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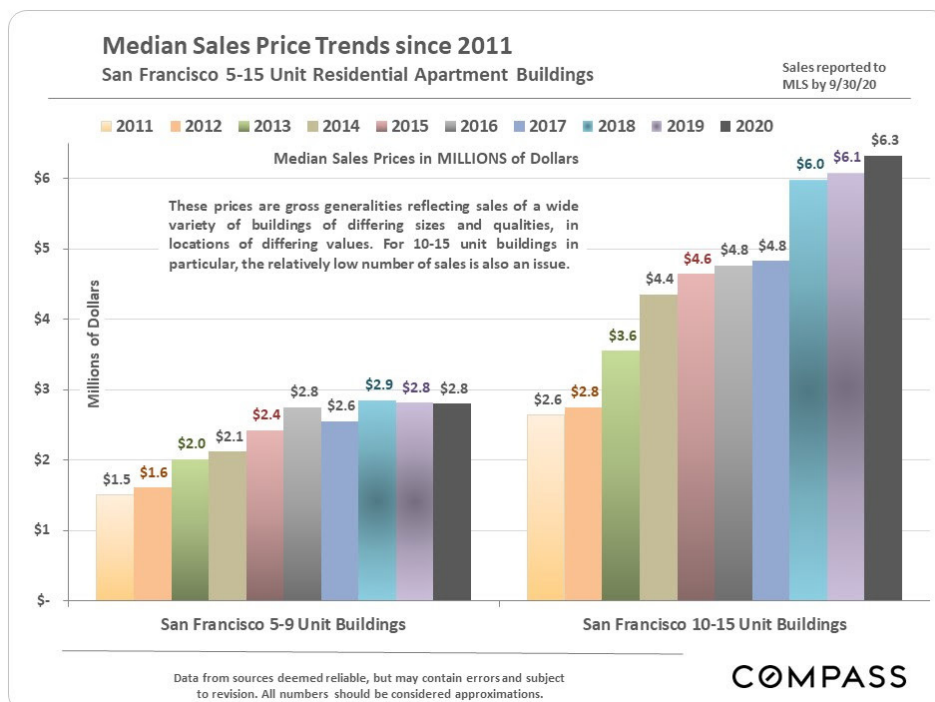


San Francisco 5+ Unit Apartment Building Market

October 2020 Report

The inventory of active listings is up, and the number of sales and the percentage of listings selling are well down since the pandemic struck. Values and value metrics - median sales prices, average dollar per square foot, average cap rate and GRM - remain relatively stable. Unemployment and the "work from anywhere" phenomenon have caused vacancy rates to surge and rent rates to plunge. Tenant-landlord and property showing regulations continue to be extremely restrictive. It is undoubtedly a challenging market, but deals continue to be made.

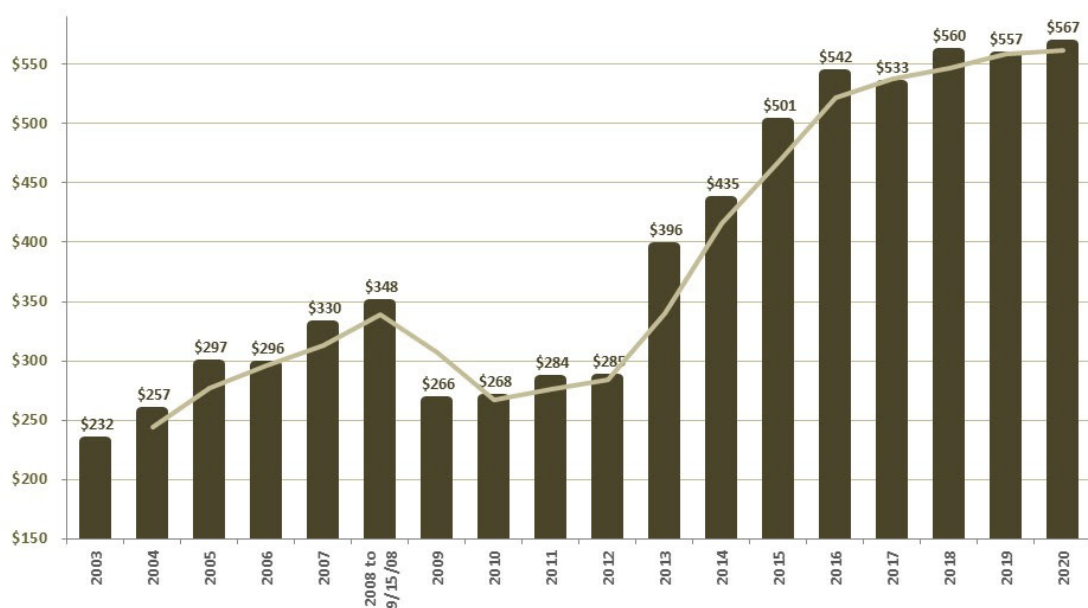
Median Sales Prices & Avg. Dollar per Square Foot



