALE PRICE: **+0.8%**

DAYS ON MARKET: **-3 Days**

YEAR-OVER-YEAR COMPARISON

	MEDIAN			
	Q2-2023	Q2-2022	%Δ	2021
SALES PRICE	\$1,897,500	\$2,111,000	-10.1%	\$2,020,000
DAYS ON MARKET	30	17	+76.5%	31
\$/SQ. FT.	\$629	\$708	-11.2%	\$692
PRICE PER UNIT.	\$750,000	\$832,000	-9.9%	\$850,000



The second quarter has witnessed a significant decline in sales compared to the same period in 2021 and 2022, although the decrease is not as severe as the fall of 2020 during the height of the pandemic.”

TOTAL

	Q2-2023	Q2-2022	%Δ	2021
WENT INTO CONTRACT	112	157	-28.7%	557
PROPERTIES SOLD	108	143	-24.5%	607
# FOR SALE LAST DAY OF JUNE	145	174	-16.7%	193
% OF PROPERTIES SOLD OVER LIST PRICE	43.5%	61.5%	-29.3%	48.3%
% OF LIST PRICE RECEIVED (AVERAGE)	101.3%	106.6%	-5.0%	103.1%

MEDIAN AREA VALUES (Q2 2023)

DISTRICT	2-4 UNIT BUILDINGS	\$/SQ. FT.	% OF LIST PRICE RECEIVED (AVERAGE)	BUILDINGS SOLD
District 1	\$1,930,000	\$558	100.4%	19*
District 2	\$1,745,000	\$685	106.4%	12*
District 3	\$1,525,000	\$501	89.6%	2*
District 4	\$1,690,000	\$515	103.0%	2*
District 5	\$2,286,300	\$627	100.1%	20*
District 6	\$1,937,500	\$584	101.4%	8*
District 7	\$2,543,750	\$793	100.5%	6*
District 8	\$1,945,000	\$713	98.5%	10*
District 9	\$1,620,000	\$640	102.9%	25*
District 10	\$1,100,000	\$471	100.2%	4*

* Small sample size: 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

	Q2-2023	Q2-2022	%Δ	2021	
MEDIAN	SALES PRICE	\$2,400,000	\$2,851,000	-15.8%	\$3,395,000
	DAYS ON MARKET	62	47	+31.9%	57
	\$/SQ. FT.	\$397	\$499	-20.4%	\$523
	PRICE PER UNIT.	\$313,333	\$408,313	-23.3%	\$408,333
	CAP RATE.	5.40%	4.54%	+18.9%	4.49%
	GROSS RENT MULTIPLIER.	12.3	14.7	-16.3%	14.8
TOTAL	WENT INTO CONTRACT	28	50	-44.0%	150
	PROPERTIES SOLD	27*	49*	-44.9%	149
	# FOR SALE LAST DAY OF JUNE.	99	70	+41.4%	84
	% OF PROPERTIES SOLD OVER LIST PRICE.	3.7%	22.4%	-83.5%	18.1%
	% OF LIST PRICE RECEIVED (AVERAGE)	94.1%	96.3%	-2.3%	96.1%

“ Presently, the market is highly segmented, and numerous properties continue to sell above their asking prices, often attracting multiple offers. Analyzing pricing trends requires a granular understanding at the street level.”

MEDIAN AREA VALUES (Q2 2023)

