



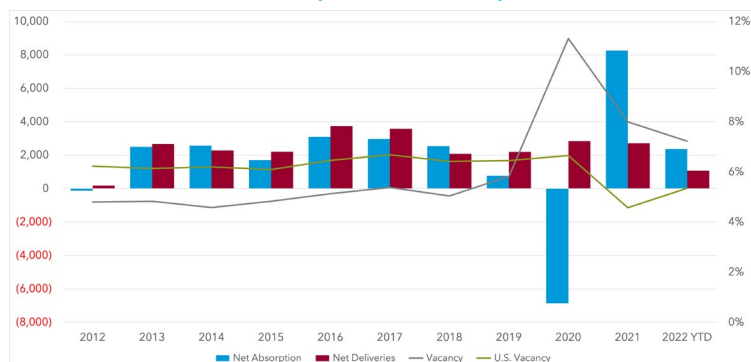
MULTIFAMILY MARKET OVERVIEW

RYAN ABEL, Vice President

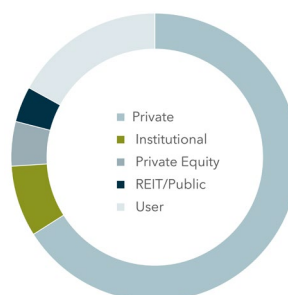
During the third quarter of 2022, interest rates have risen 75 basis points twice. This has caused a decline in the number of buildings sold. Due to the increases in interest rates, there was a reduction in the price per square foot of buildings being sold, and a rise in capitalization rates. Unemployment has risen when comparing the first and second quarters of 2022. With vacancy rates remaining steady, buildings are sitting on the market for longer periods of time. We expect this trend of lower price per square foot to continue into the fourth quarter, along with an increase in unemployment rates, and capitalization rates to continue rising due to inflated interest rates.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Absorption Units	515	554	688	761	1671
▼ Vacancy Rate	7.0%	7.2%	7.6%	7.7%	7.8%
▼ Asking Rent/Unit (\$)	\$2,899	\$2,923	\$2,880	\$2,844	\$2,841
▲ Under Construction Units	7,603	4,016	3,874	4,029	3,794
▲ Inventory Units	157,512	157,279	157,279	156,767	156,098

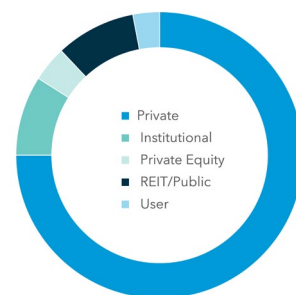
NET ABSORPTION, NET DELIVERIES, & VACANCY



SALE BY BUYER TYPE



SALE BY SELLER TYPE



**'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.

TOP SALE TRANSACTIONS BY SF	SALE PRICE	NUMBER OF UNITS	BUYER / SELLER
420 Berry Street San Francisco, CA	\$96,000,000 \$406,780/Unit	236	Avanath Capital Management The Related Companies
5285 Diamond Heights Boulevard San Francisco, CA	\$72,500,000 \$470,779/Unit	154	Waterton AvalonBay Communities Inc.
1369 Hyde Street San Francisco, CA	\$43,000,000 \$494,253/Unit	87	Vertas Investments Thomas O. Ballard

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME	TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Prado Group, Inc	\$369,784,649	Ballast Investments	\$1,079,530,917
Essex Property Trust, Inc	\$367,000,000	Veritas Investments, Inc	\$693,347,338
Crescent Heights	\$306,500,000	GID Investment Advisors LLC	\$325,620,000
Apartment Investment and Management Co	\$299,981,904	Brookfield Asset Management	\$316,800,000
Sares-Regis Group	\$236,750,000	Northwestern Mutual Life Insurance Co	\$306,500,000

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2022 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com