



MULTI-FAMILY MARKET REPORT

SAN DIEGO, CA | Q2 OF 2024

NAI San Diego

SOURCE: COSTAR

MULTI-FAMILY MARKET REPORT

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

12 Mo Delivered Units

5,268

12 Mo Absorption Units

162

Vacancy Rate

5.6%

12 Mo Asking Rent Growth

-0.1%

Demand improved during 24Q1, although it fell short of the typical first quarters of the past decade. The luxury sector has been the only property class with positive annual and 24Q1 demand. Submarkets filled with older inventory from North to East County have not fared nearly as well, and budget-conscious households in these areas continue to face high housing costs and economic uncertainty in one of the country's most expensive housing markets.

Overall vacancy has climbed to 5.6%, and local property managers anticipate that it could be a challenging year to secure new front door demand. The luxury sector has faced supply-side pressure, raising the vacancy rate to 9.4% during the second quarter. Several areas may face obstacles to reining in vacancy, particularly in places such as the Central Coast, Balboa Park, Mission Valley, and Downtown, where 2,500 new units have opened in the past year. These neighborhoods will encounter further supply-side pressure on vacancy and rent growth in the coming quarters.

Local landlords in these submarkets and elsewhere across the region have suggested that it has been difficult to maintain high occupancy in recent quarters due to households leaving San Diego. Buildings that had stabilized above 95% occupancy are now navigating a period of cooling household formation and lower occupancy as households attempt to control costs.

In the past year, rents have shifted by -0.1%, versus 1.0% nationally. Although quarterly rent growth returned to positive territory during 24Q1, landlords are still seeing lower effective rents on lease trade-outs due to higher concession packages. Landlords anticipate that concessions could linger through the next several months, and look-and-lease specials, free rent, and gift cards have become widespread since the end of last year.

Rent growth in luxury properties, -1.0%, has underperformed the market, with high-cost submarkets with luxury units along the coast suffering the worst rent losses in the region. Property managers are bracing for overall rent growth to underperform the long-term average through 2024.

Of the roughly 7,700 units under construction across the region, approximately 4,300 units are scheduled to open this year. While that is below the level of new units that opened the past few years, local property managers have suggested that they are seeing longer lease-up periods. Some new properties downtown and in the Balboa Park neighborhoods have missed lease-up assumptions in the past two quarters.

Vacancy is expected to linger above 5%. Until the demand environment recovers, rent growth will likely underperform the long-term average.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	60,702	9.4%	\$3,292	\$3,248	554	1,591	6,390
3 Star	90,577	5.2%	\$2,510	\$2,494	129	359	1,295
1 & 2 Star	128,891	4.0%	\$1,779	\$1,770	(177)	0	0
Market	280,170	5.6%	\$2,457	\$2,436	506	1,950	7,685

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.7%	4.5%	5.4%	5.8%	2009 Q4	2.6%	2021 Q3
Absorption Units	162	2,194	2,292	10,024	2021 Q3	(1,637)	2009 Q2
Delivered Units	5,268	2,619	2,836	5,433	2022 Q1	474	2010 Q4
Demolished Units	206	97	124	334	2009 Q4	0	2016 Q4
Asking Rent Growth (YOY)	-0.1%	3.3%	2.7%	13.0%	2022 Q1	-2.3%	2009 Q3
Effective Rent Growth (YOY)	-0.3%	3.3%	2.7%	13.0%	2022 Q1	-2.4%	2009 Q3
Sales Volume	\$2.2B	\$1.9B	N/A	\$6.5B	2022 Q2	\$482M	2009 Q4

Absorption has tallied about 160 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 -570 and -1,300 units, respectively, during that period. That has brought overall vacancy to 5.6% as of the second quarter, compared to 3.9%. Vacancy is trending at its highest level since 2020 due to a combination of weaker household formation and new supply outpacing demand by the largest margin in nearly a decade since the beginning of 2023.

Areas along the South I-15 Corridor and Mission Valley to Downtown and Balboa Park have seen positive year-over-year absorption driven by lease up in new properties and favorable demographic trends. These are prime job nodes filled with neighborhood amenities. 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. Instead, they are seeing more households consolidate to save money on rent. 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 above 5% for the next several quarters and could make it difficult to rein in the 9.4% vacancy rate in 4 & 5 Star properties.

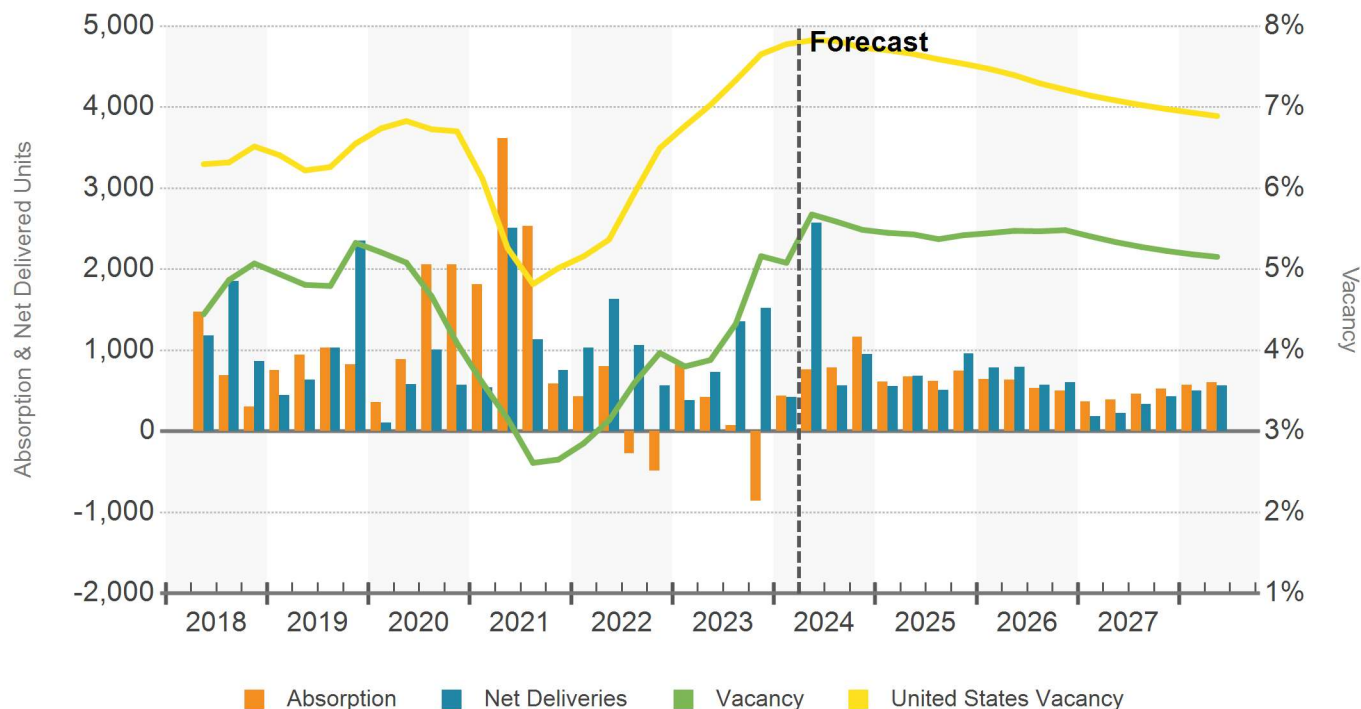
Landlords have reported seeing more distress among households in mid-tier and workforce housing in recent quarters. This trend reflects the more direct impact that untamed inflation places on mid- and lower-income households coupled with some of the highest rental

prices in the country. 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.

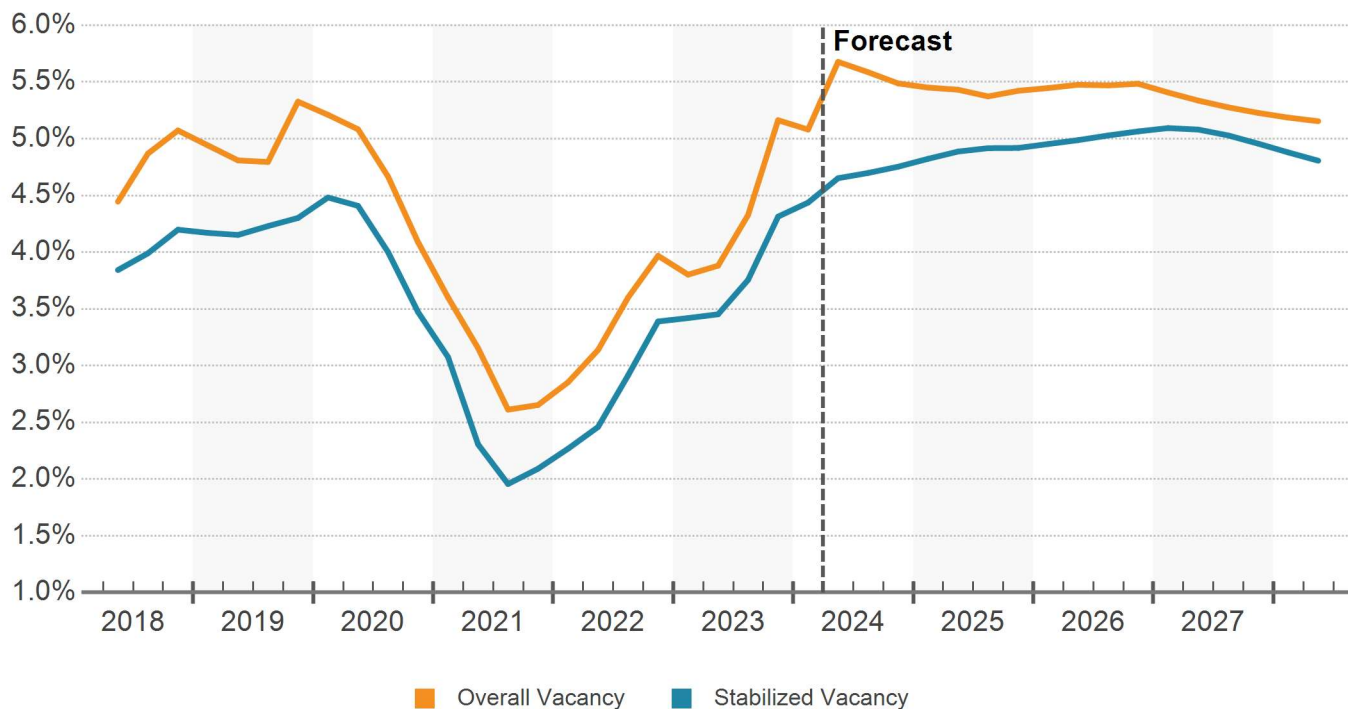
Downtown's vacancy rate climbed above 10% during 24Q2 for the first time since 2020 following the openings of several properties. There is still demand for these units, although the lines of applicants that were common a few years ago have largely disappeared. A top-of-mind issue for many households 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.

While vacancy is not expected to materially contract in the coming quarters, the long-term demand drivers remain in place in San Diego. It is an innovation hub with a sizeable employment base tied to the defense industry, a strong university system, and a destination for tourists from around the globe.

