



Multi-Family Market Report

San Jose - CA

PREPARED BY



MULTI-FAMILY MARKET REPORT

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12 Mo. Delivered Units

1,654

12 Mo. Absorption Units

2,375

Vacancy Rate

4.7%

12 Mo. Asking Rent Growth

-0.8%

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

The structure and characteristics of the San Jose multifamily market derive from the success and growth of the technology-based economy of Silicon Valley. The impressive growth of this sector over the past 30 years has driven large increases in employment and income and generated strong growth in housing demand. One consequence of the region's success is that housing in San Jose is among the costliest in the nation. Apartment rents are the third highest, after San Francisco and New York, while for-sale housing is out of the reach of many residents.

Another consequence is instability. The tech market tends to grow in waves, and is occasionally subject to sudden reversals, such as the dot-com bust of 2001-02. Within the past year, the post-pandemic surge in demand came to a halt in the second half of 2022, as residents tightened budgets to battle high inflation and rising interest rates. This resulted in lower absorption, rising vacancy, and negative pressure on rents. And although there has been some recovery in the first half of 2023, the growing number of layoffs and hiring freezes by tech companies is raising the prospect that demand may dip once more.

Construction activity has increased, with roughly 7,800 units underway. This is equal to the highest volume of new development in the past 15 years, but it is not by any means an excessive rate when compared to other major markets across the nation. As these new developments deliver, they may place some upward pressure on vacancy in the coming years. However, demand is projected to recover as the economy improves, and the vacancy rate is projected to see only a moderate increase.

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

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

Investors have maintained interest in the market, and transactions continue to close. Pricing in San Jose continues to be at one of the highest levels in the nation.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	58,733	5.9%	\$3,369	\$3,331	672	727	5,491
3 Star	40,891	4.1%	\$2,938	\$2,913	13	0	2,273
1 & 2 Star	57,241	4.0%	\$2,258	\$2,247	36	0	0
Market	156,865	4.7%	\$2,937	\$2,911	721	727	7,764

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.5%	5.1%	5.0%	9.8%	2020 Q4	1.8%	2000 Q1
Absorption Units	2,375	1,857	2,392	8,575	2021 Q4	(2,869)	2001 Q4
Delivered Units	1,654	2,183	2,462	5,623	2015 Q1	7	2009 Q3
Demolished Units	0	72	49	326	2021 Q1	0	2023 Q2
Asking Rent Growth (YOY)	-0.8%	1.7%	4.3%	23.0%	2001 Q1	-13.8%	2002 Q3
Effective Rent Growth (YOY)	-0.8%	1.7%	4.3%	22.8%	2001 Q1	-13.9%	2002 Q3
Sales Volume	\$1.3B	\$977.1M	N/A	\$2.1B	2008 Q1	\$140M	2003 Q1

Leasing remains muted in the third quarter of 2023. Tenant demand dampened in the latter half of 2022 amid rising inflation, higher interest rates and economic uncertainty. For the past 12 months, net absorption currently stands at 2,400 units, compared to the 10-year annual average of 3,100 units. However, a dip in the delivery of new supply to the market has kept vacancy rates in check, and at 4.7%, vacancy is in alignment with the metro's longer-term average and outperforming the national average, which currently stands at 7.0%.

The best performing assets are those in the mid and lower tiers, which have vacancy rates of around 4.1%, whereas 4 & 5 Star vacancy is 5.9%. Demand for affordable housing is robust, but supply has not kept up with demand due to rising construction costs and a lack of public funding.

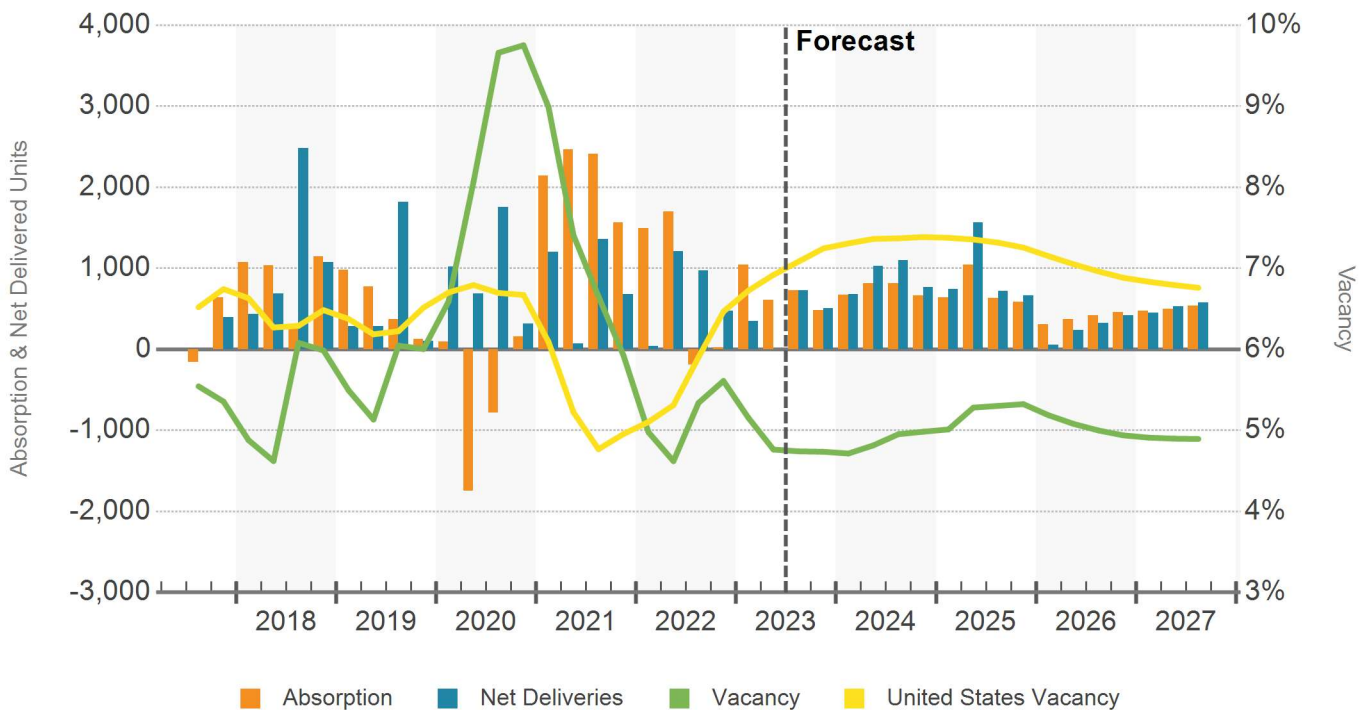
Certain areas are seeing a larger share of development activity. For example, submarkets such as Sunnyvale, Mountain View, and Downtown San Jose are growing rapidly, while development has also ramped up in Santa

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

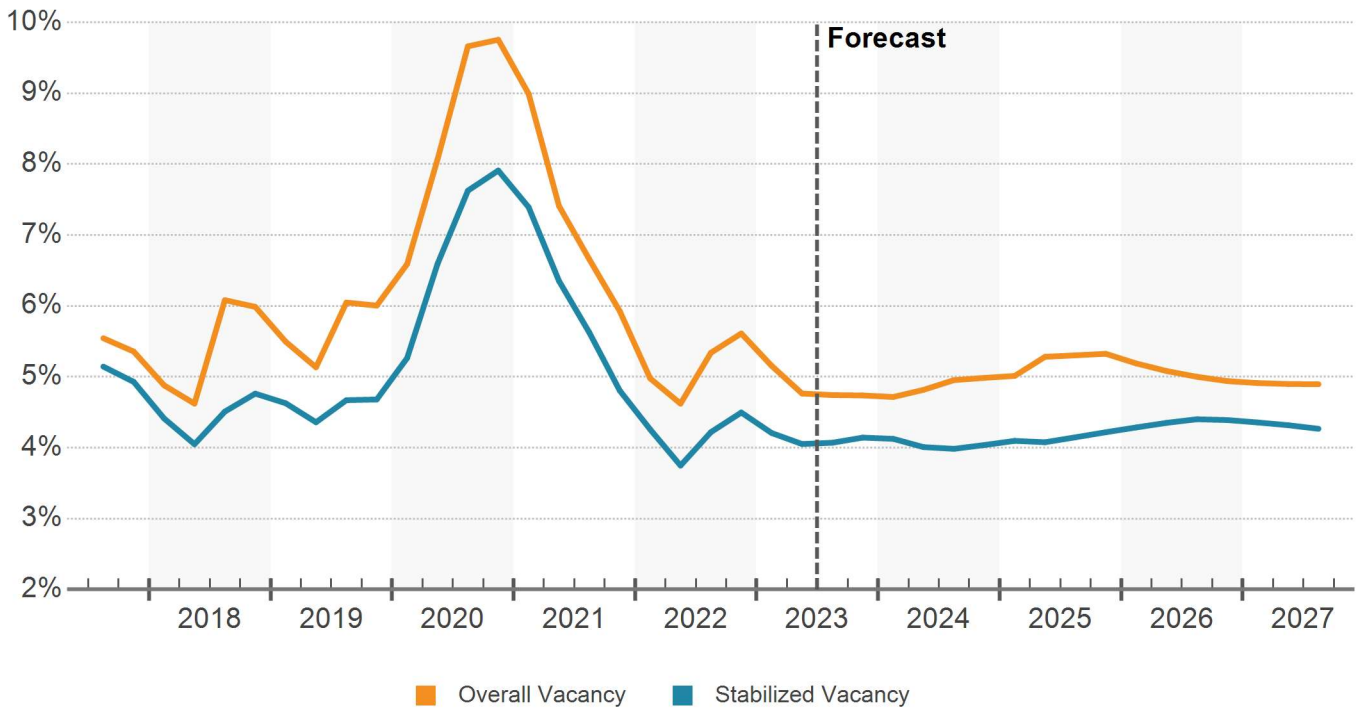
Many of the new developments are located near the numerous transit options that exist in the metro. Commuters in the San Jose Metro can look to VTA light rail, AC Transit, and Caltrain to access the region's job centers. Also, BART's extension into the metro will eventually connect to Downtown San Jose.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

