



# Multi-Family Market Report

## San Francisco - CA USA

PREPARED BY



**MULTI-FAMILY MARKET REPORT**

Market Key Statistics	<b>1</b>
Vacancy	<b>2</b>
Rent	<b>5</b>
Construction	<b>9</b>
Under Construction Properties	<b>11</b>
Sales	<b>13</b>
Sales Past 12 Months	<b>15</b>
Economy	<b>17</b>
Market Submarkets	<b>22</b>
Supply & Demand Trends	<b>25</b>
Vacancy & Rent	<b>27</b>
Sale Trends	<b>29</b>
Deliveries & Under Construction	<b>31</b>

12 Mo Delivered Units

**2,232**

12 Mo Absorption Units

**2,646**

Vacancy Rate

**6.4%**

12 Mo Asking Rent Growth

**1.6%**

In the second quarter of 2024, the San Francisco multifamily market continues to see improved operating performance. Annual net absorption remained positive in the first quarter, at 2,600 units, and the vacancy rate moved lower plus currently stands at 6.4%, the lowest level since the fourth quarter of 2019.

Rents were flat in 2023, but year-over-year rent growth turned positive to 1.6% in the third quarter of 2024. And while average rents in San Francisco remain below the peak levels achieved in 2019, the improved outlook should see average rent levels set a new high later in 2024.

The trailing 12-month absorption for market-rate apartments sits at 2,600 units, about half the annual average the market saw during the 2021-22 post-pandemic recovery. Positive future absorption at a similar rate is projected for the metro market as demand growth exceeds the pace of new deliveries.

That said, the rate of improvement in some areas close to downtown San Francisco has been slowed by the weak return of office workers and concerns related 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 city's northern neighborhoods. Further, employment uncertainty exists as tech companies announce additional 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. More units are underway in San Mateo County than 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 more than 5,000 units in the pipeline.

A return to population growth and an improving economy will likely initiate an uptick in renter demand. With low levels of new construction, the prospects for rent growth in the year ahead are much improved from 3% to 4%. 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	42,712	10.1%	\$3,820	\$3,781	166	520	2,621
3 Star	47,088	6.2%	\$2,953	\$2,932	(2)	0	202
1 & 2 Star	96,141	4.9%	\$2,412	\$2,399	(13)	0	8
<b>Market</b>	<b>185,941</b>	<b>6.4%</b>	<b>\$3,084</b>	<b>\$3,060</b>	<b>151</b>	<b>520</b>	<b>2,831</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.3%	5.4%	5.9%	10.8%	2020 Q4	2.8%	2000 Q1
Absorption Units	2,646	1,223	1,567	8,017	2021 Q4	(6,188)	2020 Q3
Delivered Units	2,232	1,568	1,561	4,420	2016 Q2	22	2012 Q1
Demolished Units	0	41	75	350	2013 Q3	0	2024 Q2
Asking Rent Growth (YOY)	1.6%	1.7%	3.6%	19.0%	2001 Q1	-11.6%	2002 Q4
Effective Rent Growth (YOY)	1.9%	1.7%	3.7%	19.0%	2001 Q1	-11.6%	2002 Q4
Sales Volume	\$781M	\$1.5B	N/A	\$3.1B	2020 Q1	\$314.5M	2009 Q3

As of the third quarter of 2024, the apartment vacancy rate in San Francisco stands at 6.4%, 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.

The weakening economic conditions in early 2023, which included elevated interest rates and tech layoffs, dampened absorption. However, demand has increased again in the past six months, and in 2024, absorption is back to the levels previously seen in 2022.

Moreover, an improved outlook for population growth has supported apartment demand. According to California Department of Finance estimates, domestic out-migration between 2018 and 2022 led to a population loss of around 90,000 people in the San Francisco market. However, the most recent release shows a small increase in population from 2022-23.

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 vacancies in the current quarter to 10.1%, a decrease of 0.0% since a year ago.

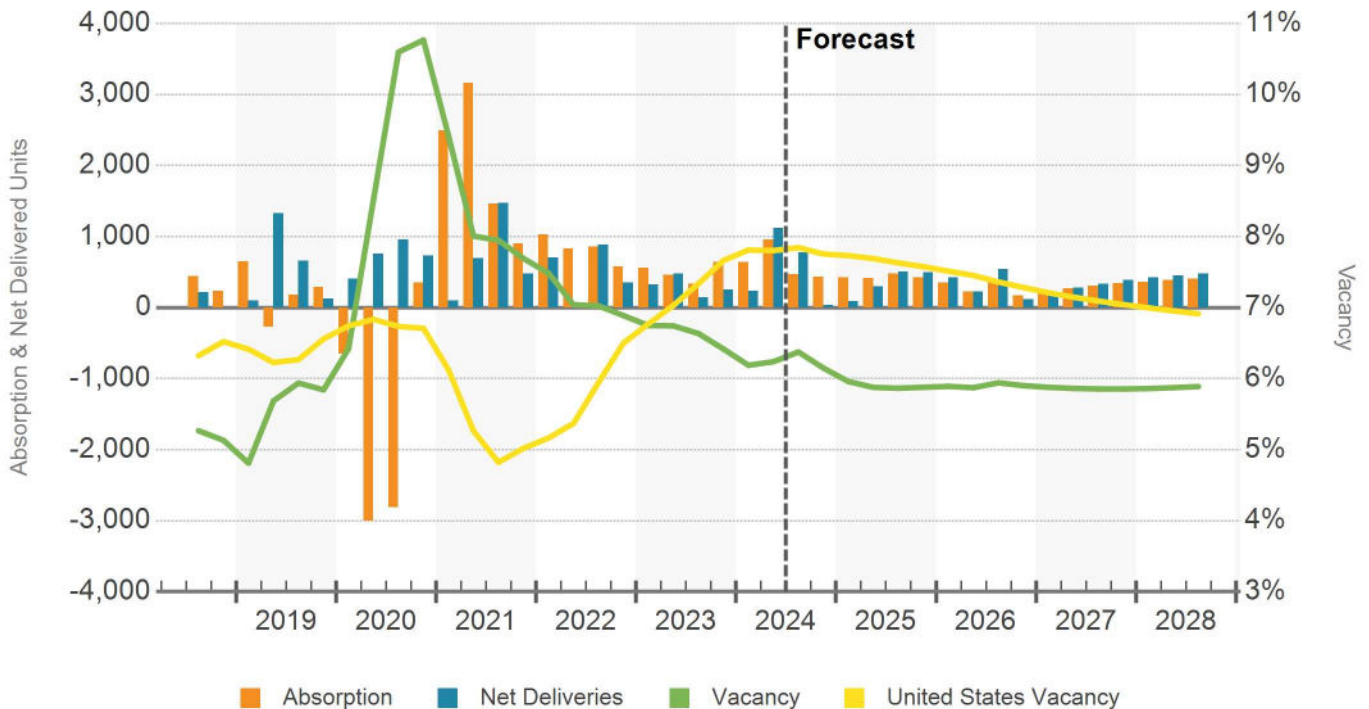
Mid-level assets typically perform relatively well in San Francisco, and there is usually no shortage of demand for moderately priced options. The vacancy rate among 3 Star assets in the third quarter is 6.2%, while 1 & 2 Star vacancy is 4.9%. Both figures are slightly below where they were a year ago.

Among the submarkets with the highest vacancy rates are those with 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.

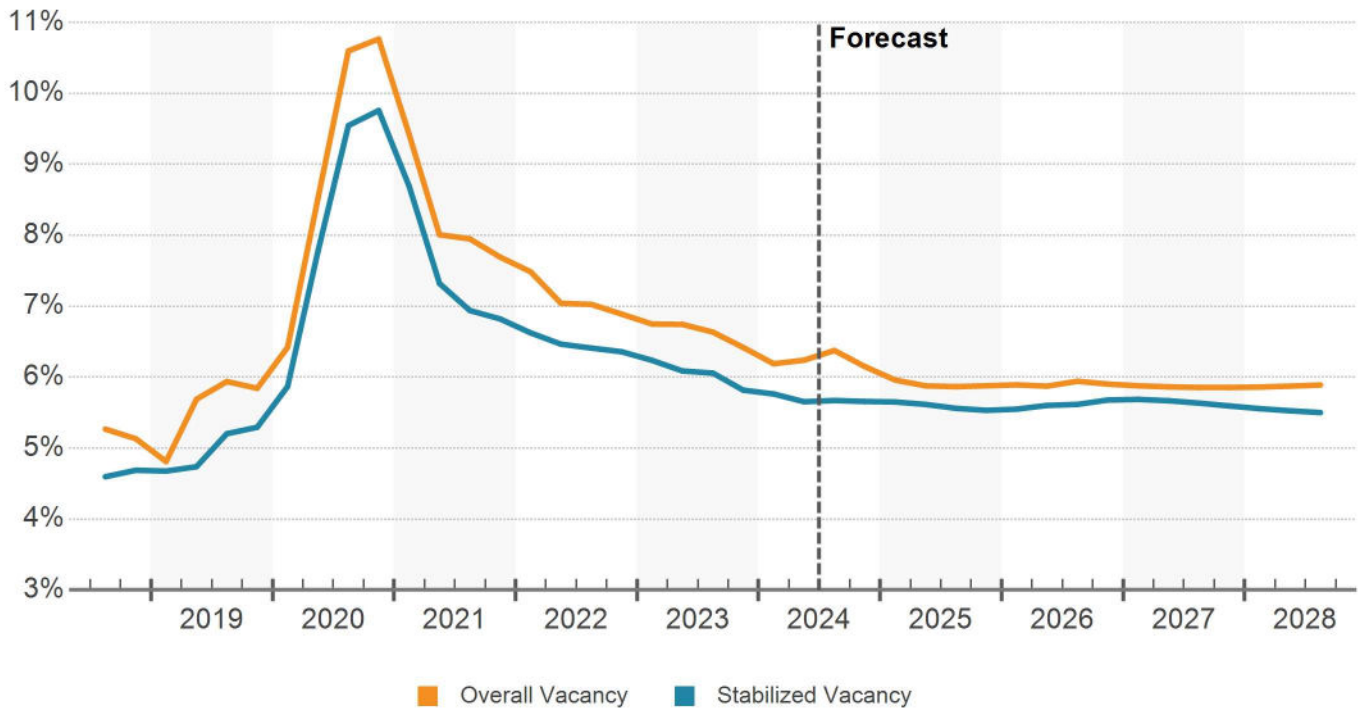
Demand in and around downtown San Francisco will likely remain muted compared to pre-pandemic levels. A large drop in the number of people working downtown has directly impacted the demand for apartments in neighboring areas, where proximity to the workplace is a prime attraction.

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 a relatively strong demand for rentals.

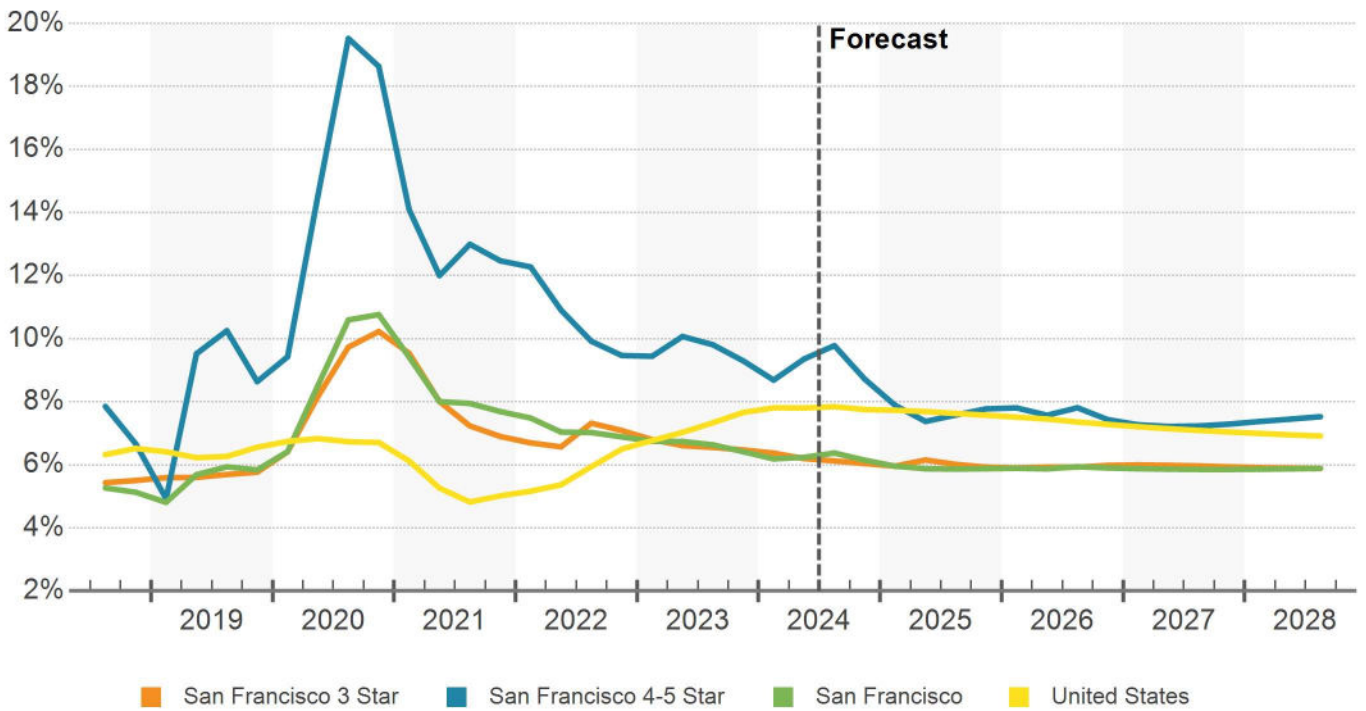
### ABSORPTION, NET DELIVERIES & VACANCY