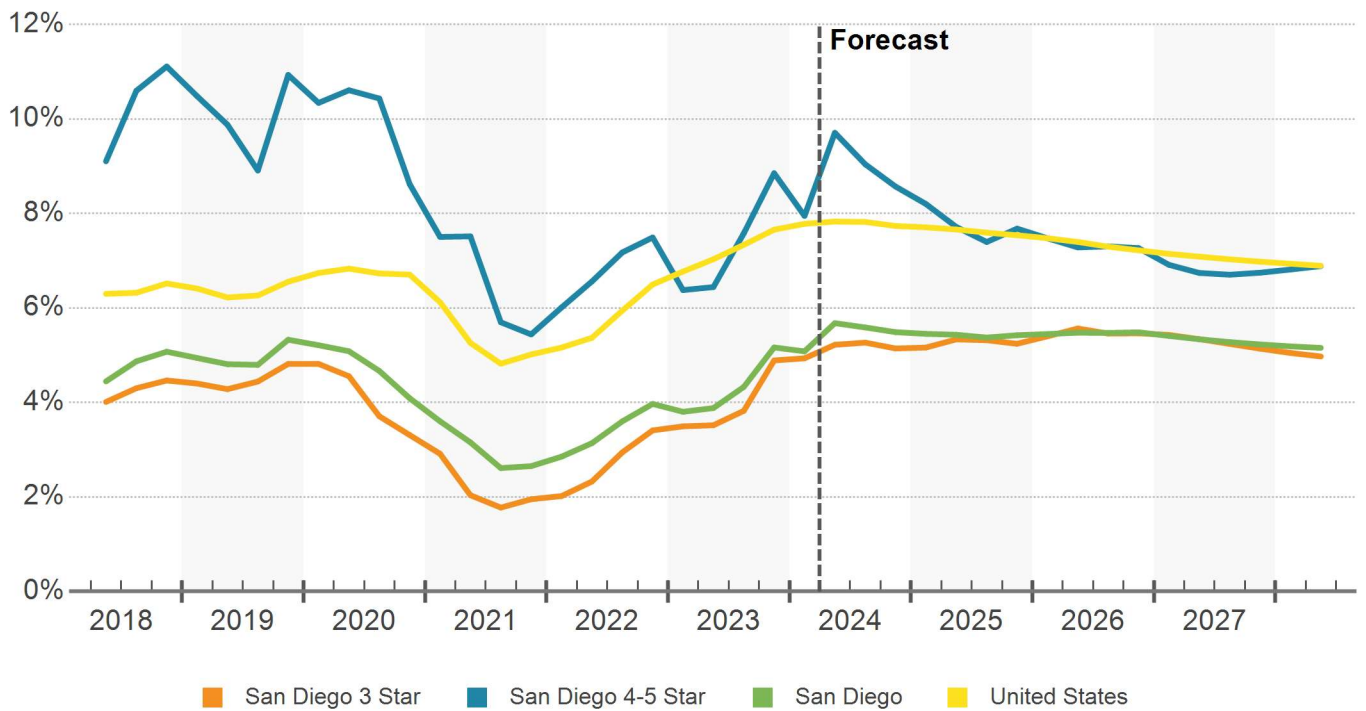
ABSORPTION, NET DELIVERIES & VACANCY



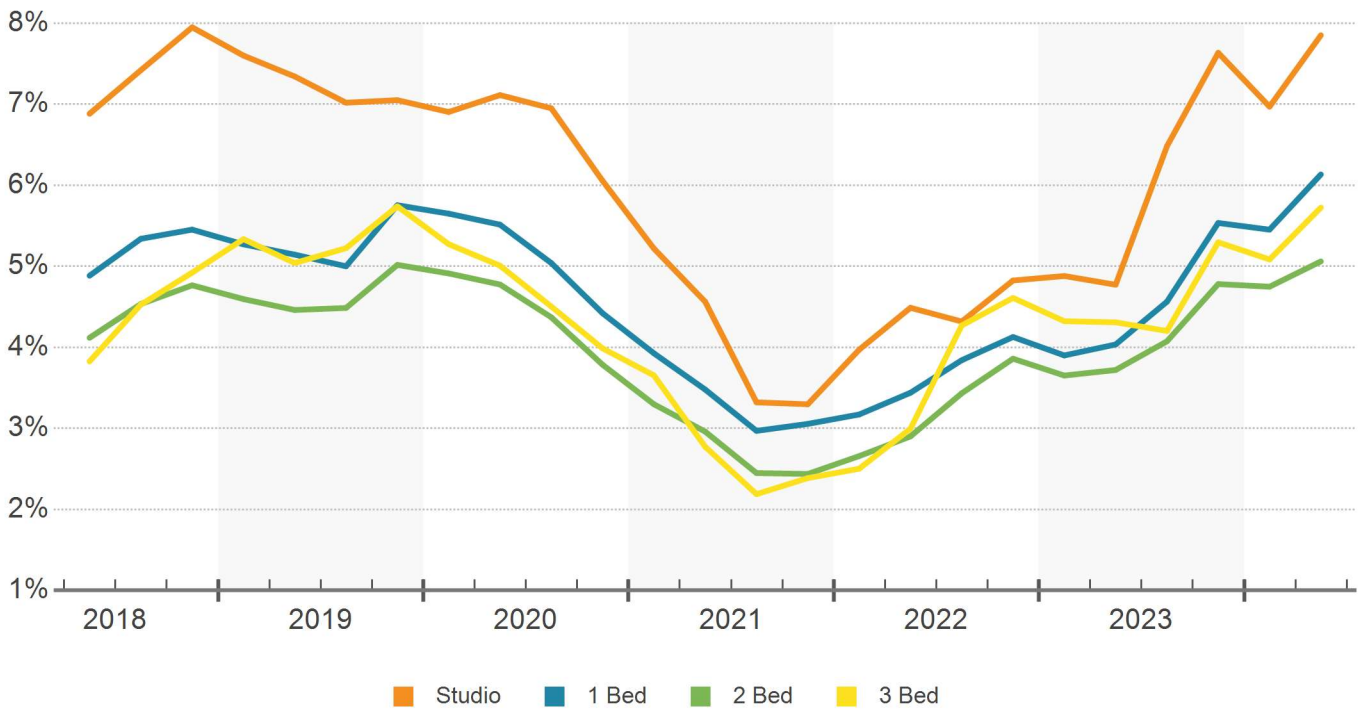
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



Quarterly rents rose during 24Q1 for the first time since 23Q2. Rents have shifted by -0.1% year over year, compared to 1.0% nationally, and average rent levels in the region sit at roughly \$2,460/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%.

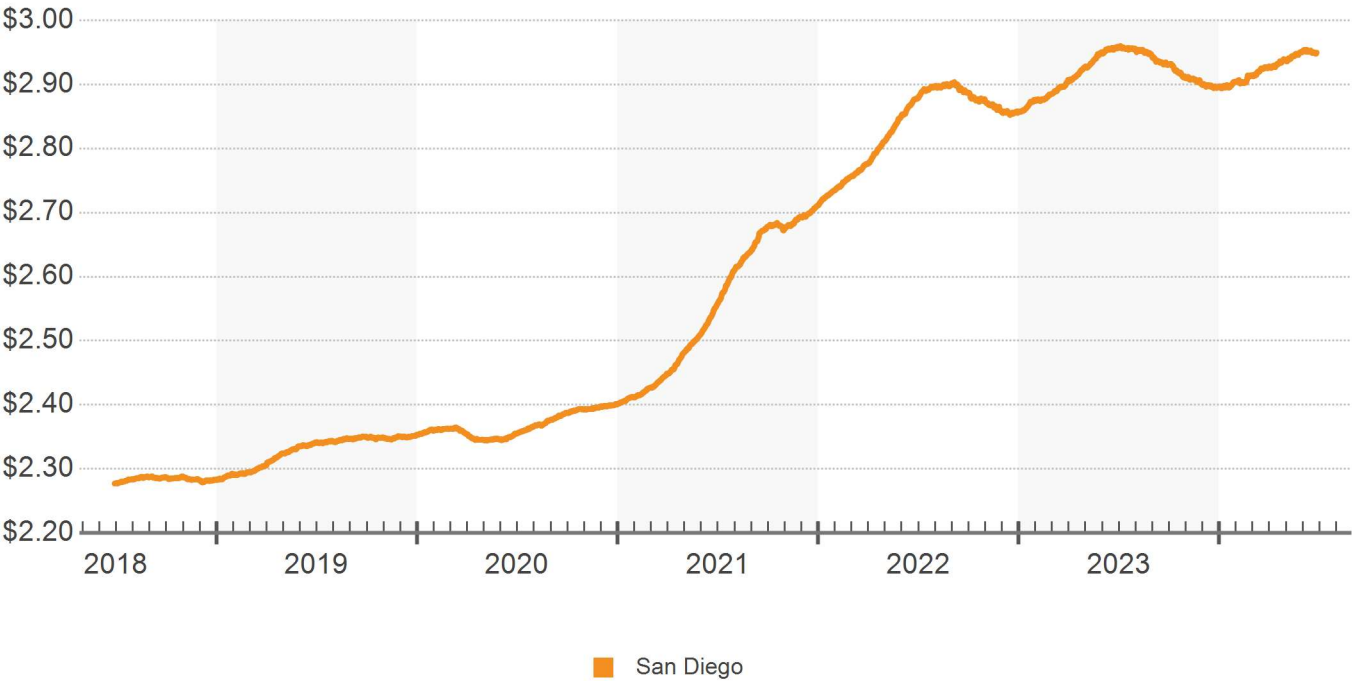
According to local property managers, competition to lure renter households has increased since last fall, which has led to less pricing power. The more widespread use of concessions has led to lower effective rates on lease trade-outs, even when landlords raise the rent level on the unit. Property managers are also eyeing the November election when the Justice for Renters Act goes before voters. If approved, it would repeal the Costa-Hawkins Act and allow cities to impose rent control without limitations on vintage or vacancy.

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 to landlords. Coupled with the rise in household debt, renters have

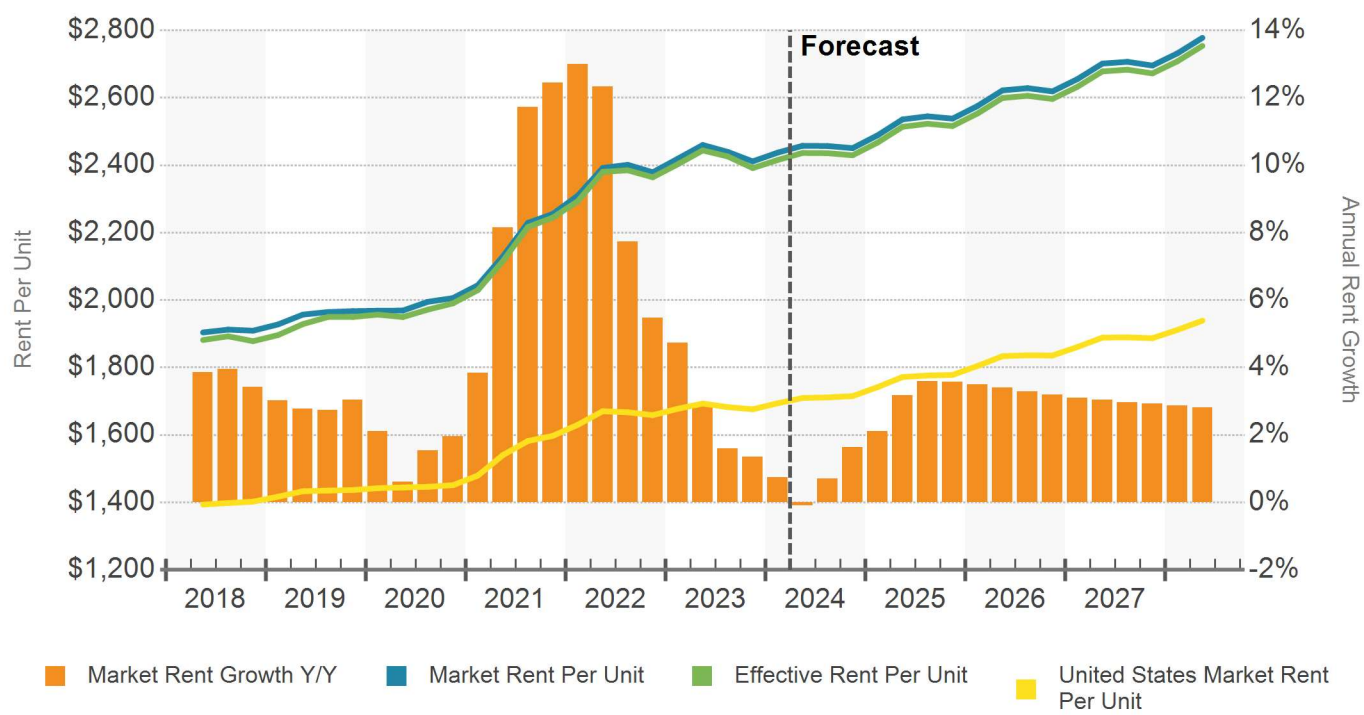
become much more price-conscious, and rent growth across the region has largely returned to historical patterns. More historically affordable areas of San Diego in North, South, and East counties have seen rents perform best year over year, while rents in costlier apartment nodes near the coast have moderated most notably, with rents falling year over year through 24Q1 in UTC, Central Coast, and Downtown. That has come even as demand has fallen in more affordable areas.

Concessions have become more common across the region, and property managers anticipate they could be in play for the next several months. Landlords 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 used to entice renters, which was largely absent a year ago. However, they are still most prevalent in new properties. 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 and may include eight weeks of free rent on longer leases.

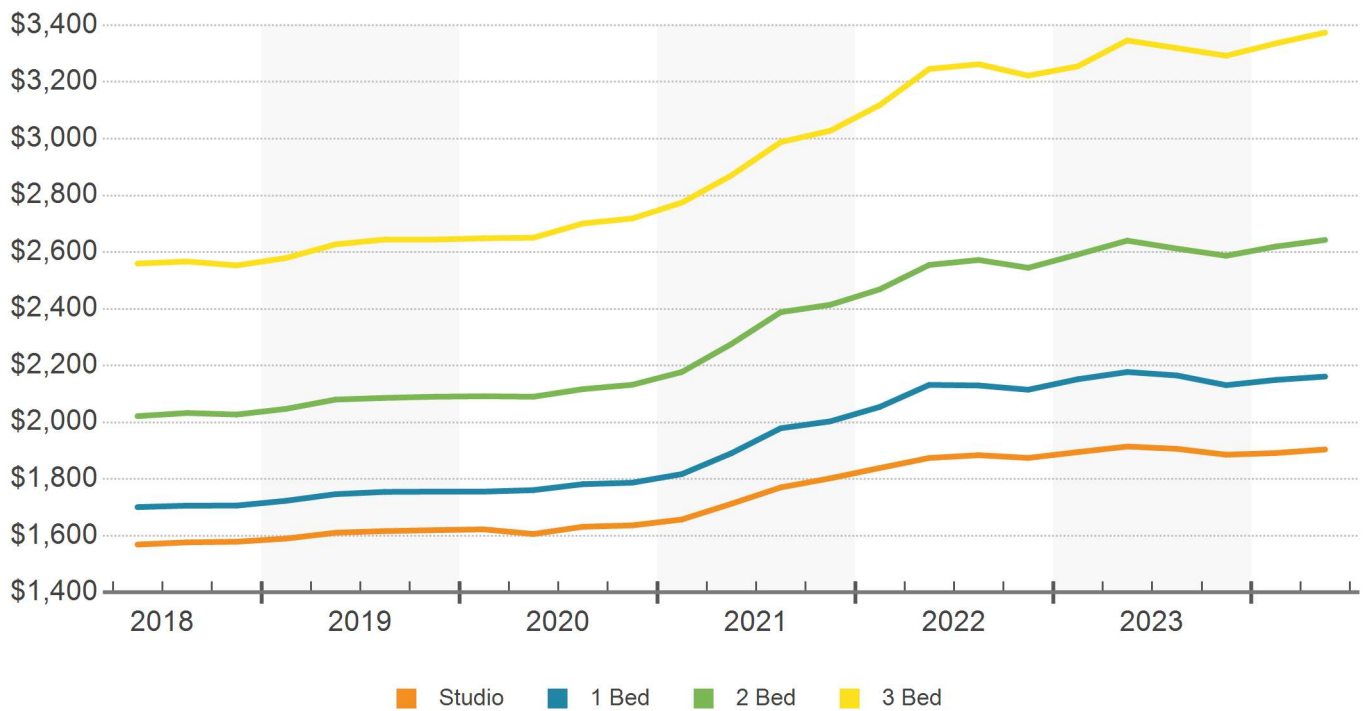
DAILY ASKING RENT PER SF



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	\$1.34	\$0.10	\$0.34	\$1.60	\$9.39
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	\$0.65	\$1.07	\$0.98	\$0.20	\$1	\$0.10	\$0.12	\$0.62	\$6.58
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	\$1.16	\$0.24	\$1.18	\$0.10	\$0.11	\$0.51	\$7.04
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	\$0.51	\$0.49	\$0.60	\$0.65	\$1.01	\$1.02	\$0.14	\$1.27	\$0.12	\$0.12	\$0.55	\$6.48
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	\$0.46	\$0.72	\$0.67	\$1.04	\$0.73	\$0.12	\$0.77	\$0.09	\$0.18	\$1.02	\$6.51
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.

