

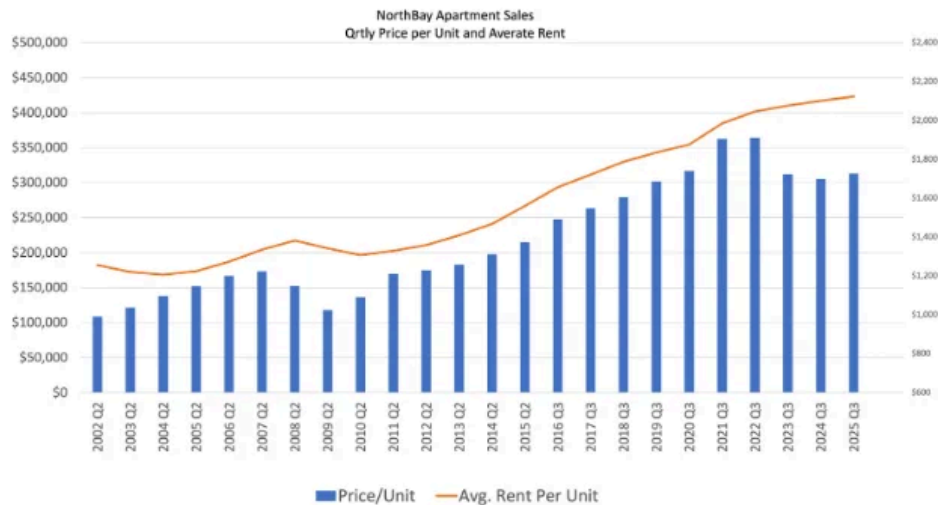


North Bay CRE Market Pulse | Q3 2025

Multifamily (5+ Units)

What moved in Q3

- **Pricing:** ~+2.5% q/q (per unit); cap rates ~+100 bps y/y → healthier cash-on-cash.
- **Supply:** ~93 active listings—strong choice without systemic distress.
- **Sales:** +33% q/q as sellers recalibrate and buyers underwrite to today’s rates.
- **Rents/Operations:** Rents ~+1% y/y overall. Prime assets retain tenants and capture targeted renewal bumps; dated assets face softer trends and selective concessions.



Multifamily dataset: ~2,756 buildings (~100,795 units), 5+ units.

For Owners/Sellers

- **Monetize loss-to-lease.** If in-place rents trail market, buyers can underwrite mark-to-market—supporting today’s price while preserving upside.
- **Tighten the package.** Highlight RUBS/sub-metering, insurance rebids, vendor efficiencies, and proven renovation premiums.
- **Capitalize on activity.** With sales up and financing modestly more favorable, well-prepared listings draw tours and competitive offers.



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For Buyers/Investors

- **Entry yield tailwind.** Wider cap-rate spreads vs last year cushion modest rate risk and improve cash flow.
- **Selectivity pays.** Favor functional buildings with clear, bite-size value-add (interiors, curb appeal, parking/storage) and low operational complexity.
- **Flexible financing.** Explore assumables, partial I/O, and short-ladder rate caps as lenders re-engage.

Capital Markets & Outlook (Next 90 Days)

- **Rates:** If inflation stays on track, incremental relief should continue, widening the buyer pool and modestly supporting values.
- **Office:** Ongoing price discovery; smaller suites and adaptive-reuse discussions gain traction.
- **Industrial & Retail:** Fundamentals steady; limited new supply remains a quiet tailwind.
- **Multifamily:** Flight-to-quality persists; light value-add and service upgrades outperform on renewals.
- **Deal Flow:** Expect a Q4 listing push and year-end closings (1031 timelines add urgency). Preparation will be the advantage.

How I Can Help?

Valuation & Strategy: Sell vs. Refi analysis with sensitivity tables (rates, exit yields, rent paths).

- **Acquisition Modeling:** Cash-on-cash/IRR under various debt options, plus rent and expense stress tests.
- **Go-to-Market Kit (Sellers):** Pricing guidance, CapEx punch-list, diligence binder, and targeted buyer outreach.

Curious how these shifts hit your specific property or a target deal? IM me or reply to this email—**let's run the numbers together.**

Testimonial: “Ces was instrumental in helping us find the right buyer for our property. From pricing to marketing to closing the deal, he was with us every step of the way. His dedication and expertise made all the difference, and we couldn't have been happier with the outcome. We highly recommend Ces to anyone who is looking to sell their investment property. Thank you, Ces!.” - **Kurt L and Elsa L., Owners**