



Multi-Family Market Report

San Francisco - CA

PREPARED BY



MULTI-FAMILY MARKET REPORT

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12 Mo. Delivered Units

1,456

12 Mo. Absorption Units

1,269

Vacancy Rate

7.2%

12 Mo. Asking Rent Growth

-0.6%

As of the second quarter of 2023, the San Francisco apartment market is showing signs of stability after the volatility of recent years. Vacancy has levelled-off, albeit at a higher level than pre-pandemic. Rent growth is generally flat, and construction activity has shifted from the city of San Francisco to the Peninsula. Investment activity is muted, reflecting broader economic headwinds.

Social and economic changes brought about by hybrid working, the aftermath of the pandemic, and a cyclical economic slowdown, have impacted 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 most other major markets, which improved rapidly in 2021. The city has some of the lowest return to office metrics in the nation. Consequently, apartment vacancy has recovered only to 7.2%, and rents are still below 2019 levels. The average rent in San Francisco is still the highest in the nation but the gap is closing.

The trailing 12-month absorption for market-rate apartments sits at 1,300 units, compared to the 10 year average of 2,000 units. 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 around employment, as tech companies implement hiring freezes and layoffs.

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	39,829	9.5%	\$3,765	\$3,729	146	0	3,703
3 Star	47,665	7.4%	\$2,911	\$2,890	47	0	773
1 & 2 Star	91,474	6.1%	\$2,408	\$2,393	52	0	0
Market	178,968	7.2%	\$3,046	\$3,022	245	0	4,476

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0%	5.3%	7.0%	10.9%	2020 Q4	2.8%	2000 Q1
Absorption Units	1,269	1,098	1,576	8,102	2021 Q4	(6,222)	2020 Q3
Delivered Units	1,456	1,544	1,581	4,317	2016 Q3	22	2012 Q1
Demolished Units	0	62	65	460	2019 Q2	0	2023 Q1
Asking Rent Growth (YOY)	-0.6%	1.8%	3.0%	19.1%	2001 Q1	-11.6%	2002 Q4
Effective Rent Growth (YOY)	-0.4%	1.7%	3.1%	19.0%	2001 Q1	-11.8%	2020 Q4
Sales Volume	\$1.9B	\$1.5B	N/A	\$3.1B	2020 Q1	\$314.5M	2009 Q3

As of the second quarter of 2023 the apartment vacancy rate in San Francisco stands at 7.2%, 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%. A multitude of factors, including population decline, remote working, and social problems related to homelessness and crime, have reduced demand across the metro area, with the largest impacts hitting neighborhoods in the heart of San Francisco.

Moreover, in alignment with national trends, demand and absorption has slowed in recent quarters in response to high inflation and rising interest rates, which have dampened renter activity and new household formation. Annual net absorption, at 1,300 units, is below the metro area's 10 year annual average of 2,000 units.

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 9.5%. 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 have negatively affected all

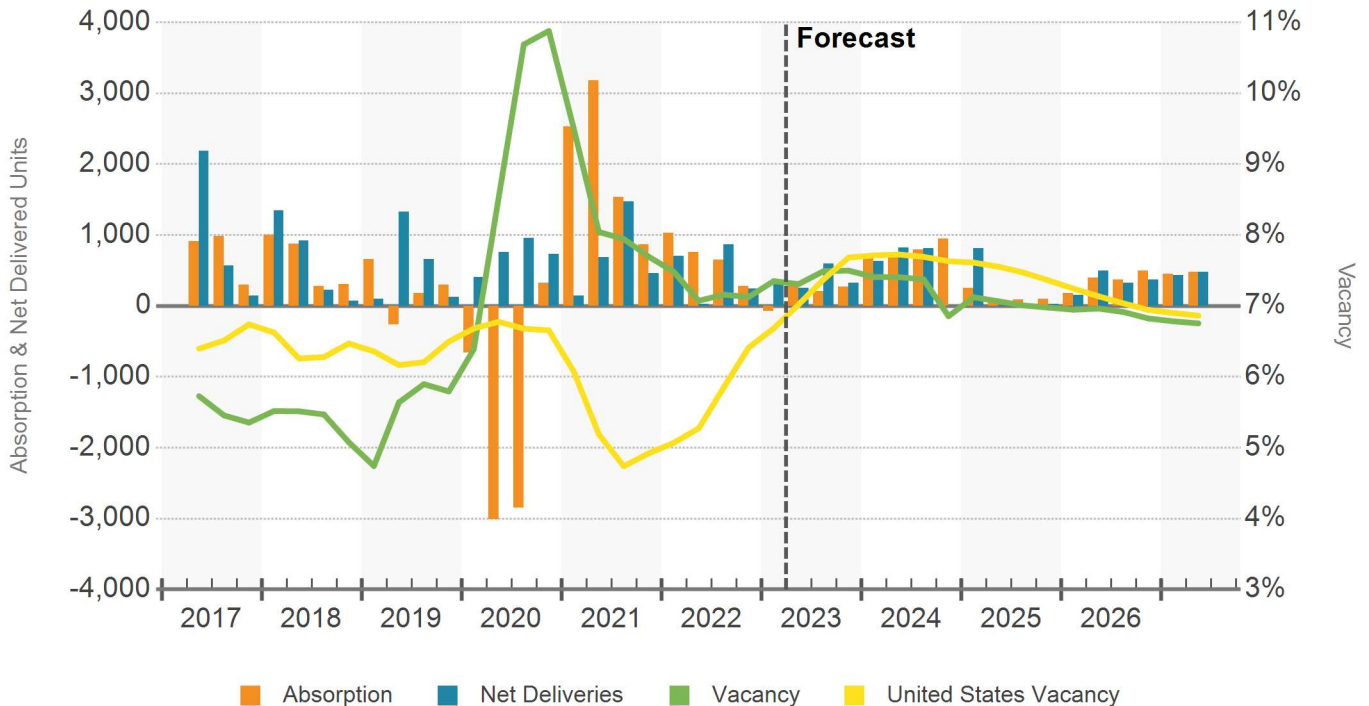
segments of the market. Vacancy among 3 Star assets in 2023q2 registers near the market average at 7.4%, while 1 & 2 Star vacancy is currently 6.1%.

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 parts of Downtown San Francisco, Haight-Ashbury/Castro/Noe Valley, and Civic Center/Tenderloin.

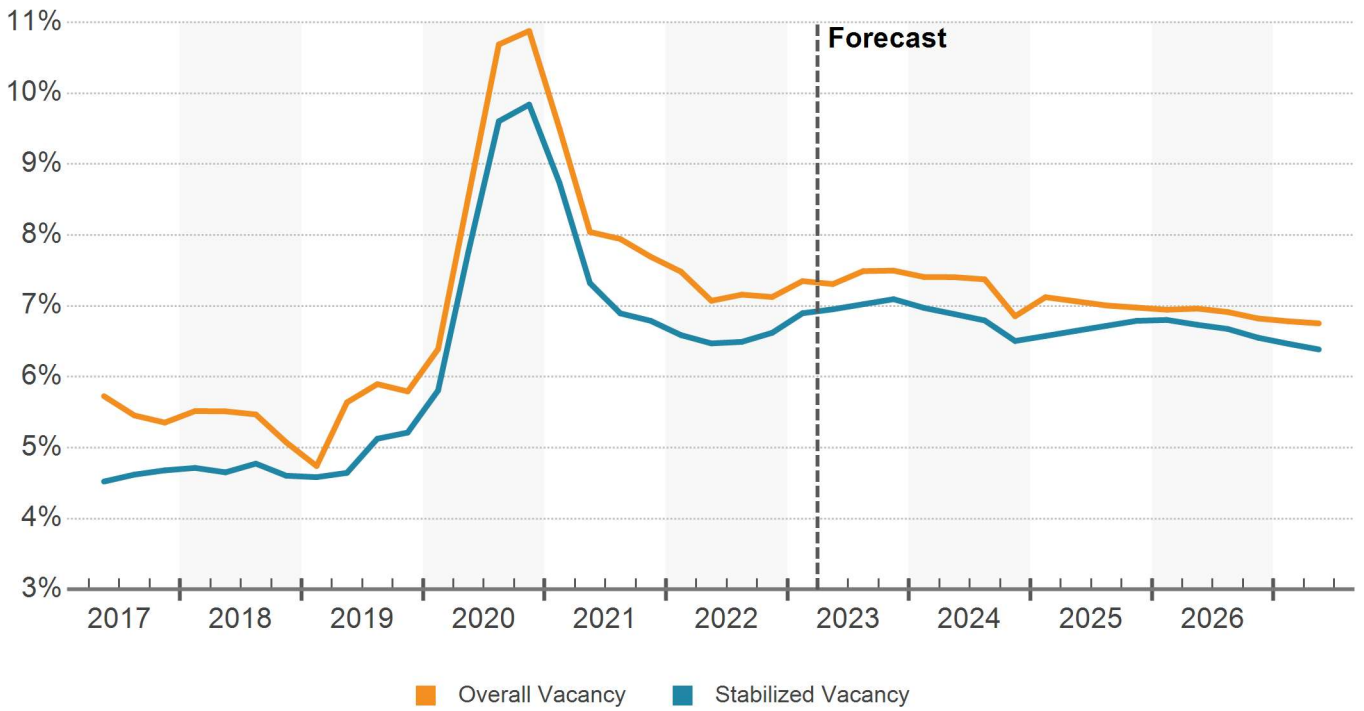
Demand is likely to remain muted compared to pre-pandemic levels. A large drop in the number of people working downtown has had a direct impact on the demand for apartments in neighboring areas, where proximity to the workplace is a prime attraction.

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.

