FORECAST

National Apartment Research Report

BERKADIA®

a Berkshire Hathaway and Jefferies Financial Group company

BUILT FOR THE NOW. AND THE NEXT.

Berkadia is an industry-leading real estate company.

Berkadia is a leader in the commercial real estate industry, offering a robust suite of services to our multifamily and commercial property clients. Powered by deep relationships and industry-changing technology, our people sell, finance, and service commercial real estate, providing support for the entire life cycle of our clients' assets. Our unique ownership structure allows us to put our clients' interests first and create a marketplace that delivers a superior experience.

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NATIONAL TRENDS

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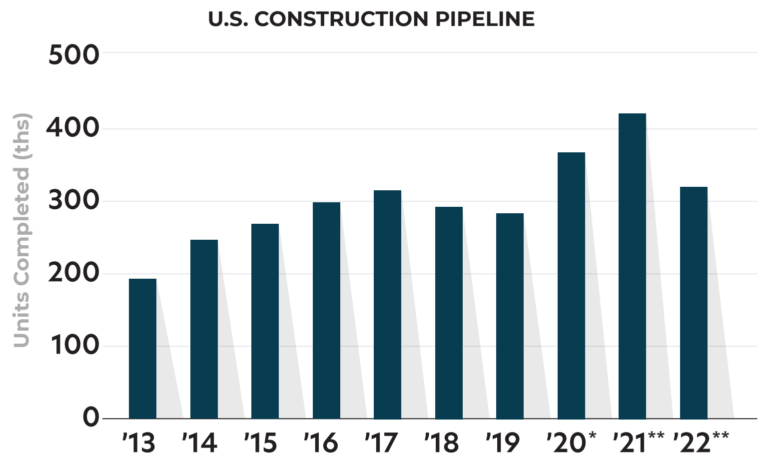
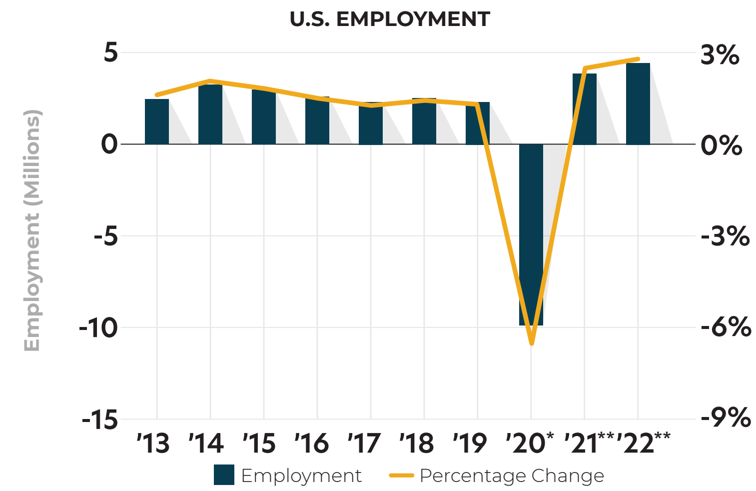
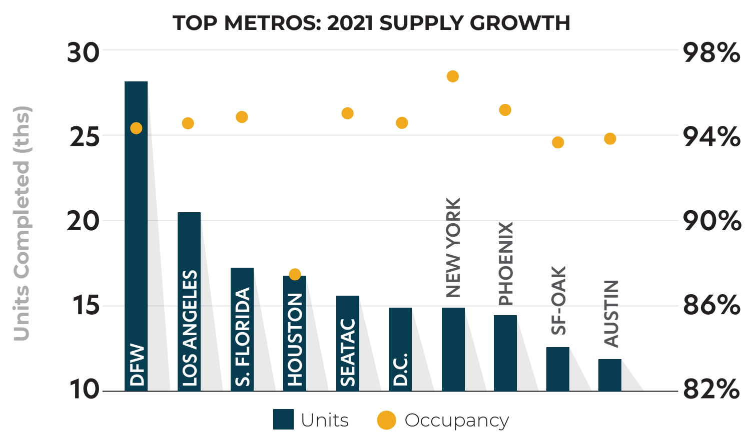
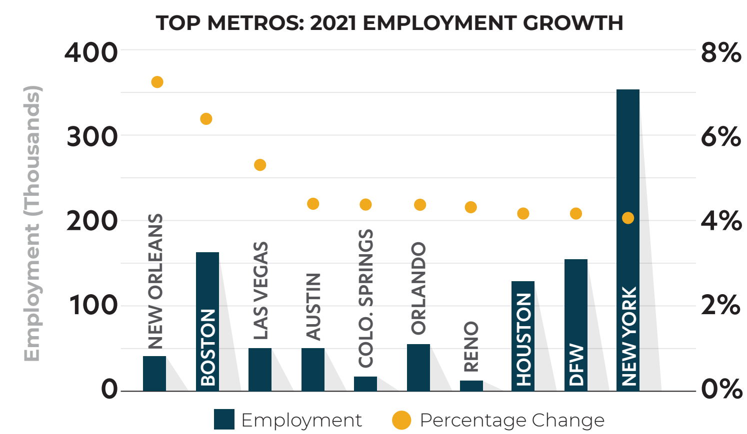
REVIEW

With apartment occupancy rising nationally in recent years and hitting a cycle high during 2019, development has ramped up in kind. This led to the addition of more than 364,400 units last year, a more than 20-year peak. As apartment operators faced increased competition, the coronavirus pandemic impacted the nation. U.S. payrolls contracted 6.5% last year, as more jobs were lost than throughout the Great Recession. With many Americans facing economic insecurity, health concerns, and shelter-in-place orders, renter mobility was hindered, as net absorption was nearly half the additions. As a result, average apartment occupancy decreased 60 basis points to 95.2% by year-end 2020, though still 10 basis points higher than the five-year average. Contributing to occupancy remaining healthy was assistance to renters through the CARES Act and local government aid programs. Rent collections of professionally managed properties averaged 94.9% since May 2020, compared to 96.0% during the same time in 2019. To assist renters, operators also increased concessions, which resulted in monthly effective rent contracting 1.0% and finishing 2020 at $1,410. While apartment fundamentals remained stable, deal flow continued, albeit at a much slower pace. Transactions averaged $180,887 per unit, up 6.7% from 2019. Simultaneously, average cap rate reduced 20 basis points to 5.2% in 2020. Through November 2020, deal volume totaled $481.6 billion, a decrease of 34.4% from 2019.









2020 PERFORMANCE HIGHLIGHTS

EMPLOYMENT CHANGE
-9,879,900
Down **6.5%** YOY

OCCUPANCY
95.2%
Down **60 bps** YOY

EFFECTIVE RENT
$1,410
Down **1.0%** YOY

CONSTRUCTION
364,449
Up **29.1%** YOY

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NATIONAL TRENDS

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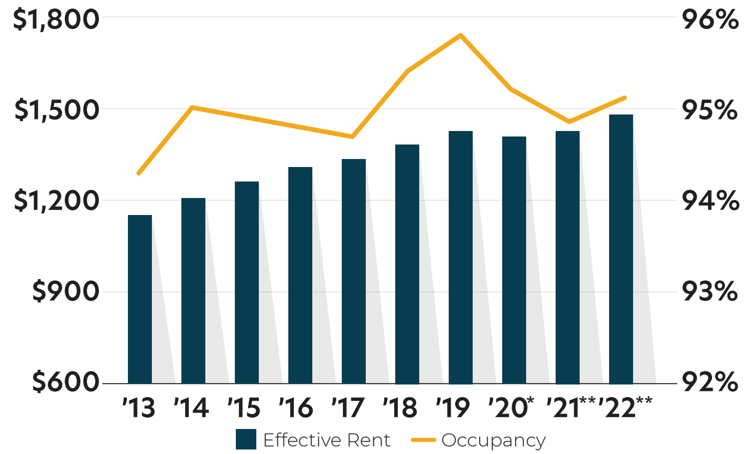
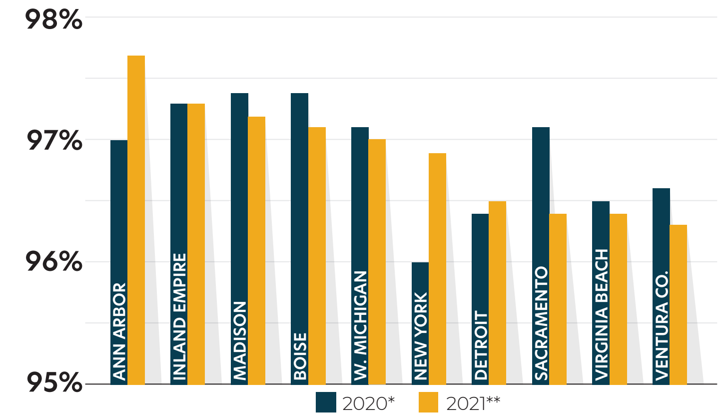
As the U.S. economy slowly recovers, apartment fundamentals will improve. Employers are forecast to accelerate hiring over the next two years as the workforce is projected to grow 2.6% this year and 2.9% next year. The strongest rebound is expected among the white-collar industries: financial activities and professional and business services. These higher-paying positions will be the target of Class A apartment operators as more than 735,200 units are scheduled to begin lease-up nationwide over the next two years, most of which are Class A. This trend is embodied in the Dallas-Fort Worth market, where a national-leading 51,559 units are on pace to come online by year-end 2022, and professional and business services hiring will lead all other sectors. As Americans have more job opportunities, annual apartment leasing is forecast to return to pre-pandemic levels. Renting will remain a preferred option for residents with a higher barrier to homeownership, as New York, Dallas-Fort Worth, and South Florida are projected to lead in leasing activity. Nationally, apartment occupancy is forecast to reach 95.1% by year-end 2022, down 10 basis points from the close of 2020 due to supply-side pressure. At the same time, operators are projected to advance monthly effective rent 1.0% to $1,424 this year and 4.1% next year to $1,482. On the market level, rent appreciation will be highest among secondary and tertiary metros with above-average job growth, like Inland Empire and Colorado Springs.

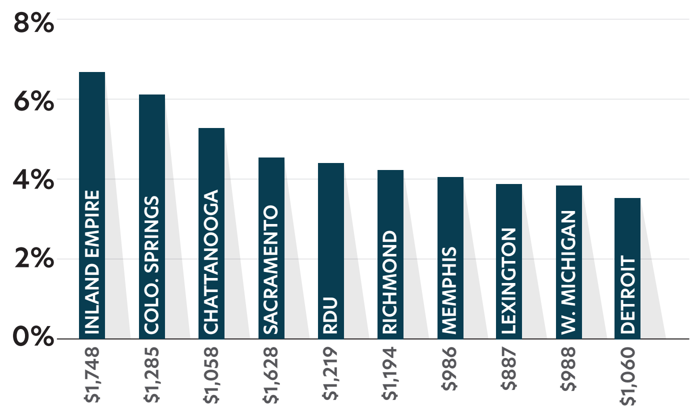
U.S. EFFECTIVE RENT AND OCCUPANCY



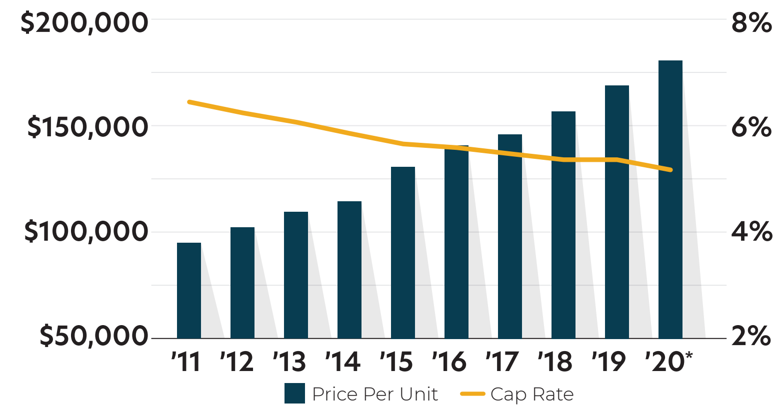
TOP METROS: HIGHEST OCCUPANCY



TOP METROS: 2021 EFFECTIVE RENT GROWTH



U.S. APARTMENT INVESTMENT



2021 PERFORMANCE HIGHLIGHTS

EMPLOYMENT CHANGE
3,695,100
Up **2.6%** YOY

OCCUPANCY
94.8%
Down **40 bps** YOY

EFFECTIVE RENT
$1,424
Up **1.0%** YOY

CONSTRUCTION
417,219
Up **14.5%** YOY

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BIRMINGHAM, ALABAMA

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APARTMENT DELIVERIES RISE AS RENTAL DEMAND GROWS WITH HIRING

Apartment developers indicated confidence in the Birmingham market as construction activity ramped up. After 20 market-rate units came online in 2019, builders brought approximately 370 units online last year. Development was concentrated in the Central Birmingham/Mountain Brook submarket in 2020, and builders will continue to focus deliveries in the area during 2021. For the first time in years, new units will be added in the surrounding submarkets as developers target neighborhoods with numerous retail hubs near major transportation lines. A total of 1,375 units are scheduled to begin lease-up in 2021, the highest annual additions in more than 20 years. A combination of more housing options and a rebounding economy should underpin a positive shift in leasing activity. After Greater Birmingham employment contracted in 2020, employers are expected to grow the labor force over the next four quarters. The trade, transportation, and utilities sector will also be boosted this year with the opening of two Amazon.com Inc. delivery stations, a FedEx Corp. distribution center, and a Lowe's Companies Inc. distribution center that will create hundreds of jobs each. Even with the rising payrolls fortifying annual apartment absorption, leasing activity is projected to trail inventory growth and lead to a 60-basis-point drop in average occupancy over the next four quarters to 94.0%. With occupancy nearly on par with the five-year average, apartment operators are expected to keep upward pressure on rent. At an average of $1,050 by year-end, monthly effective rent is forecast to increase 2.2%.

2021 MARKET AT A GLANCE

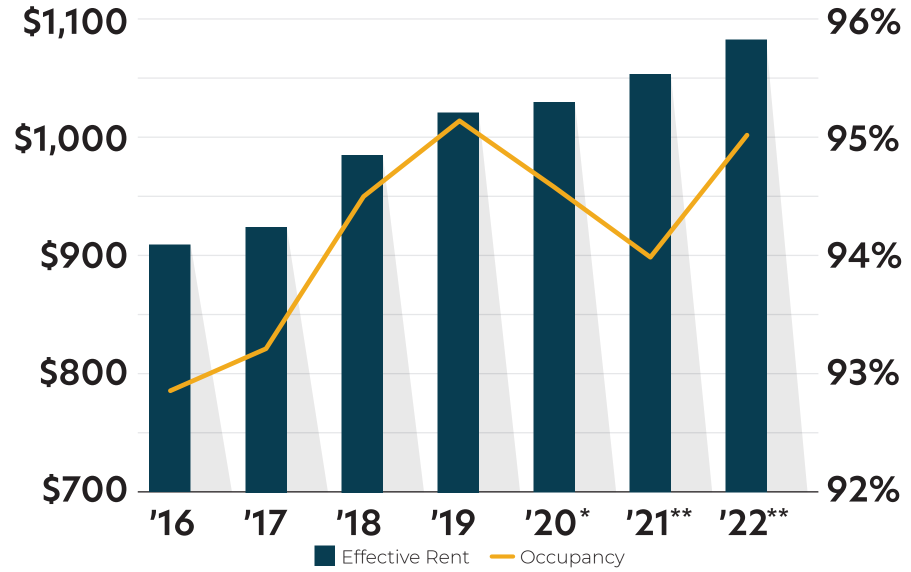
OCCUPANCY RATE
94.0%
Down **60 bps** YOY

EFFECTIVE RENT
$1,050
Up **2.2%** YOY

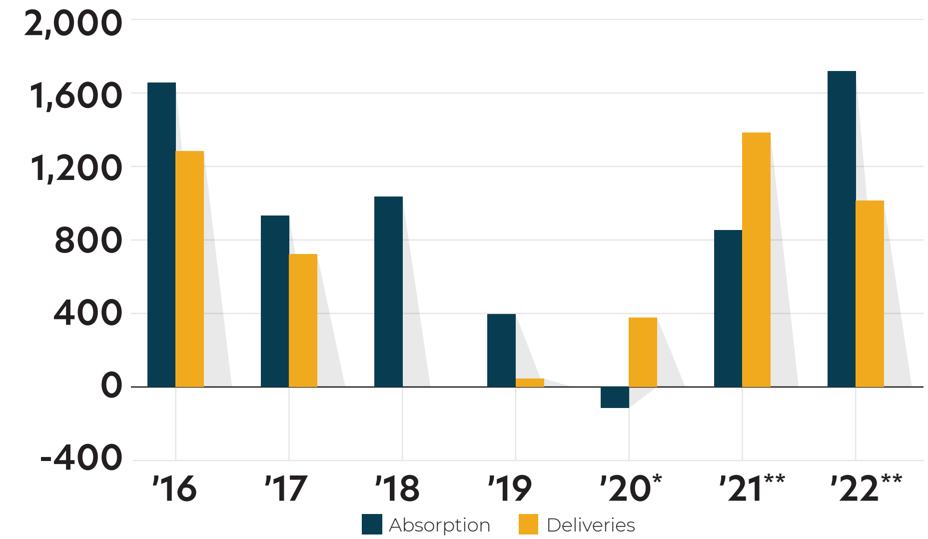
RENT SHARE OF WALLET
20.3%
Up **60 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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BIRMINGHAM, ALABAMA

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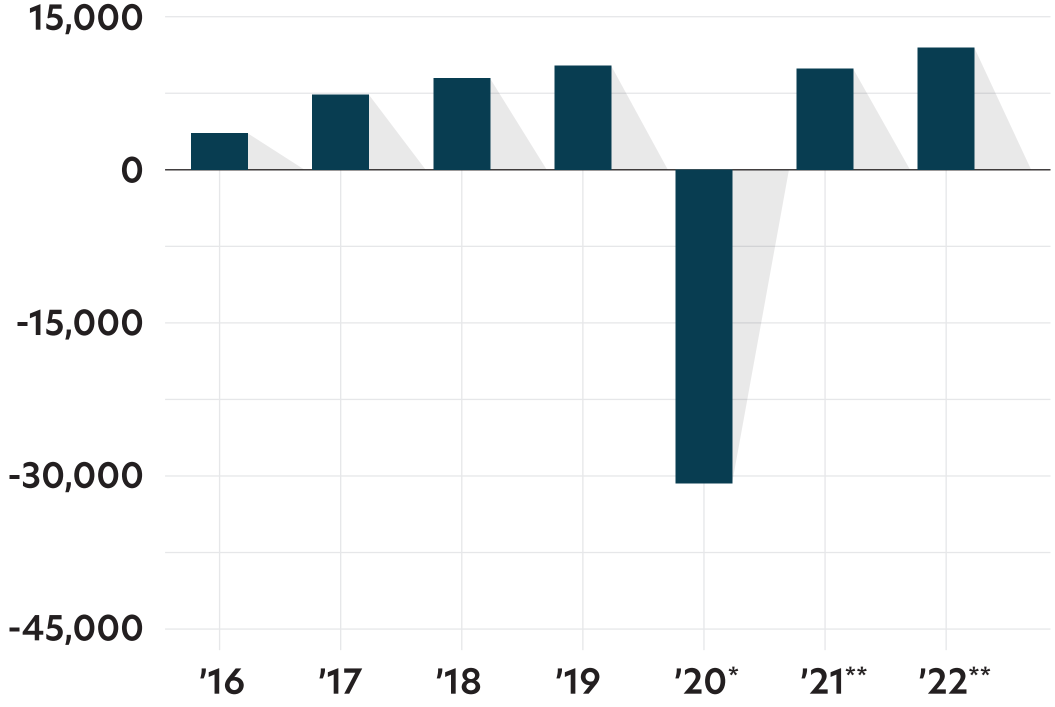
EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
553,100	-5.5%	522,700	1.8%	531,900

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.7%	430 BPS	6.0%	50 BPS	6.5%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,155,700	0.2%	1,158,400	0.2%	1,160,700

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
466,900	0.8%	470,600	0.7%	473,700

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$57,058	9.4%	$62,409	-0.6%	$62,041

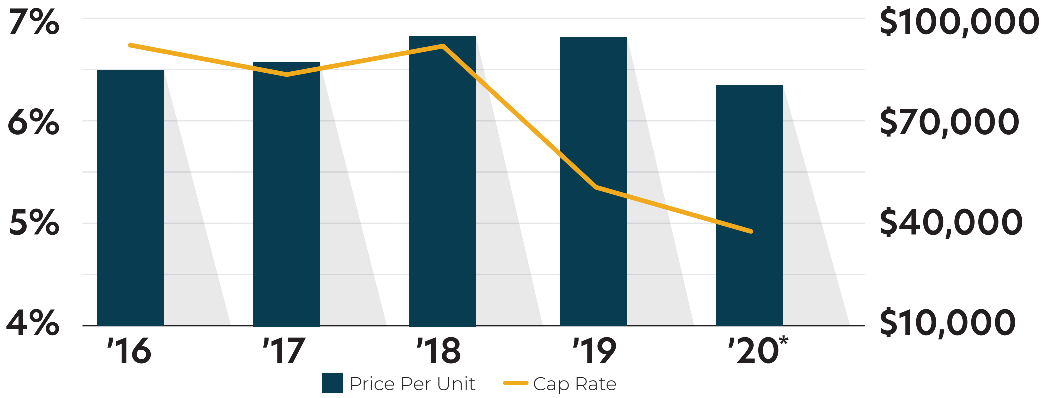
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$94,410	-15.9%	$79,356

CAP RATE

2019	YOY CHANGE	2020
5.3%	-40 BPS	4.9%



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HUNTSVILLE, ALABAMA

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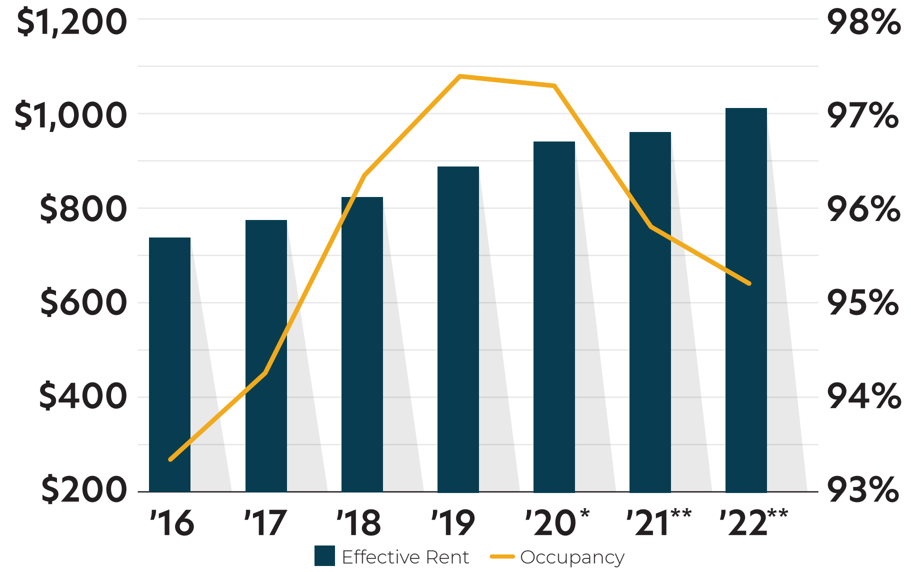
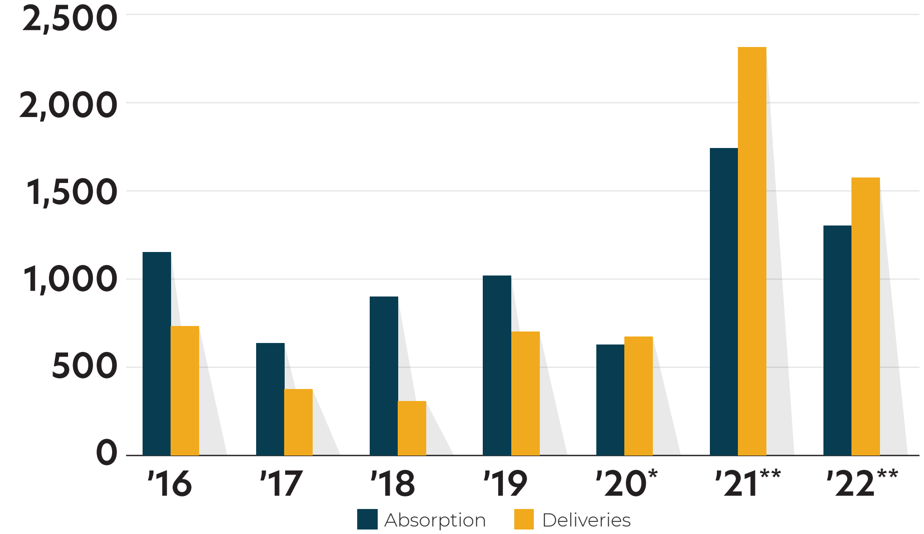
MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



2021 MARKET AT A GLANCE

OCCUPANCY RATE
95.8%
Down **150 bps** YOY

EFFECTIVE RENT
$957
Up **2.4%** YOY

RENT SHARE OF WALLET
16.3%
Up **40 bps** YOY

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HUNTSVILLE, ALABAMA

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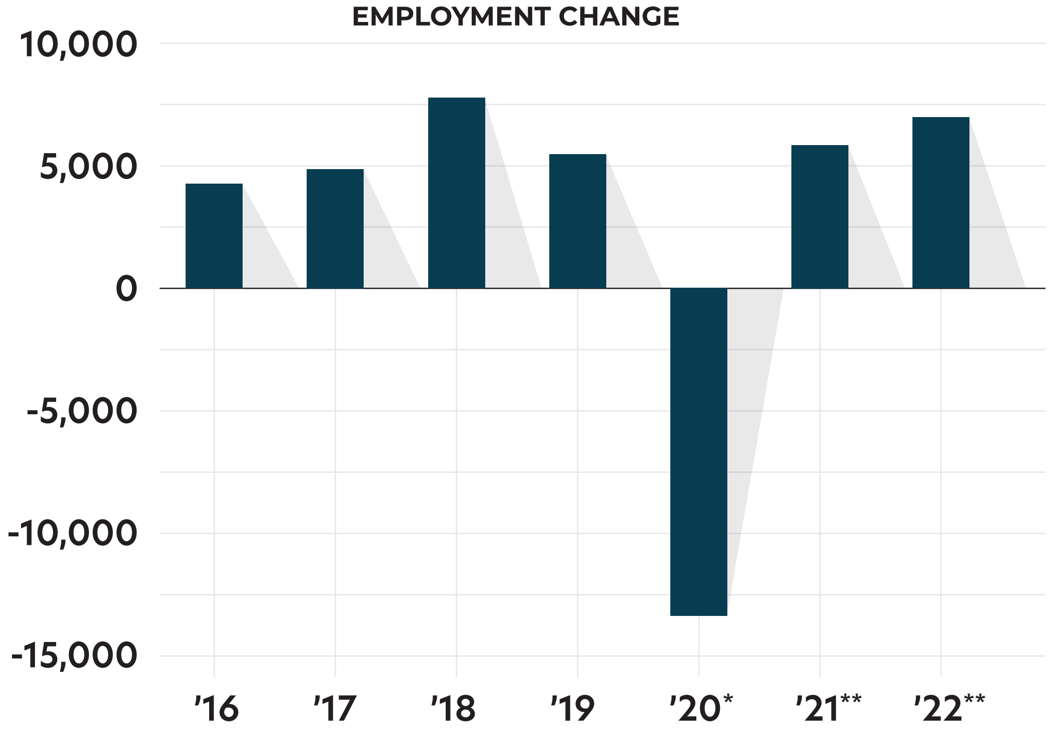
EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
247,500	-5.3%	234,300	2.4%	239,900

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.7%	330 BPS	5.0%	40 BPS	5.4%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
475,900	1.5%	483,000	1.4%	489,800

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
197,600	2.0%	201,600	1.9%	205,500

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$66,404	6.1%	$70,451	-0.2%	$70,294

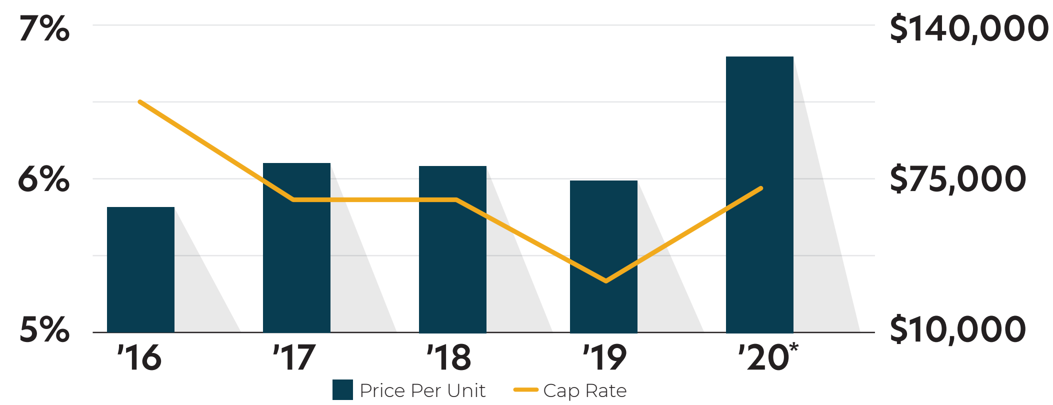
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$72,744	72.7%	$125,662

CAP RATE

2019	YOY CHANGE	2020
5.3%	60 BPS	5.9%



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MOBILE, ALABAMA

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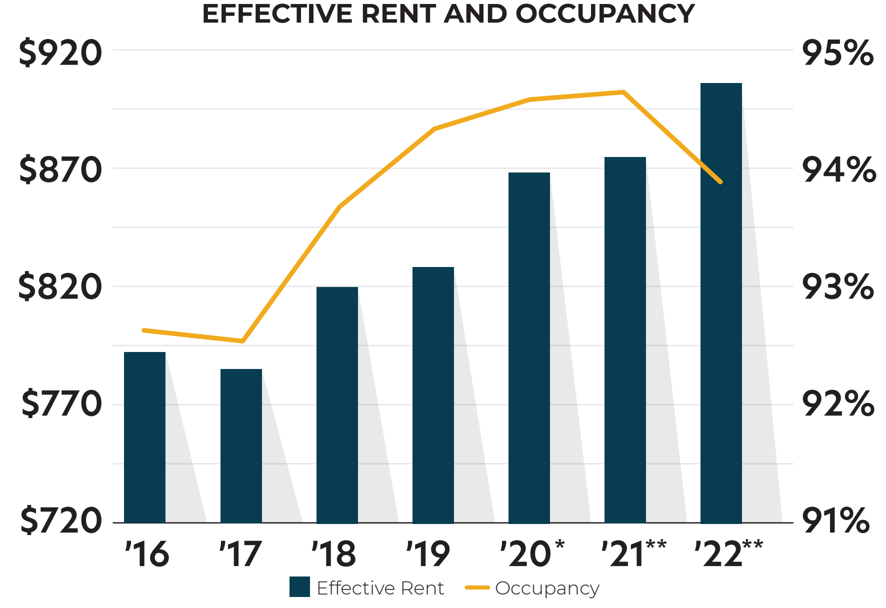
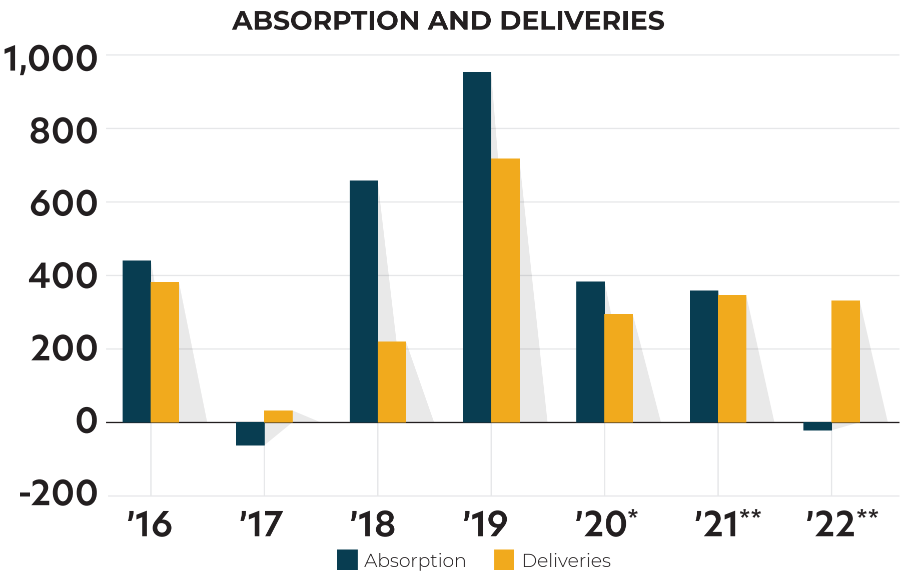
MARKET TRENDS





2021 MARKET AT A GLANCE

OCCUPANCY RATE
94.7%
Up **10 bps** YOY

EFFECTIVE RENT
$875
Up **3.6%** YOY

RENT SHARE OF WALLET
20.0%
Up **80 bps** YOY

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MOBILE, ALABAMA

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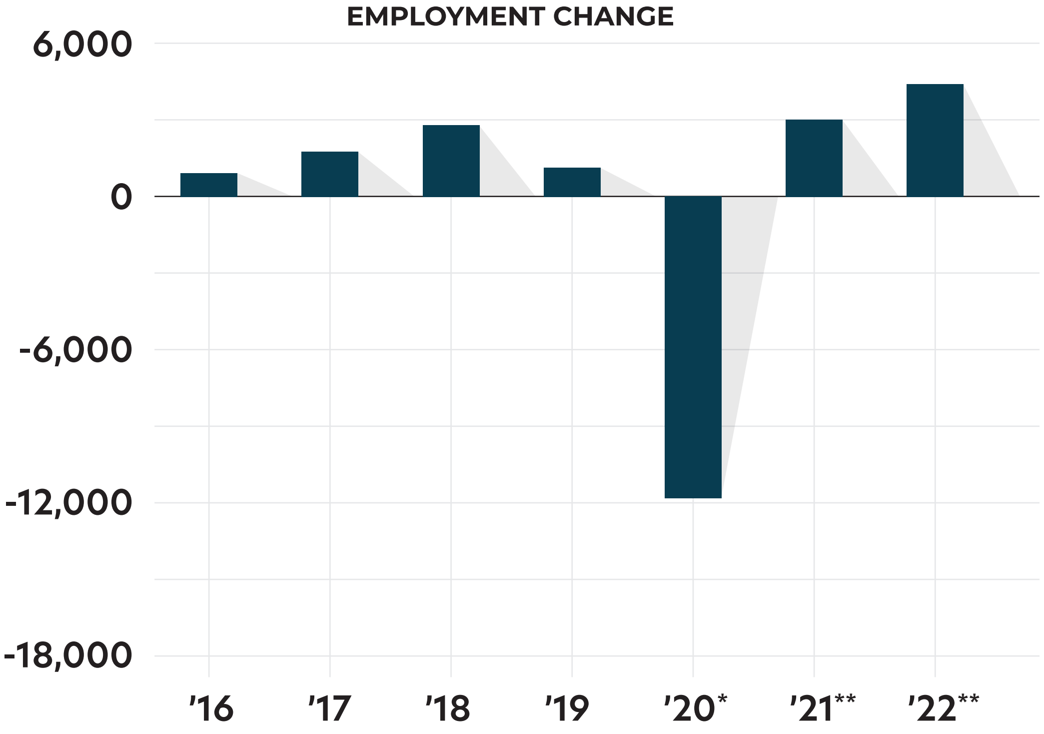
EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
187,900	-6.2%	176,200	1.7%	179,200

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.4%	720 BPS	9.6%	-20 BPS	9.4%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
413,600	0.2%	414,400	0.1%	414,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
165,500	0.7%	166,700	0.6%	167,700

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$49,098	7.4%	$52,728	-0.2%	$52,597

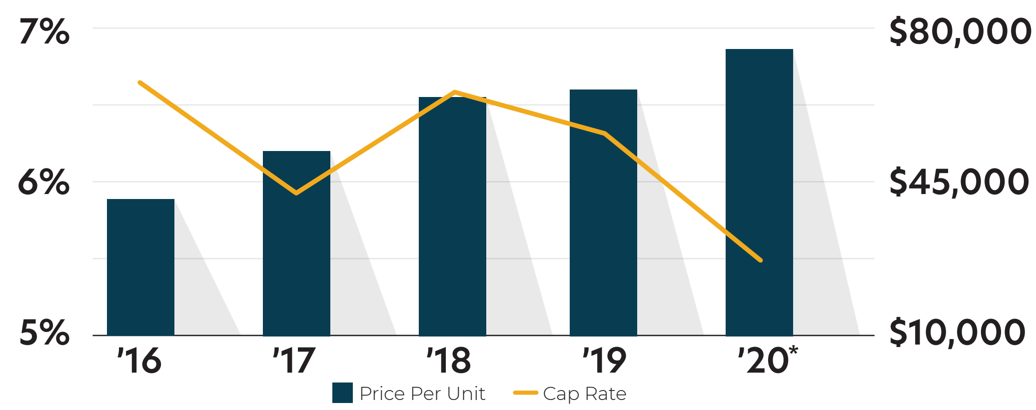
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$65,413	15.0%	$75,209

CAP RATE

2019	YOY CHANGE	2020
6.3%	-80 BPS	5.5%



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PHOENIX, ARIZONA

PHOENIX CONTINUES TO ATTRACT NEW RESIDENTS, DRIVING RENTAL DEMAND

Coming into 2020, Phoenix was one of the fastest-growing metropolitan areas by population in the country. Rapid household formation, sluggish single-family construction, and limited single-family housing for sale prompted multifamily family builders to ramp up activity. After more than 9,500 market-rate units came online last year, an additional 14,300 units are scheduled to begin lease-up over the next four quarters. The additions are nearly double the preceding five-year average and a historic peak. While deliveries will be spread throughout the metro, a large share will come online around growing employment hubs in Central Phoenix and Gilbert. These recent Class A builds will provide amenity-rich options and target renters in high-paying positions, such as new employees brought in for Smead Capital Management's headquarters' relocation and Deloitte's latest expansion. The apartment deliveries in these areas are expected to attract more renters than any other submarket in the Valley, though annual leasing activity should trail the influx of new units. Metrowide, this trend will carry on as the supply-demand imbalance will lead to occupancy decreasing 60 basis points over the next four quarters to an average of 95.3% by year-end. With the drop in occupancy and increase in average concessions, effective rent growth is forecast to slow this year. After advancing 2.9% in 2020, monthly effective rent is expected to increase 1.5% over the next four quarters to finish 2021 at an average of $1,240.

2021 MARKET AT A GLANCE

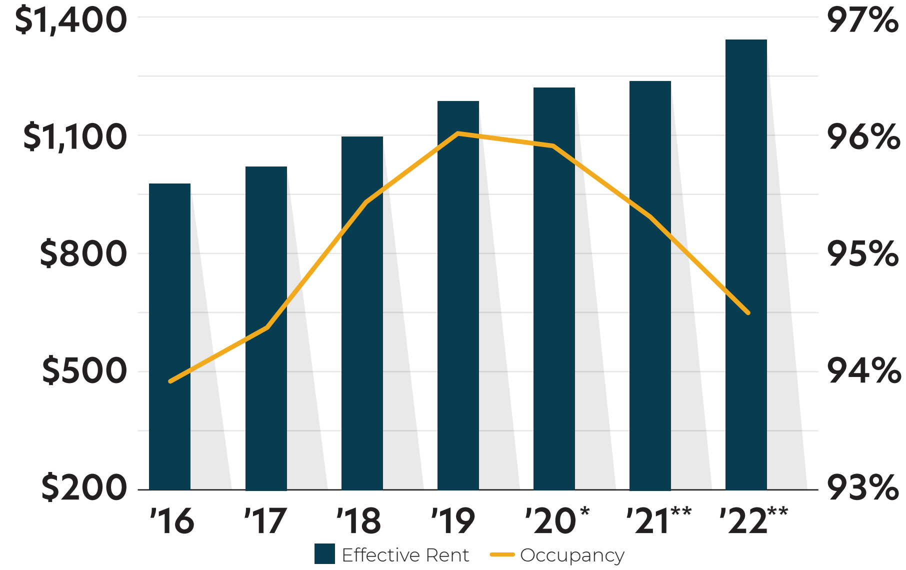
OCCUPANCY RATE
95.3%
Down **60 bps** YOY

EFFECTIVE RENT
$1,240
Up **1.5%** YOY

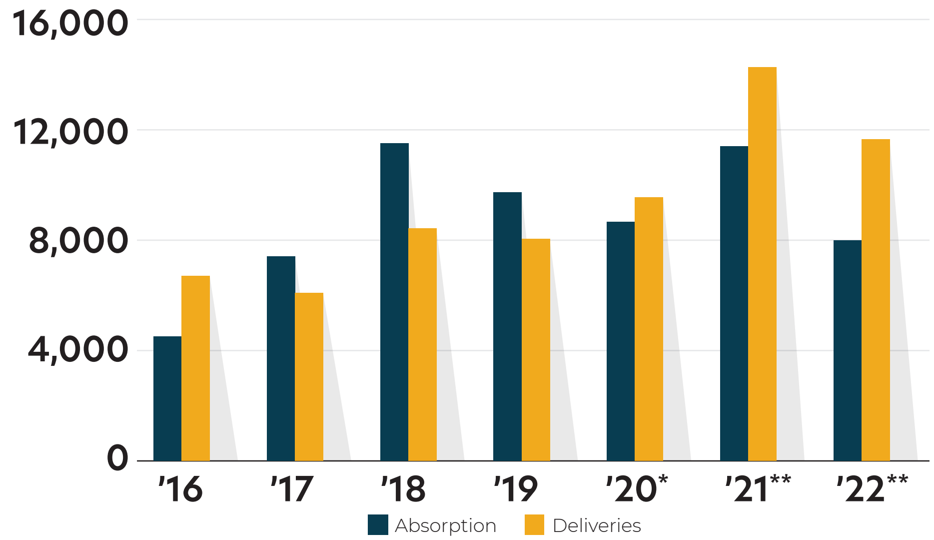
RENT SHARE OF WALLET
22.0%
Up **40 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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PHOENIX, ARIZONA

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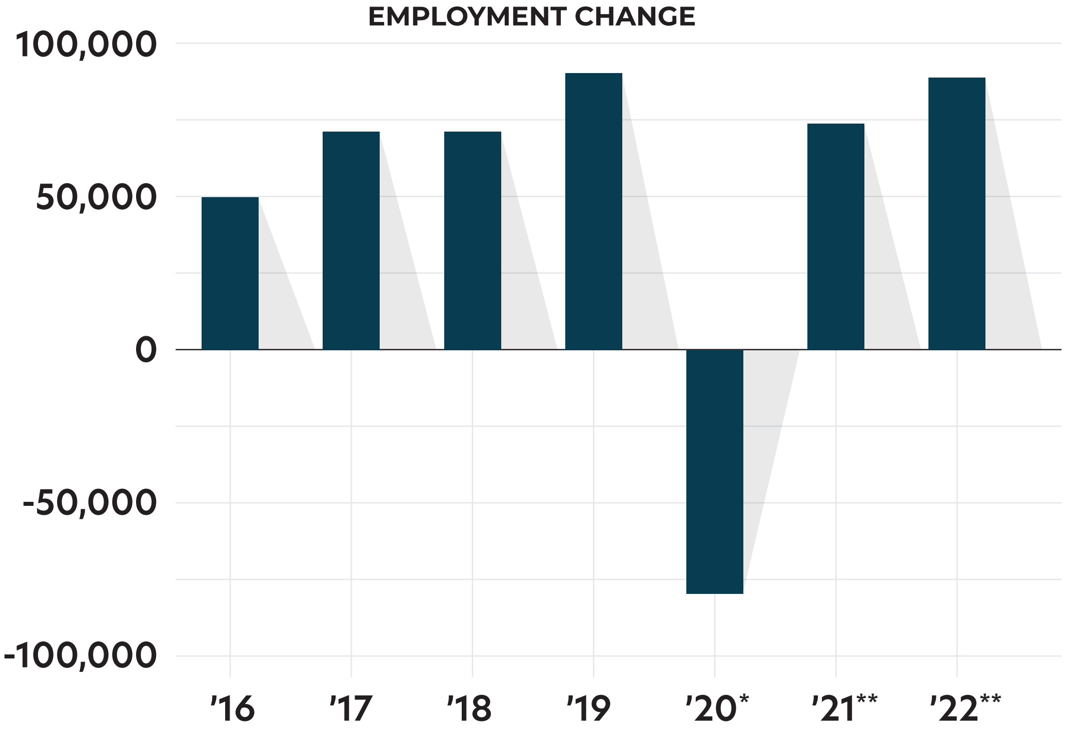
EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2,232,400	-3.5%	2,154,600	3.4%	2,227,900

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
3.4%	460 BPS	8.0%	-140 BPS	6.6%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
5,004,400	1.6%	5,083,100	1.6%	5,163,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,810,100	1.8%	1,843,100	2.2%	1,884,500

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$67,280	0.8%	$67,843	-0.1%	$67,790

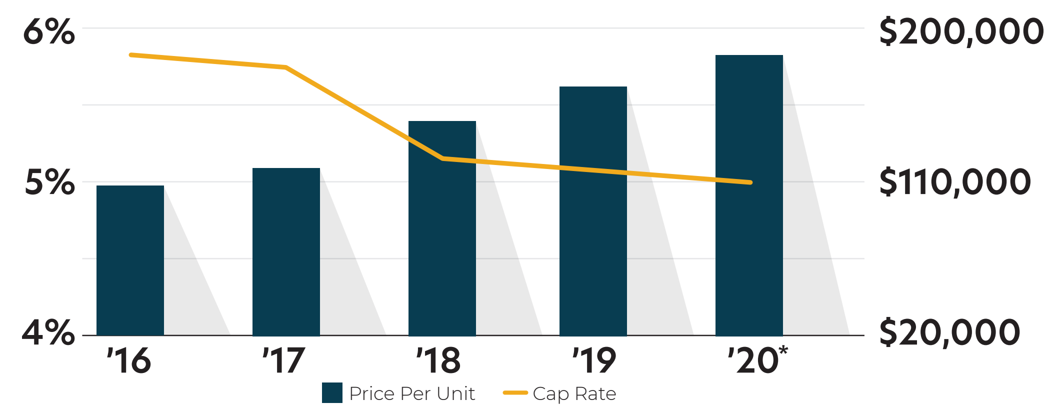
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$163,785	10.9%	$181,680

CAP RATE

2019	YOY CHANGE	2020
5.1%	-10 BPS	5.0%



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TUCSON, ARIZONA

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HIGH RENT GROWTH EXPECTED AMID HEALTHY APARTMENT OCCUPANCY

With apartment occupancy rising across the Tucson metropolitan area in recent years, developers ramped up construction activity. Sustained in-migration, few homes for sale, and comparatively affordable rent contributed to apartment occupancy hitting a more-than-20-year high last year. In response, multifamily builders are scheduled to add more than 1,300 market-rate units over the next four quarters, 82% higher than deliveries in 2020. While additions will be spread throughout Greater Tucson, nearly half of all new units will be in the Central Tucson/University submarket as developers target the University of Arizona students. The strategically located additions should attract renters, as enrollment remained above 38,000 students at the main campus in 2020. Annual absorption in the submarket is projected to jump this year. Even with the rise in leasing activity, supply-side pressure will contribute to a dip in Central Tucson/University occupancy by year-end. This trend is forecast to be reflected metrowide, as positive annual absorption trailing inventory growth will lead to a decrease in occupancy over the next four quarters. At 95.4% by year-end, occupancy would be still 70 basis points higher than the five-year average. Occupancy is forecast to return to 96.2% by year-end 2022 as payrolls rise, apartment demand increases, and deliveries decelerate. Over the two-year span, monthly effective rent is predicted to increase 3.1% to $895 in 2021 and then 8.3% to $969 in 2022, among the highest growth in the nation.

