



MULTI-FAMILY MARKET REPORT

SAN DIEGO, CA | Q1 OF 2024

NAI San Diego

SOURCE: COSTAR

MULTI-FAMILY MARKET REPORT

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12 Mo Delivered Units

4,163

12 Mo Absorption Units

(367)

Vacancy Rate

5.2%

12 Mo Asking Rent Growth

0.5%

Demand has not been evenly distributed in recent quarters. Occupancy continues to fall in 1 & 2 Star and 3 Star properties as many households struggle with rising household debt and accelerating living costs and have reacted by leaving San Diego. At the end of 2023, overall vacancy reached 5% for the first time since 2020, and as of the second quarter, vacancy is 5.2%.

Local property managers are anticipating that softer demand will likely extend through 2024. South County landlords have suggested that naval deployments have accelerated, which has impacted demand. Downtown property managers have noted return-to-work orders have led many renters to leave the San Diego area for their former homes in the Bay Area and the Northwest.

They are responding by increasingly revising their asking rents downward, which resulted in rents falling through the final two quarters of 2023. Rents have shifted by 0.5% in the past 12 months, which has been the weakest local performance since the Great Recession. It has been felt most acutely within 4 & 5 Star properties, which have seen rents shift by -0.7%, making it the only class to lose ground year over year. Property managers have also increased concessions since the end of last year, with free rent and look-and-lease specials becoming more widespread. Even if new lease trade-outs had rent increases, concessions are lowering effective rents.

Rents in high-cost areas, including UTC and North Shore Cities, declined by more than 5% in the second half of 2023. That came after rent growth peaked above 20% in both submarkets as rents normalize further. Similarly, rents have fallen in Downtown San Diego as landlords have lowered rents due to competing lease ups and softer demand.

Construction starts increased in the second half of last year, even as costly debt has made development more expensive and difficult to secure financing. There are roughly 7,800 market-rate units underway across serially under-supplied San Diego. Downtown, Mission Valley, Balboa Park and the South I-15 Corridor face the most supply pressure at a time when landlords have noted that properties from Balboa Park to Downtown have missed their lease-up projections in recent months.

Most development is of 4 & 5 Star properties, which has led to the luxury sector driving overall demand in San Diego and keeping it in positive territory. Even so, vacancy has increased to 7.9% for high-end properties, and several market participants are concerned that buildings in lease up will not result in new household formation so much as it will glean demand from existing households of stabilized buildings.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	59,433	7.9%	\$3,253	\$3,212	21	0	6,682
3 Star	90,058	5.0%	\$2,485	\$2,469	4	75	1,143
1 & 2 Star	128,786	4.2%	\$1,761	\$1,751	0	0	0
Market	278,277	5.2%	\$2,427	\$2,406	25	75	7,825

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.5%	4.5%	5.2%	5.7%	2009 Q4	2.6%	2021 Q3
Absorption Units	(367)	2,178	2,036	10,001	2021 Q3	(1,631)	2009 Q2
Delivered Units	4,163	2,599	2,477	5,396	2022 Q1	474	2010 Q4
Demolished Units	246	96	131	334	2009 Q4	0	2016 Q4
Asking Rent Growth (YOY)	0.5%	3.3%	2.8%	13.3%	2022 Q1	-2.2%	2009 Q3
Effective Rent Growth (YOY)	0.3%	3.3%	2.8%	13.3%	2022 Q1	-2.4%	2009 Q3
Sales Volume	\$2.4B	\$1.9B	N/A	\$6.5B	2022 Q2	\$482M	2009 Q4

Absorption has tallied about -370 units over the past 12 months in the San Diego region, with roughly 2,000 high-end units absorbed during that time. Absorption in mid-tier and workforce housing has totaled about -740 and -1,600 units, respectively, during that period. That has brought overall vacancy to 5.2% as of the second quarter, compared to 3.9% 12 months ago and to the 10-year average of 4.4%. Vacancy is trending at its highest level since 2020 due to a combination of softer demand and the nearly 3,900 units that opened in 2023. Supply outpaced demand by a nearly eight-to-one margin last year.

New inventory has driven demand, which is why areas from Chula Vista and Mission Valley to Downtown and Balboa Park have seen positive year-over-year absorption. Yet some property managers of new buildings have noted that they are missing their targeted goals during lease up and fewer households are forming to occupy the newest units. Market participants have also cited a lack of adequate parking for slower lease-ups. Balboa Park and Downtown properties have seen demand stall once parking spaces have been claimed. These factors may lead to overall vacancy trending near 5% for the next several quarters and could make it difficult to rein in the 7.9% vacancy rate in 4 & 5 Star properties.

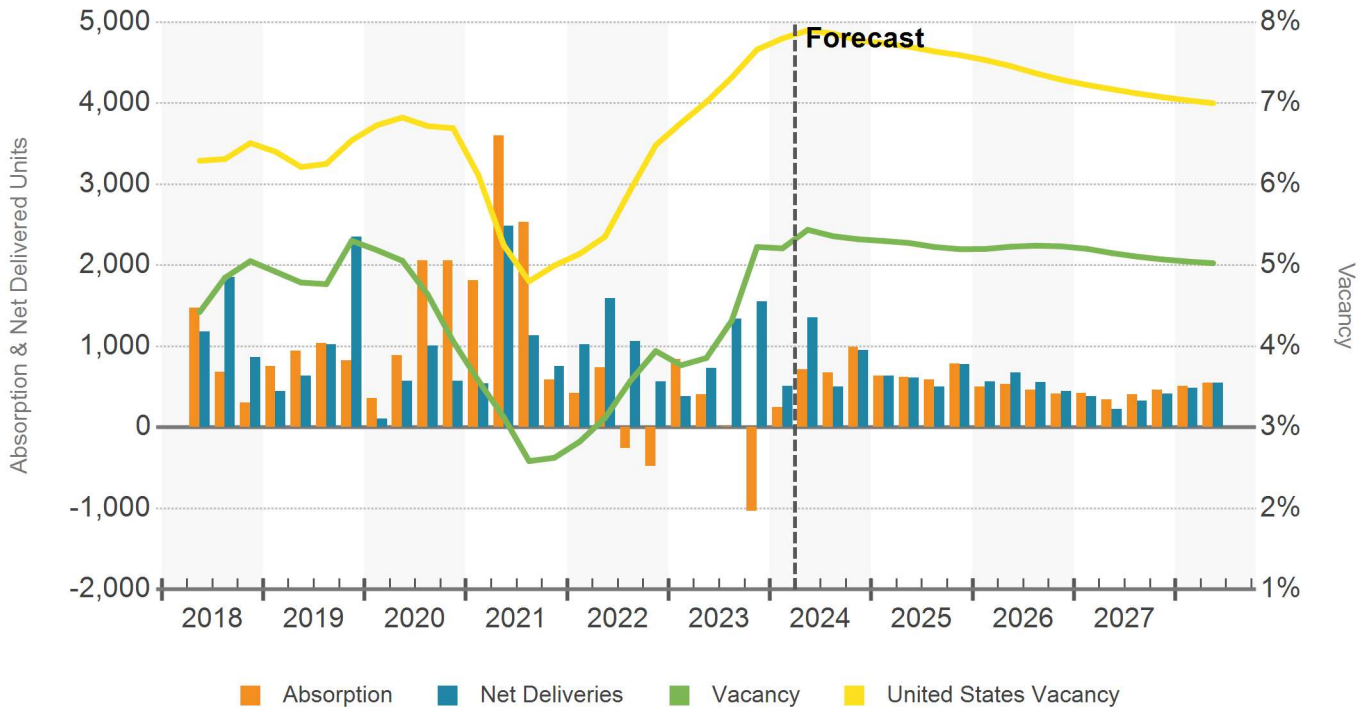
Landlords have reported seeing more distress among households in mid-tier and workforce housing in recent quarters. Due to having some of the highest living costs in the country, average asking rents are in the top 10 most expensive, while local inflation continues to outpace the U.S. benchmark, these households continue to face

economic distress. Local property managers have noted that they have seen an increase in households in these cohorts asking to downsize into smaller units to save money. They have also commented that renters increasingly ask for an unrenovated unit to lower their housing costs. At the same time, backdoor demand has been impacted by renters leaving San Diego for more cost-friendly regions of the U.S.

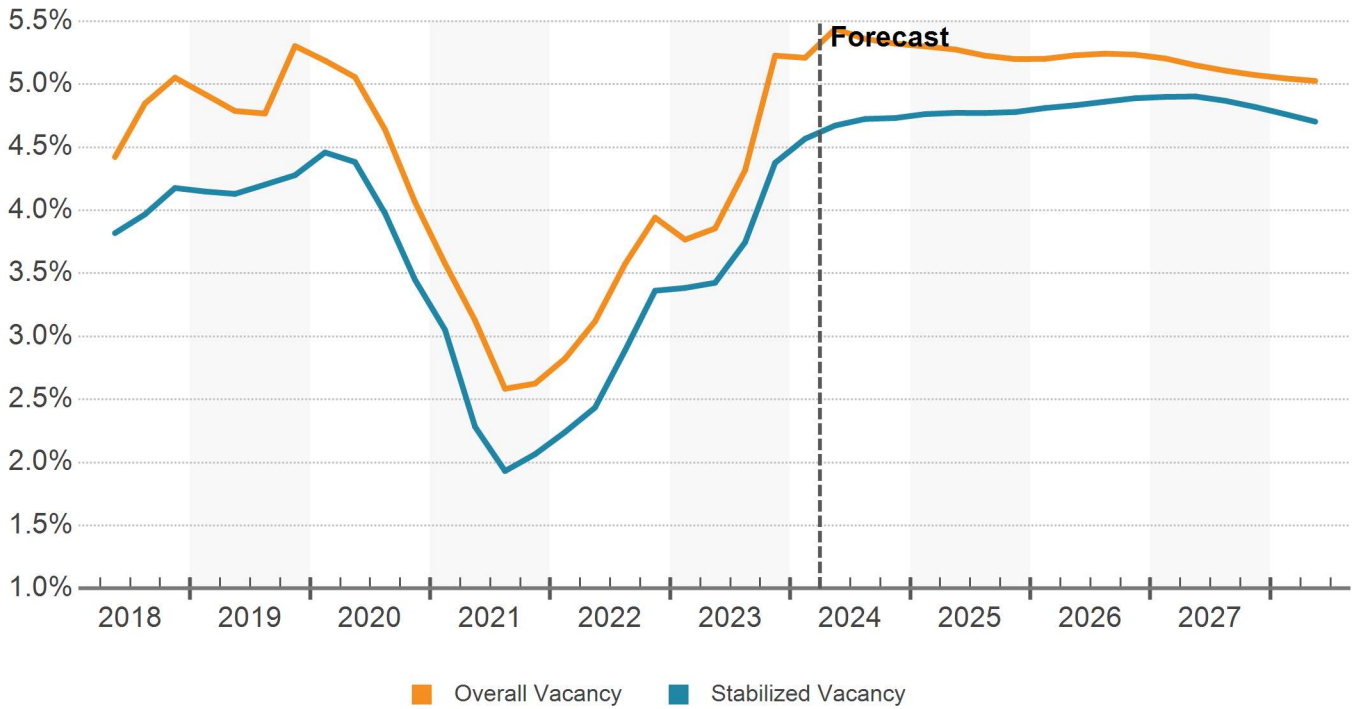
Landlords have adjusted to meet the current demand of shoppers who have more options and are trying to provide experiences not rivaled by comparable properties. Well-maintained properties with responsive management and pride-of-ownership units have successfully kept occupancy stable among some landlords.

Downtown is currently in its longest sustained run of single-digit vacancy in more than a decade, although vacancy figures to rise in the coming year due to pending openings. A top-of-mind issue for many households Downtown, however, is the pervasiveness of homelessness, particularly in the East Village. That has led households to leave for other submarkets, such as Balboa Park and Mission Valley. Similarly, Downtown's school system does not match the quality found in other San Diego areas, compelling many families with families to move to the suburbs. Several lab projects under construction Downtown encompass more than 2 million SF are scheduled to begin delivering in 2024. One local study has suggested that additional apartment demand could exceed 10,000 units should these properties fill with commercial tenants and the resulting employees.

