



Multi-Family Market Report

San Francisco - CA

PREPARED BY



MULTI-FAMILY MARKET REPORT

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12 Mo. Delivered Units

1,171

12 Mo. Absorption Units

1,362

Vacancy Rate

6.7%

12 Mo. Asking Rent Growth

-0.5%

Heading towards the end of 2023, the San Francisco multifamily market is showing signs of a cyclical slowdown in demand after the steady improvement of the past two years. Net absorption was only marginally positive in the third quarter, and the vacancy rate, which had moved lower every quarter since the pandemic, was flat. New supply via construction activity was not the cause of this slowdown, with only 76 units delivered in the quarter. Year-over-year rent growth was negative by around -1% in both Q2 and Q3, and average rents in San Francisco remain below the peak levels achieved in 2019. In the investment market, activity is muted, reflecting broader economic headwinds.

The trailing 12-month absorption for market-rate apartments sits at 1,400 units, which is about half of the annual average that the market has seen during the recovery period since 2020. Positive future absorption is projected for the metro market as demand exceeds the pace of new deliveries, 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

issues 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." Further, there is continued uncertainty around employment, as tech companies implement hiring freezes and layoffs.

Weak demand has impacted the rate and location of construction activity, 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. Local private investors remain active buyers of smaller deals, whereas most institutional investors are staying on the sidelines until market conditions improve.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	41,017	9.7%	\$3,633	\$3,585	265	250	3,466
3 Star	47,215	6.6%	\$2,883	\$2,840	(2)	0	348
1 & 2 Star	91,683	5.5%	\$2,383	\$2,369	0	0	8
Market	179,915	6.7%	\$2,988	\$2,953	263	250	3,822

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.1%	5.3%	6.4%	10.8%	2020 Q4	2.8%	2000 Q1
Absorption Units	1,362	1,161	1,374	7,979	2021 Q4	(6,095)	2020 Q3
Delivered Units	1,171	1,545	1,218	4,359	2016 Q2	22	2012 Q1
Demolished Units	0	42	68	350	2013 Q3	0	2023 Q3
Asking Rent Growth (YOY)	-0.5%	1.7%	3.9%	19.0%	2001 Q1	-11.6%	2002 Q4
Effective Rent Growth (YOY)	-0.7%	1.7%	3.8%	19.0%	2001 Q1	-11.5%	2002 Q4
Sales Volume	\$1.7B	\$1.5B	N/A	\$3.1B	2020 Q1	\$314.5M	2009 Q3

As of the fourth quarter of 2023, the apartment vacancy rate in San Francisco stands at 6.7%, a slight increase from the previous quarter. This is the first time the vacancy rate has moved upwards since the height of the pandemic in Q4 of 2020, at which point it reached 10.9%. For the moment, at least, the downward momentum in the market's vacancy rate has stalled at a level that is well above the pre-pandemic average of around 5%.

Annual net absorption, at 1,400 units, is about half the annual average that the market has seen during its recovery over the past three years. With very low levels of new deliveries, the muted absorption numbers suggest a cyclical weakness in demand. Renter interest has softened as a result of weaker economic conditions, such as continuing tech layoffs and high interest rates.

Domestic out-migration between 2018 and 2022 resulted in a population loss of around 90,000 people for the San Francisco market, according to estimates from the California Department of Finance. However, projections from Oxford Economics suggest that pattern has now reversed, and the population is set to show a moderate increase for 2023.

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 in the fourth

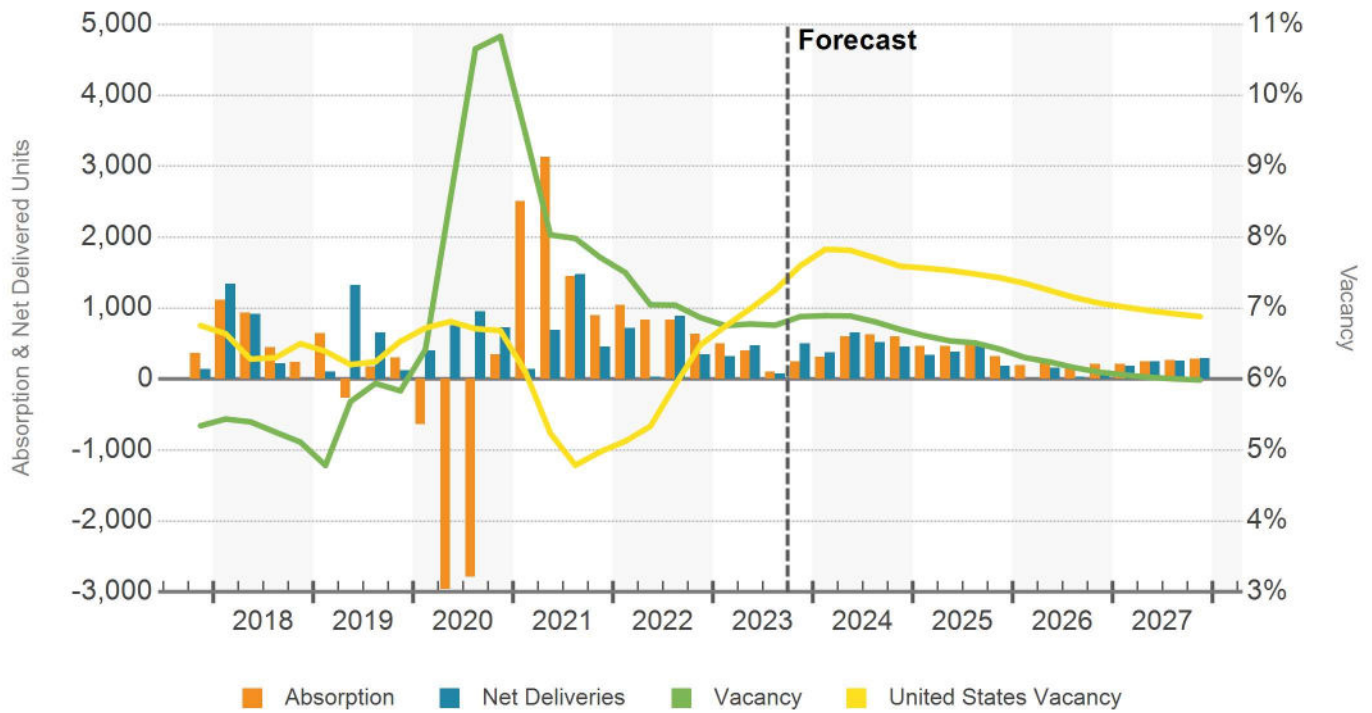
quarter to 9.7%, although this is an increase of 0.3% since 23Q3. Mid-level assets typically perform relatively well in San Francisco. In normal times, there is no shortage of demand for moderately priced options. The vacancy rate among 3 Star assets in the fourth quarter, 6.6%, is unchanged from the previous quarter, while 1 & 2 Star vacancy is currently 5.5%.

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.

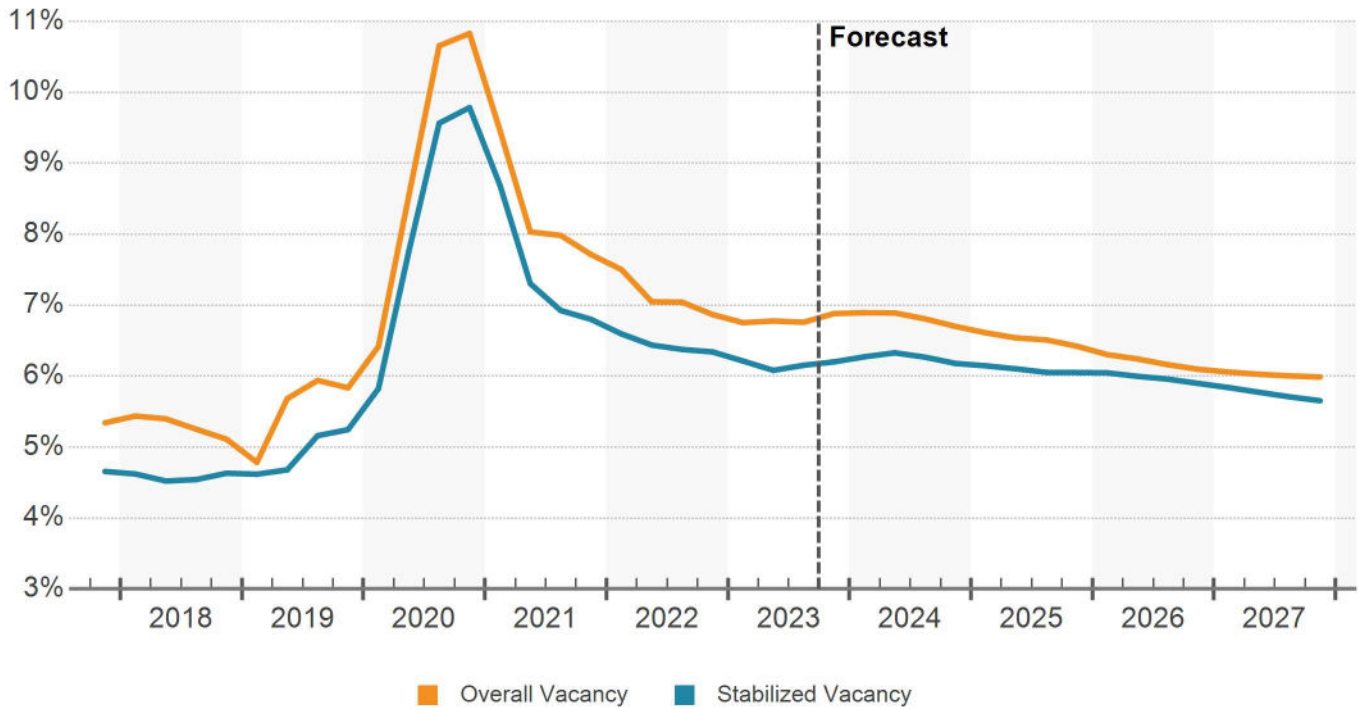
Demand is likely to remain muted compared to pre-pandemic levels. A large drop in the number of people working downtown has had a direct impact on the demand for apartments in neighboring areas, where proximity to the workplace is a prime attraction.

Overall, the apartment market continues to benefit from high single-family home and condo pricing and elevated mortgage rates, which create a barrier to homeownership 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.