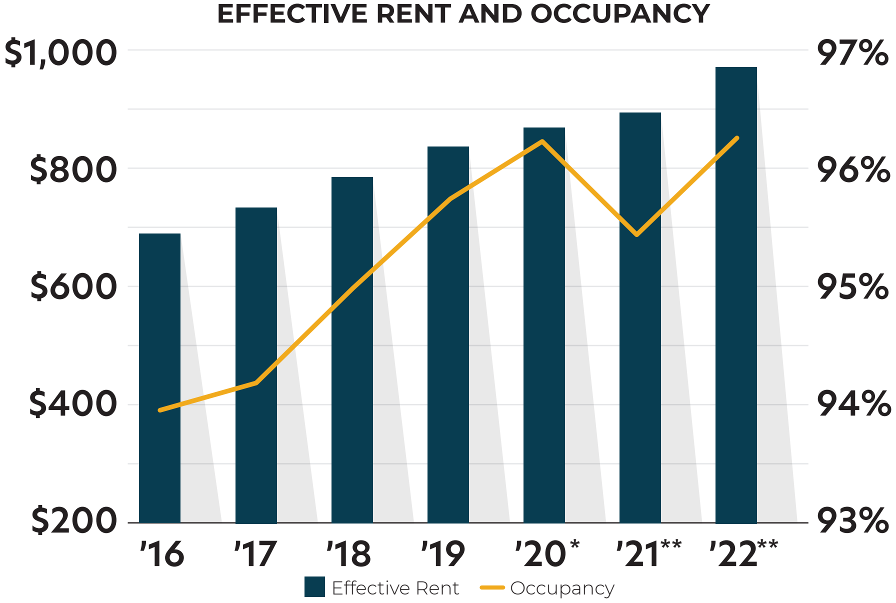
2021 MARKET AT A GLANCE

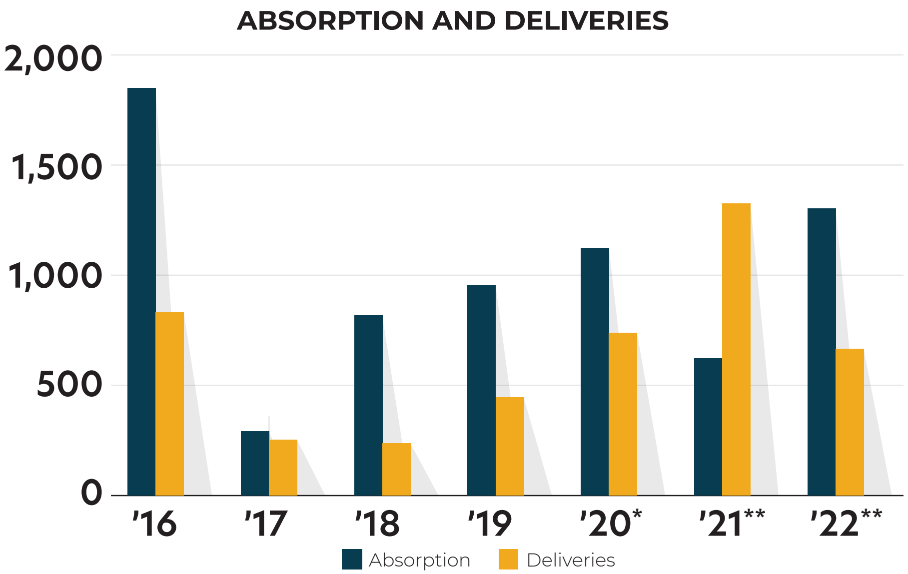
OCCUPANCY RATE
95.4%
Down **80 bps** YOY

EFFECTIVE RENT
$895
Up **3.1%** YOY

RENT SHARE OF WALLET
18.9%
Up **80 bps** YOY

MARKET TRENDS





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TUCSON, ARIZONA

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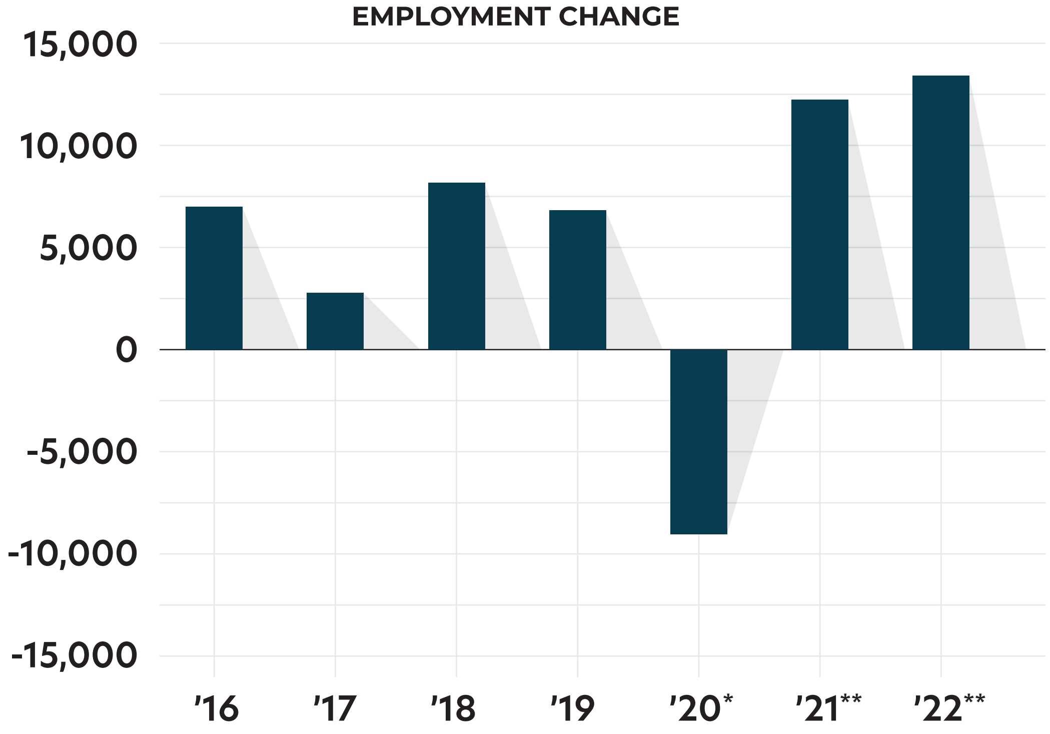
EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
393,200	-2.3%	384,100	3.2%	396,400

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
3.8%	400 BPS	7.8%	-130 BPS	6.5%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,055,100	1.1%	1,066,300	1.0%	1,077,300

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
416,900	1.4%	422,900	1.8%	430,500

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$55,134	4.3%	$57,501	-1.0%	$56,953

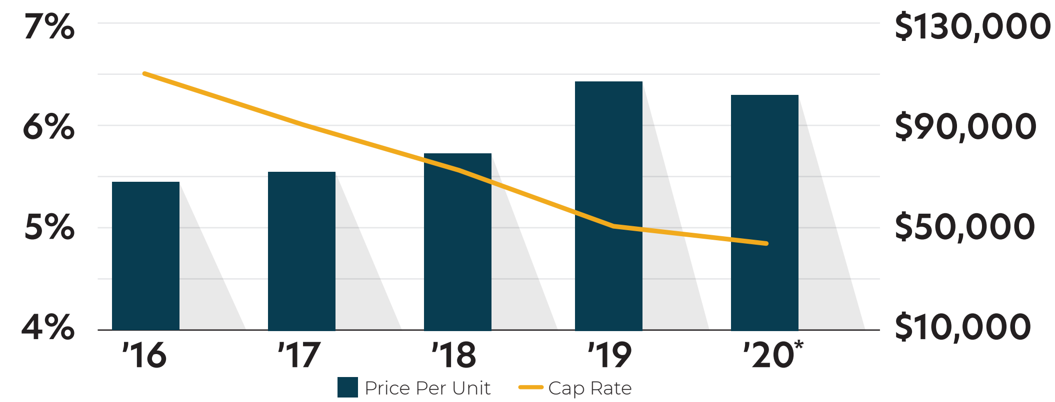
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$105,516	-4.4%	$100,850

CAP RATE

2019	YOY CHANGE	2020
5.0%	-20 BPS	4.8%



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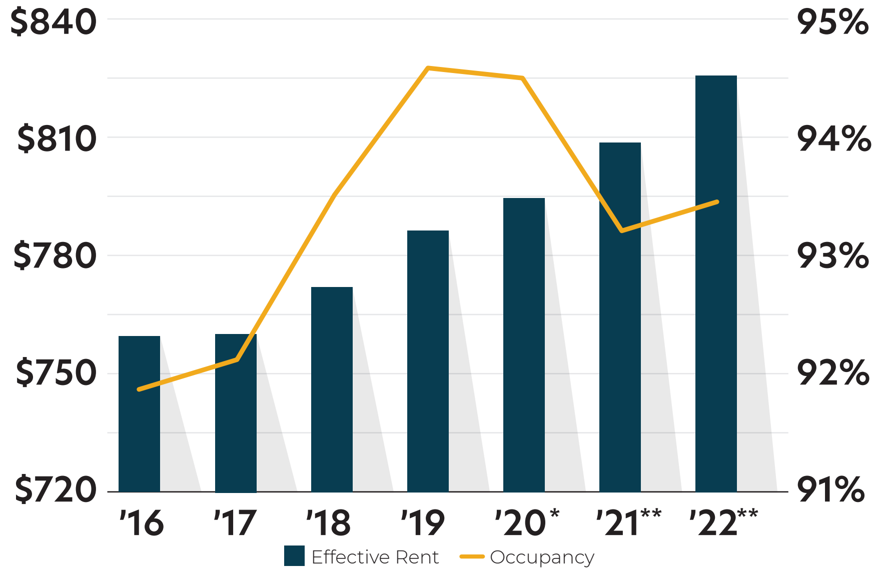
LITTLE ROCK, ARKANSAS

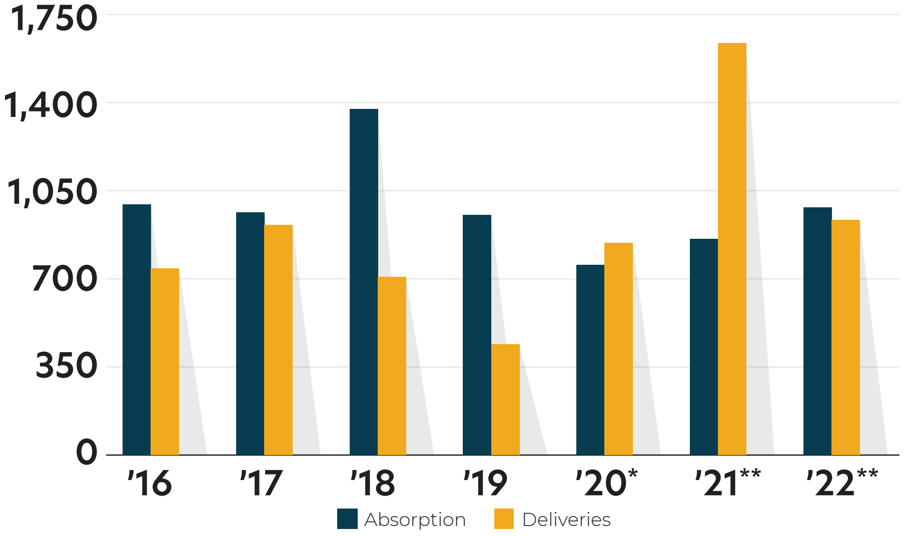
BERKADIA®

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



2021 MARKET AT A GLANCE

OCCUPANCY RATE
93.2%
Down **130 bps** YOY

EFFECTIVE RENT
$808
Up **1.8%** YOY

RENT SHARE OF WALLET
16.3%
Up **20 bps** YOY

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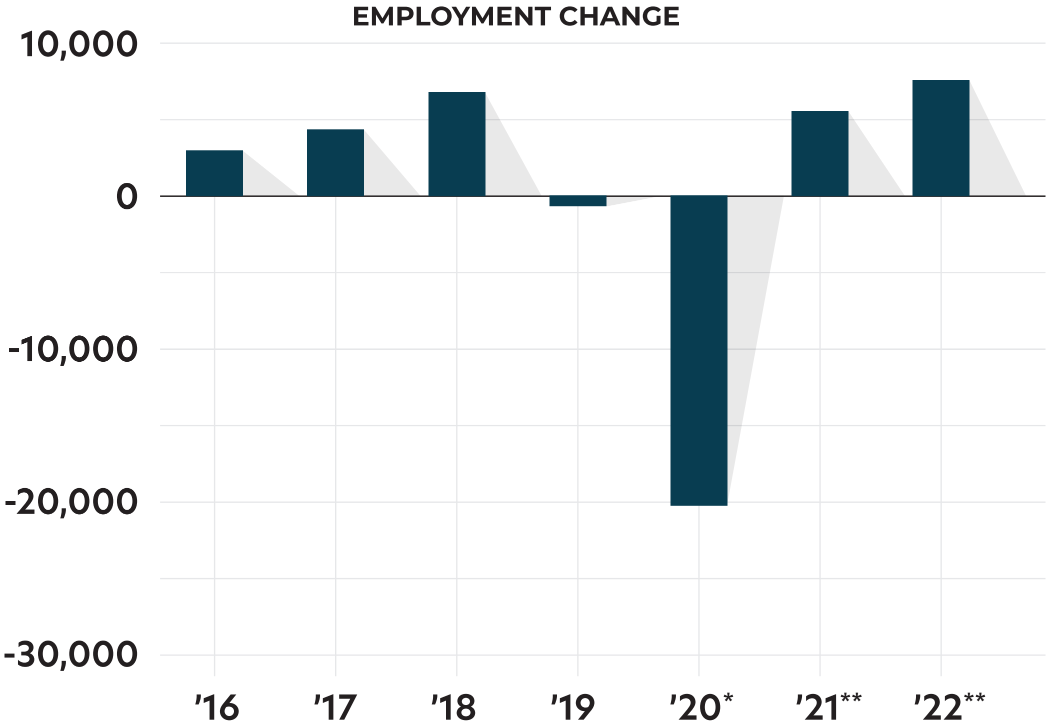
LITTLE ROCK, ARKANSAS

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
366,300	-5.5%	346,000	1.5%	351,300

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.7%	490 BPS	7.6%	-120 BPS	6.4%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
744,700	0.6%	748,900	0.5%	752,600

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
307,400	0.7%	309,700	0.7%	312,000

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$56,143	5.1%	$59,011	0.8%	$59,462

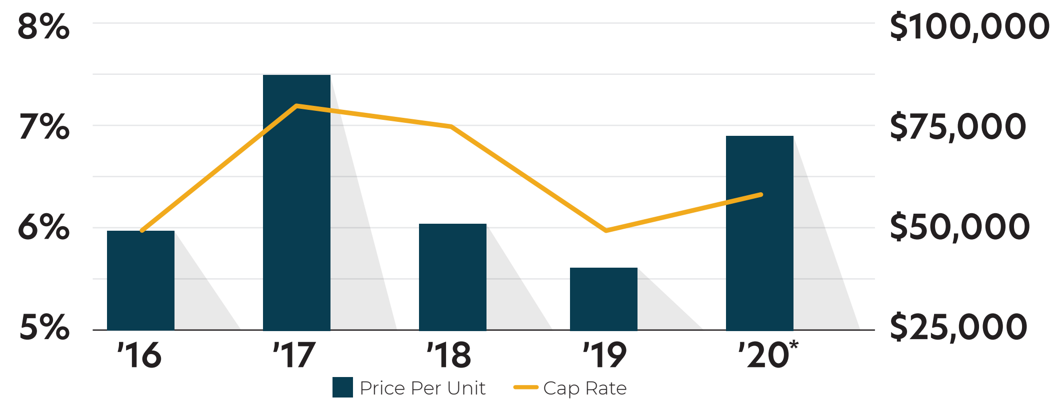
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$40,089	80.5%	$72,363

CAP RATE

2019	YOY CHANGE	2020
6.0%	30 BPS	6.3%



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INLAND EMPIRE, CALIFORNIA

BERKADIA

MIGRATION FROM COASTAL AREAS PROPEL LOCAL APARTMENT FUNDAMENTALS

Apartment fundamentals in the Inland Empire outperformed those in nearly every other metro area in the country in 2020. Average effective rent advanced 4.1% year over year to $1,639 per month in the fourth quarter, while average occupancy rose 80 basis points to 97.3%. Rent growth and occupancy increases were present among all apartment classes from the start of the second quarter of 2020 to the end of 2020. The firm increase in apartment occupancy was fueled by net absorption of 3,383 apartments in 2020 as 1,824 new units came online. Much of the apartment demand stemmed from the exodus of thousands of residents from Los Angeles County, where December unemployment stood at 15.7%. By comparison, the Inland Empire's December jobless rate was 11.1%, as more than 37% of the 236,400 jobs lost in the Inland Empire from January to May were recovered by year-end. Another factor in the brisk apartment demand was the 12.0% year-over-year increase in the Inland Empire median single-family home price, which exceeded $432,200 by December. Apartment leasing is expected to moderate in 2021 as the annual rate of job growth returns to a pace similar to the years prior to the pandemic. Net absorption will approximate the 1,373 apartments scheduled for delivery in 2021, resulting in occupancy of 97.3% by December. Continued healthy in-migration and the reduced level of new apartment stock will encourage sharp rent increases, with the average monthly effective rent projected to rise 6.7% in 2021 to $1,748 by the fourth quarter.

2021 MARKET AT A GLANCE

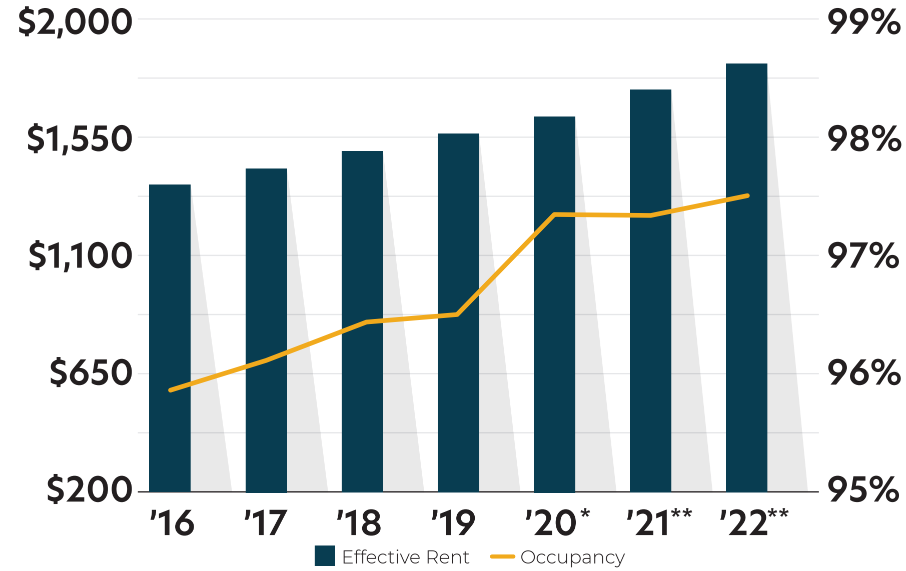
OCCUPANCY RATE
97.3%
Unchanged YOY

EFFECTIVE RENT
$1,748
Up **6.7%** YOY

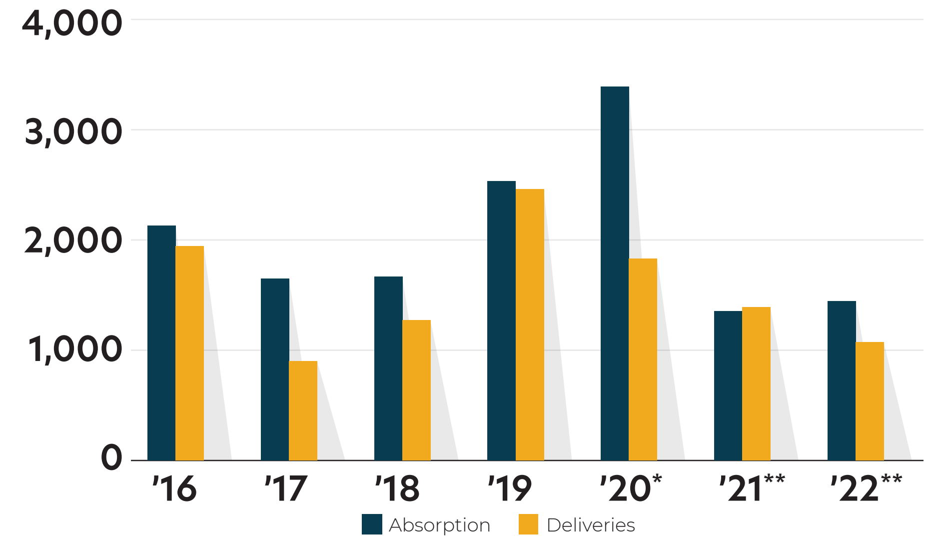
RENT SHARE OF WALLET
29.4%
Up **150 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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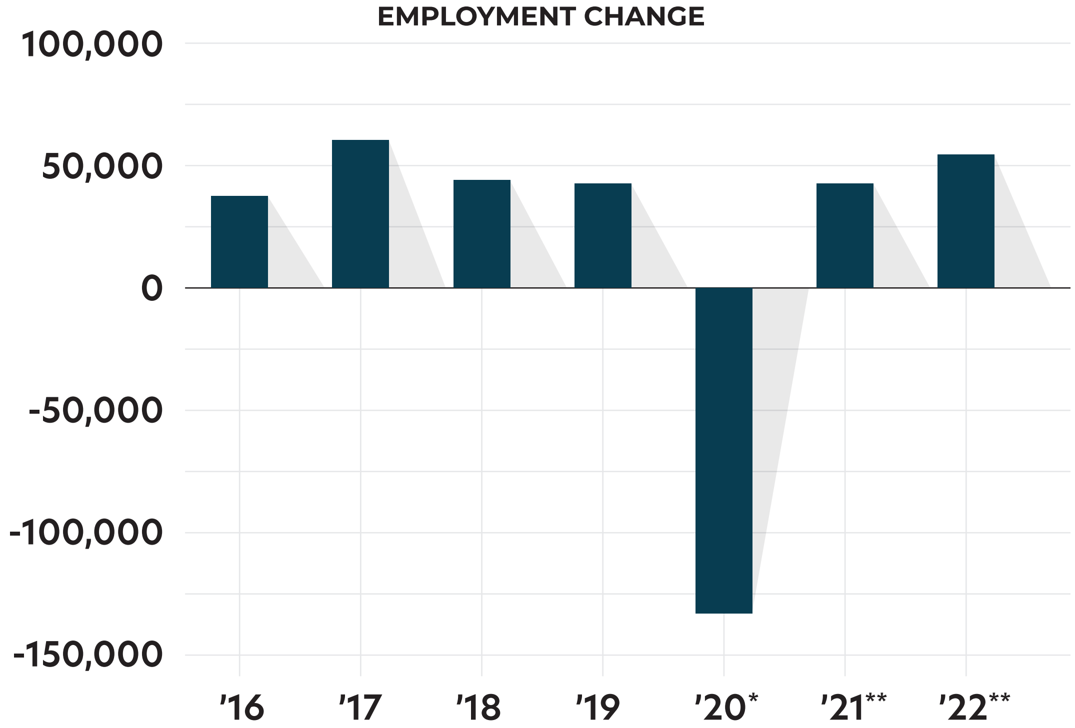
INLAND EMPIRE, CALIFORNIA

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,565,000	-8.4%	1,433,000	2.9%	1,474,800

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.9%	820 BPS	11.1%	-180 BPS	9.3%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
4,665,400	1.3%	4,727,900	1.3%	4,788,300

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,457,700	1.6%	1,481,500	1.6%	1,505,800

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$71,756	-1.6%	$70,612	1.1%	$71,366

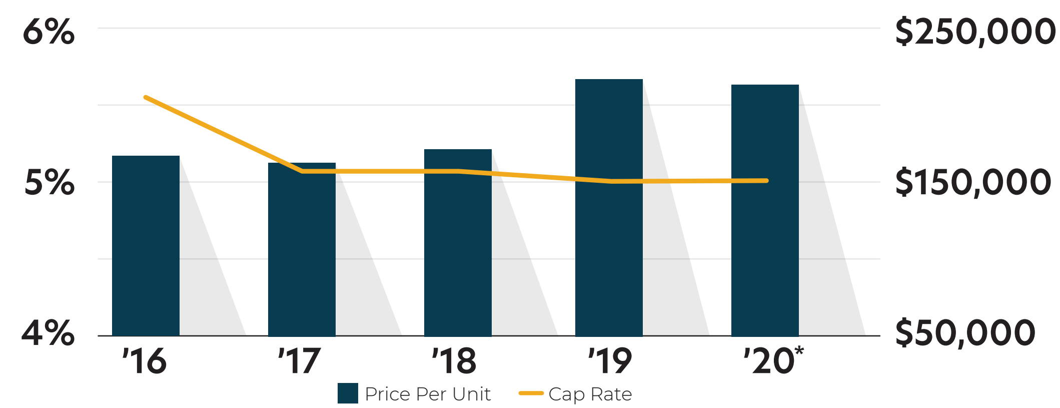
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$216,230	-2.2%	$211,378

CAP RATE

2019	YOY CHANGE	2020
5.0%	0 BPS	5.0%



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LOS ANGELES, CALIFORNIA

BERKADIA®

APARTMENT MARKET RECOVERY TO BEGIN IN 2022 AFTER INVENTORY SURGE IN 2021

The local apartment market was tested in 2020 by elevated deliveries along with economic disruption and a pullback in apartment demand stemming from the COVID-19 pandemic. The budding economic recovery in the third quarter of 2020 stalled in the fourth quarter because of protracted pandemic-driven business restrictions. As a result, apartment occupancy fell 100 basis points from March to 95.1% in December, fueled by decreased renter mobility and a surge of new inventory. Some inner-core renters, unable to justify high rent amid dwindling urban amenities, moved to less costly areas. The Woodland Hills, Santa Clarita Valley, and Antelope Valley submarkets benefited from this migration, with increased occupancy recorded in all three areas from the first quarter to the fourth quarter. During that period, the Antelope Valley submarket had the added benefit of a 2.6% increase in effective rent. Countywide, monthly effective rent averaged $2,211 in December, down 5.2% from March. As the local economy begins recovering in 2021, apartment demand will rise sharply but not enough to overtake a tidal wave of 20,555 new apartments. The supply overhang will spur a 40-basis-point drop in occupancy to 94.7% by year-end. The excess inventory will similarly affect monthly effective rent, which is forecast to descend 1.5% to $2,178. In 2022, above average net absorption will again lag deliveries, projected to total 15,279 units, resulting in a 20-basis-point decrease in occupancy to 94.5%. Effective rent is forecast to rebound with a 4.5% annual increase to $2,276 per month.

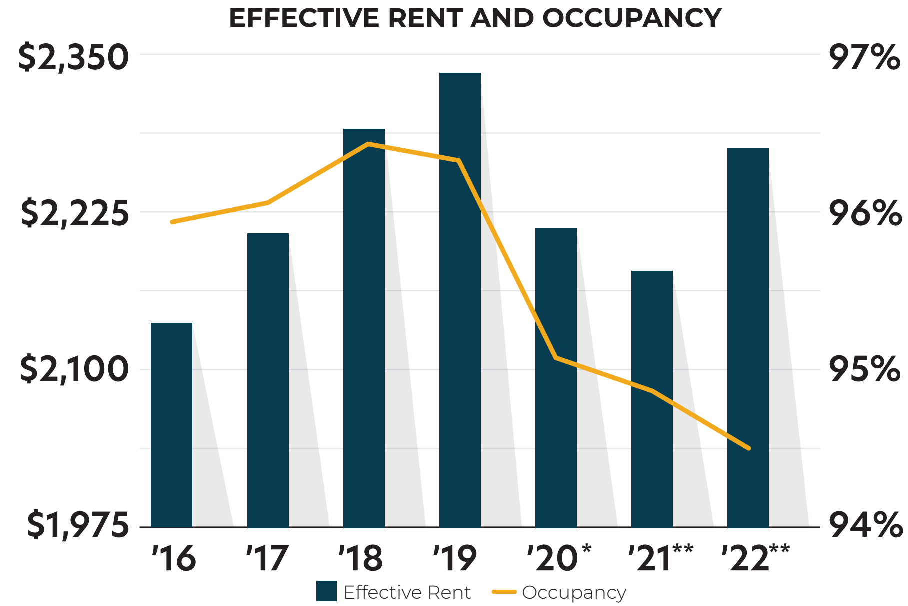
2021 MARKET AT A GLANCE

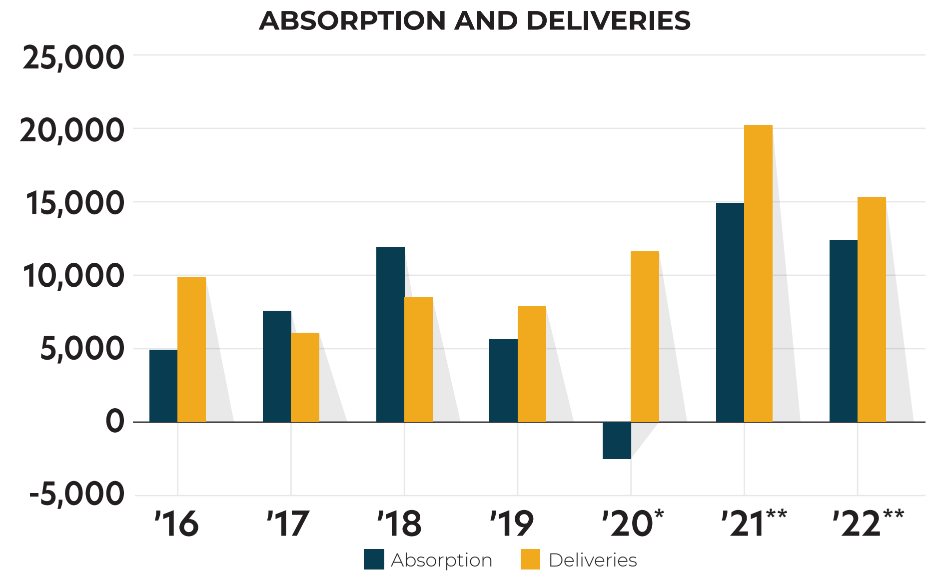
OCCUPANCY RATE
94 .7%
Down **40 bps** YOY

EFFECTIVE RENT
$2,178
Down **1.5%** YOY

RENT SHARE OF WALLET
35.9%
Down **120 bps** YOY

MARKET TRENDS





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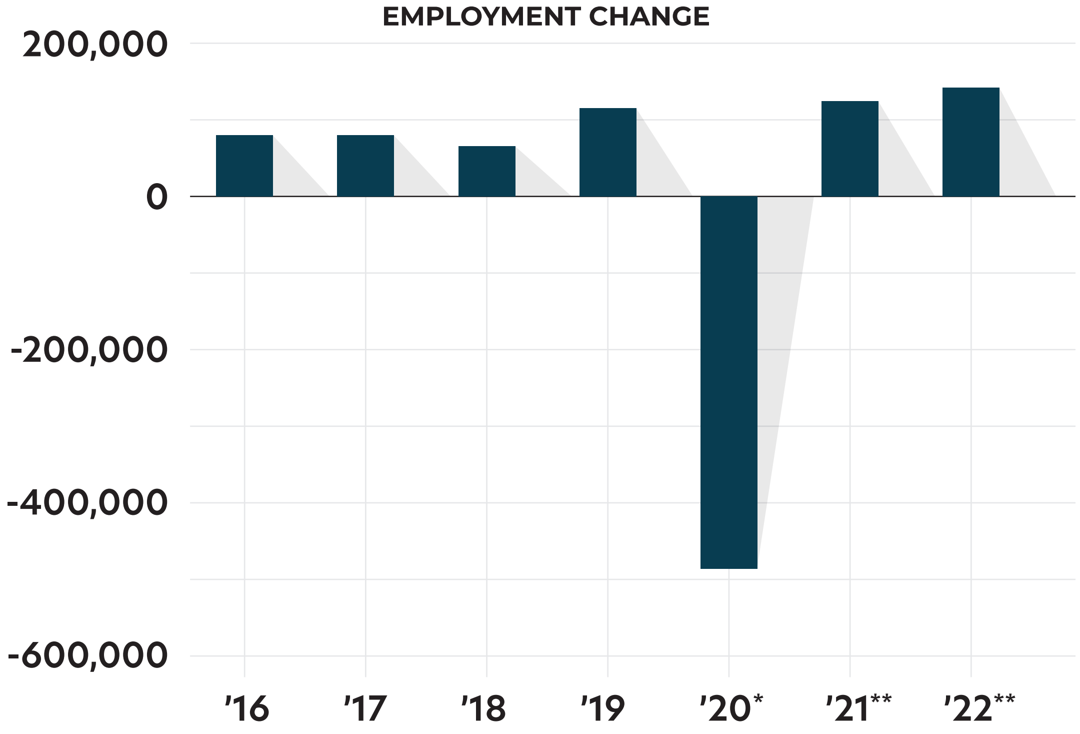
LOS ANGELES, CALIFORNIA

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
4,661,200	-10.4%	4,175,500	2.7%	4,289,400

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
3.0%	1,270 BPS	15.7%	-430 BPS	11.4%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
10,038,400	0.3%	10,063,700	0.2%	10,087,200

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
3,410,800	0.7%	3,434,600	0.7%	3,457,600

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$73,079	-2.1%	$71,510	1.8%	$72,830

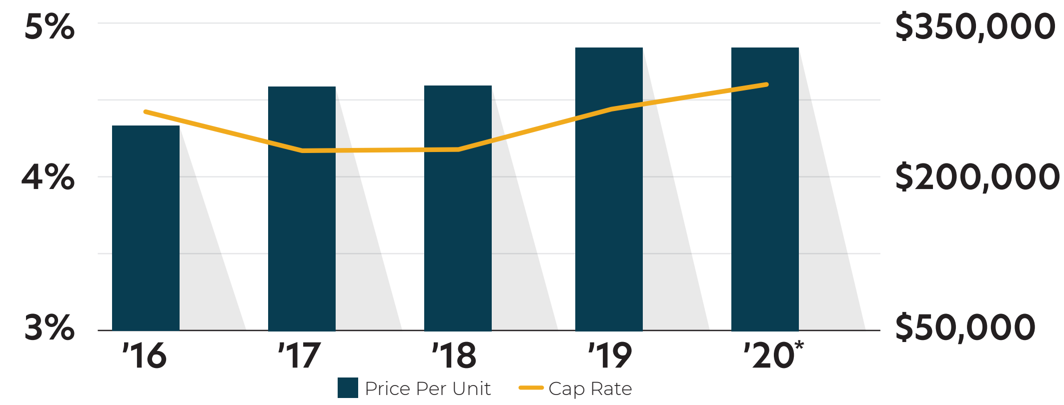
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$322,773	-0.1%	$322,494

CAP RATE

2019	YOY CHANGE	2020
4.4%	20 BPS	4.6%



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ORANGE COUNTY, CALIFORNIA

BERKADIA®

DEVELOPERS TO FULFILL PENT-UP DEMAND WITH 4,500 NEW APARTMENTS

As one of the country's first areas hit by COVID-19 economic hardship, Orange County's muted apartment fundamentals reflected the area's weakened state in 2020. A key reason new residents continue to move to the county is the presence of more than 200 Fortune 500 companies. An economic rebound will grind higher this year amid persistent population growth and rising household formation combining to bolster O.C.'s apartment market. Developers will ramp up deliveries countywide in 2021. Construction is scheduled to finish on at least 4,500 units by year-end, part of 18,900 new apartments since 2016, marking a 5.1% supply expansion. Heightened completions will coincide with net absorption of 4,870 units. Helping to drive apartment leasing activity, payrolls are set to expand 10% since breaking out of the employment trough in mid-2020. Orange County, particularly Irvine, has a large share of professional workers, many of whom are working remotely as office-based businesses manage countywide loosening and tightening coronavirus restrictions. The local economy will be further helped by O.C.'s largest employer Disneyland, expected to be back up and running this summer. Pent-up apartment demand is projected to advance occupancy 20 basis points annually to 96.3% by year-end. Moreover, with home values appreciating, many high-income renters are being sidelined from homeownership, provoking the sharpest rise in occupancy among the Class A segment. Healthy absorption and a rebuilding workforce will support a 0.2% boost in effective rent growth, estimated to conclude the year at $2,105 per month.

2021 MARKET AT A GLANCE

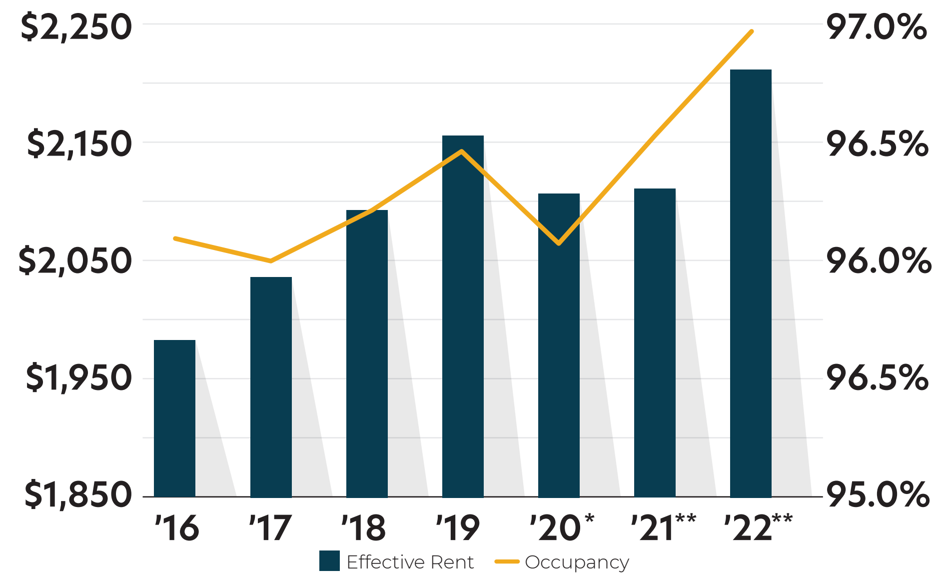
OCCUPANCY RATE
96.3%
Up **20 bps** YOY

EFFECTIVE RENT
$2,105
Up **0.2%** YOY

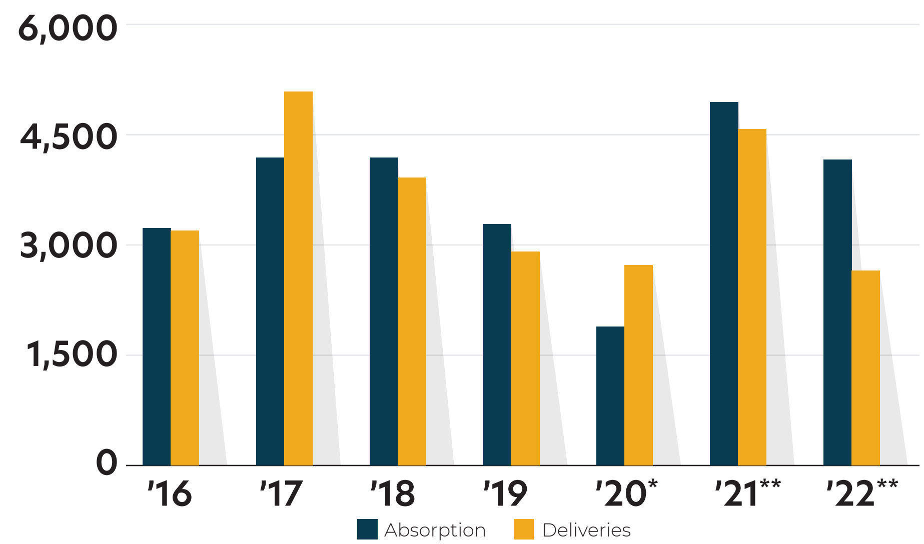
RENT SHARE OF WALLET
26.4%
Down **50 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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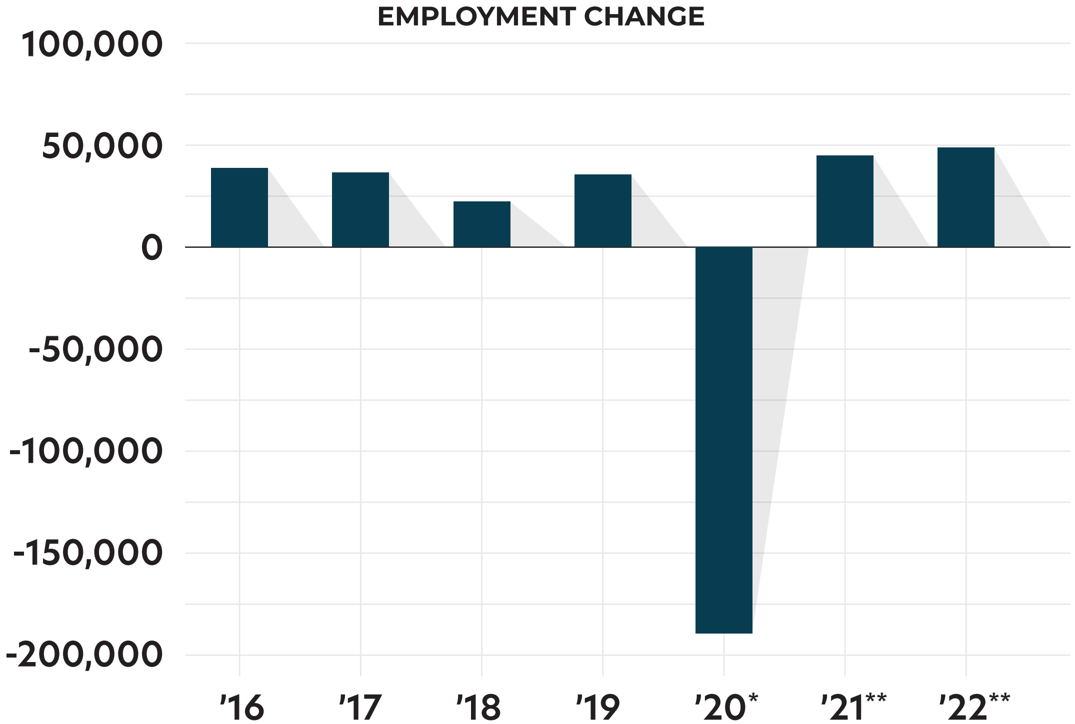
ORANGE COUNTY, CALIFORNIA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,695,900	-11.2%	1,505,800	2.9%	1,549,800

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.6%	870 BPS	10.3%	-270 BPS	7.6%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
3,173,000	0.2%	3,178,400	0.1%	3,182,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,053,500	0.6%	1,060,300	0.6%	1,066,700

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$96,483	-2.7%	$93,884	2.1%	$95,841

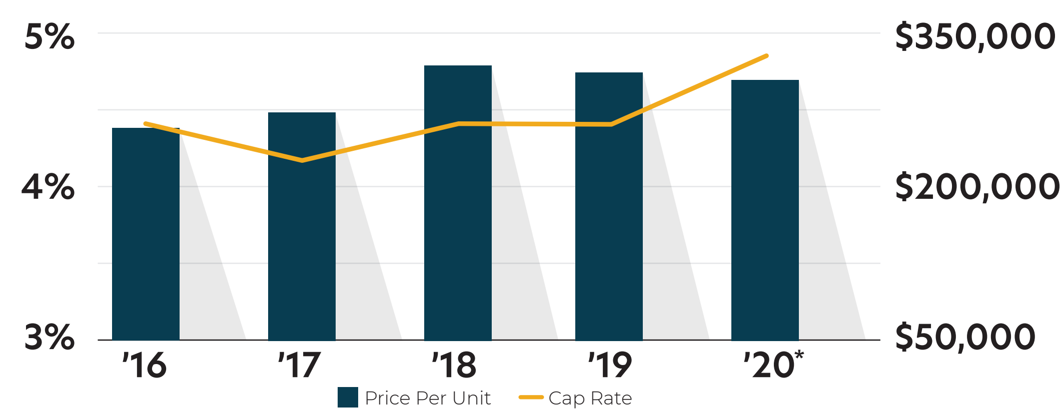
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$314,592	-2.9%	$305,490

CAP RATE

2019	YOY CHANGE	2020
4.4%	30 BPS	4.7%



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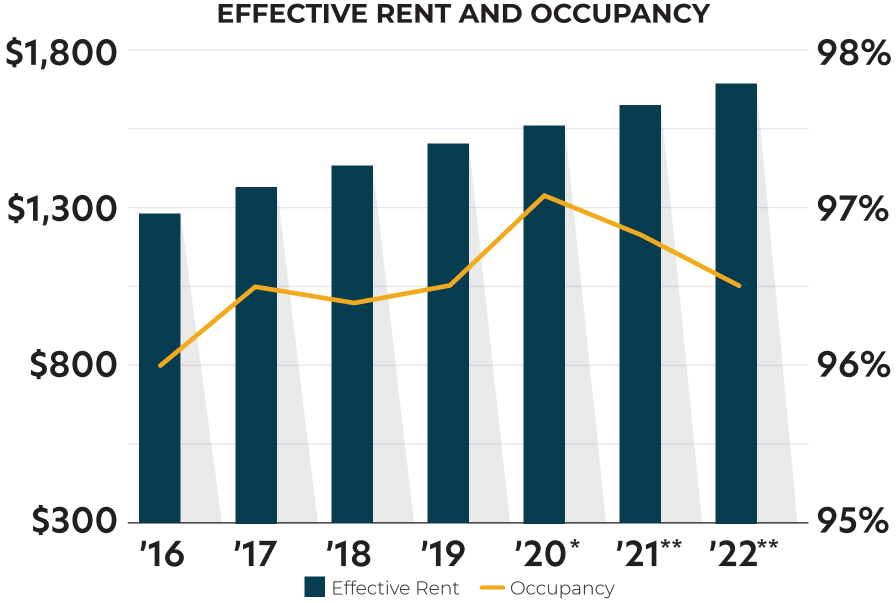
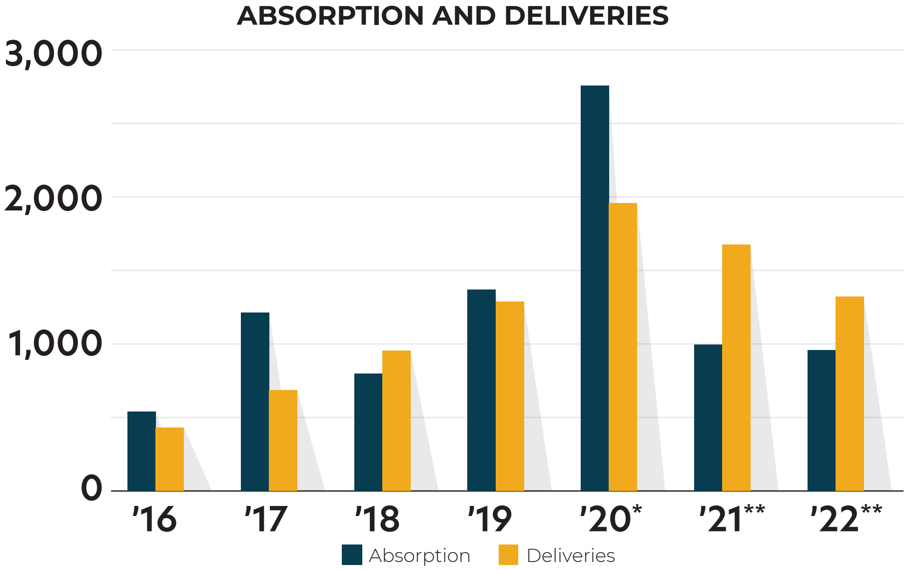
SACRAMENTO, CALIFORNIA

BERKADIA®

MARKET TRENDS





2021 MARKET AT A GLANCE

OCCUPANCY RATE
96.7%
Down **40 bps** YOY

EFFECTIVE RENT
$1,628
Up **4.5%** YOY

RENT SHARE OF WALLET
25.2%
Up **60 bps** YOY

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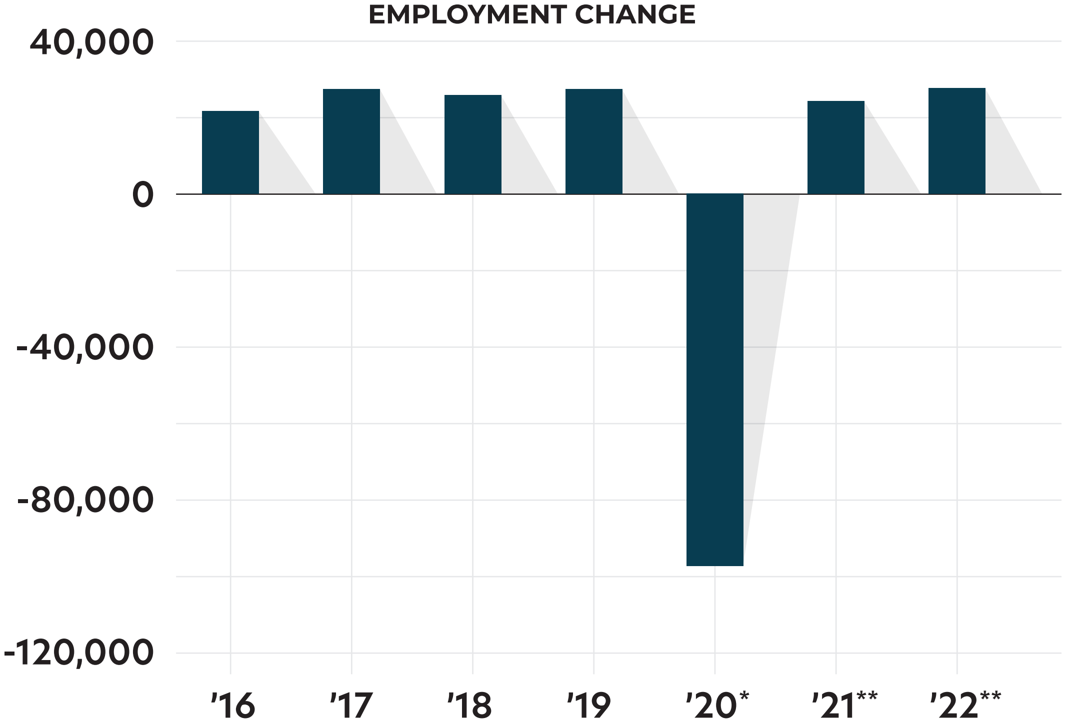
SACRAMENTO, CALIFORNIA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,695,900	-11.2%	1,505,800	2.9%	1,549,800

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.6%	870 BPS	10.3%	-270 BPS	7.6%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
3,173,000	0.2%	3,178,400	0.1%	3,182,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,053,500	0.6%	1,060,300	0.6%	1,066,700

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$96,483	-2.7%	$93,884	2.1%	$95,841

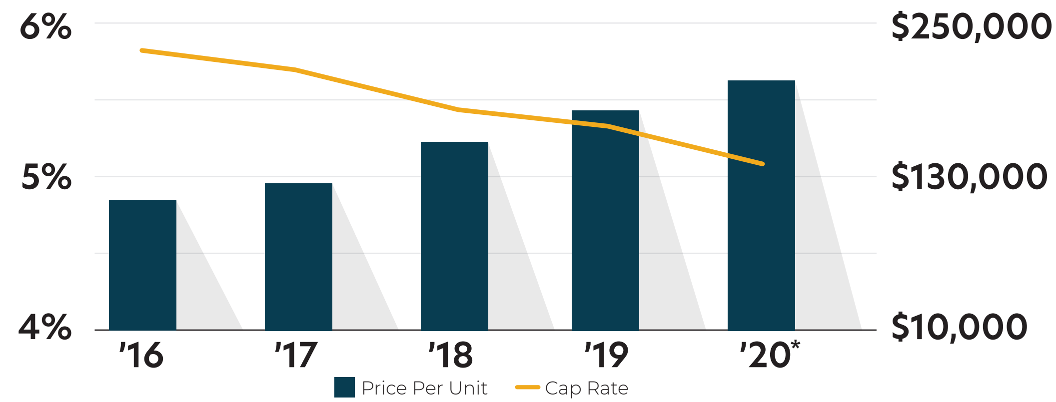
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$179,192	13.0%	$202,516

CAP RATE

2019	YOY CHANGE	2020
5.3%	-20 BPS	5.1%



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SAN DIEGO, CALIFORNIA

BERKADIA

APARTMENT DEMAND EXPECTED TO ECLIPSE CONSTRUCTION PEAK

Apartment construction is set to reach an apex this year across the San Diego metropolitan area. More than 5,500 units are scheduled to come online over the next four quarters, up approximately 60% from deliveries last year. Contributing to the peak this year were construction delays and disruptions in the workforce caused by the pandemic last year. The sharpest rise in activity is in the Northeast San Diego submarket, where more than 2,000 units across five communities are scheduled to begin lease-up by year-end. These developments take advantage of the submarket's central location and proximity to Interstate 8 and State Route 163. The additions will tap into unmet demand as the submarket's annual net absorption is forecast to lead the metro. Part of the housing need comes from the presence of large health care employers that include Kaiser Permanente and Sharp Memorial. As one of Greater San Diego's largest employment sectors, education and health care payrolls are forecast to rise this year after contracting in 2020. This positive shift in the workforce is expected to extend across all employment sectors to bolster apartment demand in the submarket and the metro. Job creation along with positive net migration should push annual absorption above inventory growth this year. As a result, average apartment occupancy is projected to elevate 10 basis points to 96.0% by year-end. At the same time, operators will increase rent. After contracting 1.1% in 2020, monthly effective rent is forecast to advance 2.2% this year to an average of $2,068.

2021 MARKET AT A GLANCE

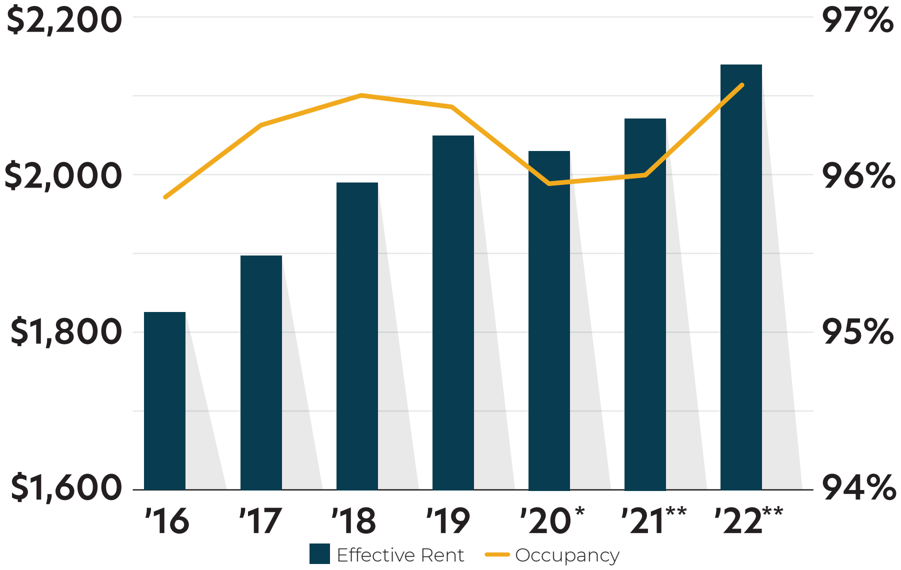
OCCUPANCY RATE
96.0%
Up **10 bps** YOY

EFFECTIVE RENT
$2,068
Up **2.2%** YOY

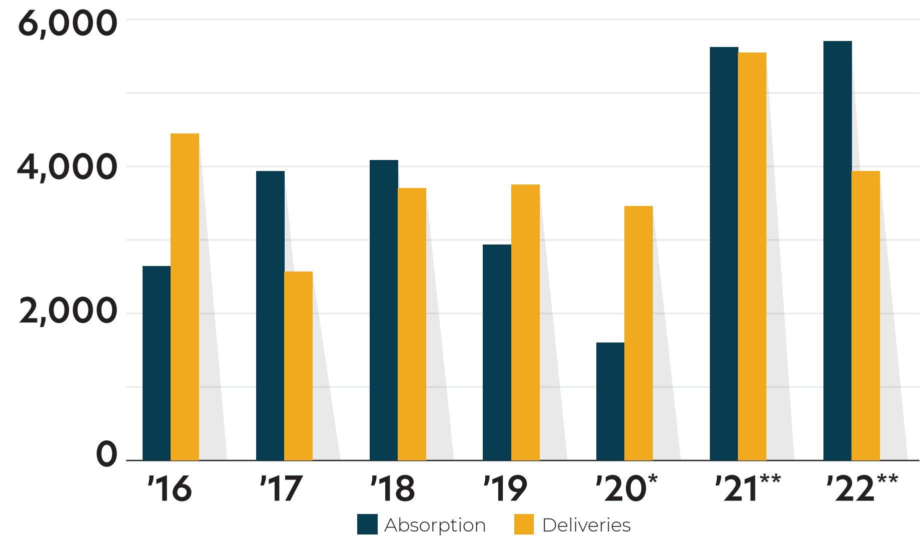
RENT SHARE OF WALLET
29.6%
Up **10 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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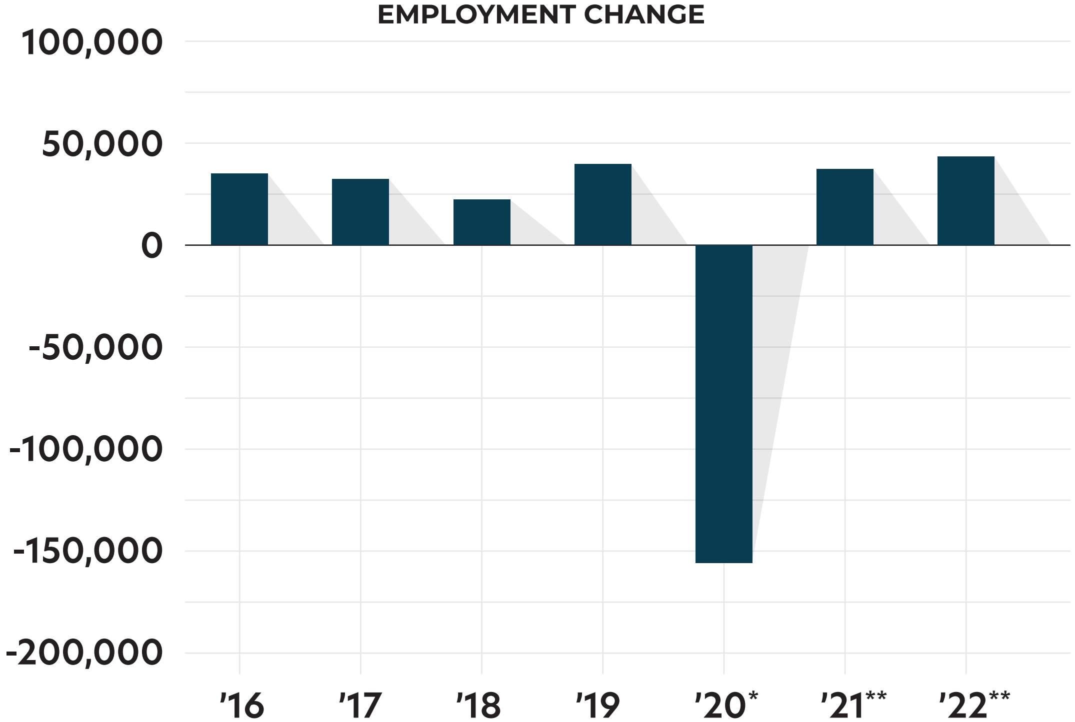
SAN DIEGO, CALIFORNIA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,530,800	-10.2%	1,374,700	2.6%	1,410,900

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.0%	830 BPS	10.3%	-220 BPS	8.1%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
3,341,800	0.6%	3,362,500	0.6%	3,381,700

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,179,100	1.0%	1,191,100	0.9%	1,202,200

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$84,454	-2.5%	$82,358	1.9%	$83,897

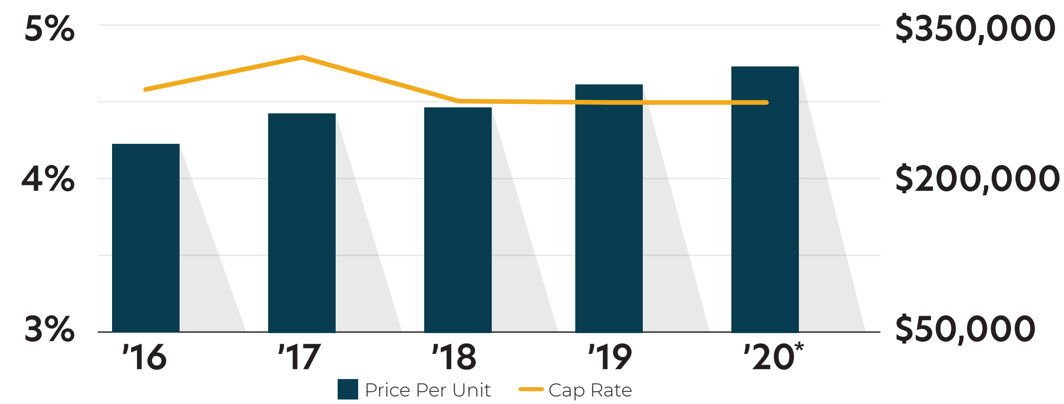
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$289,213	6.5%	$307,898

CAP RATE

2019	YOY CHANGE	2020
4.5%	0 BPS	4.5%



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SAN FRANCISCO-OAKLAND, CALIFORNIA

BERKADIA®

APARTMENT CONSTRUCTION TO HIT HISTORIC HIGH AS ECONOMY REBOUNDS

The apartment construction wave across the San Francisco-Oakland metropolitan area is forecast to crest this year with more than 12,400 new market-rate units. Annual deliveries over the next four quarters are projected to be up nearly 57% from 2020. Part of these additions were scheduled to come in 2020, but construction timelines were delayed following shutdowns or restrictions established in response to the pandemic. While deliveries will be spread throughout the Bay Area, more than half of the new inventory will be in the Oakland/Berkeley and the SoMa submarkets. Apartment construction in these areas have ramped up in recent years as developers targeted incoming residents who sought housing near employment hubs and Bay Area Rapid Transit stations. With the increased competition amid a slowdown in rental demand because of the pandemic, apartment operators have elevated concessions in the submarkets. Operators are expected to continue this trend in these submarkets as well as metrowide over the next four quarters, even as leasing activity picks up. Metro monthly effective rent is forecast to decrease 1.9% to an average of $2,589 by year-end 2021. The move will contribute to a flip from negative absorption in 2020 to positive leasing activity this year. Another factor boosting apartment fundamentals is that every employment sector is projected to grow over the next 12 months. Even so, the surge in apartment leasing will fall short of the historic high inventory growth to shift down average apartment occupancy 10 basis points annually to 93.8% by year-end.

