



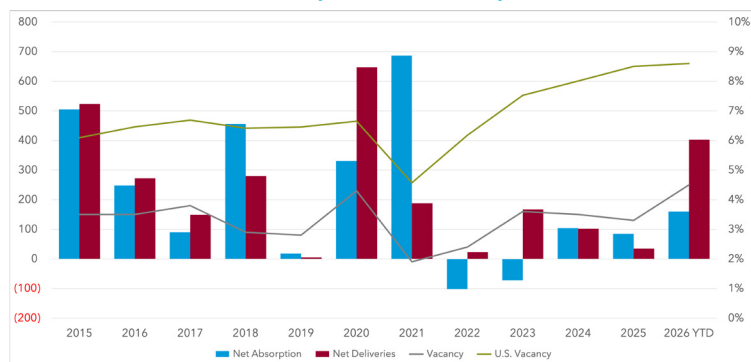
MULTIFAMILY MARKET OVERVIEW

STEVEN LEIDER, *Senior Vice President*

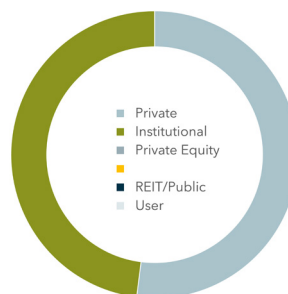
Santa Barbara's multifamily market experienced modest softening through Q3 2026 as new supply outpaced tenant demand. Vacancy increased to approximately 4.5%, above historical averages, following 400 units delivered and 160 units of net absorption over the trailing 12 months. The completion of the 340-unit Las Brisas development in Santa Maria contributed to rising vacancy, while an additional 470 units remain under construction. Average asking rents increased 1.3% year over year, slightly trailing national growth. Coastal development constraints and limited population growth continue to shape market conditions, while recent rent control measures introduce additional uncertainty. Looking ahead, vacancy is expected to stabilize as new supply is absorbed, with modest rent growth continuing through year-end.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Absorption Units	161	99	90	(38)	91
▼ Vacancy Rate	4.50%	4.70%	3.20%	3.84%	3.27%
▲ Asking Rent/Unit	\$2,616.00	\$2,602.00	\$2,580.00	\$2,531.00	\$2,544.00
▼ Sale Price/Unit	\$345,078.00	\$351,055.00	\$346,736.00	\$342,615.00	\$354,659.00
▲ Cap Rate	5.00%	4.90%	4.90%	4.82%	4.75%
▼ Under Construction Units	472	499	543	541	201
▲ Inventory Units	22,011	21,859	21,329	21,242	21,114

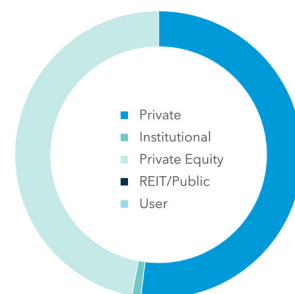
NET ABSORPTION, NET DELIVERIES, & VACANCY



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	SALE PRICE	NUMBER OF UNITS	BUYER / SELLER
406 Ellwood Beach Dr Goleta, CA	\$3,235,000 \$404,375 per unit	8	Paul Warkentin Steve Rickborn
316 W Valerio St Santa Barbara, CA	\$3,150,000 \$393,750 per unit	8	Bryce Armstrong Steven Brown
431 Ellwood Beach Dr Goleta, CA	\$2,700,000 \$385,714 per unit	7	James Risner Christopher Gabriel

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME	TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Towbes Group, Inc.	\$75,000,000	Step Up Housing	\$75,000,000
St. George & Associates	\$7,850,000	Dario Pini Investments	\$9,000,000
Mission Hill Management	\$5,850,000	Mashoon Family Trust	\$5,850,000
George C. Hollister	\$5,400,000	William Ekeler	\$4,485,000
Michael Haber	\$4,850,000	Claudia St. George	\$4,400,000

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