



Multi-Family Market Report

San Jose - CA (USA)

PREPARED BY



MULTI-FAMILY MARKET REPORT

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12 Mo Delivered Units

926

12 Mo Absorption Units

1,093

Vacancy Rate

5.0%

12 Mo Asking Rent Growth

1.4%

In the first quarter of 2024, San Jose's multifamily market is in good shape. Demand has certainly fallen since the record peak of 2021-2022, when annual absorption peaked at over 8,000 units. However, absorption over the past year has exceeded the number of new units delivered, causing the vacancy rate to remain low.

The multifamily market in San Jose has seen compelling growth over the past 20 years. The success of Silicon Valley's tech economy has driven large increases in employment and income and generated strong growth in housing demand. Competition for for-sale and rental housing in the premier Silicon Valley suburbs has pushed housing costs to some of the highest levels in the nation. Average apartment rents are the third highest in the U.S., after New York and San Francisco, while for-sale housing is out of the reach of many residents.

Strong demand for apartments in 2021 and in the first half of 2022 caused developers to ramp up construction activity, and the market currently has 7,600 units underway. This is equal to the highest volume of new development in the past 15 years, but it is not an excessive amount when compared to other major

markets across the nation. Construction starts fell sharply in 2023, with economic conditions making construction financing expensive and difficult to secure.

San Jose saw a substantial loss of population during the pandemic. However, the latest estimates show population to be growing again. This, along with the prospect for lower interest rates in the year ahead, should boost renter demand. Accordingly, the vacancy rate is projected to remain low, as the number of new apartment deliveries increases over the next two years.

The for-sale housing market remains expensive. With house prices continuing to rise and mortgage rates over 6.5%, 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.

Looking forward, a growing number of new apartment completions over the next year is expected to coincide with an uptick in demand as the economy improves. This should allow vacancy to remain low and provide a basis for positive rent growth in the quarters ahead.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	58,491	5.7%	\$3,438	\$3,404	271	286	5,338
3 Star	41,458	4.7%	\$2,976	\$2,953	24	0	2,288
1 & 2 Star	57,075	4.6%	\$2,267	\$2,255	(104)	0	0
Market	157,024	5.0%	\$2,982	\$2,957	191	286	7,626

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.2%	5.1%	5.2%	9.7%	2020 Q4	1.8%	2000 Q1
Absorption Units	1,093	1,837	1,935	8,534	2021 Q4	(2,870)	2001 Q4
Delivered Units	926	2,154	2,079	5,623	2015 Q1	7	2009 Q3
Demolished Units	0	71	50	326	2021 Q1	0	2023 Q4
Asking Rent Growth (YOY)	1.4%	1.7%	4.3%	22.9%	2001 Q1	-13.8%	2002 Q3
Effective Rent Growth (YOY)	2.3%	1.6%	4.4%	22.8%	2001 Q1	-14.0%	2002 Q3
Sales Volume	\$1.4B	\$981M	N/A	\$2.1B	2008 Q1	\$140M	2003 Q1

Renter demand for apartments in San Jose remains robust in the first quarter of 2024. While annual net absorption, 1,100 units, is a lot less than the post-pandemic peak of over 8,000 units, the past year's total is not out of line with the level of demand seen in the past decade.

While the economic slowdown and layoffs by tech companies have dampened renter demand in the past 18 months, the apartment market has also benefitted from positive forces. After losing people during the pandemic, the population of San Jose is growing once again. Moreover, incomes have risen faster than rents, and the high cost of for-sale housing continues to support demand for rentals.

Market vacancy remains relatively low, primarily because supply has not increased at its historic rates. Just 820 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 low, at 5.0% as of the first quarter, which is below the metro area's 10-year average of 5.8%, while also outperforming the national average, which currently stands at 7.8%.

The building classes with the lowest vacancy rates are those in the mid- and lower tiers, which have vacancy rates of 4.7% and 4.6% respectively, whereas 4 & 5 Star vacancy is 5.7%. Net absorption has been entirely in the 4 & 5 Star class, with the lower classes slightly negative,

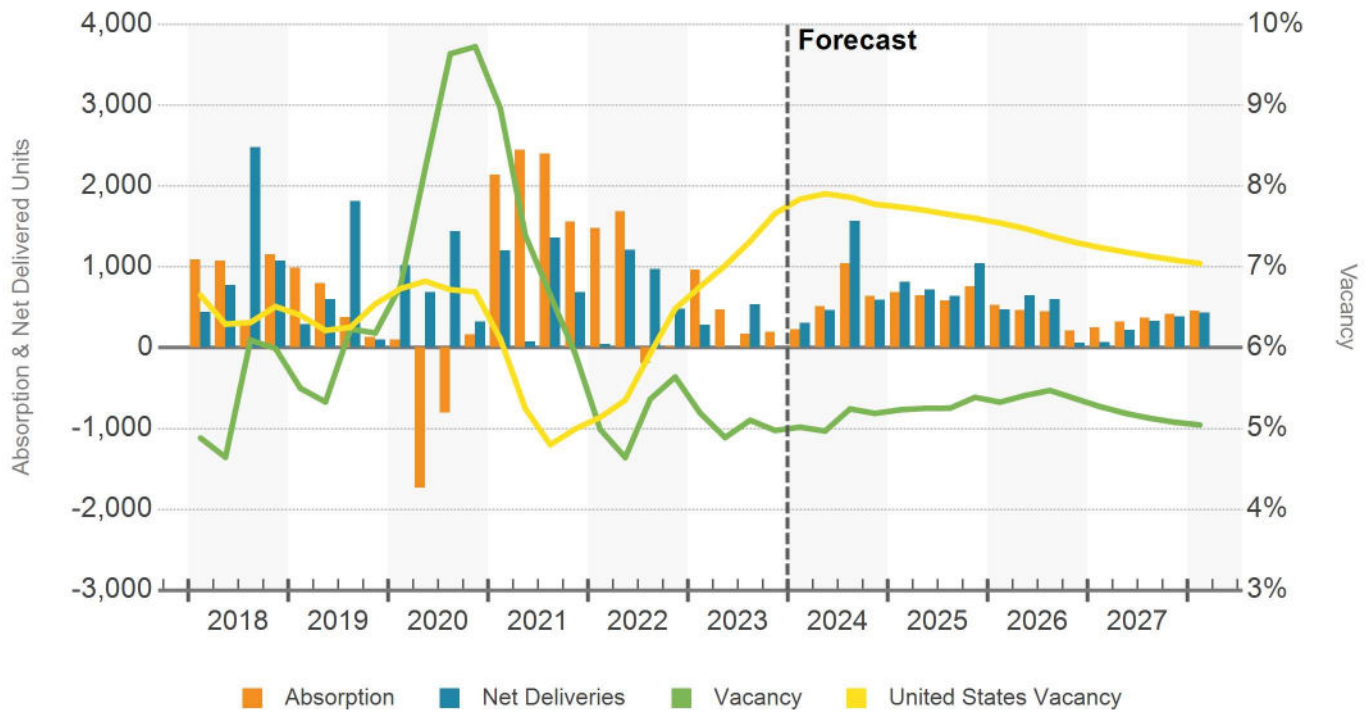
as renters upgrade to newer communities that offer higher specs and amenities.

Certain areas are seeing a larger share of development activity. For example, submarkets such as Sunnyvale, Mountain View, and Downtown San Jose have expanded their apartment inventory, while development has also ramped up in Santa Clara. This could apply some downward pressure to vacancy and rent growth in these submarkets.

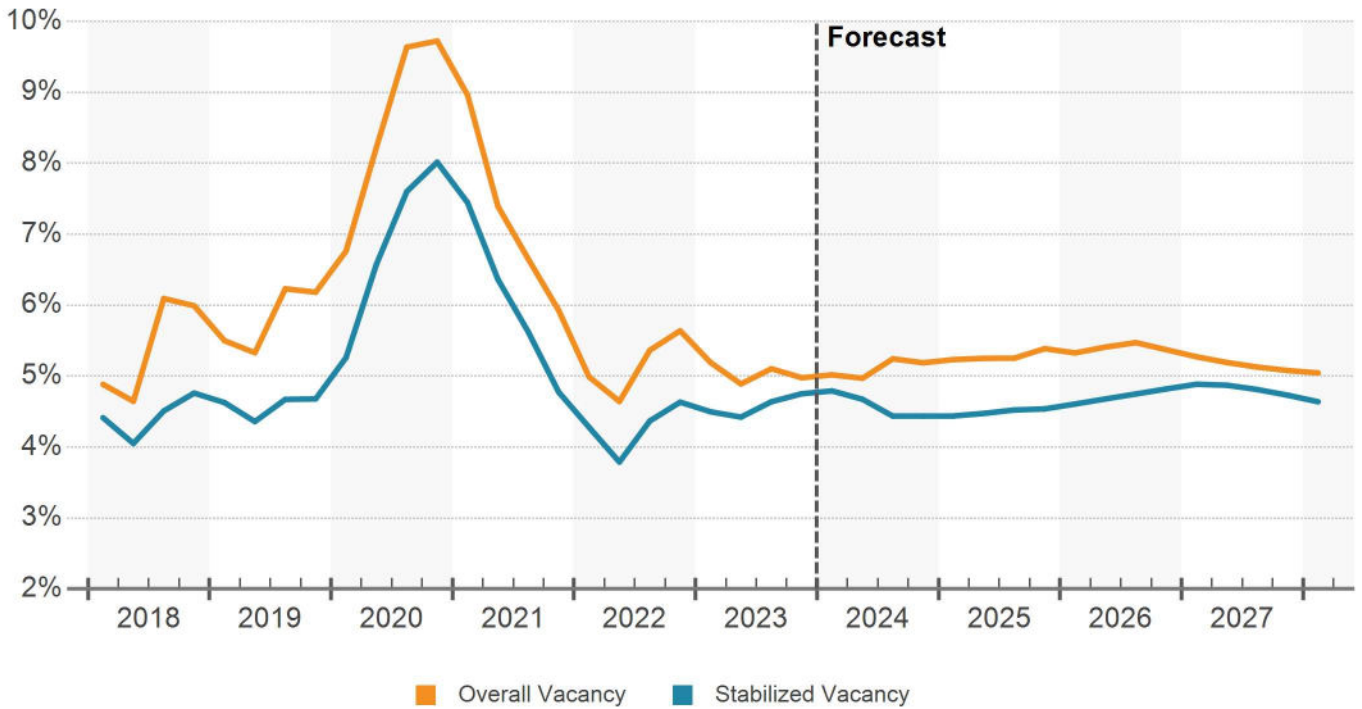
Many new developments are near transit nodes. Commuters in the San Jose metro area can look to VTA light rail, AC Transit, and Caltrain to access the region's job centers. Also, BART's extension into the metro will eventually connect to Downtown San Jose. While areas around the new and future stations are receiving increased attention from developers, the use of transit by workers since the pandemic remains light.

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.

