San Francisco Rent Surge Outpaces Bay Area Peers and Gateway Markets

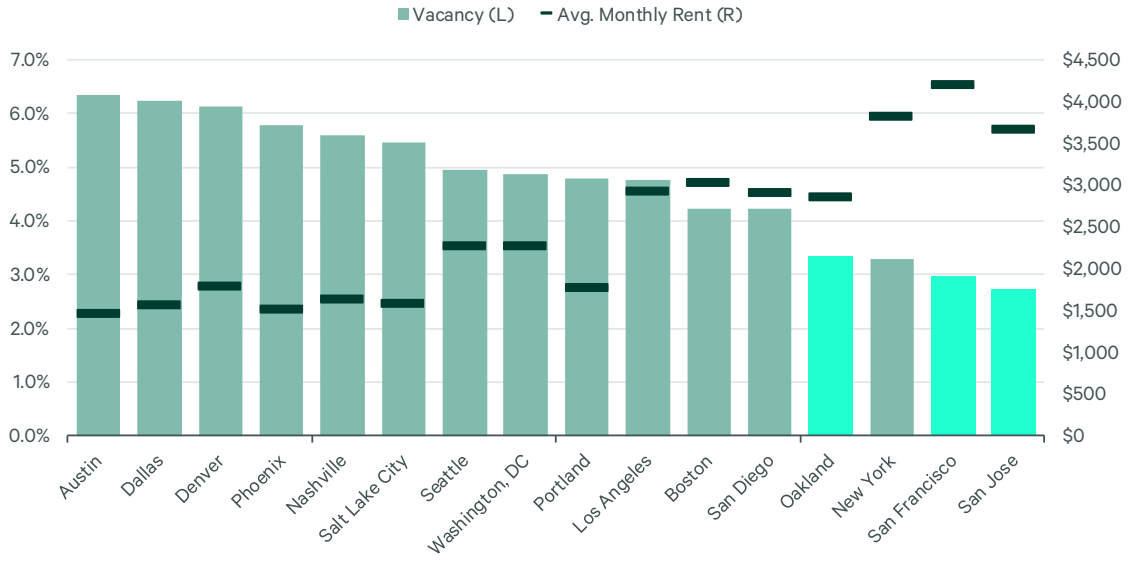
3.0%	403	1,499	$3,497	$2.98B
Vacancy Rate (%)	Net Absorption (units)	Completions (units)	Gross Rent/Unit (monthly)	Investment Sales (dollar volume)

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- Bay Area rents continue to climb, increasing 3.8% QoQ and 9.8% YoY to $3,497 per unit, complemented by a low 3.0% market vacancy rate, which is unchanged from last quarter.
- San Francisco led the way as rents rose 15.4% YoY to $4,180, driven by Downtown (+25.3%) and SoMa (+20.1%). Vacancy still rose 59 bps to 3.0% as net absorption came in at -1,213 units for the quarter.
- Oakland/Berkeley continues to outperform the broader East Bay, posting submarket leading year-over-year rent growth of +9.3%.
- Silicon Valley remained the tightest market in terms of vacancy at 2.7% with an average rent of $3,661 (+8.6% YoY) per unit.
- Capital markets diverged as San Francisco traded $1.46 billion across 123 deals while Silicon Valley reported just 24 transactions for $569 million in total volume.

FIGURE 1: Vacancy & Average Monthly Rent Comparison



Source: CBRE Research, Econometric Advisors, Q3 2026

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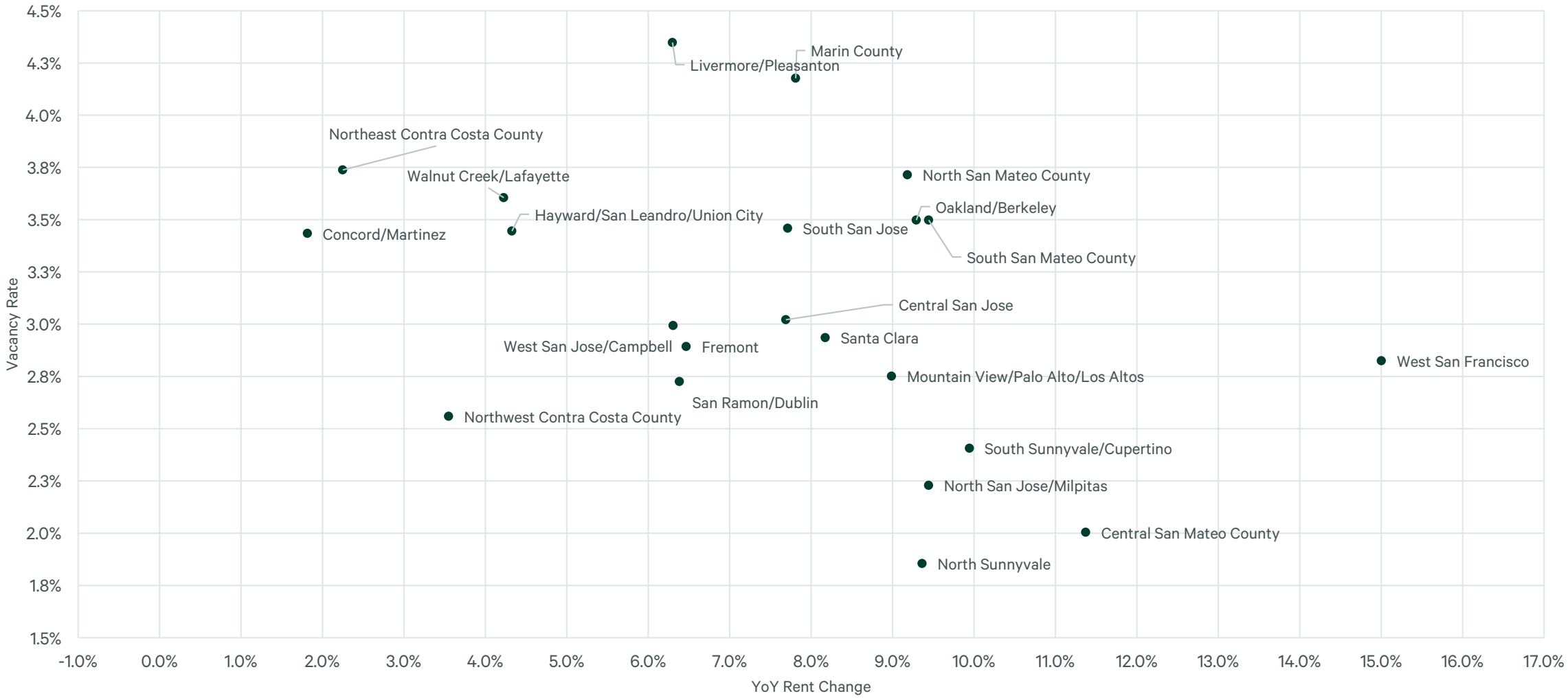
FIGURE 2: Submarket Statistics

