



Multi-Family Market Report

San Jose - CA

PREPARED BY



MULTI-FAMILY MARKET REPORT

Market Key Statistics	1
Vacancy	2
Rent	5
Construction	9
Under Construction Properties	10
Sales	12
Sales Past 12 Months	14
Economy	16
Market Submarkets	21
Supply & Demand Trends	24
Vacancy & Rent	26
Sale Trends	28
Deliveries & Under Construction	30

12 Mo. Delivered Units

2,443

12 Mo. Absorption Units

1,109

Vacancy Rate

5.4%

12 Mo. Asking Rent Growth

1.1%

As of the second quarter of 2023, the San Jose multifamily market remains somewhat subdued, as the continuing impact of high interest rates and economic uncertainty in the face of tech layoffs and bank failures keeps leasing activity in check.

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. Within the past year, the post-pandemic surge in demand came to a halt in the second half of 2022, as residents tightened budgets to battle high inflation and rising interest rates. This resulted in lower absorption, rising vacancy, and negative pressure on rents. And although there has been some recovery in the first months of 2023, 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 8,100 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 is projected to see only a moderate increase.

Hybrid working will remain a prevalent trend for Silicon Valley employers, and 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 transactions continue to close. 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	56,452	7.3%	\$3,427	\$3,372	135	0	6,380
3 Star	41,751	4.3%	\$2,975	\$2,947	8	0	1,701
1 & 2 Star	58,084	4.3%	\$2,276	\$2,262	(17)	0	0
Market	156,287	5.4%	\$2,968	\$2,932	126	0	8,081

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.8%	5.1%	6.4%	9.8%	2020 Q4	1.8%	2000 Q1
Absorption Units	1,109	1,811	2,315	8,861	2021 Q4	(2,916)	2001 Q4
Delivered Units	2,443	2,164	2,959	4,913	2015 Q1	7	2009 Q3
Demolished Units	0	73	49	326	2021 Q1	0	2023 Q1
Asking Rent Growth (YOY)	1.1%	1.7%	1.8%	23.0%	2001 Q1	-13.8%	2002 Q3
Effective Rent Growth (YOY)	1.1%	1.7%	1.8%	22.9%	2001 Q1	-13.9%	2002 Q3
Sales Volume	\$1.8B	\$970.8M	N/A	\$2.1B	2008 Q1	\$140M	2003 Q1

Leasing remains muted in the second quarter of 2023. Tenant demand 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 the year. For the past 12 months, net absorption currently stands at 1,100 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 5.4%, bringing the current performance in alignment with the metro's longer-term average and outperforming the national average, which currently stands at 6.8%.

The best performing assets are those in the mid and lower tiers, which have vacancy rates of around 4.3%, whereas 4 & 5 Star vacancy is 7.3%. 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.

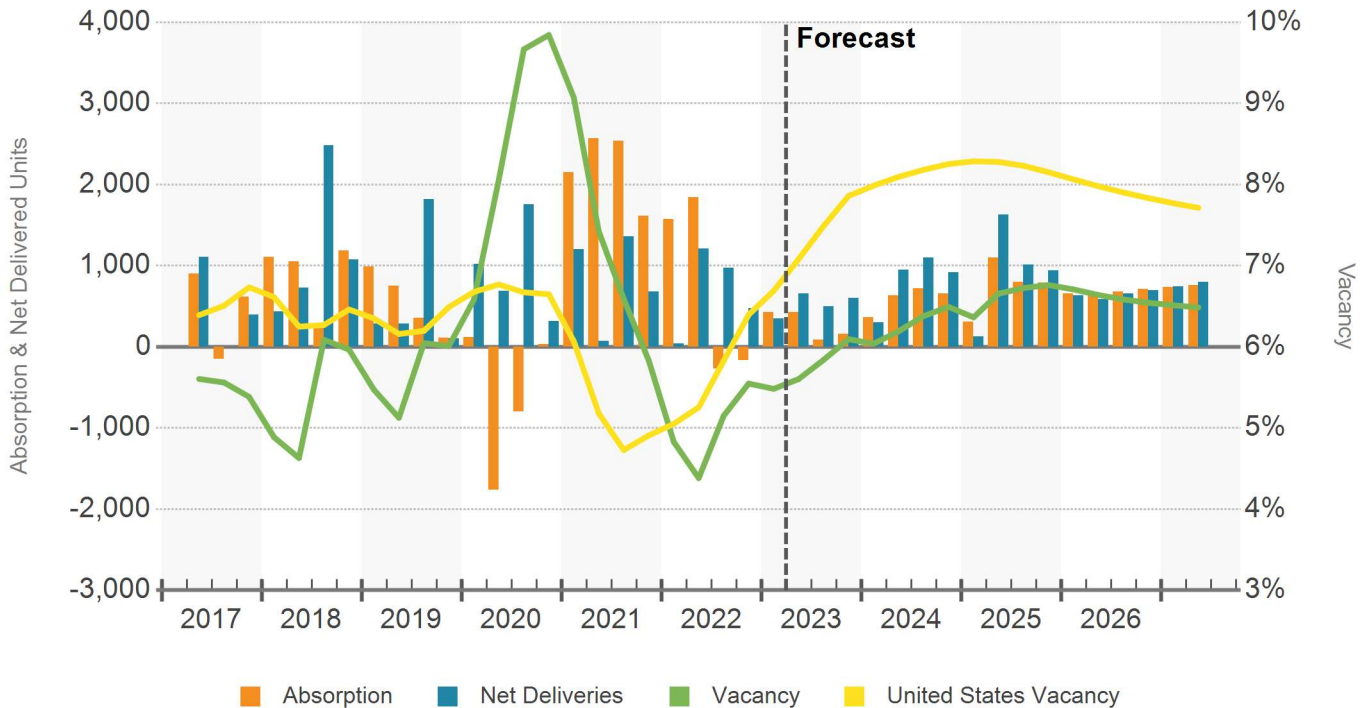
Certain submarkets have experienced a bulk of the development activity. For example, submarkets such as Sunnyvale, Mountain View, and Downtown San Jose are growing rapidly, while development has also ramped up

in Santa Clara. This could apply future pressure to vacancy and rent growth in these submarkets.

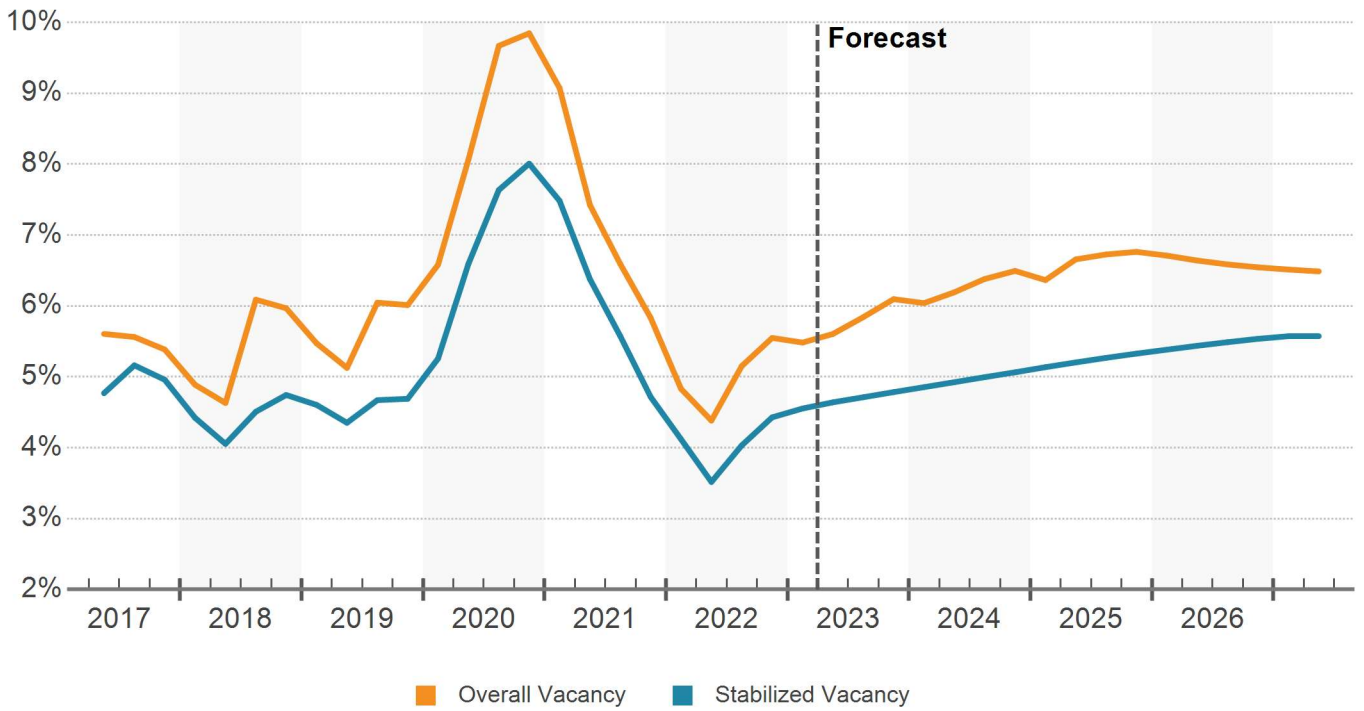
Many of the new developments are located near the numerous transit options that exist in the metro. Commuters in the San Jose Metro can look to VTA light rail, AC Transit, and Caltrain to access the region's job centers. Also, BART's extension into the metro will eventually connect to Downtown San Jose.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