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

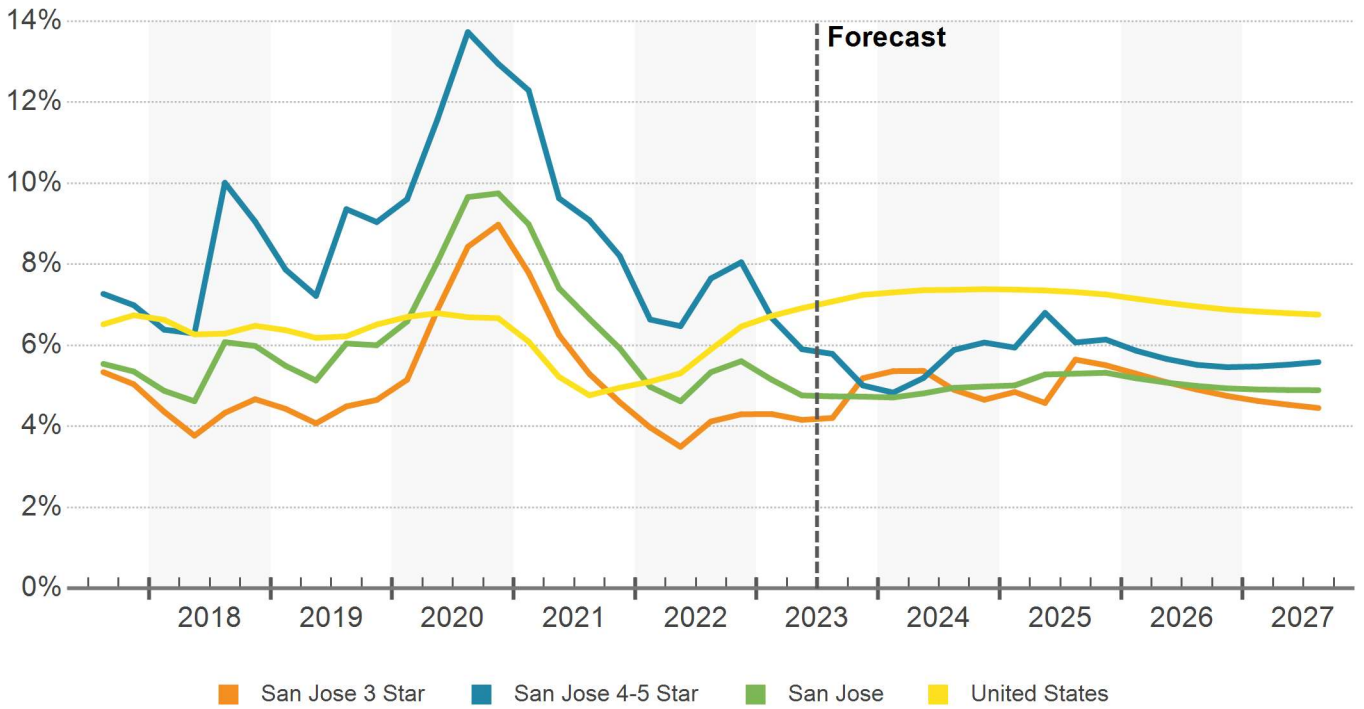
ABSORPTION, NET DELIVERIES & VACANCY



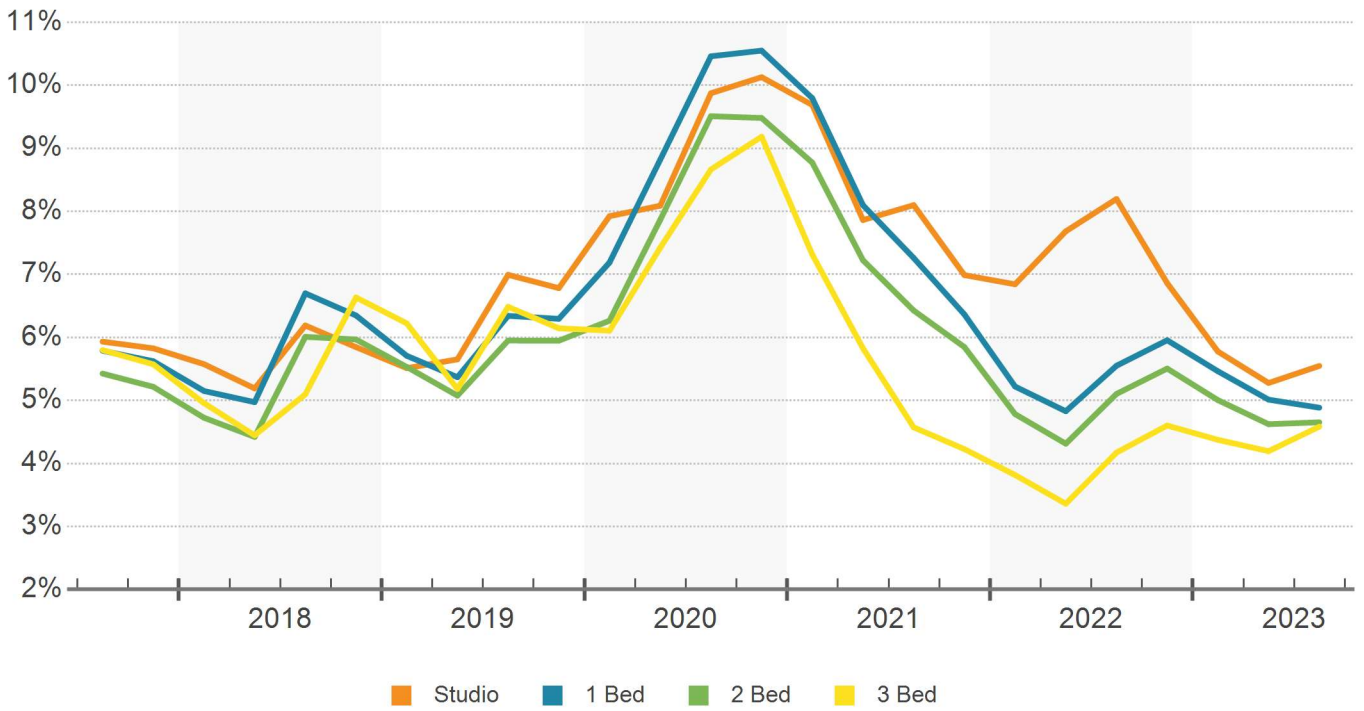
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



San Jose ranks as one of the most expensive major markets in the country, trailing only neighboring San Francisco. As of the third quarter of 2023, metro-wide asking rents average \$2,940/month. While rents for all classes of apartments exceed the national average, rents for mid- and lower-tier properties command particularly high rents. For example, at \$2,250/month, the average rent for a 1 & 2 Star property in San Jose is higher than the national average monthly rent for a 4 & 5 Star property.

Challenging economic conditions over the past 12 months, including high inflation, rising interest rates and layoff concerns, have dampened tenant demand. As a result, rent growth has decreased, with annual growth currently negative by -0.8%. This is below the 10-year average annual rent growth of 3.0%. However, growth in recent years has been volatile, with rents falling by as much as -8.1% on a year-over-year basis earlier in the pandemic, before growing by 6.6% in 2021.

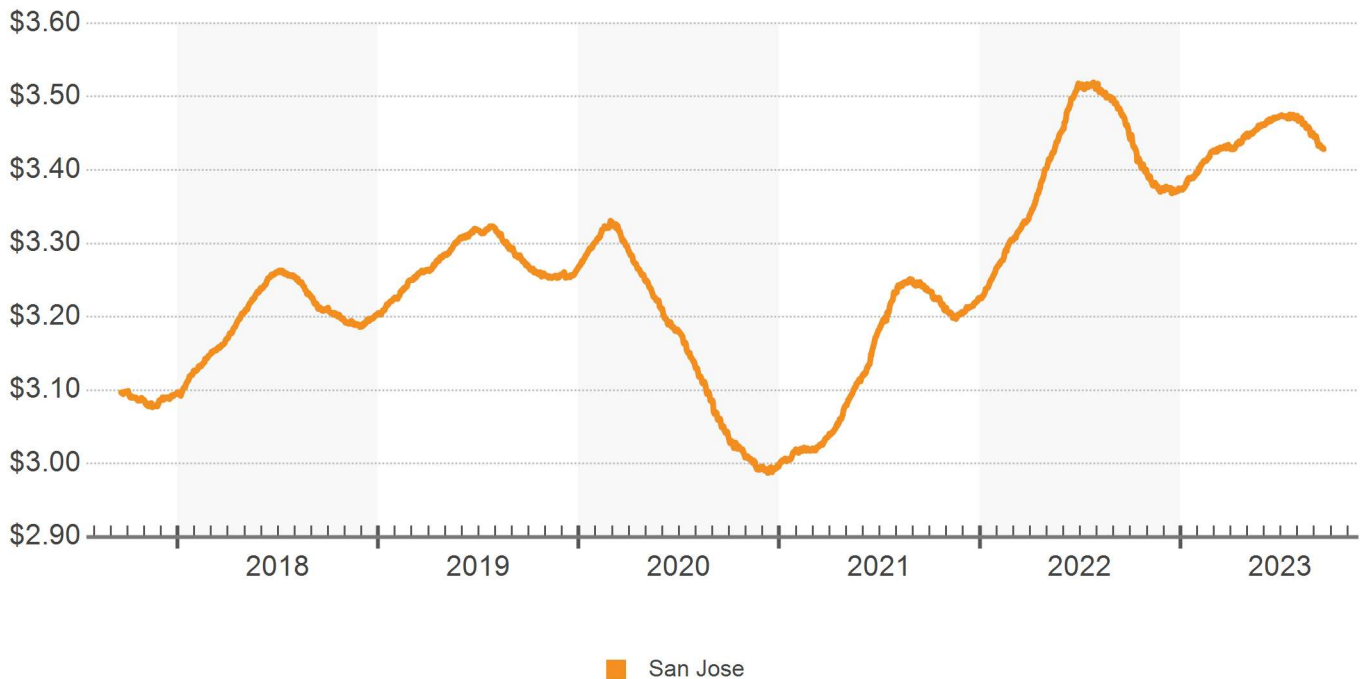
Rents are highest in the established residential

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

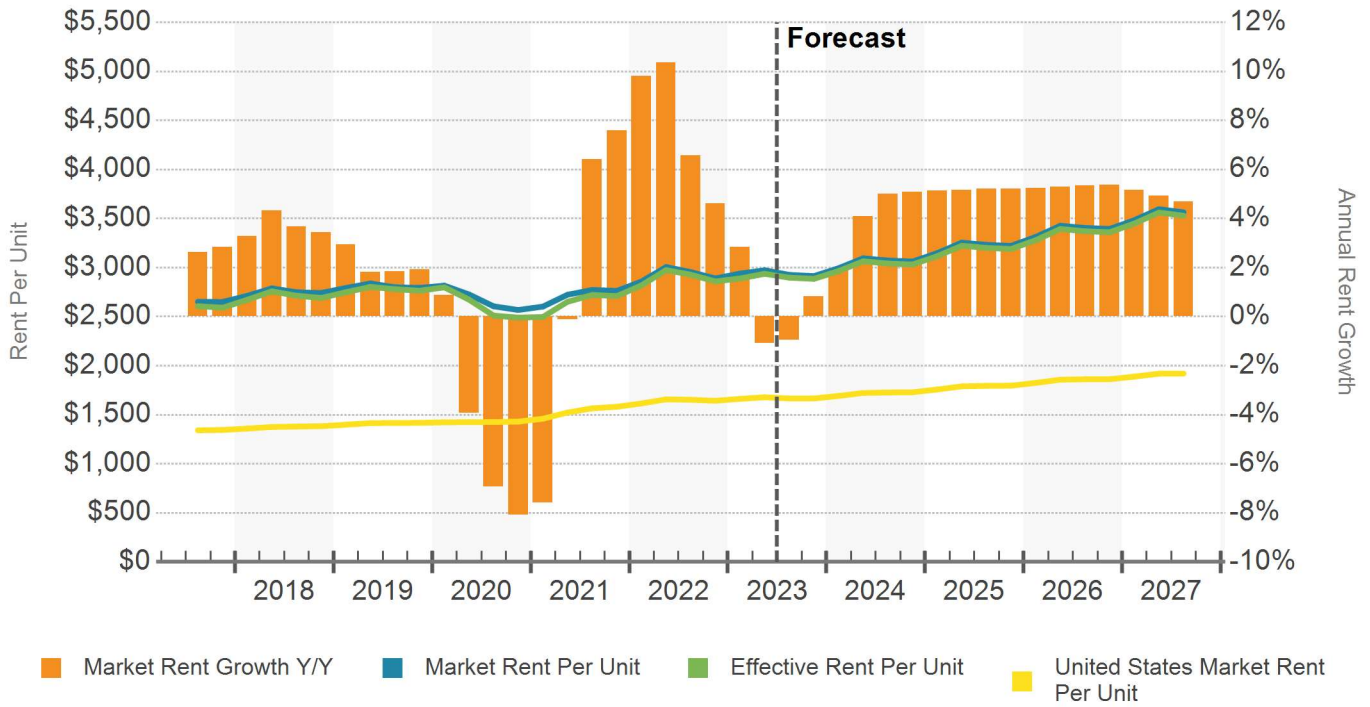
Across different quality segments of the market, rent growth has varied. Annual asking rent growth in 4 & 5 Star properties is now negative by -2.0%, compared to -0.1% in 3 Star properties and 1.4% in 1 & 2 Star properties.

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

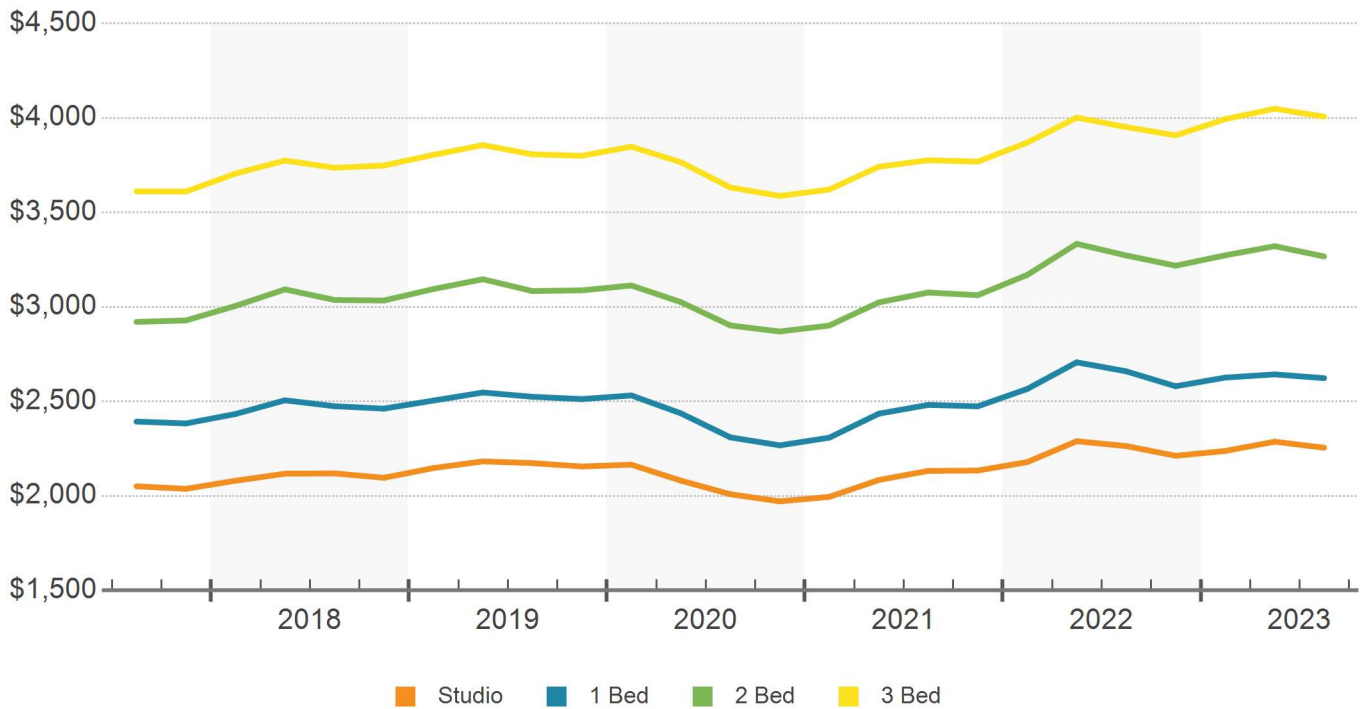
DAILY ASKING RENT PER SF



MARKET RENT PER UNIT & RENT GROWTH



MARKET RENT PER UNIT BY BEDROOM



4 & 5 STAR EXPENSES PER SF (ANNUAL)