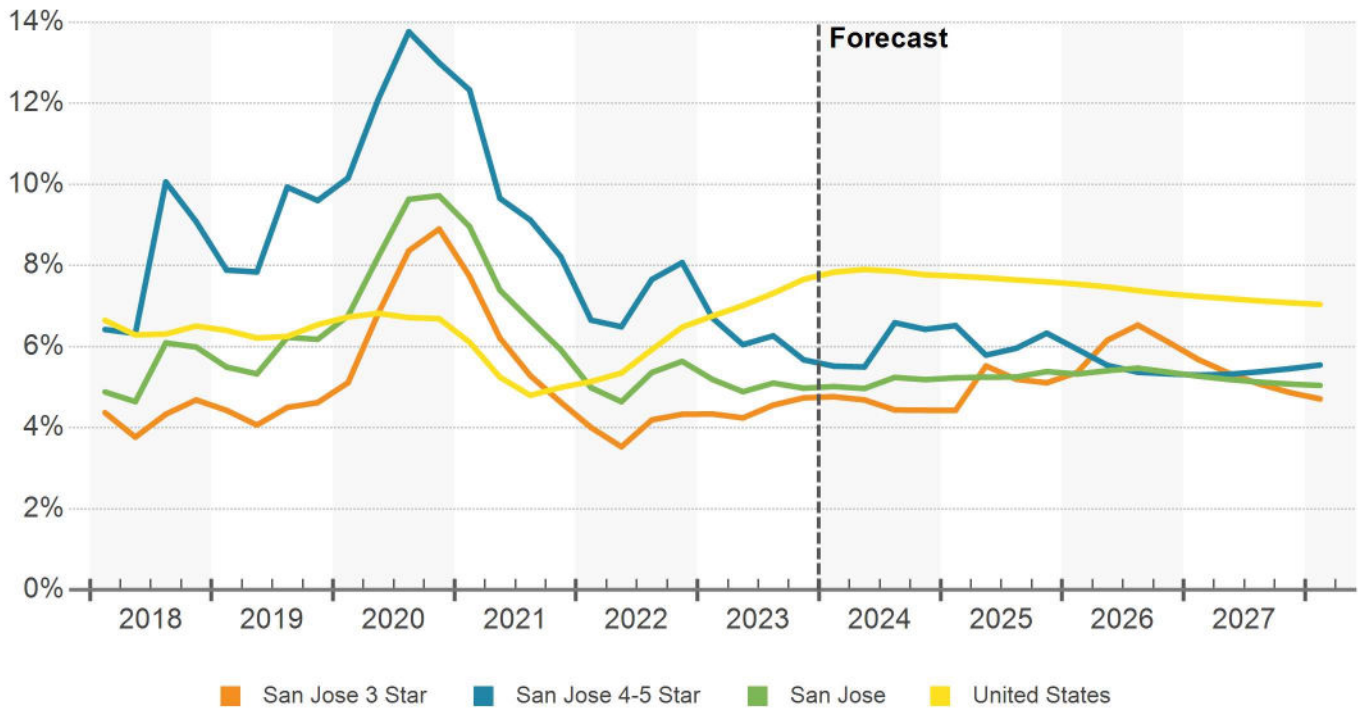
ABSORPTION, NET DELIVERIES & VACANCY



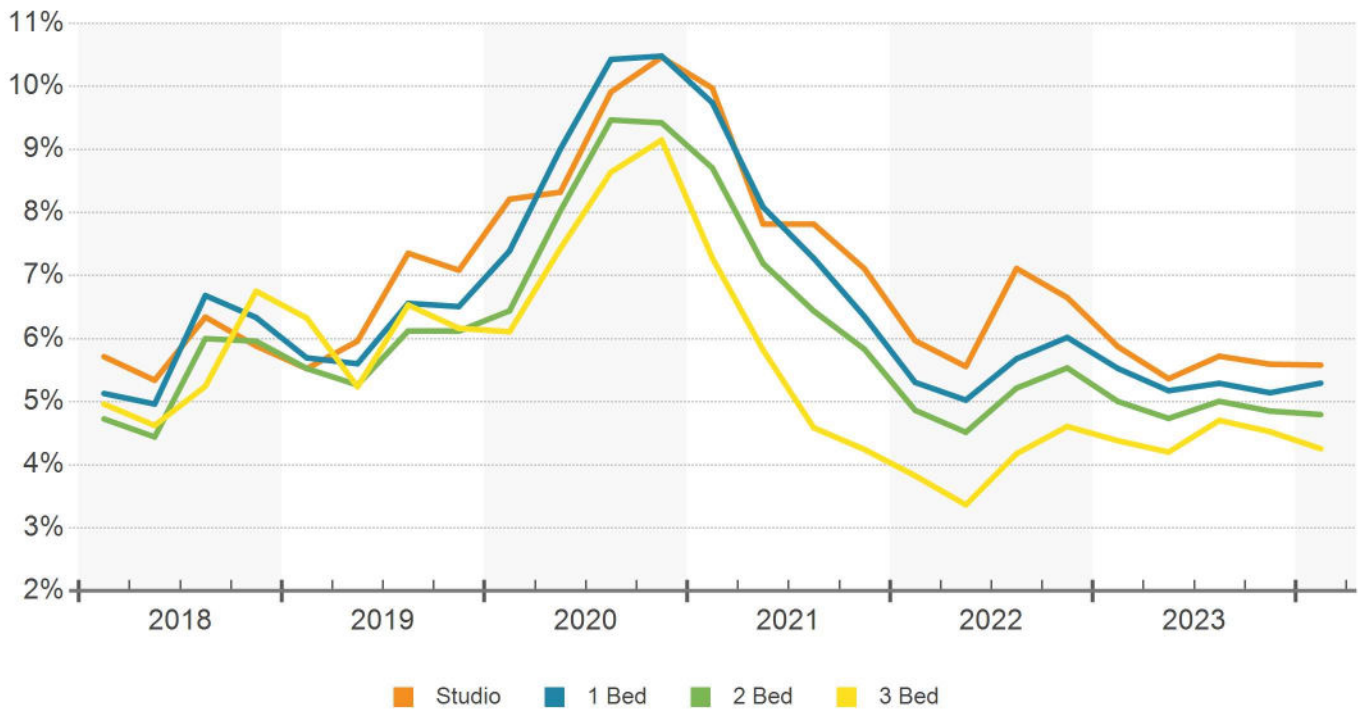
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



San Jose is one of the most expensive apartment markets in the country, trailing only New York and neighboring San Francisco. High incomes and limited inventory in Silicon Valley's most popular residential areas have combined to push rents higher for much of the past decade. As of the first quarter of 2024, metro-wide asking rents average \$2,980/month.

While rents for all classes of apartments exceed the national average, rents for mid- and lower-tier properties command particularly high rents. For instance, at \$2,270/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 18 months, including high inflation, rising interest rates, and layoff concerns, have dampened renter demand. As a result, rent growth has decreased, with annual growth currently positive by 1.4%. This compares with the 10-year average annual rent growth of 2.8%.

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

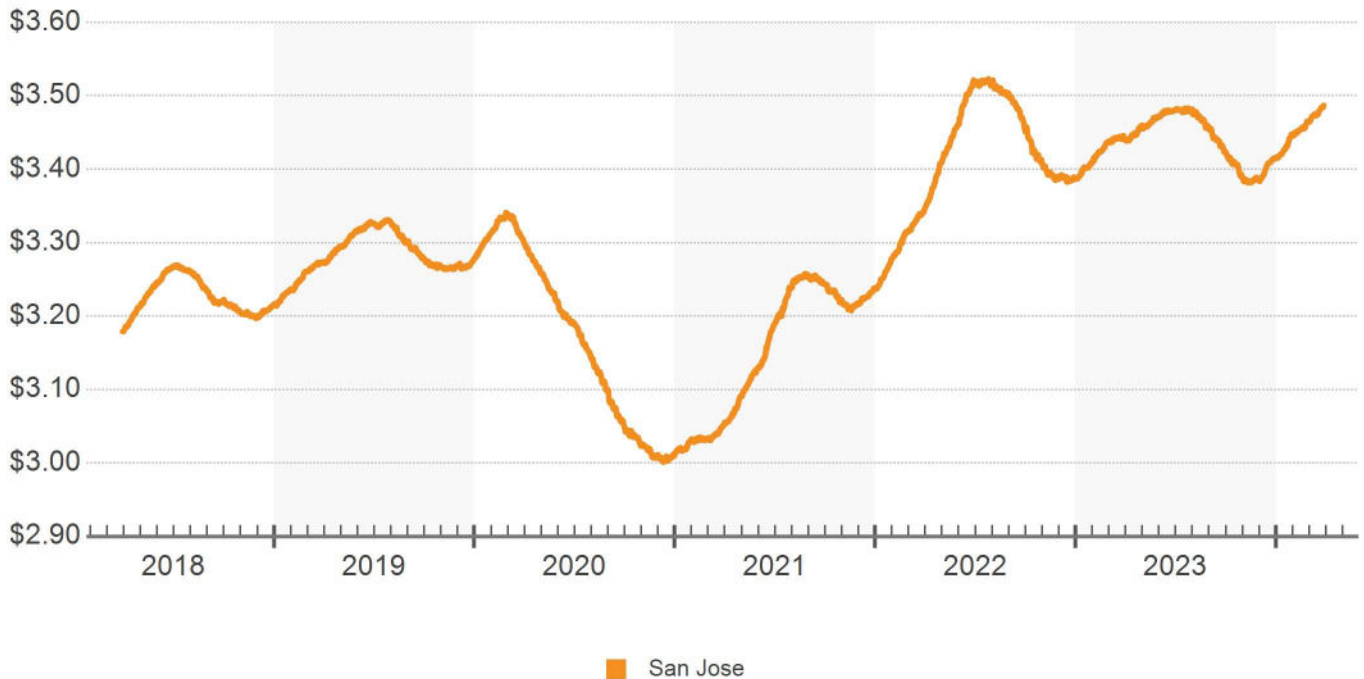
Valley's main employment centers. Palo Alto has the highest average rent, closely followed by Mountain View and Cupertino.

While rent growth varies across different quality segments, all have seen positive movement in the past year. As of the first quarter, annual asking rent growth in 4 & 5 Star properties is 1.3%, compared to 1.4% in 3 Star properties, while 1 & 2 Star buildings have seen growth of 1.6%.

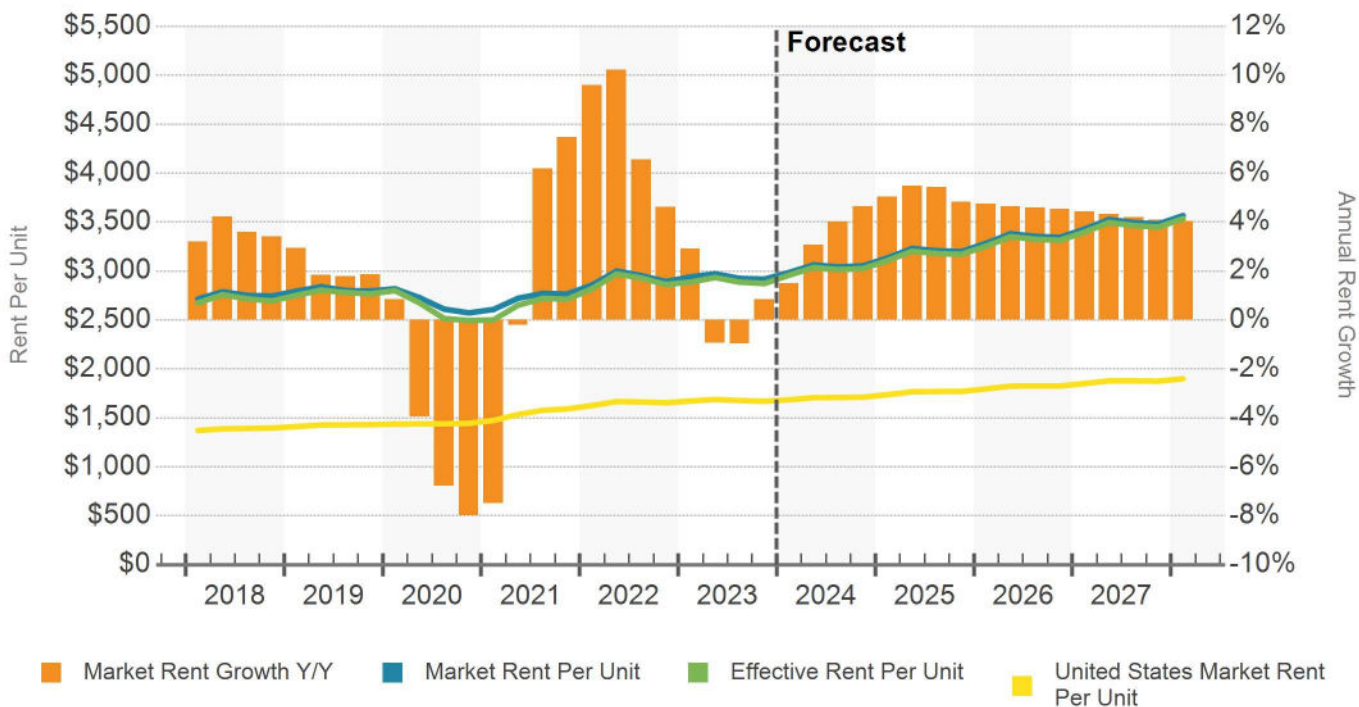
While expensive in comparison to most other areas of the country, many renters in San Jose have few alternative options for housing. Median home prices have more than doubled over the past decade, and with mortgage rates remaining over 6.5%, the monthly cost of homeownership is substantially more expensive 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.