Market/Submarket	Existing	Completions		Net Absorption	Vacancy Rate			Rent per Unit			
	Inventory (Units)	Current Qtr. (Units)	Current Qtr. (% Of E.I.)	Current Qtr. (Units)	Current Qtr. (%)	QoQ (BPS)	YoY (BPS)*	Current Qtr. ($)	Previous Qtr. ($)	QoQ ($)	YoY (%)
San Francisco / Peninsula	**264,510**	**359**	**0.1%**	**-1,213**	**3.0%**	**59**	**-92.5**	**4,180**	**3,946**	**234**	**15.4%**
Downtown San Francisco	86,898	0	0.0%	103	2.5%	-12	-72	4,405	4,032	373	25.3%
SoMa	51,562	35	0.1%	-454	3.0%	95	-86.8	4,626	4,374	252	20.1%
West San Francisco	40,103	160	0.4%	-266	2.8%	106	-31	4,005	3,834	171	15.0%
Marin County	19,721	0	0.0%	-207	4.2%	105	39.9	3,589	3,441	148	7.8%
North San Mateo County	19,974	0	0.0%	-197	3.7%	98	-244.3	3,381	3,212	169	9.2%
Central San Mateo County	24,266	69	0.3%	135	2.0%	-28	-102	4,014	3,809	205	11.4%
South San Mateo County	21,986	95	0.4%	-163	3.5%	116	-9.9	4,496	4,286	210	9.4%
Silicon Valley	**181,889**	**139**	**0.1%**	**322**	**2.7%**	**-10**	**-89.4**	**3,661**	**3,547**	**114**	**8.6%**
North San Jose/Milpitas	14,671	0	0.0%	-5	2.2%	3	-114.2	3,699	3,579	119	9.4%
Central San Jose	26,924	20	0.1%	209	3.0%	-71	-22.8	3,404	3,283	122	7.7%
East San Jose	12,712	0	0.0%	-206	4.7%	162	91.1	3,041	2,959	82	9.8%
South San Jose	21,838	0	0.0%	-95	3.5%	44	-64.9	3,220	3,172	48	7.7%
West San Jose/Campbell	21,243	0	0.0%	27	3.0%	-13	-161.8	3,219	3,126	93	6.3%
Santa Clara	22,565	34	0.2%	246	2.9%	-95	-116.5	3,857	3,743	114	8.2%
North Sunnyvale	17,645	0	0.0%	12	1.9%	-7	-59	3,883	3,756	127	9.4%
South Sunnyvale/Cupertino	10,672	0	0.0%	-18	2.4%	17	-136.3	3,871	3,774	97	9.9%
Mountain View/Palo Alto/Los Altos	33,619	85	0.3%	-10	2.8%	28	-108	4,115	3,942	173	9.0%
Oakland / East Bay	**232,586**	**1,001**	**0.4%**	**1,294**	**3.4%**	**-14**	**-170.0**	**2,838**	**2,762**	**76**	**6.1%**
Northeast Contra Costa County	11,176	32	0.3%	41	3.7%	-9	-155.7	2,343	2,302	40	2.3%
Northwest Contra Costa County	16,632	233	1.4%	282	2.6%	-33	-95.5	2,551	2,489	62	3.6%
Concord/Martinez	16,962	0	0.0%	35	3.4%	-21	-117.6	2,447	2,416	32	1.8%
Walnut Creek/Lafayette	12,955	0	0.0%	-59	3.6%	46	-86.7	2,811	2,765	47	4.2%
San Ramon/Dublin	8,973	0	0.0%	-13	2.7%	15	-119.2	2,896	2,864	33	6.4%
Livermore/Pleasanton	9,111	0	0.0%	-32	4.3%	36	-43.2	2,915	2,874	41	6.3%
Oakland/Berkeley	102,485	736	0.7%	1,344	3.5%	-62	-374.7	3,109	2,949	160	9.3%
Hayward/San Leandro/Union City	32,103	0	0.0%	203	3.4%	-63	-145.9	2,586	2,522	64	4.3%
Fremont	22,189	0	0.0%	-63	2.9%	29	-61.7	2,999	2,944	55	6.5%
Total Bay Area Market	**678,985**	**1,499**	**0.2%**	**403**	**3.0%**	**0**	**-352**	**3,497**	**3,369**	**128**	**9.8%**

Source: CBRE Research, Econometric Advisors, Q3 2026

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FIGURE 3: Bay Area Submarkets YoY Rent & Vacancy Change



Source: CBRE Research, Econometric Advisors, Q3 2026

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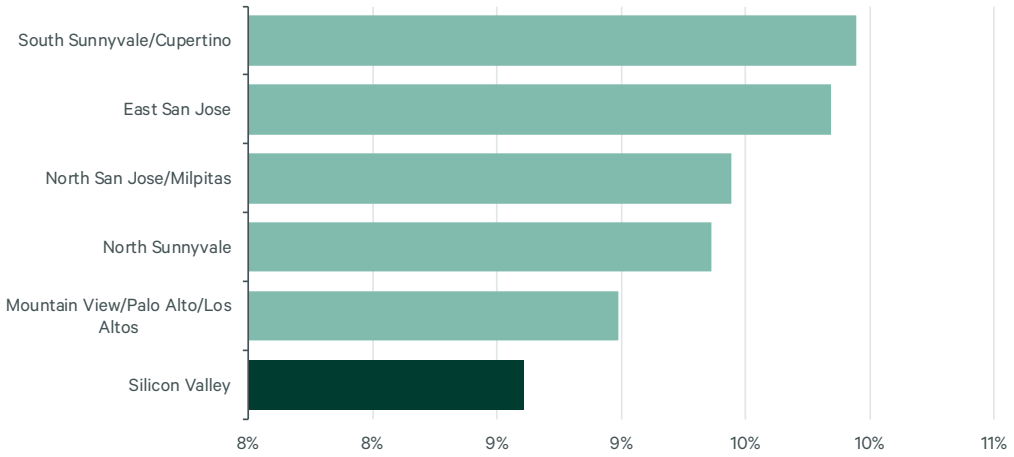
San Jose / Silicon Valley

FIGURE 4: Occupancy and Average Asking Rental Rate Trend



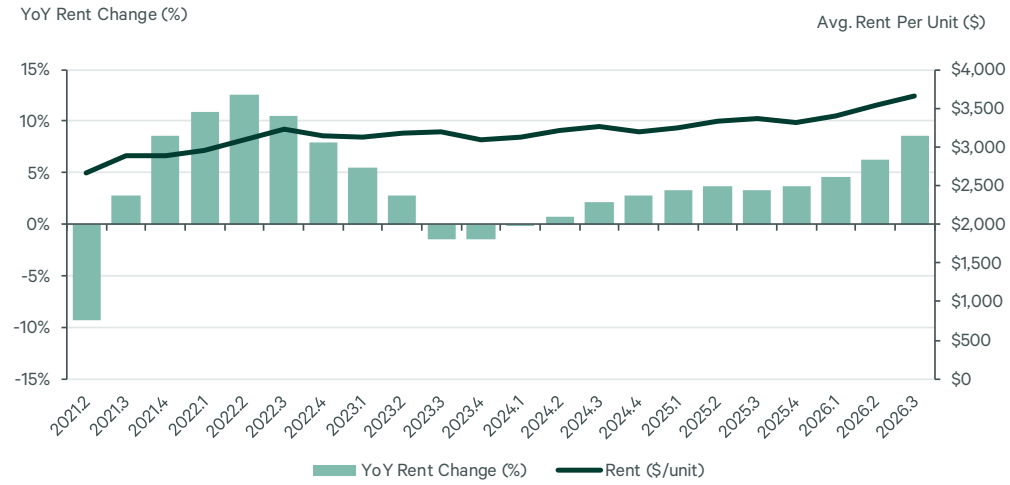
Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 5: Top 5 Submarkets by Rent Growth YoY



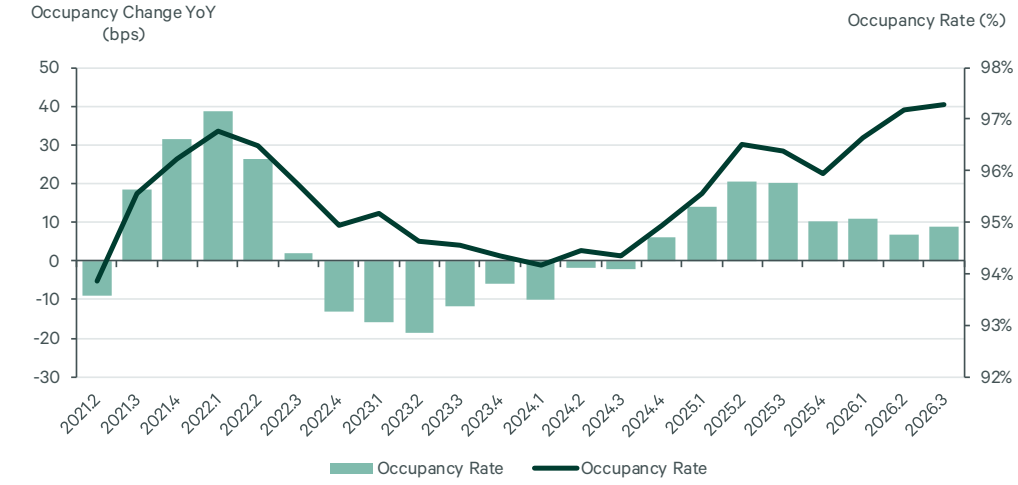
Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 6: Average Rent Change YoY Trend



Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 7: Occupancy Rate Change Trend