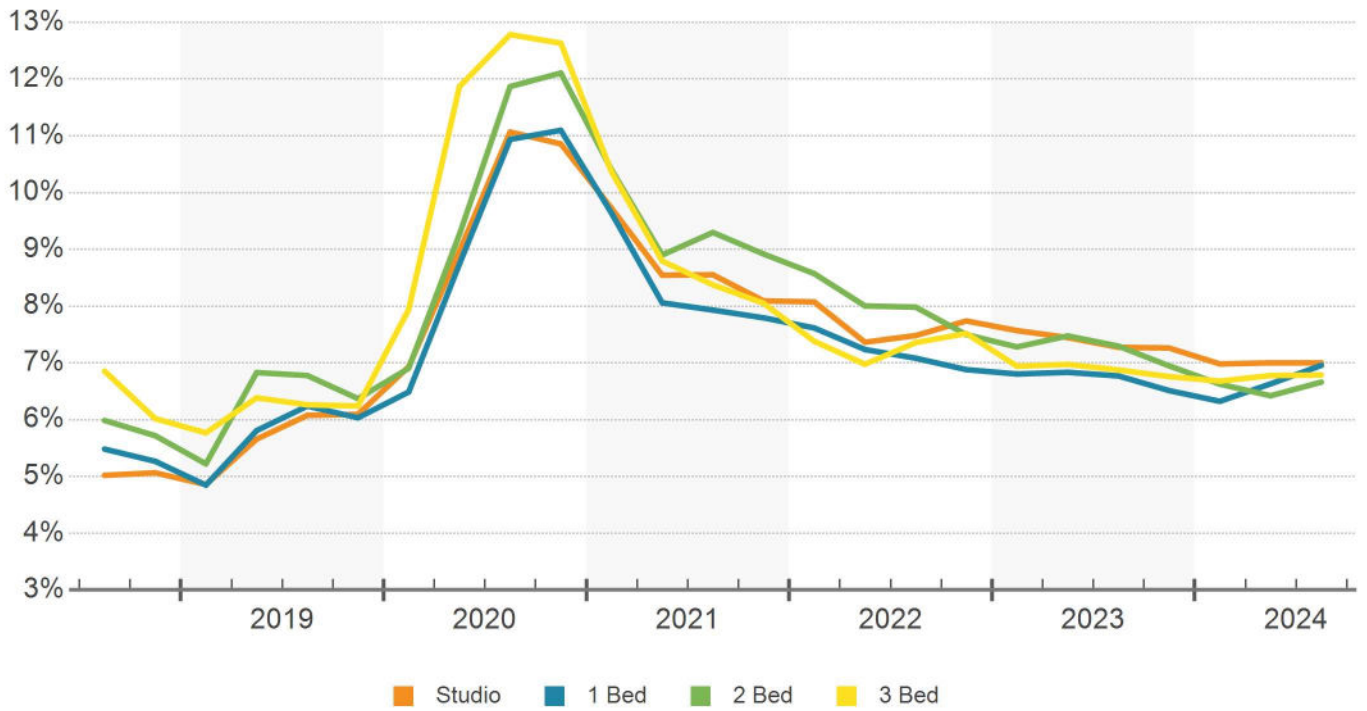
## OVERALL & STABILIZED VACANCY



## VACANCY RATE



### VACANCY BY BEDROOM



Apartments rent for an average of \$3,080/month in San Francisco. Until a few years ago, 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 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, the average annual rent growth in San Francisco was 2.3%, whereas the national average was 4.4% per year. However, with the national average rent at \$1,710/month, tenants still pay a large premium to rent in the city. Rent affordability has improved in the past three years 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.

The weakness in tenant demand caused year-over-year rent growth to turn negative in the second half of 2023. However, as of the third quarter of 2024, annual rent growth is again mildly positive, at 1.6%. CoStar's daily asking rent series shows asking rents increasing for the past four months. And while average rents remain below 2019, continued growth is projected to allow rents to hit a

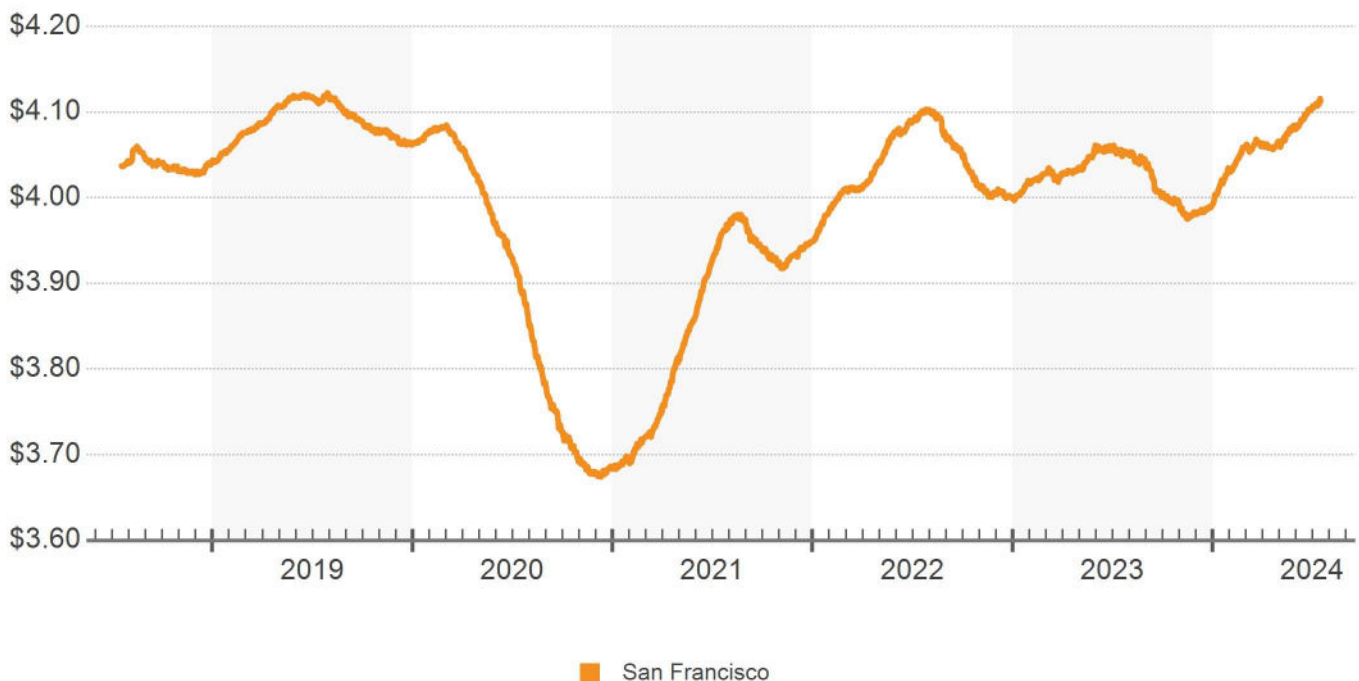
new high by the end of 2024.

Over the past decade, rent growth among mid-quality 3 Star properties outperformed 1 & 2 Star and 4 & 5 Star properties. As predominantly luxury properties were built in the development cycle, demand for middle-class housing remained overwhelming. That said, current rent growth is even across all quality segments. As of the second quarter of 2024, asking rents for properties rated 4 & 5 Star have increased by 2.3% year over year, which compares to changes of 1.2% among 3 Star properties and 0.8% among 1 & 2 Star properties.

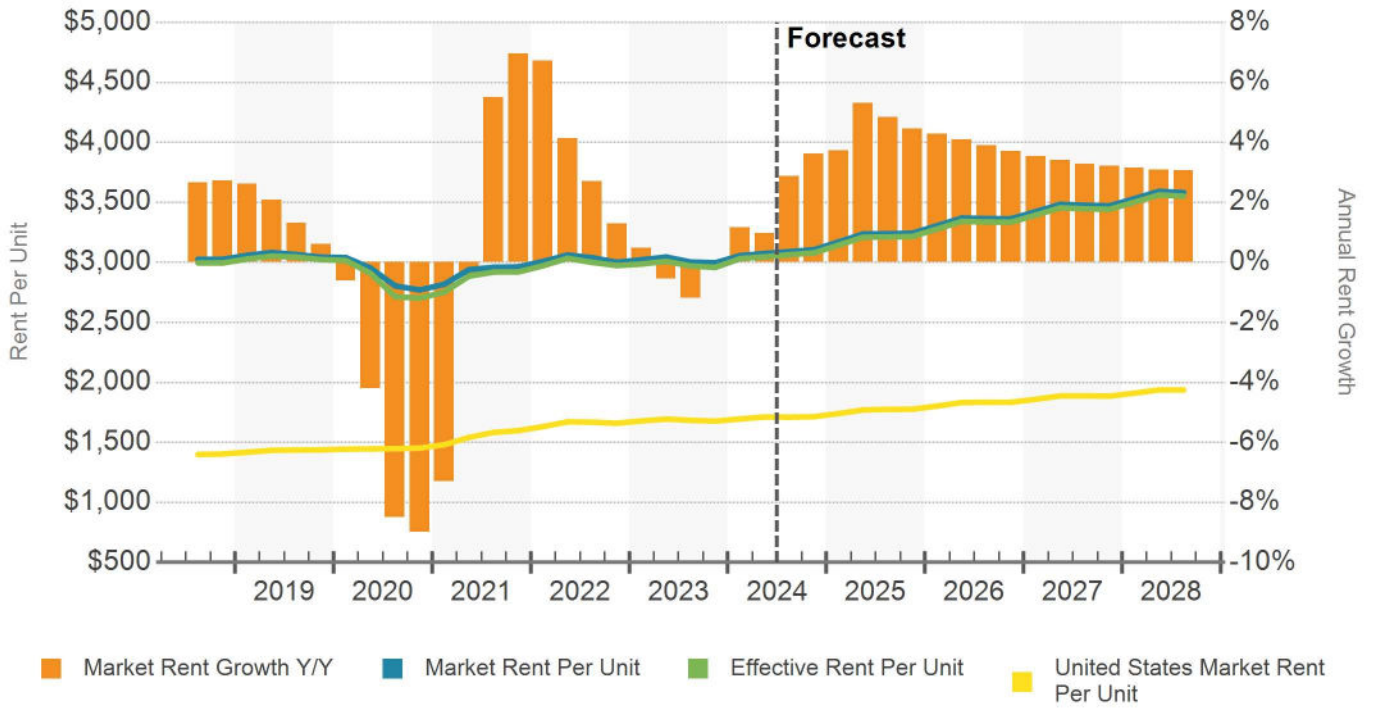
Asking rents are highest in Downtown San Francisco, Mission Bay, and South of Market. These areas saw the most construction in the 2010s, much of which was in the 4 & 5 Star category that commands the highest rents in the city.

Over the past year, weaker rent growth has been recorded in San Francisco submarkets, including the Civic Center/Tenderloin and South of Market, which 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.

