



The San Francisco Smaller Apartment Building Market

COMPASS

2-4 Unit Multi-Family Buildings

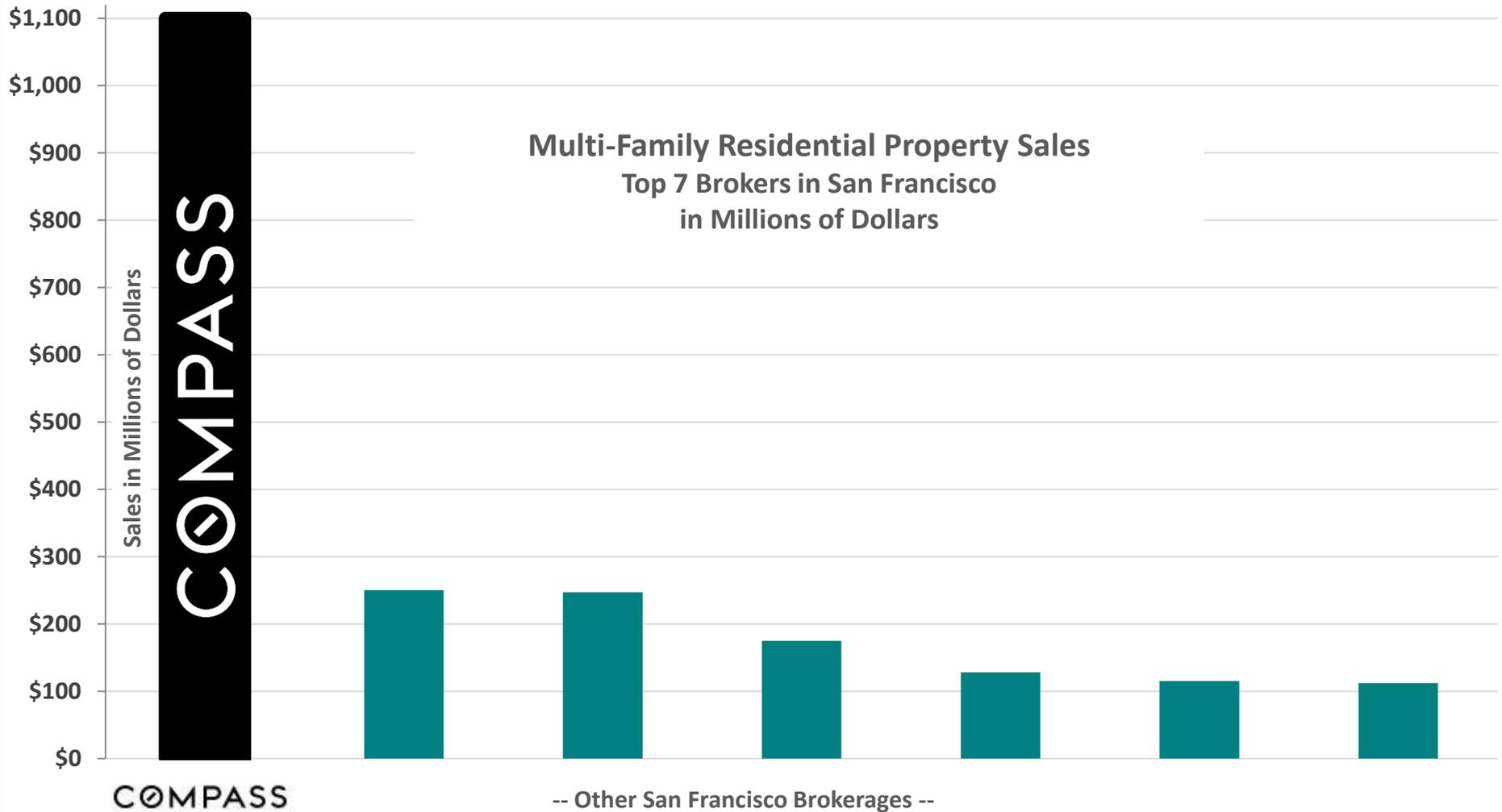
Focusing Mostly on San Francisco County

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San Francisco Apartment Building Sales

Top 7 Brokers, Multi-Unit Residential Sales*

12 months MLS sales of residential multi-unit properties, per Broker Metrics*



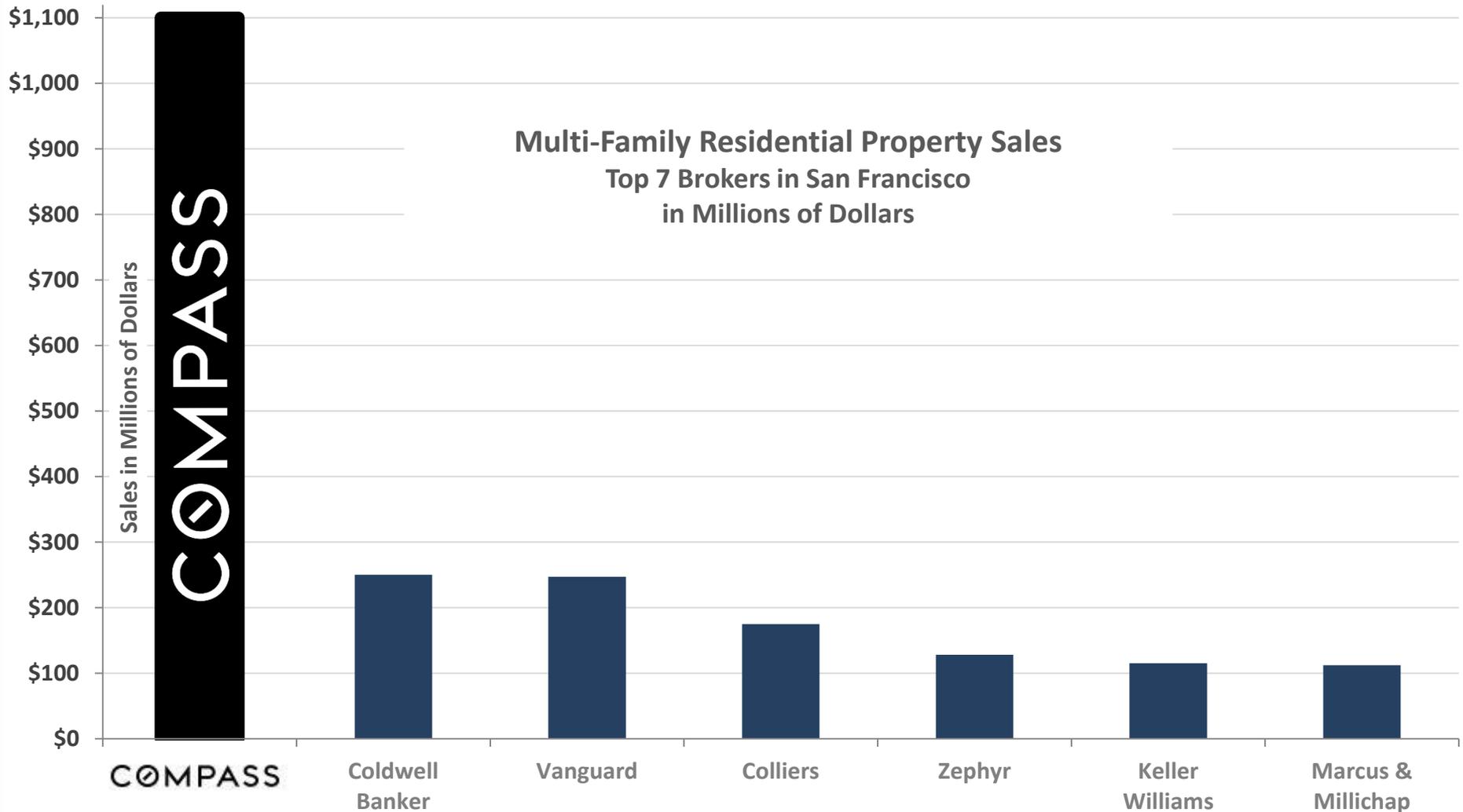
* 12 months dollar volume, transaction-side sales reported to MLS by 11/30/19, per Broker Metrics. Compass figures include Paragon, Pacific Union, Alain Pinel and Hill numbers with merger of brokerages.



San Francisco Apartment Building Sales

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San Francisco 2-4 Residential Unit Buildings

Year-over-Year Comparisons: Selected Annual Market Indicators

Statistic	2016	2017	2018	2019
2 Units: Median Sales Price	\$1,795,000	\$1,820,000	\$1,900,000	\$1,900,000
2 Units: Avg. \$/Sq.Ft.	\$697/sq.ft.	\$716	\$791	\$779
2- Units: Avg. Days on Mkt	43 days	41	34	39
2-Units: Sales Price to Orig. LP %	106%	108%	103%	104%
2-Units: # of Sales	224	245	256	228
3-4 Units: Median Sales Price	\$1,850,000	\$2,050,000	\$2,156,000	\$2,200,000
3-4 Units: Avg. \$/Sq.Ft.	\$541/sq.ft.	\$589	\$617	\$637
3-4 Units: Average Days on Market	55 days	53	51	53
3-4 Units: Sales Price to Orig. LP %	103%	103%	100%	100%
3-4 Units: # of Sales	122	133	120	126

2, 3 & 4 unit residential buildings. Sales reported to MLS, per Broker Metrics. Data from sources deemed reliable, but may contain errors and subject to revision. 2019 sales are estimates using data available in early 2020: Late reported sales may alter these numbers. All numbers are approximate. Not all sales are reported to MLS.



2-4 Unit Residential Building Values

2019 Median Sales Prices & Average Dollar per Square Foot

Sales reported to MLS

San Francisco District or County	2-Unit Buildings	3-Unit Buildings	4-Unit Buildings
Pacific & Presidio Heights, Cow Hollow & Marina (District 7)	\$3,000,000 - \$999/sq.ft.	\$4,259,000 - \$1013/sq.ft.	\$3,035,000 - \$725/sq.ft.
Russian, Nob & Telegraph Hills; North Beach (District 8)	\$2,400,000 - \$949/sq.ft.	\$2,525,000 - \$673/sq.ft.	\$2,250,000 - \$541/sq.ft.
Noe, Eureka & Cole Valleys; Ashbury & Corona Heights; Mission Dolores (D5)	\$2,210,000 - \$897/sq.ft.	\$2,200,000 - \$694/sq.ft.	\$2,200,000 - \$647/sq.ft.
North of Panhandle (NoPa), Alamo Square, Hayes Valley, Lower Pacific Heights (D6)	\$1,975,000 - \$757/sq.ft.	\$2,200,000 - \$617/sq.ft.	Not enough sales for analysis
Lake Street, Richmond District, Lone Mountain, Jordan Park (District 1)	\$1,990,000 - \$675/sq.ft.	\$2,200,000 - \$608/sq.ft.	\$2,142,500 - \$531/sq.ft.
Potrero Hill, Bernal Heights, Inner Mission, South of Market (District 9)	\$1,650,000 - \$713/sq.ft.	\$1,778,000 - \$541/sq.ft.	\$1,884,000 - \$659/sq.ft.
Sunset, Parkside (District 2)	\$1,495,000 - \$662/sq.ft.	Not enough sales for analysis	Not enough sales for analysis
Bayview-Excelsior-Visitacion Valley (District 10)	\$1,140,000 - \$481/sq.ft.	Not enough sales for analysis	Not enough sales for analysis
Alameda County	\$885,000 - \$458/sq.ft.	\$1,065,000 - \$390/sq.ft.	\$1,075,000 - \$367/sq.ft.

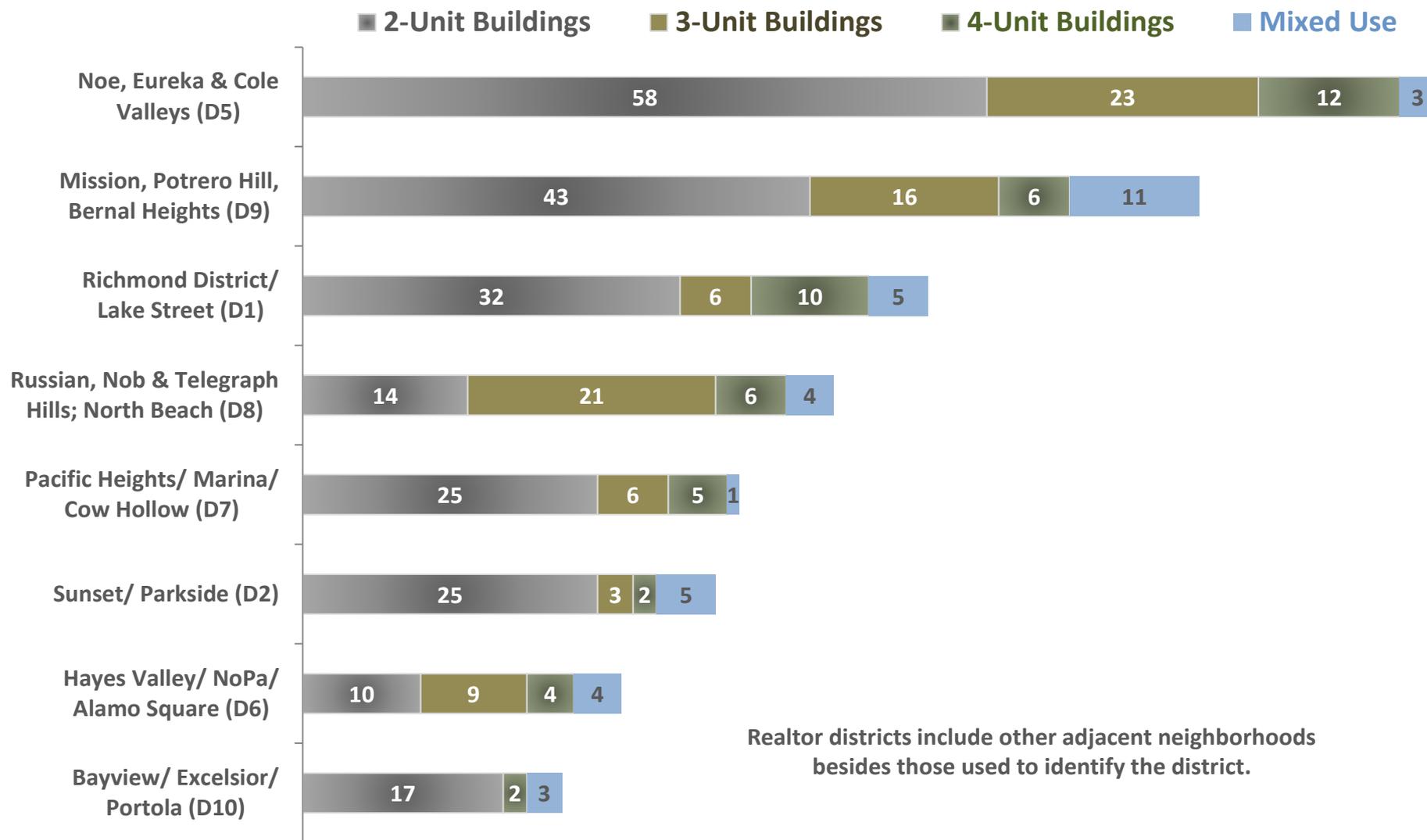
* Data from 12 months MLS sales. This analysis was performed in good faith with data derived from sources deemed reliable, but may contain errors and subject to revision. Mixed used buildings excluded when identified. Due to the large variety of buildings, these numbers should be considered very approximate.

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2-4 Unit Residential Property Sales

2019 Sales, by San Francisco Realtor District

12 months sales reported to MLS



Realtor districts include other adjacent neighborhoods besides those used to identify the district.

Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.

