

What Does the Q3 North Bay Multifamily Market Mean for Apartment Owners?



North Bay Multifamily Market Pulse | Q3 2026 | Properties with 5+ Units

The North Bay apartment market remained steady in Q3. Vacancy edged down to 5.1%, rents grew 2.1% year-over-year, and quarterly sales volume jumped to approximately \$140.3 million. For owners, the picture is encouraging: rental conditions improved and more properties traded, although sales volume remained below the 10-year average.

Are rents and occupancy improving?

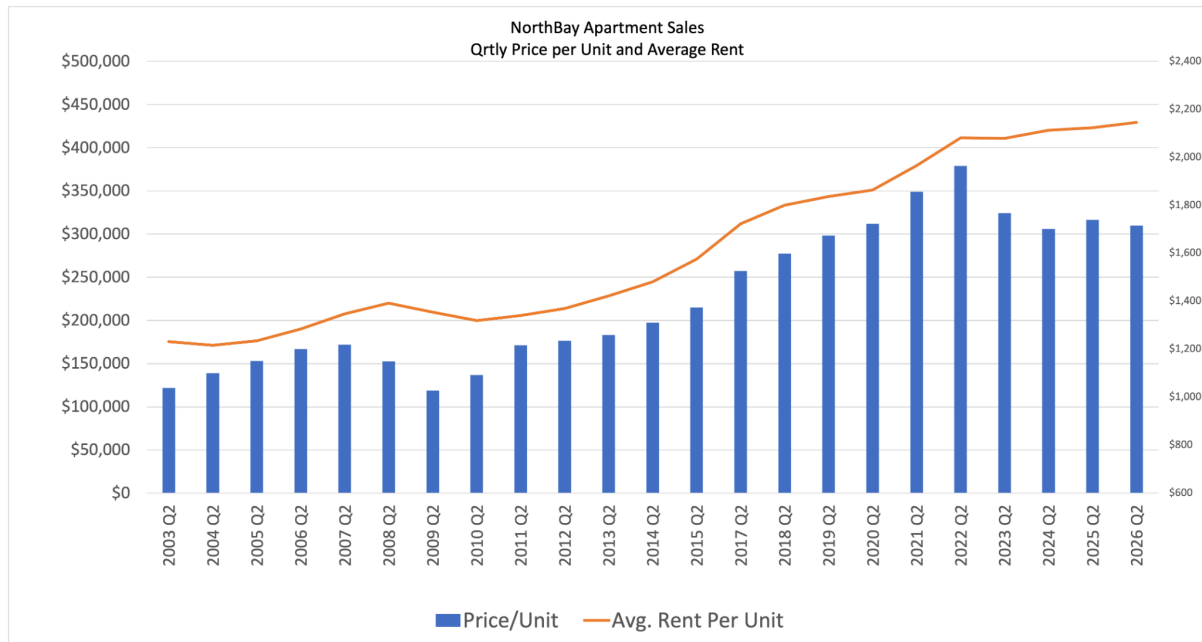
Vacancy declined 0.1 percentage point from last quarter to **5.1%**, while rents increased approximately **2.1% year-over-year**.

For owners, this is a good time to compare existing rents with competing properties and review upcoming lease renewals. Higher rents help, but the benefit depends on how well you manage vacancies and operating expenses.



Ces Cecchin
CA LIC #01763657
(415) 762-8064
ces@meridiancommercial.com

17 E Sir Francis Drake Blvd., Ste. 203
Larkspur, CA 94939
(415) 451-4900
www.meridiancommercial.com



Are buyers purchasing apartment buildings?

Yes. Multifamily sales volume jumped to approximately **\$140.3 million in Q3**, although it remained below the 10-year average.

The increase shows more transaction activity. It doesn't necessarily mean every building will command a higher price. An owner's income, expenses, property condition, and asking price still shape the investment opportunity.

What are recent apartment sales telling us about value?

