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Redfin Report: San Francisco's Housing Market Booms While Seattle Slumps

San Francisco, home to OpenAI and Anthropic, is seeing its housing market boom as AI employees put their money into the housing market. In Seattle, economic jitters in the tech space are dampening homebuying demand.

SEATTLE — Sept. 2, 2026 — Home sales jumped 9% year over year in San Francisco in July, while sales fell 9% in Seattle, according to a new [report](#) from [Redfin](#), the real estate brokerage powered by Rocket. San Francisco and Seattle are two of America's leading tech hubs, but San Francisco's market is heating up, and Seattle's is cooling down.

Both West Coast cities are packed with highly paid tech workers and many big-name tech employers. Their housing markets have often responded to the same forces: tech hiring, stock-market swings, pandemic-driven remote work and mortgage rates, to name a few. Both markets picked up in the second half of 2020 when mortgage rates plummeted, then cooled sharply when rates shot up and the tech industry stumbled. San Francisco and Seattle were among the nation's [fastest-cooling markets](#) by mid-2022. But the cities that entered the housing downturn together are now on very different paths, with San Francisco roaring back as it rides a wave of AI wealth that's heavily concentrated in that city, while Seattle struggles to regain its footing without the same influx of new wealth.

Prices are rising in San Francisco and falling in Seattle. San Francisco's median home-sale price jumped 6% year over year in July to \$1.6 million, making it the priciest metro area in the U.S. Redfin recently reported that San Francisco's median home price is now [\\$1 million higher](#) than at its Great Recession bottom. Seattle's median sale price declined 4% to \$809,000—roughly half the price of San Francisco's typical home. Seattle's home price decline was the second-biggest among the 50 most populous U.S. metros.

Buyers are snapping up listings in San Francisco, while inventory is piling up in Seattle. The total number of homes for sale fell 18% year over year in San Francisco—the biggest decline in the nation. Inventory *rose* 17% in Seattle—the biggest *increase* in the nation. The typical home that sold in San Francisco in July did so in 20 days, 3 days faster than last year. In Seattle, the typical home sold in 24 days, 4 days *longer*.

Home sales are jumping in San Francisco, and declining in Seattle. In San Francisco, home sales rose 9% from a year earlier—the second-biggest uptick in the country. But in Seattle, home sales *fell* 9%, the fifth-biggest decline in the U.S.

Seattle is a major [buyer's market](#), with 65% more sellers than buyers, while San Francisco is a balanced market, with 6% *fewer* sellers than buyers.

Housing markets in the two tech cities have been diverging for the past year. Prices started falling in Seattle on an annual basis about a year ago, while prices in San Francisco have been rising since November. Listings have been piling up in Seattle since 2024, while inventory

started depleting in San Francisco last summer. Seattle sales started dropping in April 2025, while San Francisco's sales have been jumping since the start of 2024.

The divergence partly reflects the fortunes of each city's tech sector. San Francisco is benefiting from the AI boom, which is creating wealth and bringing well-paid workers into the city. Seattle, meanwhile, has been weighed down by uncertainty and layoffs in the tech sector. But it's important to note that San Francisco tech workers aren't immune to layoffs and job uncertainty; the fact that the city is home to an extraordinary amount of AI investment and highly compensated workers is offsetting broader tech-sector weakness. That hasn't happened—at least not yet—in Seattle or other major tech hubs.

“AI is reorganizing the tech labor market, with San Francisco and Seattle representing two sides of that transition,” said [Chen Zhao](#), Redfin's head of economics research. “In San Francisco today, the AI boom is creating jobs, attracting investment and generating enormous wealth, giving some locals more money to put toward housing. In Seattle, established tech companies are simultaneously investing heavily in AI and rethinking their labor force, which is making some households more cautious about buying a home. AI could ultimately boost productivity and create entirely new categories of jobs, but the future impact is unclear. We're likely to see this dynamic extend well beyond San Francisco and Seattle as time goes on; in some places, AI may create jobs and wealth, and in others, it may contribute to restructuring and weaker worker confidence.”

San Francisco's AI Boom Is Contributing to Its Housing Resurgence

San Francisco is the epicenter of the AI boom, which is fueling its housing-market resurgence. The city is home to OpenAI and Anthropic, two of the biggest AI companies in the nation; those two companies alone are creating a new wave of highly paid workers with hefty salaries and signing bonuses, some of which is flowing straight into the housing market.

A [recent Redfin analysis](#) found that home prices in the Bay Area's luxury ZIP codes jumped 13.4% in the two years following the launch of OpenAI's ChatGPT, more than double the increase in the next-priciest tier. Local Redfin Premier agent [Ali Mafi said](#) he's seen a lot of AI workers use six-figure signing bonuses to buy homes in San Francisco, and homes in the most desirable neighborhoods are selling for as much as \$900,000 over asking price. San Francisco luxury pending home sales [soared 46%](#) year over year in May, the biggest increase in the nation by far.

