REAL ESTATE

San Francisco was written off as dead. Now, real estate investors are flocking back.

By Daniel Geiger + Follow

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- San Francisco offices are filling up, which is good news for owners of apartment buildings.
- Large investors looking to capitalize on a rebound are lining up to buy multifamily properties.
- Rents remain below pre-pandemic highs but are ticking higher.

The clouds hanging over San Francisco since the pandemic appear to be finally lifting — leading to predictions of a real estate rebound.

Following years of emptying office buildings and vacated storefronts, Fog City is buzzing again, thanks to return-to-office mandates at Amazon, Google, Salesforce, and more. This is good news for the city's apartment buildings — and now some professional investors are taking notice.

"San Francisco had become an unsavory city, but we believe we're starting to see a real recovery and we think it's a good time to buy," said Tom Shapiro, the president and founder of GTIS, a New York City based real estate investment firm with $4.7 billion of assets under management.

Shapiro is predicting rents will grow between 4% and 6% this year and next. Property values, meanwhile, have declined 30% to 50% from their pre-pandemic highs, creating an attractive buying opportunity.

Asking rents in San Francisco were about $3,500 a month in the first quarter of 2020 and fell 25% by the end of the year as a result of the dislocation caused by the pandemic, according to estimates from the residential brokerage firm Compass. Average rents are now about $3,200 a month, closing in on pre-pandemic levels, including a 6.4% year-over-year jump in the first quarter, the Compass data showed.

Shapiro is also seeing growing competition in the space, including a nearly $100 million apartment property in the city that he said he is vying with three other bidders to purchase.

"There's more people interested," Shapiro said. "It's not a secret like it was a year ago."

Tom Shapiro, president and founder of GTIS, a New York City based real estate investment firm GTIS

Dealmaking is back

About $363 million of individual multifamily real estate assets were sold in San Francisco in the first quarter of 2025, according to data from MSCI, triple the dollar volume during the same period last year and the year prior. MSCI's analysis omitted large, multi-property deals, such as Brookfield's acquisition of a portfolio of more than 70 apartments buildings in the city in early 2024, because they can artificially inflate the data.

Eli Edwards, the US head of real estate equity investments at Fortress Investment Group, said it has acquired 13 rental buildings in San Francisco in the past two years. The firm is currently under contract to acquire two more rental buildings in the city and has offers out for several more rental properties. Edwards said he is looking to double the number of apartments in the firm's portfolio there this year.

Edwards, who lived in the city's Russian Hill neighborhood until recently, urged Fortress to become an early investor in the city's turnaround because he felt that negative perceptions were overblown and that much of the homelessness and disorder associated with the city were focused in only a handful of areas, including its Financial District and the Tenderloin, a nearby neighborhood.

Homeless encampments in the city's Tenderloin in 2023
Anadolu/Anadolu Agency via Getty Images

Edwards said the firm has signed over 20 leases in the last year with rents "about 10% above" what the firm had expected to fetch when the units were vacated.

"The Fortress DNA is, find a situation where the perception of risk is higher than the actual risk," Edwards said. "That was San Francisco."

Philip Saglimbeni, a senior managing director at Institutional Property Advisors, a commercial real estate sales firm, said he and his team recently found a buyer for Presidio Landmark, a 161-unit luxury rental building controlled by Brookfield through a long-term ground lease. Saglimbeni said the buyer was offering "north of a hundred million" dollars for the property, which is located in the Presidio, a national park south of the Golden Gate Bridge.

He declined to disclose the purchaser's identity, saying the agreement was still being finalized, but said it was an "investment advisory shop."

A spokeswoman for Brookfield declined to comment.

New inventory is scarce

The city's anemic pipeline of new housing, which could raise rents even higher, adds to its appeal among investors, who believe the city's scarcity of apartments will inflate rents.

A report by the San Francisco Planning Department that was released in April stated that 1,597 units of new housing were added in the city in 2024, 56% below the yearly average over the last decade. 1,024 units were permitted for construction during the year, 67% below the 10-year annual average.

"It's a massive imbalance and it will be perpetual," Saglimbeni said, describing the discrepancy between the demand for housing and new supply in San Francisco. "That's what investors see and that's why they gravitate to regions like this."

The city's beleaguered office market has also begun to improve, offering another potential boost to the apartment market's recovery by luring in more workers who may want to rent apartments.

Office attendance in San Francisco recently reached about 43% of its pre-pandemic levels, according to employee swipe data from Kastle System, far above its record low of about 8% in 2020. 1.7 million square feet of space was leased in San Francisco during the first quarter, the most activity since 2019, according to data from the real estate services firm Cushman & Wakefield.

Early last year, Brookfield paid more than $600 million to acquire distressed loans tied to more than 2,000 apartments spread across more than 70 buildings in San Francisco and took ownership of the properties.

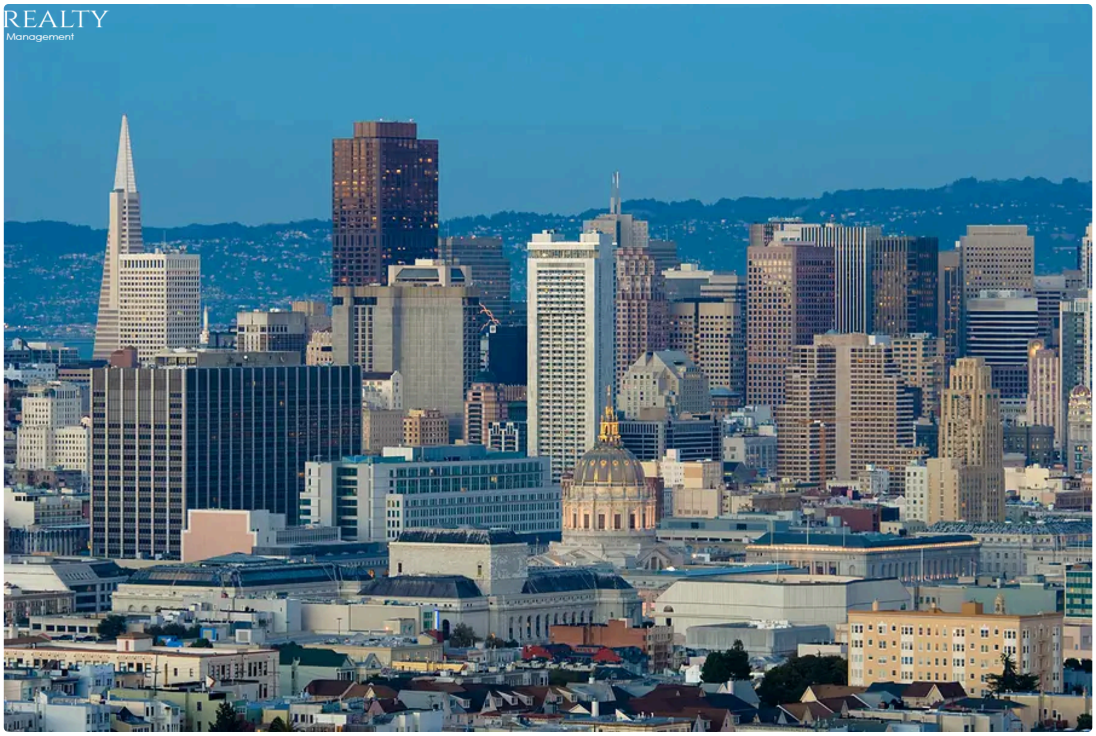
"When we made that investment, people weren't going to the office, people weren't going downtown," said Mike Greene, a managing director at Brookfield who oversees its residential investments in the western US. "And that's dramatically changed."

Greene said that the 75 buildings in the portfolio now have a 95% occupancy rate, up from 67% when Brookfield took ownership.

"We feel pretty good about that," Greene said.

Why Investing in San Francisco is a Smart Move (/blog/why-investing-in-san-francisco-is-a-smart-move)

EVAN GODFREY - THURSDAY, NOVEMBER 14, 2024



The San Francisco Bay Area has long been a desirable place for real estate investment, and for good reason. Known for its stunning views of the Pacific Ocean, vibrant culture, and strong job market, the city attracts people from around the world. For investors (https://kennyrealty.nesthub.com/blog/how-to-become-an-investor-of-real-estate-in-the-san-francisco-bay-area), San Francisco offers the potential for significant returns on property investments, despite the area's high prices. At Kenny Realty (https://www.kennyrealty.com/), we know the ins and outs of this competitive market, helping investors make informed decisions.

In this article, we'll explore why investing in San Francisco real estate is a smart move, the benefits it offers, and key factors to consider when purchasing property in this iconic city.

Why Investing in San Francisco Real Estate is a Smart Move

San Francisco real estate is known for its high property values, making it a prime location for those looking to invest. Whether you're eyeing a single-family home, apartments, or commercial real estate, properties in this city have consistently appreciated over time.

The demand for housing in San Francisco is driven by the city's robust job market, particularly in the tech and finance sectors. With companies like Salesforce, Twitter, and other Silicon Valley giants nearby, the city offers excellent opportunities for both short-term and long-term cash flow. Rental demand is always strong, and the city's limited space means property values continue to rise.