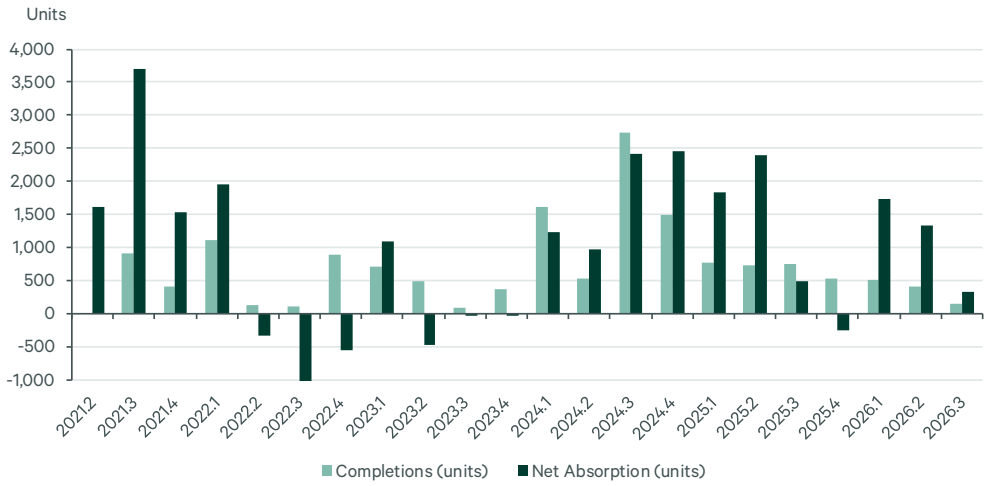


Source: CBRE Research, Econometric Advisors, Q3 2026

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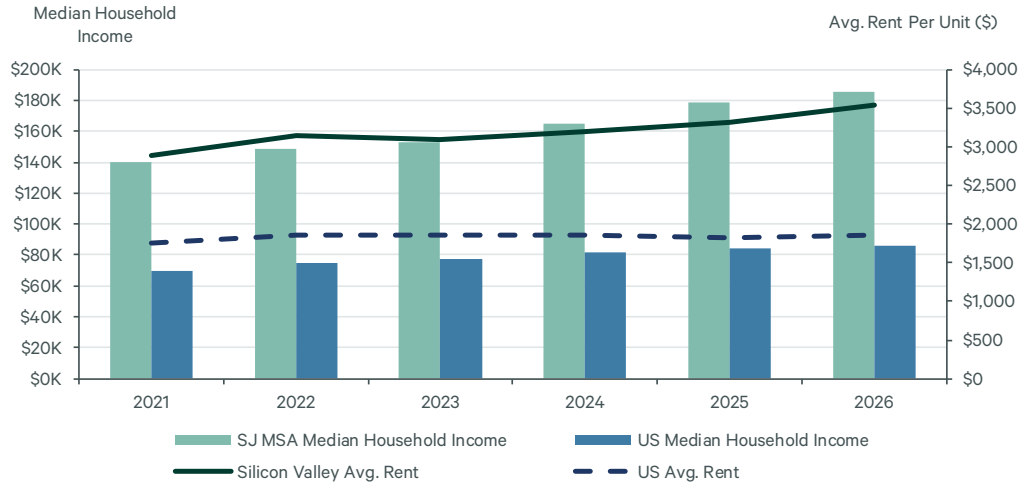
San Jose / Silicon Valley

FIGURE 8: Completions and Net Absorption Trend



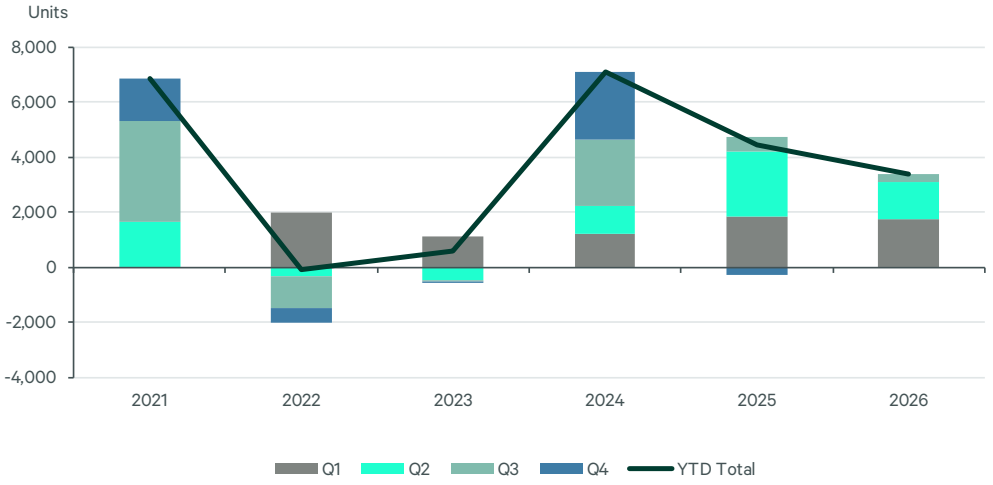
Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 9: Median Household Income and National Comparison Trend



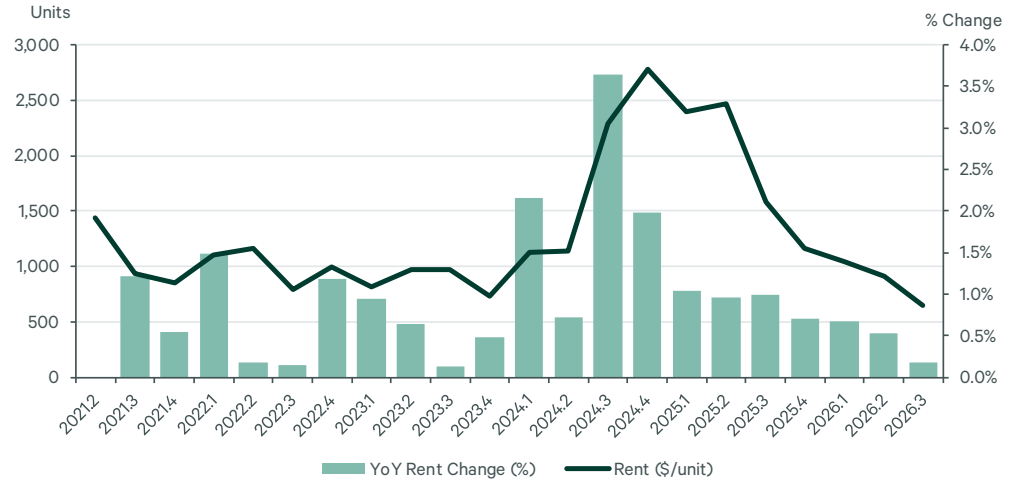
Source: CBRE Research, Econometric Advisors, Oxford Economics, Q3 2026

FIGURE 10: Net Absorption Trend



Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 11: Units Delivered and Inventory Change Trend