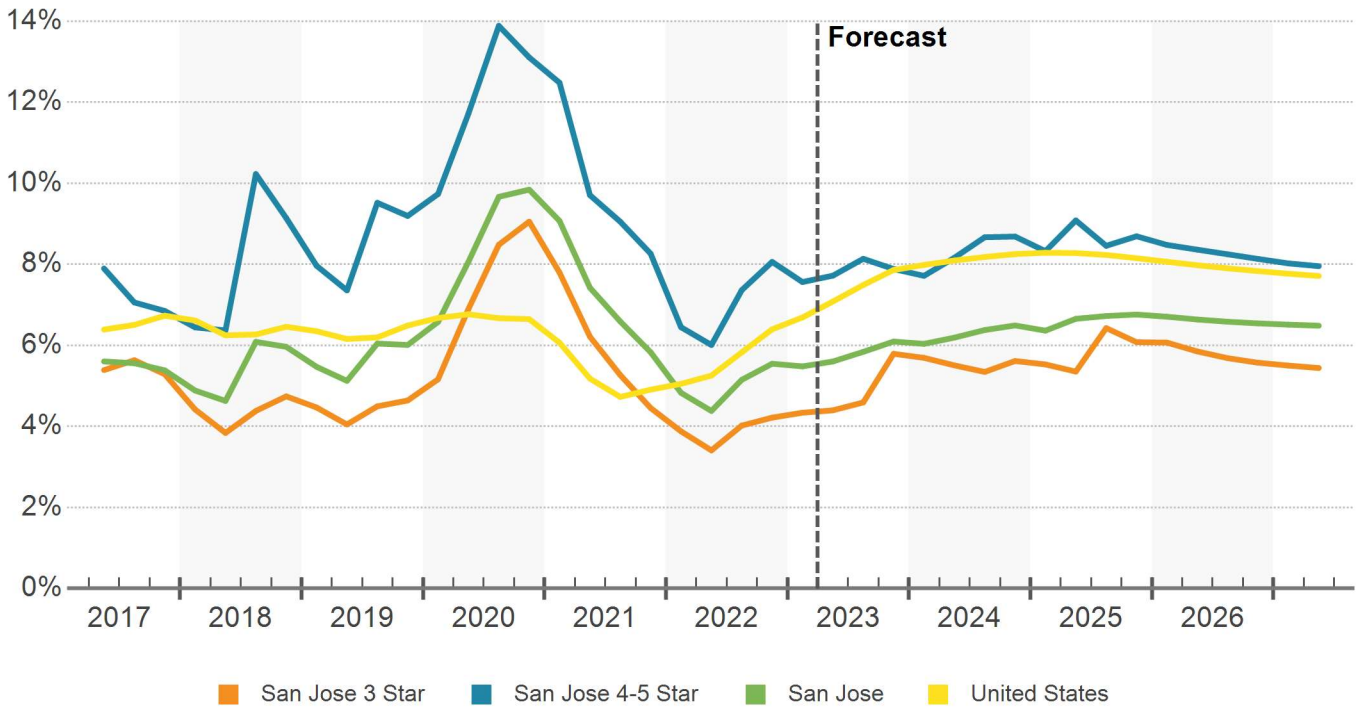
ABSORPTION, NET DELIVERIES & VACANCY



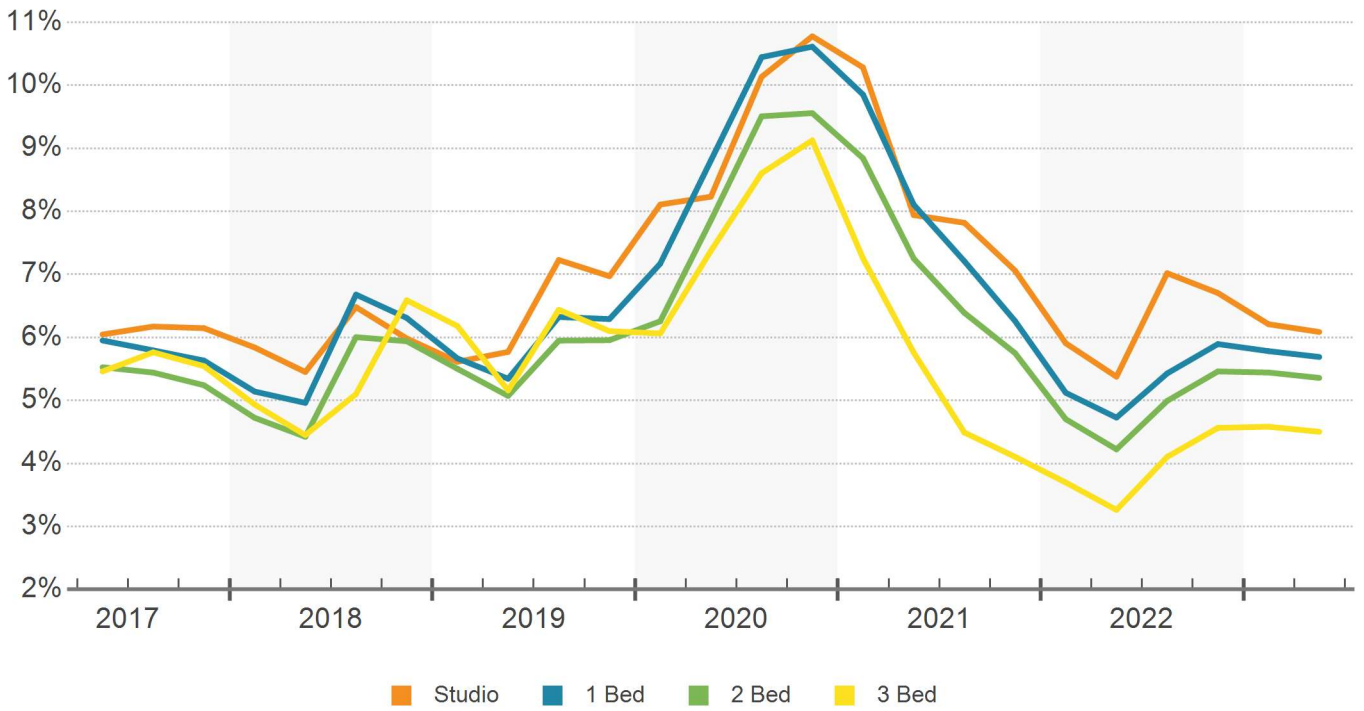
OVERALL & STABILIZED VACANCY



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. As of the second quarter of 2023, metro-wide asking rents average \$2,970/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 \$2,260/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 1.1%, 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 -8.2% on a year-over-year basis earlier in the pandemic, before growing by 10.3% in 2021.

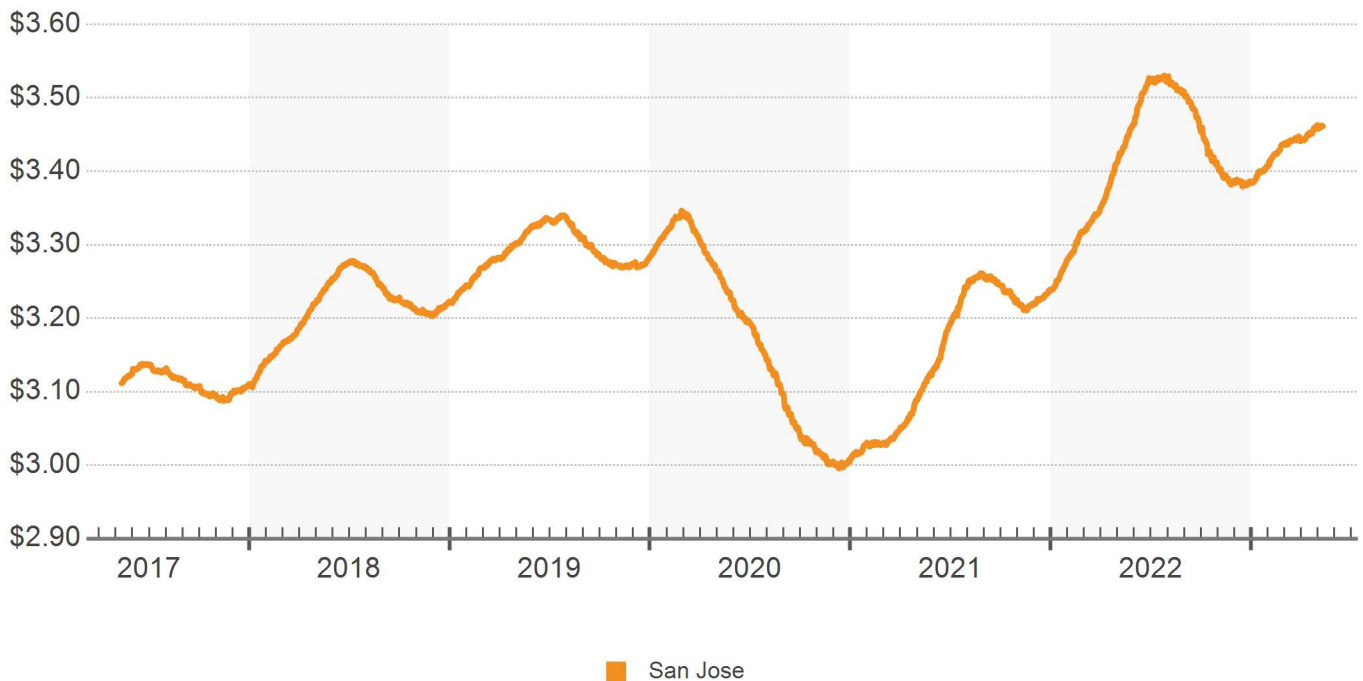
Rents are highest in the established residential neighborhoods close to Stanford University and Silicon

Valley's main employment centers. Palo Alto has the highest average rent, closely followed by Mountain View and Cupertino.

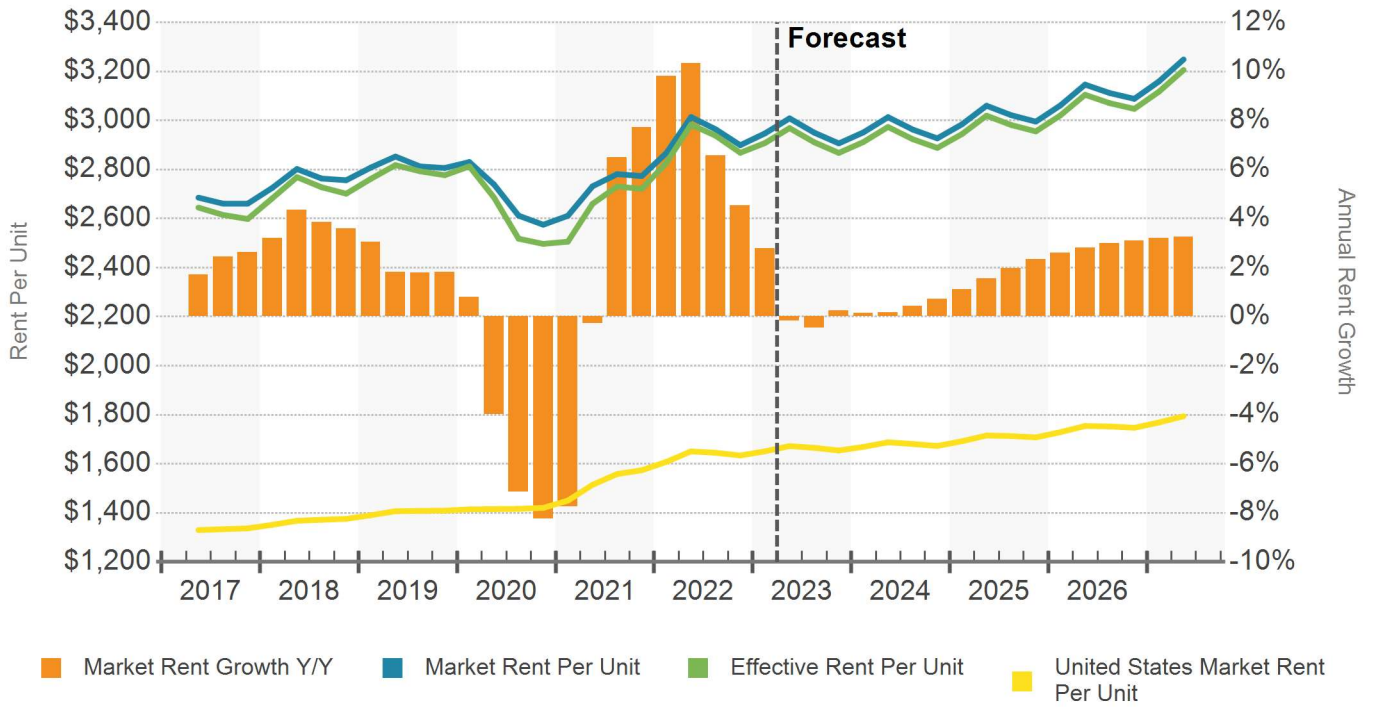
Across different quality segments of the market, rent growth has varied. Annual asking rent growth in 4 & 5 Star properties is now negative by -0.2%, compared to 2.3% growth in 3 Star properties and 2.4% in 1 & 2 Star properties.

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.

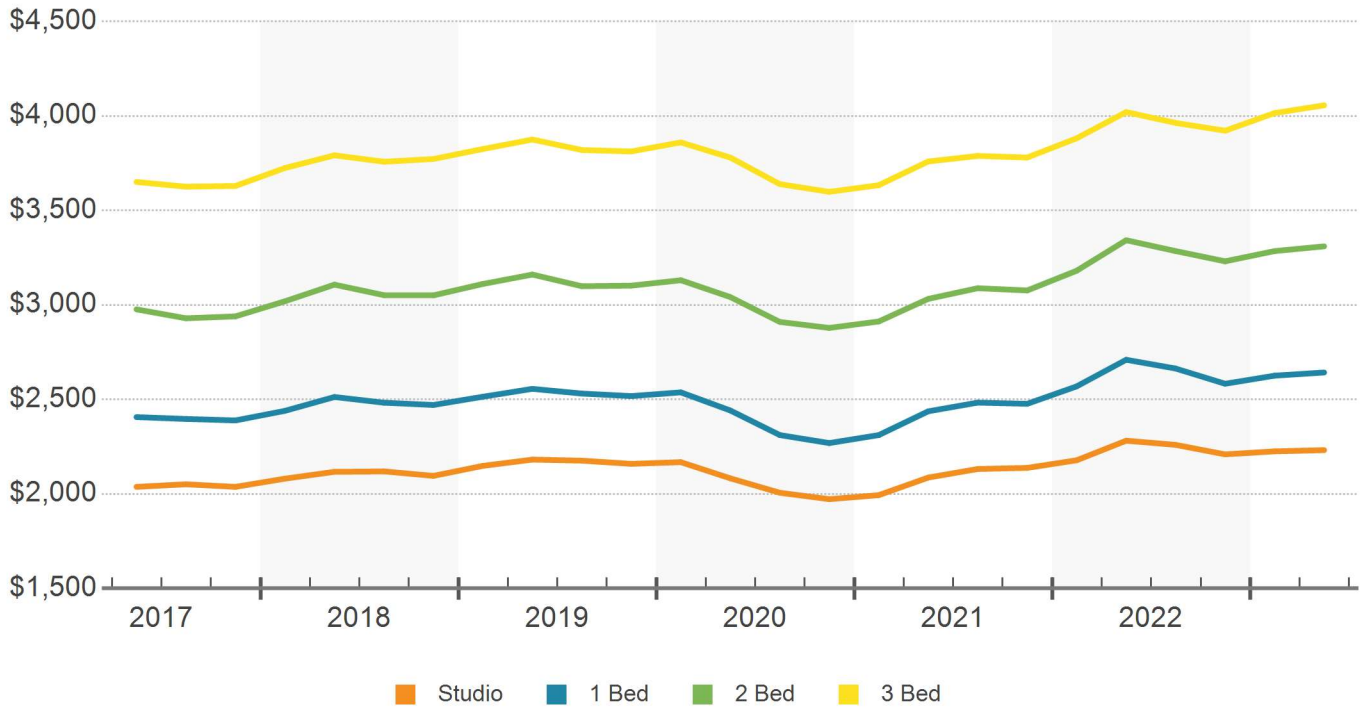
DAILY ASKING RENT PER SF



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.

