

Q4 2019 *END QTR*

MULTIFAMILY REPORT

SAN DIEGO MARKET



PACIFIC COAST
COMMERCIAL

SALES - MANAGEMENT - LEASING

MULTI-FAMILY MARKET REPORT

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12 Mo. Delivered Units

3,987

12 Mo. Absorption Units

3,042

Vacancy Rate

5.1%

12 Mo. Asking Rent Growth

3.0%

Net absorption outpaced deliveries in 19Q3 for the third straight quarter, and occupancies remained in line with the long-term average. However, annual rent growth still fell below the long-term average in 2019 for the first time since 2012. The weight of record-high rent levels is expected to keep annual rent growth below that historical benchmark through the majority of the forecast as concerns over affordability spread across the region.

In an attempt to rein in outsized rent growth, California passed a state-wide rent cap measure in October 2019 that limits annual rent increases to 5% plus inflation. It does not apply to apartment units delivered within the past 15 years. The bill also provides tenant-protective measures against eviction without cause. However, landlords will still have the ability to make significant capital improvements and evict tenants as necessary, but they will have to pay relocation assistance equal to one month's rent.

Supply additions are still less than what is necessary to support population growth, and the burden has fallen most heavily on cost-conscious renters. Fewer areas of San Diego offer affordable options for residents, leading to a noticeable uptick in out-migration. Even so, San

Diego's construction starts in 2019 are far below what is required to keep pace with growth.

Developers have primarily built luxury units because of the high costs associated with land, construction, and parking. The city council moved forward in removing parking requirements near transit priority areas, which would lower the financial burden for builders and presumably renters. It is one of several paths the city has taken to increase density.

With San Diego's economy diversified among tech fields, tourism, trade, and the military, the metro's apartment fundamentals are on firm footing, and demand remains largely inelastic. But with the heavy wave of supply Downtown and its thick pipeline, it is expected that vacancies there are likely to remain elevated through the forecast while denting rent growth.

Investors have shown steady interest in San Diego's apartment inventory in 2019. The county's largest landlord expanded its portfolio even further this year in the Mission Valley area, after purchasing two newly delivered communities for nearly \$300 million.

KEY INDICATORS

| Current Quarter | Units | Vacancy Rate | Asking Rent | Effective Rent | Absorption Units | Delivered Units | Under Constr Units |
|-----------------|----------------|--------------|----------------|----------------|------------------|-----------------|--------------------|
| 4 & 5 Star | 48,818 | 9.9% | \$2,514 | \$2,473 | 544 | 1,449 | 6,661 |
| 3 Star | 83,844 | 4.7% | \$1,878 | \$1,866 | 17 | 383 | 294 |
| 1 & 2 Star | 130,031 | 3.6% | \$1,435 | \$1,428 | (10) | 0 | 0 |
| Market | 262,693 | 5.1% | \$1,857 | \$1,840 | 551 | 1,832 | 6,955 |

| Annual Trends | 12 Month | Historical Average | Forecast Average | Peak | When | Trough | When |
|-----------------------------|----------|--------------------|------------------|--------|---------|----------|---------|
| Vacancy Change (YOY) | 0.3% | 4.4% | 5.5% | 5.4% | 2009 Q4 | 2.3% | 2000 Q2 |
| Absorption Units | 3,042 | 1,862 | 1,911 | 4,684 | 2016 Q1 | (1,771) | 2009 Q1 |
| Delivered Units | 3,987 | 2,346 | 2,689 | 6,039 | 2001 Q2 | 237 | 2011 Q2 |
| Demolished Units | 0 | 101 | 132 | 341 | 2009 Q3 | 0 | 2019 Q3 |
| Asking Rent Growth (YOY) | 3.0% | 3.0% | 1.8% | 7.1% | 2015 Q3 | -2.6% | 2009 Q4 |
| Effective Rent Growth (YOY) | 3.6% | 2.9% | 1.8% | 6.9% | 2015 Q3 | -2.8% | 2009 Q4 |
| Sales Volume | \$2.1 B | \$1.6B | N/A | \$3.0B | 2018 Q1 | \$478.5M | 2009 Q4 |

Demand outpaced the county's supply additions in 19Q3 for the third straight quarter, although trailing 12-month absorption has exceeded 3,000 units only once during that stretch.

A steady flow of millennials has poured into San Diego. The county includes one of the heaviest concentrations of this cohort in the country, accounting for 27% of the population according to the latest U.S. Census Bureau estimates.

Workers of all ages are attracted to San Diego because it is firmly cemented as a bastion of high tech and life science research. Firms such as Amazon and Apple are expanding here and will add hundreds of new tech positions, especially in the UC San Diego area.

Millennials help support demand for new inventory in San Diego. For properties that deliver Downtown, monthly absorption rates average near 25 units per month, such as at Luma in Little Italy. In Mission Valley, leasing velocity during lease-up averages closer to 20 units per month. That is close to the average for several new communities there, including Vora Mission Gorge and Millennium Mission Valley. More suburban assets, such as in Carlsbad or Chula Vista, typically average closer to 15 units per month of absorption during lease-up.

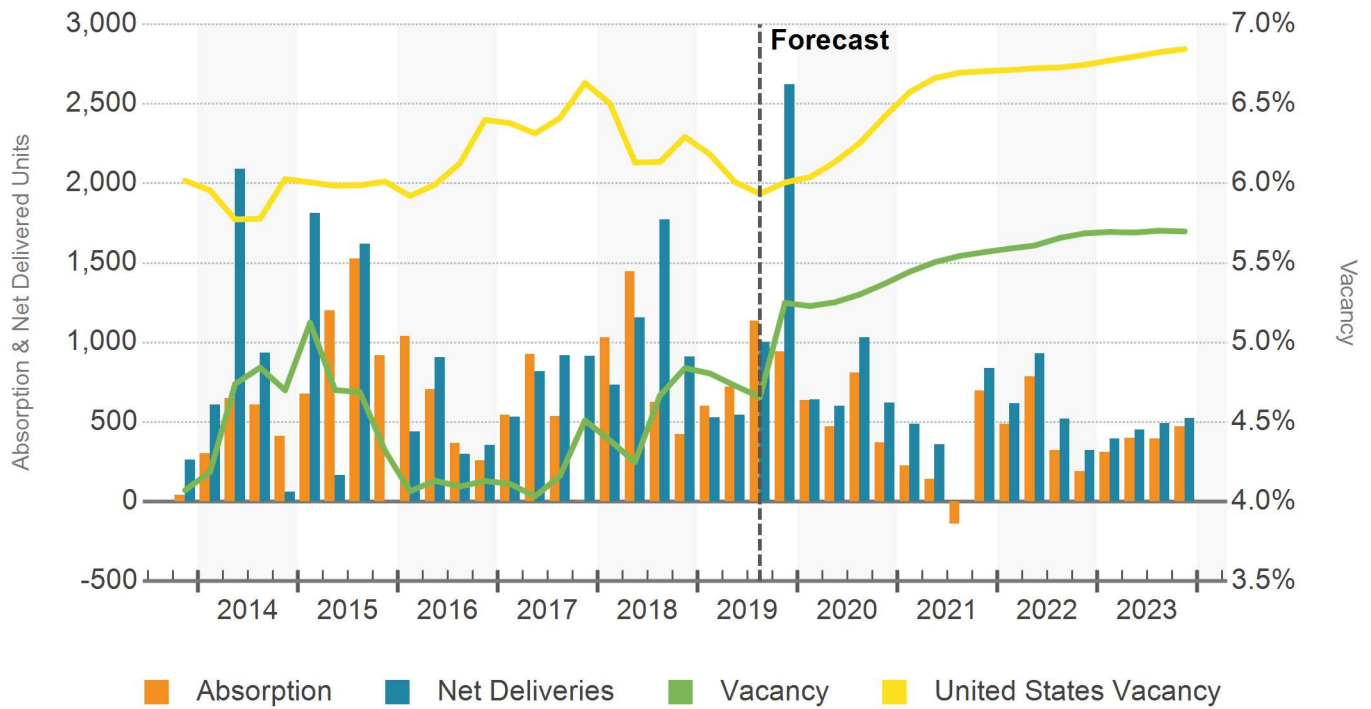
San Diego is undersupplied, with both single-family and multifamily housing growth lagging far behind the pace of household formation. The San Diego Housing Commission estimates that, based on population growth over the past decade and future projections, San Diego

should receive an average of about 15,000 new housing units annually for at least the next decade. New supply, both single-family and multifamily, is only about a third of that level.

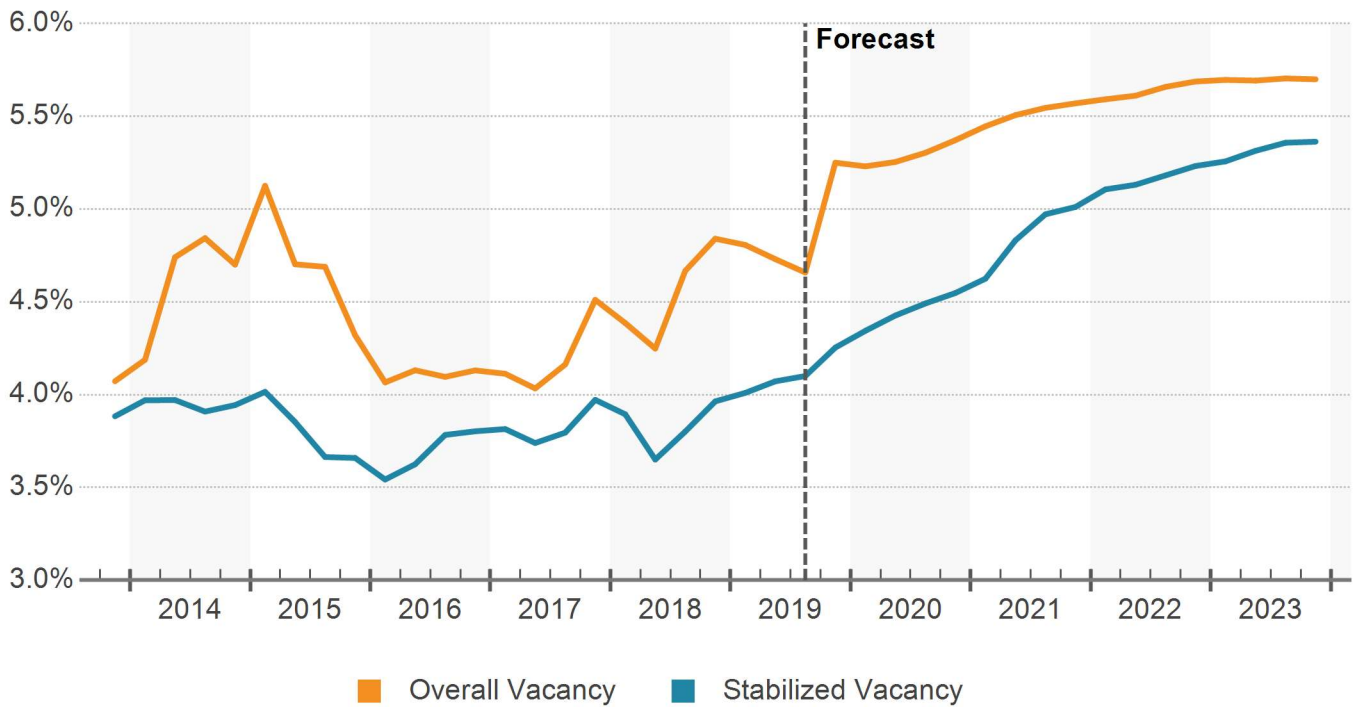
The city council is trying to do its part to address the lack of affordable supply. It passed a measure in March 2019 that overhauls the city's minimum parking requirements for dense, urban housing. The plan effectively eliminates the need to build off-street parking for communities built in proximity to transit priority areas, both trolley and bus routes, with the expectation that it will increase density and lower rent. The policy also sets a maximum of one parking space per unit for new Downtown projects. The city council also approved new zoning guidelines in July 2019. The new guidelines make mixed-use development a new type of zone and streamline the ability of developers to build dense housing projects with an industrial or commercial component, similar to Civita or One Paseo.

San Diego's supply constraints have also spilled over into the single-family market. The Case-Shiller Home Price Index increased about 30% in the past five years. Renters interested in moving into homeownership must deal with the added burden of too little for-sale inventory. The Greater San Diego Association of Realtors estimates that for-sale stock is about half of what is traditionally needed to keep up with demand. A study released by USC's Sol Price School of Public Policy at the end of April 2019 ranked San Diego the second least affordable metro in the country, trailing only Washington, D.C.