Roughly 7,700 units are under construction across San Diego, and developers have added a net of approximately 21,000 new units in the past five years. San Diego Association of Governments estimates that the county requires roughly 15,000 total housing units annually through 2030 to make up for the shortage in housing over the past 15 years. Yet San Diego County only permits about 10,000 total housing units annually.

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. Some developers have 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.

Developers face several barriers. 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 opposition to increased density, and many groups file 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.

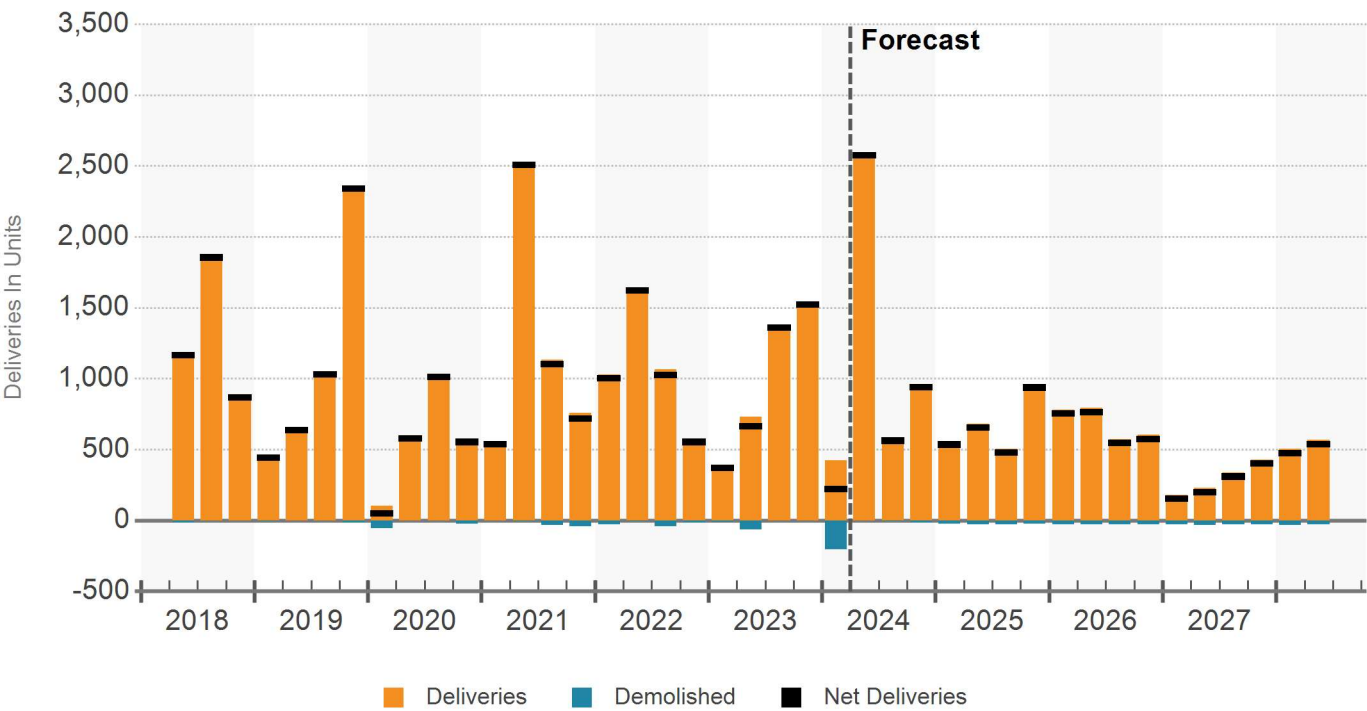
Pro-growth policies pursued by the city and state could lead to additional development, but it has not yet

increased starts. Depending on financial viability, Downtown's office buildings, such as Tower 180, may be converted into housing. However, this will not be a panacea for San Diego's housing shortage, nor would they provide near-term relief for those priced out of the region.

The surfeit of development activity during the past five years has been in the Downtown neighborhoods of Little Italy and the East Village, where 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

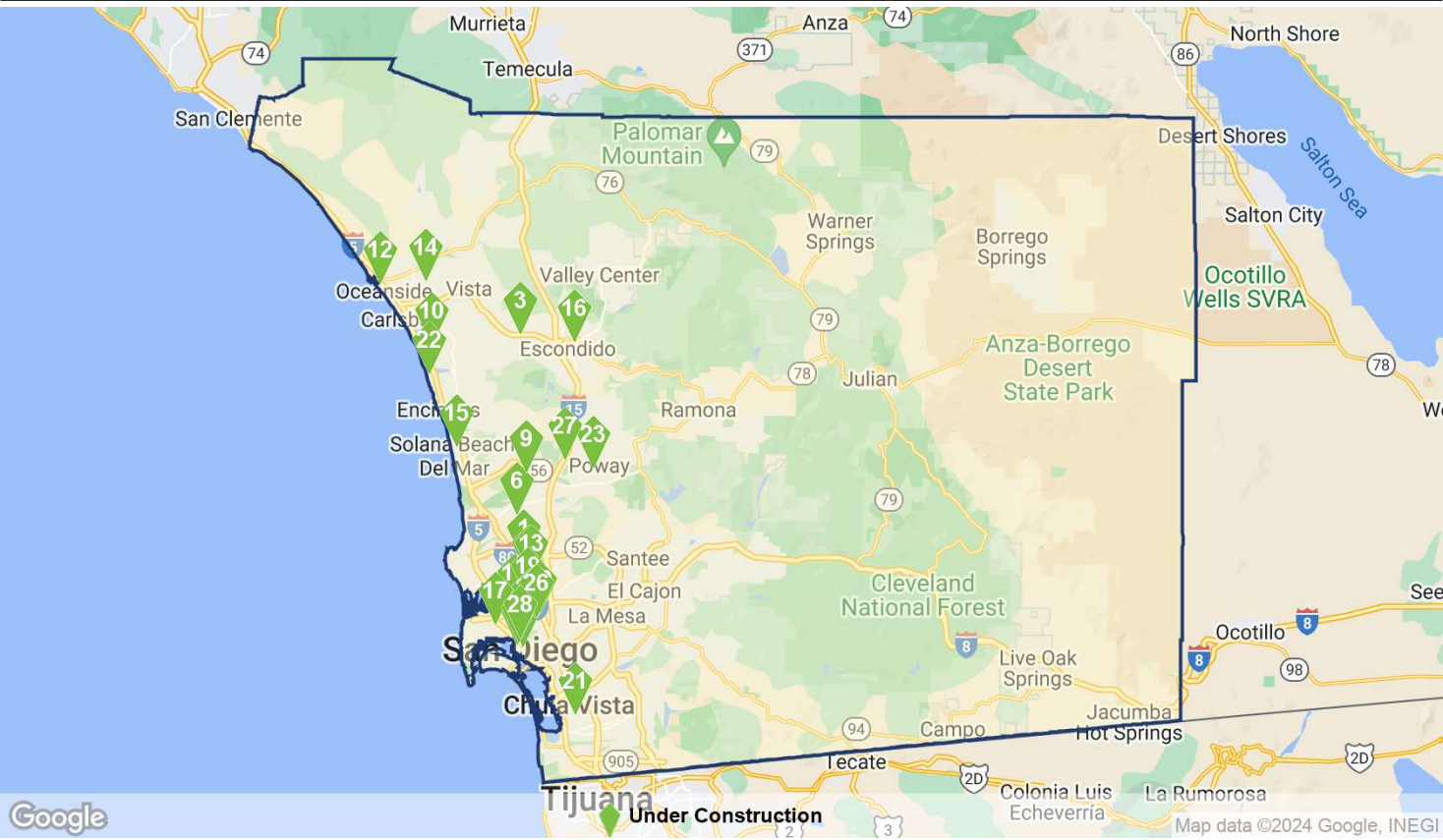


Under Construction Properties

San Diego Multi-Family

Properties	Units	Percent of Inventory	Avg. No. Units
44	7,685	2.7%	175

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	Apr 2025	Trammell Crow Residential Trammell Crow Residential
2	Broadstone - Mission Va... 1904 Hotel Cir	★★★★★	497	8	Jan 2024	Nov 2025	- Alliance Residential Company
3	222 North City 222 N City Dr	★★★★★	463	12	Dec 2023	Oct 2025	- Sea Breeze Properties
4	The Torrey 1200 Front St	★★★★★	450	34	Apr 2024	Apr 2026	Holland Partner Group Holland Partner Group
5	AMLi Aero 8225 Aero Dr	★★★★★	434	7	Nov 2023	May 2025	KPRS Construction Services. Inc AMLi Residential
6	7918 Collective Way	★★★★★	429	4	Jan 2022	Jun 2025	- Mesa Canyon Community Partne...
7	The Lindley 1331 Columbia St	★★★★★	422	37	Jun 2022	Oct 2024	Toll Brothers Apartment Living Toll Brothers Apartment Living

Under Construction Properties

San Diego Multi-Family

UNDER CONSTRUCTION

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8	800 Broadway	★★★★★	384	41	Aug 2021	Oct 2024	Bosa Development CA Residential LLC
9	Camino Del Sur 12520 Camino del Sur	★★★★★	342	4	Aug 2023	Jul 2025	Holland Partner Group Holland Partner Group
10	Aviara West Apartments 1205 Aviara Pky	★★★★★	329	4	Jun 2023	Jan 2026	SummerHill Homes R&V Management Corporation
11	Rivair Apartments 7050 Friars Rd	★★★★★	316	8	May 2021	Feb 2025	Fairfield Residential Fairfield Residential
12	Alta O'Side 1001 N Coast Hwy	★★★★★	309	5	Jan 2022	Aug 2024	Wood Partners Prudential
13	Ion Aero 8555 Aero Dr	★★★★★	302	5	Apr 2024	Jan 2026	- AAA Management LLC
14	Luma at El Corazon 3546 Village Commercial Dr	★★★★★	268	23	Aug 2022	Jul 2024	Sudberry Properties, Inc. Sudberry Properties, Inc.
15	701 S Nardo Ave	★★★★★	260	3	May 2024	Mar 2026	H.G. Fenton Company H.G. Fenton Company
16	Palomar Heights 555 E Valley Pky	★★★★★	258	5	Feb 2023	Dec 2025	Greystar Real Estate Partners Greystar Real Estate Partners
17	Bowen 3280 Barnett Ave	★★★★★	253	3	Jan 2024	Apr 2025	- -
18	1st & Beech 110 Beech St	★★★★★	220	22	Oct 2023	Oct 2025	Greystar Real Estate Partners Greystar Real Estate Partners
19	The Brynn at Civita 2525 Via Alta	★★★★★	200	5	Dec 2023	Jul 2025	Rockwood Construction, Inc. Sudberry Properties, Inc.
20	AMP30 4555 30th St	★★★★★	194	6	May 2022	Aug 2024	H.G. Fenton Company H.G. Fenton Company
21	Casa Estilo 795 Third Ave	★★★★★	142	6	Jan 2023	Jul 2024	- -
22	Triton Encinitas 1967 N Vulcan Ave	★★★★★	72	3	Feb 2023	Aug 2024	Wermers Companies Wermers Companies
23	The Outpost at Poway 13247 Poway Rd	★★★★★	72	3	Jan 2024	Apr 2025	Capexco Inc. Ghassan S Kassab
24	Onyx on Park 3922-3932 Park Blvd	★★★★★	61	7	Jan 2023	Mar 2025	Highland Partnership Pearlmark Real Estate
25	Niima 2519 El Cajon Blvd	★★★★★	55	5	Aug 2022	Aug 2024	- Hub & Spoke Communities
26	Vadara West 2774 El Cajon Blvd	★★★★★	50	6	Oct 2022	Jul 2024	- University Heights Associates LLC
27	Alante 10211 Rancho Carmel Dr	★★★★★	50	5	Jun 2023	Nov 2024	Alliance Development Services Inc Alliance Development Services Inc
28	4th & Hawthorn 2100 4th Ave	★★★★★	43	4	Oct 2023	Oct 2024	Foley Enterprises, Inc. Foley Enterprises, Inc.

The impact of elevated interest rates, coupled with moderating rent growth and demand, continues to disrupt the investment market here. Deal flow has been reminiscent of the Great Recession and recovery. Market participants say 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. A ballot initiative in November could also spur rent control measures if approved by voters.

The average sale price has been around \$400,000/unit over the past 12 months compared with about \$400,000/unit at the end of 2021. Average cap rates have bumped up to a band between 4.2% and 5.2%. Properties in suburban locations have seen average cap rates inch above 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 4.6% compared with 3.7% during the first and second quarters of 2022. Institutional and REIT entities accounted for roughly 20% of sales volume on the buying side in the past 12 months and 15% on the selling side. Fund-level equity has played little role in the past 12 months.

During 24Q1, private investors purchased the 12-unit turn-key property at 3833 Front Street in Hillcrest for \$4.9 million, or about \$396,000/unit, at a 4.95% cap rate.