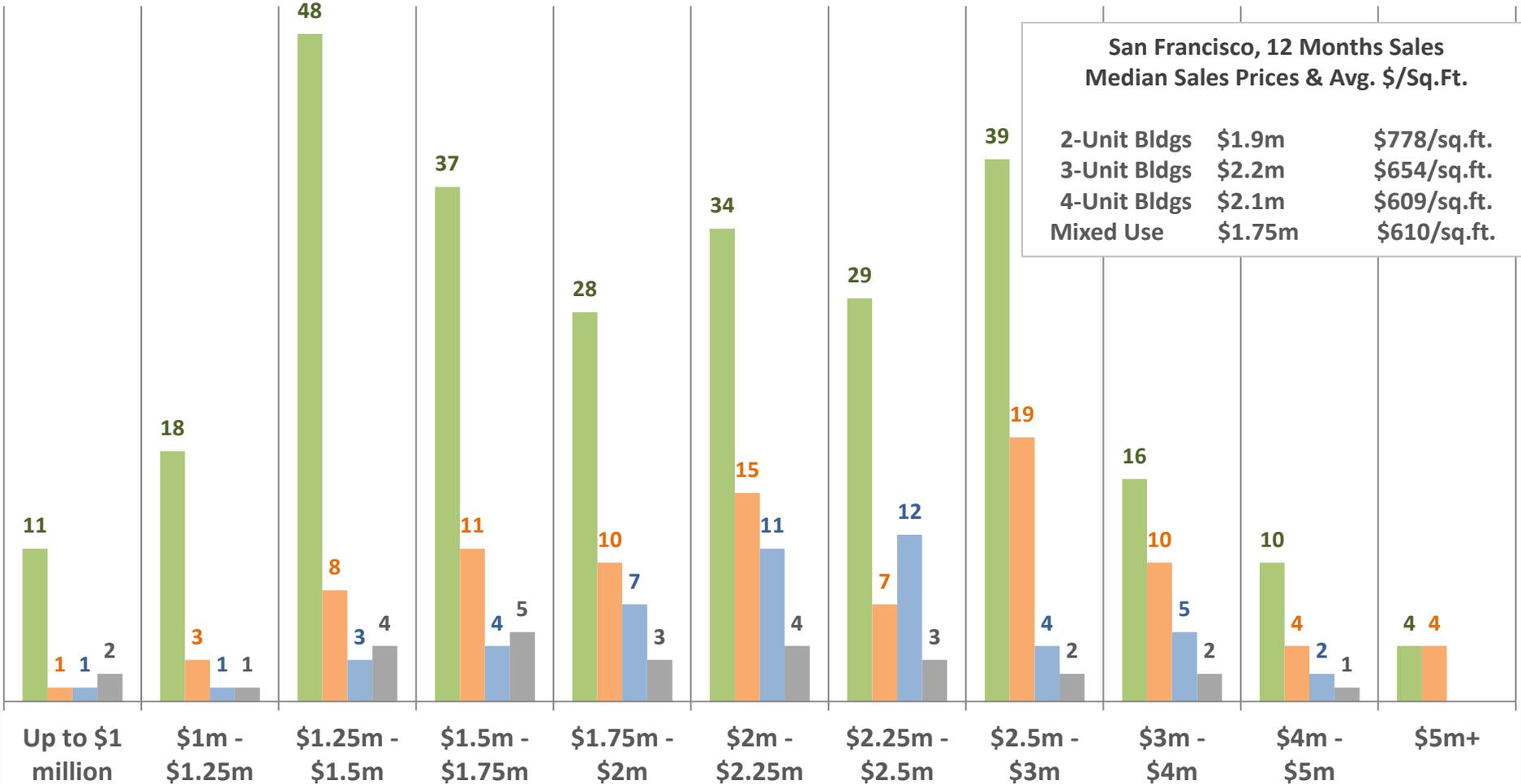


San Francisco 2-4 Unit Residential Building Market

2019 Sales by Price Segment

Sales reported to MLS

■ 2-Unit Building Sales
 ■ 3-Unit Building Sales
 ■ 4-Unit Building Sales
 ■ Mixed-Use



San Francisco, 12 Months Sales Median Sales Prices & Avg. \$/Sq.Ft.

2-Unit Bldgs	\$1.9m	\$778/sq.ft.
3-Unit Bldgs	\$2.2m	\$654/sq.ft.
4-Unit Bldgs	\$2.1m	\$609/sq.ft.
Mixed Use	\$1.75m	\$610/sq.ft.

“M” signifies millions of dollars. 12 months sales reported to MLS per Broker Metrics. Data from sources deemed reliable, but subject to error and revision. All numbers are approximate.



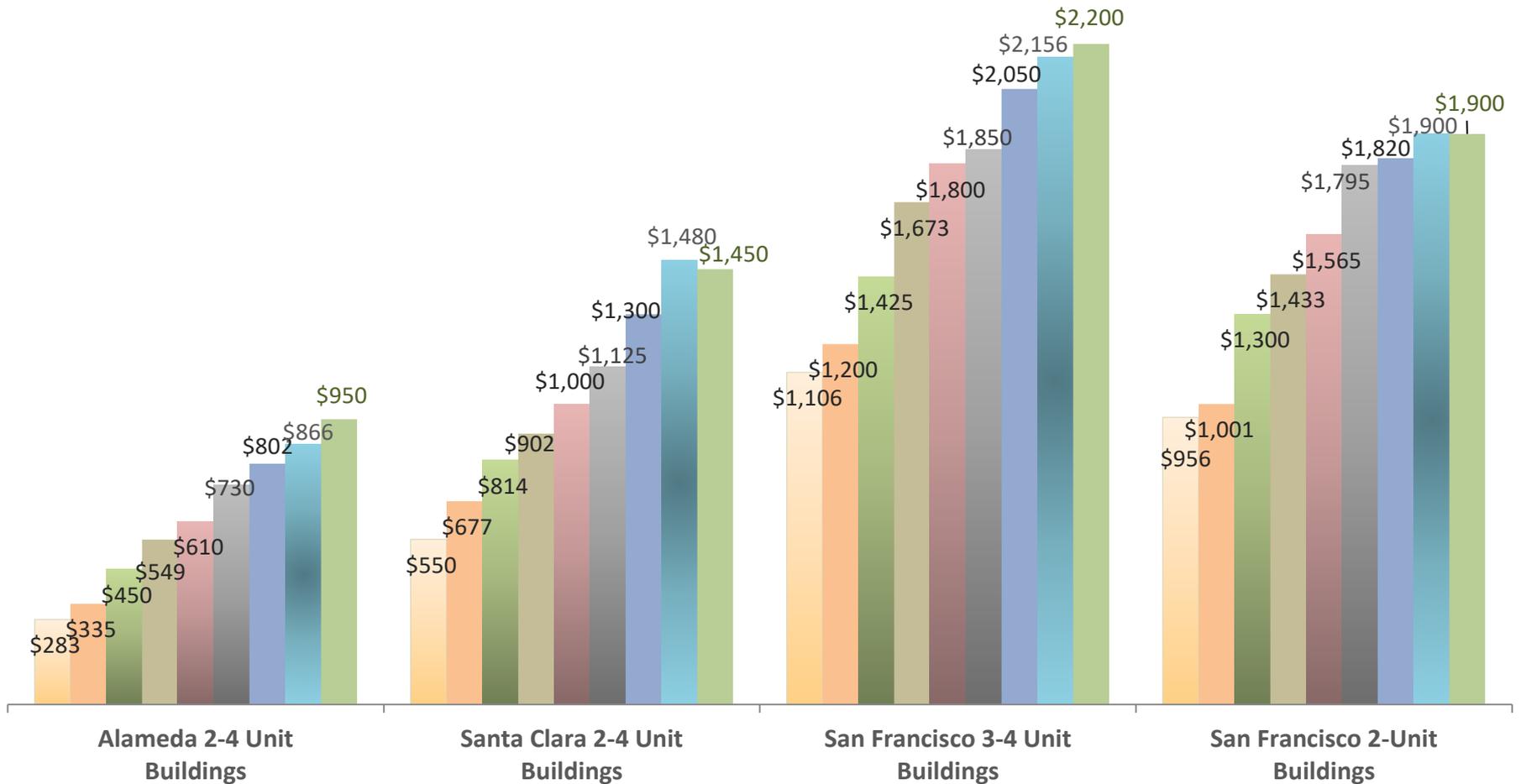
Median Sales Price Trends since 2011 in Thousands of Dollars

2-4 Unit Residential: San Francisco, Santa Clara, Alameda Counties

Sales reported to MLS

Median Sales Prices in Thousands of Dollars

2011 2012 2013 2014 2015 2016 2017 2018 2019



Sales reported to MLS. These prices are generalities reflecting sales of a wide variety of buildings in locations of differing values. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximations.



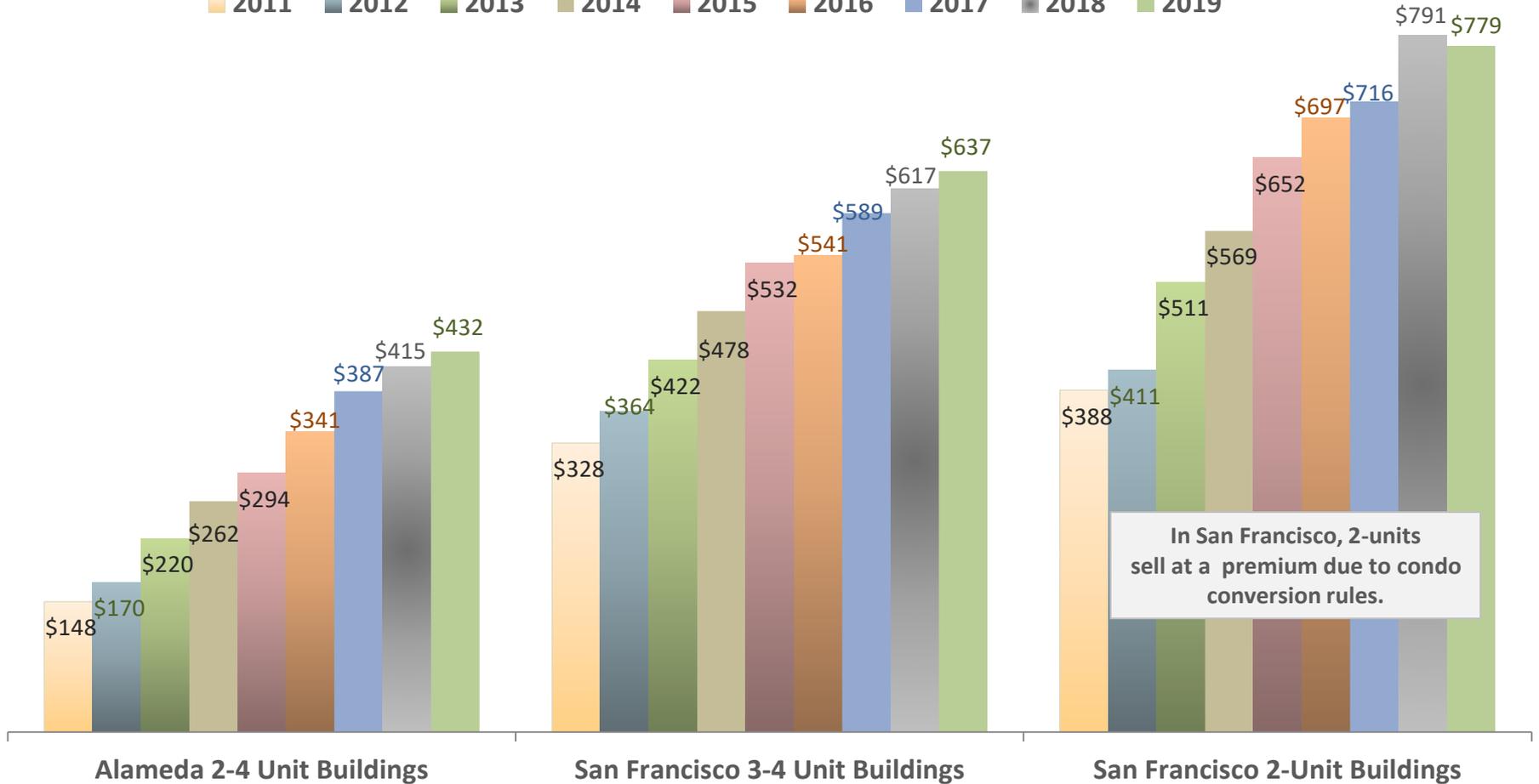
Average Dollar per Square Foot Values since 2011

2-4 Unit Residential Buildings: San Francisco & Alameda Counties

Sales reported to MLS

Average Dollar per Square Foot Values by Year

2011 2012 2013 2014 2015 2016 2017 2018 2019

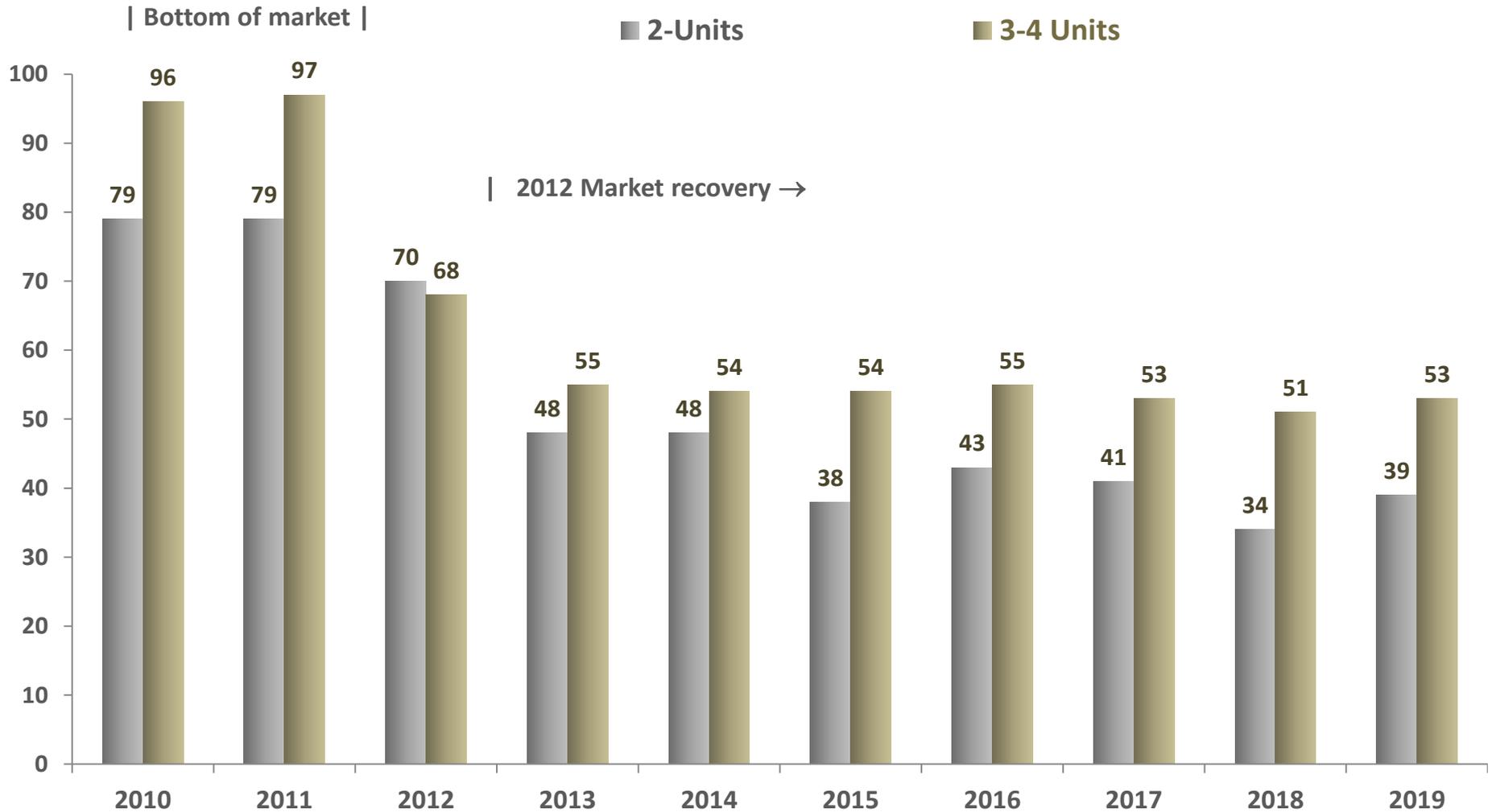


Sales reported to MLS. These values are generalities reflecting sales of a wide variety of buildings in locations of differing values. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximations.

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Average Days on Market until Acceptance of Offer San Francisco Multi-Unit Residential Sales since 2010

Per MLS sales data



These analyses were performed in good faith with data derived from sources deemed reliable, but may contain errors and are subject to revision. All numbers to be considered approximate.