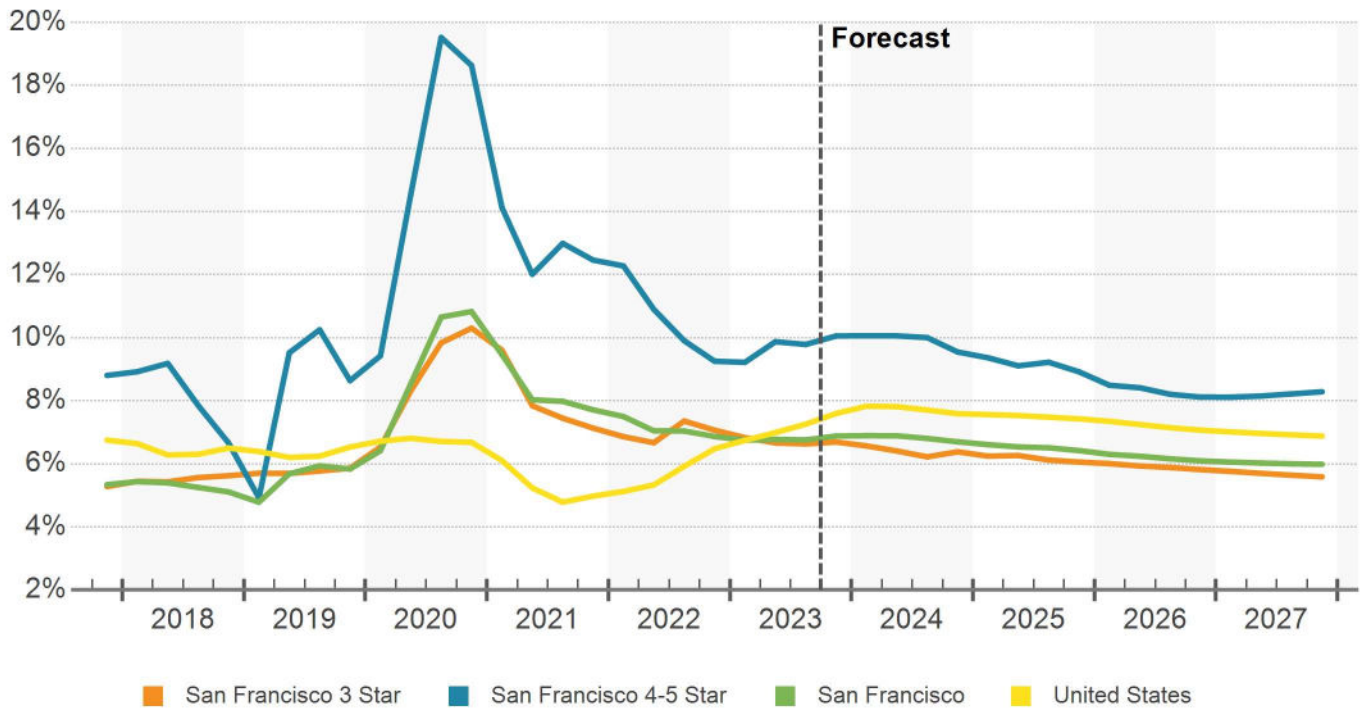
ABSORPTION, NET DELIVERIES & VACANCY



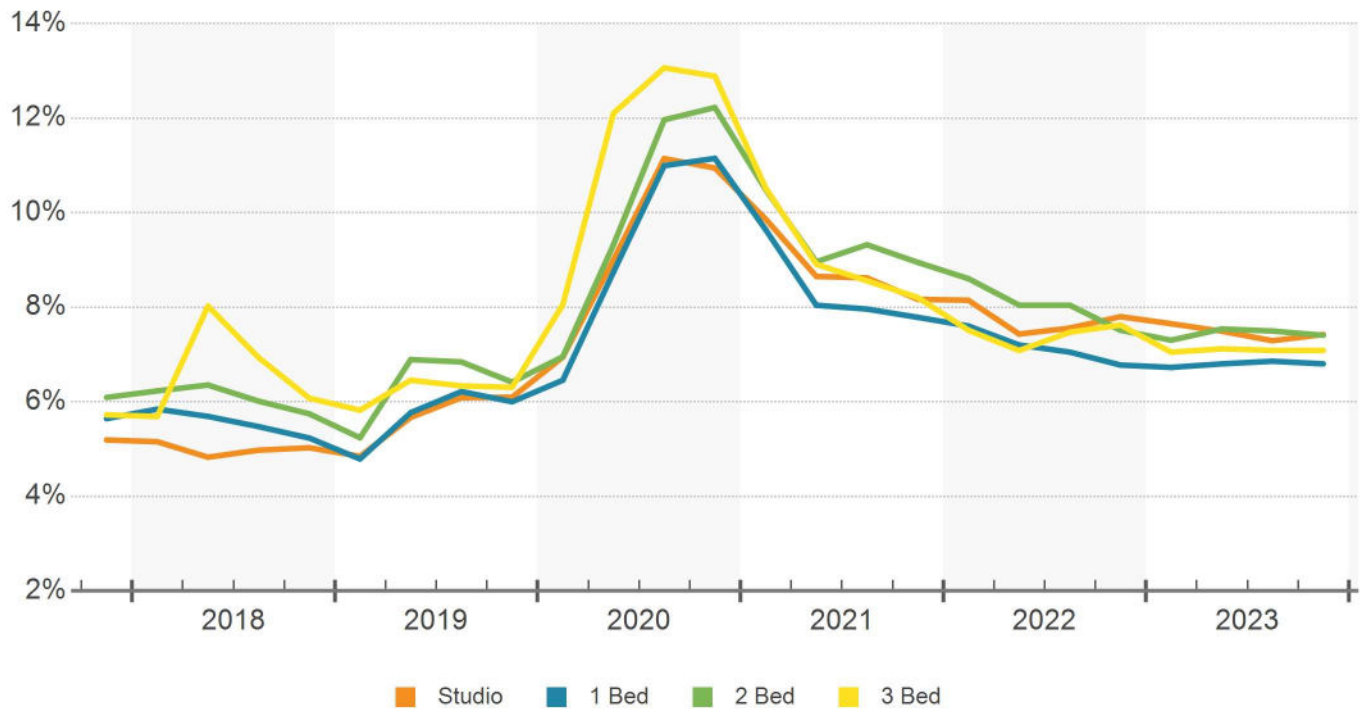
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



Apartments rent for an average of \$2,990/month in San Francisco. Up until recently, this was the highest asking rent in the nation. However, tepid rent growth over the past few years has diminished San Francisco's price premium and New York is now the most expensive market. San Jose has also closed the gap, and indeed several submarkets within the San Jose metro area have overtaken their San Francisco counterparts.

Weak demand has caused rent growth to stagnate in recent years. Over the past three years, average annual rent growth in San Francisco was 0.5%, whereas the national average over this period was 5.0% per year. However, with the national average rent standing at just \$1,660/month, tenants still pay a large premium to rent in the city. In the past three years, rent affordability has improved, as incomes have risen faster than rents. By contrast, the affordability of for-sale housing has diminished as mortgage rates remain elevated. These trends have played an important role in underpinning demand for apartments.

Year-over-year rent growth was modestly positive in the first half of 2023 but turned negative in the second half of the year. Annual rent growth as of the fourth quarter is negative by -0.5%, and average asking rates remain below the levels reached in 2019. CoStar's daily asking

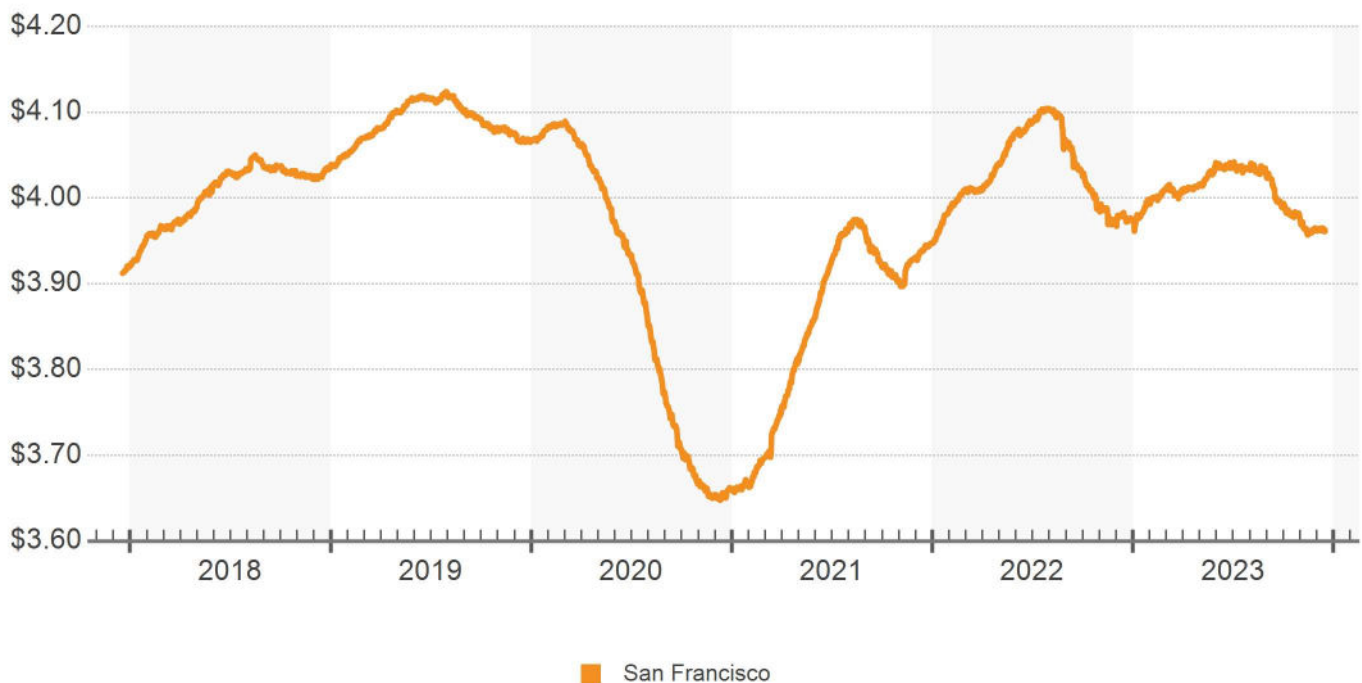
rent series shows asking rents falling in September and October after staying flat through the summer months.

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 23Q4, asking rents for properties rated 4 & 5 Star fell by -1.6% year over year, which compares to changes of 0.4% among 3 Star properties and 0.5% among 1 & 2 Star properties.

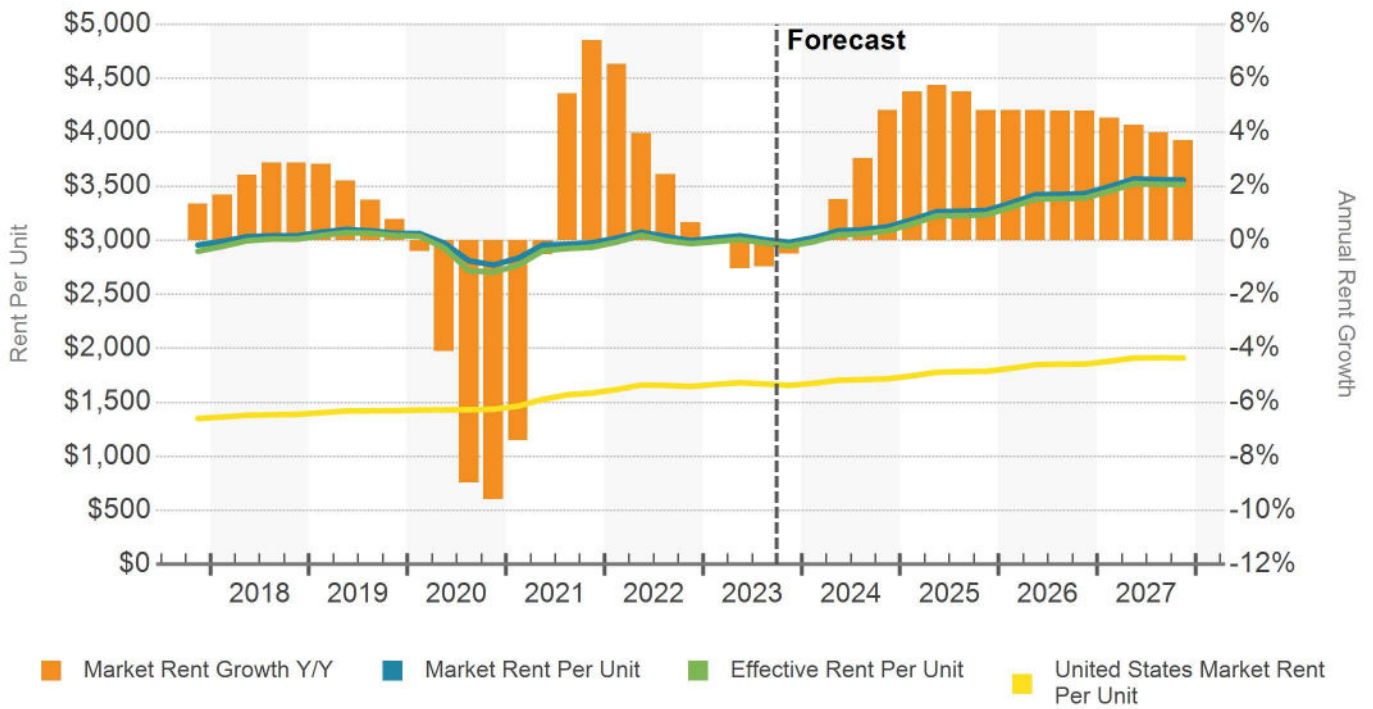
Asking rents are highest in Downtown San Francisco, Mission Bay, and South of Market. These areas saw the most new construction activity in the 2010s, most of which was in the 4 & 5 Star category that commands the highest rents in the city.

Over the past year, weaker rent growth has been recorded in those submarkets in San Francisco, including the Civic Center/Tenderloin and South of Market, that are struggling with the social problems associated with crime, drug use, and homelessness. By contrast, rent growth has been higher in areas such as Marina/Pacific Heights/Presidio and Downtown San Francisco, where these concerns are less pronounced.

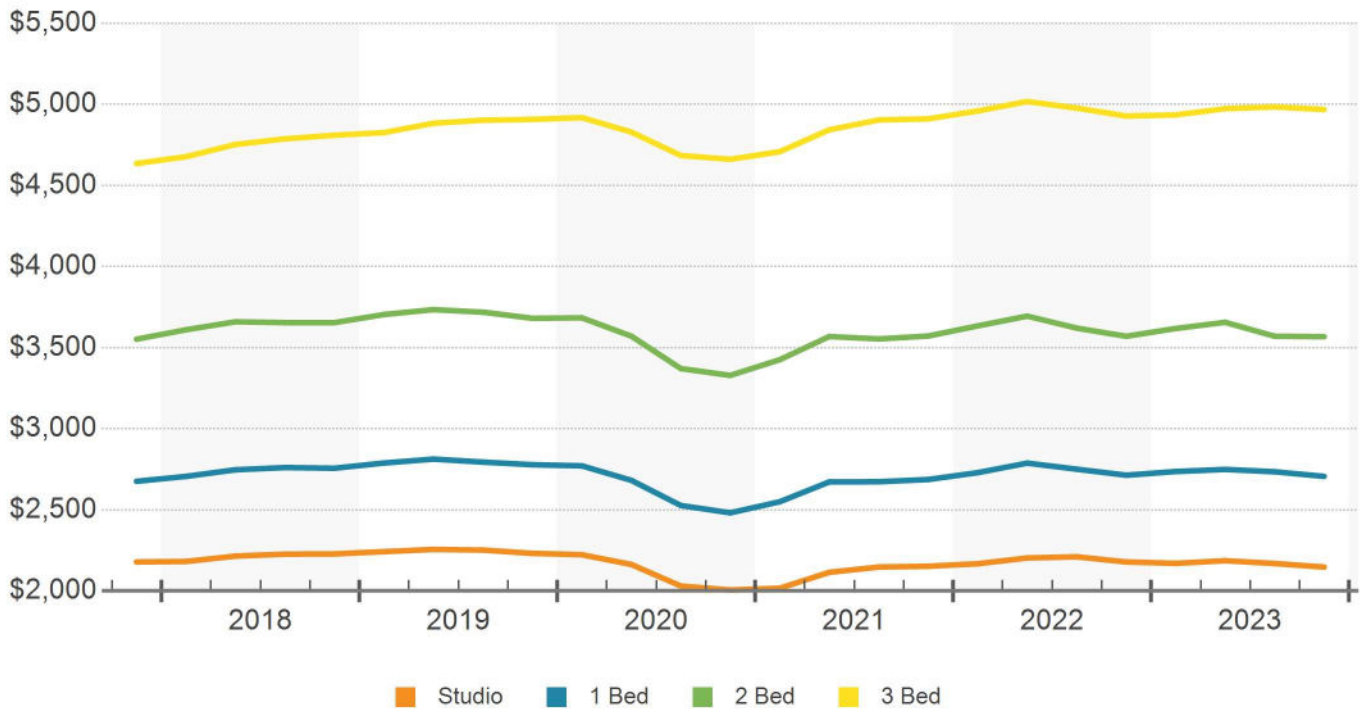
DAILY ASKING RENT PER SF



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	\$1.08	\$0.98	\$1.86	\$1.76	\$0.70	\$2.76	\$0.16	\$1.32	\$1.38	\$14.73
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...	\$1.12	\$1.55	\$1.05	\$1.04	\$2.04	\$1.79	\$0.88	\$2.75	\$0.15	\$1.33	\$1.39	\$15.09
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	\$1.65	\$0.82	\$2.55	\$0.06	\$1.23	\$1.30	\$13.81
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 the fourth quarter, just 1,200 units delivered over the past year. This compares to the five-year average of 2,200 units per year. However, the pace of new construction has picked up recently, and approximately 2,000 units are projected to be completed in calendar year 2024.