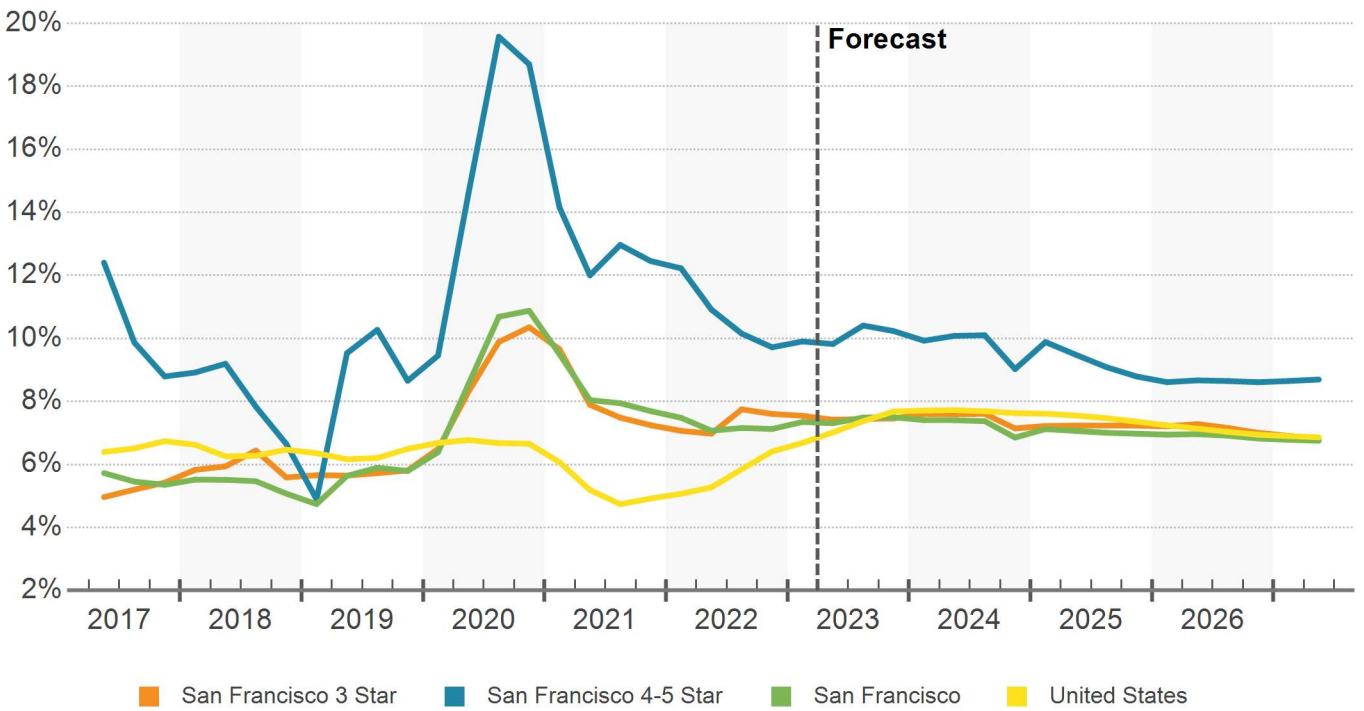
ABSORPTION, NET DELIVERIES & VACANCY



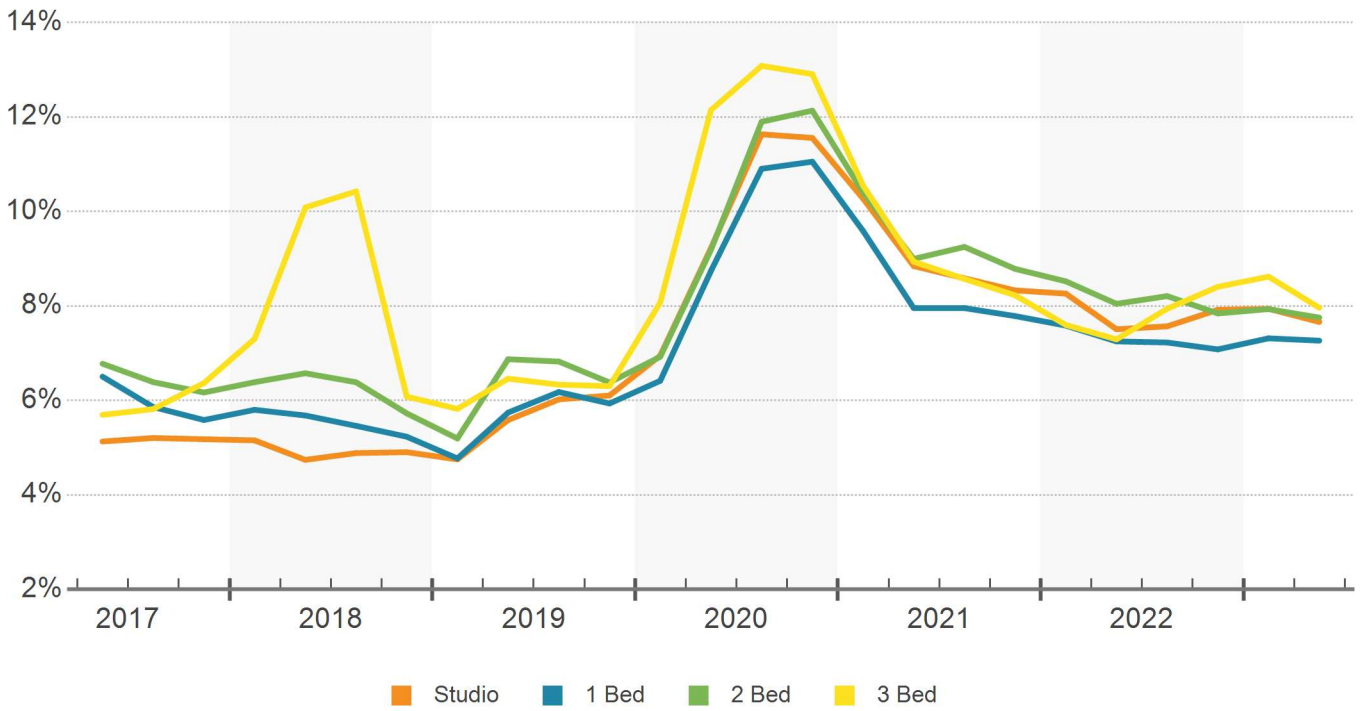
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



Apartments rent for an average of \$3,050/month in San Francisco. As of 2023q2 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.

However, 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 -0.4%, whereas the national average over this period was 5.1% per year. However, with the national average rent standing at just \$1,670/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.

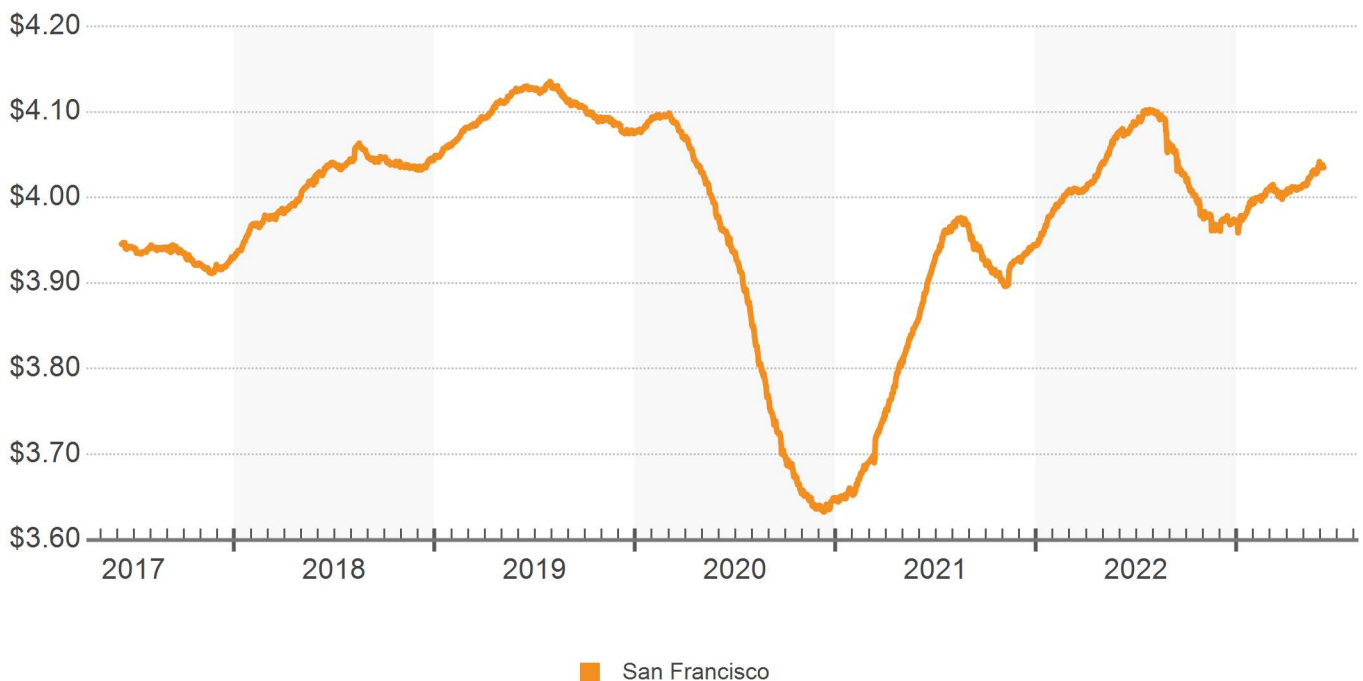
Rent growth hit a decade high of 7.8% in early 2022, before declining in the second half of the year. Annual rent growth as of 2023q2 is negative by -0.6%, and

average asking rates remain below the levels reached in 2019.

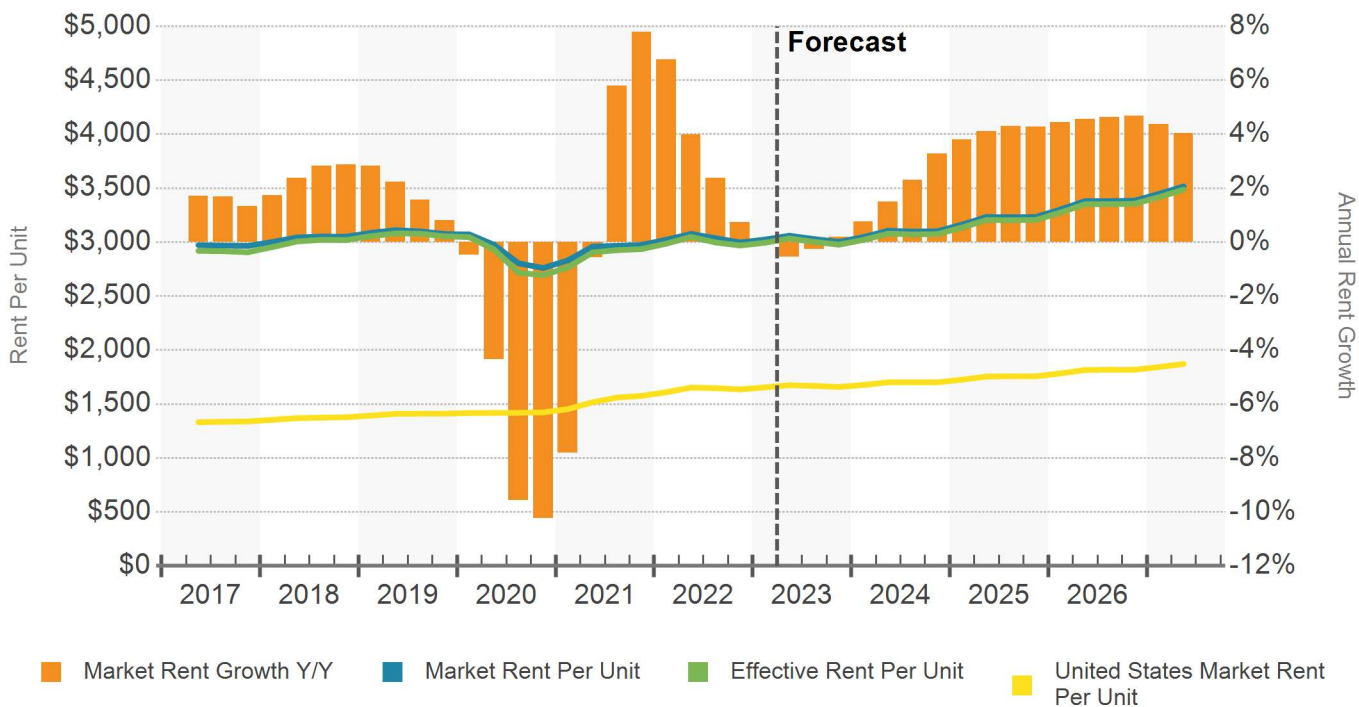
Asking rents are highest in Downtown San Francisco, Mission Bay and South of Market. These areas saw the largest levels of new construction in the 2010s, most of which was in the 4 & 5 Star category that commands the highest rents in the city.

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. For the year ending 2023q2, asking rents for properties rated 4 & 5 Star fell by -2.3% year over year, which compares to changes of 0.4% among 3 Star properties and 1.0% among 1 & 2 Star properties.

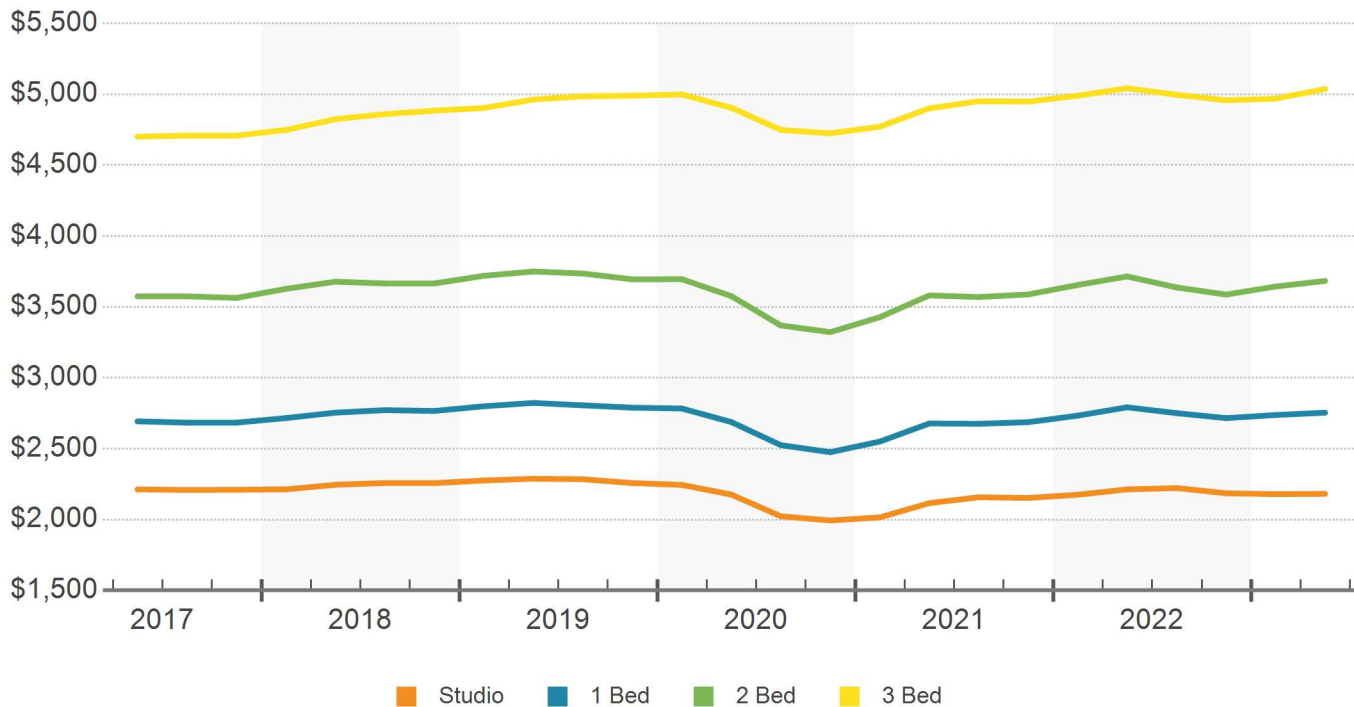
DAILY ASKING RENT PER SF



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. As of 2023q2, 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 4,500 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 2.5% of existing inventory, slightly below the average rate of 5.6% across the nation.

