



Multi-Family Market Report

Napa - CA

PREPARED BY

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MULTI-FAMILY MARKET REPORT

Market Key Statistics	1
Vacancy	2
Rent	5
Construction	8
Under Construction Properties	9
Sales	10
Sales Past 12 Months	12
Economy	14
Market Submarkets	19
Supply & Demand Trends	21
Vacancy & Rent	23
Sale Trends	25
Deliveries & Under Construction	27

12 Mo. Delivered Units

0

12 Mo. Absorption Units

301

Vacancy Rate

1.9%

12 Mo. Asking Rent Growth

9.6%

After a year of relative outperformance in 2020, market conditions in Napa are likely to remain tight moving forward. The world-renowned tourism and winemaker-based economy saw strong growth before the pandemic, which drove up local demand, job gains, and home prices. More Bay Area renters turned to Napa as a viable option for housing during the pandemic, and those trends are holding in 2021.

The region is still recovering from several bouts of wildfires in recent years, which have destroyed thousands of structures. The wildfires likely contributed to net population outflows in past years but have also created another source of apartment demand for displaced residents.

The effects of the coronavirus pandemic dealt another economic shock to Napa. Retail and hospitality sectors have been particularly hard hit by the impact of the virus, impacting Napa's tourism-centered economy to a higher degree. But despite this disruption, any negative impact on housing demand has been offset by inflows of cost-sensitive residents from core Bay Area markets seeking affordability and perhaps a lifestyle change in North Bay

markets.

Limited construction activity has been a plus for apartment landlords in the past and will be moving forward. This dynamic has kept a lid on vacancies and stabilized rents despite shocks to the local economy in recent years.

Annual rent growth remained positive in 2020 and ended the year around 2%, significantly outperforming the central Bay Area metros which experienced rent losses during the pandemic. Moreover, rent growth momentum has accelerated in 2021, as a sustained increase in apartment demand is driving down the vacancy rates and giving landlords the ability to push asking rents.

Napa is not a particularly liquid market given the limited inventory and even smaller pool of institutional-grade assets. However, the pandemic did not deter investment in 2020, a year that posted the third-highest sales volume in the past decade. Activity has been more subdued in 2021, with primarily smaller sized deals taking place.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	1,282	1.1%	\$2,869	\$2,861	34	0	99
3 Star	1,541	0.8%	\$2,447	\$2,441	13	0	0
1 & 2 Star	2,714	2.9%	\$1,587	\$1,579	9	0	0
Market	5,537	1.9%	\$2,254	\$2,247	56	0	99

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-5.4%	5.0%	1.8%	11.0%	2019 Q3	1.9%	2021 Q3
Absorption Units	301	72	113	344	2021 Q2	(70)	2009 Q2
Delivered Units	0	80	82	444	2020 Q2	0	2021 Q2
Demolished Units	0	2	2	40	2011 Q3	0	2021 Q2
Asking Rent Growth (YOY)	9.6%	3.1%	5.3%	9.4%	2015 Q3	-4.0%	2009 Q4
Effective Rent Growth (YOY)	10.5%	3.1%	4.4%	10.2%	2021 Q2	-3.9%	2009 Q4
Sales Volume	\$86M	\$42.4M	N/A	\$160.2M	2015 Q3	\$999K	2010 Q1

The vacancy rate in Napa currently measures 1.9%, back below the 10-year historical average after new supply deliveries caused a spike in the vacancy rate in 2019. The 159-unit Village at Vintage Ranch and the 282-unit The Braydon were two projects contributing to this trend, although leasing activity has been healthy.

Demand growth was robust in 2020 as the pandemic caused renters from core Bay Area markets to seek out more affordability and a lifestyle change during the pandemic lockdowns. The positive demand flow into Napa apartments has continued in 2021, with remote working trends likely helping to keep demand above pre-pandemic levels in the market.

Historically, one of the main reasons for Napa's healthy apartment market and a strong economy has been the over 20 straight years of sales growth in the U.S. wine industry. Employment growth has typically outperformed the U.S. benchmark since 2011, as well. This employment growth is driven not only by wine production but also by the tourism that the wine industry attracts.

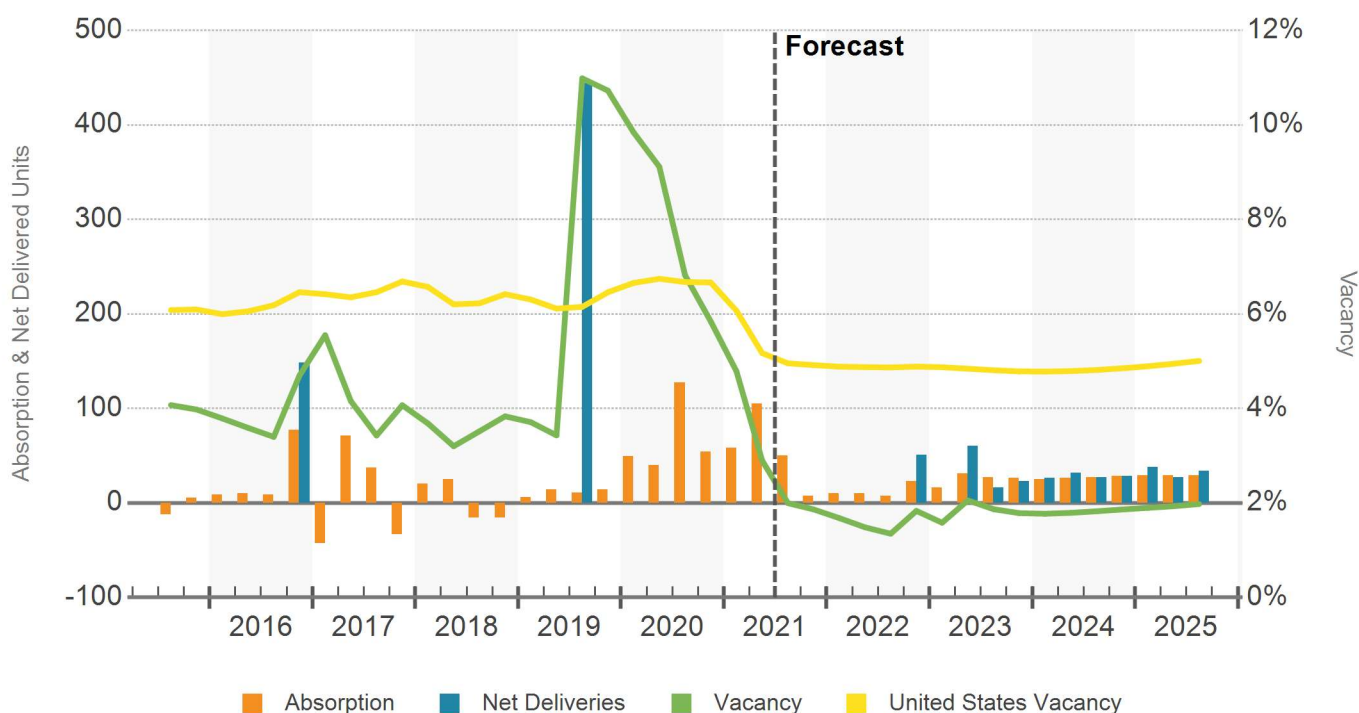
The leisure and hospitality sector had grown at more than twice the national rate over the past decade. Unfortunately, the recent strength of Napa's economic and job growth left it particularly exposed to the negative effects of the coronavirus pandemic. Shelter-in-place

orders and social distancing measures caused significant job losses in some of Napa's largest employment sectors. Those effects were acutely felt in tourism and retail-centered businesses, but as the economy is reopening, leisure and hospitality employment is bouncing back in 2021.

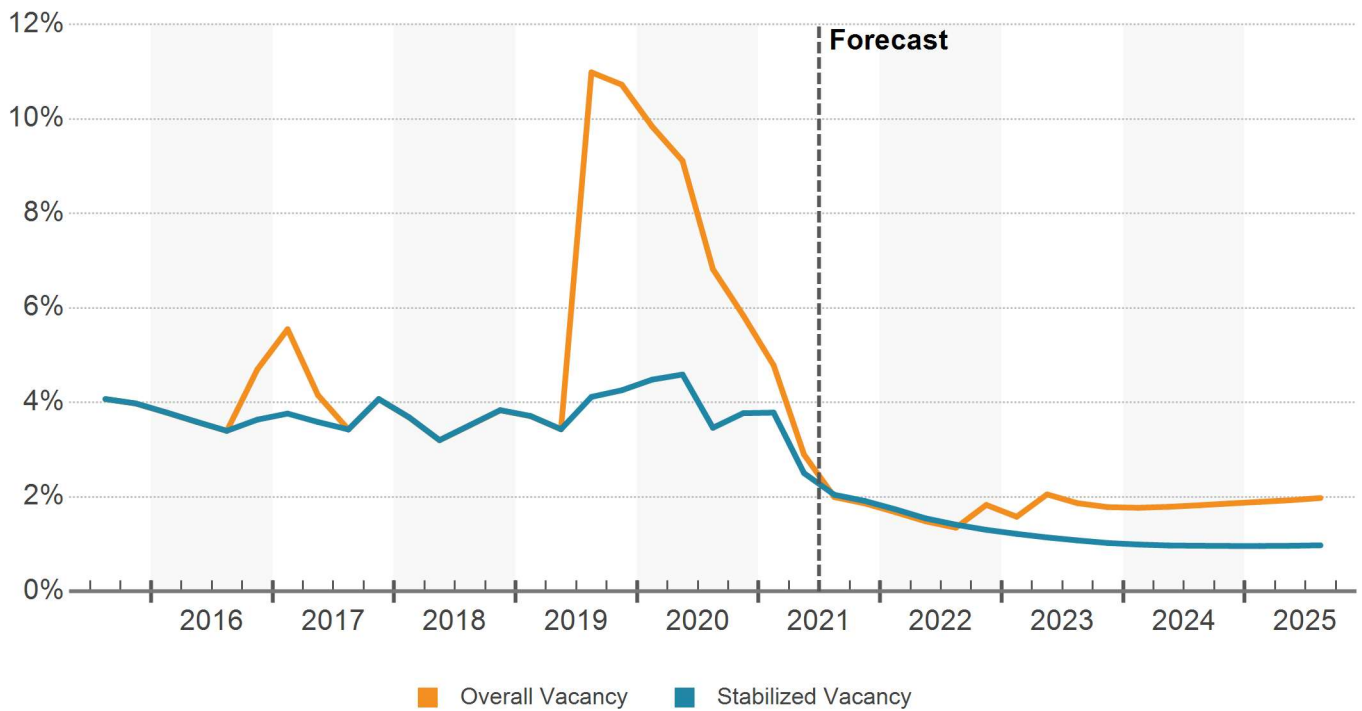
Positive demand dynamics outweighed any adverse effect due to the economic downturn over the past year. Apartment demand has continued at a healthy pace despite job losses, as more cost-sensitive tenants from core Bay Area markets looked to Napa for affordability. Also, in conjunction with a trend playing out nationally, employees in remote working situations have been able to look further afield to meet housing needs. Across the country, flight from urban areas towards suburban and secondary markets has increased demand in those areas, with Napa seemingly benefiting from this trend.

A lack of significant new supply has also helped balance Napa's fundamentals. Napa has one of the smallest populations of California metros tracked by CoStar. The lack of undeveloped land (besides vineyards) within city limits combined with a strong NIMBY contingent leaves slim opportunities for apartment developments. Due to these factors, Napa rarely has drastic changes in supply even though it has respectable demand drivers.