5 Benefits of Investing in San Francisco Property

Investing in San Francisco real estate (https://kennyrealty.nesthub.com/blog/essential-tips-for-investing-in-investment-property) is not only about acquiring property—it's about securing a long-term asset in one of the most dynamic markets in the world. Whether you're looking for steady cash flow, diverse investment options, or access to top neighborhoods, San Francisco offers unique advantages that make it a smart move for investors (https://kennyrealty.nesthub.com/blog/5-san-francisco-bay-real-estate-investor-secrets-to-success). Let's dive into five key benefits of investing in this highly sought-after market.

1. High Property Values

San Francisco properties have a long history of strong value appreciation. Despite high prices, the city's limited land supply, coupled with high demand, keeps property values on an upward trajectory. Investing in San Francisco real estate means securing an asset that is likely to grow in value over time.

2. Strong Cash Flow Opportunities

With rents among the highest in the nation, San Francisco offers excellent cash flow potential. Investors who purchase rental properties can expect strong returns, particularly in desirable neighborhoods where demand for rental units remains high.

3. Diverse Investment Options

From luxury condos to commercial real estate and single-family homes, San Francisco offers a wide range of investment opportunities. Whether you're a first-time homebuyer or a seasoned investor, there are options suited to different needs and financial goals.

4. Competitive Job Market

The city's thriving tech industry, as well as its finance and biotech sectors, drive continued demand for housing. This job market stability ensures that investing in San Francisco property can yield reliable rental income for investors.

5. Access to Top Neighborhoods and Amenities

San Francisco is known for its unique and diverse neighborhoods, each with its own charm and access to amenities like parks, restaurants, and cultural landmarks. The Bay Area is also home to world-class educational institutions and healthcare facilities, making it an attractive place for families and professionals.

The Advantages of Living in the San Francisco Bay Area

Beyond its investment potential, the San Francisco Bay Area offers a lifestyle that's hard to beat. Residents enjoy proximity to the Pacific Ocean, breathtaking views, and a temperate climate. The city is also a hub of culture, with iconic landmarks such as the Golden Gate Bridge, Fisherman's Wharf, and historic neighborhoods like Haight-Ashbury.

The well-being of its residents is also a key factor. With access to top schools, healthcare, and a well-connected transportation system, people who live in the Bay Area enjoy a high quality of life. All of these factors combine to drive demand for housing, making San Francisco properties a solid long-term investment.

Why Investing in San Francisco Real Estate is Still a Smart Move

Despite high prices, investing in San Francisco real estate remains a smart move due to the city's resilience in the face of market fluctuations. Historically, property values in San Francisco have weathered economic downturns and continued to rise. This market's consistency offers peace of mind to investors looking for long-term stability.

Even as other markets experience volatility, San Francisco's status as a global tech hub ensures continued demand for housing, both for residents and businesses. High property prices may be a hurdle, but the big picture reveals strong appreciation over time, making the city a good investment for the future.

Exploring Investment Property Options in San Francisco

Investors in San Francisco can choose from a range of property types. Single-family homes in desirable neighborhoods offer high rental demand, while commercial real estate in tech-heavy districts provides excellent income potential. Apartments and condos, often located in the city's busiest areas, are ideal for generating cash flow in a competitive rental market.

San Francisco's unique architecture, historic buildings, and thriving business districts also make it appealing to developers and buyers alike. Whether you're purchasing for resale or long-term investment, the city offers various avenues for generating returns on investment.

Commercial Real Estate in San Francisco: A Competitive Advantage

San Francisco's booming economy makes commercial real estate a smart investment. The demand for office space in areas like the Financial District and SoMa (South of Market) is driven by the city's technological and financial sectors. Commercial buildings in these areas offer high rents and long-term appreciation potential.

Investors in commercial real estate also benefit from tax advantages, including depreciation deductions and favorable capital gains treatment. With San Francisco's commercial real estate market showing no signs of slowing down, this is an ideal time to capitalize on the city's economic growth.

Key Factors to Consider When Investing in San Francisco Properties

When investing in San Francisco real estate, it's crucial to consider several key factors:

- **Financing:** High property prices mean you'll need a solid financial plan. Work with lenders to secure favorable financing options.

- **Market Conditions:** Keep an eye on the current market and how it affects prices, rent demand, and future property values.

- **Demand:** Be aware of neighborhood trends and property demand in the areas you're considering investing in.

- **Developer Opportunities:** New developments and planned infrastructure improvements can boost property values in certain neighborhoods.

Local Insight from Kenny Realty

At Kenny Realty, we have decades of experience providing real estate services (https://www.kennyrealty.com/san-francisco-bay-real-estate-services) to help investors navigate the San Francisco real estate market. Whether you're looking for an investment property, commercial real estate, or advice on the current market, our team (https://www.kennyrealty.com/about) provides expert guidance to help you make the best investment choices. We understand the local demand, property values, and key factors affecting the future of San Francisco real estate.

Why Kenny Realty Believes Investing in San Francisco is Your Smartest Move Yet

Investing in San Francisco real estate is more than just a financial decision—it's a smart move for anyone looking to secure long-term growth and stability. With high property values, strong cash flow opportunities, and access to desirable neighborhoods, the city offers a unique investment landscape. For personalized advice and insight into the market, contact Kenny Realty (https://www.kennyrealty.com/contact) to explore your investment options in the San Francisco Peninsula, Bay Area, and surrounding communities.

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Evan has been in the real estate and property management field for 6+ years. He is experienced in working with first time home buyers, is an Accredited Buyer's Representative (ABR®), Seller Representative Specialist® (SRS) and Seniors Real Estate Specialist®(SRES®). He also works closely with Kenny Realty owners, getting their rental properties rented as quickly as possible. Evan is responsible for monitoring rental market conditions and advising our owners on market rates. He has outstanding communication with all clients he works with, keeping everyone in the loop at all times. He is the third generation of the Kenny family to practice property management on the peninsula.

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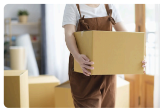

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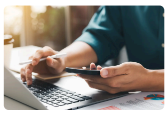

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Why San Francisco Real Estate In 2025 Is A Good Investment

Are you considering buying San Francisco real estate in 2025 and beyond? Whether you're dreaming of owning a home in the city to raise a family or exploring investment opportunities, you've come to the right place. As someone who has lived in San Francisco since 2001 and owns multiple properties, I've navigated the city's unique housing market through various economic cycles.

In my view, 2025 is shaping up to be an excellent year to invest in San Francisco real estate, whether you're looking for a single-family home or a condo. Below, I'll break down eight reasons why buying property in San Francisco real estate in 2025 is a smart financial move.

Reasons Why Buying San Francisco Real Estate In 2025 Is A Good Investment

These are my reasons after living in San Francisco since 2001 and owning San Francisco real estate since 2003. I also sold San Francisco real estate in 2017, a rental property, to simplify life after my son was born. I reinvested the proceeds in stocks, bonds, and private real estate investments for 100% passive income.

1. San Francisco Is the Hub of the Tech and AI Revolution

The tech industry continues to drive demand for San Francisco real estate in 2025, with the city leading the charge in artificial intelligence innovation.

Companies like OpenAI and Anthropic are expanding their presence here, and the global AI spending boom is funneling wealth into the region.

The NASDAQ surged 43% in 2023 and another 28.6% in 2024, creating massive amounts of wealth. Much of this wealth eventually flows into lifestyle upgrades, including San Francisco real estate. With AI companies rapidly scaling and preparing for IPOs, the resulting liquidity could significantly boost demand for San Francisco real estate in 2025.

Not only do you want to buy San Francisco real estate in 2025, but you also want to invest in private artificial intelligence companies. Hedge and benefit from the growth of a new technology. You can do so through an open-ended venture product by **Fundrise**.

2. New City Leadership Offers Renewed Optimism

The political landscape is critical for San Francisco real estate in 2025. With new leadership under Daniel Lurie, there's hope for addressing key challenges like crime, homelessness, and urban revitalization. A more stable, attractive city environment is likely to increase interest in San Francisco real estate among both local buyers and international investors.

3. Post-Pandemic Urban Recovery

As companies like Google, Amazon, and JP Morgan call employees back to the office, urban living is experiencing a strong rebound. San Francisco's dining, entertainment, and cultural amenities are once again attracting professionals, which bodes well for San Francisco real estate in 2025.

4. Low Housing Inventory Fuels Competition

San Francisco is geographically constrained and has strict zoning laws, ensuring limited housing supply. This dynamic keeps San Francisco real estate a hot commodity. Add to that the pent-up demand from buyers who paused during the pandemic, and you have a recipe for competitive bidding wars.

5. Pricing Remains Attractive

Despite a strong rebound, many areas of San Francisco real estate remain priced below their early 2022 peaks. This offers buyers in San Francisco real estate in 2025 an opportunity to purchase property at a relative discount before prices inevitably climb higher.

How much a household needs to earn to afford the typical home in their local market, as calculated by Zillow

Zillow's analysis assumes a 10% down payment and uses the Zillow Home Value Index (ZHVI) to account for each market's "typical" home price.