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% of Sales Selling Within 30 Days of Coming on Market

San Francisco Multi-Unit Residential Sales since 2010

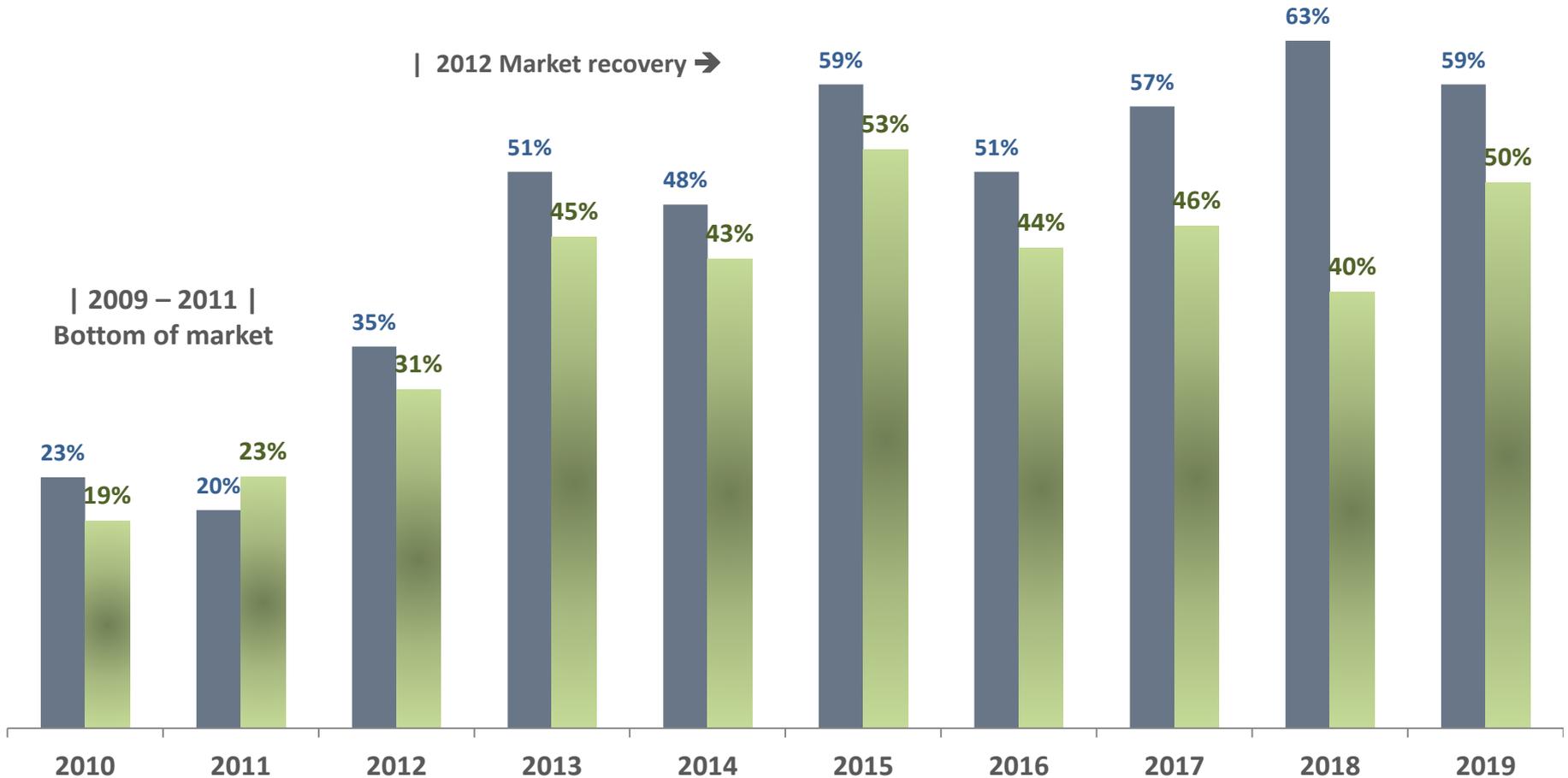
Per MLS sales data

■ SF 2 Unit Buildings

■ SF 3-4 Unit Buildings

| 2012 Market recovery →

| 2009 – 2011 |
Bottom of market



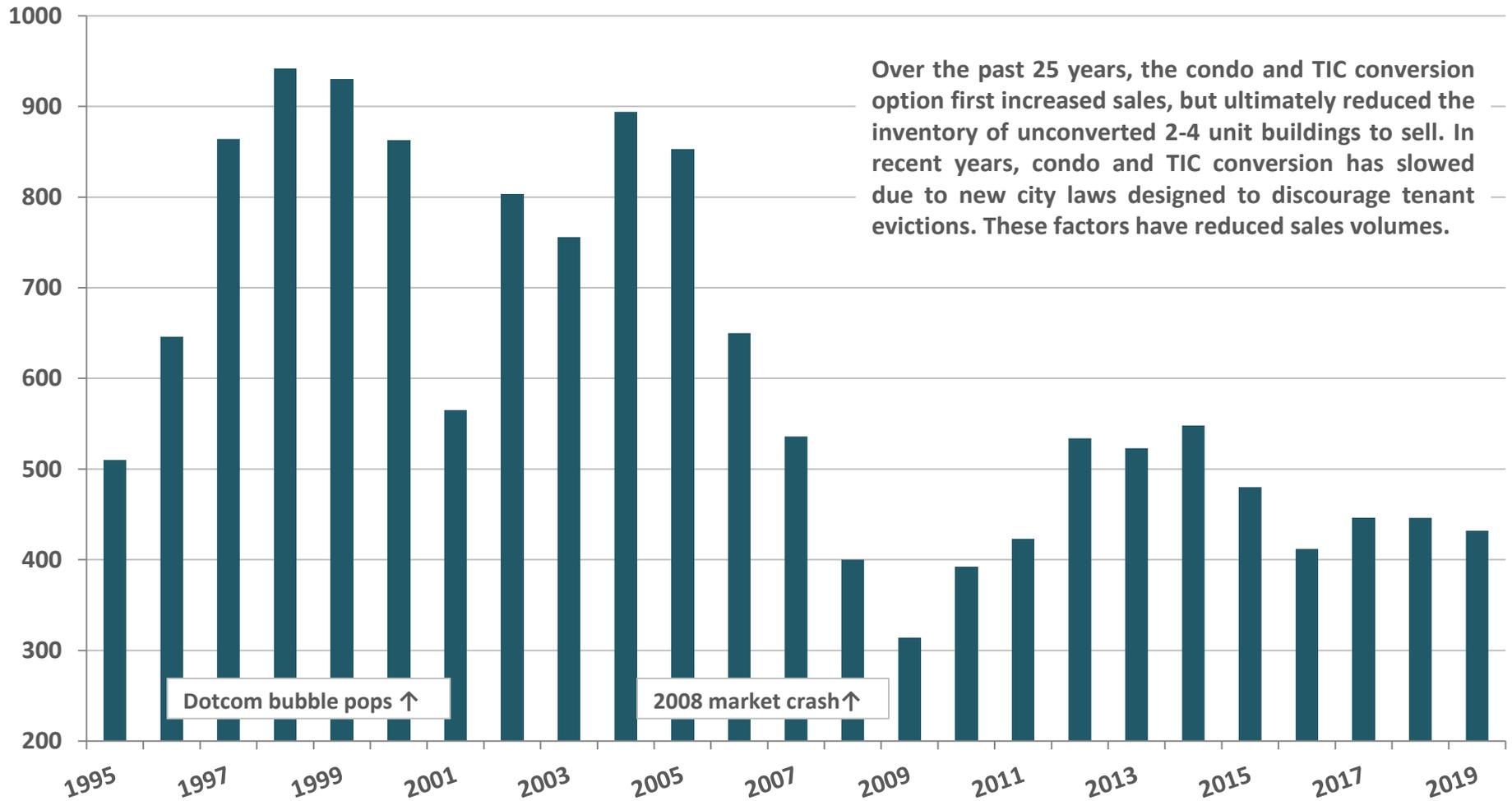
The selling period refers to the time between a listing coming on market and accepting an offer. These analyses were performed in good faith with data derived from sources deemed reliable, but may contain errors and are subject to revision. All numbers to be considered approximate.

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San Francisco Residential 2-4 Unit Building Sales

Annual Number of Buildings Sold since 1995

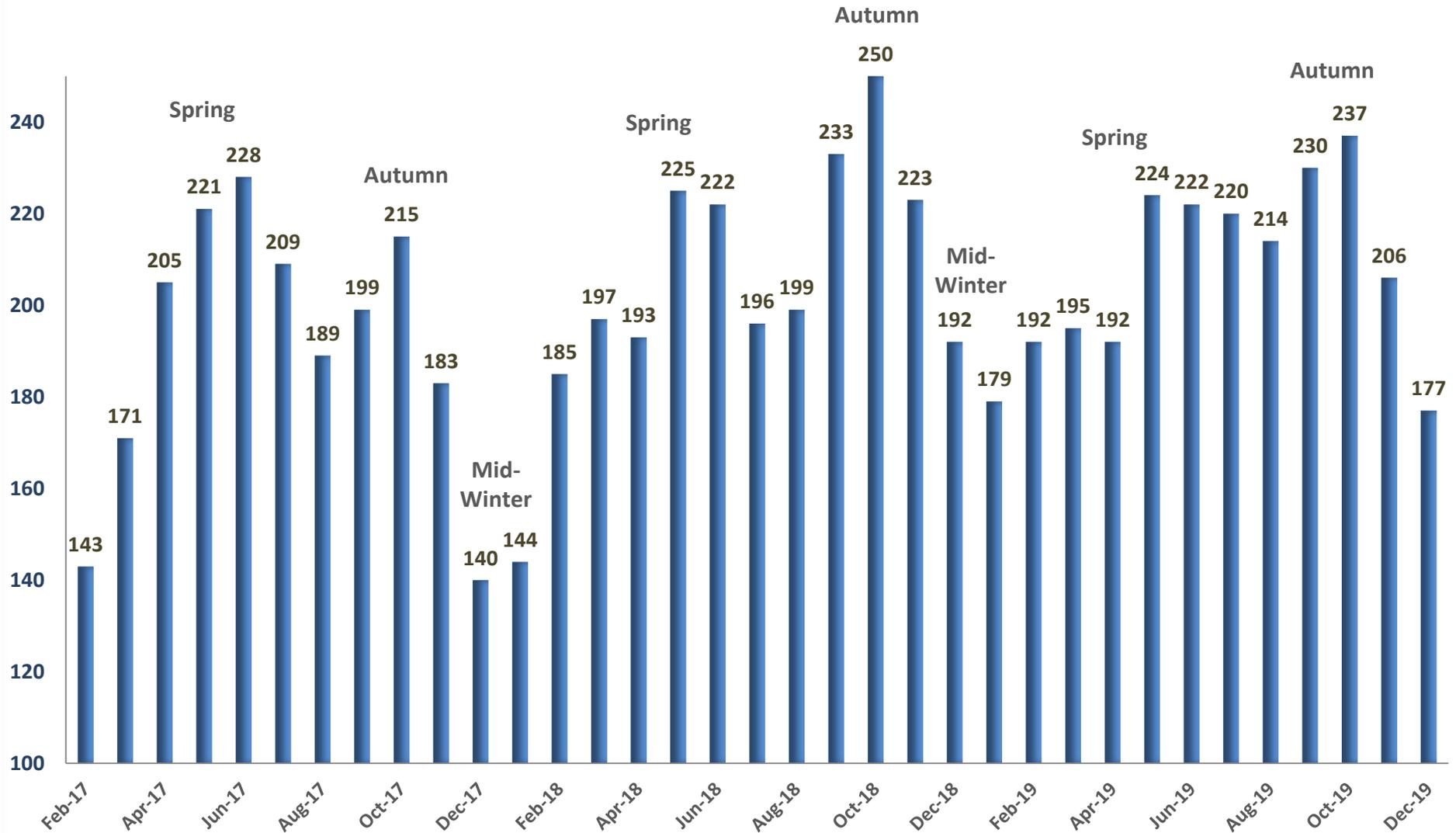
Sales reported to MLS



Sales reported to MLS. Data from sources deemed reliable, but may contain errors and is subject to revision. All numbers should be considered approximate.

San Francisco 2-4 Unit Building Market Dynamics

Seasonality: Active Listings on Market within Month

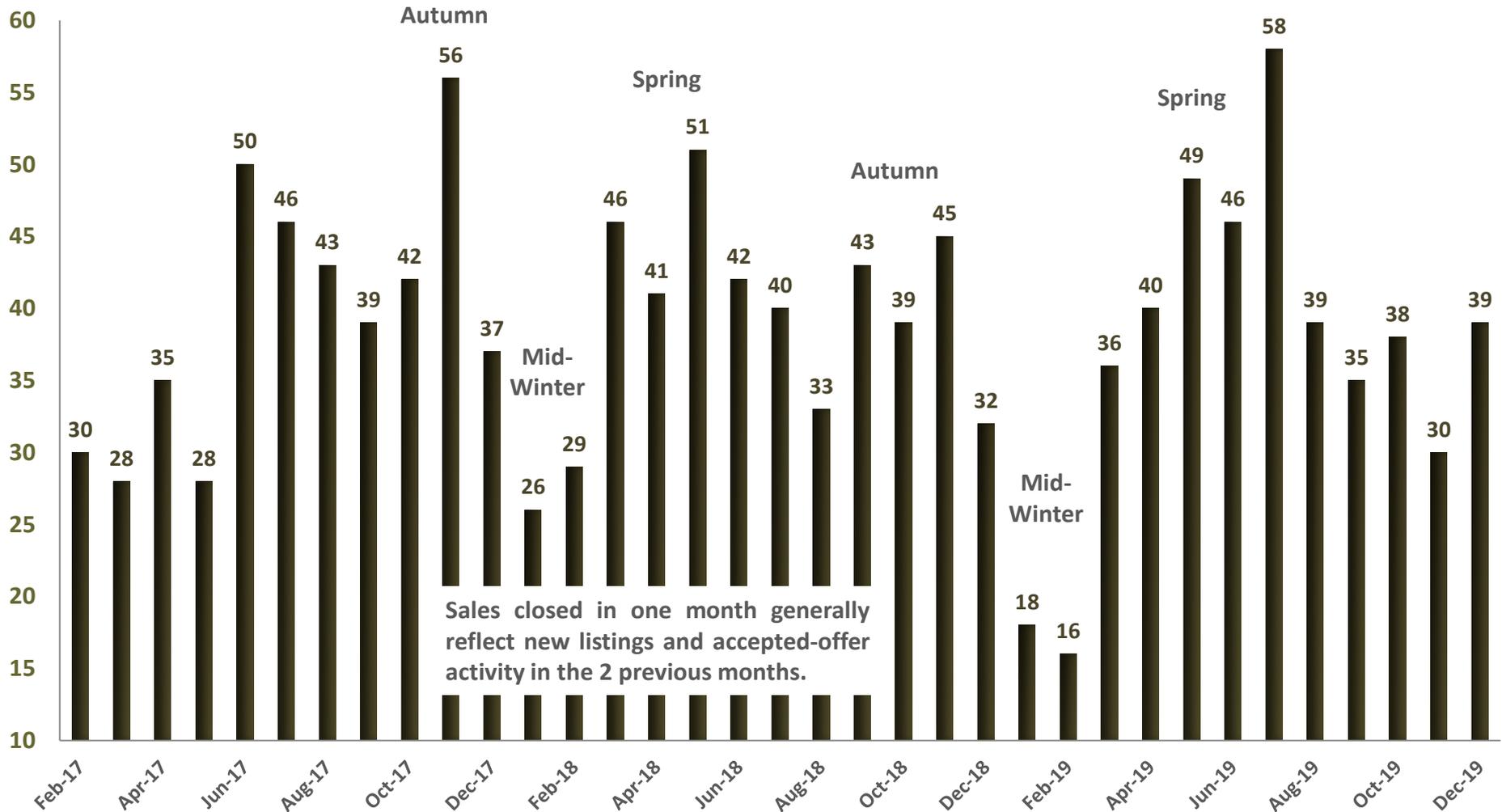


Activity reported to MLS, per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.



San Francisco 2-4 Unit Building Market Dynamics

Seasonality: Unit Building Sales by Month

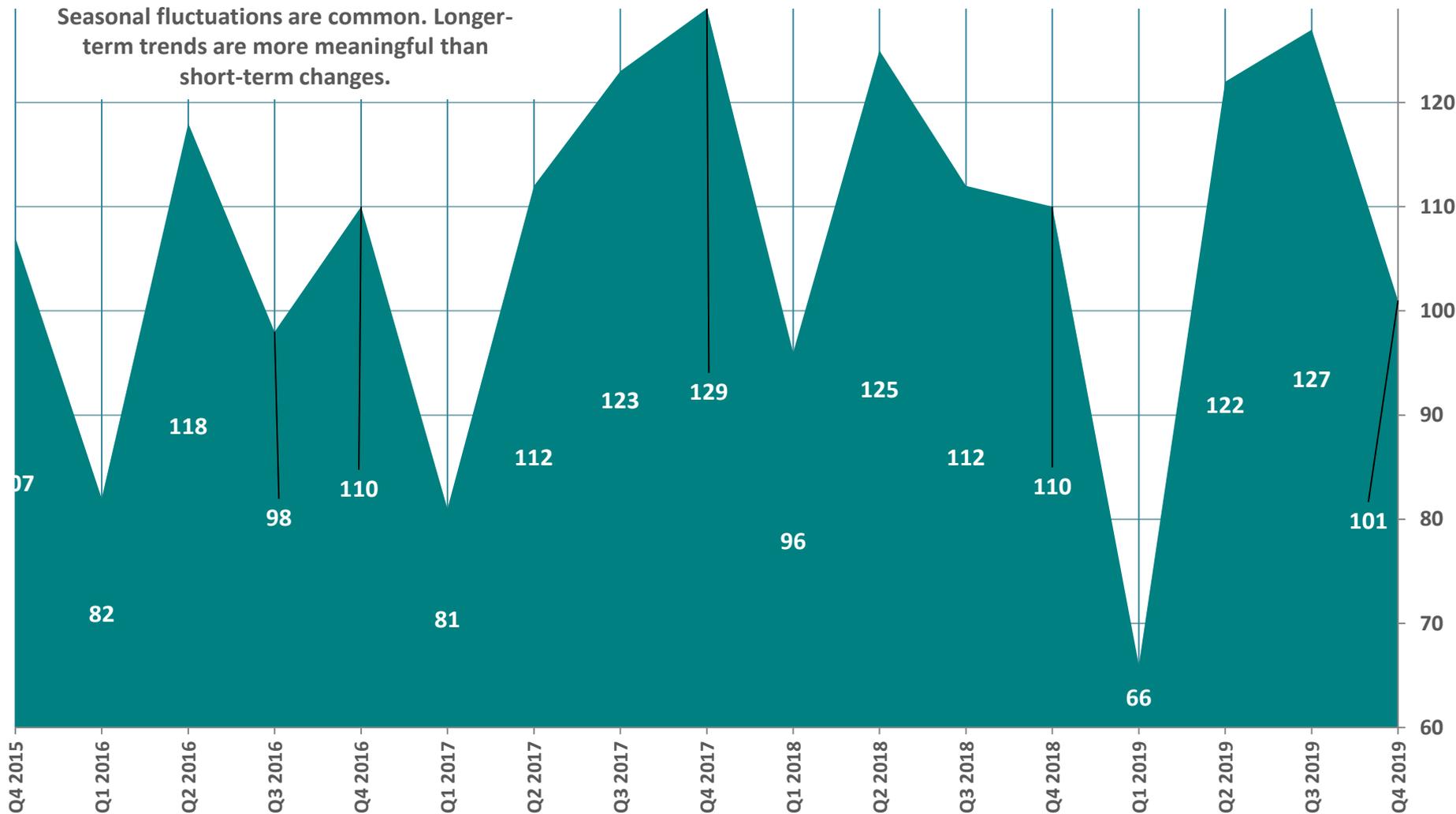


Activity reported to MLS, per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.