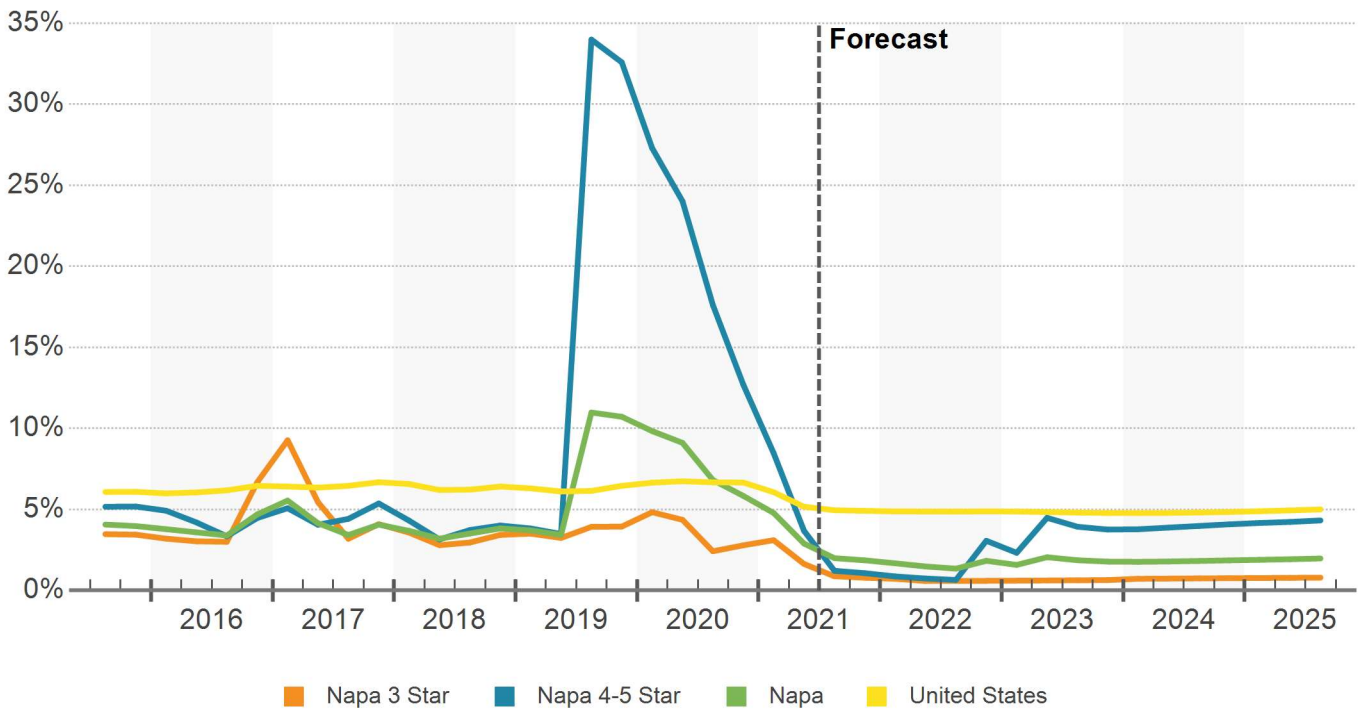
ABSORPTION, NET DELIVERIES & VACANCY



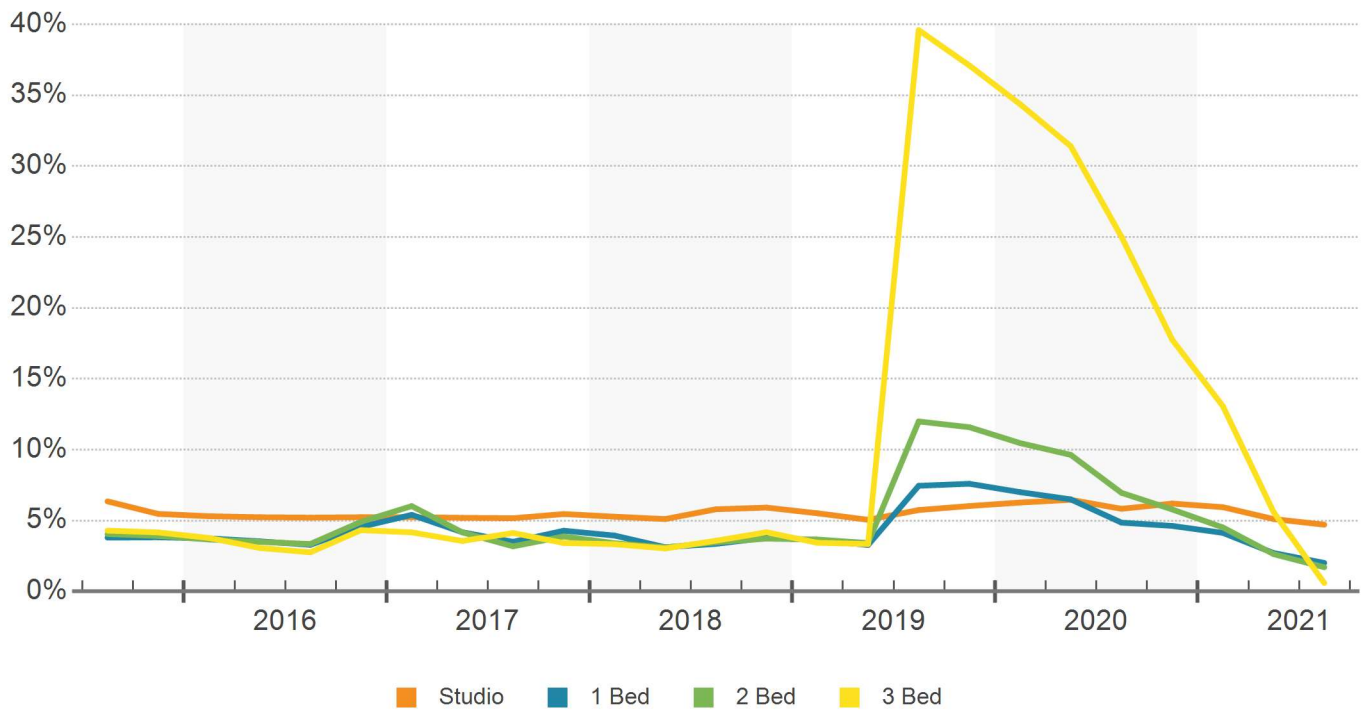
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



Rent growth is surging in Napa during 2021, currently measuring 9.6%, as positive demand trends and a low vacancy rate are allowing landlords the ability to push rental rates. Rent growth moderated in Napa in 2020 but remained positive while more expensive Bay Area markets saw sharp rent losses. Napa has been a beneficiary of the exodus from costly urban areas even as its local economy struggles to find its footing following the pandemic-induced downturn.

Asking rents in Napa held up better during the pandemic compared to the larger Bay Area metros to the south. A

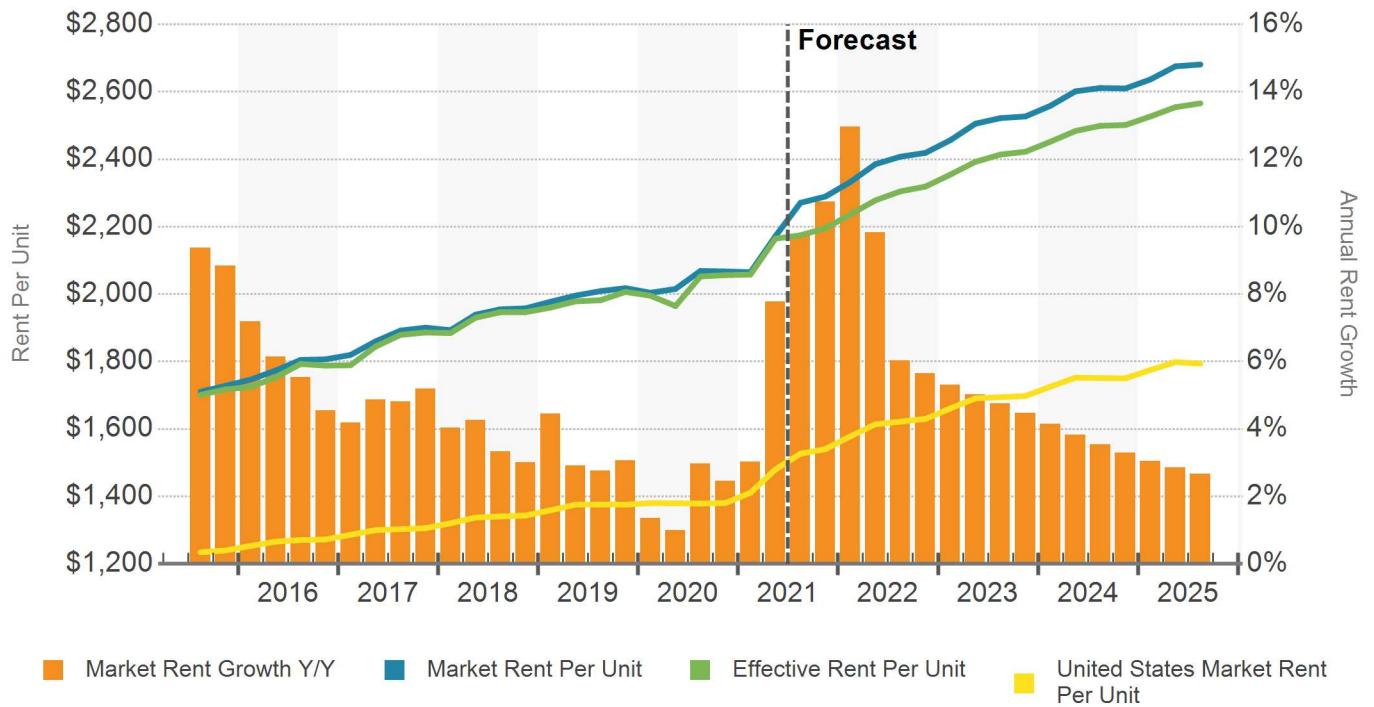
trend playing out across the country has seen a flight from expensive urban apartment communities towards suburban and secondary markets. This dynamic appears to be playing out in the Bay Area and has benefited more affordable markets in the North Bay.

Napa rents come at a considerable discount relative to those in San Francisco, San Jose, and East Bay, and as remote working becomes more common, renters have targeted Napa as an affordable alternative with an attractive quality of life.

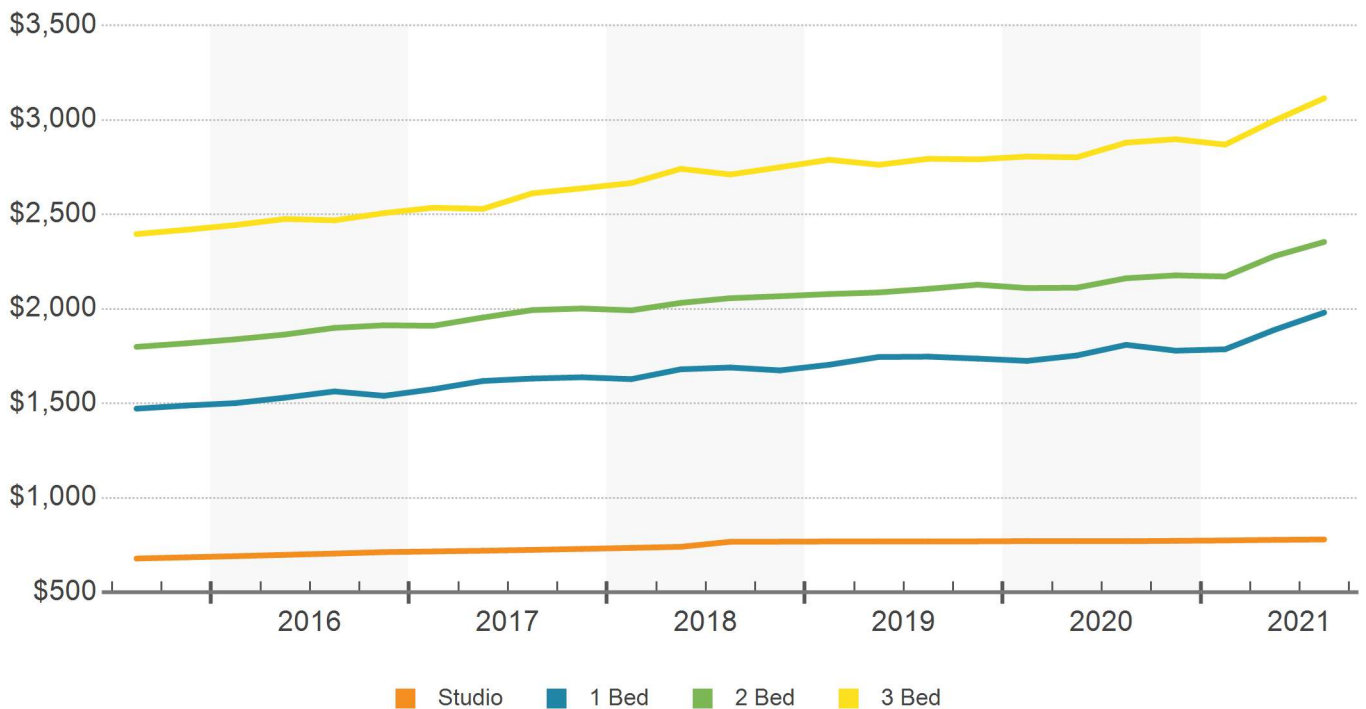
DAILY ASKING RENT PER SF



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	
Napa	\$1.15	\$1.58	\$0.82	\$0.58	\$1.07	\$1.82	\$0.46	\$1.84	\$0.17	\$0.74	\$1.01	\$11.24
American Canyon	\$1.15	\$1.58	\$0.82	\$0.58	\$1.07	\$1.82	\$0.46	\$1.84	\$0.17	\$0.74	\$1.01	\$11.24
Napa	\$1.15	\$1.58	\$0.82	\$0.58	\$1.07	\$1.82	\$0.46	\$1.84	\$0.17	\$0.74	\$1.01	\$11.24