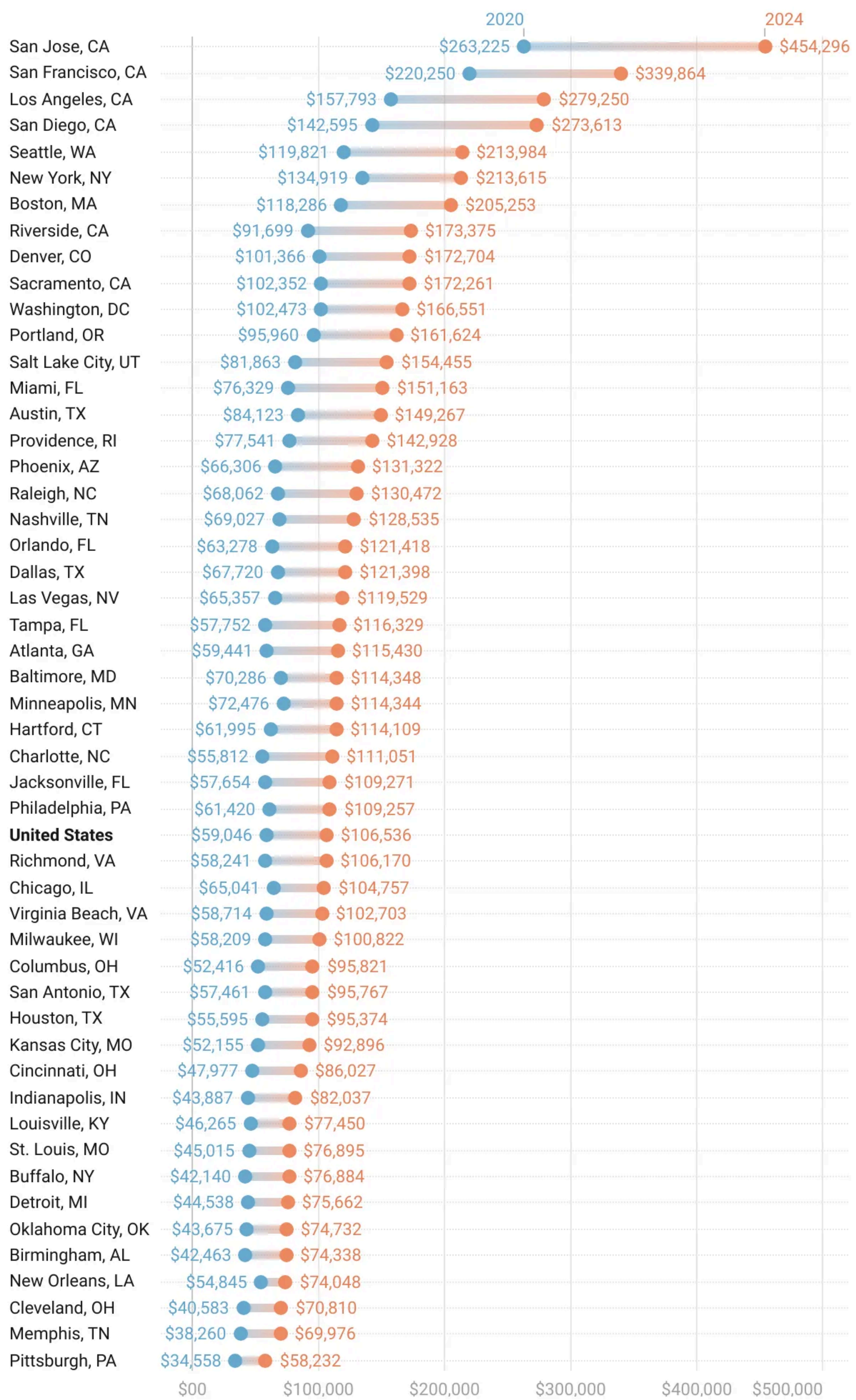


Chart shows the 50 largest metro area housing markets

Chart: Meghan Malas • Source: Zillow • Created with Datawrapper

ResiClub

San Francisco is much more attractive than San Jose, where prices used to be about the same

6. Tax Advantages for Homeowners

The tax benefits of owning property remain compelling, especially for high-income earners in the Bay Area. These incentives make San Francisco real estate in 2025 an even more attractive investment, particularly with the potential for policy changes that could further boost homeownership incentives.

7. Foreign Investment Is Back

San Francisco has always been a magnet for international buyers. Now, with travel restrictions lifted, global investors are returning to the U.S. market. This resurgence of foreign capital will play a significant role in boosting San Francisco real estate in 2025, as international buyers recognize the city's status as a global hub.

8. A Proven Long-Term Investment

Over time, San Francisco real estate has consistently appreciated, making it one of the most reliable long-term investments. With tech innovation, new leadership, and a recovering urban environment, San Francisco real estate in 2025 offers a strong opportunity for buyers to capitalize on future growth.

Where to Buy San Francisco Real Estate in 2025

When it comes to San Francisco real estate in 2025 and beyond, the west side of the city stands out as a hidden gem. With significant investments in infrastructure, schools, and commercial development, neighborhoods like Golden Gate Heights, Forest Hill, and the Outer Sunset are poised for substantial growth.

Golden Gate Heights, in particular, offers breathtaking ocean views and remains undervalued compared to other global cities. If you're looking for the best bang for your buck in San Francisco real estate in 2025, this area deserves your attention.

In every other major city in the world, single-family homes or condos with water or ocean views trade at huge premiums (50% – 200%). Here in San Francisco, you can still find relatively affordable ocean view homes. But they are increasingly getting discovered. An ocean view home with a deck or multiple decks is the most attractive type of San Francisco property.

Other incredible neighborhoods in San Francisco include Forest Hill, St. Francis Wood, and West Portal. These three neighborhoods have wonderful homes on nicer lots. In Forest Hill, you might even find the rare home with a view and a large lot. But this type of ideal home to raise a family are harder to come by.

Final Thoughts On Investing In San Francisco Real Estate

Buying San Francisco real estate in 2025 could be one of the smartest financial decisions you make. Whether you're drawn by the city's tech-driven economy, its cultural vibrancy, or its reputation as a long-term investment haven, the opportunities are vast.

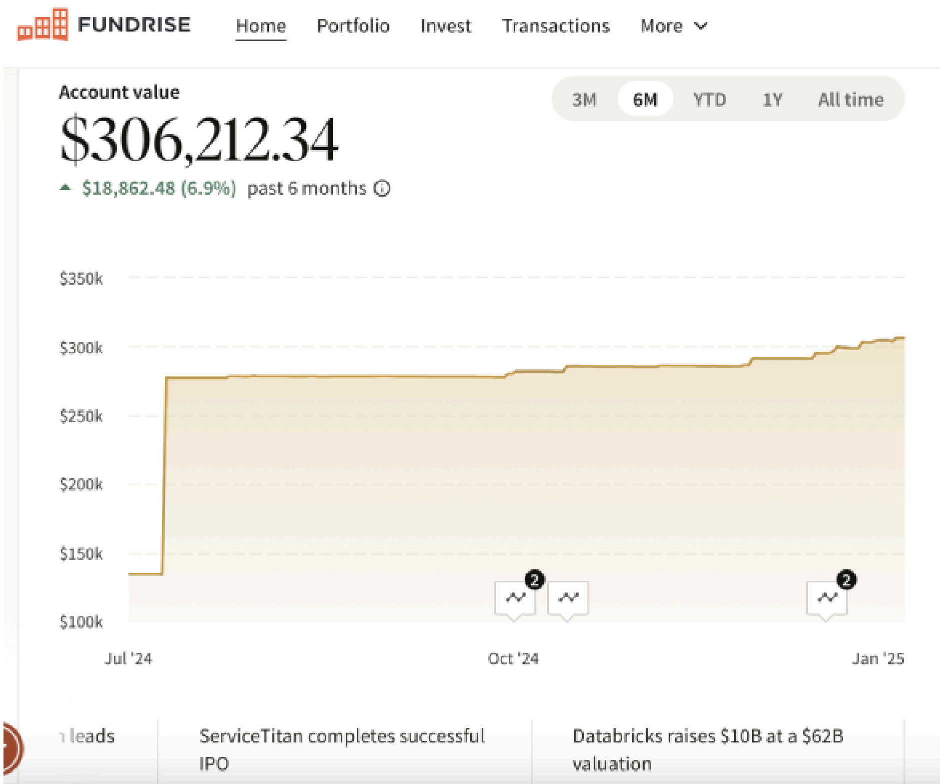
Remember, real estate is a long game. If you can buy responsibly and hold your property for at least five years, the likelihood of achieving significant returns is high.

But at the end of the day, you should buy a home to enjoy. It's one of the best things money and stock market returns can buy. Enjoy your home and the wonderful city of San Francisco!

Diversify Into High-Quality Private Real Estate

I also suggest diversifying into private real estate—an investment that combines the income stability of bonds with greater upside potential. Consider **Fundrise**, a platform that allows you to 100% passively invest in residential and industrial real estate.

With over $3 billion in private real estate assets under management, Fundrise focuses on properties in the Sunbelt region, where valuations are lower, and yields tend to be higher.