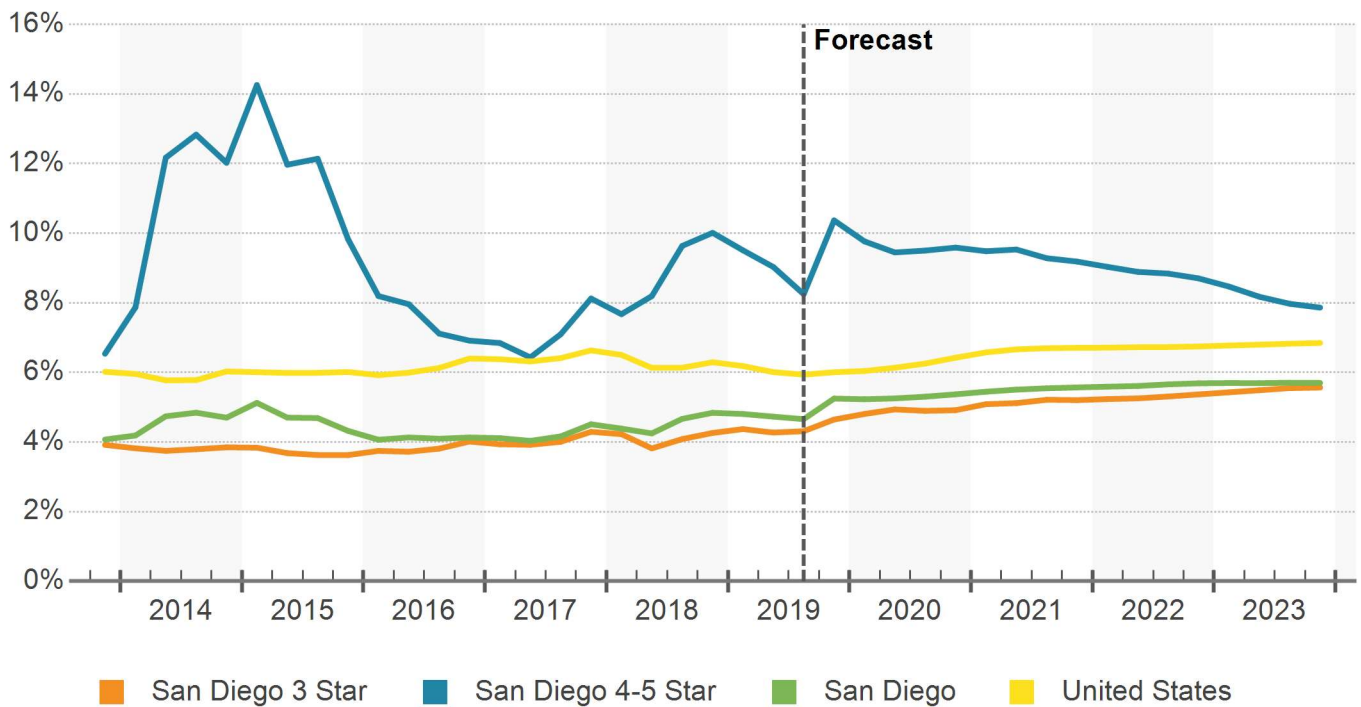
ABSORPTION, NET DELIVERIES & VACANCY



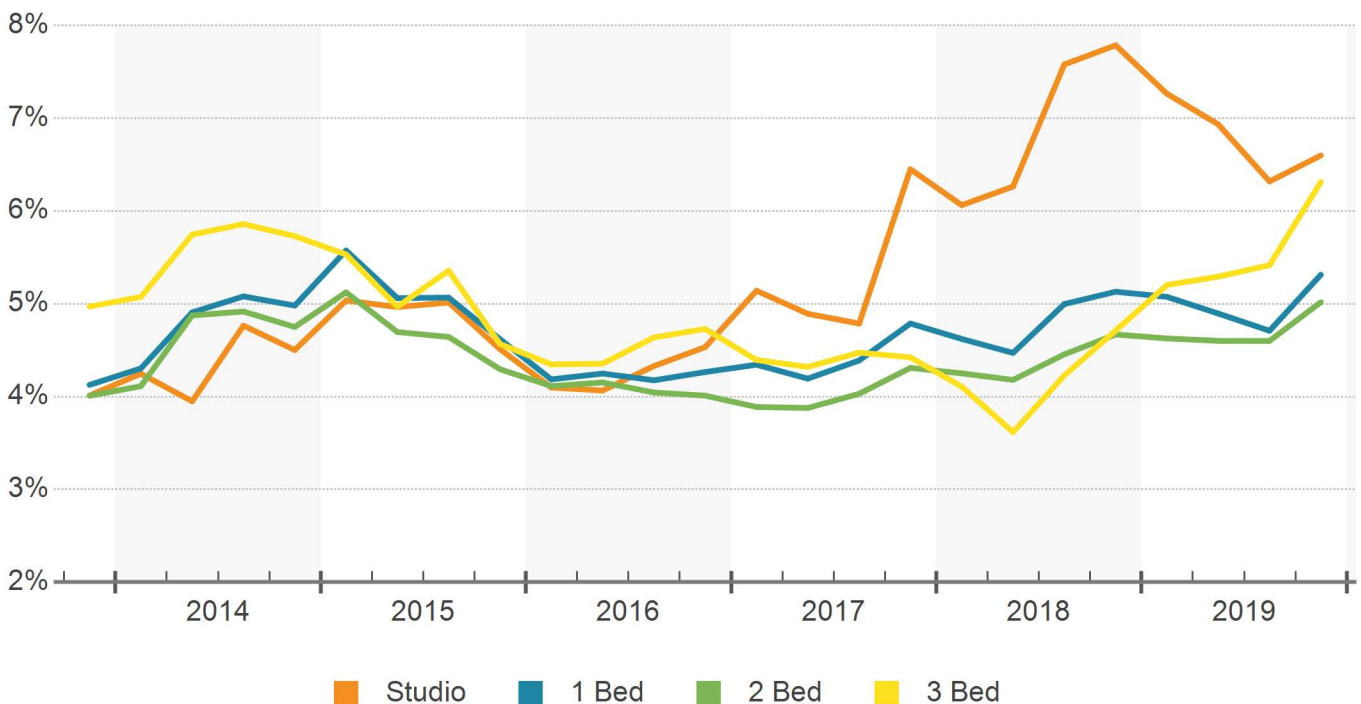
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



In October 2019, California passed a state-wide rent cap. It joined Oregon and New York, which passed similar restrictions in 2019. It places a cap on raising rents above 5% plus inflation for buildings older than 15 years old. Since the recession, annual rent growth in San Diego peaked in 15Q3, the only trailing 12 months to record annual growth of 7%, which is largely in line with the rent cap.

Since the recession, half of submarkets in San Diego have posted annual rent growth above 7%. Most peaked during 15Q3, with La Jolla/UTC topping out above 13% annual growth. That run up has since dissipated, and no submarket has neared that level for more than three years.

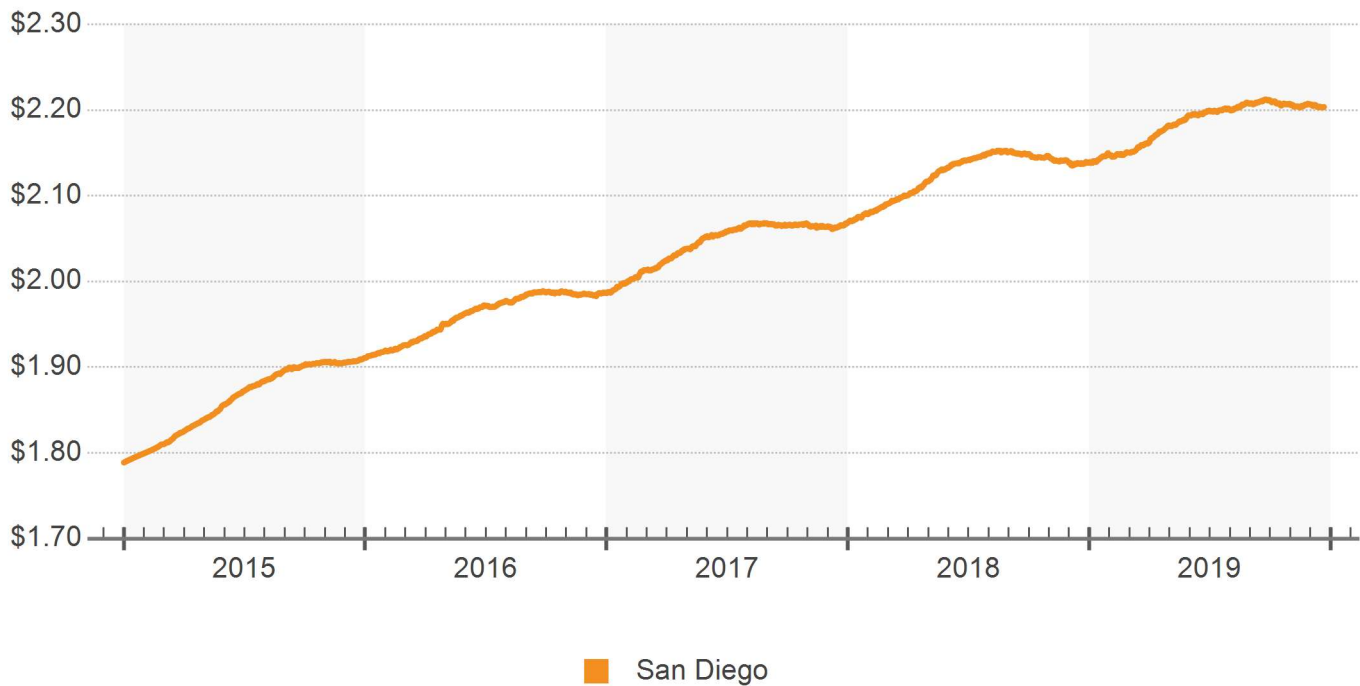
After quarterly rent growth surged in 19Q2 above 2%, seasonality crept in during 19Q3, and rent growth pulled back notably. It was in line with rent growth during the previous 18Q3 and 17Q3. Rent levels largely reached their zenith for the year in September, and rents are

expected to fall during 19Q4, as they have in each of the past three fourth quarters.

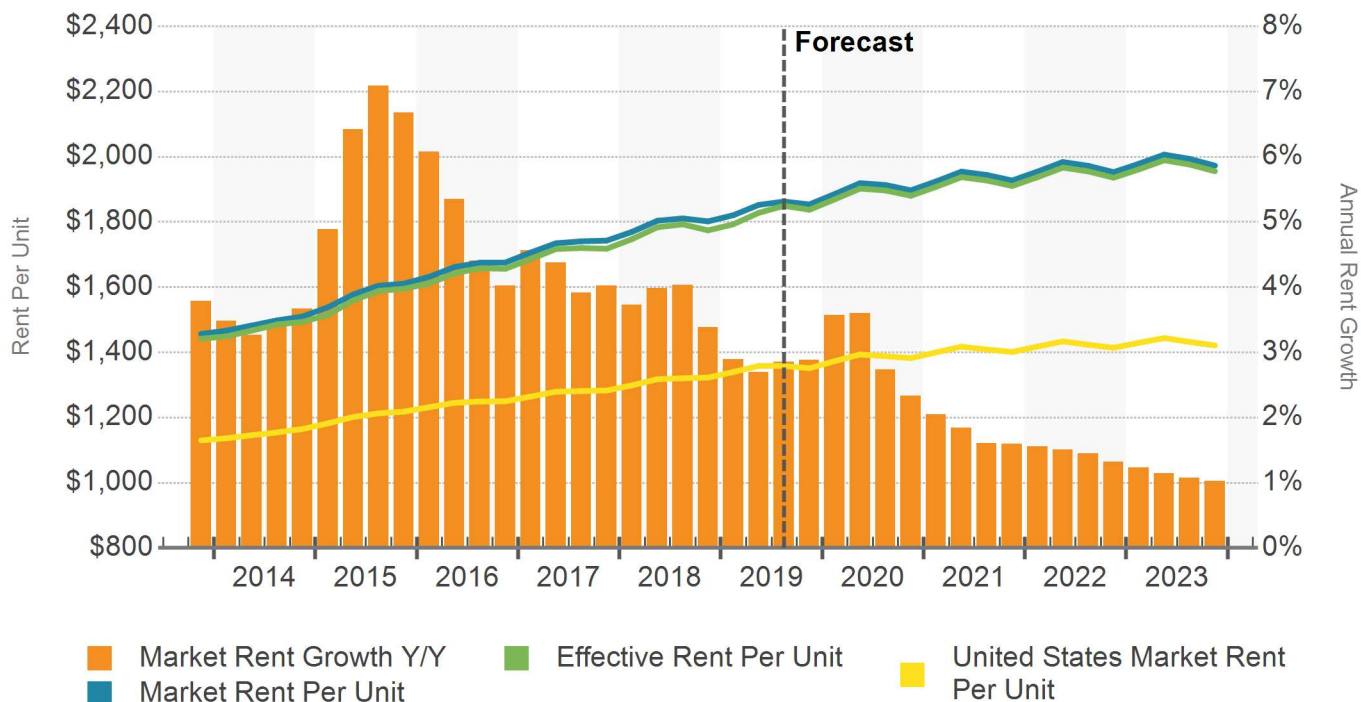
Annual rent growth pulled back below the long-term average in 2019. On account of record-high rent levels that exceeded \$1850/month on average during 19Q3, and thus concerns over affordability, annual rent growth is expected to fall short of the historical benchmark through the majority of the forecast.

Concessions are offered primarily in new deliveries and do not generally provide an outlet for savings in lower-tiered and older communities. Concessions are heaviest in the Downtown Submarket, where some apartments offer up to eight weeks free and no parking fees, often on leases for 13 to 15 months. At K1, eight weeks of free rent are offered on new 15-month leases, while Spire offers similar incentives. They are also picking up in Mission Valley, where it is no longer uncommon for six weeks of free rent to be offered.