As of 2023q2 about 8,100 units are under construction, representing 5.2% of the market's inventory. This is close 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.

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 26.1%.

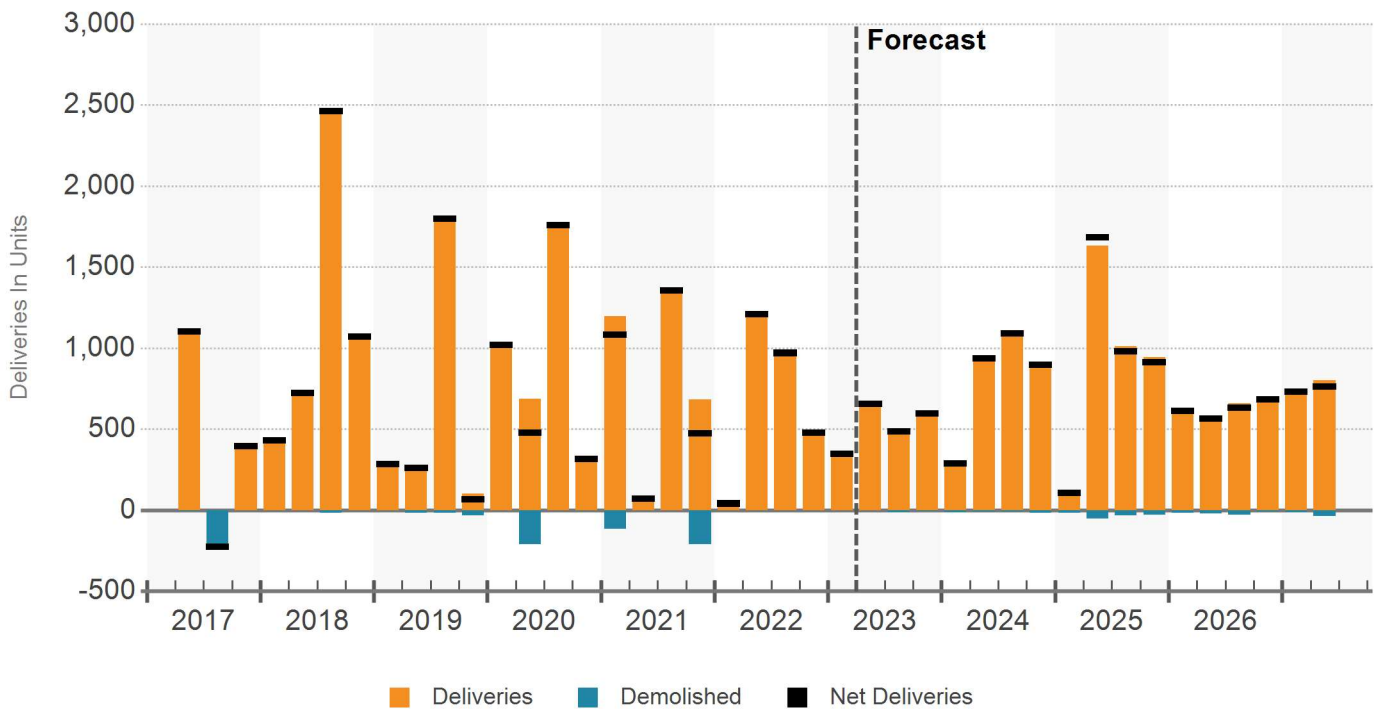
Submarkets experiencing the most development activity include Downtown San Jose, Santa Clara, Sunnyvale, and Mountain View. The vast majority of projects are located along the CalTrain route from the Peninsula into Downtown San Jose. Developers have continued to capitalize on the appeal of mixed-use 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 50% leased, with asking rents averaging \$4,600/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 55% 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

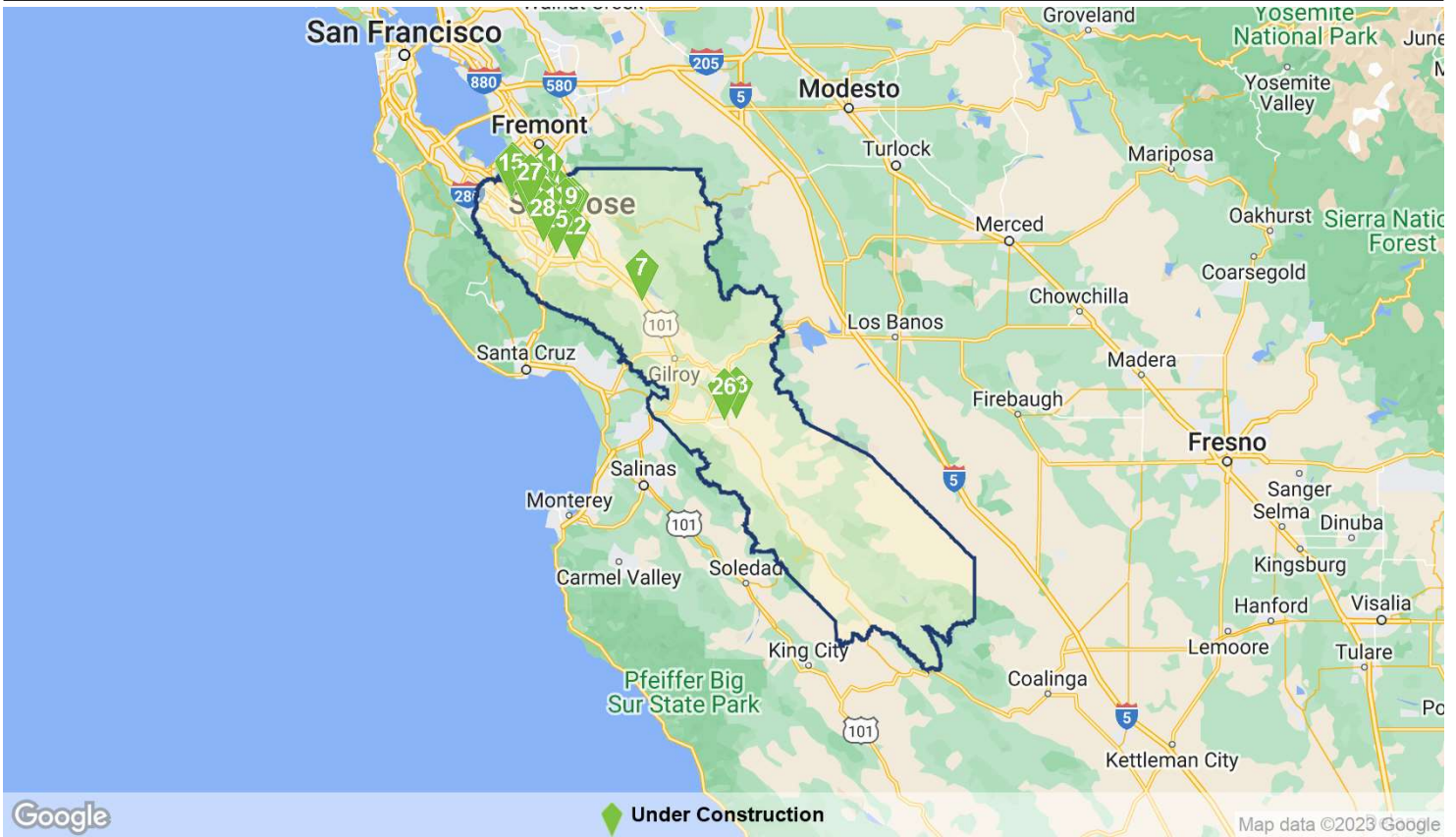
29

8,081

5.2%

279

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	Oct 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	Jun 2023	Pulte Group Hanover Company
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	Jun 2023	SummerHill Homes Nuevo Maintenance Association
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	Dec 2025	- De Anza Properties
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 Mariposa Place 750 W San Carlos St	★★★★☆	80	6	Aug 2022	Aug 2024	The Danco Group County of Santa Clara
20 The Deck 3402 El Camino Real	★★★★☆	66	4	May 2022	May 2024	De Anza Properties De Anza Properties
21 The Meridian 3941 Stevens Creek Blvd	★★★★☆	59	6	Aug 2022	Aug 2024	- The Meridian
22 Mesa Terrace 5647 Gallup Dr	★★★★☆	46	5	May 2022	Jun 2023	Eden Housing, Inc. City of San Jose
23 The Highlands at Santan... 1378 Azalea Dr	★★★☆☆	46	2	Oct 2022	Dec 2023	Anderson Homes, Inc. Alta Real Estate
24 1603-1605 Cushman St	★★★★☆	44	3	Sep 2021	Oct 2023	- Albert Valles Jr
25 Rosewood at Camden Park 3225 Union Ave	★★★★☆	40	2	Apr 2022	Jun 2023	Robson Homes Robson Homes
26 Ladd Lane Apartments 382 Hillock Dr	★★★★☆	25	3	Aug 2021	Aug 2023	- Ted & Cecilia Intravia
27 Future 18-Townhome Pr... 475 N Fair Oaks Ave	★★★☆☆	18	3	Jul 2021	Jan 2024	- Navneet Aron
28 4094 Hamilton Ave	★★★☆☆	17	3	Jan 2021	Jul 2023	Tectonic Builders -

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.