San Francisco 5+ Unit Apartment Building Sales

Average Dollar per Square Foot Values

2020 data through Sept. 30, 2020



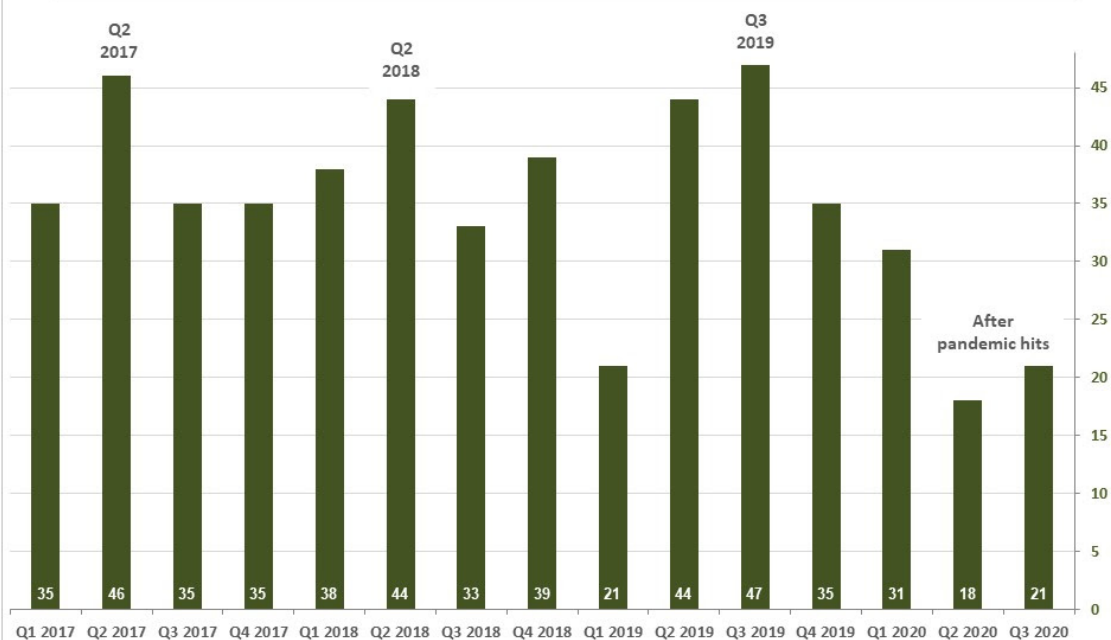
Because of the relatively small number of sales and the huge variety in buildings sold, average dollar per square foot is a very general statistic when applied to investment property sales. Data is from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate. Outliers deleted when identified.

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Supply & Demand

San Francisco Apartment Building Market – 5+ Units

Listings Closing Sale in Quarter since 2017



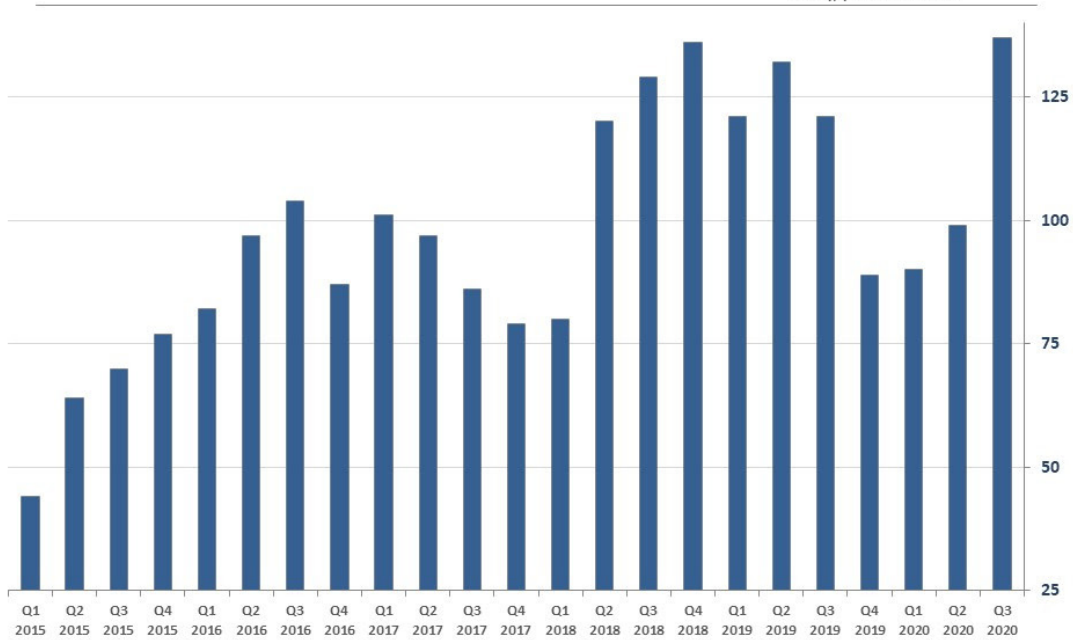
Data from sources deemed reliable, but may contain errors and subject to revision. All numbers approximate.

