



Multi-Family Market Report

San Jose - CA

PREPARED BY



MULTI-FAMILY MARKET REPORT

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

12 Mo. Delivered Units

880

12 Mo. Absorption Units

1,356

Vacancy Rate

5.2%

12 Mo. Asking Rent Growth

0.3%

Heading towards the end of 2023, demand in San Jose's multifamily market is softening, as evidenced by falling totals of net absorption in both the second and third quarters. High interest rates and economic uncertainty in the face of tech layoffs and bank failures have reduced tenant demand, and while vacancy has stayed relatively low, rent growth has slowed, as landlords focus on tenant retention over rent increases.

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.

Strong demand in 2021 and in the first half of 2022 caused developers to ramp up construction activity, and the market currently has roughly 7,900 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 forecast to recover as the economy improves, and the vacancy rate is projected to see only a moderate increase. Construction starts have fallen sharply in 2023, with economic conditions making construction financing expensive and difficult to secure.

Hybrid working is set to remain a prevalent trend for Silicon Valley office workers. 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.

The for-sale housing market remains expensive, with house prices continuing to rise and mortgage rates above 7%. San Jose has the widest affordability gap between buying and renting. That means most new households will become renters rather than owners, creating a backstop for apartment demand.

In the investment market, buyers have maintained interest and transactions continue to close. Pricing in San Jose remains among the highest in the nation.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	58,473	6.1%	\$3,342	\$3,285	160	0	5,934
3 Star	41,047	4.9%	\$2,890	\$2,862	(114)	0	1,974
1 & 2 Star	57,206	4.6%	\$2,243	\$2,231	(138)	0	0
Market	156,726	5.2%	\$2,909	\$2,872	(92)	0	7,908

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.3%	5.1%	5.4%	9.7%	2020 Q4	1.8%	2000 Q1
Absorption Units	1,356	1,837	1,981	8,544	2021 Q4	(2,872)	2001 Q4
Delivered Units	880	2,165	2,110	5,623	2015 Q1	7	2009 Q3
Demolished Units	0	71	51	326	2021 Q1	0	2023 Q3
Asking Rent Growth (YOY)	0.3%	1.7%	4.7%	22.9%	2001 Q1	-13.8%	2002 Q3
Effective Rent Growth (YOY)	0.2%	1.6%	4.8%	22.8%	2001 Q1	-14.0%	2002 Q3
Sales Volume	\$1.2B	\$987.8M	N/A	\$2.2B	2020 Q1	\$140M	2003 Q1

After a strong start to 2023, tenant demand has waned over the course of the year. As of the fourth quarter, annual net absorption was 1,400 units, which is about half of the average annual demand level over the past decade.

Market vacancy, however, remains relatively low, primarily because supply has not increased at its historic rates. Just 880 units were delivered over the past year, which is less than half the annual average over the past 10 years. Accordingly, the vacancy rate remains at around 5.2%, which is lower than the metro area's long-term average, while also outperforming the national average, which currently stands at 7.5%.

The building classes with the lowest vacancy rates are those in the mid- and lower tiers, which have vacancy rates of around 4.9%, whereas 4 & 5 Star vacancy is 6.1%. Net absorption has been entirely in the 4 & 5 Star class, with the lower classes slightly negative, as renters relocate to newer communities with higher specs and amenities.

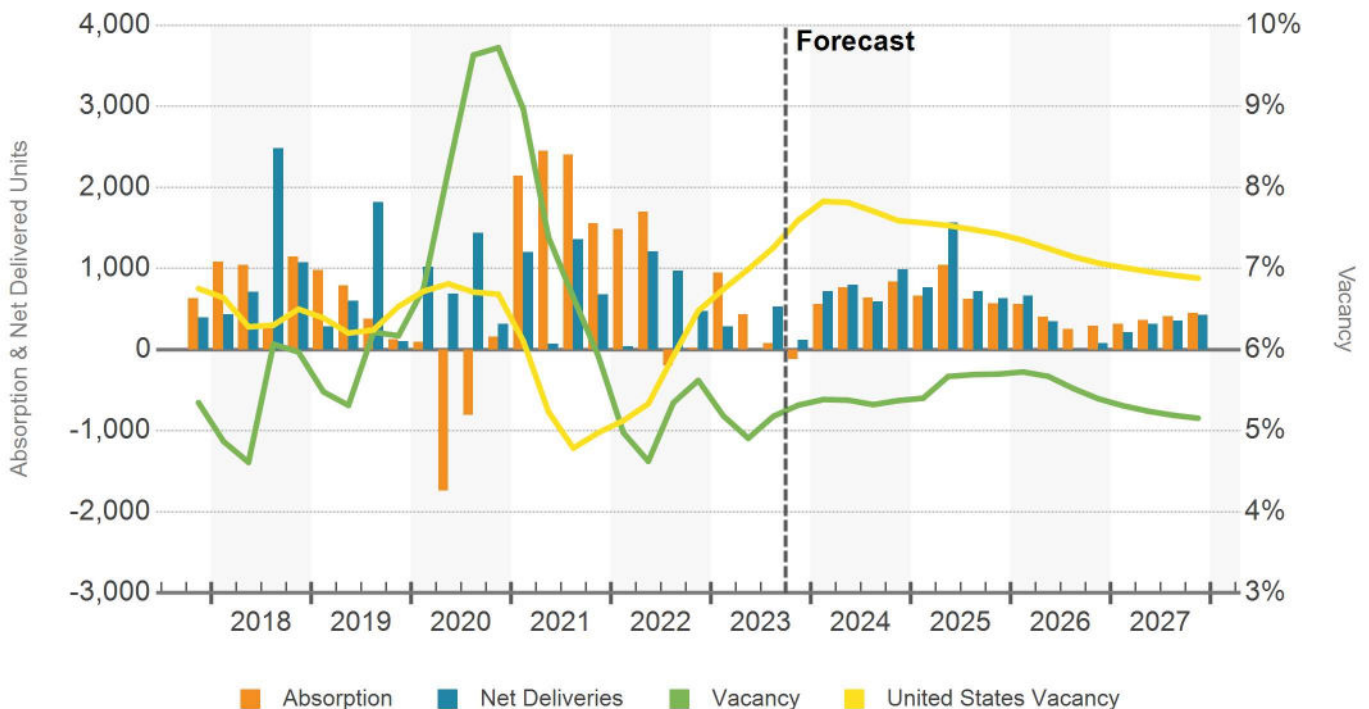
Certain areas are seeing a larger share of development

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.

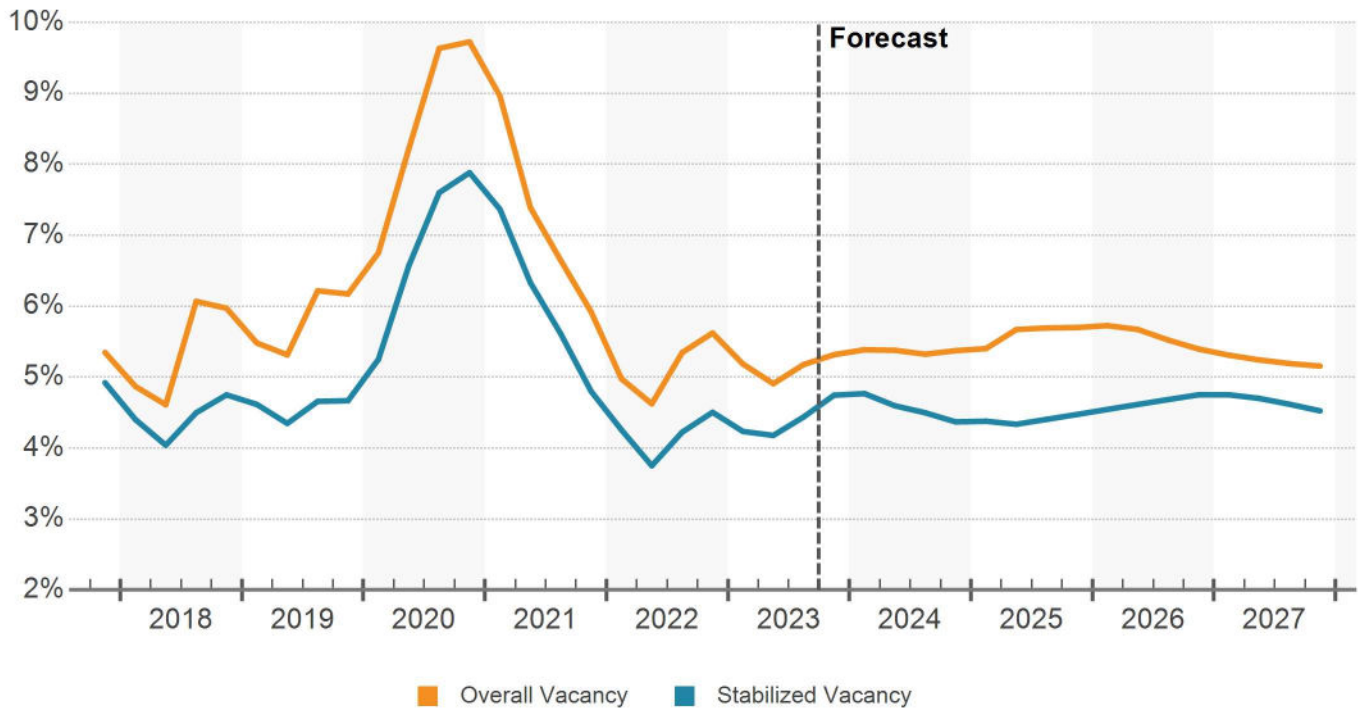
Many new developments are near transit nodes. Commuters in the San Jose metro area can look to VTA light rail, AC Transit, and Caltrain to access the region's job centers. Also, BART's extension into the metro will eventually connect to Downtown San Jose. Areas around the new and future stations are 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 area. Locally headquartered tech titans, including Apple and Google, continue to post substantial profit growth. Long-term employment forecasts indicate San Jose and the broader Bay Area will outperform national benchmarks.

