



Multi-Family Market Report

San Francisco - CA

PREPARED BY



MULTI-FAMILY MARKET REPORT

Market Key Statistics	1
Vacancy	3
Rent	6
Construction	10
Under Construction Properties	11
Sales	13
Sales Past 12 Months	15
Economy	17
Market Submarkets	22
Supply & Demand Trends	25
Vacancy & Rent	27
Sale Trends	29
Deliveries & Under Construction	31

12 Mo. Delivered Units

1,239

12 Mo. Absorption Units

2,201

Vacancy Rate

6.5%

12 Mo. Asking Rent Growth

-0.8%

As of the third 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 before the 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.

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, as the vacancy rate increased to 11.3%, while market rents fell by 11%.

Moving into the second half of 2023, this loss of workforce and population has only partially recovered. Unlike most other markets in the Bay area, apartment demand in San Francisco is still below pre-pandemic levels. Vacancy in the second quarter is 6.5%, and rents are lower than they were in 2019.

Within the market, San Mateo County has enjoyed stronger demand than San Francisco County. Vacancy for 4 & 5 Star buildings is above 9% in San Francisco and below 6% in San Mateo. Moreover, average rent for this subtype in San Mateo County has recently moved above the San Francisco County average.

The trailing 12-month absorption for market-rate

apartments sits at 2,200 units, compared to the 10-year average of 2,100 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.

The trends in demand have also impacted new construction, with the focus shifting from San Francisco to the peninsula. There are now more units underway in San Mateo County than there are in San Francisco, with activity centered on transit-friendly redevelopment sites close to Caltrain stations. Although construction is muted in downtown San Francisco, 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	40,497	9.6%	\$3,703	\$3,649	134	76	3,529
3 Star	47,692	6.1%	\$2,923	\$2,897	92	0	433
1 & 2 Star	91,591	5.3%	\$2,396	\$2,382	105	0	0
Market	179,780	6.5%	\$3,029	\$2,997	331	76	3,962

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.6%	5.3%	6.0%	10.9%	2020 Q4	2.8%	2000 Q1
Absorption Units	2,201	1,165	1,378	8,015	2021 Q4	(6,171)	2020 Q3
Delivered Units	1,239	1,547	988	4,359	2016 Q2	22	2012 Q1
Demolished Units	0	42	64	350	2013 Q3	0	2023 Q2
Asking Rent Growth (YOY)	-0.8%	1.7%	3.5%	19.0%	2001 Q1	-11.6%	2002 Q4
Effective Rent Growth (YOY)	-0.6%	1.7%	3.5%	19.0%	2001 Q1	-11.6%	2002 Q4
Sales Volume	\$1.6B	\$1.5B	N/A	\$3.1B	2020 Q1	\$314.5M	2009 Q3

As of the third quarter of 2023 the apartment vacancy rate in San Francisco stands at 6.5%, 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 have slowed in recent quarters in response to high inflation and rising interest rates, which have dampened renter activity and new household formation. Nevertheless, annual net absorption, at 2,200 units, is only slightly below the metro area's 10 year annual average of 2,200 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 9.6%. 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

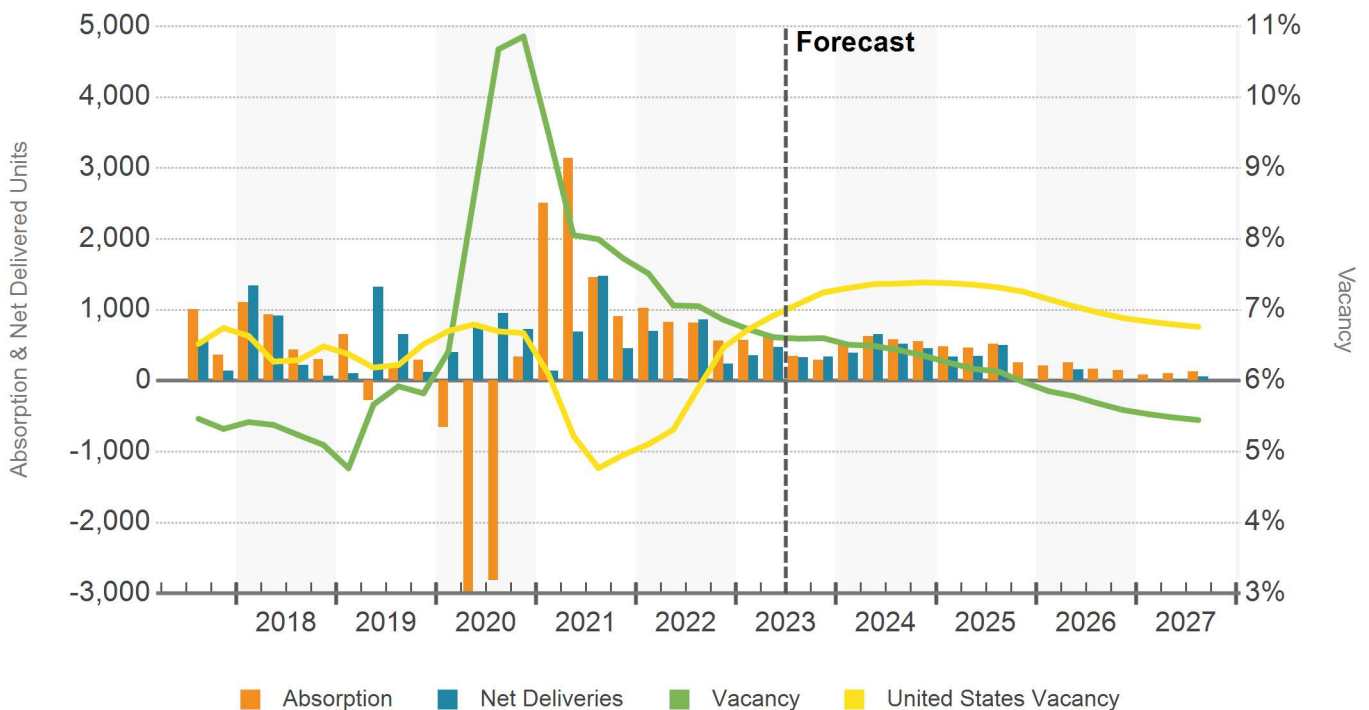
and relocations to other cities have negatively affected all segments of the market. Vacancy among 3 Star assets in 2023q3 registers near the market average at 6.1%, while 1 & 2 Star vacancy is currently 5.3%.

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.

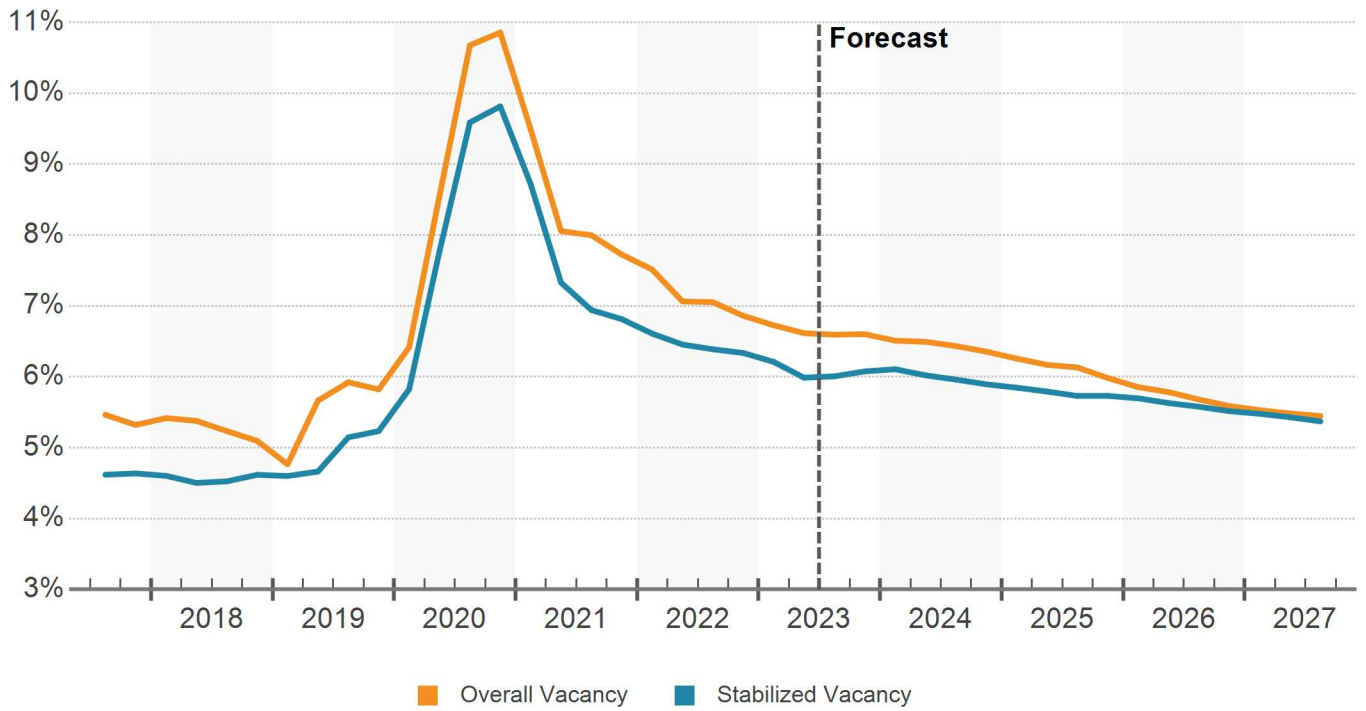
Demand is likely to remain muted compared to pre-pandemic levels. A large drop in the number of people working downtown has had a direct impact on the demand for apartments in neighboring areas, where proximity to the workplace is a prime attraction.

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.