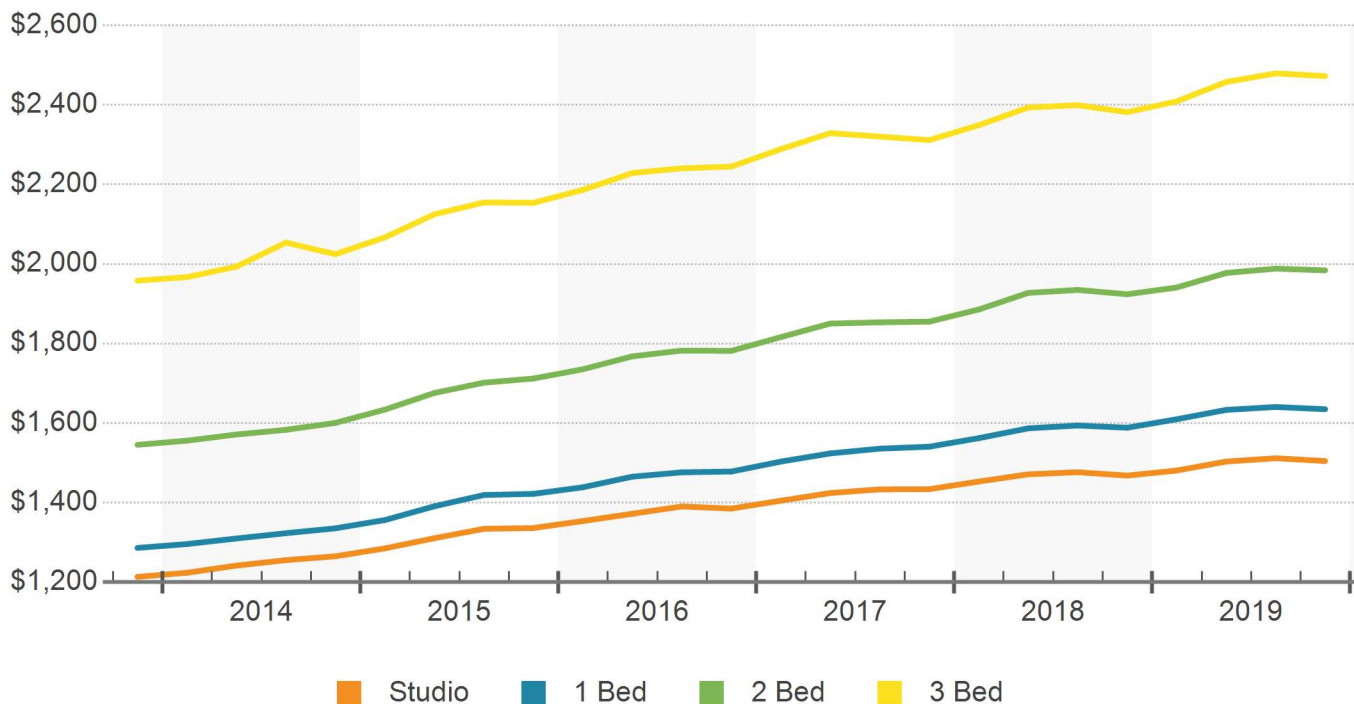
DAILY ASKING RENT PER SF



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 | \$0.85 | \$0.80 | \$0.85 | \$0.84 | \$1.28 | \$1.74 | \$0.37 | \$1.60 | \$0.12 | \$0.16 | \$0.72 | \$9.33 |
| 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 |
| Chula Vista/Imperial... | \$0.81 | \$0.83 | \$0.80 | \$0.90 | \$1.30 | \$1.72 | \$0.35 | \$1.64 | \$0.15 | \$0.13 | \$0.57 | \$9.20 |
| Coronado/Point Loma | \$0.85 | \$0.53 | \$0.69 | \$0.65 | \$1.14 | \$2.50 | \$0.46 | \$1.43 | \$0.13 | \$0.09 | \$0.35 | \$8.82 |
| 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 San Diego/El... | \$0.81 | \$1.22 | \$0.80 | \$0.98 | \$1.45 | \$1.72 | \$0.35 | \$1.64 | \$0.11 | \$0.27 | \$1.73 | \$11.08 |
| La Jolla/UTC | \$0.82 | \$0.62 | \$0.68 | \$0.66 | \$1.14 | \$2.30 | \$0.50 | \$1.58 | \$0.12 | \$0.09 | \$0.35 | \$8.86 |
| 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 | \$0.77 | \$0.55 | \$0.64 | \$0.74 | \$1.10 | \$1.27 | \$0.31 | \$1.66 | \$0.14 | \$0.13 | \$0.57 | \$7.88 |
| North I-15 Corridor | \$1.19 | \$1.29 | \$1.52 | \$1.11 | \$1.50 | \$1.05 | \$0.29 | \$1.77 | \$0.08 | \$0.27 | \$1.16 | \$11.23 |
| 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 | \$0.66 | \$0.77 | \$0.82 | \$1.22 | \$1.21 | \$0.24 | \$1.39 | \$0.12 | \$0.17 | \$0.77 | \$8.10 |
| 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 |
| Chula Vista/Imperial... | \$0.74 | \$0.65 | \$0.76 | \$0.86 | \$1.24 | \$1.32 | \$0.26 | \$1.39 | \$0.14 | \$0.12 | \$0.54 | \$8.02 |
| Coronado/Point Loma | \$0.80 | \$0.51 | \$0.66 | \$0.63 | \$1.10 | \$1.51 | \$0.40 | \$1.30 | \$0.12 | \$0.09 | \$0.34 | \$7.46 |
| Downtown San Diego | \$0.74 | \$0.63 | \$0.76 | \$0.84 | \$1.24 | \$1.31 | \$0.25 | \$1.39 | \$0.11 | \$0.12 | \$0.54 | \$7.93 |
| East San Diego/El... | \$0.73 | \$1.01 | \$0.76 | \$0.98 | \$1.39 | \$1.03 | \$0.13 | \$1.38 | \$0.10 | \$0.30 | \$1.51 | \$9.32 |
| La Jolla/UTC | \$0.61 | \$0.48 | \$0.65 | \$0.60 | \$1.10 | \$1.40 | \$0.48 | \$1.29 | \$0.11 | \$0.09 | \$0.33 | \$7.14 |
| Mission Valley/Nort... | \$0.81 | \$0.39 | \$0.65 | \$0.60 | \$1.09 | \$1.42 | \$0.40 | \$1.14 | \$0.12 | \$0.09 | \$0.33 | \$7.04 |
| 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 | \$0.71 | \$0.52 | \$0.61 | \$0.70 | \$1.04 | \$1.16 | \$0.15 | \$1.55 | \$0.13 | \$0.12 | \$0.54 | \$7.23 |
| North I-15 Corridor | \$0.63 | \$0.40 | \$1.42 | \$0.83 | \$1.19 | \$0.89 | \$0.19 | \$1.40 | \$0.08 | \$0.25 | \$1.11 | \$8.39 |
| North Shore Cities | \$0.68 | \$0.52 | \$0.55 | \$0.69 | \$1.05 | \$1.22 | \$0.18 | \$1.54 | \$0.13 | \$0.12 | \$0.54 | \$7.22 |
| Outlying San Diego... | \$0.74 | \$1.00 | \$0.76 | \$1.00 | \$1.41 | \$0.97 | \$0.13 | \$1.35 | \$0.10 | \$0.34 | \$1.61 | \$9.41 |
| Poway/Santee/Ram... | \$0.77 | \$1.01 | \$0.76 | \$1.05 | \$1.45 | \$1.00 | \$0.15 | \$1.39 | \$0.10 | \$0.37 | \$1.65 | \$9.70 |
| South I-15 Corridor | \$0.80 | \$0.71 | \$1.13 | \$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 | \$0.99 | \$0.20 | \$0.99 | \$0.10 | \$0.13 | \$0.62 | \$6.59 |
| 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 |
| 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 |
| Coronado/Point Loma | \$0.70 | \$0.52 | \$0.62 | \$0.59 | \$1.09 | \$0.96 | \$0.26 | \$1.16 | \$0.11 | \$0.09 | \$0.33 | \$6.43 |
| 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 San Diego/El... | \$0.69 | \$0.42 | \$0.72 | \$0.62 | \$1.00 | \$0.83 | \$0.11 | \$0.78 | \$0.09 | \$0.14 | \$0.92 | \$6.32 |
| 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 | \$1.00 | \$0.74 | \$0.15 | \$0.74 | \$0.09 | \$0.16 | \$0.99 | \$6.38 |
| South I-15 Corridor | \$0.53 | \$0.30 | \$0.94 | \$0.65 | \$0.92 | \$0.72 | \$0.18 | \$1.25 | \$0.08 | \$0.23 | \$0.80 | \$6.60 |

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

Even with widespread concern about undersupply in San Diego, a concern shared across many cities in California, there has been no noticeable uptick in housing permits across the county. The level of single-family and multifamily permits topped out at about 10,000 annually, well short of the 15,000 units that the county needs to have built annually. The first half of 2019 recorded the fewest construction starts since the beginning of the post-recession period. When Town and Country broke ground during 19Q3 in Mission Valley, it surpassed the first half's total starts by itself and brought the submarket's pipeline up to 7% of inventory.

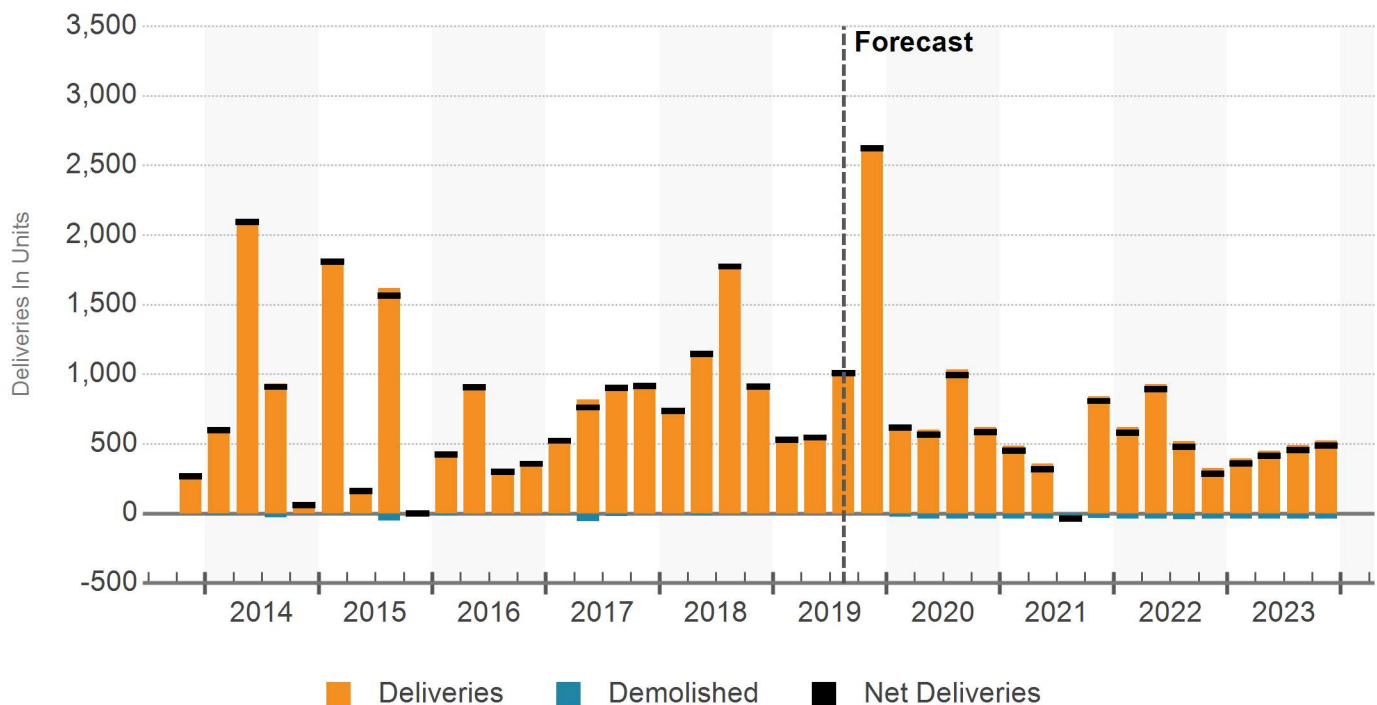
The Downtown Submarket is in the midst of a sustained development wave, with thousands of units under construction and in the pipeline, and it has added some pressure to Downtown's fundamentals, as evidenced by the sky-high vacancy rate that is expected to dip below 10% only momentarily during the forecast. A significant portion of the metro's supply pipeline resides here, nearly 35% of the metro's current under-construction inventory. And Downtown accounted for an equal share of the metro's new supply in the trailing 12 months, including the Richman Group's 222-unit K1 that delivered in 19Q3

and Pinnacle's Spire San Diego in 19Q4.

Several master plans are currently under review or have recently been updated with the intention of adding more density. The Midway District's update 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's, alone, adds more than 28,000 housing units.

An often exhaustive entitlement process (entitling a property for higher densities can often drag on for years, and permitting fees can run upwards of 40% of the development cost), neighborhood opposition to increased density, and the generally high cost of development are all barriers to outsized growth. With these added costs, workforce housing becomes extremely difficult to pencil out, which is why more than 90% of post-recession stock has consisted of luxury units. And finally, developers note the lack of labor for projects as being especially challenging, especially near border control stations.

DELIVERIES & DEMOLITIONS



Under Construction Properties

San Diego Multi-Family

Properties

Units

Percent of Inventory

Avg. No. Units

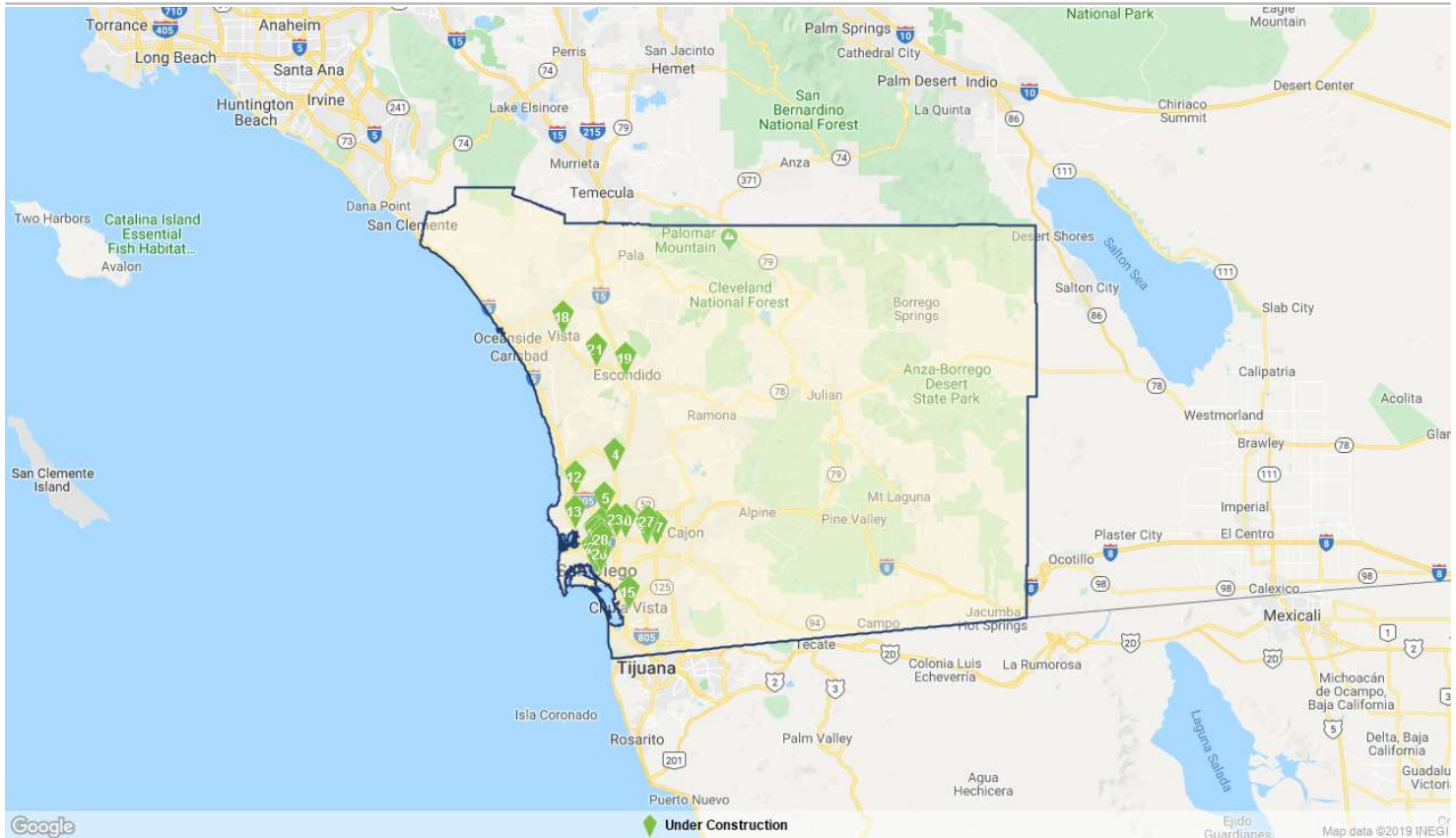
41

6,928

2.6%

169

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

| Property Name/Address | Rating | Units | Stories | Start | Complete | Developer/Owner |
|--|--------|-------|---------|----------|----------|--|
| 1 Town and Country - Resi... 500 Hotel Cir N | ★★★★★ | 840 | - | Jul-2019 | Oct-2021 | Holland Partner Group Lowe Enterprises Investment Ma... |
| 2 Broadway Block 702 Broadway | ★★★★★ | 620 | 41 | Aug-2018 | Oct-2020 | Bosa Development Bosa Development |
| 3 11th & Broadway 909 11th Ave | ★★★★★ | 618 | 32 | Oct-2018 | Oct-2021 | Pinnacle International Pinnacle International Group |
| 4 Casa Mira View - Phase III 9800 Mira Lee Way | ★★★★★ | 600 | 5 | Mar-2015 | Mar-2020 | Garden Communities California Garden Homes |
| 5 Vive Lux 8620 Spectrum Rd | ★★★★★ | 442 | 7 | Aug-2019 | Oct-2021 | Sunroad Holding Corporation Sunroad Holding Corporation |
| 6 Purl 7901 Civita Blvd | ★★★★★ | 435 | 5 | Jan-2019 | Aug-2020 | Sudberry Properties, Inc. Sudberry Properties, Inc. |
| 7 Park + Market 601 11th Ave | ★★★★★ | 426 | 34 | Jan-2018 | Jul-2020 | Holland Partner Group Brookfield Residential Oliver Mc... |

