

Real Estate Market Review

San Francisco Multifamily

Top Sale Transactions for 2017

| Property | Submarket | # of Units | Sale Price | Price/Unit | Cap Rate | Buyer | Seller |
|--------------------------|-------------------|------------|--------------|------------|----------|------------------------------|---------------------------|
| Mission Bay by Windsor | Mission Bay | 129 | \$86,250,000 | \$668,604 | - | GID Investment Advisers, LLC | Integral Group |
| 1290 Grove Street | Alamo Square | 36 | \$24,000,000 | \$666,666 | 2.83% | Ballast Investments | Landmark Realty |
| 12 Valencia Street | Mission Dolores | 62 | \$24,000,000 | \$387,096 | - | Mosser Companies | Khoury Family Trust |
| Stevenson Lofts | SoMa | 51 | \$23,000,000 | \$450,980 | 4.87% | Sridhar Equities | Stevenson Lofts, LLC |
| Britton Court Apartments | Visitation Valley | 92 | \$21,750,000 | \$236,413 | - | Mercy Housing CA 74 LP | Britton Street Associates |

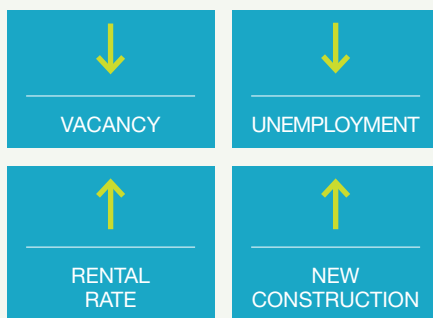
Top Under Construction

| Property | Address | Submarket | # of Units | Owner | Est Delivery Date |
|-------------------------------|-----------------------|--------------|------------|---------------------------------|-------------------|
| SOM Tower at Transbay Block 9 | 500-510 Folsom Street | South Beach | 563 | Essex Property Trust, Inc. | February 2020 |
| Transbay Transit Center | 420-488 Folsom Street | South Beach | 548 | Department of General Services | August 2018 |
| Alice Griffith Hope | 207 Cameron Way | Bayview | 504 | San Francisco Housing Authority | June 2019 |
| 150 Van Ness | 150 Van Ness Avenue | Civic Center | 420 | Emerald Fund, Inc. | July 2018 |
| One Mission Bay | 1000 3rd Street | Mission Bay | 350 | Parasec | February 2018 |

Top Completed Construction for 2017

| Property | Address | Submarket | # of Units | Owner | Delivery Date |
|------------------------|----------------------|-------------|------------|-----------------------------|---------------|
| Trinity Place | 33 8th Street | SoMA | 540 | The Sangiacomo Family Trust | March 2017 |
| 855 Brannan Apartments | 855 Brannan Street | Mission Bay | 449 | Equity Residential | May 2017 |
| Avalon Dogpatch | 800 Indiana Street | Dogpatch | 326 | AvalonBay Communities, Inc | October 2017 |
| Abaca | 2660 3rd Street | Dogpatch | 263 | CalPers | July 2017 |
| One Henry Adams | 1 Henry Adams Street | Potrero | 241 | Equity Residential | January 2017 |

Market Forecast Trends



Market Snapshot

| | 2015 | 2016 | 2017 | Annual % Change |
|----------------------|-----------|-----------|-----------|-----------------|
| New Construction | 2,865 | 4,413 | 3,227 | -26.88% |
| Under Construction | 8,396 | 5,997 | 5,907 | -1.50% |
| Vacancy Rate | 4.1% | 4.7% | 4.3% | -8.51% |
| Average Asking Rents | \$2,778 | \$2,768 | \$2,770 | 0.07% |
| Average Sales Price | \$489,432 | \$359,845 | \$373,102 | 3.68% |
| Cap Rate | 3.84% | 3.70% | 3.72% | 0.54% |
| Net Absorption | 2,070 | 2,017 | 3,059 | N/A |

Average Rent

| Unit Type | Monthly Rent |
|-----------|--------------|
| Studio | \$2,062 |
| 1 Bedroom | \$2,618 |
| 2 Bedroom | \$3,503 |
| 3 Bedroom | \$3,562 |

Offices

- Seattle
206.296.9600
- Bellevue
425.454.7040
- South Seattle
206.248.7300
- Tacoma
253.722.1400
- Olympia
360.705.2800
- Portland
503.221.9900
- San Francisco
415.229.8888
- Redwood Shores
650.769.3600
- Silicon Valley
408.970.9400
- Sacramento
916.970.9700
- Roseville
916.751.3600
- Los Angeles
213.880.5250
- Commerce
323.727.1144
- Long Beach
562.472.0071
- Orange County
949.557.5000
- Inland Empire
909.764.6500
- San Diego
858.509.1200
- Carlsbad
760.430.1000
- Reno
775.301.1300
- Phoenix
602.513.5200

