



Multi-Family Market Report

San Jose - CA

PREPARED BY



MULTI-FAMILY MARKET REPORT

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12 Mo. Delivered Units

2,908

12 Mo. Absorption Units

1,617

Vacancy Rate

5.5%

12 Mo. Asking Rent Growth

2.3%

The structure and characteristics of the San Jose multifamily market derive from the success and growth of the technology-based economy of Silicon Valley. The impressive growth of this sector over the past 30 years has driven large increases in employment and income and generated strong growth in housing demand.

One consequence of the region's success is that housing in San Jose is among the costliest in the nation. Apartment rents are the third highest, after San Francisco and New York, while for-sale housing is out of the reach of many residents.

Another consequence is instability. The tech market tends to grow in waves, and is occasionally subject to sudden reversals, such as the dot-com bust of 2001-02. The most recent of these waves was initiated by the Covid-19 pandemic, the aftershocks of which are still impacting the Silicon Valley economy and the housing market. In 2020, the extensive lockdowns in the Bay Area led to a large drop in demand for rental apartments, and market vacancy increased sharply.

However, demand bounced back rapidly as technology companies ramped up hiring on the back of a huge growth in demand. Renters made their way back into the San Jose region, resulting in record levels of absorption and plunging vacancy through the first half of 2022. Then, in the second half of 2022, demand slowed again as residents tightened budgets to battle high inflation and rising interest rates, which resulted in lower absorption, rising vacancy, and negative pressure on rents. Now, the growing number of layoffs and hiring freezes by tech

companies is raising the prospect that demand may dip once more.

Construction activity has increased, with roughly 8,200 units underway. This is equal to the highest volume of new development in the past 15 years, but it is not by any means an excessive rate when compared to other major markets across the nation. As these new developments deliver, they may place some upward pressure on vacancy in the coming years. However, demand is projected to recover as the economy improves, and the vacancy rate should remain relatively stable.

Hybrid working will remain a prevalent trend for major Silicon Valley employers, but most employees will likely be required to be in an office at least a few days a week. While hybrid working has broadened apartment residents' search for housing, San Jose remains a desirable place to live, and overarching trends support strong rental housing demand.

Despite recent price declines, the single-family housing market remains expensive. As a result, a significant portion of new households will continue to become renters rather than owners, creating a backstop for apartment demand.

Investors have maintained interest in the market, and 22Q3 saw the highest quarterly sales volume of the past 10 years. Transaction pricing in San Jose continues to be at one of the highest levels in the nation.

KEY INDICATORS

| Current Quarter | Units | Vacancy Rate | Asking Rent | Effective Rent | Absorption Units | Delivered Units | Under Constr Units |
|-----------------|----------------|--------------|----------------|----------------|------------------|-----------------|--------------------|
| 4 & 5 Star | 56,245 | 7.4% | \$3,388 | \$3,334 | 16 | 0 | 6,481 |
| 3 Star | 41,749 | 4.5% | \$2,944 | \$2,912 | 0 | 0 | 1,701 |
| 1 & 2 Star | 58,099 | 4.3% | \$2,267 | \$2,255 | 1 | 0 | 0 |
| Market | 156,093 | 5.5% | \$2,938 | \$2,902 | 17 | 0 | 8,182 |

| Annual Trends | 12 Month | Historical Average | Forecast Average | Peak | When | Trough | When |
|-----------------------------|----------|--------------------|------------------|--------|---------|---------|---------|
| Vacancy Change (YOY) | 0.7% | 5.1% | 5.8% | 9.8% | 2020 Q4 | 1.8% | 2000 Q1 |
| Absorption Units | 1,617 | 1,802 | 3,289 | 8,718 | 2021 Q4 | (2,918) | 2001 Q4 |
| Delivered Units | 2,908 | 2,154 | 3,853 | 4,913 | 2015 Q1 | 7 | 2009 Q3 |
| Demolished Units | 0 | 74 | 48 | 326 | 2021 Q1 | 0 | 2023 Q1 |
| Asking Rent Growth (YOY) | 2.3% | 1.7% | 3.2% | 23.1% | 2001 Q1 | -13.8% | 2002 Q3 |
| Effective Rent Growth (YOY) | 2.4% | 1.7% | 3.2% | 22.9% | 2001 Q1 | -13.9% | 2002 Q3 |
| Sales Volume | \$1.8B | \$970.5M | N/A | \$2.1B | 2008 Q1 | \$140M | 2003 Q1 |

On the back of robust hiring by technology companies, apartment demand in San Jose recovered quickly after the pandemic. Going into 2022, annual net absorption reached an all-time high of 8,700 units, and the vacancy rate, which had peaked at 9.8% in 2020, had dropped to 4.3% by mid-2022.

However, leasing performance dampened in the latter half of 2022 amid rising inflation, higher interest rates and economic uncertainty. Apartment demand slowed abruptly, and net absorption was negative in the second half of 2022. For the past 12 months, net absorption currently stands at 1,600 units, compared to the long-term average of 3,100 units. Together with an uptick in new deliveries in recent months, vacancy has increased to 5.5%, bringing the current performance in alignment with the metro's longer-term average. And so in terms of vacancy, San Jose is once again outperforming the national average, which currently stands at 6.7%.

The best performing assets are those in the mid and lower tiers, which have vacancy rates of 4.5% and 4.3%, respectively. Demand for affordable housing is robust, but supply has not kept up with demand due to rising construction costs and a lack of public funding.

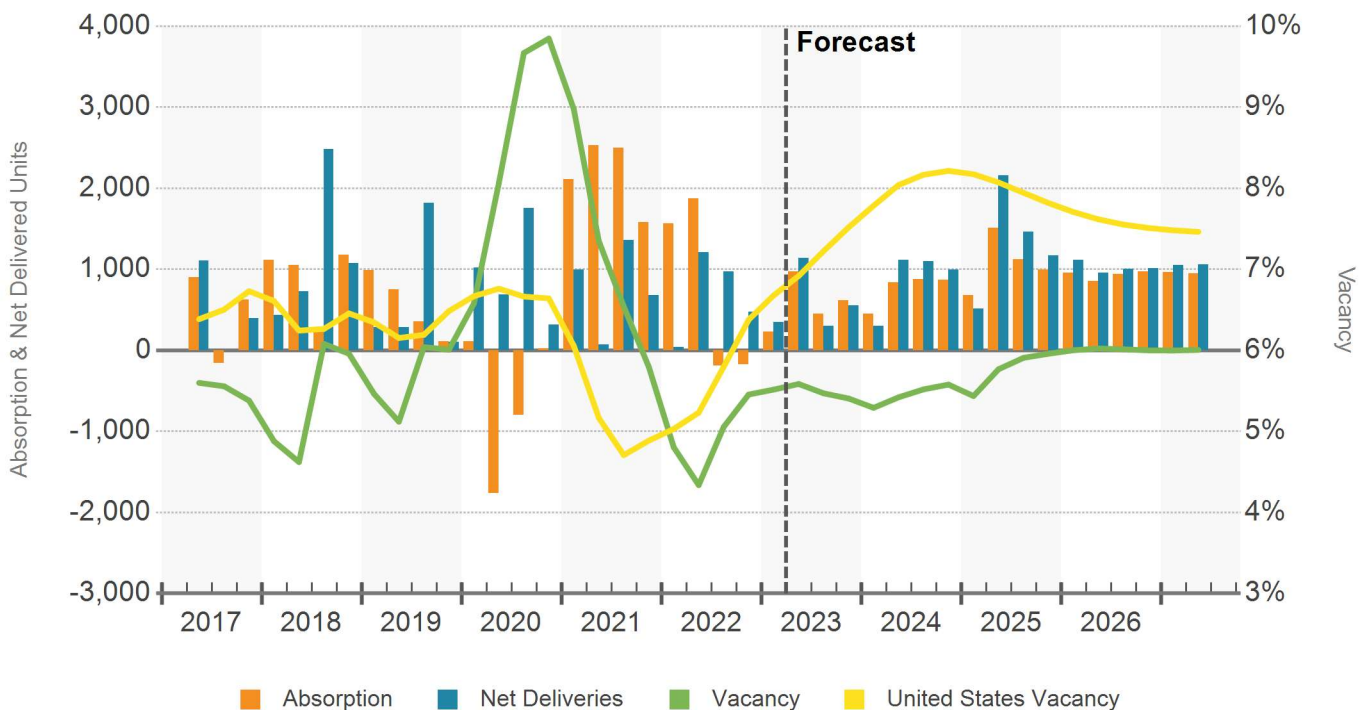
Certain submarkets have experienced a bulk of the

development activity. For example, submarkets such as Sunnyvale, Mountain View, and Downtown San Jose are growing rapidly, while development has also ramped up in Santa Clara. This could apply future pressure to vacancy and rent growth in these submarkets.

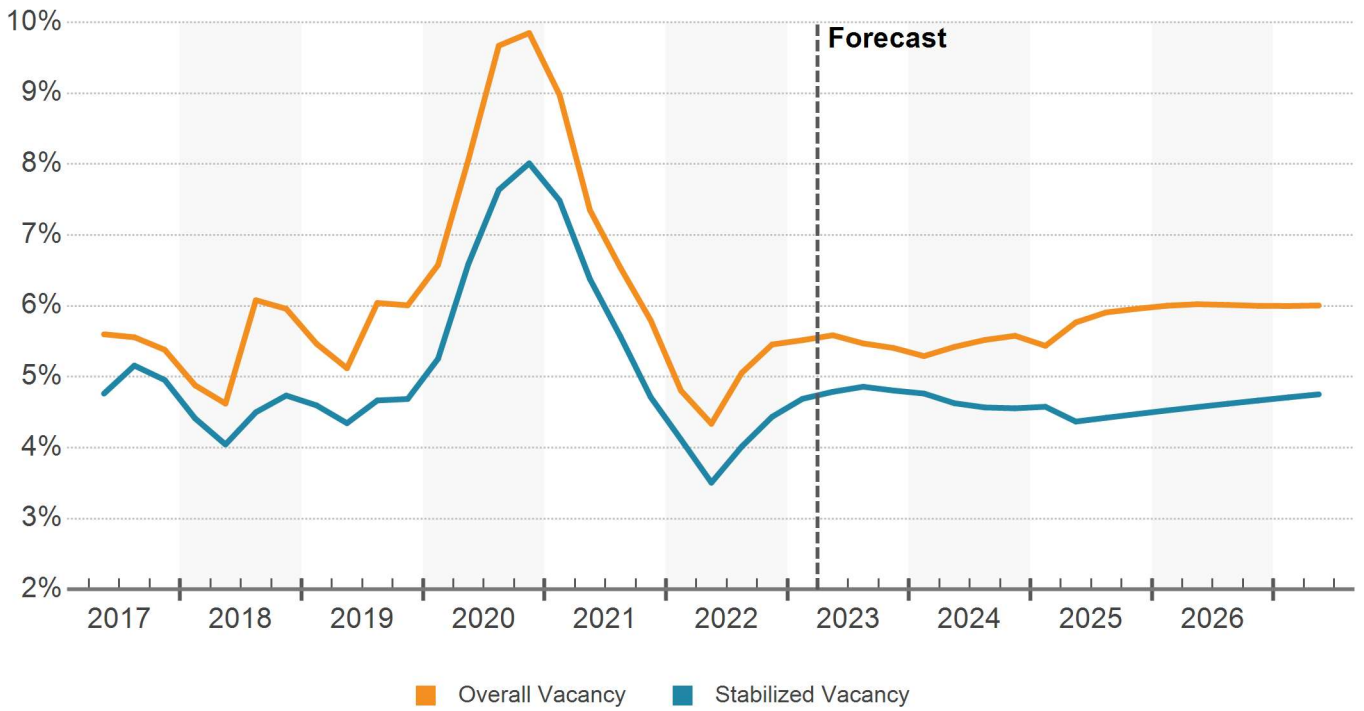
Many of the new developments are located near the numerous transit options that exist in the metro. Commuters in the San Jose Metro can look to VTA light rail, AC Transit, and Caltrain to access the region's job centers. Also, BART's extension into the metro will eventually connect to Downtown San Jose. Areas around the new and future stations are receiving increased attention from developers.

San Jose has continuously bolstered its status as one of the most saturated markets for tech employment in the country. Notwithstanding recent layoffs, major tech companies and startups alike are expected to continue to maintain a substantial presence in the metro. Locally headquartered tech titans, including Apple and Google, continue to post substantial profit growth and expand throughout Silicon Valley, and more recently, into Downtown San Jose. Long-term employment forecasts indicate San Jose and the broader Bay Area will outperform national benchmarks.

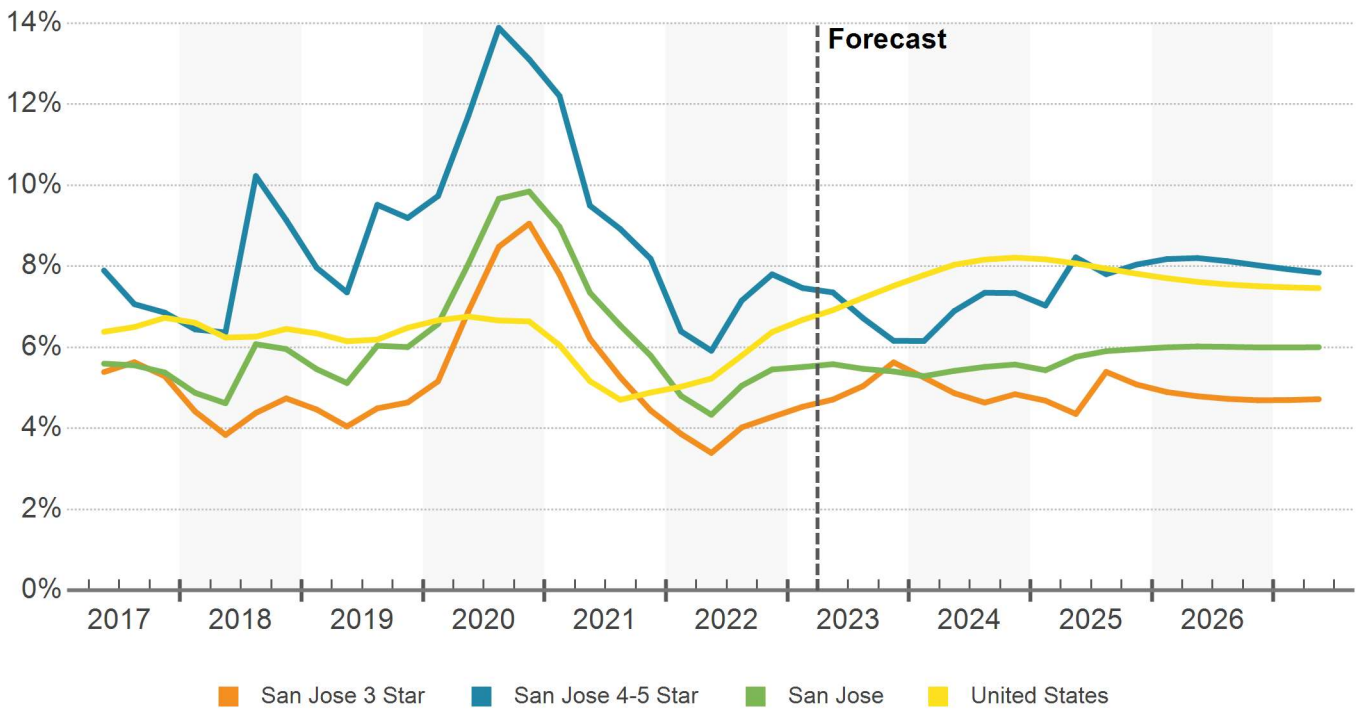
ABSORPTION, NET DELIVERIES & VACANCY



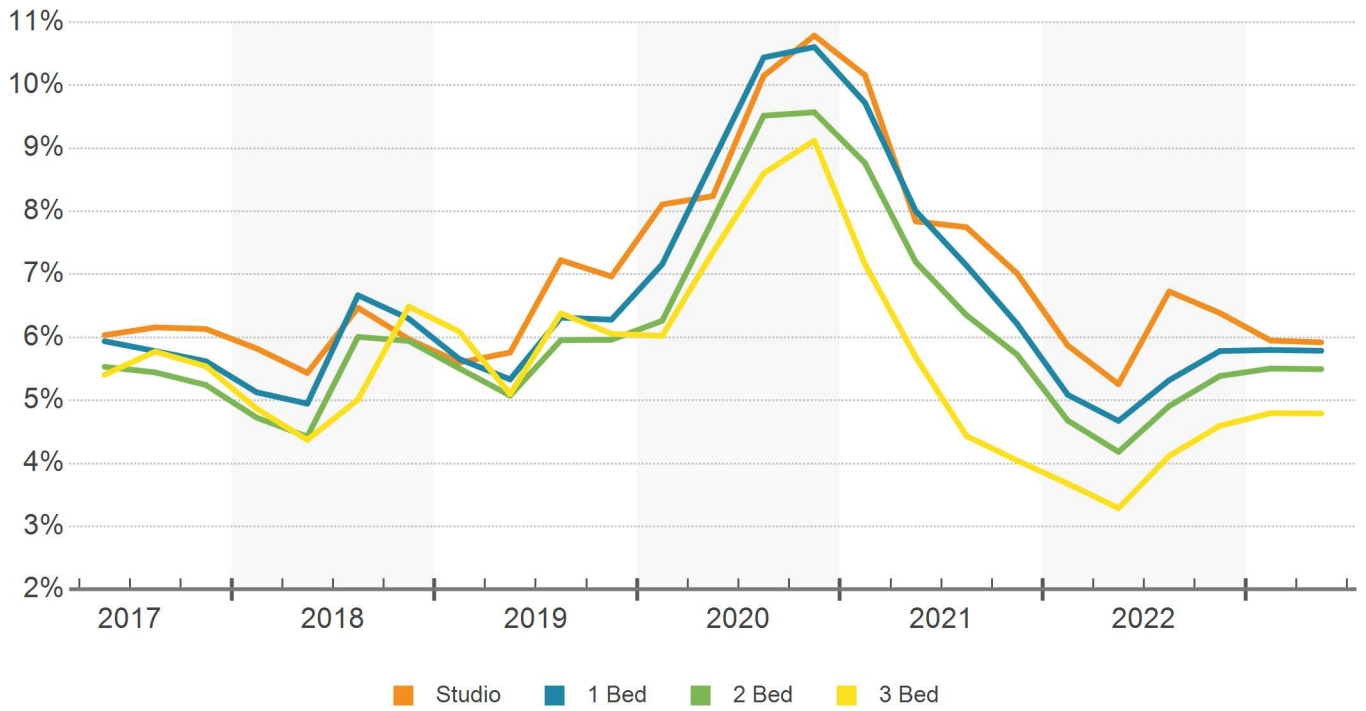
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



San Jose ranks as one of the most expensive major markets in the country, trailing only neighboring San Francisco and is in line with New York. Metro-wide asking rents average \$2,940/month. While rents for all classes of apartments exceed the national average, rents for mid- and lower-tier properties command particularly high rents. For example, at \$2,250/month, the average rent for a 1 & 2 Star property in San Jose is higher than the national average monthly rent for a 4 & 5 Star property.