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

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

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
San Jose	\$0.65	\$0.53	\$0.83	\$0.37	\$0.71	\$0.77	\$0.28	\$1.76	\$0.04	\$0.11	\$0.44	\$6.49
Campbell/Los Gatos	\$0.80	\$0.55	\$0.88	\$0.42	\$0.78	\$0.84	\$0.31	\$1.73	\$0.04	\$0.07	\$0.40	\$6.82
Cupertino	\$0.73	\$0.58	\$0.85	\$0.34	\$0.70	\$0.76	\$0.27	\$1.93	\$0.04	\$0.10	\$0.44	\$6.74
Downtown San Jose	\$0.42	\$0.50	\$0.73	\$0.29	\$0.61	\$0.65	\$0.23	\$1.08	\$0.04	\$0.16	\$0.48	\$5.19
East San Jose	\$0.41	\$0.50	\$0.85	\$0.29	\$0.61	\$0.64	\$0.21	\$1.04	\$0.03	\$0.14	\$0.47	\$5.19
Midtown San Jose	\$0.41	\$0.43	\$0.70	\$0.25	\$0.51	\$0.64	\$0.24	\$1.26	\$0.04	\$0.19	\$0.51	\$5.18
Milpitas/Berryessa	\$0.75	\$0.60	\$0.85	\$0.42	\$0.80	\$0.86	\$0.34	\$2.08	\$0.06	\$0.22	\$0.54	\$7.52
Morgan Hill/Gilroy	\$0.62	\$0.55	\$0.70	\$0.37	\$0.73	\$0.73	\$0.25	\$1.67	\$0.03	\$0.06	\$0.40	\$6.11
Mountain View/Los...	\$0.67	\$0.56	\$0.78	\$0.39	\$0.76	\$0.74	\$0.25	\$1.80	\$0.03	\$0.07	\$0.40	\$6.45
North San Jose	\$0.35	\$0.47	\$0.85	\$0.26	\$0.57	\$0.56	\$0.16	\$0.82	\$0.01	\$0.07	\$0.40	\$4.52
Palo Alto	\$0.70	\$0.56	\$0.83	\$0.40	\$0.78	\$0.74	\$0.25	\$1.86	\$0.03	\$0.07	\$0.40	\$6.62
San Benito County	\$0.41	\$0.53	\$0.35	\$0.30	\$0.60	\$0.71	\$0.24	\$1.19	\$0.03	\$0.06	\$0.38	\$4.80
Santa Clara	\$0.83	\$0.62	\$0.83	\$0.45	\$0.85	\$0.87	\$0.32	\$1.76	\$0.05	\$0.08	\$0.41	\$7.07
South San Jose	\$0.85	\$0.59	\$0.93	\$0.50	\$0.87	\$1.03	\$0.39	\$3.05	\$0.07	\$0.22	\$0.54	\$9.04
Sunnyvale	\$0.66	\$0.56	\$0.75	\$0.39	\$0.75	\$0.74	\$0.25	\$1.76	\$0.03	\$0.07	\$0.40	\$6.36
West Valley San Jose	\$0.67	\$0.49	\$0.82	\$0.35	\$0.67	\$0.76	\$0.27	\$1.55	\$0.04	\$0.07	\$0.40	\$6.09

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

1 & 2 STAR EXPENSES PER SF (ANNUAL)

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

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

As of the third quarter, about 7,800 units are under construction, representing 4.9% of the market's inventory. This is close to the all-time high level of construction activity, and compares to the 10-year average of 7,100 units actively under construction across the metro. However, this rate of development is by no means unsustainable, being generally consistent with the average rate across the nation.

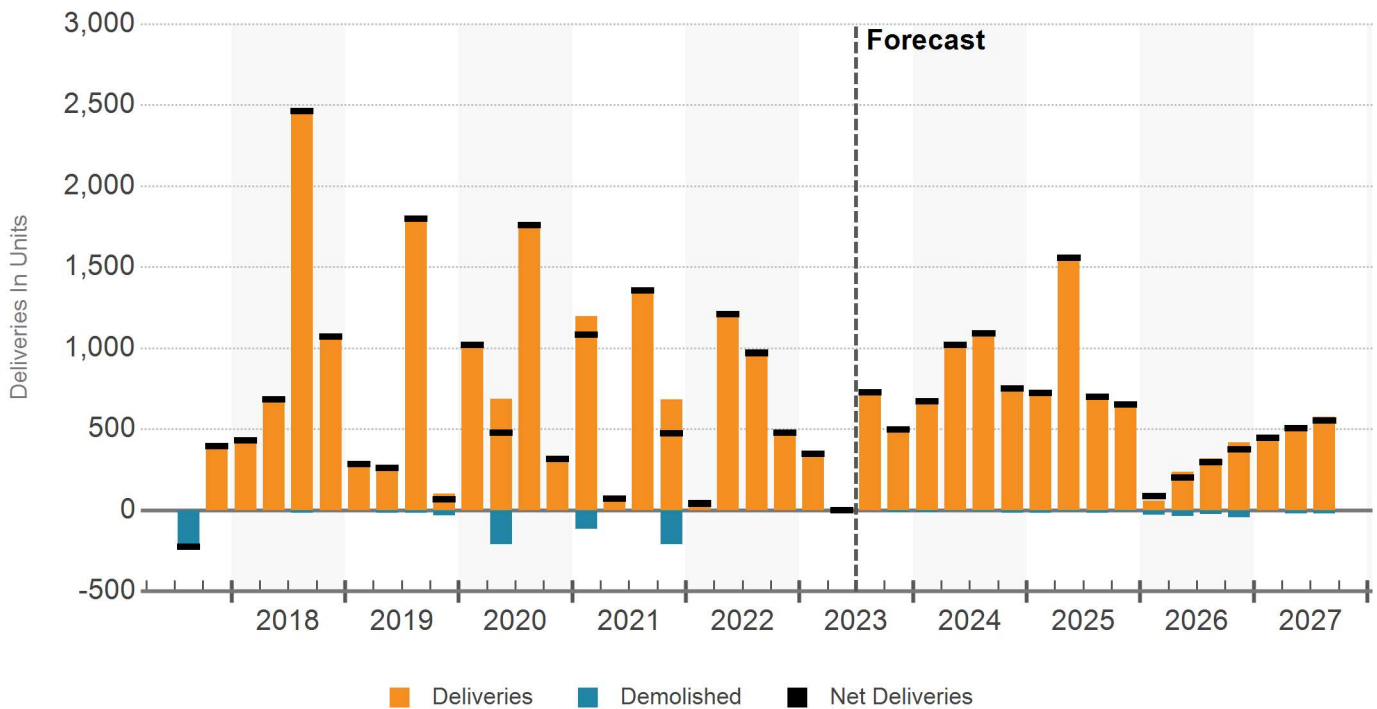
This uptick in activity is a continuation of the longer trend. Robust levels of new apartment construction have been easily absorbed over the past decade, with a net of roughly 33,000 market-rate apartments opening during this period, increasing inventory by 26.6%.

Submarkets experiencing the most development activity include Downtown San Jose, Santa Clara, Sunnyvale, and Mountain View. The vast majority of projects are located along the Caltrain route from the Peninsula into Downtown San Jose. Developers have continued to capitalize on the appeal of mixed-use transit-oriented projects, where easy commutes and complementary retail and restaurant uses deliver an attractive lifestyle for residents.

One of the larger recent deliveries is The Hadley, a 4 Star, 471-unit mid-rise property in Mountain View, which began delivering units in 22Q4 with an average asking rent of around \$5,000/month. Also in Mountain View, the 632-unit Landsby opened in mid-2022 and is currently about 55% leased, with asking rents averaging \$4,400/month. The Downtown San Jose Submarket has also been among the most targeted submarkets by developers. One of the most recent deliveries was Shea Properties' 518-unit Sixth & Jackson project, which opened during 22Q3 and is currently 65% leased.

Construction starts have slowed rapidly after a record 2022, during which developers broke ground on 7,300 units, the highest number in the past 20 years. Six projects with more than 500 units each went under construction in 2022. The largest is Gateway Crossings in Santa Clara, which broke ground during 22Q3 and consists of more than 1,500 units. The only sizeable project to break ground in the first half of 2023 is TMBR, a 272-unit cross-laminated timber building located adjacent to Diridon station in Downtown San Jose,

DELIVERIES & DEMOLITIONS



Under Construction Properties

San Jose Multi-Family

Properties

Units

Percent of Inventory

Avg. No. Units

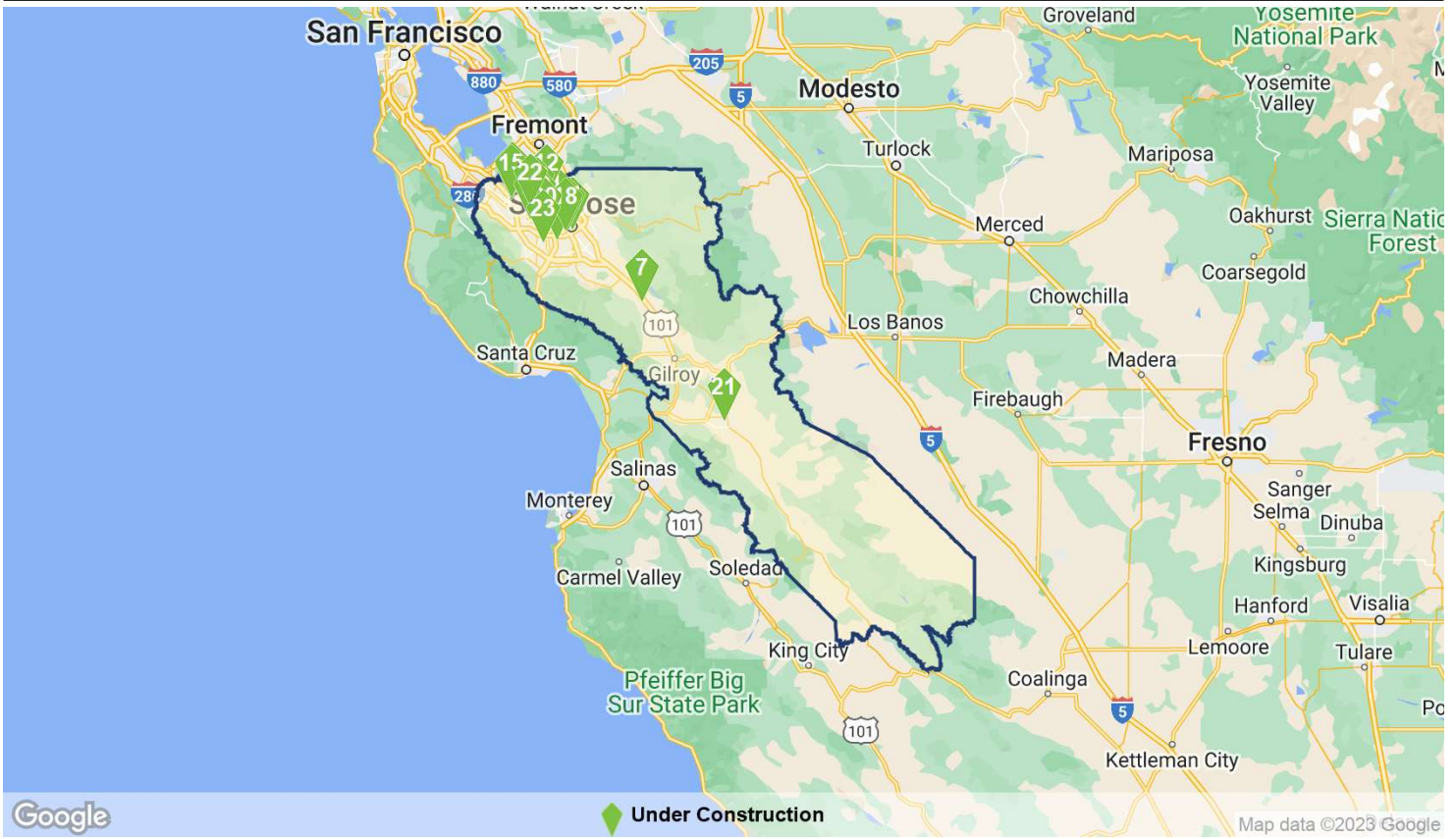
23

7,764

4.9%

338

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

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

Under Construction Properties

San Jose Multi-Family

UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 Tasman 2343 Calle Del Mundo	★ ★ ★ ★ ★	347	7	Dec 2022	May 2024	SummerHill Homes SummerHill Homes
9 Garden Gate Tower 600 S 1st St	★ ★ ★ ★ ★	336	23	Jun 2022	Jun 2024	Scape North America Salata 2005 Trust
10 1175 Aster Ave	★ ★ ★ ★ ★	329	5	Aug 2022	Jun 2025	Olympic Residential Group Hearthstone, Inc.
11 AVE Santa Clara 2240 Calle de Luna	★ ★ ★ ★ ★	311	2	Nov 2022	Mar 2024	Ensemble Real Estate Solutions Ensemble Investments, LLC
12 Parcel 19 5123 Calle Del Sol	★ ★ ★ ★ ★	310	7	Jul 2022	May 2024	Ensemble Real Estate Solutions Ensemble Investments, LLC
13 Cielo Apartments 3580 Rambla Pl	★ ★ ★ ★ ★	286	6	May 2022	May 2024	SummerHill Homes Nuevo Maintenance Association
14 Laguna Clara Phase II 3131 Homestead Rd	★ ★ ★ ★ ★	225	4	Nov 2022	May 2024	Equity Residential Equity Residential
15 The Residences @ Shor... 1001 N Shoreline Blvd	★ ★ ★ ★ ★	203	7	Nov 2022	Dec 2025	Sares-Regis Group Lighthouse Real Estate Investme...
16 Butcher's Corner 871 E Fremont Ave	★ ★ ★ ★ ★	130	8	Mar 2021	Dec 2025	- De Anza Properties
17 Delmas Avenue 341-365 Delmas Ave	★ ★ ★ ★ ★	120	5	Nov 2022	Nov 2023	- Zhen Zhen Li & David Luo
18 Mariposa Place 750 W San Carlos St	★ ★ ★ ★ ★	80	6	Aug 2022	Aug 2024	The Danco Group County of Santa Clara
19 The Deck 3402 El Camino Real	★ ★ ★ ★ ★	66	4	May 2022	May 2024	De Anza Properties De Anza Properties
20 The Meridian 3941 Stevens Creek Blvd	★ ★ ★ ★ ★	59	6	Aug 2022	Aug 2024	- The Meridian
21 1603-1605 Cushman St	★ ★ ★ ★ ★	44	3	Sep 2021	Apr 2024	- Albert Valles Jr
22 Future 18-Townhome Pr... 475 N Fair Oaks Ave	★ ★ ★ ★ ★	18	3	Jul 2021	Jan 2024	- Navneet Aron
23 4094 Hamilton Ave	★ ★ ★ ★ ★	17	3	Jan 2021	Jan 2024	Tectonic Builders Xiaodong Li

San Jose's investment market has slowed in recent quarters but still remains active, with annual sales volume hitting \$1.4 billion, one of the highest totals in the past 20 years. Deal activity peaked in 22Q3, when sales volume reached a 15-year high for the quarter, with around \$750 million of transactions closing.