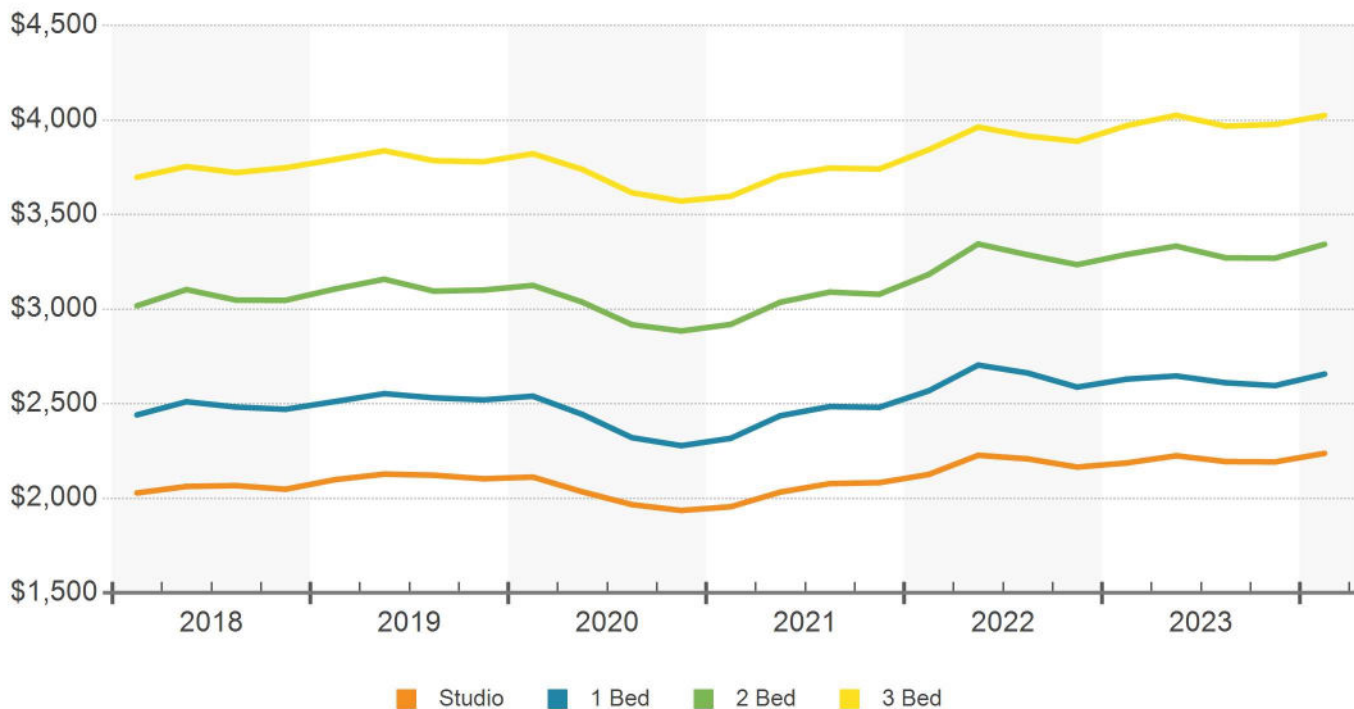
DAILY ASKING RENT PER SF



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	\$0.71	\$0.29	\$0.61	\$0.65	\$0.23	\$1.08	\$0.04	\$0.16	\$0.48	\$5.17
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	\$0.82	\$0.58	\$0.90	\$0.49	\$0.86	\$1.01	\$0.38	\$2.94	\$0.07	\$0.21	\$0.53	\$8.79
Sunnyvale	\$0.66	\$0.56	\$0.75	\$0.39	\$0.75	\$0.75	\$0.26	\$1.77	\$0.03	\$0.08	\$0.41	\$6.41
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 first quarter of 2024, about 7,600 units are under construction, representing 4.9% of the market's inventory. This is close to the all-time high level of construction activity and compares to the 10-year average of 7,000 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.

The uptick in development 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 33,000 market-rate apartments opening during this period, increasing inventory by over 25%.

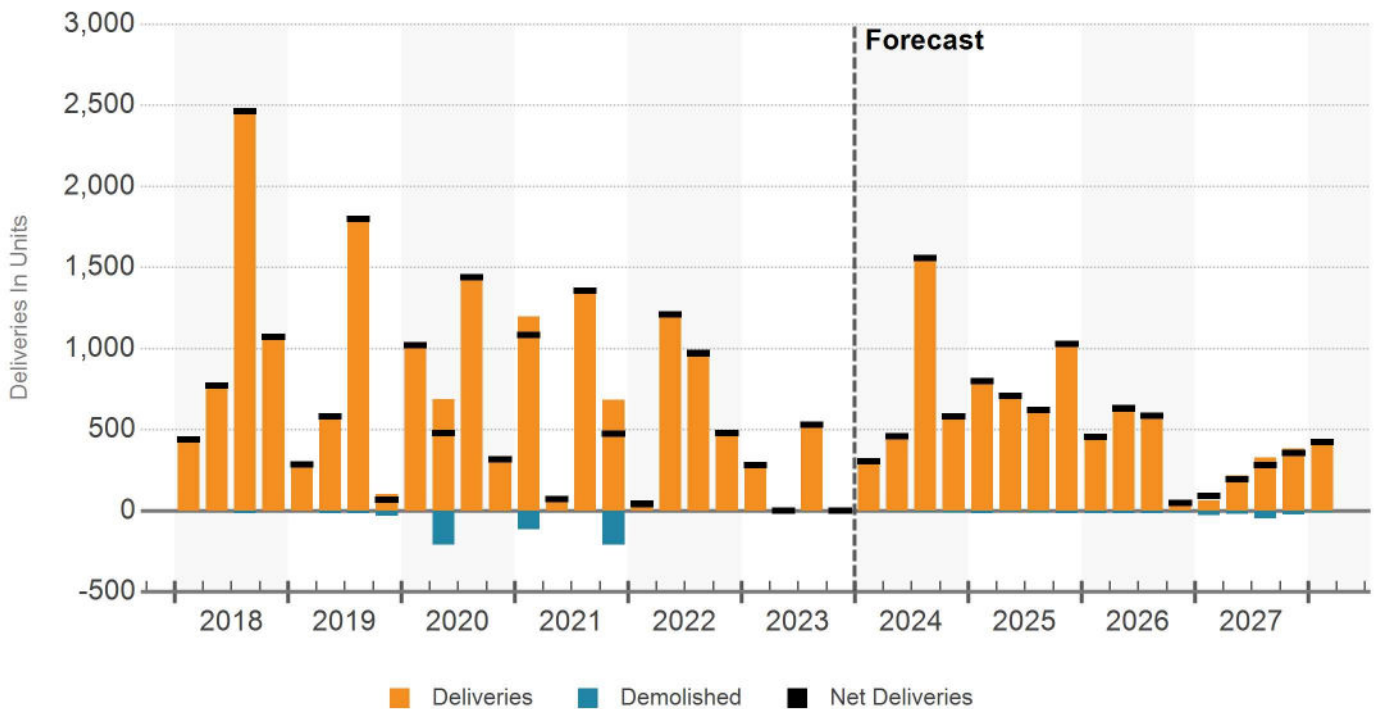
Submarkets experiencing the most development activity include Santa Clara, Sunnyvale, and Mountain View. Many projects are located along the Caltrain and VTA routes from the Peninsula into Downtown San Jose. Developers have continued to capitalize on the appeal of mixed-use transit-oriented projects, 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 95% occupied, with average rents around \$4,700/month. Hanover Winchester, a 5 Star, 366-unit community near Santana Row in San Jose, opened in July, and is 50% leased as of the first quarter, with average rents of \$4,400/month, while offering up to six weeks free rent.

Construction starts slowed rapidly in 2023, reflecting the rapid increase in the costs of financing and construction. Just 500 units went under construction in 2023. 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

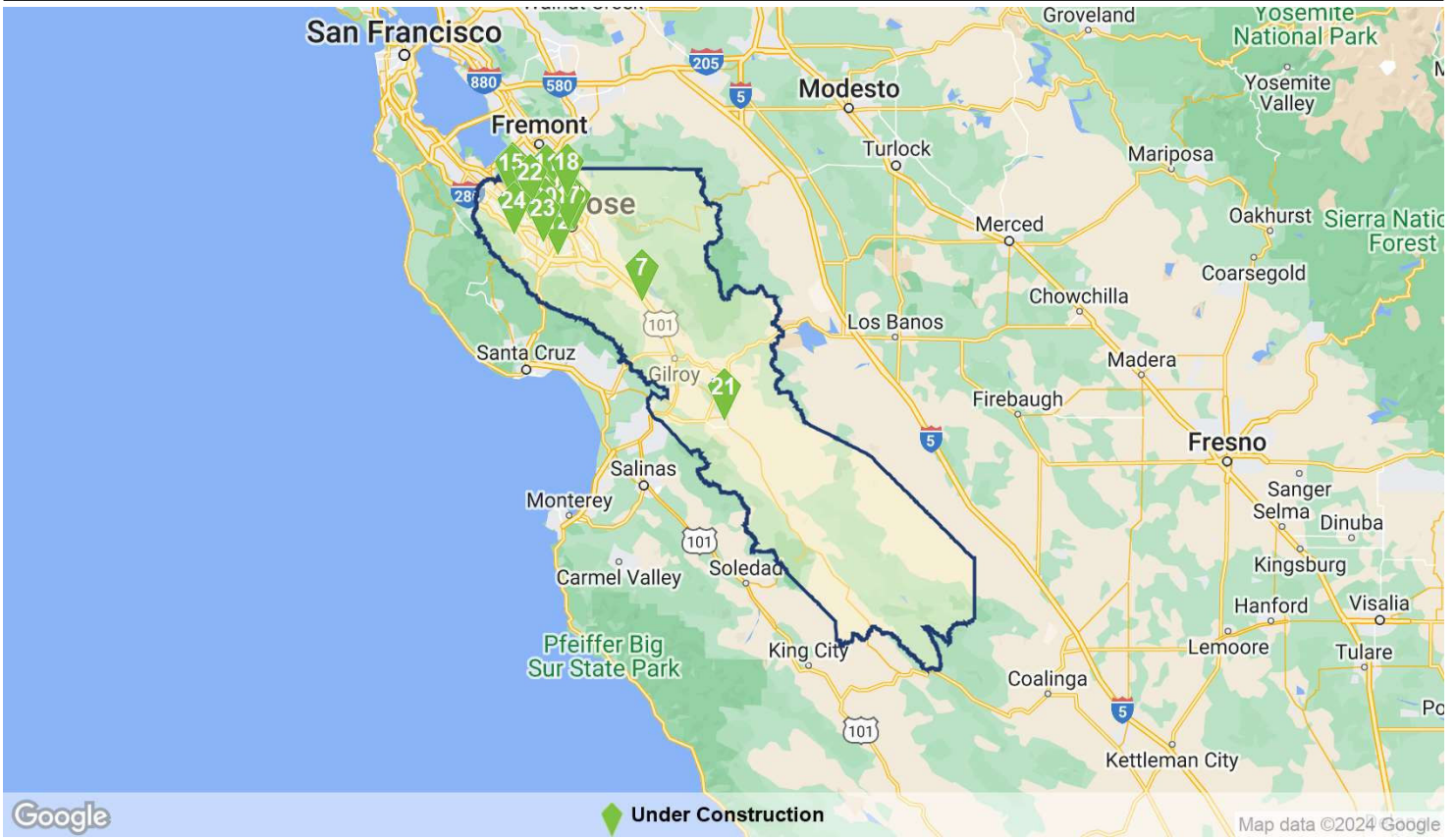
24

7,626

4.9%

318

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	Jul 2024	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 Rowe at Pear Village 1265 Pear Ave	★★★★☆	464	6	Nov 2022	May 2024	The Sobrato Organization The Sobrato Organization
7 Vida at Morgan Hill 18125 Butterfield Blvd	★★★★☆	389	3	Jun 2022	Apr 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 Apartment Communit...
9 Garden Gate Tower 600 S 1st St	★ ★ ★ ★ ★	336	23	Jun 2022	Oct 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	3	Nov 2022	Oct 2024	Ensemble Real Estate Solutions Ensemble Investments, LLC
12 14420 Union Ave	★ ★ ★ ★ ★	305	6	Oct 2023	Jul 2025	- Kimco Realty Corporation
13 Virginia Street Studios 255 E Virginia St	★ ★ ★ ★ ★	301	6	Mar 2021	Apr 2024	AMG & Associates, LLC The Pacific Companies
14 Laguna Clara Phase II 3131 Homestead Rd	★ ★ ★ ★ ★	225	4	Nov 2022	Dec 2024	Equity Residential Equity Residential
15 The Residences @ Shor... 1001 N Shoreline Blvd	★ ★ ★ ★ ★	203	7	Nov 2022	Dec 2025	Sares-Regis Group Lighthouse Real Estate Investme...
16 Butcher's Corner 871 E Fremont Ave	★ ★ ★ ★ ★	130	8	Mar 2021	Dec 2025	- De Anza Properties
17 Delmas Avenue 341-365 Delmas Ave	★ ★ ★ ★ ★	120	5	Nov 2022	Aug 2024	- Zhen Zhen Li & David Luo
18 1320 McCandless Dr	★ ★ ★ ★ ★	90	1	Oct 2023	Jan 2025	- Lyon Management Group, Inc db...
19 The Deck 3402 El Camino Real	★ ★ ★ ★ ★	66	4	May 2022	Apr 2024	De Anza Properties De Anza Properties
20 The Meridian 3941 Stevens Creek Blvd	★ ★ ★ ★ ★	59	6	Aug 2022	Aug 2024	- The Meridian
21 1603-1605 Cushman St	★ ★ ★ ★ ★	44	3	Sep 2021	Apr 2024	- Albert Valles Jr
22 Future 18-Townhome Pr... 475 N Fair Oaks Ave	★ ★ ★ ★ ★	18	3	Jul 2021	Jun 2024	- Navneet Aron
23 4094 Hamilton Ave	★ ★ ★ ★ ★	17	3	Jan 2021	Apr 2024	- Xiaodong Li
24 Canyon Crossings 10625 S Foothill Blvd	★ ★ ★ ★ ★	13	2	Mar 2024	Jul 2025	- Daniel Shaw