Almost all of the stock of market-rate units under construction is in 4 & 5 Star buildings. In total, there are 3,800 units underway. The under-construction stock measures 2.1% of existing inventory, well below the average rate of 4.9% across the nation.

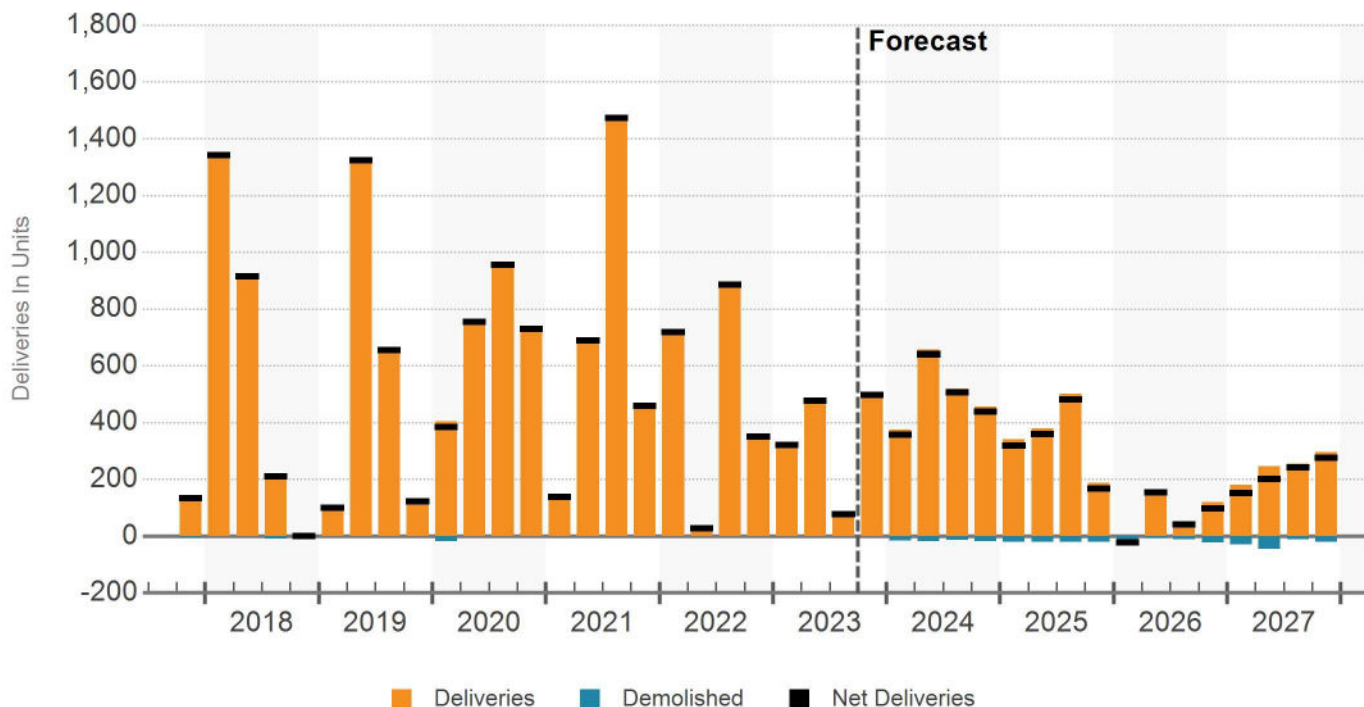
Geographically, development in the 2010s was concentrated in redevelopment areas close to downtown San Francisco, including South of Market and Mission Bay/China Basin/Potrero Hill. These areas have good access to the city's main centers for work and recreation, plus access to freeways and Caltrain, 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 2,000 units set to be delivered in calendar 2023, around 1,400 are located in these areas, with just 600 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 fourth quarter, is 57% leased, with average asking rents at around \$3,600/month.

Over the longer term, San Francisco is generally more insulated from supply risk than most markets in the country. Stringent zoning, costly affordable housing requirements, NIMBY objections, and a lack of available land make the development process in San Francisco more arduous than in most 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

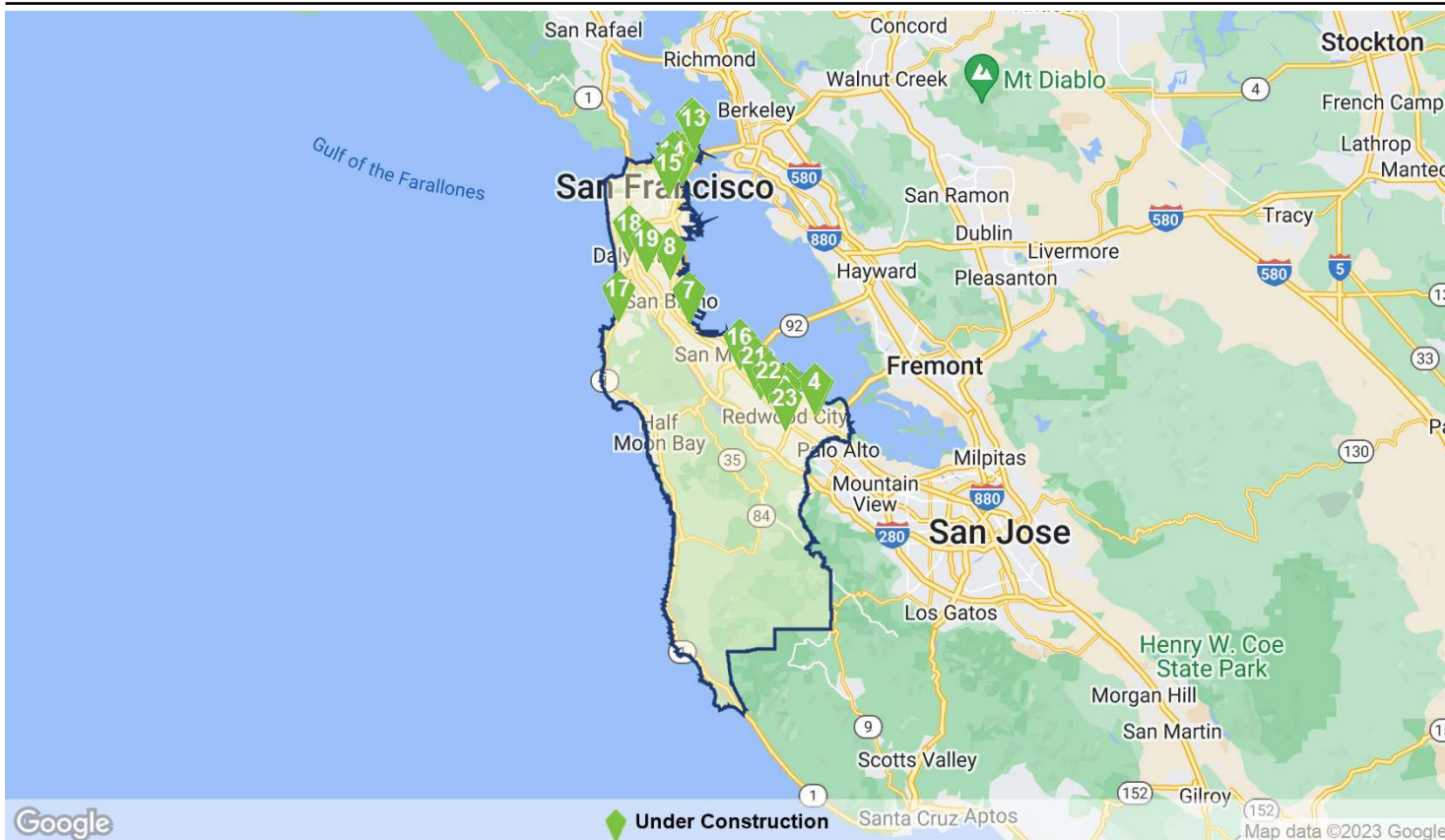
23

3,822

2.1%

166

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 Lume 172 Constitution Dr	★★★★☆	441	7	Jun 2022	Jun 2024	Greystar Real Estate Partners Greystar Real Estate Partners
4 Vasara 110 Constitution Dr	★★★★★	320	7	Feb 2022	Feb 2024	Greystar Real Estate Partners Greystar Real Estate Partners
5 Building F 365 Toni Stone Xing	★★★★☆	254	23	Nov 2021	Nov 2024	Tishman Speyer Port of San Francisco
6 Tidal House 39 Bruton St	★★★★☆	250	22	Jan 2022	Jan 2025	Dci Construction Inc Ti Lot 8 Llc
7 One Adrian 1 Adrian Ct	★★★★☆	227	7	May 2022	Jan 2024	Carmel Partners Carmel Partners

Under Construction Properties

San Francisco Multi-Family

UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 Celeste SSF 200-216 Miller Ave	★ ★ ★ ★ ★	195	7	Jan 2022	May 2024	Sares-Regis Group of Northern C... Sares-Regis Group
9 Bldg A 1555 El Camino Real	★ ★ ★ ★ ★	187	6	Nov 2023	Dec 2025	IQHQ IQHQ
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	Jan 2024	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 Fitzgerald 2095 Bryant St	★ ★ ★ ★ ★	63	6	Mar 2022	Nov 2024	Align Real Estate Rubicon Point Partners
16 Hawthorne 3069 E Kyne St	★ ★ ★ ★ ★	54	4	Aug 2022	Jan 2024	Wilson Meany Stockbridge Capital Group, LLC
17 801 Fassler Ave	★ ★ ★ ★ ★	24	3	Sep 2022	Sep 2024	- -
18 1784 Sullivan Ave	★ ★ ★ ★ ★	22	5	May 2023	Apr 2024	- Michael J Hsiao Trust
19 889 Mc Lellan Dr S	★ ★ ★ ★ ★	20	4	Jan 2022	Jan 2024	Prosper Construction Development -
20 1525 San Carlos Ave	★ ★ ★ ★ ★	18	4	Sep 2019	Jun 2024	- Ying Wang
21 Village Walk - Firehouse... 1365 Fifth Ave	★ ★ ★ ★ ★	15	2	Sep 2022	Jan 2024	Sares-Regis Group Belmont Firehouse Square Prope...
22 1240 El Camino Real	★ ★ ★ ★ ★	8	4	Apr 2022	Jan 2024	Ampex Engineering & Constructi... Shahab S. Tehrani
23 955 Woodside Rd	★ ★ ★ ★ ★	8	3	Jul 2023	Apr 2024	Terra Holdings 955 Woodside Rd LLC

Sales activity in San Francisco has been below the market's long-term historical average over the past few years. As of the fourth quarter of 2023, a total of 180 deals had closed within the past 12 months, somewhat below the five-year average of 300 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 and social problems facing San Francisco.

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

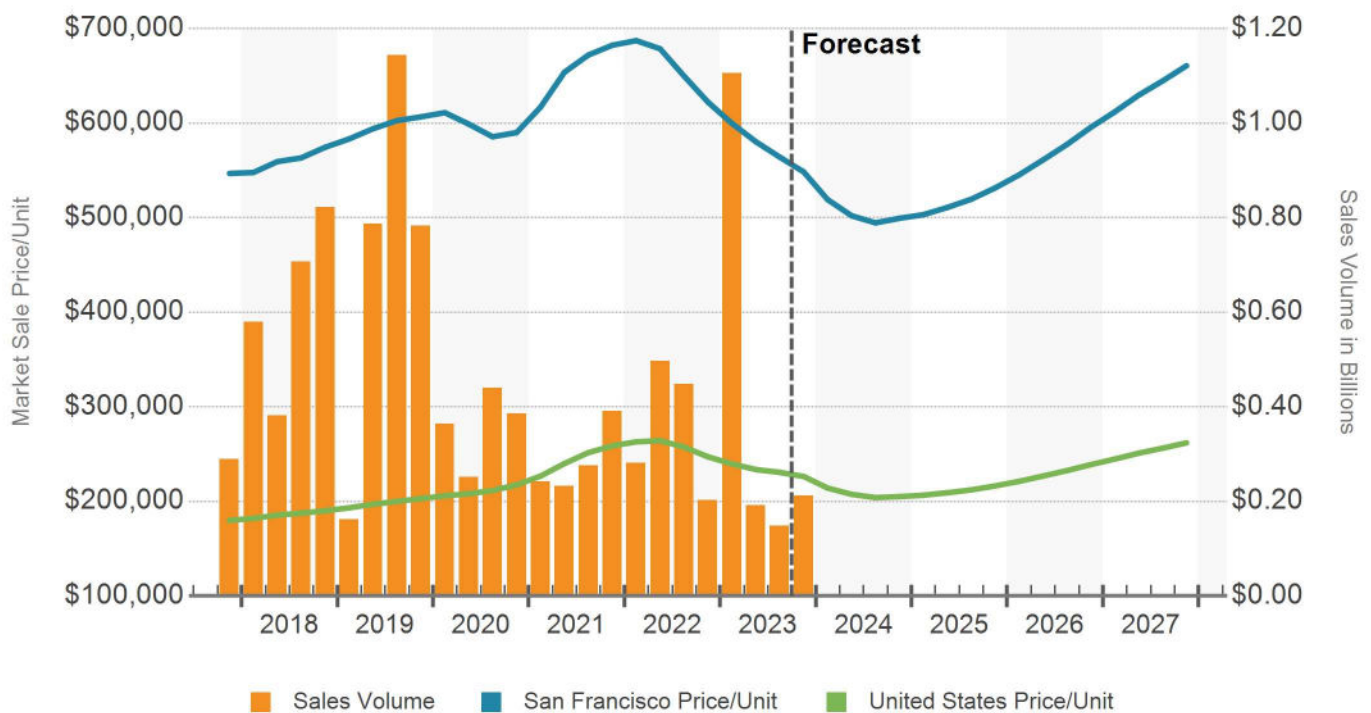
these considerations.