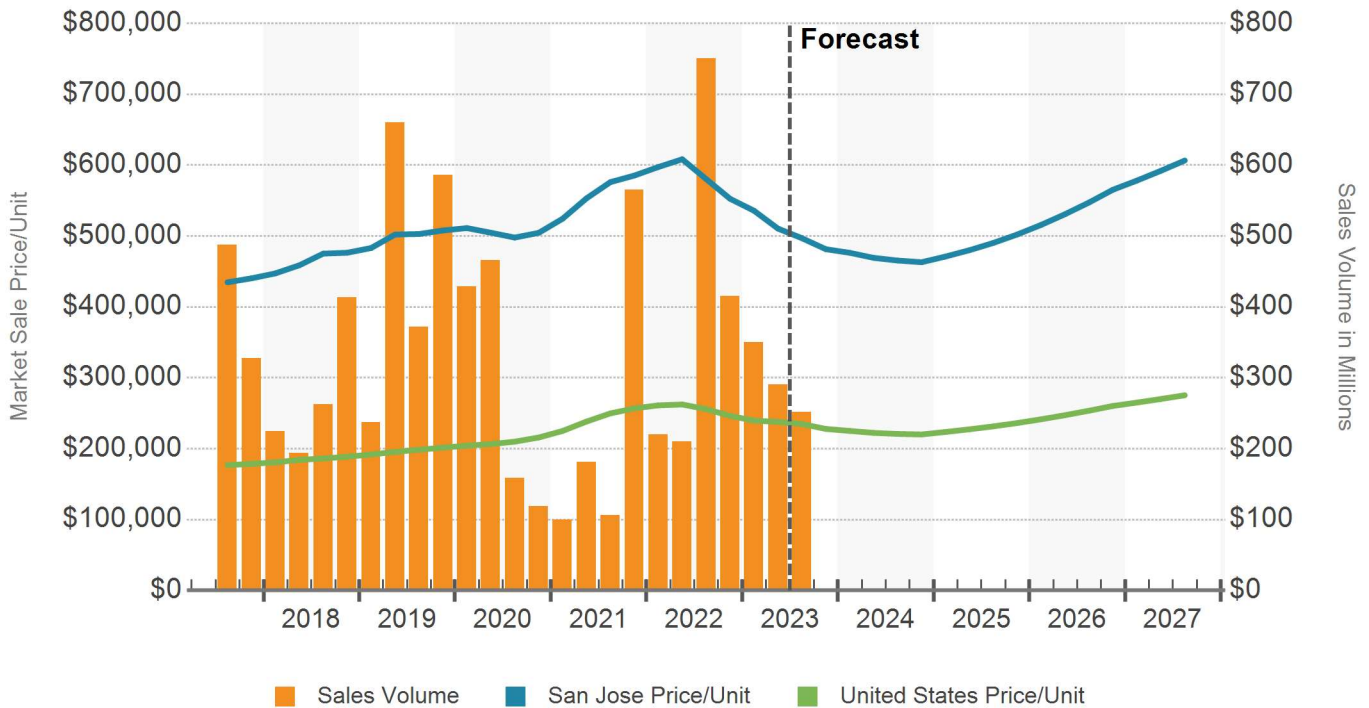
The market's average price of \$500,000/unit still ranks as the second-highest in the country among major metros, trailing only San Francisco.

Of the 86 sales that closed in the past year, 71 were for 1 & 2 Star properties, with a total 12-month sales

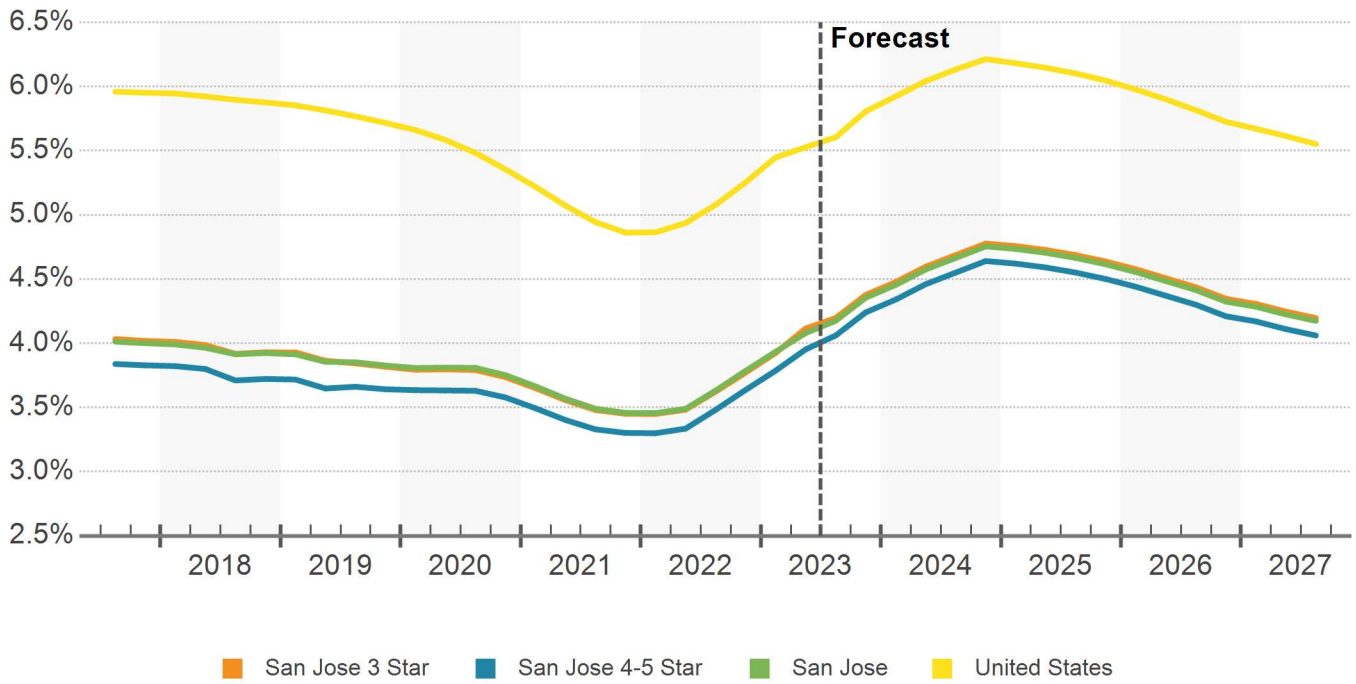
volume of \$567 million and an average transaction price of \$360,000/unit. Local individual investors looking for rent growth, and national developers looking for value-add plays, were active buyers in this category.

By contrast, just 4 properties accounted for the \$571 million sales volume for 4 & 5 Star properties. The most recent of these closed in July 2023, with the acquisition of Vespaio, a 162-unit community in downtown San Jose. Rockwood Capital picked up the property for \$83.5 million, or \$515,000/unit. Earlier, in March 2023, Griffis Residential acquired the 373-unit 501 Murphy Ranch Road for \$153 million, or \$412,000/unit.

SALES VOLUME & MARKET SALE PRICE PER UNIT



MARKET CAP RATE



Sales Past 12 Months

San Jose Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

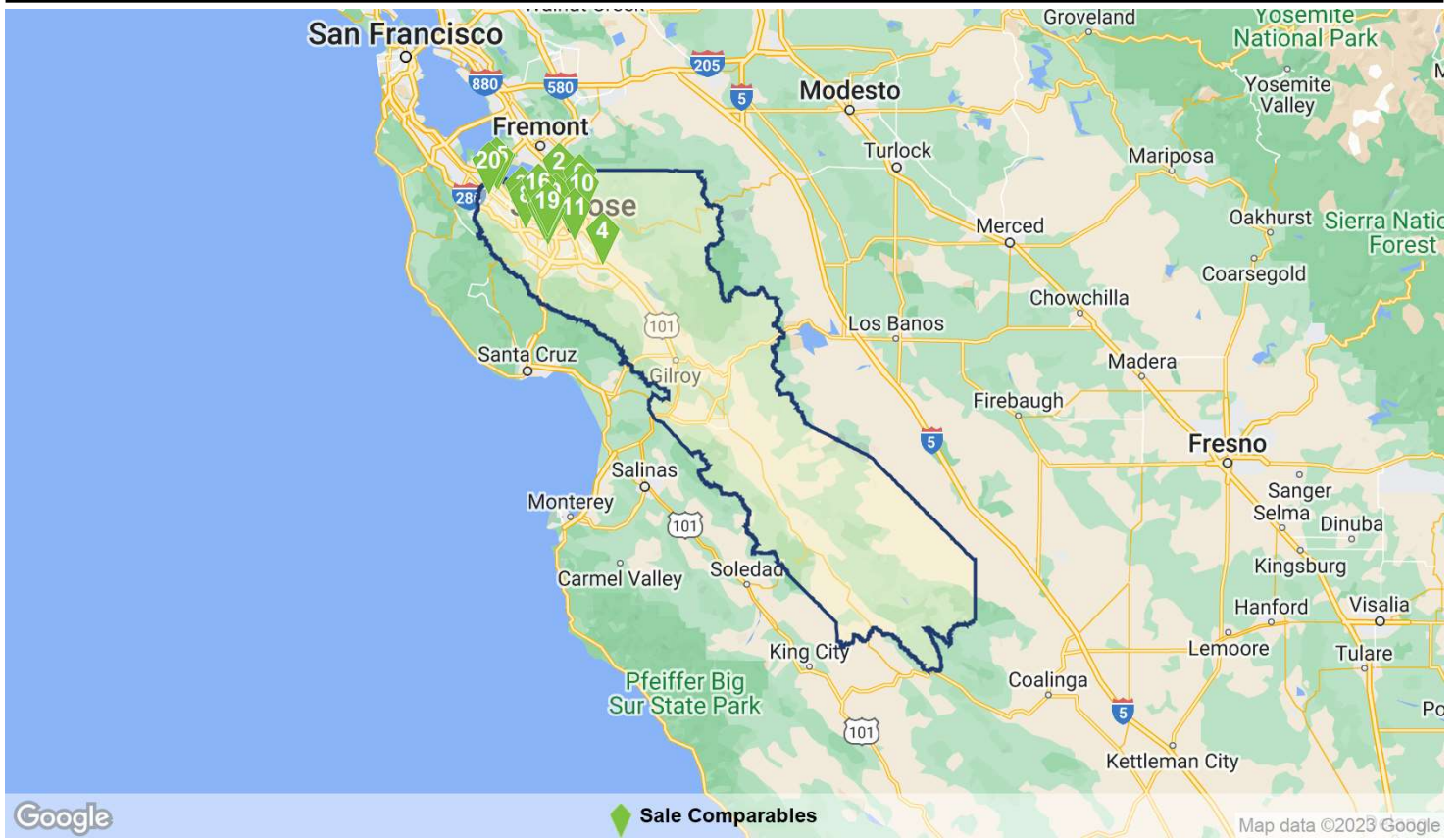
83

\$398

\$15.8

6.5%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$770,000	\$15,771,387	\$3,600,000	\$185,000,000
Price/Unit	\$85,555	\$398,243	\$341,666	\$1,300,000
Cap Rate	2.0%	4.5%	4.4%	10.1%
Vacancy Rate At Sale	0%	6.5%	0%	66.7%
Time Since Sale in Months	0.5	5.7	5.5	11.9
Property Attributes	Low	Average	Median	High
Property Size in Units	5	40	11	373
Number of Floors	1	2	2	21
Average Unit SF	411	831	773	2,860
Year Built	1898	1963	1962	2022
Star Rating	★★★★★	★★★★★ 2.2	★★★★★	★★★★★

