METRO MULTIFAMILY DEMAND OVERVIEW

SAN DIEGO

26,199

Apartment units needed by 2035

DEMAND RANKING

<table>
<thead>
<tr>
<th>Demand Ranking</th>
<th>Affordability</th>
<th>MF Supply / Restrictions</th>
<th>STAR* Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>34</td>
<td>53</td>
<td>40</td>
<td>48%</td>
</tr>
</tbody>
</table>

Rental Households by Income

<table>
<thead>
<tr>
<th>Income</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $15k</td>
<td>50,775</td>
</tr>
<tr>
<td>$15k - $24k</td>
<td>46,721</td>
</tr>
<tr>
<td>$25k - $34k</td>
<td>49,821</td>
</tr>
<tr>
<td>$35k - $44k</td>
<td>67,594</td>
</tr>
<tr>
<td>$45k - $54k</td>
<td>73,046</td>
</tr>
<tr>
<td>$55k - $64k</td>
<td>86,892</td>
</tr>
<tr>
<td>$65k +</td>
<td>65,781</td>
</tr>
</tbody>
</table>

Rent as a Percent of Household Income

<table>
<thead>
<tr>
<th>Percent of Income</th>
<th>Occupied Rental Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 15%</td>
<td>4,686</td>
</tr>
<tr>
<td>15% - 20%</td>
<td>55,948</td>
</tr>
<tr>
<td>20% - 25%</td>
<td>61,312</td>
</tr>
<tr>
<td>25% - 30%</td>
<td>50,520</td>
</tr>
<tr>
<td>30% - 33%</td>
<td>40,172</td>
</tr>
<tr>
<td>35%+</td>
<td>226,184</td>
</tr>
</tbody>
</table>

Housing Stock by Tenure & Type

- Owner Single
- Owner 2-4 units
- Owner 5+ units
- Owner Mob/Oth
- Renter Single
- Renter 2-4 units
- Renter 5+ units
- Renter Mob/Oth

5+ Unit Rental Stock by Year Built

- Since 2010: 15,900
- 2000-2009: 28,951
- 1980-1999: 102,831
- 1960-1979: 103,292
- 1940-1959: 18,681
- Before 1940: 6,033

New Rental Households by Age Cohort

5+ Units Apartment Demand Forecast

Definitions on following page
RANKING and DEFINITIONS:

METRO RANKING is the relative rank among 50 multifamily metro markets based upon the average of HAS forecasted total 5+ multifamily demand 2021-2035 and the percentage growth in that demand, ranging from 1 (Austin) to 50 (Cleveland).

AFFORDABILITY INDEX is the % of renters who are paying less than 35% of gross income on rent, based on the U.S. Census American Community Survey, 2020 five year average figures. Higher numbers indicate more affordable markets. This index ranges from 47 (Miami) to 66 (Columbus) with a Metro average of 60.

MF SUPPLY / RESTRICTIONS is an average ranking of the increase in 5+ rental stock from 2011 to 2021 and the excess percentage growth in stock delivered as compared to percentage growth in rental households from 2011-2021. High rankings (1) indicate high growth markets in which supply is at least keeping pace if not exceeding demand whereas low rankings (50) indicate slow growth markets and/or where supply from 2011-2021 was less than the demand.

STAR SHARE is that share of Metro rental housing stock with five or more units HAS qualified as *Second-Tier AffordableRentals or those non-institutional sites of typically lower unit count, lower quality and greater age, a critical and ongoing multifamily supply component. Using CoStar® ratings of 1-5 for sites of five units or more, STAR is the lower ratings of 1-2. This share ranges from 64% (Los Angeles) to 12% (Austin) with a Metro average of 36%.

Multifamily Overview provided for NMHC/NAA by Hoyt Advisory Services (HAS) in collaboration with Eigen10 Advisors, LLC. All metrics are year-end 2020 data from the US Bureau of Census, CoStar®, Moody’s Analytics® and other sources. Forecasts are modeled by the HAS team based upon the most current data available and are estimates subject to unforeseen changes in economic environment, capital markets, property markets and national or local policies and laws. All licenses, data, logos and publishing may only be used with permission. For more detailed analyses and multifamily market consulting, contact NMHC, NAA or the HAS team listed in the publication appendix.