Most sales that have closed year to date in 2023 are 2 Star and 3 Star buildings in the six- to 12-unit range. Buyers are acquiring these properties at prices that are notably below the levels of previous years. The average sale price over the past year was \$320,000/unit, which is a substantial discount to the five-year average transaction price of \$470,000/unit.

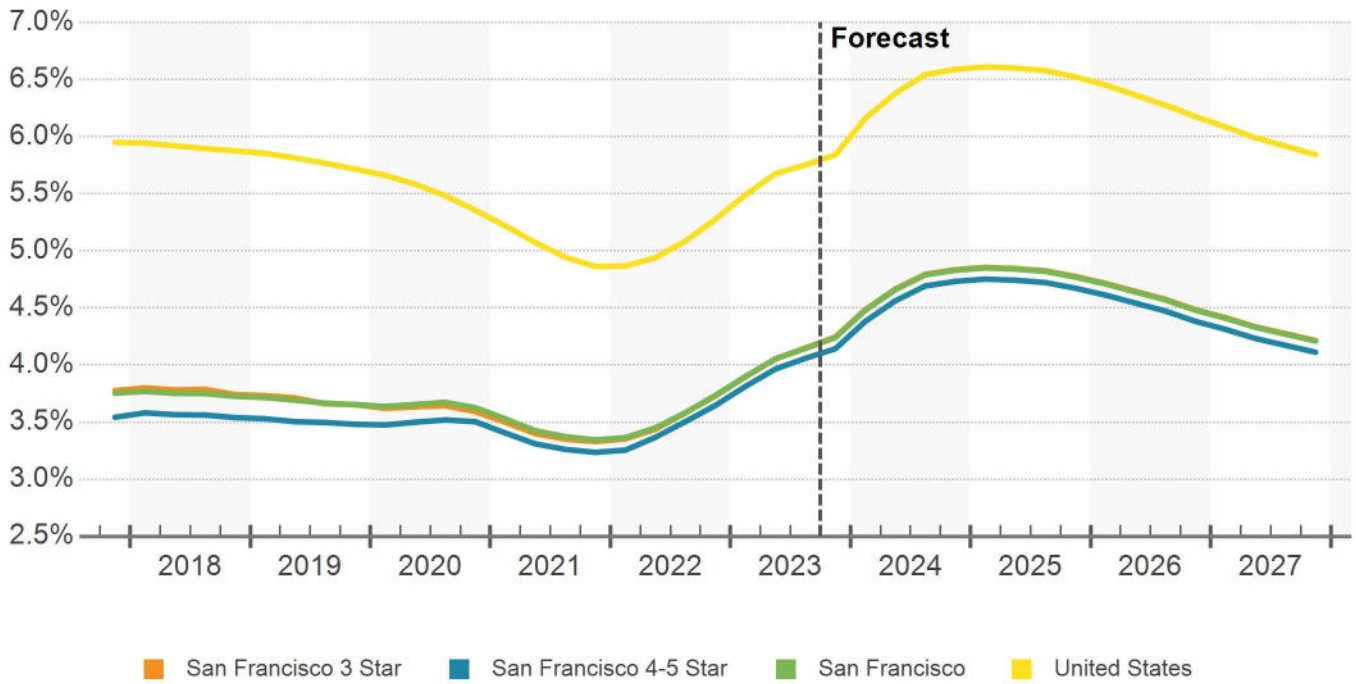
Most buyers are locally based private investors, although a few developers are also actively acquiring buildings.

Total sales volume for the past 12 months, \$1.7 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/month.

SALES VOLUME & MARKET SALE PRICE PER UNIT



MARKET CAP RATE



Sales Past 12 Months

San Francisco Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

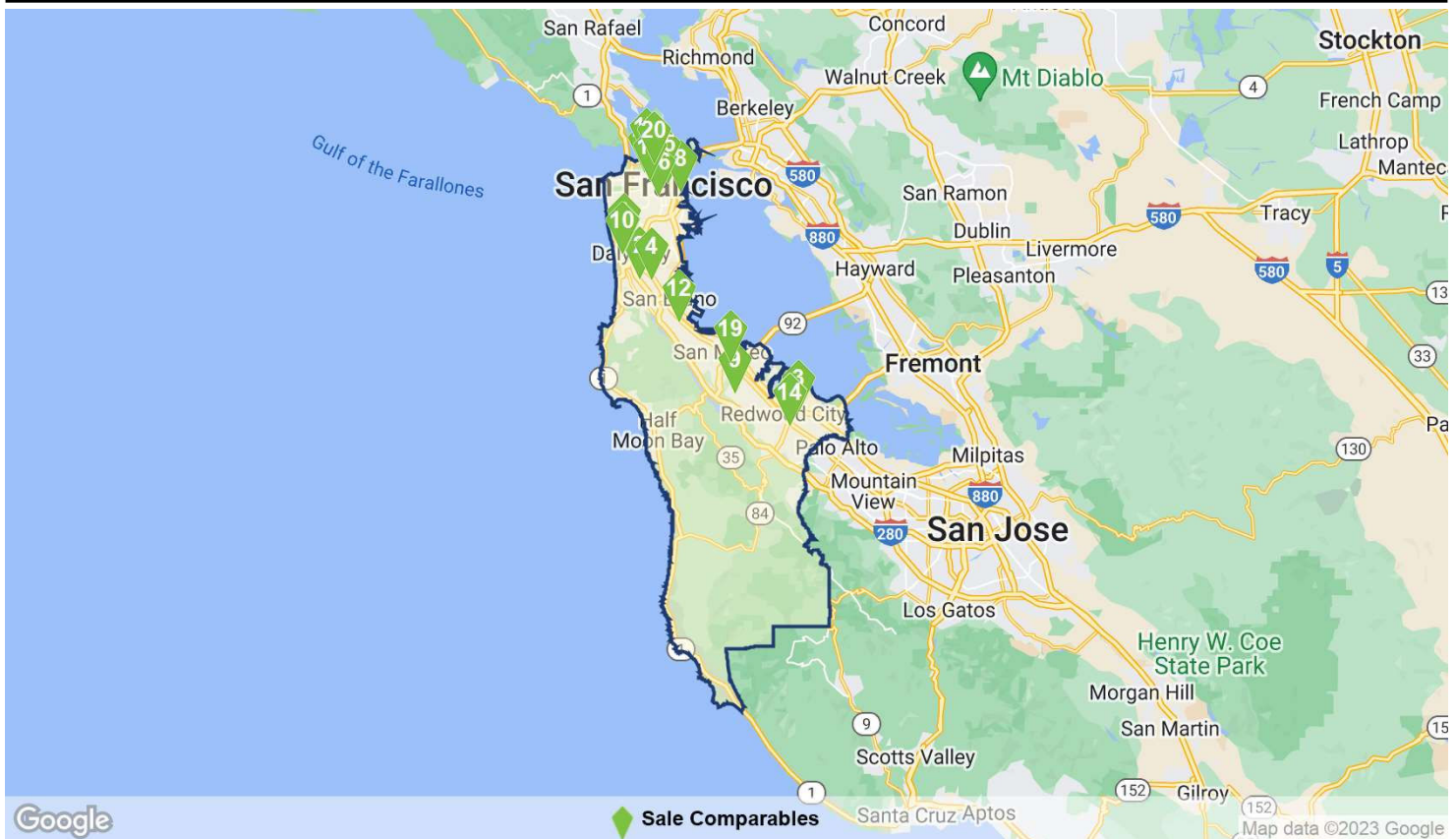
179

\$320

\$9.5

10.5%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$750,000	\$9,495,911	\$2,595,000	\$914,160,000
Price/Unit	\$43,750	\$319,884	\$343,670	\$773,000
Cap Rate	1.0%	5.1%	5.2%	13.7%
Vacancy Rate At Sale	0%	10.5%	0%	100%
Time Since Sale in Months	0.2	5.5	5.4	11.9
Property Attributes	Low	Average	Median	High
Property Size in Units	5	29	7	2,983
Number of Floors	1	2	3	8
Average Unit SF	47	871	814	2,485
Year Built	1885	1935	1925	2022
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.2	★ ★ ★ ★ ★	★ ★ ★ ★ ★

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	11.6%	1/30/2023	\$914,160,000	\$306,456	\$352
2 eaves Daly City 500 King Dr	★★★★☆	1972	195	1.0%	5/31/2023	\$67,000,000	\$343,589	\$474
3 Avenue Two Apartments 1107 2nd Ave	★★★★☆	1972	123	9.8%	10/19/2023	\$51,000,000	\$414,634	\$442
4 Clubview Apartments 849 W Orange Ave	★★★★☆	1964	102	7.8%	1/19/2023	\$48,000,000	\$470,588	\$579
5 OME Modern Apartments 1174-1178 Folsom St	★★★★☆	2021	42	7.1%	11/30/2023	\$27,150,000	\$646,428	\$651
6 Atherton Green 70 Renato Ct	★★★★☆	1963	51	52.9%	3/24/2023	\$24,035,500	\$471,284	\$700
7 Eastmoor Apartments 101 Eastmoor Ave	★★★★☆	1961	78	0%	12/26/2022	\$22,500,000	\$288,461	\$435
8 603 Tennessee St	★★★★☆	2022	24	4.2%	10/27/2023	\$14,000,000	\$583,333	\$583
9 Hutton Terrace Apartments 1056 Continentals Way	★★★★☆	1969	24	4.2%	2/2/2023	\$12,000,000	\$500,000	\$468
10 Terrace View 26 Terrace View Ct	★★★★☆	1968	122	14.8%	1/30/2023	\$10,840,000	\$88,852	\$79
11 900 Van Ness Ave 900 Van Ness Ave	★★★★☆	2002	28	7.1%	9/21/2023	\$9,936,000	\$354,857	\$203
12 105 La Cruz Ave	★★★★☆	1944	18	5.6%	8/5/2023	\$9,200,000	\$511,111	\$426
13 3245 Clay St	★★★★☆	1922	15	6.7%	10/20/2023	\$9,200,000	\$613,333	\$539
14 86 Renato Ct	★★★★☆	1954	14	64.3%	3/24/2023	\$8,012,000	\$572,285	\$814
15 La Sonoma Apartments 500-510 Larkin St	★★★★☆	1912	53	5.7%	7/12/2023	\$7,800,000	\$147,169	\$185
16 3661 19th St	★★★★☆	1964	12	0%	1/27/2023	\$7,480,000	\$623,333	\$605
17 1895 Jefferson St	★★★★☆	1927	18	5.6%	1/20/2023	\$7,325,000	\$406,944	\$654
18 Acacia Apartment 1700 Golden Gate Ave	★★★★☆	1913	24	4.2%	3/15/2023	\$6,625,000	\$276,041	\$383
19 22 E 20th Ave	★★★★☆	1972	15	0%	9/19/2023	\$6,400,000	\$426,666	\$441
20 3101 Laguna St	★★★★☆	1964	14	42.9%	6/20/2023	\$6,400,000	\$457,142	\$488

The San Francisco Bay Area is the global leader in innovation and development of information technology. Home to several of the world's largest companies, including Apple, Alphabet, and Meta, San Francisco and San Jose lead the nation with the highest rates of economic growth at the metropolitan level. The success of Silicon Valley's innovative companies draws the best and brightest graduates to the Bay Area, and this translates into high wages and nation-leading levels of household income growth. As a result, and reflecting limited land availability, San Francisco has some of the nation's highest rents and prices across all real estate asset classes.

However, growth in the technology sector tends to be volatile, with innovation happening in bursts that may deliver high rewards but may also end in over-investment and a downturn in activity. This does not sit well with the slow-moving world of real estate, where buildings take many years to develop and are very difficult to repurpose. Thus, San Francisco's real estate markets have a long history of boom followed by bust, with rents and prices soaring and vacancy falling during the boom periods, and the reverse happening during the busts.

The current boom-bust cycle began with the tech boom of the 2010s, which comprised a massive expansion of cloud computing and mobile technologies. San Francisco was the hub for many of the leading companies that built global businesses around mobile applications that disrupted traditional industries. Real estate demand surged, prompting nation-leading rates of growth in rents and prices and an uptick in construction of office and residential towers in downtown San Francisco.

The cycle abruptly turned downwards in early 2020. By that time, affordability had become a problem, causing both businesses and people to relocate from San Francisco to less expensive parts of the country. The COVID-19 pandemic and associated lockdowns

triggered a surge in this exodus. Tech companies quickly adapted to the distributed workforce model, and employees left the city in large numbers.