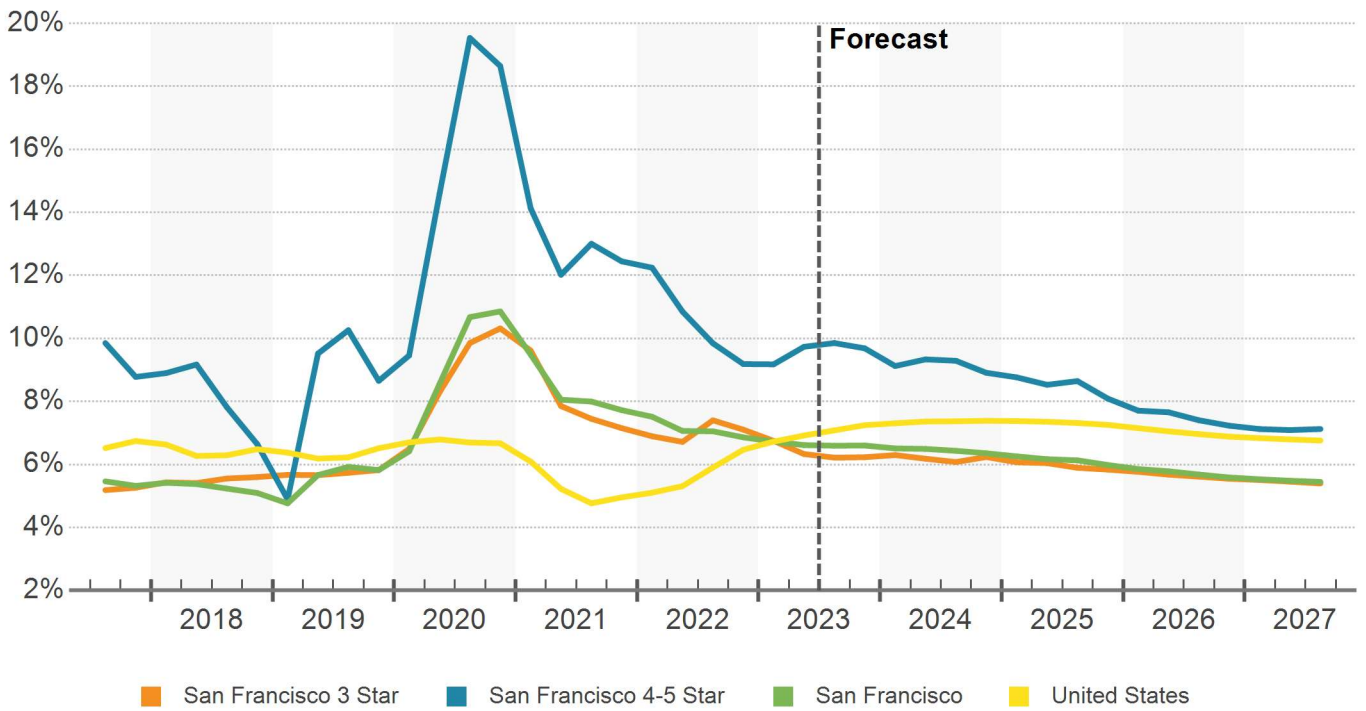
ABSORPTION, NET DELIVERIES & VACANCY



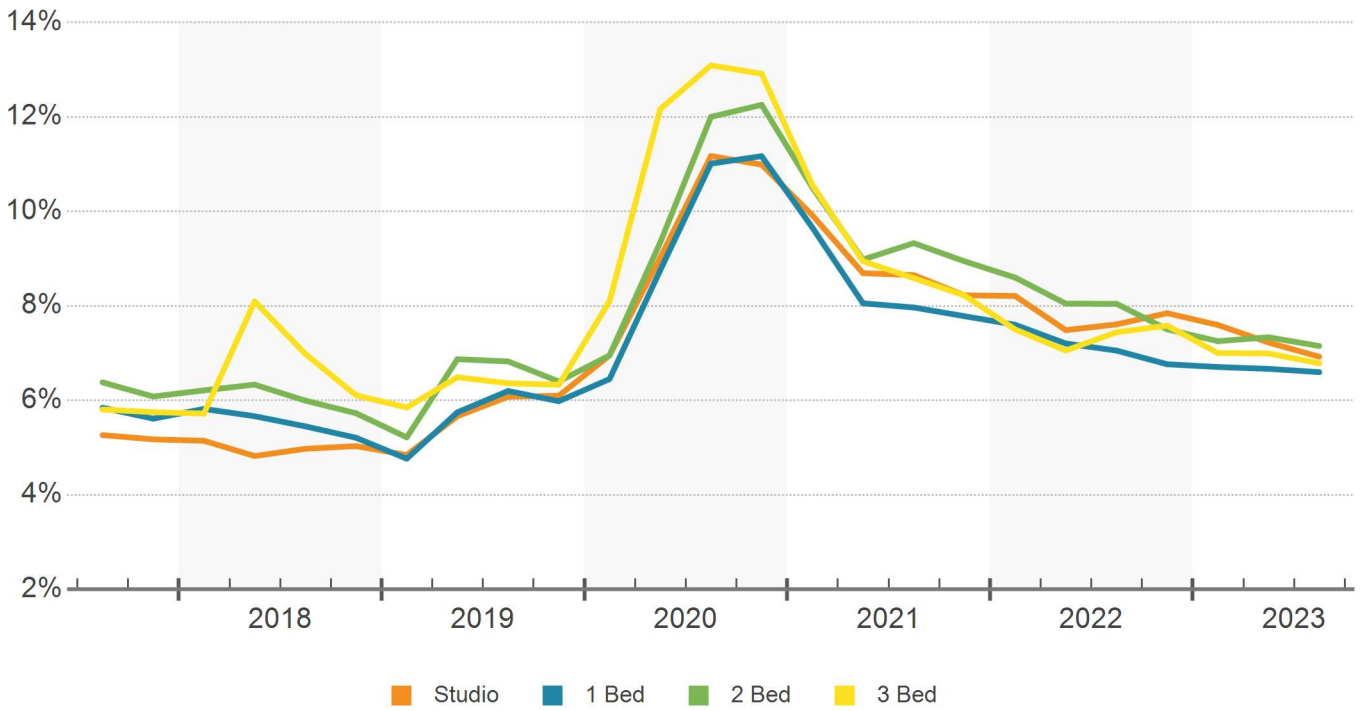
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



Apartments rent for an average of \$3,030/month in San Francisco. As of the third quarter, this is the highest rate in the nation and reflects a history of strong demand for housing and a limited ability to increase 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 -0.2%, whereas the national average over this period was 5.0% 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.

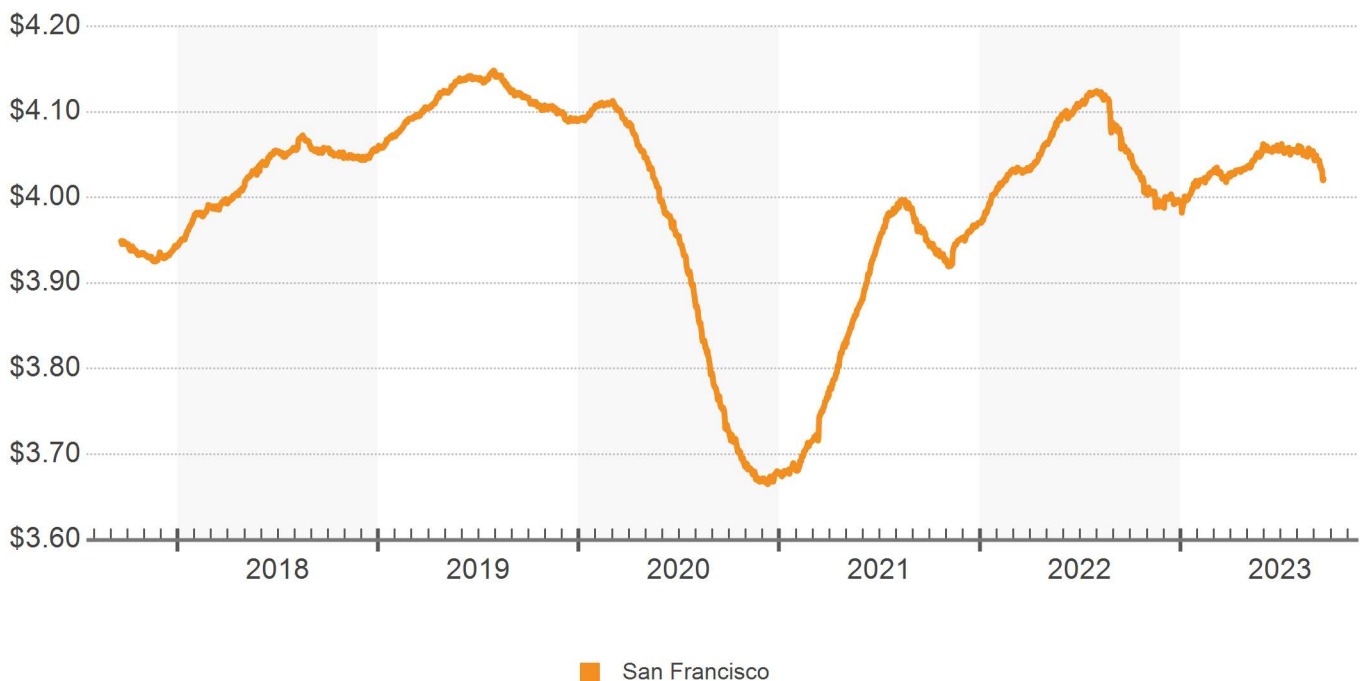
Rent growth hit a decade high of 7.6% in early 2022, before declining in the second half of the year. Annual rent growth as of 22Q3 is negative by -0.8%, and

average asking rates remain below the levels reached in 2019.

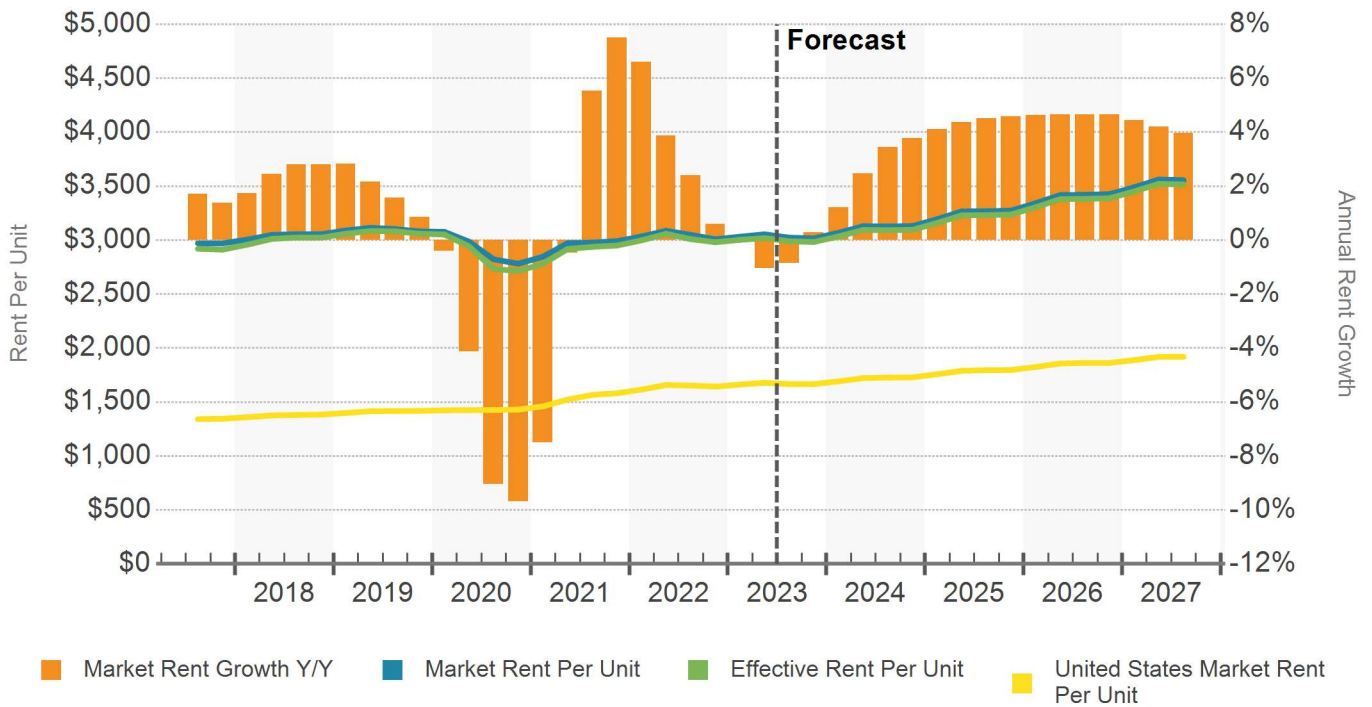
Asking rents are highest in Downtown San Francisco, Mission Bay and South of Market. These areas saw the largest levels of new construction in the 2010s, most of which was in the 4 & 5 Star category that commands the highest rents in the city.

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 22Q3, asking rents for properties rated 4 & 5 Star fell by -2.0% year over year, which compares to changes of -0.1% among 3 Star properties and 0.5% among 1 & 2 Star properties.

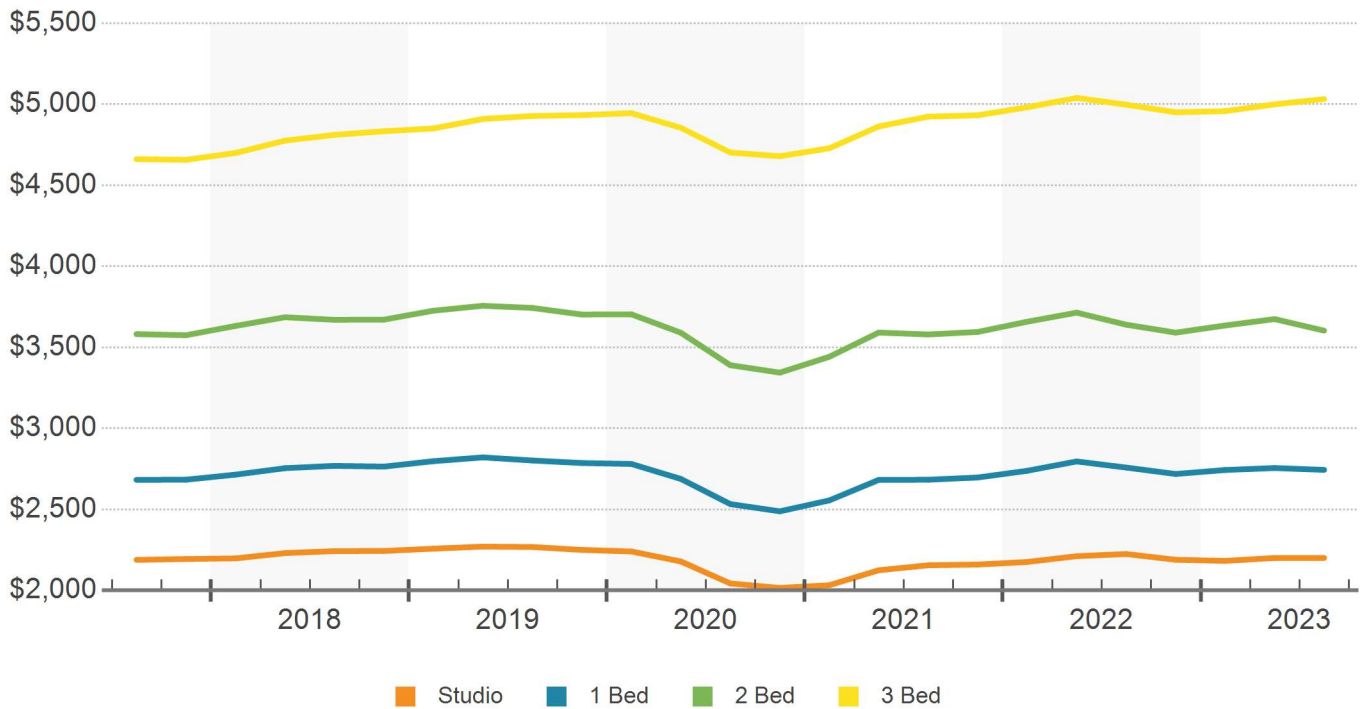
DAILY ASKING RENT PER SF



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	\$0.98	\$0.91	\$1.71	\$1.27	\$0.63	\$2.48	\$0.07	\$1.18	\$1.26	\$12.57
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	\$1.24	\$1.30	\$13.83
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	\$1.36	\$0.98	\$0.96	\$1.87	\$1.64	\$0.80	\$2.50	\$0.06	\$1.20	\$1.28	\$13.59
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	\$0.54	\$1.11	\$0.47	\$0.99	\$1.82	\$1.64	\$0.85	\$2.42	\$0.07	\$1.16	\$1.25	\$12.32

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	\$0.70	\$7.92
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 volume of new apartment completions in San Francisco has slowed. As of 2023q3, just 1,200 units delivered over the past year. This compares to the 5 year average of 2,300 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 4,000 units underway. The under construction stock measures 2.2% of existing inventory, well below the average rate of 5.2% across the nation.

