

2023

# FORECAST

National Apartment Research Report

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**BERKADIA**<sup>®</sup>

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# NATIONAL

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.0%



DOWN 70 BPS YOY

Effective Rent

\$1,827



UP 3.3% YOY

Rent Share of Wallet

23.7%



UP 10 BPS YOY

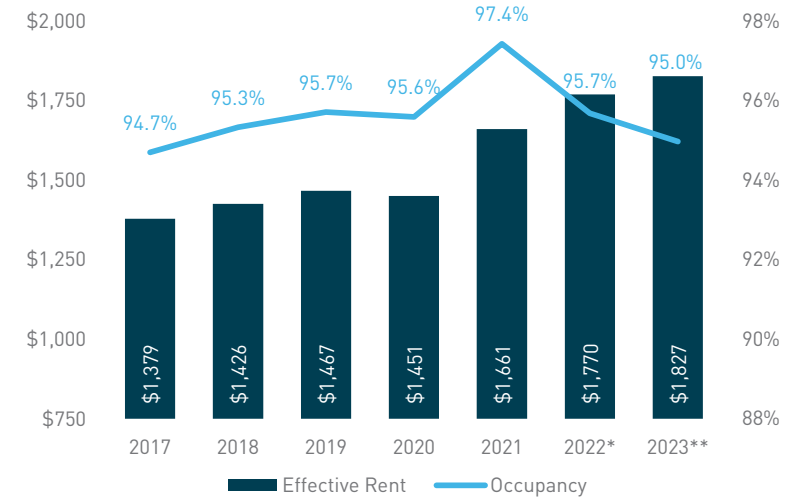
## Prolonged Construction Pipelines Lead to Surge in Apartment Deliveries

Following the slowdown in single-family construction after the Global Financial Crisis, multifamily developers ramped up construction activity to meet the growing housing demand. The apartment construction wave is forecast to swell in 2023. Approximately 565,200 units are scheduled to come online by year-end, the highest annual deliveries in more than 20 years. Contributing to the increase were the rippling effects of the pandemic on the construction industry. Many developers extended project deadlines with increased costs and limited workforce as nearly 250 communities began construction before the pandemic began lease-up or complete this year. While builders remain active in primary coastal markets, apartment development has heightened in the Sun Belt markets in recent years. The Dallas-Fort Worth, the Phoenix, and the Austin markets are expected to lead additions this year. A common theme among these metros is significant immigration driven by robust white-collar job creation. Nationally, the workforce is forecast to expand, albeit at a more subdued pace of 0.7% this year. Sustained job creation should help bolster individuals' confidence to move out on their own as household formation is expected to pick up and to elevate apartment leasing activity over the next 12 months. Even with net absorption this year projected to reach the second highest level in more than two decades, the national occupancy rate is forecast to settle at 95.0% in the fourth quarter of 2023. The year-end rate would be higher than the pre-pandemic cycle average of 94.7% during 2010 to 2019.

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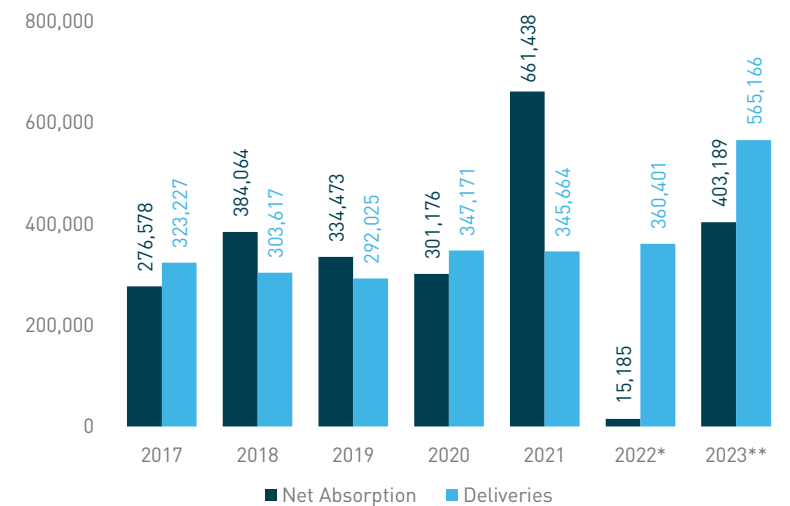
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

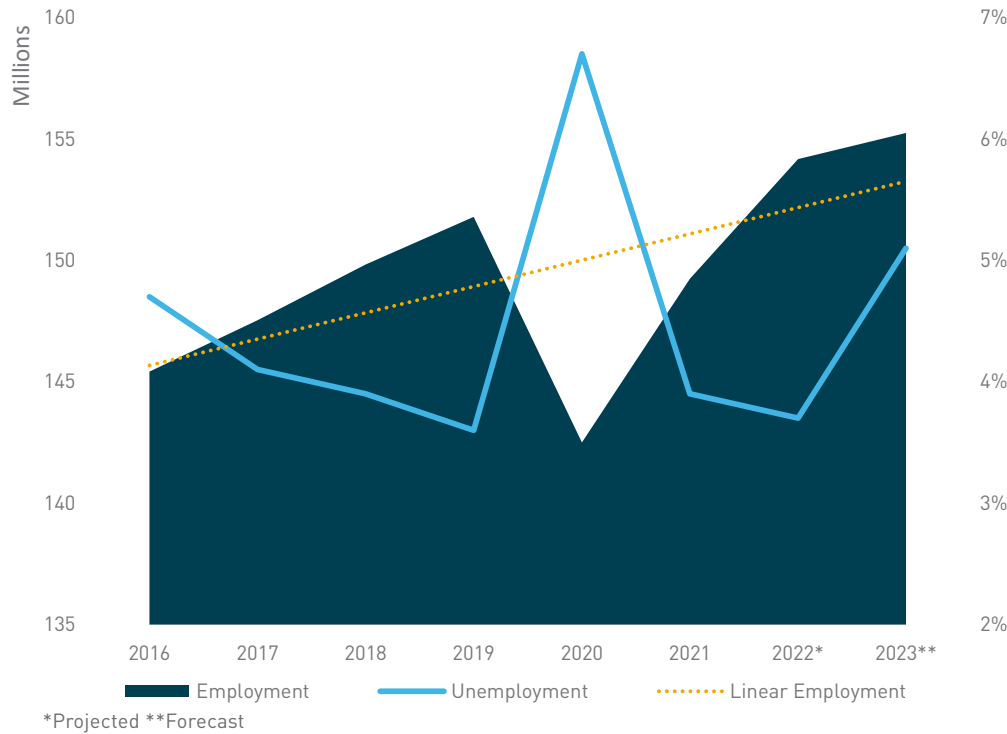


\*Projected \*\*Forecast

# NATIONAL

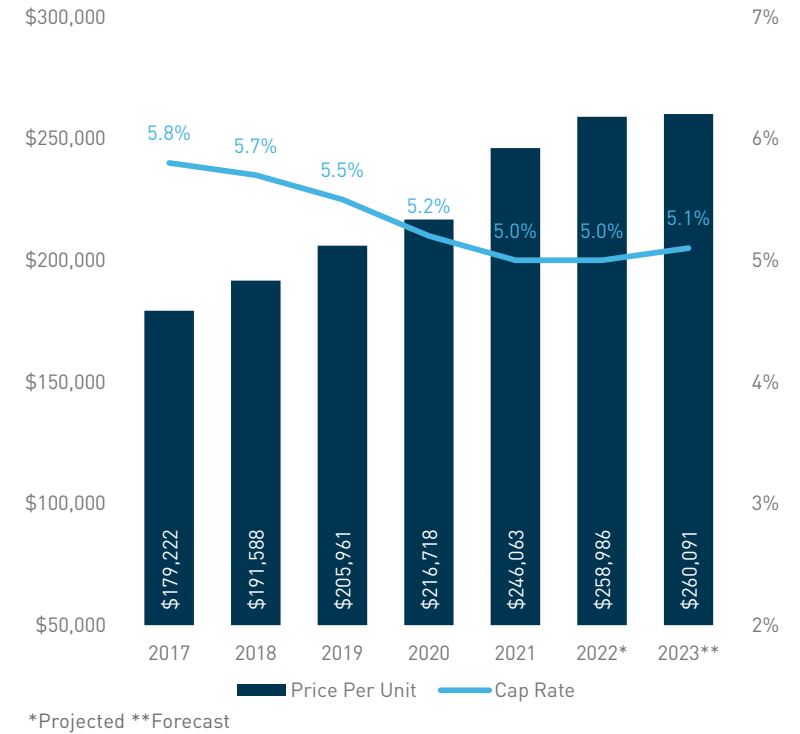
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



Employment

155,244,100



UP 0.7% YOY

Unemployment

5.3%



UP 150 BPS YOY

Median Household Income

\$92,520



UP 2.8% YOY

Price Per Unit

\$260,091



UP 0.4% YOY

Cap Rate

5.1%



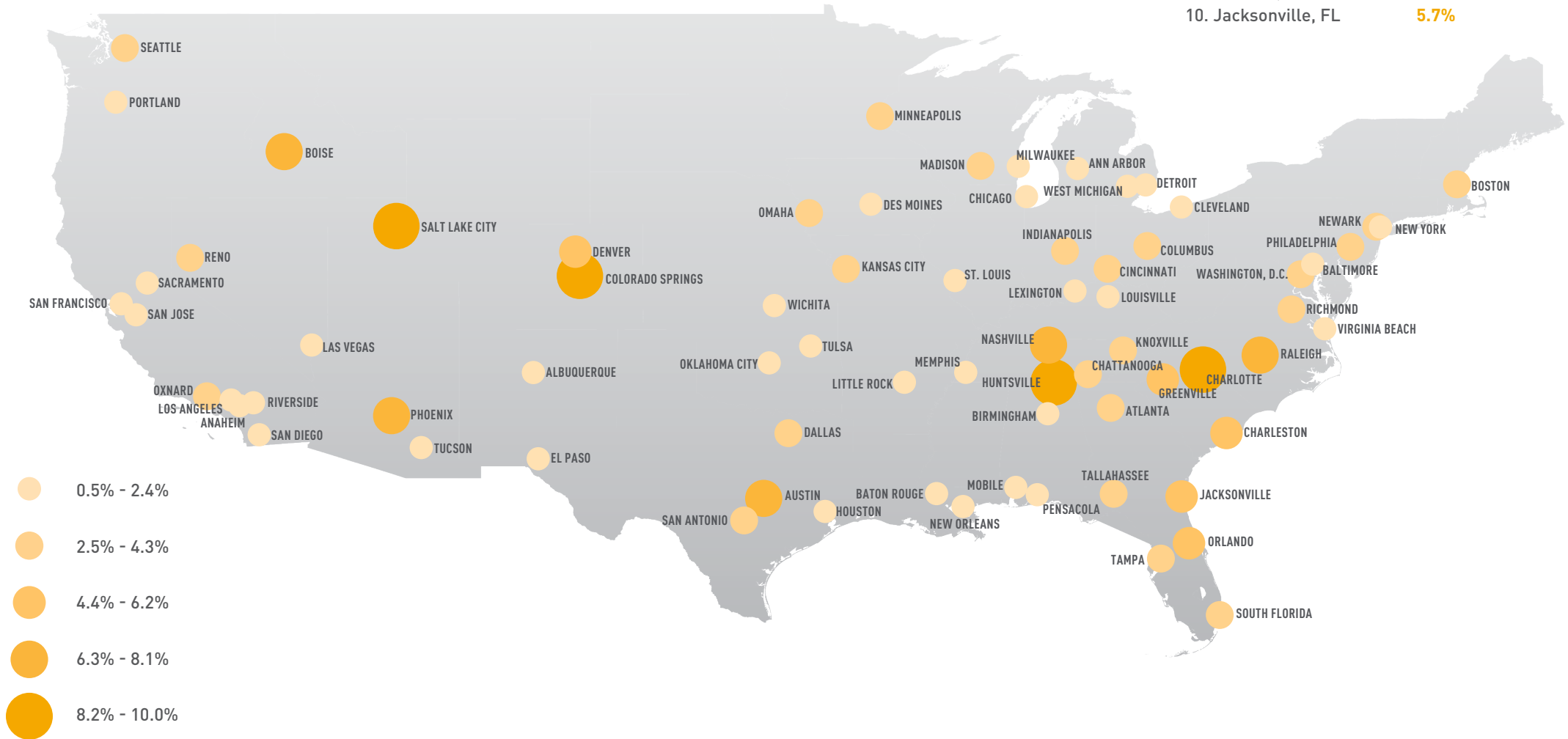
UP 10 BPS YOY

# NATIONAL

## 2023 Apartment Inventory Growth

### TOP TEN MARKETS

1. Colorado Springs, CO **10.0%**
2. Huntsville, AL **9.3%**
3. Salt Lake City, UT **8.4%**
4. Charlotte, NC **8.2%**
5. Nashville, TN **8.0%**
6. Austin, TX **7.9%**
7. Raleigh-Durham, NC **7.7%**
8. Boise, ID **7.2%**
9. Phoenix, AZ **6.5%**
10. Jacksonville, FL **5.7%**

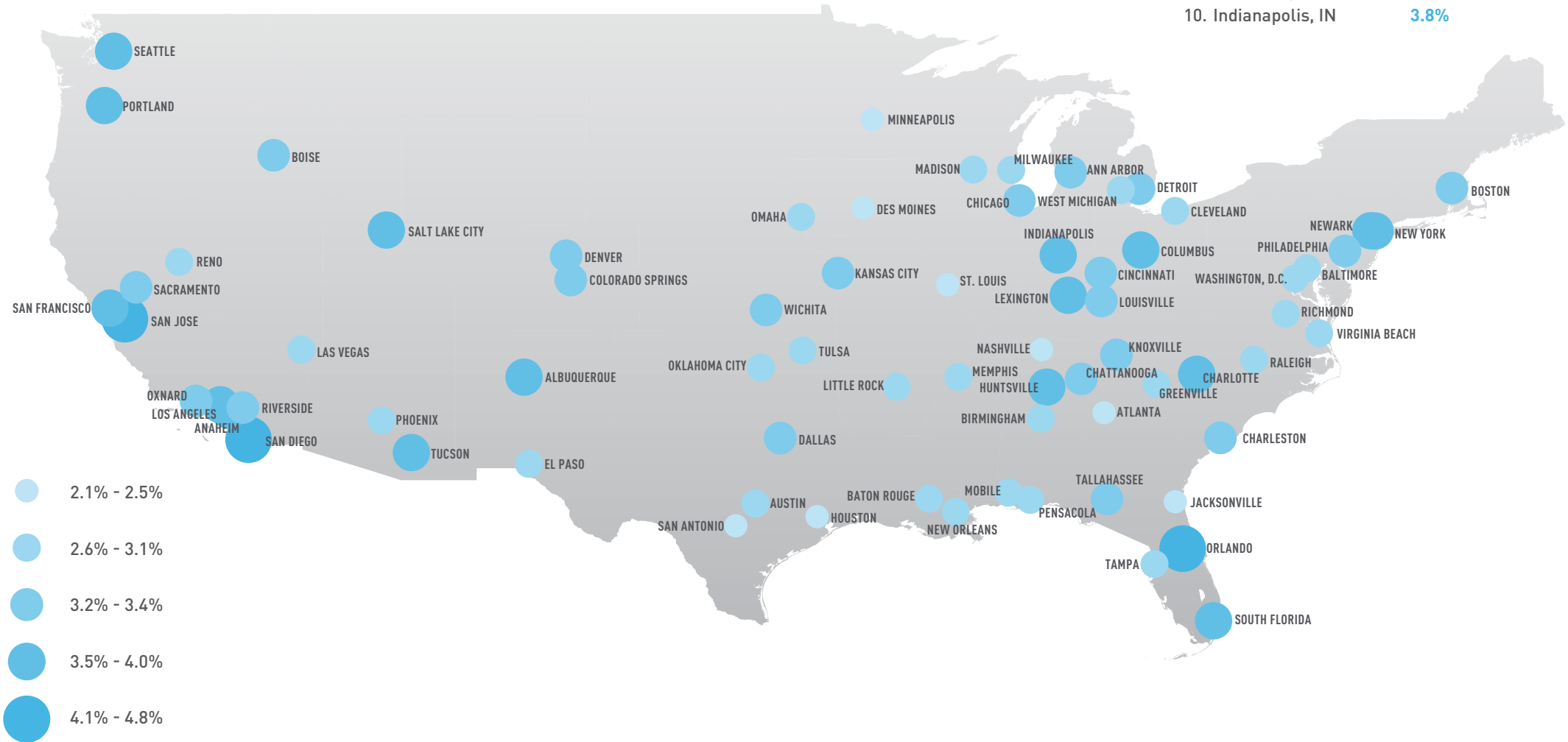


# NATIONAL

## 2023 Apartment Rent Growth

### TOP TEN MARKETS

1. San Jose, CA 4.8%
2. Orlando, FL 4.3%
3. San Diego, CA 4.2%
4. Albuquerque, NM 4.0%
5. Los Angeles, CA 4.0%
6. Orange County, CA 3.8%
7. Tucson, AZ 3.8%
8. Columbus, OH 3.8%
9. Louisville, KY 3.8%
10. Indianapolis, IN 3.8%



# BIRMINGHAM, AL

## 2023 MARKET AT A GLANCE

Occupancy Rate

93.7%



DOWN 90 BPS YOY

Effective Rent

\$1,299



UP 3.1% YOY

Rent Share of Wallet

23.1%



DOWN 20 BPS YOY

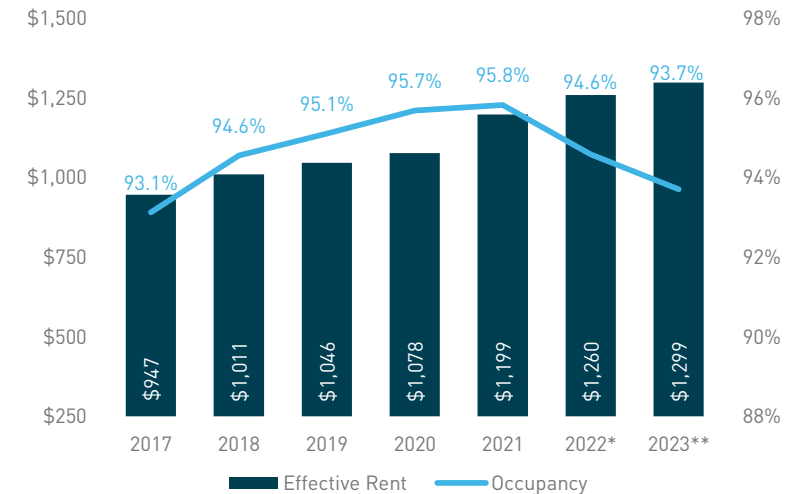
## Affordability Keeps Birmingham Apartment Market on a Steady Track Forward

Continued job creation and income growth will maintain an affordable cost of living this year, benefiting the Birmingham apartment market. Employers are expected to add 4,300 new jobs by the end of 2023, for 0.8% expansion. Part of the additions this year and in upcoming years will come with the new \$1.1 billion J.M. Smucker Co. manufacturing and distribution center. When fully operational in 2025, the site will employ 750 workers. The leisure and hospitality industry should also be a bright spot for the local economy. With an abundance of entertainment options, tourism expenditures in Birmingham set a record of almost \$20 billion in fiscal year 2021. This should continue into 2023, with leisure and hospitality employers projected to add 1,500 net positions. More job opportunities should boost wages, and the median household income is forecast to increase 3.7% this year. New jobs and greater income will benefit the local apartment market. Effective rent is forecast to advance 3.1% this year, trailing income growth. Even with monthly effective rent reaching \$1,299 by the fourth quarter 2023, Birmingham would be 40.7% lower than the national average of \$1,827. Another factor driving residents to renting is the monthly cost of homeownership, which on average is expected to command a 21% premium over monthly apartment effective rent. These influences will lead to apartment occupancy averaging 93.7% in the fourth quarter of 2023. The rate would be 60 basis points higher than the pre-pandemic cycle average of 93.1% from 2010 to 2019.

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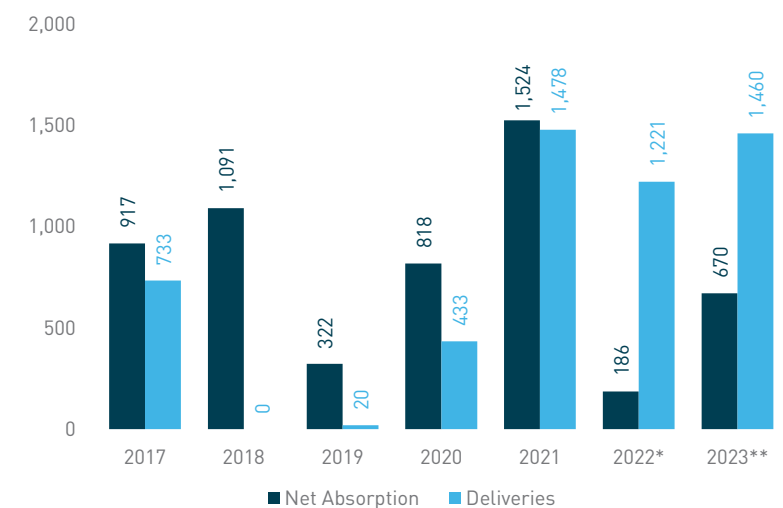
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

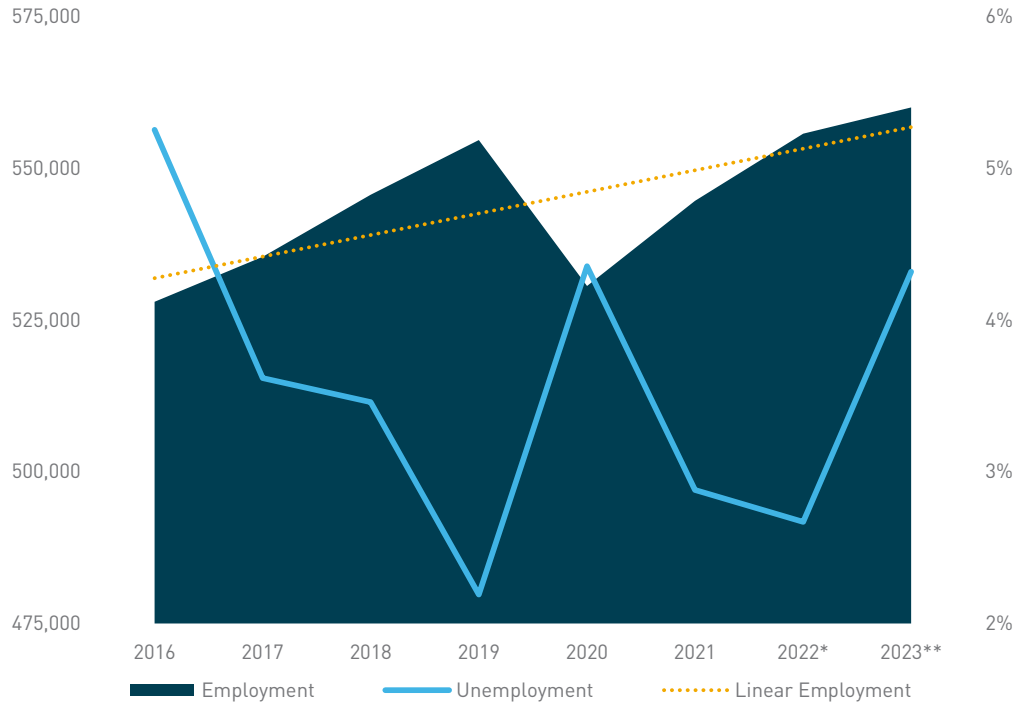
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

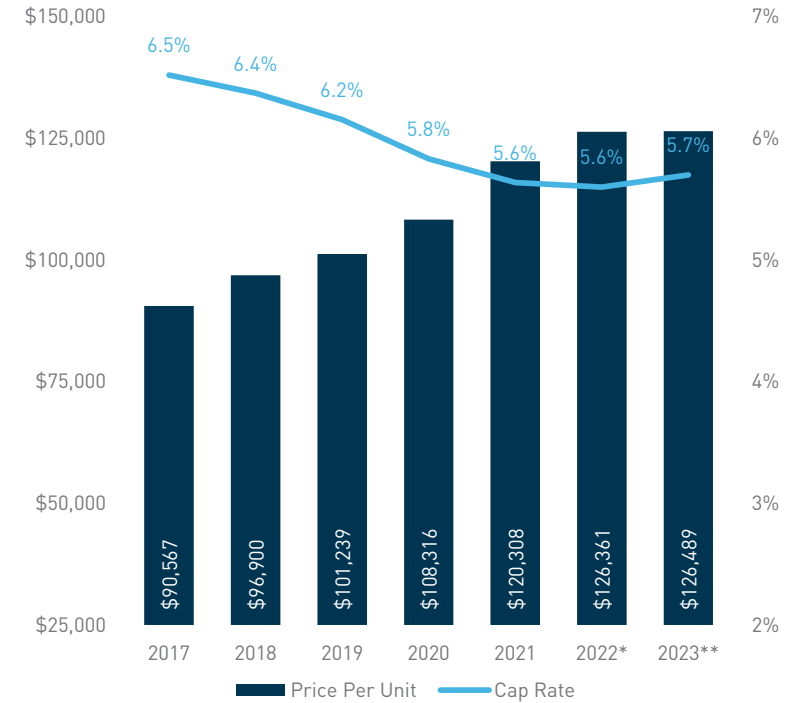
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

560,000



UP 0.8% YOY

Unemployment

4.3%



UP 160 BPS YOY

Median Household Income

\$67,354



UP 3.7% YOY

Price Per Unit

\$126,489



UP 0.1% YOY

Cap Rate

5.7%



UP 10 BPS YOY

# HUNTSVILLE, AL

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.2%



DOWN 30 BPS YOY

Effective Rent

\$1,226



UP 3.7% YOY

Rent Share of Wallet

18.5%

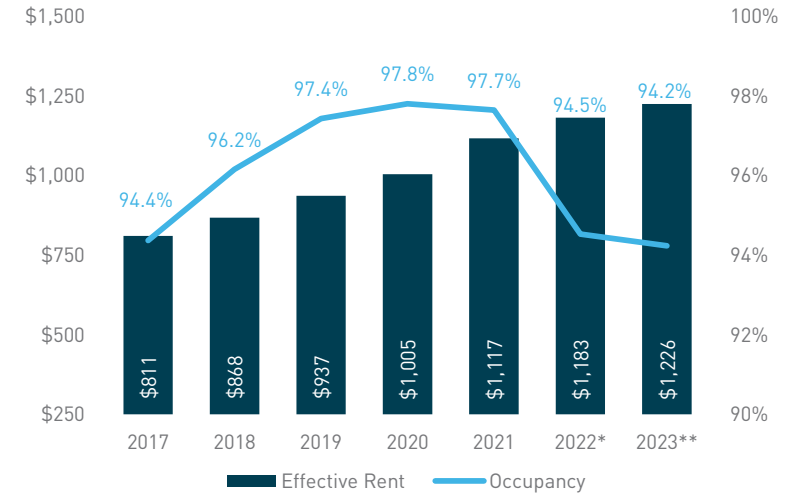


UNCHANGED YOY

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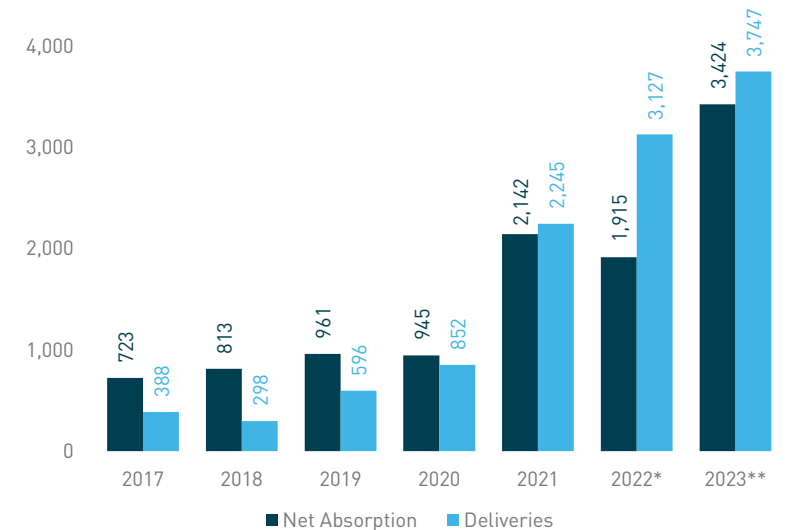
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

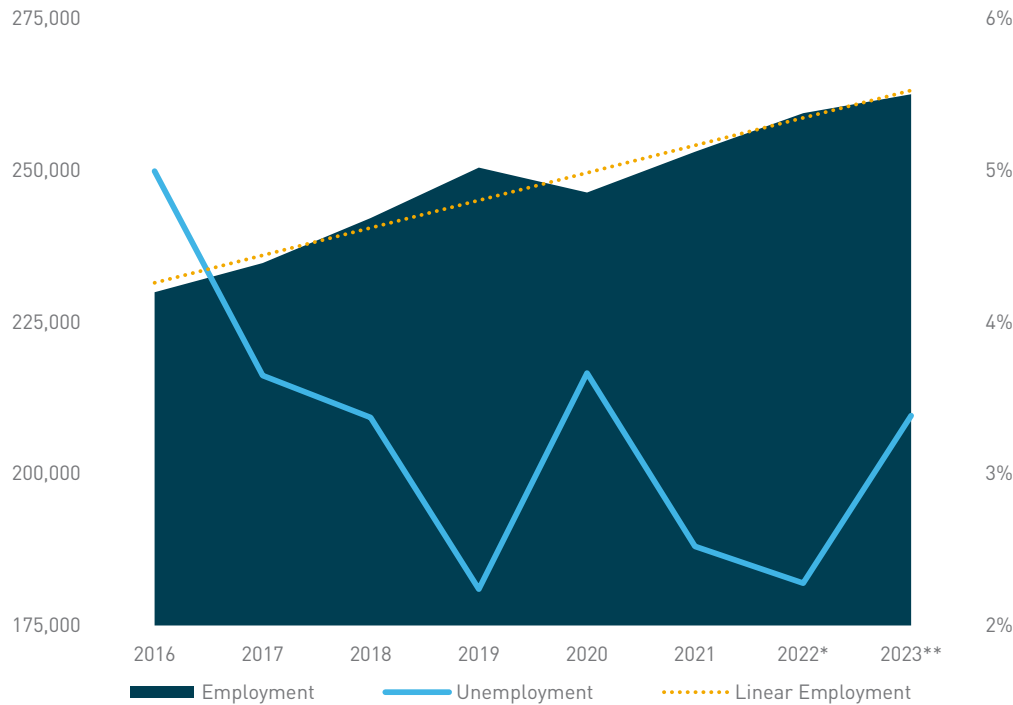
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

262,500



UP 1.2% YOY

Unemployment

3.4%



UP 110 BPS YOY

Median Household Income

\$79,454



UP 3.8% YOY

Price Per Unit

\$180,966



DOWN 0.6% YOY

Cap Rate

4.7%



UP 10 BPS YOY

# MOBILE, AL

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.1%



DOWN 10 BPS YOY

Effective Rent

\$1,170



UP 2.9% YOY

Rent Share of Wallet

24.5%

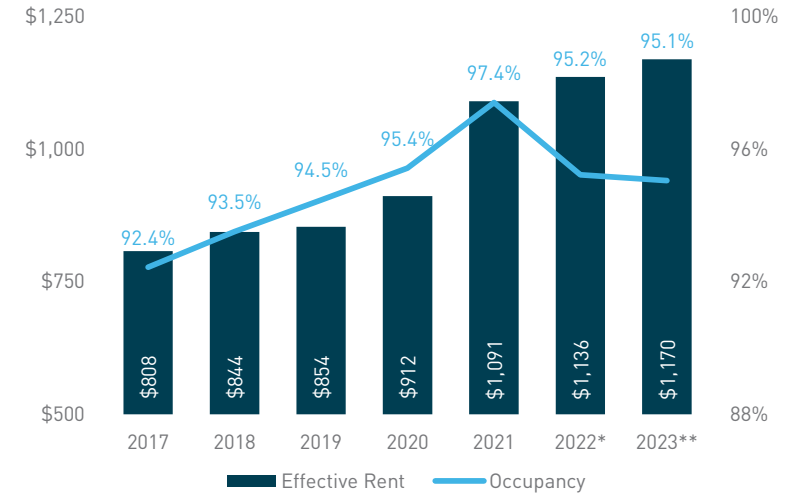


DOWN 20 BPS YOY

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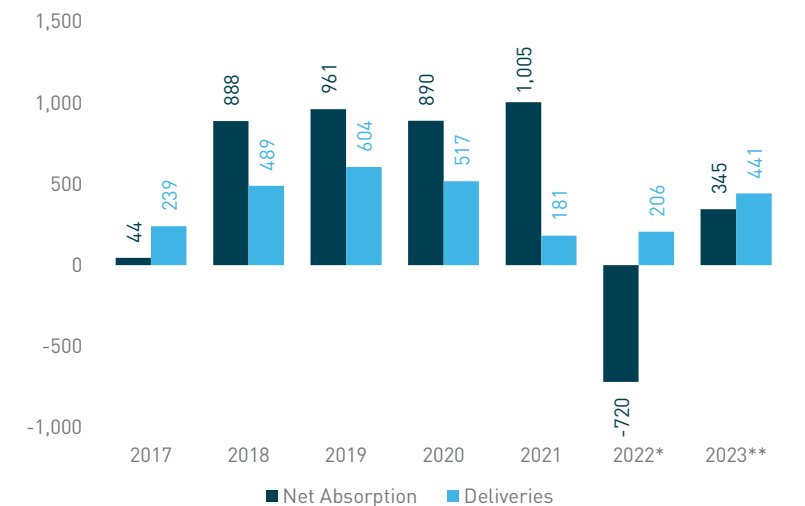
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

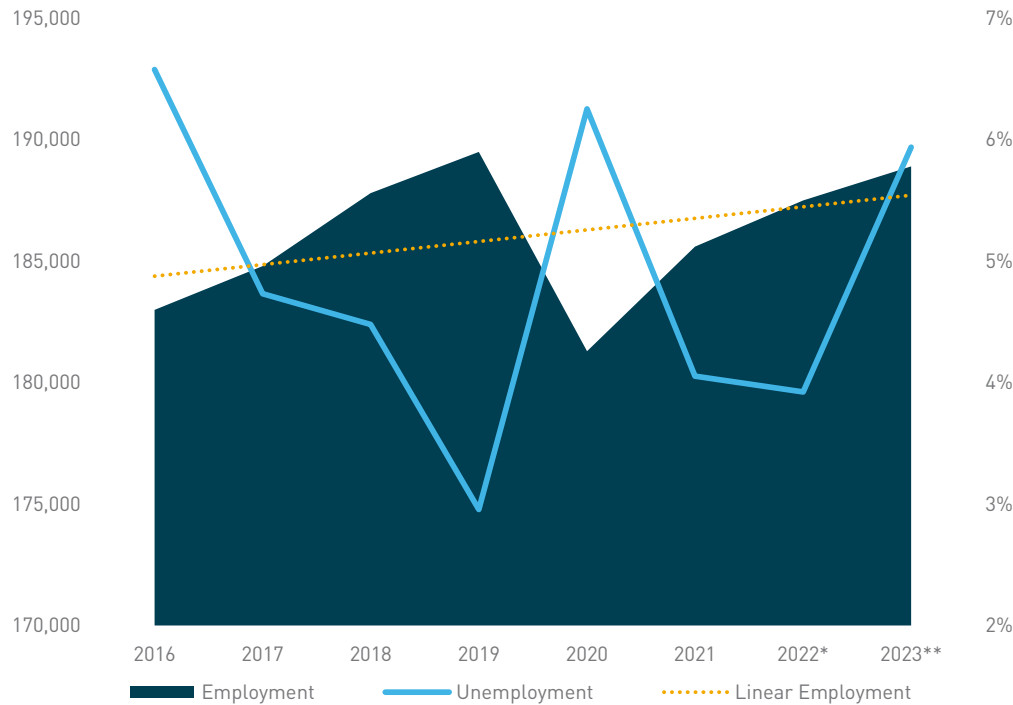
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

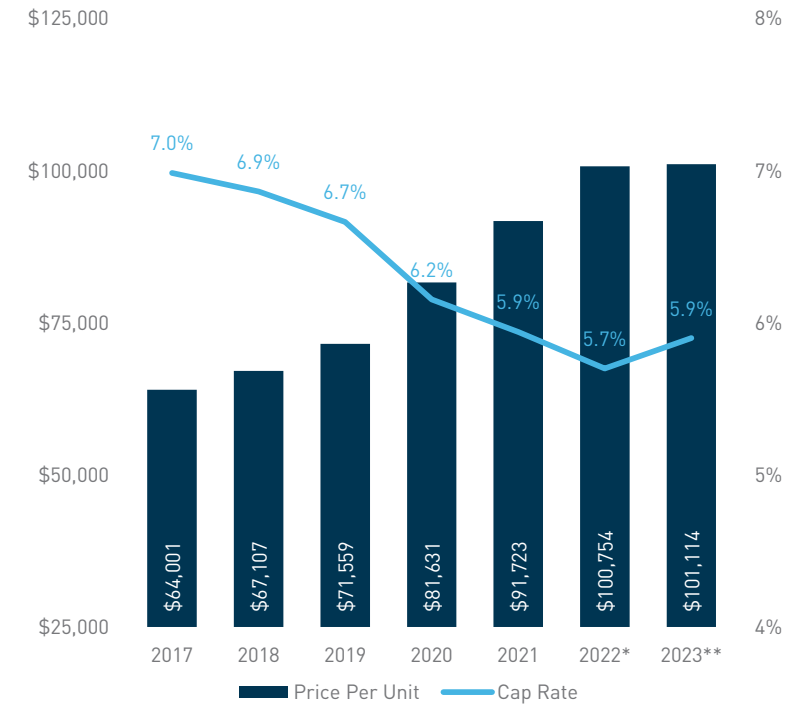
### Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

### Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

188,900



UP 0.7% YOY

Unemployment

5.9%



UP 200 BPS YOY

Median Household Income

\$57,252



UP 3.7% YOY

Price Per Unit

\$101,114



UP 0.4% YOY

Cap Rate

5.9%



UP 20 BPS YOY

# PHOENIX, AZ

## 2023 MARKET AT A GLANCE

Occupancy Rate

92.7%



DOWN 140 BPS YOY

Effective Rent

\$1,724



UP 2.7% YOY

Rent Share of Wallet

24.7%



DOWN 20 BPS YOY

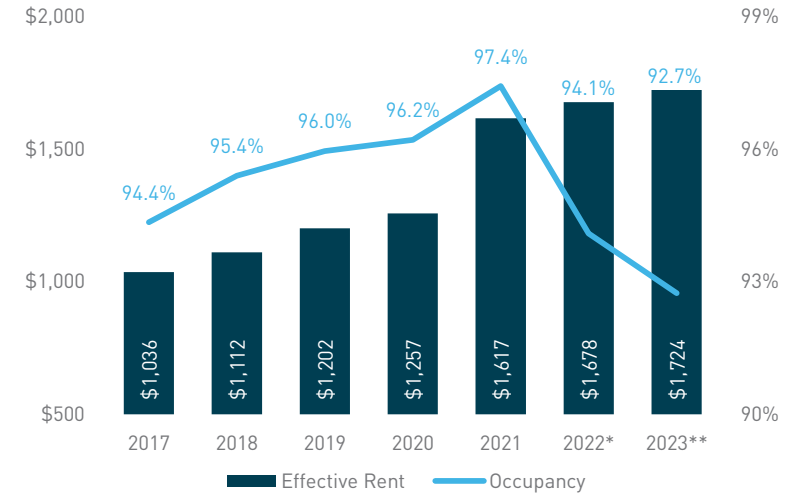
## Apartment Completions Set to Crush Last Year's Peak Deliveries to Meet Housing Demand

With a rising labor force and robust in-migration, multifamily developers ramped up construction activity across the Valley of the Sun in 2022. Builders will continue the blistering pace into 2023, completing nearly 27,400 units by year-end, a post-Great Recession high. While the bulk of new units will continue to be near close-in employment hubs, builders are adding more apartments in outlying areas of the metropolitan area. More than 8,900 combined units will come online in the Avondale/Goodyear/West Glendale and the Peoria/Sun City/Surprise submarkets. The additions represent nearly one-third of all metrowide deliveries, more than double the two submarkets' combined total in 2022. The shift in development comes as these Phoenix suburbs continue to grow in population and economic vitality. Major demand drivers in these submarkets include the Medical Innovation Corridor and the 1,600-acre PVI303 business park. Also in the area is Taiwanese Semiconductor Manufacturing Company's chip-fabrication plant where the main chip facility will fabricate processor chips for Apple. Overall, the Greater Phoenix workforce is forecast to grow 1.1% this year. Continued hiring and strong household formation should help underpin annual apartment absorption to double the prior five-year pace. Still, leasing is projected to trail new supply to lead to a 140-basis-point decrease in average occupancy to 92.7% by year-end. Apartment operators are expected to respond by tapering annual growth to 2.7%, as monthly effective rent reaches \$1,724 by the fourth quarter.

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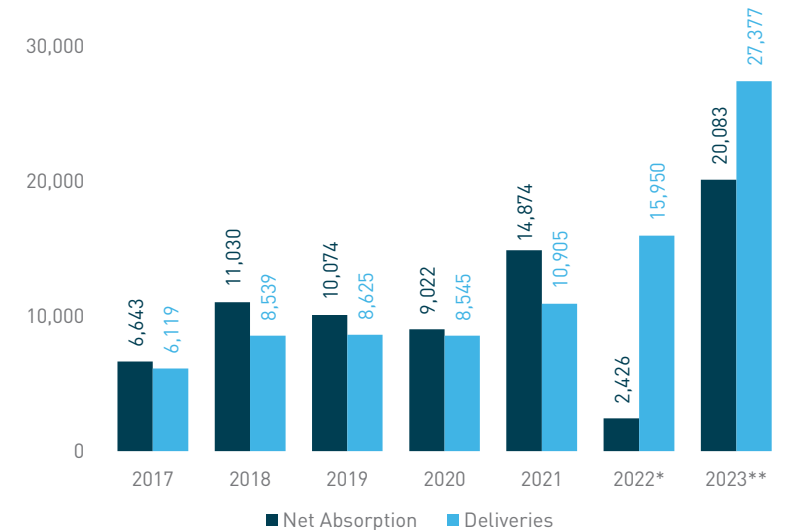
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

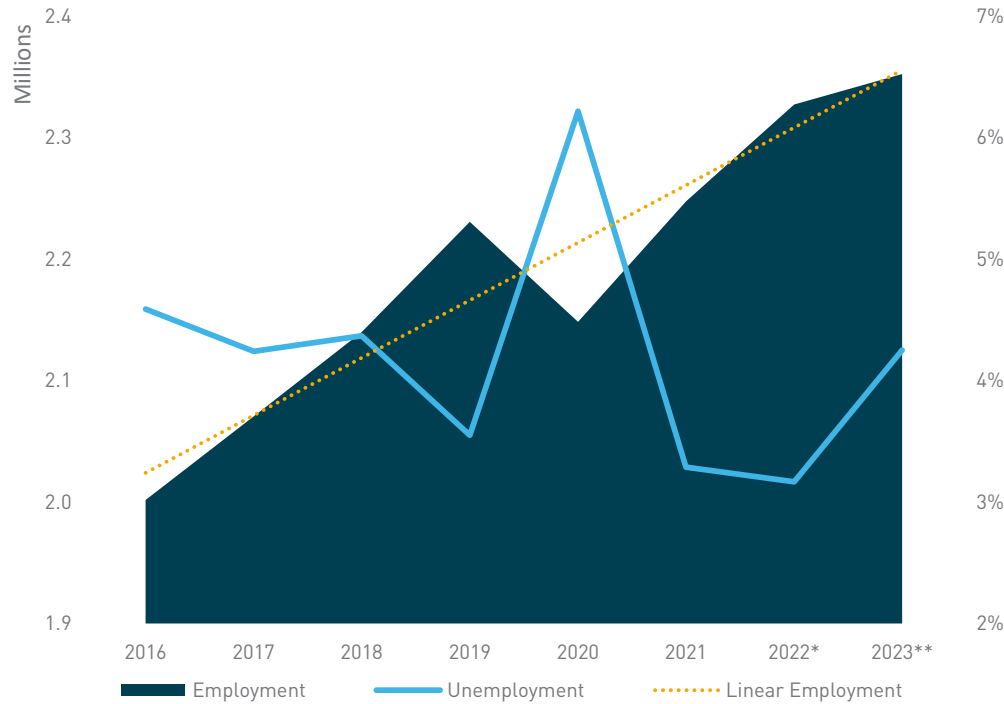
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

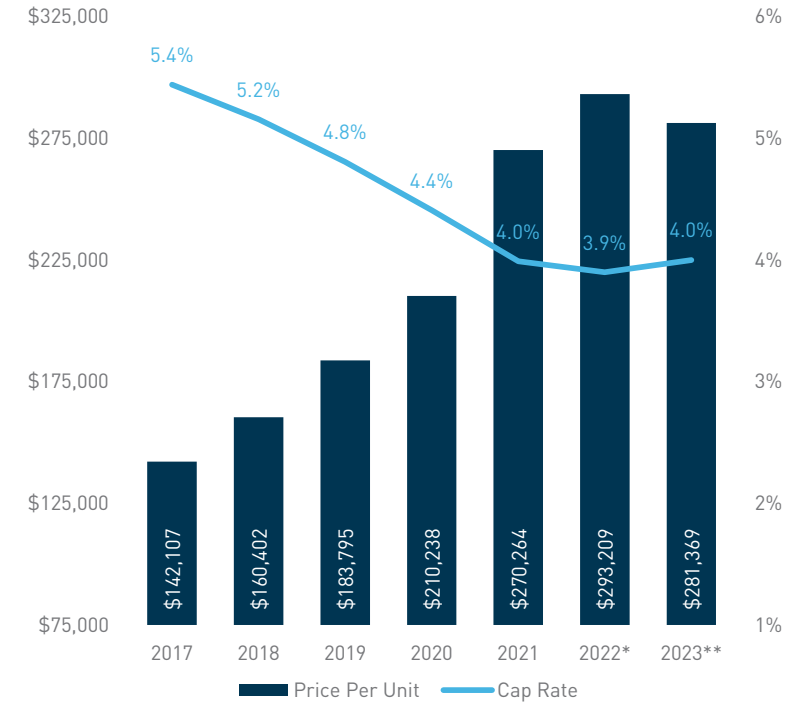
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>2,352,500</b></p> <p>↑</p> <p>UP 1.1% YOY</p>	<p>Unemployment</p> <p><b>4.3%</b></p> <p>↑</p> <p>UP 110 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$83,811</b></p> <p>↑</p> <p>UP 3.4% YOY</p>
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<p>Price Per Unit</p> <p><b>\$281,369</b></p> <p>↓</p> <p>DOWN 4.0% YOY</p>	<p>Cap Rate</p> <p><b>4.0%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# TUCSON, AZ

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.1%



DOWN 50 BPS YOY

Effective Rent

\$1,235



UP 3.8% YOY

Rent Share of Wallet

22.2%



UP 10 BPS YOY

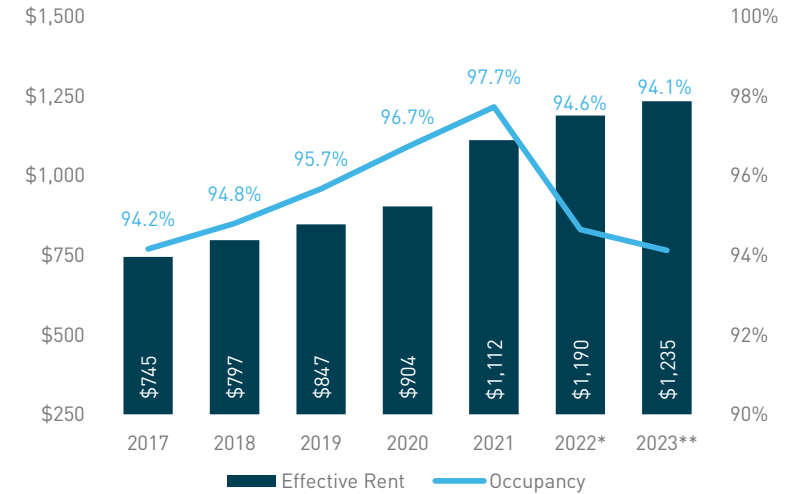
## Apartment Leasing Expected to Ascend with More Inventory and Continued Hiring

Vigorous apartment demand is expected as Tucson payrolls are forecast this year to approach the pre-pandemic peak. Employers are projected to add 3,900 positions over the next 12 months, for 1.0% growth. Hiring in the education and health services and the government sectors will account for a significant share of these jobs. These two sectors serve as pillars of the local economy, comprising nearly two out of every five jobs in the metro. Part of the additions will come as Banner Health, Tucson Medical Center, and Carondelet Health Network continue to target nurses and graduate nurses as staffing levels are still trailing the health care needs of the metro. A vital pipeline for these workers is the University of Arizona, which graduated approximately 2,200 registered nurses over the last decade. Job creation will not be limited to high-paying nursing positions, as employers like Kohler and Advanced Financial Company have committed to hire hundreds this year. Broad-based hiring will underpin apartment demand as nearly 1,200 net units are forecast to be absorbed this year, outpacing the pre-pandemic cycle annual average of 880 units absorbed from 2010 to 2019. Facilitating leasing activity will be the addition of more than 1,700 units in 2023. Nearly half of those deliveries will be in the highly sought-after Casas Adobes/Oro Valley submarket. On average, apartments command the highest rents for the metro in the upscale residential community. The new product is expected to draw in affluent renters as leasing activity is projected to lead all submarkets in 2023.

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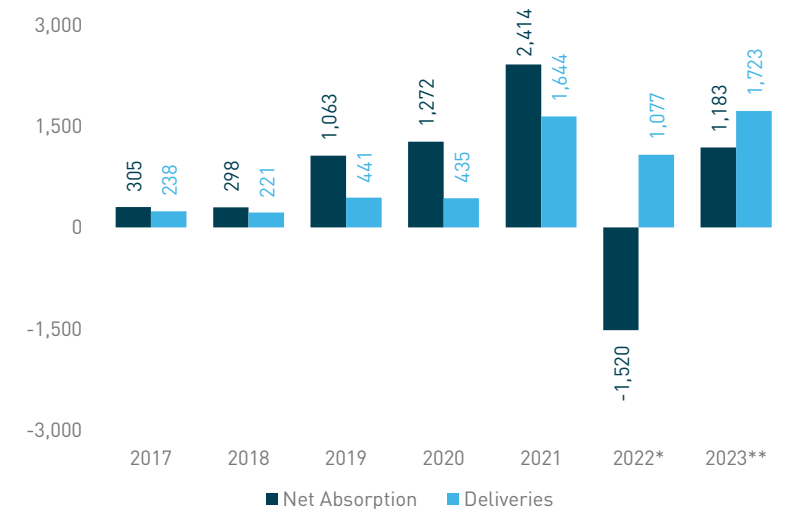
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

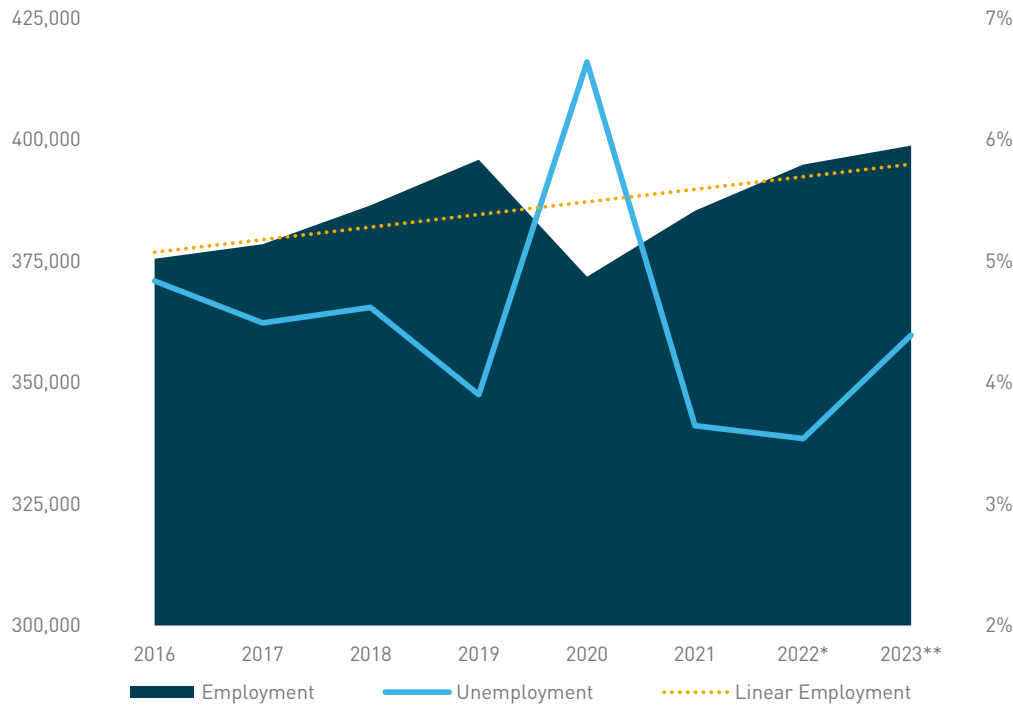
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

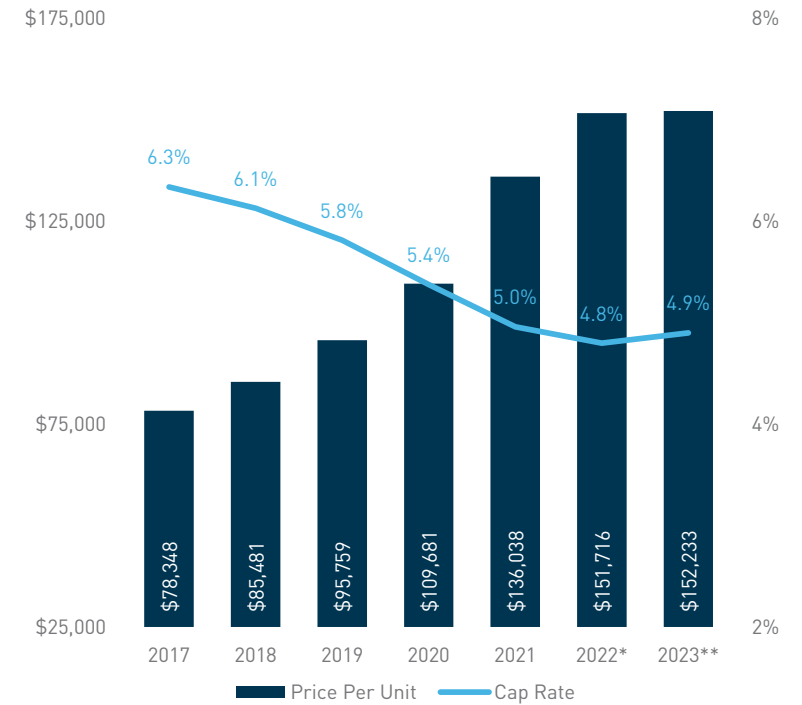
### Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

### Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

398,800



UP 1.0% YOY

Unemployment

4.4%



UP 90 BPS YOY

Median Household Income

\$66,731



UP 3.4% YOY

Price Per Unit

\$152,233



UP 0.3% YOY

Cap Rate

4.9%



UP 10 BPS YOY

# LITTLE ROCK, AR

## 2023 MARKET AT A GLANCE

Occupancy Rate  
94.3%



DOWN 90 BPS YOY

Effective Rent  
\$1,012



UP 2.8% YOY

Rent Share of Wallet  
18.9%

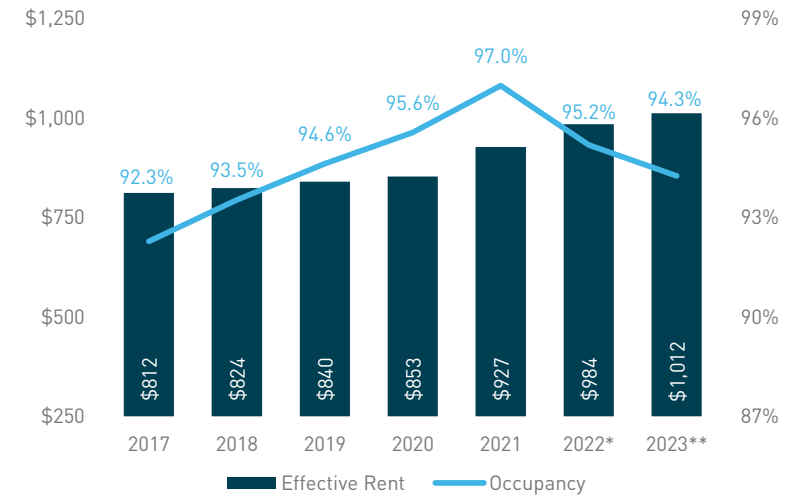


DOWN 10 BPS YOY

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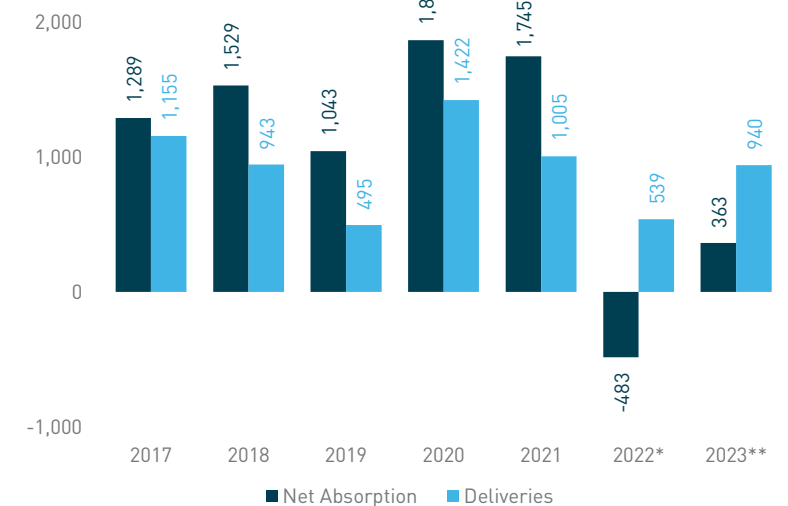
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

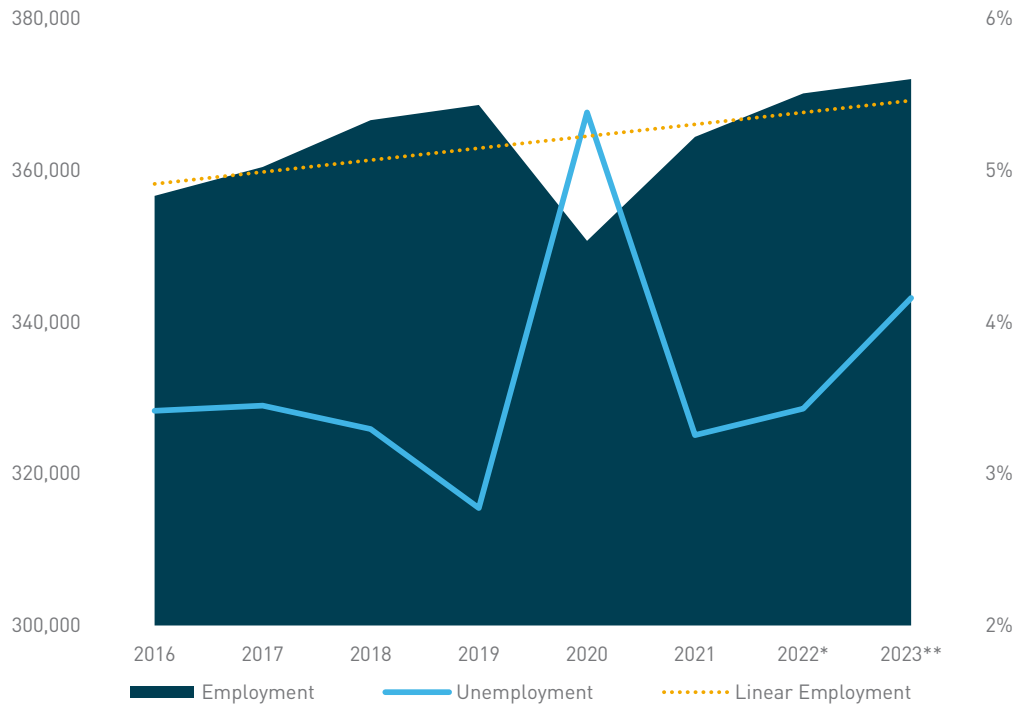


\*Projected \*\*Forecast

# LITTLE ROCK, AR

## Employment Trends

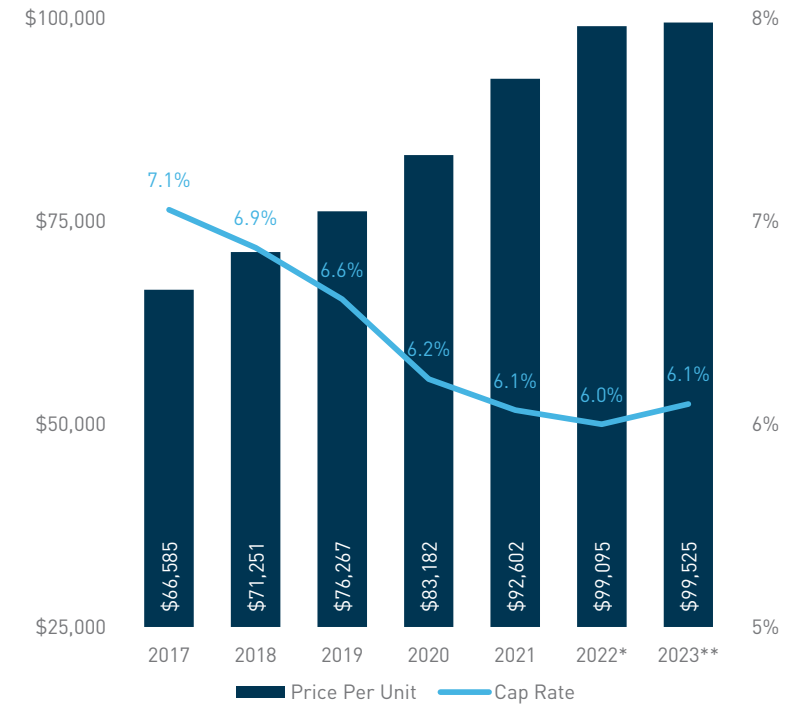
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

372,000



UP 0.5% YOY

Unemployment

4.2%



UP 80 BPS YOY

Median Household Income

\$64,183



UP 3.5% YOY

Price Per Unit

\$99,525



UP 0.4% YOY

Cap Rate

6.1%



UP 10 BPS YOY

# INLAND EMPIRE, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.1%



DOWN 30 BPS YOY

Effective Rent

\$2,274



UP 3.4% YOY

Rent Share of Wallet

31.1%



UP 10 BPS YOY

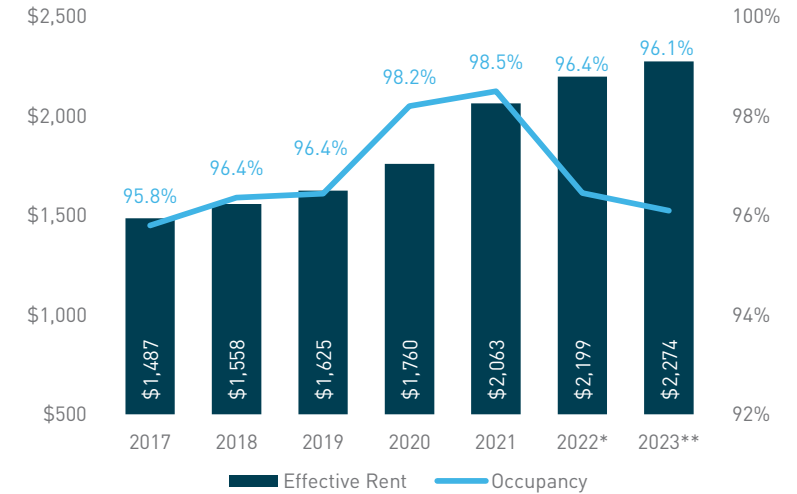
## Positive Apartment Fundamentals Anticipated Among Heightened Deliveries

In-migration and the rising cost of homeownership will continue to fuel the health of the Inland Empire apartment market in 2023. Moody's forecasts 31,400 net new residents in the Inland Empire this year. These arrivals will contribute to the projected formation of 20,600 households in 2023. The additional households will outnumber the 2,888 projected apartment units delivered and the approximately 13,100 new single-family homes completed this year. Overall net apartment absorption is forecast to total 2,091 units in 2023, approximately 25% greater than the average annual net absorption in the five years preceding the pandemic. The heightened demand will trail deliveries, leading to projected end-of-year apartment occupancy of 96.1%, on par with the pre-pandemic average. Monthly effective rent is expected to increase 3.4% this year, approximating historical annual rent appreciation. In addition to in-migration, job growth will also boost the metro's apartment market. Inland Empire payrolls are forecast to expand 1.7% in 2023. The metro's transportation and warehousing sector will play a key role in near- and long-term job growth. The sector will be underpinned by the emergence of new warehouses and distribution centers that lease-up rapidly. Following the recent opening of Amazon's new 4.1 million-square-foot fulfillment center in Ontario, which supported 1,500 new jobs, over 19 million square feet of warehouse and light industrial space are scheduled for completion metrowide in 2023.

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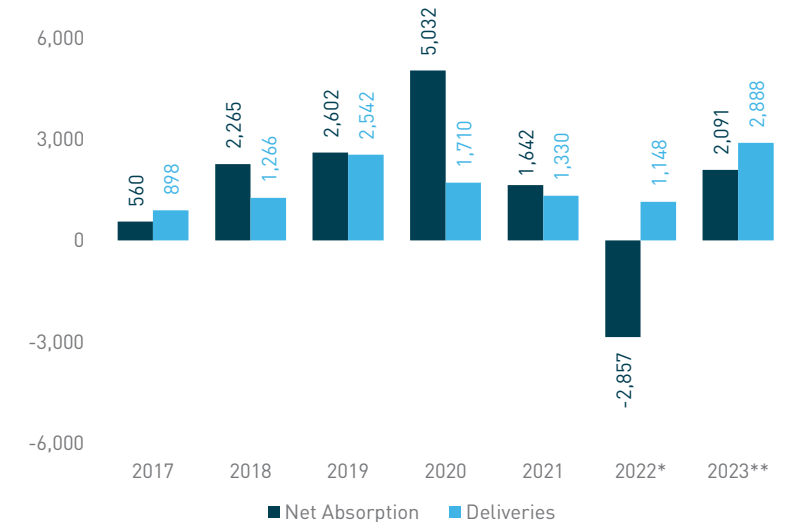
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

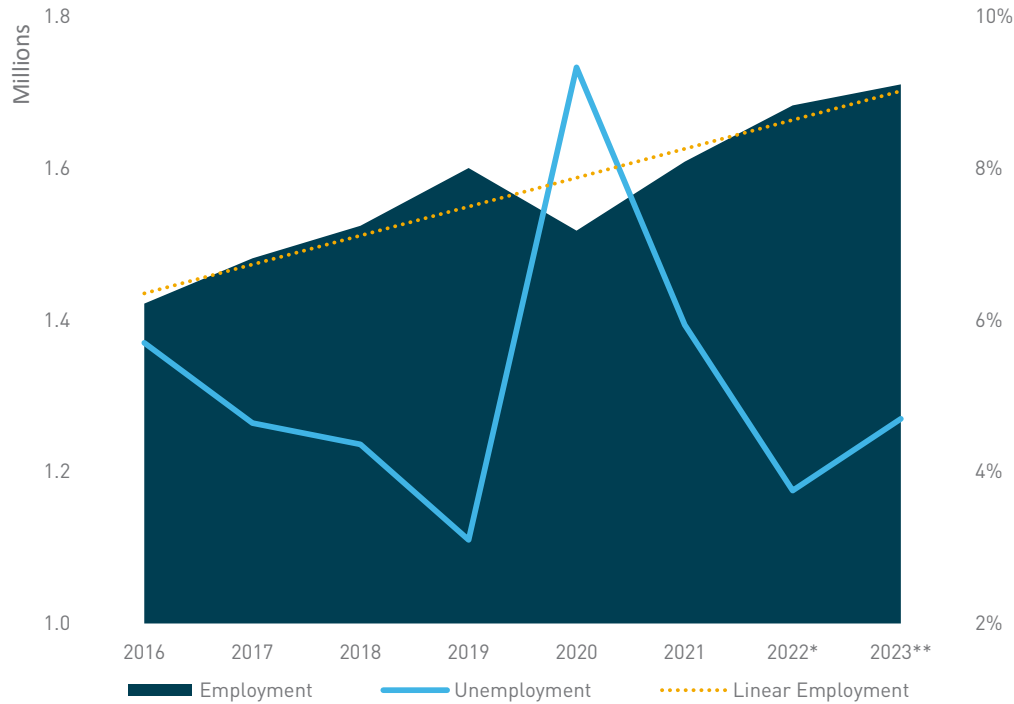
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

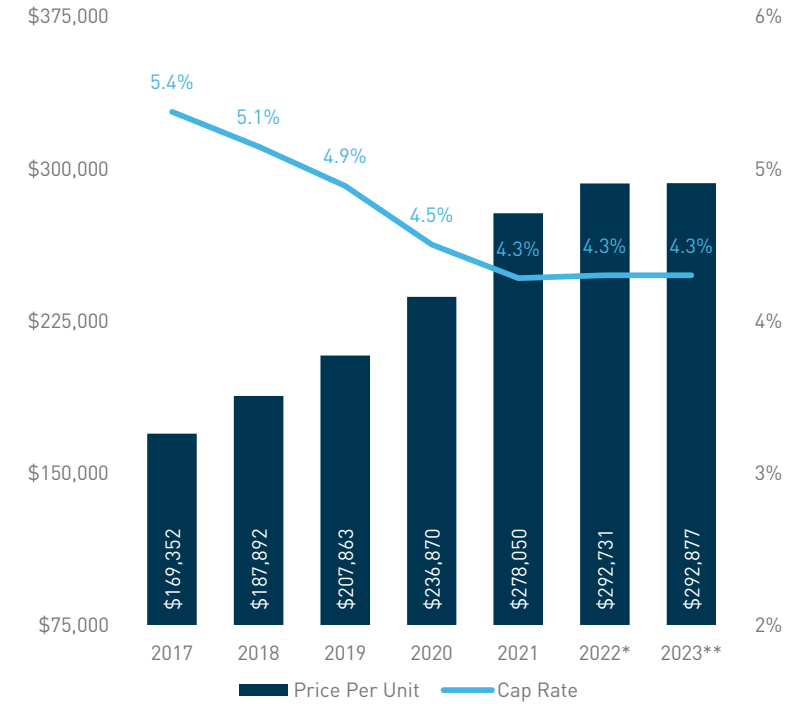
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,710,400</b></p> <p>↑</p> <p>UP 1.7% YOY</p>	<p>Unemployment</p> <p><b>4.7%</b></p> <p>↑</p> <p>UP 90 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$87,865</b></p> <p>↑</p> <p>UP 3.1% YOY</p>
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<p>Price Per Unit</p> <p><b>\$292,877</b></p> <p>=</p> <p>UNCHANGED YOY</p>	<p>Cap Rate</p> <p><b>4.3%</b></p> <p>=</p> <p>UNCHANGED YOY</p>
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# LOS ANGELES, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.5%



DOWN 10 BPS YOY

Effective Rent

\$2,901



UP 4.0% YOY

Rent Share of Wallet

38.7%



UP 20 BPS YOY

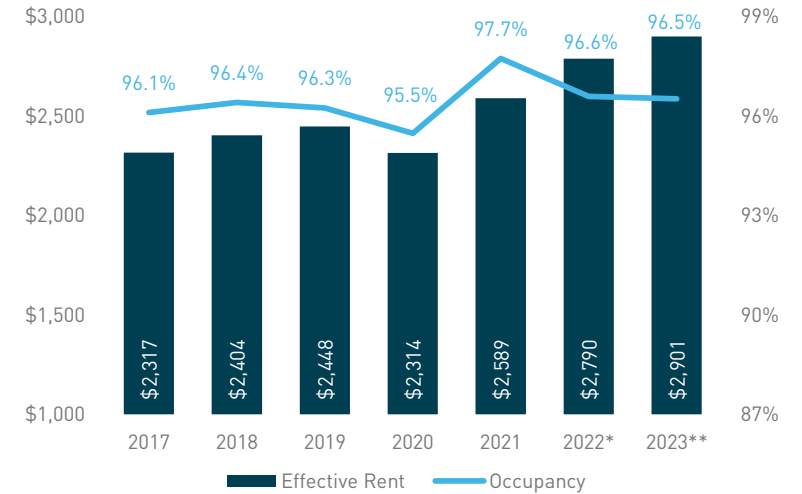
## Job Growth and Influx of New Apartments to Generate Robust Demand

The outlook is good for the Los Angeles County apartment market in 2023. Builders plan to complete 20,864 apartment units this year as some projects that broke ground as far back as 2018 are finished. The new apartment stock will attract renters, prompting the projected net absorption of 19,217 units among new and existing inventory. The robust apartment demand will result in estimated occupancy of 96.5% by year-end 2023. Approximately 47% of net apartment absorption in 2023 is expected among the adjoining Downtown Los Angeles, Mid-Wilshire, and Hollywood submarkets. These submarkets are the most amenable areas to additional multifamily density and will receive nearly 50% of the deliveries in the county this year. Like apartment demand, countywide rent is forecast to grow. Monthly effective rent is projected to average \$2,901 by year-end, a 4.0% increase, exceeding the 3.7% average annual gain from 2010 to 2019. Much of the sustained vibrancy in the local apartment market will be attributed to an estimated 1.1% annual increase in employed residents in the county this year. Several major commercial developments planned and underway will underpin job growth in the long term. These developments include a \$1.7 billion renovation and expansion of the Harbor-UCLA Medical Center in West Carson. Other major projects planned include the 700,000-square-foot expansion of the Los Angeles Convention center and a new, neighboring 861-room JW Marriott Hotel. In the L.A. Arts District, East End Capital plans to develop the \$800 million ADLA Campus.