My investment dashboard at Fundrise

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Sam Dogen has been a San Francisco real estate investor since 2003. He went to UC Berkeley for his MBA and worked at Credit Suisse and Goldman Sachs for 13 years before retiring to become a writer. Sam ss the WSJ bestselling author of *Buy This Not That* and the author of his latest book, Millionaire Milestones: Simple Steps To Seven Figures.

From the San Francisco Business Times:
https://www.bizjournals.com/sanfrancisco/news/2025/12/19/san-francisco-apartment-rent-double-national.html?utm_source=st&utm_medium=en&utm_campaign=ae&utm_content=FR&j=43235191&senddate=12-25&utm_term=ep2&empos=p2

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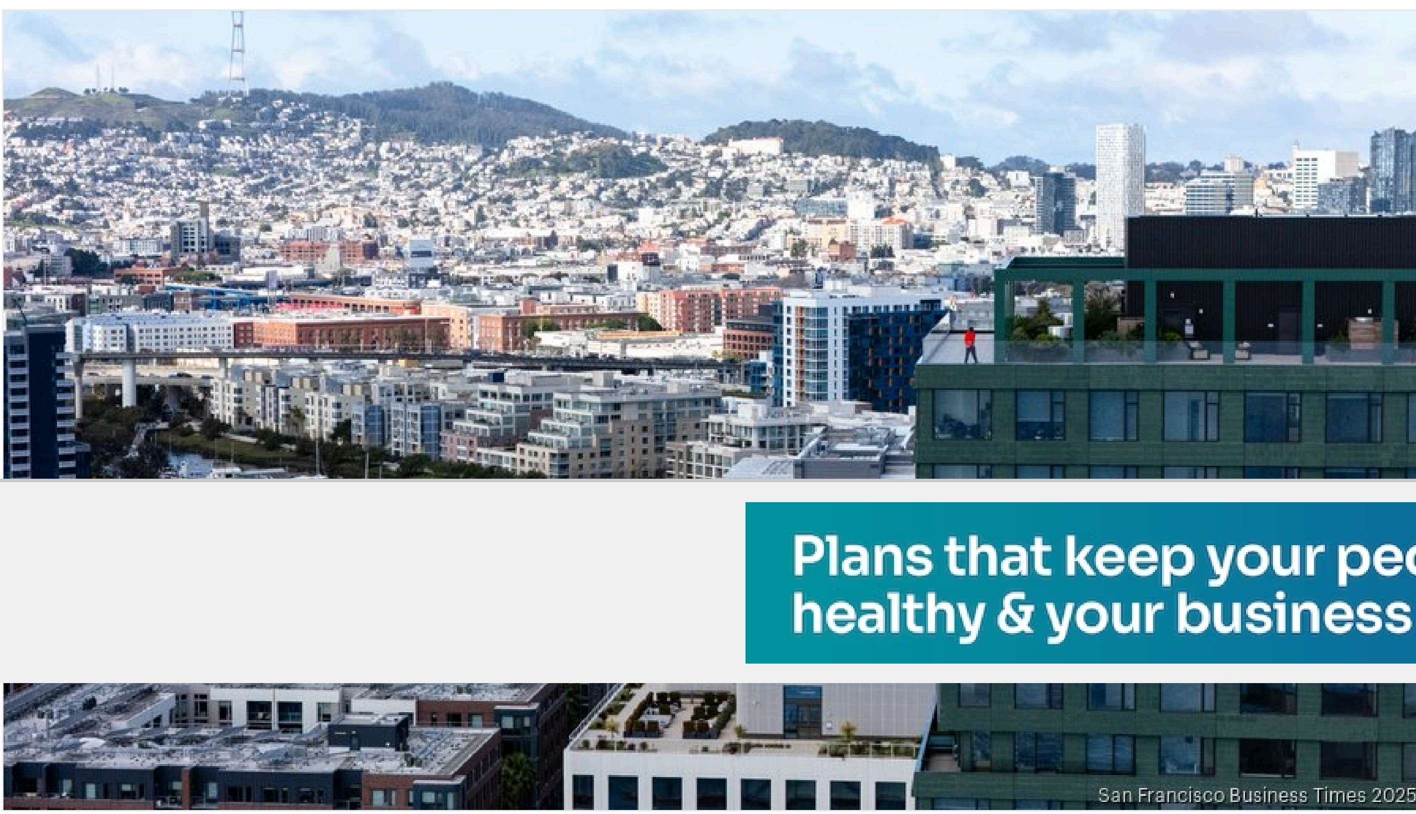
San Francisco apartment rents near double U.S. average as city works to get new housing underway



At the Verde Apartments, a 23-story building in Mission Rock, studios start around $3,500 per month.
ADAM PARDEE

By Douglas Sams – Senior Reporter, San Francisco Business Times
Dec 19, 2025 **Updated** Dec 19, 2025 5:41pm PST

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Story Highlights

- San Francisco apartment rents rose 5.4% through November, fastest nationally.
- AI boom drove per-capita income up 30% to $176,317.
- Mayor Daniel Lurie approved rezoning for 36,200 new homes.

San Francisco apartment rents now run nearly twice the national average, fueled by an influx of high-paying tech jobs and limited new housing supply.

The average monthly rent in San Francisco is $3,310 – about 89% above the national average of $1,755 – according to CoStar. Rents rose 5.4% by the end of November, the fastest year-over-year growth rate among major U.S. metros, compared with a 0.2% increase nationally.

Newly built apartments illustrate the imbalance. In Central SoMa, the Quincy at 555 Bryant St., completed in the spring, is asking about $5,165 a month on average, CoStar said. Effective rents after concessions hover near $4,967, even as vacancy sits around 30%.

CoStar's San Francisco market includes San Francisco and San Mateo counties.

Why city hall is uneasy

City officials see that pattern as a warning. When apartments are built only after rents rise high enough to justify them, higher wages, higher costs and affordability pressure tend to follow.

City leaders say their goal is to reverse that dynamic by lowering upfront costs so projects can start before rents spike. Recent actions reflect that push. Mayor

Daniel Lurie signed a rezoning plan adding capacity for 36,200 homes, and the city is waiving several impact fees in districts where new high-rise housing is planned.

Those same forces are showing up elsewhere in the housing market. New tech money is also pushing up home prices across San Francisco. Median single-family home prices jumped nearly 10% year over year in November on a three-month rolling basis – and nearly 15% on a single-month basis – reaching their highest level since mid-2022, according to Compass.

AI boom drives demand

The surge reflects San Francisco's renewed role at the center of the tech rebound, driven largely by artificial intelligence. While other U.S. tech hubs have seen activity pick up, the concentration of growth has been strongest in San Francisco – intensifying housing demand.

Income data reinforce the shift. Per-capita income has climbed about 30% since 2019 to $176,317, federal data shows.

That demand is colliding with a slowdown in construction. Apartment starts nationwide are running at their slowest pace in 15 years, according to CoStar Group, with a similar pullback across the Bay Area. Higher interest rates and tighter lending standards made it harder for projects to break ground.

Despite muted construction, investors are beginning to respond. Multifamily investment volume is up more than 35% year over year, according to Avison Young, driven by tightening rental demand,
highly paid, AI workers.

San Francisco Turnaround & Real Estate Recovery in 2025

daniellelazier June 4, 2025 Market Updates

Just about everywhere you look, the San Francisco turnaround is getting more and more apparent. After years of headlines about doom loops and exodus migration, the city feels like it's turning a page in 2025.

A few statistics: Crime has dropped to a 23-year low. Office leasing just hit its highest level in six years. The tent count fell to the lowest level since records began. These are just a few of the signs that San Francisco is back on track.

Public Safety and Livable Streets

From our SF real estate perspective, let's start with what matters most to homebuyers and investors: safety and livability. As reported by *The Telegraph*, car break-ins fell by 50% last year in 2024 to a 22-year low. Overall crime fell 28% in 2024. Walk through areas like UN Plaza in the Civic Center, and you'll see ping-pong tables where tent encampments used to be.

The change in San Francisco goes beyond crime reduction. Local organizations like Streets For All San Francisco (formerly KidSafe SF) have spent four years creating safer, more walkable and enjoyable neighborhoods. The organization led the charge to make JFK Promenade permanent, established 16 Slow Streets, and helped to transform the Great Highway into the new Sunset Dunes park.

Anecdotally in our team of top SF Realtors working with buyers and sellers, **Contact us today**. Clients who ... e ... tant to consider certain neighborhoods (or maybe buying at all) are more actively explo across the city.

AI Boom and SF Office Market Recovery

Commercial real estate in San Francisco is also seeing its most significant turnaround in years. Companies like Salesforce now require employees to work at least four days a week in the office. Gap Inc. announced a return to five-day office weeks (among many other companies in SF). But however you feel about RTO mandates, the real story in commercial real estate is artificial intelligence.

Nvidia CEO Jensen Huang believes San Francisco is back. "Just about everybody evacuated San Francisco," he said during a recent podcast interview. "Now it's thriving again. It's all because of AI." Nvidia is reportedly hunting for roughly 30,000 square feet of high-end sales office space in San Francisco.