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	
Napa	\$1.03	\$1.29	\$0.78	\$0.55	\$0.98	\$1.33	\$0.35	\$1.44	\$0.11	\$0.54	\$0.94	\$9.34
Napa	\$1.03	\$1.29	\$0.78	\$0.55	\$0.98	\$1.33	\$0.35	\$1.44	\$0.11	\$0.54	\$0.94	\$9.34

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)

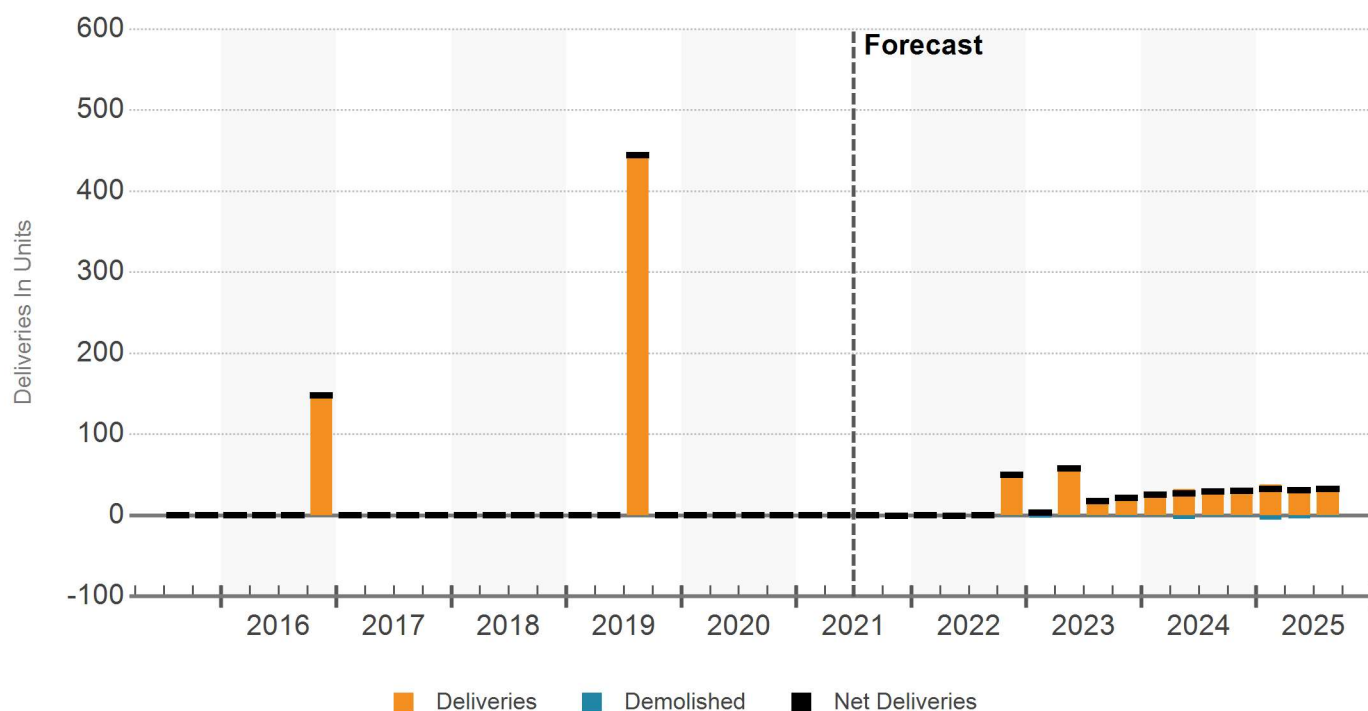
Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
Napa	\$0.76	\$0.87	\$0.73	\$0.52	\$0.94	\$1.28	\$0.31	\$1.03	\$0.10	\$0.41	\$0.67	\$7.62
American Canyon	\$0.76	\$0.86	\$0.73	\$0.52	\$0.94	\$1.28	\$0.31	\$1.03	\$0.10	\$0.41	\$0.67	\$7.61
Napa	\$0.76	\$0.87	\$0.73	\$0.52	\$0.94	\$1.28	\$0.31	\$1.03	\$0.10	\$0.41	\$0.67	\$7.62
Outlying Napa County	\$0.76	\$0.86	\$0.73	\$0.52	\$0.94	\$1.28	\$0.31	\$1.03	\$0.10	\$0.41	\$0.67	\$7.61

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

The unique local limitations on development have typically restricted the amount of new supply in Napa. However, several new projects were recently completed, representing the first supply increases to the metro since 2016. The Braydon Apartments, a project fifteen years in the making, consists of a proposed community of 500 units near downtown Napa. Fairfield Residential broke ground on The Braydon in early 2018, with 282 units in the first phase of the development delivering in 19Q3. The 148 unit Village at Vintage Ranch in American Canyon was completed in 19Q3 as well.

The current construction pipeline is likely to remain minimal, and just a few apartment projects are currently proposed throughout the metro. One major project, Watson Ranch, has been proposed in American Canyon, which could substantially expand multifamily inventory in the market. The developers plan to transform the site's historic cement work ruins into a commercial and retail center. The project will also include a hotel, a new elementary school, and residential communities containing 1,250 housing units. Watson Ranch would grow the city extensively if it develops in phases over 8-10 years.

DELIVERIES & DEMOLITIONS



Under Construction Properties

Napa Multi-Family

Properties

Units

Percent of Inventory

Avg. No. Units

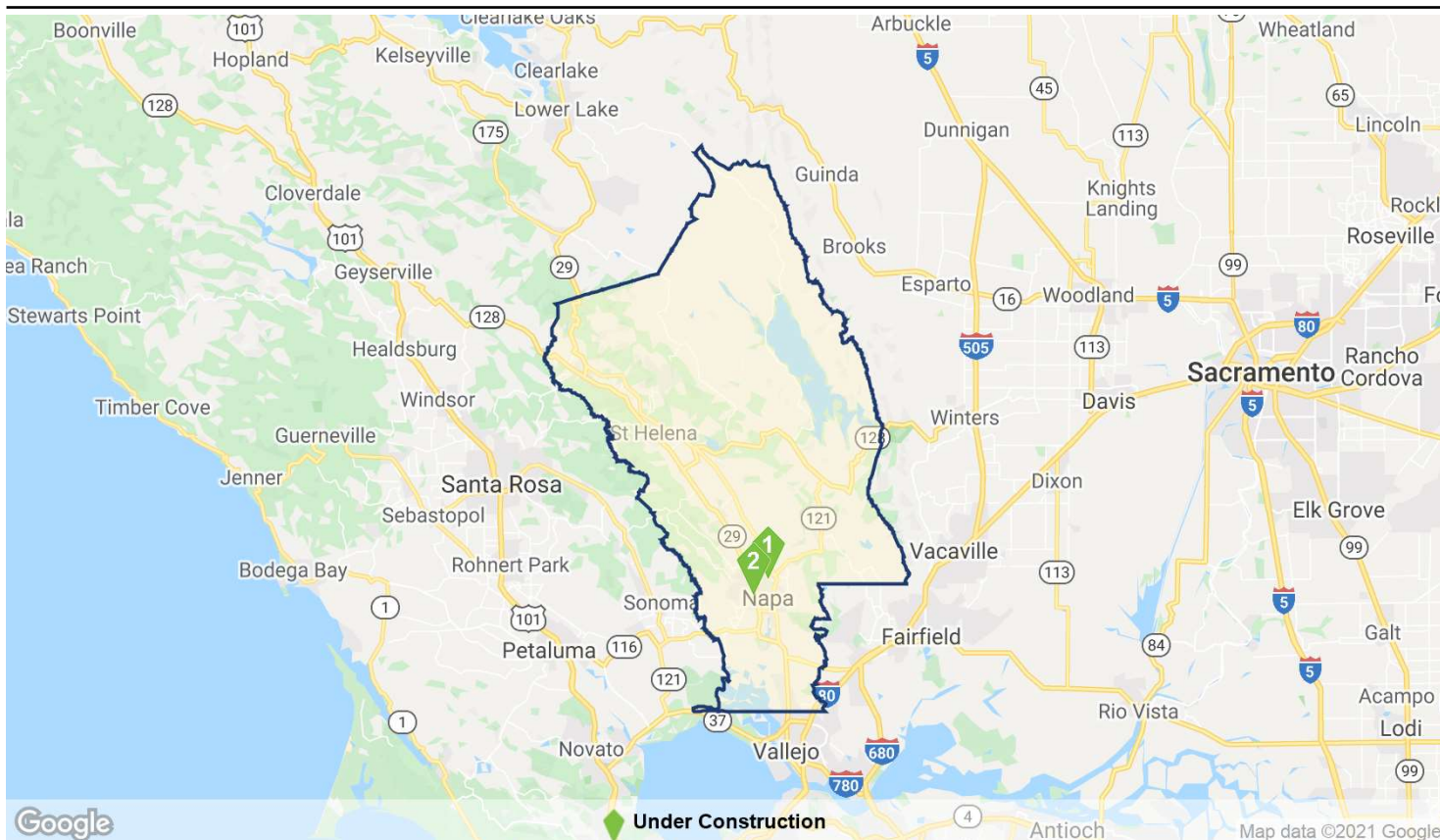
2

99

1.8%

50

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1	Manzanita Family Apart... 2951 Soscol Ave	★★★★★	51	3	Oct 2020	Nov 2021	Satellite Affordable Housing Asso... Satellite Affordable Housing Asso...
2	Napa Creek Village 2614 1st St	★★★★★	48	3	Jan 2020	Dec 2021	OSM Management Company, LLC OSM Management Company, LLC

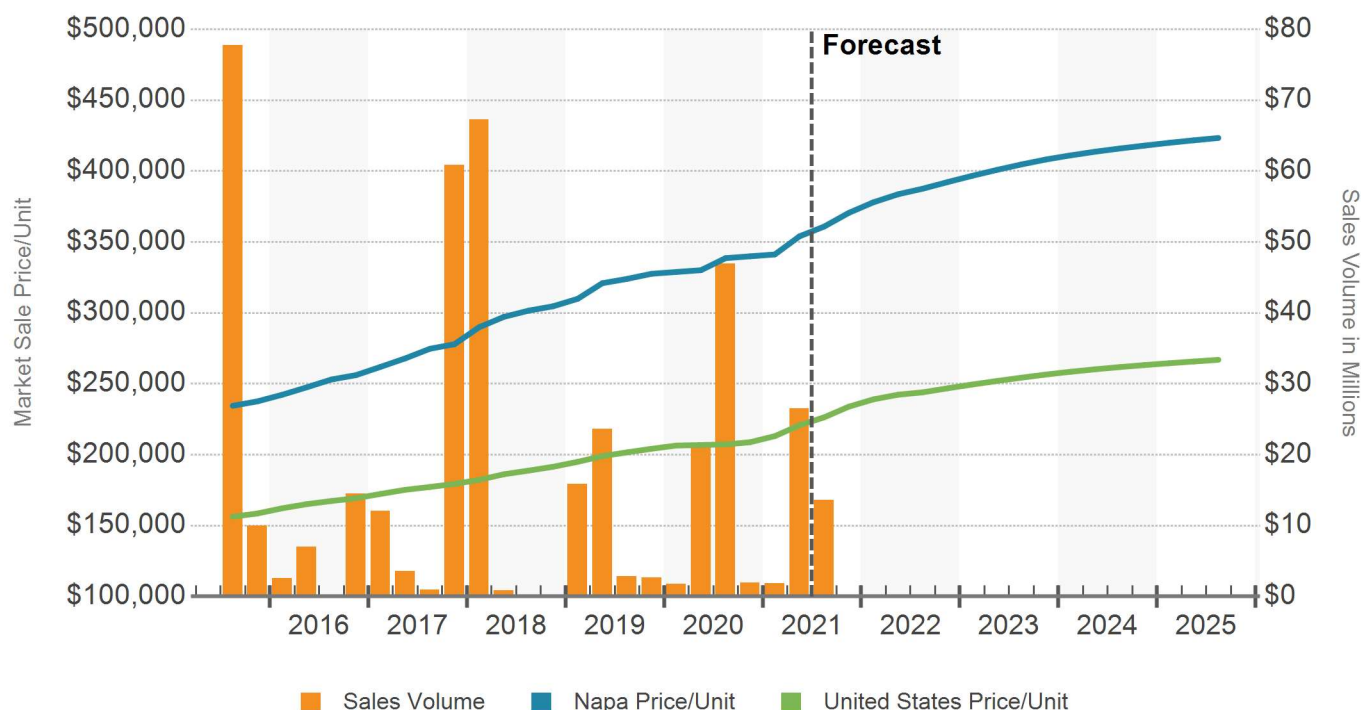
The national run-up in apartment pricing during the 2010s was even more pronounced in Napa. The median price per unit here currently measures \$360,000, a record high for the metro and above the median in neighboring metros Santa Rosa and Vallejo-Fairfield. With institutional investors largely absent due to the smaller market size, Napa typically does not generate a large amount of investment activity, with the ten-year average volume around \$50 million annually.