Under Construction Properties

San Diego Multi-Family

UNDER CONSTRUCTION

| | Property Name/Address | Rating | Units | Stories | Start | Complete | Developer/Owner |
|----|--|--------|-------|---------|----------|----------|---|
| 8 | Modera Apartments 241 14th St | ★★★★★ | 368 | 7 | Nov-2018 | Nov-2021 | Mill Creek Residential Trust, LLC Platt Management, Inc. |
| 9 | Alexan Gallerie 375 Camino De La Reina | ★★★★★ | 284 | 7 | Oct-2019 | Oct-2021 | Trammell Crow Residential Comp... Crow Holdings |
| 10 | Gravity Apartments 4750 Mission Gorge Pl | ★★★★★ | 250 | 5 | Dec-2018 | Jan-2021 | Fairfield Residential Mission Valley Church of the Naz... |
| 11 | 625 Broadway 625 Broadway | ★★★★★ | 231 | 14 | Jan-2017 | Mar-2020 | Hammer Ventures Hammer Ventures |
| 12 | LUX UTC - Tower B 4200 Brooke Ct | ★★★★★ | 225 | - | Dec-2019 | Jun-2021 | Garden Homes Garden Homes |
| 13 | Jefferson Pacific Beach 4275 Mission Bay Dr | ★★★★★ | 172 | 3 | Jan-2018 | Jan-2020 | JPI/TDI JPI/TDI |
| 14 | 4th & J 372 4th Ave | ★★★★★ | 168 | 6 | Dec-2017 | Feb-2020 | Legacy Partners Residential Legacy Partners |
| 15 | Urbana 361-393 H St | ★★★★★ | 135 | 5 | Jun-2018 | Mar-2020 | MountainWest Real Estate MountainWest Real Estate |
| 16 | Camden Hillcrest 4311 3rd Ave | ★★★★★ | 132 | 4 | Sep-2019 | Apr-2021 | Camden Property Trust Camden Property Trust |
| 17 | Little Flower Haven 8585 La Mesa Blvd | ★★★★★ | 130 | 3 | Oct-2019 | Mar-2021 | Silvergate Development, LLC Blum & Co Inc |
| 18 | 100 Main St | ★★★★★ | 126 | 5 | Apr-2018 | Jul-2020 | StreetLights Residential StreetLights Residential |
| 19 | Gateway Grand 700 W Grand Ave | ★★★★★ | 126 | 5 | Oct-2018 | Feb-2020 | Lyon Living City of Escondido |
| 20 | Cielo 915 W Grape St | ★★★★★ | 70 | 8 | Aug-2018 | Jan-2020 | Ibex Limited Ibex Limited |
| 21 | Block C - Phase II 310 Campus Way | ★★★★★ | 65 | 4 | Aug-2018 | Jan-2020 | Sea Breeze Properties Sea Breeze Properties |
| 22 | Foley Financial Center 2131 3rd Ave | ★★★★★ | 56 | - | Jan-2018 | Jan-2020 | Foley Enterprises, Inc. Foley Enterprises, Inc. |
| 23 | The Harlow 10222 San Diego Mission... | ★★★★★ | 48 | 2 | Dec-2018 | Jun-2020 | - ColRich |
| 24 | 7353 El Cajon Blvd | ★★★★★ | 45 | 3 | Jul-2019 | Aug-2020 | Euston Management Corporation Euston Management Corporation |
| 25 | 1445 Washington St | ★★★★★ | 40 | 4 | Oct-2018 | Jan-2020 | - Mitchell A Keeler |
| 26 | The Leo 715 15th St | ★★★★★ | 28 | 6 | Jun-2018 | Feb-2020 | Canvas Ventures Joshua Lichtman & Robert Morgan |
| 27 | Villea at Lake Murray 5565 Lake Murray Blvd | ★★★★★ | 27 | 3 | Jun-2018 | Jan-2020 | SENTRE, Inc. First Republic Bank |
| 28 | Indiana Street Apartments 3525-3549 Indiana St | ★★★★★ | 24 | 3 | Jul-2017 | Jan-2020 | Wright Real Estate Project Mana... Indiana St Apartments 1 LLC |

San Diego continues to be a target for deep-pocketed investors, although local parties are most active here, and both investment classes often target value-add opportunities. Only about 15% of investment originated from institutional, private equity, or REIT concerns this year. The cycle average is closer to 20%. Market cap rates sit at 4.5%, and market pricing exceeded \$315,000/unit in 19Q4 after rising 6% in the past 12 months.

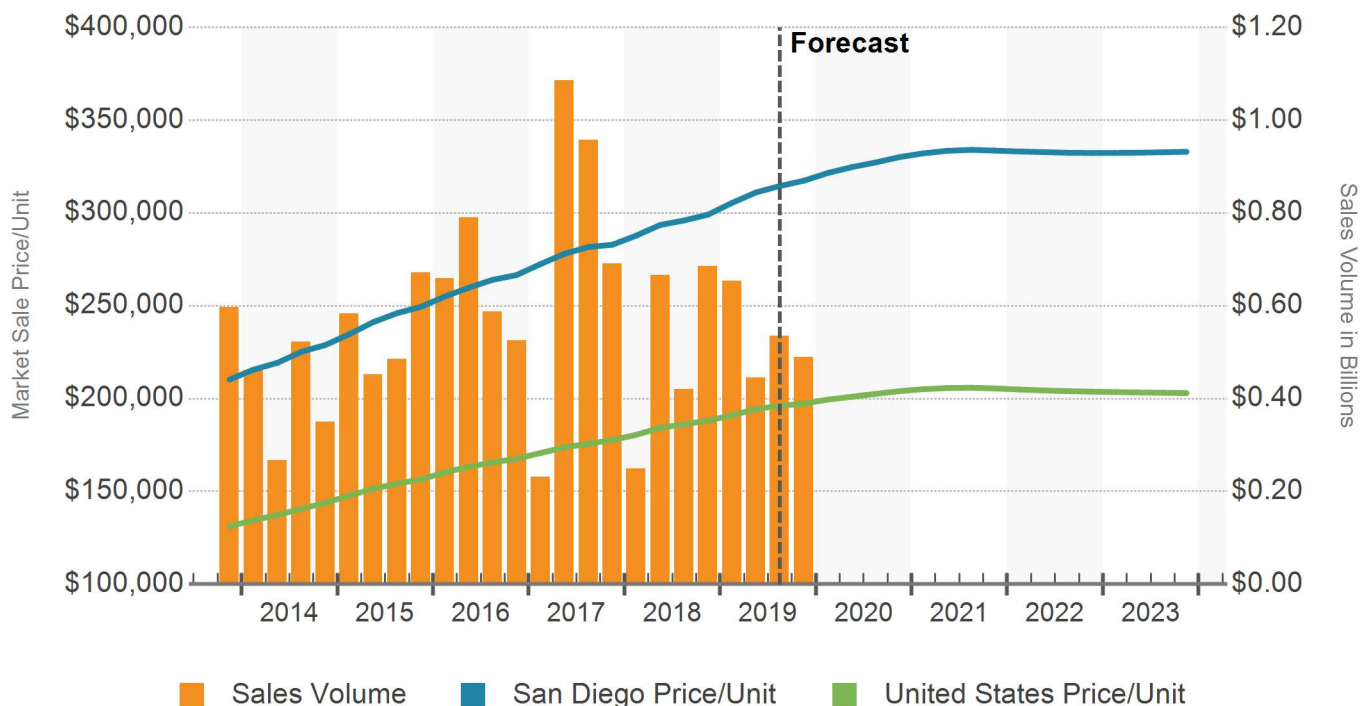
One of Chula Vista's newest communities sold in October 2019 for \$131 million (\$423,948/unit). Barings, a subsidiary of MassMutual, purchased Alexan Millenia from a partnership between Trammell Crow Residential and Diamond Realty Investments. It is located in a master-planned community and delivered in 2018 with 309 units.

Although few properties sell in La Jolla, when one becomes available, investors will jump at the opportunity

to enter the market. In February 2019, La Salle Investment Management sold the 333-unit Regents La Jolla to Raintree Partners for \$141.5 million (\$424,924/unit). The reported cap rate was 4.6%. The seller had begun a renovation program of the unit interiors, which Raintree intended to continue. The 4 Star community last sold in 2007 for \$106.4 million.

San Diego's largest landlord branched out even further into Mission Valley this year with a few new communities. R&V Management acquired the 2018-vintage Millennium Mission Valley along with some retail space for \$140 million in February. That 305-unit Dinerstein project included a retail component. Then, in 19Q2, it purchased another new community, Hanover Mission Gorge, from The Hanover Company. That 374-unit 2018 delivery sold for almost \$150 million. That brings R&V Management's San Diego portfolio to more than 11,500 units. The property was rebranded as Vora Mission Gorge.

SALES VOLUME & MARKET SALE PRICE PER UNIT



Sales Past 12 Months

San Diego Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

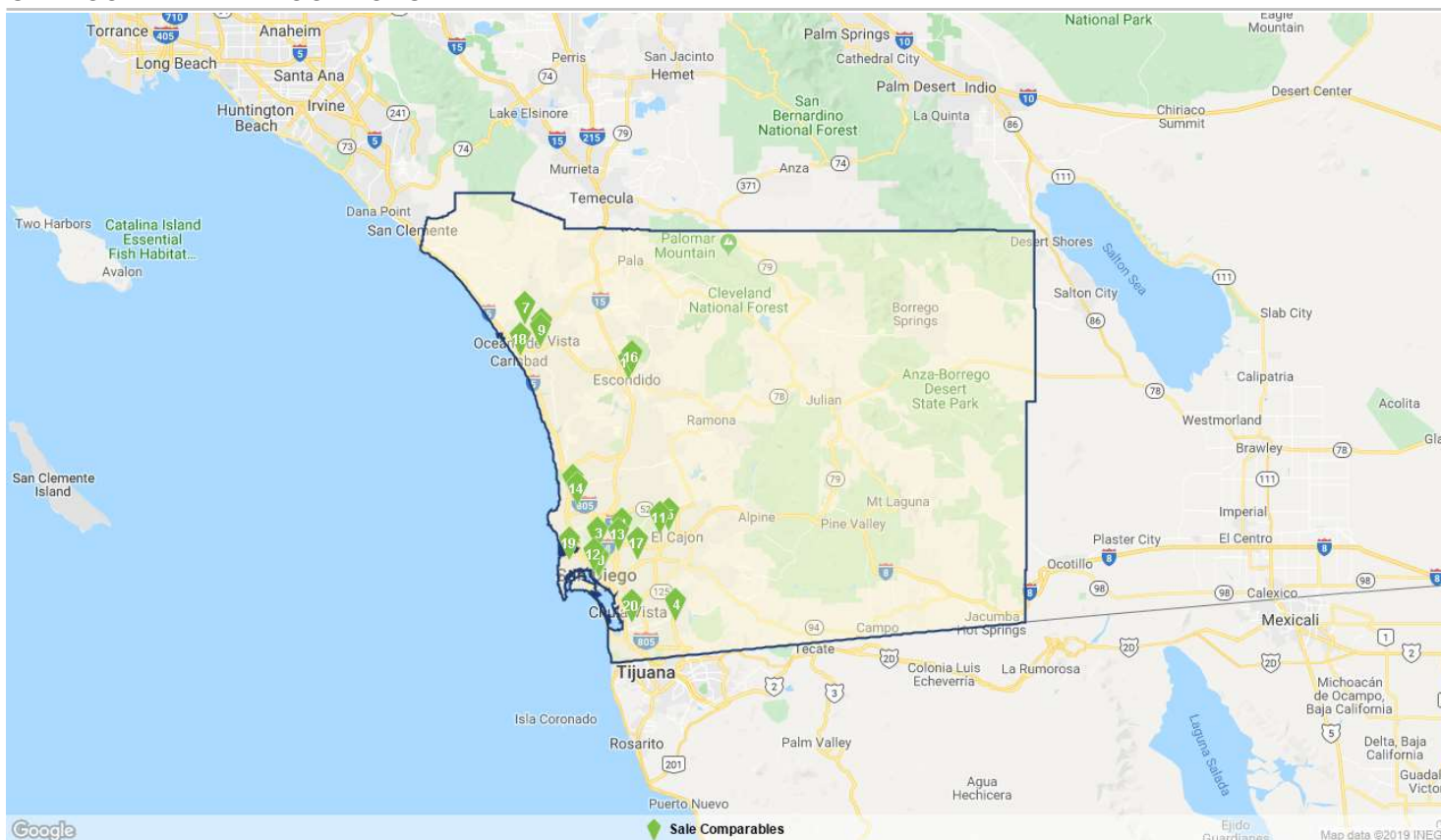
562

\$286

\$6.1

6.1%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

| Sales Attributes | Low | Average | Median | High |
|---------------------------|-----------|---------------|-------------|---------------|
| Sale Price | \$393,000 | \$6,100,172 | \$2,495,000 | \$149,000,000 |
| Price Per Unit | \$24,562 | \$285,651 | \$237,500 | \$1,400,000 |
| Cap Rate | 1.9% | 4.5% | 4.6% | 8.7% |
| Vacancy Rate at Sale | 0% | 6.1% | 0% | 80.0% |
| Time Since Sale in Months | 0.1 | 6.0 | 5.8 | 11.9 |
| Property Attributes | Low | Average | Median | High |
| Property Size in Units | 5 | 20 | 8 | 504 |
| Number of Floors | 1 | 2 | 2 | 23 |
| Average Unit SF | 0 | 738 | 740 | 2,695 |
| Year Built | 1884 | 1967 | 1969 | 2019 |
| Star Rating | ★ ★ ★ ★ ★ | ★ ★ ★ ★ ★ 2.1 | ★ ★ ★ ★ ★ | ★ ★ ★ ★ ★ |