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

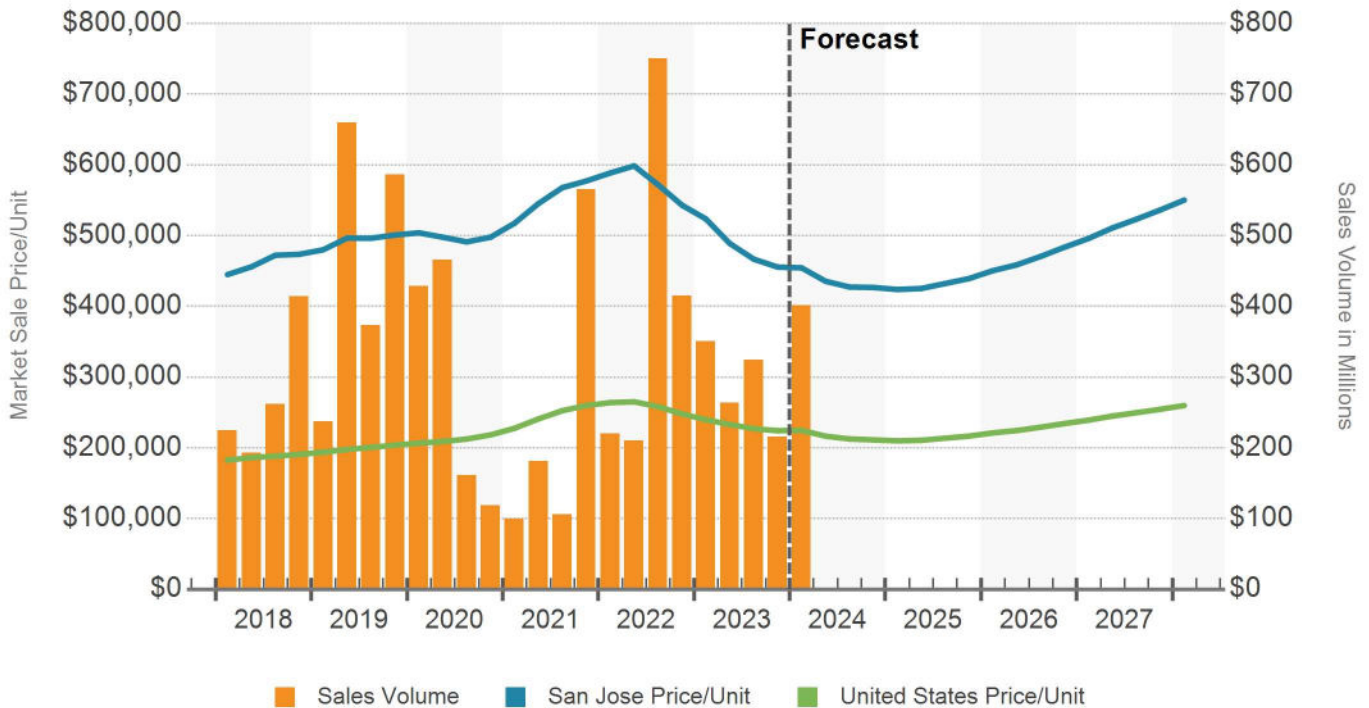
Of the 73 sales that closed in the past year, 60 were for 1 & 2 Star properties, with a total 12-month sales volume of \$316 million and an average transaction price of \$350,000/unit. Local individual investors looking for rent growth, and national developers looking for value-add plays, were active buyers in this category.

By contrast, just six properties accounted for the \$585

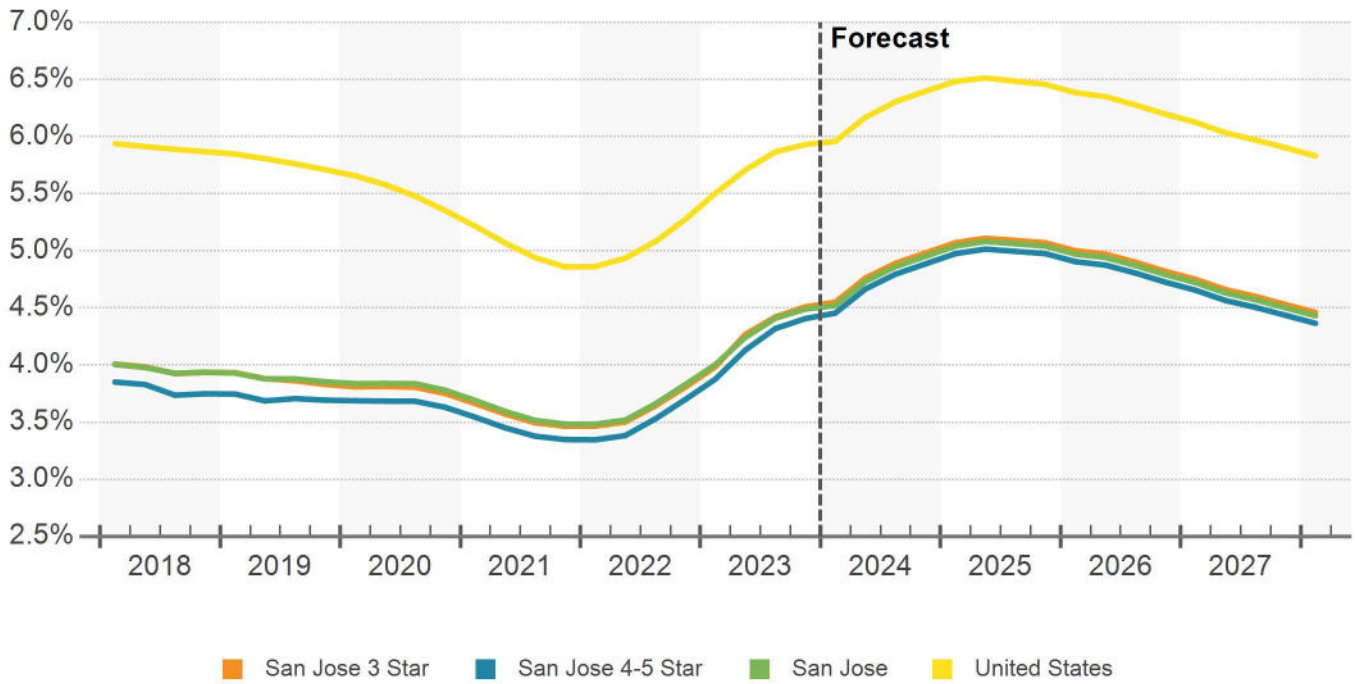
million sales volume for 4 & 5 Star properties. The most recent of these closed in January, with the acquisition of the Diridon West Apartments in downtown San Jose. This 249-unit building was bought by Hines for \$117.5 million, or \$472,000/unit, and was 95% leased at sale.

The average cap rate for 1 & 2 Star sales in the past year was 4.9%. This is 80 basis point higher than average cap rate for properties in this segment that sold between 2020 and the first interest rate hikes in 2022. Most other major markets have seen a larger increase in cap rates over this period, which suggests investors have continued confidence in the San Jose market.

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

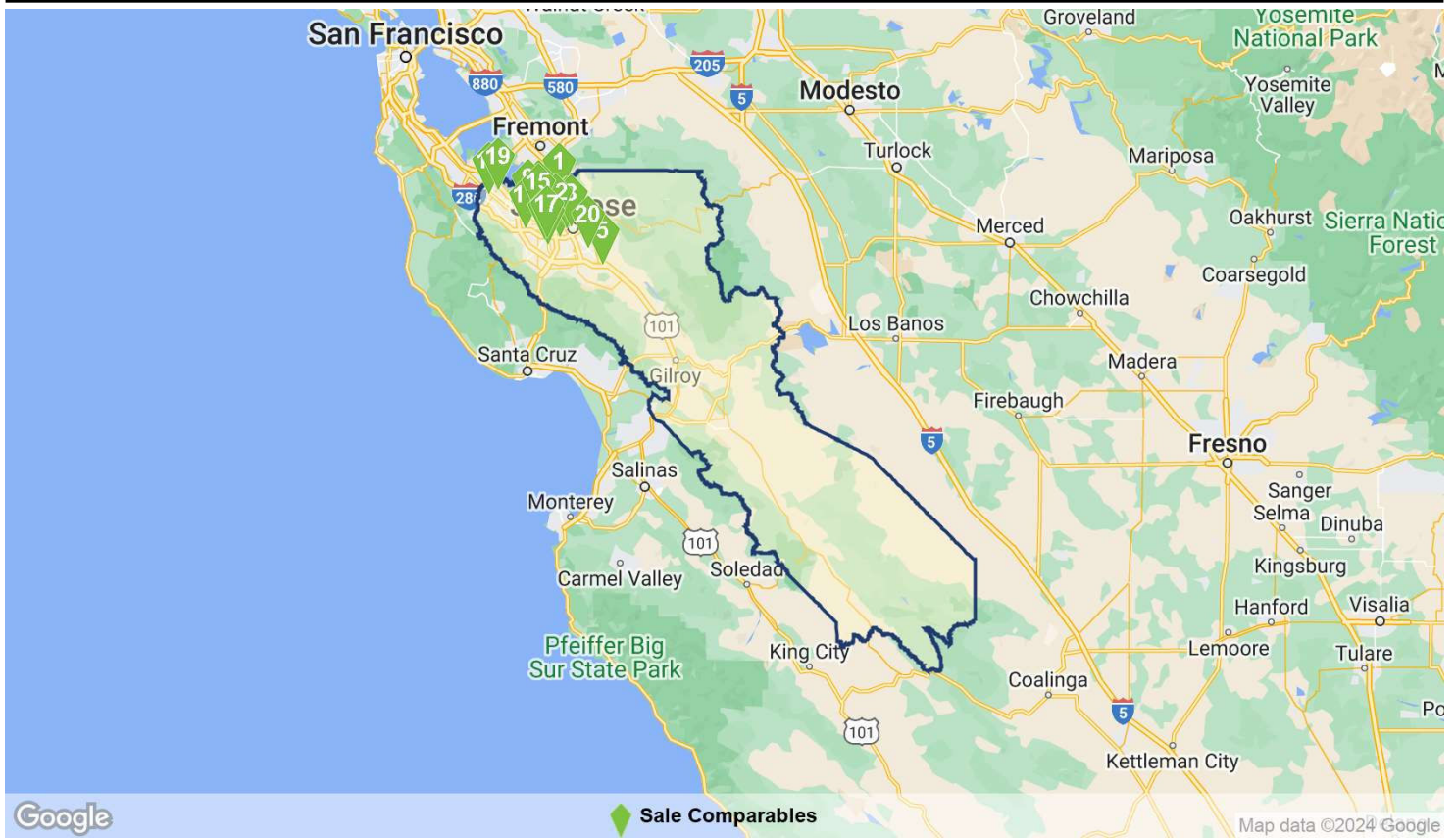
75

\$404

\$18.1

5.8%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$1,100,000	\$18,132,241	\$3,631,750	\$153,500,000
Price/Unit	\$100,000	\$404,376	\$350,000	\$1,300,000
Cap Rate	2.0%	4.9%	4.9%	10.5%
Vacancy Rate At Sale	0%	5.8%	0%	19.1%
Time Since Sale in Months	0.0	6.6	7.1	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	5	44	11	373
Number of Floors	1	2	2	7
Average Unit SF	333	806	795	1,718
Year Built	1898	1962	1961	2021
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 Prado 3560 Rambla Pl	★★★★★	2021	251	6.8%	2/27/2024	\$125,000,000	\$498,007	\$208	
3 Diridon West 717 W Julian St	★★★★★	2021	249	6.4%	1/22/2024	\$117,500,000	\$471,887	\$427	
4 The Grove 1919 Fruitdale Ave	★★★★★	1970	331	8.5%	11/30/2023	\$102,000,000	\$308,157	\$403	
5 Duo 6670 Emergent Way	★★★★★	2020	301	3.3%	8/16/2023	\$93,500,000	\$310,631	\$312	
6 Vespaio 130 Stockton Ave	★★★★★	2020	162	19.1%	7/5/2023	\$83,500,000	\$515,432	\$295	
7 787 The Alameda 787 The Alameda	★★★★★	2018	168	5.4%	2/1/2024	\$78,200,000	\$465,476	\$602	
8 The James Apartments 98 N 1st St	★★★★★	2019	190	0.5%	9/20/2023	\$74,250,000	\$390,789	\$201	
9 Villa Del Sol 355 E Evelyn Ave	★★★★★	2001	124	4.8%	11/16/2023	\$62,250,000	\$502,016	\$267	
10 Southwood Apartments 2850 Middlefield Rd	★★★★★	1985	100	4.0%	2/13/2024	\$59,900,000	\$599,000	\$718	
11 The Villages at Cupertino Apa... 20875 Valley Green Dr	★★★★★	1964	110	4.5%	6/15/2023	\$50,100,000	\$455,454	\$131	
12 Normandy Park Apartments 48 Washington St	★★★★★	1966	140	9.3%	5/23/2023	\$49,500,000	\$353,571	\$387	
13 Campbell West 831 Gale Dr	★★★★★	1971	72	6.9%	6/1/2023	\$24,600,000	\$341,666	\$295	
14 Wellsbury Apartment Homes 3085 Middlefield Rd	★★★★★	1961	30	0%	4/7/2023	\$20,000,000	\$666,666	\$774	
15 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	10.0%	6/9/2023	\$8,800,000	\$293,333	\$359	

As of the first quarter of 2024, the San Jose economy faces the same economic headwinds slowing growth across much of the nation. In Silicon Valley, high interest rates have forced tech companies to cut costs and investors to reduce the amount of capital available for startups.