Sales Past 12 Months

RECENT SIGNIFICANT SALES

Property Name/Address	Property Information				Sale Information				
	Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF	
1 Centerra 77 N Almaden Ave	★★★★★	2015	345	9.0%	10/26/2022	\$185,000,000	\$536,231	\$529	
2 Griffis South Bay 501 Murphy Ranch Rd	★★★★★	2012	373	4.0%	3/30/2023	\$153,500,000	\$411,528	\$398	
3 Cherryhill Apartments 902 W Remington Dr	★★★★★	1962	244	9.4%	1/19/2023	\$106,002,000	\$434,434	\$530	
4 Duo 6670 Emergent Way	★★★★★	2020	301	5.7%	8/16/2023	\$93,500,000	\$310,631	\$312	
5 Vespaio 130 Stockton Ave	★★★★★	2020	162	19.1%	7/5/2023	\$83,500,000	\$515,432	\$295	
6 ReNew Berryessa 1265 N Capitol	★★★★★	1973	220	6.4%	10/11/2022	\$74,150,000	\$337,045	\$485	
7 Montecito 3760-3765 Tamarack Ln	★★★★★	1970	114	4.4%	10/25/2022	\$50,700,000	\$444,736	\$354	
8 The Villages at Cupertino Apa... 20875 Valley Green Dr	★★★★★	1964	110	4.5%	6/15/2023	\$50,100,000	\$455,454	\$131	
9 Normandy Park Apartments 48 Washington St	★★★★★	1966	140	9.3%	5/23/2023	\$49,500,000	\$353,571	\$387	
10 ReNew Twenty50 2050 McKee Rd	★★★★★	1972	149	3.4%	10/11/2022	\$46,200,000	\$310,067	\$330	
11 Scotia Apartments 1785 Almaden Rd	★★★★★	2020	55	7.3%	3/7/2023	\$31,250,000	\$568,181	\$546	
12 Vista Pointe Apartments 3455 Homestead Rd	★★★★★	1969	68	4.4%	5/24/2023	\$26,100,000	\$383,823	\$394	
13 Campbell West 831 Gale Dr	★★★★★	1971	72	6.9%	6/1/2023	\$24,600,000	\$341,666	\$295	
14 Wellsbury Apartment Homes 3085 Middlefield Rd	★★★★★	1961	30	0%	4/7/2023	\$20,000,000	\$666,666	\$774	
15 Midtown Court Apartments 2721 Midtown Ct	★★★★★	1963	47	6.5%	3/3/2023	\$20,000,000	\$425,531	\$453	
16 Cedartree Square 2420 Pacific Dr	★★★★★	1969	50	2.0%	6/1/2023	\$18,456,000	\$369,120	\$417	
17 Rancho Palms Apartments 1175 Rancho Way	★★★★★	1969	61	8.2%	4/25/2023	\$15,380,000	\$252,131	\$339	
18 Boynton Gardens 975 Boynton Ave	★★★★★	1974	48	0%	8/28/2023	\$14,444,000	\$300,916	\$423	
19 ReNew 4NinetyEight 498 Boynton Ave	★★★★★	1973	46	4.4%	10/11/2022	\$14,400,000	\$313,043	\$458	
20 1341 Stanford Ave	★★★★★	1939	13	0%	6/8/2023	\$13,500,000	\$1,038,461	\$2,080	

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

This is a change from the past few years, during which time tech companies recorded strong earnings growth, and employment recovered from losses incurred during the pandemic. Growth in demand for tech products and services led tech companies to hire rapidly during 2020 and 2021. By the middle of 2022, however, with demand softening, and under pressure to manage costs, employers started to initiate hiring freezes, staff layoffs, and office space reductions. Similarly, softening demand is leading retail and industrial tenants to reconsider expansion plans.

Many people left the Bay Area during the pandemic, as their lives and work were impacted by lockdowns and health concerns. In 2023, the metro's population is once again growing but remains -49,000 short of the total population of three years ago.

The rate of unemployment declined to a historical low of just 2.5% in the past year, reflecting high demand for workers. More recently, tech layoffs across Silicon Valley have caused unemployment to rise again, and this should provide some much-needed liquidity to the metro's job market.

San Jose and, more broadly, the Bay Area, has firmly established itself as the nation's largest and most prestigious market for tech companies. Highly educated,

STEM-field graduates (science, technology, engineering, and mathematics) flock to San Jose and the greater San Francisco Bay Area in pursuit of employment at one of the many leading tech companies or startups headquartered in Silicon Valley. As a result, the market boasts one of the highest rates of educational attainment in the country, with over 50% of its working-age population possessing a college degree, more than 1.5 times the national rate.

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

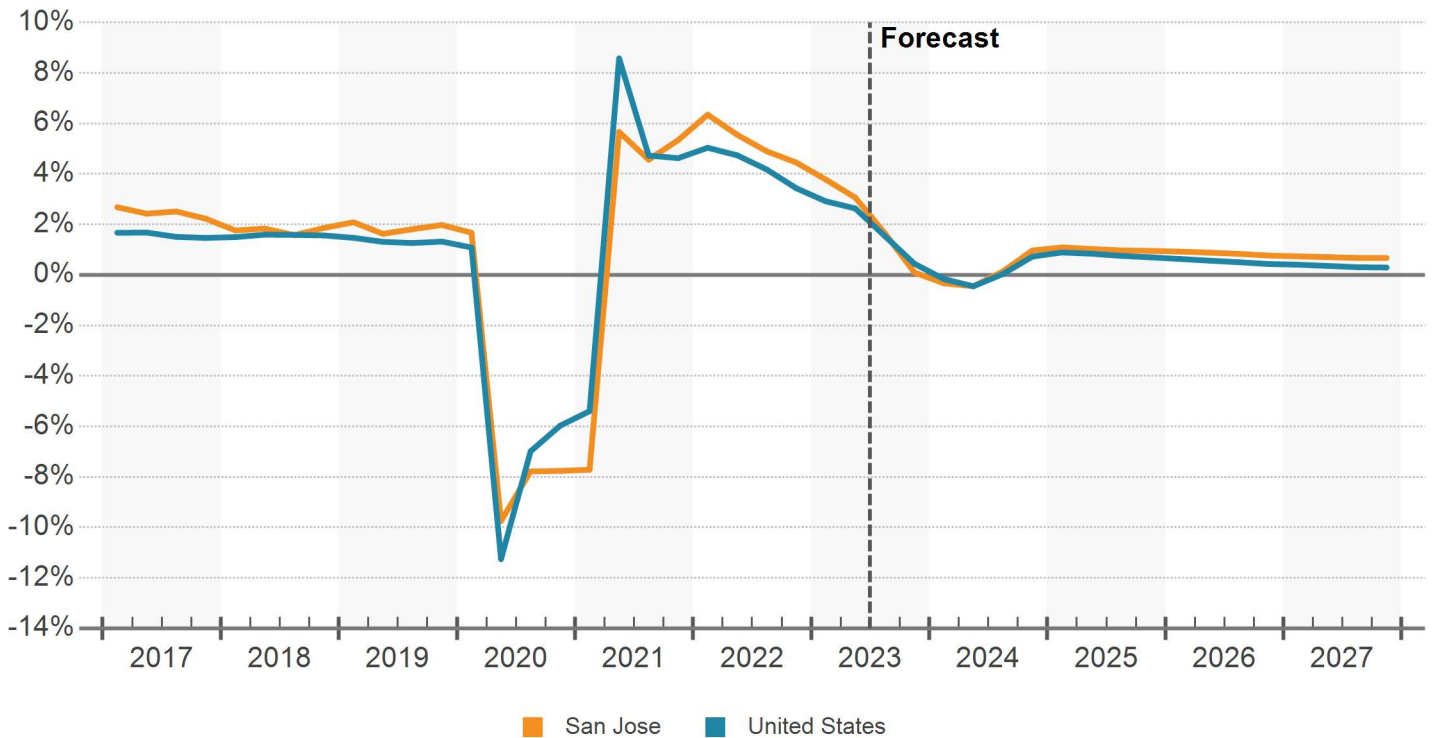
Several factors led to San Jose's prominence in technology. The market is home to one of the nation's premier educational institutions, Stanford University, as well as San Jose State and several other large universities. In conjunction with the culture of innovation that Stanford and Silicon Valley foster,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

SAN JOSE EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	182	1.9	0.34%	0.47%	1.40%	0.75%	0.06%	0.06%
Trade, Transportation and Utilities	123	0.6	1.15%	0.39%	-0.76%	1.14%	-0.16%	0.10%
Retail Trade	74	0.6	0.63%	0.24%	-1.18%	0.30%	-0.06%	0.09%
Financial Activities	38	0.5	1.01%	0.55%	1.23%	1.44%	0.06%	0.12%
Government	96	0.6	0.24%	1.46%	0.72%	0.32%	0.39%	0.42%
Natural Resources, Mining and Construction	56	0.9	4.09%	1.87%	3.90%	2.40%	0.83%	0.22%
Education and Health Services	194	1.0	3.19%	2.95%	2.92%	1.78%	1.21%	0.68%
Professional and Business Services	257	1.5	1.29%	1.34%	2.61%	2.09%	0.50%	0.36%
Information	105	4.5	-0.12%	-1.29%	6.25%	1.25%	1.49%	0.28%
Leisure and Hospitality	105	0.8	6.59%	4.41%	1.82%	1.52%	1.55%	0.89%
Other Services	26	0.6	0.68%	1.99%	0.00%	0.62%	0.18%	0.28%
Total Employment	1,183	1.0	1.78%	1.64%	2.02%	1.32%	0.65%	0.38%

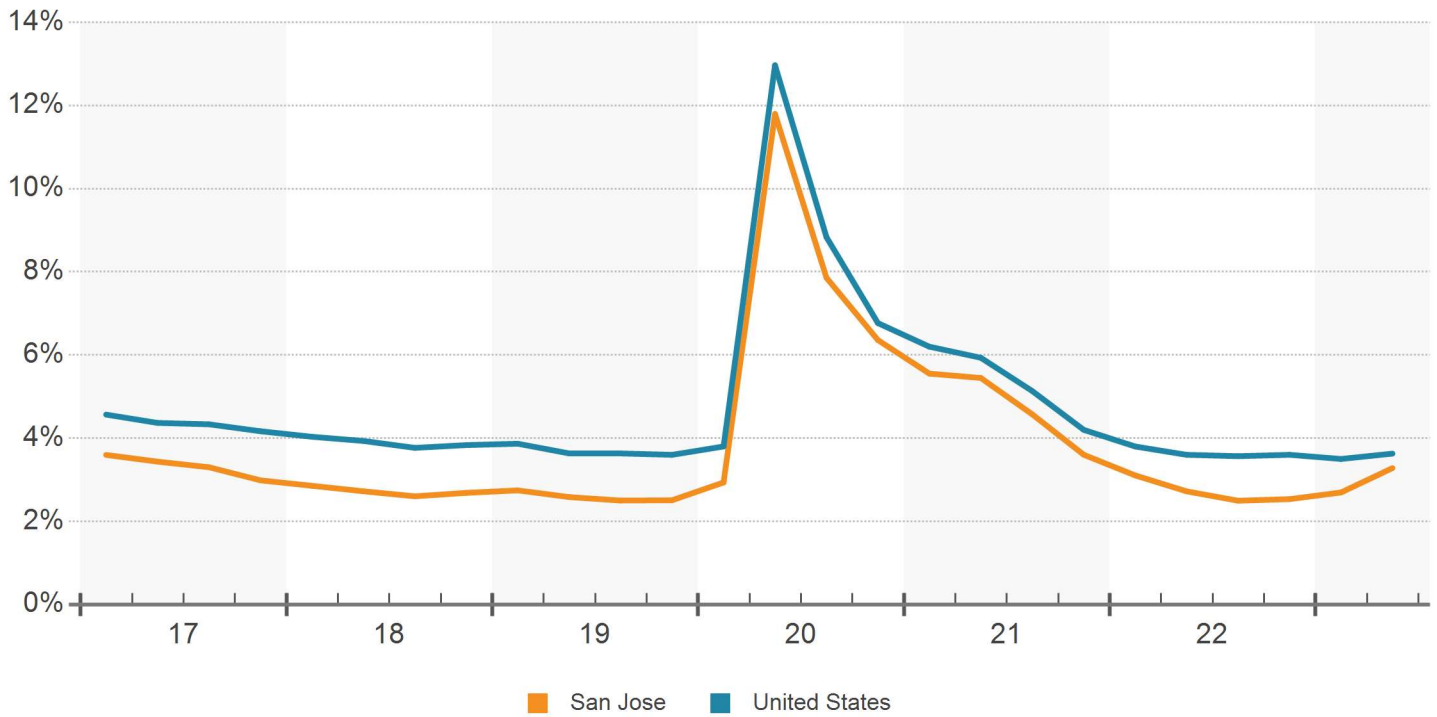
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

