

US Coastal Gateway Metros show resilience post-pandemic, Grosvenor reports

San Francisco, CA

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- Grosvenor’s North American property business issues new research on post-pandemic shifts in living and working patterns across US metros.
- Demographic, economic and real estate trends are returning to pre-pandemic norms.
- Report conducted in collaboration Rosen Consulting Group.

US gateway metros were hit hard by the pandemic, with remote work driving population outflows and weakening real estate demand. In its latest report, Grosvenor explores the ongoing recovery of several of its target US gateway investment markets—Seattle, the San Francisco Bay Area, and Washington, D.C.—highlighting their long-term structural advantages that create new residential real estate opportunities as these markets rebound.

“The long-run and enduring appeal of Grosvenor’s target US metros are attracting residents and investors again, while lower levels of building during the national building boom in the early 2020s has supported residential rental growth and occupancy levels,” said **Brian Biggs**, Vice President of Research and Strategy for Grosvenor’s North American property business.

The report features four parts:

1. **Innovation ecosystems driving long-run success:** Grosvenor demonstrates that its target markets are hosts to entrenched ecosystems of innovation, representing some of the largest clusters of highly skilled employment in the nation. These fundamental drivers of long-run growth are difficult to replicate elsewhere.
2. **Gateway metros have come back to life:** The dramatic changes that impacted Gateway metros in the early stages of the pandemic are reversing, with various measures of urban vibrancy increasing.
3. **Less new building during the pandemic:** High barriers to entry mean new supply reacts slowly to changes in demand. Grosvenor believes this has helped balance supply and demand, creating a favorable environment for growth over the next expansionary cycle.
4. **Attractive entry point for real estate:** Grosvenor notes that a narrow window of opportunity is open to acquire high-quality assets at attractive pricing.

An earlier research collaboration between Grosvenor and Rosen Consulting Group helped shape a [thought leadership event](#) held in 2023. Steve O’Connell, Ken Rosen, Steven Davis and Alicia John-Baptiste debated how San Francisco and other global Gateway Cities can leverage their natural strengths—talent and access to capital—while enhancing governance to foster innovation, adaptation and a renewed leadership position.

Today, many of the predictions from this initial research have proven out: Gateways are seeing some of the best residential rental growth in the Country, enjoying population growth with the return of international migration and are witnessing a ‘return of fun’ with social activities busier than they were before the pandemic.

About Grosvenor

Grosvenor has operated a diversified real estate business in North America since 1952. We focus on vibrant urban locations, making a positive difference to local neighborhoods and communities.

As of December 31, 2023, we had assets under management of US\$3.8bn/C\$5.0bn, including 71 high-quality properties, and is executing on a US\$4.9bn/C\$6.5bn development pipeline across its active markets. Consistent with the firm’s farsighted approach to ownership and development, we value long-term partnerships; across our nine active capital partners, the average relationship is 18 years.

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