2021 MARKET AT A GLANCE

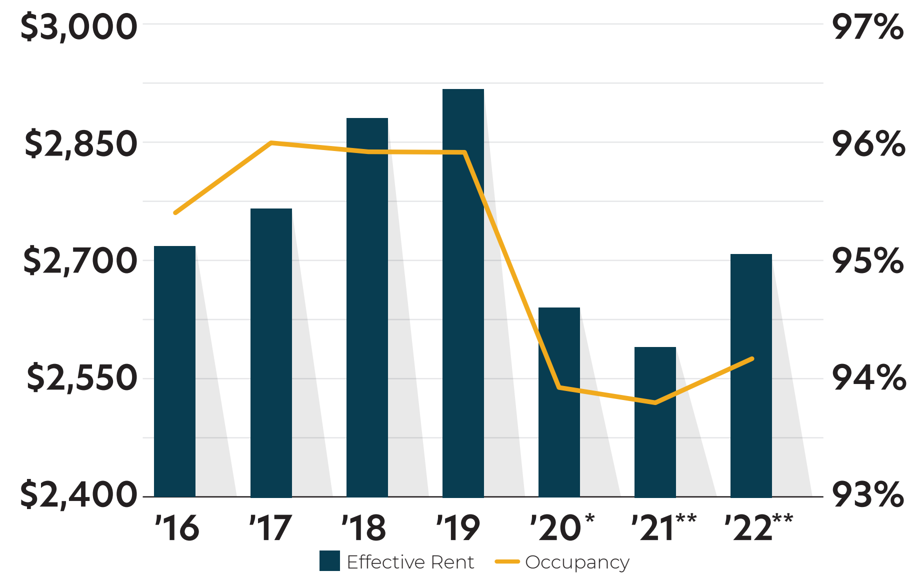
OCCUPANCY RATE
93.8%
Down **10 bps** YOY

EFFECTIVE RENT
$2,589
Down **1.9%** YOY

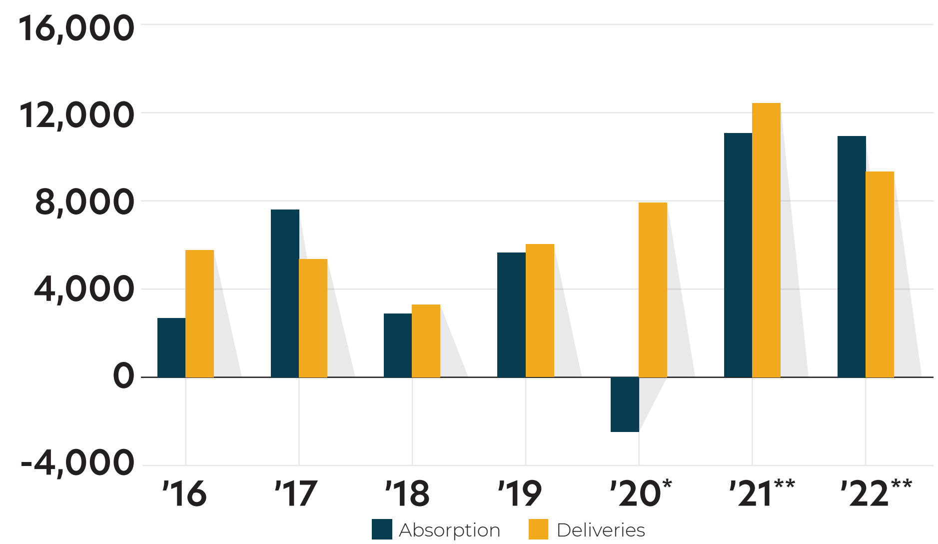
RENT SHARE OF WALLET
26.5%
Down **110 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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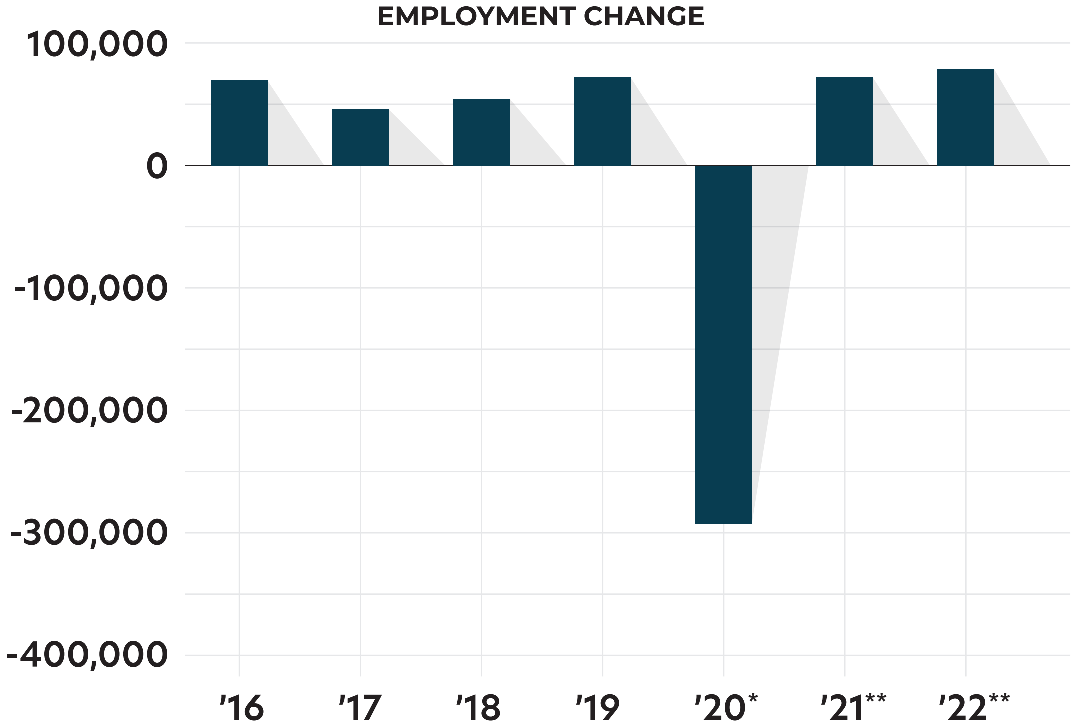
SAN FRANCISCO-OAKLAND, CALIFORNIA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2,527,100	-11.7%	2,232,400	3.2%	2,303,100

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.5%	810 BPS	9.6%	-230 BPS	7.3%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
4,741,800	0.7%	4,773,300	0.6%	4,804,200

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,765,300	0.9%	1,781,100	0.9%	1,796,700

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$115,384	-0.7%	$114,576	2.5%	$117,411

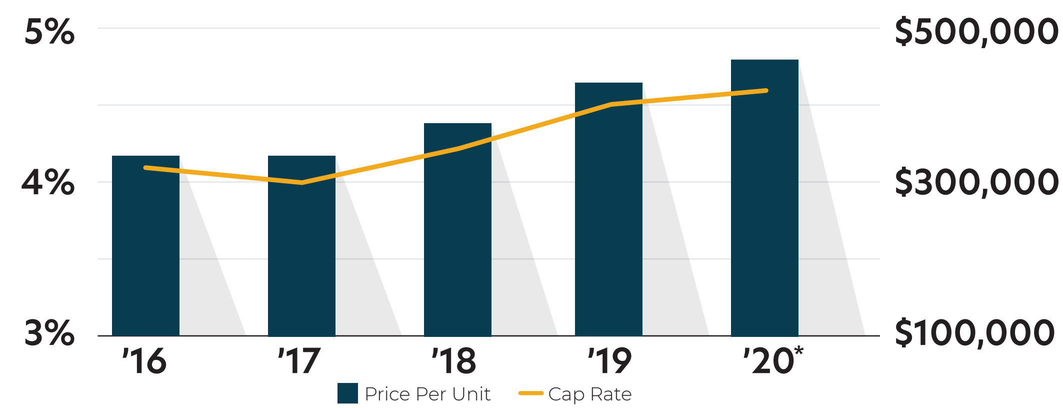
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$428,495	6.6%	$456,543

CAP RATE

2019	YOY CHANGE	2020
4.5%	10 BPS	4.6%



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SAN JOSE, CALIFORNIA

BERKADIA®

ECONOMIC REBOUND CONTINUES, FOLLOWING MARKET CORRECTION DUE TO COVID

The workforce in the San Jose metro experienced a major contraction last year due to COVID-19. Local employers laid off over 14.2% of their workers during the first two quarters. Even generously compensated residents employed in the finance and tech industries were not immune to the economic fallout. Over 14,000 job losses were in the information sector alone. Following metrowide payroll contractions, apartment operators observed an aberrant erosion of demand during the second and third quarters of 2020, and concessions significantly increased. As a result, effective rent fell 10.4% annually to $2,582 per month in 2020. That trend will continue this year, as effective rent is expected to contract by a much smaller margin of 3.0%. Rent is projected to accelerate 4.9% in 2022 as the economy continues its recovery. Helping to transition the apartment market back to normal this year is an anticipated surge in pent-up demand following the pandemic and an increasingly inaccessible housing market for potential buyers where the median home price exceeds $1 million. Renters are expected to absorb over 6,300 apartment units by the end of the year, trailing the 7,100 apartment units scheduled to come online and shifting down occupancy 20 basis points to 93.9%. The rapid transformation of Downtown San Jose, empowered in part by Google's plans to significantly expand its presence in the metro, will help to support both the apartment market's short-term recovery and long-term apartment demand.

2021 MARKET AT A GLANCE

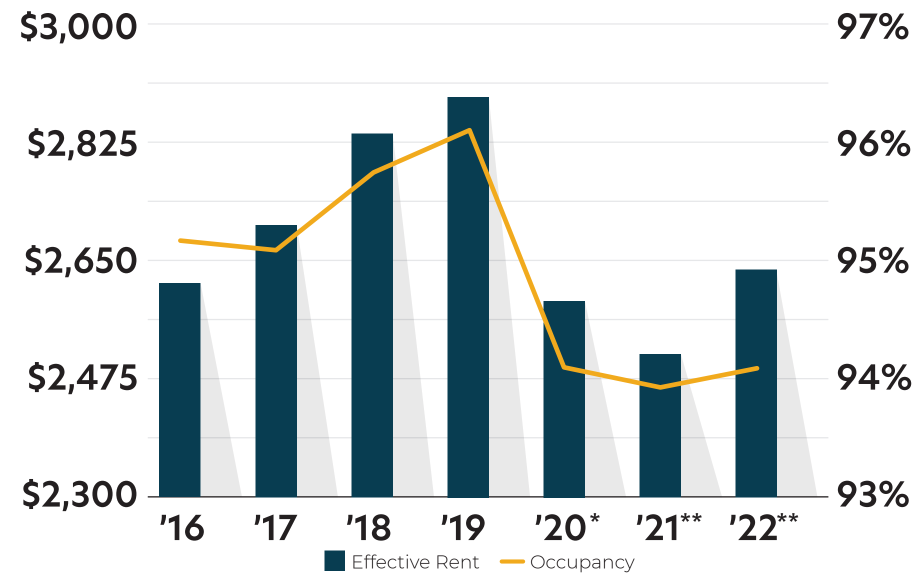
OCCUPANCY RATE
93.9%
Down **20 bps** YOY

EFFECTIVE RENT
$2,504
Down **3.0%** YOY

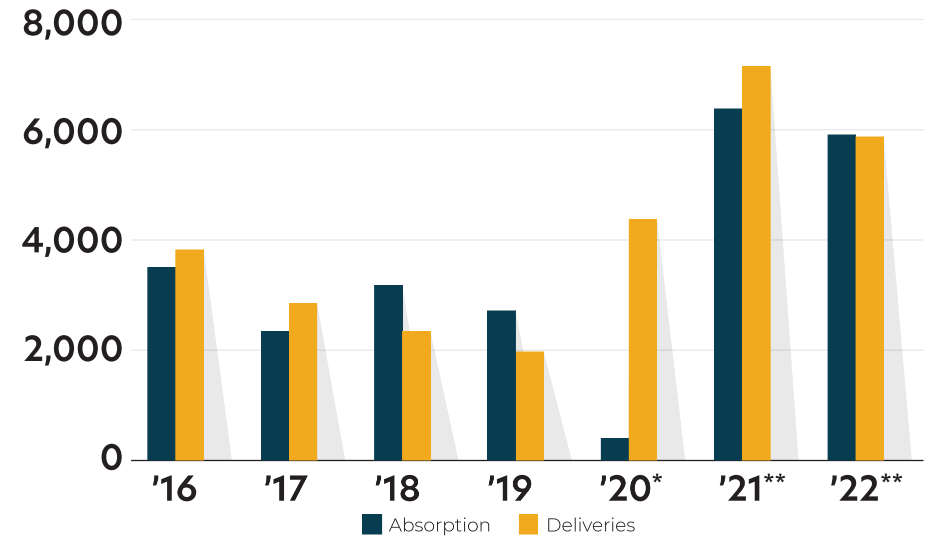
RENT SHARE OF WALLET
22.8%
Down **150 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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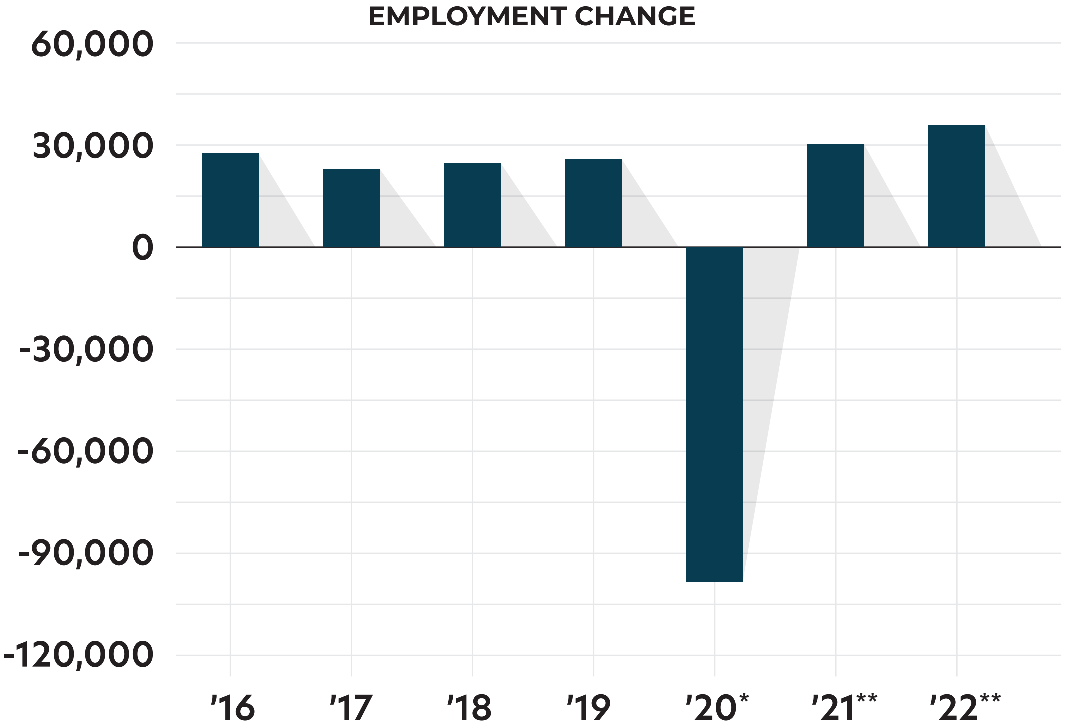
SAN JOSE, CALIFORNIA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,165,000	-8.4%	1,066,700	2.9%	1,097,400

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.6%	650 BPS	8.1%	-130 BPS	6.8%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,994,600	0.7%	2,008,100	0.7%	2,021,300

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
665,300	0.8%	670,800	0.8%	676,100

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$132,000	-3.5%	$127,329	3.6%	$131,879

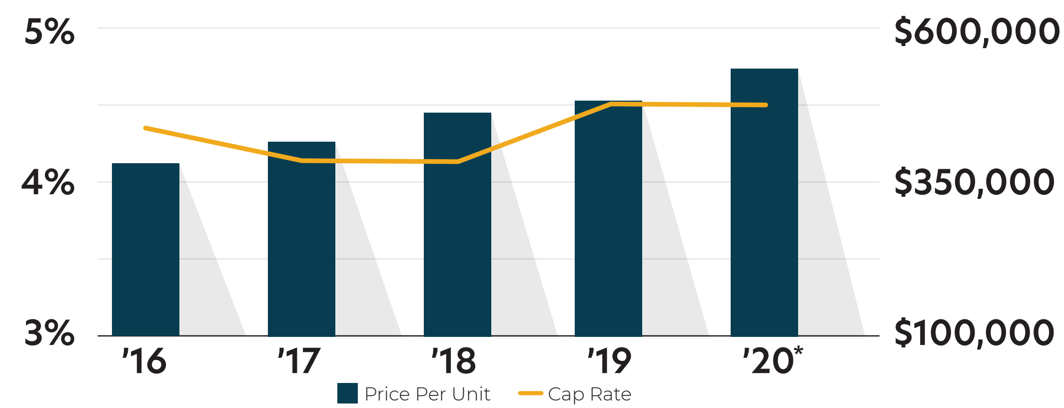
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$476,821	10.8%	$528,497

CAP RATE

2019	YOY CHANGE	2020
4.5%	0 BPS	4.5%



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VENTURA COUNTY, CALIFORNIA

BERKADIA®

2021 MARKET AT A GLANCE

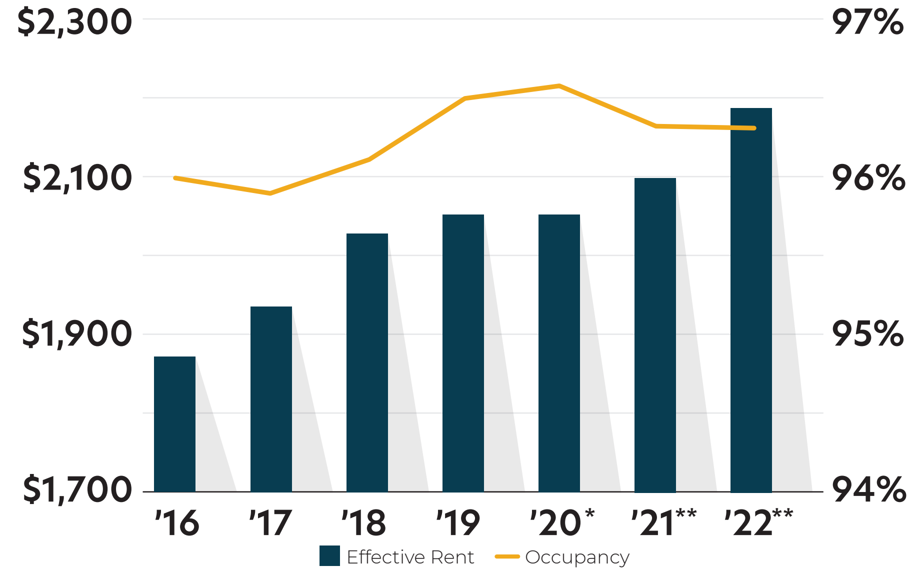
OCCUPANCY RATE
96.3%
Down **30 bps** YOY

EFFECTIVE RENT
$2,090
Up **2.6%** YOY

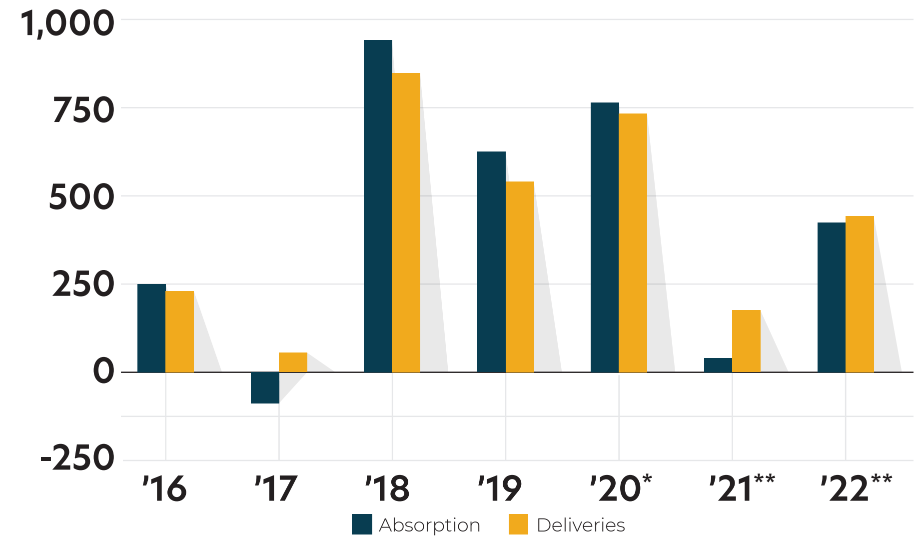
RENT SHARE OF WALLET
26.0%
Up **30 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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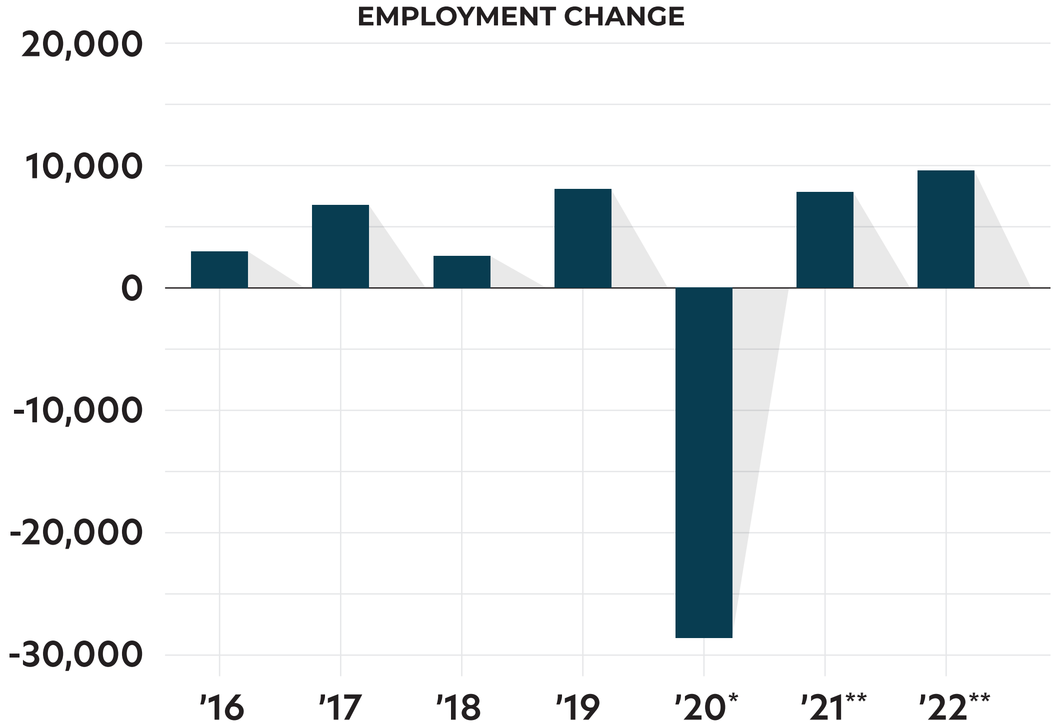
VENTURA COUNTY, CALIFORNIA

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
317,800	-9.1%	289,000	2.7%	296,700

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.4%	720 BPS	9.6%	-170 BPS	7.9%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
846,500	0.4%	850,000	0.4%	853,200

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
277,700	0.9%	280,100	0.8%	282,300

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$92,499	-0.7%	$91,875	1.6%	$93,311

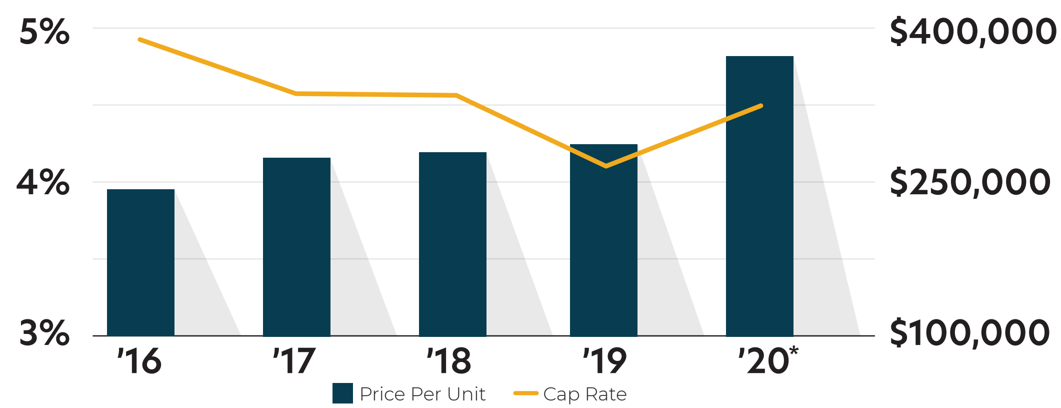
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$282,598	30.1%	$367,698

CAP RATE

2019	YOY CHANGE	2020
4.1%	40 BPS	4.5%



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COLORADO SPRINGS, COLORADO

BERKADIA®

ROBUST JOB CREATION, RISING INCOME SPUR 6.1% RENT GROWTH IN 2021

Economic and demographic tailwinds will bolster the Colorado Springs apartment market in 2021. An 85% jobs restoration was achieved last year, aided by the metro's strong military and defense presence, employees less impacted by the COVID-19 disruption. With a strong economic rebound underway, the apartment market is poised to forge ahead where it left off pre-pandemic. Monthly effective rent will advance 6.1% annually to $1,285 by year-end, outperforming most metros. Even with elevated rent growth, affordability is a major draw for the Colorado Springs apartment market. The average effective rent is more than a 30% discount from rents in the Denver and Boulder metro areas. Giving landlords confidence to keep upward pressure on effective rent will be an expanding labor market. It is estimated one-quarter of the jobs filled in 2021 will be among white-collar employment sectors. These high-paying positions will boost household income to average $70,128 in December. This bodes well for the multifamily market in which 60% of the market consists of one- or two-person households, presumptively part of the renter pool. Elevated construction activity will persist. Roughly 3,500 units are in the planning stage, and builders are slated to deliver 1,080 apartments in the next four quarters. One of the biggest projects in the pipeline is the 264-unit, 12-building Springs at Foothill Farms. Located just east of the Air Force Academy and Interstate 25, the development is expected to complete this summer. Despite the ongoing supply wave, occupancy will finish the year at a still-healthy 95.0%.

2021 MARKET AT A GLANCE

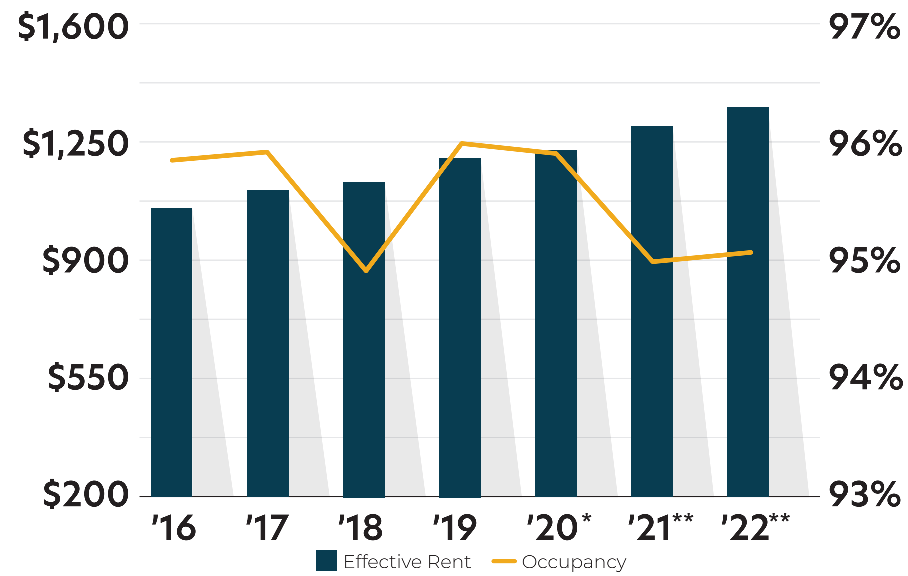
OCCUPANCY RATE
95.0%
Down **90 bps** YOY

EFFECTIVE RENT
$1,285
Up **6.1%** YOY

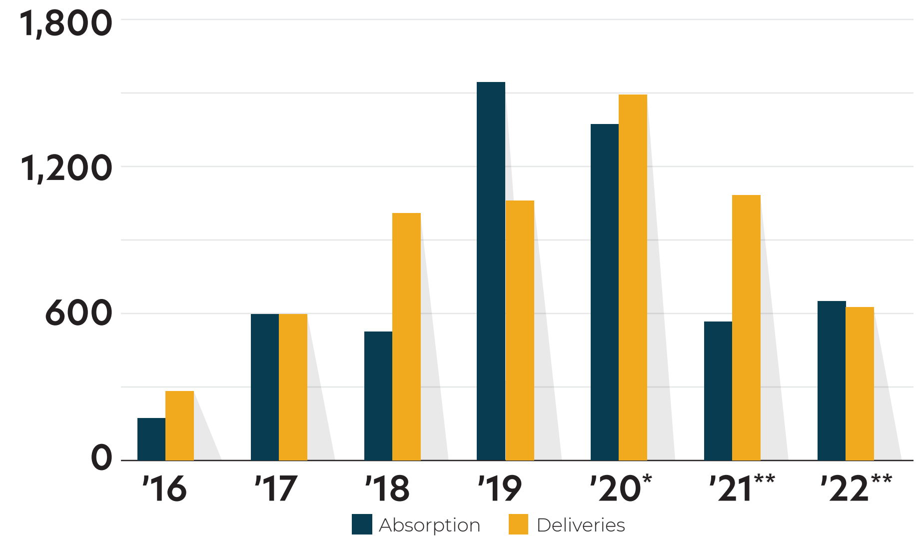
RENT SHARE OF WALLET
22.0%
Up **100 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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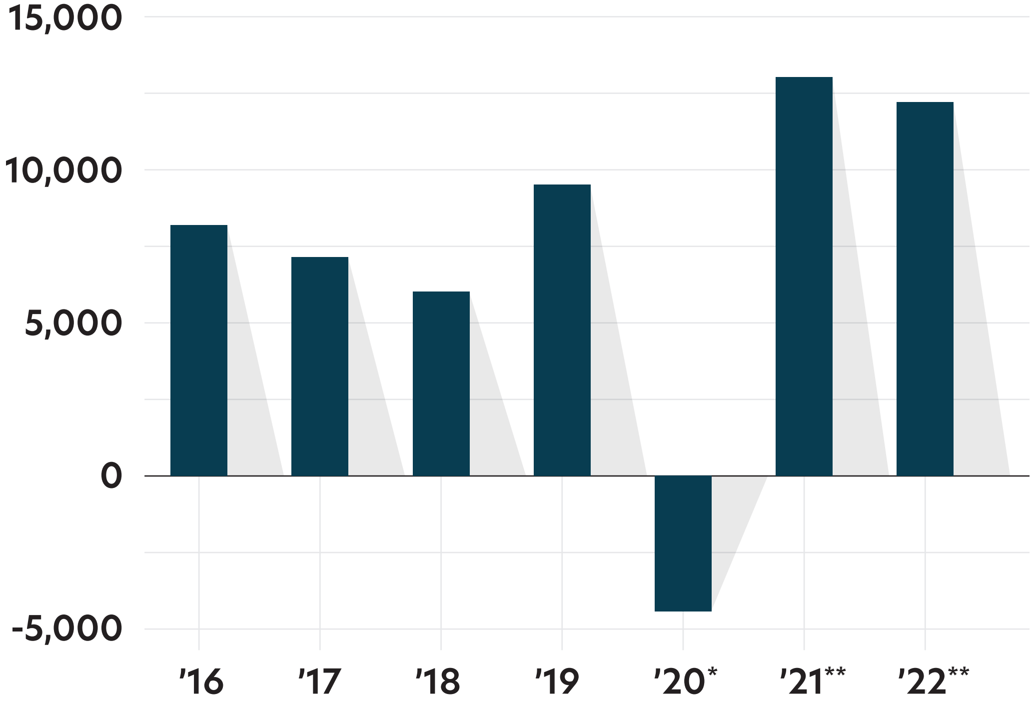
COLORADO SPRINGS, COLORADO

BERKADIA®

EMPLOYMENT TRENDS

EMPLOYMENT CHANGE



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
304,800	-1.3%	300,800	4.3%	313,800

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.4%	420 BPS	6.6%	-70 BPS	5.9%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
751,200	1.2%	759,900	1.1%	768,600

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
284,000	1.6%	288,500	1.7%	293,400

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$72,675	-5.0%	$69,042	1.6%	$70,128

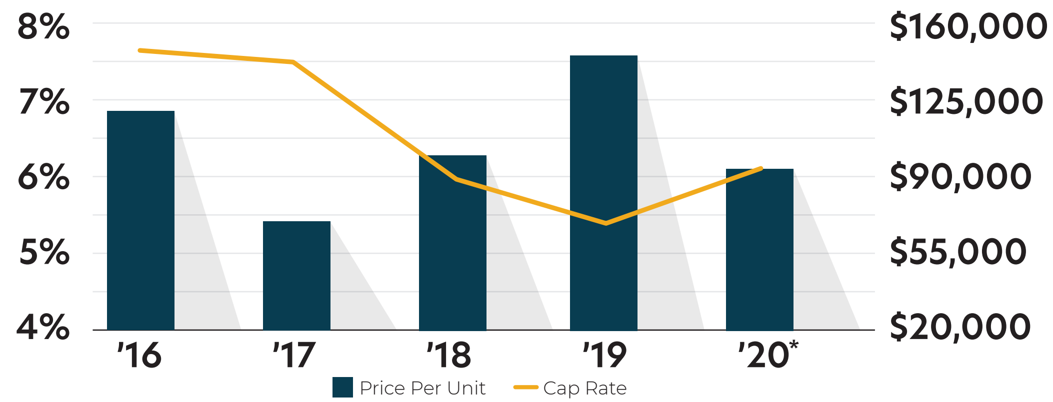
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$143,769	-36.3%	$91,581

CAP RATE

2019	YOY CHANGE	2020
5.4%	70 BPS	6.1%



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DENVER, COLORADO

RESILIENT JOB MARKET SUPPLEMENTS 2021 CONSTRUCTION WAVE

Rehiring lagged in some areas of Denver's economy, such as the metro's leisure and hospitality sector, but an enduring supply of high-paying, white-collar positions helped to maintain the metro's status as an extremely attractive destination for renters in 2020. Aerospace giant Lockheed Martin began filling 500 additional jobs in 2020 after recently finishing a hiring spree to fill 400 positions the year before. Likewise, Raytheon began filling 200 new positions during the last 12 months. The robust job market contributed to strong apartment fundamentals in 2020. Renters absorbed 9,343 units while 9,216 units were brought online. Apartment developers will continue the elevated pace of deliveries through the next 12 months with 8,889 units scheduled to begin lease-up this year. Approximately 44,600 net jobs are expected to be added to local payrolls this year, including 500 new positions to be filled by software and IT services for JumpCloud. The steady pace of job creation will underpin the net absorption of 5,901 units this year. With the temporary lull in leasing activity amid an abundance of new units, apartment occupancy will fall 80 basis points to 94.1%, and apartment operators will decrease effective rent 1.2%. This trend will reverse in 2022 when occupancy elevates 30 basis points to 94.4% by year-end. Apartment operators will respond to a post-pandemic surge in apartment demand by raising effective rent 6.0% to $1,546, among the highest annual rent growth in the nation.

2021 MARKET AT A GLANCE

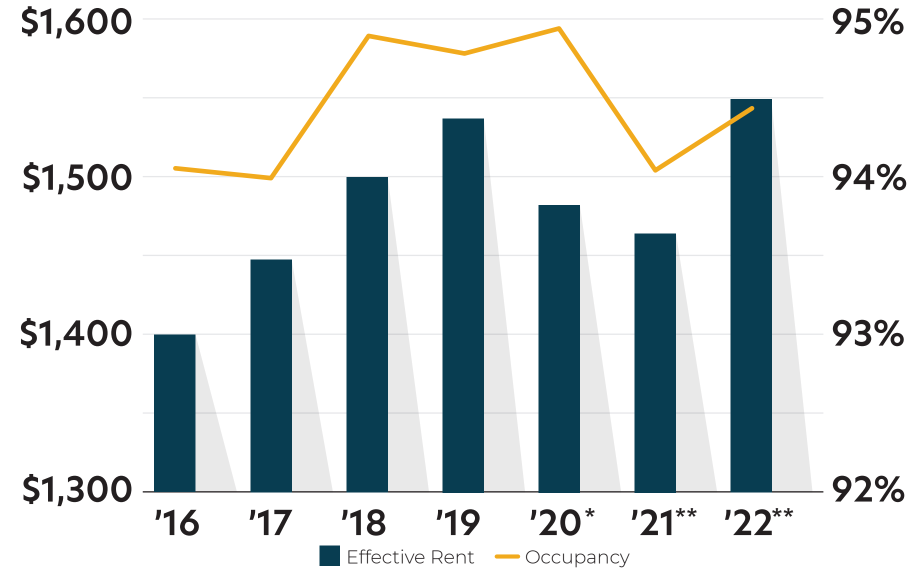
OCCUPANCY RATE
94.1%
Down **80 bps** YOY

EFFECTIVE RENT
$1,459
Down **1.2%** YOY

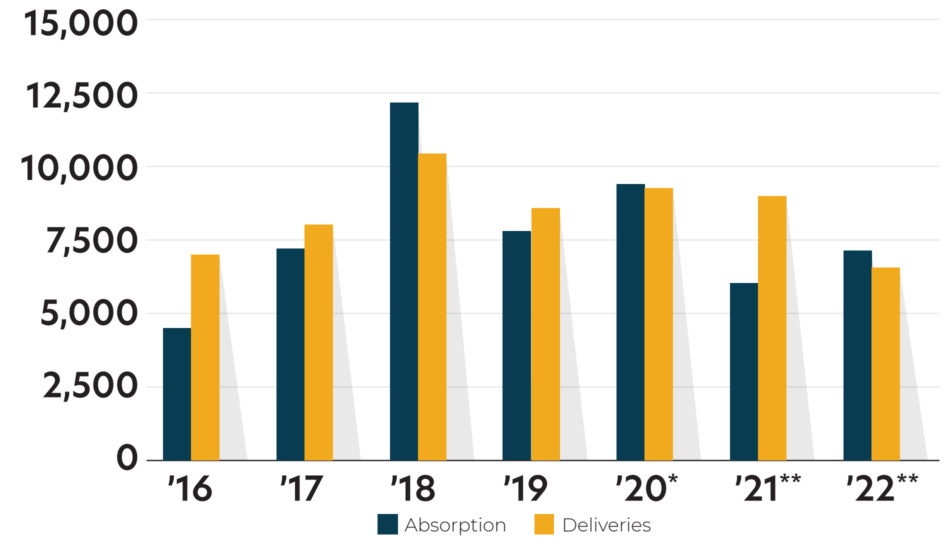
RENT SHARE OF WALLET
21.2%
Down **50 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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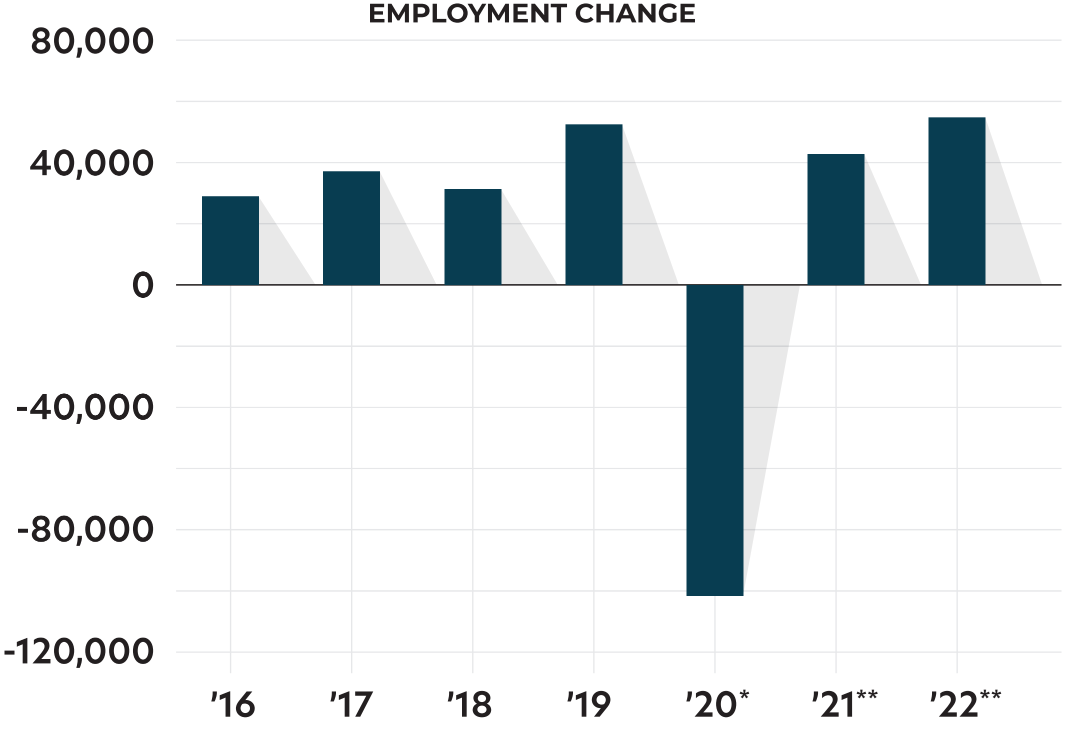
DENVER, COLORADO

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,569,900	-6.4%	1,468,800	3.0%	1,513,500

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.8%	550 BPS	7.3%	-150 BPS	5.8%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,986,800	1.1%	3,019,000	1.1%	3,051,600

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,158,700	1.5%	1,176,200	1.7%	1,195,800

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$85,949	-5.2%	$81,500	1.4%	$82,641

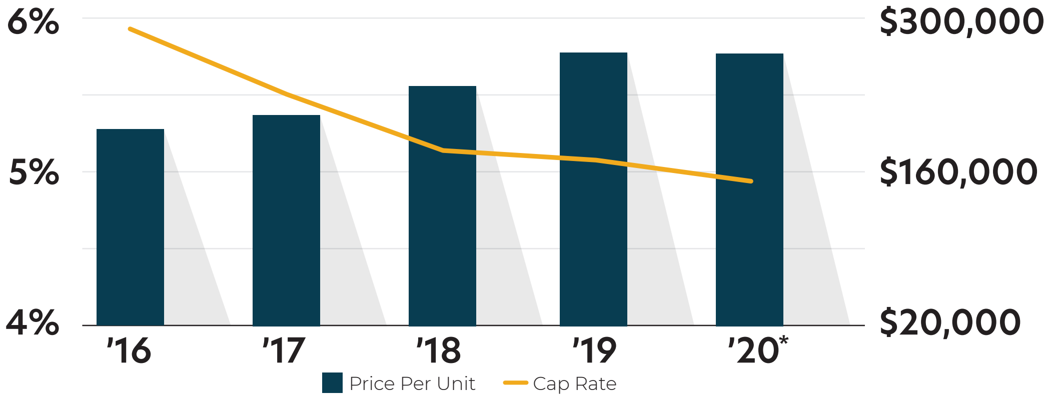
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$266,031	-0.3%	$265,200

CAP RATE

2019	YOY CHANGE	2020
5.1%	-20 BPS	4.9%



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JACKSONVILLE, FLORIDA

BERKADIA®

STURDY JOBS RECOVERY, NET MIGRATION UNDERPIN ELEVATED DEMAND

The appeal of Jacksonville to employers and to renters alike spurred apartment demand and development across the metropolitan area during 2020. Payroll growth improved across Greater Jacksonville as 14,750 jobs were created since the April trough, reversing 25% of pandemic-related losses. Most of the bounce back was in the leisure and hospitality industry where about half of the jobs shed were restored by year-end 2020. The labor market will continue rebuilding over 2021, with a full payroll recovery anticipated by next year. While the local economy continues to mend, apartment leasing activity is anticipated to remain elevated. There has been evidence of a major shift away from high-cost housing areas in the West and in the Northeast toward the South, and Greater Jacksonville is benefitting from the trend. Additionally, net migration will steadily increase, reaching 55,200 persons in total by 2025. Sustained employment opportunities and an influx of residents will underpin annual absorption above historical norms this year. Following the absorption of 3,125 net units last year, which marked a 20-year high, operators will record 2,330 new leases signed over the next four quarters. Meanwhile, developers are set to add 3,250 new units to existing inventory. The demand shortfall should cause a 60-basis-point, year-over-year slide in occupancy, ending 2021 at 94.3%. Meanwhile, monthly effective rent is forecast to increase 3.4% to $1,147 by December. Helping offset rising rent will be a concurrent 2.7% increase in the median household income.

2021 MARKET AT A GLANCE

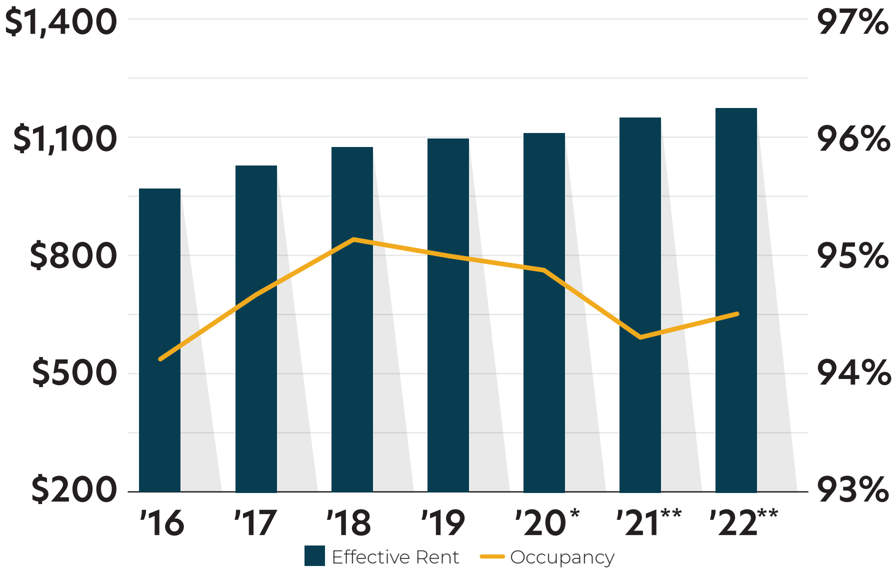
OCCUPANCY RATE
94.3%
Down **60 bps** YOY

EFFECTIVE RENT
$1,147
Up **3.4%** YOY

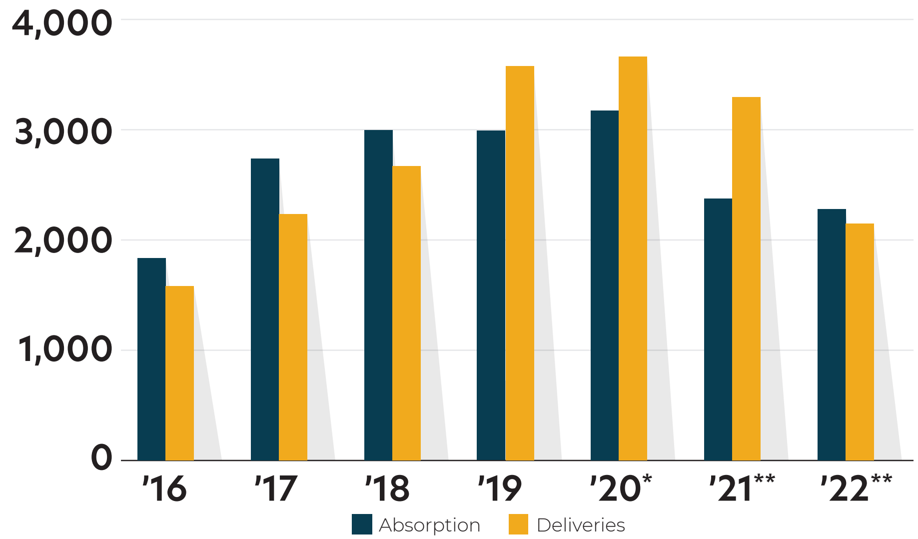
RENT SHARE OF WALLET
19.8%
Up **20 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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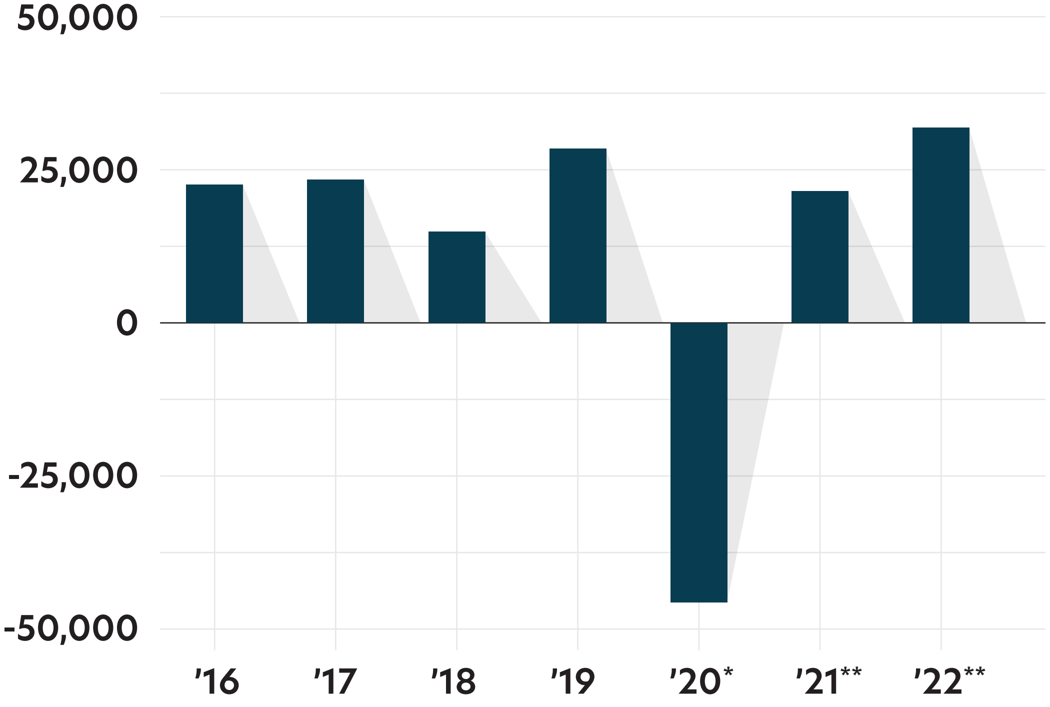
JACKSONVILLE, FLORIDA

BERKADIA®

EMPLOYMENT TRENDS

EMPLOYMENT CHANGE



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
744,500	-6.1%	698,900	3.1%	720,300

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.3%	500 BPS	7.3%	-20 BPS	7.1%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,567,500	0.8%	1,580,400	0.9%	1,594,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
611,400	1.4%	619,800	1.7%	630,100

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$65,990	2.7%	$67,777	2.7%	$69,590

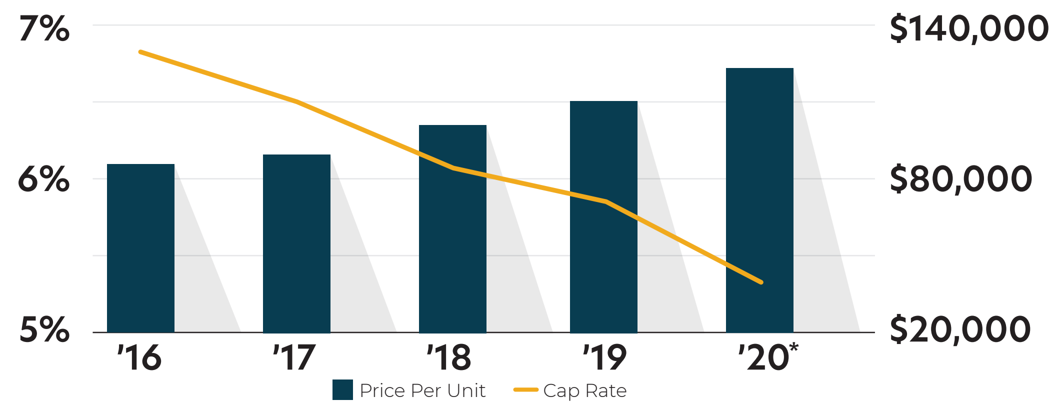
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$108,466	12.7%	$122,211

CAP RATE

2019	YOY CHANGE	2020
5.8%	-50 BPS	5.3%



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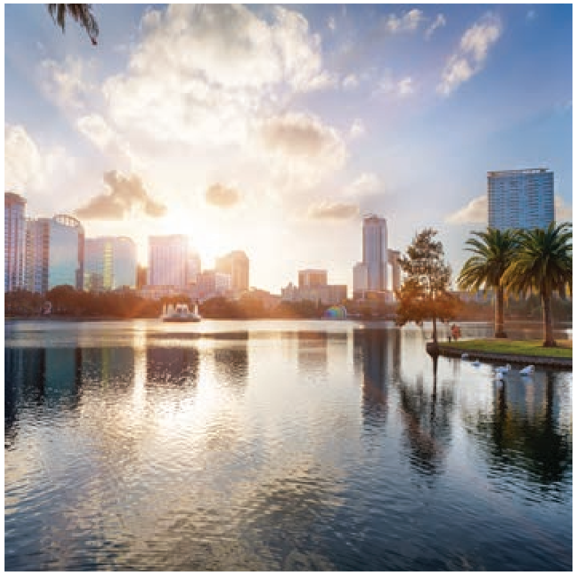
ORLANDO, FLORIDA

RECORD APARTMENT CONSTRUCTION SCHEDULED OVER NEXT 12 MONTHS

The multifamily real estate market in Orlando proved remarkably resilient last year, a trend that will continue over the next 12 months. Apartment developers delivered new product at a torrid pace; just over 7,500 units were brought online last year. The surge of apartment construction, focused primarily near the booming development hub that is Downtown Orlando, will ramp up even further this year as city officials push forward on plans to expand access to amenities and turn the area into an attractive, walkable urban community. One such strategy is the long-discussed plans to redevelop the former home of the Orlando Sentinel newspaper into a modern, mixed-use office and residential space. About 10,200 apartment units are scheduled to come online metrowide this year, a 20-year peak, while demand is expected to return to pre-pandemic levels as renters absorb over 6,000 apartment units. The supply-side imbalance will result in occupancy shrinking 130 basis points to 93.6%. Apartment operators will increase effective rent 0.2% to $1,252 this year, reversing course from 2020 when the pandemic softened demand and renter concessions increased. Another promising economic development stoking confidence in the metro's apartment market is the latest update to the new Brightline high-speed train. The current expansion connecting Miami and the Orlando International Airport will now also add a station connecting passengers directly to the four Walt Disney World theme parks. Scheduled for completion in 2022, this development could play a substantial role in bolstering the recovery of the area's tourism-based economy.