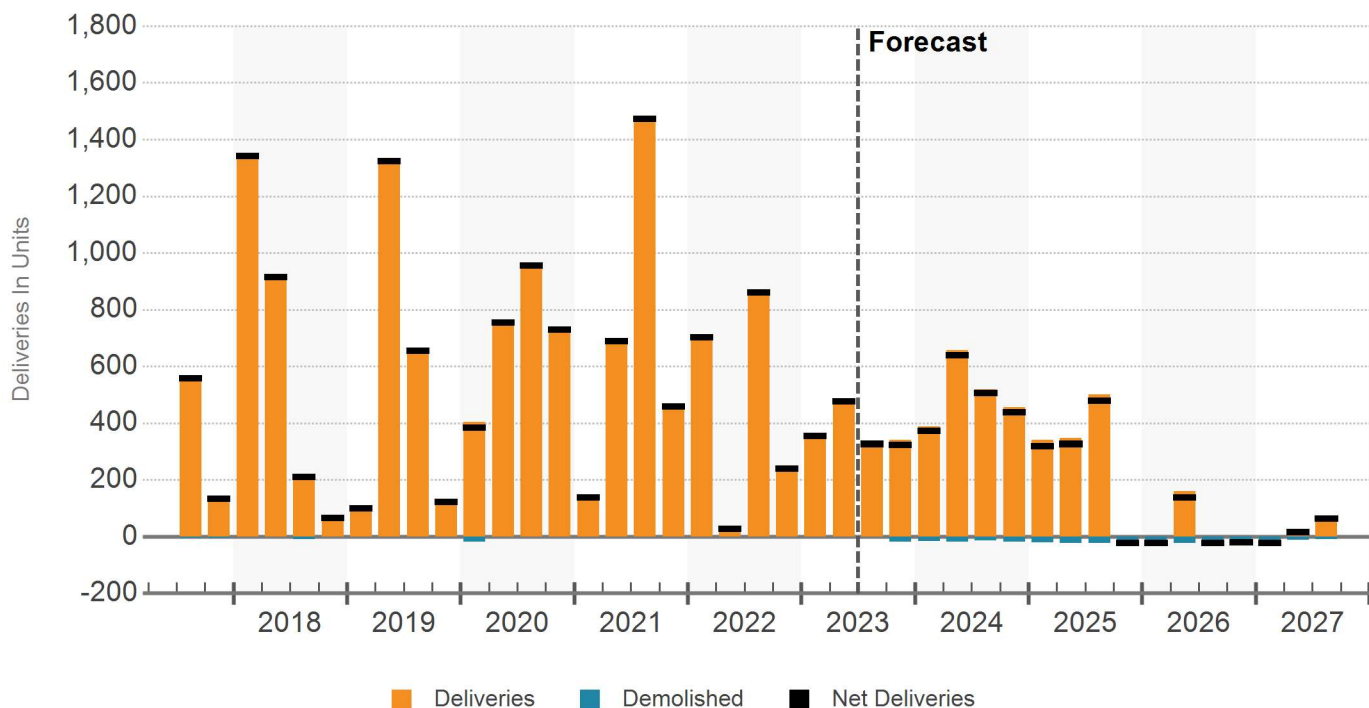
Geographically, development in the 2010s was concentrated in redevelopment areas close to downtown San Francisco, including South of Market and Mission Bay/China Basin/Potrero Hill. These areas have good access to the city's main centers for work and recreation, plus access to freeways and Caltrain, 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 the third quarter, is 25% leased, with average asking rents at \$3,950/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

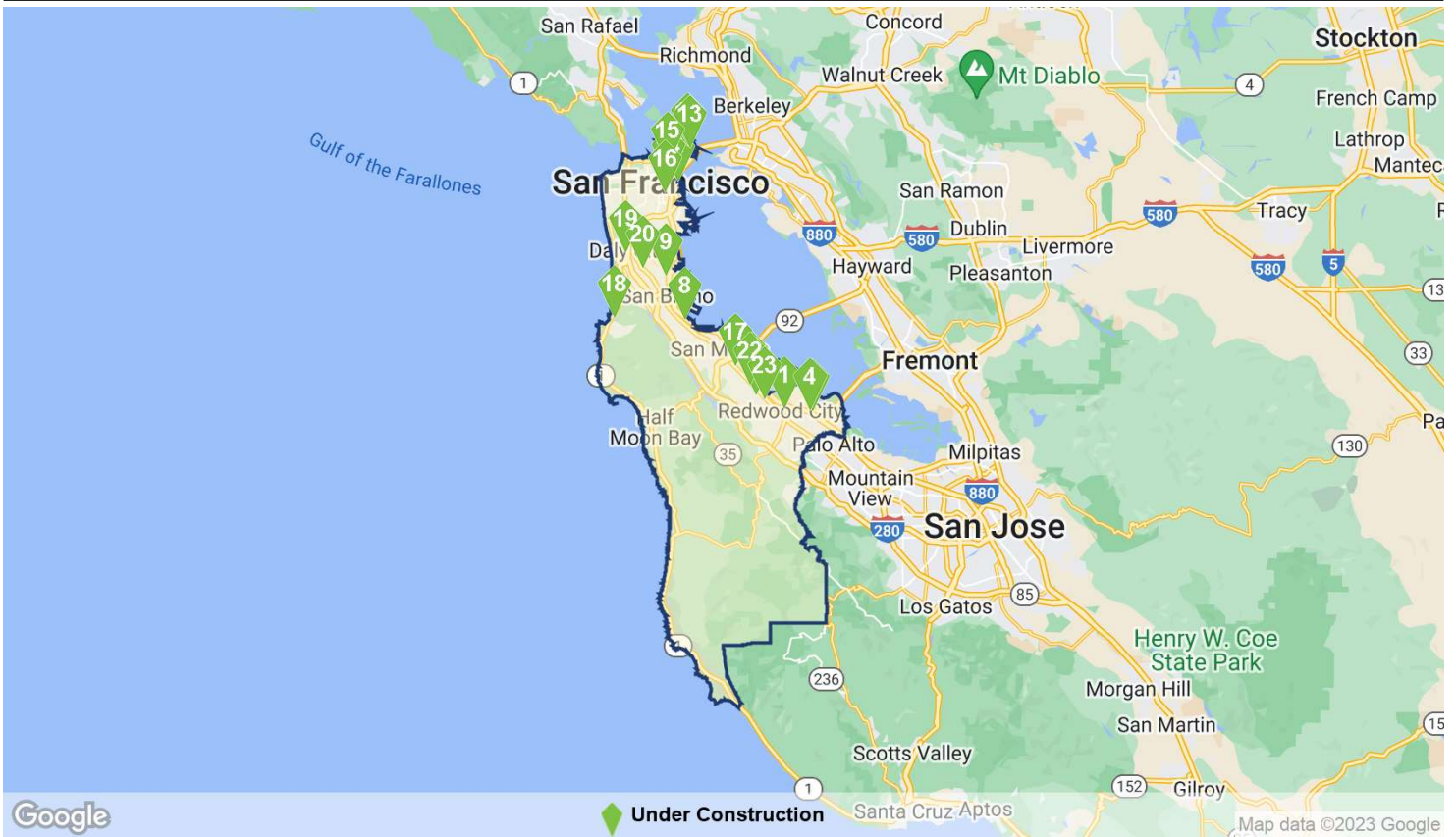
23

3,962

2.2%

172

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 Broadway Plaza 1401 Broadway St	★★★★☆	520	10	Aug 2023	Aug 2024	The Sobrato Organization Longs Drug Stores Cal Inc
2 555-585 Bryant St	★★★★☆	501	15	Sep 2023	Sep 2025	Strada Investment Group Strada Investment Group
3 141 Jefferson Dr	★★★★☆	441	7	Jun 2022	Jun 2024	Greystar Real Estate Partners Greystar Real Estate Partners
4 110 Constitution Dr	★★★★★	320	7	Feb 2022	Oct 2023	Greystar Real Estate Partners Greystar Real Estate Partners
5 Building F 1051 3rd St	★★★★☆	254	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 39 Bruton St	★★★★☆	250	22	Jan 2022	Jan 2025	Dci Construction Inc Ti Lot 8 Llc

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 Hawkins 55 Bruton St	★★★☆☆	178	4	Oct 2022	Aug 2024	- Lennar
11 C3.5 401 Avenue A Ave	★★★★☆	160	4	Jan 2022	May 2026	- Lennar
12 The Hayden 815 Old County	★★★★☆	150	5	Jun 2022	Oct 2023	Greenbelt Alliance Carmel Partners
13 1 Avenue of the Palms Ave	★★★★☆	117	5	Jun 2023	May 2025	- Lennar
14 988 Harrison St	★★★★☆	90	8	Feb 2023	Feb 2025	JS Sullivan Development JS Sullivan Development
15 The Bay 1111 1st St	★★★☆☆	85	3	Oct 2021	Oct 2023	- -
16 The Fitzgerald 2095 Bryant St	★★★☆☆	63	6	Mar 2022	Nov 2024	Align Real Estate Rubicon Point Partners
17 Hawthorne 3069 E Kyne St	★★★★☆	54	4	Aug 2022	Jan 2024	Wilson Meany Stockbridge Capital Group, LLC
18 801 Fassler Ave	★★★☆☆	24	3	Sep 2022	Sep 2024	- -
19 1784 Sullivan Ave	★★★☆☆	22	5	May 2023	Apr 2024	- Michael J Hsiao Trust
20 1309 Mission Rd	★★★☆☆	20	4	Jan 2022	Oct 2023	Prosper Construction Development -
21 1525 San Carlos Ave	★★★☆☆	18	4	Sep 2019	Jun 2024	- Ying Wang
22 1365 Fifth Ave	★★★☆☆	15	2	Sep 2022	Oct 2023	- Belmont Firehouse Square Prope...
23 1240 El Camino Real	★★★☆☆	8	4	Apr 2022	Oct 2023	Ampex Engineering & Constructi... Shahab S. Tehrani

Sales activity in San Francisco has been below the market's long-term historical average over the past few years. As of the third quarter of 2023, a total of 160 deals had closed within the past 12 months, somewhat below the five-year average of 320 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 uncertainty around the economic problems in San Francisco's office and retail markets.

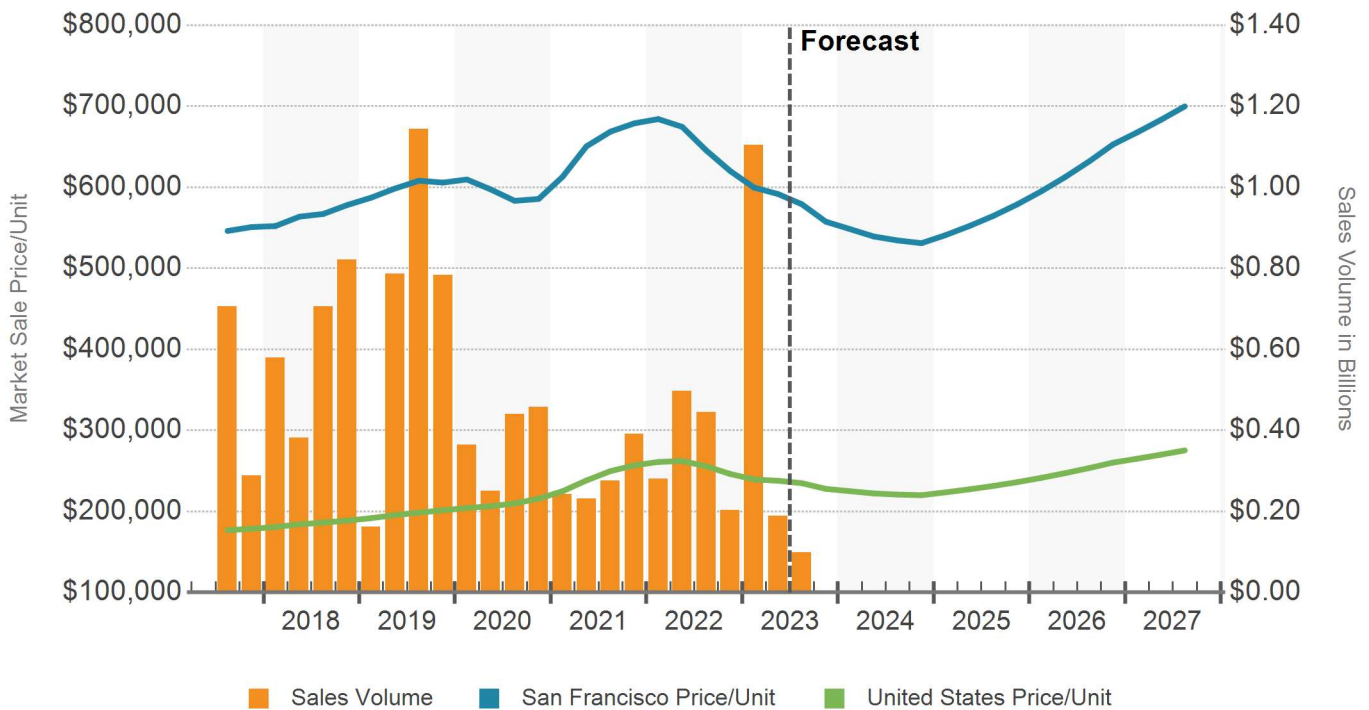
Historically, investors have been attracted to San Francisco's sound fundamentals and rent growth prospects. Development opportunities are limited, which gives buyers confidence that demand will outweigh supply in the long term, leading to improved operating income. With a fragmented and aged housing stock, opportunities to acquire core investment properties in

San Francisco are generally limited. However, current economic concerns are for the most part outweighing these considerations.

