



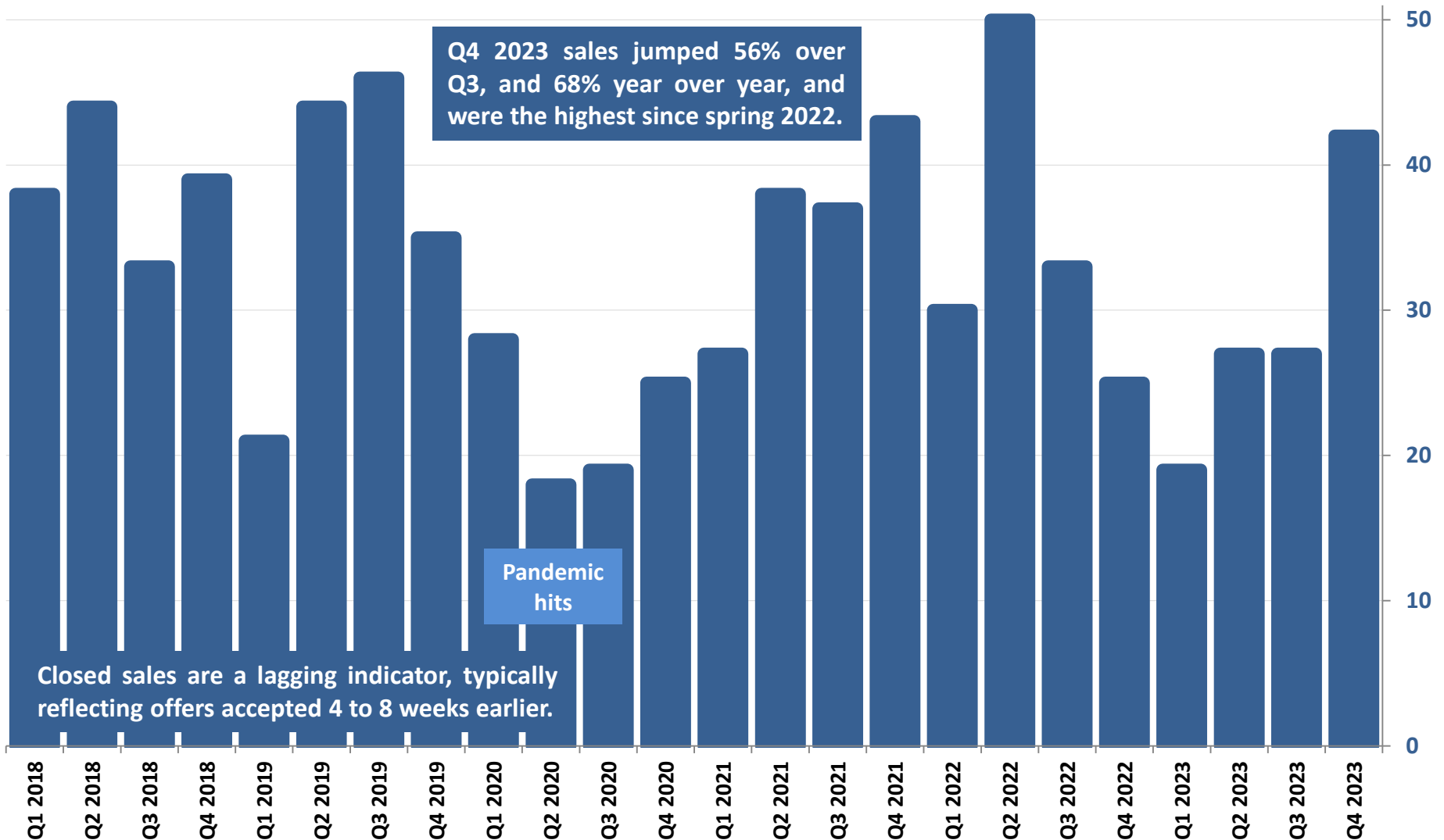
The San Francisco Apartment Building Market

January 2024 Multi-Family Market Report for Residential 5+ Unit Buildings

5+ unit residential income buildings. Listings and sales reported to NorCal MLS Alliance by early January 2024. This market consists of a relatively small number of sales, of buildings of widely varying sizes, qualities and financial characteristics, across a broad range of locations: This makes meaningful statistical analysis more difficult. All numbers should be considered approximate.

San Francisco Apartment Building Market – 5+ Units

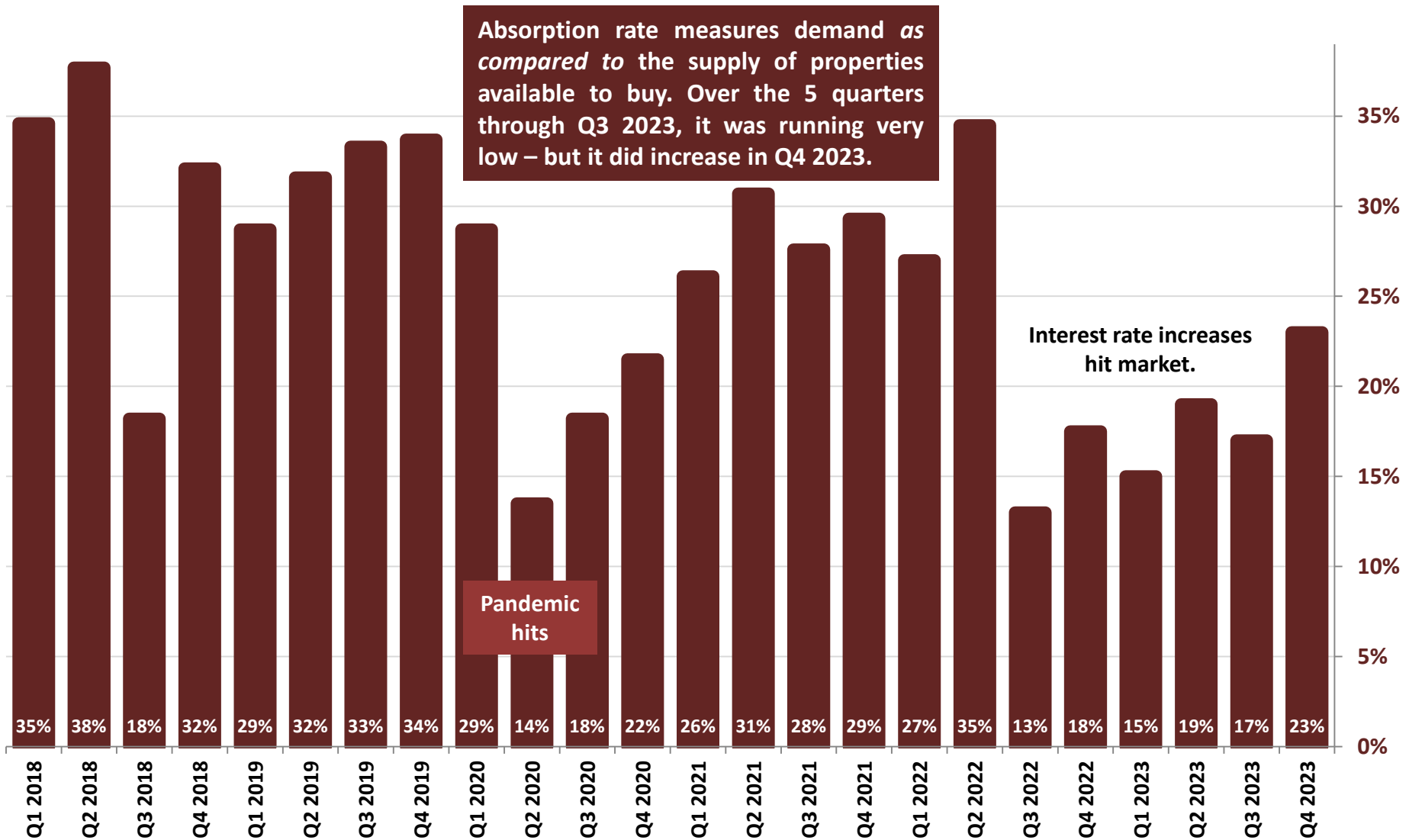
Listings Closing Sale in Quarter since 2018



Sales reported to NorCal Regional MLS. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales. Not all sales are reported to MLS.