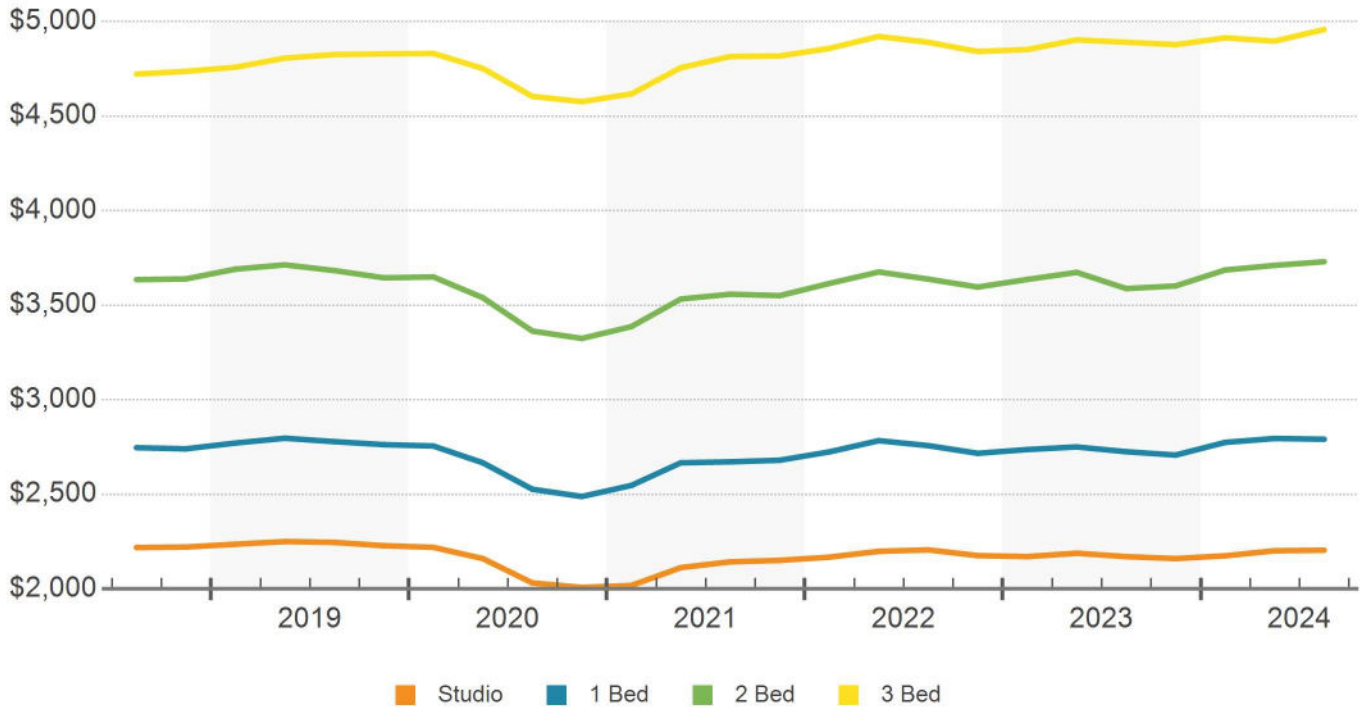
### DAILY ASKING RENT PER SF



### 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	
<b>San Francisco</b>	\$1.20	\$1.53	\$1.08	\$0.98	\$1.86	\$1.76	\$0.70	\$2.76	\$0.16	\$1.32	\$1.38	<b>\$14.73</b>
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	
<b>San Francisco</b>	\$1.02	\$1.05	\$0.98	\$0.91	\$1.71	\$1.27	\$0.63	\$2.47	\$0.07	\$1.17	\$1.25	<b>\$12.53</b>
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...	\$0.96	\$1.39	\$0.99	\$0.98	\$1.90	\$1.66	\$0.82	\$2.55	\$0.07	\$1.23	\$1.30	\$13.85
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...	\$1.19	\$0.70	\$1.07	\$0.82	\$1.50	\$0.78	\$0.41	\$2.36	\$0.07	\$1.12	\$1.22	\$11.24
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	
<b>San Francisco</b>	\$0.74	\$0.75	\$0.71	\$0.60	\$0.98	\$0.99	\$0.32	\$1.11	\$0.06	\$0.45	\$0.70	<b>\$7.41</b>
Bayview/Visitacion...	\$0.77	\$0.89	\$0.74	\$0.61	\$1	\$1.30	\$0.34	\$1.12	\$0.06	\$0.46	\$0.70	<b>\$7.99</b>
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	<b>\$8.65</b>
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	<b>\$6.79</b>
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	<b>\$8.09</b>
Foster City/Redwoo...	\$0.80	\$0.61	\$0.76	\$0.61	\$1	\$0.68	\$0.32	\$1.17	\$0.06	\$0.48	\$0.72	<b>\$7.21</b>
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	<b>\$7.72</b>
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	<b>\$7.75</b>
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	<b>\$7.64</b>
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	<b>\$6.79</b>
Pacifica	\$0.77	\$0.70	\$0.73	\$0.59	\$0.95	\$0.64	\$0.31	\$1.05	\$0.06	\$0.42	\$0.67	<b>\$6.89</b>
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	<b>\$6.75</b>
Richmond/Western...	\$0.77	\$0.89	\$0.74	\$0.61	\$0.98	\$1.30	\$0.33	\$1.10	\$0.06	\$0.44	\$0.69	<b>\$7.91</b>
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	<b>\$6.79</b>
San Mateo/Burlinga...	\$0.81	\$0.62	\$0.77	\$0.62	\$1	\$0.68	\$0.32	\$1.19	\$0.06	\$0.49	\$0.73	<b>\$7.29</b>
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	<b>\$9.78</b>
Sunset/Lakeshore	\$0.48	\$0.86	\$0.42	\$0.59	\$0.94	\$1.28	\$0.31	\$1.03	\$0.06	\$0.41	\$0.67	<b>\$7.05</b>

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

While construction starts have picked up in the past six months, total construction activity remains subdued compared to the pre-pandemic decade.

As of the third quarter, just 2,200 units were delivered over the past year. This compares to the five-year average of 2,200 units per year and is one of the lowest annual totals since 2012. However, the elevated pace of new construction starts is projected to lead to a rise in completions in both 2024 and 2025.

There are 2,800 units currently underway, which is just a little off the five-year average of 4,400 units. The under-construction stock measures 1.5% of existing inventory, well below the average rate of 4.0% across the nation. Most market-rate units under construction are in 4 & 5 Star buildings.

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

By contrast, much of the current construction pipeline is located south of San Francisco. Spurred by life sciences and biotechnology growth, 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 in these areas, with just 600 being delivered in San Francisco, including Treasure Island.

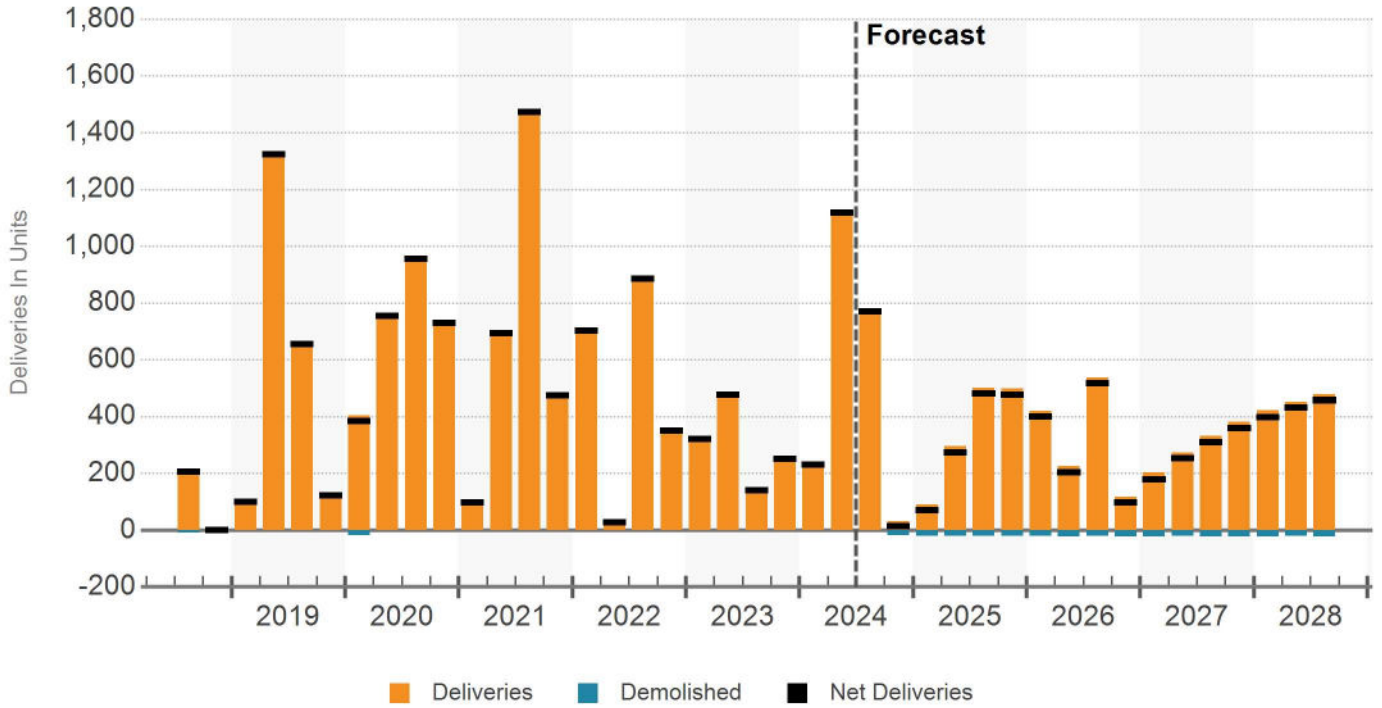
An example of a newer project of this type is Station 16 at Millbrae. This 320-unit mid-rise building was completed in February 2023 and, as of the second quarter, is 75% leased, with average asking rents at around \$3,650/month. The owner is offering two months of free rent on a 15-month lease.

In the past six months, a few construction projects have broken ground in San Francisco. For example, Strada Investment Group began constructing a mixed-use project near the Caltrain station at 555 Bryant St. in San Francisco. When completed 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 has fallen below most major U.S. markets on a percentage basis despite strong demand for more housing.

That said, developers continue to guide new projects through planning. 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

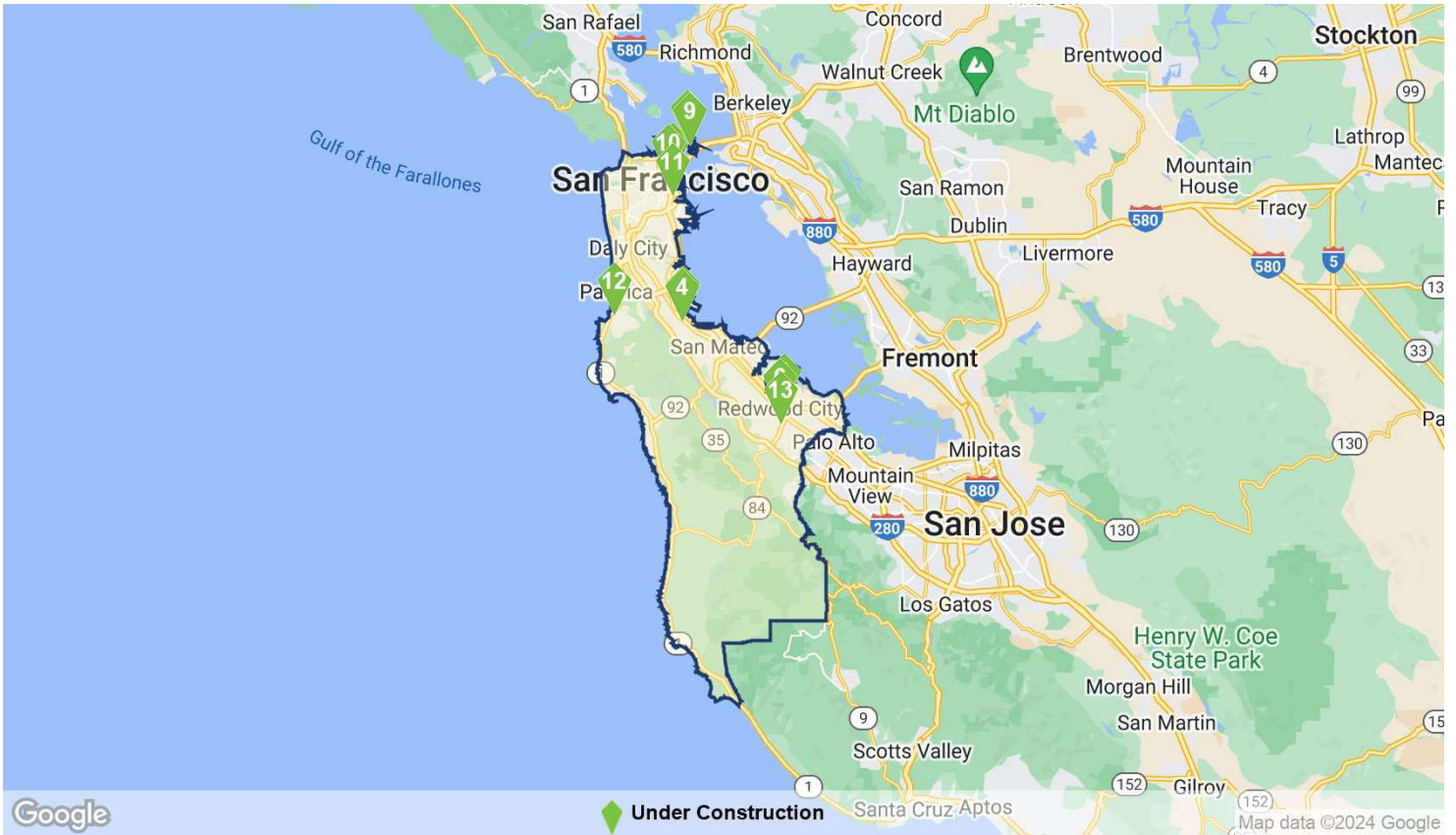
13

2,831

1.5%

218

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 <b>Broadway Plaza</b> 1401 Broadway St	★★★★☆	520	10	Aug 2023	Aug 2026	The Sobrato Organization Longs Drug Stores Cal Inc
2 <b>555-585 Bryant St</b>	★★★★☆	501	15	Sep 2023	Sep 2025	Strada Investment Group Strada Investment Group
3 <b>1845-1855 Rollins Rd</b>	★★★★☆	420	5	Feb 2024	Feb 2026	- Hanover Company
4 <b>1766 El Camino Real</b>	★★★★☆	311	8	Nov 2023	Jul 2025	Carmel Partners Carmel Partners
5 <b>Isle House</b> 39 Bruton St	★★★★☆	250	22	Jan 2022	Aug 2024	Dci Construction Inc Wilson Meany
6 <b>Bldg A</b> 1555 El Camino Real	★★★★☆	187	6	Nov 2023	Dec 2025	IQHQ IQHQ
7 <b>Hawkins</b> 55 Bruton St	★★★☆☆	178	4	Oct 2022	Aug 2024	Webcor Lennar



# Under Construction Properties

San Francisco Multi-Family

## UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 <b>C3.5</b> 401 Avenue A Ave	★ ★ ★ ★ ★	160	4	Jan 2022	May 2026	- Lennar
9 <b>1 Avenue of the Palms Ave</b>	★ ★ ★ ★ ★	117	5	Jun 2023	May 2025	- Lennar
10 <b>988 Harrison St</b>	★ ★ ★ ★ ★	90	8	Feb 2023	Feb 2025	JS Sullivan Development JS Sullivan Development
11 <b>Potrero Hope Phase IV</b> 1095 Connecticut St	★ ★ ★ ★ ★	65	5	Nov 2023	Jan 2026	BRIDGE Housing Corporation SF Housing Authority Lessor
12 <b>801 Fassler Ave</b>	★ ★ ★ ★ ★	24	3	Sep 2022	Sep 2024	- -
13 <b>955 Woodside Rd</b>	★ ★ ★ ★ ★	8	3	Jul 2023	Aug 2024	Terra Holdings Samir Sharma

Investment sales activity in San Francisco has been below the market's long-term historical average over the past few years. As of the third quarter of 2024, 200 deals had closed within the past 12 months, somewhat below the five-year average of 250 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 the past year were 2 Star and 3