Napa's fundamentals have held up well, and the average price per unit appreciated faster than the national

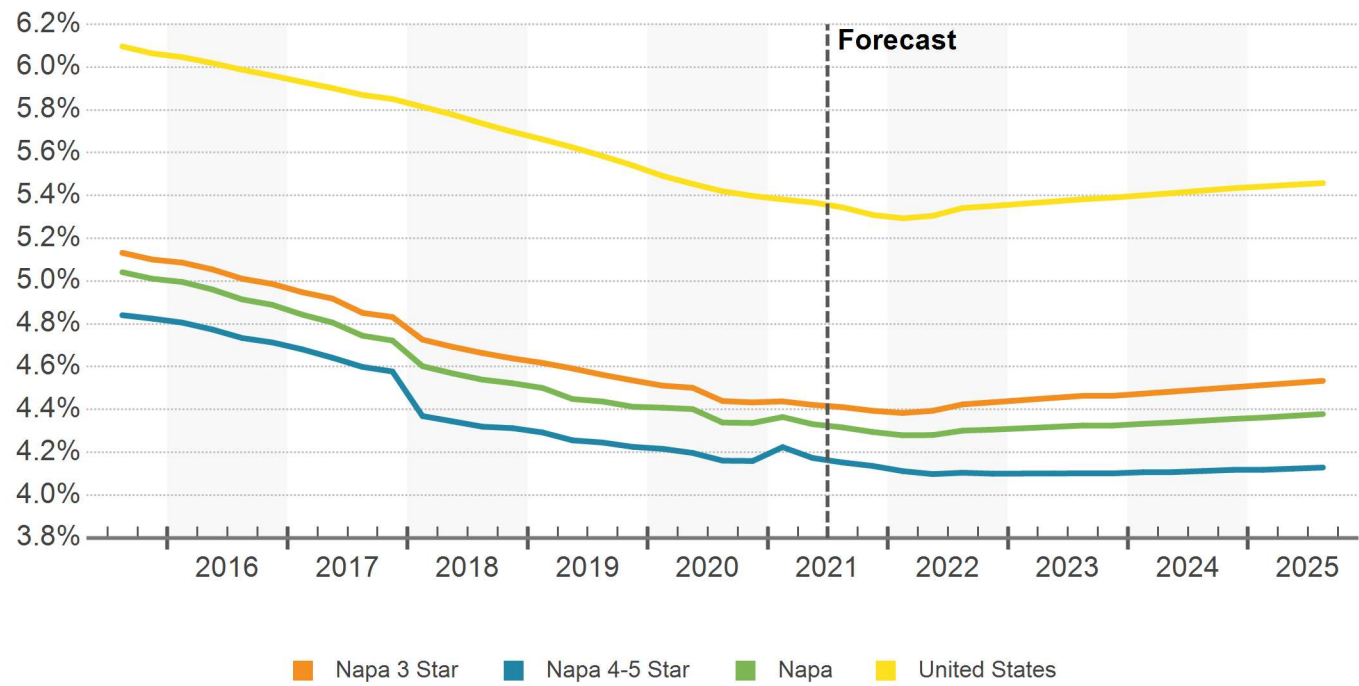
average. Deal volume remained strong in 2020, bucking a trend in other Bay Area markets where transaction activity pulled back during a trying year. Through the first half of 2021, deal flow has slowed and been isolated primarily in smaller-sized transactions.

One notable trade in 2020 was the sale of the Napa Green Apartments purchased in September by Interstate Equities Corporation. The 166-unit, garden-style apartment complex was purchased for \$39.5 million, or around \$238,000/unit, and sold at a 4.7% cap rate. The property was near full occupancy at the time of sale.

SALES VOLUME & MARKET SALE PRICE PER UNIT



MARKET CAP RATE



Sales Past 12 Months

Napa Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

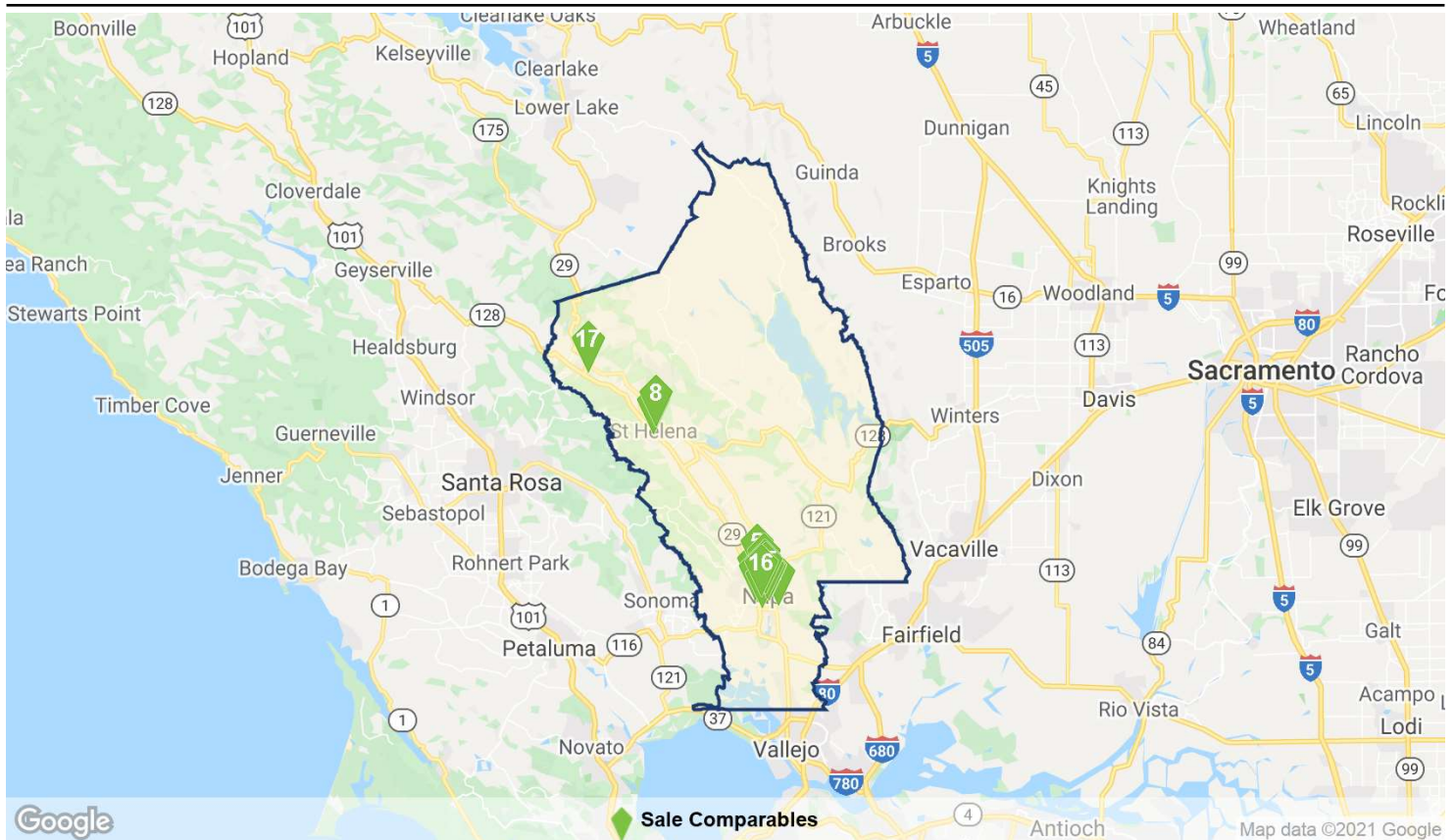
17

\$239

\$5.1

4.2%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$775,000	\$5,058,882	\$1,950,000	\$39,500,000
Price/Unit	\$155,000	\$238,891	\$254,166	\$340,000
Cap Rate	2.5%	4.6%	4.5%	6.8%
Vacancy Rate At Sale	0%	4.2%	0%	100%
Time Since Sale in Months	0.5	5.3	4.6	11.6
Property Attributes	Low	Average	Median	High
Property Size in Units	5	21	8	166
Number of Floors	1	1	2	3
Average Unit SF	304	775	772	1,675
Year Built	1898	1959	1963	2021
Star Rating	★★★★★	★★★★★ 2.2	★★★★★	★★★★★

Sales Past 12 Months

Napa 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	Napa Green Apartments 2052-2053 Wilkins Ave	★★★★★	1980	166	3.6%	9/22/2020	\$39,500,000	\$237,951	\$358
2	Napa Creek Village 2614 1st St	★★★★★	2021	48	100%	4/20/2021	\$12,200,000	\$254,166	\$264
3	2440 Old Sonoma Rd	★★★★★	1963	41	2.4%	8/25/2021	\$7,150,000	\$174,390	\$280
4	153 Freeway Dr	★★★★★	1960	18	0%	5/6/2021	\$4,150,000	\$230,555	\$277
5	3400 Baxter Ave	★★★★★	1964	13	0%	8/6/2021	\$4,000,000	\$307,692	\$368
6	1637 Spring St	★★★★★	1961	8	0%	4/20/2021	\$2,300,000	\$287,500	\$359
7	2729 Pine St	★★★★★	1950	8	0%	5/25/2021	\$2,080,000	\$260,000	\$293
8	1366 Monte Vista Ave	★★★★★	1973	6	0%	4/14/2021	\$2,040,000	\$340,000	\$386
9	Adrian Court 2301 Adrian St	★★★★★	1971	8	0%	12/15/2020	\$1,950,000	\$243,750	\$328
10	1153 Eggleston St	★★★★★	1935	8	0%	2/7/2021	\$1,800,000	\$225,000	\$511
11	306 S Minahen St	★★★★★	1976	6	0%	8/6/2021	\$1,650,000	\$275,000	\$333
12	1002-1018 Laurel St	★★★★★	1995	5	0%	4/23/2021	\$1,576,000	\$315,200	\$387
13	332 Brown St	★★★★★	1964	5	0%	9/24/2020	\$1,401,000	\$280,200	\$311
14	1333 Oak St	★★★★★	1950	5	0%	9/21/2020	\$1,299,000	\$259,800	\$323
15	1362 Calistoga Ave	★★★★★	1930	5	0%	4/30/2021	\$1,130,000	\$226,000	\$377
16	2123 2nd St	★★★★★	1898	5	0%	4/28/2021	\$1,000,000	\$200,000	\$327
17	1402 Earl St	★★★★★	1920	5	60.0%	8/11/2021	\$775,000	\$155,000	\$511

Napa's economy is heavily influenced by the wine industry and tourism the famed wine-growing region generates. The region contains approximately 700 grape growers and over 400 physical wineries in the Napa Valley. Wine provides an estimated \$9.4 billion impact on the local economy. Nearly two-thirds of total employment in Napa is related to the wine industry or ancillary business, and many businesses were impacted by restrictions on restaurants and wineries during the pandemic. Overall, employment levels are still down by nearly 10% since the pandemic hit, underperforming the national average, which has seen a stronger recovery.

The wine sector has experienced over 20 consecutive years of domestic sales growth, which has helped fuel economic and employment growth in the region over the long term. However, growth rates have been slowing, and while total dollar sales continue to climb, the volume of wine sold has declined since 2018, according to a State of the Wine Industry Report by Silicon Valley Bank. Further, oversupply across the supply chain is expected to lead to continued declines in prices for wine grapes in the near term.