Percentage of Listings Accepting Offers in Quarter (Absorption Rate)

San Francisco 5+ Unit, Multi-Family Building Market Dynamics

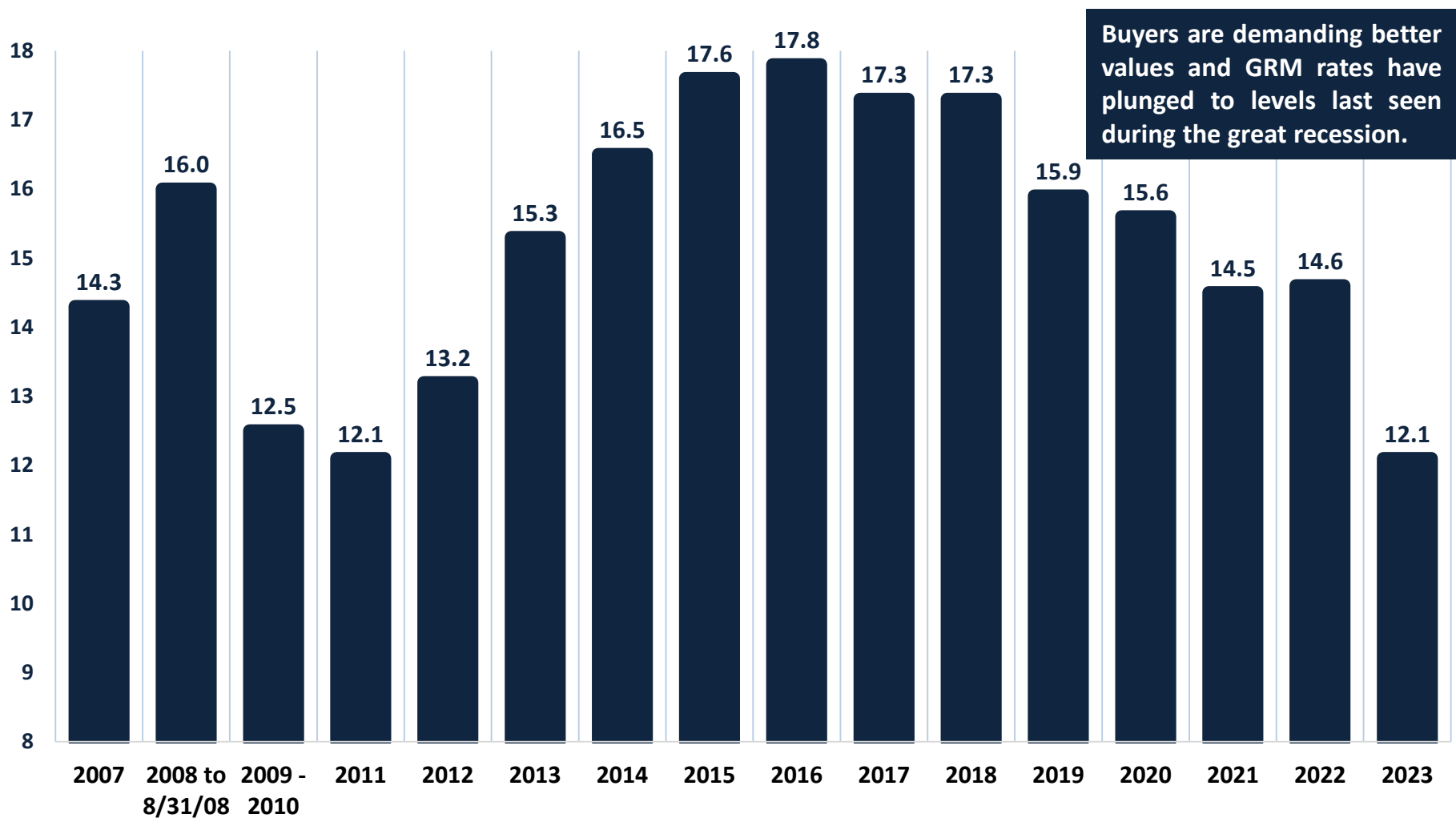


Per SFARMLS sales data. These analyses were performed in good faith with data derived from sources deemed reliable, but may contain errors and are subject to revision. All numbers to be considered approximate, and may change with late-reported activity. Not all listings or sales are reported to MLS.

Average Gross Rent Multiples

San Francisco 5+ Unit Apartment Building Sales

How this analysis applies to any particular property is unknown without a specific comparative market analysis.