Over the trailing 12 months, strong demand has increased rent growth to 2.3%, which is generally in line with the 10-year average annual rent growth of 3.2%. However, growth in recent years has been volatile, with rents falling by as much as -8.4% on a year-over-year basis earlier in the pandemic, before growing by 10.5% in 2021.

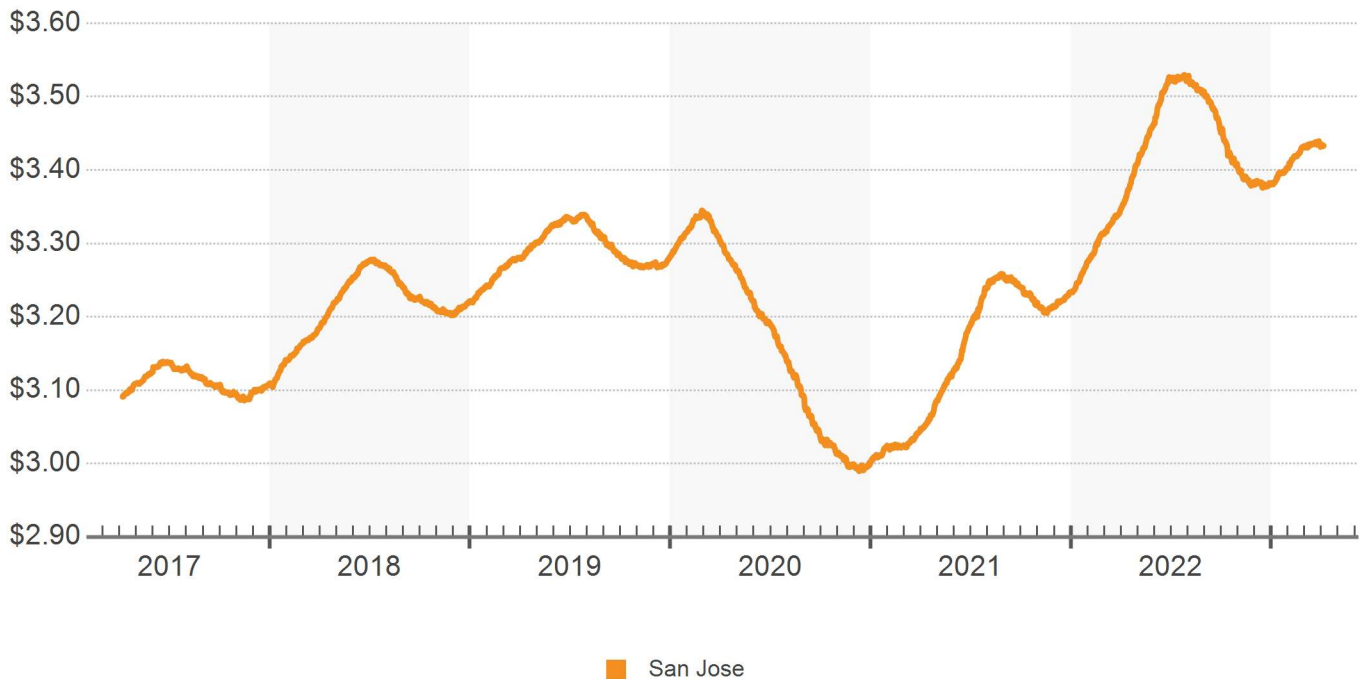
Rents are highest in the established residential

neighborhoods close to Stanford University and Silicon Valley's main employment centers. Palo Alto has the highest average rent, closely followed by Mountain View and Cupertino.

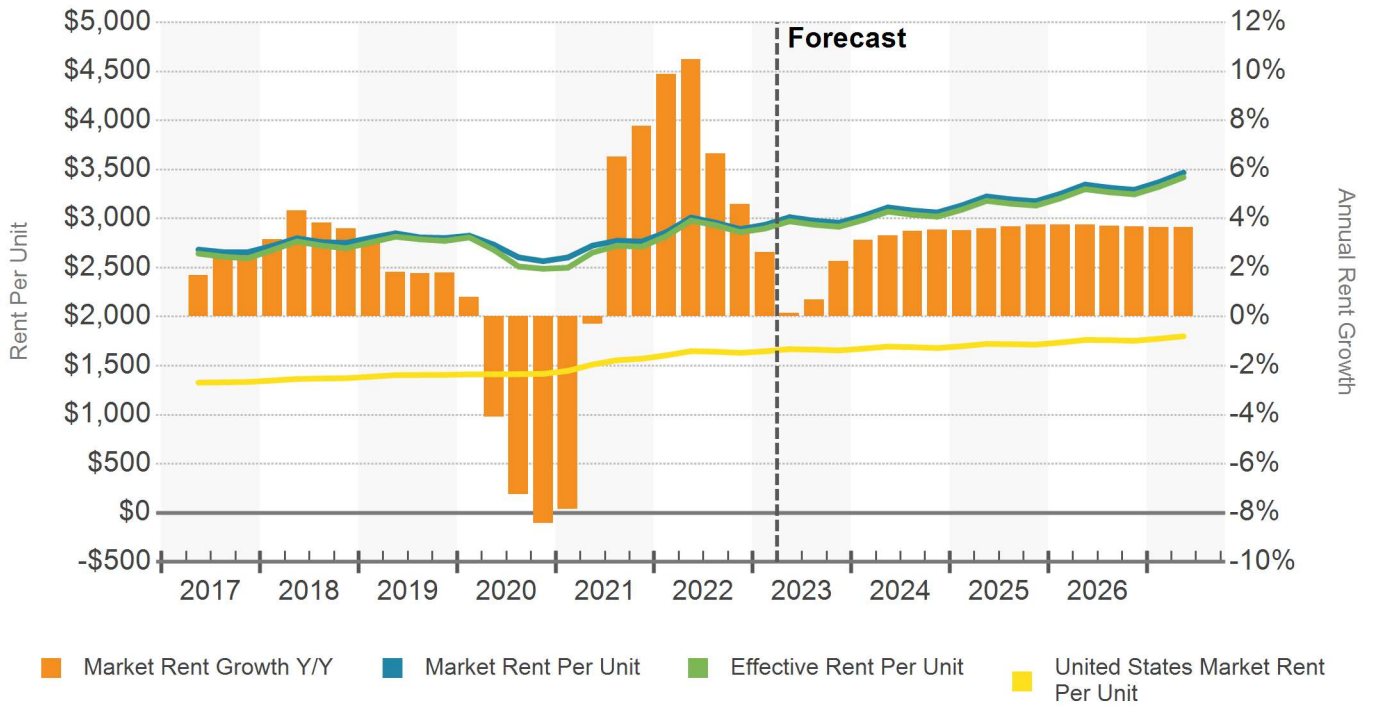
Across different quality segments of the market, rent growth has varied. Annual asking rent growth in 4 & 5 Star properties is now 1.3%, compared to 3.5% in 3 Star properties and 3.0% in 1 & 2 Star properties.

While expensive in comparison to most other areas of the country, many renters in San Jose have few alternative options for housing. Median home prices have more than doubled over the past decade, and the monthly cost of homeownership is often more expensive than renting. As the metro is geographically constrained, commutes to areas with lower-priced homes are time-consuming and arduous. As a result, many Silicon Valley workers are willing to pay high rental rates for multifamily units near suburban office campuses.

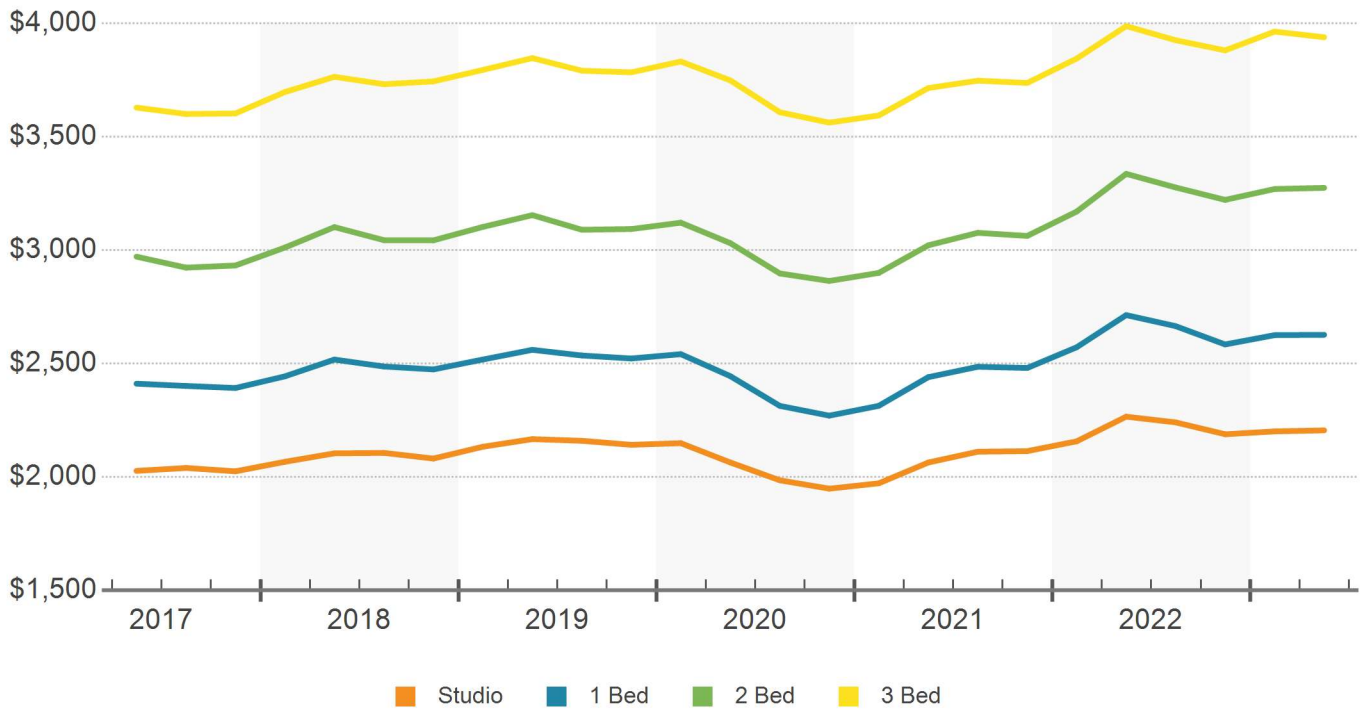
DAILY ASKING RENT PER SF



MARKET RENT PER UNIT & RENT GROWTH



MARKET RENT PER UNIT BY BEDROOM



4 & 5 STAR EXPENSES PER SF (ANNUAL)

| Market / Cluster | Operating Expenses | | | | | | | | Capital Expenditures | | | Total |
|----------------------|--------------------|--------|---------|--------|-----------|--------|-----------|--------|----------------------|------------|--------|----------------|
| | Mgmt. | Admin. | Payroll | Water | Utilities | Maint. | Insurance | Taxes | Appliance | Structural | Other | |
| San Jose | \$0.91 | \$0.74 | \$0.91 | \$0.48 | \$0.87 | \$1.22 | \$0.64 | \$2.83 | \$0.16 | \$0.69 | \$0.96 | \$10.41 |
| Campbell/Los Gatos | \$0.94 | \$0.73 | \$0.93 | \$0.49 | \$0.89 | \$1.21 | \$0.63 | \$2.65 | \$0.16 | \$0.66 | \$0.93 | \$10.22 |
| Cupertino | \$0.90 | \$0.79 | \$0.87 | \$0.34 | \$0.72 | \$0.96 | \$0.45 | \$2.43 | \$0.12 | \$0.49 | \$0.78 | \$8.85 |
| Downtown San Jose | \$0.89 | \$0.74 | \$0.89 | \$0.47 | \$0.85 | \$1.25 | \$0.67 | \$2.76 | \$0.17 | \$0.74 | \$1.01 | \$10.44 |
| East San Jose | \$0.89 | \$0.74 | \$0.89 | \$0.47 | \$0.85 | \$1.25 | \$0.67 | \$2.76 | \$0.17 | \$0.74 | \$1.01 | \$10.44 |
| Midtown San Jose | \$0.89 | \$0.74 | \$0.89 | \$0.47 | \$0.85 | \$1.25 | \$0.67 | \$2.76 | \$0.17 | \$0.74 | \$1.01 | \$10.44 |
| Milpitas/Berryessa | \$0.89 | \$0.74 | \$0.89 | \$0.47 | \$0.85 | \$1.25 | \$0.67 | \$2.76 | \$0.17 | \$0.74 | \$1.01 | \$10.44 |
| Morgan Hill/Gilroy | \$0.89 | \$0.74 | \$0.89 | \$0.47 | \$0.85 | \$1.25 | \$0.67 | \$2.76 | \$0.17 | \$0.74 | \$1.01 | \$10.44 |
| Mountain View/Los... | \$0.84 | \$0.70 | \$0.88 | \$0.45 | \$0.83 | \$1.13 | \$0.56 | \$2.54 | \$0.14 | \$0.57 | \$0.86 | \$9.50 |
| North San Jose | \$0.89 | \$0.74 | \$0.89 | \$0.47 | \$0.85 | \$1.25 | \$0.67 | \$2.76 | \$0.17 | \$0.74 | \$1.01 | \$10.44 |
| San Benito County | \$0.89 | \$0.74 | \$0.89 | \$0.47 | \$0.85 | \$1.25 | \$0.67 | \$2.76 | \$0.17 | \$0.74 | \$1.01 | \$10.44 |
| Santa Clara | \$0.88 | \$0.74 | \$0.88 | \$0.47 | \$0.85 | \$1.24 | \$0.66 | \$2.73 | \$0.17 | \$0.73 | \$0.99 | \$10.34 |
| South San Jose | \$1 | \$0.74 | \$1.05 | \$0.57 | \$0.97 | \$1.25 | \$0.67 | \$3.76 | \$0.17 | \$0.74 | \$1.01 | \$11.93 |
| Sunnyvale | \$0.86 | \$0.72 | \$0.88 | \$0.46 | \$0.84 | \$1.18 | \$0.60 | \$2.63 | \$0.15 | \$0.64 | \$0.92 | \$9.88 |
| West Valley San Jose | \$1.06 | \$0.65 | \$1.02 | \$0.54 | \$1 | \$0.93 | \$0.34 | \$1.88 | \$0.05 | \$0.07 | \$0.40 | \$7.94 |