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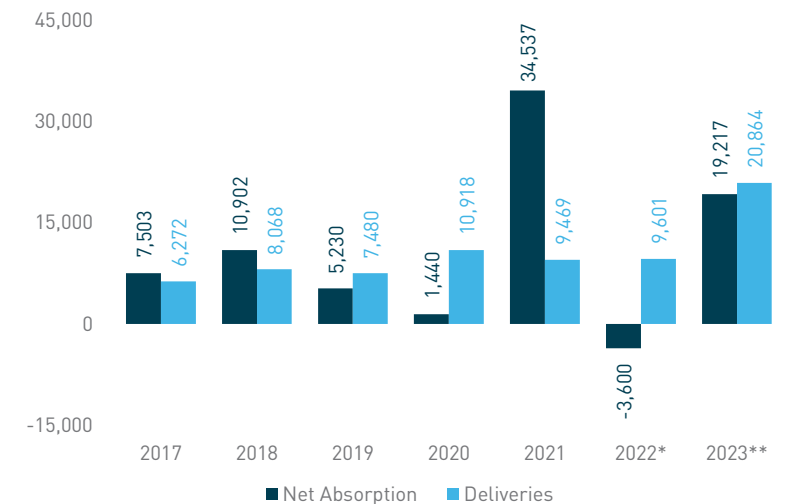
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

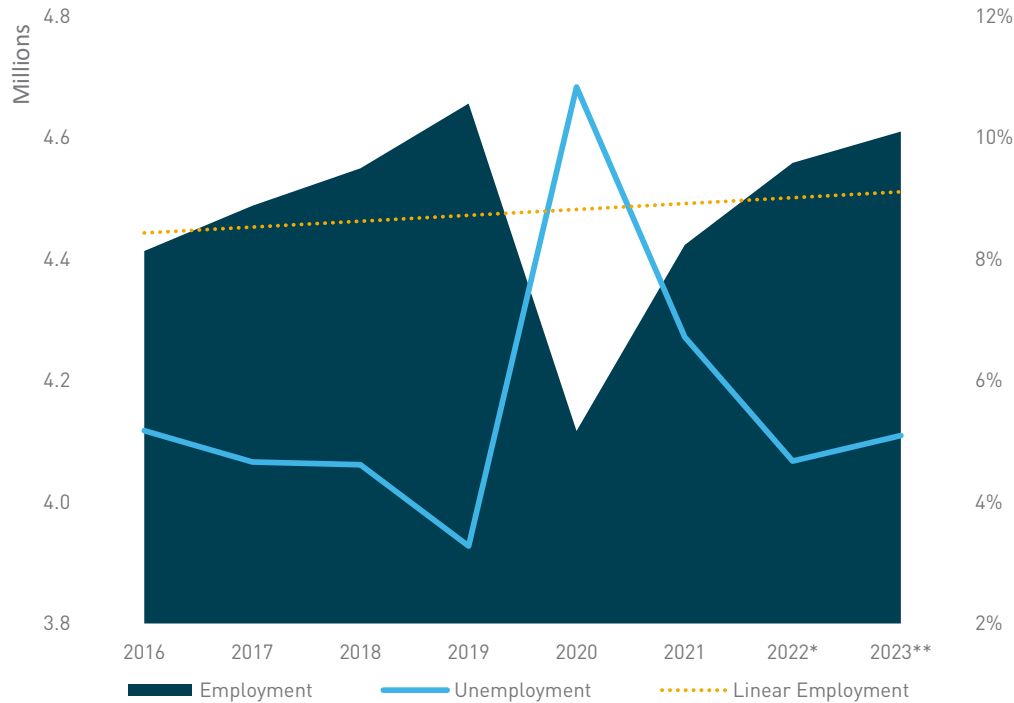


\*Projected \*\*Forecast

# LOS ANGELES, CA

## Employment Trends

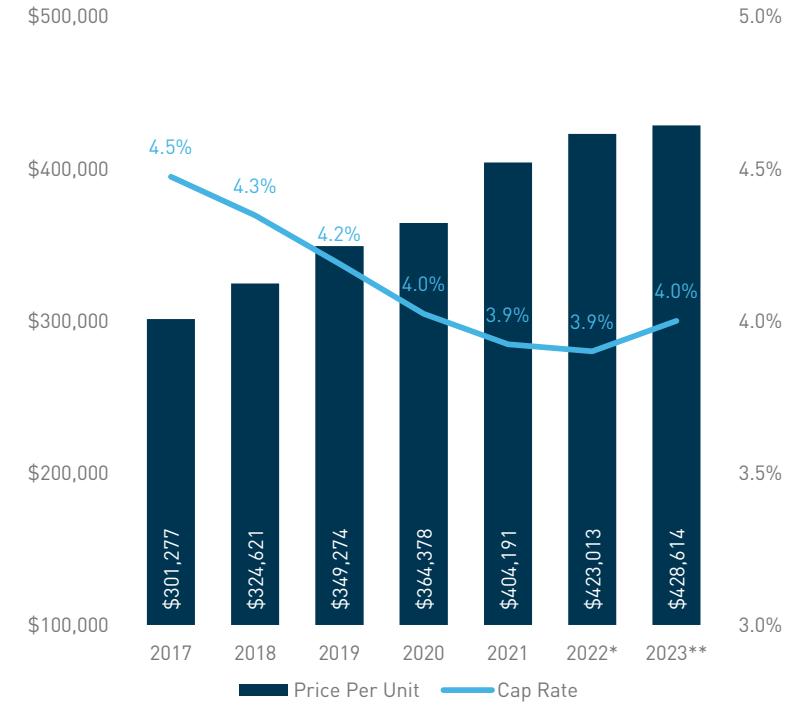
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>4,610,400</b></p> <p>↑</p> <p>UP 1.1% YOY</p>	<p>Unemployment</p> <p><b>5.1%</b></p> <p>↑</p> <p>UP 40 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$89,964</b></p> <p>↑</p> <p>UP 3.6% YOY</p>
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<p>Price Per Unit</p> <p><b>\$428,614</b></p> <p>↑</p> <p>UP 1.3% YOY</p>	<p>Cap Rate</p> <p><b>4.0%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# ORANGE COUNTY, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.7%



DOWN 50 BPS YOY

Effective Rent

\$2,826



UP 3.8% YOY

Rent Share of Wallet

28.6%



UP 20 BPS YOY

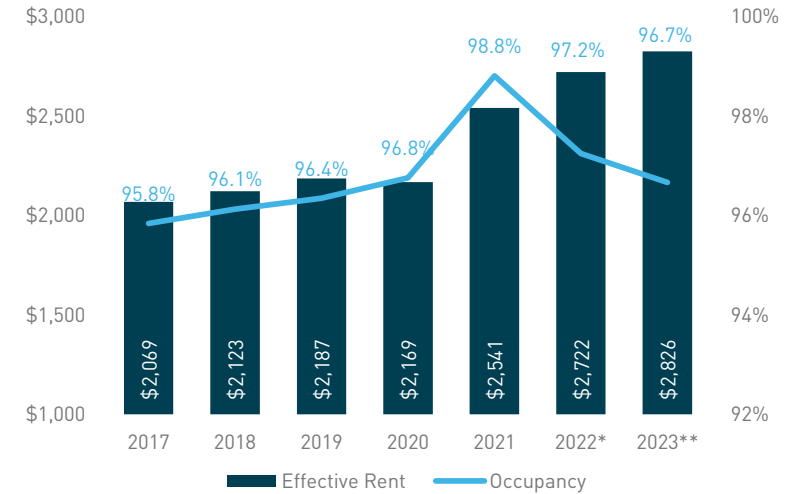
## Job Growth and New Multifamily Development Underpin Vigorous Leasing

Apartment demand will heighten countywide amid hiring advances. Residents are projected to newly occupy 2,661 net apartments during the next four quarters, up from 1,426 net move outs in 2022. Leasing activity will be greatest in the South Irvine submarket, accounting for 25.5% of all net units absorbed. Buttressing some of the demand in the area will be job growth as Orange County-based employers are projected to create 19,600 new jobs this year. A portion of the 1.2% annual growth will come from the health care and biotech industry. Orange County's life sciences market generates a \$37.2 billion annual economic impact with the fourth-largest life science workforce in California. Breaking ground in early 2023 will be the next core cluster SoCal life sciences hub known as Academy Point, a 532,000-square-foot complex next to the 185-acre UCI Research Park in South Irvine. Developers will also seek to capitalize on the tourism job growth as Anaheim approved a \$4 billion mixed-use entertainment center anchored by Honda Center, with the first phase slated to finish in 2024. Multifamily builders will continue placing product into service throughout the county; 20 projects with 4,365 apartments are underway. These newly built apartment communities will be exempt for 15 years from the annual rent cap requirement. The apartment occupancy rate is forecast to decrease 50 basis points amid supply side pressure. The 96.7% occupancy rate will remain above the 10-year average of 96.5%. Monthly effective rent of \$2,826 in the fourth quarter is projected, an annual growth of 3.8%.

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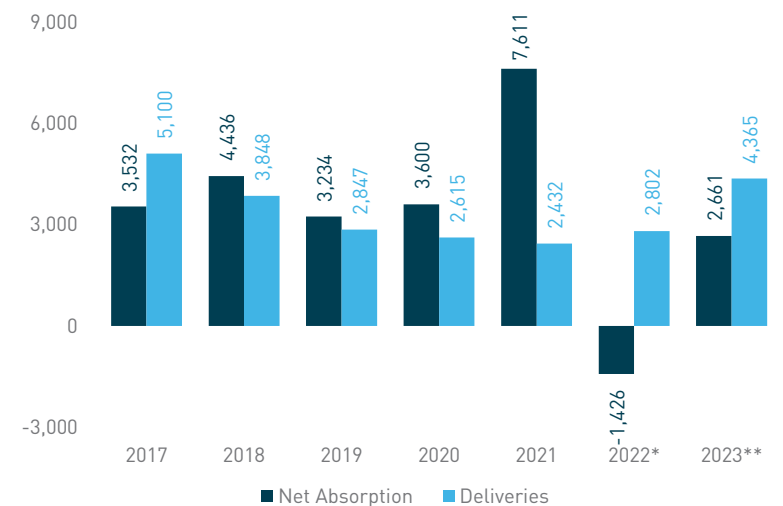
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

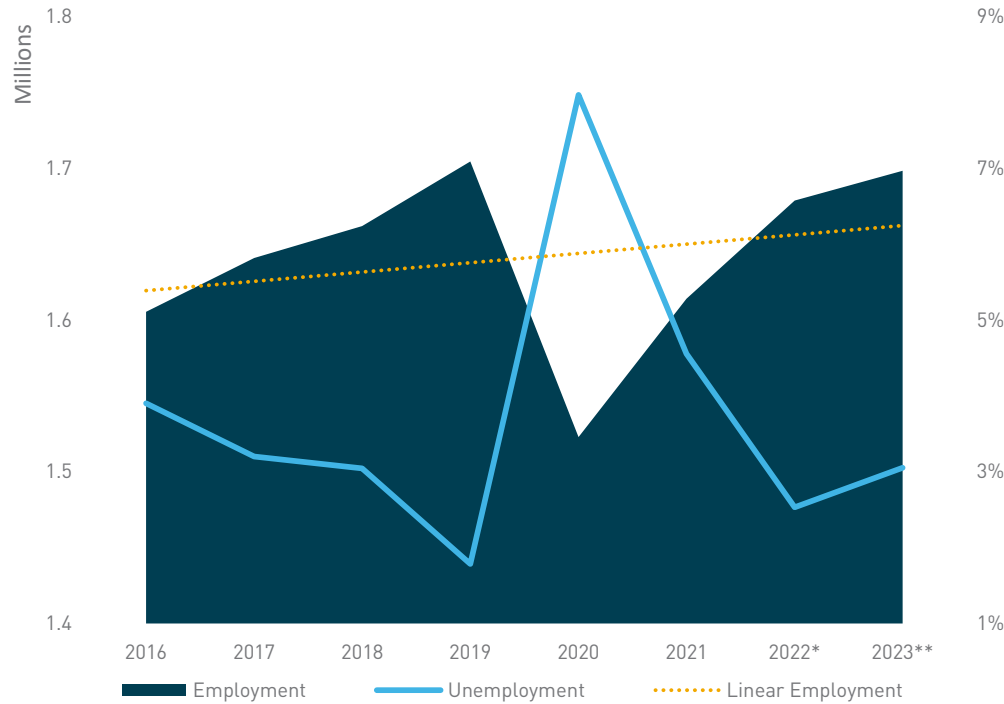
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

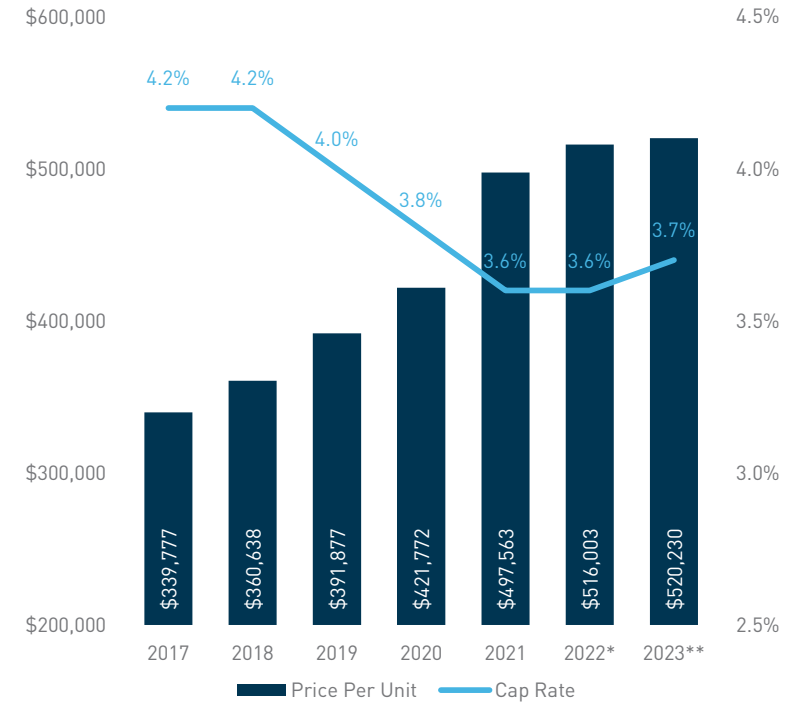
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,698,200</b></p> <p>↑</p> <p>UP 1.2% YOY</p>	<p>Unemployment</p> <p><b>3.1%</b></p> <p>↑</p> <p>UP 60 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$118,725</b></p> <p>↑</p> <p>UP 3.3% YOY</p>
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<p>Price Per Unit</p> <p><b>\$520,230</b></p> <p>↑</p> <p>UP 0.8% YOY</p>	<p>Cap Rate</p> <p><b>3.7%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# SACRAMENTO, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.4%



DOWN 30 BPS YOY

Effective Rent

\$2,047



UP 3.3% YOY

Rent Share of Wallet

25.8%

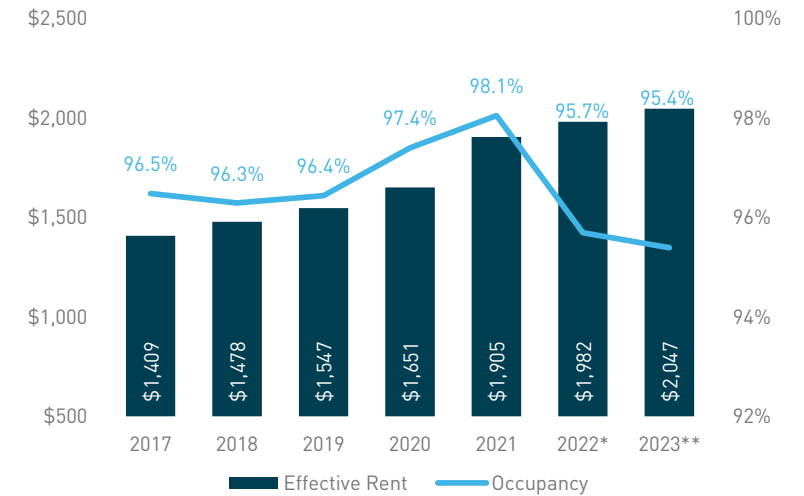


UNCHANGED YOY

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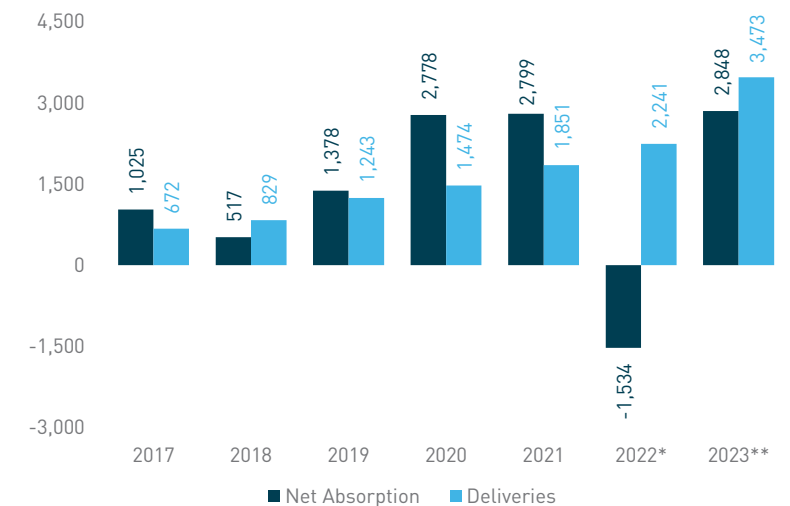
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

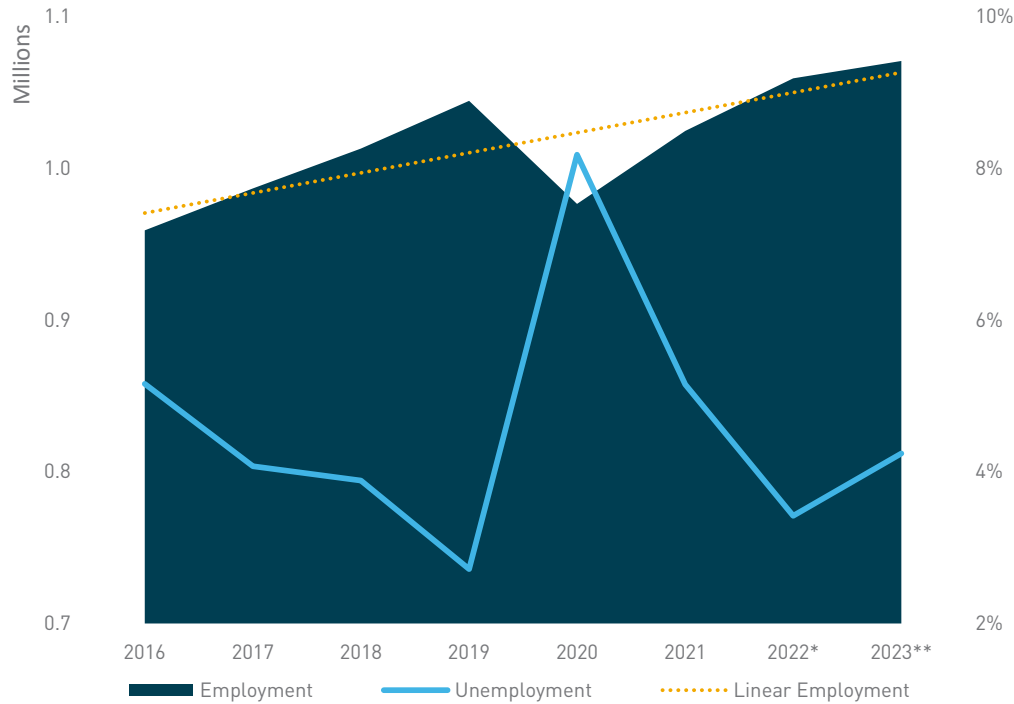


\*Projected \*\*Forecast

# SACRAMENTO, CA

## Employment Trends

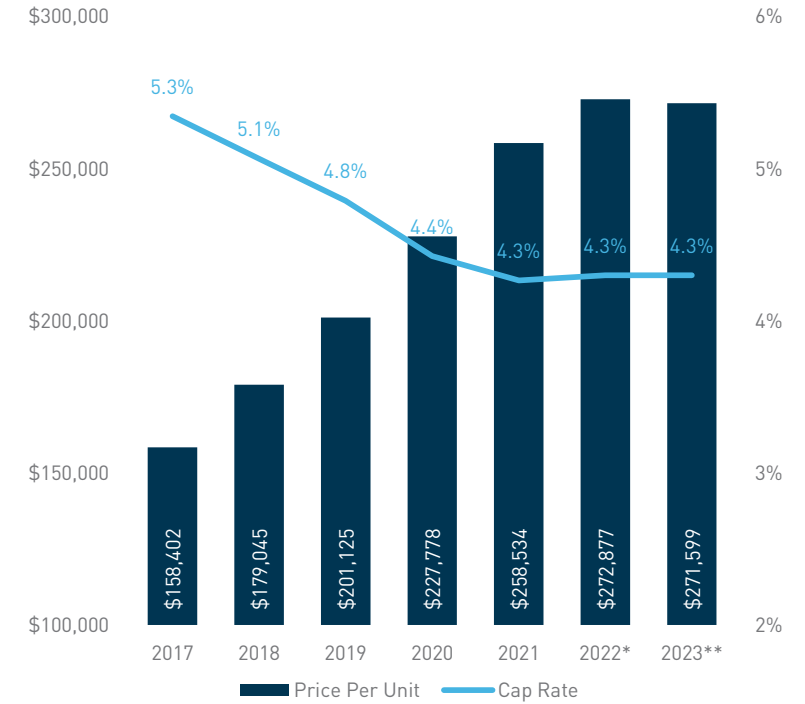
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,070,600</b></p> <p>↑</p> <p>UP 1.1% YOY</p>	<p>Unemployment</p> <p><b>4.2%</b></p> <p>↑</p> <p>UP 80 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$95,289</b></p> <p>↑</p> <p>UP 3.4% YOY</p>
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<p>Price Per Unit</p> <p><b>\$271,599</b></p> <p>↓</p> <p>DOWN 0.5% YOY</p>	<p>Cap Rate</p> <p><b>4.3%</b></p> <p>=</p> <p>UNCHANGED YOY</p>
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# SAN DIEGO, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

97.0%



DOWN 50 BPS YOY

Effective Rent

\$2,876



UP 4.2% YOY

Rent Share of Wallet

32.8%



UP 30 BPS YOY

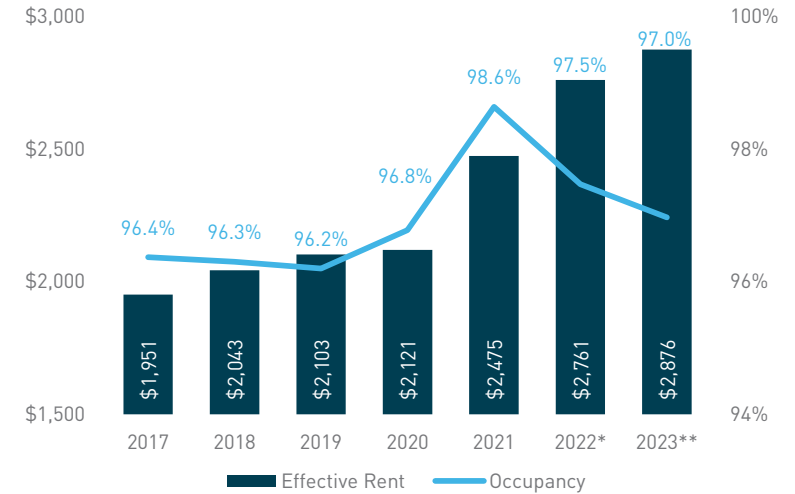
## Apartment Supply Wave to Hit San Diego In 2023, Facilitate Rising Leasing Activity

Multifamily deliveries throughout San Diego County have been relatively consistent over the past five years, with completions averaging just under 3,500 new units annually. That trend is expected to change in 2023, as developers are expected to add nearly 5,900 units countywide. Development is going to be primarily focused on the Downtown, Chula Vista/Imperial Beach, and Far North San Diego areas. High-rise projects in Downtown San Diego are bringing nearly 1,500 luxury units to some of the city's most sought-after neighborhoods, including the Ballpark District, Little Italy, and the Broadway corridor. With developable land at a premium in San Diego, developers looking to build new garden-style communities are focusing resources on outlying areas in both southern and northern San Diego County. All the 1,100 new deliveries in the Chula Vista/Imperial Beach submarket will be spread across four garden-style properties in Otay Mesa. With its proximity and relative affordability compared to other areas of San Diego, Otay Mesa and the South Bay are popular residential hubs for the over 34,500 employees and active-duty personnel attached to Naval Base San Diego. The largest Naval Base on the West Coast has seen an increase of roughly 6,000 ship-based sailors over the past two years, furthering demand for multifamily units in the area. Despite the influx of deliveries, occupancy would be 100 basis points over the average from the previous cycle. The addition of amenity-rich completions will support a 4.2% rise in effective rent, which is among the highest in the nation.

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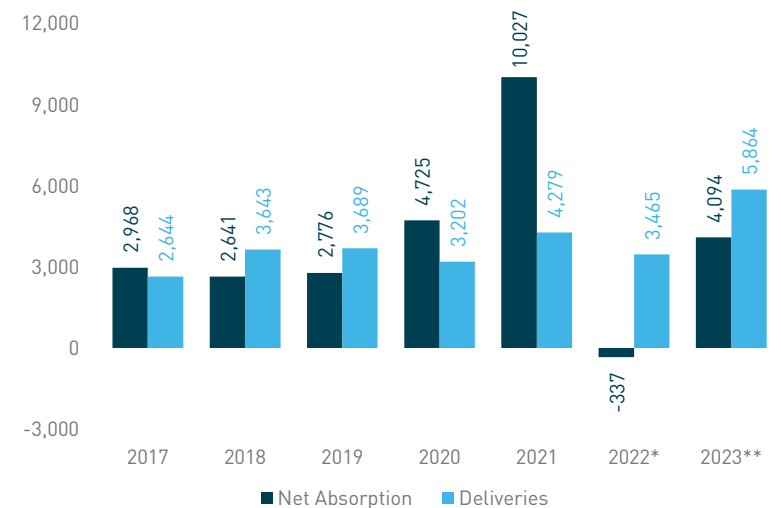
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

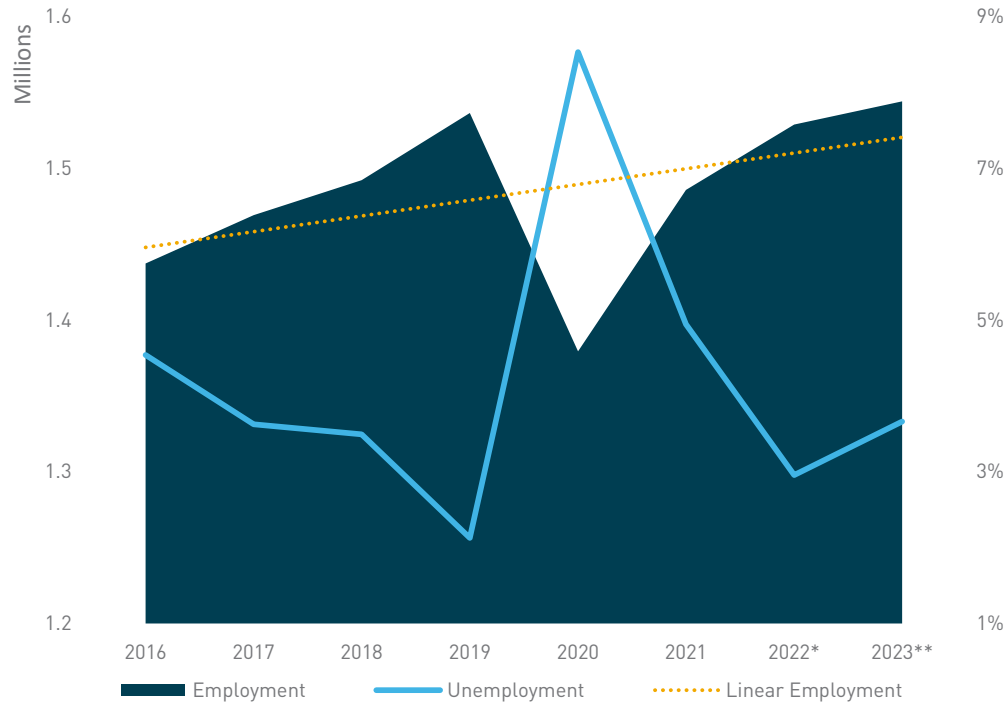


\*Projected \*\*Forecast

# SAN DIEGO, CA

## Employment Trends

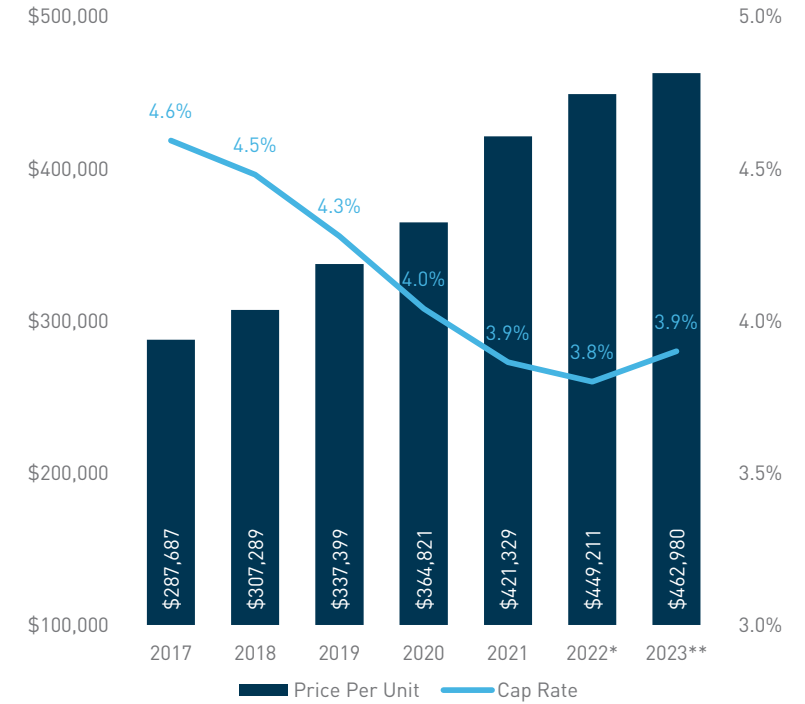
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,544,000</b></p> <p>↑</p> <p>UP 1.0% YOY</p>	<p>Unemployment</p> <p><b>3.7%</b></p> <p>↑</p> <p>UP 70 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$105,227</b></p> <p>↑</p> <p>UP 3.4% YOY</p>
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<p>Price Per Unit</p> <p><b>\$462,980</b></p> <p>↑</p> <p>UP 3.1% YOY</p>	<p>Cap Rate</p> <p><b>3.9%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# SAN FRANCISCO-OAKLAND, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.0%



UP 20 BPS YOY

Effective Rent

\$3,095



UP 3.7% YOY

Rent Share of Wallet

24.9%



UNCHANGED YOY

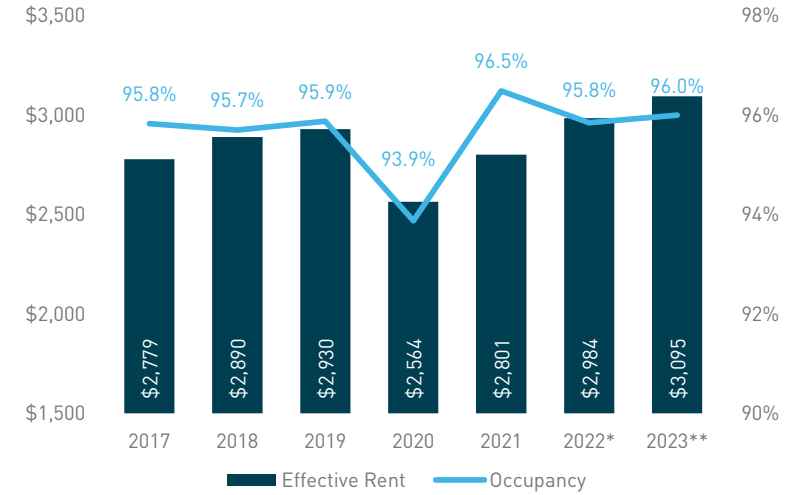
## Economic Growth Inspires Increased Apartment Demand and Positive Occupancy Change

With an apartment occupancy rate forecast to rise 20 basis points to 96.0% by the end of 2023, Greater San Francisco-Oakland is one of three major markets in the nation with a positive projected change. The market's occupancy rate would outpace its five-year average of 95.6%. Within the metro, urban submarkets are projected to see the biggest rise in occupancy. The Downtown San Francisco and Oakland/Berkeley submarkets' occupancy rates are expected to each rise by 100 basis points. The increased attention returning to urban centers in the Bay Area is backed by the metro's economic growth over the past year. Over the next four quarters, Greater San Francisco-Oakland is projected to have just over 7,000 net units absorbed. This leasing activity is more than double the amount from 2022 and would outpace forecast deliveries. With increasing occupancy, the urban submarkets are the main source for the metro's projected demand. The Oakland/Berkeley submarket is accountable for 48.3% of the total forecast net absorption in 2023. Job growth has partially led to the resurgence of urban areas. In 2022, the San Francisco-Oakland Bay Area had the fastest growing economy of any urban area, with a 4.8% annual increase to \$1.38 billion, according to the Kenan Institute of Private Enterprise. Looking into 2023, the resurgence of the leisure and hospitality industry is predicted to continue, with the addition of over 13,800 jobs to lead all other sectors. Meanwhile, the education and health care sector is projected to have the second-highest growth, with nearly 5,900 new jobs.

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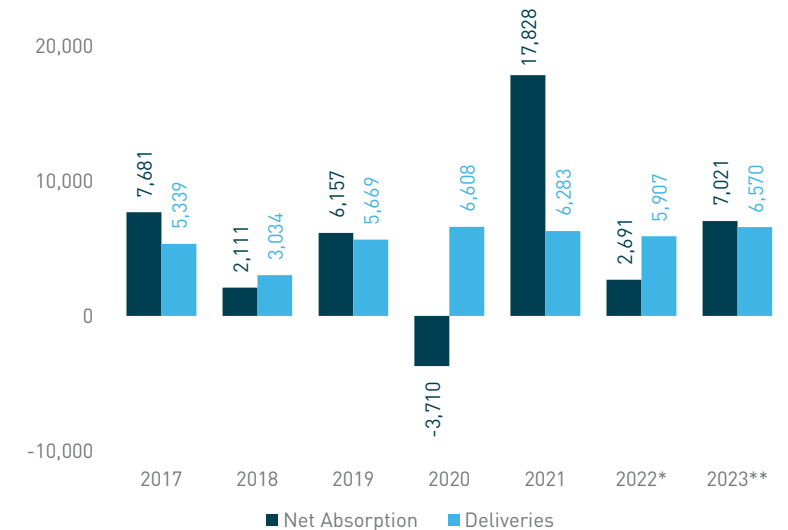
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

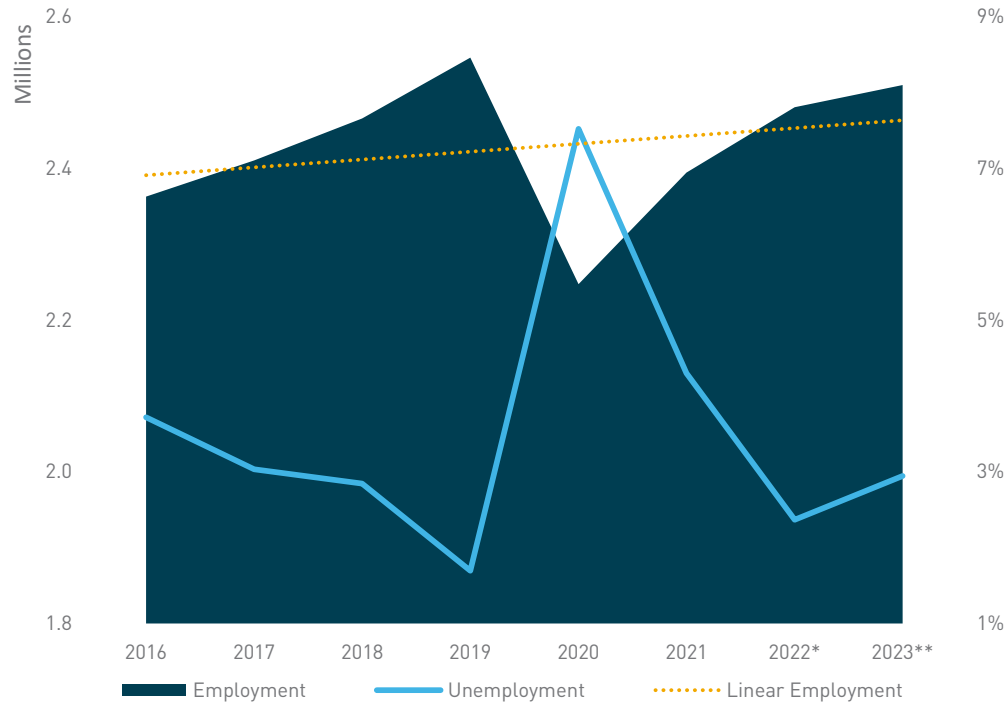


\*Projected \*\*Forecast

# SAN FRANCISCO-OAKLAND, CA

## Employment Trends

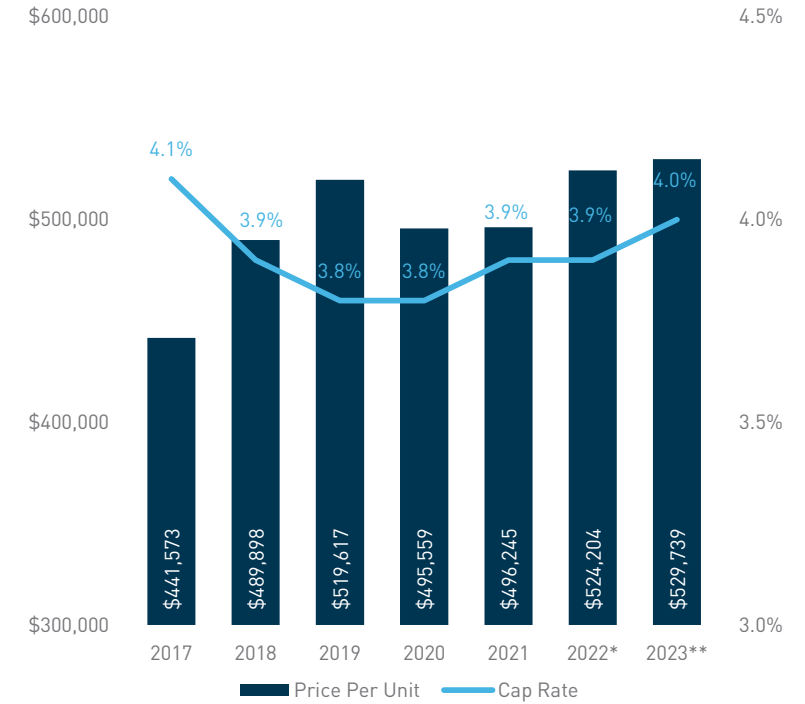
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment  
2,509,400



UP 1.2% YOY

Unemployment  
2.9%



UP 50 BPS YOY

Median Household Income  
\$148,950



UP 3.8% YOY

Price Per Unit  
\$529,739



UP 1.1% YOY

Cap Rate  
4.0%



UP 10 BPS YOY

# SAN JOSE, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.9%



UP 30 BPS YOY

Effective Rent

\$3,180



UP 4.8% YOY

Rent Share of Wallet

21.9%



UP 30 BPS YOY

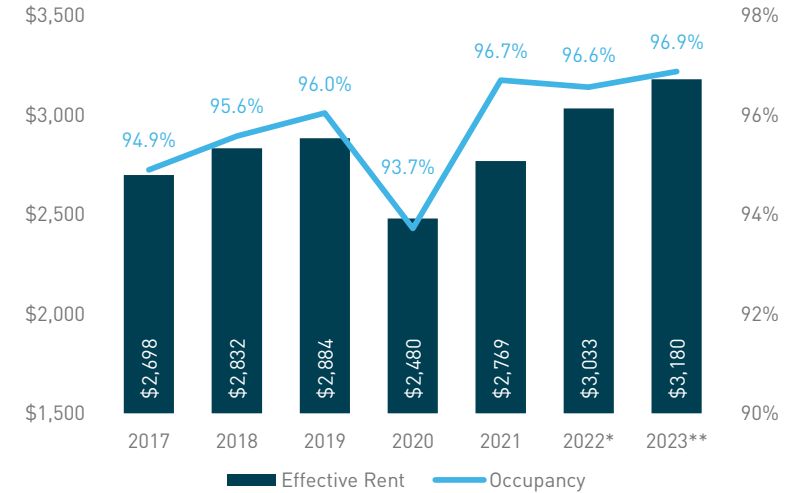
## Steady Migration and High Housing Prices Fuel Elevated Multifamily Demand

Renters have made their way back into the San Jose region and will continue to lease multifamily units at a greater rate than before the pandemic. Net migration into San Jose is projected to approach 2,500 individuals in 2023. While it might not be as high as neighboring San Francisco, it is projected to be the metro's highest single-year total since 2015. Those relocating to San Jose are finding a single-family housing market that remains prohibitively expensive thanks to high interest rates and supply not keeping pace with demand. As a result, a sizable portion of new households will continue to become renters, creating a backstop for apartment demand. Roughly 3,260 net new leases are expected to be signed this year, with the bulk of leasing activity expected in the tech-heavy employment hubs of Sunnyvale, Mountain View, and Downtown San Jose. While remote work will remain a prevalent option for many major San Jose employers, most companies require an office presence of at least a few days a week. Since the metro is geographically constrained, commutes to and from areas with lower-priced homes are often time-consuming and arduous. As a result, many Silicon Valley workers are willing to pay higher rental rates for multifamily housing near office campuses, including Apple and Google, driving demand in those submarkets. Apple recently signed a lease for six buildings in Sunnyvale's Pathline Park office complex. Apple plans to employ between 2,800 and 3,500 employees at the site, which is fully leased.

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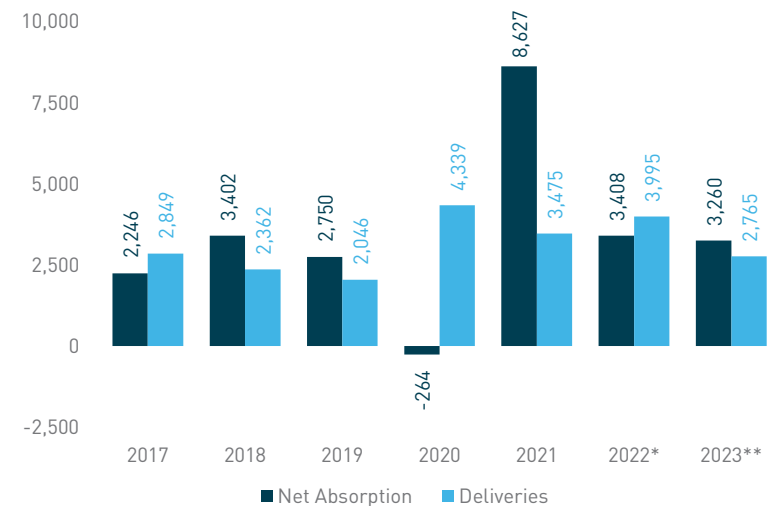
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

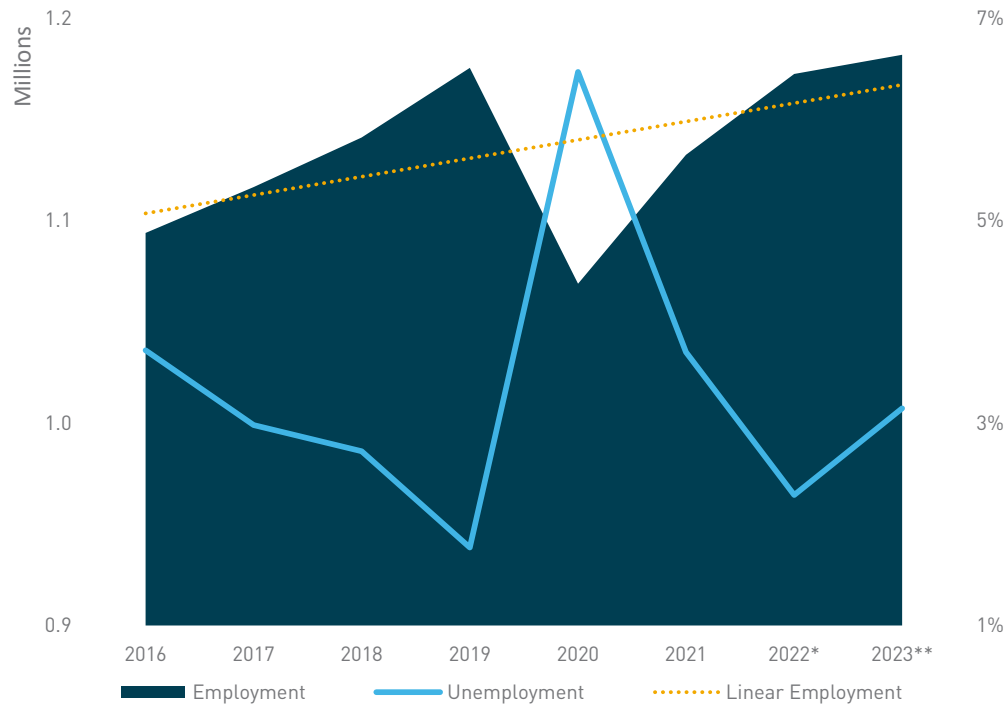


\*Projected \*\*Forecast

# SAN JOSE, CA

## Employment Trends

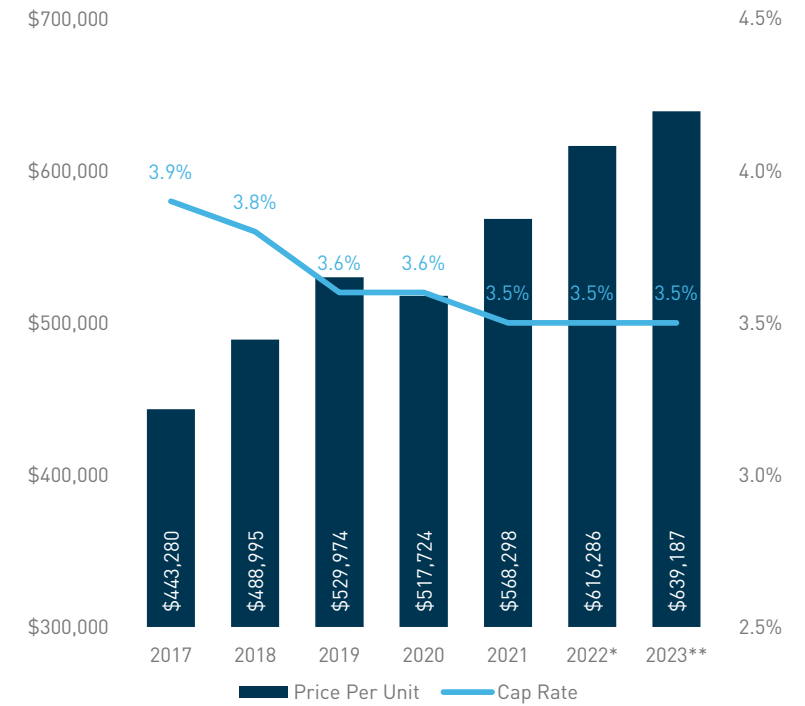
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,182,000</b></p> <p>↑</p> <p>UP 0.8% YOY</p>	<p>Unemployment</p> <p><b>3.1%</b></p> <p>↑</p> <p>UP 80 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$174,460</b></p> <p>↑</p> <p>UP 3.4% YOY</p>
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<p>Price Per Unit</p> <p><b>\$639,187</b></p> <p>↑</p> <p>UP 3.7% YOY</p>	<p>Cap Rate</p> <p><b>3.5%</b></p> <p>=</p> <p>UNCHANGED YOY</p>
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# VENTURA COUNTY, CA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.8%



UP 10 BPS YOY

Effective Rent

\$2,737



UP 3.2% YOY

Rent Share of Wallet

28.2%

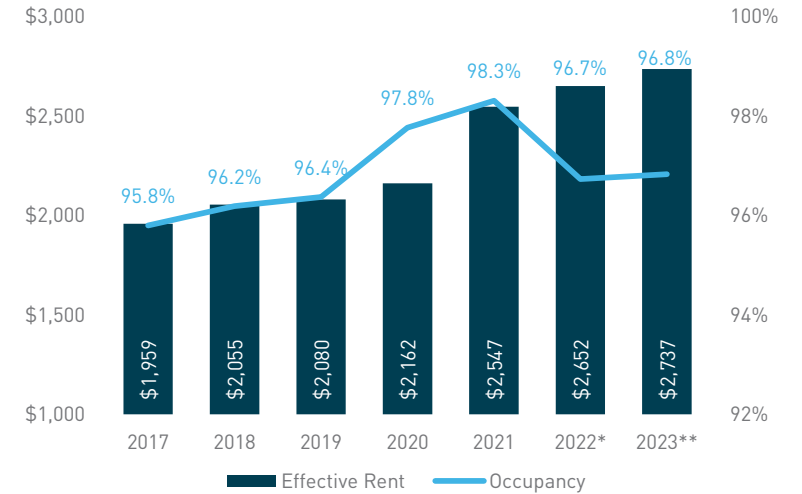


DOWN 10 BPS YOY

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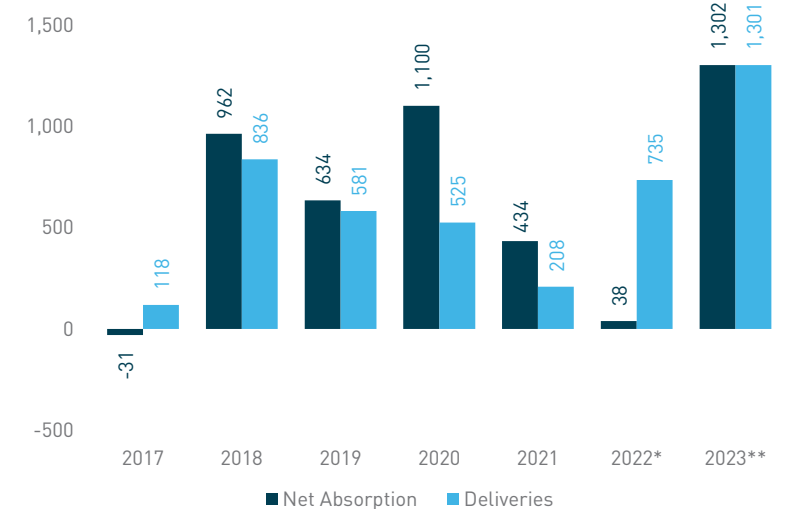
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

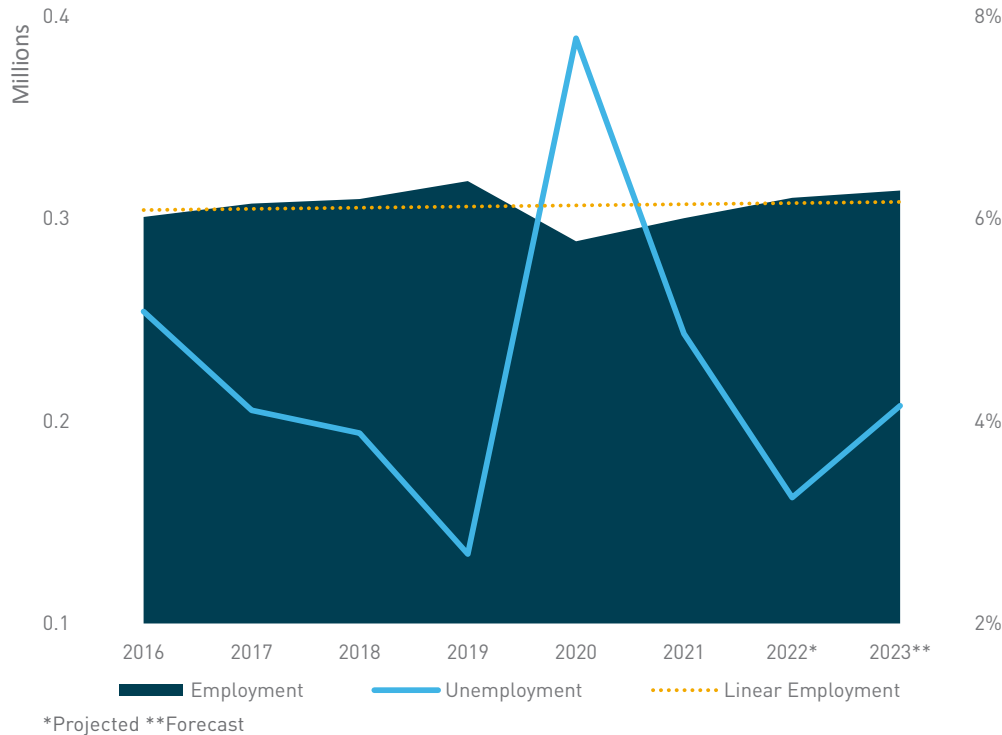


\*Projected \*\*Forecast

# VENTURA COUNTY, CA

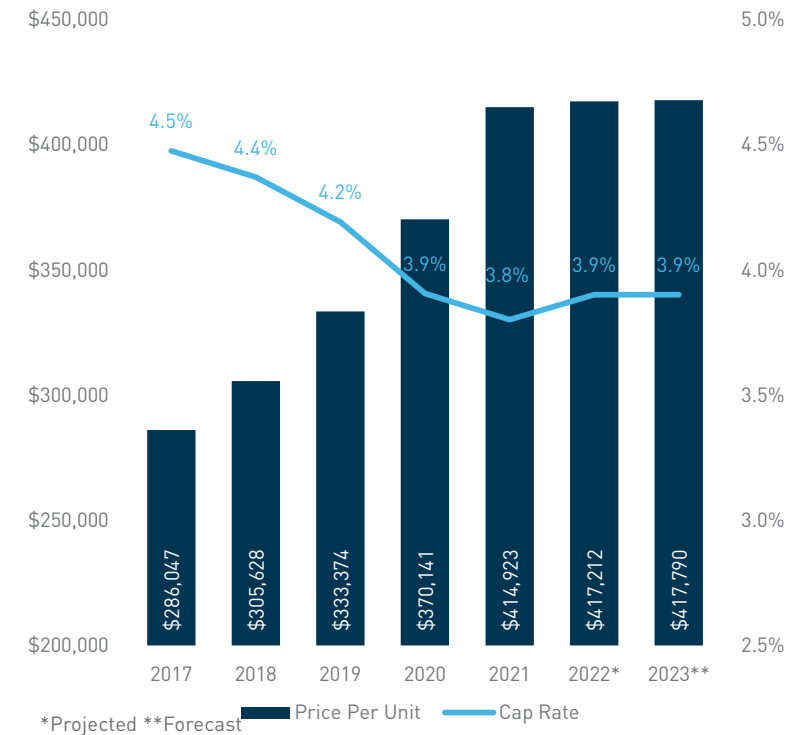
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



Employment

314,000



UP 1.2% YOY

Unemployment

4.2%



UP 100 BPS YOY

Median Household Income

\$116,453



UP 3.4% YOY

Price Per Unit

\$417,790



UP 0.1% YOY

Cap Rate

3.9%



UNCHANGED YOY

# COLORADO SPRINGS, CO

## 2023 MARKET AT A GLANCE

Occupancy Rate

93.9%



DOWN 70 BPS YOY

Effective Rent

\$1,601



UP 3.4% YOY

Rent Share of Wallet

22.8%



UNCHANGED YOY

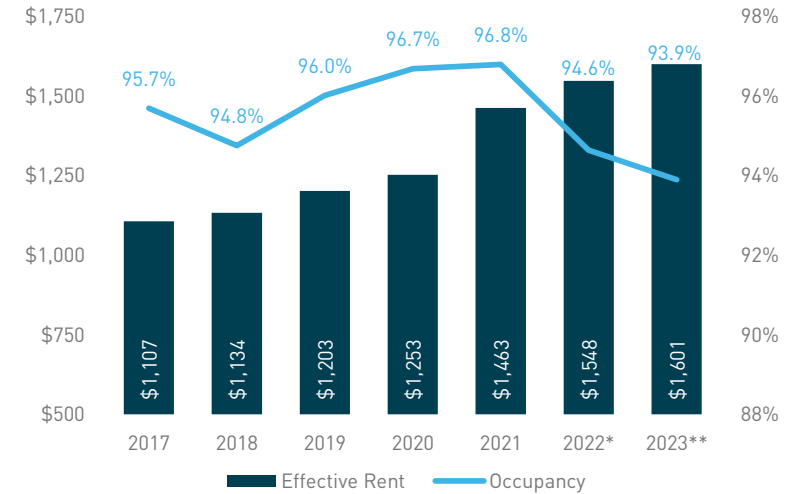
## Apartment Absorption to Soar in 2023 with Hot Job Market

Renters in Greater Colorado Springs could absorb 5,144 net units this year, which is greater than the combined number of net move-ins in the past five years. The North Colorado Springs submarket leads the number of potential move-ins, at 2,362 units. Both developers and renters have flocked to North Colorado Springs to be closer to the metro's hottest job corridor, specifically the area known as InterQuest. St. Francis Hospital – Interquest is expected to open in 2023, bringing 400 jobs to the area. The East Colorado Springs submarket is also filling out, with 1,534 units expected and 1,434 units absorbed. The area surrounding Colorado Springs Airport is home to the future 900-acre Peak Innovation Park, and recently welcomed the Space Warfighting Center, which will employ 250 people before midyear. The exceptional demand will be met with the greatest number of apartment deliveries in at least 20 years. Developers could bring 5,896 units to market by year-end, which is more than five times the annual average for the past 20 years. Even with an impressive number of net move-ins, the inventory spike is expected to reduce occupancy by 70 basis points from last year, ending the year at 93.9%. Significant supply increases span across all four submarkets, but North Colorado Springs, with 2,480 pending units, outranks the others by at least 943 units. In addition to the market's increased popularity for master-planned communities and business parks, developers may be bullish in this submarket because it will continue to command the highest effective rate at \$1,698 per month.

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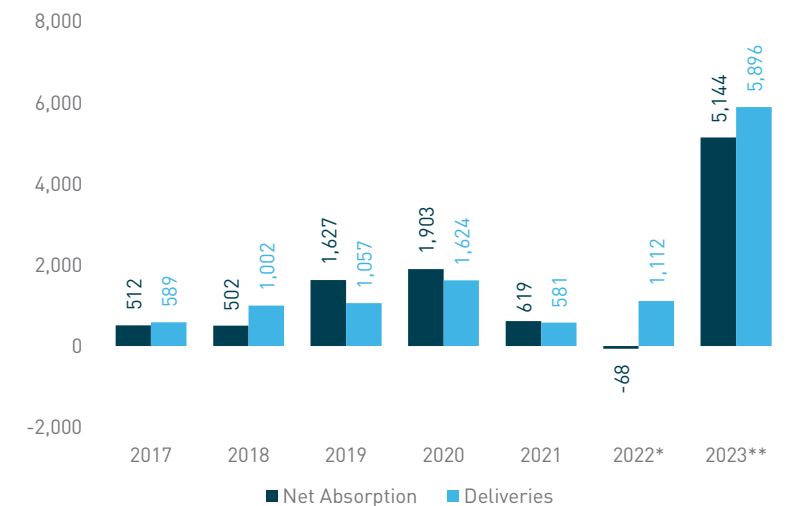
## Apartment Trends

Effective Rent & Occupancy



\*Projected \*\*Forecast

Absorption & Deliveries

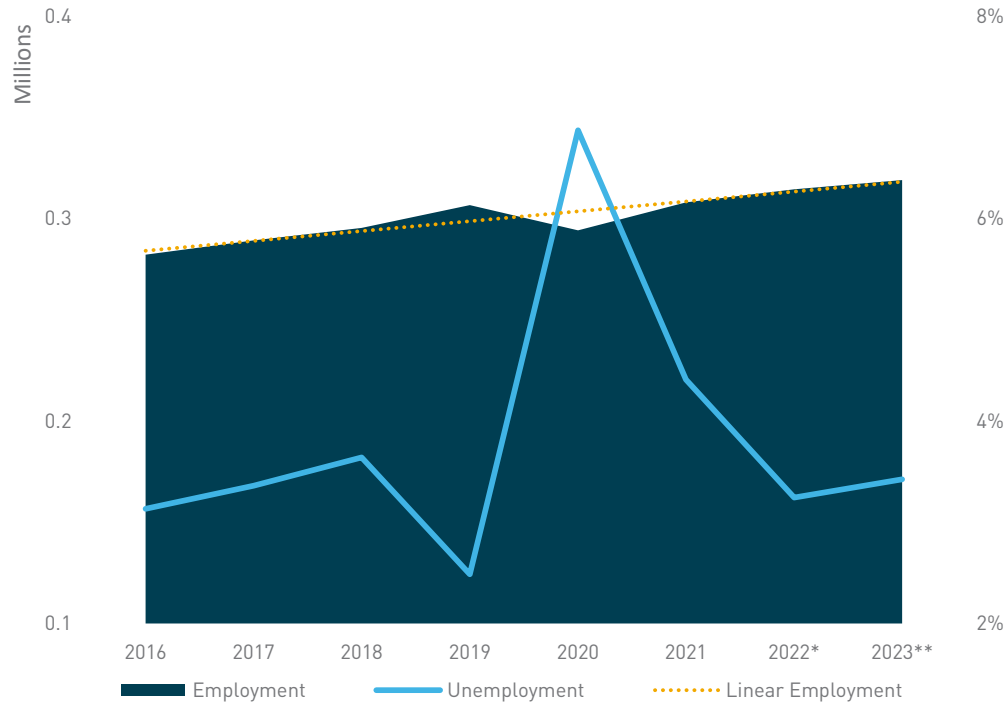


\*Projected \*\*Forecast

# COLORADO SPRINGS, CO

## Employment Trends

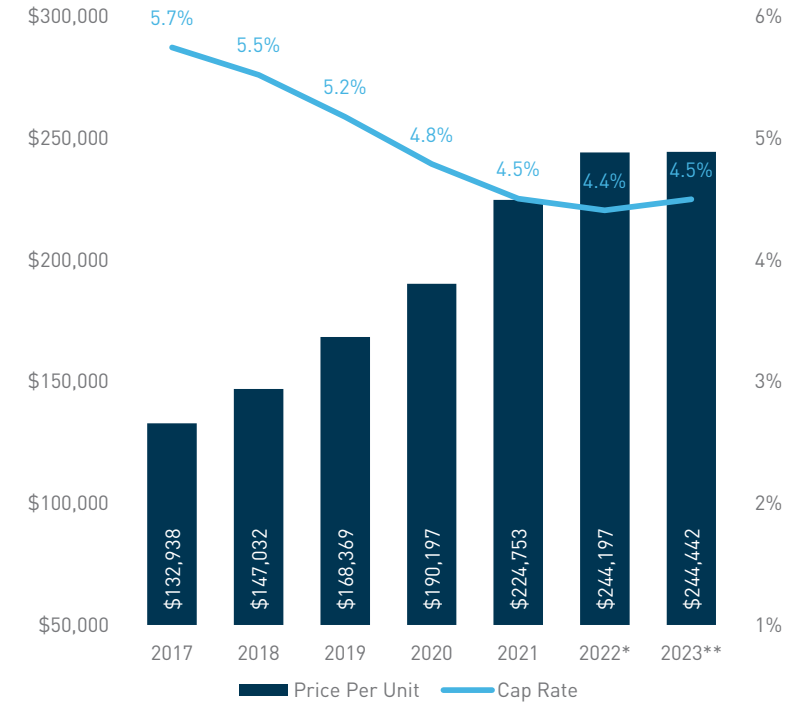
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment  
**319,100**



UP 1.5% YOY

Unemployment  
**3.4%**



UP 20 BPS YOY

Median Household Income  
**\$84,398**



UP 3.4% YOY

Price Per Unit  
**\$244,442**



UP 0.1% YOY

Cap Rate  
**4.5%**



UP 10 BPS YOY

# DENVER, CO

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.5%



DOWN 50 BPS YOY

Effective Rent

\$1,929



UP 3.3% YOY

Rent Share of Wallet

22.7%



UNCHANGED YOY

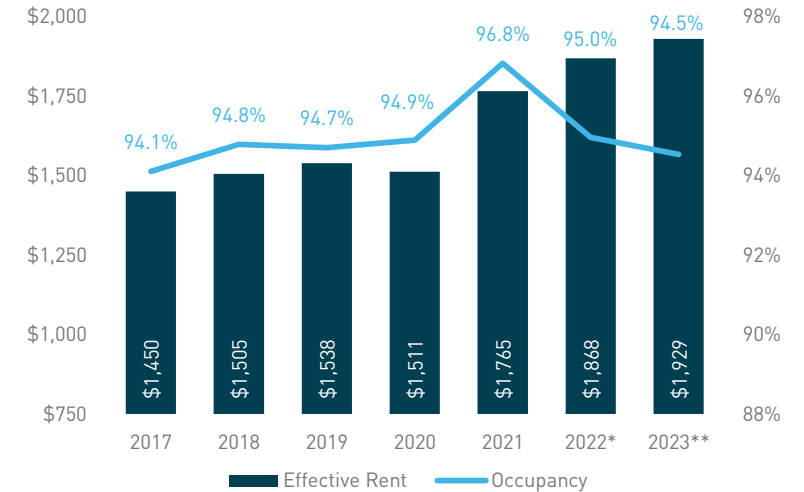
## Denver Poised to Break Absorption and Delivery Record Highs in 2023

Multifamily operators in Greater Denver may see record-breaking deliveries and net absorption this year, spurred by high interest rates decreasing the affordability of single-family homes and the expectation of steady population growth of 0.9% in 2023. Estimates show as many as 18,384 units scheduled for delivery, which is 72.6% greater than the previous 20-year high from 2018. Regarding net absorption, renters may occupy up to 16,002 units, which exceeds the previous 20-year record from 2021 by 27.2%. Despite having the nation's 10th-highest expected absorption, occupancy could drop 50 basis points year over year, settling at 94.5%, 70 basis points shy of the market's five-year average. Additionally, the submarkets with the highest delivery volumes may experience rent growth below the estimated 3.3% average—the exception being North Aurora, which has the lowest effective rent of Denver's 19 submarkets. Approximately 23.2% of expected deliveries and 21.6% absorption stem from the Northeast Denver submarket, which includes the area around Denver International Airport and expands north along Highway 85. The submarket's supply and demand trends are projected to increase significantly from last year, from 2,210 to 4,247 units delivered and 1,524 net units absorbed to 3,451. Northeast Denver is among the fastest-growing employment hubs in the metro, with multiple, large industrial projects underway in addition to the beginning of Phase 2 of Denver's Vision 100 plan at Denver International Airport, which the city expects to create 6,500 direct jobs at completion.

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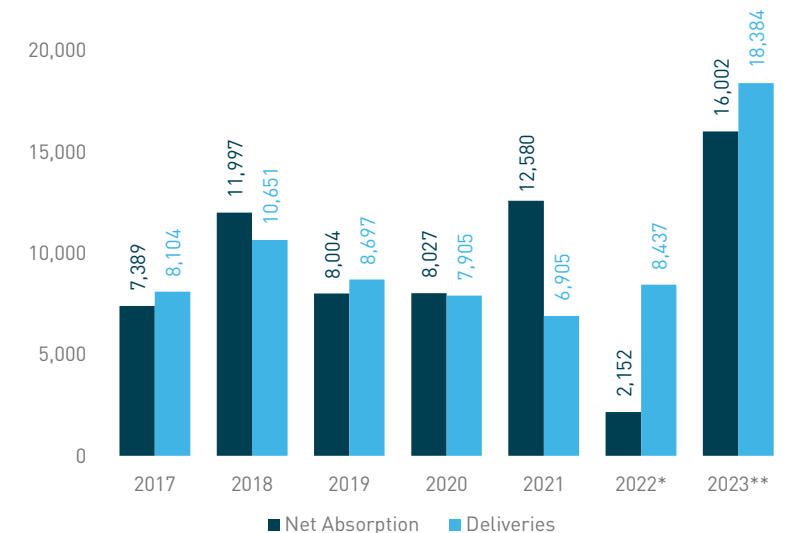
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

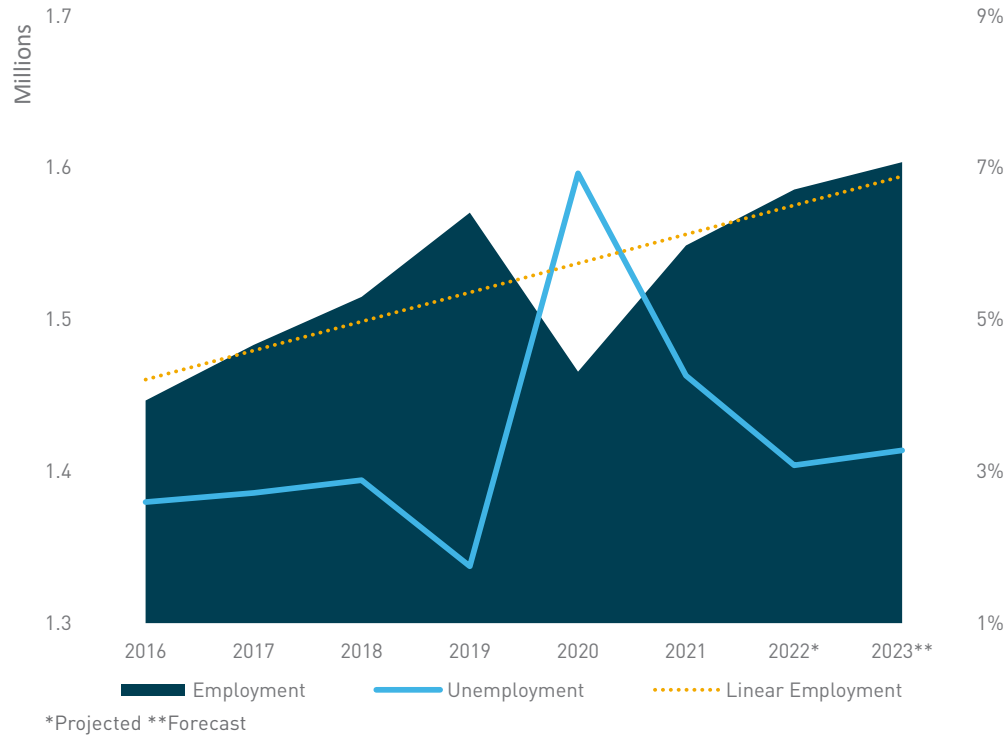
### Absorption & Deliveries



\*Projected \*\*Forecast

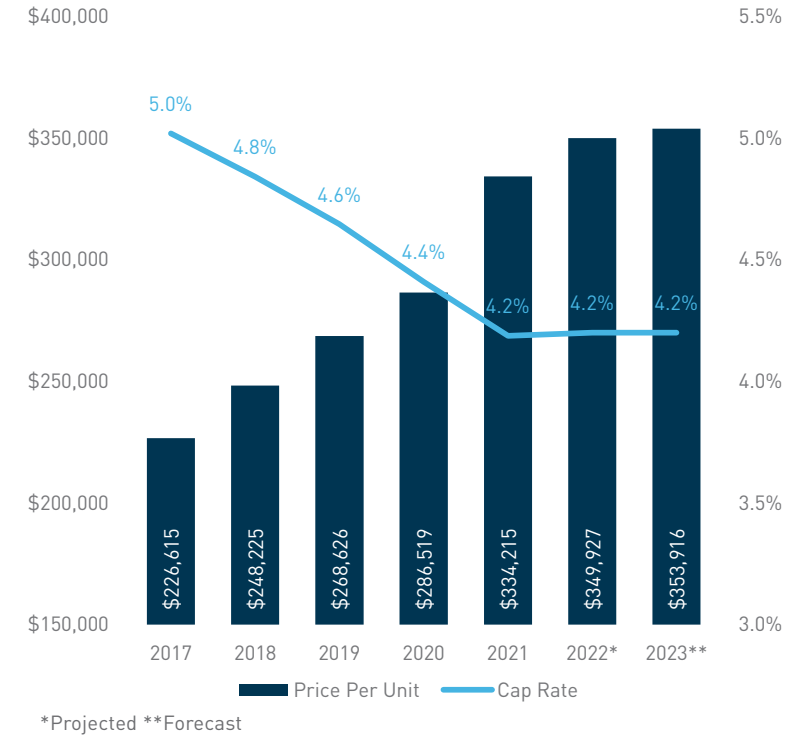
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>1,603,700</b></p> <p>↑</p> <p>UP 1.1% YOY</p>	<p>Unemployment</p> <p><b>3.3%</b></p> <p>↑</p> <p>UP 20 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$102,214</b></p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p><b>\$353,916</b></p> <p>↑</p> <p>UP 1.1% YOY</p>	<p>Cap Rate</p> <p><b>4.2%</b></p> <p>=</p> <p>UNCHANGED YOY</p>
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# JACKSONVILLE, FL

## 2023 MARKET AT A GLANCE

Occupancy Rate

93.5%



DOWN 80 BPS YOY

Effective Rent

\$1,581



UP 2.2% YOY

Rent Share of Wallet

24.1%



DOWN 40 BPS YOY

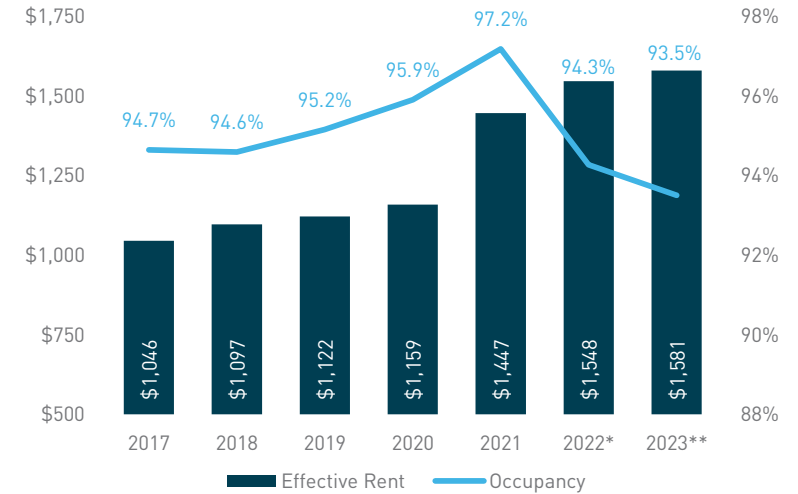
## Apartment Market Continues to Grow with Incoming Inventory and High Demand

Apartment leasing activity and deliveries are forecast to reach a peak in 2023. Over 6,500 net units are expected to be absorbed, more than double the number of net move-ins during 2022. The metro's strong economy will be the catalyst for the rise in absorption. Jacksonville has been attracting fintech firms, supported by the region's strong STEM talent pool. Additionally, the health care industry has steadily grown and will continue to do so with the \$210 million UF Health's expansion and the creation of a four-year medical school program at Jacksonville University. A significant share of the nearly 13,000 nonfarm jobs estimated to be added to payrolls this year will be in the education and health services sector. The increase in jobs will contribute to a 3.8% rise in the median household income to nearly \$78,700 by year-end, keeping the metro's rent share of wallet well below other major Florida markets. Jacksonville's strong income should reinforce further projected rent growth of 2.2% this year as more than 8,000 units are set to come online. Both demand and deliveries are on track to outpace last year. High apartment construction activity was encouraged by Jacksonville's population increase of 13.7% since 2010. The Jacksonville market is among the fastest growing metros in the nation. Part of the increase includes robust net in-migration, with over 14,100 new residents forecast in 2023. Most apartment activity in the market will stem from the Baymeadows submarket as its safe and affluent neighborhoods attract many young professionals.

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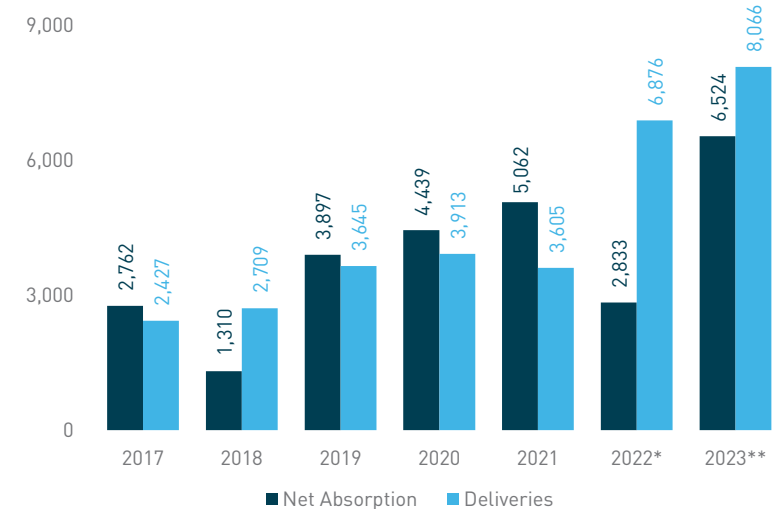
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

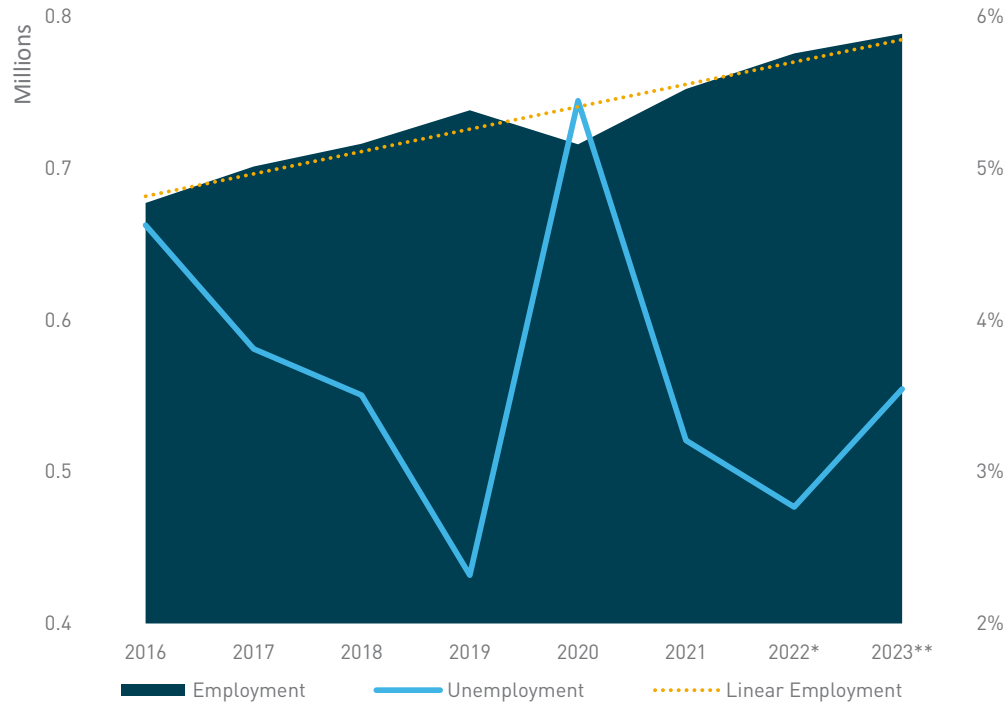
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

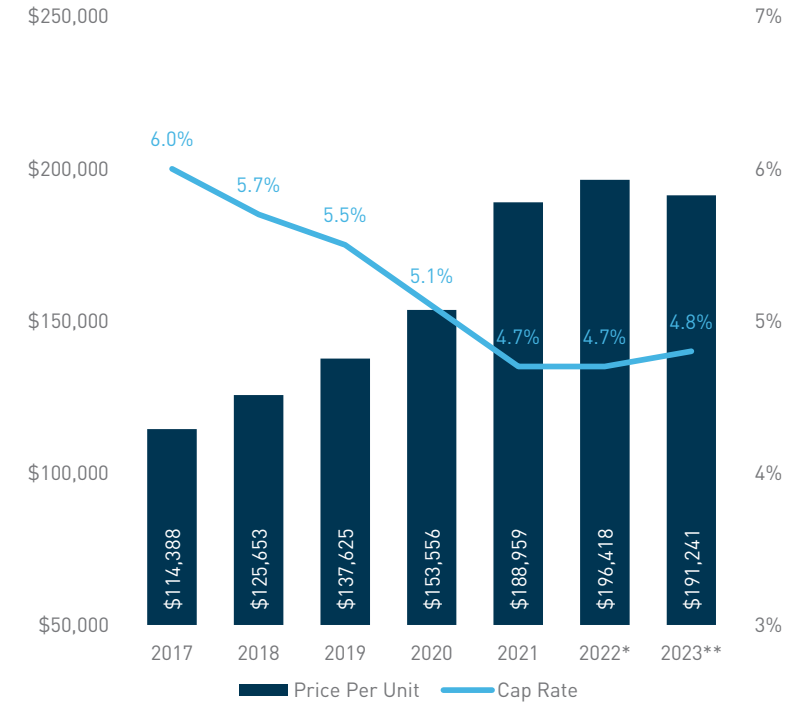
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

788,500



UP 1.7% YOY

Unemployment

3.5%



UP 70 BPS YOY

Median Household Income

\$78,657



UP 3.8% YOY

Price Per Unit

\$191,241



DOWN 2.6% YOY

Cap Rate

4.8%



UP 10 BPS YOY

# ORLANDO, FL

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.7%



DOWN 90 BPS YOY

Effective Rent

\$1,903



UP 4.3% YOY

Rent Share of Wallet

30.3%



UP 20 BPS YOY

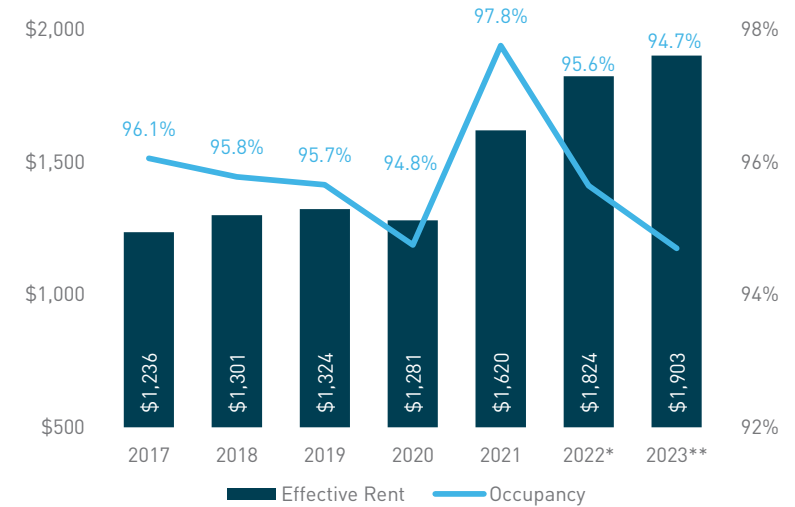
## Epic Universe Theme Park is Fueling Brisk Apartment Development

Apartment renters in the Orlando metro area typically have about 6,500 new deliveries to choose from each year. But 2023 will not be a typical year if the 15,695 apartment units scheduled for delivery are completed. Just over half of the new stock will be in the adjoining South Orange County, Ocoee/Winter Garden/Clermont, and Kissimmee/Osceola County submarkets. Most of these new apartment communities will be within five miles of Universal Orlando Resort's new, \$1 billion Epic Universe theme park, scheduled to open in summer 2025. Upon opening, Epic Universe will employ approximately 14,000 new workers. Many of these workers will earn considerably less than the median wage in Orlando and will need to rent an apartment out of necessity. In the meantime, Florida's business-friendly atmosphere will continue to attract businesses from out of state and drive an estimated 2.3% increase in local employment this year as approximately 32,300 net workers are added to payrolls. Net in-migration to the Orlando metro area is forecast to total 40,900 new residents in 2023, a significant contributor to the 25,200 additional households anticipated. This household growth is projected to spur the net absorption of 12,422 apartments. By year-end 2023, apartment occupancy is forecast to be 94.7%. Effective rent growth, following stratospheric annual increases of 26.4% in 2021 and 12.6% in 2022, is expected to rise at a more modest 4.3% pace in 2023, in line with the average annual rate of increase in the 10-year period prior to the pandemic.