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, rising interest rates softened demand, and under pressure to manage costs, employers started to initiate hiring freezes, layoffs, and office space reductions. Weaker demand has also led retail and industrial tenants to reconsider their expansion plans.

The pandemic also caused many people to leave San Jose, as lockdowns and health concerns impacted their lives and work. In the past year, the metro area's population has started to grow again but remains -52,000 short of the total population of five years ago.

The unemployment rate declined to a historic low of just 2.5% in 2022, reflecting high worker demand. More

recently, a slowing economy and tech layoffs across Silicon Valley have caused unemployment to rise above 3%. After two decades of strong growth, employment in the metro's information sector was negative for much of the past 18 months, before returning positive in the most recent quarter.

San Jose remains the nation's largest and most prestigious market for tech companies. Highly educated graduates flock to the region, seeking employment at one of Silicon Valley's leading tech companies or startups. The market has one of the highest educational attainment rates in the country, with over 50% of its working-age population possessing a college degree.

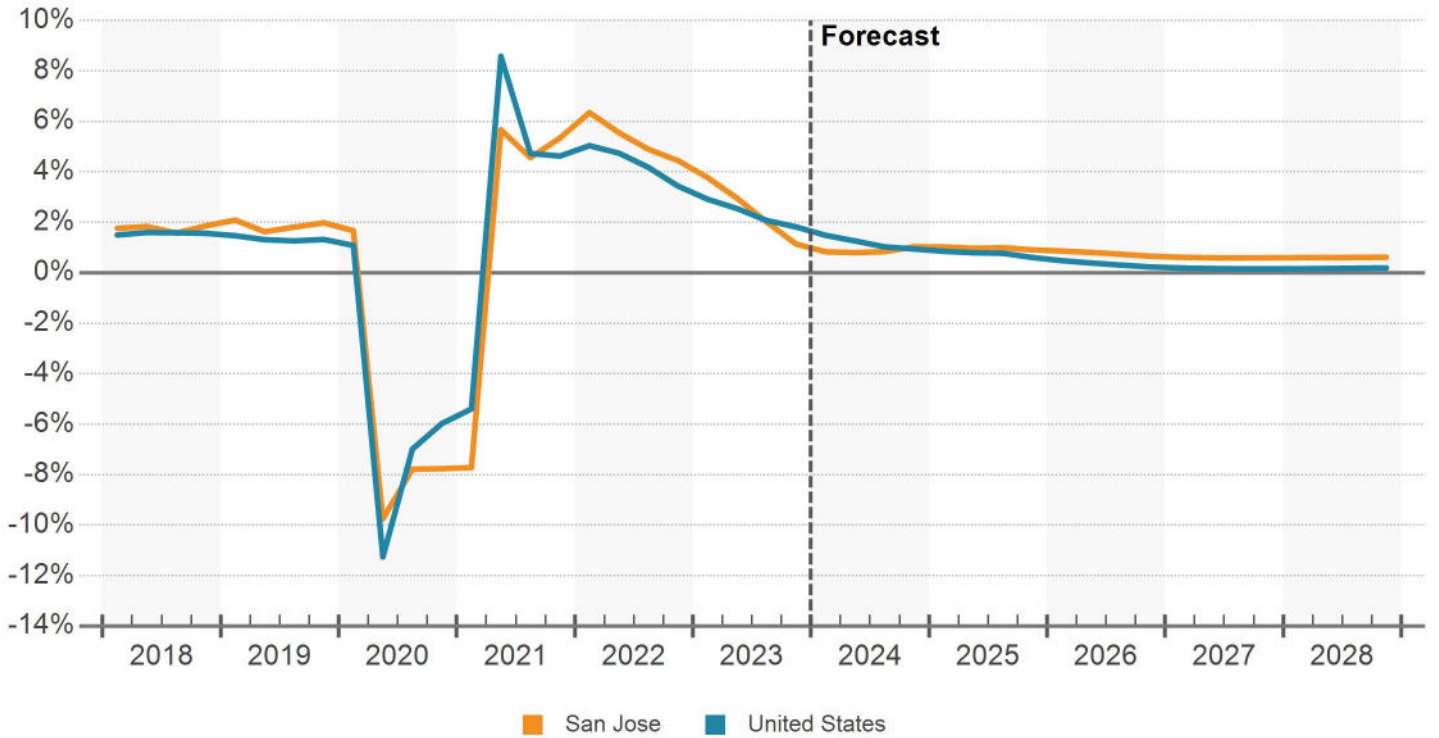
Despite the current economic headwinds facing the market, San Jose is expected to retain its position as a leading center for innovation and economic growth. Over the past 10 years, San Jose saw an average annual increase in GDP of 8.3%, the highest rate among the largest 20 metro areas in the nation and twice the U.S. average. The metro is expected to continue to lead the nation in key measures, such as venture capital investment and new information technology patents.

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	180	1.8	-1.64%	0.04%	1.16%	0.71%	0.21%	0.14%
Trade, Transportation and Utilities	122	0.6	-1.01%	0.08%	-0.98%	1.04%	-0.01%	0.14%
Retail Trade	72	0.6	-2.04%	-0.15%	-1.55%	0.19%	0.10%	0.13%
Financial Activities	37	0.5	-2.08%	0.62%	0.90%	1.45%	0.22%	0.18%
Government	99	0.6	3.23%	2.40%	0.75%	0.55%	0.34%	0.33%
Natural Resources, Mining and Construction	57	0.9	1.06%	2.22%	3.72%	2.38%	0.98%	0.25%
Education and Health Services	201	1.0	4.59%	3.48%	3.00%	1.98%	1.27%	0.64%
Professional and Business Services	255	1.5	-0.26%	0.76%	2.20%	1.99%	0.61%	0.48%
Information	105	4.6	-1.54%	-1.82%	5.65%	1.10%	1.72%	0.22%
Leisure and Hospitality	109	0.9	3.80%	2.56%	1.76%	1.52%	1.34%	0.71%
Other Services	25	0.6	2.65%	1.53%	-0.38%	0.66%	0.37%	0.27%
Total Employment	1,191	1.0	0.83%	1.49%	1.82%	1.35%	0.75%	0.38%

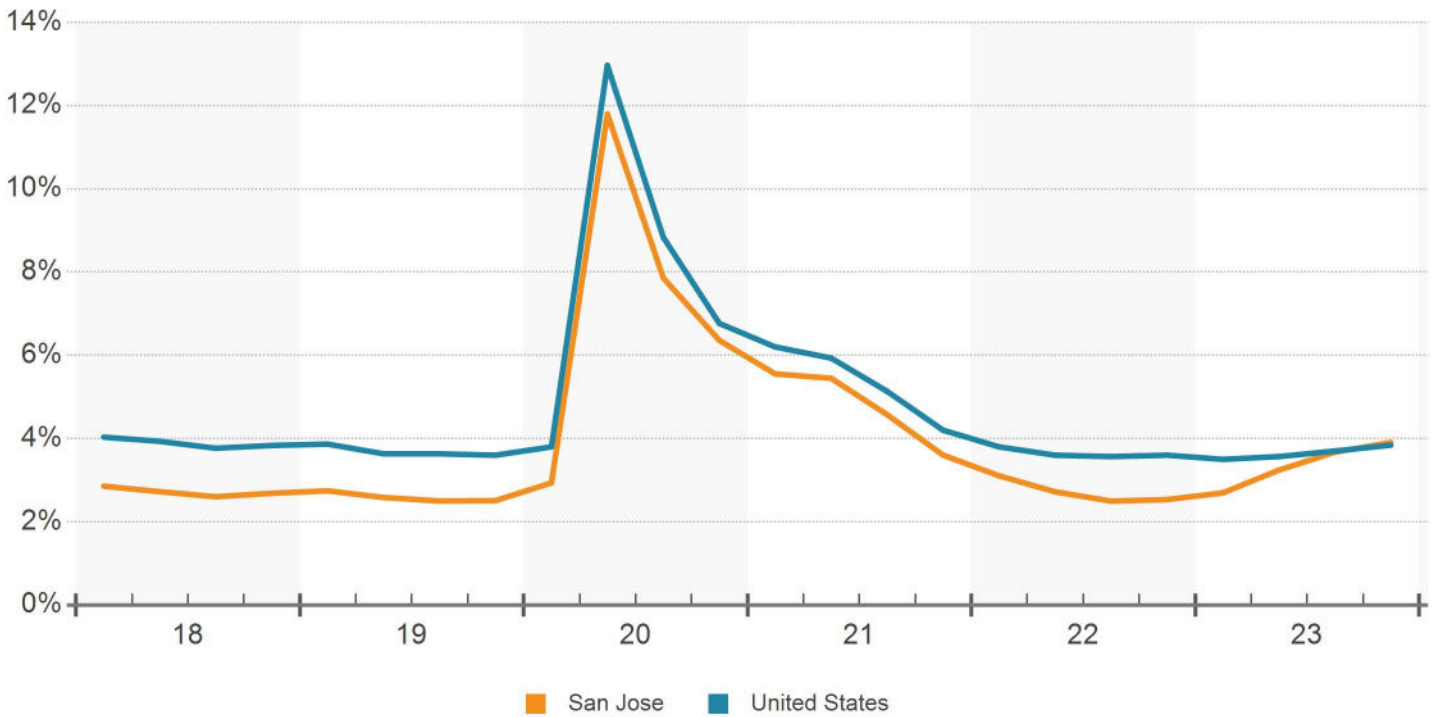
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