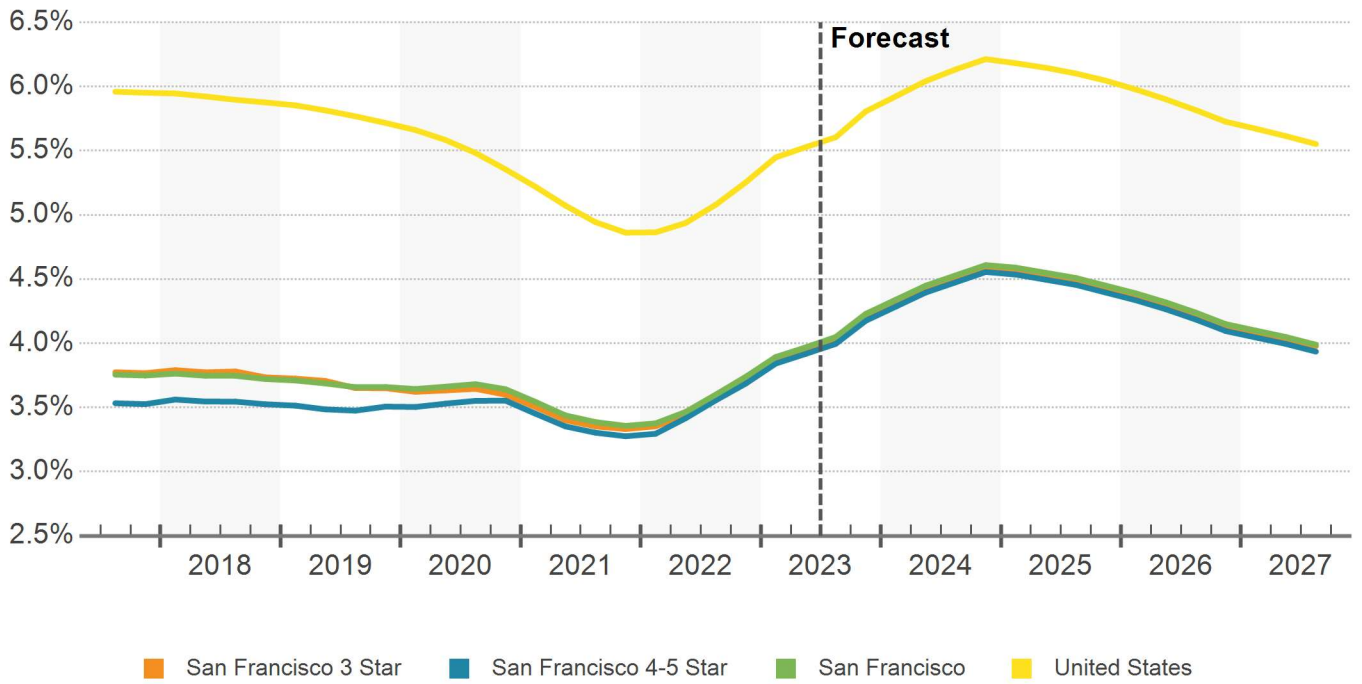
Most sales that have closed year to date in 2023 are 2 Star and 3 Star buildings in the 6 to 12 unit size range. The average sale price over the past year was \$320,000/unit, and buyers are mostly private individuals, although a few developers are also actively acquiring buildings.

Total sales volume for the past 12 months, \$1.6 billion, reflects the impact of one large sale. 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

165

Avg. Price/Unit (thous.)

\$321

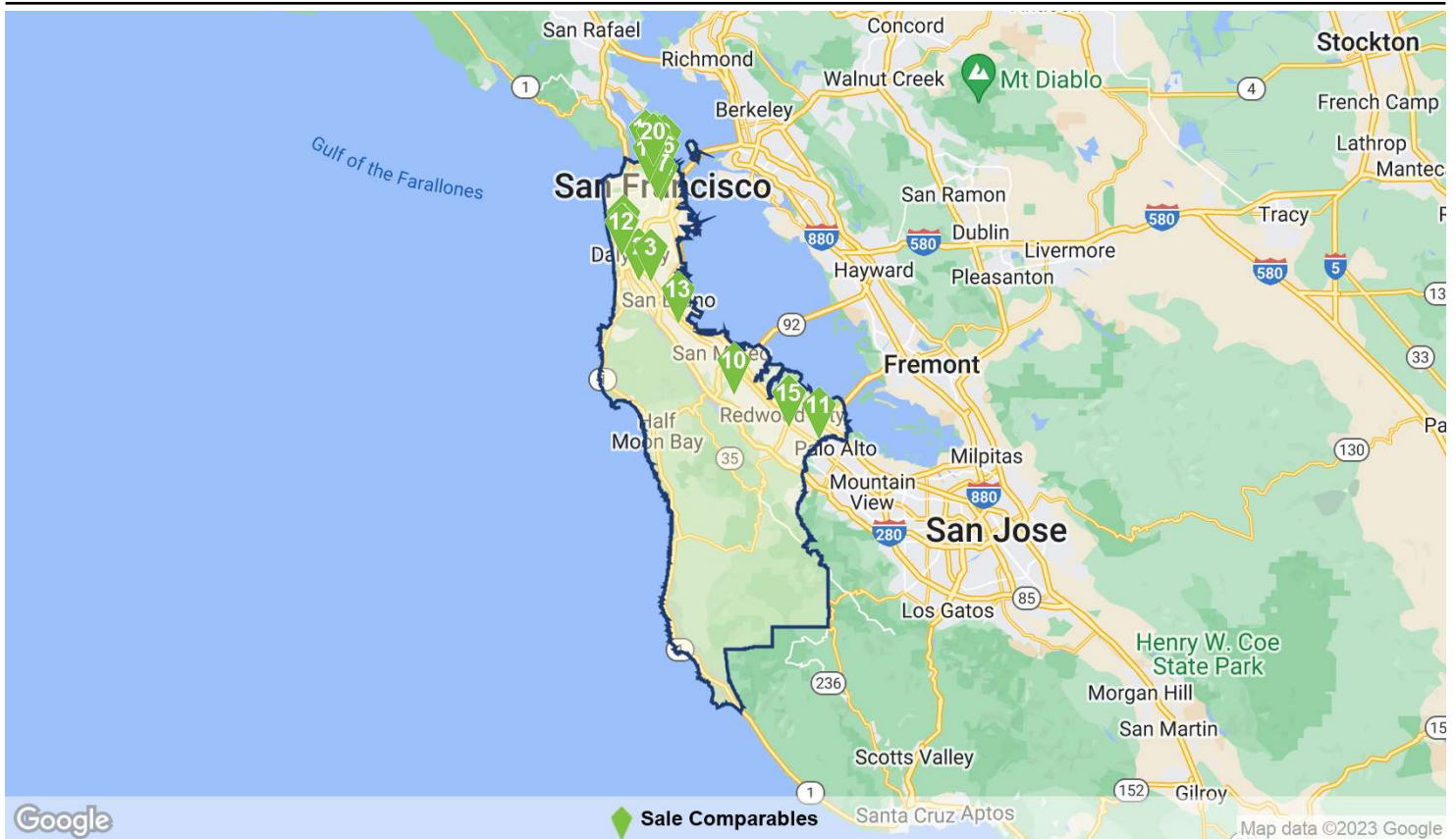
Average Price (mil.)

\$9.9

Average Vacancy at Sale

10.1%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$750,000	\$9,926,386	\$2,559,425	\$914,160,000
Price/Unit	\$43,750	\$321,302	\$354,762	\$1,130,000
Cap Rate	2.7%	4.8%	4.6%	13.7%
Vacancy Rate At Sale	0%	10.1%	0%	100%
Time Since Sale in Months	0.2	6.0	5.8	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	2	31	7	2,983
Number of Floors	1	2	3	7
Average Unit SF	118	862	806	2,485
Year Built	1885	1936	1937	1985
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	11.4%	1/30/2023	\$914,160,000	\$306,456	\$352
2 eaves Daly City 500 King Dr	★★★★★	1972	195	0.5%	5/31/2023	\$66,000,000	\$338,461	\$467
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 The Cloisters 899 Green St	★★★★★	1923	38	2.6%	10/13/2022	\$15,625,000	\$411,184	\$620
9 3839 Divisadero St	★★★★★	1940	18	5.6%	9/23/2022	\$13,300,000	\$738,888	\$755
10 Hutton Terrace Apartments 1056 Continentals Way	★★★★★	1969	24	4.2%	2/2/2023	\$12,000,000	\$500,000	\$468
11 200 Waverley St	★★★★★	1958	10	10.0%	11/8/2022	\$11,300,000	\$1,130,000	\$1,221
12 Terrace View 26 Terrace View Ct	★★★★★	1968	122	14.8%	1/30/2023	\$10,840,000	\$88,852	\$79
13 285-299 Broadway	★★★★★	1944	18	5.6%	9/5/2023	\$9,200,000	\$511,111	\$426
14 155-165 Bartlett St	★★★★★	1908	13	7.7%	10/12/2022	\$8,580,000	\$660,000	\$715
15 86 Renato Ct	★★★★★	1954	14	64.3%	3/24/2023	\$8,012,000	\$572,285	\$814
16 La Sonoma Apartments 500-510 Larkin St	★★★★★	1912	53	5.7%	7/12/2023	\$7,800,000	\$147,169	\$185
17 3661 19th St	★★★★★	1964	12	0%	1/27/2023	\$7,480,000	\$623,333	\$605
18 1895 Jefferson St	★★★★★	1927	18	5.6%	1/20/2023	\$7,325,000	\$406,944	\$654
19 Acacia Apartment 1700 Golden Gate Ave	★★★★★	1913	24	4.2%	3/15/2023	\$6,625,000	\$276,041	\$383
20 3101 Laguna St	★★★★★	1964	14	7.1%	6/20/2023	\$6,400,000	\$457,142	\$488

From Gold Rush to Dot-Com, the San Francisco economy has a long history of boom followed by bust. And the current iteration of this cycle may prove to be the most dramatic. The tech boom of the 2010s, fed by the world's appetite for new mobile technologies, brought tremendous demand from expanding tech companies for office space, and a growing workforce that needed housing. Real estate prices increased rapidly to among the highest in the nation, prompting a construction boom across the city. In 2020, the COVID-19 pandemic abruptly halted that pattern. Tech companies quickly adapted to remote working, while their workforce left the city in large numbers. Three years on, in the disrupted real estate markets, demand remains low and prices are adjusting.

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 has impacted the viability and value of downtown office properties and had negative impacts on local businesses. 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.

The high cost of living led to 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 -110,000 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. After falling to a 10-year low of 2.3% in 2022, the unemployment rate has increased to 2.9% in 2023q3. Layoffs in the technology sector have improved liquidity in the tight employment market but have also contributed to some weakening of demand in residential and retail markets.

Innovation in life sciences and biotechnology has driven growth in areas such as South San Francisco, and prompted developers to move forward with a range of lab space, R&D space, and residential construction projects. That said, delivery of life science projects is occurring at a time when businesses are cutting back on capital commitments, as high interest rates impact company valuations and dampen interest from venture capital and other investors.