The hype has turned into real movement for commercial properties. AI companies have leased over 5 million square feet in San Francisco in the past five years and are projected to take an additional 16 million square feet between now and 2030, or roughly 2.7 million square feet annually. That would cut the city's office vacancy rate from ~36% currently to less than 18% by 2030.

Another data point in this trend is OpenAI's expansion to nearly 1 million square feet across three buildings in SF. And when workers return to downtown, they need places to live. That demand directly benefits residential real estate across San Francisco neighborhoods.

SF Real Estate Market is Gaining Momentum

The San Francisco housing market turnaround reflects this recovery and change in the city. While macroeconomic pressures (tariffs, uncertainty, etc.) are keeping a lid on home sales to an extent, the latest ng 2025 numbers show positive trends on both the buying and selling side.

Looking at agent-reported MLS data, the median home sale price in San Francisco increased by 4% annually during the spring March-May period. Condos, which have been the slower market segment, actually outperformed with 5.7% price growth compared to 4.3% for houses. Condos are also selling faster, with the median days-on-market dropping to 26 days from ~29 last year.

Market Supply Dynamics

The supply of homes for sale in San Francisco also points to this turnaround. Houses are at just 1.8 months of inventory compared to 3.9 months for condos, but supply is tightening across both segments, down 14% for houses and 20% for condos year-over-year as of May 2025.

The biggest value opportunities are still in urban condo markets like South of Market (SoMa) and South Beach, where roughly six months of supply still exists. ('Months of supply' compares the current number of homes on the market against the current rate of sales - how fast would existing supply sell if there were no new listings?) However, even these markets are tightening. SoMa condo monthly supply dropped 30% year-over-year in May. Condos in more suburban neighborhoods like Noe Valley show just 1.4 months of supply.

Citizen Activism and Political Change

None of this happened by accident. Credit goes to organizations like Neighbors for a Better San Francisco (who are a central focus of *The Telegraph*'s article) and the countless local residents who demanded change.

We also appreciate the hard work of Streets For All San Francisco and their campaign since COVID to create safer, more livable streets.

The results have been impressive. Mayor Daniel Lurie, who took office in January 2025, brings a pro-business approach that has generally been well-received. "People wanted to count us out, and I think that was a bad bet. We're seeing all of this because the ecosystem is better here in San Francisco than anywhere else in the world." Agreed.

What This Means for San Francisco Real Estate

Current market conditions in SF are creating opportunities across price points and property types. The AI boom adds new demand, as the tech workers and sales staff need housing. Decreasing supply and increasing demand for real estate listings create will upward pressure on prices, although there are still macroeconomic concerns out of any local buyer, seller, or SF Realtor's control. (Try as we might.)

For inspiration from real-life stories of San Francisco homebuyers and sellers, check out our Real Estate Case Studies.

Looking Forward

The San Francisco turnaround is happening. Knock on wood, the worst appears behind us, and many of the best opportunities may still be ahead.

If you've been thinking about a change in living arrangements, current trends suggest now is a good time to consider your options and see what aligns with your long-term goals.

Want the latest in your inbox? Subscribe to our newsletter for our regular updates on San Francisco real estate.

Ready to explore your options? At no obligation, let's schedule an initial consultation to discuss your personal situation and see if we're a good fit. Contact us here today. We'd love to help!

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Want to learn more about neighborhoods around SF? Here are a few we think you'll love.

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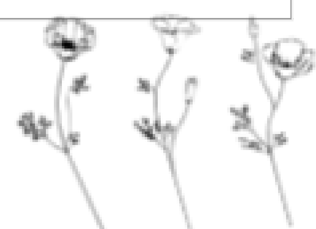

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San Francisco Apartment Market Leads the Nation for Rent Growth

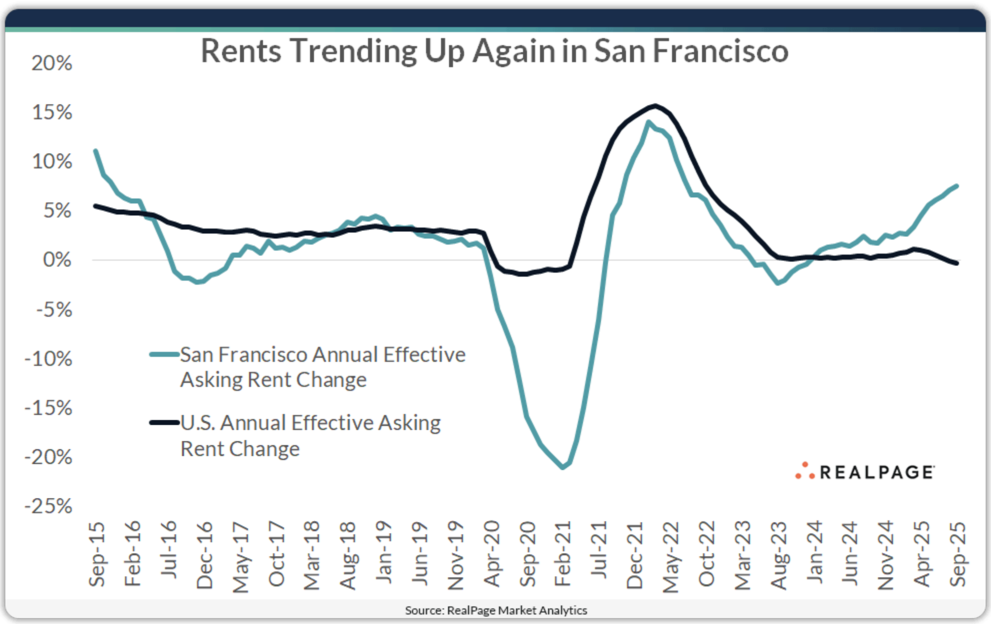
by Kim O'Brien *Posted* **October 30, 2025**

in San Francisco

San Francisco is leading the nation for rent growth, trending in contrast to national price cuts.

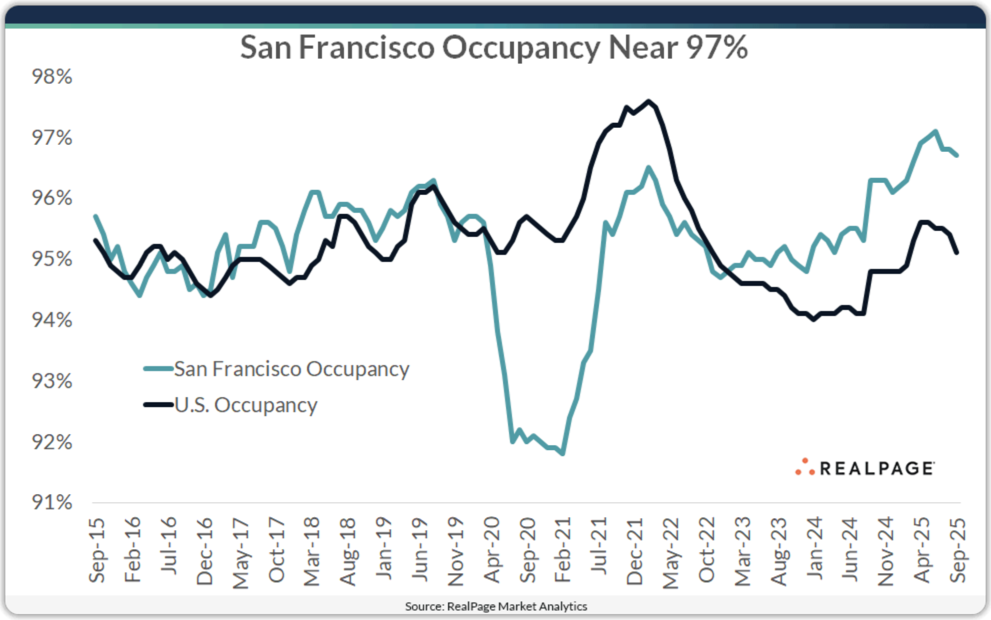
Effective asking rents increased 7.5% in San Francisco in the year-ending September, according to data from RealPage Market Analytics. This movement is in contrast to the national performance, and was well ahead of the market's decade average.

San Francisco saw a deep decline in rental rates along with the nation's other gateway markets in 2020 and 2021, during the economic decline of the COVID-19 pandemic. Rents rebounded in 2022 to double-digit territory, which is not uncommon for San Francisco. In fact, the market saw a similar peak in annual rent growth back in 2011, when rates were near 14%.