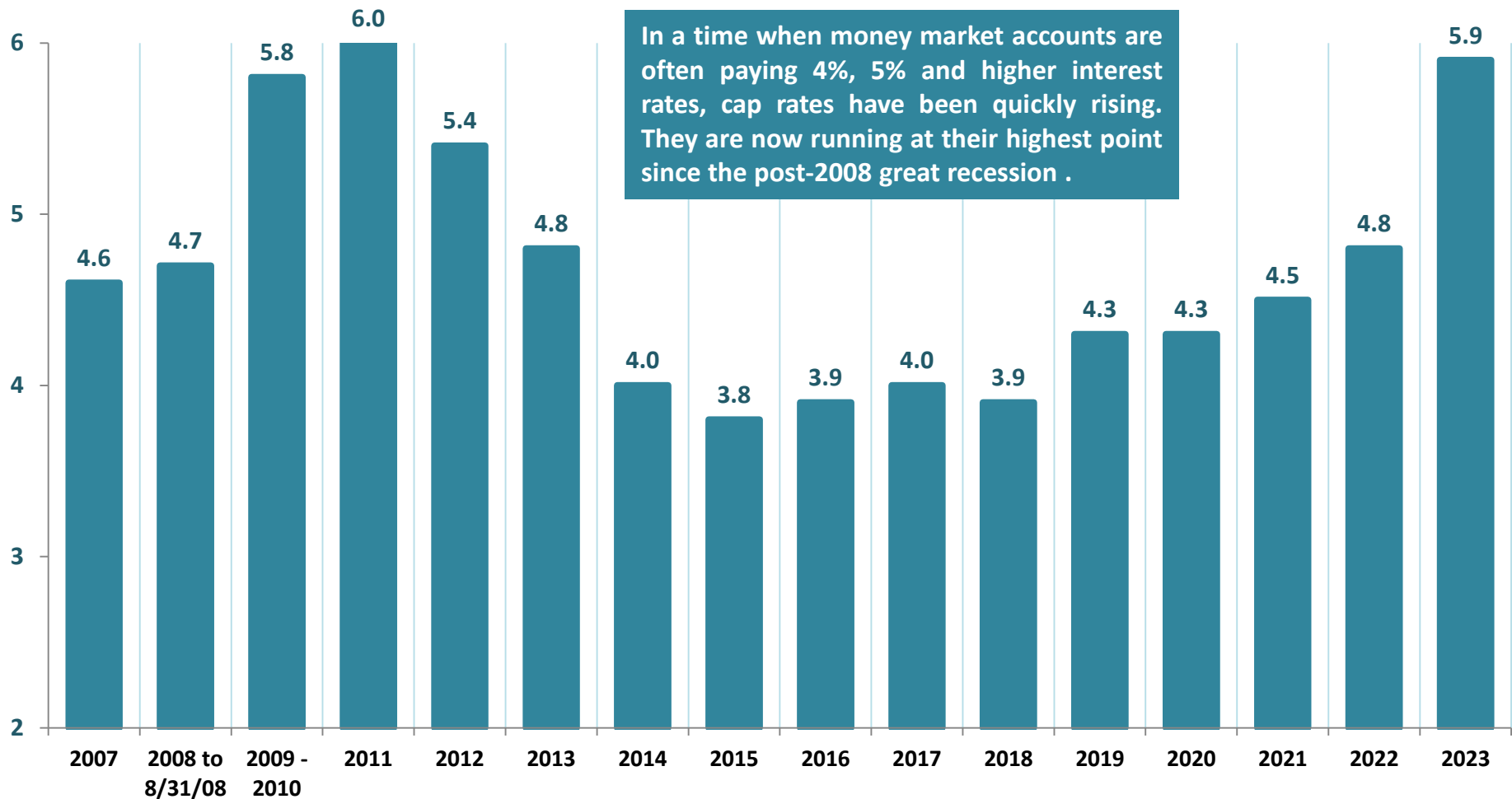


GRM is calculated by dividing the sales price by the annual gross rents. It is a very general statistic and all numbers should be considered very approximate. This data is from sources deemed reliable, but may contain errors and subject to revision. Outlier sales that would distort the statistic were deleted from the analysis when identified. Based on data provided by listing agents, which can vary in reliability.

Average Cap Rates

San Francisco 5+ Unit Apartment Building Sales

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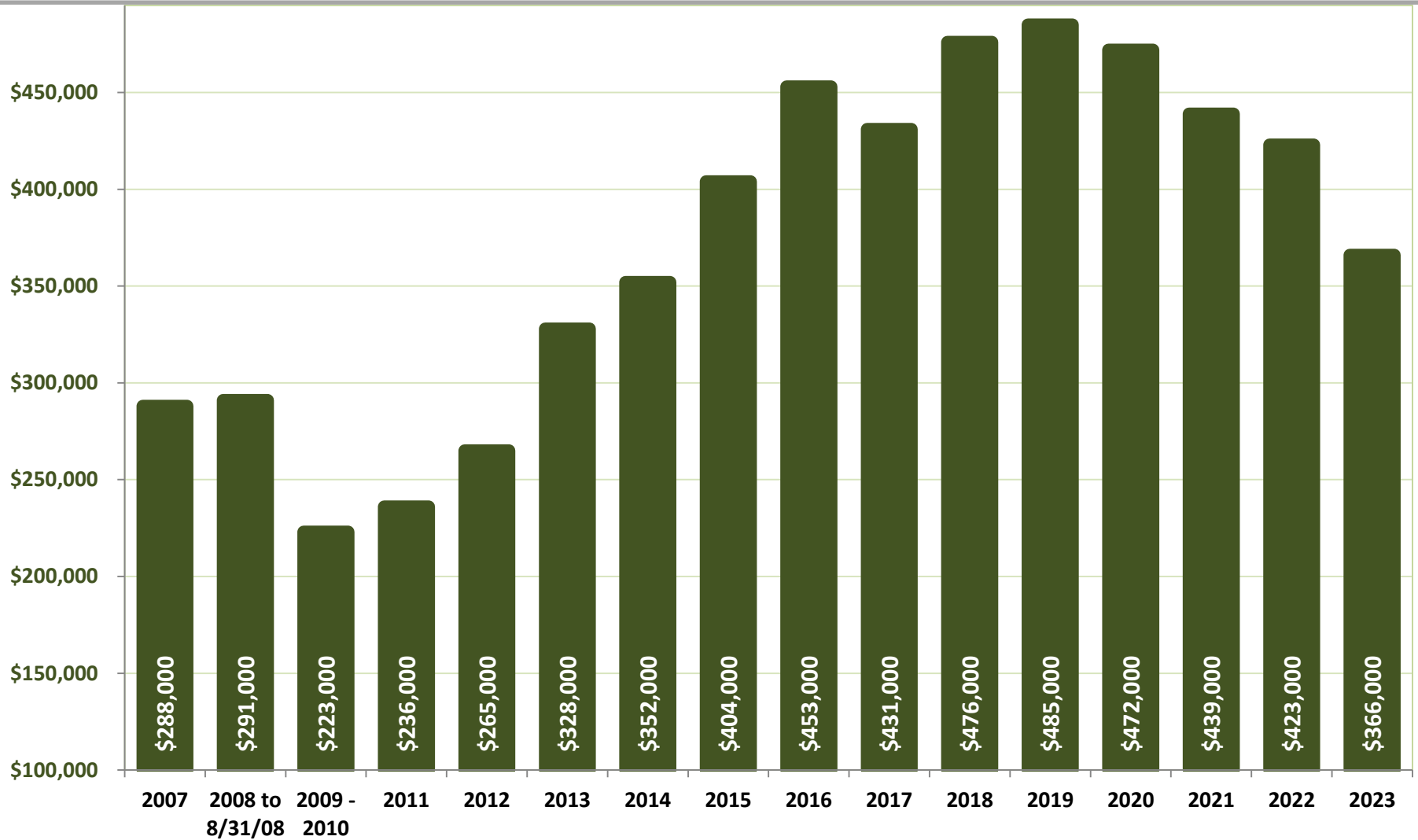


Capitalization rate calculations – sales price divided by net income (excluding mortgage costs), or return on investment as if the property had been purchased all cash – are only as good as the income and expense data provided by listing agents, and should be considered general approximations. Data from sources deemed reliable, but may contain errors and is subject to revision. Outlier sales that would distort the statistic were deleted from analysis when identified.