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 | Vora Mission Gorge 4440 Twain Ave | ★★★★★ | 2018 | 374 | 15.8% | 4/30/2019 | \$149,000,000 | \$398,395 | \$338 |
| 2 | Regents La Jolla 9253 Regents Rd | ★★★★★ | 1999 | 333 | 5.7% | 2/12/2019 | \$141,500,000 | \$424,924 | \$428 |
| 3 | Millennium Mission Valley 5080 Camino Del Arroyo | ★★★★★ | 2018 | 305 | 29.8% | 2/28/2019 | \$140,000,000 | \$459,016 | \$560 |
| 4 | Alexan Millenia 1660 Metro Ave | ★★★★★ | 2018 | 309 | 5.8% | 10/1/2019 | \$131,000,000 | \$423,948 | \$437 |
| 5 | Forest Park 1250 Petree St | ★★★☆☆ | 1974 | 338 | 4.4% | 9/5/2019 | \$88,000,000 | \$260,355 | \$347 |
| 6 | Sunterra Apartments 3851 Sherbourne Dr | ★★★☆☆ | 1974 | 240 | 5.0% | 8/23/2019 | \$66,250,000 | \$276,041 | \$303 |
| 7 | The Dylan 550 Los Arbolitos Blvd | ★★★★★ | 1973 | 208 | 9.7% | 1/31/2019 | \$57,143,182 | \$274,726 | \$288 |
| 8 | Entrada 453 13th St | ★★★★★ | 2004 | 172 | 1.7% | 1/31/2019 | \$46,600,000 | \$270,930 | \$535 |
| 9 | Vue Oceanside 3675 Barnard Dr | ★★★★★ | 1975 | 136 | 11.8% | 11/26/2019 | \$41,000,000 | \$301,470 | \$327 |
| 10 | Strata 945-969 Market St | ★★★★★ | 2009 | 163 | 8.6% | 11/25/2019 | \$38,204,300 | \$234,382 | \$273 |
| 11 | Colonnade at Fletcher Hills 2950 Fletcher Pky | ★★★★★ | 1973 | 138 | 8.0% | 9/5/2019 | \$38,000,000 | \$275,362 | \$316 |
| 12 | Current 1551 Union St | ★★★★★ | 2008 | 144 | 2.1% | 11/25/2019 | \$34,924,792 | \$242,533 | \$388 |
| 13 | 4142 Adams Ave | ★★★★★ | 2014 | 34 | 0% | 2/11/2019 | \$22,650,000 | \$666,176 | \$484 |
| 14 | Elan Terraza 5165 Luigi Ter | ★★★★★ | 1980 | 61 | 8.2% | 11/21/2019 | \$22,016,500 | \$360,926 | \$425 |
| 15 | City Plaza 300-328 S Escondido Blvd | ★★★★★ | 2018 | 55 | 0% | 8/12/2019 | \$19,750,000 | \$359,090 | \$239 |
| 16 | Savenna Apartments 902 E Washington Ave | ★★★☆☆ | 1971 | 98 | 5.1% | 2/6/2019 | \$19,500,000 | \$198,979 | \$268 |
| 17 | Willow Glen Apartments 3635 College Ave | ★★★☆☆ | 1961 | 98 | 5.1% | 2/13/2019 | \$17,900,000 | \$182,653 | \$304 |
| 18 | Park Place Apartments 2605 Jefferson St | ★★★☆☆ | 1987 | 44 | 16.3% | 1/4/2019 | \$17,650,000 | \$401,136 | \$410 |
| 19 | The View 3788 Elliott St | ★★★☆☆ | 1966 | 34 | 17.7% | 4/5/2019 | \$16,350,000 | \$480,882 | \$433 |
| 20 | Vista Pacific Apartments 1035 4th Ave | ★★★☆☆ | 1981 | 55 | 3.6% | 5/30/2019 | \$14,200,000 | \$258,181 | \$283 |

San Diego's economy is doing well by most measures. 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.

San Diego is also home to more than 143,000 active duty and civilian military employees. And the defense industry accounts for 22% of jobs in San Diego. The military ecosystem provides economic benefits to the region unmatched by any other sector and supports cutting edge innovation. It also contributes about 20% to the gross regional product.

It is also why San Diego has one of the largest concentrations of millennials in the country, accounting for 27% of the population.

In the past 12 months, San Diego added 30,200 net nonfarm jobs. That is an increase of 2.0% since last October. Employment grew by 7,100 in Professional and Business Services, one of the largest sector gains in the past year. More specifically, 5,400 jobs were added in the Professional, Scientific, & Technical Services sector. Trade, Transportation and Utilities recorded the largest year-over-year drop, shedding 2,200 jobs. That brought the unemployment rate up to 2.8% in October, largely in line with September's 2.7% rate.

Although the office market is performing well, a number

of residents are falling behind. The cost of living and lack of affordable housing in San Diego has led to slowing population growth. It is now almost half the rate of what it was earlier this cycle. Data indicates that residents are moving to more cost-friendly areas, including Inland Empire, Phoenix, Las Vegas and Texas.

The tech economy in San Diego contributes almost \$30 billion annually to the local economy, which is almost 15% of San Diego's GDP, and employs 140,000 people according to the San Diego Regional Economic Development Corp. Those jobs pay an average of \$132,000 compared with an average of \$63,000 for jobs in the rest of the economy. Furthermore, Scripps Health has five campuses across the metro and announced that it is spending \$2.6 billion on upgrades to its facilities, further bolstering San Diego as a destination for "medical tourism." The port, as well, supports more than 40,000 jobs in San Diego and drives more than \$8 billion in economic activity.

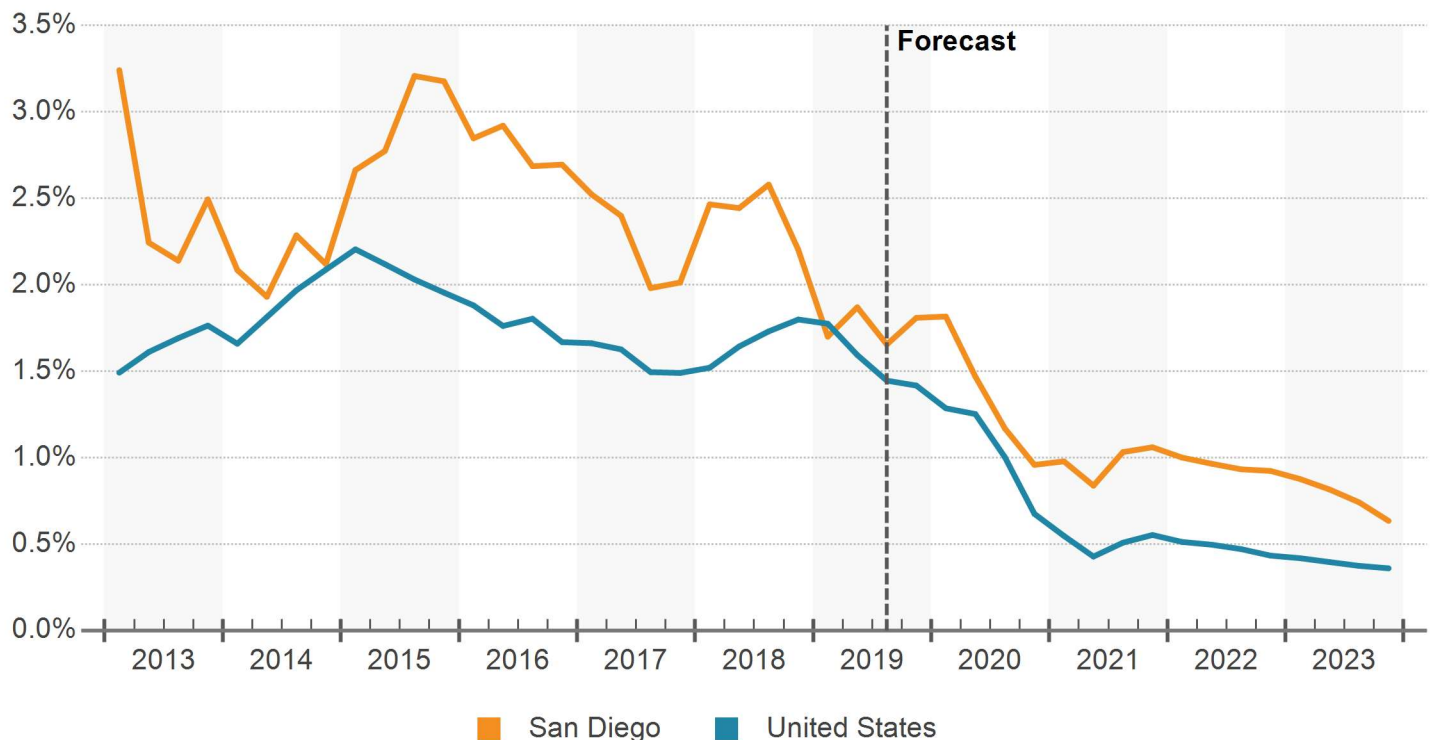
Major San Diego defense contractors are one of the metro's economic pillars. In fact, Northrop Grumman has designated San Diego as one of its five "centers of excellence," focusing on unmanned systems. The metro should be able to avoid major defense cuts because it specializes in the future of military spending: unmanned drones and cybersecurity. And 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

| NAICS Industry | Current Jobs | | Current Growth | | 10 Yr Historical | | 5 Yr Forecast | |
|--|--------------|------------|----------------|--------------|------------------|--------------|---------------|--------------|
| | Jobs | LQ | Market | US | Market | US | Market | US |
| Manufacturing | 117 | 0.9 | 2.17% | 0.88% | 2.11% | 1.14% | 0.29% | -0.25% |
| Trade, Transportation and Utilities | 224 | 0.8 | -0.01% | 0.58% | 1.23% | 1.31% | 1.04% | 0.32% |
| Retail Trade | 147 | 0.9 | -0.17% | -0.18% | 1.23% | 0.94% | 1.18% | 0.24% |
| Financial Activities | 77 | 0.9 | 0.24% | 1.20% | 1.03% | 1.18% | 0.05% | 0.31% |
| Government | 250 | 1.1 | 1.50% | 0.62% | 1.18% | 0.05% | 0.82% | 0.66% |
| Natural Resources, Mining and Construction | 88 | 1.1 | 3.34% | 2.25% | 4.07% | 2.71% | 0.94% | 0.26% |
| Education and Health Services | 219 | 0.9 | 2.78% | 2.43% | 2.92% | 2.14% | 1.16% | 0.62% |
| Professional and Business Services | 260 | 1.2 | 3.09% | 2.00% | 2.50% | 2.73% | 0.82% | 0.87% |
| Information | 24 | 0.8 | -0.10% | 0.29% | -1.17% | 0.30% | 1.19% | 0.47% |
| Leisure and Hospitality | 207 | 1.2 | 1.43% | 1.96% | 3.14% | 2.62% | 1.00% | 0.60% |
| Other Services | 58 | 1.0 | 1.94% | 1.59% | 2.07% | 1.13% | -0.11% | 0.22% |
| Total Employment | 1,523 | 1.0 | 1.80% | 1.42% | 2.10% | 1.58% | 0.83% | 0.48% |

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



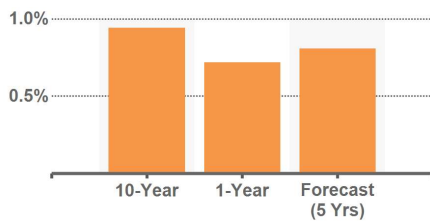
Source: Oxford Economics

DEMOGRAPHIC TRENDS

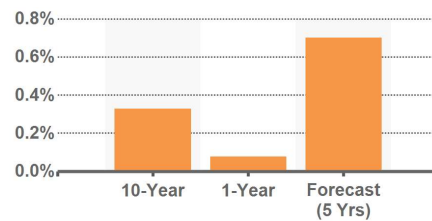
| Demographic Category | Current Level | | Current Change | | 10-Year Change | | Forecast Change (5 Yrs) | |
|-------------------------|---------------|-------------|----------------|-------|----------------|-------|-------------------------|------|
| | Metro | U.S. | Metro | U.S. | Metro | U.S. | Metro | U.S. |
| Population | 3,375,549 | 330,025,313 | 0.7% | 0.7% | 0.9% | 0.7% | 0.8% | 0.7% |
| Households | 1,139,987 | 121,473,258 | 0.6% | 0.5% | 0.9% | 0.6% | 0.7% | 0.6% |
| Median Household Income | \$83,407 | \$65,674 | 4.3% | 4.0% | 3.3% | 2.7% | 4.4% | 4.2% |
| Labor Force | 1,608,388 | 163,878,453 | 0.1% | 0.6% | 0.3% | 0.6% | 0.7% | 0.5% |
| Unemployment | 3.3% | 3.7% | 0.1% | -0.1% | -0.7% | -0.6% | - | - |