Over the **last six months**, recent trades averaged approximately:

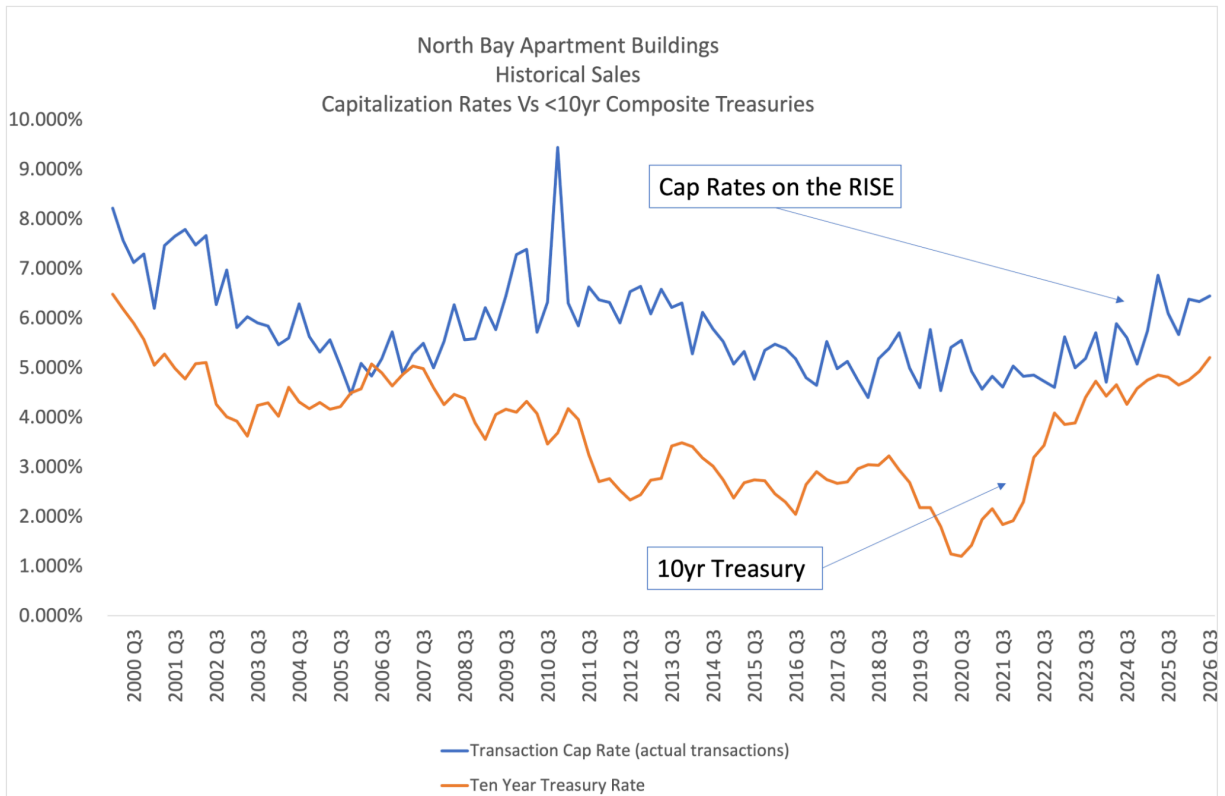
- **\$310,000 per unit**
- **11.9 gross rent multiplier**
- **5.4% cap rate**

These figures provide a starting point for comparison. Your building's value will depend on its location, rents, expenses, condition, and potential for additional income.

How do interest rates affect the picture?

Financing costs affect how much buyers can pay while meeting their investment goals. When evaluating a potential sale, it helps to look at your property through a buyer's eyes: What income remains after operating expenses, needed improvements, and debt payments?

That makes accurate financial records and a clear picture of upcoming repairs especially useful when preparing to sell.



What should owners take away from Q3?

Rental conditions improved and sales activity picked up. The next step is to understand what those changes mean for your particular building.

Whether you plan to hold or sell, review your current rents, operating costs, and upcoming capital improvements. Those details help you assess whether the property is performing as it should—and whether it still fits your goals.

Wondering where your building stands? I'd be happy to review your rents, expenses, and recent comparable sales with you so you can make an informed decision about what comes next.



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