2021 MARKET AT A GLANCE

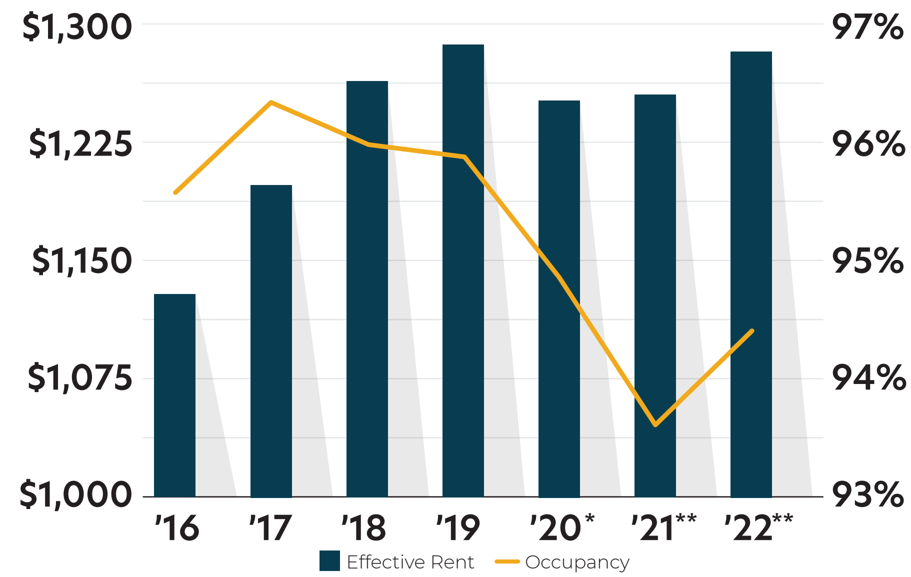
OCCUPANCY RATE
93.6%
Down **130 bps** YOY

EFFECTIVE RENT
$1,252
Up **0.2%** YOY

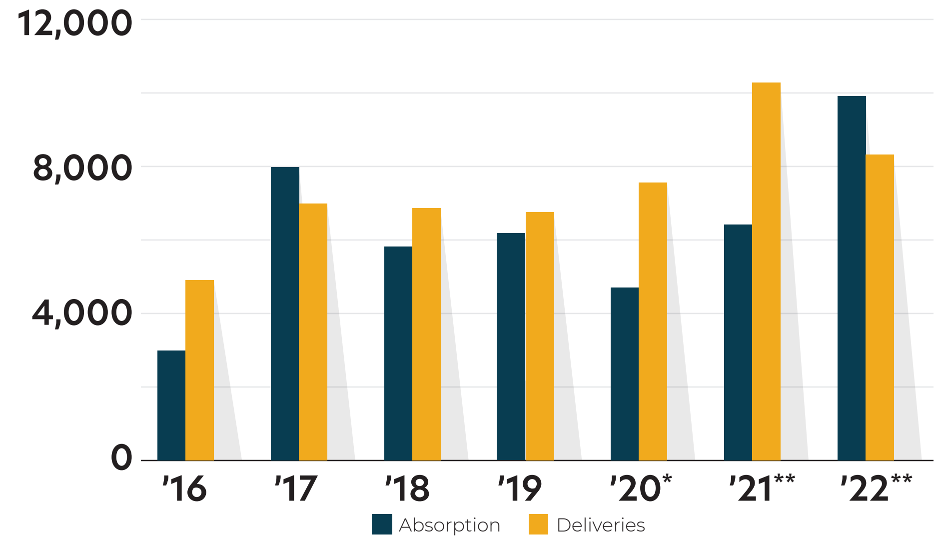
RENT SHARE OF WALLET
23.9%
Down **70 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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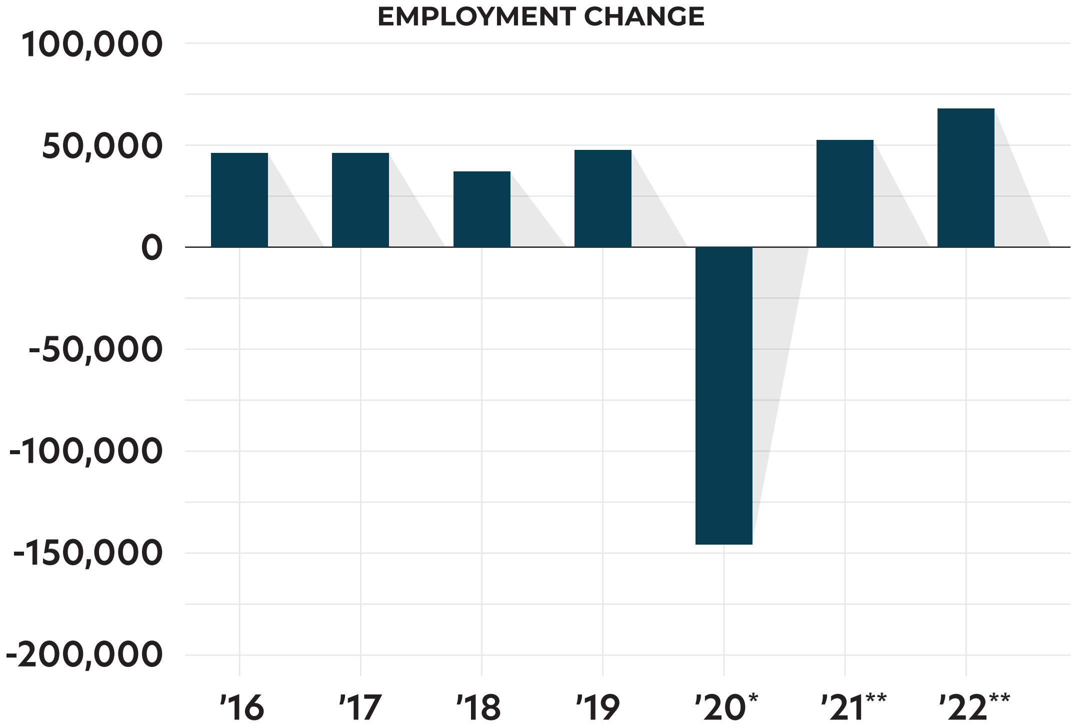
ORLANDO, FLORIDA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,359,000	-10.7%	1,213,200	4.3%	1,265,400

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.3%	1,210 BPS	13.4%	-230 BPS	11.1%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,630,300	1.4%	2,666,300	1.5%	2,706,800

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
977,500	2.1%	998,000	2.5%	1,022,600

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$62,047	-1.8%	$60,936	3.0%	$62,777

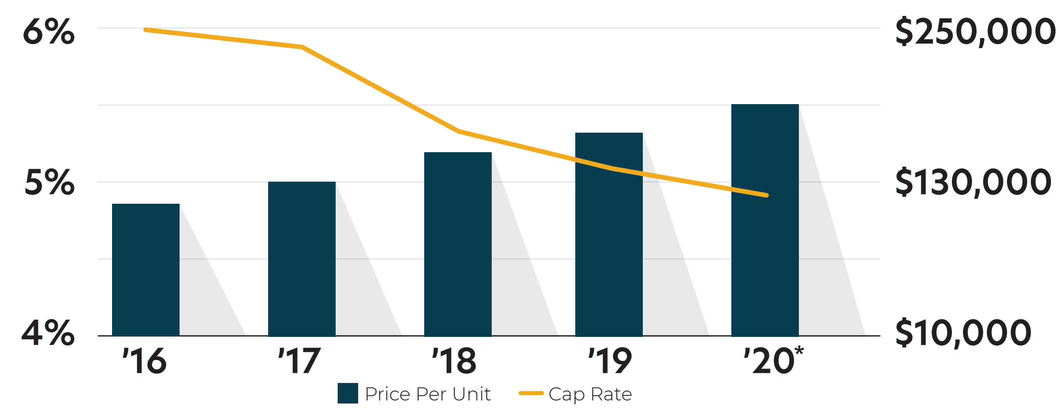
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$166,266	14.9%	$190,997

CAP RATE

2019	YOY CHANGE	2020
5.1%	-20 BPS	4.9%



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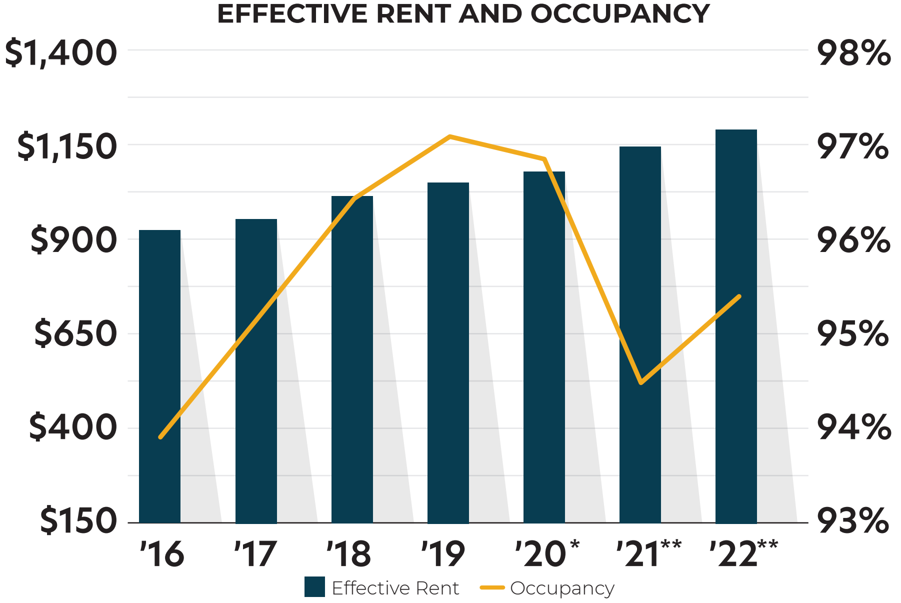
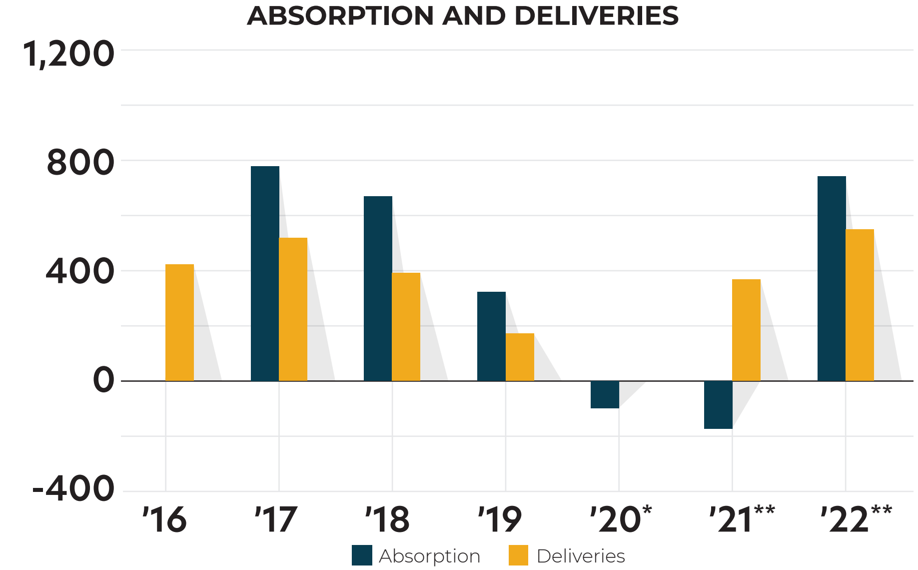
PENSACOLA, FLORIDA

MARKET TRENDS





2021 MARKET AT A GLANCE

OCCUPANCY RATE
94.5%
Down **220 bps** YOY

EFFECTIVE RENT
$1,144
Up **6.1%** YOY

RENT SHARE OF WALLET
23.9%
Up **130 bps** YOY

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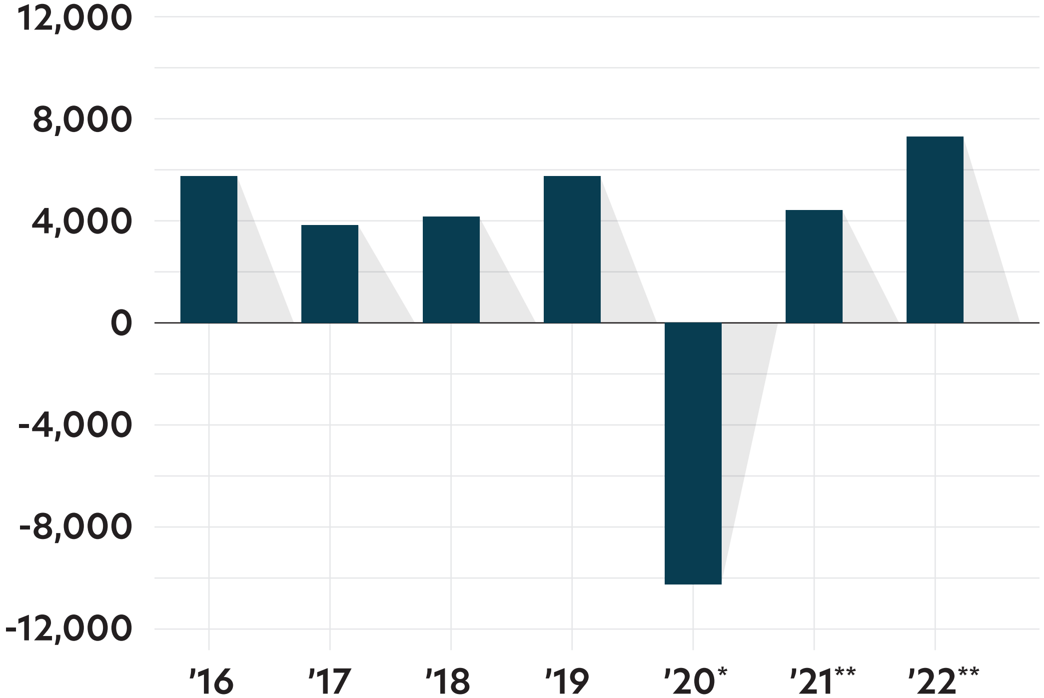
PENSACOLA, FLORIDA

BERKADIA®

EMPLOYMENT TRENDS

EMPLOYMENT CHANGE



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
188,900	-5.3%	178,800	2.5%	183,200

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.3%	480 BPS	7.1%	-10 BPS	7.0%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
504,600	0.6%	507,700	0.7%	511,300

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
194,800	1.1%	197,000	1.4%	199,700

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$55,599	2.8%	$57,169	0.5%	$57,467

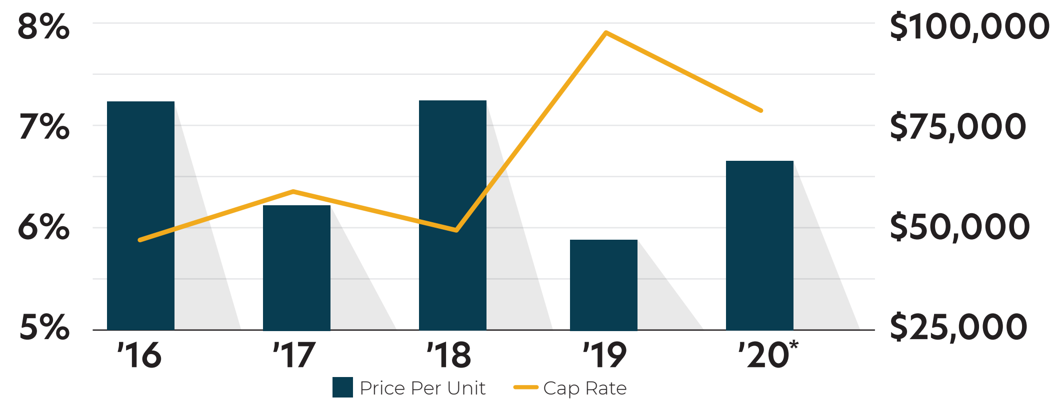
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$45,349	42.8%	$64,770

CAP RATE

2019	YOY CHANGE	2020
7.9%	-70 BPS	7.2%



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SOUTH FLORIDA

BERKADIA®

SOUTH FLORIDA REMAINS HOT SPOT FOR RELOCATIONS, DEVELOPMENT

South Florida remained a magnet for new residents as net migration soared in 2020, fueling healthy apartment demand. Amid the pandemic, South Florida was a top-five relocation destination in the country. A significant share of the relocations came from in-state residents relocating to the Tri-County metropolitan area in search of job opportunities. Net migration during 2021 is forecast to remain near the five-year average. Contributing to the appeal of the metro will be the recovering job market. Gains are expected across all employment sectors. Significant additions are projected among white-collar industries, led by professional and business services hiring, as South Florida continues to bring in new-to-market office tenants from the Northeast. Builders are creating room for these positions as approximately 3.7 million square feet of office space is scheduled to come online in 2021. This vigorous development will also extend to multifamily. Builders are scheduled to add approximately 17,300 units to the metro inventory in 2021, a historic high. The year-over-year increase in deliveries will keep South Florida among the top-three metros for additions nationally. The influx of new inventory, even as annual absorption elevates, is projected to result in a 20-basis-point slip in South Florida apartment occupancy to finish 2021 at an average of 95.0%. Operators are expected to respond by increasing concessions, which will limit rent growth. Monthly rent is forecast to increase 0.9% over the next four quarters to $1,664, trailing the preceding five-year average of 1.5% annual rent growth.

2021 MARKET AT A GLANCE

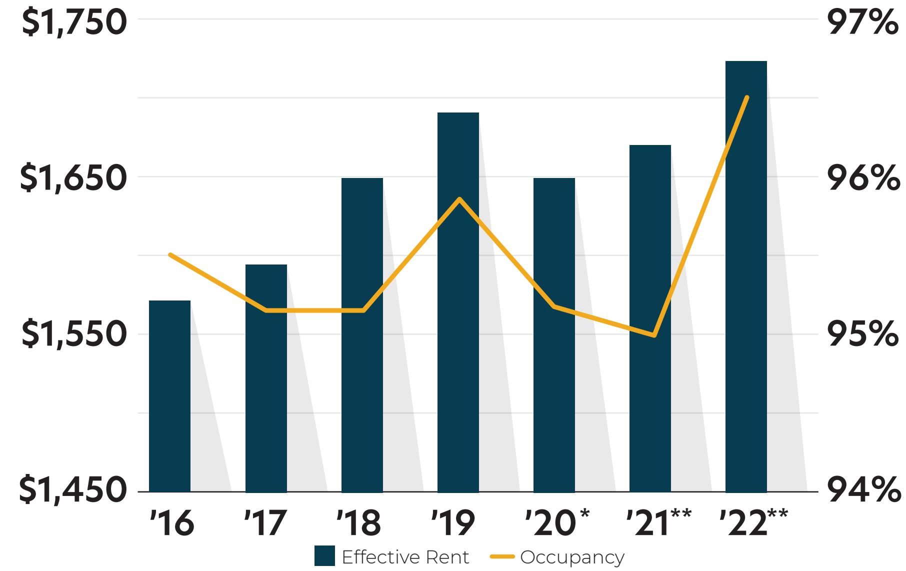
OCCUPANCY RATE
95.0%
Down **20 bps** YOY

EFFECTIVE RENT
$1,664
Up **0.9%** YOY

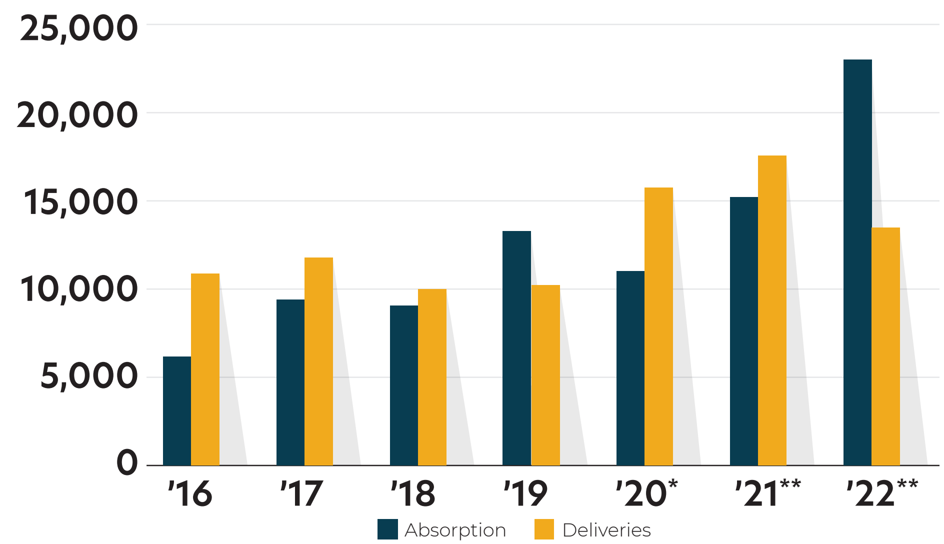
RENT SHARE OF WALLET
31.9%
Down **30 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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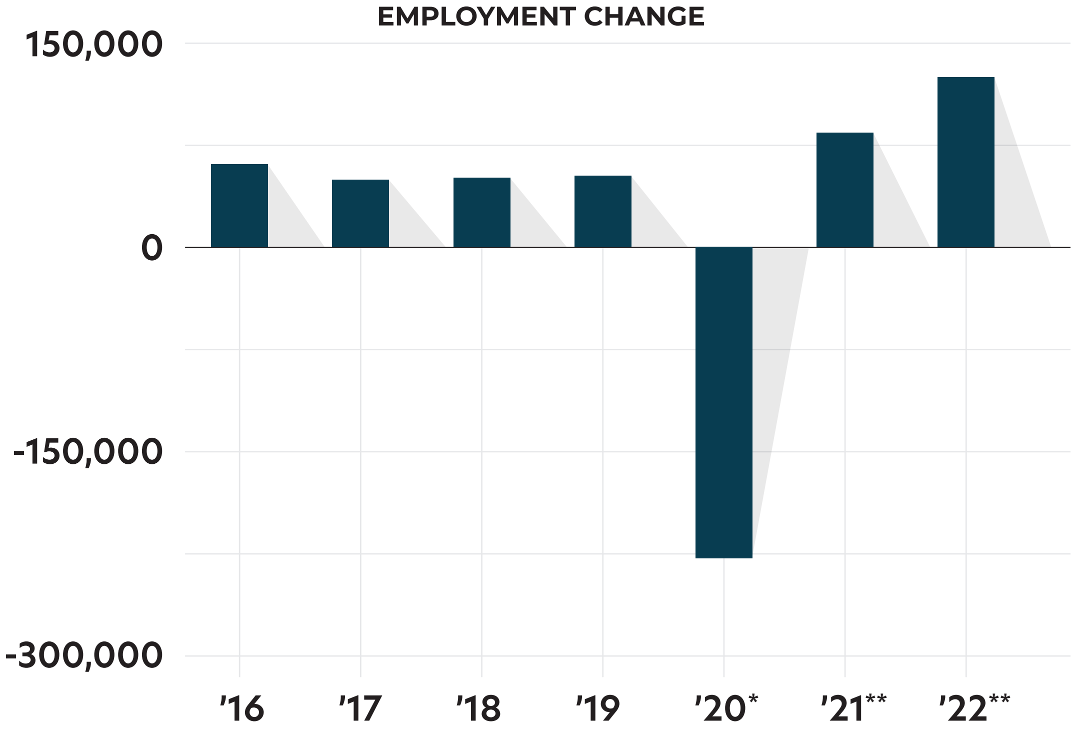
SOUTH FLORIDA

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2,755,200	-8.3%	2,527,000	3.3%	2,609,400

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.7%	940 BPS	11.1%	-150 BPS	9.6%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
6,197,600	0.8%	6,248,000	0.9%	6,304,800

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,317,000	1.4%	2,350,100	1.7%	2,390,100

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$59,848	2.6%	$61,387	1.9%	$62,575

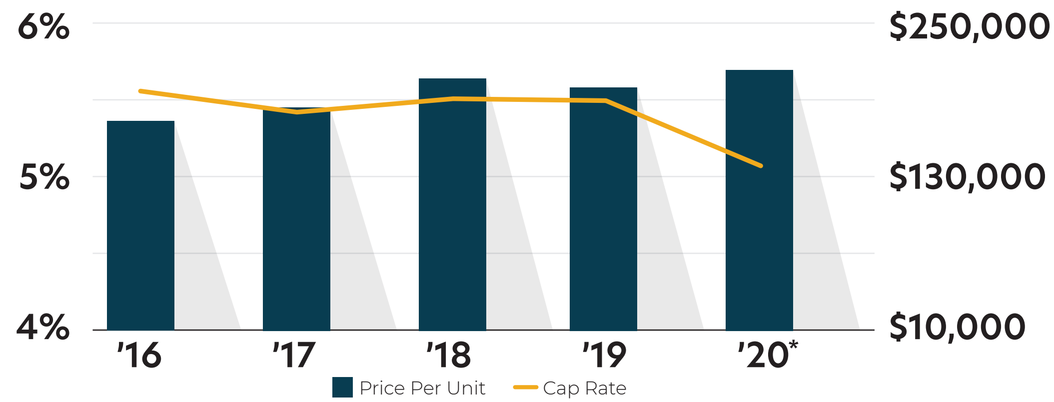
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$200,641	6.4%	$213,492

CAP RATE

2019	YOY CHANGE	2020
5.5%	-40 BPS	5.1%



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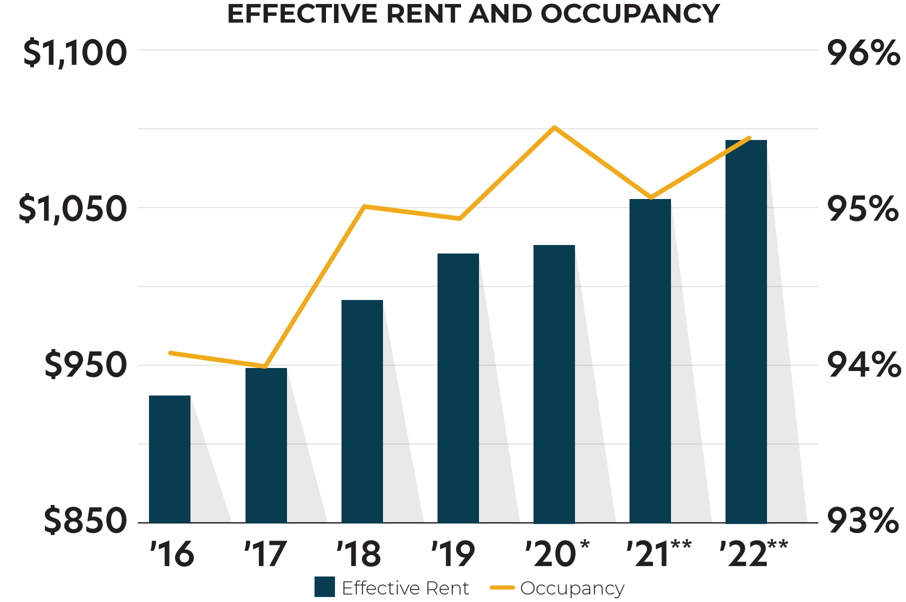
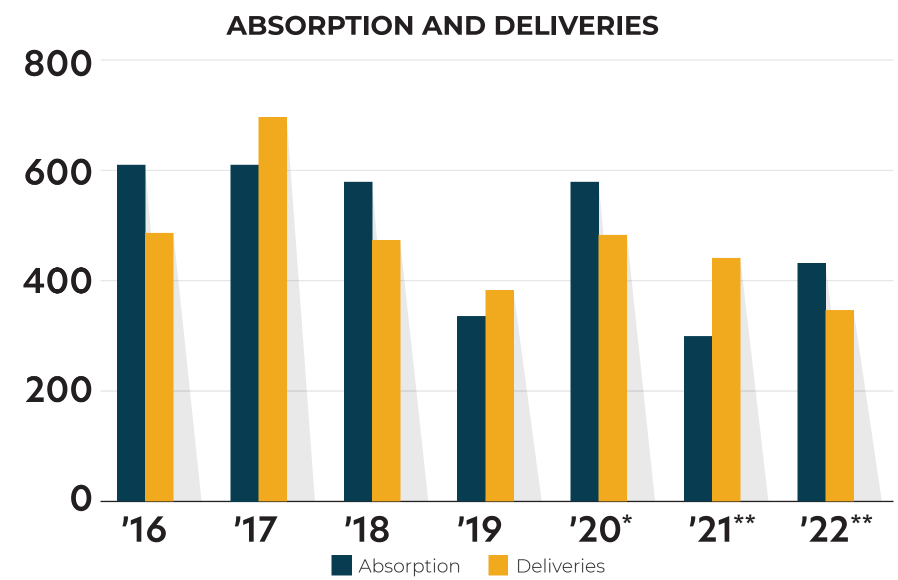
TALLAHASSEE, FLORIDA

BERKADIA®

MARKET TRENDS





2021 MARKET AT A GLANCE

OCCUPANCY RATE
95.1%
Down **40 bps** YOY

EFFECTIVE RENT
$1,051
Up **2.6%** YOY

RENT SHARE OF WALLET
22.6%
Up **10 bps** YOY

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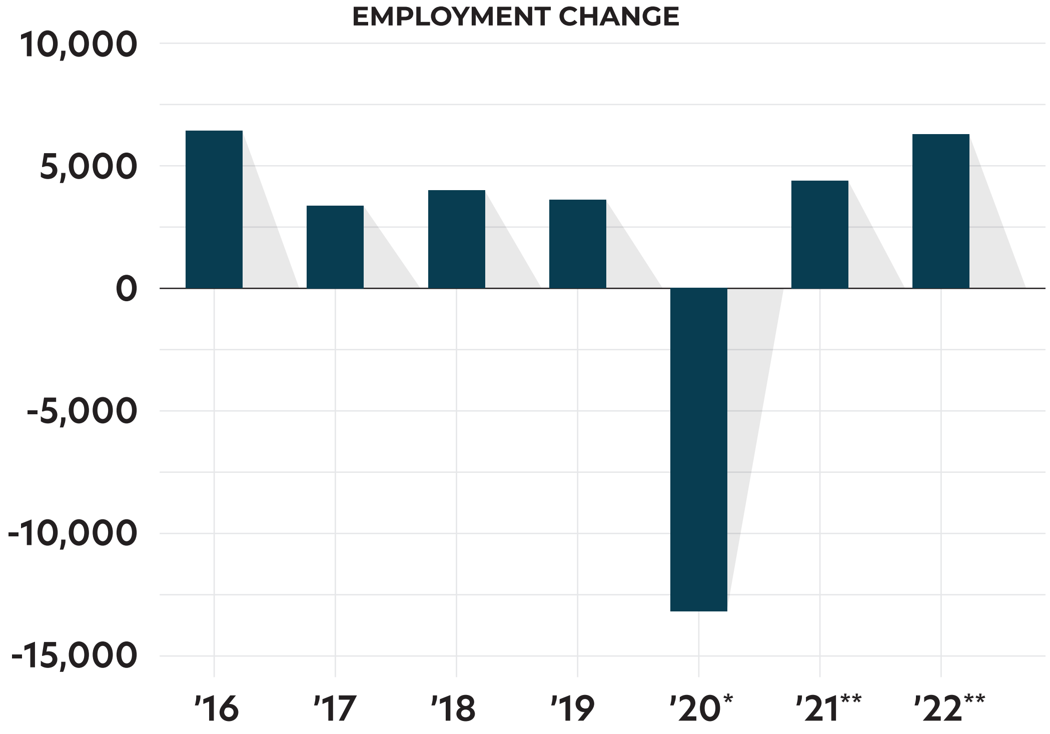
TALLAHASSEE, FLORIDA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
189,500	-7.0%	176,200	2.3%	180,300

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.4%	450 BPS	6.9%	-20 BPS	6.7%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
388,300	0.4%	390,000	0.6%	392,400

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
151,400	0.9%	152,800	1.4%	154,900

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$52,412	4.1%	$54,577	2.3%	$55,830

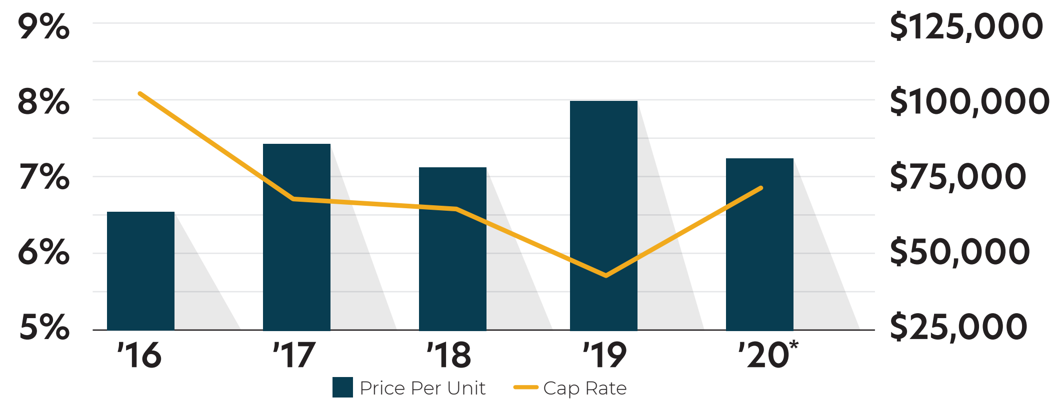
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$99,149	-20.0%	$79,352

CAP RATE

2019	YOY CHANGE	2020
5.7%	110 BPS	6.8%



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TAMPA-ST. PETERSBURG, FLORIDA

BERKADIA®

APARTMENT DEMAND REMAINS ELEVATED AS DOWNTOWN DEVELOPMENT RAMPS UP

Persistent demand for housing and a rapid pace of new apartment construction characterized the multifamily market in the Tampa metro over the past 12 months. Renters absorbed 3,937 net apartment units in 2020, with over 85% of that leasing activity occurring during the second half of the year, following the relaxing of COVID-19 restrictions. The wave of apartment development that has characterized the metro since 2018 continued over the past 12 months. The 5,196 units delivered by developers outpaced the metro's five-year average and a comparable number of units are expected to be delivered next year. Occupancy remained unchanged year over year and was 95.3% in December 2020. Effective rent growth was one apartment fundamental hindered by the broader impacts of the pandemic, including the year-over-year loss of over 87,000 jobs. The reduction of the workforce combined with rising concessions led to effective rent increasing 0.8% to $1,257 per month by year-end 2020, down from 2.6% growth the previous year. Effective rent growth is expected to accelerate this year when apartment operators are expected to perform a 3.3% annual increase. Additionally, major real estate projects underway, such as those driven by the upcoming Super Bowl LV, will help to drive economic recovery. These developments include the completion of a JW Marriott hotel and Midtown, a new mixed-use development that will include office, residential, and retail space.

2021 MARKET AT A GLANCE

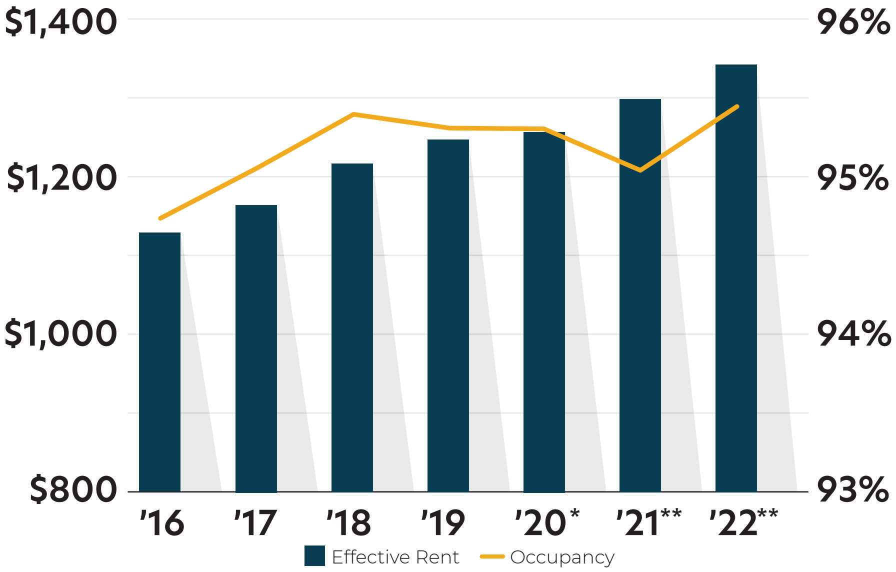
OCCUPANCY RATE
95.1%
Down **20 bps** YOY

EFFECTIVE RENT
$1,299
Up **3.3%** YOY

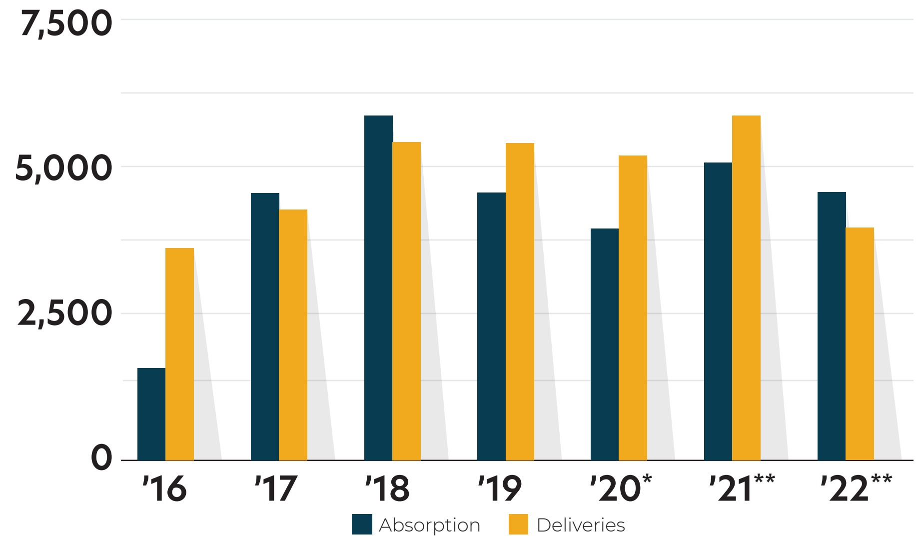
RENT SHARE OF WALLET
25.7%
Up **20 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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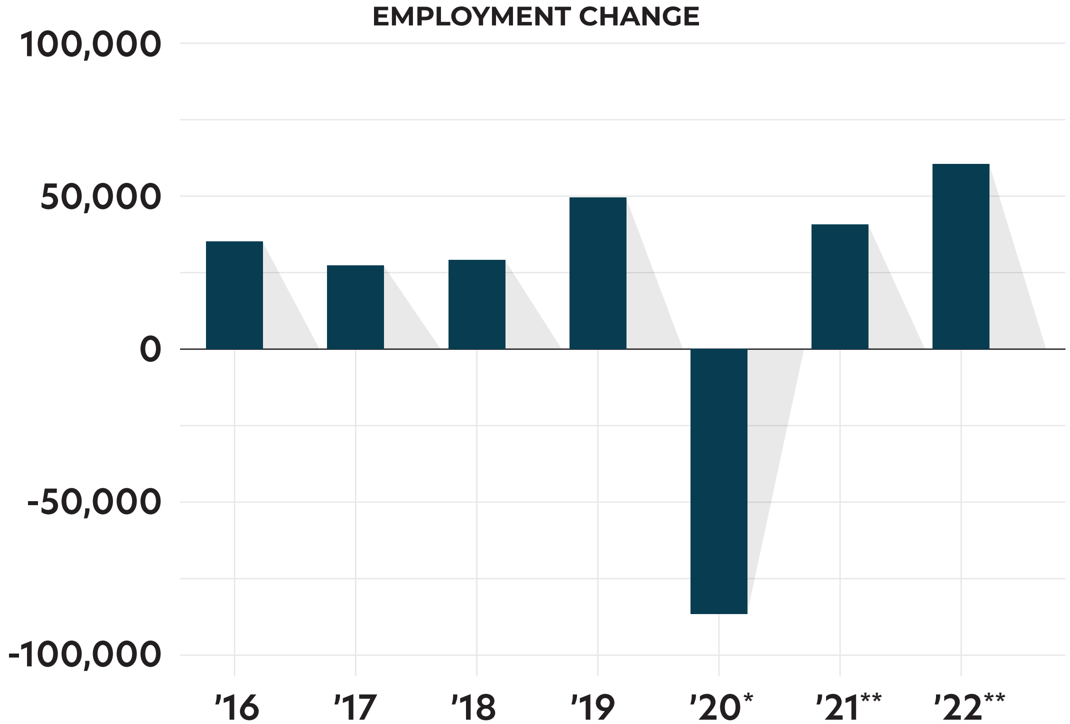
TAMPA-ST. PETERSBURG, FLORIDA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,416,500	-6.2%	1,329,300	3.0%	1,369,600

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.2%	640 BPS	8.6%	-70 BPS	7.9%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
3,210,100	0.8%	3,234,800	0.9%	3,262,500

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,320,700	1.4%	1,338,700	1.6%	1,360,400

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$57,767	2.4%	$59,138	2.4%	$60,572

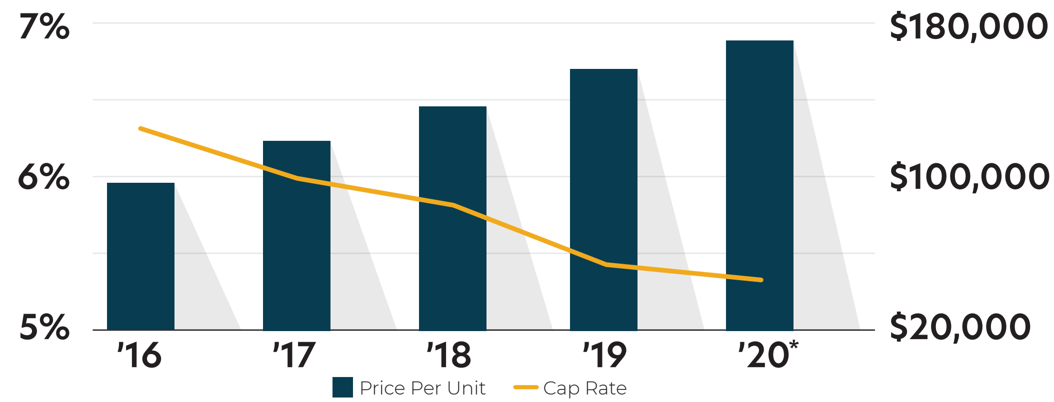
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$156,936	8.2%	$169,873

CAP RATE

2019	YOY CHANGE	2020
5.4%	-10 BPS	5.3%



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ATLANTA, GEORGIA

BERKADIA®

APARTMENTS REMAIN IN HIGH DEMAND AS ATLANTA'S ECONOMY RECOVERS

Robust apartment demand sustained healthy apartment fundamentals in the Atlanta metropolitan area in 2020, and the underlying rental drivers are expected to persist in the near term. While employment contracted by nearly 326,000 jobs in the initial reaction to the pandemic, payrolls recovered more than 40% of those headcounts by year-end 2020. The resilient workforce, accelerating in-migration, and slowdown in single-family home completions underpinned a year-over-year increase in annual apartment absorption last year. Leasing activity nearly kept pace with the post-recession peak apartment deliveries as average apartment occupancy ticked down 10 basis points in 2020 to 94.8%. As payrolls rise, strong in-migration persists, and single-family home completions remain below the long-term average, vigorous apartment leasing is projected this year. Another factor driving apartment leasing over the next four quarters will be strategically located deliveries in Buckhead, Vinings, and West Atlanta. Net annual leasing activity is expected to be highest in these premier suburbs that benefit from the growing presence of white-collar employers like Salesforce and Ameris Bancorp. Across Greater Atlanta, all employment sectors are forecast to post gains this year, with additions in professional and business services sector leading the metro. The economic recovery should keep annual apartment absorption slightly above the five-year average. With new supply and demand nearly at equilibrium, average apartment occupancy is predicted to hold at 94.8% this year. At the same time, operators are expected to accelerate rent growth. After advancing 0.2% in 2020, monthly effective rent is projected to increase 2.0% to $1,303 by year-end.

2021 MARKET AT A GLANCE

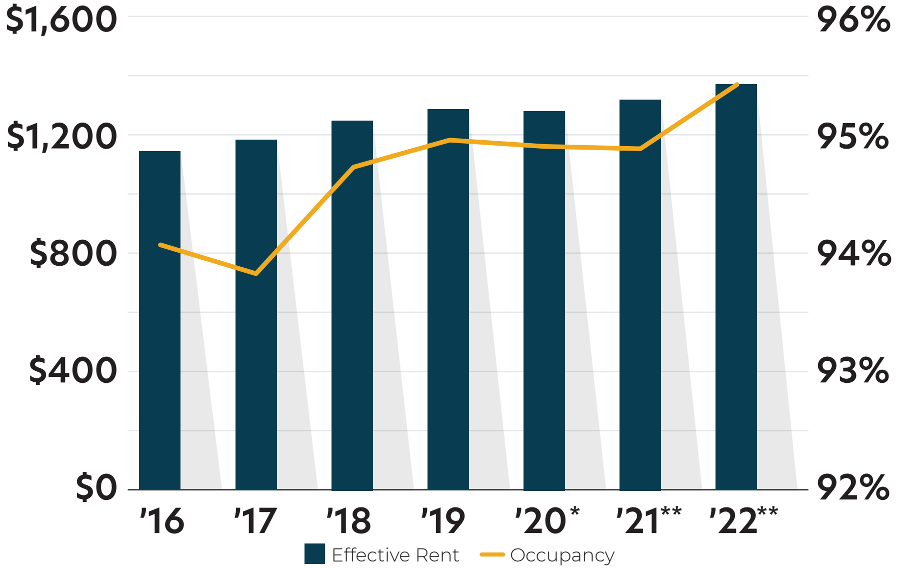
OCCUPANCY RATE
94.8%
Unchanged YOY

EFFECTIVE RENT
$1,303
Up **2.0%** YOY

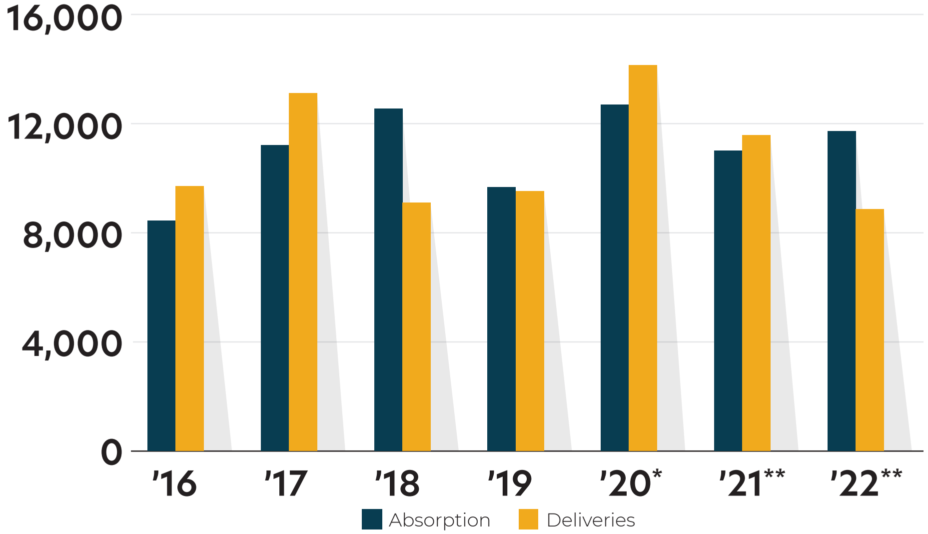
RENT SHARE OF WALLET
22.2%
Up **40 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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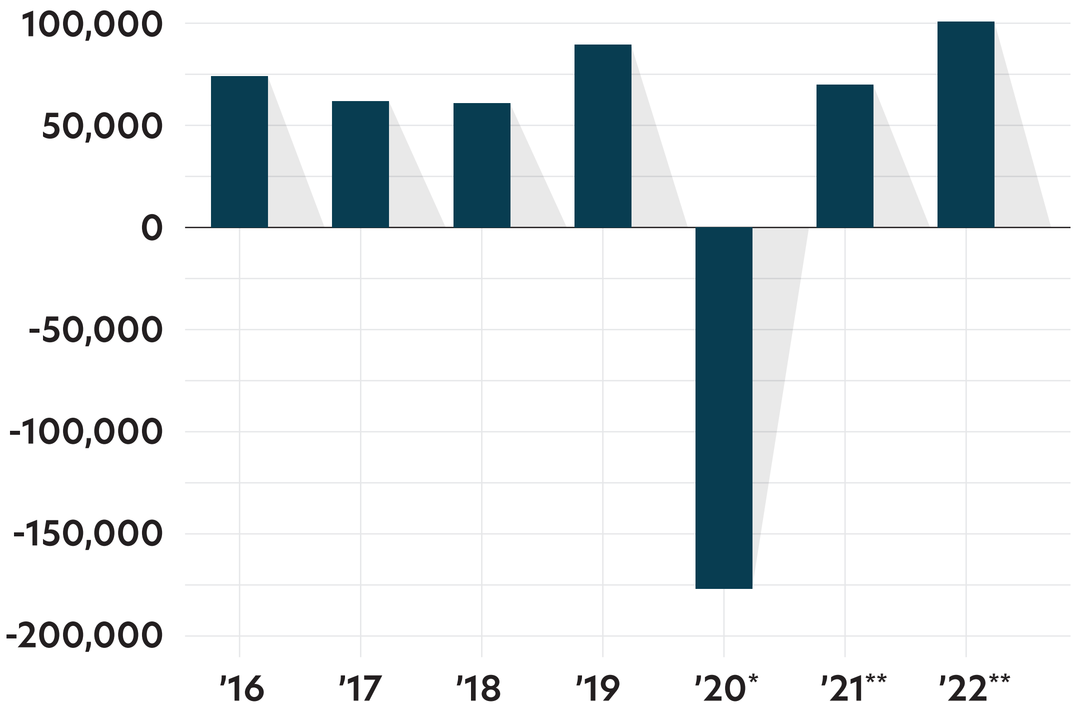
ATLANTA, GEORGIA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2,905,200	-6.0%	2,730,100	2.6%	2,799,900

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.3%	320 BPS	5.5%	70 BPS	6.2%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
6,066,300	1.3%	6,145,900	1.2%	6,222,500

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,235,100	1.5%	2,269,300	1.7%	2,307,600

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$71,441	-1.7%	$70,191	0.3%	$70,406

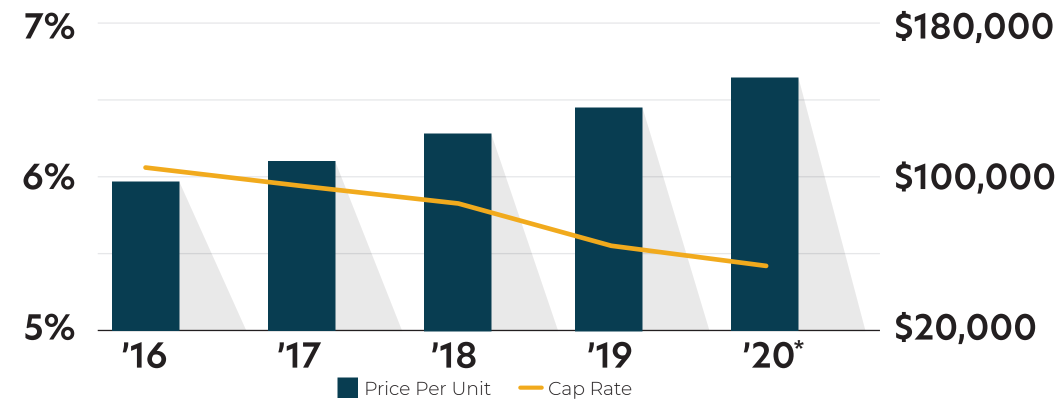
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$133,697	12.1%	$149,825

CAP RATE

2019	YOY CHANGE	2020
5.6%	-20 BPS	5.4%



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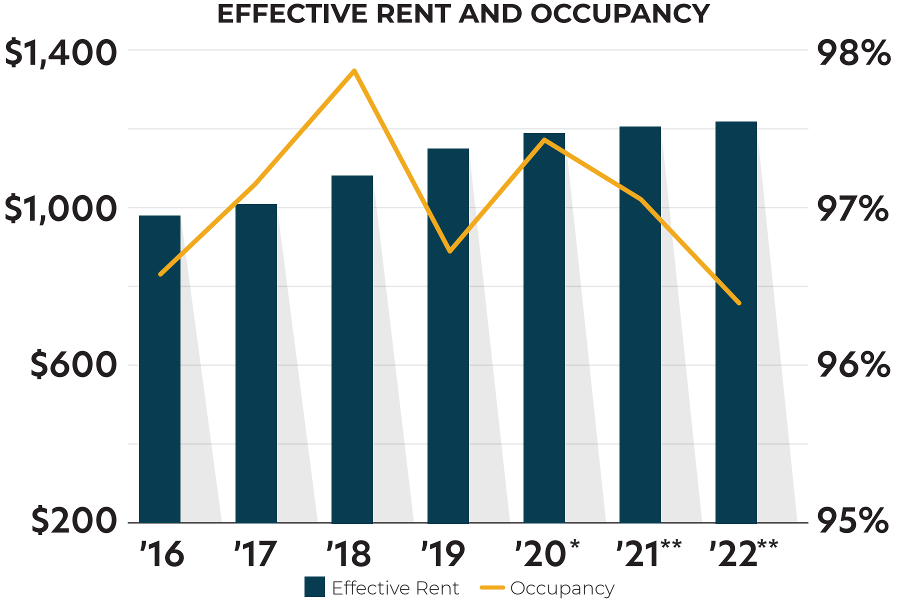
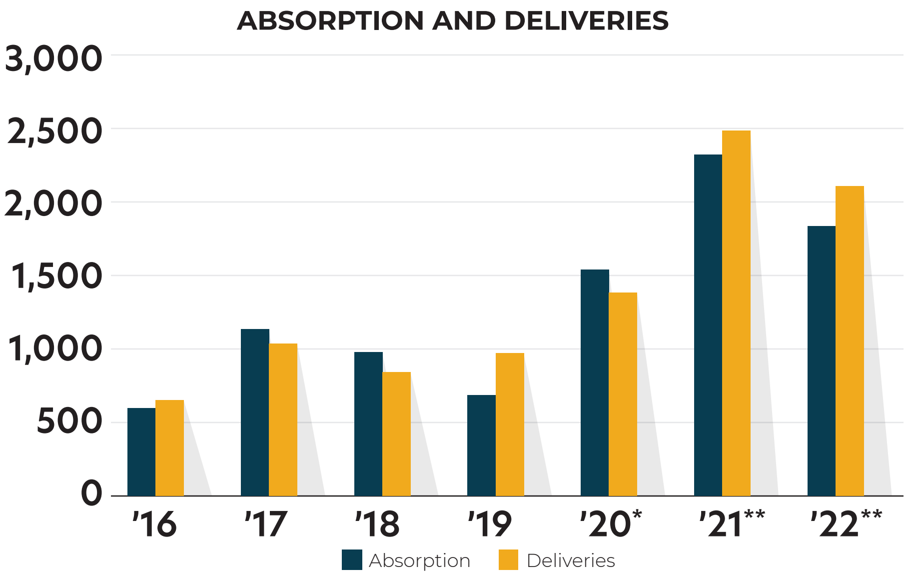
BOISE, IDAHO

BERKADIA®

MARKET TRENDS





2021 MARKET AT A GLANCE

OCCUPANCY RATE
97.1%
Down **30 bps** YOY

EFFECTIVE RENT
$1,206
Up **1.5%** YOY

RENT SHARE OF WALLET
21.6%
Up **20 bps** YOY

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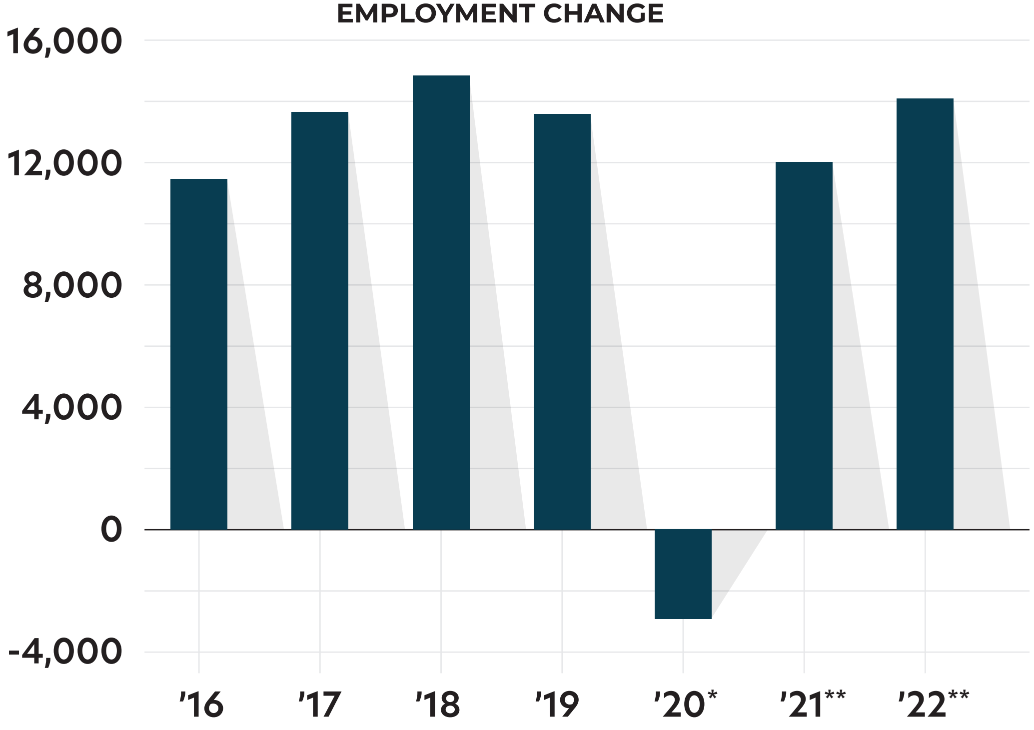
BOISE, IDAHO

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
351,900	-0.8%	349,100	3.4%	361,000

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.9%	260 BPS	4.5%	30 BPS	4.8%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
762,900	2.4%	781,300	2.3%	799,600

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
281,200	2.7%	288,700	3.2%	297,900

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$67,428	-1.2%	$66,603	0.7%	$67,066

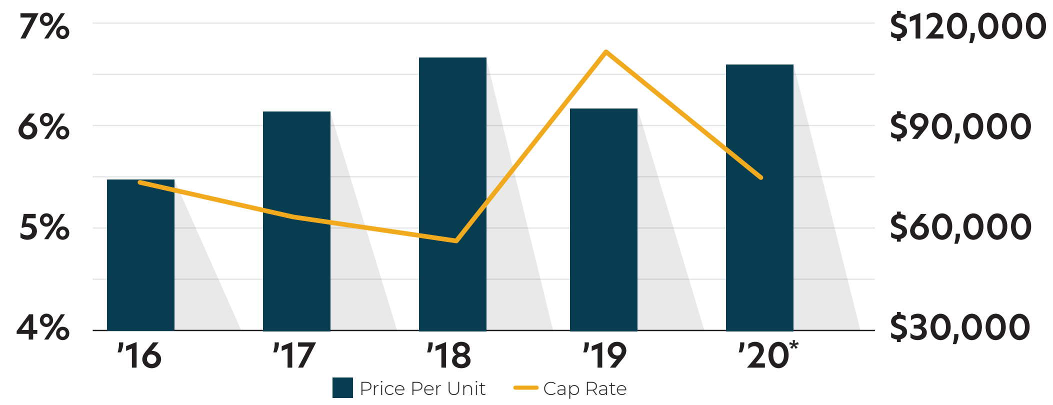
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$94,197	13.6%	$106,973

CAP RATE

2019	YOY CHANGE	2020
6.7%	-120 BPS	5.5%



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CHICAGO, ILLINOIS

BERKADIA®

NEIGHBORHOOD REVITALIZATION & NEW TRANSIT HASTEN LONG-TERM RECOVERY

Redevelopment projects and expansions to public transportation across the city highlight Chicago's long-term opportunities for apartment development despite the negative impacts of COVID-19 creating headwinds for the metro's multifamily market. Apartment demand diminished in 2020 due to the pandemic hindering the metro's typically robust economy. In response, apartment operators increased concessions and lowered effective rent to $1,477, a drop of 4.7% annually through December. New apartment construction continued unabated, however, a testament to developers' belief in Chicago's long-term potential as a multifamily market. Builders brought nearly 8,300 units online in 2020, and the supply-side pressure caused occupancy to fall 80 basis points year over year to 94.3%. Effective rent is expected to soften this year, then rebound in 2022 when medical solutions to the virus become readily available to the public and social distancing restrictions are permanently lifted. The city is expected to soon begin work on a $2.3 billion expansion to the Chicago Transit Authority (CTA) Red Line that will extend job opportunities to communities in the Far South Side. A $2.1 billion retrofit of the Red and Purple Lines servicing the North Side communities is already underway. Thanks to the addition of major developments in public transportation and new developments like The Terminal, a 250,000-square-foot revitalization project currently underway, developers will continue to be bullish about building new apartments in the metro.

