



Multi-Family Market Report

San Diego - CA USA

PREPARED BY



Dave Savage
Principal



MULTI-FAMILY MARKET REPORT

Market Key Statistics	1
Vacancy	3
Rent	6
Construction	10
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

5,151

12 Mo Absorption Units

4,264

Vacancy Rate

5.3%

12 Mo Asking Rent Growth

0.9%

San Diego's apartment market finds itself in a paradoxical position. Demand rebounded in the second half of 2024, and net absorption reached its highest level since 2021. It doubled absorption from 2022 and 2023 combined. Yet, it was not necessarily a result of rising consumer confidence or diminishing recessionary fears, but rather the widespread use of concessions. According to local property managers, renewals have largely stabilized, with many local property managers employing concessions to maintain stronger occupancy rates. Those were seldom used for renewals before last year. Similarly, concessions from free rent to look-and-lease specials and gift cards have helped secure new demand at the front door of stabilized properties, with more than one operator suggesting they have had to "buy occupancy."

That reined in the vacancy expansion in 2 and 3-star properties in the second half of 2024. While overall vacancy was largely unchanged year over year in 2024, vacancy fell in 3 Star properties in each of the past two quarters for the first time since 2021, while vacancy fell 20 basis points for 2 Star properties in 2024, ending the run of rising vacancy that commenced in 2021.

Roughly 4,600 market-rate units opened in 2024, which was the highest amount since 2021. With most of those units in the luxury category, 4 & 5 Star vacancy has ticked up to 9.8%. With another 3,800 units scheduled to open this year, that will likely keep vacancy elevated in

luxury buildings. Although deliveries will ease in Downtown this year, providing space for the more than 1,900 units that opened in 2024 to lease up, other submarkets from Mission Valley to Balboa Park will face further supply pressure this year, keeping vacancy elevated in those areas.

Rents increased 0.9% last year compared to 1.0% nationally, and on a quarter-over-quarter basis, rents fell during 24Q3 and 24Q4. Landlords still see lower effective rents on lease trade-outs due to higher concession packages, and many anticipate that concessions will likely be necessary for the foreseeable future. While the rent growth outlook should improve this year, several institutional owners are not projecting significant gains. The Central Coast was the only submarket to exceed its long-term benchmark in 2024, while the region largely returned to its historical dynamic of lower-cost submarkets such as East County and Chula Vista outperforming high-cost areas from the South I-15 Corridor to Downtown.

Until the economic narrative shifts, and renter households become less stressed, property managers are bracing for a challenging next few quarters. A material shift in demand patterns may not happen in 2025, which is likely to weigh on rent growth. Supply is forecast to outpace demand this year, keeping vacancy above the long-term benchmark for the foreseeable future.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	63,493	9.8%	\$3,330	\$3,283	353	544	7,228
3 Star	91,813	4.5%	\$2,529	\$2,514	68	0	539
1 & 2 Star	128,020	3.7%	\$1,829	\$1,820	15	0	0
Market	283,326	5.3%	\$2,502	\$2,480	436	544	7,767

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.2% (YOY)	4.5%	5.0%	5.8%	2009 Q4	2.6%	2021 Q3
Absorption Units	4,264	2,240	2,795	10,004	2021 Q3	(1,632)	2009 Q2
Delivered Units	5,151	2,698	2,702	5,467	2022 Q1	474	2010 Q4
Demolished Units	135	99	93	334	2009 Q4	0	2016 Q4
Asking Rent Growth	0.9%	3.2%	3.4%	12.5%	2022 Q1	-2.3%	2009 Q3
Effective Rent Growth	0.9%	3.2%	3.4%	12.5%	2022 Q1	-2.5%	2009 Q3
Sales Volume	\$3.2B	\$1.9B	N/A	\$6.5B	2022 Q2	\$482M	2009 Q4

While demand improved considerably in the second half of 2024, household formation remains underwhelming. Vacant units have been sitting empty for longer, and leads have not translated to leases at the same conversion rate as two years ago. According to property managers, high living costs and economic stress have been the leading causes of weak household formation in San Diego. This trend reflects the more direct impact that untamed inflation has placed on mid-tier and lower-income households, coupled with some of the highest rental prices in the country.

Demand almost kept pace with new supply in 2024, and coupled with stronger renewal rates, vacancy was flat year over year. That reversed the trend between 2022 and 2023 when vacancy rose 250 basis points. Even so, vacancy is not expected to return to the long-term benchmark in the near-term forecast.

Downtown's vacancy rate climbed above 10% in 2024 for the first time since 2020 following more than 1,900 units opening. There is demand for these units, although the lines of applicants that were common a few years ago have largely disappeared, and fewer households are being formed to occupy them. A top-of-mind issue for many households Downtown, however, is the pervasiveness of homelessness, particularly in the East Village. That has led renter households to leave for other neighborhoods, such as Balboa Park and Mission Valley. Similarly, Downtown's school system does not match the

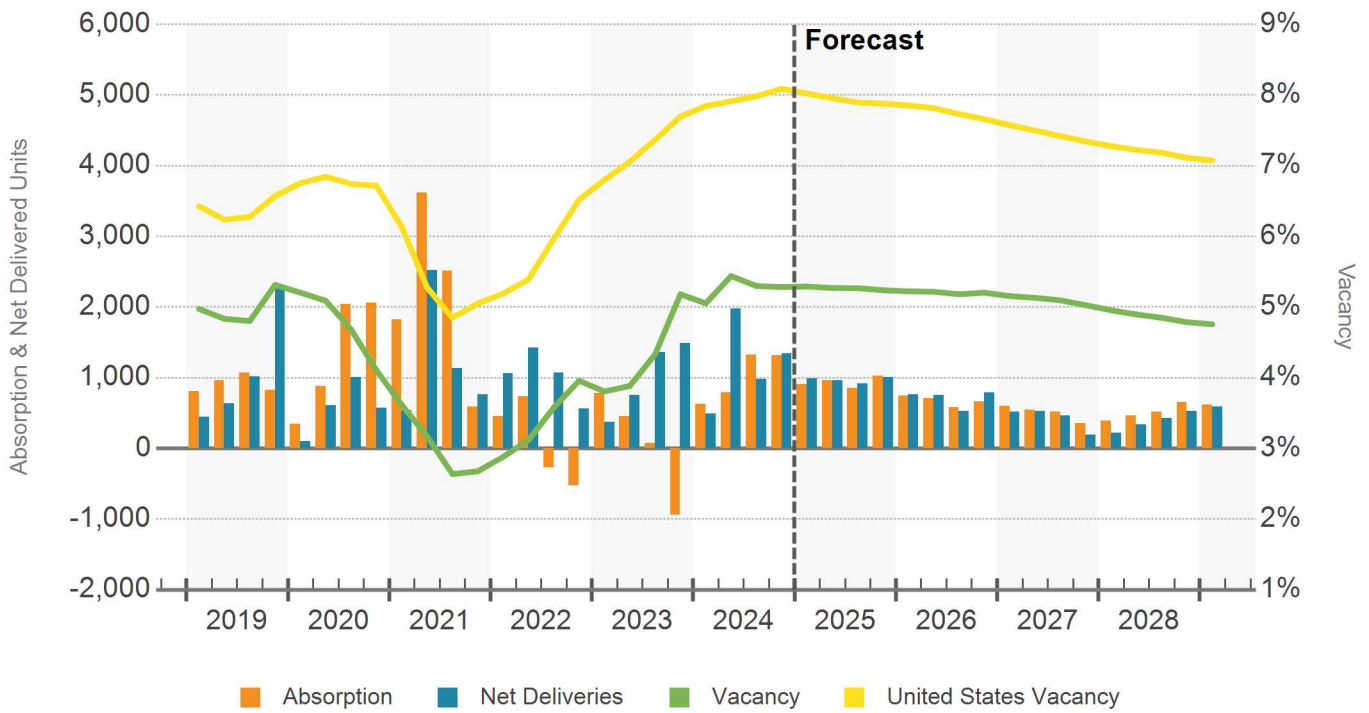
quality found in other San Diego areas.

Areas along the South I-15 Corridor and North County to Downtown and Balboa Park have seen the strongest year-over-year absorption driven by lease up at new properties and favorable demographic trends. These are prime job nodes filled with neighborhood and cultural amenities near strong university systems. Yet some property managers of new buildings have noted that they are missing their targeted goals during lease-up. Area managers have noted that they are seeing applicants shed one-bedroom apartments to occupy two-bedroom units with a roommate to save money, which has impacted household formation.

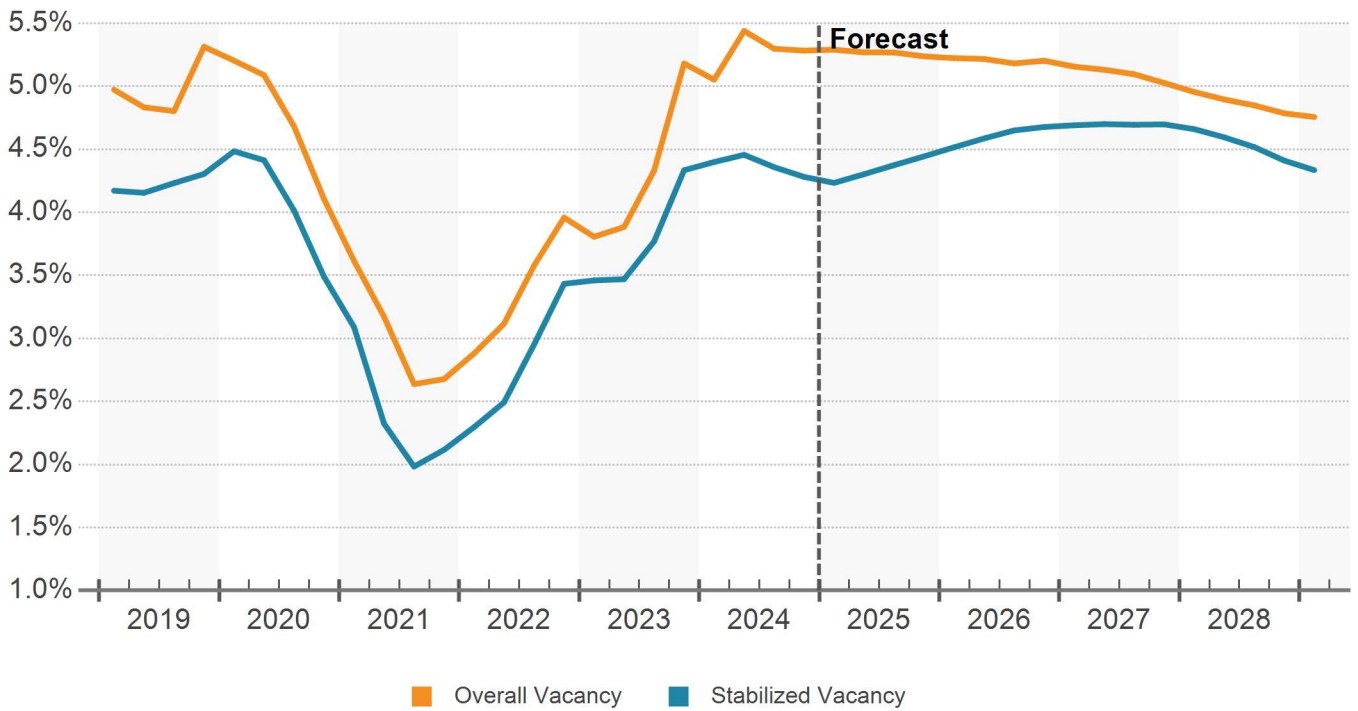
Parking requirements have been a topic of conversation and an important factor in front door demand. Those properties without adequate parking spaces have seen demand stall once spaces have been assigned. That has happened in Balboa Park and Downtown properties. Most residents in the region require a car to reach the region's employment nodes.

While vacancy is not expected to materially contract in the coming quarters, San Diego's long-term demand drivers remain in place. 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. Those factors will continue to make San Diego a desirable housing market.

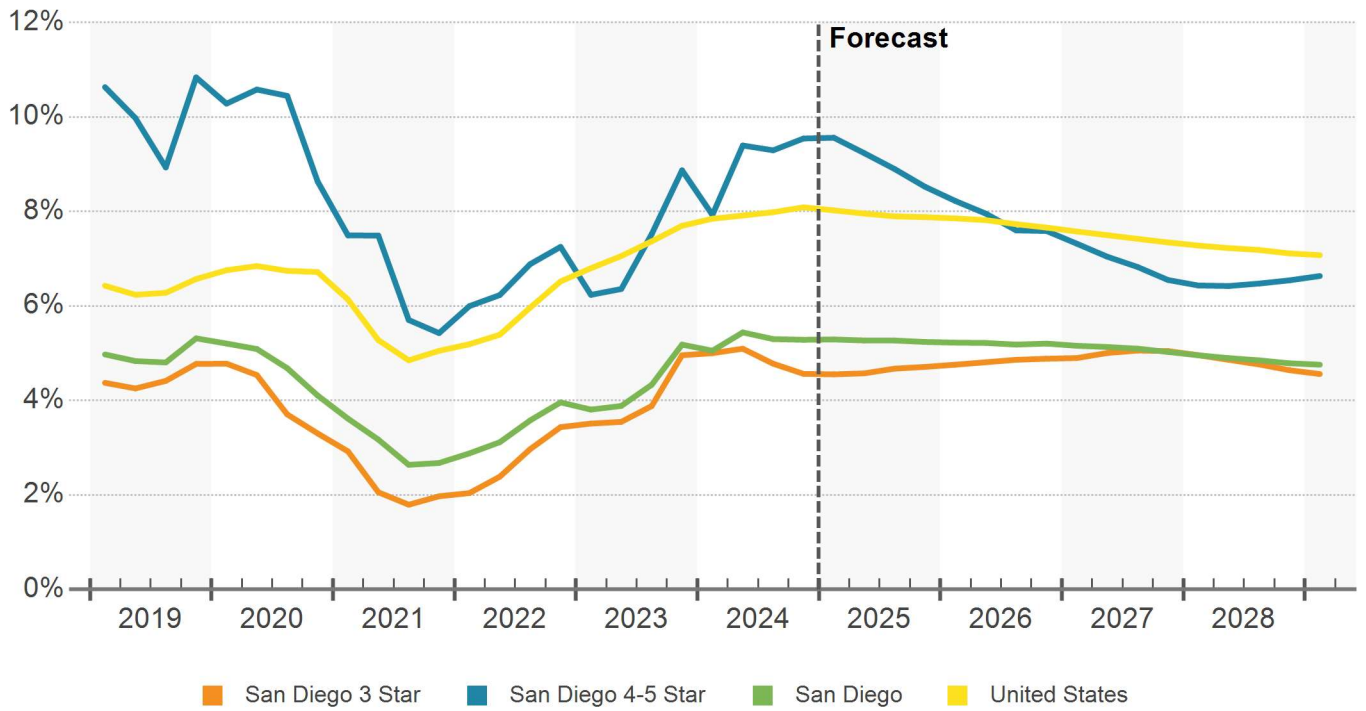
ABSORPTION, NET DELIVERIES & VACANCY



OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



Rents rose 0.9% in 2024 compared to 1.0% nationally, and rents ended the year at an average of \$2,490/month. The last time a year ended with rent growth that low in San Diego was 2010. Even so, San Diego is one of the most expensive rental markets in the U.S. Rent growth has moderated off a peak of 12.5% in 2022, and rents have grown by 24.1% in the past five years. For context, rents grew 20.5% between 2015 and 2019. However, when adjusting for inflation, rents only grew 1% in the past five years.

