



Multi-Family Market Report

San Francisco - CA

PREPARED BY



MULTI-FAMILY MARKET REPORT

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12 Mo. Delivered Units

1,465

12 Mo. Absorption Units

1,227

Vacancy Rate

7.4%

12 Mo. Asking Rent Growth

-0.6%

San Francisco is in a period of transition. Social and economic changes brought about by hybrid working, the aftermath of the pandemic, and a cyclical economic slowdown, are impacting how and where people live. The owners and managers of apartment buildings in San Francisco are stewards of expensive and highly regulated multifamily buildings that cannot be easily or quickly changed and reconfigured to suit changing market demand. Developers and landlords are trying to figure out what these demand changes mean and how to respond to the evolving housing marketplace.

The influx of tech companies and their young, mobile workforce created excess demand for housing in the city of San Francisco in the 2010s. Large numbers of new office buildings, condominiums, and apartment towers were built on redevelopment sites in neighborhoods such as Mission Bay and South of Market.

Gentrification brought both opportunity and conflict, as the socio-demographic profile of neighborhoods shifted to accommodate a new generation of workers. Towards the end of the 2010s, strong housing demand had pushed rents to record levels, making San Francisco one of the most unaffordable housing markets in the nation.

In 2020, when the pandemic hit and San Francisco went into an extended lockdown, many renters, who were already overwhelmed by the high cost of housing, took the opportunity to leave the city in search of less-expensive alternatives. Almost 10,000 units were vacated, and the vacancy rate increased to 11.3%, while market rents fell by 11%.

Recovery in San Francisco has been slower than the national market, which improved rapidly in 2021. The city has the lowest return to office metrics in the nation.

Consequently, apartment vacancy has recovered only to 7.4%, and rents are still below 2019 levels. However, the average rent in San Francisco is still the highest in the nation.

The trailing 12-month absorption for market-rate apartments sits at 1,200 units, compared to a low point of -6,300 units at the height of the pandemic. Looking ahead, positive absorption is projected for the metro market, but the rate of improvement in areas close to downtown San Francisco will depend upon both a return to in-office working and improvements to safety and security. Social problems associated with homelessness, drug activity and crime are a significant disincentive to residents. The social problems are highly localized. In the words of one local property manager, "anything north of California Street is in high demand but neighborhoods to the south of that line I won't touch". There is additional uncertainty that job growth may be weakening, as evidenced by hiring freezes and layoffs announced by tech companies in recent months.

Oversupply caused by new construction should not be a problem in the short term. Most projects currently under construction are located on the Peninsula, in areas where demand has recovered to a greater extent than downtown. Activity is muted in downtown San Francisco, however many new developments have been approved and are ready to break ground once economic conditions are favorable. For example, the South of Market submarket alone has 25 proposed projects, with a total of more than 5,000 units.

In the investment market, sales activity has slowed substantially over the past year, as the effects of interest rate increases and economic uncertainty dampened investor interest.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	39,880	9.0%	\$3,750	\$3,708	105	0	7,368
3 Star	47,708	7.9%	\$2,895	\$2,871	(18)	0	429
1 & 2 Star	91,333	6.4%	\$2,399	\$2,385	(37)	0	0
Market	178,921	7.4%	\$3,033	\$3,006	50	0	7,797

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.1%	5.3%	7.8%	10.9%	2020 Q4	2.7%	2000 Q1
Absorption Units	1,227	1,090	1,919	8,125	2021 Q4	(6,265)	2020 Q3
Delivered Units	1,465	1,544	2,247	4,317	2016 Q3	22	2012 Q1
Demolished Units	0	62	64	460	2019 Q2	0	2023 Q1
Asking Rent Growth (YOY)	-0.6%	1.7%	1.5%	19.1%	2001 Q1	-11.6%	2002 Q4
Effective Rent Growth (YOY)	-0.4%	1.7%	1.5%	19.0%	2001 Q1	-11.9%	2020 Q4
Sales Volume	\$2.2B	\$1.5B	N/A	\$3.1B	2020 Q1	\$314.5M	2009 Q3

The vacancy rate in San Francisco currently stands at 7.4%, and has been holding steady around this level for the past 12 months. While this is an improvement over the 2020 high of 10.9%, it remains above the pre-pandemic average of 5% to 6%.

In alignment with national trends, demand and absorption slowed in the second half of 2022, as the impact of high inflation and rising interest rates dampened renter activity and new household formation. This has continued in 2023. However, because the construction pipeline was muted, San Francisco did not see the sharper uptick in the vacancy rate that was recorded in many other US markets. Annual net absorption, at 1,200 units, is in line with the metro's long term average.

In 2020, the vacancy rate for high-end units reached nearly 20%. Since then, the return of some high-income renters has reduced 4 & 5 Star vacancy to 9.0%.

Mid-level assets typically perform relatively well in San Francisco. In normal times, there is no shortage of demand for moderately priced options, but job losses and relocations to other cities negatively affected all segments of the market in the downturn. Vacancy among

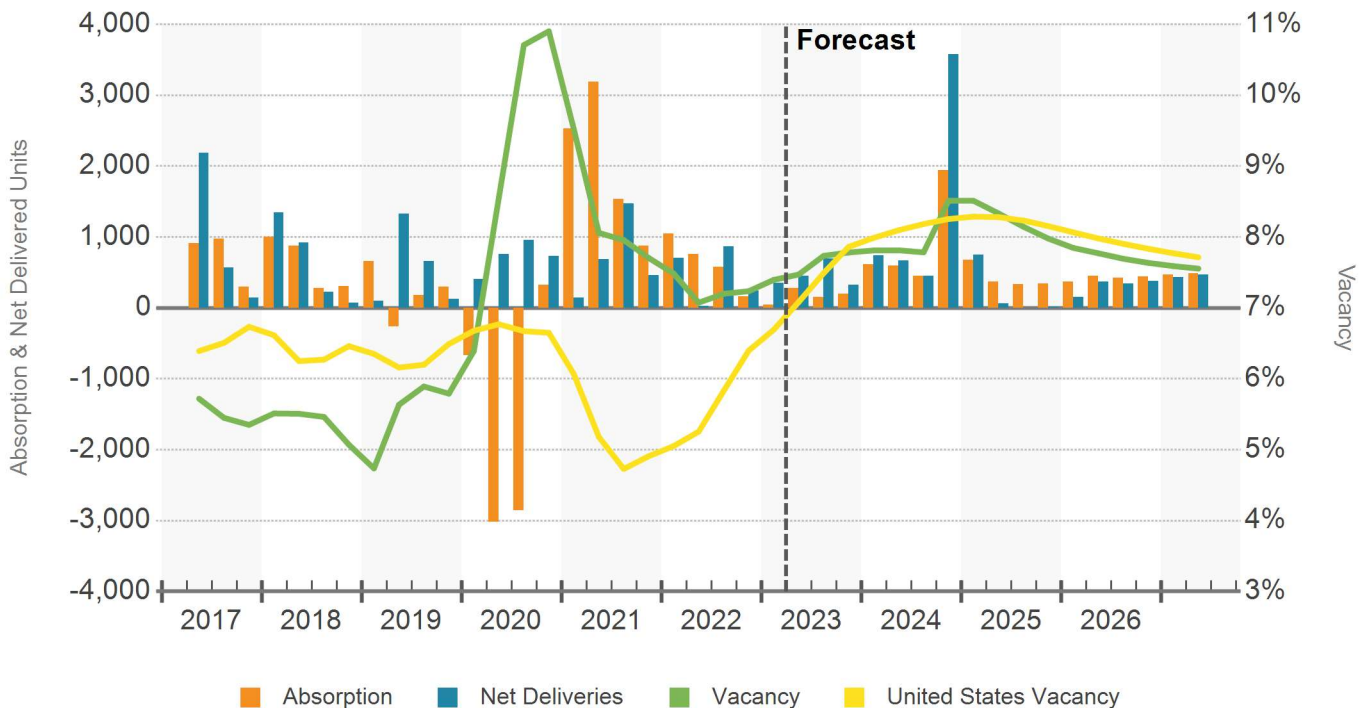
3 Star assets in 23Q2 registers near the market average at 7.9%, while 1 & 2 Star vacancy experienced a slightly milder rise in 2020 and is currently 6.4%.

Among the submarkets with the highest vacancy rates are those that saw the greatest exodus of tech workers during the pandemic and those with the worst street-level social problems. These neighborhoods include Downtown San Francisco, Haight-Ashbury/Castro/Noe Valley, and Civic Center/Tenderloin.

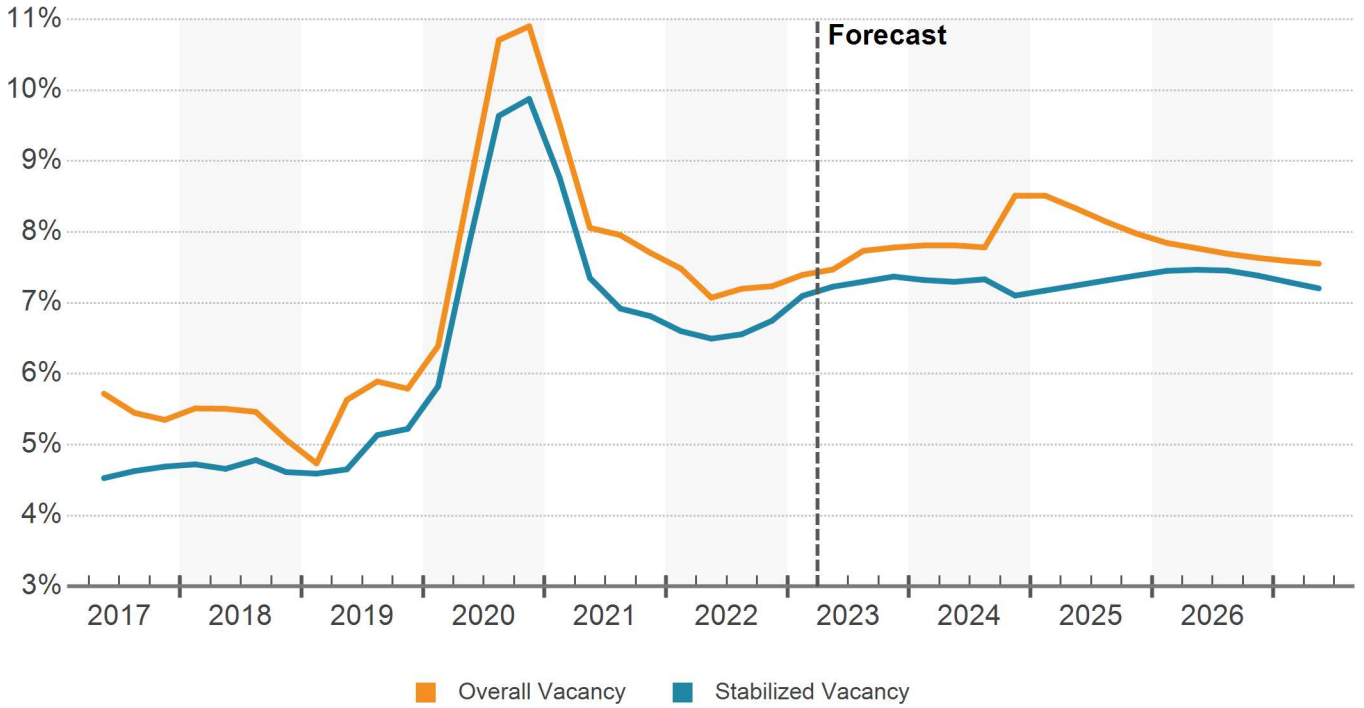
Demand is likely to remain muted compared to pre-pandemic levels until downtown offices fill up with more workers. A large drop in the number of people working downtown has had a direct impact on the demand for apartments in neighboring areas, where proximity to the workplace is a prime attraction.

Overall, the apartment market continues to benefit from high single-family home and condo pricing, which creates a barrier to home ownership in the area. San Francisco's homeownership rate ranks among the lowest in the country at under 40%, and future housing development is expected to be predominantly concentrated in apartment properties.