2021 MARKET AT A GLANCE

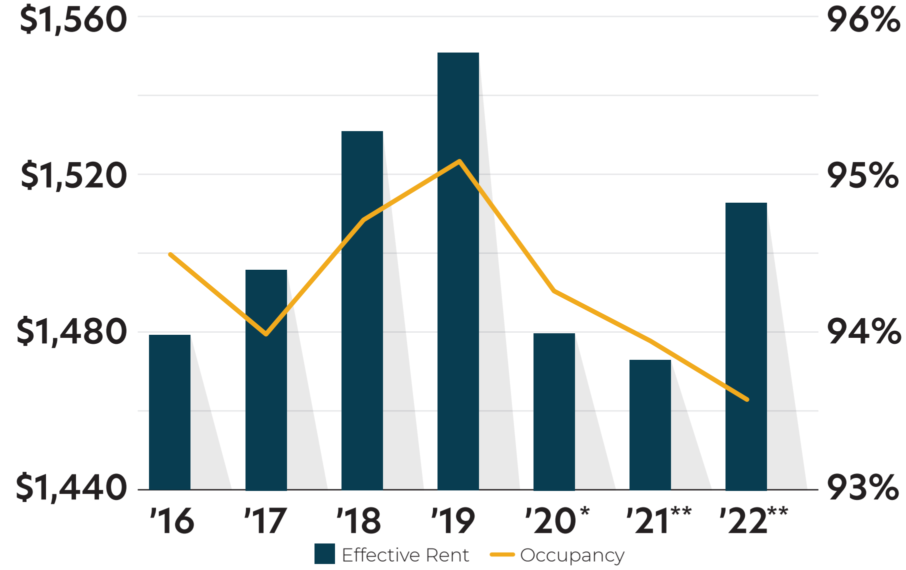
OCCUPANCY RATE
93.9%
Down **40 bps** YOY

EFFECTIVE RENT
$1,469
Down **0.5%** YOY

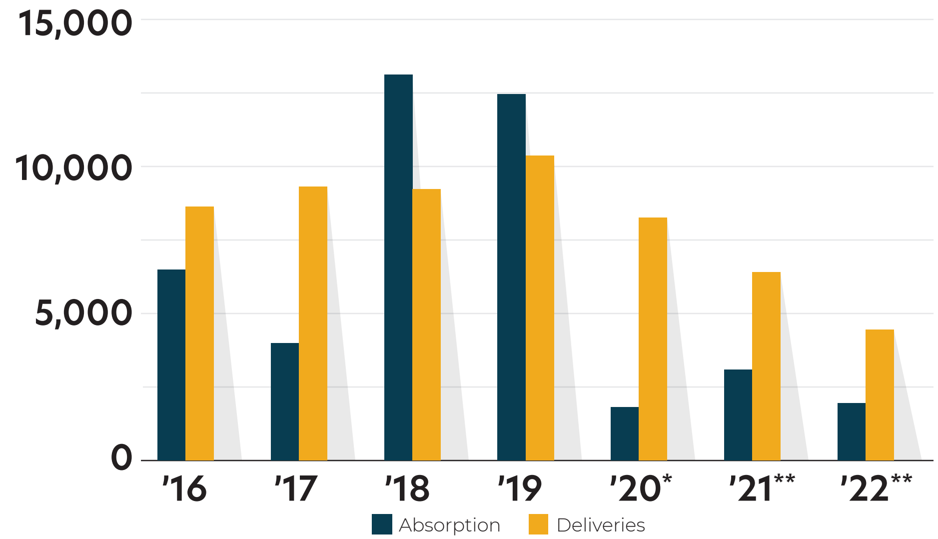
RENT SHARE OF WALLET
23.5%
Down **40 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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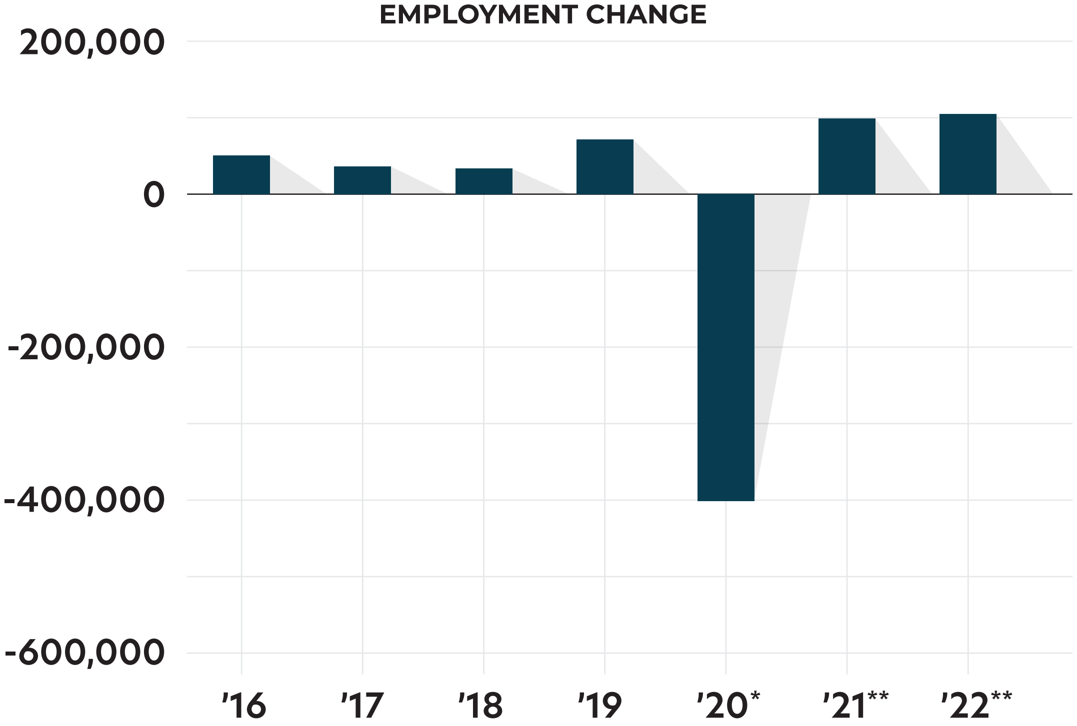
CHICAGO, ILLINOIS

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
4,821,400	-8.3%	4,419,800	2.2%	4,518,600

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.3%	850 BPS	10.8%	-240 BPS	8.4%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
9,437,700	0.1%	9,447,100	0.1%	9,452,300

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
3,685,600	0.5%	3,702,200	0.2%	3,711,200

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$75,622	-1.8%	$74,248	1.2%	$75,160

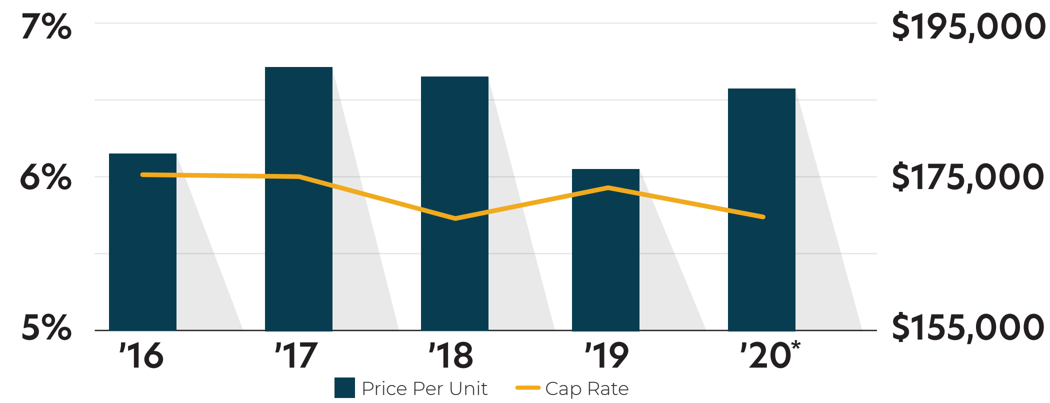
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$175,767	5.9%	$186,222

CAP RATE

2019	YOY CHANGE	2020
5.9%	-20 BPS	5.7%



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INDIANAPOLIS, INDIANA

BERKADIA®

ELEVATED OCCUPANCY PACES WITH EXPANDING POPULATION

While many markets encountered significant consequences from measures taken to mitigate the pandemic, Indianapolis' rental sector performed extraordinarily well. A sturdy jobs recovery, combined with sustained apartment demand, pushed up the occupancy rate to end 2020 at 95.1%, reaching a 20-year peak. Indianapolis continues to set the standard for urban renewal and economic development in the Midwest. After 13,200 apartment units delivered in the Indianapolis metropolitan area in the prior five years, 2,564 market-rate units came online in 2020, and builders were underway on 17 projects at the start of this year. Most of the deliveries were placed in the area's growing corporate corridors in the Carmel/Hamilton County submarket, and builders will continue to focus on additions in the area during 2021. While the construction pipeline tapers this year, apartment occupancy will remain elevated, ending the year at 95.0%. Underpinning healthy apartment occupancy is housing demand created by a consistent net migration of about 12,000 people annually and rising household formation. Job creation is attracting new residents. Payrolls should be fully restored by year-end 2022 as mass hiring occurs at Bottleworks District, Indiana University Health, and Amazon.com Inc. Indy's economic rebound will support upward pressure on rent. Monthly effective rent is anticipated to reach $1,005 by 2022, notching gains of 2.7% this year and 3.4% next year. A watchful eye will be on the growing trend among single-family home rentals (SFR). Indianapolis was among the top 20 SFR markets last year and is forecast to be among the top five SFR markets during 2021.

2021 MARKET AT A GLANCE

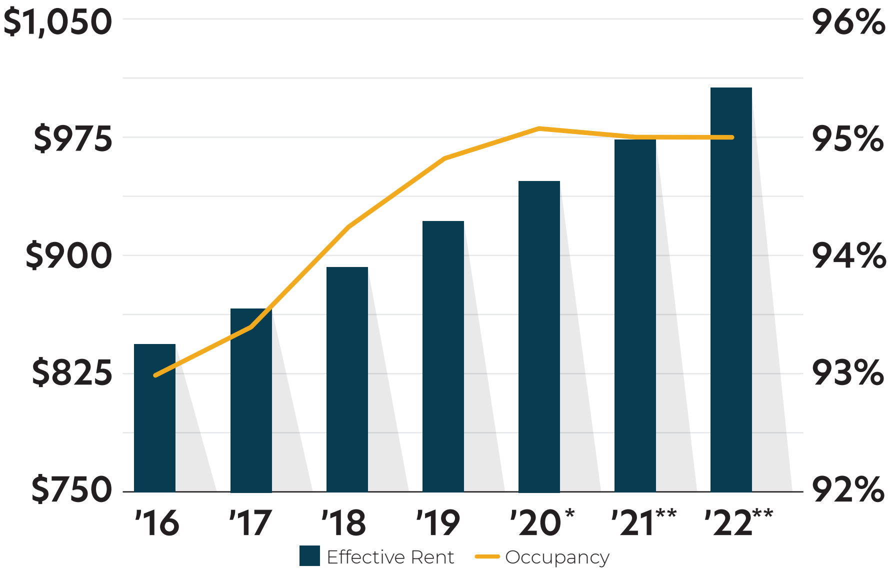
OCCUPANCY RATE
95.0%
Down **10 bps** YOY

EFFECTIVE RENT
$972
Up **2.7%** YOY

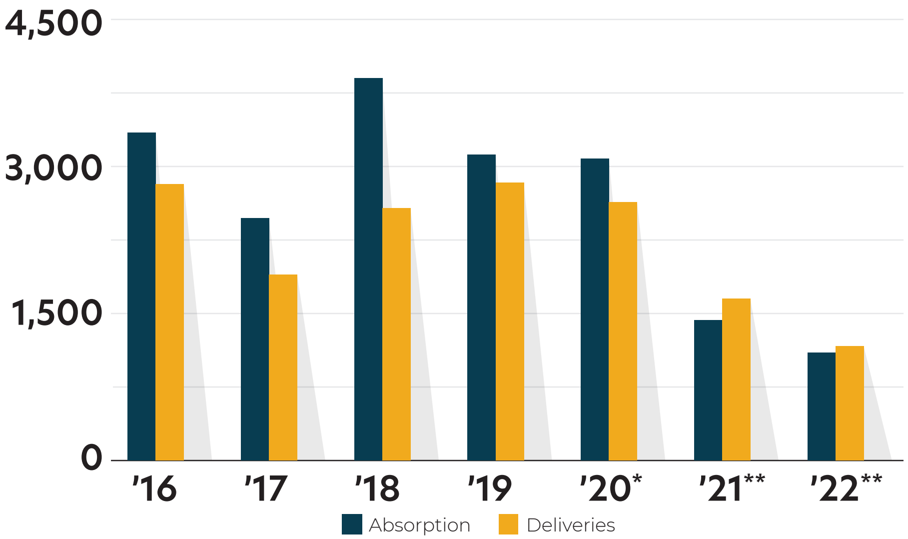
RENT SHARE OF WALLET
17.9%
Up **50 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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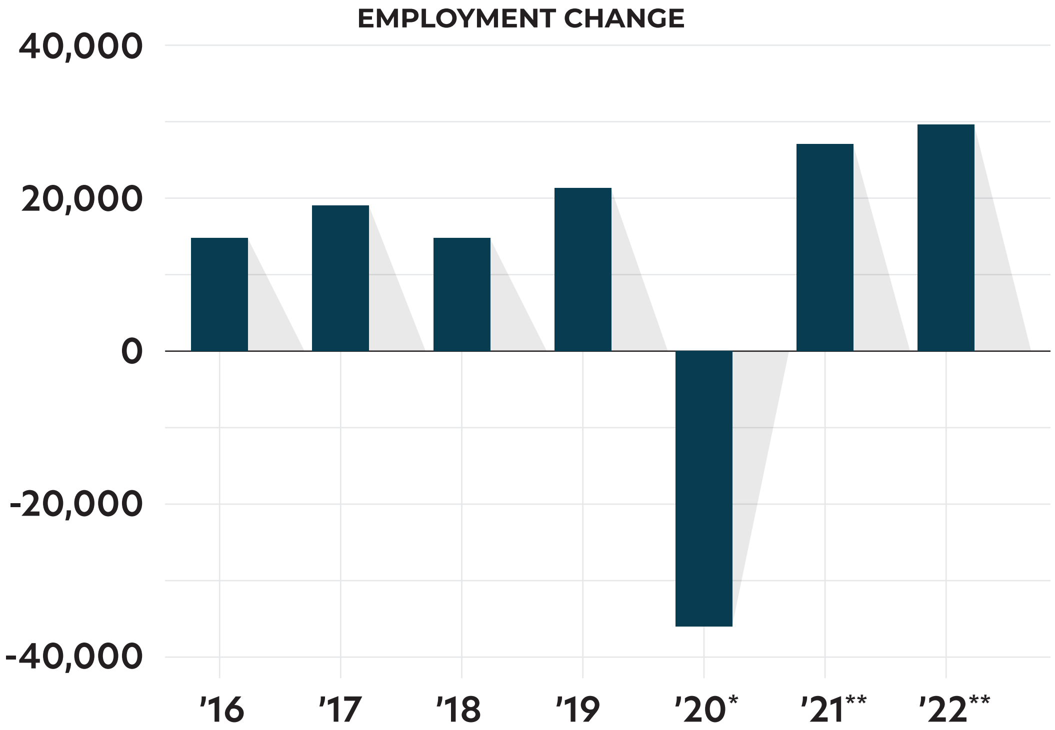
INDIANAPOLIS, INDIANA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,101,700	-3.3%	1,065,200	2.5%	1,092,200

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.9%	430 BPS	6.2%	-110 BPS	5.1%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,085,500	1.1%	2,107,900	1.1%	2,130,100

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
825,000	1.5%	837,600	1.6%	850,800

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$61,778	5.4%	$65,115	0.1%	$65,164

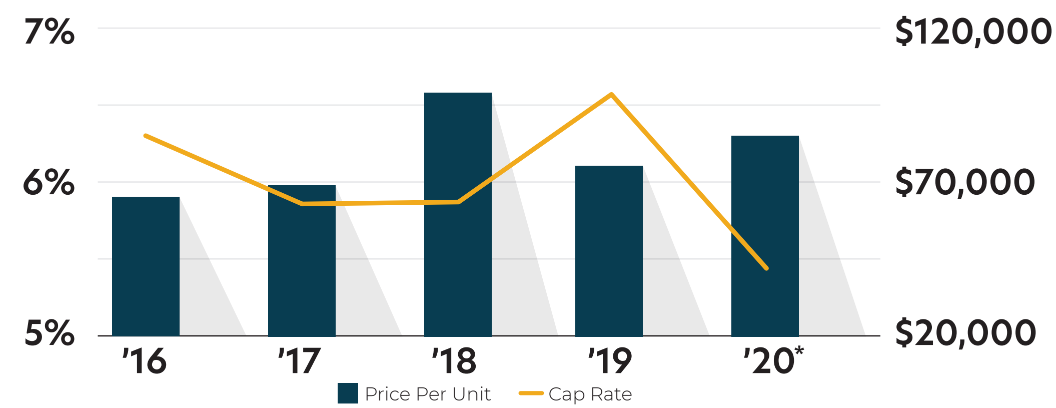
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$74,210	13.7%	$84,398

CAP RATE

2019	YOY CHANGE	2020
6.6%	-120 BPS	5.4%



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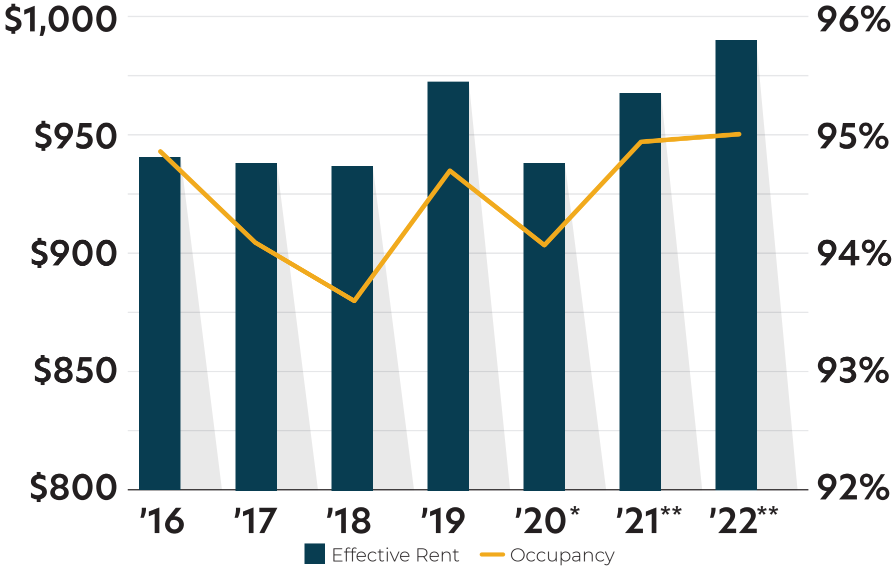
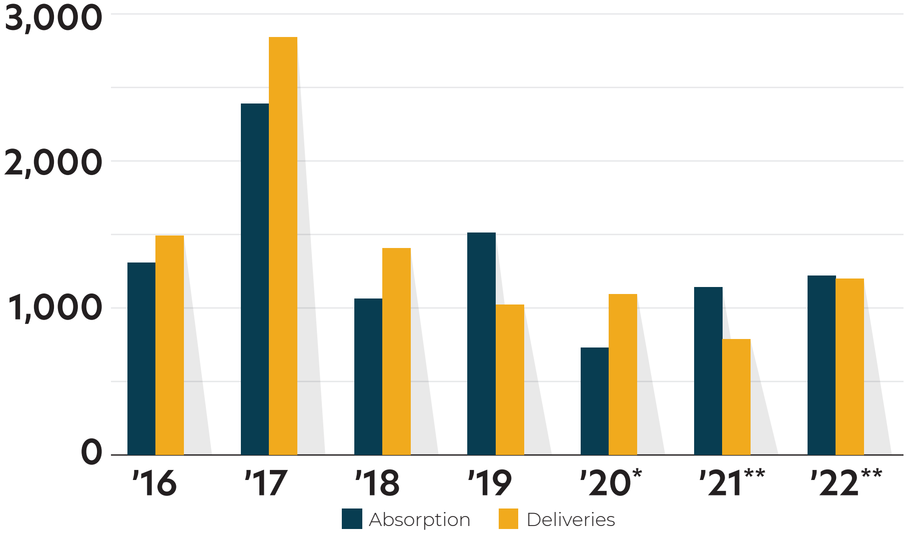
DES MOINES, IOWA

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



2021 MARKET AT A GLANCE

OCCUPANCY RATE
94.9%
Up **80 bps** YOY

EFFECTIVE RENT
$965
Up **2.8%** YOY

RENT SHARE OF WALLET
16.9%
Up **30 bps** YOY

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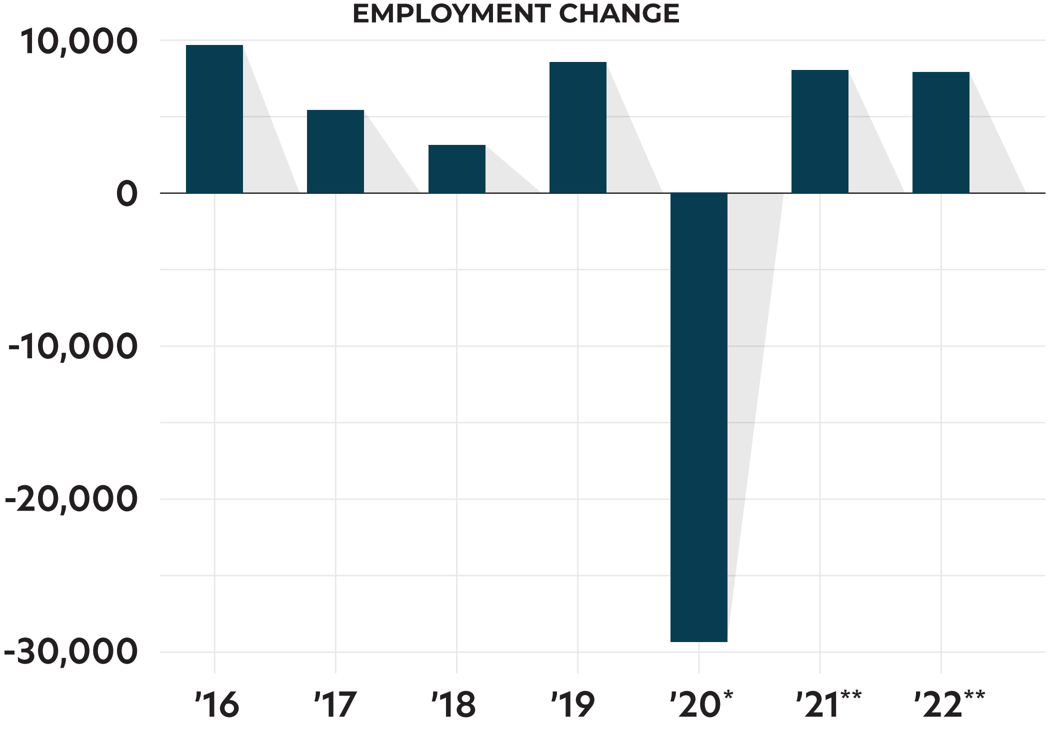
DES MOINES, IOWA

EMPLOYMENT TRENDS



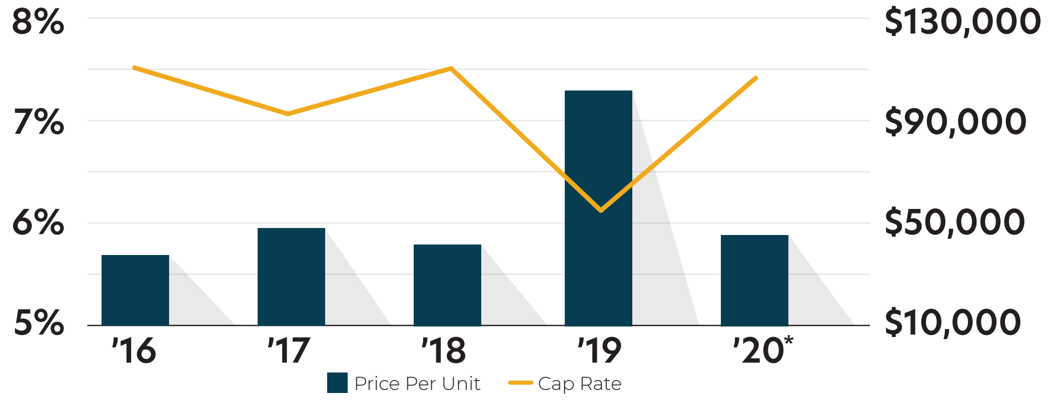
	2019	YOY CHANGE	2020*	YOY CHANGE	2021**
EMPLOYMENT	379,400	-7.7%	350,300	2.2%	357,900

	2019	YOY CHANGE	2020	YOY CHANGE	2021
UNEMPLOYMENT RATE	1.8%	480 BPS	6.6%	-160 BPS	5.0%
POPULATION	667,300	1.8%	679,300	1.7%	690,700
HOUSEHOLDS	266,800	2.3%	272,900	2.1%	278,700
MEDIAN HOUSEHOLD INCOME	$70,257	-3.5%	$67,784	0.9%	$68,414

SALES TRENDS

	2019	YOY CHANGE	2020*
PRICE PER UNIT	$101,693	-56.9%	$43,833

	2019	YOY CHANGE	2020
CAP RATE	6.2%	120 BPS	7.4%



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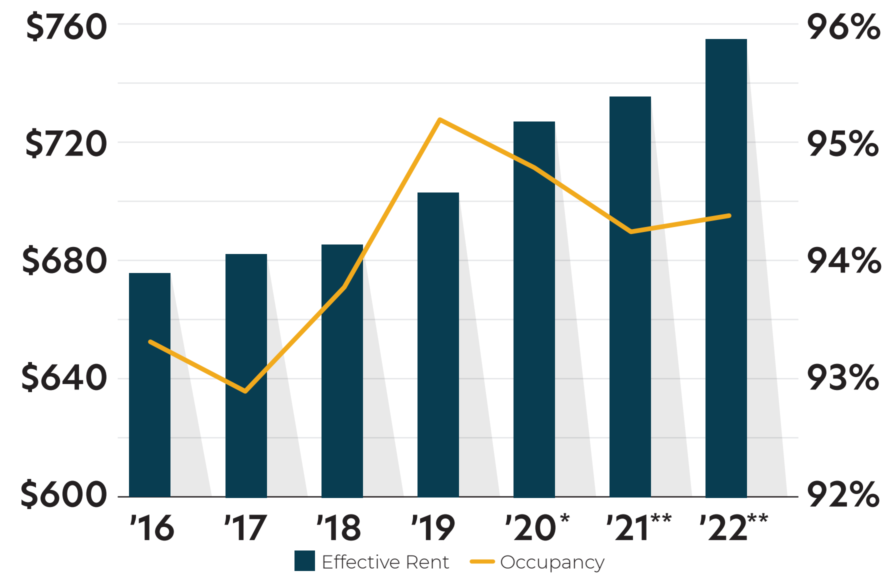
WICHITA, KANSAS

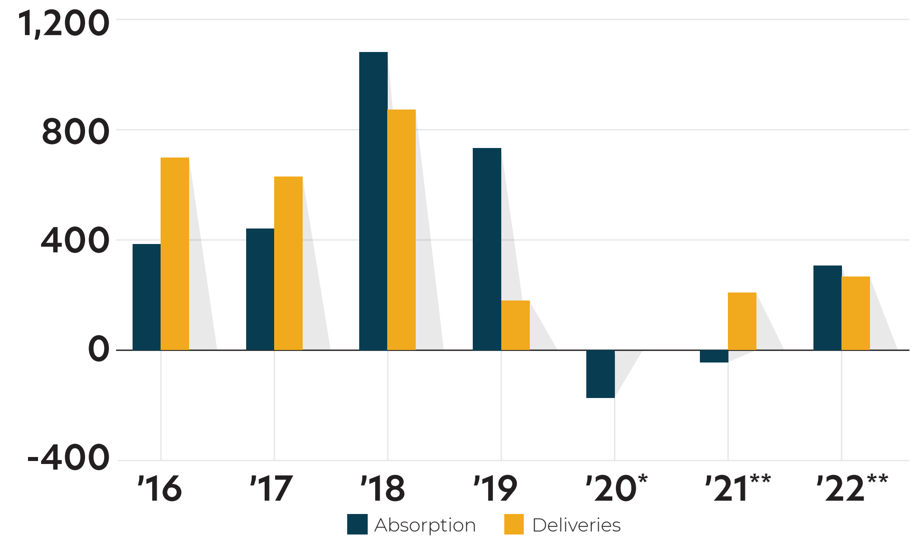
BERKADIA®

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



2021 MARKET AT A GLANCE

OCCUPANCY RATE
94.2%
Down **60 bps** YOY

EFFECTIVE RENT
$733
Up **1.2%** YOY

RENT SHARE OF WALLET
14.3%
Up **10 bps** YOY

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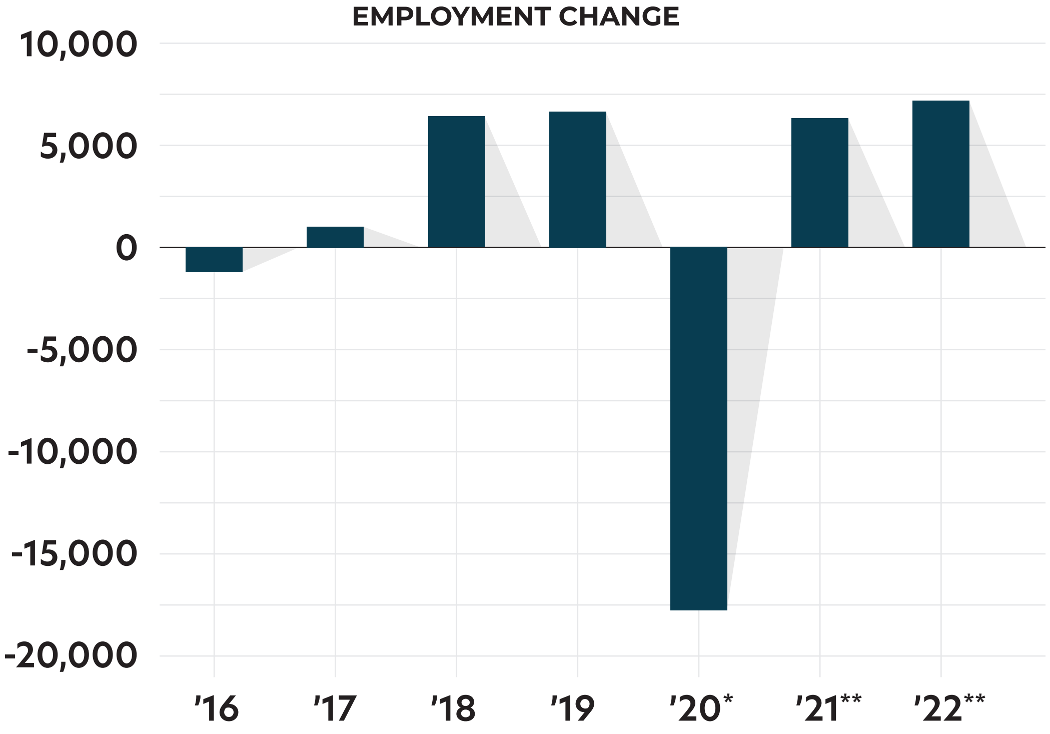
WICHITA, KANSAS

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
309,000	-5.7%	291,500	2.1%	297,600

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.4%	690 BPS	9.3%	-210 BPS	7.2%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
647,600	0.4%	650,300	0.4%	652,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
260,400	0.8%	262,500	0.7%	264,400

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$59,758	2.6%	$61,298	0.3%	$61,479

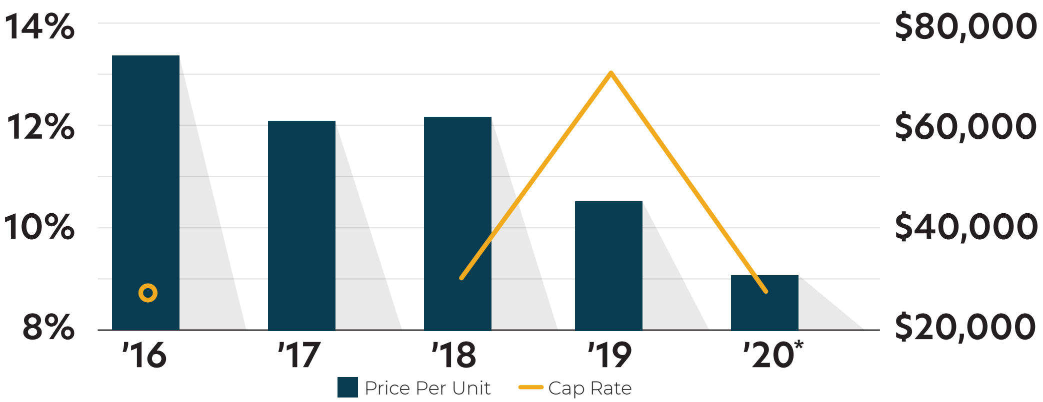
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$44,189	-31.6%	$30,213

CAP RATE

2019	YOY CHANGE	2020
13.0%	-420 BPS	8.8%



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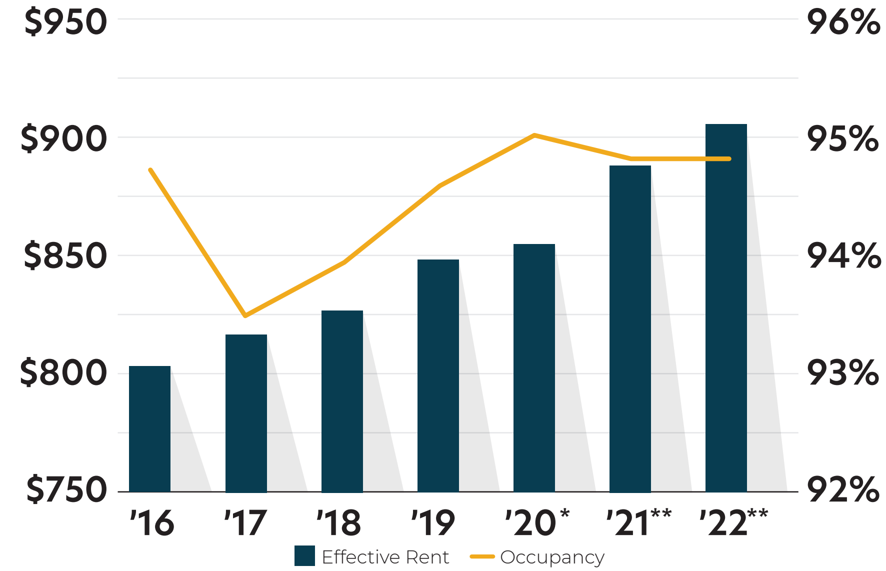
LEXINGTON, KENTUCKY

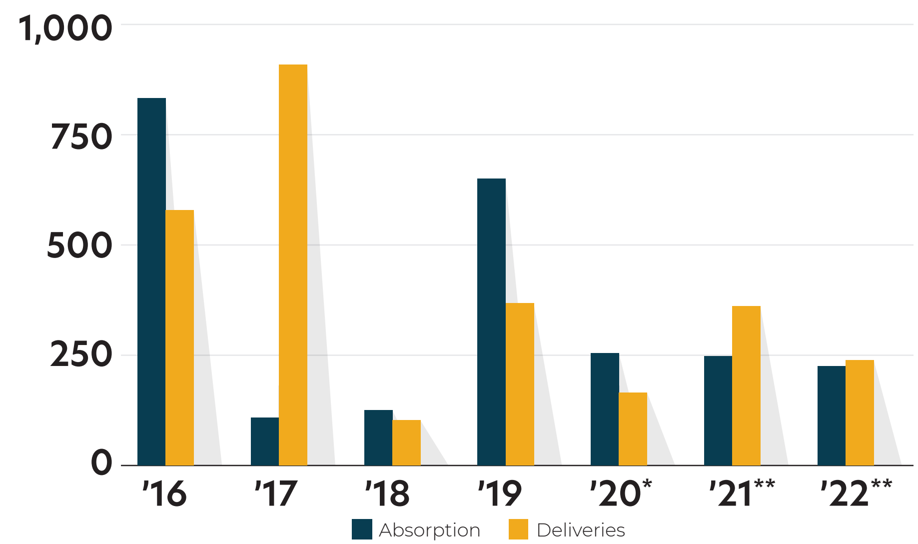
BERKADIA®

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



2021 MARKET AT A GLANCE

OCCUPANCY RATE
94.8%
Down **20 bps** YOY

EFFECTIVE RENT
$887
Up **3.9%** YOY

RENT SHARE OF WALLET
15.5%
Up **30 bps** YOY

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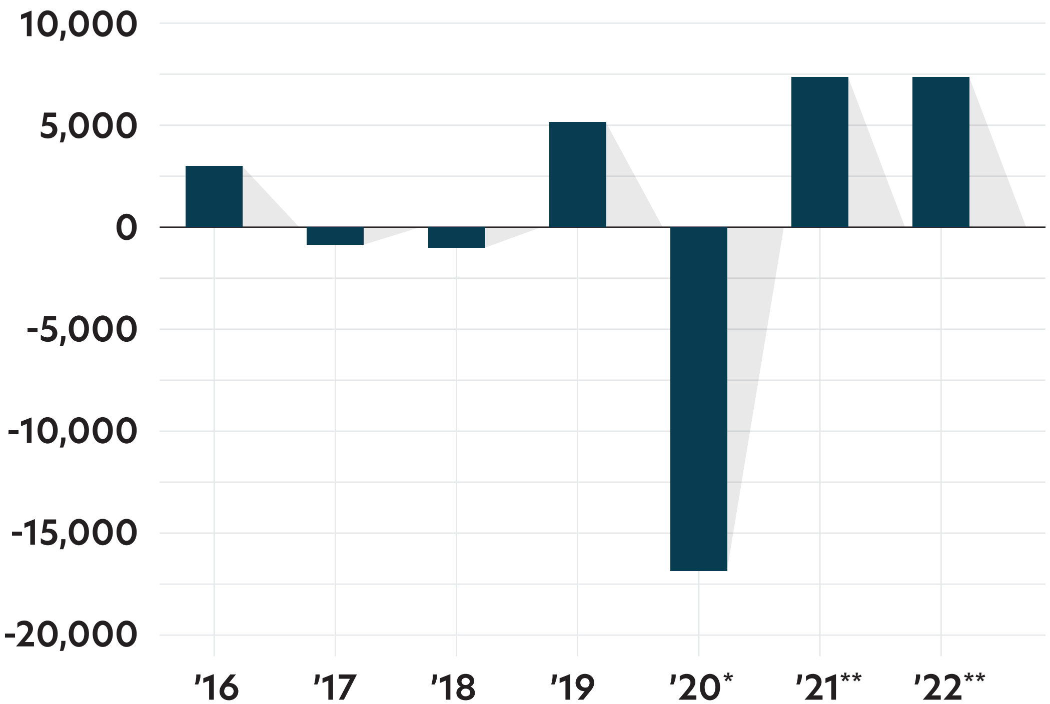
LEXINGTON, KENTUCKY

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
280,500	-6.0%	263,700	2.8%	271,000

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.8%	210 BPS	4.9%	-30 BPS	4.6%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
518,100	0.5%	520,600	0.4%	522,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
208,500	0.8%	210,200	1.0%	212,200

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$59,340	13.5%	$67,345	2.0%	$68,667

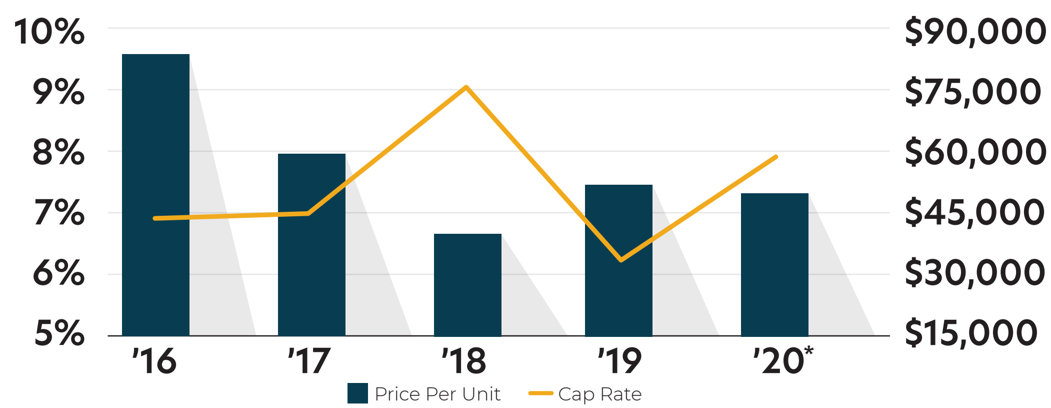
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$51,351	-5.4%	$48,588

CAP RATE

2019	YOY CHANGE	2020
6.3%	160 BPS	7.9%



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LOUISVILLE, KENTUCKY

BERKADIA®

APARTMENT OCCUPANCY PROJECTED TO RISE IN 2021 AS EMPLOYMENT EXPANDS

Multifamily builders delivered 2,624 apartments in the Louisville metro area in 2020, the greatest annual number of completions in at least 20 years. This surge during a pandemic may have appeared ill-timed, but the metro area's diverse economy helped minimize disruption in both the labor and the multifamily markets. From May to December 2020, 75,700 jobs were created or recovered, accounting for 57% of the jobs lost from March to May. Apartment demand simultaneously improved, contributing to net absorption of 2,127 units for all of 2020. Even so, deliveries eclipsed demand, resulting in 94.6% year-end apartment occupancy, a 40-basis-point annual decrease. Operators responded to the drop by increasing concessions to entice renters, which lowered average monthly effective rent 0.7% year over year to $903. During 2021, monthly effective rent is forecast to rise 3.3% to $933. Apartment deliveries are expected to decrease from 2020's elevated levels, though should remain higher than the historical norm as 1,932 units come online. Net absorption of 2,015 units is forecast, resulting in a 20-basis-point increase in occupancy to 94.8%. The sustained absorption will be underpinned by continued economic recovery anticipated in 2021. This rebound will be boosted in part by the addition of thousands of workers at Ford Motor Company's two local manufacturing plants. Ford's staffing and production increases will be timely, as WardsAuto and Trading Economics are forecasting an increase of at least 4% in light vehicles sales nationwide in 2021.

