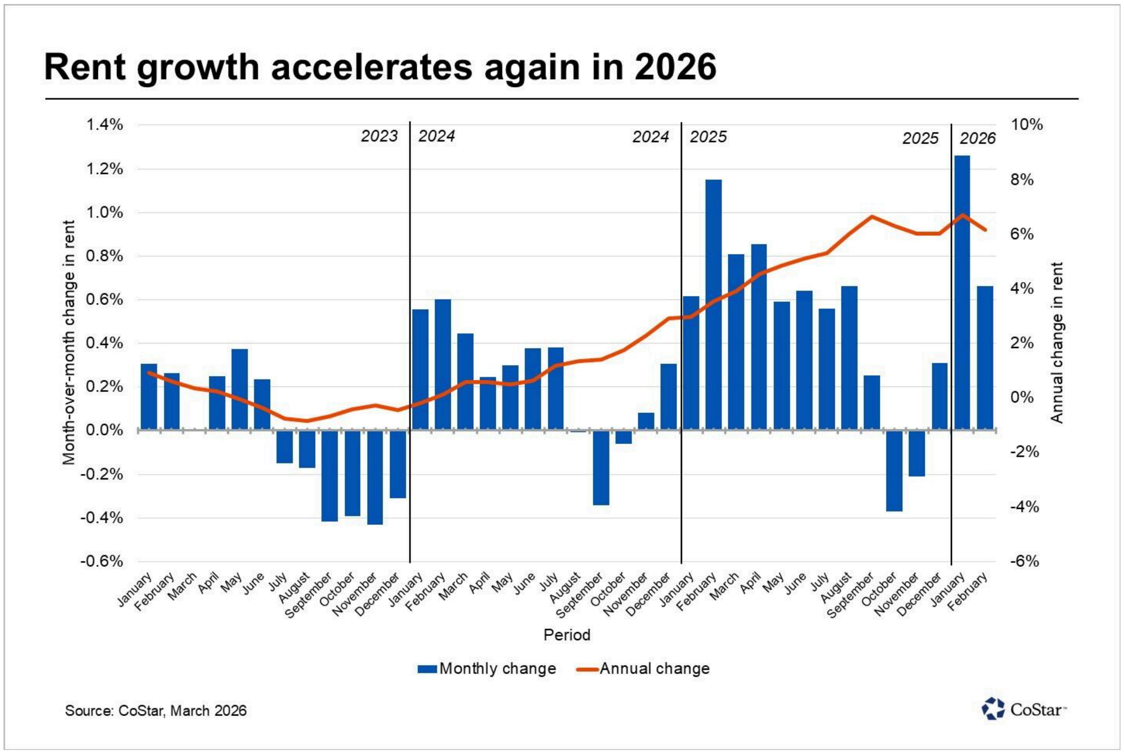
CoStar™

COSTAR INSIGHT

San Francisco multifamily rent growth rebounds sharply as market tightens again

With new supply limited, tech-driven demand pushes February rents higher



By **Nigel Hughes**
CoStar Analytics

March 2, 2026 | 12:13 P.M.

San Francisco's multifamily market continued its strong upward trajectory in February, with rents accelerating as the city experiences one of its tightest supply–demand balances in years. The most recent data shows robust rent growth driven by solid renter demand, minimal new supply and a renewed surge in tech-sector leasing, all of which underscore the market's rapid recovery and its importance to investors watching for signs of sustained momentum.

The average asking rent rose in February to $3,438 per month, up from $3,340 in the fourth quarter of 2025. Year-over-year growth measured 6.23%, cementing San Francisco as the fastest-growing major market and extending the trend of steady rent gains that began in 2024 after years of softness.

San Francisco's February monthly asking rent of $3,438 far outpaces the national average of $1,771. Annual growth of 6.23% locally dwarfs the U.S. growth rate of roughly 2%, driven by stronger renter demand and significantly tighter vacancy conditions. Local rents continue rising faster month to month than national figures, reflecting the metro area's structural supply constraints and high-income renter base. Mission Bay/China Basin and South of Market lead the market with annual rent growth of almost 15% and average rents surpassing $4,200.

San Francisco's vacancy rate tightened to 4.5%, the lowest level in nearly a decade, as tech hiring, expansion of the artificial intelligence sector and high median household incomes bolstered demand despite job growth declines. Moreover, the supply of new apartments remains depressed. Only 2,900 units are under construction, well below historical norms, helping sustain rent pressures. February's rent movement is fully aligned with these conditions, and with limited completions ahead, analysts expect rent growth to remain elevated.

The newly completed Quincy at 555 Bryant St., with 501 units, is achieving asking rents of nearly $4,700 per month for one-bedroom units and is experiencing strong occupancy growth. Revery in Burlingame, with 177 units, was completed in October and is around 40% leased, with one-bedroom rents at about $4,300 per month. Upcoming projects, including 7 S. Linden Ave., with 543 units, and Broadway Plaza, 520 units, will add inventory on the Peninsula but remain insufficient to shift market fundamentals.

Overall, February data points to a San Francisco multifamily market operating at full strength, with rent growth dramatically outpacing national trends and vacancy approaching historic lows. Economic fundamentals and limited construction continue to favor landlords, while incoming supply is unlikely to meaningfully ease conditions in the near term. The city's rent trajectory remains firmly upward as demand intensifies across its most desirable submarkets.

IN THIS ARTICLE

Properties

Quincy
555 Bryant St, San Francisco, CA

Revery
1766 El Camino Real, Burlingame, CA

7 Linden Ave, South San Francisco, CA

The Colton
1401 Broadway St, Redwood City, CA

RELATED ARTICLES

Calgary multifamily market navigates a broad recalibration

Manchester pulls ahead in the regional office employment race

South-Central Pennsylvania flips the script with more retail than office

Multifamily rent growth loses steam in Sacramento

Smaller lease deals drive Central Pennsylvania’s core industrial market