San Francisco 2-4 Unit Building Market

Unit Sales, 2015 – Present, by Quarter

Seasonal fluctuations are common. Longer-term trends are more meaningful than short-term changes.



As reported to MLS, per Broker Metrics. All numbers are approximate and subject to revision.

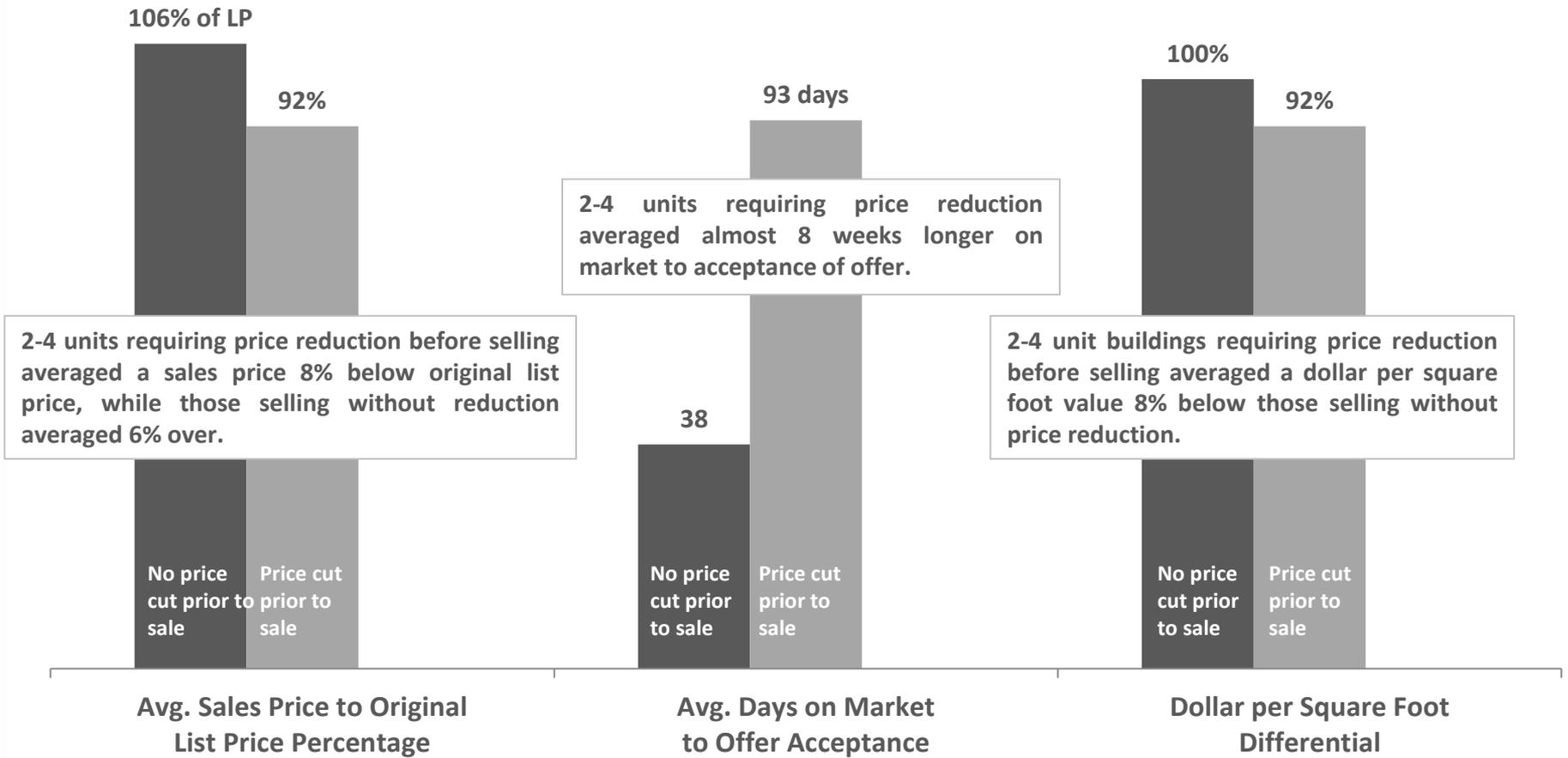
San Francisco Multi-Unit Residential Pricing Analysis

Sales of 2-4 Unit Buildings, With & Without Price Reductions

Sales reported to MLS,
per Broker Metrics

■ 2-4 Unit Buildings: No Price Reduction

■ 2-4 Unit Buildings: 1+ Price Reductions



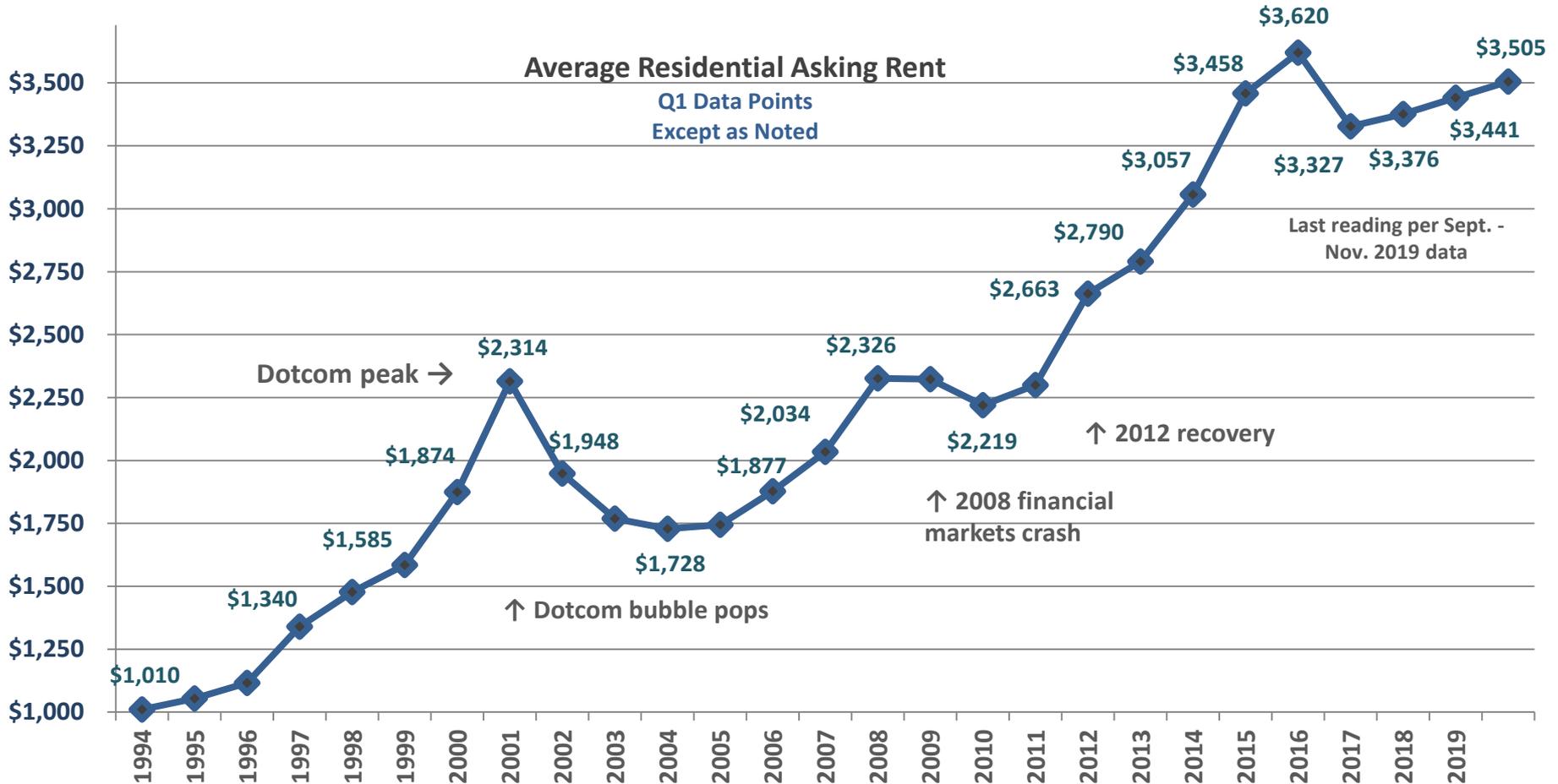
The sales price to list price and days on market analyses were based upon 3 years of sales through Q1 2019, averaging Broker Metrics quarterly data. The dollar per square foot analysis was based on an analysis of 12 months sales ending 6/21/19. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.



San Francisco Residential Rents - Estimated

Weighted Average Asking Rent, Q1 Data Points, 1994 - Present

Per RealFacts LLC & Zillow Rent Index



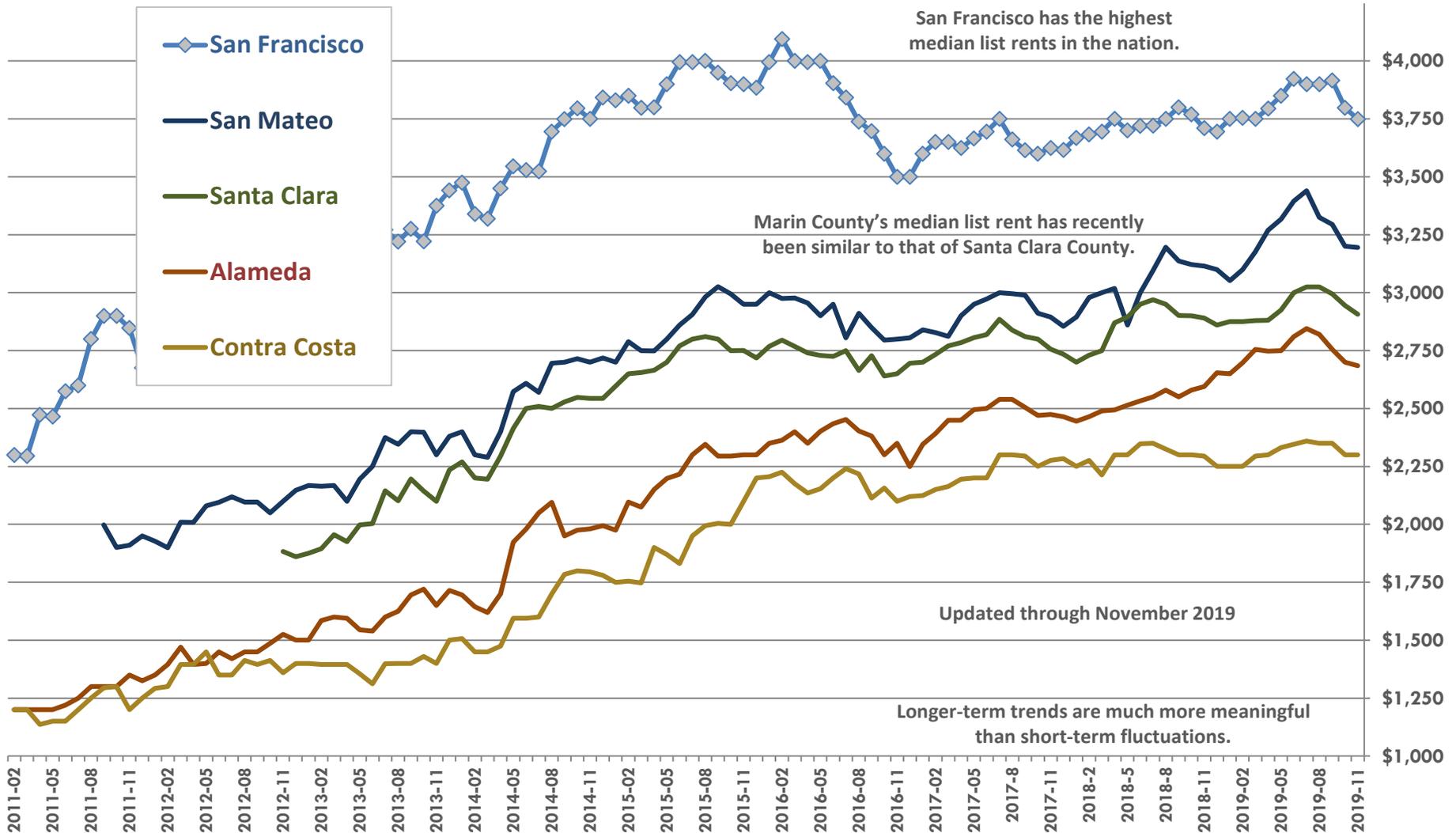
1st quarter data points except, as noted for last reading - per RealFacts LLC, for buildings with at least 50 units. 2017-onward estimated using Zillow Rent Index data (<https://www.zillow.com/research/data/#rental-data>). Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.



Estimated Median List Apartment Rents

Bay Area Counties since 2011

Data per Zillow Research, 5+ unit buildings through November 2019



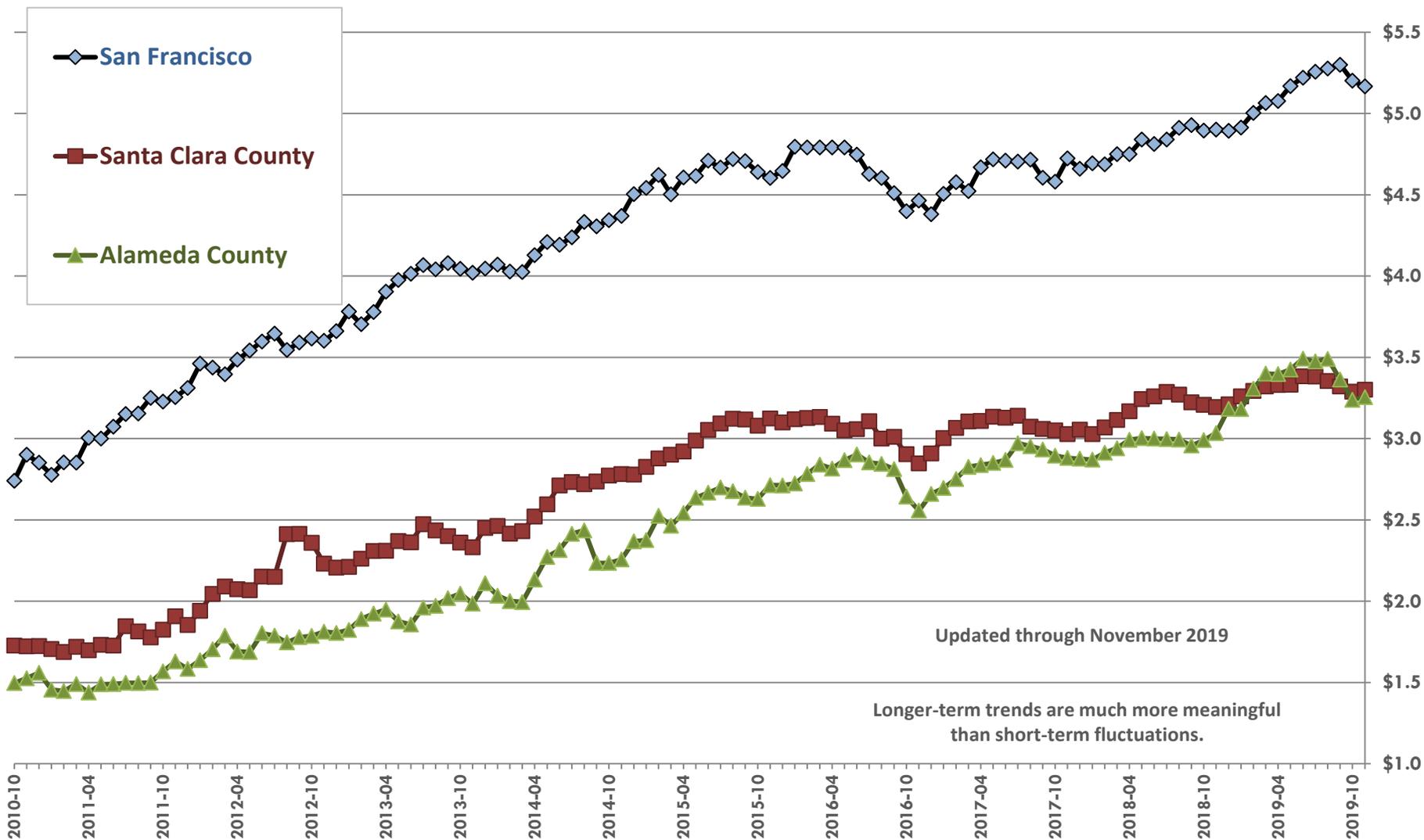
Per Zillow rental data by month: <https://www.zillow.com/research/data/#rental-data>. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate.



Median List Rental Price per Square Foot

San Francisco, Santa Clara, Alameda Counties since 2010

Data per Zillow Research,
5+ unit buildings



Updated through November 2019

Longer-term trends are much more meaningful
than short-term fluctuations.

Per Zillow rental data by month: <https://www.zillow.com/research/data/#rental-data>. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered approximate.