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

| Market / Cluster | Operating Expenses | | | | | | | | Capital Expenditures | | | Total |
|----------------------|--------------------|--------|---------|--------|-----------|--------|-----------|--------|----------------------|------------|--------|---------------|
| | Mgmt. | Admin. | Payroll | Water | Utilities | Maint. | Insurance | Taxes | Appliance | Structural | Other | |
| San Jose | \$0.66 | \$0.53 | \$0.84 | \$0.38 | \$0.72 | \$0.78 | \$0.28 | \$1.78 | \$0.04 | \$0.12 | \$0.45 | \$6.58 |
| Campbell/Los Gatos | \$0.81 | \$0.55 | \$0.90 | \$0.43 | \$0.79 | \$0.84 | \$0.31 | \$1.74 | \$0.04 | \$0.07 | \$0.40 | \$6.88 |
| Cupertino | \$0.73 | \$0.58 | \$0.85 | \$0.34 | \$0.70 | \$0.76 | \$0.27 | \$1.93 | \$0.04 | \$0.10 | \$0.44 | \$6.74 |
| Downtown San Jose | \$0.42 | \$0.50 | \$0.73 | \$0.29 | \$0.61 | \$0.65 | \$0.23 | \$1.08 | \$0.04 | \$0.16 | \$0.48 | \$5.19 |
| East San Jose | \$0.41 | \$0.50 | \$0.85 | \$0.29 | \$0.61 | \$0.64 | \$0.21 | \$1.04 | \$0.03 | \$0.14 | \$0.47 | \$5.19 |
| Midtown San Jose | \$0.48 | \$0.47 | \$0.77 | \$0.28 | \$0.55 | \$0.73 | \$0.31 | \$1.51 | \$0.06 | \$0.28 | \$0.59 | \$6.03 |
| Milpitas/Berryessa | \$0.75 | \$0.60 | \$0.85 | \$0.42 | \$0.80 | \$0.86 | \$0.34 | \$2.08 | \$0.06 | \$0.22 | \$0.54 | \$7.52 |
| Morgan Hill/Gilroy | \$0.62 | \$0.55 | \$0.70 | \$0.37 | \$0.73 | \$0.73 | \$0.25 | \$1.67 | \$0.03 | \$0.06 | \$0.40 | \$6.11 |
| Mountain View/Los... | \$0.67 | \$0.56 | \$0.78 | \$0.39 | \$0.76 | \$0.74 | \$0.25 | \$1.80 | \$0.03 | \$0.07 | \$0.40 | \$6.45 |
| North San Jose | \$0.35 | \$0.47 | \$0.85 | \$0.26 | \$0.57 | \$0.56 | \$0.16 | \$0.82 | \$0.01 | \$0.07 | \$0.40 | \$4.52 |
| Palo Alto | \$0.71 | \$0.56 | \$0.85 | \$0.40 | \$0.79 | \$0.75 | \$0.25 | \$1.88 | \$0.03 | \$0.07 | \$0.40 | \$6.69 |
| San Benito County | \$0.41 | \$0.53 | \$0.35 | \$0.30 | \$0.60 | \$0.71 | \$0.24 | \$1.19 | \$0.03 | \$0.06 | \$0.38 | \$4.80 |
| Santa Clara | \$0.83 | \$0.62 | \$0.83 | \$0.45 | \$0.85 | \$0.87 | \$0.32 | \$1.76 | \$0.05 | \$0.08 | \$0.41 | \$7.07 |
| South San Jose | \$0.88 | \$0.60 | \$0.96 | \$0.51 | \$0.89 | \$1.06 | \$0.41 | \$3.17 | \$0.07 | \$0.23 | \$0.54 | \$9.32 |
| Sunnyvale | \$0.67 | \$0.56 | \$0.79 | \$0.39 | \$0.76 | \$0.75 | \$0.25 | \$1.81 | \$0.03 | \$0.07 | \$0.41 | \$6.49 |
| West Valley San Jose | \$0.67 | \$0.49 | \$0.84 | \$0.35 | \$0.67 | \$0.76 | \$0.27 | \$1.55 | \$0.04 | \$0.07 | \$0.40 | \$6.11 |

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

| Market / Cluster | Operating Expenses | | | | | | | | Capital Expenditures | | | Total |
|----------------------|--------------------|--------|---------|--------|-----------|--------|-----------|--------|----------------------|------------|--------|---------------|
| | Mgmt. | Admin. | Payroll | Water | Utilities | Maint. | Insurance | Taxes | Appliance | Structural | Other | |
| San Jose | \$0.38 | \$0.48 | \$0.37 | \$0.27 | \$0.54 | \$0.69 | \$0.23 | \$1.07 | \$0.03 | \$0.06 | \$0.38 | \$4.50 |
| Campbell/Los Gatos | \$0.40 | \$0.56 | \$0.37 | \$0.28 | \$0.55 | \$0.82 | \$0.30 | \$1.20 | \$0.04 | \$0.06 | \$0.38 | \$4.96 |
| Cupertino | \$0.44 | \$0.54 | \$0.39 | \$0.30 | \$0.60 | \$0.73 | \$0.25 | \$1.24 | \$0.03 | \$0.06 | \$0.38 | \$4.96 |
| Downtown San Jose | \$0.33 | \$0.45 | \$0.36 | \$0.25 | \$0.55 | \$0.53 | \$0.15 | \$0.78 | \$0.01 | \$0.06 | \$0.38 | \$3.85 |
| East San Jose | \$0.34 | \$0.45 | \$0.39 | \$0.25 | \$0.55 | \$0.53 | \$0.15 | \$0.78 | \$0.01 | \$0.06 | \$0.38 | \$3.89 |
| Midtown San Jose | \$0.28 | \$0.33 | \$0.35 | \$0.18 | \$0.39 | \$0.53 | \$0.17 | \$0.98 | \$0.02 | \$0.06 | \$0.38 | \$3.67 |
| Milpitas/Berryessa | \$0.49 | \$0.53 | \$0.49 | \$0.32 | \$0.64 | \$0.69 | \$0.23 | \$1.33 | \$0.03 | \$0.06 | \$0.39 | \$5.20 |
| Morgan Hill/Gilroy | \$0.41 | \$0.53 | \$0.35 | \$0.30 | \$0.60 | \$0.71 | \$0.24 | \$1.19 | \$0.03 | \$0.06 | \$0.38 | \$4.80 |
| Mountain View/Los... | \$0.41 | \$0.53 | \$0.35 | \$0.30 | \$0.60 | \$0.71 | \$0.24 | \$1.19 | \$0.03 | \$0.06 | \$0.38 | \$4.80 |
| North San Jose | \$0.33 | \$0.44 | \$0.35 | \$0.25 | \$0.55 | \$0.53 | \$0.15 | \$0.78 | \$0.01 | \$0.06 | \$0.38 | \$3.83 |
| Palo Alto | \$0.43 | \$0.53 | \$0.38 | \$0.31 | \$0.61 | \$0.71 | \$0.24 | \$1.23 | \$0.03 | \$0.06 | \$0.38 | \$4.91 |
| San Benito County | \$0.41 | \$0.53 | \$0.35 | \$0.30 | \$0.60 | \$0.71 | \$0.24 | \$1.19 | \$0.03 | \$0.06 | \$0.38 | \$4.80 |
| Santa Clara | \$0.40 | \$0.56 | \$0.35 | \$0.29 | \$0.57 | \$0.80 | \$0.28 | \$1.18 | \$0.04 | \$0.06 | \$0.38 | \$4.91 |
| South San Jose | \$0.42 | \$0.52 | \$0.38 | \$0.30 | \$0.60 | \$0.89 | \$0.30 | \$1.22 | \$0.04 | \$0.06 | \$0.38 | \$5.11 |
| Sunnyvale | \$0.43 | \$0.53 | \$0.37 | \$0.31 | \$0.61 | \$0.71 | \$0.24 | \$1.22 | \$0.03 | \$0.06 | \$0.38 | \$4.89 |
| West Valley San Jose | \$0.41 | \$0.54 | \$0.38 | \$0.28 | \$0.55 | \$0.81 | \$0.30 | \$1.21 | \$0.04 | \$0.06 | \$0.38 | \$4.96 |

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Construction activity ramped up in 2022 as developers responded to the growing demand for housing by kick-starting projects that had been delayed by the pandemic.

This uptick in activity is a continuation of the longer trend. Robust levels of new apartment construction have been easily absorbed over the past decade, with a net of roughly 32,000 market-rate apartments opening during this period, increasing inventory by 25.9%.

There are currently about 8,200 units under construction, representing 5.2% of the market's inventory. This is equal to the all-time high level of construction activity, and compares to the 10-year average of 7,000 units actively under construction across the metro. However, this rate of development is by no means unsustainable, being generally consistent with the average rate of development across the nation.

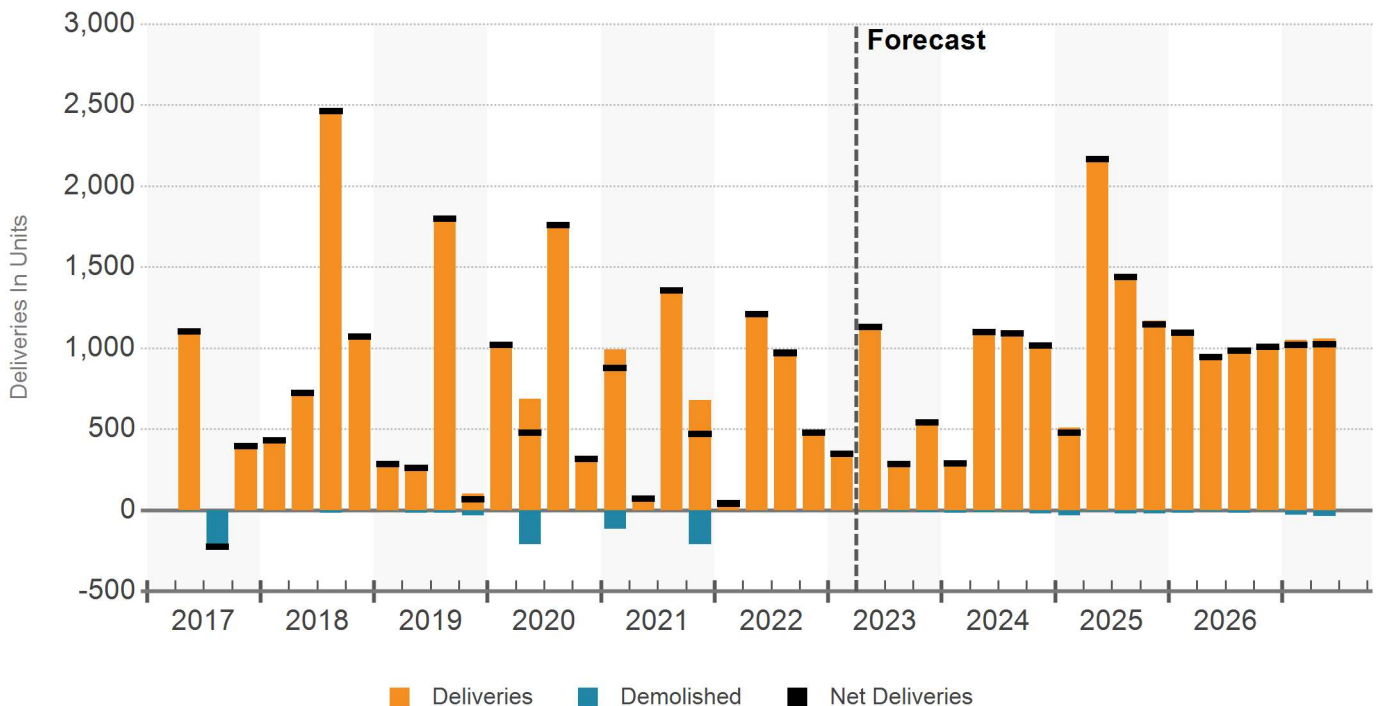
Submarkets experiencing the most development activity include Downtown San Jose, Santa Clara, Sunnyvale, and Mountain View. The vast majority of projects are located along the CalTrain route from the Peninsula into Downtown San Jose. Developers have continued to capitalize on the appeal of mixed-use transit-oriented

projects, where easy commutes and complementary retail and restaurant uses deliver an attractive lifestyle for residents.

One of the larger recent deliveries is The Hadley, a 4 Star, 471-unit mid-rise property in Mountain View, which began delivering units in 22Q4 with an average asking rent of around \$4,800/month. Also in Mountain View, the 632-unit Landsby opened in mid-2022 and is currently about 60% leased, with asking rents averaging \$4,550/month. The Downtown San Jose Submarket has also been among the most targeted submarkets by developers. One of the most recent deliveries was Shea Properties' 518-unit Sixth & Jackson project, which opened during 22Q3 and is currently 45% leased.

Six projects with more than 500 units each went under construction in 2022. The largest is Gateway Crossings in Santa Clara, which broke ground during 22Q3 and consists of more than 1,500 units. It is scheduled to open in 2025. Holland Partner Group signed a 99-year ground lease for the site, which has direct access to the Santa Clara Caltrain Station and Santa Clara University, located across the street.

DELIVERIES & DEMOLITIONS



Under Construction Properties

San Jose Multi-Family

Properties

Units

Percent of Inventory

Avg. No. Units

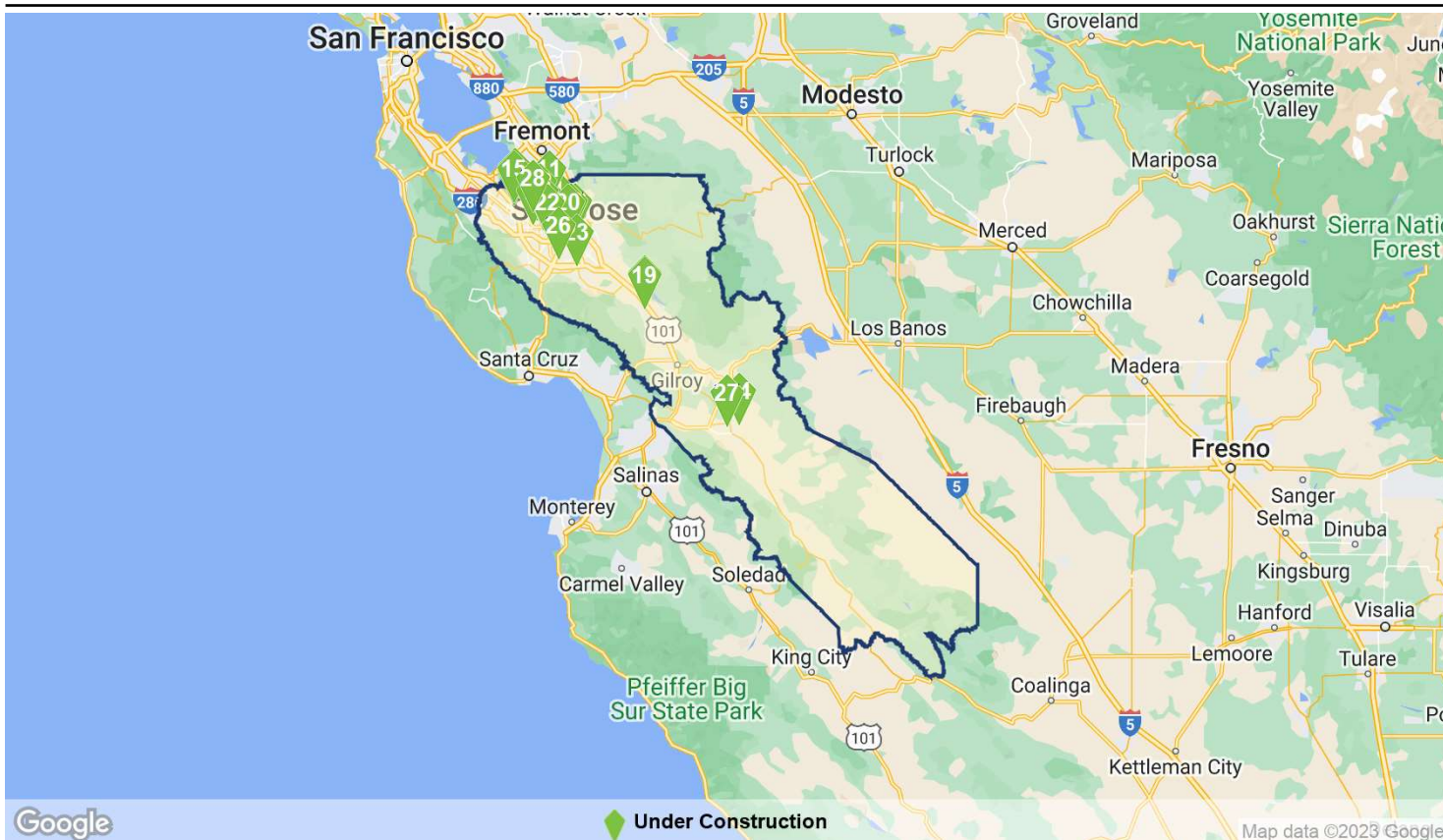
30

8,182

5.2%

273

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

| Property Name/Address | Rating | Units | Stories | Start | Complete | Developer/Owner |
|--|--------|-------|---------|----------|----------|--|
| 1 Gateway Crossings 1205 Coleman Ave | ★★★★★ | 1,565 | 11 | Jul 2022 | Apr 2025 | Holland Partner Group Hunter Properties, Inc. |
| 2 777 W Middlefield Rd | ★★★★☆ | 716 | 5 | Jun 2022 | Jun 2025 | Miramar Capital Advisors Moutain View Owner Llc |
| 3 1255 Pear Ave | ★★★★☆ | 635 | 6 | Nov 2022 | Jun 2024 | The Sobrato Organization The Sobrato Organization |
| 4 The Maxwell 1410 S Bascom Ave | ★★★★☆ | 590 | 6 | Jul 2022 | Jul 2024 | Bay West Development Bay West Group |
| 5 2300 Calle De Luna | ★★★★☆ | 509 | 22 | Jul 2022 | Aug 2024 | Related California The Related Companies |
| 6 Block 3-S 200 S Taaffe St | ★★★★☆ | 479 | 12 | Jun 2022 | Jun 2024 | Hunter Properties, Inc. Hunter Properties, Inc. |
| 7 Vida at Morgan Hill 18125 Butterfield Blvd | ★★★★☆ | 389 | 3 | Jun 2022 | Nov 2023 | Haseko America, Inc. MBK Real Estate Companies |