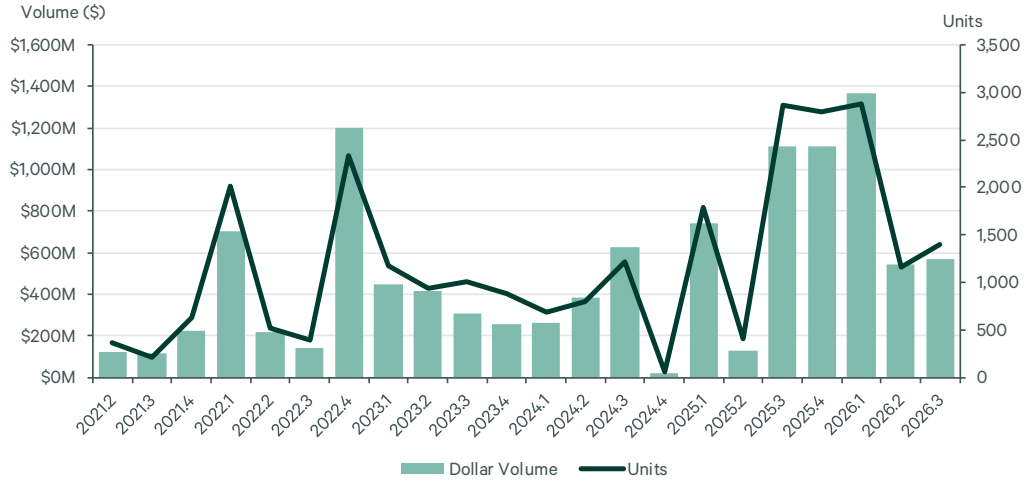


Source: CBRE Research, Econometric Advisors, Q3 2026

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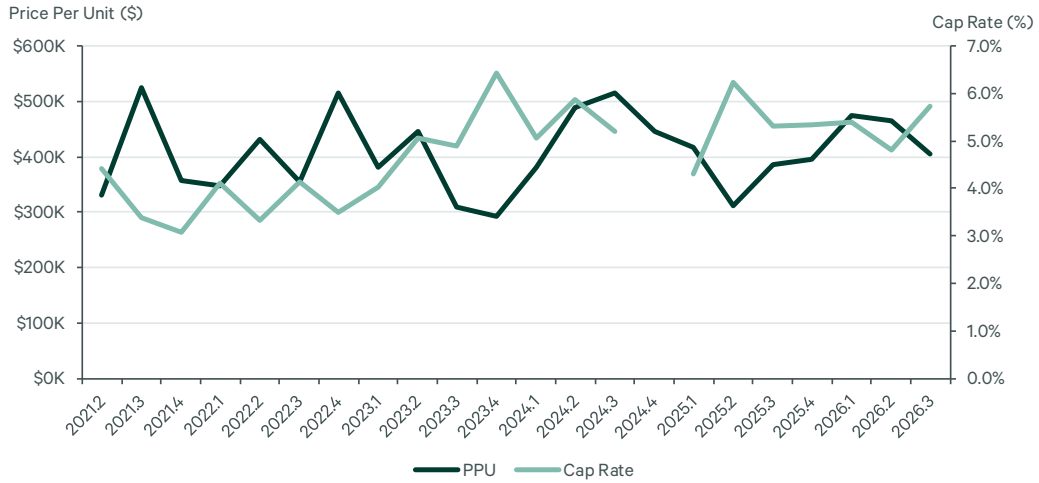
San Jose / Silicon Valley

FIGURE 12: Transaction Volume Trend



Source: CBRE Research, MCSI Real Capital Analytics, Q3 2026

FIGURE 13: Quarterly Average Sale Price per Unit vs. Cap Rate Trend



Source: CBRE Research, MCSI Real Capital Analytics, Q3 2026

FIGURE 14: Notable Transactions

Property Name	City	Units	Year Built	Price	Price / Unit	Sale Date
Lynhaven	San Jose	636	2020	$346,500,000	$544,811	August-26
The Village Residences	Mountain View	330	2013	$296,335,008	$897,985	September-26
Avalon Morrison Park	San Jose	250	2014	$140,000,000	$560,000	August-26
Silver	San Jose	268	2020	$122,137,500	$455,737	August-26
Avana San Jose	San Jose	220	1985	$85,500,000	$388,636	September-26
27 North Apartments	San Jose	119	2016	$59,412,667	$499,266	August-26
Sunsweet Apartments	Morgan Hill	87	2019	$45,000,000	$517,241	September-26
Alamo Park Apartments	Mountain View	33	1974	$12,100,000	$366,667	July-26

Source: CBRE Research, MCSI Real Capital Analytics, Q3 2026

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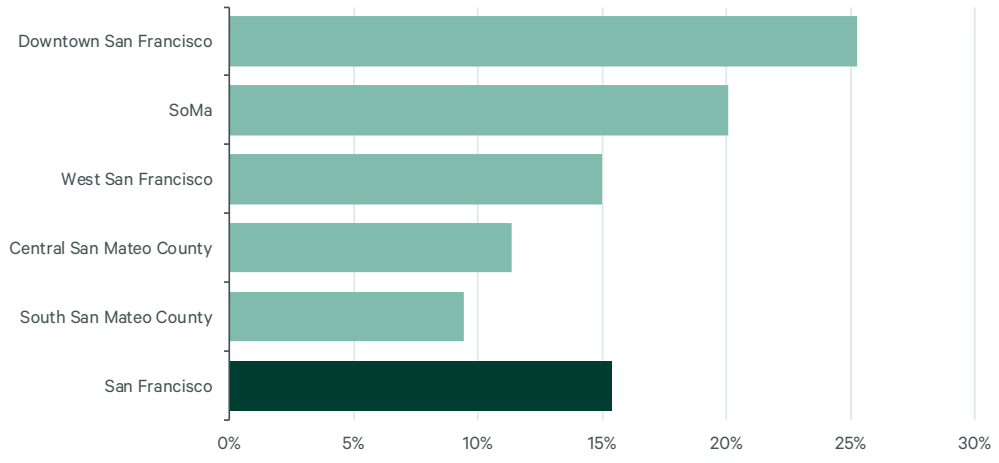
San Francisco / Peninsula

FIGURE 15: Occupancy and Average Asking Rental Rate Trend



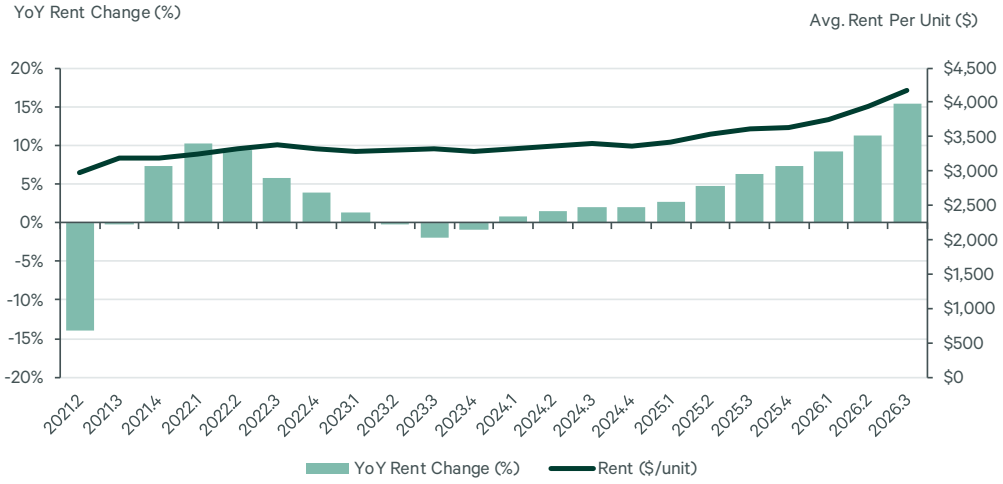
Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 16: Top 5 Submarkets by Rent Growth YoY



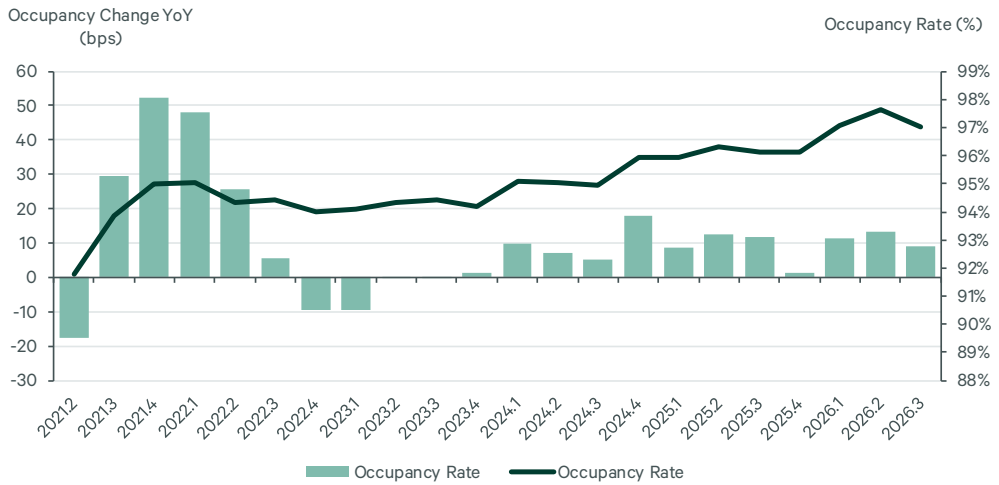
Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 17: Average Rent Change YoY Trend



Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 18: Occupancy Rate Change Trend