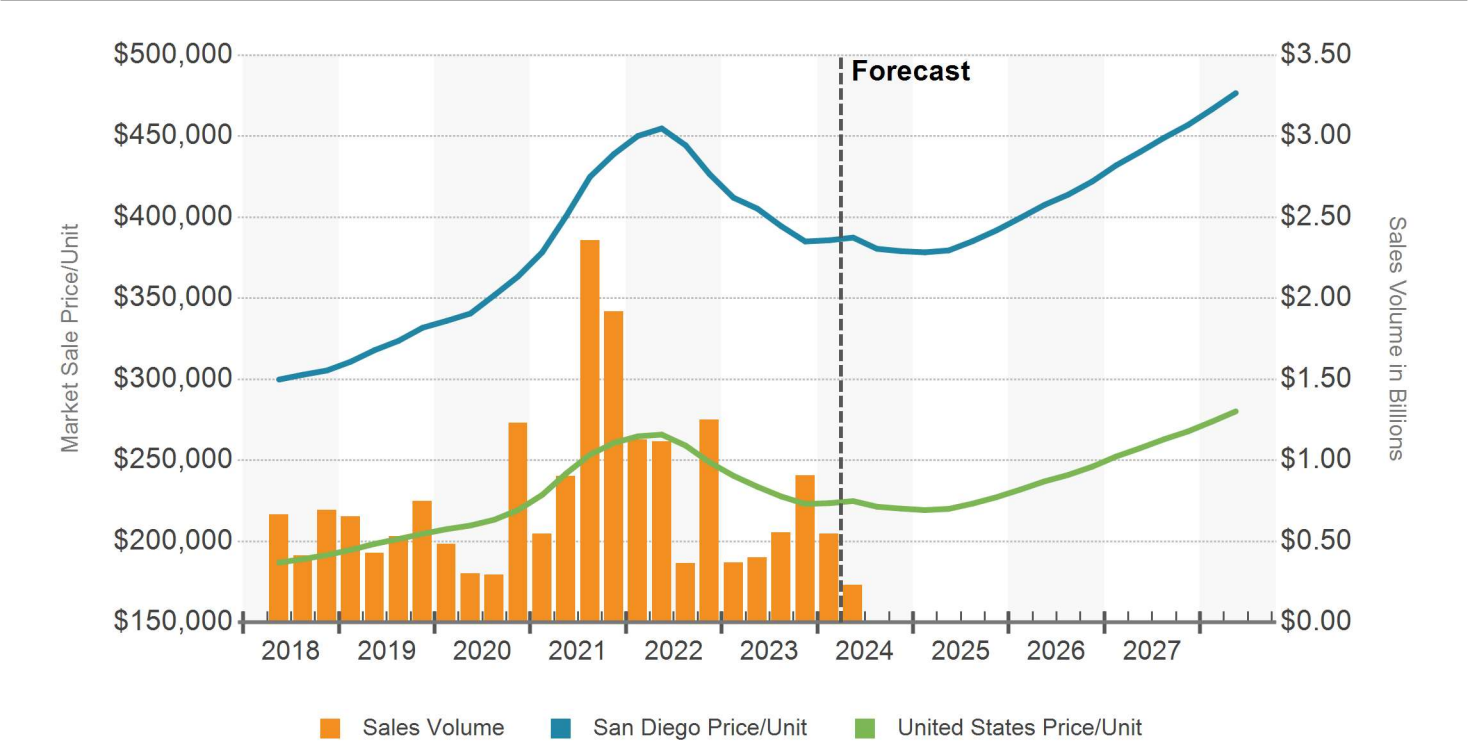
The buyer secured \$600,000 in debt to finance the acquisition. The property was listed at a 4.8% cap rate. The complex underwent a full renovation before the sale, with updated interiors and exteriors, including adding five newly built ADUs.

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.

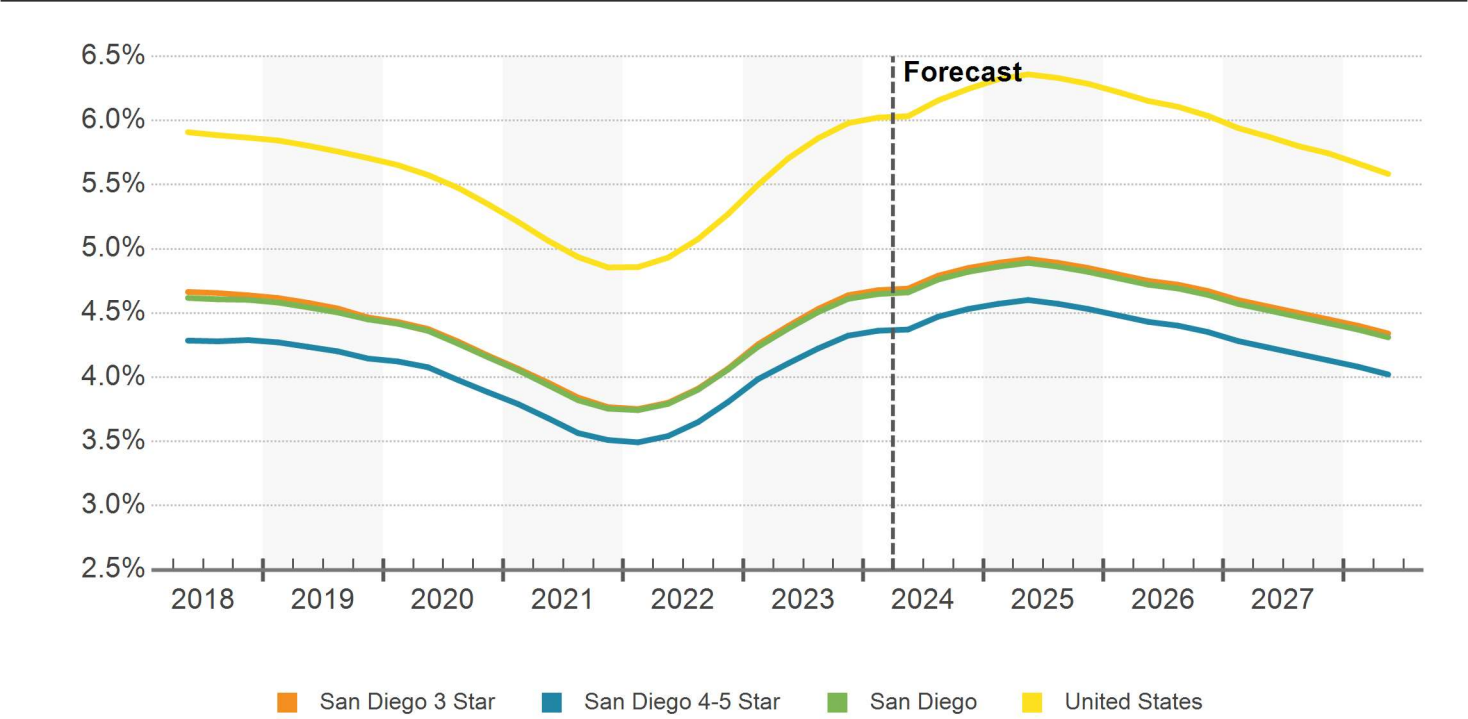
Private investors were involved on both sides of the deal for the Villa Vidorra Apartments on 53rd Street in City Heights during 23Q3. The 22-unit property sold for \$5.8 million, or about \$265,000/unit, at a 4.8% cap rate. The property consisted of studios, one- and two-bedroom units. The buyer secured \$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.

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

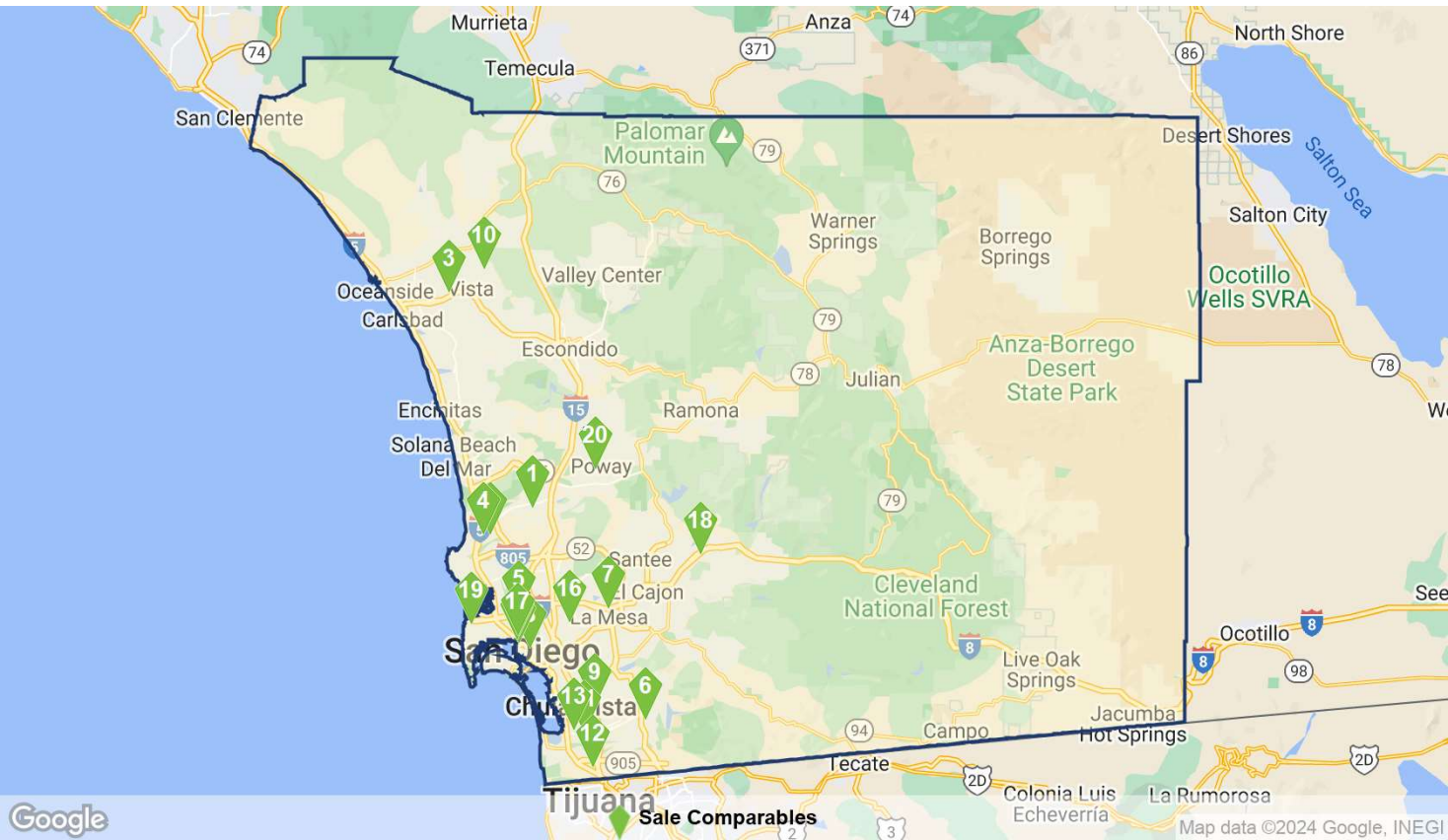


Sales Past 12 Months

San Diego Multi-Family

Sale Comparables	Avg. Price/Unit (thous.)	Average Price (mil.)	Average Vacancy at Sale
226	\$396	\$10.2	5.5%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$575,000	\$10,233,422	\$3,000,000	\$212,141,374
Price/Unit	\$85,000	\$396,123	\$325,000	\$833,333
Cap Rate	1.0%	4.4%	4.4%	9.7%
Vacancy Rate At Sale	0%	5.5%	0%	37.5%
Time Since Sale in Months	0.1	6.1	6.2	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	0	26	8	456
Number of Floors	1	2	2	23
Average Unit SF	263	765	749	1,644
Year Built	1900	1968	1970	2025
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.2	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

San Diego 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	Esplanade 10201 Camino Ruiz	★★★★★	1986	301	4.7%	3/25/2024	\$212,141,374	\$704,788	\$903
2	Palisade 8800 Lombard Pl	★★★★★	2019	300	9.0%	12/22/2023	\$203,000,000	\$676,666	\$702
3	Waterleaf Apartment Homes 333 N Emerald Dr	★★★★★	1985	456	7.5%	10/2/2023	\$174,000,000	\$381,578	\$436
4	Veranda La Jolla 3845 Nobel Dr	★★★★★	1992	354	4.5%	7/14/2023	\$165,500,000	\$467,514	\$523
5	Margo at the Society 201 Del Sol Dr	★★★★★	2021	240	9.6%	12/11/2023	\$125,500,000	\$522,916	\$628
6	Pulse Millenia 2043 Artisan Way	★★★★★	2015	273	7.0%	2/5/2024	\$116,000,000	\$424,908	\$434
7	Jefferson La Mesa 4949 Baltimore Dr	★★★★★	2022	230	6.1%	8/10/2023	\$111,000,000	\$482,608	\$306
8	The Artisan 1601 Broadway	★★★★★	2018	265	9.4%	12/21/2023	\$107,750,000	\$406,603	\$440
9	The Emery at Terra Nova 440 E H St	★★★★★	1985	233	9.0%	3/8/2024	\$82,000,000	\$351,931	\$376
10	Oak Manor Apartments 1575 Oak Dr	★★★★★	1978	187	3.7%	12/22/2023	\$43,000,000	\$229,946	\$198
11	Vista 1440-1450 2nd Ave	★★★★★	1975	151	11.3%	11/16/2023	\$37,250,000	\$246,688	\$370
12	Casa De Miranda Apartments 260 Cottonwood Rd	★★★★★	1970	120	0.8%	6/11/2024	\$28,050,000	\$233,750	\$252
13	Sunset Villa Apartments 1225 Broadway	★★★★★	1969	154	1.3%	10/13/2023	\$28,000,000	\$181,818	\$206
14	The Continental 320 W Cedar St	★★★★★	2019	43	2.3%	9/11/2023	\$21,350,000	\$496,511	\$791
15	Contour Lofts 2120 Columbia St	★★★★★	2019	30	0%	8/21/2023	\$20,715,000	\$690,500	\$739
16	Pacific Cove 4025 Oakcrest Dr	★★★★★	1988	81	6.2%	9/22/2023	\$18,250,000	\$225,308	\$398
17	The Element 2603 Dove St	★★★★★	2021	28	3.6%	1/19/2024	\$15,900,000	\$567,857	\$770
18	Peter Rios Estates 14261-14277 Rios Canyon Rd	★★★★★	2019	32	3.1%	5/22/2024	\$14,822,500	\$463,203	\$463
19	Muir Garden Apartments 4657-4685 Muir Ave	★★★★★	1955	25	4.0%	8/11/2023	\$13,200,000	\$528,000	\$454
20	The Outpost at Poway 13247 Poway Rd	★★★★★	2025	0	0%	9/1/2023	\$13,100,000	-	\$187

According to the latest jobs report released by the Bureau of Labor Statistics, San Diego's unemployment rate dipped to 4.1% in April, down from March's 4.4%. That was up 90 basis points since last April, although it was far below California's statewide rate of 4.8% in April.