Average Price per Unit

San Francisco 5+ Unit Apartment Building Sales

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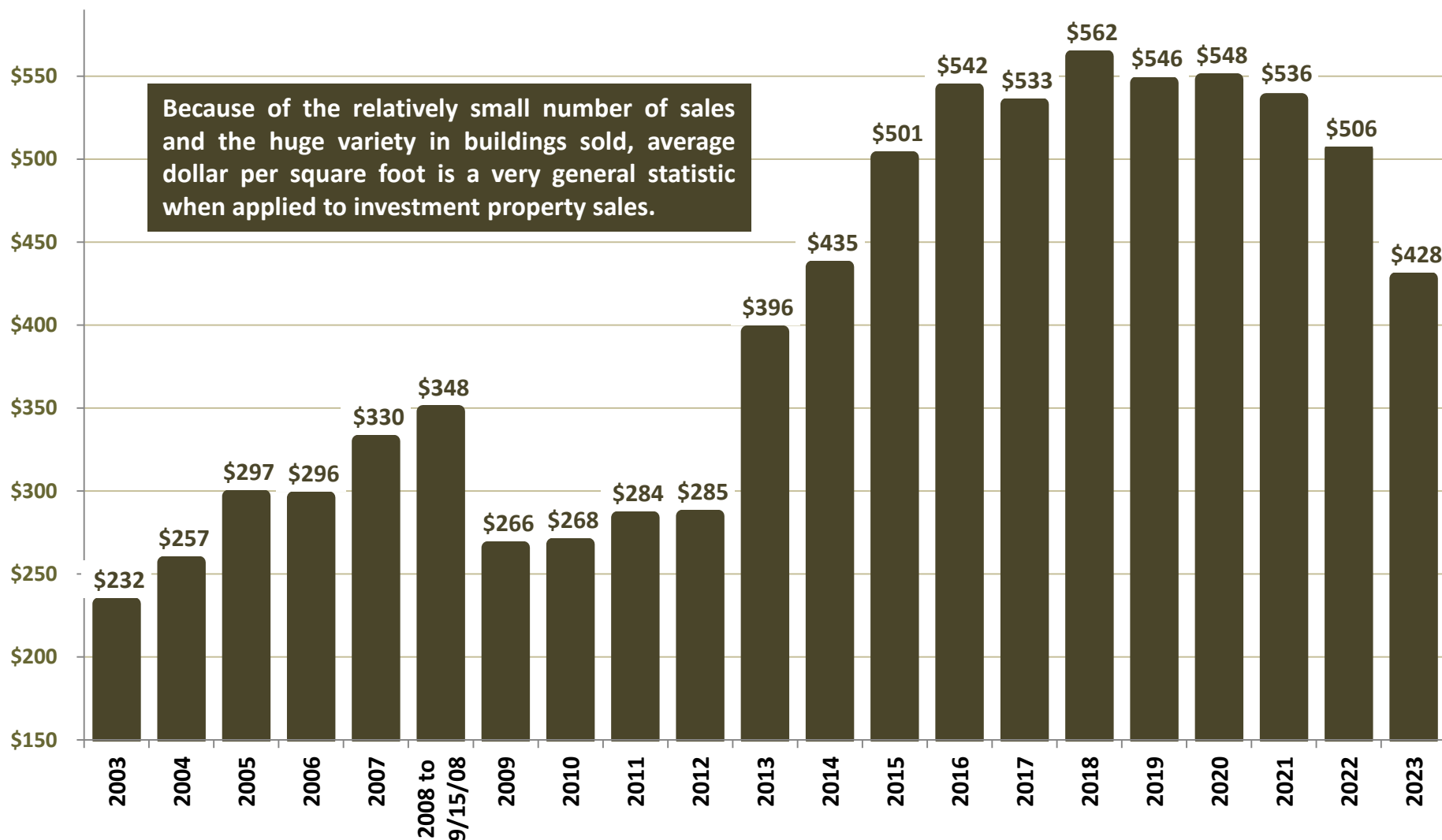


Because of the huge variety in buildings sold, this is a very general statistic when applied to SF investment property sales. This data is from sources deemed reliable, but may contain errors and subject to revision. Outlier sales deleted when identified. All numbers should be considered very approximate.

San Francisco 5+ Unit Apartment Building Sales

Average Dollar per Square Foot Values

How this analysis applies to any particular property is unknown without a specific comparative market analysis.

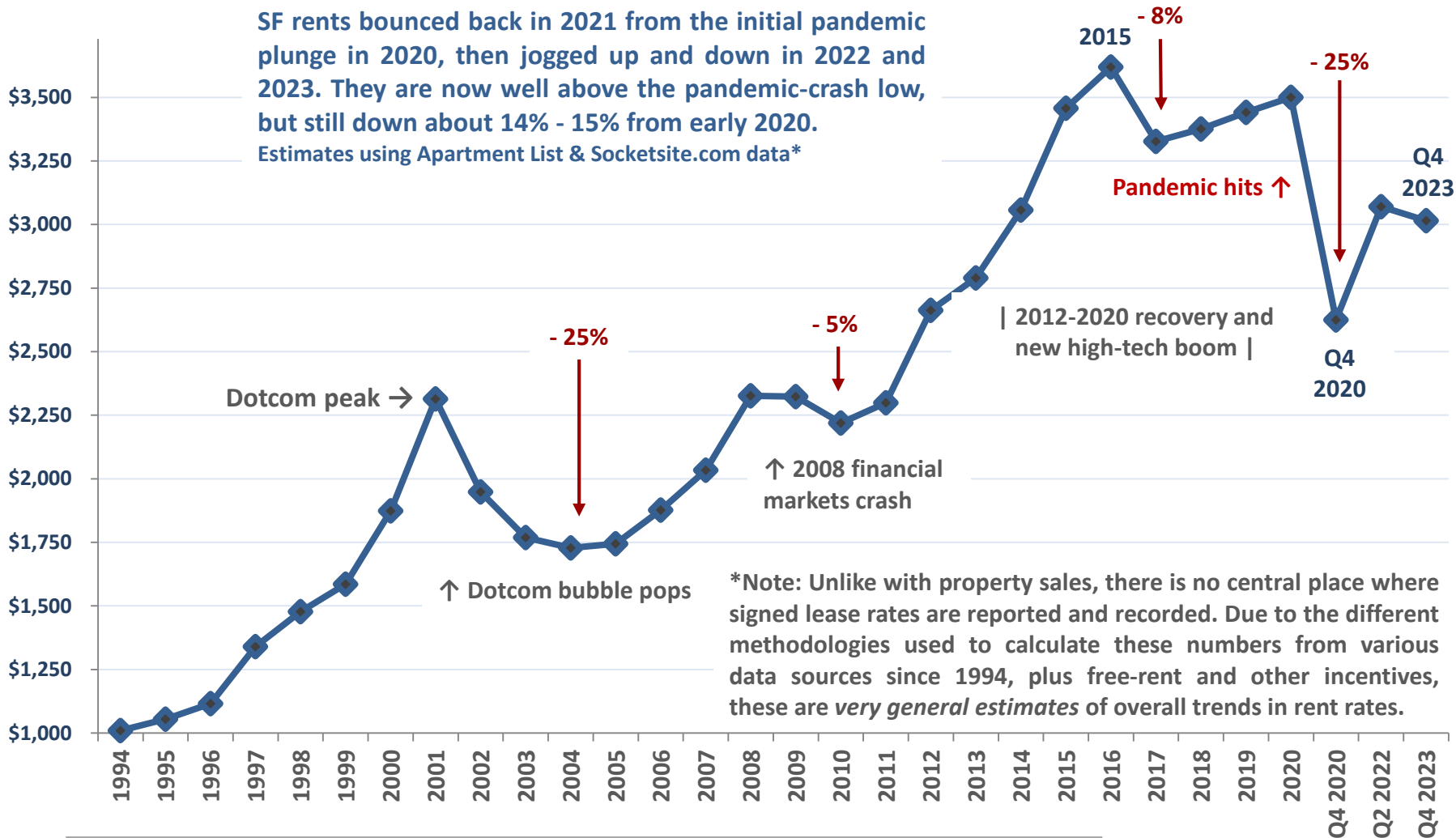


Data is from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate, and may change with late-reported sales. Outlier data adjusted when identified.



San Francisco Residential Rents – Approximate, Good Faith Estimates*

Average Asking Rent, 1994 – Present, Q1 Data Points (except as noted)



1st quarter data points except, as noted. Numbers are estimated using data from a variety of rental data sources over the past 25+ years. Data from sources deemed reasonably reliable but may contain errors and subject to revision. All numbers are good-faith estimates and very approximate.

5+ Unit Multi-Family Building Markets

2023 Sales by San Francisco Realtor District*

How these analyses apply to any particular property is unknown without a specific comparative market analysis.