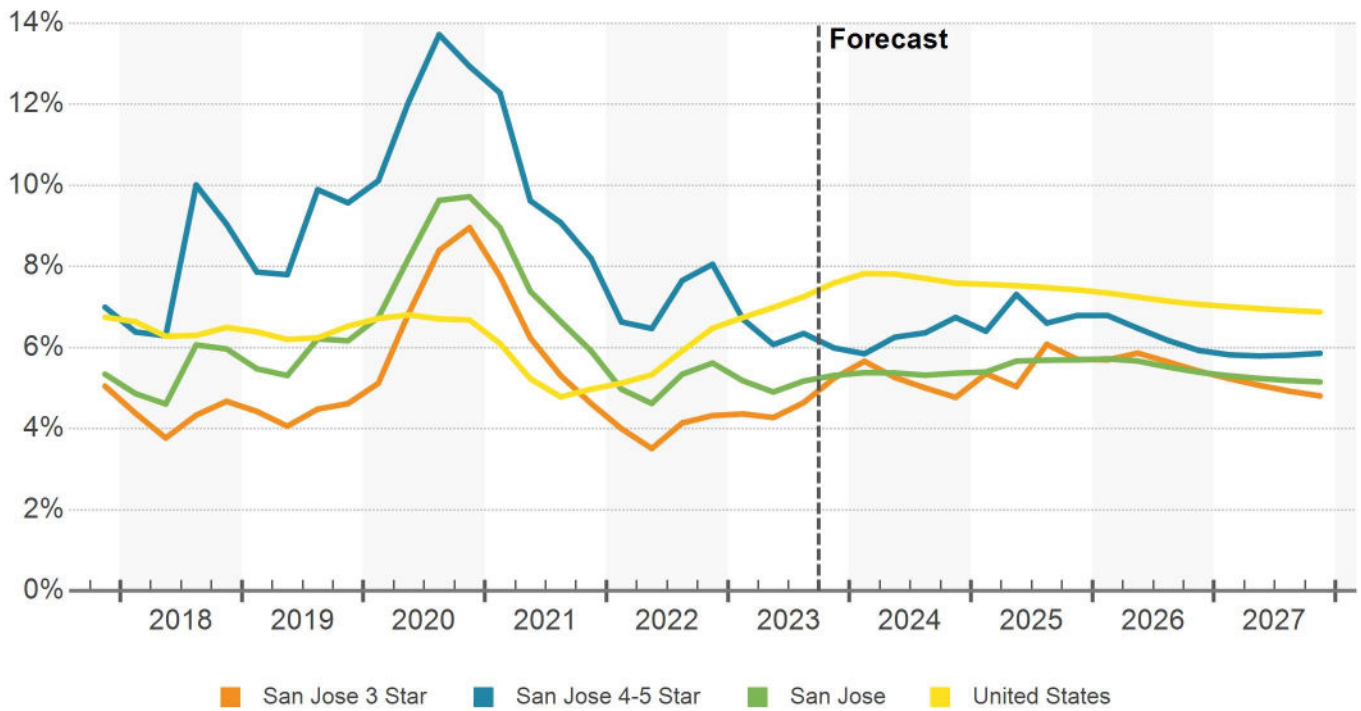
ABSORPTION, NET DELIVERIES & VACANCY



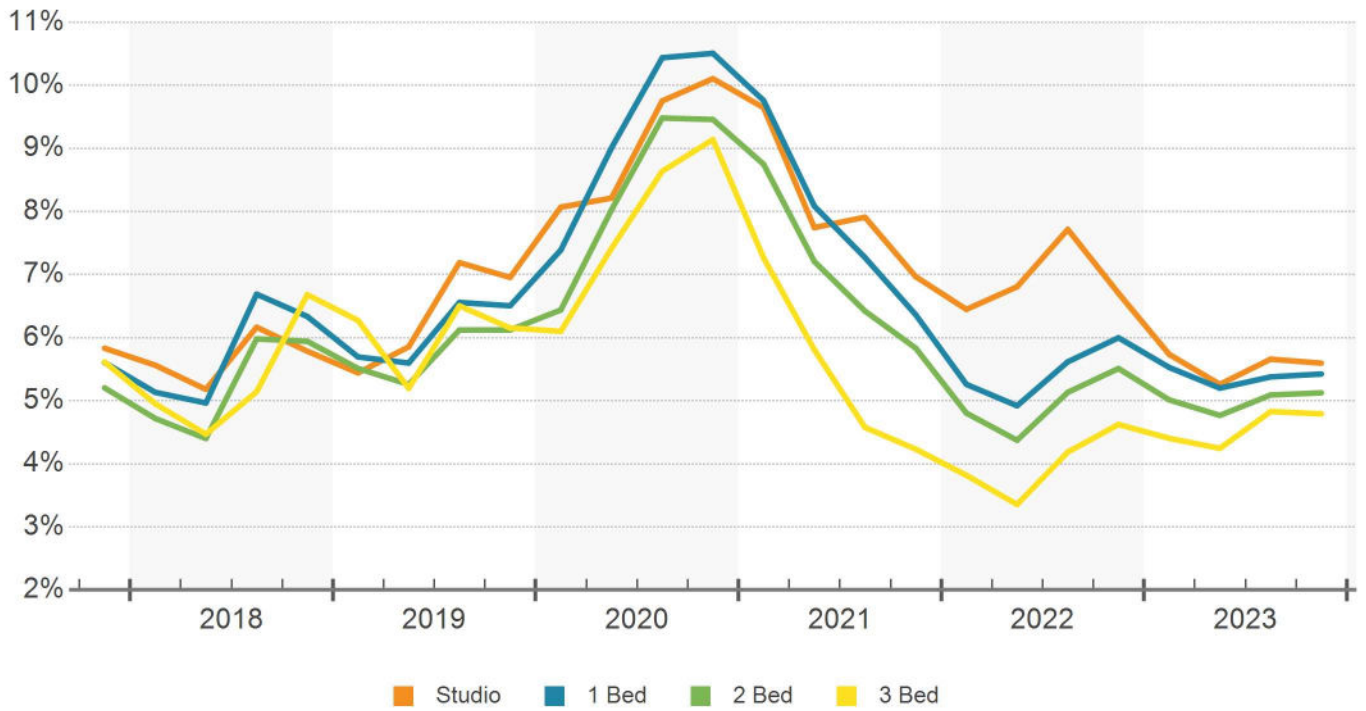
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



San Jose ranks as one of the most expensive major markets in the country, trailing only New York and neighboring San Francisco. As of the fourth quarter of 2023, metro-wide asking rents average \$2,910/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 \$2,230/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 positive by 0.3%. This compares with the 10-year average annual rent growth of 2.9%. However, growth in recent years has been volatile, with rents falling by as much as -8.0% on a year-over-year basis earlier in the pandemic, before growing by 4.5% in 2021.

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

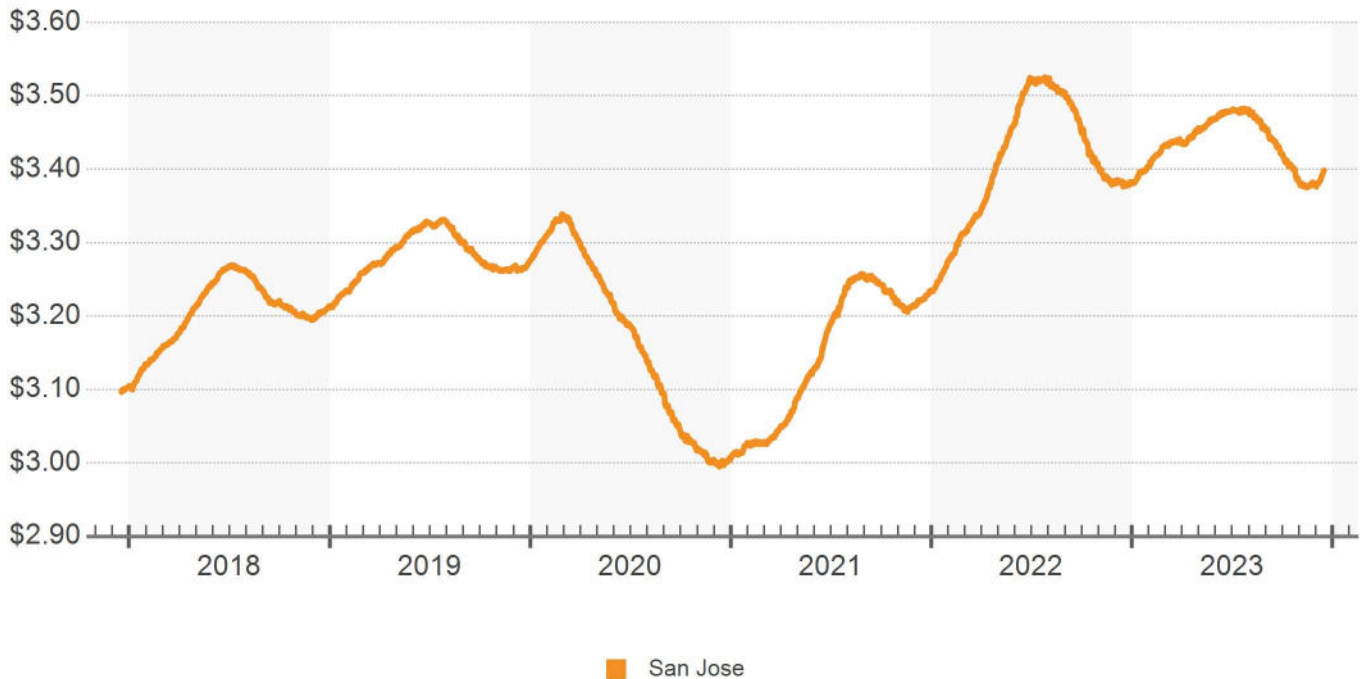
Valley's main employment centers. Palo Alto has the highest average rent, closely followed by Mountain View and Cupertino.

Rent growth also varies across different quality segments. Annual asking rent growth in 4 & 5 Star properties is now positive by 0.1%, compared to 0.1% in 3 Star properties, while 1 & 2 Star buildings have seen positive growth of 1.1%.

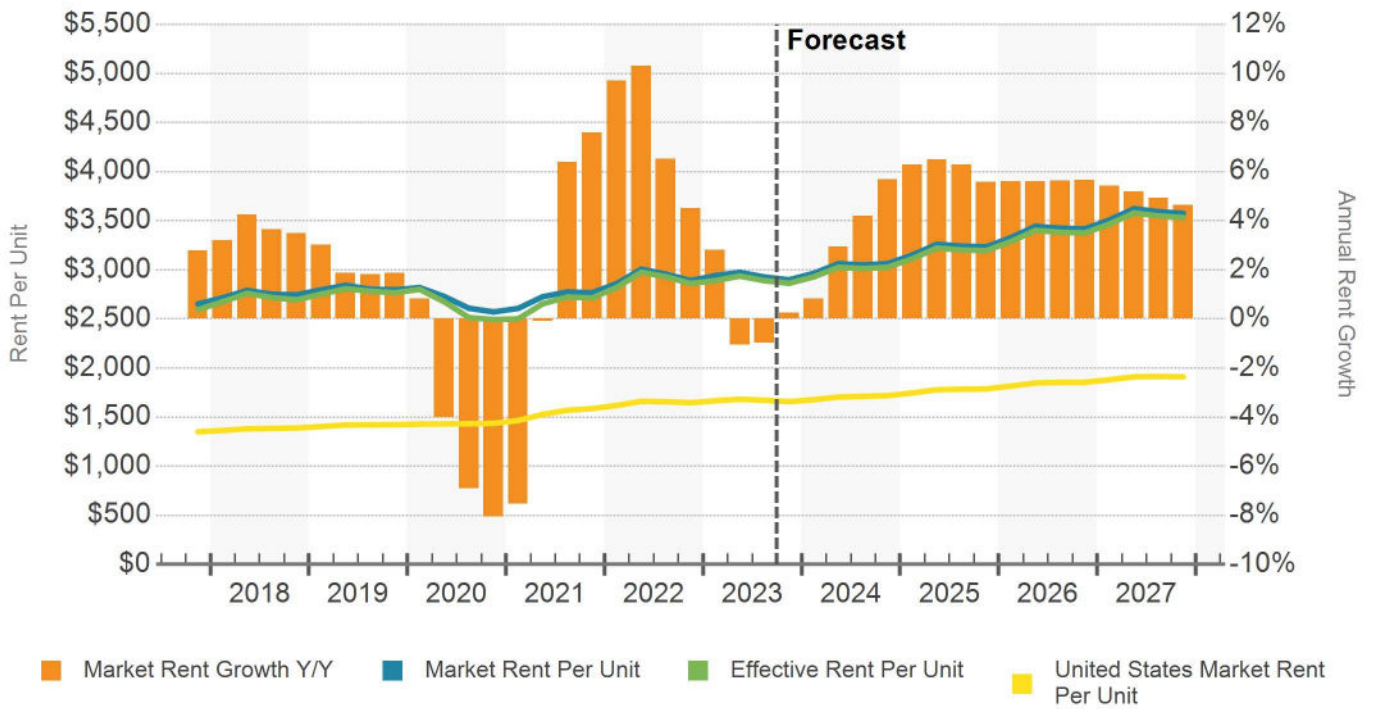
While expensive in comparison to most other areas of the country, many renters in San Jose have few alternative options for housing. Median home prices have more than doubled over the past decade, and with mortgage rates at around 7%, the monthly cost of homeownership is substantially more expensive than renting.

As the metro area 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 lower grade multifamily units near suburban office campuses.

