



Multi-Family Market Report

San Francisco - CA (USA)

PREPARED BY



MULTI-FAMILY MARKET REPORT

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12 Mo Delivered Units

877

12 Mo Absorption Units

2,352

Vacancy Rate

5.9%

12 Mo Asking Rent Growth

1.1%

In the first quarter of 2024, the San Francisco multifamily market is continuing the steady improvement of the past three years. Net absorption increased in the fourth quarter of 2023, and the vacancy rate moved lower and currently stands at 5.9%, the lowest level since the first quarter of 2020. Year-over-year rent growth was negative by around -1% in both Q2 and Q3 of 2023 but flattened in Q4 and is on track to be positive in the first quarter. However, 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 2,300 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 growth exceeds the pace of new deliveries, but the rate of improvement in areas close to downtown San Francisco will need a greater return of office workers and improvements to safety and security. Social problems associated with homelessness, drug activity, and crime are a significant disincentive to both workers and residents. The social issues are highly localized, and market participants note that leasing conditions are more

favorable in the northern neighborhoods of the city. Further, there is continued uncertainty around employment, as tech companies continue to announce hiring freezes and layoffs in 2024.

Outward migration has been a major cause of the market's weak demand growth. This has had a notable effect on 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.

Looking forward, a return to population growth and an improving economy are likely to initiate an uptick in renter demand. With low levels of new construction, the prospects for rent growth in the year ahead are much improved. Better market conditions may also cause new developments to break ground in the coming quarters.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	41,155	8.1%	\$3,750	\$3,711	470	54	4,273
3 Star	47,269	6.1%	\$2,920	\$2,902	112	0	313
1 & 2 Star	91,711	4.8%	\$2,406	\$2,394	209	0	8
Market	180,135	5.9%	\$3,054	\$3,030	791	54	4,594

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.8%	5.4%	5.8%	10.8%	2020 Q4	2.8%	2000 Q1
Absorption Units	2,352	1,190	1,709	7,955	2021 Q4	(6,007)	2020 Q3
Delivered Units	877	1,540	1,517	4,359	2016 Q2	22	2012 Q1
Demolished Units	0	41	68	350	2013 Q3	0	2023 Q4
Asking Rent Growth (YOY)	1.1%	1.7%	3.4%	19.0%	2001 Q1	-11.6%	2002 Q4
Effective Rent Growth (YOY)	1.4%	1.7%	3.5%	19.0%	2001 Q1	-11.6%	2002 Q4
Sales Volume	\$731M	\$1.5B	N/A	\$3.1B	2020 Q1	\$314.5M	2009 Q3

As of the first quarter of 2024, the apartment vacancy rate in San Francisco stands at 5.9%, a slight decline from the previous quarter. This is the lowest vacancy rate since the first quarter of 2020 and is a continuation of a trend of positive net absorption that has been a characteristic of the market's slow recovery following the pandemic.

Annual net absorption, at 2,300 units, is just over 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 lower absorption over the past year reflects a cyclical weakness in demand. Renter interest has softened as a result of the prevailing 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, the most recent release shows a small increase in population from 2022-23. A continuation of this reversal will support stronger demand growth in the quarters ahead.

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 current

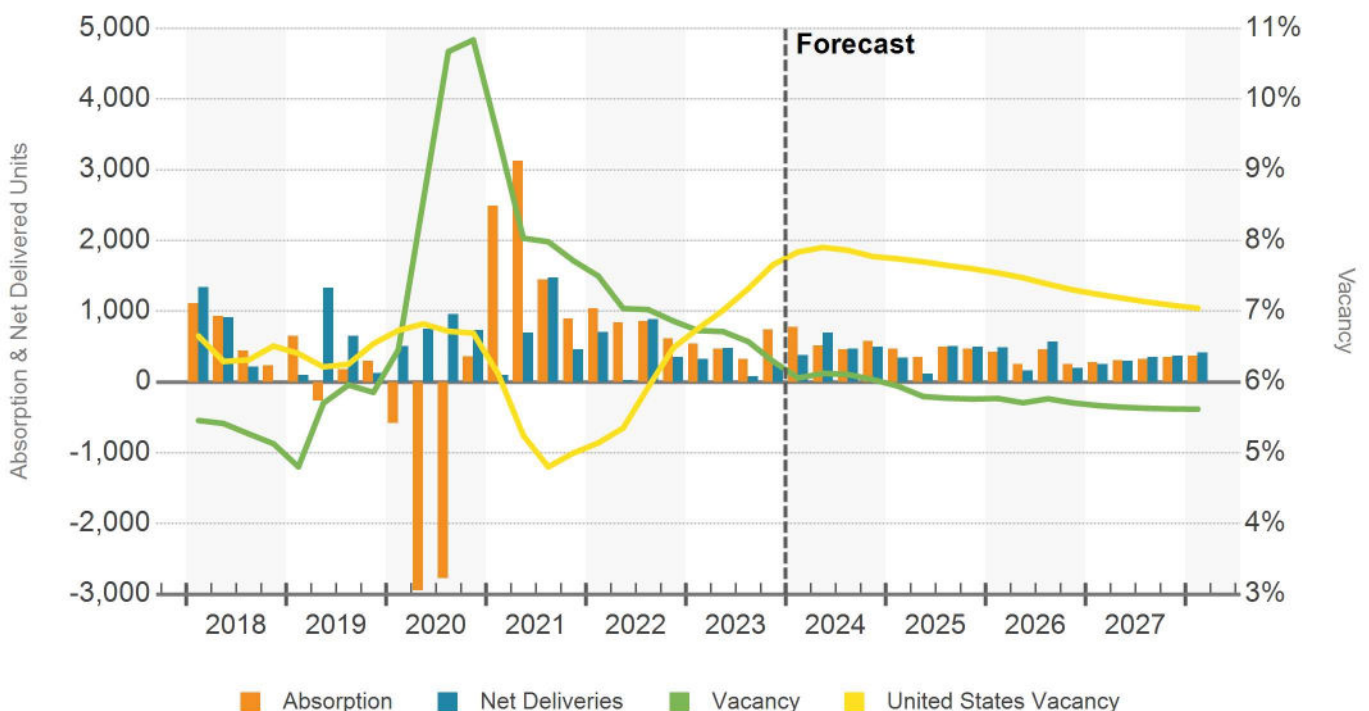
quarter to 8.1%, a decrease of -1.1% since a year ago. Mid-level assets typically perform relatively well in San Francisco. In normal times, there is no shortage of demand for moderately priced options. The vacancy rate among 3 Star assets in the first quarter is 6.1%, while 1 & 2 Star vacancy is currently 4.8%. Both of these figures are slightly below where they were a year ago.

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.

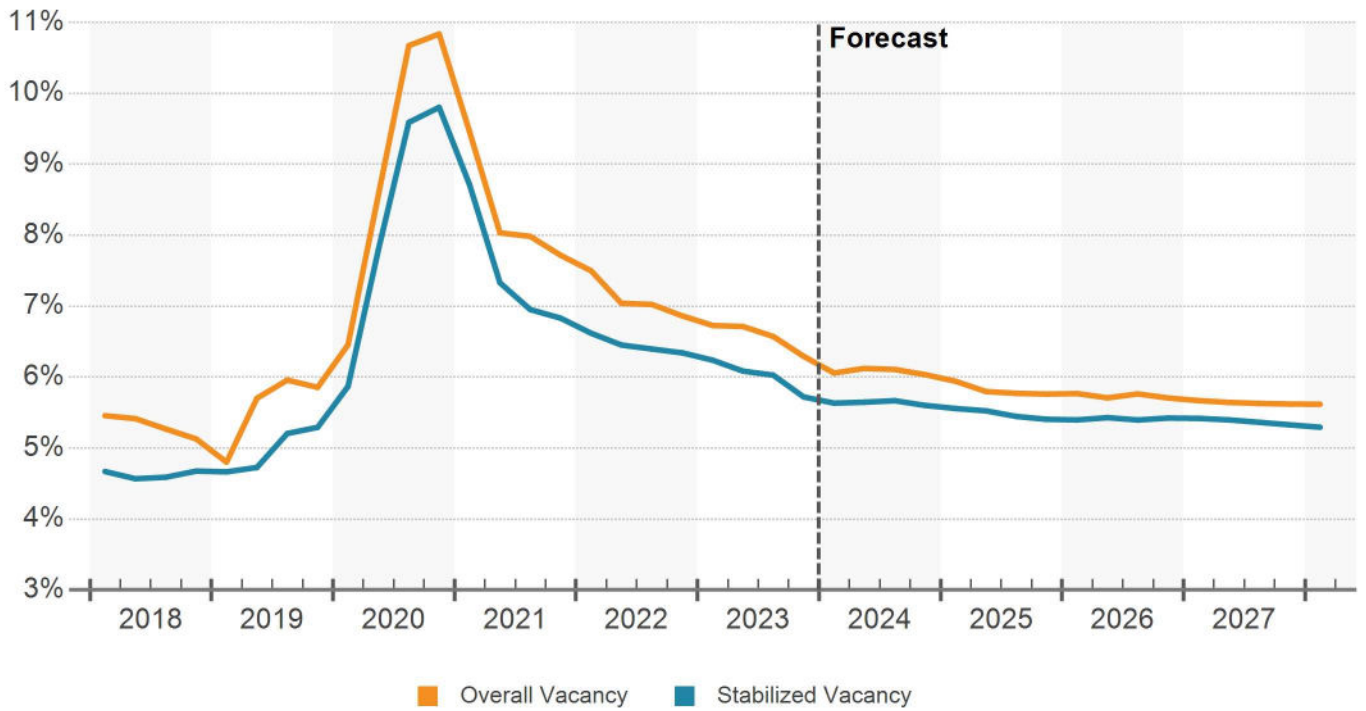
Demand in and around downtown San Francisco is the most likely to remain muted compared to pre-pandemic levels. A large drop in the number of people working downtown has had a direct impact on the demand for apartments in neighboring areas, where proximity to the workplace is a prime attraction.

Over the longer term, the apartment market in San Francisco benefits from high single-family home and condo pricing and elevated mortgage rates. This creates a barrier to homeownership in the area and supports relatively strong demand for rentals.