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San Francisco Apartment Building Market – 5+ Units

Active Listings: Units Listed for Sale in Quarter

5+ unit buildings, MLS listing activity, per Broker Metrics



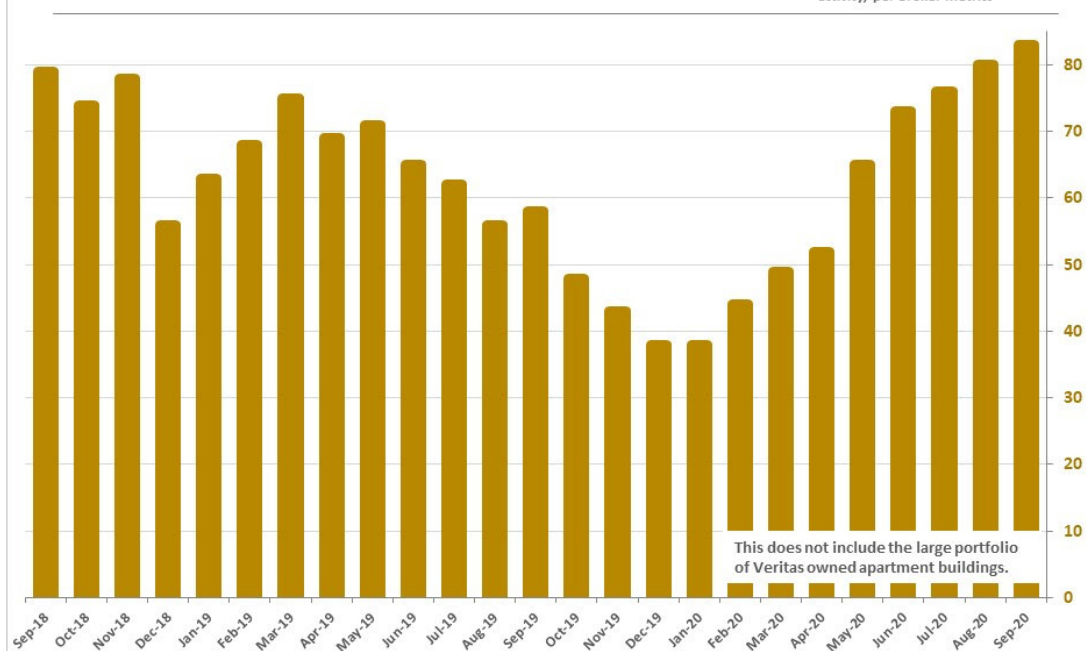
Data from sources deemed reliable, but may contain errors and subject to revision. Based upon MLS activity: Not all for-sale properties are posted to MLS. All numbers approximate and subject to revision.

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San Francisco Apartment Building Market – 5+ Units

Active Listings Listed for Sale at End of Month

5+ unit buildings, MLS listing activity, per Broker Metrics



This does not include the large portfolio of Veritas owned apartment buildings.