By 2021, San Francisco's population had fallen by -5.1%. While the outward migration has now stopped, the metro area currently has 90,000 fewer residents than it did five years ago.

Starting in 2022, cyclical economic pressures have also been at work, after the Fed raised interest rates to quell inflation by slowing the economy. Locally, the most visible impacts have been layoffs in the tech sector and a large decline in real estate investment sales activity.

The largest impact of the current downturn has been felt by the office sector, which now has record levels of vacancy. Downtown San Francisco has suffered the most, where the exodus of tech workers is part of a broader narrative that involves population decline and an increase in crime, homelessness, and drug abuse. The combination of low levels of economic activity and social problems has impacted the viability of businesses such as retailers, restaurants, and hotels. As these businesses fail, the city's viability falls further, playing out what has been referred to as a "Doom Loop" scenario.

Total employment is now slightly ahead of where it was pre-pandemic. However, with the increase in flexible working practices, it is unclear how many of those employed by San Francisco businesses are living in the metro area. After falling to a 10-year low of 2.3% in 2022, the unemployment rate has since increased to 2.9%.

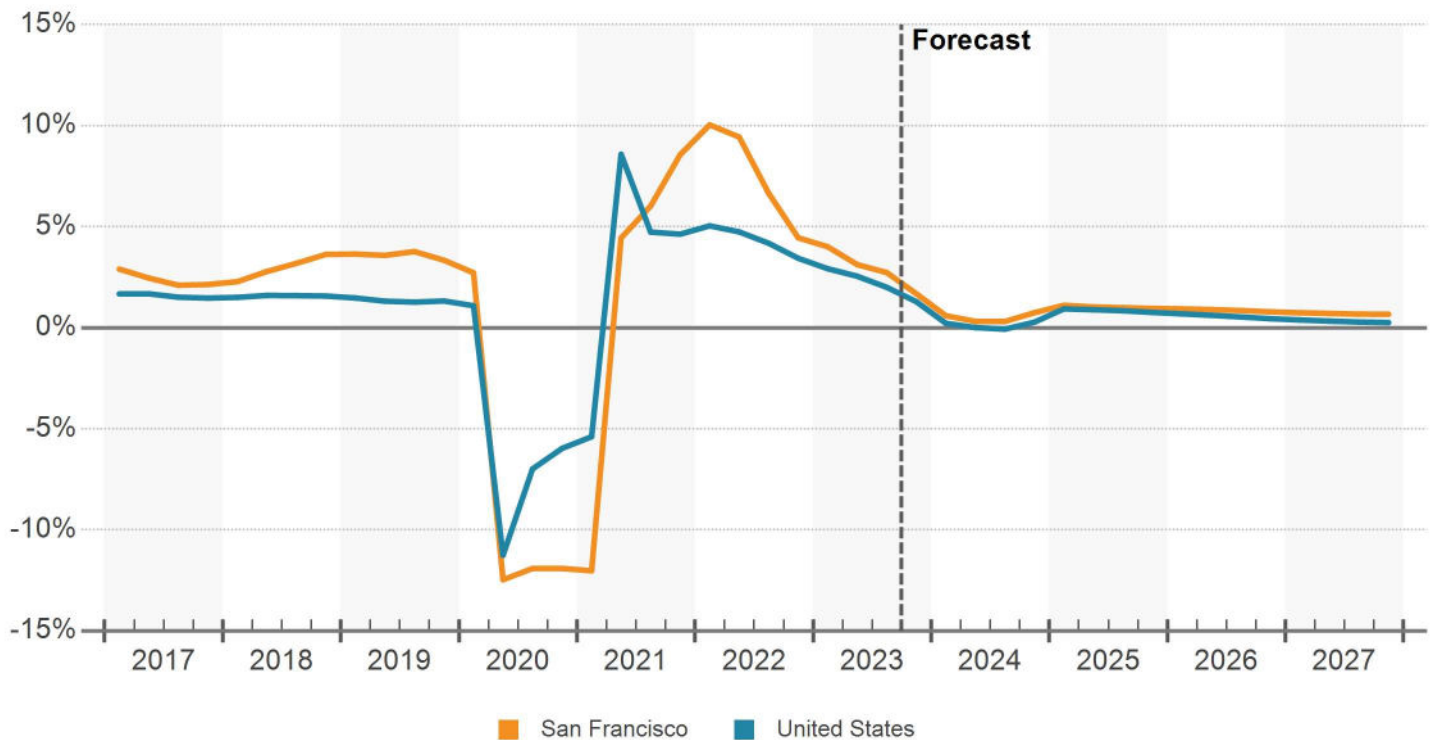
While the current downturn has yet to play out, the longer-term outlook is more positive. Future tech growth in new areas such as AI is expected to remain focused in the Bay Area, as is evident by an increase in leasing activity by AI companies in the past few months.

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	-0.54%	0.06%	0.64%	0.72%	0.46%	0.07%
Trade, Transportation and Utilities	137	0.6	-0.42%	0.21%	0.07%	1.07%	-0.07%	0.14%
Retail Trade	67	0.6	-0.90%	0.47%	-1.62%	0.25%	-0.20%	0.09%
Financial Activities	91	1.3	1.52%	0.61%	2.25%	1.46%	-0.01%	0.14%
Government	136	0.8	2.45%	1.61%	1.49%	0.37%	0.52%	0.40%
Natural Resources, Mining and Construction	41	0.6	0.00%	1.58%	2.62%	2.35%	1.00%	0.27%
Education and Health Services	158	0.8	3.93%	3.16%	2.72%	1.88%	0.62%	0.66%
Professional and Business Services	315	1.8	0.87%	0.79%	3.20%	2.02%	0.87%	0.50%
Information	124	5.2	-4.05%	-2.65%	9.21%	1.11%	1.79%	0.33%
Leisure and Hospitality	135	1.0	10.40%	3.11%	0.51%	1.49%	1.28%	0.83%
Other Services	40	0.9	3.70%	1.79%	0.23%	0.64%	0.44%	0.27%
Total Employment	1,217	1.0	1.79%	1.36%	2.35%	1.31%	0.75%	0.40%

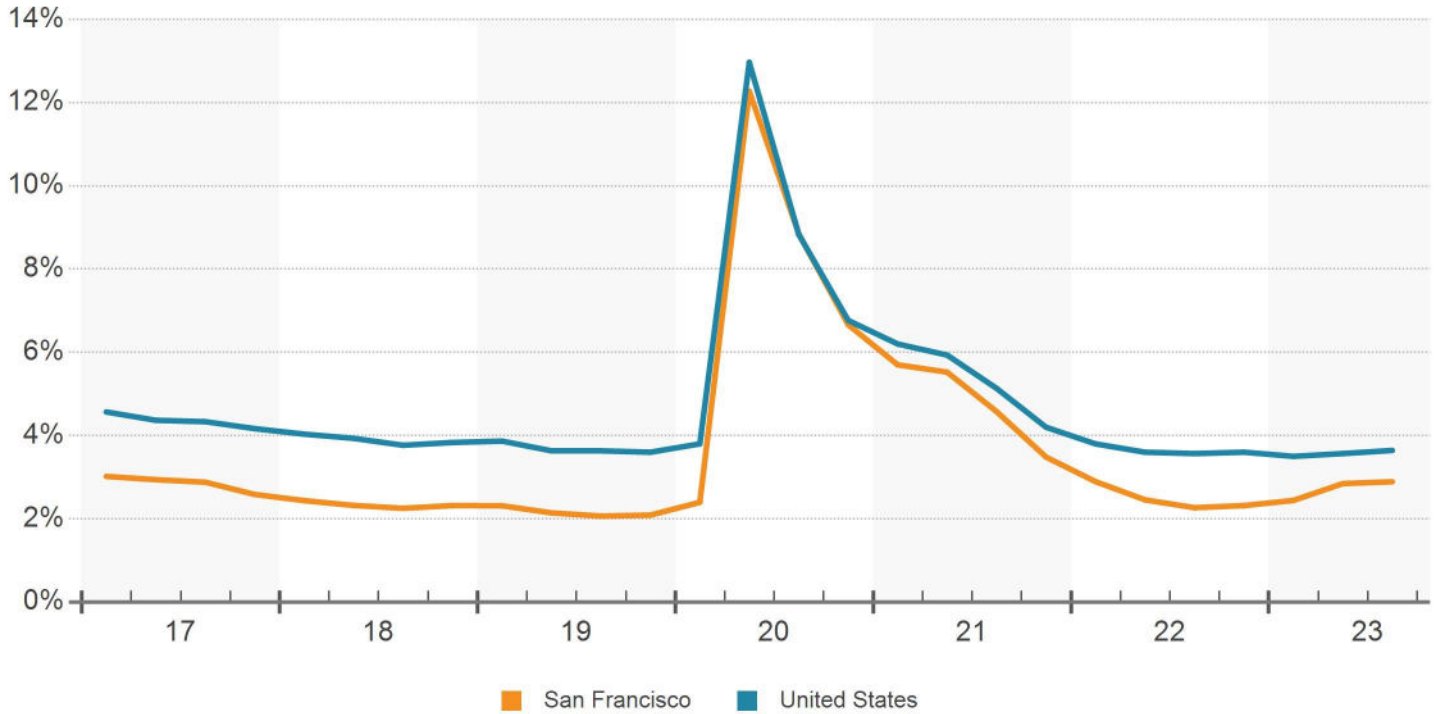
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