In April, 6,000 nonfarm jobs were added across the San Diego region. Nearly half of those jobs were added in the leisure and hospitality sector, in particular in accommodation and food services.

Three sectors shed jobs in April, led by manufacturing. Payrolls fell by 800 positions, while professional and business services dipped by 500 jobs and information by 200.

Those continued the moribund run of job growth in the office-using sectors, which are comprised of professional and business services, information, and financial activities. Job losses totaled 12,800 in the past 12 months and have coincided with an almost 20% reduction in office demand compared with the pre-pandemic norm between 2015 and 2019.

In the past 12 months, 14,000 nonfarm jobs were added in the San Diego region, a 0.9% year-over-year increase.

Private education and health services added the most positions during that period, increasing payrolls by 15,600. Leisure and hospitality and government added

the next most, 5,400 and 5,200, respectively.

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, from Scripps Research Institute to Salk Institute for Biological Studies, and five universities are located in San Diego. 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."

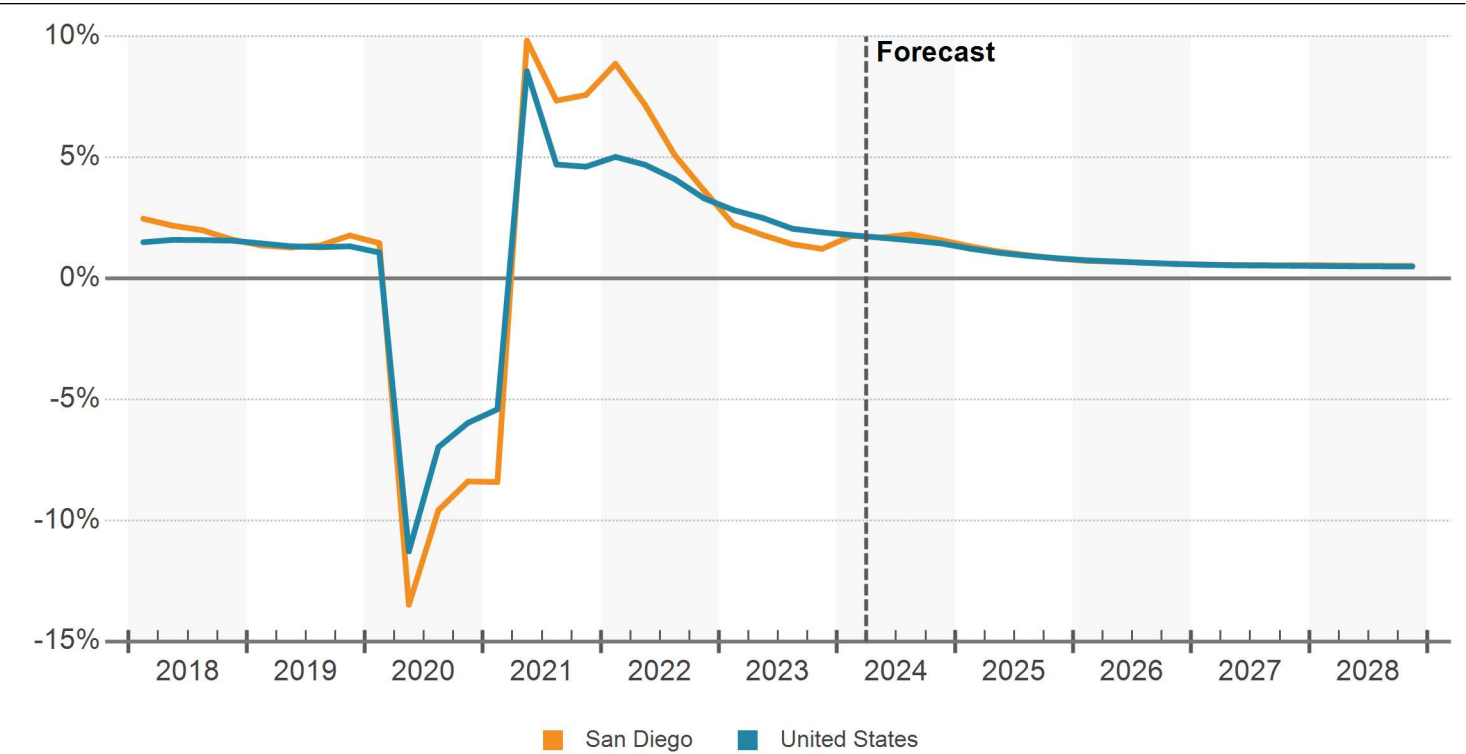
San Diego also has over 140,000 active duty and civilian military employees. According to the San Diego Military Advisory Council, the defense industry accounts for more than 350,000 jobs in the region. That is close to 25% of the economy. The Navy's renewed focus on the Pacific theater of operation 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	115	0.9	-0.87%	0.47%	1.25%	0.68%	0.46%	0.45%
Trade, Transportation and Utilities	224	0.8	0.48%	0.34%	0.37%	1.01%	0.07%	0.37%
Retail Trade	140	0.9	0.79%	0.50%	-0.23%	0.26%	-0.03%	0.26%
Financial Activities	73	0.8	-1.08%	0.60%	0.53%	1.52%	0.04%	0.37%
Government	255	1.1	1.95%	2.46%	1.09%	0.62%	0.73%	0.69%
Natural Resources, Mining and Construction	94	1.1	3.37%	2.50%	3.89%	2.37%	0.79%	0.86%
Education and Health Services	252	1.0	4.48%	3.74%	3.14%	2.04%	1.03%	0.81%
Professional and Business Services	277	1.2	-1.05%	0.66%	2.29%	1.88%	0.63%	0.73%
Information	22	0.7	0.10%	-0.66%	-0.75%	1.08%	0.59%	0.65%
Leisure and Hospitality	210	1.2	4.59%	2.84%	1.84%	1.50%	1.22%	1.01%
Other Services	58	1.0	3.63%	1.59%	1.05%	0.59%	0.69%	0.55%
Total Employment	1,579	1.0	1.69%	1.69%	1.69%	1.35%	0.68%	0.66%

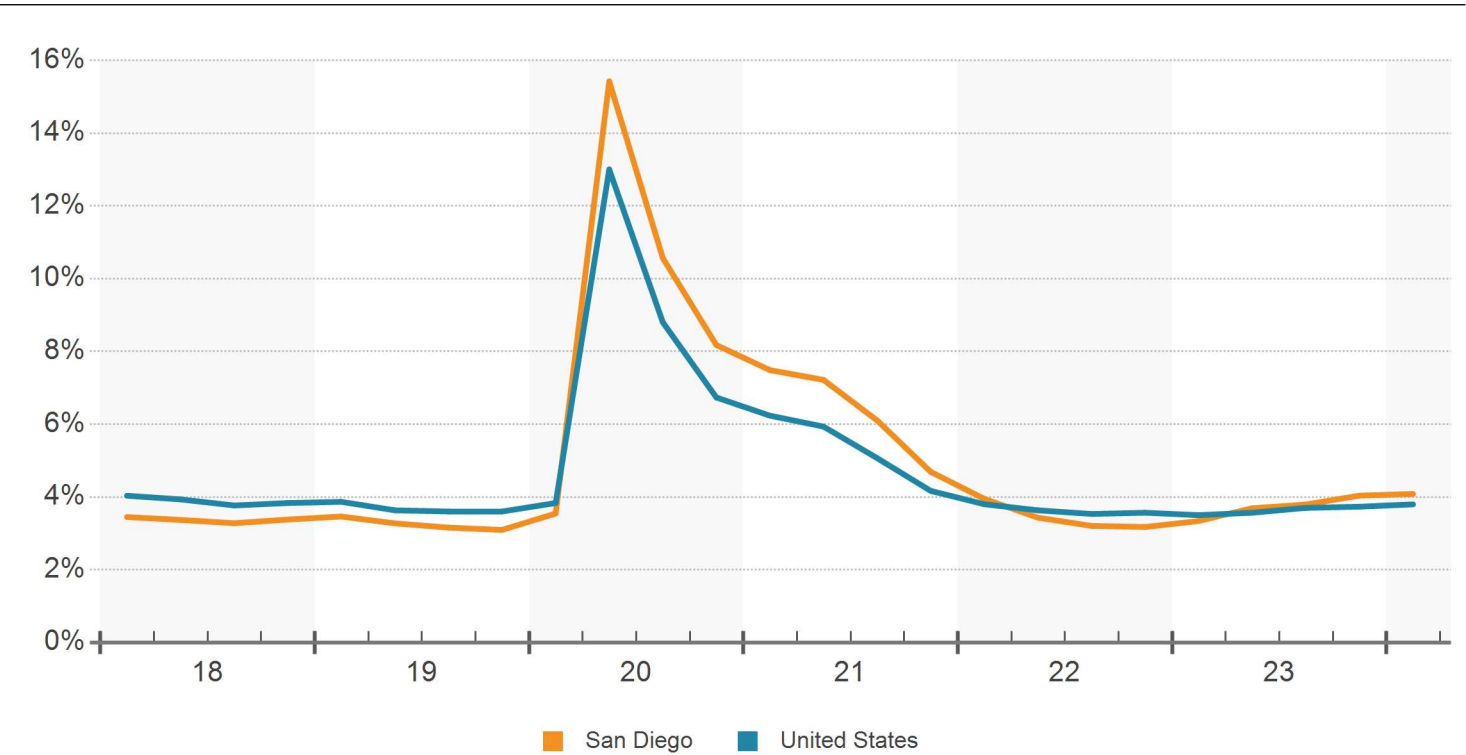
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