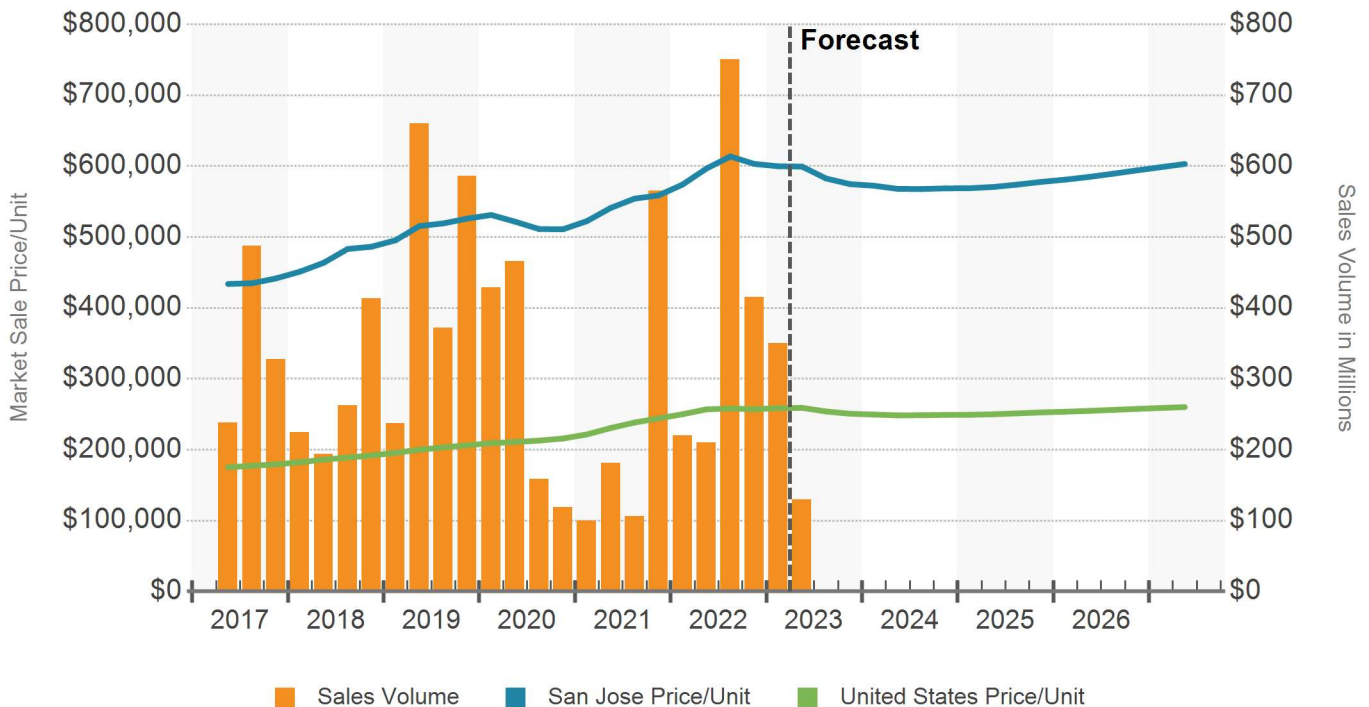
Of the 110 sales that closed in the past year, 87 were for 1 & 2 Star properties, with a total 12-month sales volume of \$571 million and an average transaction price of \$370,000/unit. Local individual investors looking for rent growth, and national developers looking for value-add plays, were active buyers in this category.

By contrast, just 4 properties accounted for the \$852 million sales volume for 4 & 5 Star properties. In March 2023, Griffis Residential acquired the 373-unit 501 Murphy Ranch Road for \$153 million, or \$412,000/unit.

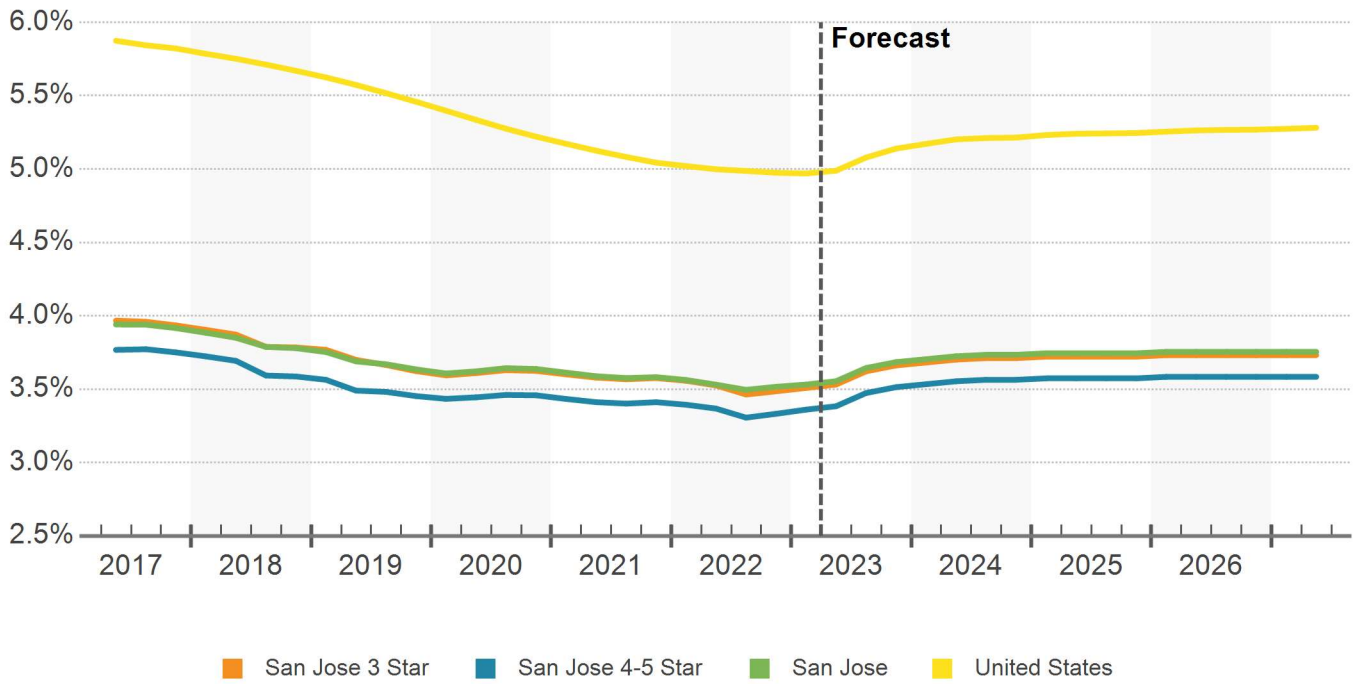
MG Properties acquired the Eleanor Apartments in Milpitas for \$193 million, or about \$580,000/unit, during 22Q3. The 333-unit property was built in 2021 by the SummerHill Housing Group, one of the sellers, along with The Resmark Companies and Kennedy Wilson. Rents averaged about \$3,200/month at the 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

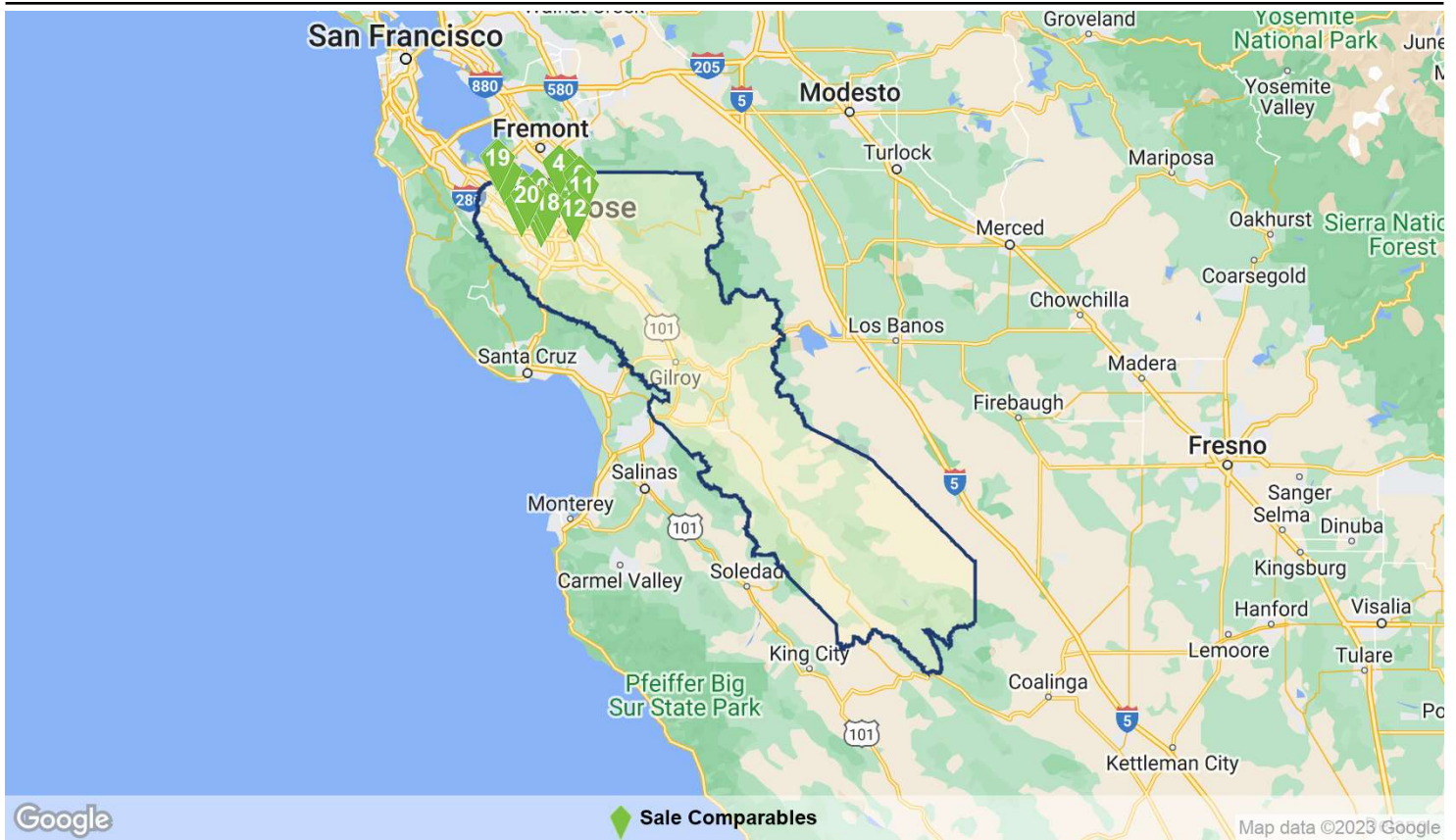
107

\$457

\$16.6

6.2%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$770,000	\$16,592,869	\$3,450,000	\$320,000,000
Price/Unit	\$85,555	\$457,317	\$364,167	\$1,333,333
Cap Rate	2.3%	4.2%	4.0%	10.1%
Vacancy Rate At Sale	0%	6.2%	0%	66.7%
Time Since Sale in Months	0.0	6.9	7.9	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	5	43	10	759
Number of Floors	1	2	2	21
Average Unit SF	418	807	725	2,860
Year Built	1900	1962	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 Griffis South Bay 501 Murphy Ranch Rd	★★★★★	2012	373	4.0%	3/30/2023	\$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	6.4%	10/11/2022	\$74,150,000	\$337,045	\$485	
7 Mountain View Gardens 570 S Rengstorff Ave	★★★★★	1968	70	18.6%	4/5/2023	\$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	7.3%	3/7/2023	\$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 Wellsbury Apartment Homes 3085 Middlefield Rd	★★★★★	1961	30	0%	4/7/2023	\$20,000,000	\$666,666	\$774	
15 Midtown Court Apartments 2721 Midtown Ct	★★★★★	1963	46	4.4%	3/3/2023	\$20,000,000	\$434,782	\$453	
16 Rancho Palms Apartments 1175 Rancho Way	★★★★★	1969	61	31.2%	4/25/2023	\$15,380,000	\$252,131	\$339	
17 Carmel Park Apartments 175 E Homestead Rd	★★★★★	1961	28	3.6%	8/10/2022	\$14,732,687	\$526,167	\$583	
18 ReNew 4NinetyEight 498 Boynton Ave	★★★★★	1973	46	0%	10/11/2022	\$14,400,000	\$313,043	\$458	
19 Midfield Apartments 3101 Middlefield Rd	★★★★★	1960	22	9.1%	4/12/2023	\$12,900,000	\$586,363	\$566	
20 Monterey Park Apartments 185 E Homestead Rd	★★★★★	2006	28	3.6%	8/10/2022	\$10,267,313	\$366,689	\$428	

As of the second quarter of 2023, the San Jose economy is facing headwinds, as rising interest rates force tech companies to cut costs and investors to reduce the amount of capital available for start-ups. Moreover, the collapse of Silicon Valley Bank has made investors nervous and disrupted the flow of financing to businesses.

This is a change from the past few years, during which time tech companies recorded strong earnings growth, and employment recovered from losses incurred during the pandemic. 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, staff layoffs, and office space reductions. Similarly, softening demand is leading retail and industrial tenants to reconsider expansion plans.

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 -37,000 short of the total population of three years ago.

The rate of unemployment declined to a historical low of just 2.2% in the past year, reflecting high demand for workers. More recently, tech layoffs across Silicon Valley have caused unemployment to rise again, and this 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.

Despite the current economic headwinds facing the market, San Jose is expected to retain its position as a leading center for innovation and economic growth. Over the past ten years, San Jose saw an average annual increase in GDP of 8.3%, the highest rate among the largest 20 metro areas in the nation, and twice the US average.

