SAN FRANCISCO-OAKLAND, CA

2025 MARKET AT A GLANCE

OCCUPANCY RATE
(Q4 2025)
95.5%
UP 20 BPS YOY

EFFECTIVE RENT
(Q4 2025)
$3,014
UP 2.7% YOY

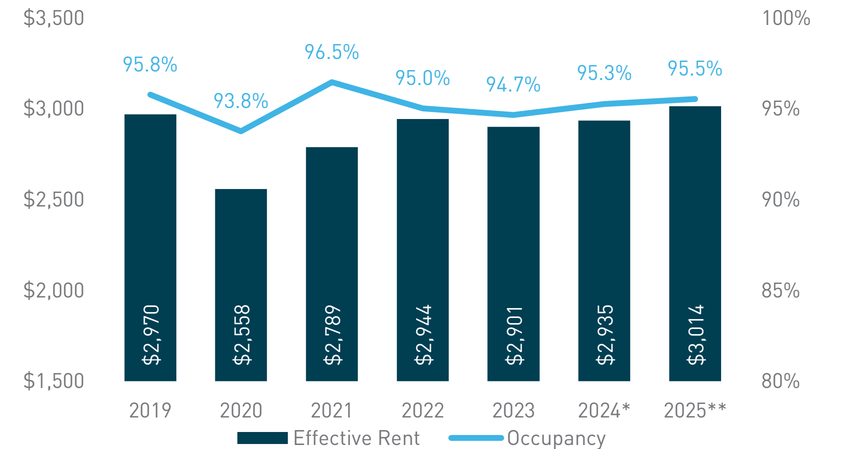
RENT SHARE OF WALLET
(Q4 2025)
25.6%
DOWN 10 BPS YOY

Healthy Apartment Fundamentals Buoyed by the Bay Area's Projected Economic Growth

For the second consecutive year, San Francisco-Oakland multifamily operators are forecast to record greater absorption than new deliveries, causing a positive ripple effect in effective rent and occupancy. The gap between the projected 4,768 new move-ins and 3,850 units delivered will prompt a 20-basis-point annual increase in occupancy to 95.5% by the fourth quarter of 2025. Climbing occupancy rates support apartment operators' decision to raise rent at a faster clip than the year prior, with a projected 2.7% increase pushing the average effective rent to $3,014 per month by year-end. These stable apartment fundamentals are underpinned by San Francisco-Oakland's economy. In 2025, the metro's unemployment rate is predicted to drop 60 basis points to 3.2%, while employment is set to expand 1.0% year over year, as employers add 24,100 jobs. This is double the number of net additions in 2024. The professional and business services sector will contribute heavily to employment gains. In 2024, the sector declined by about 800 jobs, but this year, 7,100 jobs are projected to be added to local payrolls. The paradigm shift from layoffs to hirings in San Francisco-Oakland is largely due to venture investments rebounding and targeting artificial intelligence (AI) startups. According to an analysis from Crunchbase, over 50% of all venture capital funding went to AI startups based in the Bay Area, which equated to $27 billion, in 2023. Companies such as OpenAI, Anthropic, and Inflection AI have completed billion-dollar deals; and most recently, Amazon announced they will be investing $4 billion in Anthropic.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2024 are projected values. 2025 figures are forecast projections.

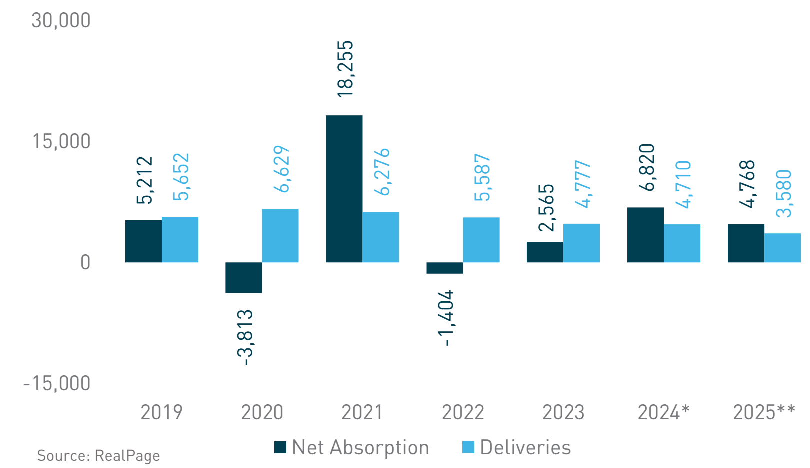
APARTMENT TRENDS



Source: RealPage

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.