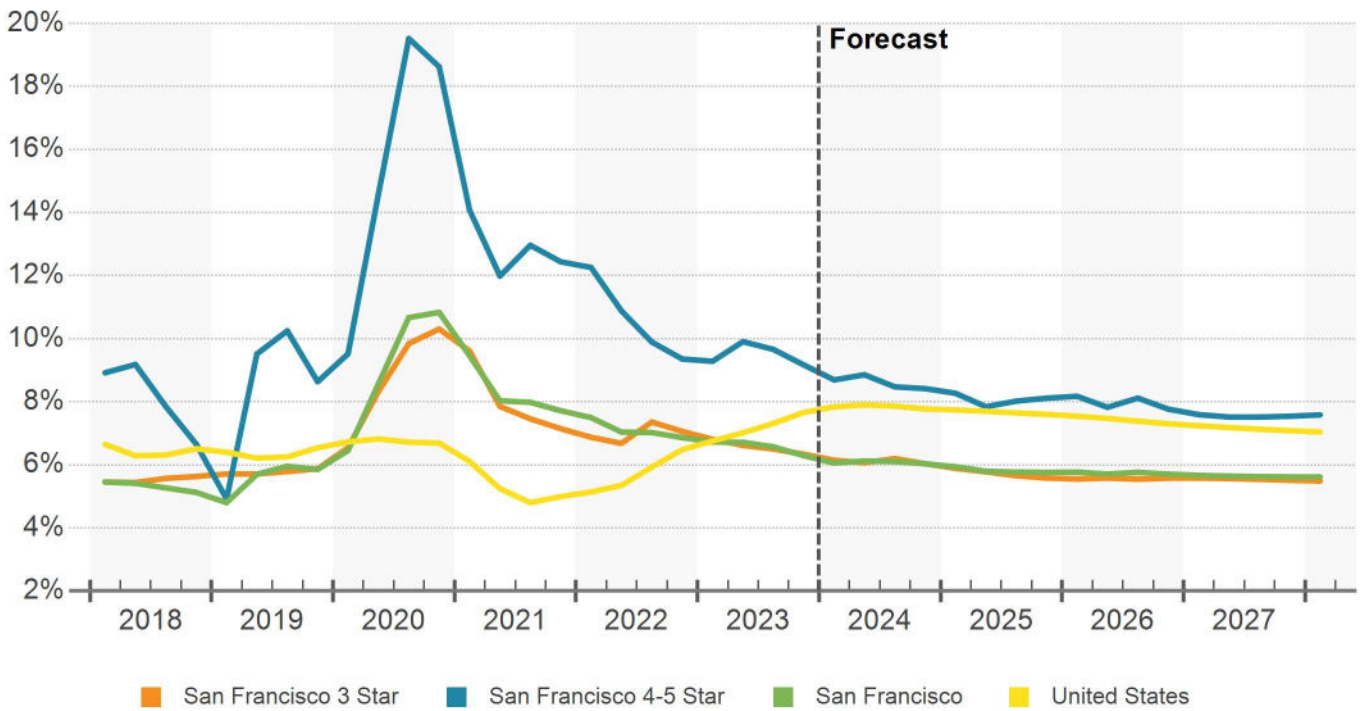
ABSORPTION, NET DELIVERIES & VACANCY



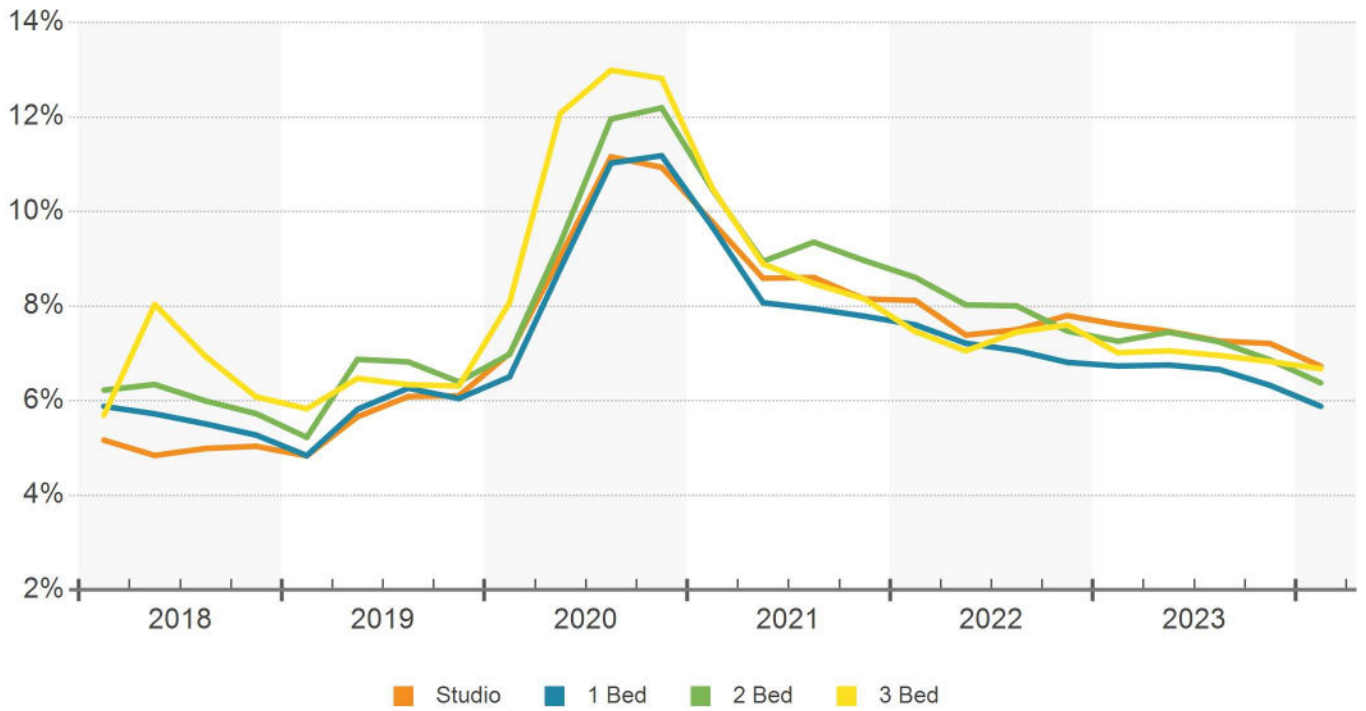
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



Apartments rent for an average of \$3,050/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 1.4%, whereas the national average over this period was 4.9% per year. However, with the national average rent standing at just \$1,690/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 first quarter of 2024 is again mildly positive, at 1.1%, but average asking rates remain below the levels reached in 2019. CoStar's daily asking rent series shows asking rents

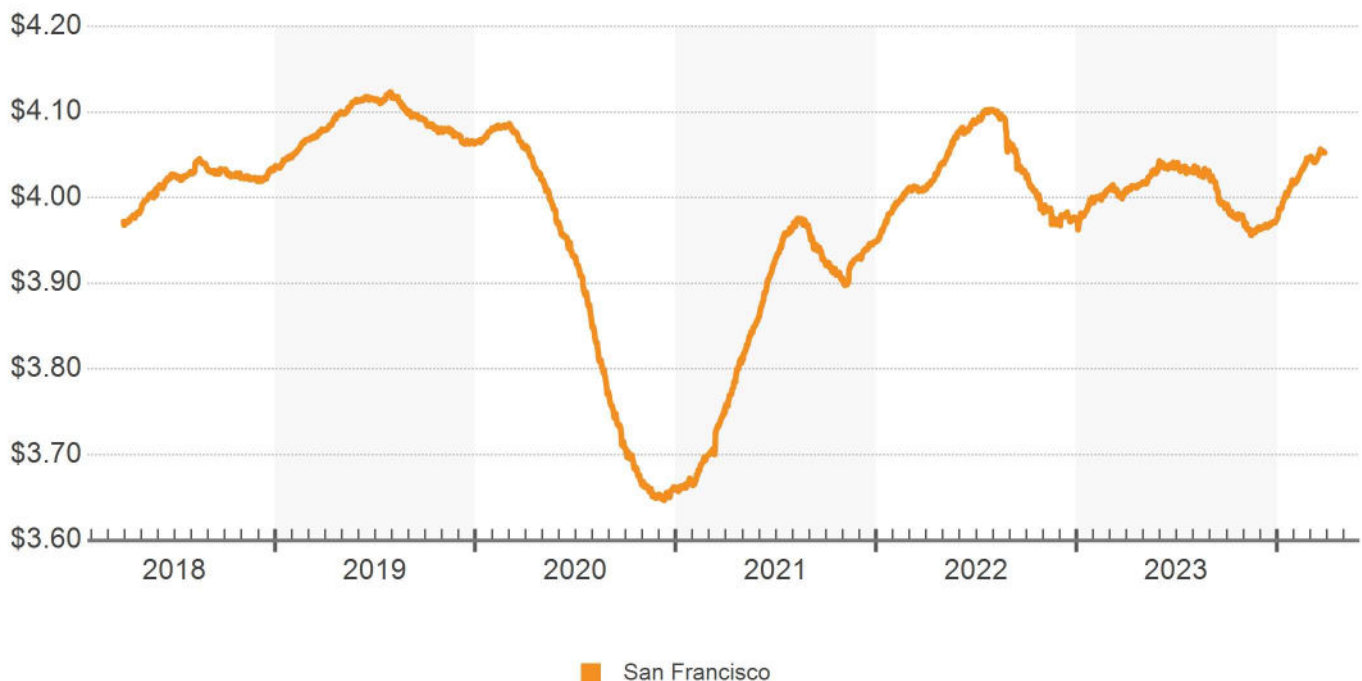
increasing in December and January, after dropping during the fall.

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. As of the first quarter of 2024, asking rents for properties rated 4 & 5 Star are flat, at 1.2% year over year, which compares to changes of 1.3% among 3 Star properties and 0.8% among 1 & 2 Star properties.

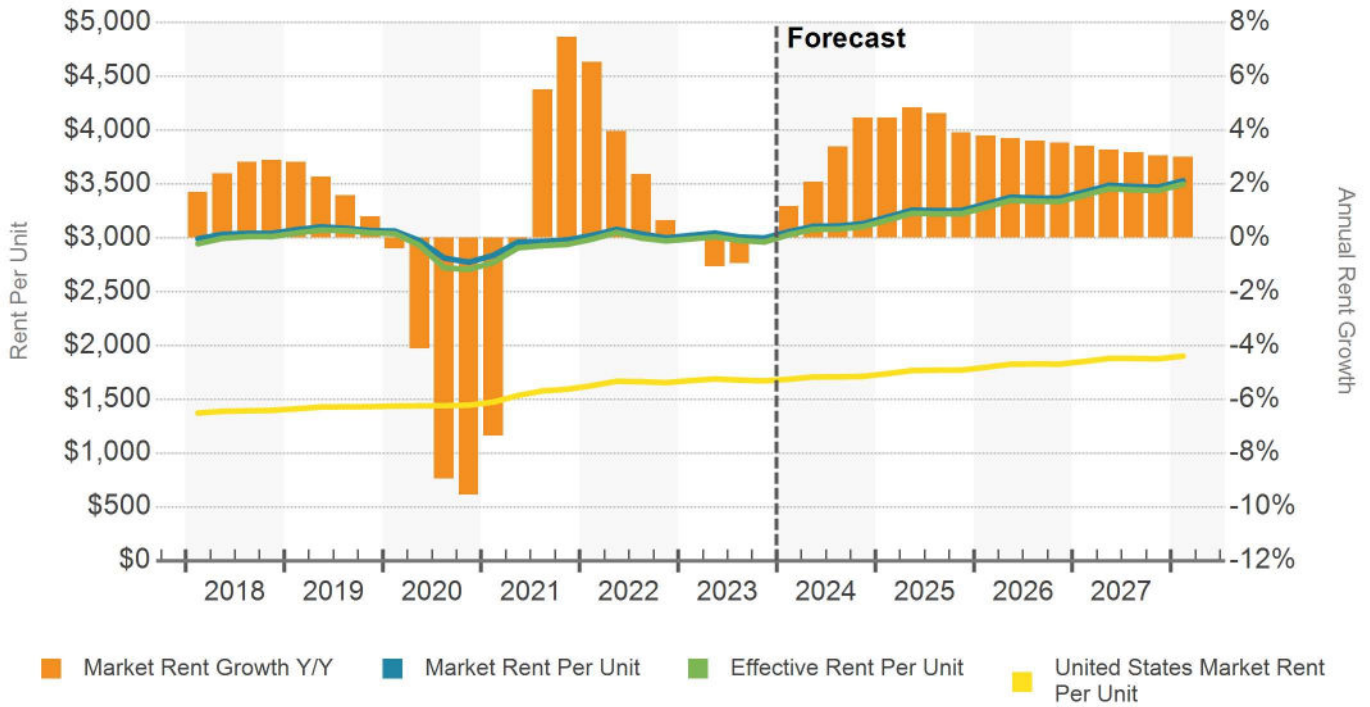
Asking rents are highest in Downtown San Francisco, Mission Bay, and South of Market. These areas saw the most new construction activity in the 2010s, most of which was in the 4 & 5 Star category that commands the highest rents in the city.

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 where these concerns are less pronounced, such as Marina/Pacific Heights/Presidio and Downtown San Francisco, which includes the popular neighborhoods of Russian Hill and North Beach.

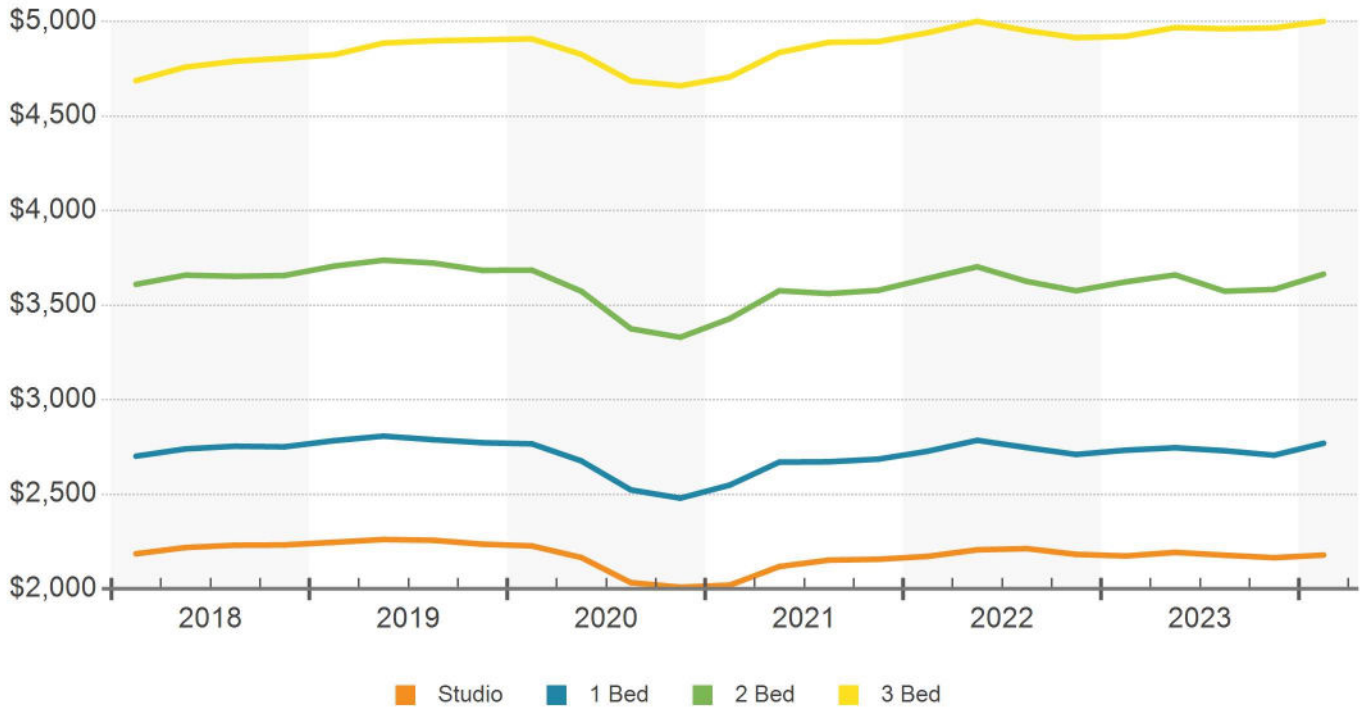
DAILY ASKING RENT PER SF



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	\$0.97	\$1.90	\$1.65	\$0.81	\$2.54	\$0.06	\$1.23	\$1.30	\$13.78
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 first quarter, just 860 units delivered over the past year. This compares to the five-year average of 2,100 units per year and is the lowest annual total since 2012. However, the pace of new construction starts has picked up in the past six months, and approximately 2,000 units are projected to be completed in both 2024 and 2025.