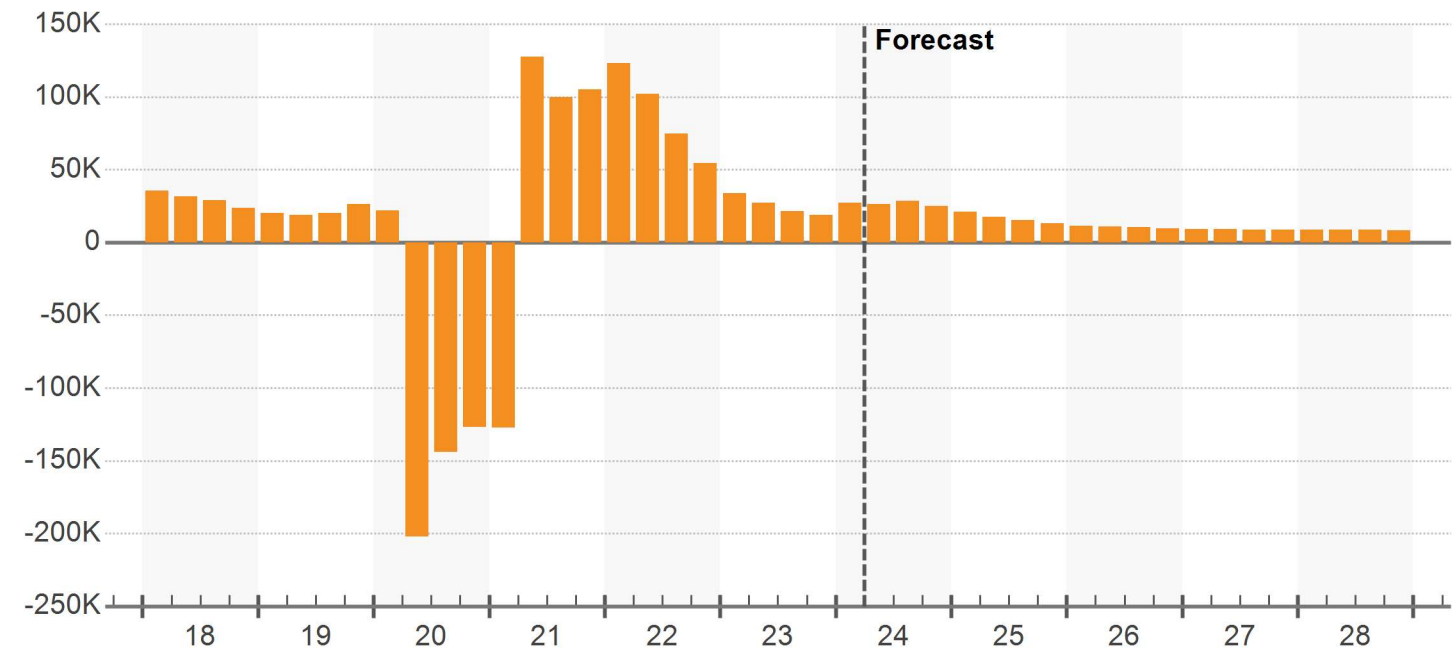


Source: Oxford Economics

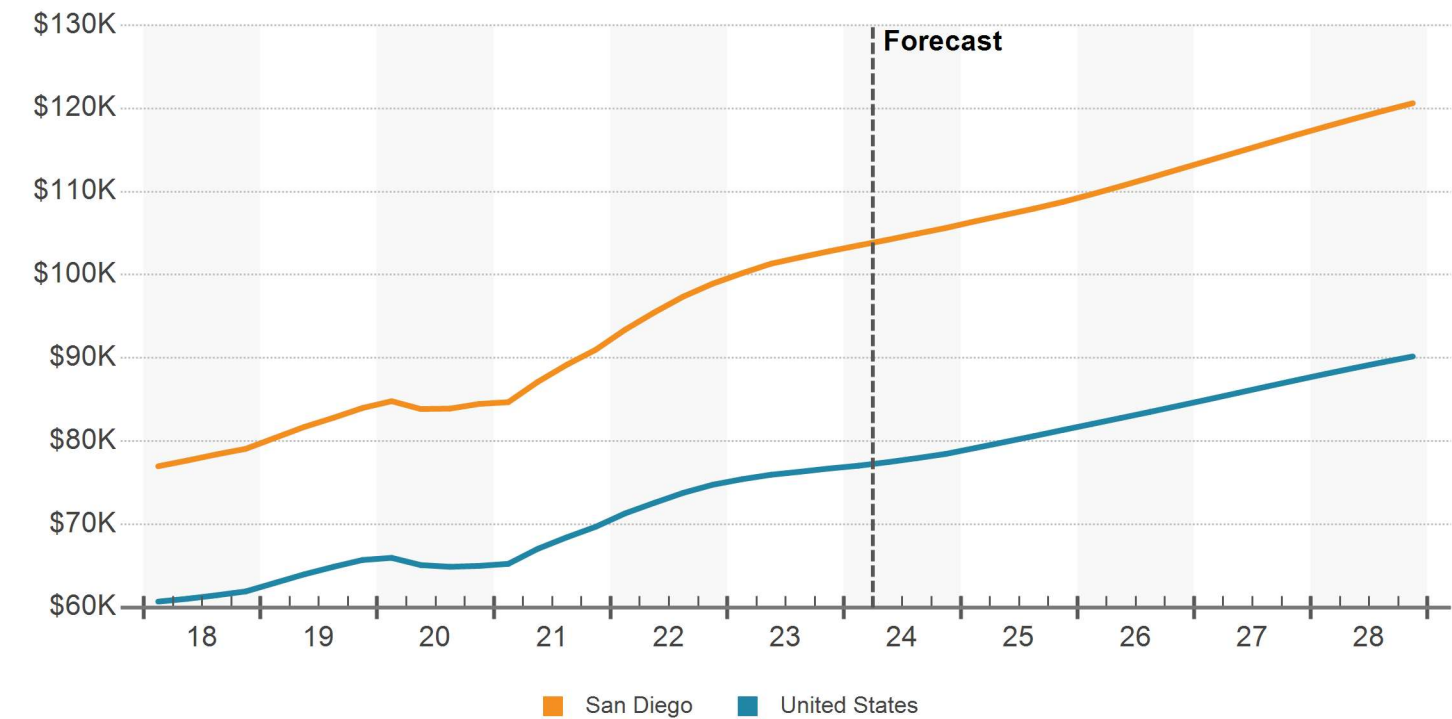
UNEMPLOYMENT RATE (%)



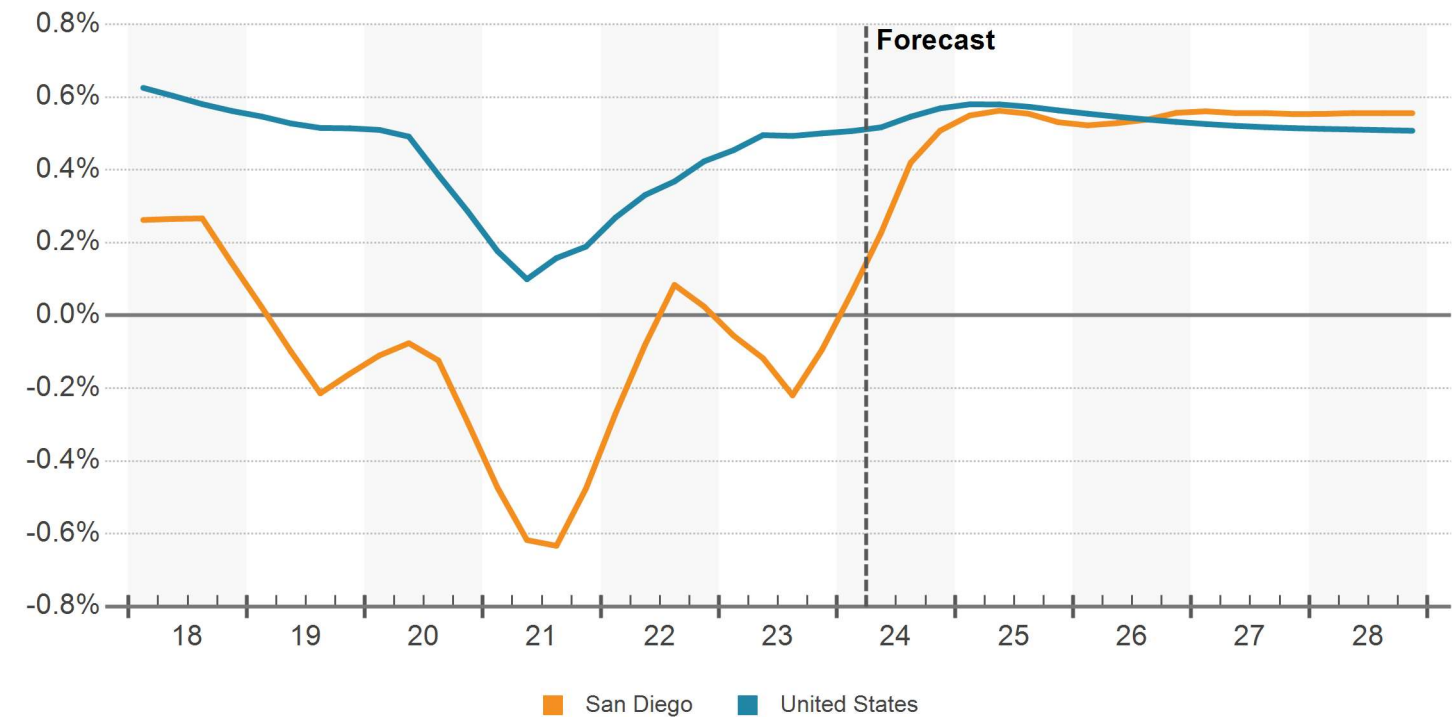
NET EMPLOYMENT CHANGE (YOY)



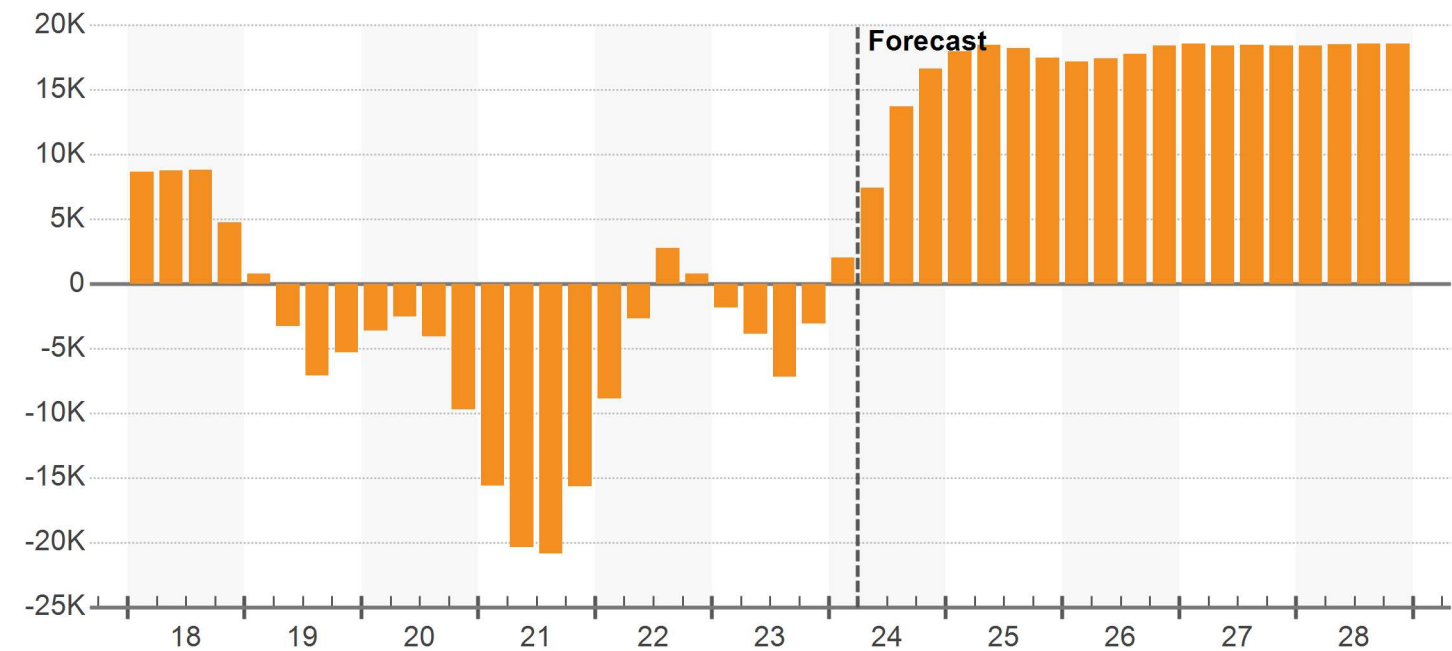
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

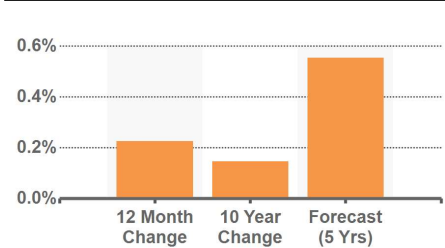


DEMOGRAPHIC TRENDS

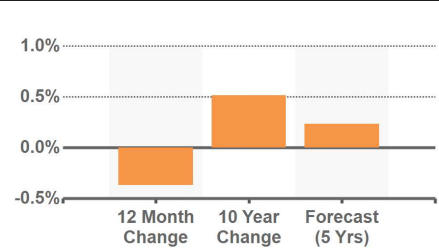
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,279,124	336,248,219	0.2%	0.5%	0.1%	0.5%	0.6%	0.5%
Households	1,176,531	131,371,500	0.4%	0.7%	0.4%	0.9%	0.6%	0.6%
Median Household Income	\$104,197	\$77,469	2.8%	2.0%	5.0%	3.9%	3.3%	3.4%
Labor Force	1,604,555	167,873,094	-0.4%	0.6%	0.5%	0.8%	0.2%	0.5%
Unemployment	4.1%	3.8%	0.4%	0.2%	-0.2%	-0.2%	-	-