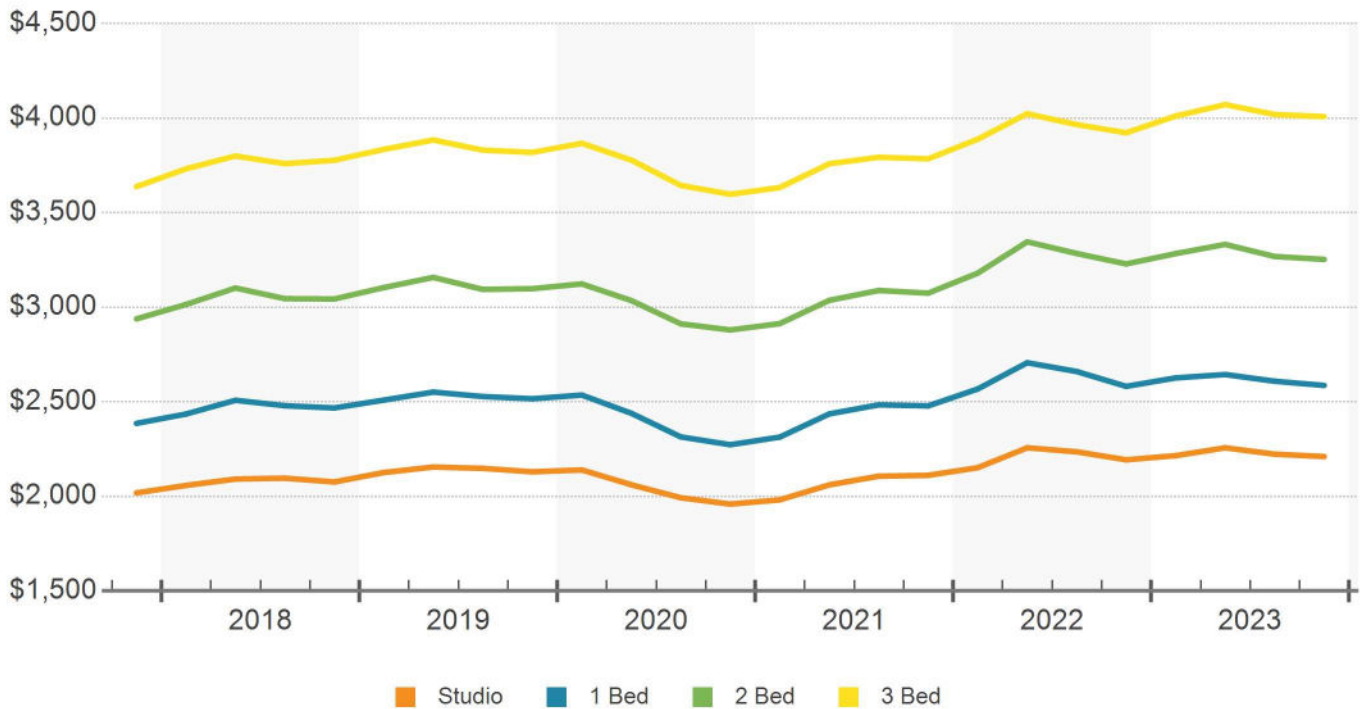
DAILY ASKING RENT PER SF



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	\$1.21	\$0.63	\$2.81	\$0.16	\$0.68	\$0.95	\$10.35
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	\$0.92	\$0.72	\$0.91	\$0.48	\$0.88	\$1.18	\$0.59	\$2.56	\$0.15	\$0.59	\$0.88	\$9.86
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	\$0.64	\$0.53	\$0.82	\$0.37	\$0.71	\$0.77	\$0.28	\$1.75	\$0.04	\$0.11	\$0.44	\$6.46
Campbell/Los Gatos	\$0.78	\$0.55	\$0.86	\$0.42	\$0.78	\$0.84	\$0.31	\$1.70	\$0.04	\$0.07	\$0.40	\$6.75
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	\$0.65	\$0.56	\$0.75	\$0.38	\$0.75	\$0.74	\$0.25	\$1.76	\$0.03	\$0.07	\$0.40	\$6.34
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	\$0.38	\$0.27	\$0.55	\$0.69	\$0.23	\$1.08	\$0.03	\$0.06	\$0.38	\$4.53
Campbell/Los Gatos	\$0.40	\$0.55	\$0.37	\$0.28	\$0.55	\$0.82	\$0.30	\$1.20	\$0.04	\$0.06	\$0.38	\$4.95
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	\$0.43	\$0.53	\$0.40	\$0.31	\$0.61	\$0.89	\$0.30	\$1.27	\$0.04	\$0.06	\$0.38	\$5.22
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 fourth quarter, about 7,900 units are under construction, representing 5.0% of the market's inventory. This is close to the all-time high level of construction activity, and compares to the 10-year average of 7,000 units actively under construction across the metro. However, this rate of development is by no means unsustainable, being generally consistent with the average rate across the nation.

This uptick in activity was triggered by strong demand coming out of the pandemic, but it is also consistent with the longer trend. Robust levels of new apartment construction have been easily absorbed over the past decade, with a net of roughly 32,000 market-rate apartments opening during this period, increasing inventory by 26.0%.

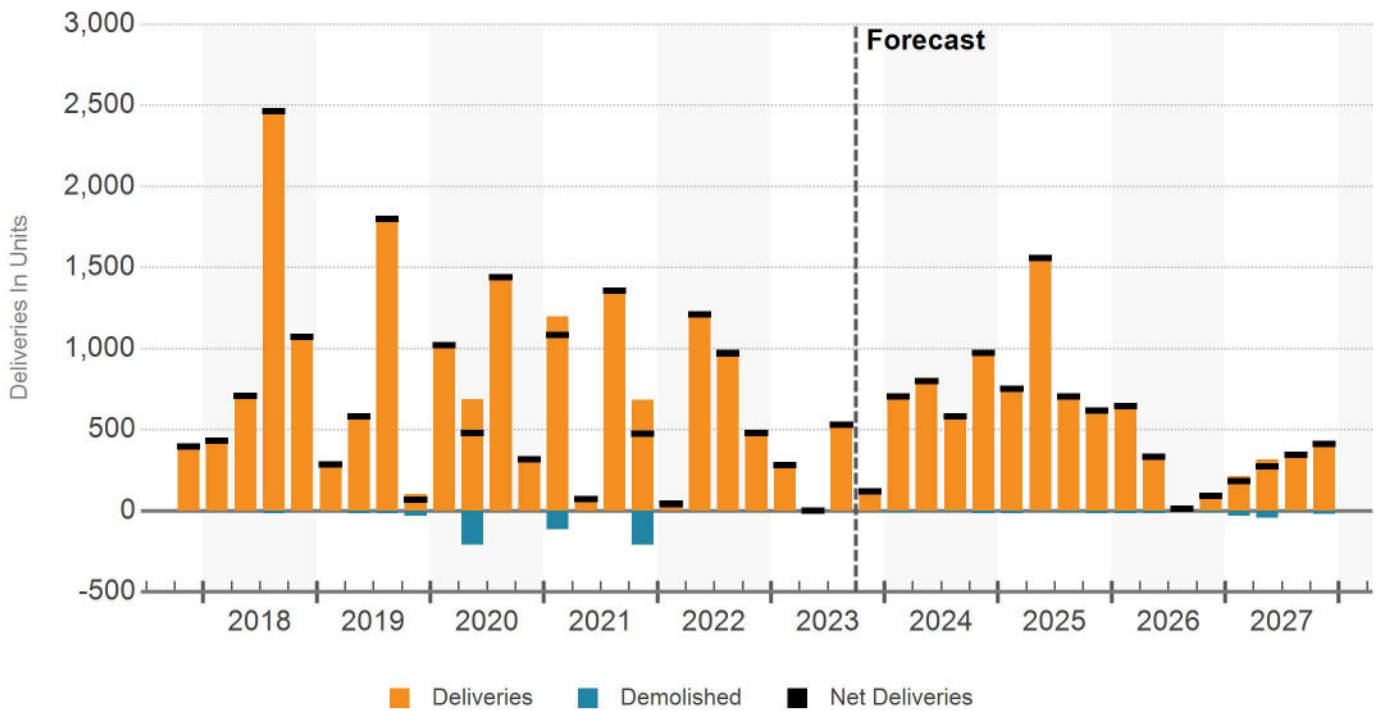
Submarkets experiencing the most development activity include Santa Clara, Sunnyvale, and Mountain View. The vast majority of projects are located along the Caltrain and VTA routes from the Peninsula into Downtown San Jose. Developers have continued to capitalize on the appeal of mixed-use transit-oriented projects, where

easy commutes and complementary retail and restaurant uses deliver an attractive lifestyle for residents.

New projects have leased quickly. Among new communities delivered in 2023, the Tillery, a 4 Star infill project that opened in Mountain View in January, has 226 units and is almost 90% occupied, with average rents just under \$4,700/month. Hanover Winchester, a 5 Star, 366-unit community located near Santana Row in San Jose, opened in July and is leasing up with average rents of \$4,040/month. Nearby, Agrihood is a 366-unit community that comprises senior, affordable, and market-rate units.

Construction starts have slowed rapidly in 2023, reflecting the high costs of capital and construction. This contrasts with 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.

DELIVERIES & DEMOLITIONS



Under Construction Properties

San Jose Multi-Family

Properties

Units

Percent of Inventory

Avg. No. Units

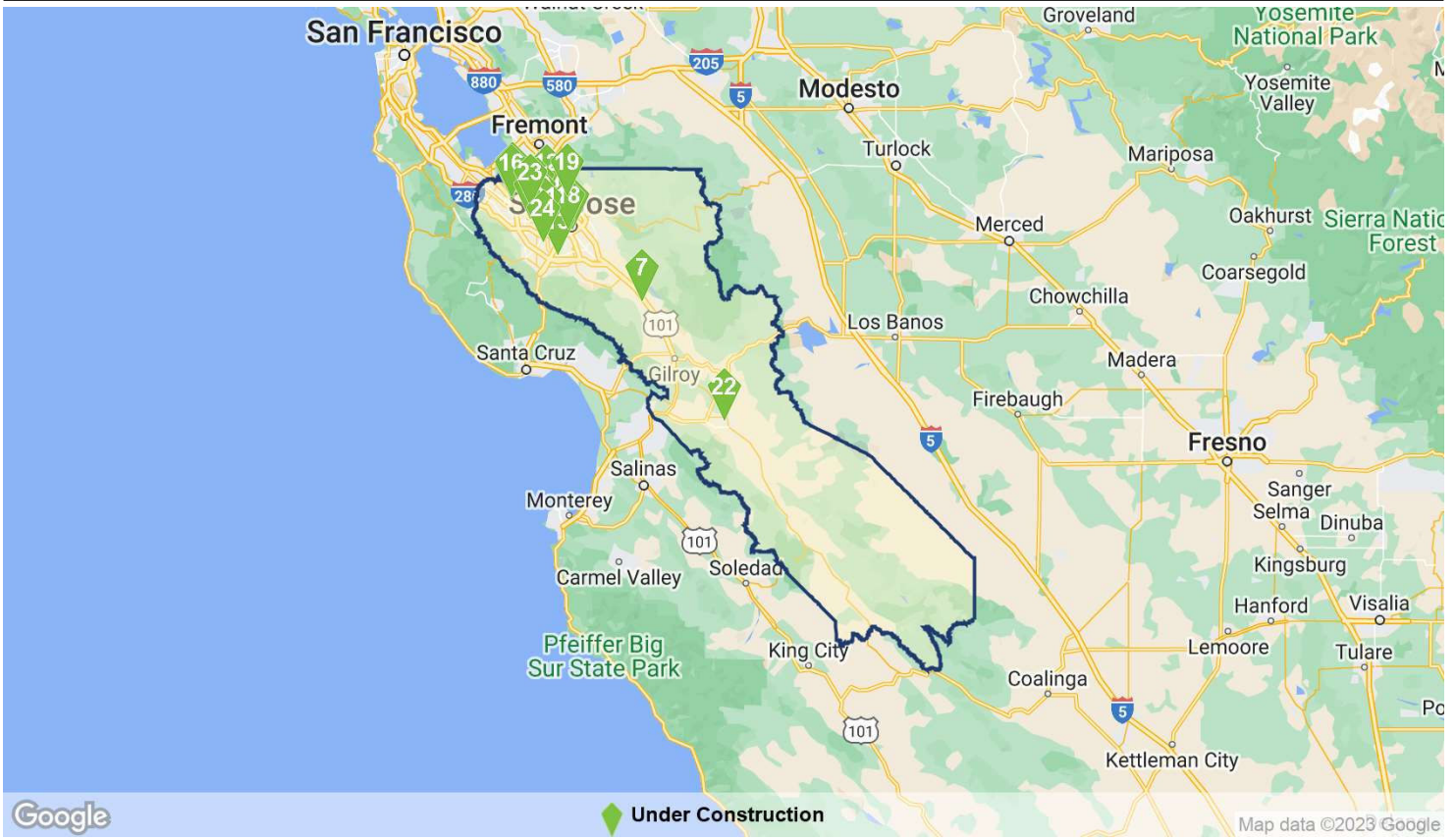
24

7,908

5.0%

330

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 The Maxwell 1410 S Bascom Ave	★★★★☆	590	6	Jul 2022	Jul 2024	Bay West Development Bay West Group
4 2300 Calle De Luna	★★★★☆	509	22	Jul 2022	Aug 2024	Related California The Related Companies
5 Block 3-S 200 S Taaffe St	★★★★☆	479	12	Jun 2022	Oct 2024	Hunter Properties, Inc. Hunter Properties, Inc.
6 1255 Pear Ave	★★★★☆	464	6	Nov 2022	Jun 2024	The Sobrato Organization The Sobrato Organization
7 Vida at Morgan Hill 18125 Butterfield Blvd	★★★★☆	389	3	Jun 2022	Feb 2024	Haseko America, Inc. MBK Real Estate Companies