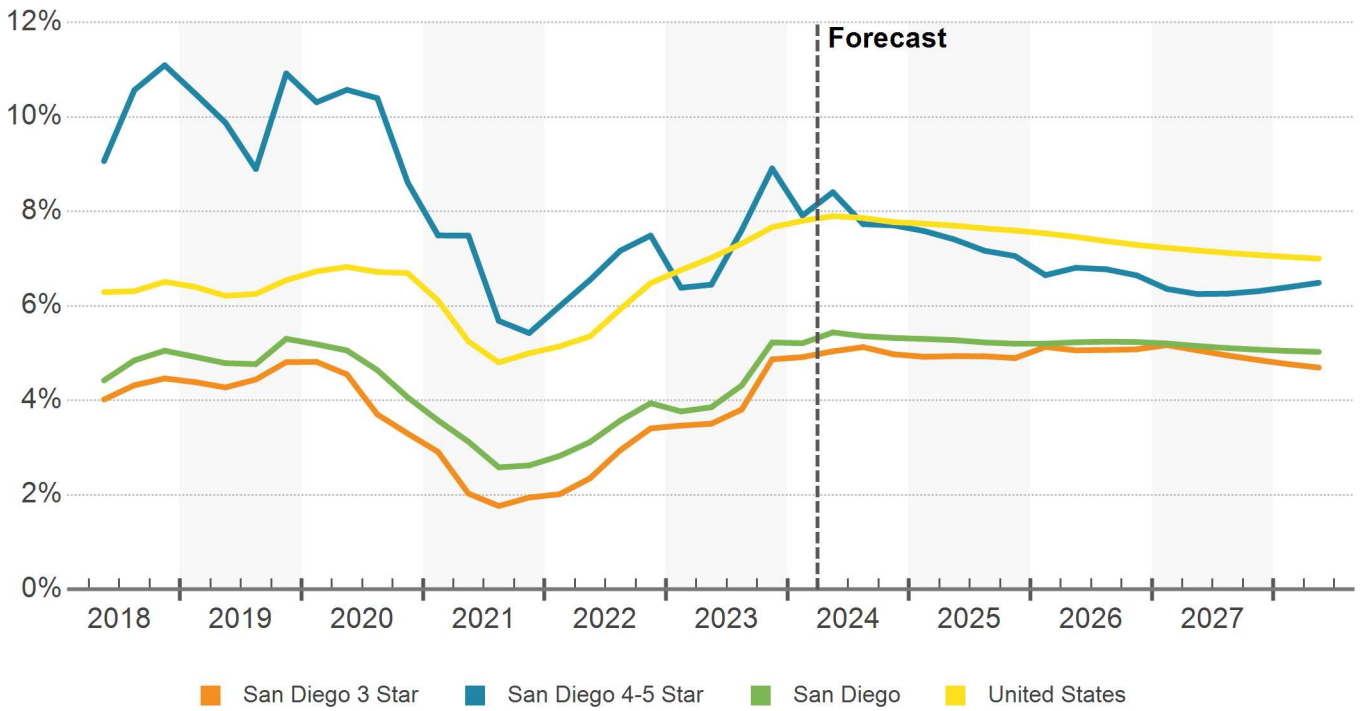
ABSORPTION, NET DELIVERIES & VACANCY



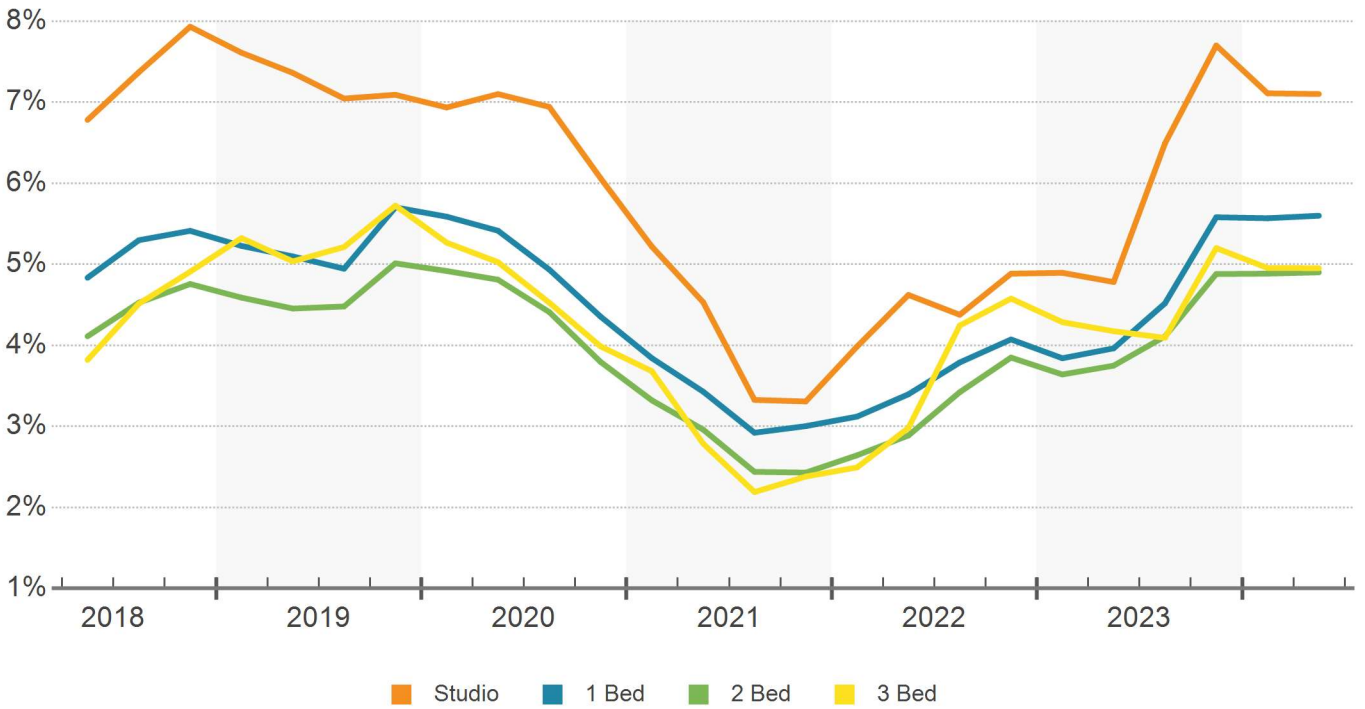
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



According to local property managers, competition to lure renter households has increased in recent months, leading to less pricing power. Landlords have noted that they have secured stronger rent growth for renewals than available units. The more widespread use of concessions has led to lower effective rates when a unit turns over, even when landlords can raise the rent level on the unit.

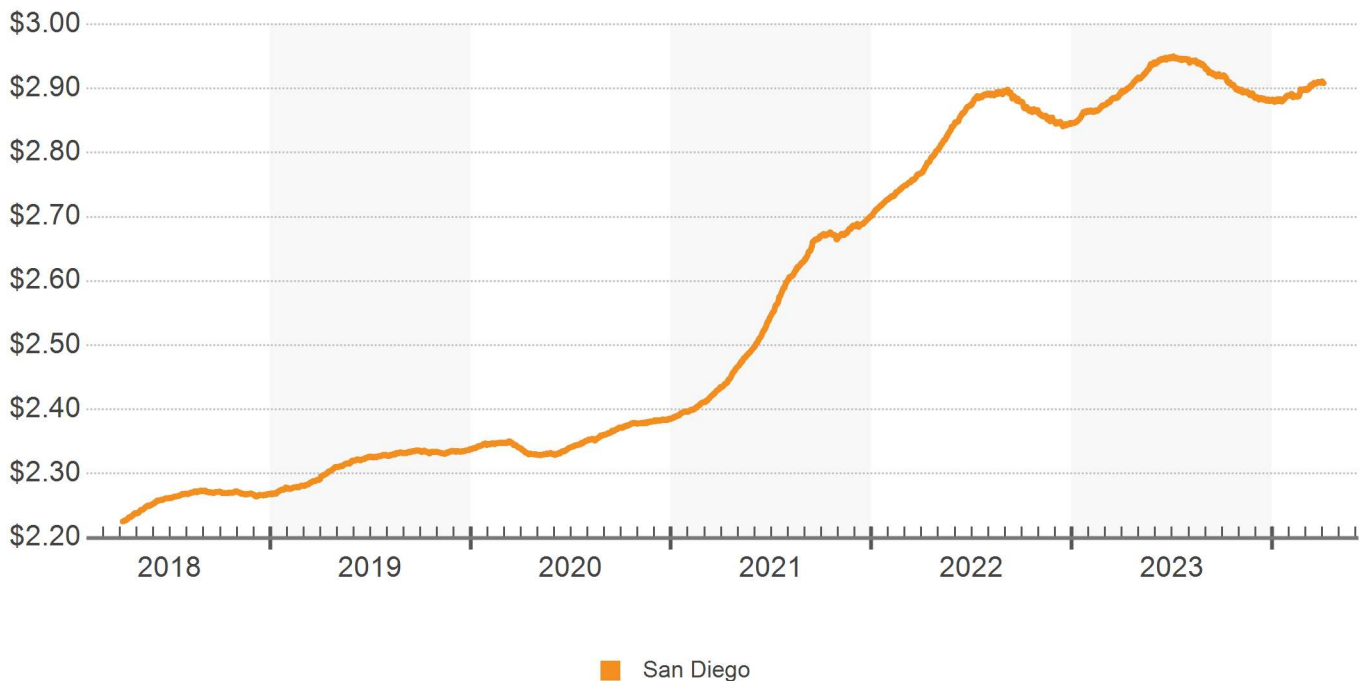
Rents have shifted by 0.5% year over year, compared to 0.8% nationally, and average rent levels in the region sit at roughly \$2,430/month. That makes San Diego one of the most expensive rental markets in the U.S. For context, the average rent growth between 2015 and 2019 was 4.1%. Year-over-year rent gains were front-loaded to early 2023 after rents fell during the last six months of 2023. Annual rent growth has moderated for seven straight quarters, and the luxury sector has seen rents shift by -0.7% year over year. There is some concern among property managers of 4 & 5 Star buildings that rents will fall through the next several quarters as they glean existing renter households from each other and due to competing lease ups.

The meteoric rise in rental rates following the onset of the pandemic has been one of the leading factors in

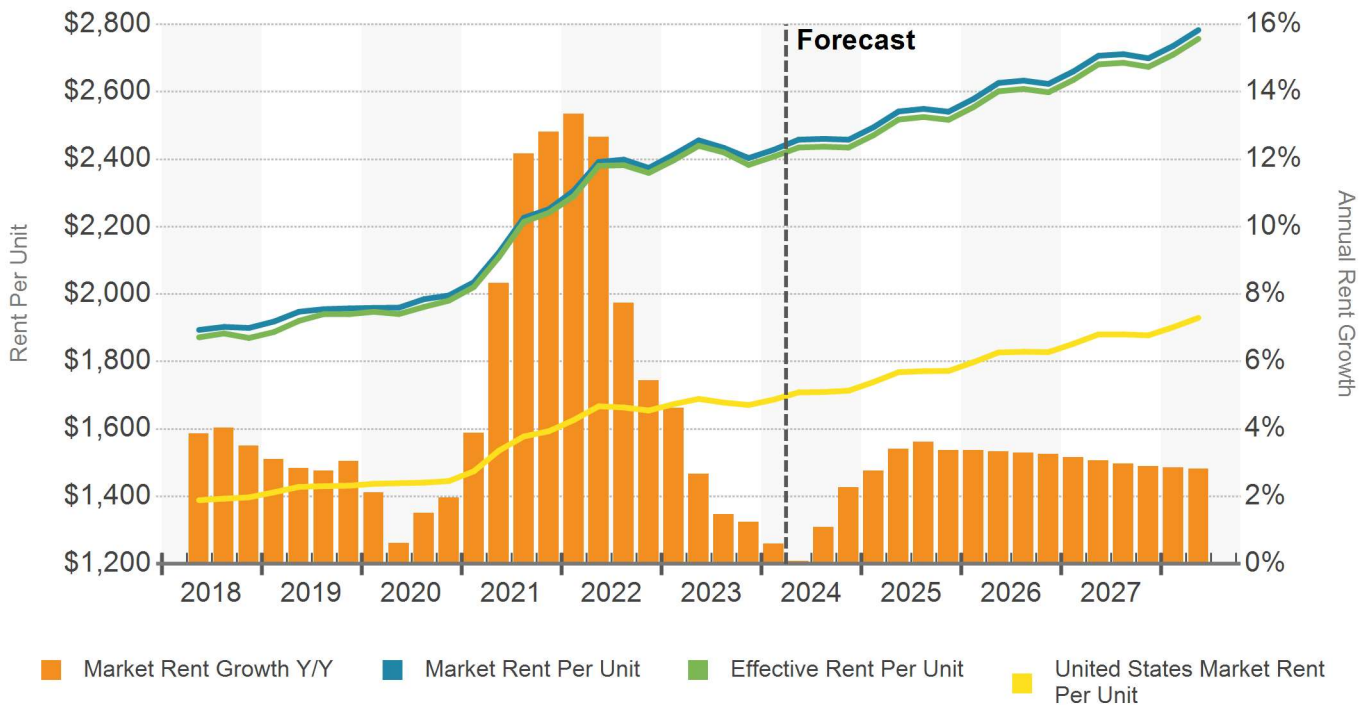
limiting household formation, and there is some concern that it may take time for leverage to return. Coupled with the rise in household debt and stubbornly persistent local inflation, renters have become much more price-conscious, and rent growth across the region has largely returned to historical patterns. More historically affordable areas of San Diego in North, South, and East counties have seen rents perform best year over year, while rents in costlier apartment nodes near the coast have moderated most notably, with rents falling year over year in UTC, Central Coast, and Downtown, among others.

Using concessions to improve front door demand has become much more common across San Diego. Property managers from Escondido to Chula Vista have reported that \$1,000 look-and-lease specials or one month of free rent amortized over 12 months are now being used to entice renters, which was largely absent a year ago. They are still most prevalent in new properties, however. Renters in Mission Valley's newest communities still receive four weeks of free rent on select units, and sometimes up to six weeks. Concessions in Downtown are offered in roughly 40% of properties.

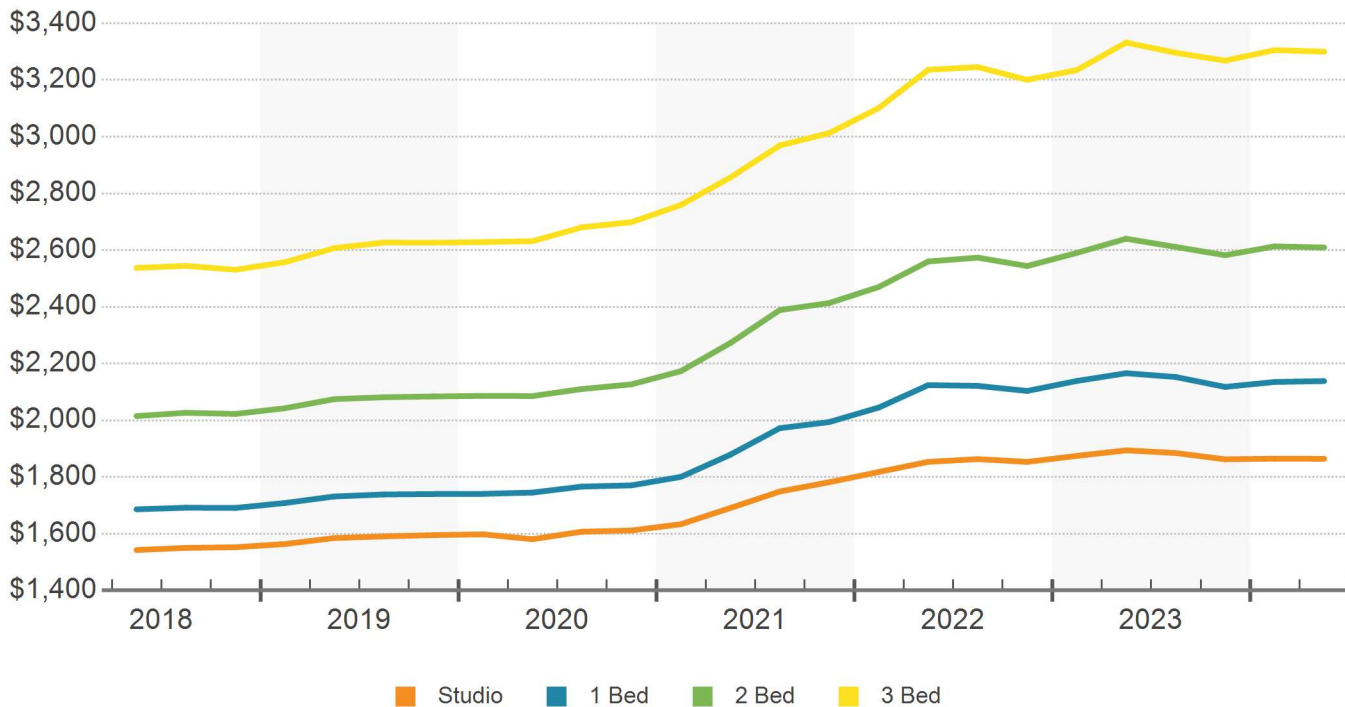
DAILY ASKING RENT PER SF



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 Diego	\$0.84	\$0.78	\$0.84	\$0.83	\$1.27	\$1.73	\$0.36	\$1.56	\$0.12	\$0.16	\$0.72	\$9.21
Balboa Park	\$0.81	\$0.70	\$0.80	\$0.90	\$1.30	\$1.72	\$0.35	\$1.64	\$0.11	\$0.13	\$0.57	\$9.03
Central Coast	\$0.84	\$0.50	\$0.69	\$0.62	\$1.13	\$2.67	\$0.48	\$1.22	\$0.13	\$0.09	\$0.35	\$8.72
Chula Vista/Imperial...	\$0.80	\$0.80	\$0.79	\$0.90	\$1.29	\$1.65	\$0.33	\$1.59	\$0.15	\$0.13	\$0.56	\$8.99
Downtown San Diego	\$0.81	\$0.70	\$0.80	\$0.90	\$1.30	\$1.72	\$0.35	\$1.64	\$0.11	\$0.13	\$0.57	\$9.03
East County	\$0.78	\$0.97	\$0.78	\$0.93	\$1.36	\$1.52	\$0.28	\$1.38	\$0.11	\$0.26	\$1.45	\$9.82
La Jolla/UTC	\$0.82	\$0.61	\$0.68	\$0.66	\$1.14	\$2.28	\$0.50	\$1.58	\$0.12	\$0.09	\$0.35	\$8.83
Mission Valley/Nort...	\$0.84	\$0.50	\$0.70	\$0.68	\$1.18	\$2.58	\$0.47	\$1.25	\$0.13	\$0.12	\$0.50	\$8.95
National City/South...	\$0.81	\$0.73	\$0.80	\$0.90	\$1.30	\$1.72	\$0.35	\$1.64	\$0.14	\$0.13	\$0.57	\$9.09
North County	\$0.76	\$0.54	\$0.62	\$0.73	\$1.09	\$1.27	\$0.28	\$1.65	\$0.13	\$0.13	\$0.56	\$7.76
North I-15 Corridor	\$1.19	\$1.29	\$1.52	\$1.11	\$1.50	\$1.05	\$0.29	\$1.77	\$0.08	\$0.27	\$1.17	\$11.24
North Shore Cities	\$0.75	\$0.55	\$0.58	\$0.73	\$1.10	\$1.31	\$0.31	\$1.65	\$0.14	\$0.13	\$0.57	\$7.82
South I-15 Corridor	\$0.86	\$1.16	\$1.11	\$0.82	\$1.37	\$1.24	\$0.34	\$1.89	\$0.08	\$0.26	\$0.89	\$10.02