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Median List Rent per Square Foot

Selected Bay Area Counties

Data per Zillow Research



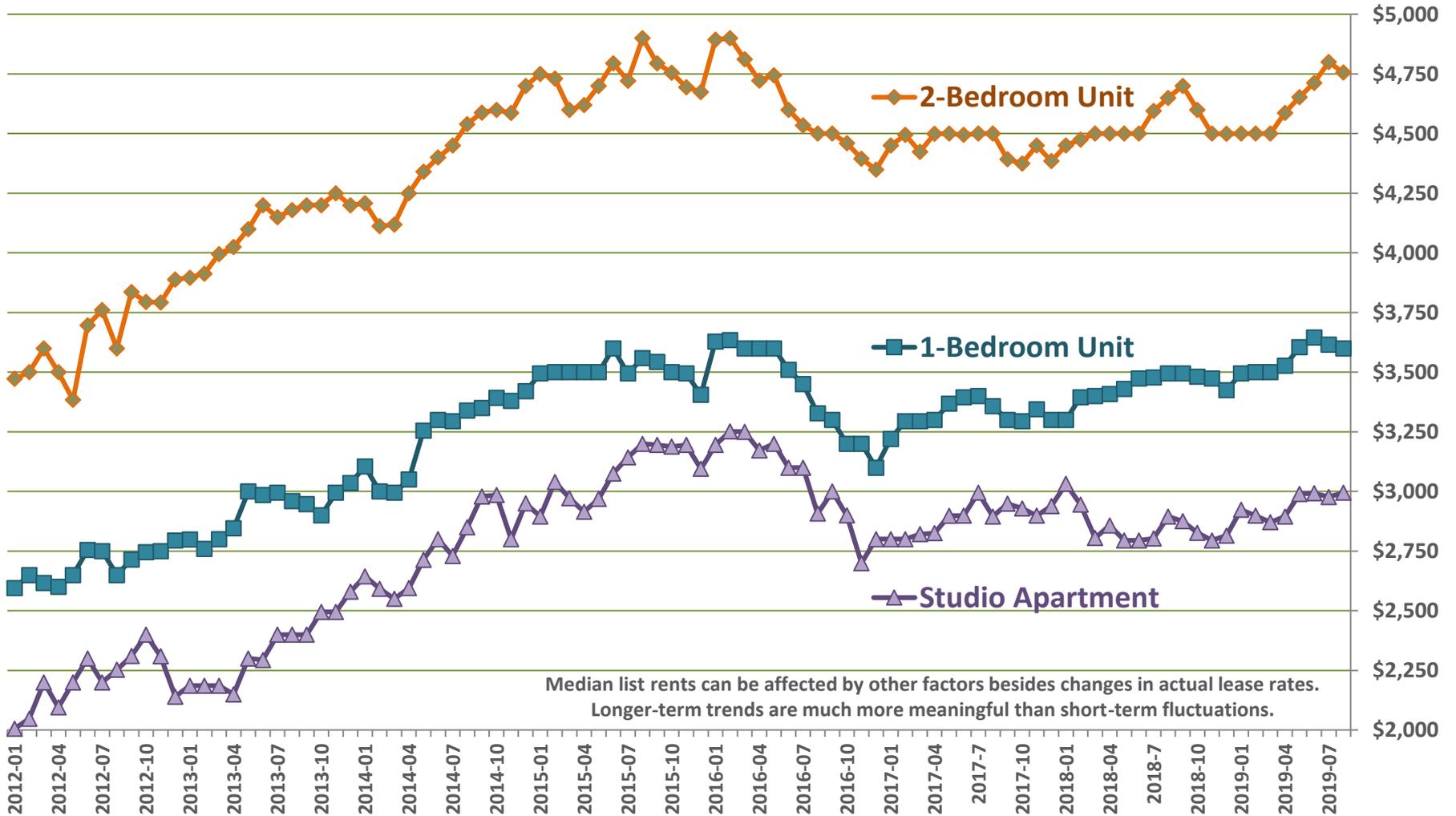
From Zillow Research, May-August 2019 monthly average: <https://www.zillow.com/research/data/#rental-data>. Data from sources deemed reliable, but may contain errors and is subject to revision. Unit size and quality may vary by county. All numbers should be considered approximations.



San Francisco Median List Rents

by Unit Size (Bedroom Count) since 2012

Data per Zillow Research through August 2019

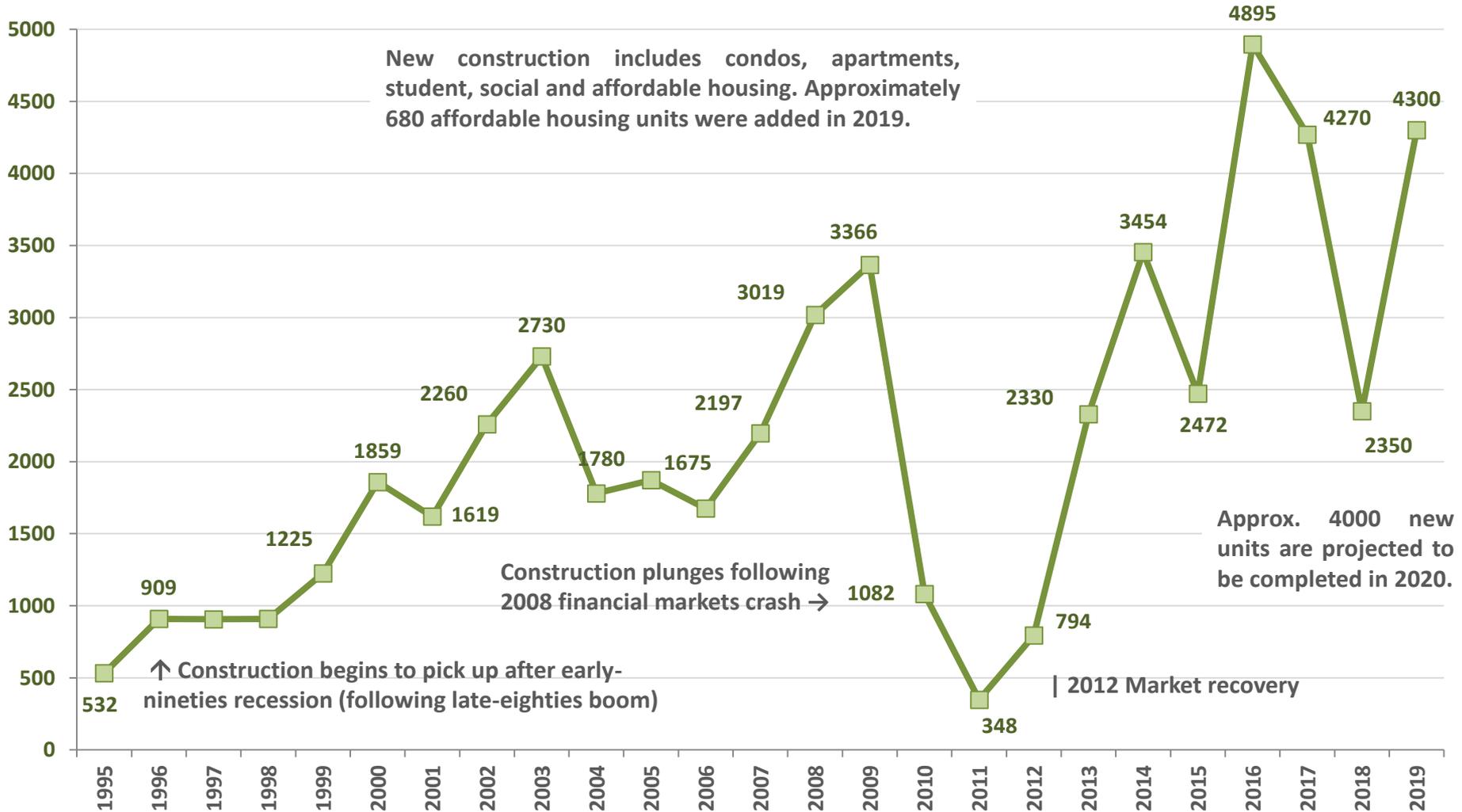


Median list rents can be affected by other factors besides changes in actual lease rates. Longer-term trends are much more meaningful than short-term fluctuations.

Ebbs & Flows in SF Housing Construction

New-Construction Housing Units Completed by Year

Per SF Planning Dept. Housing Inventory Report and other sources

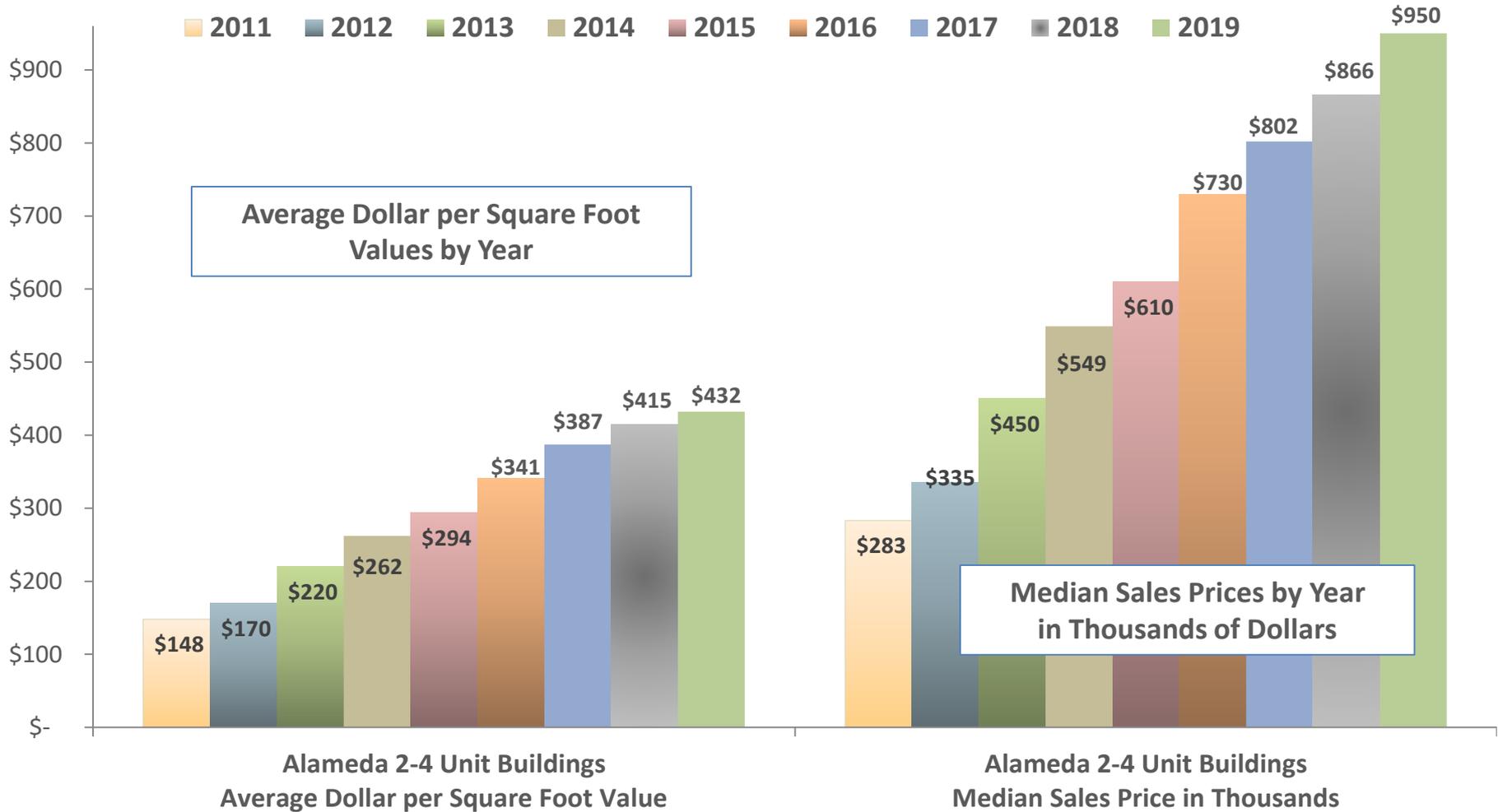


Analysis includes condos, houses, rental apartment units, affordable housing, student and senior housing and units in social housing projects. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers to be considered general approximations.

Alameda County 2-4 Unit Building Market

Average Dollar per Square Foot Values & Median Sales Prices

Residential 2-4 unit building sales reported to MLS



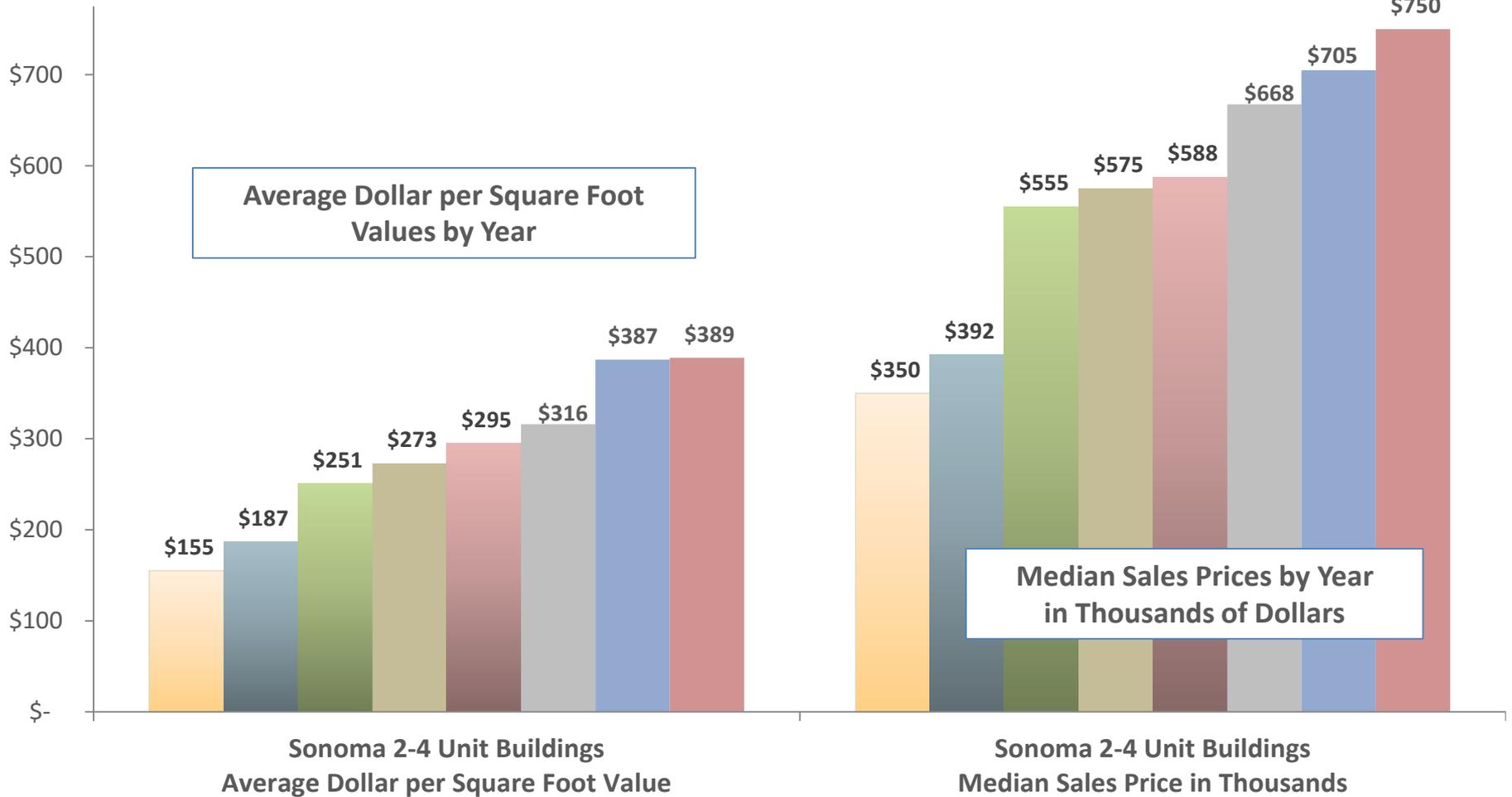
Sales reported to MLS. These values are generalities reflecting sales of a wide variety of buildings in locations of differing values. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximations.