In total, there are 4,600 units currently underway, which is only a little below the five-year average of 4,700 units. The under-construction stock measures 2.6% of existing inventory, well below the average rate of 4.6% across the nation. Most of the market-rate units under construction are in 4 & 5 Star buildings.

Geographically, development in the 2010s was concentrated in redevelopment areas close to downtown San Francisco, including South of Market and Mission Bay/China Basin/Potrero Hill. These areas have good access to the city's main centers for work and recreation, plus access to freeways and Caltrain, which provide transportation to major employment hubs in the Peninsula, Silicon Valley, and San Jose.

By contrast, much of the current construction pipeline is located to the south of San Francisco. Spurred by growth in life sciences and biotechnology, new projects are clustered in Peninsula employment markets such as South San Francisco, San Mateo, and Redwood City, which have emerged as popular locations for transit-oriented development around Caltrain stations. Of the 2,500 units set to be delivered in 2024, around 1,900 are

located in these areas, with just 600 being delivered in the city of San Francisco, including Treasure Island.

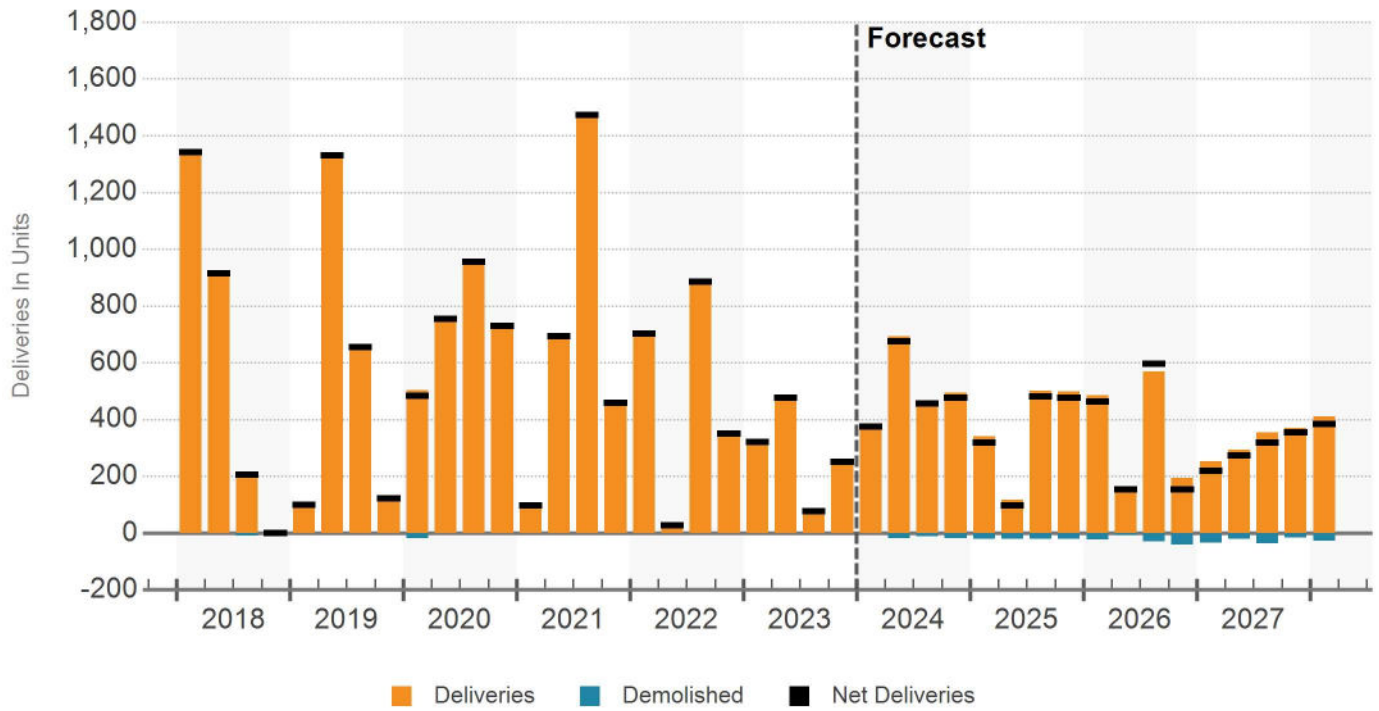
An example of a newer project of this type is Station 16 at Millbrae. This 320-unit mid-rise building was completed in February 2023 and, as of the first quarter, is 66% leased, with average asking rents at around \$3,650/month.

In the past six months, a few construction projects have broken ground in San Francisco. For example, Strada Investment Group began construction on a mixed-use project close to the Caltrain station at 555 Bryant St. in San Francisco. On completion in 2025, the project will include 501 apartment units.

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.

Having said that, developers continue to guide new projects through the planning process. Several sizable apartment towers have secured permits in recent months, although construction may not break ground until there is an easing of the current high costs of financing and construction.

DELIVERIES & DEMOLITIONS



Under Construction Properties

San Francisco Multi-Family

Properties

Units

Percent of Inventory

Avg. No. Units

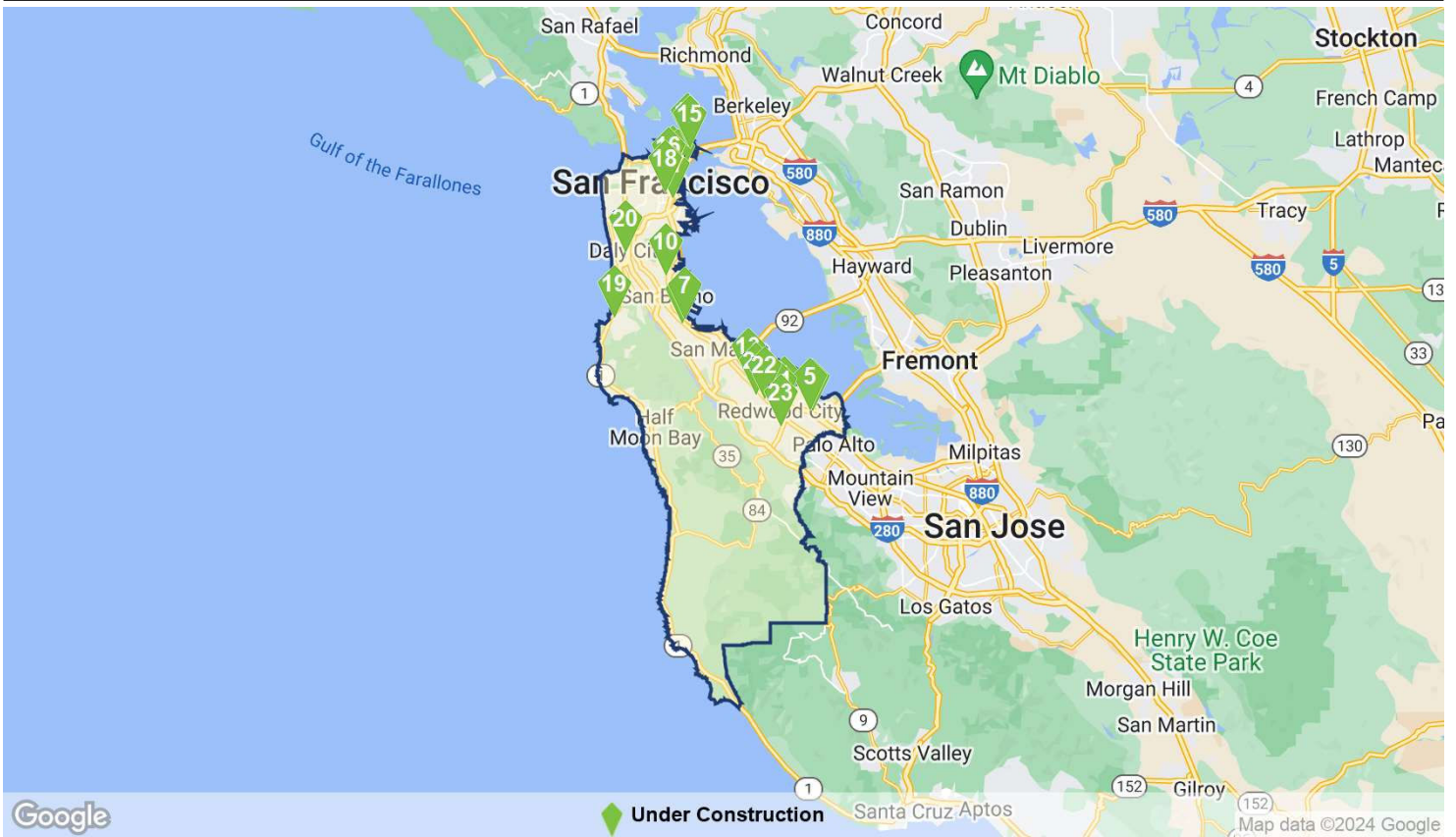
23

4,594

2.6%

200

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 2026	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	May 2024	Greystar Real Estate Partners Greystar Real Estate Partners
4 1845-1855 Rollins Rd	★★★★☆	420	5	Feb 2024	Feb 2026	- Hanover Company
5 Vasara 110 Constitution Dr	★★★★★	320	7	Feb 2022	Apr 2024	Greystar Real Estate Partners Greystar Real Estate Partners
6 1766 El Camino Real	★★★★☆	311	8	Nov 2023	Jul 2025	Carmel Partners Carmel Partners
7 One Adrian 1 Adrian Ct	★★★★☆	265	7	May 2022	Apr 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 Verde 1070 Bridgewater St	★ ★ ★ ★ ★	254	23	Nov 2021	Nov 2024	Tishman Speyer Port of San Francisco
9 Isle House 39 Bruton St	★ ★ ★ ★ ★	250	22	Jan 2022	Jan 2025	Dci Construction Inc Ti Lot 8 Llc
10 Celeste 401 Cypress Ave	★ ★ ★ ★ ★	195	8	Jan 2022	May 2024	Sares-Regis Group of Northern C... Sares-Regis Group
11 Bldg A 1555 El Camino Real	★ ★ ★ ★ ★	187	6	Nov 2023	Dec 2025	IQHQ IQHQ
12 Hawkins 55 Bruton St	★ ★ ★ ★ ★	178	4	Oct 2022	Aug 2024	- Lennar
13 The Hayden 815 Old County	★ ★ ★ ★ ★	177	5	Jun 2022	Apr 2024	Greenbelt Alliance Carmel Partners
14 C3.5 401 Avenue A Ave	★ ★ ★ ★ ★	160	4	Jan 2022	May 2026	- Lennar
15 1 Avenue of the Palms Ave	★ ★ ★ ★ ★	117	5	Jun 2023	May 2025	- Lennar
16 988 Harrison St	★ ★ ★ ★ ★	90	8	Feb 2023	Feb 2025	JS Sullivan Development JS Sullivan Development
17 Potrero Hope Phase IV 1095 Connecticut St	★ ★ ★ ★ ★	65	5	Nov 2023	Jan 2026	BRIDGE Housing Corporation SF Housing Authority Lessor
18 The Fitzgerald 2095 Bryant St	★ ★ ★ ★ ★	63	6	Mar 2022	Nov 2024	Align Real Estate Rubicon Point Partners
19 801 Fassler Ave	★ ★ ★ ★ ★	24	3	Sep 2022	Sep 2024	- -
20 1784 Sullivan Ave	★ ★ ★ ★ ★	22	5	May 2023	Apr 2024	- Michael J Hsiao Trust
21 1525 San Carlos Ave	★ ★ ★ ★ ★	18	4	Sep 2019	May 2024	- Ying Wang
22 1240 El Camino Real	★ ★ ★ ★ ★	8	4	Apr 2022	Apr 2024	Ampex Engineering & Constructi... Shahab S. Tehrani
23 955 Woodside Rd	★ ★ ★ ★ ★	8	3	Jul 2023	Apr 2024	Terra Holdings Samir Sharma

Sales activity in San Francisco has been below the market's long-term historical average over the past few years. As of the first quarter of 2024, a total of 190 deals had closed within the past 12 months, somewhat below the five-year average of 280 transactions per year. Investor interest fell in 2023 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 closed in 2023 were 2 Star and 3 Star buildings in the six- to 12-unit range. Buyers are