Source: Oxford Economics

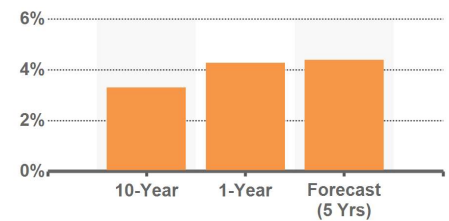
POPULATION GROWTH



LABOR FORCE GROWTH

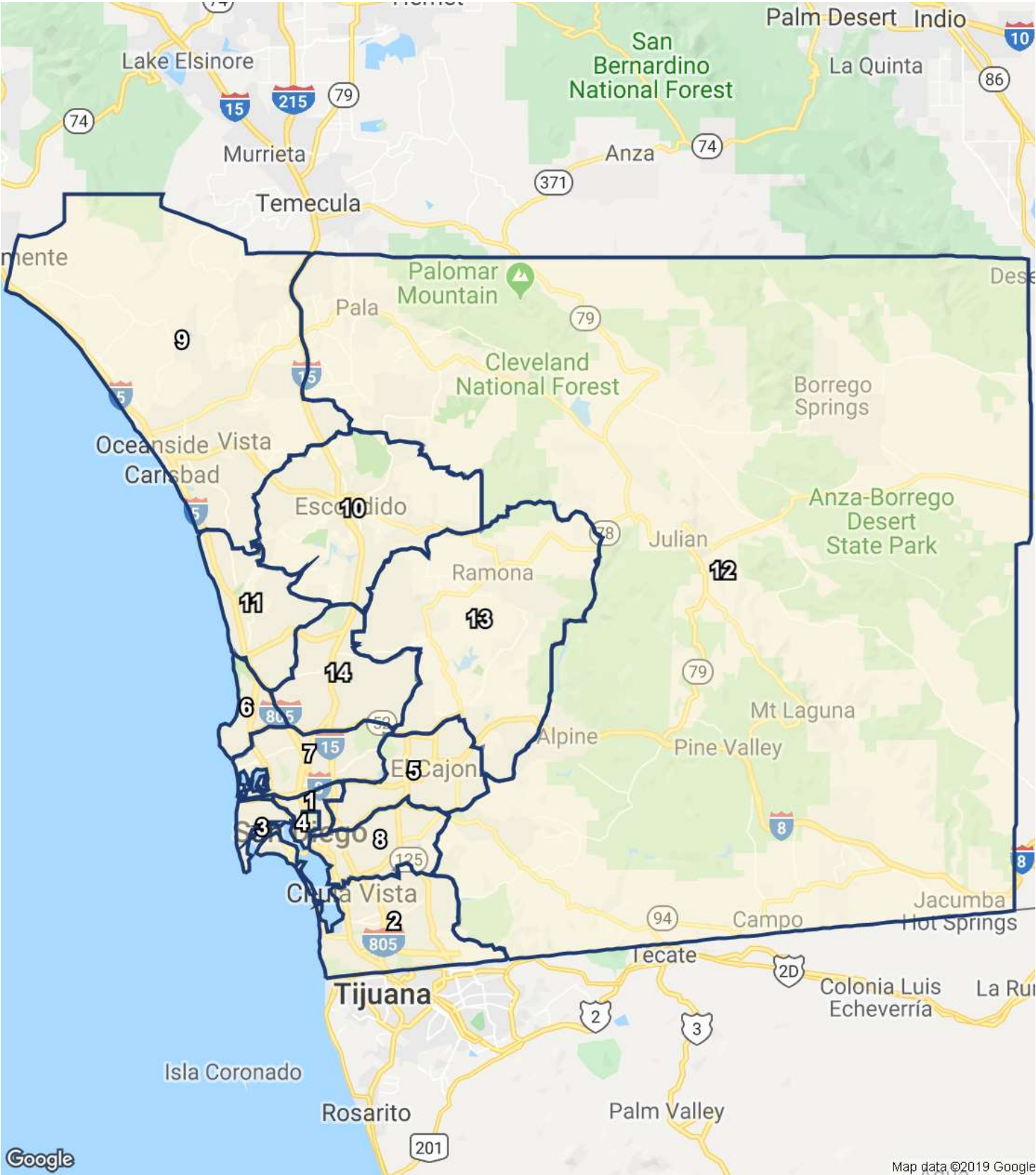


INCOME GROWTH



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 | 2,943 | 29,221 | 11.1% | 4 | 8 | 395 | 1.4% | 3 | 9 | 331 | 1.1% | 4 |
| 2 | Chula Vista/Imperial Beach | 826 | 28,562 | 10.9% | 5 | 2 | 351 | 1.2% | 5 | 1 | 135 | 0.5% | 9 |
| 3 | Coronado/Point Loma | 667 | 8,958 | 3.4% | 11 | 2 | 19 | 0.2% | 12 | 1 | 24 | 0.3% | 10 |
| 4 | Downtown San Diego | 141 | 11,457 | 4.4% | 9 | 8 | 1,216 | 10.6% | 1 | 9 | 2,547 | 22.2% | 1 |
| 5 | East San Diego/El Cajon | 2,259 | 45,150 | 17.2% | 1 | 3 | 30 | 0.1% | 11 | 4 | 230 | 0.5% | 6 |
| 6 | La Jolla/UTC | 159 | 12,448 | 4.7% | 8 | 2 | 310 | 2.5% | 6 | 3 | 246 | 2.0% | 5 |
| 7 | Mission Valley/North Cen... | 1,092 | 35,335 | 13.5% | 2 | 2 | 386 | 1.1% | 4 | 7 | 2,471 | 7.0% | 2 |
| 8 | National City/South Central | 855 | 15,312 | 5.8% | 7 | 3 | 184 | 1.2% | 9 | 1 | 15 | 0.1% | 11 |
| 9 | North County | 878 | 31,700 | 12.1% | 3 | 5 | 220 | 0.7% | 8 | 2 | 153 | 0.5% | 8 |
| 10 | North I-15 Corridor | 375 | 18,750 | 7.1% | 6 | 2 | 239 | 1.3% | 7 | 3 | 203 | 1.1% | 7 |
| 11 | North Shore Cities | 175 | 8,411 | 3.2% | 12 | 1 | 608 | 7.2% | 2 | 0 | 0 | 0% | - |
| 12 | Outlying San Diego County | 24 | 1,161 | 0.4% | 14 | 0 | 0 | 0% | - | 0 | 0 | 0% | - |
| 13 | Poway/Santee/Ramona | 111 | 5,111 | 1.9% | 13 | 1 | 32 | 0.6% | 10 | 0 | 0 | 0% | - |
| 14 | South I-15 Corridor | 62 | 11,117 | 4.2% | 10 | 0 | 0 | 0% | - | 1 | 600 | 5.4% | 3 |

SUBMARKET RENT

| No. | Submarket | Asking Rents | | | | Effective Rents | | | | | |
|-----|-----------------------------|--------------|--------|------|------------|-----------------|--------|------|------------|------------|------|
| | | Per Unit | Per SF | Rank | Yr. Growth | Per Unit | Per SF | Rank | Yr. Growth | Concession | Rank |
| 1 | Balboa Park | \$1,474 | \$2.16 | 7 | 0.8% | \$1,465 | \$2.15 | 7 | 0.9% | 0.6% | 10 |
| 2 | Chula Vista/Imperial Beach | \$1,703 | \$1.97 | 10 | 3.8% | \$1,694 | \$1.96 | 10 | 4.5% | 0.5% | 12 |
| 3 | Coronado/Point Loma | \$1,933 | \$2.57 | 4 | 5.4% | \$1,917 | \$2.55 | 4 | 6.8% | 0.8% | 7 |
| 4 | Downtown San Diego | \$2,495 | \$3.12 | 1 | 2.2% | \$2,418 | \$3.03 | 1 | 2.6% | 3.1% | 2 |
| 5 | East San Diego/El Cajon | \$1,492 | \$1.88 | 11 | 2.8% | \$1,484 | \$1.87 | 11 | 3.1% | 0.5% | 11 |
| 6 | La Jolla/UTC | \$2,500 | \$2.63 | 3 | 3.6% | \$2,474 | \$2.60 | 3 | 4.4% | 1.0% | 4 |
| 7 | Mission Valley/North Cen... | \$2,054 | \$2.40 | 5 | 2.5% | \$2,036 | \$2.38 | 5 | 3.6% | 0.9% | 6 |
| 8 | National City/South Central | \$1,407 | \$1.82 | 13 | 3.7% | \$1,394 | \$1.80 | 13 | 3.6% | 0.9% | 5 |
| 9 | North County | \$1,830 | \$2.10 | 8 | 3.0% | \$1,817 | \$2.09 | 8 | 3.5% | 0.7% | 8 |
| 10 | North I-15 Corridor | \$1,808 | \$2.05 | 9 | 4.0% | \$1,797 | \$2.04 | 9 | 5.0% | 0.6% | 9 |
| 11 | North Shore Cities | \$2,628 | \$2.66 | 2 | 3.3% | \$2,617 | \$2.65 | 2 | 4.4% | 0.4% | 14 |
| 12 | Outlying San Diego County | \$1,547 | \$1.80 | 14 | 4.9% | \$1,500 | \$1.74 | 14 | 5.7% | 3.1% | 1 |
| 13 | Poway/Santee/Ramona | \$1,602 | \$1.85 | 12 | 3.8% | \$1,595 | \$1.84 | 12 | 4.1% | 0.5% | 13 |
| 14 | South I-15 Corridor | \$2,143 | \$2.31 | 6 | 3.4% | \$2,108 | \$2.27 | 6 | 3.1% | 1.6% | 3 |

SUBMARKET VACANCY & ABSORPTION

| No. | Submarket | Vacancy | | | 12 Month Absorption | | | |
|-----|-----------------------------|---------|---------|------|---------------------|----------|------|------------------|
| | | Units | Percent | Rank | Units | % of Inv | Rank | Construct. Ratio |
| 1 | Balboa Park | 1,106 | 3.8% | 3 | 276 | 0.9% | 4 | 1.4 |
| 2 | Chula Vista/Imperial Beach | 1,458 | 5.1% | 9 | 182 | 0.6% | 7 | 1.9 |
| 3 | Coronado/Point Loma | 536 | 6.0% | 12 | (103) | -1.2% | 14 | - |
| 4 | Downtown San Diego | 1,515 | 13.2% | 14 | 1,258 | 11.0% | 1 | 0.9 |
| 5 | East San Diego/El Cajon | 1,758 | 3.9% | 4 | (20) | 0% | 13 | - |
| 6 | La Jolla/UTC | 583 | 4.7% | 6 | 274 | 2.2% | 5 | 1.1 |
| 7 | Mission Valley/North Cen... | 1,916 | 5.4% | 10 | 264 | 0.7% | 6 | 1.4 |
| 8 | National City/South Central | 555 | 3.6% | 1 | 86 | 0.6% | 9 | 2.1 |
| 9 | North County | 1,488 | 4.7% | 7 | 402 | 1.3% | 2 | 0.5 |
| 10 | North I-15 Corridor | 938 | 5.0% | 8 | 100 | 0.5% | 8 | 2.4 |
| 11 | North Shore Cities | 886 | 10.5% | 13 | 280 | 3.3% | 3 | 2.2 |
| 12 | Outlying San Diego County | 70 | 6.0% | 11 | (10) | -0.9% | 12 | - |
| 13 | Poway/Santee/Ramona | 219 | 4.3% | 5 | 9 | 0.2% | 11 | 3.4 |
| 14 | South I-15 Corridor | 417 | 3.7% | 2 | 42 | 0.4% | 10 | - |

OVERALL SUPPLY & DEMAND

| Year | Inventory | | | Absorption | | |
|------|-----------|--------|----------|------------|----------|--------------------|
| | Units | Growth | % Growth | Units | % of Inv | Construction Ratio |
| 2023 | 271,862 | 1,706 | 0.6% | 1,577 | 0.6% | 1.1 |
| 2022 | 270,156 | 2,230 | 0.8% | 1,788 | 0.7% | 1.2 |
| 2021 | 267,926 | 1,534 | 0.6% | 921 | 0.3% | 1.7 |
| 2020 | 266,392 | 2,758 | 1.0% | 2,290 | 0.9% | 1.2 |
| 2019 | 263,634 | 4,849 | 1.9% | 3,395 | 1.3% | 1.4 |
| YTD | 262,693 | 3,908 | 1.5% | 3,005 | 1.1% | 1.3 |
| 2018 | 258,785 | 4,560 | 1.8% | 3,523 | 1.4% | 1.3 |
| 2017 | 254,225 | 3,093 | 1.2% | 2,019 | 0.8% | 1.5 |
| 2016 | 251,132 | 1,981 | 0.8% | 2,368 | 0.9% | 0.8 |
| 2015 | 249,151 | 3,532 | 1.4% | 4,321 | 1.7% | 0.8 |
| 2014 | 245,619 | 3,653 | 1.5% | 1,973 | 0.8% | 1.9 |
| 2013 | 241,966 | 1,219 | 0.5% | 2,070 | 0.9% | 0.6 |
| 2012 | 240,747 | 1,734 | 0.7% | 2,760 | 1.1% | 0.6 |
| 2011 | 239,013 | 2,204 | 0.9% | 2,447 | 1.0% | 0.9 |
| 2010 | 236,809 | 515 | 0.2% | 1,172 | 0.5% | 0.4 |
| 2009 | 236,294 | 1,805 | 0.8% | 2 | 0% | 902.5 |
| 2008 | 234,489 | 474 | 0.2% | (1,023) | -0.4% | - |
| 2007 | 234,015 | 1,153 | 0.5% | 1,293 | 0.6% | 0.9 |

4 & 5 STAR SUPPLY & DEMAND

| Year | Inventory | | | Absorption | | |
|------|-----------|--------|----------|------------|----------|--------------------|
| | Units | Growth | % Growth | Units | % of Inv | Construction Ratio |
| 2023 | 58,312 | 1,863 | 3.3% | 2,191 | 3.8% | 0.9 |
| 2022 | 56,449 | 2,389 | 4.4% | 2,442 | 4.3% | 1.0 |
| 2021 | 54,060 | 1,525 | 2.9% | 1,596 | 3.0% | 1.0 |
| 2020 | 52,535 | 2,593 | 5.2% | 2,735 | 5.2% | 0.9 |
| 2019 | 49,942 | 4,295 | 9.4% | 3,692 | 7.4% | 1.2 |
| YTD | 48,818 | 3,171 | 6.9% | 2,934 | 6.0% | 1.1 |
| 2018 | 45,647 | 4,125 | 9.9% | 2,962 | 6.5% | 1.4 |
| 2017 | 41,522 | 2,932 | 7.6% | 2,243 | 5.4% | 1.3 |
| 2016 | 38,590 | 1,534 | 4.1% | 2,509 | 6.5% | 0.6 |
| 2015 | 37,056 | 3,559 | 10.6% | 3,950 | 10.7% | 0.9 |
| 2014 | 33,497 | 3,594 | 12.0% | 1,532 | 4.6% | 2.3 |
| 2013 | 29,903 | 1,446 | 5.1% | 1,135 | 3.8% | 1.3 |
| 2012 | 28,457 | 1,202 | 4.4% | 1,334 | 4.7% | 0.9 |
| 2011 | 27,255 | 1,948 | 7.7% | 1,926 | 7.1% | 1.0 |
| 2010 | 25,307 | 552 | 2.2% | 638 | 2.5% | 0.9 |
| 2009 | 24,755 | 1,608 | 6.9% | 1,312 | 5.3% | 1.2 |
| 2008 | 23,147 | 411 | 1.8% | 307 | 1.3% | 1.3 |
| 2007 | 22,736 | 1,053 | 4.9% | 1,175 | 5.2% | 0.9 |