Under Construction Properties

San Jose Multi-Family

UNDER CONSTRUCTION

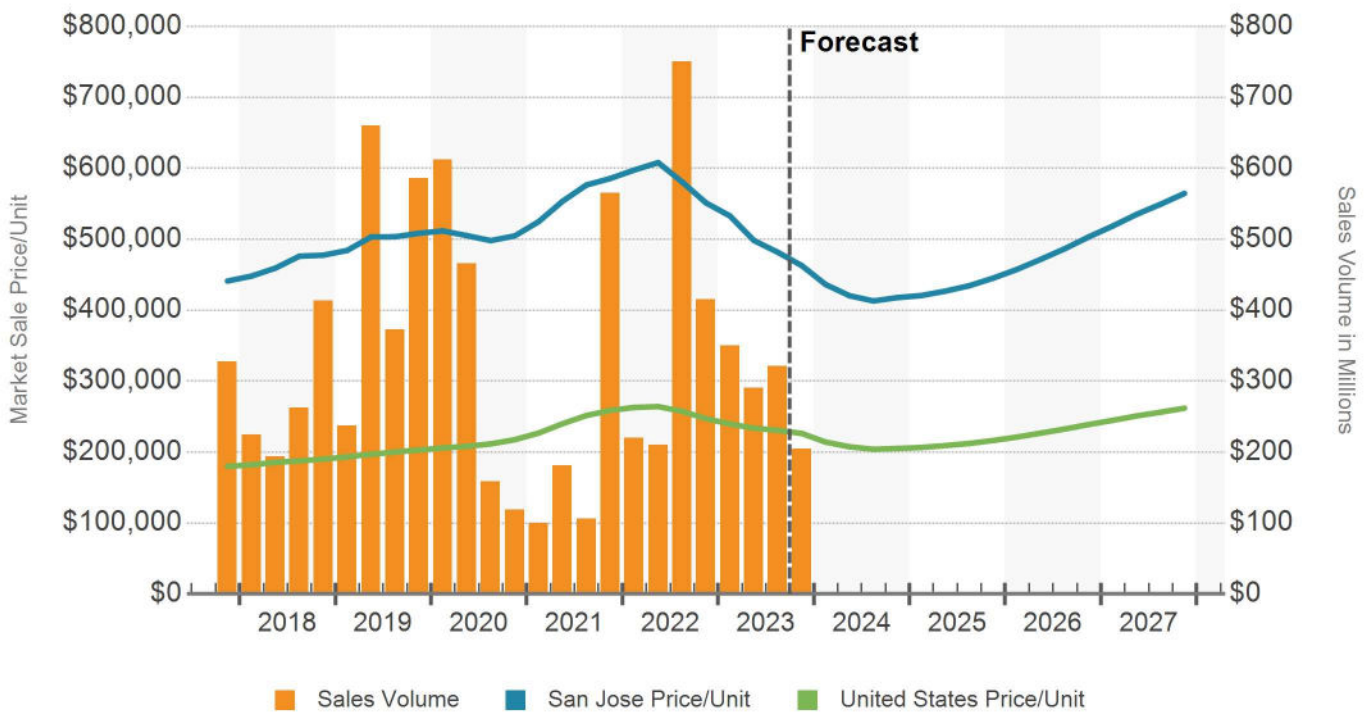
Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 Tasman 2343 Calle Del Mundo	★ ★ ★ ★ ★	347	7	Dec 2022	May 2024	SummerHill Homes SummerHill Homes
9 Garden Gate Tower 600 S 1st St	★ ★ ★ ★ ★	336	23	Jun 2022	Jun 2024	Scape North America Salata 2005 Trust
10 1175 Aster Ave	★ ★ ★ ★ ★	329	5	Aug 2022	Jun 2025	Olympic Residential Group Hearthstone, Inc.
11 Tasman 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 14420 Union Ave	★ ★ ★ ★ ★	305	6	Oct 2023	Jul 2025	- Kimco Realty Corporation
14 Sofia 3580 Rambla Pl	★ ★ ★ ★ ★	286	6	May 2022	May 2024	SummerHill Homes SummerHill Apartment Communit...
15 Laguna Clara Phase II 3131 Homestead Rd	★ ★ ★ ★ ★	225	4	Nov 2022	May 2024	Equity Residential Equity Residential
16 The Residences @ Shor... 1001 N Shoreline Blvd	★ ★ ★ ★ ★	203	7	Nov 2022	Dec 2025	Sares-Regis Group Lighthouse Real Estate Investme...
17 Butcher's Corner 871 E Fremont Ave	★ ★ ★ ★ ★	130	8	Mar 2021	Dec 2025	- De Anza Properties
18 Delmas Avenue 341-365 Delmas Ave	★ ★ ★ ★ ★	120	5	Nov 2022	Jan 2024	- Zhen Zhen Li & David Luo
19 1320 McCandless Dr	★ ★ ★ ★ ★	90	1	Oct 2023	Jan 2025	- Lyon Management Group, Inc db...
20 The Deck 3402 El Camino Real	★ ★ ★ ★ ★	66	4	May 2022	May 2024	De Anza Properties De Anza Properties
21 The Meridian 3941 Stevens Creek Blvd	★ ★ ★ ★ ★	59	6	Aug 2022	Aug 2024	- The Meridian
22 1603-1605 Cushman St	★ ★ ★ ★ ★	44	3	Sep 2021	Apr 2024	- Albert Valles Jr
23 Future 18-Townhome Pr... 475 N Fair Oaks Ave	★ ★ ★ ★ ★	18	3	Jul 2021	Jun 2024	- Navneet Aron
24 4094 Hamilton Ave	★ ★ ★ ★ ★	17	3	Jan 2021	Jan 2024	- Xiaodong Li

Unlike most other major metros, San Jose's investment market has stayed active in 2023, with annual sales volume hitting \$1.2 billion, slightly below the five-year average of \$1.4 billion.

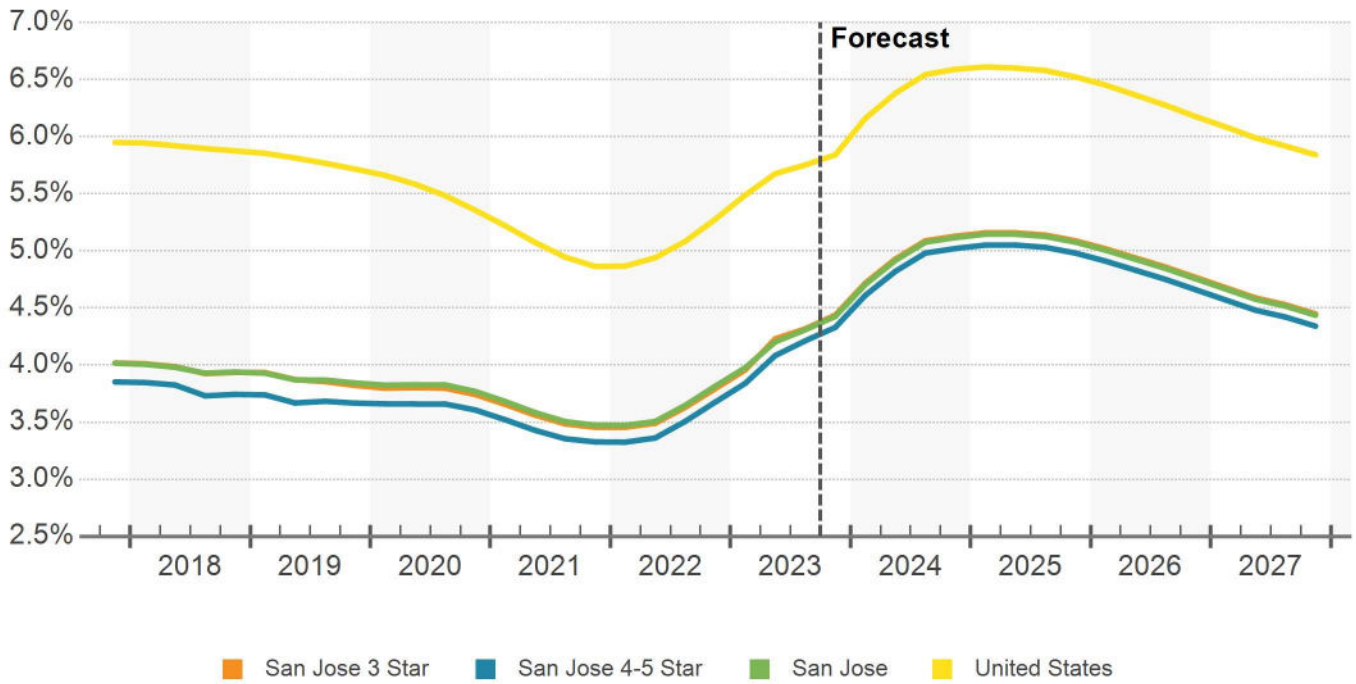
Of the 79 sales that closed in the past year, 61 were for 1 & 2 Star properties, with a total 12-month sales volume of \$383 million and an average transaction price of \$360,000/unit. Local individual investors looking for rent growth, and national developers looking for value-add plays, were active buyers in this category.

By contrast, just five properties accounted for the \$493 million sales volume for 4 & 5 Star properties. The most recent of these closed in July 2023, with the acquisition of The James Apartments in downtown San Jose. This 190-unit building was bought by Virtu for \$74.25 million, or \$391,000/unit, and was fully leased at sale. Previously in August, the 301-unit Duo, a 4 Star community in Santa Teresa, sold for \$93.5 million, or \$310,000/unit. Earlier, in July, Vespaio, a 162-unit community in downtown San Jose, was bought by Rockwood Capital for \$83.5 million, or \$515,000/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

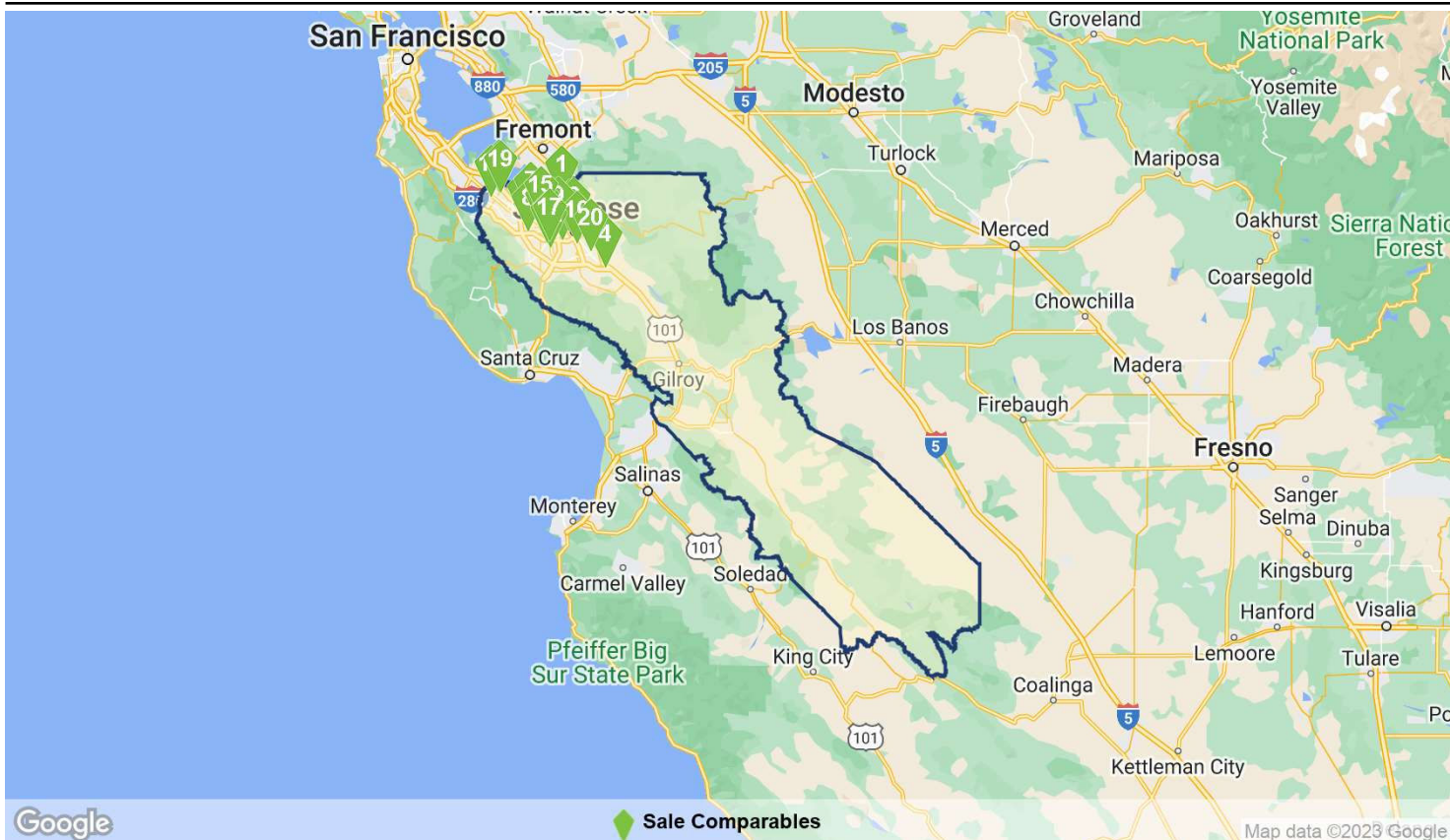
78

\$384

\$15.0

6.3%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$770,000	\$15,034,241	\$3,775,000	\$153,500,000
Price/Unit	\$85,555	\$383,853	\$342,262	\$1,300,000
Cap Rate	2.0%	5.0%	4.9%	10.5%
Vacancy Rate At Sale	0%	6.3%	0%	66.7%
Time Since Sale in Months	0.2	6.1	6.5	11.6
Property Attributes	Low	Average	Median	High
Property Size in Units	5	39	11	373
Number of Floors	1	2	2	7
Average Unit SF	333	910	804	6,667
Year Built	1898	1962	1962	2022
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★