San Francisco Realtor District	Median Sales Price	Median \$/Sq.Ft.	Median # of Units	Median Size (Sq.Ft.)	Median GRM/ Cap Rate*	Median Year Built
Pacific & Presidio Heights, Cow Hollow & Marina (D7)	\$3,629,000	\$547/sq.ft.	6 units	6646 sq.ft.	12.7/ 5.4	1919
Noe, Eureka & Cole Valleys; Ashbury & Corona Hghts (D5)	\$2,269,000	\$440/sq.ft.	6 units	5511 sq.ft.	12.8/ 5.8	1924
Lake Street, Richmond District, Jordan Park (D1)	\$3,250,000	\$446/sq.ft.	8 units	6264 sq.ft.	13.5/ 5.9	1959
NoPa, Alamo Square, Hayes Valley, Lwr Pacific Heights (D6)	\$2,450,000	\$383/sq.ft.	8 units	6741 sq.ft.	11.3/ 6.0	1909
Russian, Nob & Telegraph Hills; North Beach (D8, North)	\$2,325,000	\$387/sq.ft.	7 units	6390 sq.ft.	11.9/ 5.6	1910
Sunset, Parkside (District 2)	\$1,595,000	\$403/sq.ft.	6 units	4077 sq.ft.	Too few sales	1959
Mission, Bernal Heights, Potrero Hill, SoMa (D9)	\$1,950,000	\$326/sq.ft.	8 units	4800 sq.ft.	12.0/ 5.6	1907
Downtown, Tenderloin, Civic Center	\$2,450,000	\$275/sq.ft.	12 units	8740 sq.ft.	6.9/ 7.5	1913

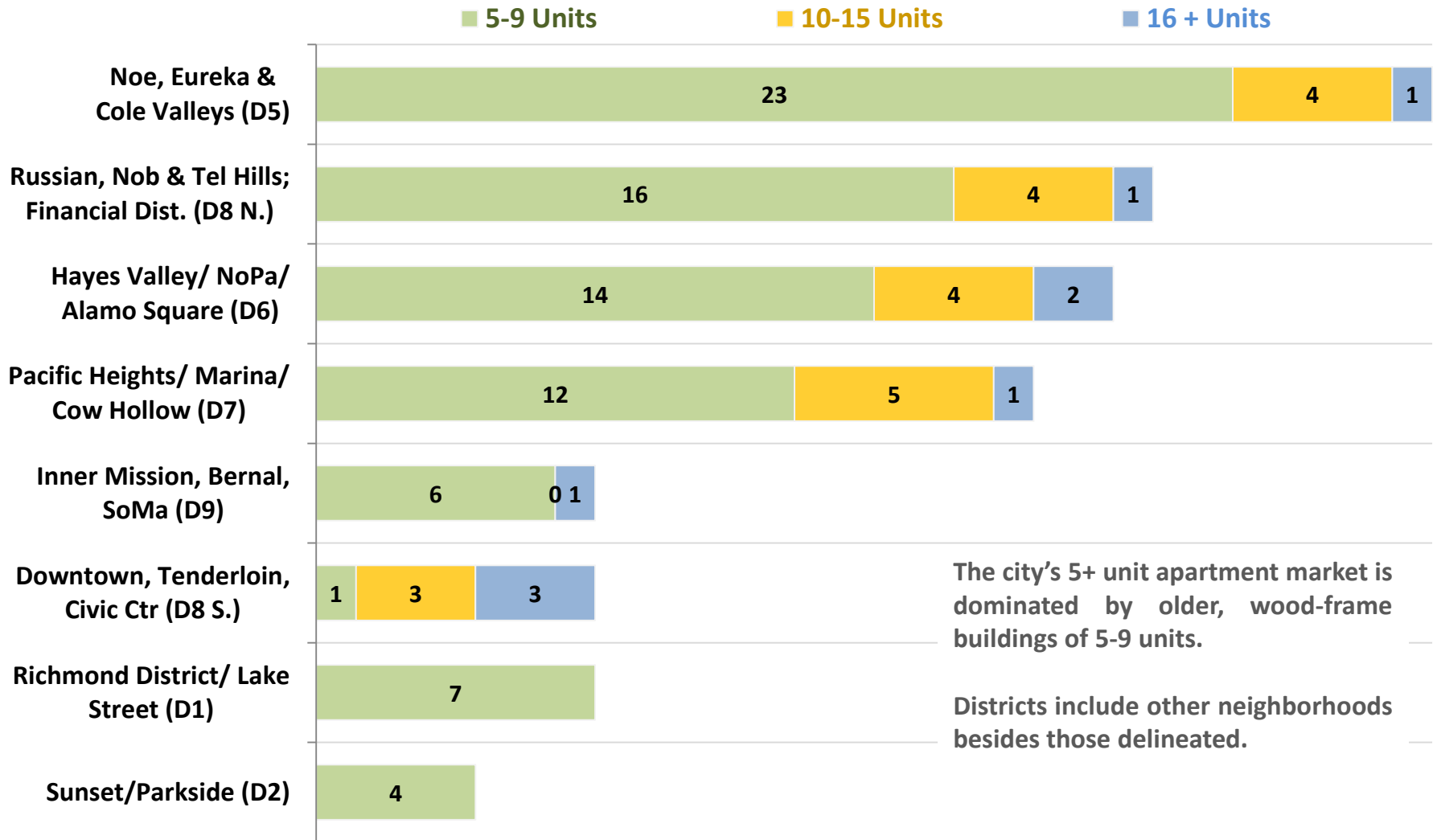
* GRM = Gross Rent Multiple. Median price is that price at which half the sales occurred for more and half for less. Dollar per square foot is based upon the building's interior living space and does not include garages, storage, unfinished attics and basements; or rooms built without permit. Cap rate measures the % return on investment – income less expenses – if the property was purchased all cash. These statistics are gross generalities for sales with wide disparities in size, quality, condition, tenant profile, rent control factors, and values. Realtor districts contain neighborhoods of varying values. Not all sales are reported to MLS.

*12 months sales reported to NorCal MLS Alliance through late December 2023. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate, and may change with late-reported sales.

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Multi-Unit Residential Property Sales, 5+ Units

2023 Sales by San Francisco Realtor District*



The city's 5+ unit apartment market is dominated by older, wood-frame buildings of 5-9 units.

Districts include other neighborhoods besides those delineated.

*12 months sales reported to NorCal MLS Alliance by late December 2023. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate, and late reported sales may change numbers. Not all sales are reported to MLS. Other city districts had fewer sales in the period.