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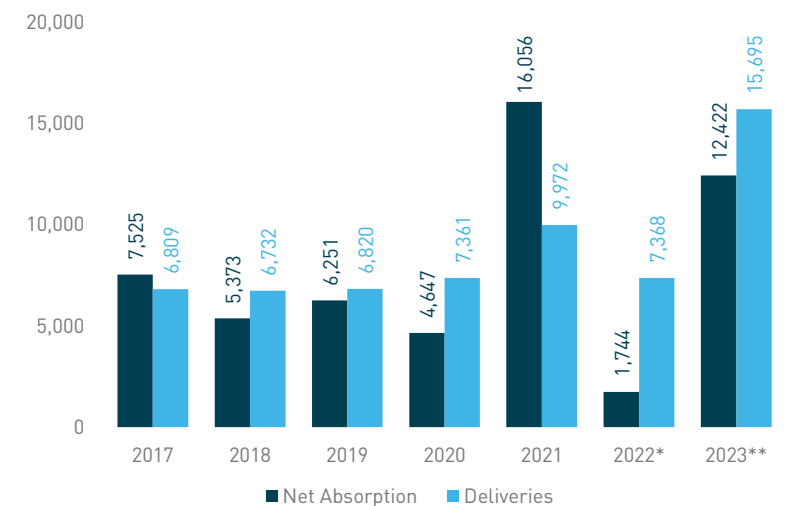
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

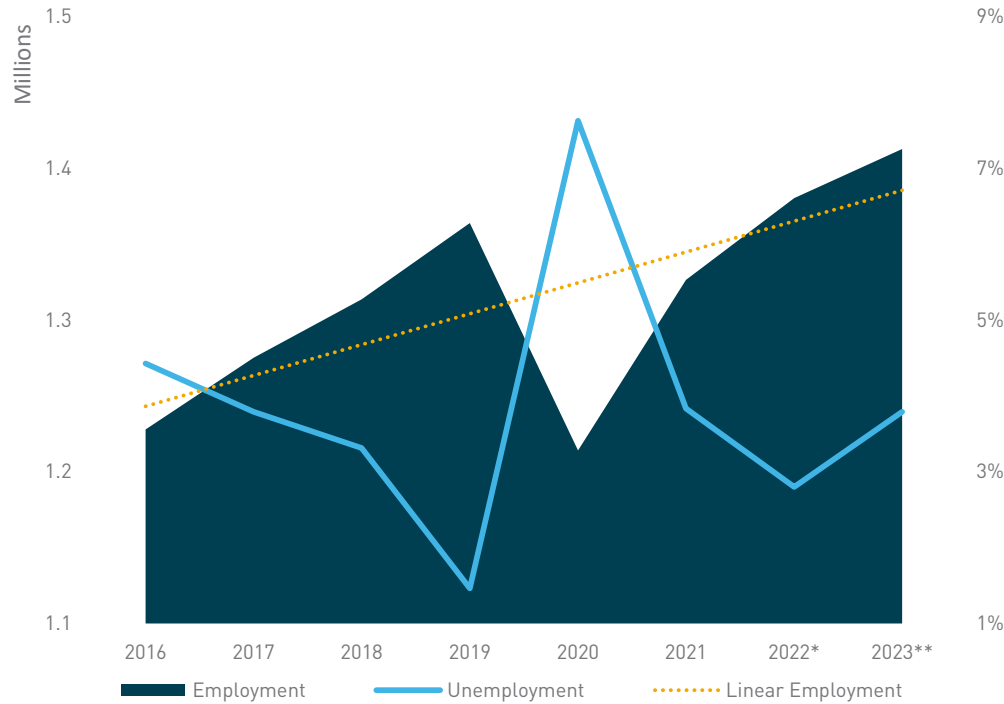
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

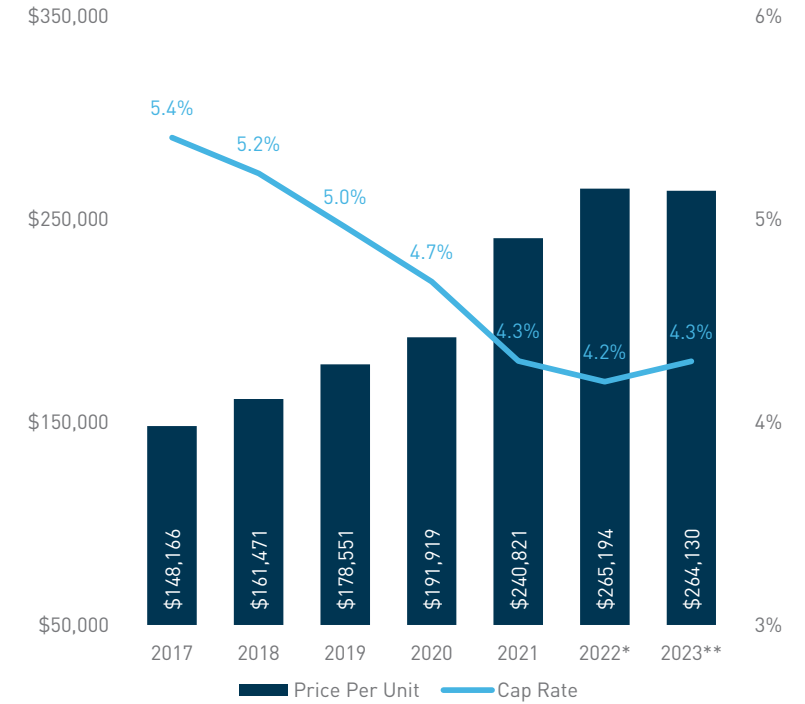
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,412,600</b></p> <p>↑</p> <p>UP 2.3% YOY</p>	<p>Unemployment</p> <p><b>3.8%</b></p> <p>↑</p> <p>UP 100 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$75,415</b></p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p><b>\$264,130</b></p> <p>↓</p> <p>DOWN 0.4% YOY</p>	<p>Cap Rate</p> <p><b>4.3%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# PENSACOLA, FL

## 2023 MARKET AT A GLANCE

Occupancy Rate

97.2%



DOWN 10 BPS YOY

Effective Rent

\$1,501



UP 2.9% YOY

Rent Share of Wallet

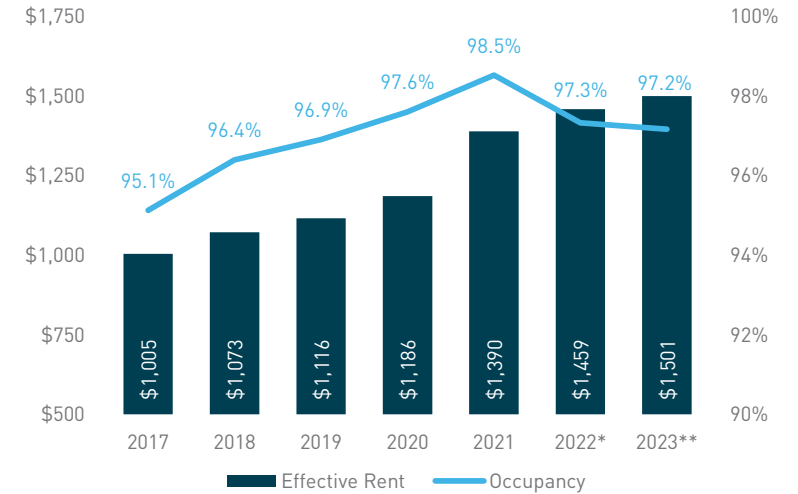
26.3%



DOWN 10 BPS YOY

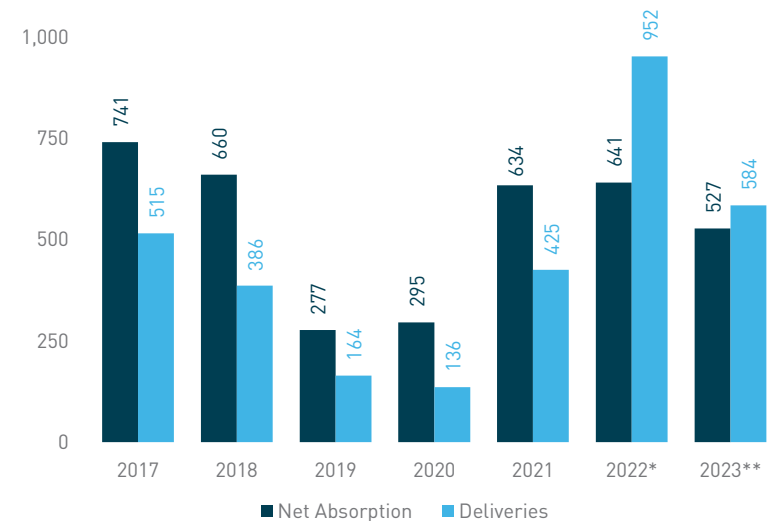
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

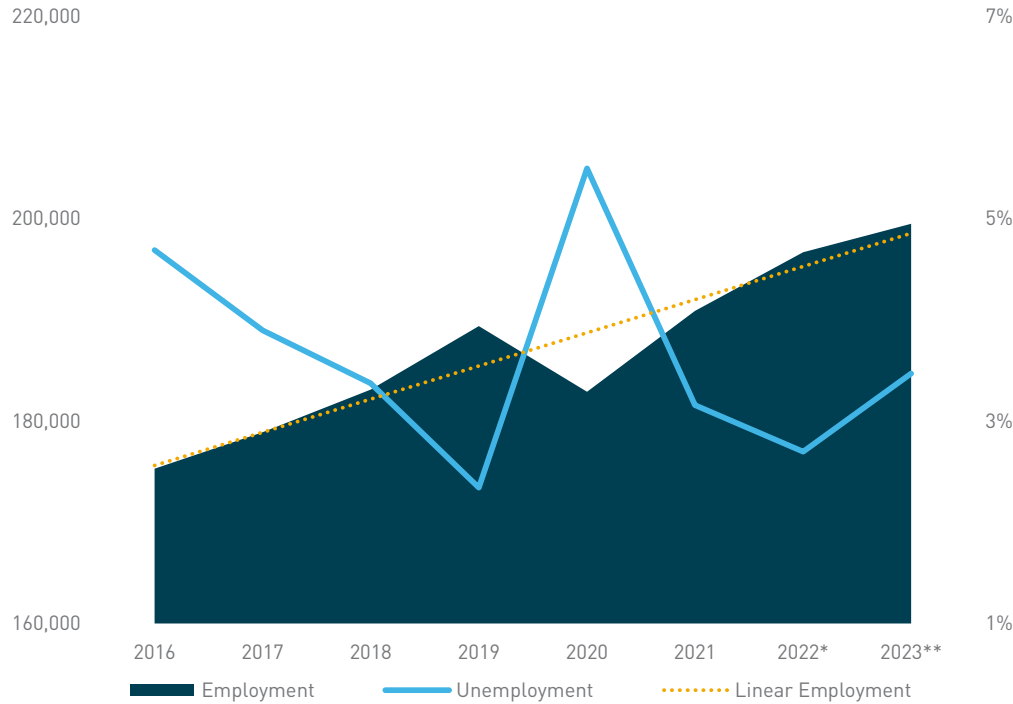


\*Projected \*\*Forecast

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## Employment Trends

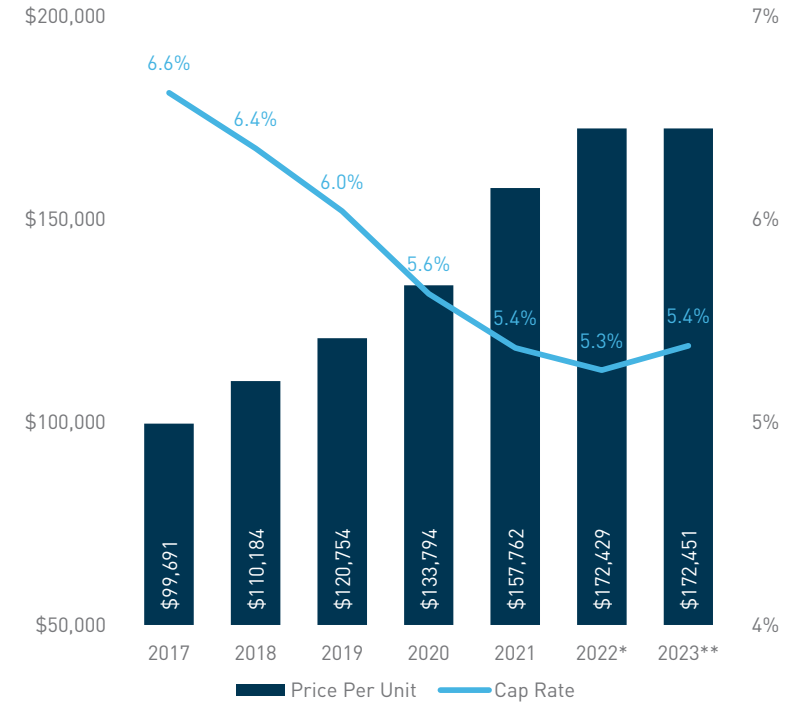
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

199,500



UP 1.4% YOY

Unemployment

3.5%



UP 80 BPS YOY

Median Household Income

\$68,415



UP 3.2% YOY

Price Per Unit

\$172,451



UNCHANGED YOY

Cap Rate

5.4%



UP 10 BPS YOY

# SOUTH FLORIDA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.2%



DOWN 80 BPS YOY

Effective Rent

\$2,465



UP 3.6% YOY

Rent Share of Wallet

40.4%



UNCHANGED YOY

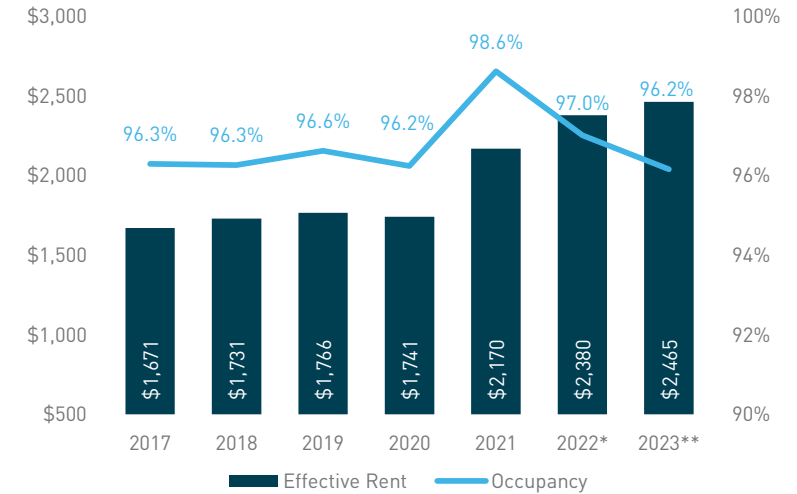
## Job Market, Growing Population, and Quality of Life Make the Region Golden

Developers are showing confidence in the health of the Tri-County apartment market and widening the pipeline. South Florida ranks among the most active markets in the country for apartment construction activity on both total units and as a percentage of inventory. Builders are scheduled to complete 22,541 market-rate units over the next four quarters, the highest number of annual deliveries in at least a decade. In addition, another 15,800 rentals are in the pipeline slated to deliver in 2024. The Downtown Miami/South Beach submarket has remained a development hotspot, as apartment builders target affluent, young professionals. The largest community coming online this year is the nearly 2,000 apartments in Brickell neighborhood along the Miami River. Known as Miami's financial center, Brickell caters to the banking and business crowd. The new inventory across the region is expected to underpin vigorous leasing activity, as absorption this year is forecast to be 66% higher than the 10-year average. Apartment demand is also supported by a forecast 1.6% growth in households, paired with nonfarm employment expanding 1.7%. Even with the positive pace of new leases, apartment absorption is expected to trail inventory growth, resulting in an average occupancy of 96.2% by the end of 2023, an annual 80-basis-point drop. With apartment occupancy remaining at healthy levels this year, even amid an influx of new inventory, operators will keep upward pressure on leasing costs. Monthly effective rent is forecast to advance 3.6% this year to \$2,465.

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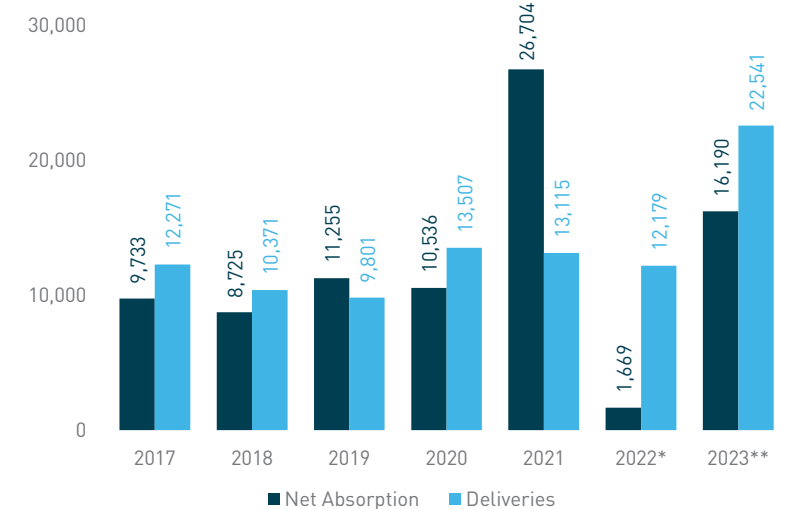
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

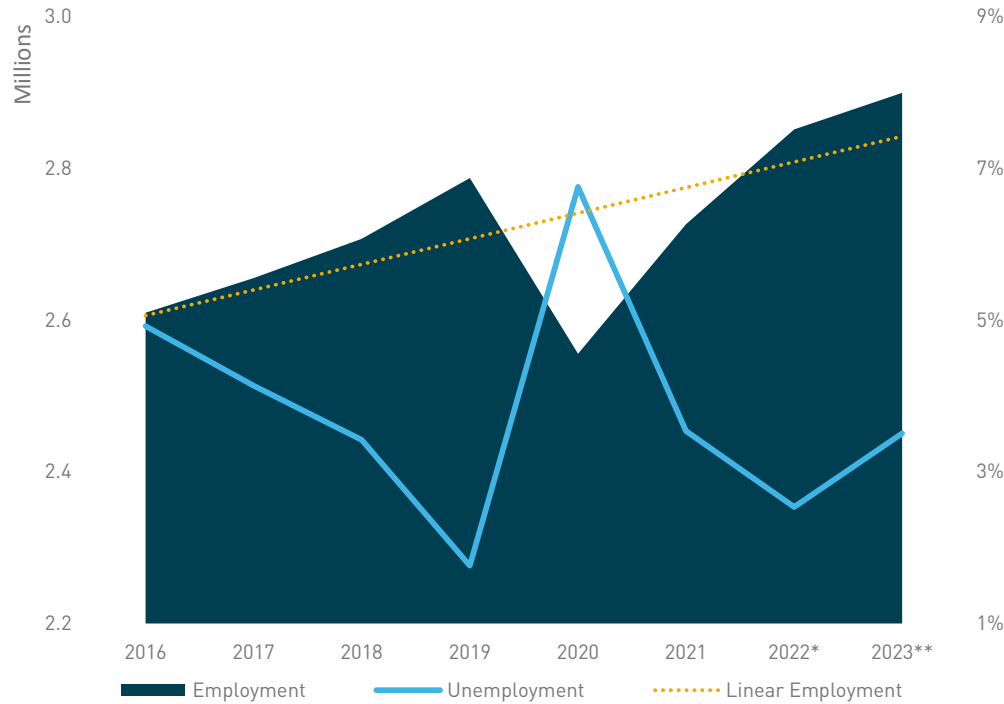


\*Projected \*\*Forecast

# SOUTH FLORIDA

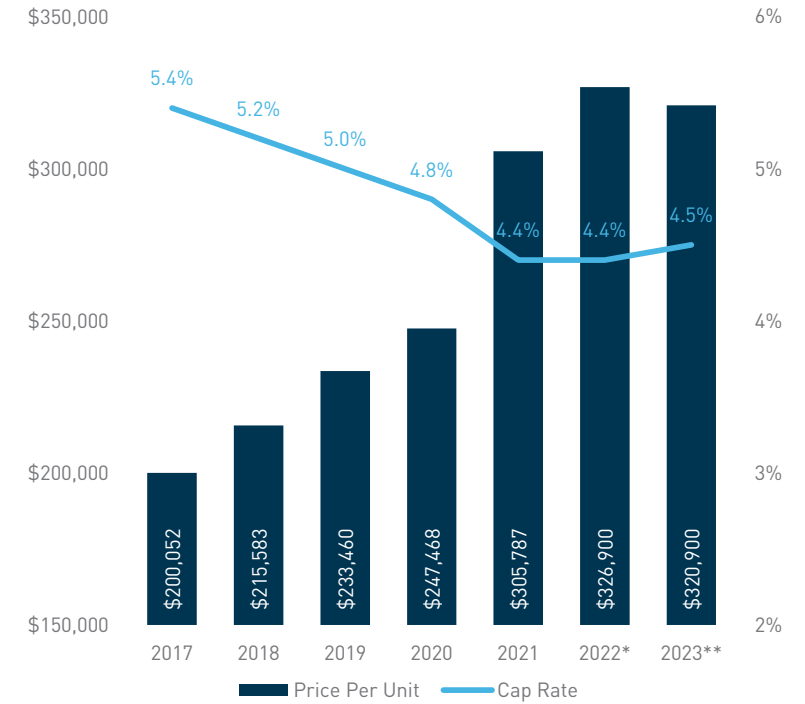
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>2,899,200</b></p> <p>↑</p> <p>UP 1.7% YOY</p>	<p>Unemployment</p> <p><b>3.5%</b></p> <p>↑</p> <p>UP 100 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$73,190</b></p> <p>↑</p> <p>UP 3.6% YOY</p>
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<p>Price Per Unit</p> <p><b>\$320,900</b></p> <p>↓</p> <p>DOWN 1.8% YOY</p>	<p>Cap Rate</p> <p><b>4.5%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# TALLAHASSEE, FL

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.8%



DOWN 90 BPS YOY

Effective Rent

\$1,387



UP 3.4% YOY

Rent Share of Wallet

26.7%

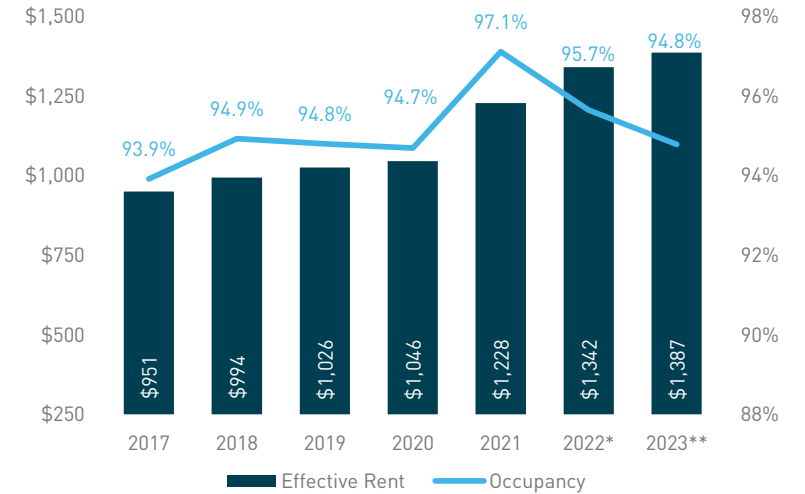


DOWN 10 BPS YOY

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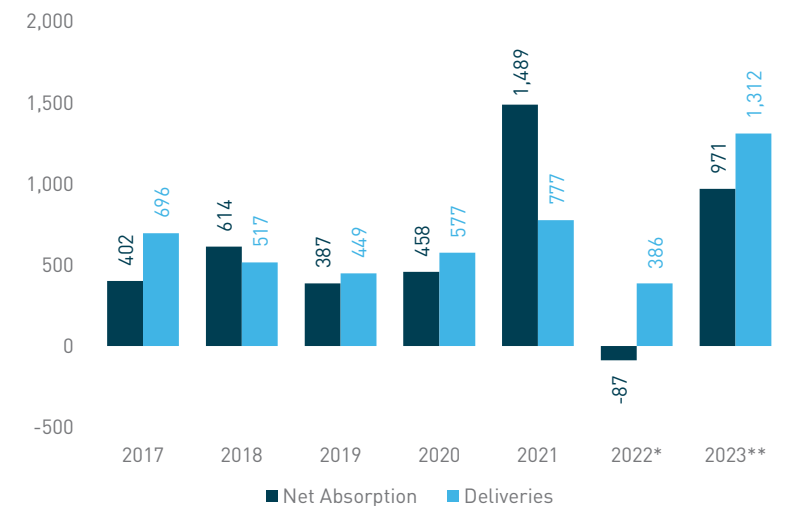
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

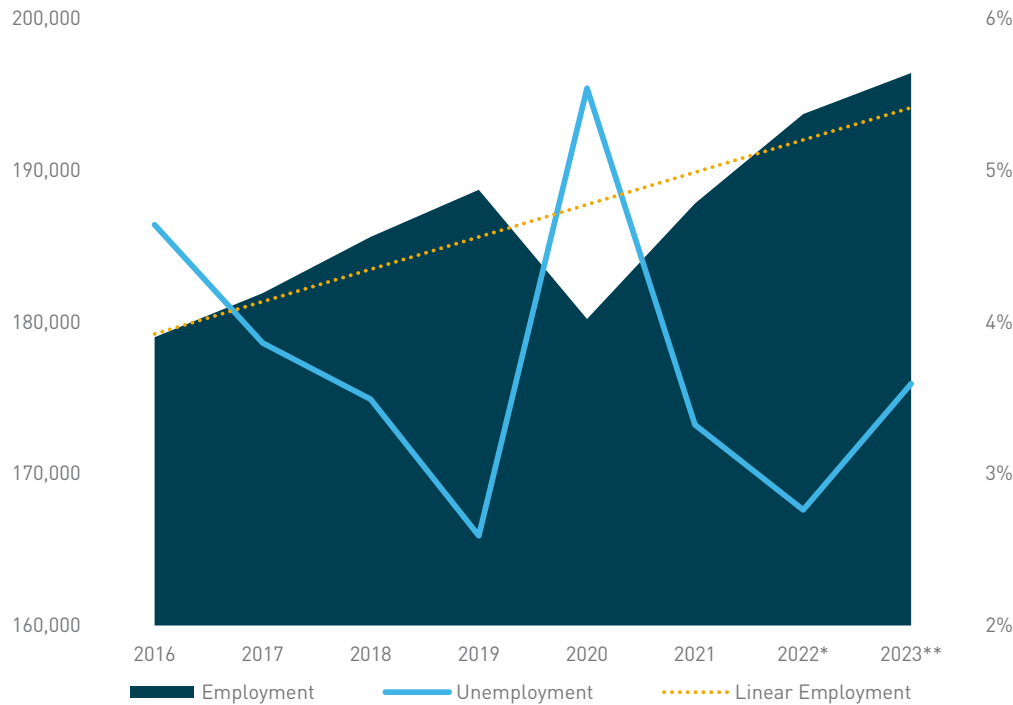
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

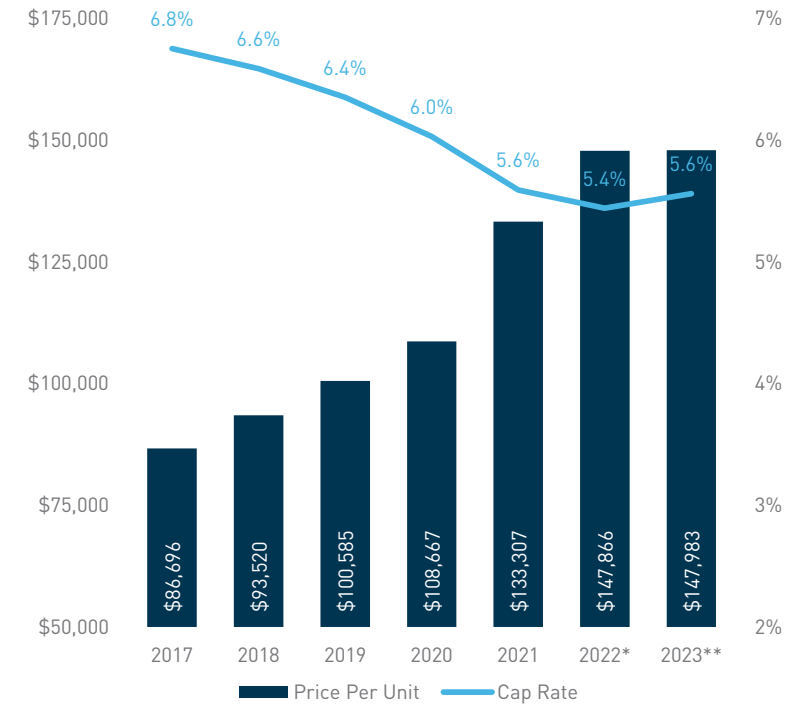
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>196,400</b></p> <p>↑</p> <p>UP 1.4% YOY</p>	<p>Unemployment</p> <p><b>3.6%</b></p> <p>↑</p> <p>UP 80 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$62,248</b></p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p><b>\$147,983</b></p> <p>↑</p> <p>UP 0.1% YOY</p>	<p>Cap Rate</p> <p><b>5.6%</b></p> <p>↑</p> <p>UP 20 BPS YOY</p>
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# TAMPA-ST. PETERSBURG, FL

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.2%



DOWN 50 BPS YOY

Effective Rent

\$1,881



UP 3.1% YOY

Rent Share of Wallet

32.2%



DOWN 20 BPS YOY

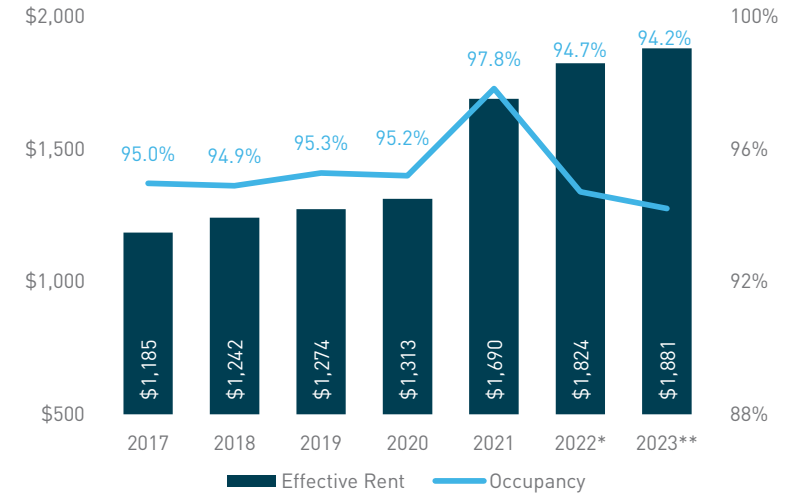
## Emerging Tech Hub Sparks Economic Growth and Positive Apartment Demand

Ranked the No. 1 Emerging Tech Hub in the U.S. by Forbes, Tampa-St. Petersburg is forecast to continue to be one of the fastest-growing metro areas in the nation. Since 2020, the metro has been ranked within the top 10 markets with the most incoming migrants, which is projected to continue in 2023. Home to over 50 software and IT companies, Tampa is responsible for over 25% of Florida's tech jobs, and anticipates more jobs being added to local payrolls moving forward. Tampa's tech scene has made the market a hotspot for developers, with more than \$3.5 billion being poured into the economy for further tech-focused activities. The professional and business sector is projected to reach 283,250 jobs by the end of 2023, providing a market share of 18.8%. Tampa's growing economy and consistent positive in-migration will also help revive apartment leasing activity. In 2023, the Tampa-St. Petersburg market is expected to have over 5,700 net units absorbed, a significant rebound from around 1,300 move outs in 2022. High demand in the market is stemming from submarkets located outside of the metro's urban core. The Brandon/Southeast Hillsborough County and the New Tampa/East Pasco County submarkets account for over half of the metro's forecast net absorption. These submarkets offer residents a more affordable rent compared to the urban submarkets while also being close to major employers.

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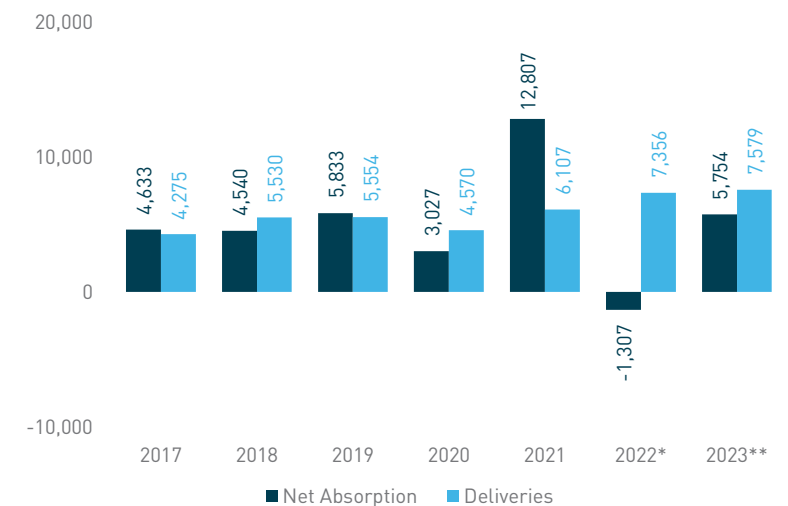
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

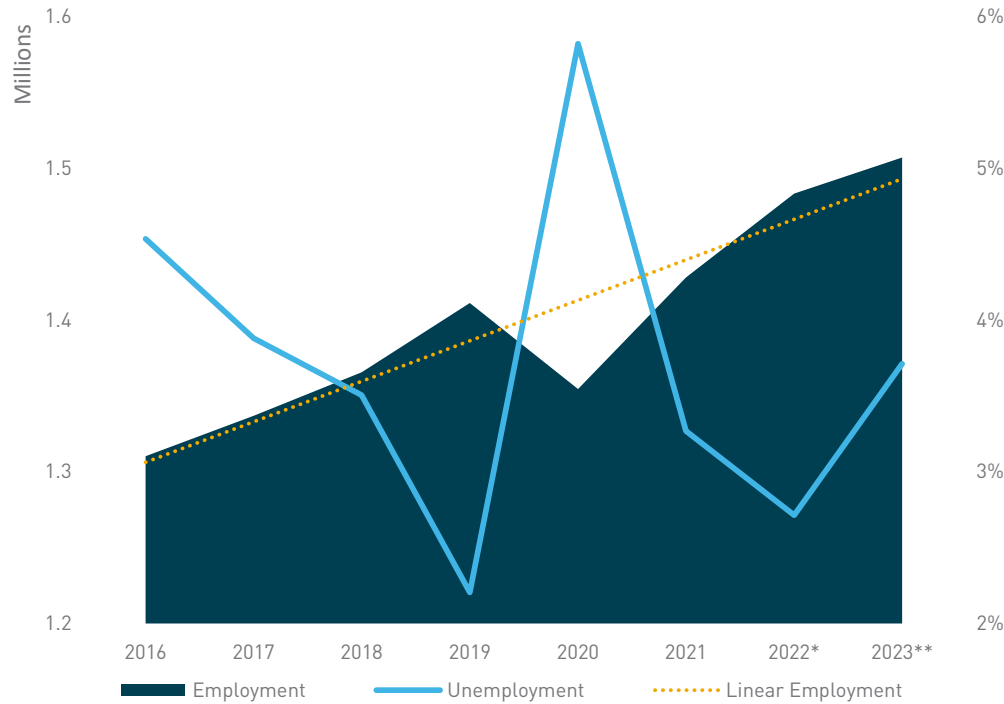


\*Projected \*\*Forecast

# TAMPA-ST. PETERSBURG, FL

## Employment Trends

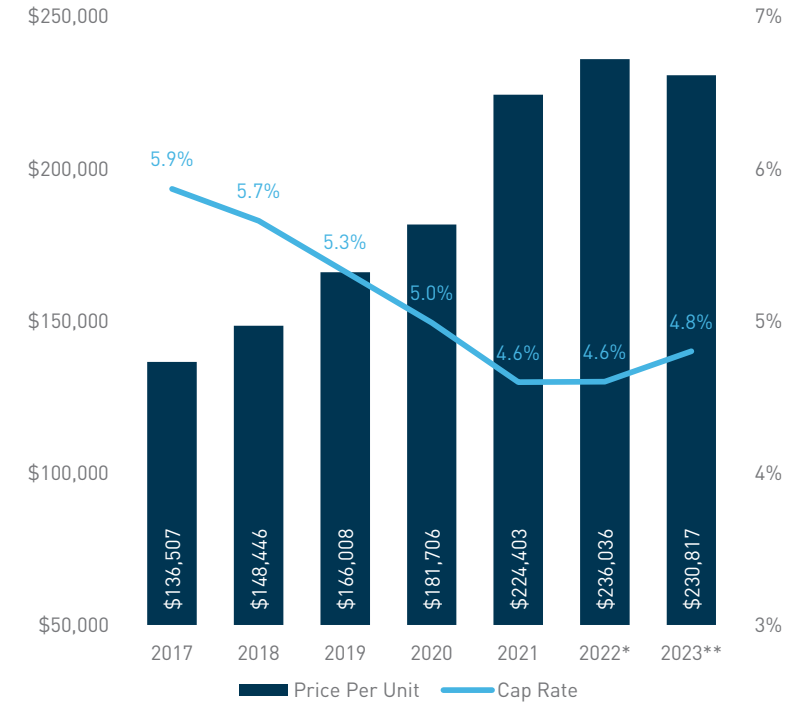
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,507,000</b></p> <p>↑</p> <p>UP 1.6% YOY</p>	<p>Unemployment</p> <p><b>3.7%</b></p> <p>↑</p> <p>UP 100 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$70,077</b></p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p><b>\$230,817</b></p> <p>↓</p> <p>DOWN 2.2% YOY</p>	<p>Cap Rate</p> <p><b>4.8%</b></p> <p>↑</p> <p>UP 20 BPS YOY</p>
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# ATLANTA, GA

## 2023 MARKET AT A GLANCE

Occupancy Rate

93.8%



DOWN 50 BPS YOY

Effective Rent

\$1,719



UP 2.4% YOY

Rent Share of Wallet

25.1%



DOWN 30 BPS YOY

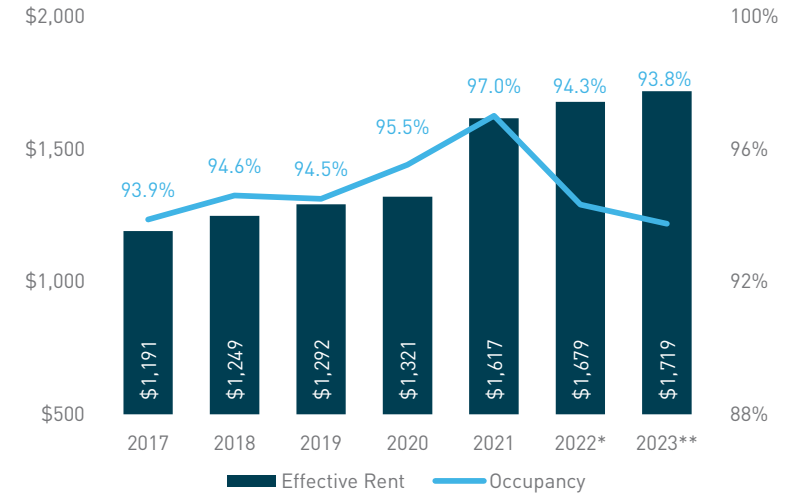
## Urban Core Development to be a Boon to Apartment Deliveries and Demand

Atlanta's economy is expected to remain stable in 2023, with employers forecast to add 39,000 jobs. This 1.3% increase is evidence of a solid economic picture that will prove to be a benefit to the metro's apartment market. Atlanta's business-friendly atmosphere continues to attract new businesses, and the low cost of living has long been attractive to prospective residents. The steady growth of Atlanta's economy and population continue to prove to be the twin forces that underpin the overall health of the apartment market. Developers are expected to attempt to keep pace with this growth, with 21,384 new units slated to come online in 2023. Deliveries are expected to be highest in the submarkets that border Atlanta's central core, as these areas have some of the most desired amenities in the metro, as well as ample employment opportunities. Builders in the Midtown submarket are predicted to deliver 2,792 units, significantly more than any other submarket and more than 10% of the total deliveries predicted for the entire metro in 2023. This brisk pace of new inventory in the Midtown submarket is expected to be met with strong demand, as 2,160 net move-ins are forecast. Healthy fundamentals will drive solid performance in not only Atlanta's central core submarkets but the entire metro. Effective rent is forecast to reach \$1,719 a month, a 2.4% year-over-year increase. The projected 3.5% increase in household income in Atlanta will soften the blow of continuously rising rents. Despite the anticipated supply increase, average occupancy is forecast to end the year at 93.8%.

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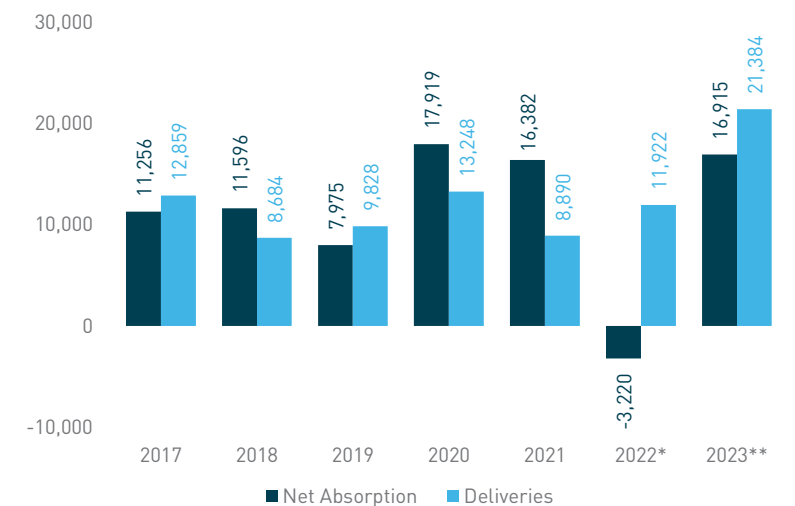
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

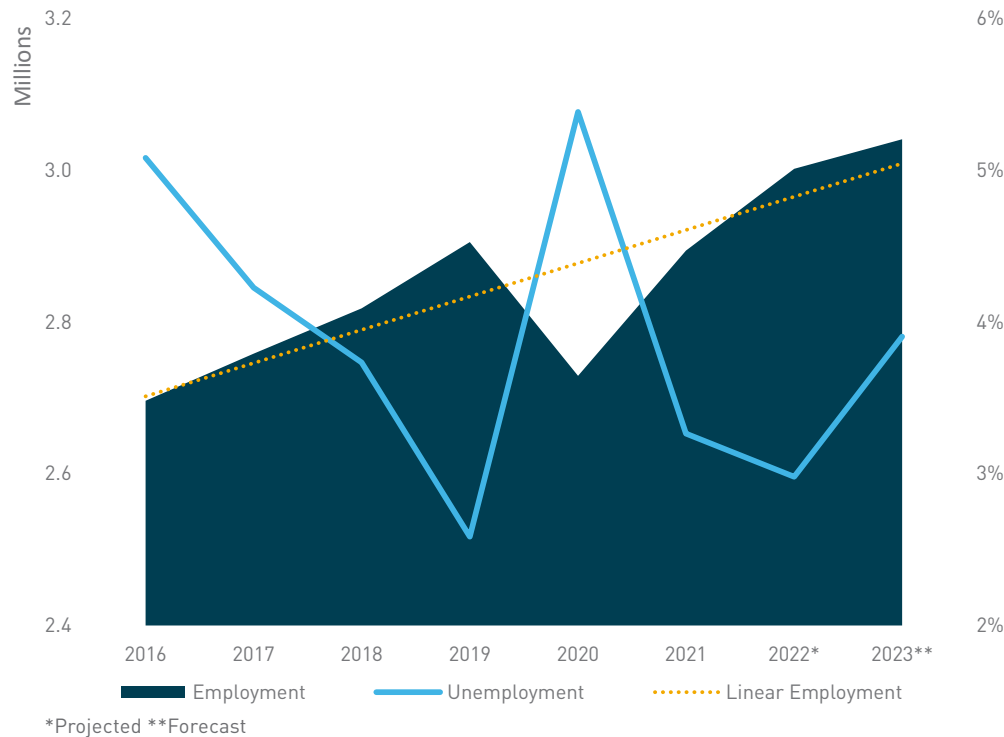
### Absorption & Deliveries



\*Projected \*\*Forecast

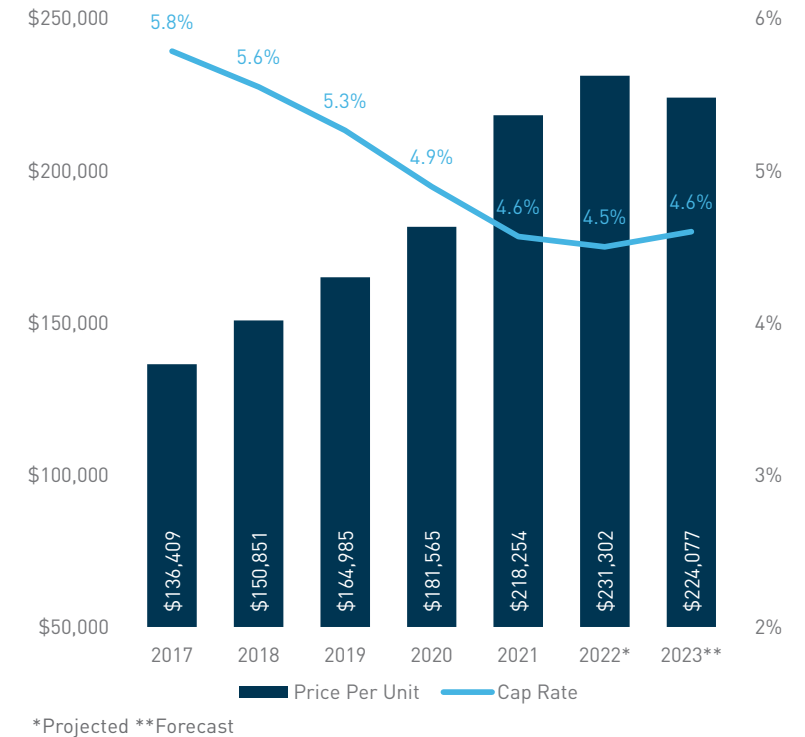
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>3,040,700</b></p> <p>↑</p> <p>UP 1.3% YOY</p>	<p>Unemployment</p> <p><b>3.9%</b></p> <p>↑</p> <p>UP 90 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$82,191</b></p> <p>↑</p> <p>UP 3.5% YOY</p>
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<p>Price Per Unit</p> <p><b>\$224,077</b></p> <p>↓</p> <p>DOWN 3.1% YOY</p>	<p>Cap Rate</p> <p><b>4.6%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# BOISE, ID

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.9%



UP 40 BPS YOY

Effective Rent

\$1,726



UP 3.3% YOY

Rent Share of Wallet

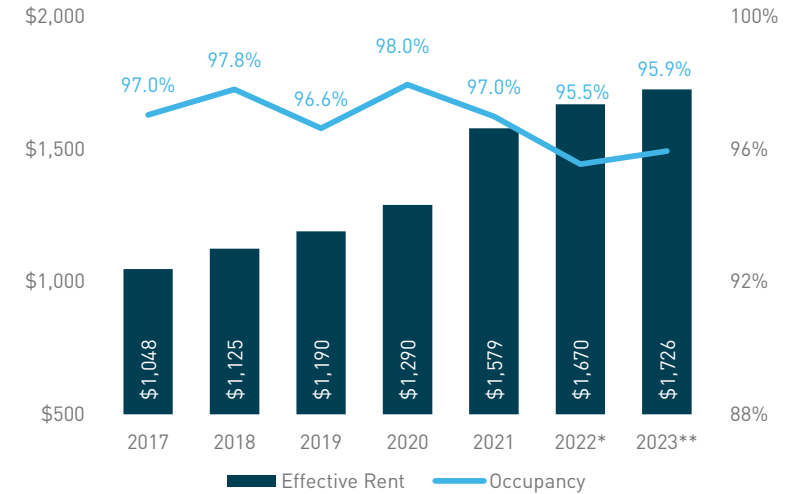
25.6%



UNCHANGED YOY

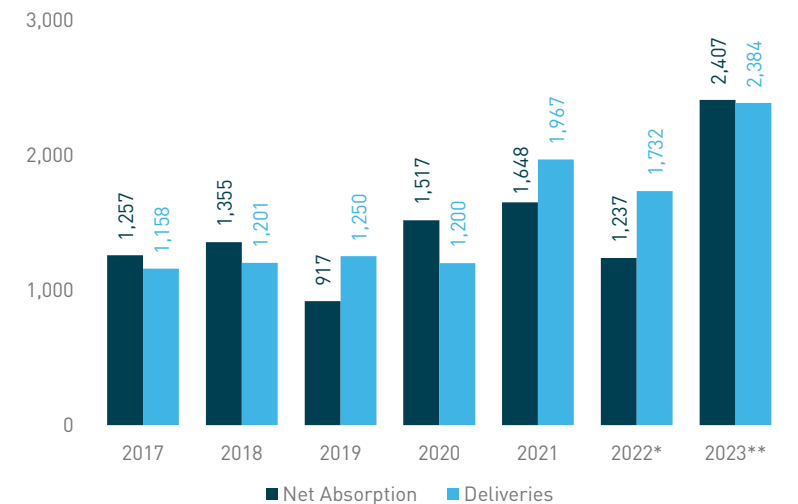
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

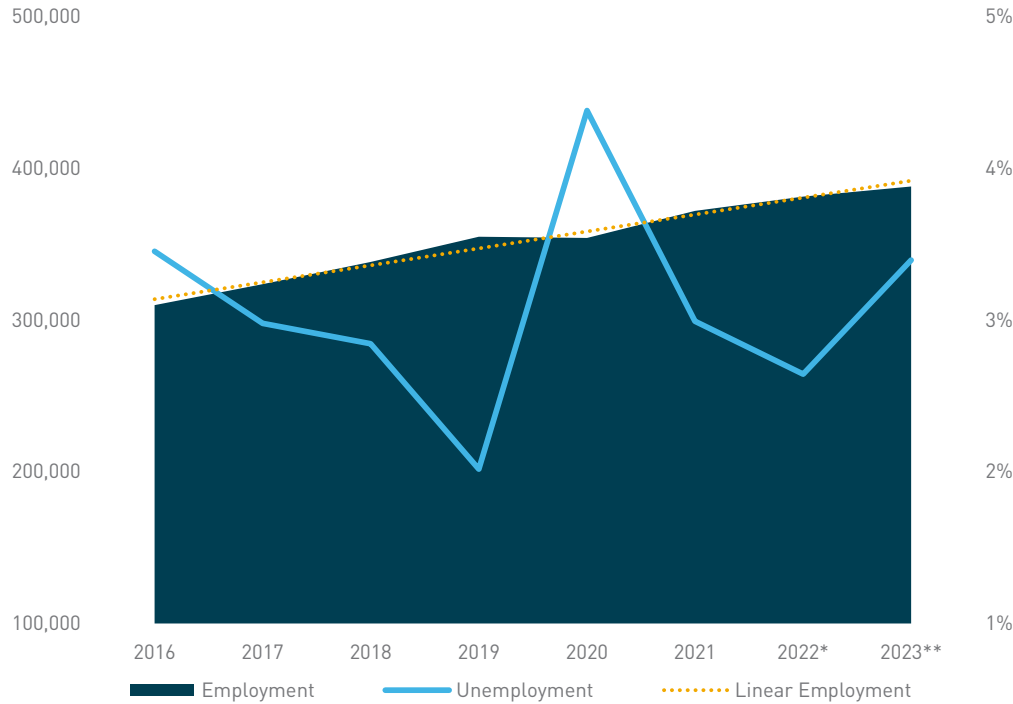


\*Projected \*\*Forecast

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## Employment Trends

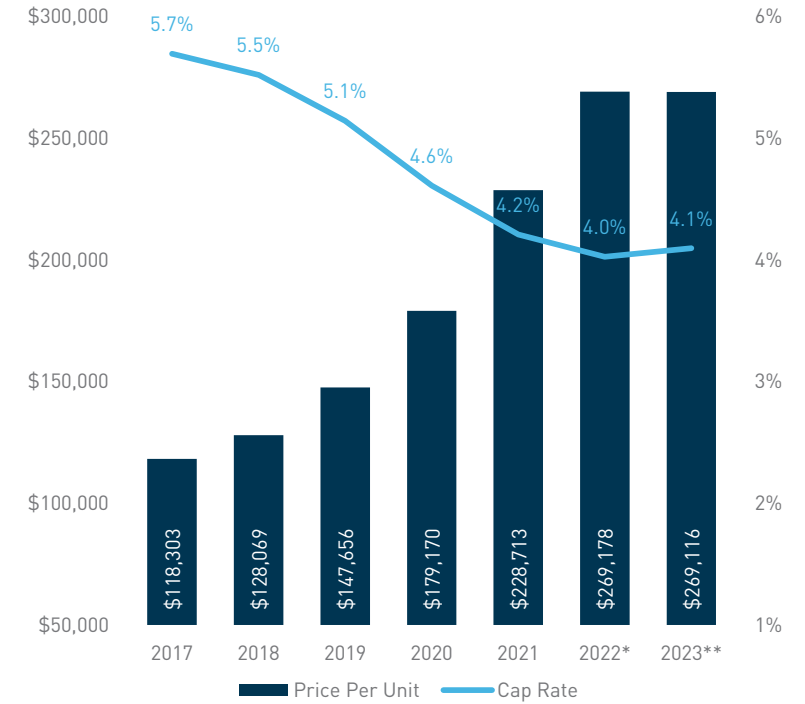
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

387,900



UP 1.7% YOY

Unemployment

3.4%



UP 80 BPS YOY

Median Household Income

\$80,856



UP 3.5% YOY

Price Per Unit

\$269,116



UNCHANGED YOY

Cap Rate

4.1%



UP 10 BPS YOY

# CHICAGO, IL

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.4%



DOWN 30 BPS YOY

Effective Rent

\$1,927



UP 3.3% YOY

Rent Share of Wallet

26.4%



UNCHANGED YOY

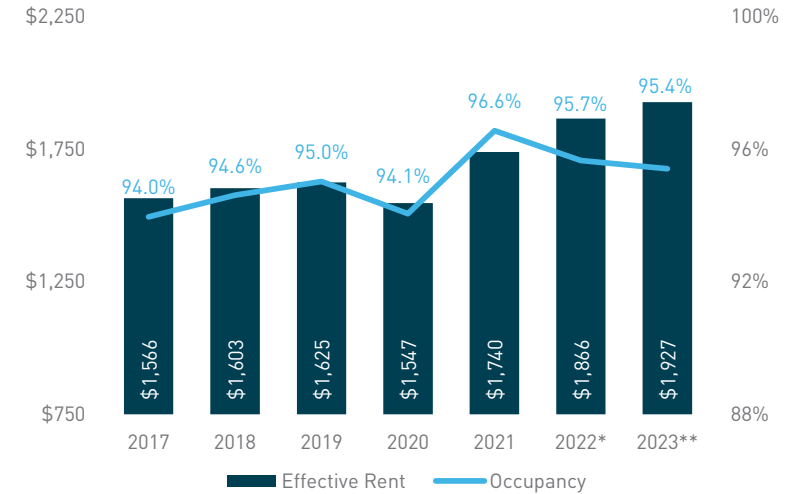
## Healthy Economy and Robust Demand Spur Strong Apartment Fundamentals Spurs

Greater Chicago's apartment fundamentals are projected to return to pre-pandemic norms in 2023, reflecting the resiliency of the market. By end-of-year 2023, effective rent is expected to increase 3.3% to \$1,927 per month. While growth would slow from one year prior, the 2023 change would outpace the 2.9% average annual effective increase during the pre-pandemic cycle from 2010 to 2019. The year-over-year moderation is expected as a heightened supply of 8,000 units come online this year. Elevated demand in 2021 and a strong economy encouraged the incoming inventory, which will push down occupancy rate 30 basis points. At 95.4% in the fourth quarter of 2023, occupancy will remain above the pre-pandemic cycle norm of 94.6%. The healthy apartment fundamentals will be supported by ascending apartment leasing activity. More than 5,700 net units are expected to be absorbed, nearly one-fifth of which are in The Loop submarket. High leasing activity in the heart of the city is encouraged by the metro's affordability compared to other large coastal cities like New York and San Francisco. Chicago's thriving economy also will contribute to housing demand. Employment is projected to grow 0.7% this year. Home to 34 Fortune 500 companies—14 located downtown—Chicago is one of the top city for corporate expansion and relocation. With the resurgence of residents and visitors returning to downtown, the leisure and hospitality sector is projected to add the greatest job growth in 2023, with the addition of approximately 13,800 employees.

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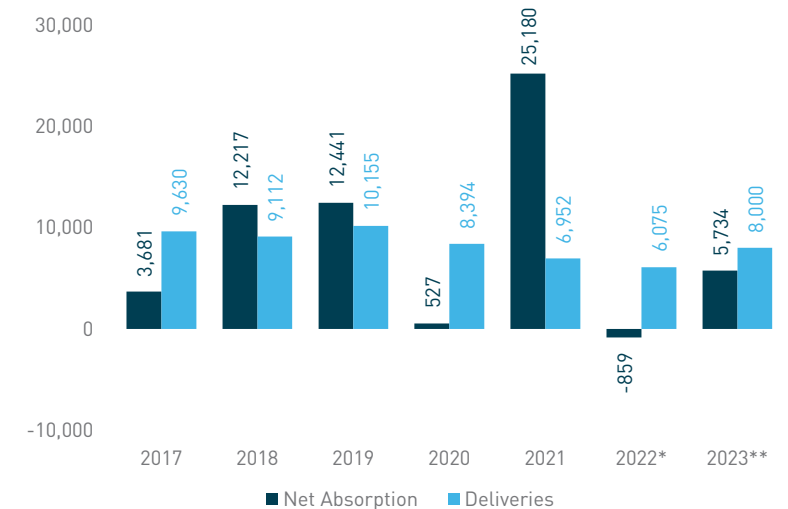
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

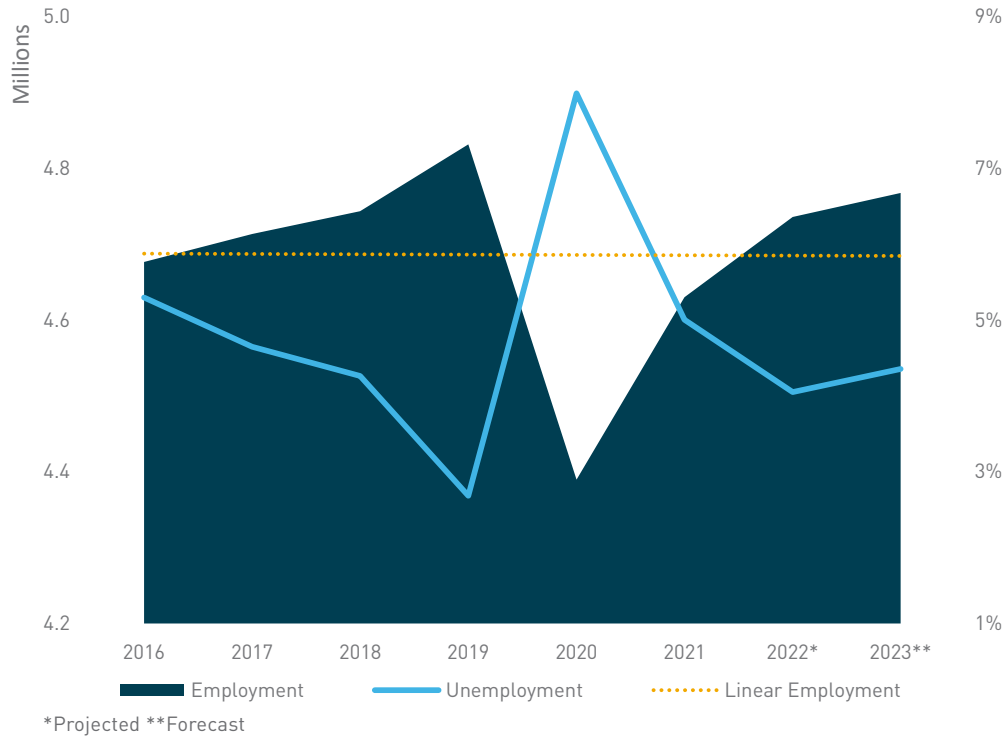
### Absorption & Deliveries



\*Projected \*\*Forecast

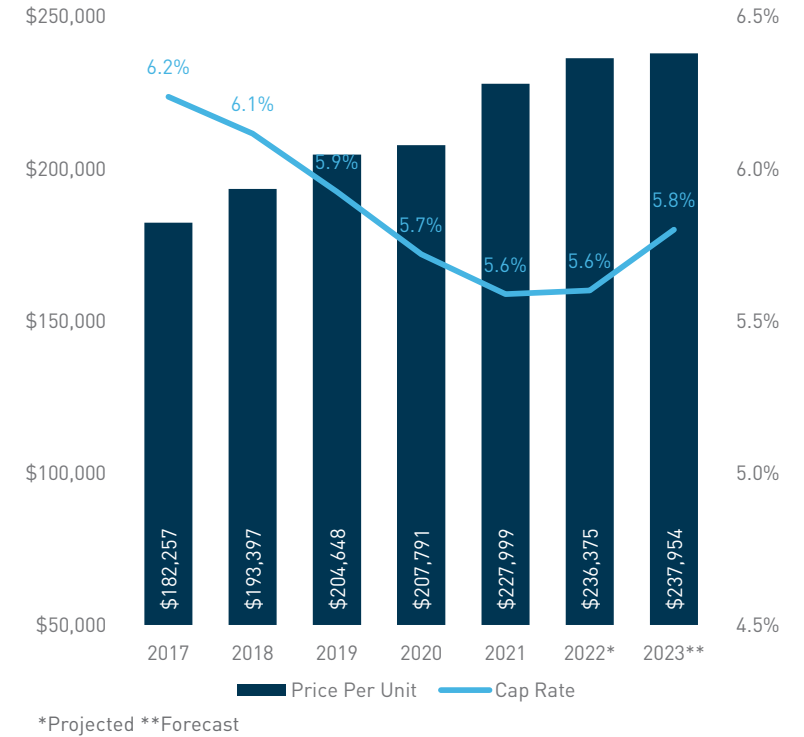
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>4,767,100</b></p> <p>↑</p> <p>UP 0.7% YOY</p>	<p>Unemployment</p> <p><b>4.4%</b></p> <p>↑</p> <p>UP 40 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$87,742</b></p> <p>↑</p> <p>UP 3.6% YOY</p>
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<p>Price Per Unit</p> <p><b>\$237,954</b></p> <p>↑</p> <p>UP 0.7% YOY</p>	<p>Cap Rate</p> <p><b>5.8%</b></p> <p>↑</p> <p>UP 20 BPS YOY</p>
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# INDIANAPOLIS, IN

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.7%



DOWN 100 BPS YOY

Effective Rent

\$1,243



UP 3.7% YOY

Rent Share of Wallet

20.7%



UNCHANGED YOY

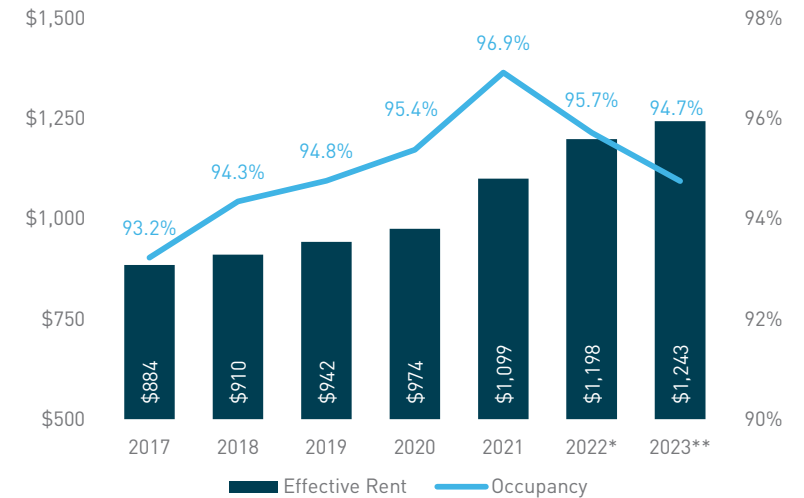
## Corporate Expansions to Buoy Apartment Demand and Occupancy

Multiple corporate expansions and favorable affordability should help boost apartment absorption above historical averages in the Indianapolis metro area in 2023. The market boasts a cost-of-living index score of 90.2, well below the nation's score of 100.0. Additionally, Fortune 500 firm Eli Lilly and Co. announced a \$2.1 billion plan to open two manufacturing facilities in the metro that will support 500 jobs. Elanco Animal Health Inc. broke ground on a new global headquarters in Indianapolis, with completion scheduled in late 2023. The \$100 million project is expected to create 1,000 new jobs. These expansions will help employment in the market grow by 1.2% over the next year, providing further support to apartment demand. Net absorption is forecast to reach 2,773 units in 2023, exceeding the pre-pandemic average of 2,696 units between 2010 and 2019. However, supply side pressure may adversely impact operating fundamentals. In 2023, 4,657 units are expected to deliver, more than double the pre-pandemic average. Deliveries in the Carmel/Hamilton County submarket will account for nearly half of the metro's projected new supply, as developers cater to the area's population growth. Renters are drawn by the submarket's high quality of life as well as the proximity to downtown Indianapolis. As a result, the Carmel/Hamilton County submarket will account for roughly 58.0% of the metro's total net absorption. Amidst these elevated levels of supply, the metro's average occupancy is forecast to moderate to 94.7% in 2023, though this still exceeds the 10-year pre-pandemic average of 93.1%.

