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SAN FRANCISCO-OAKLAND

MULTIFAMILY MARKET REPORT | MID-YEAR

2025

Jobs Added / Lost

LAST 12 MONTHS
7,300

0.3% YOY

Unemployment

JUNE 2025
4.2%

0 BPS YOY

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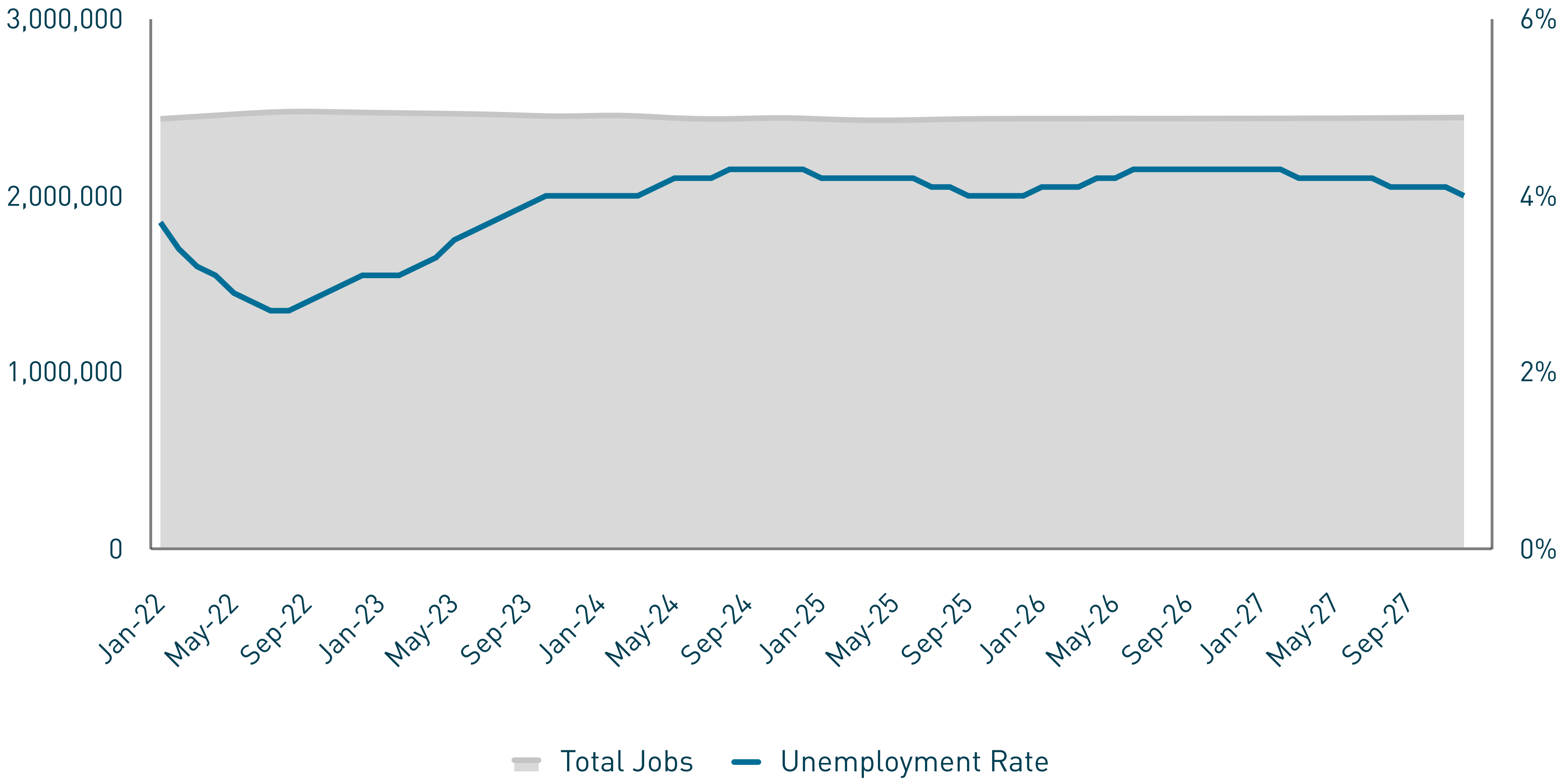
Source: Moody's Analytics

Employment

The San Francisco-Oakland metro continues to demonstrate economic resilience, even amid shifting labor dynamics. This was especially reflected in the private education and healthcare sector, where 14,700 new jobs were added for an increase of 3.6% annually to lead all sectors. Several major public-sector expansions have helped stabilize local employment trends. UCSF Health's full integration of Benioff Children's Hospital Oakland into the new UC system added more than 2,800 new positions in early 2025. UCSF's Parnassus Heights campus will also be transformed in the near future as the Helen Diller Hospital and Barbara and Gerson Bakar Research and Academic Building are added. Nearby, the San Francisco Unified School District restored 150 counseling and paraeducator roles after reversing budget cuts.