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 Diego	\$0.73	\$0.65	\$0.77	\$0.81	\$1.21	\$1.19	\$0.23	\$1.37	\$0.11	\$0.17	\$0.76	\$8
Balboa Park	\$0.75	\$0.63	\$0.75	\$0.83	\$1.24	\$1.30	\$0.26	\$1.37	\$0.11	\$0.13	\$0.58	\$7.95
Central Coast	\$0.78	\$0.48	\$0.65	\$0.62	\$1.09	\$1.29	\$0.38	\$1.21	\$0.11	\$0.09	\$0.34	\$7.04
Chula Vista/Imperial...	\$0.74	\$0.65	\$0.76	\$0.86	\$1.24	\$1.33	\$0.26	\$1.38	\$0.14	\$0.12	\$0.54	\$8.02
Downtown San Diego	\$0.74	\$0.62	\$0.76	\$0.83	\$1.24	\$1.30	\$0.25	\$1.37	\$0.11	\$0.12	\$0.54	\$7.88
East County	\$0.72	\$0.98	\$0.75	\$0.96	\$1.37	\$1	\$0.12	\$1.34	\$0.10	\$0.29	\$1.48	\$9.11
La Jolla/UTC	\$0.61	\$0.48	\$0.65	\$0.60	\$1.10	\$1.40	\$0.47	\$1.29	\$0.11	\$0.09	\$0.33	\$7.13
Mission Valley/Nort...	\$0.79	\$0.38	\$0.65	\$0.59	\$1.08	\$1.32	\$0.38	\$1.11	\$0.12	\$0.09	\$0.33	\$6.84
National City/South...	\$0.74	\$0.64	\$0.76	\$0.86	\$1.24	\$1.30	\$0.25	\$1.38	\$0.13	\$0.12	\$0.54	\$7.96
North County	\$0.70	\$0.52	\$0.61	\$0.70	\$1.04	\$1.16	\$0.15	\$1.55	\$0.13	\$0.12	\$0.54	\$7.22
North I-15 Corridor	\$0.63	\$0.40	\$1.42	\$0.83	\$1.19	\$0.89	\$0.20	\$1.41	\$0.08	\$0.25	\$1.11	\$8.41
North Shore Cities	\$0.66	\$0.52	\$0.55	\$0.68	\$1.04	\$1.20	\$0.18	\$1.51	\$0.13	\$0.12	\$0.53	\$7.12
Outlying San Diego...	\$0.74	\$1	\$0.76	\$1	\$1.41	\$0.97	\$0.13	\$1.35	\$0.10	\$0.34	\$1.61	\$9.41
Poway/Santee/Ram...	\$0.76	\$0.96	\$0.76	\$1.02	\$1.41	\$0.98	\$0.15	\$1.33	\$0.10	\$0.35	\$1.60	\$9.42
South I-15 Corridor	\$0.80	\$0.70	\$1.14	\$0.80	\$1.33	\$1.03	\$0.23	\$1.54	\$0.08	\$0.25	\$0.90	\$8.80

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 Diego	\$0.65	\$0.47	\$0.72	\$0.64	\$1.07	\$0.98	\$0.20	\$0.99	\$0.10	\$0.12	\$0.62	\$6.56
Balboa Park	\$0.70	\$0.48	\$0.71	\$0.56	\$1.20	\$1.11	\$0.24	\$1.15	\$0.10	\$0.11	\$0.51	\$6.87
Central Coast	\$0.70	\$0.47	\$0.62	\$0.58	\$1.07	\$0.91	\$0.26	\$1.09	\$0.10	\$0.08	\$0.32	\$6.20
Chula Vista/Imperial...	\$0.67	\$0.61	\$0.72	\$0.80	\$1.12	\$1.23	\$0.24	\$0.80	\$0.13	\$0.11	\$0.51	\$6.94
Downtown San Diego	\$0.71	\$0.51	\$0.72	\$0.58	\$1.22	\$1.15	\$0.24	\$1.17	\$0.10	\$0.11	\$0.51	\$7.02
East County	\$0.69	\$0.43	\$0.72	\$0.62	\$1	\$0.83	\$0.11	\$0.78	\$0.09	\$0.14	\$0.92	\$6.33
La Jolla/UTC	\$0.59	\$0.43	\$0.62	\$0.56	\$1.05	\$0.88	\$0.26	\$1.07	\$0.10	\$0.08	\$0.32	\$5.96
Mission Valley/Nort...	\$0.70	\$0.36	\$0.62	\$0.57	\$1.06	\$0.90	\$0.26	\$1.10	\$0.12	\$0.08	\$0.32	\$6.09
National City/South...	\$0.71	\$0.57	\$0.72	\$0.71	\$1.18	\$1.21	\$0.24	\$0.86	\$0.11	\$0.11	\$0.51	\$6.93
North County	\$0.50	\$0.48	\$0.60	\$0.64	\$1.01	\$1.01	\$0.14	\$1.25	\$0.12	\$0.12	\$0.55	\$6.42
North I-15 Corridor	\$0.51	\$0.29	\$1.20	\$0.73	\$0.92	\$0.69	\$0.17	\$1.06	\$0.07	\$0.24	\$1.05	\$6.93
North Shore Cities	\$0.50	\$0.49	\$0.54	\$0.63	\$1.03	\$1.04	\$0.16	\$1.28	\$0.12	\$0.11	\$0.49	\$6.39
Outlying San Diego...	\$0.71	\$0.42	\$0.72	\$0.64	\$1.02	\$0.72	\$0.12	\$0.73	\$0.09	\$0.17	\$0.98	\$6.32
Poway/Santee/Ram...	\$0.73	\$0.42	\$0.72	\$0.64	\$1	\$0.74	\$0.15	\$0.74	\$0.09	\$0.16	\$0.99	\$6.38
South I-15 Corridor	\$0.55	\$0.32	\$0.95	\$0.66	\$0.98	\$0.77	\$0.18	\$1.26	\$0.08	\$0.24	\$0.81	\$6.80

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

There are roughly 7,800 units under construction across San Diego, and the region has added a net of about 19,000 new units in the past five years. But that is far below the number needed, according to San Diego's regional planning agency. San Diego Association of Governments estimates that the county requires roughly 20,000 total housing units annually through the end of the decade to make up for the relative drop in total construction over the past 15 years. Yet San Diego County only permits about 10,000 total housing units annually, and less than half of that total housing count has been added annually over the past several years.

The elevated cost of debt, coupled with the rise in the cost of most construction materials and workers, has made it more difficult for some projects to break ground on budget. One local developer noted that elevated interest rates have increased the cost of building a unit by about \$5,000. Still, rising construction prices have increased development costs by upwards of \$50,000 per unit.

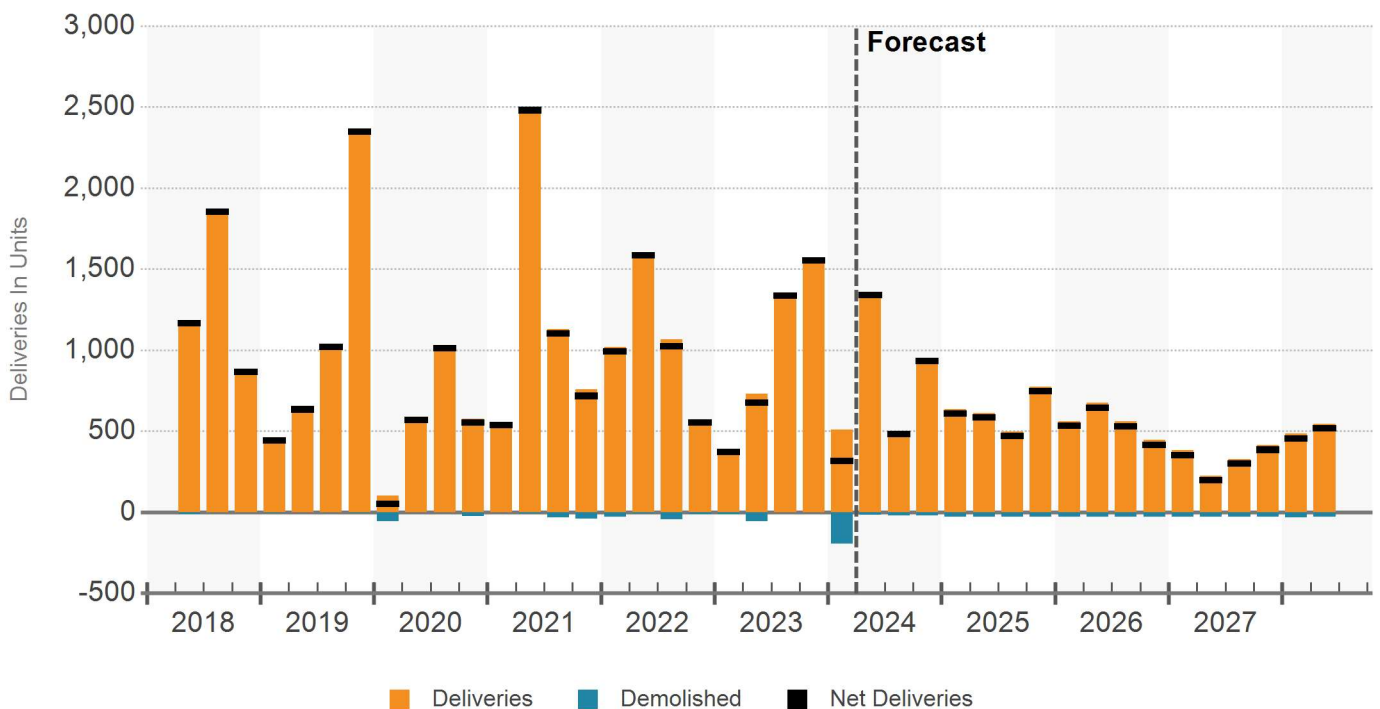
There are several barriers to growth here. The entitlement process can take several years, and permitting and soft costs can run over 50% of the total project cost. San Diego maintains very organized and vocal opposition to increased density, and many groups file CEQA, or environmental, complaints, which can delay

projects for several years. With these added costs, workforce housing becomes extremely difficult to pencil out. Many new luxury communities coming to market cost more than \$600,000/unit to build.

The surfeit of development activity during the past five years has been in the Downtown neighborhoods of Little Italy and the East Village. Inventory has increased by 50% during that time. Mission Valley, Chula Vista and the Balboa Park neighborhoods have also received attention from developers. At the same time, South I-15 Corridor has attracted renter households for its new inventory due to its location within San Diego's biotech cluster and proximity to the coast.

Several master plans have recently been updated to spur more housing development. The Midway District's update in Point Loma increases housing by upwards of 10,000 units. Other areas include the Morena Corridor, the Balboa Avenue Station Area in Pacific Beach, Linda Vista, Old Town, Mission Valley, and Kearny Mesa, to name a few. Mission Valley, alone, could add more than 28,000 housing units, a similar number as planned with University City's update in 2023. In the past 10 years, updates have provided the capacity for more than 100,000 additional housing units in San Diego, although the likelihood of all of those units being built is remote.

DELIVERIES & DEMOLITIONS



Under Construction Properties

San Diego Multi-Family

Properties

Units

Percent of Inventory

Avg. No. Units

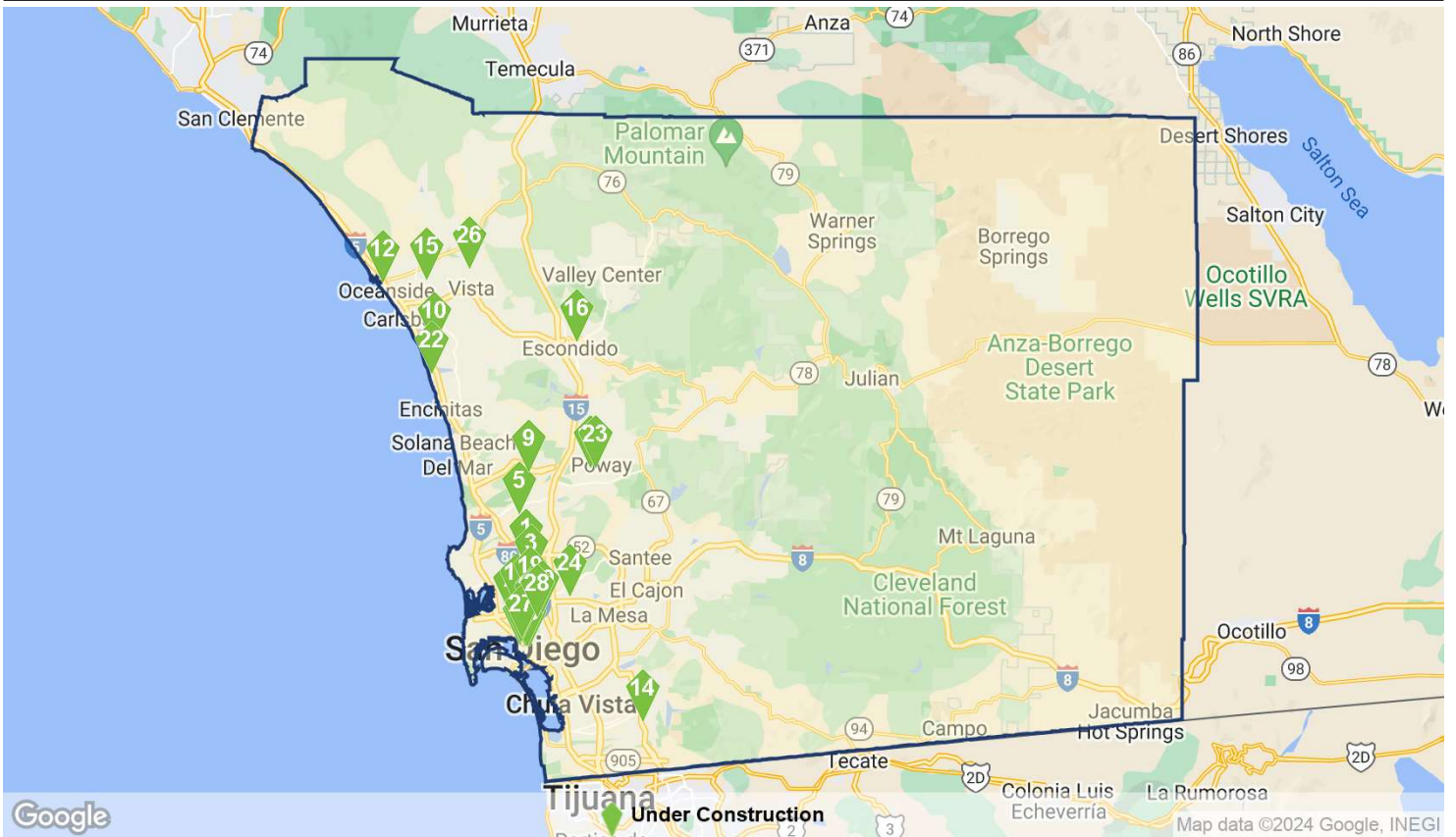
49

7,850

2.8%

160

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 Alexan Camellia 4888 Convoy St	★★★★☆	531	6	Aug 2023	Dec 2024	Trammell Crow Residential Trammell Crow Residential
2 Broadstone - Mission Va... 1904 Hotel Cir	★★★★☆	497	8	Jan 2024	Nov 2025	- Alliance Residential Company
3 AMLi Aero 8225 Aero Dr	★★★★☆	434	7	Nov 2023	May 2025	KPRS Construction Services, Inc AMLi Residential
4 WEST 1011 Union St	★★★★☆	431	37	Jul 2020	May 2024	Holland Partner Group Lowe
5 7918 Collective Way	★★★★☆	429	4	Jan 2022	Jun 2025	- -
6 The Lindley 1331 Columbia St	★★★★☆	422	37	Jun 2022	Oct 2024	Toll Brothers Apartment Living Toll Brothers Apartment Living
7 800 Broadway	★★★★☆	384	41	Aug 2021	May 2024	CA Ventures CA Residential LLC