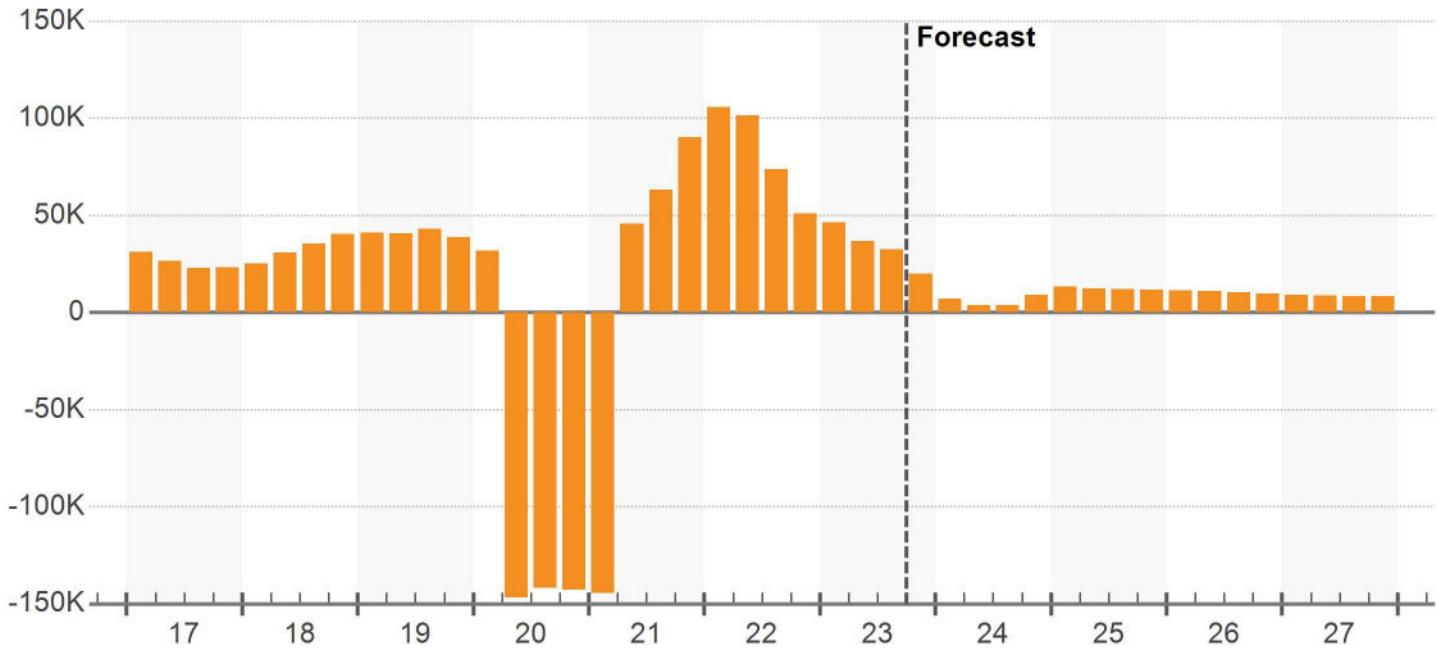


Source: Oxford Economics

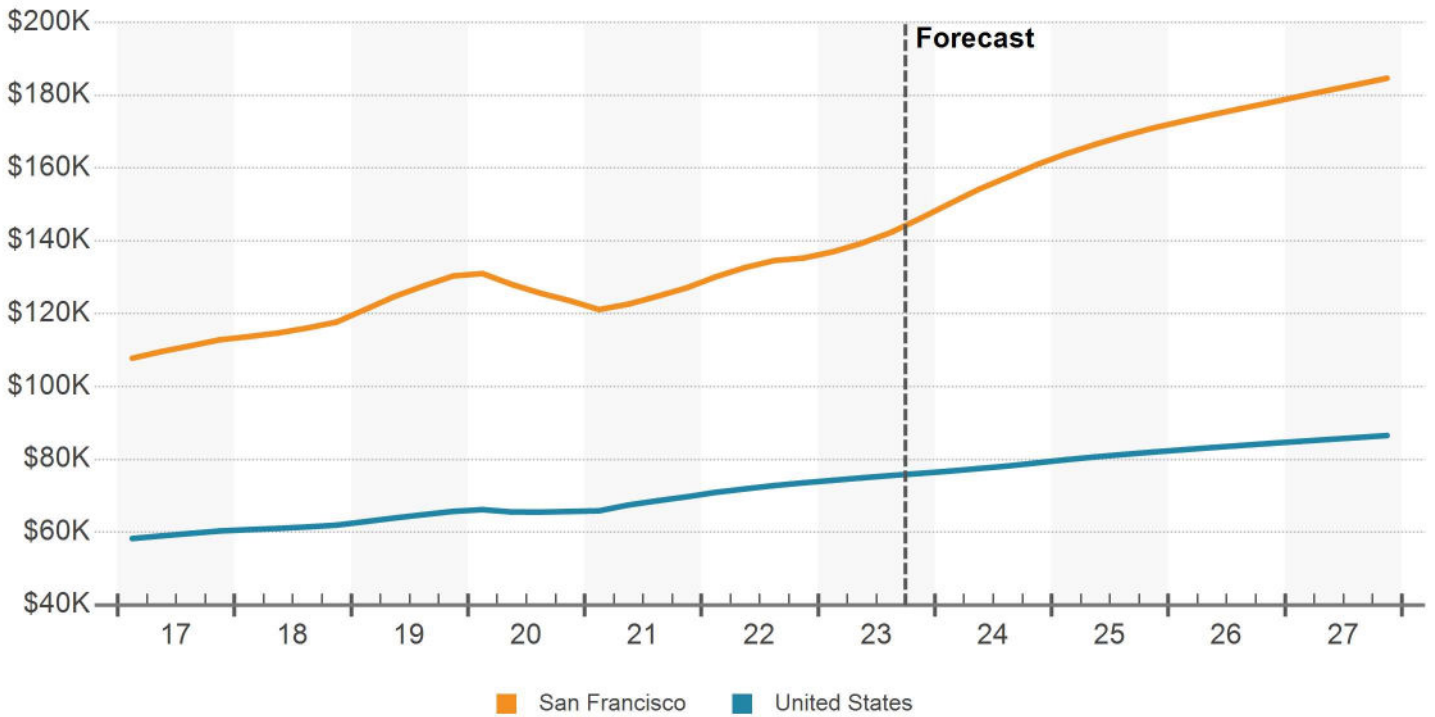
UNEMPLOYMENT RATE (%)



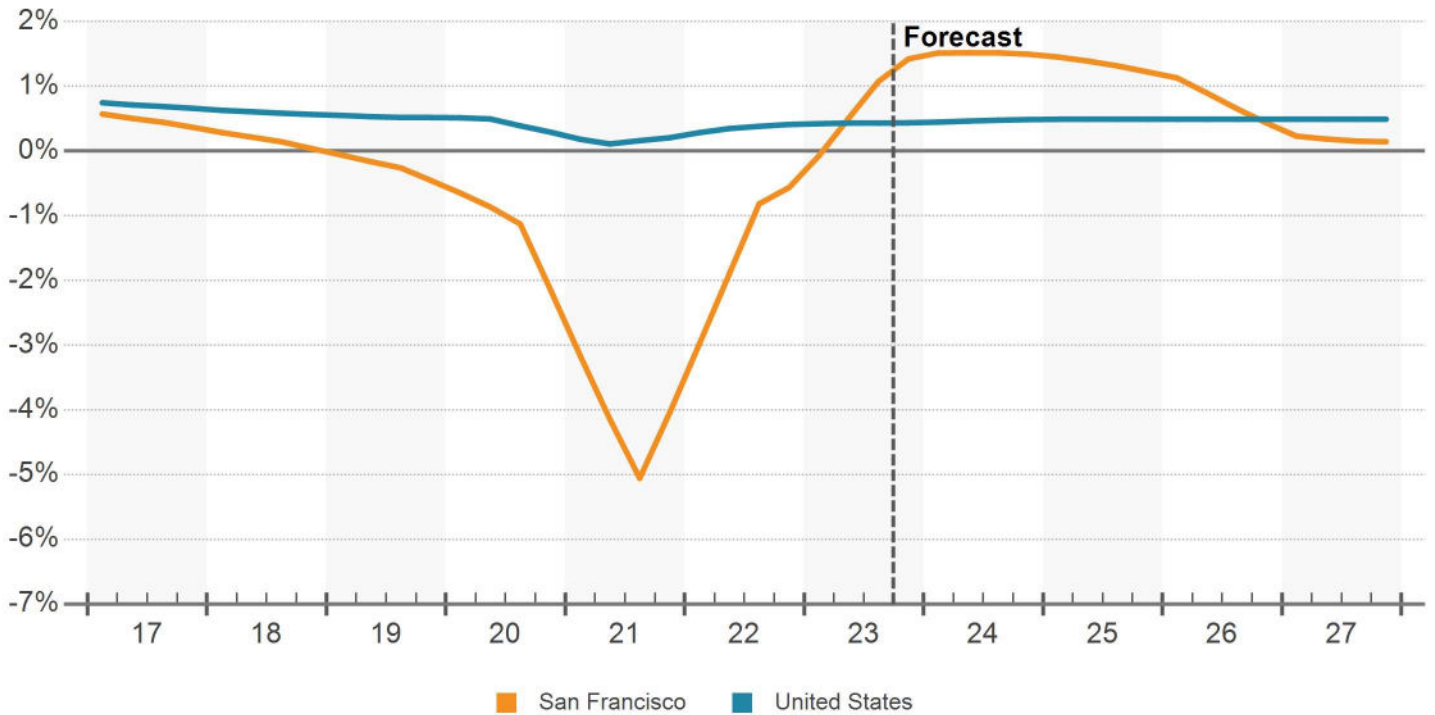
NET EMPLOYMENT CHANGE (YOY)



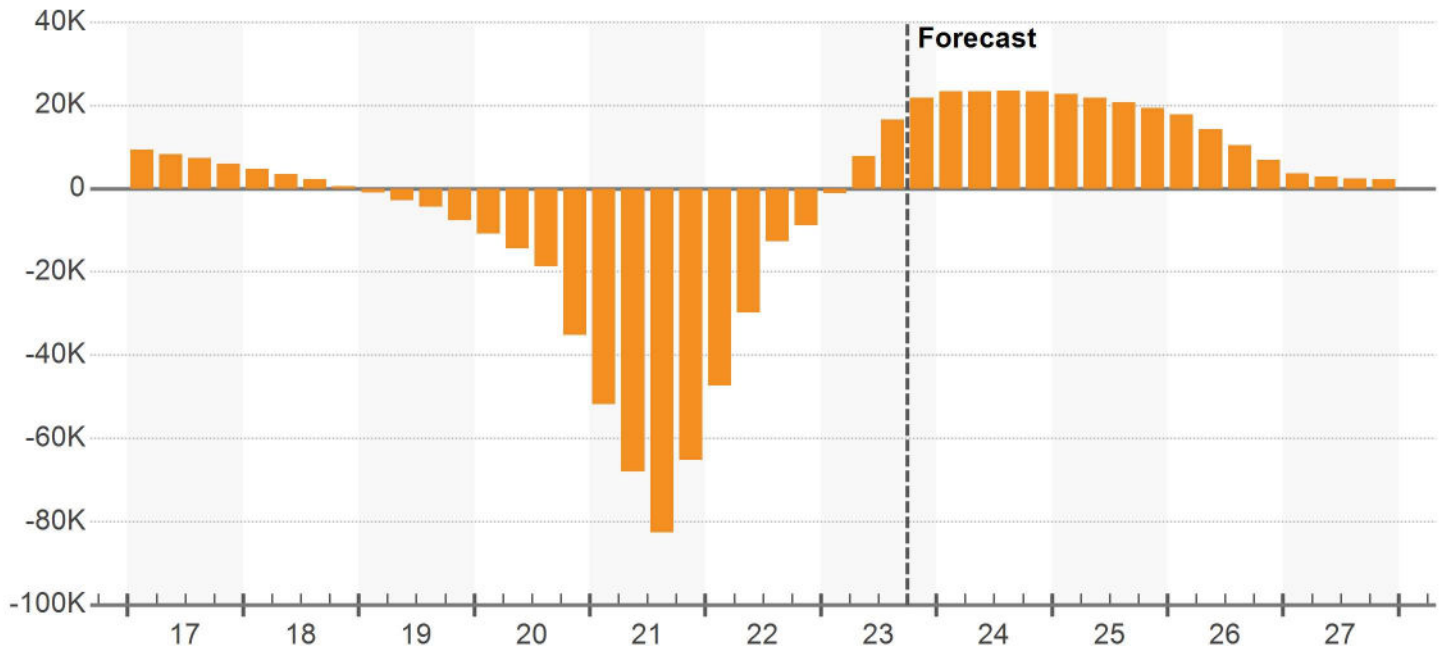
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

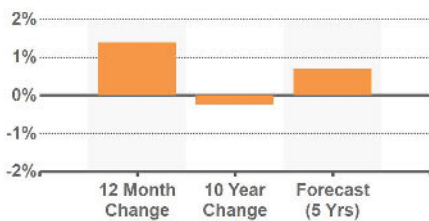


DEMOGRAPHIC TRENDS

Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,559,367	335,061,719	1.4%	0.4%	-0.2%	0.5%	0.7%	0.5%
Households	627,654	130,809,484	1.5%	0.6%	0%	0.9%	0.8%	0.6%
Median Household Income	\$145,707	\$76,080	7.8%	3.6%	5.7%	3.8%	5.6%	3.1%
Labor Force	1,045,367	167,575,594	1.4%	1.8%	1.1%	0.8%	0.4%	0.2%
Unemployment	2.9%	3.6%	0.6%	0%	-0.2%	-0.3%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



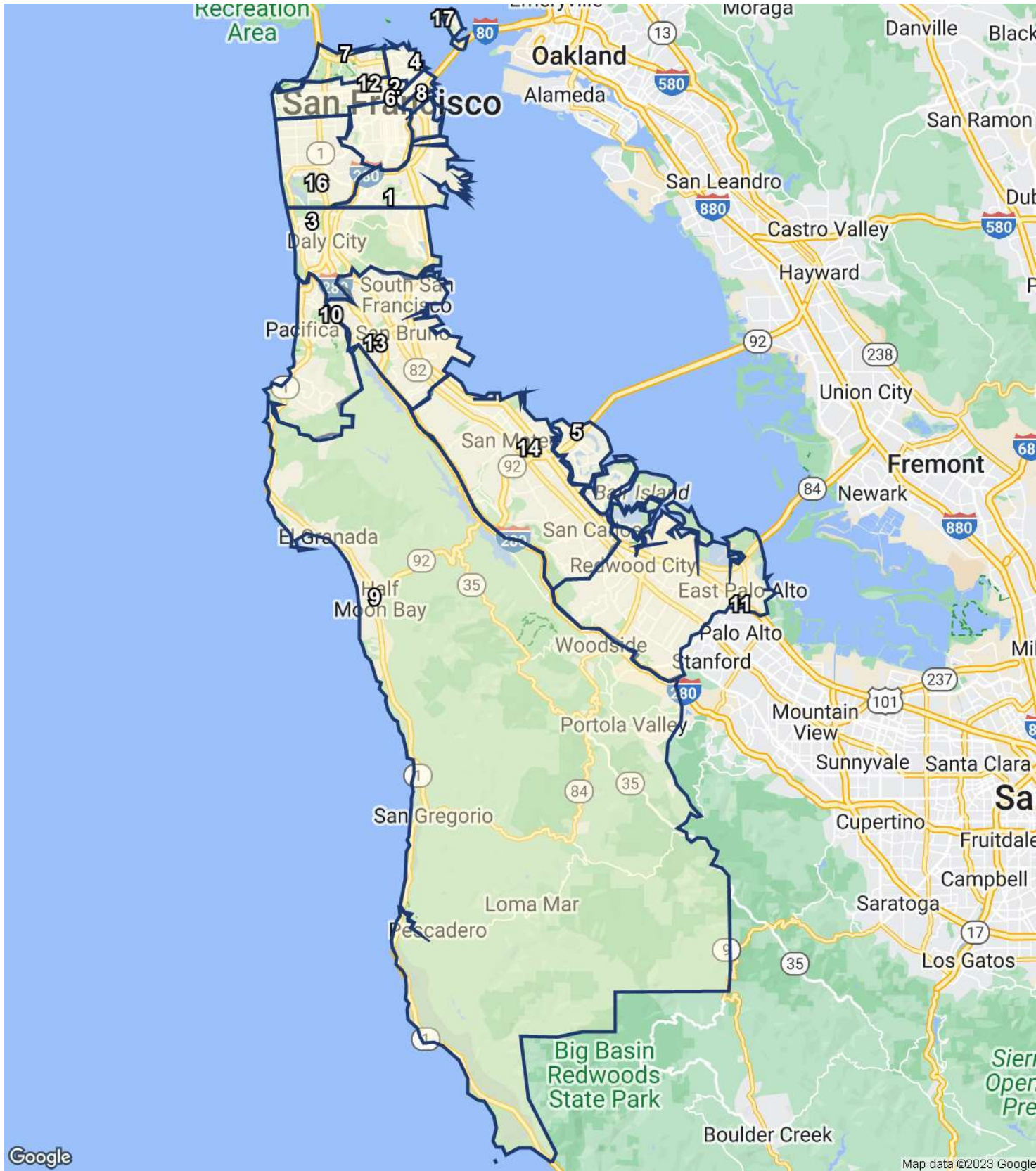
INCOME GROWTH



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	10,541	5.9%	8	1	34	0.3%	5	0	0	0%	-
3	Daly City/Brisbane	180	6,940	3.9%	12	0	0	0%	-	2	42	0.6%	8
4	Downtown San Francisco	1,557	23,968	13.3%	1	0	0	0%	-	0	0	0%	-
5	Foster City/Redwood Sho...	30	5,704	3.2%	13	0	0	0%	-	0	0	0%	-
6	Haight-Ashbury/Castro/N...	1,748	20,413	11.3%	3	2	28	0.1%	6	1	63	0.3%	7
7	Marina/Pacific Heights/Pr...	917	14,463	8.0%	6	0	0	0%	-	0	0	0%	-
8	Mission Bay/China Basin...	80	7,470	4.2%	11	1	283	3.8%	3	2	755	10.1%	2
9	Outlying San Mateo County	30	289	0.2%	17	0	0	0%	-	0	0	0%	-
10	Pacifica	79	2,305	1.3%	14	0	0	0%	-	1	24	1.0%	9
11	Redwood City/Menlo Park	829	15,853	8.8%	5	0	0	0%	-	5	1,476	9.3%	1
12	Richmond/Western Addition	1,401	17,772	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	1,203	21,525	12.0%	2	2	314	1.5%	2	6	472	2.2%	4
15	South Of Market	124	13,265	7.4%	7	0	0	0%	-	1	90	0.7%	6
16	Sunset/Lakeshore	512	9,229	5.1%	9	0	0	0%	-	0	0	0%	-
17	Treasure/Yerba Buena Isl...	1	430	0.2%	16	0	0	0%	-	4	705	164.0%	3