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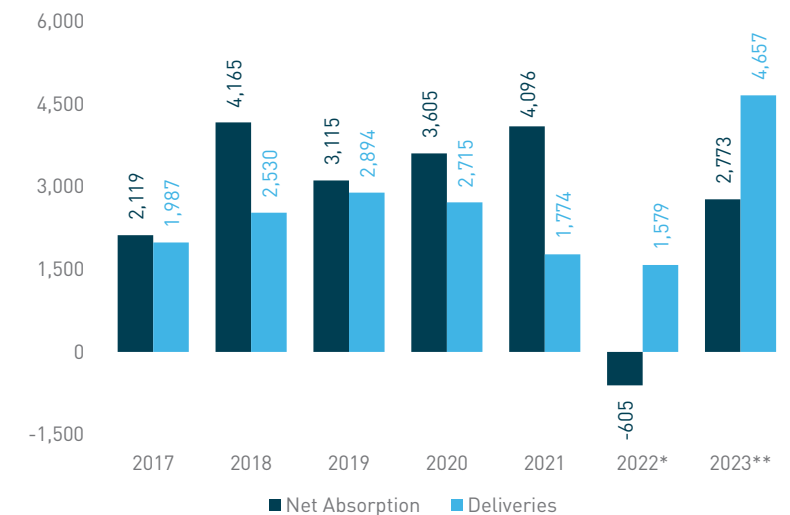
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries



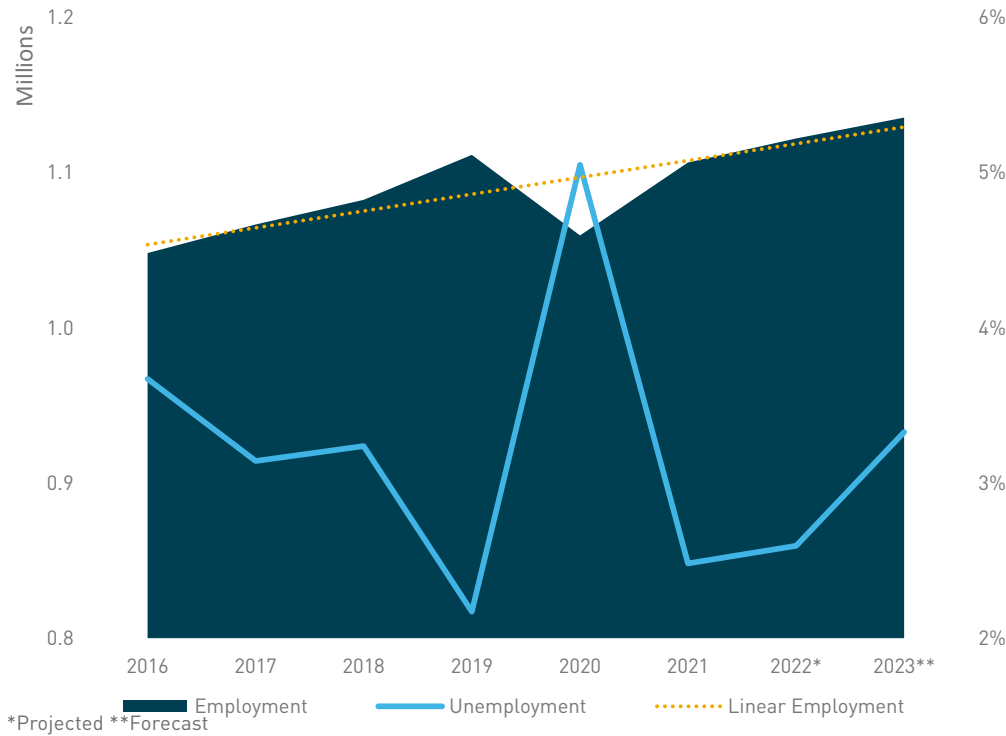
\*Projected \*\*Forecast

■ Net Absorption ■ Deliveries

# INDIANAPOLIS, IN

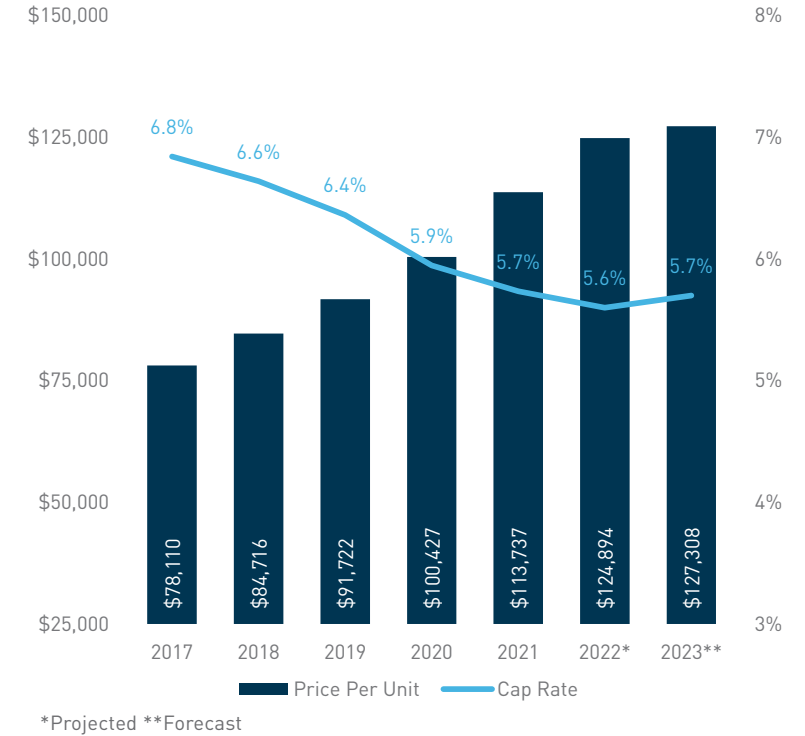
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>1,135,500</b></p> <p>↑</p> <p>UP 1.2% YOY</p>	<p>Unemployment</p> <p><b>3.3%</b></p> <p>↑</p> <p>UP 70 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$72,117</b></p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p><b>\$127,308</b></p> <p>↑</p> <p>UP 1.9% YOY</p>	<p>Cap Rate</p> <p><b>5.7%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# DES MOINES, IA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.0%



DOWN 30 BPS YOY

Effective Rent

\$1,115



UP 2.4% YOY

Rent Share of Wallet

16.2%

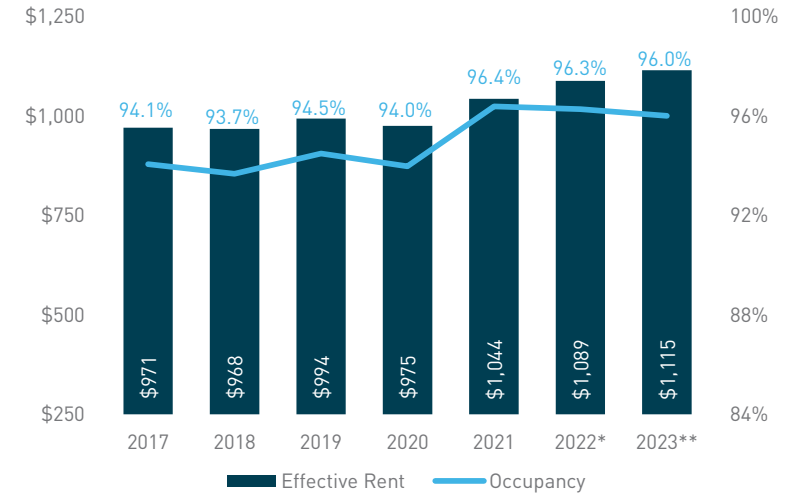


DOWN 10 BPS YOY

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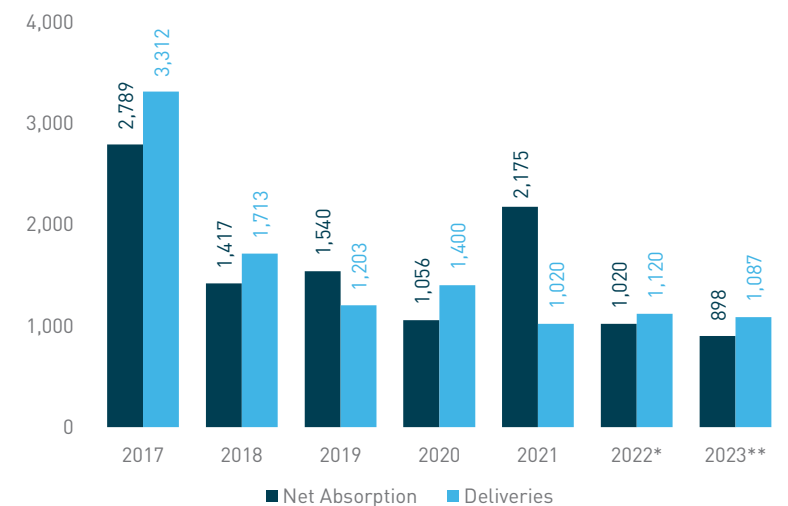
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

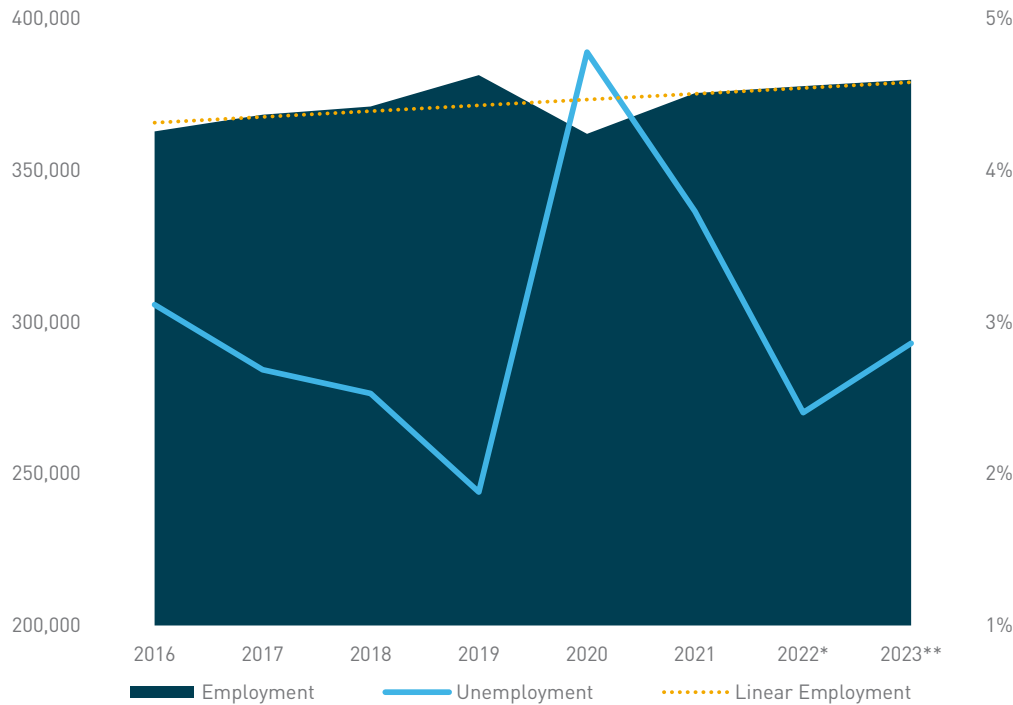
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

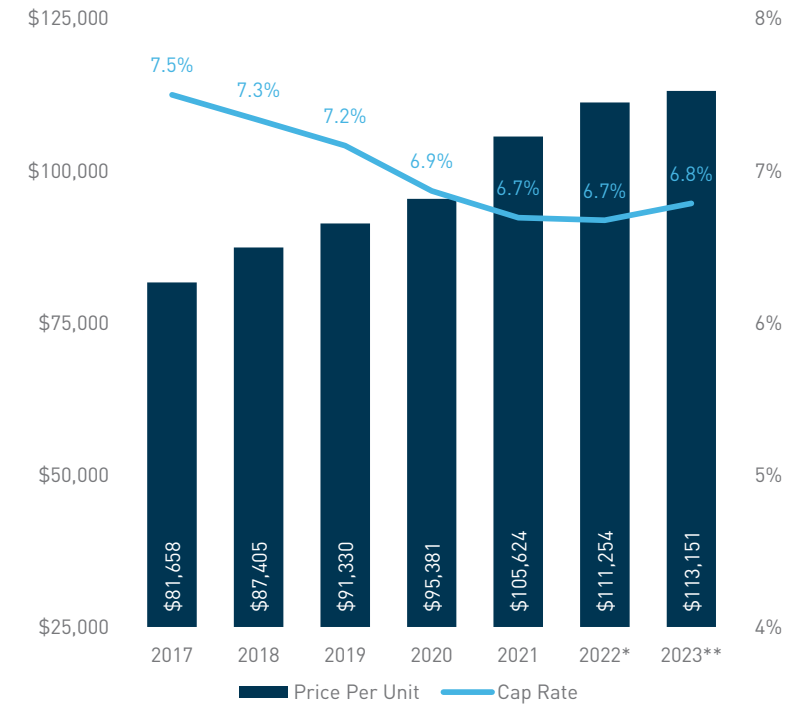
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

379,800



UP 0.6% YOY

Unemployment

2.9%



UP 50 BPS YOY

Median Household Income

\$82,799



UP 3.5% YOY

Price Per Unit

\$113,151



UP 1.7% YOY

Cap Rate

6.8%



UP 10 BPS YOY

# WICHITA, KS

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.5%



DOWN 70 BPS YOY

Effective Rent

\$878



UP 3.4% YOY

Rent Share of Wallet

15.6%

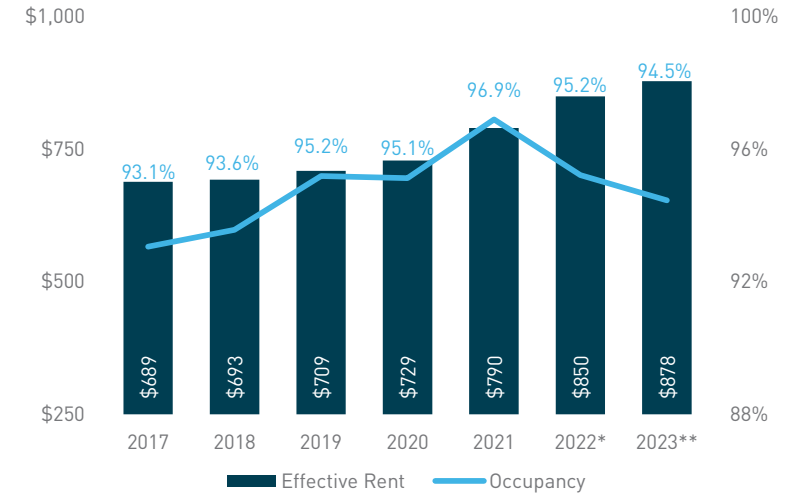


UNCHANGED YOY

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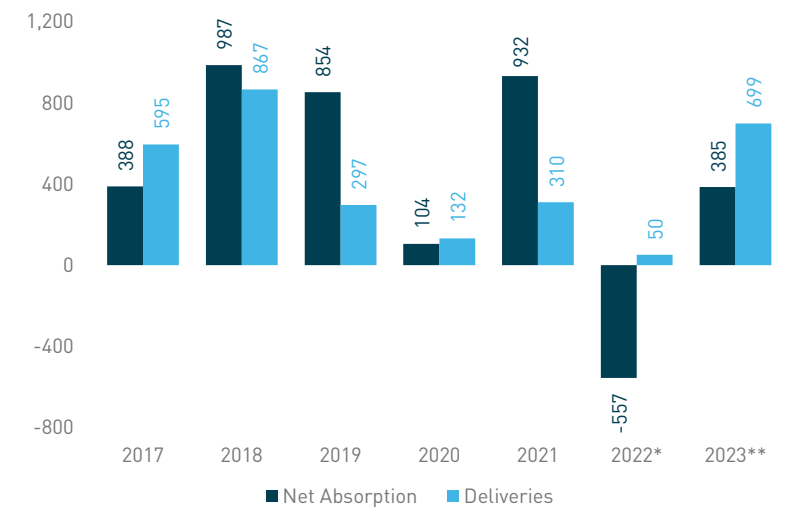
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

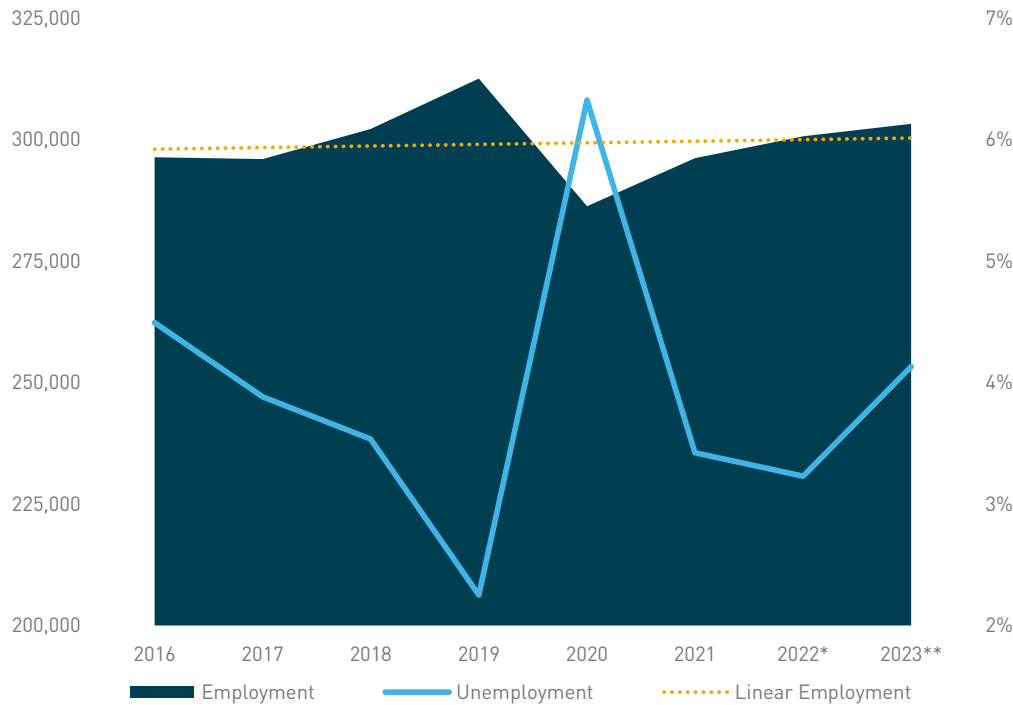
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

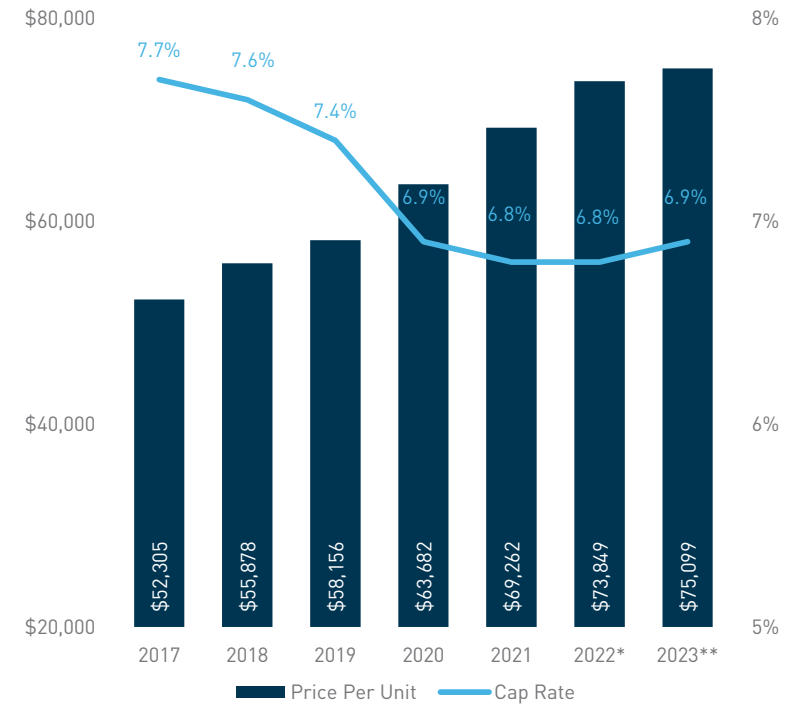
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

303,300



UP 0.9% YOY

Unemployment

4.1%



UP 90 BPS YOY

Median Household Income

\$67,524



UP 3.4% YOY

Price Per Unit

\$75,099



UP 1.7% YOY

Cap Rate

6.9%



UP 10 BPS YOY

# LEXINGTON, KY

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.3%



DOWN 20 BPS YOY

Effective Rent

\$1,174



UP 3.4% YOY

Rent Share of Wallet

19.9%

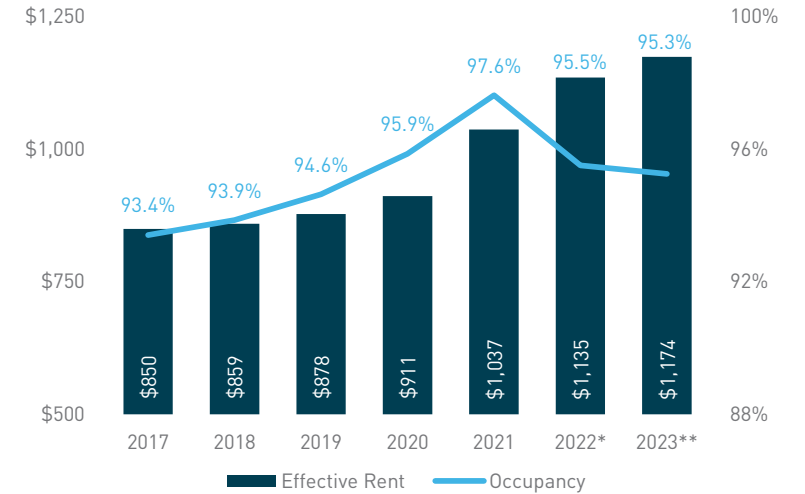


UNCHANGED YOY

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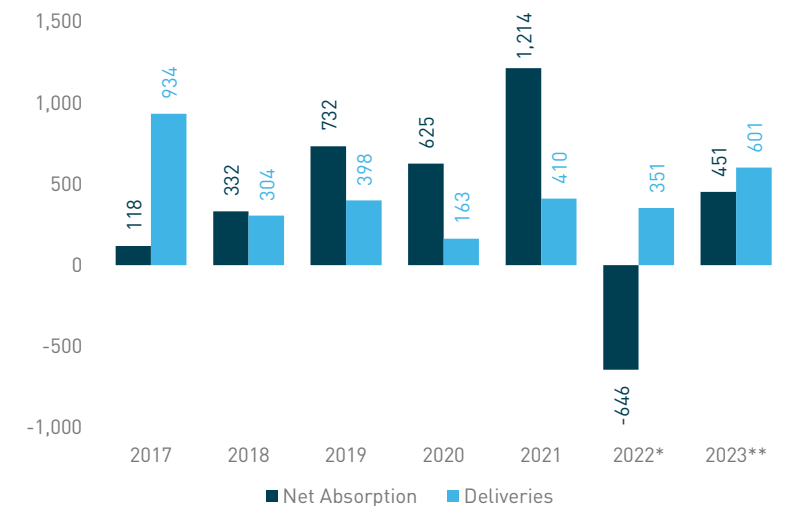
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

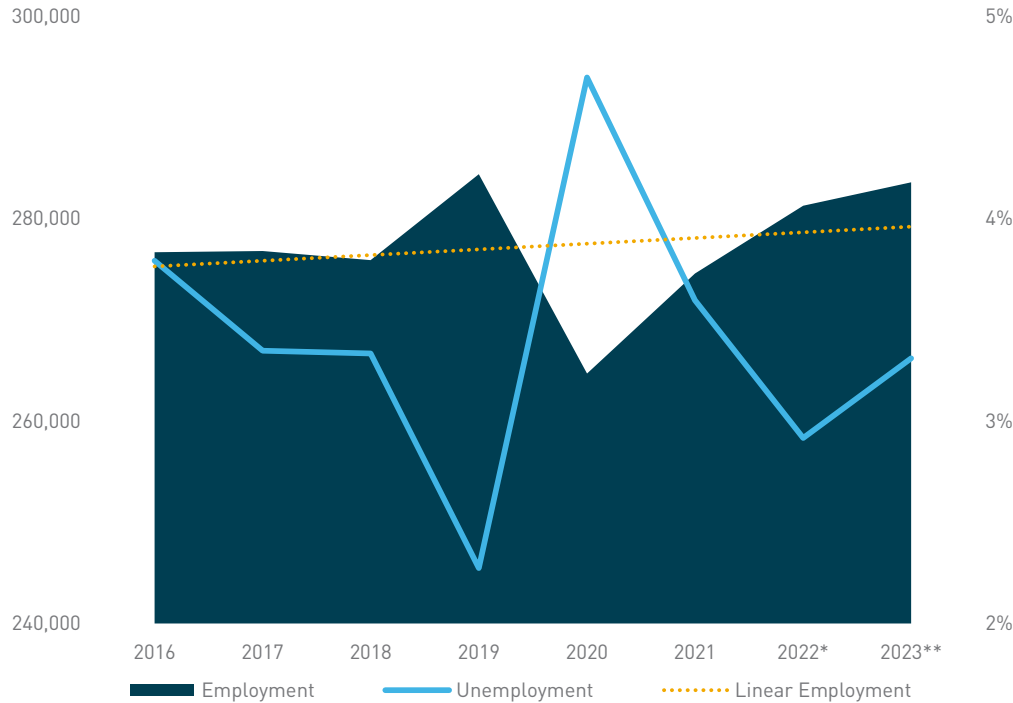
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

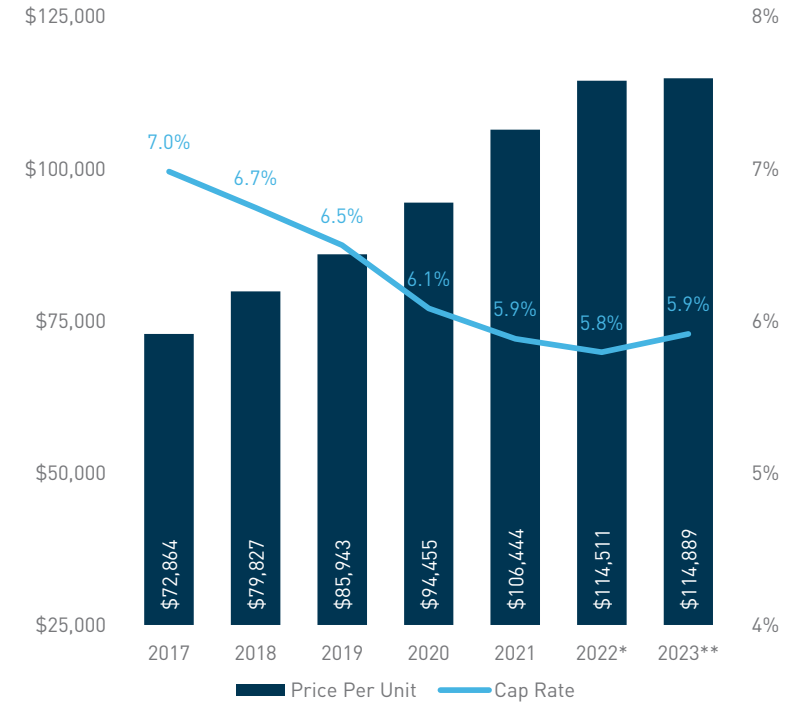
### Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

### Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

283,600



UP 0.8% YOY

Unemployment

3.3%



UP 40 BPS YOY

Median Household Income

\$70,797



UP 3.6% YOY

Price Per Unit

\$114,889



UP 0.3% YOY

Cap Rate

5.9%



UP 10 BPS YOY

# LOUISVILLE, KY

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.1%



DOWN 60 BPS YOY

Effective Rent

\$1,179



UP 3.7% YOY

Rent Share of Wallet

20.8%



UNCHANGED YOY

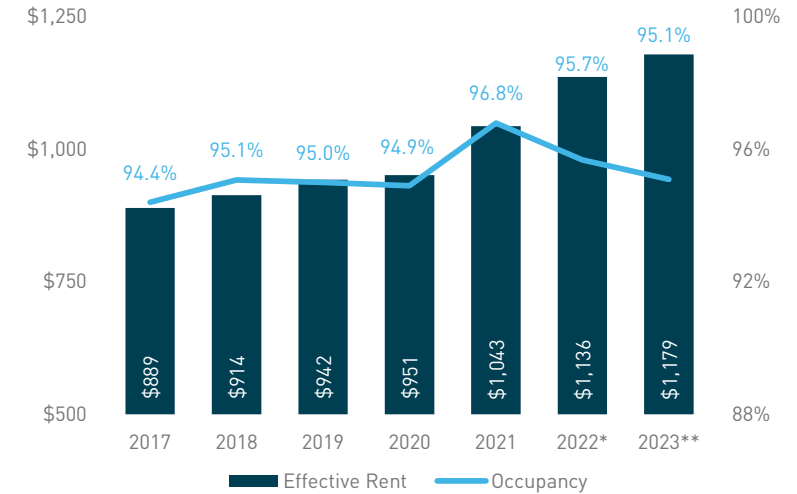
## Resilient Louisville Apartment Market Expected in 2023

Sustained housing demand is strengthening developers' confidence in the Louisville apartment market. Construction is scheduled to complete on nearly 1,600 units over the next four quarters. The latest additions follow approximately 17,200 units to come online over the prior decade, representing more than 20% apartment inventory growth. At the same time, the occupancy rate averaged 95.0%. The Louisville apartment market is expected to outperform the 10-year average as the occupancy rate is forecast to settle at 95.1% in the fourth quarter of 2023. While down year over year, persistent positive net absorption should keep the occupancy rate healthy. Contributing to the enduring apartment demand is the increasing barrier of entry to homeownership as well as the median household income of renters averaging less than half of homeowners. Even with the income disparity, many renters still target new Class A product as each community averaged 10 units absorbed per month in 2022, on par with the pre-pandemic average. This preference for new product will support metro-high net absorption in the Southwest Louisville submarket, which will also top all other submarkets for deliveries over the next four quarters. The Southwest Louisville submarket includes Downtown Louisville as well as major employers like the UofL Health system, contributing to the apartment development and demand in the past and the near-term. More than 450 units are scheduled to come online in the submarket in 2024, part of more than 1,900 deliveries on pace to be completed metrowide next year.

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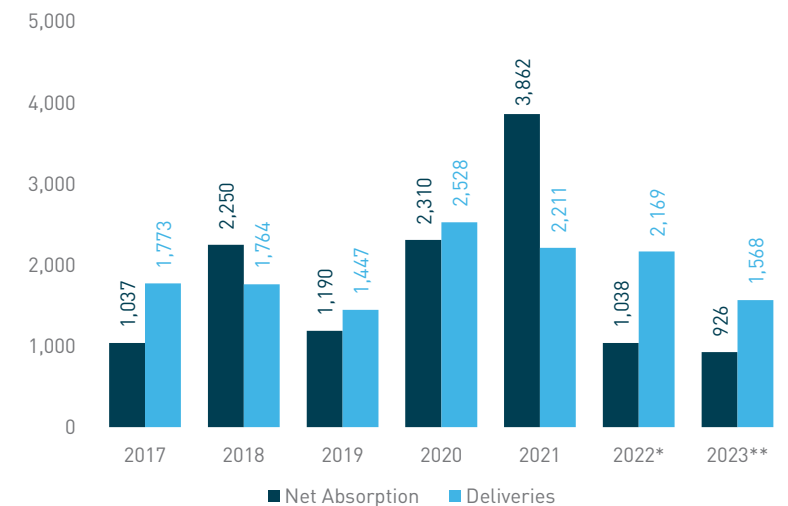
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

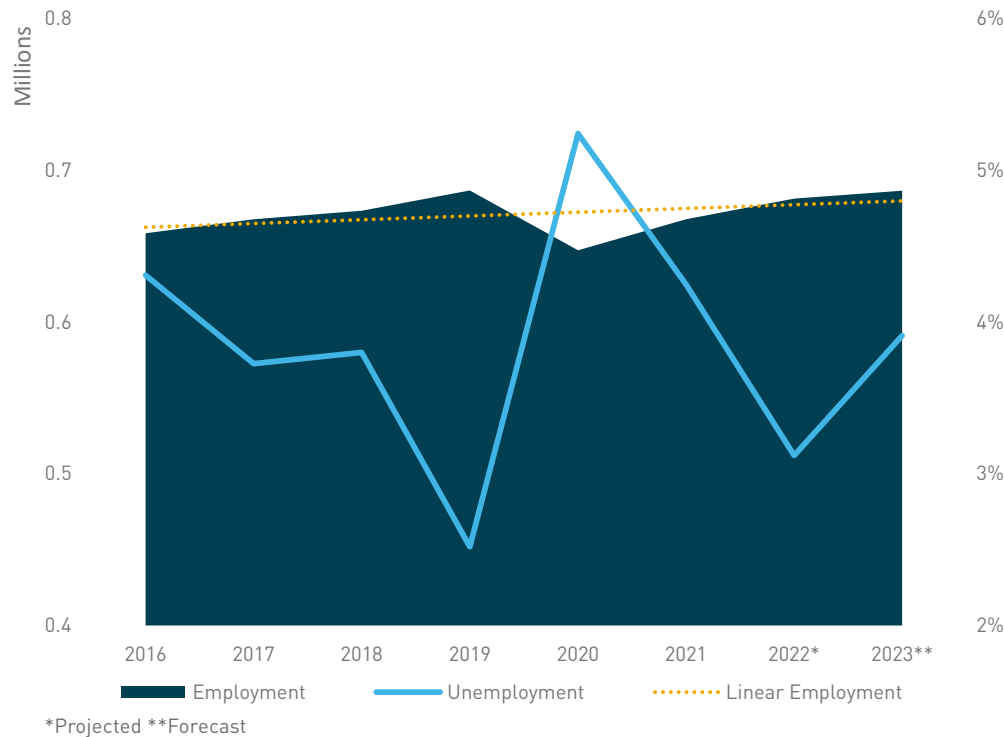


\*Projected \*\*Forecast

# LOUISVILLE, KY

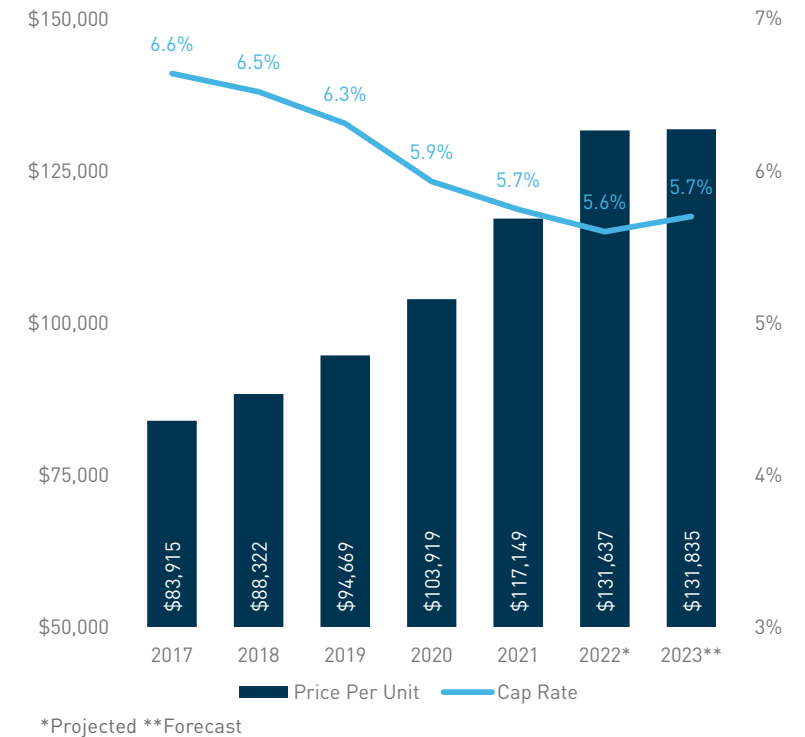
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



Employment

686,500



UP 0.8% YOY

Unemployment

3.9%



UP 80 BPS YOY

Median Household Income

\$67,867



UP 3.4% YOY

Price Per Unit

\$131,835



UP 0.2% YOY

Cap Rate

5.7%



UP 10 BPS YOY

# BATON ROUGE, LA

## 2023 MARKET AT A GLANCE

Occupancy Rate

93.1%



DOWN 90 BPS YOY

Effective Rent

\$1,230



UP 2.8% YOY

Rent Share of Wallet

20.6%



DOWN 10 BPS YOY

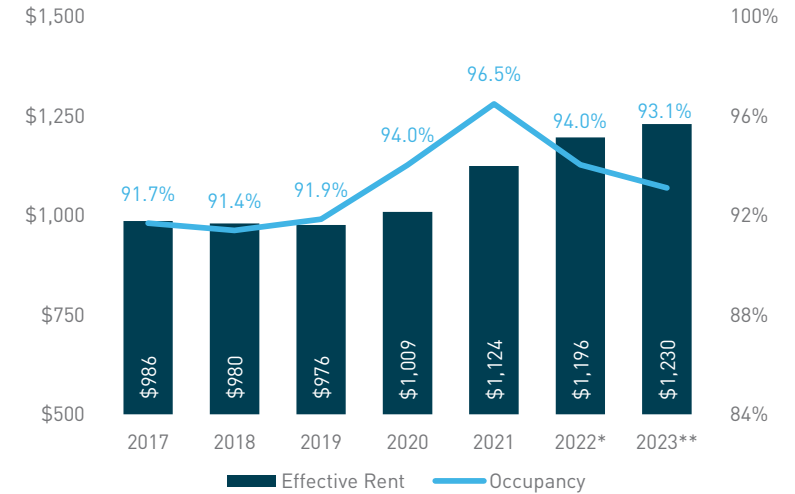
## Stable Economy Underscores Apartment Demand in Suburbs

Baton Rouge's economy is set to grow again in 2023, including a 1.4% increase in employment. The leisure and hospitality sector will make up most of these new hires by adding 1,700 jobs in 2023. The leisure and hospitality positions being added are jobs returning after a slower than average recovery from the pandemic. This economic recovery is set to provide the foundation for healthy fundamentals in the Baton Rouge apartment market over the next year. Developers are expected to bring 403 new units to the market's inventory this year. More than half of these units are slated to come online in the South Baton Rouge/Gonzales submarket. This submarket is desirable because of its suburban setting, good schools, and proximity to employment centers. The South Baton Rouge/Gonzales submarket will also lead the metro in net absorption in 2023, further underscoring its desirability. The overall market is projected to have 81 net move-outs due to residents leaving the metro. As a result, the occupancy rate is predicted to settle at 93.1% by the fourth quarter of 2023. With occupancy rates still at solid levels, apartment operators can still expect to raise effective rents, albeit at a slower pace than the past two years. By the fourth quarter of 2023, monthly effective rent is expected to reach \$1,230, a year-over-year increase of 2.8%. This is more than double the 2010 to 2019 pre-pandemic cycle rent growth average. With median household income set to rise 3.5% in 2023, renters should be well-equipped to absorb rising rents.

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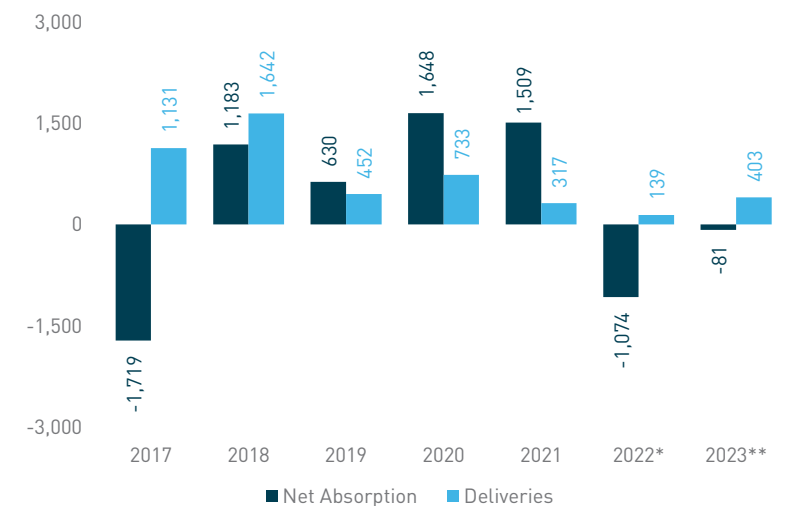
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

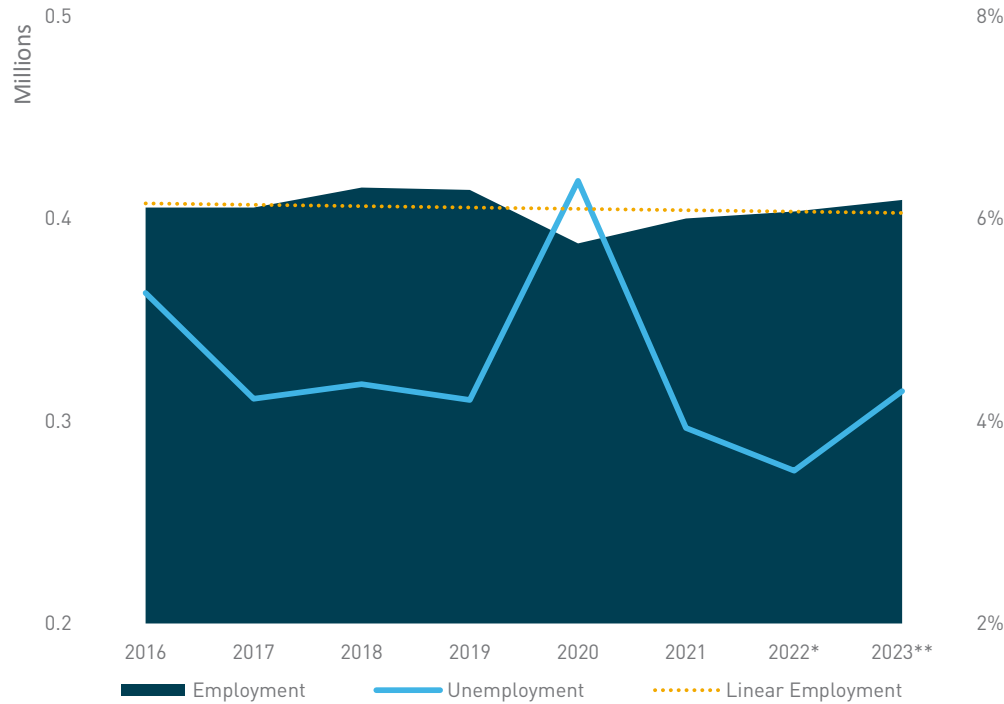


\*Projected \*\*Forecast

# BATON ROUGE, LA

## Employment Trends

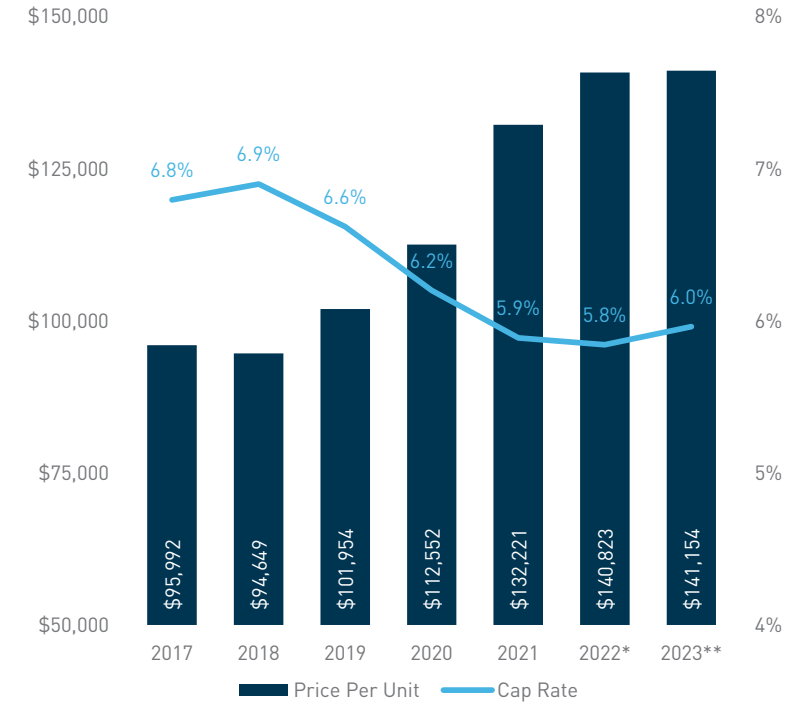
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

409,300



UP 1.4% YOY

Unemployment

4.3%



UP 80 BPS YOY

Median Household Income

\$71,642



UP 3.5% YOY

Price Per Unit

\$141,154



UP 0.2% YOY

Cap Rate

6.0%



UP 20 BPS YOY

# NEW ORLEANS, LA

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.0%



DOWN 10 BPS YOY

Effective Rent

\$1,314



UP 3.0% YOY

Rent Share of Wallet

23.6%



DOWN 30 BPS YOY

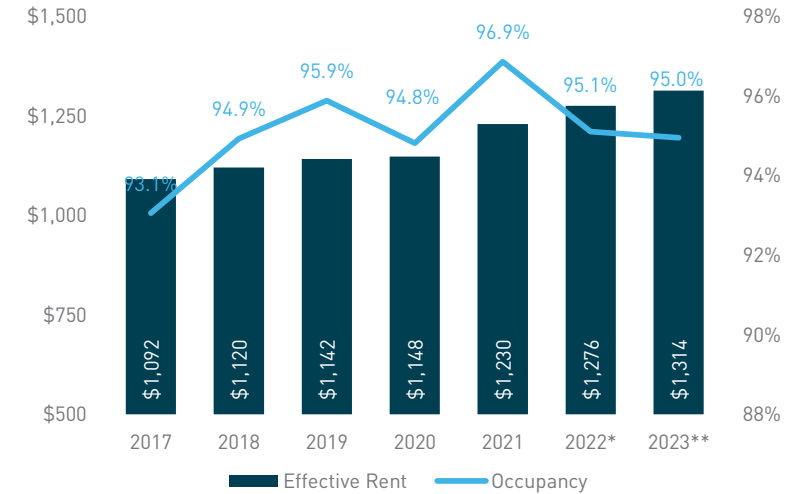
## Measured Development to Benefit Apartment Fundamentals

Since the onset of the pandemic, multifamily builders have scaled back activity across Greater New Orleans, and that should benefit apartment fundamentals this year. Construction is scheduled to finish on 439 units in 2023, the lowest annual total in a decade as builders faced supply chain disruptions and labor shortages. Approximately three out of four deliveries metrowide will be in the Metairie/Kenner submarket this year. With access to Interstate 10 and U.S. Route 61, the submarket offers residents more affordable rental options in proximity to the urban core. The submarket is also home to major employers that include the Ochsner Health System and BLD Services. The new apartment inventory will facilitate leasing activity in the Metairie/Kenner submarket, and the area is projected to lead all other submarkets for net absorption. Across Greater New Orleans, more renters are forecast to move into apartments than move out, reversing the trend in 2022 as payrolls are expected to grow 2.2%. Leasing activity is expected to nearly keep pace with inventory growth as metrowide occupancy is projected to settle at 95.0% by year-end. Even with the 10-basis-point dip in occupancy, the year-end rate would be significantly higher than the pre-pandemic cycle average of 94.2% between 2017 and 2019. With healthy occupancy, apartment operators are forecast to advance monthly effective rent 3.0% by year-end, more than double the annual average during the pre-pandemic cycle. Renters should be able to manage the increase as the median household income is projected to grow 4.6%.

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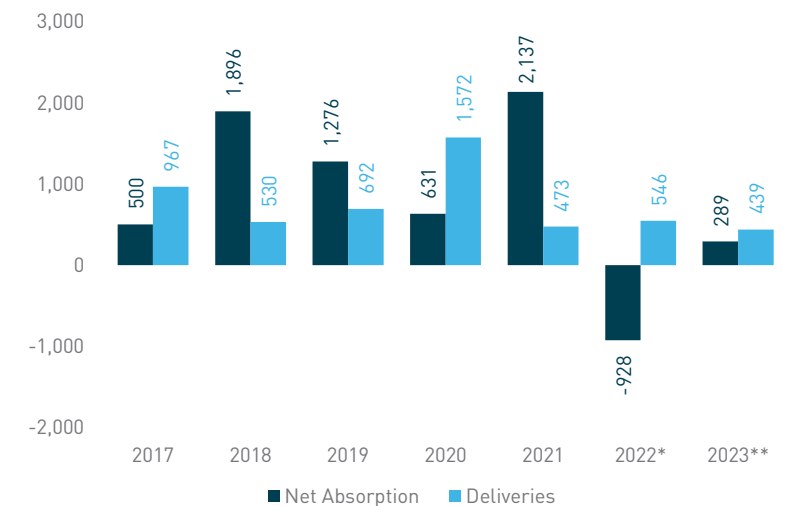
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

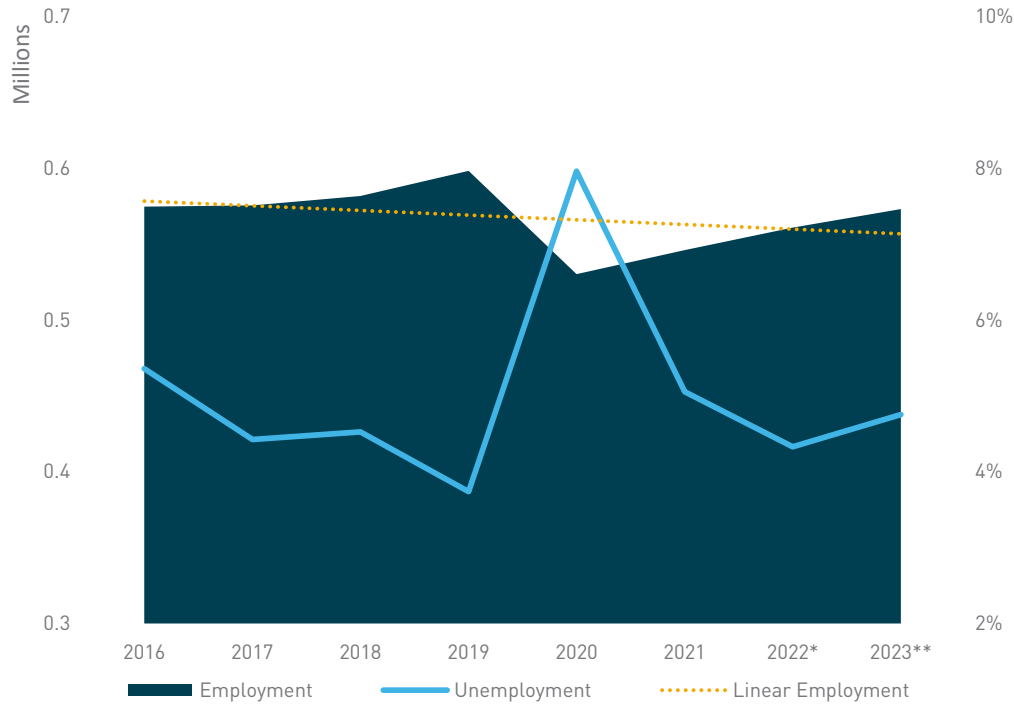
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

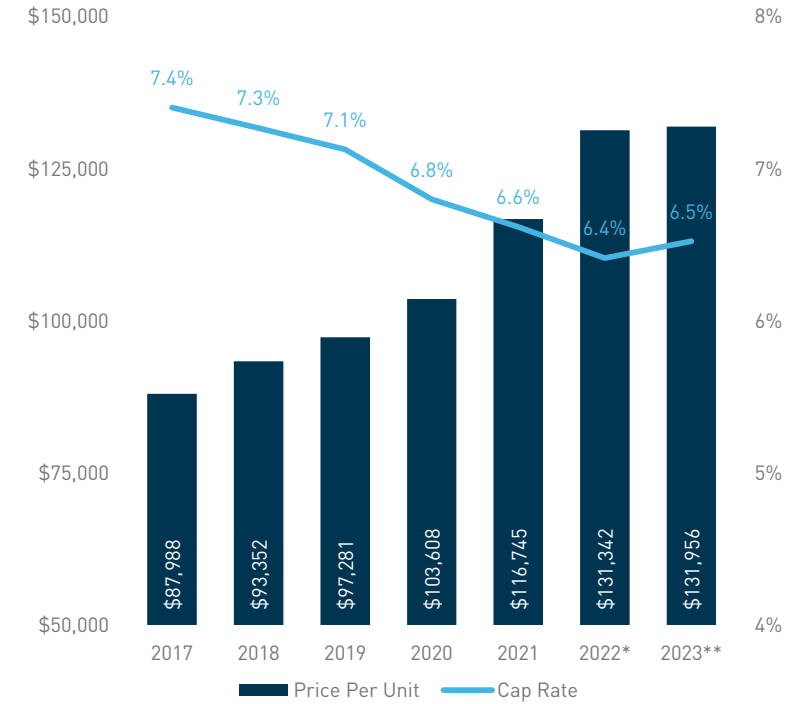
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

573,100



UP 2.2% YOY

Unemployment

4.8%



UP 50 BPS YOY

Median Household Income

\$66,881



UP 4.6% YOY

Price Per Unit

\$131,956



UP 0.5% YOY

Cap Rate

6.5%



UP 10 BPS YOY

# BALTIMORE, MD

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.0%



DOWN 50 BPS YOY

Effective Rent

\$1,688



UP 2.9% YOY

Rent Share of Wallet

20.0%

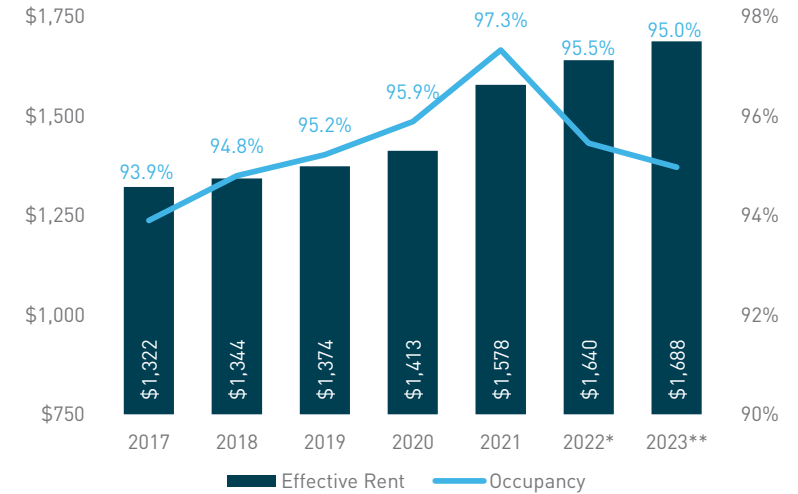


DOWN 20 BPS YOY

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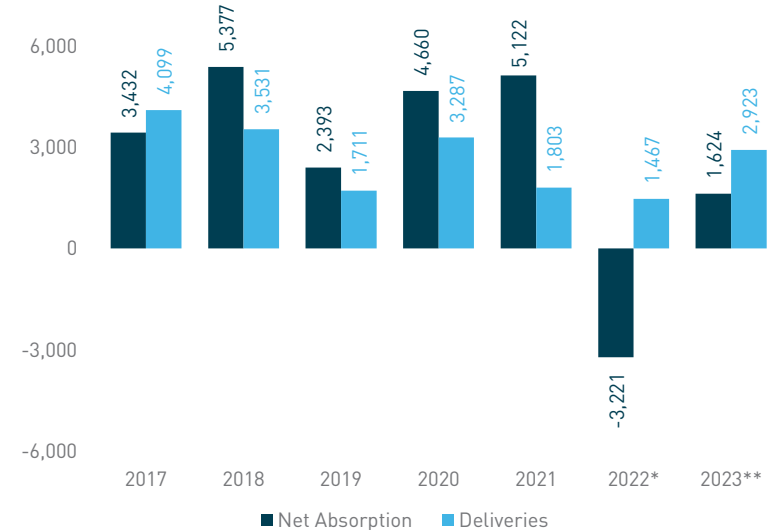
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

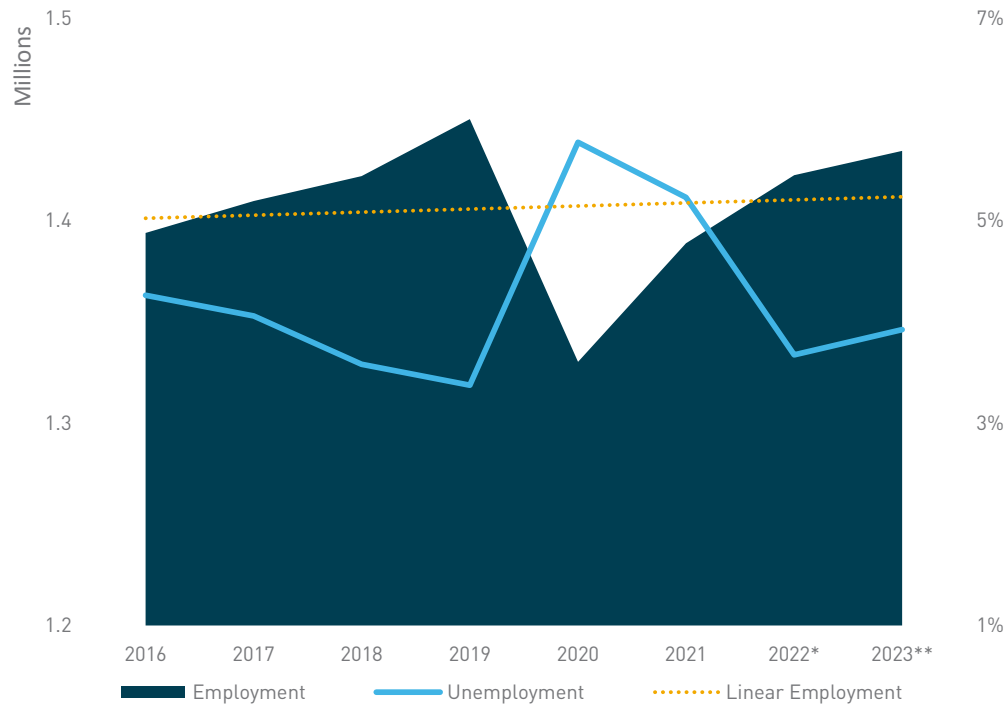


\*Projected \*\*Forecast

# BALTIMORE, MD

## Employment Trends

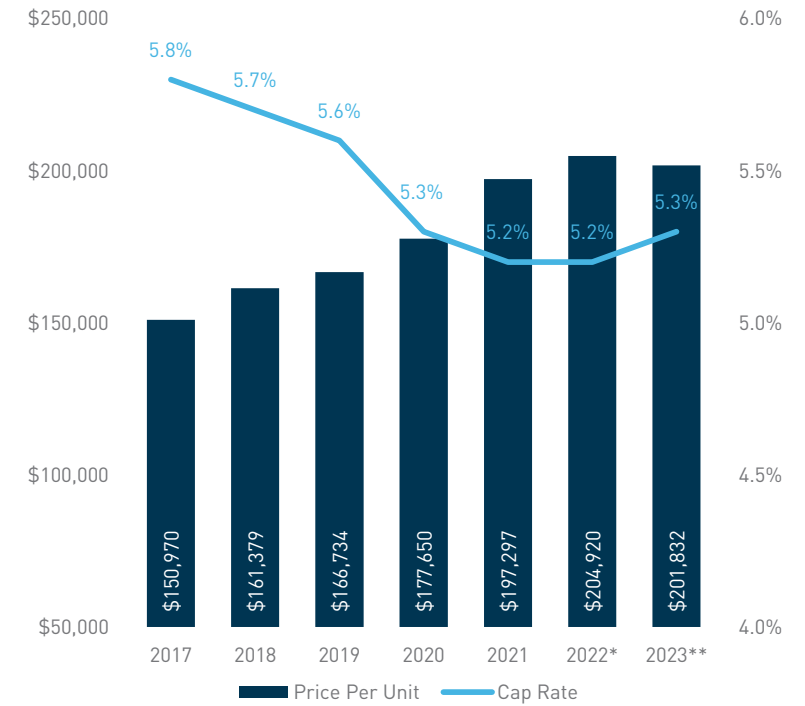
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,434,500</b></p> <p>↑</p> <p>UP 0.8% YOY</p>	<p>Unemployment</p> <p><b>3.9%</b></p> <p>↑</p> <p>UP 20 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$101,381</b></p> <p>↑</p> <p>UP 3.9% YOY</p>
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<p>Price Per Unit</p> <p><b>\$201,832</b></p> <p>↓</p> <p>DOWN 1.5% YOY</p>	<p>Cap Rate</p> <p><b>5.3%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# BOSTON, MA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.5%



UNCHANGED YOY

Effective Rent

\$2,874



UP 3.4% YOY

Rent Share of Wallet

29.2%



DOWN 20 BPS YOY

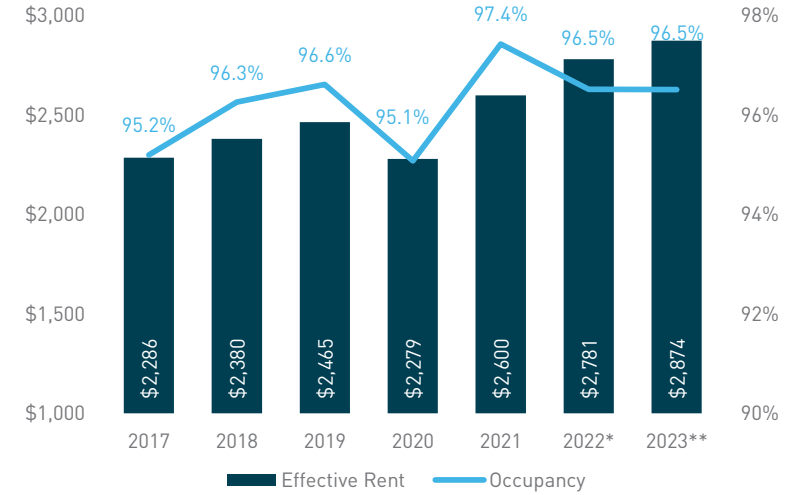
## Population Growth and Hiring Support Apartment Inventory Surge

Employment is forecast to rise by 25,700 workers over the next four quarters, a gain of 0.9%, benefiting the apartment market. The region's vibrant economy has lured thousands of people to the region, and the metro area is expected to experience inward net migration of 36,700 residents over the next five years. Population growth driven in part by metrowide hiring will encourage developers to continue a multiyear trend of elevated apartment construction that began in 2015. Multifamily builders are active on 97 projects slated to deliver about 10,900 market-rate rentals in 2023. Developers will keep the pipeline full—another 7,700 units are likely to complete in 2024, and 37,200 units are in the planning stage. Apartment development will persist at a healthy clip around the expanding Longwood Medical and Academic area, which accounts for 1 out of every 10 jobs in Boston. Heightened deliveries across the metro will be met with strong demand, helping the 96.5% year-end occupancy rate to be on par with the prior year. The median household income in Boston is anticipated to advance 3.8% year over year, providing some relief to the projected 3.4% rise in monthly effective rent to \$2,874 by the fourth quarter. Renters in Boston will spend 29.2% of their household budget on rent, compared to the pre-pandemic average of 31.8% from 2010 to 2019. In the investment arena, the ongoing job creation and strong apartment fundamentals will support an average price per unit of \$498,037 this year with the cap rate up 10 basis points to 4.2%.

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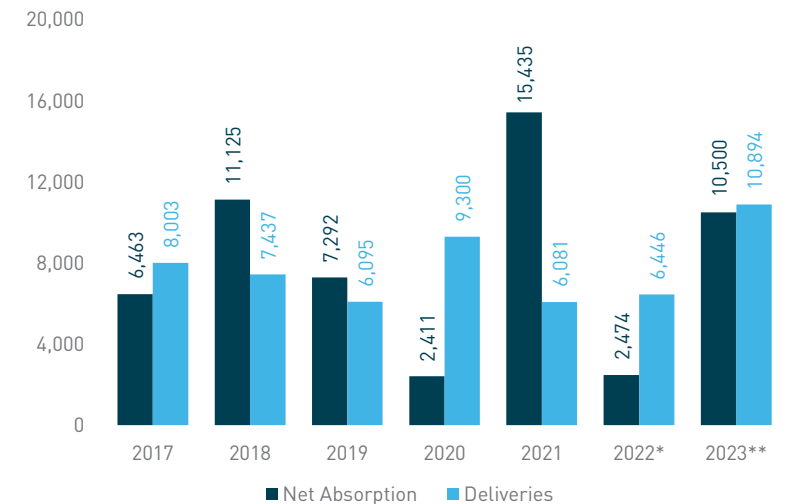
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

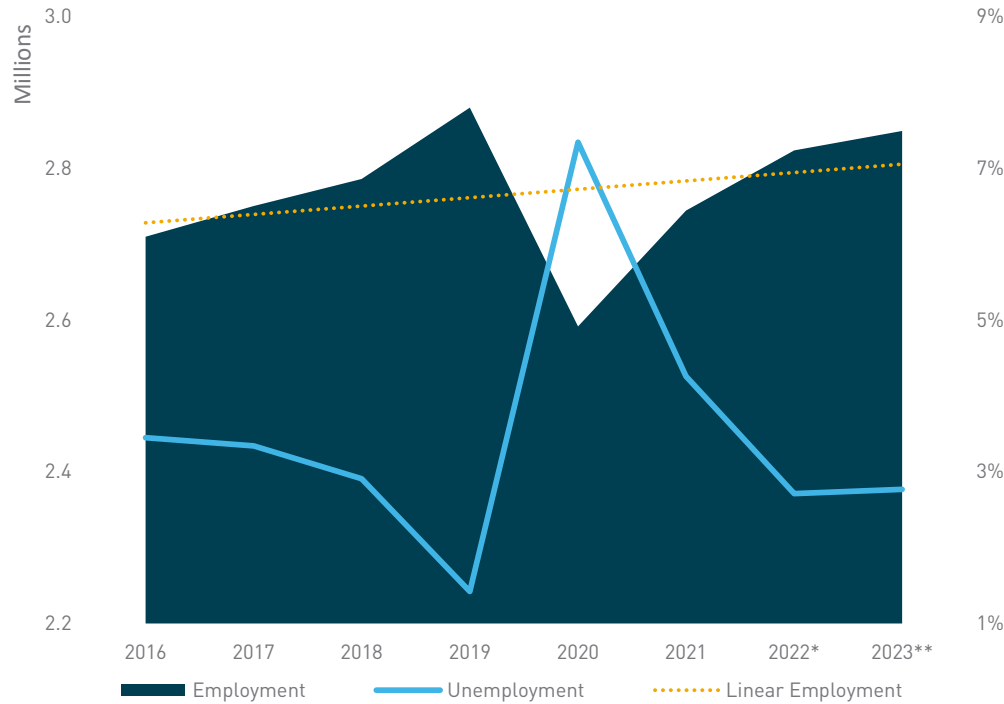
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

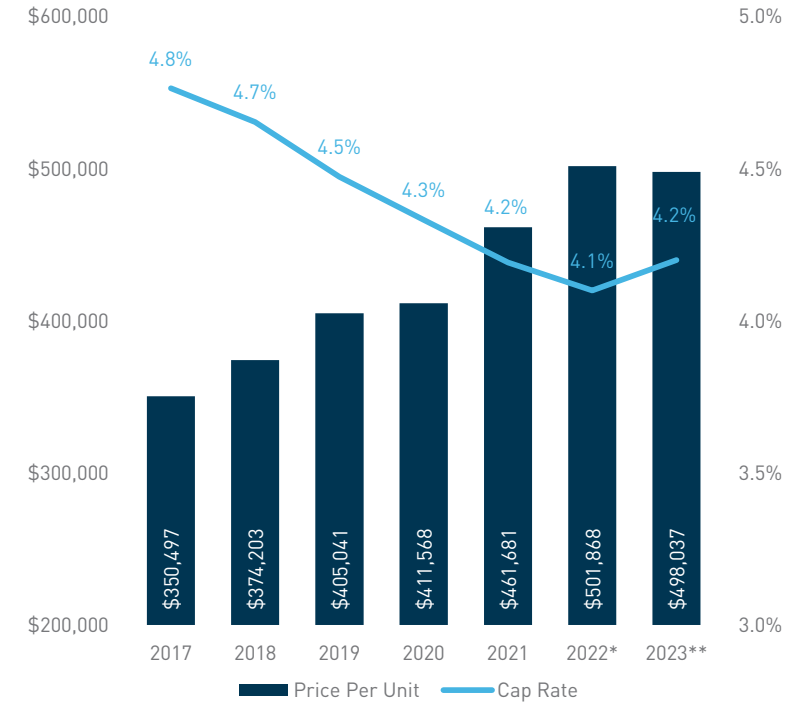
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment  
2,848,900



UP 0.9% YOY

Unemployment  
2.8%



UP 10 BPS YOY

Median Household Income  
\$117,960



UP 3.8% YOY

Price Per Unit  
\$498,037



DOWN 0.8% YOY

Cap Rate  
4.2%



UP 10 BPS YOY

# ANN ARBOR, MI

## 2023 MARKET AT A GLANCE

Occupancy Rate

97.2%



DOWN 10 BPS YOY

Effective Rent

\$1,524



UP 3.0% YOY

Rent Share of Wallet

20.2%

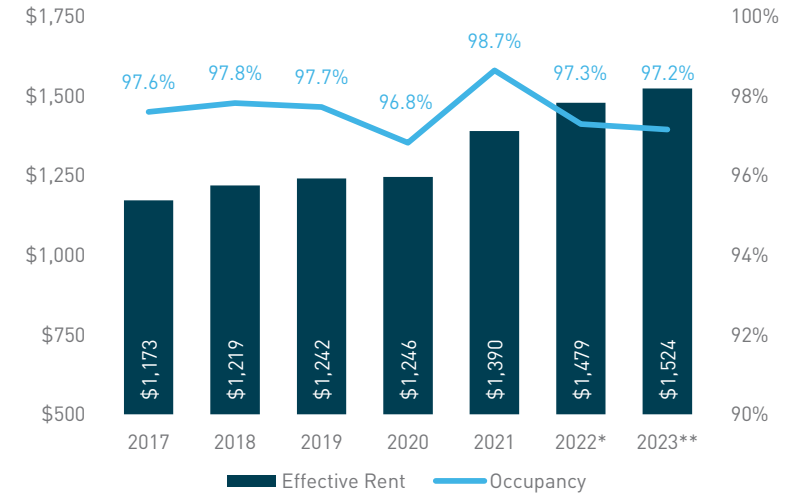


DOWN 20 BPS YOY

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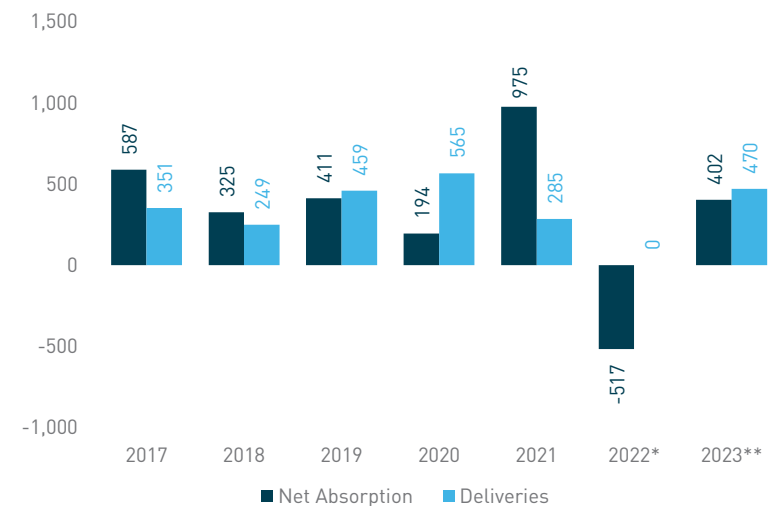
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

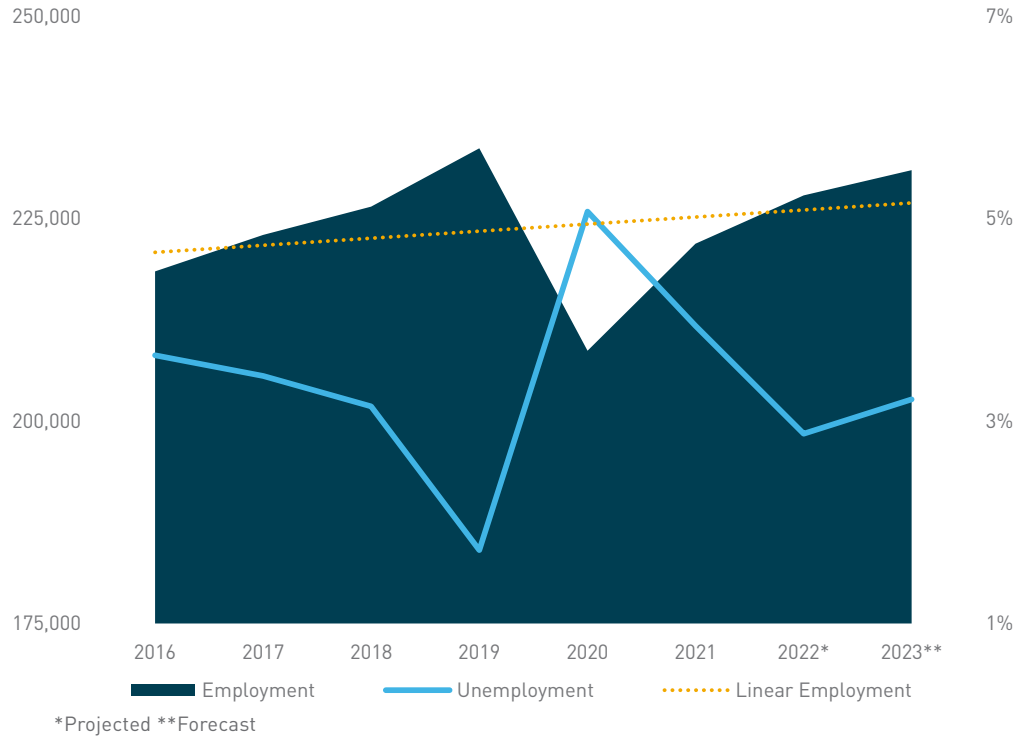


\*Projected \*\*Forecast

# ANN ARBOR, MI

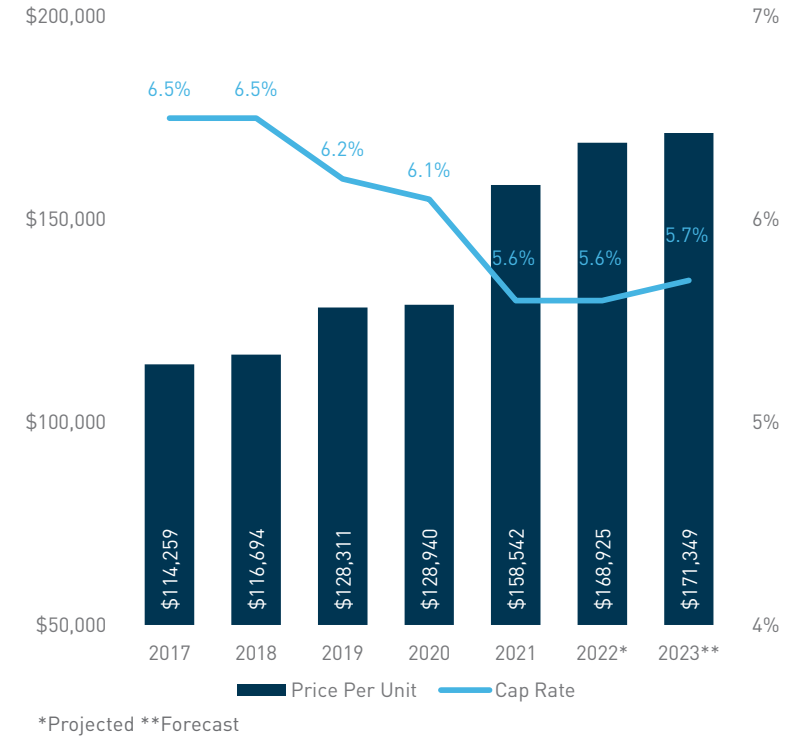
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



Employment

231,000



UP 1.4% YOY

Unemployment

3.2%



UP 30 BPS YOY

Median Household Income

\$90,359



UP 3.8% YOY

Price Per Unit

\$171,349



UP 1.4% YOY

Cap Rate

5.7%



UP 10 BPS YOY

# DETROIT, MI

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.8%



DOWN 40 BPS YOY

Effective Rent

\$1,302



UP 3.4% YOY

Rent Share of Wallet

21.5%



UNCHANGED YOY

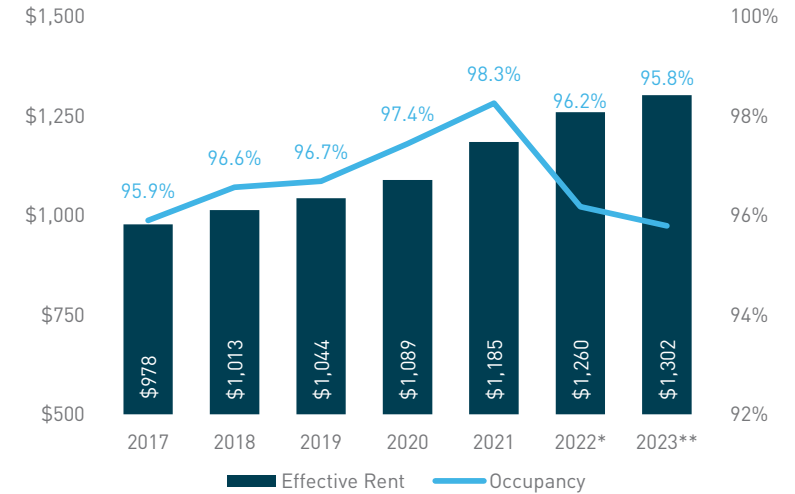
## Manufacturers to Invest \$11.1b and Fill 9,200 Jobs to Reinforce Apartment Fundamentals

Job growth and the gradual return to a pre-pandemic work environment in the Detroit metro area are expected to reinforce apartment fundamentals in 2023. Rocket Companies Inc., Ford Motor Company, and DTE Energy are some of the local companies transitioning to a hybrid office/remote working arrangement with their employees. The return-to-office trend coincides with a concentration of apartment deliveries in 2023 near employment hubs in the urban core and suburbs in Oakland County. Of the 1,931 apartment units scheduled for completion in 2023, two-thirds of the apartments will come online in the Downtown/Midtown/Rivertown submarket and in the Troy/Rochester Hills submarket in Oakland County. The new, amenity-rich apartments in these submarkets will draw renters, resulting in robust leasing activity that supports the metrowide net absorption of 785 units. Apartment occupancy in the metro area is forecast to be 95.8% by year-end 2023, and average monthly effective rent is projected to rise 3.4% during the year. Continued improvement in apartment fundamentals is anticipated as major developments emerge and the manufacturing industry flourishes. In 2023, the first phase of the 171-acre Romulus Trade Center mixed-use development will support 1,100 jobs. Over the next several years, Ford Motor Company, General Motors Company, Magna International Inc., and Our Next Energy will invest a combined \$11.1 billion in new facilities, expansions, and retooling, resulting in an aggregate addition of over 9,200 jobs in the Detroit metro area.