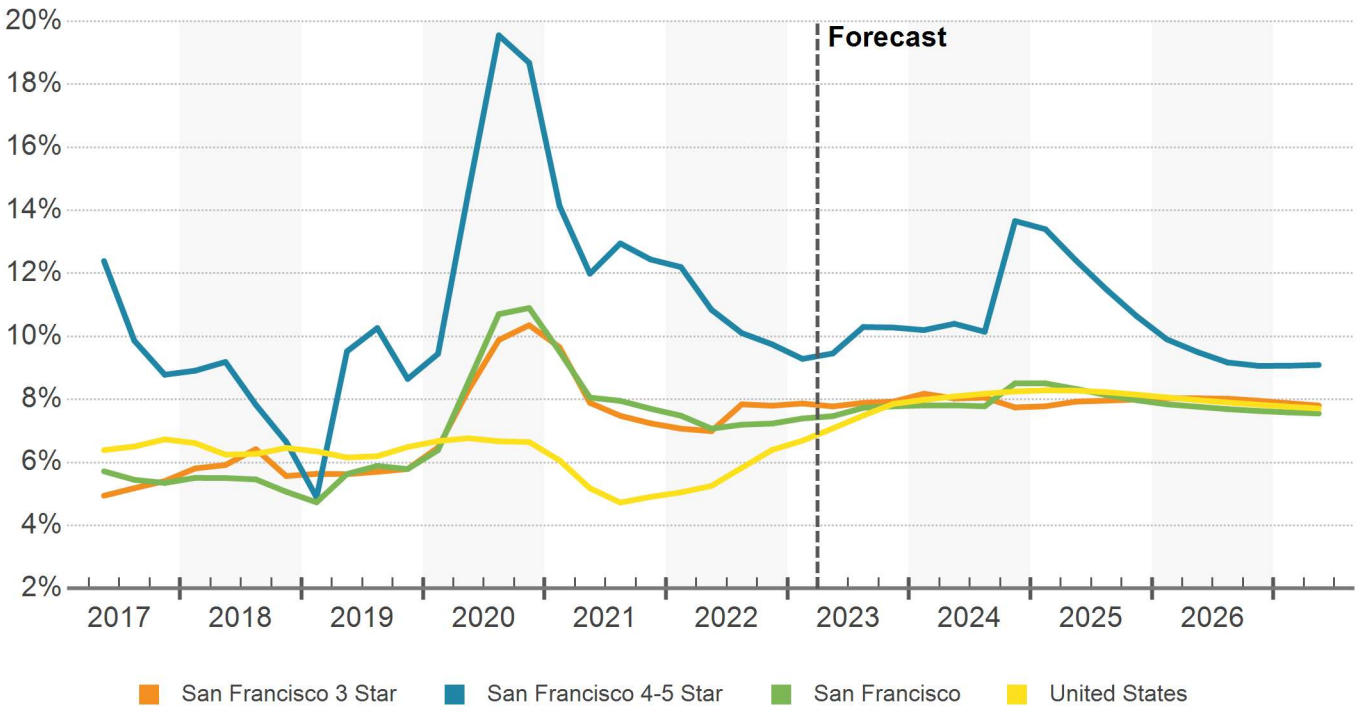
ABSORPTION, NET DELIVERIES & VACANCY



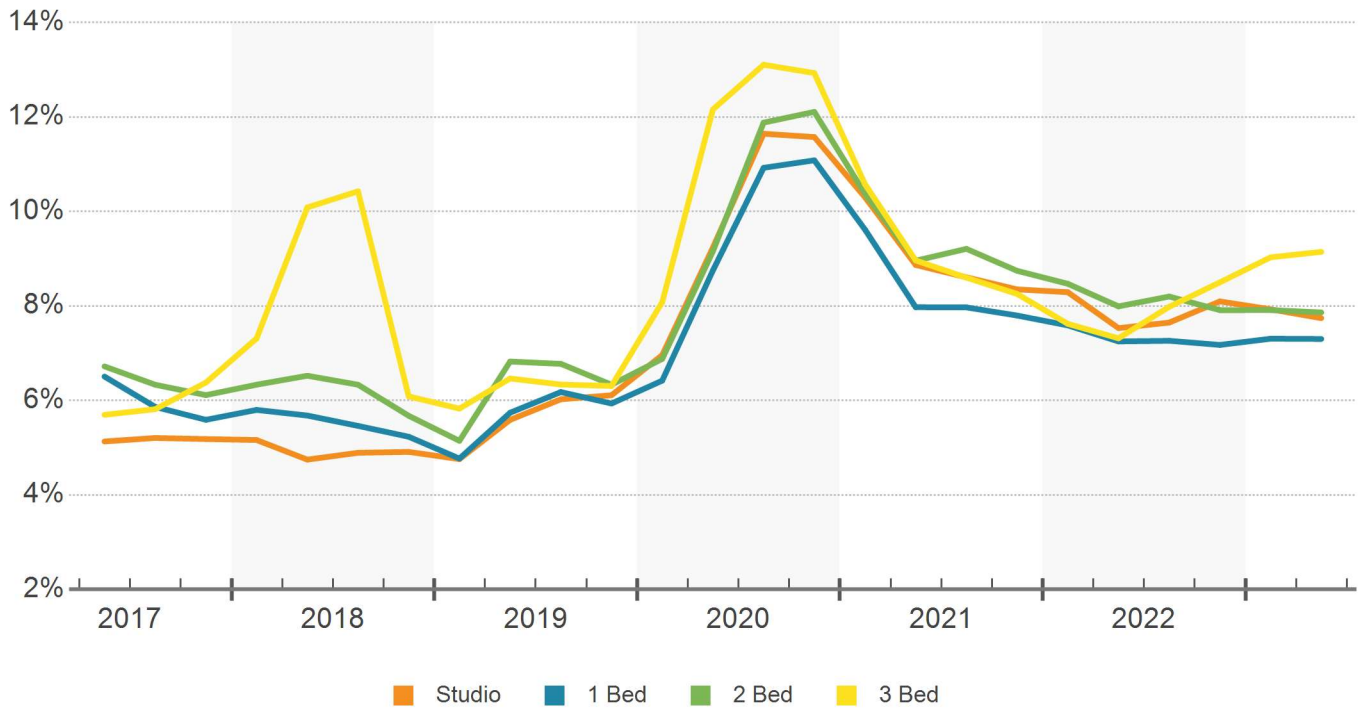
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



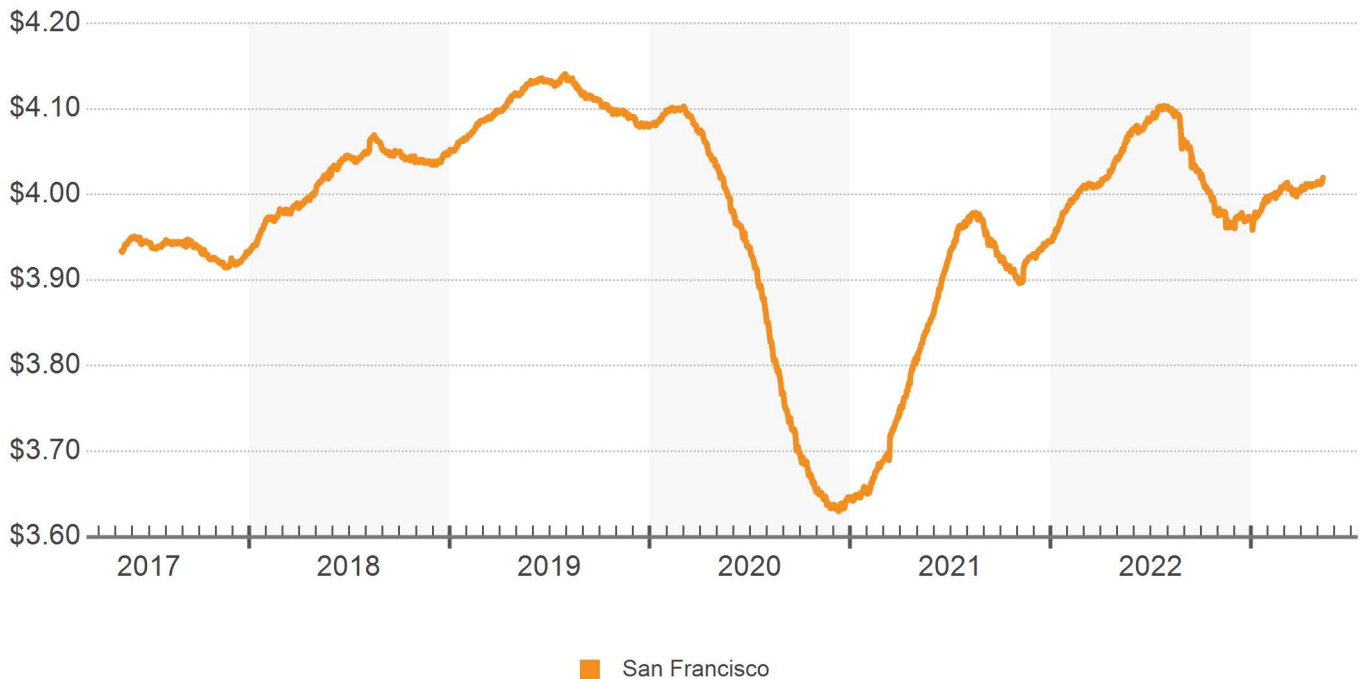
Apartments rent for an average of \$3,030/month in San Francisco. As of 23Q2 this is the highest rate in the nation and reflects a history of strong demand for housing and a limited supply. For-sale housing prices also rank among the highest nationwide.

Rent growth has slowed in recent years, allowing the gap between San Francisco and other cities to narrow. Over the past three years, average annual rent growth in San Francisco was -0.5%, whereas the national average over this period was 5.1% per year. However, with the national average rent standing at just \$1,660/month, tenants still pay a large premium to rent in the city. In the past three years, affordability has improved as incomes have risen faster than rents.

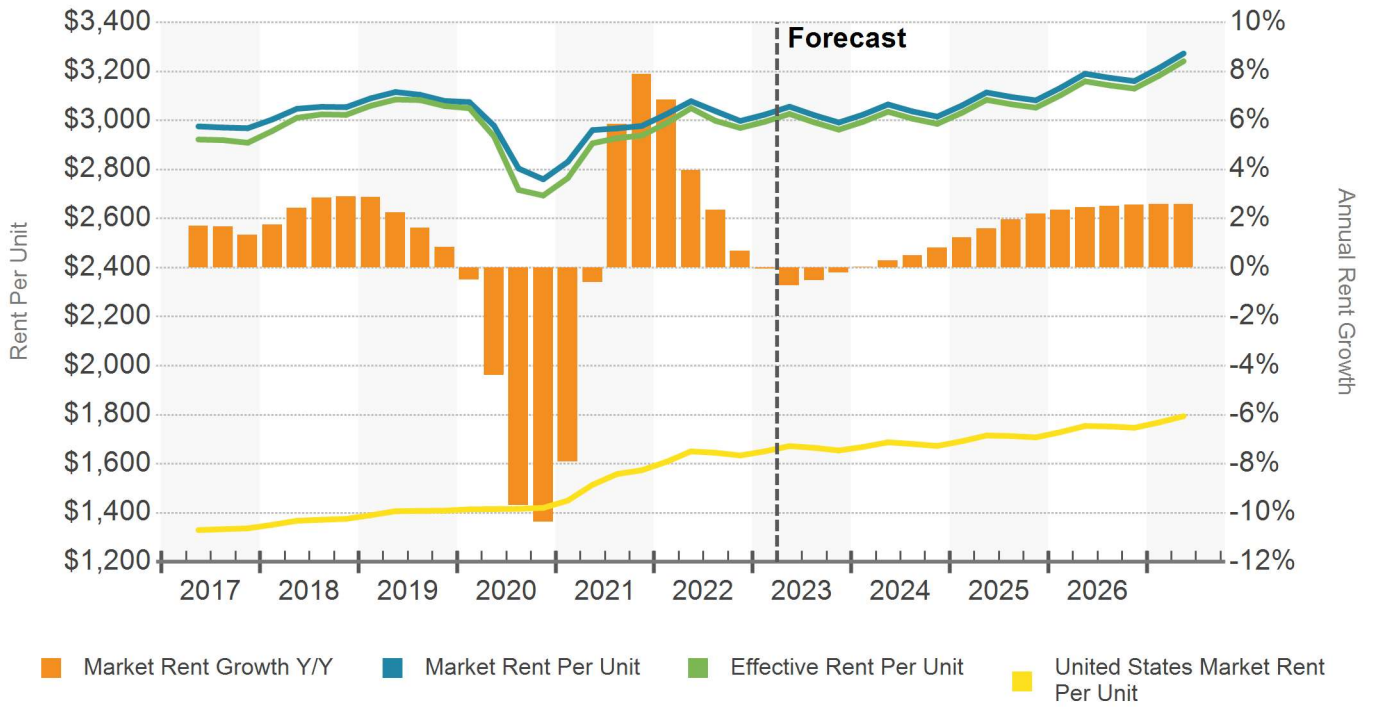
Rent growth hit a decade high of 7.9% in early 2022, before declining in the second half of the year. In recent months, rents started to climb again, and annual rent growth now sits at -0.6%. Despite this recent growth, average asking rates remain below the levels reached in 2019.

Over the past decade, rent growth among mid-quality 3 Star properties outperformed 1 & 2 Star as well as 4 & 5 Star properties. As predominantly luxury properties were built in the development cycle, demand for middle-class housing remained overwhelming. Among properties rated 4 & 5 Star, asking rents fell by -2.1% year over year, which compares to changes of 0.4% among 3 Star properties and 0.9% among 1 & 2 Star properties.

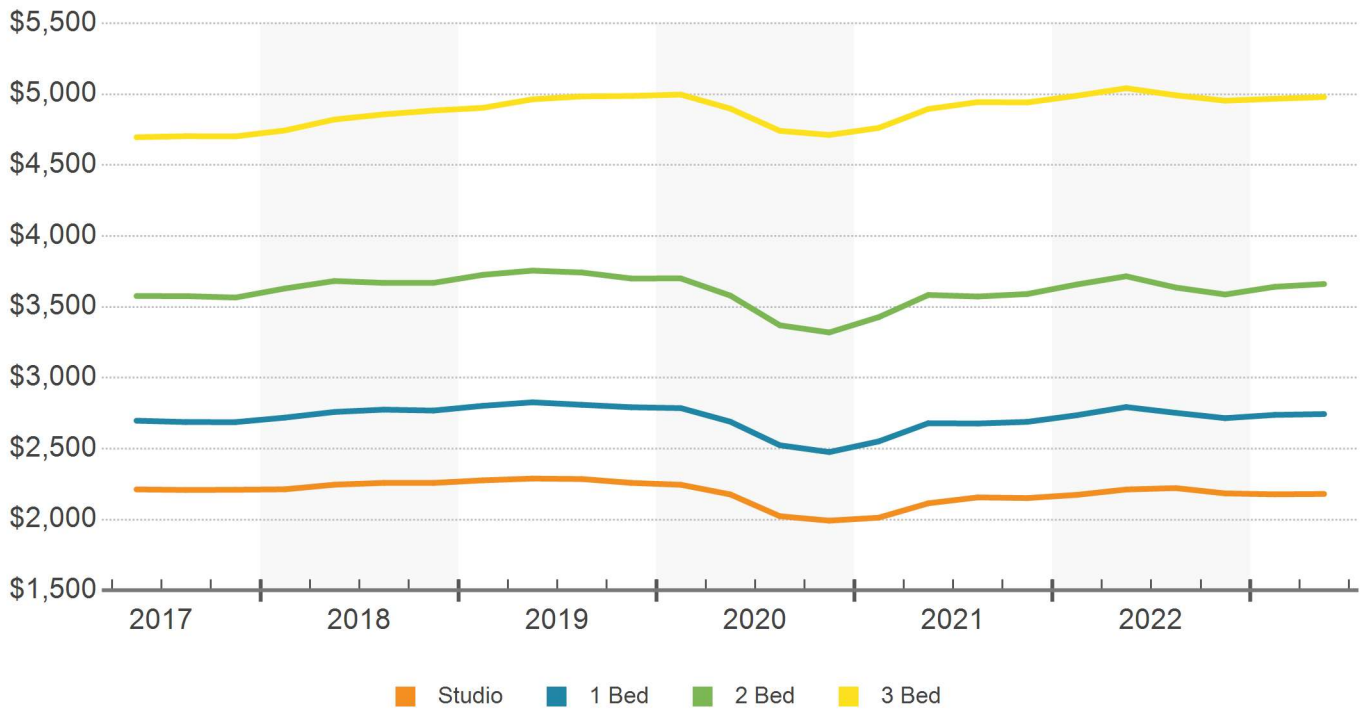
DAILY ASKING RENT PER SF



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 Francisco	\$1.20	\$1.53	\$1.09	\$0.98	\$1.86	\$1.77	\$0.70	\$2.77	\$0.17	\$1.32	\$1.38	\$14.77
Bayview/Visitacion...	\$1.15	\$1.58	\$1.05	\$1.05	\$2.05	\$1.82	\$0.89	\$2.77	\$0.17	\$1.34	\$1.40	\$15.27
Civic Center/Tender...	\$1.15	\$1.58	\$1.05	\$1.05	\$2.05	\$1.82	\$0.89	\$2.77	\$0.17	\$1.34	\$1.40	\$15.27
Daly City/Brisbane	\$1.35	\$1.58	\$1.20	\$0.91	\$1.70	\$1.82	\$0.46	\$2.78	\$0.17	\$1.34	\$1.40	\$14.71
Downtown San Fra...	\$1.12	\$1.53	\$1.04	\$1.02	\$1.99	\$1.78	\$0.86	\$2.67	\$0.16	\$1.29	\$1.36	\$14.82
Foster City/Redwoo...	\$1.34	\$1.46	\$1.20	\$0.90	\$1.69	\$1.68	\$0.46	\$2.76	\$0.16	\$1.34	\$1.39	\$14.38
Haight-Ashbury/Cas...	\$1.15	\$1.58	\$1.05	\$1.05	\$2.05	\$1.82	\$0.89	\$2.77	\$0.17	\$1.34	\$1.40	\$15.27
Marina/Pacific Heig...	\$1.15	\$1.58	\$1.05	\$1.05	\$2.05	\$1.82	\$0.89	\$2.77	\$0.17	\$1.34	\$1.40	\$15.27
Mission Bay/China...	\$1.15	\$1.58	\$1.05	\$0.95	\$1.74	\$1.82	\$0.64	\$3.03	\$0.17	\$1.34	\$1.40	\$14.87
Pacifica	\$1.45	\$1.58	\$1.24	\$0.97	\$1.83	\$1.82	\$0.49	\$2.82	\$0.17	\$1.34	\$1.40	\$15.11
Redwood City/Menl...	\$1.20	\$1.34	\$1.09	\$0.83	\$1.51	\$1.53	\$0.42	\$2.34	\$0.14	\$1.11	\$1.22	\$12.73
Richmond/Western...	\$1.15	\$1.58	\$1.05	\$1.05	\$2.05	\$1.82	\$0.89	\$2.77	\$0.17	\$1.34	\$1.40	\$15.27
S San Francisco/Sa...	\$1.35	\$1.58	\$1.20	\$0.91	\$1.70	\$1.82	\$0.46	\$2.78	\$0.17	\$1.34	\$1.40	\$14.71
San Mateo/Burlinga...	\$1.33	\$1.35	\$1.19	\$0.90	\$1.68	\$1.54	\$0.45	\$2.75	\$0.14	\$1.33	\$1.39	\$14.05
South Of Market	\$1.15	\$1.58	\$1.05	\$0.98	\$1.82	\$1.82	\$0.70	\$2.96	\$0.17	\$1.34	\$1.40	\$14.97
Sunset/Lakeshore	\$1.15	\$1.58	\$0.94	\$1.09	\$2.05	\$1.82	\$0.95	\$2.77	\$0.17	\$1.34	\$1.40	\$15.26

