



Michael J Burke Pamela Burke

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## MARIN MARKET UPDATE

## Celebrating 50 Years in Marin's Apartment Market

For half a century, Michael Burke has been dedicated to selling residential income properties in Marin County—one of the few agents to focus exclusively on this specialized market. Now officially joined by his wife, Pamela Burke, a licensed agent and long-time collaborator behind the scenes, they continue to lead the field in representing duplexes, fourplexes, and apartment complexes.

Selling income property is not like selling a single-family home. It requires an understanding of tax-deferral strategies, income analysis, lease reviews, tenant communication, and a tactful approach to property showings. Whether you're selling a two-unit duplex or a 30-unit apartment building, you deserve a specialist with decades of proven results.

## Marin Rental Trends: Slow but Steady Climb

The Q1 2025 CoStar Survey reports Marin's average apartment rent at \$2,934/month, a modest 2.0% increase over the same quarter last year and 4.8% above two years ago. Rents have plateaued slightly over the last year, but a key market signal—vacancy rates—suggests modest growth is ahead.

A balanced market shows a 5.0% vacancy rate. Today, Marin's vacancy rate has dropped to 4.3%, down from 5.0% in mid-2023. Lower vacancy means upward pressure on rents, and CoStar forecasts rents reaching \$3,442 by 2029, a projected 17% increase (~4.3% annually).

## Apartment Values: GRM Still a Reliable Indicator

CAP rates remain in the 4.5–5.0% range, but for a broader market view, Gross Rent Multipliers (GRM) remain a straightforward comparison tool:

- Duplexes: 15–18x market rent
- Fourplexes: 14–16x
- Small apartment buildings: 12–14x
- Mid-size complexes: 11–13x

Top-tier locations will demand higher GRMs, while dated or problematic properties may fall below the range.

## Sales Rebound in 2024

After record-low activity in 2023, sales rebounded significantly in 2024:

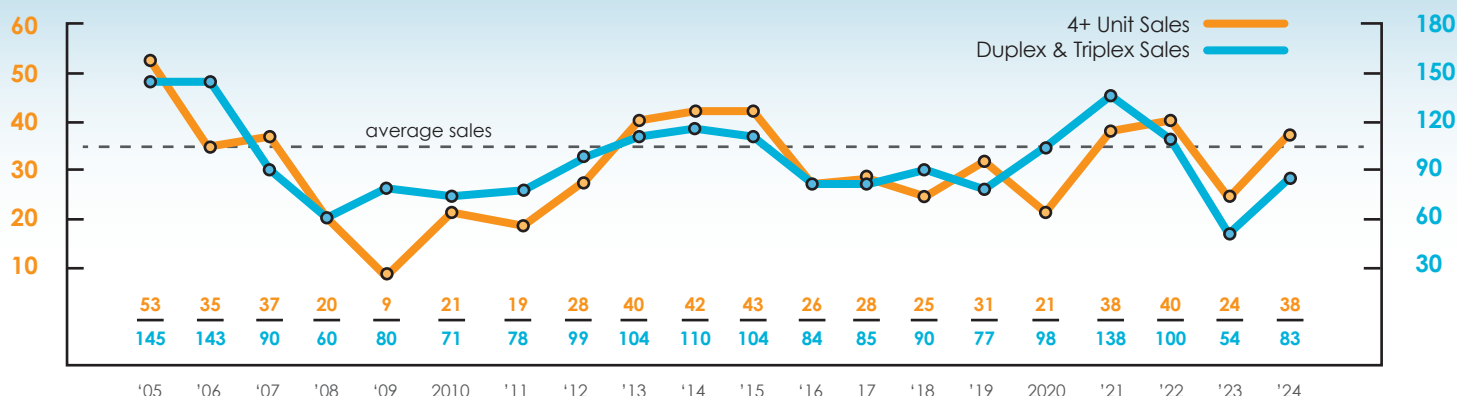
- 4+ unit sales rose to 38 (vs. 24 in 2023), in line with historical averages.
- Duplexes and triplexes jumped to 83 sales (vs. 54 in 2023).
- Notably, 37% of 4+ unit sales were off-market, highlighting the importance of working with experienced, well-connected agents.

Of the MLS-marketed sales, we represented 21%—that's one in five buildings sold.

## Market Watch: Rent Control, Interest Rates &amp; Political Volatility

The real estate landscape in 2024 was shaped by grassroots

## TOTAL APARTMENT SALES LAST 20 YEARS



Data source: MLS & Tax Records. Data is deemed reliable but accuracy cannot be guaranteed.

MICHAEL J BURKE  
PAMELA BURKE  
"Marin's Apartment Specialists"

415.518.7200 • mburke@marinapartments.com • Lic #00454938  
415.424.9835 • pburke@marinapartments.com • Lic #02156257  
500 Drakes Landing Rd. Greenbrae, CA 94904

campaigns against rent control. With significant effort and community support, we were successful in overturning local rent control ordinances in Fairfax, San Anselmo, and Larkspur, despite opposition from the well-funded Democratic Socialists of America.

In 2025, attention has shifted to economic volatility, election-year politics, and unpredictable market swings. The Dow experienced daily 2,600-point fluctuations in Q1. Consumer sentiment has dropped for four straight months, mirroring early pandemic lows.

Despite hopes for multiple Fed rate cuts, inflation and tariffs have tempered expectations. The 10-year Treasury rate, a key metric tied to mortgage pricing, has hovered around 4.5%, after dipping below 4% earlier in the year. Keep an eye on this index—it's a strong predictor of rate trends.

### Interest Rates & Apartment Loans

Rates surged in 2022–2023 and remain elevated, though some relief may come mid-2025.

- 2–4 unit loans may still qualify for 30-year fixed terms.
- 5+ unit loans typically offer fixed rates for 3–7 years, currently between 6.0%–7.0%.

Call us for current rate quotes, as these numbers shift daily.

### Insurance: A Growing Hurdle

The biggest challenge in today's apartment market? Insurance.

- Most insurers have pulled out of California or refuse to cover older buildings.
- Buildings with outdated electrical panels (Federal Pacific, Zinsco, Sylvania) or knob-and-tube wiring are often uninsurable until upgraded.
- Even after approval, premiums have more than doubled—sometimes tripled—and securing coverage can take weeks.

Proactive planning is crucial—start the insurance process early in any sale timeline.

### Deck Inspections: SB 721 Deadline Looms

Reminder: Senate Bill 721 requires that all apartment buildings with 3+ units have elevated walkways and decks inspected and certified safe by January 1, 2026.

Don't wait. This process includes:

- Inspection by licensed professionals (e.g., engineers)
- Repair of any dry rot or hazards
- Official certification of safety

The full text and resources are available on our website: [MarinApartments.com](https://MarinApartments.com) under "Resources."

### Visit Us Online: [MarinApartments.com](https://MarinApartments.com)

Our website features:

- Current listings and sales
- Historical rent data
- Local and statewide landlord resources
- Weekly email updates of new, pending, and sold listings
- Free property evaluations—just email us at [mburke@MarinApartments.com](mailto:mburke@MarinApartments.com)

### Final Thought

Marin's income property market remains dynamic and resilient—even in a high-rate, high-regulation environment. Whether you're evaluating your portfolio, preparing to sell, or simply staying informed, we're here to help.

Michael & Pamela Burke

### Top Producing Agents – Marin Apartment Market

[mburke@MarinApartments.com](mailto:mburke@MarinApartments.com) | [MarinApartments.com](https://MarinApartments.com)

*If your property is currently listed, this is not intended as a solicitation of that listing.  
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