These investments reinforce the region's renewed commitment to essential services and long-term infrastructure. Overall, the government sector gained of 2,900 jobs in the last year. Even with the additions, total nonfarm employment declined by 7,300 jobs year-over-year, by a modest 0.3% contraction. Though employment in tech-heavy sectors remains under pressure, the Bay Area's foundation in education, healthcare, and logistics continues to anchor the labor market. As conditions stabilize, emerging growth is expected in AI, fintech, and life sciences. With a highly educated workforce and strong wage fundamentals, the region is well-positioned for a gradual employment recovery compared to current conditions, even if short-term volatility persists.

Employment Trends



Source: Moody's Analytics

In the News

Sutter Health investing $1B for medical campus in Emeryville
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Hearst Corp. moving forward on next phase of $1B development in San Francisco
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UC San Francisco developing $575M medical building
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Deliveries & Absorption

2025 Year to Date

DELIVERIES
1,319 UNITS

ABSORPTION
4,780 UNITS

2025 Projected

DELIVERIES
2,118 UNITS

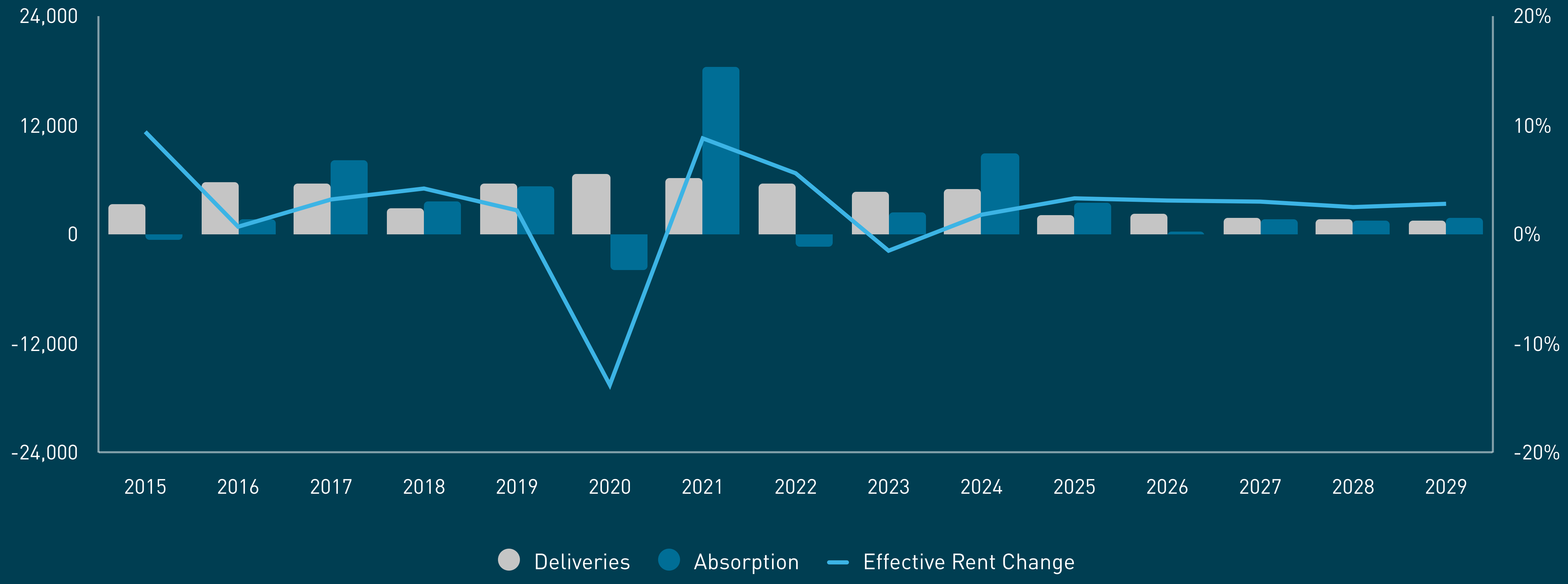
ABSORPTION
3,515 UNITS

Source: RealPage