Some of the biggest opportunities and challenges for the wine industry over the next decade will be demographic-based. Baby boomers are the largest consumers of wine by age cohort and are expected to age out of prime consuming years. Millennials present the largest opportunity but, as of yet, have not adopted wine purchasing to a level many had anticipated. Heavier debt and a less optimistic employment outlook may have delayed millennials wine adoption trends. However, solid growth should still be expected as the large age cohort matures and hits its primary wine-purchasing years.

Outside of winery performance, travel and tourism were thriving before the pandemic hit. According to the Economic Impact Report by the Napa Valley Visitor Industry, it's estimated that over 3.8 million people visited Napa in 2018, the most recent year data is available, with over 1.2 million staying in Napa Valley hotels or motels. And estimated spending by visitors topped \$2.2 billion, with the total number of jobs supported by the visitor industry reaching over 15,000.

The vast impact the wine and travel, and tourism

industries have on the Napa economy, and the employment market leave, the metro particularly exposed to the adverse effects of the coronavirus pandemic. The economic downturn and job losses caused by the pandemic are affecting retail and leisure and hospitality employment most acutely. Over 25% of Napa's total employment is concentrated in the retail trade and leisure and hospitality sectors. Restriction aimed at curbing the virus' spread in 2020 created a significant challenge for Napa. The outlook for employment and economic growth remains uncertain, relying significantly on when the public health outlook will improve and regular consumer spending and travel patterns return.

Before the current economic downturn, employment sectors like education and health services, government, and professional and business services were also performing well. Examples include Adventist Health St. Helena and Kaiser Permanente, which are both among the largest employers in the county.

Construction activity had also increased in Napa over the past decade as housing affordability continues to be a major issue in the Bay Area. Napa's relative affordability, access to Bay Area job centers, and available land (primarily in American Canyon) led to increased activity. Demand for industrial space has also increased significantly in recent years, with the development of new industrial projects attempting to keep up with the increasing space needs.

Population growth had turned negative in Napa after wildfires caused significant damage to wide portions of the county. Wildfires continue to be a concern for the Napa Valley economy, as a string of wildfires affected the county again in 2020. But a return to positive population growth could help propel additional economic activity.

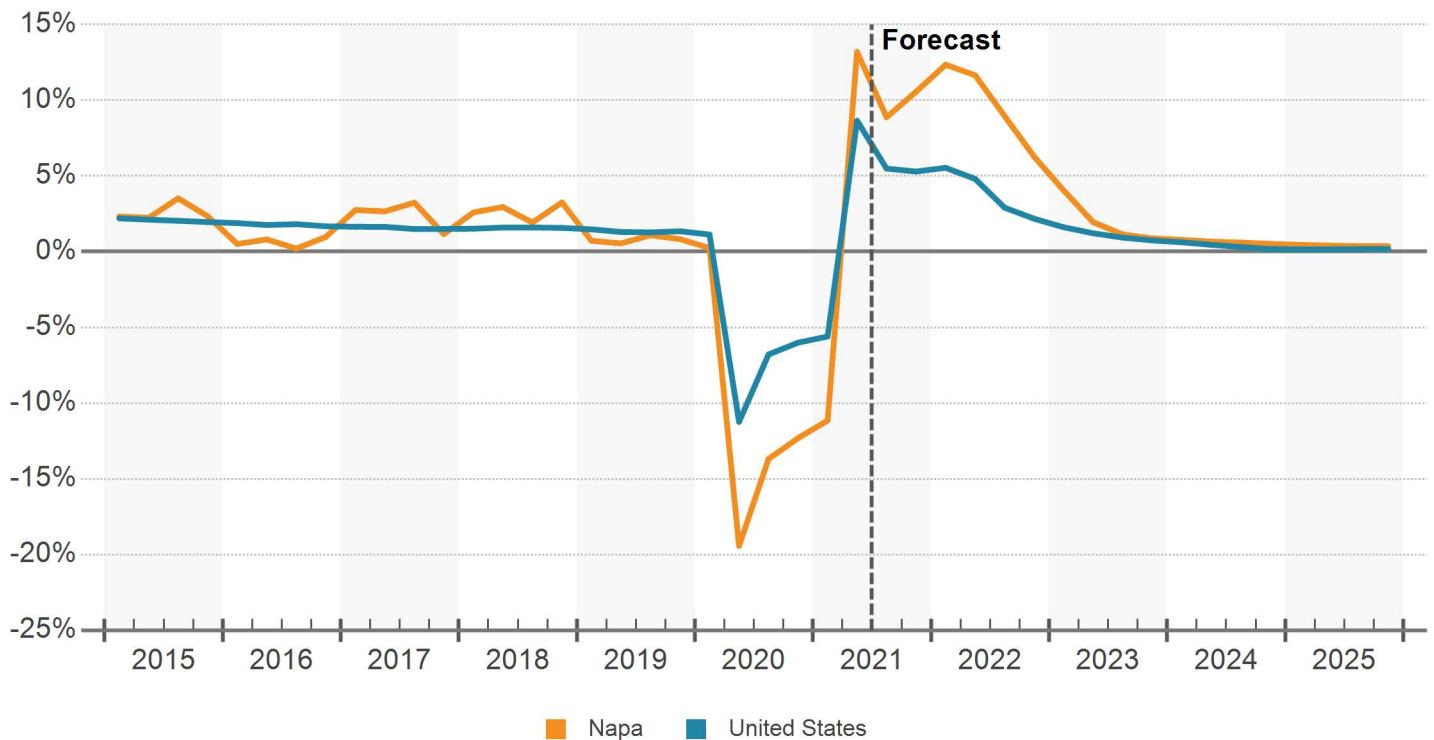
Looking forward, employment growth and economic success in the primary employment centers in San Jose, the East Bay, and San Francisco will have a positive spillover effect on Napa. The Bay Area is expected to fare better than most areas of the country in terms of an economic recovery from the pandemic. Growth led by the technology industry has driven much of the success during the recent economic expansion period.

NAPA 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	13	2.2	2.38%	5.01%	1.74%	0.70%	2.39%	-0.03%
Trade, Transportation and Utilities	10	0.8	7.40%	5.38%	1.59%	0.98%	1.15%	0.33%
Retail Trade	7	0.9	7.62%	4.98%	1.81%	0.47%	-0.28%	0.28%
Financial Activities	2	0.5	0.18%	2.48%	-0.71%	1.44%	0.40%	0.56%
Government	9	0.9	0.88%	-0.06%	-0.52%	-0.13%	1.82%	0.84%
Natural Resources, Mining and Construction	5	1.2	18.83%	6.08%	6.55%	2.62%	2.13%	0.67%
Education and Health Services	10	0.9	5.06%	6.02%	1.18%	1.77%	0.72%	1.30%
Professional and Business Services	7	0.7	10.42%	7.29%	2.82%	1.99%	1.47%	1.19%
Information	0	0.2	11.63%	6.66%	-9.83%	0.47%	3.19%	1.81%
Leisure and Hospitality	11	1.6	34.57%	19.31%	1.19%	1.10%	5.99%	2.78%
Other Services	2	0.7	14.71%	7.47%	-0.10%	0.54%	2.70%	0.82%
Total Employment	70	1.0	9.68%	6.09%	1.34%	1.14%	2.38%	0.99%

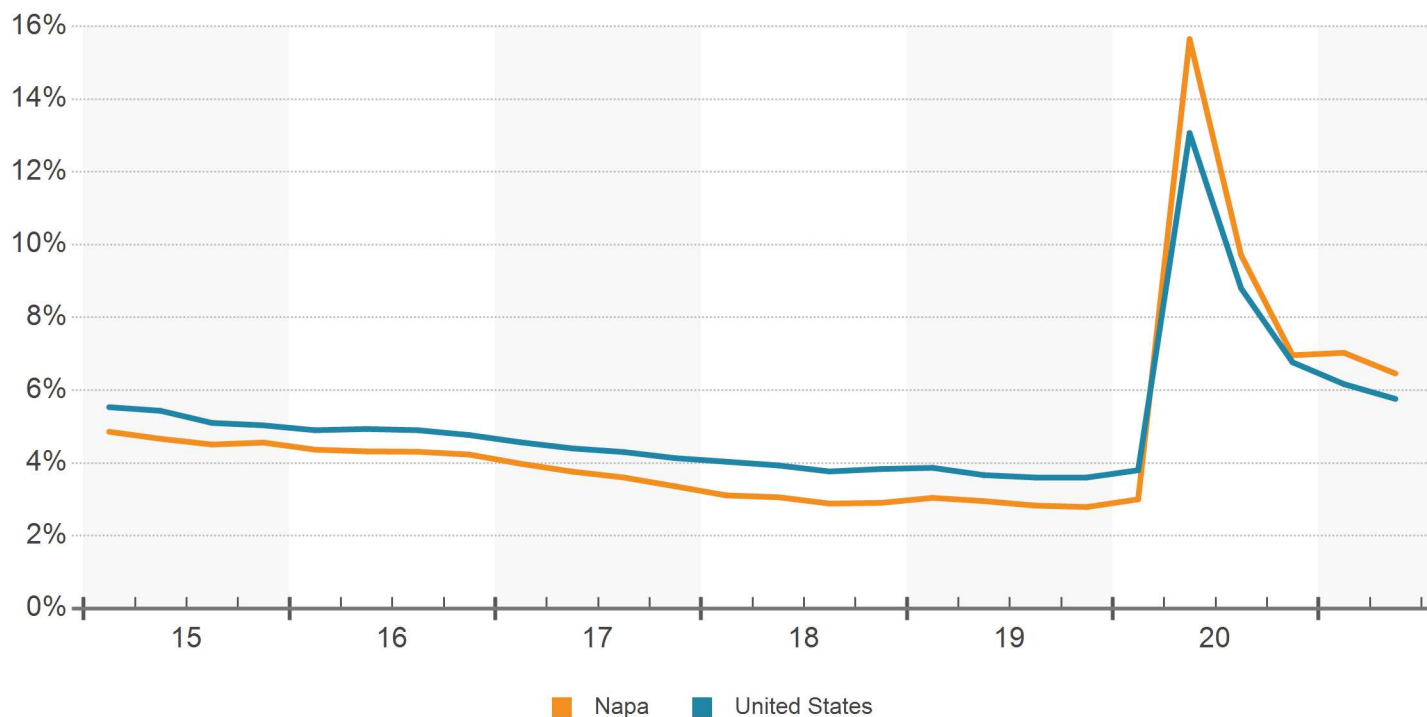
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