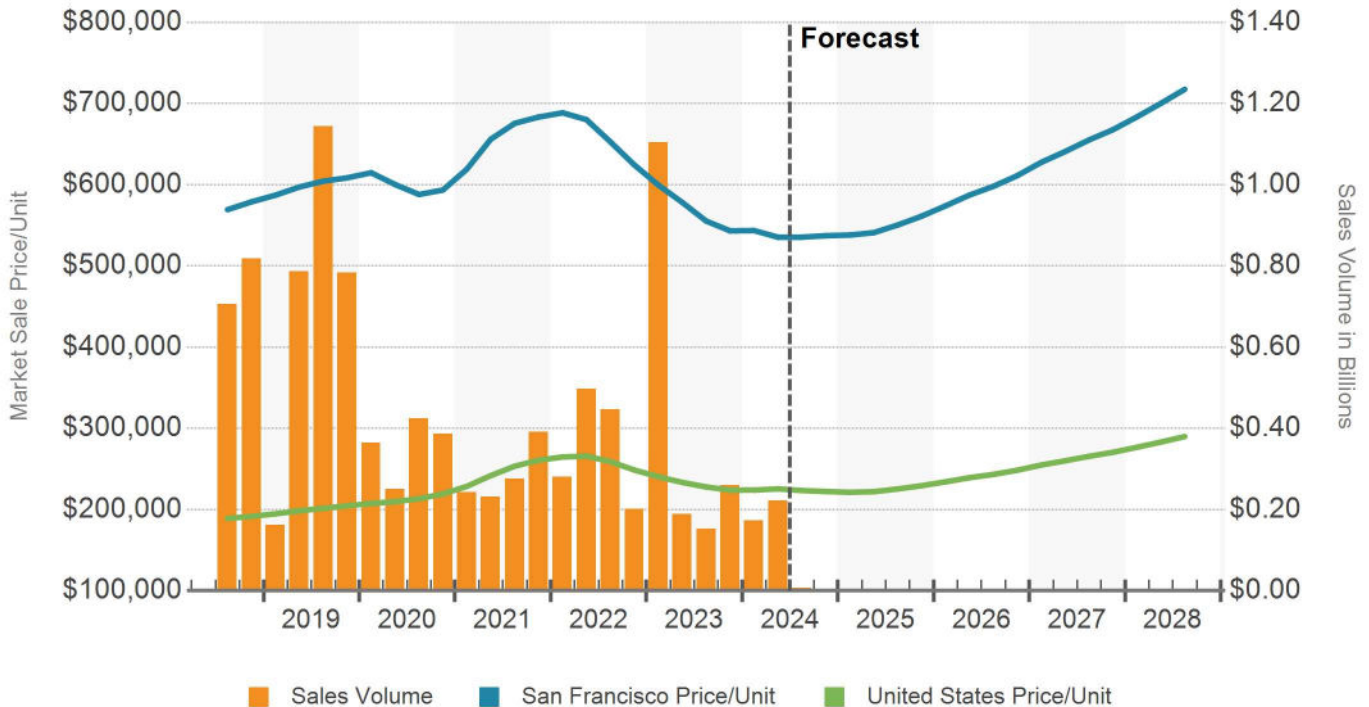
Star buildings in the six- to 12-unit range. Buyers are acquiring these properties at prices notably below those of previous years. The average sale price over the past year was \$330,000/unit, a substantial discount to the five-year average transaction price of \$450,000/unit.

The average cap rate for sales that closed in the past year was 5.4%, compared to 4.1% for deals that closed between 2020 and 2022.

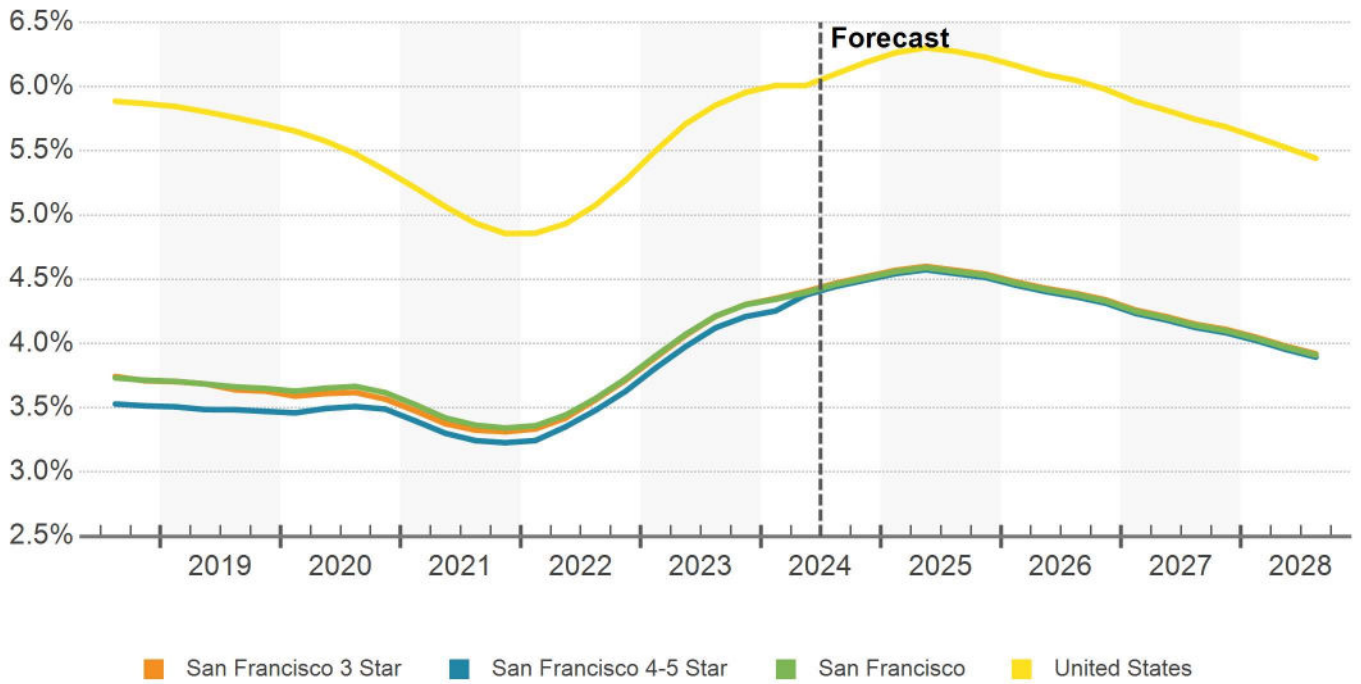
Most buyers are locally based private investors, although a few developers also actively acquire buildings.

Distressed sales related to the rapid rise in interest rates have also led to changes in ownership in San Francisco. In January 2024, Brookfield and Ballast Investments acquired a portfolio of 74 properties with around 2,000 units 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

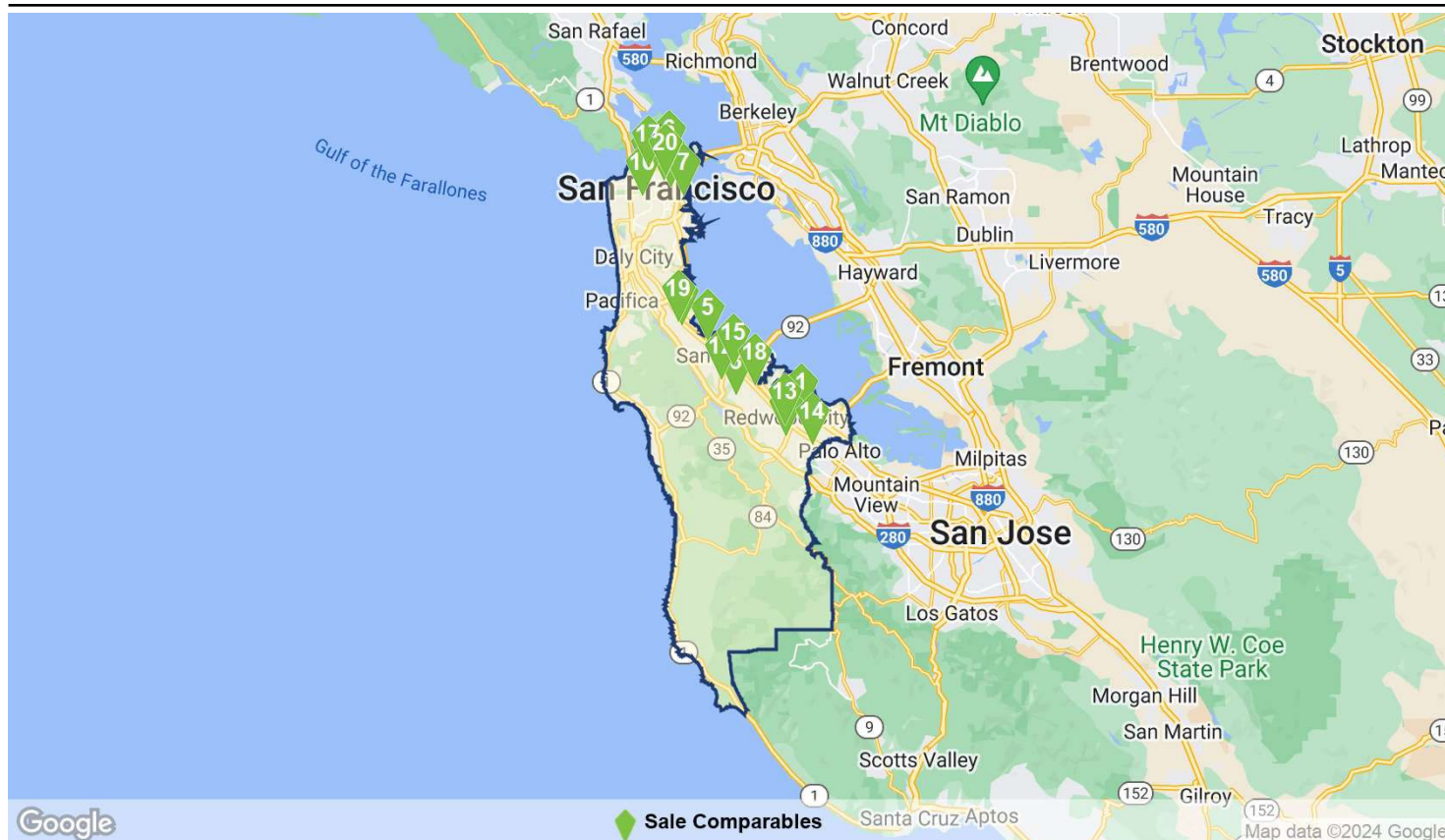
**204**

**\$335**

**\$4.0**

**6.7%**

### SALE COMPARABLE LOCATIONS



### SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$755,000	\$3,963,601	\$2,520,000	\$51,000,000
Price/Unit	\$54,545	\$335,396	\$335,714	\$672,833
Cap Rate	1.0%	5.5%	5.5%	14.7%
Vacancy Rate At Sale	0%	6.7%	0%	88.9%
Time Since Sale in Months	0.0	5.9	6.2	11.8
Property Attributes	Low	Average	Median	High
Property Size in Units	5	17	7	463
Number of Floors	1	3	3	13
Average Unit SF	47	887	829	2,485
Year Built	1885	1937	1927	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 Avenue Two Apartments 1107 2nd Ave	★★★★★	1972	123	8.9%	10/19/2023	\$51,000,000	\$414,634	\$582	
2 Geary Courtyard Apartments 639 Geary St	★★★★★	1990	165	1.2%	6/17/2024	\$37,000,000	\$224,242	\$348	
3 The Ralston at Belmont Hills 1000 Continentals Way	★★★★★	1972	80	2.5%	3/1/2024	\$28,000,000	\$350,000	\$392	
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	
7 603 Tennessee St	★★★★★	2022	24	4.2%	10/27/2023	\$14,000,000	\$583,333	\$583	
8 Sunbeam Square 1115-1129 Woodside Rd	★★★★★	1953	27	3.7%	1/8/2024	\$13,840,413	\$512,607	\$314	
9 900 Van Ness Ave 900 Van Ness Ave	★★★★★	2002	28	7.1%	9/21/2023	\$9,936,000	\$354,857	\$203	
10 105 La Cruz Ave	★★★★★	1944	18	5.6%	8/5/2023	\$9,200,000	\$511,111	\$426	
11 3245 Clay St	★★★★★	1922	15	6.7%	10/20/2023	\$9,200,000	\$613,333	\$539	
12 The Pines 1333 Palos Verdes Dr	★★★★★	1969	20	5.0%	6/20/2024	\$8,250,000	\$412,500	\$403	
13 Palos Verdes Apartments 450 Redwood Ave	★★★★★	1961	27	25.9%	4/30/2024	\$7,850,000	\$290,740	\$399	
14 Robles apartments 850 Roble Ave	★★★★★	1959	13	7.7%	5/14/2024	\$7,300,000	\$561,538	\$516	
15 22 E 20th Ave	★★★★★	1972	15	0%	9/19/2023	\$6,400,000	\$426,666	\$441	
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 1257 Bush St	★★★★★	1965	35	2.9%	5/20/2024	\$5,900,000	\$168,571	\$239	

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.