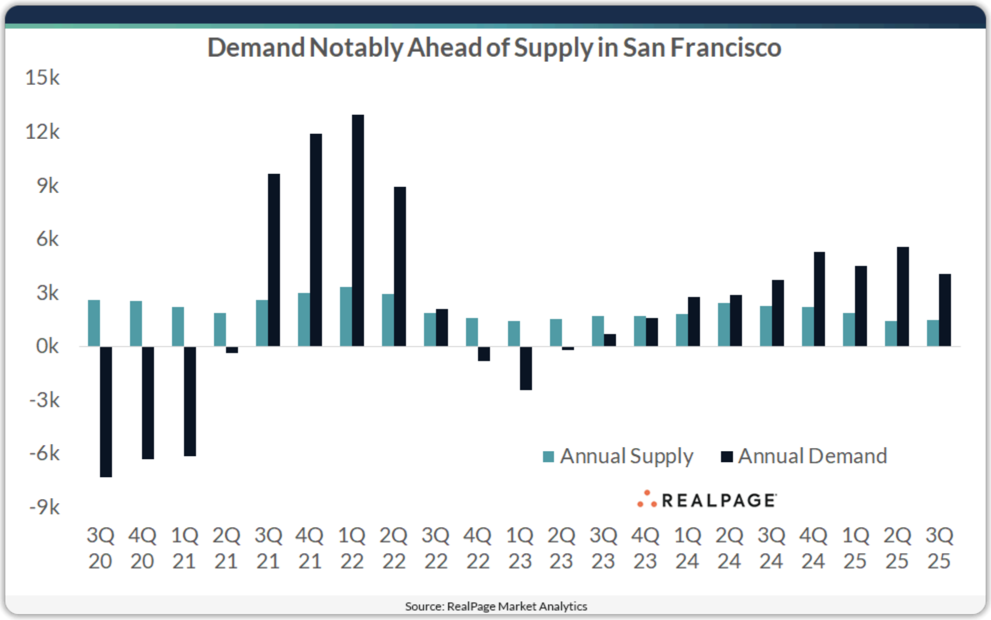
San Francisco's latest price increase was well ahead of the nation's other big rent growth showings in the past year. Among the nation's largest 150 apartment markets, the other top readings were in the smaller Champaign, Providence and Portland markets, which saw rent growth between 5% and 6% in the past year. Among the largest 50 apartment markets, New York and Chicago were the closest to San Francisco, with annual rent growth around 4%.

Helping inspire solid rent growth in the past year, apartment occupancy in San Francisco has recovered from its pandemic setback and is up to nearly 97% as of September. This latest showing of 96.7% was well ahead of the U.S. rate of 95.1%.



While San Francisco's September occupancy rate wasn't a top 10 showing among the nation's largest 150 apartment markets, it was a top three reading among the largest 50 markets. Among these major markets, only Newark and New York had tighter showings closer to 97% in September.

Occupancy tightness in San Francisco is the result of demand pushing well past concurrent completion volumes in recent years. Only 1,443 units were delivered in San Francisco in the year-ending 3rd quarter, which was a little more than half the decade average. Annual demand, meanwhile, was nearly three times the rate of supply, with San Francisco absorption topping 4,000 units in the year-ending 3rd quarter.



Renewed demand in San Francisco seems to stem, in part, from the area's continuing economic recovery, fueled by optimism surrounding artificial intelligence. While overall job growth may still look modest, strengthening fundamentals in the tech sector are contributing to broader economic momentum and helping to slow the population decline experienced in recent years.

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Crescent Heights has the green light to build a 67-story residential tower at 10 South Van Ness in San Francisco, which could help ease the city's housing crunch that's led to soaring rents.
KPF

By Mark Calvey – Senior Reporter, San Francisco Business Times
Jan 28, 2026

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Story Highlights

- San Francisco rents rose 16.1% annually to $3,670 for the median one-bedroom.
- AI sector growth and return-to-office mandates drive rental demand.
- San Francisco approaches New York as nation's most expensive rental market.

San Francisco apartment rents chalked up their largest annual growth since real estate marketplace Zumper began tracking the data more than a decade ago, and they're headed toward a new milestone: priciest in the nation.

San Francisco’s median one-bedroom rent in January rose 16.1% year over year to $3,670, according to Zumper’s National Rent Report released Wednesday. The city's two-bedroom median rent soared 19% from a year ago to $5,010, perhaps reflecting the popularity of getting a roommate to help cut living expenses.

That put San Francisco's two-bedroom rent just $130 lower than New York's two-bedroom rent, according to Zumper. The last time San Francisco topped the list of most expensive cities for a two-bedroom apartment was July 2021, with New York holding the lead since then.

"Internally here at Zumper, the conversation has shifted from whether San Francisco would catch up to how long it might stay there if current momentum holds," Zumper spokesperson Crystal Chen told the Business Times. "San Francisco's notable rent growth is being driven by a rebound in high-income demand colliding with one of the most supply-constrained markets in the country."

San Francisco apartment landlords are benefitting from more companies wanting workers back in the office, such as TikTok shifting from three days a week in the office to five this year. Numerous AI companies want their teams in office to spur collaboration and innovation.

Some companies are offering a carrot as part of their return-to-office policies by providing rent stipends to workers living within a 10-minute walk of the company's offices. San Francisco-based AI startup Cluely is among those offering a rent stipend to eligible workers, the New York Times reported.

One of the first things Cluely CEO and cofounder Roy Lee did after raising $5.3 million in venture funding last year was to lease eight apartments for his employees at a new luxury apartment complex just a one-minute walk from the company's South of Market office.

"Growing optimism around artificial intelligence has strengthened hiring expectations, particularly for highly paid technical and research roles that tend to cluster in San Francisco," Chen said. "As ambitious workers prioritize proximity to talent, capital and fast-moving companies, that demand shows up quickly in rents, which suggests that San Francisco is asserting itself as a magnet for career-driven renters tied to AI and adjacent sectors."

Echoing Zumper's observations, LinkedIn's latest report on Jobs on the Rise in San Francisco showed that the fastest-growing roles in the city signal the AI sector is shifting from investment to execution. That shift includes roles for business operations managers and other roles needed for building successful companies on the latest advances in AI. Unfortunately, the city's AI sector isn't hiring fast enough to offset the loss of thousands of tech jobs last year.

But soaring apartment rents has more real estate developers moving forward on San Francisco apartment projects that now pencil out, including a 619-unit tower envisioned for 555 Beale St. and a 67-story tower at 10 South Van Ness.

San Francisco's robust rent growth stands in sharp contrast to weakening rents across much of the country due to slower household formation, economic uncertainty and lingering excess supply of apartments.

"San Francisco is moving in the opposite direction," Chen said. "Demand is rebounding faster than housing can be delivered and long-standing zoning and development constraints have left little buffer."

Nationally, one-bedroom median rent fell 0.1% month over month to $1,503, which was down 2% year over year, according to Zumper's National Rent Index. Two-bedroom median rent nationally fell 0.2% month over month to $1879, which was down 1.5% year over year.

"Markets that have already worked through excess inventory may see a faster snapback than what national averages suggest," Zumper CEO Anthermos Geoglades said in a news release. "The spring leasing season will offer a clearer signal for where the market is headed."

THE LIST

The Most VC-Funded AI Companies in the Bay Area

Equity raised in 2024

Rank	Prior Rank	Business name
1	1	xAI Corp.
2	2	Databricks Inc.
3	3	Anthropic PBC

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From the San Francisco Business Times:
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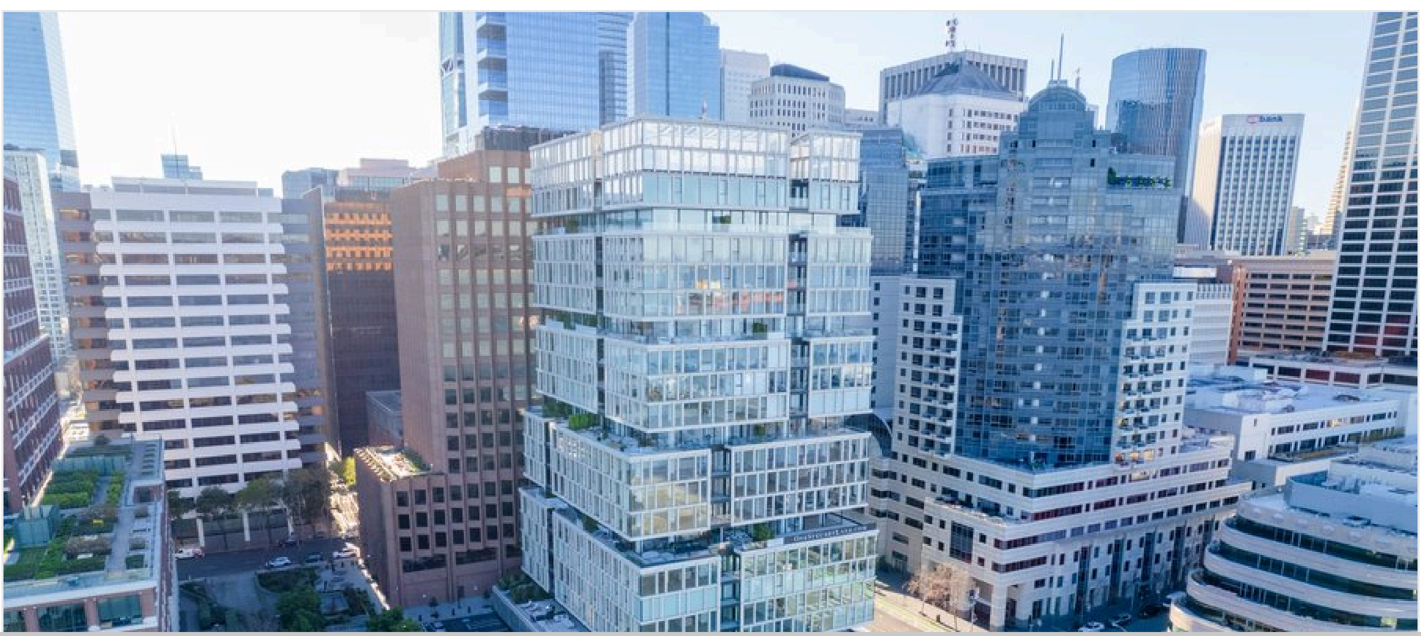
AI boom fuels intense competition for Bay Area rentals as apartments lease at ‘warp speed’



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ADAM PARDEE

By Mark Calvey – Senior Reporter, San Francisco Business Times
Dec 10, 2025

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Story Highlights

- Silicon Valley apartments leased fastest at 36 days with 13 applicants.
- San Francisco saw 11 applicants per apartment, up four from 2024.
- AI jobs and office returns fueled strong Bay Area rental demand.