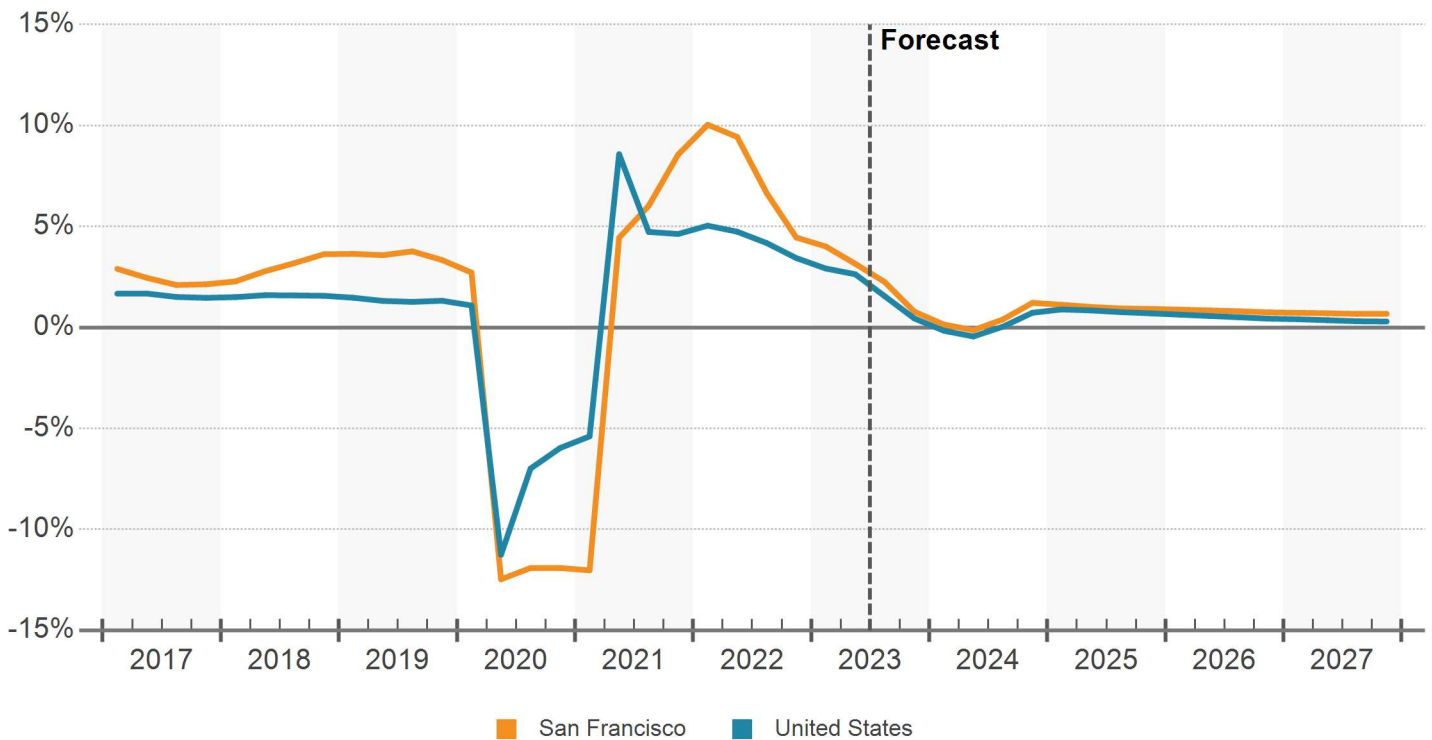
Future tech growth in new areas such as AI is expected to remain focused in the Bay Area, and is expected to drive the economy forward over the coming years.

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	-0.79%	0.47%	0.74%	0.75%	0.40%	0.06%
Trade, Transportation and Utilities	139	0.6	1.10%	0.39%	0.31%	1.14%	-0.12%	0.10%
Retail Trade	67	0.6	-0.66%	0.24%	-1.48%	0.30%	-0.20%	0.09%
Financial Activities	90	1.3	1.88%	0.55%	2.23%	1.44%	0.04%	0.12%
Government	136	0.8	0.62%	1.46%	1.55%	0.32%	0.47%	0.42%
Natural Resources, Mining and Construction	41	0.6	-1.29%	1.87%	2.78%	2.40%	0.77%	0.22%
Education and Health Services	156	0.8	4.69%	2.95%	2.63%	1.78%	0.51%	0.68%
Professional and Business Services	317	1.8	2.46%	1.34%	3.44%	2.09%	0.69%	0.36%
Information	125	5.2	-2.30%	-1.29%	9.55%	1.25%	1.61%	0.28%
Leisure and Hospitality	131	1.0	9.78%	4.41%	0.38%	1.52%	1.61%	0.89%
Other Services	39	0.9	2.81%	1.99%	0.21%	0.62%	0.38%	0.28%
Total Employment	1,213	1.0	2.32%	1.64%	2.45%	1.32%	0.68%	0.38%

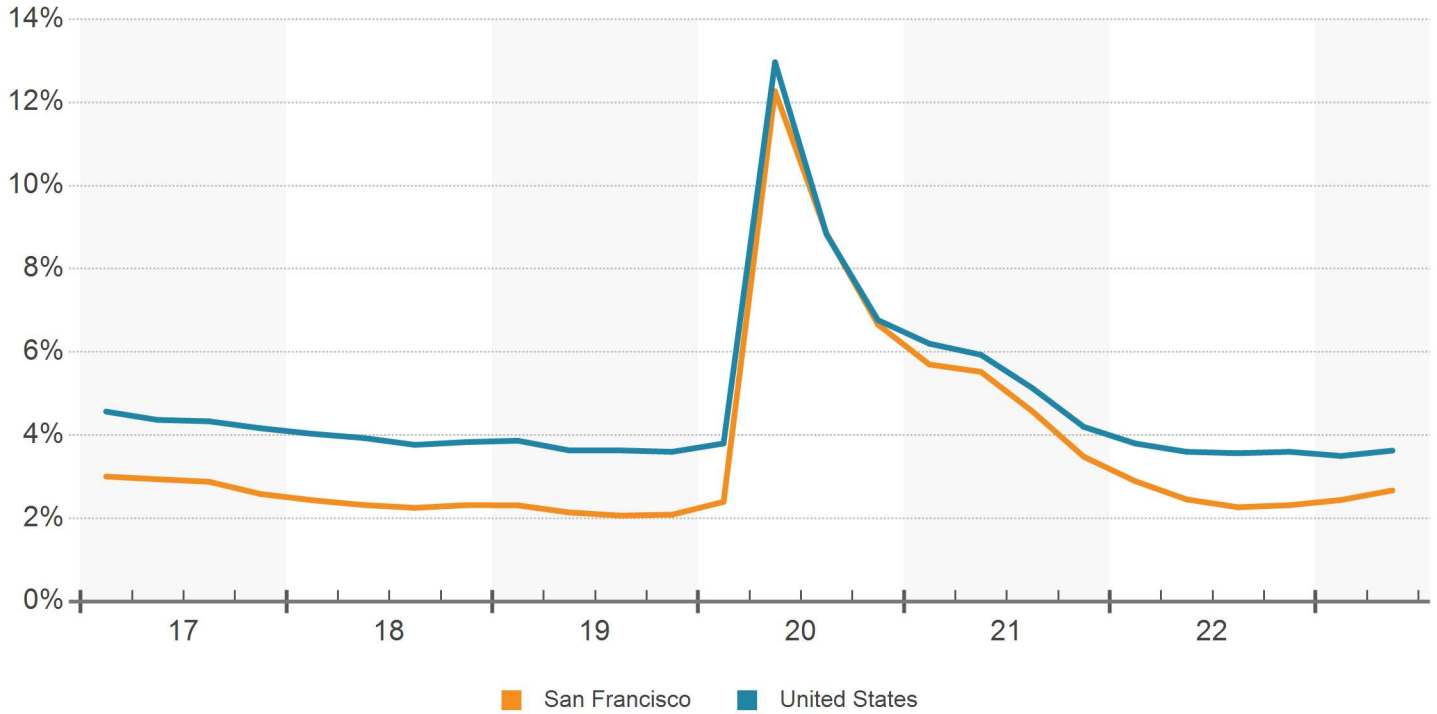
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

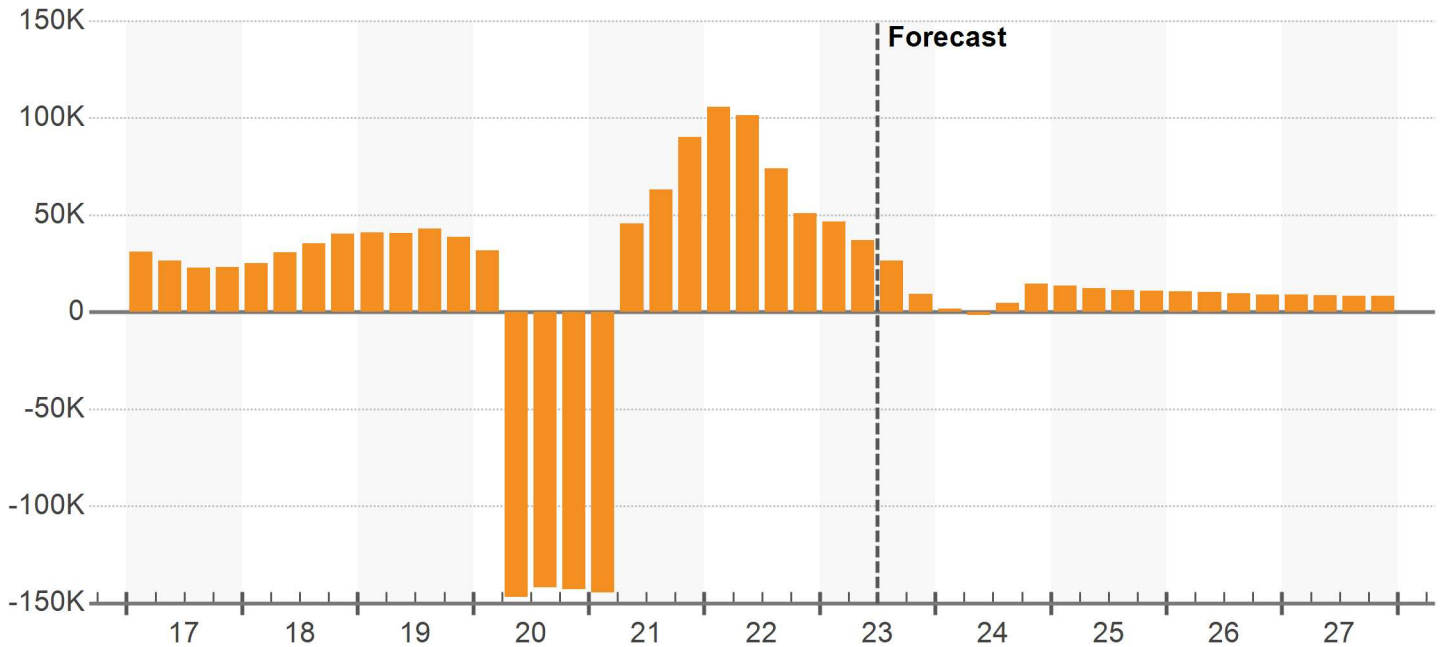


Source: Oxford Economics

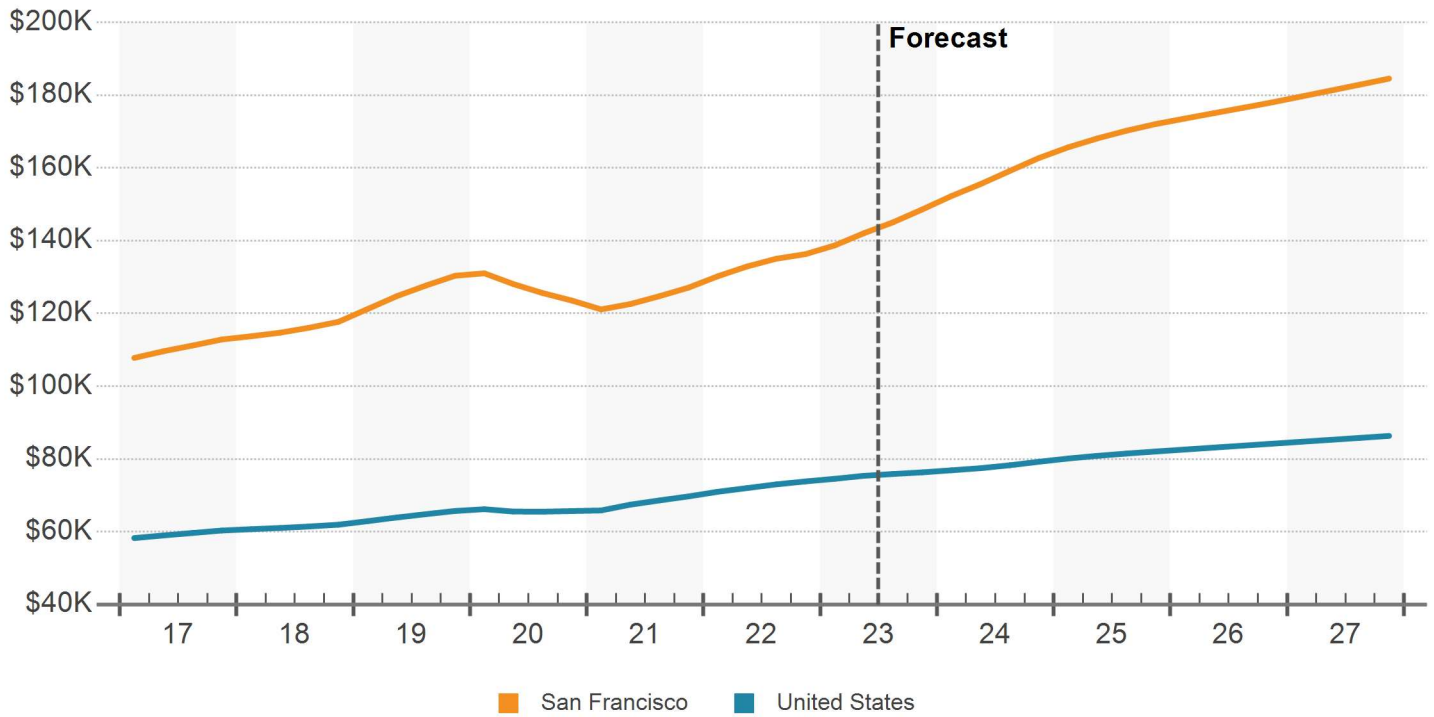
UNEMPLOYMENT RATE (%)