Source: RealPage

*Projected **Forecast

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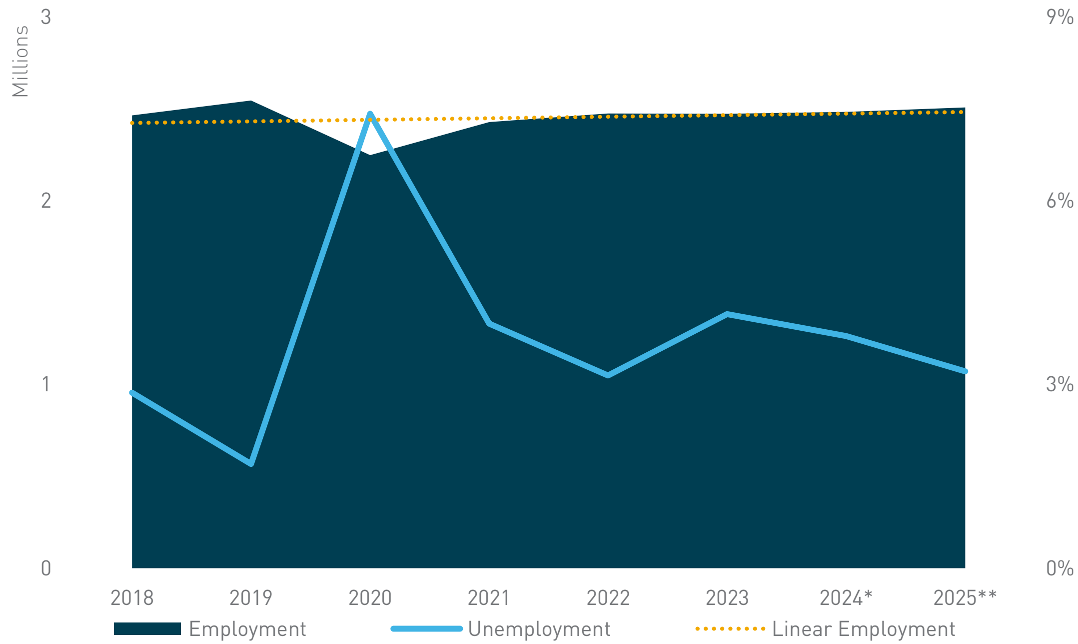
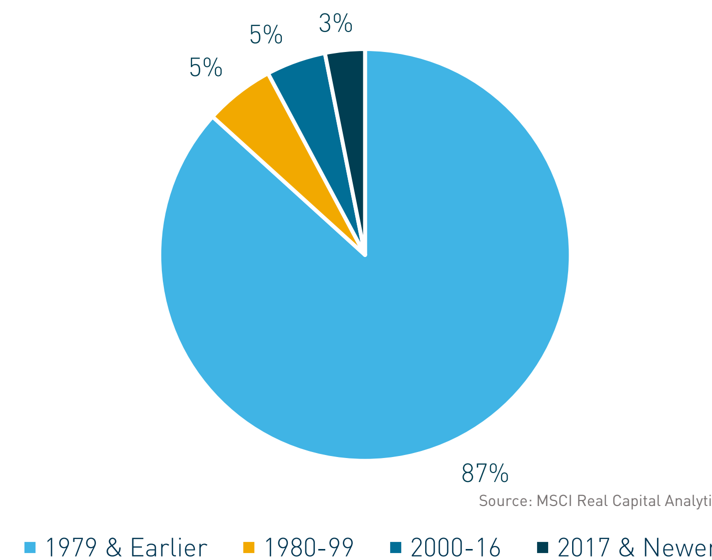
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



Source: MSCI Real Capital Analytics

*YTD through Oct.

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2025)	UNEMPLOYMENT (DEC. 2025)	MEDIAN HOUSEHOLD INCOME (DEC. 2025 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
2,508,300	3.2%	$141,184	$335,193	5.3%
UP 1.0% YOY	DOWN 60 BPS YOY	UP 3.2% YOY	UP 2.2% YOY	UP 80 BPS YOY