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	\$2,741	\$3.71	8	-3.6%	\$2,668	\$3.60	8	-6.2%	2.6%	2
2	Civic Center/Tenderloin	\$2,346	\$4.15	6	-2.1%	\$2,307	\$4.08	7	-3.1%	1.7%	3
3	Daly City/Brisbane	\$2,539	\$3.55	14	4.6%	\$2,407	\$3.36	15	-0.2%	5.2%	1
4	Downtown San Francisco	\$2,658	\$4.42	4	0%	\$2,642	\$4.40	3	0.3%	0.6%	13
5	Foster City/Redwood Sho...	\$3,169	\$3.60	10	-1.3%	\$3,153	\$3.59	10	-0.8%	0.5%	15
6	Haight-Ashbury/Castro/N...	\$3,036	\$4.45	3	-1.4%	\$2,991	\$4.38	4	-0.6%	1.5%	6
7	Marina/Pacific Heights/Pr...	\$3,710	\$4.26	5	0.7%	\$3,690	\$4.24	5	0.7%	0.6%	14
8	Mission Bay/China Basin...	\$3,743	\$4.53	1	-1.7%	\$3,708	\$4.49	1	-1.8%	0.9%	8
9	Outlying San Mateo County	\$2,105	\$2.17	17	1.4%	\$2,095	\$2.16	17	1.4%	0.5%	16
10	Pacifica	\$2,777	\$3.65	9	2.6%	\$2,732	\$3.59	9	2.5%	1.6%	4
11	Redwood City/Menlo Park	\$2,925	\$3.57	11	-0.6%	\$2,906	\$3.55	11	-0.1%	0.7%	11
12	Richmond/Western Addition	\$2,629	\$4.14	7	1.3%	\$2,612	\$4.11	6	1.4%	0.6%	12
13	S San Francisco/San Bru...	\$3,025	\$3.47	15	0.2%	\$2,995	\$3.44	14	0%	1.0%	7
14	San Mateo/Burlingame	\$2,930	\$3.55	13	0.4%	\$2,904	\$3.52	13	0.4%	0.9%	10
15	South Of Market	\$3,396	\$4.51	2	-4.5%	\$3,341	\$4.43	2	-5.1%	1.6%	5
16	Sunset/Lakeshore	\$2,948	\$3.56	12	4.7%	\$2,921	\$3.53	12	4.7%	0.9%	9
17	Treasure/Yerba Buena Isl...	\$2,823	\$2.56	16	0%	\$2,823	\$2.56	16	0.9%	0%	-

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Bayview/Visitacion Valley	171	13.3%	16	75	5.8%	8	2.6
2	Civic Center/Tenderloin	806	7.6%	11	224	2.1%	2	-
3	Daly City/Brisbane	560	8.1%	14	(38)	-0.5%	16	-
4	Downtown San Francisco	1,460	6.1%	8	162	0.7%	3	-
5	Foster City/Redwood Sho...	212	3.7%	2	26	0.5%	12	-
6	Haight-Ashbury/Castro/N...	1,613	7.9%	13	363	1.8%	1	0
7	Marina/Pacific Heights/Pr...	738	5.1%	3	(6)	0%	15	-
8	Mission Bay/China Basin...	510	6.8%	9	161	2.2%	4	1.8
9	Outlying San Mateo County	11	3.7%	1	0	0%	-	-
10	Pacifica	121	5.2%	4	(6)	-0.3%	14	-
11	Redwood City/Menlo Park	902	5.7%	5	125	0.8%	5	-
12	Richmond/Western Addition	1,040	5.9%	7	86	0.5%	7	-
13	S San Francisco/San Bru...	637	7.5%	10	63	0.7%	9	5.1
14	San Mateo/Burlingame	1,253	5.8%	6	92	0.4%	6	3.4
15	South Of Market	1,019	7.7%	12	(77)	-0.6%	17	-
16	Sunset/Lakeshore	1,081	11.7%	15	49	0.5%	11	-
17	Treasure/Yerba Buena Isl...	0	0%	-	60	13.9%	10	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	184,562	869	0.5%	1,016	0.6%	0.9
2026	183,693	268	0.1%	849	0.5%	0.3
2025	183,425	1,323	0.7%	1,744	1.0%	0.8
2024	182,102	1,940	1.1%	2,140	1.2%	0.9
2023	180,162	1,369	0.8%	1,250	0.7%	1.1
YTD	179,915	1,122	0.6%	1,269	0.7%	0.9
2022	178,793	1,978	1.1%	3,346	1.9%	0.6
2021	176,815	2,756	1.6%	7,979	4.5%	0.3
2020	174,059	2,822	1.6%	(6,048)	-3.5%	-
2019	171,237	2,197	1.3%	852	0.5%	2.6
2018	169,040	2,465	1.5%	2,725	1.6%	0.9
2017	166,575	3,669	2.3%	3,074	1.8%	1.2
2016	162,906	3,767	2.4%	3,440	2.1%	1.1
2015	159,139	2,428	1.5%	1,851	1.2%	1.3
2014	156,711	2,317	1.5%	2,466	1.6%	0.9
2013	154,394	2,663	1.8%	2,455	1.6%	1.1
2012	151,731	179	0.1%	(187)	-0.1%	-
2011	151,552	(25)	0%	570	0.4%	0

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	45,548	884	2.0%	735	1.6%	1.2
2026	44,664	341	0.8%	669	1.5%	0.5
2025	44,323	1,295	3.0%	1,450	3.3%	0.9
2024	43,028	1,784	4.3%	1,824	4.2%	1.0
2023	41,244	1,349	3.4%	894	2.2%	1.5
YTD	41,017	1,122	2.8%	840	2.0%	1.3
2022	39,895	1,500	3.9%	2,599	6.5%	0.6
2021	38,395	2,733	7.7%	4,597	12.0%	0.6
2020	35,662	2,642	8.0%	(1,153)	-3.2%	-
2019	33,020	2,156	7.0%	1,369	4.1%	1.6
2018	30,864	2,436	8.6%	2,882	9.3%	0.8
2017	28,428	3,692	14.9%	3,052	10.7%	1.2
2016	24,736	3,800	18.2%	3,586	14.5%	1.1
2015	20,936	2,411	13.0%	2,146	10.3%	1.1
2014	18,525	2,292	14.1%	2,078	11.2%	1.1
2013	16,233	2,374	17.1%	2,070	12.8%	1.1
2012	13,859	489	3.7%	379	2.7%	1.3
2011	13,370	(53)	-0.4%	273	2.0%	-

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	47,563	0	0%	109	0.2%	0
2026	47,563	0	0%	114	0.2%	0
2025	47,563	104	0.2%	251	0.5%	0.4
2024	47,459	224	0.5%	357	0.8%	0.6
2023	47,235	20	0%	197	0.4%	0.1
YTD	47,215	0	0%	204	0.4%	0
2022	47,215	462	1.0%	461	1.0%	1.0
2021	46,753	23	0%	1,505	3.2%	0
2020	46,730	199	0.4%	(1,892)	-4.0%	-
2019	46,531	30	0.1%	(83)	-0.2%	-
2018	46,501	39	0.1%	(124)	-0.3%	-
2017	46,462	8	0%	46	0.1%	0.2
2016	46,454	13	0%	(82)	-0.2%	-
2015	46,441	24	0.1%	(281)	-0.6%	-
2014	46,417	20	0%	279	0.6%	0.1
2013	46,397	241	0.5%	229	0.5%	1.1
2012	46,156	(310)	-0.7%	(435)	-0.9%	0.7
2011	46,466	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	91,451	(15)	0%	172	0.2%	-
2026	91,466	(73)	-0.1%	66	0.1%	-
2025	91,539	(76)	-0.1%	43	0%	-
2024	91,615	(68)	-0.1%	(41)	0%	1.7
2023	91,683	0	0%	159	0.2%	0
YTD	91,683	0	0%	225	0.2%	0
2022	91,683	16	0%	286	0.3%	0.1
2021	91,667	0	0%	1,877	2.0%	0
2020	91,667	(19)	0%	(3,003)	-3.3%	0
2019	91,686	11	0%	(434)	-0.5%	0
2018	91,675	(10)	0%	(33)	0%	0.3
2017	91,685	(31)	0%	(24)	0%	1.3
2016	91,716	(46)	-0.1%	(64)	-0.1%	0.7
2015	91,762	(7)	0%	(14)	0%	0.5
2014	91,769	5	0%	109	0.1%	0
2013	91,764	48	0.1%	156	0.2%	0.3
2012	91,716	0	0%	(131)	-0.1%	0
2011	91,716	0	0%	56	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	11,051	6.0%	(0.1)	\$3,560	\$4.78	3.7%	(1.1)	\$3,517	\$4.72
2026	11,198	6.1%	(0.3)	\$3,433	\$4.61	4.8%	0	\$3,391	\$4.55
2025	11,778	6.4%	(0.3)	\$3,276	\$4.39	4.8%	0	\$3,236	\$4.34
2024	12,201	6.7%	(0.2)	\$3,125	\$4.19	4.8%	5.3	\$3,087	\$4.14
2023	12,398	6.9%	0	\$2,982	\$4	-0.5%	(1.2)	\$2,946	\$3.95
YTD	12,134	6.7%	(0.1)	\$2,988	\$3.96	-0.5%	(1.1)	\$2,953	\$3.91
2022	12,278	6.9%	(0.8)	\$2,997	\$3.97	0.7%	(6.7)	\$2,969	\$3.93
2021	13,638	7.7%	(3.1)	\$2,977	\$3.94	7.4%	17.0	\$2,937	\$3.89
2020	18,849	10.8%	5.0	\$2,772	\$3.66	-9.6%	(10.4)	\$2,705	\$3.57
2019	9,992	5.8%	0.7	\$3,066	\$4.06	0.8%	(2.1)	\$3,045	\$4.03
2018	8,641	5.1%	(0.2)	\$3,042	\$4.03	2.9%	1.5	\$3,011	\$3.99
2017	8,900	5.3%	0.2	\$2,957	\$3.92	1.3%	0.6	\$2,898	\$3.84
2016	8,304	5.1%	0.1	\$2,918	\$3.87	0.7%	(5.3)	\$2,858	\$3.79
2015	7,965	5.0%	0.3	\$2,897	\$3.84	6.0%	1.3	\$2,868	\$3.80
2014	7,386	4.7%	(0.2)	\$2,733	\$3.62	4.7%	0.4	\$2,712	\$3.59
2013	7,530	4.9%	0.1	\$2,610	\$3.46	4.3%	0	\$2,592	\$3.44
2012	7,323	4.8%	0.2	\$2,504	\$3.32	4.3%	1.0	\$2,490	\$3.30
2011	6,958	4.6%	(0.4)	\$2,400	\$3.18	3.3%	-	\$2,387	\$3.16

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	3,774	8.3%	0.2	\$4,309	\$5.16	3.6%	(1.1)	\$4,249	\$5.09
2026	3,626	8.1%	(0.8)	\$4,160	\$4.98	4.7%	0	\$4,103	\$4.91
2025	3,953	8.9%	(0.6)	\$3,973	\$4.76	4.7%	0	\$3,918	\$4.69
2024	4,108	9.5%	(0.5)	\$3,793	\$4.54	4.7%	6.2	\$3,741	\$4.48
2023	4,147	10.1%	0.8	\$3,624	\$4.34	-1.5%	(0.8)	\$3,574	\$4.28
YTD	3,975	9.7%	0.4	\$3,633	\$4.26	-1.6%	(0.9)	\$3,585	\$4.21
2022	3,692	9.3%	(3.2)	\$3,680	\$4.32	-0.7%	(11.8)	\$3,647	\$4.28
2021	4,785	12.5%	(6.2)	\$3,706	\$4.34	11.1%	24.9	\$3,635	\$4.25
2020	6,645	18.6%	10.0	\$3,337	\$3.89	-13.9%	(14.2)	\$3,206	\$3.74
2019	2,853	8.6%	2.0	\$3,874	\$4.52	0.3%	(2.7)	\$3,848	\$4.48
2018	2,057	6.7%	(2.1)	\$3,863	\$4.51	3.0%	2.0	\$3,810	\$4.44
2017	2,503	8.8%	1.3	\$3,750	\$4.37	1.0%	0.8	\$3,641	\$4.24
2016	1,861	7.5%	(0.3)	\$3,713	\$4.33	0.2%	(4.8)	\$3,610	\$4.21
2015	1,634	7.8%	0.4	\$3,707	\$4.33	4.9%	0.7	\$3,663	\$4.28
2014	1,366	7.4%	0.3	\$3,533	\$4.12	4.2%	0.8	\$3,507	\$4.09
2013	1,146	7.1%	1.0	\$3,389	\$3.97	3.4%	(0.5)	\$3,359	\$3.93
2012	843	6.1%	0.6	\$3,277	\$3.84	4.0%	1.2	\$3,260	\$3.82
2011	733	5.5%	(2.4)	\$3,152	\$3.69	2.7%	-	\$3,134	\$3.67