The health of the San Francisco multifamily market continues as demand outpaced new supply so far this year. Apartment operators recorded 4,780 net units absorbed, compared to just 1,319 units delivered, signaling robust renter demand. Full-year expectations remain favorable, with 3,515 units projected to be absorbed versus 2,118 deliveries, indicating a strong demand overhang that supports occupancy and future rent growth. These dynamics extend a broader trend underway since the 2020 peak, when new supply hit 6,653 units. Deliveries have steadily moderated in the years since, with 2025 volumes representing a 68% decline from that high. Developers remain cautious, focusing on absorption without overbuilding, which continues to guide the market toward greater balance.

Several large-scale projects are currently leasing, contributing to absorption without overburdening new supply. These include Brooklyn Basin's Terrene in Oakland, a 402-unit development that began lease-up in early 2025, and Mission Rock's Parcel A and B near Oracle Park in San Francisco, which combined deliver over 550 units of high-end inventory. While large in scale, these projects have been well-timed to meet pent-up renter demand in walkable, waterfront neighborhoods. Looking ahead, with annual deliveries expected to remain below 2,000 units on average through 2029, the market is well positioned for sustained balance and renewed pricing power as occupancy remains elevated.

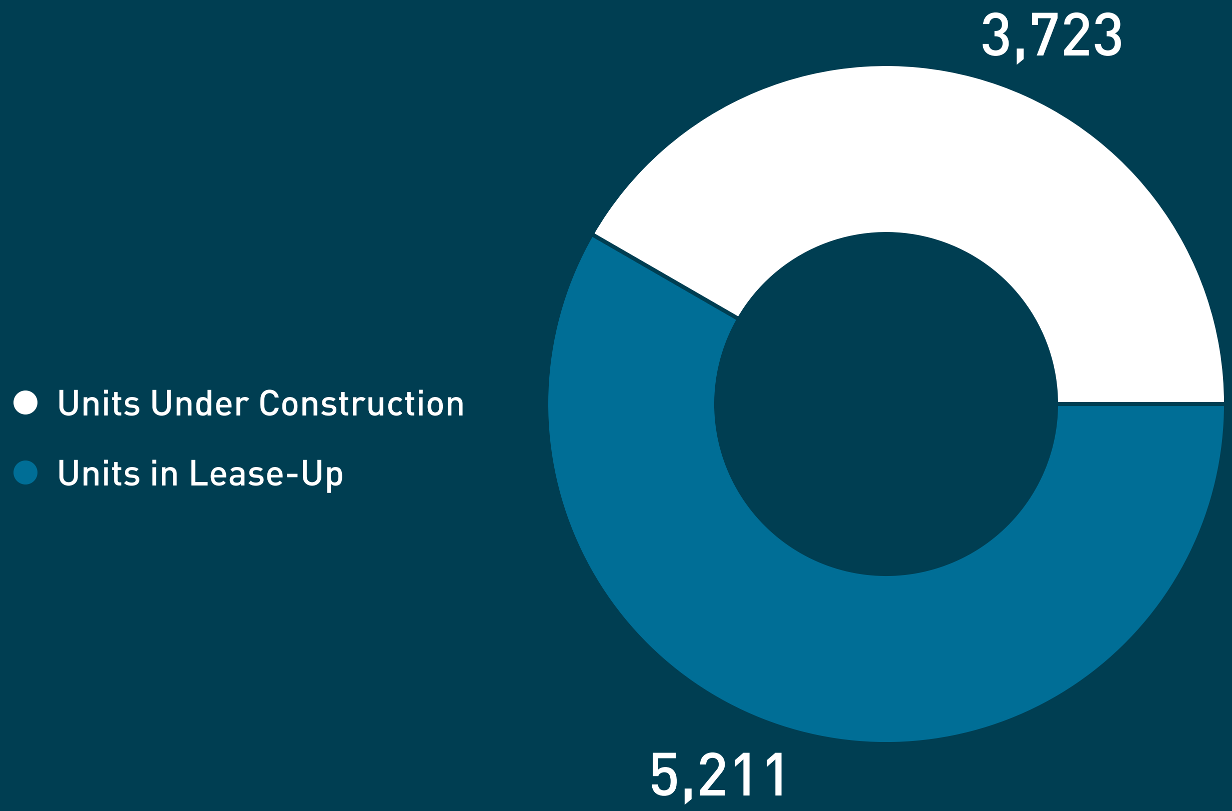
Deliveries, Absorption, & Effective Rent Change