Plus, both OpenAI and Anthropic are planning massive IPOs: When they go public, workers will likely get a windfall. Another [separate Redfin analysis](#) found that OpenAI and Anthropic employees combined could buy nearly one-third of every single home in San Francisco with their IPO earnings.

“I'm working with a buyer whose budget has doubled over the last year because of his confidence in the future of the AI company he works for,” said [Kelley Krock](#), a Redfin Premier agent in San Francisco. “When I started working with him, he had a \$2 million budget; we were looking at perfectly nice homes in the East Bay. Then, with the AI boom, he doubled his budget

to nearly \$4 million, and he's under contract for a gorgeous home in one of the Bay Area's most desirable neighborhoods, overlooking the Lamorinda Valley."

Apart from the AI wealth boom, San Francisco's housing market is thriving partly because it has an unusually wealthy buyer pool. Luxury sales are a [big driver](#) of San Francisco's overall market. The scarcity of inventory is making the city's market feel hot: There are just 1.6 months of supply on the market in San Francisco, the lowest number in the U.S. and less than half the national median.

In Seattle, Shaky Tech Job Market Is Weighing on Demand

Seattle is a major AI and tech hub, too, but it hasn't experienced the same concentrated burst of AI-driven wealth as San Francisco. Major local employers—including Amazon, Microsoft, Meta and Expedia—have [laid off](#) thousands of workers in the last year or so, directly impacting the finances of a lot of local residents. Those layoffs—along with general labor-market woes—are also making many other Seattleites feel less confident about their job security, and less likely to make a major purchase.

That uncertainty carries extra weight in Seattle, where the typical home sells for \$809,000, roughly double the national average. Even highly paid tech workers may hesitate to take on a large mortgage if they're worried their job could disappear or their compensation could shrink.

The slowdown is also disrupting the churn that normally fuels Seattle's housing market. Seattle-area [Redfin agents say](#) tech workers aren't switching companies or relocating to Seattle as much as they once did, which means fewer people are using a new job or pay bump as an opportunity to buy or trade up. Buyers are also increasingly anxious about how AI could reshape tech employment.

That helps explain why Seattle pending sales plunged 15.6% year over year while active listings jumped 16.7%: Sellers are showing up, but many of the tech workers who might normally compete for those homes are proceeding cautiously or staying on the sidelines.

"Layoffs in the tech world are dampening homebuying demand in the entire area, and the return-to-office trend is dampening demand outside of the city center," said [Sheryl Wingate](#), a Redfin agent in the greater Seattle area. "Now that so many employers want workers back in the office, living in a suburb that comes with a lengthy drive, bus ride or ferry ride to work is unappealing for a lot of people."

Another reason Seattle's market is slumping: It's one of the most expensive metros in the country, which is pricing out a lot of would-be buyers. San Francisco is more expensive, but its buyer pool includes a growing number of affluent AI workers and others who are benefiting from the AI boom. Seattle doesn't have the same wealth engine offsetting affordability challenges.

Flow of Bay Area Residents Moving to Seattle Has Nearly Dried Up

There are still more Americans moving from the Bay Area to Seattle than the other way around—but the gap has nearly disappeared. Seattle posted a net inflow of just 369 people from the Bay Area in the first quarter, down sharply from 5,166 five years earlier. Migration from the Bay Area to Seattle has steadily dwindled over the past half-decade. This is according to Redfin migration data.

Seattle remains [more affordable](#) than San Francisco—the typical Seattleite would spend 51% of their income to buy the median-priced home, while the typical San Franciscan would spend 84%—but its appeal has been tempered by a shakier tech job market. San Francisco, meanwhile, has gained momentum as the epicenter of the AI boom, bringing an influx of highly paid workers and renewed confidence to its economy.

To view the full report, including the latest market data for both metros above, please visit: <https://www.redfin.com/news/two-tech-cities-housing-san-francisco-seattle>

About Redfin

Redfin is a technology-driven real estate company with the country's most-visited real estate brokerage website. As part of Rocket Companies (NYSE: RKT), Redfin is creating an integrated homeownership platform from search to close to make the dream of homeownership more affordable and accessible for everyone. Redfin's clients can see homes first with on-demand tours, easily apply for a home loan with Rocket Mortgage, and save thousands in fees while working with a top local agent.

You can find more information about Redfin and get the latest housing market data and research at <https://www.redfin.com/news>. For more information about Rocket Companies, visit <https://www.rocketcompanies.com>.

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