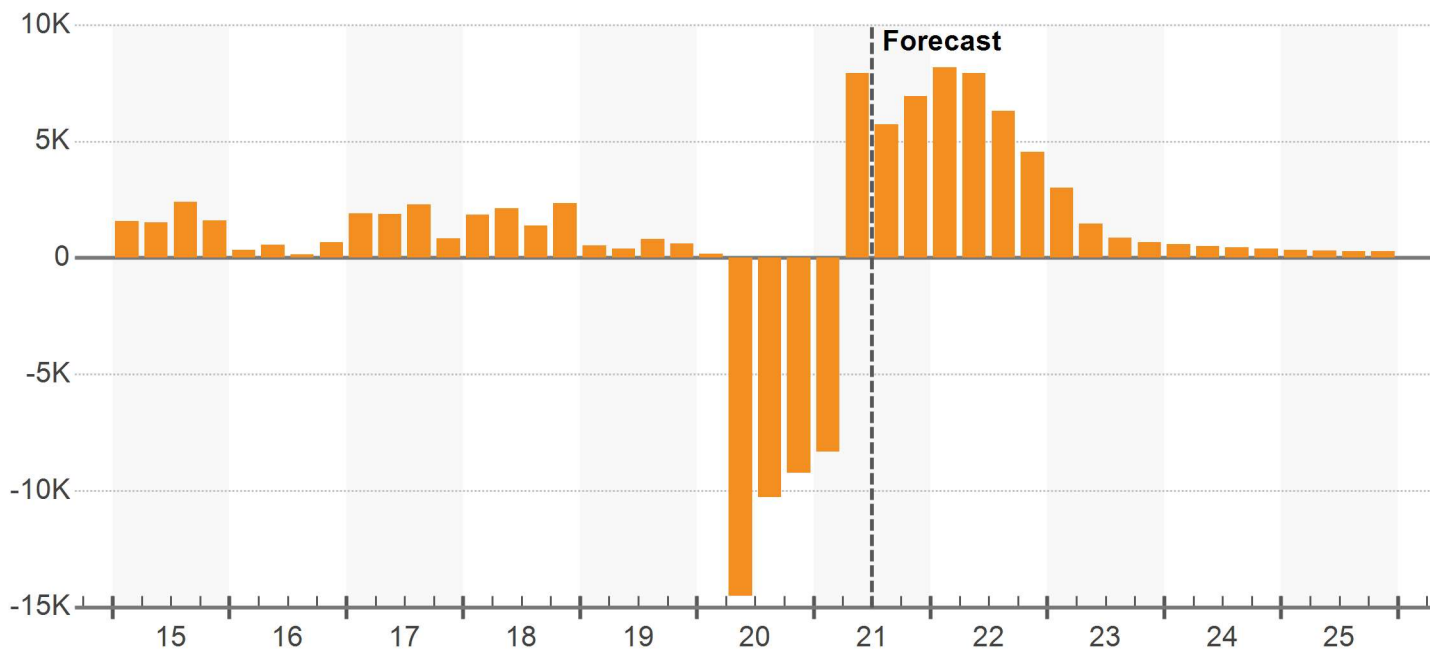


Source: Oxford Economics

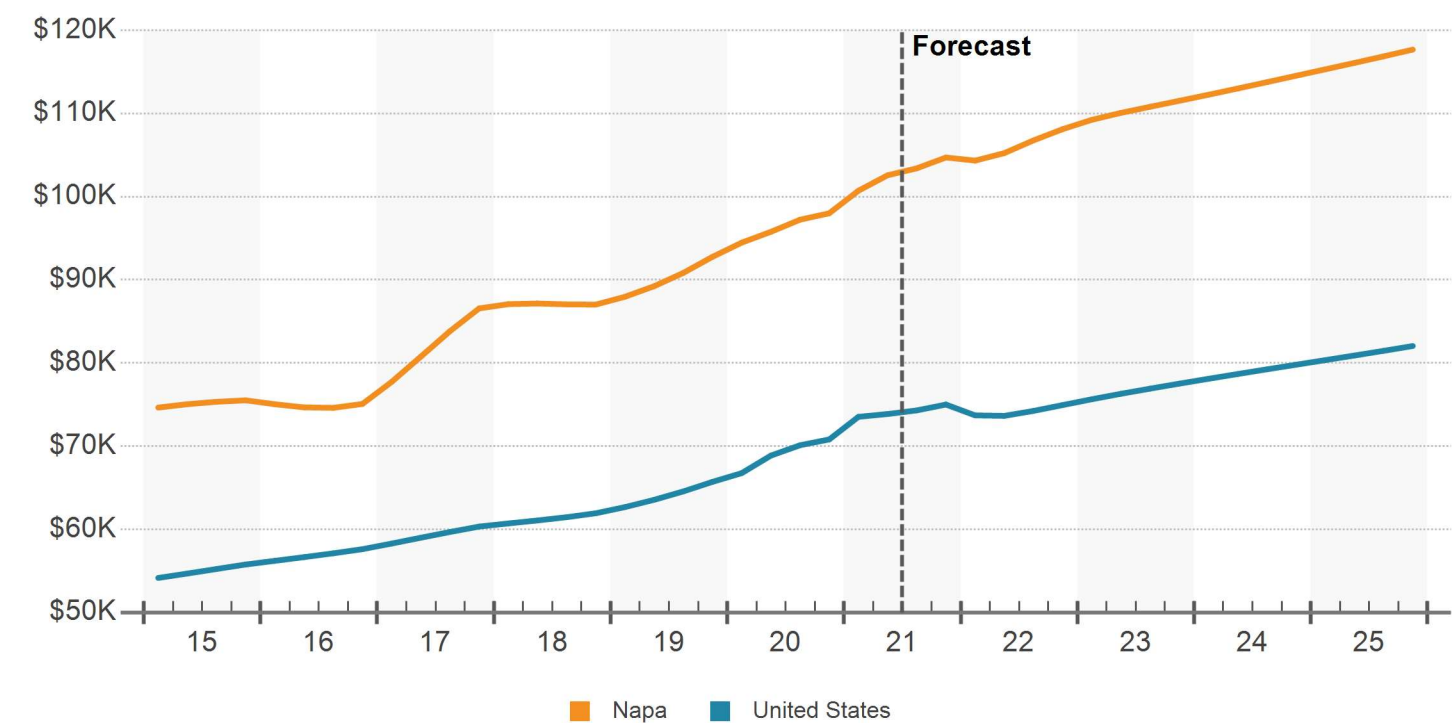
UNEMPLOYMENT RATE (%)



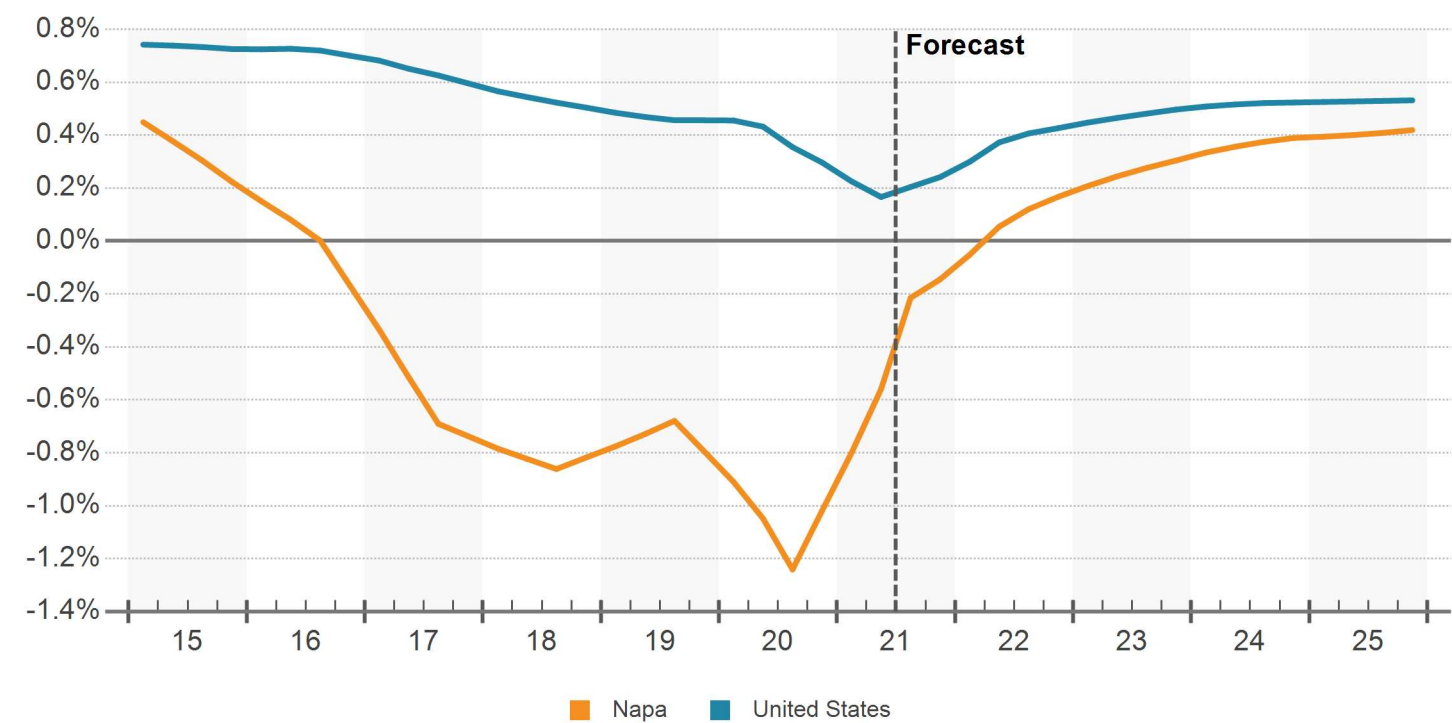
NET EMPLOYMENT CHANGE (YOY)



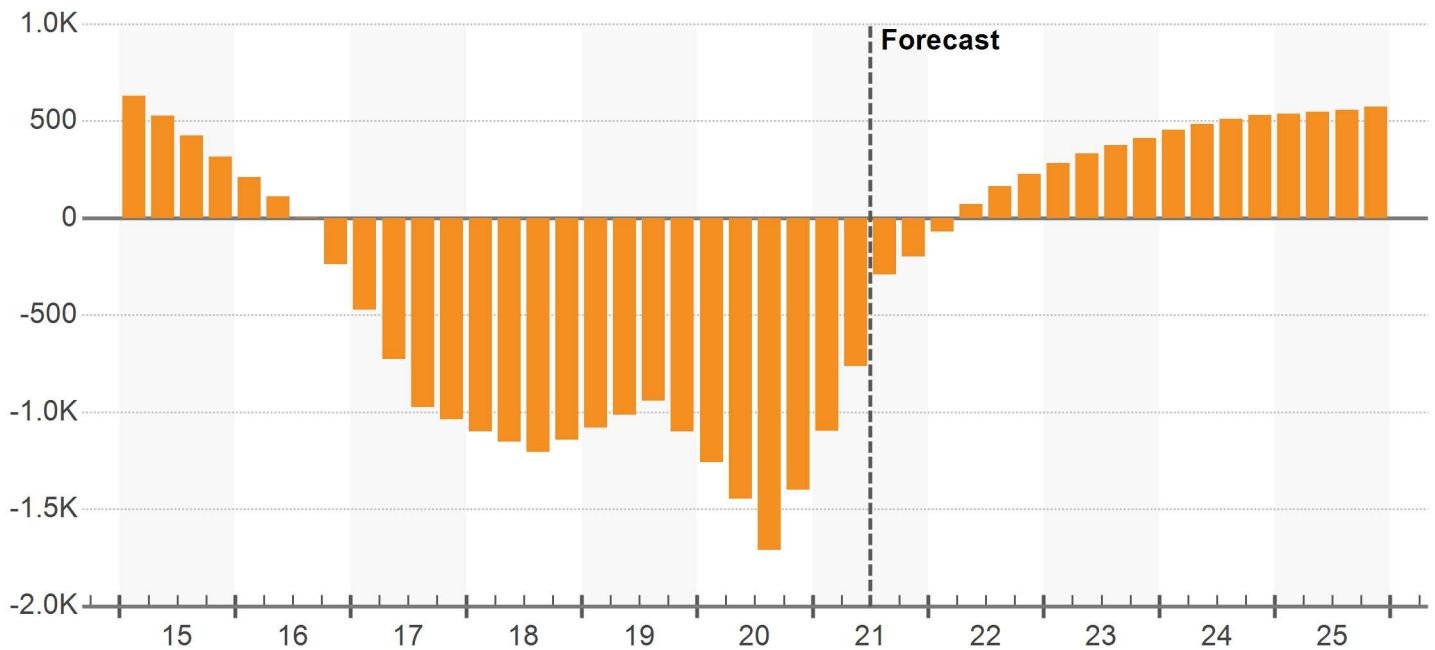
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

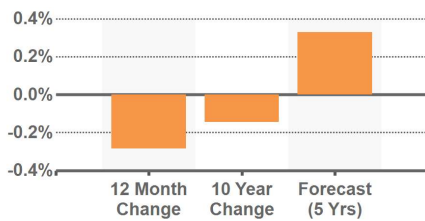


DEMOGRAPHIC TRENDS

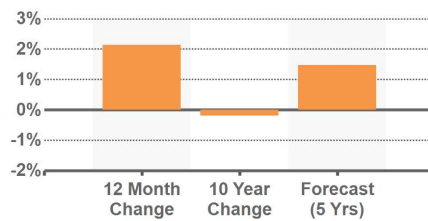
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	135,753	330,290,000	-0.3%	0.2%	-0.1%	0.6%	0.3%	0.5%
Households	47,380	123,371,281	-0.3%	0.1%	-0.5%	0.7%	0.3%	0.4%
Median Household Income	\$103,239	\$74,214	6.5%	6.2%	5.3%	4.0%	3.1%	2.4%
Labor Force	68,931	162,391,688	2.1%	1.6%	-0.2%	0.6%	1.5%	0.7%
Unemployment	6.5%	5.8%	-4.4%	-3.9%	-0.4%	-0.3%	-	-