Source: RealPage

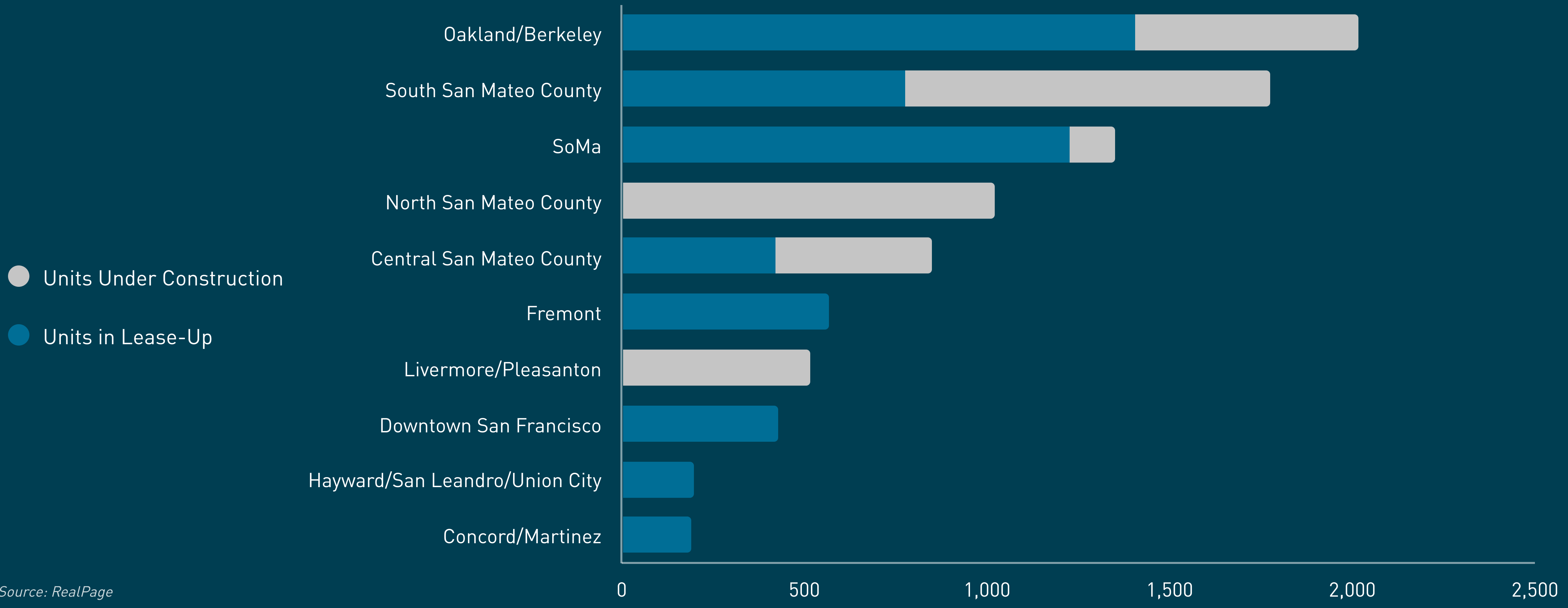
Effective rent and occupancy reflect stabilized properties only. A newly constructed property is considered stabilized once it becomes 85% occupied.

San Francisco-Oakland Pipeline



Source: RealPage

Submarkets with Largest Construction Pipelines



Source: RealPage

Rent & Occupancy

Effective Rent

Q2 2025
$3,098

4.4% YOY

Occupancy

Q2 2025
96.4%

140 BPS YOY

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Source: RealPage

Apartment fundamentals in the metro have continued their recovery from 2024 softness, with both rents and occupancy posting notable year-over-year gains by mid-2025. The metro's average effective rent reached $3,098 in the second quarter of 2025, up 4.4% year over year. The increase was supported by steady demand and improved tenant retention. Occupancy also climbed to 96.4%, rising 140 basis points from mid-2024 as leasing velocity firmed across most submarkets. While these trends reflect a healthier operating environment compared to the previous year, some softening is expected in the fourth quarter as seasonal dynamics return and demand levels moderate.