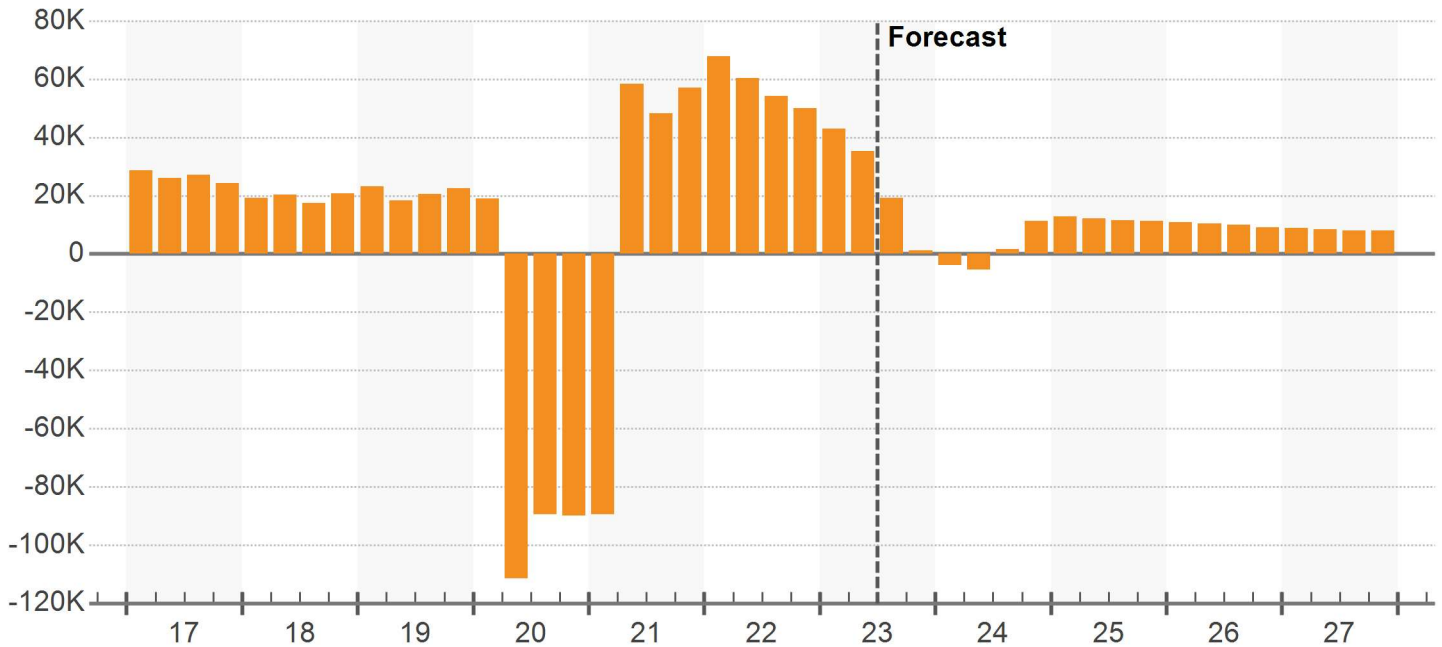


Source: Oxford Economics

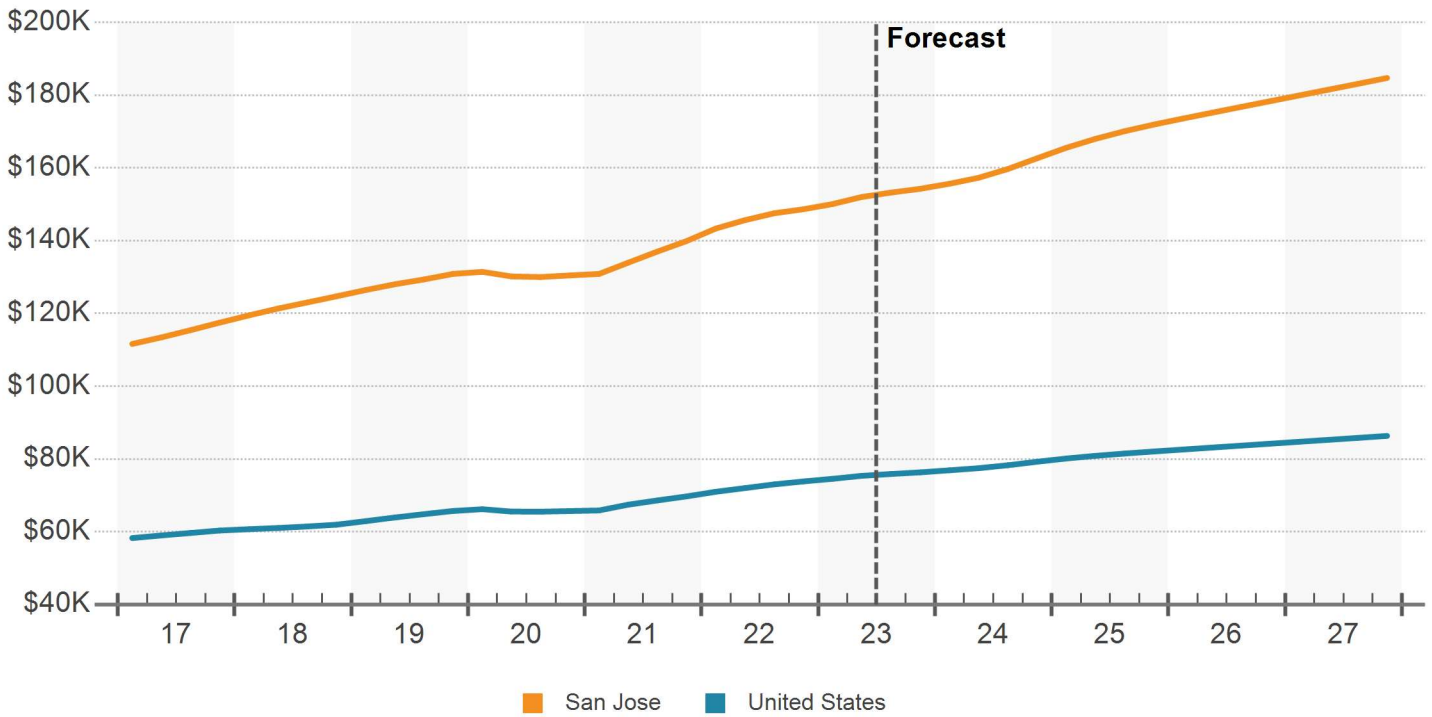
UNEMPLOYMENT RATE (%)



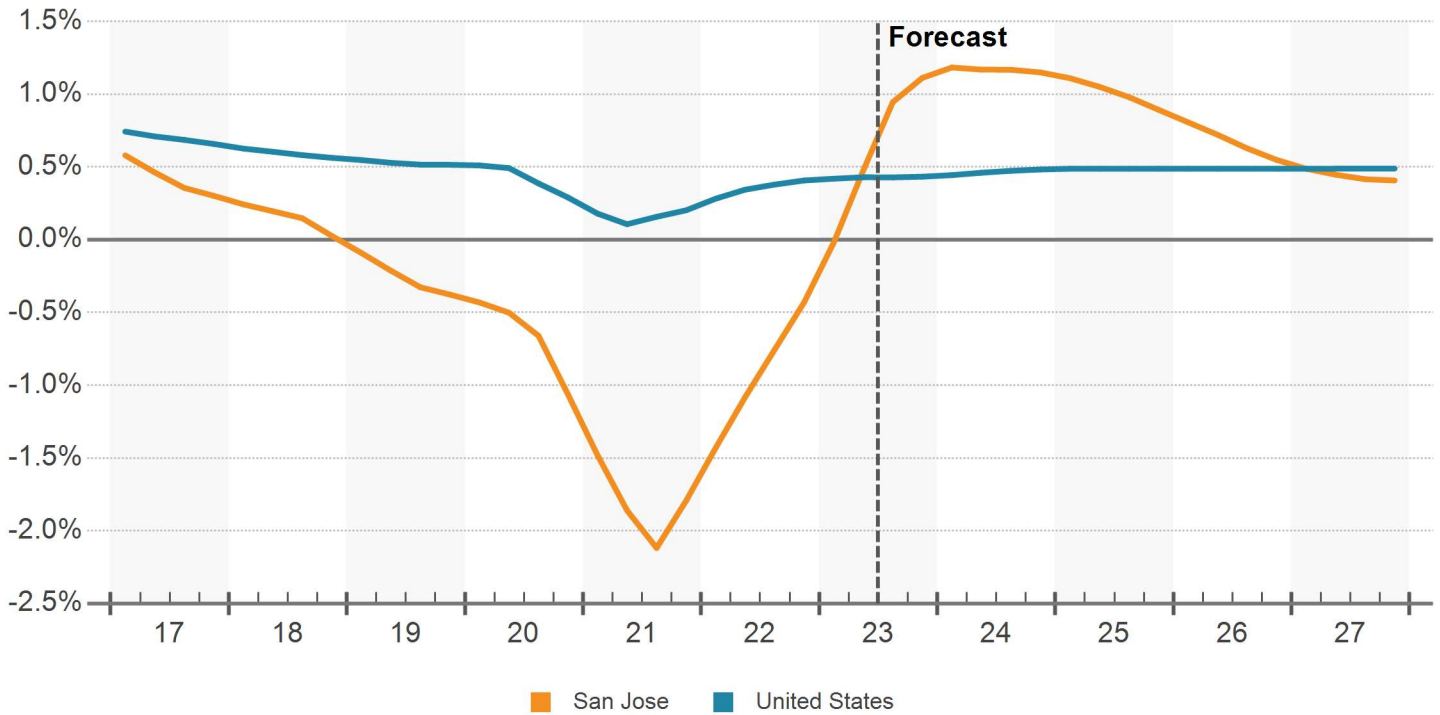
NET EMPLOYMENT CHANGE (YOY)



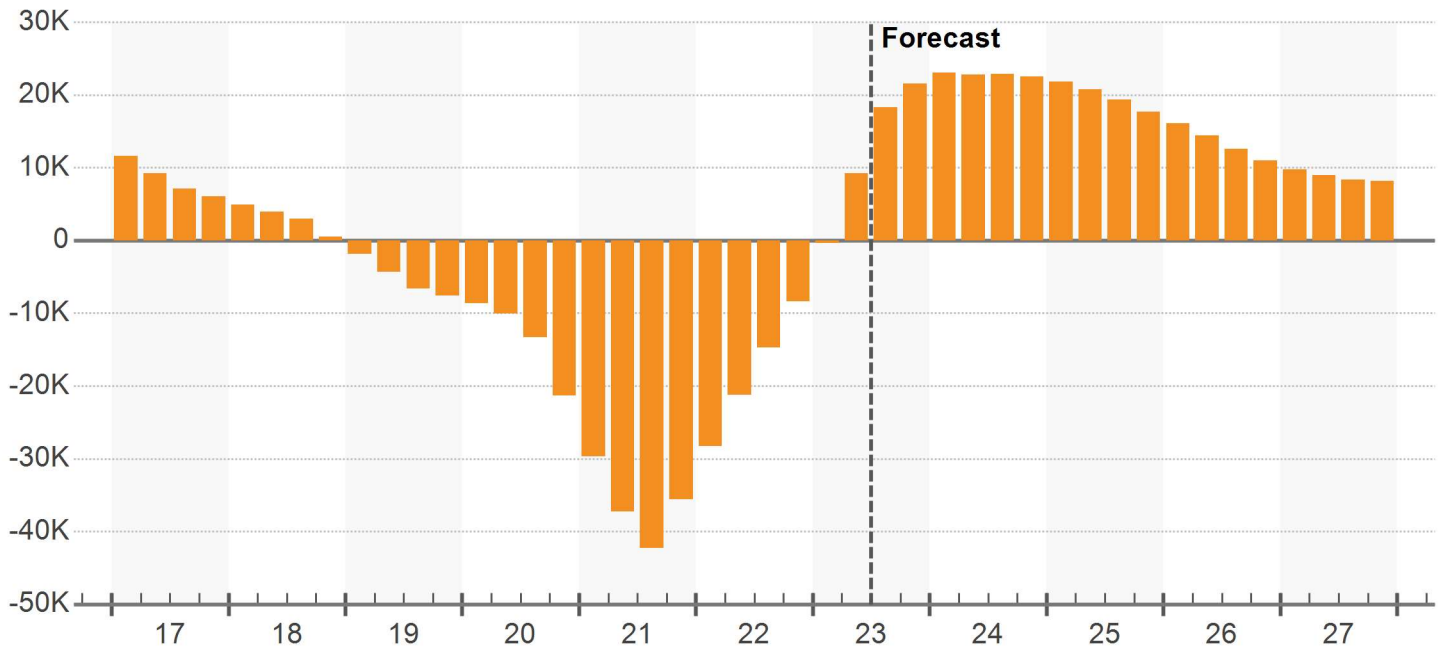
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

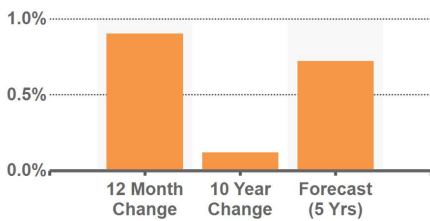


DEMOGRAPHIC TRENDS

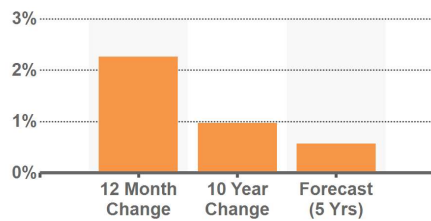
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,956,419	334,695,844	0.9%	0.4%	0.1%	0.6%	0.7%	0.5%
Households	679,541	129,975,961	1.1%	0.6%	0.5%	0.9%	0.8%	0.6%
Median Household Income	\$153,095	\$75,823	3.9%	4.0%	5.3%	3.8%	4.4%	3.0%
Labor Force	1,098,158	165,913,797	2.3%	0.9%	1.0%	0.6%	0.6%	0.4%
Unemployment	3.3%	3.6%	0.8%	0.1%	-0.3%	-0.4%	-	-

Source: Oxford Economics

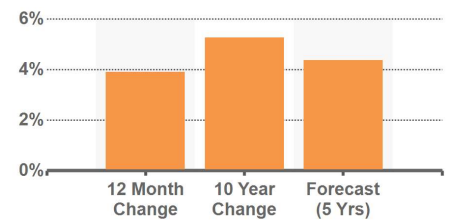
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Submarkets