San Francisco is the epicenter of the artificial-intelligence boom, which is fueling a mad scramble for apartments. But Silicon Valley was an even hotter rental market this year, according to the latest data from RentCafe.

Competition for an available apartment was intense in San Francisco, fueled by a sharp drop in new apartment construction, while Silicon Valley saw apartments lease at the fastest pace, according to the report.

“Apartments in Silicon Valley are rented out at warp speed – in 36 days,” according to RentCafe’s report released Wednesday.

That compares favorably to San Francisco’s 42 days and the East Bay’s 44 days. Silicon Valley also led the Bay Area in apartment occupancy, with an occupancy rate of 95.5% compared to San Francisco’s 94.6% and East Bay’s 94.1%.

San Francisco saw 11 applicants for an available a
than in 2024. Competition for apartments in the
applicants competing for the same apartment to 10.

But it was Silicon Valley that saw the Bay Area's toughest competition, with 13 applicants competing for the same apartment. That's one more than in 2024.

A closer look at the numbers offers little hope for apartment seekers. San Francisco's apartment inventory grew by just 1.43% in 2025, down from 3.11% growth in 2024, reflecting San Francisco's slow pace of apartment construction. East Bay inventory grew 1.63% this year, while Silicon Valley achieved a solid 2.45%, according to RentCafe.

Adding to the grief of those seeking a Bay Area apartment is an increase in tenants staying put. The renewal rate increased across the entire Bay Area and once again, Silicon Valley was out front, with that part of the Bay Area reaching a renewal-rate high of 56.3%, up 1.7%.

The East Bay followed Silicon Valley, with a renewal rate of 52.6%, up 1.4%. San Francisco saw almost half of renters, 49.6%, staying put, up 0.8% from a year ago.

RentCafe said Silicon Valley was the 13th hottest U.S. rental market in 2025, while San Francisco ranked No. 42, up a dramatic 23 spots from 2024, while the East Bay came in at No. 53, up two spots from a year ago. (Miami is the nation's hottest rental market.)

San Francisco placed second on a ranking of the nation's fastest-rising rental markets in 2025, only behind suburban Minneapolis-St. Paul.

"Beyond the world-class amenities, the growth in high-paying tech jobs – especially in AI – and the return to in-office work have fueled strong demand for apartments in San Francisco, intensifying competition across the metro," according to RentCafe's latest report.

RentCafe's San Francisco data includes San Mate
Petaluma. The East Bay includes Oakland, Walnut Creek, San Ramon and Vacaville. Silicon Valley cities include Palo Alto, Mountain View and San Jose.

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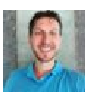
San Francisco Commercial Real Estate Shows Signs of Recovery as Opportunistic Capital Deploys



Written by:
Steve Marcinuk

Date:
01 Sep 2025

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The San Francisco commercial real estate market appears to have reached an inflection point, with industry professionals reporting increased transaction activity and renewed investor confidence after years of pandemic-driven challenges. Market participants are describing a shift from distressed conditions to opportunistic buying, signaling what many believe marks the beginning of a recovery cycle.

Cameron Baird, Senior Vice President at Kidder Mathews, has witnessed this change firsthand through his two decades in San Francisco commercial real estate. Having recently joined the firm from Avison Young, Baird brings extensive market knowledge spanning multiple economic cycles.

"We've definitely skipped off the bottom," Baird observes. "Since January, we've seen increased momentum. We're seeing people that are all of a sudden opportunistic. They don't want to miss the rising tide, and are hopping on their surfboard to try to ride the wave up."

A Different Kind of Market Correction

Unlike previous downturns that primarily involved pricing corrections, the pandemic-era adjustment has been more complex due to fundamental changes in how people work. The widespread adoption of remote work technology has created lasting impacts on office demand patterns.

or Teams. Now it's old hat. Everyone has it on their phones."

This technological shift has slowed the return-to-office timeline compared to previous recovery cycles. However, recent data suggests momentum is building. Downtown restaurant clients report sales volumes approaching pre-pandemic levels, while office leasing activity has picked up in recent months.

Geographic Variations Within the Market

Recovery patterns vary across San Francisco's submarkets. While the Financial District and Union Square continue to face challenges, other areas have already returned to pre-pandemic performance levels.

"Fisherman's Wharf has retailers doing pre-pandemic numbers, and they have been for a year," Baird notes. "Other parts of the city, and certainly the suburbs and the overall Bay Area, have already recovered. It's just these core areas like the Financial District and Union Square that are still figuring everything out."

The office sector has benefited from what Baird describes as a "flight to quality," where tenants have been able to upgrade their locations due to increased availability and competitive pricing. "Tenants have been able to trade up from Class B to Class A space, or Class C to Class B space with better amenities, at almost the same economics or better."

Investment Activity Accelerates

The deployment of previously sidelined capital has become increasingly evident. Large office properties are trading at significant discounts to replacement cost, attracting both local and institutional buyers.

"You're talking about big office projects trading from $200 to $400 per foot, well below replacement cost," Baird explains. "Some of these deals are getting $36 rents on as-is deals. Larger funds with cash can buy something at a really low basis, sit on it for five years, and probably double their money."

"The distress is not so distressed anymore," Baird observes. "Every one of the large towers going for discounted prices has multiple offers. It's not like there's one buyer, there's multiple rounds, and everybody's aggressively competing."

Local Knowledge Advantage

Much of the current investment activity involves local players leveraging their market expertise to move quickly on opportunities. Family offices and regional investors are particularly active, often able to deploy capital faster than institutional players.

"There's a lot of local players that are really dipping in because they know this market," Baird says. "Those folks are taking advantage of their market knowledge and awareness of what's happening, being here to deploy capital faster than institutional capital that's not local."

A notable example is designer Jonathan Ive's campus development in Jackson Square, where aggressive acquisition pricing of $1,800 per square foot reflects strategic assembly goals rather than individual building valuations.

The Union Square Question Mark

One significant uncertainty remains the fate of the Westfield San Francisco Centre, the large mall adjacent to Union Square. The property's future direction will likely influence broader Union Square recovery patterns.

"Nobody really has a good plan," Baird acknowledges. "There's been ideas like soccer stadiums, student housing, or college campus use, but it's an extremely expensive investment. You're talking about a huge, million-square-foot project."

The challenge lies in the property's scale and cost basis. "You can't just scrape it, you're throwing good money after bad. Your land basis becomes negative instead of zero. You have to figure out how to recook this."

AI Sector Driving Demand

shift.

"There's a lot of AI activity in the city. Obviously, everybody's seen the headlines on these large footprints that some of these AI tenants are chasing," Baird notes. "In the old days, big companies like Salesforce would pre-lease buildings a year out. We're not there yet, but there's certainly a shift in momentum."

Quality Commands Premium

Despite overall market softness, premium properties continue to achieve strong rental rates. Class A spaces with desirable features like water views are setting new benchmarks.

"Quality space is commanding premium rents," Baird explains. "Some projects in the TransAmerica building are getting $200 rents on smaller floor plates. This is the tone and momentum that quality space is achieving."

Political and Messaging Shifts

The change in city administration has contributed to improved market sentiment. New policies focused on business-friendly approaches have helped counter negative perceptions that persisted beyond actual market conditions.

"For a long time, San Francisco's biggest problem was a PR problem," Baird reflects. "When you talk to people going downtown for work in the last year and a half, downtown's busy. Since the administration changed, getting the messaging out that San Francisco's open for business has made a difference."

Looking Forward

For investors considering San Francisco opportunities, Baird sees current conditions as favorable for strategic deployment. "For folks that are maybe hesitant about San Francisco, I don't think you need to worry. We're an international city, and San Francisco is always going to return."

going to enjoy the rise."

As market fundamentals continue improving and investor confidence returns, San Francisco appears positioned for the next phase of its recovery cycle. The combination of discounted pricing, renewed leasing activity, and strategic capital deployment suggests the market has indeed moved beyond its bottom, creating opportunities for those ready to capitalize on the city's long-term prospects.