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 Griffis South Bay 501 Murphy Ranch Rd	★★★★★	2012	373	4.0%	3/30/2023	\$153,500,000	\$411,528	\$398	
2 Cherryhill Apartments 902 W Remington Dr	★★★★★	1962	244	9.4%	1/19/2023	\$106,002,000	\$434,434	\$530	
3 The Grove 1919 Fruitdale Ave	★★★★★	1970	331	8.5%	11/30/2023	\$102,000,000	\$308,157	\$403	
4 Duo 6670 Emergent Way	★★★★★	2020	301	6.3%	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 The James Apartments 98 N 1st St	★★★★★	2019	190	1.1%	9/20/2023	\$74,250,000	\$390,789	\$201	
7 Villa Del Sol 355 E Evelyn Ave	★★★★★	2001	124	0.8%	11/16/2023	\$62,250,000	\$502,016	\$267	
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 Scotia Apartments 1785 Almaden Rd	★★★★★	2020	56	7.3%	3/7/2023	\$31,250,000	\$558,035	\$546	
11 Vista Pointe Apartments 3455 Homestead Rd	★★★★★	1969	68	4.4%	5/24/2023	\$26,100,000	\$383,823	\$394	
12 Campbell West 831 Gale Dr	★★★★★	1971	72	6.9%	6/1/2023	\$24,600,000	\$341,666	\$295	
13 Wellsbury Apartment Homes 3085 Middlefield Rd	★★★★★	1961	30	0%	4/7/2023	\$20,000,000	\$666,666	\$774	
14 Midtown Court Apartments 2721 Midtown Ct	★★★★★	1963	46	6.5%	3/3/2023	\$20,000,000	\$434,782	\$453	
15 Cedartree Square 2420 Pacific Dr	★★★★★	1969	50	2.0%	6/1/2023	\$18,456,000	\$369,120	\$417	
16 Ranchero Palms Apartments 1175 Ranchero Way	★★★★★	1969	61	8.2%	4/25/2023	\$15,380,000	\$252,131	\$339	
17 Boynton Gardens 975 Boynton Ave	★★★★★	1974	48	0%	8/28/2023	\$14,444,000	\$300,916	\$423	
18 1341 Stanford Ave	★★★★★	1939	13	0%	6/8/2023	\$13,500,000	\$1,038,461	\$2,080	
19 Midfield Apartments 3101 Middlefield Rd	★★★★★	1960	22	9.1%	4/7/2023	\$12,900,000	\$586,363	\$566	
20 Rancho Verde Apartments 127 Rancho Dr	★★★★★	1990	30	6.7%	6/9/2023	\$8,800,000	\$293,333	\$359	

As of the fourth 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 cloud computing 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 has led 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 -39,000 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, a slowing economy and 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.

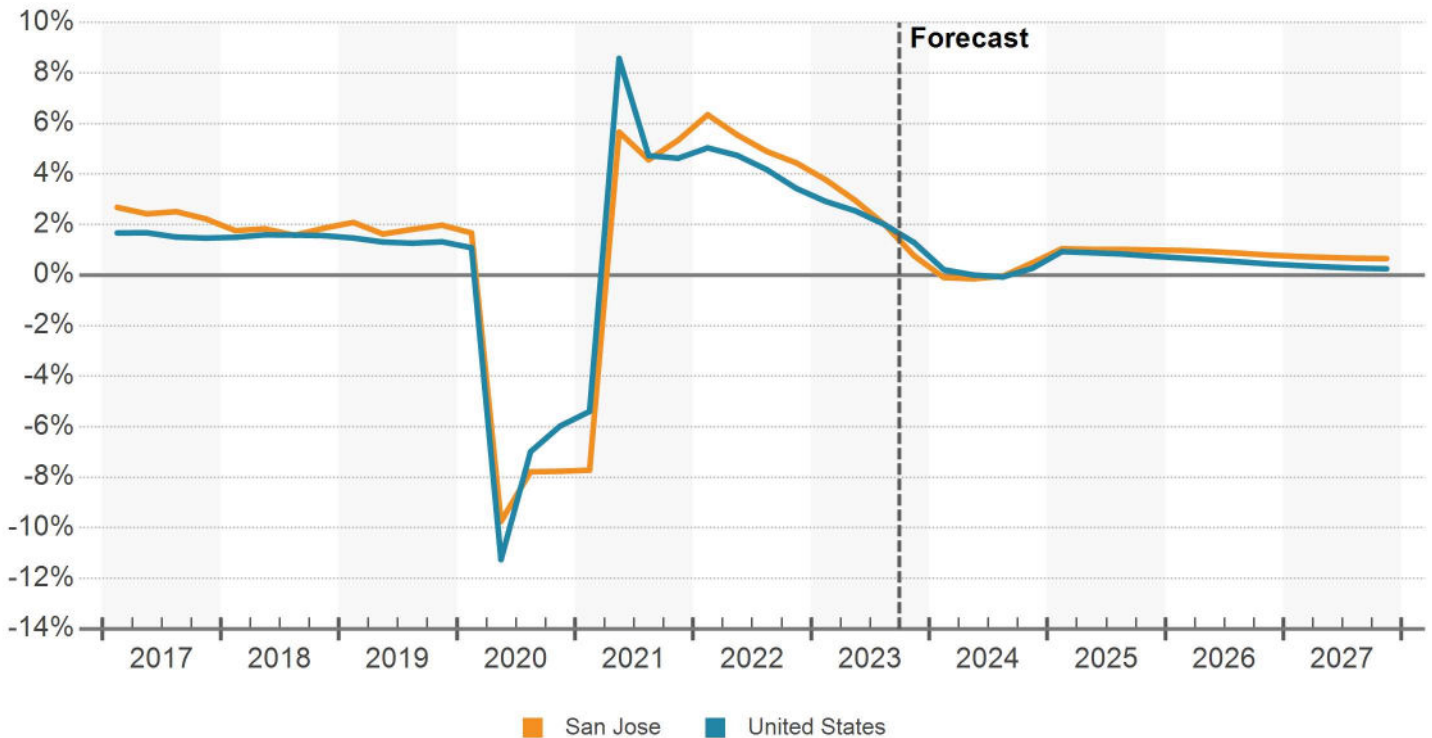
Venture capital funding to San Jose-based businesses reached a record level in 2021, but deal count and investment value have pulled back in the past year in response to higher interest rates and global economic uncertainty.

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	181	1.8	-0.94%	0.06%	1.32%	0.72%	0.10%	0.07%
Trade, Transportation and Utilities	122	0.6	0.35%	0.21%	-0.91%	1.07%	-0.10%	0.14%
Retail Trade	73	0.6	-0.13%	0.47%	-1.37%	0.25%	0.00%	0.09%
Financial Activities	38	0.5	-0.68%	0.61%	1.14%	1.46%	0.14%	0.14%
Government	96	0.6	0.72%	1.61%	0.57%	0.37%	0.37%	0.40%
Natural Resources, Mining and Construction	55	0.9	-0.21%	1.58%	3.59%	2.35%	1.01%	0.27%
Education and Health Services	198	1.0	3.52%	3.16%	2.98%	1.88%	1.22%	0.66%
Professional and Business Services	257	1.5	0.33%	0.79%	2.45%	2.02%	0.61%	0.50%
Information	104	4.5	-1.96%	-2.65%	5.90%	1.11%	1.70%	0.33%
Leisure and Hospitality	107	0.8	4.93%	3.11%	1.77%	1.49%	1.41%	0.83%
Other Services	26	0.6	3.84%	1.79%	-0.04%	0.64%	0.32%	0.27%
Total Employment	1,184	1.0	0.89%	1.36%	1.91%	1.31%	0.71%	0.40%

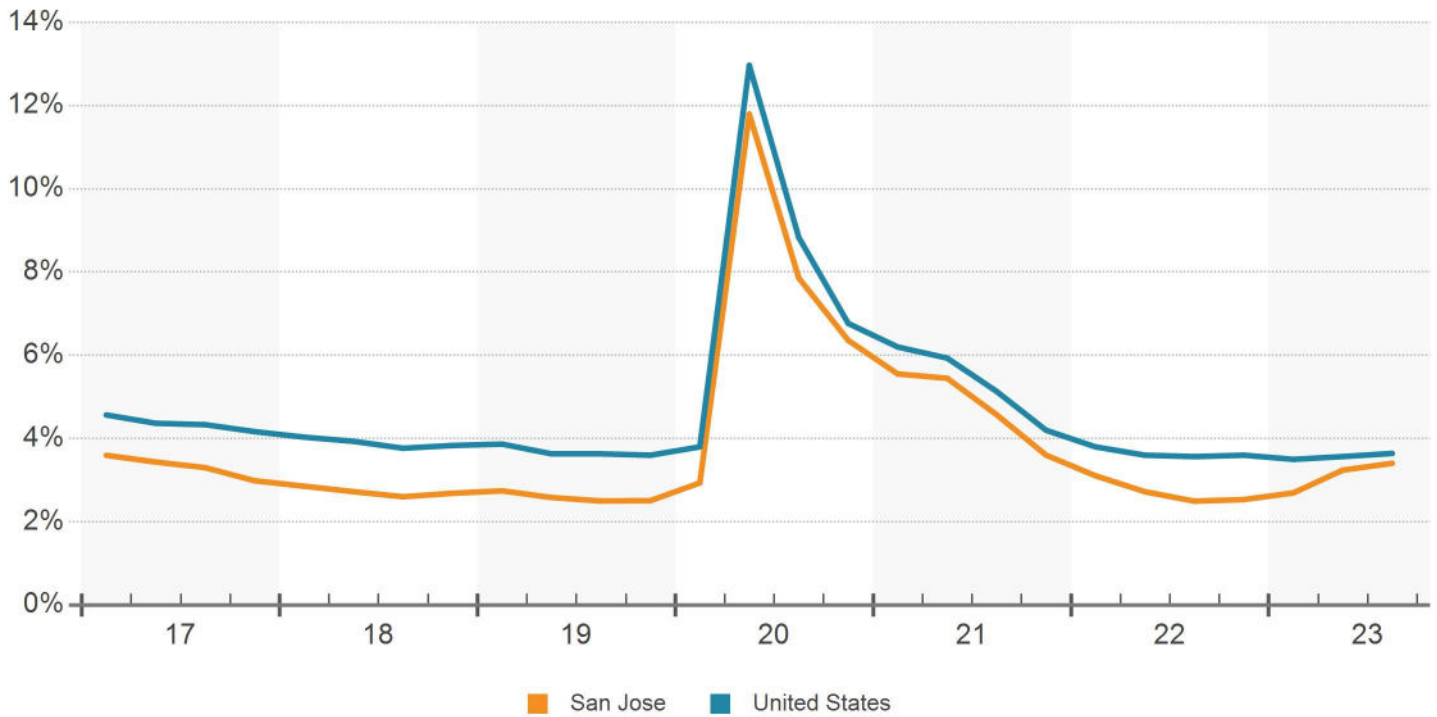
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