According to local property managers, 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. Some landlords have been able to increase rents on renewals, pushing average blended rates into positive territory. Others have chosen to not raise rents on renewals or have offered concessions to improve occupancy rates.

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 among operators 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.

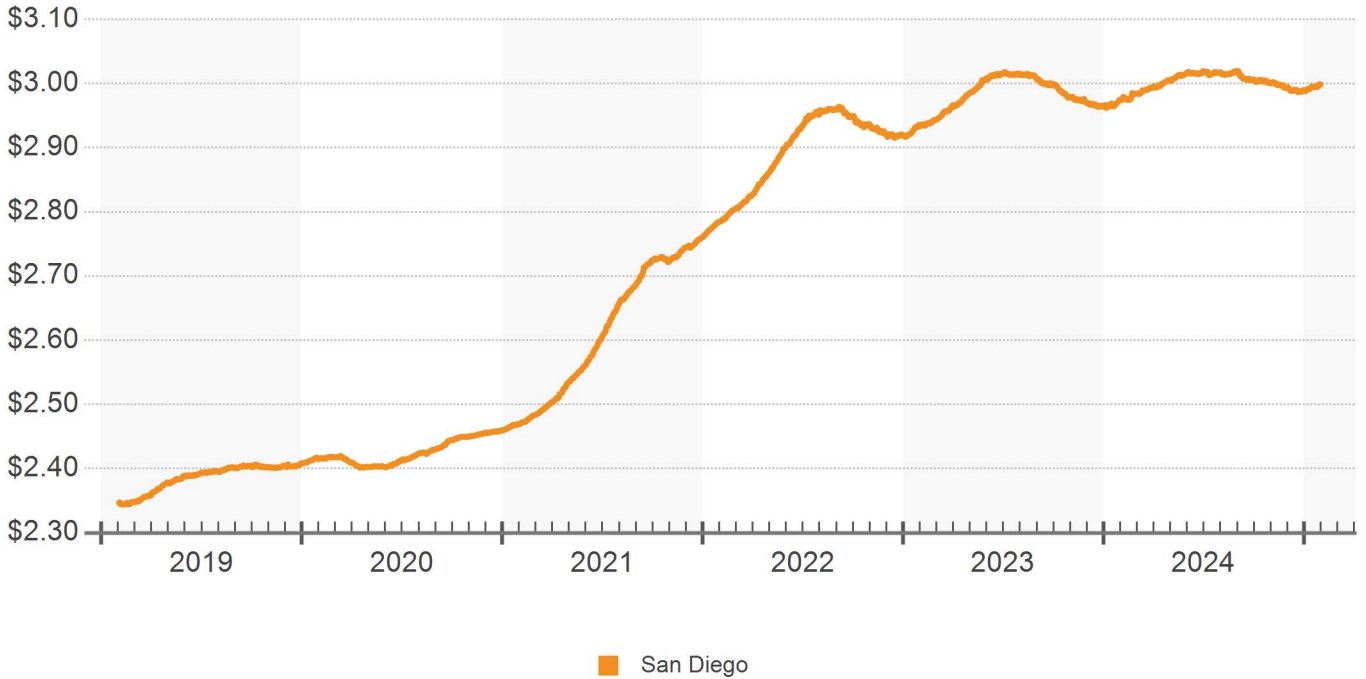
Supply-side pressure led to falling rents in Balboa Park and Downtown in 2024, the only submarkets where

nominal rents fell year over year. The Central Coast was the lone submarket where rents rose quarter-over-quarter during 24Q4, and while rents fell more than 3% quarter over quarter in UTC during 24Q4, they still rose year over year.

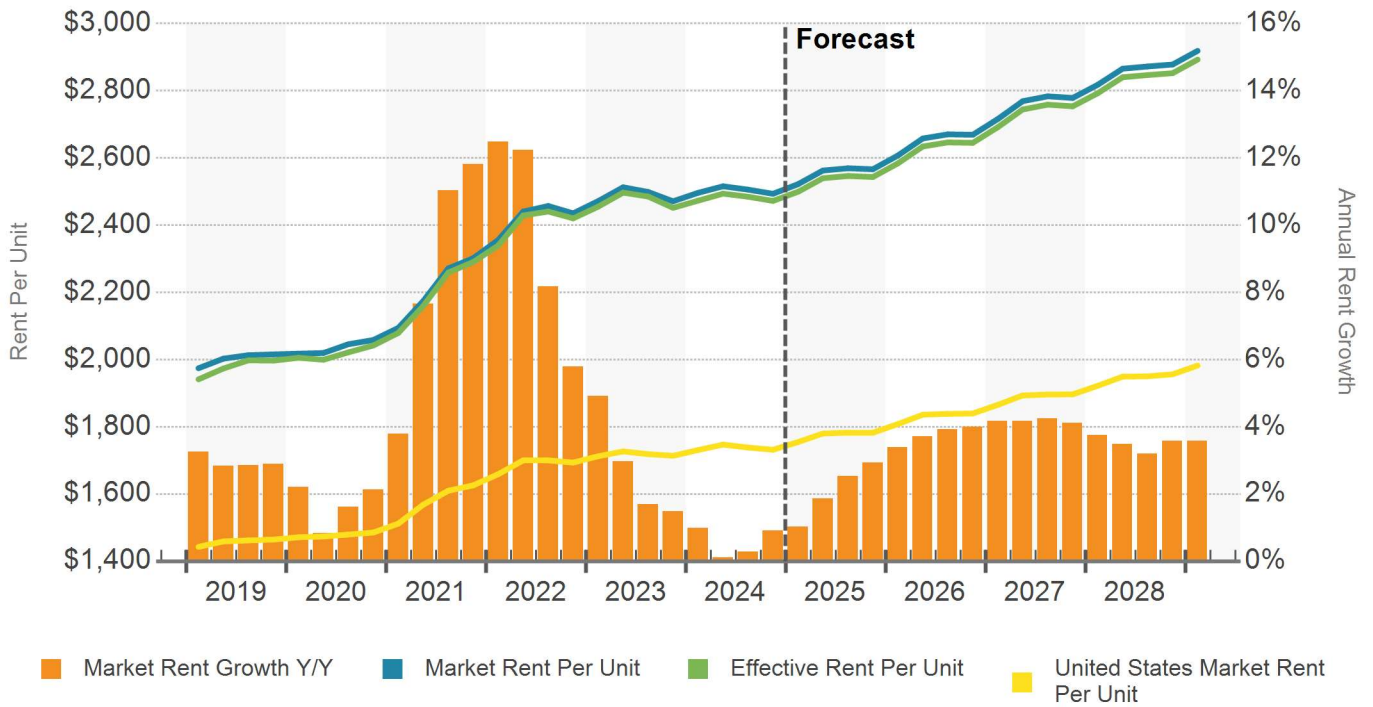
Concessions have become more common across the region, and property managers anticipate they will likely be employed in the coming months. Roughly 25% of properties reported offering concessions in the second half of 2024, which was three times higher than typical levels. Landlords from Oceanside to Mira Mesa 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 before last year. 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.

Overall concessions are likely to be employed at a higher percentage in 2025 compared to the past, and rent growth is likely to remain relatively marginal until mid-2025. Rent growth is not forecast to return to the long-term average until 2026.

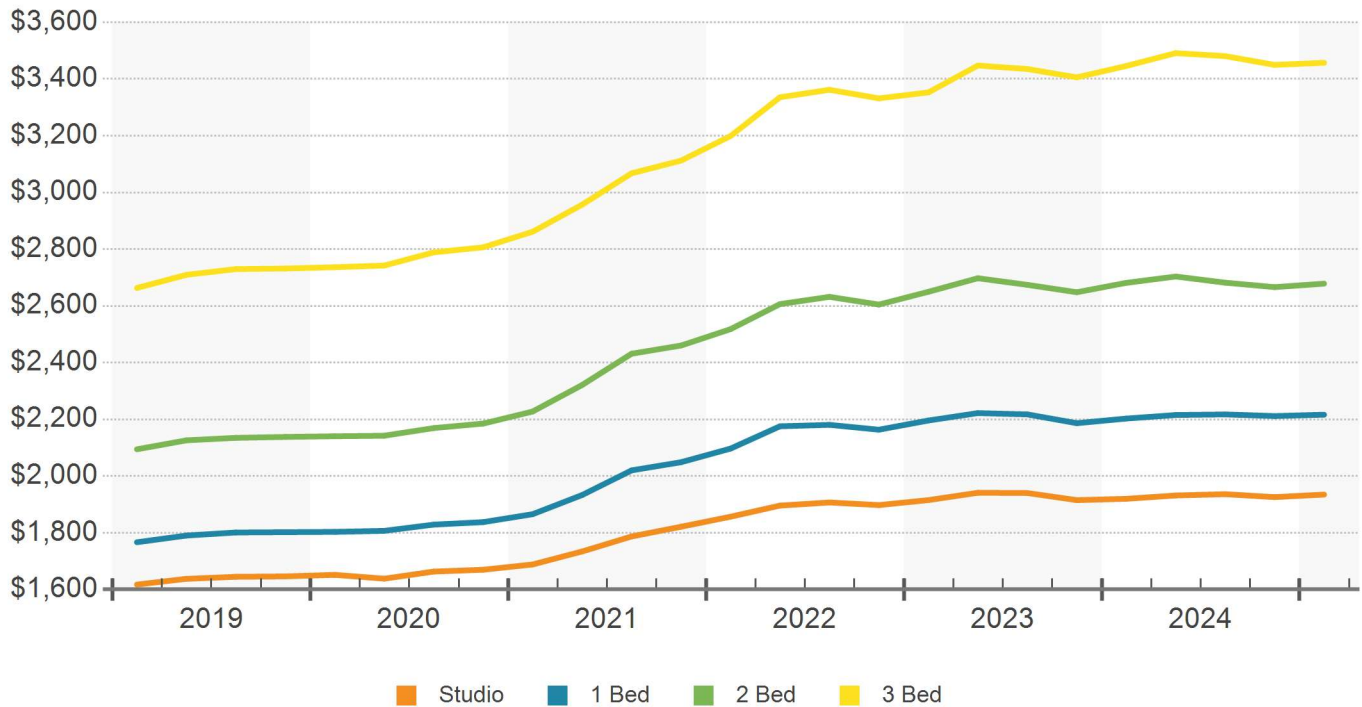
DAILY ASKING RENT PER SF



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	\$0.76	\$0.80	\$1.21	\$1.19	\$0.23	\$1.36	\$0.11	\$0.17	\$0.76	\$7.97
Balboa Park	\$0.75	\$0.63	\$0.75	\$0.83	\$1.24	\$1.30	\$0.26	\$1.36	\$0.11	\$0.13	\$0.57	\$7.93
Central Coast	\$0.78	\$0.48	\$0.65	\$0.62	\$1.09	\$1.28	\$0.38	\$1.21	\$0.11	\$0.09	\$0.34	\$7.03
Chula Vista/Imperial...	\$0.74	\$0.65	\$0.76	\$0.86	\$1.24	\$1.33	\$0.26	\$1.37	\$0.14	\$0.12	\$0.54	\$8.01
Downtown San Diego	\$0.74	\$0.62	\$0.75	\$0.81	\$1.24	\$1.29	\$0.25	\$1.36	\$0.11	\$0.12	\$0.53	\$7.82
East County	\$0.72	\$0.97	\$0.75	\$0.95	\$1.36	\$1	\$0.12	\$1.33	\$0.10	\$0.29	\$1.48	\$9.07
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	\$1.07	\$1.31	\$0.37	\$1.11	\$0.12	\$0.09	\$0.33	\$6.81
National City/South...	\$0.74	\$0.63	\$0.76	\$0.85	\$1.24	\$1.29	\$0.25	\$1.35	\$0.13	\$0.12	\$0.54	\$7.90
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	\$0.65	\$0.52	\$0.55	\$0.68	\$1.04	\$1.19	\$0.18	\$1.50	\$0.13	\$0.12	\$0.53	\$7.09
Outlying San Diego...	\$0.74	\$1	\$0.76	\$1	\$1.41	\$0.97	\$0.13	\$1.35	\$0.10	\$0.34	\$1.61	\$9.41
Poway/Santee/Ram...	\$0.76	\$0.93	\$0.75	\$1	\$1.39	\$0.96	\$0.15	\$1.31	\$0.10	\$0.34	\$1.57	\$9.26
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	\$0.13	\$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
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	\$0.27	\$1.07	\$0.10	\$0.08	\$0.32	\$5.97
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	\$0.51	\$0.49	\$0.54	\$0.63	\$1.03	\$1.04	\$0.16	\$1.28	\$0.12	\$0.11	\$0.49	\$6.40
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 7,800 units are under construction across San Diego, which is in line with the five-year average. Roughly 3,800 units are scheduled to open in 2025 after 4,600 opened last year. San Diego Association of Governments estimates that the county requires roughly 15,000 total housing units annually through the next decade 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, and those do not always translate into starts.