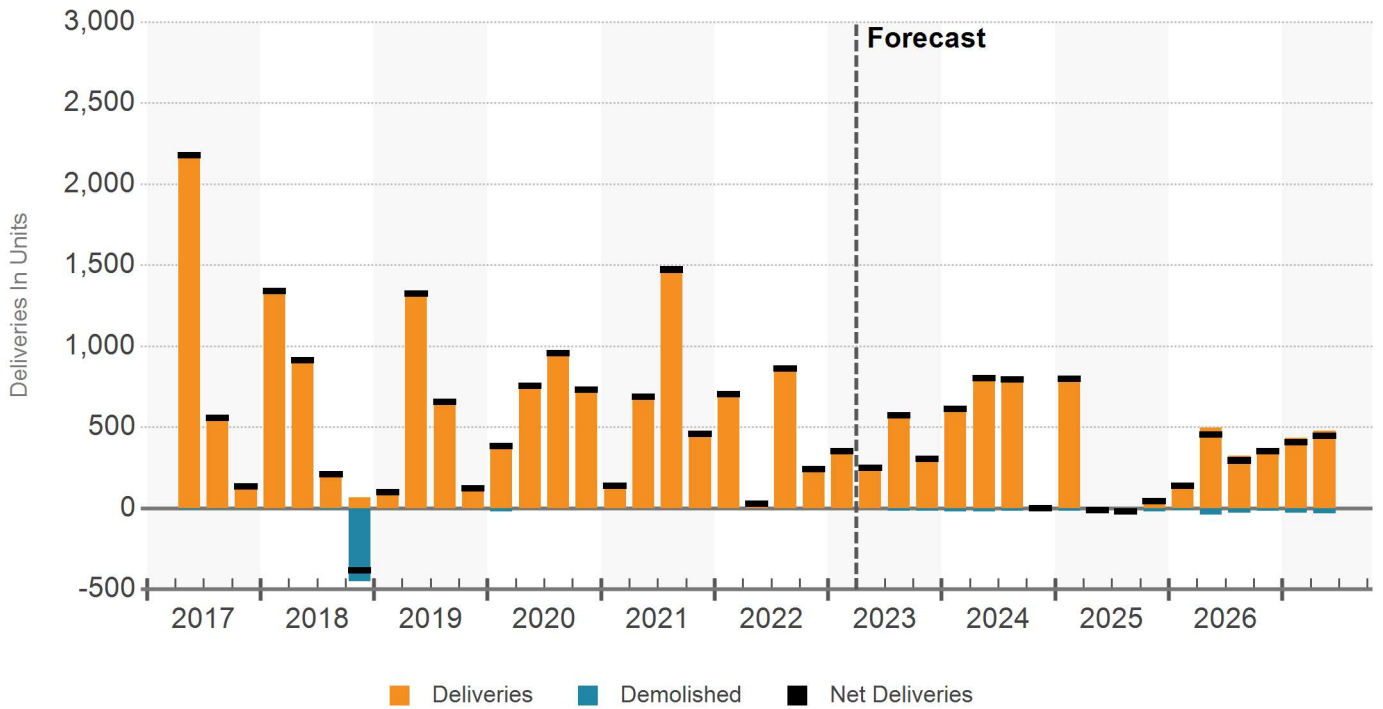
Geographically, development in the 2010s was concentrated in redevelopment areas close to downtown San Francisco, including South of Market and Mission Bay/China Basin/Potrero Hill. These areas have good access to the city's main centers for work and recreation, plus access to freeways and Caltrain, 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. Of the 2,500 units set to be delivered in 2023, 2,000 are located in these areas, with just 500 being delivered in the city of San Francisco. An example of a newer project of this type is Station 16 at Millbrae. This 320-unit mid-rise building was completed in February 2023, and, as of 2023q2, is 20% leased, with average asking rents at \$3,900/unit.

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

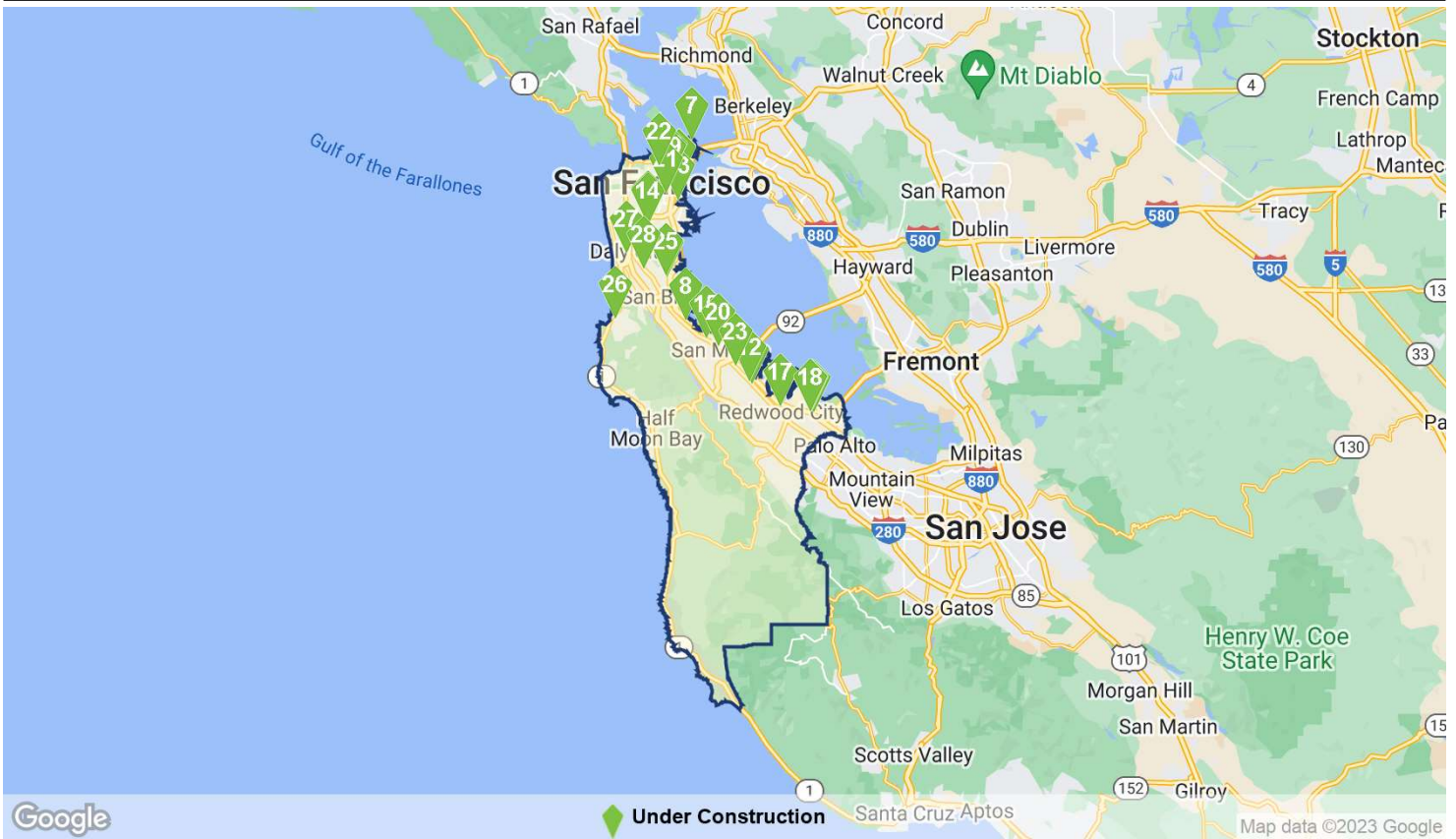
32

4,424

2.5%

138

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 141 Jefferson Dr	★★★★☆	441	7	Jun 2022	Jun 2024	Greystar Real Estate Partners Greystar Real Estate Partners
2 Menlo Portal 115 Independence Dr	★★★★☆	335	6	Jun 2022	Jul 2024	Greystar Real Estate Partners -
3 110 Constitution Dr	★★★★★	320	7	Feb 2022	Dec 2023	Greystar Real Estate Partners Greystar Real Estate Partners
4 The Canyon 1023 3rd St	★★★★☆	283	23	Mar 2021	Jul 2023	Tishman Speyer Tishman Speyer
5 Building F 1051 3rd St	★★★★☆	255	23	Nov 2021	Nov 2024	Tishman Speyer Port of San Francisco
6 Artisan Crossing 1325 Old Country Rd	★★★★☆	250	3	Jun 2021	Nov 2023	Windy Hill Property Ventures, Inc. Windy Hill Property Ventures, Inc.
7 Tidal House 880 Ave M	★★★★☆	248	22	Jan 2022	Jan 2025	Dci Construction Inc -

Under Construction Properties

San Francisco Multi-Family

UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 One Adrian 1 Adrian Ct	★★★★☆	227	7	May 2022	Oct 2023	Carmel Partners Carmel Partners
9 Cadence Phase II 200-216 Miller Ave	★★★★☆	195	7	Jan 2022	May 2024	Sares-Regis Group of Northern C... Sares-Regis Group
10 Celeste 401 Cypress Ave	★★★☆☆	195	8	Nov 2022	Mar 2024	Sares-Regis Group -
11 Ventana Residences 99 Ocean Ave	★★★★☆	193	5	Oct 2021	Jul 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	Jul 2023	Pacific West Communities, Inc. Buchanan Street Partners
16 360 5th St	★★★☆☆	127	8	Dec 2022	Apr 2026	LEAP Development LLC LEAP Development LLC
17 353 Main Street Apartme... 353 Main St	★★★☆☆	125	5	Mar 2020	Jul 2023	ROEM Development Corporation Mark J. Sontag MD
18 111 Independence Dr	★★★★☆	105	8	Nov 2022	Apr 2026	Sateez Kadivar Sateez Kadivar
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	Jul 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	Jul 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
26 801 Fassler Ave	★★★☆☆	24	3	Sep 2022	Jan 2024	- Siddharth Sethi
27 1784 Sullivan Ave	★★★☆☆	22	5	May 2023	Apr 2024	- Michael J Hsiao Trust
28 1309 Mission Rd	★★★☆☆	20	4	Jan 2022	Jul 2023	- -

Sales activity in San Francisco has been below the market's long-term historical average over the past few years. As of the second quarter of 2023, a total of 180 deals had closed within the past 12 months, somewhat below the five-year average of 330 transactions per year. Investor interest remains subdued in 2023 after declining in the second half of 2022 in response to rapid increases in interest rates and economic uncertainty.

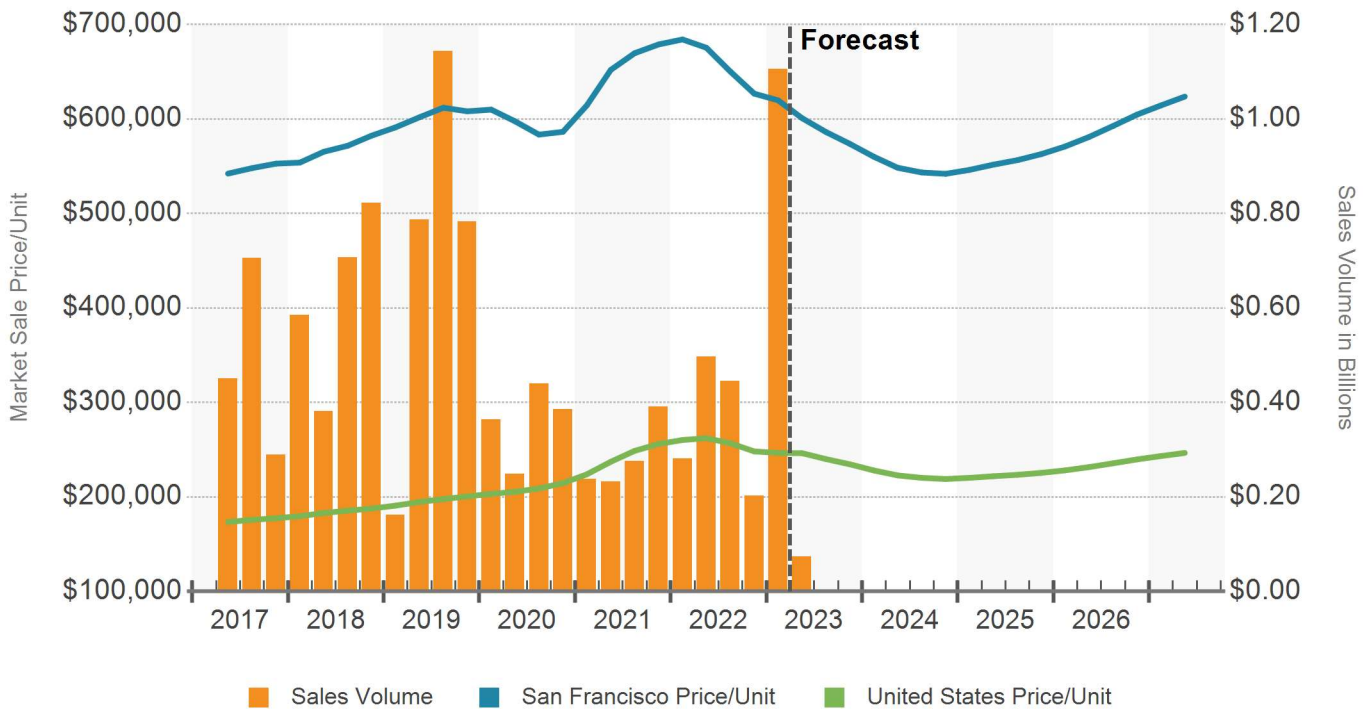
Historically, investors have been attracted to San Francisco's sound fundamentals and rent growth prospects. Development opportunities are limited, which gives buyers confidence that demand will outweigh supply in the long term, leading to improved operating income. San Francisco attracts institutional 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. However, current economic concerns are for the most part outweighing these considerations.