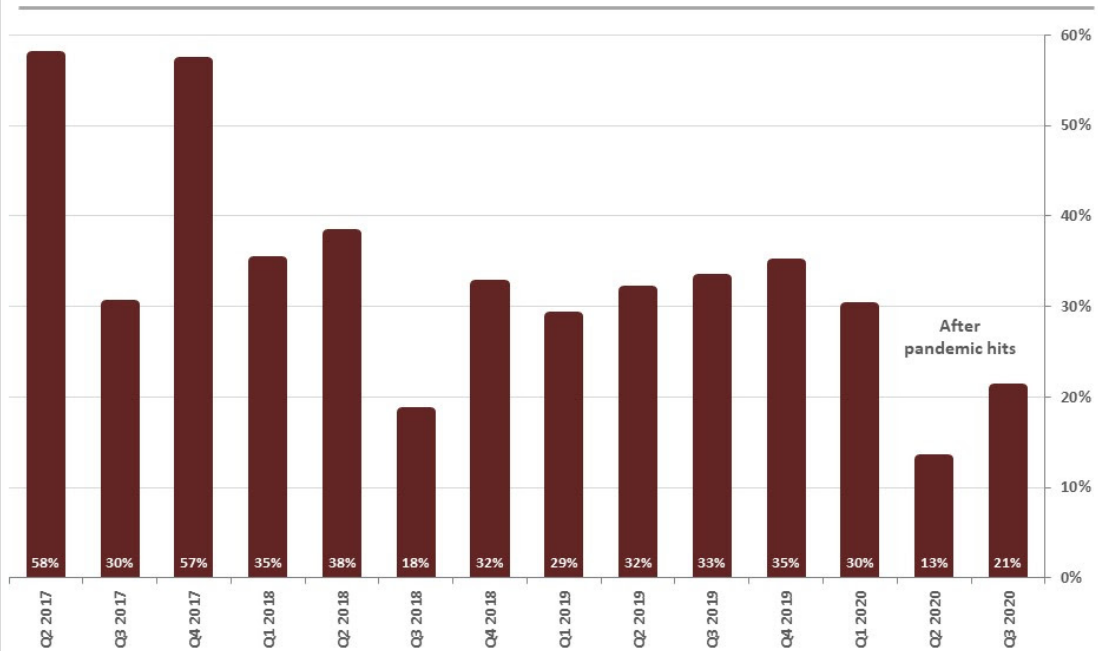
Data from sources deemed reliable, but may contain errors and subject to revision. Based upon MLS

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Percentage of Listings Accepting Offers in Quarter

San Francisco 5+ Unit Building Market Dynamics

Per MLS 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.

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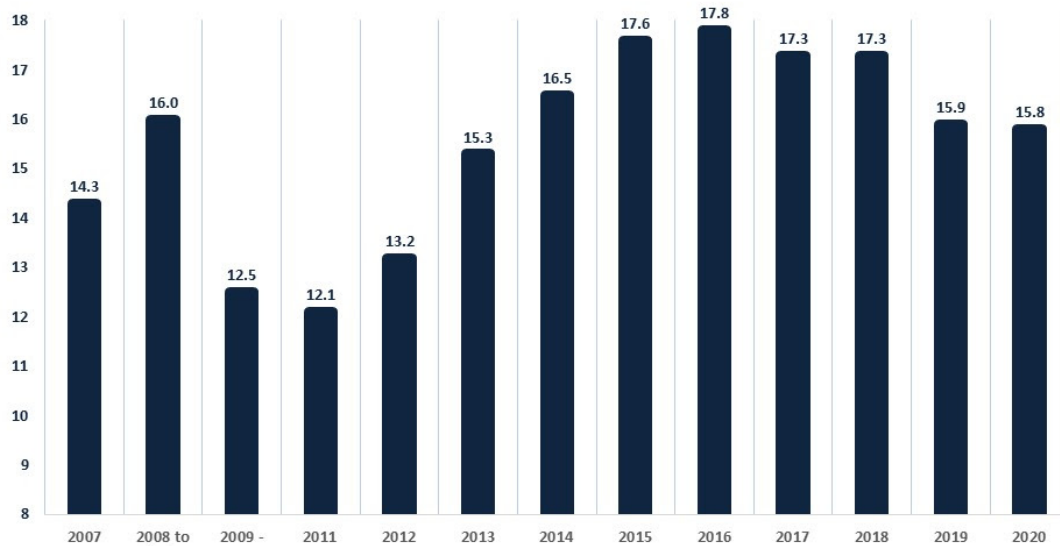
Trends in Selected Value Metrics

Very small downward adjustments in YTD indicators - in fact, the changes are so small they are probably statistically irrelevant.