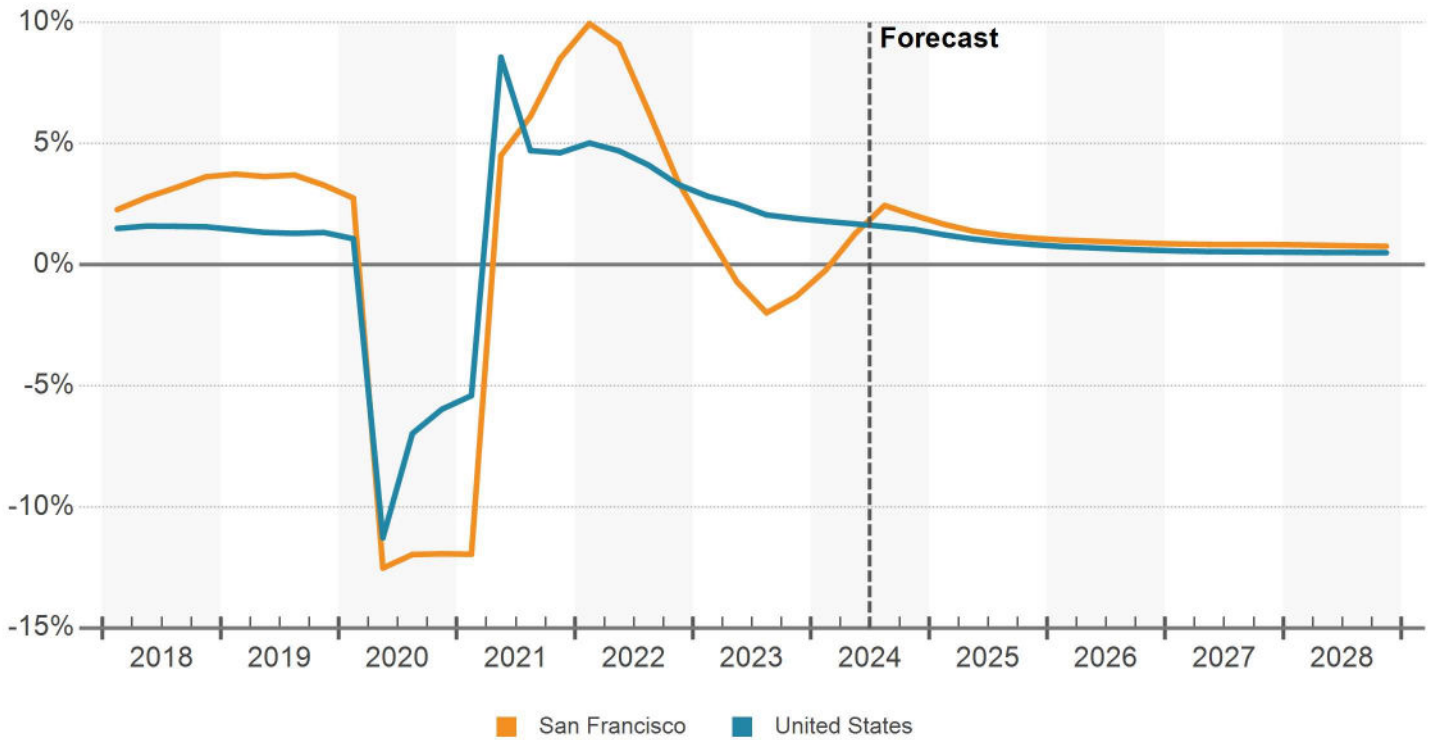
Total employment is now slightly ahead of where it was pre-pandemic. However, with the increase in flexible working practices, it is unclear how many of those employed by San Francisco businesses live in the metro area. After falling to a 10-year low of 2.3% in 2022, the unemployment rate has increased to almost 3.5%.

### 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	36	0.4	-0.13%	0.50%	-0.37%	0.67%	0.60%	0.44%
Trade, Transportation and Utilities	131	0.6	-0.09%	0.38%	-0.47%	1.01%	0.09%	0.36%
Retail Trade	65	0.6	-0.18%	0.52%	-2.11%	0.25%	0.00%	0.25%
Financial Activities	82	1.2	-0.16%	0.57%	1.21%	1.51%	0.12%	0.37%
Government	142	0.8	1.61%	2.39%	1.79%	0.63%	0.80%	0.68%
Natural Resources, Mining and Construction	43	0.6	3.34%	2.42%	2.52%	2.34%	1.05%	0.85%
Education and Health Services	158	0.8	3.91%	3.59%	2.55%	2.03%	0.76%	0.80%
Professional and Business Services	302	1.8	0.65%	0.72%	2.39%	1.87%	1.23%	0.72%
Information	119	5.3	-1.03%	-0.35%	8.01%	1.08%	1.94%	0.64%
Leisure and Hospitality	132	1.0	5.39%	2.81%	0.02%	1.50%	1.17%	0.99%
Other Services	38	0.9	1.96%	1.55%	-0.44%	0.59%	0.78%	0.54%
<b>Total Employment</b>	<b>1,183</b>	<b>1.0</b>	<b>1.50%</b>	<b>1.66%</b>	<b>1.82%</b>	<b>1.34%</b>	<b>0.94%</b>	<b>0.65%</b>

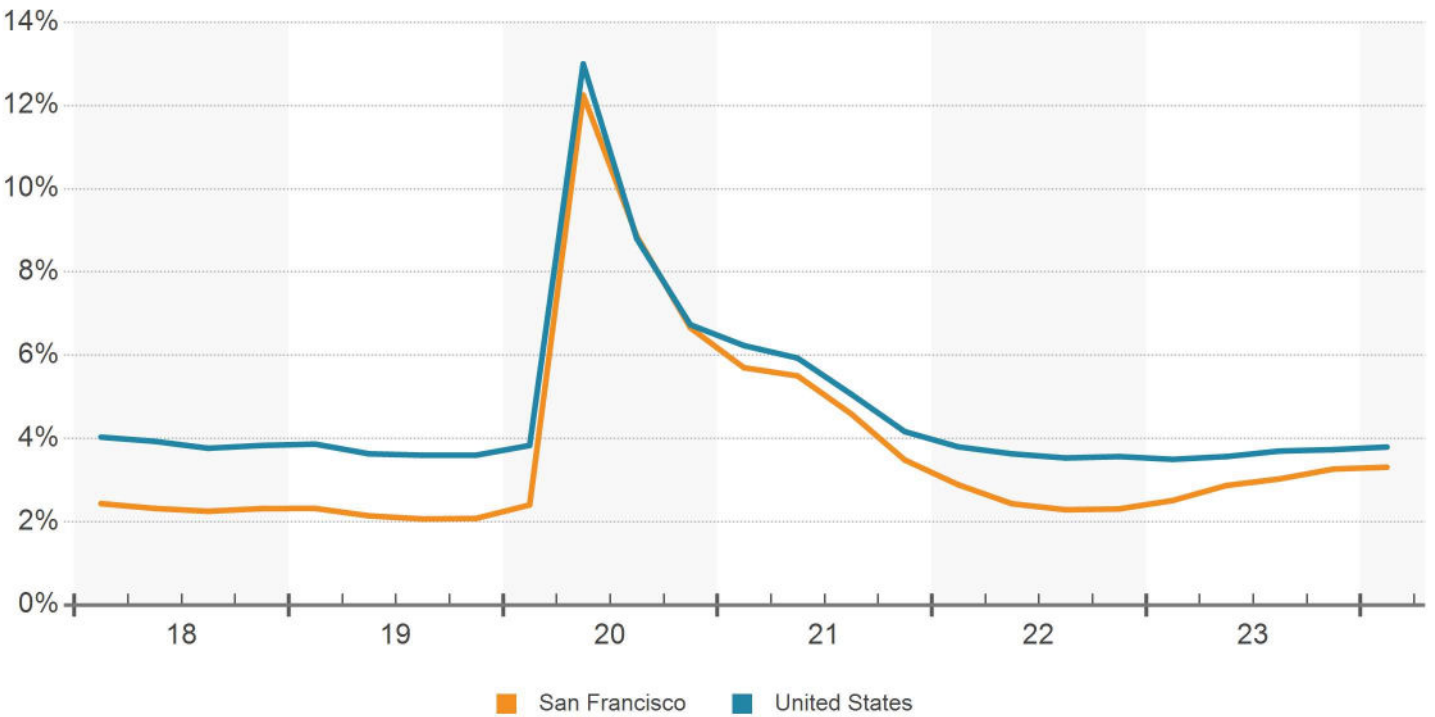
Source: Oxford Economics  
LQ = Location Quotient

### JOB GROWTH (YOY)

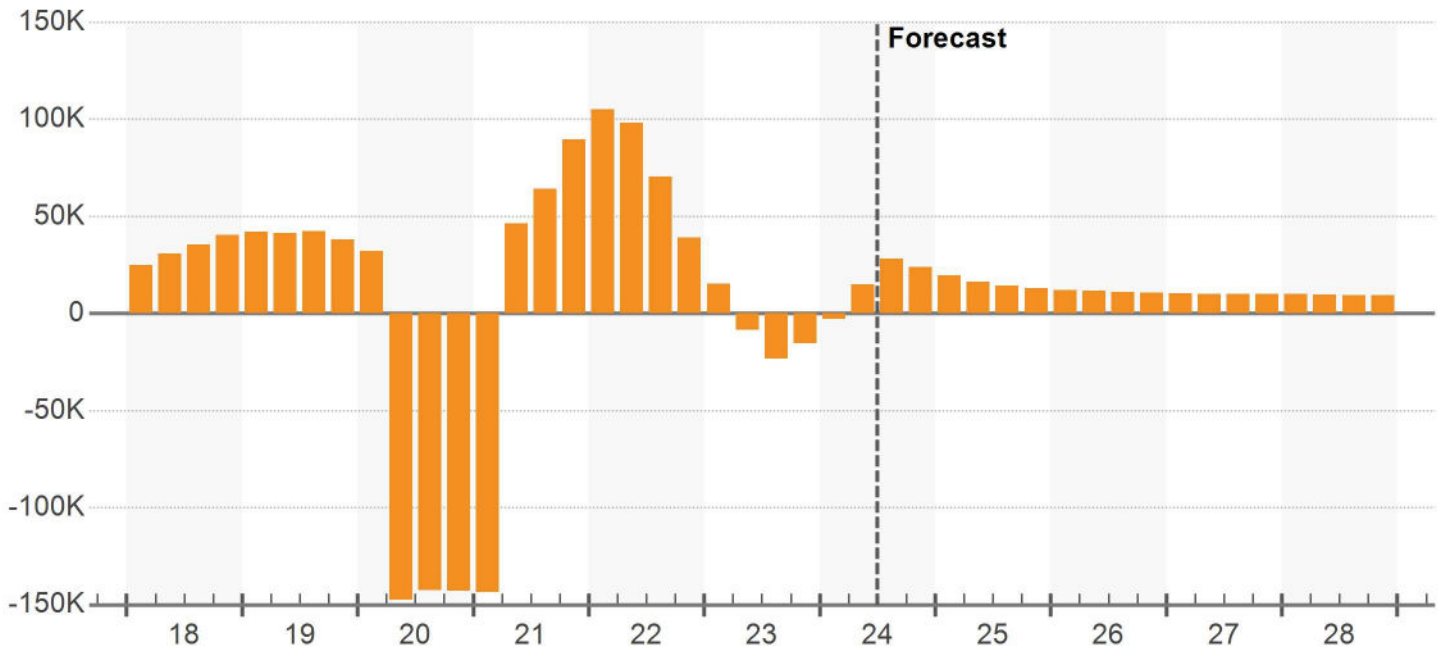


Source: Oxford Economics

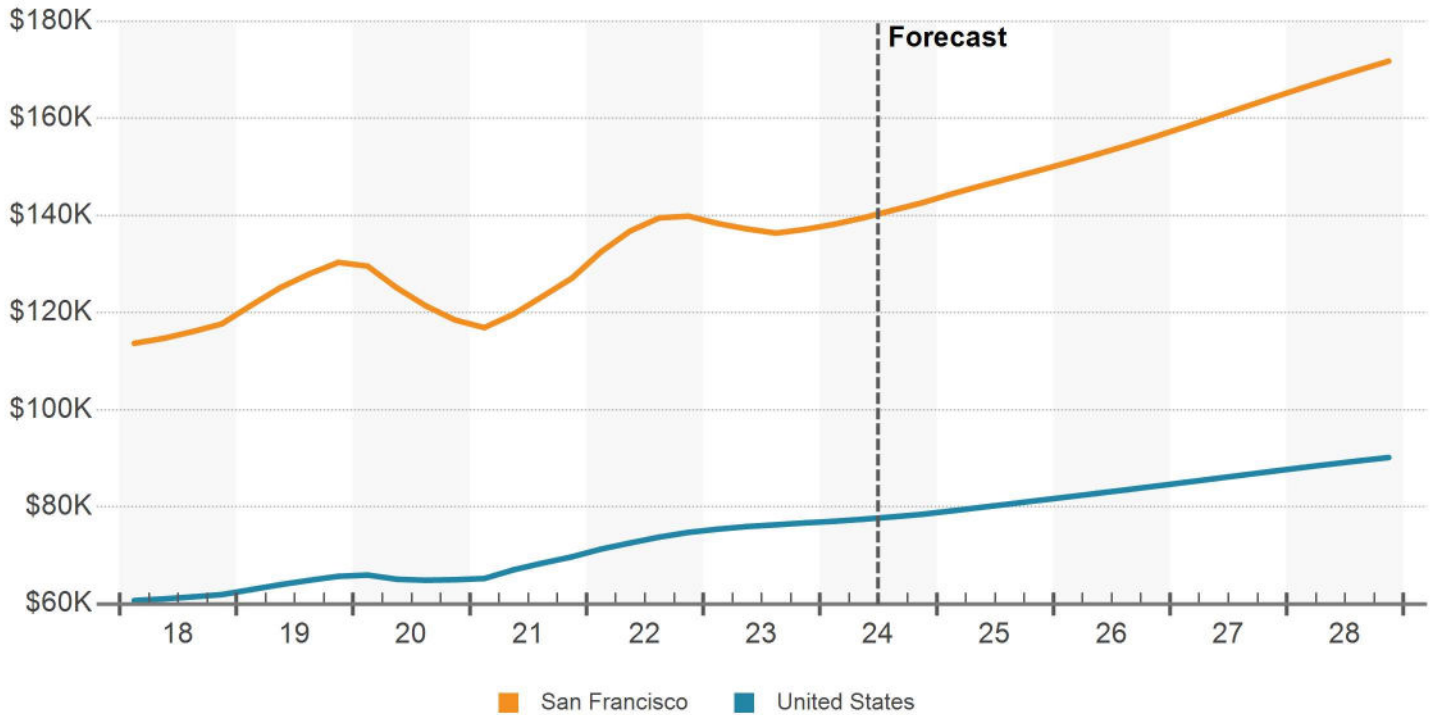
### UNEMPLOYMENT RATE (%)