Source: Oxford Economics

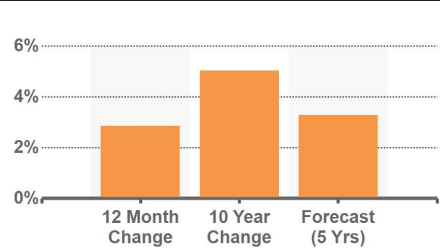
POPULATION GROWTH



LABOR FORCE GROWTH

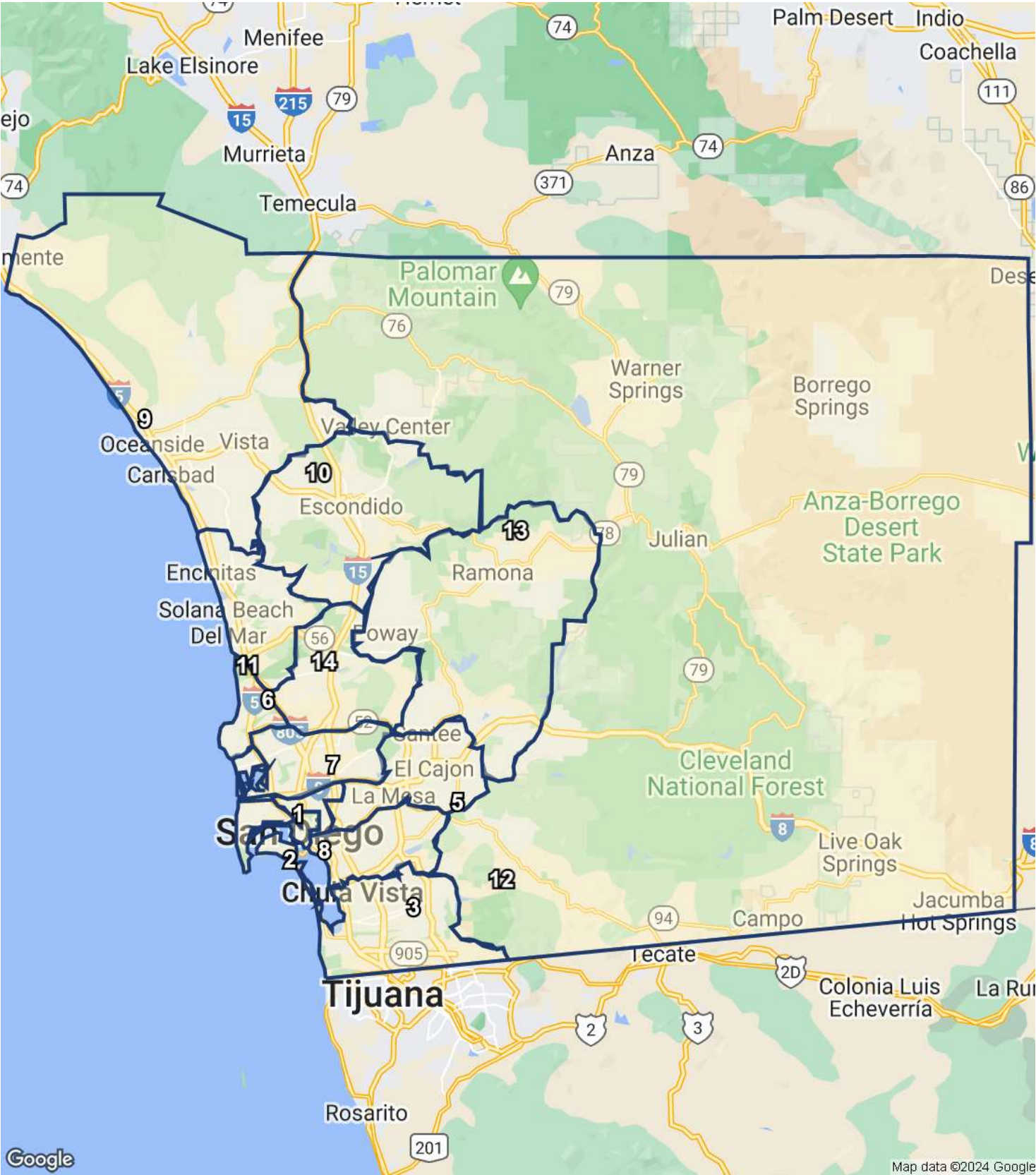


INCOME GROWTH



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	2,983	32,136	11.5%	3	13	1,217	3.8%	2	12	551	1.7%	6
2	Central Coast	1,498	19,544	7.0%	6	6	576	2.9%	4	2	262	1.3%	8
3	Chula Vista/Imperial Beach	888	31,796	11.3%	4	7	867	2.7%	3	1	142	0.4%	9
4	Downtown San Diego	171	16,438	5.9%	8	6	1,582	9.6%	1	4	1,476	9.0%	2
5	East County	2,316	46,338	16.5%	1	6	118	0.3%	8	2	48	0.1%	11
6	La Jolla/UTC	168	12,609	4.5%	10	2	44	0.3%	10	1	16	0.1%	13
7	Mission Valley/North Cen...	322	26,864	9.6%	5	5	274	1.0%	5	6	2,280	8.5%	1
8	National City/South Central	901	15,964	5.7%	9	8	242	1.5%	6	3	30	0.2%	12
9	North County	902	32,921	11.8%	2	2	69	0.2%	9	5	934	2.8%	3
10	North I-15 Corridor	383	18,394	6.6%	7	1	15	0.1%	12	2	721	3.9%	5
11	North Shore Cities	197	8,371	3.0%	12	0	25	0.3%	11	2	332	4.0%	7
12	Outlying San Diego County	27	1,182	0.4%	14	0	0	0%	-	0	0	0%	-
13	Poway/Santee/Ramona	125	5,363	1.9%	13	2	237	4.4%	7	1	72	1.3%	10
14	South I-15 Corridor	71	12,250	4.4%	11	1	6	0%	13	3	821	6.7%	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	\$1,952	\$2.89	7	0.7%	\$1,931	\$2.86	7	0%	1.0%	5
2	Central Coast	\$2,312	\$3.17	5	-2.1%	\$2,283	\$3.13	5	-3.0%	1.2%	3
3	Chula Vista/Imperial Beach	\$2,356	\$2.72	10	0%	\$2,338	\$2.70	10	-0.2%	0.7%	7
4	Downtown San Diego	\$3,022	\$3.82	1	-1.6%	\$2,977	\$3.77	1	-2.4%	1.5%	1
5	East County	\$1,930	\$2.47	12	0.7%	\$1,919	\$2.45	12	0.5%	0.6%	12
6	La Jolla/UTC	\$3,290	\$3.51	3	-0.7%	\$3,270	\$3.49	3	0.8%	0.6%	11
7	Mission Valley/North Cen...	\$2,800	\$3.21	4	-0.1%	\$2,770	\$3.18	4	-0.2%	1.1%	4
8	National City/South Central	\$1,880	\$2.46	13	1.2%	\$1,868	\$2.45	13	0.9%	0.6%	9
9	North County	\$2,461	\$2.83	8	0.1%	\$2,443	\$2.81	8	-0.1%	0.7%	8
10	North I-15 Corridor	\$2,376	\$2.74	9	1.3%	\$2,364	\$2.73	9	1.1%	0.5%	14
11	North Shore Cities	\$3,536	\$3.59	2	-0.2%	\$3,518	\$3.57	2	-0.3%	0.5%	13
12	Outlying San Diego County	\$2,140	\$2.43	14	2.0%	\$2,128	\$2.42	14	1.9%	0.6%	10
13	Poway/Santee/Ramona	\$2,179	\$2.51	11	-0.6%	\$2,149	\$2.47	11	-1.6%	1.4%	2
14	South I-15 Corridor	\$2,975	\$3.11	6	-1.6%	\$2,949	\$3.08	6	-1.9%	0.9%	6

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Balboa Park	1,722	5.4%	9	540	1.7%	1	2.2
2	Central Coast	1,272	6.5%	12	93	0.5%	5	6.2
3	Chula Vista/Imperial Beach	1,976	6.2%	11	(49)	-0.2%	8	-
4	Downtown San Diego	2,279	13.9%	14	432	2.6%	2	3.7
5	East County	2,061	4.4%	5	(397)	-0.9%	14	-
6	La Jolla/UTC	608	4.8%	6	(73)	-0.6%	9	-
7	Mission Valley/North Cen...	1,391	5.2%	8	146	0.5%	4	1.9
8	National City/South Central	667	4.2%	3	(4)	0%	6	-
9	North County	1,426	4.3%	4	(257)	-0.8%	13	-
10	North I-15 Corridor	652	3.5%	1	(149)	-0.8%	11	-
11	North Shore Cities	348	4.2%	2	(215)	-2.6%	12	-
12	Outlying San Diego County	73	6.2%	10	(18)	-1.5%	7	-
13	Poway/Santee/Ramona	481	9.0%	13	(74)	-1.4%	10	-
14	South I-15 Corridor	624	5.1%	7	186	1.5%	3	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	290,814	2,231	0.8%	2,446	0.8%	0.9
2027	288,583	1,056	0.4%	1,738	0.6%	0.6
2026	287,527	2,631	0.9%	2,310	0.8%	1.1
2025	284,896	2,603	0.9%	2,646	0.9%	1.0
2024	282,293	4,291	1.5%	3,152	1.1%	1.4
YTD	280,170	2,168	0.8%	939	0.3%	2.3
2023	278,002	3,913	1.4%	455	0.2%	8.6
2022	274,089	4,196	1.6%	473	0.2%	8.9
2021	269,893	4,861	1.8%	8,553	3.2%	0.6
2020	265,032	2,189	0.8%	5,369	2.0%	0.4
2019	262,843	4,443	1.7%	3,556	1.4%	1.2
2018	258,400	4,596	1.8%	3,538	1.4%	1.3
2017	253,804	3,179	1.3%	2,315	0.9%	1.4
2016	250,625	1,816	0.7%	1,967	0.8%	0.9
2015	248,809	3,654	1.5%	4,366	1.8%	0.8
2014	245,155	3,892	1.6%	2,389	1.0%	1.6
2013	241,263	1,254	0.5%	2,072	0.9%	0.6
2012	240,009	1,550	0.7%	2,619	1.1%	0.6

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	70,532	2,350	3.4%	1,997	2.8%	1.2
2027	68,182	1,126	1.7%	1,400	2.1%	0.8
2026	67,056	2,055	3.2%	2,174	3.2%	0.9
2025	65,001	2,318	3.7%	2,698	4.2%	0.9
2024	62,683	3,723	6.3%	3,570	5.7%	1.0
YTD	60,702	1,742	3.0%	1,224	2.0%	1.4
2023	58,960	3,158	5.7%	2,132	3.6%	1.5
2022	55,802	3,631	7.0%	2,281	4.1%	1.6
2021	52,171	4,279	8.9%	5,577	10.7%	0.8
2020	47,892	1,964	4.3%	2,864	6.0%	0.7
2019	45,928	3,660	8.7%	3,339	7.3%	1.1
2018	42,268	4,063	10.6%	2,851	6.7%	1.4
2017	38,205	2,930	8.3%	2,477	6.5%	1.2
2016	35,275	1,601	4.8%	2,290	6.5%	0.7
2015	33,674	3,672	12.2%	3,711	11.0%	1.0
2014	30,002	3,822	14.6%	2,162	7.2%	1.8
2013	26,180	1,446	5.8%	1,143	4.4%	1.3
2012	24,734	1,003	4.2%	1,191	4.8%	0.8

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	91,872	0	0%	257	0.3%	0
2027	91,872	49	0.1%	343	0.4%	0.1
2026	91,823	695	0.8%	457	0.5%	1.5
2025	91,128	389	0.4%	279	0.3%	1.4
2024	90,739	599	0.7%	339	0.4%	1.8
YTD	90,577	437	0.5%	162	0.2%	2.7
2023	90,140	619	0.7%	(729)	-0.8%	-
2022	89,521	614	0.7%	(699)	-0.8%	-
2021	88,907	661	0.7%	1,850	2.1%	0.4
2020	88,246	279	0.3%	1,600	1.8%	0.2
2019	87,967	787	0.9%	446	0.5%	1.8
2018	87,180	535	0.6%	557	0.6%	1.0
2017	86,645	296	0.3%	34	0%	8.7
2016	86,349	215	0.2%	(37)	0%	-
2015	86,134	10	0%	156	0.2%	0.1
2014	86,124	69	0.1%	52	0.1%	1.3
2013	86,055	69	0.1%	512	0.6%	0.1
2012	85,986	714	0.8%	1,357	1.6%	0.5

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	128,410	(119)	-0.1%	192	0.1%	-
2027	128,529	(119)	-0.1%	(5)	0%	23.8
2026	128,648	(119)	-0.1%	(321)	-0.2%	0.4
2025	128,767	(104)	-0.1%	(331)	-0.3%	0.3
2024	128,871	(31)	0%	(757)	-0.6%	0
YTD	128,891	(11)	0%	(447)	-0.3%	0
2023	128,902	136	0.1%	(948)	-0.7%	-
2022	128,766	(49)	0%	(1,109)	-0.9%	0
2021	128,815	(79)	-0.1%	1,126	0.9%	-
2020	128,894	(54)	0%	905	0.7%	-
2019	128,948	(4)	0%	(229)	-0.2%	0
2018	128,952	(2)	0%	130	0.1%	0
2017	128,954	(47)	0%	(196)	-0.2%	0.2
2016	129,001	0	0%	(286)	-0.2%	0
2015	129,001	(28)	0%	499	0.4%	-
2014	129,029	1	0%	175	0.1%	0
2013	129,028	(261)	-0.2%	417	0.3%	-
2012	129,289	(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	14,871	5.1%	(0.1)	\$2,769	\$3.33	2.7%	(0.2)	\$2,746	\$3.30
2027	15,086	5.2%	(0.3)	\$2,695	\$3.24	2.9%	(0.3)	\$2,672	\$3.21
2026	15,769	5.5%	0.1	\$2,619	\$3.15	3.2%	(0.4)	\$2,596	\$3.12
2025	15,449	5.4%	(0.1)	\$2,538	\$3.05	3.6%	1.9	\$2,516	\$3.03
2024	15,491	5.5%	0.3	\$2,451	\$2.95	1.6%	0.3	\$2,429	\$2.92
YTD	15,581	5.6%	0.4	\$2,457	\$2.95	-0.1%	(1.5)	\$2,436	\$2.92
2023	14,354	5.2%	1.2	\$2,411	\$2.89	1.4%	(4.1)	\$2,391	\$2.87
2022	10,877	4.0%	1.3	\$2,379	\$2.85	5.5%	(7.0)	\$2,364	\$2.84
2021	7,160	2.7%	(1.4)	\$2,256	\$2.70	12.4%	10.5	\$2,245	\$2.69
2020	10,836	4.1%	(1.2)	\$2,006	\$2.40	2.0%	(1.1)	\$1,990	\$2.38
2019	14,001	5.3%	0.3	\$1,967	\$2.35	3.0%	(0.4)	\$1,950	\$2.33
2018	13,109	5.1%	0.4	\$1,909	\$2.28	3.4%	(0.5)	\$1,878	\$2.24
2017	11,980	4.7%	0.3	\$1,846	\$2.21	3.9%	(0.1)	\$1,819	\$2.17
2016	11,069	4.4%	(0.1)	\$1,777	\$2.12	3.9%	(2.2)	\$1,756	\$2.10
2015	11,221	4.5%	(0.4)	\$1,710	\$2.04	6.2%	2.6	\$1,693	\$2.02
2014	11,933	4.9%	0.5	\$1,611	\$1.92	3.5%	0	\$1,593	\$1.90
2013	10,432	4.3%	(0.4)	\$1,556	\$1.86	3.6%	0.9	\$1,540	\$1.84
2012	11,248	4.7%	(0.5)	\$1,502	\$1.79	2.7%	-	\$1,490	\$1.78

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	4,952	7.0%	0.3	\$3,673	\$3.86	2.6%	(0.2)	\$3,625	\$3.81
2027	4,599	6.7%	(0.5)	\$3,581	\$3.76	2.8%	(0.3)	\$3,534	\$3.71
2026	4,872	7.3%	(0.4)	\$3,484	\$3.66	3.1%	(0.3)	\$3,438	\$3.61
2025	4,990	7.7%	(0.9)	\$3,379	\$3.55	3.4%	1.7	\$3,335	\$3.50
2024	5,370	8.6%	(0.3)	\$3,267	\$3.43	1.8%	2.1	\$3,224	\$3.39
YTD	5,734	9.4%	0.6	\$3,292	\$3.45	-1.0%	(0.7)	\$3,248	\$3.41
2023	5,218	8.8%	1.4	\$3,210	\$3.37	-0.3%	(4.5)	\$3,165	\$3.32
2022	4,180	7.5%	2.1	\$3,219	\$3.38	4.2%	(10.3)	\$3,190	\$3.35
2021	2,838	5.4%	(3.2)	\$3,089	\$3.24	14.5%	13.8	\$3,064	\$3.22
2020	4,127	8.6%	(2.3)	\$2,697	\$2.83	0.7%	(1.4)	\$2,660	\$2.79
2019	5,019	10.9%	(0.2)	\$2,678	\$2.81	2.1%	(0.5)	\$2,640	\$2.77
2018	4,694	11.1%	2.2	\$2,623	\$2.75	2.6%	(0.4)	\$2,552	\$2.68
2017	3,414	8.9%	0.7	\$2,558	\$2.68	3.0%	0.5	\$2,502	\$2.62
2016	2,915	8.3%	(2.4)	\$2,484	\$2.61	2.4%	(2.9)	\$2,440	\$2.56
2015	3,603	10.7%	(1.4)	\$2,426	\$2.54	5.4%	1.9	\$2,391	\$2.51
2014	3,643	12.1%	4.6	\$2,302	\$2.41	3.5%	(0.3)	\$2,268	\$2.38
2013	1,983	7.6%	0.8	\$2,225	\$2.33	3.8%	0.4	\$2,191	\$2.30
2012	1,681	6.8%	(1.1)	\$2,144	\$2.25	3.4%	-	\$2,122	\$2.23