Average Gross Rent Multiples

San Francisco 5+ Unit Apartment Building Sales

2020 data through Sept. 30, 2020



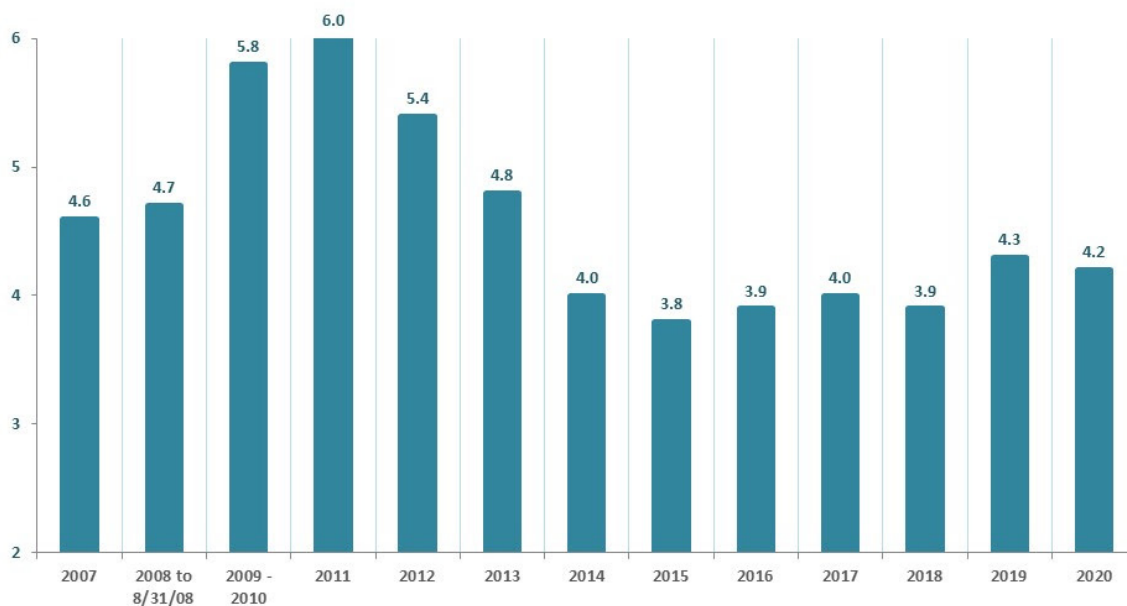
GRM is calculated by dividing the sales price by the annual gross rents. It is a very general statistic and all numbers should be considered approximate. This data is from sources deemed reliable, but may contain errors and subject to revision. Outlier sales that would distort the statistic were deleted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

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Average Cap Rates

San Francisco 5+ Unit Apartment Building Sales

2020 data through Sept. 30, 2020



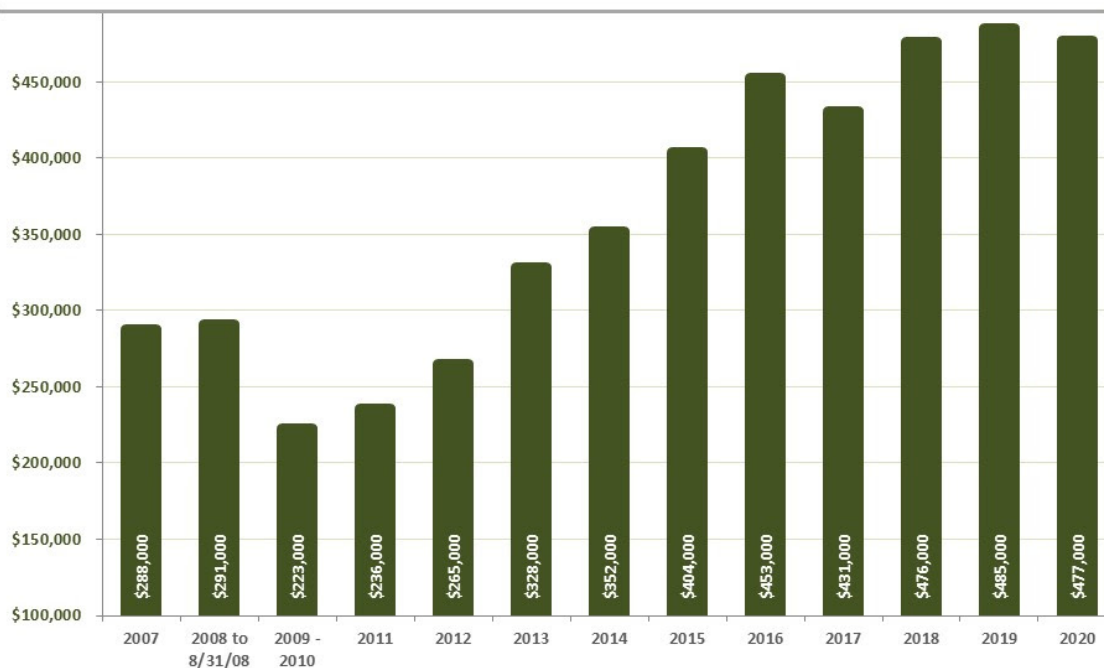
Capitalization rate calculations – sales price divided by net income (excluding mortgage costs), or return on investment as if the property had been purchased all cash – are only as good as the income and expense data provided by listing agents, and should be considered general approximations. Data from 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.