Leasing incentives have begun to taper in many stabilized assets, particularly in well-located areas with limited new competition. While concessions remain present in select Class A lease-ups, especially in larger projects like Mission Rock and Brooklyn Basin, their prevalence is declining in response to tightened supply and strong net absorption. The San Francisco–Oakland region enters the second half of 2025 with a more balanced multifamily landscape, characterized by resilient occupancy, firming demand, and a slowdown in new construction. As overall fundamentals trend upward, the market appears better positioned to absorb upcoming supply and maintain relative pricing stability in the near term.

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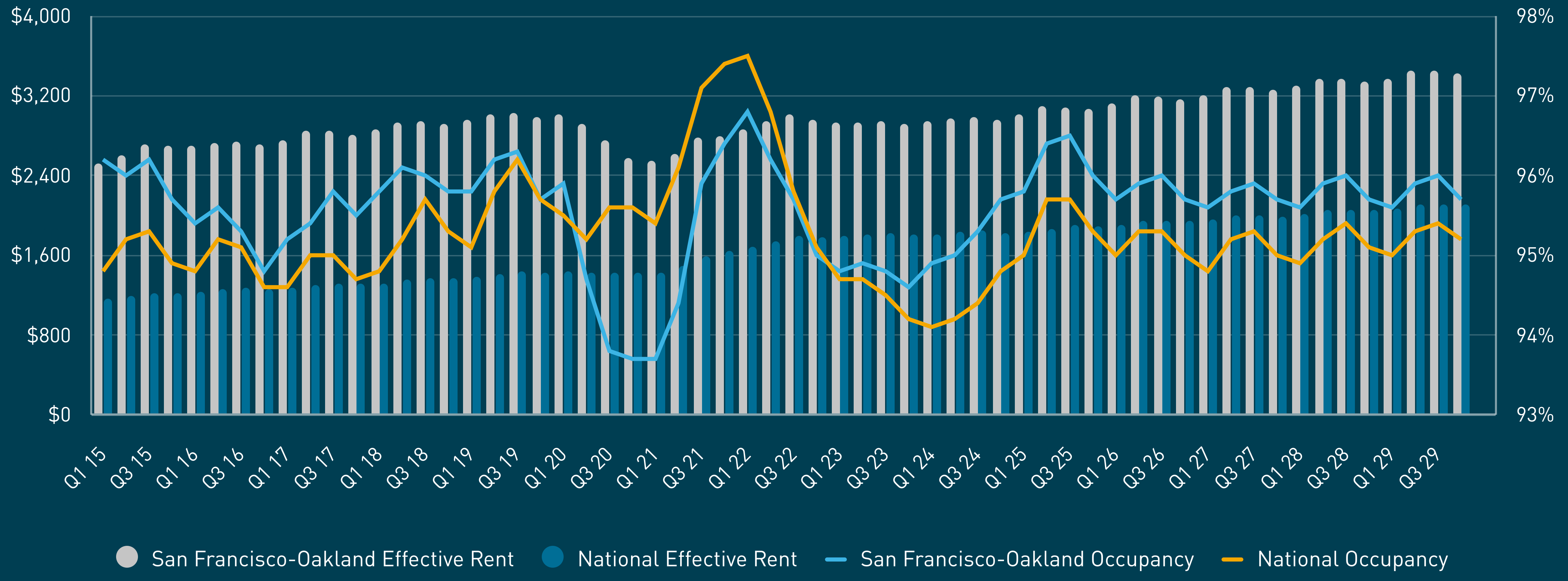
San Francisco-Oakland vs. National Effective Rent & Occupancy