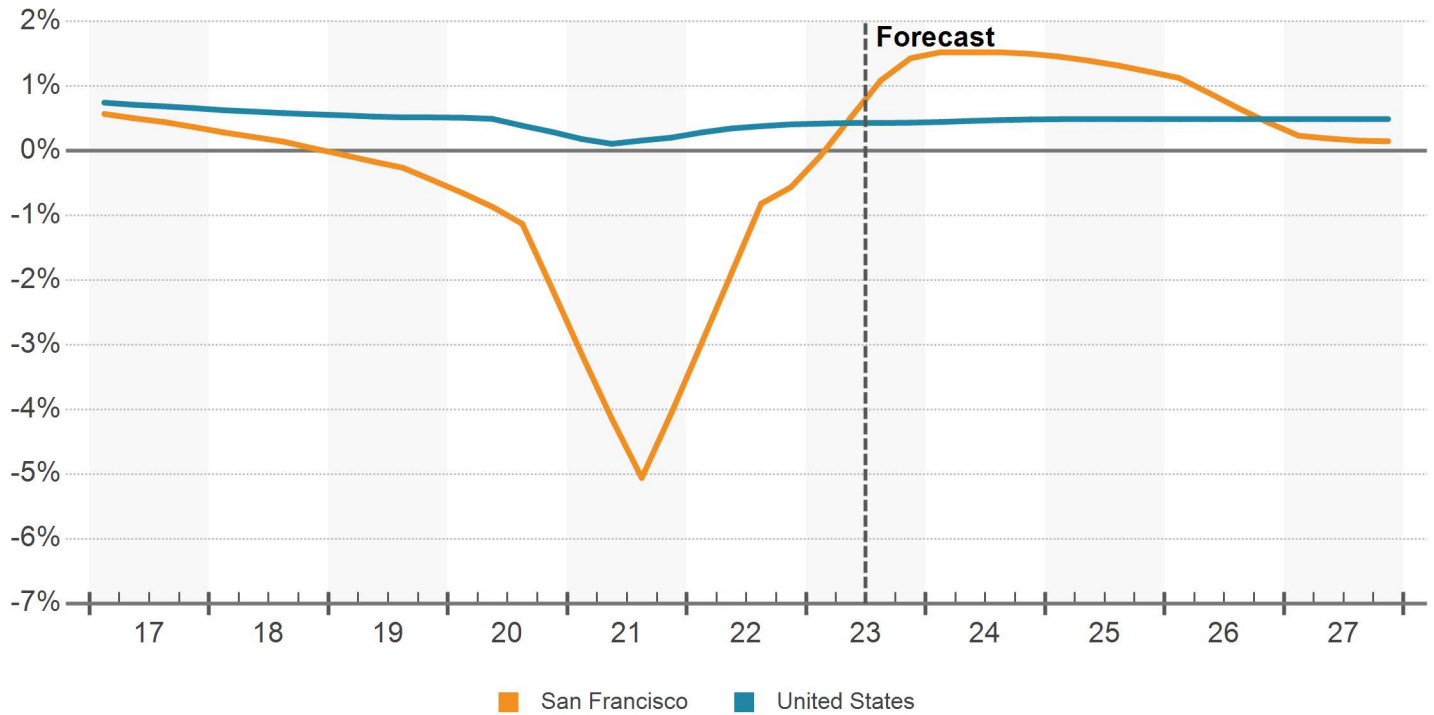
NET EMPLOYMENT CHANGE (YOY)



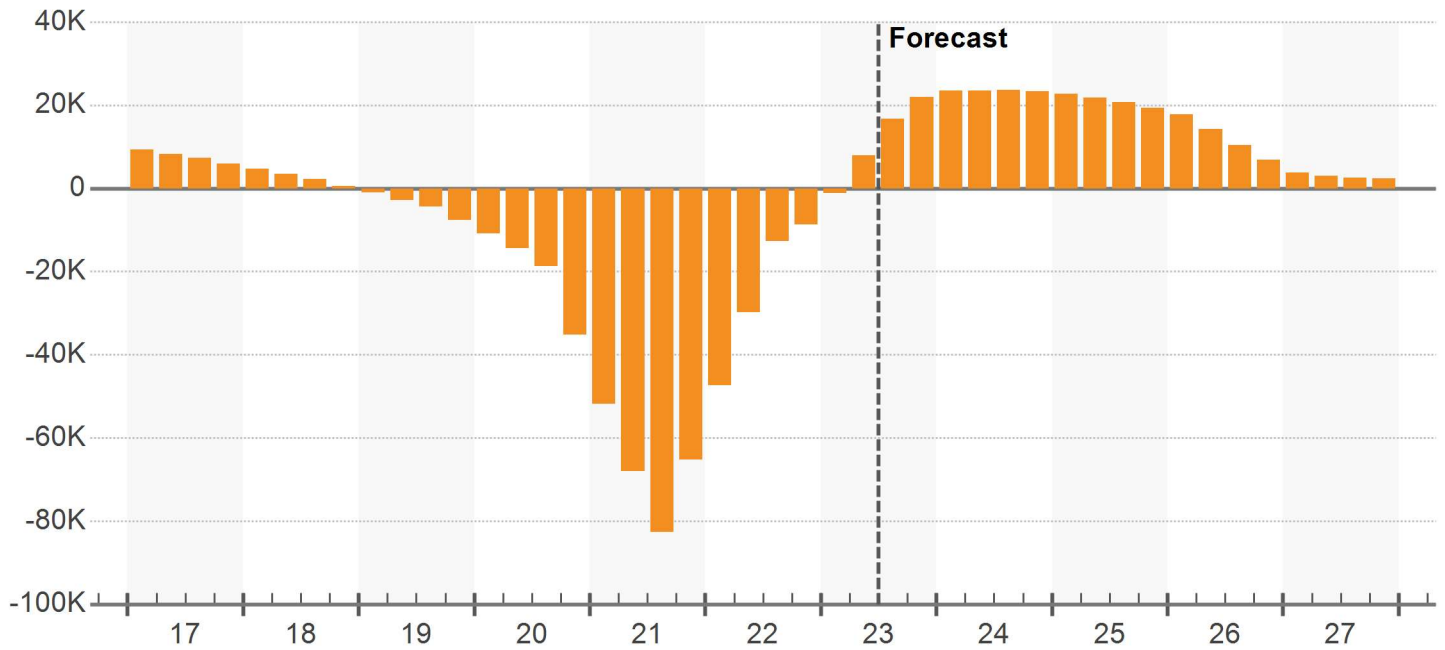
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

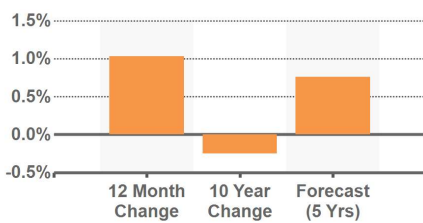


DEMOGRAPHIC TRENDS

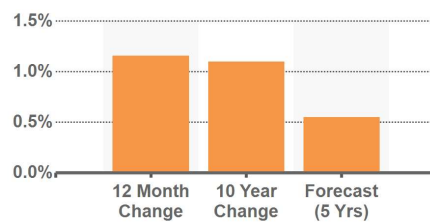
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,553,835	334,695,844	1.0%	0.4%	-0.3%	0.6%	0.8%	0.5%
Households	621,823	129,975,961	1.2%	0.6%	-0.1%	0.9%	0.9%	0.6%
Median Household Income	\$144,766	\$75,823	7.4%	4.0%	5.6%	3.8%	5.5%	3.0%
Labor Force	1,037,626	165,913,797	1.2%	0.9%	1.1%	0.6%	0.5%	0.4%
Unemployment	2.7%	3.6%	0.4%	0.1%	-0.3%	-0.4%	-	-

Source: Oxford Economics

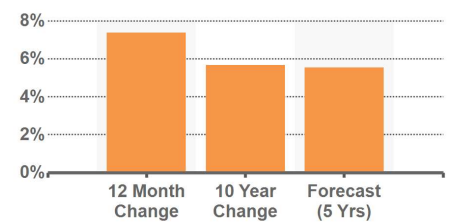
POPULATION GROWTH



LABOR FORCE GROWTH



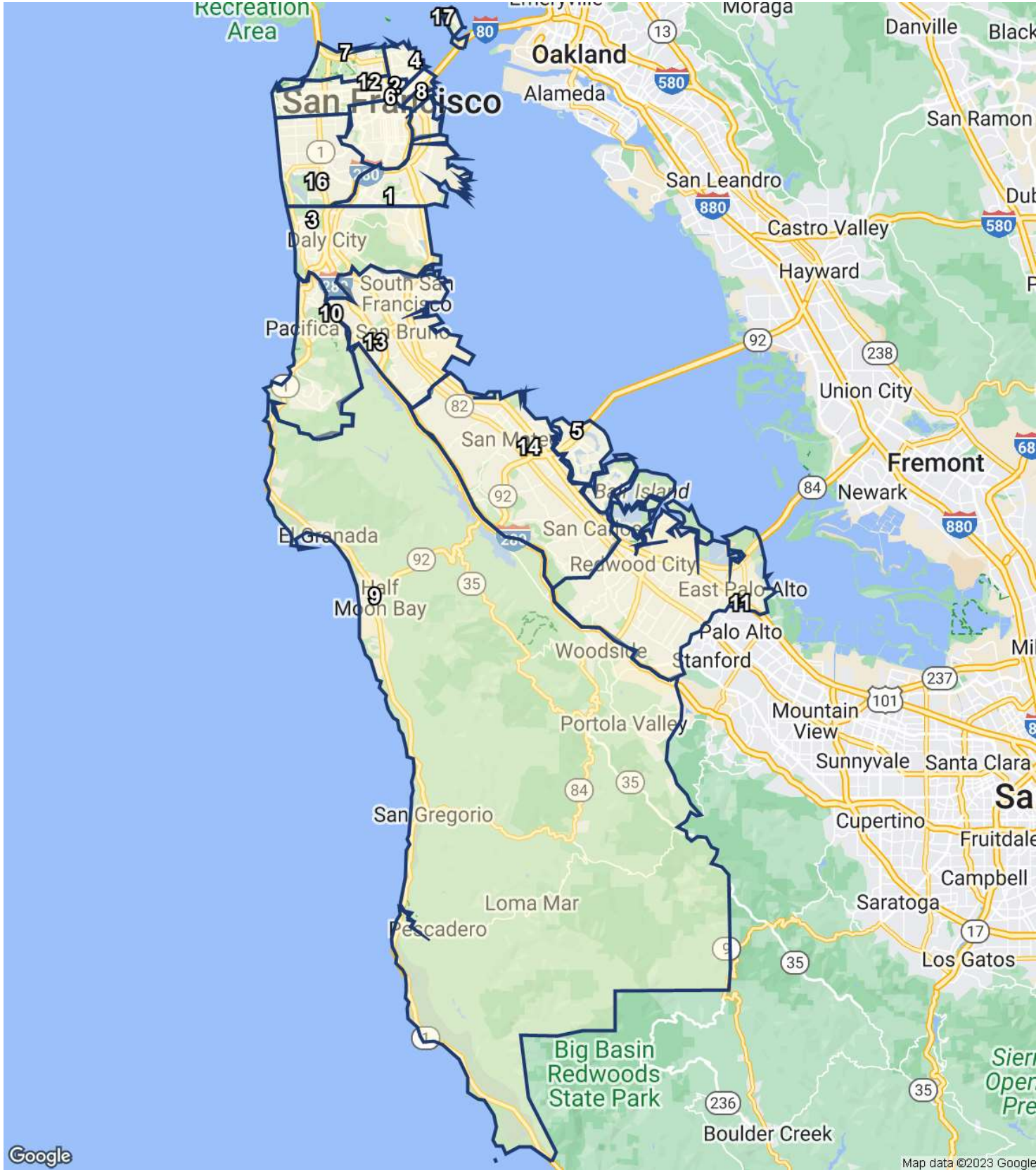
INCOME GROWTH



Source: Oxford Economics

Submarkets

SAN FRANCISCO SUBMARKETS



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	88	1,288	0.7%	15	1	193	15.0%	4	0	0	0%	-
2	Civic Center/Tenderloin	223	10,764	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%	9
4	Downtown San Francisco	1,554	23,921	13.3%	1	0	0	0%	-	1	85	0.4%	7
5	Foster City/Redwood Sho...	30	5,704	3.2%	13	0	0	0%	-	0	0	0%	-
6	Haight-Ashbury/Castro/N...	1,740	20,239	11.3%	3	2	69	0.3%	6	1	63	0.3%	8
7	Marina/Pacific Heights/Pr...	918	14,466	8.0%	6	0	0	0%	-	0	0	0%	-
8	Mission Bay/China Basin...	80	7,470	4.2%	11	2	307	4.1%	2	2	755	10.1%	2
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	4	0.2%	8	1	24	1.0%	10
11	Redwood City/Menlo Park	829	15,851	8.8%	5	2	30	0.2%	7	3	1,281	8.1%	1
12	Richmond/Western Addition	1,400	17,764	9.9%	4	0	0	0%	-	0	0	0%	-
13	S San Francisco/San Bru...	541	8,460	4.7%	10	1	320	3.8%	1	1	195	2.3%	5
14	San Mateo/Burlingame	1,201	21,267	11.8%	2	2	78	0.4%	5	7	722	3.4%	3
15	South Of Market	122	13,320	7.4%	7	0	0	0%	-	1	90	0.7%	6
16	Sunset/Lakeshore	512	9,260	5.2%	9	0	0	0%	-	0	0	0%	-
17	Treasure/Yerba Buena Isl...	1	430	0.2%	16	0	0	0%	-	4	705	164.0%	4