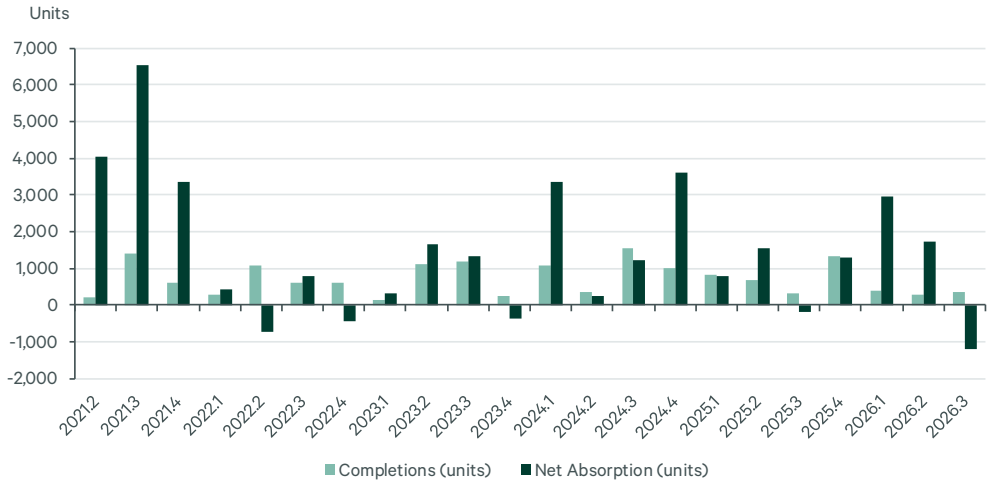


Source: CBRE Research, Econometric Advisors, Q3 2026

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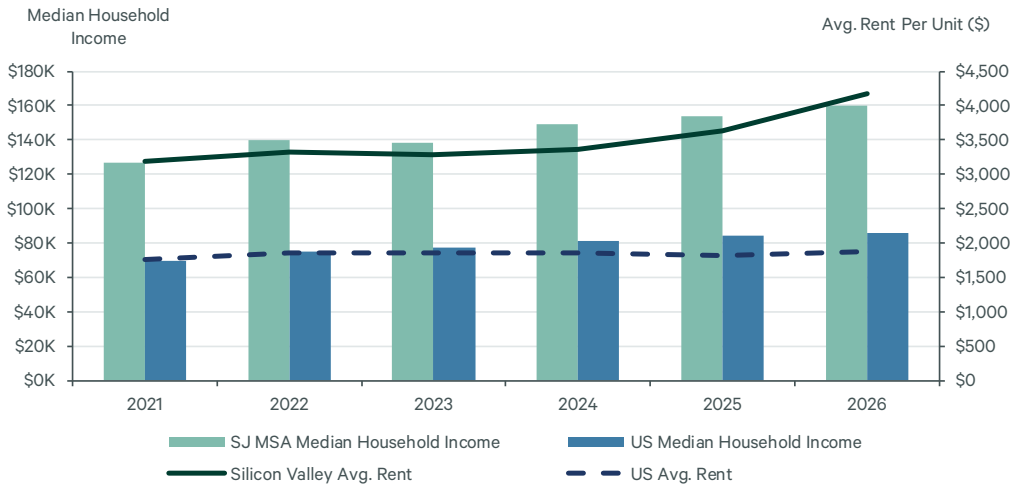
San Francisco / Peninsula

FIGURE 19: Completions and Net Absorption Trend



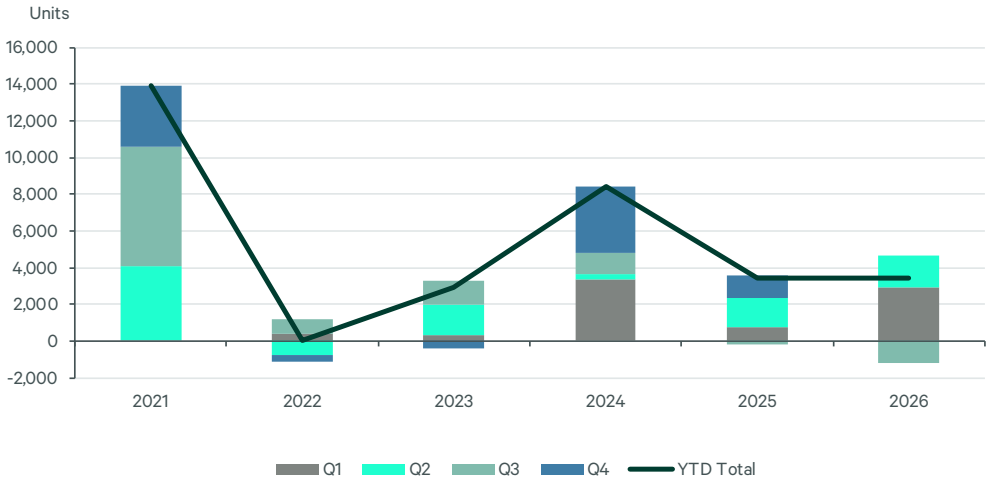
Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 20: Median Household Income and National Comparison Trend



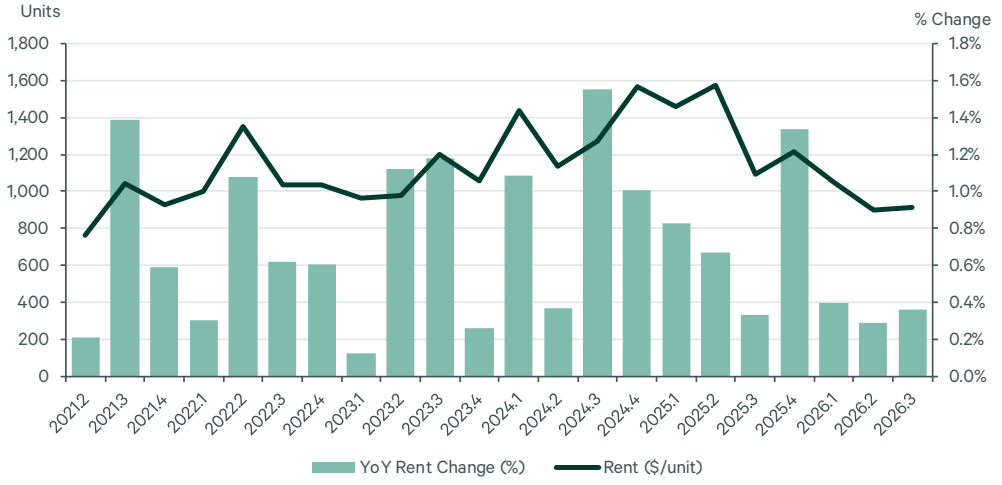
Source: CBRE Research, Econometric Advisors, Oxford Economics, Q3 2026

FIGURE 21: Net Absorption Trend



Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 22: Units Delivered and Inventory Change Trend