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 Francisco	\$1.03	\$1.05	\$0.99	\$0.91	\$1.72	\$1.28	\$0.64	\$2.50	\$0.07	\$1.19	\$1.27	\$12.65
Bayview/Visitacion...	\$0.96	\$1.41	\$1	\$1	\$1.95	\$1.68	\$0.85	\$2.64	\$0.06	\$1.28	\$1.34	\$14.17
Civic Center/Tender...	\$0.95	\$1.39	\$0.99	\$0.98	\$1.92	\$1.66	\$0.83	\$2.58	\$0.06	\$1.25	\$1.31	\$13.92
Daly City/Brisbane	\$1.19	\$0.70	\$1.07	\$0.82	\$1.49	\$0.78	\$0.41	\$2.35	\$0.07	\$1.12	\$1.22	\$11.22
Downtown San Fra...	\$0.96	\$1.40	\$1	\$0.99	\$1.93	\$1.67	\$0.83	\$2.60	\$0.07	\$1.26	\$1.32	\$14.03
Foster City/Redwoo...	\$1.31	\$0.99	\$1.17	\$0.88	\$1.65	\$1.12	\$0.44	\$2.70	\$0.10	\$1.30	\$1.36	\$13.02
Haight-Ashbury/Cas...	\$0.95	\$1.38	\$0.99	\$0.98	\$1.90	\$1.66	\$0.82	\$2.55	\$0.06	\$1.23	\$1.30	\$13.82
Marina/Pacific Heig...	\$0.92	\$1.30	\$0.95	\$0.92	\$1.76	\$1.60	\$0.74	\$2.33	\$0.06	\$1.11	\$1.21	\$12.90
Mission Bay/China...	\$1.04	\$1	\$1	\$0.91	\$1.66	\$1.68	\$0.61	\$2.88	\$0.06	\$1.28	\$1.34	\$13.46
Outlying San Mateo...	\$1.28	\$0.64	\$1.15	\$0.87	\$1.62	\$0.72	\$0.43	\$2.65	\$0.06	\$1.28	\$1.34	\$12.04
Pacifica	\$1.44	\$0.96	\$1.21	\$0.97	\$1.83	\$0.96	\$0.48	\$2.73	\$0.09	\$1.30	\$1.35	\$13.32
Redwood City/Menl...	\$1.08	\$0.63	\$1	\$0.75	\$1.35	\$0.71	\$0.38	\$2.11	\$0.06	\$0.92	\$1.06	\$10.05
Richmond/Western...	\$0.94	\$1.37	\$0.98	\$0.97	\$1.88	\$1.65	\$0.80	\$2.51	\$0.06	\$1.21	\$1.29	\$13.66
S San Francisco/Sa...	\$1.24	\$0.64	\$1.11	\$0.84	\$1.56	\$0.71	\$0.42	\$2.50	\$0.06	\$1.20	\$1.28	\$11.56
San Mateo/Burlinga...	\$1.22	\$0.71	\$1.10	\$0.84	\$1.54	\$0.79	\$0.42	\$2.46	\$0.07	\$1.18	\$1.26	\$11.59
South Of Market	\$1.07	\$1.41	\$1.03	\$0.96	\$1.79	\$1.75	\$0.70	\$2.88	\$0.12	\$1.31	\$1.37	\$14.39
Sunset/Lakeshore	\$0.56	\$1.14	\$0.50	\$1.04	\$1.92	\$1.68	\$0.91	\$2.60	\$0.07	\$1.26	\$1.32	\$13

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 Francisco	\$0.74	\$0.75	\$0.71	\$0.60	\$0.98	\$0.99	\$0.32	\$1.11	\$0.06	\$0.45	\$0.70	\$7.41
Bayview/Visitacion...	\$0.77	\$0.89	\$0.74	\$0.61	\$1	\$1.30	\$0.34	\$1.12	\$0.06	\$0.46	\$0.70	\$7.99
Civic Center/Tender...	\$0.79	\$0.95	\$0.77	\$0.65	\$1.10	\$1.34	\$0.39	\$1.28	\$0.06	\$0.55	\$0.77	\$8.65
Daly City/Brisbane	\$0.76	\$0.61	\$0.73	\$0.59	\$0.94	\$0.68	\$0.31	\$1.03	\$0.06	\$0.41	\$0.67	\$6.79
Downtown San Fra...	\$0.77	\$0.90	\$0.75	\$0.62	\$1.01	\$1.31	\$0.35	\$1.14	\$0.06	\$0.47	\$0.71	\$8.09
Foster City/Redwoo...	\$0.80	\$0.61	\$0.76	\$0.61	\$1	\$0.68	\$0.32	\$1.17	\$0.06	\$0.48	\$0.72	\$7.21
Haight-Ashbury/Cas...	\$0.76	\$0.87	\$0.73	\$0.59	\$0.95	\$1.29	\$0.32	\$1.05	\$0.06	\$0.42	\$0.68	\$7.72
Marina/Pacific Heig...	\$0.76	\$0.87	\$0.73	\$0.60	\$0.96	\$1.29	\$0.32	\$1.06	\$0.06	\$0.42	\$0.68	\$7.75
Mission Bay/China...	\$0.76	\$0.86	\$0.73	\$0.59	\$0.94	\$1.28	\$0.31	\$1.03	\$0.06	\$0.41	\$0.67	\$7.64
Outlying San Mateo...	\$0.76	\$0.61	\$0.73	\$0.59	\$0.94	\$0.68	\$0.31	\$1.03	\$0.06	\$0.41	\$0.67	\$6.79
Pacifica	\$0.77	\$0.70	\$0.73	\$0.59	\$0.95	\$0.64	\$0.31	\$1.05	\$0.06	\$0.42	\$0.67	\$6.89
Redwood City/Menl...	\$0.75	\$0.61	\$0.72	\$0.58	\$0.93	\$0.68	\$0.31	\$1.05	\$0.06	\$0.40	\$0.66	\$6.75
Richmond/Western...	\$0.77	\$0.89	\$0.74	\$0.61	\$0.98	\$1.30	\$0.33	\$1.10	\$0.06	\$0.44	\$0.69	\$7.91
S San Francisco/Sa...	\$0.76	\$0.61	\$0.73	\$0.59	\$0.94	\$0.68	\$0.31	\$1.03	\$0.06	\$0.41	\$0.67	\$6.79
San Mateo/Burlinga...	\$0.81	\$0.62	\$0.77	\$0.62	\$1	\$0.68	\$0.32	\$1.19	\$0.06	\$0.49	\$0.73	\$7.29
South Of Market	\$0.86	\$0.93	\$0.83	\$0.71	\$1.21	\$1.42	\$0.43	\$1.70	\$0.06	\$0.72	\$0.91	\$9.78
Sunset/Lakeshore	\$0.48	\$0.86	\$0.42	\$0.59	\$0.94	\$1.28	\$0.31	\$1.03	\$0.06	\$0.41	\$0.67	\$7.05

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

The completion of new apartment units in San Francisco has slowed recently, with just 1,500 units delivered over the past year. This compares to the 5 year average of 2,200 units per year. However, the pace of new construction has picked up recently, and approximately 2,500 units are projected to be completed in calendar year 2023.

Almost all of the stock of market-rate units under construction is in 4 & 5 Star buildings. In total, there are 7,800 units underway, however that total includes 3,500 units in the massive Treasure Island redevelopment project, which will create a new neighborhood of around 8,000 homes. The project has recently started construction and is expected to begin delivering multifamily units in 2024. The supply impact of this project will be diffused over a time span of several years as the units start to be delivered from 2024 onwards. Including this development, the under construction stock measures 4.4% of existing inventory, slightly below the average rate of 5.5% across the nation.

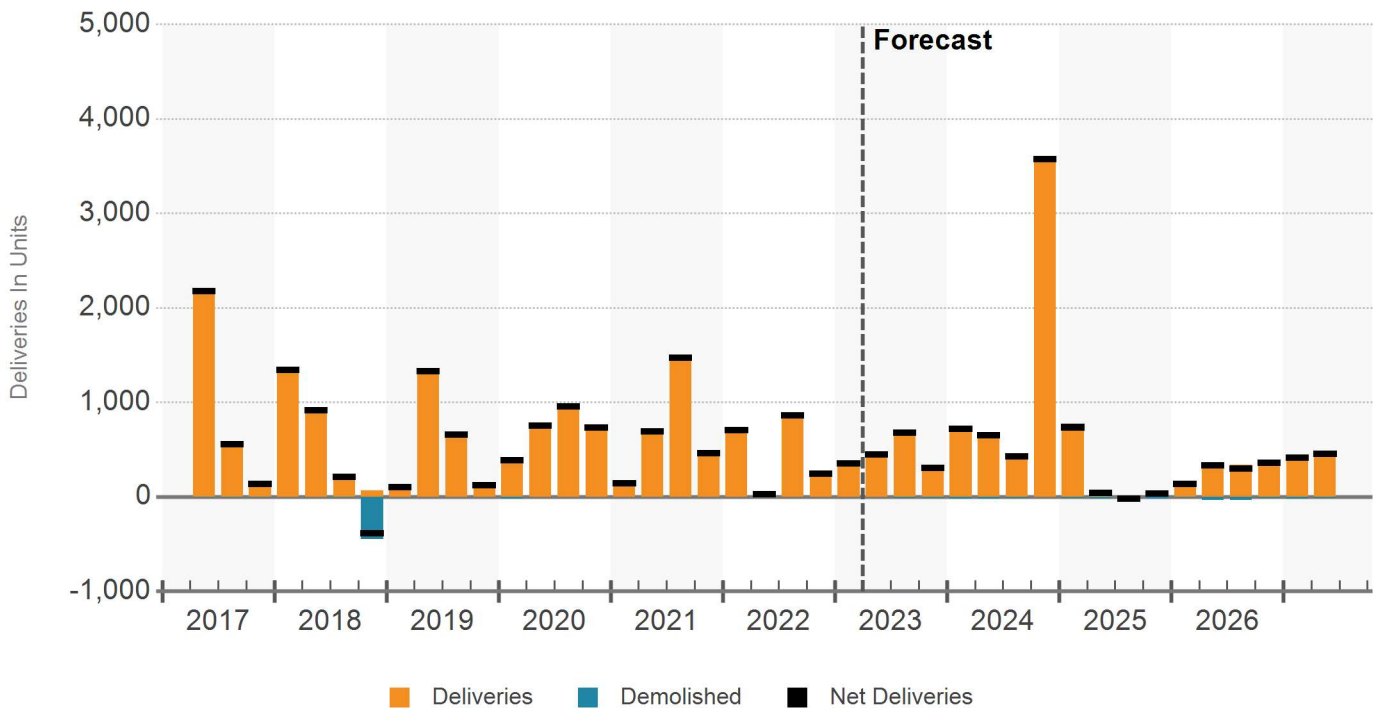
Geographically, development in the 2010s was concentrated in redevelopment areas close to downtown San Francisco, including South of Market and Mission

Bay/China Basin/Potrero Hill. These areas have good access to the city's main centers for work and recreation, plus access to freeways and Caltrain, which provide transportation to major employment hubs in the Peninsula, Silicon Valley, and San Jose.

By contrast, much of the current construction pipeline is located to the south of San Francisco. Spurred by growth in life sciences and biotechnology, new projects are clustered in Peninsula employment markets such as South San Francisco, San Mateo and Redwood City, which have emerged as popular locations for transit-oriented development around Caltrain stations.

Although recent development has been robust in comparison to historical standards, San Francisco is generally more insulated from supply risk than most markets in the country. Stringent zoning, costly affordable housing requirements, NIMBY objection, and a lack of available land make the development process in San Francisco more arduous than in the vast majority of U.S. cities. As a result, supply growth over the past 40 years falls below most major U.S. markets on a percentage basis, despite strong demand for more housing.