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Average Price per Unit

San Francisco 5+ Unit Apartment Building Sales

2020 data through Sept. 30, 2020



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 approximate.

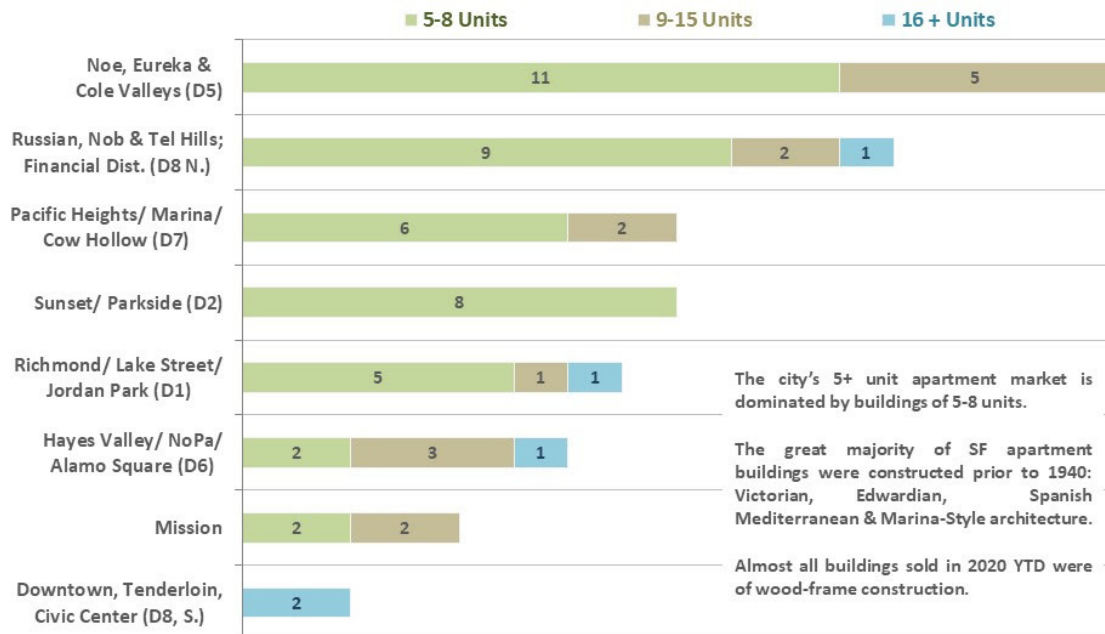
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Sales Breakdowns by District & Price Segment

Multi-Unit Residential Property Sales, 5+ Units

2020 YTD Sales by San Francisco District

Sales reported to MLS
through 10/2/20



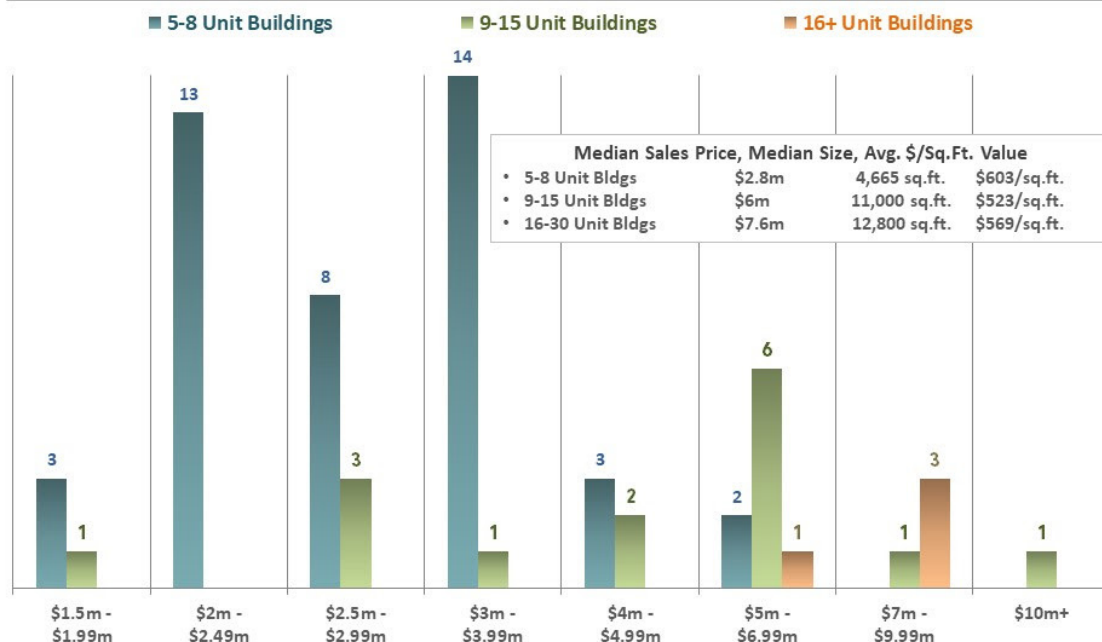
Data from sources deemed reliable, but may contain errors and subject to revision. All numbers are approximate. May not include all mixed-use building sales.