San Francisco 5+ Unit Apartment Building Sales

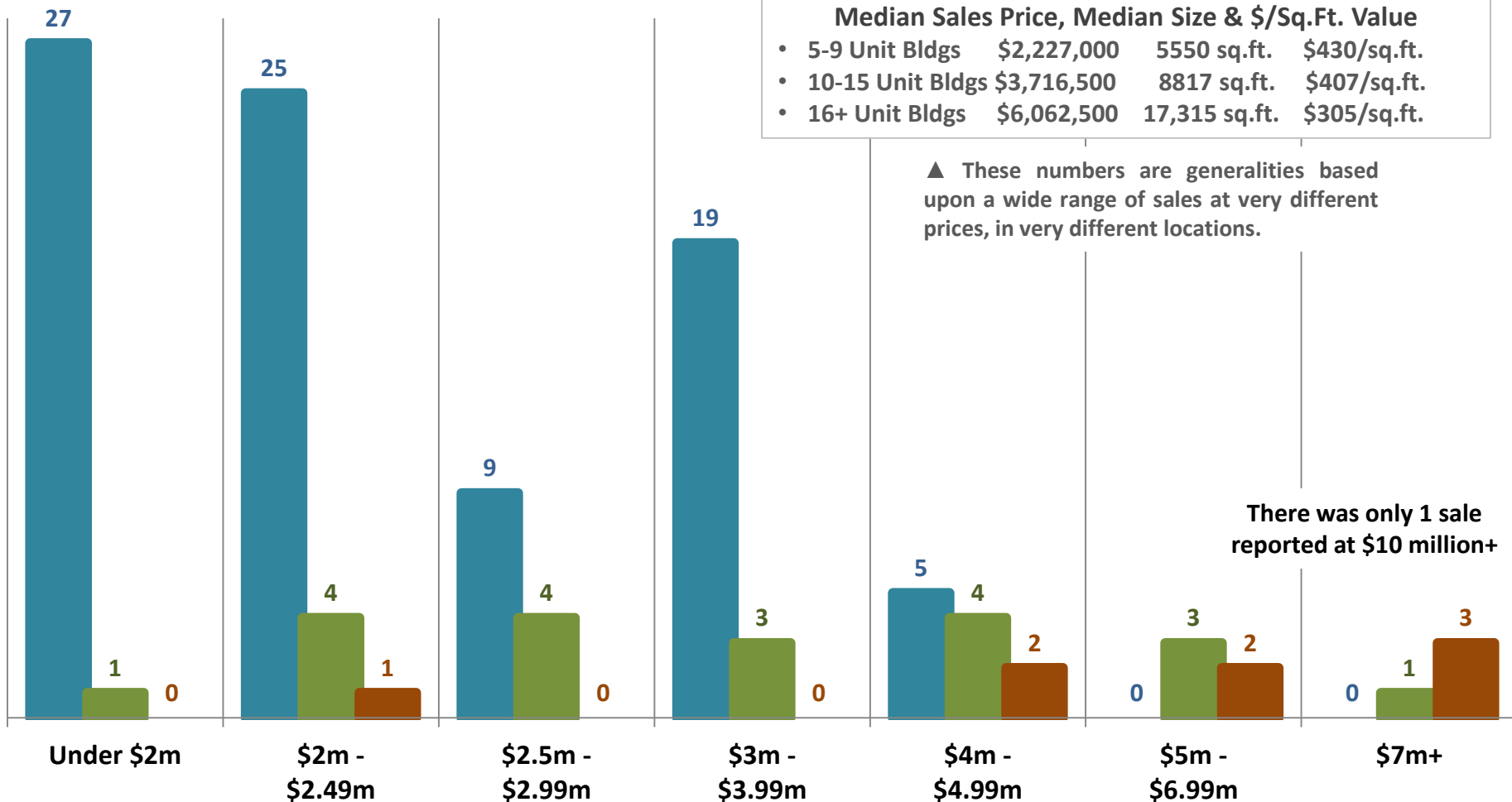
2023 Sales by Price Segment*

How these analyses apply to any particular property is unknown without a specific comparative market analysis.

■ 5-9 Unit Buildings

■ 10-15 Unit Buildings

■ 16+ Unit Buildings



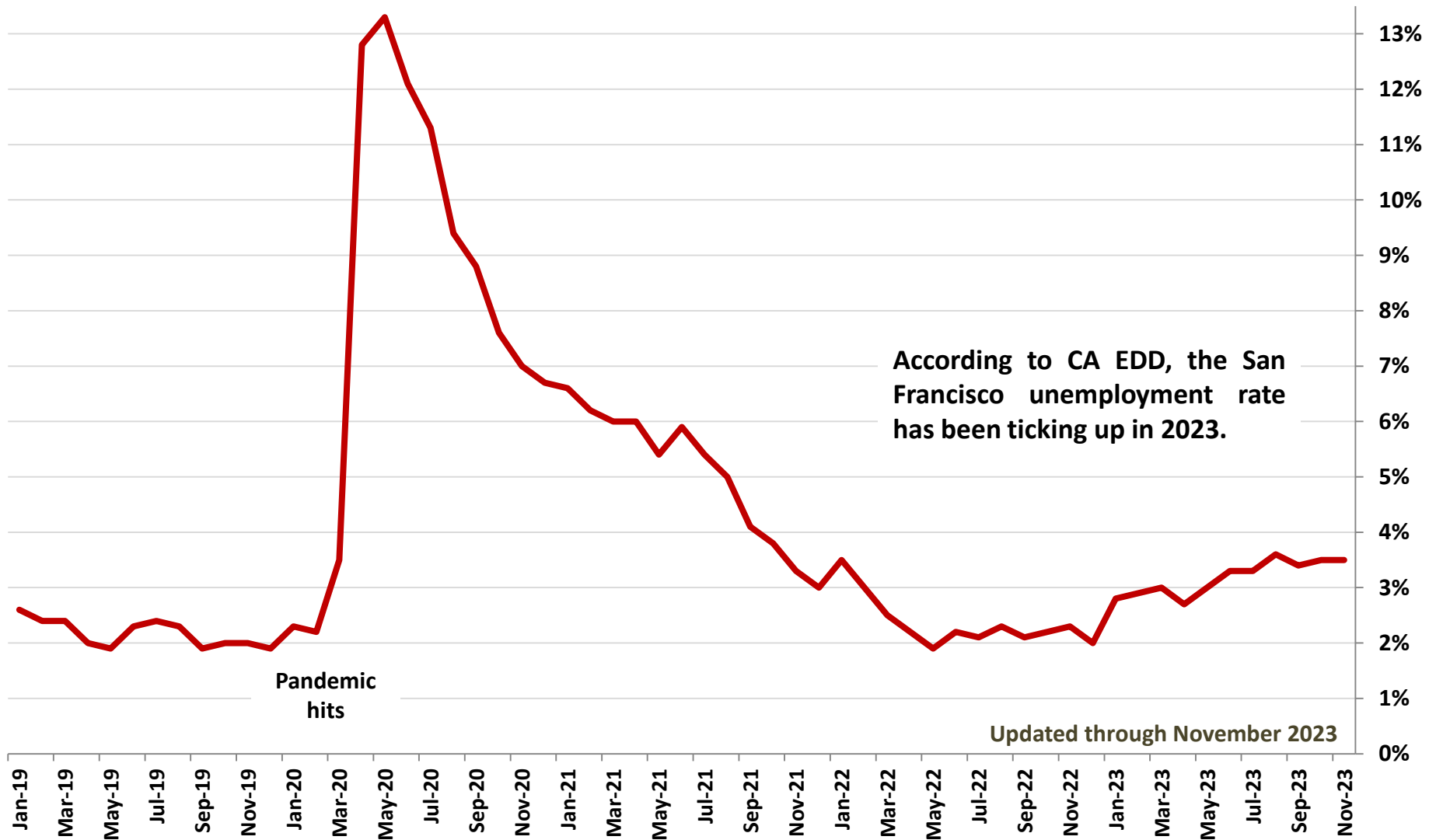
Median Sales Price, Median Size & \$/Sq.Ft. Value

- 5-9 Unit Bldgs \$2,227,000 5550 sq.ft. \$430/sq.ft.
- 10-15 Unit Bldgs \$3,716,500 8817 sq.ft. \$407/sq.ft.
- 16+ Unit Bldgs \$6,062,500 17,315 sq.ft. \$305/sq.ft.

*12 months sales reported to NorCal MLS Alliance by late Dec. 2023. Data from sources deemed reliable, but subject to error and revision. All numbers approximate, and may change with late-reported sales. Not all sales are reported to MLS.

San Francisco Unemployment Rates Since 2019

CA Employment Development Department Estimates



Estimates per CA Employment Development Dept. (EDD). Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate. EDD often revises estimates in later reports.