3 STAR SUPPLY & DEMAND

| Year | Inventory | | | Absorption | | |
|------|-----------|--------|----------|------------|----------|--------------------|
| | Units | Growth | % Growth | Units | % of Inv | Construction Ratio |
| 2023 | 84,109 | 0 | 0% | (166) | -0.2% | 0 |
| 2022 | 84,109 | 0 | 0% | (138) | -0.2% | 0 |
| 2021 | 84,109 | 159 | 0.2% | (93) | -0.1% | - |
| 2020 | 83,950 | 300 | 0.4% | 61 | 0.1% | 4.9 |
| 2019 | 83,650 | 528 | 0.6% | 32 | 0% | 16.3 |
| YTD | 83,844 | 722 | 0.9% | 293 | 0.3% | 2.5 |
| 2018 | 83,122 | 437 | 0.5% | 445 | 0.5% | 1.0 |
| 2017 | 82,685 | 239 | 0.3% | 2 | 0% | 119.5 |
| 2016 | 82,446 | 463 | 0.6% | 121 | 0.1% | 3.8 |
| 2015 | 81,983 | 27 | 0% | 210 | 0.3% | 0.1 |
| 2014 | 81,956 | 76 | 0.1% | 130 | 0.2% | 0.6 |
| 2013 | 81,880 | 54 | 0.1% | 486 | 0.6% | 0.1 |
| 2012 | 81,826 | 714 | 0.9% | 1,338 | 1.6% | 0.5 |
| 2011 | 81,112 | 343 | 0.4% | 404 | 0.5% | 0.8 |
| 2010 | 80,769 | 217 | 0.3% | 424 | 0.5% | 0.5 |
| 2009 | 80,552 | 332 | 0.4% | (42) | -0.1% | - |
| 2008 | 80,220 | 199 | 0.2% | (492) | -0.6% | - |
| 2007 | 80,021 | 180 | 0.2% | 193 | 0.2% | 0.9 |

1 & 2 STAR SUPPLY & DEMAND

| Year | Inventory | | | Absorption | | |
|------|-----------|--------|----------|------------|----------|--------------------|
| | Units | Growth | % Growth | Units | % of Inv | Construction Ratio |
| 2023 | 129,441 | (157) | -0.1% | (448) | -0.3% | 0.4 |
| 2022 | 129,598 | (159) | -0.1% | (516) | -0.4% | 0.3 |
| 2021 | 129,757 | (150) | -0.1% | (582) | -0.4% | 0.3 |
| 2020 | 129,907 | (135) | -0.1% | (506) | -0.4% | 0.3 |
| 2019 | 130,042 | 26 | 0% | (329) | -0.3% | - |
| YTD | 130,031 | 15 | 0% | (222) | -0.2% | - |
| 2018 | 130,016 | (2) | 0% | 116 | 0.1% | 0 |
| 2017 | 130,018 | (78) | -0.1% | (226) | -0.2% | 0.3 |
| 2016 | 130,096 | (16) | 0% | (262) | -0.2% | 0.1 |
| 2015 | 130,112 | (54) | 0% | 161 | 0.1% | - |
| 2014 | 130,166 | (17) | 0% | 311 | 0.2% | - |
| 2013 | 130,183 | (281) | -0.2% | 449 | 0.3% | - |
| 2012 | 130,464 | (182) | -0.1% | 88 | 0.1% | - |
| 2011 | 130,646 | (87) | -0.1% | 117 | 0.1% | - |
| 2010 | 130,733 | (254) | -0.2% | 110 | 0.1% | - |
| 2009 | 130,987 | (135) | -0.1% | (1,268) | -1.0% | 0.1 |
| 2008 | 131,122 | (136) | -0.1% | (838) | -0.6% | 0.2 |
| 2007 | 131,258 | (80) | -0.1% | (75) | -0.1% | 1.1 |

OVERALL VACANCY & RENT

| Year | Vacancy | | | Market Rent | | | | Effective Rent | |
|------|---------|---------|----------|-------------|--------|----------|----------|----------------|--------|
| | Units | Percent | Ppts Chg | Per Unit | Per SF | % Growth | Ppts Chg | Per Unit | Per SF |
| 2023 | 15,492 | 5.7% | 0 | \$1,973 | \$2.35 | 1.0% | (0.3) | \$1,956 | \$2.33 |
| 2022 | 15,362 | 5.7% | 0.1 | \$1,953 | \$2.32 | 1.3% | (0.3) | \$1,936 | \$2.30 |
| 2021 | 14,920 | 5.6% | 0.2 | \$1,927 | \$2.29 | 1.6% | (0.7) | \$1,910 | \$2.27 |
| 2020 | 14,307 | 5.4% | 0.1 | \$1,897 | \$2.26 | 2.3% | (0.6) | \$1,880 | \$2.24 |
| 2019 | 13,838 | 5.2% | 0.4 | \$1,854 | \$2.21 | 2.9% | (0.5) | \$1,837 | \$2.19 |
| YTD | 13,443 | 5.1% | 0.3 | \$1,857 | \$2.21 | 3.1% | (0.3) | \$1,840 | \$2.19 |
| 2018 | 12,525 | 4.8% | 0.3 | \$1,802 | \$2.14 | 3.4% | (0.6) | \$1,774 | \$2.11 |
| 2017 | 11,467 | 4.5% | 0.4 | \$1,743 | \$2.07 | 4.0% | 0 | \$1,718 | \$2.04 |
| 2016 | 10,373 | 4.1% | (0.2) | \$1,676 | \$1.99 | 4.0% | (2.7) | \$1,656 | \$1.96 |
| 2015 | 10,764 | 4.3% | (0.4) | \$1,611 | \$1.91 | 6.7% | 3.0 | \$1,595 | \$1.89 |
| 2014 | 11,544 | 4.7% | 0.6 | \$1,510 | \$1.79 | 3.7% | (0.1) | \$1,494 | \$1.77 |
| 2013 | 9,854 | 4.1% | (0.4) | \$1,457 | \$1.73 | 3.8% | 0.9 | \$1,442 | \$1.71 |
| 2012 | 10,700 | 4.4% | (0.5) | \$1,404 | \$1.66 | 2.9% | 1.7 | \$1,392 | \$1.65 |
| 2011 | 11,724 | 4.9% | (0.2) | \$1,364 | \$1.61 | 1.2% | 1.1 | \$1,356 | \$1.60 |
| 2010 | 12,089 | 5.1% | (0.3) | \$1,348 | \$1.60 | 0.1% | 2.7 | \$1,339 | \$1.58 |
| 2009 | 12,749 | 5.4% | 0.7 | \$1,347 | \$1.59 | -2.6% | (3.8) | \$1,336 | \$1.58 |
| 2008 | 10,948 | 4.7% | 0.6 | \$1,383 | \$1.64 | 1.2% | (1.5) | \$1,375 | \$1.63 |
| 2007 | 9,456 | 4.0% | (0.1) | \$1,366 | \$1.62 | 2.7% | - | \$1,359 | \$1.61 |

4 & 5 STAR VACANCY & RENT

| Year | Vacancy | | | Market Rent | | | | Effective Rent | |
|------|---------|---------|----------|-------------|--------|----------|----------|----------------|--------|
| | Units | Percent | Ppts Chg | Per Unit | Per SF | % Growth | Ppts Chg | Per Unit | Per SF |
| 2023 | 4,584 | 7.9% | (0.8) | \$2,642 | \$2.70 | 0.8% | (0.3) | \$2,601 | \$2.66 |
| 2022 | 4,912 | 8.7% | (0.5) | \$2,621 | \$2.68 | 1.1% | (0.2) | \$2,580 | \$2.64 |
| 2021 | 4,965 | 9.2% | (0.4) | \$2,592 | \$2.65 | 1.3% | (0.6) | \$2,551 | \$2.61 |
| 2020 | 5,036 | 9.6% | (0.8) | \$2,559 | \$2.62 | 1.9% | (0.6) | \$2,518 | \$2.58 |
| 2019 | 5,178 | 10.4% | 0.4 | \$2,510 | \$2.57 | 2.5% | 0.2 | \$2,470 | \$2.53 |
| YTD | 4,817 | 9.9% | (0.1) | \$2,514 | \$2.57 | 2.7% | 0.4 | \$2,473 | \$2.53 |
| 2018 | 4,569 | 10.0% | 1.9 | \$2,448 | \$2.51 | 2.3% | (0.7) | \$2,384 | \$2.44 |
| 2017 | 3,373 | 8.1% | 1.2 | \$2,392 | \$2.45 | 3.1% | 1.1 | \$2,339 | \$2.39 |
| 2016 | 2,667 | 6.9% | (2.9) | \$2,321 | \$2.37 | 1.9% | (4.0) | \$2,282 | \$2.34 |
| 2015 | 3,642 | 9.8% | (2.2) | \$2,276 | \$2.33 | 6.0% | 2.5 | \$2,245 | \$2.30 |
| 2014 | 4,027 | 12.0% | 5.5 | \$2,148 | \$2.20 | 3.4% | (1.3) | \$2,113 | \$2.16 |
| 2013 | 1,954 | 6.5% | 0.8 | \$2,076 | \$2.12 | 4.8% | 1.1 | \$2,041 | \$2.09 |
| 2012 | 1,642 | 5.8% | (0.7) | \$1,982 | \$2.03 | 3.7% | 2.4 | \$1,961 | \$2.01 |
| 2011 | 1,774 | 6.5% | (0.4) | \$1,912 | \$1.96 | 1.3% | 1.0 | \$1,899 | \$1.94 |
| 2010 | 1,752 | 6.9% | (0.5) | \$1,887 | \$1.93 | 0.3% | 4.3 | \$1,872 | \$1.92 |
| 2009 | 1,836 | 7.4% | 0.8 | \$1,883 | \$1.93 | -4.1% | (4.4) | \$1,861 | \$1.90 |
| 2008 | 1,541 | 6.7% | 0.3 | \$1,962 | \$2.01 | 0.3% | (2.1) | \$1,951 | \$2.00 |
| 2007 | 1,438 | 6.3% | (0.9) | \$1,956 | \$2.00 | 2.4% | - | \$1,944 | \$1.99 |

3 STAR VACANCY & RENT

| Year | Vacancy | | | Market Rent | | | | Effective Rent | |
|------|---------|---------|----------|-------------|--------|----------|----------|----------------|--------|
| | Units | Percent | Ppts Chg | Per Unit | Per SF | % Growth | Ppts Chg | Per Unit | Per SF |
| 2023 | 4,682 | 5.6% | 0.2 | \$2,006 | \$2.34 | 1.1% | (0.3) | \$1,994 | \$2.33 |
| 2022 | 4,515 | 5.4% | 0.2 | \$1,984 | \$2.32 | 1.4% | (0.3) | \$1,972 | \$2.30 |
| 2021 | 4,377 | 5.2% | 0.3 | \$1,957 | \$2.29 | 1.7% | (0.8) | \$1,944 | \$2.27 |
| 2020 | 4,125 | 4.9% | 0.3 | \$1,924 | \$2.25 | 2.5% | (1.0) | \$1,912 | \$2.23 |
| 2019 | 3,887 | 4.6% | 0.4 | \$1,876 | \$2.19 | 3.6% | (0.4) | \$1,864 | \$2.18 |
| YTD | 3,971 | 4.7% | 0.5 | \$1,878 | \$2.19 | 3.7% | (0.2) | \$1,866 | \$2.18 |
| 2018 | 3,542 | 4.3% | 0 | \$1,811 | \$2.11 | 4.0% | (0.4) | \$1,786 | \$2.08 |
| 2017 | 3,550 | 4.3% | 0.3 | \$1,742 | \$2.03 | 4.4% | (0.6) | \$1,717 | \$2.00 |
| 2016 | 3,310 | 4.0% | 0.4 | \$1,669 | \$1.95 | 5.0% | (2.8) | \$1,649 | \$1.92 |
| 2015 | 2,972 | 3.6% | (0.2) | \$1,590 | \$1.85 | 7.8% | 3.5 | \$1,575 | \$1.84 |
| 2014 | 3,153 | 3.8% | (0.1) | \$1,474 | \$1.72 | 4.3% | 0.5 | \$1,459 | \$1.70 |
| 2013 | 3,208 | 3.9% | (0.5) | \$1,413 | \$1.65 | 3.8% | 0.9 | \$1,402 | \$1.64 |
| 2012 | 3,638 | 4.4% | (0.8) | \$1,361 | \$1.59 | 2.9% | 1.5 | \$1,350 | \$1.57 |
| 2011 | 4,261 | 5.3% | (0.2) | \$1,322 | \$1.54 | 1.4% | 1.3 | \$1,314 | \$1.53 |
| 2010 | 4,450 | 5.5% | (0.3) | \$1,304 | \$1.52 | 0.1% | 2.3 | \$1,296 | \$1.51 |
| 2009 | 4,657 | 5.8% | 0.4 | \$1,303 | \$1.52 | -2.2% | (4.1) | \$1,294 | \$1.51 |
| 2008 | 4,283 | 5.3% | 0.8 | \$1,332 | \$1.55 | 1.9% | (1.3) | \$1,323 | \$1.54 |
| 2007 | 3,593 | 4.5% | 0 | \$1,306 | \$1.52 | 3.2% | - | \$1,299 | \$1.52 |