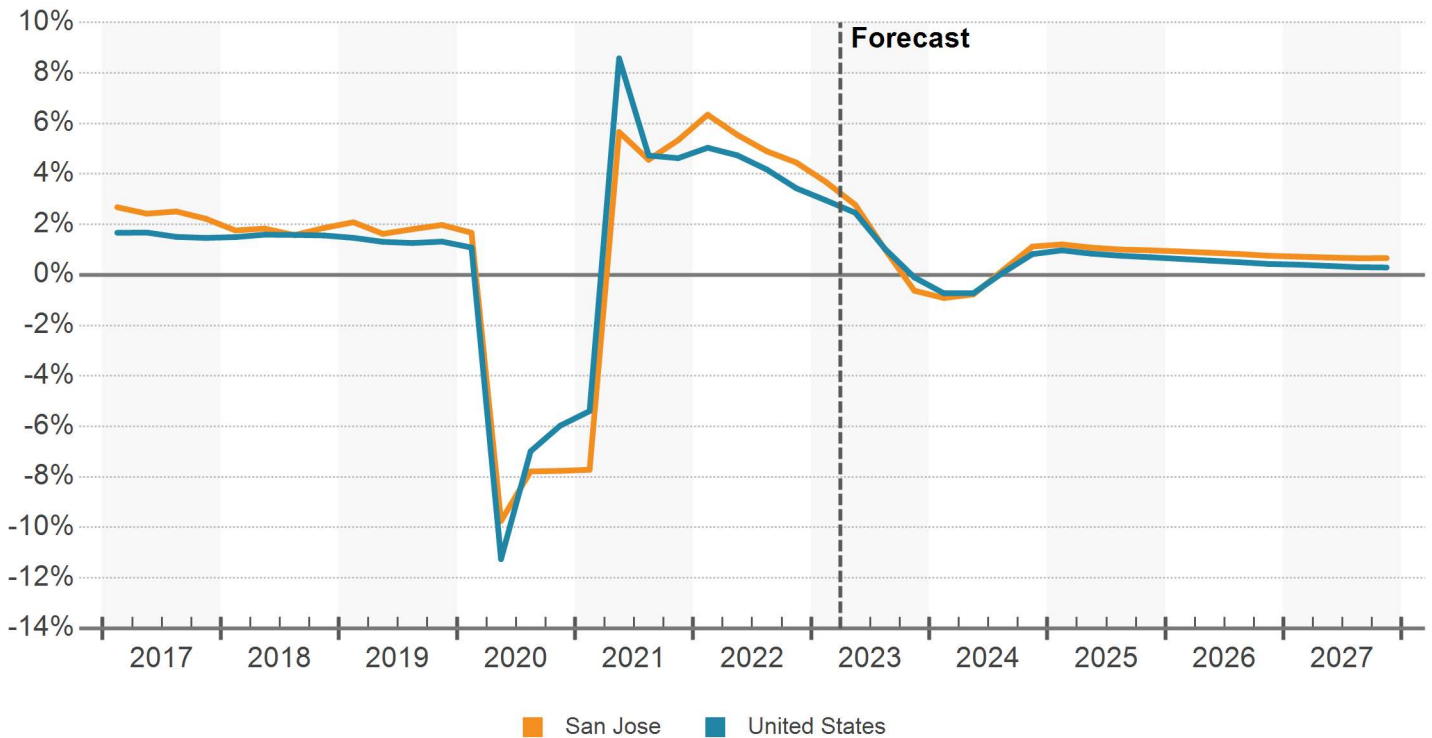
Several factors led to San Jose's prominence in technology. The market is home to one of the nation's premier educational institutions, Stanford University, as well as San Jose State and several other large universities. In conjunction with the culture of innovation that Stanford and Silicon Valley foster, 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 have pulled back in the past year in response to higher interest rates and global economic uncertainty.

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	183	1.9	3.60%	2.12%	1.51%	0.80%	-0.14%	-0.10%
Trade, Transportation and Utilities	123	0.6	1.36%	1.14%	-0.76%	1.22%	-0.24%	-0.01%
Retail Trade	74	0.6	0.72%	0.50%	-1.15%	0.42%	-0.07%	0.00%
Financial Activities	39	0.6	-0.17%	1.29%	1.44%	1.49%	-0.10%	-0.01%
Government	96	0.6	1.46%	1.83%	0.58%	0.29%	0.28%	0.44%
Natural Resources, Mining and Construction	56	0.9	5.47%	3.42%	4.19%	2.55%	0.78%	0.11%
Education and Health Services	194	1.0	4.86%	4.04%	3.08%	1.77%	1.14%	0.56%
Professional and Business Services	258	1.5	4.04%	2.48%	2.86%	2.19%	0.36%	0.24%
Information	103	4.4	-4.56%	0.81%	6.36%	1.26%	0.99%	0.00%
Leisure and Hospitality	104	0.8	10.66%	6.33%	1.76%	1.61%	1.49%	0.91%
Other Services	26	0.6	3.74%	3.24%	0.15%	0.68%	0.68%	0.21%
Total Employment	1,181	1.0	3.26%	2.72%	2.12%	1.37%	0.52%	0.29%

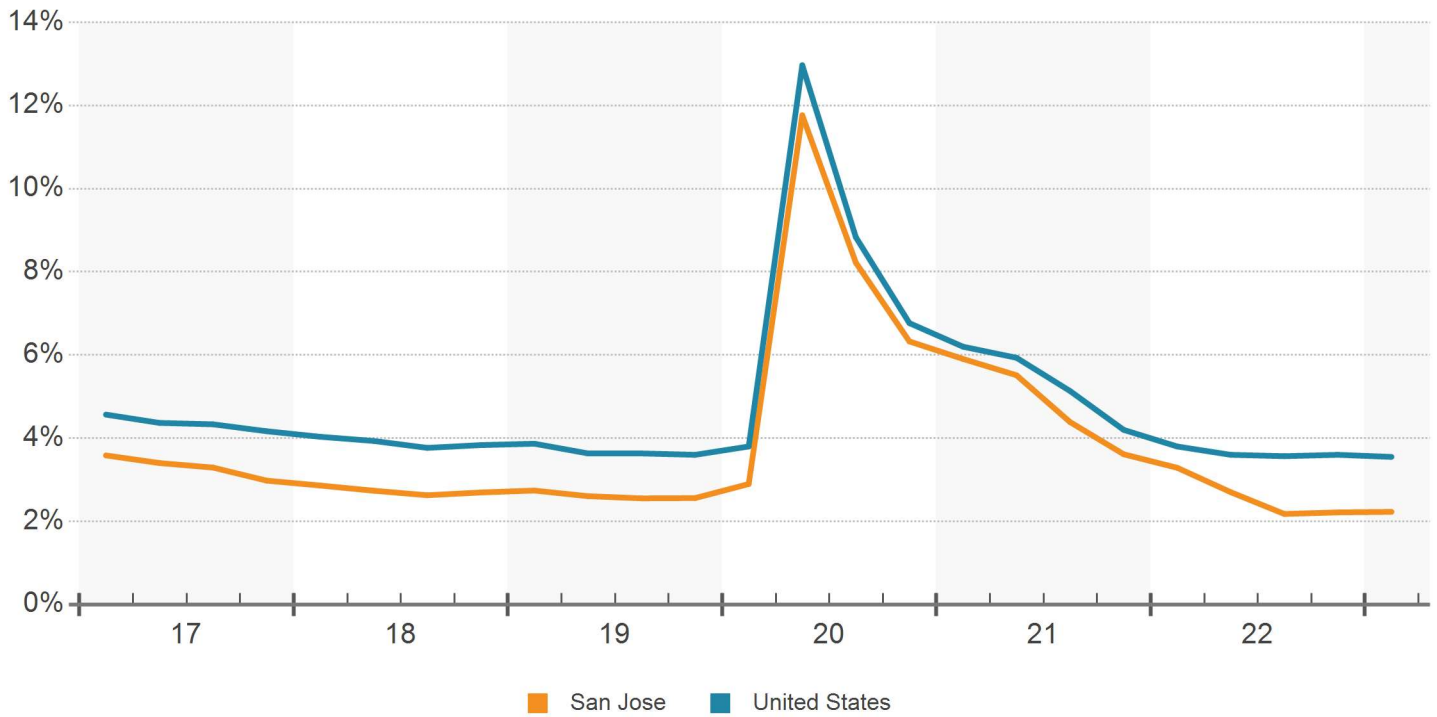
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