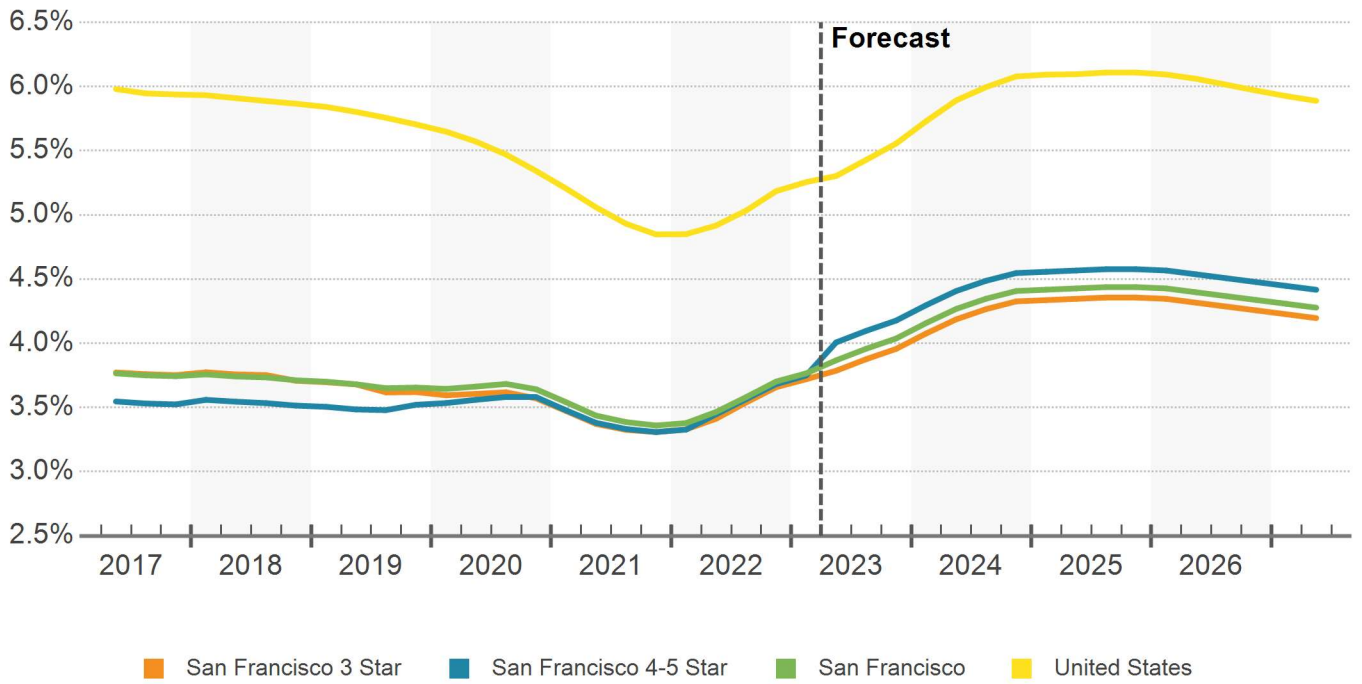
Most sales that have closed year to date in 2023 are 2 Star and 3 Star buildings in the 6 to 12 unit size range. The average sale price over the past year was \$340,000/unit, and buyers are mostly private individuals, although a small number of developers are also actively acquiring buildings.

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.

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

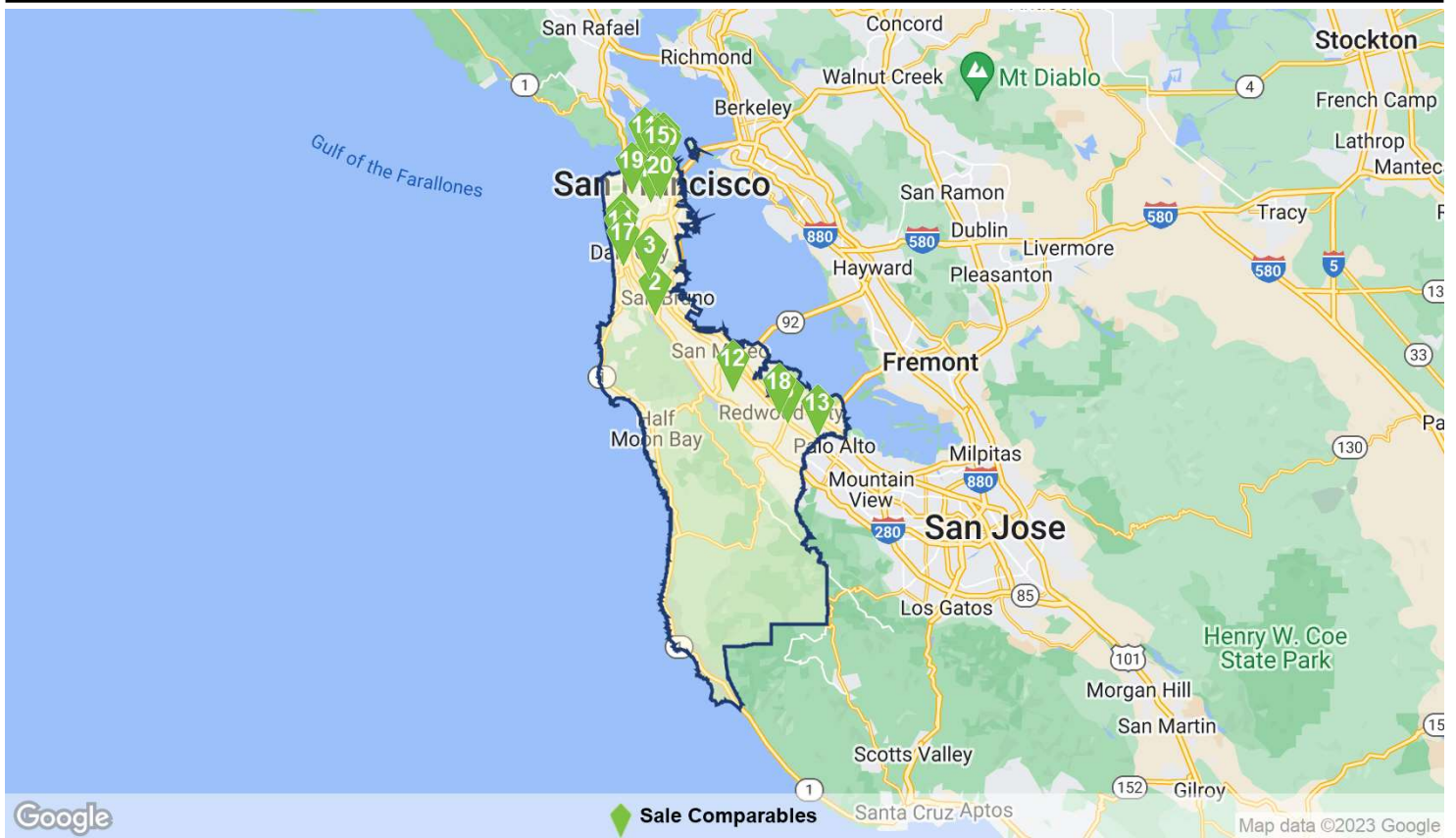
186

\$340

\$10.3

9.9%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$750,000	\$10,348,782	\$2,862,356	\$914,160,000
Price/Unit	\$80,000	\$340,464	\$390,000	\$1,130,000
Cap Rate	2.1%	4.6%	4.2%	13.7%
Vacancy Rate At Sale	0%	9.9%	0%	100%
Time Since Sale in Months	0.0	6.7	7.4	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	2	31	8	2,983
Number of Floors	1	2	3	7
Average Unit SF	118	855	802	2,021
Year Built	1885	1936	1928	2018
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	11.7%	1/30/2023	\$914,160,000	\$306,456	\$352
2 Crystal Springs Terrace 2000 Crystal Springs Rd	★★★★★	1974	437	7.3%	9/19/2022	\$187,500,000	\$429,061	\$534
3 Clubview Apartments 849 W Orange Ave	★★★★★	1964	102	7.8%	1/19/2023	\$48,000,000	\$470,588	\$579
4 2242 Polk Apartments 2242 Polk St	★★★★★	1913	42	4.8%	10/3/2022	\$33,100,000	\$788,095	\$684
5 Atherton Green 70 Renato Ct	★★★★★	1963	51	52.9%	3/24/2023	\$24,035,500	\$471,284	\$700
6 Eastmoor Apartments 101 Eastmoor Ave	★★★★★	1961	78	0%	12/26/2022	\$22,500,000	\$288,461	\$435
7 1835 Vallejo St	★★★★★	1929	48	4.2%	12/6/2022	\$18,350,000	\$382,291	\$498
8 Alamo Square 625 Scott St	★★★★★	1928	42	4.8%	8/1/2022	\$18,050,000	\$429,761	\$600
9 The Cloisters 899 Green St	★★★★★	1923	38	2.6%	10/13/2022	\$15,625,000	\$411,184	\$620
10 901-903 Pine St	★★★★★	1908	36	0%	8/19/2022	\$14,330,000	\$398,055	\$484
11 3839 Divisadero St	★★★★★	1940	18	5.6%	9/23/2022	\$13,300,000	\$738,888	\$755
12 Hutton Terrace Apartments 1056 Continentals Way	★★★★★	1969	24	4.2%	2/2/2023	\$12,000,000	\$500,000	\$468
13 200 Waverley St	★★★★★	1958	10	0%	11/8/2022	\$11,300,000	\$1,130,000	\$1,221
14 Terrace View 26 Terrace View Ct	★★★★★	1968	122	9.8%	1/30/2023	\$10,840,000	\$88,852	\$79
15 1850 Clay St	★★★★★	1927	20	0%	6/24/2022	\$9,990,000	\$499,500	\$602
16 1450 Castro St	★★★★★	1912	25	4.0%	8/1/2022	\$9,750,000	\$390,000	\$698
17 30 Kent Ct	★★★★★	1971	19	5.3%	6/23/2022	\$9,000,000	\$473,684	\$599
18 117 Vera Ave	★★★★★	1963	20	5.0%	9/16/2022	\$8,800,000	\$440,000	\$384
19 1495 7th Ave	★★★★★	1925	21	4.8%	7/15/2022	\$8,800,000	\$419,047	\$611
20 155-165 Bartlett St	★★★★★	1908	13	7.7%	10/12/2022	\$8,580,000	\$660,000	\$715

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.