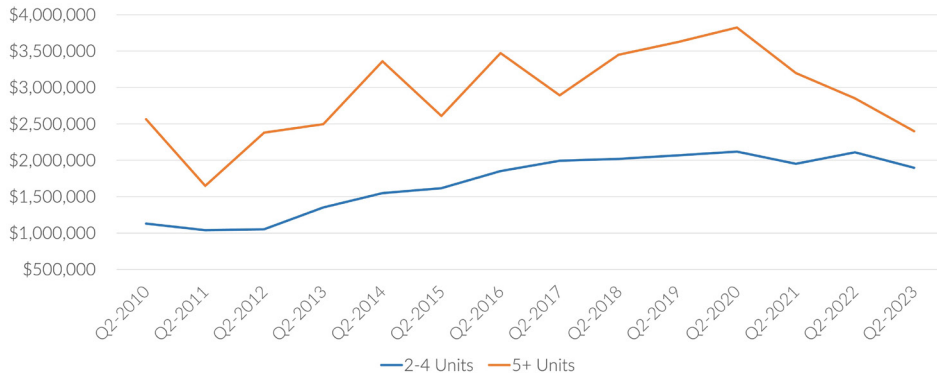
DISTRICT	5+ UNIT BUILDINGS	\$/SQ. FT.	PRICE PER UNIT	CAP RATE.	GROSS RENT MULTIPLIER	BUILDINGS SOLD
District 1	\$4,450,000	\$254	\$556,250	5.12%	13.3	1*
District 2	\$1,640,500	\$403	\$298,083	2.48%	6.8	2*
District 3	-	-	-	-	-	0
District 4	-	-	-	-	-	0
District 5	\$2,238,750	\$421	\$411,563	5.15%	11.7	6*
District 6	\$2,700,000	\$305	\$225,000	5.59%	12.2	3*
District 7	\$4,175,000	\$459	\$498,571	4.88%	13.9	4*
District 8	\$2,276,100	\$361	\$275,714	5.69%	12	10*
District 9	\$1,683,000	\$645	\$280,500	5.64%	12	1*
District 10	-	-	-	-	-	0

* Small sample size: 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



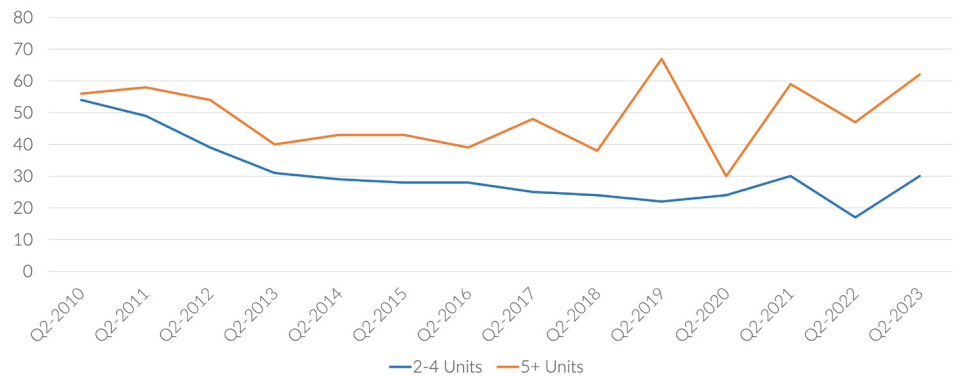
2-4 UNIT BUILDINGS
\$1,897,500
 -10.1% year-over-year

5+ UNIT BUILDINGS
\$2,400,000
 -15.8% year-over-year

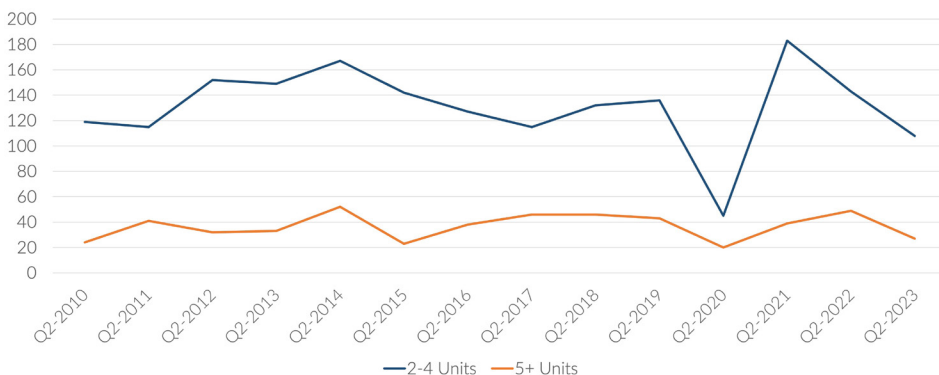
MEDIAN MARKET TIME

2-4 UNIT BUILDINGS
30 days
 +13 day change year-over-year

5+ UNIT BUILDINGS
62 days
 +15 day change year-over-year



NUMBER OF SALES



2-4 UNIT BUILDINGS
108
 -24.5% year-over-year

5+ UNIT BUILDINGS*
27
 -44.9% year-over-year

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