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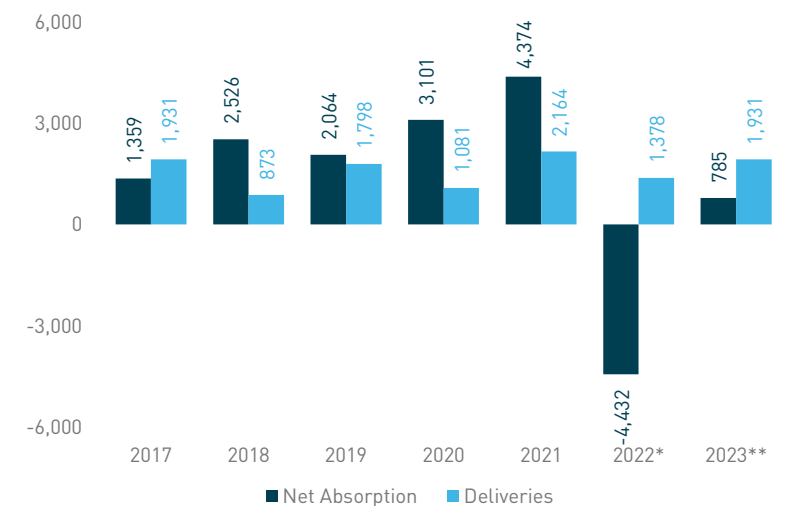
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

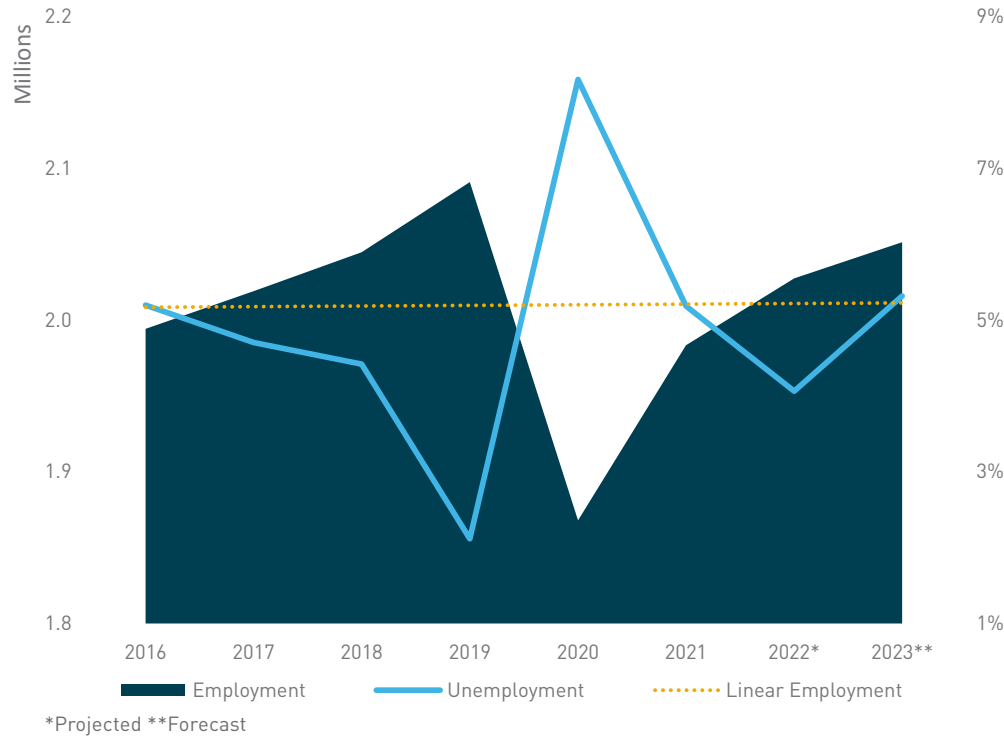
### Absorption & Deliveries



\*Projected \*\*Forecast

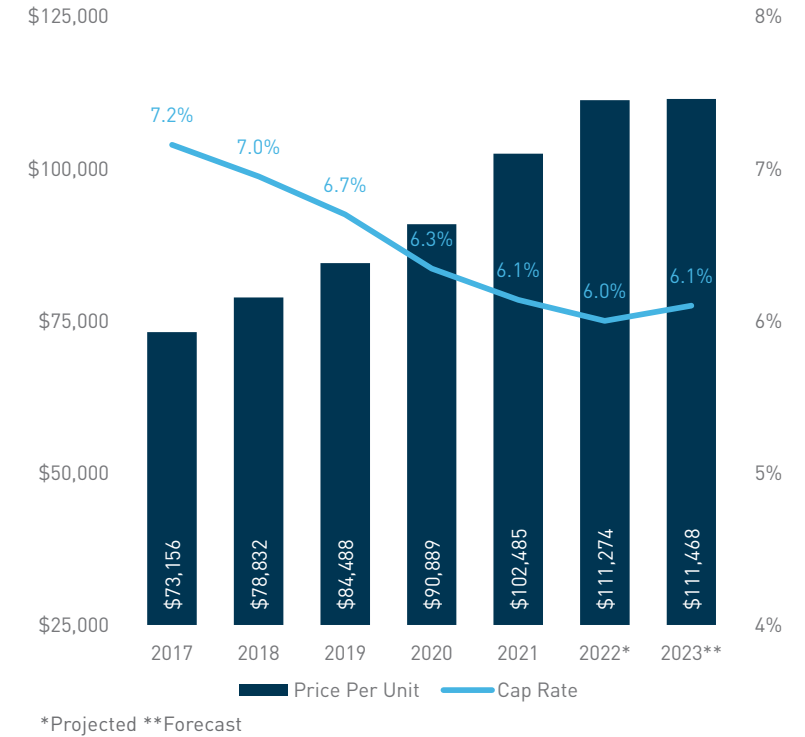
## Employment Trends

### Market Employment Trends



## Sales Trends

### Price Per Unit & Cap Rate



<p>Employment</p> <p><b>2,051,200</b></p> <p>↑</p> <p>UP 1.2% YOY</p>	<p>Unemployment</p> <p><b>5.3%</b></p> <p>↑</p> <p>UP 120 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$72,846</b></p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p><b>\$111,468</b></p> <p>↑</p> <p>UP 0.2% YOY</p>	<p>Cap Rate</p> <p><b>6.1%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# WEST MICHIGAN

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.7%



DOWN 20 BPS YOY

Effective Rent

\$1,260



UP 3.4% YOY

Rent Share of Wallet

20.8%

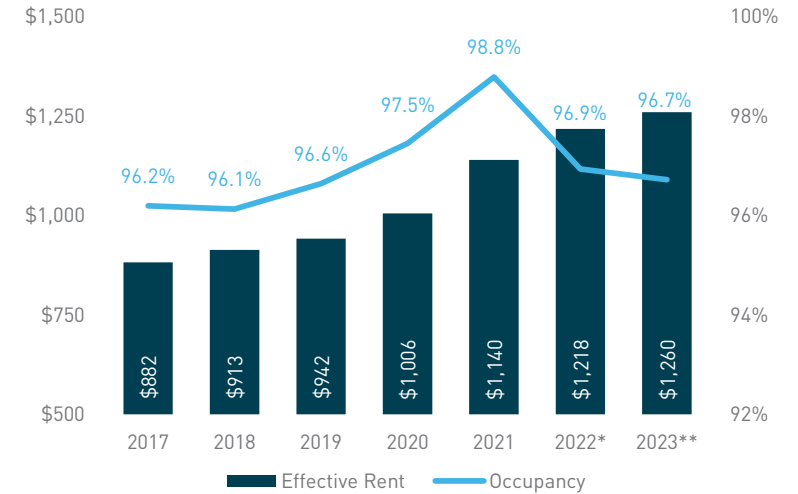


UNCHANGED YOY

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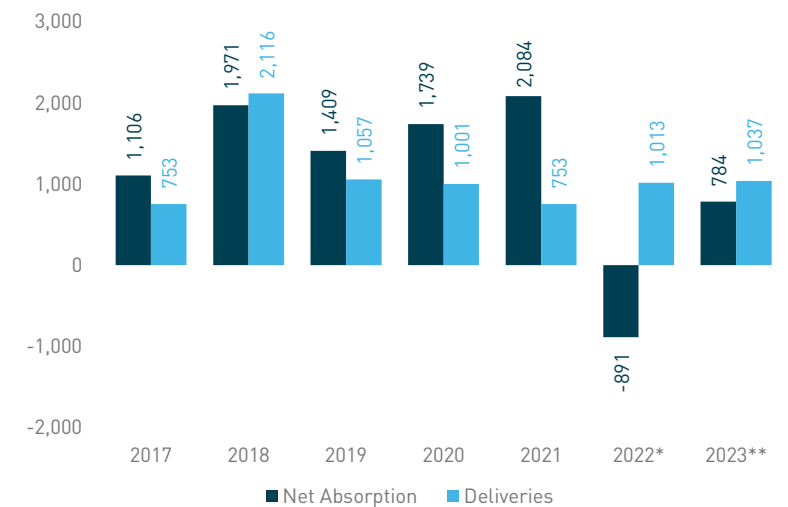
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

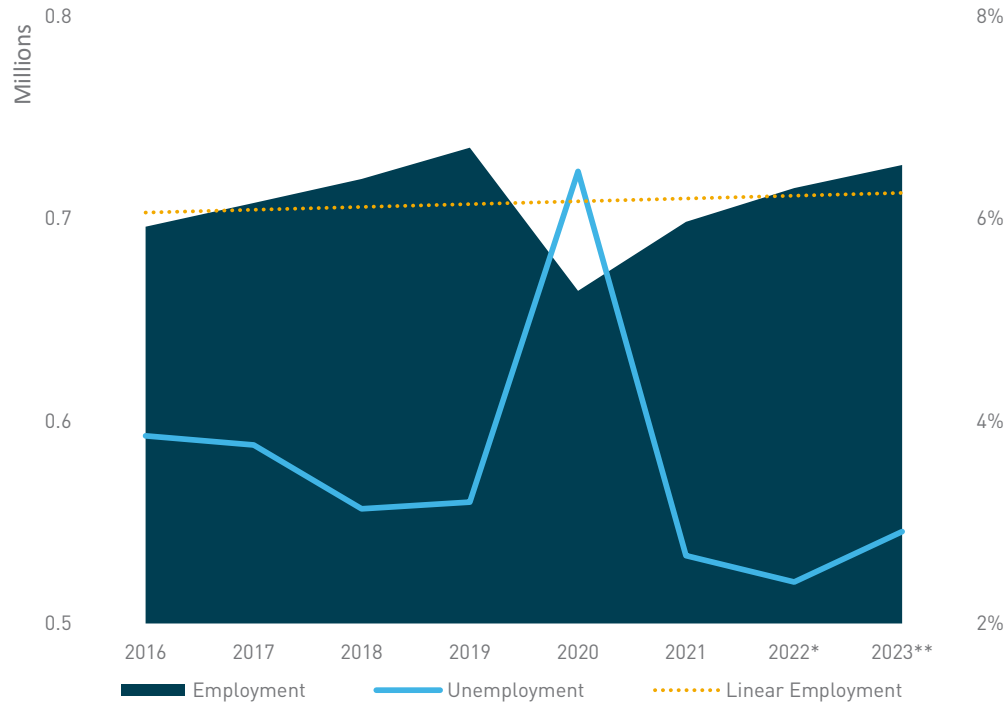


\*Projected \*\*Forecast

# WEST MICHIGAN

## Employment Trends

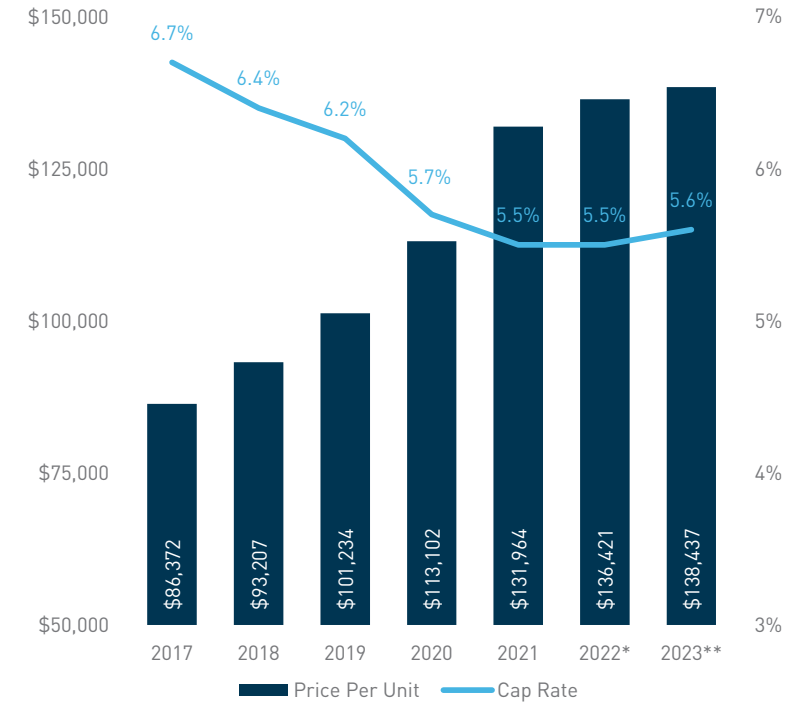
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

726,600



UP 1.6% YOY

Unemployment

2.9%



UP 50 BPS YOY

Median Household Income

\$72,572



UP 3.3% YOY

Price Per Unit

\$138,437



UP 1.5% YOY

Cap Rate

5.6%



UP 10 BPS YOY

# MINNEAPOLIS-ST. PAUL, MN

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.2%



DOWN 20 BPS YOY

Effective Rent

\$1,533



UP 2.3% YOY

Rent Share of Wallet

18.7%



DOWN 20 BPS YOY

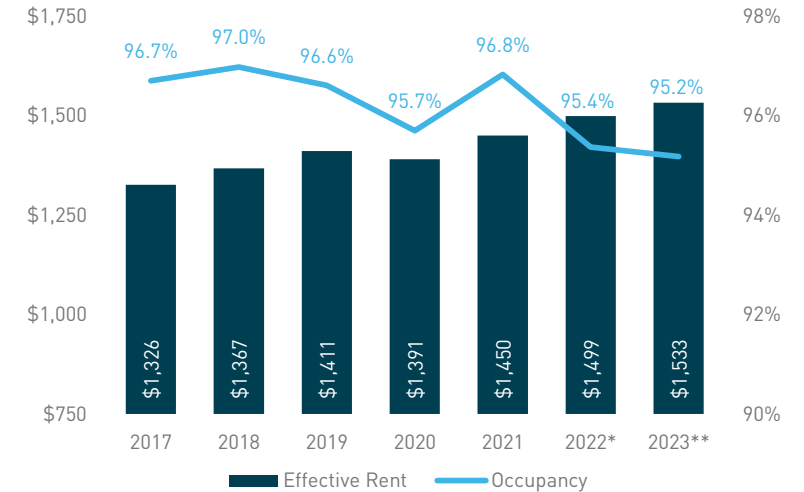
## Multifamily Development Following Industrial Growth and Redevelopment Prospects

Greater Minneapolis-St. Paul has over 9,150 units moving toward completion this year, which would make 2023 the third consecutive year with over 9,000 deliveries. Four submarkets will each deliver 1,000 or more units, accounting for 53.4% of incoming inventory. While the Downtown Minneapolis/University submarket's annual deliveries show modest increases compared to the five-year average, the Plymouth/Maple Grove, the Uptown/St. Louis Park, and the East St. Paul submarkets' estimated deliveries range from nearly double to more than triple their respective annual averages. Apart from historical occupancy rates that exceeded the national average, additional factors are contributing to bullish development. For example, developers are converting some vacant offices into mixed-use space, including the \$400 million redevelopment of the former Wells Fargo Operations Center that kicks off this year in Downtown, and the former Prudential Office Campus in Plymouth. Submarkets within the red-hot Northwest Industrial Corridor, like Plymouth/Maple Grove, may attribute multifamily expansion to incoming speculative projects, including Arbor Lakes Business Park III and 610 Broadway Business Center, adding more employees to the corridor's existing 60,000-job industrial workforce. Greater Minneapolis has over 9 million square feet in the industrial pipeline, which should attract new residents for jobs over the next several years. Apartment absorption projections show an 84.4% increase from last year, at approximately 8,114 net-move ins, with the same four submarkets responsible for 55.4%.

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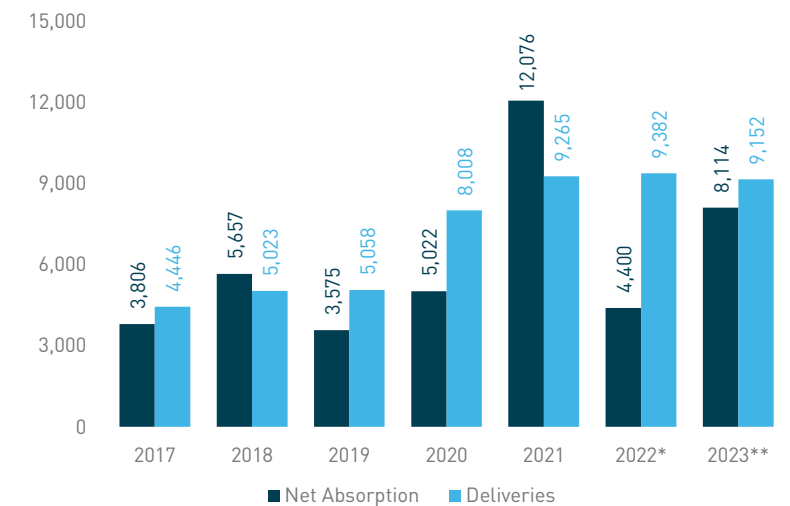
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

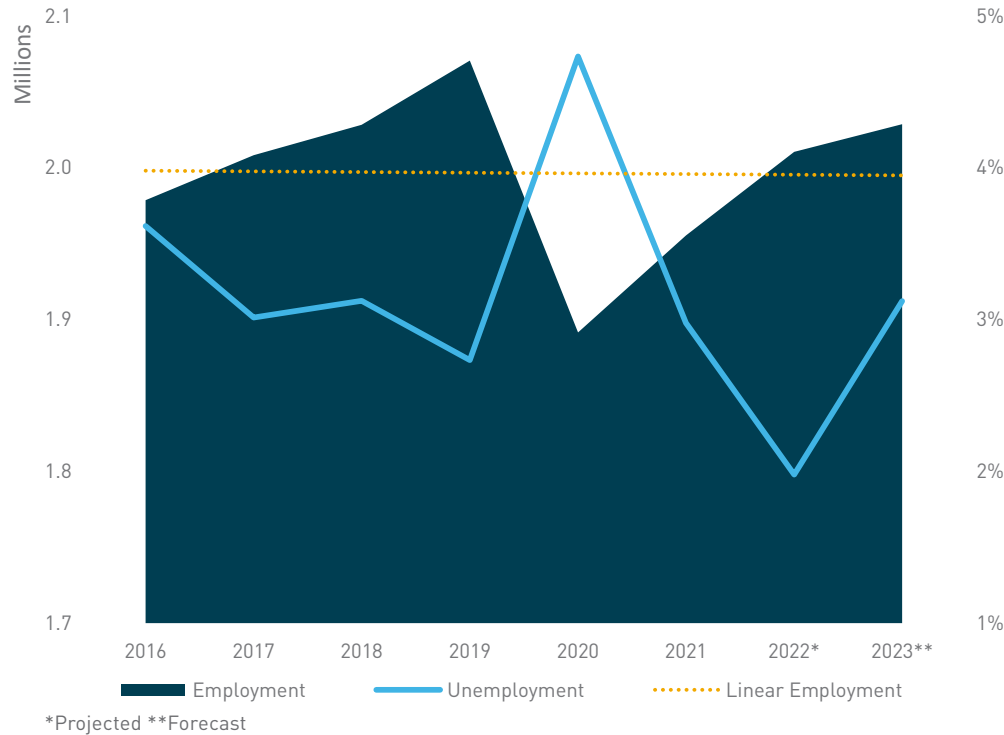


\*Projected \*\*Forecast

# MINNEAPOLIS-ST. PAUL, MN

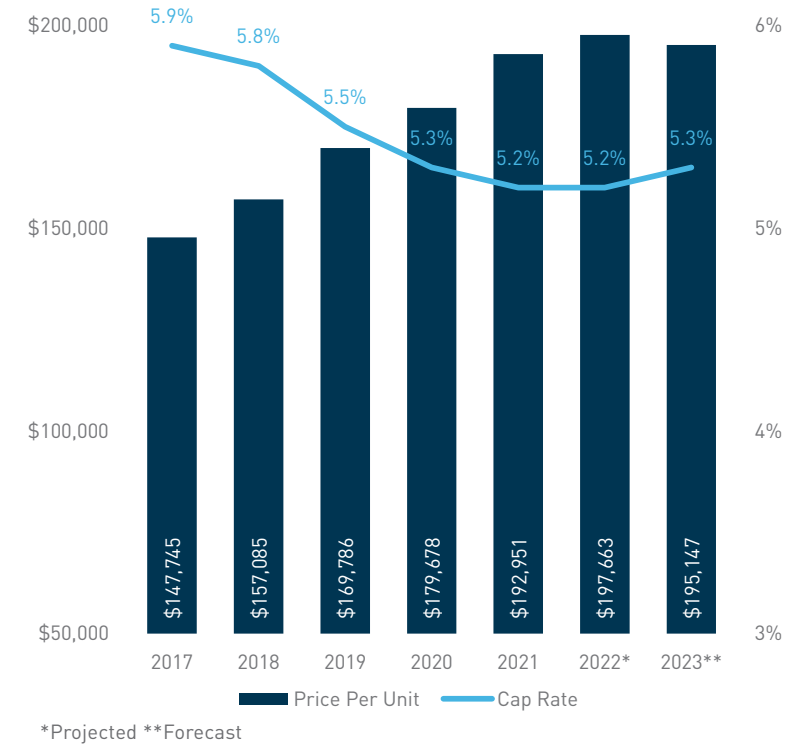
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>2,028,700</b></p> <p>↑</p> <p>UP 0.9% YOY</p>	<p>Unemployment</p> <p><b>3.1%</b></p> <p>↑</p> <p>UP 110 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$98,417</b></p> <p>↑</p> <p>UP 3.5% YOY</p>
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<p>Price Per Unit</p> <p><b>\$195,147</b></p> <p>↓</p> <p>DOWN 1.3% YOY</p>	<p>Cap Rate</p> <p><b>5.3%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# KANSAS CITY, MO

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.6%



DOWN 30 BPS YOY

Effective Rent

\$1,263



UP 3.3% YOY

Rent Share of Wallet

18.6%



UNCHANGED YOY

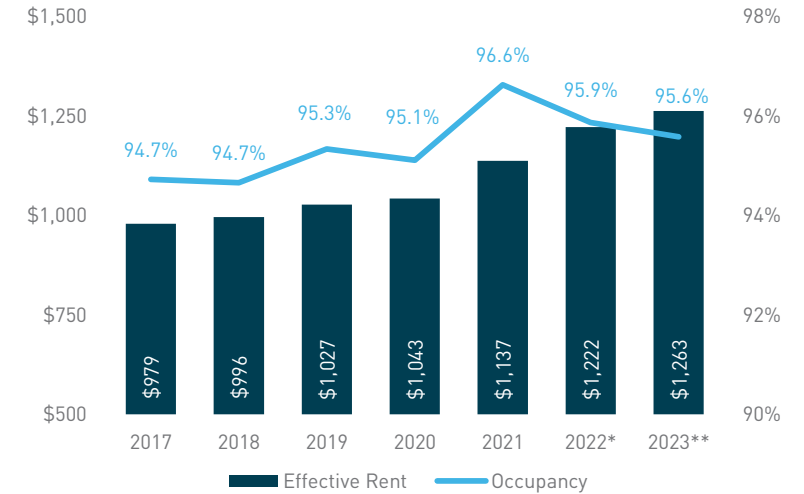
## Deliveries Continue at a Brisk Pace Amid Sturdy Fundamentals and Corporate Investments

Kansas City's foothold as a Silicon Prairie metro is drawing high-profile investments such as Panasonic's \$4 billion battery plant and Meta's \$800 million data center. Kansas City's rental market will remain competitive in 2023 underpinned by net migration of 1,300 people seeking employment and more affordable cost of living from higher-priced Midwestern markets like Chicago and Minneapolis. At 3.3%, rent expansion this year will be on par with the U.S. level, while monthly effective rent in the metro will be \$565 below the national average of \$1,827 by the fourth quarter. Despite the addition of nearly 19,000 units in the five years ending 2022 and more than 4,800 units this year, the occupancy rate in stabilized properties is forecast to be 95.6% by year-end, 90 basis points higher than 2017. Economic development in the multifamily area will heighten as builders speed up completions this year amid vigorous rental demand. There are 7,300 units currently underway across 40 projects and another 22,000 in the planning stage. Three new apartment communities will reach lease-up in Overland Park, one of the hottest job markets in the metro. The 600-unit Aspiria in the South Overland Park submarket will be the largest development metrowide. The area's principal employers will help spur leasing activity starting this year like Garmin Limited's headquarter expansion; major tech employer WellSky's expansion at CityPlace; and 1 million square feet at the \$71 million New Century Commerce Center. These Overland Park developments will bring more than 7,200 new jobs over 10 years.

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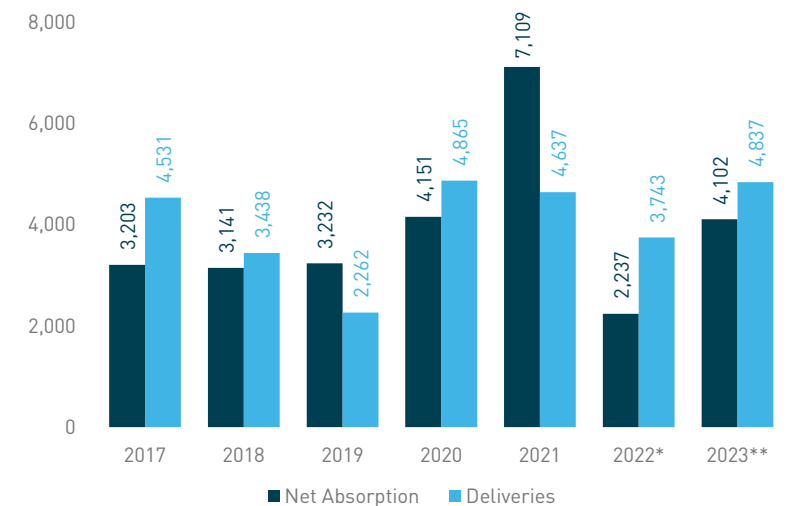
## Apartment Trends

Effective Rent & Occupancy



\*Projected \*\*Forecast

Absorption & Deliveries

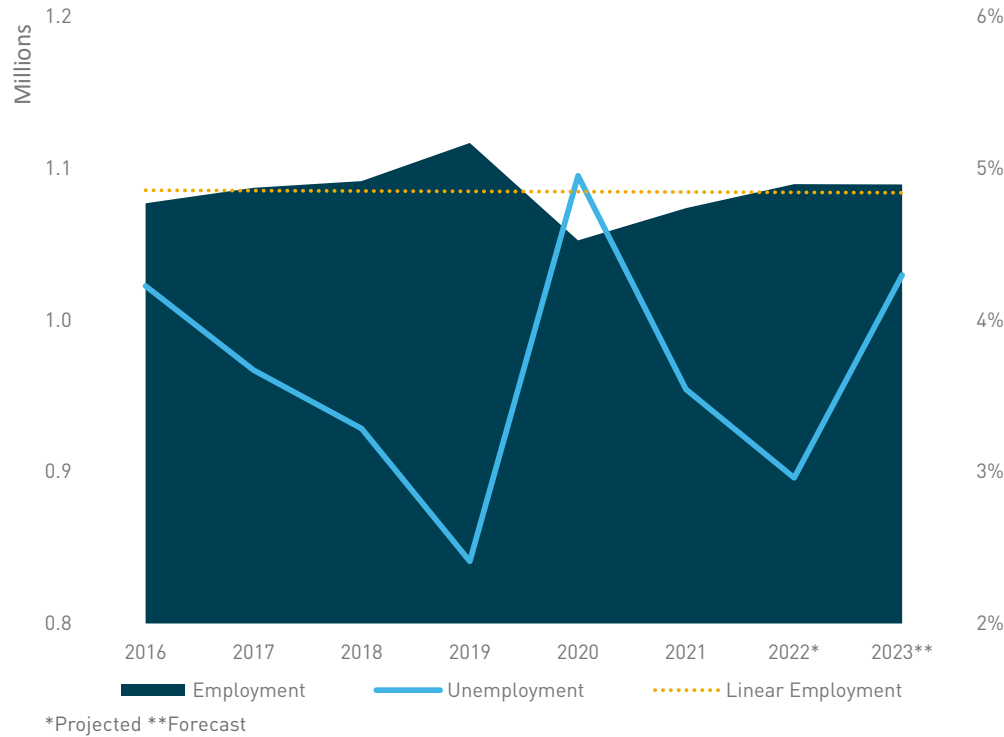


\*Projected \*\*Forecast

# KANSAS CITY, MO

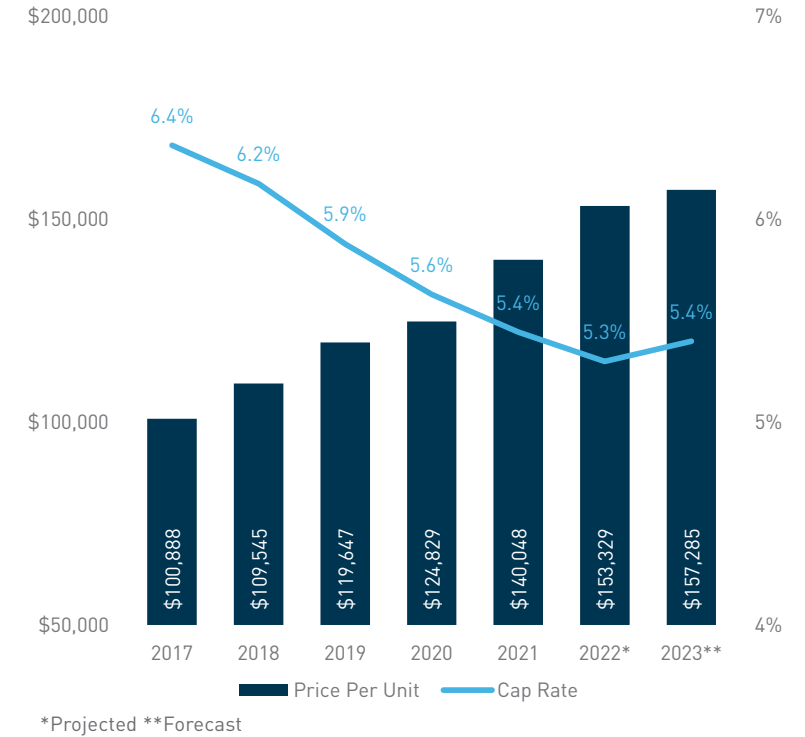
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>1,089,200</b></p> <p>(=)</p> <p>UNCHANGED YOY</p>	<p>Unemployment</p> <p><b>4.3%</b></p> <p>(↑)</p> <p>UP 130 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$81,496</b></p> <p>(↑)</p> <p>UP 3.5% YOY</p>
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<p>Price Per Unit</p> <p><b>\$157,285</b></p> <p>(↑)</p> <p>UP 2.6% YOY</p>	<p>Cap Rate</p> <p><b>5.4%</b></p> <p>(↑)</p> <p>UP 10 BPS YOY</p>
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# ST. LOUIS, MO

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.8%



DOWN 80 BPS YOY

Effective Rent

\$1,256



UP 2.5% YOY

Rent Share of Wallet

19.5%



DOWN 20 BPS YOY

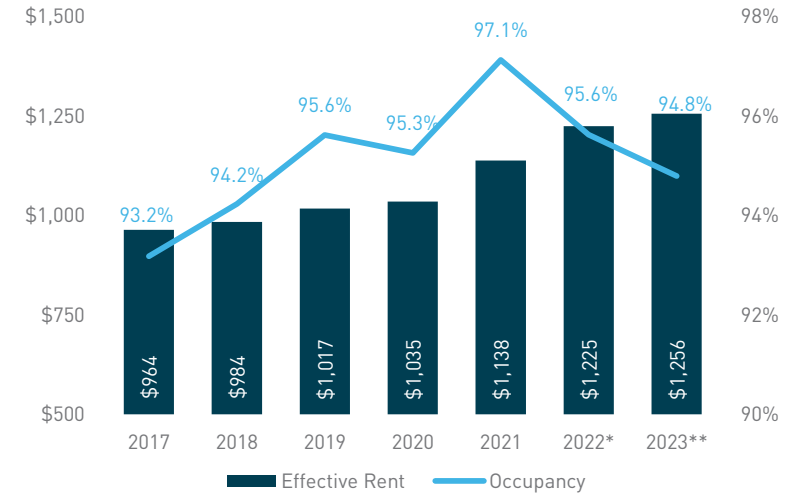
## Two Submarkets Prep for Growth as St. Louis Metro Enters Revitalization Period

St. Louis' multifamily developers set a 20-year record last year with 2,800 units brought to market. This year, developers are slated to exceed that number by 6.7%, delivering up to 2,988 units. Approximately 64% of units scheduled for delivery are clustered in two submarkets: St. Louis City and St. Charles County, with 37% and 27% of completions, respectively. The St. Louis City submarket covers the downtown area west of the Missouri River. In addition to the 1,097 units slated for delivery this year in the submarket, developers are busy on multiple projects involving conversions into office and retail, including the \$32 million redevelopment in Downtown West and the \$60 million Laclede's Landing project. Additionally, the city will complete the 22,500-seat Centene Stadium this year. The St. Charles County submarket has one of the fastest-growing populations in Missouri, which spurred expansion across all asset types. For multifamily, over 800 units are scheduled for completion this year. St. Charles County also has over 6 million square feet of commercial space under construction or planned, much of which is industrial related, including NorthPointe Development's 365-acre logistics center. Apart from industrial, CRG and Clayco began Phase I of the \$350 million Riverpointe revitalization project, a 120-acre entertainment district along the Missouri River, which could create 4,000 jobs at build-out. The revitalization projects underway are essential to attract renters to the numerous deliveries this year until tenants occupy the office and industrial projects throughout 2023.

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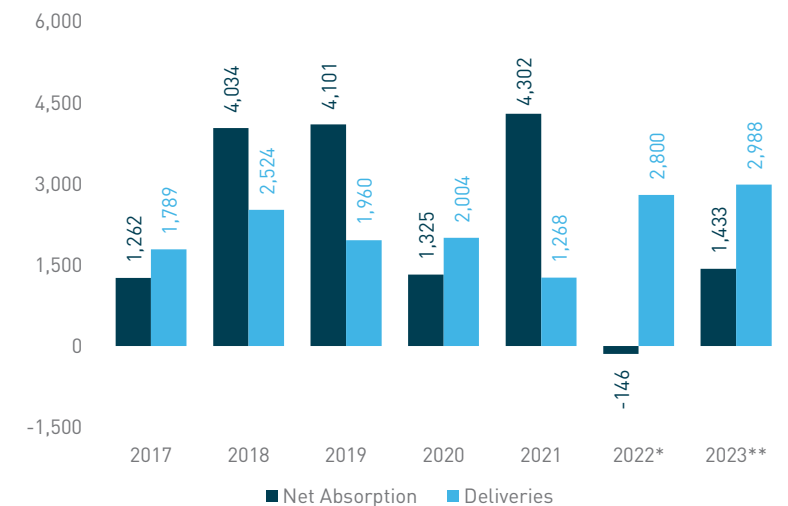
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

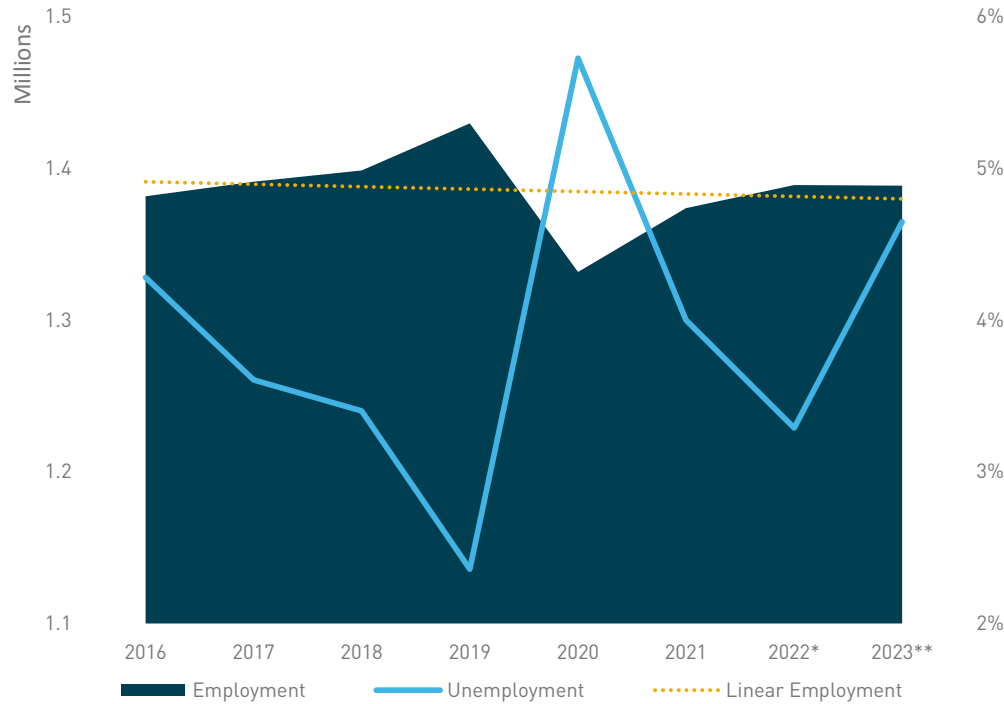


\*Projected \*\*Forecast

# ST. LOUIS, MO

## Employment Trends

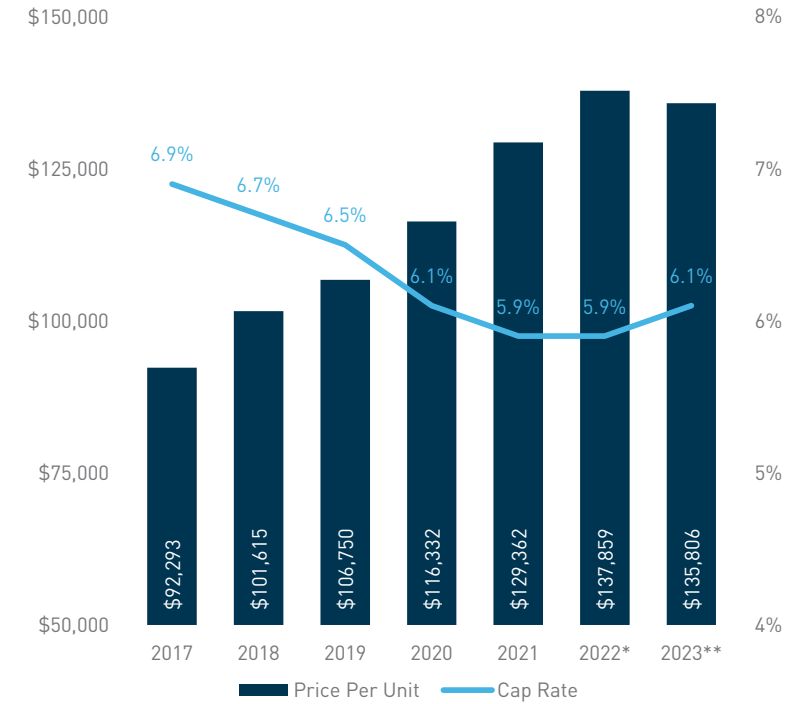
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,388,400</b></p> <p>(=)</p> <p>UNCHANGED YOY</p>	<p>Unemployment</p> <p><b>4.6%</b></p> <p>(↑)</p> <p>UP 130 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$77,488</b></p> <p>(↑)</p> <p>UP 3.6% YOY</p>
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<p>Price Per Unit</p> <p><b>\$135,806</b></p> <p>(↓)</p> <p>DOWN 1.5% YOY</p>	<p>Cap Rate</p> <p><b>6.1%</b></p> <p>(↑)</p> <p>UP 20 BPS YOY</p>
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# OMAHA, NE

## 2023 MARKET AT A GLANCE

Occupancy Rate

97.0%



DOWN 40 BPS YOY

Effective Rent

\$1,140



UP 2.9% YOY

Rent Share of Wallet

16.9%

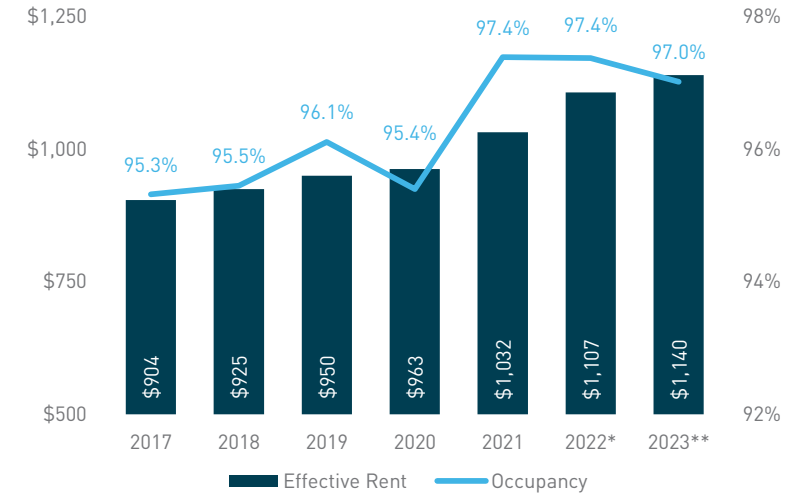


UNCHANGED YOY

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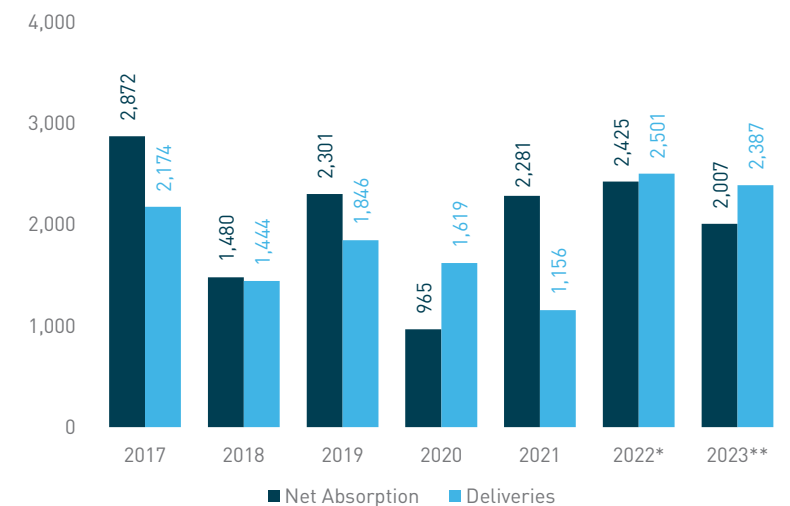
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

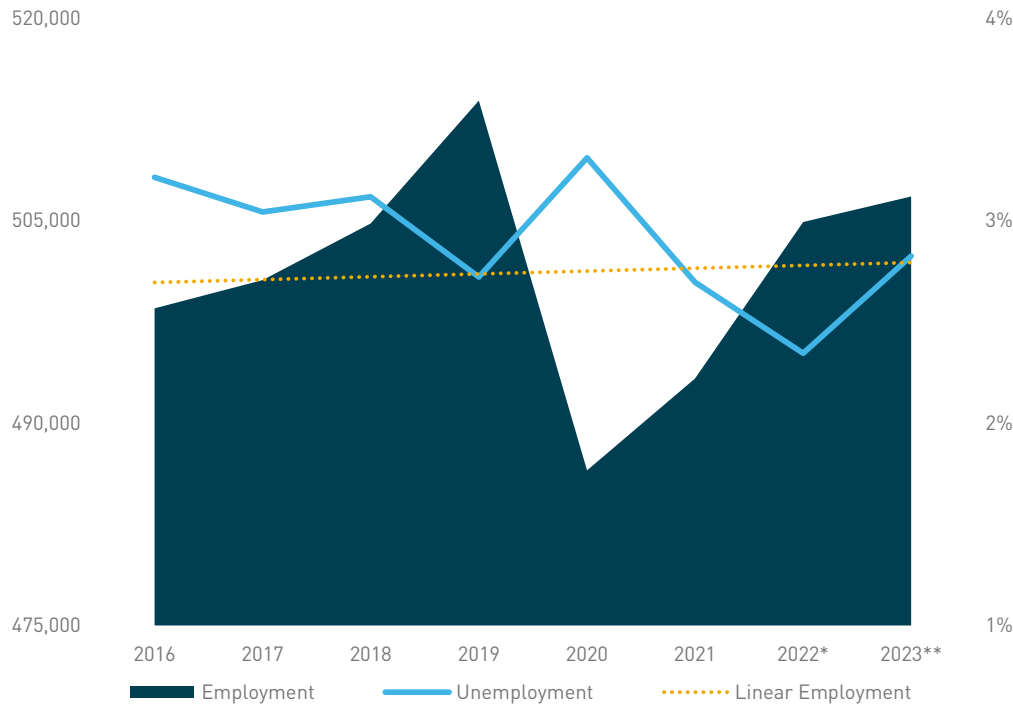
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

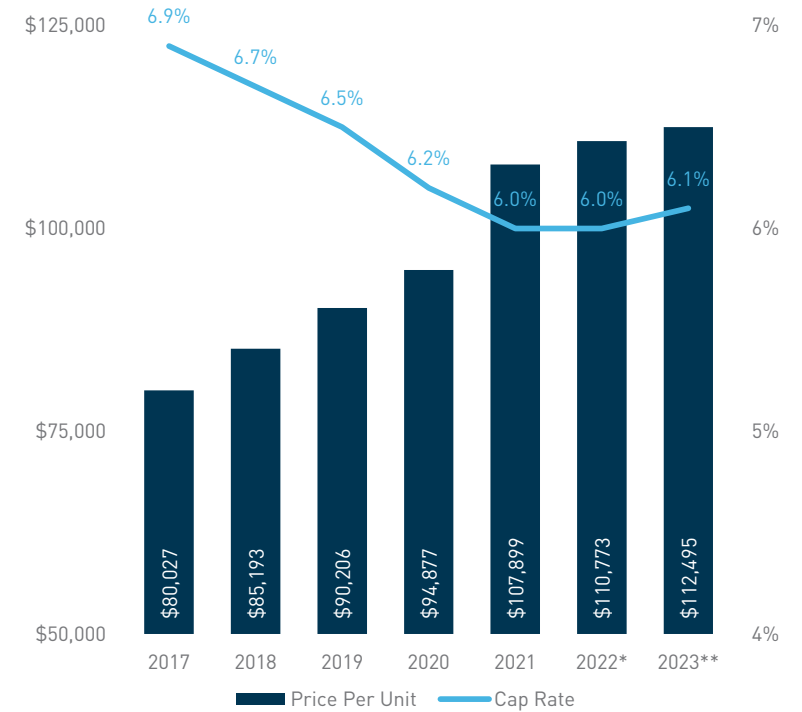
### Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

### Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

506,800



UP 0.4% YOY

Unemployment

2.8%



UP 50 BPS YOY

Median Household Income

\$80,965



UP 3.1% YOY

Price Per Unit

\$112,495



UP 1.6% YOY

Cap Rate

6.1%



UP 10 BPS YOY

# LAS VEGAS, NV

## 2023 MARKET AT A GLANCE

Occupancy Rate

93.7%



DOWN 50 BPS YOY

Effective Rent

\$1,535



UP 2.9% YOY

Rent Share of Wallet

27.0%



UNCHANGED YOY

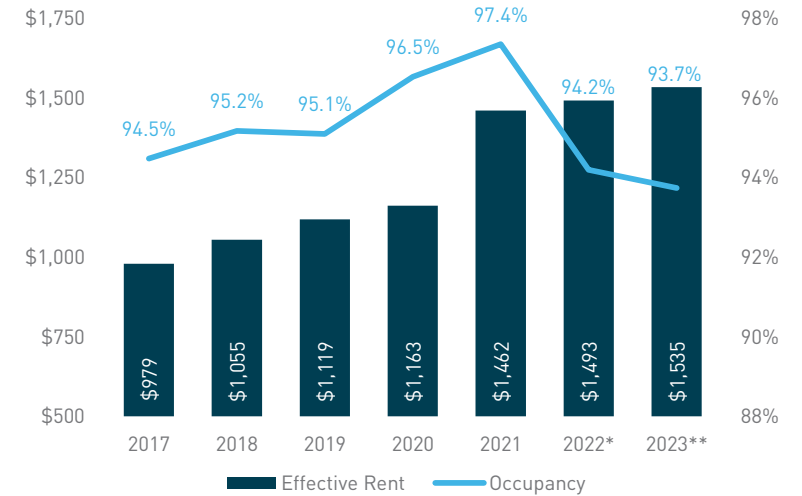
## Healthy Demographic Trends and Employment Gains to Buoy Apartment Absorption in 2023

Apartment demand in the Las Vegas metro is forecast to turn positive in 2023. Leasing activity should be significantly above the pre-pandemic average of 2,569 units absorbed annually between 2010 and 2019. The market's economic recovery and relative affordability compared to nearby West Coast markets are expected to spur net migration of 38,000 people in 2023. Limited single-family construction will keep potential buyers in the renter pool. This rebound in absorption is also expected to be buoyed by a projected 1.7% expansion in employment, which will push payrolls above their pre-pandemic peak. The leisure and hospitality industry, which remains the market's economic driver, is expected to expand the most among all sectors in 2023. At the Venetian, construction is scheduled to complete this year on MSG Sphere. The 18-acre entertainment venue will create roughly 4,400 jobs and spur \$780 million in economic activity. However, even with strong apartment demand, supply side pressure will push down average occupancy. Nearly 6,000 units are forecast to come online in 2023, representing the highest annual total supply since 2008. The Henderson submarket, due to high rents and availability of land, is expected to see the most deliveries with nearly 1,300 units. As a result, average occupancy in the market should fall to 93.7%, though this would remain above the pre-pandemic average of 93.2%. Healthy occupancy, demographic trends, and employment gains should allow operators to raise rents, albeit at a more measured pace of 2.9% in 2023.

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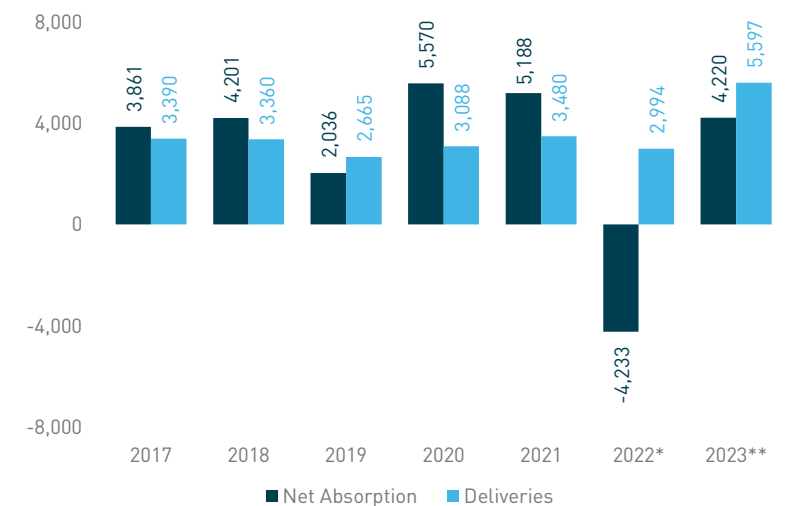
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

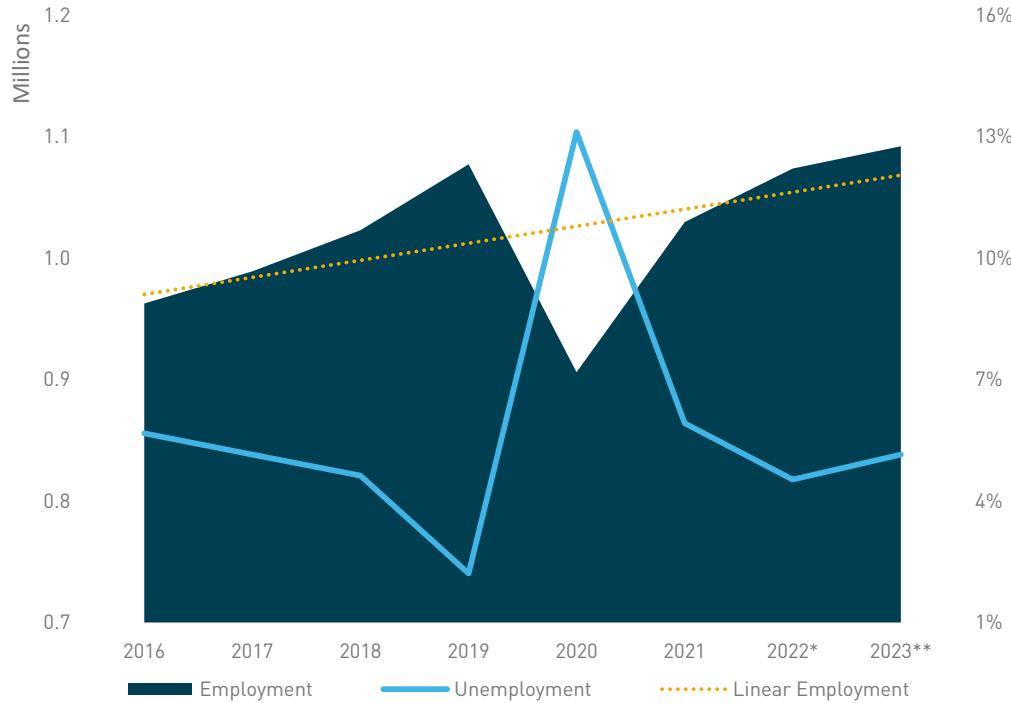
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

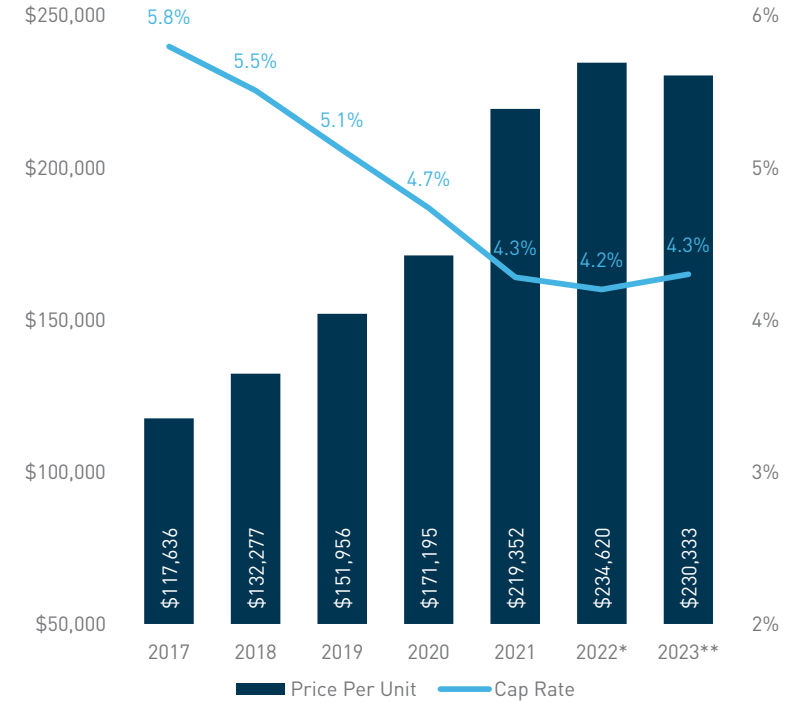
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,092,200</b></p> <p>↑</p> <p>UP 1.7% YOY</p>	<p>Unemployment</p> <p><b>5.1%</b></p> <p>↑</p> <p>UP 60 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$68,119</b></p> <p>↑</p> <p>UP 2.9% YOY</p>
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<p>Price Per Unit</p> <p><b>\$230,333</b></p> <p>↓</p> <p>DOWN 1.8% YOY</p>	<p>Cap Rate</p> <p><b>4.3%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# RENO, NV

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.8%



DOWN 50 BPS YOY

Effective Rent

\$1,649



UP 2.7% YOY

Rent Share of Wallet

24.3%



UNCHANGED YOY

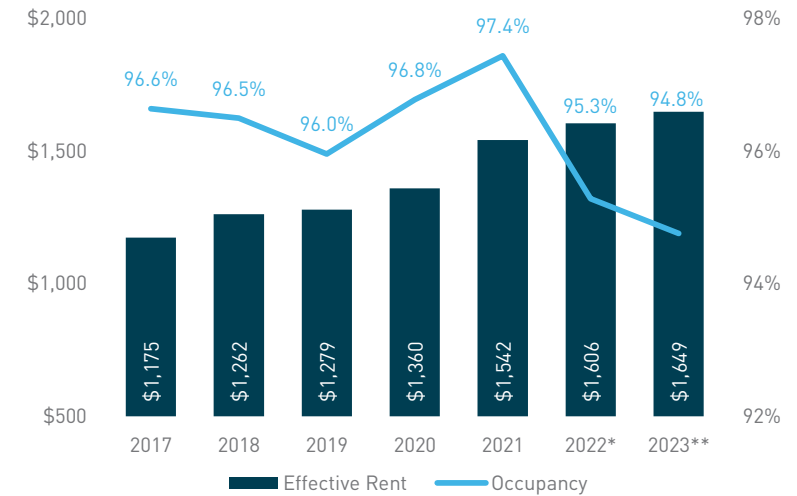
## Economic and Population Growth to Keep Reno Apartment Fundamentals Strong into 2023

Reno's diversifying economy has resulted in a trend of strong apartment demand and increased deliveries that is expected to continue into 2023. More than 2,100 units are scheduled to be delivered in 2023, which is 26.5% above the five-year average. The Reno apartment market continues to experience heightened demand and deliveries because of its relatively low cost of living and growing economy. The overall cost of living index for Reno is 23.9% lower than neighboring California. The continued flow of residents opting out of higher cost markets such as San Francisco has driven developers to add supply to this market. The North Reno submarket will see the most new supply with 511 units scheduled to come online in 2023. The North Reno submarket is attractive to prospective renters due to its proximity to ample employment opportunities. Employers in Greater Reno are predicted to add more than 4,000 jobs in 2023, in line with the five-year average. The trade, transportation, and utilities employers are expected to add the most jobs in the metro, with an increase of 1,000 jobs, many of which are slated for the North Reno submarket. With these strong fundamentals in place, apartment operators can expect the Reno market to perform well in 2023. Monthly effective rent is forecast to increase 2.7% year over year to \$1,649 by the fourth quarter of 2023. With leasing activity expected to stay consistent through 2023, the average occupancy is forecasted to end the year at 94.8%, in line with the annual five-year average.

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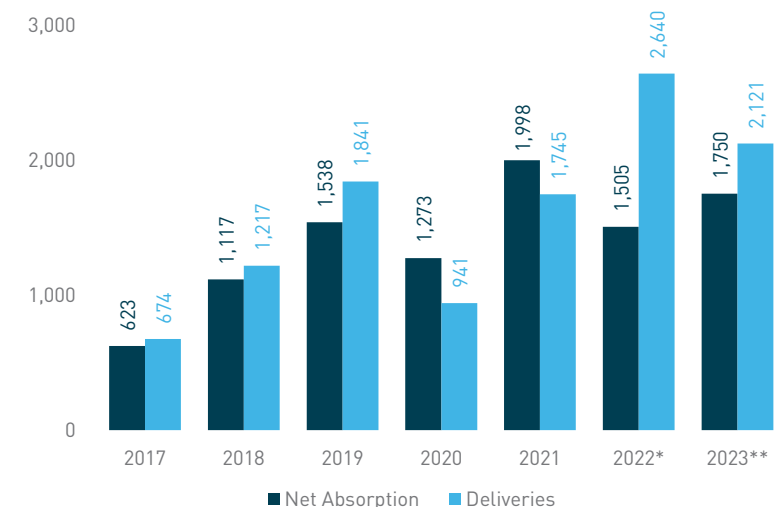
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

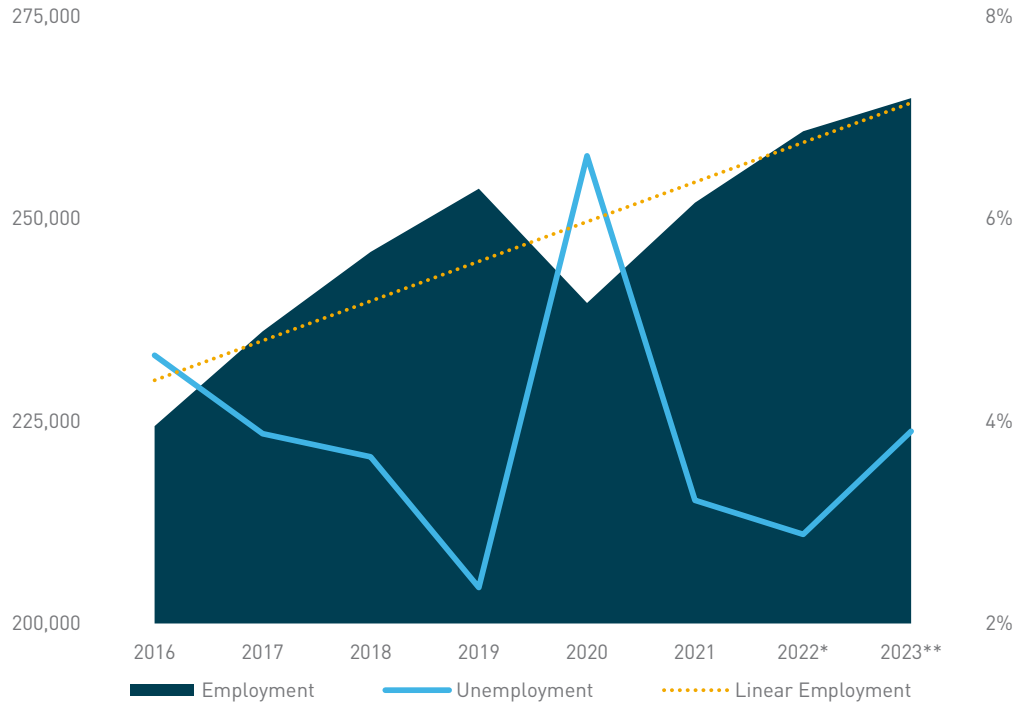


\*Projected \*\*Forecast

# RENO, NV

## Employment Trends

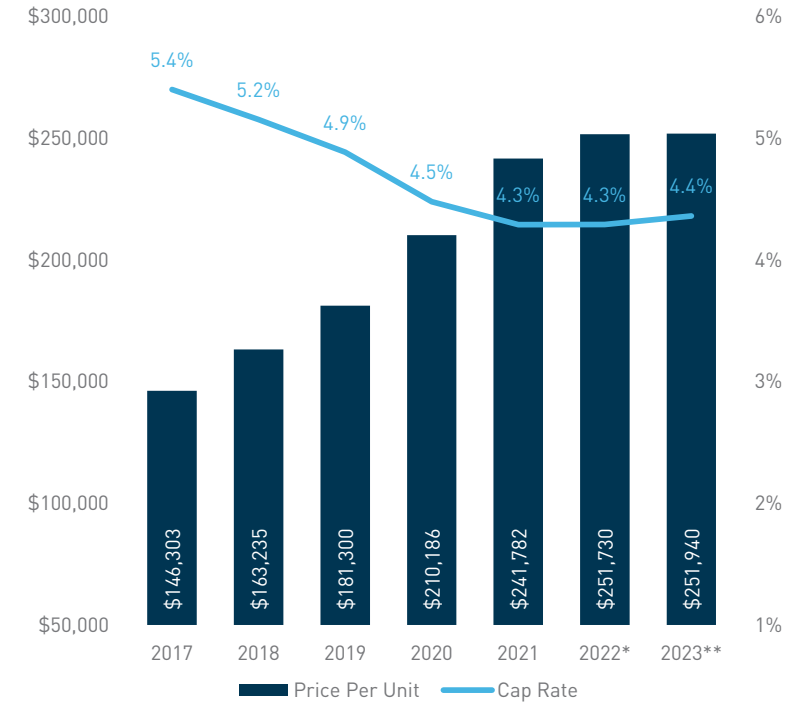
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

264,900



UP 1.6% YOY

Unemployment

3.9%



UP 100 BPS YOY

Median Household Income

\$81,538



UP 2.9% YOY

Price Per Unit

\$251,940



UP 0.1% YOY

Cap Rate

4.4%



UP 10 BPS YOY

# NORTHERN NEW JERSEY

## 2023 MARKET AT A GLANCE

Occupancy Rate

97.1%



DOWN 50 BPS YOY

Effective Rent

\$2,557



UP 3.6% YOY

Rent Share of Wallet

28.9%



DOWN 10 BPS YOY

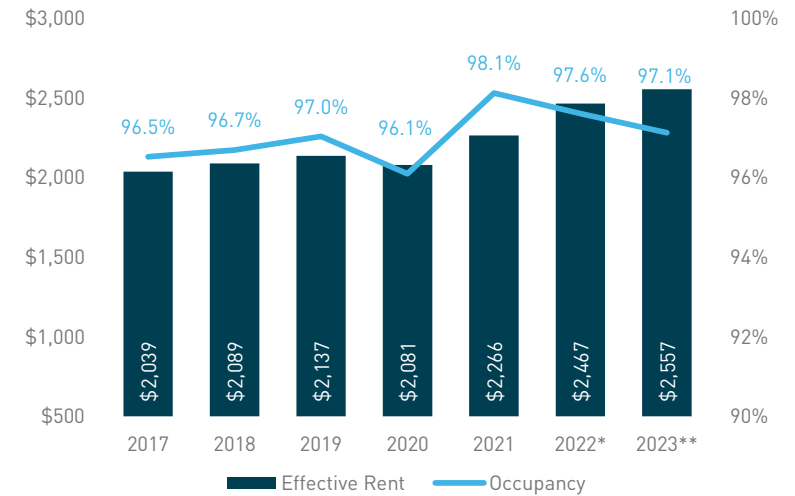
## Jersey City to See Large-Scale Apartment Construction Boom in 2023

Northern New Jersey is increasingly able to attract leading financial institutions, tech companies, media, and many other new businesses. This trend will continue to benefit the apartment market, with developers forecast to bring more than 13,800 apartment units online in 2023, the highest annual deliveries since 2006. A significant share of the scheduled deliveries is in the Jersey City submarket, with more than 4,300 units. A substantial portion of these new units are accounted for in the Emerson Lofts project. Emerson Lofts is a 2 million-square-foot, mixed-use development that will feature more than 1,000 residential units. The recently completed first phase of the property is currently 95% leased, and the second phase is under construction. This property is one of many other Class A projects coming online across Northern New Jersey that allow renters an attractive alternative to purchasing amid continuously rising homeownership costs. For prospective renters, Jersey City is attractive because it is relatively affordable, while still being convenient to all the culture, shopping, entertainment, and various other amenities New York City offers. As a result of this demand, leasing activity in the market is predicted to remain brisk with net absorption projected to surpass 10,800 units. Apartment operators are expected to advance average effective rent 3.6% annually to \$2,557 a month in the fourth quarter. The large influx of new units will set occupancy back slightly to an average of 97.1% in the fourth quarter, though still above the 2010 to 2019 pre-pandemic annual average of 96.4%.

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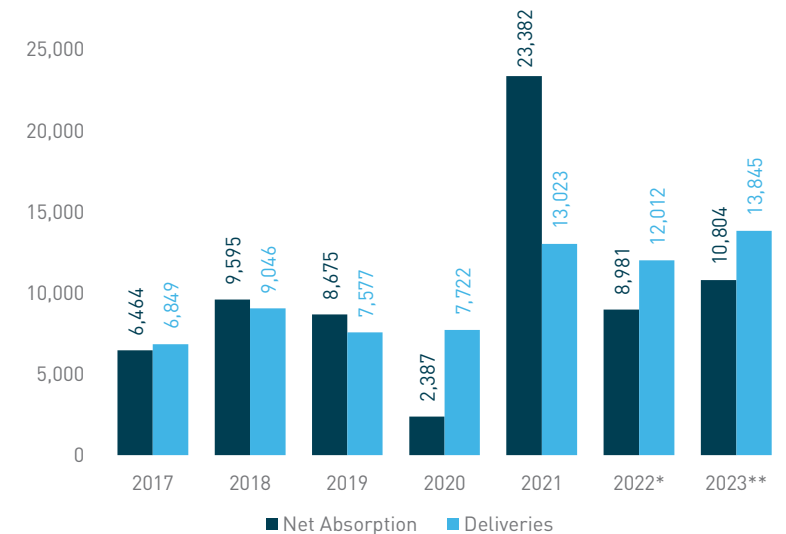
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

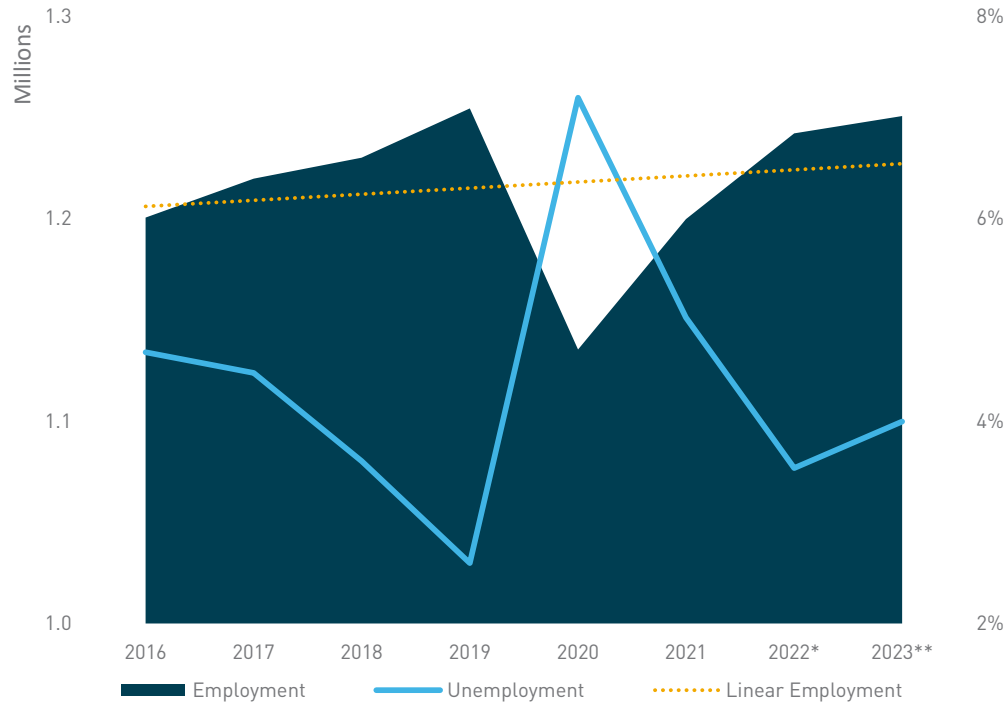


\*Projected \*\*Forecast

# NORTHERN NEW JERSEY

## Employment Trends

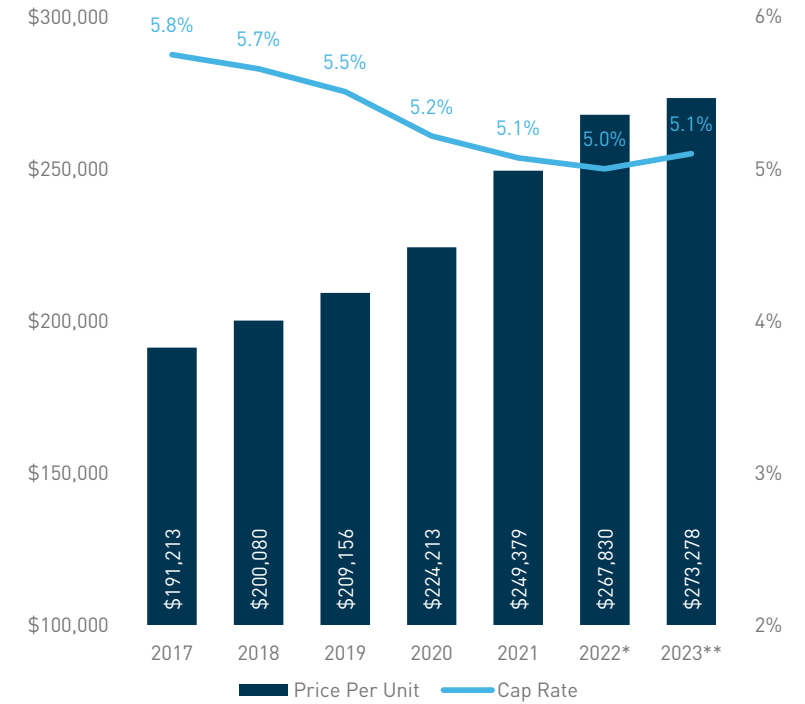
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,250,700</b></p> <p>↑</p> <p>UP 0.7% YOY</p>	<p>Unemployment</p> <p><b>4.0%</b></p> <p>↑</p> <p>UP 50 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$106,024</b></p> <p>↑</p> <p>UP 3.9% YOY</p>
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<p>Price Per Unit</p> <p><b>\$273,278</b></p> <p>↑</p> <p>UP 2.0% YOY</p>	<p>Cap Rate</p> <p><b>5.1%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# ALBUQUERQUE, NM

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.0%



DOWN 150 BPS YOY

Effective Rent

\$1,300



UP 4.0% YOY

Rent Share of Wallet

21.2%



UNCHANGED YOY

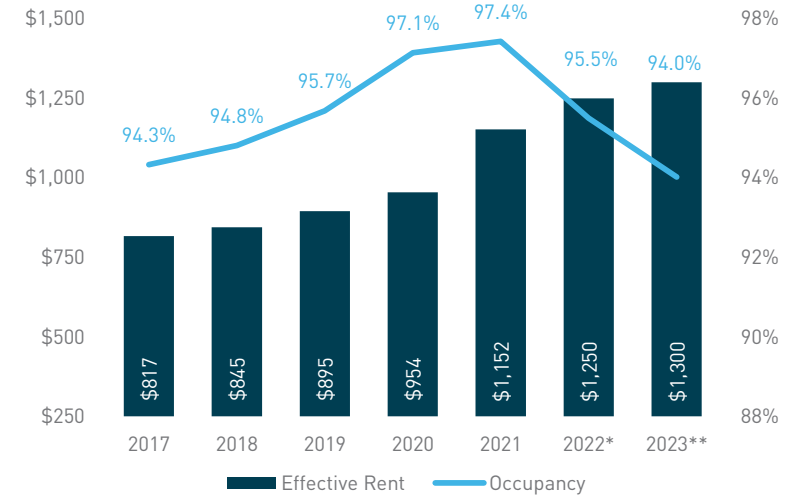
## Albuquerque has Favorable Short- and Long-Term Employment Outlooks

The Albuquerque job market is forecast to expand this year with the net addition of 3,100 jobs. The metro's long-term employment outlook is also favorable. Netflix continues to carry out its \$1 billion, 10-year commitment to production activities in the Albuquerque area. Robust manufacturing sector hiring will also boost the economy. Intel Inc. is on course to complete expansion of its \$3.5 billion semiconductor facility in Rio Rancho, resulting in 700 new, highly paid workers by 2024. In 2025, the \$100 million facility of drug vial manufacturer Curia Global Inc. will be operational in Albuquerque and employ 270 workers. In 2026, Manna Capital Partners and Ball Corp. will open a \$2 billion aluminum can manufacturing plant in Los Lunas that will employ 950 workers earning an average of \$68,000 annually. The positive direction of the local economy will enable apartment operators to keep upward pressure on rents. Average monthly effective rent is forecast to rise 4.0% during 2023, reaching \$1,300 by year-end. The increase will come as multifamily developers complete an estimated 1,280 new apartment units in 2023. Anticipated new apartment stock emerging in the adjacent Westside/Rio Rancho and Northeast Heights submarkets—the most desirable areas in the metro—will account for approximately 58% of deliveries in the metro area this year. The heightened metrowide deliveries will outpace projected positive net apartment absorption, leading to estimated 94.0% occupancy by year-end, within 30 basis points of the annual average occupancy in the 10 years prior to the pandemic.