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	\$2,761	\$3.74	8	-5.6%	\$2,626	\$3.54	13	-10.6%	4.9%	1
2	Civic Center/Tenderloin	\$2,396	\$4.26	6	-1.5%	\$2,350	\$4.18	6	-2.7%	1.9%	3
3	Daly City/Brisbane	\$2,513	\$3.51	14	2.5%	\$2,493	\$3.48	14	2.5%	0.8%	9
4	Downtown San Francisco	\$2,694	\$4.51	3	-1.3%	\$2,677	\$4.48	3	-1.1%	0.6%	12
5	Foster City/Redwood Sho...	\$3,273	\$3.73	9	-1.8%	\$3,259	\$3.71	8	-1.7%	0.4%	14
6	Haight-Ashbury/Castro/N...	\$3,046	\$4.44	4	-2.1%	\$2,982	\$4.34	4	0.2%	2.1%	2
7	Marina/Pacific Heights/Pr...	\$3,724	\$4.31	5	1.4%	\$3,710	\$4.29	5	1.5%	0.4%	16
8	Mission Bay/China Basin...	\$3,840	\$4.65	1	-1.0%	\$3,785	\$4.58	1	-1.8%	1.4%	4
9	Outlying San Mateo County	\$2,099	\$2.16	17	1.6%	\$2,089	\$2.15	17	1.7%	0.5%	13
10	Pacifica	\$2,727	\$3.59	13	-1.6%	\$2,716	\$3.57	11	-1.5%	0.4%	15
11	Redwood City/Menlo Park	\$3,023	\$3.70	10	-1.4%	\$3,001	\$3.67	9	-1.2%	0.7%	10
12	Richmond/Western Addition	\$2,622	\$4.14	7	-0.7%	\$2,604	\$4.11	7	-0.6%	0.7%	11
13	S San Francisco/San Bru...	\$3,022	\$3.47	15	0.5%	\$2,981	\$3.42	15	1.1%	1.4%	5
14	San Mateo/Burlingame	\$2,962	\$3.60	12	0.5%	\$2,937	\$3.57	12	0.7%	0.8%	8
15	South Of Market	\$3,460	\$4.60	2	-5.0%	\$3,415	\$4.53	2	-4.5%	1.3%	6
16	Sunset/Lakeshore	\$2,987	\$3.63	11	6.2%	\$2,960	\$3.59	10	7.1%	0.9%	7
17	Treasure/Yerba Buena Isl...	\$2,851	\$2.58	16	1.0%	\$2,851	\$2.58	16	1.0%	0%	-

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Bayview/Visitacion Valley	214	16.6%	16	38	3.0%	10	5.1
2	Civic Center/Tenderloin	842	7.8%	13	253	2.4%	2	0.9
3	Daly City/Brisbane	529	7.6%	12	(3)	0%	16	-
4	Downtown San Francisco	1,387	5.8%	7	198	0.8%	5	-
5	Foster City/Redwood Sho...	224	3.9%	2	(10)	-0.2%	17	-
6	Haight-Ashbury/Castro/N...	1,324	6.5%	8	767	3.8%	1	0
7	Marina/Pacific Heights/Pr...	687	4.7%	5	26	0.2%	12	-
8	Mission Bay/China Basin...	553	7.4%	10	155	2.1%	6	2.0
9	Outlying San Mateo County	10	3.4%	1	0	0%	-	-
10	Pacifica	91	4.0%	3	12	0.5%	14	-
11	Redwood City/Menlo Park	870	5.5%	6	244	1.5%	3	0
12	Richmond/Western Addition	1,197	6.7%	9	56	0.3%	9	-
13	S San Francisco/San Bru...	677	8.0%	14	35	0.4%	11	9.2
14	San Mateo/Burlingame	981	4.6%	4	203	1.0%	4	0.3
15	South Of Market	1,005	7.5%	11	66	0.5%	8	-
16	Sunset/Lakeshore	1,036	11.2%	15	149	1.6%	7	-
17	Treasure/Yerba Buena Isl...	0	0%	-	14	3.3%	13	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	183,640	159	0.1%	464	0.3%	0.3
2026	183,481	74	0%	797	0.4%	0.1
2025	183,407	1,102	0.6%	1,715	0.9%	0.6
2024	182,305	1,954	1.1%	2,274	1.2%	0.9
2023	180,351	1,477	0.8%	1,847	1.0%	0.8
YTD	179,780	906	0.5%	1,546	0.9%	0.6
2022	178,874	1,829	1.0%	3,236	1.8%	0.6
2021	177,045	2,756	1.6%	8,015	4.5%	0.3
2020	174,289	2,822	1.6%	(6,129)	-3.5%	-
2019	171,467	2,197	1.3%	846	0.5%	2.6
2018	169,270	2,530	1.5%	2,784	1.6%	0.9
2017	166,740	3,669	2.2%	3,076	1.8%	1.2
2016	163,071	3,767	2.4%	3,379	2.1%	1.1
2015	159,304	2,428	1.5%	1,902	1.2%	1.3
2014	156,876	2,317	1.5%	2,470	1.6%	0.9
2013	154,559	2,663	1.8%	2,455	1.6%	1.1
2012	151,896	179	0.1%	(187)	-0.1%	-
2011	151,717	(25)	0%	564	0.4%	0

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	44,256	230	0.5%	236	0.5%	1.0
2026	44,026	160	0.4%	527	1.2%	0.3
2025	43,866	1,108	2.6%	1,369	3.1%	0.8
2024	42,758	1,714	4.2%	1,880	4.4%	0.9
2023	41,044	1,419	3.6%	1,085	2.6%	1.3
YTD	40,497	872	2.2%	636	1.6%	1.4
2022	39,625	1,367	3.6%	2,490	6.3%	0.5
2021	38,258	2,733	7.7%	4,600	12.0%	0.6
2020	35,525	2,642	8.0%	(1,138)	-3.2%	-
2019	32,883	2,156	7.0%	1,360	4.1%	1.6
2018	30,727	2,501	8.9%	2,942	9.6%	0.9
2017	28,226	3,692	15.0%	3,035	10.8%	1.2
2016	24,534	3,800	18.3%	3,429	14.0%	1.1
2015	20,734	2,290	12.4%	2,151	10.4%	1.1
2014	18,444	2,292	14.2%	2,074	11.2%	1.1
2013	16,152	2,293	16.5%	2,062	12.8%	1.1
2012	13,859	489	3.7%	381	2.7%	1.3
2011	13,370	(53)	-0.4%	271	2.0%	-

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	48,125	0	0%	100	0.2%	0
2026	48,125	0	0%	141	0.3%	0
2025	48,125	81	0.2%	267	0.6%	0.3
2024	48,044	309	0.6%	287	0.6%	1.1
2023	47,735	43	0.1%	459	1.0%	0.1
YTD	47,692	0	0%	461	1.0%	0
2022	47,692	462	1.0%	452	0.9%	1.0
2021	47,230	23	0%	1,517	3.2%	0
2020	47,207	199	0.4%	(1,938)	-4.1%	-
2019	47,008	30	0.1%	(76)	-0.2%	-
2018	46,978	39	0.1%	(121)	-0.3%	-
2017	46,939	8	0%	62	0.1%	0.1
2016	46,931	13	0%	15	0%	0.9
2015	46,918	145	0.3%	(231)	-0.5%	-
2014	46,773	20	0%	285	0.6%	0.1
2013	46,753	322	0.7%	234	0.5%	1.4
2012	46,431	(310)	-0.7%	(435)	-0.9%	0.7
2011	46,741	28	0.1%	241	0.5%	0.1

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	91,259	(71)	-0.1%	128	0.1%	-
2026	91,330	(86)	-0.1%	129	0.1%	-
2025	91,416	(87)	-0.1%	79	0.1%	-
2024	91,503	(69)	-0.1%	107	0.1%	-
2023	91,572	15	0%	303	0.3%	0
YTD	91,591	34	0%	449	0.5%	0.1
2022	91,557	0	0%	294	0.3%	0
2021	91,557	0	0%	1,898	2.1%	0
2020	91,557	(19)	0%	(3,053)	-3.3%	0
2019	91,576	11	0%	(438)	-0.5%	0
2018	91,565	(10)	0%	(37)	0%	0.3
2017	91,575	(31)	0%	(21)	0%	1.5
2016	91,606	(46)	-0.1%	(65)	-0.1%	0.7
2015	91,652	(7)	0%	(18)	0%	0.4
2014	91,659	5	0%	111	0.1%	0
2013	91,654	48	0.1%	159	0.2%	0.3
2012	91,606	0	0%	(133)	-0.1%	0
2011	91,606	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	9,948	5.4%	(0.2)	\$3,553	\$4.78	3.7%	(1.0)	\$3,514	\$4.73
2026	10,252	5.6%	(0.4)	\$3,426	\$4.61	4.7%	0.1	\$3,388	\$4.56
2025	10,973	6.0%	(0.4)	\$3,274	\$4.40	4.6%	0.8	\$3,238	\$4.35
2024	11,586	6.4%	(0.2)	\$3,130	\$4.21	3.8%	3.5	\$3,096	\$4.16
2023	11,906	6.6%	(0.3)	\$3,017	\$4.06	0.3%	(0.3)	\$2,983	\$4.01
YTD	11,628	6.5%	(0.4)	\$3,029	\$4.02	-0.8%	(1.4)	\$2,997	\$3.98
2022	12,269	6.9%	(0.9)	\$3,008	\$3.99	0.6%	(6.9)	\$2,981	\$3.95
2021	13,671	7.7%	(3.1)	\$2,991	\$3.97	7.5%	17.2	\$2,950	\$3.91
2020	18,917	10.9%	5.0	\$2,782	\$3.67	-9.7%	(10.5)	\$2,715	\$3.58
2019	9,981	5.8%	0.7	\$3,081	\$4.08	0.9%	(2.0)	\$3,060	\$4.06
2018	8,622	5.1%	(0.2)	\$3,054	\$4.05	2.8%	1.4	\$3,023	\$4.01
2017	8,870	5.3%	0.2	\$2,971	\$3.94	1.4%	0.7	\$2,912	\$3.86
2016	8,276	5.1%	0.1	\$2,931	\$3.89	0.7%	(5.4)	\$2,871	\$3.81
2015	7,878	4.9%	0.3	\$2,911	\$3.87	6.1%	1.4	\$2,881	\$3.82
2014	7,350	4.7%	(0.2)	\$2,744	\$3.64	4.7%	0.4	\$2,723	\$3.61
2013	7,499	4.9%	0.1	\$2,620	\$3.48	4.3%	0	\$2,602	\$3.45
2012	7,291	4.8%	0.2	\$2,513	\$3.34	4.3%	1.0	\$2,499	\$3.32
2011	6,925	4.6%	(0.4)	\$2,410	\$3.20	3.3%	-	\$2,396	\$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	3,178	7.2%	(0.1)	\$4,317	\$5.19	3.6%	(1.0)	\$4,253	\$5.11
2026	3,183	7.2%	(0.9)	\$4,165	\$5	4.6%	0.1	\$4,103	\$4.93
2025	3,549	8.1%	(0.8)	\$3,982	\$4.78	4.5%	0.8	\$3,923	\$4.71
2024	3,809	8.9%	(0.8)	\$3,810	\$4.58	3.7%	4.0	\$3,753	\$4.51
2023	3,975	9.7%	0.5	\$3,675	\$4.42	-0.3%	0.5	\$3,621	\$4.35
YTD	3,876	9.6%	0.4	\$3,703	\$4.35	-2.0%	(1.2)	\$3,649	\$4.28
2022	3,641	9.2%	(3.3)	\$3,686	\$4.32	-0.8%	(12.2)	\$3,654	\$4.29
2021	4,761	12.4%	(6.2)	\$3,716	\$4.35	11.4%	25.5	\$3,645	\$4.27
2020	6,623	18.6%	10.0	\$3,336	\$3.89	-14.1%	(14.5)	\$3,205	\$3.74
2019	2,846	8.7%	2.0	\$3,884	\$4.52	0.4%	(2.5)	\$3,857	\$4.49
2018	2,042	6.6%	(2.1)	\$3,869	\$4.51	2.9%	1.8	\$3,816	\$4.45
2017	2,478	8.8%	1.4	\$3,760	\$4.38	1.1%	1.0	\$3,651	\$4.25
2016	1,819	7.4%	0.5	\$3,721	\$4.34	0.1%	(4.9)	\$3,619	\$4.22
2015	1,436	6.9%	(0.1)	\$3,717	\$4.34	5.0%	0.8	\$3,674	\$4.29
2014	1,295	7.0%	0.4	\$3,540	\$4.13	4.2%	0.8	\$3,515	\$4.10
2013	1,074	6.6%	0.6	\$3,397	\$3.97	3.4%	(0.5)	\$3,368	\$3.94
2012	843	6.1%	0.6	\$3,285	\$3.84	3.9%	1.2	\$3,268	\$3.82
2011	734	5.5%	(2.4)	\$3,161	\$3.70	2.7%	-	\$3,143	\$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	2,569	5.3%	(0.2)	\$3,439	\$4.76	3.8%	(0.9)	\$3,405	\$4.71
2026	2,670	5.5%	(0.3)	\$3,314	\$4.59	4.7%	0.1	\$3,282	\$4.54
2025	2,809	5.8%	(0.4)	\$3,165	\$4.38	4.6%	0.8	\$3,135	\$4.34
2024	2,996	6.2%	0	\$3,025	\$4.19	3.8%	3.5	\$2,996	\$4.14
2023	2,974	6.2%	(0.9)	\$2,913	\$4.03	0.3%	(1.3)	\$2,885	\$3.99
YTD	2,924	6.1%	(1.0)	\$2,923	\$4.02	-0.1%	(1.8)	\$2,897	\$3.99
2022	3,385	7.1%	0	\$2,903	\$4	1.7%	(4.9)	\$2,871	\$3.95
2021	3,374	7.2%	(3.2)	\$2,856	\$3.93	6.6%	15.2	\$2,828	\$3.89
2020	4,866	10.3%	4.5	\$2,679	\$3.68	-8.6%	(9.4)	\$2,635	\$3.62
2019	2,734	5.8%	0.2	\$2,932	\$4.05	0.8%	(1.5)	\$2,909	\$4.01
2018	2,628	5.6%	0.3	\$2,909	\$4.01	2.3%	1.0	\$2,885	\$3.98
2017	2,468	5.3%	(0.1)	\$2,844	\$3.92	1.3%	0.8	\$2,799	\$3.86
2016	2,522	5.4%	0	\$2,807	\$3.87	0.5%	(7.0)	\$2,753	\$3.79
2015	2,526	5.4%	0.8	\$2,793	\$3.85	7.5%	3.0	\$2,761	\$3.81
2014	2,149	4.6%	(0.6)	\$2,598	\$3.58	4.5%	(0.9)	\$2,573	\$3.54
2013	2,414	5.2%	0.2	\$2,487	\$3.43	5.4%	0.4	\$2,471	\$3.40
2012	2,326	5.0%	0.3	\$2,360	\$3.25	5.0%	0.1	\$2,346	\$3.23
2011	2,201	4.7%	(0.5)	\$2,248	\$3.09	4.9%	-	\$2,235	\$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	4,201	4.6%	(0.2)	\$2,830	\$4.18	3.7%	(0.9)	\$2,812	\$4.15
2026	4,399	4.8%	(0.2)	\$2,728	\$4.03	4.7%	0.1	\$2,711	\$4
2025	4,615	5.0%	(0.2)	\$2,606	\$3.85	4.6%	0.8	\$2,590	\$3.82
2024	4,781	5.2%	(0.2)	\$2,491	\$3.68	3.8%	2.7	\$2,475	\$3.65
2023	4,957	5.4%	(0.3)	\$2,399	\$3.54	1.2%	(0.5)	\$2,384	\$3.52
YTD	4,828	5.3%	(0.5)	\$2,396	\$3.52	0.5%	(1.2)	\$2,382	\$3.49
2022	5,243	5.7%	(0.3)	\$2,371	\$3.47	1.7%	(0.6)	\$2,354	\$3.45
2021	5,535	6.0%	(2.1)	\$2,331	\$3.41	2.3%	5.3	\$2,311	\$3.38
2020	7,428	8.1%	3.3	\$2,279	\$3.33	-3.0%	(4.8)	\$2,257	\$3.30
2019	4,402	4.8%	0.5	\$2,349	\$3.45	1.8%	(1.5)	\$2,337	\$3.44
2018	3,953	4.3%	0	\$2,307	\$3.39	3.3%	1.3	\$2,293	\$3.37
2017	3,925	4.3%	0	\$2,233	\$3.28	2.1%	0	\$2,215	\$3.25
2016	3,934	4.3%	0	\$2,188	\$3.21	2.0%	(4.3)	\$2,170	\$3.19
2015	3,916	4.3%	0	\$2,144	\$3.15	6.3%	0.3	\$2,132	\$3.13
2014	3,906	4.3%	(0.1)	\$2,016	\$2.95	6.0%	1.5	\$2,004	\$2.93
2013	4,011	4.4%	(0.1)	\$1,902	\$2.78	4.5%	0.4	\$1,892	\$2.76
2012	4,122	4.5%	0.1	\$1,820	\$2.65	4.1%	1.7	\$1,810	\$2.64
2011	3,991	4.4%	(0.1)	\$1,749	\$2.54	2.4%	-	\$1,740	\$2.53