Sonoma County 2-4 Unit Building Market

Average Dollar per Square Foot Values & Median Sales Prices

Residential 2-4 unit building sales reported to MLS

2012 2013 2014 2015 2016 2017 2018 2019



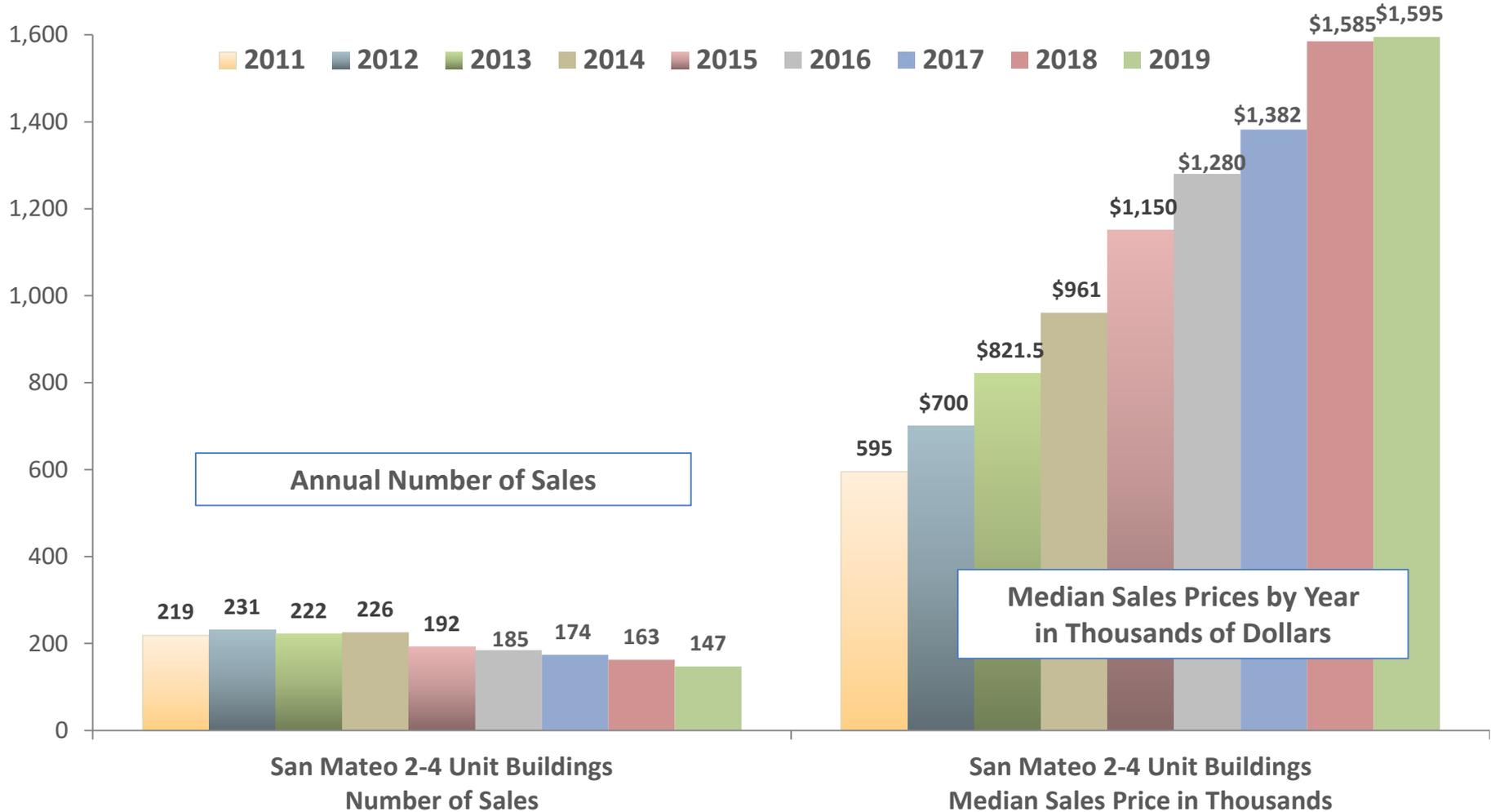
Sales reported to MLS. These values are generalities reflecting sales of a wide variety of buildings in locations of differing values. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximations.



San Mateo County 2-4 Unit Building Market

Annual Sales Volume & Median Sales Prices

Residential 2-4 unit building sales reported to MLS

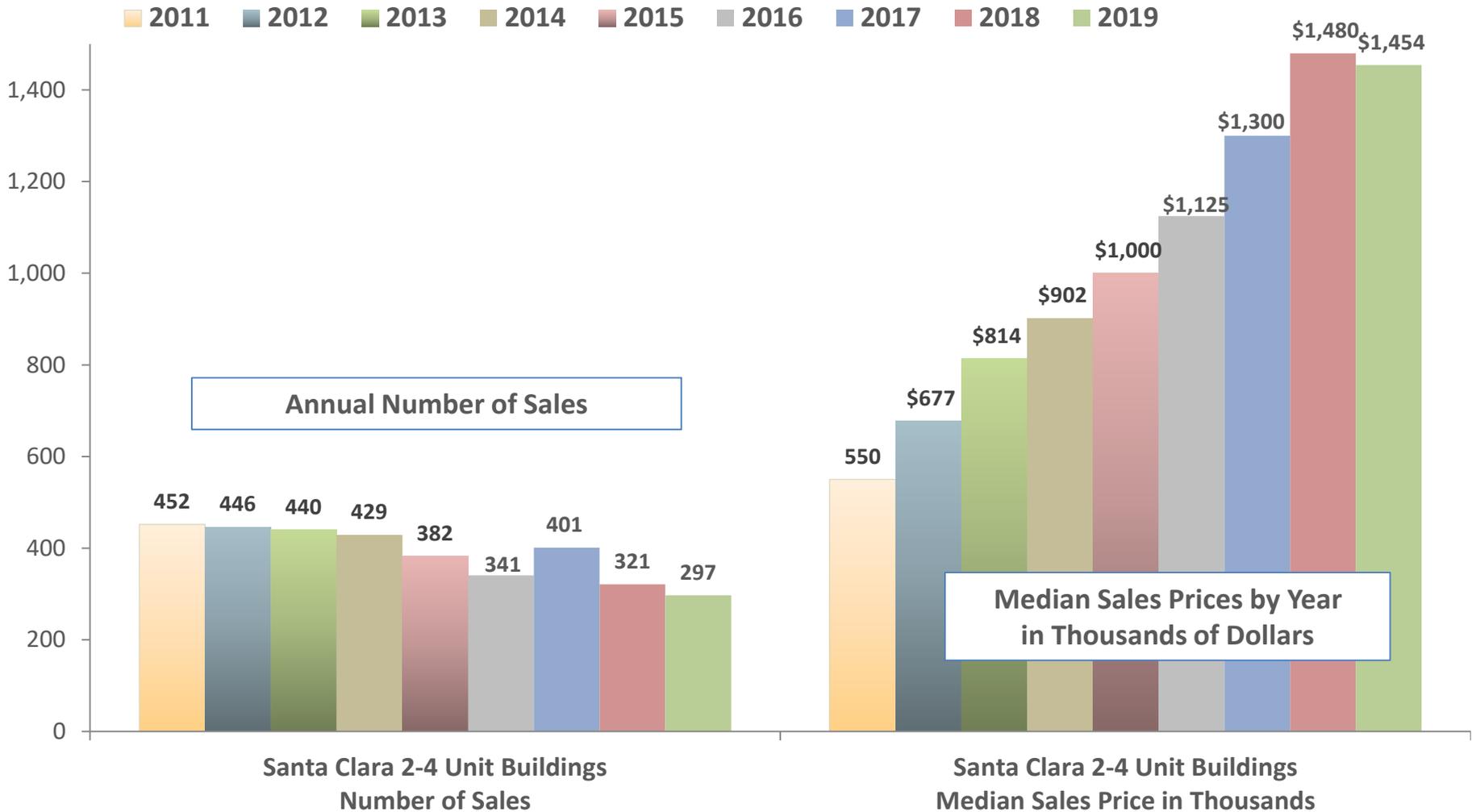


Sales reported to MLS. These values are generalities reflecting sales of a wide variety of buildings in locations of differing values. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximations.

Santa Clara County 2-4 Unit Building Market

Annual Sales Volume & Median Sales Prices

Residential 2-4 unit building sales reported to MLS



Sales reported to MLS. These values are generalities reflecting sales of a wide variety of buildings in locations of differing values. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximations.



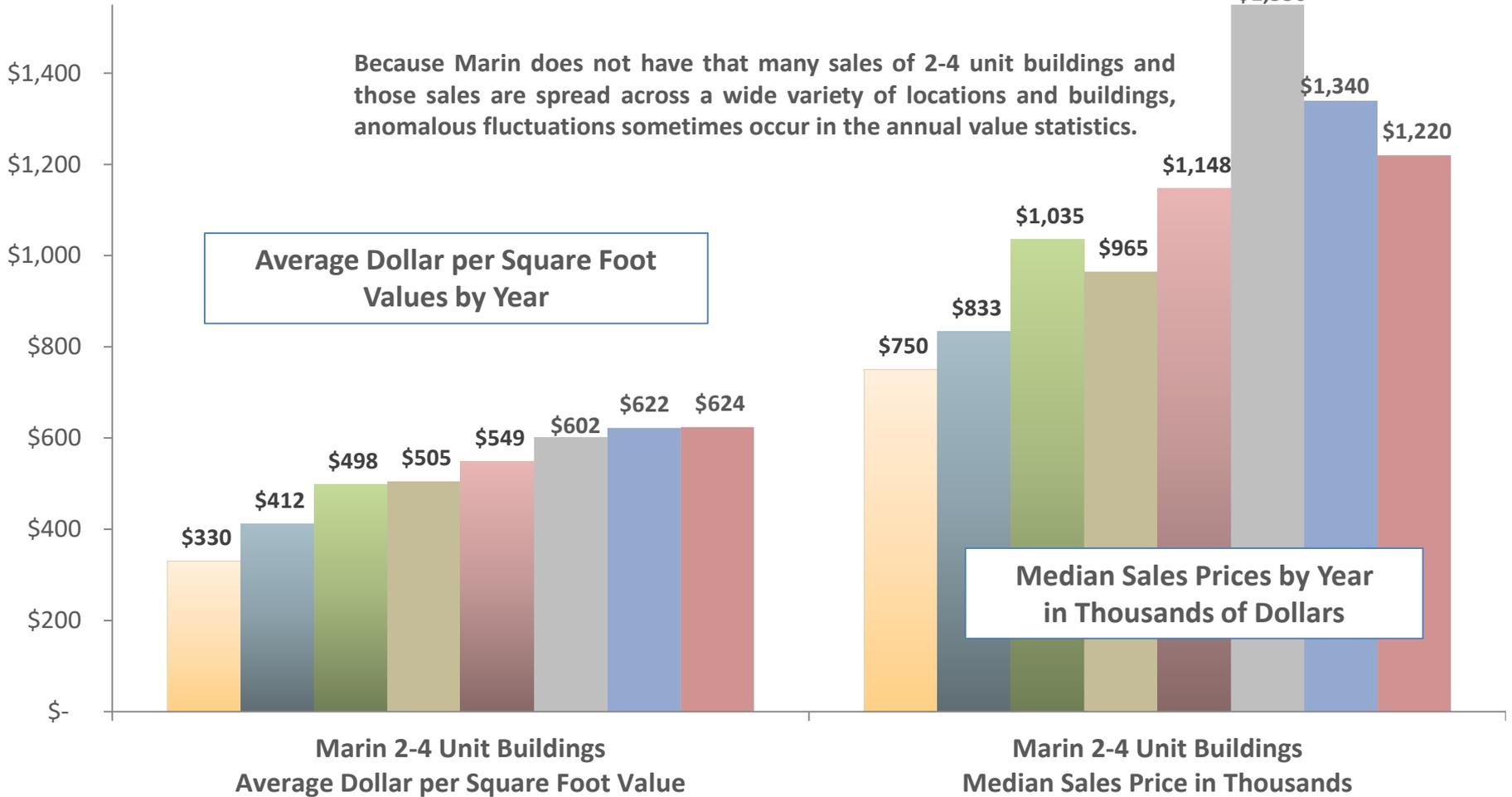
Marin County 2-4 Unit Building Market

Average Dollar per Square Foot Values & Median Sales Prices

Residential 2-4 unit building sales reported to MLS

2012 2013 2014 2015 2016 2017 2018 2019

Because Marin does not have that many sales of 2-4 unit buildings and those sales are spread across a wide variety of locations and buildings, anomalous fluctuations sometimes occur in the annual value statistics.



Sales reported to MLS. These values are generalities reflecting sales of a wide variety of buildings in locations of differing values. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers should be considered approximations.

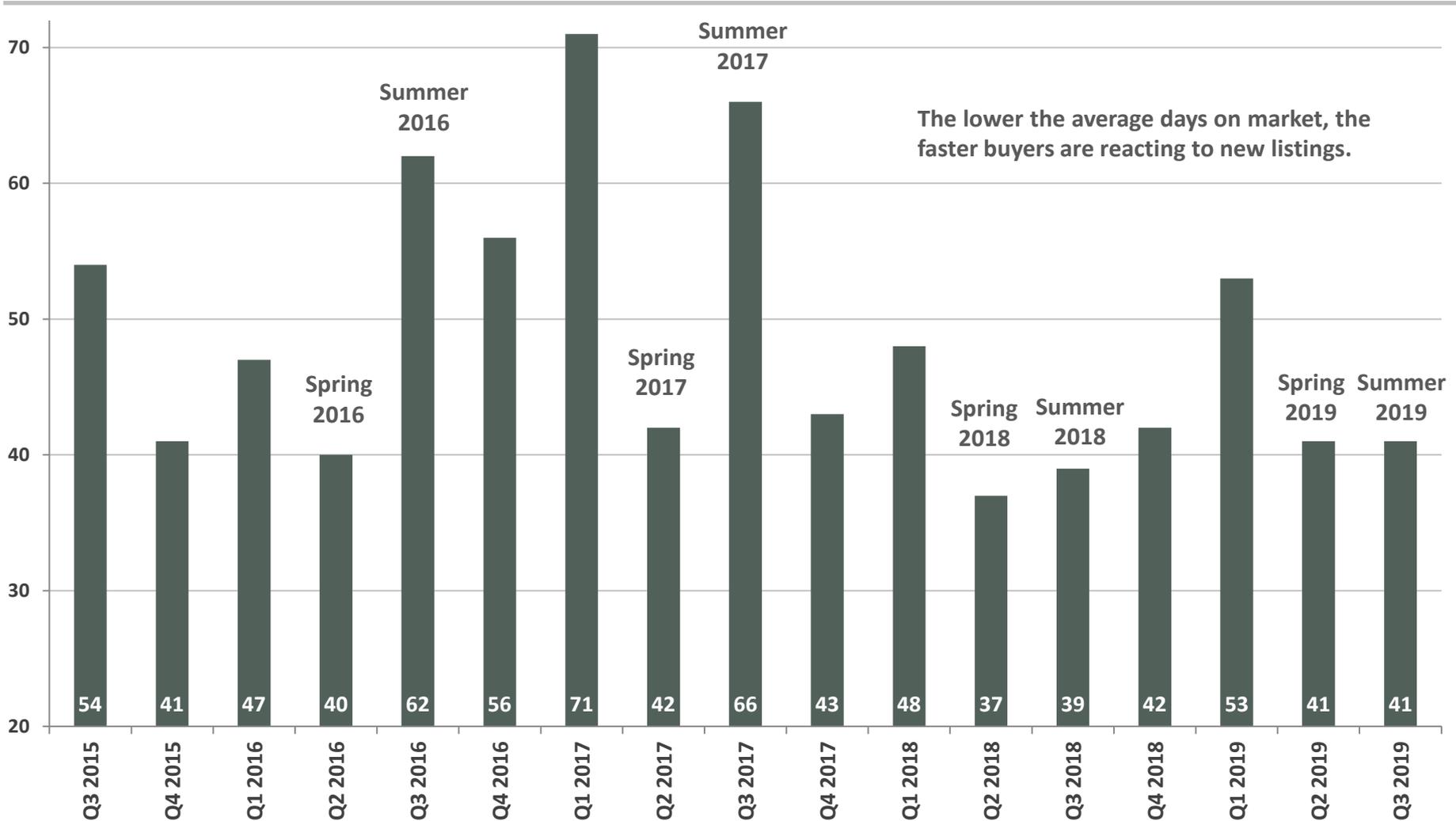


The charts following will not be updated until the Q1 2020 Report, though the data is still pertinent to the market.

Average Days on Market

San Francisco 2-4 Unit Buildings, by Quarter

Based upon MLS activity,
per Broker Metrics



Based on sold properties. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.

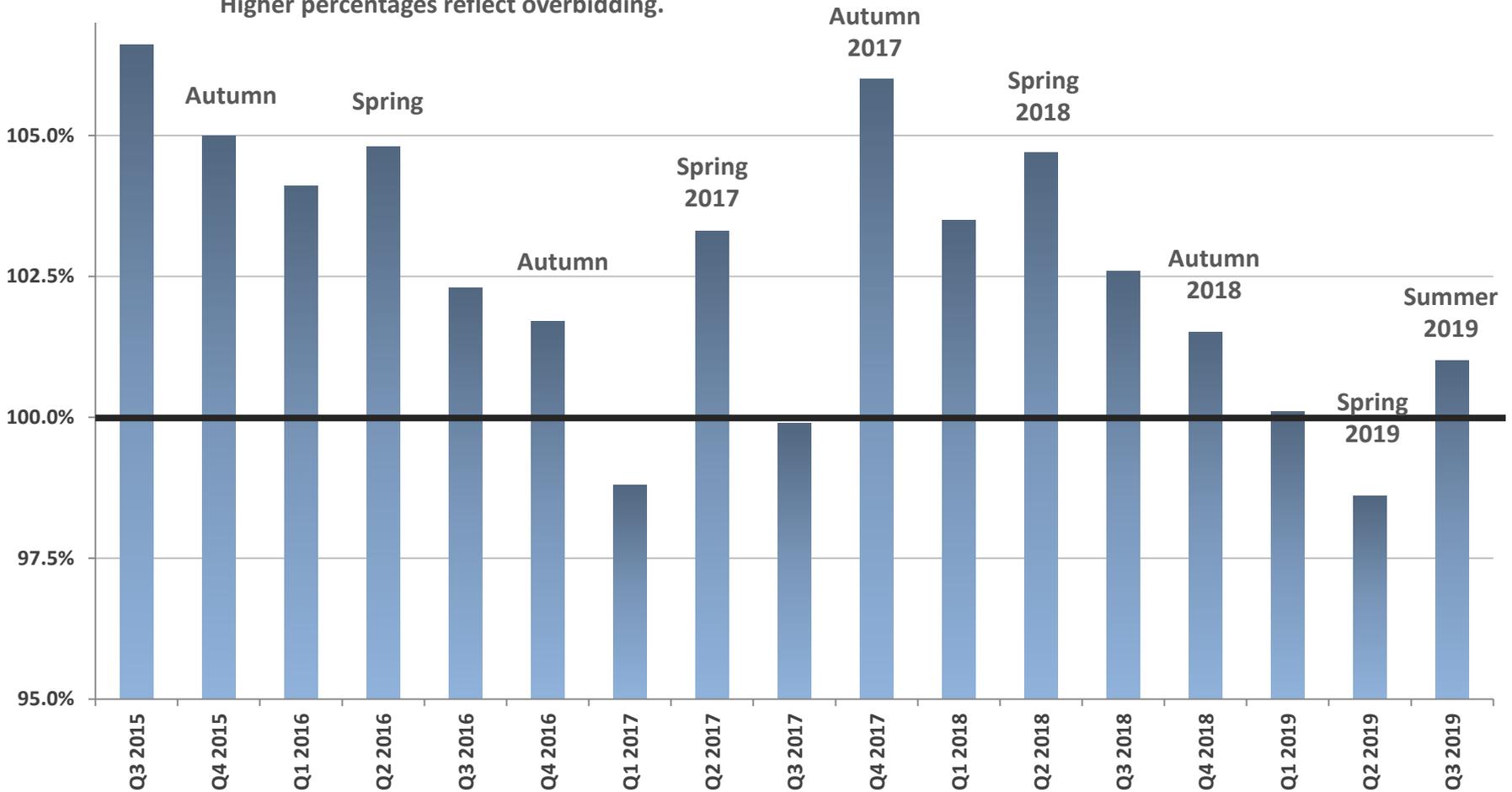
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Sales Price to Original List Price Percentage

San Francisco 2-4 Unit Buildings, by Quarter

Based upon MLS activity,
per Broker Metrics

A percentage over 100% reflects an average sales price over the original asking price. Higher percentages reflect overbidding.



Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.

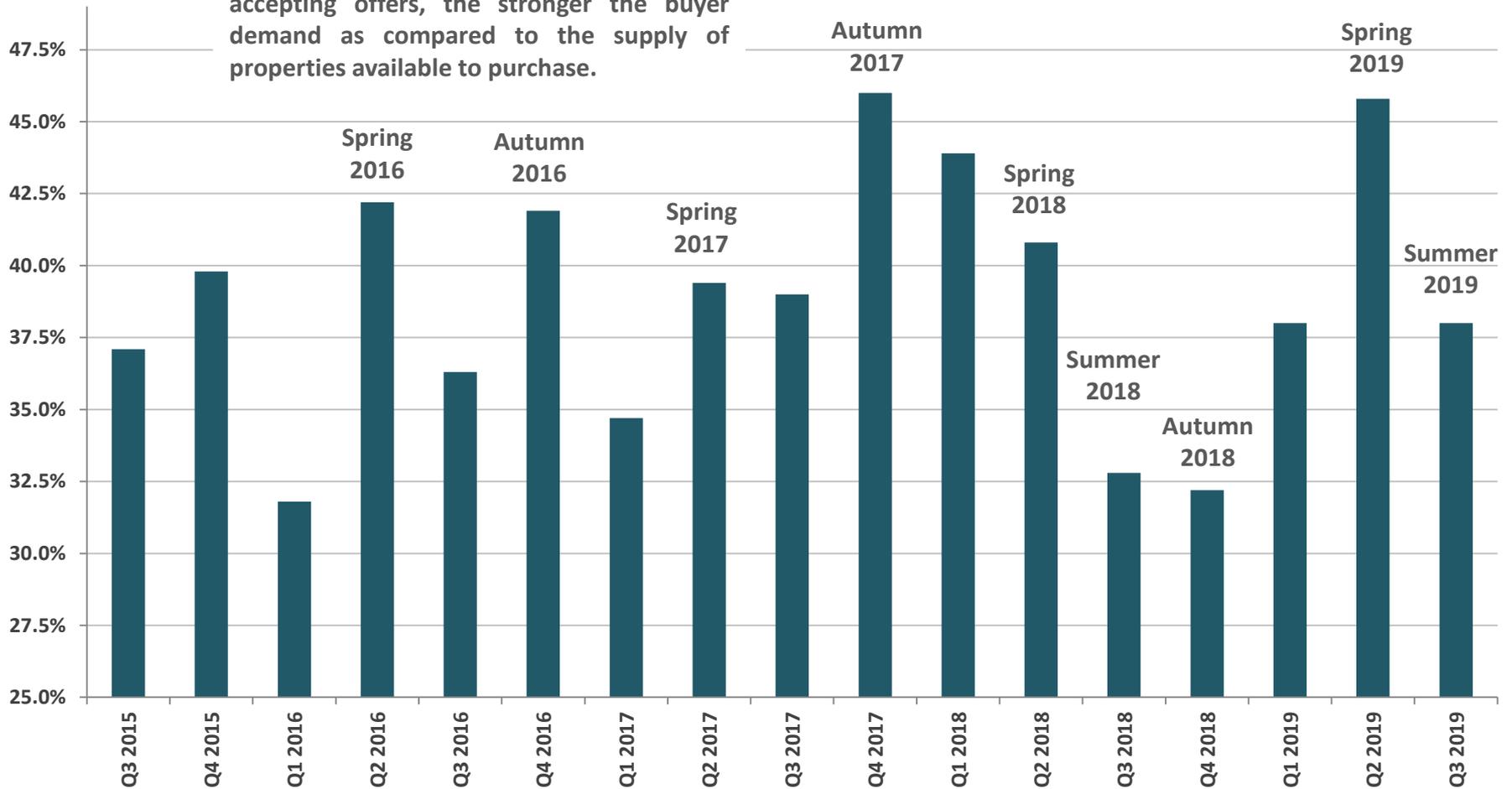


Percentage of Listings Accepting Offers

San Francisco 2-4 Unit Building Market

Based upon MLS activity; per Broker Metrics

The higher the percentage of listings accepting offers, the stronger the buyer demand as compared to the supply of properties available to purchase.

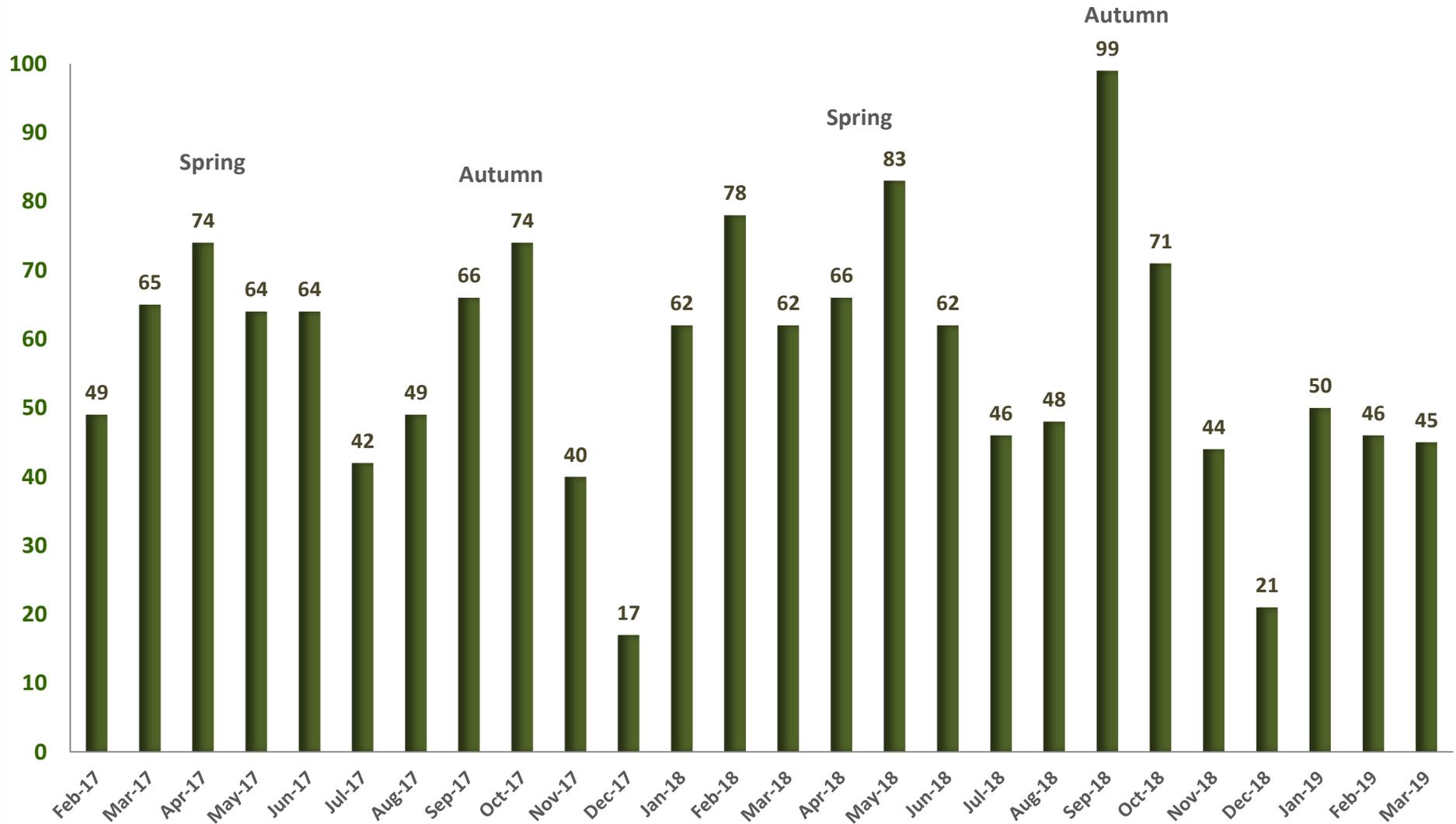


Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate.



San Francisco 2-4 Unit Building Market Dynamics

Seasonality: New Listings Coming on Market

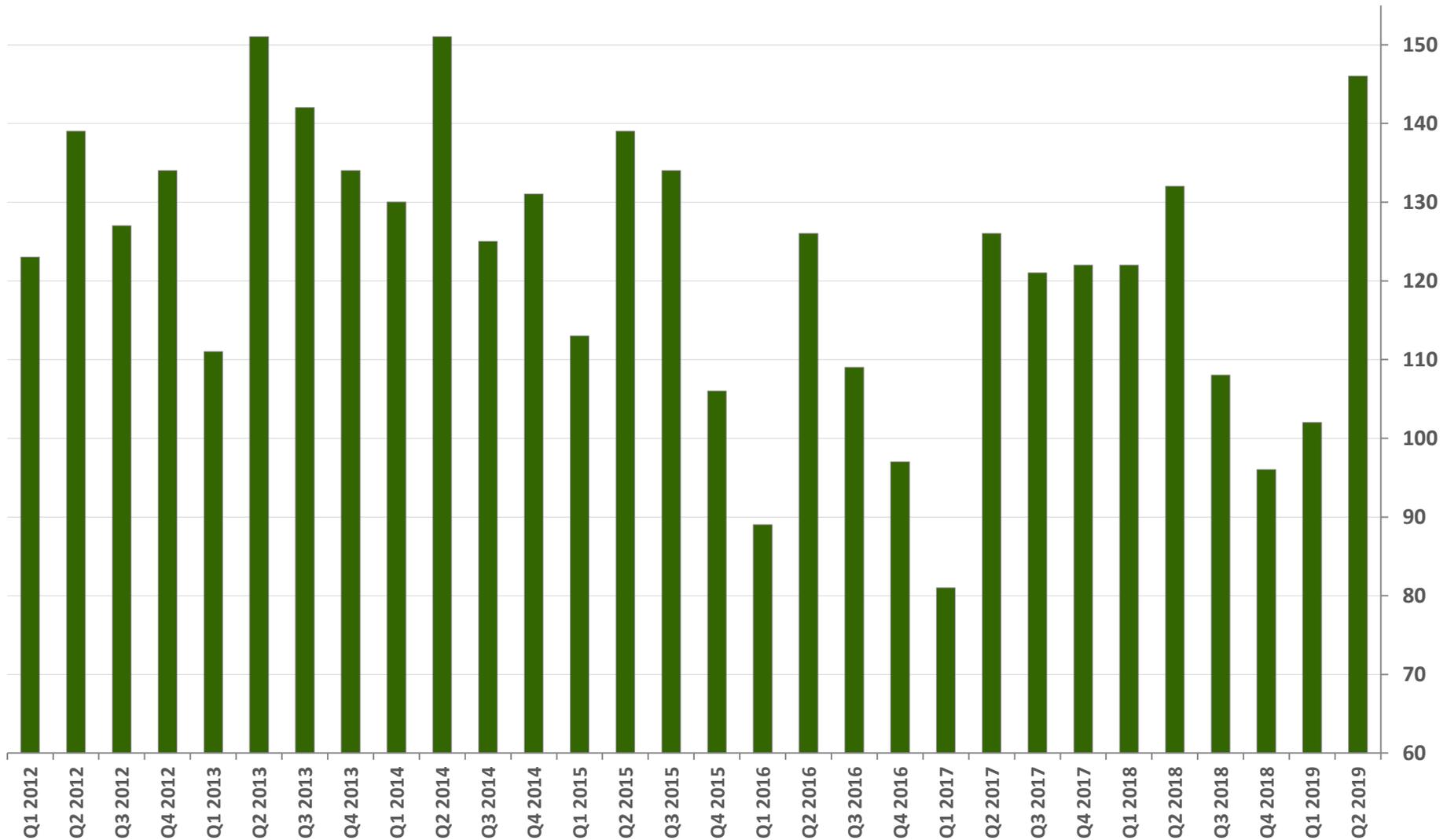


Activity reported to MLS, per Broker Metrics. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.

San Francisco Apartment Building Market: 2-4 Units

Listings Accepting Offers within Quarter

2-4 unit buildings, MLS listing activity, per Broker Metrics.



Data from sources deemed reliable, but may contain errors and subject to revision.

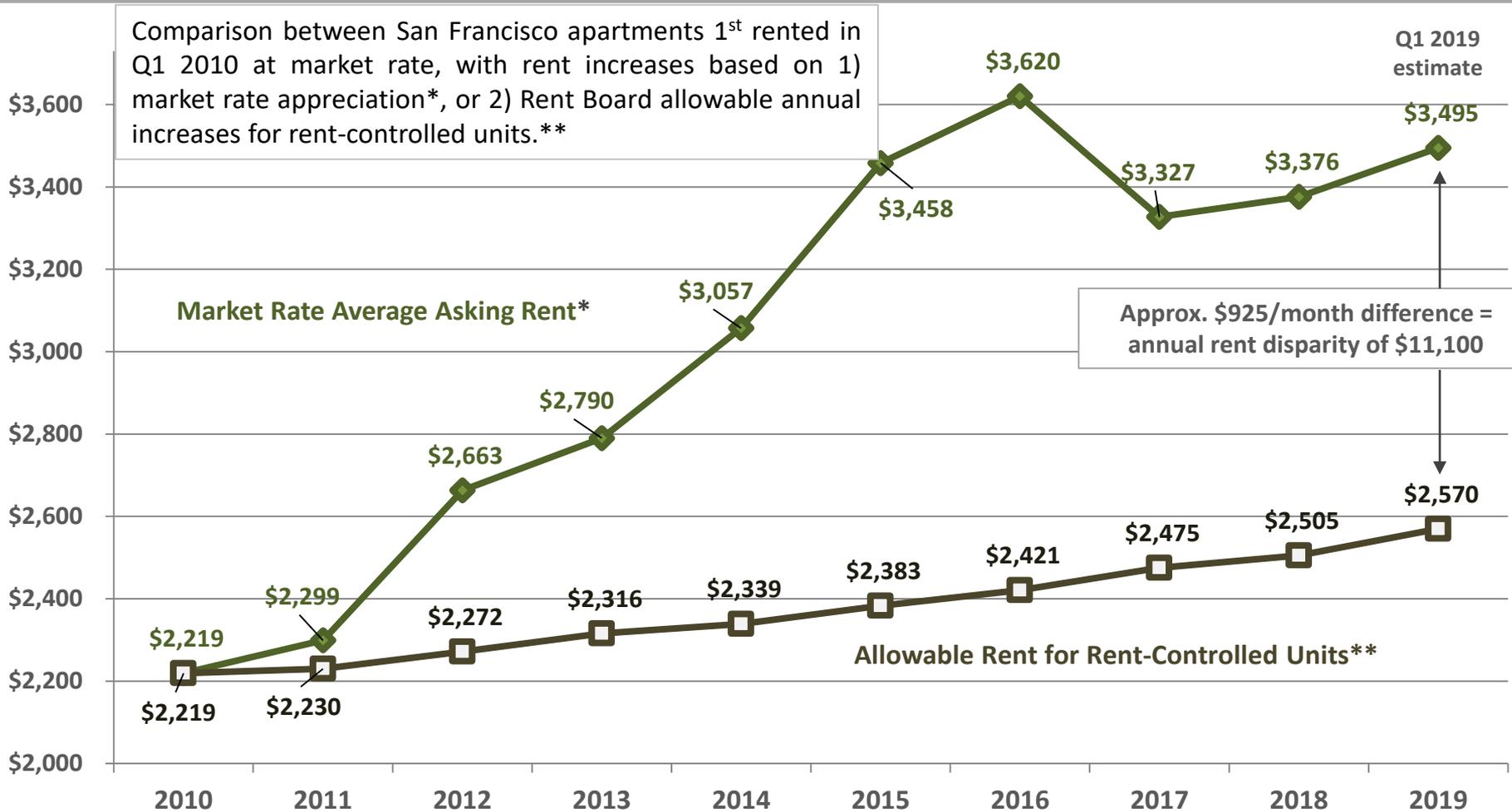
Based upon MLS activity. All numbers approximate and subject to revision.