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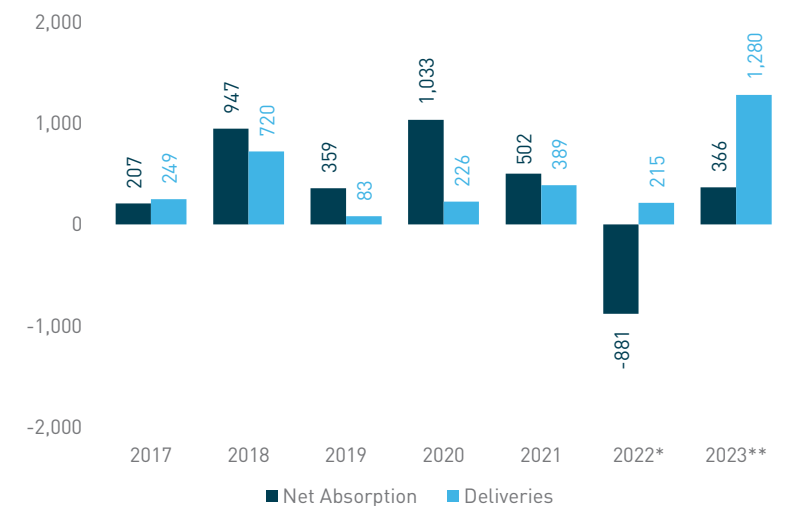
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

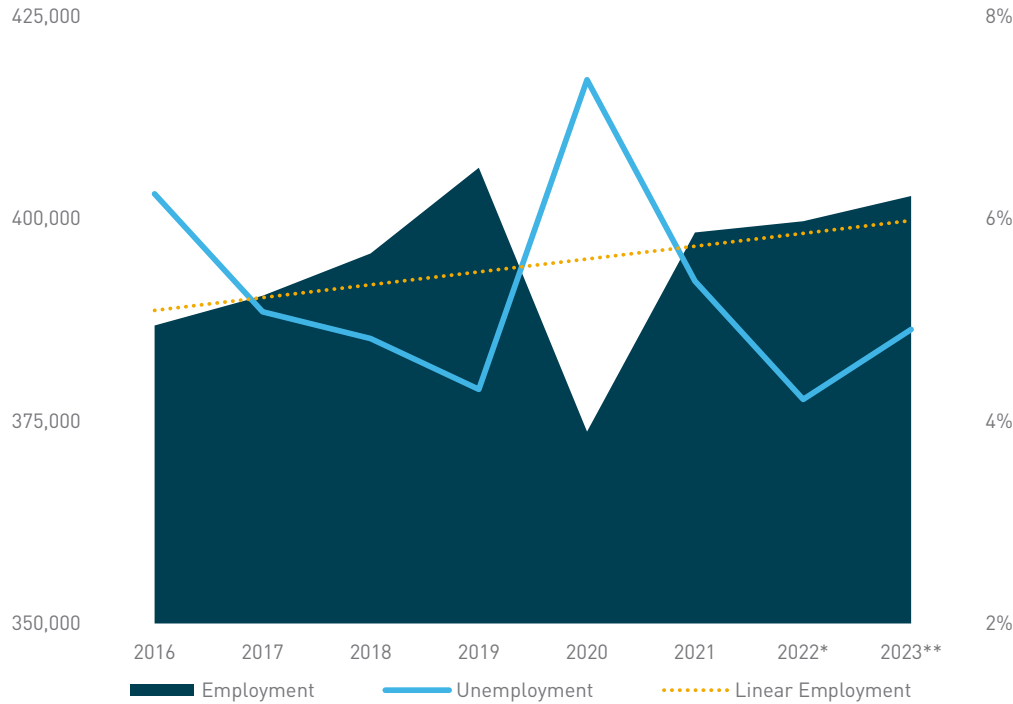


\*Projected \*\*Forecast

# ALBUQUERQUE, NM

## Employment Trends

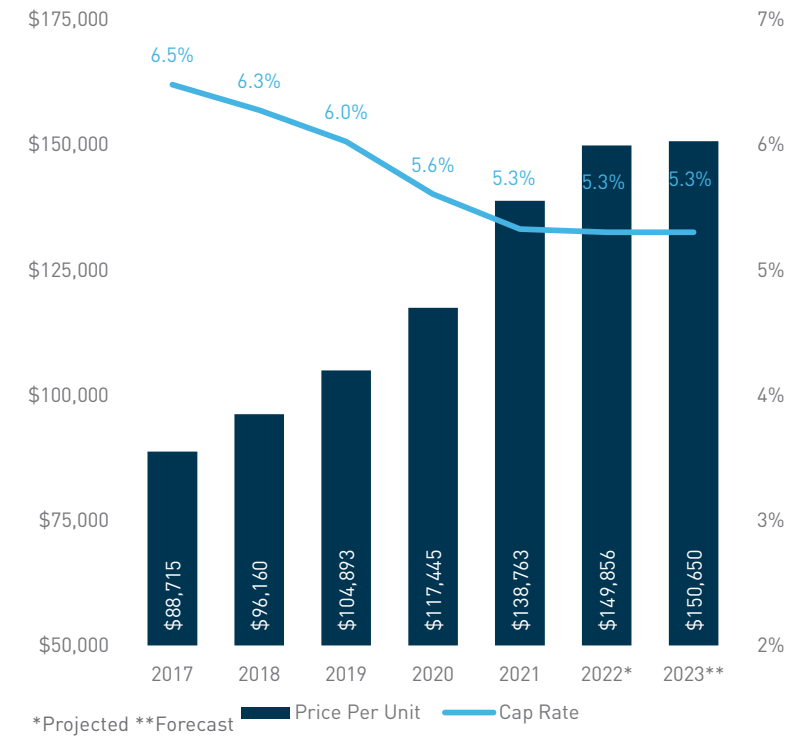
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Price Per Unit Cap Rate

Employment

402,800



UP 0.8% YOY

Unemployment

4.9%



UP 70 BPS YOY

Median Household Income

\$73,732



UP 4.2% YOY

Price Per Unit

\$150,650



UP 0.5% YOY

Cap Rate

5.3%



UNCHANGED YOY

# NEW YORK, NY

## 2023 MARKET AT A GLANCE

Occupancy Rate

97.8%



DOWN 20 BPS YOY

Effective Rent

\$4,473



UP 3.6% YOY

Rent Share of Wallet

54.5%

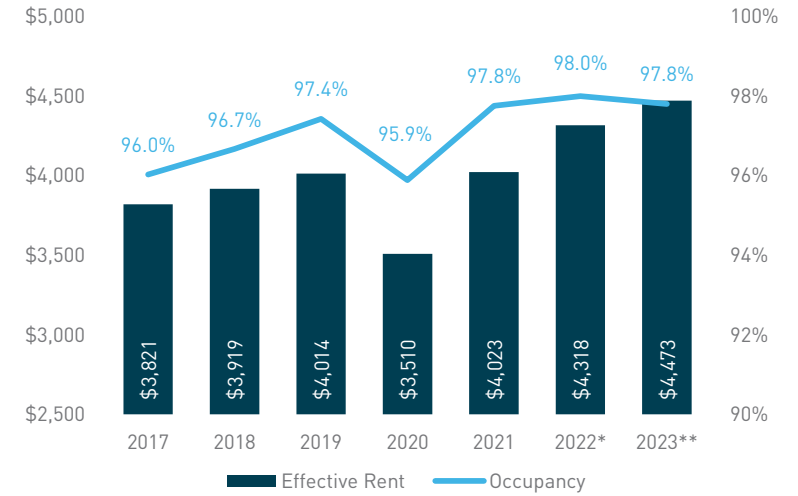


DOWN 10 BPS YOY

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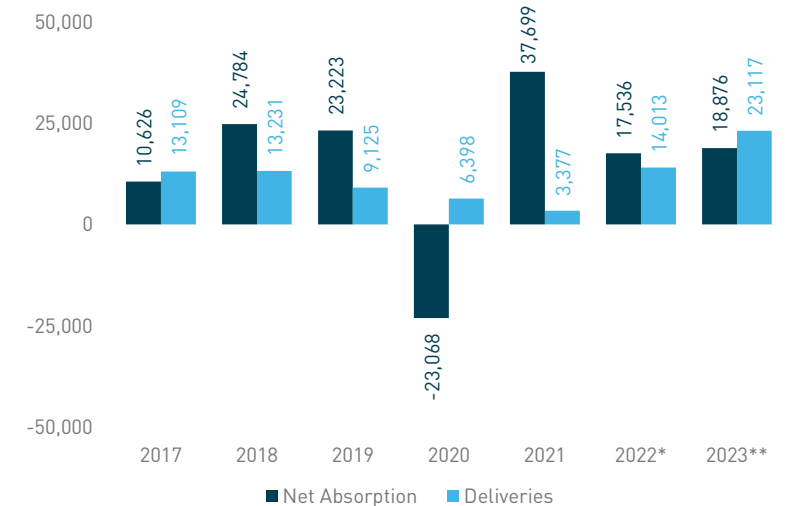
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

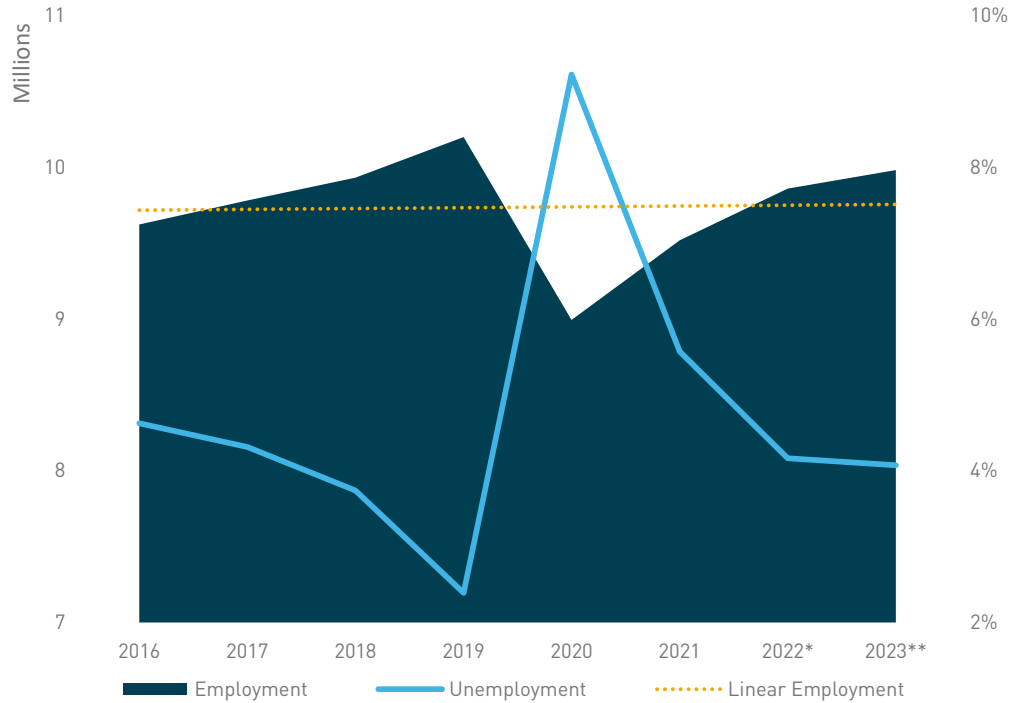


\*Projected \*\*Forecast

# NEW YORK, NY

## Employment Trends

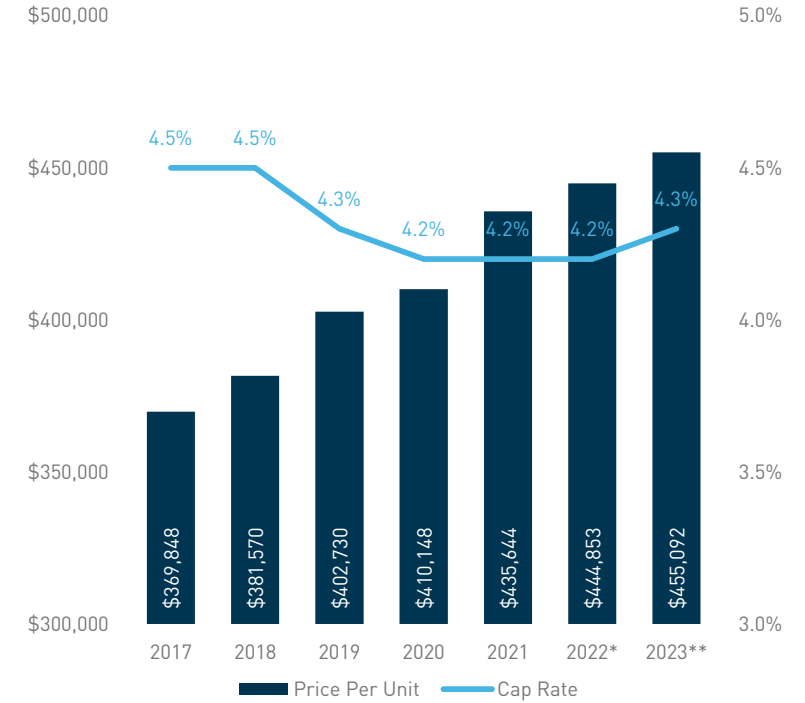
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>9,981,300</b></p> <p>↑</p> <p>UP 1.2% YOY</p>	<p>Unemployment</p> <p><b>4.1%</b></p> <p>↓</p> <p>DOWN 10 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$98,447</b></p> <p>↑</p> <p>UP 3.8% YOY</p>
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<p>Price Per Unit</p> <p><b>\$455,092</b></p> <p>↑</p> <p>UP 2.3% YOY</p>	<p>Cap Rate</p> <p><b>4.3%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# CHARLOTTE, NC

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.2%



DOWN 70 BPS YOY

Effective Rent

\$1,655



UP 3.7% YOY

Rent Share of Wallet

26.3%



UP 10 BPS YOY

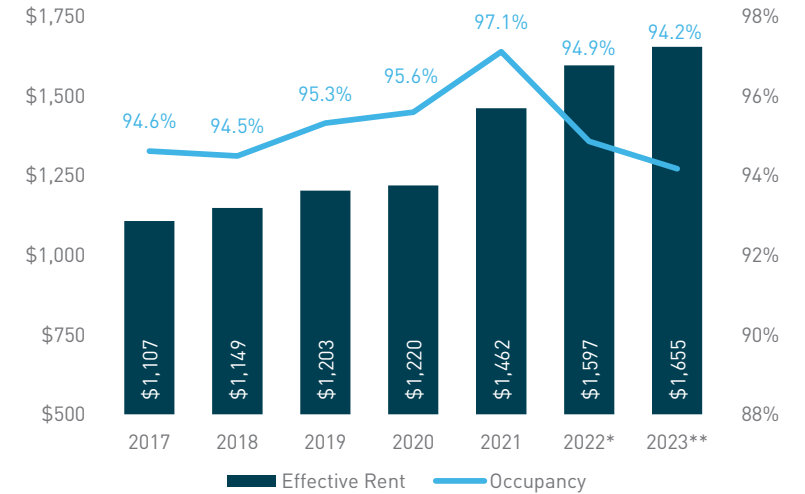
## Apartment Development and Leasing Expected to Surge in 2023

Builder sentiment remains strong in the Charlotte metro as a wave of new apartment inventory is scheduled to come online during 2023. More than 19,100 market-rate units are scheduled to be completed over the next four quarters, which would be a record high for the metro. Home prices within Charlotte have appreciated 65.8% over the last five years, which can be attributed in part to net in-migration of more than 132,000 new residents since 2018 and have led to many homebuyers being priced out of the market and in need of alternative apartment options. Rising apartment occupancy rates paired with a record level of new deliveries within the Uptown/South End submarket indicate that the submarket has been undersupplied for quite some time and has created a significant opportunity for new inventory, with 2,655 units expected in the submarket during 2023. The Uptown/South End apartment submarket is regarded as one of the most expensive in the metro area and is known as a popular location for young, professional adults to live. The effective rent within the Uptown/South End submarket demands a 29.8% premium compared to the effective rent within the metro. Even with the added cost of renting, the appeal of the submarket will be reflected in among the highest annual net absorption over the next four quarters. Contributing to apartment demand in the submarket and across Greater Charlotte is the rise in net in-migration that the metro has seen since the pandemic. Another factor will be the 1.3% forecast employment growth in 2023.

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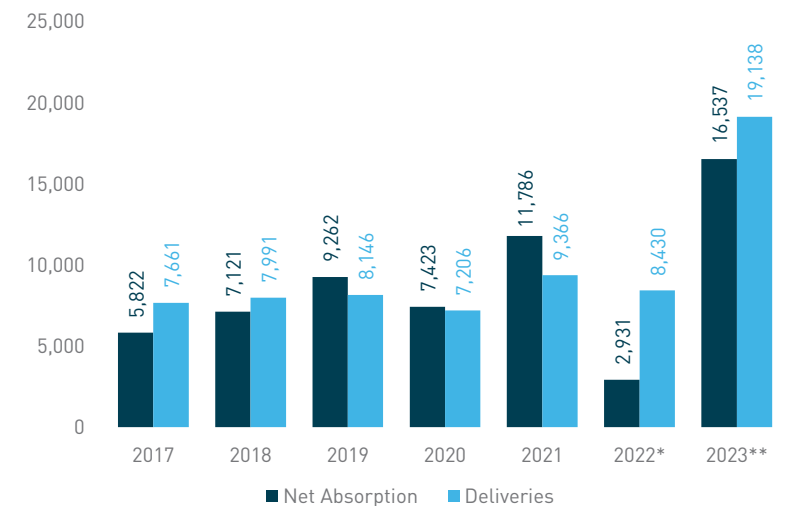
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

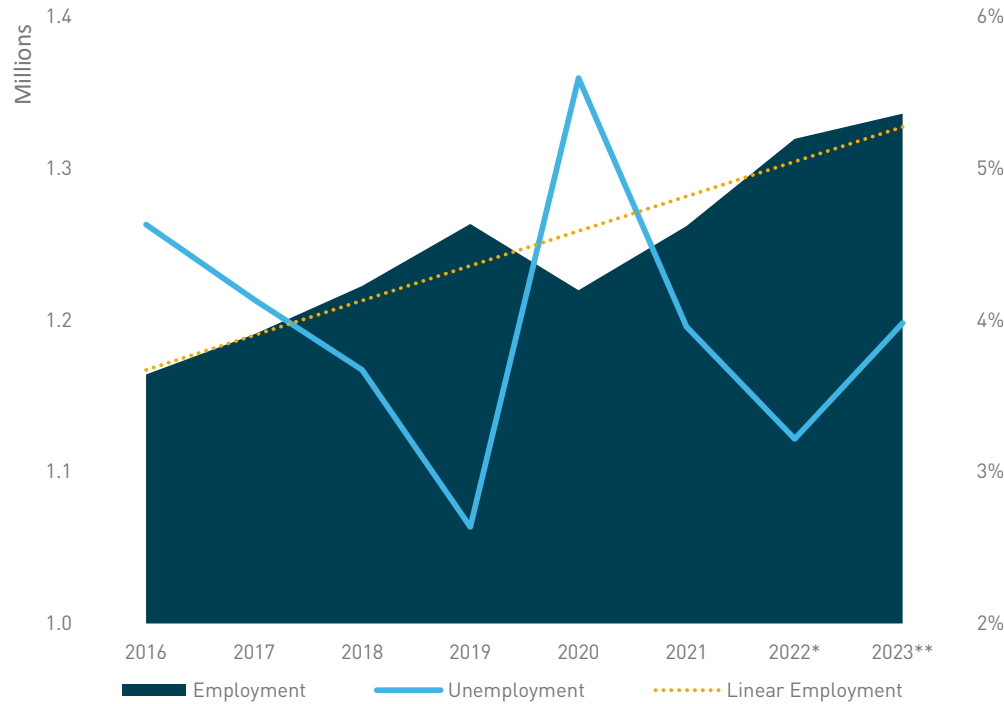


\*Projected \*\*Forecast

# CHARLOTTE, NC

## Employment Trends

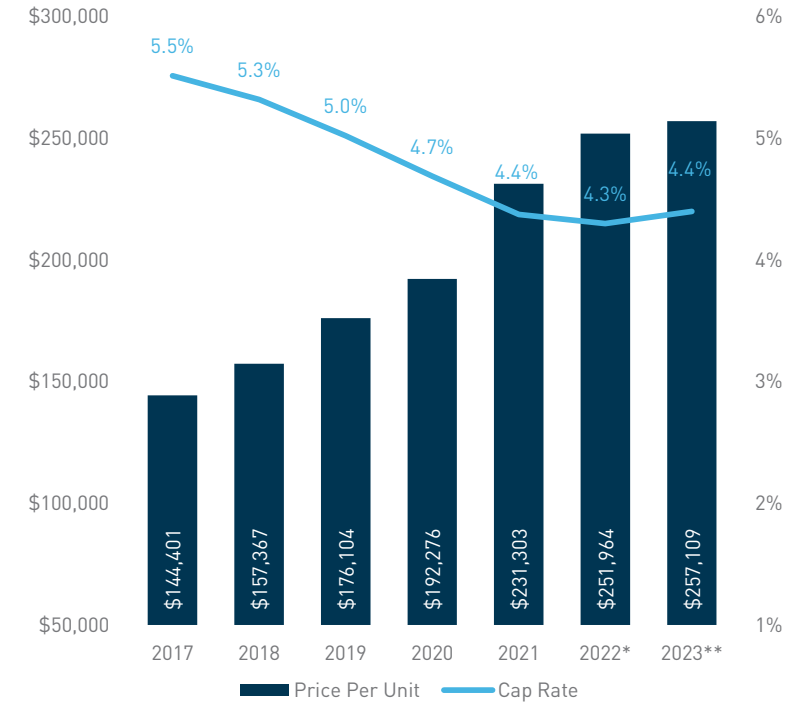
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,335,900</b></p> <p>↑</p> <p>UP 1.3% YOY</p>	<p>Unemployment</p> <p><b>4.0%</b></p> <p>↑</p> <p>UP 80 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$75,517</b></p> <p>↑</p> <p>UP 3.4% YOY</p>
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<p>Price Per Unit</p> <p><b>\$257,109</b></p> <p>↑</p> <p>UP 2.0% YOY</p>	<p>Cap Rate</p> <p><b>4.4%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# RALEIGH-DURHAM, NC

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.1%



DOWN 70 BPS YOY

Effective Rent

\$1,621



UP 3.0% YOY

Rent Share of Wallet

22.2%

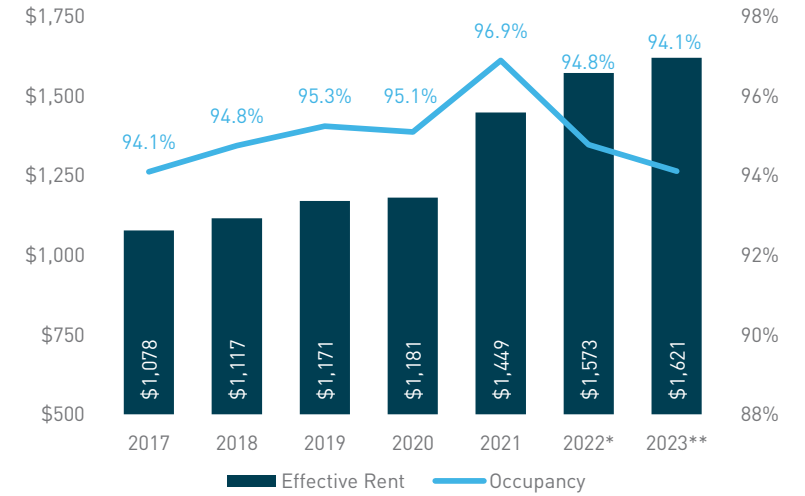


DOWN 10 BPS YOY

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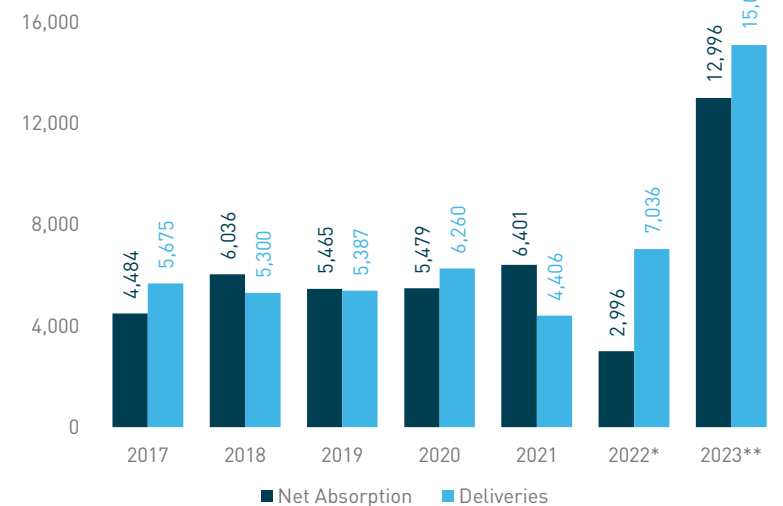
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

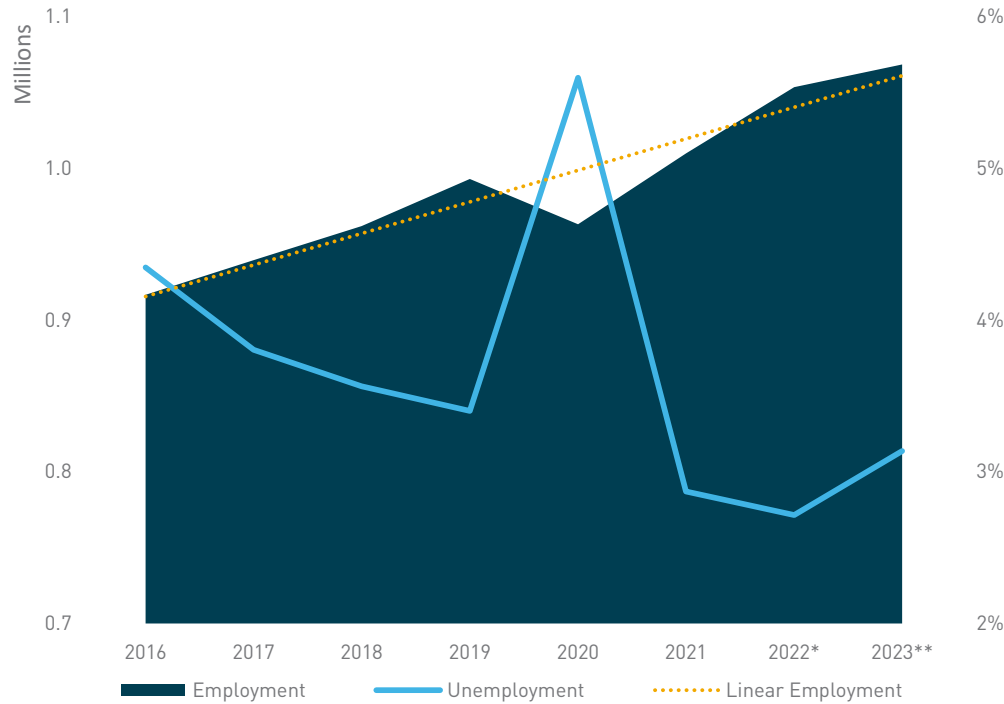


\*Projected \*\*Forecast

# RALEIGH-DURHAM, NC

## Employment Trends

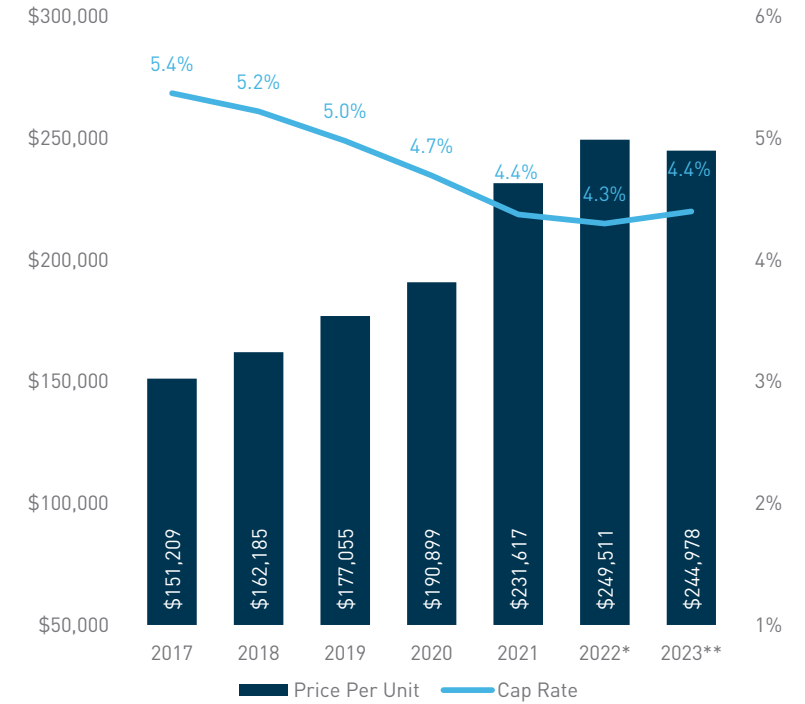
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,068,300</b></p> <p>↑</p> <p>UP 1.4% YOY</p>	<p>Unemployment</p> <p><b>3.1%</b></p> <p>↑</p> <p>UP 40 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$87,481</b></p> <p>↑</p> <p>UP 3.3% YOY</p>
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<p>Price Per Unit</p> <p><b>\$244,978</b></p> <p>↓</p> <p>DOWN 1.8% YOY</p>	<p>Cap Rate</p> <p><b>4.4%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# CINCINNATI, OH

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.6%



DOWN 90 BPS YOY

Effective Rent

\$1,329



UP 3.3% YOY

Rent Share of Wallet

20.1%



DOWN 10 BPS YOY

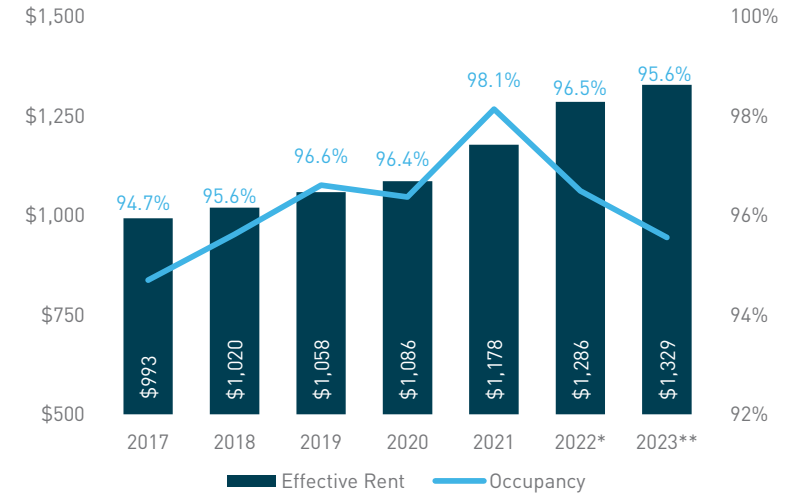
## Corporate Investments Stimulate Job and Development Growth

Greater Cincinnati is poised for a surge in new units to come online in 2023, as developers have confidence in the strong apartment fundamentals in the area. Deliveries are on pace to be the highest ever year in at least two decades and more than double the five-year average. Construction is scheduled to add a metro-leading 767 units in the North Central Cincinnati submarket during 2023. Builders are focusing development along major transportation lines to appeal to renters priced out of living in the Central Cincinnati submarket but want easy access to downtown. The new inventory metrowide, combined with 0.8% annual projected employment growth, will facilitate leasing activity as the number of units projected to be absorbed during 2023 is also above their five-year average. Even so, leasing activity is forecast to trail the influx of new inventory. The occupancy rate is expected to decrease 90 basis points in 2023 as the wave of new units will take time to reach market equilibrium. Added jobs from corporate expansion in the region are anticipated to alleviate some of the supply pressure on the apartment market in the near term, as freight brokerage firm Total Quality Logistics will undergo its third corporate headquarters expansion in the last three years. The expansion is projected to add 1,000 new jobs to the metro with an investment of \$78 million. Cincinnati, with particular focus in downtown, is working to accelerate growth in the information sector with massive construction projects underway in the University of Cincinnati Innovation Corridor.

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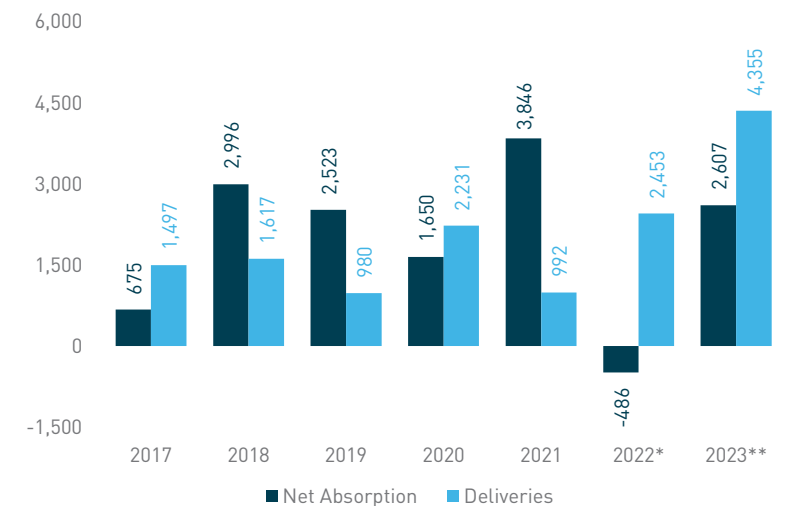
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

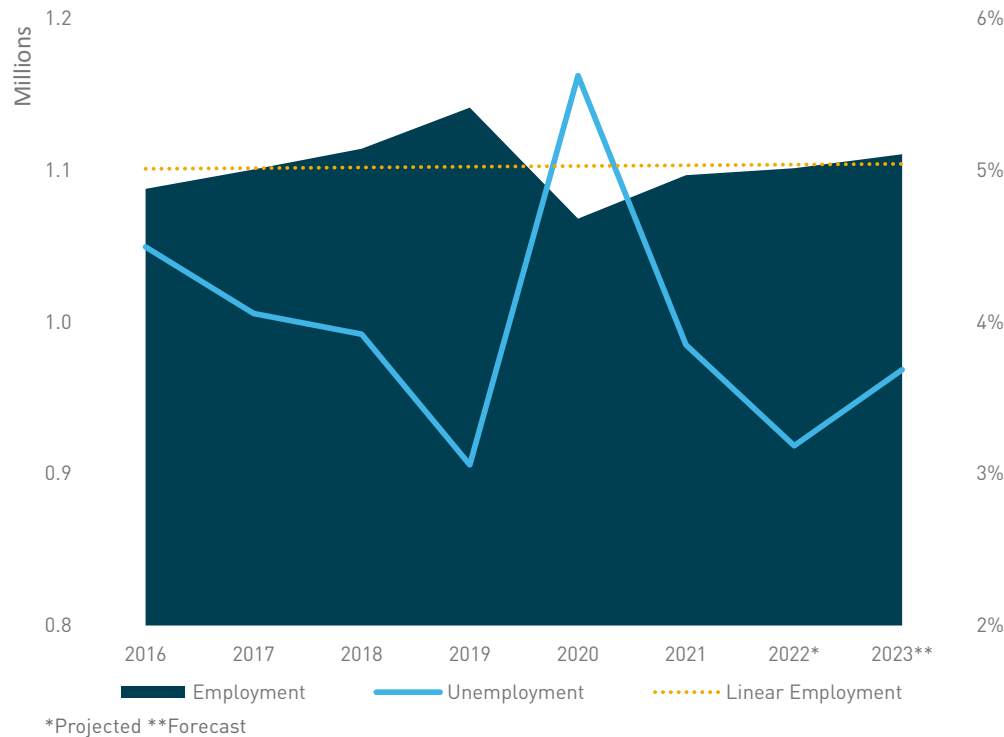
### Absorption & Deliveries



\*Projected \*\*Forecast

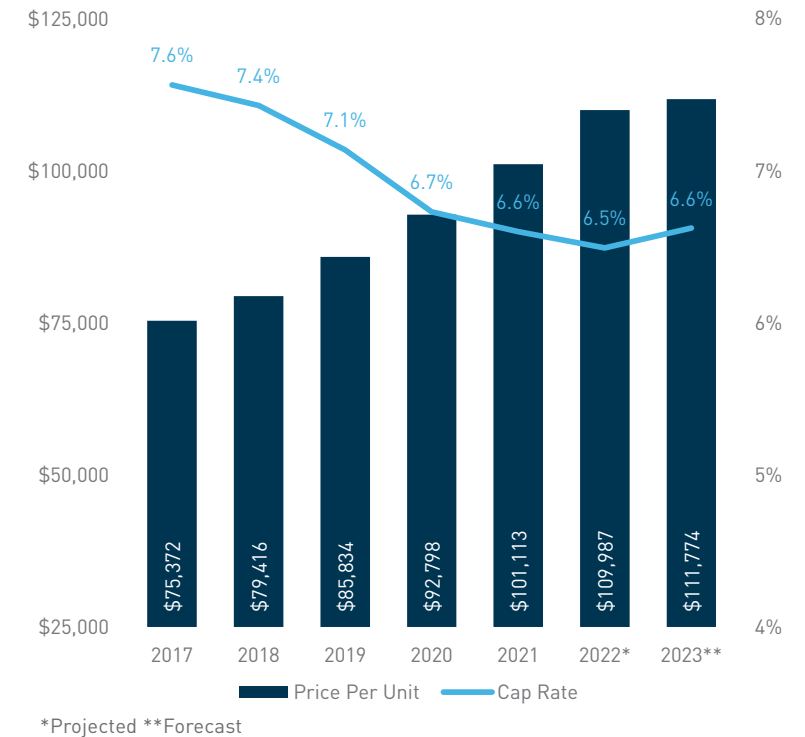
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>1,110,500</b></p> <p>↑</p> <p>UP 0.8% YOY</p>	<p>Unemployment</p> <p><b>3.7%</b></p> <p>↑</p> <p>UP 50 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$79,301</b></p> <p>↑</p> <p>UP 3.8% YOY</p>
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<p>Price Per Unit</p> <p><b>\$111,774</b></p> <p>↑</p> <p>UP 1.6% YOY</p>	<p>Cap Rate</p> <p><b>6.6%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# CLEVELAND, OH

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.2%



DOWN 100 BPS YOY

Effective Rent

\$1,211



UP 2.7% YOY

Rent Share of Wallet

21.1%



DOWN 30 BPS YOY

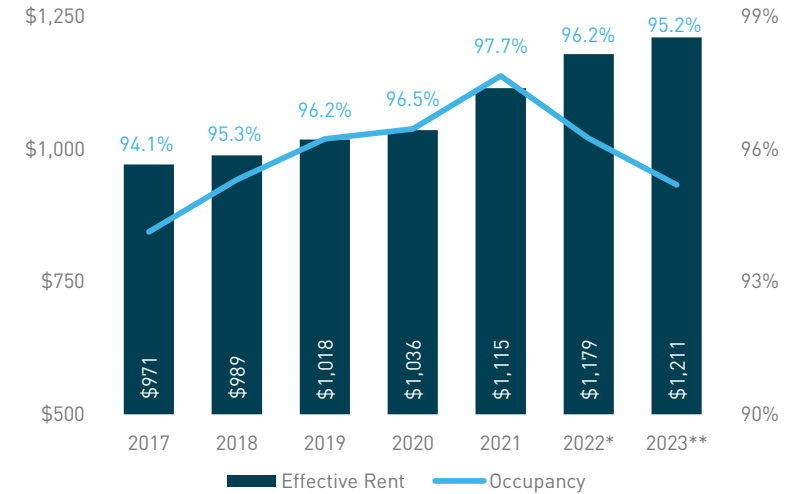
## Apartment Development and Demand Concentrated in Central Cleveland

As the economic recovery continues in the Cleveland metropolitan area, apartment fundamentals are expected to shift to pre-pandemic norms. Employers are forecast to create 7,000 additional jobs for 0.7% growth over the next 12 months. A significant share of the new jobs will be in the education and health care segment, the largest employment sector in the metro. The Cleveland Clinic will boost the industry this year and beyond with a new 1 million-square-foot Neurological Institute building on the main campus that is projected to add more than 9,500 direct and indirect jobs. Occupations in the health care industry typically pay more than the market average, contributing to a 3.9% forecast increase in the median household income this year. More well-paid households will be needed as more than 1,200 units are scheduled to come online in 2023. Deliveries will be focused on the Central Cleveland submarket. Housing demand in Downtown Cleveland will be driven by continued investments in the area, including the new \$300 million Sherwin-Williams global headquarters that will house more than 3,000 employees. The Central Cleveland submarket is the only one of the metro's submarkets expected to see more people moving into apartments than moving out this year, as total households metrowide are projected to contract as many people are choosing to move in with family or take on roommates. As a result, Greater Cleveland apartment occupancy is forecast to settle at 95.2% by year-end, still above the pre-pandemic cycle average of 94.7% from 2010 to 2019.

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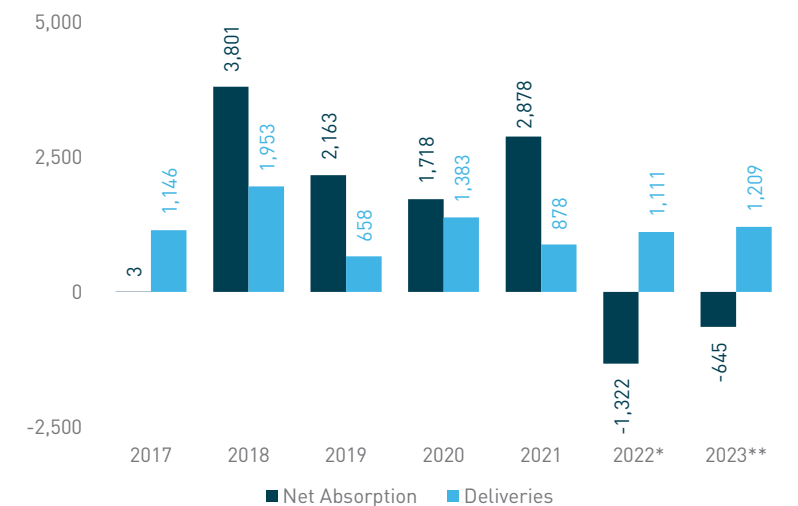
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

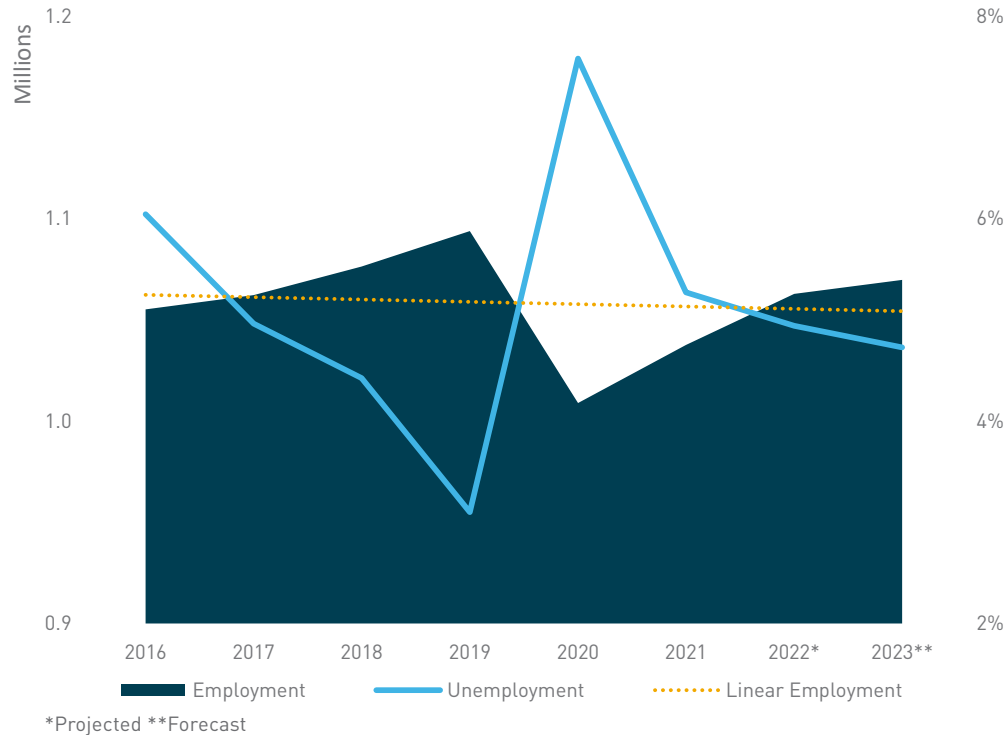
### Absorption & Deliveries



\*Projected \*\*Forecast

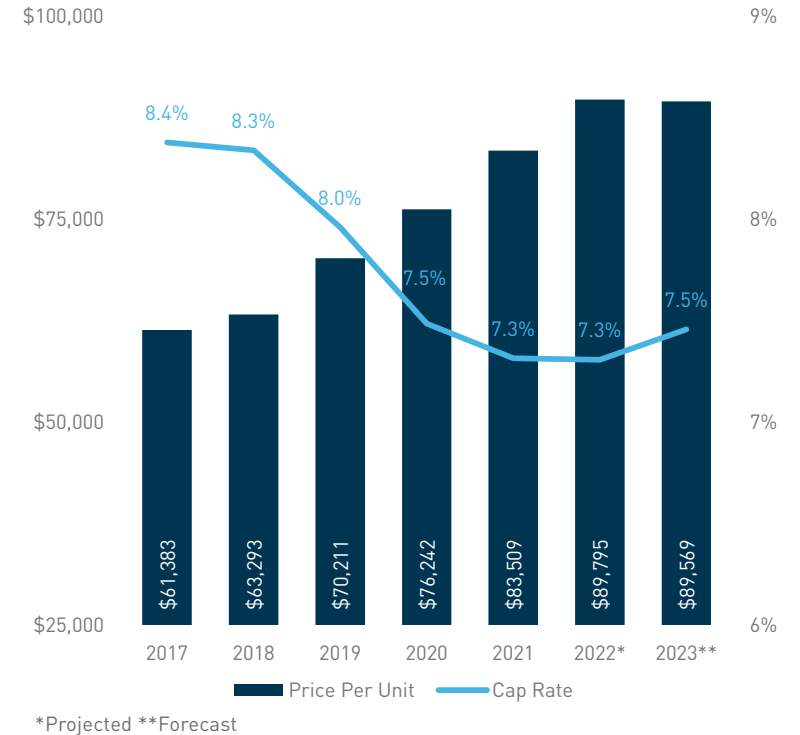
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>1,069,800</b></p> <p>↑</p> <p>UP 0.7% YOY</p>	<p>Unemployment</p> <p><b>4.7%</b></p> <p>↓</p> <p>DOWN 20 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$68,880</b></p> <p>↑</p> <p>UP 3.9% YOY</p>
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<p>Price Per Unit</p> <p><b>\$89,569</b></p> <p>↓</p> <p>DOWN 0.3% YOY</p>	<p>Cap Rate</p> <p><b>7.5%</b></p> <p>↑</p> <p>UP 20 BPS YOY</p>
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# COLUMBUS, OH

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.7%



DOWN 30 BPS YOY

Effective Rent

\$1,305



UP 3.8% YOY

Rent Share of Wallet

19.3%



UNCHANGED YOY

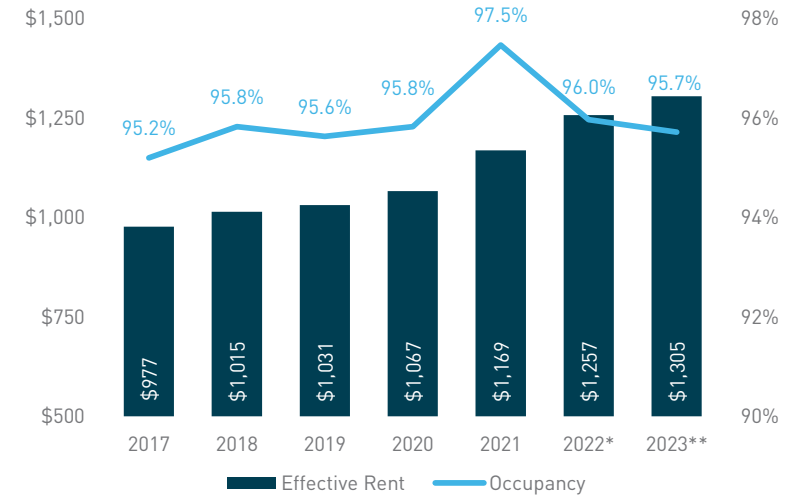
## Downtown and OSU Driving Apartment Development and Demand

Apartment developers are heightening construction activity to fill the housing gap across Greater Columbus. In the last decade, builders brought online approximately 4,300 units each year, representing 24% growth in apartment inventory. Even so, metrowide apartment occupancy typically was higher than the national average during that time. This trend is expected to continue in 2023 as construction is scheduled to complete on 5,523 units across the Columbus metropolitan area. While annual deliveries are expected to remain elevated, local occupancy is projected to end the year at 95.7%, higher than the forecast 95.0% national average. Contributing to healthy occupancy will be accelerated leasing activity year over year with increased net migration to the metro as employment grows an estimated 1.1%. Another factor creating more housing need is the growing enrollment at the Ohio State University, as the student body is forecast to reach a record high in fall 2023. With approximately 15,100 on-campus beds, the university creates substantial off-campus housing demand. Apartment developers will provide more options for these students as well as the 49,300 individuals employed by the university, with more than 3,000 units coming online in the Downtown Columbus/ University District submarket by year-end 2023. A share of these units is concentrated in Downtown Columbus, where more than 89,400 jobs are located. The new apartment stock and the desirability of the area will be a factor in more apartments absorbed in the submarket than all other submarkets combined.

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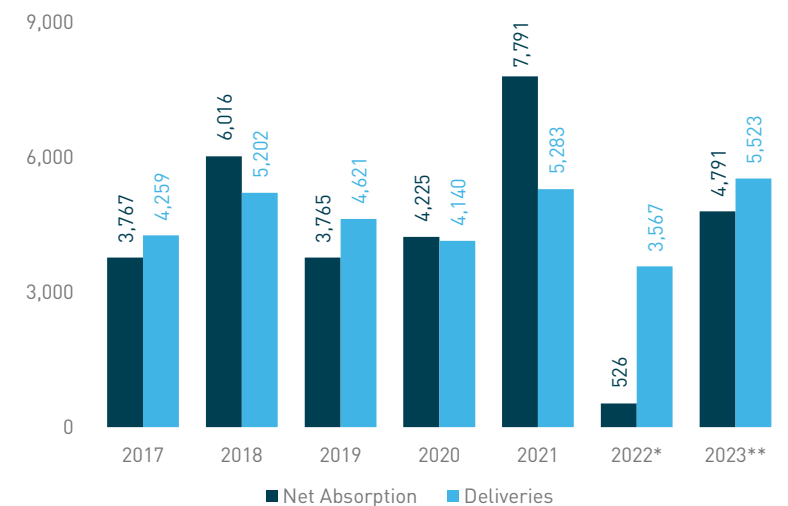
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

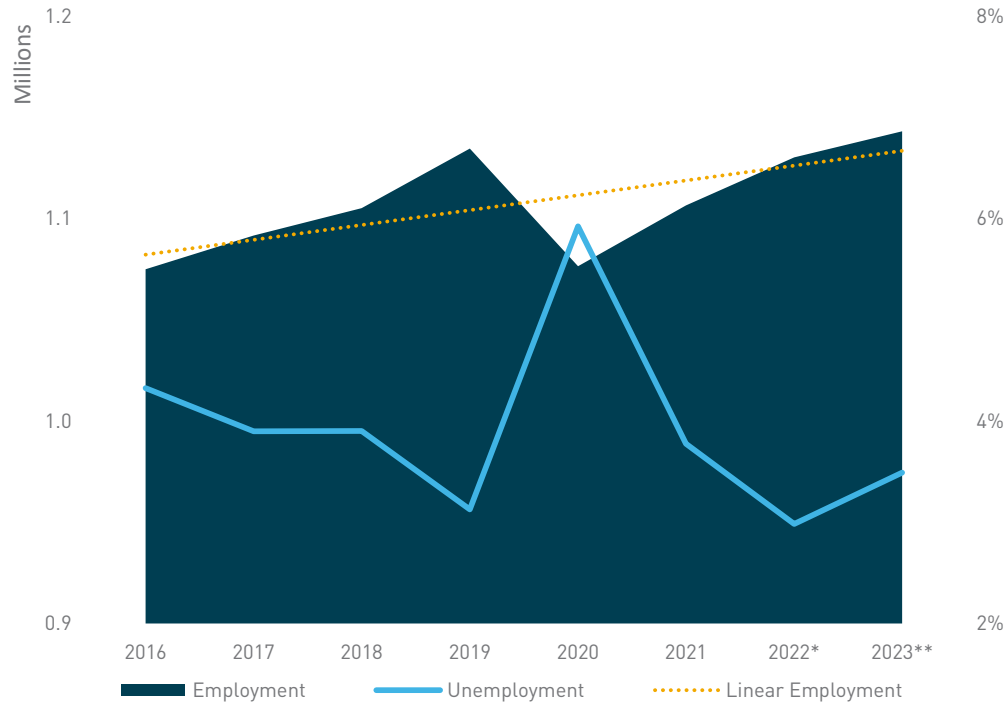


\*Projected \*\*Forecast

# COLUMBUS, OH

## Employment Trends

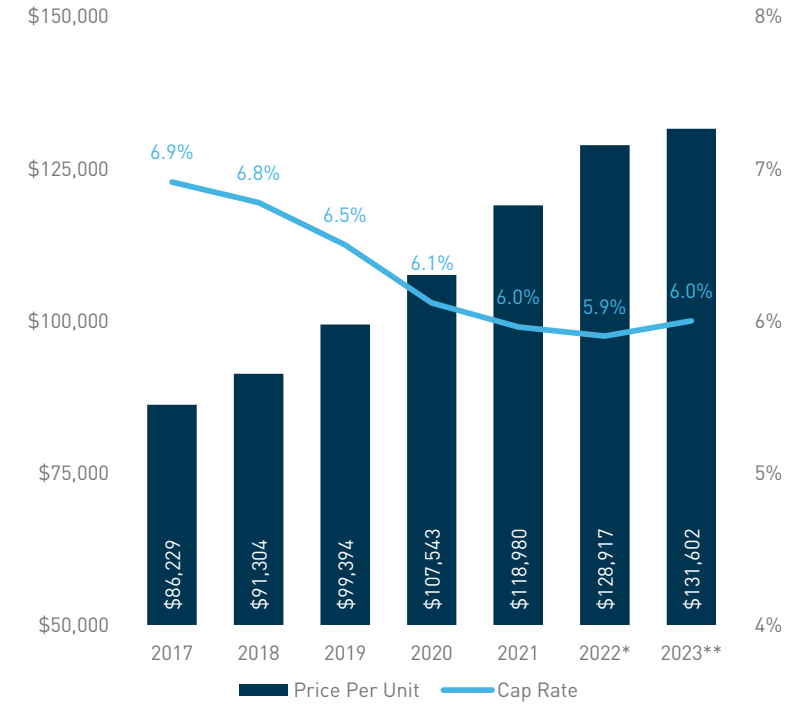
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,143,200</b></p> <p>↑</p> <p>UP 1.1% YOY</p>	<p>Unemployment</p> <p><b>3.5%</b></p> <p>↑</p> <p>UP 50 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$81,172</b></p> <p>↑</p> <p>UP 3.8% YOY</p>
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<p>Price Per Unit</p> <p><b>\$131,602</b></p> <p>↑</p> <p>UP 2.1% YOY</p>	<p>Cap Rate</p> <p><b>6.0%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# OKLAHOMA CITY, OK

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.2%



DOWN 40 BPS YOY

Effective Rent

\$989



UP 2.7% YOY

Rent Share of Wallet

16.6%

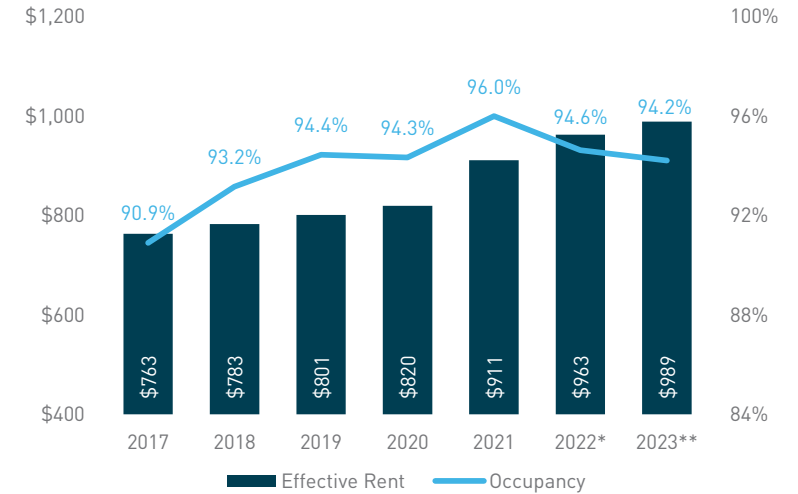


DOWN 30 BPS YOY

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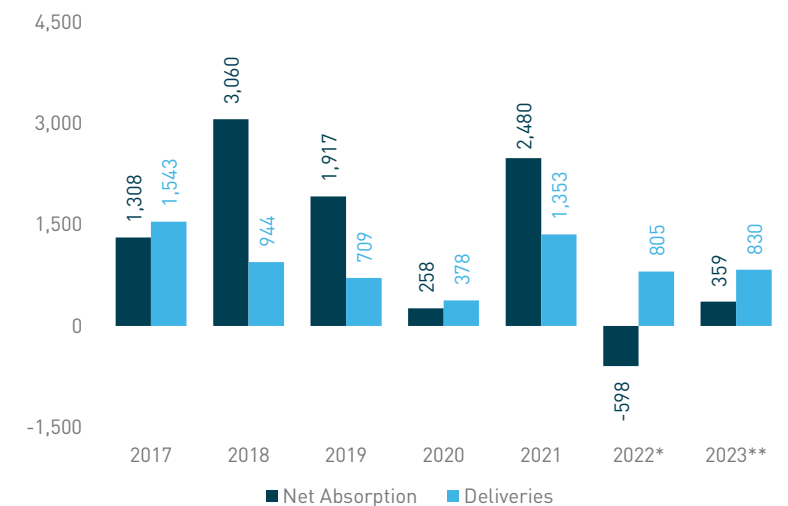
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

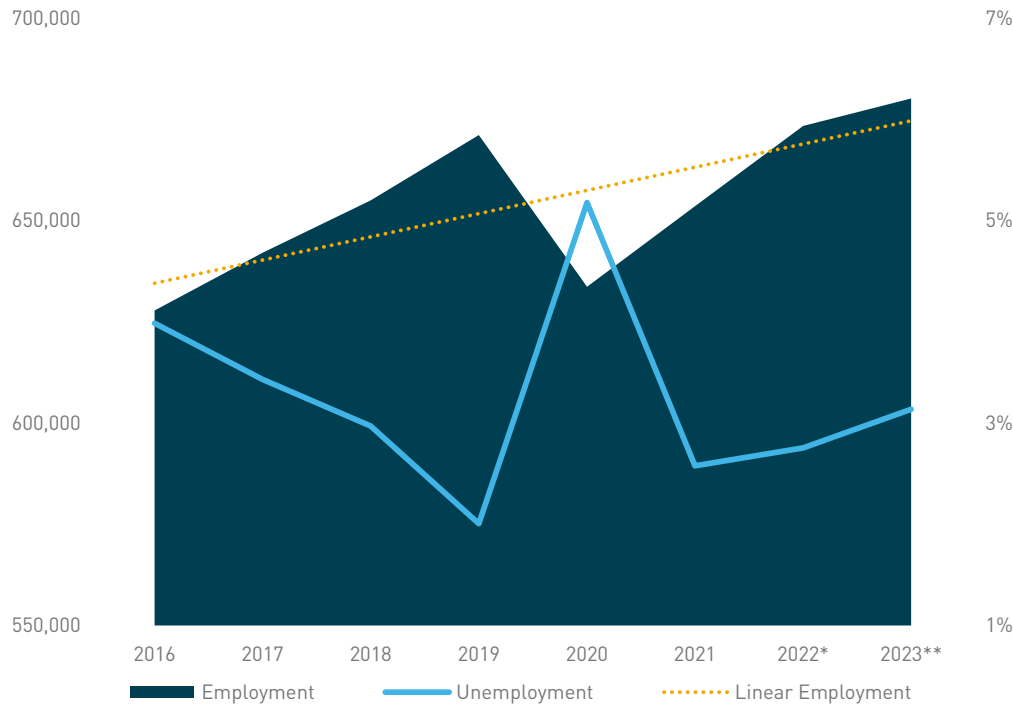


\*Projected \*\*Forecast

# OKLAHOMA CITY, OK

## Employment Trends

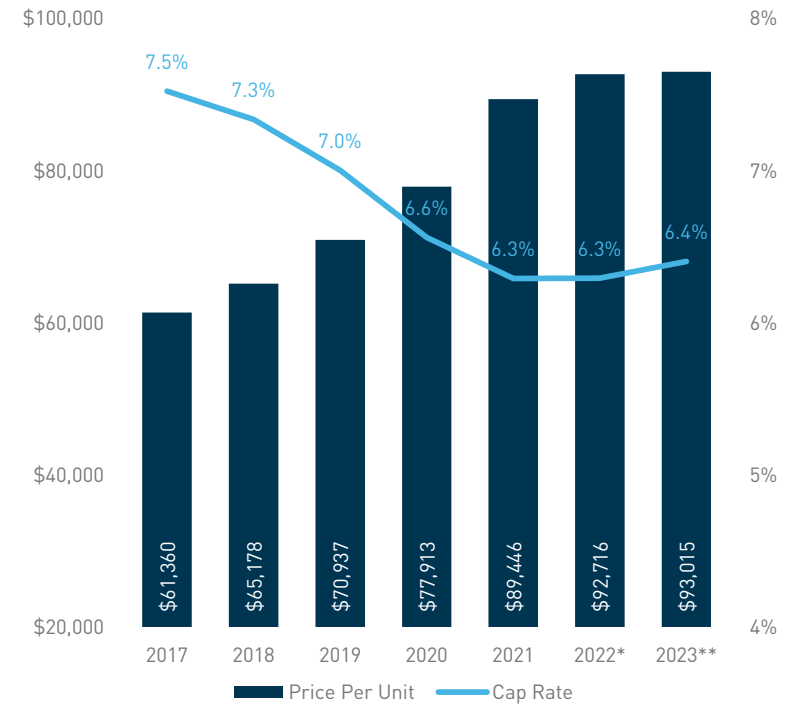
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

680,200



UP 1.0% YOY

Unemployment

3.1%



UP 30 BPS YOY

Median Household Income

\$71,666



UP 4.7% YOY

Price Per Unit

\$93,015



UP 0.3% YOY

Cap Rate

6.4%



UP 10 BPS YOY

# TULSA, OK

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.6%



DOWN 100 BPS YOY

Effective Rent

\$961



UP 3.0% YOY

Rent Share of Wallet

16.9%

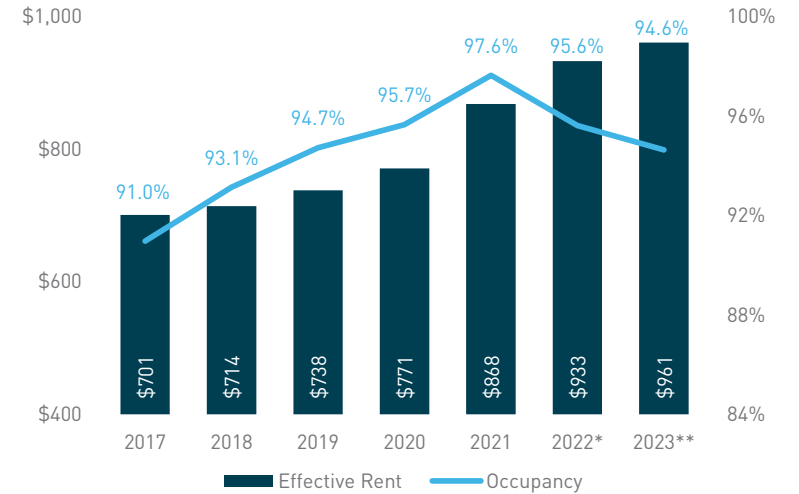


DOWN 20 BPS YOY

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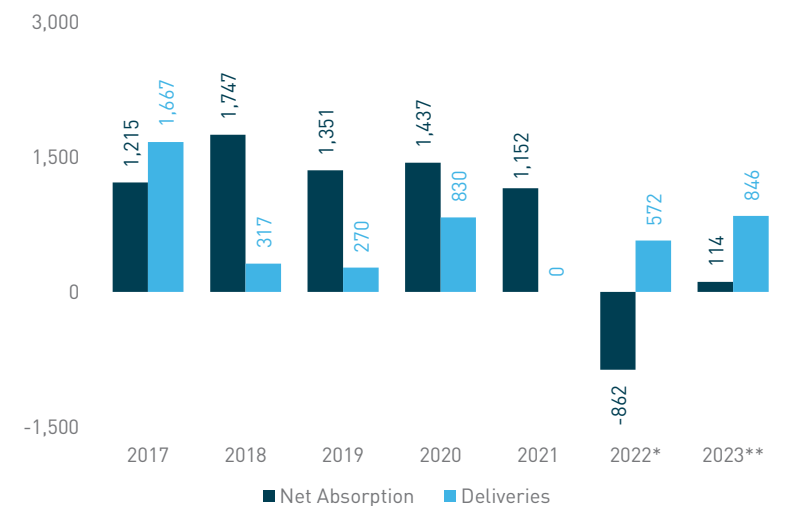
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

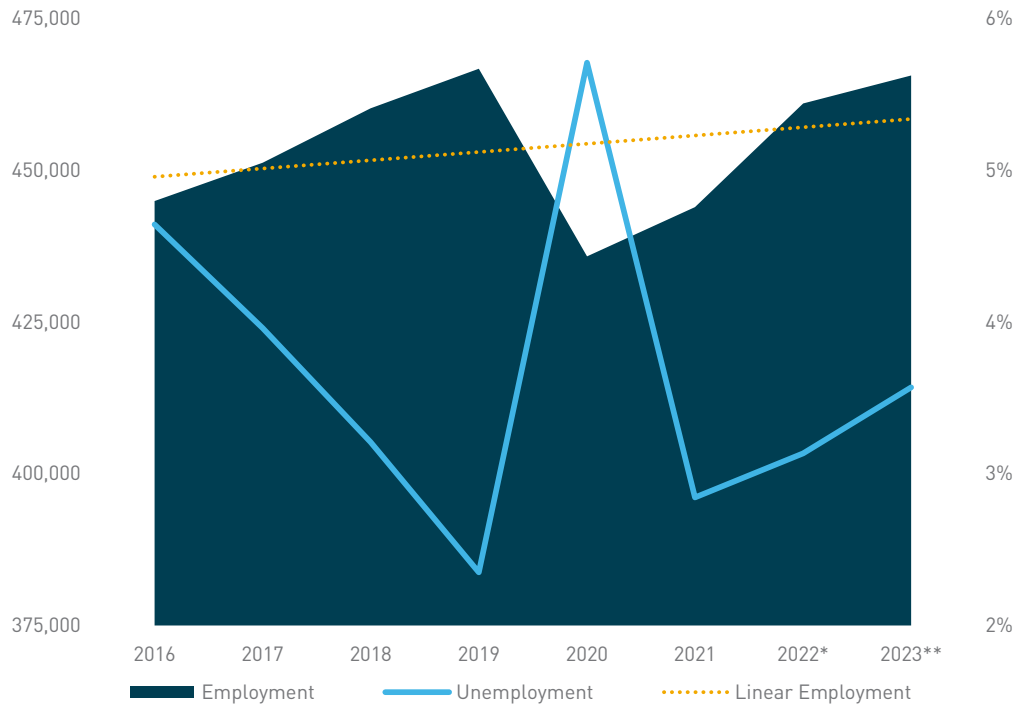


\*Projected \*\*Forecast

# TULSA, OK

## Employment Trends

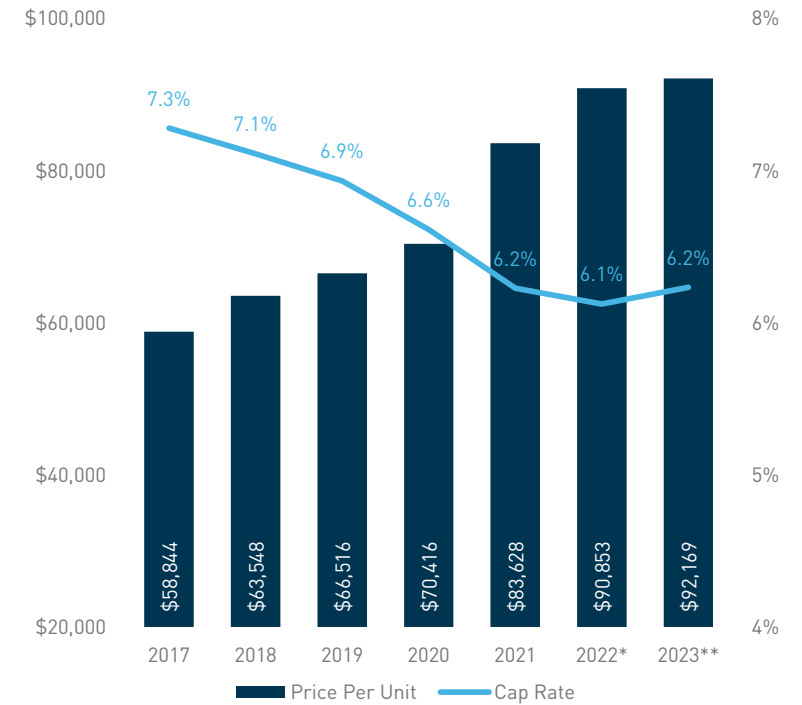
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

465,600



UP 1.0% YOY

Unemployment

3.6%



UP 50 BPS YOY

Median Household Income

\$68,304



UP 4.5% YOY

Price Per Unit

\$92,169



UP 1.4% YOY

Cap Rate

6.2%



UP 10 BPS YOY

# PORTLAND, OR

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.3%



DOWN 50 BPS YOY

Effective Rent

\$1,856



UP 3.7% YOY

Rent Share of Wallet

24.0%



UP 10 BPS YOY

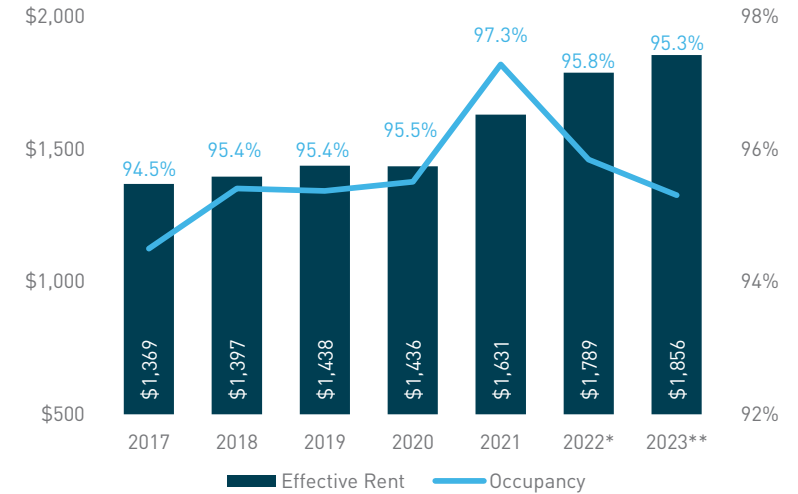
## Portland's Relative Affordability to Drive Tech Employment and Apartment Demand

Portland's solid economic comeback since the onset of the pandemic is anticipated to continue this year. Local projected growth among employment, population, and household incomes are expected to exceed their respective national rates and will help drive the health of the Greater Portland apartment market in 2023. Referred to as the Silicon Forest, Portland's technology industry plays a significant role in the local economy. The Portland metro area has been a popular destination for remote workers who left pricier coastal cities for less dense, more affordable options. The tech-heavy, work-from-home culture is expected to continue, allowing workers to stay in areas they prefer at a more affordable rate. Portland's employment growth will continue with 1.4% expansion in 2023, supporting apartment demand reaching its pre-pandemic average. With the completion of 5,121 new units, monthly effective rent is expected to increase 3.7% annually to \$1,856 in the fourth quarter. At the same time, household income is set to rise 3.2%, which will help offset the cost of renting. Even with the major increase in net absorption for 2023, the average occupancy rate in the market will fall to a still healthy 95.3% by year-end. In the investment arena, Portland's improving economic conditions, expected job growth, rising wages, and favorable apartment fundamentals will still attract apartment capital. Current estimates based on recent transaction trends show an above-average value for multifamily product, rising 3.1% per unit in 2023.

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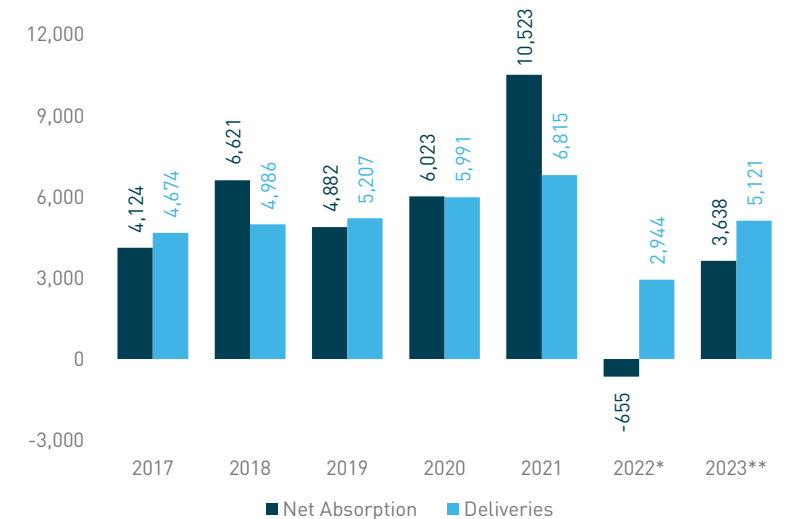
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

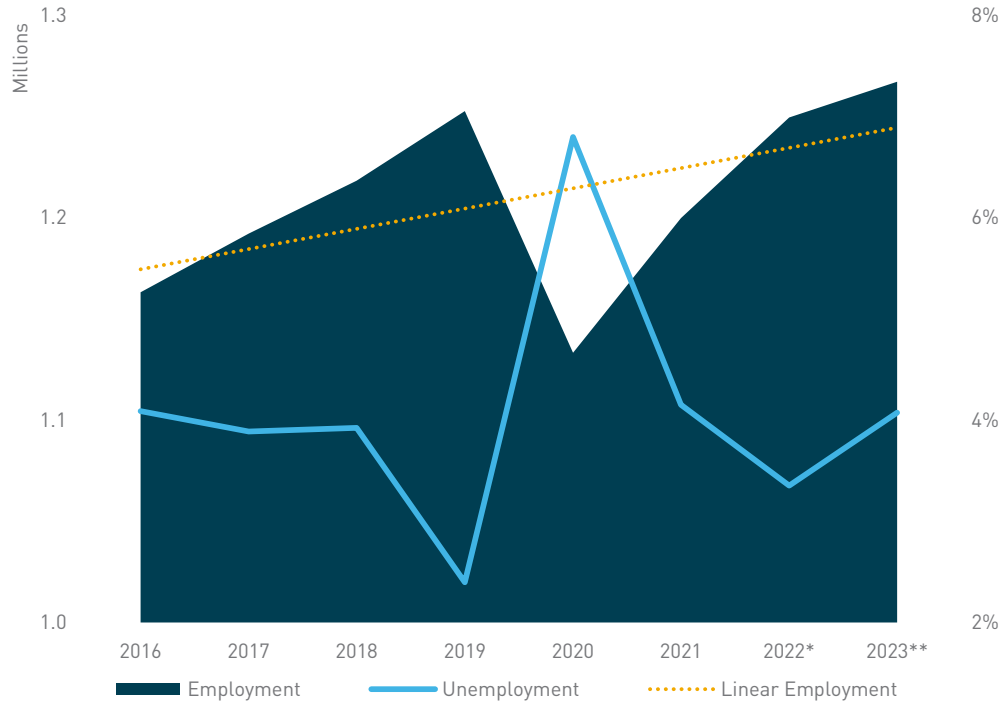


\*Projected \*\*Forecast

# PORTLAND, OR

## Employment Trends

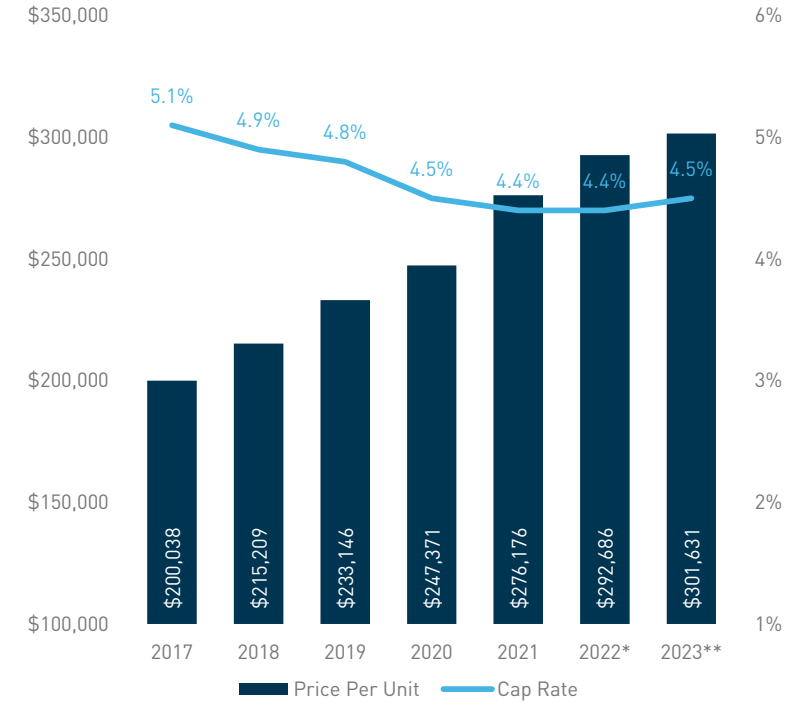
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,267,200</b></p> <p>↑</p> <p>UP 1.4% YOY</p>	<p>Unemployment</p> <p><b>4.1%</b></p> <p>↑</p> <p>UP 70 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$92,854</b></p> <p>↑</p> <p>UP 3.2% YOY</p>
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<p>Price Per Unit</p> <p><b>\$301,631</b></p> <p>↑</p> <p>UP 3.1% YOY</p>	<p>Cap Rate</p> <p><b>4.5%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# PHILADELPHIA, PA

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.2%



DOWN 50 BPS YOY

Effective Rent

\$1,797



UP 3.2% YOY

Rent Share of Wallet

23.8%



DOWN 20 BPS YOY

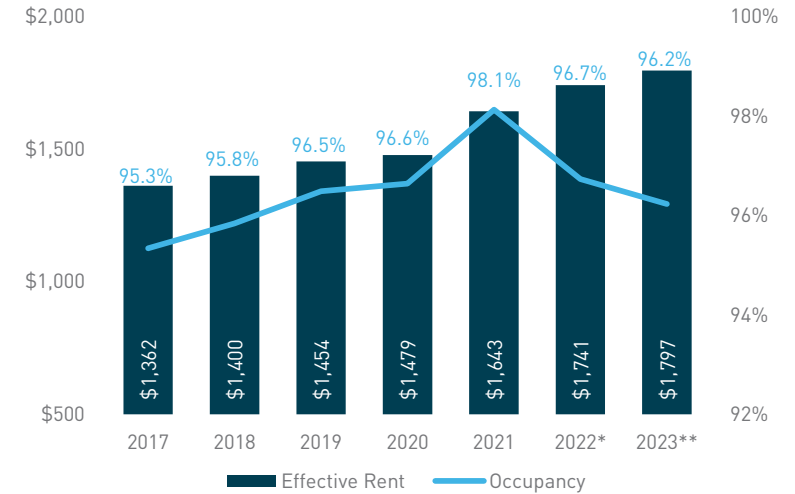
## Abundant Renters and Building Bonanza Keep Philadelphia's Center City Hot

Located in the heart of Philadelphia, Center City is the second-most populous downtown district in the nation and the prime driver of the local economy. Roughly 42% of the city's jobs are in Center City. Office-using industries support roughly 40% of the 305,000-plus Center City residents who work in the neighborhood. As major employers require workers to return to Center City offices, an increase of renters is expected in Philadelphia's urban core for its variety of housing and lifestyle amenities. Over the next five years, Downtown Philly's population is forecast to rise 9.3%, compared to 2.2% metrowide. About one-third of the current supply wave, or 4,147 units, is forecast to be delivered in the Center City submarket, which will expand inventory there 9.4%. With projects like the \$6 billion Navy Yard mixed-use redevelopment and the 200,000-square-foot life sciences property, developers are creating economic opportunities as well as luxury living options for current residents and incoming jobseekers. Demand for Center City apartments will increase this year, though net absorption will be insufficient to offset the accelerated pace of deliveries. Consistent with the metro overall, submarket occupancy is likely to trend downward with expanding inventory, ending the year at 93.4%. The influx of supply will curb rent growth, decelerating 0.2% year over year compared to the 3.2% metro forecast. Despite the dip, Center City will continue to command the highest effective rent across the metro's 16 submarkets.