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	-	-	-	-	-	-	\$717,535	271	3.9%
2026	-	-	-	-	-	-	\$652,932	246	4.1%
2025	-	-	-	-	-	-	\$579,026	219	4.4%
2024	-	-	-	-	-	-	\$531,127	200	4.6%
2023	-	-	-	-	-	-	\$557,672	210	4.2%
YTD	116	\$1.4B	2.5%	\$12,000,735	\$311,359	4.8%	\$585,858	221	4.0%
2022	235	\$1.4B	1.8%	\$6,093,116	\$441,011	4.2%	\$620,278	234	3.7%
2021	211	\$1.1B	1.5%	\$5,404,027	\$425,308	4.3%	\$679,010	256	3.4%
2020	171	\$1.5B	1.6%	\$8,955,457	\$549,355	4.1%	\$585,697	221	3.6%
2019	467	\$2.9B	4.3%	\$11,363,281	\$569,289	4.0%	\$605,891	229	3.7%
2018	579	\$2.5B	5.2%	\$7,847,507	\$485,681	3.7%	\$578,178	218	3.7%
2017	604	\$1.7B	4.0%	\$5,681,897	\$414,716	3.6%	\$551,009	208	3.7%
2016	419	\$2.5B	4.7%	\$9,006,403	\$391,857	3.8%	\$523,417	198	3.8%
2015	380	\$1.8B	3.6%	\$7,003,898	\$418,721	3.9%	\$507,332	191	3.8%
2014	480	\$2.6B	6.4%	\$7,484,893	\$334,533	4.2%	\$459,857	174	3.9%
2013	379	\$2.3B	5.5%	\$7,839,177	\$330,730	4.7%	\$411,199	155	4.2%
2012	456	\$1.4B	5.3%	\$3,777,810	\$223,675	5.2%	\$390,630	147	4.2%

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

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

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$869,826	248	3.9%
2026	-	-	-	-	-	-	\$791,688	225	4.1%
2025	-	-	-	-	-	-	\$702,014	200	4.4%
2024	-	-	-	-	-	-	\$644,131	183	4.6%
2023	-	-	-	-	-	-	\$677,264	193	4.2%
YTD	-	-	-	-	-	-	\$711,592	203	4.0%
2022	1	\$206M	0.7%	\$206,000,000	\$792,308	-	\$756,304	215	3.7%
2021	2	\$146.6M	0.7%	\$73,300,000	\$544,981	3.6%	\$842,583	240	3.3%
2020	4	\$393.6M	1.5%	\$98,393,323	\$735,651	3.9%	\$728,954	208	3.6%
2019	11	\$1.4B	6.5%	\$159,201,111	\$770,328	4.7%	\$777,460	221	3.5%
2018	12	\$353.2M	3.7%	\$50,462,994	\$643,426	3.7%	\$757,005	216	3.5%
2017	4	\$370.5M	2.4%	\$92,635,465	\$550,582	-	\$729,641	208	3.5%
2016	5	\$774.7M	4.6%	\$154,930,000	\$687,966	3.9%	\$693,534	197	3.6%
2015	5	\$251.2M	3.7%	\$62,800,000	\$697,778	3.9%	\$677,972	193	3.5%
2014	5	\$1.2B	15.3%	\$232,826,000	\$412,812	5.7%	\$620,221	177	3.7%
2013	7	\$497.8M	12.3%	\$99,569,759	\$425,512	5.1%	\$558,825	159	3.9%
2012	11	\$160.5M	7.3%	\$32,109,900	\$343,054	5.4%	\$524,799	149	3.9%

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3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$634,116	281	3.9%
2026	-	-	-	-	-	-	\$576,960	256	4.1%
2025	-	-	-	-	-	-	\$511,595	227	4.4%
2024	-	-	-	-	-	-	\$469,138	208	4.6%
2023	-	-	-	-	-	-	\$492,405	219	4.2%
YTD	16	\$1.1B	7.5%	\$68,048,594	\$304,213	5.4%	\$517,292	230	4.0%
2022	32	\$378M	1.9%	\$11,811,015	\$425,622	4.4%	\$550,399	244	3.7%
2021	32	\$193M	1.1%	\$6,030,031	\$376,142	4.2%	\$606,933	269	3.3%
2020	33	\$429.6M	1.7%	\$13,019,056	\$548,696	3.8%	\$528,291	234	3.6%
2019	72	\$416.8M	2.8%	\$9,473,801	\$437,405	4.0%	\$535,182	237	3.7%
2018	102	\$849M	6.2%	\$11,319,627	\$472,176	3.9%	\$502,003	223	3.7%
2017	99	\$446.2M	3.0%	\$6,659,601	\$406,740	3.6%	\$477,669	212	3.8%
2016	68	\$907M	6.7%	\$16,490,199	\$300,617	3.7%	\$453,552	201	3.8%
2015	66	\$780.1M	4.4%	\$13,464,158	\$443,726	3.9%	\$437,365	194	3.8%
2014	75	\$410.4M	6.0%	\$6,035,745	\$271,629	4.0%	\$394,269	175	4.0%
2013	74	\$1.2B	7.4%	\$17,179,218	\$354,379	4.4%	\$351,386	156	4.2%
2012	93	\$541.4M	6.3%	\$6,310,176	\$223,805	5.5%	\$334,052	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.

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	-	-	-	-	-	-	\$688,162	282	4.0%
2026	-	-	-	-	-	-	\$626,152	256	4.2%
2025	-	-	-	-	-	-	\$555,340	227	4.5%
2024	-	-	-	-	-	-	\$509,380	209	4.6%
2023	-	-	-	-	-	-	\$534,480	219	4.3%
YTD	100	\$303.3M	1.0%	\$3,033,078	\$340,031	4.7%	\$561,447	230	4.0%
2022	202	\$841.8M	2.3%	\$4,188,242	\$403,759	4.2%	\$591,609	242	3.8%
2021	177	\$800.7M	2.1%	\$4,523,665	\$421,637	4.3%	\$638,255	261	3.4%
2020	134	\$690.3M	1.6%	\$5,229,319	\$480,355	4.1%	\$546,999	224	3.7%
2019	384	\$1B	4.3%	\$5,126,264	\$458,316	4.0%	\$560,575	229	3.7%
2018	465	\$1.3B	5.3%	\$5,469,986	\$463,224	3.7%	\$532,245	218	3.8%
2017	501	\$853.7M	4.9%	\$3,828,442	\$378,097	3.6%	\$503,679	206	3.8%
2016	346	\$838.4M	3.7%	\$3,819,009	\$366,444	3.8%	\$478,354	196	3.9%
2015	309	\$778.4M	3.3%	\$3,968,976	\$353,195	3.9%	\$462,073	189	3.9%
2014	400	\$1B	4.7%	\$3,718,727	\$297,606	4.2%	\$417,235	171	4.0%
2013	298	\$594.6M	3.4%	\$2,755,694	\$250,658	4.8%	\$371,665	152	4.3%
2012	352	\$703M	4.5%	\$2,503,187	\$207,121	5.2%	\$355,867	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	-	183,642	5.4%	-	206	-	161	-	-
2026	-	183,481	5.6%	-	160	-	73	-	-
2025	-	183,408	6.0%	-	1,189	-	1,102	-	-
2024	-	182,306	6.4%	-	2,023	-	1,954	-	-
2023	-	180,352	6.6%	-	1,490	-	1,472	-	-
YTD	9,529	179,786	6.5%	7	906	7	906	23	3,962
2022	9,522	178,880	6.9%	13	1,829	13	1,829	25	3,618
2021	9,509	177,051	7.7%	23	2,756	23	2,756	22	3,320
2020	9,486	174,295	10.9%	20	2,841	19	2,822	36	4,889
2019	9,467	171,473	5.8%	19	2,197	19	2,197	44	6,615
2018	9,448	169,276	5.1%	14	2,540	13	2,530	40	5,591
2017	9,435	166,746	5.3%	21	3,707	17	3,669	29	4,893
2016	9,418	163,077	5.1%	19	3,813	15	3,767	27	5,525
2015	9,403	159,310	4.9%	16	2,435	15	2,428	38	8,628
2014	9,388	156,882	4.7%	16	2,317	16	2,317	32	6,733
2013	9,372	154,565	4.9%	19	2,703	16	2,663	27	5,240
2012	9,356	151,902	4.8%	5	489	4	179	27	4,514
2011	9,352	151,723	4.6%	3	123	2	(25)	13	1,585