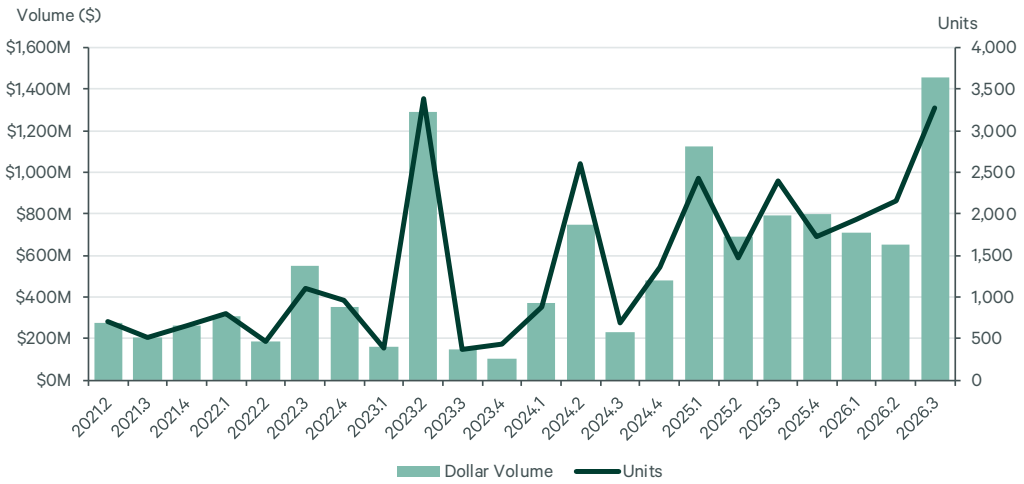


Source: CBRE Research, Econometric Advisors, Q3 2026

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San Francisco / Peninsula

FIGURE 23: Transaction Volume Trend



Source: CBRE Research, MCSI Real Capital Analytics, Q3 2026

FIGURE 24: Quarterly Average Sale Price per Unit vs. Cap Rate Trend



Source: CBRE Research, MCSI Real Capital Analytics, Q3 2026

FIGURE 25: Notable Transactions

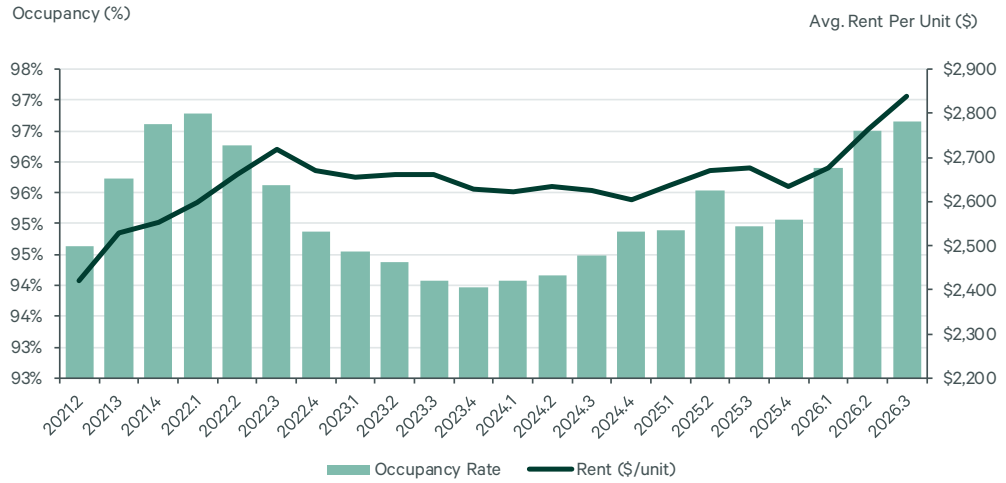
Property Name	City	Units	Year Built	Price	Price / Unit	Sale Date
Laurel Crossing	San Mateo	418	1971	$208,500,000	$498,804	August-26
Alta Potrero Hill	San Francisco	172	2019	$132,000,000	$767,442	August-26
Celeste	South San Francisco	195	2024	$130,000,000	$666,667	July-26
Ansel Apartments	San Francisco	163	2019	$98,300,000	$603,067	September-26
Realm Apartments Menlo Park	Menlo Park	27	(blank)	$20,600,000	$762,963	September-26
The Wilson	San Francisco	67	2007	$19,000,000	$283,582	July-26
520 Geary Street	San Francisco	68	1923	$18,475,000	$271,691	July-26
2775 Market Street	San Francisco	26	1962	$14,437,500	$555,288	July-26

Source: CBRE Research, MCSI Real Capital Analytics, Q3 2026

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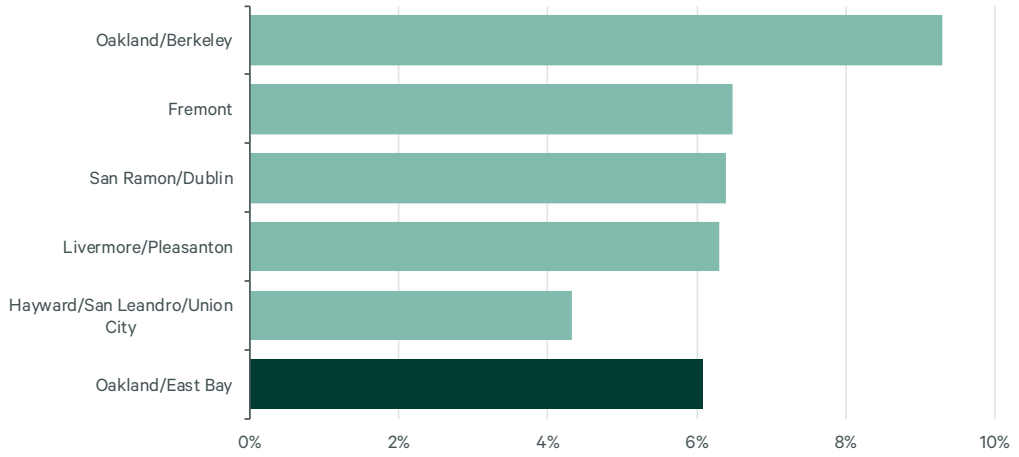
Oakland / East Bay

FIGURE 26: Occupancy and Average Asking Rental Rate Trend



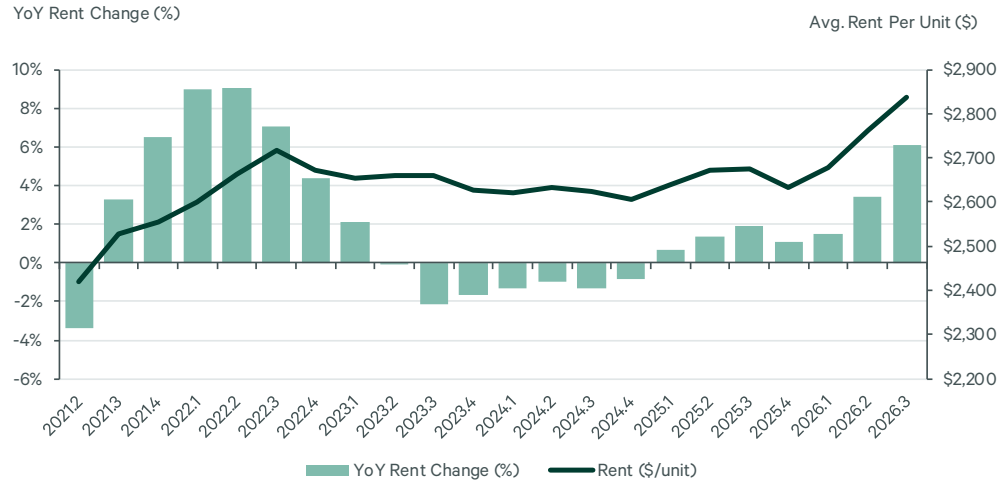
Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 27: Top 5 Submarkets by Rent Growth YoY



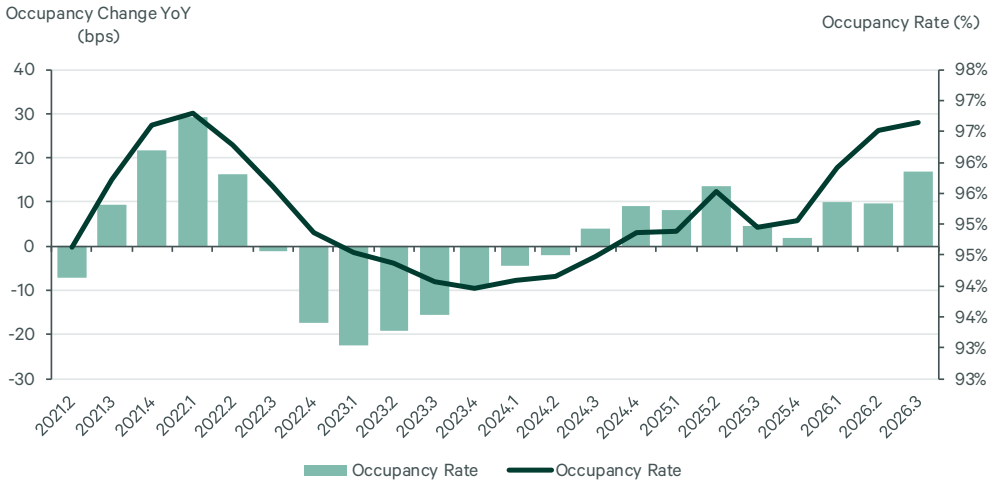
Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 28: Average Rent Change YoY Trend



Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 29: Occupancy Rate Change Trend