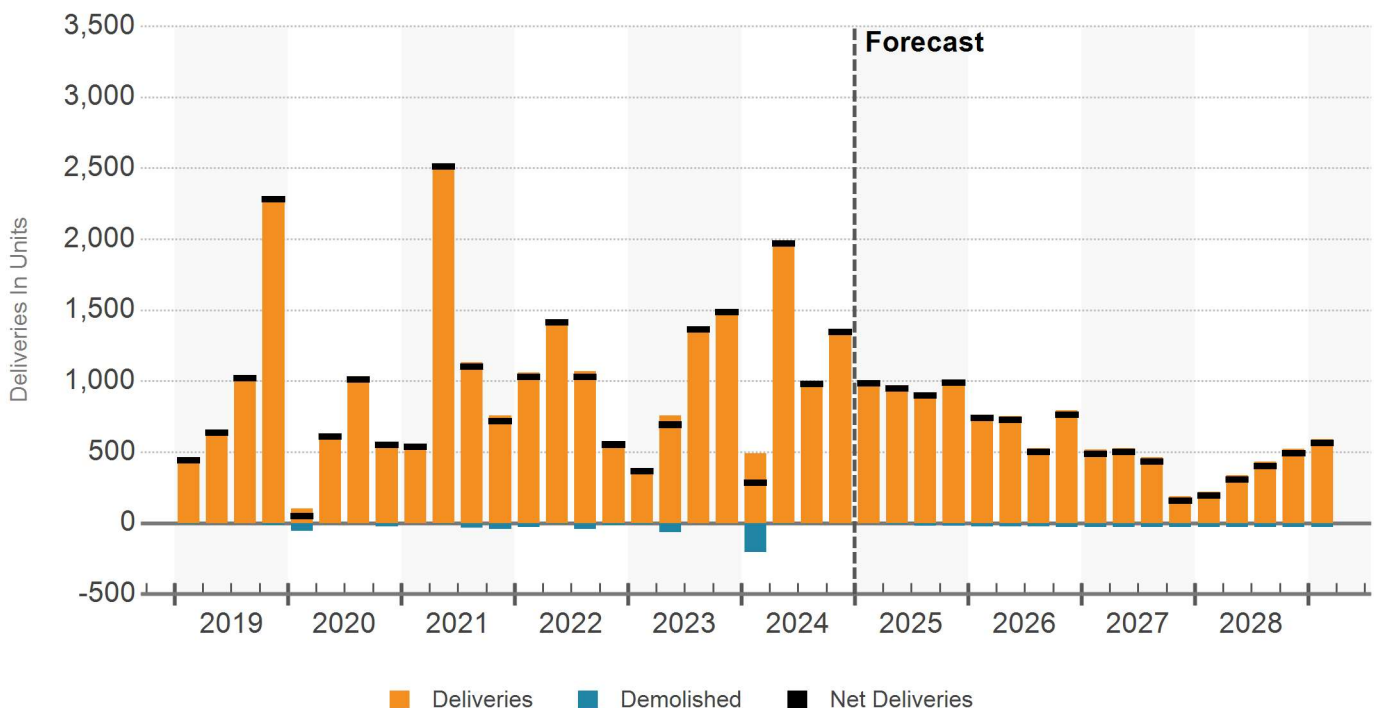
Developers encounter several barriers to entry, and some development services departments - there are 18 in the county for its 18 cities - are more difficult to work with than others. The entitlement process can take several years, and permitting and soft costs can run over 50% of the total project cost. 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, and some properties, particularly Downtown, have traded below construction costs.

There has been a discernible shift in the types of market-

rate apartments that developers have built in San Diego over the past decade. Between 2001 and 2014, two- and three-bedroom units accounted for 60% of the new market-rate inventory that opened. Since 2017, one-bedroom and studio units have accounted for that amount. The diminishing share of multi-bedroom units has been one of the leading reasons that residents have turned to other housing markets, particularly as renter households grow in size, according to market participants. That trend is not anticipated to reverse course in the coming years and could make it difficult for growing households to remain in the rental market in San Diego.

Neighborhoods have been updating their master plans to spur more housing development. Mission Valley, alone, could add more than 28,000 housing units, a similar number as planned with University City's update in 2023. Hillcrest envisions up to 50,000 more residents and 20,000 new housing units in high-rise towers along transportation arteries. In some locations, density would increase from 109 units per acre to 218 and 290 units per acre. 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

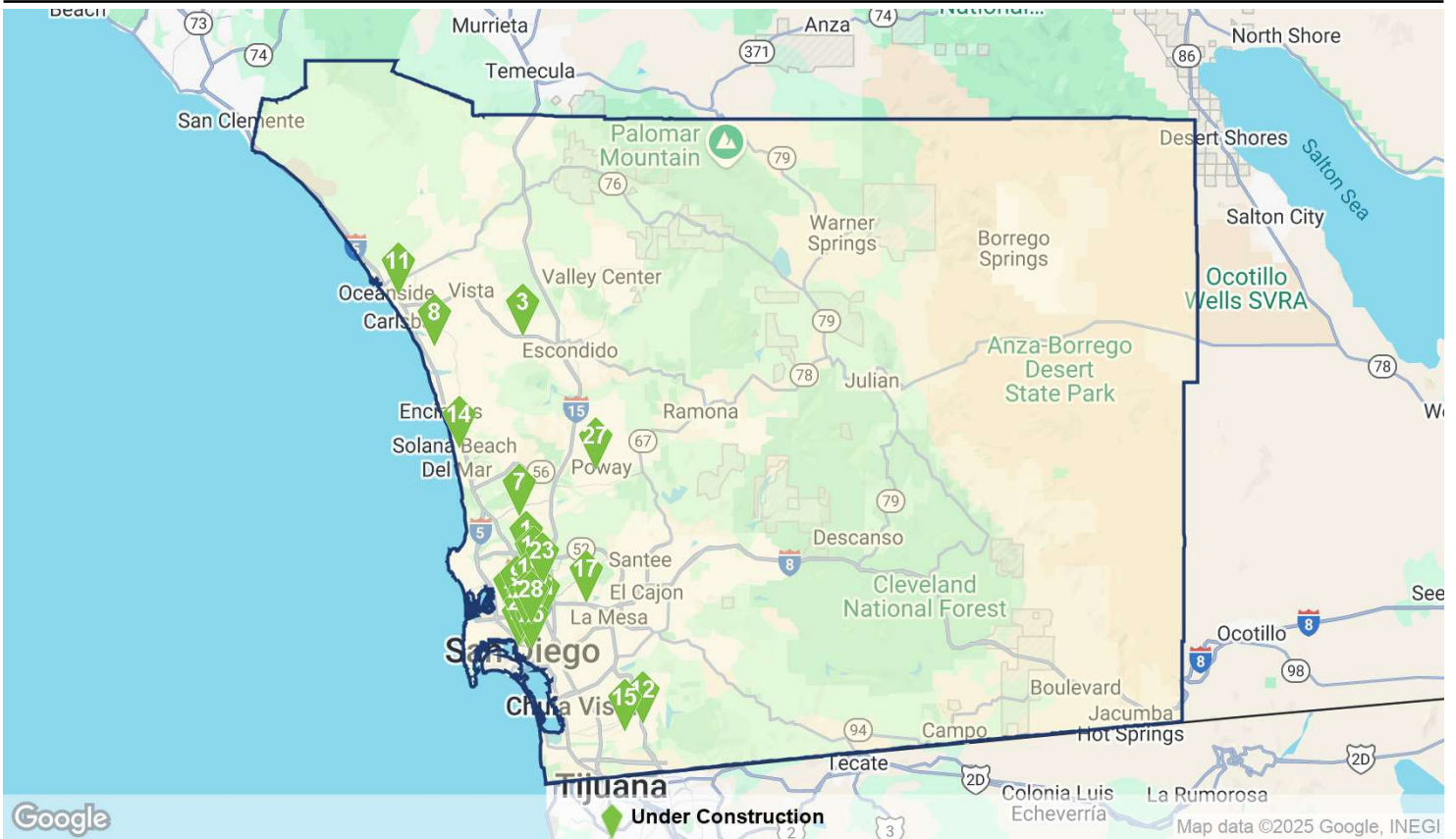
44

7,857

2.8%

179

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	★★★★☆	460	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 3715-3795 6th Ave	★★★★☆	435	2	Jan 2024	Mar 2026	Carmel Partners Carmel Partners
6 AMLi Aero 8225 Aero Dr	★★★★☆	434	7	Nov 2023	May 2025	KPRS Construction Services. Inc AMLi Residential
7 3Roots 7918 Collective Way	★★★★☆	429	4	Jan 2022	Jun 2025	- Garden Communities California

Under Construction Properties

San Diego Multi-Family

UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 Aviara West Apartments 1205 Aviara Pky	★★★★☆	329	4	Jun 2023	Jan 2026	SummerHill Homes R&V Management Corporation
9 Rivair Apartments 7050 Friars Rd	★★★★☆	316	8	May 2021	Mar 2025	Fairfield Residential Fairfield Residential
10 Ion Aero 8555 Aero Dr	★★★★☆	302	5	Apr 2024	Jan 2026	- AAA Management LLC
11 Jefferson Oceanside 1999 S Oceanside Blvd	★★★★☆	295	4	Sep 2024	Apr 2026	JPI/TDI -
12 Millenia Lot 19 1902 Millenia Ave	★★★★☆	278	4	Aug 2024	Dec 2025	Ryan Companies Strata Equity Group, Inc.
13 Harrington Heights 1320 Broadway	★★★★☆	273	15	Mar 2024	Oct 2025	Chelsea Investment Corporation -
14 701 S Nardo Ave	★★★★☆	260	3	May 2024	Mar 2026	H.G. Fenton Company H.G. Fenton Company
15 Artisan 1151 Encanto Loop	★★★★☆	220	2	Apr 2023	Mar 2025	- -
16 1st & Beech 110 Beech St	★★★★☆	220	22	Oct 2023	Oct 2025	Greystar Real Estate Partners Greystar Real Estate Partners
17 Atlas Alvarado 6535 Alvarado Rd	★★★★☆	204	-	May 2023	Aug 2025	Dinerstein Companies Dinerstein Companies
18 Pinnacle Columbia & A T... 1262 Columbia St	★★★★☆	204	39	Nov 2024	Dec 2026	Pinnacle - Pinnacle on the Park Pinnacle International
19 The Brynn at Civita 2525 Via Alta	★★★★☆	200	5	Dec 2023	Jul 2025	Rockwood Construction, Inc. Sudberry Properties, Inc.
20 Flora + Fauna 411 Ivy St	★★★★☆	189	6	Oct 2024	Mar 2026	Raintree Partners Raintree Partners
21 The Monroe 3090 Polk Ave	★★★★☆	137	8	Feb 2023	Jun 2025	Interwest Capital Group LLC Mission Gathering
22 Tenney North Park 2232 El Cajon Blvd	★★★★☆	124	7	Mar 2023	Mar 2025	Foulger-Pratt Companies Foulger-Pratt Companies
23 DEZI 2696-3241 Mission Village...	★★★★☆	120	3	Sep 2024	Sep 2025	Citymark Development Citymark Development
24 Treehouse 2525 1st Ave	★★★★☆	107	8	Mar 2024	Jun 2026	Raintree Partners Raintree Partners
25 1905 Broadway	★★★★☆	91	7	Oct 2023	Jul 2025	- Justin Krueger
26 Hillcrest 3843 8th Ave	★★★★☆	90	8	Jan 2024	Jul 2026	- Greenline Development Group
27 The Outpost at Poway 13247 Poway Rd	★★★★☆	72	3	Jan 2024	Apr 2025	Capexco Inc. Ghassan S Kassab
28 Onyx on Park 3922-3932 Park Blvd	★★★★☆	61	7	Jan 2023	Mar 2025	Highland Pearlmark Real Estate

San Diego likely passed the cyclical nadir of investment activity in early 2024 when only around 40 market-rate properties traded compared to an average of 140 between 2015 and 2019. Sales volume reached its highest level since 2021 during 24Q4, while the number of transactions reached a two-year high (which was still more than 40% below last cycle's average). Sales volume tallied \$3.0 billion in 2024 which was in line with the norm last cycle, and more than \$1.2 billion of that total was during 24Q4.

Uncertainty has been a prevailing theme here. A rent control measure on the ballot in the November 2024 election, which ultimately failed, clouded investor sentiment last year. In recent years, various tenant protective measures across the region coupled with onerous permitting with development services departments has made value-add opportunities more costly, according to investors.

Cap rates have largely performed in a band between 4.3% and 5.6%. Central and North County coastal properties typically trade at a cap rate on the lower-end of that scale, while institutional properties in the suburbs toward the high end. Institutional capital sources accounted for over 25% of buyer activity in 2024 and 20% on the seller's side. Fund-level equity sources were involved on 17% of volume on the buy side and over 10% of the selling side, while REIT sources played little role last year. That is similar to their investment activity in 2023 for those sources. The average property size that sold in 2024 had 30 units.