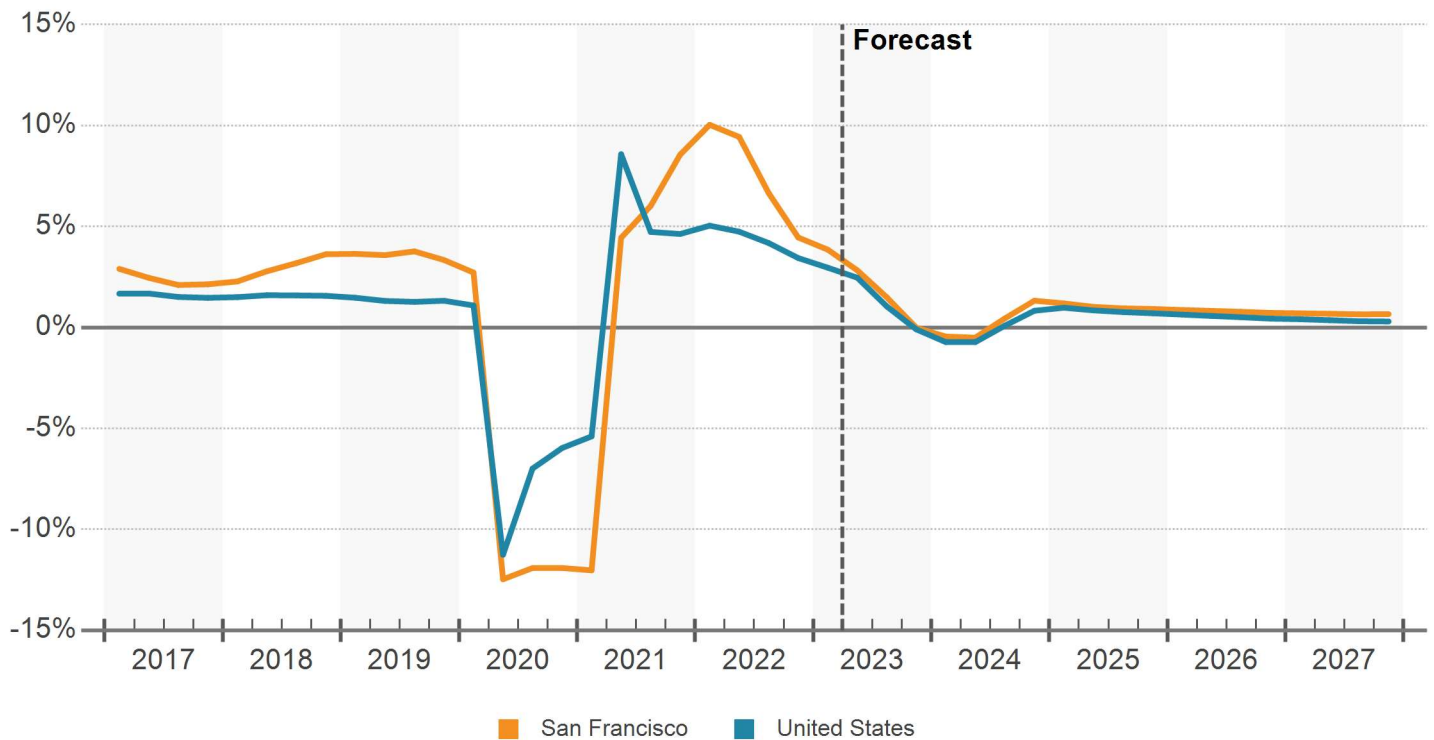
Despite recent layoffs, the Bay Area continues to attract talent and investment in the technology sector, receiving over 30% of the nation's venture capital spending in 2022. Innovation in life sciences and biotechnology is driving growth across the metro, particularly in areas such as South San Francisco, 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	-0.20%	1.83%	0.81%	0.80%	0.12%	-0.10%
Trade, Transportation and Utilities	141	0.6	3.02%	1.05%	0.53%	1.22%	-0.27%	-0.02%
Retail Trade	67	0.6	0.07%	0.63%	-1.35%	0.41%	-0.37%	-0.02%
Financial Activities	90	1.3	2.13%	1.17%	2.26%	1.49%	-0.53%	-0.03%
Government	134	0.8	-2.75%	1.82%	1.29%	0.29%	0.44%	0.44%
Natural Resources, Mining and Construction	42	0.6	0.30%	3.18%	3.17%	2.53%	0.64%	0.09%
Education and Health Services	154	0.8	4.25%	3.89%	2.58%	1.77%	0.27%	0.54%
Professional and Business Services	317	1.8	2.89%	2.33%	3.59%	2.17%	0.52%	0.22%
Information	124	5.3	0.35%	-0.34%	9.75%	1.19%	1.31%	0.10%
Leisure and Hospitality	130	1.0	13.75%	6.15%	0.32%	1.60%	1.98%	0.87%
Other Services	40	0.9	5.98%	3.18%	0.53%	0.69%	0.29%	0.18%
Total Employment	1,210	1.0	3.05%	2.57%	2.51%	1.36%	0.54%	0.28%

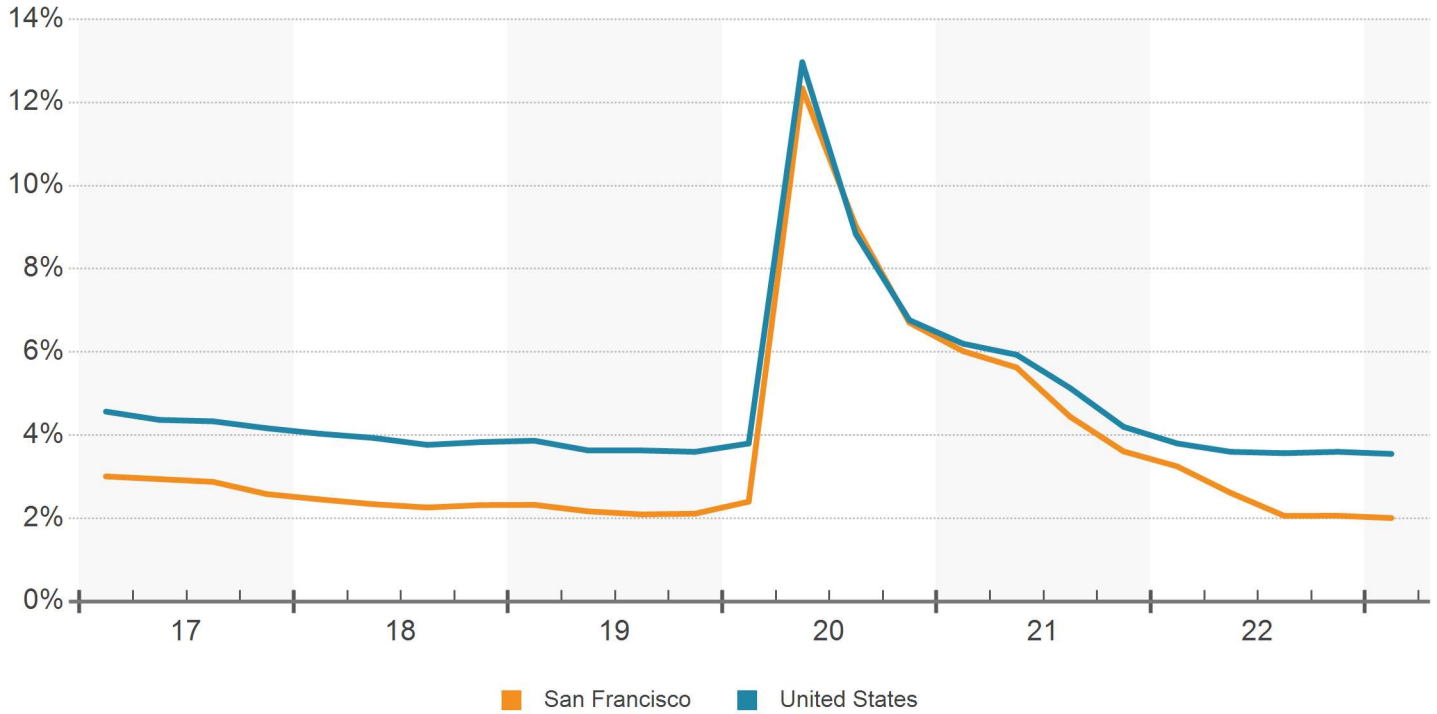
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

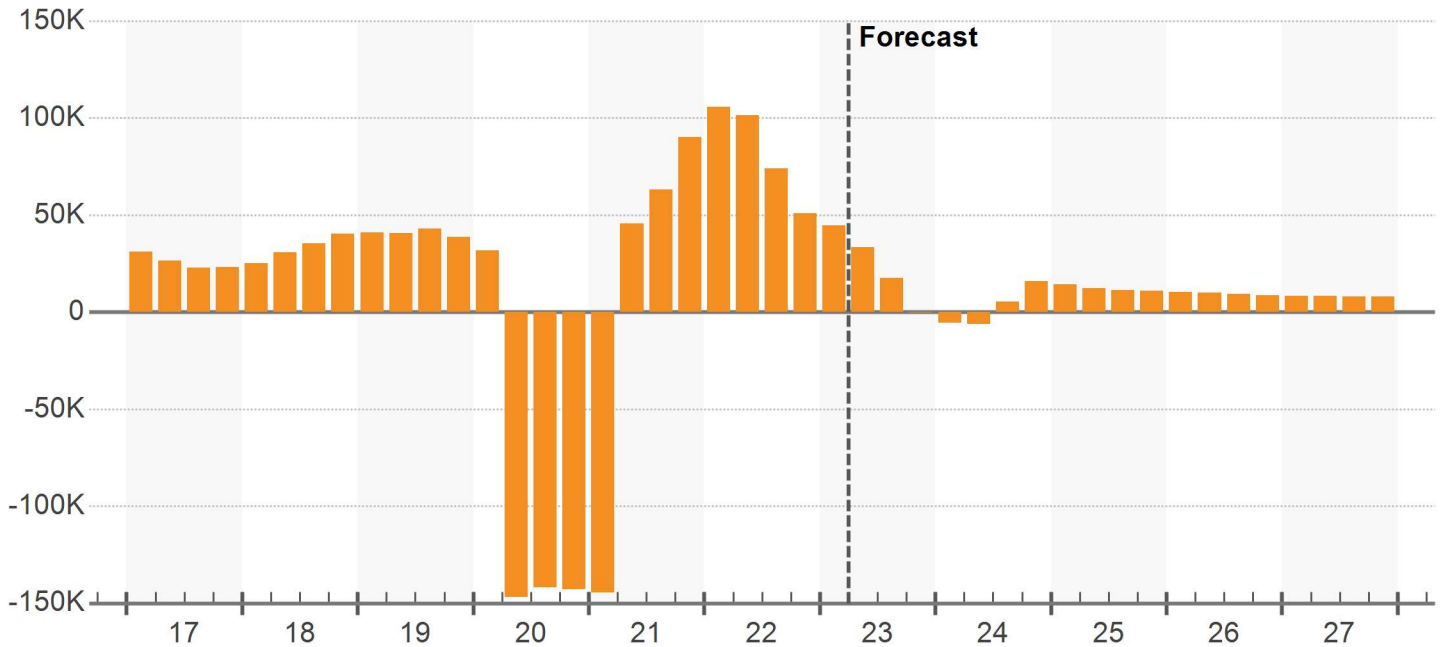


Source: Oxford Economics

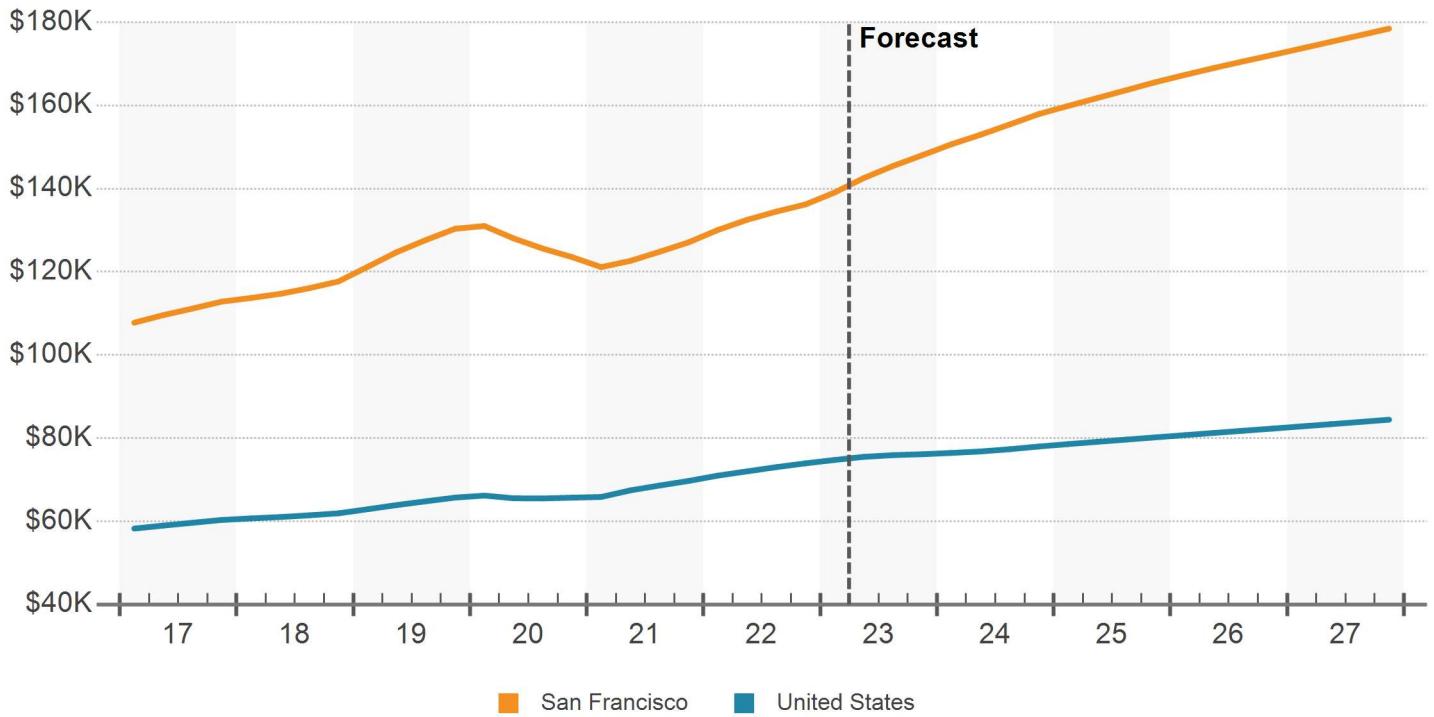
UNEMPLOYMENT RATE (%)