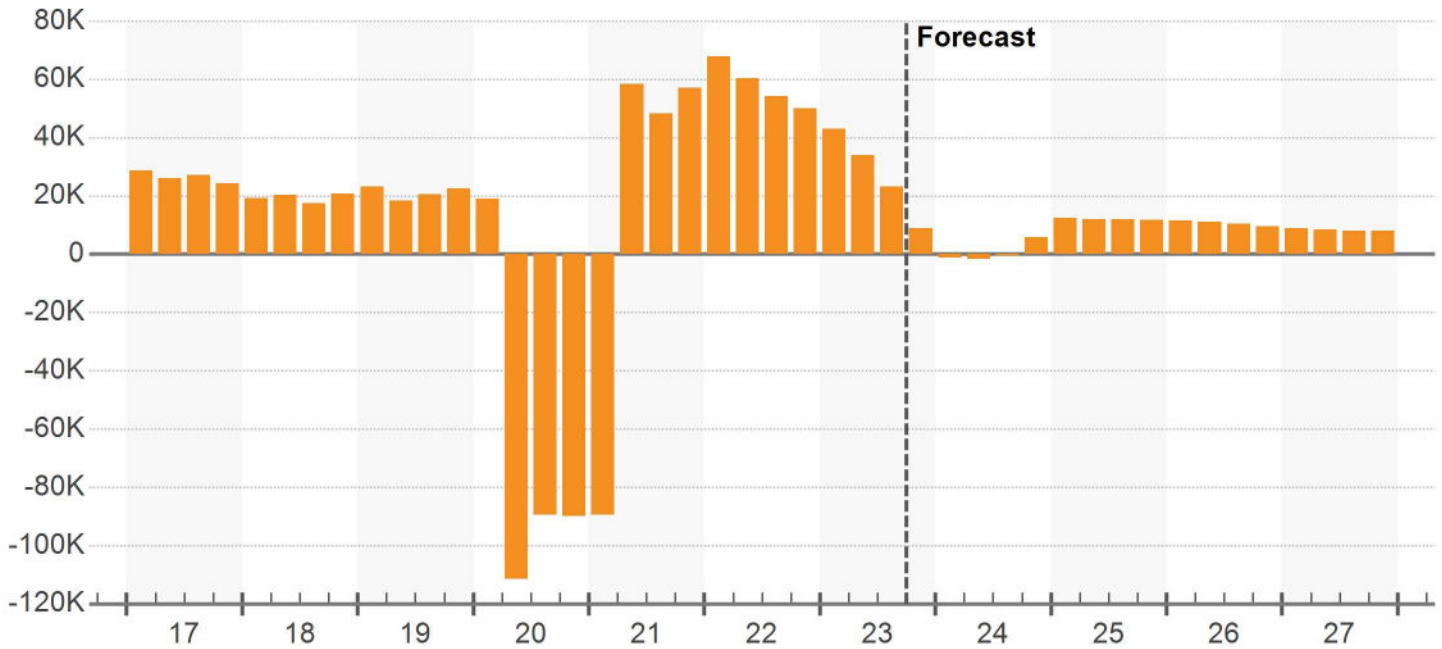


Source: Oxford Economics

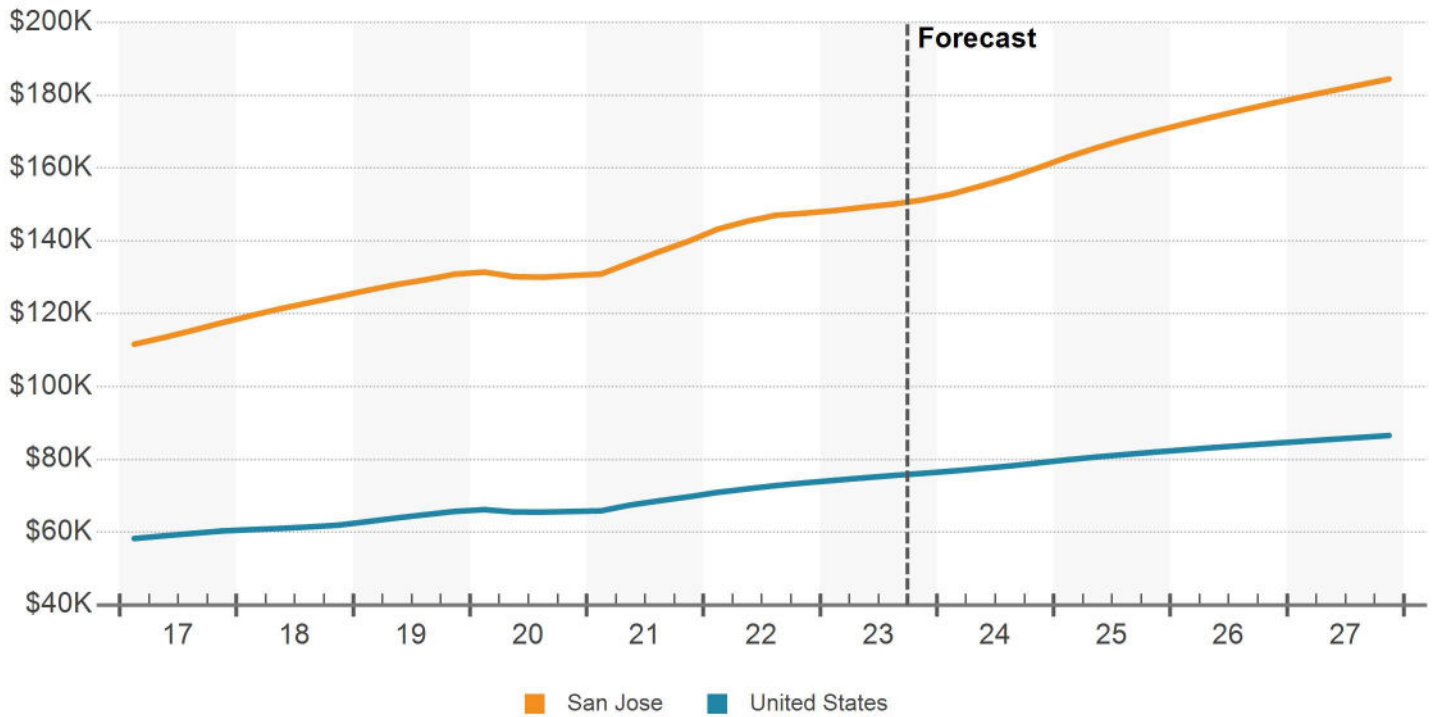
UNEMPLOYMENT RATE (%)



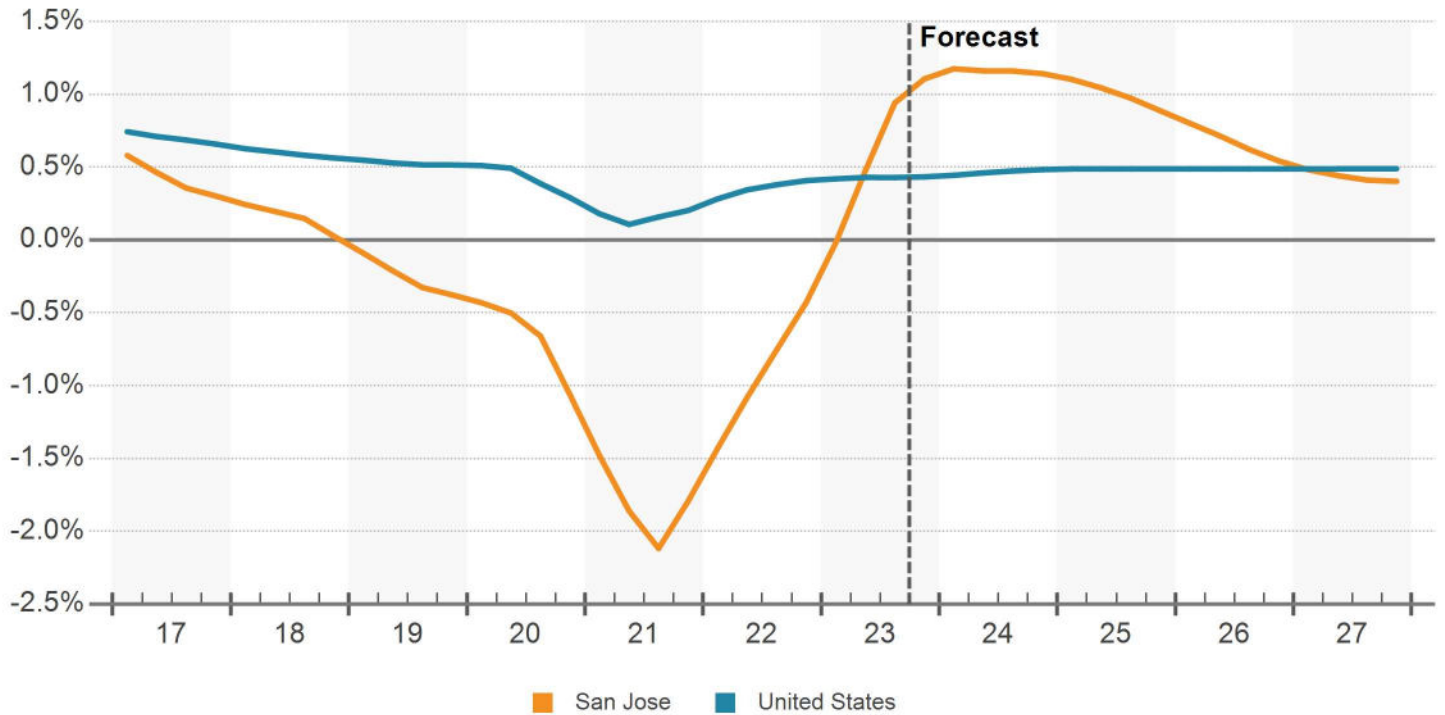
NET EMPLOYMENT CHANGE (YOY)



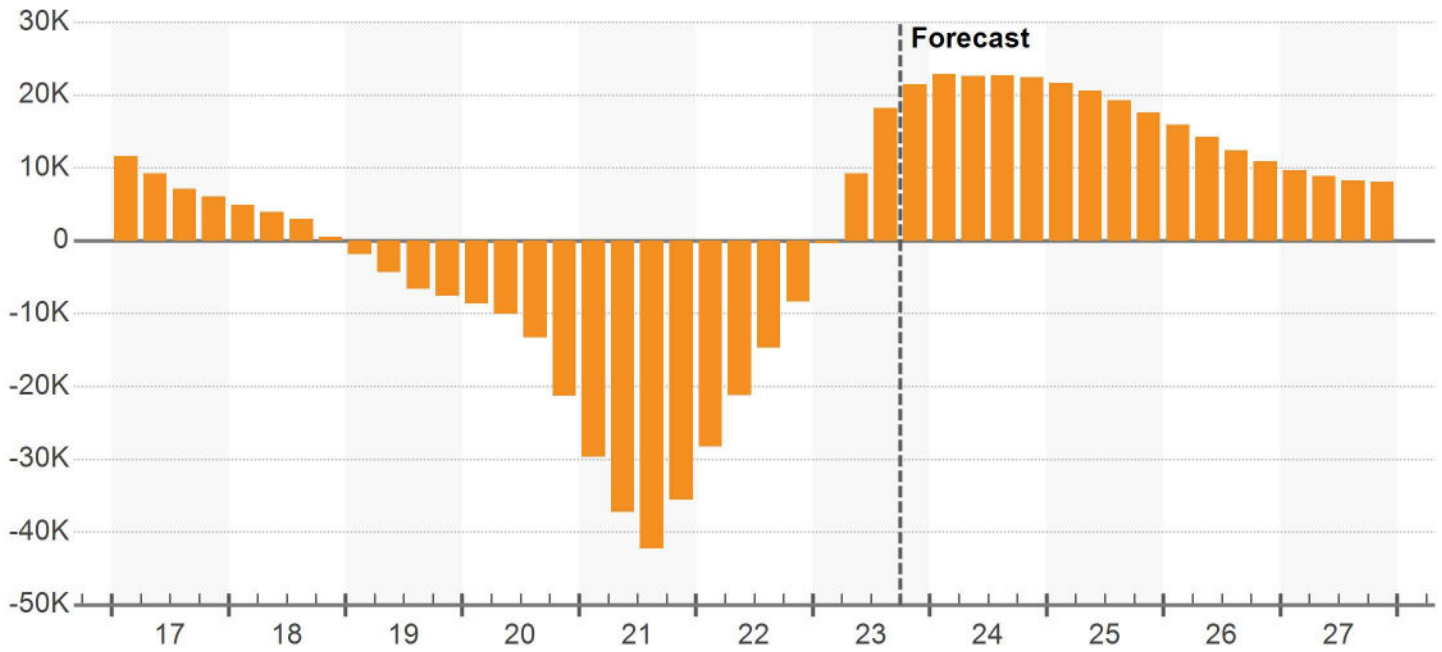
MEDIAN HOUSEHOLD INCOME



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	1,961,810	335,061,719	1.1%	0.4%	0.1%	0.5%	0.7%	0.5%
Households	685,380	130,809,484	1.3%	0.6%	0.6%	0.9%	0.8%	0.6%
Median Household Income	\$151,085	\$76,080	2.4%	3.6%	5.1%	3.8%	4.8%	3.1%
Labor Force	1,094,874	167,575,594	1.1%	1.8%	0.9%	0.8%	0.4%	0.2%
Unemployment	3.4%	3.6%	0.9%	0%	-0.3%	-0.3%	-	-

Source: Oxford Economics

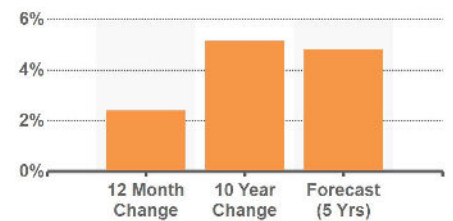
POPULATION GROWTH



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	242	7,059	4.5%	10	1	1	0%	5	0	0	0%	-
2	Cupertino	64	5,510	3.5%	11	0	0	0%	-	0	0	0%	-
3	Downtown San Jose	581	12,630	8.1%	6	0	0	0%	-	2	456	3.6%	5
4	East San Jose	113	4,365	2.8%	12	0	0	0%	-	0	0	0%	-
5	Midtown San Jose	326	7,682	4.9%	8	0	0	0%	-	1	590	7.7%	4
6	Milpitas/Berryessa	66	8,198	5.2%	7	0	0	0%	-	1	90	1.1%	8
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	9.5%	4	1	226	1.5%	2	3	1,383	9.3%	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	0	0	0%	-	0	0	0%	-
11	San Benito County	50	720	0.5%	15	1	56	7.8%	4	1	44	6.1%	9
12	Santa Clara	498	21,114	13.5%	2	2	531	2.5%	1	8	3,392	16.1%	1
13	South San Jose	263	17,401	11.1%	3	0	0	0%	-	1	305	1.8%	7
14	Sunnyvale	588	29,703	19.0%	1	1	67	0.2%	3	5	1,242	4.2%	3
15	West Valley San Jose	268	7,666	4.9%	9	0	0	0%	-	1	17	0.2%	10