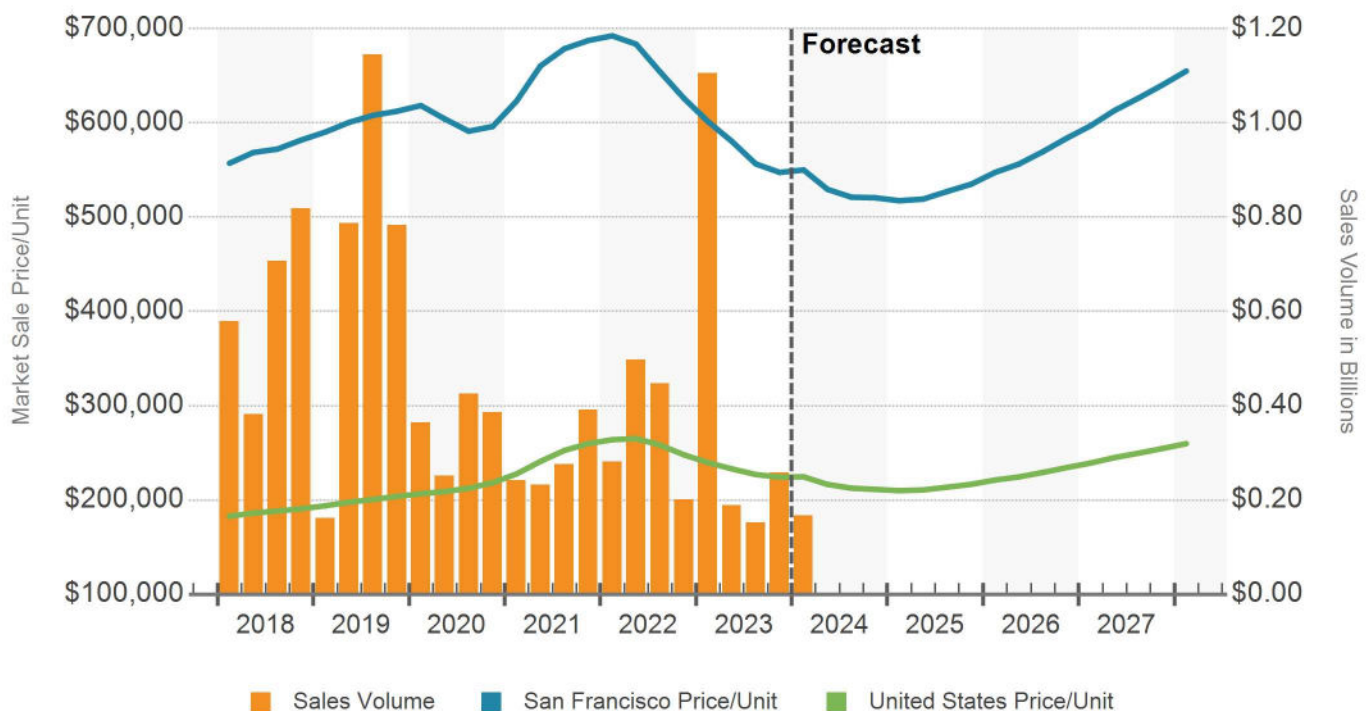
acquiring these properties at prices that are notably below the levels of previous years. The average sale price over the past year was \$340,000/unit, which is a substantial discount to the five-year average transaction price of \$460,000/unit.

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

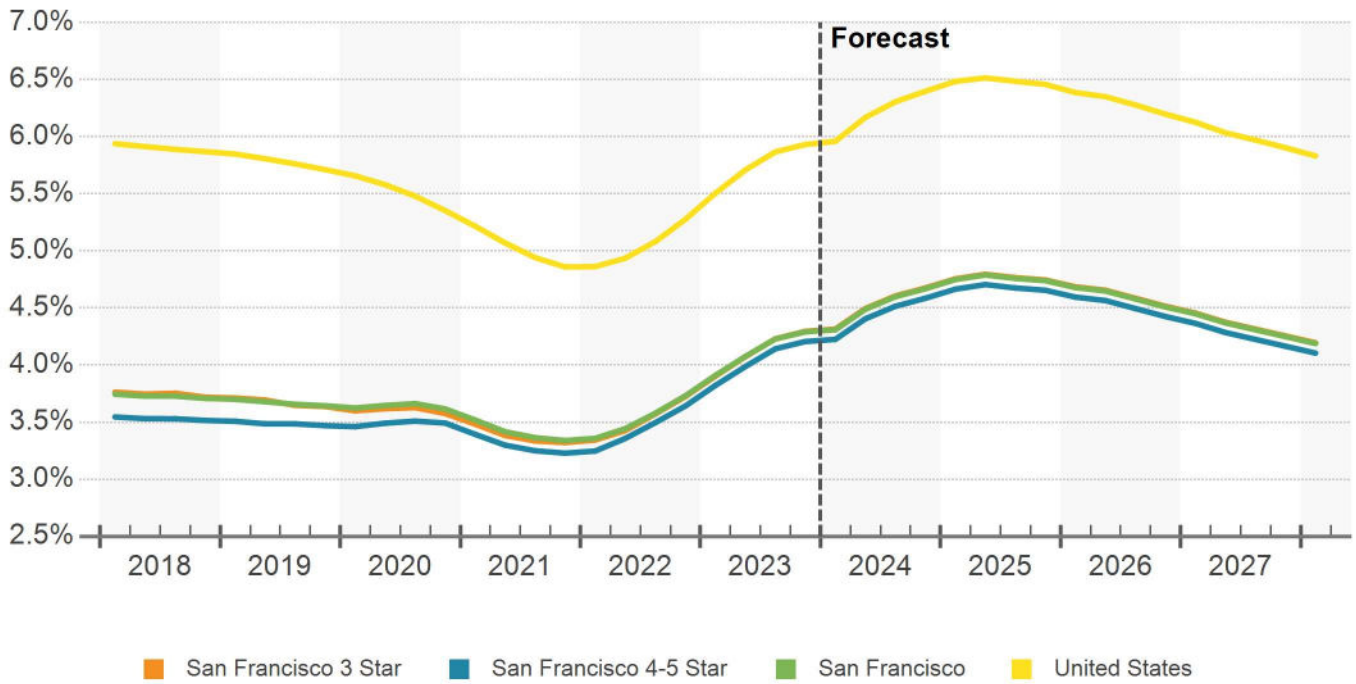
Total sales volume for the past 12 months, \$789 million, reflects the impact of one large sale. In January 2023, the 2,983-unit Westlake Village in Daly City was acquired by Carmel Partners for \$925 million, or \$297,000/unit. The 3 Star garden-style community has an average rent of approximately \$2,500/month.

In January 2024, Brookfield and Ballast Investments gained ownership of a portfolio of 74 properties with around 2,000 units that were previously owned and operated by Veritas. Brookfield took control of the properties through a foreclosure auction after buying the debt associated with the portfolio.

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

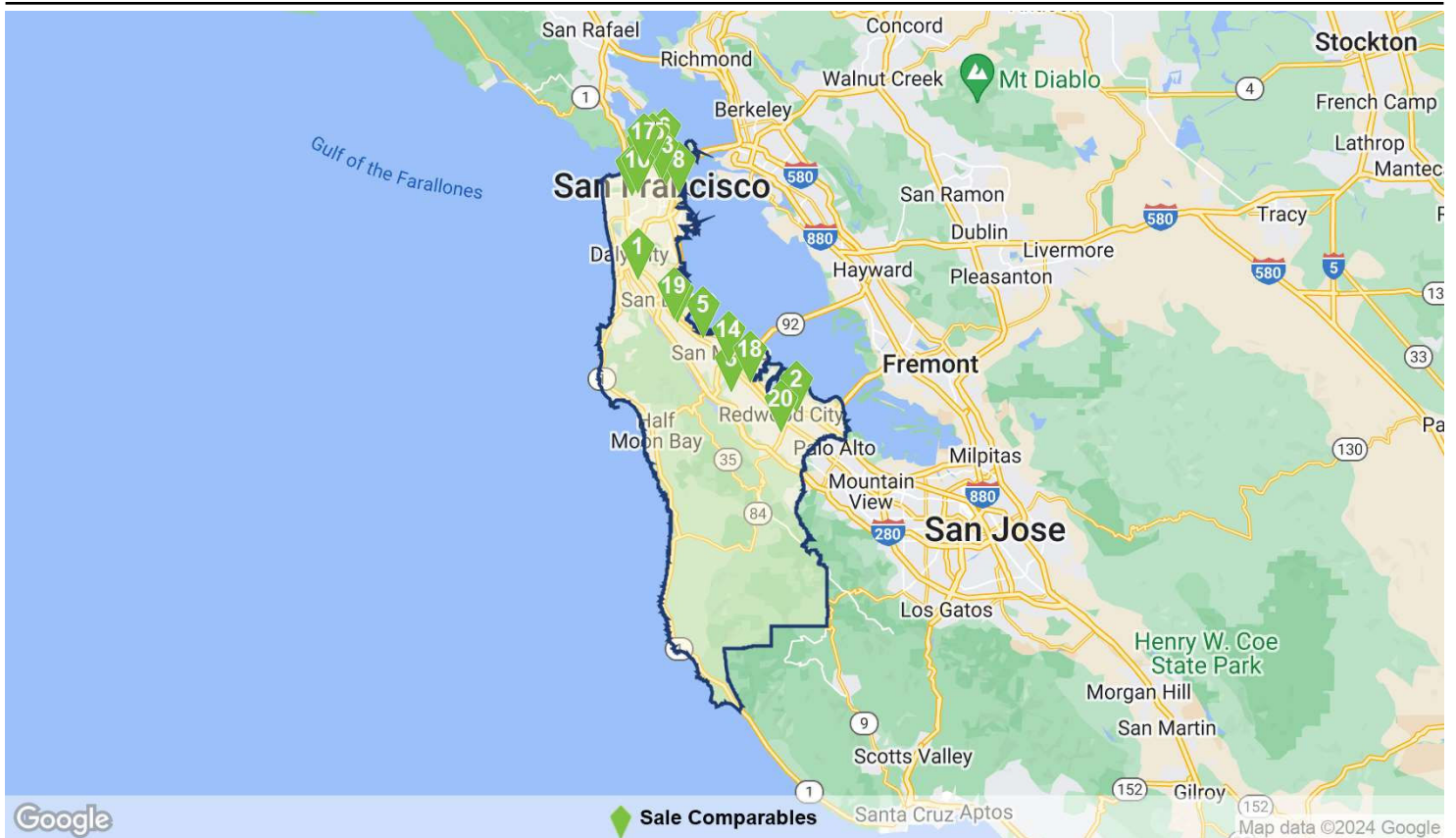
190

\$345

\$4.1

6.7%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$750,000	\$4,077,520	\$2,513,500	\$66,800,000
Price/Unit	\$43,750	\$344,992	\$340,000	\$1,045,454
Cap Rate	1.0%	5.3%	5.3%	14.7%
Vacancy Rate At Sale	0%	6.7%	0%	88.9%
Time Since Sale in Months	0.1	6.1	6.0	11.8
Property Attributes	Low	Average	Median	High
Property Size in Units	5	11	7	195
Number of Floors	1	2	3	8
Average Unit SF	47	911	834	2,485
Year Built	1885	1936	1926	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 Gatewood Village 500 King Dr	★★★★☆	1972	195	5.1%	5/31/2023	\$66,800,000	\$342,564	\$472	
2 Avenue Two Apartments 1107 2nd Ave	★★★★☆	1972	123	8.1%	10/19/2023	\$51,000,000	\$414,634	\$582	
3 The Ralston at Belmont Hills 1000 Continentals Way	★★★☆☆	1972	80	3.8%	3/1/2024	\$28,000,000	\$350,000	\$396	
4 OME Apartments 663 Clementina St	★★★★☆	2021	42	7.1%	11/30/2023	\$27,150,000	\$646,428	\$636	
5 The Arlington 1401 Floribunda Ave	★★★★☆	1929	63	17.5%	1/23/2024	\$21,000,000	\$333,333	\$408	
6 NorthPoint Vistas 2351 Powell St	★★★★☆	1968	72	0%	12/22/2023	\$18,000,000	\$250,000	\$168	
7 1467 7th Ave	★★★☆☆	1964	15	6.7%	2/29/2024	\$15,681,818	\$1,045,454	\$1,360	
8 603 Tennessee St	★★★★☆	2022	24	4.2%	10/27/2023	\$14,000,000	\$583,333	\$583	
9 Sunbeam Square 1115-1129 Woodside Rd	★★★☆☆	1953	27	3.7%	1/8/2024	\$13,904,731	\$514,990	\$316	
10 900 Van Ness Ave 900 Van Ness Ave	★★★★☆	2002	28	7.1%	9/21/2023	\$9,936,000	\$354,857	\$203	
11 105 La Cruz Ave	★★★☆☆	1944	18	5.6%	8/5/2023	\$9,200,000	\$511,111	\$426	
12 3245 Clay St	★★★☆☆	1922	15	6.7%	10/20/2023	\$9,200,000	\$613,333	\$539	
13 La Sonoma Apartments 500-510 Larkin St	★★★★☆	1912	53	5.7%	7/12/2023	\$7,800,000	\$147,169	\$185	
14 22 E 20th Ave	★★★☆☆	1972	15	0%	9/19/2023	\$6,400,000	\$426,666	\$441	
15 3101 Laguna St	★★★★☆	1964	14	42.9%	6/20/2023	\$6,400,000	\$457,142	\$488	
16 330 Parnassus Ave	★★★★☆	1974	21	14.3%	11/15/2023	\$6,375,000	\$303,571	\$468	
17 2500 Chestnut St	★★★★☆	1928	15	6.7%	9/14/2023	\$6,200,000	\$413,333	\$617	
18 901 Granada St	★★★☆☆	1962	18	5.6%	7/27/2023	\$6,100,000	\$338,888	\$556	
19 970 Magnolia Ave	★★★☆☆	1950	12	8.3%	8/26/2023	\$6,055,000	\$504,583	\$422	
20 1101-1105 Woodside Rd	★★★☆☆	1951	18	5.6%	1/8/2024	\$5,610,852	\$311,714	\$489	

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 economic growth rates at the metropolitan level, translating into high wages and nation-leading household income growth. In turn, 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. This does not sit well with the slow-moving world of real estate, with the result that San Francisco's real estate markets have a long history of boom followed by bust, causing volatility in rents, prices, and vacancy.

The current boom-bust cycle began with the tech boom of the 2010s, which comprised a large expansion of cloud computing and mobile technologies. San Francisco was the hub for 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 a surge in the construction of office and residential towers in downtown San Francisco.

