

SAN FRANCISCO-OAKLAND

MULTIFAMILY REPORT

FIRST QUARTER 2020

MARKET AT A GLANCE



OCCUPANCY RATE

96.1%

Up 10 bps since 1Q19



EFFECTIVE RENT

\$2,940

Up 1.3% since 1Q19



DELIVERIES

1,356

Units YTD

MULTIFAMILY TRENDS

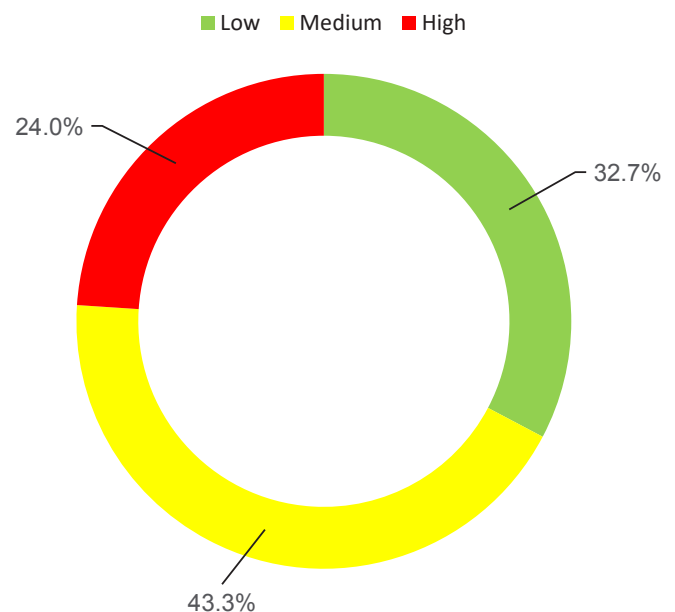
BAY AREA ECONOMY BRACES FOR EXTENDED STAY-AT-HOME ORDERS

With more than 2,800 confirmed COVID-19 cases in the San Francisco-Oakland metropolitan area, local governments in late-April extended the stay-at-home orders through May 31 to limit the spread of the coronavirus. So far, the pandemic hit the leisure and hospitality industry the hardest, with the workforce contracting by approximately 7,900 net positions in March alone. Losses were not limited to the service sector. The professional and business services employers eliminated 6,400 positions as firms like Yelp Eventbrite and Stubhub laid off hundreds. Conversely, more profitable tech employers like Google and Facebook are still growing their employee bases. While apartment fundamentals will weaken somewhat due to the pandemic, having many renters maintain their income streams as well as direct payments to taxpayers from the federal government and enhanced unemployment benefits should help mitigate the damage. The stay-at-home order prohibit evictions on all GSE-financed communities and mortgages will also forestall mass move-outs. The legislation also halted construction on all multifamily construction that was not affordable or included income-restricted units. These factors, along with the steep cost of homeownership, should contribute to apartment occupancy remaining healthy in the near-term. When the stay-at-home orders are lifted, the Bay Area economy is more posed to quickly restart due to the versatility of the tech industry.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing and hunting	0.2%	1.1%
Finance and insurance	4.7%	4.7%
Health care and social assistance	14.1%	16.0%
Information	6.0%	2.2%
Transportation and warehousing	4.1%	4.4%
Utilities	0.3%	0.4%
Wholesale trade	3.4%	4.7%
Total	32.7%	33.4%
MEDIUM		
Administrative and waste services	6.2%	7.4%
Educational services	2.6%	2.3%
Manufacturing	6.6%	10.1%
Mining, quarrying, and oil and gas extraction	0.0%	0.5%
Other services, except public administration	4.2%	3.6%
Professional and technical services	14.4%	7.5%
Retail trade	9.3%	12.2%
Total	43.3%	43.6%
HIGH		
Accommodation and food services	11.2%	11.1%
Arts, entertainment, and recreation	2.0%	1.9%
Construction	6.1%	6.1%
Management of companies and enterprises	2.6%	1.9%
Real estate and rental and leasing	2.0%	1.8%
Unclassified	0.0%	0.1%
Total	24.0%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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