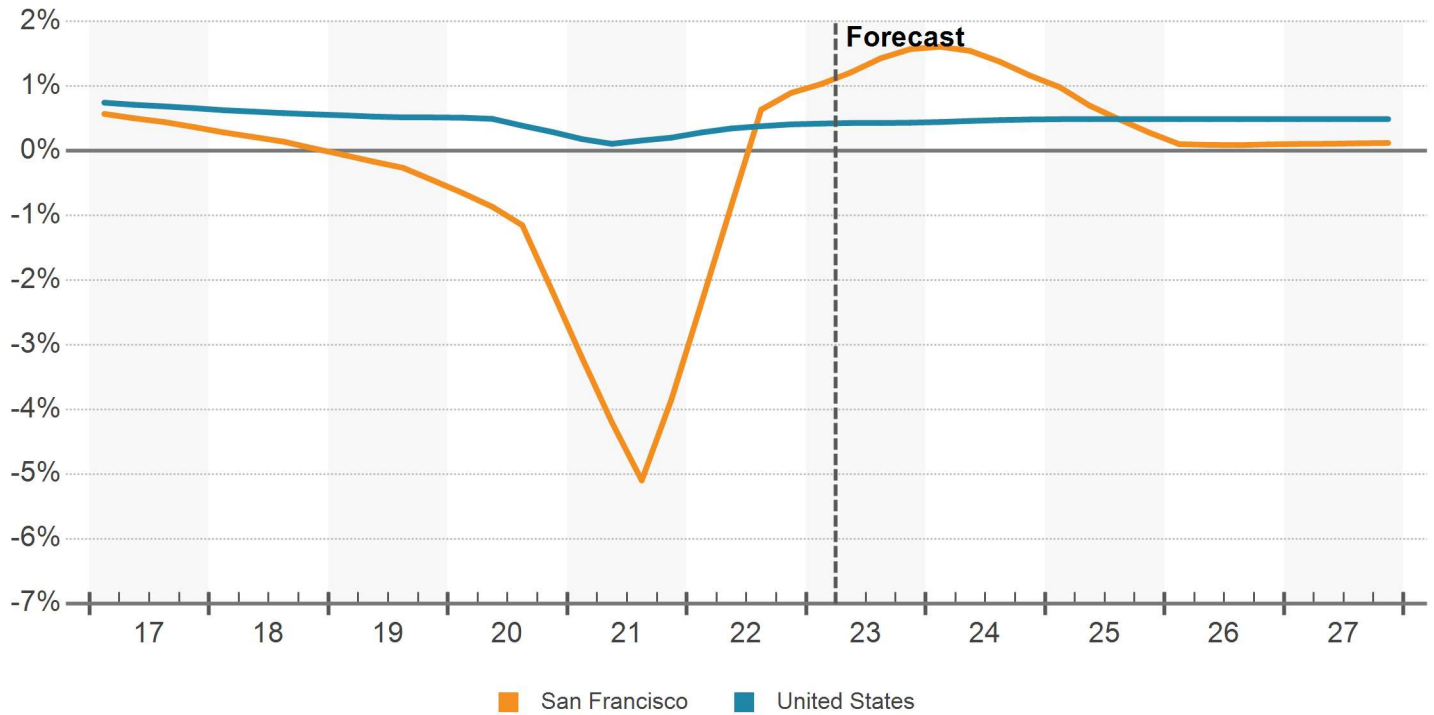
NET EMPLOYMENT CHANGE (YOY)



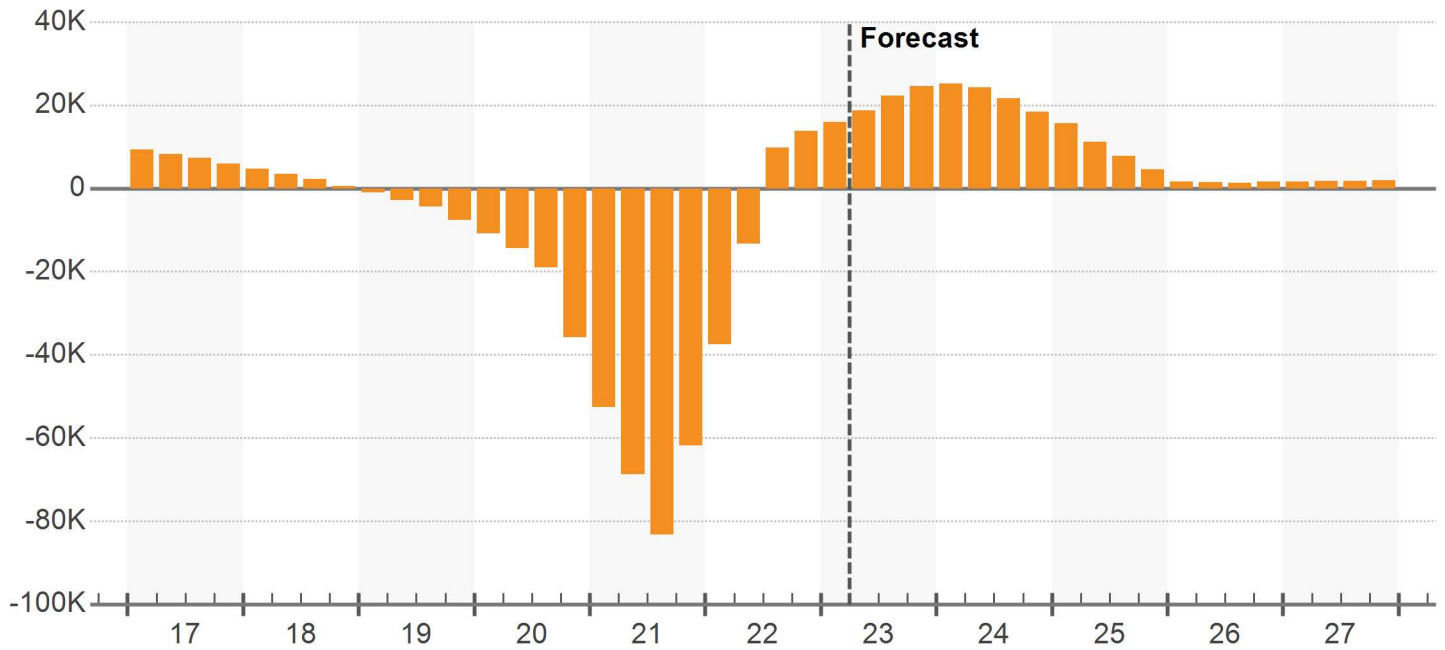
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

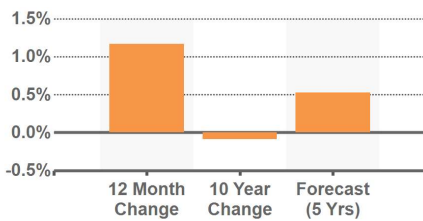


DEMOGRAPHIC TRENDS

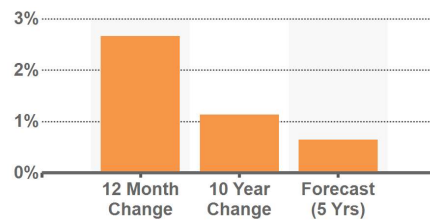
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,573,731	334,287,375	1.2%	0.4%	-0.1%	0.6%	0.5%	0.5%
Households	629,401	129,758,633	1.6%	0.8%	0.1%	0.9%	0.6%	0.6%
Median Household Income	\$141,774	\$75,340	7.4%	4.9%	5.5%	3.8%	5.1%	2.5%
Labor Force	1,037,629	165,334,391	2.7%	0.8%	1.1%	0.6%	0.6%	0.4%
Unemployment	2.0%	3.5%	-0.7%	-0.1%	-0.3%	-0.4%	-	-

Source: Oxford Economics

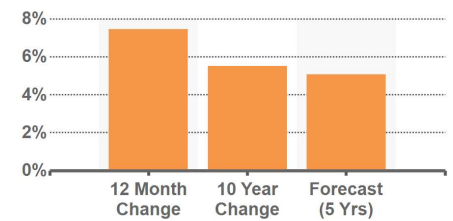
POPULATION GROWTH



LABOR FORCE GROWTH

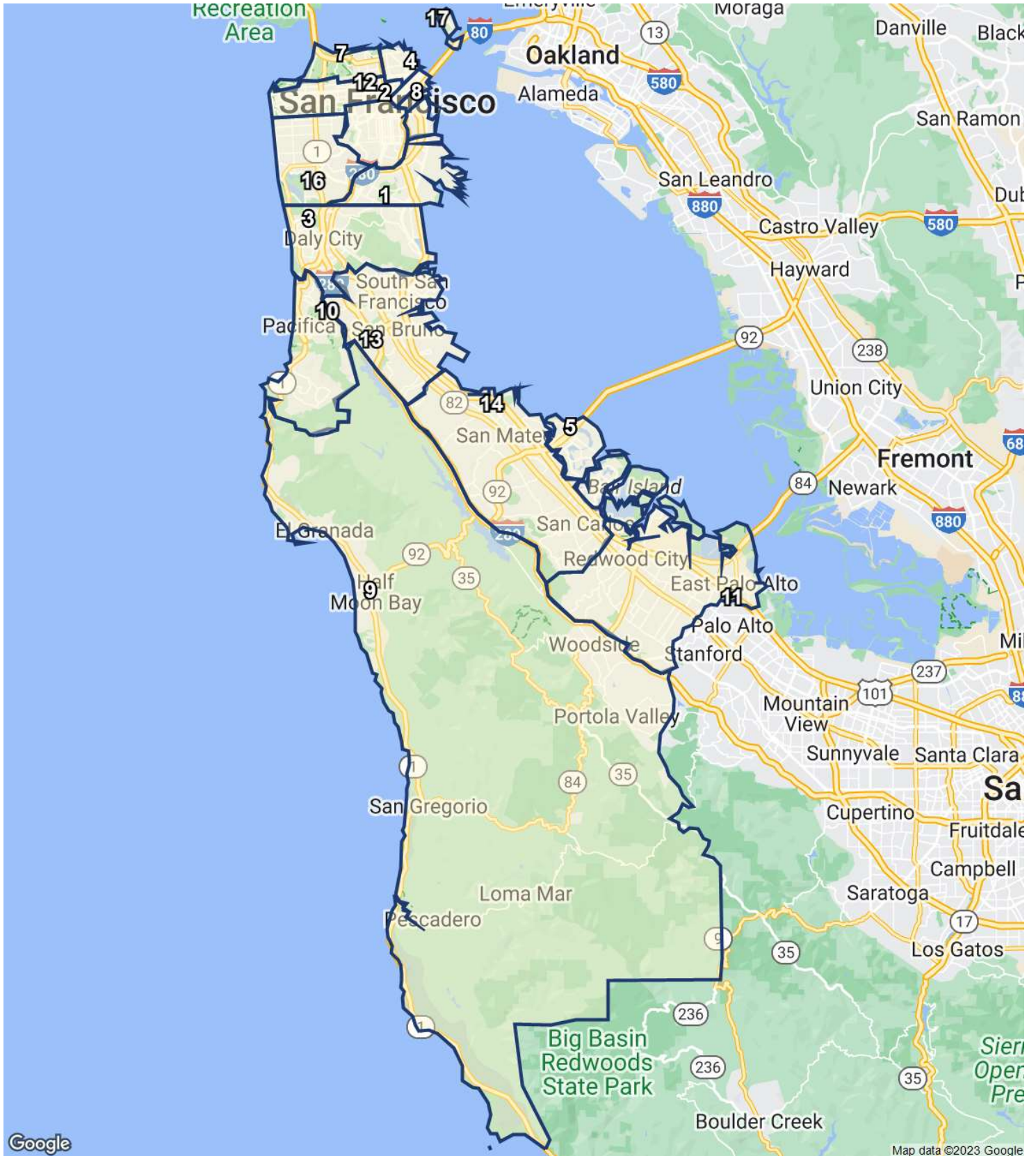


INCOME GROWTH



Source: Oxford Economics

SAN FRANCISCO SUBMARKETS



Google

Map data ©2023 Google

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%	4
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%	-	2	42	0.6%	10
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	20,165	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%	11
8	Mission Bay/China Basin...	78	7,177	4.0%	11	1	24	0.3%	7	2	538	7.5%	3
9	Outlying San Mateo County	30	289	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%	12
11	Redwood City/Menlo Park	827	15,832	8.8%	5	3	196	1.2%	4	5	1,326	8.4%	1
12	Richmond/Western Addition	1,395	17,722	9.9%	4	0	0	0%	-	0	0	0%	-
13	S San Francisco/San Bru...	540	8,455	4.7%	10	1	320	3.8%	2	4	474	5.6%	5
14	San Mateo/Burlingame	1,201	21,197	11.8%	2	1	128	0.6%	5	10	967	4.6%	2
15	South Of Market	122	13,322	7.4%	7	0	0	0%	-	2	217	1.6%	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%	-	1	248	57.7%	6