The cycle abruptly turned downwards in early 2020. By

then, affordability had become a problem, causing 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 adopted distributed workforce models, and employees left the city in large numbers. While the outward migration has now abated, San Francisco's resident population has yet to recover from the tens of thousands who moved away.

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

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. Low economic activity and social problems have impacted the viability of retailers, restaurants, and hotels.

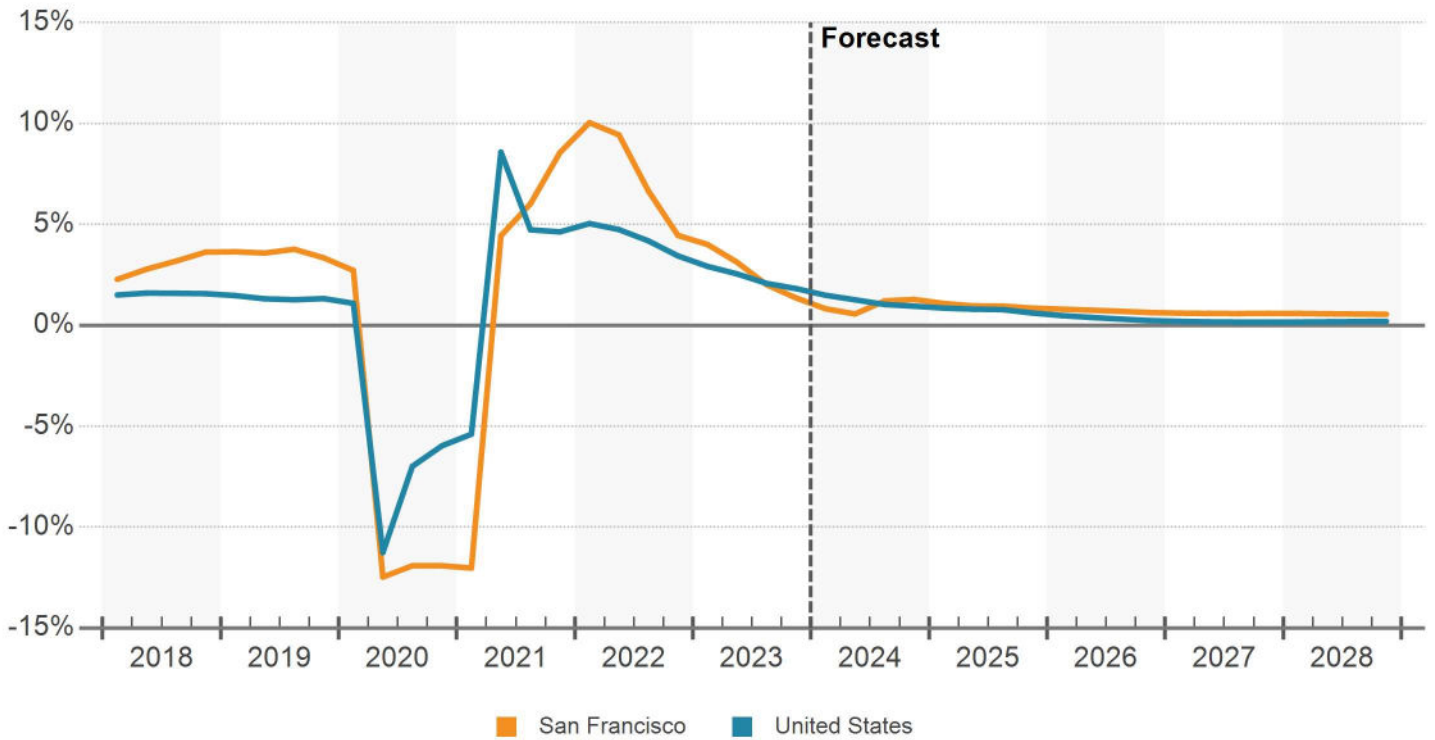
Total employment is now slightly ahead of where it was pre-pandemic. However, with the increase in flexible working practices, it is unclear how many of those employed by San Francisco businesses live in the metro area. After falling to a 10-year low of 2.3% in 2022, the unemployment rate increased to 3.3%.

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	-1.19%	0.04%	0.59%	0.71%	0.55%	0.14%
Trade, Transportation and Utilities	135	0.6	-1.80%	0.08%	-0.10%	1.04%	0.01%	0.14%
Retail Trade	66	0.5	-2.86%	-0.15%	-1.89%	0.19%	-0.04%	0.13%
Financial Activities	89	1.3	-0.95%	0.62%	1.97%	1.45%	0.05%	0.18%
Government	138	0.8	1.07%	2.40%	1.59%	0.55%	0.48%	0.33%
Natural Resources, Mining and Construction	40	0.6	-2.71%	2.22%	2.07%	2.38%	0.99%	0.25%
Education and Health Services	160	0.8	2.20%	3.48%	2.74%	1.98%	0.64%	0.64%
Professional and Business Services	315	1.8	0.06%	0.76%	2.97%	1.99%	0.92%	0.48%
Information	124	5.3	-2.50%	-1.82%	8.91%	1.10%	1.77%	0.22%
Leisure and Hospitality	137	1.0	8.32%	2.56%	0.52%	1.52%	0.82%	0.71%
Other Services	41	0.9	6.34%	1.53%	0.25%	0.66%	0.43%	0.27%
Total Employment	1,217	1.0	0.82%	1.49%	2.23%	1.35%	0.72%	0.38%

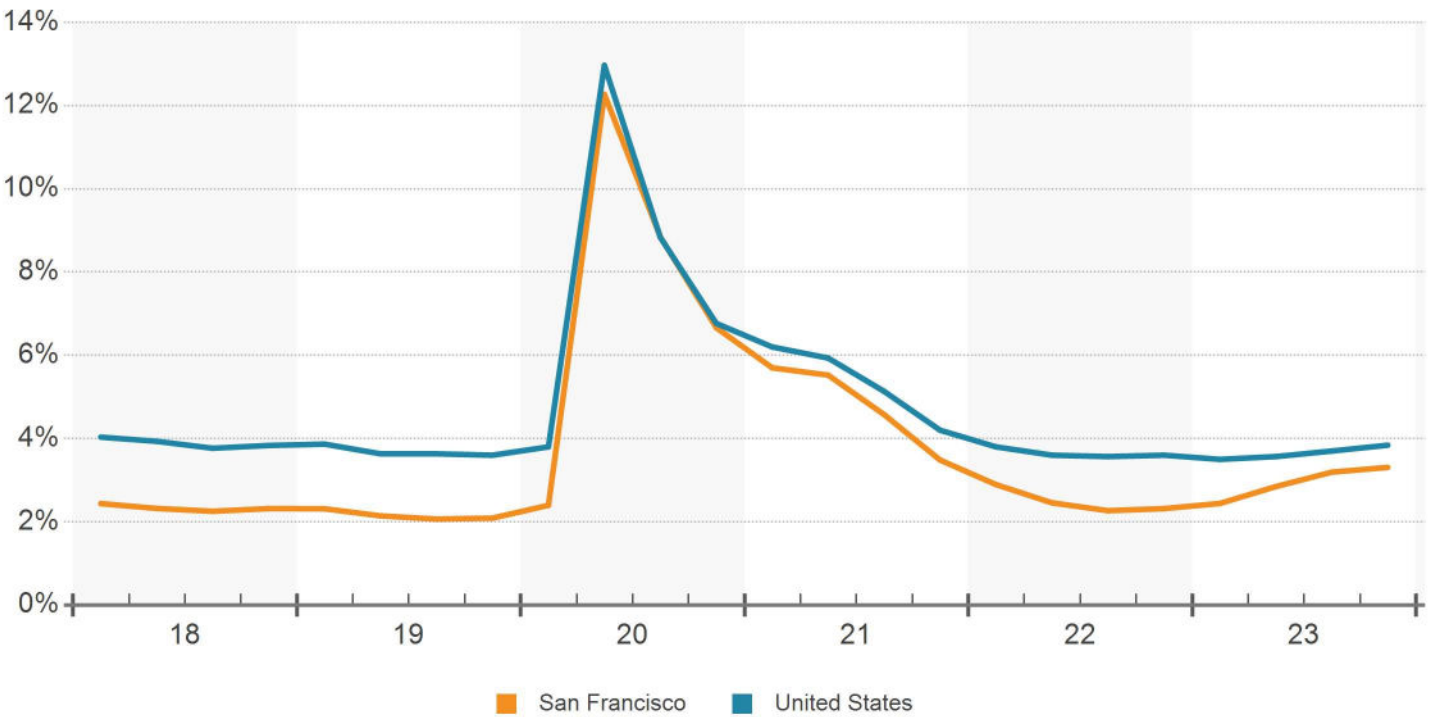
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

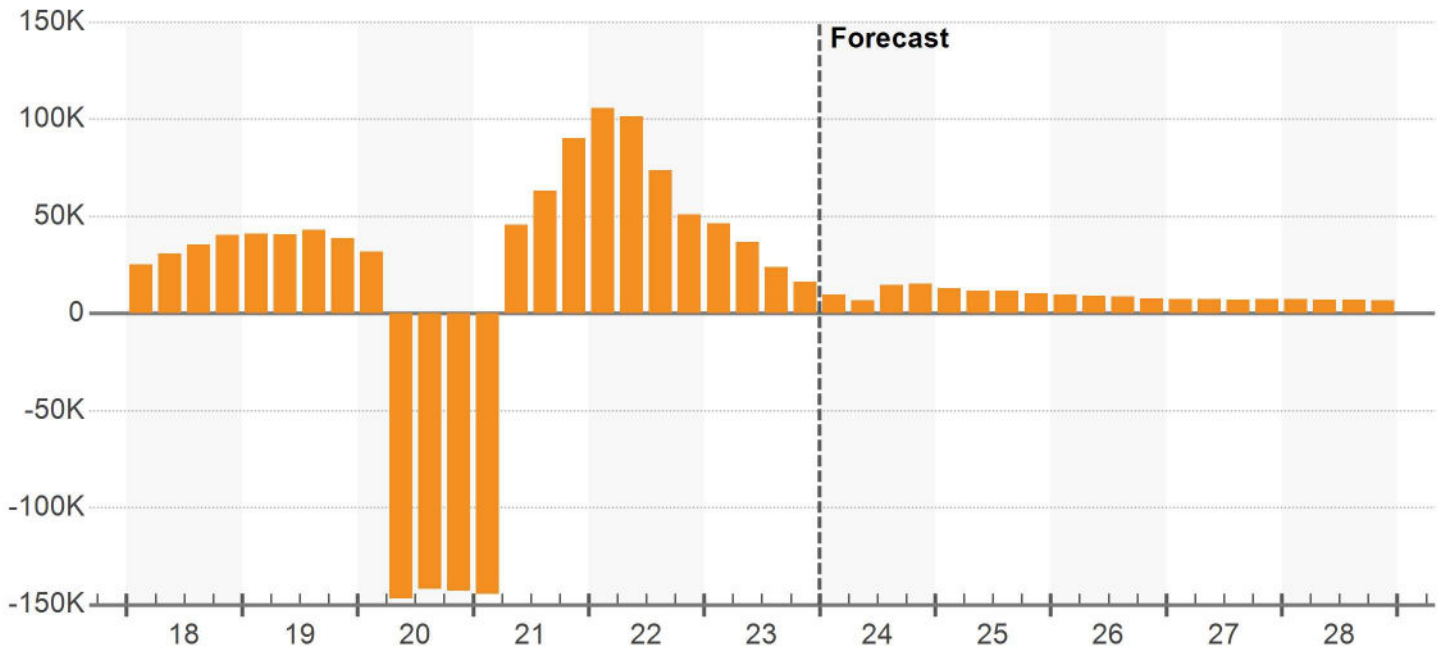


Source: Oxford Economics

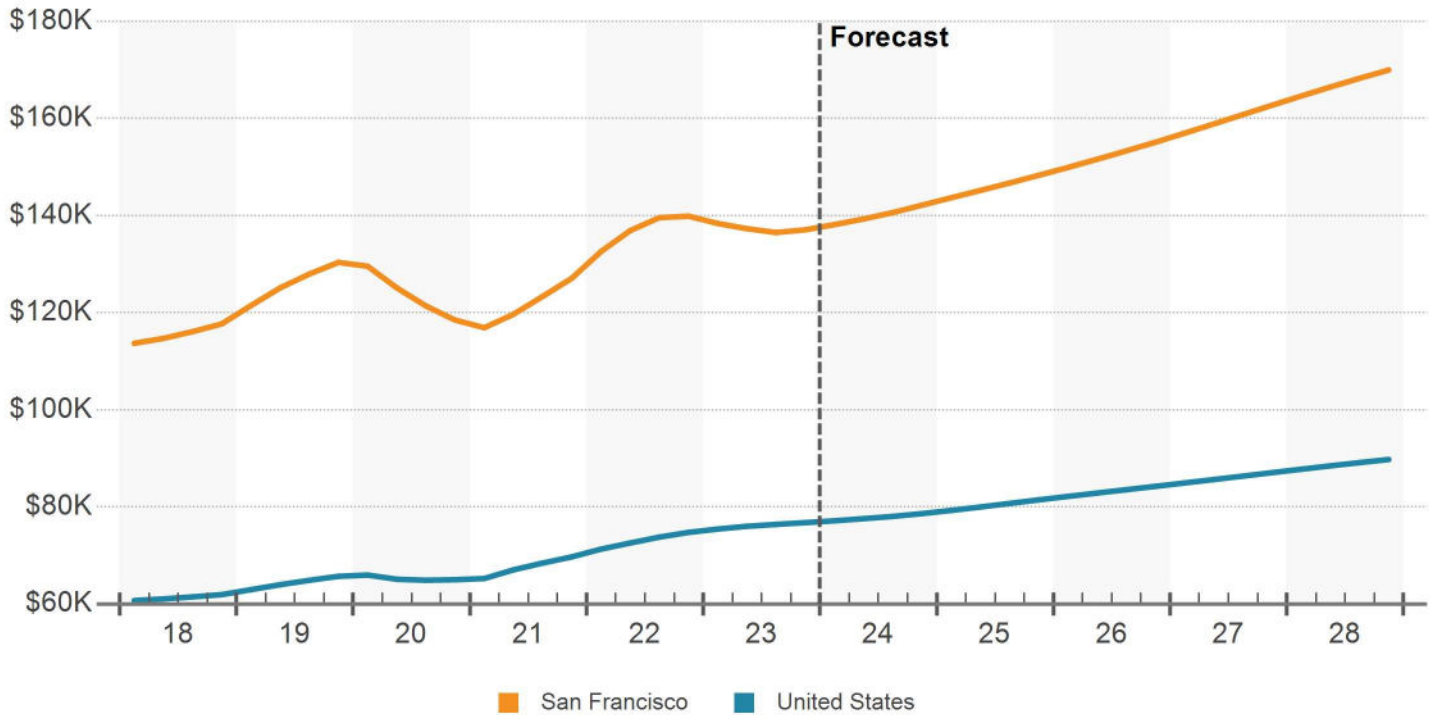
UNEMPLOYMENT RATE (%)