During 24Q3, GID Investment Advisors purchased the 331-unit Millenium PQ, since rebranded Windsor Rancho PQ, from Dinerstein Companies for \$167 million, or about \$505,000/unit, at a 4.75% proforma cap rate. The property was built in 2022 and sold at 85% occupancy. At the time of the sale, it was the second-

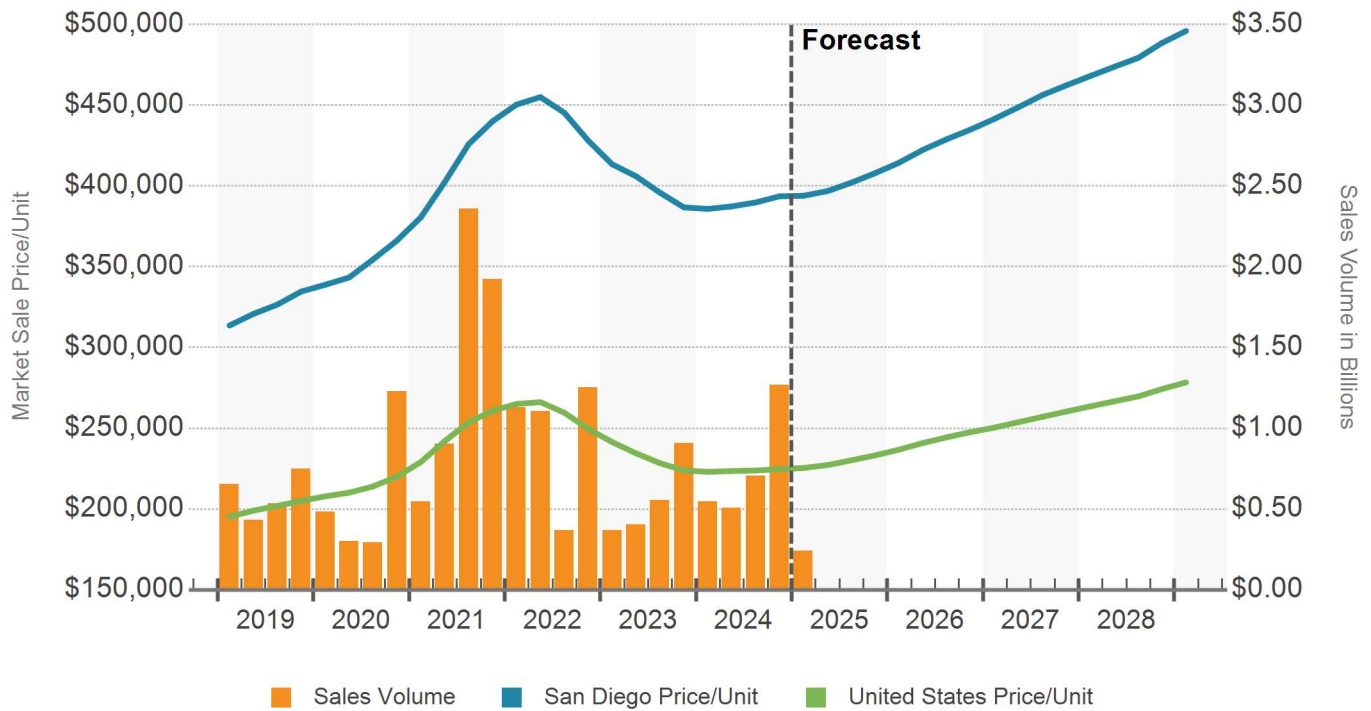
largest single-asset transaction in California in 2024, and it was one of only two institutional assets in the Rancho Penasquitos neighborhood. The buyer was attracted to the area due to the "influx of life science surrounding UCSD and big tech companies establishing their presence here, in addition to the long-standing defense industry."

Two deals closed at the end of 2024 for an even higher price, one of which was for the Preserve at Melrose in Vista. Mesirow acquired the 410-unit property for \$185 million, or about \$450,000/unit, at a 4.8% cap rate from MG Properties. The parties involved noted many of the same demand drivers, including the life sciences industry around UC San Diego and the presence of large tech companies and defense contractors. According to Mesirow, "the Preserve's expansive amenity set, transit-oriented location and proximity to key employment centers make it one of north county San Diego's most attractive multifamily properties." MG Properties purchased the property in 2017 for \$134 million.

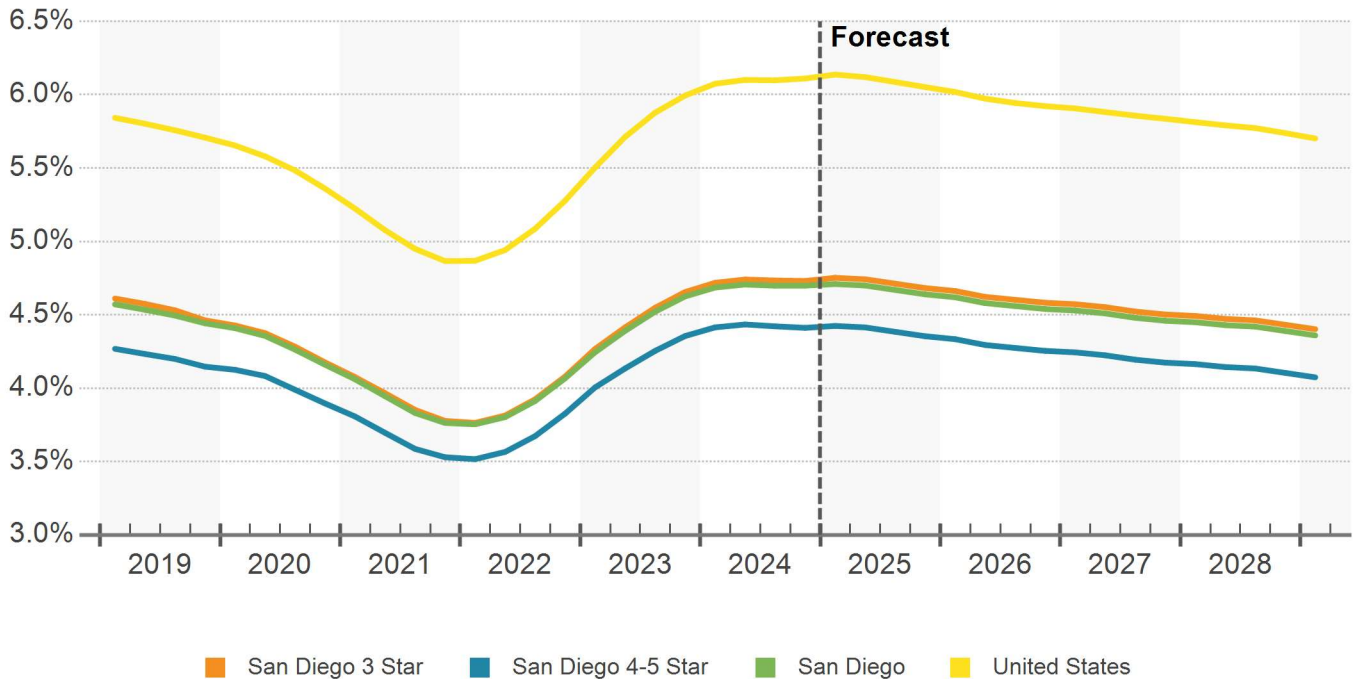
On the private side, a family trust purchased the 32-unit property at 14251-14277 Rios Canyon Road in El Cajon in mid-2024 for \$14.8 million, or about \$463,000/unit, at a 4.5% cap rate. The buyer assumed \$7.8 million in debt at a 3.32% rate with 12 years remaining on the term for the five-year old property. It was listed for sale at a 4.66% cap rate, and it provides a good example of investors paying over the asking price with a lower debt burden.

Uncertainty has been the common thread among investors in the current investment environment, according to market participants. Although most investors are bullish on the mid- and long-term prospects for San Diego, high interest rates and low cap rates amid weaker rent growth and demand, continue to stand athwart a return to last cycle's level of activity.

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

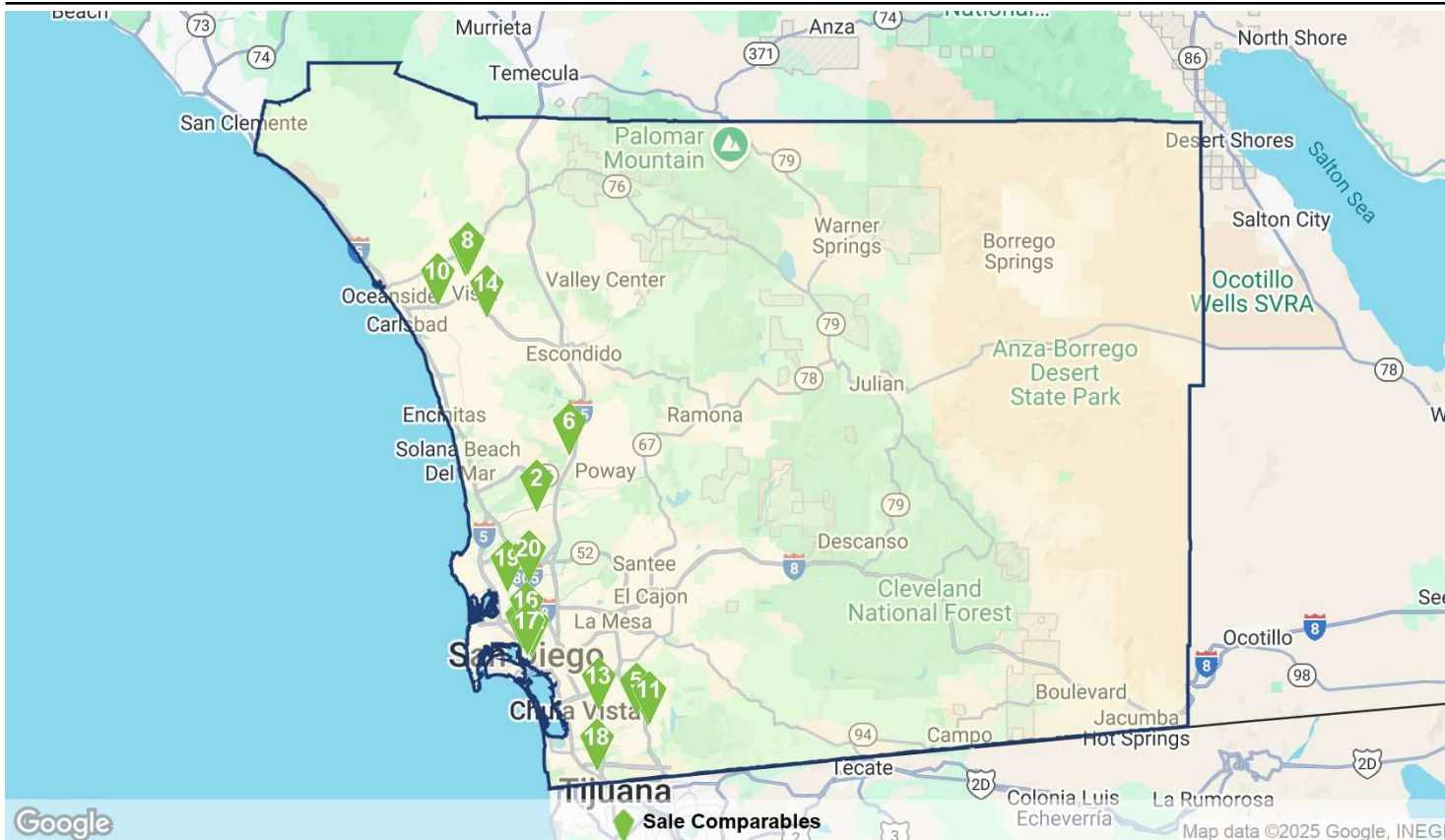
246

\$429

\$13.3

5.4%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$991,250	\$13,297,844	\$2,900,000	\$283,000,469
Price/Unit	\$55,000	\$428,568	\$331,111	\$1,260,000
Cap Rate	1.0%	4.7%	4.5%	11.0%
Vacancy Rate At Sale	0%	5.4%	0%	100%
Time Since Sale in Months	0.2	5.6	5.5	11.9
Property Attributes	Low	Average	Median	High
Property Size in Units	5	37	9	616
Number of Floors	1	2	2	36
Average Unit SF	46	767	759	2,405
Year Built	1900	1968	1970	2024
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

RECENT SIGNIFICANT SALES

Property Name/Address	Property Information				Sale Information				
	Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF	
1 Simone Little Italy 1401 Union St	★★★★★	2023	395	12.9%	12/16/2024	\$283,000,469	\$716,456	\$462	
2 Esplanade 10201 Camino Ruiz	★★★★☆	1986	616	4.7%	3/25/2024	\$212,141,374	\$344,385	\$903	
3 The Avalyn at Millenia 1774 Metro Ave	★★★★☆	2022	480	11.0%	10/31/2024	\$210,000,000	\$437,500	\$438	
4 Preserve at Melrose Apartme... 1401 N Melrose Dr	★★★★☆	2015	410	5.1%	11/21/2024	\$185,000,000	\$451,219	\$458	
5 Teresina Apartments 1250-1251 Santa Cora Ave	★★★★☆	2000	440	2.7%	1/15/2025	\$183,000,000	\$415,909	\$223	
6 Windsor Rancho PQ 14433 Penasquitos Dr	★★★★☆	2022	331	16.9%	7/18/2024	\$167,000,000	\$504,531	\$522	
7 ALX 300 14th St	★★★★★	2017	313	8.3%	7/26/2024	\$137,000,000	\$437,699	\$548	
8 Skye Apartments 501 W Bobier Dr	★★★★☆	2016	290	4.8%	11/27/2024	\$125,750,000	\$433,620	\$392	
9 Luma 1440 Columbia St	★★★★★	2019	220	7.7%	6/14/2024	\$125,096,222	\$568,619	\$900	
10 Marisol Carlsbad 3251 Marisol Pl	★★★★☆	2018	278	4.7%	6/14/2024	\$121,376,856	\$436,607	\$347	
11 Pulse Millenia 2043 Artisan Way	★★★★☆	2015	273	7.0%	2/5/2024	\$116,000,000	\$424,908	\$434	
12 Market Street Village Apartm... 699 14th St	★★★★☆	2006	229	3.9%	11/14/2024	\$82,200,000	\$358,951	\$545	
13 The Emery at Terra Nova 440 E H St	★★★★☆	1985	233	9.0%	3/8/2024	\$82,000,000	\$351,931	\$376	
14 Rancho Hills Apartments 856 Heatherwood Ln	★★★☆☆	1986	148	3.4%	7/12/2024	\$53,500,000	\$361,486	\$418	
15 Seventh & G Apartments 707-777 G St	★★★★☆	2006	145	7.6%	12/16/2024	\$53,000,000	\$365,517	\$469	
16 AVA Balboa Park 3288 5th Ave	★★★★☆	2015	100	6.0%	9/3/2024	\$51,000,000	\$510,000	\$638	
17 Sixth and G 655 6th Ave	★★★★☆	2008	106	3.8%	12/16/2024	\$44,500,000	\$419,811	\$447	
18 Casa De Miranda Apartments 260 Cottonwood Rd	★★★☆☆	1970	120	0.8%	6/11/2024	\$28,050,000	\$233,750	\$252	
19 Bay Ridge Apartments 3010-3020 Cowley Way	★★★☆☆	1986	70	4.3%	11/18/2024	\$25,350,000	\$362,142	\$490	
20 Mar at Mesa 3502 Angelucci St	★★★★☆	1988	62	0%	8/6/2024	\$21,500,000	\$346,774	\$294	

San Diego's economy might best be described as a three-legged stool. It is supported by the innovation, military and tourism economies.