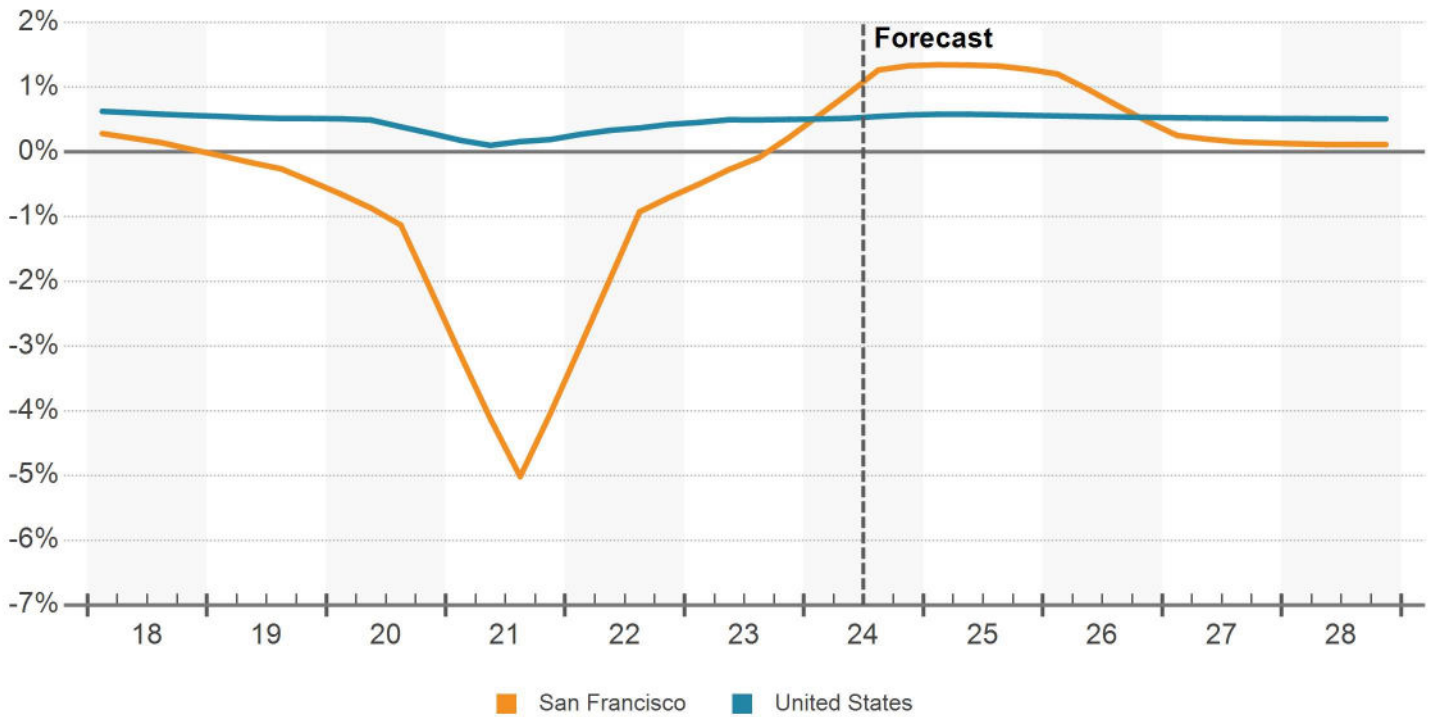
## NET EMPLOYMENT CHANGE (YOY)



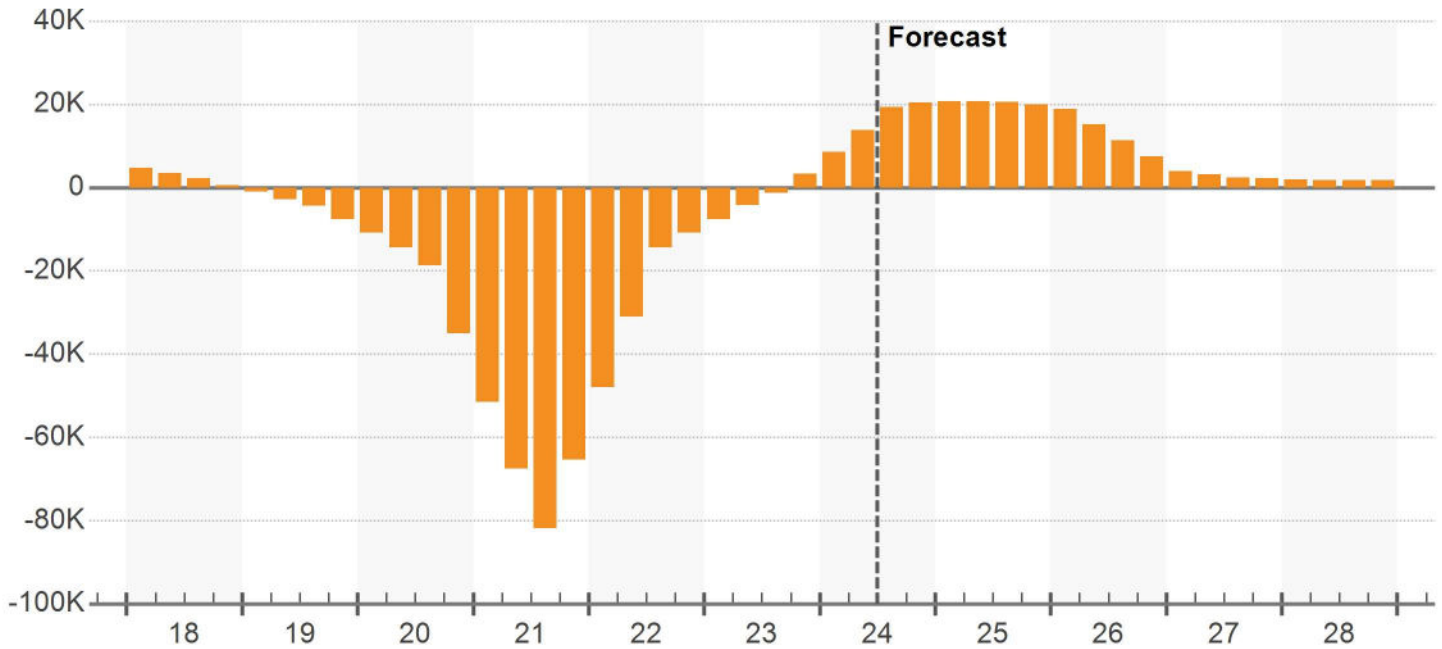
## MEDIAN HOUSEHOLD INCOME



### POPULATION GROWTH (YOY %)



### NET POPULATION CHANGE (YOY)

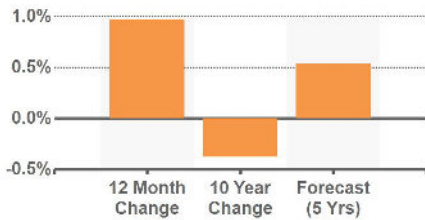


### DEMOGRAPHIC TRENDS

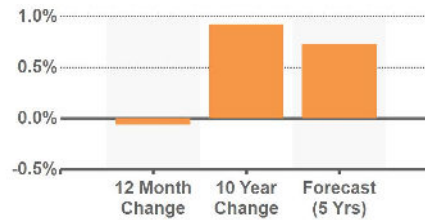
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,550,507	336,346,094	1.0%	0.5%	-0.4%	0.5%	0.5%	0.5%
Households	630,939	131,419,313	1.1%	0.7%	0.1%	0.9%	0.6%	0.6%
Median Household Income	\$139,835	\$77,565	2.0%	2.0%	4.8%	3.9%	4.7%	3.4%
Labor Force	1,039,145	167,938,938	-0.1%	0.6%	0.9%	0.8%	0.7%	0.5%
Unemployment	3.3%	3.8%	0.4%	0.2%	-0.1%	-0.2%	-	-

Source: Oxford Economics

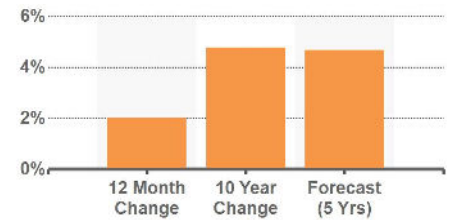
#### POPULATION GROWTH



#### LABOR FORCE GROWTH



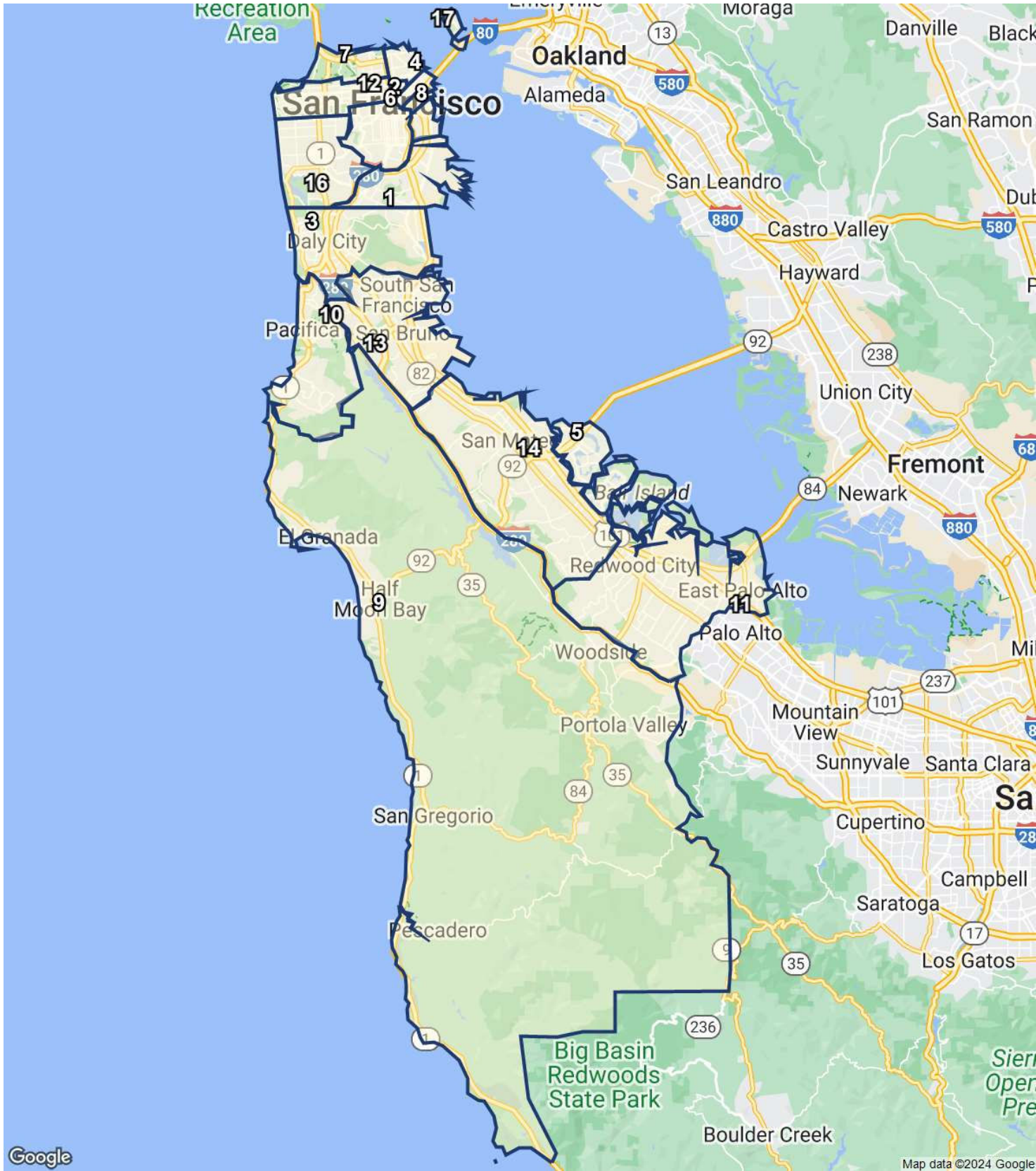
#### INCOME GROWTH



Source: Oxford Economics

# Submarkets

## SAN FRANCISCO SUBMARKETS





### 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	91	1,313	0.7%	15	0	0	0%	-	0	0	0%	-
2	Civic Center/Tenderloin	225	10,651	5.7%	8	0	0	0%	-	0	0	0%	-
3	Daly City/Brisbane	181	6,960	3.7%	12	0	0	0%	-	0	0	0%	-
4	Downtown San Francisco	1,575	24,510	13.2%	1	1	147	0.6%	5	0	0	0%	-
5	Foster City/Redwood Sho...	32	5,919	3.2%	13	0	0	0%	-	0	0	0%	-
6	Haight-Ashbury/Castro/N...	1,780	21,206	11.4%	3	2	62	0.3%	6	0	0	0%	-
7	Marina/Pacific Heights/Pr...	945	14,948	8.0%	6	0	0	0%	-	0	0	0%	-
8	Mission Bay/China Basin...	84	8,070	4.3%	11	1	255	3.2%	3	2	566	7.0%	4
9	Outlying San Mateo County	30	346	0.2%	17	0	0	0%	-	0	0	0%	-
10	Pacifica	80	2,342	1.3%	14	0	0	0%	-	1	24	1.0%	6
11	Redwood City/Menlo Park	848	16,909	9.1%	5	2	776	4.6%	2	3	715	4.2%	2
12	Richmond/Western Addition	1,452	18,821	10.1%	4	0	0	0%	-	0	0	0%	-
13	S San Francisco/San Bru...	542	8,723	4.7%	10	1	195	2.2%	4	0	0	0%	-
14	San Mateo/Burlingame	1,226	22,355	12.0%	2	5	799	3.6%	1	2	731	3.3%	1
15	South Of Market	121	13,112	7.1%	7	0	0	0%	-	1	90	0.7%	5
16	Sunset/Lakeshore	518	9,326	5.0%	9	0	0	0%	-	0	0	0%	-
17	Treasure/Yerba Buena Isl...	1	430	0.2%	16	0	0	0%	-	4	705	164.0%	3