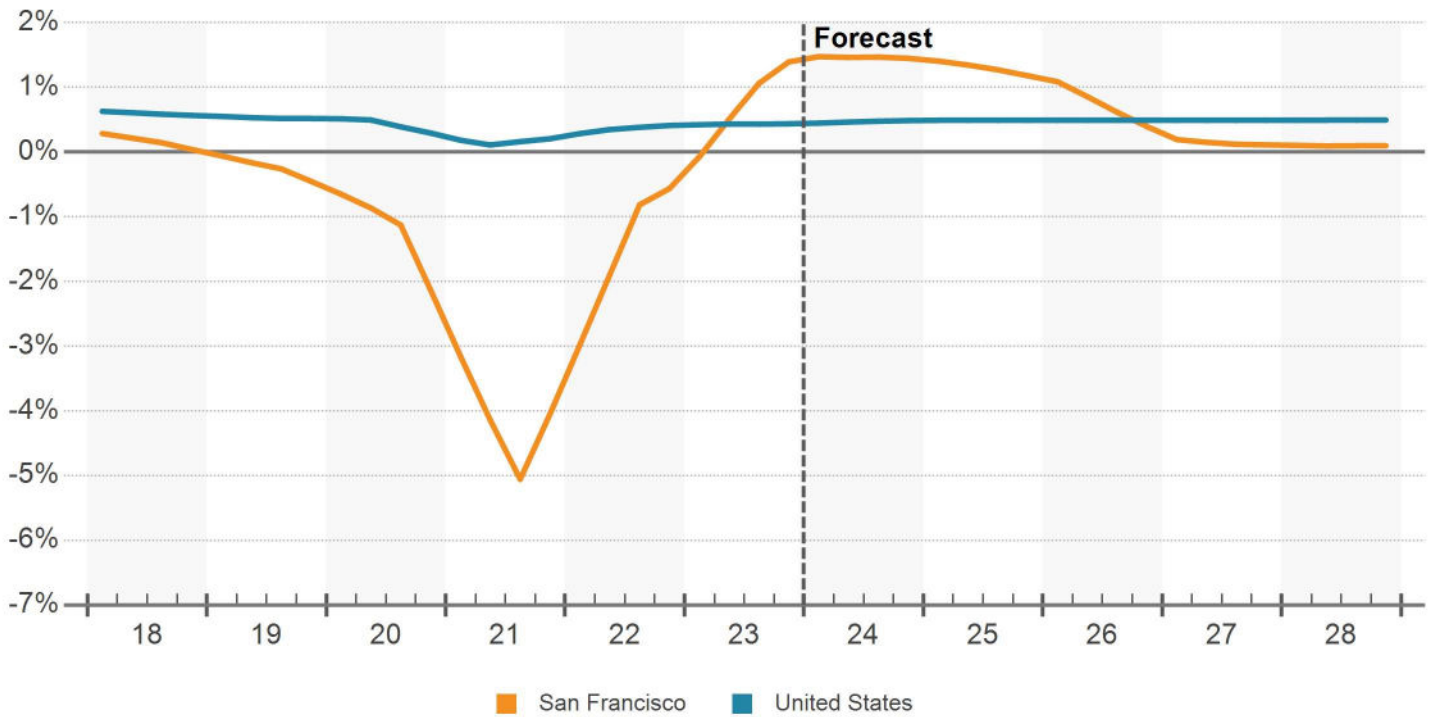
NET EMPLOYMENT CHANGE (YOY)



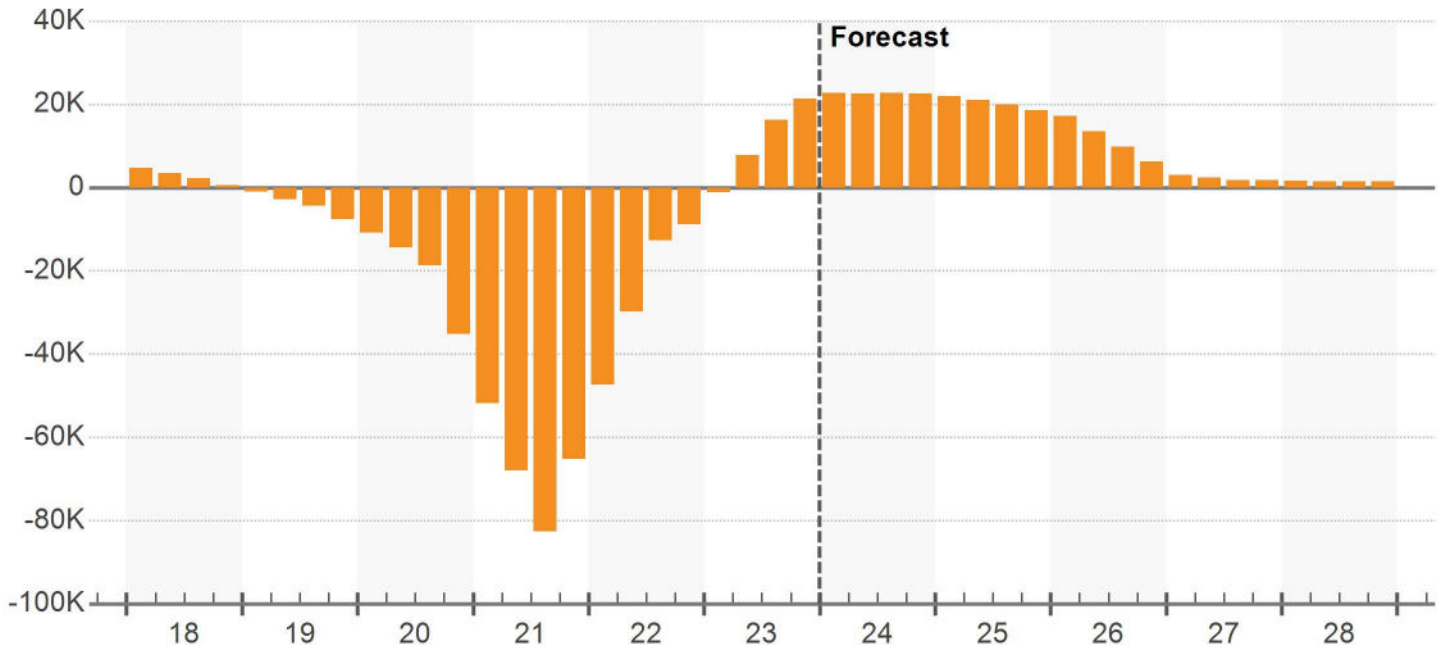
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

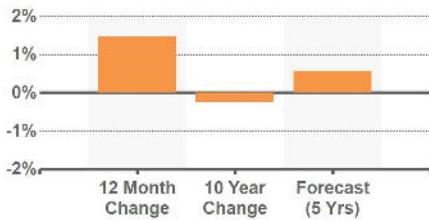


DEMOGRAPHIC TRENDS

Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,565,185	335,489,750	1.5%	0.4%	-0.2%	0.5%	0.6%	0.5%
Households	636,693	131,027,992	1.6%	0.6%	0.2%	0.9%	0.7%	0.6%
Median Household Income	\$138,120	\$77,140	-0.2%	2.3%	4.9%	3.9%	4.4%	3.2%
Labor Force	1,047,803	169,019,469	0.7%	1.7%	1.1%	0.8%	0.3%	0.1%
Unemployment	3.3%	3.8%	0.9%	0.3%	-0.1%	-0.3%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



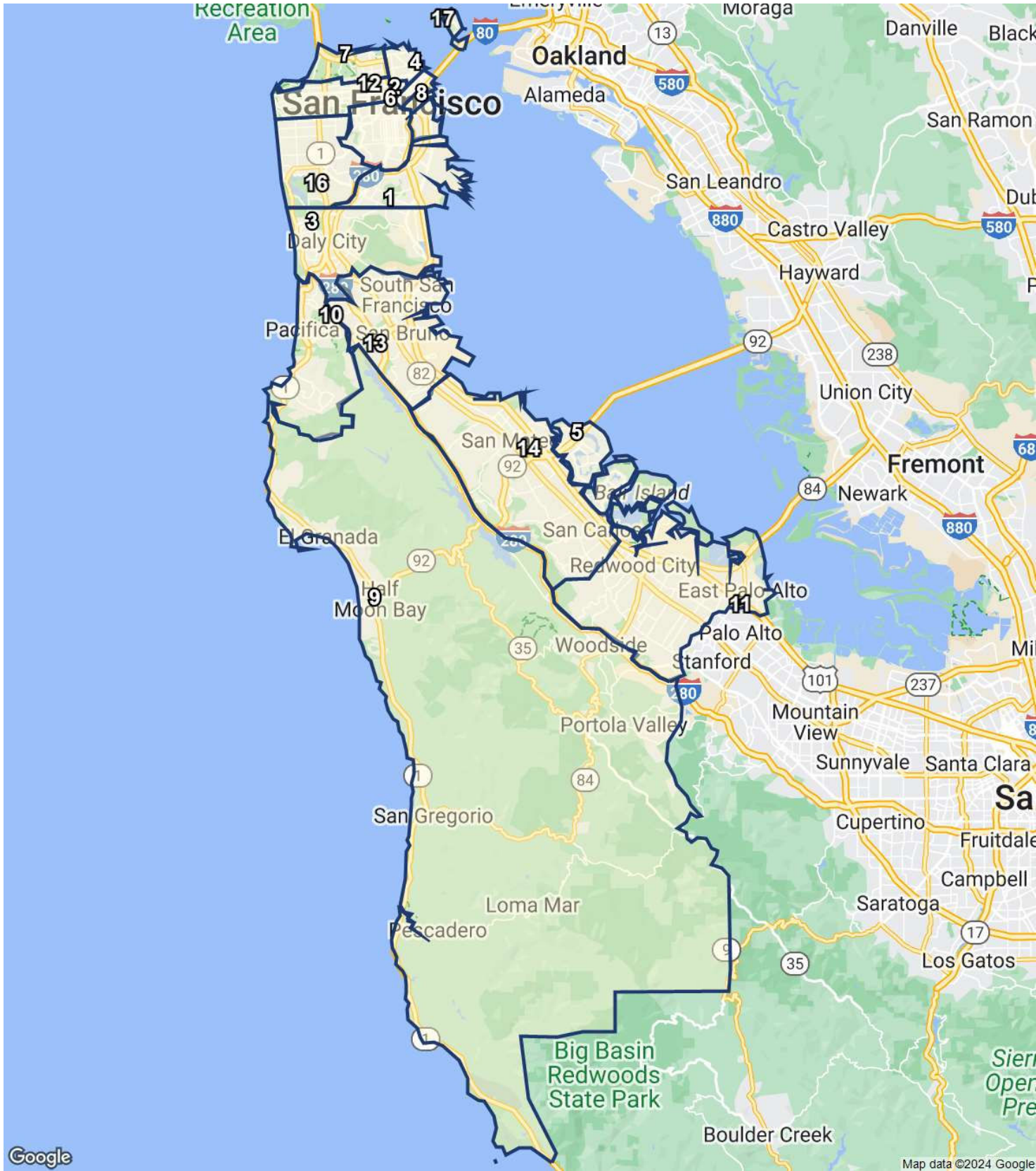
INCOME GROWTH



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	89	1,293	0.7%	15	1	193	14.9%	3	0	0	0%	-
2	Civic Center/Tenderloin	224	10,585	5.9%	8	0	0	0%	-	0	0	0%	-
3	Daly City/Brisbane	180	6,940	3.9%	12	0	0	0%	-	1	22	0.3%	9
4	Downtown San Francisco	1,556	23,915	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...	1,752	20,445	11.3%	3	1	12	0.1%	4	1	63	0.3%	7
7	Marina/Pacific Heights/Pr...	920	14,501	8.1%	6	0	0	0%	-	0	0	0%	-
8	Mission Bay/China Basin...	81	7,571	4.2%	11	1	283	3.7%	2	3	820	10.8%	3
9	Outlying San Mateo County	30	289	0.2%	17	0	0	0%	-	0	0	0%	-
10	Pacifica	78	2,287	1.3%	14	0	0	0%	-	1	24	1.0%	8
11	Redwood City/Menlo Park	835	15,901	8.8%	5	0	0	0%	-	5	1,476	9.3%	1
12	Richmond/Western Addition	1,402	17,792	9.9%	4	0	0	0%	-	0	0	0%	-
13	S San Francisco/San Bru...	539	8,479	4.7%	10	1	8	0.1%	5	1	195	2.3%	5
14	San Mateo/Burlingame	1,206	21,560	12.0%	2	3	368	1.7%	1	6	1,199	5.6%	2
15	South Of Market	123	13,228	7.3%	7	0	0	0%	-	1	90	0.7%	6
16	Sunset/Lakeshore	512	9,215	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%	4