San Diego has over 140,000 active duty and civilian military employees. According to the San Diego Military Advisory Council, the defense industry accounts for 370,000 jobs in the region, roughly one in four jobs in the county. 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. Camp Pendleton occupies roughly 17 miles of coastline in North County, and is the largest Marine Corps base on the West Coast. Defense contractors have established strongholds along the 805 and 15 freeway corridors. That is where firms like Northrup Grumman, Qualcomm and General Atomics have footholds.

More than 80 research institutes, from Scripps Research Institute to Salk Institute for Biological Studies 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. And while demand has waned in the life science sector in recent years, it is firmly established here and in no danger of leaving. 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." Amazon, Meta, and Apple are among the tech giants with a footprint in San Diego, most of which occupy space in the UTC area.

The tourism industry had an economic impact of roughly \$22 billion for the 2024 fiscal year. Although the number of visitors, 32 million, was still below the pre-pandemic norm of 35 million annual visitors, they stayed in town longer during their visits, according to San Diego's tourism authority. Amusement parks, 70 miles of coastline, proximity to Baja and Southern California, and numerous local attractions bring tourists from around the globe.

The region is home to five universities, including University of California San Diego, which works collaboratively with many of the life sciences firms in the Torrey Pines area. Chula Vista has also been in talks to bring a branch campus from San Diego State University into the South County region, which will provide further education opportunities.

The Otay Mesa Port of Entry is the largest commercial crossing along the California-Mexico border, handling about two-thirds of the traffic. It is where Mexican manufacturers, or maquiladoras, pass their goods through to the United States, often destined for warehouses in Otay Mesa. The United States-Mexico-Canada Agreement, which replaced NAFTA, also provides tax benefits to American and Canadian companies that outsource production to Mexico in place of Asian rim nations.

In mid-2024, the City of San Diego broke ground on the largest general aviation airport redevelopment project on the West Coast in Otay Mesa. The first phase is expected to be ready by the end of 2025. The upgrades should make it more attractive for international trade and as a receiver airport, and they are projected to have a \$1.5 billion economic impact on the region.

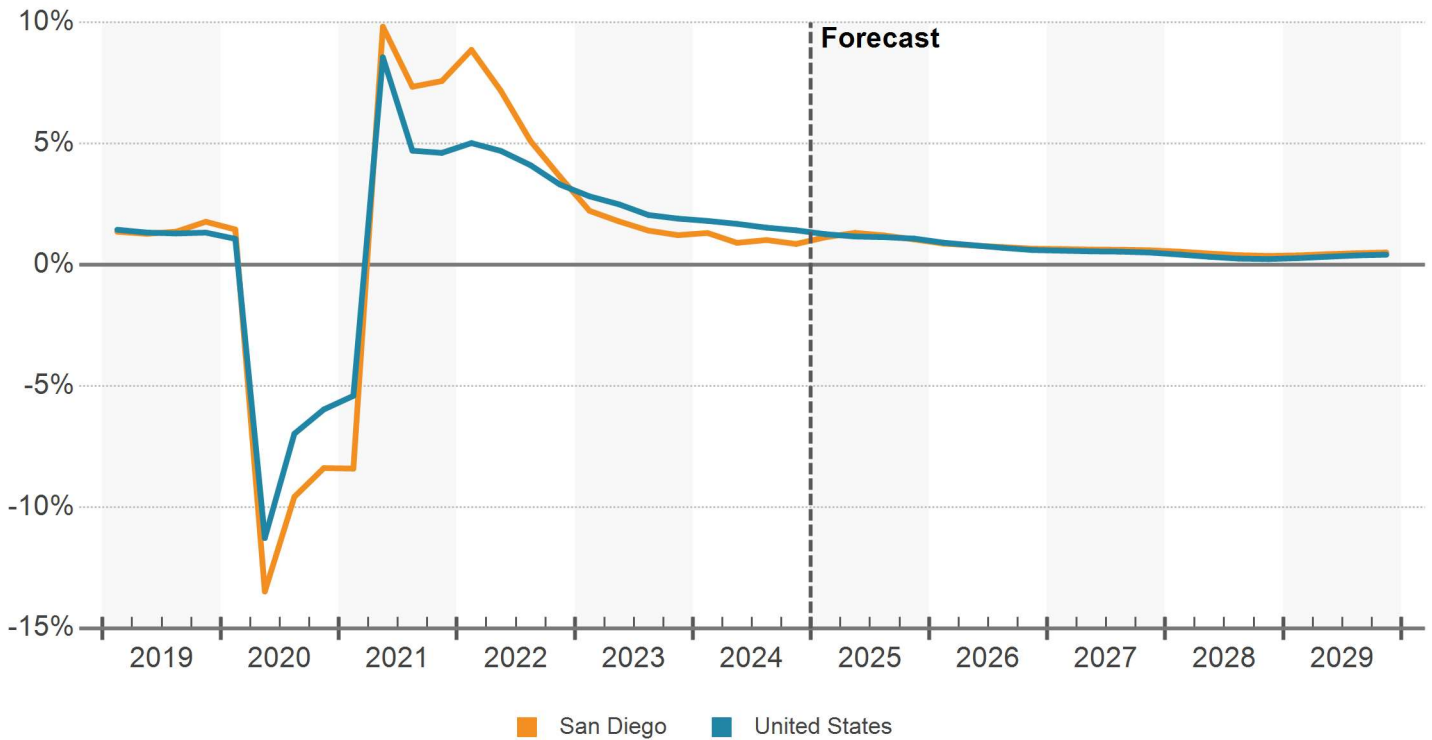
Yet the region is also beset by having some of the highest housing costs in the United States. That has impacted household formation in recent years. According to the most recent population figures from the US Census, San Diego's population fell for the first time in 30 years, aside from the disruption caused by the early stages of the pandemic in 2020. The high cost of living could make it difficult to retain college graduates and other households that are experiencing economic stress. That could also make it difficult to attract new, well-educated households to the region. The San Diego Association of Governments, the regional planning agency for San Diego, says that the region should be adding upwards of 15,000 total housing units annually, although the number of housing units delivered annually seldom reaches half of that level.

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	111	0.9	-2.32%	-0.40%	0.66%	0.49%	0.42%	0.31%
Trade, Transportation and Utilities	224	0.8	0.61%	0.64%	0.33%	0.92%	0.23%	0.30%
Retail Trade	141	0.9	1.27%	0.23%	-0.27%	0.13%	0.23%	0.20%
Financial Activities	73	0.8	0.31%	0.65%	0.49%	1.44%	0.05%	0.47%
Government	257	1.1	1.86%	1.88%	1.12%	0.69%	0.49%	0.42%
Natural Resources, Mining and Construction	94	1.1	1.77%	2.26%	3.48%	2.24%	0.70%	0.81%
Education and Health Services	260	1.0	4.14%	3.54%	3.23%	2.12%	0.96%	0.75%
Professional and Business Services	274	1.2	-0.02%	0.36%	1.98%	1.68%	0.53%	0.59%
Information	21	0.7	-2.75%	-0.57%	-0.98%	0.89%	0.46%	0.41%
Leisure and Hospitality	208	1.2	0.17%	1.66%	1.49%	1.39%	1.17%	0.99%
Other Services	57	1.0	-0.44%	1.10%	0.77%	0.59%	0.65%	0.35%
Total Employment	1,580	1.0	0.96%	1.37%	1.53%	1.29%	0.62%	0.55%

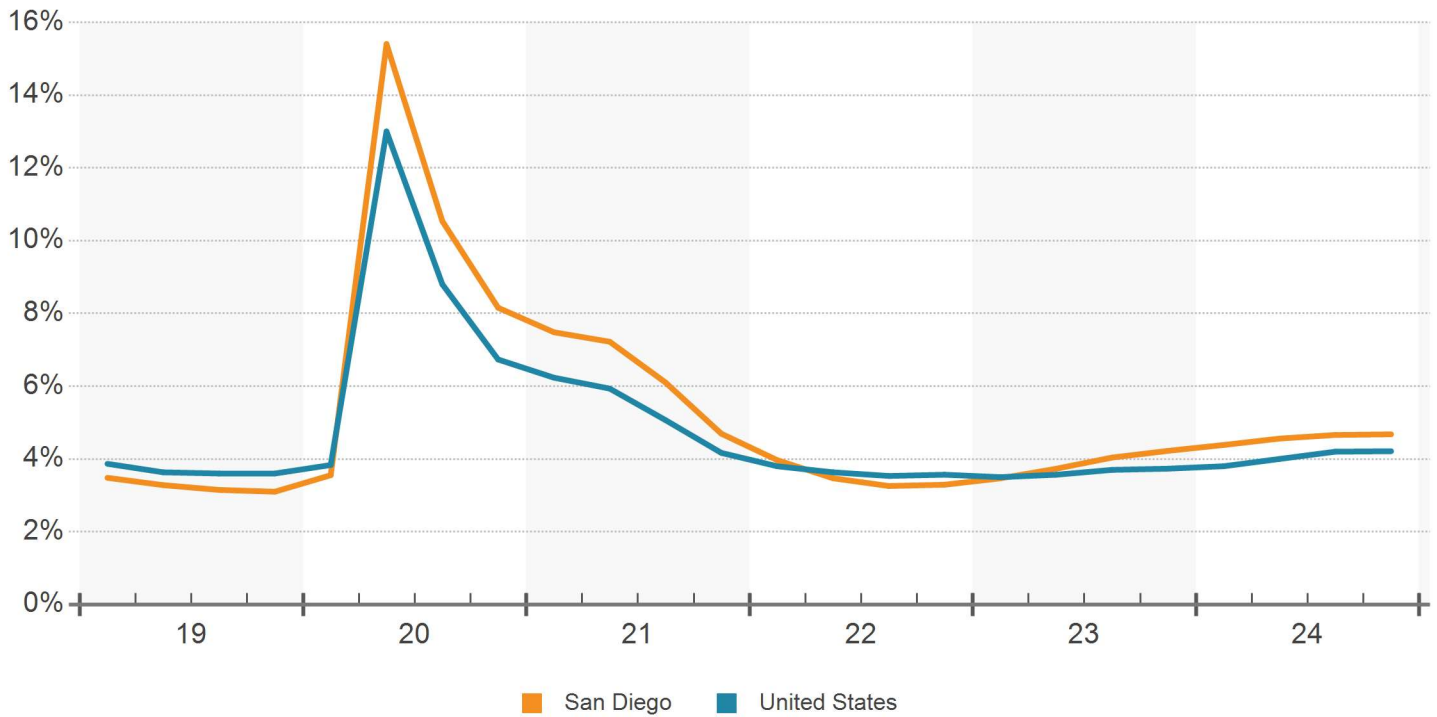
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