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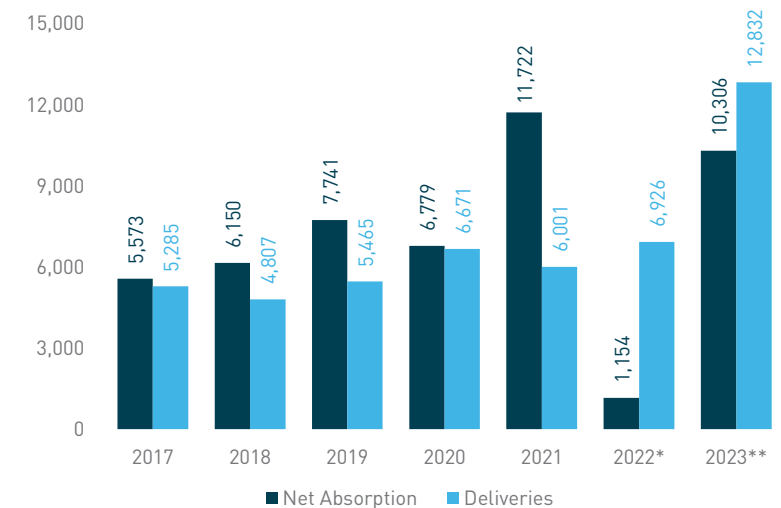
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

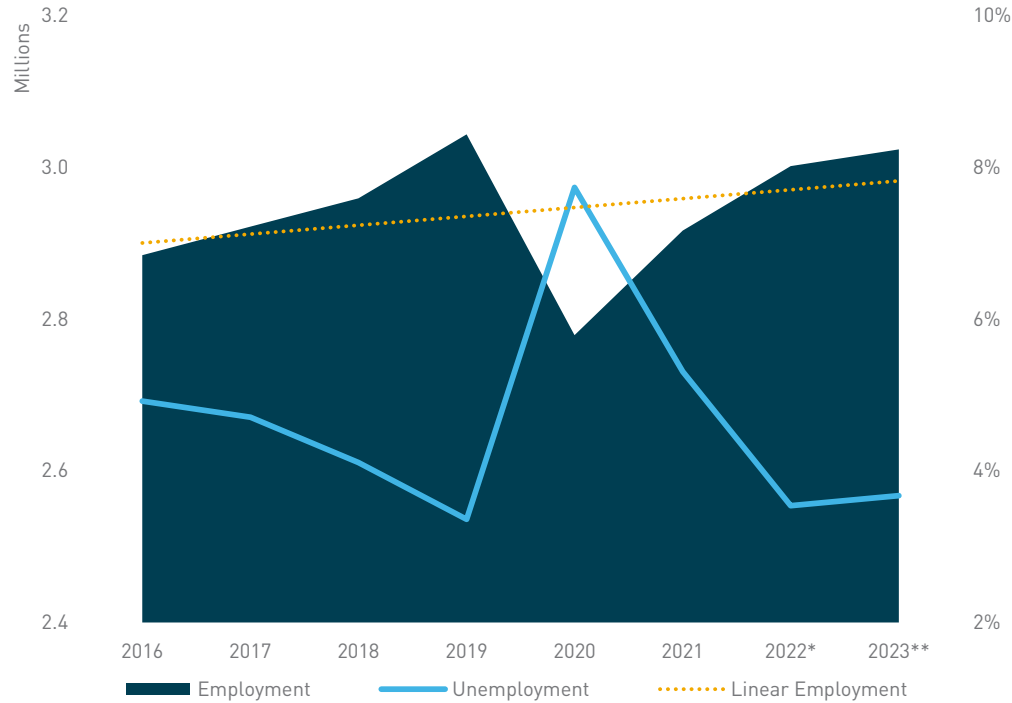
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

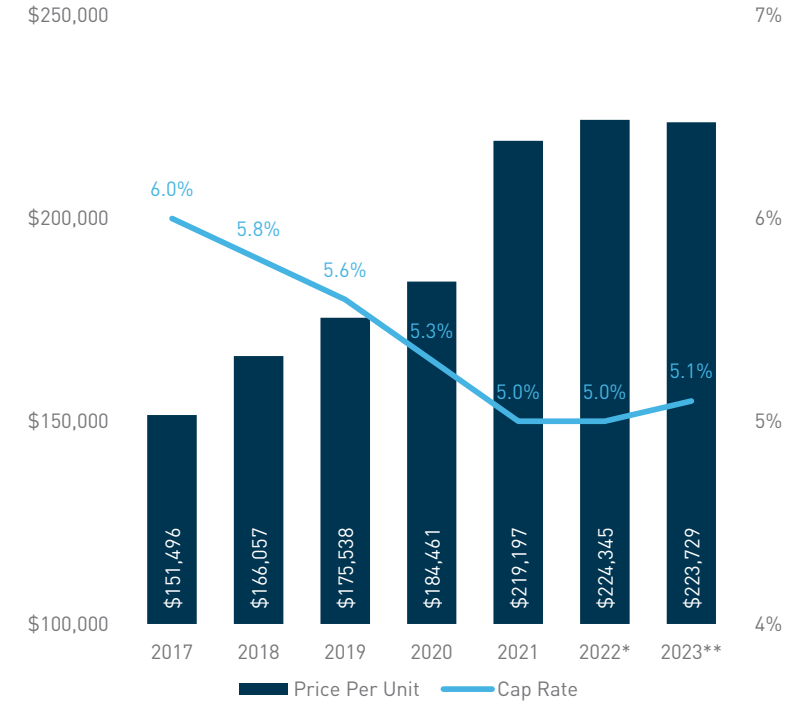
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>3,023,400</b></p> <p>↑</p> <p>UP 0.7% YOY</p>	<p>Unemployment</p> <p><b>3.7%</b></p> <p>↑</p> <p>UP 20 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$90,461</b></p> <p>↑</p> <p>UP 3.8% YOY</p>
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<p>Price Per Unit</p> <p><b>\$223,729</b></p> <p>↓</p> <p>DOWN 0.3% YOY</p>	<p>Cap Rate</p> <p><b>5.1%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# CHARLESTON, SC

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.2%



DOWN 50 BPS YOY

Effective Rent

\$1,769



UP 3.4% YOY

Rent Share of Wallet

26.0%



UNCHANGED YOY

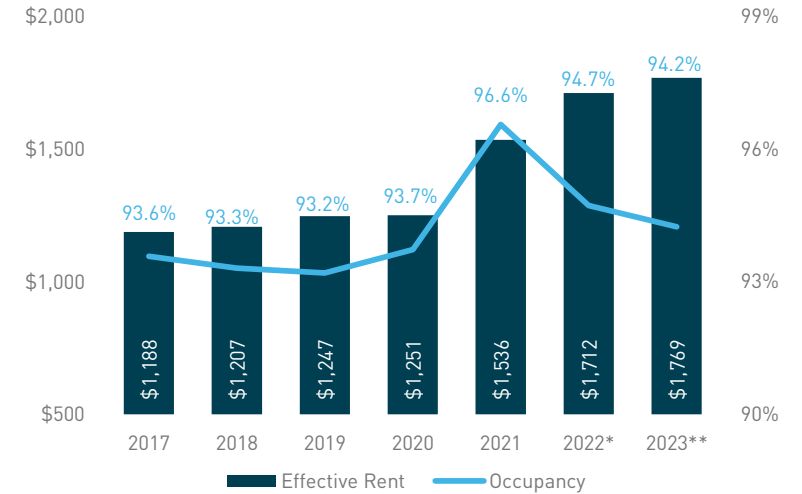
## Population Growth and Healthy Employment Gains Drive Apartment Demand

The Charleston metro has benefitted from employment and median household income growth in recent years, resulting in rising effective rent and steady occupancy that should continue in 2023. Net migration is forecast to total 6,800 people in 2023, as continued employment growth attracts new residents. Several corporate relocations and expansions are taking place in 2023, with a total investment of \$112 million and the creation of 630 new jobs. Notable companies include SHL Medical, which will bring a 270,000-square-foot manufacturing site to the area, and MSC USA, which will expand its current footprint with 135 additional jobs. Apartment operators should benefit as annual net absorption is expected to accelerate this year. Even so, the leasing activity is projected to trail the 3,324 new units to be delivered this year. More than half of the expected deliveries within the metro will be in the Downtown/Mt. Pleasant/Islands submarket due to the desirability of living in proximity to Downtown Charleston as well as the coastline and its many beaches. The submarket is anticipated to demand a 31.1% premium to live when compared to the West Ashley submarket, its closest counterpart, in virtue of its location and convenience to the many surrounding attractions. Metrowide inventory growth is projected to be in-line with the five-year average. As a result, occupancy is projected to average 94.2% by year-end. While down 50 basis points year over year, the rate would slightly trail the five-year average of 94.3%.

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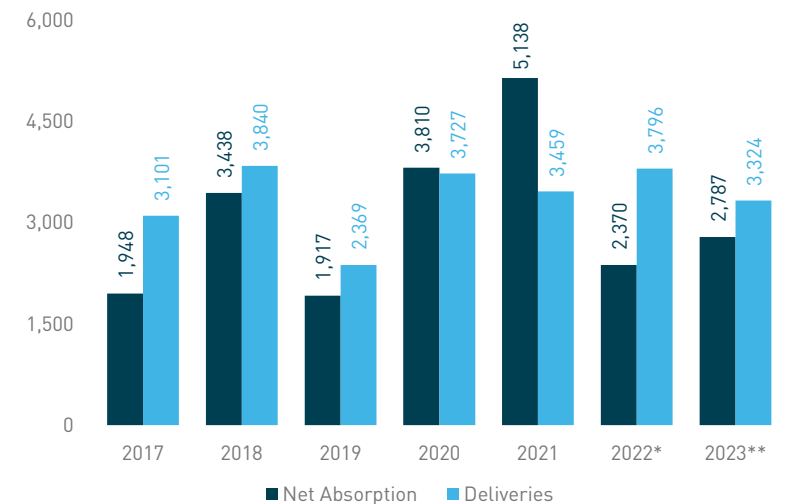
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

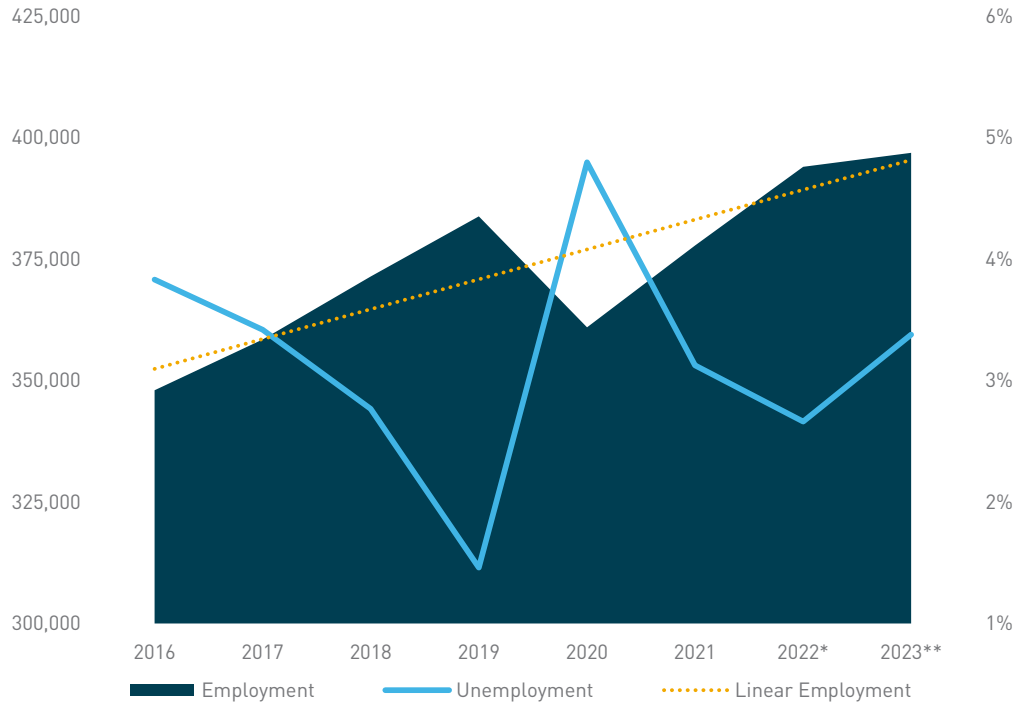


\*Projected \*\*Forecast

# CHARLESTON, SC

## Employment Trends

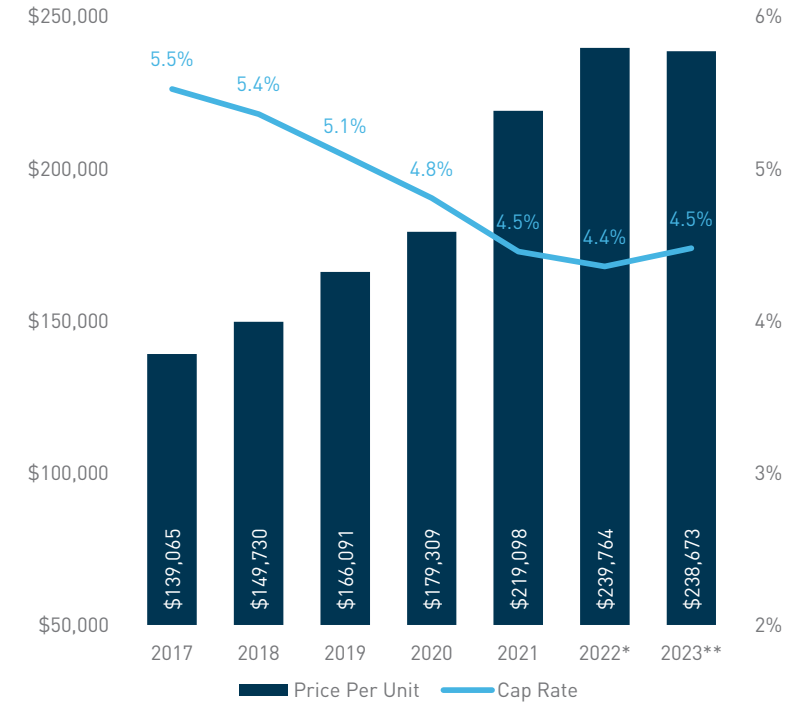
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

396,900



UP 0.7% YOY

Unemployment

3.4%



UP 70 BPS YOY

Median Household Income

\$81,710



UP 3.4% YOY

Price Per Unit

\$238,673



DOWN 0.5% YOY

Cap Rate

4.5%



UP 10 BPS YOY

# GREENVILLE, SC

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.4%



DOWN 50 BPS YOY

Effective Rent

\$1,340



UP 3.1% YOY

Rent Share of Wallet

24.2%



UNCHANGED YOY

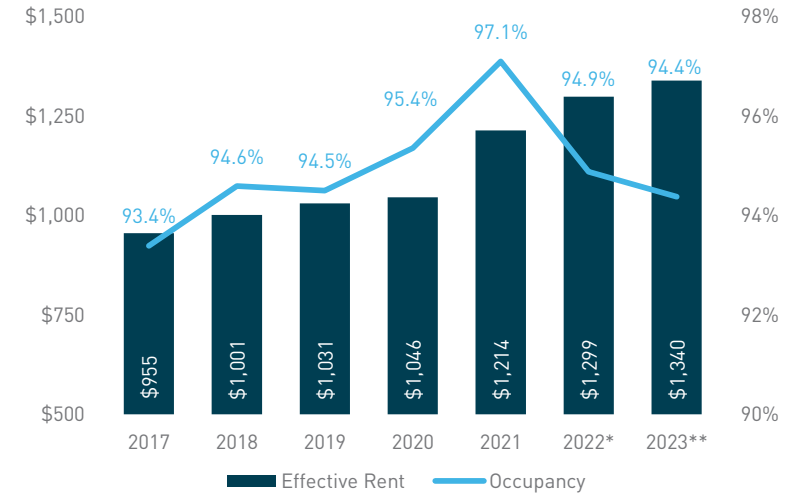
## Strong Population and Employment Trends Projected to Boost Apartment Absorption

The Greenville metro area is benefiting from the migration trend of people leaving large, high-cost metros for more affordable, smaller metros. Greenville has seen an increase of more than 130,000 people, or a gain of 15.8%, since 2010. Largely due to multifamily investor interest in tertiary metros, Greenville has kept up with population growth. Apartment builders are projected to deliver 4,050 units in 2023, more than double additions in 2022. New inventory will be needed as the prime renter age group cohort is forecast to grow 5.0% over the next five years, nearly doubling the projected national growth rate of 2.6%. This year alone, the Greenville metro is expected to experience its highest annual net absorption on record. Occupancy levels are forecast to revert to historical average of 94.4% by the fourth quarter of 2023 because of supply pressure. Contributing to the demand will be continued hiring. Employment in the region has surpassed pre-pandemic levels and is expected to reach over 445,000 jobs by year-end 2023. Part of the employment growth comes as Greenville County's new administrative building is slated to be completed in 2023. The \$1 billion investment in downtown will add 3.5 million square feet of office, residential, and commercial space, and 5,500 permanent jobs. The improving economy should contribute to an increase in median household income. The rise in income combined with moderating rent growth is expected to keep the rent share of wallet at 24.2% year over year.

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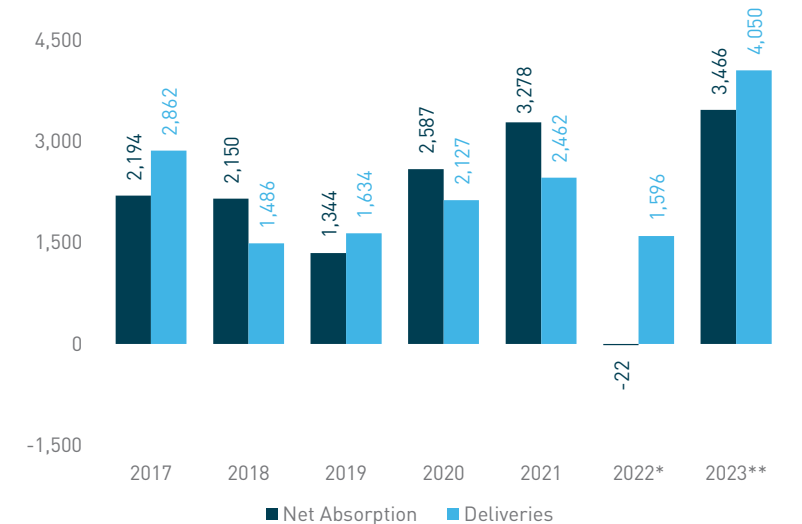
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

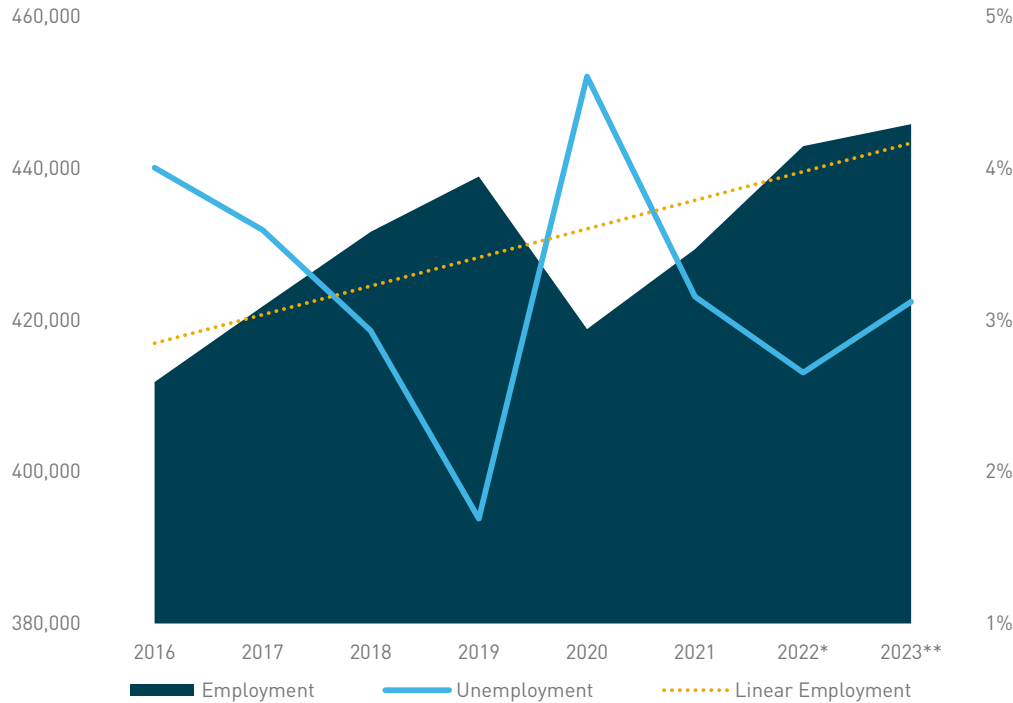


\*Projected \*\*Forecast

# GREENVILLE, SC

## Employment Trends

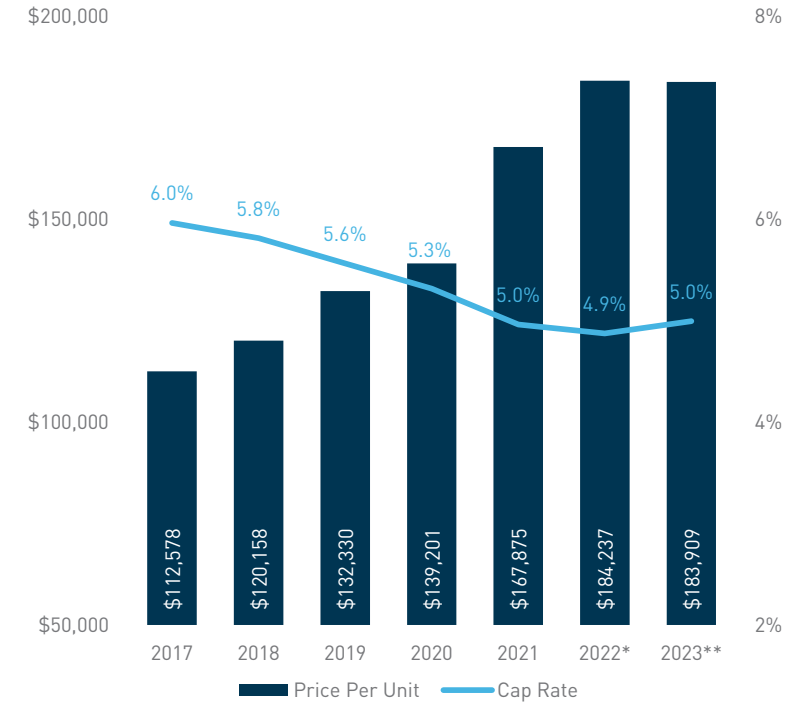
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

445,800



UP 0.7% YOY

Unemployment

3.1%



UP 40 BPS YOY

Median Household Income

\$66,553



UP 3.4% YOY

Price Per Unit

\$183,909



DOWN 0.2% YOY

Cap Rate

5.0%



UP 10 BPS YOY

# CHATTANOOGA, TN

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.8%



DOWN 30 BPS YOY

Effective Rent

\$1,386



UP 3.2% YOY

Rent Share of Wallet

27.2%

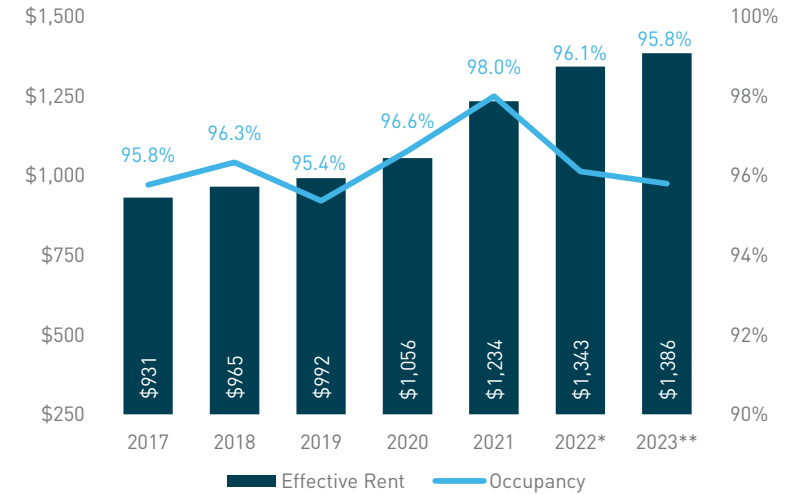


UNCHANGED YOY

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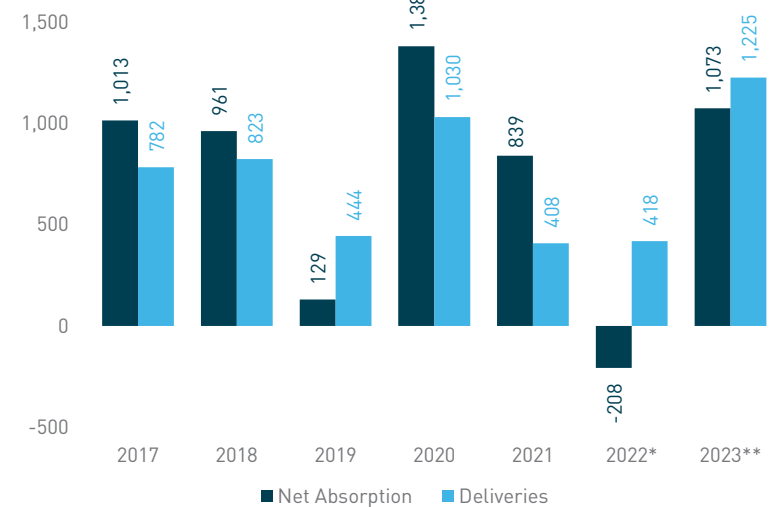
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

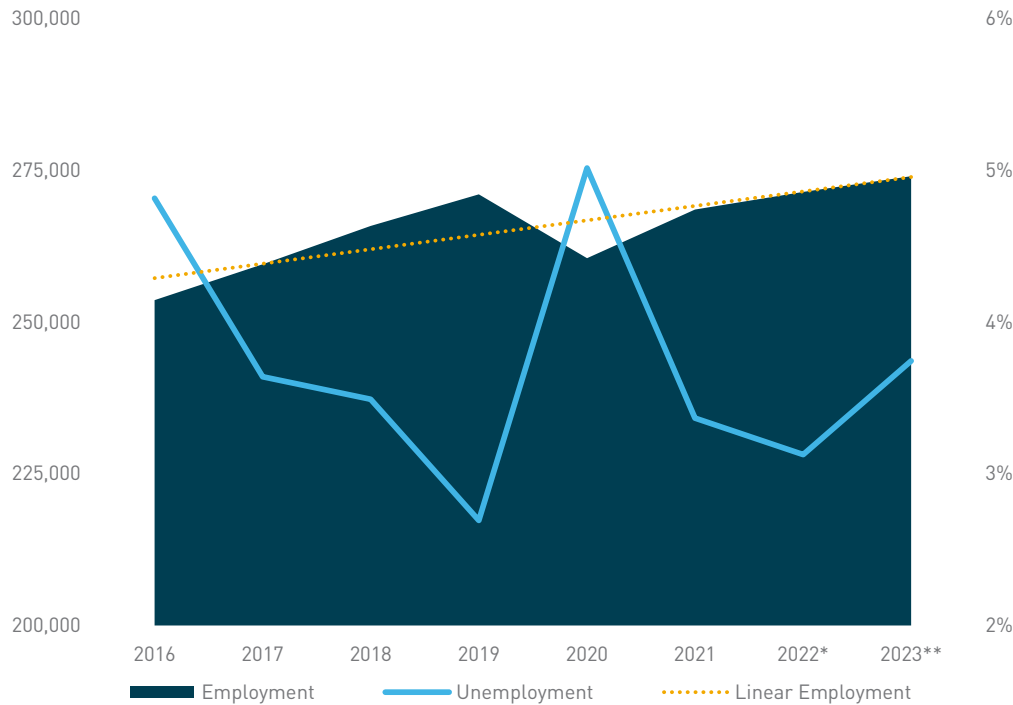


\*Projected \*\*Forecast

# CHATTANOOGA, TN

## Employment Trends

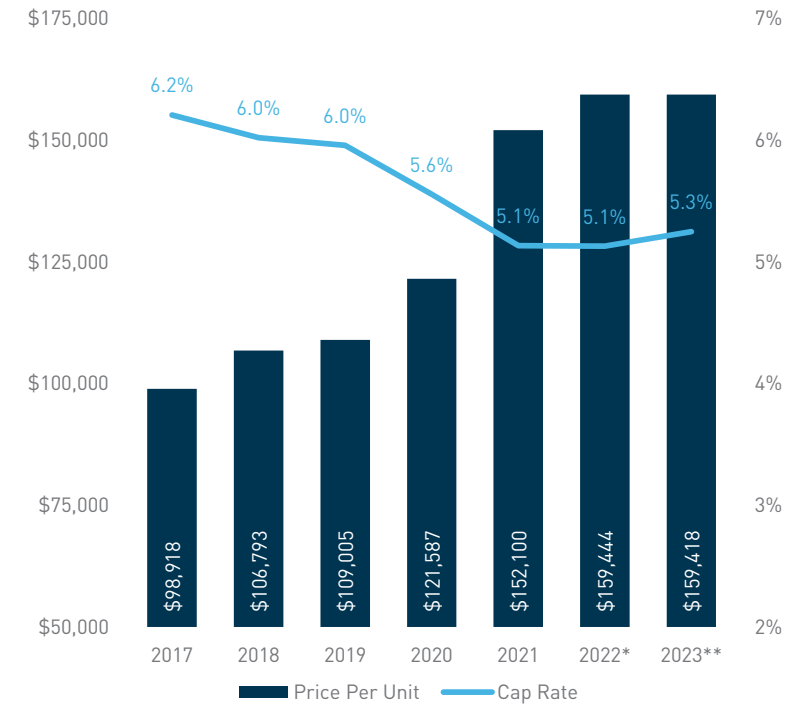
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

274,000



UP 1.0% YOY

Unemployment

3.7%



UP 60 BPS YOY

Median Household Income

\$61,129



UP 3.1% YOY

Price Per Unit

\$159,418



UNCHANGED YOY

Cap Rate

5.3%



UP 20 BPS YOY

# KNOXVILLE, TN

## 2023 MARKET AT A GLANCE

Occupancy Rate

96.3%



DOWN 160 BPS YOY

Effective Rent

\$1,422



UP 3.3% YOY

Rent Share of Wallet

27.4%

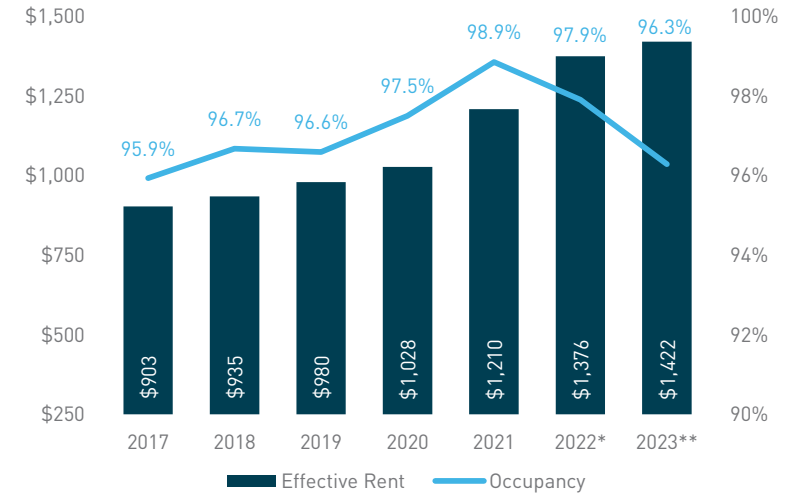


UP 10 BPS YOY

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values, 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

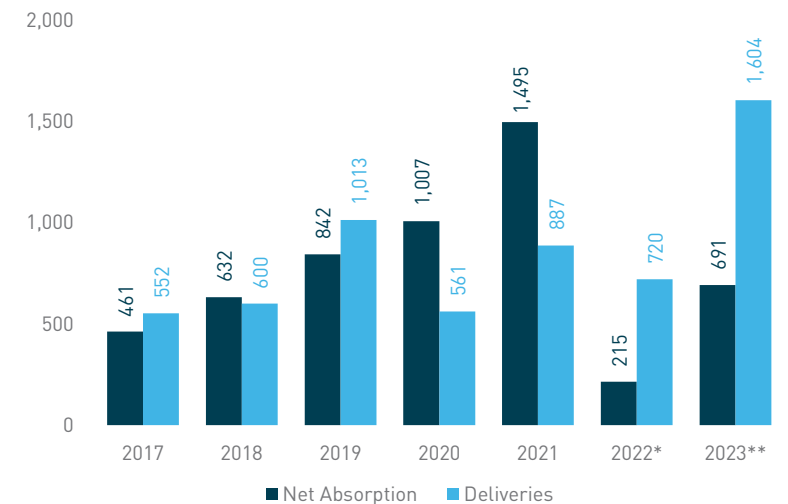
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

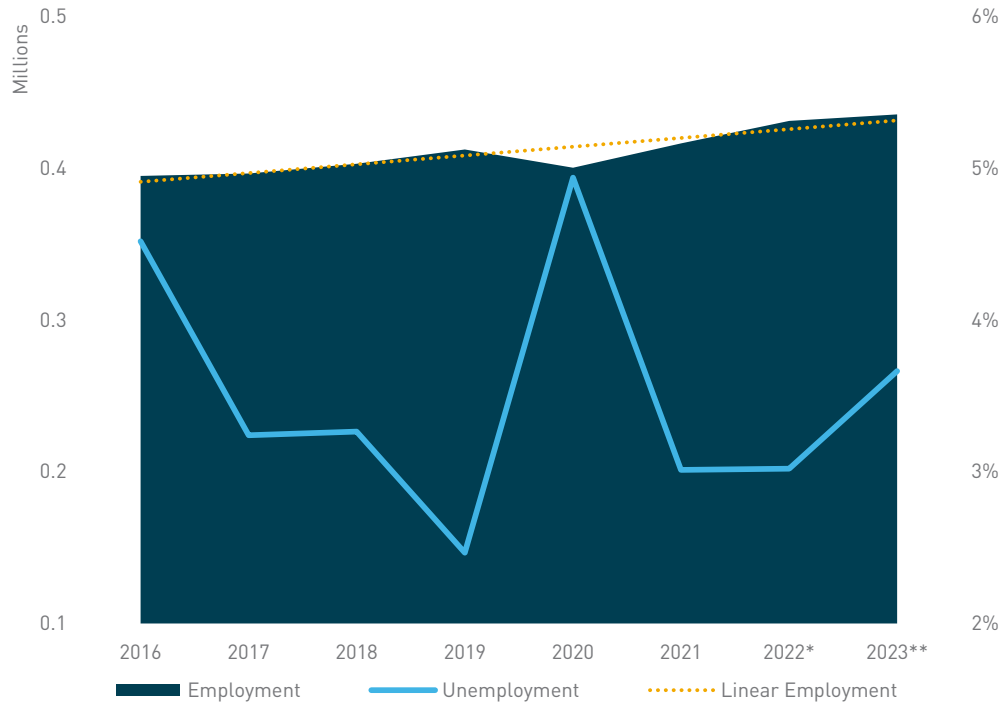
### Absorption & Deliveries



\*Projected \*\*Forecast

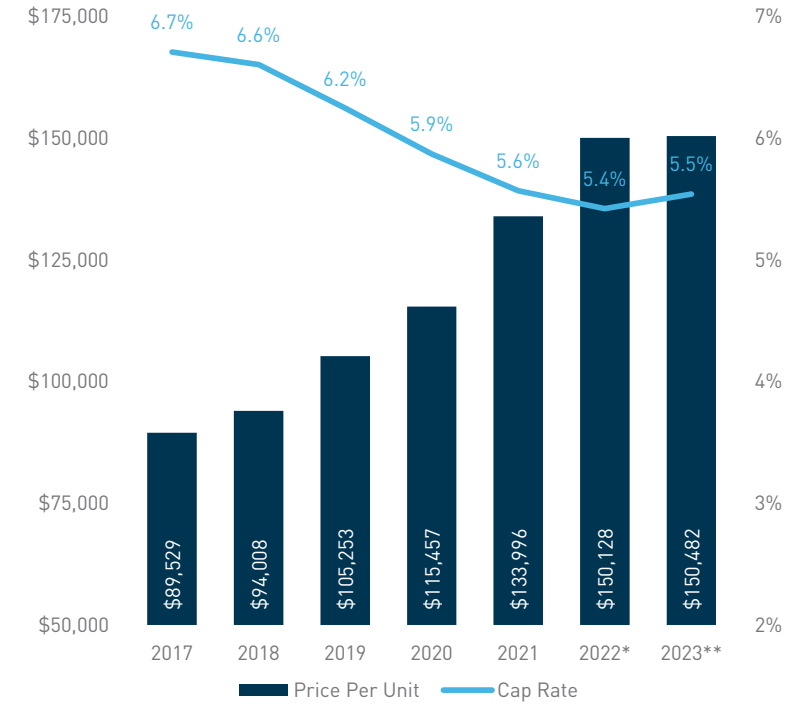
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



Employment  
**435,400**



UP 1.0% YOY

Unemployment  
**3.7%**



UP 70 BPS YOY

Median Household Income  
**\$62,254**



UP 3.0% YOY

Price Per Unit  
**\$150,482**



UP 0.2% YOY

Cap Rate  
**5.5%**



UP 10 BPS YOY

# MEMPHIS, TN

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.2%



DOWN 30 BPS YOY

Effective Rent

\$1,207



UP 2.7% YOY

Rent Share of Wallet

24.7%



DOWN 20 BPS YOY

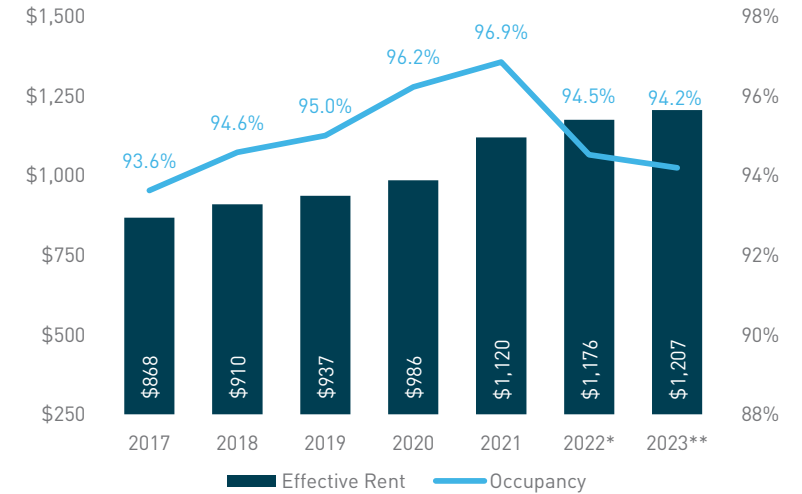
## Apartment Demand Rebounds with Continued Hiring

The resiliency of the Memphis economy has benefited the apartment market, a trend expected to continue this year. After payrolls dropped by 22,900 positions due to the pandemic in 2020, total nonfarm employment surpassed the pre-pandemic peak last year. Employers are expected to add an additional 6,700 jobs in 2023, driven by the strength of the logistics sector. Because of its central location, 75% of the U.S. population can be reached within a two-day drive of Memphis. The trade, transportation, and utilities sector is a major contributor to the local economy, accounting for nearly three out of every 10 jobs metrowide. Employers in the sector are expected to lead hiring this year, adding 2,530 jobs for an increase of 1.3%. Another boost to the local economy will be Ford Motor Company and SK Innovation's 3,600-acre mega campus dedicated to the production of all-electric vehicles, dubbed BlueOval City. The investment is expected to add 27,000 direct and indirect jobs with an investment of \$5.6 billion. The metro has also benefited from residents leaving large, high-cost metros and relocating to smaller, more affordable areas. Builders are working to meet that demand with 1,550 units scheduled to come online this year. Development will be focused in the Downtown and the Midtown/East submarkets, which are projected to see 413 and 634 additional units, respectively. After hitting 13.6% annual rent growth during 2021, metrowide effective rent is expected to rise 2.7% in 2023, which is in line with the average of 2.9% from 2010 to 2020.

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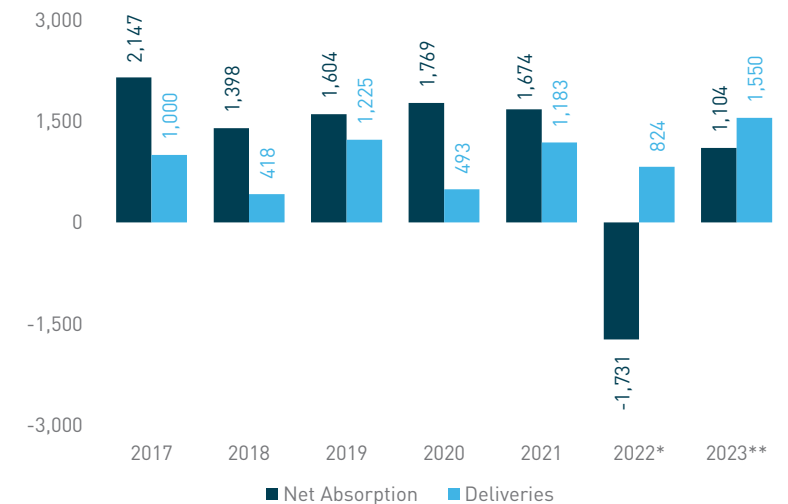
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

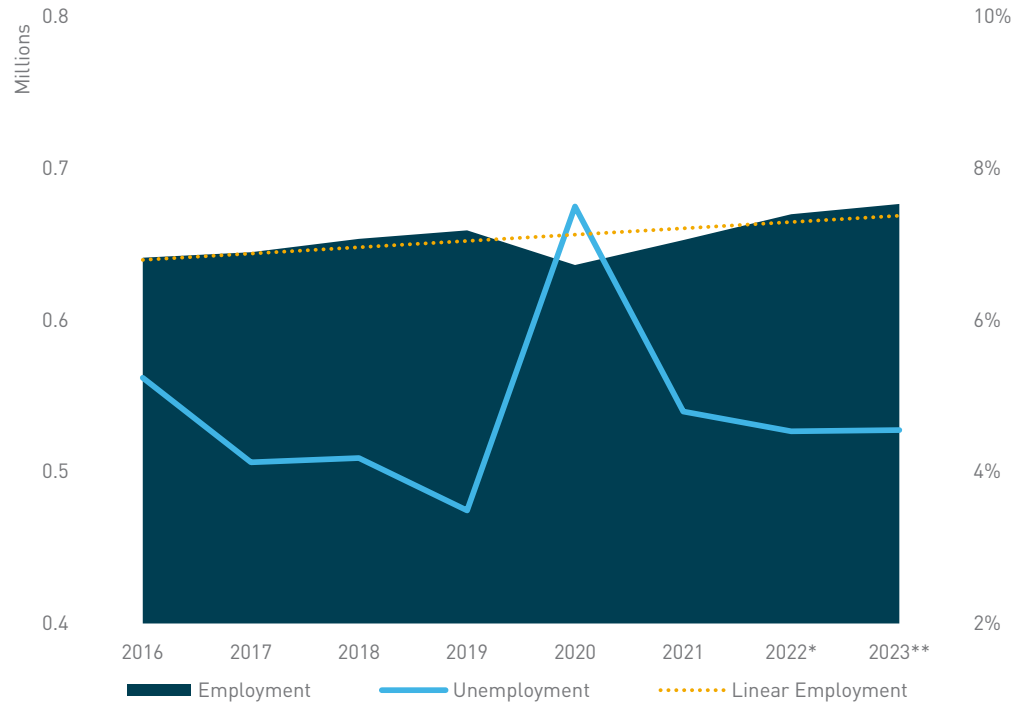
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

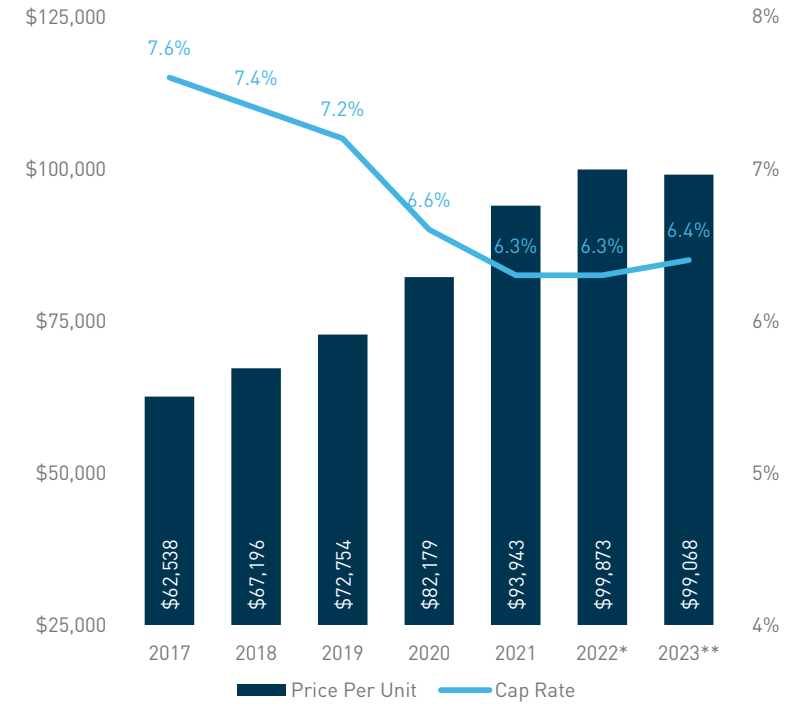
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

676,400



UP 1.0% YOY

Unemployment

4.5%



UNCHANGED YOY

Median Household Income

\$58,639



UP 3.3% YOY

Price Per Unit

\$99,068



DOWN 0.8% YOY

Cap Rate

6.4%



UP 10 BPS YOY

# NASHVILLE, TN

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.2%



DOWN 120 BPS YOY

Effective Rent

\$1,697



UP 2.4% YOY

Rent Share of Wallet

26.0%



DOWN 20 BPS YOY

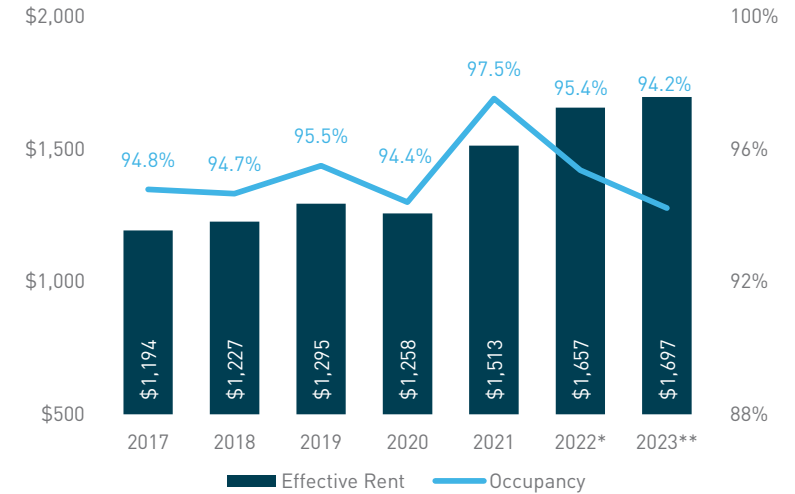
## In-Migration and Business Expansions to Support Apartment Demand Amid Supply Wave

Favorable population trends and a healthy economic recovery should help keep Nashville among the strongest apartment markets in the nation in 2023. Employment is forecast to rise by 13,000 workers over the next year. The 1.2% annual gain can be attributed to the market's low tax, business-friendly environment resulting in numerous corporate expansions. A swelling economy is expected to help the median household income grow 3.3% annually, which will help residents afford rising rents as the market's projected percentage of income spent on rent is forecast to be 26.0%, a decline of 20 basis points year over year. Growing employment opportunities and a vibrant downtown culture will continue to lure people to the metro area, with net migration forecast to measure 14,000 people in 2023. Apartment demand is also supported by a projected 1.4% growth in households. As a result, absorption levels are expected to reach 12,316 units in 2023, well above the pre-pandemic annual average absorption of 4,053 units between 2010 and 2019. However, even with a surge in demand, apartment absorption is expected to trail inventory growth as Nashville ranks among the most active major markets in the country for development. Nearly 15,200 units are scheduled for delivery in 2023. Roughly 40% of new supply will be delivered in the Central Nashville submarket, as developers seek to meet the outsized rental demand for units in the market's lively downtown area. This will moderate metrowide occupancy towards 94.2% in 2023.

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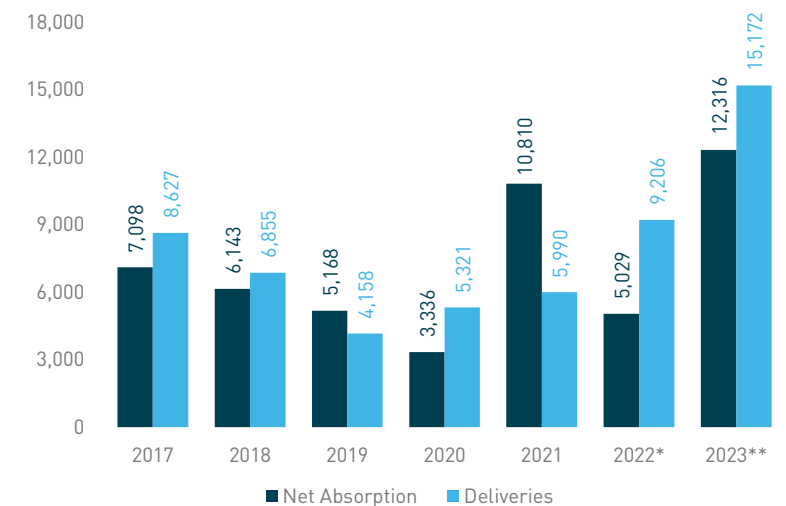
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

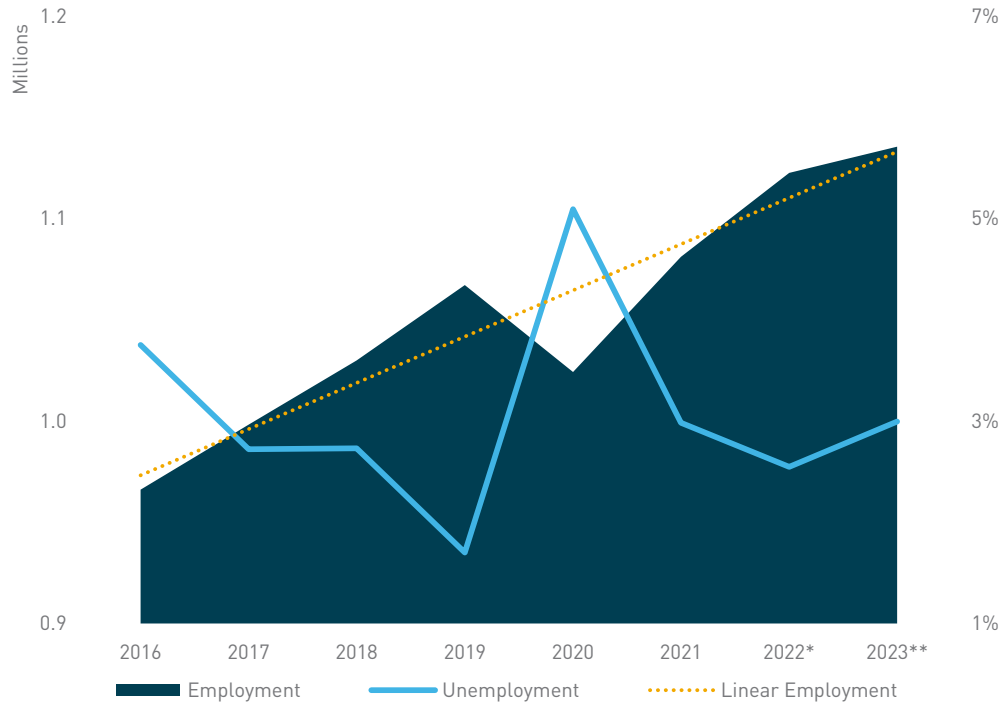


\*Projected \*\*Forecast

# NASHVILLE, TN

## Employment Trends

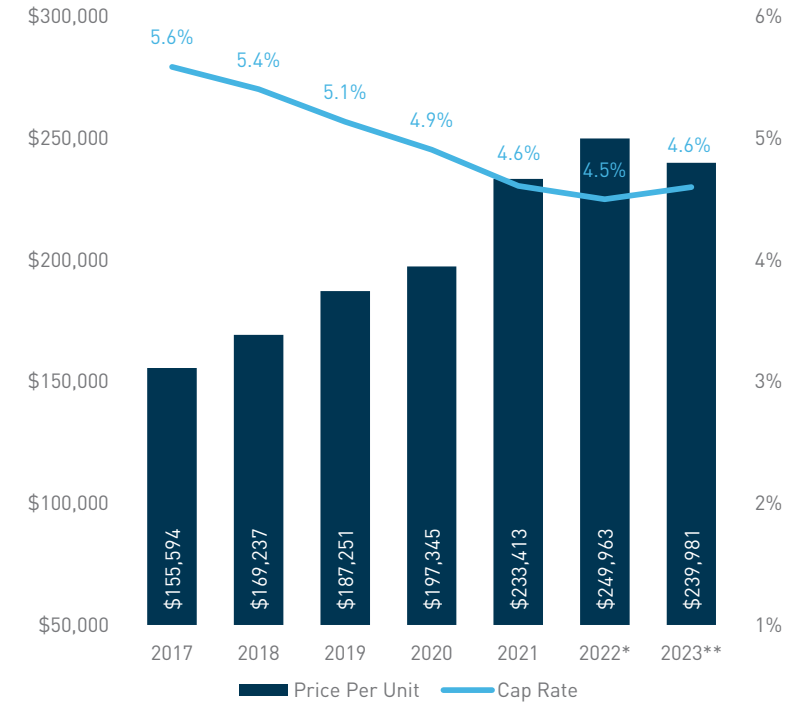
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,135,600</b></p> <p>↑</p> <p>UP 1.2% YOY</p>	<p>Unemployment</p> <p><b>3.0%</b></p> <p>↑</p> <p>UP 50 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$78,413</b></p> <p>↑</p> <p>UP 3.3% YOY</p>
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<p>Price Per Unit</p> <p><b>\$239,981</b></p> <p>↓</p> <p>DOWN 4.0% YOY</p>	<p>Cap Rate</p> <p><b>4.6%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# AUSTIN, TX

## 2023 MARKET AT A GLANCE

Occupancy Rate

93.8%



DOWN 100 BPS YOY

Effective Rent

\$1,755



UP 3.0% YOY

Rent Share of Wallet

20.9%



DOWN 10 BPS YOY

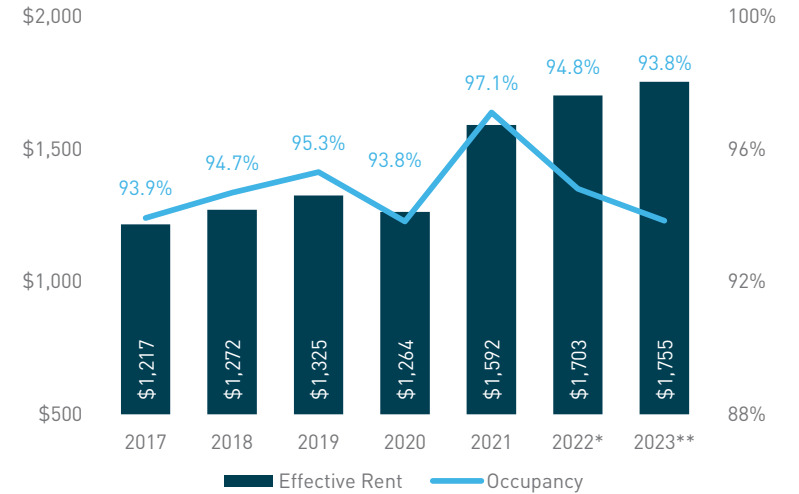
## Austin Set to Have Record Apartment Demand and Deliveries in 2023

Apartment leasing activity in the Austin market is forecast to be one of the highest in the nation in 2023. Second to the Dallas-Fort Worth metro, Austin is predicted to have over 20,200 net units absorbed by the year-end. Facilitating leasing activity, nearly 24,500 units are expected to come online, the third highest in the nation. Both projected deliveries and demand for 2023 are set to outperform the record-breaking year of 2021. East Austin is predicted to have the most activity, with more than 4,700 units coming online and nearly 4,200 net-move ins. The submarket has been one of the fastest growing regions in the metro over the past two years. East Austin's prime location that borders downtown has attracted major developments apart from multifamily, which help drive demand. An example of a key rezoning effort is The Springdale Green, which involves repurposing the former 872,500-square-foot petroleum product storage facility into a dual office building with a parking structure on site. The project has a community benefits package of \$7.7 million, which includes a \$700,000 donation to the city's affordable housing trust fund. Looking at the other submarkets' forecast for 2023, more than 3,600 deliveries will pair with approximately 3,208 net units absorbed in Round Rock/Georgetown, while North Central Austin will have over 3,400 new units and approximately 2,900 net units absorbed. Both submarkets are home to major employers such as Dell Inc. and H-E-B, which are housing demand drivers for the area.

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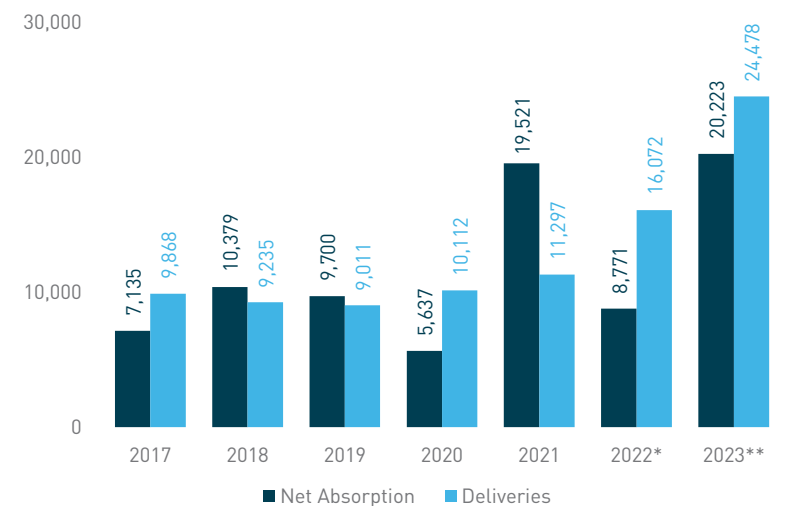
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

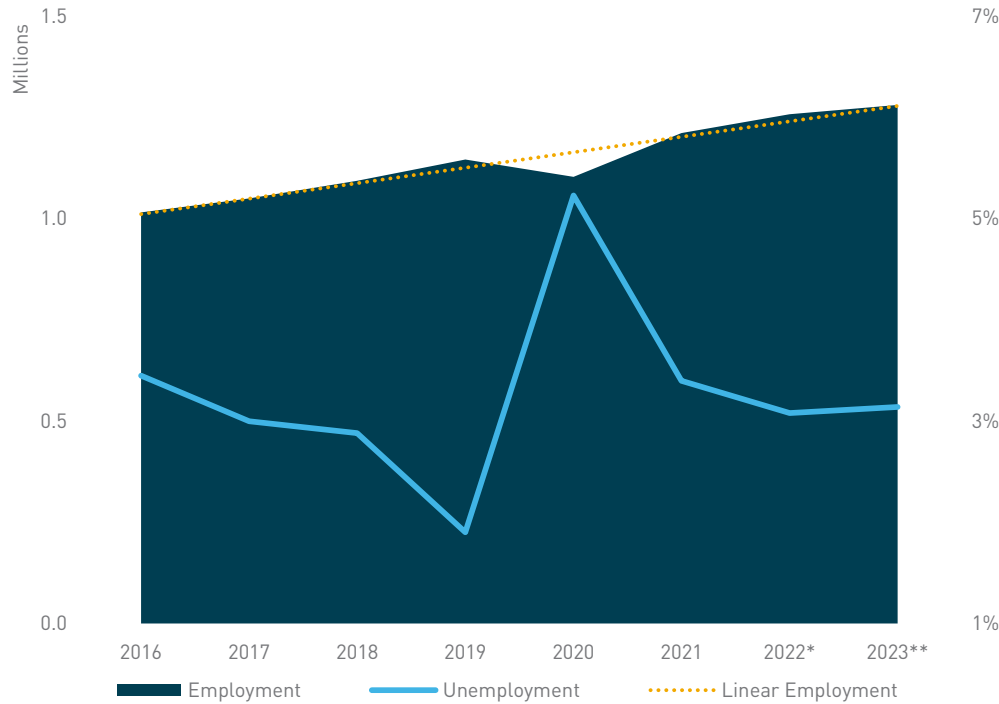


\*Projected \*\*Forecast

# AUSTIN, TX

## Employment Trends

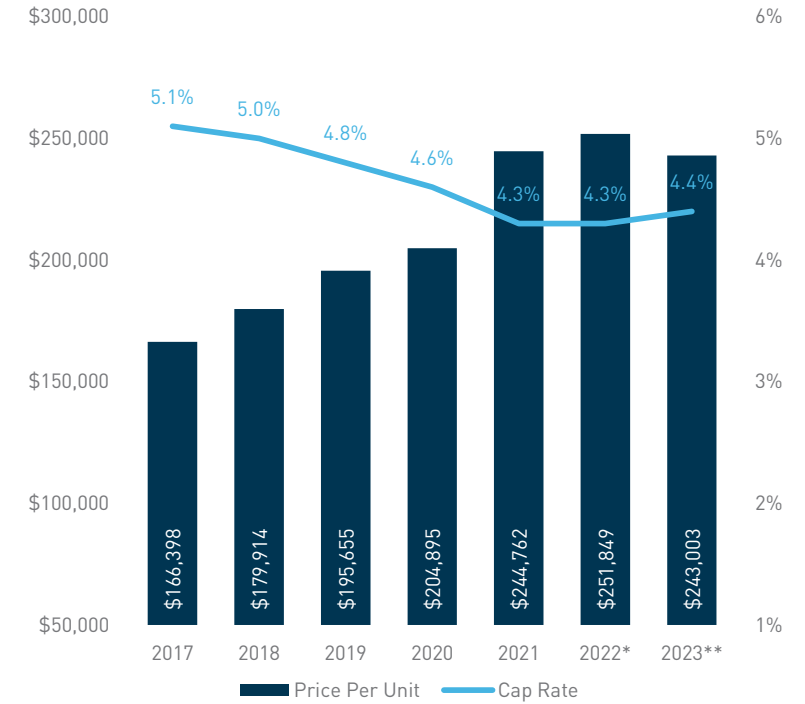
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,281,100</b></p> <p>↑</p> <p>UP 1.8% YOY</p>	<p>Unemployment</p> <p><b>3.1%</b></p> <p>=</p> <p>UNCHANGED YOY</p>	<p>Median Household Income</p> <p><b>\$100,921</b></p> <p>↑</p> <p>UP 3.8% YOY</p>
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<p>Price Per Unit</p> <p><b>\$243,003</b></p> <p>↓</p> <p>DOWN 3.5% YOY</p>	<p>Cap Rate</p> <p><b>4.4%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# DALLAS-FORT WORTH, TX

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.5%



DOWN 40 BPS YOY

Effective Rent

\$1,575



UP 3.4% YOY

Rent Share of Wallet

21.5%



DOWN 10 BPS YOY

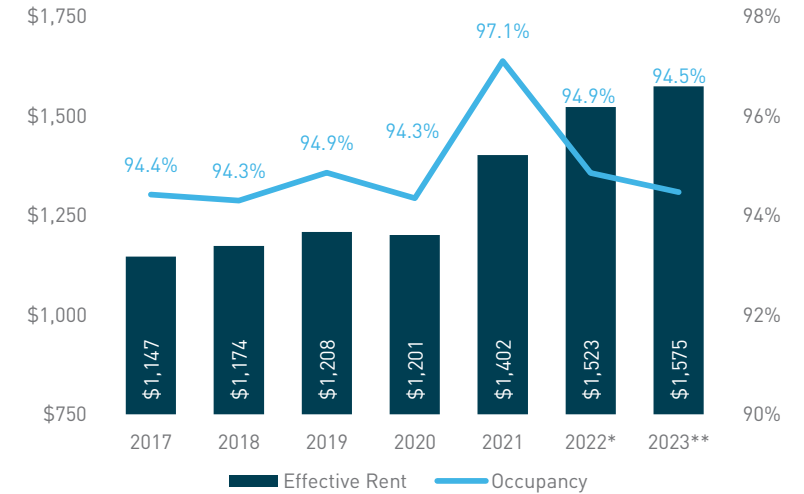
## Healthy Apartment Fundamentals Expected with DFW Economy Outperforming the U.S.

The elevated cost of homeownership combined with a strong regional economy will fortify the Dallas-Fort Worth multifamily market in 2023. Since the onset of the pandemic, the median home price increased 38% through the end of last year. With the median price projected to remain higher than \$350,000 amid high mortgage rates this year, the apartment market will meet residents' housing needs. Builders are scheduled to add up to 35,910 units this year, surpassing the high from 2021 by approximately 28%. Additional housing options are essential as net migration into Dallas-Fort Worth from 2023 to 2025 is forecast to exceed 2020 to 2022 by 33.4%. As a result, apartment absorption is projected to be near record levels this year with 30,471 anticipated net move-ins. Contributing to the appeal of the metro for new residents is local employment expansion projected to more than double the nation growth this year. Hiring will also contribute to the median household income elevating a projected 4.0% over the next 12 months, giving apartment operators leeway to keep raising rent at a healthy clip. Effective rent advanced 8.6% in the last year, an indication that operators traded occupancy for large rent increases. Even so, occupancy remained near 95% by year-end due to positive net absorption. That trend is expected to continue in 2023 as the average effective rent is forecast to increase 3.4%. Occupancy is projected to end the year in the mid-94% range, and slightly above the average in the 10 years leading up to the pandemic.

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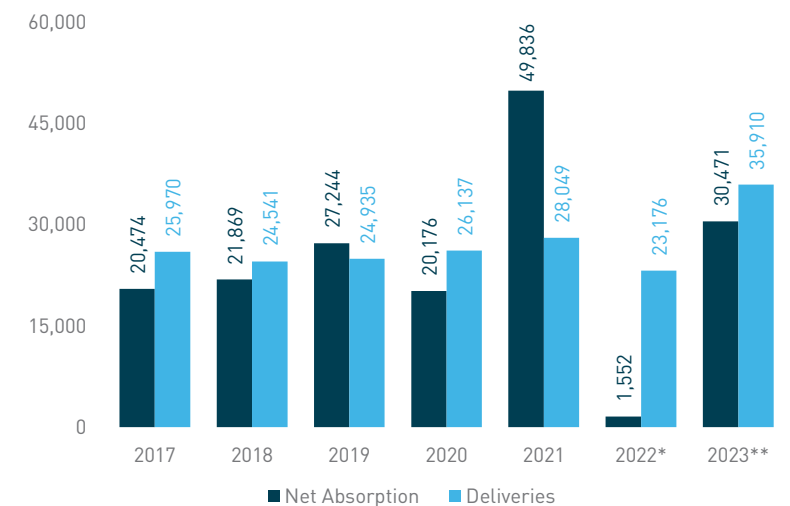
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

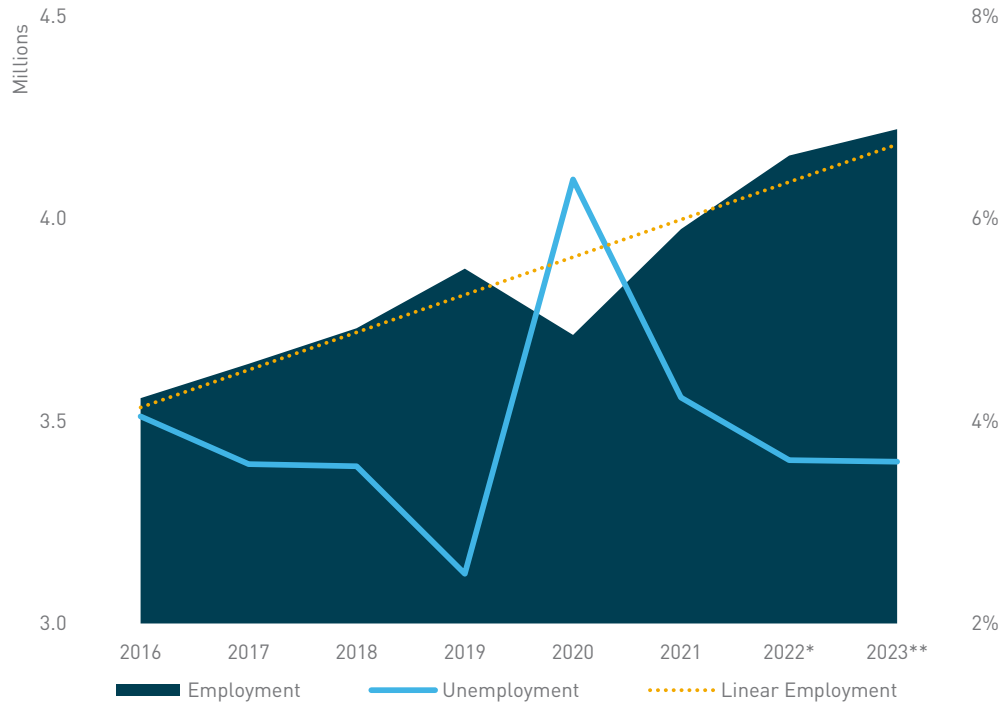


\*Projected \*\*Forecast

# DALLAS-FORT WORTH, TX

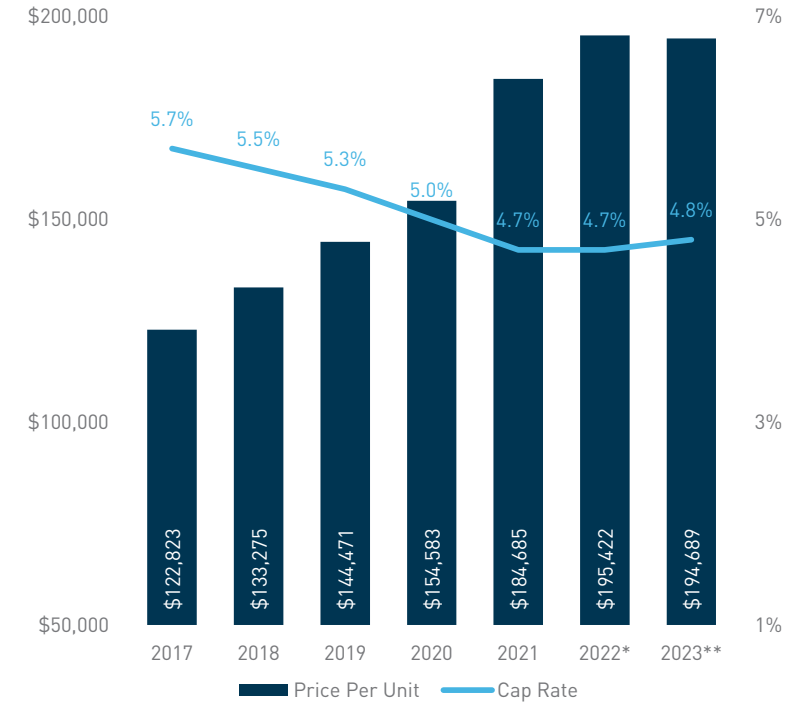
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>4,221,300</b></p> <p>↑</p> <p>UP 1.6% YOY</p>	<p>Unemployment</p> <p><b>3.6%</b></p> <p>=</p> <p>UNCHANGED YOY</p>	<p>Median Household Income</p> <p><b>\$87,861</b></p> <p>↑</p> <p>UP 4.0% YOY</p>
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<p>Price Per Unit</p> <p><b>\$194,689</b></p> <p>↓</p> <p>DOWN 0.4% YOY</p>	<p>Cap Rate</p> <p><b>4.8%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# EL PASO, TX

## 2023 MARKET AT A GLANCE

Occupancy Rate

92.1%



DOWN 430 BPS YOY

Effective Rent

\$1,039



UP 2.7% YOY

Rent Share of Wallet

21.4%



DOWN 20 BPS YOY

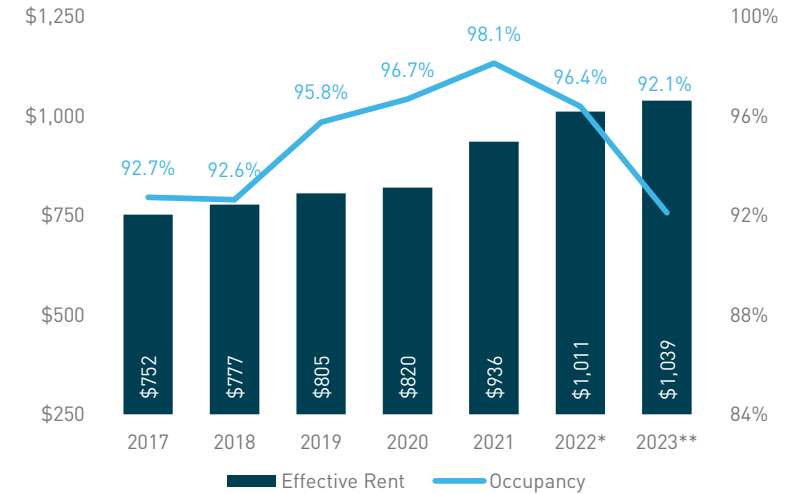
## Home Sales in El Paso Expected to Cool Down Multifamily Market

El Paso consistently ranks among the most affordable cities in America, due in part to the lower cost of homeownership. The increase in home sales in El Paso is projected to lead the nation, as the metro's median price remains around \$220,000 this year. At the same time, homeownership is expected to rise, impacting the El Paso multifamily market. Multifamily operators could see up to 2,077 net move-outs this year. The level of new deliveries is forecast to total 322 units, consistent with the pre-pandemic average. Of this, 247 will be constructed in the East El Paso and the Northwest El Paso submarkets. This supply and demand imbalance will have a ripple effect as the average occupancy rate is expected to fall 430 basis points to 92.1% by year-end 2023, the lowest since 2017. Similarly, the 8.1% year-over-year rent appreciation in 2022 is forecast to subside to 2.7% this year, reaching an average effective rent of \$1,039 per month in the fourth quarter. Providing leeway for raising rents will be a growing economy and rising income. The metrowide employment is anticipated to increase 1.2% in 2023, surpassing pre-pandemic employment levels near the end of the year. The leisure and hospitality sector should make the largest jump with a 2.2% increase as El Paso looks to grow its tourism industry with seven new hotel projects in the construction pipeline. At the same time, the median household income in the metro is expected to rise 3.8% to \$58,264. Even with the median household increase, the local income would still be well below the national average.

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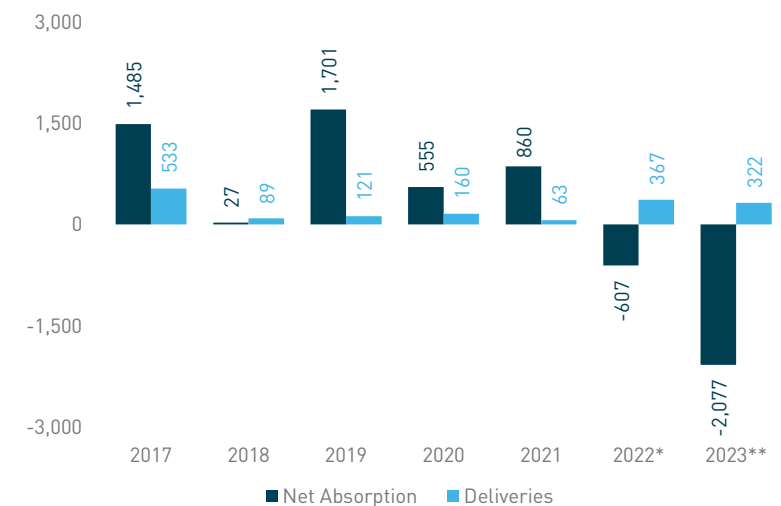
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

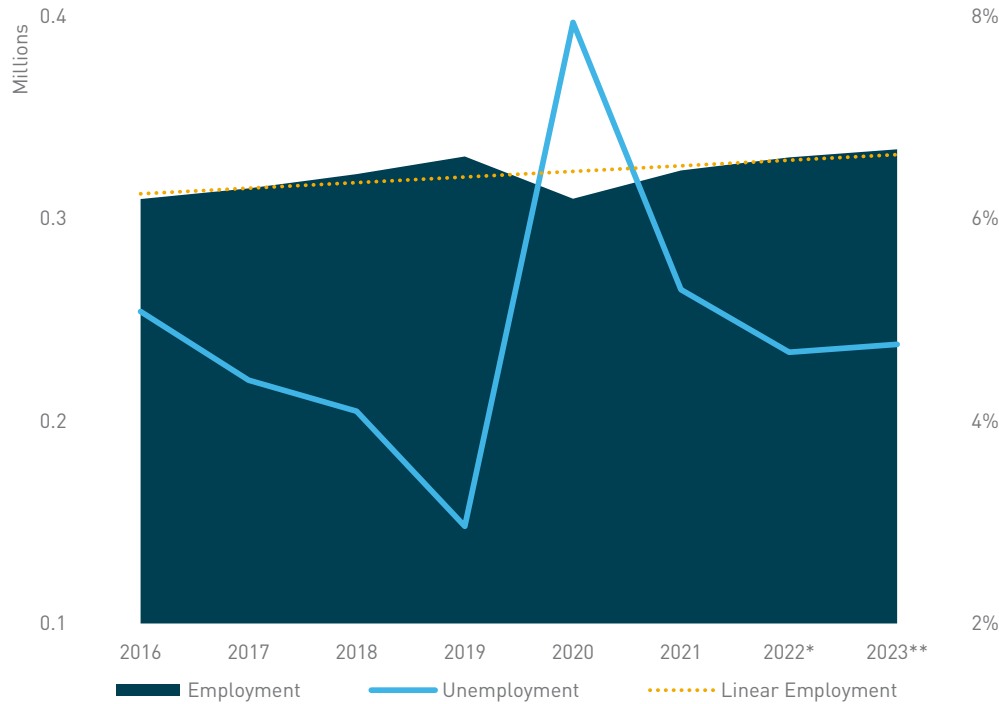
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

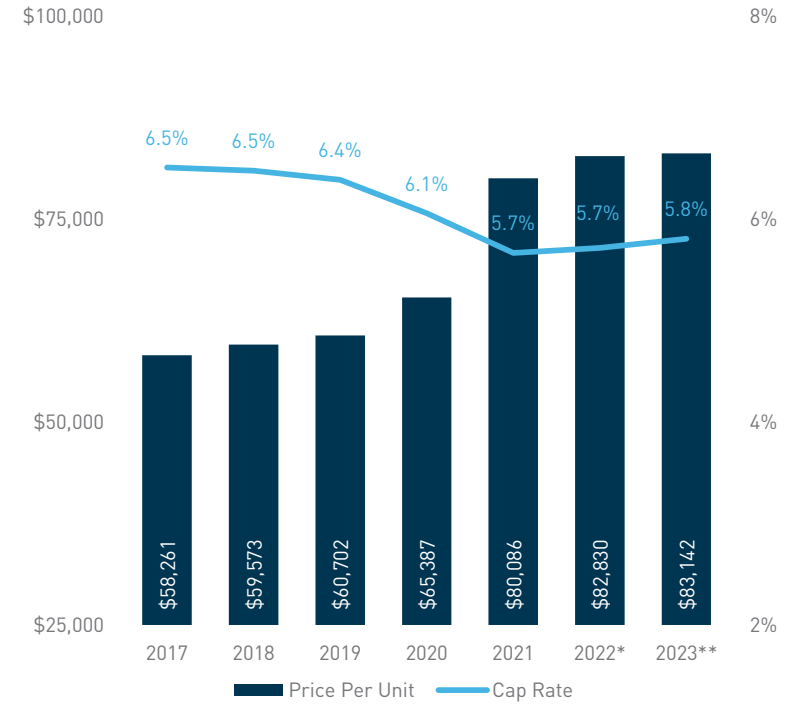
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

334,300



UP 1.2% YOY

Unemployment

4.8%



UP 10 BPS YOY

Median Household Income

\$58,264



UP 3.8% YOY

Price Per Unit

\$83,142



UP 0.4% YOY

Cap Rate

5.8%



UP 10 BPS YOY

# HOUSTON, TX

## 2023 MARKET AT A GLANCE

Occupancy Rate

92.7%



DOWN 90 BPS YOY

Effective Rent

\$1,358



UP 2.4% YOY

Rent Share of Wallet

20.0%



DOWN 30 BPS YOY

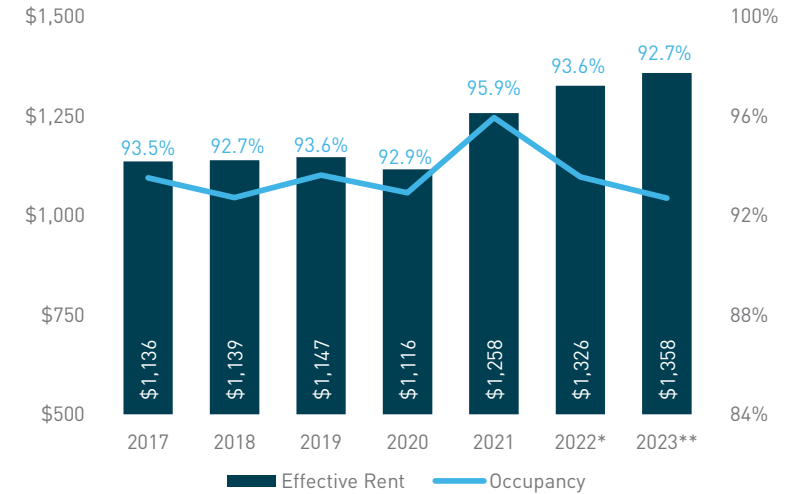
## Return to Historical Averages, Bright Outlook for Houston Multifamily Market

The Houston apartment market fundamentals are projected to return to historical averages this year. Stakeholders can expect headwinds early in 2023 attributed to the development pipeline, with over 17,300 new units delivering this year. Developers continue to build Class A units in affluent submarkets. River Oaks, in the urban core, and Bear Creek, just north of the Energy Corridor, are among the top Houston submarkets for multifamily units under construction and are among the wealthiest. Renters in both submarkets are expected to generate enough demand to offset elevated deliveries, as favorable economic and demographic conditions position them among the submarkets with the highest anticipated net absorption this year. River Oaks boasts a durable base of office jobs while Bear Creek is one of the fastest growing submarkets by population in the metro area. Even with heavy deliveries in the first part of the year, Houston no longer ranks among the top 10 markets for most new units under construction, which favors long-term rent growth and average occupancy rates. Robust net migration and household growth should continue to fuel demand for Houston area apartments. Record low single-family for sale inventory and higher borrowing costs will hinder homeownership for many new residents in the near future. While the impacts on occupancy and rent growth will not be seen immediately, look for average occupancy rates and rent growth to rise in the second half of 2023 and beyond.