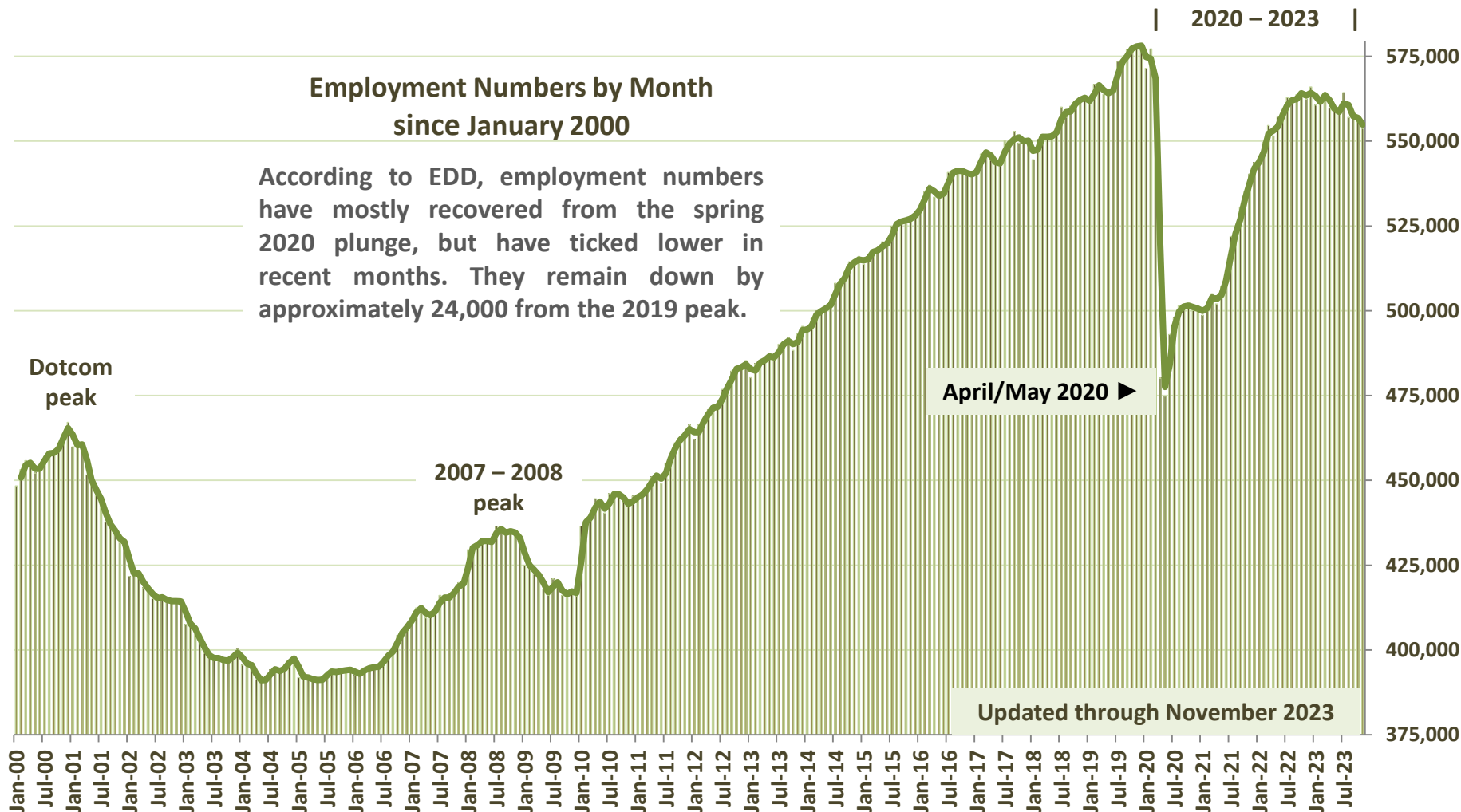
San Francisco Employment Trends

Number of Employed Residents since 2000

Per California Employment
Development Dept. (EDD)

Employment Numbers by Month since January 2000

According to EDD, employment numbers have mostly recovered from the spring 2020 plunge, but have ticked lower in recent months. They remain down by approximately 24,000 from the 2019 peak.

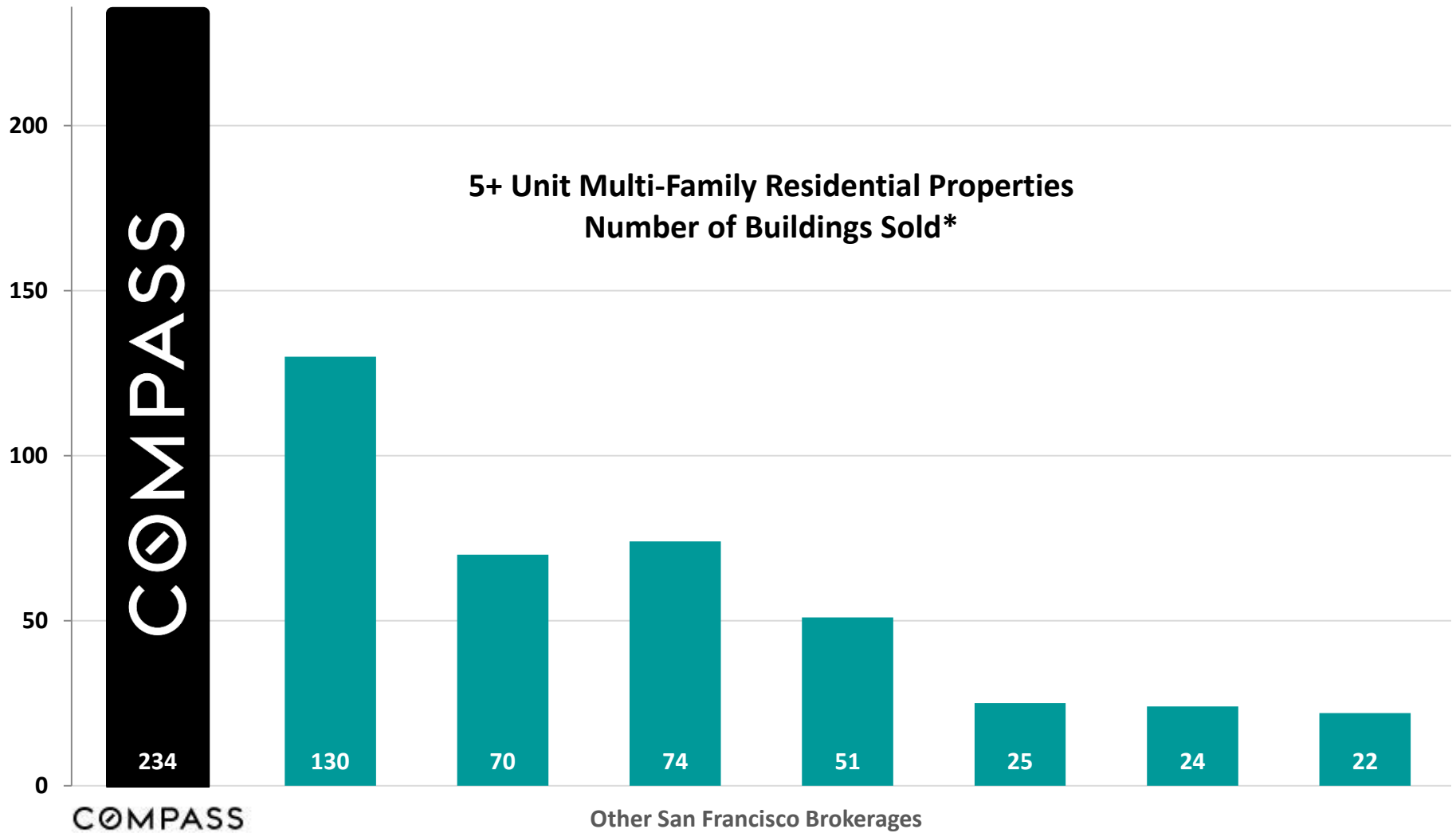


Per California Employment Development Dept. (EDD) . Last month's data is labeled "preliminary" by EDD. EDD often goes back to revise past data releases. Data from sources deemed reliable but may contain errors and subject to revision. All numbers should be considered approximate.