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San Francisco Real Estate Recovery in Mid-2025: Sector Insights and Policy Shifts

San Francisco's real estate landscape is navigating a pivotal phase in mid-2025. After several turbulent years, the market is showing early signs of stabilization and recovery, albeit unevenly across sectors. This report – from the perspective of a feasibility advisory firm – examines current conditions and recovery signals in four key sectors (Office, Multifamily Residential, Retail, Industrial) and discusses changes shaping the city's outlook. The tone is cautiously optimistic: while challenges remain, emerging trends toward a gradual revitalization. Below, we break down each sector's status with data-driven insights, and then explore how new leadership and rezoning efforts may influence San Francisco's real estate trajectory over the next 6–18 months.

Office Market: High Vacancy Meets Renewed Demand

Current Conditions: San Francisco's office market is slowly rebounding from its pandemic-era downturn. Leasing activity has accelerated through late 2024 and early 2025, reaching its highest volumes since early 2022. Tech firms – particularly in the booming artificial intelligence (AI) sector – have led this leasing uptick by expanding into quality spaces freed up by earlier tenant contractions. Notably, companies like OpenAI, Anthropic, and Databricks have all signed large leases for space in San Francisco in recent quarters. This new demand has helped offset the remote/hybrid work-induced drop in occupancy that hit San Francisco harder than any other major office hub.

Market Stats: Despite improving leasing momentum, the **office vacancy rate** remains historically high at **22.8%** as of Q2 2025. This is up slightly (about 60 basis points) from a year prior, and starkly higher than the ~5.9% vacancy of 2019 before the pandemic. In total, roughly **50 million square feet** of office space is available citywide, including **9.3 million square feet** listed for sublease – a legacy of companies downsizing. Top-tier office towers are especially underutilized: Class 4 & 5 Star buildings face a **27.2%** vacancy rate, exerting upward pressure on the overall vacancy. On the pricing side, **asking rents** have fallen about 30% from their 2019 peak and now average **$50–$51 per sq. ft.**annually across all classes. The good news is that rent declines have *slowed* markedly – year-over-year rent growth stands at **-1.7%** (essentially flat) in Q2 2025, hinting at approaching rent stabilization. Another positive indicator is absorption: over the past 12 months net absorption was effectively flat at **-14,000 sq. ft.**, a dramatic improvement from the **-6.5 million sq. ft.** annual net absorption recorded in 2023. In fact, **gross absorption** of office space surpassed **3.5 million sq. ft. in Q1 2025**, the highest quarterly volume in four years. Construction of new offices has virtually halted – only **1.3 million sq. ft.** is under construction, mostly life-science oriented projects – reflecting developer caution amid high vacancies.

Demand Drivers & Headwinds: The office demand that does exist is being driven by San Francisco's evolving tech economy. **AI and biotech firms** are fueling much of the new leasing, attracted by high-quality (and often discounted) sublease space that came on the market during the downturn. Major commitments by firms like Google (which renewed over 550,000 sq. ft. in early 2025) and law firm Morgan Lewis (which took 123,000 sq. ft. in the Transamerica Pyramid) underscore that there is still confidence in select locations and properties. On the other hand, **structural headwinds**persist. Remote and hybrid work has permanently reduced the baseline demand for office space, especially in downtown high-rises. Many companies already **downsized** their footprints in 2022–2023, and while that wave is easing, a few continued **move-outs** are occurring as pre-pandemic leases expire (e.g. recent space give-backs by LendingClub and Okta). The sheer scale of **excess space** – including subleases – will take time to backfill. Elevated vacancy, particularly in older or less amenity-rich buildings, also **deters investment** and new development. Indeed, brokers agree that outside of specialized life-science projects, new speculative office construction will be rare in the coming years.

Signs of Recovery/Restructuring: Despite the challenges, there are clear signals that the office market may have **hit bottom** and is slowly turning a corner. The pace of vacancy increase has **slowed** significantly compared to the steep rises of 2020–2022. Total available space has even ticked down slightly over the past year – a subtle but important sign of nascent re-absorption of excess inventory. Landlords report growing sentiment that an **inflection point** is at hand, expecting key indicators like absorption, vacancy, and rent to stabilize and start improving in upcoming quarters. The deal activity in late 2024 and early 2025 – including **20-year lease commitments** and large tech expansions – hints at long-term confidence from certain tenants. Moving forward, the office sector's recovery will likely involve **restructuring** of underperforming assets: we anticipate more building renovations and potential conversions (for instance, some obsolete offices may be repurposed to laboratory space or even housing, aided by new city incentives). Overall, the office market's trajectory in the next year will be defined by a slow grind of absorption as the city's tech-driven growth (AI, life sciences) fills some of the void, while landlords and policymakers explore creative reuse for the most vacant properties.

Multifamily Residential: Demand Resurgence and Tightening Vacancies

Current Conditions: In stark contrast to the office sector, San Francisco's **multifamily residential** market is mounting a robust recovery in 2025. After a period of pandemic-era outflow and soft demand, renters are returning and absorption has surged. The first quarter of 2025 saw the **largest expansion in apartment demand in four years**, and momentum remained strong into Q2. This upswing coincides with a return to **population growth** for San Francisco: after several years of decline, the city's population stabilized and even notched a modest increase in 2024, which has bolstered apartment demand. Market observers attribute the turnaround to a combination of factors – renewed hiring (especially by AI and tech firms), improving downtown safety conditions, and the simple fact that many who left during the pandemic have either come back or been replaced by new arrivals. Neighborhoods that were hard-hit by remote work and civic issues (homelessness, street crime) – such as parts of Downtown and Civic Center – are showing tentative improvement, suggesting that city initiatives to improve livability are having an effect.

Market Stats: Apartment occupancy has tightened dramatically over the past year. The **vacancy rate** has fallen to **5.1%**as of Q2 2025 – the lowest level in San Francisco in over a decade. For context, vacancy peaked near 10–11% in late 2020 during the height of urban out-migration; today's 5.1% is even lower than pre-pandemic 2019, indicating a *full recovery* in occupancy. Net **absorption** over the last 12 months hit approximately **3,700 units**, matching the annual demand levels of the city's pre-pandemic boom. This demand has outpaced the limited new supply: relatively few new multifamily projects have delivered in the past year (fewer than 1,000 units were added over 12 months), allowing excess vacancies to be absorbed rapidly. Tightening supply-demand conditions are translating into rising rents. Citywide **asking rents** are up about **4.9% year-over-year** as of Q2, one of the fastest growth rates among major U.S. markets. In fact, the average apartment rent in San Francisco has **just surpassed its 2019 peak** in nominal terms. Effective rents (net of concessions) have similarly climbed, and landlords are regaining pricing power after the rent declines of 2020–2021. By property class, the **luxury segment (4 & 5 Star)**, which saw vacancies skyrocket during the pandemic, has rebounded significantly – its vacancy rate has dropped to **8.5%** (down from nearly 20% in 2020) as high-income renters return to the city. Mid-market and workforce apartments (3 Star and below) remain the tightest, with sub-5% vacancy across Class 3, 2, and 1 properties.

Demand Drivers & Headwinds: Several **tailwinds** are fueling the multifamily resurgence. **Employment growth** in San Francisco's resurgent tech sector (especially AI) is attracting new residents and boosting household formation, directly increasing apartment demand. Additionally, **population inflows** – whether young professionals moving in or former residents returning – have resumed now that the city is perceived to be stabilizing economically and addressing quality-of-life concerns. Local officials' efforts to curb open-air drug use and improve public safety in key neighborhoods have made urban living more attractive than it was a couple of years ago. Another important driver is the **cost of homeownership**: with Bay Area home prices still high and mortgage interest rates around their highest in over a decade, many would-be buyers are remaining renters. This dynamic keeps rental demand robust, since *renting is the only feasible option* for a large portion of the workforce given the barriers to buying in San Francisco's housing market. On the supply side, one **headwind** is the *slow pace of new construction*. While the city has an ambitious housing pipeline on paper, groundbreakings have been limited by economic conditions, high construction costs, and lengthy approvals. Developers have entitlements for thousands of units – for example, in the South of Market area alone, over 5,000 units are approved and awaiting better market conditions – but many projects are paused until financing and cost dynamics improve. Thus, **new supply remains constrained**, which in the near term actually supports landlords by limiting competition. A potential medium-term challenge would be if interest rates decline and stalled projects break ground en masse; however, any large wave of deliveries is at least a couple of years out. For now, the primary headwinds for multifamily are macroeconomic – if a recession or tech slowdown hits, renter demand could soften again – but currently all signs point to strength.

Signals of Recovery & Resilience: The apartment sector's fundamentals underscore **resilience** and a sharp recovery. Absorption turning positive across all asset classes (even the previously struggling luxury high-rises) indicates broad-based demand returning. The **rapid decline in vacancy** back to historically low levels in just a two-year span highlights how quickly the market absorbed the pandemic shock. Moreover, rent growth has returned without any significant concessions needed, showing that landlords have regained confidence in the leasing environment. Importantly, even neighborhoods that saw the greatest pandemic-era stress – such as Downtown/SOMA, or areas like the Tenderloin which experienced social challenges – are now seeing occupancy **improve month by month**. This suggests that public and private efforts to revitalize the urban core (improved policing, new neighborhood investment) are positively impacting the residential sector. With **new leadership at City Hall pushing to accelerate housing production** (more on that below), the long-term outlook is constructive: policy support