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San Francisco 5+ Unit Apartment Building Sales

2020 YTD Sales by Price Segment

Sales reported to MLS
through 10/2/20



Sales reported to MLS. "M" signifies millions of dollars. Data from sources deemed reliable, but subject to error and revision. All numbers to be considered approximate.

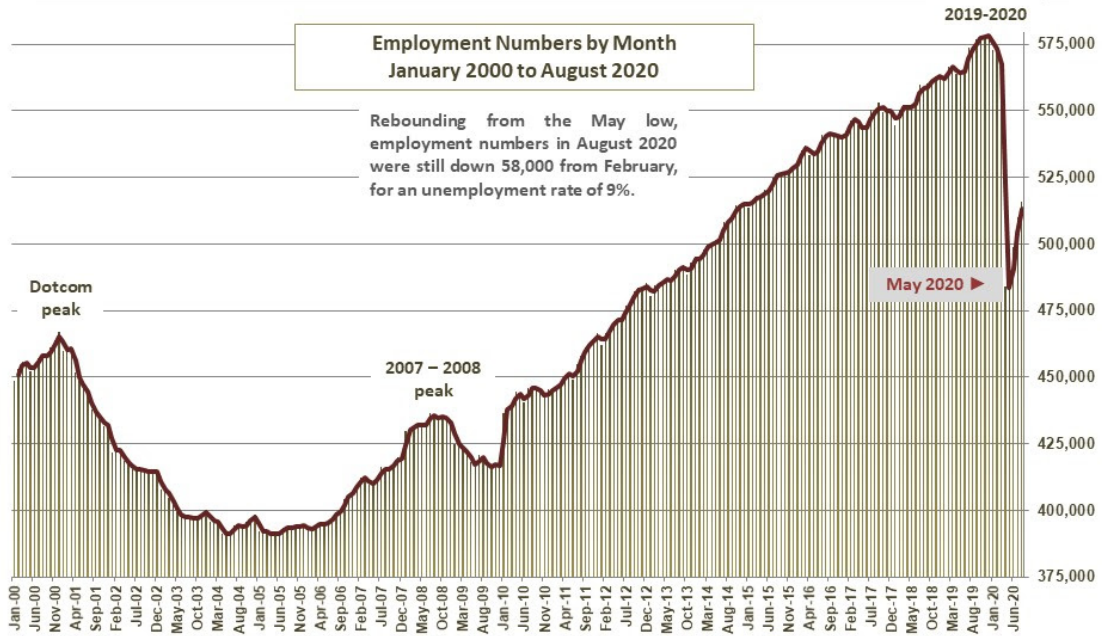
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Employment & Rent Rates

San Francisco Employment Trends

Number of Employed Residents since 2000

Per California Employment
Development Dept. (EDD)

