



MARKET AT A GLANCE



OCCUPANCY RATE 94.5%
Down 50 bps since 2Q19



EFFECTIVE RENT \$946
Up 0.4% since 2Q19



TOTAL INVENTORY 29,727

OCCUPANCY AND RENT TRENDS

QUARTER-OVER-QUARTER OCCUPANCY RISES, RENT UNCHANGED

Local apartment fundamentals were stable in the second quarter of 2020. Apartment occupancy rose 10 basis points from March 2020 to 94.5% in June, while monthly effective rent averaged \$946, unchanged from March. The apartment market in the Southwest Tallahassee submarket carried the metro. Effective rent in the submarket was considerably lower than the metro average, helping fuel a 110-basis-point increase in occupancy since March. Monthly effective rent in the submarket averaged \$802 in June, a 0.3% growth pace during the second quarter. Looking forward, a total of 345 new apartments are anticipated over the next four quarters at two apartment communities in east and northwest Tallahassee. Among apartment investors, the environment was a bit less sanguine. Forbearance was approved for 9.8% of CMBS and Fannie Mae outstanding apartment loans in the Tallahassee metro area in June 2020. Some of this loan distress stemmed from the departure of students—many of them renters—from the area following the closures of Florida State University and Florida A&M University campuses in March. However, the current market conditions should improve as enrollment begins to normalize at both campuses this fall.



TALLAHASSEE

MULTIFAMILY REPORT

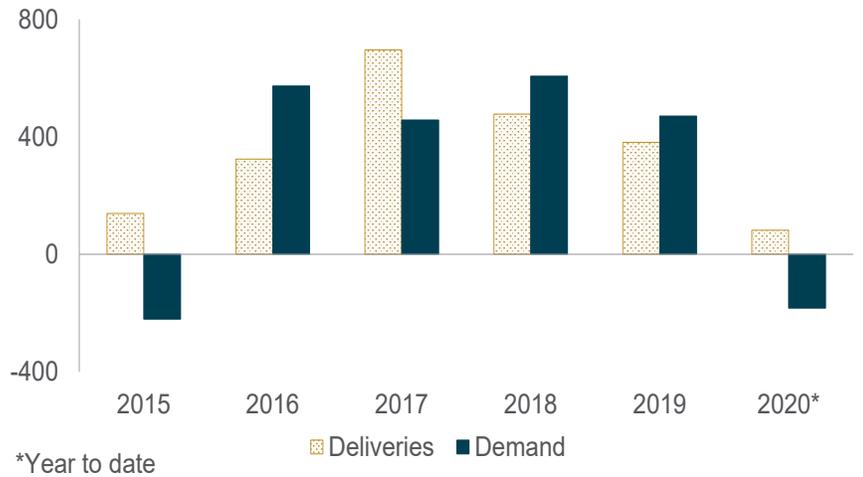
DELIVERIES AND DEMAND



DELIVERIES 82
Units YTD



NET ABSORPTION -183
Units YTD



ECONOMIC TRENDS

2019 3.2% UNEMPLOYMENT* 2020 7.0%
380 BPS CHANGE

2019 185.9k EMPLOYMENT* 2020 175.4k
-5.6% CHANGE

2019 5.7k EXISTING SFH SALES* 2020 4.6k
-19.3% CHANGE

2019 387.5k POPULATION* 2020 389.3k
0.5% CHANGE

2019 2.07% 10-YEAR TREASURY* 2020 0.73%
-130 BPS CHANGE

*June



TALLAHASSEE

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
East Tallahassee	94.2%	-20	-180	\$1,056	-1.0%	-0.7%	-22	25	0	256
Northwest Tallahassee	92.0%	-120	-260	\$994	1.7%	1.1%	-71	-157	0	0
Southwest Tallahassee	96.2%	110	220	\$802	0.3%	1.1%	124	189	0	0
TOTALS	94.5%	10	-50	\$946	0.0%	0.4%	30	57	0	256



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