DELIVERIES & DEMOLITIONS



Under Construction Properties

San Francisco Multi-Family

Properties

Units

Percent of Inventory

Avg. No. Units

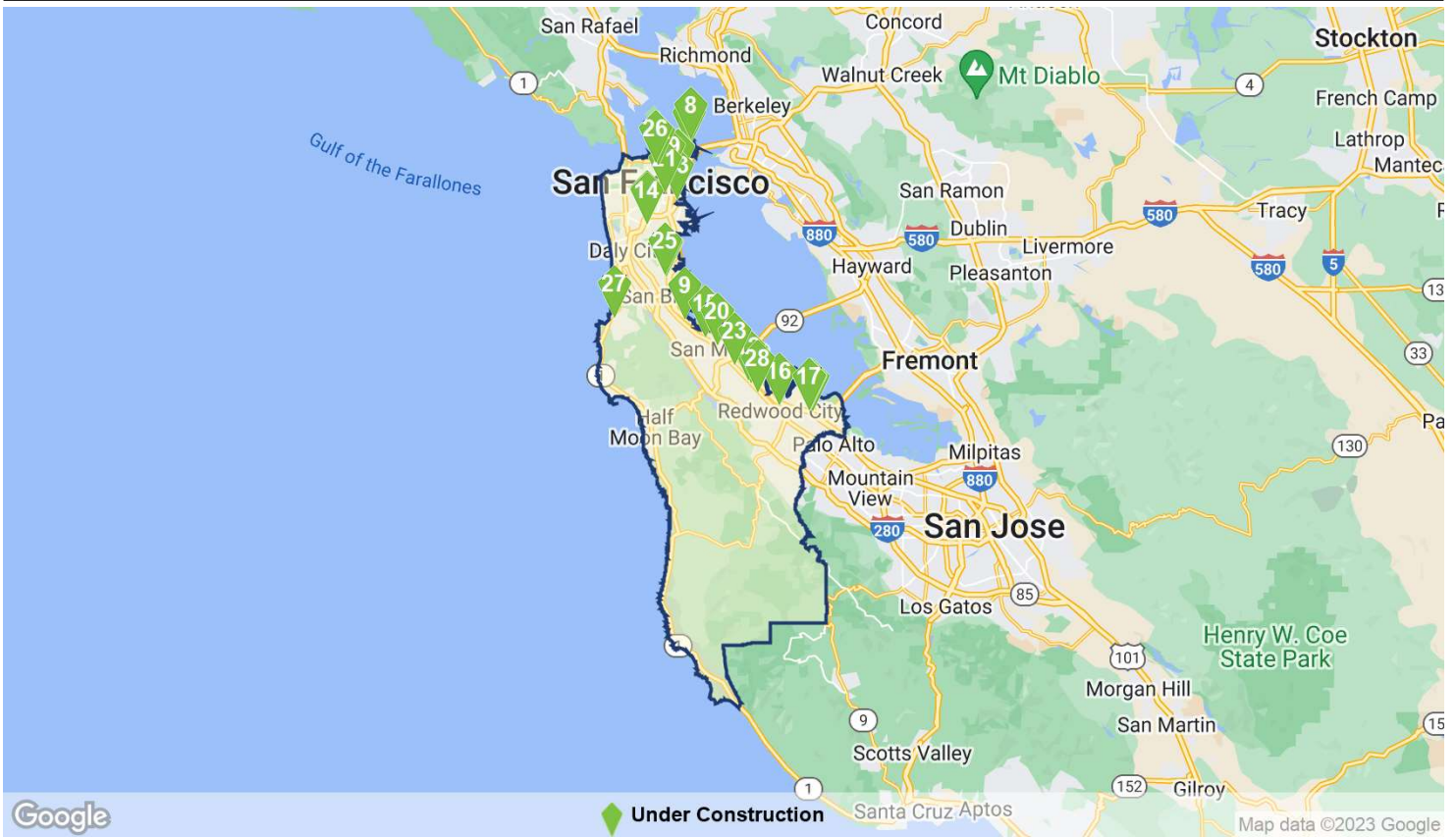
33

7,797

4.4%

236

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 Treasure Island & Yerba... 0 California Ave	★★★★☆	3,571	20	Jul 2022	Nov 2024	Quarterra Stockbridge Capital Group, LLC
2 141 Jefferson Dr	★★★★☆	441	7	Jun 2022	Jun 2024	Greystar Real Estate Partners Greystar Real Estate Partners
3 Menlo Portal 115 Independence Dr	★★★★☆	335	6	Jun 2022	Jul 2024	Greystar Real Estate Partners -
4 110 Constitution Dr	★★★★★	320	7	Feb 2022	Dec 2023	Greystar Real Estate Partners Greystar Real Estate Partners
5 The Canyon 1023 3rd St	★★★★☆	283	23	Mar 2021	Jun 2023	Tishman Speyer Tishman Speyer
6 Building F 1051 3rd St	★★★★☆	255	23	Nov 2021	Nov 2024	Tishman Speyer Port of San Francisco
7 Artisan Crossing 1325 Old Country Rd	★★★★☆	250	3	Jun 2021	Jun 2023	Windy Hill Property Ventures, Inc. Windy Hill Property Ventures, Inc.

Under Construction Properties

San Francisco Multi-Family

UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 Tidal House 880 Ave M	★★★★☆	248	22	Jan 2022	Jan 2025	Dci Construction Inc -
9 Adrian Court 45 Adrian Ct	★★★★☆	227	7	May 2022	Sep 2024	Carmel Partners Carmel Partners
10 Cadence Phase II 200-216 Miller Ave	★★★★☆	195	7	Jan 2022	Jun 2023	Sares-Regis Group of Northern C... Sares-Regis Group
11 Ventana Residences 99 Ocean Ave	★★★★☆	193	5	Oct 2021	Jun 2023	Presidio Bay Ventures Kristin Adrian
12 815 Old County Rd	★★★★☆	177	5	Jun 2022	Sep 2023	Greenbelt Alliance Carmel Partners
13 Potrero Hope Phase II 1081 25th St	★★★★☆	157	3	Nov 2022	Nov 2024	BRIDGE Housing Corporation SF Housing Authority Lessor
14 4840 Mission St	★★★★☆	134	6	Oct 2021	Nov 2023	BRIDGE Housing Corporation BRIDGE Housing Corporation
15 Village At Burlingame 150 Park Rd	★★★★☆	132	5	Jun 2021	Jun 2023	Pacific West Communities, Inc. Buchanan Street Partners
16 353 Main Street Apartme... 353 Main St	★★★★☆	125	5	Mar 2020	Jun 2023	ROEM Development Corporation Mark J. Sontag MD
17 111 Independence Dr	★★★★☆	105	8	Nov 2022	Apr 2026	Sateez Kadivar Sateez Kadivar
18 200 Airport Blvd	★★★★☆	94	7	Jan 2022	Jun 2023	- -
19 988 Harrison St	★★★★☆	90	8	Feb 2023	Feb 2025	JS Sullivan Development JS Sullivan Development
20 Brickline 303 Baldwin Ave	★★★★☆	64	4	Jun 2021	Jun 2023	Prometheus Real Estate Group, I... Michael Tragoutsis
21 The Fitzgerald 2095 Bryant St	★★★★☆	63	6	Mar 2022	Nov 2024	Align Real Estate Rubicon Point Partners
22 1580 Pacific Ave	★★★★☆	53	6	Mar 2022	Jun 2023	JS Sullivan Development JS Sullivan Development
23 Hawthorne 380 28th Ave	★★★★☆	52	5	Nov 2022	Jan 2024	Wilson Meany Stockbridge Capital Group, LLC
24 Grand Avenue 201 Grand Ave	★★★★☆	46	5	May 2021	Apr 2024	ROEM Development Corporation Robert Emami
25 Linden Apartments 418 Linden Ave	★★★★☆	38	5	Jun 2021	Dec 2023	Brookwood Group, Inc. ROEM Development Corporation
26 2525 Van Ness Ave	★★★★☆	28	7	Sep 2022	Jun 2023	- March Capital Bay Area Opportu...
27 801 Fassler Ave	★★★★☆	24	3	Sep 2022	Sep 2023	- Siddharth Sethi
28 560 El Camino Real	★★★★☆	24	4	Oct 2022	Oct 2023	- Wang Living Trust

Sales activity in San Francisco has been below the market's long-term historical average over the past few years. Over the past 12 months, 200 deals have yielded a sales volume of \$2.1 billion as of the second quarter of 2023. This compares to a 10-year average of \$2.0 billion in sales. Investor interest declined in the second half of 2022 in response to rapid increases in interest rates and economic uncertainty.

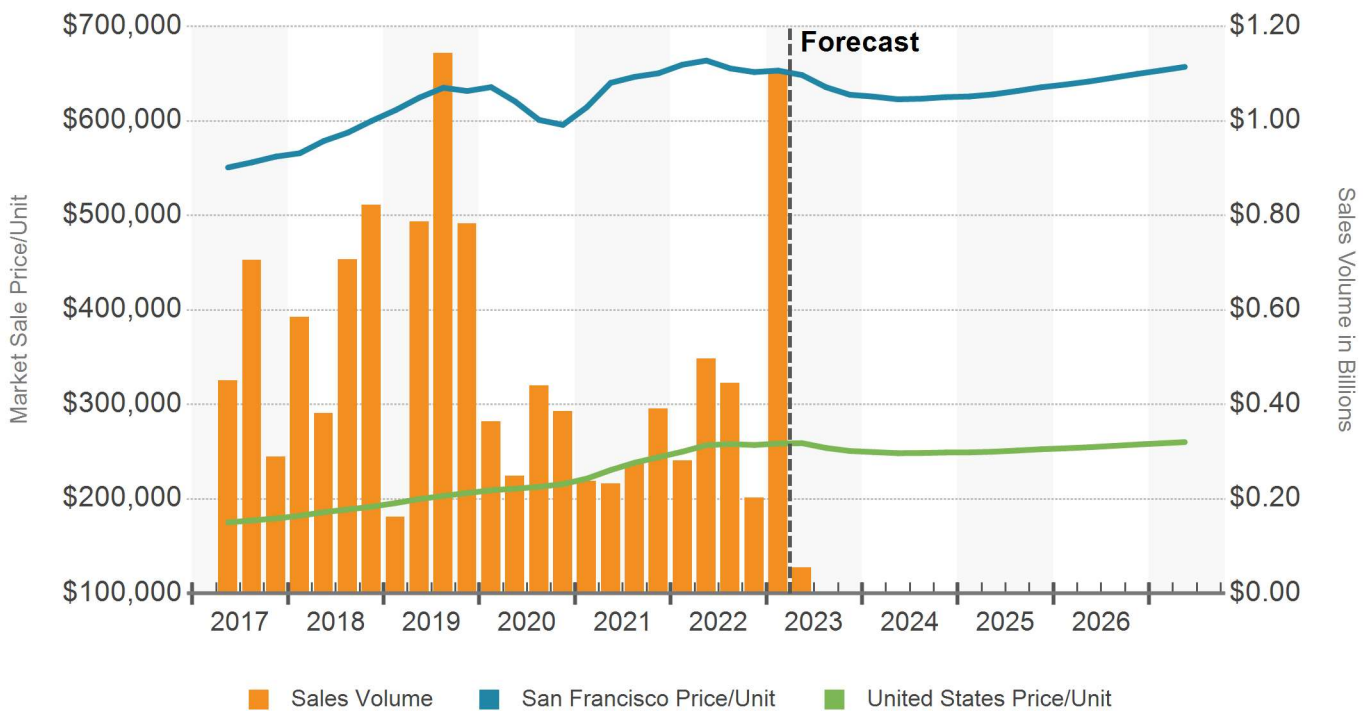
Historically, investors have been attracted to San Francisco's sound fundamentals and rent growth prospects. Development opportunities are limited, which gives buyers confidence that demand will outweigh supply in the long term, leading to improved operating income. San Francisco attracts institutional and foreign investment as a global gateway city, even at its prevailing low yields. Yet, by nature of its fragmented and aged housing stock, opportunities to acquire core investment properties are generally limited.

San Francisco's average market price per unit, which is based on the estimated value of all properties in the market, informed by actual transactions that have occurred, increased from a low of roughly \$240,000/unit in 2009 up to the current value of \$660,000/unit.

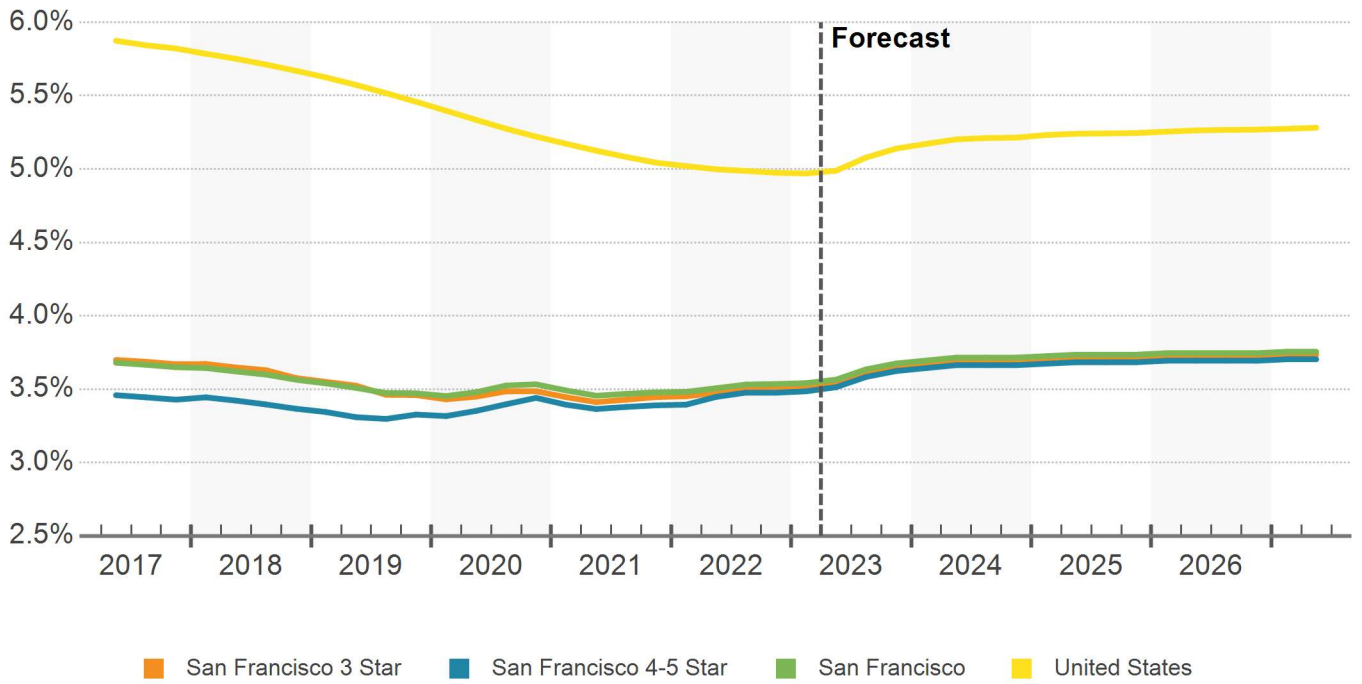
In January 2023, the 2,983-unit Westlake Village in Daly City was acquired by Carmel Partners for \$925 million, or \$297,000/unit. The 3 Star Garden style community has an average rent of approximately \$2,500/unit.

The largest sale in 2022 was 400 Cypress Ave. in South San Francisco, which sold in May 2022 for \$206 million, or \$792,000/unit. In 22Q3, Crystal Springs Terrace, a 437-unit property at 2000 Crystal Springs Road in San Bruno, was bought by Prometheus Real Estate for \$187.5 million (\$429,062/unit). These sales were not fully representative of the overall market in 2022, where most investment sales involved smaller 2 & 3 star properties, with an average transaction price of \$5.7 million.