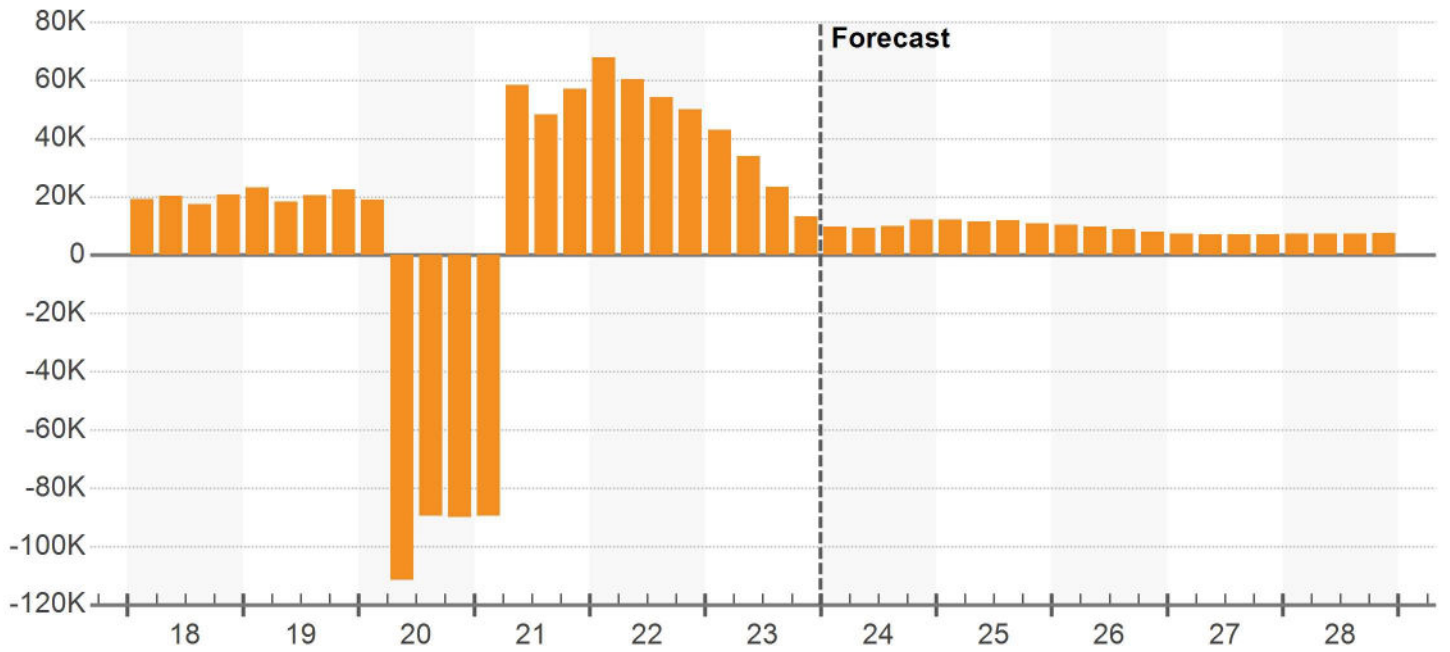


Source: Oxford Economics

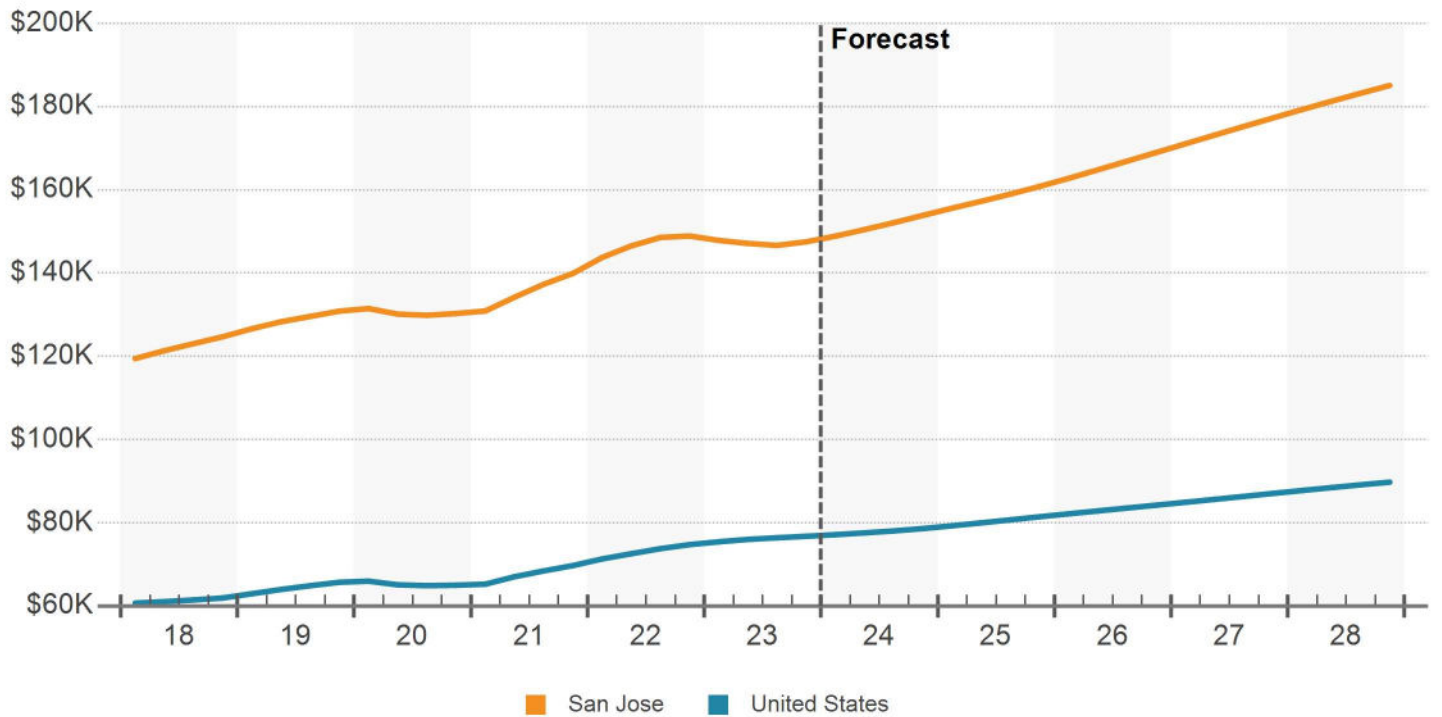
UNEMPLOYMENT RATE (%)



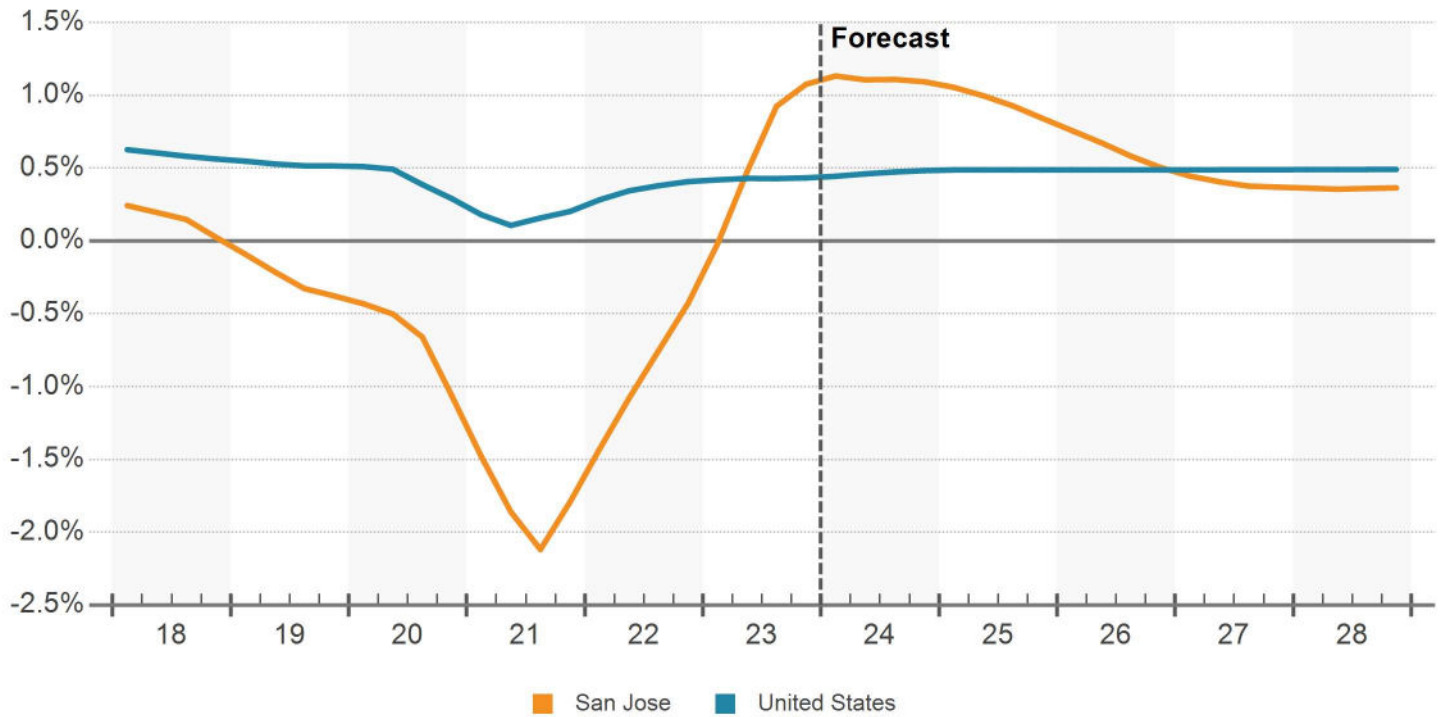
NET EMPLOYMENT CHANGE (YOY)



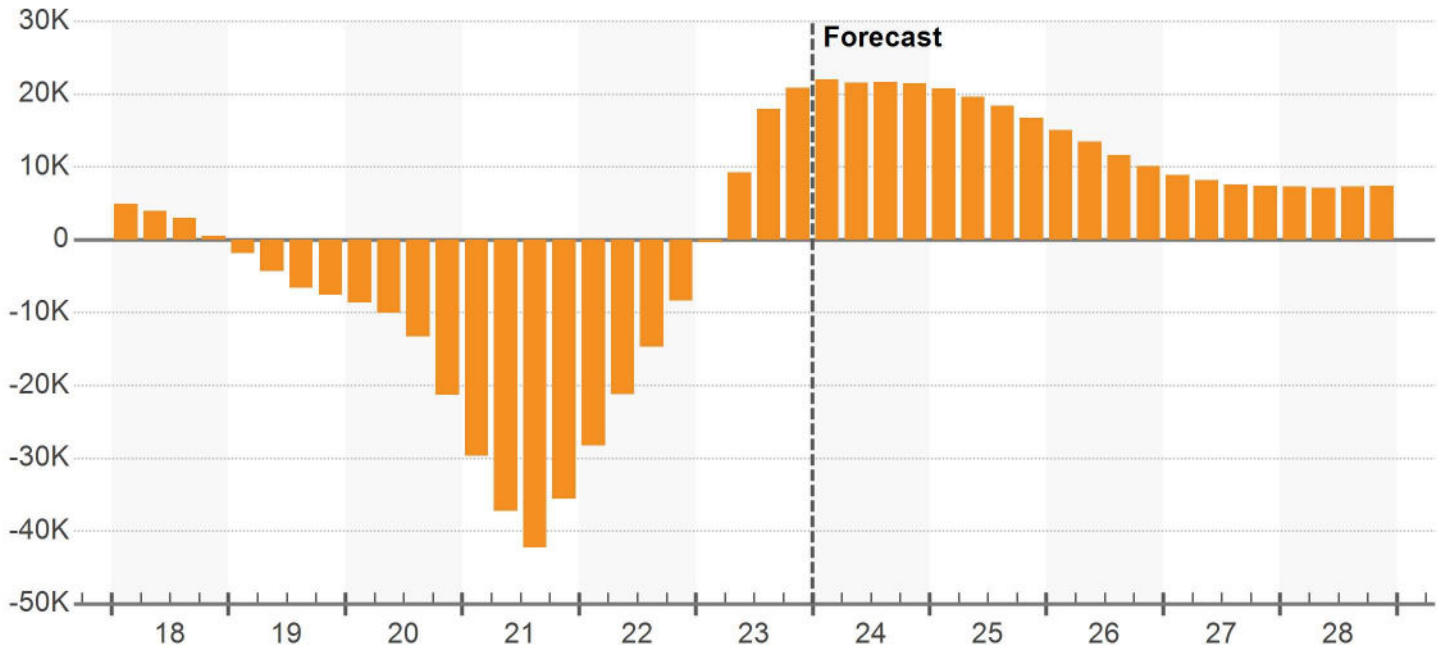
MEDIAN HOUSEHOLD INCOME



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	1,967,228	335,489,750	1.1%	0.4%	0.1%	0.5%	0.6%	0.5%
Households	688,757	131,027,992	1.3%	0.6%	0.6%	0.9%	0.7%	0.6%
Median Household Income	\$148,851	\$77,140	0.7%	2.3%	4.8%	3.9%	4.7%	3.2%
Labor Force	1,091,559	169,019,469	0.1%	1.7%	0.8%	0.8%	0.4%	0.1%
Unemployment	3.9%	3.8%	1.2%	0.3%	-0.2%	-0.3%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