SUBMARKET RENT

No.	Market	Asking Rents				Effective Rents					
		Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Bayview/Visitacion Valley	\$2,830	\$3.86	8	-0.3%	\$2,762	\$3.76	9	-2.7%	2.4%	1
2	Civic Center/Tenderloin	\$2,378	\$4.20	6	-0.5%	\$2,362	\$4.17	6	-0.2%	0.6%	9
3	Daly City/Brisbane	\$2,580	\$3.60	14	5.1%	\$2,560	\$3.58	13	4.5%	0.8%	6
4	Downtown San Francisco	\$2,699	\$4.48	3	1.1%	\$2,680	\$4.45	3	1.0%	0.7%	8
5	Foster City/Redwood Sho...	\$3,386	\$3.86	9	2.2%	\$3,374	\$3.84	8	2.1%	0.4%	16
6	Haight-Ashbury/Castro/N...	\$3,039	\$4.47	4	-0.3%	\$3,021	\$4.44	4	2.8%	0.6%	10
7	Marina/Pacific Heights/Pr...	\$3,736	\$4.28	5	0.3%	\$3,715	\$4.26	5	0.1%	0.5%	12
8	Mission Bay/China Basin...	\$3,909	\$4.72	1	2.0%	\$3,875	\$4.68	1	1.6%	0.9%	5
9	Outlying San Mateo County	\$2,115	\$2.18	17	1.4%	\$2,106	\$2.17	17	1.5%	0.4%	14
10	Pacifica	\$2,823	\$3.71	11	5.7%	\$2,812	\$3.70	11	6.6%	0.4%	15
11	Redwood City/Menlo Park	\$3,068	\$3.75	10	2.4%	\$3,052	\$3.73	10	3.3%	0.5%	13
12	Richmond/Western Addition	\$2,614	\$4.10	7	0.5%	\$2,599	\$4.08	7	0.8%	0.6%	11
13	S San Francisco/San Bru...	\$3,125	\$3.61	13	2.5%	\$3,071	\$3.55	15	1.8%	1.7%	2
14	San Mateo/Burlingame	\$2,994	\$3.63	12	0.6%	\$2,960	\$3.58	12	0.2%	1.1%	3
15	South Of Market	\$3,448	\$4.63	2	-0.8%	\$3,421	\$4.60	2	0.9%	0.8%	7
16	Sunset/Lakeshore	\$2,960	\$3.58	15	2.4%	\$2,933	\$3.55	14	2.4%	0.9%	4
17	Treasure/Yerba Buena Isl...	\$2,851	\$2.58	16	1.0%	\$2,851	\$2.58	16	1.0%	0%	-

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Bayview/Visitacion Valley	128	9.9%	15	114	8.8%	8	1.7
2	Civic Center/Tenderloin	798	7.5%	13	187	1.8%	7	-
3	Daly City/Brisbane	526	7.6%	14	19	0.3%	15	-
4	Downtown San Francisco	1,436	6.0%	10	31	0.1%	13	-
5	Foster City/Redwood Sho...	169	3.0%	1	49	0.9%	12	-
6	Haight-Ashbury/Castro/N...	1,464	7.2%	12	303	1.5%	2	0
7	Marina/Pacific Heights/Pr...	727	5.0%	8	84	0.6%	9	-
8	Mission Bay/China Basin...	413	5.5%	9	250	3.3%	6	1.1
9	Outlying San Mateo County	9	3.0%	2	2	0.7%	17	-
10	Pacifica	78	3.4%	3	22	1.0%	14	-
11	Redwood City/Menlo Park	758	4.8%	6	271	1.7%	5	-
12	Richmond/Western Addition	784	4.4%	5	272	1.5%	4	-
13	S San Francisco/San Bru...	369	4.4%	4	295	3.5%	3	-
14	San Mateo/Burlingame	1,030	4.8%	7	313	1.5%	1	1.2
15	South Of Market	899	6.8%	11	62	0.5%	11	-
16	Sunset/Lakeshore	1,008	10.9%	16	62	0.7%	10	-
17	Treasure/Yerba Buena Isl...	0	0%	-	6	1.5%	16	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	187,633	1,671	0.9%	1,540	0.8%	1.1
2027	185,962	1,162	0.6%	1,255	0.7%	0.9
2026	184,800	1,367	0.7%	1,393	0.8%	1.0
2025	183,433	1,373	0.8%	1,792	1.0%	0.8
2024	182,060	1,979	1.1%	2,323	1.3%	0.9
YTD	180,135	54	0%	791	0.4%	0.1
2023	180,081	1,122	0.6%	2,078	1.2%	0.5
2022	178,959	1,962	1.1%	3,350	1.9%	0.6
2021	176,997	2,719	1.6%	7,955	4.5%	0.3
2020	174,278	2,922	1.7%	(5,941)	-3.4%	-
2019	171,356	2,203	1.3%	854	0.5%	2.6
2018	169,153	2,460	1.5%	2,722	1.6%	0.9
2017	166,693	3,669	2.3%	3,074	1.8%	1.2
2016	163,024	3,767	2.4%	3,443	2.1%	1.1
2015	159,257	2,428	1.5%	1,850	1.2%	1.3
2014	156,829	2,317	1.5%	2,467	1.6%	0.9
2013	154,512	2,663	1.8%	2,457	1.6%	1.1
2012	151,849	179	0.1%	(186)	-0.1%	-

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	48,478	1,626	3.5%	1,405	2.9%	1.2
2027	46,852	1,156	2.5%	1,173	2.5%	1.0
2026	45,696	1,433	3.2%	1,477	3.2%	1.0
2025	44,263	1,456	3.4%	1,468	3.3%	1.0
2024	42,807	1,706	4.2%	1,871	4.4%	0.9
YTD	41,155	54	0.1%	470	1.1%	0.1
2023	41,101	1,122	2.8%	1,097	2.7%	1.0
2022	39,979	1,500	3.9%	2,556	6.4%	0.6
2021	38,479	2,696	7.5%	4,576	11.9%	0.6
2020	35,783	2,742	8.3%	(1,069)	-3.0%	-
2019	33,041	2,156	7.0%	1,369	4.1%	1.6
2018	30,885	2,436	8.6%	2,882	9.3%	0.8
2017	28,449	3,692	14.9%	3,053	10.7%	1.2
2016	24,757	3,800	18.1%	3,586	14.5%	1.1
2015	20,957	2,411	13.0%	2,145	10.2%	1.1
2014	18,546	2,292	14.1%	2,079	11.2%	1.1
2013	16,254	2,374	17.1%	2,070	12.7%	1.1
2012	13,880	489	3.7%	379	2.7%	1.3

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	47,582	0	0%	33	0.1%	0
2027	47,582	0	0%	31	0.1%	0
2026	47,582	0	0%	2	0%	0
2025	47,582	0	0%	216	0.5%	0
2024	47,582	313	0.7%	436	0.9%	0.7
YTD	47,269	0	0%	112	0.2%	0
2023	47,269	0	0%	342	0.7%	0
2022	47,269	462	1.0%	472	1.0%	1.0
2021	46,807	23	0%	1,502	3.2%	0
2020	46,784	199	0.4%	(1,890)	-4.0%	-
2019	46,585	36	0.1%	(80)	-0.2%	-
2018	46,549	34	0.1%	(127)	-0.3%	-
2017	46,515	8	0%	46	0.1%	0.2
2016	46,507	13	0%	(81)	-0.2%	-
2015	46,494	24	0.1%	(281)	-0.6%	-
2014	46,470	20	0%	279	0.6%	0.1
2013	46,450	241	0.5%	230	0.5%	1.0
2012	46,209	(310)	-0.7%	(434)	-0.9%	0.7

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	91,573	45	0%	102	0.1%	0.4
2027	91,528	6	0%	51	0.1%	0.1
2026	91,522	(66)	-0.1%	(86)	-0.1%	0.8
2025	91,588	(83)	-0.1%	108	0.1%	-
2024	91,671	(40)	0%	16	0%	-
YTD	91,711	0	0%	209	0.2%	0
2023	91,711	0	0%	639	0.7%	0
2022	91,711	0	0%	322	0.4%	0
2021	91,711	0	0%	1,877	2.0%	0
2020	91,711	(19)	0%	(2,982)	-3.3%	0
2019	91,730	11	0%	(435)	-0.5%	0
2018	91,719	(10)	0%	(33)	0%	0.3
2017	91,729	(31)	0%	(25)	0%	1.2
2016	91,760	(46)	-0.1%	(62)	-0.1%	0.7
2015	91,806	(7)	0%	(14)	0%	0.5
2014	91,813	5	0%	109	0.1%	0
2013	91,808	48	0.1%	157	0.2%	0.3
2012	91,760	0	0%	(131)	-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
2028	10,583	5.6%	0	\$3,572	\$4.79	2.9%	(0.1)	\$3,539	\$4.75
2027	10,453	5.6%	(0.1)	\$3,470	\$4.66	3.0%	(0.5)	\$3,438	\$4.61
2026	10,545	5.7%	(0.1)	\$3,367	\$4.52	3.5%	(0.4)	\$3,336	\$4.48
2025	10,568	5.8%	(0.3)	\$3,253	\$4.37	3.9%	(0.6)	\$3,223	\$4.32
2024	10,987	6.0%	(0.3)	\$3,131	\$4.20	4.5%	4.5	\$3,102	\$4.16
YTD	10,595	5.9%	(0.4)	\$3,054	\$4.05	1.1%	1.1	\$3,030	\$4.02
2023	11,332	6.3%	(0.6)	\$2,997	\$3.97	0%	(0.7)	\$2,960	\$3.92
2022	12,284	6.9%	(0.9)	\$2,998	\$3.97	0.6%	(6.8)	\$2,970	\$3.94
2021	13,658	7.7%	(3.1)	\$2,979	\$3.95	7.4%	17.0	\$2,938	\$3.89
2020	18,883	10.8%	5.0	\$2,772	\$3.66	-9.6%	(10.4)	\$2,705	\$3.57
2019	10,033	5.9%	0.7	\$3,065	\$4.06	0.8%	(2.1)	\$3,045	\$4.03
2018	8,677	5.1%	(0.2)	\$3,041	\$4.03	2.9%	1.5	\$3,010	\$3.99
2017	8,938	5.4%	0.2	\$2,956	\$3.92	1.4%	0.7	\$2,897	\$3.83
2016	8,341	5.1%	0.1	\$2,916	\$3.87	0.7%	(5.3)	\$2,857	\$3.78
2015	8,004	5.0%	0.3	\$2,896	\$3.84	5.9%	1.3	\$2,867	\$3.80
2014	7,425	4.7%	(0.2)	\$2,734	\$3.62	4.7%	0.4	\$2,713	\$3.59
2013	7,570	4.9%	0	\$2,611	\$3.46	4.3%	0	\$2,593	\$3.44
2012	7,364	4.8%	0.2	\$2,504	\$3.32	4.3%	-	\$2,491	\$3.30

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
2028	3,753	7.7%	0.2	\$4,360	\$5.24	2.8%	(0.1)	\$4,311	\$5.18
2027	3,533	7.5%	(0.2)	\$4,241	\$5.10	2.9%	(0.5)	\$4,193	\$5.04
2026	3,550	7.8%	(0.3)	\$4,120	\$4.95	3.4%	(0.4)	\$4,074	\$4.89
2025	3,592	8.1%	(0.3)	\$3,983	\$4.79	3.8%	(1.6)	\$3,939	\$4.73
2024	3,603	8.4%	(0.8)	\$3,837	\$4.61	5.4%	6.3	\$3,793	\$4.56
YTD	3,353	8.1%	(1.0)	\$3,750	\$4.41	1.2%	2.1	\$3,711	\$4.37
2023	3,769	9.2%	(0.2)	\$3,639	\$4.28	-0.9%	(0.2)	\$3,589	\$4.22
2022	3,741	9.4%	(3.1)	\$3,672	\$4.32	-0.7%	(11.9)	\$3,638	\$4.28
2021	4,786	12.4%	(6.2)	\$3,699	\$4.34	11.1%	25.0	\$3,628	\$4.26
2020	6,663	18.6%	10.0	\$3,328	\$3.89	-13.8%	(14.2)	\$3,199	\$3.74
2019	2,854	8.6%	2.0	\$3,862	\$4.51	0.3%	(2.7)	\$3,836	\$4.48
2018	2,058	6.7%	(2.1)	\$3,849	\$4.50	3.0%	1.9	\$3,796	\$4.44
2017	2,504	8.8%	1.3	\$3,737	\$4.37	1.1%	1.0	\$3,628	\$4.24
2016	1,863	7.5%	(0.3)	\$3,695	\$4.32	0.2%	(4.7)	\$3,594	\$4.20
2015	1,634	7.8%	0.4	\$3,689	\$4.32	4.8%	0.6	\$3,646	\$4.27
2014	1,367	7.4%	0.3	\$3,519	\$4.12	4.2%	0.8	\$3,494	\$4.09
2013	1,148	7.1%	1.0	\$3,376	\$3.96	3.4%	(0.5)	\$3,347	\$3.93
2012	844	6.1%	0.6	\$3,265	\$3.83	3.9%	-	\$3,248	\$3.81