SALES VOLUME & MARKET SALE PRICE PER UNIT



MARKET CAP RATE



Sales Past 12 Months

San Francisco Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

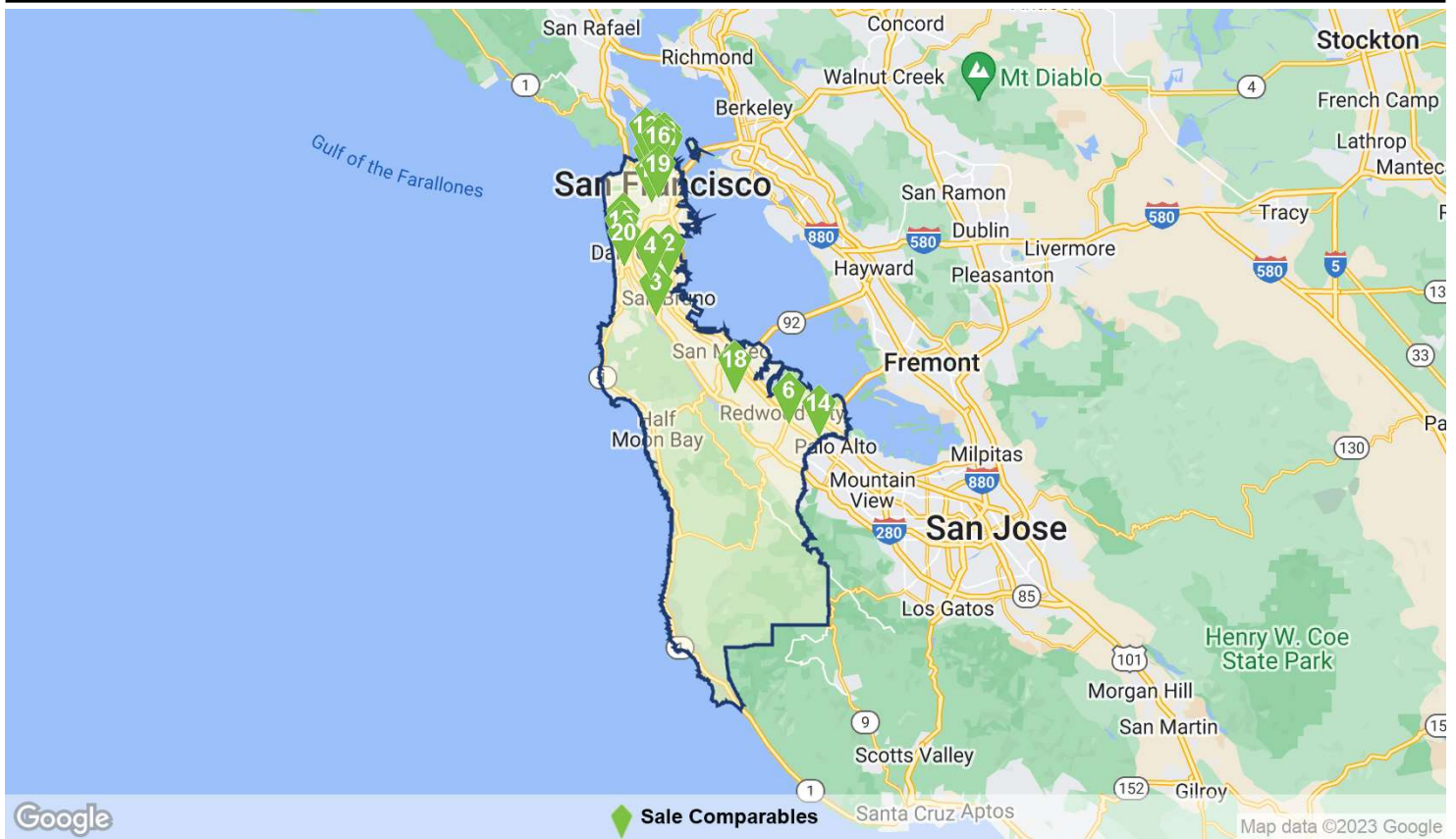
206

\$364

\$10.8

10.0%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$800,000	\$10,751,857	\$2,940,000	\$914,160,000
Price/Unit	\$80,645	\$363,728	\$397,727	\$1,130,000
Cap Rate	1.1%	4.4%	4.1%	13.7%
Vacancy Rate At Sale	0%	10.0%	0%	100%
Time Since Sale in Months	0.3	6.9	7.5	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	2	29	8	2,983
Number of Floors	1	2	3	7
Average Unit SF	118	861	809	2,021
Year Built	1900	1937	1934	2019
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.1	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

San Francisco Multi-Family

RECENT SIGNIFICANT SALES

Property Name/Address	Property Information				Sale Information			
	Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF
1 Westlake Village 333 Park Plaza Dr	★★★★★	1959	2983	11.8%	1/30/2023	\$914,160,000	\$306,456	\$352
2 Bell South City 400 Cypress Ave	★★★★★	2019	260	6.2%	5/13/2022	\$206,000,000	\$792,307	\$757
3 Crystal Springs Terrace 2000 Crystal Springs Rd	★★★★★	1974	437	7.3%	9/19/2022	\$187,500,000	\$429,061	\$534
4 Clubview Apartments 849 W Orange Ave	★★★★★	1964	102	7.8%	1/19/2023	\$48,000,000	\$470,588	\$579
5 2242 Polk Apartments 2242 Polk St	★★★★★	1913	42	7.1%	10/3/2022	\$33,100,000	\$788,095	\$684
6 Atherton Green 70 Renato Ct	★★★★★	1963	51	52.9%	3/24/2023	\$24,035,500	\$471,284	\$700
7 Eastmoor Apartments 101 Eastmoor Ave	★★★★★	1961	78	0%	12/26/2022	\$22,500,000	\$288,461	\$435
8 1835 Vallejo St	★★★★★	1929	48	4.2%	12/6/2022	\$18,350,000	\$382,291	\$498
9 Alamo Square 625 Scott St	★★★★★	1928	42	7.1%	8/1/2022	\$18,050,000	\$429,761	\$600
10 The Cloisters 899 Green St	★★★★★	1923	38	2.6%	10/13/2022	\$15,625,000	\$411,184	\$620
11 901-903 Pine St	★★★★★	1908	36	0%	8/19/2022	\$14,330,000	\$398,055	\$484
12 3839 Divisadero St	★★★★★	1940	18	5.6%	9/23/2022	\$13,300,000	\$738,888	\$755
13 Hutton Terrace Apartments 1056 Continentals Way	★★★★★	1969	24	4.2%	2/2/2023	\$12,000,000	\$500,000	\$468
14 200 Waverley St	★★★★★	1958	10	0%	11/8/2022	\$11,300,000	\$1,130,000	\$1,221
15 Terrace View 26 Terrace View Ct	★★★★★	1968	122	9.8%	1/30/2023	\$10,840,000	\$88,852	\$79
16 1850 Clay St	★★★★★	1927	20	0%	6/24/2022	\$9,990,000	\$499,500	\$602
17 1450 Castro St	★★★★★	1912	25	4.0%	8/1/2022	\$9,750,000	\$390,000	\$698
18 2441 Carlmont Dr	★★★★★	1965	19	5.3%	5/20/2022	\$9,600,000	\$505,263	\$330
19 940 Guerrero St	★★★★★	1962	21	4.8%	6/7/2022	\$9,400,000	\$447,619	\$632
20 30 Kent Ct	★★★★★	1971	19	5.3%	6/23/2022	\$9,000,000	\$473,684	\$599

San Francisco is one of three major markets—the others being the East Bay and San Jose—that together, comprise most of the San Francisco Bay Area. The Bay Area is one of the largest metropolitan areas in the U.S., with a total population of 9.5 million, and is a major gateway city and generator of economic growth.

The San Francisco market comprises San Francisco and San Mateo counties and is home to 1.6 million people. The major center for business activity is the Financial District in Downtown San Francisco. Major industries include information and communications technology, professional and business services, and tourism.

The COVID-19 pandemic triggered an economic downturn that disrupted San Francisco's core economic base and impacted the performance of key commercial real estate sectors. Most notably, the slow pace of a return to in-office working in Downtown San Francisco is impairing the viability and value of downtown office properties and having negative impacts on local businesses.

At the onset of the pandemic, faced with lockdowns, most employers had no choice but to close their offices and ask their staff to work remotely. The tech workforce, which by 2019 had become the largest segment of workers in the San Francisco CBD, was highly mobile and adapted with ease to remote working. Many employees took the opportunity to relocate away from San Francisco to more affordable and less densely populated locations.

The high cost of living was already causing a decline in

San Francisco's population prior to 2020, but the pandemic accelerated this trend, with the population falling by -5.1% at the height of the pandemic. Recently, some of these losses have been recovered. Nevertheless, the metro still has -86,000 fewer people than it did five years ago.

Total employment has recovered and is now slightly ahead of where it was pre-pandemic. However, employment growth has been constrained by outward migration and a fall in the labor market participation rate. The unemployment rate has fallen to a 10-year low of 2.0%, making recruiting difficult. Layoffs in the technology sector should provide some easing of the tight employment market.

Data from office key card usage and transit activity on BART show that San Francisco has one of the lowest return-to-office levels of any major market in the nation. Reflecting this fall in activity, office vacancy levels have escalated, particularly in the Financial District and South Financial District, which are the core submarkets that contain the bulk of San Francisco's 4 & 5 Star office space.

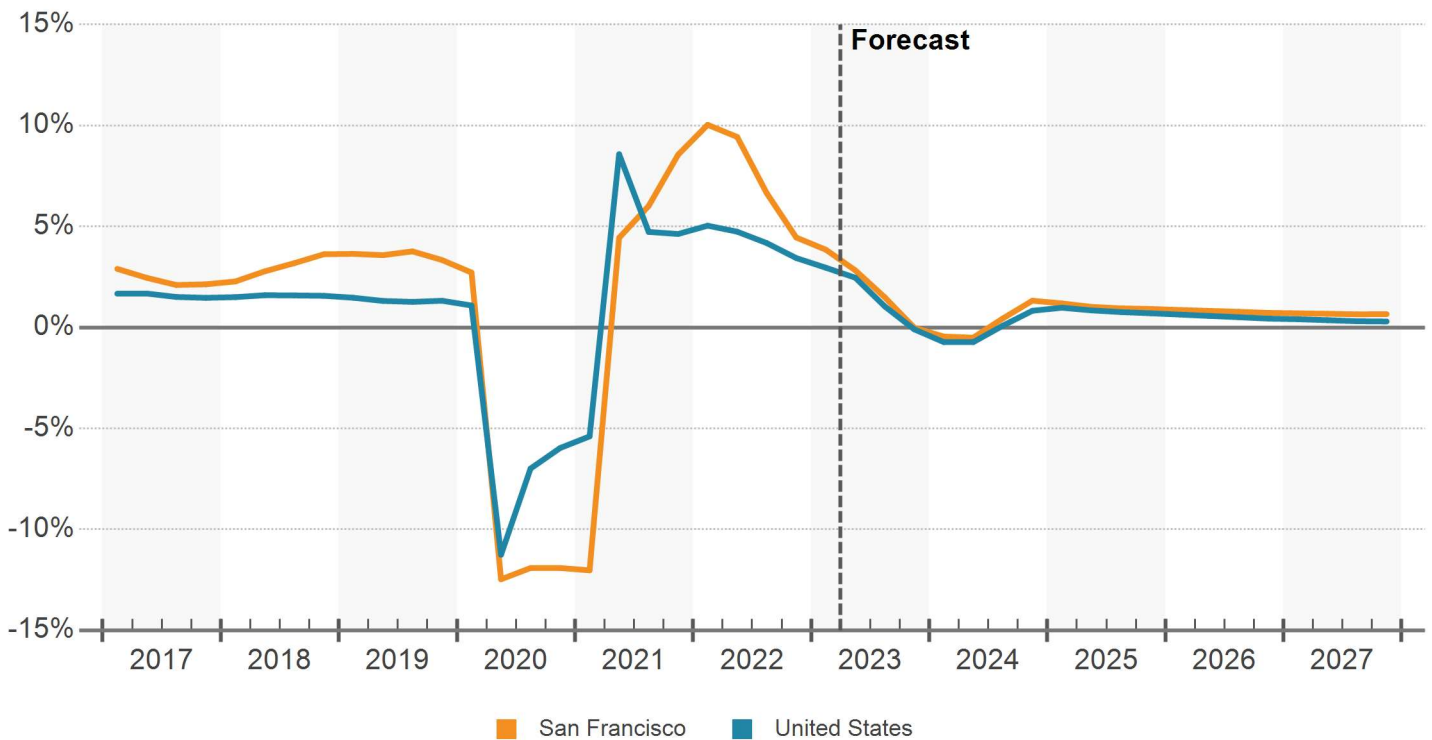
Despite recent layoffs, the Bay Area continues to attract talent and investment in the technology sector, receiving over 30% of the nation's venture capital spending in 2022. Innovation in life sciences and biotechnology is driving growth across the metro, particularly in areas such as South San Francisco, and prompting developers to move forward with a range of lab space, R&D space, and residential construction projects.