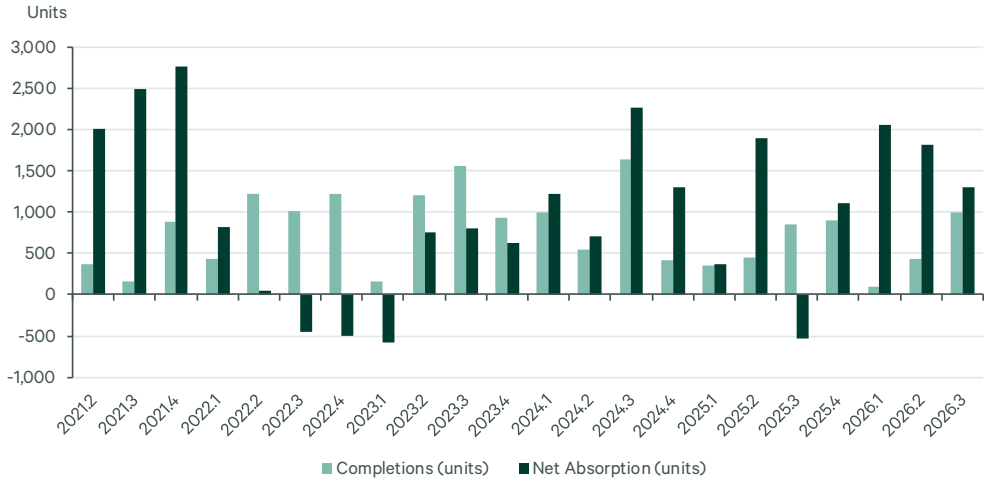


Source: CBRE Research, Econometric Advisors, Q3 2026

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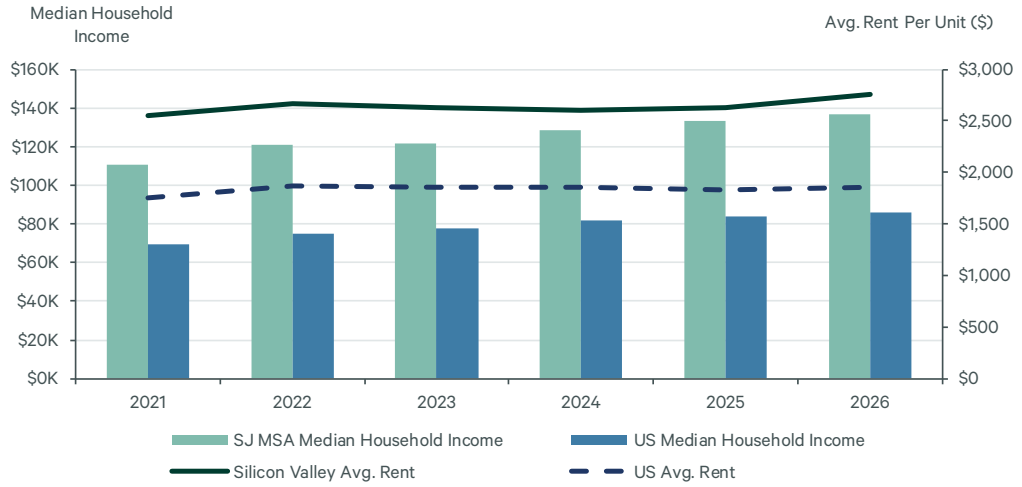
Oakland / East Bay

FIGURE 30: Completions and Net Absorption Trend



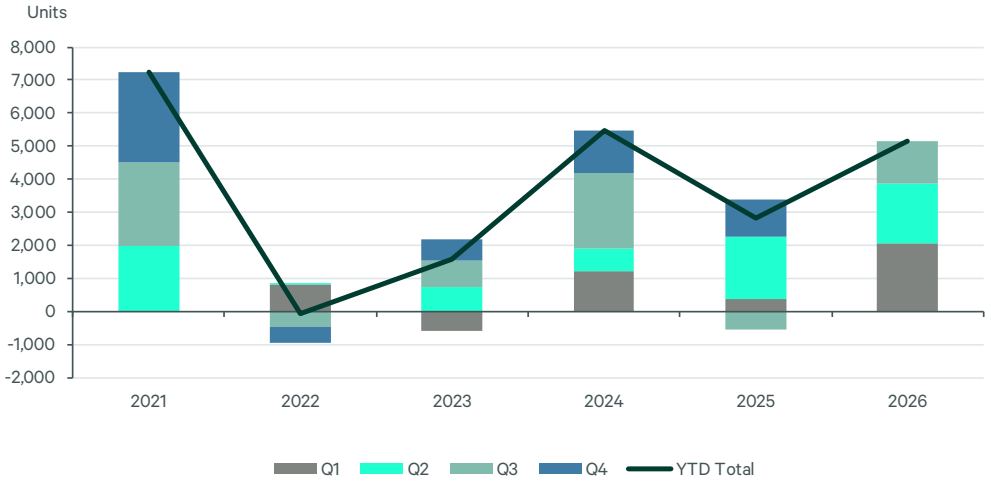
Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 31: Median Household Income and National Comparison Trend



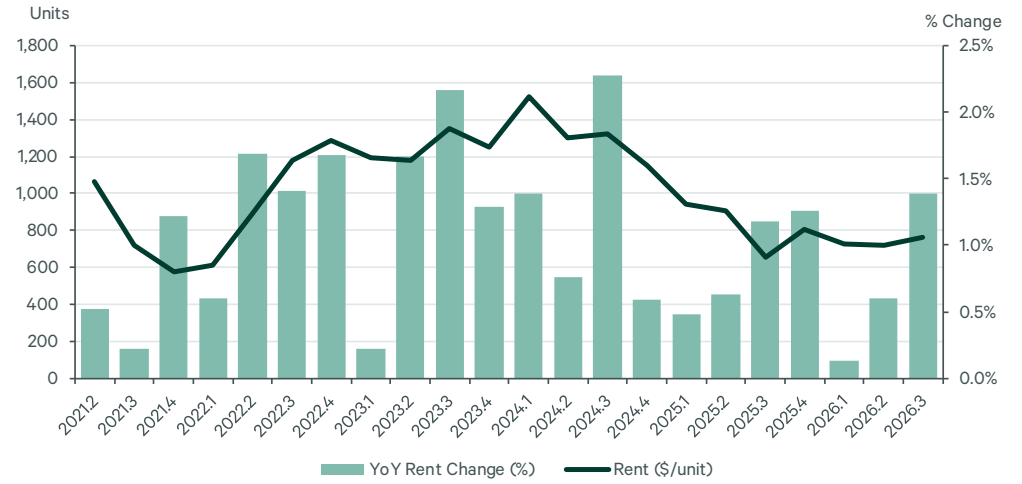
Source: CBRE Research, Econometric Advisors, Oxford Economics, Q3 2026

FIGURE 32: Net Absorption Trend



Source: CBRE Research, Econometric Advisors, Q3 2026

FIGURE 33: Units Delivered and Inventory Change Trend

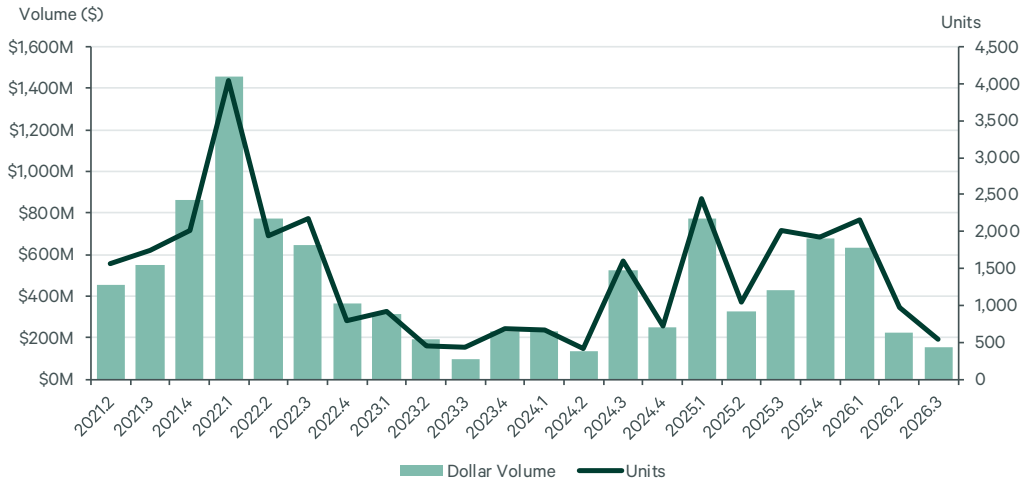


Source: CBRE Research, Econometric Advisors, Q3 2026

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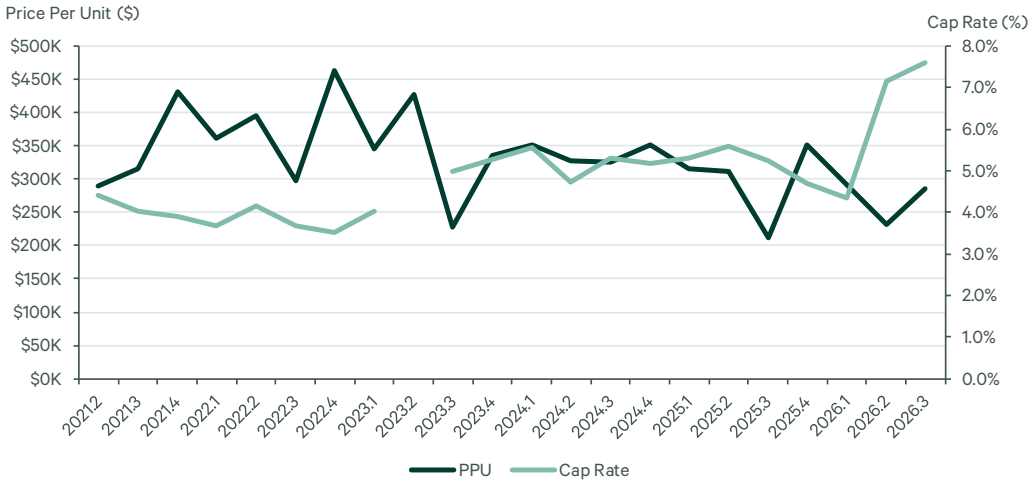
Oakland / East Bay