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	\$2,873	\$3.15	15	1.0%	\$2,866	\$3.14	15	1.2%	0.2%	16
2	Civic Center/Tenderloin	\$2,417	\$4.30	6	-1.2%	\$2,399	\$4.27	6	-0.7%	0.8%	6
3	Daly City/Brisbane	\$2,477	\$3.46	14	2.2%	\$2,458	\$3.43	14	2.2%	0.8%	7
4	Downtown San Francisco	\$2,667	\$4.46	4	-0.8%	\$2,652	\$4.43	3	-0.7%	0.6%	11
5	Foster City/Redwood Sho...	\$3,414	\$3.89	8	0.2%	\$3,398	\$3.87	8	0.6%	0.5%	15
6	Haight-Ashbury/Castro/N...	\$3,085	\$4.50	3	-1.1%	\$3,032	\$4.41	4	-1.3%	1.7%	1
7	Marina/Pacific Heights/Pr...	\$3,751	\$4.33	5	1.9%	\$3,731	\$4.31	5	1.8%	0.5%	12
8	Mission Bay/China Basin...	\$3,917	\$4.75	1	-0.4%	\$3,894	\$4.73	1	-0.3%	0.6%	10
9	Outlying San Mateo County	\$2,091	\$2.15	17	1.6%	\$2,080	\$2.14	17	1.8%	0.5%	14
10	Pacifica	\$2,678	\$3.54	12	-2.2%	\$2,665	\$3.52	11	-1.7%	0.5%	13
11	Redwood City/Menlo Park	\$2,957	\$3.68	9	-0.2%	\$2,932	\$3.64	9	-0.3%	0.9%	4
12	Richmond/Western Addition	\$2,603	\$4.10	7	-0.7%	\$2,586	\$4.07	7	-0.9%	0.7%	9
13	S San Francisco/San Bru...	\$3,079	\$3.55	11	3.3%	\$3,047	\$3.51	12	3.3%	1.0%	2
14	San Mateo/Burlingame	\$2,971	\$3.59	10	0.2%	\$2,950	\$3.57	10	0.3%	0.7%	8
15	South Of Market	\$3,561	\$4.70	2	-2.8%	\$3,533	\$4.66	2	-1.9%	0.8%	5
16	Sunset/Lakeshore	\$2,895	\$3.51	13	-8.2%	\$2,869	\$3.48	13	-8.2%	0.9%	3
17	Treasure/Yerba Buena Isl...	\$2,823	\$2.56	16	0%	\$2,823	\$2.56	16	0%	0%	-

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%	3	2	0.2%	10	-
2	Civic Center/Tenderloin	951	8.9%	14	173	1.6%	4	1.4
3	Daly City/Brisbane	541	7.7%	13	(2)	0%	13	-
4	Downtown San Francisco	1,533	6.4%	8	141	0.6%	5	-
5	Foster City/Redwood Sho...	230	4.0%	2	(44)	-0.8%	15	-
6	Haight-Ashbury/Castro/N...	1,920	9.5%	15	205	1.0%	3	2.5
7	Marina/Pacific Heights/Pr...	797	5.5%	6	(78)	-0.5%	17	-
8	Mission Bay/China Basin...	430	6.0%	7	26	0.4%	8	0.9
9	Outlying San Mateo County	12	4.0%	1	(1)	-0.3%	12	-
10	Pacifica	112	4.9%	4	5	0.2%	9	5.7
11	Redwood City/Menlo Park	1,103	7.0%	10	128	0.8%	6	1.5
12	Richmond/Western Addition	1,299	7.3%	12	(37)	-0.2%	14	-
13	S San Francisco/San Bru...	607	7.2%	11	261	3.1%	2	1.2
14	San Mateo/Burlingame	1,154	5.4%	5	88	0.4%	7	1.4
15	South Of Market	863	6.5%	9	460	3.5%	1	-
16	Sunset/Lakeshore	1,303	14.1%	16	(62)	-0.7%	16	-
17	Treasure/Yerba Buena Isl...	0	0%	-	0	0%	-	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	186,190	1,845	1.0%	1,924	1.0%	1.0
2026	184,345	1,238	0.7%	1,437	0.8%	0.9
2025	183,107	806	0.4%	529	0.3%	1.5
2024	182,301	2,206	1.2%	3,211	1.8%	0.7
2023	180,095	1,477	0.8%	701	0.4%	2.1
YTD	178,968	350	0.2%	168	0.1%	2.1
2022	178,618	1,829	1.0%	2,706	1.5%	0.7
2021	176,789	2,756	1.6%	8,102	4.6%	0.3
2020	174,033	2,822	1.6%	(6,193)	-3.6%	-
2019	171,211	2,197	1.3%	864	0.5%	2.5
2018	169,014	2,080	1.2%	2,446	1.4%	0.9
2017	166,934	3,669	2.2%	2,989	1.8%	1.2
2016	163,265	3,767	2.4%	3,369	2.1%	1.1
2015	159,498	2,368	1.5%	1,871	1.2%	1.3
2014	157,130	2,317	1.5%	2,458	1.6%	0.9
2013	154,813	2,663	1.8%	2,460	1.6%	1.1
2012	152,150	179	0.1%	(171)	-0.1%	-
2011	151,971	(25)	0%	648	0.4%	0

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	45,918	1,491	3.4%	1,297	2.8%	1.1
2026	44,427	949	2.2%	947	2.1%	1.0
2025	43,478	801	1.9%	831	1.9%	1.0
2024	42,677	1,709	4.2%	2,049	4.8%	0.8
2023	40,968	1,459	3.7%	1,106	2.7%	1.3
YTD	39,829	320	0.8%	361	0.9%	0.9
2022	39,509	1,367	3.6%	2,278	5.8%	0.6
2021	38,142	2,733	7.7%	4,607	12.1%	0.6
2020	35,409	2,642	8.1%	(1,145)	-3.2%	-
2019	32,767	2,156	7.0%	1,365	4.2%	1.6
2018	30,611	2,501	8.9%	2,940	9.6%	0.9
2017	28,110	3,692	15.1%	3,036	10.8%	1.2
2016	24,418	3,800	18.4%	3,433	14.1%	1.1
2015	20,618	2,230	12.1%	2,101	10.2%	1.1
2014	18,388	2,292	14.2%	2,056	11.2%	1.1
2013	16,096	2,293	16.6%	2,068	12.8%	1.1
2012	13,803	489	3.7%	387	2.8%	1.3
2011	13,314	(53)	-0.4%	274	2.1%	-

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	48,438	0	0%	145	0.3%	0
2026	48,438	127	0.3%	229	0.5%	0.6
2025	48,311	71	0.1%	24	0%	3.0
2024	48,240	555	1.2%	667	1.4%	0.8
2023	47,685	26	0.1%	90	0.2%	0.3
YTD	47,665	6	0%	79	0.2%	0.1
2022	47,659	462	1.0%	260	0.5%	1.8
2021	47,197	23	0%	1,495	3.2%	0
2020	47,174	199	0.4%	(1,951)	-4.1%	-
2019	46,975	30	0.1%	(76)	-0.2%	-
2018	46,945	(411)	-0.9%	(466)	-1.0%	0.9
2017	47,356	8	0%	(30)	-0.1%	-
2016	47,348	13	0%	1	0%	13.0
2015	47,335	145	0.3%	(215)	-0.5%	-
2014	47,190	20	0%	289	0.6%	0.1
2013	47,170	322	0.7%	237	0.5%	1.4
2012	46,848	(310)	-0.7%	(423)	-0.9%	0.7
2011	47,158	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	91,834	354	0.4%	482	0.5%	0.7
2026	91,480	162	0.2%	261	0.3%	0.6
2025	91,318	(66)	-0.1%	(326)	-0.4%	0.2
2024	91,384	(58)	-0.1%	495	0.5%	-
2023	91,442	(8)	0%	(495)	-0.5%	0
YTD	91,474	24	0%	(272)	-0.3%	-
2022	91,450	0	0%	168	0.2%	0
2021	91,450	0	0%	2,000	2.2%	0
2020	91,450	(19)	0%	(3,097)	-3.4%	0
2019	91,469	11	0%	(425)	-0.5%	0
2018	91,458	(10)	0%	(28)	0%	0.4
2017	91,468	(31)	0%	(17)	0%	1.8
2016	91,499	(46)	-0.1%	(65)	-0.1%	0.7
2015	91,545	(7)	0%	(15)	0%	0.5
2014	91,552	5	0%	113	0.1%	0
2013	91,547	48	0.1%	155	0.2%	0.3
2012	91,499	0	0%	(135)	-0.1%	0
2011	91,499	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	12,499	6.7%	(0.1)	\$3,498	\$4.71	3.4%	(1.3)	\$3,468	\$4.67
2026	12,577	6.8%	(0.2)	\$3,384	\$4.55	4.7%	0.4	\$3,355	\$4.52
2025	12,774	7.0%	0.1	\$3,233	\$4.35	4.3%	1.0	\$3,205	\$4.31
2024	12,496	6.9%	(0.6)	\$3,101	\$4.17	3.3%	3.1	\$3,074	\$4.14
2023	13,503	7.5%	0.4	\$3,003	\$4.04	0.2%	(0.6)	\$2,977	\$4.01
YTD	12,909	7.2%	0.1	\$3,046	\$4.04	-0.6%	(1.3)	\$3,022	\$4.01
2022	12,728	7.1%	(0.6)	\$2,997	\$3.98	0.7%	(7.0)	\$2,969	\$3.94
2021	13,601	7.7%	(3.2)	\$2,975	\$3.95	7.8%	18.0	\$2,936	\$3.90
2020	18,931	10.9%	5.1	\$2,761	\$3.65	-10.2%	(11.0)	\$2,695	\$3.56
2019	9,920	5.8%	0.7	\$3,075	\$4.08	0.8%	(2.1)	\$3,055	\$4.05
2018	8,578	5.1%	(0.3)	\$3,051	\$4.05	2.9%	1.6	\$3,020	\$4.01
2017	8,938	5.4%	0.3	\$2,966	\$3.94	1.3%	0.8	\$2,907	\$3.85
2016	8,254	5.1%	0.1	\$2,927	\$3.89	0.5%	(5.5)	\$2,869	\$3.81
2015	7,843	4.9%	0.2	\$2,911	\$3.87	6.1%	1.4	\$2,882	\$3.83
2014	7,347	4.7%	(0.2)	\$2,744	\$3.64	4.7%	0.4	\$2,723	\$3.61
2013	7,487	4.8%	0.1	\$2,621	\$3.48	4.3%	0	\$2,603	\$3.46
2012	7,282	4.8%	0.2	\$2,514	\$3.34	4.3%	0.9	\$2,500	\$3.32
2011	6,933	4.6%	(0.4)	\$2,411	\$3.19	3.4%	-	\$2,397	\$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	4,021	8.8%	0.1	\$4,294	\$5.13	3.2%	(1.4)	\$4,248	\$5.08
2026	3,826	8.6%	(0.2)	\$4,159	\$4.97	4.6%	0.4	\$4,115	\$4.92
2025	3,823	8.8%	(0.2)	\$3,977	\$4.75	4.2%	1.0	\$3,934	\$4.70
2024	3,852	9.0%	(1.2)	\$3,816	\$4.56	3.2%	3.2	\$3,775	\$4.51
2023	4,193	10.2%	0.5	\$3,698	\$4.42	0%	0.5	\$3,659	\$4.37
YTD	3,799	9.5%	(0.2)	\$3,765	\$4.39	-2.3%	(1.7)	\$3,729	\$4.35
2022	3,840	9.7%	(2.7)	\$3,698	\$4.31	-0.5%	(12.6)	\$3,663	\$4.27
2021	4,750	12.5%	(6.2)	\$3,717	\$4.34	12.1%	27.1	\$3,647	\$4.26
2020	6,621	18.7%	10.0	\$3,316	\$3.85	-15.0%	(15.3)	\$3,188	\$3.71
2019	2,836	8.7%	2.0	\$3,900	\$4.53	0.3%	(2.7)	\$3,873	\$4.50
2018	2,037	6.7%	(2.1)	\$3,887	\$4.52	3.0%	1.9	\$3,834	\$4.46
2017	2,471	8.8%	1.4	\$3,774	\$4.39	1.1%	1.1	\$3,664	\$4.25
2016	1,813	7.4%	0.5	\$3,733	\$4.34	0%	(5.0)	\$3,634	\$4.23
2015	1,432	6.9%	(0.1)	\$3,733	\$4.35	5.1%	1.0	\$3,690	\$4.30
2014	1,304	7.1%	0.5	\$3,553	\$4.14	4.1%	0.7	\$3,528	\$4.11
2013	1,065	6.6%	0.5	\$3,414	\$3.98	3.4%	(0.5)	\$3,386	\$3.95
2012	840	6.1%	0.5	\$3,303	\$3.85	3.9%	1.1	\$3,286	\$3.83
2011	738	5.5%	(2.4)	\$3,179	\$3.70	2.8%	-	\$3,161	\$3.68