### SUBMARKET RENT

No.	Market	Asking Rents				Effective Rents					
		Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Bayview/Visitacion Valley	\$2,924	\$4.05	8	9.9%	\$2,883	\$3.99	8	11.9%	1.4%	1
2	Civic Center/Tenderloin	\$2,369	\$4.19	6	-0.7%	\$2,350	\$4.16	6	-0.5%	0.8%	6
3	Daly City/Brisbane	\$2,580	\$3.61	14	3.6%	\$2,560	\$3.58	14	6.1%	0.8%	8
4	Downtown San Francisco	\$2,673	\$4.46	3	0.8%	\$2,656	\$4.44	3	0.8%	0.6%	10
5	Foster City/Redwood Sho...	\$3,438	\$3.91	9	1.8%	\$3,422	\$3.90	9	2.0%	0.5%	14
6	Haight-Ashbury/Castro/N...	\$3,035	\$4.43	4	0%	\$3,014	\$4.40	4	1.9%	0.7%	9
7	Marina/Pacific Heights/Pr...	\$3,679	\$4.22	5	0%	\$3,659	\$4.20	5	-0.2%	0.6%	13
8	Mission Bay/China Basin...	\$4,006	\$4.87	1	4.6%	\$3,983	\$4.84	1	5.2%	0.6%	11
9	Outlying San Mateo County	\$2,094	\$2.19	17	1.5%	\$2,086	\$2.18	17	1.6%	0.4%	16
10	Pacifica	\$2,794	\$3.67	12	3.9%	\$2,783	\$3.66	12	3.9%	0.4%	15
11	Redwood City/Menlo Park	\$3,167	\$3.89	10	4.8%	\$3,129	\$3.85	10	4.5%	1.2%	3
12	Richmond/Western Addition	\$2,611	\$4.13	7	0.8%	\$2,596	\$4.10	7	0.9%	0.6%	12
13	S San Francisco/San Bru...	\$3,119	\$3.59	15	2.0%	\$3,078	\$3.54	15	2.9%	1.3%	2
14	San Mateo/Burlingame	\$3,069	\$3.72	11	2.6%	\$3,039	\$3.69	11	2.3%	1.0%	4
15	South Of Market	\$3,530	\$4.76	2	0.6%	\$3,502	\$4.72	2	1.4%	0.8%	7
16	Sunset/Lakeshore	\$3,002	\$3.63	13	-3.5%	\$2,975	\$3.60	13	-3.5%	0.9%	5
17	Treasure/Yerba Buena Isl...	\$2,851	\$2.58	16	0.9%	\$2,851	\$2.58	16	0.9%	0%	-

# Submarkets

## SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Bayview/Visitacion Valley	92	7.0%	10	130	9.9%	7	-
2	Civic Center/Tenderloin	827	7.8%	14	126	1.2%	9	-
3	Daly City/Brisbane	522	7.5%	12	39	0.6%	13	-
4	Downtown San Francisco	1,532	6.3%	9	104	0.4%	10	1.4
5	Foster City/Redwood Sho...	172	2.9%	1	46	0.8%	12	-
6	Haight-Ashbury/Castro/N...	1,625	7.7%	13	129	0.6%	8	-
7	Marina/Pacific Heights/Pr...	774	5.2%	6	(10)	-0.1%	17	-
8	Mission Bay/China Basin...	589	7.3%	11	289	3.6%	4	0.9
9	Outlying San Mateo County	10	3.0%	2	1	0.3%	15	-
10	Pacifica	69	3.0%	3	32	1.4%	14	-
11	Redwood City/Menlo Park	1,421	8.4%	15	325	1.9%	3	2.4
12	Richmond/Western Addition	840	4.5%	4	176	0.9%	6	-
13	S San Francisco/San Bru...	424	4.9%	5	495	5.7%	1	0.4
14	San Mateo/Burlingame	1,318	5.9%	8	457	2.0%	2	1.6
15	South Of Market	742	5.7%	7	238	1.8%	5	-
16	Sunset/Lakeshore	979	10.5%	16	70	0.7%	11	-
17	Treasure/Yerba Buena Isl...	0	0%	-	0	0%	-	-

### OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	191,583	1,764	0.9%	1,560	0.8%	1.1
2027	189,819	1,101	0.6%	1,125	0.6%	1.0
2026	188,718	1,213	0.6%	1,100	0.6%	1.1
2025	187,505	1,301	0.7%	1,729	0.9%	0.8
2024	186,204	2,132	1.2%	2,495	1.3%	0.9
YTD	185,941	1,869	1.0%	1,745	0.9%	1.1
2023	184,072	1,185	0.6%	1,971	1.1%	0.6
2022	182,887	1,962	1.1%	3,288	1.8%	0.6
2021	180,925	2,735	1.5%	8,017	4.4%	0.3
2020	178,190	2,822	1.6%	(6,130)	-3.4%	-
2019	175,368	2,197	1.3%	847	0.5%	2.6
2018	173,171	2,481	1.5%	2,766	1.6%	0.9
2017	170,690	3,782	2.3%	3,152	1.8%	1.2
2016	166,908	3,767	2.3%	3,452	2.1%	1.1
2015	163,141	2,489	1.5%	1,868	1.1%	1.3
2014	160,652	2,292	1.4%	2,457	1.5%	0.9
2013	158,360	2,663	1.7%	2,457	1.6%	1.1
2012	155,697	179	0.1%	(178)	-0.1%	-

### 4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	48,270	1,714	3.7%	1,444	3.0%	1.2
2027	46,556	1,099	2.4%	1,084	2.3%	1.0
2026	45,457	1,289	2.9%	1,345	3.0%	1.0
2025	44,168	1,206	2.8%	1,516	3.4%	0.8
2024	42,962	1,972	4.8%	2,038	4.7%	1.0
YTD	42,712	1,722	4.2%	1,232	2.9%	1.4
2023	40,990	1,122	2.8%	1,086	2.6%	1.0
2022	39,868	1,500	3.9%	2,517	6.3%	0.6
2021	38,368	2,696	7.6%	4,562	11.9%	0.6
2020	35,672	2,642	8.0%	(1,156)	-3.2%	-
2019	33,030	2,156	7.0%	1,369	4.1%	1.6
2018	30,874	2,436	8.6%	2,881	9.3%	0.8
2017	28,438	3,692	14.9%	3,052	10.7%	1.2
2016	24,746	3,800	18.1%	3,587	14.5%	1.1
2015	20,946	2,411	13.0%	2,137	10.2%	1.1
2014	18,535	2,267	13.9%	2,066	11.1%	1.1
2013	16,268	2,374	17.1%	2,070	12.7%	1.1
2012	13,894	489	3.6%	380	2.7%	1.3

### 3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	47,290	0	0%	26	0.1%	0
2027	47,290	0	0%	21	0%	0
2026	47,290	0	0%	(26)	-0.1%	0
2025	47,290	178	0.4%	221	0.5%	0.8
2024	47,112	171	0.4%	363	0.8%	0.5
YTD	47,088	147	0.3%	264	0.6%	0.6
2023	46,941	63	0.1%	349	0.7%	0.2
2022	46,878	462	1.0%	343	0.7%	1.3
2021	46,416	39	0.1%	1,583	3.4%	0
2020	46,377	199	0.4%	(1,886)	-4.1%	-
2019	46,178	30	0.1%	(93)	-0.2%	-
2018	46,148	55	0.1%	(49)	-0.1%	-
2017	46,093	121	0.3%	162	0.4%	0.7
2016	45,972	13	0%	(314)	-0.7%	0
2015	45,959	85	0.2%	19	0%	4.5
2014	45,874	20	0%	236	0.5%	0.1
2013	45,854	241	0.5%	238	0.5%	1.0
2012	45,613	(310)	-0.7%	(404)	-0.9%	0.8

### 1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	96,023	50	0.1%	90	0.1%	0.6
2027	95,973	2	0%	20	0%	0.1
2026	95,971	(76)	-0.1%	(219)	-0.2%	0.3
2025	96,047	(83)	-0.1%	(8)	0%	10.4
2024	96,130	(11)	0%	94	0.1%	-
YTD	96,141	0	0%	249	0.3%	0
2023	96,141	0	0%	536	0.6%	0
2022	96,141	0	0%	428	0.4%	0
2021	96,141	0	0%	1,872	1.9%	0
2020	96,141	(19)	0%	(3,088)	-3.2%	0
2019	96,160	11	0%	(429)	-0.4%	0
2018	96,149	(10)	0%	(66)	-0.1%	0.2
2017	96,159	(31)	0%	(62)	-0.1%	0.5
2016	96,190	(46)	0%	179	0.2%	-
2015	96,236	(7)	0%	(288)	-0.3%	0
2014	96,243	5	0%	155	0.2%	0
2013	96,238	48	0%	149	0.2%	0.3
2012	96,190	0	0%	(154)	-0.2%	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	11,319	5.9%	0.1	\$3,576	\$4.82	3.0%	(0.2)	\$3,546	\$4.78
2027	11,113	5.9%	0	\$3,471	\$4.68	3.2%	(0.5)	\$3,442	\$4.64
2026	11,139	5.9%	0	\$3,363	\$4.53	3.7%	(0.8)	\$3,335	\$4.49
2025	11,022	5.9%	(0.3)	\$3,243	\$4.37	4.5%	0.8	\$3,216	\$4.33
2024	11,451	6.1%	(0.3)	\$3,105	\$4.18	3.6%	3.8	\$3,079	\$4.15
YTD	11,936	6.4%	0	\$3,084	\$4.11	1.6%	1.7	\$3,060	\$4.08
2023	11,813	6.4%	(0.5)	\$2,997	\$3.99	-0.1%	(1.4)	\$2,958	\$3.94
2022	12,597	6.9%	(0.8)	\$3,001	\$3.99	1.3%	(5.7)	\$2,973	\$3.96
2021	13,915	7.7%	(3.1)	\$2,963	\$3.94	7.0%	16.0	\$2,920	\$3.88
2020	19,183	10.8%	4.9	\$2,770	\$3.68	-9.0%	(9.6)	\$2,703	\$3.59
2019	10,246	5.8%	0.7	\$3,044	\$4.06	0.6%	(2.1)	\$3,023	\$4.03
2018	8,888	5.1%	(0.2)	\$3,026	\$4.04	2.7%	1.6	\$2,994	\$3.99
2017	9,171	5.4%	0.3	\$2,945	\$3.93	1.1%	0.2	\$2,886	\$3.85
2016	8,539	5.1%	0.1	\$2,912	\$3.89	1.0%	(4.8)	\$2,853	\$3.81
2015	8,209	5.0%	0.3	\$2,884	\$3.85	5.8%	1.1	\$2,855	\$3.81
2014	7,586	4.7%	(0.2)	\$2,726	\$3.64	4.7%	0.4	\$2,705	\$3.61
2013	7,744	4.9%	0	\$2,604	\$3.47	4.3%	0	\$2,585	\$3.45
2012	7,538	4.8%	0.2	\$2,497	\$3.33	4.3%	-	\$2,483	\$3.31

### 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	3,666	7.6%	0.3	\$4,389	\$5.30	2.9%	(0.2)	\$4,340	\$5.24
2027	3,395	7.3%	(0.1)	\$4,265	\$5.15	3.1%	(0.5)	\$4,218	\$5.09
2026	3,380	7.4%	(0.3)	\$4,136	\$5	3.6%	(0.8)	\$4,090	\$4.94
2025	3,435	7.8%	(0.9)	\$3,991	\$4.82	4.4%	(0.1)	\$3,946	\$4.77
2024	3,745	8.7%	(0.6)	\$3,822	\$4.62	4.5%	5.7	\$3,780	\$4.56
YTD	4,301	10.1%	0.8	\$3,820	\$4.53	2.3%	3.4	\$3,781	\$4.48
2023	3,811	9.3%	(0.2)	\$3,658	\$4.33	-1.2%	(2.0)	\$3,603	\$4.27
2022	3,775	9.5%	(3.0)	\$3,702	\$4.38	0.8%	(9.3)	\$3,668	\$4.34
2021	4,785	12.5%	(6.2)	\$3,671	\$4.35	10.1%	22.8	\$3,594	\$4.25
2020	6,647	18.6%	10.0	\$3,335	\$3.95	-12.7%	(12.6)	\$3,205	\$3.79
2019	2,854	8.6%	2.0	\$3,820	\$4.51	-0.1%	(2.8)	\$3,794	\$4.48
2018	2,059	6.7%	(2.1)	\$3,824	\$4.52	2.7%	2.0	\$3,771	\$4.46
2017	2,504	8.8%	1.3	\$3,723	\$4.41	0.7%	(0.1)	\$3,614	\$4.27
2016	1,861	7.5%	(0.3)	\$3,697	\$4.38	0.8%	(3.8)	\$3,596	\$4.26
2015	1,633	7.8%	0.5	\$3,669	\$4.34	4.6%	0.4	\$3,625	\$4.29
2014	1,358	7.3%	0.3	\$3,507	\$4.15	4.2%	0.8	\$3,482	\$4.12
2013	1,148	7.1%	1.0	\$3,365	\$3.98	3.4%	(0.5)	\$3,336	\$3.95
2012	844	6.1%	0.6	\$3,254	\$3.85	3.9%	-	\$3,237	\$3.83