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	\$2,693	\$3.27	9	1.5%	\$2,677	\$3.25	9	1.7%	0.6%	11
2	Cupertino	\$3,317	\$3.52	4	-2.1%	\$3,287	\$3.49	3	-2.5%	0.9%	6
3	Downtown San Jose	\$2,659	\$3.30	8	1.2%	\$2,638	\$3.27	8	2.7%	0.8%	7
4	East San Jose	\$2,336	\$2.94	13	0.7%	\$2,320	\$2.92	14	1.3%	0.7%	10
5	Midtown San Jose	\$2,558	\$3.06	12	-0.2%	\$2,538	\$3.03	12	-0.4%	0.8%	8
6	Milpitas/Berryessa	\$2,946	\$3.34	7	-0.4%	\$2,918	\$3.31	7	-0.1%	0.9%	5
7	Morgan Hill/Gilroy	\$2,627	\$2.94	14	3.6%	\$2,614	\$2.93	13	3.4%	0.5%	15
8	Mountain View/Los Altos	\$3,184	\$4.02	2	0%	\$3,081	\$3.89	2	-1.1%	3.2%	1
9	North San Jose	\$3,137	\$3.43	5	1.4%	\$3,121	\$3.41	5	1.4%	0.5%	14
10	Palo Alto	\$3,199	\$4.09	1	1.2%	\$3,163	\$4.04	1	0.6%	1.1%	4
11	San Benito County	\$2,151	\$2.16	15	1.5%	\$2,139	\$2.15	15	1.3%	0.5%	13
12	Santa Clara	\$3,070	\$3.41	6	0.2%	\$3,018	\$3.35	6	-0.8%	1.7%	2
13	South San Jose	\$2,776	\$3.12	11	0.3%	\$2,755	\$3.09	11	0.1%	0.8%	9
14	Sunnyvale	\$2,975	\$3.52	3	-0.3%	\$2,932	\$3.47	4	-0.4%	1.4%	3
15	West Valley San Jose	\$2,360	\$3.16	10	0.9%	\$2,346	\$3.14	10	0.7%	0.6%	12

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Campbell/Los Gatos	321	4.6%	4	(31)	-0.4%	12	-
2	Cupertino	254	4.6%	7	19	0.3%	9	-
3	Downtown San Jose	1,094	8.7%	15	252	2.0%	3	-
4	East San Jose	267	6.1%	13	(66)	-1.5%	14	-
5	Midtown San Jose	418	5.4%	12	(70)	-0.9%	15	-
6	Milpitas/Berryessa	411	5.0%	9	171	2.1%	5	-
7	Morgan Hill/Gilroy	123	4.1%	3	(31)	-1.0%	13	-
8	Mountain View/Los Altos	1,019	6.9%	14	453	3.1%	1	0.5
9	North San Jose	466	3.6%	2	(27)	-0.2%	10	-
10	Palo Alto	210	5.2%	11	(30)	-0.7%	11	-
11	San Benito County	18	2.5%	1	53	7.4%	7	1.0
12	Santa Clara	1,094	5.2%	10	237	1.1%	4	2.2
13	South San Jose	798	4.6%	6	63	0.4%	6	-
14	Sunnyvale	1,355	4.6%	5	350	1.2%	2	-
15	West Valley San Jose	356	4.6%	8	30	0.4%	8	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	165,808	1,208	0.7%	1,541	0.9%	0.8
2026	164,600	1,074	0.7%	1,514	0.9%	0.7
2025	163,526	3,627	2.3%	2,899	1.8%	1.3
2024	159,899	3,056	1.9%	2,804	1.8%	1.1
2023	156,843	930	0.6%	1,348	0.9%	0.7
YTD	156,726	813	0.5%	1,372	0.9%	0.6
2022	155,913	2,696	1.8%	3,007	1.9%	0.9
2021	153,217	2,986	2.0%	8,544	5.6%	0.3
2020	150,231	3,253	2.2%	(2,295)	-1.5%	-
2019	146,978	2,731	1.9%	2,276	1.5%	1.2
2018	144,247	4,670	3.3%	3,533	2.4%	1.3
2017	139,577	1,480	1.1%	2,347	1.7%	0.6
2016	138,097	3,761	2.8%	2,430	1.8%	1.5
2015	134,336	4,458	3.4%	4,057	3.0%	1.1
2014	129,878	5,411	4.3%	4,722	3.6%	1.1
2013	124,467	1,736	1.4%	2,065	1.7%	0.8
2012	122,731	3,579	3.0%	2,576	2.1%	1.4
2011	119,152	278	0.2%	229	0.2%	1.2

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	65,822	1,280	2.0%	1,252	1.9%	1.0
2026	64,542	773	1.2%	1,277	2.0%	0.6
2025	63,769	2,529	4.1%	2,329	3.7%	1.1
2024	61,240	2,767	4.7%	2,141	3.5%	1.3
2023	58,473	813	1.4%	1,941	3.3%	0.4
YTD	58,473	813	1.4%	1,905	3.3%	0.4
2022	57,660	2,641	4.8%	2,511	4.4%	1.1
2021	55,019	3,190	6.2%	5,384	9.8%	0.6
2020	51,829	3,236	6.7%	1,181	2.3%	2.7
2019	48,593	2,775	6.1%	2,270	4.7%	1.2
2018	45,818	4,575	11.1%	3,317	7.2%	1.4
2017	41,243	1,685	4.3%	2,168	5.3%	0.8
2016	39,558	3,517	9.8%	3,352	8.5%	1.0
2015	36,041	4,463	14.1%	4,190	11.6%	1.1
2014	31,578	5,517	21.2%	4,597	14.6%	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	43,021	0	0%	264	0.6%	0
2026	43,021	373	0.9%	476	1.1%	0.8
2025	42,648	1,153	2.8%	697	1.6%	1.7
2024	41,495	328	0.8%	506	1.2%	0.6
2023	41,167	120	0.3%	(264)	-0.6%	-
YTD	41,047	0	0%	(245)	-0.6%	0
2022	41,047	55	0.1%	176	0.4%	0.3
2021	40,992	(220)	-0.5%	1,586	3.9%	-
2020	41,212	227	0.6%	(1,570)	-3.8%	-
2019	40,985	24	0.1%	46	0.1%	0.5
2018	40,961	112	0.3%	263	0.6%	0.4
2017	40,849	(192)	-0.5%	187	0.5%	-
2016	41,041	244	0.6%	(566)	-1.4%	-
2015	40,797	0	0%	(45)	-0.1%	0
2014	40,797	(32)	-0.1%	137	0.3%	-
2013	40,829	93	0.2%	(57)	-0.1%	-
2012	40,736	42	0.1%	195	0.5%	0.2
2011	40,694	20	0%	(67)	-0.2%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	56,965	(72)	-0.1%	25	0%	-
2026	57,037	(72)	-0.1%	(239)	-0.4%	0.3
2025	57,109	(55)	-0.1%	(127)	-0.2%	0.4
2024	57,164	(39)	-0.1%	157	0.3%	-
2023	57,203	(3)	0%	(329)	-0.6%	0
YTD	57,206	0	0%	(288)	-0.5%	0
2022	57,206	0	0%	320	0.6%	0
2021	57,206	16	0%	1,574	2.8%	0
2020	57,190	(210)	-0.4%	(1,906)	-3.3%	0.1
2019	57,400	(68)	-0.1%	(40)	-0.1%	1.7
2018	57,468	(17)	0%	(47)	-0.1%	0.4
2017	57,485	(13)	0%	(8)	0%	1.6
2016	57,498	0	0%	(356)	-0.6%	0
2015	57,498	(5)	0%	(88)	-0.2%	0.1
2014	57,503	(74)	-0.1%	(12)	0%	6.2
2013	57,577	(47)	-0.1%	85	0.1%	-
2012	57,624	(73)	-0.1%	(77)	-0.1%	0.9
2011	57,697	(26)	0%	(39)	-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	8,548	5.2%	(0.2)	\$3,575	\$4.19	4.6%	(1.0)	\$3,532	\$4.14
2026	8,882	5.4%	(0.3)	\$3,417	\$4	5.6%	0.1	\$3,376	\$3.95
2025	9,320	5.7%	0.3	\$3,235	\$3.79	5.6%	(0.1)	\$3,195	\$3.74
2024	8,591	5.4%	0.1	\$3,063	\$3.59	5.7%	5.4	\$3,026	\$3.55
2023	8,338	5.3%	(0.3)	\$2,899	\$3.40	0.2%	(4.3)	\$2,863	\$3.35
YTD	8,205	5.2%	(0.4)	\$2,909	\$3.40	0.3%	(4.2)	\$2,872	\$3.36
2022	8,766	5.6%	(0.3)	\$2,892	\$3.38	4.5%	(3.1)	\$2,861	\$3.34
2021	9,073	5.9%	(3.8)	\$2,767	\$3.23	7.6%	15.6	\$2,713	\$3.17
2020	14,609	9.7%	3.6	\$2,572	\$3	-8.0%	(9.9)	\$2,494	\$2.91
2019	9,071	6.2%	0.2	\$2,797	\$3.27	1.9%	(1.6)	\$2,767	\$3.24
2018	8,613	6.0%	0.6	\$2,746	\$3.21	3.5%	0.7	\$2,695	\$3.15
2017	7,464	5.3%	(0.7)	\$2,653	\$3.10	2.8%	2.3	\$2,594	\$3.03
2016	8,337	6.0%	0.8	\$2,581	\$3.02	0.5%	(6.1)	\$2,516	\$2.94
2015	7,015	5.2%	0.1	\$2,570	\$3.01	6.5%	1.0	\$2,535	\$2.96
2014	6,607	5.1%	0.3	\$2,412	\$2.82	5.6%	(0.3)	\$2,381	\$2.79
2013	5,919	4.8%	(0.3)	\$2,285	\$2.67	5.9%	0.9	\$2,257	\$2.64
2012	6,251	5.1%	0.7	\$2,157	\$2.52	5.0%	1.1	\$2,138	\$2.50
2011	5,250	4.4%	0	\$2,054	\$2.40	4.0%	-	\$2,044	\$2.39

4 & 5 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2027	3,858	5.9%	(0.1)	\$4,103	\$4.42	4.6%	(1.0)	\$4,037	\$4.35
2026	3,830	5.9%	(0.9)	\$3,923	\$4.23	5.6%	0.1	\$3,860	\$4.16
2025	4,333	6.8%	0	\$3,714	\$4	5.5%	(0.1)	\$3,654	\$3.94
2024	4,132	6.7%	0.8	\$3,519	\$3.79	5.7%	5.5	\$3,462	\$3.73
2023	3,505	6.0%	(2.1)	\$3,330	\$3.59	0.2%	(3.5)	\$3,277	\$3.53
YTD	3,553	6.1%	(2.0)	\$3,342	\$3.60	0.1%	(3.6)	\$3,285	\$3.53
2022	4,646	8.1%	(0.1)	\$3,325	\$3.58	3.7%	(5.7)	\$3,273	\$3.52
2021	4,514	8.2%	(4.7)	\$3,207	\$3.45	9.3%	18.0	\$3,120	\$3.35
2020	6,705	12.9%	3.4	\$2,933	\$3.15	-8.7%	(10.7)	\$2,804	\$3.01
2019	4,652	9.6%	0.5	\$3,212	\$3.46	2.0%	(1.4)	\$3,165	\$3.41
2018	4,146	9.0%	2.0	\$3,148	\$3.39	3.4%	0.7	\$3,078	\$3.31
2017	2,887	7.0%	(1.5)	\$3,045	\$3.28	2.7%	2.3	\$2,984	\$3.21
2016	3,371	8.5%	(0.4)	\$2,965	\$3.19	0.4%	(4.9)	\$2,884	\$3.10
2015	3,207	8.9%	(0.4)	\$2,952	\$3.18	5.3%	1.1	\$2,907	\$3.13
2014	2,930	9.3%	1.6	\$2,804	\$3.02	4.2%	(1.0)	\$2,760	\$2.98
2013	2,010	7.7%	(2.0)	\$2,692	\$2.90	5.2%	1.6	\$2,644	\$2.85
2012	2,358	9.7%	3.9	\$2,560	\$2.76	3.5%	0.7	\$2,530	\$2.73
2011	1,206	5.8%	(0.3)	\$2,472	\$2.66	2.8%	-	\$2,460	\$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	2,070	4.8%	(0.6)	\$3,547	\$4.16	4.6%	(1.0)	\$3,511	\$4.11
2026	2,334	5.4%	(0.3)	\$3,390	\$3.97	5.6%	0	\$3,355	\$3.93
2025	2,437	5.7%	0.9	\$3,210	\$3.76	5.6%	(0.1)	\$3,177	\$3.72
2024	1,982	4.8%	(0.5)	\$3,041	\$3.56	5.7%	5.8	\$3,009	\$3.53
2023	2,160	5.2%	0.9	\$2,878	\$3.37	-0.1%	(6.3)	\$2,848	\$3.34
YTD	2,019	4.9%	0.6	\$2,890	\$3.39	0.1%	(6.1)	\$2,862	\$3.35
2022	1,776	4.3%	(0.3)	\$2,881	\$3.38	6.2%	(2.2)	\$2,864	\$3.36
2021	1,896	4.6%	(4.3)	\$2,713	\$3.18	8.4%	18.4	\$2,670	\$3.13
2020	3,694	9.0%	4.3	\$2,504	\$2.93	-10.0%	(11.8)	\$2,454	\$2.88
2019	1,895	4.6%	(0.1)	\$2,783	\$3.26	1.8%	(2.8)	\$2,761	\$3.24
2018	1,917	4.7%	(0.4)	\$2,734	\$3.20	4.5%	1.3	\$2,687	\$3.15
2017	2,064	5.1%	(0.9)	\$2,615	\$3.06	3.3%	3.8	\$2,532	\$2.97
2016	2,447	6.0%	1.9	\$2,532	\$2.97	-0.6%	(8.0)	\$2,455	\$2.88
2015	1,639	4.0%	0.1	\$2,547	\$2.99	7.4%	0.5	\$2,512	\$2.94
2014	1,590	3.9%	(0.4)	\$2,372	\$2.78	7.0%	(0.4)	\$2,342	\$2.74
2013	1,760	4.3%	0.4	\$2,217	\$2.60	7.4%	(0.2)	\$2,203	\$2.58
2012	1,610	4.0%	(0.4)	\$2,065	\$2.42	7.6%	1.7	\$2,051	\$2.40
2011	1,765	4.3%	0.2	\$1,920	\$2.25	5.9%	-	\$1,909	\$2.24