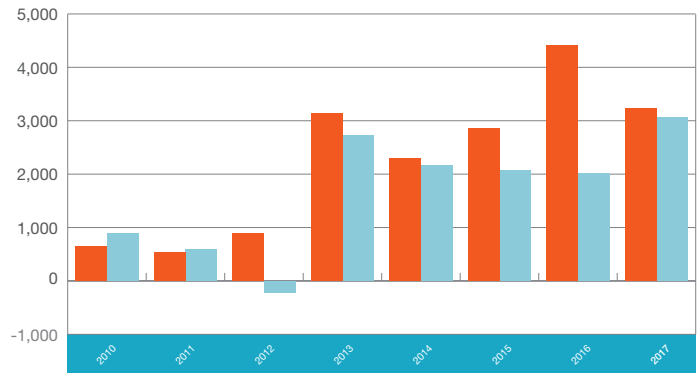
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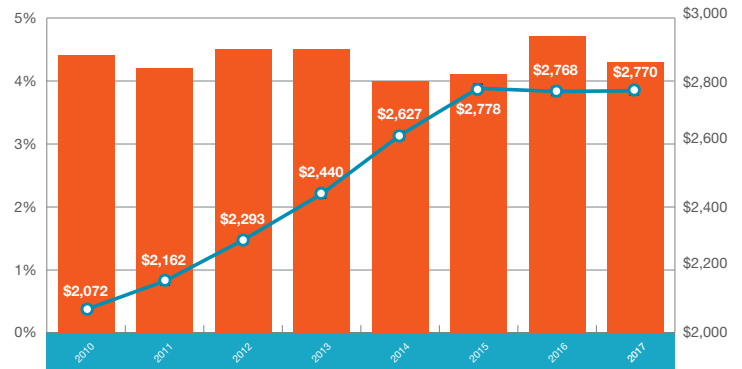
NEW UNIT CONSTRUCTION & ABSORPTION

■ New Construction
■ Absorption



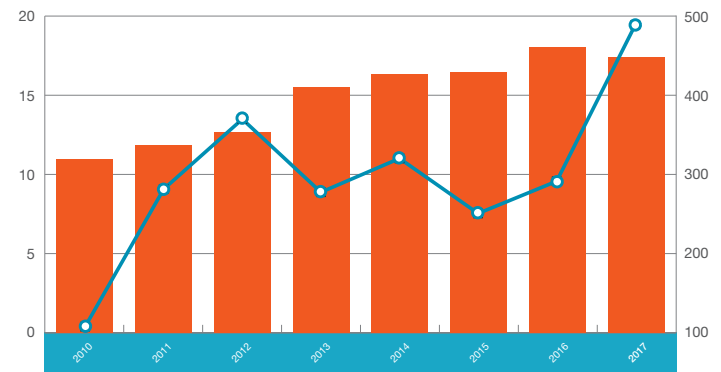
AVERAGE ASKING RENT/UNIT & VACANCY RATE*

■ Vacancy Rate
○ Asking Rent/Unit



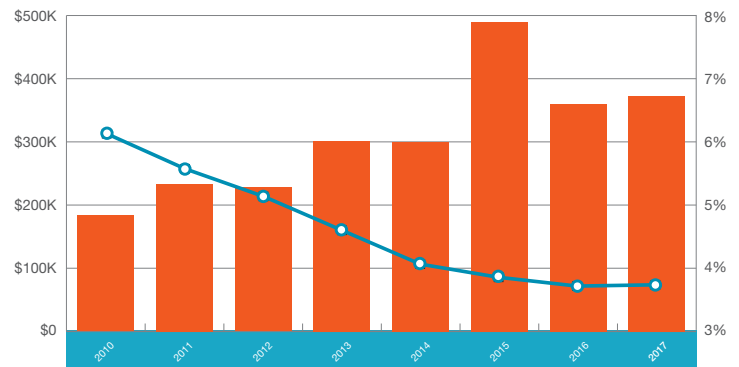
GROSS RENT MULTIPLIER (GRM) & NUMBER OF SALE TRANSACTIONS

■ GRM
○ # of Transactions



AVERAGE SALES PRICE/UNIT AND CAP RATES

■ Average Sales Price/Unit
○ Cap Rate



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