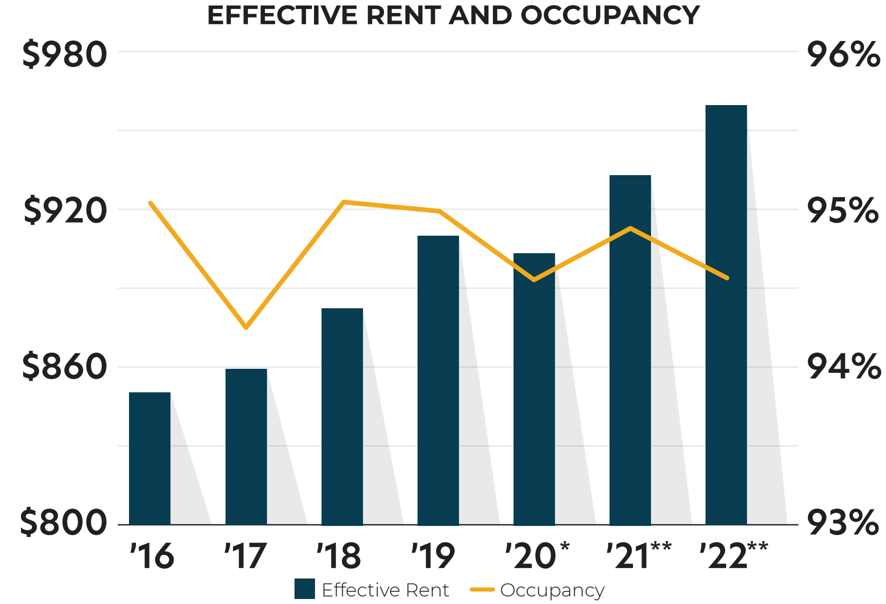
2021 MARKET AT A GLANCE

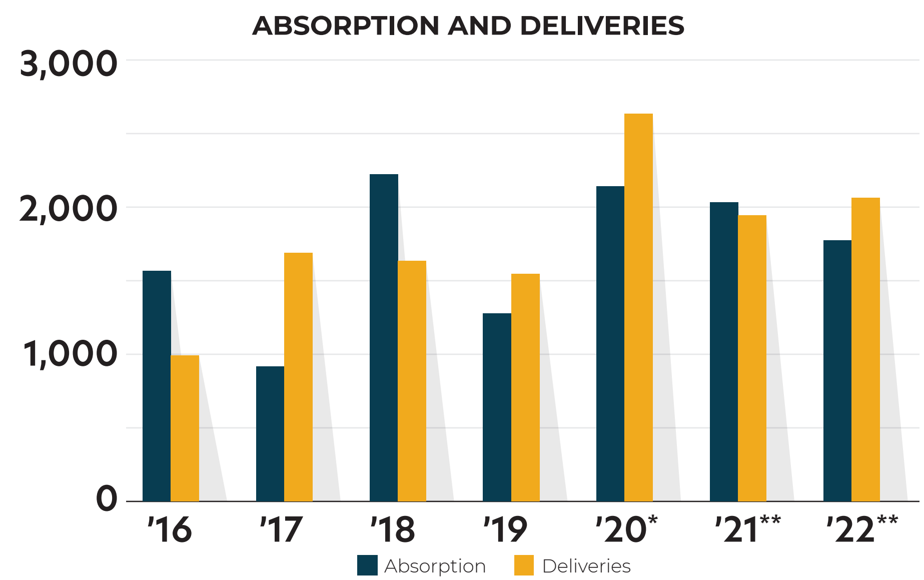
OCCUPANCY RATE
94.8%
Up **20 bps** YOY

EFFECTIVE RENT
$933
Up **3.3%** YOY

RENT SHARE OF WALLET
17.5%
Up **50 bps** YOY

MARKET TRENDS





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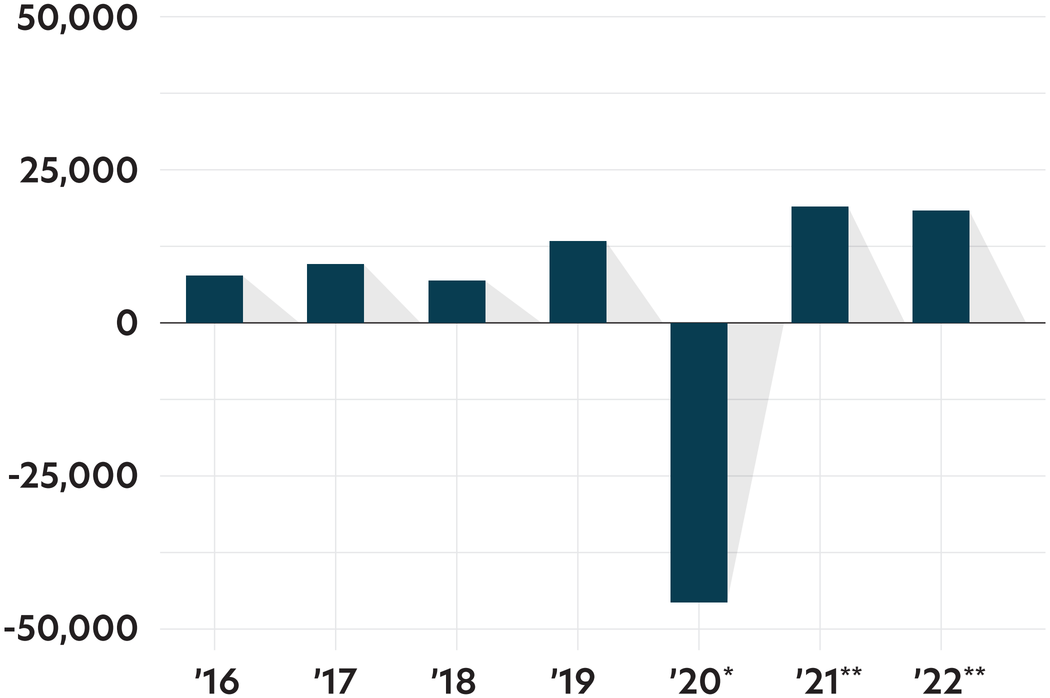
LOUISVILLE, KENTUCKY

EMPLOYMENT TRENDS

EMPLOYMENT CHANGE



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
688,500	-6.6%	642,800	2.9%	661,300

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.8%	300 BPS	5.8%	-20 BPS	5.6%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,299,000	0.3%	1,302,900	0.3%	1,306,400

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
533,000	0.7%	536,900	0.7%	540,800

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$60,798	5.1%	$63,889	-0.1%	$63,810

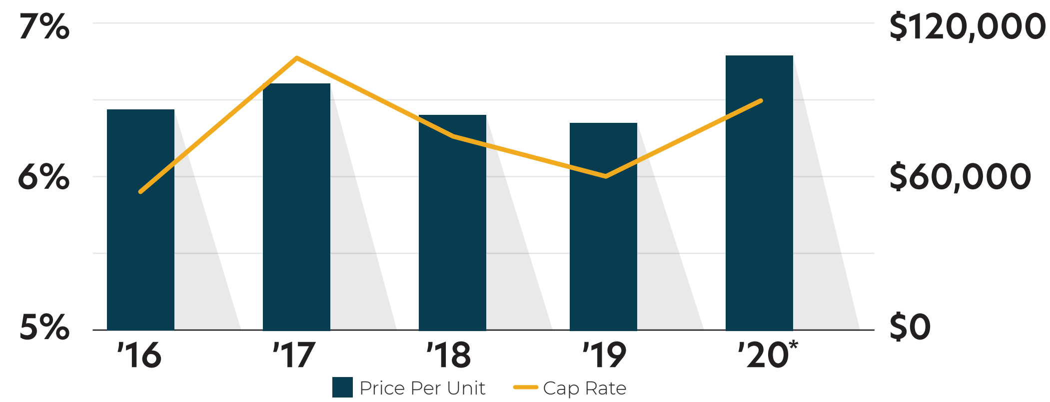
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$77,502	32.6%	$102,770

CAP RATE

2019	YOY CHANGE	2020
6.0%	50 BPS	6.5%



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BATON ROUGE, LOUISIANA

BERKADIA

STEADY RENT GROWTH PROJECTED AS LOCAL TRADE ECONOMY EXPANDS

While payrolls shrank by close to 30,000 jobs in 2020, jobs recovery will be a major trend in 2021 and ultimately will be critical in buoying demand for apartments in Baton Rouge. Positive momentum is expected in the construction and the trade and transportation industries thanks to major expansions at ports that act as vital economic hubs. In October 2020, port officials entered into a lease agreement with Houston-based renewable energy company Greentech Materials. The tech firm aims to develop a 164-acre diesel fuel plant that would create 500 jobs during construction and dozens of high-paying tech jobs following completion. Likewise, energy giant Shell is considering a $1.2 billion investment into its Geismar plant that would create approximately 150 permanent positions and 1,500 construction jobs. Despite the negative pressure on the economy caused by pandemic restrictions, pent-up demand for apartment housing encouraged operators to increase effective rent 0.8% during 2020 as occupancy rose 140 basis points annually to 93.1%. Effective rent should continue increasing in 2021 and 2022 with the expectation that the diversifying economy and low cost of living will continue to attract new renters to the area as it fully recovers from the pandemic. In the short term, occupancy will fall 10 basis points this year to 93.0% due to 323 new apartment units coming online, compared to 251 net units expected to be absorbed. Apartment operators will increase effective rent 1.0% to $974 during this period.

2021 MARKET AT A GLANCE

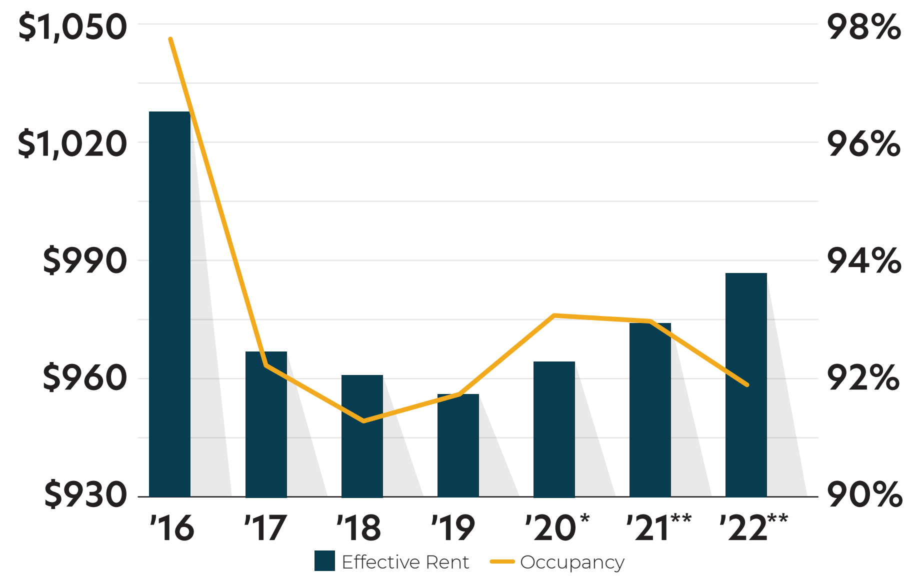
OCCUPANCY RATE
93.0%
Down **10 bps** YOY

EFFECTIVE RENT
$974
Up **1.0%** YOY

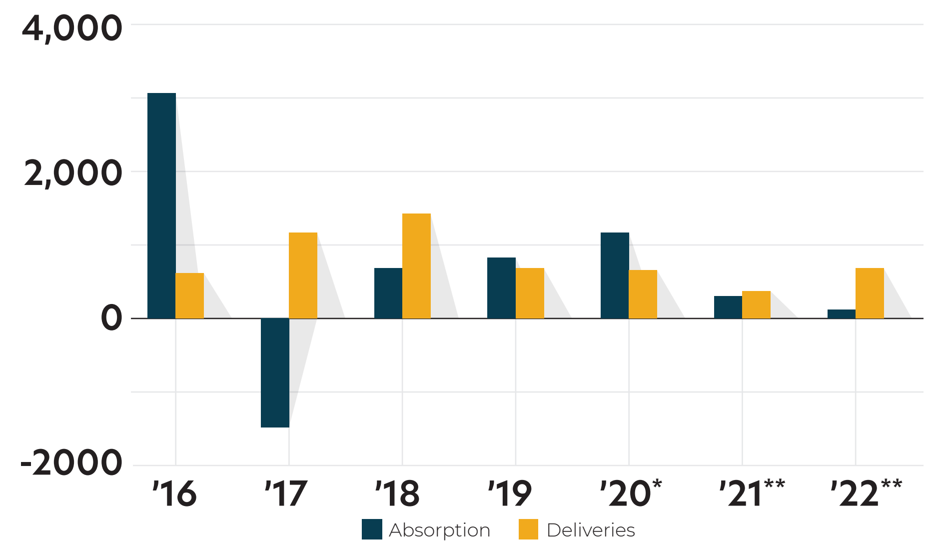
RENT SHARE OF WALLET
18.6%
Unchanged YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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BATON ROUGE, LOUISIANA

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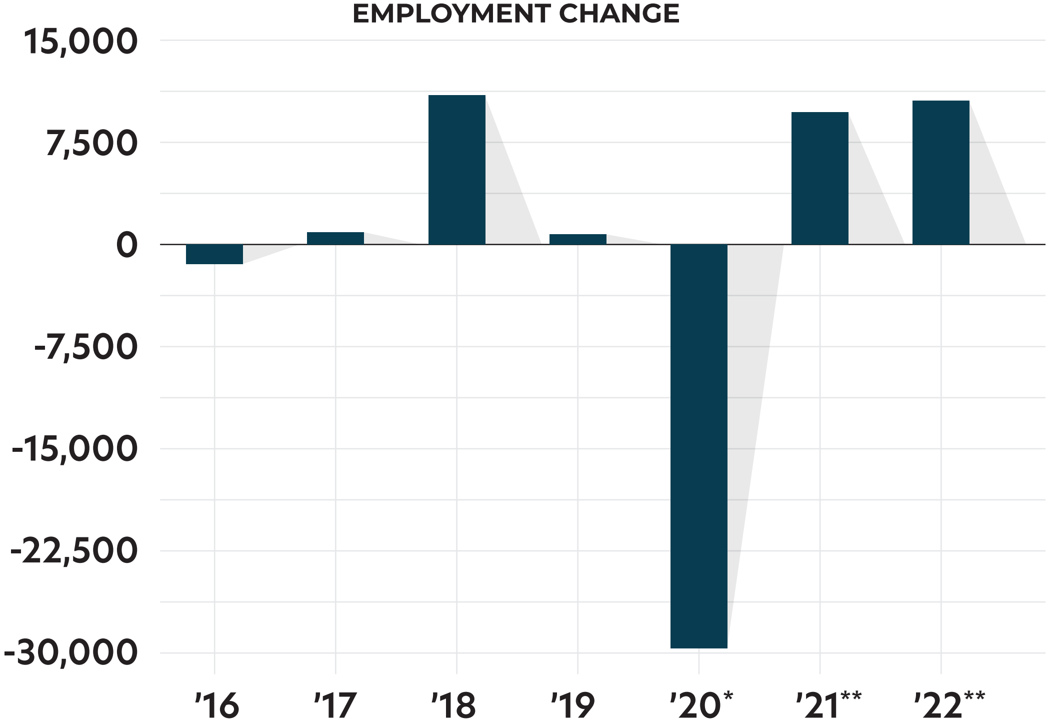
EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
416,800	-7.1%	387,100	2.5%	396,700

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
4.1%	320 BPS	7.3%	-100 BPS	6.3%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
833,000	0.2%	834,900	0.2%	836,300

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
327,700	0.6%	329,800	0.5%	331,500

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$60,548	2.9%	$62,279	1.1%	$62,983

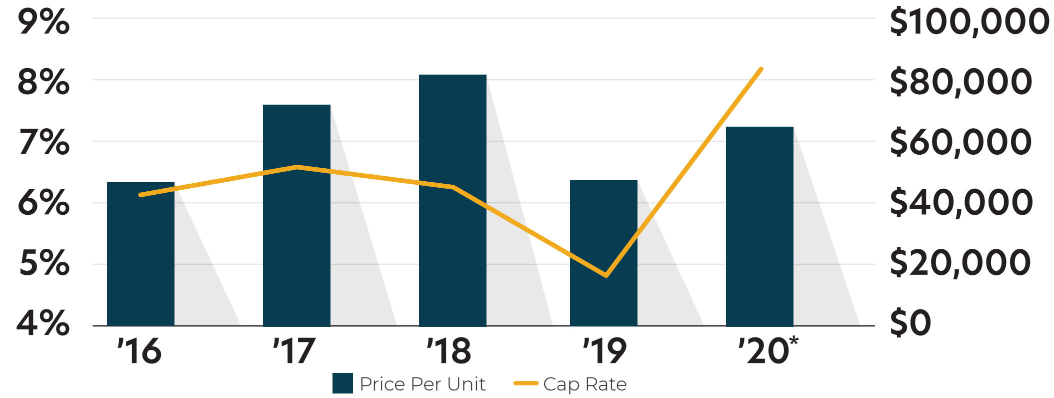
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$46,746	37.1%	$64,077

CAP RATE

2019	YOY CHANGE	2020
4.8%	340 BPS	8.2%



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NEW ORLEANS, LOUISIANA

BERKADIA®

PANDEMIC, HURRICANES PUSH OUT MARKET RECOVERY TO 2022

New Orleans' economy and apartment market were challenged in 2020 by the COVID-19 pandemic and Hurricanes Laura and Zeta. Damage from the two hurricanes forced approximately 12,000 residents to flee homes and apartments for temporary refuge in hotels. Amid these challenges, builders completed 1,370 apartments in the New Orleans metro area in 2020, the greatest annual deliveries since 2008. Consequently, apartment occupancy descended 140 basis points to 94.5% by year-end as net absorption trailed significantly. At the same time, average effective rent decreased 0.6% to $1,027 per month in December. Apartment deliveries will diminish in 2021, but economic malaise will persist in some employment segments, further affecting apartment fundamentals, albeit to a much lesser extent than in 2020. Effective rent this year is forecast to decrease 0.4% to $1,023 per month while occupancy descends 60 basis points to 93.9%. In 2022, metrowide employment recovery is expected to continue, and this expansion will lift apartment occupancy and rent. Apartment net absorption is forecast to significantly outpace the 33 apartments scheduled for delivery in 2022, resulting in a projected 30-basis-point increase in occupancy to 94.2% by year-end. Meanwhile, average effective rent is forecast to rise 2.3% to $1,047 per month. Aiding the employment bounceback and the apartment outlook in 2022 will be the return of NOLA-based hospitality jobs. For example, hotels, shops, and restaurants will ramp up hiring for the return of Mardi Gras in 2022, which historically draws 1.4 million visitors who spend about $1 billion in New Orleans.

2021 MARKET AT A GLANCE

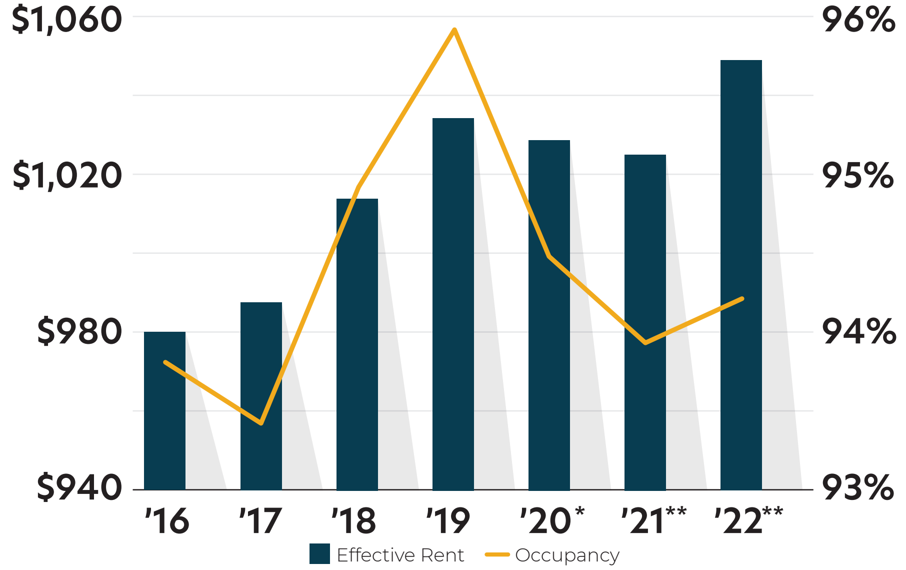
OCCUPANCY RATE
93.9%
Down **60 bps** YOY

EFFECTIVE RENT
$1,023
Down **0.4%** YOY

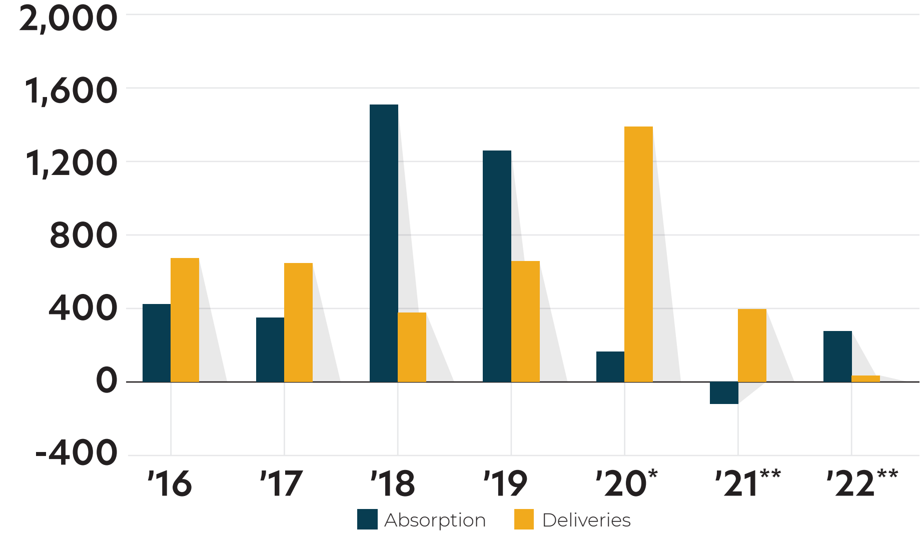
RENT SHARE OF WALLET
20.0%
Down **130 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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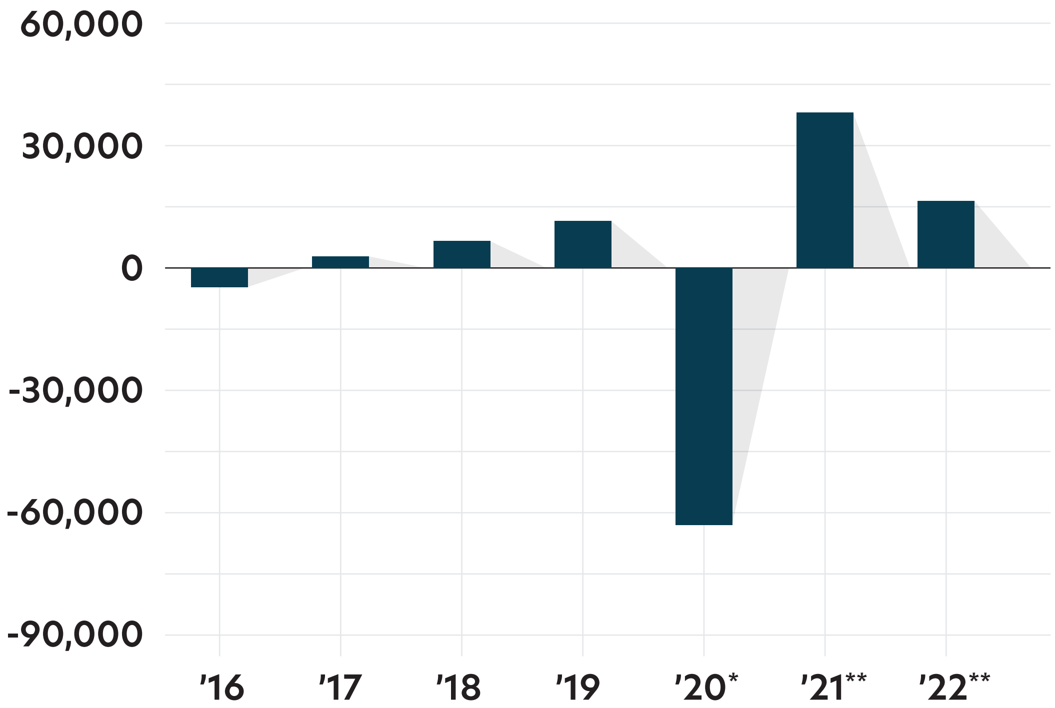
NEW ORLEANS, LOUISIANA

BERKADIA®

EMPLOYMENT TRENDS



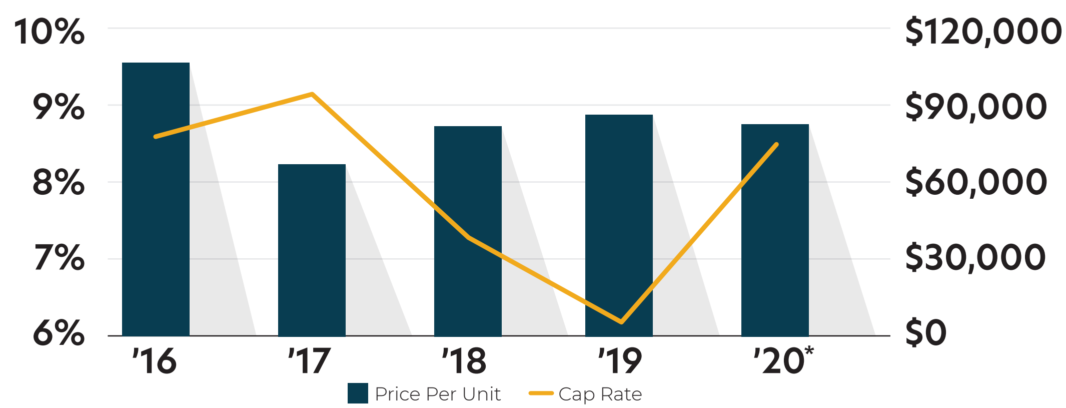
	2019	YOY CHANGE	2020*	YOY CHANGE	2021**
EMPLOYMENT	592,800	-10.4%	530,900	7.2%	569,100

	2019	YOY CHANGE	2020	YOY CHANGE	2021
UNEMPLOYMENT RATE	3.8%	620 BPS	10.0%	-190 BPS	8.1%
POPULATION	1,266,200	0.4%	1,271,200	0.2%	1,274,100
HOUSEHOLDS	523,800	0.9%	528,500	0.6%	531,700
MEDIAN HOUSEHOLD INCOME	$54,556	6.0%	$57,808	6.4%	$61,485

SALES TRENDS

PRICE PER UNIT	2019	YOY CHANGE	2020*
	$81,101	-3.1%	$78,612

CAP RATE	2019	YOY CHANGE	2020
	6.3%	220 BPS	8.5%



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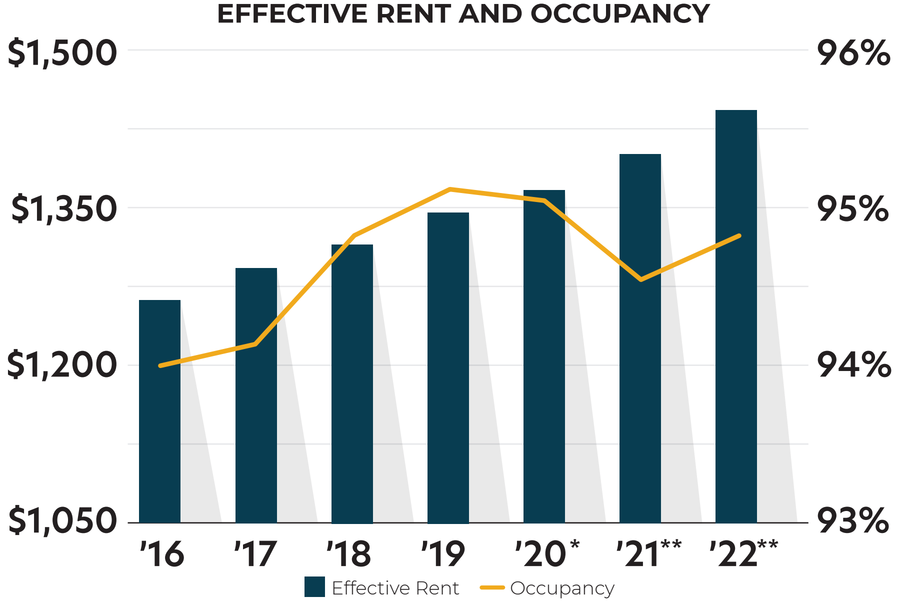
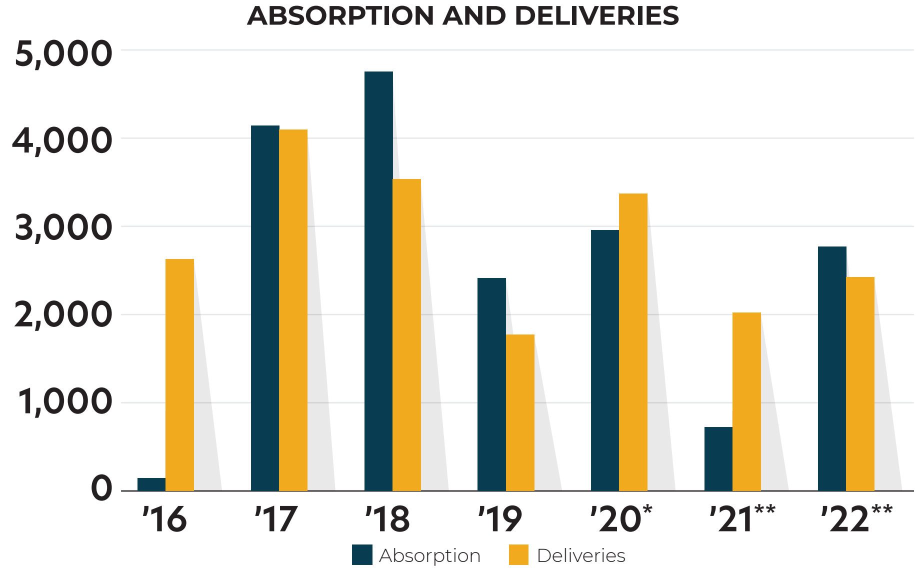
BALTIMORE, MARYLAND

BERKADIA®

MARKET TRENDS





2021 MARKET AT A GLANCE

OCCUPANCY RATE
94.6%
Down **50 bps** YOY

EFFECTIVE RENT
$1,399
Up **2.6%** YOY

RENT SHARE OF WALLET
19.8%
Up **30 bps** YOY

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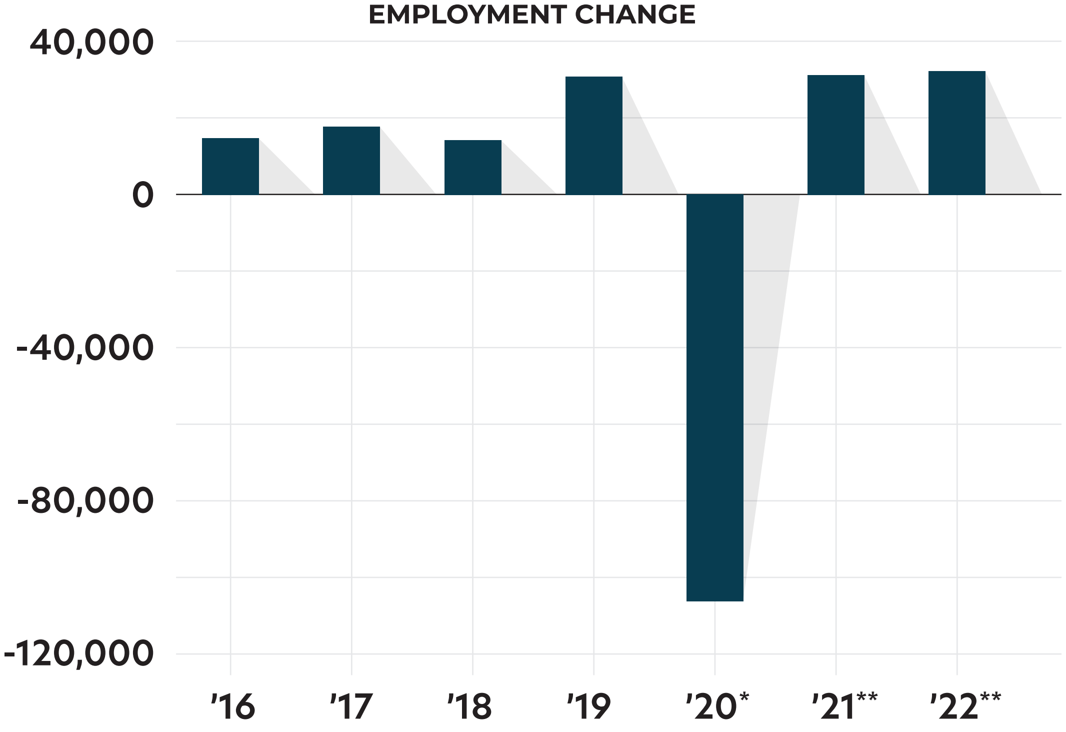
BALTIMORE, MARYLAND

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,453,000	-7.4%	1,345,900	2.2%	1,375,800

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.8%	410 BPS	6.9%	-60 BPS	6.3%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,799,800	0.2%	2,805,200	0.2%	2,810,600

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,110,400	0.5%	1,116,100	0.4%	1,120,600

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$82,604	1.4%	$83,757	1.1%	$84,671

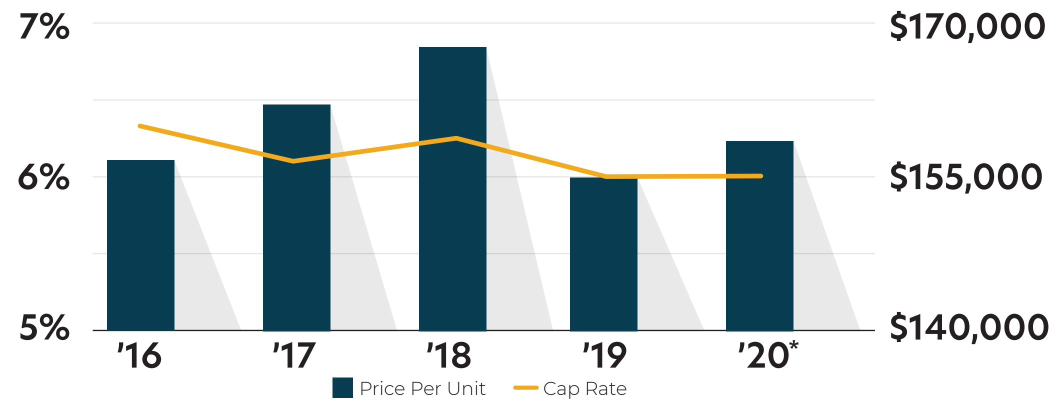
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$154,575	2.3%	$158,128

CAP RATE

2019	YOY CHANGE	2020
6.0%	0 BPS	6.0%



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BOSTON, MASSACHUSETTS

BERKADIA®

PROMISING OUTLOOK FOR MULTIFAMILY AMID ONGOING CONSTRUCTION WAVE

Apartment construction peaked in 2020, reflecting developers' strong confidence in the Boston multifamily market. Apartment builders brought over 9,700 units online last year, an annual increase of 64%. Deliveries outpaced leasing activity resulting in occupancy falling 90 basis points annually to 95.7% in December 2020. Simultaneously, effective rent lowered 5.0% to $2,279 due in part to increases in monthly concessions by apartment operators. The rapid pace of rehiring and job creation following the loss of 572,000 jobs that occurred between February and May due to the pandemic lockdown inspires hope for the future. By the end of 2020, Boston employers recovered 39% of lost payrolls. This swift pace of recovery is needed as developers are scheduled to bring another 8,100 apartment units online over the next 12 months. A major surge in multifamily demand is expected in 2021 once COVID-19 is under control and daily life in Boston returns to normal. Additionally, rent growth is expected to return to pre-pandemic levels over the next two years. Multiple major development projects are ongoing in the metro, another sign of Boston's positive outlook. The next phase of the transformative Seaport District development is expected to be completed in 2021. In addition to expanding retail and office space, the completed development will add 3,000 new jobs to the metro, thanks to new tenants like Amazon.com Inc. and Massachusetts Mutual Life Insurance Company.

2021 MARKET AT A GLANCE

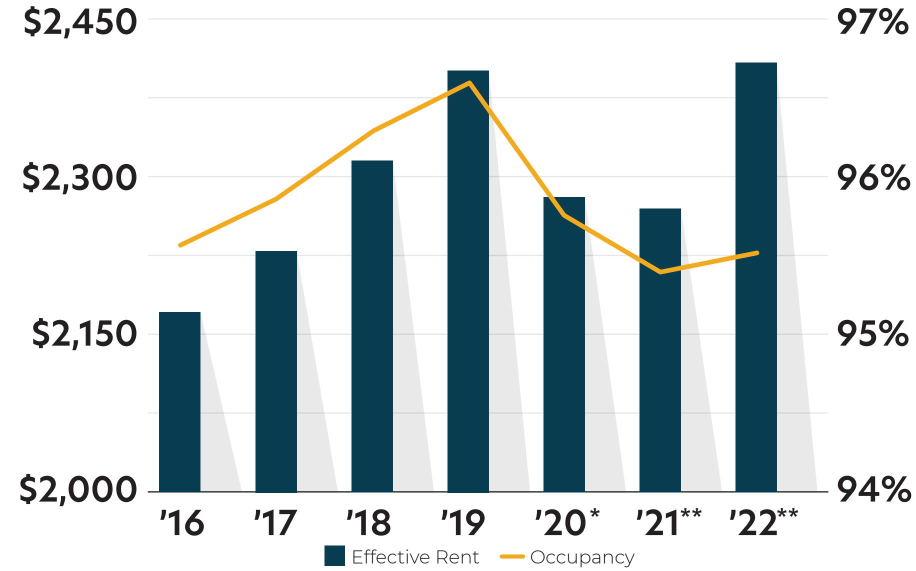
OCCUPANCY RATE
95.4%
Down **30 bps** YOY

EFFECTIVE RENT
$2,268
Down **0.5%** YOY

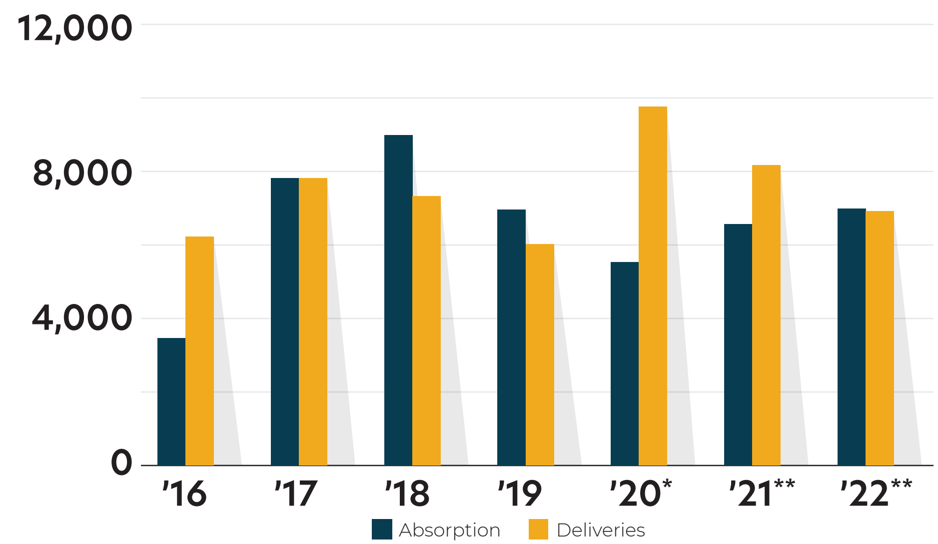
RENT SHARE OF WALLET
29.3%
Down **170 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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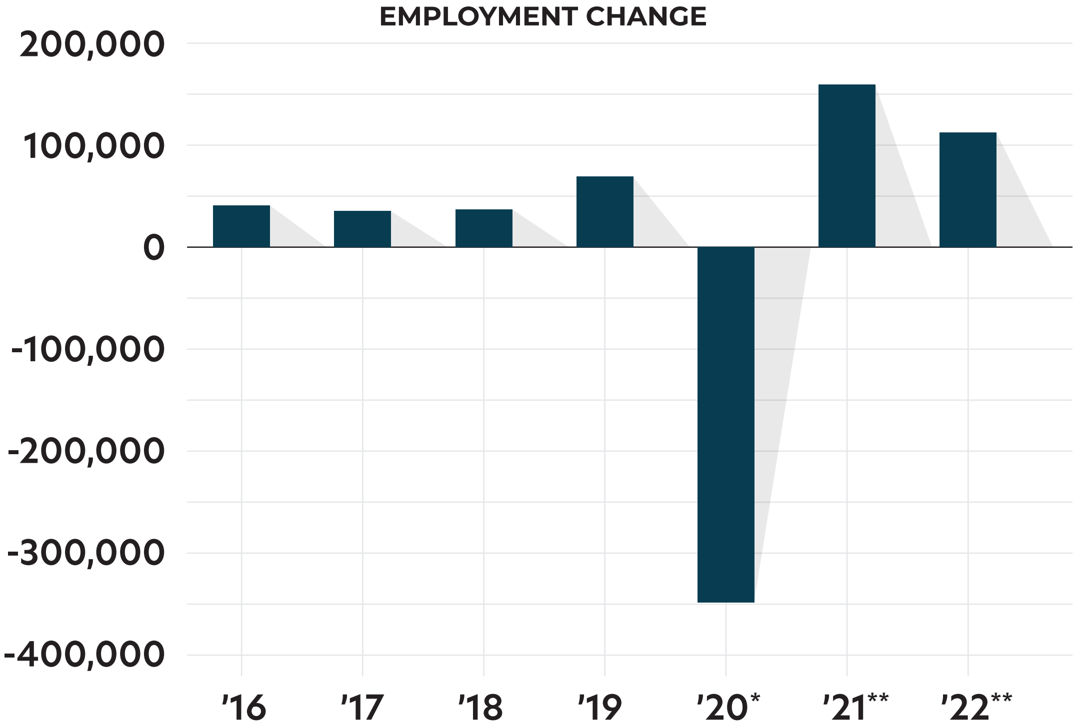
BOSTON, MASSACHUSETTS

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2,854,000	-12.2%	2,505,300	6.3%	2,664,000

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.2%	980 BPS	11.0%	-360 BPS	7.4%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
4,878,600	0.5%	4,902,100	0.4%	4,923,500

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,898,700	0.7%	1,911,300	0.6%	1,921,900

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$94,800	-7.0%	$88,171	5.2%	$92,733

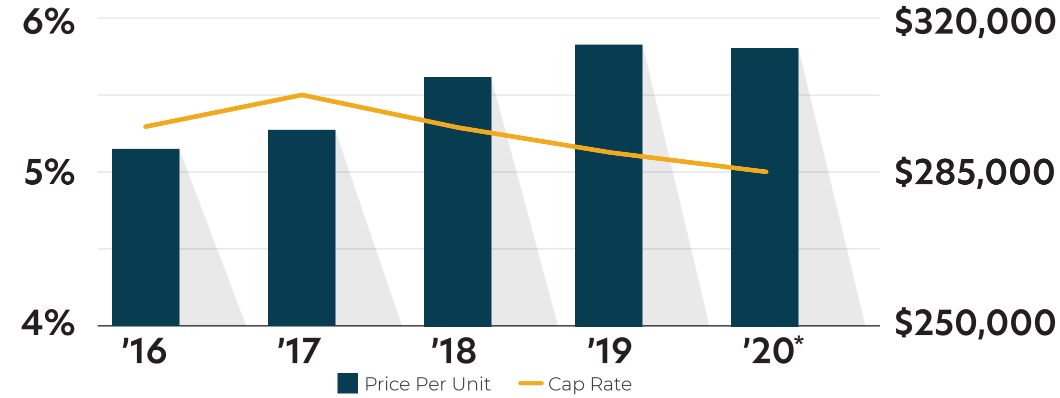
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$313,677	-0.2%	$313,144

CAP RATE

2019	YOY CHANGE	2020
5.1%	-10 BPS	5.0%



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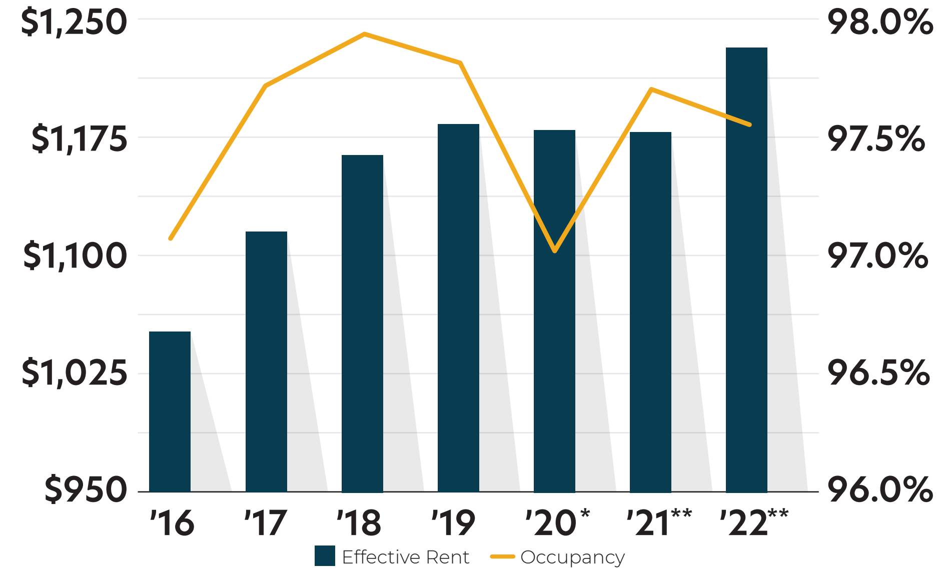
ANN ARBOR, MICHIGAN

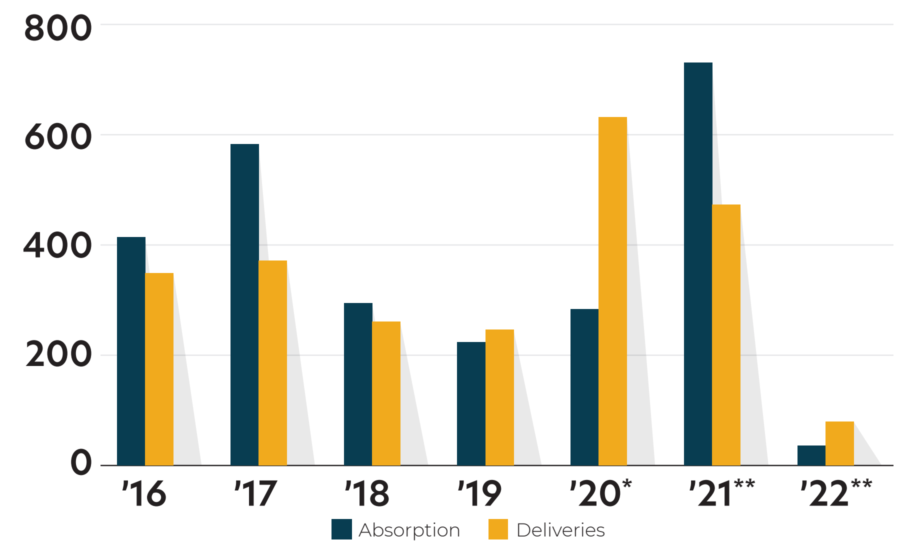
BERKADIA®

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



2021 MARKET AT A GLANCE

OCCUPANCY RATE
97.7%
Up **70 bps** YOY

EFFECTIVE RENT
$1,177
Unchanged YOY

RENT SHARE OF WALLET
18.7%
Up **30 bps** YOY

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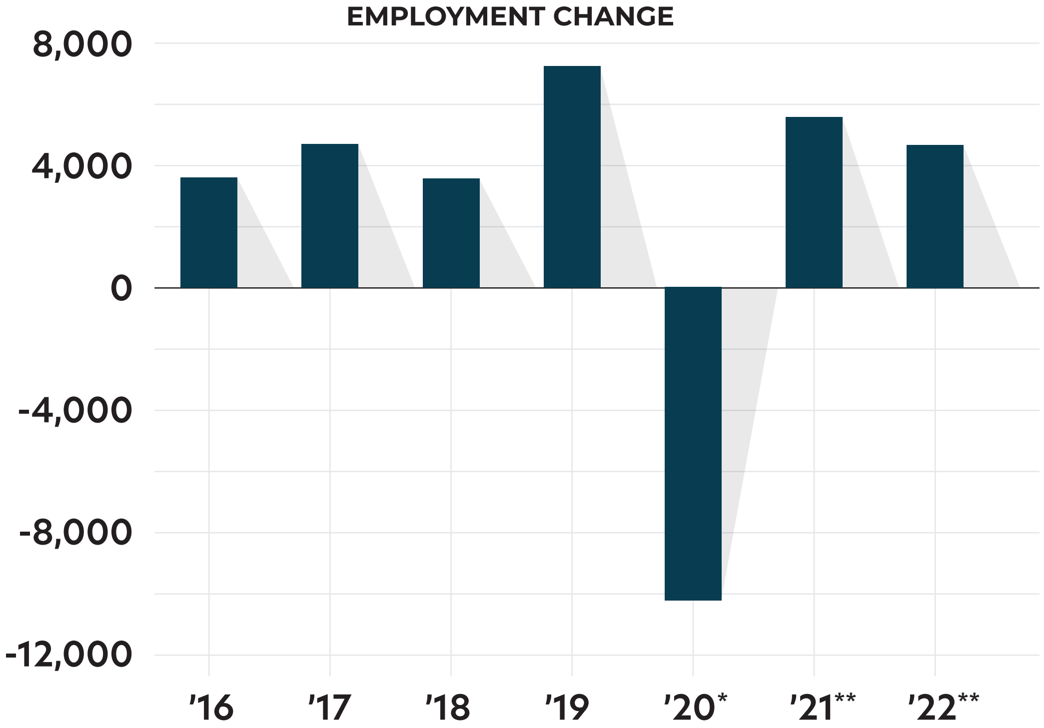
ANN ARBOR, MICHIGAN

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
232,700	-4.5%	222,300	2.3%	227,500

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.4%	460 BPS	6.0%	-110 BPS	4.9%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
366,700	0.4%	368,200	0.4%	369,800

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
147,900	0.9%	149,200	0.7%	150,300

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$76,445	0.4%	$76,730	-1.3%	$75,714

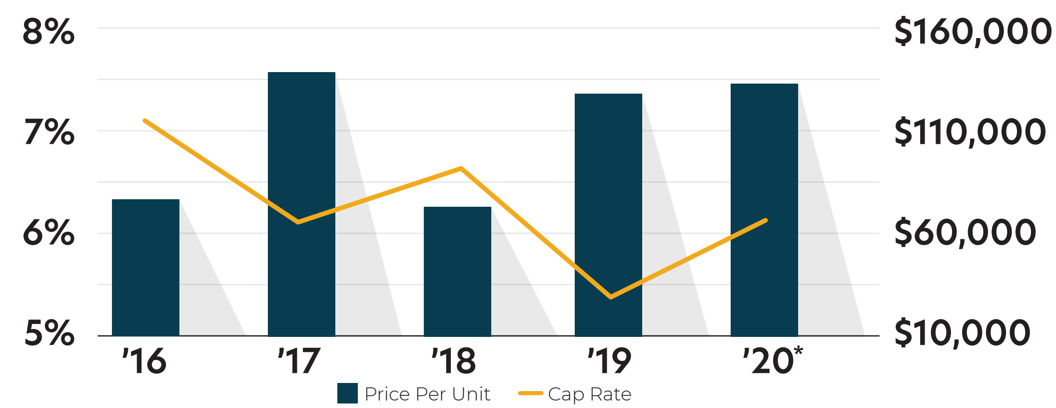
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$127,103	3.1%	$131,072

CAP RATE

2019	YOY CHANGE	2020
5.4%	70 BPS	6.1%



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DETROIT, MICHIGAN

BERKADIA®

ECONOMIC REBOUND EXPECTED TO SUPPORT NEAR-TERM APARTMENT FUNDAMENTALS

The Detroit-Warren metro area's apartment market performed admirably amid a 25.5% dive in employment from January to May 2020 and the subsequent 17.7% rebound in payrolls by December. In this environment, apartment operators managed to lift average monthly effective rent 0.9% year over year to $1,024 in the fourth quarter. The elevated number of deliveries in 2020 dominated leasing activity, however, resulting in a 30-basis-point annual reduction in occupancy to a still-healthy 96.4% by year-end. The mass exodus of renters from some inner cities across the U.S. was not present in Detroit's urban core. Occupancy in the Downtown/Midtown/Rivertown submarket dipped only 20 basis points since the beginning of 2020. In 2021, inner-core apartment communities will face competition, however, from the addition of more than 950 new apartments nearby, over 900 new units delivered in the desirable, lower-rent Troy/Rochester Hills submarket, and from the perennial alternatives of single-family renting and homeownership in the suburbs. Meanwhile, continued economic recovery is anticipated in the metro area. Over the near term and beyond, Ford Motor Company plans to hire thousands of new employees at its expanded Dearborn campus and its Innovation Campus in Corktown. At Fiat Chrysler Automobiles, more than 6,300 new jobs will be created among its Detroit Mack Facility and its Warren Truck Assembly Plant. These and other economic developments are expected to lift metrowide apartment demand, and by extension, occupancy to 96.5% by December 2021. Average monthly effective rent is projected to reach $1,060, a 3.5% annual increase.