Under Construction Properties

San Jose Multi-Family

UNDER CONSTRUCTION

| Property Name/Address | Rating | Units | Stories | Start | Complete | Developer/Owner |
|---|--------|-------|---------|----------|----------|--|
| 8 Hanover Winchester 555 S Winchester Blvd | ★★★★★ | 368 | 7 | Sep 2021 | May 2023 | Pulte Group Gregory P Chiste |
| 9 Agrihood 90 N Winchester Blvd | ★★★★☆ | 361 | 5 | Sep 2021 | Jun 2023 | The Core Companies Housing Authority of the County o... |
| 10 1175 Aster Ave | ★★★★★ | 329 | 5 | Aug 2022 | Jun 2025 | Olympic Residential Group Hearthstone, Inc. |
| 11 Parcel 19 5123 Calle Del Sol | ★★★★☆ | 310 | 7 | Jul 2022 | May 2024 | Ensemble Real Estate Solutions Ensemble Investments, LLC |
| 12 Cielo Apartments 3580 Rambla Pl | ★★★★☆ | 286 | 6 | May 2022 | May 2023 | SummerHill Homes - |
| 13 Garden Gate Tower 600 S 1st St | ★★★★☆ | 285 | 27 | Jun 2022 | Jan 2024 | KT Urban, Inc. Salata 2005 Trust |
| 14 Laguna Clara Phase II 3131 Homestead Rd | ★★★☆☆ | 225 | 4 | Nov 2022 | May 2024 | Equity Residential Equity Residential |
| 15 The Residences @ Shor... 1001 N Shoreline Blvd | ★★★★☆ | 203 | 7 | Nov 2022 | Dec 2025 | Stockbridge Capital Group, LLC Stockbridge Capital Group, LLC |
| 16 Butcher's Corner 871 E Fremont Ave | ★★★☆☆ | 130 | 8 | Mar 2021 | Aug 2023 | - De Anza-wolfe Road Homes Part... |
| 17 Auzerais Ave Residential... 425-433 Auzerais Ave | ★★★★☆ | 130 | 6 | Jun 2022 | Jun 2024 | Eden Housing, Inc. Eden Housing, Inc. |
| 18 Delmas Avenue 341-365 Delmas Ave | ★★★☆☆ | 120 | 5 | Nov 2022 | Nov 2023 | - Zhen Zhen Li & David Luo |
| 19 Monterey Gateway 18110 Monterey Rd | ★★★★☆ | 101 | 3 | Aug 2021 | Aug 2023 | City Ventures Trumark Companies |
| 20 Mariposa Place 750 W San Carlos St | ★★★★☆ | 80 | 6 | Aug 2022 | Aug 2024 | The Danco Group County of Santa Clara |
| 21 The Deck 3402 El Camino Real | ★★★★☆ | 66 | 4 | May 2022 | May 2024 | De Anza Properties De Anza Properties |
| 22 The Meridian 3941 Stevens Creek Blvd | ★★★★☆ | 59 | 6 | Aug 2022 | Aug 2024 | - The Meridian |
| 23 Mesa Terrace 5647 Gallup Dr | ★★★★☆ | 46 | 5 | May 2022 | Jun 2023 | Eden Housing, Inc. City of San Jose |
| 24 The Highlands at Santan... 1378 Azalea Dr | ★★★☆☆ | 46 | 2 | Oct 2022 | Dec 2023 | Anderson Homes, Inc. Alta Real Estate |
| 25 1603-1605 Cushman St | ★★★★☆ | 44 | 3 | Sep 2021 | Oct 2023 | - Albert Valles Jr |
| 26 3225 Union Ave | ★★★☆☆ | 40 | 2 | Apr 2022 | Aug 2023 | - - |
| 27 Ladd Lane Apartments 382 Hillock Dr | ★★★★☆ | 25 | 3 | Aug 2021 | Aug 2023 | - Ted & Cecilia Intravia |
| 28 Future 18-Townhome Pr... 475 N Fair Oaks Ave | ★★★☆☆ | 18 | 3 | Jul 2021 | Jan 2024 | - Navneet Aron |

Activity in San Jose's investment market picked up in the past year, with annual sales volume hitting \$1.8 billion. Deal activity peaked in 22Q3, when sales volume reached a 15-year high for the quarter, with around \$750 million of transactions closing.

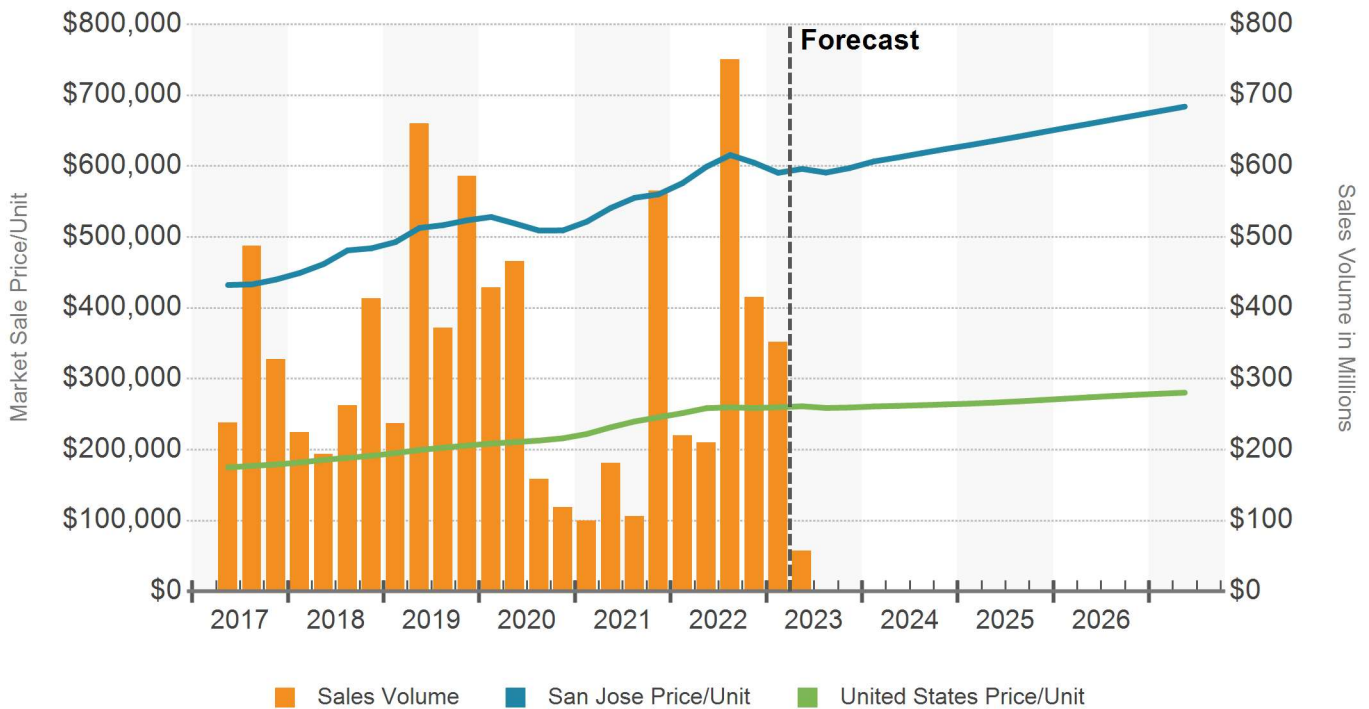
The market's average price of \$600,000/unit still ranks as the second-highest in the country among major metros, trailing only San Francisco.

Of the 110 sales that closed in the past year, 93 were for 1 & 2 Star properties, with a total 12-month sales volume of \$591 million and an average transaction price of \$380,000/unit. Local individual investors looking for rent growth, and national developers looking for value-add plays, were active buyers in this category.

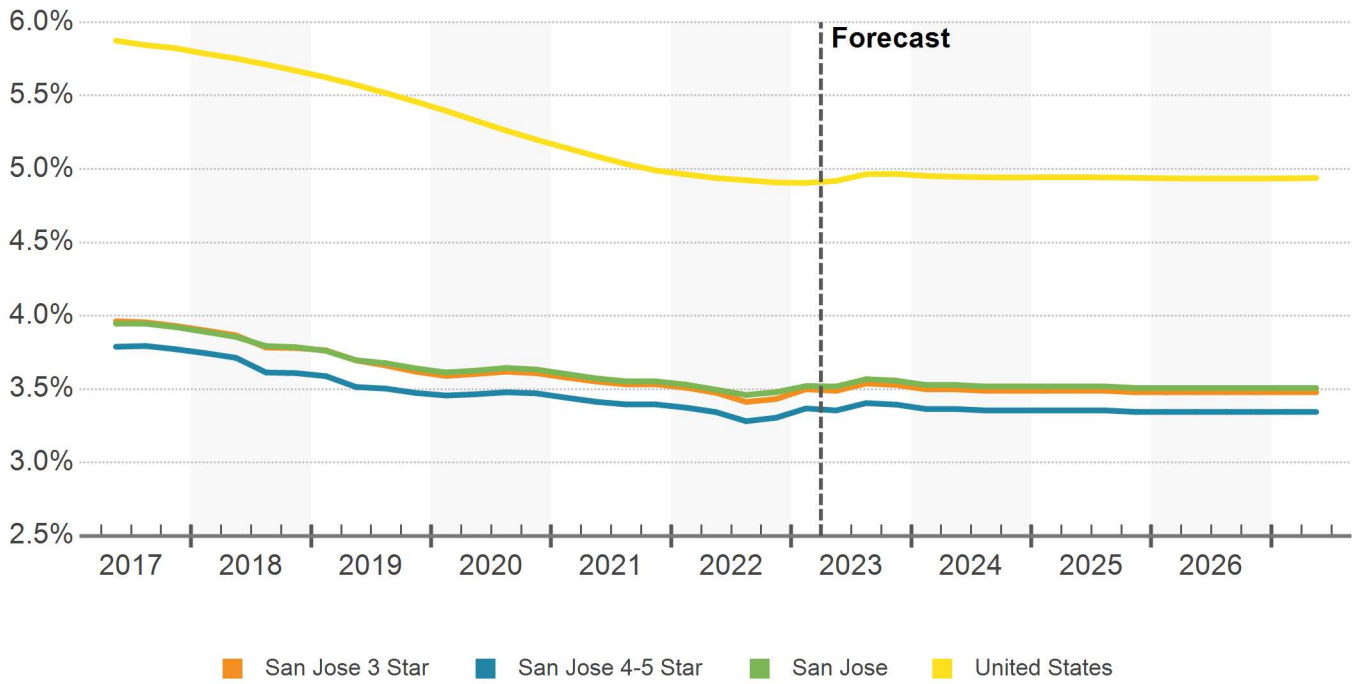
By contrast, just 3 properties accounted for the \$852 million sales volume for 4 & 5 Star properties. MG

Properties acquired the Eleanor Apartments in Milpitas for \$193 million, or about \$580,000/unit, during 22Q3. The 333-unit property was built in 2021 by the SummerHill Housing Group, one of the sellers, along with The Resmark Companies and Kennedy Wilson. Rents averaged about \$3,200/month at the time of the sale, and the property stabilized during 22Q1. That same quarter, MG Properties joined with Oaktree Capital Management to purchase The Platform located in San Jose. The 551-unit community sold for \$320 million, or about \$581,000/unit. MG Properties has been targeting the San Jose area due to strong employment growth, which the firm expects should boost apartment demand. Western National built the property in 2019 and was the seller. In October 2022, 3D Investments purchased the 345-unit property at 77 N Almaden Ave. in Downtown San Jose, paying \$185 million, or \$536,000/unit. The 21-story, 4 Star property was built in 2015.

SALES VOLUME & MARKET SALE PRICE PER UNIT



MARKET CAP RATE



Sales Past 12 Months

San Jose Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

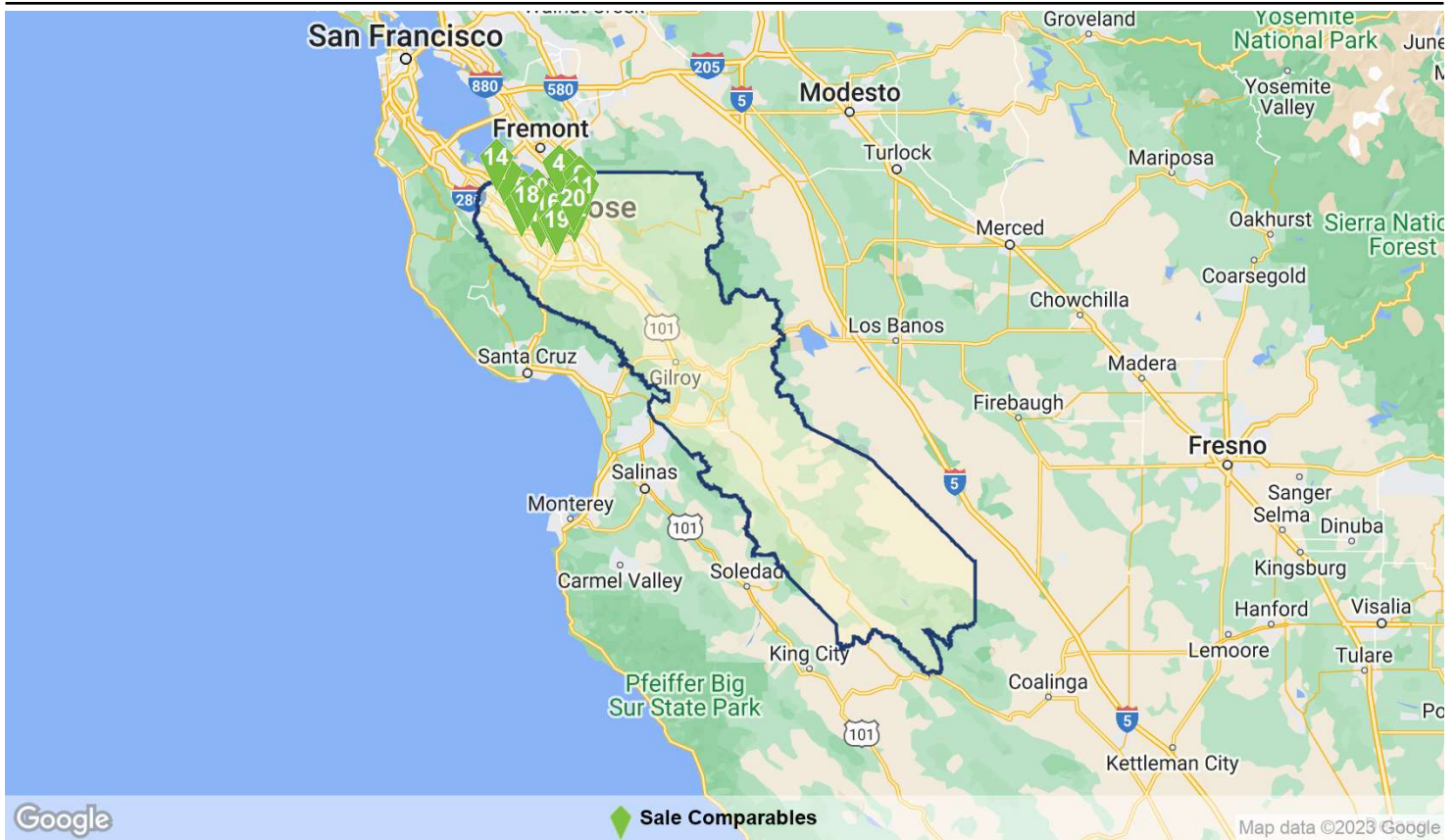
114

\$456

\$15.8

5.8%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

| Sales Attributes | Low | Average | Median | High |
|---------------------------|-----------|---------------|-------------|---------------|
| Sale Price | \$770,000 | \$15,761,197 | \$3,585,000 | \$320,000,000 |
| Price/Unit | \$85,555 | \$455,667 | \$367,720 | \$1,333,333 |
| Cap Rate | 2.3% | 4.1% | 4.0% | 6.1% |
| Vacancy Rate At Sale | 0% | 5.8% | 0% | 75.0% |
| Time Since Sale in Months | 0.0 | 7.0 | 7.9 | 12.0 |
| Property Attributes | Low | Average | Median | High |
| Property Size in Units | 5 | 40 | 9 | 759 |
| Number of Floors | 1 | 2 | 2 | 21 |
| Average Unit SF | 418 | 812 | 738 | 2,860 |
| Year Built | 1900 | 1961 | 1960 | 2022 |
| Star Rating | ★ ★ ★ ★ ★ | ★ ★ ★ ★ ★ 2.2 | ★ ★ ★ ★ ★ | ★ ★ ★ ★ ★ |