Source: RealPage

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Rent & Occupancy

Submarket Performance

Submarket Name	Q2 25 Occupancy	YOY Change (Bps)	Q2 25 Effective Rent	YOY Change (%)
Central San Mateo County	97.3%	110	$3,508	6.9%
Concord/Martinez	95.6%	60	$2,386	3.2%
Downtown San Francisco	97.2%	390	$3,340	5.7%
Fremont	97.3%	170	$2,788	2.8%
Hayward/San Leandro/Union City	95.7%	150	$2,460	1.9%
Livermore/Pleasanton	95.7%	40	$2,781	0.2%
Marin County	96.4%	80	$3,255	4.8%
North San Mateo County	97.6%	70	$2,962	0.2%
Northeast Contra Costa County	94.8%	-60	$2,217	1.3%
Northwest Contra Costa County	96.6%	240	$2,470	1.1%
Oakland/Berkeley	94.1%	180	$2,797	3.0%
San Ramon/Dublin	96.5%	-10	$2,737	1.1%
SoMa	96.6%	190	$3,695	7.5%
South San Mateo County	97.3%	170	$3,957	5.9%
Walnut Creek/Lafayette	96.3%	210	$2,677	2.0%
West San Francisco	96.5%	80	$3,614	7.9%

Source: RealPage

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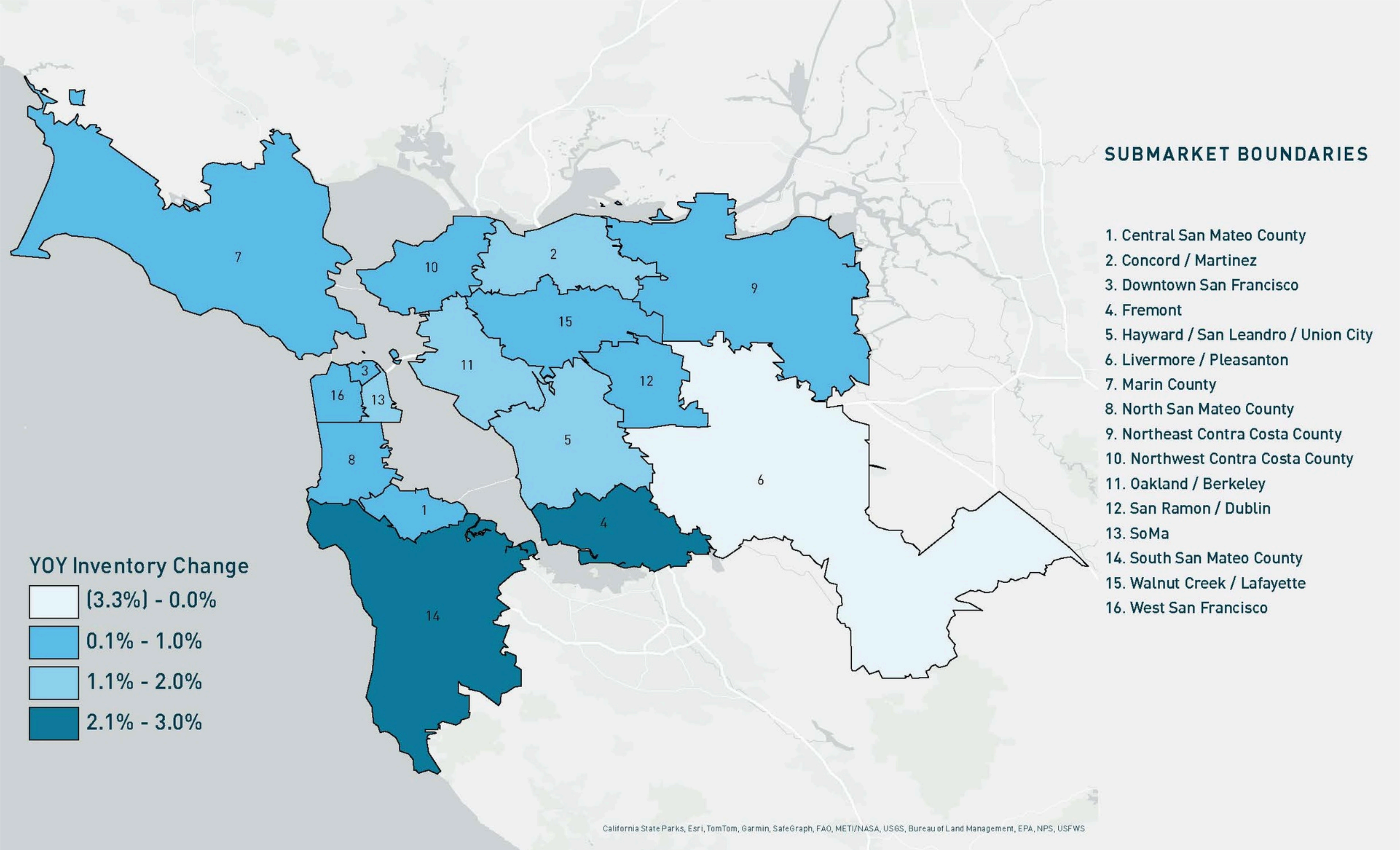
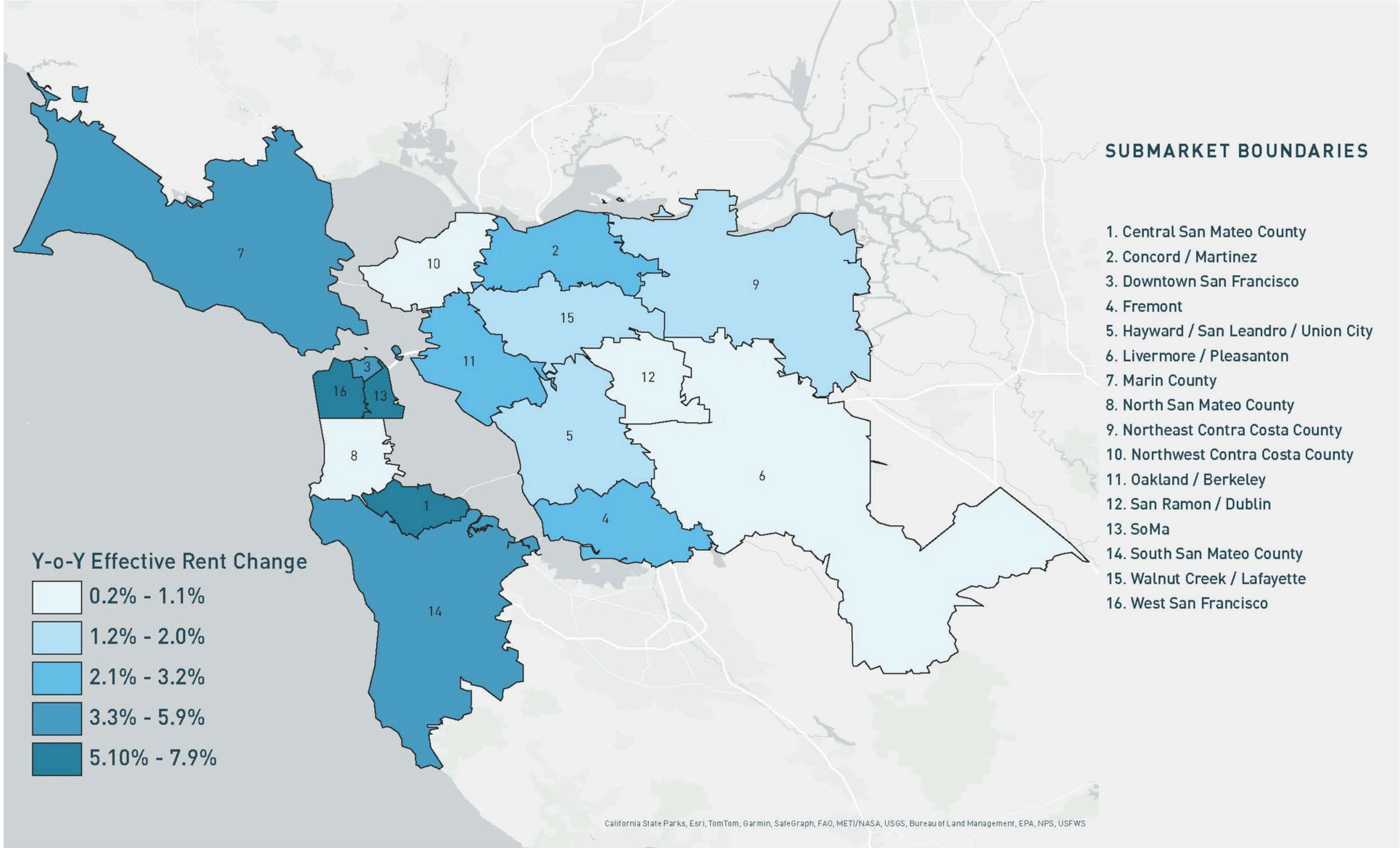
YOY Inventory Change by Submarket | Q2 2025



Source: RealPage

YOY Effective Rent Change by Submarket | Q2 2025



Source: RealPage

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