Source: Oxford Economics

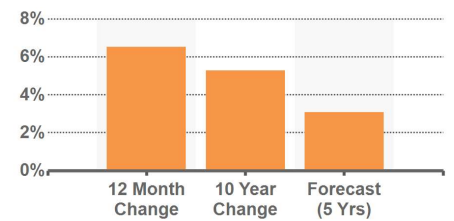
POPULATION GROWTH



LABOR FORCE GROWTH

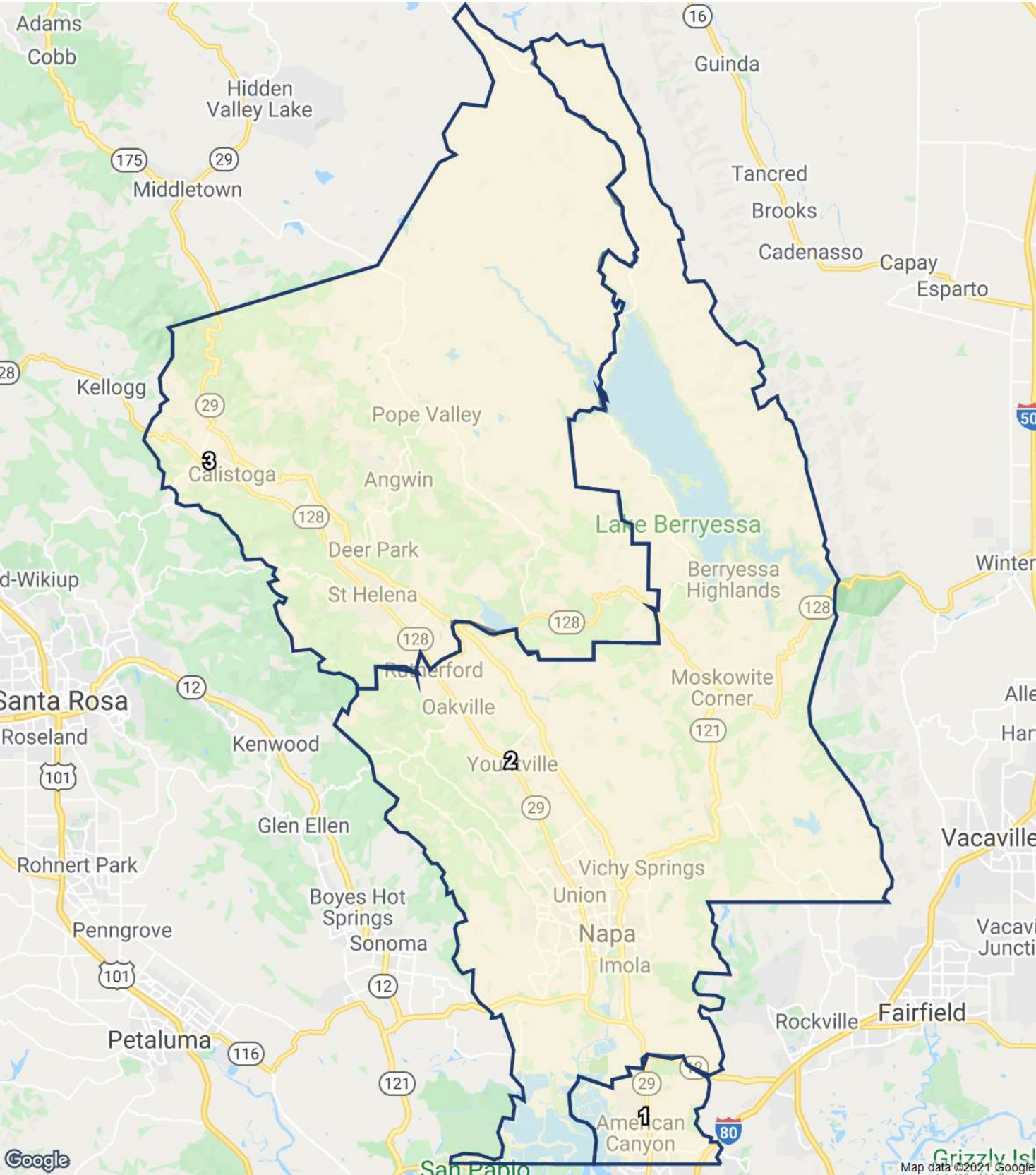


INCOME GROWTH



Source: Oxford Economics

NAPA SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Units	% Market	Rank	Bldgs	Units	Percent	Rank	Bldgs	Units	Percent	Rank
1	American Canyon	6	611	11.0%	2	0	0	0%	-	0	0	0%	-
2	Napa	162	4,524	81.7%	1	0	0	0%	-	2	99	2.2%	1
3	Outlying Napa County	43	402	7.3%	3	0	0	0%	-	0	0	0%	-

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	American Canyon	\$2,739	\$2.54	2	13.8%	\$2,733	\$2.54	2	16.3%	0.2%	3
2	Napa	\$2,213	\$2.55	1	9.1%	\$2,205	\$2.54	1	9.8%	0.3%	2
3	Outlying Napa County	\$1,113	\$1.38	3	1.1%	\$1,108	\$1.37	3	1.2%	0.5%	1

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	American Canyon	4	0.6%	1	119	19.4%	2	-
2	Napa	88	1.9%	2	178	3.9%	1	-
3	Outlying Napa County	14	3.5%	3	2	0.6%	3	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2025	5,922	128	2.2%	115	1.9%	1.1
2024	5,794	111	2.0%	106	1.8%	1.0
2023	5,683	98	1.8%	100	1.8%	1.0
2022	5,585	49	0.9%	50	0.9%	1.0
2021	5,536	(1)	0%	221	4.0%	0
YTD	5,537	0	0%	219	4.0%	0
2020	5,537	0	0%	270	4.9%	0
2019	5,537	444	8.7%	46	0.8%	9.7
2018	5,093	0	0%	12	0.2%	0
2017	5,093	0	0%	33	0.6%	0
2016	5,093	148	3.0%	104	2.0%	1.4
2015	4,945	0	0%	25	0.5%	0
2014	4,945	134	2.8%	135	2.7%	1.0
2013	4,811	0	0%	(9)	-0.2%	0
2012	4,811	0	0%	53	1.1%	0
2011	4,811	36	0.8%	32	0.7%	1.1
2010	4,775	(17)	-0.4%	(29)	-0.6%	0.6
2009	4,792	0	0%	(19)	-0.4%	0

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2025	1,674	129	8.3%	118	7.0%	1.1
2024	1,545	112	7.8%	104	6.7%	1.1
2023	1,433	100	7.5%	88	6.1%	1.1
2022	1,333	51	4.0%	24	1.8%	2.1
2021	1,282	0	0%	149	11.6%	0
YTD	1,282	0	0%	149	11.6%	0
2020	1,282	0	0%	255	19.9%	0
2019	1,282	444	53.0%	60	4.7%	7.4
2018	838	0	0%	12	1.4%	0
2017	838	0	0%	(7)	-0.8%	0
2016	838	0	0%	6	0.7%	0
2015	838	0	0%	(3)	-0.4%	0
2014	838	134	19.0%	138	16.5%	1.0
2013	704	0	0%	(8)	-1.1%	0
2012	704	0	0%	37	5.3%	0
2011	704	36	5.4%	18	2.6%	2.0
2010	668	0	0%	(17)	-2.5%	0
2009	668	0	0%	13	1.9%	0

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2025	1,543	1	0.1%	0	0%	-
2024	1,542	1	0.1%	(1)	-0.1%	-
2023	1,541	0	0%	0	0%	-
2022	1,541	0	0%	3	0.2%	0
2021	1,541	0	0%	31	2.0%	0
YTD	1,541	0	0%	31	2.0%	0
2020	1,541	0	0%	17	1.1%	0
2019	1,541	0	0%	(8)	-0.5%	0
2018	1,541	0	0%	10	0.6%	0
2017	1,541	0	0%	40	2.6%	0
2016	1,541	148	10.6%	92	6.0%	1.6
2015	1,393	0	0%	14	1.0%	0
2014	1,393	0	0%	(9)	-0.6%	0
2013	1,393	0	0%	2	0.1%	0
2012	1,393	0	0%	11	0.8%	0
2011	1,393	0	0%	17	1.2%	0
2010	1,393	0	0%	(5)	-0.4%	0
2009	1,393	0	0%	(14)	-1.0%	0

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2025	2,705	(2)	-0.1%	(3)	-0.1%	0.7
2024	2,707	(2)	-0.1%	3	0.1%	-
2023	2,709	(2)	-0.1%	12	0.4%	-
2022	2,711	(2)	-0.1%	23	0.8%	-
2021	2,713	(1)	0%	41	1.5%	0
YTD	2,714	0	0%	39	1.4%	0
2020	2,714	0	0%	(2)	-0.1%	0
2019	2,714	0	0%	(6)	-0.2%	0
2018	2,714	0	0%	(10)	-0.4%	0
2017	2,714	0	0%	0	0%	-
2016	2,714	0	0%	6	0.2%	0
2015	2,714	0	0%	14	0.5%	0
2014	2,714	0	0%	6	0.2%	0
2013	2,714	0	0%	(3)	-0.1%	0
2012	2,714	0	0%	5	0.2%	0
2011	2,714	0	0%	(3)	-0.1%	0
2010	2,714	(17)	-0.6%	(7)	-0.3%	2.4
2009	2,731	0	0%	(18)	-0.7%	0

OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2025	119	2.0%	0.1	\$2,675	\$3	2.5%	(0.8)	\$2,564	\$2.92
2024	108	1.9%	0.1	\$2,610	\$2.93	3.3%	(1.2)	\$2,501	\$2.85
2023	102	1.8%	0	\$2,527	\$2.84	4.5%	(1.2)	\$2,422	\$2.76
2022	102	1.8%	0	\$2,419	\$2.71	5.7%	(5.1)	\$2,319	\$2.64
2021	103	1.9%	(4.0)	\$2,289	\$2.57	10.7%	8.3	\$2,195	\$2.50
YTD	106	1.9%	(3.9)	\$2,254	\$2.53	9.6%	6.6	\$2,247	\$2.52
2020	323	5.8%	(4.9)	\$2,067	\$2.32	2.5%	(0.6)	\$2,056	\$2.30
2019	594	10.7%	6.9	\$2,018	\$2.26	3.1%	0	\$2,007	\$2.25
2018	195	3.8%	(0.2)	\$1,958	\$2.19	3.0%	(2.2)	\$1,946	\$2.18
2017	207	4.1%	(0.6)	\$1,901	\$2.13	5.2%	0.6	\$1,886	\$2.11
2016	239	4.7%	0.7	\$1,807	\$2.02	4.5%	(4.3)	\$1,788	\$2
2015	197	4.0%	(0.5)	\$1,728	\$1.93	8.8%	4.1	\$1,717	\$1.92
2014	222	4.5%	(0.2)	\$1,588	\$1.77	4.8%	1.2	\$1,578	\$1.76
2013	223	4.6%	0.2	\$1,515	\$1.69	3.6%	1.5	\$1,505	\$1.68
2012	212	4.4%	(1.0)	\$1,463	\$1.63	2.1%	(0.9)	\$1,454	\$1.62
2011	262	5.4%	0	\$1,433	\$1.60	3.0%	1.6	\$1,422	\$1.59
2010	259	5.4%	0.3	\$1,391	\$1.55	1.4%	5.4	\$1,381	\$1.54
2009	246	5.1%	0.4	\$1,372	\$1.53	-4.0%	-	\$1,363	\$1.52

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
2025	73	4.4%	0.3	\$3,402	\$3.16	2.2%	(0.8)	\$3,427	\$3.11
2024	63	4.1%	0.3	\$3,328	\$3.09	3.0%	(1.3)	\$3,354	\$3.04
2023	54	3.8%	0.7	\$3,231	\$3	4.3%	(1.4)	\$3,258	\$2.96
2022	41	3.1%	2.0	\$3,098	\$2.88	5.7%	(9.0)	\$3,125	\$2.84
2021	14	1.1%	(11.6)	\$2,932	\$2.72	14.7%	13.7	\$2,959	\$2.69
YTD	14	1.1%	(11.6)	\$2,869	\$2.66	11.5%	11.3	\$2,861	\$2.66
2020	163	12.7%	(19.9)	\$2,557	\$2.37	0.9%	(3.9)	\$2,538	\$2.36
2019	418	32.6%	28.6	\$2,533	\$2.35	4.8%	0.3	\$2,511	\$2.33
2018	34	4.0%	(1.4)	\$2,417	\$2.24	4.6%	0.8	\$2,402	\$2.23
2017	45	5.4%	0.9	\$2,311	\$2.15	3.7%	(0.4)	\$2,291	\$2.13
2016	37	4.5%	(0.7)	\$2,228	\$2.07	4.1%	(3.0)	\$2,198	\$2.04
2015	43	5.2%	0.5	\$2,141	\$1.99	7.1%	2.4	\$2,124	\$1.97
2014	40	4.7%	(1.5)	\$1,999	\$1.86	4.7%	1.5	\$1,985	\$1.84
2013	44	6.2%	1.3	\$1,909	\$1.77	3.2%	1.8	\$1,893	\$1.76
2012	35	4.9%	(5.1)	\$1,849	\$1.72	1.5%	(0.1)	\$1,839	\$1.71
2011	71	10.1%	2.0	\$1,823	\$1.69	1.5%	0.6	\$1,804	\$1.67
2010	54	8.0%	2.6	\$1,795	\$1.67	1.0%	6.6	\$1,782	\$1.65
2009	36	5.4%	(1.9)	\$1,778	\$1.65	-5.7%	-	\$1,767	\$1.64