Sales Past 12 Months

RECENT SIGNIFICANT SALES

| Property Name/Address | Property Information | | | | Sale Information | | | | |
|---|----------------------|----------|-------|---------|------------------|---------------|------------|----------|--|
| | Rating | Yr Built | Units | Vacancy | Sale Date | Price | Price/Unit | Price/SF | |
| 1 The Platform 1501 Berryessa Rd | ★★★★★ | 2019 | 551 | 9.4% | 7/28/2022 | \$320,000,000 | \$580,762 | \$1,067 | |
| 2 Eleanor Apartments 312 Gates Dr | ★★★★★ | 2021 | 333 | 7.8% | 7/28/2022 | \$193,000,000 | \$579,579 | \$323 | |
| 3 Centerra 77 N Almaden Ave | ★★★★★ | 2015 | 345 | 9.0% | 10/26/2022 | \$185,000,000 | \$536,231 | \$529 | |
| 4 Cerano Apartments 501 Murphy Ranch Rd | ★★★★★ | 2012 | 373 | 4.0% | 3/31/2023 | \$153,500,000 | \$411,528 | \$398 | |
| 5 Cherryhill Apartments 902 W Remington Dr | ★★★★★ | 1962 | 244 | 9.4% | 1/19/2023 | \$106,002,000 | \$434,434 | \$530 | |
| 6 ReNew Berryessa 1265 N Capitol | ★★★★★ | 1973 | 220 | 1.8% | 10/11/2022 | \$74,150,000 | \$337,045 | \$485 | |
| 7 Mountain View Gardens 570 S Rengstorff Ave | ★★★★★ | 1968 | 70 | 18.6% | 4/6/2023 | \$57,400,000 | \$820,000 | \$609 | |
| 8 Via Reggio Apartments 1277 San Tomas Aquino Rd | ★★★★★ | 1988 | 116 | 0% | 7/27/2022 | \$53,250,000 | \$459,051 | \$520 | |
| 9 McClellan Terrace 7954 McClellan Rd | ★★★★★ | 1971 | 94 | 0% | 8/5/2022 | \$52,000,000 | \$553,191 | \$518 | |
| 10 Montecito 3760-3765 Tamarack Ln | ★★★★★ | 1970 | 114 | 4.4% | 10/25/2022 | \$50,700,000 | \$444,736 | \$354 | |
| 11 ReNew Twenty50 2050 McKee Rd | ★★★★★ | 1972 | 149 | 2.7% | 10/11/2022 | \$46,200,000 | \$310,067 | \$330 | |
| 12 Scotia Apartments 1785 Almaden Rd | ★★★★★ | 2020 | 55 | 1.8% | 3/9/2023 | \$31,250,000 | \$568,181 | \$546 | |
| 13 El Paseo de Saratoga Manor 4899 Campbell Ave | ★★★★★ | 1964 | 55 | 0% | 5/24/2022 | \$23,500,000 | \$427,272 | \$471 | |
| 14 Midtown Court Apartments 2721 Midtown Ct | ★★★★★ | 1963 | 60 | 3.3% | 3/3/2023 | \$20,000,000 | \$333,333 | \$453 | |
| 15 Carmel Park Apartments 175 E Homestead Rd | ★★★★★ | 1961 | 28 | 3.6% | 8/10/2022 | \$14,732,687 | \$526,167 | \$583 | |
| 16 ReNew 4NinetyEight 498 Boynton Ave | ★★★★★ | 1973 | 46 | 0% | 10/11/2022 | \$14,400,000 | \$313,043 | \$458 | |
| 17 Joseph Apartments 2871-2885 Joseph Ave | ★★★★★ | 1968 | 24 | 4.2% | 4/28/2022 | \$10,500,000 | \$437,500 | \$263 | |
| 18 Monterey Park Apartments 185 E Homestead Rd | ★★★★★ | 2006 | 28 | 3.6% | 8/10/2022 | \$10,267,313 | \$366,689 | \$428 | |
| 19 Bascom Arms Apartments 2643 Bascom Ave | ★★★★★ | 1963 | 40 | 5.0% | 6/21/2022 | \$10,200,000 | \$255,000 | \$503 | |
| 20 Metro Walk Apartments 555-569 S 2nd St | ★★★★★ | 1928 | 39 | 5.3% | 4/21/2022 | \$9,600,000 | \$246,153 | \$468 | |

The San Jose economy has fared well in recent years. Tech companies recorded strong earnings growth, and employment recovered from losses incurred during the pandemic.

Employment in the San Jose metro fell 13% immediately following the coronavirus outbreak. While stark, job losses were even more pronounced across the state of California and the nation overall. San Jose's job losses are also lighter than San Francisco's and the East Bay's, due to its concentration of employment in technology companies rather than harder hit sectors like leisure, hospitality, and retail, which make up only around 20% of San Jose's employment base.

Growth in demand for tech products and services led tech companies to hire rapidly during 2020 and 2021. By the middle of 2022, however, with demand softening, and under pressure to manage costs, employers started to initiate hiring freezes and staff layoffs. As these trends continue, companies are evaluating their space needs and identifying office spaces to give up.

Many people left the Bay Area during the pandemic, as their lives and work were impacted by lockdowns and health concerns. In 2023, the metro's population is once again growing but remains -24,000 short of the total population three years ago.

The rate of unemployment declined to a historical low of just 2.2% in the past year, reflecting a high demand for workers. The recent series of tech layoffs across Silicon Valley should provide some much-needed liquidity to the metro's job market.

San Jose and, more broadly, the Bay Area, has firmly established itself as the nation's largest and most prestigious market for tech companies. Highly educated, STEM-field graduates (science, technology, engineering, and mathematics) flock to San Jose and the greater San

Francisco Bay Area in pursuit of employment at one of the many leading tech companies or startups headquartered in Silicon Valley. As a result, the market boasts one of the highest rates of educational attainment in the country, with over 50% of its working-age population possessing a college degree, more than 1.5 times the national rate.

Several factors led to San Jose's prominence in technology. The market is home to one of the nation's premier educational institutions, Stanford University, as well as San Jose State and several other large universities. In conjunction with the culture of innovation that Stanford and Silicon Valley foster, venture capital investment is a key component of the market's success. Technological advancements incubated locally are funded by the nation's largest collection of venture capital firms, many of which are located along Sand Hill Road in Menlo Park. The relationship between tech and venture capitalists in San Jose is symbiotic, with between 30% and 40% of total U.S. venture capital funding typically going to Bay Area-based companies. Venture capital funding to San Jose-based businesses reached a record level in 2021, but deal count and investment value pulled back in 2022 in response to higher interest rates and global economic uncertainty.

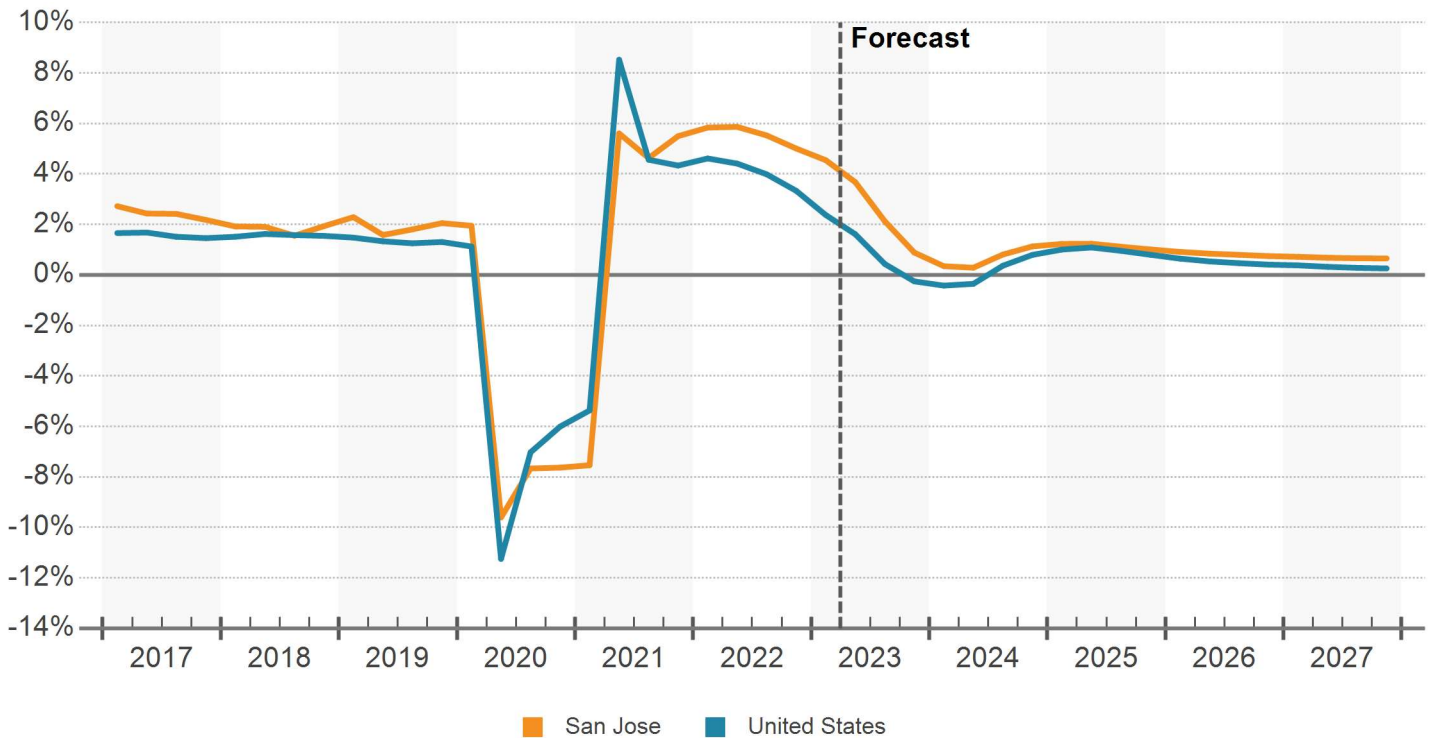
Prohibitive living and business costs are not the only issues of concern for San Jose's economy. While the talent pool associated with the tech industry remains the market's key source of strength, remote working provides the potential for companies to adjust their operating models to comprise a more mobile and distributed workforce, thus diminishing their reliance on local talent pools. The tech industry of today is more mature and profitable than ever before, but the San Jose/Silicon Valley market could potentially see slowing growth if mobile work is adopted at scale permanently, allowing companies to spread their recruiting efforts far and wide.

SAN JOSE EMPLOYMENT BY INDUSTRY IN THOUSANDS

| Industry | CURRENT JOBS | | CURRENT GROWTH | | 10 YR HISTORICAL | | 5 YR FORECAST | |
|--|--------------|------------|----------------|--------------|------------------|--------------|---------------|--------------|
| | Jobs | LQ | Market | US | Market | US | Market | US |
| Manufacturing | 177 | 1.8 | 2.21% | 2.46% | 1.22% | 0.77% | 0.03% | -0.03% |
| Trade, Transportation and Utilities | 125 | 0.6 | 2.82% | 0.86% | -0.64% | 1.16% | 0.00% | 0.07% |
| Retail Trade | 79 | 0.6 | 3.37% | -0.03% | -0.61% | 0.54% | 0.20% | 0.08% |
| Financial Activities | 37 | 0.5 | -1.68% | 1.36% | 1.10% | 1.39% | 0.12% | 0.08% |
| Government | 96 | 0.6 | 2.59% | 1.17% | 0.59% | 0.25% | 0.58% | 0.55% |
| Natural Resources, Mining and Construction | 56 | 0.9 | 4.21% | 2.62% | 4.20% | 2.40% | 0.79% | 0.21% |
| Education and Health Services | 194 | 1.0 | 4.70% | 3.35% | 3.13% | 1.72% | 1.23% | 0.53% |
| Professional and Business Services | 263 | 1.5 | 4.85% | 2.37% | 3.13% | 2.07% | 0.60% | 0.33% |
| Information | 115 | 4.8 | 5.94% | 4.56% | 7.61% | 1.31% | 1.69% | 0.22% |
| Leisure and Hospitality | 105 | 0.8 | 11.06% | 4.71% | 1.96% | 1.35% | 1.71% | 1.03% |
| Other Services | 26 | 0.6 | 8.55% | 2.54% | 0.30% | 0.59% | 1.14% | 0.30% |
| Total Employment | 1,195 | 1.0 | 4.48% | 2.31% | 2.28% | 1.28% | 0.77% | 0.37% |

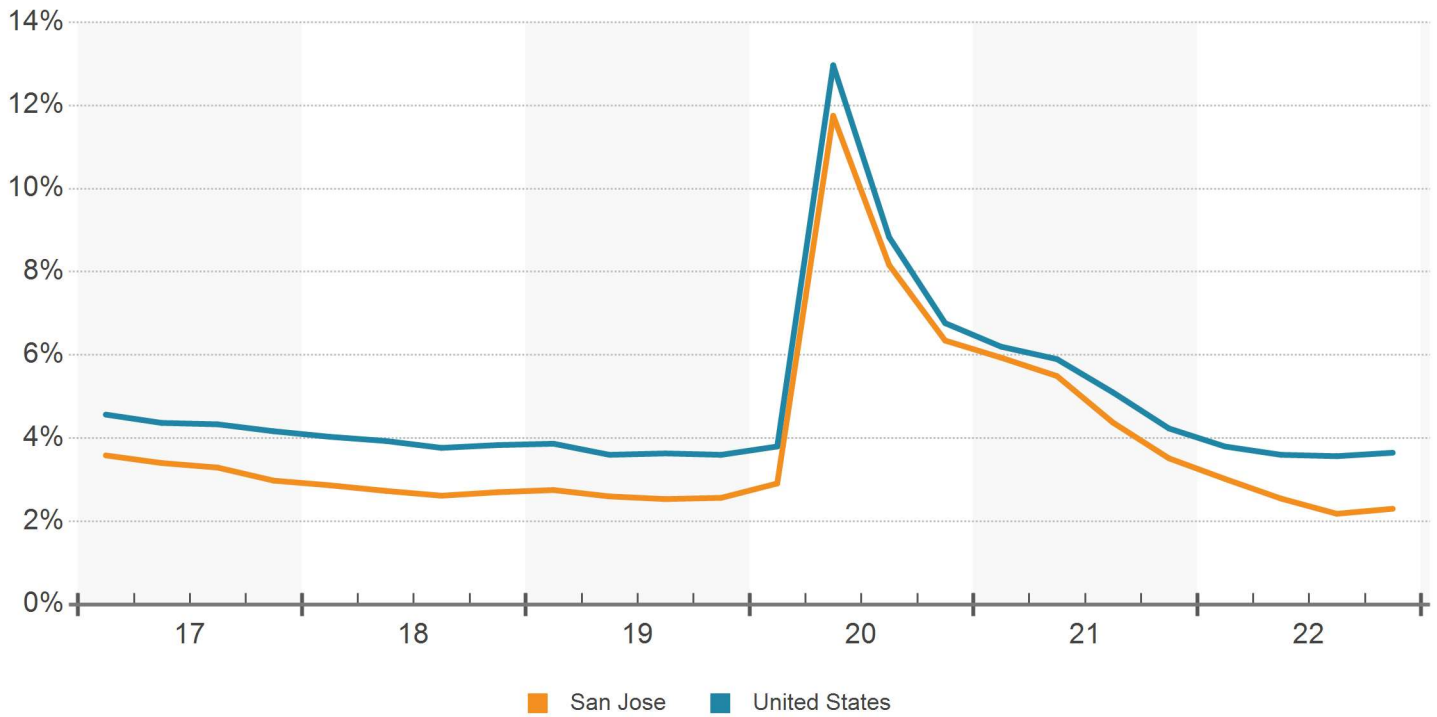
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