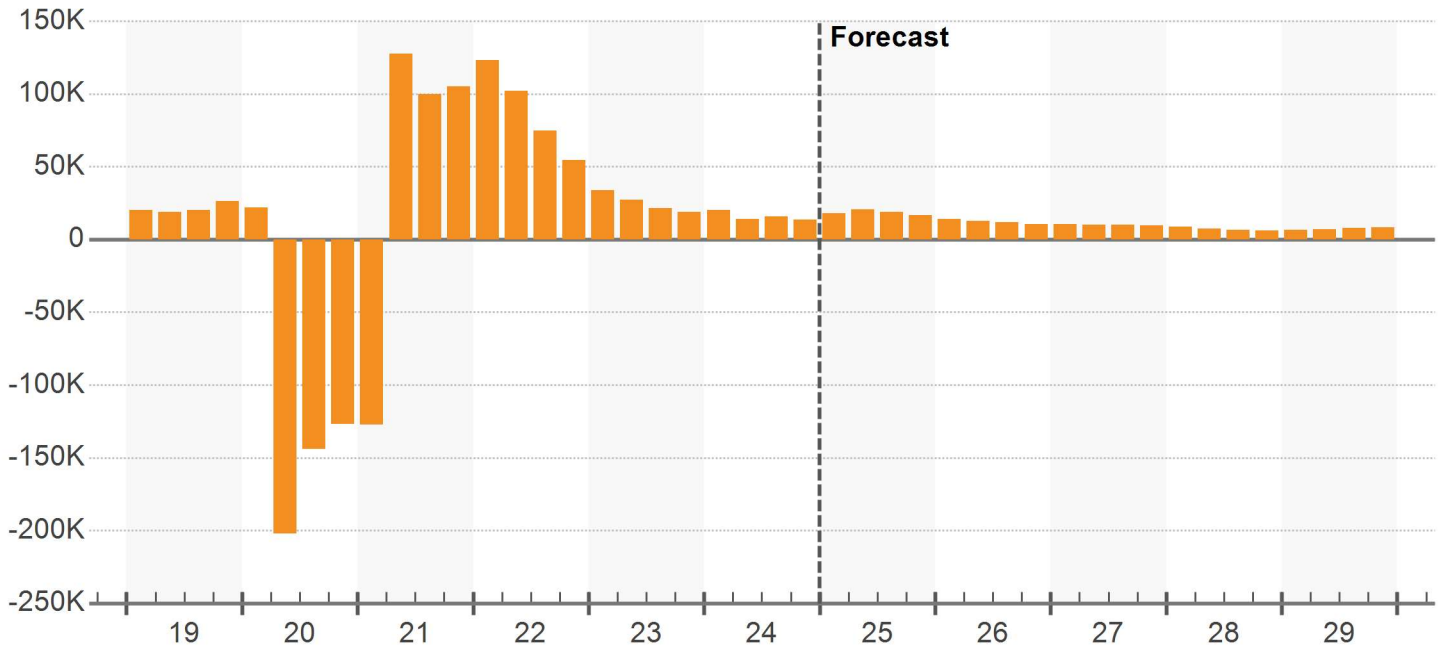


Source: Oxford Economics

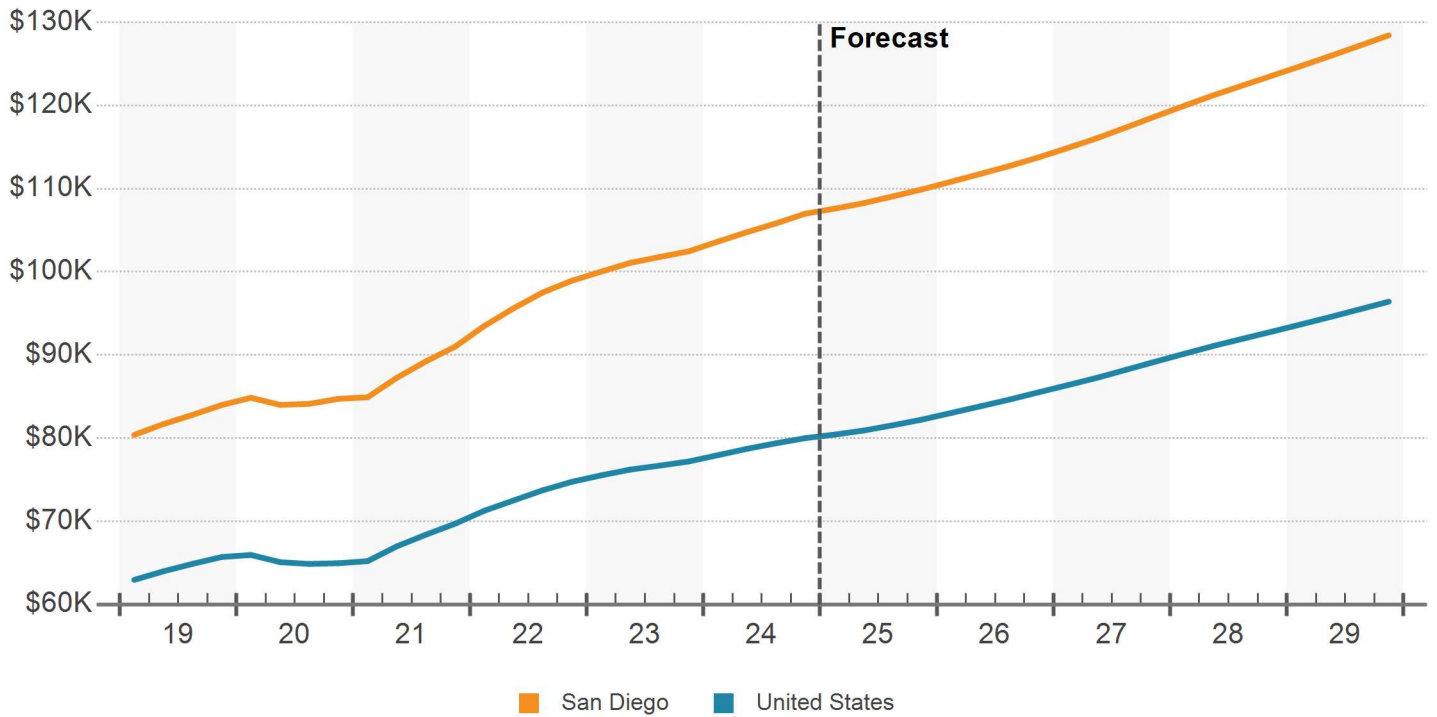
UNEMPLOYMENT RATE (%)



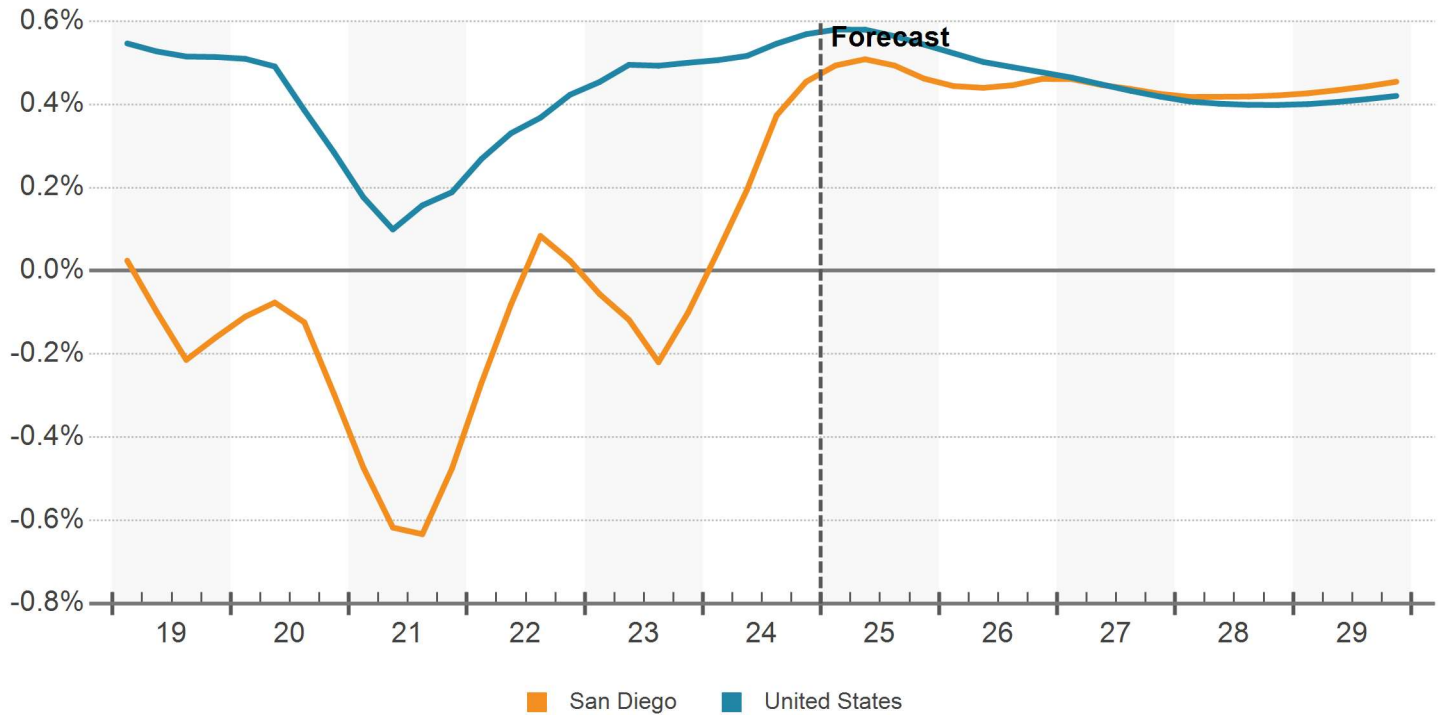
NET EMPLOYMENT CHANGE (YOY)



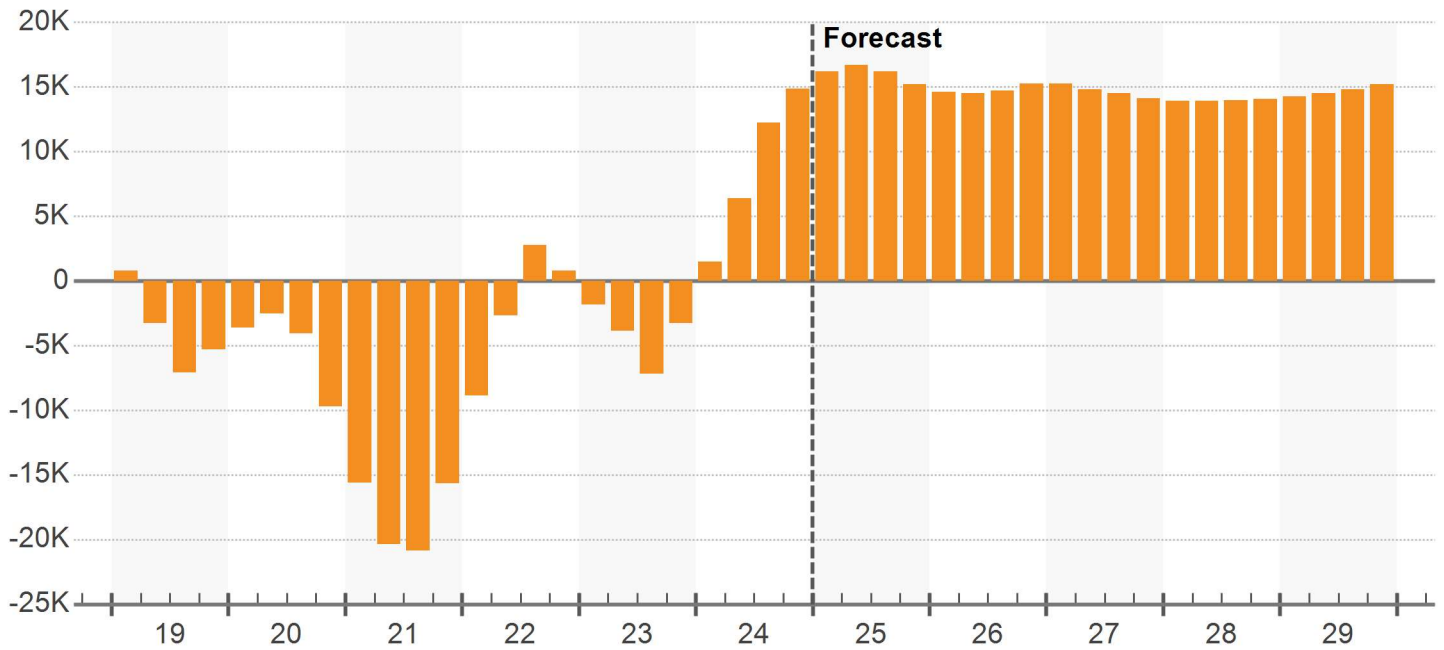
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

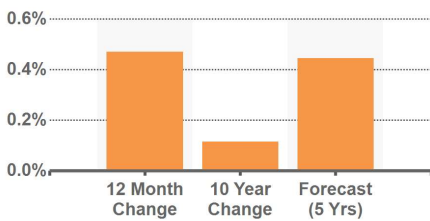


DEMOGRAPHIC TRENDS

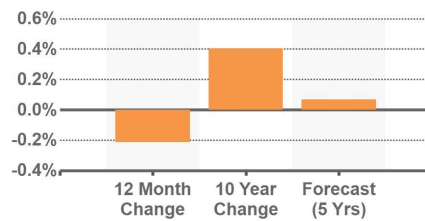
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,288,075	337,416,750	0.5%	0.6%	0.1%	0.5%	0.4%	0.4%
Households	1,190,161	132,568,328	0.6%	0.7%	0.5%	0.9%	0.5%	0.5%
Median Household Income	\$107,209	\$80,160	4.2%	3.5%	4.9%	4.1%	3.8%	3.8%
Labor Force	1,598,845	168,614,391	-0.2%	0.6%	0.4%	0.7%	0.1%	0.4%
Unemployment	4.7%	4.2%	0.4%	0.5%	-0.1%	-0.1%	-	-