SAN FRANCISCO 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	39	0.4	0.30%	2.12%	0.84%	0.80%	0.09%	-0.10%
Trade, Transportation and Utilities	140	0.6	2.93%	1.14%	0.50%	1.22%	-0.20%	-0.01%
Retail Trade	67	0.6	-0.11%	0.50%	-1.35%	0.42%	-0.38%	0.00%
Financial Activities	90	1.3	2.23%	1.29%	2.27%	1.49%	-0.51%	-0.01%
Government	134	0.8	-2.61%	1.83%	1.28%	0.29%	0.43%	0.44%
Natural Resources, Mining and Construction	42	0.6	0.56%	3.42%	3.24%	2.55%	0.62%	0.11%
Education and Health Services	154	0.8	4.17%	4.04%	2.60%	1.77%	0.26%	0.56%
Professional and Business Services	316	1.8	3.07%	2.48%	3.63%	2.19%	0.55%	0.24%
Information	125	5.3	1.99%	0.81%	9.90%	1.26%	1.15%	0.00%
Leisure and Hospitality	129	1.0	14.84%	6.33%	0.23%	1.61%	2.15%	0.91%
Other Services	40	0.9	5.28%	3.24%	0.52%	0.68%	0.38%	0.21%
Total Employment	1,208	1.0	3.37%	2.72%	2.52%	1.37%	0.56%	0.29%

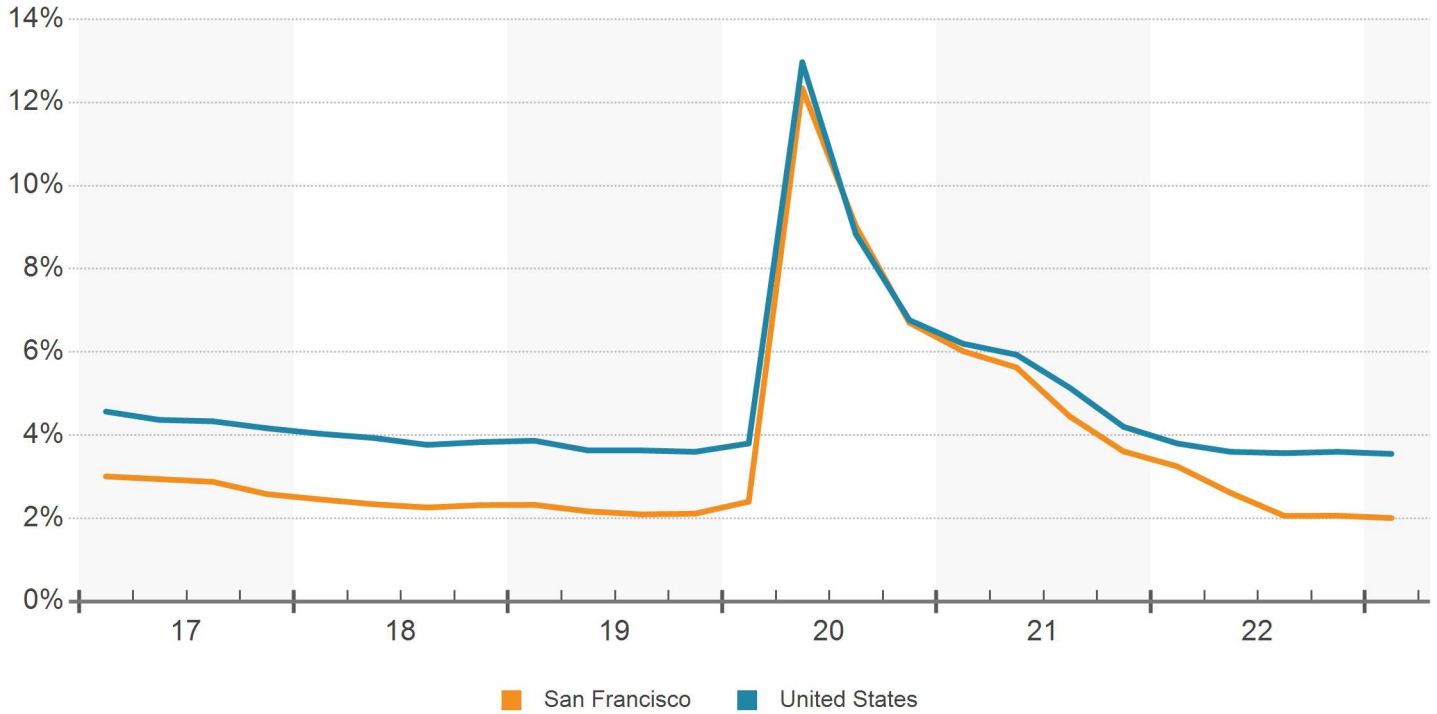
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

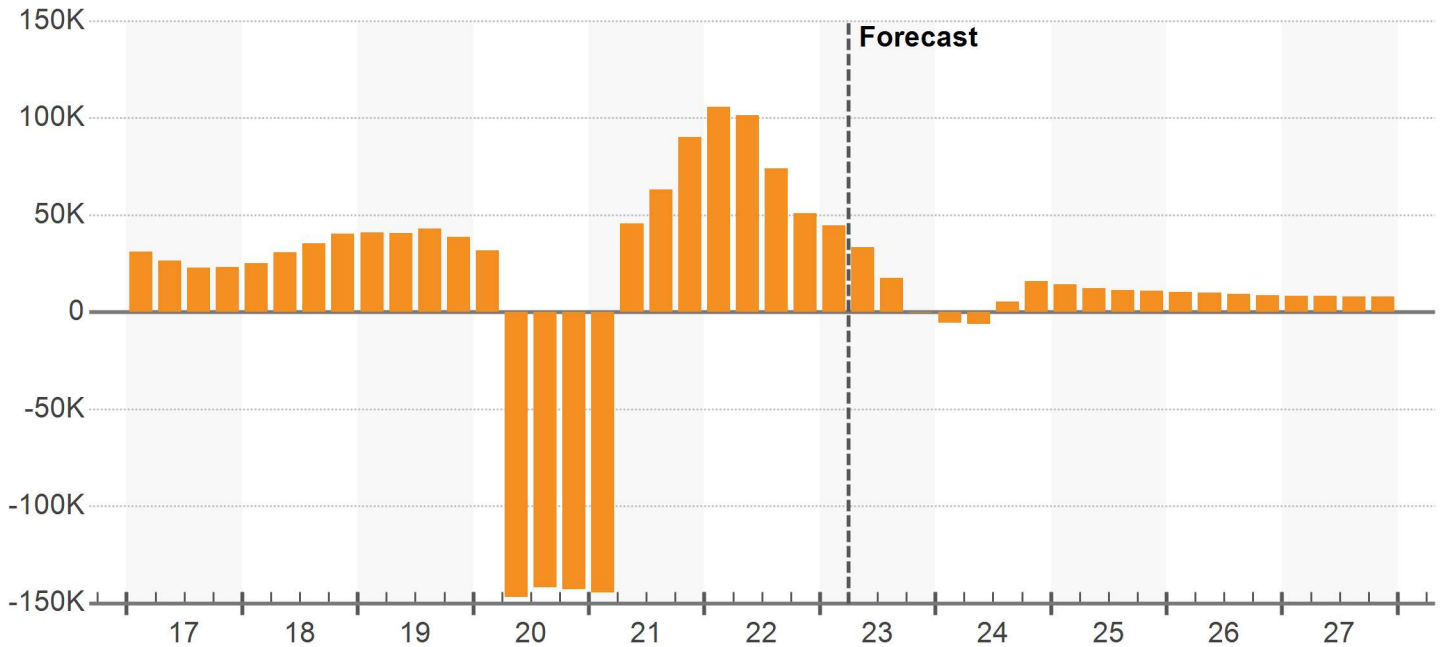


Source: Oxford Economics

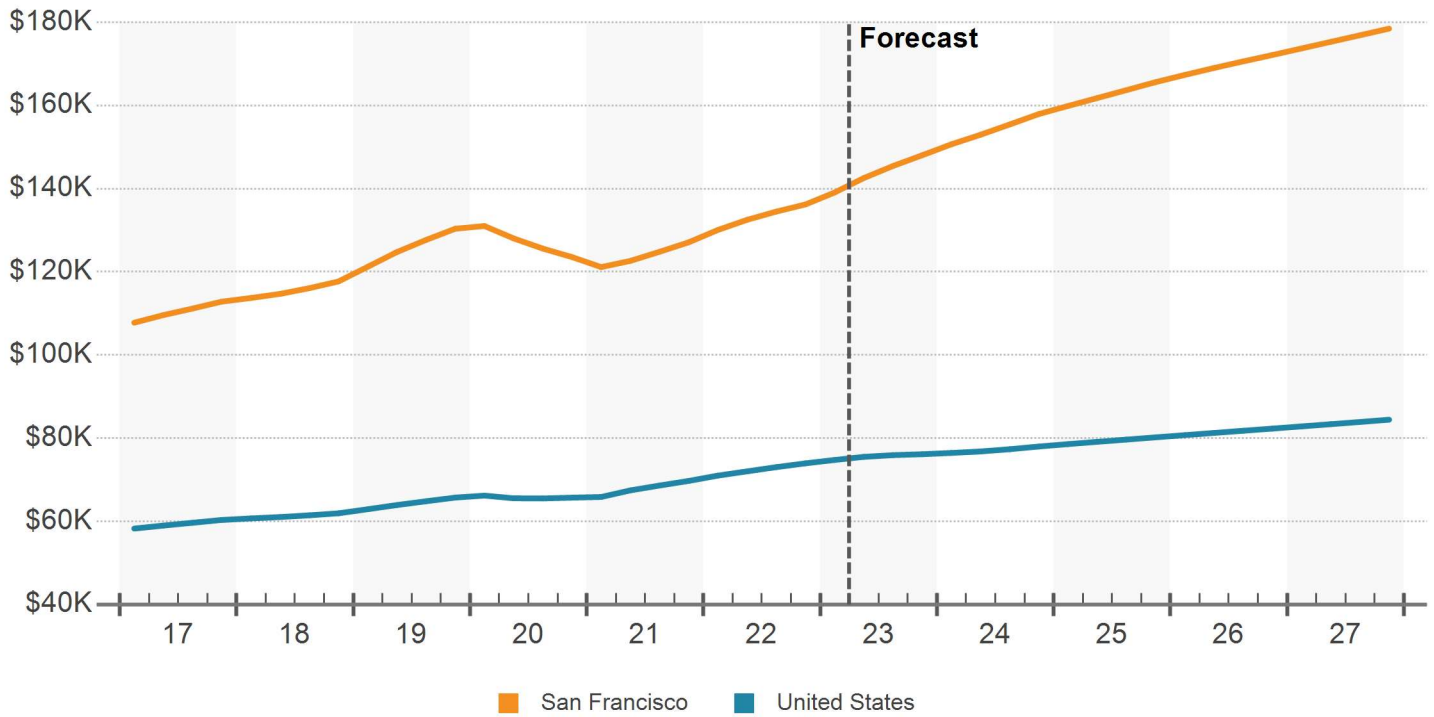
UNEMPLOYMENT RATE (%)



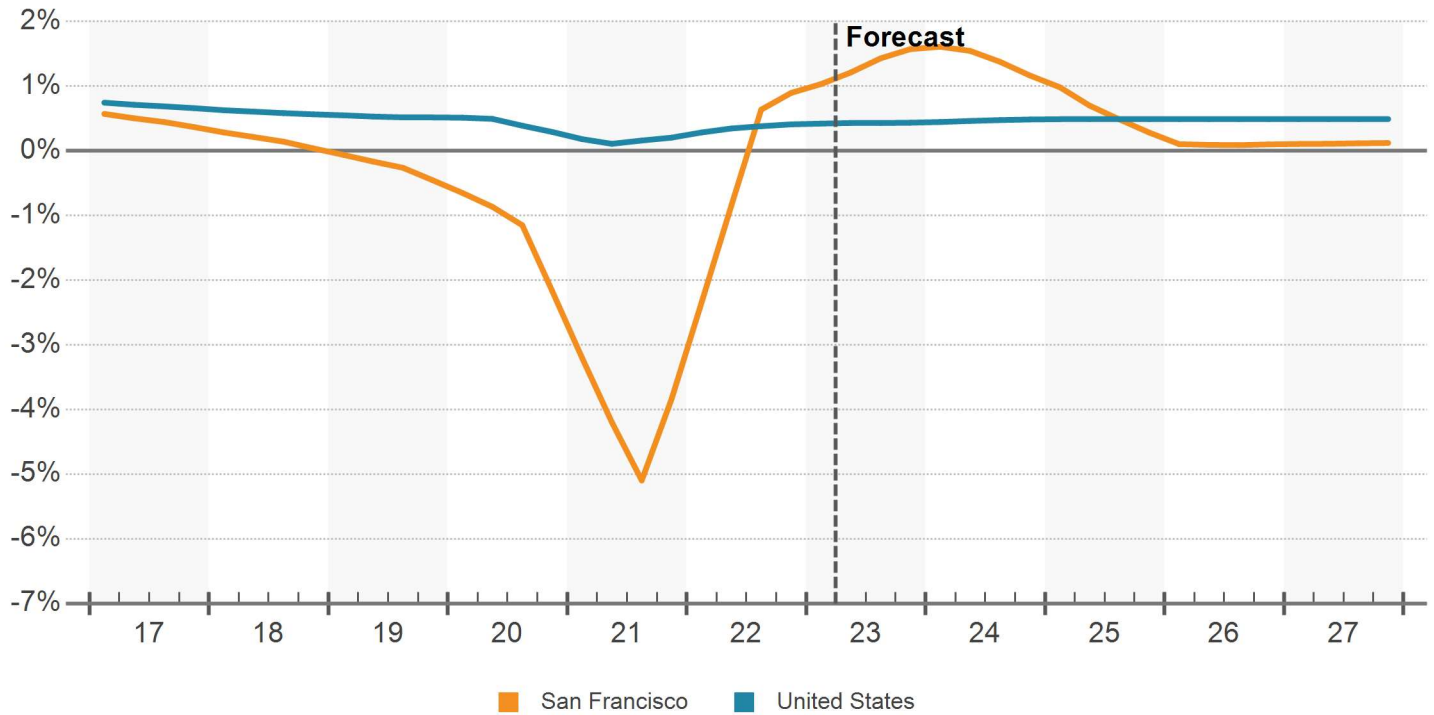
NET EMPLOYMENT CHANGE (YOY)



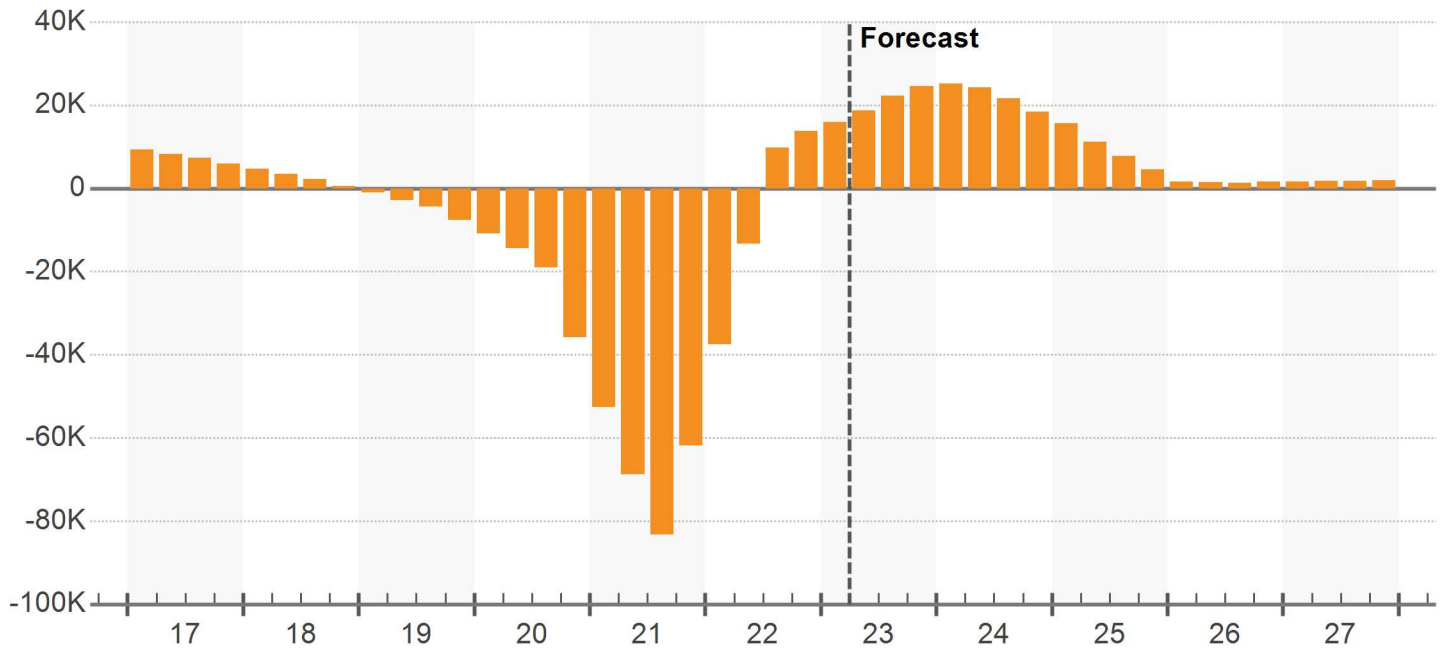
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