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	0	0	0%	-	0	0	0%	-
2	Cupertino	64	5,510	3.5%	11	0	0	0%	-	1	13	0.2%	11
3	Downtown San Jose	581	12,630	8.0%	6	0	0	0%	-	3	757	6.0%	4
4	East San Jose	113	4,365	2.8%	12	0	0	0%	-	0	0	0%	-
5	Midtown San Jose	326	7,684	4.9%	8	0	0	0%	-	1	590	7.7%	5
6	Milpitas/Berryessa	67	8,211	5.2%	7	0	0	0%	-	1	90	1.1%	8
7	Morgan Hill/Gilroy	159	3,070	2.0%	14	0	0	0%	-	1	389	12.7%	6
8	Mountain View/Los Altos	457	14,831	9.4%	4	1	5	0%	3	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	238	4,064	2.6%	13	0	0	0%	-	0	0	0%	-
11	San Benito County	50	720	0.5%	15	1	2	0.3%	4	1	44	6.1%	9
12	Santa Clara	497	21,050	13.4%	2	2	531	2.5%	1	7	3,082	14.6%	1
13	South San Jose	264	17,418	11.1%	3	0	0	0%	-	1	305	1.8%	7
14	Sunnyvale	588	29,937	19.1%	1	1	286	1.0%	2	4	956	3.2%	3
15	West Valley San Jose	269	7,675	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	\$2,749	\$3.34	9	1.6%	\$2,714	\$3.30	9	2.0%	1.3%	3
2	Cupertino	\$3,444	\$3.66	3	-2.9%	\$3,375	\$3.58	4	-2.5%	2.0%	1
3	Downtown San Jose	\$2,697	\$3.40	8	2.3%	\$2,676	\$3.38	7	2.7%	0.8%	7
4	East San Jose	\$2,388	\$3.01	13	2.3%	\$2,372	\$2.99	13	3.6%	0.7%	9
5	Midtown San Jose	\$2,576	\$3.09	12	-1.2%	\$2,557	\$3.06	12	-1.3%	0.8%	8
6	Milpitas/Berryessa	\$3,022	\$3.43	7	1.1%	\$2,972	\$3.37	8	1.9%	1.7%	2
7	Morgan Hill/Gilroy	\$2,680	\$2.93	14	3.2%	\$2,668	\$2.92	14	3.0%	0.4%	15
8	Mountain View/Los Altos	\$3,252	\$4.10	1	1.9%	\$3,222	\$4.06	1	6.8%	0.9%	5
9	North San Jose	\$3,220	\$3.50	6	1.4%	\$3,205	\$3.49	6	2.0%	0.5%	14
10	Palo Alto	\$3,207	\$4.10	2	0.5%	\$3,171	\$4.05	2	0.9%	1.1%	4
11	San Benito County	\$2,161	\$2.17	15	1.5%	\$2,150	\$2.16	15	1.9%	0.5%	13
12	Santa Clara	\$3,190	\$3.53	5	3.4%	\$3,169	\$3.51	5	4.0%	0.6%	10
13	South San Jose	\$2,841	\$3.19	11	0.8%	\$2,827	\$3.17	11	1.0%	0.5%	12
14	Sunnyvale	\$3,067	\$3.65	4	1.5%	\$3,042	\$3.62	3	2.7%	0.8%	6
15	West Valley San Jose	\$2,377	\$3.19	10	1.2%	\$2,365	\$3.18	10	1.2%	0.5%	11

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Campbell/Los Gatos	335	4.7%	10	(35)	-0.5%	13	-
2	Cupertino	204	3.7%	3	54	1.0%	6	-
3	Downtown San Jose	1,180	9.3%	15	60	0.5%	5	-
4	East San Jose	255	5.8%	13	(32)	-0.7%	11	-
5	Midtown San Jose	418	5.4%	12	(71)	-0.9%	15	-
6	Milpitas/Berryessa	399	4.9%	11	65	0.8%	4	-
7	Morgan Hill/Gilroy	121	3.9%	4	(32)	-1.0%	12	-
8	Mountain View/Los Altos	1,024	6.9%	14	280	1.9%	3	-
9	North San Jose	397	3.1%	2	13	0.1%	8	-
10	Palo Alto	190	4.7%	8	(7)	-0.2%	10	-
11	San Benito County	18	2.5%	1	7	1.0%	9	-
12	Santa Clara	906	4.3%	7	441	2.1%	1	1.2
13	South San Jose	713	4.1%	5	(54)	-0.3%	14	-
14	Sunnyvale	1,412	4.7%	9	318	1.1%	2	0.9
15	West Valley San Jose	323	4.2%	6	43	0.6%	7	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	167,424	1,993	1.2%	2,028	1.2%	1.0
2027	165,431	924	0.6%	1,361	0.8%	0.7
2026	164,507	1,715	1.1%	1,646	1.0%	1.0
2025	162,792	3,156	2.0%	2,669	1.6%	1.2
2024	159,636	2,898	1.8%	2,419	1.5%	1.2
YTD	157,024	286	0.2%	191	0.1%	1.5
2023	156,738	813	0.5%	1,804	1.2%	0.5
2022	155,925	2,696	1.8%	2,990	1.9%	0.9
2021	153,229	2,986	2.0%	8,534	5.6%	0.3
2020	150,243	3,253	2.2%	(2,280)	-1.5%	-
2019	146,990	2,731	1.9%	2,291	1.6%	1.2
2018	144,259	4,742	3.4%	3,593	2.5%	1.3
2017	139,517	1,480	1.1%	2,341	1.7%	0.6
2016	138,037	3,761	2.8%	2,436	1.8%	1.5
2015	134,276	4,458	3.4%	4,013	3.0%	1.1
2014	129,818	5,411	4.3%	4,757	3.7%	1.1
2013	124,407	1,736	1.4%	2,066	1.7%	0.8
2012	122,671	3,579	3.0%	2,576	2.1%	1.4

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	66,895	2,063	3.2%	1,755	2.6%	1.2
2027	64,832	996	1.6%	861	1.3%	1.2
2026	63,836	335	0.5%	954	1.5%	0.4
2025	63,501	2,391	3.9%	2,296	3.6%	1.0
2024	61,110	2,905	5.0%	2,281	3.7%	1.3
YTD	58,491	286	0.5%	271	0.5%	1.1
2023	58,205	813	1.4%	2,143	3.7%	0.4
2022	57,392	2,641	4.8%	2,512	4.4%	1.1
2021	54,751	3,190	6.2%	5,392	9.8%	0.6
2020	51,561	3,236	6.7%	1,173	2.3%	2.8
2019	48,325	2,775	6.1%	2,273	4.7%	1.2
2018	45,550	4,575	11.2%	3,316	7.3%	1.4
2017	40,975	1,685	4.3%	2,173	5.3%	0.8
2016	39,290	3,517	9.8%	3,341	8.5%	1.1
2015	35,773	4,463	14.3%	4,160	11.6%	1.1
2014	31,310	5,517	21.4%	4,628	14.8%	1.2
2013	25,793	1,690	7.0%	2,037	7.9%	0.8
2012	24,103	3,610	17.6%	2,465	10.2%	1.5

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	43,746	0	0%	174	0.4%	0
2027	43,746	0	0%	545	1.2%	0
2026	43,746	1,452	3.4%	937	2.1%	1.5
2025	42,294	819	2.0%	497	1.2%	1.6
2024	41,475	17	0%	144	0.3%	0.1
YTD	41,458	0	0%	24	0.1%	0
2023	41,458	0	0%	(168)	-0.4%	0
2022	41,458	55	0.1%	179	0.4%	0.3
2021	41,403	(220)	-0.5%	1,575	3.8%	-
2020	41,623	227	0.5%	(1,564)	-3.8%	-
2019	41,396	24	0.1%	51	0.1%	0.5
2018	41,372	121	0.3%	263	0.6%	0.5
2017	41,251	(192)	-0.5%	178	0.4%	-
2016	41,443	244	0.6%	(549)	-1.3%	-
2015	41,199	0	0%	(53)	-0.1%	0
2014	41,199	(32)	-0.1%	141	0.3%	-
2013	41,231	93	0.2%	(57)	-0.1%	-
2012	41,138	42	0.1%	186	0.5%	0.2

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	56,783	(70)	-0.1%	99	0.2%	-
2027	56,853	(72)	-0.1%	(45)	-0.1%	1.6
2026	56,925	(72)	-0.1%	(245)	-0.4%	0.3
2025	56,997	(54)	-0.1%	(124)	-0.2%	0.4
2024	57,051	(24)	0%	(6)	0%	4.0
YTD	57,075	0	0%	(104)	-0.2%	0
2023	57,075	0	0%	(171)	-0.3%	0
2022	57,075	0	0%	299	0.5%	0
2021	57,075	16	0%	1,567	2.7%	0
2020	57,059	(210)	-0.4%	(1,889)	-3.3%	0.1
2019	57,269	(68)	-0.1%	(33)	-0.1%	2.1
2018	57,337	46	0.1%	14	0%	3.3
2017	57,291	(13)	0%	(10)	0%	1.3
2016	57,304	0	0%	(356)	-0.6%	0
2015	57,304	(5)	0%	(94)	-0.2%	0.1
2014	57,309	(74)	-0.1%	(12)	0%	6.2
2013	57,383	(47)	-0.1%	86	0.1%	-
2012	57,430	(73)	-0.1%	(75)	-0.1%	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	8,367	5.0%	(0.1)	\$3,618	\$4.24	3.9%	(0.2)	\$3,585	\$4.21
2027	8,403	5.1%	(0.3)	\$3,481	\$4.08	4.1%	(0.4)	\$3,450	\$4.05
2026	8,839	5.4%	0	\$3,345	\$3.92	4.5%	(0.3)	\$3,314	\$3.89
2025	8,770	5.4%	0.2	\$3,200	\$3.75	4.8%	0.2	\$3,171	\$3.72
2024	8,283	5.2%	0.2	\$3,053	\$3.58	4.6%	3.8	\$3,025	\$3.55
YTD	7,896	5.0%	0.1	\$2,982	\$3.49	1.4%	0.6	\$2,957	\$3.46
2023	7,802	5.0%	(0.7)	\$2,918	\$3.42	0.8%	(3.8)	\$2,872	\$3.36
2022	8,793	5.6%	(0.3)	\$2,894	\$3.39	4.6%	(2.9)	\$2,863	\$3.35
2021	9,081	5.9%	(3.8)	\$2,766	\$3.24	7.5%	15.5	\$2,712	\$3.17
2020	14,608	9.7%	3.5	\$2,573	\$3.01	-8.0%	(9.9)	\$2,495	\$2.92
2019	9,088	6.2%	0.2	\$2,797	\$3.27	1.9%	(1.5)	\$2,767	\$3.24
2018	8,643	6.0%	0.6	\$2,745	\$3.21	3.4%	0.7	\$2,695	\$3.15
2017	7,482	5.4%	(0.7)	\$2,655	\$3.11	2.7%	2.2	\$2,596	\$3.04
2016	8,350	6.0%	0.8	\$2,584	\$3.02	0.6%	(6.0)	\$2,519	\$2.95
2015	7,037	5.2%	0.2	\$2,570	\$3.01	6.6%	1.0	\$2,535	\$2.97
2014	6,584	5.1%	0.3	\$2,411	\$2.82	5.5%	(0.4)	\$2,380	\$2.79
2013	5,930	4.8%	(0.3)	\$2,285	\$2.67	5.9%	0.9	\$2,257	\$2.64
2012	6,262	5.1%	0.7	\$2,157	\$2.52	5.0%	-	\$2,138	\$2.50

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	3,847	5.8%	0.3	\$4,158	\$4.48	3.8%	(0.2)	\$4,116	\$4.44
2027	3,538	5.5%	0.1	\$4,005	\$4.32	4.0%	(0.5)	\$3,964	\$4.27
2026	3,403	5.3%	(1.0)	\$3,849	\$4.15	4.5%	(0.3)	\$3,810	\$4.11
2025	4,022	6.3%	(0.1)	\$3,682	\$3.97	4.8%	0	\$3,645	\$3.93
2024	3,929	6.4%	0.8	\$3,515	\$3.79	4.8%	4.2	\$3,479	\$3.75
YTD	3,319	5.7%	0	\$3,438	\$3.70	1.3%	0.7	\$3,404	\$3.66
2023	3,305	5.7%	(2.4)	\$3,354	\$3.61	0.6%	(3.4)	\$3,282	\$3.53
2022	4,634	8.1%	(0.1)	\$3,334	\$3.58	3.9%	(5.3)	\$3,282	\$3.53
2021	4,503	8.2%	(4.8)	\$3,208	\$3.45	9.2%	17.8	\$3,120	\$3.35
2020	6,702	13.0%	3.4	\$2,938	\$3.16	-8.6%	(10.6)	\$2,808	\$3.02
2019	4,642	9.6%	0.5	\$3,215	\$3.46	2.0%	(1.4)	\$3,169	\$3.41
2018	4,139	9.1%	2.1	\$3,152	\$3.39	3.4%	0.7	\$3,082	\$3.31
2017	2,879	7.0%	(1.5)	\$3,050	\$3.28	2.7%	2.1	\$2,989	\$3.21
2016	3,368	8.6%	(0.4)	\$2,970	\$3.19	0.5%	(4.8)	\$2,889	\$3.11
2015	3,193	8.9%	(0.3)	\$2,954	\$3.18	5.4%	1.2	\$2,909	\$3.13
2014	2,887	9.2%	1.5	\$2,804	\$3.01	4.1%	(1.0)	\$2,760	\$2.97
2013	1,997	7.7%	(2.0)	\$2,692	\$2.90	5.1%	1.5	\$2,644	\$2.84
2012	2,344	9.7%	3.9	\$2,562	\$2.76	3.6%	-	\$2,532	\$2.72