Under Construction Properties

San Diego Multi-Family

UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 The Wyatt 1509 Broadway	★★★★☆	368	7	Apr 2020	May 2024	Wermers Companies R&V Management Corporation
9 Camino Del Sur 12520 Camino del Sur	★★★★☆	342	4	Aug 2023	Jul 2025	Holland Partner Group Holland Partner Group
10 Aviara Apartments 1205 Aviara Pky	★★★★☆	329	4	Jun 2023	Oct 2024	SummerHill Homes R&V Management Corporation
11 Rivair Apartments 7050 Friars Rd	★★★★☆	316	8	May 2021	Jul 2024	Fairfield Residential Fairfield Residential
12 Alta O'Side 1001 N Coast Hwy	★★★★☆	309	5	Jan 2022	May 2024	Wood Partners Prudential
13 Broadway Towers (North...) 1150 E St	★★★★☆	305	32	Mar 2022	Mar 2025	Pinnacle International Pinnacle International
14 Millenia Lot 19 1902 Millenia Ave	★★★★☆	278	4	Jan 2024	Dec 2025	Ryan Companies Strata Equity Group, Inc.
15 Luma at El Corazon 3546 Village Commercial Dr	★★★★☆	268	23	Aug 2022	Jun 2024	Sudberry Properties, Inc. Sudberry Properties, Inc.
16 Palomar Heights 555 E Valley Pky	★★★★☆	258	5	Feb 2023	Dec 2025	Greystar Real Estate Partners Greystar Real Estate Partners
17 1st & Beech 110 Beech St	★★★★☆	220	22	Oct 2023	Oct 2025	Greystar Real Estate Partners Greystar Real Estate Partners
18 West Village Poway 12845 Poway Rd	★★★★☆	212	2	Feb 2023	May 2024	Fairfield Residential Fairfield Residential
19 The Brynn at Civita 2525 Via Alta	★★★★☆	200	5	Dec 2023	Jul 2025	Rockwood Construction, Inc. Sudberry Properties, Inc.
20 North Park 4555 30th St	★★★★☆	194	6	May 2022	Aug 2024	H.G. Fenton Company H.G. Fenton Company
21 The Nash 4135 Park Blvd	★★★★☆	190	7	Jul 2022	Aug 2024	CEDARst Companies CEDARst Companies
22 1967 N Vulcan Ave	★★★★☆	72	3	Feb 2023	Jun 2024	- Wermers Companies
23 The Outpost at Poway 13247 Poway Rd	★★★★☆	72	3	Jan 2024	Apr 2025	Capexco Inc. Ghassan S Kassab
24 Pakeva 5320 Adobe Falls Rd	★★★★☆	64	4	Dec 2022	May 2024	- -
25 Onyx on Park 3922-3932 Park Blvd	★★★★☆	61	7	Jan 2023	Mar 2025	Highland Partnership Pearlmark Real Estate
26 NV Lofts 1559 N Santa Fe Ave	★★★★☆	60	3	Oct 2022	May 2024	Alliance Development Services Inc Alliance Development Services Inc
27 2131 3rd Ave	★★★★☆	56	3	Dec 2022	Aug 2024	Murfey Company Inc. Murfey Company Inc.
28 Niima 2519 El Cajon Blvd	★★★★☆	55	5	Aug 2022	May 2024	- Hub & Spoke Communities

The impact of elevated interest rates, coupled with moderating rent growth and demand, continues to disrupt the investment market here. The number of transactions during 23Q4 was roughly one-third of the quarterly average between 2015 and 2019. However, several large institutional deals that closed at the end of the year boosted sales volume above \$900 million. The average property size to have sold in the past year has been about 30 units.

According to market participants, Deals have taken longer to close and more effort to keep under contract. There are still bid-ask spreads and rising property expenses have made closing deals more challenging. Similarly, policy goals announced by the city council have added a further layer of uncertainty for value-add investors, including a declaration in 2023 to make housing a human right and further tenant protective measures that have made no-fault evictions much costlier for landlords.

The average transactional price has been about \$380,000/unit over the past 12 months compared with about \$400,000/unit at the end of 2021. Average cap rates have bumped up between 4.2% and 5.2%. Properties in suburban locations have seen an average cap rate of 4.5% in the past year compared with 3.5% in the first half of 2022. Urban properties have traded at an average cap rate of roughly 4.3% compared with 3.7% during the first and second quarters of 2022. Institutional, private equity and REIT entities have accounted for more than 20% of sales volume in the past year from the buying side, a bit lower than the longer-term average. That was a similar level as the seller's side.

At the end of 2023, a local investor purchased the 37-

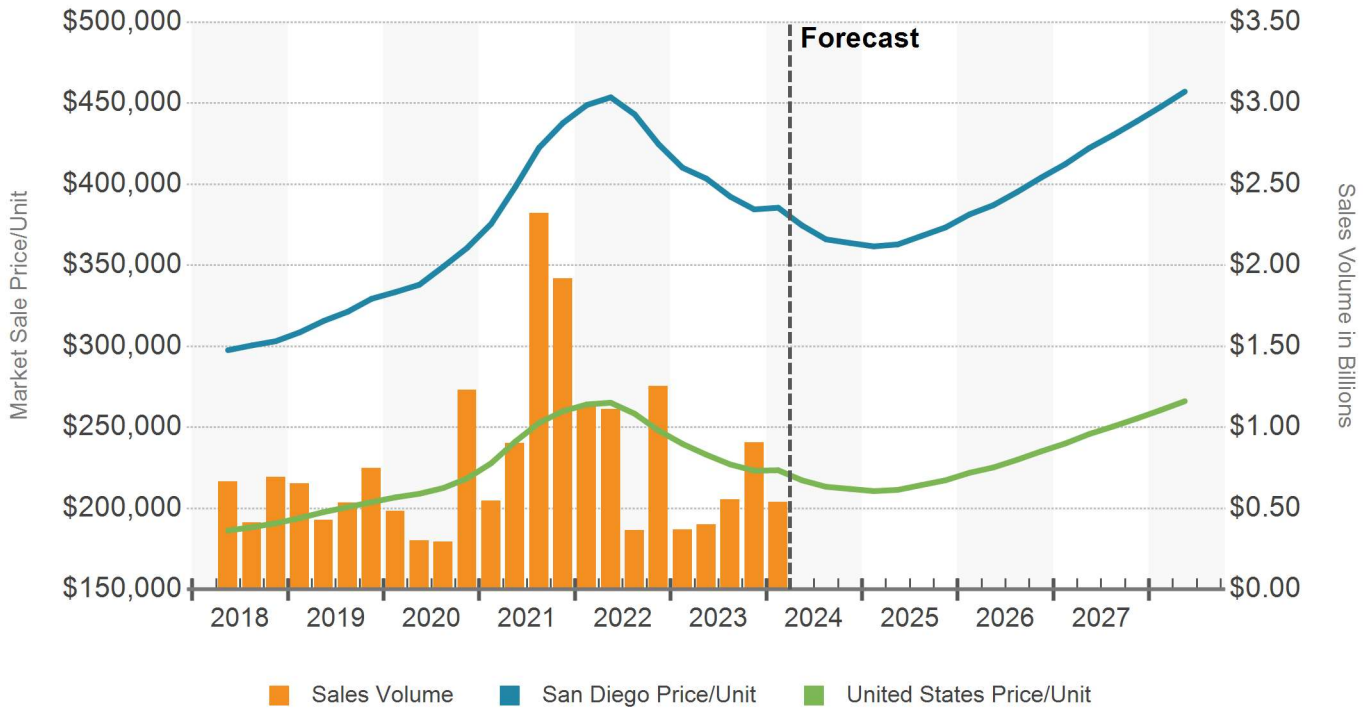
unit Palm Terrace at 330-340 N 1st Street in El Cajon for \$9.4 million, or about \$252,700/unit, at a 5.1% cap rate. The buyer assumed the loan from the seller, Positive Investments, amounting to \$6.25 million. The property has undergone several improvements over the years, and the buyer purchased the property for its value-add potential and intends to inject significant capital into it. The property last traded in 2021 for \$8.2 million.

Private investors were involved on both sides of the deal for the Villa Vidorra Apartments on 53rd Street in City Heights during 23Q3. The 22-unit property sold for \$5.8 million, or about \$265,000/unit, at a 4.8% cap rate. The property consisted of studios, one- and two-bedroom units. The buyer secured \$3.5 million in debt for a 60% loan-to-value ratio to finance the purchase. The property had recently undergone a \$300,000 renovation program on unit interiors. The buyer was expected to complete the improvements. The property last sold in 2021 for \$4.1 million.

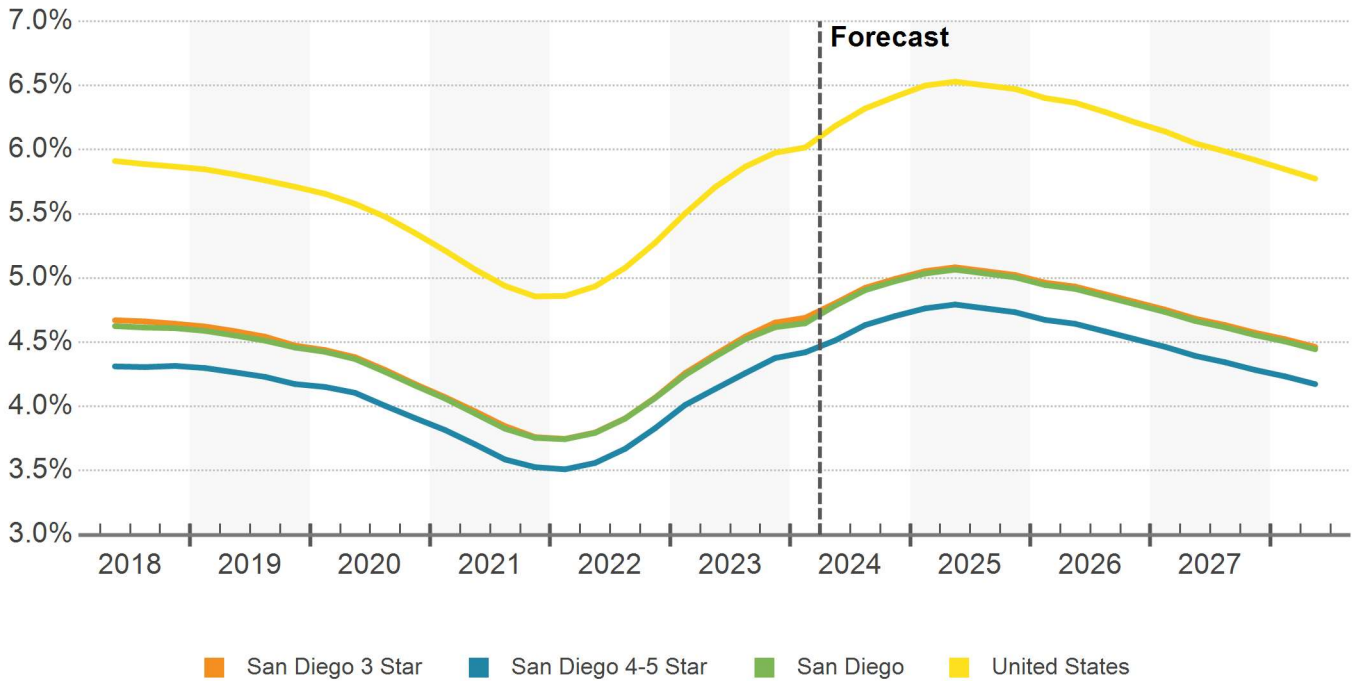
A private investor purchased the 38-unit community at 2241 4th Avenue in Bankers Hill from San Diego-based F&F Income during 23Q2 for \$12.95 million, or about \$341,000/unit, at a 4.5% cap rate. The local buyer assumed \$7.4 million of debt. The property was extensively renovated in 2018, totaling just under \$2 million for interior and exterior improvements. The property consisted of 28 studios and 10 one-bedroom units.

With moderating rent growth, tenant protective measures, and elevated interest rates, most local investors do not anticipate much of a change in the investment landscape in the coming quarters.