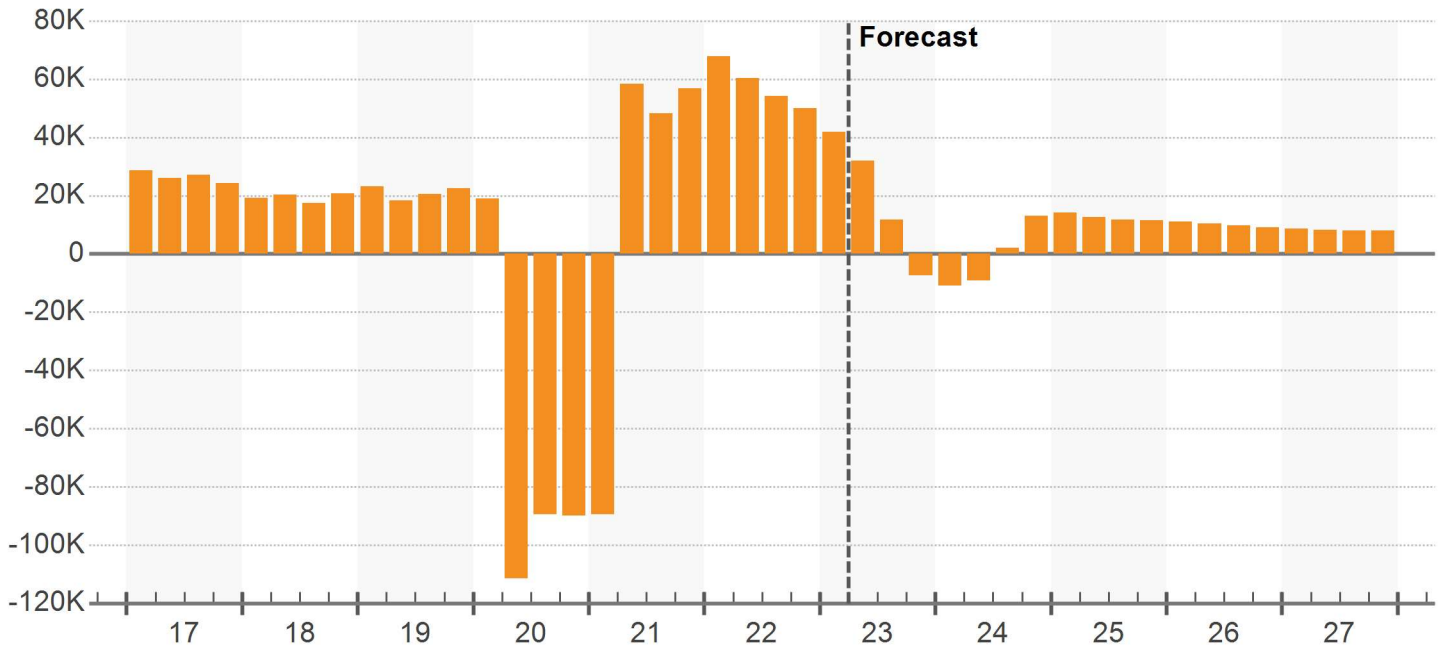


Source: Oxford Economics

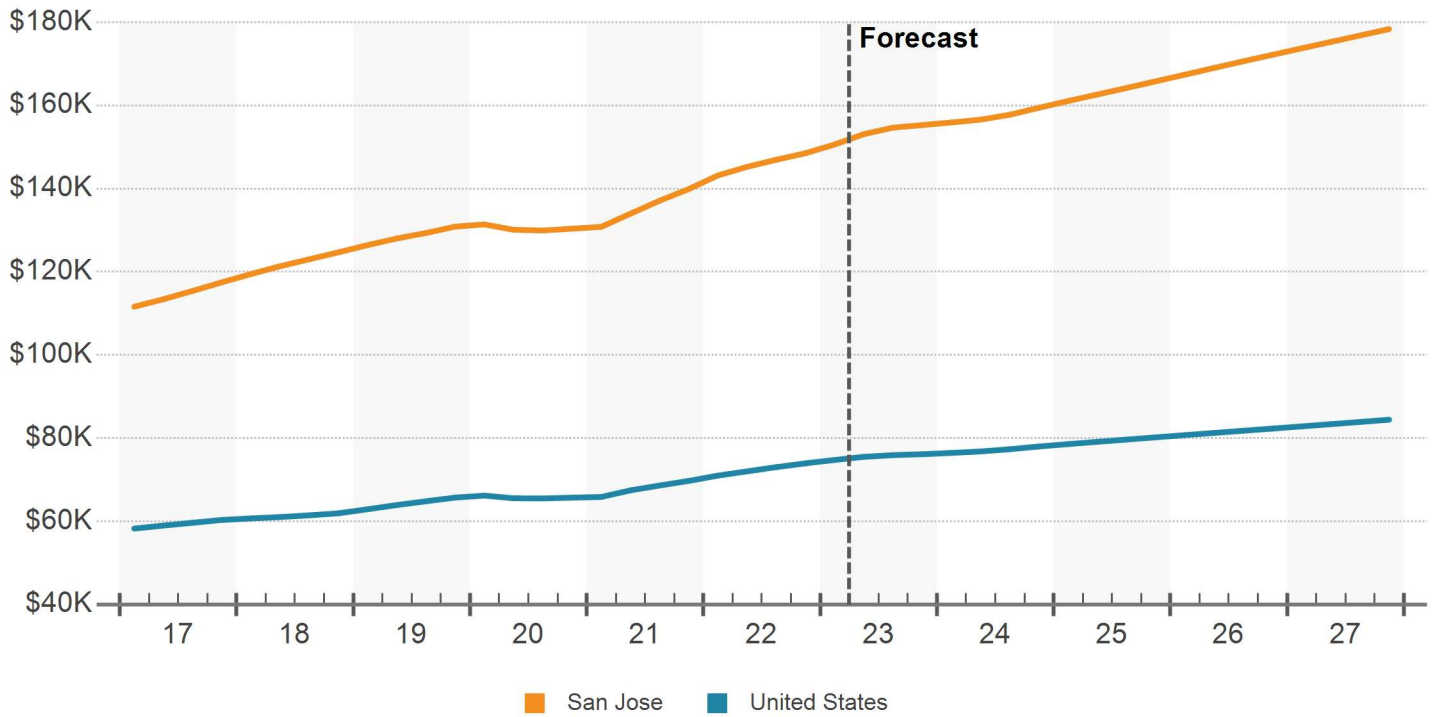
UNEMPLOYMENT RATE (%)



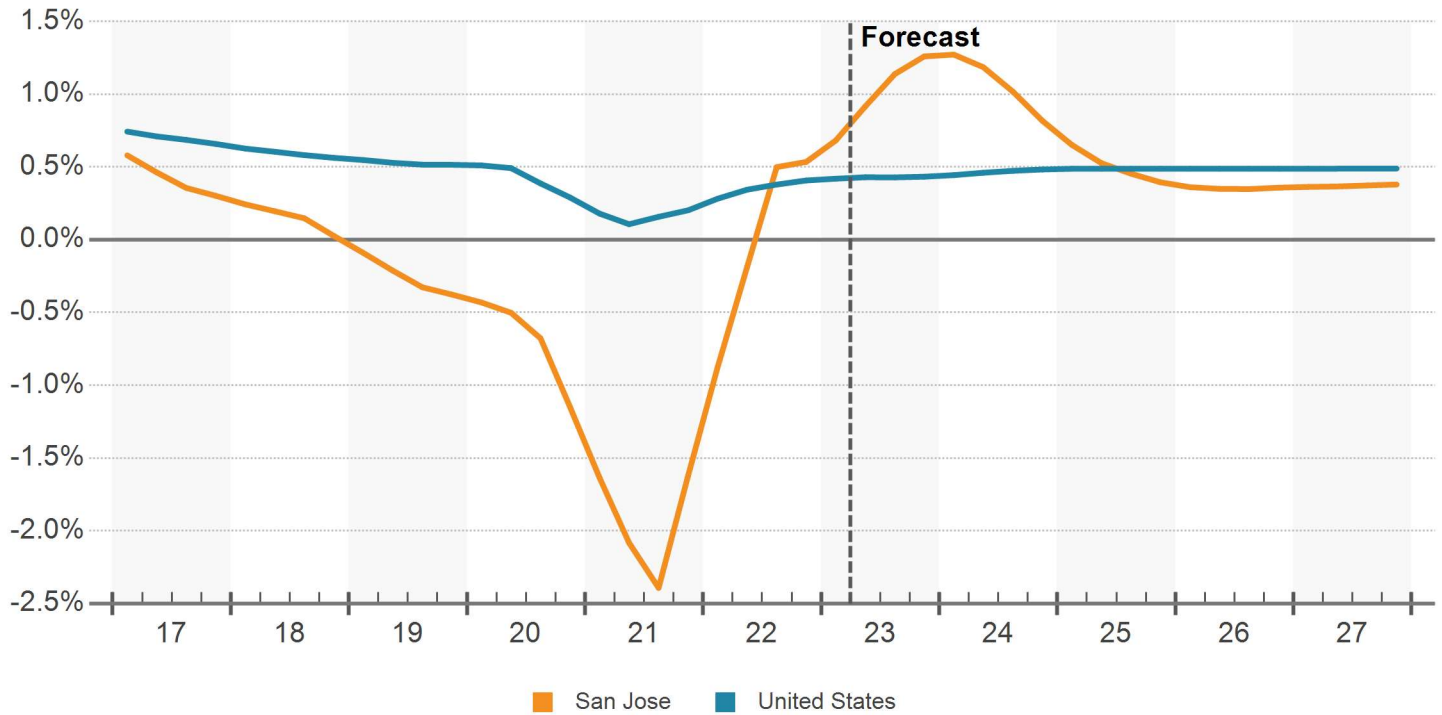
NET EMPLOYMENT CHANGE (YOY)



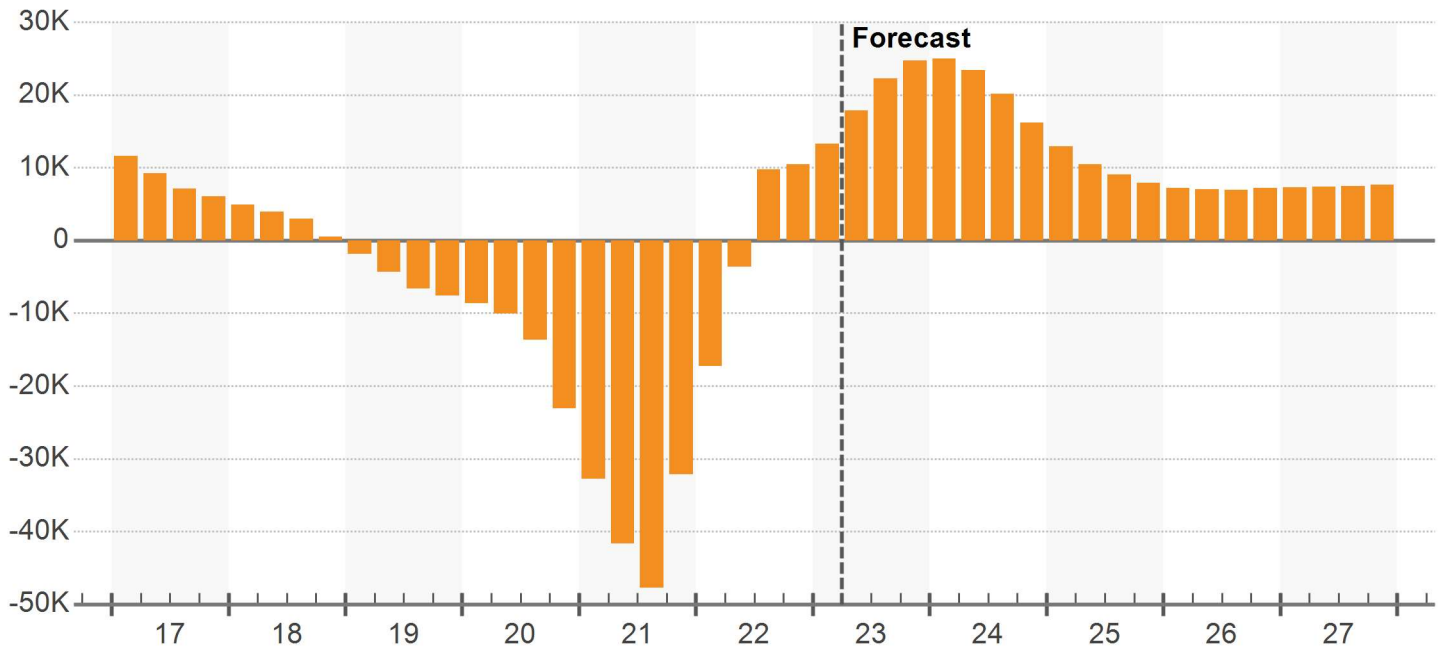
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

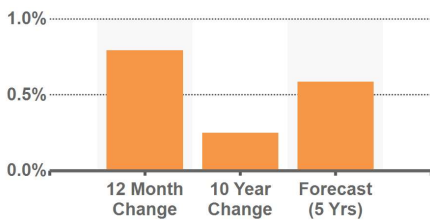


DEMOGRAPHIC TRENDS

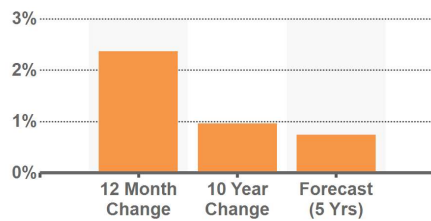
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,969,755	334,178,250	0.8%	0.4%	0.2%	0.6%	0.6%	0.5%
Households	683,760	129,700,297	1.2%	0.9%	0.6%	0.9%	0.7%	0.6%
Median Household Income	\$151,776	\$75,106	5.3%	5.1%	5.3%	3.8%	3.6%	2.6%
Labor Force	1,090,938	165,255,438	2.4%	0.8%	1.0%	0.6%	0.7%	0.4%
Unemployment	2.2%	3.5%	-0.8%	-0.2%	-0.5%	-0.4%	-	-

Source: Oxford Economics

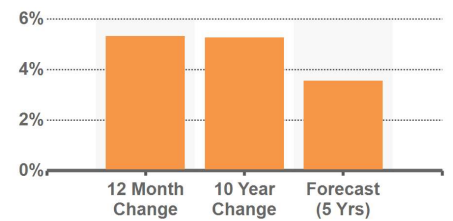
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Submarkets

SAN JOSE SUBMARKETS



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%	8	0	0	0%	-
2	Cupertino	64	5,510	3.5%	11	0	0	0%	-	0	0	0%	-
3	Downtown San Jose	580	12,672	8.1%	6	3	701	5.5%	1	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	7,678	4.9%	8	0	0	0%	-	2	670	8.7%	4
6	Milpitas/Berryessa	67	8,253	5.3%	7	2	331	4.0%	4	0	0	0%	-
7	Morgan Hill/Gilroy	156	2,993	1.9%	14	1	5	0.2%	8	1	389	13.0%	6
8	Mountain View/Los Altos	456	14,820	9.5%	4	3	607	4.1%	2	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	4,796	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	263	17,434	11.2%	3	0	0	0%	-	2	86	0.5%	8
14	Sunnyvale	587	28,802	18.4%	1	3	570	2.0%	3	5	1,242	4.3%	3
15	West Valley San Jose	267	7,566	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	\$2,711	\$3.30	9	1.9%	\$2,677	\$3.25	9	1.9%	1.3%	3
2	Cupertino	\$3,567	\$3.78	3	6.2%	\$3,532	\$3.74	3	5.5%	1.0%	7
3	Downtown San Jose	\$2,683	\$3.33	8	-0.1%	\$2,652	\$3.29	8	0.8%	1.2%	5
4	East San Jose	\$2,355	\$2.97	13	3.1%	\$2,335	\$2.94	13	3.0%	0.8%	8
5	Midtown San Jose	\$2,625	\$3.16	10	0.1%	\$2,610	\$3.14	10	0.7%	0.6%	12
6	Milpitas/Berryessa	\$3,024	\$3.43	7	2.3%	\$2,955	\$3.35	7	2.5%	2.3%	2
7	Morgan Hill/Gilroy	\$2,462	\$2.82	14	2.6%	\$2,451	\$2.81	14	2.5%	0.5%	14
8	Mountain View/Los Altos	\$3,227	\$4.08	2	-0.9%	\$3,118	\$3.94	2	-2.1%	3.4%	1
9	North San Jose	\$3,184	\$3.48	5	0.7%	\$3,162	\$3.46	5	0.7%	0.7%	9
10	Palo Alto	\$3,393	\$4.22	1	2.0%	\$3,358	\$4.17	1	2.2%	1.0%	6
11	San Benito County	\$2,784	\$2.57	15	1.9%	\$2,772	\$2.56	15	2.1%	0.4%	15
12	Santa Clara	\$3,126	\$3.46	6	1.2%	\$3,107	\$3.44	6	1.3%	0.6%	10
13	South San Jose	\$2,803	\$3.15	11	2.2%	\$2,788	\$3.14	11	2.2%	0.5%	13
14	Sunnyvale	\$3,060	\$3.59	4	0.4%	\$3,023	\$3.55	4	0.5%	1.2%	4
15	West Valley San Jose	\$2,315	\$3.10	12	-0.7%	\$2,301	\$3.09	12	0.5%	0.6%	11