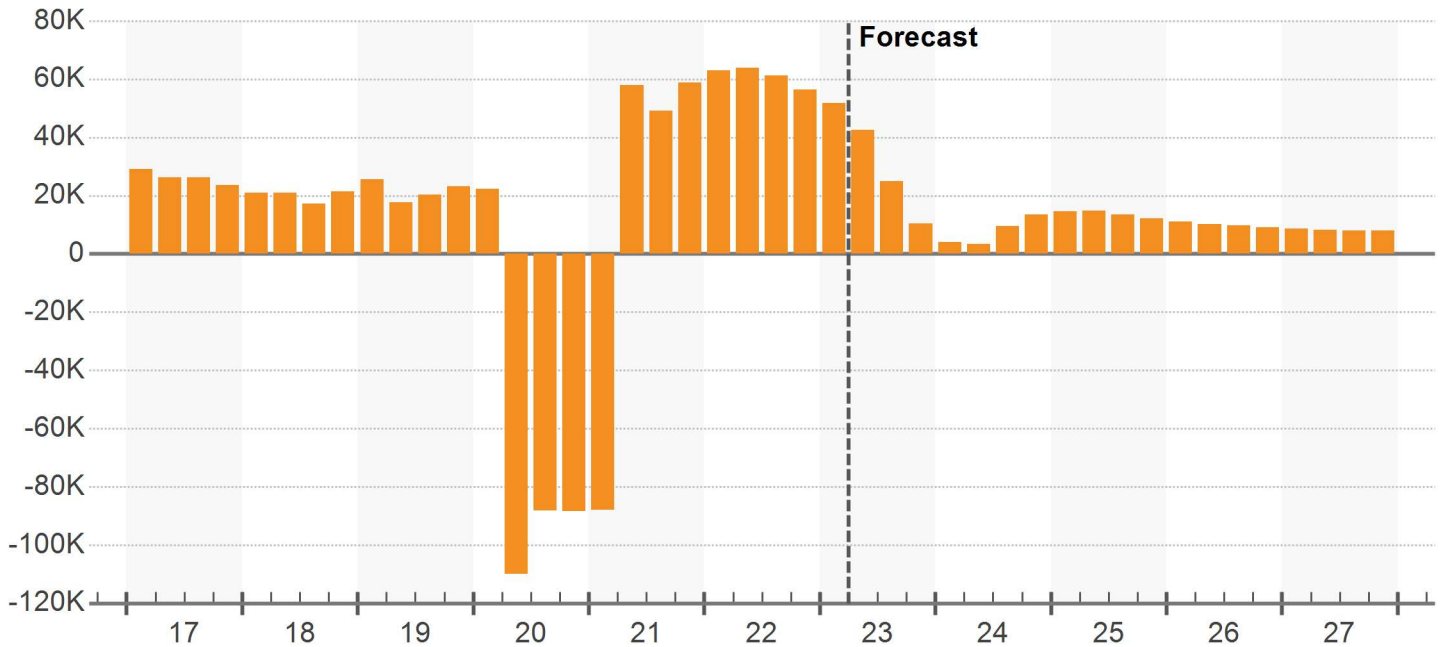


Source: Oxford Economics

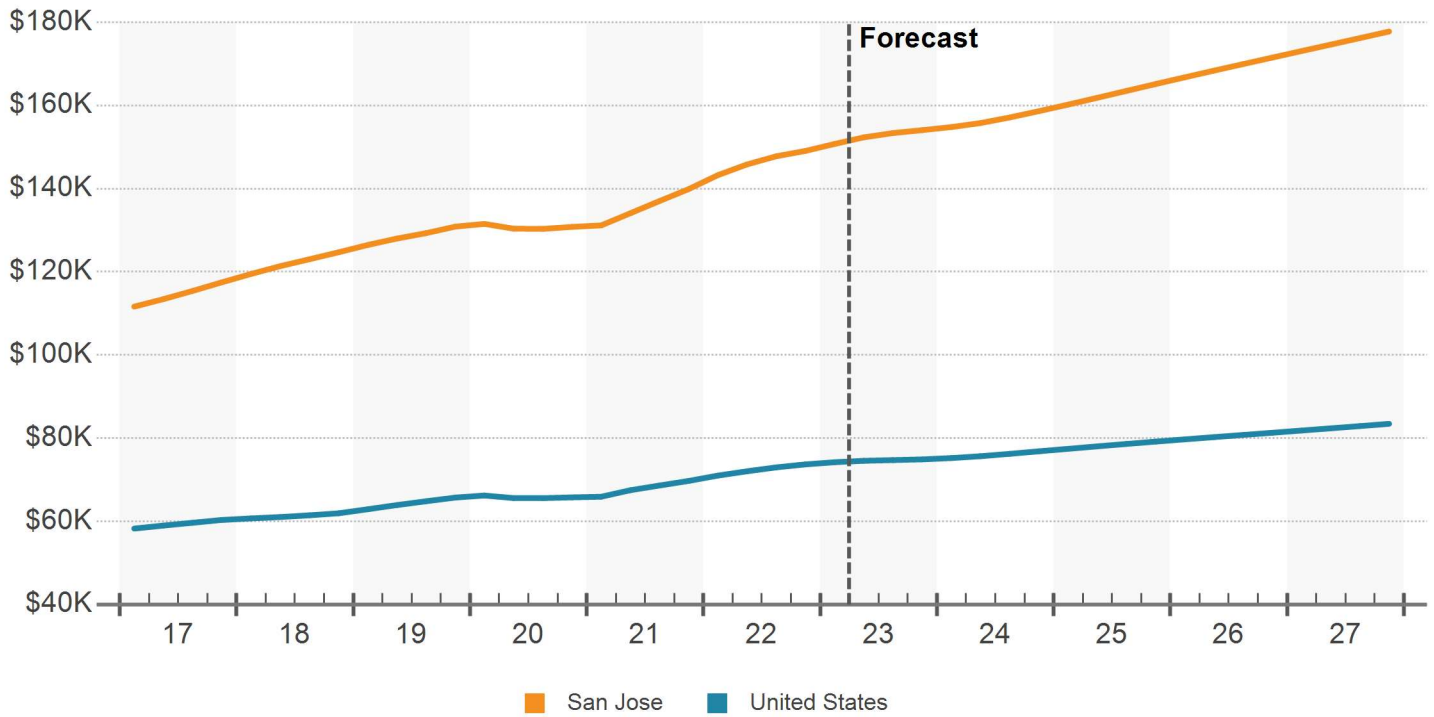
UNEMPLOYMENT RATE (%)



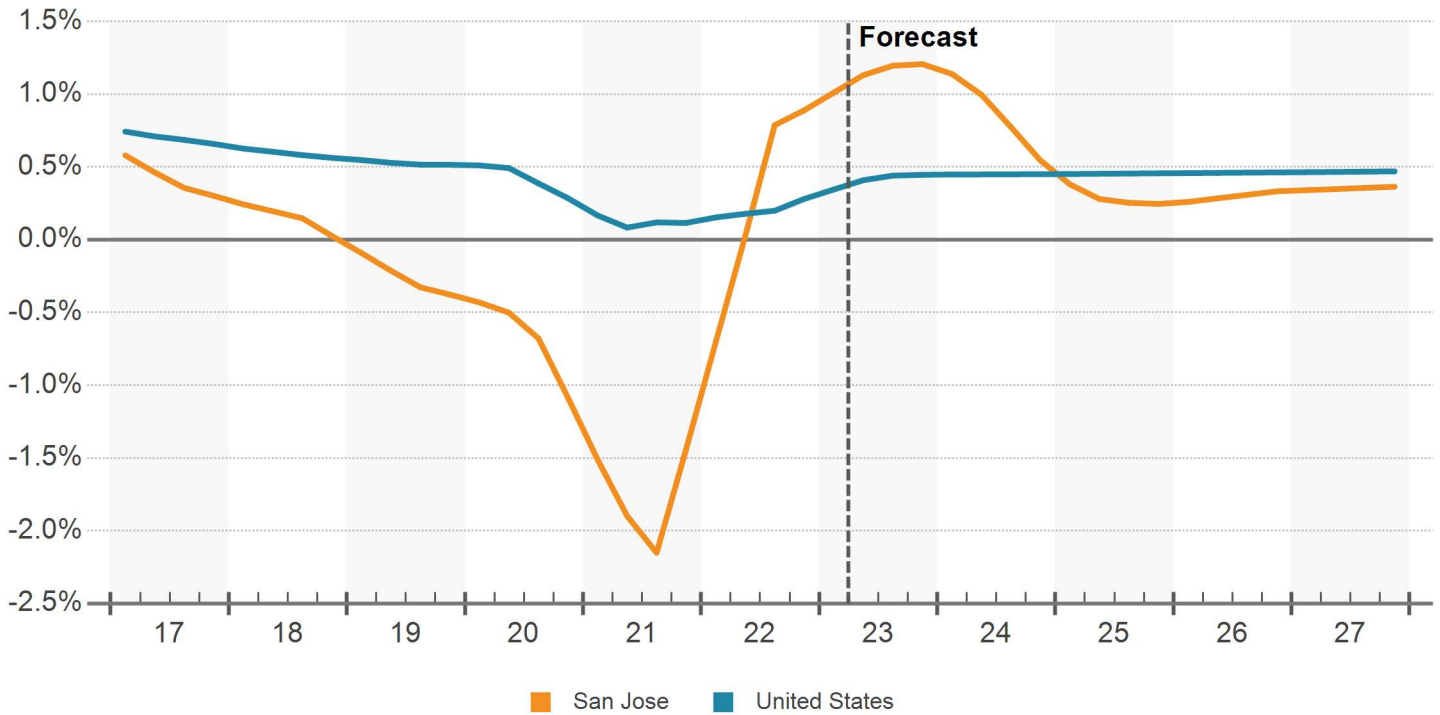
NET EMPLOYMENT CHANGE (YOY)



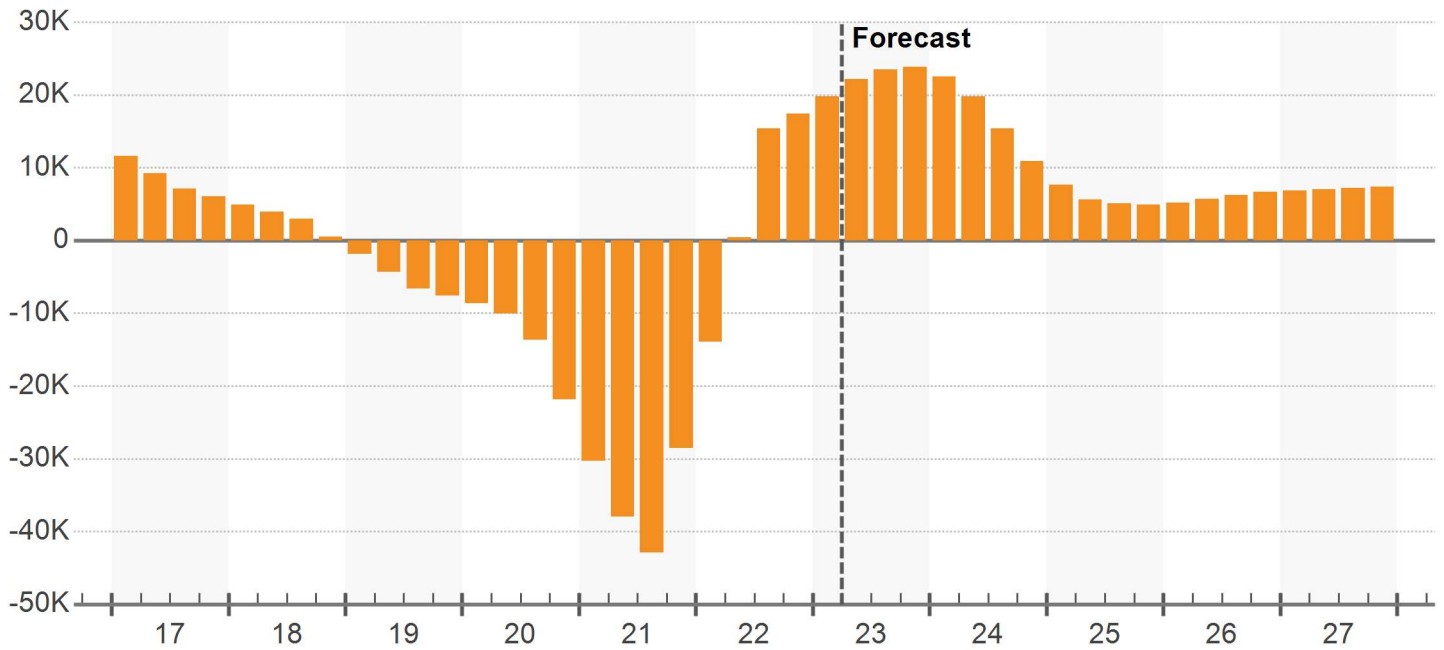
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

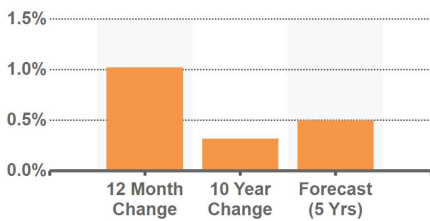


DEMOGRAPHIC TRENDS

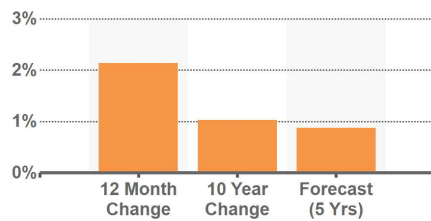
| Demographic Category | Current Level | | 12 Month Change | | 10 Year Change | | 5 Year Forecast | |
|-------------------------|---------------|-------------|-----------------|-------|----------------|-------|-----------------|------|
| | Metro | US | Metro | US | Metro | US | Metro | US |
| Population | 1,979,648 | 333,325,500 | 1.0% | 0.3% | 0.3% | 0.5% | 0.5% | 0.5% |
| Households | 687,127 | 129,349,414 | 1.5% | 0.9% | 0.5% | 0.8% | 0.6% | 0.6% |
| Median Household Income | \$150,866 | \$74,245 | 5.2% | 4.4% | 5.2% | 3.7% | 3.5% | 2.5% |
| Labor Force | 1,096,923 | 165,160,672 | 2.1% | 0.7% | 1.0% | 0.6% | 0.9% | 0.4% |
| Unemployment | 2.3% | 3.7% | -0.7% | -0.1% | -0.5% | -0.4% | - | - |

Source: Oxford Economics

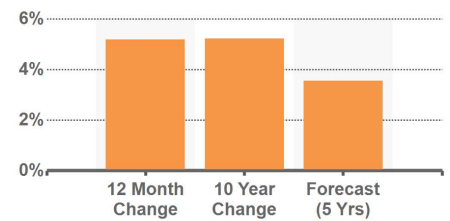
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Submarkets

SAN JOSE SUBMARKETS



Submarkets

San Jose Multi-Family

SUBMARKET INVENTORY

| No. | Submarket | Inventory | | | | 12 Month Deliveries | | | | Under Construction | | | |
|-----|-------------------------|-----------|--------|----------|------|---------------------|-------|---------|------|--------------------|-------|---------|------|
| | | Bldgs | Units | % Market | Rank | Bldgs | Units | Percent | Rank | Bldgs | Units | Percent | Rank |
| 1 | Campbell/Los Gatos | 241 | 7,070 | 4.5% | 10 | 1 | 5 | 0.1% | 9 | 0 | 0 | 0% | - |
| 2 | Cupertino | 63 | 5,505 | 3.5% | 11 | 0 | 0 | 0% | - | 0 | 0 | 0% | - |
| 3 | Downtown San Jose | 580 | 12,672 | 8.1% | 6 | 3 | 738 | 5.8% | 2 | 3 | 535 | 4.2% | 5 |
| 4 | East San Jose | 112 | 4,355 | 2.8% | 13 | 1 | 87 | 2.0% | 6 | 0 | 0 | 0% | - |
| 5 | Midtown San Jose | 326 | 7,677 | 4.9% | 8 | 0 | 0 | 0% | - | 2 | 670 | 8.7% | 4 |
| 6 | Milpitas/Berryessa | 66 | 8,046 | 5.2% | 7 | 2 | 413 | 5.1% | 4 | 0 | 0 | 0% | - |
| 7 | Morgan Hill/Gilroy | 155 | 2,988 | 1.9% | 14 | 1 | 9 | 0.3% | 8 | 2 | 490 | 16.4% | 6 |
| 8 | Mountain View/Los Altos | 456 | 14,819 | 9.5% | 4 | 3 | 879 | 5.9% | 1 | 4 | 1,564 | 10.6% | 2 |
| 9 | North San Jose | 32 | 12,800 | 8.2% | 5 | 0 | 0 | 0% | - | 0 | 0 | 0% | - |
| 10 | Palo Alto | 235 | 4,810 | 3.1% | 12 | 1 | 19 | 0.4% | 7 | 0 | 0 | 0% | - |
| 11 | San Benito County | 50 | 784 | 0.5% | 15 | 1 | 120 | 15.3% | 5 | 3 | 115 | 14.7% | 7 |
| 12 | Santa Clara | 497 | 20,754 | 13.3% | 2 | 0 | 0 | 0% | - | 8 | 3,463 | 16.7% | 1 |
| 13 | South San Jose | 264 | 17,429 | 11.2% | 3 | 0 | 0 | 0% | - | 2 | 86 | 0.5% | 8 |
| 14 | Sunnyvale | 588 | 28,816 | 18.5% | 1 | 3 | 640 | 2.2% | 3 | 5 | 1,242 | 4.3% | 3 |
| 15 | West Valley San Jose | 267 | 7,568 | 4.8% | 9 | 0 | 0 | 0% | - | 1 | 17 | 0.2% | 9 |

SUBMARKET RENT

| No. | Market | Asking Rents | | | | Effective Rents | | | | | |
|-----|-------------------------|--------------|--------|------|------------|-----------------|--------|------|------------|------------|------|
| | | Per Unit | Per SF | Rank | Yr. Growth | Per Unit | Per SF | Rank | Yr. Growth | Concession | Rank |
| 1 | Campbell/Los Gatos | \$2,716 | \$3.30 | 8 | 3.9% | \$2,677 | \$3.25 | 8 | 4.3% | 1.4% | 3 |
| 2 | Cupertino | \$3,557 | \$3.77 | 3 | 8.6% | \$3,510 | \$3.72 | 3 | 7.6% | 1.3% | 4 |
| 3 | Downtown San Jose | \$2,652 | \$3.29 | 9 | 0.3% | \$2,623 | \$3.25 | 9 | 1.6% | 1.1% | 8 |
| 4 | East San Jose | \$2,338 | \$2.95 | 13 | 3.3% | \$2,302 | \$2.90 | 13 | 2.2% | 1.6% | 2 |
| 5 | Midtown San Jose | \$2,604 | \$3.14 | 10 | 1.5% | \$2,589 | \$3.12 | 10 | 2.5% | 0.6% | 10 |
| 6 | Milpitas/Berryessa | \$2,940 | \$3.35 | 7 | 1.8% | \$2,910 | \$3.31 | 7 | 3.7% | 1.0% | 9 |
| 7 | Morgan Hill/Gilroy | \$2,477 | \$2.84 | 14 | 3.7% | \$2,467 | \$2.83 | 14 | 3.7% | 0.4% | 15 |
| 8 | Mountain View/Los Altos | \$3,202 | \$4.04 | 2 | -0.3% | \$3,097 | \$3.91 | 2 | -1.1% | 3.3% | 1 |
| 9 | North San Jose | \$3,147 | \$3.40 | 6 | 2.7% | \$3,130 | \$3.38 | 6 | 3.0% | 0.5% | 13 |
| 10 | Palo Alto | \$3,397 | \$4.22 | 1 | 3.9% | \$3,352 | \$4.17 | 1 | 4.2% | 1.3% | 5 |
| 11 | San Benito County | \$2,780 | \$2.57 | 15 | 2.0% | \$2,768 | \$2.56 | 15 | 2.3% | 0.4% | 14 |
| 12 | Santa Clara | \$3,090 | \$3.43 | 5 | 3.0% | \$3,052 | \$3.39 | 5 | 2.5% | 1.2% | 6 |
| 13 | South San Jose | \$2,772 | \$3.12 | 11 | 2.8% | \$2,755 | \$3.10 | 11 | 2.7% | 0.6% | 11 |
| 14 | Sunnyvale | \$3,020 | \$3.58 | 4 | 1.9% | \$2,984 | \$3.54 | 4 | 2.2% | 1.2% | 7 |
| 15 | West Valley San Jose | \$2,320 | \$3.11 | 12 | 0.6% | \$2,307 | \$3.09 | 12 | 0.8% | 0.6% | 12 |