SALES VOLUME & MARKET SALE PRICE PER UNIT



MARKET CAP RATE



Sales Past 12 Months

San Diego Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

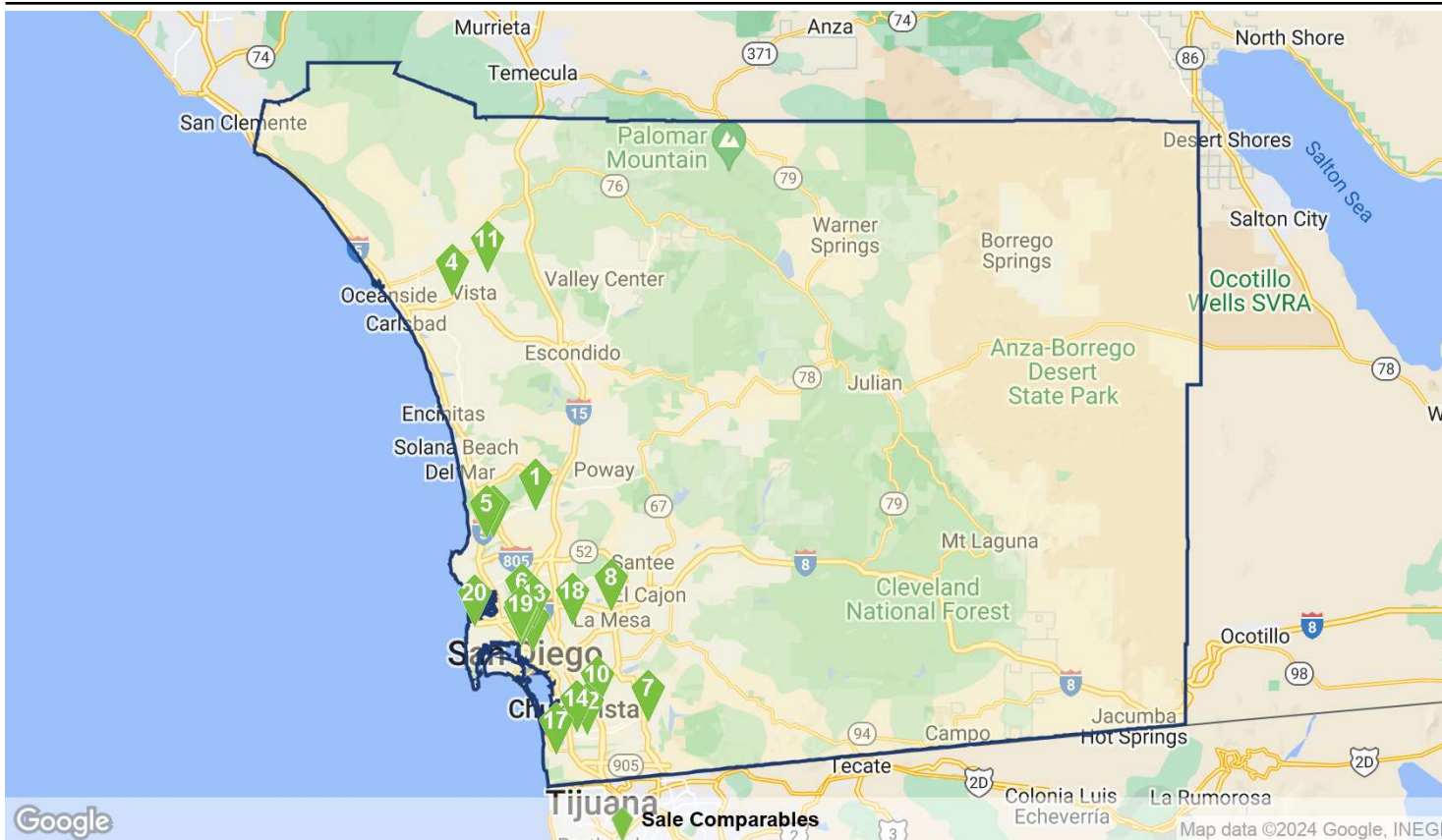
219

\$384

\$11.1

5.3%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$575,000	\$11,115,889	\$2,967,500	\$207,530,669
Price/Unit	\$85,000	\$384,275	\$325,000	\$833,333
Cap Rate	1.0%	4.4%	4.4%	9.7%
Vacancy Rate At Sale	0%	5.3%	0%	37.5%
Time Since Sale in Months	0.0	6.4	6.5	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	0	28	8	616
Number of Floors	1	2	2	23
Average Unit SF	225	765	757	1,644
Year Built	1111	1965	1972	2025
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 Esplanade 10201 Camino Ruiz	★★★★★	1986	616	4.4%	3/25/2024	\$207,530,669	\$336,900	\$867	
2 Palisade 8800 Lombard Pl	★★★★★	2019	300	9.3%	12/22/2023	\$203,000,000	\$676,666	\$702	
3 Allina LaJolla 3417 Lebon Dr	★★★★★	1986	400	5.0%	4/27/2023	\$177,300,000	\$443,250	\$513	
4 Waterleaf Apartment Homes 333 N Emerald Dr	★★★★★	1985	456	7.5%	10/2/2023	\$174,000,000	\$381,578	\$436	
5 Veranda La Jolla 3845 Nobel Dr	★★★★★	1992	354	4.5%	7/14/2023	\$165,500,000	\$467,514	\$523	
6 Margo at the Society 201 Del Sol Dr	★★★★★	2021	240	9.6%	12/11/2023	\$125,500,000	\$522,916	\$628	
7 Pulse Millenia 2043 Artisan Way	★★★★★	2015	273	6.6%	2/5/2024	\$116,000,000	\$424,908	\$434	
8 Jefferson La Mesa 4949 Baltimore Dr	★★★★★	2022	230	6.1%	8/10/2023	\$111,000,000	\$482,608	\$306	
9 The Artisan 1601 Broadway	★★★★★	2018	265	9.4%	12/21/2023	\$107,750,000	\$406,603	\$440	
10 The Emery at Terra Nova 440 E H St	★★★★★	1985	233	8.6%	3/8/2024	\$82,000,000	\$351,931	\$376	
11 Oak Manor Apartments 1575 Oak Dr	★★★★★	1978	187	3.7%	12/22/2023	\$43,000,000	\$229,946	\$198	
12 Vista 1440-1450 2nd Ave	★★★★★	1975	151	2.0%	11/16/2023	\$37,250,000	\$246,688	\$370	
13 Mr Robinson Lofts 3752 Park Blvd	★★★★★	2016	34	0%	6/27/2023	\$28,215,500	\$829,867	\$655	
14 Sunset Villa Apartments 1225 Broadway	★★★★★	1969	154	1.3%	10/13/2023	\$28,000,000	\$181,818	\$206	
15 The Continental 320 W Cedar St	★★★★★	2019	43	2.3%	9/11/2023	\$21,350,000	\$496,511	\$791	
16 Contour Lofts 2120 Columbia St	★★★★★	2019	30	0%	8/21/2023	\$20,715,000	\$690,500	\$739	
17 Hawaiian Gardens 1031 Imperial Beach Blvd	★★★★★	1973	63	1.6%	6/7/2023	\$19,000,000	\$301,587	\$380	
18 Pacific Cove 4025 Oakcrest Dr	★★★★★	1988	81	6.2%	9/22/2023	\$18,250,000	\$225,308	\$398	
19 The Element 2603 Dove St	★★★★★	2021	28	3.6%	1/22/2024	\$15,900,000	\$567,857	\$770	
20 Muir Garden Apartments 4657-4685 Muir Ave	★★★★★	1955	25	4.0%	8/11/2023	\$13,200,000	\$528,000	\$454	

According to the latest report from the Bureau of Labor Statistics, San Diego's unemployment rate of 4.7% was unchanged in February. That was 100 basis points higher than the February 2023 rate and nearly 100 basis points below California's statewide unemployment rate.

In a change of course, professional and business services led all industries in February, with 3,100 positions added to payrolls. Those jobs accounted for over half of the 6,000 added in February. The other two office-using sectors, information, and financial activities shed 300 positions.

The leisure and hospitality sector also rebounded in February after adding 2,500 jobs, 1,800 of which were in accommodation and food services. For over a year, food and beverage tenants have helped drive small-box retail leasing in San Diego. Those tenants and other service-related retailers occupying less than 3,000 square feet helped that retail tranche account for over half of retail leasing volume in the past 12 months. Local brokers have reported that high demand for these available spaces has handed leverage to landlords, given the historically low availability across the region.

Over the past 12 months, San Diego's nonfarm employers added 13,600 to payrolls for 0.9% annual growth. The region's labor force exceeded 1.6 million people in February. That's the highest level since November.

Private education and health services led annual hiring gains with 15,000 added to payrolls. Leisure and hospitality added 6,100 and the government added 5,700 to lead industries.

The office-using sectors shed more than 12,000 jobs in the past 12 months. The relationship between office-using job growth and office demand has decoupled over the past several years. It is no longer the indication of space requirements for employers that it once was.

Domestic migration in San Diego has typically trended in negative territory, and the latest census data for 2023 was no different. More than 30,000 people left the county between mid-2022 and mid-2023, according to the U.S. Census Bureau, and that was one of the highest levels in over three decades, aside from the initial stages of the pandemic. That figure was partially offset by international migration, which exceeded 10,000. High housing costs are one of the primary reasons that the local population shrunk by more than 7,000 in 2023.

More than 80 research institutes are located in San Diego, from Scripps Research Institute to Salk Institute for Biological Studies, in addition to five universities. This cluster of research in the Golden Triangle has created one of the strongest life science cores in the United States. Furthermore, Scripps Health has five campuses across the metro and announced that it is spending \$2.6 billion on facility upgrades, further bolstering San Diego as a destination for "medical tourism."

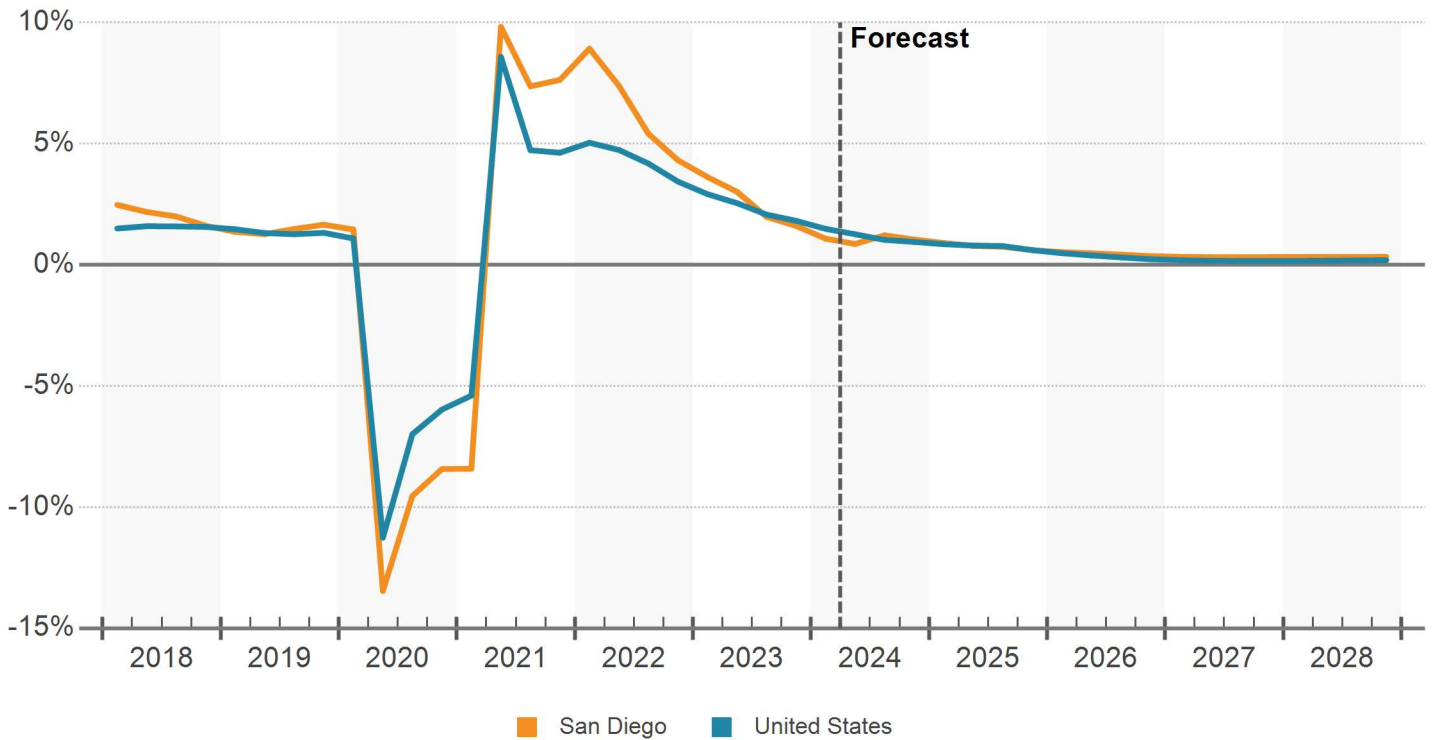
San Diego also has over 140,000 active duty and civilian military employees. According to the San Diego Military Advisory Council, the defense industry accounts for more than 350,000 jobs in the region. That is close to 25% of the economy. The Navy's renewed focus on the Pacific theater of operation will result in a 60/40 split between the Pacific and Atlantic fleets, further solidifying San Diego's status as a major Navy hub.

SAN DIEGO 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	118	0.9	-0.20%	0.04%	1.65%	0.71%	0.34%	0.14%
Trade, Transportation and Utilities	225	0.8	0.73%	0.08%	0.42%	1.04%	-0.03%	0.14%
Retail Trade	139	0.9	0.38%	-0.16%	-0.28%	0.19%	-0.09%	0.13%
Financial Activities	79	0.9	1.07%	0.60%	1.24%	1.45%	-0.09%	0.18%
Government	251	1.1	1.06%	2.38%	1.02%	0.55%	0.35%	0.33%
Natural Resources, Mining and Construction	90	1.0	0.61%	2.20%	3.50%	2.38%	0.78%	0.25%
Education and Health Services	245	0.9	4.15%	3.43%	2.98%	1.98%	1.01%	0.64%
Professional and Business Services	286	1.2	-0.33%	0.74%	2.60%	1.98%	0.34%	0.48%
Information	21	0.7	-3.25%	-1.80%	-1.23%	1.10%	0.31%	0.22%
Leisure and Hospitality	210	1.2	0.88%	2.55%	1.93%	1.52%	0.97%	0.70%
Other Services	60	1.0	2.40%	1.51%	1.34%	0.66%	0.33%	0.27%
Total Employment	1,584	1.0	1.07%	1.47%	1.77%	1.35%	0.48%	0.37%

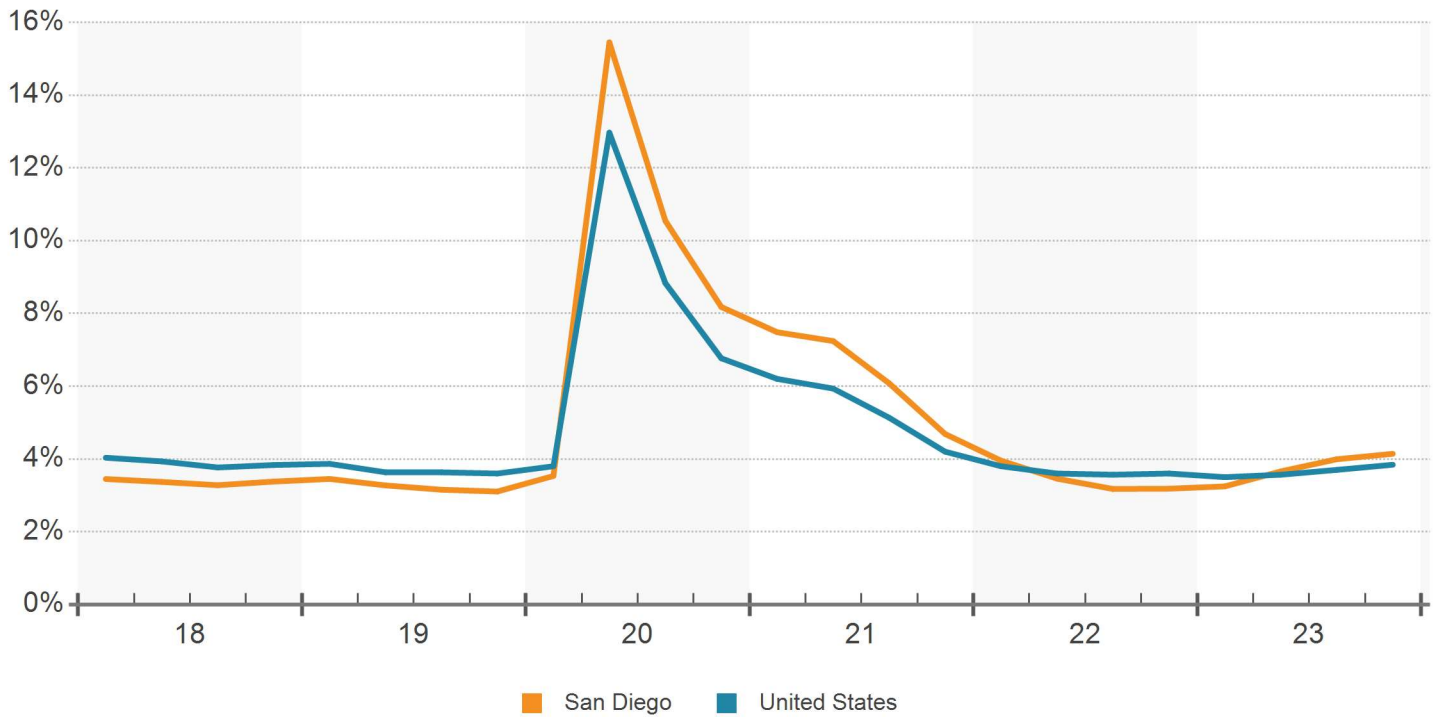
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