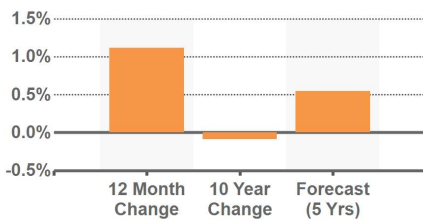


DEMOGRAPHIC TRENDS

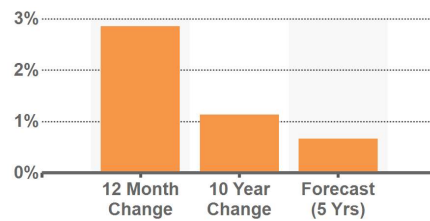
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,571,861	334,178,250	1.1%	0.4%	-0.1%	0.6%	0.5%	0.5%
Households	628,575	129,700,297	1.6%	0.9%	0.1%	0.9%	0.7%	0.6%
Median Household Income	\$140,692	\$75,106	7.2%	5.1%	5.4%	3.8%	5.2%	2.6%
Labor Force	1,036,432	165,255,438	2.9%	0.8%	1.1%	0.6%	0.7%	0.4%
Unemployment	2.0%	3.5%	-0.9%	-0.2%	-0.4%	-0.4%	-	-

Source: Oxford Economics

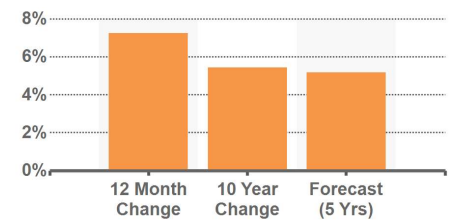
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Submarkets

San Francisco 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	Bayview/Visitacion Valley	87	1,137	0.6%	15	0	0	0%	-	3	484	42.6%	5
2	Civic Center/Tenderloin	222	10,730	6.0%	8	1	240	2.2%	3	0	0	0%	-
3	Daly City/Brisbane	181	6,988	3.9%	12	0	0	0%	-	1	20	0.3%	12
4	Downtown San Francisco	1,549	23,847	13.3%	1	0	0	0%	-	1	53	0.2%	9
5	Foster City/Redwood Sho...	30	5,704	3.2%	13	0	0	0%	-	0	0	0%	-
6	Haight-Ashbury/Castro/N...	1,731	20,228	11.3%	3	2	519	2.6%	1	2	75	0.4%	8
7	Marina/Pacific Heights/Pr...	916	14,442	8.1%	6	0	0	0%	-	1	28	0.2%	10
8	Mission Bay/China Basin...	78	7,177	4.0%	11	1	24	0.3%	7	2	538	7.5%	4
9	Outlying San Mateo County	29	281	0.2%	17	0	0	0%	-	0	0	0%	-
10	Pacifica	78	2,299	1.3%	14	1	30	1.3%	6	1	24	1.0%	11
11	Redwood City/Menlo Park	827	15,832	8.8%	5	3	204	1.3%	4	5	1,326	8.4%	2
12	Richmond/Western Addition	1,395	17,723	9.9%	4	0	0	0%	-	0	0	0%	-
13	S San Francisco/San Bru...	538	8,429	4.7%	10	1	320	3.8%	2	4	373	4.4%	6
14	San Mateo/Burlingame	1,201	21,130	11.8%	2	1	128	0.6%	5	10	967	4.6%	3
15	South Of Market	120	13,312	7.4%	7	0	0	0%	-	1	90	0.7%	7
16	Sunset/Lakeshore	513	9,232	5.2%	9	0	0	0%	-	0	0	0%	-
17	Treasure/Yerba Buena Isl...	1	430	0.2%	16	0	0	0%	-	2	3,819	888.1%	1

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	Bayview/Visitacion Valley	\$2,894	\$3.01	15	-3.6%	\$2,884	\$3	15	-3.5%	0.3%	17
2	Civic Center/Tenderloin	\$2,424	\$4.32	5	-0.3%	\$2,406	\$4.29	6	0.5%	0.8%	9
3	Daly City/Brisbane	\$2,471	\$3.46	14	2.0%	\$2,452	\$3.43	14	2.0%	0.8%	8
4	Downtown San Francisco	\$2,665	\$4.46	4	-0.6%	\$2,646	\$4.42	3	-0.6%	0.7%	11
5	Foster City/Redwood Sho...	\$3,404	\$3.88	8	1.2%	\$3,392	\$3.87	8	1.5%	0.3%	16
6	Haight-Ashbury/Castro/N...	\$3,051	\$4.47	3	-1.7%	\$2,978	\$4.38	4	-1.2%	2.4%	1
7	Marina/Pacific Heights/Pr...	\$3,738	\$4.31	6	1.9%	\$3,723	\$4.30	5	2.0%	0.4%	15
8	Mission Bay/China Basin...	\$3,867	\$4.69	2	-1.0%	\$3,838	\$4.66	2	-0.9%	0.7%	10
9	Outlying San Mateo County	\$2,088	\$2.15	17	1.6%	\$2,077	\$2.14	17	1.8%	0.5%	14
10	Pacifica	\$2,690	\$3.55	11	-1.2%	\$2,677	\$3.53	11	-0.8%	0.5%	13
11	Redwood City/Menlo Park	\$2,938	\$3.65	9	0%	\$2,906	\$3.61	9	-0.1%	1.1%	2
12	Richmond/Western Addition	\$2,582	\$4.07	7	-1.2%	\$2,561	\$4.03	7	-1.5%	0.8%	6
13	S San Francisco/San Bru...	\$3,043	\$3.48	13	2.1%	\$3,026	\$3.46	13	2.6%	0.6%	12
14	San Mateo/Burlingame	\$2,958	\$3.58	10	0.6%	\$2,935	\$3.55	10	0.5%	0.8%	7
15	South Of Market	\$3,560	\$4.71	1	-2.1%	\$3,528	\$4.66	1	-1.2%	0.9%	5
16	Sunset/Lakeshore	\$2,902	\$3.52	12	-7.9%	\$2,875	\$3.49	12	-7.9%	0.9%	4
17	Treasure/Yerba Buena Isl...	\$2,830	\$2.57	16	0.2%	\$2,802	\$2.54	16	-0.8%	1.0%	3

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Bayview/Visitacion Valley	55	4.8%	5	3	0.2%	10	-
2	Civic Center/Tenderloin	957	8.9%	14	195	1.8%	3	1.2
3	Daly City/Brisbane	549	7.9%	13	(7)	-0.1%	12	-
4	Downtown San Francisco	1,682	7.1%	11	24	0.1%	8	-
5	Foster City/Redwood Sho...	232	4.1%	2	(47)	-0.8%	14	-
6	Haight-Ashbury/Castro/N...	2,038	10.1%	15	124	0.6%	5	4.2
7	Marina/Pacific Heights/Pr...	900	6.2%	9	(182)	-1.3%	17	-
8	Mission Bay/China Basin...	431	6.0%	7	36	0.5%	6	0.7
9	Outlying San Mateo County	11	4.1%	1	0	-0.2%	11	-
10	Pacifica	105	4.6%	3	8	0.4%	9	3.7
11	Redwood City/Menlo Park	1,100	7.0%	10	181	1.1%	4	1.0
12	Richmond/Western Addition	1,317	7.4%	12	(31)	-0.2%	13	-
13	S San Francisco/San Bru...	402	4.8%	4	480	5.7%	2	0.7
14	San Mateo/Burlingame	1,192	5.6%	6	33	0.2%	7	3.8
15	South Of Market	806	6.1%	8	590	4.4%	1	-
16	Sunset/Lakeshore	1,322	14.3%	16	(100)	-1.1%	16	-
17	Treasure/Yerba Buena Isl...	82	19.0%	17	(81)	-18.8%	15	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	189,481	1,860	1.0%	1,987	1.0%	0.9
2026	187,621	1,126	0.6%	1,678	0.9%	0.7
2025	186,495	785	0.4%	1,720	0.9%	0.5
2024	185,710	5,365	3.0%	3,588	1.9%	1.5
2023	180,345	1,774	1.0%	663	0.4%	2.7
YTD	178,921	350	0.2%	88	0%	4.0
2022	178,571	1,829	1.0%	2,527	1.4%	0.7
2021	176,742	2,756	1.6%	8,125	4.6%	0.3
2020	173,986	2,822	1.6%	(6,238)	-3.6%	-
2019	171,164	2,197	1.3%	861	0.5%	2.6
2018	168,967	2,080	1.2%	2,448	1.4%	0.8
2017	166,887	3,669	2.2%	2,984	1.8%	1.2
2016	163,218	3,767	2.4%	3,357	2.1%	1.1
2015	159,451	2,368	1.5%	1,873	1.2%	1.3
2014	157,083	2,317	1.5%	2,461	1.6%	0.9
2013	154,766	2,668	1.8%	2,464	1.6%	1.1
2012	152,098	179	0.1%	(169)	-0.1%	-
2011	151,919	(25)	0%	648	0.4%	0

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	49,678	1,522	3.2%	1,360	2.7%	1.1
2026	48,156	971	2.1%	1,628	3.4%	0.6
2025	47,185	792	1.7%	2,110	4.5%	0.4
2024	46,393	5,101	12.4%	3,007	6.5%	1.7
2023	41,292	1,732	4.4%	1,342	3.3%	1.3
YTD	39,880	320	0.8%	577	1.4%	0.6
2022	39,560	1,367	3.6%	2,262	5.7%	0.6
2021	38,193	2,733	7.7%	4,610	12.1%	0.6
2020	35,460	2,642	8.1%	(1,146)	-3.2%	-
2019	32,818	2,156	7.0%	1,366	4.2%	1.6
2018	30,662	2,501	8.9%	2,939	9.6%	0.9
2017	28,161	3,692	15.1%	3,038	10.8%	1.2
2016	24,469	3,800	18.4%	3,427	14.0%	1.1
2015	20,669	2,230	12.1%	2,102	10.2%	1.1
2014	18,439	2,292	14.2%	2,055	11.1%	1.1
2013	16,147	2,293	16.6%	2,069	12.8%	1.1
2012	13,854	489	3.7%	387	2.8%	1.3
2011	13,365	(53)	-0.4%	274	2.1%	-

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	48,137	0	0%	133	0.3%	0
2026	48,137	0	0%	18	0%	0
2025	48,137	63	0.1%	(61)	-0.1%	-
2024	48,074	322	0.7%	385	0.8%	0.8
2023	47,752	50	0.1%	(15)	0%	-
YTD	47,708	6	0%	(46)	-0.1%	-
2022	47,702	462	1.0%	164	0.3%	2.8
2021	47,240	23	0%	1,501	3.2%	0
2020	47,217	199	0.4%	(1,963)	-4.2%	-
2019	47,018	30	0.1%	(77)	-0.2%	-
2018	46,988	(411)	-0.9%	(464)	-1.0%	0.9
2017	47,399	8	0%	(33)	-0.1%	-
2016	47,391	13	0%	0	0%	-
2015	47,378	145	0.3%	(215)	-0.5%	-
2014	47,233	20	0%	291	0.6%	0.1
2013	47,213	327	0.7%	239	0.5%	1.4
2012	46,886	(310)	-0.7%	(423)	-0.9%	0.7
2011	47,196	28	0.1%	322	0.7%	0.1

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	91,666	338	0.4%	494	0.5%	0.7
2026	91,328	155	0.2%	32	0%	4.8
2025	91,173	(70)	-0.1%	(329)	-0.4%	0.2
2024	91,243	(58)	-0.1%	196	0.2%	-
2023	91,301	(8)	0%	(664)	-0.7%	0
YTD	91,333	24	0%	(443)	-0.5%	-
2022	91,309	0	0%	101	0.1%	0
2021	91,309	0	0%	2,014	2.2%	0
2020	91,309	(19)	0%	(3,129)	-3.4%	0
2019	91,328	11	0%	(428)	-0.5%	0
2018	91,317	(10)	0%	(27)	0%	0.4
2017	91,327	(31)	0%	(21)	0%	1.5
2016	91,358	(46)	-0.1%	(70)	-0.1%	0.7
2015	91,404	(7)	0%	(14)	0%	0.5
2014	91,411	5	0%	115	0.1%	0
2013	91,406	48	0.1%	156	0.2%	0.3
2012	91,358	0	0%	(133)	-0.1%	0
2011	91,358	0	0%	52	0.1%	0

OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2027	14,196	7.5%	(0.1)	\$3,244	\$4.37	2.6%	0.1	\$3,213	\$4.33
2026	14,324	7.6%	(0.3)	\$3,160	\$4.26	2.5%	0.3	\$3,130	\$4.22
2025	14,876	8.0%	(0.5)	\$3,082	\$4.15	2.2%	1.4	\$3,052	\$4.11
2024	15,808	8.5%	0.7	\$3,015	\$4.06	0.8%	1.0	\$2,986	\$4.02
2023	14,033	7.8%	0.5	\$2,991	\$4.03	-0.2%	(0.9)	\$2,962	\$3.99
YTD	13,183	7.4%	0.1	\$3,033	\$4.03	-0.6%	(1.2)	\$3,006	\$3.99
2022	12,921	7.2%	(0.5)	\$2,998	\$3.98	0.7%	(7.2)	\$2,969	\$3.94
2021	13,616	7.7%	(3.2)	\$2,977	\$3.95	7.9%	18.2	\$2,938	\$3.90
2020	18,967	10.9%	5.1	\$2,760	\$3.65	-10.4%	(11.2)	\$2,694	\$3.56
2019	9,911	5.8%	0.7	\$3,079	\$4.08	0.8%	(2.1)	\$3,058	\$4.05
2018	8,567	5.1%	(0.3)	\$3,054	\$4.05	2.9%	1.6	\$3,023	\$4.01
2017	8,929	5.4%	0.3	\$2,968	\$3.94	1.3%	0.8	\$2,909	\$3.86
2016	8,242	5.0%	0.1	\$2,929	\$3.89	0.5%	(5.6)	\$2,871	\$3.81
2015	7,823	4.9%	0.2	\$2,915	\$3.87	6.1%	1.4	\$2,885	\$3.83
2014	7,327	4.7%	(0.2)	\$2,747	\$3.65	4.7%	0.4	\$2,726	\$3.62
2013	7,470	4.8%	0.1	\$2,624	\$3.48	4.2%	0	\$2,606	\$3.46
2012	7,264	4.8%	0.2	\$2,517	\$3.34	4.3%	0.9	\$2,503	\$3.32
2011	6,915	4.6%	(0.4)	\$2,414	\$3.20	3.4%	-	\$2,400	\$3.18