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Campbell/Los Gatos	284	4.0%	5	(28)	-0.4%	12	-
2	Cupertino	245	4.5%	6	(26)	-0.5%	11	-
3	Downtown San Jose	1,102	8.7%	14	598	4.7%	1	1.1
4	East San Jose	210	4.8%	8	70	1.6%	7	1.2
5	Midtown San Jose	360	4.7%	7	30	0.4%	8	-
6	Milpitas/Berryessa	465	5.6%	12	269	3.3%	4	0.8
7	Morgan Hill/Gilroy	88	3.0%	2	(1)	0%	10	-
8	Mountain View/Los Altos	1,336	9.0%	15	279	1.9%	3	0.8
9	North San Jose	419	3.3%	3	(157)	-1.2%	14	-
10	Palo Alto	241	5.0%	9	23	0.5%	9	0.8
11	San Benito County	23	2.9%	1	118	15.1%	5	1.0
12	Santa Clara	786	3.8%	4	78	0.4%	6	-
13	South San Jose	1,003	5.8%	13	(385)	-2.2%	15	-
14	Sunnyvale	1,462	5.1%	10	290	1.0%	2	1.6
15	West Valley San Jose	421	5.6%	11	(54)	-0.7%	13	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	170,496	3,092	1.8%	3,064	1.8%	1.0
2026	167,404	2,492	1.5%	2,688	1.6%	0.9
2025	164,912	3,681	2.3%	2,999	1.8%	1.2
2024	161,231	3,211	2.0%	2,374	1.5%	1.4
2023	158,020	2,079	1.3%	1,099	0.7%	1.9
YTD	156,287	346	0.2%	554	0.4%	0.6
2022	155,941	2,696	1.8%	2,982	1.9%	0.9
2021	153,245	2,986	2.0%	8,861	5.8%	0.3
2020	150,259	3,570	2.4%	(2,413)	-1.6%	-
2019	146,689	2,414	1.7%	2,209	1.5%	1.1
2018	144,275	4,687	3.4%	3,604	2.5%	1.3
2017	139,588	1,480	1.1%	2,332	1.7%	0.6
2016	138,108	3,761	2.8%	2,398	1.7%	1.6
2015	134,347	4,458	3.4%	3,913	2.9%	1.1
2014	129,889	4,701	3.8%	4,199	3.2%	1.1
2013	125,188	1,736	1.4%	2,066	1.7%	0.8
2012	123,452	3,579	3.0%	2,601	2.1%	1.4
2011	119,873	348	0.3%	267	0.2%	1.3

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	69,221	3,159	4.8%	3,077	4.4%	1.0
2026	66,062	2,432	3.8%	2,589	3.9%	0.9
2025	63,630	3,020	5.0%	2,753	4.3%	1.1
2024	60,610	3,018	5.2%	2,295	3.8%	1.3
2023	57,592	1,486	2.6%	1,467	2.5%	1.0
YTD	56,452	346	0.6%	734	1.3%	0.5
2022	56,106	2,641	4.9%	2,538	4.5%	1.0
2021	53,465	3,190	6.3%	5,364	10.0%	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%	3,263	7.4%	1.4
2017	39,672	1,685	4.4%	2,280	5.7%	0.7
2016	37,987	3,523	10.2%	3,308	8.7%	1.1
2015	34,464	4,463	14.9%	4,082	11.8%	1.1
2014	30,001	4,807	19.1%	4,035	13.4%	1.2
2013	25,194	1,690	7.2%	2,053	8.1%	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	43,452	0	0%	96	0.2%	0
2026	43,452	130	0.3%	342	0.8%	0.4
2025	43,322	716	1.7%	475	1.1%	1.5
2024	42,606	243	0.6%	304	0.7%	0.8
2023	42,363	612	1.5%	(82)	-0.2%	-
YTD	41,751	0	0%	(43)	-0.1%	0
2022	41,751	55	0.1%	151	0.4%	0.4
2021	41,696	(220)	-0.5%	1,723	4.1%	-
2020	41,916	227	0.5%	(1,632)	-3.9%	-
2019	41,689	24	0.1%	66	0.2%	0.4
2018	41,665	112	0.3%	336	0.8%	0.3
2017	41,553	(192)	-0.5%	78	0.2%	-
2016	41,745	238	0.6%	(537)	-1.3%	-
2015	41,507	0	0%	(87)	-0.2%	0
2014	41,507	(32)	-0.1%	180	0.4%	-
2013	41,539	93	0.2%	(60)	-0.1%	-
2012	41,446	42	0.1%	218	0.5%	0.2
2011	41,404	20	0%	(72)	-0.2%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	57,823	(67)	-0.1%	(109)	-0.2%	0.6
2026	57,890	(70)	-0.1%	(243)	-0.4%	0.3
2025	57,960	(55)	-0.1%	(229)	-0.4%	0.2
2024	58,015	(50)	-0.1%	(225)	-0.4%	0.2
2023	58,065	(19)	0%	(286)	-0.5%	0.1
YTD	58,084	0	0%	(137)	-0.2%	0
2022	58,084	0	0%	293	0.5%	0
2021	58,084	16	0%	1,774	3.1%	0
2020	58,068	(210)	-0.4%	(2,040)	-3.5%	0.1
2019	58,278	(68)	-0.1%	(67)	-0.1%	1.0
2018	58,346	(17)	0%	5	0%	-
2017	58,363	(13)	0%	(26)	0%	0.5
2016	58,376	0	0%	(373)	-0.6%	0
2015	58,376	(5)	0%	(82)	-0.1%	0.1
2014	58,381	(74)	-0.1%	(16)	0%	4.6
2013	58,455	(47)	-0.1%	73	0.1%	-
2012	58,502	(73)	-0.1%	(79)	-0.1%	0.9
2011	58,575	(26)	0%	(33)	-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	10,983	6.4%	(0.1)	\$3,193	\$3.73	3.4%	0.3	\$3,150	\$3.68
2026	10,955	6.5%	(0.2)	\$3,088	\$3.61	3.1%	0.8	\$3,047	\$3.56
2025	11,152	6.8%	0.3	\$2,995	\$3.50	2.3%	1.6	\$2,955	\$3.45
2024	10,470	6.5%	0.4	\$2,927	\$3.42	0.7%	0.5	\$2,888	\$3.38
2023	9,632	6.1%	0.5	\$2,906	\$3.40	0.3%	(4.3)	\$2,868	\$3.35
YTD	8,444	5.4%	(0.1)	\$2,968	\$3.47	1.1%	(3.4)	\$2,932	\$3.42
2022	8,652	5.5%	(0.3)	\$2,899	\$3.38	4.5%	(3.2)	\$2,868	\$3.35
2021	8,936	5.8%	(4.0)	\$2,773	\$3.24	7.7%	16.0	\$2,721	\$3.17
2020	14,792	9.8%	3.8	\$2,575	\$3	-8.2%	(10.1)	\$2,497	\$2.91
2019	8,819	6.0%	0	\$2,806	\$3.28	1.8%	(1.8)	\$2,777	\$3.24
2018	8,608	6.0%	0.6	\$2,756	\$3.22	3.6%	1.0	\$2,701	\$3.15
2017	7,517	5.4%	(0.7)	\$2,661	\$3.11	2.6%	2.2	\$2,598	\$3.03
2016	8,372	6.1%	0.8	\$2,592	\$3.03	0.4%	(6.3)	\$2,526	\$2.95
2015	7,016	5.2%	0.2	\$2,582	\$3.02	6.7%	1.1	\$2,547	\$2.97
2014	6,466	5.0%	0.2	\$2,419	\$2.82	5.6%	(0.3)	\$2,388	\$2.79
2013	5,964	4.8%	(0.3)	\$2,289	\$2.67	5.9%	0.9	\$2,262	\$2.64
2012	6,297	5.1%	0.7	\$2,161	\$2.52	5.1%	1.0	\$2,142	\$2.50
2011	5,320	4.4%	0.1	\$2,057	\$2.40	4.1%	-	\$2,046	\$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	5,457	7.9%	(0.3)	\$3,657	\$3.93	3.2%	0.3	\$3,591	\$3.86
2026	5,374	8.1%	(0.6)	\$3,542	\$3.80	3.0%	0.7	\$3,478	\$3.73
2025	5,532	8.7%	0	\$3,440	\$3.69	2.2%	1.6	\$3,378	\$3.63
2024	5,265	8.7%	0.8	\$3,365	\$3.61	0.6%	0.7	\$3,305	\$3.55
2023	4,542	7.9%	(0.2)	\$3,344	\$3.59	-0.1%	(3.8)	\$3,284	\$3.53
YTD	4,136	7.3%	(0.7)	\$3,427	\$3.67	-0.2%	(3.8)	\$3,372	\$3.61
2022	4,523	8.1%	(0.2)	\$3,348	\$3.59	3.6%	(5.9)	\$3,295	\$3.53
2021	4,418	8.3%	(4.8)	\$3,230	\$3.46	9.5%	18.3	\$3,143	\$3.37
2020	6,590	13.1%	3.9	\$2,949	\$3.16	-8.8%	(10.7)	\$2,817	\$3.02
2019	4,296	9.2%	0.1	\$3,233	\$3.47	1.9%	(1.5)	\$3,187	\$3.42
2018	4,047	9.1%	2.3	\$3,173	\$3.40	3.4%	0.8	\$3,101	\$3.32
2017	2,718	6.9%	(1.9)	\$3,069	\$3.29	2.6%	2.5	\$3,006	\$3.22
2016	3,313	8.7%	(0.3)	\$2,991	\$3.21	0.1%	(5.3)	\$2,908	\$3.12
2015	3,099	9.0%	(0.1)	\$2,986	\$3.20	5.5%	1.4	\$2,940	\$3.15
2014	2,714	9.0%	1.3	\$2,832	\$3.04	4.1%	(1.1)	\$2,788	\$2.99
2013	1,942	7.7%	(2.1)	\$2,722	\$2.92	5.1%	1.7	\$2,672	\$2.87
2012	2,305	9.8%	4.0	\$2,589	\$2.78	3.5%	0.7	\$2,558	\$2.74
2011	1,157	5.8%	(0.2)	\$2,502	\$2.68	2.8%	-	\$2,490	\$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	2,325	5.4%	(0.2)	\$3,197	\$3.73	3.5%	0.3	\$3,163	\$3.69
2026	2,422	5.6%	(0.5)	\$3,089	\$3.60	3.2%	0.8	\$3,056	\$3.56
2025	2,634	6.1%	0.5	\$2,993	\$3.49	2.4%	1.6	\$2,961	\$3.45
2024	2,393	5.6%	(0.2)	\$2,923	\$3.41	0.8%	(0.1)	\$2,892	\$3.37
2023	2,454	5.8%	1.6	\$2,902	\$3.38	0.9%	(5.0)	\$2,871	\$3.35
YTD	1,804	4.3%	0.1	\$2,975	\$3.47	2.3%	(3.7)	\$2,947	\$3.44
2022	1,761	4.2%	(0.2)	\$2,876	\$3.36	5.9%	(2.4)	\$2,859	\$3.34
2021	1,858	4.5%	(4.6)	\$2,715	\$3.17	8.4%	18.4	\$2,673	\$3.12
2020	3,795	9.1%	4.4	\$2,505	\$2.92	-10.1%	(11.9)	\$2,456	\$2.86
2019	1,935	4.6%	(0.1)	\$2,785	\$3.25	1.9%	(2.6)	\$2,764	\$3.23
2018	1,976	4.7%	(0.5)	\$2,734	\$3.19	4.5%	1.2	\$2,687	\$3.14
2017	2,198	5.3%	(0.6)	\$2,617	\$3.05	3.3%	3.8	\$2,535	\$2.96
2016	2,470	5.9%	1.8	\$2,534	\$2.96	-0.5%	(8.0)	\$2,457	\$2.87
2015	1,697	4.1%	0.2	\$2,547	\$2.97	7.4%	0.2	\$2,511	\$2.93
2014	1,607	3.9%	(0.5)	\$2,370	\$2.77	7.2%	(0.3)	\$2,343	\$2.73
2013	1,820	4.4%	0.4	\$2,211	\$2.58	7.5%	(0.1)	\$2,197	\$2.56
2012	1,668	4.0%	(0.4)	\$2,058	\$2.40	7.6%	1.6	\$2,044	\$2.39
2011	1,846	4.5%	0.2	\$1,913	\$2.23	5.9%	-	\$1,902	\$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	3,201	5.5%	0.1	\$2,497	\$3.36	3.5%	0.3	\$2,480	\$3.34
2026	3,160	5.5%	0.3	\$2,411	\$3.24	3.3%	0.8	\$2,395	\$3.22
2025	2,986	5.2%	0.3	\$2,334	\$3.14	2.5%	1.7	\$2,319	\$3.12
2024	2,812	4.8%	0.3	\$2,278	\$3.06	0.8%	0.6	\$2,263	\$3.04
2023	2,637	4.5%	0.5	\$2,259	\$3.04	0.2%	(4.5)	\$2,244	\$3.02
YTD	2,505	4.3%	0.2	\$2,276	\$3.05	2.4%	(2.2)	\$2,262	\$3.03
2022	2,367	4.1%	(0.5)	\$2,255	\$3.02	4.6%	1.6	\$2,243	\$3.01
2021	2,660	4.6%	(3.0)	\$2,155	\$2.89	3.0%	7.6	\$2,143	\$2.87
2020	4,406	7.6%	3.1	\$2,092	\$2.80	-4.6%	(6.1)	\$2,064	\$2.76
2019	2,587	4.4%	0	\$2,192	\$2.94	1.5%	(1.4)	\$2,180	\$2.92
2018	2,585	4.4%	0	\$2,159	\$2.89	2.9%	1.1	\$2,122	\$2.84
2017	2,601	4.5%	0	\$2,099	\$2.81	1.8%	(0.4)	\$2,058	\$2.75
2016	2,589	4.4%	0.6	\$2,062	\$2.76	2.2%	(6.5)	\$2,030	\$2.72
2015	2,221	3.8%	0.1	\$2,017	\$2.70	8.7%	1.5	\$1,999	\$2.68
2014	2,144	3.7%	(0.1)	\$1,854	\$2.48	7.3%	1.4	\$1,842	\$2.46
2013	2,202	3.8%	(0.2)	\$1,729	\$2.31	5.8%	0.3	\$1,720	\$2.30
2012	2,323	4.0%	0	\$1,634	\$2.18	5.5%	0.7	\$1,625	\$2.17
2011	2,317	4.0%	0	\$1,548	\$2.07	4.8%	-	\$1,540	\$2.05