San Francisco Apartment Building Sales

By Broker, 5+ Unit Residential Sales, 2020-2023*

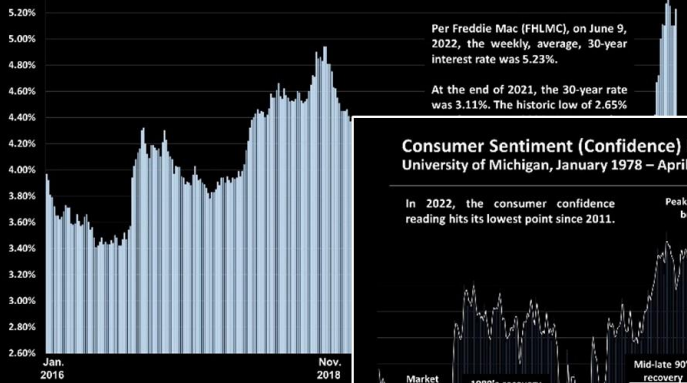


* 2020-2023 transaction-side, residential 5+ unit sales reported to NorCal MLS Alliance through 6/21/23, per MLS Ranking Report, top 30 companies. Analysis made in good faith. Not all sales are reported to MLS. By brokerage/brand.

Mortgage Interest Rate Trends, 2016 – Present

30-Year Conforming Fixed-Rate Loans, Weekly Average Readings

Rates published by the FHLMC



Per Freddie Mac (FHLMC), on June 9, 2022, the weekly, average, 30-year interest rate was 5.23%.

At the end of 2021, the 30-year rate was 3.11%. The historic low of 2.65%

Interest rates may fluctuate suddenly and dramatically, and changes. Data from sources deemed reliable but not guaranteed. Home loans should consult with a qualified mortgage professional.

Consumer Sentiment (Confidence) Index

University of Michigan, January 1978 – April 2022

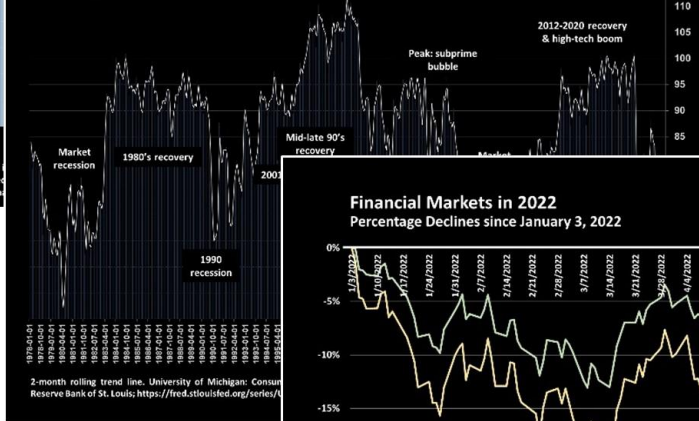
As published by the Federal Reserve Bank of St. Louis

In 2022, the consumer confidence reading hits its lowest point since 2011.

Peak: dotcom bubble

2012-2020 recovery & high-tech boom

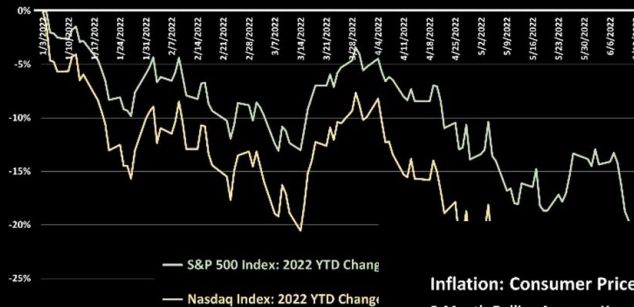
Click Here for Review of Selected Macroeconomic Trends



2-month rolling trend line. University of Michigan. Consumer Sentiment Index. Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MIUCSL>

Financial Markets in 2022

Percentage Declines since January 3, 2022



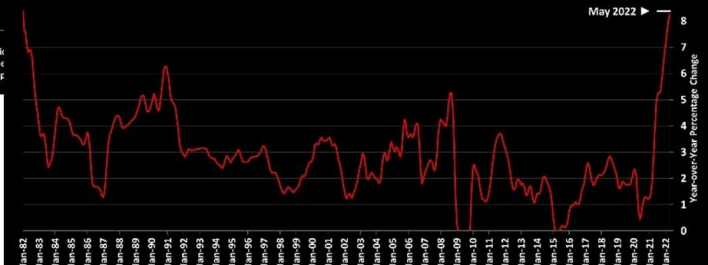
— S&P 500 Index: 2022 YTD Change

— Nasdaq Index: 2022 YTD Change

Last reading as of 6/13/22 AM. Data per MarketWatch.com, daily closing price reading. Data from source deemed reliable, but may contain errors and subject to revision. Financial markets change constantly and all numbers should be considered as approximate.

Inflation: Consumer Price Index, 1982 – 2022*

3-Month-Rolling Average, Year-over-Year % Change



*3 month rolling average of Consumer Price Index for All Urban Consumers: All Items in U.S. City Average (CPIAUCSL), retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPIAUCSL>, June 2022. Data from U.S. Bureau of Labor Statistics. All Items (CPIAUCSL) is a price index of a basket of goods and services paid for by urban consumers. This particular index includes roughly 88 percent of the total population. Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

Factors in Bay Area Real Estate Markets

Many of these factors' effects can swing both positive and negative; sometimes effects are deeply counter-intuitive (e.g. a pandemic causing a fierce housing boom). Economic, political, social and ecological dynamics constantly change and interact in difficult-to-predict ways. Market-changing developments can percolate gradually, or arise quickly and unexpectedly. The impact of specific factors can vary by market segment.

Local economic conditions: High-tech booms, employment, housing affordability & development, venture capital & foreign investment, pro/anti-business sentiment, etc.

Interest rates Stock markets Inflation Consumer confidence

Household wealth; personal, corporate, gov't. debt levels Massive, governmental economic interventions (including by the Fed); post 9/11/2001, post 9/2008, post 3/2020

Natural disasters such as COVID, 1989 earthquake, 2017-21 fires, drought

Domestic & foreign migration; federal immigration policy; demographic changes

Tax law e.g. real estate tax benefits & credits, 2017 SALT-deduction limitation Rental market dynamics State income tax disparities

International economic/political events, e.g. large oil price swings, military/economic conflict, foreign economic crises, 9/11, 2015 Chinese stock market crash

Local, state & national politics Social and quality of life issues: Crime, homelessness, cost of living, economic inequality, partisan politics, etc.

Financial industry manipulation, fraud, engineering, recklessness, e.g. junk bonds, S&L collapse, predatory lending, abandonment of risk mgmt. & underwriting standards, CDOs & rating-agency deceit, insider trading, over-leveraged investing; irrational exuberance

Note that the quantity of sales in any given local submarket is usually relatively small and/or the number of sales that report the necessary financial information can be limited. Buildings of different ages, qualities and sizes selling in different periods can cause these average and median figures to fluctuate significantly. Furthermore, the reliability of some of these calculations depends upon the quality of the income and expense figures provided by the listing agents, and sometimes instead of actual numbers, much less meaningful projected or scheduled figures are used. Late reported listings and sales may change these statistics. Therefore, the above statistics should be considered very general indicators, and how they apply to any particular property without a specific comparative market analysis is unknown.

These analyses were made in good faith with data from sources deemed reliable, but they may contain errors and are subject to revision. Statistics are generalities and all numbers should be considered approximate. Numbers may change with late-reported sales activity.

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