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	4,464	4.9%	(0.3)	\$2,823	\$3.35	2.8%	(0.1)	\$2,804	\$3.32
2027	4,720	5.1%	(0.3)	\$2,746	\$3.25	3.0%	(0.3)	\$2,727	\$3.23
2026	5,016	5.5%	0.2	\$2,667	\$3.16	3.2%	(0.4)	\$2,649	\$3.14
2025	4,777	5.2%	0.1	\$2,584	\$3.06	3.6%	2.5	\$2,567	\$3.04
2024	4,666	5.1%	0.3	\$2,494	\$2.96	1.1%	(0.5)	\$2,477	\$2.94
YTD	4,681	5.2%	0.3	\$2,510	\$2.97	-0.7%	(2.3)	\$2,494	\$2.95
2023	4,407	4.9%	1.5	\$2,467	\$2.92	1.6%	(4.8)	\$2,453	\$2.90
2022	3,052	3.4%	1.5	\$2,428	\$2.87	6.4%	(9.0)	\$2,416	\$2.86
2021	1,736	2.0%	(1.4)	\$2,281	\$2.70	15.4%	12.8	\$2,274	\$2.69
2020	2,921	3.3%	(1.5)	\$1,976	\$2.33	2.6%	(1.3)	\$1,967	\$2.32
2019	4,235	4.8%	0.4	\$1,927	\$2.27	3.8%	(0.1)	\$1,915	\$2.26
2018	3,892	4.5%	(0.1)	\$1,856	\$2.19	3.9%	(0.3)	\$1,832	\$2.16
2017	3,913	4.5%	0.3	\$1,786	\$2.11	4.2%	(0.7)	\$1,760	\$2.08
2016	3,650	4.2%	0.3	\$1,714	\$2.02	4.9%	(2.4)	\$1,694	\$2
2015	3,398	3.9%	(0.2)	\$1,634	\$1.93	7.3%	3.2	\$1,620	\$1.91
2014	3,544	4.1%	0	\$1,524	\$1.80	4.1%	0	\$1,508	\$1.78
2013	3,528	4.1%	(0.5)	\$1,464	\$1.73	4.0%	1.4	\$1,453	\$1.71
2012	3,970	4.6%	(0.8)	\$1,407	\$1.66	2.7%	-	\$1,396	\$1.65

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	5,455	4.2%	(0.2)	\$2,039	\$2.76	2.9%	(0.1)	\$2,029	\$2.75
2027	5,767	4.5%	(0.1)	\$1,982	\$2.68	3.0%	(0.3)	\$1,972	\$2.67
2026	5,882	4.6%	0.2	\$1,924	\$2.60	3.3%	(0.4)	\$1,914	\$2.59
2025	5,682	4.4%	0.2	\$1,863	\$2.52	3.7%	1.5	\$1,853	\$2.51
2024	5,456	4.2%	0.6	\$1,797	\$2.43	2.2%	(1.1)	\$1,788	\$2.42
YTD	5,165	4.0%	0.3	\$1,779	\$2.40	2.1%	(1.2)	\$1,770	\$2.39
2023	4,730	3.7%	0.8	\$1,758	\$2.37	3.3%	(2.5)	\$1,750	\$2.36
2022	3,646	2.8%	0.8	\$1,702	\$2.29	5.8%	0.1	\$1,695	\$2.28
2021	2,586	2.0%	(0.9)	\$1,608	\$2.16	5.7%	2.8	\$1,603	\$2.15
2020	3,787	2.9%	(0.7)	\$1,521	\$2.03	2.9%	(0.4)	\$1,515	\$2.03
2019	4,747	3.7%	0.2	\$1,479	\$1.98	3.3%	(0.7)	\$1,472	\$1.97
2018	4,522	3.5%	(0.1)	\$1,432	\$1.91	4.0%	(0.8)	\$1,423	\$1.90
2017	4,653	3.6%	0.1	\$1,377	\$1.83	4.8%	(0.1)	\$1,368	\$1.82
2016	4,504	3.5%	0.2	\$1,314	\$1.75	4.9%	(1.0)	\$1,308	\$1.74
2015	4,219	3.3%	(0.4)	\$1,253	\$1.67	5.9%	2.9	\$1,246	\$1.66
2014	4,747	3.7%	(0.1)	\$1,184	\$1.57	3.0%	0.3	\$1,177	\$1.56
2013	4,920	3.8%	(0.5)	\$1,150	\$1.52	2.6%	0.8	\$1,144	\$1.51
2012	5,598	4.3%	(0.2)	\$1,120	\$1.48	1.9%	-	\$1,113	\$1.47

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	-	-	-	-	-	-	\$495,047	333	4.2%
2027	-	-	-	-	-	-	\$457,001	307	4.4%
2026	-	-	-	-	-	-	\$422,133	284	4.6%
2025	-	-	-	-	-	-	\$392,000	264	4.8%
2024	-	-	-	-	-	-	\$379,154	255	4.8%
YTD	105	\$776.6M	0.8%	\$7,689,261	\$399,905	4.4%	\$388,377	261	4.7%
2023	232	\$2.2B	2.2%	\$10,003,473	\$378,120	4.4%	\$385,118	259	4.6%
2022	342	\$3.9B	3.5%	\$11,329,102	\$402,755	3.5%	\$426,635	287	4.1%
2021	577	\$5.7B	6.7%	\$9,991,460	\$317,797	4.1%	\$439,057	295	3.8%
2020	306	\$2.3B	2.8%	\$7,745,161	\$316,042	4.4%	\$363,591	245	4.2%
2019	574	\$2.4B	4.1%	\$6,660,530	\$297,195	4.5%	\$331,893	223	4.5%
2018	503	\$2B	3.7%	\$6,093,490	\$257,954	4.4%	\$305,497	205	4.6%
2017	681	\$3B	5.3%	\$7,469,902	\$276,036	4.5%	\$288,944	194	4.7%
2016	507	\$2.5B	4.7%	\$6,157,913	\$233,995	4.8%	\$270,081	182	4.8%
2015	544	\$2.1B	5.4%	\$5,238,363	\$193,855	4.9%	\$256,939	173	4.8%
2014	455	\$1.6B	5.6%	\$4,332,719	\$176,435	5.2%	\$233,605	157	5.0%
2013	465	\$1.3B	3.8%	\$3,354,310	\$171,924	5.7%	\$215,013	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	-	-	-	-	-	-	\$705,136	331	3.9%
2027	-	-	-	-	-	-	\$650,827	306	4.1%
2026	-	-	-	-	-	-	\$600,757	282	4.4%
2025	-	-	-	-	-	-	\$557,632	262	4.5%
2024	-	-	-	-	-	-	\$539,943	254	4.5%
YTD	3	\$131.9M	1.0%	\$65,950,000	\$438,206	3.9%	\$553,648	260	4.4%
2023	9	\$623.3M	2.0%	\$69,258,944	\$535,048	4.1%	\$549,994	258	4.3%
2022	17	\$1.4B	5.0%	\$82,014,900	\$495,294	3.6%	\$609,757	286	3.8%
2021	12	\$1.2B	4.5%	\$98,793,708	\$505,770	4.1%	\$629,993	296	3.5%
2020	9	\$708M	3.0%	\$88,500,938	\$515,289	4.0%	\$524,301	246	3.9%
2019	10	\$726.9M	3.9%	\$80,770,010	\$413,969	5.0%	\$480,495	226	4.1%
2018	8	\$641.2M	5.1%	\$91,603,714	\$344,745	4.0%	\$442,147	208	4.3%
2017	15	\$1.4B	8.6%	\$91,269,880	\$416,504	4.3%	\$420,424	198	4.3%
2016	10	\$592M	4.9%	\$59,204,850	\$340,845	4.6%	\$393,743	185	4.4%
2015	9	\$421.2M	3.9%	\$46,794,444	\$323,216	4.7%	\$376,227	177	4.4%
2014	4	\$167.5M	3.6%	\$55,833,333	\$269,293	-	\$340,225	160	4.6%
2013	10	\$240.3M	5.1%	\$80,104,283	\$287,800	5.2%	\$314,684	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	-	-	-	-	-	-	\$465,959	335	4.2%
2027	-	-	-	-	-	-	\$430,370	309	4.5%
2026	-	-	-	-	-	-	\$397,812	286	4.7%
2025	-	-	-	-	-	-	\$369,628	266	4.9%
2024	-	-	-	-	-	-	\$357,410	257	4.9%
YTD	10	\$328.3M	0.7%	\$32,826,387	\$533,762	4.7%	\$365,701	263	4.7%
2023	46	\$957.4M	3.0%	\$22,055,727	\$360,449	4.4%	\$362,881	261	4.6%
2022	59	\$1.1B	3.2%	\$19,783,837	\$402,054	3.9%	\$404,888	291	4.1%
2021	96	\$2.2B	8.0%	\$23,410,842	\$314,283	4.0%	\$415,282	298	3.8%
2020	50	\$789.8M	2.8%	\$16,453,697	\$319,619	4.5%	\$343,348	247	4.2%
2019	64	\$605.4M	2.7%	\$11,870,091	\$307,453	4.4%	\$313,628	225	4.5%
2018	55	\$622M	2.9%	\$12,957,482	\$251,703	4.4%	\$286,117	206	4.6%
2017	97	\$742.6M	4.2%	\$10,762,647	\$223,077	4.8%	\$269,548	194	4.7%
2016	80	\$1.2B	5.8%	\$16,865,439	\$235,665	4.7%	\$251,738	181	4.8%
2015	95	\$948.8M	7.3%	\$12,650,415	\$190,748	4.9%	\$240,068	172	4.8%
2014	85	\$842.1M	9.0%	\$12,204,580	\$189,197	5.2%	\$218,437	157	5.0%
2013	57	\$506.5M	3.3%	\$10,551,799	\$230,012	5.3%	\$200,517	144	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.

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	-	-	-	-	-	-	\$406,409	333	4.3%
2027	-	-	-	-	-	-	\$375,077	307	4.6%
2026	-	-	-	-	-	-	\$346,477	284	4.8%
2025	-	-	-	-	-	-	\$321,720	264	5.0%
2024	-	-	-	-	-	-	\$310,947	255	5.0%
YTD	92	\$316.5M	0.8%	\$3,555,635	\$308,432	4.4%	\$318,507	261	4.8%
2023	177	\$637M	1.7%	\$3,747,012	\$311,640	4.4%	\$315,134	258	4.7%
2022	266	\$1.3B	3.0%	\$4,968,075	\$336,862	3.4%	\$346,805	284	4.2%
2021	469	\$2.3B	6.6%	\$4,929,336	\$269,031	4.1%	\$356,603	292	3.9%
2020	247	\$810.3M	2.7%	\$3,348,236	\$234,318	4.4%	\$294,355	241	4.3%
2019	500	\$1B	5.1%	\$3,498,927	\$243,944	4.5%	\$267,550	219	4.6%
2018	440	\$753.8M	3.7%	\$2,731,015	\$216,101	4.4%	\$248,171	203	4.7%
2017	569	\$853.5M	5.1%	\$2,728,052	\$206,860	4.4%	\$234,320	192	4.8%
2016	417	\$793.6M	3.8%	\$2,368,992	\$188,060	4.8%	\$218,778	179	4.9%
2015	440	\$772.6M	4.5%	\$2,377,105	\$161,792	4.9%	\$206,862	170	4.9%
2014	366	\$623.8M	3.7%	\$2,045,308	\$149,061	5.2%	\$188,909	155	5.1%
2013	398	\$534.5M	3.9%	\$1,614,946	\$121,048	5.7%	\$173,457	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	-	290,815	5.1%	-	2,349	-	2,230	-	-
2027	-	288,585	5.2%	-	1,176	-	1,058	-	-
2026	-	287,527	5.5%	-	2,750	-	2,631	-	-
2025	-	284,896	5.4%	-	2,707	-	2,603	-	-
2024	-	282,293	5.5%	-	4,516	-	4,291	-	-
YTD	10,952	280,170	5.6%	27	2,373	25	2,168	44	7,685
2023	10,927	278,002	5.2%	46	3,990	43	3,913	62	8,175
2022	10,884	274,089	4.0%	39	4,289	32	4,196	76	7,981
2021	10,852	269,893	2.7%	38	4,940	34	4,861	65	8,132
2020	10,818	265,032	4.1%	32	2,267	25	2,189	65	8,994
2019	10,793	262,843	5.3%	44	4,463	41	4,443	57	6,579
2018	10,752	258,400	5.1%	36	4,610	34	4,596	67	7,292
2017	10,718	253,804	4.7%	27	3,263	17	3,179	57	7,970
2016	10,701	250,625	4.4%	20	1,816	20	1,816	52	7,596
2015	10,681	248,809	4.5%	19	3,718	15	3,654	30	4,914
2014	10,666	245,155	4.9%	17	3,931	14	3,892	25	5,158
2013	10,652	241,263	4.3%	10	1,515	0	1,254	25	5,876
2012	10,652	240,009	4.7%	8	1,732	1	1,550	18	5,117