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	4,527	9.1%	0	\$3,986	\$4.77	2.5%	0.1	\$3,938	\$4.72
2026	4,366	9.1%	(1.6)	\$3,888	\$4.65	2.5%	0.3	\$3,840	\$4.60
2025	5,022	10.6%	(3.0)	\$3,794	\$4.54	2.1%	1.4	\$3,747	\$4.49
2024	6,338	13.7%	3.4	\$3,714	\$4.45	0.7%	1.0	\$3,669	\$4.40
2023	4,245	10.3%	0.5	\$3,687	\$4.41	-0.3%	0.3	\$3,642	\$4.36
YTD	3,599	9.0%	(0.7)	\$3,750	\$4.38	-2.1%	(1.5)	\$3,708	\$4.34
2022	3,856	9.7%	(2.7)	\$3,698	\$4.32	-0.6%	(12.9)	\$3,664	\$4.28
2021	4,751	12.4%	(6.2)	\$3,720	\$4.34	12.3%	27.4	\$3,650	\$4.27
2020	6,624	18.7%	10.0	\$3,313	\$3.84	-15.2%	(15.5)	\$3,185	\$3.70
2019	2,839	8.7%	2.0	\$3,905	\$4.54	0.4%	(2.6)	\$3,878	\$4.50
2018	2,040	6.7%	(2.1)	\$3,890	\$4.52	3.0%	1.8	\$3,837	\$4.46
2017	2,474	8.8%	1.4	\$3,778	\$4.39	1.1%	1.2	\$3,666	\$4.26
2016	1,818	7.4%	0.5	\$3,735	\$4.35	-0.1%	(5.1)	\$3,636	\$4.23
2015	1,433	6.9%	(0.1)	\$3,738	\$4.36	5.1%	1.0	\$3,694	\$4.30
2014	1,306	7.1%	0.5	\$3,558	\$4.14	4.1%	0.7	\$3,533	\$4.11
2013	1,067	6.6%	0.5	\$3,418	\$3.99	3.4%	(0.6)	\$3,389	\$3.95
2012	842	6.1%	0.5	\$3,307	\$3.86	3.9%	1.1	\$3,290	\$3.84
2011	740	5.5%	(2.4)	\$3,182	\$3.71	2.8%	-	\$3,164	\$3.69

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	3,698	7.7%	(0.3)	\$3,096	\$4.32	2.7%	0.1	\$3,068	\$4.29
2026	3,831	8.0%	0	\$3,014	\$4.21	2.6%	0.4	\$2,987	\$4.17
2025	3,850	8.0%	0.3	\$2,937	\$4.10	2.2%	1.4	\$2,911	\$4.07
2024	3,724	7.7%	(0.2)	\$2,873	\$4.01	0.8%	1.5	\$2,847	\$3.98
2023	3,787	7.9%	0.1	\$2,849	\$3.98	-0.6%	(2.4)	\$2,824	\$3.94
YTD	3,774	7.9%	0.1	\$2,895	\$4.01	0.4%	(1.3)	\$2,871	\$3.98
2022	3,721	7.8%	0.6	\$2,868	\$3.97	1.7%	(5.0)	\$2,835	\$3.92
2021	3,421	7.2%	(3.1)	\$2,819	\$3.90	6.7%	16.0	\$2,795	\$3.87
2020	4,890	10.4%	4.6	\$2,642	\$3.66	-9.3%	(10.0)	\$2,598	\$3.59
2019	2,724	5.8%	0.2	\$2,913	\$4.04	0.7%	(1.8)	\$2,890	\$4.01
2018	2,617	5.6%	0.2	\$2,893	\$4.01	2.5%	1.4	\$2,869	\$3.98
2017	2,564	5.4%	0.1	\$2,822	\$3.91	1.1%	1.0	\$2,777	\$3.85
2016	2,523	5.3%	0	\$2,791	\$3.87	0.1%	(7.3)	\$2,737	\$3.79
2015	2,511	5.3%	0.7	\$2,789	\$3.87	7.4%	2.8	\$2,757	\$3.82
2014	2,151	4.6%	(0.6)	\$2,596	\$3.60	4.6%	(0.9)	\$2,571	\$3.56
2013	2,423	5.1%	0.2	\$2,482	\$3.44	5.5%	0.5	\$2,466	\$3.42
2012	2,334	5.0%	0.3	\$2,353	\$3.26	5.0%	0.1	\$2,340	\$3.24
2011	2,220	4.7%	(0.6)	\$2,241	\$3.10	4.9%	-	\$2,228	\$3.08

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	5,971	6.5%	(0.2)	\$2,593	\$3.83	2.7%	0.1	\$2,577	\$3.80
2026	6,127	6.7%	0.1	\$2,524	\$3.72	2.6%	0.3	\$2,508	\$3.70
2025	6,004	6.6%	0.3	\$2,460	\$3.63	2.3%	1.4	\$2,444	\$3.61
2024	5,745	6.3%	(0.3)	\$2,405	\$3.55	0.9%	0.4	\$2,390	\$3.53
2023	6,000	6.6%	0.7	\$2,385	\$3.52	0.5%	(1.1)	\$2,370	\$3.49
YTD	5,809	6.4%	0.5	\$2,399	\$3.52	0.9%	(0.7)	\$2,385	\$3.50
2022	5,343	5.9%	(0.1)	\$2,373	\$3.48	1.6%	(0.7)	\$2,356	\$3.45
2021	5,444	6.0%	(2.2)	\$2,336	\$3.42	2.3%	5.5	\$2,315	\$3.39
2020	7,453	8.2%	3.4	\$2,283	\$3.34	-3.2%	(5.0)	\$2,261	\$3.31
2019	4,348	4.8%	0.5	\$2,357	\$3.47	1.9%	(1.4)	\$2,345	\$3.45
2018	3,910	4.3%	0	\$2,314	\$3.40	3.2%	1.2	\$2,300	\$3.38
2017	3,891	4.3%	0	\$2,242	\$3.29	2.0%	(0.1)	\$2,225	\$3.27
2016	3,901	4.3%	0	\$2,199	\$3.23	2.1%	(4.3)	\$2,181	\$3.20
2015	3,878	4.2%	0	\$2,154	\$3.17	6.3%	0.4	\$2,142	\$3.15
2014	3,870	4.2%	(0.1)	\$2,025	\$2.97	6.0%	1.6	\$2,013	\$2.95
2013	3,980	4.4%	(0.1)	\$1,911	\$2.79	4.4%	0.3	\$1,901	\$2.78
2012	4,088	4.5%	0.1	\$1,831	\$2.67	4.1%	1.7	\$1,820	\$2.65
2011	3,955	4.3%	(0.1)	\$1,759	\$2.56	2.4%	-	\$1,750	\$2.55

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	-	-	-	-	-	-	\$665,051	250	3.8%
2026	-	-	-	-	-	-	\$649,573	245	3.7%
2025	-	-	-	-	-	-	\$635,497	239	3.7%
2024	-	-	-	-	-	-	\$625,074	235	3.7%
2023	-	-	-	-	-	-	\$627,562	236	3.7%
YTD	55	\$1.2B	2.1%	\$21,077,599	\$309,386	4.7%	\$651,019	245	3.6%
2022	235	\$1.4B	1.8%	\$6,093,116	\$441,011	4.2%	\$651,575	245	3.5%
2021	210	\$1.1B	1.5%	\$5,408,332	\$424,897	4.3%	\$650,327	245	3.5%
2020	169	\$1.4B	1.5%	\$8,612,409	\$554,675	4.1%	\$595,683	224	3.5%
2019	467	\$2.9B	4.3%	\$11,363,281	\$569,289	4.0%	\$631,546	238	3.5%
2018	576	\$2.5B	5.0%	\$7,869,786	\$487,060	3.7%	\$599,867	226	3.6%
2017	604	\$1.7B	3.9%	\$5,679,799	\$414,563	3.6%	\$562,193	212	3.6%
2016	419	\$2.5B	4.7%	\$9,006,729	\$391,872	3.8%	\$531,977	200	3.7%
2015	379	\$1.8B	3.6%	\$7,024,184	\$419,088	3.9%	\$506,991	191	3.8%
2014	480	\$2.6B	6.3%	\$7,484,893	\$334,533	4.2%	\$459,790	173	3.9%
2013	379	\$2.3B	5.5%	\$7,854,898	\$331,395	4.7%	\$411,250	155	4.2%
2012	456	\$1.4B	5.3%	\$3,777,810	\$223,710	5.2%	\$391,087	147	4.2%

(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	-	-	-	-	-	-	\$773,172	227	3.7%
2026	-	-	-	-	-	-	\$755,873	222	3.7%
2025	-	-	-	-	-	-	\$739,886	218	3.7%
2024	-	-	-	-	-	-	\$727,991	214	3.7%
2023	-	-	-	-	-	-	\$731,309	215	3.6%
YTD	-	-	-	-	-	-	\$758,293	223	3.5%
2022	1	\$206M	0.7%	\$206,000,000	\$792,308	-	\$762,587	224	3.5%
2021	2	\$146.6M	0.7%	\$73,300,000	\$544,981	3.6%	\$771,897	227	3.4%
2020	3	\$321.1M	1.1%	\$107,024,431	\$842,712	3.9%	\$708,969	208	3.4%
2019	11	\$1.4B	6.5%	\$159,201,111	\$770,328	4.7%	\$773,756	227	3.3%
2018	9	\$359.1M	2.3%	\$51,306,065	\$654,176	3.7%	\$754,508	222	3.4%
2017	4	\$369.9M	2.4%	\$92,478,026	\$549,647	-	\$713,236	210	3.4%
2016	5	\$774.7M	4.6%	\$154,930,000	\$687,966	3.9%	\$676,302	199	3.5%
2015	5	\$251.2M	3.7%	\$62,800,000	\$697,778	3.9%	\$650,515	191	3.5%
2014	5	\$1.2B	15.3%	\$232,826,000	\$412,812	5.7%	\$596,142	175	3.6%
2013	7	\$498.7M	12.3%	\$99,746,472	\$426,267	5.1%	\$536,776	158	3.8%
2012	11	\$160.5M	7.3%	\$32,109,900	\$343,054	5.4%	\$505,861	149	3.9%

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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	-	-	-	-	-	-	\$600,058	263	3.7%
2026	-	-	-	-	-	-	\$585,807	257	3.7%
2025	-	-	-	-	-	-	\$572,968	251	3.7%
2024	-	-	-	-	-	-	\$563,526	247	3.7%
2023	-	-	-	-	-	-	\$565,714	248	3.7%
YTD	8	\$991.9M	6.8%	\$123,989,063	\$303,802	5.2%	\$587,465	257	3.5%
2022	32	\$378M	1.9%	\$11,811,015	\$425,622	4.4%	\$587,616	257	3.5%
2021	32	\$193M	1.1%	\$6,030,031	\$376,142	4.2%	\$592,153	259	3.4%
2020	33	\$429.6M	1.7%	\$13,019,056	\$548,696	3.8%	\$547,312	240	3.5%
2019	72	\$416.8M	2.8%	\$9,473,801	\$437,405	4.0%	\$568,368	249	3.5%
2018	102	\$849.6M	6.2%	\$11,328,126	\$472,530	3.9%	\$529,834	232	3.6%
2017	99	\$446.2M	3.0%	\$6,659,792	\$406,751	3.6%	\$495,074	217	3.7%
2016	68	\$907.1M	6.6%	\$16,491,860	\$300,647	3.7%	\$467,426	205	3.7%
2015	66	\$780.1M	4.3%	\$13,464,158	\$443,726	3.9%	\$442,938	194	3.8%
2014	75	\$410.4M	5.9%	\$6,035,745	\$271,629	4.0%	\$399,212	175	4.0%
2013	74	\$1.2B	7.3%	\$17,232,718	\$355,484	4.4%	\$356,179	156	4.2%
2012	93	\$541.4M	6.2%	\$6,310,176	\$223,805	5.5%	\$338,764	148	4.2%

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(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	-	-	-	-	-	-	\$643,372	261	3.8%
2026	-	-	-	-	-	-	\$628,189	255	3.8%
2025	-	-	-	-	-	-	\$614,451	249	3.8%
2024	-	-	-	-	-	-	\$604,273	245	3.8%
2023	-	-	-	-	-	-	\$606,489	246	3.7%
YTD	47	\$167.4M	0.5%	\$3,560,754	\$347,210	4.7%	\$629,109	255	3.6%
2022	202	\$841.8M	2.3%	\$4,188,242	\$403,759	4.2%	\$627,945	255	3.6%
2021	176	\$796.2M	2.1%	\$4,523,799	\$421,041	4.3%	\$618,178	251	3.5%
2020	133	\$687.6M	1.6%	\$5,248,627	\$481,155	4.1%	\$562,640	228	3.6%
2019	384	\$1B	4.3%	\$5,126,264	\$458,316	4.0%	\$591,364	240	3.6%
2018	465	\$1.3B	5.3%	\$5,472,213	\$463,413	3.7%	\$556,876	226	3.7%
2017	501	\$853.7M	4.9%	\$3,828,442	\$378,097	3.6%	\$519,525	211	3.8%
2016	346	\$838.4M	3.8%	\$3,819,009	\$366,444	3.8%	\$491,428	199	3.8%
2015	308	\$776.7M	3.3%	\$3,980,195	\$353,676	3.9%	\$466,592	189	3.9%
2014	400	\$1B	4.8%	\$3,718,727	\$297,606	4.2%	\$421,265	171	4.0%
2013	298	\$594.6M	3.4%	\$2,755,694	\$250,658	4.8%	\$375,415	152	4.3%
2012	352	\$703M	4.5%	\$2,503,187	\$207,182	5.2%	\$359,363	146	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.

DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2027	-	189,482	7.5%	-	1,965	-	1,859	-	-
2026	-	187,623	7.6%	-	1,224	-	1,126	-	-
2025	-	186,497	8.0%	-	825	-	786	-	-
2024	-	185,711	8.5%	-	5,423	-	5,365	-	-
2023	-	180,346	7.8%	-	1,806	-	1,775	-	-
YTD	9,496	178,921	7.4%	3	350	3	350	33	7,797
2022	9,493	178,571	7.2%	13	1,829	13	1,829	35	8,057
2021	9,480	176,742	7.7%	23	2,756	23	2,756	26	3,711
2020	9,457	173,986	10.9%	20	2,841	19	2,822	37	5,014
2019	9,438	171,164	5.8%	19	2,197	19	2,197	44	6,615
2018	9,419	168,967	5.1%	14	2,540	12	2,080	40	5,591
2017	9,407	166,887	5.4%	21	3,707	17	3,669	29	4,893
2016	9,390	163,218	5.0%	19	3,813	15	3,767	27	5,525
2015	9,375	159,451	4.9%	15	2,375	14	2,368	38	8,628
2014	9,361	157,083	4.7%	16	2,317	16	2,317	31	6,673
2013	9,345	154,766	4.8%	19	2,708	16	2,668	27	5,240
2012	9,329	152,098	4.8%	5	489	4	179	27	4,519
2011	9,325	151,919	4.6%	3	123	2	(25)	13	1,585