FIGURE 34: Transaction Volume Trend



Source: CBRE Research, MCSI Real Capital Analytics, Q3 2026

FIGURE 35: Quarterly Average Sale Price per Unit vs. Cap Rate Trend



Source: CBRE Research, MCSI Real Capital Analytics, Q3 2026

FIGURE 36: Notable Transactions

Property Name	City	Units	Year Built	Price	Price / Unit	Sale Date
The Dylan	Hercules	232	2021	$83,500,000	$359,914	August-26
Bridges At San Ramon	San Ramon	200	1987	$78,000,000	$390,000	September-26
La Vina Apartments	Livermore	104	1994	$45,200,000	$434,615	July-26
Koda Apartments	Fremont	122	1970	$43,100,000	$353,279	August-26
City Towers	Oakland	231	1972	$35,200,000	$152,381	July-26
Quail Run	San Leandro	104	1987	$31,066,108	$298,713	July-26
Windsor Park	Concord	139	1960	$24,721,074	$177,849	September-26
The Cedars Apartments	Castro Valley	82	1970	$21,450,000	$261,585	July-26

Source: CBRE Research, MCSI Real Capital Analytics, Q3 2026

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San Francisco Bay Area

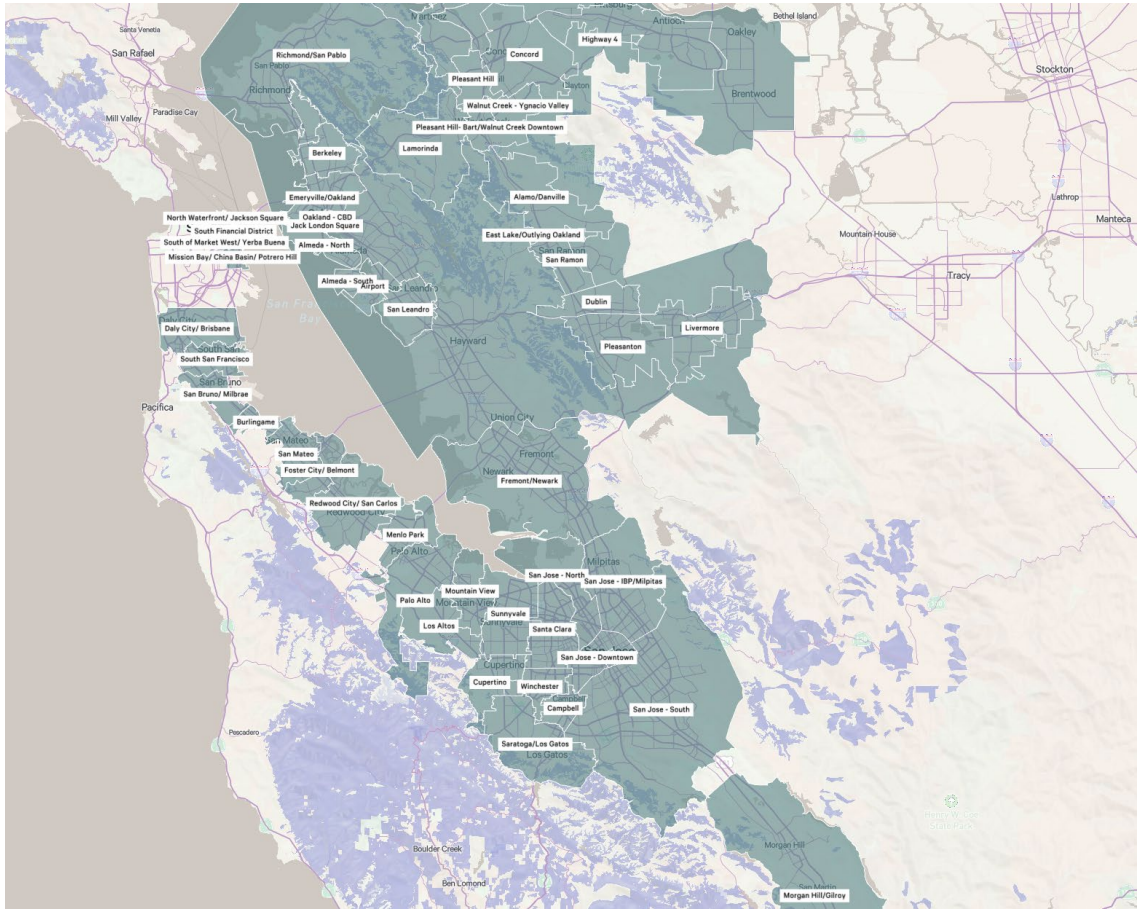
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Celeste	South San Francisco	195	2024	$130,000,000	$666,667	July-26
Silver	San Jose	268	2020	$122,137,500	$455,737	August-26
Ansel Apartments	San Francisco	163	2019	$98,300,000	$603,067	September-26
Avana San Jose	San Jose	220	1985	$85,500,000	$388,636	September-26
The Dylan	Hercules	232	2021	$83,500,000	$359,914	August-26
Bridges At San Ramon	San Ramon	200	1987	$78,000,000	$390,000	September-26
27 North Apartments	San Jose	119	2016	$59,412,667	$499,266	August-26
La Vina Apartments	Livermore	104	1994	$45,200,000	$434,615	July-26
Sunsweet Apartments	Morgan Hill	87	2019	$45,000,000	$517,241	September-26
Koda Apartments	Fremont	122	1970	$43,100,000	$353,279	August-26
City Towers	Oakland	231	1972	$35,200,000	$152,381	July-26
Quail Run	San Leandro	104	1987	$31,066,108	$298,713	July-26
Windsor Park	Concord	139	1960	$24,721,074	$177,849	September-26
The Cedars Apartments	Castro Valley	82	1970	$21,450,000	$261,585	July-26
Realm Apartments Menlo Park	Menlo Park	27	(blank)	$20,600,000	$762,963	September-26
The Wilson	San Francisco	67	2007	$19,000,000	$283,582	July-26
520 Geary Street	San Francisco	68	1923	$18,475,000	$271,691	July-26

Source: CBRE Research, MCSI Real Capital Analytics, Q3 2026

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Submarket Map



Source: CBRE Research, Econometric Advisors, Location Intelligence

Definitions

Net Absorption: The change in occupied units from one period to the next, recognized at the tenant move-in date.

Vacancy: Stabilized apartment units that are physically vacant.

San Francisco Bay Area Multifamily Investment Sales

Jon Teel
Senior Vice President
+1 408 603 7772
Jon.Teel@cbre.com

Ben Mollahan
Vice President
+1 415 535 7414
Ben.Mollahan@cbre.com

Adam Foley
Vice President
+1 408 893 8063
Adam.Foley@cbre.com

Jack Markey
Associate
+1 925 482 5143
Jack.Markey@cbre.com

Ryan Fox
Associate
+1 408 409 3431
RFox@cbre.com

Jacob Hoggatt
Associate
+1 925 493 9011
Jacob.Hoggatt@cbre.com

Research Contacts

Suzy Malburg
Field Research Analyst
Suzy.Malburg@cbre.com

Konrad Knutsen
Director, Northern California
Konrad.Knutsen@cbre.com

Tyler Mangin
Sr. Economist, Multifamily
Tyler.Mangin@cbre.com

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