

San Francisco Housing Projects Stall Amid Delays

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SAN FRANCISCO, The city faces significant setbacks in multifamily housing development, with more than 20,000 units stalled and annual completions falling sharply. Only 1,453 units were delivered last year, compared with 5,000 in 2020. New housing applications also dropped, with just 2,541 units filed for approval, leaving San Francisco behind its state-mandated target of permitting 82,000 units by 2031 under the Housing Element.

Large-scale projects that added hundreds of units during the pandemic, including Treasure Island, Mission Rock, and 5M, have slowed amid inflation, high city fees, material shortages, and tariffs. At Hunters Point Shipyard and Candlestick Point, more than 10,000 homes were approved in 2010, but environmental and regulatory complications continue to delay progress. Parkmerced, a project approved for 5,600 units in 2011, has also faced repeated setbacks, with pandemic disruptions halting construction entirely.

In South of Market, a mixed-use development at 655 Fourth Street was revised and approved in 2023 for 1,110 residential units and office space. Nearby projects, including 88 Bluxome and the San Francisco Flower Mart, are undergoing new plan reviews, potentially shifting toward housing as office demand recovers.

The Power Station development in Dogpatch is moving ahead. Associate Capital and the University of California, San Francisco (UCSF) will begin construction on an eight-story, 300,000-square-foot cancer center next week. UCSF purchased the 50,000-square-foot site for \$75 million, with construction supported by up to \$575 million in tax-exempt bonds. The project is expected to cost about \$400 million.

The first housing phase at Power Station, the 105-unit Sophie Maxwell affordable project, is on track for completion in October. Overall, up to 2,600 homes and 1.6 million square feet of mixed-use space have been approved for the site.

Meanwhile, New York-based Madison Capital is pursuing a major cryptocurrency hub in San Francisco. The firm acquired a loan tied to 600 Battery Street, the 125,000-square-foot building currently serving as Ripple's corporate headquarters, positioning Madison Capital to potentially take ownership of the property.

Beyond San Francisco, regional housing policy is shifting. In San Jose, homeowners may now sell accessory dwelling units (ADUs) as standalone condominiums under Assembly Bill 1033. The city approved its first such ADU on Joséfa Street, becoming the largest California city to adopt the measure. Since 2022, San Jose has permitted 1,500 ADUs and issued final building permits for more than 1,100 units.

The Bay Area's luxury market also continues to make headlines. In Carmel Highlands, a 5.4-acre oceanfront estate at 157–163 Spindrift Road is listed for \$91.2 million more than double the county's previous record. The property includes six homes, led by a 12,000-

square-foot main residence, and was once owned by aviator Steve Fossett. It has appeared in films and television, including *Basic Instinct* and HBO's *Big Little Lies*.

San Francisco and the wider Bay Area remain caught between housing shortages, stalled development, and soaring luxury sales as city officials, developers, and investors navigate economic and regulatory challenges.