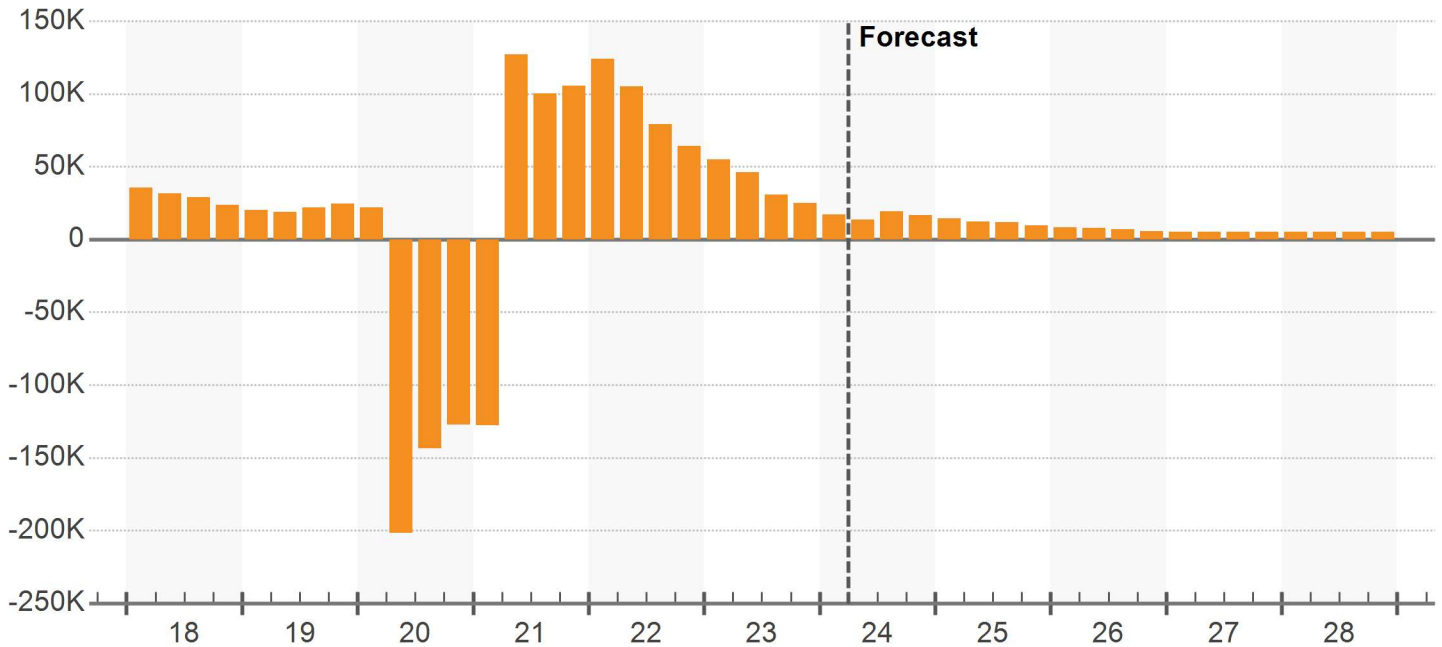


Source: Oxford Economics

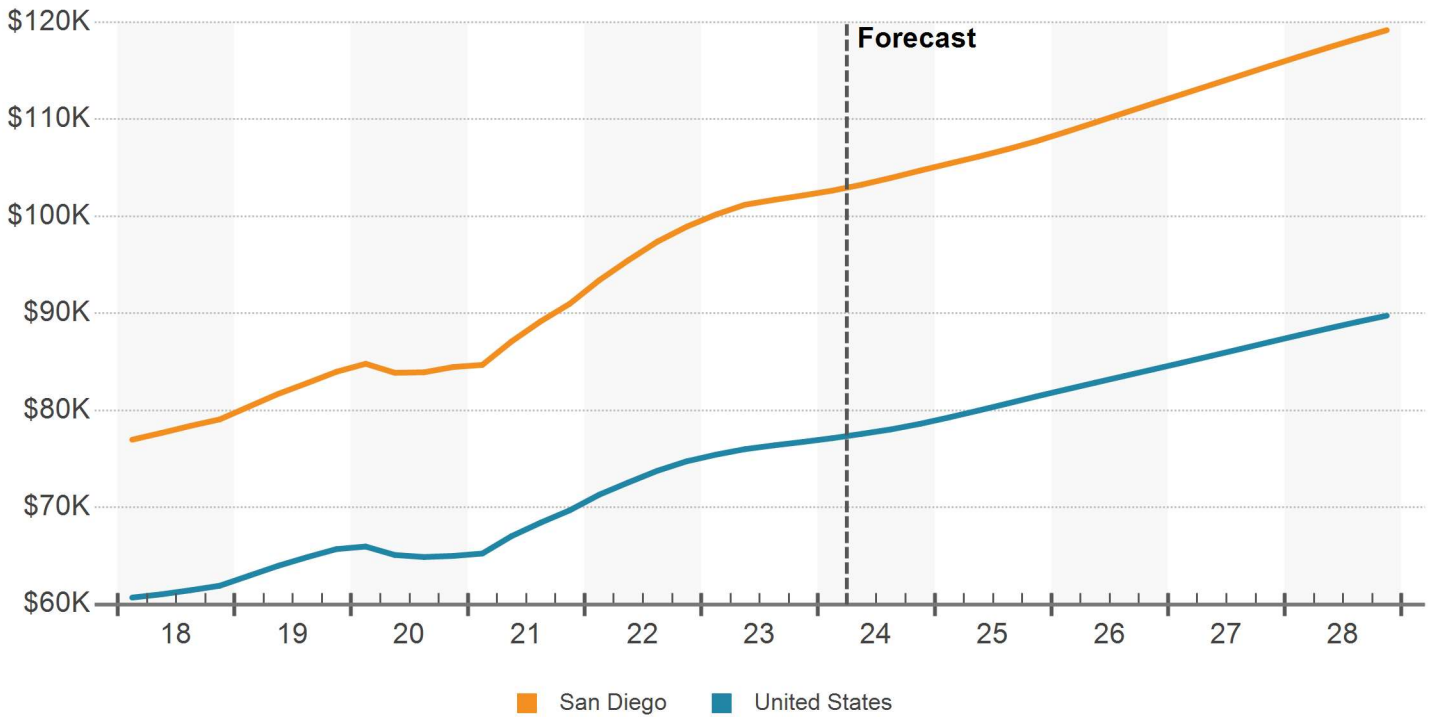
UNEMPLOYMENT RATE (%)



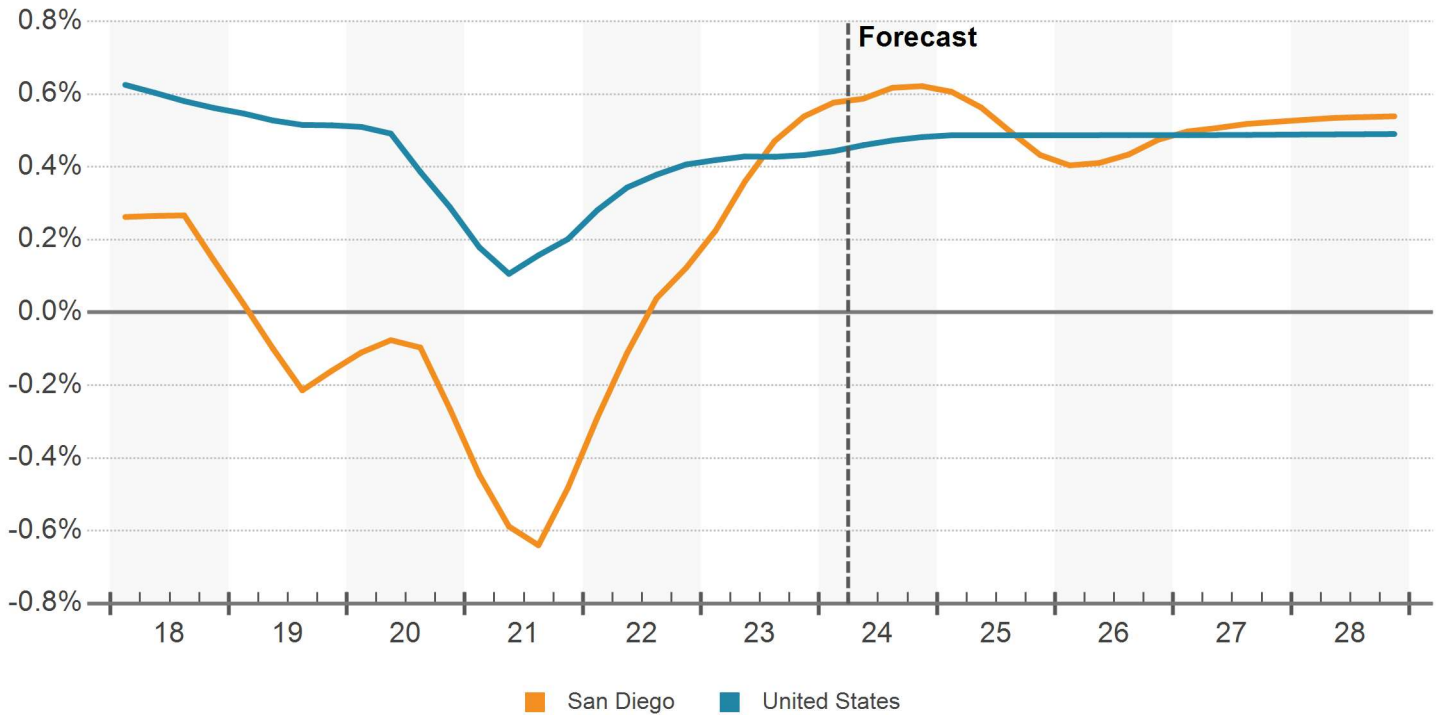
NET EMPLOYMENT CHANGE (YOY)



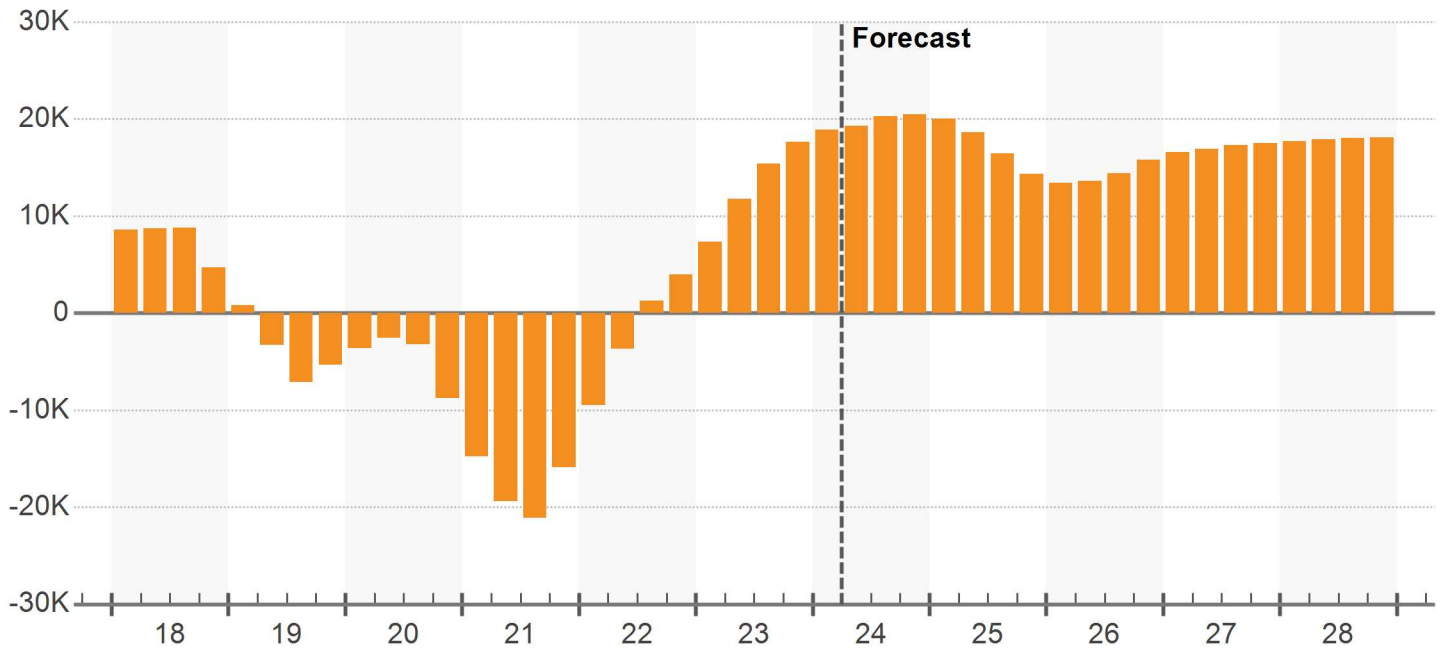
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

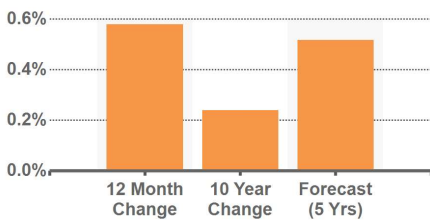


DEMOGRAPHIC TRENDS

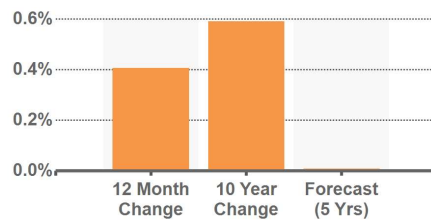
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,301,778	335,516,750	0.6%	0.4%	0.2%	0.5%	0.5%	0.5%
Households	1,184,351	131,041,672	0.7%	0.6%	0.5%	0.9%	0.6%	0.6%
Median Household Income	\$102,690	\$77,169	2.4%	2.2%	5.1%	3.9%	3.2%	3.2%
Labor Force	1,618,075	169,039,828	0.4%	1.6%	0.6%	0.8%	0%	0.1%
Unemployment	4.1%	3.8%	0.9%	0.3%	-0.3%	-0.3%	-	-