3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	2,591	5.4%	(0.1)	\$3,423	\$4.73	3.1%	(0.1)	\$3,391	\$4.68
2027	2,623	5.5%	(0.1)	\$3,321	\$4.59	3.1%	(0.4)	\$3,290	\$4.54
2026	2,654	5.6%	0	\$3,219	\$4.45	3.6%	(0.4)	\$3,190	\$4.41
2025	2,656	5.6%	(0.5)	\$3,108	\$4.29	4.0%	0.4	\$3,079	\$4.25
2024	2,873	6.0%	(0.3)	\$2,989	\$4.13	3.6%	2.9	\$2,962	\$4.09
YTD	2,885	6.1%	(0.2)	\$2,920	\$4.01	1.3%	0.6	\$2,902	\$3.99
2023	2,997	6.3%	(0.7)	\$2,886	\$3.97	0.6%	(1.2)	\$2,840	\$3.90
2022	3,338	7.1%	(0.1)	\$2,868	\$3.94	1.8%	(4.8)	\$2,836	\$3.89
2021	3,346	7.1%	(3.2)	\$2,815	\$3.87	6.6%	15.3	\$2,789	\$3.83
2020	4,822	10.3%	4.4	\$2,640	\$3.62	-8.7%	(9.3)	\$2,597	\$3.56
2019	2,737	5.9%	0.2	\$2,891	\$3.98	0.7%	(1.7)	\$2,868	\$3.95
2018	2,621	5.6%	0.3	\$2,872	\$3.96	2.3%	1.1	\$2,848	\$3.92
2017	2,460	5.3%	(0.1)	\$2,806	\$3.86	1.2%	0.9	\$2,762	\$3.80
2016	2,498	5.4%	0.2	\$2,772	\$3.82	0.4%	(7.0)	\$2,718	\$3.74
2015	2,405	5.2%	0.7	\$2,761	\$3.80	7.4%	3.0	\$2,730	\$3.76
2014	2,099	4.5%	(0.6)	\$2,571	\$3.54	4.4%	(1.0)	\$2,546	\$3.50
2013	2,359	5.1%	0	\$2,463	\$3.39	5.4%	0.4	\$2,447	\$3.37
2012	2,348	5.1%	0.3	\$2,336	\$3.21	5.0%	-	\$2,322	\$3.20

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
2028	4,238	4.6%	(0.1)	\$2,835	\$4.17	3.0%	(0.1)	\$2,820	\$4.15
2027	4,296	4.7%	0	\$2,751	\$4.05	3.1%	(0.4)	\$2,737	\$4.03
2026	4,341	4.7%	0	\$2,668	\$3.93	3.6%	(0.4)	\$2,654	\$3.91
2025	4,320	4.7%	(0.2)	\$2,576	\$3.79	4.0%	0.1	\$2,563	\$3.77
2024	4,511	4.9%	(0.1)	\$2,478	\$3.65	3.8%	3.1	\$2,465	\$3.63
YTD	4,357	4.8%	(0.2)	\$2,406	\$3.53	0.8%	0.1	\$2,394	\$3.51
2023	4,566	5.0%	(0.7)	\$2,387	\$3.50	0.7%	(0.9)	\$2,375	\$3.48
2022	5,205	5.7%	(0.4)	\$2,371	\$3.47	1.6%	(0.7)	\$2,354	\$3.45
2021	5,526	6.0%	(2.0)	\$2,333	\$3.41	2.3%	5.1	\$2,313	\$3.38
2020	7,398	8.1%	3.2	\$2,280	\$3.33	-2.8%	(4.6)	\$2,258	\$3.30
2019	4,443	4.8%	0.5	\$2,345	\$3.44	1.8%	(1.5)	\$2,333	\$3.43
2018	3,997	4.4%	0	\$2,302	\$3.38	3.3%	1.3	\$2,288	\$3.36
2017	3,974	4.3%	0	\$2,229	\$3.27	2.0%	(0.1)	\$2,212	\$3.24
2016	3,980	4.3%	0	\$2,185	\$3.21	2.1%	(4.3)	\$2,168	\$3.18
2015	3,965	4.3%	0	\$2,140	\$3.14	6.3%	0.4	\$2,128	\$3.12
2014	3,958	4.3%	(0.1)	\$2,013	\$2.94	6.0%	1.6	\$2,000	\$2.93
2013	4,063	4.4%	(0.1)	\$1,899	\$2.77	4.4%	0.3	\$1,889	\$2.75
2012	4,172	4.5%	0.1	\$1,818	\$2.65	4.1%	-	\$1,808	\$2.63

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
2028	-	-	-	-	-	-	\$696,306	263	4.0%
2027	-	-	-	-	-	-	\$639,918	242	4.2%
2026	-	-	-	-	-	-	\$583,468	221	4.5%
2025	-	-	-	-	-	-	\$534,737	202	4.7%
2024	-	-	-	-	-	-	\$520,377	197	4.7%
YTD	39	\$166.3M	0.3%	\$4,495,769	\$338,785	5.5%	\$550,848	208	4.3%
2023	183	\$1.7B	2.9%	\$9,304,165	\$320,652	5.2%	\$547,249	207	4.3%
2022	236	\$1.4B	1.8%	\$6,070,237	\$442,053	4.2%	\$625,775	237	3.7%
2021	211	\$1.1B	1.5%	\$5,404,027	\$425,308	4.3%	\$687,079	260	3.3%
2020	170	\$1.4B	1.5%	\$8,483,904	\$547,980	4.1%	\$595,915	225	3.6%
2019	467	\$2.9B	4.3%	\$11,363,281	\$569,289	4.0%	\$612,110	231	3.6%
2018	578	\$2.5B	5.2%	\$7,859,159	\$488,684	3.7%	\$581,576	220	3.7%
2017	606	\$1.7B	4.0%	\$5,664,162	\$414,417	3.6%	\$556,144	210	3.7%
2016	418	\$2.5B	4.7%	\$9,027,825	\$392,975	3.8%	\$528,313	200	3.8%
2015	380	\$1.8B	3.6%	\$7,003,898	\$418,721	3.9%	\$506,050	191	3.8%
2014	480	\$2.6B	6.4%	\$7,482,841	\$334,441	4.2%	\$457,267	173	3.9%
2013	379	\$2.3B	5.5%	\$7,839,177	\$330,730	4.7%	\$410,549	155	4.2%

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

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
2028	-	-	-	-	-	-	\$851,467	239	3.9%
2027	-	-	-	-	-	-	\$783,385	220	4.2%
2026	-	-	-	-	-	-	\$714,763	201	4.4%
2025	-	-	-	-	-	-	\$655,296	184	4.7%
2024	-	-	-	-	-	-	\$638,115	179	4.6%
YTD	-	-	-	-	-	-	\$675,379	190	4.2%
2023	2	\$41.2M	0.2%	\$20,575,000	\$623,485	6.1%	\$672,381	189	4.2%
2022	1	\$206M	0.7%	\$206,000,000	\$792,308	-	\$776,266	218	3.6%
2021	2	\$146.6M	0.7%	\$73,300,000	\$544,981	3.6%	\$865,366	243	3.2%
2020	4	\$390.4M	1.5%	\$97,599,064	\$729,713	3.9%	\$753,571	212	3.5%
2019	11	\$1.4B	6.4%	\$159,201,111	\$770,328	4.7%	\$793,323	223	3.5%
2018	12	\$353.2M	3.6%	\$50,462,764	\$643,423	3.7%	\$759,399	213	3.5%
2017	5	\$454.2M	2.8%	\$90,849,677	\$572,101	-	\$734,859	207	3.5%
2016	5	\$774.7M	4.5%	\$154,930,000	\$687,966	3.9%	\$697,740	196	3.6%
2015	5	\$251.2M	3.7%	\$62,800,000	\$697,778	3.9%	\$672,136	189	3.5%
2014	5	\$1.2B	15.2%	\$232,826,000	\$412,812	5.7%	\$613,428	172	3.7%
2013	7	\$497.8M	12.2%	\$99,569,759	\$425,512	5.1%	\$560,372	158	3.8%

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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
2028	-	-	-	-	-	-	\$607,899	277	4.0%
2027	-	-	-	-	-	-	\$558,469	254	4.3%
2026	-	-	-	-	-	-	\$509,092	232	4.5%
2025	-	-	-	-	-	-	\$466,517	212	4.7%
2024	-	-	-	-	-	-	\$453,812	207	4.7%
YTD	6	\$33.4M	0.3%	\$6,675,000	\$282,839	6.5%	\$480,016	218	4.3%
2023	32	\$1.2B	8.3%	\$37,974,703	\$308,189	5.7%	\$477,379	217	4.3%
2022	32	\$378M	1.9%	\$11,811,015	\$425,622	4.4%	\$549,211	250	3.7%
2021	32	\$193M	1.1%	\$6,030,031	\$376,142	4.2%	\$608,573	277	3.3%
2020	32	\$343.4M	1.3%	\$10,731,790	\$545,973	3.8%	\$534,417	243	3.6%
2019	72	\$416.8M	2.8%	\$9,473,801	\$437,405	4.0%	\$537,595	245	3.6%
2018	102	\$848.8M	6.3%	\$11,317,437	\$472,084	3.9%	\$504,592	230	3.7%
2017	98	\$362.5M	2.8%	\$5,492,223	\$371,400	3.6%	\$482,865	220	3.7%
2016	67	\$903.3M	6.8%	\$16,727,813	\$299,901	3.7%	\$459,013	209	3.8%
2015	66	\$780.1M	4.4%	\$13,464,158	\$443,726	3.9%	\$434,615	198	3.8%
2014	75	\$410.4M	6.0%	\$6,035,745	\$271,629	4.0%	\$388,273	177	4.0%
2013	74	\$1.2B	7.4%	\$17,179,218	\$354,379	4.4%	\$345,298	157	4.2%

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

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$665,314	274	4.1%
2027	-	-	-	-	-	-	\$611,110	252	4.3%
2026	-	-	-	-	-	-	\$557,018	229	4.5%
2025	-	-	-	-	-	-	\$510,412	210	4.8%
2024	-	-	-	-	-	-	\$496,591	205	4.7%
YTD	33	\$133M	0.4%	\$4,155,264	\$356,484	5.4%	\$525,915	217	4.3%
2023	149	\$446.3M	1.4%	\$2,995,448	\$343,061	5.1%	\$521,515	215	4.3%
2022	203	\$842.6M	2.3%	\$4,171,056	\$405,269	4.2%	\$590,954	243	3.8%
2021	177	\$800.7M	2.1%	\$4,523,665	\$421,637	4.3%	\$639,498	263	3.4%
2020	134	\$691.5M	1.6%	\$5,238,503	\$481,199	4.1%	\$549,729	226	3.7%
2019	384	\$1B	4.3%	\$5,126,264	\$458,316	4.0%	\$561,009	231	3.7%
2018	464	\$1.3B	5.2%	\$5,476,270	\$468,536	3.7%	\$533,434	220	3.8%
2017	503	\$854.2M	4.9%	\$3,813,360	\$377,627	3.6%	\$505,640	208	3.8%
2016	346	\$839.1M	3.7%	\$3,821,869	\$370,116	3.8%	\$480,343	198	3.9%
2015	309	\$778.4M	3.3%	\$3,968,976	\$353,195	3.9%	\$460,843	190	3.9%
2014	400	\$1B	4.7%	\$3,716,125	\$297,398	4.2%	\$415,711	171	4.0%
2013	298	\$594.6M	3.4%	\$2,755,694	\$250,658	4.8%	\$370,190	152	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
2028	-	187,635	5.6%	-	1,764	-	1,670	-	-
2027	-	185,965	5.6%	-	1,271	-	1,164	-	-
2026	-	184,801	5.7%	-	1,408	-	1,367	-	-
2025	-	183,434	5.8%	-	1,456	-	1,373	-	-
2024	-	182,061	6.0%	-	2,027	-	1,980	-	-
YTD	9,558	180,135	5.9%	1	54	1	54	23	4,594
2023	9,557	180,081	6.3%	6	1,122	6	1,122	23	4,228
2022	9,551	178,959	6.9%	15	1,962	15	1,962	20	3,529
2021	9,536	176,997	7.7%	22	2,719	22	2,719	22	3,344
2020	9,514	174,278	10.8%	21	2,941	20	2,922	37	4,985
2019	9,494	171,356	5.9%	20	2,203	20	2,203	46	6,811
2018	9,474	169,153	5.1%	12	2,470	11	2,460	42	5,697
2017	9,463	166,693	5.4%	21	3,707	17	3,669	29	4,894
2016	9,446	163,024	5.1%	19	3,813	15	3,767	27	5,525
2015	9,431	159,257	5.0%	16	2,435	15	2,428	38	8,628
2014	9,416	156,829	4.7%	16	2,317	16	2,317	32	6,733
2013	9,400	154,512	4.9%	19	2,703	16	2,663	27	5,240
2012	9,384	151,849	4.8%	5	489	4	179	27	4,514