SAN JOSE SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Units	% Market	Rank	Bldgs	Units	Percent	Rank	Bldgs	Units	Percent	Rank
1	Campbell/Los Gatos	241	7,053	4.5%	10	1	5	0.1%	8	0	0	0%	-
2	Cupertino	64	5,510	3.5%	11	0	0	0%	-	0	0	0%	-
3	Downtown San Jose	580	12,618	8.0%	6	1	71	0.6%	5	2	456	3.6%	5
4	East San Jose	113	4,365	2.8%	12	1	10	0.2%	7	0	0	0%	-
5	Midtown San Jose	326	7,682	4.9%	8	0	0	0%	-	2	670	8.7%	4
6	Milpitas/Berryessa	66	8,198	5.2%	7	1	24	0.3%	6	0	0	0%	-
7	Morgan Hill/Gilroy	157	2,999	1.9%	14	0	0	0%	-	1	389	13.0%	6
8	Mountain View/Los Altos	456	14,820	9.4%	4	1	226	1.5%	3	3	1,554	10.5%	2
9	North San Jose	32	12,800	8.2%	5	0	0	0%	-	0	0	0%	-
10	Palo Alto	237	4,059	2.6%	13	1	3	0.1%	9	0	0	0%	-
11	San Benito County	50	784	0.5%	15	1	120	15.3%	4	1	44	5.6%	7
12	Santa Clara	499	21,491	13.7%	2	2	727	3.4%	1	8	3,392	15.8%	1
13	South San Jose	264	17,409	11.1%	3	0	0	0%	-	0	0	0%	-
14	Sunnyvale	587	29,511	18.8%	1	1	471	1.6%	2	5	1,242	4.2%	3
15	West Valley San Jose	267	7,566	4.8%	9	0	0	0%	-	1	17	0.2%	8

SUBMARKET RENT

No.	Market	Asking Rents				Effective Rents					
		Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Campbell/Los Gatos	\$2,736	\$3.32	9	1.9%	\$2,711	\$3.29	9	1.5%	0.9%	6
2	Cupertino	\$3,370	\$3.58	3	-2.1%	\$3,334	\$3.54	3	-2.2%	1.1%	5
3	Downtown San Jose	\$2,683	\$3.33	8	0%	\$2,660	\$3.30	8	1.1%	0.8%	7
4	East San Jose	\$2,365	\$2.98	13	1.1%	\$2,335	\$2.94	13	0.5%	1.2%	3
5	Midtown San Jose	\$2,591	\$3.10	12	-1.4%	\$2,570	\$3.08	12	-1.1%	0.8%	8
6	Milpitas/Berryessa	\$3,001	\$3.40	6	0.4%	\$2,928	\$3.32	7	-0.1%	2.4%	1
7	Morgan Hill/Gilroy	\$2,506	\$2.88	14	5.5%	\$2,479	\$2.84	14	4.9%	1.1%	4
8	Mountain View/Los Altos	\$3,255	\$4.11	1	-0.5%	\$3,190	\$4.03	2	-0.3%	2.0%	2
9	North San Jose	\$3,137	\$3.39	7	-1.6%	\$3,123	\$3.38	6	-1.7%	0.4%	15
10	Palo Alto	\$3,197	\$4.09	2	0.8%	\$3,179	\$4.06	1	0.9%	0.6%	11
11	San Benito County	\$2,233	\$2.26	15	1.6%	\$2,218	\$2.25	15	1.3%	0.7%	9
12	Santa Clara	\$3,094	\$3.44	5	-1.8%	\$3,077	\$3.42	5	-1.9%	0.5%	12
13	South San Jose	\$2,786	\$3.14	11	0.3%	\$2,772	\$3.12	11	0.3%	0.5%	13
14	Sunnyvale	\$3,018	\$3.56	4	-1.7%	\$2,998	\$3.54	4	-1.7%	0.7%	10
15	West Valley San Jose	\$2,342	\$3.14	10	-1.5%	\$2,330	\$3.13	10	-1.4%	0.5%	14

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Campbell/Los Gatos	253	3.6%	5	(15)	-0.2%	15	-
2	Cupertino	214	3.9%	7	44	0.8%	7	-
3	Downtown San Jose	1,105	8.8%	15	402	3.2%	4	-
4	East San Jose	229	5.3%	13	0	0%	13	-
5	Midtown San Jose	356	4.6%	10	10	0.1%	10	-
6	Milpitas/Berryessa	419	5.1%	12	222	2.7%	5	-
7	Morgan Hill/Gilroy	95	3.2%	3	3	0.1%	12	-
8	Mountain View/Los Altos	982	6.6%	14	496	3.3%	2	0.5
9	North San Jose	388	3.0%	2	13	0.1%	8	-
10	Palo Alto	177	4.4%	9	10	0.2%	11	-
11	San Benito County	22	2.8%	1	118	15.1%	6	1.0
12	Santa Clara	1,031	4.8%	11	462	2.2%	3	1.6
13	South San Jose	667	3.8%	6	(9)	-0.1%	14	-
14	Sunnyvale	1,241	4.2%	8	607	2.1%	1	0.8
15	West Valley San Jose	265	3.5%	4	13	0.2%	9	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	167,580	2,100	1.3%	2,066	1.2%	1.0
2026	165,480	957	0.6%	1,543	0.9%	0.6
2025	164,523	3,633	2.3%	2,892	1.8%	1.3
2024	160,890	3,528	2.2%	2,962	1.8%	1.2
2023	157,362	1,570	1.0%	2,858	1.8%	0.5
YTD	156,865	1,073	0.7%	2,370	1.5%	0.5
2022	155,792	2,696	1.8%	3,029	1.9%	0.9
2021	153,096	2,986	2.0%	8,575	5.6%	0.3
2020	150,110	3,570	2.4%	(2,282)	-1.5%	-
2019	146,540	2,414	1.7%	2,247	1.5%	1.1
2018	144,126	4,670	3.3%	3,521	2.4%	1.3
2017	139,456	1,480	1.1%	2,350	1.7%	0.6
2016	137,976	3,761	2.8%	2,426	1.8%	1.6
2015	134,215	4,458	3.4%	4,058	3.0%	1.1
2014	129,757	5,411	4.4%	4,712	3.6%	1.1
2013	124,346	1,736	1.4%	2,072	1.7%	0.8
2012	122,610	3,579	3.0%	2,580	2.1%	1.4
2011	119,031	278	0.2%	228	0.2%	1.2

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	67,429	2,169	3.3%	1,926	2.9%	1.1
2026	65,260	1,029	1.6%	1,410	2.2%	0.7
2025	64,231	2,619	4.3%	2,412	3.8%	1.1
2024	61,612	2,879	4.9%	2,082	3.4%	1.4
2023	58,733	1,073	1.9%	2,771	4.7%	0.4
YTD	58,733	1,073	1.9%	2,235	3.8%	0.5
2022	57,660	2,641	4.8%	2,515	4.4%	1.1
2021	55,019	3,190	6.2%	5,387	9.8%	0.6
2020	51,829	3,553	7.4%	1,206	2.3%	2.9
2019	48,276	2,458	5.4%	2,241	4.6%	1.1
2018	45,818	4,575	11.1%	3,311	7.2%	1.4
2017	41,243	1,685	4.3%	2,171	5.3%	0.8
2016	39,558	3,517	9.8%	3,356	8.5%	1.0
2015	36,041	4,463	14.1%	4,203	11.7%	1.1
2014	31,578	5,517	21.2%	4,579	14.5%	1.2
2013	26,061	1,690	6.9%	2,037	7.8%	0.8
2012	24,371	3,610	17.4%	2,458	10.1%	1.5
2011	20,761	284	1.4%	335	1.6%	0.8

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	43,164	0	0%	147	0.3%	0
2026	43,164	0	0%	327	0.8%	0
2025	43,164	1,071	2.5%	653	1.5%	1.6
2024	42,093	693	1.7%	881	2.1%	0.8
2023	41,400	509	1.2%	119	0.3%	4.3
YTD	40,891	0	0%	70	0.2%	0
2022	40,891	55	0.1%	175	0.4%	0.3
2021	40,836	(220)	-0.5%	1,597	3.9%	-
2020	41,056	227	0.6%	(1,557)	-3.8%	-
2019	40,829	24	0.1%	32	0.1%	0.8
2018	40,805	112	0.3%	260	0.6%	0.4
2017	40,693	(192)	-0.5%	186	0.5%	-
2016	40,885	244	0.6%	(559)	-1.4%	-
2015	40,641	0	0%	(56)	-0.1%	0
2014	40,641	(32)	-0.1%	146	0.4%	-
2013	40,673	93	0.2%	(48)	-0.1%	-
2012	40,580	42	0.1%	194	0.5%	0.2
2011	40,538	20	0%	(69)	-0.2%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	56,987	(69)	-0.1%	(7)	0%	9.9
2026	57,056	(72)	-0.1%	(194)	-0.3%	0.4
2025	57,128	(57)	-0.1%	(173)	-0.3%	0.3
2024	57,185	(44)	-0.1%	(1)	0%	44.0
2023	57,229	(12)	0%	(32)	-0.1%	0.4
YTD	57,241	0	0%	65	0.1%	0
2022	57,241	0	0%	339	0.6%	0
2021	57,241	16	0%	1,591	2.8%	0
2020	57,225	(210)	-0.4%	(1,931)	-3.4%	0.1
2019	57,435	(68)	-0.1%	(26)	0%	2.6
2018	57,503	(17)	0%	(50)	-0.1%	0.3
2017	57,520	(13)	0%	(7)	0%	1.9
2016	57,533	0	0%	(371)	-0.6%	0
2015	57,533	(5)	0%	(89)	-0.2%	0.1
2014	57,538	(74)	-0.1%	(13)	0%	5.7
2013	57,612	(47)	-0.1%	83	0.1%	-
2012	57,659	(73)	-0.1%	(72)	-0.1%	1.0
2011	57,732	(26)	0%	(38)	-0.1%	0.7

OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2027	8,209	4.9%	0	\$3,544	\$4.15	4.4%	(0.9)	\$3,510	\$4.11
2026	8,174	4.9%	(0.4)	\$3,394	\$3.97	5.4%	0.1	\$3,361	\$3.93
2025	8,761	5.3%	0.3	\$3,221	\$3.77	5.2%	0.1	\$3,190	\$3.73
2024	8,020	5.0%	0.2	\$3,062	\$3.58	5.1%	4.2	\$3,032	\$3.55
2023	7,455	4.7%	(0.9)	\$2,914	\$3.41	0.8%	(3.8)	\$2,885	\$3.38
YTD	7,446	4.7%	(0.9)	\$2,937	\$3.43	-0.8%	(5.4)	\$2,911	\$3.40
2022	8,742	5.6%	(0.3)	\$2,890	\$3.37	4.6%	(3.0)	\$2,859	\$3.34
2021	9,073	5.9%	(3.8)	\$2,763	\$3.22	7.6%	15.7	\$2,710	\$3.16
2020	14,641	9.8%	3.7	\$2,568	\$2.99	-8.1%	(10.0)	\$2,490	\$2.90
2019	8,799	6.0%	0	\$2,794	\$3.26	1.9%	(1.5)	\$2,764	\$3.23
2018	8,629	6.0%	0.6	\$2,741	\$3.20	3.4%	0.6	\$2,690	\$3.14
2017	7,470	5.4%	(0.7)	\$2,650	\$3.09	2.8%	2.4	\$2,591	\$3.02
2016	8,346	6.0%	0.8	\$2,577	\$3.01	0.4%	(6.1)	\$2,512	\$2.93
2015	7,019	5.2%	0.1	\$2,566	\$3	6.5%	0.9	\$2,531	\$2.96
2014	6,614	5.1%	0.3	\$2,408	\$2.81	5.6%	(0.4)	\$2,378	\$2.78
2013	5,916	4.8%	(0.3)	\$2,281	\$2.67	5.9%	0.9	\$2,253	\$2.63
2012	6,256	5.1%	0.7	\$2,153	\$2.51	5.0%	1.1	\$2,134	\$2.49
2011	5,257	4.4%	0	\$2,050	\$2.39	4.0%	-	\$2,039	\$2.38

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	3,809	5.6%	0.2	\$4,042	\$4.36	4.3%	(1.0)	\$3,992	\$4.30
2026	3,565	5.5%	(0.7)	\$3,874	\$4.17	5.3%	0.1	\$3,826	\$4.12
2025	3,947	6.1%	0.1	\$3,679	\$3.96	5.2%	0.1	\$3,633	\$3.92
2024	3,740	6.1%	1.1	\$3,498	\$3.77	5.1%	4.9	\$3,455	\$3.72
2023	2,944	5.0%	(3.0)	\$3,329	\$3.59	0.2%	(3.7)	\$3,288	\$3.54
YTD	3,481	5.9%	(2.1)	\$3,369	\$3.62	-2.0%	(5.9)	\$3,331	\$3.58
2022	4,643	8.1%	(0.2)	\$3,324	\$3.57	3.8%	(5.5)	\$3,272	\$3.51
2021	4,516	8.2%	(4.7)	\$3,202	\$3.44	9.3%	18.0	\$3,115	\$3.35
2020	6,712	12.9%	3.9	\$2,928	\$3.14	-8.7%	(10.8)	\$2,799	\$3
2019	4,366	9.0%	0	\$3,207	\$3.45	2.1%	(1.3)	\$3,161	\$3.40
2018	4,148	9.1%	2.1	\$3,142	\$3.38	3.4%	0.7	\$3,072	\$3.30
2017	2,884	7.0%	(1.5)	\$3,039	\$3.27	2.7%	2.3	\$2,978	\$3.20
2016	3,371	8.5%	(0.4)	\$2,959	\$3.18	0.4%	(4.9)	\$2,878	\$3.10
2015	3,210	8.9%	(0.4)	\$2,948	\$3.17	5.3%	1.1	\$2,902	\$3.13
2014	2,948	9.3%	1.6	\$2,799	\$3.02	4.2%	(1.0)	\$2,755	\$2.97
2013	2,010	7.7%	(2.0)	\$2,687	\$2.90	5.2%	1.7	\$2,639	\$2.84
2012	2,358	9.7%	3.9	\$2,555	\$2.75	3.5%	0.7	\$2,525	\$2.72
2011	1,206	5.8%	(0.3)	\$2,468	\$2.66	2.8%	-	\$2,456	\$2.65