San Francisco Residential Rents

Average Asking Rents vs. Rents under Rent Control

Estimates per RealFacts LLC, Zillow Research and the SF Rent Board



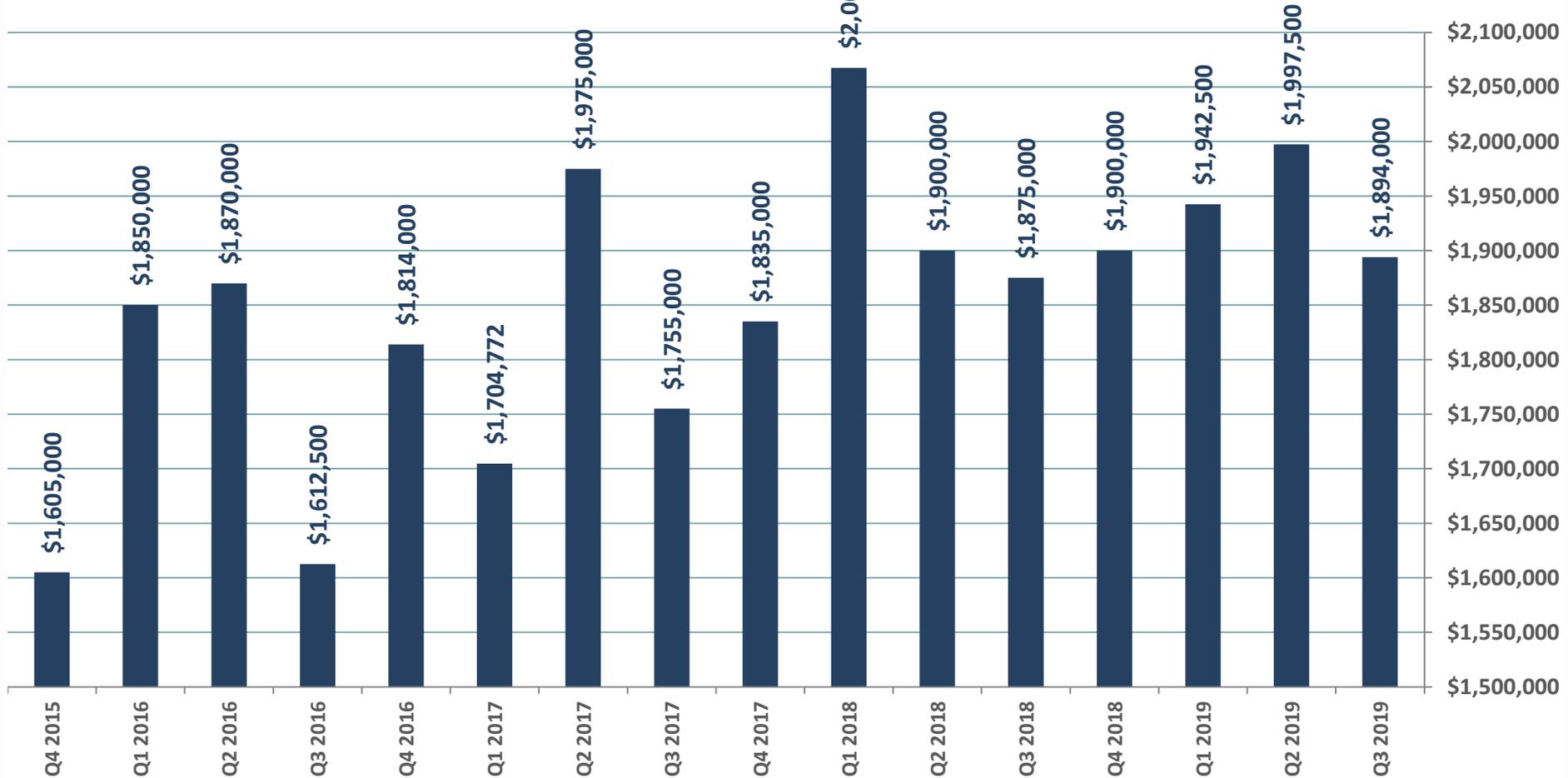
* 1st quarter market-rate average asking rents using RealFacts LLC for 50+ unit buildings and Zillow Research data; 2019 Q1 market rent estimated based on late 2018 data. ** Rent increases from 2010 per SF Rent Board annual allowable rent increase percentages; 2019 figure incorporates 3/1/19 allowable rent increase. Data from sources deemed reliable but may contain errors and subject to revision. Numbers to be considered very approximate estimates for illustrative purposes only.

San Francisco 2-Unit Building Prices

Median Sales Prices, 2015 – Present, by Quarter

As reported to MLS,
per Broker Metrics

Quarterly fluctuations are common. Longer-term trends are more meaningful than short-term changes.



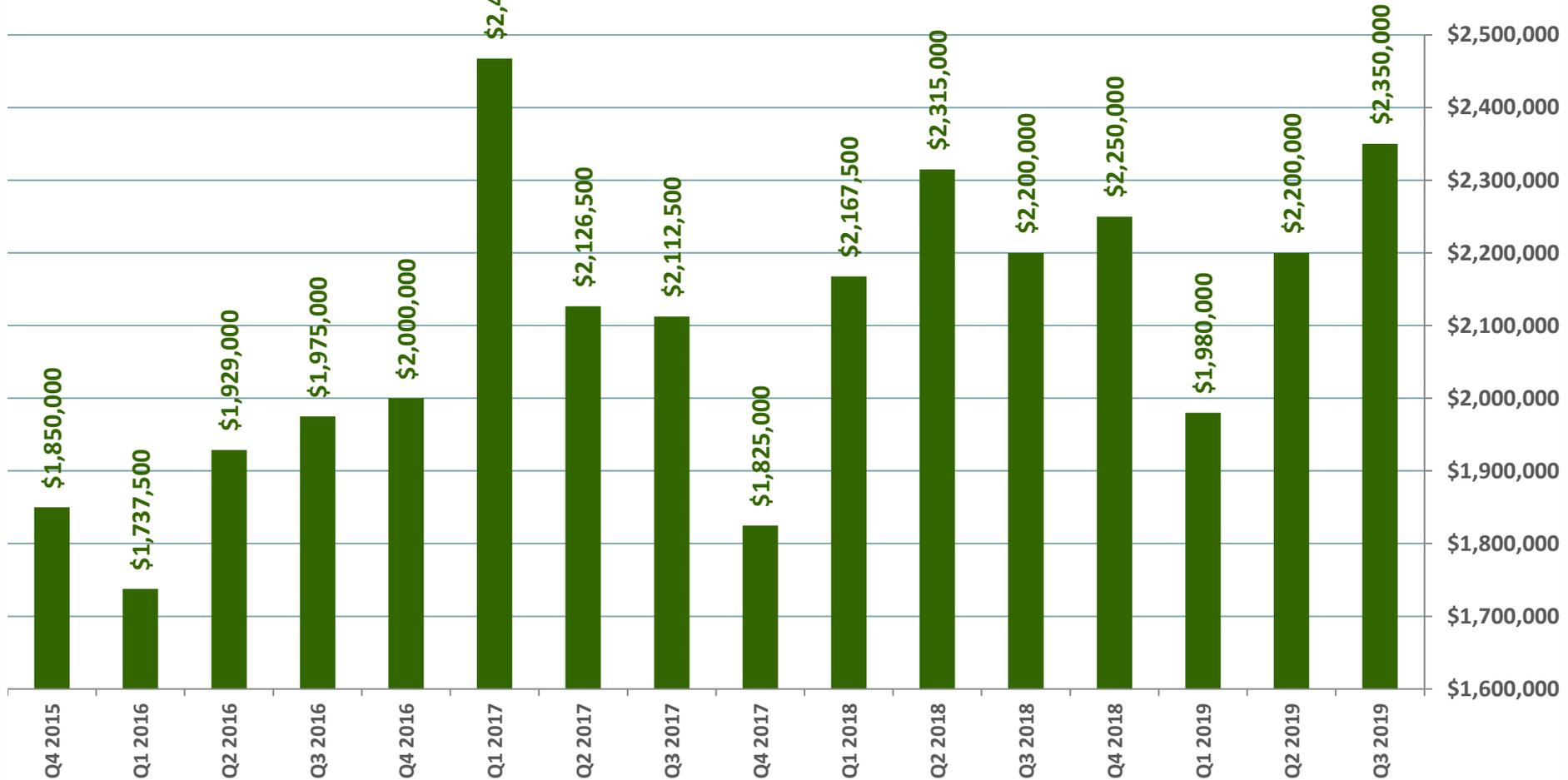
Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic that can be affected by other factors besides changes in fair market value. All numbers are approximate and subject to revision.

San Francisco 3-Unit Building Prices

Median Sales Prices, 2015 – Present, by Quarter

As reported to MLS,
per Broker Metrics

Quarterly fluctuations are common. Longer-term trends are more meaningful than short-term changes.

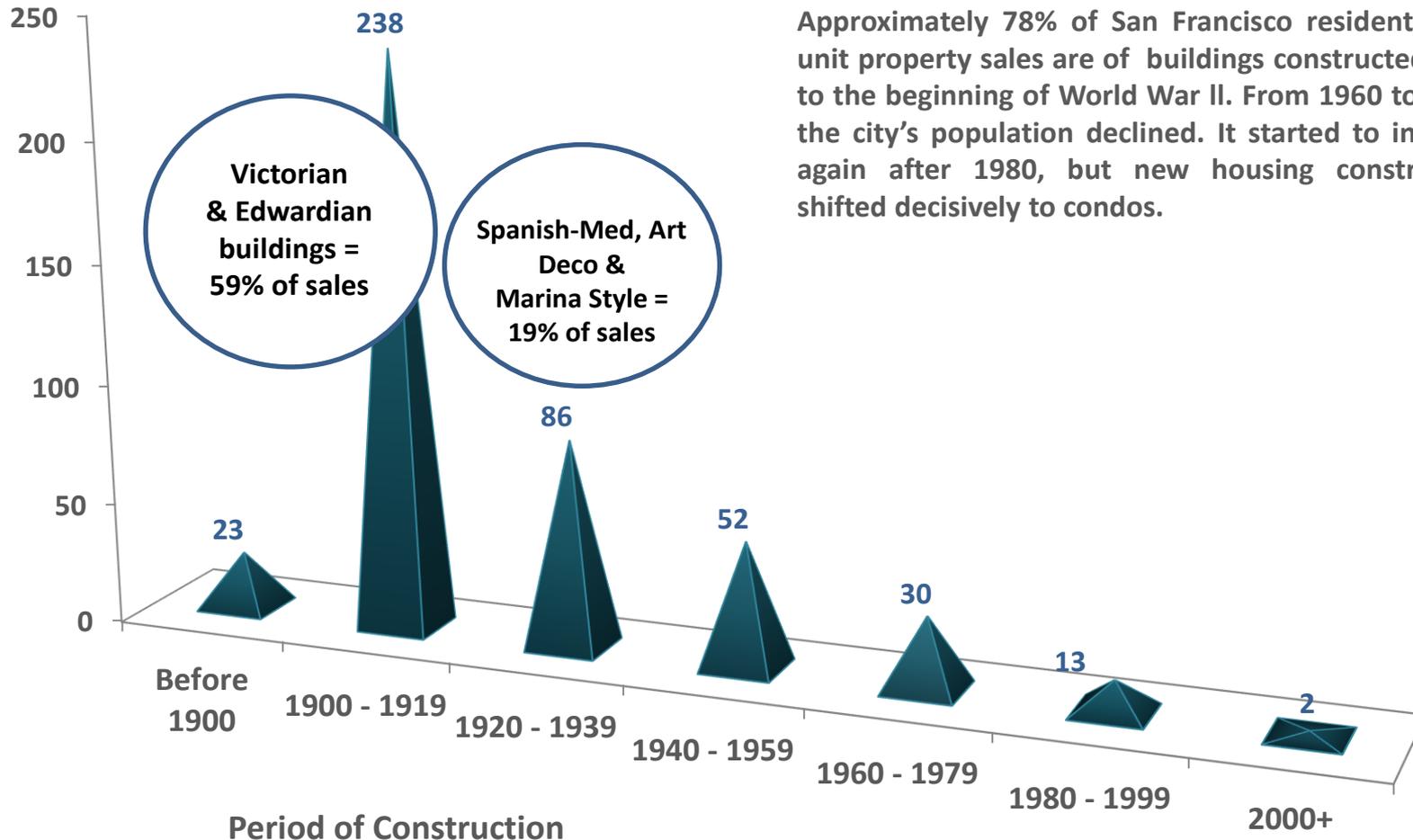


Median sales price is that price at which half the sales occurred for more and half for less. It is a very general statistic that can be affected by other factors besides changes in fair market value. All numbers are approximate and subject to revision.

San Francisco Residential 2-4 Unit Buildings

Sales by Era of Construction in 2018

Sales reported to MLS

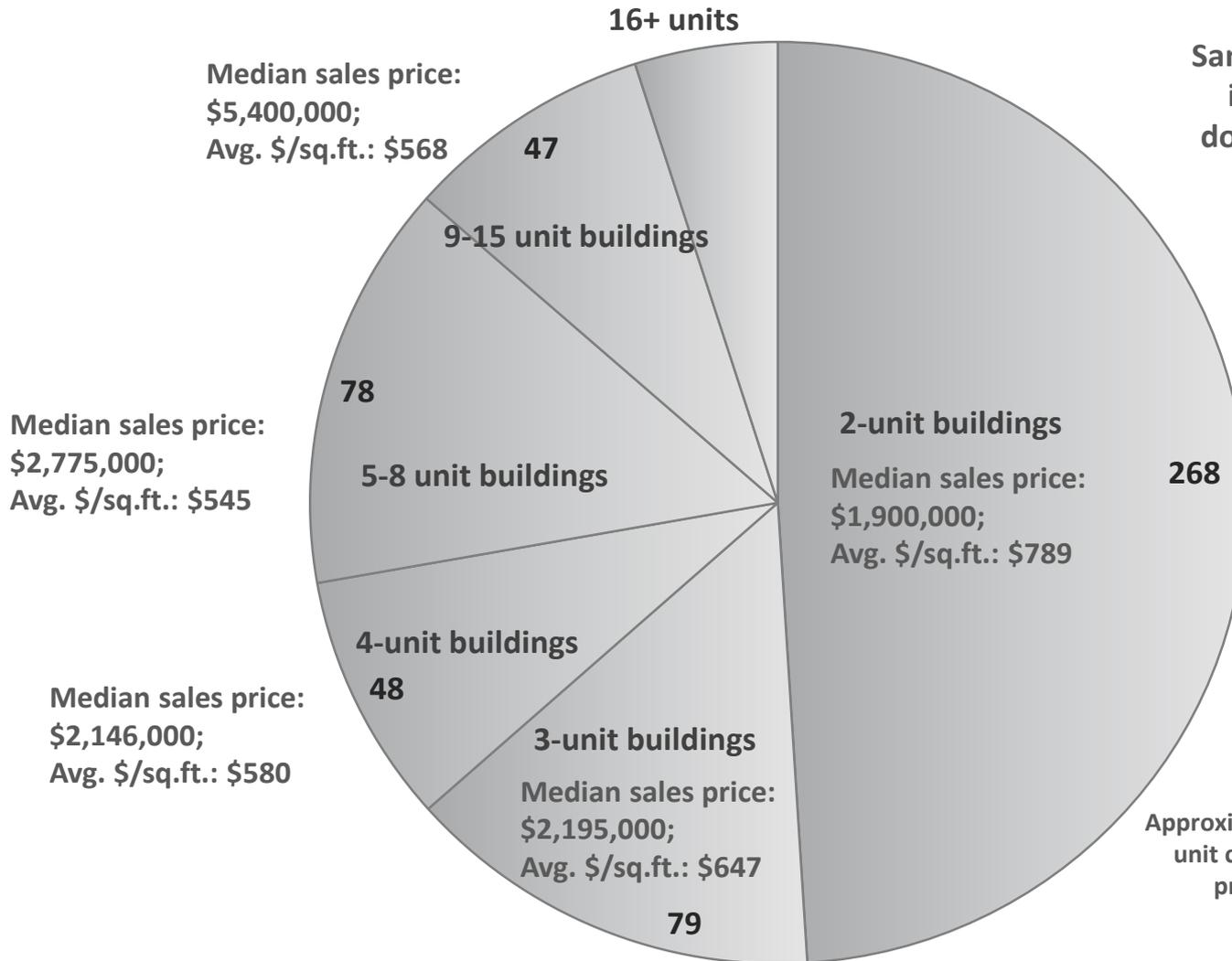


Sales reported to MLS. These analyses were performed in good faith with data derived from sources deemed reliable, but they may contain errors and are subject to revision. All numbers should be considered approximate.

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San Francisco Multi-Unit Residential Building Market

2018 Sales Review by Unit Count



San Francisco's residential investment market is dominated by the sale of smaller buildings.

Approximate number of building sales by unit count. Includes some mixed-use properties in larger buildings.

Estimated totals for 2018 based on sales reported to MLS by 12/26/18. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers, prices and values should be considered approximate.

Note that the quantity of sales in any given local submarket is usually relatively small and/or the number of sales that report the necessary financial information can be limited. Buildings of different ages, qualities and sizes selling in different periods can cause these average and median figures to fluctuate significantly. Furthermore, the reliability of some of these calculations depends upon the quality of the income and expense figures provided by the listing agents, and sometimes instead of actual numbers, much less meaningful projected or scheduled figures are used. Therefore, the above statistics should be considered very general indicators, and how they apply to any particular property without a specific comparative market analysis is unknown. If you would like such a specific analysis, please contact me.

These analyses were made in good faith with data from sources deemed reliable, but they may contain errors and are subject to revision. Statistics are generalities and all numbers should be considered approximate.

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