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	3,248	6.7%	(0.3)	\$3,343	\$4.67	3.5%	(1.3)	\$3,317	\$4.64
2026	3,393	7.0%	(0.2)	\$3,232	\$4.52	4.7%	0.4	\$3,206	\$4.48
2025	3,494	7.2%	0.1	\$3,086	\$4.32	4.3%	1.0	\$3,062	\$4.28
2024	3,446	7.1%	(0.3)	\$2,959	\$4.14	3.3%	3.4	\$2,936	\$4.10
2023	3,559	7.5%	(0.1)	\$2,864	\$4.01	-0.1%	(1.9)	\$2,842	\$3.97
YTD	3,550	7.4%	(0.2)	\$2,911	\$4.03	0.4%	(1.4)	\$2,890	\$4.01
2022	3,624	7.6%	0.4	\$2,868	\$3.97	1.8%	(4.9)	\$2,836	\$3.93
2021	3,420	7.2%	(3.1)	\$2,818	\$3.90	6.6%	15.8	\$2,794	\$3.87
2020	4,884	10.4%	4.5	\$2,643	\$3.66	-9.1%	(9.8)	\$2,599	\$3.60
2019	2,730	5.8%	0.2	\$2,909	\$4.04	0.7%	(1.7)	\$2,886	\$4.01
2018	2,624	5.6%	0.2	\$2,889	\$4.01	2.4%	1.3	\$2,864	\$3.98
2017	2,569	5.4%	0.1	\$2,820	\$3.92	1.1%	1.0	\$2,775	\$3.85
2016	2,530	5.3%	0	\$2,789	\$3.87	0.1%	(7.3)	\$2,734	\$3.79
2015	2,518	5.3%	0.7	\$2,786	\$3.87	7.4%	2.8	\$2,754	\$3.82
2014	2,158	4.6%	(0.6)	\$2,593	\$3.60	4.6%	(0.9)	\$2,567	\$3.56
2013	2,427	5.1%	0.1	\$2,479	\$3.44	5.5%	0.5	\$2,463	\$3.42
2012	2,341	5.0%	0.3	\$2,349	\$3.26	5.0%	0.1	\$2,336	\$3.24
2011	2,227	4.7%	(0.6)	\$2,237	\$3.10	4.9%	-	\$2,224	\$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	5,230	5.7%	(0.2)	\$2,797	\$4.12	3.4%	(1.3)	\$2,780	\$4.10
2026	5,358	5.9%	(0.1)	\$2,703	\$3.98	4.7%	0.4	\$2,687	\$3.96
2025	5,457	6.0%	0.3	\$2,581	\$3.80	4.3%	1.0	\$2,566	\$3.78
2024	5,198	5.7%	(0.6)	\$2,474	\$3.65	3.4%	2.5	\$2,459	\$3.62
2023	5,752	6.3%	0.5	\$2,394	\$3.53	0.9%	(0.7)	\$2,379	\$3.51
YTD	5,560	6.1%	0.3	\$2,408	\$3.53	1.0%	(0.6)	\$2,393	\$3.51
2022	5,264	5.8%	(0.2)	\$2,373	\$3.48	1.6%	(0.7)	\$2,356	\$3.45
2021	5,431	5.9%	(2.2)	\$2,336	\$3.42	2.3%	5.5	\$2,315	\$3.39
2020	7,426	8.1%	3.4	\$2,283	\$3.34	-3.1%	(5.0)	\$2,261	\$3.30
2019	4,354	4.8%	0.5	\$2,356	\$3.46	1.8%	(1.4)	\$2,344	\$3.44
2018	3,918	4.3%	0	\$2,314	\$3.40	3.2%	1.2	\$2,300	\$3.38
2017	3,898	4.3%	0	\$2,242	\$3.29	2.0%	(0.1)	\$2,224	\$3.26
2016	3,912	4.3%	0	\$2,198	\$3.23	2.1%	(4.2)	\$2,181	\$3.20
2015	3,893	4.3%	0	\$2,153	\$3.16	6.3%	0.3	\$2,141	\$3.15
2014	3,886	4.2%	(0.1)	\$2,026	\$2.97	6.0%	1.6	\$2,013	\$2.95
2013	3,994	4.4%	(0.1)	\$1,912	\$2.79	4.4%	0.3	\$1,901	\$2.78
2012	4,101	4.5%	0.1	\$1,831	\$2.67	4.1%	1.7	\$1,821	\$2.65
2011	3,967	4.3%	(0.1)	\$1,759	\$2.56	2.3%	-	\$1,750	\$2.54

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	-	-	-	-	-	-	\$642,095	241	4.2%
2026	-	-	-	-	-	-	\$604,408	227	4.3%
2025	-	-	-	-	-	-	\$562,664	211	4.4%
2024	-	-	-	-	-	-	\$541,853	203	4.4%
2023	-	-	-	-	-	-	\$573,473	215	4.0%
YTD	65	\$1.2B	2.2%	\$18,412,257	\$309,612	4.8%	\$601,777	226	3.9%
2022	235	\$1.4B	1.8%	\$6,093,116	\$441,011	4.2%	\$626,621	235	3.7%
2021	210	\$1.1B	1.5%	\$5,408,332	\$424,897	4.3%	\$678,677	255	3.4%
2020	169	\$1.4B	1.5%	\$8,612,409	\$554,675	4.1%	\$586,252	220	3.6%
2019	467	\$2.9B	4.3%	\$11,363,281	\$569,289	4.0%	\$607,951	228	3.7%
2018	579	\$2.5B	5.3%	\$7,869,786	\$487,060	3.7%	\$582,190	218	3.7%
2017	604	\$1.7B	3.9%	\$5,679,799	\$414,563	3.6%	\$552,579	207	3.7%
2016	419	\$2.5B	4.7%	\$9,006,729	\$391,872	3.8%	\$524,035	197	3.8%
2015	379	\$1.8B	3.6%	\$7,024,184	\$419,088	3.9%	\$507,365	190	3.8%
2014	480	\$2.6B	6.3%	\$7,484,893	\$334,533	4.2%	\$462,754	174	3.9%
2013	379	\$2.3B	5.5%	\$7,854,898	\$331,395	4.7%	\$412,774	155	4.2%
2012	456	\$1.4B	5.3%	\$3,777,810	\$223,675	5.2%	\$393,781	148	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	-	-	-	-	-	-	\$712,323	203	4.4%
2026	-	-	-	-	-	-	\$671,760	192	4.5%
2025	-	-	-	-	-	-	\$626,060	179	4.6%
2024	-	-	-	-	-	-	\$603,088	172	4.5%
2023	-	-	-	-	-	-	\$637,453	182	4.2%
YTD	-	-	-	-	-	-	\$667,695	191	4.0%
2022	1	\$206M	0.7%	\$206,000,000	\$792,308	-	\$739,577	211	3.7%
2021	2	\$146.6M	0.7%	\$73,300,000	\$544,981	3.6%	\$814,056	232	3.3%
2020	3	\$321.1M	1.1%	\$107,024,431	\$842,712	3.9%	\$706,826	202	3.6%
2019	11	\$1.4B	6.5%	\$159,201,111	\$770,328	4.7%	\$759,051	217	3.5%
2018	12	\$359.1M	3.7%	\$51,306,065	\$654,176	3.7%	\$749,608	214	3.5%
2017	4	\$369.9M	2.4%	\$92,478,026	\$549,647	-	\$717,893	205	3.5%
2016	5	\$774.7M	4.6%	\$154,930,000	\$687,966	3.9%	\$680,577	194	3.6%
2015	5	\$251.2M	3.7%	\$62,800,000	\$697,778	3.9%	\$663,931	189	3.5%
2014	5	\$1.2B	15.3%	\$232,826,000	\$412,812	5.7%	\$617,694	176	3.6%
2013	7	\$498.7M	12.3%	\$99,746,472	\$426,267	5.1%	\$552,341	158	3.8%
2012	11	\$160.5M	7.3%	\$32,109,900	\$343,054	5.4%	\$525,465	150	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	-	-	-	-	-	-	\$591,996	259	4.1%
2026	-	-	-	-	-	-	\$556,806	244	4.3%
2025	-	-	-	-	-	-	\$518,091	227	4.4%
2024	-	-	-	-	-	-	\$498,942	218	4.3%
2023	-	-	-	-	-	-	\$528,596	231	4.0%
YTD	10	\$994.6M	7.3%	\$110,509,722	\$304,155	5.0%	\$554,841	243	3.8%
2022	32	\$378M	1.9%	\$11,811,015	\$425,622	4.4%	\$568,585	249	3.7%
2021	32	\$193M	1.1%	\$6,030,031	\$376,142	4.2%	\$621,614	272	3.3%
2020	33	\$429.6M	1.7%	\$13,019,056	\$548,696	3.8%	\$542,248	237	3.6%
2019	72	\$416.8M	2.8%	\$9,473,801	\$437,405	4.0%	\$550,103	241	3.6%
2018	102	\$849.6M	6.2%	\$11,328,126	\$472,530	3.9%	\$514,634	225	3.7%
2017	99	\$446.2M	3.0%	\$6,659,792	\$406,751	3.6%	\$486,175	213	3.8%
2016	68	\$907.1M	6.6%	\$16,491,860	\$300,647	3.7%	\$460,326	201	3.8%
2015	66	\$780.1M	4.3%	\$13,464,158	\$443,726	3.9%	\$443,351	194	3.8%
2014	75	\$410.4M	5.9%	\$6,035,745	\$271,629	4.0%	\$400,733	175	3.9%
2013	74	\$1.2B	7.3%	\$17,232,718	\$355,484	4.4%	\$357,045	156	4.2%
2012	93	\$541.4M	6.2%	\$6,310,176	\$223,805	5.5%	\$339,609	149	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	-	-	-	-	-	-	\$635,202	257	4.2%
2026	-	-	-	-	-	-	\$597,563	242	4.3%
2025	-	-	-	-	-	-	\$556,096	225	4.4%
2024	-	-	-	-	-	-	\$535,435	217	4.4%
2023	-	-	-	-	-	-	\$566,789	230	4.0%
YTD	55	\$183.8M	0.6%	\$3,341,763	\$342,905	4.7%	\$595,260	241	3.8%
2022	202	\$841.8M	2.3%	\$4,188,242	\$403,759	4.2%	\$603,599	245	3.7%
2021	176	\$796.2M	2.1%	\$4,523,799	\$421,041	4.3%	\$644,468	261	3.4%
2020	133	\$687.6M	1.6%	\$5,248,627	\$481,155	4.1%	\$552,174	224	3.7%
2019	384	\$1B	4.3%	\$5,126,264	\$458,316	4.0%	\$566,674	230	3.7%
2018	465	\$1.3B	5.3%	\$5,472,213	\$463,413	3.7%	\$538,290	218	3.8%
2017	501	\$853.7M	4.9%	\$3,828,442	\$378,097	3.6%	\$509,070	206	3.8%
2016	346	\$838.4M	3.8%	\$3,819,009	\$366,444	3.8%	\$483,273	196	3.9%
2015	308	\$776.7M	3.3%	\$3,980,195	\$353,676	3.9%	\$466,753	189	3.9%
2014	400	\$1B	4.7%	\$3,718,727	\$297,606	4.2%	\$421,860	171	4.0%
2013	298	\$594.6M	3.4%	\$2,755,694	\$250,658	4.8%	\$375,866	152	4.3%
2012	352	\$703M	4.5%	\$2,503,187	\$207,121	5.2%	\$359,798	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	-	186,192	6.7%	-	1,950	-	1,845	-	-
2026	-	184,347	6.8%	-	1,337	-	1,238	-	-
2025	-	183,109	7.0%	-	844	-	807	-	-
2024	-	182,302	6.9%	-	2,264	-	2,206	-	-
2023	-	180,096	7.5%	-	1,509	-	1,478	-	-
YTD	9,501	178,968	7.2%	3	350	3	350	34	4,476
2022	9,498	178,618	7.1%	13	1,829	13	1,829	35	4,714
2021	9,485	176,789	7.7%	23	2,756	23	2,756	26	3,711
2020	9,462	174,033	10.9%	20	2,841	19	2,822	37	5,014
2019	9,443	171,211	5.8%	19	2,197	19	2,197	44	6,615
2018	9,424	169,014	5.1%	14	2,540	12	2,080	40	5,591
2017	9,412	166,934	5.4%	21	3,707	17	3,669	29	4,893
2016	9,395	163,265	5.1%	19	3,813	15	3,767	27	5,525
2015	9,380	159,498	4.9%	15	2,375	14	2,368	38	8,628
2014	9,366	157,130	4.7%	16	2,317	16	2,317	31	6,673
2013	9,350	154,813	4.8%	19	2,703	16	2,663	27	5,240
2012	9,334	152,150	4.8%	5	489	4	179	27	4,514
2011	9,330	151,971	4.6%	3	123	2	(25)	13	1,585