Source: Oxford Economics

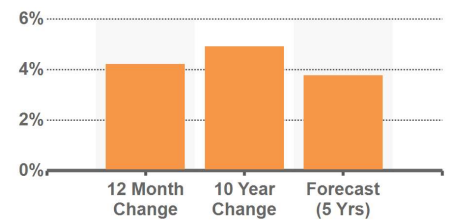
POPULATION GROWTH



LABOR FORCE GROWTH



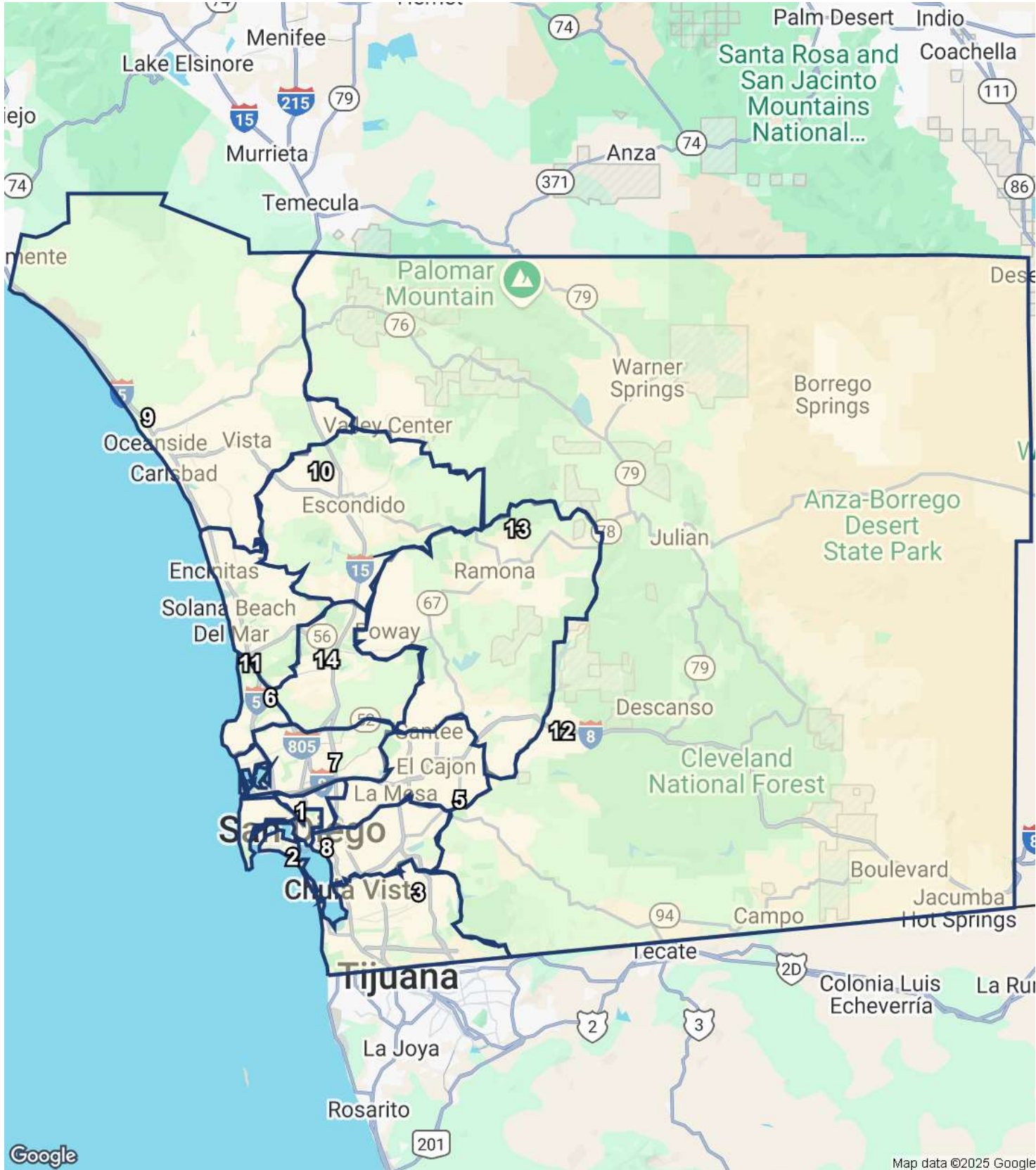
INCOME GROWTH



Source: Oxford Economics

Submarkets

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	3,002	32,652	11.5%	3	13	775	2.4%	2	13	1,378	4.2%	2
2	Central Coast	1,507	19,858	7.0%	6	4	318	1.6%	6	0	0	0%	-
3	Chula Vista/Imperial Beach	891	31,972	11.3%	4	1	4	0%	13	4	579	1.8%	5
4	Downtown San Diego	173	17,250	6.1%	8	5	1,905	11.0%	1	4	1,147	6.6%	3
5	East County	2,321	46,250	16.3%	1	5	71	0.2%	11	3	275	0.6%	8
6	La Jolla/UTC	168	12,653	4.5%	10	2	38	0.3%	12	0	0	0%	-
7	Mission Valley/North Cen...	325	26,906	9.5%	5	4	118	0.4%	9	7	2,400	8.9%	1
8	National City/South Central	904	16,001	5.6%	9	6	179	1.1%	8	5	93	0.6%	10
9	North County	904	33,441	11.8%	2	6	676	2.0%	3	2	624	1.9%	4
10	North I-15 Corridor	384	18,815	6.6%	7	1	420	2.2%	4	1	460	2.4%	7
11	North Shore Cities	195	8,355	2.9%	12	1	72	0.9%	10	1	260	3.1%	9
12	Outlying San Diego County	28	1,239	0.4%	14	0	0	0%	-	0	0	0%	-
13	Poway/Santee/Ramona	125	5,372	1.9%	13	2	237	4.4%	7	1	72	1.3%	11
14	South I-15 Corridor	71	12,562	4.4%	11	1	342	2.7%	5	2	479	3.8%	6

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	\$1,975	\$2.93	7	-0.2%	\$1,962	\$2.91	7	0.2%	0.7%	8
2	Central Coast	\$2,446	\$3.36	4	3.9%	\$2,412	\$3.32	4	3.5%	1.4%	2
3	Chula Vista/Imperial Beach	\$2,426	\$2.80	9	1.4%	\$2,412	\$2.78	9	1.9%	0.6%	11
4	Downtown San Diego	\$3,215	\$4	1	-0.3%	\$3,136	\$3.90	1	-1.3%	2.5%	1
5	East County	\$1,990	\$2.55	12	1.8%	\$1,977	\$2.54	12	1.9%	0.6%	10
6	La Jolla/UTC	\$3,165	\$3.39	3	0.2%	\$3,147	\$3.37	3	0.7%	0.6%	13
7	Mission Valley/North Cen...	\$2,836	\$3.25	5	1.2%	\$2,818	\$3.23	5	1.7%	0.6%	9
8	National City/South Central	\$1,917	\$2.52	13	1.1%	\$1,906	\$2.50	13	0.9%	0.6%	12
9	North County	\$2,475	\$2.85	8	0.2%	\$2,457	\$2.83	8	-0.1%	0.7%	5
10	North I-15 Corridor	\$2,418	\$2.76	10	1.2%	\$2,401	\$2.74	10	0.8%	0.7%	6
11	North Shore Cities	\$3,492	\$3.55	2	0.7%	\$3,472	\$3.53	2	0.7%	0.6%	14
12	Outlying San Diego County	\$2,020	\$2.30	14	-2.8%	\$2,007	\$2.28	14	-2.9%	0.7%	7
13	Poway/Santee/Ramona	\$2,218	\$2.56	11	0.4%	\$2,195	\$2.54	11	-0.1%	1.0%	3
14	South I-15 Corridor	\$2,989	\$3.11	6	0.3%	\$2,963	\$3.09	6	0%	0.9%	4

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Balboa Park	1,586	4.9%	7	782	2.4%	2	0.8
2	Central Coast	1,218	6.1%	11	529	2.7%	4	0.6
3	Chula Vista/Imperial Beach	1,473	4.6%	6	657	2.1%	3	-
4	Downtown San Diego	2,406	13.9%	14	922	5.3%	1	2.1
5	East County	1,836	4.0%	3	88	0.2%	11	0.4
6	La Jolla/UTC	553	4.4%	5	98	0.8%	9	0.4
7	Mission Valley/North Cen...	1,164	4.3%	4	363	1.4%	5	0.2
8	National City/South Central	520	3.3%	1	211	1.3%	7	0.4
9	North County	1,674	5.0%	8	277	0.8%	6	2.4
10	North I-15 Corridor	1,038	5.5%	9	8	0%	13	50.6
11	North Shore Cities	310	3.7%	2	89	1.1%	10	0.8
12	Outlying San Diego County	74	6.0%	10	(4)	-0.3%	14	-
13	Poway/Santee/Ramona	408	7.6%	13	70	1.3%	12	3.4
14	South I-15 Corridor	788	6.3%	12	174	1.4%	8	2.0

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2029	294,857	2,552	0.9%	2,717	0.9%	0.9
2028	292,305	1,397	0.5%	2,029	0.7%	0.7
2027	290,908	1,574	0.5%	2,008	0.7%	0.8
2026	289,334	2,734	1.0%	2,691	0.9%	1.0
2025	286,600	3,818	1.4%	3,746	1.3%	1.0
YTD	283,326	544	0.2%	436	0.2%	1.2
2024	282,782	4,577	1.6%	4,058	1.4%	1.1
2023	278,205	3,902	1.4%	361	0.1%	10.8
2022	274,303	4,023	1.5%	394	0.1%	10.2
2021	270,280	4,866	1.8%	8,541	3.2%	0.6
2020	265,414	2,215	0.8%	5,322	2.0%	0.4
2019	263,199	4,377	1.7%	3,661	1.4%	1.2
2018	258,822	4,814	1.9%	3,616	1.4%	1.3
2017	254,008	3,179	1.3%	2,321	0.9%	1.4
2016	250,829	1,816	0.7%	1,944	0.8%	0.9
2015	249,013	3,654	1.5%	4,361	1.8%	0.8
2014	245,359	3,892	1.6%	2,386	1.0%	1.6
2013	241,467	1,254	0.5%	2,076	0.9%	0.6

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2029	74,990	2,667	3.7%	2,277	3.0%	1.2
2028	72,323	1,513	2.1%	1,419	2.0%	1.1
2027	70,810	1,320	1.9%	1,956	2.8%	0.7
2026	69,490	2,836	4.3%	3,244	4.7%	0.9
2025	66,654	3,705	5.9%	4,031	6.0%	0.9
YTD	63,493	544	0.9%	353	0.6%	1.5
2024	62,949	3,973	6.7%	3,200	5.1%	1.2
2023	58,976	3,136	5.6%	1,964	3.3%	1.6
2022	55,840	3,445	6.6%	2,229	4.0%	1.5
2021	52,395	4,279	8.9%	5,599	10.7%	0.8
2020	48,116	1,967	4.3%	2,823	5.9%	0.7
2019	46,149	3,608	8.5%	3,454	7.5%	1.0
2018	42,541	4,281	11.2%	2,978	7.0%	1.4
2017	38,260	2,985	8.5%	2,495	6.5%	1.2
2016	35,275	1,601	4.8%	2,289	6.5%	0.7
2015	33,674	3,672	12.2%	3,710	11.0%	1.0
2014	30,002	3,822	14.6%	2,167	7.2%	1.8
2013	26,180	1,446	5.8%	1,145	4.4%	1.3

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2029	92,351	0	0%	245	0.3%	0
2028	92,351	0	0%	373	0.4%	0
2027	92,351	371	0.4%	203	0.2%	1.8
2026	91,980	0	0%	(159)	-0.2%	0
2025	91,980	167	0.2%	25	0%	6.7
YTD	91,813	0	0%	68	0.1%	0
2024	91,813	614	0.7%	950	1.0%	0.6
2023	91,199	637	0.7%	(767)	-0.8%	-
2022	90,562	627	0.7%	(703)	-0.8%	-
2021	89,935	666	0.7%	1,844	2.1%	0.4
2020	89,269	302	0.3%	1,605	1.8%	0.2
2019	88,967	783	0.9%	452	0.5%	1.7
2018	88,184	535	0.6%	516	0.6%	1.0
2017	87,649	241	0.3%	27	0%	8.9
2016	87,408	215	0.2%	(46)	-0.1%	-
2015	87,193	10	0%	154	0.2%	0.1
2014	87,183	69	0.1%	54	0.1%	1.3
2013	87,114	69	0.1%	518	0.6%	0.1

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2029	127,516	(115)	-0.1%	195	0.2%	-
2028	127,631	(116)	-0.1%	237	0.2%	-
2027	127,747	(117)	-0.1%	(151)	-0.1%	0.8
2026	127,864	(102)	-0.1%	(394)	-0.3%	0.3
2025	127,966	(54)	0%	(310)	-0.2%	0.2
YTD	128,020	0	0%	15	0%	0
2024	128,020	(10)	0%	(92)	-0.1%	0.1
2023	128,030	129	0.1%	(836)	-0.7%	-
2022	127,901	(49)	0%	(1,132)	-0.9%	0
2021	127,950	(79)	-0.1%	1,098	0.9%	-
2020	128,029	(54)	0%	894	0.7%	-
2019	128,083	(14)	0%	(245)	-0.2%	0.1
2018	128,097	(2)	0%	122	0.1%	0
2017	128,099	(47)	0%	(201)	-0.2%	0.2
2016	128,146	0	0%	(299)	-0.2%	0
2015	128,146	(28)	0%	497	0.4%	-
2014	128,174	1	0%	165	0.1%	0
2013	128,173	(261)	-0.2%	413	0.3%	-

OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2029	13,823	4.7%	(0.1)	\$2,969	\$3.57	3.2%	(0.4)	\$2,943	\$3.54
2028	13,989	4.8%	(0.2)	\$2,877	\$3.46	3.6%	(0.5)	\$2,852	\$3.43
2027	14,623	5.0%	(0.2)	\$2,778	\$3.34	4.1%	0.1	\$2,753	\$3.31
2026	15,054	5.2%	0	\$2,668	\$3.21	4.0%	1.1	\$2,645	\$3.18
2025	15,011	5.2%	0	\$2,566	\$3.08	2.9%	2.0	\$2,543	\$3.06
YTD	15,049	5.3%	0	\$2,502	\$3	0.9%	0	\$2,480	\$2.97
2024	14,940	5.3%	0.1	\$2,493	\$2.99	0.9%	(0.6)	\$2,472	\$2.96
2023	14,414	5.2%	1.2	\$2,471	\$2.96	1.5%	(4.3)	\$2,451	\$2.94
2022	10,859	4.0%	1.3	\$2,435	\$2.92	5.8%	(6.0)	\$2,420	\$2.90
2021	7,236	2.7%	(1.4)	\$2,301	\$2.76	11.8%	9.7	\$2,290	\$2.74
2020	10,896	4.1%	(1.2)	\$2,058	\$2.46	2.1%	(0.8)	\$2,042	\$2.44
2019	13,986	5.3%	0.2	\$2,015	\$2.41	2.9%	(0.9)	\$1,997	\$2.38
2018	13,266	5.1%	0.4	\$1,959	\$2.34	3.8%	0	\$1,926	\$2.30
2017	11,988	4.7%	0.3	\$1,886	\$2.25	3.9%	(0.3)	\$1,859	\$2.22
2016	11,071	4.4%	(0.1)	\$1,816	\$2.17	4.2%	(1.9)	\$1,794	\$2.14
2015	11,199	4.5%	(0.4)	\$1,743	\$2.08	6.1%	2.5	\$1,726	\$2.06
2014	11,907	4.9%	0.5	\$1,644	\$1.96	3.5%	0	\$1,626	\$1.94
2013	10,400	4.3%	(0.4)	\$1,588	\$1.89	3.5%	-	\$1,572	\$1.87

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
2029	5,120	6.8%	0.3	\$3,926	\$4.12	3.0%	(0.4)	\$3,869	\$4.06
2028	4,730	6.5%	0	\$3,811	\$4	3.4%	(0.5)	\$3,756	\$3.94
2027	4,637	6.5%	(1.0)	\$3,684	\$3.86	4.0%	0.1	\$3,631	\$3.81
2026	5,271	7.6%	(0.9)	\$3,543	\$3.71	3.8%	1.0	\$3,491	\$3.66
2025	5,679	8.5%	(1.0)	\$3,412	\$3.58	2.9%	2.5	\$3,362	\$3.53
YTD	6,198	9.8%	0.2	\$3,330	\$3.49	0.3%	(0.1)	\$3,283	\$3.44
2024	6,006	9.5%	0.7	\$3,317	\$3.47	0.4%	0.5	\$3,272	\$3.42
2023	5,230	8.9%	1.6	\$3,304	\$3.46	-0.2%	(4.8)	\$3,262	\$3.41
2022	4,048	7.2%	1.8	\$3,310	\$3.46	4.6%	(8.4)	\$3,281	\$3.43
2021	2,842	5.4%	(3.2)	\$3,163	\$3.31	13.1%	12.2	\$3,138	\$3.28
2020	4,154	8.6%	(2.2)	\$2,797	\$2.93	0.9%	(0.9)	\$2,759	\$2.89
2019	5,000	10.8%	(0.6)	\$2,772	\$2.90	1.8%	(1.4)	\$2,731	\$2.86
2018	4,843	11.4%	2.3	\$2,722	\$2.85	3.2%	0.3	\$2,648	\$2.77
2017	3,463	9.1%	0.8	\$2,638	\$2.76	2.9%	0.2	\$2,582	\$2.70
2016	2,915	8.3%	(2.4)	\$2,563	\$2.68	2.7%	(2.4)	\$2,518	\$2.63
2015	3,602	10.7%	(1.4)	\$2,494	\$2.61	5.2%	1.7	\$2,459	\$2.57
2014	3,640	12.1%	4.6	\$2,371	\$2.48	3.5%	(0.3)	\$2,336	\$2.44
2013	1,985	7.6%	0.8	\$2,291	\$2.40	3.8%	-	\$2,255	\$2.36

