

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

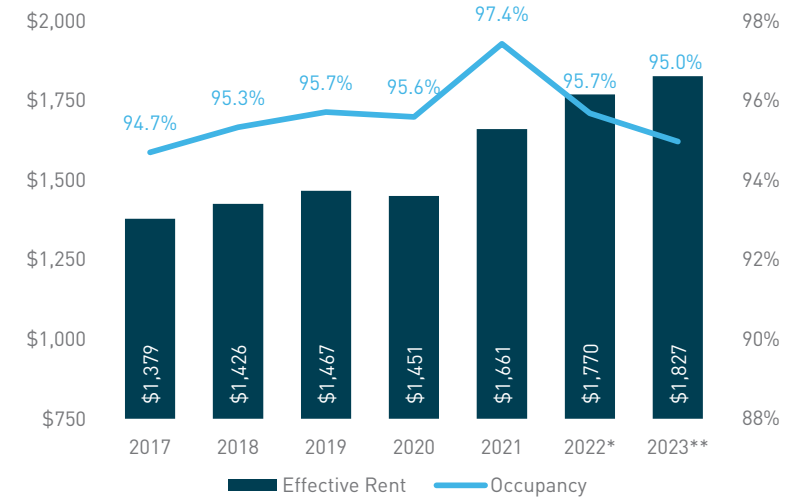
Prolonged Construction Pipelines Lead to Surge in Apartment Deliveries

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 time lines with increased costs and limited workforce as nearly 250 communities began construction before the pandemic begin 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.

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.

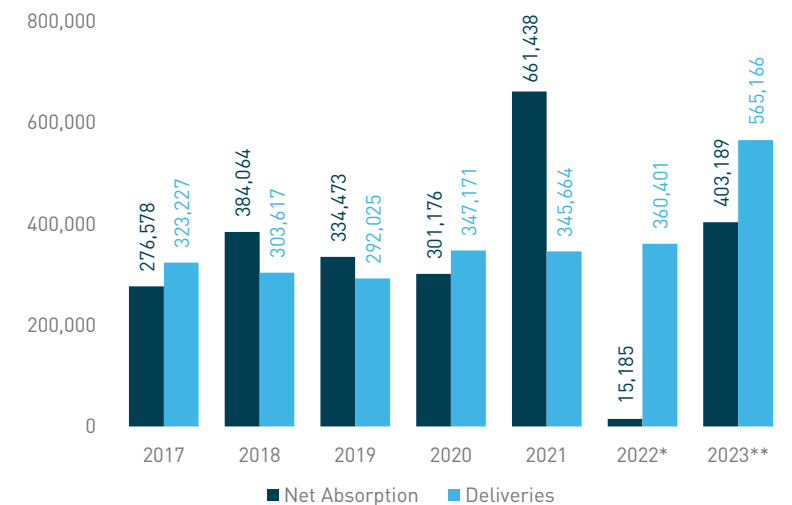
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

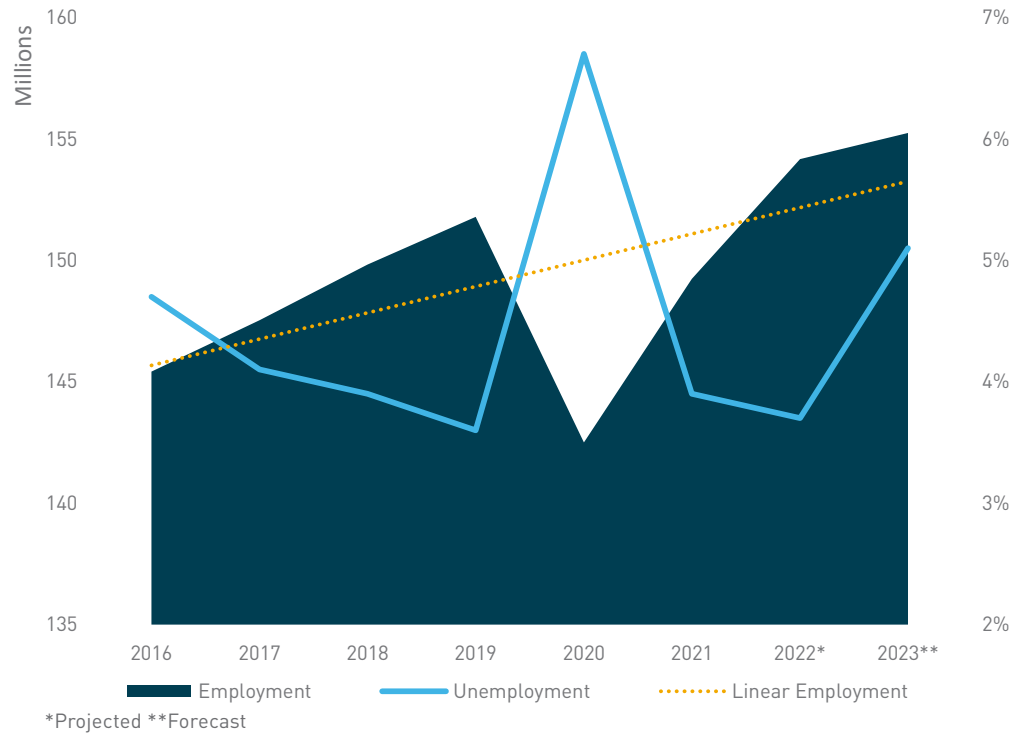


*Projected **Forecast

NATIONAL

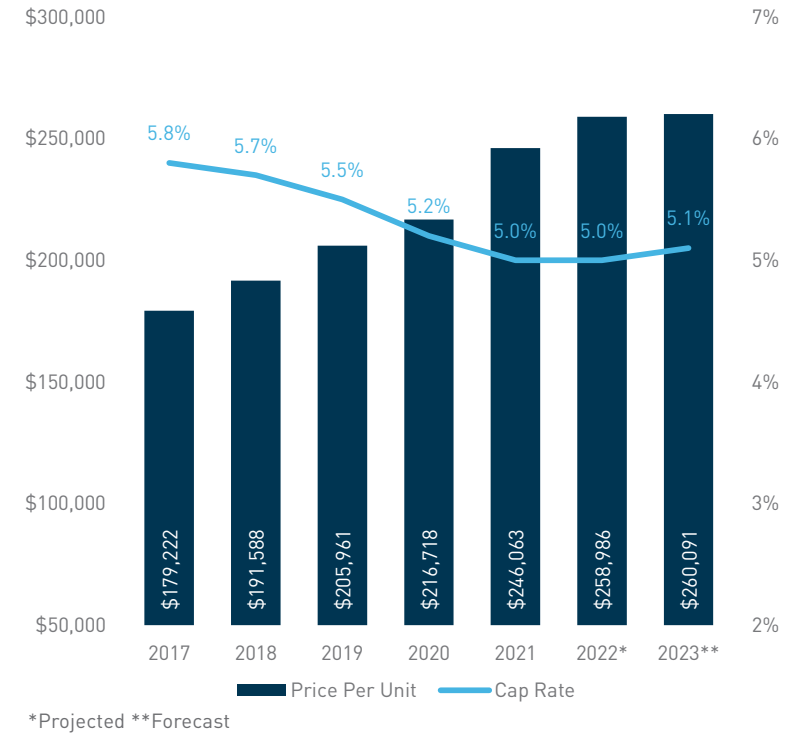
Employment Trends

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%**