Source: Oxford Economics

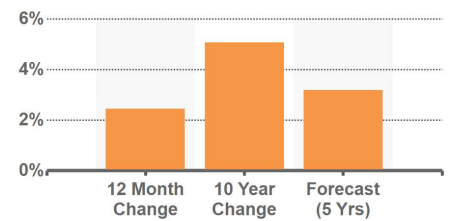
POPULATION GROWTH



LABOR FORCE GROWTH

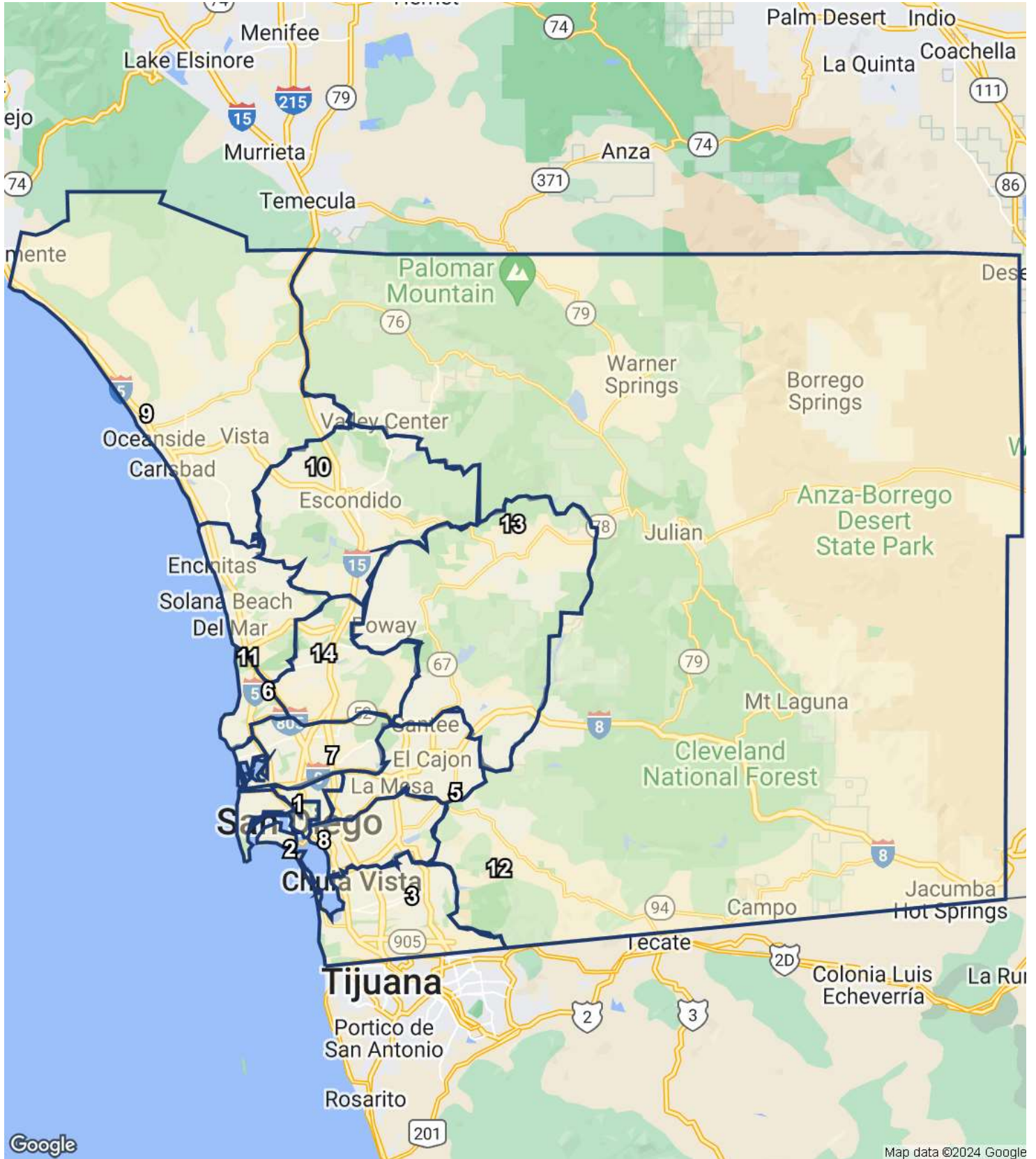


INCOME GROWTH



Source: Oxford Economics

SAN DIEGO SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Units	% Market	Rank	Bldgs	Units	Percent	Rank	Bldgs	Units	Percent	Rank
1	Balboa Park	2,972	31,729	11.4%	4	11	950	3.0%	1	12	772	2.4%	5
2	Central Coast	1,493	19,470	7.0%	6	5	570	2.9%	4	2	49	0.3%	11
3	Chula Vista/Imperial Beach	888	31,782	11.4%	3	7	867	2.7%	2	1	278	0.9%	7
4	Downtown San Diego	166	15,248	5.5%	9	3	650	4.3%	3	6	2,130	14.0%	1
5	East County	2,311	46,162	16.6%	1	4	105	0.2%	8	3	51	0.1%	10
6	La Jolla/UTC	173	12,760	4.6%	10	1	26	0.2%	9	2	37	0.3%	13
7	Mission Valley/North Cen...	323	26,888	9.7%	5	4	344	1.3%	6	6	2,042	7.6%	2
8	National City/South Central	900	15,956	5.7%	8	8	252	1.6%	7	4	47	0.3%	12
9	North County	901	32,854	11.8%	2	1	9	0%	12	5	984	3.0%	3
10	North I-15 Corridor	383	18,402	6.6%	7	1	15	0.1%	11	1	258	1.4%	8
11	North Shore Cities	197	8,364	3.0%	12	0	25	0.3%	10	1	72	0.9%	9
12	Outlying San Diego County	27	1,182	0.4%	14	0	0	0%	-	0	0	0%	-
13	Poway/Santee/Ramona	123	5,126	1.8%	13	0	0	0%	-	2	284	5.5%	6
14	South I-15 Corridor	72	12,354	4.4%	11	2	354	2.9%	5	3	821	6.6%	4

SUBMARKET RENT

No.	Market	Asking Rents				Effective Rents					
		Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Balboa Park	\$1,899	\$2.80	7	1.2%	\$1,879	\$2.77	7	0.6%	1.0%	4
2	Central Coast	\$2,312	\$3.17	4	-0.3%	\$2,276	\$3.12	5	-1.3%	1.5%	2
3	Chula Vista/Imperial Beach	\$2,358	\$2.73	10	1.7%	\$2,333	\$2.70	10	1.1%	1.1%	3
4	Downtown San Diego	\$2,999	\$3.77	1	-2.1%	\$2,948	\$3.71	1	-1.5%	1.7%	1
5	East County	\$1,917	\$2.46	12	1.6%	\$1,904	\$2.44	12	1.5%	0.7%	7
6	La Jolla/UTC	\$3,174	\$3.36	3	-2.5%	\$3,142	\$3.33	3	-2.8%	1.0%	5
7	Mission Valley/North Cen...	\$2,756	\$3.16	5	-0.8%	\$2,735	\$3.14	4	-0.9%	0.7%	6
8	National City/South Central	\$1,864	\$2.45	13	2.2%	\$1,852	\$2.43	13	1.9%	0.6%	9
9	North County	\$2,418	\$2.78	8	1.3%	\$2,404	\$2.76	8	1.2%	0.6%	10
10	North I-15 Corridor	\$2,364	\$2.73	9	3.2%	\$2,354	\$2.72	9	3.0%	0.5%	14
11	North Shore Cities	\$3,453	\$3.50	2	0%	\$3,436	\$3.48	2	-0.2%	0.5%	13
12	Outlying San Diego County	\$2,147	\$2.44	14	1.7%	\$2,133	\$2.43	14	1.6%	0.6%	8
13	Poway/Santee/Ramona	\$2,168	\$2.51	11	3.0%	\$2,157	\$2.50	11	2.8%	0.5%	12
14	South I-15 Corridor	\$2,932	\$3.06	6	-1.3%	\$2,916	\$3.04	6	-1.2%	0.5%	11

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Balboa Park	1,802	5.7%	11	156	0.5%	5	6.0
2	Central Coast	1,361	7.0%	13	(57)	-0.3%	9	-
3	Chula Vista/Imperial Beach	1,994	6.3%	12	172	0.5%	4	5.0
4	Downtown San Diego	1,267	8.3%	14	294	1.9%	1	1.4
5	East County	2,178	4.7%	6	(563)	-1.2%	14	-
6	La Jolla/UTC	603	4.7%	7	(50)	-0.4%	7	-
7	Mission Valley/North Cen...	1,351	5.0%	9	231	0.9%	3	0.9
8	National City/South Central	723	4.5%	5	(53)	-0.3%	8	-
9	North County	1,384	4.2%	3	(305)	-0.9%	13	-
10	North I-15 Corridor	678	3.7%	2	(191)	-1.0%	12	-
11	North Shore Cities	299	3.6%	1	(184)	-2.2%	11	-
12	Outlying San Diego County	66	5.6%	10	(14)	-1.2%	6	-
13	Poway/Santee/Ramona	228	4.5%	4	(90)	-1.7%	10	-
14	South I-15 Corridor	606	4.9%	8	279	2.3%	2	0.4

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	288,871	2,149	0.7%	2,240	0.8%	1.0
2027	286,722	1,232	0.4%	1,634	0.6%	0.8
2026	285,490	2,123	0.7%	1,911	0.7%	1.1
2025	283,367	2,409	0.9%	2,629	0.9%	0.9
2024	280,958	3,072	1.1%	2,628	0.9%	1.2
YTD	278,277	391	0.1%	271	0.1%	1.4
2023	277,886	3,933	1.4%	224	0.1%	17.6
2022	273,953	4,149	1.5%	426	0.2%	9.7
2021	269,804	4,835	1.8%	8,535	3.2%	0.6
2020	264,969	2,181	0.8%	5,363	2.0%	0.4
2019	262,788	4,442	1.7%	3,564	1.4%	1.2
2018	258,346	4,596	1.8%	3,530	1.4%	1.3
2017	253,750	3,180	1.3%	2,309	0.9%	1.4
2016	250,570	1,816	0.7%	1,980	0.8%	0.9
2015	248,754	3,671	1.5%	4,364	1.8%	0.8
2014	245,083	3,892	1.6%	2,399	1.0%	1.6
2013	241,191	1,254	0.5%	2,080	0.9%	0.6
2012	239,937	1,585	0.7%	2,641	1.1%	0.6

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	69,353	2,266	3.4%	1,890	2.7%	1.2
2027	67,087	1,112	1.7%	1,265	1.9%	0.9
2026	65,975	1,733	2.7%	1,879	2.8%	0.9
2025	64,242	2,383	3.9%	2,617	4.1%	0.9
2024	61,859	2,681	4.5%	3,102	5.0%	0.9
YTD	59,433	255	0.4%	749	1.3%	0.3
2023	59,178	3,158	5.6%	2,092	3.5%	1.5
2022	56,020	3,631	6.9%	2,271	4.1%	1.6
2021	52,389	4,279	8.9%	5,587	10.7%	0.8
2020	48,110	1,964	4.3%	2,867	6.0%	0.7
2019	46,146	3,692	8.7%	3,367	7.3%	1.1
2018	42,454	4,063	10.6%	2,852	6.7%	1.4
2017	38,391	2,931	8.3%	2,458	6.4%	1.2
2016	35,460	1,601	4.7%	2,303	6.5%	0.7
2015	33,859	3,672	12.2%	3,699	10.9%	1.0
2014	30,187	3,822	14.5%	2,170	7.2%	1.8
2013	26,365	1,446	5.8%	1,143	4.3%	1.3
2012	24,919	1,003	4.2%	1,185	4.8%	0.8

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	91,256	0	0%	244	0.3%	0
2027	91,256	240	0.3%	433	0.5%	0.6
2026	91,016	509	0.6%	316	0.3%	1.6
2025	90,507	137	0.2%	203	0.2%	0.7
2024	90,370	448	0.5%	302	0.3%	1.5
YTD	90,058	136	0.2%	19	0%	7.2
2023	89,922	639	0.7%	(690)	-0.8%	-
2022	89,283	567	0.6%	(747)	-0.8%	-
2021	88,716	635	0.7%	1,818	2.0%	0.3
2020	88,081	271	0.3%	1,595	1.8%	0.2
2019	87,810	755	0.9%	419	0.5%	1.8
2018	87,055	535	0.6%	555	0.6%	1.0
2017	86,520	296	0.3%	39	0%	7.6
2016	86,224	215	0.2%	(27)	0%	-
2015	86,009	27	0%	165	0.2%	0.2
2014	85,982	69	0.1%	51	0.1%	1.4
2013	85,913	69	0.1%	520	0.6%	0.1
2012	85,844	749	0.9%	1,385	1.6%	0.5

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	128,262	(117)	-0.1%	106	0.1%	-
2027	128,379	(120)	-0.1%	(64)	0%	1.9
2026	128,499	(119)	-0.1%	(284)	-0.2%	0.4
2025	128,618	(111)	-0.1%	(191)	-0.1%	0.6
2024	128,729	(57)	0%	(776)	-0.6%	0.1
YTD	128,786	0	0%	(497)	-0.4%	0
2023	128,786	136	0.1%	(1,178)	-0.9%	-
2022	128,650	(49)	0%	(1,098)	-0.9%	0
2021	128,699	(79)	-0.1%	1,130	0.9%	-
2020	128,778	(54)	0%	901	0.7%	-
2019	128,832	(5)	0%	(222)	-0.2%	0
2018	128,837	(2)	0%	123	0.1%	0
2017	128,839	(47)	0%	(188)	-0.1%	0.3
2016	128,886	0	0%	(296)	-0.2%	0
2015	128,886	(28)	0%	500	0.4%	-
2014	128,914	1	0%	178	0.1%	0
2013	128,913	(261)	-0.2%	417	0.3%	-
2012	129,174	(167)	-0.1%	71	0.1%	-

OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	14,453	5.0%	(0.1)	\$2,774	\$3.33	2.8%	(0.1)	\$2,748	\$3.30
2027	14,547	5.1%	(0.2)	\$2,699	\$3.24	2.9%	(0.4)	\$2,674	\$3.21
2026	14,946	5.2%	0	\$2,623	\$3.15	3.2%	(0.1)	\$2,599	\$3.12
2025	14,736	5.2%	(0.1)	\$2,541	\$3.05	3.4%	1.1	\$2,517	\$3.02
2024	14,954	5.3%	0.1	\$2,458	\$2.95	2.3%	1.0	\$2,435	\$2.92
YTD	14,540	5.2%	0	\$2,427	\$2.91	0.5%	(0.8)	\$2,406	\$2.88
2023	14,526	5.2%	1.3	\$2,403	\$2.88	1.2%	(4.2)	\$2,383	\$2.85
2022	10,800	3.9%	1.3	\$2,374	\$2.84	5.4%	(7.4)	\$2,359	\$2.83
2021	7,084	2.6%	(1.4)	\$2,252	\$2.70	12.8%	10.8	\$2,241	\$2.68
2020	10,771	4.1%	(1.2)	\$1,996	\$2.38	2.0%	(1.1)	\$1,981	\$2.36
2019	13,938	5.3%	0.3	\$1,958	\$2.34	3.0%	(0.5)	\$1,941	\$2.32
2018	13,054	5.1%	0.4	\$1,900	\$2.27	3.5%	(0.4)	\$1,870	\$2.23
2017	11,919	4.7%	0.3	\$1,835	\$2.19	3.9%	(0.1)	\$1,808	\$2.16
2016	11,007	4.4%	(0.1)	\$1,767	\$2.11	4.0%	(2.2)	\$1,745	\$2.08
2015	11,170	4.5%	(0.4)	\$1,699	\$2.03	6.2%	2.7	\$1,681	\$2.01
2014	11,865	4.8%	0.5	\$1,600	\$1.91	3.5%	(0.1)	\$1,582	\$1.89
2013	10,371	4.3%	(0.4)	\$1,545	\$1.84	3.6%	0.9	\$1,530	\$1.82
2012	11,196	4.7%	(0.5)	\$1,491	\$1.78	2.7%	-	\$1,479	\$1.76