SUBMARKET VACANCY & ABSORPTION

| No. | Submarket | Vacancy | | | 12 Month Absorption | | | |
|-----|-------------------------|---------|---------|------|---------------------|----------|------|-----------------|
| | | Units | Percent | Rank | Units | % of Inv | Rank | Construc. Ratio |
| 1 | Campbell/Los Gatos | 295 | 4.2% | 5 | (9) | -0.1% | 12 | - |
| 2 | Cupertino | 262 | 4.8% | 6 | (31) | -0.6% | 13 | - |
| 3 | Downtown San Jose | 1,040 | 8.2% | 14 | 723 | 5.7% | 1 | 0.9 |
| 4 | East San Jose | 209 | 4.8% | 7 | 69 | 1.6% | 7 | 1.3 |
| 5 | Midtown San Jose | 371 | 4.8% | 8 | 53 | 0.7% | 8 | - |
| 6 | Milpitas/Berryessa | 427 | 5.3% | 10 | 363 | 4.5% | 3 | 0.6 |
| 7 | Morgan Hill/Gilroy | 92 | 3.1% | 1 | (4) | -0.1% | 11 | - |
| 8 | Mountain View/Los Altos | 1,354 | 9.1% | 15 | 377 | 2.5% | 2 | 0.6 |
| 9 | North San Jose | 451 | 3.5% | 3 | (196) | -1.5% | 14 | - |
| 10 | Palo Alto | 249 | 5.2% | 9 | 31 | 0.6% | 9 | 0.6 |
| 11 | San Benito County | 24 | 3.1% | 2 | 118 | 15.0% | 6 | 1.0 |
| 12 | Santa Clara | 795 | 3.8% | 4 | 223 | 1.1% | 5 | - |
| 13 | South San Jose | 1,022 | 5.9% | 13 | (386) | -2.2% | 15 | - |
| 14 | Sunnyvale | 1,590 | 5.5% | 12 | 263 | 0.9% | 4 | 1.8 |
| 15 | West Valley San Jose | 412 | 5.4% | 11 | 21 | 0.3% | 10 | - |

OVERALL SUPPLY & DEMAND

| Year | Inventory | | | Absorption | | |
|------|-----------|--------|----------|------------|----------|--------------------|
| | Units | Growth | % Growth | Units | % of Inv | Construction Ratio |
| 2027 | 174,888 | 4,087 | 2.4% | 3,794 | 2.2% | 1.1 |
| 2026 | 170,801 | 4,030 | 2.4% | 3,720 | 2.2% | 1.1 |
| 2025 | 166,771 | 5,228 | 3.2% | 4,304 | 2.6% | 1.2 |
| 2024 | 161,543 | 3,494 | 2.2% | 3,026 | 1.9% | 1.2 |
| 2023 | 158,049 | 2,302 | 1.5% | 2,262 | 1.4% | 1.0 |
| YTD | 156,093 | 346 | 0.2% | 248 | 0.2% | 1.4 |
| 2022 | 155,747 | 2,696 | 1.8% | 3,075 | 2.0% | 0.9 |
| 2021 | 153,051 | 2,774 | 1.8% | 8,718 | 5.7% | 0.3 |
| 2020 | 150,277 | 3,570 | 2.4% | (2,425) | -1.6% | - |
| 2019 | 146,707 | 2,414 | 1.7% | 2,203 | 1.5% | 1.1 |
| 2018 | 144,293 | 4,687 | 3.4% | 3,608 | 2.5% | 1.3 |
| 2017 | 139,606 | 1,480 | 1.1% | 2,327 | 1.7% | 0.6 |
| 2016 | 138,126 | 3,761 | 2.8% | 2,396 | 1.7% | 1.6 |
| 2015 | 134,365 | 4,458 | 3.4% | 3,912 | 2.9% | 1.1 |
| 2014 | 129,907 | 4,701 | 3.8% | 4,202 | 3.2% | 1.1 |
| 2013 | 125,206 | 1,736 | 1.4% | 2,069 | 1.7% | 0.8 |
| 2012 | 123,470 | 3,579 | 3.0% | 2,601 | 2.1% | 1.4 |
| 2011 | 119,891 | 348 | 0.3% | 266 | 0.2% | 1.3 |

4 & 5 STAR SUPPLY & DEMAND

| Year | Inventory | | | Absorption | | |
|------|-----------|--------|----------|------------|----------|--------------------|
| | Units | Growth | % Growth | Units | % of Inv | Construction Ratio |
| 2027 | 73,594 | 4,152 | 6.0% | 4,026 | 5.5% | 1.0 |
| 2026 | 69,442 | 4,094 | 6.3% | 3,779 | 5.4% | 1.1 |
| 2025 | 65,348 | 4,556 | 7.5% | 3,764 | 5.8% | 1.2 |
| 2024 | 60,792 | 3,306 | 5.8% | 2,386 | 3.9% | 1.4 |
| 2023 | 57,486 | 1,587 | 2.8% | 2,390 | 4.2% | 0.7 |
| YTD | 56,245 | 346 | 0.6% | 525 | 0.9% | 0.7 |
| 2022 | 55,899 | 2,641 | 5.0% | 2,640 | 4.7% | 1.0 |
| 2021 | 53,258 | 2,983 | 5.9% | 5,215 | 9.8% | 0.6 |
| 2020 | 50,275 | 3,553 | 7.6% | 1,259 | 2.5% | 2.8 |
| 2019 | 46,722 | 2,458 | 5.6% | 2,210 | 4.7% | 1.1 |
| 2018 | 44,264 | 4,592 | 11.6% | 3,266 | 7.4% | 1.4 |
| 2017 | 39,672 | 1,685 | 4.4% | 2,276 | 5.7% | 0.7 |
| 2016 | 37,987 | 3,523 | 10.2% | 3,308 | 8.7% | 1.1 |
| 2015 | 34,464 | 4,463 | 14.9% | 4,083 | 11.8% | 1.1 |
| 2014 | 30,001 | 4,807 | 19.1% | 4,034 | 13.4% | 1.2 |
| 2013 | 25,194 | 1,690 | 7.2% | 2,055 | 8.2% | 0.8 |
| 2012 | 23,504 | 3,610 | 18.1% | 2,462 | 10.5% | 1.5 |
| 2011 | 19,894 | 354 | 1.8% | 372 | 1.9% | 1.0 |

3 STAR SUPPLY & DEMAND

| Year | Inventory | | | Absorption | | |
|------|-----------|--------|----------|------------|----------|--------------------|
| | Units | Growth | % Growth | Units | % of Inv | Construction Ratio |
| 2027 | 43,450 | 0 | 0% | (39) | -0.1% | 0 |
| 2026 | 43,450 | 0 | 0% | 170 | 0.4% | 0 |
| 2025 | 43,450 | 716 | 1.7% | 577 | 1.3% | 1.2 |
| 2024 | 42,734 | 243 | 0.6% | 565 | 1.3% | 0.4 |
| 2023 | 42,491 | 742 | 1.8% | 129 | 0.3% | 5.8 |
| YTD | 41,749 | 0 | 0% | (105) | -0.3% | 0 |
| 2022 | 41,749 | 55 | 0.1% | 119 | 0.3% | 0.5 |
| 2021 | 41,694 | (225) | -0.5% | 1,723 | 4.1% | - |
| 2020 | 41,919 | 227 | 0.5% | (1,632) | -3.9% | - |
| 2019 | 41,692 | 24 | 0.1% | 66 | 0.2% | 0.4 |
| 2018 | 41,668 | 112 | 0.3% | 336 | 0.8% | 0.3 |
| 2017 | 41,556 | (192) | -0.5% | 77 | 0.2% | - |
| 2016 | 41,748 | 238 | 0.6% | (538) | -1.3% | - |
| 2015 | 41,510 | 0 | 0% | (88) | -0.2% | 0 |
| 2014 | 41,510 | (32) | -0.1% | 181 | 0.4% | - |
| 2013 | 41,542 | 93 | 0.2% | (60) | -0.1% | - |
| 2012 | 41,449 | 42 | 0.1% | 218 | 0.5% | 0.2 |
| 2011 | 41,407 | 20 | 0% | (72) | -0.2% | - |

1 & 2 STAR SUPPLY & DEMAND

| Year | Inventory | | | Absorption | | |
|------|-----------|--------|----------|------------|----------|--------------------|
| | Units | Growth | % Growth | Units | % of Inv | Construction Ratio |
| 2027 | 57,844 | (65) | -0.1% | (193) | -0.3% | 0.3 |
| 2026 | 57,909 | (64) | -0.1% | (229) | -0.4% | 0.3 |
| 2025 | 57,973 | (44) | -0.1% | (37) | -0.1% | 1.2 |
| 2024 | 58,017 | (55) | -0.1% | 75 | 0.1% | - |
| 2023 | 58,072 | (27) | 0% | (257) | -0.4% | 0.1 |
| YTD | 58,099 | 0 | 0% | (172) | -0.3% | 0 |
| 2022 | 58,099 | 0 | 0% | 316 | 0.5% | 0 |
| 2021 | 58,099 | 16 | 0% | 1,780 | 3.1% | 0 |
| 2020 | 58,083 | (210) | -0.4% | (2,052) | -3.5% | 0.1 |
| 2019 | 58,293 | (68) | -0.1% | (73) | -0.1% | 0.9 |
| 2018 | 58,361 | (17) | 0% | 6 | 0% | - |
| 2017 | 58,378 | (13) | 0% | (26) | 0% | 0.5 |
| 2016 | 58,391 | 0 | 0% | (374) | -0.6% | 0 |
| 2015 | 58,391 | (5) | 0% | (83) | -0.1% | 0.1 |
| 2014 | 58,396 | (74) | -0.1% | (13) | 0% | 5.7 |
| 2013 | 58,470 | (47) | -0.1% | 74 | 0.1% | - |
| 2012 | 58,517 | (73) | -0.1% | (79) | -0.1% | 0.9 |
| 2011 | 58,590 | (26) | 0% | (34) | -0.1% | 0.8 |

OVERALL VACANCY & RENT

| Year | Vacancy | | | Market Rent | | | | Effective Rents | |
|------|---------|---------|----------|-------------|--------|----------|----------|-----------------|--------|
| | Units | Percent | Ppts Chg | Per Unit | Per SF | % Growth | Ppts Chg | Units | Per SF |
| 2027 | 10,541 | 6.0% | 0 | \$3,416 | \$4 | 3.7% | 0.1 | \$3,368 | \$3.94 |
| 2026 | 10,250 | 6.0% | 0 | \$3,293 | \$3.85 | 3.7% | (0.1) | \$3,247 | \$3.80 |
| 2025 | 9,938 | 6.0% | 0.4 | \$3,176 | \$3.72 | 3.7% | 0.2 | \$3,132 | \$3.67 |
| 2024 | 9,012 | 5.6% | 0.2 | \$3,062 | \$3.58 | 3.5% | 1.3 | \$3,019 | \$3.53 |
| 2023 | 8,545 | 5.4% | 0 | \$2,957 | \$3.46 | 2.3% | (2.3) | \$2,916 | \$3.41 |
| YTD | 8,593 | 5.5% | 0 | \$2,938 | \$3.44 | 2.3% | (2.3) | \$2,902 | \$3.39 |
| 2022 | 8,497 | 5.5% | (0.3) | \$2,892 | \$3.38 | 4.6% | (3.2) | \$2,861 | \$3.34 |
| 2021 | 8,874 | 5.8% | (4.1) | \$2,765 | \$3.23 | 7.8% | 16.2 | \$2,713 | \$3.17 |
| 2020 | 14,800 | 9.8% | 3.8 | \$2,565 | \$3 | -8.4% | (10.2) | \$2,488 | \$2.90 |
| 2019 | 8,815 | 6.0% | 0 | \$2,801 | \$3.27 | 1.8% | (1.8) | \$2,772 | \$3.24 |
| 2018 | 8,599 | 6.0% | 0.6 | \$2,752 | \$3.22 | 3.6% | 1.0 | \$2,697 | \$3.15 |
| 2017 | 7,512 | 5.4% | (0.7) | \$2,657 | \$3.10 | 2.6% | 2.3 | \$2,594 | \$3.03 |
| 2016 | 8,364 | 6.1% | 0.8 | \$2,589 | \$3.03 | 0.4% | (6.3) | \$2,522 | \$2.95 |
| 2015 | 7,008 | 5.2% | 0.2 | \$2,579 | \$3.02 | 6.7% | 1.0 | \$2,544 | \$2.97 |
| 2014 | 6,458 | 5.0% | 0.2 | \$2,418 | \$2.83 | 5.7% | (0.3) | \$2,388 | \$2.79 |
| 2013 | 5,959 | 4.8% | (0.3) | \$2,288 | \$2.67 | 6.0% | 0.9 | \$2,261 | \$2.64 |
| 2012 | 6,292 | 5.1% | 0.7 | \$2,159 | \$2.52 | 5.1% | 0.9 | \$2,140 | \$2.50 |
| 2011 | 5,315 | 4.4% | 0.1 | \$2,055 | \$2.40 | 4.1% | - | \$2,044 | \$2.39 |

4 & 5 STAR VACANCY & RENT

| Year | Vacancy | | | Market Rent | | | | Effective Rents | |
|------|---------|---------|----------|-------------|--------|----------|----------|-----------------|--------|
| | Units | Percent | Ppts Chg | Per Unit | Per SF | % Growth | Ppts Chg | Units | Per SF |
| 2027 | 5,698 | 7.7% | (0.3) | \$3,909 | \$4.21 | 3.6% | 0.1 | \$3,836 | \$4.13 |
| 2026 | 5,573 | 8.0% | 0 | \$3,775 | \$4.06 | 3.4% | (0.1) | \$3,704 | \$3.99 |
| 2025 | 5,257 | 8.0% | 0.7 | \$3,649 | \$3.93 | 3.6% | 0.1 | \$3,581 | \$3.85 |
| 2024 | 4,463 | 7.3% | 1.2 | \$3,523 | \$3.79 | 3.5% | 1.3 | \$3,457 | \$3.72 |
| 2023 | 3,543 | 6.2% | (1.6) | \$3,406 | \$3.66 | 2.2% | (1.4) | \$3,341 | \$3.59 |
| YTD | 4,183 | 7.4% | (0.4) | \$3,388 | \$3.64 | 1.3% | (2.3) | \$3,334 | \$3.58 |
| 2022 | 4,363 | 7.8% | (0.4) | \$3,333 | \$3.58 | 3.6% | (6.1) | \$3,280 | \$3.52 |
| 2021 | 4,360 | 8.2% | (4.9) | \$3,218 | \$3.45 | 9.7% | 18.7 | \$3,130 | \$3.36 |
| 2020 | 6,591 | 13.1% | 3.9 | \$2,935 | \$3.15 | -9.0% | (10.9) | \$2,804 | \$3.01 |
| 2019 | 4,296 | 9.2% | 0.1 | \$3,226 | \$3.46 | 1.8% | (1.6) | \$3,179 | \$3.41 |
| 2018 | 4,047 | 9.1% | 2.3 | \$3,168 | \$3.40 | 3.4% | 0.8 | \$3,096 | \$3.32 |
| 2017 | 2,721 | 6.9% | (1.9) | \$3,064 | \$3.29 | 2.6% | 2.5 | \$3,000 | \$3.22 |
| 2016 | 3,313 | 8.7% | (0.3) | \$2,986 | \$3.21 | 0.1% | (5.3) | \$2,902 | \$3.12 |
| 2015 | 3,099 | 9.0% | (0.1) | \$2,982 | \$3.20 | 5.4% | 1.4 | \$2,936 | \$3.15 |
| 2014 | 2,716 | 9.1% | 1.3 | \$2,829 | \$3.04 | 4.1% | (1.1) | \$2,785 | \$2.99 |
| 2013 | 1,942 | 7.7% | (2.1) | \$2,718 | \$2.92 | 5.2% | 1.7 | \$2,669 | \$2.87 |
| 2012 | 2,305 | 9.8% | 4.0 | \$2,584 | \$2.78 | 3.5% | 0.6 | \$2,554 | \$2.74 |
| 2011 | 1,157 | 5.8% | (0.2) | \$2,497 | \$2.68 | 2.8% | - | \$2,485 | \$2.67 |

3 STAR VACANCY & RENT

| Year | Vacancy | | | Market Rent | | | | Effective Rents | |
|------|---------|---------|----------|-------------|--------|----------|----------|-----------------|--------|
| | Units | Percent | Ppts Chg | Per Unit | Per SF | % Growth | Ppts Chg | Units | Per SF |
| 2027 | 2,079 | 4.8% | 0.1 | \$3,423 | \$3.99 | 3.9% | 0 | \$3,381 | \$3.94 |
| 2026 | 2,041 | 4.7% | (0.4) | \$3,294 | \$3.84 | 3.8% | 0 | \$3,254 | \$3.79 |
| 2025 | 2,210 | 5.1% | 0.2 | \$3,173 | \$3.70 | 3.9% | 0.3 | \$3,134 | \$3.65 |
| 2024 | 2,071 | 4.8% | (0.8) | \$3,055 | \$3.56 | 3.6% | 1.2 | \$3,017 | \$3.52 |
| 2023 | 2,393 | 5.6% | 1.3 | \$2,949 | \$3.44 | 2.4% | (3.9) | \$2,913 | \$3.40 |
| YTD | 1,893 | 4.5% | 0.3 | \$2,944 | \$3.44 | 3.5% | (2.9) | \$2,912 | \$3.40 |
| 2022 | 1,789 | 4.3% | (0.2) | \$2,880 | \$3.36 | 6.4% | (1.9) | \$2,863 | \$3.34 |
| 2021 | 1,852 | 4.4% | (4.6) | \$2,707 | \$3.16 | 8.3% | 18.6 | \$2,666 | \$3.11 |
| 2020 | 3,796 | 9.1% | 4.4 | \$2,500 | \$2.92 | -10.3% | (12.2) | \$2,450 | \$2.86 |
| 2019 | 1,935 | 4.6% | (0.1) | \$2,786 | \$3.25 | 1.9% | (2.5) | \$2,765 | \$3.23 |
| 2018 | 1,976 | 4.7% | (0.5) | \$2,734 | \$3.19 | 4.4% | 1.1 | \$2,687 | \$3.14 |
| 2017 | 2,198 | 5.3% | (0.6) | \$2,618 | \$3.06 | 3.4% | 4.0 | \$2,536 | \$2.96 |
| 2016 | 2,470 | 5.9% | 1.8 | \$2,533 | \$2.96 | -0.6% | (7.9) | \$2,457 | \$2.87 |
| 2015 | 1,696 | 4.1% | 0.2 | \$2,548 | \$2.97 | 7.3% | 0 | \$2,512 | \$2.93 |
| 2014 | 1,606 | 3.9% | (0.5) | \$2,375 | \$2.77 | 7.2% | (0.3) | \$2,348 | \$2.74 |
| 2013 | 1,820 | 4.4% | 0.4 | \$2,215 | \$2.59 | 7.5% | (0.1) | \$2,201 | \$2.57 |
| 2012 | 1,668 | 4.0% | (0.4) | \$2,061 | \$2.40 | 7.6% | 1.7 | \$2,047 | \$2.39 |
| 2011 | 1,846 | 4.5% | 0.2 | \$1,915 | \$2.23 | 5.9% | - | \$1,904 | \$2.22 |