3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2027	2,658	5.6%	(0.2)	\$3,448	\$4.77	3.8%	(1.1)	\$3,397	\$4.70
2026	2,768	5.8%	(0.2)	\$3,322	\$4.60	4.9%	0	\$3,273	\$4.53
2025	2,881	6.1%	(0.3)	\$3,168	\$4.38	4.9%	0	\$3,121	\$4.32
2024	3,029	6.4%	(0.3)	\$3,020	\$4.18	4.9%	4.6	\$2,975	\$4.11
2023	3,161	6.7%	(0.4)	\$2,879	\$3.98	0.3%	(1.5)	\$2,836	\$3.92
YTD	3,135	6.6%	(0.4)	\$2,883	\$3.97	0.4%	(1.5)	\$2,840	\$3.91
2022	3,338	7.1%	(0.1)	\$2,870	\$3.95	1.8%	(4.8)	\$2,839	\$3.90
2021	3,336	7.1%	(3.2)	\$2,818	\$3.88	6.7%	15.4	\$2,791	\$3.84
2020	4,814	10.3%	4.4	\$2,641	\$3.63	-8.7%	(9.4)	\$2,599	\$3.57
2019	2,728	5.9%	0.2	\$2,894	\$3.99	0.7%	(1.7)	\$2,871	\$3.96
2018	2,615	5.6%	0.3	\$2,875	\$3.96	2.4%	1.0	\$2,851	\$3.93
2017	2,453	5.3%	(0.1)	\$2,809	\$3.87	1.3%	0.9	\$2,764	\$3.81
2016	2,491	5.4%	0.2	\$2,772	\$3.82	0.4%	(6.9)	\$2,719	\$3.75
2015	2,397	5.2%	0.7	\$2,759	\$3.81	7.3%	2.9	\$2,728	\$3.76
2014	2,091	4.5%	(0.6)	\$2,570	\$3.54	4.4%	(1.0)	\$2,545	\$3.50
2013	2,351	5.1%	0	\$2,461	\$3.39	5.4%	0.4	\$2,446	\$3.37
2012	2,340	5.1%	0.3	\$2,335	\$3.22	5.0%	0.1	\$2,321	\$3.20
2011	2,214	4.8%	(0.5)	\$2,223	\$3.06	4.9%	-	\$2,211	\$3.04

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	4,618	5.0%	(0.2)	\$2,847	\$4.19	3.8%	(1.1)	\$2,830	\$4.16
2026	4,805	5.3%	(0.1)	\$2,743	\$4.03	4.8%	(0.1)	\$2,728	\$4.01
2025	4,944	5.4%	(0.1)	\$2,617	\$3.85	4.9%	0	\$2,602	\$3.83
2024	5,064	5.5%	0	\$2,495	\$3.67	4.9%	4.5	\$2,481	\$3.65
2023	5,089	5.6%	(0.2)	\$2,379	\$3.50	0.4%	(1.3)	\$2,365	\$3.48
YTD	5,024	5.5%	(0.2)	\$2,383	\$3.49	0.5%	(1.2)	\$2,369	\$3.47
2022	5,248	5.7%	(0.3)	\$2,370	\$3.47	1.6%	(0.6)	\$2,353	\$3.44
2021	5,518	6.0%	(2.0)	\$2,332	\$3.41	2.3%	5.1	\$2,311	\$3.38
2020	7,390	8.1%	3.3	\$2,280	\$3.33	-2.8%	(4.6)	\$2,259	\$3.30
2019	4,412	4.8%	0.5	\$2,346	\$3.44	1.8%	(1.4)	\$2,334	\$3.43
2018	3,968	4.3%	0	\$2,304	\$3.38	3.3%	1.3	\$2,290	\$3.36
2017	3,944	4.3%	0	\$2,230	\$3.27	2.0%	0	\$2,213	\$3.25
2016	3,951	4.3%	0	\$2,186	\$3.21	2.1%	(4.3)	\$2,169	\$3.18
2015	3,935	4.3%	0	\$2,142	\$3.14	6.3%	0.3	\$2,130	\$3.12
2014	3,928	4.3%	(0.1)	\$2,014	\$2.95	6.0%	1.5	\$2,001	\$2.93
2013	4,033	4.4%	(0.1)	\$1,900	\$2.77	4.4%	0.4	\$1,890	\$2.76
2012	4,141	4.5%	0.1	\$1,819	\$2.65	4.1%	1.7	\$1,809	\$2.63
2011	4,011	4.4%	(0.1)	\$1,748	\$2.54	2.4%	-	\$1,738	\$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	-	-	-	-	-	-	\$660,408	249	4.2%
2026	-	-	-	-	-	-	\$595,336	225	4.5%
2025	-	-	-	-	-	-	\$531,327	201	4.8%
2024	-	-	-	-	-	-	\$499,233	188	4.8%
2023	-	-	-	-	-	-	\$548,204	207	4.2%
YTD	172	\$1.7B	2.9%	\$9,631,711	\$320,995	5.1%	\$555,807	210	4.2%
2022	236	\$1.4B	1.8%	\$6,076,124	\$440,979	4.2%	\$621,971	235	3.7%
2021	211	\$1.1B	1.5%	\$5,404,027	\$425,308	4.3%	\$682,114	257	3.3%
2020	170	\$1.4B	1.5%	\$8,577,216	\$554,007	4.1%	\$589,816	223	3.6%
2019	467	\$2.9B	4.3%	\$11,363,281	\$569,289	4.0%	\$606,419	229	3.7%
2018	579	\$2.5B	5.3%	\$7,847,507	\$486,156	3.7%	\$574,339	217	3.7%
2017	606	\$1.7B	4.0%	\$5,664,162	\$414,417	3.6%	\$546,640	206	3.8%
2016	419	\$2.5B	4.7%	\$9,062,984	\$394,198	3.8%	\$518,874	196	3.8%
2015	380	\$1.8B	3.7%	\$7,003,898	\$418,721	3.9%	\$500,535	189	3.8%
2014	480	\$2.6B	6.4%	\$7,482,841	\$334,441	4.2%	\$453,401	171	3.9%
2013	379	\$2.3B	5.5%	\$7,839,177	\$330,730	4.7%	\$408,135	154	4.2%
2012	456	\$1.4B	5.3%	\$3,777,810	\$223,675	5.2%	\$389,342	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	-	-	-	-	-	-	\$803,371	227	4.1%
2026	-	-	-	-	-	-	\$724,524	205	4.4%
2025	-	-	-	-	-	-	\$646,498	183	4.7%
2024	-	-	-	-	-	-	\$607,731	172	4.7%
2023	-	-	-	-	-	-	\$668,899	189	4.1%
YTD	2	\$41.2M	0.2%	\$20,575,000	\$623,485	6.1%	\$676,869	191	4.1%
2022	1	\$206M	0.7%	\$206,000,000	\$792,308	-	\$764,399	216	3.6%
2021	2	\$146.6M	0.7%	\$73,300,000	\$544,981	3.6%	\$851,493	241	3.2%
2020	4	\$393.6M	1.5%	\$98,393,323	\$735,651	3.9%	\$739,000	209	3.5%
2019	11	\$1.4B	6.4%	\$159,201,111	\$770,328	4.7%	\$778,424	220	3.5%
2018	12	\$353.2M	3.6%	\$50,462,994	\$643,426	3.7%	\$740,840	209	3.5%
2017	5	\$454.2M	2.8%	\$90,849,677	\$572,101	-	\$712,224	201	3.5%
2016	5	\$774.7M	4.6%	\$154,930,000	\$687,966	3.9%	\$675,800	191	3.6%
2015	5	\$251.2M	3.7%	\$62,800,000	\$697,778	3.9%	\$656,217	185	3.6%
2014	5	\$1.2B	15.2%	\$232,826,000	\$412,812	5.7%	\$598,975	169	3.7%
2013	7	\$497.8M	12.2%	\$99,569,759	\$425,512	5.1%	\$550,531	156	3.9%
2012	11	\$160.5M	7.3%	\$32,109,900	\$343,054	5.4%	\$523,796	148	3.9%

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

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	-	-	-	-	-	-	\$579,392	260	4.2%
2026	-	-	-	-	-	-	\$522,212	234	4.5%
2025	-	-	-	-	-	-	\$466,020	209	4.8%
2024	-	-	-	-	-	-	\$437,722	196	4.8%
2023	-	-	-	-	-	-	\$480,132	215	4.2%
YTD	30	\$1.2B	8.2%	\$39,809,267	\$309,078	5.5%	\$486,356	218	4.2%
2022	32	\$378M	1.9%	\$11,811,015	\$425,622	4.4%	\$547,679	246	3.7%
2021	32	\$193M	1.1%	\$6,030,031	\$376,142	4.2%	\$605,822	272	3.3%
2020	32	\$357.1M	1.3%	\$11,160,276	\$567,772	3.8%	\$528,679	237	3.6%
2019	72	\$416.8M	2.8%	\$9,473,801	\$437,405	4.0%	\$533,232	239	3.7%
2018	102	\$849M	6.3%	\$11,319,627	\$472,176	3.9%	\$499,303	224	3.7%
2017	98	\$362.5M	2.8%	\$5,492,223	\$371,400	3.6%	\$474,100	213	3.8%
2016	67	\$903.3M	6.8%	\$16,727,813	\$299,901	3.7%	\$449,947	202	3.8%
2015	66	\$780.1M	4.4%	\$13,464,158	\$443,726	3.9%	\$431,747	194	3.8%
2014	75	\$410.4M	6.0%	\$6,035,745	\$271,629	4.0%	\$389,245	174	4.0%
2013	74	\$1.2B	7.5%	\$17,179,218	\$354,379	4.4%	\$347,477	156	4.2%
2012	93	\$541.4M	6.3%	\$6,310,176	\$223,805	5.5%	\$330,354	148	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.

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	-	-	-	-	-	-	\$633,076	260	4.3%
2026	-	-	-	-	-	-	\$570,593	234	4.5%
2025	-	-	-	-	-	-	\$509,329	209	4.8%
2024	-	-	-	-	-	-	\$478,504	196	4.9%
2023	-	-	-	-	-	-	\$524,961	216	4.3%
YTD	140	\$421.2M	1.3%	\$3,008,759	\$342,182	5.0%	\$533,101	219	4.2%
2022	203	\$843.9M	2.3%	\$4,177,905	\$403,797	4.2%	\$591,410	243	3.8%
2021	177	\$800.7M	2.1%	\$4,523,665	\$421,637	4.3%	\$639,515	263	3.4%
2020	134	\$690.3M	1.6%	\$5,229,319	\$480,355	4.1%	\$549,154	225	3.7%
2019	384	\$1B	4.3%	\$5,126,264	\$458,316	4.0%	\$560,936	230	3.7%
2018	465	\$1.3B	5.3%	\$5,469,986	\$464,060	3.7%	\$532,486	219	3.8%
2017	503	\$854.2M	4.9%	\$3,813,360	\$377,627	3.6%	\$503,937	207	3.8%
2016	347	\$857.9M	3.8%	\$3,889,971	\$373,824	3.8%	\$478,498	196	3.9%
2015	309	\$778.4M	3.3%	\$3,968,976	\$353,195	3.9%	\$460,690	189	3.9%
2014	400	\$1B	4.7%	\$3,716,125	\$297,398	4.2%	\$416,056	171	4.0%
2013	298	\$594.6M	3.4%	\$2,755,694	\$250,658	4.8%	\$370,517	152	4.3%
2012	352	\$703M	4.5%	\$2,503,187	\$207,121	5.2%	\$354,712	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	-	184,564	6.0%	-	976	-	869	-	-
2026	-	183,695	6.1%	-	309	-	269	-	-
2025	-	183,426	6.4%	-	1,407	-	1,323	-	-
2024	-	182,103	6.7%	-	2,008	-	1,941	-	-
2023	-	180,162	6.9%	-	1,369	-	1,369	-	-
YTD	9,543	179,915	6.7%	6	1,122	6	1,122	23	3,822
2022	9,537	178,793	6.9%	16	1,978	16	1,978	22	3,499
2021	9,521	176,815	7.7%	23	2,756	23	2,756	23	3,360
2020	9,498	174,059	10.8%	20	2,841	19	2,822	39	5,038
2019	9,479	171,237	5.8%	19	2,197	19	2,197	46	6,748
2018	9,460	169,040	5.1%	13	2,475	12	2,465	40	5,591
2017	9,448	166,575	5.3%	21	3,707	17	3,669	29	4,893
2016	9,431	162,906	5.1%	19	3,813	15	3,767	27	5,525
2015	9,416	159,139	5.0%	16	2,435	15	2,428	38	8,628
2014	9,401	156,711	4.7%	16	2,317	16	2,317	32	6,733
2013	9,385	154,394	4.9%	19	2,703	16	2,663	27	5,240
2012	9,369	151,731	4.8%	5	489	4	179	27	4,514
2011	9,365	151,552	4.6%	3	123	2	(25)	13	1,585