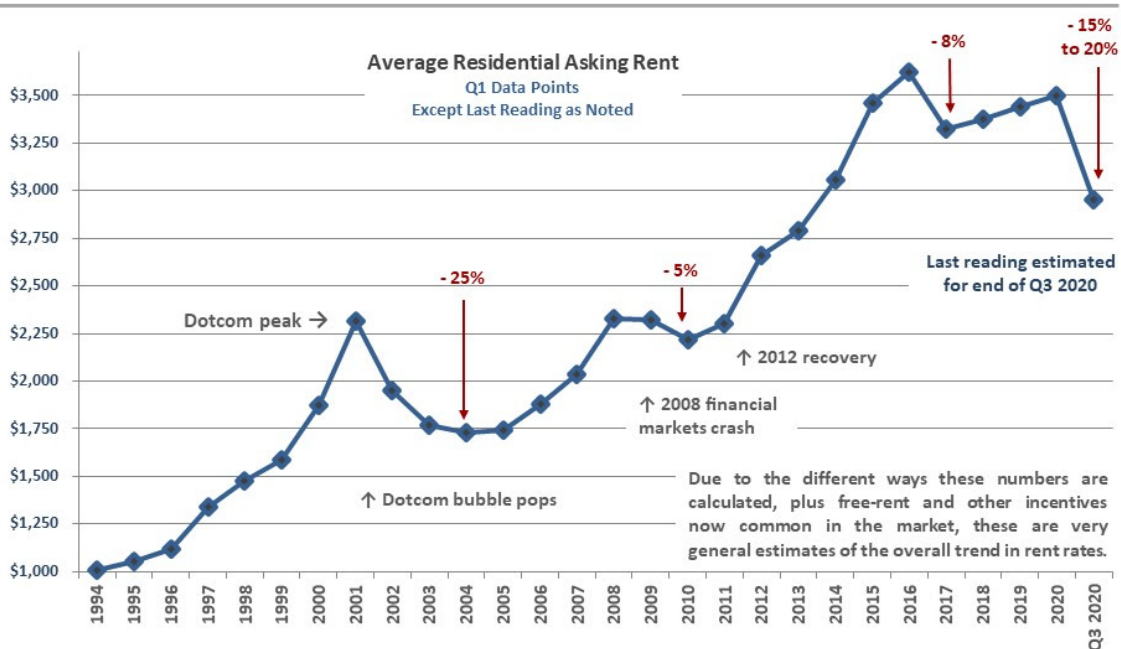


EDD data. Last month's data is labeled "preliminary" by EDD. EDD often goes back to revise past data releases. Data from sources deemed reliable but may contain errors and subject to revision.

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San Francisco Residential Rents – Estimated & Approximate

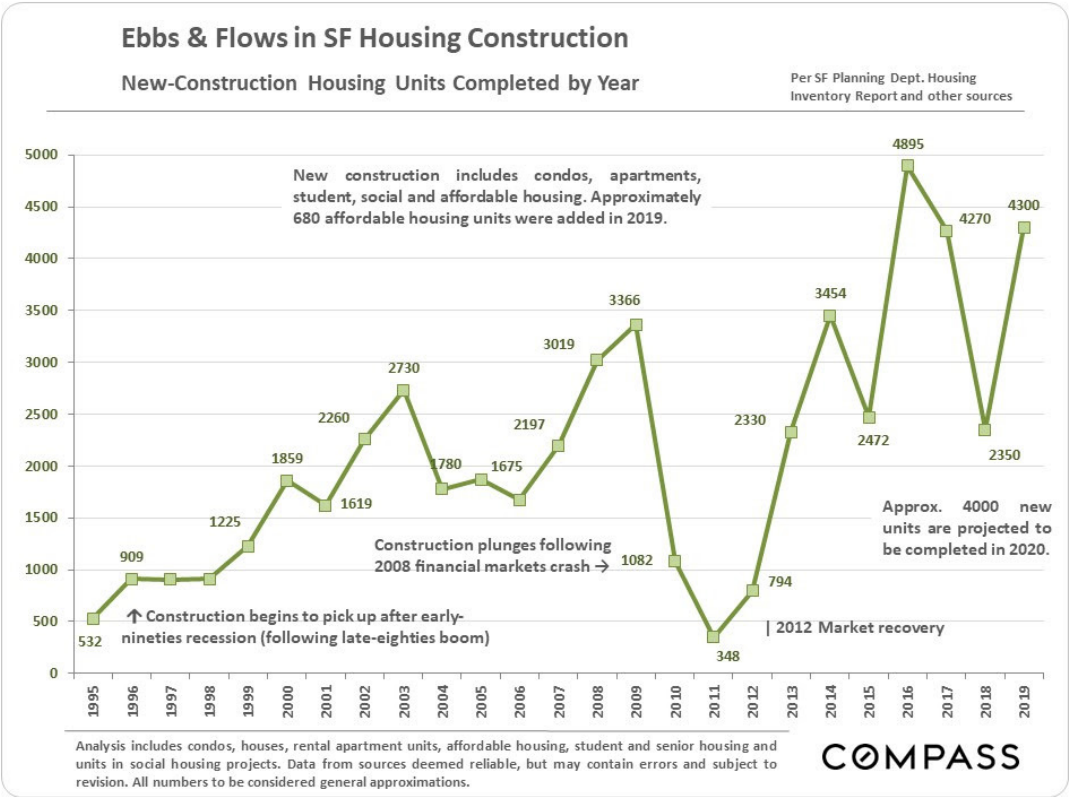
Weighted Average Asking Rent, Q1 Data Points, 1994 - Present



1st quarter data points except, as noted for last reading - per RealFacts LLC, for larger buildings. 2017-onward estimated using data from a number of rental data websites. Does not include rentals of single family dwellings, condos or units in smaller apartment buildings (which are often larger & more expensive). Data from sources deemed reliable but may contain errors and subject to revision. All numbers are approximate.

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New Housing Construction (All Types)



Market Share by Broker