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	4,611	6.6%	0.3	\$3,697	\$3.86	2.6%	(0.2)	\$3,643	\$3.80
2027	4,234	6.3%	(0.3)	\$3,604	\$3.76	2.8%	(0.4)	\$3,551	\$3.70
2026	4,385	6.6%	(0.4)	\$3,506	\$3.66	3.2%	(0.1)	\$3,455	\$3.60
2025	4,532	7.1%	(0.6)	\$3,398	\$3.54	3.3%	0.7	\$3,349	\$3.49
2024	4,765	7.7%	(1.2)	\$3,291	\$3.43	2.6%	3.1	\$3,243	\$3.38
YTD	4,673	7.9%	(1.0)	\$3,253	\$3.39	-0.7%	(0.2)	\$3,212	\$3.34
2023	5,272	8.9%	1.4	\$3,209	\$3.34	-0.6%	(4.7)	\$3,162	\$3.29
2022	4,195	7.5%	2.1	\$3,227	\$3.36	4.1%	(11.1)	\$3,197	\$3.33
2021	2,843	5.4%	(3.2)	\$3,098	\$3.23	15.3%	14.6	\$3,074	\$3.20
2020	4,143	8.6%	(2.3)	\$2,688	\$2.80	0.7%	(1.4)	\$2,651	\$2.76
2019	5,038	10.9%	(0.2)	\$2,669	\$2.78	2.1%	(0.6)	\$2,632	\$2.74
2018	4,709	11.1%	2.1	\$2,614	\$2.72	2.7%	(0.2)	\$2,546	\$2.65
2017	3,434	8.9%	0.7	\$2,545	\$2.65	2.9%	0.4	\$2,488	\$2.59
2016	2,919	8.2%	(2.5)	\$2,473	\$2.58	2.5%	(2.9)	\$2,429	\$2.53
2015	3,619	10.7%	(1.4)	\$2,414	\$2.51	5.4%	1.9	\$2,379	\$2.48
2014	3,648	12.1%	4.5	\$2,291	\$2.39	3.5%	(0.3)	\$2,257	\$2.35
2013	1,996	7.6%	0.8	\$2,214	\$2.31	3.8%	0.5	\$2,180	\$2.27
2012	1,692	6.8%	(1.0)	\$2,133	\$2.22	3.3%	-	\$2,111	\$2.20

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	4,186	4.6%	(0.3)	\$2,837	\$3.36	2.8%	(0.1)	\$2,817	\$3.33
2027	4,431	4.9%	(0.2)	\$2,759	\$3.27	2.9%	(0.3)	\$2,739	\$3.24
2026	4,625	5.1%	0.2	\$2,680	\$3.17	3.3%	(0.1)	\$2,661	\$3.15
2025	4,432	4.9%	(0.1)	\$2,595	\$3.07	3.4%	1.6	\$2,576	\$3.05
2024	4,497	5.0%	0.1	\$2,509	\$2.97	1.8%	0.2	\$2,491	\$2.95
YTD	4,495	5.0%	0.1	\$2,485	\$2.94	0%	(1.6)	\$2,469	\$2.92
2023	4,379	4.9%	1.5	\$2,465	\$2.91	1.6%	(4.9)	\$2,452	\$2.90
2022	3,043	3.4%	1.5	\$2,427	\$2.87	6.5%	(9.2)	\$2,415	\$2.85
2021	1,727	1.9%	(1.4)	\$2,280	\$2.69	15.6%	13.1	\$2,273	\$2.69
2020	2,907	3.3%	(1.5)	\$1,971	\$2.33	2.6%	(1.2)	\$1,962	\$2.32
2019	4,224	4.8%	0.3	\$1,922	\$2.27	3.8%	(0.2)	\$1,910	\$2.25
2018	3,887	4.5%	0	\$1,852	\$2.19	3.9%	(0.3)	\$1,828	\$2.16
2017	3,905	4.5%	0.3	\$1,782	\$2.10	4.2%	(0.5)	\$1,756	\$2.07
2016	3,648	4.2%	0.3	\$1,709	\$2.02	4.8%	(2.5)	\$1,689	\$1.99
2015	3,406	4.0%	(0.2)	\$1,631	\$1.92	7.3%	3.3	\$1,616	\$1.91
2014	3,544	4.1%	0	\$1,520	\$1.79	4.0%	(0.1)	\$1,504	\$1.77
2013	3,526	4.1%	(0.5)	\$1,461	\$1.72	4.1%	1.4	\$1,450	\$1.71
2012	3,977	4.6%	(0.8)	\$1,403	\$1.65	2.7%	-	\$1,392	\$1.64

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	5,656	4.4%	(0.2)	\$2,031	\$2.75	2.9%	(0.1)	\$2,019	\$2.73
2027	5,882	4.6%	0	\$1,975	\$2.67	3.0%	(0.4)	\$1,963	\$2.66
2026	5,936	4.6%	0.1	\$1,918	\$2.60	3.3%	(0.1)	\$1,907	\$2.58
2025	5,772	4.5%	0.1	\$1,856	\$2.51	3.5%	0.9	\$1,845	\$2.50
2024	5,691	4.4%	0.6	\$1,794	\$2.43	2.5%	(0.7)	\$1,784	\$2.42
YTD	5,372	4.2%	0.4	\$1,761	\$2.38	2.8%	(0.4)	\$1,751	\$2.36
2023	4,875	3.8%	1.0	\$1,750	\$2.36	3.3%	(2.5)	\$1,741	\$2.35
2022	3,562	2.8%	0.8	\$1,694	\$2.28	5.8%	0	\$1,688	\$2.27
2021	2,515	2.0%	(0.9)	\$1,602	\$2.15	5.8%	2.9	\$1,596	\$2.15
2020	3,721	2.9%	(0.7)	\$1,514	\$2.03	2.8%	(0.5)	\$1,508	\$2.02
2019	4,675	3.6%	0.2	\$1,472	\$1.97	3.3%	(0.7)	\$1,465	\$1.96
2018	4,458	3.5%	(0.1)	\$1,425	\$1.90	4.0%	(0.8)	\$1,417	\$1.89
2017	4,581	3.6%	0.1	\$1,370	\$1.83	4.8%	(0.4)	\$1,362	\$1.82
2016	4,440	3.4%	0.2	\$1,308	\$1.74	5.2%	(0.7)	\$1,301	\$1.73
2015	4,145	3.2%	(0.4)	\$1,243	\$1.65	5.9%	2.9	\$1,236	\$1.64
2014	4,673	3.6%	(0.1)	\$1,174	\$1.56	2.9%	0.3	\$1,167	\$1.55
2013	4,849	3.8%	(0.5)	\$1,140	\$1.51	2.6%	0.8	\$1,134	\$1.50
2012	5,527	4.3%	(0.2)	\$1,111	\$1.47	1.9%	-	\$1,105	\$1.46

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	-	-	-	-	-	-	\$472,932	321	4.4%
2027	-	-	-	-	-	-	\$438,949	298	4.6%
2026	-	-	-	-	-	-	\$404,206	275	4.8%
2025	-	-	-	-	-	-	\$373,443	254	5.0%
2024	-	-	-	-	-	-	\$363,808	247	5.0%
YTD	46	\$545.1M	0.6%	\$12,113,326	\$352,587	4.4%	\$390,997	266	4.6%
2023	232	\$2.2B	2.2%	\$10,003,473	\$378,249	4.4%	\$384,547	261	4.6%
2022	342	\$3.9B	3.5%	\$11,327,436	\$402,696	3.5%	\$424,750	289	4.1%
2021	576	\$5.7B	6.6%	\$9,947,523	\$317,965	4.1%	\$437,840	297	3.8%
2020	305	\$2.3B	2.8%	\$7,745,161	\$315,999	4.4%	\$360,827	245	4.2%
2019	575	\$2.4B	4.1%	\$6,660,530	\$297,233	4.5%	\$329,384	224	4.5%
2018	503	\$2B	3.7%	\$6,093,490	\$257,954	4.4%	\$303,242	206	4.6%
2017	682	\$3B	5.3%	\$7,454,605	\$276,036	4.5%	\$286,699	195	4.7%
2016	508	\$2.6B	4.7%	\$6,168,430	\$234,595	4.8%	\$267,958	182	4.8%
2015	545	\$2.1B	5.4%	\$5,238,363	\$193,855	4.9%	\$254,760	173	4.8%
2014	456	\$1.6B	5.6%	\$4,332,719	\$176,435	5.2%	\$231,765	157	5.0%
2013	465	\$1.3B	3.8%	\$3,354,310	\$171,924	5.7%	\$213,292	145	5.2%

(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	-	-	-	-	-	-	\$676,653	321	4.1%
2027	-	-	-	-	-	-	\$628,047	298	4.3%
2026	-	-	-	-	-	-	\$577,903	274	4.5%
2025	-	-	-	-	-	-	\$533,614	253	4.7%
2024	-	-	-	-	-	-	\$520,442	247	4.7%
YTD	2	\$131.9M	0.5%	\$65,950,000	\$438,206	3.9%	\$560,120	265	4.3%
2023	9	\$623.3M	2.0%	\$69,258,944	\$535,048	4.1%	\$547,222	259	4.4%
2022	17	\$1.4B	5.0%	\$82,014,900	\$495,294	3.6%	\$606,696	288	3.8%
2021	13	\$1.3B	4.9%	\$96,894,192	\$493,583	4.1%	\$628,054	298	3.5%
2020	9	\$708M	2.9%	\$88,500,938	\$515,289	4.0%	\$519,959	246	3.9%
2019	11	\$784.1M	4.3%	\$78,407,327	\$399,223	5.0%	\$476,712	226	4.2%
2018	8	\$641.2M	5.1%	\$91,603,714	\$344,745	4.0%	\$438,912	208	4.3%
2017	15	\$1.4B	8.6%	\$91,269,880	\$416,504	4.3%	\$417,276	198	4.3%
2016	10	\$592M	4.9%	\$59,204,850	\$340,845	4.6%	\$390,788	185	4.4%
2015	10	\$457.4M	4.5%	\$45,735,000	\$302,680	4.7%	\$373,217	177	4.4%
2014	4	\$167.5M	3.5%	\$55,833,333	\$269,293	-	\$337,838	160	4.6%
2013	10	\$240.3M	5.1%	\$80,104,283	\$287,800	5.2%	\$312,492	148	4.8%

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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	-	-	-	-	-	-	\$447,525	326	4.4%
2027	-	-	-	-	-	-	\$415,411	303	4.6%
2026	-	-	-	-	-	-	\$382,719	279	4.8%
2025	-	-	-	-	-	-	\$353,721	258	5.0%
2024	-	-	-	-	-	-	\$344,441	251	5.0%
YTD	3	\$292.7M	1.0%	\$97,560,223	\$341,120	3.3%	\$369,203	269	4.6%
2023	46	\$957.4M	3.0%	\$22,055,727	\$360,449	4.4%	\$362,134	264	4.7%
2022	58	\$1.1B	3.2%	\$19,909,754	\$402,717	3.9%	\$403,178	294	4.1%
2021	94	\$2.2B	7.8%	\$23,034,605	\$311,816	4.0%	\$414,724	302	3.8%
2020	50	\$789.8M	2.8%	\$16,453,697	\$319,619	4.5%	\$340,192	248	4.2%
2019	64	\$548.2M	2.4%	\$10,964,629	\$311,318	4.4%	\$310,616	226	4.5%
2018	55	\$622M	2.9%	\$12,957,482	\$251,703	4.4%	\$283,416	206	4.6%
2017	97	\$742.6M	4.2%	\$10,762,647	\$223,077	4.8%	\$266,937	194	4.7%
2016	81	\$1.2B	5.8%	\$16,774,825	\$236,980	4.7%	\$249,262	182	4.8%
2015	94	\$912.6M	7.1%	\$12,332,177	\$191,477	4.9%	\$237,579	173	4.8%
2014	86	\$842.1M	9.0%	\$12,204,580	\$189,197	5.2%	\$216,224	158	5.0%
2013	57	\$506.5M	3.3%	\$10,551,799	\$230,012	5.3%	\$198,407	145	5.2%

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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	-	-	-	-	-	-	\$386,769	318	4.5%
2027	-	-	-	-	-	-	\$358,941	295	4.7%
2026	-	-	-	-	-	-	\$330,617	272	4.9%
2025	-	-	-	-	-	-	\$305,521	251	5.1%
2024	-	-	-	-	-	-	\$297,443	245	5.1%
YTD	41	\$120.5M	0.3%	\$3,012,975	\$311,419	4.4%	\$319,604	263	4.7%
2023	177	\$637M	1.7%	\$3,747,012	\$311,945	4.4%	\$317,251	261	4.7%
2022	267	\$1.3B	3.1%	\$4,994,556	\$336,839	3.4%	\$347,004	285	4.2%
2021	469	\$2.3B	6.5%	\$4,871,195	\$269,688	4.1%	\$356,962	293	3.9%
2020	246	\$810.3M	2.7%	\$3,348,236	\$234,251	4.4%	\$294,083	242	4.3%
2019	500	\$1B	5.1%	\$3,498,927	\$244,002	4.5%	\$267,352	220	4.6%
2018	440	\$753.8M	3.7%	\$2,731,015	\$216,101	4.4%	\$247,920	204	4.7%
2017	570	\$854.9M	5.1%	\$2,723,764	\$206,944	4.4%	\$233,934	192	4.8%
2016	417	\$793.6M	3.8%	\$2,368,992	\$188,060	4.8%	\$218,399	180	4.9%
2015	441	\$772.6M	4.5%	\$2,377,105	\$161,792	4.9%	\$206,366	170	4.9%
2014	366	\$623.8M	3.7%	\$2,045,308	\$149,061	5.2%	\$188,540	155	5.1%
2013	398	\$534.5M	3.9%	\$1,614,946	\$121,048	5.7%	\$173,116	142	5.3%

(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	-	288,872	5.0%	-	2,266	-	2,147	-	-
2027	-	286,725	5.1%	-	1,353	-	1,234	-	-
2026	-	285,491	5.2%	-	2,242	-	2,123	-	-
2025	-	283,368	5.2%	-	2,520	-	2,409	-	-
2024	-	280,959	5.3%	-	3,317	-	3,067	-	-
YTD	10,930	278,283	5.2%	12	585	11	391	48	7,825
2023	10,919	277,892	5.2%	47	4,000	45	3,933	57	7,563
2022	10,874	273,959	3.9%	37	4,242	30	4,149	77	8,062
2021	10,844	269,810	2.6%	37	4,914	33	4,835	63	8,085
2020	10,811	264,975	4.1%	31	2,259	24	2,181	63	8,957
2019	10,787	262,794	5.3%	43	4,453	41	4,442	56	6,571
2018	10,746	258,352	5.1%	36	4,610	34	4,596	66	7,282
2017	10,712	253,756	4.7%	27	3,264	17	3,180	57	7,970
2016	10,695	250,576	4.4%	20	1,816	20	1,816	52	7,597
2015	10,675	248,760	4.5%	20	3,735	16	3,671	30	4,914
2014	10,659	245,089	4.8%	17	3,931	14	3,892	26	5,175
2013	10,645	241,197	4.3%	10	1,515	0	1,254	26	5,893
2012	10,645	239,943	4.7%	9	1,767	2	1,585	18	5,117