### 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	2,782	5.9%	(0.1)	\$3,451	\$4.78	3.1%	(0.2)	\$3,427	\$4.74
2027	2,808	5.9%	0	\$3,346	\$4.63	3.3%	(0.5)	\$3,323	\$4.60
2026	2,830	6.0%	0.1	\$3,240	\$4.48	3.8%	(0.7)	\$3,217	\$4.45
2025	2,803	5.9%	(0.1)	\$3,123	\$4.32	4.5%	1.4	\$3,101	\$4.29
2024	2,846	6.0%	(0.4)	\$2,988	\$4.13	3.1%	2.3	\$2,967	\$4.10
YTD	2,921	6.2%	(0.3)	\$2,953	\$4.07	1.2%	0.4	\$2,932	\$4.04
2023	3,039	6.5%	(0.6)	\$2,897	\$3.99	0.8%	(0.8)	\$2,850	\$3.92
2022	3,324	7.1%	0.2	\$2,875	\$3.95	1.6%	(5.6)	\$2,843	\$3.91
2021	3,203	6.9%	(3.3)	\$2,831	\$3.89	7.2%	16.0	\$2,804	\$3.86
2020	4,744	10.2%	4.5	\$2,642	\$3.63	-8.8%	(9.4)	\$2,598	\$3.57
2019	2,663	5.8%	0.3	\$2,898	\$4	0.5%	(2.0)	\$2,874	\$3.96
2018	2,540	5.5%	0.2	\$2,883	\$3.98	2.5%	1.5	\$2,859	\$3.94
2017	2,436	5.3%	(0.1)	\$2,814	\$3.88	1.0%	1.0	\$2,768	\$3.81
2016	2,478	5.4%	0.7	\$2,786	\$3.84	0%	(7.1)	\$2,732	\$3.76
2015	2,152	4.7%	0.1	\$2,787	\$3.85	7.1%	2.7	\$2,755	\$3.80
2014	2,085	4.5%	(0.5)	\$2,602	\$3.58	4.5%	(1.0)	\$2,577	\$3.55
2013	2,302	5.0%	0	\$2,491	\$3.43	5.5%	0.8	\$2,476	\$3.41
2012	2,298	5.0%	0.2	\$2,362	\$3.26	4.7%	-	\$2,348	\$3.24

### 1 & 2 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	4,871	5.1%	0	\$2,814	\$4.13	3.1%	(0.2)	\$2,799	\$4.10
2027	4,910	5.1%	0	\$2,730	\$4	3.2%	(0.5)	\$2,715	\$3.98
2026	4,929	5.1%	0.2	\$2,644	\$3.88	3.7%	(0.7)	\$2,630	\$3.86
2025	4,784	5.0%	(0.1)	\$2,549	\$3.74	4.5%	1.8	\$2,535	\$3.72
2024	4,859	5.1%	(0.1)	\$2,440	\$3.58	2.7%	2.1	\$2,427	\$3.56
YTD	4,715	4.9%	(0.3)	\$2,412	\$3.52	0.8%	0.2	\$2,399	\$3.51
2023	4,963	5.2%	(0.6)	\$2,376	\$3.47	0.6%	(1.2)	\$2,363	\$3.45
2022	5,499	5.7%	(0.4)	\$2,362	\$3.45	1.8%	0	\$2,345	\$3.42
2021	5,927	6.2%	(1.9)	\$2,320	\$3.38	1.8%	4.5	\$2,299	\$3.35
2020	7,792	8.1%	3.2	\$2,279	\$3.32	-2.6%	(4.6)	\$2,257	\$3.29
2019	4,729	4.9%	0.5	\$2,341	\$3.43	2.0%	(1.1)	\$2,329	\$3.41
2018	4,289	4.5%	0.1	\$2,296	\$3.36	3.0%	0.9	\$2,281	\$3.34
2017	4,231	4.4%	0	\$2,228	\$3.26	2.1%	(0.5)	\$2,211	\$3.23
2016	4,199	4.4%	(0.2)	\$2,182	\$3.19	2.6%	(4.0)	\$2,165	\$3.17
2015	4,425	4.6%	0.3	\$2,128	\$3.11	6.6%	0.8	\$2,116	\$3.09
2014	4,143	4.3%	(0.2)	\$1,996	\$2.91	5.8%	1.3	\$1,984	\$2.89
2013	4,294	4.5%	(0.1)	\$1,887	\$2.74	4.5%	(0.1)	\$1,876	\$2.72
2012	4,395	4.6%	0.2	\$1,806	\$2.62	4.6%	-	\$1,795	\$2.60

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	-	-	-	-	-	-	\$730,406	276	3.9%
2027	-	-	-	-	-	-	\$667,851	253	4.1%
2026	-	-	-	-	-	-	\$611,235	231	4.3%
2025	-	-	-	-	-	-	\$561,272	212	4.5%
2024	-	-	-	-	-	-	\$537,313	203	4.5%
YTD	111	\$401.8M	1.4%	\$3,826,558	\$313,408	5.5%	\$538,091	203	4.4%
2023	184	\$1.7B	2.9%	\$9,263,518	\$320,694	5.2%	\$543,279	205	4.3%
2022	236	\$1.4B	1.8%	\$6,070,237	\$442,053	4.2%	\$624,416	236	3.7%
2021	211	\$1.1B	1.5%	\$5,404,027	\$425,308	4.3%	\$683,423	258	3.3%
2020	170	\$1.4B	1.5%	\$8,483,904	\$547,980	4.1%	\$593,537	224	3.6%
2019	467	\$2.9B	4.2%	\$11,363,281	\$569,289	4.0%	\$608,575	230	3.7%
2018	579	\$2.5B	5.1%	\$7,859,159	\$488,684	3.7%	\$578,986	219	3.7%
2017	610	\$1.7B	3.9%	\$5,652,892	\$413,558	3.6%	\$552,994	209	3.7%
2016	418	\$2.5B	4.6%	\$9,027,825	\$392,975	3.8%	\$526,364	199	3.8%
2015	380	\$1.8B	3.6%	\$7,003,898	\$418,721	3.9%	\$503,471	190	3.8%
2014	478	\$2.6B	6.2%	\$7,516,947	\$334,932	4.2%	\$457,144	173	3.9%
2013	379	\$2.3B	5.4%	\$7,839,111	\$330,727	4.7%	\$409,902	155	4.2%

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

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

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$874,732	243	3.9%
2027	-	-	-	-	-	-	\$801,208	222	4.1%
2026	-	-	-	-	-	-	\$734,127	204	4.3%
2025	-	-	-	-	-	-	\$674,630	187	4.5%
2024	-	-	-	-	-	-	\$645,989	179	4.5%
YTD	2	\$37M	1.5%	\$37,000,000	\$224,242	-	\$647,702	180	4.4%
2023	2	\$41.2M	0.2%	\$20,575,000	\$623,485	6.1%	\$674,025	187	4.2%
2022	1	\$206M	0.7%	\$206,000,000	\$792,308	-	\$782,717	217	3.6%
2021	2	\$146.6M	0.7%	\$73,300,000	\$544,981	3.6%	\$869,164	241	3.2%
2020	4	\$390.4M	1.5%	\$97,599,064	\$729,713	3.9%	\$757,107	210	3.5%
2019	11	\$1.4B	6.4%	\$159,201,111	\$770,328	4.7%	\$796,785	221	3.5%
2018	12	\$353.2M	3.6%	\$50,462,764	\$643,423	3.7%	\$764,028	212	3.5%
2017	5	\$454.2M	2.8%	\$90,849,677	\$572,101	-	\$736,167	204	3.5%
2016	5	\$774.7M	4.6%	\$154,930,000	\$687,966	3.9%	\$701,044	194	3.6%
2015	5	\$251.2M	3.7%	\$62,800,000	\$697,778	3.9%	\$673,733	187	3.5%
2014	5	\$1.2B	15.2%	\$232,826,000	\$412,812	5.7%	\$623,324	173	3.7%
2013	7	\$497.8M	12.2%	\$99,569,017	\$425,509	5.1%	\$566,972	157	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	-	-	-	-	-	-	\$647,160	289	3.9%
2027	-	-	-	-	-	-	\$591,635	264	4.1%
2026	-	-	-	-	-	-	\$541,480	242	4.3%
2025	-	-	-	-	-	-	\$497,227	222	4.5%
2024	-	-	-	-	-	-	\$475,850	213	4.5%
YTD	19	\$71.4M	1.2%	\$4,199,118	\$318,683	5.9%	\$474,876	212	4.4%
2023	32	\$1.2B	8.4%	\$37,974,703	\$308,268	5.6%	\$480,764	215	4.3%
2022	32	\$378M	1.9%	\$11,811,015	\$425,622	4.4%	\$556,318	248	3.7%
2021	32	\$193M	1.1%	\$6,030,031	\$376,142	4.2%	\$615,888	275	3.3%
2020	32	\$343.4M	1.4%	\$10,731,790	\$545,973	3.8%	\$541,680	242	3.6%
2019	72	\$416.8M	2.9%	\$9,473,801	\$437,405	4.0%	\$544,162	243	3.6%
2018	103	\$854.3M	6.4%	\$11,240,892	\$472,515	3.9%	\$511,538	228	3.7%
2017	98	\$362.5M	2.8%	\$5,492,223	\$371,400	3.6%	\$489,378	219	3.7%
2016	67	\$497.2M	2.9%	\$9,207,869	\$410,930	3.7%	\$465,995	208	3.8%
2015	66	\$780.1M	4.5%	\$13,464,158	\$443,726	3.9%	\$440,960	197	3.8%
2014	75	\$412M	6.1%	\$6,059,422	\$273,781	4.0%	\$393,595	176	4.0%
2013	75	\$1.2B	7.6%	\$17,178,994	\$354,375	4.4%	\$349,922	156	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	-	-	-	-	-	-	\$703,301	294	3.9%
2027	-	-	-	-	-	-	\$642,461	269	4.1%
2026	-	-	-	-	-	-	\$587,601	246	4.3%
2025	-	-	-	-	-	-	\$539,326	226	4.5%
2024	-	-	-	-	-	-	\$516,304	216	4.5%
YTD	90	\$293.4M	1.5%	\$3,372,455	\$328,559	5.4%	\$517,503	216	4.4%
2023	150	\$448.1M	1.4%	\$2,987,645	\$342,882	5.1%	\$512,382	214	4.3%
2022	203	\$842.6M	2.2%	\$4,171,056	\$405,269	4.2%	\$583,272	244	3.8%
2021	177	\$800.7M	2.0%	\$4,523,665	\$421,637	4.3%	\$629,064	263	3.4%
2020	134	\$691.5M	1.5%	\$5,238,503	\$481,199	4.1%	\$541,921	227	3.7%
2019	384	\$1B	4.1%	\$5,126,264	\$458,316	4.0%	\$551,518	231	3.7%
2018	464	\$1.3B	5.0%	\$5,476,168	\$468,237	3.7%	\$524,915	220	3.8%
2017	507	\$856.5M	4.7%	\$3,806,760	\$376,327	3.6%	\$497,919	208	3.8%
2016	346	\$1.2B	5.4%	\$5,667,673	\$306,004	3.8%	\$473,696	198	3.9%
2015	309	\$778.4M	3.1%	\$3,968,976	\$353,195	3.9%	\$453,941	190	3.9%
2014	398	\$1B	4.5%	\$3,725,679	\$297,285	4.2%	\$410,048	172	4.1%
2013	297	\$594.6M	3.2%	\$2,755,694	\$250,658	4.8%	\$365,347	153	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	-	191,585	5.9%	-	1,853	-	1,765	-	-
2027	-	189,820	5.9%	-	1,187	-	1,099	-	-
2026	-	188,721	5.9%	-	1,300	-	1,215	-	-
2025	-	187,506	5.9%	-	1,384	-	1,301	-	-
2024	-	186,205	6.1%	-	2,138	-	2,120	-	-
YTD	9,733	185,954	6.4%	8	1,869	8	1,869	13	2,831
2023	9,725	184,085	6.4%	7	1,185	7	1,185	20	4,280
2022	9,718	182,900	6.9%	15	1,962	15	1,962	19	3,666
2021	9,703	180,938	7.7%	23	2,735	23	2,735	21	3,327
2020	9,680	178,203	10.8%	20	2,841	19	2,822	37	4,983
2019	9,661	175,381	5.8%	19	2,197	19	2,197	44	6,693
2018	9,642	173,184	5.1%	14	2,491	13	2,481	40	5,591
2017	9,629	170,703	5.4%	23	3,820	19	3,782	30	4,909
2016	9,610	166,921	5.1%	19	3,813	15	3,767	30	5,654
2015	9,595	163,154	5.0%	17	2,496	16	2,489	38	8,628
2014	9,579	160,665	4.7%	15	2,292	15	2,292	33	6,794
2013	9,564	158,373	4.9%	19	2,703	16	2,663	27	5,240
2012	9,548	155,710	4.8%	5	489	4	179	27	4,514