1 & 2 STAR VACANCY & RENT

| Year | Vacancy | | | Market Rent | | | | Effective Rent | |
|------|---------|---------|----------|-------------|--------|----------|----------|----------------|--------|
| | Units | Percent | Ppts Chg | Per Unit | Per SF | % Growth | Ppts Chg | Per Unit | Per SF |
| 2023 | 6,226 | 4.8% | 0.2 | \$1,534 | \$2.05 | 1.1% | (0.3) | \$1,527 | \$2.04 |
| 2022 | 5,935 | 4.6% | 0.3 | \$1,517 | \$2.02 | 1.4% | (0.3) | \$1,510 | \$2.02 |
| 2021 | 5,578 | 4.3% | 0.3 | \$1,495 | \$2.00 | 1.7% | (0.8) | \$1,489 | \$1.99 |
| 2020 | 5,146 | 4.0% | 0.3 | \$1,470 | \$1.96 | 2.5% | (0.2) | \$1,464 | \$1.95 |
| 2019 | 4,774 | 3.7% | 0.3 | \$1,435 | \$1.91 | 2.7% | (1.1) | \$1,428 | \$1.90 |
| YTD | 4,656 | 3.6% | 0.2 | \$1,435 | \$1.90 | 2.7% | (1.1) | \$1,428 | \$1.90 |
| 2018 | 4,414 | 3.4% | (0.1) | \$1,397 | \$1.85 | 3.8% | (0.9) | \$1,389 | \$1.84 |
| 2017 | 4,544 | 3.5% | 0.1 | \$1,346 | \$1.78 | 4.7% | (0.5) | \$1,338 | \$1.77 |
| 2016 | 4,396 | 3.4% | 0.2 | \$1,286 | \$1.70 | 5.2% | (0.8) | \$1,280 | \$1.69 |
| 2015 | 4,150 | 3.2% | (0.2) | \$1,223 | \$1.61 | 6.0% | 2.9 | \$1,216 | \$1.61 |
| 2014 | 4,364 | 3.4% | (0.3) | \$1,154 | \$1.52 | 3.1% | 0.5 | \$1,148 | \$1.51 |
| 2013 | 4,692 | 3.6% | (0.6) | \$1,119 | \$1.47 | 2.6% | 0.7 | \$1,114 | \$1.46 |
| 2012 | 5,420 | 4.2% | (0.2) | \$1,091 | \$1.43 | 1.9% | 1.1 | \$1,084 | \$1.43 |
| 2011 | 5,688 | 4.4% | (0.1) | \$1,070 | \$1.41 | 0.8% | 0.9 | \$1,064 | \$1.40 |
| 2010 | 5,887 | 4.5% | (0.3) | \$1,061 | \$1.39 | -0.1% | 1.4 | \$1,055 | \$1.39 |
| 2009 | 6,256 | 4.8% | 0.9 | \$1,062 | \$1.40 | -1.5% | (2.9) | \$1,056 | \$1.39 |
| 2008 | 5,125 | 3.9% | 0.5 | \$1,078 | \$1.42 | 1.4% | (1.2) | \$1,072 | \$1.41 |
| 2007 | 4,425 | 3.4% | 0 | \$1,063 | \$1.40 | 2.6% | - | \$1,058 | \$1.39 |

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 |
| 2023 | - | - | - | - | - | - | \$332,943 | 227 | 4.6% |
| 2022 | - | - | - | - | - | - | \$332,310 | 227 | 4.5% |
| 2021 | - | - | - | - | - | - | \$333,595 | 228 | 4.5% |
| 2020 | - | - | - | - | - | - | \$330,077 | 225 | 4.4% |
| 2019 | - | - | - | - | - | - | \$317,349 | 217 | 4.5% |
| YTD | 552 | \$2,122 M | 2.8% | \$6,169,831 | \$286,388 | 4.5% | \$317,306 | 217 | 4.5% |
| 2018 | 505 | \$2,019 M | 2.9% | \$6,138,193 | \$268,154 | 4.4% | \$299,095 | 204 | 4.5% |
| 2017 | 684 | \$2,964 M | 4.3% | \$7,466,556 | \$272,097 | 4.4% | \$282,874 | 193 | 4.6% |
| 2016 | 511 | \$2,560 M | 4.4% | \$6,124,510 | \$233,944 | 4.8% | \$266,567 | 182 | 4.7% |
| 2015 | 545 | \$2,191 M | 4.5% | \$5,369,393 | \$195,914 | 4.9% | \$249,494 | 170 | 4.8% |
| 2014 | 453 | \$1,599 M | 3.8% | \$4,275,930 | \$169,460 | 5.1% | \$228,855 | 156 | 5.0% |
| 2013 | 467 | \$1,650 M | 3.7% | \$4,331,943 | \$182,231 | 5.6% | \$210,257 | 144 | 5.2% |
| 2012 | 411 | \$1,088 M | 3.0% | \$3,432,617 | \$149,923 | 6.0% | \$205,691 | 140 | 5.2% |
| 2011 | 303 | \$1,064 M | 3.0% | \$4,206,255 | \$147,906 | 6.3% | \$196,437 | 134 | 5.2% |
| 2010 | 227 | \$814.9 M | 2.1% | \$4,014,438 | \$162,143 | 6.6% | \$178,458 | 122 | 5.4% |
| 2009 | 170 | \$478.5 M | 1.8% | \$3,147,994 | \$113,982 | 6.4% | \$136,618 | 93 | 6.0% |
| 2008 | 226 | \$824.2 M | 2.6% | \$3,798,029 | \$137,568 | 6.0% | \$146,474 | 100 | 5.9% |

(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 |
| 2023 | - | - | - | - | - | - | \$464,112 | 224 | 4.3% |
| 2022 | - | - | - | - | - | - | \$464,502 | 224 | 4.3% |
| 2021 | - | - | - | - | - | - | \$466,514 | 225 | 4.2% |
| 2020 | - | - | - | - | - | - | \$462,458 | 223 | 4.2% |
| 2019 | - | - | - | - | - | - | \$446,300 | 215 | 4.3% |
| YTD | 10 | \$706.2 M | 3.8% | \$78,469,899 | \$377,058 | 5.0% | \$446,501 | 216 | 4.2% |
| 2018 | 8 | \$641.2 M | 3.6% | \$91,603,714 | \$393,390 | 4.0% | \$416,662 | 201 | 4.3% |
| 2017 | 15 | \$1,396 M | 8.1% | \$93,085,439 | \$417,423 | 4.2% | \$398,846 | 193 | 4.3% |
| 2016 | 8 | \$535.1 M | 3.9% | \$66,893,562 | \$358,198 | 4.5% | \$381,039 | 184 | 4.4% |
| 2015 | 8 | \$423.7 M | 3.1% | \$52,962,500 | \$364,630 | 4.4% | \$358,724 | 173 | 4.4% |
| 2014 | 4 | \$180.3 M | 1.7% | \$60,100,000 | \$316,872 | 4.6% | \$328,579 | 159 | 4.6% |
| 2013 | 14 | \$678.5 M | 8.2% | \$135,694,081 | \$275,130 | 4.8% | \$301,081 | 145 | 4.8% |
| 2012 | 12 | \$238.5 M | 3.3% | \$119,250,000 | \$250,525 | 3.5% | \$294,374 | 142 | 4.8% |
| 2011 | 3 | \$126.5 M | 2.1% | \$42,151,667 | \$223,419 | 4.9% | \$280,267 | 135 | 4.8% |
| 2010 | 4 | \$300.4 M | 4.7% | \$75,093,750 | \$250,730 | 6.2% | \$252,899 | 122 | 5.0% |
| 2009 | 3 | \$112.8 M | 3.3% | \$37,591,667 | \$138,715 | 7.3% | \$193,716 | 94 | 5.6% |
| 2008 | 1 | \$4.5 M | 0.1% | \$4,510,000 | \$322,143 | 5.1% | \$207,154 | 100 | 5.5% |

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

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

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 |
| 2023 | - | - | - | - | - | - | \$317,106 | 230 | 4.6% |
| 2022 | - | - | - | - | - | - | \$316,361 | 230 | 4.5% |
| 2021 | - | - | - | - | - | - | \$316,813 | 230 | 4.5% |
| 2020 | - | - | - | - | - | - | \$312,709 | 227 | 4.5% |
| 2019 | - | - | - | - | - | - | \$300,000 | 218 | 4.5% |
| YTD | 56 | \$350.8 M | 1.4% | \$8,555,429 | \$297,265 | 4.6% | \$299,955 | 218 | 4.5% |
| 2018 | 54 | \$595.9 M | 2.7% | \$12,679,494 | \$265,214 | 4.4% | \$282,144 | 205 | 4.6% |
| 2017 | 88 | \$675.4 M | 3.8% | \$11,072,065 | \$216,334 | 4.7% | \$264,122 | 192 | 4.6% |
| 2016 | 75 | \$1,208 M | 6.1% | \$18,587,020 | \$239,904 | 4.8% | \$248,598 | 181 | 4.7% |
| 2015 | 91 | \$947.6 M | 5.9% | \$13,346,689 | \$195,425 | 4.9% | \$233,949 | 170 | 4.8% |
| 2014 | 79 | \$766.9 M | 5.1% | \$12,369,028 | \$182,070 | 5.0% | \$215,902 | 157 | 5.0% |
| 2013 | 54 | \$421.2 M | 2.5% | \$9,359,944 | \$204,366 | 5.3% | \$199,053 | 145 | 5.2% |
| 2012 | 52 | \$348.2 M | 2.8% | \$8,491,733 | \$150,459 | 5.5% | \$194,419 | 141 | 5.2% |
| 2011 | 45 | \$614.4 M | 4.7% | \$13,962,723 | \$162,787 | 6.1% | \$185,413 | 135 | 5.2% |
| 2010 | 38 | \$314.0 M | 2.3% | \$8,485,185 | \$166,818 | 6.5% | \$167,480 | 122 | 5.4% |
| 2009 | 30 | \$165.8 M | 1.9% | \$5,525,450 | \$110,142 | 6.8% | \$128,194 | 93 | 6.0% |
| 2008 | 41 | \$434.1 M | 3.6% | \$11,130,013 | \$149,268 | 6.1% | \$137,643 | 100 | 5.9% |

(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 |
| 2023 | - | - | - | - | - | - | \$285,075 | 228 | 4.7% |
| 2022 | - | - | - | - | - | - | \$284,062 | 227 | 4.6% |
| 2021 | - | - | - | - | - | - | \$285,563 | 228 | 4.6% |
| 2020 | - | - | - | - | - | - | \$282,662 | 226 | 4.5% |
| 2019 | - | - | - | - | - | - | \$271,441 | 217 | 4.6% |
| YTD | 486 | \$1,065 M | 3.4% | \$3,623,878 | \$244,475 | 4.4% | \$271,246 | 216 | 4.6% |
| 2018 | 443 | \$782.3 M | 2.8% | \$2,844,740 | \$214,095 | 4.4% | \$257,981 | 206 | 4.6% |
| 2017 | 581 | \$892.5 M | 3.4% | \$2,780,515 | \$201,614 | 4.4% | \$243,631 | 194 | 4.7% |
| 2016 | 428 | \$816.7 M | 3.4% | \$2,367,363 | \$185,076 | 4.8% | \$227,482 | 182 | 4.8% |
| 2015 | 446 | \$819.4 M | 4.0% | \$2,490,570 | \$158,460 | 4.9% | \$211,163 | 169 | 4.9% |
| 2014 | 370 | \$652.0 M | 3.6% | \$2,110,090 | \$140,038 | 5.2% | \$193,057 | 154 | 5.1% |
| 2013 | 399 | \$550.8 M | 3.5% | \$1,664,056 | \$121,590 | 5.7% | \$177,272 | 141 | 5.3% |
| 2012 | 347 | \$501.5 M | 3.1% | \$1,830,214 | \$125,621 | 6.2% | \$173,698 | 139 | 5.3% |
| 2011 | 255 | \$323.4 M | 2.2% | \$1,569,747 | \$113,264 | 6.4% | \$166,432 | 133 | 5.3% |
| 2010 | 185 | \$200.6 M | 1.5% | \$1,238,297 | \$103,085 | 6.6% | \$152,583 | 122 | 5.5% |
| 2009 | 137 | \$200.0 M | 1.4% | \$1,680,307 | \$106,360 | 6.3% | \$116,774 | 93 | 6.1% |
| 2008 | 184 | \$385.6 M | 2.3% | \$2,178,484 | \$125,641 | 6.0% | \$125,306 | 100 | 6.0% |

(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 |
| 2023 | - | 271,864 | 5.7% | - | 1,863 | - | 1,707 | - | - |
| 2022 | - | 270,157 | 5.7% | - | 2,389 | - | 2,230 | - | - |
| 2021 | - | 267,927 | 5.6% | - | 1,684 | - | 1,534 | - | - |
| 2020 | - | 266,393 | 5.4% | - | 2,893 | - | 2,759 | - | - |
| 2019 | - | 263,634 | 5.2% | - | 4,699 | - | 4,698 | - | - |
| YTD | 10,567 | 262,693 | 5.1% | 33 | 3,908 | 33 | 3,908 | 41 | 6,955 |
| 2018 | 10,541 | 258,785 | 4.8% | 38 | 4,574 | 36 | 4,560 | 61 | 8,236 |
| 2017 | 10,508 | 254,225 | 4.5% | 25 | 3,177 | 15 | 3,093 | 58 | 8,305 |
| 2016 | 10,490 | 251,132 | 4.1% | 16 | 1,997 | 15 | 1,981 | 50 | 7,829 |
| 2015 | 10,476 | 249,151 | 4.3% | 17 | 3,596 | 13 | 3,532 | 26 | 5,439 |
| 2014 | 10,455 | 245,619 | 4.7% | 16 | 3,697 | 14 | 3,653 | 23 | 4,904 |
| 2013 | 10,444 | 241,966 | 4.1% | 9 | 1,500 | 0 | 1,219 | 23 | 5,633 |
| 2012 | 10,444 | 240,747 | 4.4% | 8 | 1,916 | 1 | 1,734 | 17 | 4,874 |
| 2011 | 10,442 | 239,013 | 4.9% | 5 | 2,178 | (3) | 2,076 | 12 | 4,276 |
| 2010 | 10,445 | 236,809 | 5.1% | 6 | 785 | (15) | 515 | 8 | 3,507 |
| 2009 | 10,468 | 236,294 | 5.4% | 14 | 2,139 | 3 | 1,805 | 8 | 2,488 |
| 2008 | 10,465 | 234,489 | 4.7% | 9 | 621 | 3 | 474 | 17 | 2,697 |
| 2007 | 10,450 | 234,015 | 4.0% | 16 | 1,271 | 9 | 1,153 | 13 | 2,495 |

HOW CAN WE HELP YOU REACH YOUR COMMERCIAL REAL ESTATE GOALS?

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