2021 MARKET AT A GLANCE

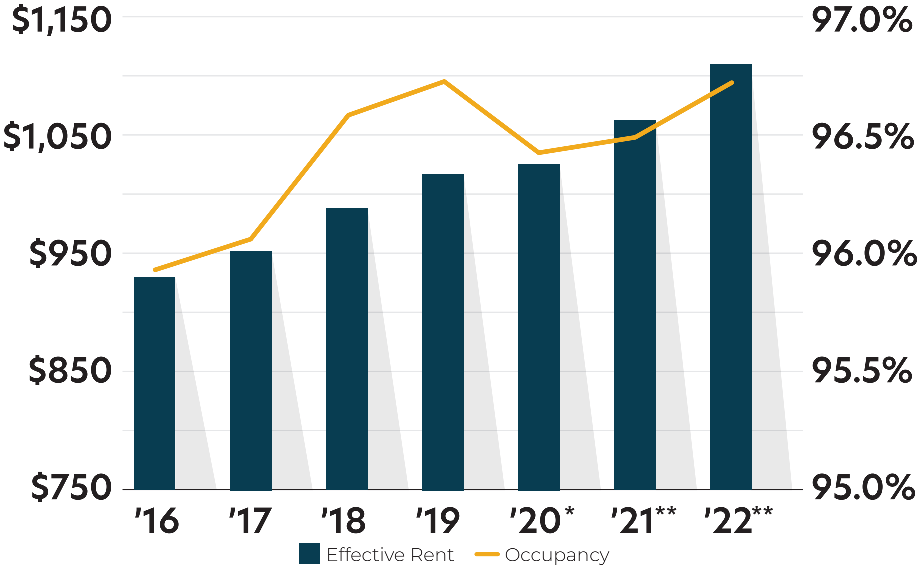
OCCUPANCY RATE
96.5%
Up **10 bps** YOY

EFFECTIVE RENT
$1,060
Up **3.5%** YOY

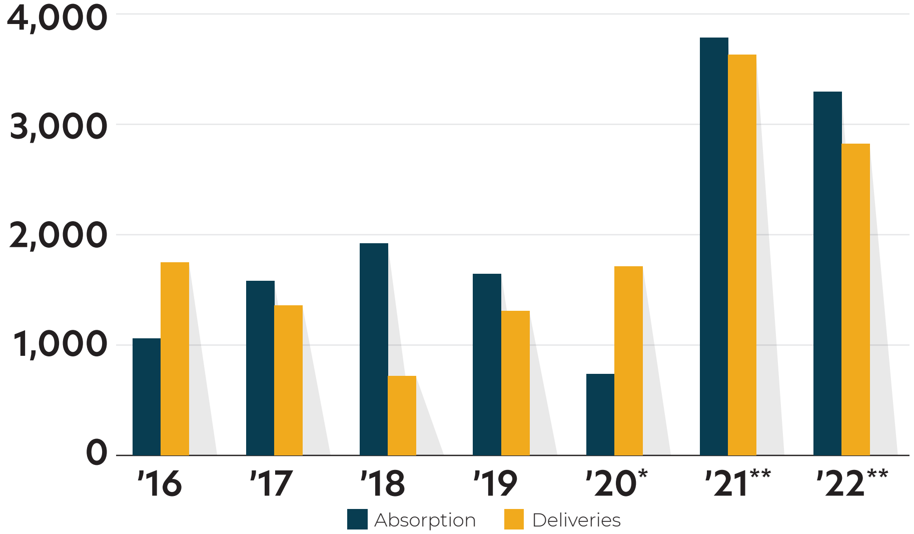
RENT SHARE OF WALLET
20.2%
Up **70 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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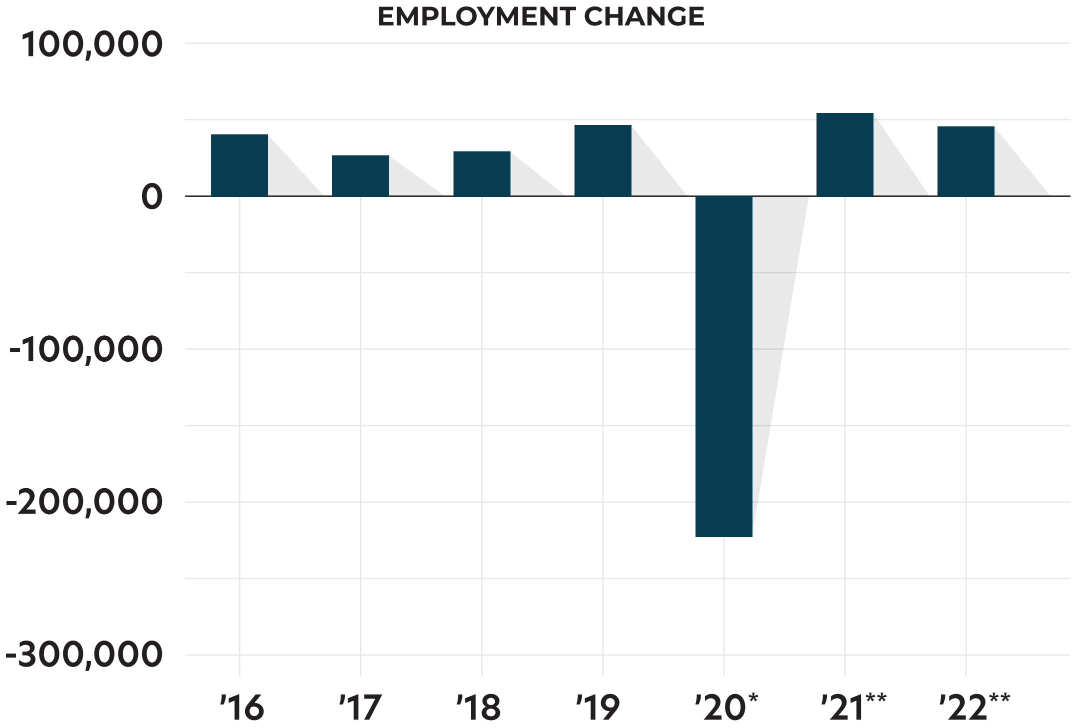
DETROIT, MICHIGAN

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2,087,900	-10.5%	1,868,900	2.9%	1,922,500

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.1%	650 BPS	8.6%	-50 BPS	8.1%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
4,316,000	0.0%	4,315,800	-0.1%	4,313,000

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,739,100	0.4%	1,745,700	0.3%	1,750,100

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$63,569	-0.6%	$63,173	-0.2%	$63,017

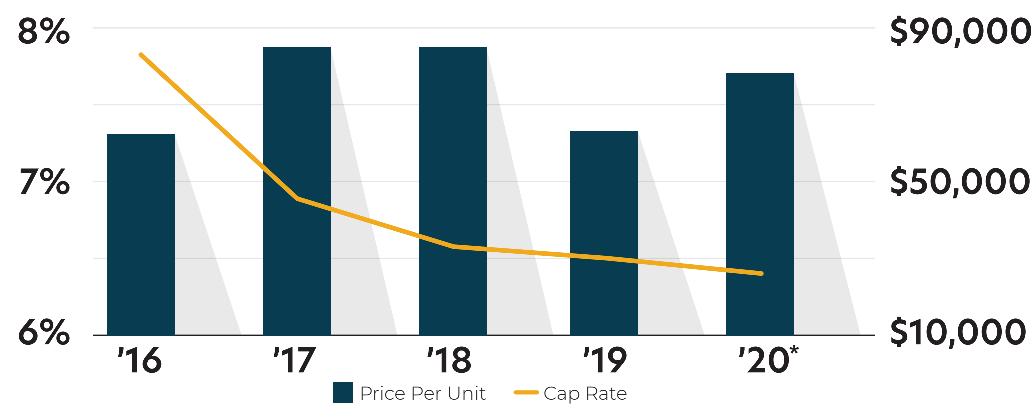
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$62,115	24.3%	$77,184

CAP RATE

2019	YOY CHANGE	2020
6.5%	-10 BPS	6.4%



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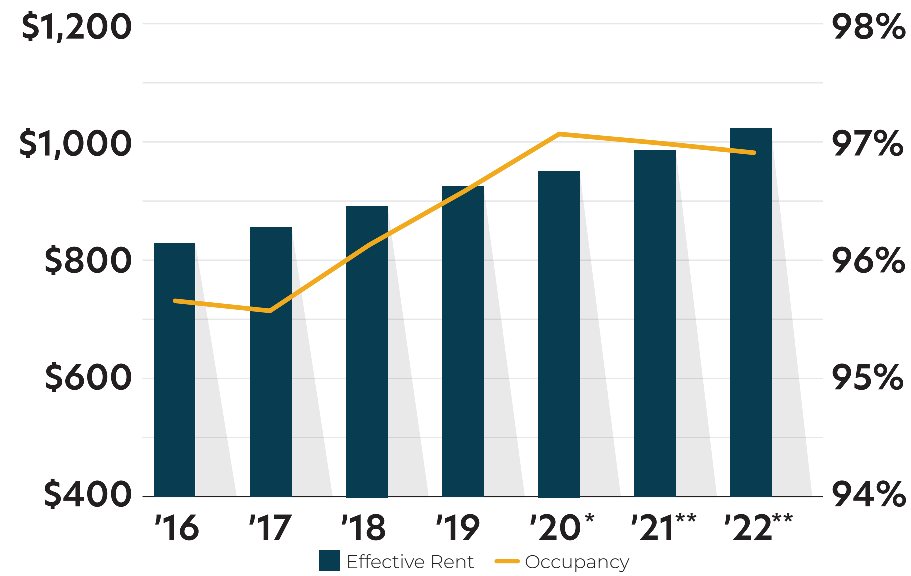
WEST MICHIGAN

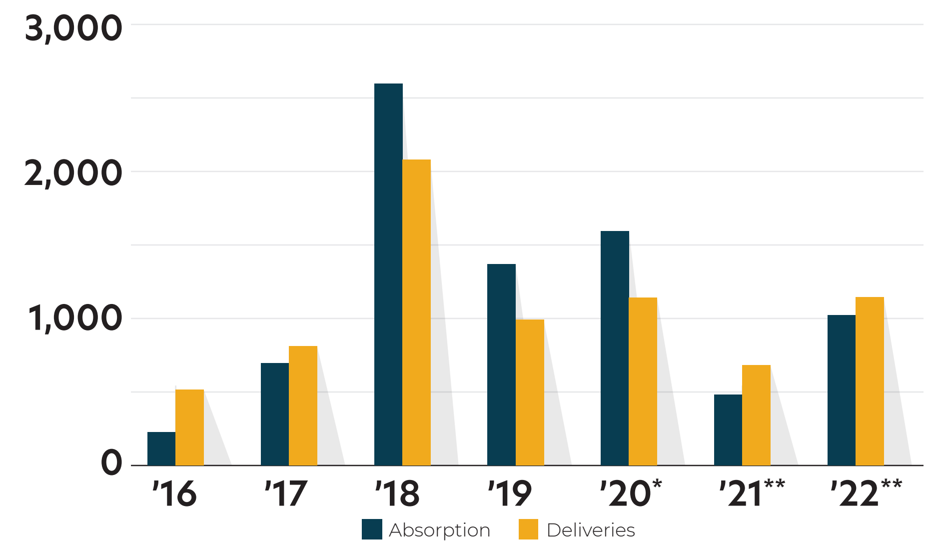
BERKADIA®

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



2021 MARKET AT A GLANCE

OCCUPANCY RATE
97.0%
Down **10 bps** YOY

EFFECTIVE RENT
$988
Up **3.8%** YOY

RENT SHARE OF WALLET
18.9%
Up **90 bps** YOY

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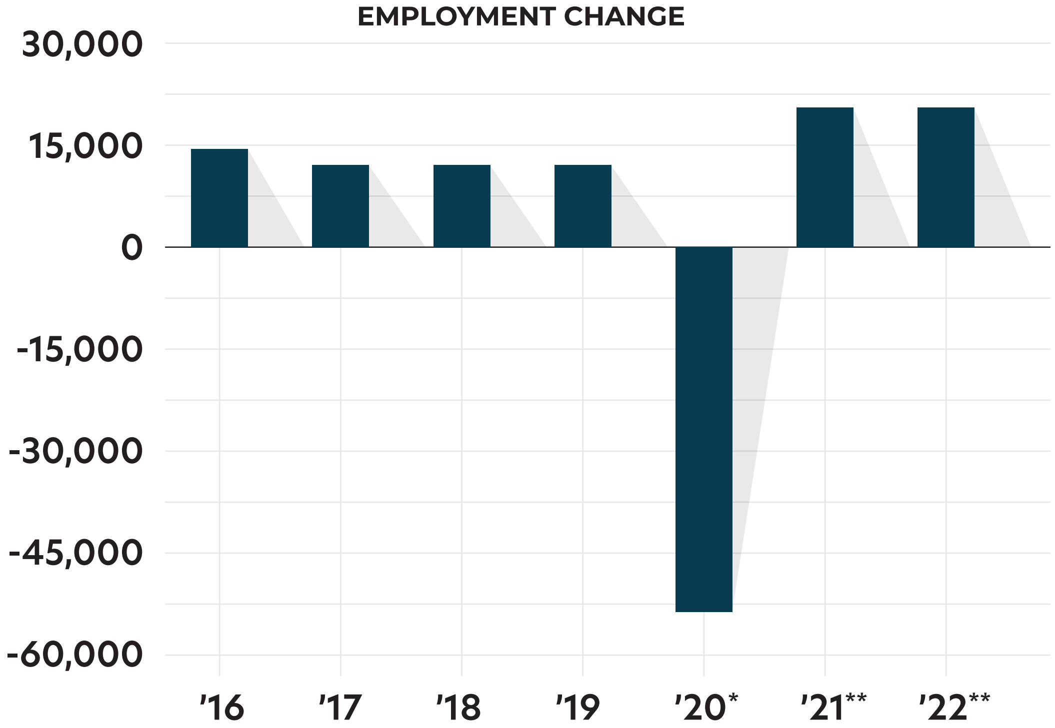
WEST MICHIGAN

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
729,900	-7.4%	676,200	3.0%	696,700

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.2%	530 BPS	6.5%	-90 BPS	5.6%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,417,200	0.6%	1,425,600	0.7%	1,435,400

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
553,800	1.0%	559,400	1.0%	565,000

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$63,263	0.1%	$63,352	-1.1%	$62,636

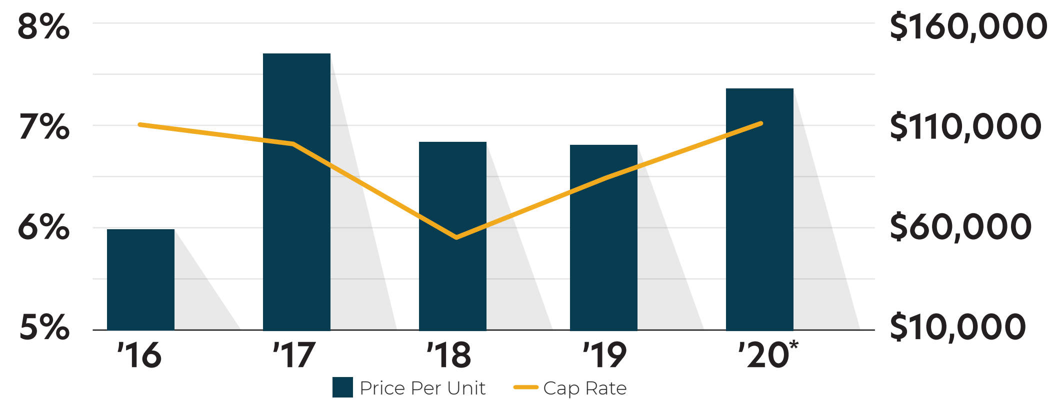
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$97,098	29.2%	$125,460

CAP RATE

2019	YOY CHANGE	2020
6.5%	50 BPS	7.0%



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MINNEAPOLIS-ST. PAUL, MINNESOTA

BERKADIA®

NEW DEVELOPMENT & APARTMENT CONSTRUCTION WAVE CONTINUES INTO 2021

Apartment deliveries elevated to a more-than-20-year high of 7,981 units in 2020 amid the negative impacts of COVID-19, and developers are scheduled to deliver even more units over the next 12 months. Significant supply-side pressure in the metro resulted in occupancy falling 130 basis points annually to 95.3% in 2020, even though apartment demand increased last year. Minneapolis residents are expected to absorb even more apartments this year, another 7,523 units metrowide, and this trend will encourage operators to increase effective rent 2.1% to $1,383. Over the next 12 months, occupancy is projected to fall 10 basis points to 95.2% due to excess supply pressure but continue to outpace the national average. Apartment demand and construction alike are primarily focused on the Downtown Minneapolis/University submarket. Work is underway on a 14.5-mile expansion of the Southwest Light-Rail Transit Green Line that will connect Downtown Minnesota to new communities and simultaneously generate opportunities for multifamily development. Construction has begun to spread to nearby submarkets like North Minneapolis due to COVID-19 hindering the short-term appeal of living near the metro's urban core. There is a promising wave of development underway drawing residents to the Central St. Paul submarket, including the first phase of a transformative, 40-block urban development, formerly a Ford Motor Company plant, scheduled to be completed later this year. The project will eventually bring 300,000 square feet of combined office and retail space to Downtown St. Paul.

2021 MARKET AT A GLANCE

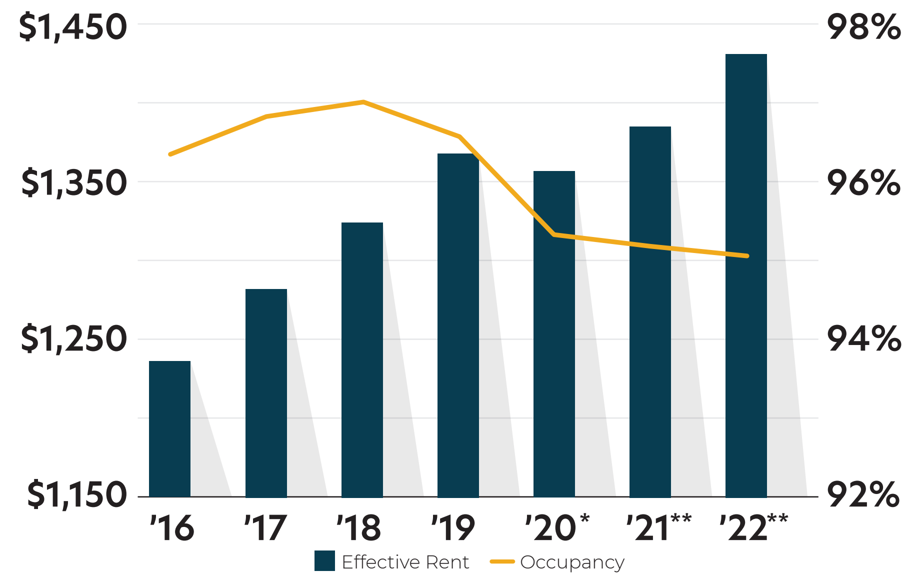
OCCUPANCY RATE
95.2%
Down **10 bps** YOY

EFFECTIVE RENT
$1,383
Up **2.1%** YOY

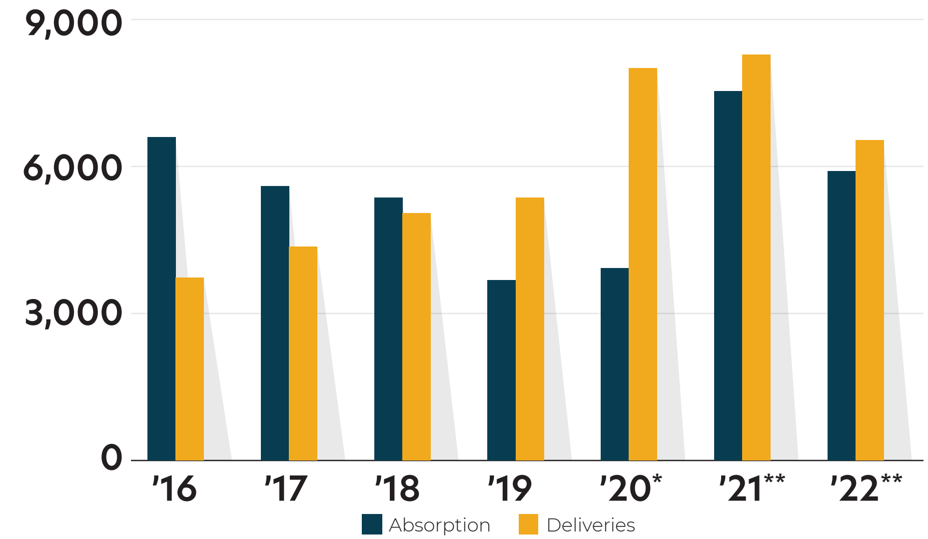
RENT SHARE OF WALLET
19.7%
Up **10 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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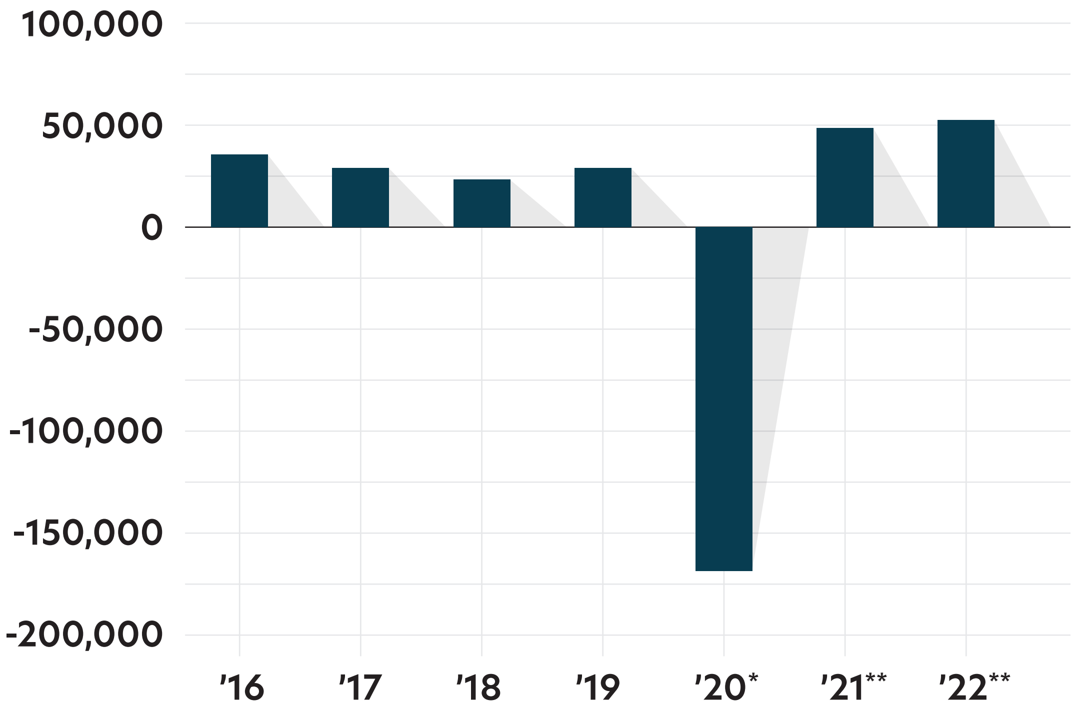
MINNEAPOLIS-ST. PAUL, MINNESOTA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2,055,300	-8.3%	1,884,400	2.5%	1,932,000

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.3%	520 BPS	7.5%	-150 BPS	6.0%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
3,671,300	0.9%	3,703,500	0.8%	3,734,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,433,800	1.3%	1,452,200	1.3%	1,471,100

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$83,823	-1.3%	$82,699	1.7%	$84,084

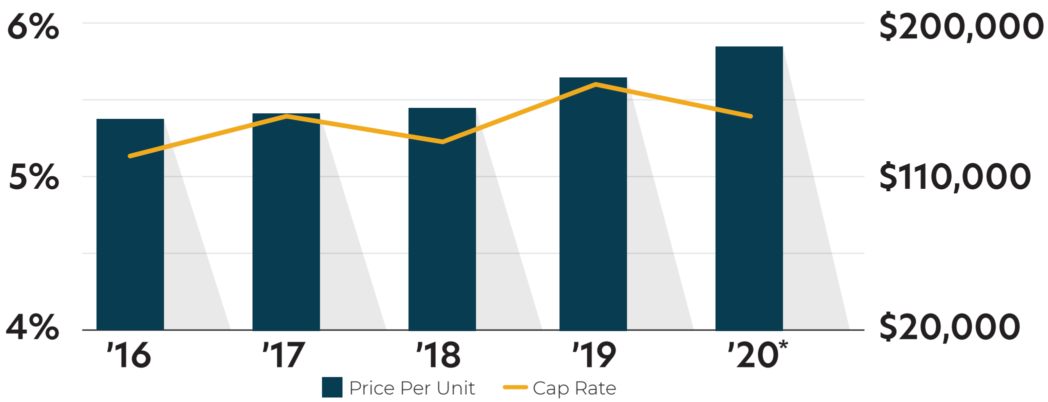
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$167,046	11.4%	$186,110

CAP RATE

2019	YOY CHANGE	2020
5.6%	-20 BPS	5.4%



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KANSAS CITY, MISSOURI

BERKADIA®

DELIVERIES PERSIST, RENTERS ATTRACTED TO LUXURY UNITS IN PREMIER AREAS

Coming out of the Great Recession, apartment developers ramped up deliveries across Greater Kansas City. This resulted in annual additions peaking in 2020, even amid the coronavirus outbreak. While subsequent construction activity is scheduled to taper, demand for housing near employment hubs is expected to support additional supply. Heading into 2021, about 5,400 units are underway, and the bulk are scheduled to complete before year-end. Renters have shown a preference for amenity-rich options in the metro's premier submarkets, with current projects and deliveries in the next four quarters concentrated in the Central Kansas City and South Overland Park submarkets. The success of luxury communities in the downtown area has been helped by Kansas City's foothold as a Silicon Prairie metro, drawing wealthy, educated millennials. Metrowide leasing activity will succumb to supply-induced pressure causing a 50-basis-point decline in the occupancy rate to end 2021 at 94.1%. A key component of sustaining apartment demand will be how the local economy rebounds from the coronavirus initiatives meant to stem the extent of the pandemic. So far, employment numbers are encouraging: 71,850 of the jobs lost earlier in 2020 were restored, an 88% recovery. Over the next three years, hundreds of new jobs are planned at GEICO, the USDA Economic Research Service, and the USDA National Institute for Food and Agriculture. Apartment operators will capitalize on the rising payrolls and healthy occupancy by advancing monthly effective rent. At $1,016 in December 2021, projected effective rent will be up 2.0% annually.

2021 MARKET AT A GLANCE

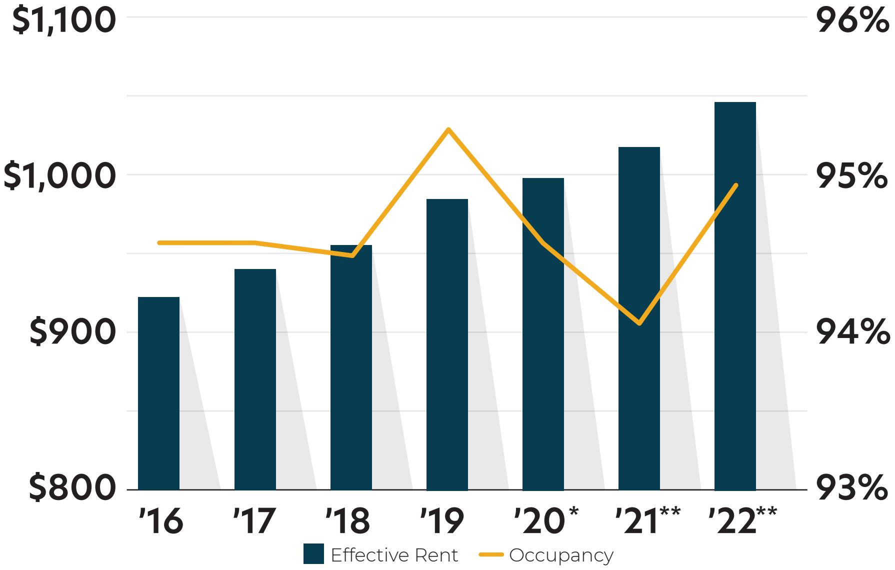
OCCUPANCY RATE
94.1%
Down **50 bps** YOY

EFFECTIVE RENT
$1,016
Up **2.0%** YOY

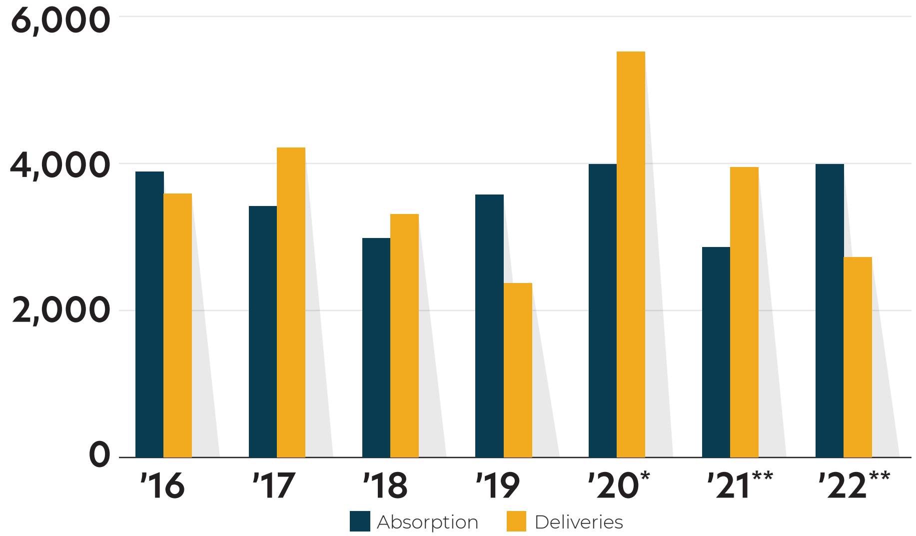
RENT SHARE OF WALLET
16.4%
Up **30 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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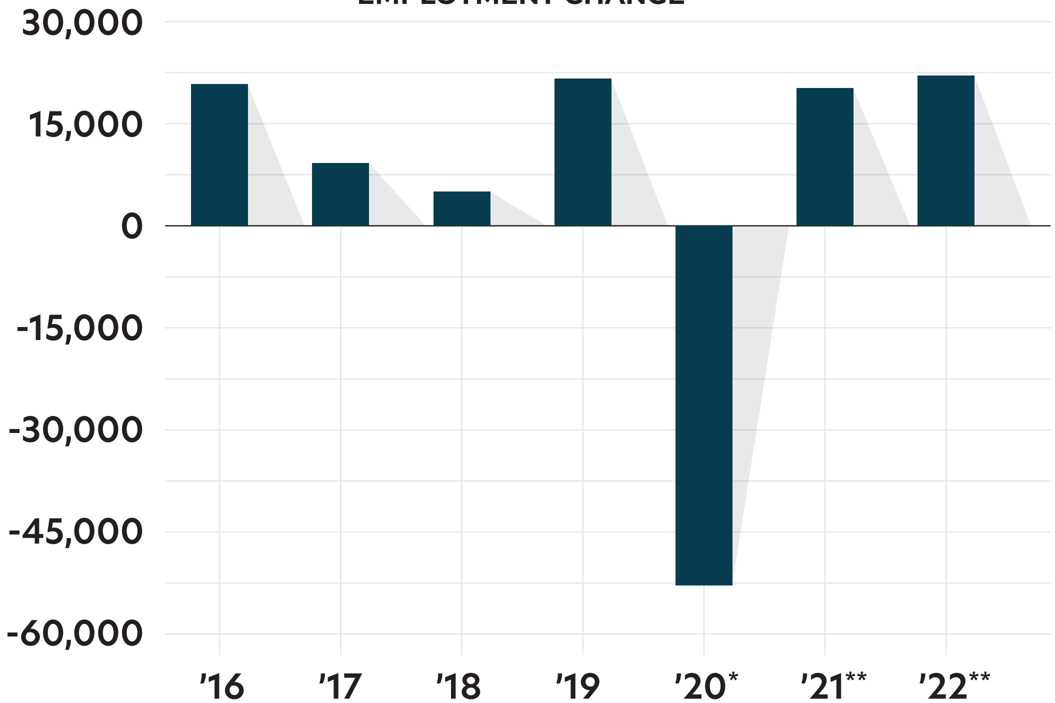
KANSAS CITY, MISSOURI

BERKADIA®

EMPLOYMENT TRENDS

EMPLOYMENT CHANGE



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,113,200	-4.7%	1,060,400	1.9%	1,080,900

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.5%	450 BPS	7.0%	-60 BPS	6.4%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,164,600	0.7%	2,179,500	0.6%	2,192,400

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
876,600	0.8%	883,500	0.7%	889,900

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$69,763	6.1%	$74,018	0.6%	$74,464

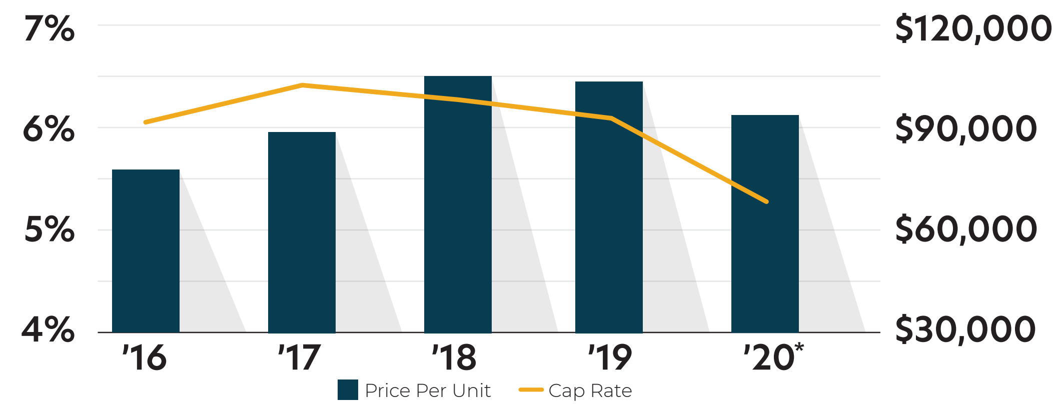
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$102,619	-9.7%	$92,653

CAP RATE

2019	YOY CHANGE	2020
6.1%	-80 BPS	5.3%



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ST. LOUIS, MISSOURI

BERKADIA®

DIVERSE, GROWING ECONOMY CONTRIBUTES TO HEALTHY APARTMENT FUNDAMENTALS

Multifamily developers are showing faith in the health of the Greater St. Louis apartment market as builders remain active in 2021. After nearly 2,000 units came online last year, an additional 1,225 units are scheduled to begin lease-up over the next four quarters. While deliveries will taper in the urban core, heightened development will continue in the western suburbs. More than half of new inventory will be in the Chesterfield/Ballwin/Wildwood and the St. Charles County submarkets. These strategically positioned developments will tap into housing demand as leasing activity in these areas are projected to lead the metro over the next four quarters. Underpinning apartment absorption in these submarkets is the presence of key employers that include CitiMortgage, Mastercard, and General Motors. Broad-based job gains bode well for payrolls in the near term as nonfarm employment is forecast to increase in 2021. Even with sustained apartment demand as hiring rebounds this year, annual absorption is predicted to trail inventory growth in these submarkets. This supply-demand imbalance will be reflected across Greater St. Louis, as average apartment occupancy is projected to lower 40 basis points to 94.2% by year-end. As occupancy shifts on par with the five-year average, operators will accelerate rent growth. After advancing 1.3% in 2020, monthly effective rent is forecast to grow 2.2% over the next four quarters to an average of $1,001 by year-end.

2021 MARKET AT A GLANCE

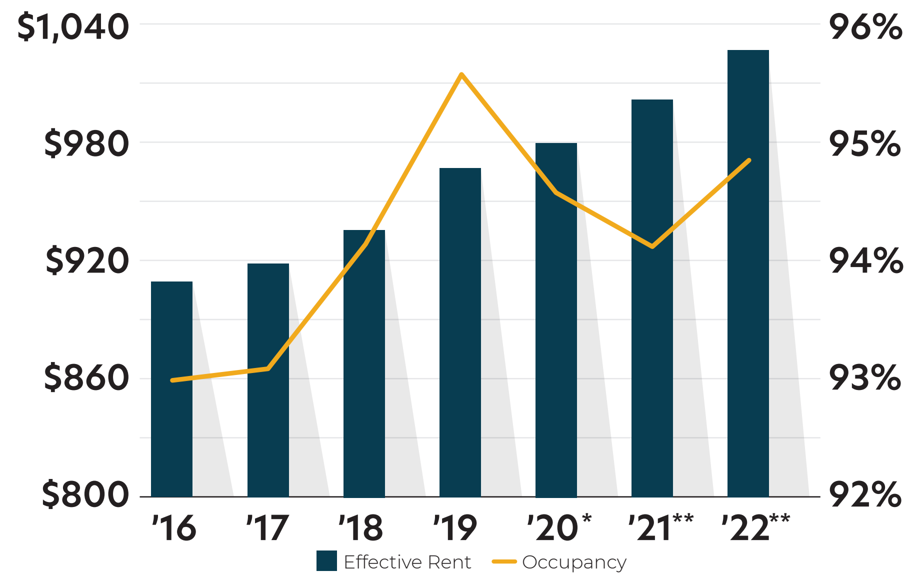
OCCUPANCY RATE
94.2%
Down **40 bps** YOY

EFFECTIVE RENT
$1,001
Up **2.2%** YOY

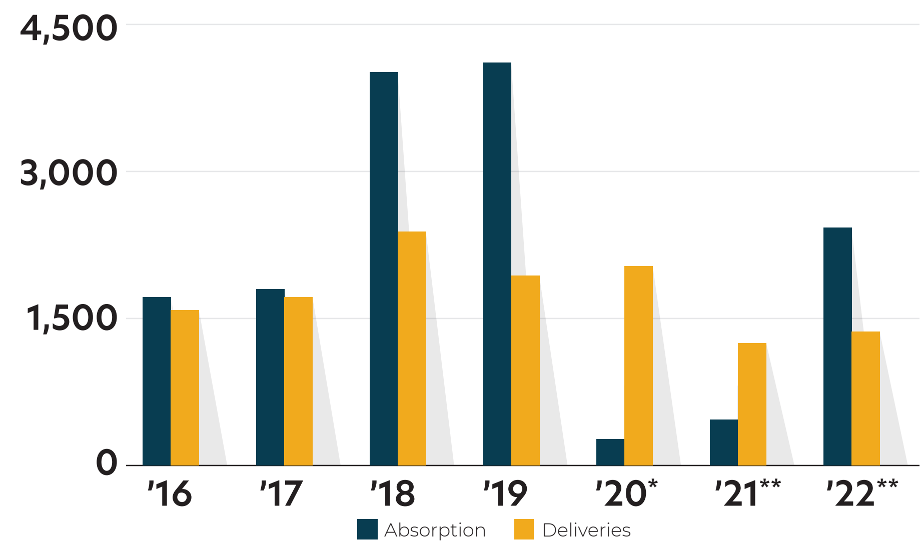
RENT SHARE OF WALLET
17.1%
Up **30 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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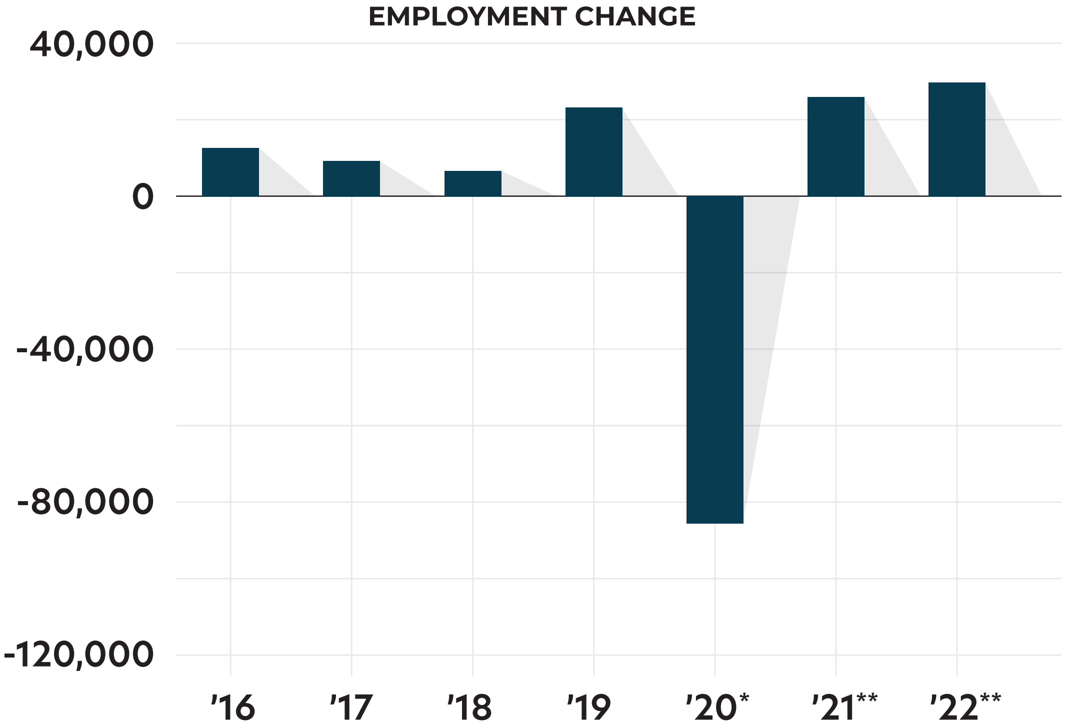
ST. LOUIS, MISSOURI

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,411,400	-6.0%	1,327,200	1.9%	1,352,700

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.5%	500 BPS	7.5%	-70 BPS	6.8%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,804,200	0.1%	2,806,900	0.1%	2,809,300

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,170,400	0.6%	1,177,000	0.6%	1,183,900

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$65,917	6.3%	$70,067	0.5%	$70,419

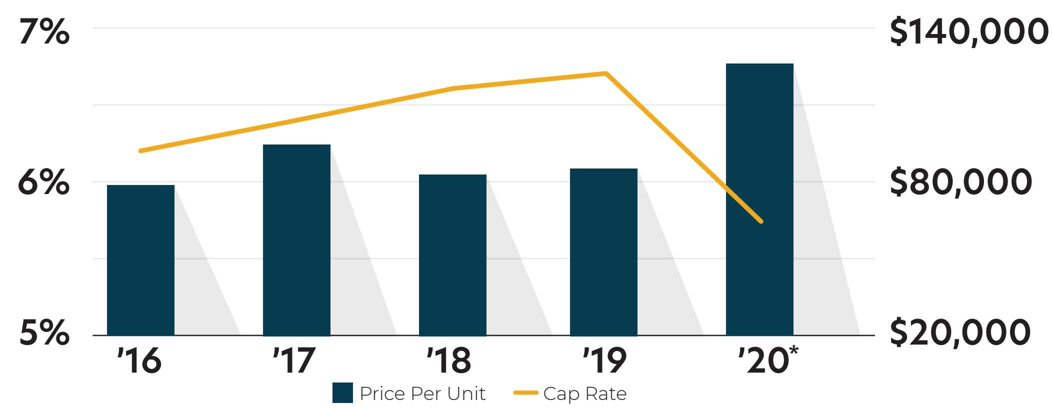
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$84,775	47.1%	$124,732

CAP RATE

2019	YOY CHANGE	2020
6.7%	-100 BPS	5.7%



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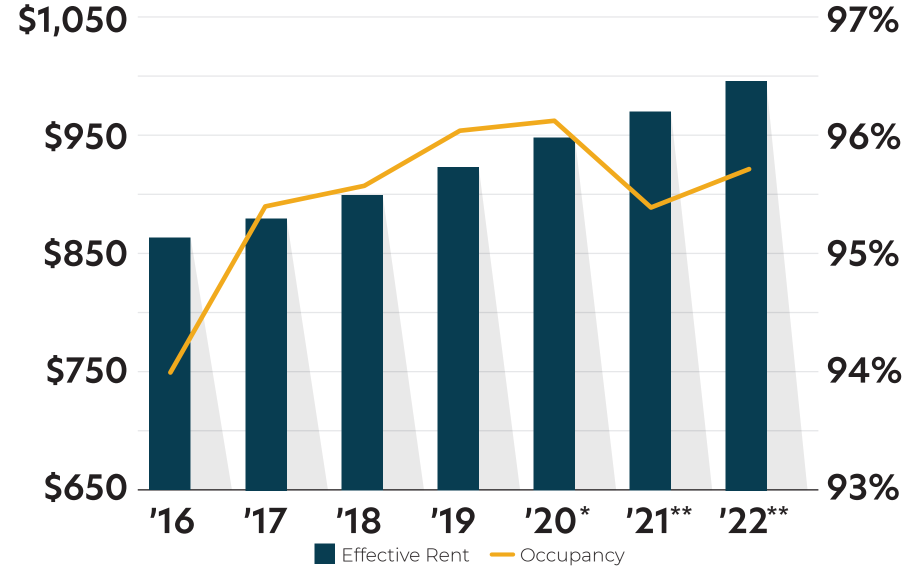
OMAHA, NEBRASKA

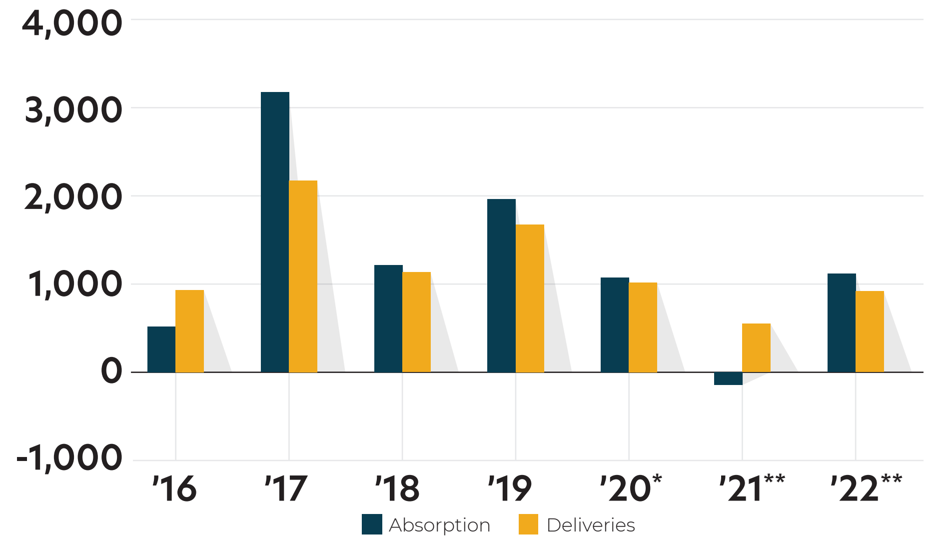
BERKADIA®

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



2021 MARKET AT A GLANCE

OCCUPANCY RATE
95.4%
Down **80 bps** YOY

EFFECTIVE RENT
$970
Up **2.5%** YOY

RENT SHARE OF WALLET
16.2%
Up **30 bps** YOY

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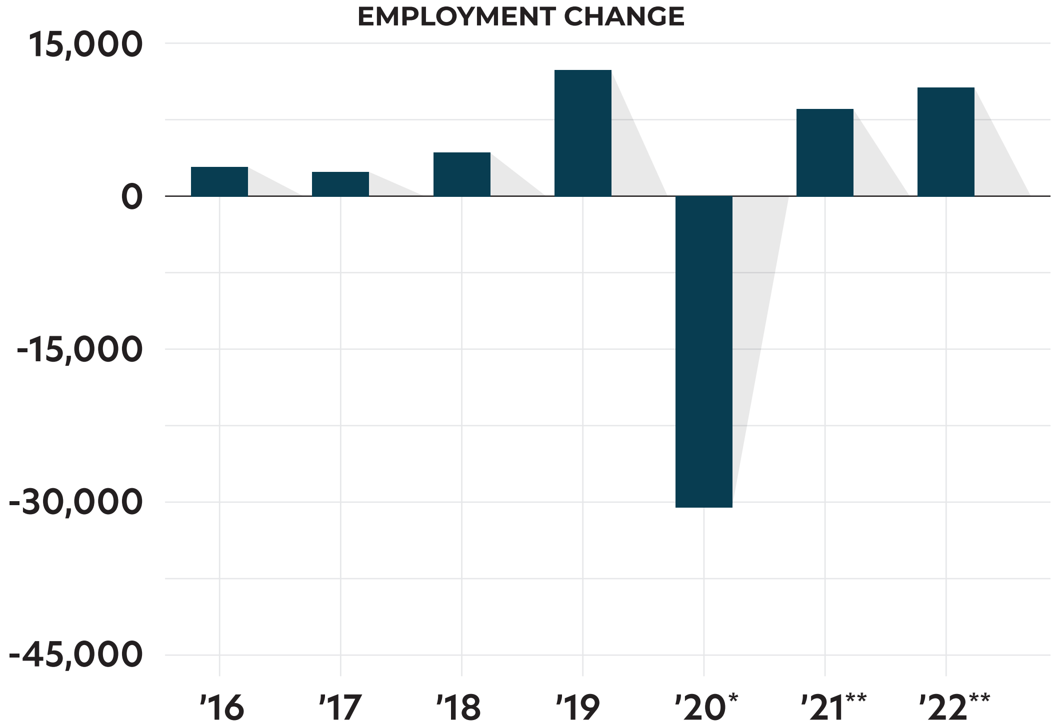
OMAHA, NEBRASKA

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
516,800	-5.8%	486,800	1.7%	495,200

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.6%	190 BPS	4.5%	-60 BPS	3.9%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
952,600	0.9%	961,600	0.9%	970,300

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
375,900	1.3%	380,900	1.2%	385,500

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$70,586	1.1%	$71,343	0.5%	$71,709

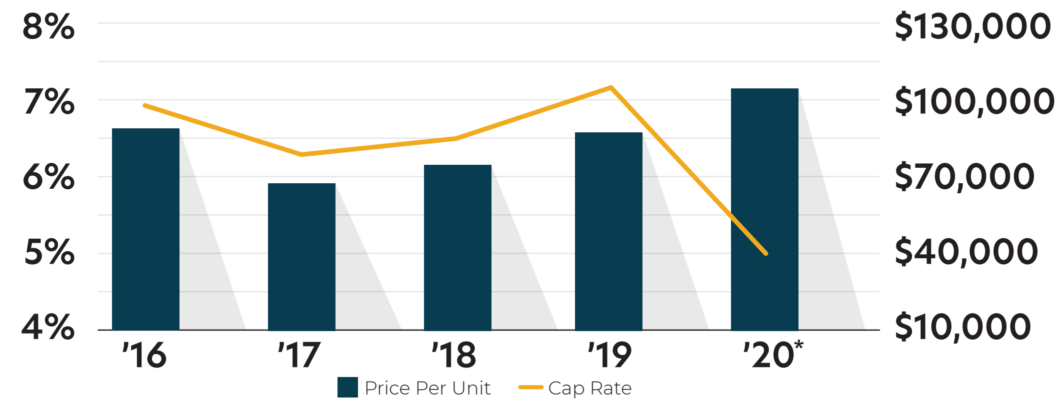
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$88,377	20.8%	$106,763

CAP RATE

2019	YOY CHANGE	2020
7.2%	-220 BPS	5.0%



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LAS VEGAS, NEVADA

BERKADIA®

SUSTAINED APARTMENT DEMAND EXPECTED AMID GRADUAL ECONOMIC RECOVERY

The Las Vegas economy began its recovery from the effects of the pandemic to close 2020, and momentum is projected to carry through the upcoming years. As a workforce anchored by tourism, a temporary shutdown of casinos as well as domestic and international travel restrictions led to significant losses to the local leisure and hospitality industry and related sectors. Since then, leisure and hospitality payrolls slowly made gains, recuperating approximately two out of five jobs lost at the onset of the pandemic by year-end 2020. Hiring in support of tourism is expected to continue, as the leisure and hospitality employers are forecast to add the most jobs to local payrolls over the next two years. Part of the additions will come with the completion of Resorts World Las Vegas this year, which will create thousands of jobs. Recovering payrolls will benefit apartment operators by sustaining rental demand. Annual apartment absorption is projected to remain positive this year, though trail an influx of more than 4,000 market-rate units. With continued economic improvement expected next year, leasing activity is predicted to accelerate and lead to apartment occupancy returning to the historic norm. At 95.5% by year-end 2022, apartment occupancy would be higher than the five-year average of 95.0%. Monthly effective rent is forecast to reach $1,204 by the end of next year, a 7.0% rise from 2020.

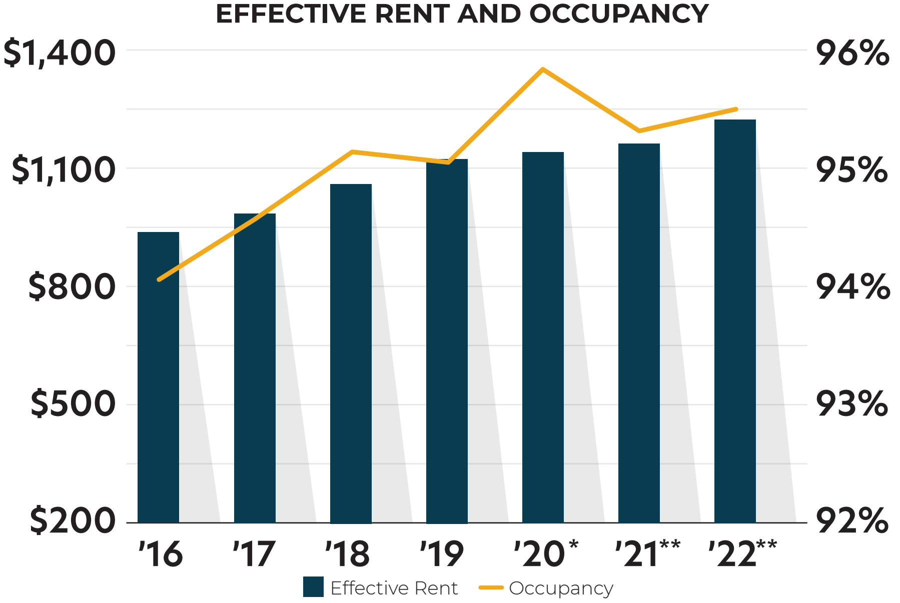
2021 MARKET AT A GLANCE

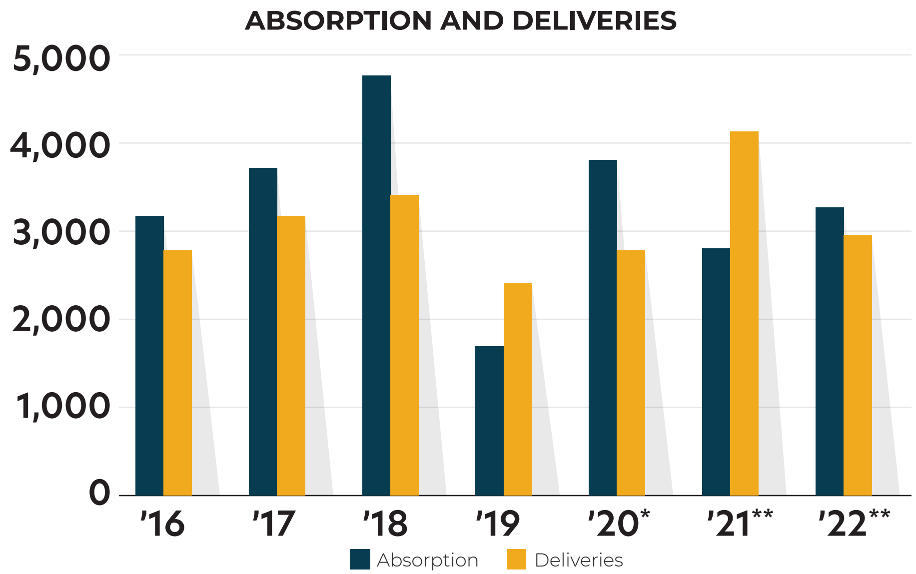
OCCUPANCY RATE
95.3%
Down **50 bps** YOY

EFFECTIVE RENT
$1,146
Up **1.9%** YOY

RENT SHARE OF WALLET
27.0%
Up **10 bps** YOY

MARKET TRENDS





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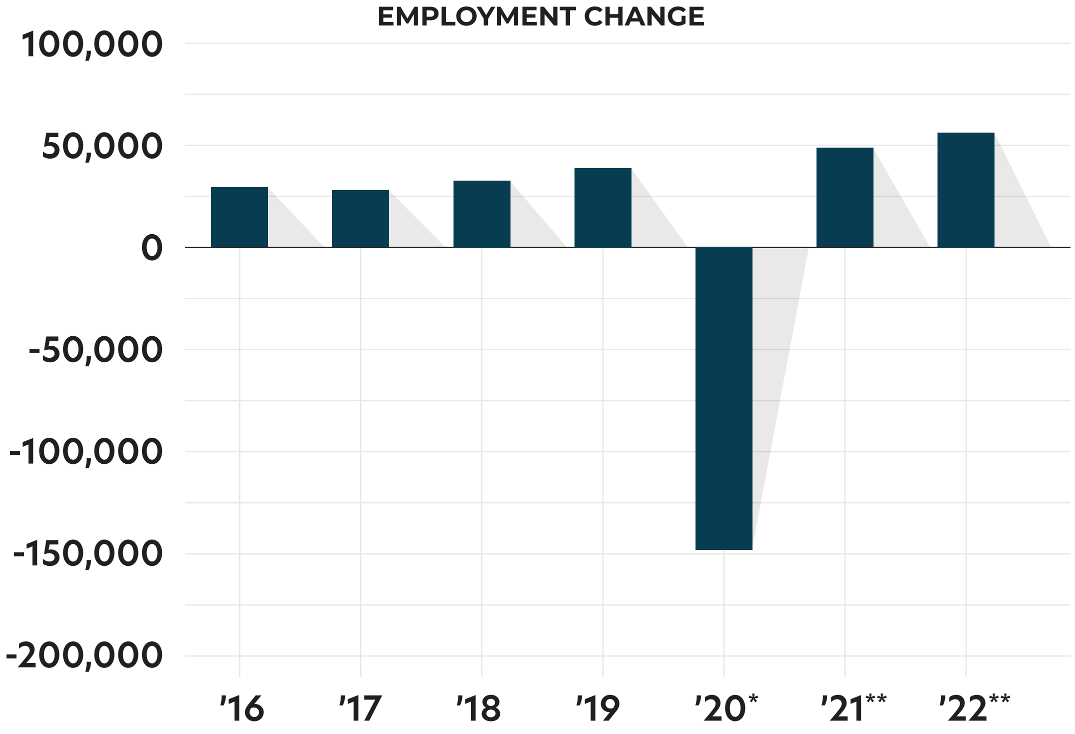
LAS VEGAS, NEVADA

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,061,800	-14.0%	913,200	5.3%	961,400

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.7%	1,470 BPS	16.4%	-420 BPS	12.2%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,294,400	1.6%	2,330,600	1.8%	2,372,800

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
844,000	1.9%	860,200	2.7%	883,500

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$62,280	-19.4%	$50,191	1.5%	$50,947

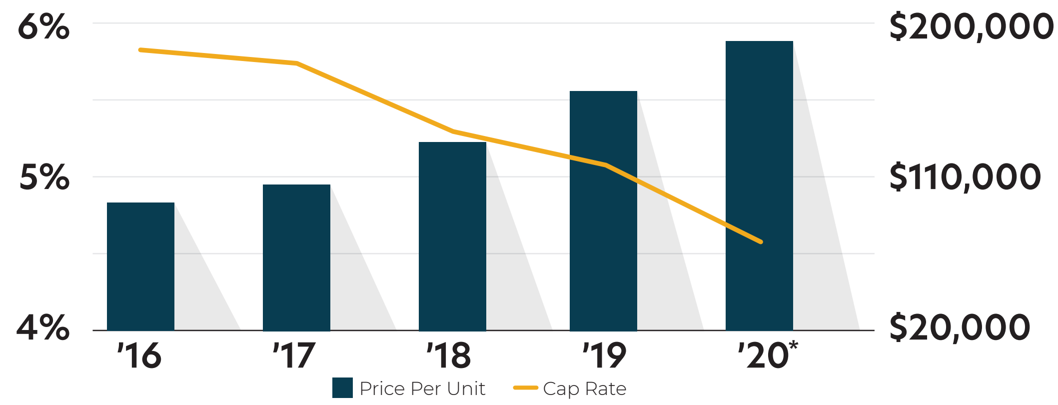
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$156,437	19.3%	$186,651

CAP RATE

2019	YOY CHANGE	2020
5.1%	-50 BPS	4.6%



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RENO, NEVADA

BERKADIA®

HEALTHY APARTMENT DEMAND WILL CONTINUE AMID STRONG ECONOMIC RECOVERY

After the Greater Reno workforce contracted in 2020, payrolls are forecast to improve and to surpass pre-pandemic levels by the end of next year. Driving the recovery will be the manufacturing sector and related development around it. Advanced manufacturing has established itself as a pillar of the local economy with the presence of Panasonic Corporation and Tesla Inc. While operational, the 5.3 million-square-foot Tesla Gigafactory 1 is about 30% done and will boost the construction industry over the next couple of years. Also underpinning construction hiring is a rise in apartment development. After approximately 1,700 units were added to the Greater Reno inventory in 2020, more than 2,600 units are scheduled to begin lease-up by year-end 2021. While deliveries will be spread across the metro, more than one out of every three additions will be in the South Reno submarket in residential neighborhoods with retail hubs near Interstate 580. The influx of new inventory, the rise in payrolls, and steady in-migration will sustain apartment demand this year. Even with positive leasing activity, annual absorption is projected to fall slightly short of deliveries to lead to a 10-basis-point dip in apartment occupancy to 96.1% by year-end. Operators are expected to respond with a measured acceleration in rent. After advancing 1.4% in 2020, monthly effective rent is forecast to increase 3.2% over the next four quarters to finish 2021 at $1,316.