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	2,621	4.6%	(0.2)	\$2,772	\$3.75	4.7%	(1.0)	\$2,757	\$3.73
2026	2,718	4.8%	0.3	\$2,647	\$3.58	5.7%	0	\$2,633	\$3.56
2025	2,550	4.5%	0.1	\$2,503	\$3.38	5.7%	(0.1)	\$2,490	\$3.36
2024	2,478	4.3%	(0.3)	\$2,368	\$3.20	5.8%	4.9	\$2,355	\$3.18
2023	2,674	4.7%	0.6	\$2,239	\$3.02	0.9%	(3.3)	\$2,227	\$3.01
YTD	2,632	4.6%	0.5	\$2,243	\$3.02	1.1%	(3.1)	\$2,231	\$3
2022	2,344	4.1%	(0.6)	\$2,219	\$2.98	4.2%	1.6	\$2,207	\$2.96
2021	2,663	4.7%	(2.7)	\$2,129	\$2.86	2.6%	6.4	\$2,118	\$2.84
2020	4,210	7.4%	3.0	\$2,075	\$2.78	-3.8%	(5.4)	\$2,045	\$2.74
2019	2,525	4.4%	0	\$2,156	\$2.90	1.6%	(0.7)	\$2,144	\$2.88
2018	2,550	4.4%	0.1	\$2,122	\$2.85	2.3%	0	\$2,099	\$2.82
2017	2,513	4.4%	0	\$2,074	\$2.79	2.3%	0.3	\$2,046	\$2.75
2016	2,520	4.4%	0.6	\$2,028	\$2.72	2.0%	(6.4)	\$2,001	\$2.69
2015	2,170	3.8%	0.1	\$1,989	\$2.67	8.4%	1.3	\$1,972	\$2.65
2014	2,087	3.6%	(0.1)	\$1,835	\$2.46	7.1%	1.4	\$1,823	\$2.44
2013	2,149	3.7%	(0.2)	\$1,714	\$2.29	5.7%	0.4	\$1,705	\$2.28
2012	2,283	4.0%	0	\$1,621	\$2.17	5.3%	1.1	\$1,613	\$2.16
2011	2,279	4.0%	0	\$1,539	\$2.06	4.3%	-	\$1,531	\$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	-	-	-	-	-	-	\$564,547	275	4.4%
2026	-	-	-	-	-	-	\$503,283	245	4.8%
2025	-	-	-	-	-	-	\$445,114	217	5.1%
2024	-	-	-	-	-	-	\$417,738	204	5.1%
2023	-	-	-	-	-	-	\$462,826	225	4.4%
YTD	76	\$1.2B	1.9%	\$15,345,669	\$383,389	5.0%	\$469,521	229	4.4%
2022	132	\$1.6B	2.3%	\$12,177,837	\$454,112	4.0%	\$551,202	269	3.8%
2021	130	\$951.2M	1.8%	\$7,490,020	\$433,166	4.0%	\$585,590	285	3.5%
2020	74	\$1.4B	1.8%	\$19,083,904	\$500,805	4.4%	\$504,605	246	3.8%
2019	155	\$1.9B	3.9%	\$21,330,940	\$472,934	4.5%	\$508,383	248	3.8%
2018	188	\$1.1B	2.3%	\$10,311,406	\$430,658	3.8%	\$477,496	233	3.9%
2017	255	\$1.3B	3.3%	\$10,233,269	\$384,778	4.2%	\$441,093	215	4.0%
2016	199	\$1.6B	3.6%	\$14,001,707	\$366,143	4.4%	\$415,390	202	4.1%
2015	226	\$1.1B	3.3%	\$8,059,390	\$354,011	4.5%	\$397,963	194	4.1%
2014	184	\$1.5B	5.2%	\$10,341,199	\$293,925	4.5%	\$359,076	175	4.3%
2013	173	\$1.3B	5.7%	\$9,473,232	\$272,185	5.3%	\$319,945	156	4.5%
2012	252	\$1.3B	7.4%	\$8,568,243	\$244,276	5.8%	\$305,604	149	4.6%

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

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

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$686,370	263	4.3%
2026	-	-	-	-	-	-	\$611,415	234	4.7%
2025	-	-	-	-	-	-	\$540,300	207	5.0%
2024	-	-	-	-	-	-	\$507,161	194	5.0%
2023	-	-	-	-	-	-	\$563,182	215	4.3%
YTD	5	\$467M	2.0%	\$93,400,000	\$406,087	-	\$570,487	218	4.3%
2022	3	\$698M	2.1%	\$232,666,667	\$567,941	-	\$688,379	263	3.7%
2021	3	\$166.5M	1.5%	\$83,266,750	\$568,374	-	\$738,232	282	3.3%
2020	3	\$543M	1.8%	\$181,000,000	\$576,433	-	\$637,155	244	3.6%
2019	11	\$1B	6.0%	\$168,271,214	\$560,282	4.5%	\$644,508	247	3.7%
2018	3	\$246.7M	1.1%	\$82,216,667	\$507,510	4.3%	\$608,156	233	3.7%
2017	10	\$669.3M	3.4%	\$66,929,835	\$478,412	4.0%	\$554,198	212	3.9%
2016	6	\$469.1M	2.8%	\$78,188,333	\$429,213	4.9%	\$524,567	201	3.9%
2015	2	\$195M	1.1%	\$97,500,000	\$509,138	4.3%	\$504,901	193	3.9%
2014	11	\$588.6M	7.9%	\$73,577,049	\$369,038	4.8%	\$457,528	175	4.1%
2013	8	\$377M	9.3%	\$75,394,061	\$271,592	5.0%	\$410,929	157	4.3%
2012	7	\$354.9M	6.2%	\$92,325,000	\$340,595	5.3%	\$395,338	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	-	-	-	-	-	-	\$510,946	279	4.4%
2026	-	-	-	-	-	-	\$456,123	249	4.8%
2025	-	-	-	-	-	-	\$404,008	221	5.1%
2024	-	-	-	-	-	-	\$379,323	207	5.1%
2023	-	-	-	-	-	-	\$419,337	229	4.4%
YTD	12	\$339.2M	2.2%	\$28,266,000	\$384,136	6.3%	\$425,548	232	4.4%
2022	12	\$194.9M	1.1%	\$16,244,167	\$437,063	4.5%	\$505,584	276	3.8%
2021	8	\$242.4M	1.2%	\$30,298,375	\$508,149	4.1%	\$536,089	293	3.5%
2020	14	\$586.2M	2.6%	\$41,871,772	\$546,323	3.8%	\$463,469	253	3.7%
2019	9	\$522.8M	3.1%	\$58,085,556	\$417,548	5.6%	\$465,850	254	3.8%
2018	12	\$428.5M	2.4%	\$38,956,818	\$434,610	3.8%	\$433,046	236	3.9%
2017	9	\$91.7M	0.7%	\$13,100,577	\$348,685	3.3%	\$400,300	219	4.0%
2016	22	\$709.3M	4.6%	\$41,723,879	\$384,865	4.5%	\$375,288	205	4.1%
2015	19	\$499.8M	4.1%	\$33,322,100	\$406,698	5.0%	\$356,308	195	4.1%
2014	15	\$447.2M	4.5%	\$34,397,959	\$301,940	4.6%	\$321,355	175	4.3%
2013	22	\$666.8M	6.9%	\$35,092,684	\$334,887	5.0%	\$285,031	156	4.6%
2012	29	\$608M	8.8%	\$40,535,667	\$256,231	4.8%	\$270,757	148	4.6%

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

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

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$467,701	295	4.5%
2026	-	-	-	-	-	-	\$417,006	263	4.9%
2025	-	-	-	-	-	-	\$368,860	233	5.2%
2024	-	-	-	-	-	-	\$345,947	218	5.2%
2023	-	-	-	-	-	-	\$382,542	241	4.5%
YTD	59	\$360.1M	1.8%	\$6,103,031	\$356,867	4.8%	\$388,913	245	4.5%
2022	117	\$702.4M	3.2%	\$6,054,884	\$382,136	3.9%	\$431,065	272	4.0%
2021	119	\$542.3M	2.5%	\$4,635,146	\$380,303	4.0%	\$450,961	284	3.7%
2020	57	\$225M	1.2%	\$4,180,600	\$326,520	4.5%	\$386,306	244	4.0%
2019	135	\$323.4M	2.8%	\$4,491,590	\$371,718	4.4%	\$387,108	244	4.1%
2018	173	\$417.8M	3.1%	\$4,541,674	\$391,964	3.8%	\$363,816	229	4.2%
2017	236	\$528.4M	5.2%	\$4,847,610	\$312,842	4.3%	\$344,429	217	4.2%
2016	171	\$389.8M	3.6%	\$4,379,272	\$289,351	4.3%	\$322,629	203	4.3%
2015	205	\$441.5M	4.0%	\$3,560,827	\$276,309	4.5%	\$308,889	195	4.3%
2014	158	\$432.7M	4.1%	\$3,575,706	\$225,344	4.5%	\$276,597	174	4.5%
2013	143	\$263.6M	3.2%	\$2,312,058	\$185,095	5.3%	\$243,765	154	4.8%
2012	216	\$367.9M	6.9%	\$2,665,791	\$180,954	5.9%	\$230,783	146	4.8%

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

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

DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2027	-	165,810	5.2%	-	1,312	-	1,208	-	-
2026	-	164,602	5.4%	-	1,092	-	1,075	-	-
2025	-	163,527	5.7%	-	3,682	-	3,627	-	-
2024	-	159,900	5.4%	-	3,095	-	3,057	-	-
2023	-	156,843	5.3%	-	930	-	930	-	-
YTD	3,941	156,726	5.2%	4	813	4	813	24	7,908
2022	3,937	155,913	5.6%	15	2,696	15	2,696	26	8,326
2021	3,922	153,217	5.9%	16	3,310	14	2,986	23	3,718
2020	3,908	150,231	9.7%	17	3,463	14	3,253	25	5,181
2019	3,894	146,978	6.2%	11	2,799	8	2,731	35	8,206
2018	3,886	144,247	6.0%	17	4,687	16	4,670	30	7,487
2017	3,870	139,577	5.3%	8	1,709	5	1,480	31	7,994
2016	3,865	138,097	6.0%	14	3,761	14	3,761	24	6,403
2015	3,851	134,336	5.2%	18	4,463	17	4,458	23	5,841
2014	3,834	129,878	5.1%	13	5,517	10	5,410	28	6,773
2013	3,824	124,467	4.8%	6	1,783	0	1,736	25	8,593
2012	3,824	122,731	5.1%	8	3,652	5	3,579	17	6,126
2011	3,819	119,152	4.4%	2	304	(2)	278	15	6,177