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	1,956	4.5%	(0.4)	\$3,598	\$4.23	4.0%	(0.1)	\$3,562	\$4.19
2027	2,131	4.9%	(1.2)	\$3,459	\$4.07	4.1%	(0.4)	\$3,424	\$4.03
2026	2,675	6.1%	1.0	\$3,323	\$3.91	4.5%	(0.3)	\$3,290	\$3.87
2025	2,162	5.1%	0.7	\$3,181	\$3.74	4.8%	0.2	\$3,149	\$3.70
2024	1,839	4.4%	(0.3)	\$3,034	\$3.57	4.6%	3.7	\$3,004	\$3.53
YTD	1,941	4.7%	(0.1)	\$2,976	\$3.50	1.4%	0.5	\$2,953	\$3.47
2023	1,965	4.7%	0.4	\$2,901	\$3.41	0.9%	(5.2)	\$2,864	\$3.37
2022	1,797	4.3%	(0.3)	\$2,875	\$3.38	6.1%	(2.1)	\$2,858	\$3.36
2021	1,918	4.6%	(4.3)	\$2,710	\$3.19	8.2%	18.1	\$2,668	\$3.14
2020	3,706	8.9%	4.3	\$2,505	\$2.94	-9.9%	(11.7)	\$2,456	\$2.89
2019	1,913	4.6%	(0.1)	\$2,779	\$3.27	1.8%	(2.5)	\$2,758	\$3.24
2018	1,939	4.7%	(0.3)	\$2,731	\$3.21	4.3%	1.1	\$2,683	\$3.15
2017	2,077	5.0%	(0.9)	\$2,618	\$3.08	3.2%	3.6	\$2,534	\$2.98
2016	2,452	5.9%	1.9	\$2,536	\$2.98	-0.4%	(7.8)	\$2,459	\$2.89
2015	1,662	4.0%	0.1	\$2,546	\$2.99	7.4%	0.5	\$2,510	\$2.95
2014	1,605	3.9%	(0.4)	\$2,372	\$2.79	6.9%	(0.6)	\$2,342	\$2.75
2013	1,780	4.3%	0.4	\$2,219	\$2.61	7.5%	0	\$2,205	\$2.59
2012	1,630	4.0%	(0.4)	\$2,065	\$2.43	7.5%	-	\$2,051	\$2.41

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	2,564	4.5%	(0.3)	\$2,786	\$3.77	4.0%	(0.1)	\$2,771	\$3.75
2027	2,734	4.8%	0	\$2,678	\$3.62	4.2%	(0.5)	\$2,664	\$3.60
2026	2,760	4.8%	0.3	\$2,571	\$3.48	4.6%	(0.3)	\$2,557	\$3.46
2025	2,586	4.5%	0.1	\$2,458	\$3.32	4.9%	0.6	\$2,445	\$3.31
2024	2,515	4.4%	0	\$2,343	\$3.17	4.3%	2.9	\$2,331	\$3.15
YTD	2,635	4.6%	0.2	\$2,267	\$3.05	1.6%	0.3	\$2,255	\$3.04
2023	2,532	4.4%	0.3	\$2,248	\$3.02	1.4%	(2.9)	\$2,233	\$3
2022	2,362	4.1%	(0.5)	\$2,218	\$2.98	4.2%	1.5	\$2,205	\$2.97
2021	2,660	4.7%	(2.7)	\$2,128	\$2.86	2.7%	6.5	\$2,116	\$2.84
2020	4,200	7.4%	2.9	\$2,073	\$2.78	-3.8%	(5.5)	\$2,044	\$2.74
2019	2,534	4.4%	(0.1)	\$2,154	\$2.90	1.7%	(0.6)	\$2,143	\$2.88
2018	2,566	4.5%	0.1	\$2,119	\$2.85	2.3%	0.1	\$2,095	\$2.82
2017	2,527	4.4%	0	\$2,072	\$2.79	2.2%	0.2	\$2,044	\$2.75
2016	2,530	4.4%	0.6	\$2,027	\$2.73	2.0%	(6.4)	\$2,000	\$2.69
2015	2,181	3.8%	0.2	\$1,988	\$2.67	8.4%	1.2	\$1,970	\$2.65
2014	2,092	3.7%	(0.1)	\$1,834	\$2.46	7.1%	1.5	\$1,822	\$2.45
2013	2,153	3.8%	(0.2)	\$1,712	\$2.30	5.7%	0.4	\$1,703	\$2.28
2012	2,287	4.0%	0	\$1,620	\$2.17	5.3%	-	\$1,611	\$2.16

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	-	-	-	-	-	-	\$589,679	290	4.3%
2027	-	-	-	-	-	-	\$536,254	263	4.5%
2026	-	-	-	-	-	-	\$483,650	238	4.8%
2025	-	-	-	-	-	-	\$439,256	216	5.0%
2024	-	-	-	-	-	-	\$426,703	210	5.0%
YTD	11	\$400.9M	0.5%	\$36,449,477	\$485,993	4.9%	\$455,048	223	4.5%
2023	81	\$1.2B	1.9%	\$14,241,738	\$382,487	4.9%	\$455,485	224	4.5%
2022	132	\$1.6B	2.3%	\$12,177,837	\$454,112	4.0%	\$542,984	267	3.8%
2021	130	\$951.2M	1.8%	\$7,490,020	\$433,166	4.0%	\$577,183	283	3.5%
2020	73	\$1.2B	1.6%	\$16,770,493	\$491,065	4.4%	\$497,760	244	3.8%
2019	154	\$1.9B	3.8%	\$21,330,940	\$472,934	4.5%	\$500,797	246	3.9%
2018	188	\$1.1B	2.3%	\$10,311,406	\$430,658	3.8%	\$473,560	233	3.9%
2017	255	\$1.3B	3.3%	\$10,233,269	\$384,778	4.2%	\$438,139	215	4.0%
2016	199	\$1.5B	3.6%	\$13,809,889	\$361,127	4.4%	\$413,712	203	4.1%
2015	226	\$1.1B	3.3%	\$8,059,390	\$354,011	4.5%	\$395,858	194	4.1%
2014	185	\$1.5B	5.2%	\$10,286,366	\$293,486	4.5%	\$356,938	175	4.3%
2013	173	\$1.3B	5.7%	\$9,473,232	\$272,185	5.3%	\$318,344	156	4.5%

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

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

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$703,792	272	4.2%
2027	-	-	-	-	-	-	\$640,312	248	4.4%
2026	-	-	-	-	-	-	\$577,423	223	4.7%
2025	-	-	-	-	-	-	\$524,276	203	5.0%
2024	-	-	-	-	-	-	\$509,556	197	4.9%
YTD	3	\$320.7M	1.1%	\$106,900,000	\$480,090	-	\$543,665	210	4.5%
2023	5	\$467M	2.0%	\$93,400,000	\$406,087	-	\$548,411	212	4.4%
2022	3	\$698M	2.1%	\$232,666,667	\$567,941	-	\$670,756	259	3.7%
2021	3	\$166.5M	1.5%	\$83,266,750	\$568,374	-	\$718,912	278	3.3%
2020	2	\$359M	1.2%	\$179,500,000	\$572,568	-	\$620,630	240	3.6%
2019	10	\$1B	5.6%	\$168,271,214	\$560,282	4.5%	\$626,630	242	3.7%
2018	3	\$246.7M	1.1%	\$82,216,667	\$507,510	4.3%	\$597,619	231	3.7%
2017	10	\$669.3M	3.4%	\$66,929,835	\$478,412	4.0%	\$545,486	211	3.9%
2016	6	\$469.1M	2.8%	\$78,188,333	\$429,213	4.9%	\$518,137	200	3.9%
2015	2	\$195M	1.1%	\$97,500,000	\$509,138	4.3%	\$498,783	193	3.9%
2014	11	\$588.6M	7.9%	\$73,577,049	\$369,038	4.8%	\$451,761	175	4.1%
2013	8	\$377M	9.4%	\$75,394,061	\$271,592	5.0%	\$406,300	157	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
2028	-	-	-	-	-	-	\$537,462	294	4.3%
2027	-	-	-	-	-	-	\$488,999	268	4.5%
2026	-	-	-	-	-	-	\$441,502	242	4.8%
2025	-	-	-	-	-	-	\$401,486	220	5.1%
2024	-	-	-	-	-	-	\$389,853	213	5.0%
YTD	1	\$59.9M	0.2%	\$59,900,000	\$599,000	-	\$414,823	227	4.5%
2023	13	\$342.7M	2.2%	\$26,360,923	\$383,754	6.2%	\$416,078	228	4.5%
2022	12	\$194.9M	1.1%	\$16,244,167	\$437,063	4.5%	\$503,078	275	3.8%
2021	8	\$242.4M	1.2%	\$30,298,375	\$508,149	4.1%	\$534,090	292	3.5%
2020	14	\$589.2M	2.6%	\$42,084,437	\$549,098	3.8%	\$462,306	253	3.8%
2019	9	\$522.8M	3.0%	\$58,085,556	\$417,548	5.6%	\$464,169	254	3.8%
2018	12	\$428.5M	2.4%	\$38,956,818	\$434,610	3.8%	\$433,659	237	3.9%
2017	9	\$91.7M	0.7%	\$13,100,577	\$348,685	3.3%	\$401,457	220	4.0%
2016	22	\$687.8M	4.5%	\$40,460,141	\$373,208	4.5%	\$377,388	207	4.1%
2015	19	\$499.8M	4.1%	\$33,322,100	\$406,698	5.0%	\$357,527	196	4.1%
2014	15	\$447.2M	4.4%	\$34,397,959	\$301,940	4.6%	\$322,208	176	4.3%
2013	22	\$666.8M	6.8%	\$35,092,684	\$334,887	5.0%	\$286,023	157	4.5%

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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	-	-	-	-	-	-	\$502,077	318	4.3%
2027	-	-	-	-	-	-	\$456,093	288	4.6%
2026	-	-	-	-	-	-	\$411,078	260	4.8%
2025	-	-	-	-	-	-	\$373,119	236	5.1%
2024	-	-	-	-	-	-	\$362,284	229	5.0%
YTD	7	\$20.3M	0.1%	\$2,906,321	\$356,917	4.9%	\$386,774	245	4.6%
2023	63	\$343.9M	1.7%	\$5,458,552	\$353,431	4.8%	\$381,759	241	4.6%
2022	117	\$702.4M	3.2%	\$6,054,884	\$382,136	3.9%	\$430,673	272	4.0%
2021	119	\$542.3M	2.5%	\$4,635,146	\$380,303	4.0%	\$451,705	286	3.6%
2020	57	\$225M	1.2%	\$4,180,600	\$326,520	4.5%	\$387,519	245	4.0%
2019	135	\$323.4M	2.9%	\$4,491,590	\$371,718	4.4%	\$388,141	245	4.1%
2018	173	\$417.8M	3.1%	\$4,541,674	\$391,964	3.8%	\$365,397	231	4.2%
2017	236	\$528.4M	5.2%	\$4,847,610	\$312,842	4.3%	\$346,200	219	4.2%
2016	171	\$389.8M	3.6%	\$4,379,272	\$289,351	4.3%	\$324,766	205	4.3%
2015	205	\$441.5M	4.0%	\$3,560,827	\$276,309	4.5%	\$310,127	196	4.3%
2014	159	\$435.2M	4.2%	\$3,566,889	\$224,773	4.5%	\$277,507	175	4.5%
2013	143	\$263.6M	3.2%	\$2,312,058	\$185,095	5.3%	\$244,748	155	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
2028	-	167,425	5.0%	-	2,073	-	1,993	-	-
2027	-	165,432	5.1%	-	988	-	924	-	-
2026	-	164,508	5.4%	-	1,780	-	1,715	-	-
2025	-	162,793	5.4%	-	3,210	-	3,156	-	-
2024	-	159,637	5.2%	-	2,922	-	2,899	-	-
YTD	3,947	157,024	5.0%	1	286	1	286	24	7,626
2023	3,946	156,738	5.0%	4	813	4	813	24	7,899
2022	3,942	155,925	5.6%	15	2,696	15	2,696	26	8,317
2021	3,927	153,229	5.9%	16	3,310	14	2,986	24	4,019
2020	3,913	150,243	9.7%	17	3,463	14	3,253	25	5,181
2019	3,899	146,990	6.2%	11	2,799	8	2,731	35	8,206
2018	3,891	144,259	6.0%	19	4,759	18	4,742	30	7,487
2017	3,873	139,517	5.4%	8	1,709	5	1,480	33	8,066
2016	3,868	138,037	6.0%	14	3,761	14	3,761	25	6,412
2015	3,854	134,276	5.2%	18	4,463	17	4,458	23	5,841
2014	3,837	129,818	5.1%	13	5,517	10	5,410	28	6,773
2013	3,827	124,407	4.8%	6	1,783	0	1,736	25	8,593
2012	3,827	122,671	5.1%	8	3,652	5	3,579	17	6,126