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	1,904	4.4%	(0.3)	\$3,537	\$4.14	4.5%	(0.9)	\$3,506	\$4.10
2026	2,051	4.8%	(0.8)	\$3,385	\$3.96	5.4%	0.2	\$3,354	\$3.92
2025	2,379	5.5%	0.9	\$3,212	\$3.76	5.2%	0.2	\$3,183	\$3.72
2024	1,961	4.7%	(0.5)	\$3,053	\$3.57	5.1%	4.0	\$3,025	\$3.54
2023	2,149	5.2%	0.9	\$2,906	\$3.40	1.1%	(5.2)	\$2,880	\$3.37
YTD	1,690	4.1%	(0.2)	\$2,938	\$3.43	-0.1%	(6.4)	\$2,913	\$3.40
2022	1,759	4.3%	(0.3)	\$2,876	\$3.36	6.3%	(2.1)	\$2,859	\$3.34
2021	1,878	4.6%	(4.4)	\$2,706	\$3.16	8.4%	18.5	\$2,663	\$3.11
2020	3,687	9.0%	4.3	\$2,497	\$2.92	-10.1%	(12.0)	\$2,447	\$2.86
2019	1,900	4.7%	0	\$2,778	\$3.24	1.9%	(2.5)	\$2,756	\$3.22
2018	1,907	4.7%	(0.4)	\$2,727	\$3.18	4.4%	1.0	\$2,680	\$3.13
2017	2,052	5.0%	(0.9)	\$2,613	\$3.05	3.4%	3.9	\$2,530	\$2.95
2016	2,434	6.0%	1.9	\$2,528	\$2.95	-0.5%	(7.9)	\$2,451	\$2.86
2015	1,633	4.0%	0.1	\$2,542	\$2.97	7.3%	0.3	\$2,506	\$2.93
2014	1,572	3.9%	(0.4)	\$2,369	\$2.77	7.1%	(0.4)	\$2,341	\$2.73
2013	1,752	4.3%	0.3	\$2,213	\$2.58	7.5%	(0.1)	\$2,199	\$2.57
2012	1,611	4.0%	(0.4)	\$2,059	\$2.40	7.6%	1.6	\$2,045	\$2.39
2011	1,765	4.4%	0.2	\$1,914	\$2.23	5.9%	-	\$1,903	\$2.22

1 & 2 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2027	2,495	4.4%	(0.1)	\$2,770	\$3.74	4.5%	(0.9)	\$2,756	\$3.72
2026	2,557	4.5%	0.2	\$2,650	\$3.58	5.5%	0.1	\$2,636	\$3.56
2025	2,435	4.3%	0.2	\$2,512	\$3.39	5.3%	0.2	\$2,500	\$3.37
2024	2,319	4.1%	(0.1)	\$2,386	\$3.22	5.1%	3.1	\$2,374	\$3.20
2023	2,362	4.1%	0	\$2,269	\$3.06	2.1%	(2.1)	\$2,257	\$3.05
YTD	2,275	4.0%	(0.1)	\$2,258	\$3.04	1.4%	(2.7)	\$2,247	\$3.02
2022	2,340	4.1%	(0.6)	\$2,223	\$2.99	4.2%	1.5	\$2,210	\$2.97
2021	2,678	4.7%	(2.7)	\$2,133	\$2.86	2.7%	6.5	\$2,121	\$2.85
2020	4,242	7.4%	3.0	\$2,078	\$2.79	-3.8%	(5.5)	\$2,050	\$2.75
2019	2,533	4.4%	(0.1)	\$2,161	\$2.90	1.6%	(0.7)	\$2,149	\$2.89
2018	2,574	4.5%	0.1	\$2,126	\$2.85	2.4%	(0.1)	\$2,102	\$2.82
2017	2,533	4.4%	0	\$2,077	\$2.79	2.4%	0.5	\$2,049	\$2.75
2016	2,541	4.4%	0.6	\$2,028	\$2.72	1.9%	(6.5)	\$2,000	\$2.68
2015	2,176	3.8%	0.1	\$1,989	\$2.67	8.4%	1.3	\$1,972	\$2.65
2014	2,094	3.6%	(0.1)	\$1,835	\$2.46	7.1%	1.3	\$1,823	\$2.44
2013	2,154	3.7%	(0.2)	\$1,714	\$2.29	5.7%	0.3	\$1,705	\$2.28
2012	2,286	4.0%	0	\$1,621	\$2.17	5.4%	1.2	\$1,613	\$2.16
2011	2,287	4.0%	0	\$1,538	\$2.06	4.2%	-	\$1,530	\$2.05

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$621,916	304	4.1%
2026	-	-	-	-	-	-	\$565,321	276	4.3%
2025	-	-	-	-	-	-	\$502,123	245	4.6%
2024	-	-	-	-	-	-	\$463,004	226	4.8%
2023	-	-	-	-	-	-	\$481,408	235	4.4%
YTD	63	\$891.4M	1.4%	\$14,149,764	\$392,184	4.7%	\$502,951	246	4.1%
2022	132	\$1.6B	2.3%	\$12,177,837	\$454,112	4.0%	\$552,464	270	3.8%
2021	130	\$951.2M	1.8%	\$7,490,020	\$433,166	4.0%	\$585,256	286	3.5%
2020	73	\$1.2B	1.6%	\$16,727,960	\$489,819	4.4%	\$504,421	247	3.8%
2019	154	\$1.9B	3.8%	\$21,316,199	\$472,607	4.5%	\$507,818	248	3.8%
2018	188	\$1.1B	2.3%	\$10,311,406	\$430,658	3.8%	\$476,402	233	3.9%
2017	255	\$1.3B	3.3%	\$10,233,269	\$384,778	4.2%	\$440,306	215	4.0%
2016	199	\$1.6B	3.6%	\$14,001,707	\$366,143	4.4%	\$414,150	202	4.1%
2015	226	\$1.1B	3.3%	\$8,059,390	\$354,011	4.5%	\$397,134	194	4.1%
2014	184	\$1.5B	5.2%	\$10,341,199	\$293,925	4.5%	\$357,726	175	4.2%
2013	173	\$1.3B	5.7%	\$9,473,232	\$272,185	5.3%	\$318,425	156	4.5%
2012	252	\$1.3B	7.4%	\$8,568,243	\$244,276	5.8%	\$304,349	149	4.5%

(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	-	-	-	-	-	-	\$754,971	292	4.0%
2026	-	-	-	-	-	-	\$686,146	266	4.2%
2025	-	-	-	-	-	-	\$608,969	236	4.5%
2024	-	-	-	-	-	-	\$561,444	217	4.6%
2023	-	-	-	-	-	-	\$584,792	226	4.2%
YTD	3	\$330.5M	1.4%	\$110,166,667	\$395,335	-	\$611,787	237	4.0%
2022	3	\$698M	2.1%	\$232,666,667	\$567,941	-	\$685,758	265	3.6%
2021	3	\$166.5M	1.5%	\$83,266,750	\$568,374	-	\$734,058	284	3.3%
2020	2	\$359M	1.2%	\$179,500,000	\$572,568	-	\$633,813	245	3.6%
2019	10	\$1B	5.6%	\$168,057,479	\$559,570	4.5%	\$640,187	248	3.6%
2018	3	\$246.7M	1.1%	\$82,216,667	\$507,510	4.3%	\$602,181	233	3.7%
2017	10	\$669.3M	3.4%	\$66,929,835	\$478,412	4.0%	\$550,388	213	3.8%
2016	6	\$469.1M	2.8%	\$78,188,333	\$429,213	4.9%	\$519,921	201	3.9%
2015	2	\$195M	1.1%	\$97,500,000	\$509,138	4.3%	\$500,814	194	3.9%
2014	11	\$588.6M	7.9%	\$73,577,049	\$369,038	4.8%	\$453,051	175	4.0%
2013	8	\$377M	9.3%	\$75,394,061	\$271,592	5.0%	\$406,206	157	4.3%
2012	7	\$354.9M	6.2%	\$92,325,000	\$340,595	5.3%	\$391,204	151	4.3%

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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	-	-	-	-	-	-	\$568,757	309	4.1%
2026	-	-	-	-	-	-	\$517,223	281	4.3%
2025	-	-	-	-	-	-	\$459,929	250	4.6%
2024	-	-	-	-	-	-	\$424,344	230	4.8%
2023	-	-	-	-	-	-	\$440,591	239	4.4%
YTD	9	\$226.5M	1.3%	\$25,163,556	\$437,205	7.0%	\$459,845	249	4.2%
2022	11	\$144.2M	0.8%	\$13,111,818	\$434,428	4.5%	\$511,134	277	3.8%
2021	8	\$242.4M	1.2%	\$30,298,375	\$508,149	4.1%	\$539,206	293	3.5%
2020	13	\$571.7M	2.5%	\$43,977,293	\$550,245	3.8%	\$466,124	253	3.7%
2019	9	\$522.8M	3.1%	\$58,085,556	\$417,548	5.6%	\$468,170	254	3.8%
2018	12	\$428.5M	2.4%	\$38,956,818	\$434,610	3.8%	\$436,196	237	3.9%
2017	8	\$25M	0.2%	\$4,167,340	\$301,254	3.3%	\$401,241	218	4.0%
2016	22	\$709.3M	4.6%	\$41,723,879	\$384,865	4.5%	\$376,134	204	4.1%
2015	19	\$499.8M	4.1%	\$33,322,100	\$406,698	5.0%	\$357,568	194	4.1%
2014	15	\$447.2M	4.5%	\$34,397,959	\$301,940	4.6%	\$321,636	174	4.3%
2013	22	\$666.8M	6.9%	\$35,092,684	\$334,887	5.0%	\$285,237	155	4.6%
2012	29	\$608M	8.8%	\$40,535,667	\$256,231	4.8%	\$271,137	147	4.6%

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

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

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$512,715	322	4.2%
2026	-	-	-	-	-	-	\$466,024	292	4.4%
2025	-	-	-	-	-	-	\$414,061	260	4.7%
2024	-	-	-	-	-	-	\$381,706	239	4.9%
2023	-	-	-	-	-	-	\$396,192	248	4.5%
YTD	51	\$334.5M	1.6%	\$6,558,101	\$363,942	4.5%	\$413,343	259	4.2%
2022	118	\$753.1M	3.4%	\$6,436,467	\$385,792	3.9%	\$434,076	272	4.0%
2021	119	\$542.3M	2.5%	\$4,635,146	\$380,303	4.0%	\$453,025	284	3.6%
2020	58	\$239.5M	1.3%	\$4,368,226	\$331,220	4.5%	\$388,124	243	4.0%
2019	135	\$323.4M	2.8%	\$4,491,590	\$371,718	4.4%	\$389,199	244	4.0%
2018	173	\$417.8M	3.1%	\$4,541,674	\$391,964	3.8%	\$365,597	229	4.1%
2017	237	\$595.1M	5.5%	\$5,409,904	\$318,400	4.3%	\$346,253	217	4.2%
2016	171	\$389.8M	3.6%	\$4,379,272	\$289,351	4.3%	\$324,142	203	4.3%
2015	205	\$441.5M	4.0%	\$3,560,827	\$276,309	4.5%	\$310,640	195	4.3%
2014	158	\$432.7M	4.1%	\$3,575,706	\$225,344	4.5%	\$277,987	174	4.5%
2013	143	\$263.6M	3.2%	\$2,312,058	\$185,095	5.3%	\$244,963	154	4.8%
2012	216	\$367.9M	6.9%	\$2,665,791	\$180,954	5.9%	\$231,941	145	4.8%

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

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

DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2027	-	167,582	4.9%	-	2,149	-	2,101	-	-
2026	-	165,481	4.9%	-	1,033	-	956	-	-
2025	-	164,525	5.3%	-	3,683	-	3,634	-	-
2024	-	160,891	5.0%	-	3,572	-	3,529	-	-
2023	-	157,362	4.7%	-	1,582	-	1,570	-	-
YTD	3,939	156,865	4.7%	4	1,073	4	1,073	23	7,764
2022	3,935	155,792	5.6%	15	2,696	15	2,696	27	8,837
2021	3,920	153,096	5.9%	16	3,310	14	2,986	23	3,978
2020	3,906	150,110	9.8%	18	3,780	15	3,570	25	5,181
2019	3,891	146,540	6.0%	10	2,482	7	2,414	36	8,523
2018	3,884	144,126	6.0%	17	4,664	16	4,647	30	7,487
2017	3,868	139,456	5.4%	8	1,709	5	1,480	31	7,994
2016	3,863	137,976	6.0%	14	3,761	14	3,761	24	6,403
2015	3,849	134,215	5.2%	18	4,463	17	4,458	23	5,841
2014	3,832	129,757	5.1%	13	5,517	10	5,410	28	6,773
2013	3,822	124,346	4.8%	6	1,783	0	1,736	25	8,593
2012	3,822	122,610	5.1%	8	3,652	5	3,579	17	6,126
2011	3,817	119,031	4.4%	2	304	(2)	278	15	6,177