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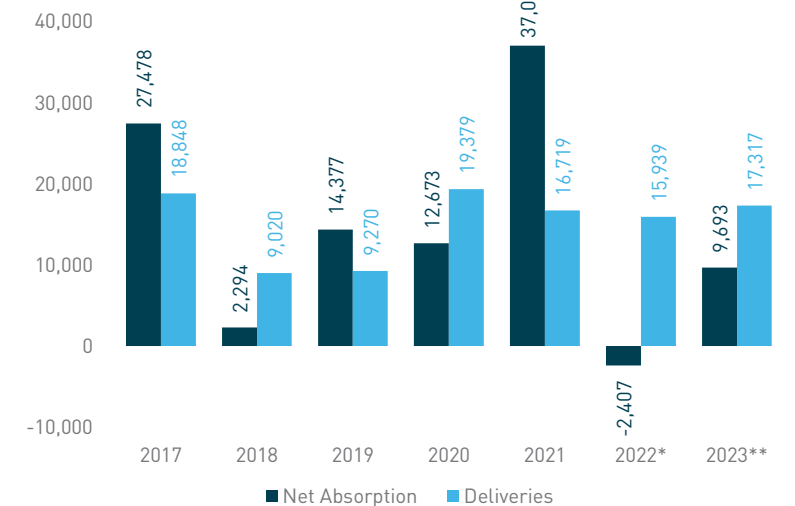
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

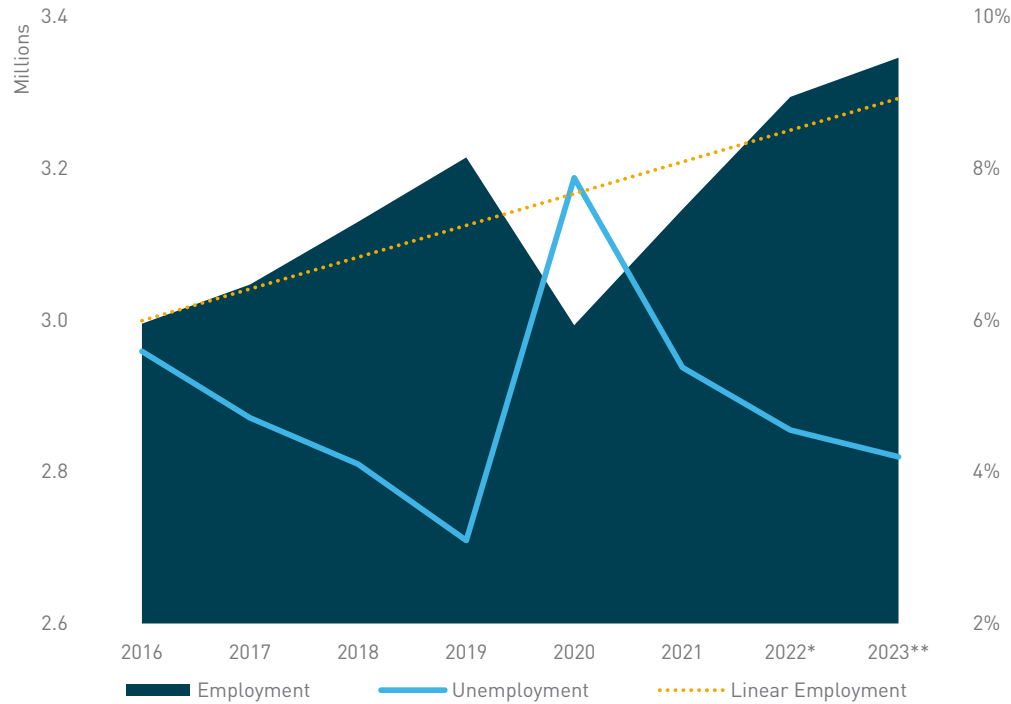
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

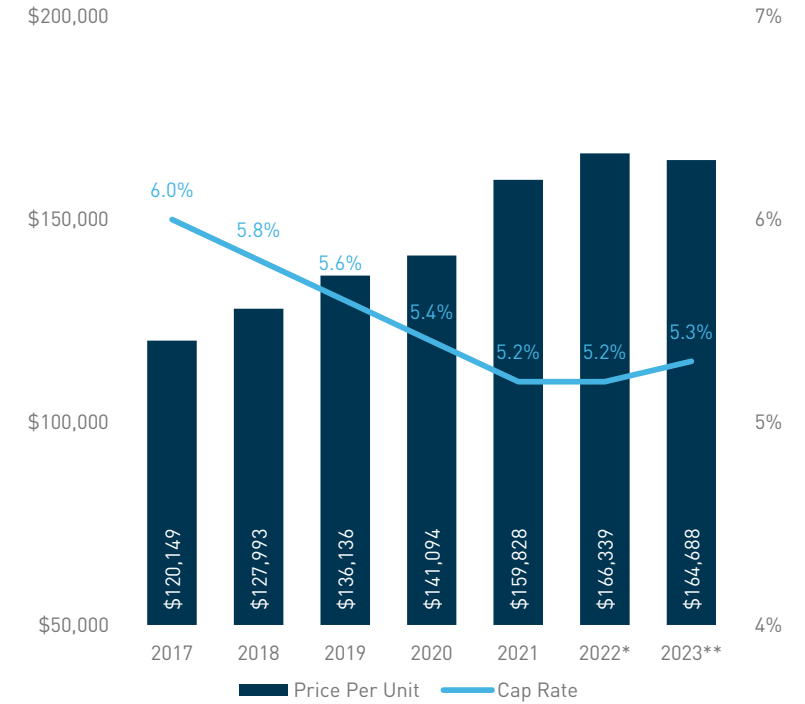
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>3,345,500</b></p> <p>↑</p> <p>UP 1.6% YOY</p>	<p>Unemployment</p> <p><b>4.2%</b></p> <p>↓</p> <p>DOWN 30 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$81,683</b></p> <p>↑</p> <p>UP 4.3% YOY</p>
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<p>Price Per Unit</p> <p><b>\$164,688</b></p> <p>↓</p> <p>DOWN 1.0% YOY</p>	<p>Cap Rate</p> <p><b>5.3%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# SAN ANTONIO, TX

## 2023 MARKET AT A GLANCE

Occupancy Rate

93.4%



DOWN 60 BPS YOY

Effective Rent

\$1,295



UP 2.1% YOY

Rent Share of Wallet

21.3%



DOWN 40 BPS YOY

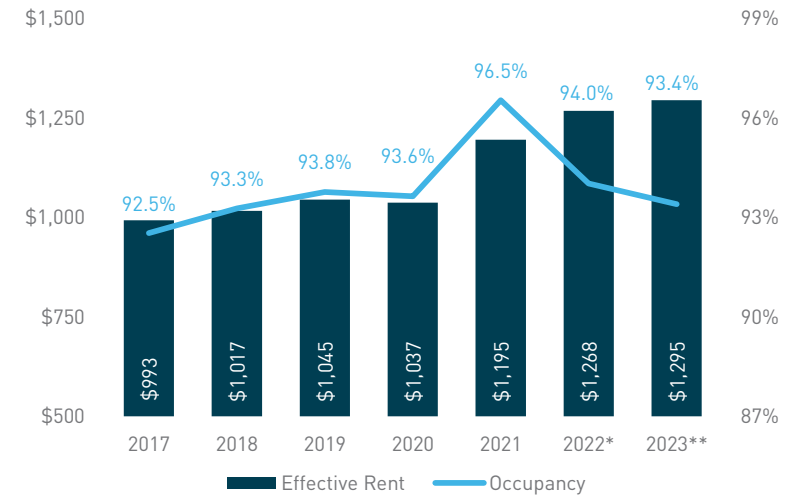
## Rapid Apartment Inventory Growth Expected Around Major Economic Developments

San Antonio apartment developers and construction crews are expected to increase the pace of deliveries this year after lower-than-average completions in 2022. The 7,895 units forecasted to come online throughout 2023 surpass the high in 2017 by 1,088 units. With net absorption forecasted around 5,986 units, supply side pressure may result in an occupancy rate closer to the pre-pandemic five-year average at 93.4%. Popular submarkets—Far Northwest San Antonio, Central San Antonio, and New Braunfels/Schertz/Universal City—make up 62.4% of new deliveries and 61.9% of net move-ins for the San Antonio market. A bevy of developments underway will diversify the economy and create jobs that underpin absorption in these areas. For example, the Far Northwest San Antonio submarket will see 2,000 new employees as WellMed Medical Management consolidates its workforce at North Rim Corporate Campus. The Tech District in the Central San Antonio submarket will host 400 students this spring at the first of two buildings in University of Texas San Antonio's \$124 million data science and cyber security campus. Finally, the San Antonio Spurs' \$500 million, multiphase, mixed-use campus underway in the New Braunfels/Schertz/Universal City submarket could create up to 2,000 jobs at build-out. Despite the volume of deliveries concentrated in these three submarkets, they will post higher-than-market-average effective rents throughout 2023. In fact, Greater San Antonio's average effective rent is forecast to increase 2.1% to \$1,295 by year end.

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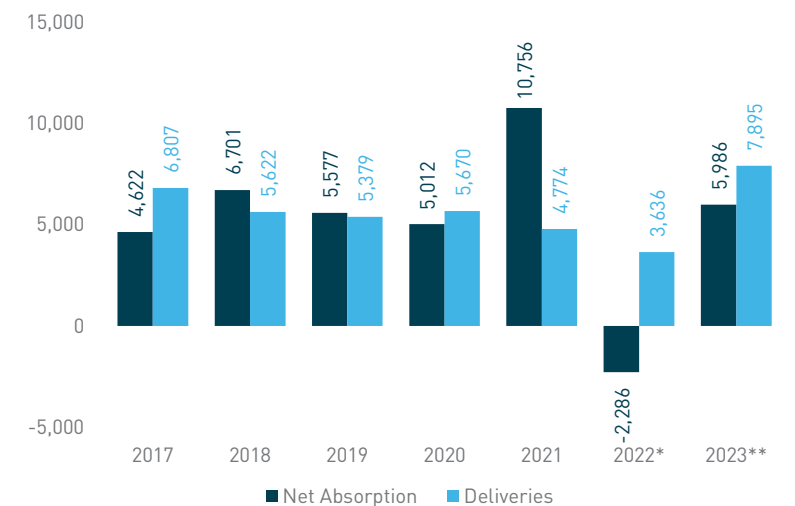
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

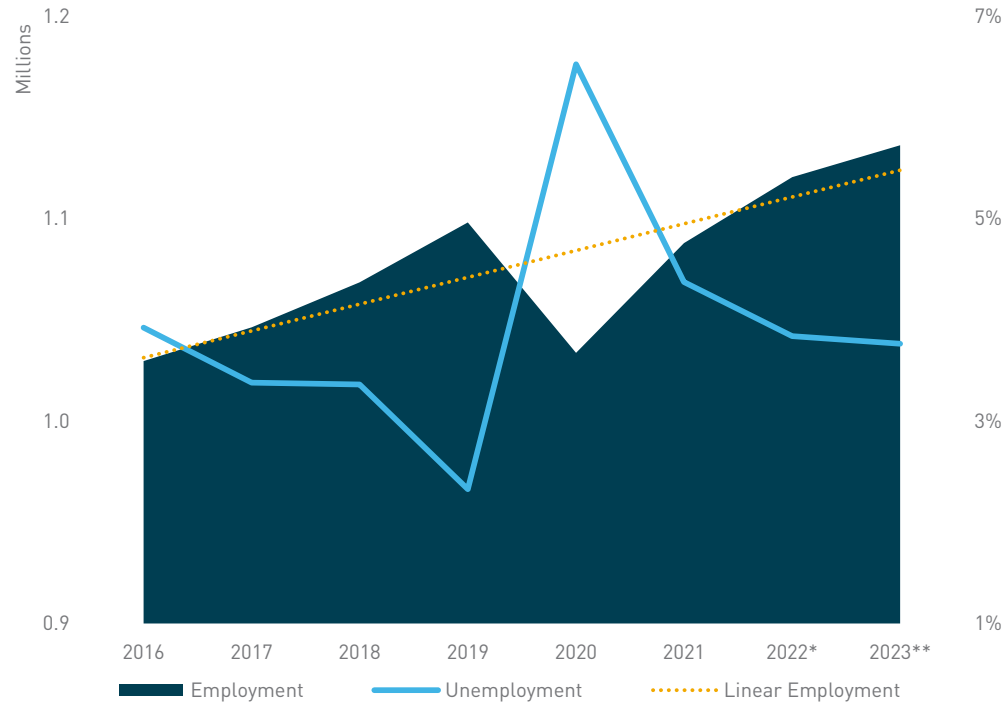


\*Projected \*\*Forecast

# SAN ANTONIO, TX

## Employment Trends

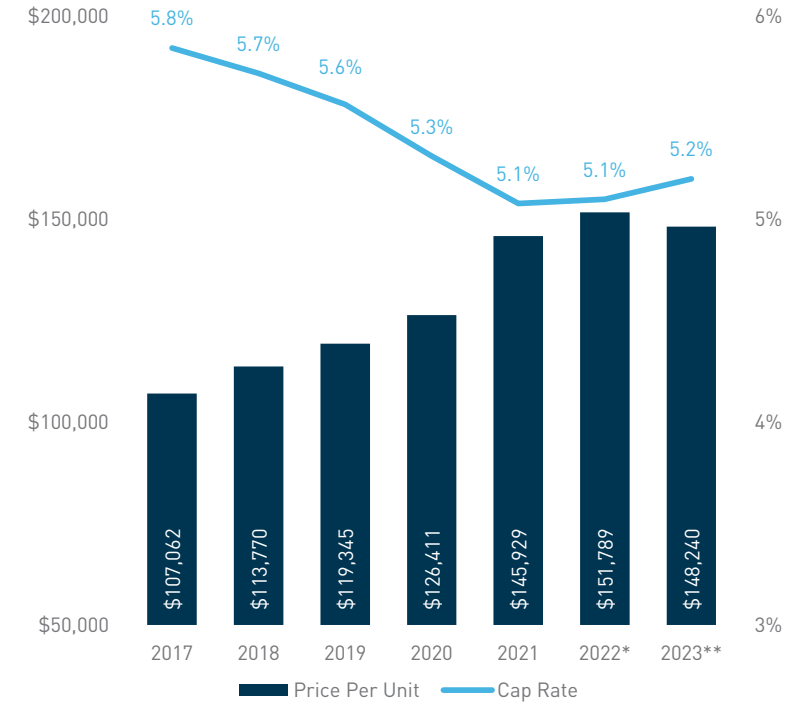
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>1,136,300</b></p> <p>↑</p> <p>UP 1.4% YOY</p>	<p>Unemployment</p> <p><b>3.8%</b></p> <p>=</p> <p>UNCHANGED YOY</p>	<p>Median Household Income</p> <p><b>\$72,794</b></p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p><b>\$148,240</b></p> <p>↓</p> <p>DOWN 2.3% YOY</p>	<p>Cap Rate</p> <p><b>5.2%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# SALT LAKE CITY, UT

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.7%



DOWN 70 BPS YOY

Effective Rent

\$1,686



UP 3.7% YOY

Rent Share of Wallet

19.5%



DOWN 10 BPS YOY

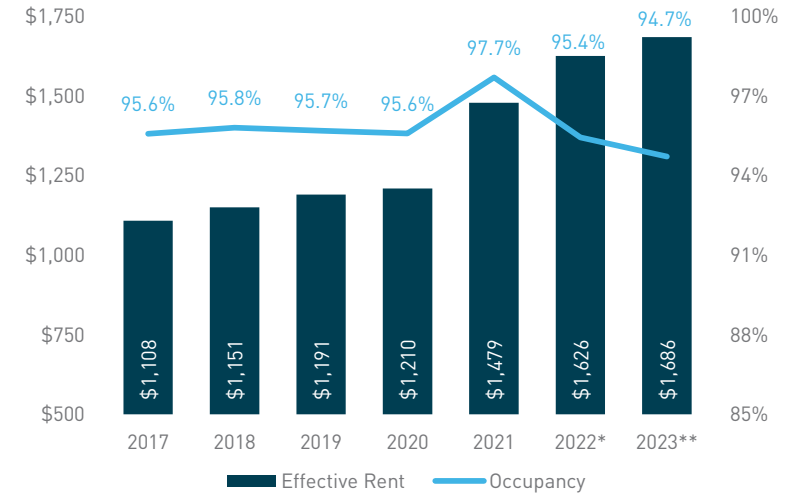
## Effective Rent Projected to Rise in 2023 Amid Heightened Leasing Activity

Salt Lake City's quality of life and business-friendly atmosphere will continue to support healthy apartment fundamentals in 2023. Approximately 9,200 additional households are forecast in the metro area this year, driven in part by brisk in-migration. Much of the housing needed by the new and existing residents will be met with the anticipated delivery of 10,942 apartment units in 2023, as numerous multifamily developments will be completed following delays attributed to the pandemic and supply chain issues. The influx of new apartment stock will facilitate demand, with an estimated net apartment absorption of 9,509 units. A generous selection of new, amenity-rich apartments will spur especially high leasing activity in the Downtown Salt Lake/University submarket. The elevated metrowide demand will prompt projected annual rent growth of 3.7% in 2023. For renters relocating to the Rocky Mountain states, Salt Lake City's projected year-end average monthly effective rent of \$1,686 will be considered an excellent value compared to Boise's and Denver's respective forecasted average effective rents of \$1,726 and \$1,929. In addition to in-migration, the 1.8% job growth during 2023 will contribute to the vitality of the local apartment market. Over the long term, the local manufacturing sector will be a standout, as hundreds of workers will be hired at Northrop Grumman Corporation's expanded rocket motor manufacturing plant in Magna in 2025. Additionally, BAE Systems was awarded a \$12 billion contract to modernize U.S. ballistic missiles at Hill Air Force Base through 2040.

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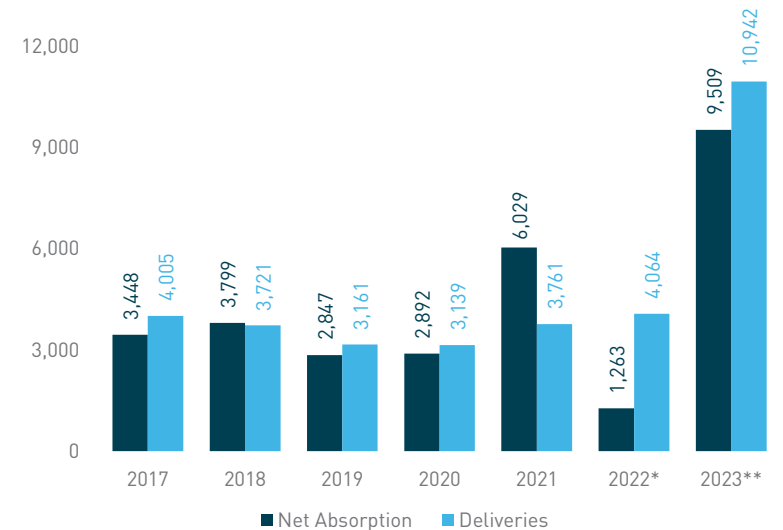
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

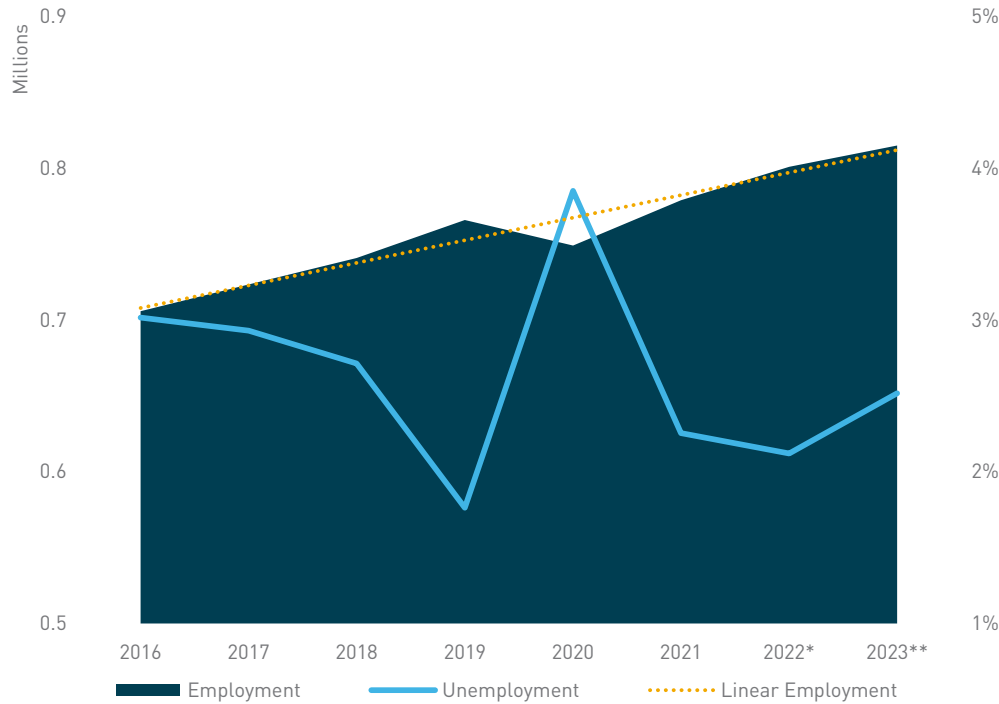


\*Projected \*\*Forecast

# SALT LAKE CITY, UT

## Employment Trends

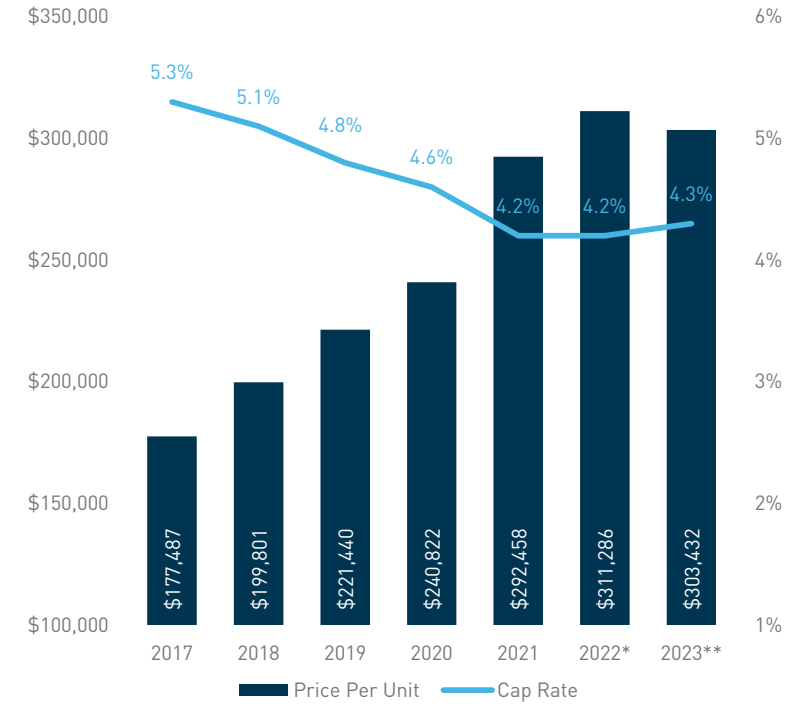
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

814,900



UP 1.8% YOY

Unemployment

2.5%



UP 40 BPS YOY

Median Household Income

\$103,645



UP 4.2% YOY

Price Per Unit

\$303,432



DOWN 2.5% YOY

Cap Rate

4.3%



UP 10 BPS YOY

# RICHMOND, VA

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.5%



DOWN 90 BPS YOY

Effective Rent

\$1,505



UP 3.0% YOY

Rent Share of Wallet

21.9%

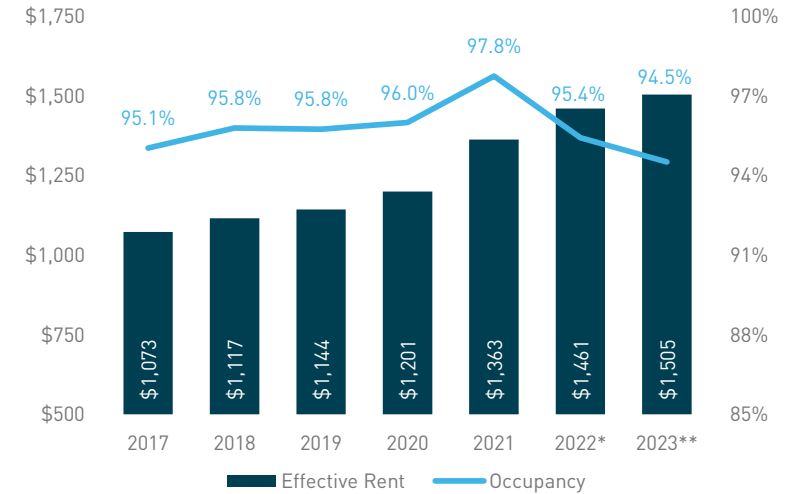


DOWN 20 BPS YOY

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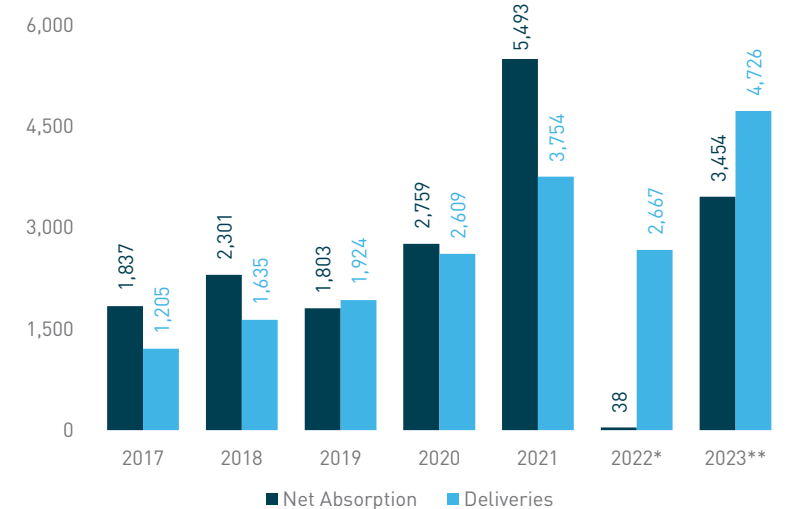
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

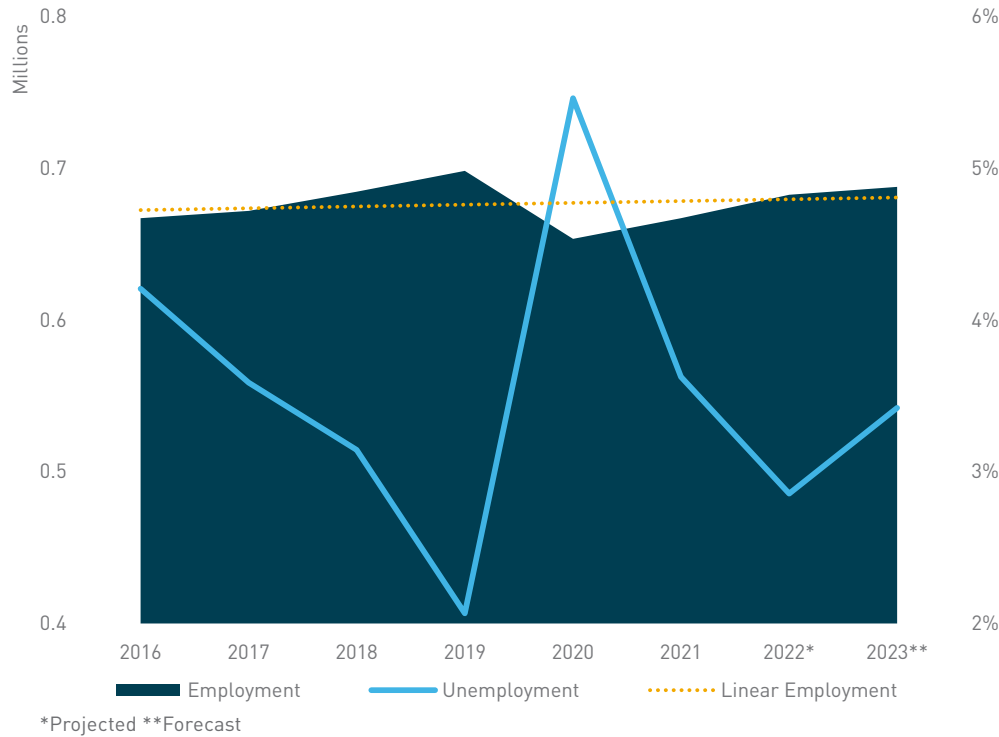
### Absorption & Deliveries



\*Projected \*\*Forecast

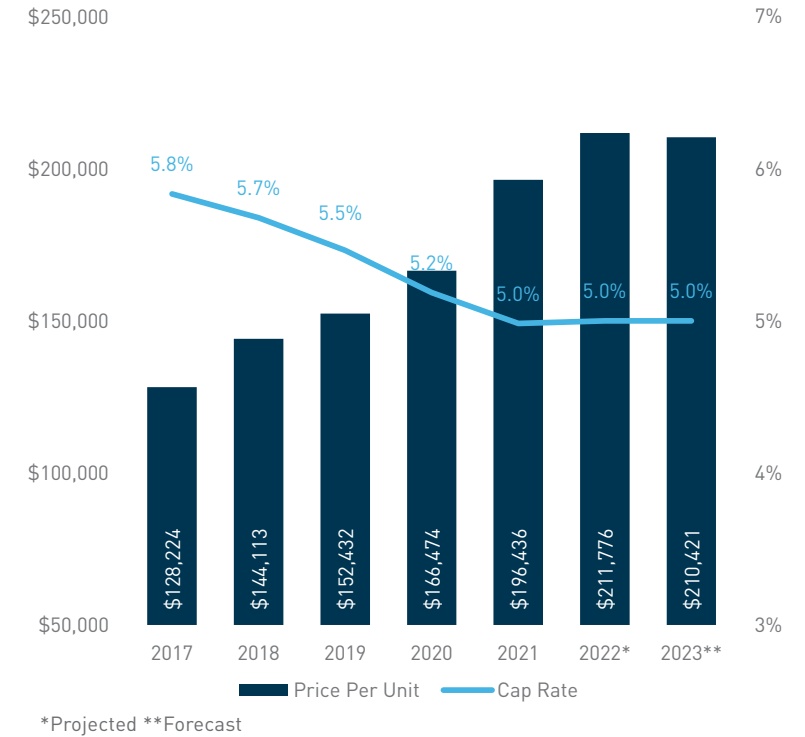
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p><b>687,600</b></p> <p>↑</p> <p>UP 0.8% YOY</p>	<p>Unemployment</p> <p><b>3.4%</b></p> <p>↑</p> <p>UP 50 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$82,360</b></p> <p>↑</p> <p>UP 3.6% YOY</p>
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<p>Price Per Unit</p> <p><b>\$210,421</b></p> <p>↓</p> <p>DOWN 0.6% YOY</p>	<p>Cap Rate</p> <p><b>5.0%</b></p> <p>=</p> <p>UNCHANGED YOY</p>
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# VIRGINIA BEACH, VA

## 2023 MARKET AT A GLANCE

Occupancy Rate

94.6%



DOWN 120 BPS YOY

Effective Rent

\$1,481



UP 3.0% YOY

Rent Share of Wallet

22.0%



DOWN 20 BPS YOY

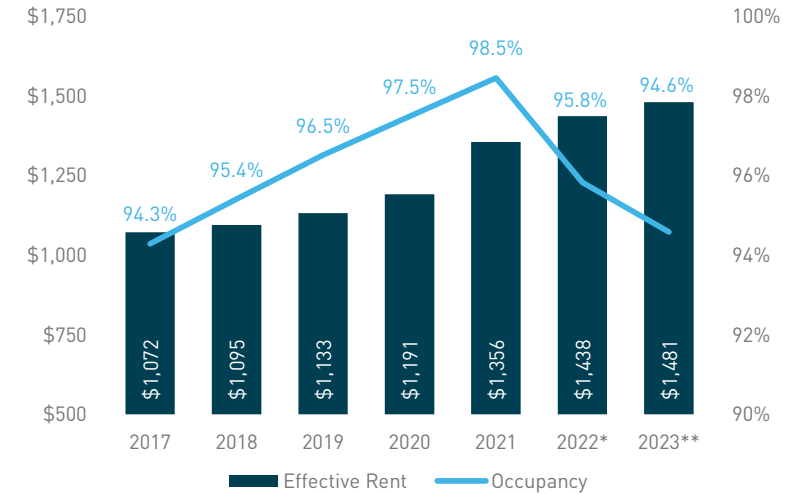
## Growing Economy Supporting Housing Demand Amid Influx of Apartment Deliveries

With apartment inventory growth trailing demand across Virginia Beach leading up to the pandemic, developers ramped up multifamily construction activity. As a result, apartment deliveries are expected to heighten this year. Builders are forecast to add nearly 2,300 units, up nearly 47% year over year. This new stock will be the largest inventory increase Greater Virginia Beach has seen since 2016. Developers are mainly targeting the Southern Norfolk submarket. By the end of 2023, over 870 units are projected to come online, which is more than double the amount of construction compared to the other submarkets. Located in the Southern Norfolk submarket, Downtown Norfolk has two luxury apartment complexes scheduled to finish in 2023, each costing \$50 million. Looking ahead, nearly 30 multifamily projects are planned within the metro's pipeline dispersed among the varying submarkets. Greater Virginia Beach's strong economy also acts as a backstop to increased deliveries. The area's largest private employer, Newport News Shipbuilding, plans to hire thousands of employees through 2023 for four key programs. Overall employment is forecast to expand 0.7% this year, while the median household income increases 3.7%. The additional income will underpin apartment operators' confidence to raise rent. By the end of 2023, Virginia Beach's average monthly effective rent is expected to rise 3.0% to \$1,481. Even with the healthy increase, Virginia Beach will remain an affordable market with effective rent being below the national average.

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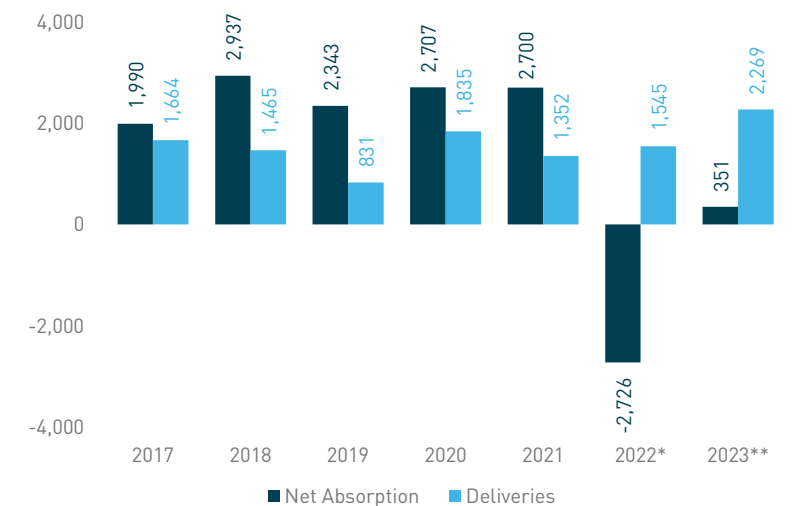
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

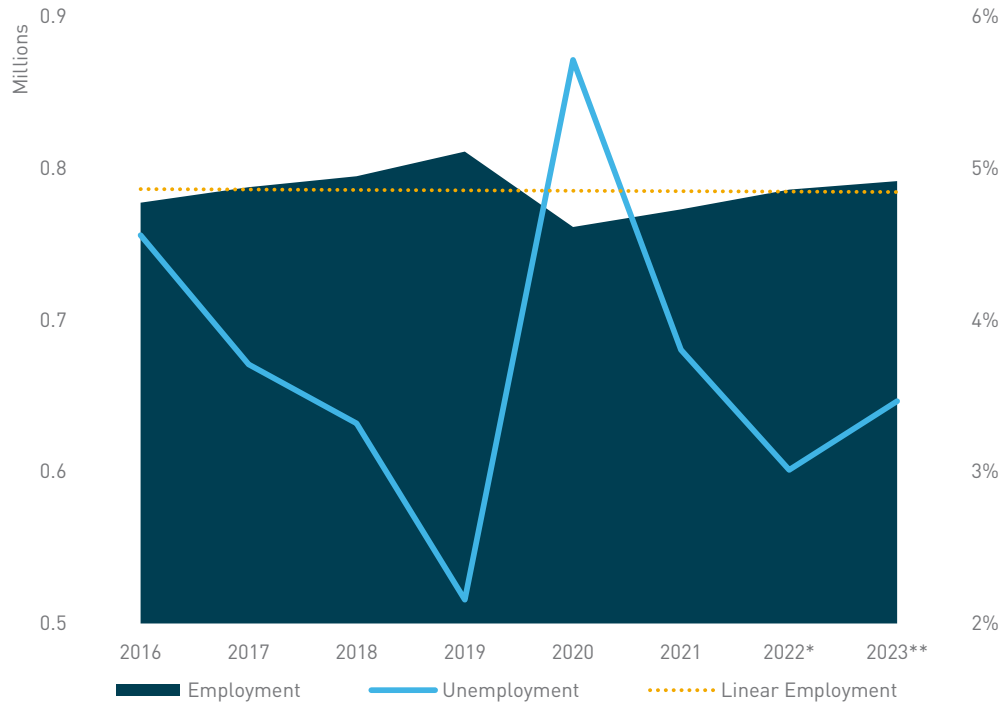


\*Projected \*\*Forecast

# VIRGINIA BEACH, VA

## Employment Trends

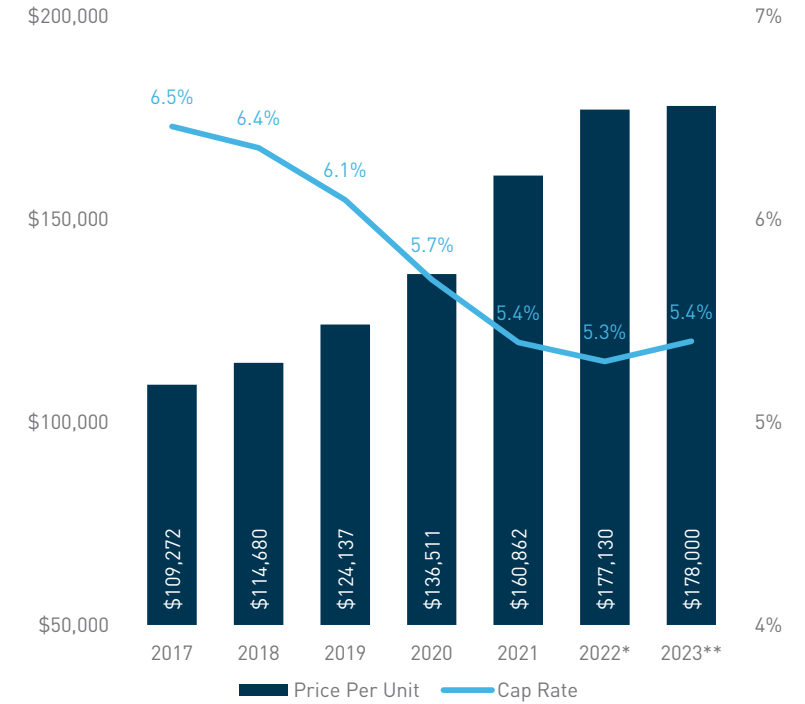
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

791,500



UP 0.7% YOY

Unemployment

3.5%



UP 50 BPS YOY

Median Household Income

\$80,668



UP 3.7% YOY

Price Per Unit

\$178,000



UP 0.5% YOY

Cap Rate

5.4%



UP 10 BPS YOY

# SEATTLE-TACOMA, WA

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.3%



DOWN 30 BPS YOY

Effective Rent

\$2,166



UP 3.7% YOY

Rent Share of Wallet

23.5%



UNCHANGED YOY

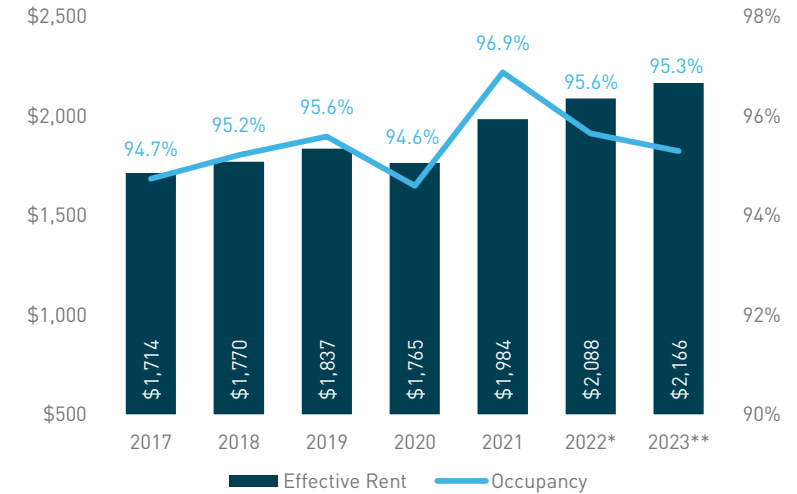
## Apartment Leasing Projected to Approach Record Level in 2023

In 2023, metro Seattle is expected to continue its steady recovery from the 2020 economic downturn. This year, the market is projected to surpass its pre-pandemic job total of 2.13 million. Job growth has been a key factor in making Seattle one of the national leaders in net migration. With former residents returning and additional individuals relocating to Seattle in the coming year, demand for multifamily units is expected to reach its second-highest total over the past decade with over 15,600 net new leases signed. Downtown Seattle and neighboring submarkets along the I-5 corridor are forecasted to account for roughly 42% of all new leasing activity in 2023. The submarkets are within a short commute to many of the largest demand drivers in the Seattle metro, including Amazon.com Inc. and the University of Washington (UW). Enrollment at UW is projected to surpass 53,000 students in 2023, making it the university's largest enrollment on record. Roughly 70% of UW students live in non-university operated housing, creating sustained demand in the University District/Ballard submarket. In November 2022, Amazon announced plans to lay off roughly 10,000 corporate and technology specific jobs. The cuts would primarily impact Amazon's human resources, devices organization, and retail divisions. While the company did not specify which offices are likely to absorb the largest number of layoffs, most of them could be focused on the company's South Lake Union and Bellevue offices. Amazon should still be the largest private employer in the state, continuing to fuel housing demand.

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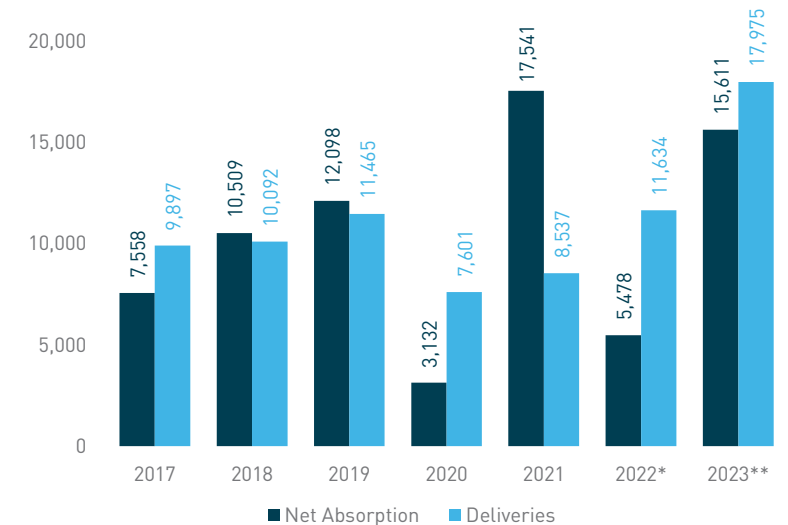
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

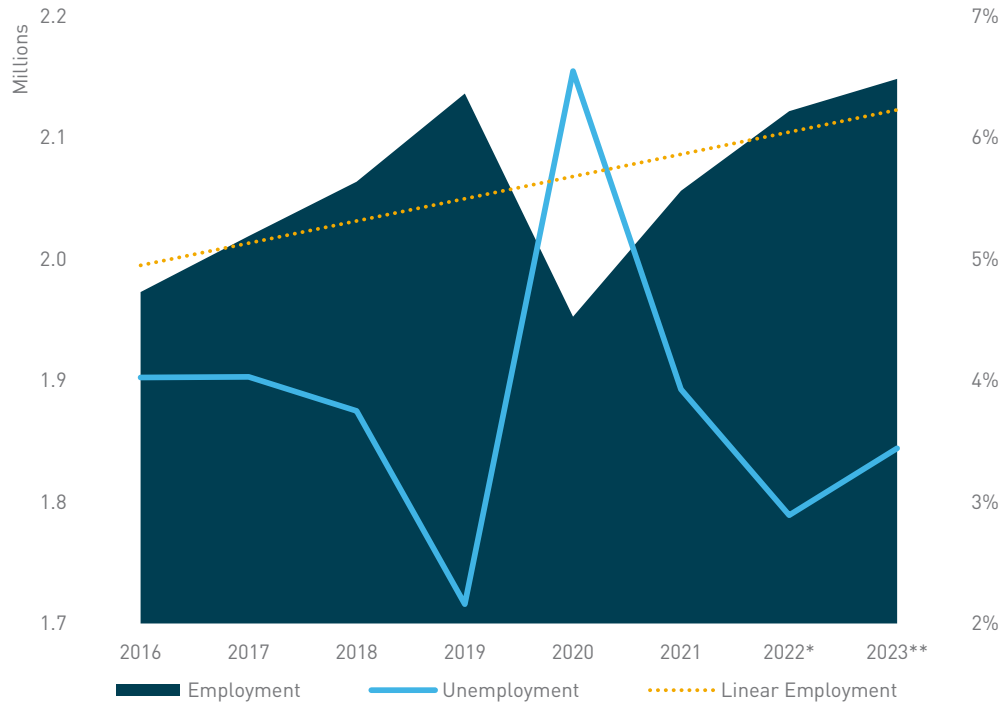


\*Projected \*\*Forecast

# SEATTLE-TACOMA, WA

## Employment Trends

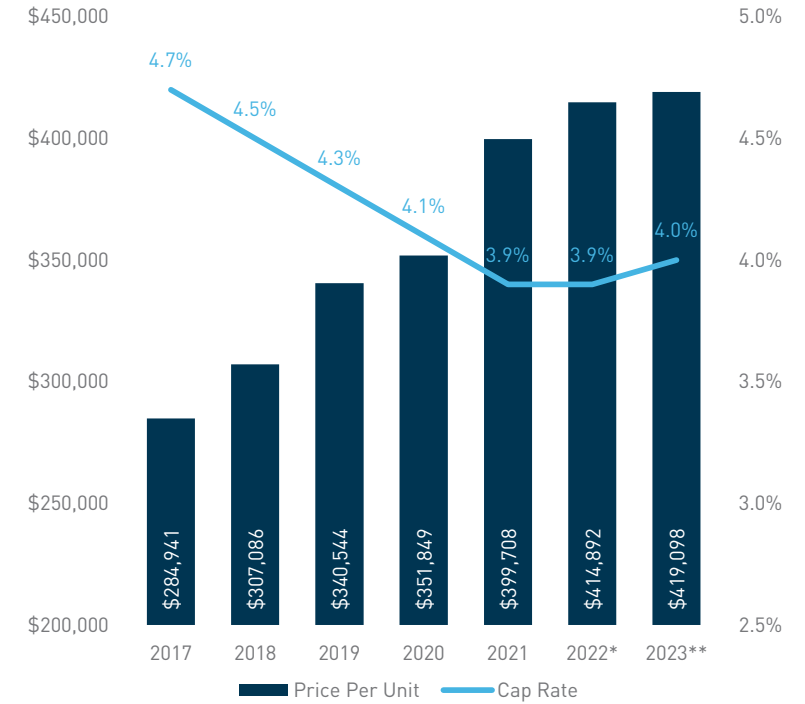
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

<p>Employment</p> <p><b>2,148,500</b></p> <p>↑</p> <p>UP 1.2% YOY</p>	<p>Unemployment</p> <p><b>3.4%</b></p> <p>↑</p> <p>UP 50 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$110,603</b></p> <p>↑</p> <p>UP 3.8% YOY</p>
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<p>Price Per Unit</p> <p><b>\$419,098</b></p> <p>↑</p> <p>UP 1.0% YOY</p>	<p>Cap Rate</p> <p><b>4.0%</b></p> <p>↑</p> <p>UP 10 BPS YOY</p>
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# WASHINGTON, D.C.

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.9%



UNCHANGED YOY

Effective Rent

\$2,111



UP 3.0% YOY

Rent Share of Wallet

19.5%



DOWN 20 BPS YOY

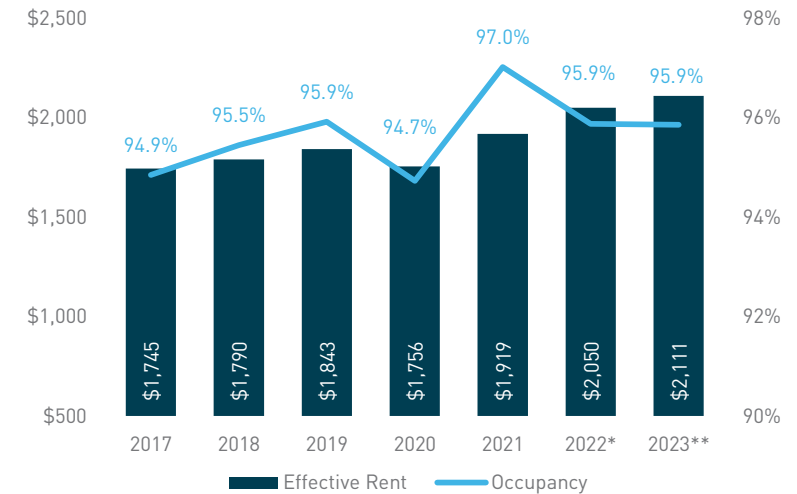
## Influx of New Apartment Inventory Facilitating Robust Leasing Activity

As individuals continue to migrate to the metro area and single-family home construction remains restrained, apartment developers are working to fill the housing gap in Washington, D.C. Builders are scheduled to bring more than 17,500 apartment units online over the next four quarters, the highest annual deliveries on record. While new inventory is set to begin lease-up in nearly every submarket, a metro-leading 2,200 units are on pace to be completed in the Northeast DC area. Home to the H Street and NoMa neighborhoods, the Northeast DC submarket provides more affordable rents with highly sought-after community amenities and proximity to major employers downtown. A significant share of the new inventory will come with the 500-unit The Hale. The high-rise property is scheduled to begin lease-up and is expected to be completed by year-end. The Class A community is a part of a wave of luxury apartments coming online across the metro targeting renters by choice or people priced out of homeownership due to limited availability and rising mortgage rates. Part of these individuals are coming from outside the metro as annual net migration accelerated in the last two years and is projected to rise again in 2023 as employers continue to hire, albeit at a more measured pace. Employment growth and continued household formation will strengthen apartment demand as annual net absorption is forecast to triple year over year. Leasing activity is expected to nearly keep pace with the influx of new inventory to hold occupancy at 95.9% by year-end.

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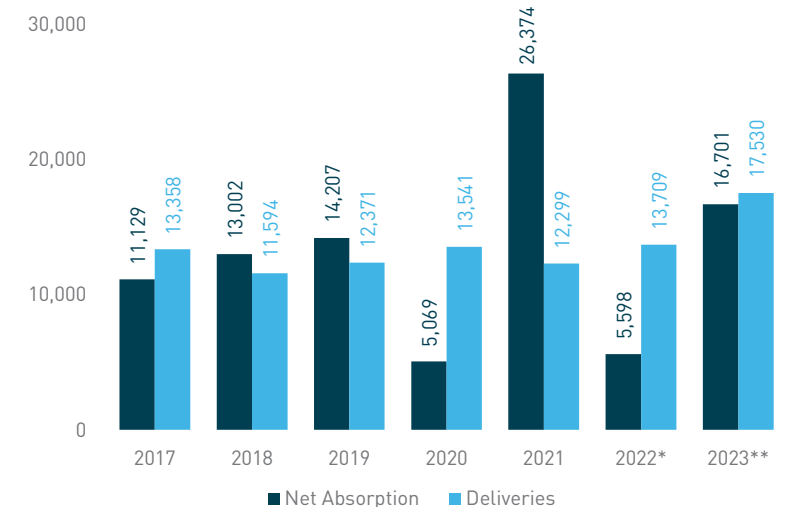
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

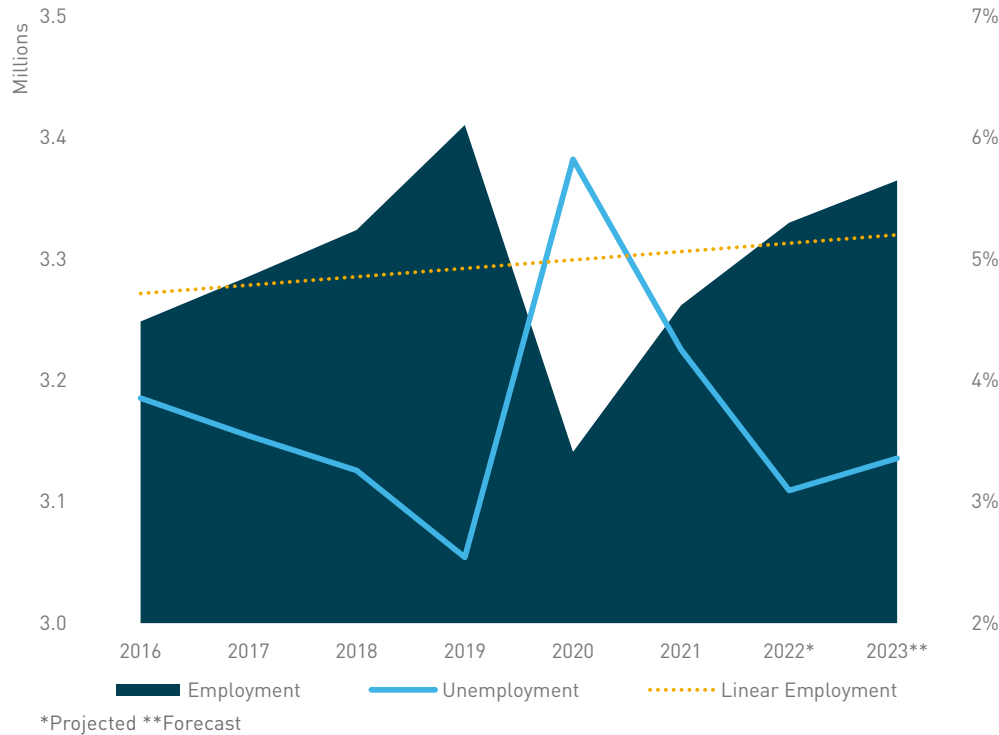
### Absorption & Deliveries



\*Projected \*\*Forecast

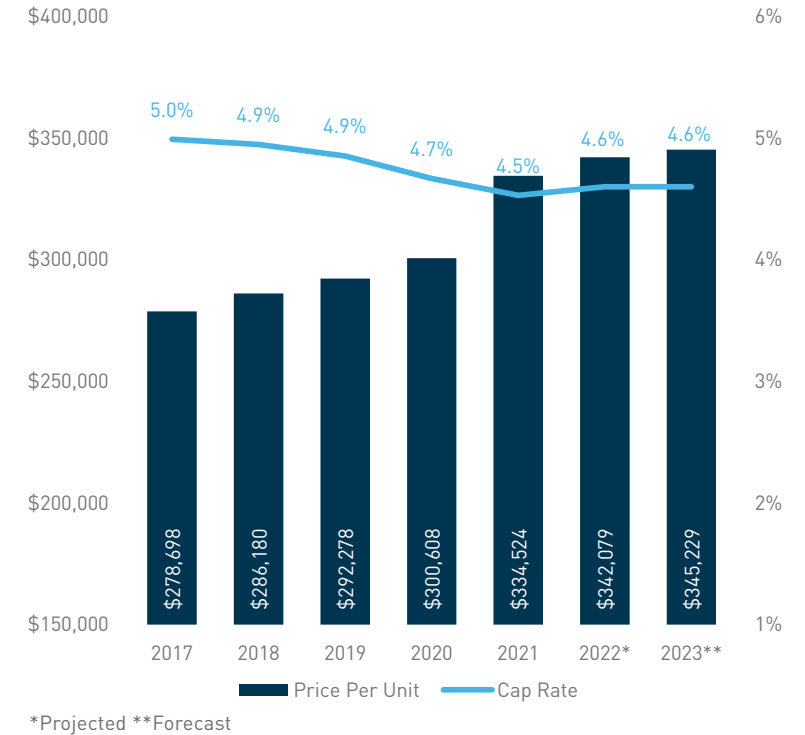
## Employment Trends

### Market Employment Trends



## Sales Trends

### Price Per Unit & Cap Rate



<p>Employment</p> <p><b>3,364,600</b></p> <p>↑</p> <p>UP 1.0% YOY</p>	<p>Unemployment</p> <p><b>3.4%</b></p> <p>↑</p> <p>UP 30 BPS YOY</p>	<p>Median Household Income</p> <p><b>\$129,636</b></p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p><b>\$345,229</b></p> <p>↑</p> <p>UP 0.9% YOY</p>	<p>Cap Rate</p> <p><b>4.6%</b></p> <p>=</p> <p>UNCHANGED YOY</p>
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# MADISON, WI

## 2023 MARKET AT A GLANCE

Occupancy Rate

98.1%



DOWN 50 BPS YOY

Effective Rent

\$1,364



UP 3.1% YOY

Rent Share of Wallet

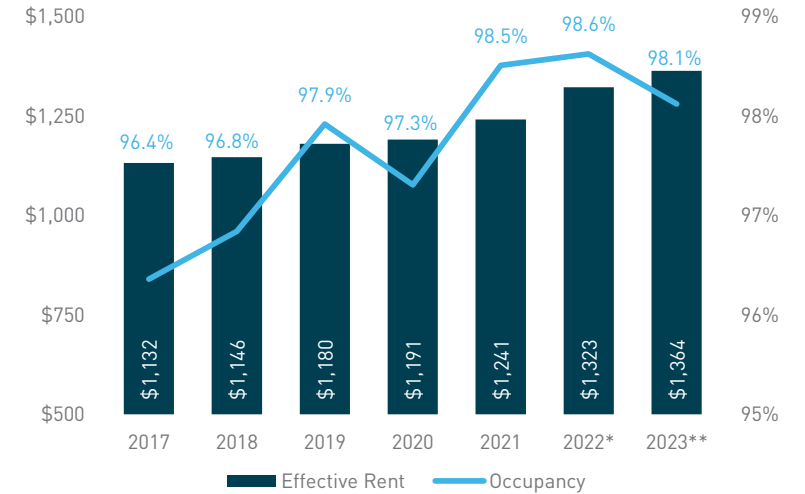
17.5%



DOWN 20 BPS YOY

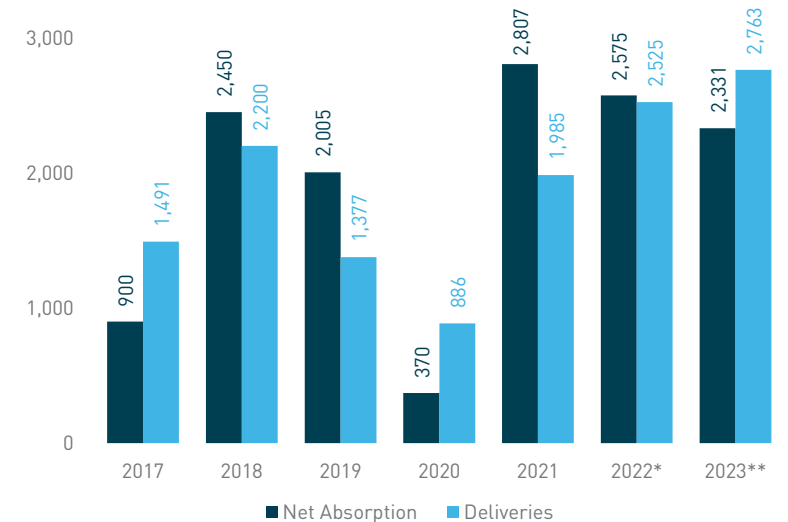
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries



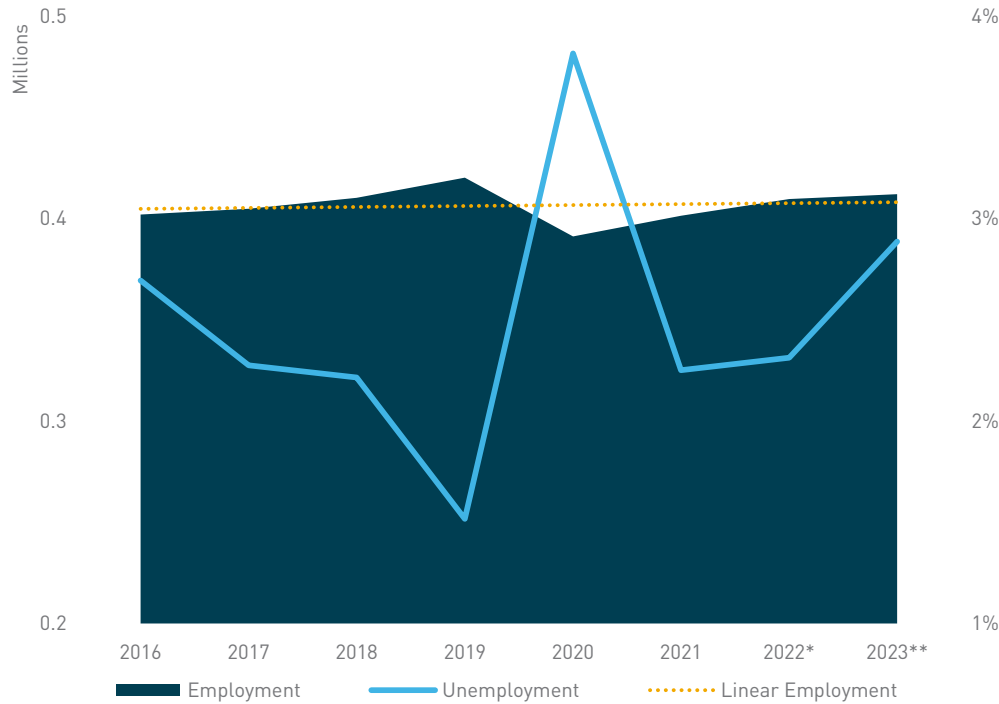
\*Projected \*\*Forecast

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# MADISON, WI

## Employment Trends

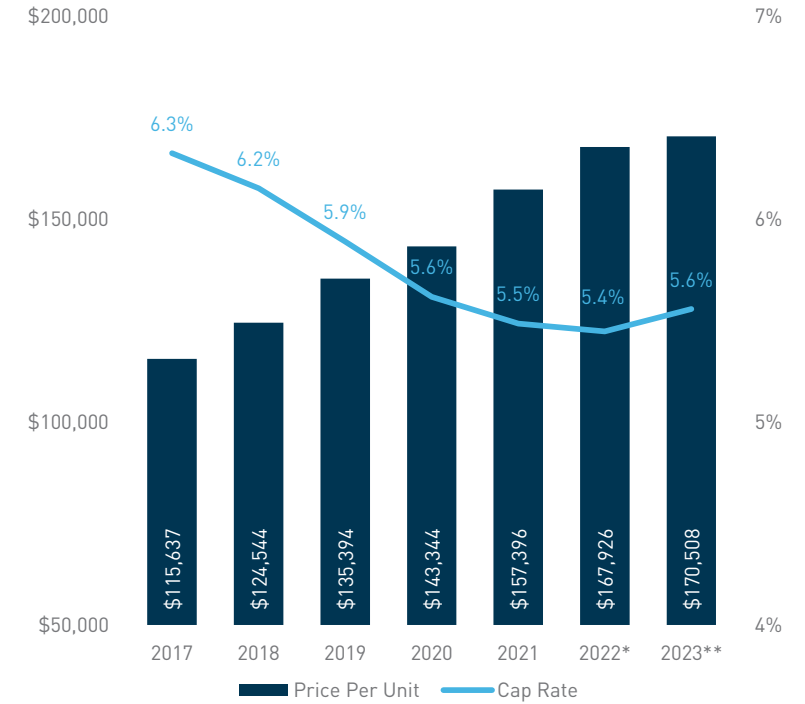
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

412,200



UP 0.6% YOY

Unemployment

2.9%



UP 60 BPS YOY

Median Household Income

\$93,405



UP 4.1% YOY

Price Per Unit

\$170,508



UP 1.5% YOY

Cap Rate

5.6%



UP 20 BPS YOY

# MILWAUKEE, WI

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.9%



DOWN 50 BPS YOY

Effective Rent

\$1,473



UP 3.0% YOY

Rent Share of Wallet

22.6%



DOWN 30 BPS YOY

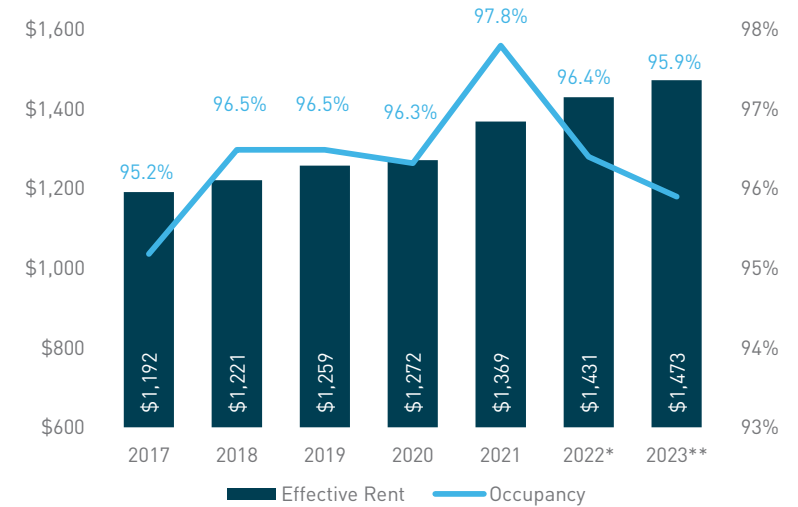
## Suburban Demand Fuels Health of Milwaukee Apartment Market

After a slow-moving year in 2022, apartment leasing activity in Greater Milwaukee is expected to bounce back as a lack of available homes for sale coupled with an affordable multifamily market will keep many residents in the renter pool throughout the year. A majority of the projected 2,222 net move-ins metrowide fall in the Franklin/Oak Creek and the Racine submarkets due to their proximity to the heart of Milwaukee. Households are projected to increase 0.3% annually metrowide, underpinning apartment demand. Part of the housing need will be created with a 0.7% increase in nonfarm employment as employers add 5,900 jobs to payrolls throughout the year. Also facilitating the increased leasing activity across the metro will be 3,147 deliveries projected to come online in 2023, up more than 34% from one year prior. Waukesha County, the third-most populated county in the state, will lead the way with 710 new units set to come online this year. With leasing activity trailing new supply, the market will see a cool down in effective rent growth. Monthly effective rent is projected to reach \$1,473 by year-end, a 3.0% annual increase, and a down from 4.5% during one year prior. Even with the forecast increase, the cost of renting is expected to remain lower than the median monthly mortgage payment. Also this year, the average occupancy rate in the market is projected to drop 50 basis points to 95.9% by the fourth quarter of 2023, approximating the average rate over the last five years.

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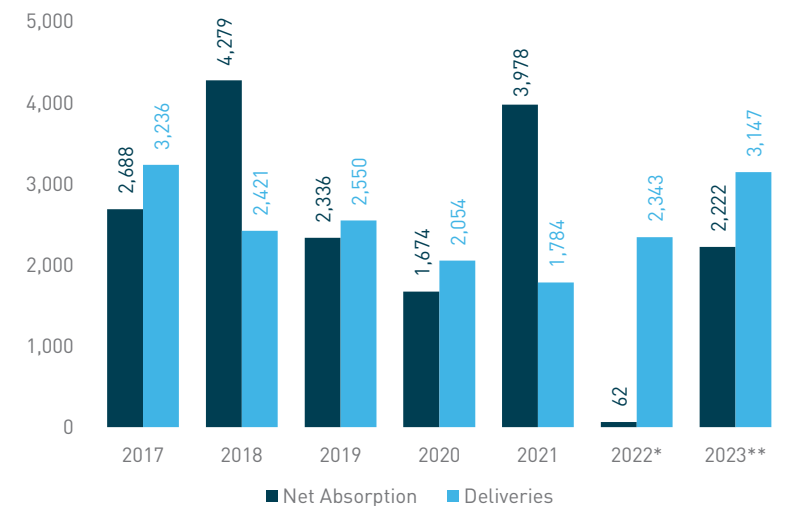
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

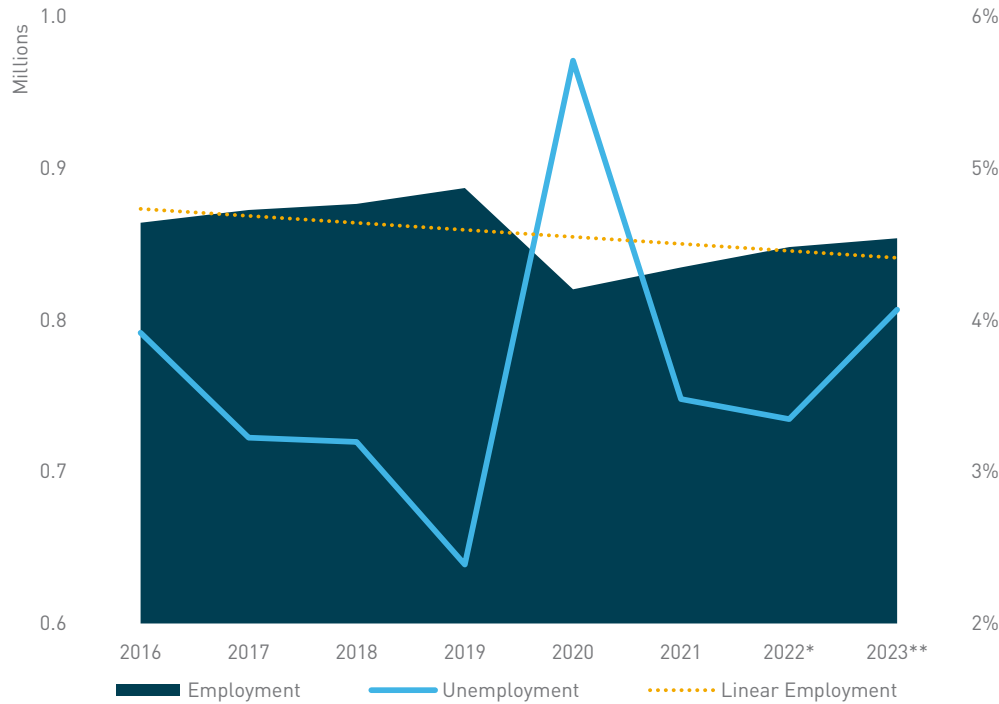


\*Projected \*\*Forecast

# MILWAUKEE, WI

## Employment Trends

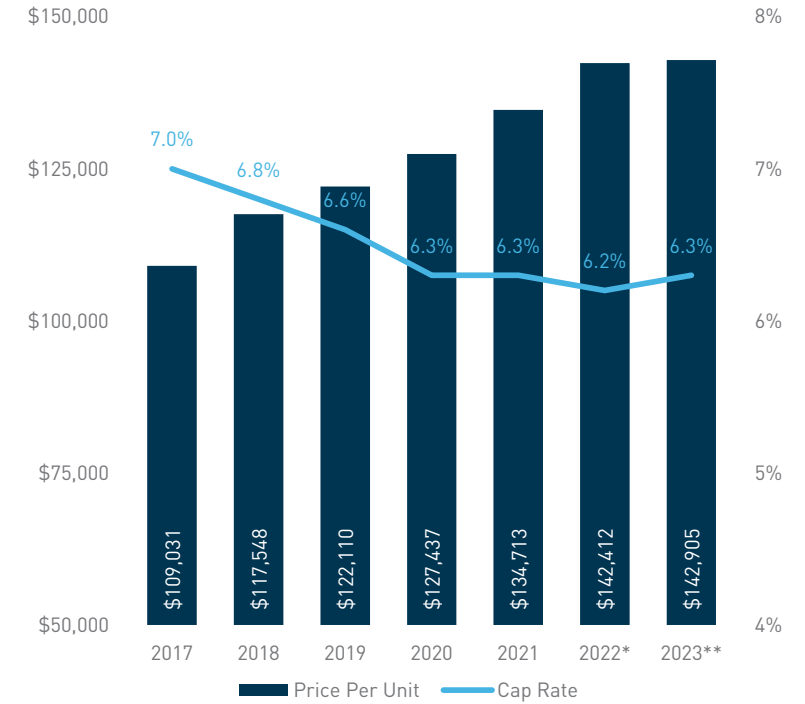
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment

853,800



UP 0.7% YOY

Unemployment

4.1%



UP 80 BPS YOY

Median Household Income

\$78,062



UP 4.0% YOY

Price Per Unit

\$142,905



UP 0.3% YOY

Cap Rate

6.3%



UP 10 BPS YOY



Sources: Berkadia; RealPage Inc.; CoStar Group Inc.; Real Capital Analytics Inc.; Moody's Analytics Inc.; National Association of Realtors; Tetrad Computer Applications Inc.; U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Commerce; U.S. Department of Housing & Urban Development; U.S. Department of the Treasury; Federal Reserve Bank of St. Louis; Congressional Budget Office.

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