1 & 2 STAR VACANCY & RENT

| Year | Vacancy | | | Market Rent | | | | Effective Rents | |
|------|---------|---------|----------|-------------|--------|----------|----------|-----------------|--------|
| | Units | Percent | Ppts Chg | Per Unit | Per SF | % Growth | Ppts Chg | Units | Per SF |
| 2027 | 2,764 | 4.8% | 0.2 | \$2,681 | \$3.61 | 3.9% | 0 | \$2,666 | \$3.59 |
| 2026 | 2,636 | 4.6% | 0.3 | \$2,580 | \$3.47 | 3.9% | 0 | \$2,565 | \$3.45 |
| 2025 | 2,471 | 4.3% | 0 | \$2,483 | \$3.34 | 3.9% | 0.3 | \$2,469 | \$3.32 |
| 2024 | 2,478 | 4.3% | (0.2) | \$2,389 | \$3.21 | 3.6% | 1.4 | \$2,376 | \$3.20 |
| 2023 | 2,609 | 4.5% | 0.5 | \$2,306 | \$3.10 | 2.3% | (2.2) | \$2,293 | \$3.08 |
| YTD | 2,517 | 4.3% | 0.3 | \$2,267 | \$3.04 | 3.0% | (1.4) | \$2,255 | \$3.02 |
| 2022 | 2,346 | 4.0% | (0.5) | \$2,255 | \$3.02 | 4.4% | 1.2 | \$2,242 | \$3.01 |
| 2021 | 2,661 | 4.6% | (3.0) | \$2,159 | \$2.89 | 3.2% | 7.8 | \$2,147 | \$2.87 |
| 2020 | 4,413 | 7.6% | 3.2 | \$2,091 | \$2.79 | -4.6% | (6.2) | \$2,064 | \$2.76 |
| 2019 | 2,583 | 4.4% | 0 | \$2,192 | \$2.94 | 1.6% | (1.3) | \$2,180 | \$2.92 |
| 2018 | 2,575 | 4.4% | 0 | \$2,158 | \$2.89 | 2.9% | 1.2 | \$2,120 | \$2.84 |
| 2017 | 2,593 | 4.4% | 0 | \$2,098 | \$2.81 | 1.7% | (0.5) | \$2,057 | \$2.75 |
| 2016 | 2,582 | 4.4% | 0.6 | \$2,063 | \$2.76 | 2.2% | (6.4) | \$2,031 | \$2.72 |
| 2015 | 2,214 | 3.8% | 0.1 | \$2,018 | \$2.70 | 8.6% | 1.4 | \$2,001 | \$2.68 |
| 2014 | 2,137 | 3.7% | (0.1) | \$1,857 | \$2.48 | 7.3% | 1.4 | \$1,845 | \$2.47 |
| 2013 | 2,197 | 3.8% | (0.2) | \$1,732 | \$2.31 | 5.9% | 0.4 | \$1,723 | \$2.30 |
| 2012 | 2,319 | 4.0% | 0 | \$1,636 | \$2.18 | 5.5% | 0.6 | \$1,627 | \$2.17 |
| 2011 | 2,312 | 3.9% | 0 | \$1,551 | \$2.07 | 4.8% | - | \$1,543 | \$2.06 |

OVERALL SALES

| Year | Completed Transactions (1) | | | | | | Market Pricing Trends (2) | | |
|------|----------------------------|----------|----------|--------------|----------------|--------------|---------------------------|-------------|----------|
| | Deals | Volume | Turnover | Avg Price | Avg Price/Unit | Avg Cap Rate | Price/Unit | Price Index | Cap Rate |
| 2027 | - | - | - | - | - | - | \$696,551 | 349 | 3.5% |
| 2026 | - | - | - | - | - | - | \$671,728 | 337 | 3.5% |
| 2025 | - | - | - | - | - | - | \$647,565 | 324 | 3.5% |
| 2024 | - | - | - | - | - | - | \$624,048 | 313 | 3.5% |
| 2023 | - | - | - | - | - | - | \$597,309 | 299 | 3.6% |
| YTD | 21 | \$409.3M | 0.6% | \$19,488,429 | \$433,535 | 4.6% | \$600,404 | 301 | 3.5% |
| 2022 | 133 | \$1.6B | 2.7% | \$12,177,837 | \$454,112 | 4.0% | \$604,658 | 303 | 3.5% |
| 2021 | 130 | \$951.2M | 1.8% | \$7,490,020 | \$433,166 | 4.0% | \$560,207 | 281 | 3.6% |
| 2020 | 73 | \$1.2B | 1.6% | \$16,727,960 | \$489,819 | 4.4% | \$509,299 | 255 | 3.6% |
| 2019 | 154 | \$1.9B | 3.8% | \$21,316,199 | \$472,607 | 4.5% | \$523,578 | 262 | 3.6% |
| 2018 | 188 | \$1.1B | 2.3% | \$10,311,406 | \$430,658 | 3.8% | \$484,120 | 243 | 3.8% |
| 2017 | 255 | \$1.3B | 3.3% | \$10,233,150 | \$384,774 | 4.2% | \$439,960 | 220 | 3.9% |
| 2016 | 199 | \$1.5B | 3.6% | \$13,817,864 | \$361,336 | 4.4% | \$412,712 | 207 | 4.0% |
| 2015 | 226 | \$1.1B | 3.3% | \$8,059,390 | \$354,011 | 4.5% | \$388,648 | 195 | 4.1% |
| 2014 | 185 | \$1.5B | 5.2% | \$10,285,805 | \$293,470 | 4.5% | \$349,282 | 175 | 4.3% |
| 2013 | 173 | \$1.3B | 5.7% | \$9,488,053 | \$272,611 | 5.3% | \$310,329 | 156 | 4.5% |
| 2012 | 251 | \$1.3B | 7.4% | \$8,530,860 | \$244,276 | 5.8% | \$297,523 | 149 | 4.6% |

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

| Year | Completed Transactions (1) | | | | | | Market Pricing Trends (2) | | |
|------|----------------------------|----------|----------|---------------|----------------|--------------|---------------------------|-------------|----------|
| | Deals | Volume | Turnover | Avg Price | Avg Price/Unit | Avg Cap Rate | Price/Unit | Price Index | Cap Rate |
| 2027 | - | - | - | - | - | - | \$867,278 | 348 | 3.3% |
| 2026 | - | - | - | - | - | - | \$837,549 | 336 | 3.3% |
| 2025 | - | - | - | - | - | - | \$808,779 | 324 | 3.3% |
| 2024 | - | - | - | - | - | - | \$780,338 | 313 | 3.4% |
| 2023 | - | - | - | - | - | - | \$747,052 | 300 | 3.4% |
| YTD | 1 | \$153.5M | 0.7% | \$153,500,000 | \$411,528 | - | \$751,445 | 301 | 3.3% |
| 2022 | 3 | \$698M | 2.2% | \$232,666,667 | \$567,941 | - | \$760,534 | 305 | 3.3% |
| 2021 | 3 | \$166.5M | 1.5% | \$83,266,750 | \$568,374 | - | \$699,107 | 280 | 3.4% |
| 2020 | 2 | \$359M | 1.2% | \$179,500,000 | \$572,568 | - | \$636,666 | 255 | 3.5% |
| 2019 | 10 | \$1B | 5.8% | \$168,057,479 | \$559,570 | 4.5% | \$655,967 | 263 | 3.5% |
| 2018 | 3 | \$246.7M | 1.1% | \$82,216,667 | \$507,510 | 4.3% | \$606,127 | 243 | 3.6% |
| 2017 | 10 | \$669.3M | 3.5% | \$66,928,340 | \$478,401 | 4.0% | \$544,174 | 218 | 3.8% |
| 2016 | 6 | \$469.1M | 2.9% | \$78,188,333 | \$429,213 | 4.9% | \$512,506 | 206 | 3.8% |
| 2015 | 2 | \$195M | 1.1% | \$97,500,000 | \$509,138 | 4.3% | \$484,497 | 194 | 3.9% |
| 2014 | 11 | \$588.6M | 8.3% | \$73,577,049 | \$369,038 | 4.8% | \$437,103 | 175 | 4.1% |
| 2013 | 7 | \$225.7M | 7.2% | \$56,412,500 | \$296,518 | 5.0% | \$390,826 | 157 | 4.3% |
| 2012 | 6 | \$354.9M | 6.4% | \$118,300,000 | \$340,595 | 5.3% | \$378,391 | 152 | 4.3% |

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

3 STAR SALES

| Year | Completed Transactions (1) | | | | | | Market Pricing Trends (2) | | |
|------|----------------------------|----------|----------|--------------|----------------|--------------|---------------------------|-------------|----------|
| | Deals | Volume | Turnover | Avg Price | Avg Price/Unit | Avg Cap Rate | Price/Unit | Price Index | Cap Rate |
| 2027 | - | - | - | - | - | - | \$651,188 | 358 | 3.5% |
| 2026 | - | - | - | - | - | - | \$627,194 | 345 | 3.5% |
| 2025 | - | - | - | - | - | - | \$603,780 | 332 | 3.5% |
| 2024 | - | - | - | - | - | - | \$581,325 | 319 | 3.5% |
| 2023 | - | - | - | - | - | - | \$556,274 | 306 | 3.5% |
| YTD | 7 | \$205M | 1.0% | \$29,281,714 | \$490,364 | 5.5% | \$558,858 | 307 | 3.5% |
| 2022 | 11 | \$144.2M | 0.8% | \$13,111,818 | \$434,428 | 4.5% | \$567,653 | 312 | 3.4% |
| 2021 | 7 | \$237M | 1.1% | \$33,851,714 | \$510,694 | 4.1% | \$519,747 | 286 | 3.5% |
| 2020 | 12 | \$565.9M | 2.4% | \$47,158,734 | \$551,564 | 3.8% | \$473,587 | 260 | 3.6% |
| 2019 | 9 | \$522.8M | 3.0% | \$58,085,556 | \$417,548 | 5.6% | \$486,414 | 267 | 3.6% |
| 2018 | 12 | \$428.5M | 2.4% | \$38,956,818 | \$434,610 | 3.8% | \$446,333 | 245 | 3.8% |
| 2017 | 8 | \$25M | 0.2% | \$4,167,340 | \$301,254 | 3.3% | \$403,263 | 222 | 3.9% |
| 2016 | 21 | \$686.3M | 4.5% | \$42,894,722 | \$374,218 | 4.4% | \$377,368 | 207 | 4.0% |
| 2015 | 18 | \$498.3M | 4.0% | \$35,591,179 | \$408,423 | 5.1% | \$353,352 | 194 | 4.1% |
| 2014 | 14 | \$445.1M | 4.4% | \$37,095,273 | \$303,438 | 4.6% | \$317,828 | 175 | 4.3% |
| 2013 | 23 | \$820.1M | 8.3% | \$41,006,335 | \$313,265 | 5.0% | \$281,893 | 155 | 4.6% |
| 2012 | 28 | \$608M | 8.6% | \$40,535,667 | \$256,231 | 4.8% | \$269,109 | 148 | 4.6% |

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

1 & 2 STAR SALES

| Year | Completed Transactions (1) | | | | | | Market Pricing Trends (2) | | |
|------|----------------------------|----------|----------|-------------|----------------|--------------|---------------------------|-------------|----------|
| | Deals | Volume | Turnover | Avg Price | Avg Price/Unit | Avg Cap Rate | Price/Unit | Price Index | Cap Rate |
| 2027 | - | - | - | - | - | - | \$546,153 | 344 | 3.7% |
| 2026 | - | - | - | - | - | - | \$526,005 | 331 | 3.7% |
| 2025 | - | - | - | - | - | - | \$506,256 | 318 | 3.7% |
| 2024 | - | - | - | - | - | - | \$487,261 | 306 | 3.7% |
| 2023 | - | - | - | - | - | - | \$466,330 | 293 | 3.8% |
| YTD | 13 | \$50.8M | 0.3% | \$3,906,538 | \$331,928 | 4.4% | \$468,405 | 295 | 3.7% |
| 2022 | 119 | \$753.1M | 4.7% | \$6,436,467 | \$385,792 | 3.9% | \$464,043 | 292 | 3.7% |
| 2021 | 120 | \$547.7M | 2.5% | \$4,641,840 | \$380,637 | 4.0% | \$440,502 | 277 | 3.7% |
| 2020 | 59 | \$245.3M | 1.3% | \$4,393,793 | \$333,251 | 4.5% | \$398,497 | 251 | 3.8% |
| 2019 | 135 | \$323.4M | 2.8% | \$4,491,590 | \$371,718 | 4.4% | \$408,440 | 257 | 3.8% |
| 2018 | 173 | \$417.8M | 3.0% | \$4,541,674 | \$391,964 | 3.8% | \$380,655 | 239 | 4.0% |
| 2017 | 237 | \$595.1M | 5.4% | \$5,409,904 | \$318,400 | 4.3% | \$354,889 | 223 | 4.1% |
| 2016 | 172 | \$392.2M | 3.5% | \$4,357,280 | \$289,200 | 4.4% | \$331,403 | 208 | 4.2% |
| 2015 | 206 | \$443.1M | 4.0% | \$3,544,780 | \$275,730 | 4.5% | \$311,562 | 196 | 4.3% |
| 2014 | 160 | \$437.1M | 4.1% | \$3,553,743 | \$224,159 | 4.5% | \$277,989 | 175 | 4.5% |
| 2013 | 143 | \$263.6M | 3.1% | \$2,312,058 | \$185,095 | 5.3% | \$244,688 | 154 | 4.8% |
| 2012 | 217 | \$367.9M | 6.9% | \$2,665,791 | \$180,954 | 5.9% | \$231,465 | 146 | 4.8% |

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

DELIVERIES & UNDER CONSTRUCTION

| Year | Inventory | | | Deliveries | | Net Deliveries | | Under Construction | |
|------|-----------|---------|---------|------------|-------|----------------|-------|--------------------|-------|
| | Bldgs | Units | Vacancy | Bldgs | Units | Bldgs | Units | Bldgs | Units |
| 2027 | - | 174,889 | 6.0% | - | 4,168 | - | 4,086 | - | - |
| 2026 | - | 170,803 | 6.0% | - | 4,077 | - | 4,030 | - | - |
| 2025 | - | 166,773 | 6.0% | - | 5,299 | - | 5,229 | - | - |
| 2024 | - | 161,544 | 5.6% | - | 3,512 | - | 3,494 | - | - |
| 2023 | - | 158,050 | 5.4% | - | 2,329 | - | 2,303 | - | - |
| YTD | 3,932 | 156,093 | 5.5% | 2 | 346 | 2 | 346 | 30 | 8,182 |
| 2022 | 3,930 | 155,747 | 5.5% | 15 | 2,696 | 15 | 2,696 | 32 | 8,528 |
| 2021 | 3,915 | 153,051 | 5.8% | 14 | 3,098 | 12 | 2,774 | 25 | 4,106 |
| 2020 | 3,903 | 150,277 | 9.8% | 18 | 3,780 | 15 | 3,570 | 23 | 4,969 |
| 2019 | 3,888 | 146,707 | 6.0% | 10 | 2,482 | 7 | 2,414 | 35 | 8,316 |
| 2018 | 3,881 | 144,293 | 6.0% | 17 | 4,704 | 16 | 4,687 | 30 | 7,487 |
| 2017 | 3,865 | 139,606 | 5.4% | 8 | 1,709 | 5 | 1,480 | 31 | 8,011 |
| 2016 | 3,860 | 138,126 | 6.1% | 14 | 3,761 | 14 | 3,761 | 24 | 6,420 |
| 2015 | 3,846 | 134,365 | 5.2% | 18 | 4,463 | 17 | 4,458 | 23 | 5,841 |
| 2014 | 3,829 | 129,907 | 5.0% | 13 | 4,807 | 10 | 4,700 | 28 | 6,773 |
| 2013 | 3,819 | 125,206 | 4.8% | 6 | 1,783 | 0 | 1,736 | 25 | 7,883 |
| 2012 | 3,819 | 123,470 | 5.1% | 8 | 3,652 | 5 | 3,579 | 17 | 6,126 |
| 2011 | 3,814 | 119,891 | 4.4% | 3 | 374 | (1) | 348 | 15 | 6,177 |