3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2025	12	0.8%	0	\$2,904	\$3.31	2.7%	(0.8)	\$2,846	\$3.26
2024	12	0.8%	0.1	\$2,827	\$3.22	3.5%	(1.1)	\$2,771	\$3.17
2023	10	0.6%	0	\$2,732	\$3.11	4.6%	(1.1)	\$2,678	\$3.07
2022	9	0.6%	(0.2)	\$2,612	\$2.98	5.7%	(7.2)	\$2,561	\$2.93
2021	12	0.8%	(2.0)	\$2,471	\$2.82	13.0%	8.7	\$2,422	\$2.77
YTD	13	0.8%	(2.0)	\$2,447	\$2.79	13.9%	7.6	\$2,441	\$2.78
2020	43	2.8%	(1.2)	\$2,188	\$2.49	4.3%	1.7	\$2,181	\$2.48
2019	61	3.9%	0.5	\$2,098	\$2.39	2.6%	1.3	\$2,093	\$2.38
2018	53	3.4%	(0.7)	\$2,045	\$2.33	1.3%	(6.7)	\$2,033	\$2.32
2017	63	4.1%	(2.6)	\$2,019	\$2.30	8.0%	4.5	\$2,002	\$2.28
2016	103	6.7%	3.2	\$1,870	\$2.13	3.4%	(7.7)	\$1,849	\$2.11
2015	48	3.4%	(1.0)	\$1,809	\$2.06	11.1%	6.3	\$1,799	\$2.05
2014	63	4.5%	0.7	\$1,627	\$1.85	4.9%	0.3	\$1,618	\$1.84
2013	53	3.8%	(0.1)	\$1,552	\$1.77	4.6%	1.5	\$1,543	\$1.76
2012	55	4.0%	(0.7)	\$1,484	\$1.69	3.0%	(0.4)	\$1,474	\$1.68
2011	65	4.7%	(1.2)	\$1,440	\$1.64	3.5%	1.3	\$1,431	\$1.63
2010	82	5.9%	0.4	\$1,392	\$1.58	2.2%	5.2	\$1,382	\$1.57
2009	77	5.5%	1.1	\$1,362	\$1.55	-3.1%	-	\$1,353	\$1.54

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
2025	34	1.2%	0	\$1,885	\$2.46	2.6%	(0.8)	\$1,877	\$2.45
2024	33	1.2%	(0.2)	\$1,837	\$2.39	3.4%	(1.1)	\$1,828	\$2.38
2023	38	1.4%	(0.5)	\$1,777	\$2.32	4.5%	(1.1)	\$1,768	\$2.30
2022	52	1.9%	(0.9)	\$1,700	\$2.22	5.6%	2.8	\$1,692	\$2.20
2021	77	2.8%	(1.5)	\$1,610	\$2.10	2.8%	0.6	\$1,603	\$2.09
YTD	79	2.9%	(1.4)	\$1,587	\$2.07	1.6%	(0.9)	\$1,579	\$2.06
2020	118	4.3%	0.1	\$1,567	\$2.04	2.1%	0.7	\$1,558	\$2.03
2019	115	4.2%	0.2	\$1,534	\$2	1.4%	(1.9)	\$1,526	\$1.99
2018	109	4.0%	0.4	\$1,513	\$1.97	3.3%	(0.3)	\$1,504	\$1.96
2017	99	3.6%	0	\$1,465	\$1.90	3.6%	(3.0)	\$1,457	\$1.89
2016	99	3.6%	(0.2)	\$1,414	\$1.84	6.6%	(1.7)	\$1,406	\$1.83
2015	105	3.9%	(0.5)	\$1,326	\$1.72	8.3%	3.6	\$1,319	\$1.71
2014	120	4.4%	(0.2)	\$1,225	\$1.58	4.7%	1.8	\$1,218	\$1.57
2013	125	4.6%	0.1	\$1,169	\$1.50	2.9%	1.1	\$1,163	\$1.50
2012	122	4.5%	(0.1)	\$1,136	\$1.46	1.8%	(2.7)	\$1,130	\$1.45
2011	126	4.6%	0.1	\$1,117	\$1.44	4.4%	3.4	\$1,110	\$1.43
2010	123	4.5%	(0.3)	\$1,069	\$1.37	1.0%	3.8	\$1,063	\$1.36
2009	132	4.8%	0.7	\$1,058	\$1.36	-2.7%	-	\$1,052	\$1.35

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
2025	-	-	-	-	-	-	\$425,055	280	4.4%
2024	-	-	-	-	-	-	\$417,986	275	4.4%
2023	-	-	-	-	-	-	\$408,180	269	4.3%
2022	-	-	-	-	-	-	\$392,207	258	4.3%
2021	-	-	-	-	-	-	\$370,525	244	4.3%
YTD	13	\$41.9M	3.2%	\$3,219,308	\$237,790	4.3%	\$358,983	237	4.3%
2020	11	\$71.8M	5.3%	\$7,182,300	\$244,296	5.4%	\$339,917	224	4.3%
2019	19	\$45M	6.1%	\$2,501,083	\$132,410	4.1%	\$327,600	216	4.4%
2018	2	\$68.1M	4.4%	\$34,031,250	\$305,213	4.0%	\$304,693	201	4.5%
2017	19	\$77.3M	6.0%	\$9,662,500	\$250,974	5.0%	\$277,953	183	4.7%
2016	9	\$24.1M	1.7%	\$3,006,250	\$279,651	4.3%	\$256,127	169	4.9%
2015	12	\$156M	14.2%	\$14,184,782	\$222,586	4.7%	\$237,630	157	5.0%
2014	4	\$16M	1.7%	\$5,316,667	\$192,169	6.3%	\$219,171	144	5.2%
2013	13	\$43M	5.5%	\$5,379,802	\$161,193	6.4%	\$200,695	132	5.4%
2012	9	\$25.1M	6.4%	\$3,591,157	\$81,353	5.3%	\$198,434	131	5.4%
2011	13	\$7.6M	1.2%	\$1,526,000	\$131,552	6.7%	\$191,205	126	5.4%
2010	4	\$16.4M	3.7%	\$5,458,833	\$93,048	6.6%	\$174,152	115	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.

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
2025	-	-	-	-	-	-	\$503,390	261	4.1%
2024	-	-	-	-	-	-	\$496,097	258	4.1%
2023	-	-	-	-	-	-	\$485,140	252	4.1%
2022	-	-	-	-	-	-	\$465,531	242	4.1%
2021	-	-	-	-	-	-	\$435,419	226	4.1%
YTD	1	\$12.2M	3.7%	\$12,200,000	\$254,167	-	\$422,900	220	4.2%
2020	1	\$0	0%	-	-	-	\$407,676	212	4.2%
2019	1	\$0	0%	-	-	-	\$396,797	206	4.2%
2018	1	\$67.3M	25.8%	\$67,250,000	\$311,343	4.0%	\$373,456	194	4.3%
2017	-	-	-	-	-	-	\$339,451	176	4.6%
2016	1	\$12.6M	4.3%	\$12,580,000	\$349,444	4.2%	\$315,184	164	4.7%
2015	3	\$118.2M	53.9%	\$39,386,034	\$261,412	4.9%	\$293,212	152	4.8%
2014	-	-	-	-	-	-	\$276,566	144	4.9%
2013	1	\$25.8M	17.6%	\$25,788,419	\$207,971	-	\$256,662	133	5.1%
2012	-	-	-	-	-	-	\$253,374	132	5.0%
2011	-	-	-	-	-	-	\$239,564	124	5.1%
2010	-	-	-	-	-	-	\$217,856	113	5.3%

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

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
2025	-	-	-	-	-	-	\$398,484	294	4.5%
2024	-	-	-	-	-	-	\$390,870	288	4.5%
2023	-	-	-	-	-	-	\$380,992	281	4.5%
2022	-	-	-	-	-	-	\$366,195	270	4.4%
2021	-	-	-	-	-	-	\$348,472	257	4.4%
YTD	-	-	-	-	-	-	\$336,524	248	4.4%
2020	1	\$39.5M	10.8%	\$39,500,000	\$237,952	4.7%	\$314,922	232	4.4%
2019	1	\$21.2M	4.6%	\$21,183,000	\$298,352	5.0%	\$299,020	221	4.5%
2018	-	-	-	-	-	-	\$272,981	201	4.6%
2017	1	\$57M	14.5%	\$57,000,000	\$254,464	5.1%	\$245,790	181	4.8%
2016	1	\$1.3M	0.5%	\$1,300,000	\$185,714	-	\$226,465	167	5.0%
2015	2	\$31.4M	14.4%	\$15,680,000	\$156,800	4.1%	\$210,668	155	5.1%
2014	1	\$14.1M	5.2%	\$14,075,000	\$195,486	5.4%	\$191,349	141	5.3%
2013	-	-	-	-	-	-	\$175,257	129	5.5%
2012	1	\$11M	14.5%	\$11,000,000	\$54,455	-	\$168,809	125	5.6%
2011	-	-	-	-	-	-	\$166,514	123	5.5%
2010	-	-	-	-	-	-	\$151,772	112	5.7%

(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
2025	-	-	-	-	-	-	\$364,115	300	4.5%
2024	-	-	-	-	-	-	\$357,575	295	4.5%
2023	-	-	-	-	-	-	\$348,927	288	4.5%
2022	-	-	-	-	-	-	\$335,815	277	4.4%
2021	-	-	-	-	-	-	\$320,066	264	4.4%
YTD	12	\$29.7M	4.7%	\$2,470,917	\$231,648	4.3%	\$309,701	255	4.4%
2020	9	\$32.3M	4.7%	\$3,591,444	\$252,523	5.5%	\$288,347	238	4.5%
2019	17	\$23.8M	9.9%	\$1,402,147	\$88,612	3.7%	\$276,670	228	4.5%
2018	1	\$812.5K	0.3%	\$812,500	\$116,071	-	\$255,963	211	4.7%
2017	18	\$20.3M	3.1%	\$2,900,000	\$241,667	5.0%	\$236,530	195	4.8%
2016	7	\$10.2M	1.6%	\$1,695,000	\$236,512	4.3%	\$215,654	178	5.0%
2015	7	\$6.5M	1.8%	\$1,085,750	\$132,949	4.6%	\$198,996	164	5.1%
2014	3	\$1.9M	0.4%	\$937,500	\$170,455	6.8%	\$179,266	148	5.4%
2013	12	\$17.3M	5.3%	\$2,464,286	\$120,629	6.4%	\$160,822	133	5.7%
2012	8	\$14.1M	3.9%	\$2,356,350	\$132,132	5.3%	\$161,935	134	5.5%
2011	13	\$7.6M	2.1%	\$1,526,000	\$131,552	6.7%	\$158,290	131	5.5%
2010	4	\$16.4M	6.5%	\$5,458,833	\$93,048	6.6%	\$144,444	119	5.7%

(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
2025	-	5,922	2.0%	-	130	-	127	-	-
2024	-	5,795	1.9%	-	113	-	111	-	-
2023	-	5,684	1.8%	-	99	-	99	-	-
2022	-	5,585	1.8%	-	51	-	49	-	-
2021	-	5,536	1.9%	-	0	-	(1)	-	-
YTD	211	5,537	1.9%	0	0	0	0	2	99
2020	211	5,537	5.8%	0	0	0	0	2	99
2019	211	5,537	10.7%	2	444	2	444	0	0
2018	209	5,093	3.8%	0	0	0	0	2	444
2017	209	5,093	4.1%	0	0	0	0	2	444
2016	209	5,093	4.7%	1	148	1	148	0	0
2015	208	4,945	4.0%	0	0	0	0	1	148
2014	208	4,945	4.5%	1	134	1	134	0	0
2013	207	4,811	4.6%	0	0	0	0	1	134
2012	207	4,811	4.4%	0	0	0	0	1	134
2011	207	4,811	5.4%	1	36	1	36	0	0
2010	206	4,775	5.4%	1	23	0	(17)	1	36
2009	206	4,792	5.1%	0	0	0	0	1	23