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	-	-	-	-	-	-	\$612,515	305	3.8%
2026	-	-	-	-	-	-	\$593,965	296	3.8%
2025	-	-	-	-	-	-	\$577,739	288	3.7%
2024	-	-	-	-	-	-	\$568,618	283	3.7%
2023	-	-	-	-	-	-	\$574,613	286	3.7%
YTD	30	\$479.5M	0.7%	\$15,984,733	\$431,631	4.9%	\$601,711	300	3.5%
2022	133	\$1.6B	2.7%	\$12,177,837	\$454,112	4.0%	\$603,075	301	3.5%
2021	130	\$951.2M	1.8%	\$7,490,020	\$433,166	4.0%	\$558,684	278	3.6%
2020	73	\$1.2B	1.6%	\$16,727,960	\$489,819	4.4%	\$510,826	255	3.6%
2019	154	\$1.9B	3.8%	\$21,316,199	\$472,607	4.5%	\$525,956	262	3.6%
2018	188	\$1.1B	2.3%	\$10,311,406	\$430,658	3.8%	\$486,338	242	3.8%
2017	255	\$1.3B	3.3%	\$10,233,150	\$384,774	4.2%	\$441,562	220	3.9%
2016	199	\$1.5B	3.6%	\$13,817,864	\$361,336	4.4%	\$414,133	206	4.0%
2015	226	\$1.1B	3.3%	\$8,059,390	\$354,011	4.5%	\$390,029	194	4.1%
2014	184	\$1.5B	5.1%	\$10,337,082	\$293,808	4.5%	\$350,628	175	4.3%
2013	173	\$1.3B	5.7%	\$9,488,053	\$272,611	5.3%	\$311,827	155	4.5%
2012	251	\$1.3B	7.4%	\$8,530,860	\$244,276	5.8%	\$298,758	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	-	-	-	-	-	-	\$764,973	303	3.6%
2026	-	-	-	-	-	-	\$742,730	294	3.6%
2025	-	-	-	-	-	-	\$723,374	287	3.6%
2024	-	-	-	-	-	-	\$712,646	283	3.6%
2023	-	-	-	-	-	-	\$721,021	286	3.5%
YTD	1	\$153.5M	0.7%	\$153,500,000	\$411,528	-	\$756,235	300	3.4%
2022	3	\$698M	2.2%	\$232,666,667	\$567,941	-	\$763,081	303	3.3%
2021	3	\$166.5M	1.5%	\$83,266,750	\$568,374	-	\$701,454	278	3.4%
2020	2	\$359M	1.2%	\$179,500,000	\$572,568	-	\$642,958	255	3.5%
2019	10	\$1B	5.8%	\$168,057,479	\$559,570	4.5%	\$662,741	263	3.5%
2018	3	\$246.7M	1.1%	\$82,216,667	\$507,510	4.3%	\$612,540	243	3.6%
2017	10	\$669.3M	3.5%	\$66,928,340	\$478,401	4.0%	\$549,045	218	3.8%
2016	6	\$469.1M	2.9%	\$78,188,333	\$429,213	4.9%	\$516,812	205	3.8%
2015	2	\$195M	1.1%	\$97,500,000	\$509,138	4.3%	\$488,611	194	3.9%
2014	11	\$588.6M	8.3%	\$73,577,049	\$369,038	4.8%	\$440,946	175	4.1%
2013	7	\$225.7M	7.2%	\$56,412,500	\$296,518	5.0%	\$394,852	157	4.3%
2012	6	\$354.9M	6.4%	\$118,300,000	\$340,595	5.3%	\$381,825	151	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	-	-	-	-	-	-	\$572,598	314	3.7%
2026	-	-	-	-	-	-	\$554,730	304	3.7%
2025	-	-	-	-	-	-	\$539,128	296	3.7%
2024	-	-	-	-	-	-	\$530,380	291	3.7%
2023	-	-	-	-	-	-	\$535,705	294	3.7%
YTD	8	\$225M	1.1%	\$28,121,500	\$502,170	7.0%	\$559,719	307	3.5%
2022	11	\$144.2M	0.8%	\$13,111,818	\$434,428	4.5%	\$562,543	309	3.5%
2021	7	\$237M	1.1%	\$33,851,714	\$510,694	4.1%	\$515,225	283	3.6%
2020	12	\$565.9M	2.4%	\$47,158,734	\$551,564	3.8%	\$472,288	259	3.6%
2019	9	\$522.8M	3.0%	\$58,085,556	\$417,548	5.6%	\$486,246	267	3.6%
2018	12	\$428.5M	2.4%	\$38,956,818	\$434,610	3.8%	\$446,213	245	3.8%
2017	8	\$25M	0.2%	\$4,167,340	\$301,254	3.3%	\$403,033	221	3.9%
2016	21	\$686.3M	4.5%	\$42,894,722	\$374,218	4.4%	\$377,171	207	4.0%
2015	18	\$498.3M	4.0%	\$35,591,179	\$408,423	5.1%	\$353,138	194	4.1%
2014	14	\$445.1M	4.4%	\$37,095,273	\$303,438	4.6%	\$317,676	174	4.3%
2013	23	\$820.1M	8.3%	\$41,006,335	\$313,265	5.0%	\$281,961	155	4.6%
2012	28	\$608M	8.6%	\$40,535,667	\$256,231	4.8%	\$268,986	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	-	-	-	-	-	-	\$477,456	301	4.0%
2026	-	-	-	-	-	-	\$462,391	291	4.0%
2025	-	-	-	-	-	-	\$449,084	283	3.9%
2024	-	-	-	-	-	-	\$441,422	278	3.9%
2023	-	-	-	-	-	-	\$445,343	281	3.9%
YTD	21	\$101.1M	0.5%	\$4,812,857	\$348,517	4.5%	\$465,968	294	3.7%
2022	119	\$753.1M	4.7%	\$6,436,467	\$385,792	3.9%	\$460,311	290	3.7%
2021	120	\$547.7M	2.5%	\$4,641,840	\$380,637	4.0%	\$436,755	275	3.8%
2020	59	\$245.3M	1.3%	\$4,393,793	\$333,251	4.5%	\$396,723	250	3.8%
2019	135	\$323.4M	2.8%	\$4,491,590	\$371,718	4.4%	\$407,696	257	3.8%
2018	173	\$417.8M	3.0%	\$4,541,674	\$391,964	3.8%	\$379,837	239	4.0%
2017	237	\$595.1M	5.4%	\$5,409,904	\$318,400	4.3%	\$354,117	223	4.1%
2016	172	\$392.2M	3.5%	\$4,357,280	\$289,200	4.4%	\$330,712	208	4.2%
2015	206	\$443.1M	4.0%	\$3,544,780	\$275,730	4.5%	\$310,985	196	4.3%
2014	159	\$434.1M	4.1%	\$3,558,246	\$224,460	4.5%	\$277,578	175	4.5%
2013	143	\$263.6M	3.1%	\$2,312,058	\$185,095	5.3%	\$244,359	154	4.8%
2012	217	\$367.9M	6.9%	\$2,665,791	\$180,954	5.9%	\$231,173	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	-	170,496	6.4%	-	3,169	-	3,091	-	-
2026	-	167,405	6.5%	-	2,567	-	2,491	-	-
2025	-	164,914	6.8%	-	3,709	-	3,682	-	-
2024	-	161,232	6.5%	-	3,261	-	3,211	-	-
2023	-	158,021	6.1%	-	2,098	-	2,080	-	-
YTD	3,933	156,287	5.4%	2	346	2	346	29	8,081
2022	3,931	155,941	5.5%	15	2,696	15	2,696	31	8,427
2021	3,916	153,245	5.8%	16	3,310	14	2,986	24	4,005
2020	3,902	150,259	9.8%	18	3,780	15	3,570	25	5,181
2019	3,887	146,689	6.0%	10	2,482	7	2,414	36	8,523
2018	3,880	144,275	6.0%	17	4,704	16	4,687	30	7,487
2017	3,864	139,588	5.4%	8	1,709	5	1,480	31	8,011
2016	3,859	138,108	6.1%	14	3,761	14	3,761	24	6,420
2015	3,845	134,347	5.2%	18	4,463	17	4,458	23	5,841
2014	3,828	129,889	5.0%	13	4,807	10	4,700	28	6,773
2013	3,818	125,188	4.8%	6	1,783	0	1,736	25	7,883
2012	3,818	123,452	5.1%	8	3,652	5	3,579	17	6,126
2011	3,813	119,873	4.4%	3	374	(1)	348	15	6,177