

North Bay 4Q14 Multifamily Report

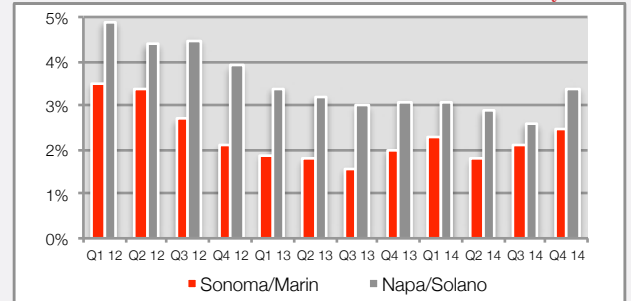


The North Bay multifamily housing market has shown an increase in effective rents of 7.56% in the last year; the effective rent per unit in the North Bay in the fourth quarter was \$1,428.71. This rent is much lower than the effective rent in San Francisco being \$2,535.28. In the North Bay, vacancy had increased to 2.9% in the fourth quarter of 2014 from 2.7% in the fourth quarter of 2013.

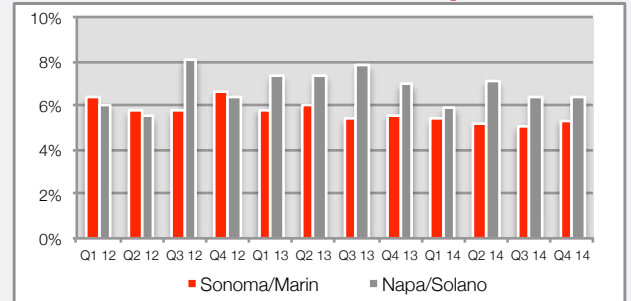
The North Bay has 6 multifamily projects under construction, totaling 738 units. In 2014, the North Bay had 479 units delivered, compared to only 172 units delivered in 2013 and 92 units delivered in 2012.

In the fourth quarter, the North Bay market had three major deals: sale of 713 Trancas St. in Napa for \$14,075,000, 720-732 Dutton Ave. in Santa Rosa for \$4,725,000, and 745 1st St. W. in Sonoma for \$2,670,000. Trinity Real Estate sold 713 Trancas St., also known as Bella Vista, to MG Properties Group in October with a capitalization rate of 5.40% and \$195,486/ unit. Bella Vista has 72-units with an average unit size of 849 square feet; the seller agreed to remediate and repair earthquake damage that happened earlier in 2014. Broll Investments, Inc. sold 720-72 Dutton Ave., also known as Lucrea Apartments, to Sieber & Herwick Trusts in October with a capitalization rate of 6.05%, a gross rent multiplier of 10.38, and a price per unit of \$138,971. Marino & Downing Trusts sold 745 1st St. W., also known as Casa De Sonoma, to James Ryan & Brad Welch in October with a capitalization rate of 4.71% and the average unit size of 1,187 square feet. Casa De Sonoma sold as an off market transaction with significant deferred maintenance and tenants were notified to vacate the premises to allow the new owners to renovate the building.

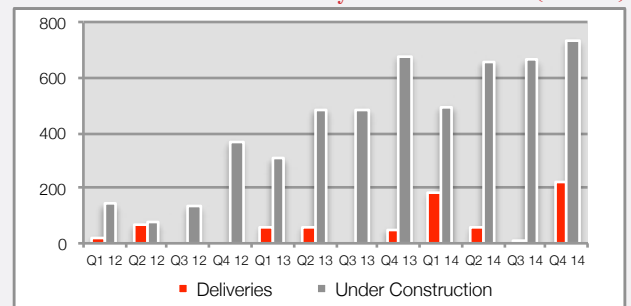
Vacancy Rates



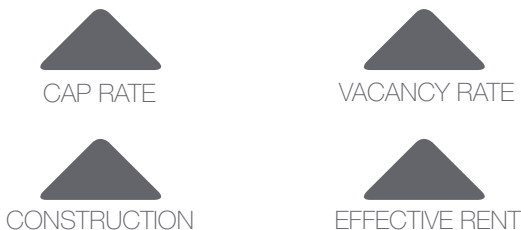
Capitalization Rates



North Bay New Construction (in Units)



Trends for 4Q14 for North Bay



North Bay 4Q14

Multifamily Report

Market Overview:

County	Cap Rate	Price/Unit	Effective Rent	Vacancy (%)	Absorption (Units)	Deliveries (Units)	Under Const. (Units)
Marin	4.55%	\$218,658	\$2,091.07	3.10%	-26	0	180
Napa	5.40%	\$195,486	\$1,435.31	2.90%	-38	0	0
Sonoma	5.70%	\$111,880	\$1,354.14	2.20%	-102	0	558
Solano	6.87%	-	\$1,143.51	3.50%	69	222	0

Significant Marin Sales Transactions:

Address	Price	Size	Units	City
107 Marin St	\$2,450,000	7,500	11	San Rafael
22 Tamalpais Ave	\$1,500,000	4,425	6	San Anselmo
1323 Leafwood Dr	\$1,079,000	3,850	6	Novato

Significant Napa Sales Transactions:

Address	Price	Size	Units	City
713 Trancas St	\$14,075,000	60,752	72	Napa

Significant Solano Sales Transactions:

Address	Price	Size	Units	City
1905 Carolina St	\$1,200,000	10,250	18	Vallejo
405 Kings Way	\$785,000	6,770	12	Suisun City

Significant Sonoma Sales Transactions:

Address	Price	Size	Units	City
720-732 Dutton Ave	\$4,725,000	22,527	34	Santa Rosa
745 1st St W	\$2,670,000	19,000	16	Sonoma
2354 Meadow Way	\$2,522,000	45,000	52	Santa Rosa
710-750 Boyd St	\$2,100,000	10,806	21	Santa Rosa
487-489 Sonoma Ave	\$1,750,000	9,410	11	Santa Rosa
435 Piper St	\$1,550,000	5,000	5	Healdsburg
1204 Morgan St	\$1,085,000	5,700	7	Santa Rosa
117-121 Lincoln St	\$950,000	4,896	8	Santa Rosa

4Q'14

North Bay Multifamily Market Report

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