3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2029	4,041	4.4%	(0.3)	\$3,008	\$3.57	3.3%	(0.3)	\$2,989	\$3.55
2028	4,285	4.6%	(0.4)	\$2,912	\$3.46	3.6%	(0.5)	\$2,894	\$3.44
2027	4,659	5.0%	0.2	\$2,810	\$3.34	4.1%	0.1	\$2,793	\$3.32
2026	4,491	4.9%	0.2	\$2,698	\$3.21	4.1%	1.1	\$2,681	\$3.19
2025	4,332	4.7%	0.1	\$2,593	\$3.08	2.9%	2.0	\$2,577	\$3.06
YTD	4,121	4.5%	(0.1)	\$2,529	\$3	0.9%	0	\$2,514	\$2.98
2024	4,189	4.6%	(0.4)	\$2,519	\$2.99	0.9%	(0.9)	\$2,504	\$2.97
2023	4,520	5.0%	1.5	\$2,497	\$2.96	1.8%	(5.2)	\$2,483	\$2.94
2022	3,111	3.4%	1.5	\$2,453	\$2.91	6.9%	(8.1)	\$2,441	\$2.89
2021	1,775	2.0%	(1.3)	\$2,294	\$2.72	15.1%	12.4	\$2,287	\$2.71
2020	2,949	3.3%	(1.5)	\$1,993	\$2.36	2.7%	(1.0)	\$1,983	\$2.35
2019	4,246	4.8%	0.3	\$1,941	\$2.30	3.7%	(0.6)	\$1,928	\$2.28
2018	3,913	4.4%	0	\$1,872	\$2.21	4.3%	(0.1)	\$1,848	\$2.19
2017	3,892	4.4%	0.2	\$1,796	\$2.12	4.4%	(0.8)	\$1,770	\$2.09
2016	3,678	4.2%	0.3	\$1,720	\$2.03	5.2%	(2.1)	\$1,700	\$2.01
2015	3,417	3.9%	(0.2)	\$1,636	\$1.93	7.2%	3.2	\$1,621	\$1.92
2014	3,562	4.1%	0	\$1,525	\$1.80	4.0%	0	\$1,509	\$1.78
2013	3,547	4.1%	(0.5)	\$1,466	\$1.73	4.0%	-	\$1,455	\$1.72

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
2029	4,662	3.7%	(0.2)	\$2,185	\$2.96	3.3%	(0.3)	\$2,175	\$2.95
2028	4,974	3.9%	(0.3)	\$2,114	\$2.87	3.7%	(0.5)	\$2,104	\$2.85
2027	5,327	4.2%	0	\$2,039	\$2.76	4.2%	0.1	\$2,029	\$2.75
2026	5,291	4.1%	0.2	\$1,957	\$2.65	4.1%	1.1	\$1,948	\$2.64
2025	5,000	3.9%	0.2	\$1,880	\$2.55	3.0%	1.4	\$1,870	\$2.54
YTD	4,730	3.7%	0	\$1,829	\$2.47	1.6%	0	\$1,820	\$2.45
2024	4,745	3.7%	0.1	\$1,825	\$2.46	1.6%	(1.8)	\$1,816	\$2.45
2023	4,663	3.6%	0.8	\$1,795	\$2.42	3.4%	(2.4)	\$1,787	\$2.41
2022	3,699	2.9%	0.8	\$1,736	\$2.34	5.8%	0.2	\$1,728	\$2.33
2021	2,619	2.0%	(0.9)	\$1,640	\$2.20	5.7%	2.5	\$1,634	\$2.19
2020	3,793	3.0%	(0.7)	\$1,552	\$2.08	3.1%	(0.3)	\$1,545	\$2.07
2019	4,740	3.7%	0.2	\$1,505	\$2.01	3.4%	(0.8)	\$1,498	\$2
2018	4,510	3.5%	(0.1)	\$1,455	\$1.94	4.1%	(0.5)	\$1,447	\$1.93
2017	4,633	3.6%	0.1	\$1,397	\$1.86	4.6%	(0.5)	\$1,389	\$1.85
2016	4,478	3.5%	0.2	\$1,336	\$1.78	5.1%	(0.7)	\$1,329	\$1.77
2015	4,180	3.3%	(0.4)	\$1,271	\$1.69	5.8%	2.9	\$1,263	\$1.68
2014	4,705	3.7%	(0.1)	\$1,201	\$1.59	2.9%	0.3	\$1,194	\$1.58
2013	4,869	3.8%	(0.5)	\$1,167	\$1.54	2.6%	-	\$1,161	\$1.54

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
2029	-	-	-	-	-	-	\$516,578	348	4.3%
2028	-	-	-	-	-	-	\$488,488	329	4.4%
2027	-	-	-	-	-	-	\$462,243	311	4.5%
2026	-	-	-	-	-	-	\$434,916	293	4.5%
2025	-	-	-	-	-	-	\$407,889	275	4.6%
YTD	16	\$240.9M	0.2%	\$15,056,875	\$389,822	4.5%	\$394,531	266	4.7%
2024	250	\$3B	3.1%	\$12,399,426	\$398,822	4.6%	\$393,554	265	4.7%
2023	232	\$2.2B	2.2%	\$10,003,473	\$370,007	4.4%	\$386,690	260	4.6%
2022	343	\$3.9B	3.5%	\$11,272,800	\$398,316	3.5%	\$428,007	288	4.1%
2021	578	\$5.7B	7.0%	\$9,976,564	\$305,351	4.1%	\$439,971	296	3.8%
2020	305	\$2.3B	3.0%	\$7,743,202	\$289,906	4.4%	\$366,162	247	4.2%
2019	574	\$2.4B	4.2%	\$6,660,416	\$293,903	4.5%	\$334,624	225	4.4%
2018	504	\$2B	3.6%	\$6,081,518	\$265,141	4.4%	\$308,448	208	4.6%
2017	681	\$3B	5.4%	\$7,470,422	\$272,238	4.5%	\$290,361	196	4.6%
2016	507	\$2.5B	4.7%	\$6,157,913	\$232,480	4.8%	\$271,857	183	4.7%
2015	544	\$2.1B	5.4%	\$5,238,363	\$193,069	4.9%	\$258,617	174	4.8%
2014	455	\$1.6B	5.9%	\$4,332,719	\$163,687	5.2%	\$236,088	159	4.9%

(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. The price index is not smoothed.

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
2029	-	-	-	-	-	-	\$733,746	347	4.0%
2028	-	-	-	-	-	-	\$694,458	328	4.1%
2027	-	-	-	-	-	-	\$657,538	311	4.2%
2026	-	-	-	-	-	-	\$618,926	293	4.3%
2025	-	-	-	-	-	-	\$580,807	275	4.4%
YTD	-	-	-	-	-	-	\$561,873	266	4.4%
2024	15	\$1.7B	5.7%	\$114,821,570	\$477,627	4.6%	\$560,297	265	4.4%
2023	9	\$623.3M	2.0%	\$69,258,944	\$536,429	4.1%	\$547,480	259	4.4%
2022	17	\$1.4B	5.2%	\$81,214,606	\$479,059	3.6%	\$607,413	287	3.8%
2021	12	\$1.2B	4.8%	\$98,793,708	\$475,351	4.1%	\$628,115	297	3.5%
2020	10	\$737.7M	3.5%	\$81,965,278	\$444,390	4.0%	\$525,828	249	3.9%
2019	10	\$726.9M	4.0%	\$80,770,010	\$397,664	5.0%	\$482,823	228	4.1%
2018	8	\$641.2M	4.5%	\$91,603,714	\$393,390	4.0%	\$445,764	211	4.3%
2017	15	\$1.4B	8.6%	\$91,283,624	\$416,567	4.3%	\$421,089	199	4.3%
2016	10	\$592M	4.9%	\$59,204,850	\$340,453	4.6%	\$396,082	187	4.4%
2015	9	\$421.2M	3.9%	\$46,794,444	\$322,720	4.7%	\$378,927	179	4.4%
2014	4	\$167.5M	4.0%	\$55,833,333	\$221,268	-	\$346,523	164	4.6%

(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. The price index is not smoothed.

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
2029	-	-	-	-	-	-	\$477,816	349	4.3%
2028	-	-	-	-	-	-	\$451,795	330	4.4%
2027	-	-	-	-	-	-	\$427,520	313	4.5%
2026	-	-	-	-	-	-	\$402,266	294	4.6%
2025	-	-	-	-	-	-	\$377,260	276	4.7%
YTD	4	\$206M	0.6%	\$51,500,000	\$405,512	4.6%	\$364,775	267	4.7%
2024	33	\$461M	2.6%	\$15,368,046	\$359,627	4.9%	\$366,095	268	4.7%
2023	47	\$971.6M	3.0%	\$21,590,489	\$355,627	4.3%	\$360,013	263	4.7%
2022	57	\$1.1B	3.1%	\$20,160,518	\$404,946	3.9%	\$400,531	293	4.1%
2021	102	\$2.3B	8.4%	\$22,595,261	\$303,692	3.9%	\$410,304	300	3.8%
2020	51	\$781.1M	3.2%	\$15,622,300	\$278,373	4.3%	\$341,227	250	4.2%
2019	66	\$611.6M	2.7%	\$11,539,319	\$306,098	4.4%	\$311,753	228	4.5%
2018	57	\$640.9M	3.0%	\$12,817,683	\$249,663	4.5%	\$284,672	208	4.6%
2017	99	\$742.6M	4.2%	\$10,762,647	\$219,776	4.8%	\$266,821	195	4.7%
2016	81	\$1.2B	5.8%	\$16,682,005	\$235,526	4.7%	\$249,276	182	4.8%
2015	99	\$953M	7.3%	\$12,063,764	\$188,608	4.9%	\$237,622	174	4.8%
2014	87	\$844.5M	9.3%	\$11,893,831	\$175,200	5.2%	\$216,143	158	5.0%

(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. The price index is not smoothed.

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
2029	-	-	-	-	-	-	\$424,568	348	4.4%
2028	-	-	-	-	-	-	\$401,169	328	4.5%
2027	-	-	-	-	-	-	\$379,401	311	4.6%
2026	-	-	-	-	-	-	\$356,813	292	4.7%
2025	-	-	-	-	-	-	\$334,457	274	4.8%
YTD	12	\$34.9M	0.1%	\$2,909,167	\$317,364	4.5%	\$323,431	265	4.8%
2024	202	\$842.1M	2.1%	\$4,231,633	\$312,118	4.6%	\$321,128	263	4.8%
2023	176	\$635.9M	1.8%	\$3,762,556	\$297,832	4.4%	\$316,993	259	4.8%
2022	269	\$1.3B	3.1%	\$5,002,455	\$335,660	3.4%	\$348,588	285	4.2%
2021	464	\$2.2B	6.9%	\$4,861,536	\$257,906	4.1%	\$357,300	292	3.9%
2020	244	\$786.8M	2.8%	\$3,299,881	\$225,644	4.5%	\$295,830	242	4.3%
2019	498	\$1B	5.4%	\$3,501,480	\$243,170	4.5%	\$269,146	220	4.6%
2018	439	\$743M	3.7%	\$2,692,157	\$215,936	4.3%	\$249,643	204	4.7%
2017	567	\$853.9M	5.2%	\$2,728,052	\$201,958	4.4%	\$235,030	192	4.8%
2016	416	\$789.6M	3.9%	\$2,364,034	\$184,958	4.8%	\$219,433	180	4.9%
2015	436	\$768.3M	4.5%	\$2,393,467	\$162,123	4.9%	\$207,213	170	4.9%
2014	364	\$621.5M	3.9%	\$2,051,066	\$141,180	5.2%	\$189,388	155	5.1%

(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. The price index is not smoothed.

DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2029	-	294,859	4.7%	-	2,667	-	2,552	-	-
2028	-	292,307	4.8%	-	1,512	-	1,396	-	-
2027	-	290,911	5.0%	-	1,692	-	1,576	-	-
2026	-	289,335	5.2%	-	2,836	-	2,733	-	-
2025	-	286,602	5.2%	-	3,873	-	3,820	-	-
YTD	10,998	283,326	5.3%	2	544	2	544	43	7,767
2024	10,996	282,782	5.3%	53	4,787	50	4,577	45	8,311
2023	10,946	278,205	5.2%	46	3,979	43	3,902	79	9,199
2022	10,903	274,303	4.0%	41	4,116	34	4,023	77	7,947
2021	10,869	270,280	2.7%	39	4,945	35	4,866	67	7,946
2020	10,834	265,414	4.1%	33	2,293	26	2,215	67	8,886
2019	10,808	263,199	5.3%	42	4,397	39	4,377	57	6,385
2018	10,769	258,822	5.1%	36	4,828	34	4,814	67	7,275
2017	10,735	254,008	4.7%	27	3,263	17	3,179	57	8,184
2016	10,718	250,829	4.4%	20	1,816	20	1,816	52	7,814
2015	10,698	249,013	4.5%	19	3,718	15	3,654	30	4,912
2014	10,683	245,359	4.9%	17	3,931	14	3,892	25	5,158
2013	10,669	241,467	4.3%	10	1,515	0	1,254	25	5,876