2021 MARKET AT A GLANCE

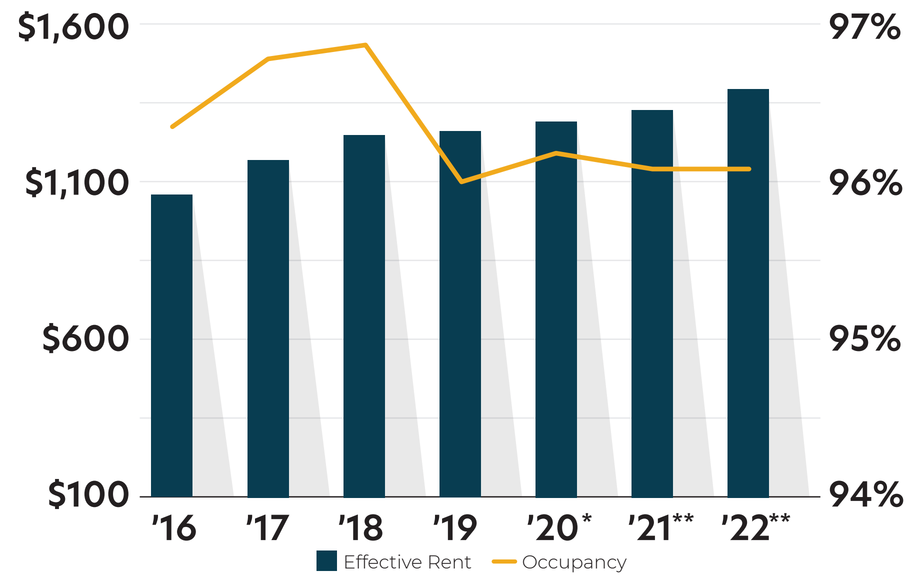
OCCUPANCY RATE
96.1%
Down **10 bps** YOY

EFFECTIVE RENT
$1,316
Up **3.2%** YOY

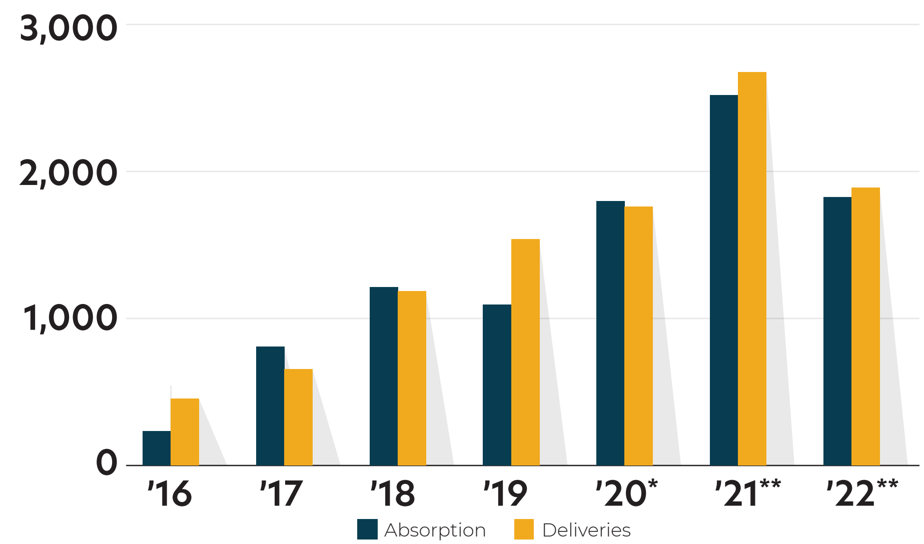
RENT SHARE OF WALLET
26.3%
Up **60 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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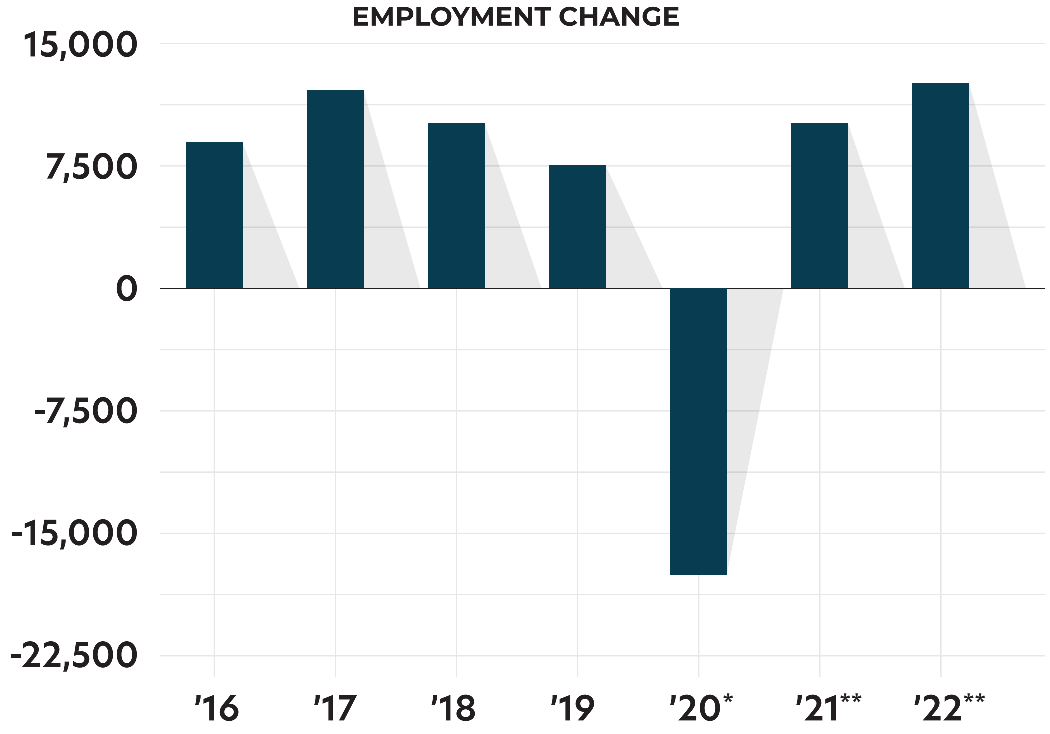
RENO, NEVADA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
253,600	-6.9%	236,100	4.3%	246,200

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.0%	610 BPS	8.1%	-100 BPS	7.1%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
479,900	1.3%	486,300	1.4%	493,300

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
190,000	1.8%	193,400	2.3%	197,900

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$73,330	-18.9%	$59,444	1.0%	$60,030

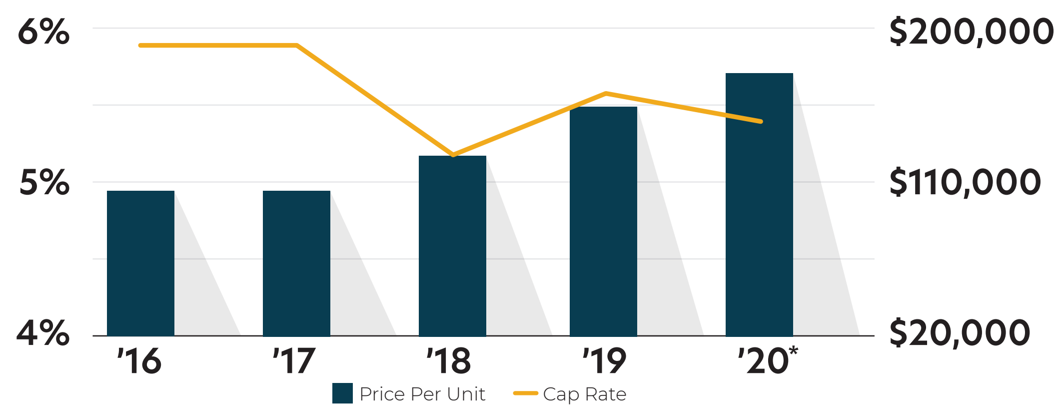
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$152,882	12.7%	$172,228

CAP RATE

2019	YOY CHANGE	2020
5.6%	-20 BPS	5.4%



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ALBUQUERQUE, NEW MEXICO

BERKADIA®

IMPROVING DEMOGRAPHIC & EMPLOYMENT ENVIRONMENTS EXPECTED THROUGH 2022

During the last half of 2020, Albuquerque's labor market began to rebound from the May 2020 employment low. By December, 17,100 jobs had been created or restored. Nevertheless, local payrolls were down 7.3% from December 2019. The rebound during the summer and fall was great enough to generate healthy apartment leasing activity prior to a seasonal slowdown in demand in the fourth quarter. By year-end 2020, average apartment occupancy was 96.1%, 80 basis points higher than one year earlier. At the same time, effective rent averaged $909 per month, a 2.5% annual gain. Continued economic improvement is anticipated in 2021, albeit at a slower rate than the May to December 2020 rebound. While remaining positive, net apartment absorption in 2021 is forecast to decelerate because of slowing economic recovery and slackening household formation. The net absorption of 350 apartments is projected in 2021 as 423 new apartments are delivered. Apartment occupancy is forecast to dip 10 basis points during 2021 to 96.0% by year-end. Operators are expected to keep upward momentum on rent, increasing monthly effective rent an average of 2.5% year over year to $932 in December. Household growth, net migration, and employment expansion in 2022 are projected to accelerate from 2021, fueling positive apartment absorption and improved fundamentals. Average apartment occupancy is forecast to reach 96.2% by year-end 2022, while effective rent rises 3.1% annually to $961 per month.

2021 MARKET AT A GLANCE

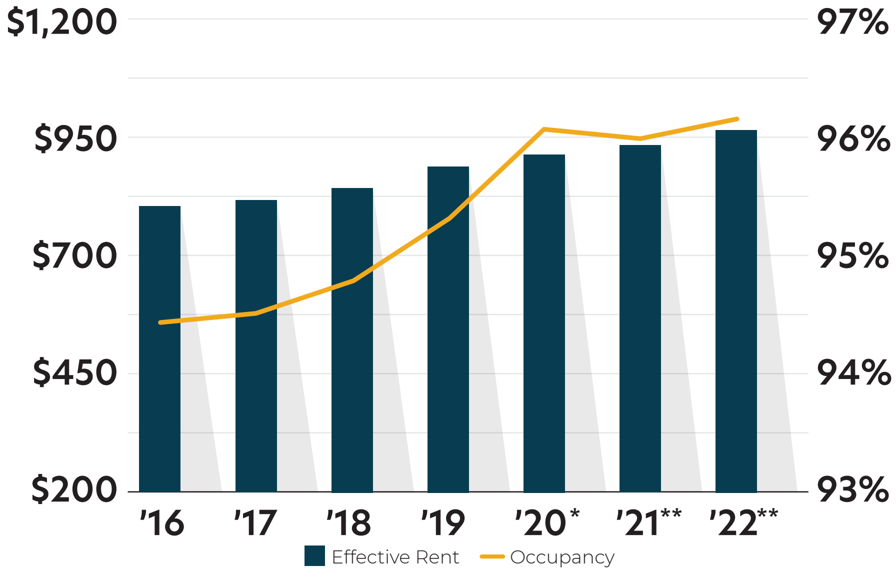
OCCUPANCY RATE
96.0%
Down **10 bps** YOY

EFFECTIVE RENT
$932
Up **2.5%** YOY

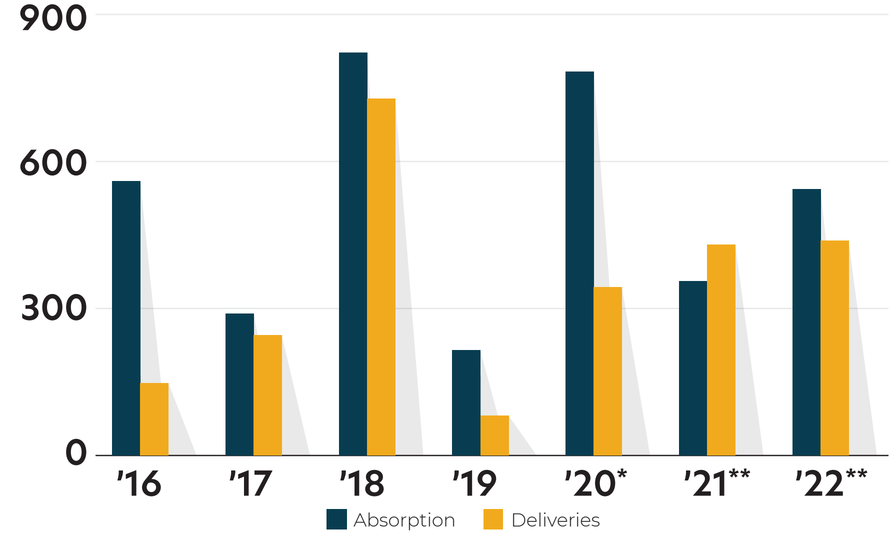
RENT SHARE OF WALLET
18.0%
Up **30 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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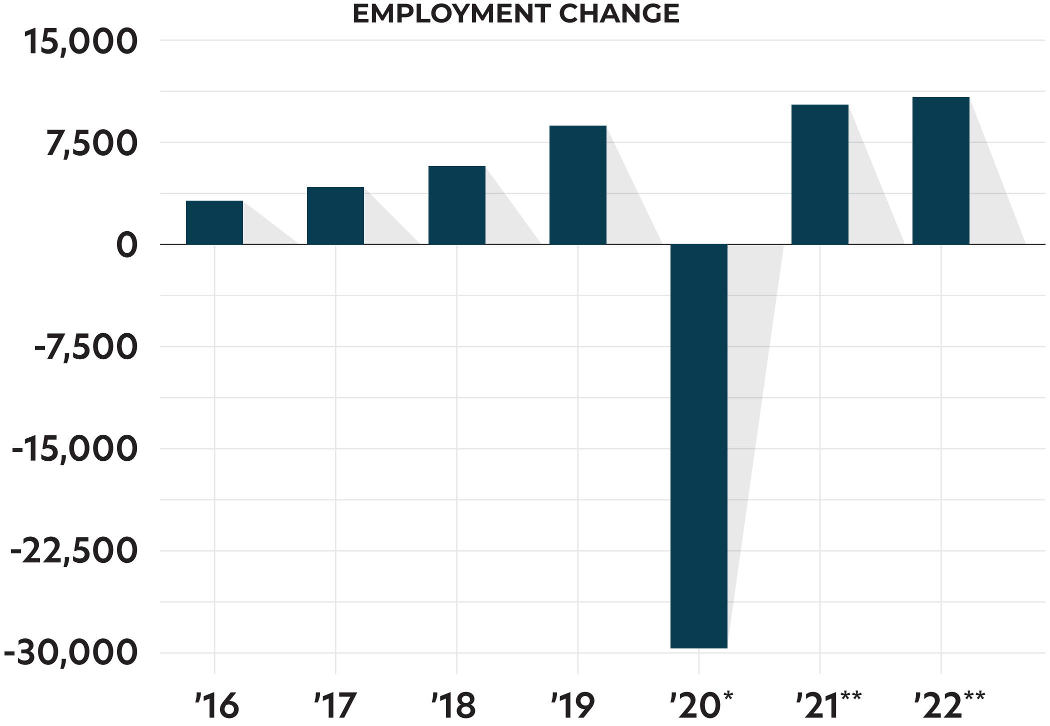
ALBUQUERQUE, NEW MEXICO

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
404,500	-7.3%	374,800	2.6%	384,600

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
4.1%	690 BPS	11.0%	-200 BPS	9.0%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
917,800	0.2%	919,800	0.3%	922,600

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
372,400	0.6%	374,800	0.6%	377,200

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$58,810	5.0%	$61,778	0.5%	$62,110

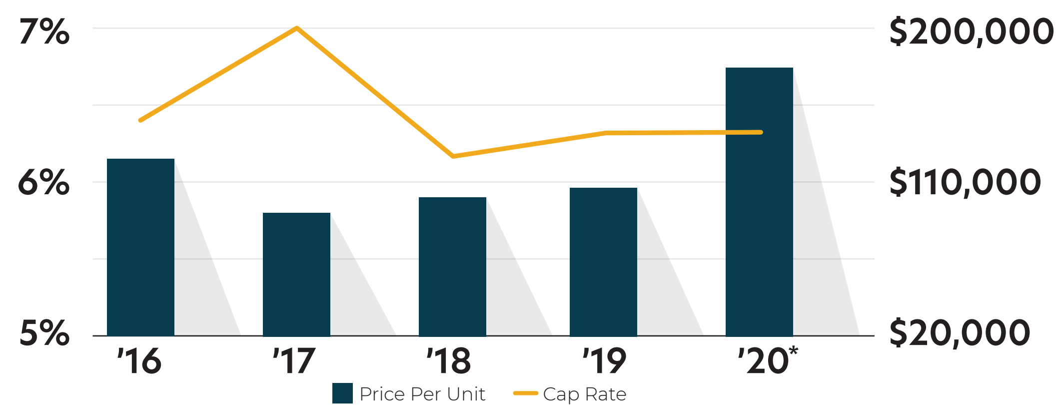
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$107,207	63.0%	$174,751

CAP RATE

2019	YOY CHANGE	2020
6.3%	0 BPS	6.3%



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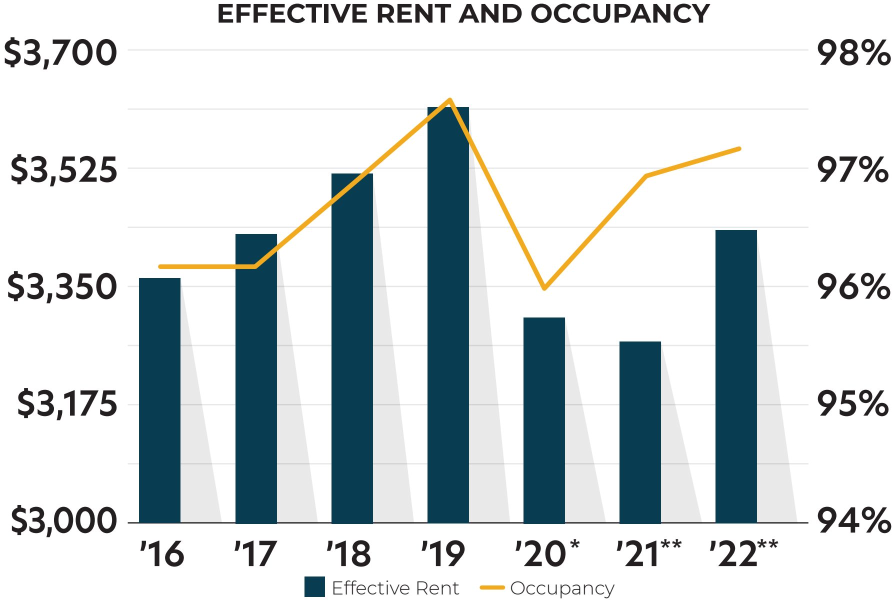
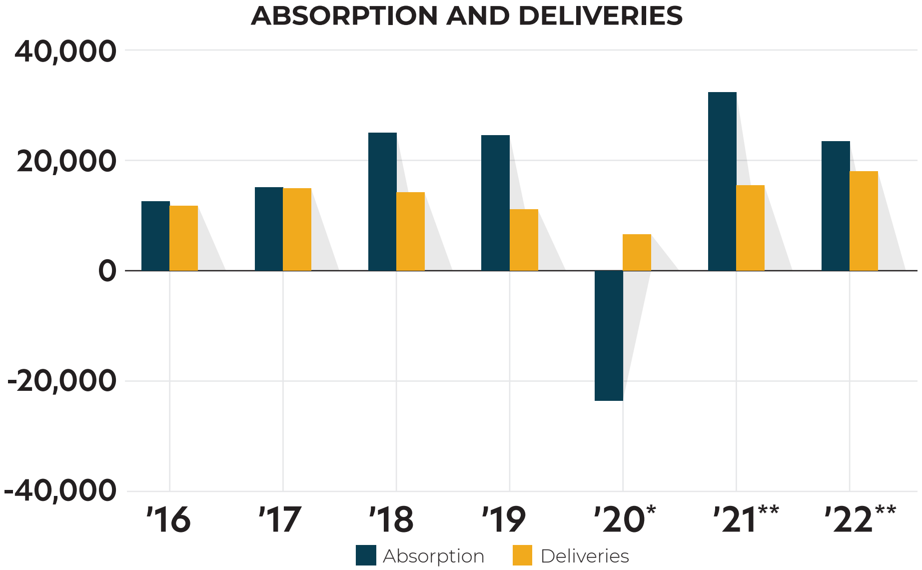
NEW YORK, NEW YORK

BERKADIA®

MARKET TRENDS





2021 MARKET AT A GLANCE

OCCUPANCY RATE
96.9%
Up **90 bps** YOY

EFFECTIVE RENT
$3,264
Down **1.2%** YOY

RENT SHARE OF WALLET
45.5%
Down **130 bps** YOY

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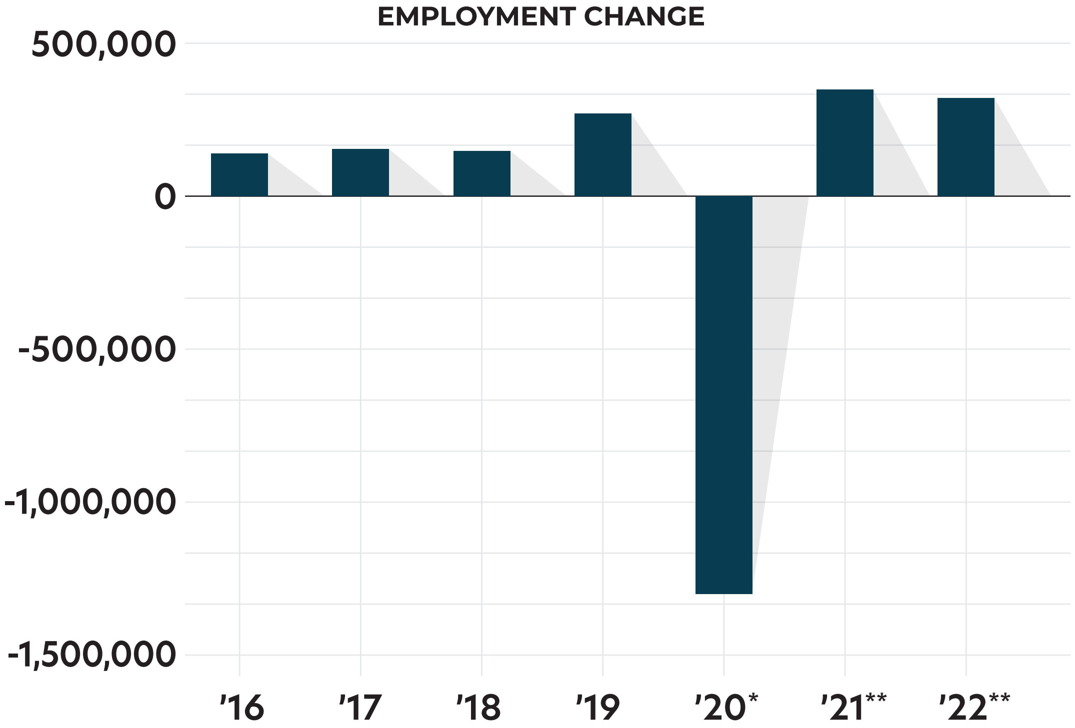
NEW YORK, NEW YORK

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
10,186,300	-12.7%	8,894,200	4.0%	9,246,500

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.4%	1,120 BPS	13.6%	-360 BPS	10.0%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
19,877,400	0.0%	19,873,100	0.1%	19,896,000

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
7,546,000	0.3%	7,564,900	0.2%	7,577,500

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$83,576	1.2%	$84,593	1.8%	$86,117

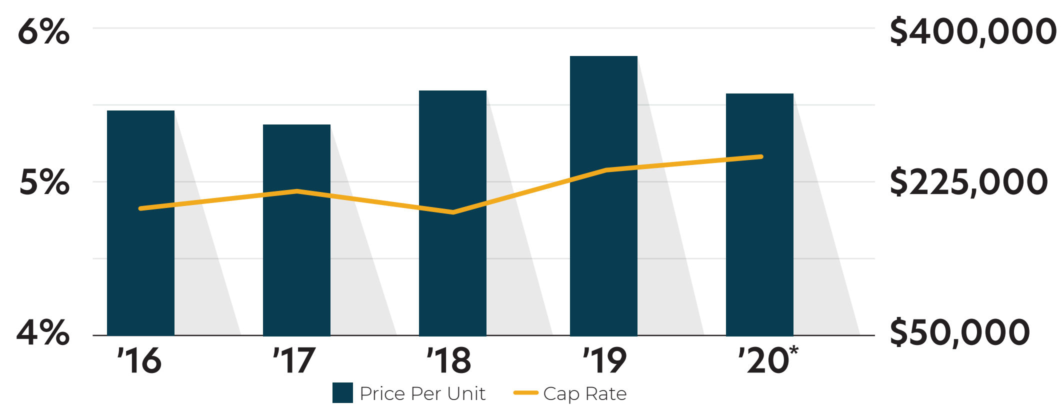
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$366,116	-12.1%	$321,920

CAP RATE

2019	YOY CHANGE	2020
5.1%	10 BPS	5.2%



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CHARLOTTE, NORTH CAROLINA

BERKADIA®

STRONG DEMAND & WAVE OF NEW UNITS SUPPORT RENT GROWTH REBOUND

Durable employers in the information, the financial activities, and the professional and business services sectors closed in on pre-pandemic payroll levels by year-end 2020. This was a major milestone for the Charlotte economy that will recover further with the return of 30,000 students to the University of North Carolina at Charlotte campus. This buoyant economy has also supported the metro's multifamily industry through the end of 2020 and inspired confidence for 2021. By the end of 2020, demand in Charlotte outpaced the previous year with over 8,700 net units absorbed, and occupancy increased 50 basis points to 95.3%. Residents are expected to absorb as many units in 2021 as they did in 2020. Contributing to demand will be the completion of a major expansion at the Charlotte Convention Center, an extension of the LYNX Blue light-rail line, as well as the first phase of the 1,400-acre River District development. Likewise, apartment developers will keep the construction pipeline elevated through 2021. Over 10,200 units are scheduled to come online as the metro's builders continue the blistering pace of new construction that has characterized Charlotte since 2016. Occupancy is projected to fall 50 basis points to 94.8% despite elevated demand due to the historic expansion of the metro's apartment stock. Effective rent is expected to increase 2.2% this year and 2.7% in 2022 after contracting 0.8% last year due to apartment operators raising concessions in response to pandemic-related economic uncertainty.

2021 MARKET AT A GLANCE

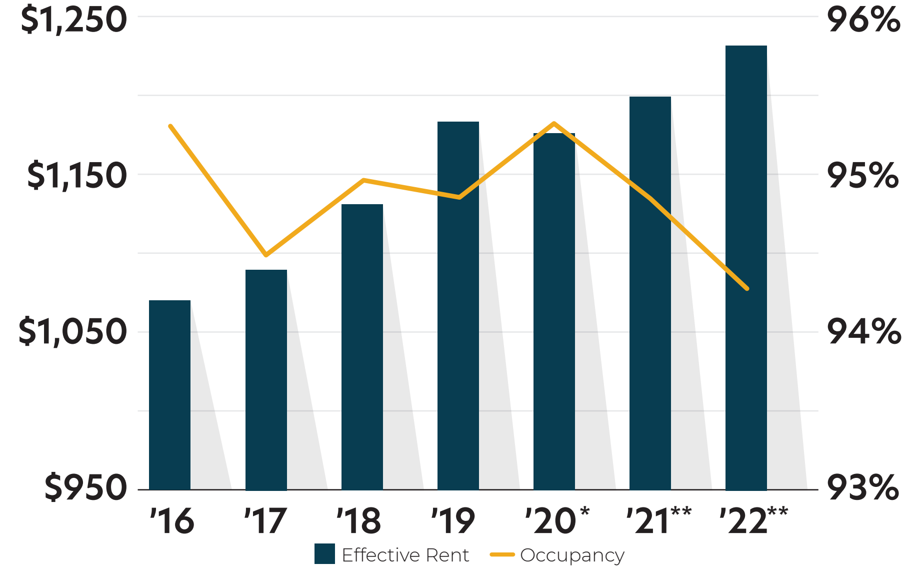
OCCUPANCY RATE
94.8%
Down **50 bps** YOY

EFFECTIVE RENT
$1,196
Up **2.2%** YOY

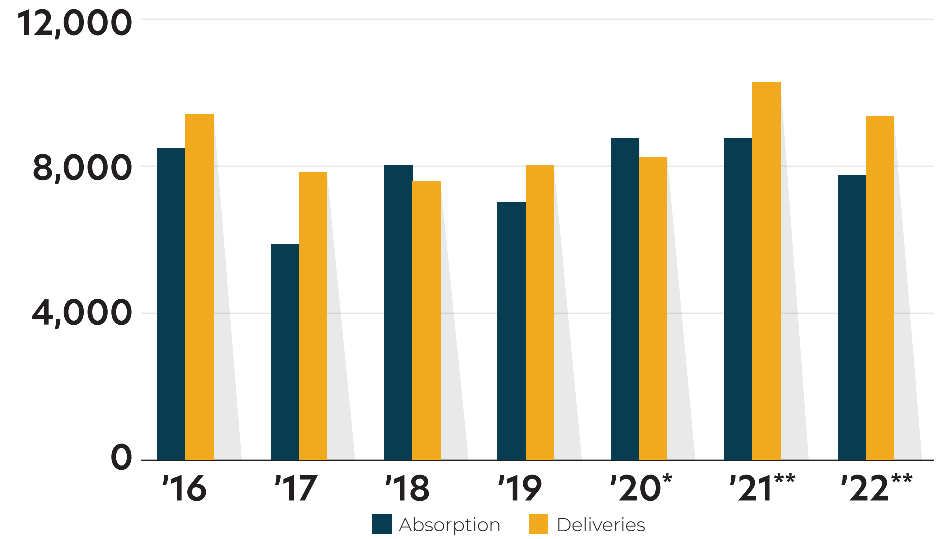
RENT SHARE OF WALLET
20.9%
Up **50 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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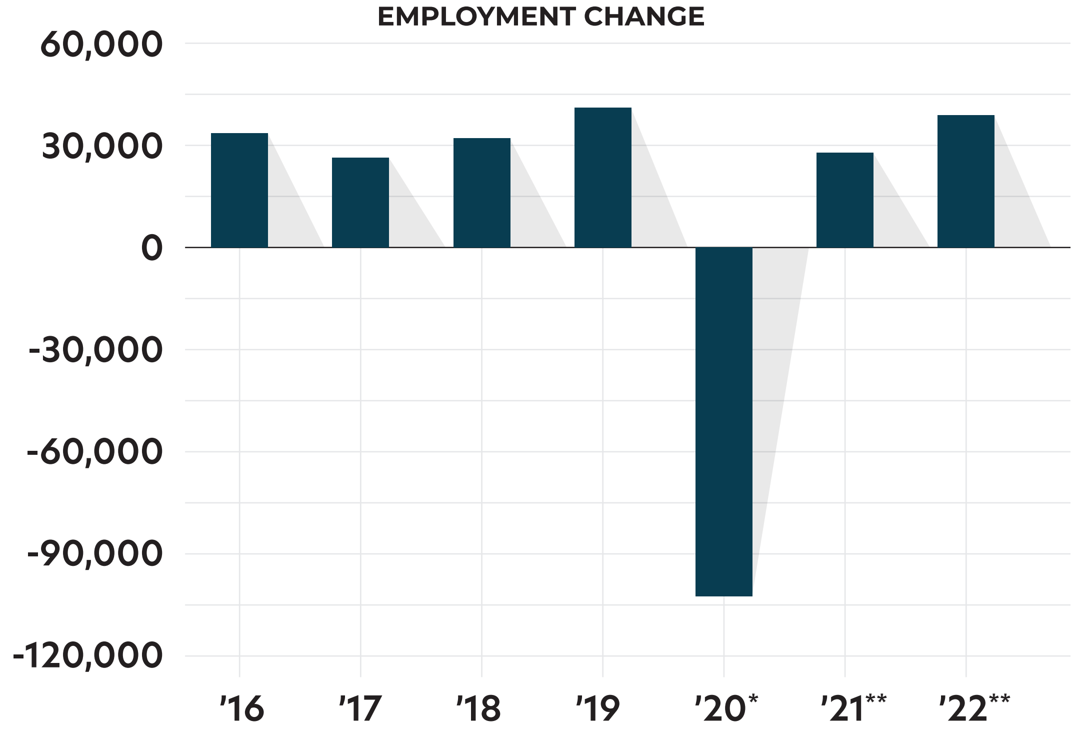
CHARLOTTE, NORTH CAROLINA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,261,000	-8.2%	1,158,000	2.4%	1,185,500

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.5%	570 BPS	8.2%	-110 BPS	7.1%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,634,200	1.2%	2,664,900	1.2%	2,696,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,018,000	1.7%	1,035,300	2.0%	1,056,200

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$66,010	4.4%	$68,918	-0.5%	$68,585

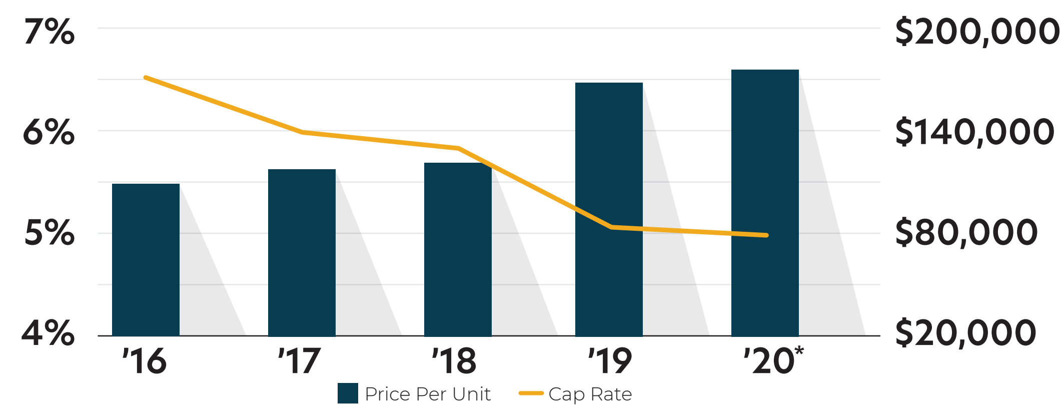
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$167,024	5.5%	$176,180

CAP RATE

2019	YOY CHANGE	2020
5.1%	-10 BPS	5.0%



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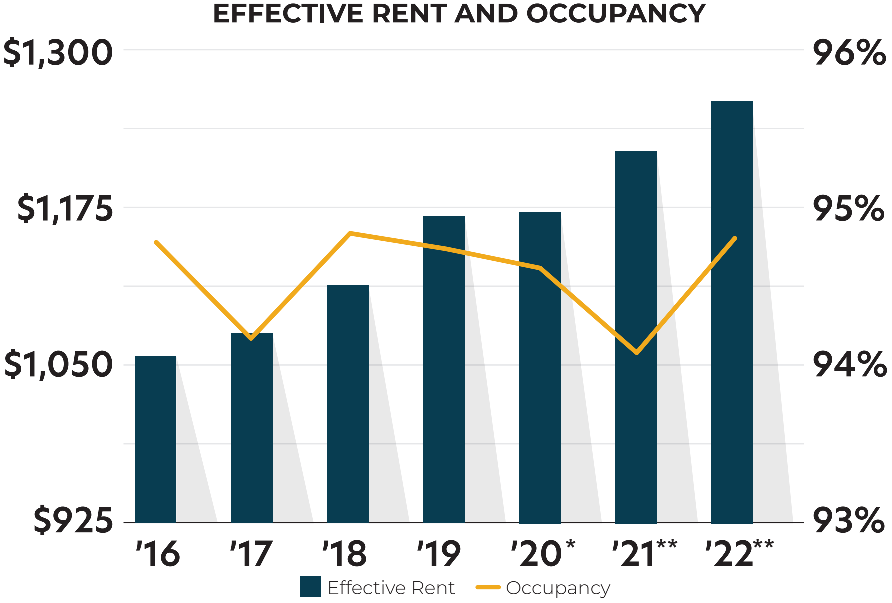
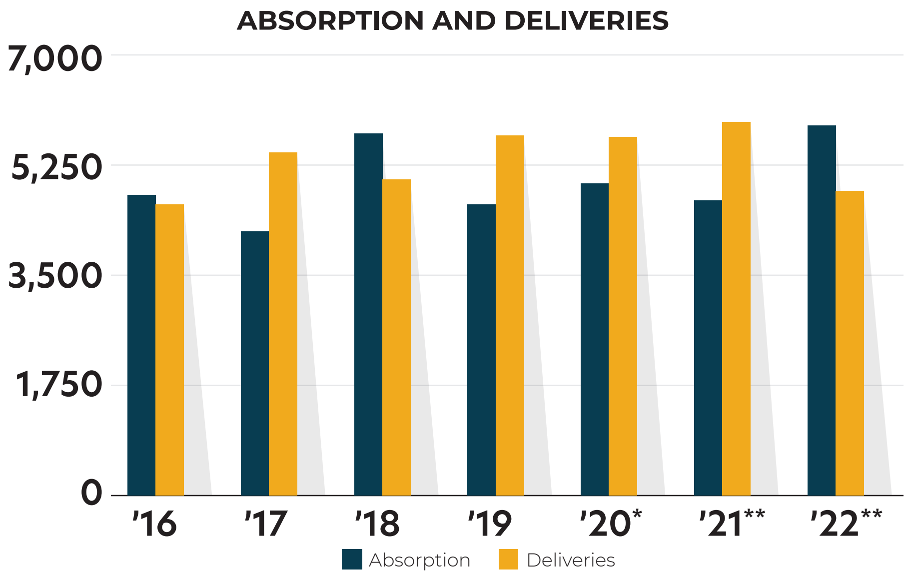
RALEIGH-DURHAM, NORTH CAROLINA

BERKADIA®

MARKET TRENDS





2021 MARKET AT A GLANCE

OCCUPANCY RATE
94.1%
Down **50 bps** YOY

EFFECTIVE RENT
$1,219
Up **4.4%** YOY

RENT SHARE OF WALLET
18.8%
Up **90 bps** YOY

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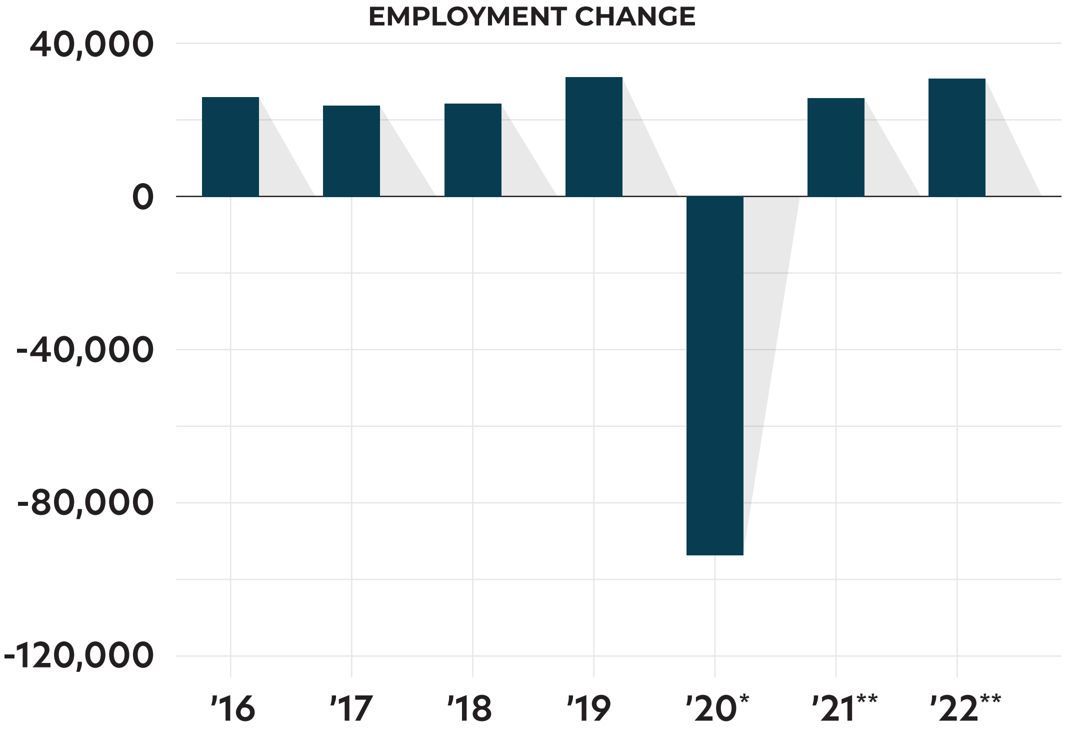
RALEIGH-DURHAM, NORTH CAROLINA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
991,400	-9.3%	898,800	2.7%	923,400

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.6%	420 BPS	6.8%	-80 BPS	6.0%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,995,400	1.4%	2,024,300	1.5%	2,054,500

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
775,400	1.9%	790,200	2.3%	808,000

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$74,806	4.5%	$78,195	-0.4%	$77,908

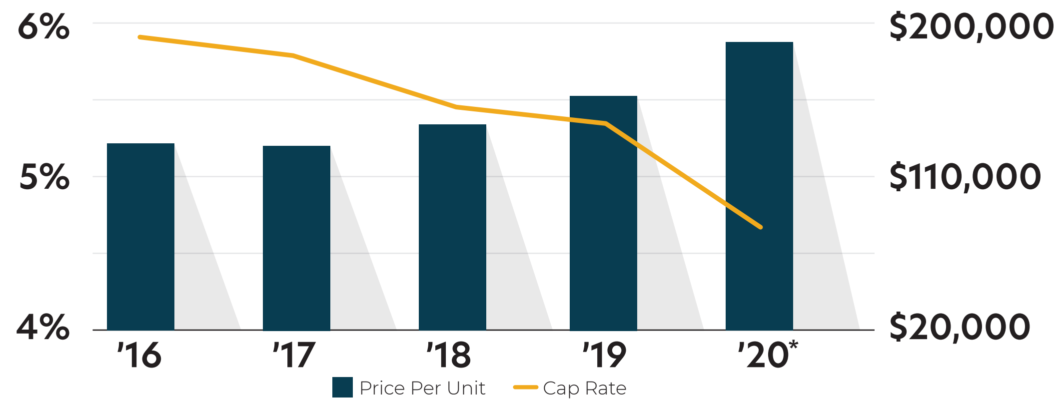
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$155,963	20.4%	$187,777

CAP RATE

2019	YOY CHANGE	2020
5.2%	-50 BPS	4.7%



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CINCINNATI, OHIO

APARTMENT CONSTRUCTION RAMPS UP WITH DEMAND TO FOLLOW IN 2021

Persistent economic development in Central Cincinnati and one of the nation's tightest single-family home markets supported continued rent growth and a bevy of new apartment construction in 2020 and 2021 for the Cincinnati multifamily industry. Developers brought 2,165 units online in 2020, more than doubling deliveries from the previous year. This trend occurred amid an annual drop in apartment demand caused by COVID-19. Apartment operators increased concessions, but effective rent still rose 2.2% to $1,018 over the past 12 months. Multiple factors are stoking long-term optimism for multifamily in Cincinnati: apartment demand metrowide is expected to ramp up over the next 12 months in concert with new office and retail development in the Central Cincinnati and Northeast Cincinnati/Warren County submarkets. Likewise, effective rent is expected to increase, up 1.6% to $1,034 by the end of 2021. Occupancy is projected to drop 40 basis points this year to 95.8% due to supply-side pressure but will continue to exceed the five-year annual average. In the Central Cincinnati submarket, the metro's central business district is humming with historic office redevelopments that have succeeded in attracting relocating companies across multiple industries, including several law firms encouraged by pandemic conditions to seek out cost-effective space in a rapidly modernizing urban environment. Further enhancing the appeal of the submarket to potential renters are projects like an $80 million-mixed-use development planned in the Over-The-Rhine neighborhood that will incorporate modern amenities like built-in coworking environments and public art galleries.

2021 MARKET AT A GLANCE

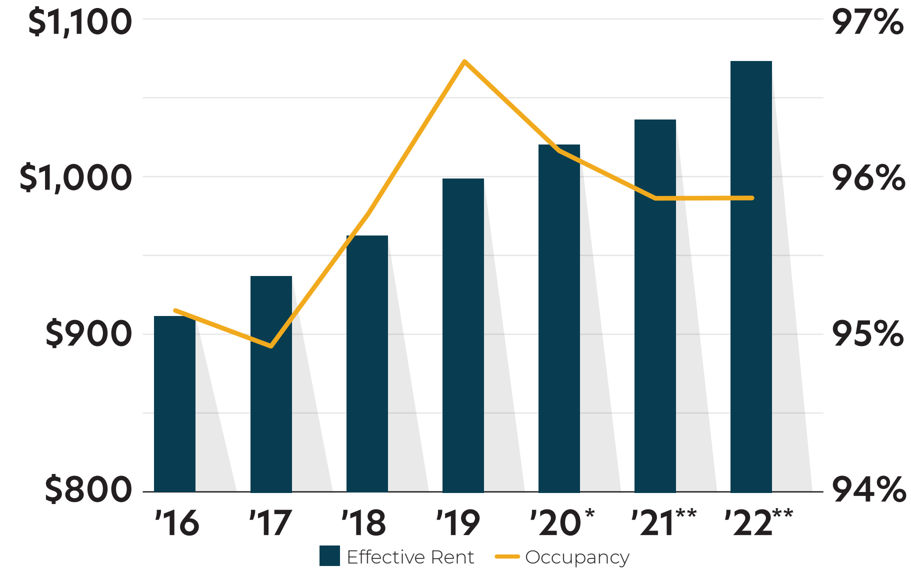
OCCUPANCY RATE
95.8%
Down **40 bps** YOY

EFFECTIVE RENT
$1,034
Up **1.6%** YOY

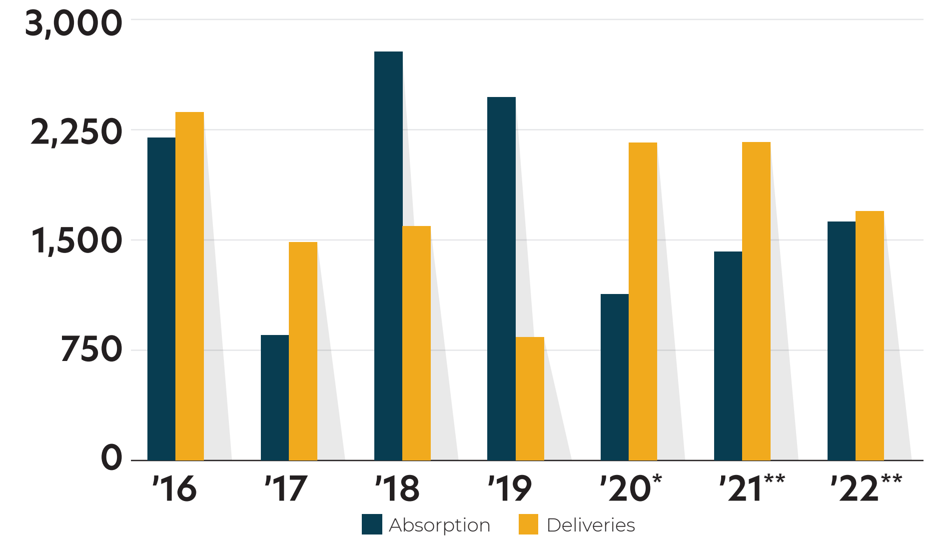
RENT SHARE OF WALLET
18.1%
Up **30 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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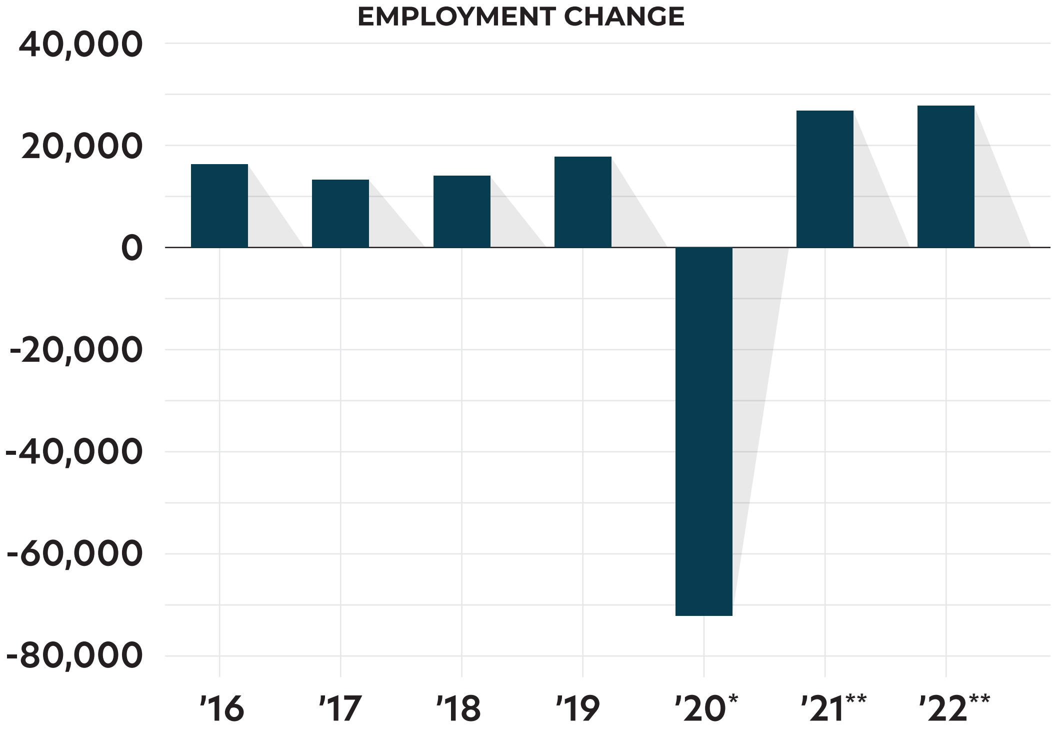
CINCINNATI, OHIO

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,131,500	-6.4%	1,059,200	2.5%	1,085,900

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.9%	390 BPS	6.8%	-80 BPS	6.0%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,204,000	0.6%	2,217,400	0.6%	2,230,400

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
872,700	0.9%	880,200	0.7%	886,800

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$66,367	3.3%	$68,542	-0.2%	$68,421

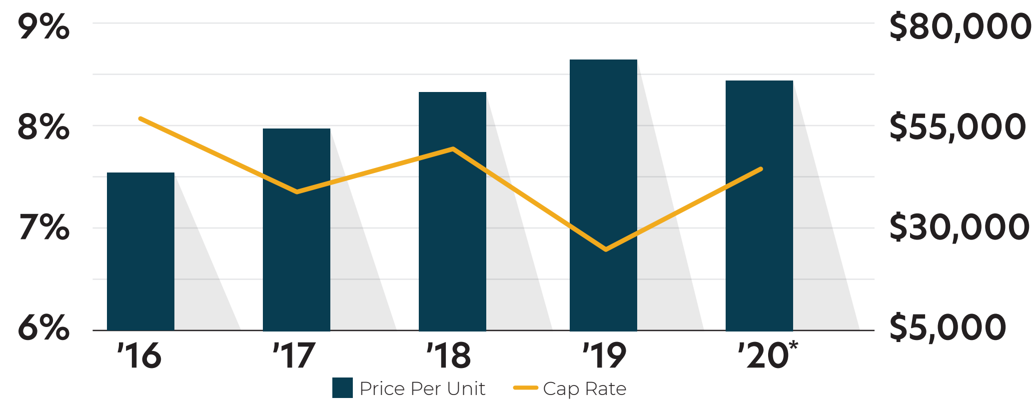
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$70,301	-8.4%	$64,422

CAP RATE

2019	YOY CHANGE	2020
6.8%	80 BPS	7.6%



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CLEVELAND, OHIO

BERKADIA®

MAJOR DEVELOPMENTS UNDERWAY BODE WELL FOR CLEVELAND'S RECOVERY

Multifamily developers completed 1,513 apartment units in the Cleveland metro area in 2020, nearly 90% of which were in the urban core and consisted mostly of Class A stock. Metrowide, occupancy among Class A apartment communities slipped 170 basis points during 2020, fueled by heightened competition among Class A apartments, the economic disruption caused by the pandemic, and the ease at which many households could transition to homeownership. Among all apartment classes, average occupancy was 96.0% by year-end 2020, just 20 basis points lower than one year prior. Average effective rent reached $976 per month in the fourth quarter, a 0.7% year-over-year increase. The decelerating apartment fundamentals followed 207,800 jobs lost from January to May 2020. Employment recovery began in the last half of 2020. December monthly unemployment was 9.2% compared to May's 18.5% jobless rate. Going forward, several developments will tremendously aid the metro's recovery. Cleveland Clinic has three major local projects underway that, when completed, will require the company to hire 1,300 doctors, nurses, and technicians. In Elyria, Carvana plans to build a 200,000-square-foot vehicle reconditioning facility staffed with 400 workers. Sherwin-Williams Company is opening a 500,000-square-foot research and development center in Brecksville and in 2024 will move more than 3,500 workers into its new headquarters building in Downtown Cleveland. All these developments pose a potential upside for the local apartment market. Over the next two years, metrowide apartment occupancy is projected to remain over 95%, and effective rent growth is forecast to rise 4.2%.

2021 MARKET AT A GLANCE

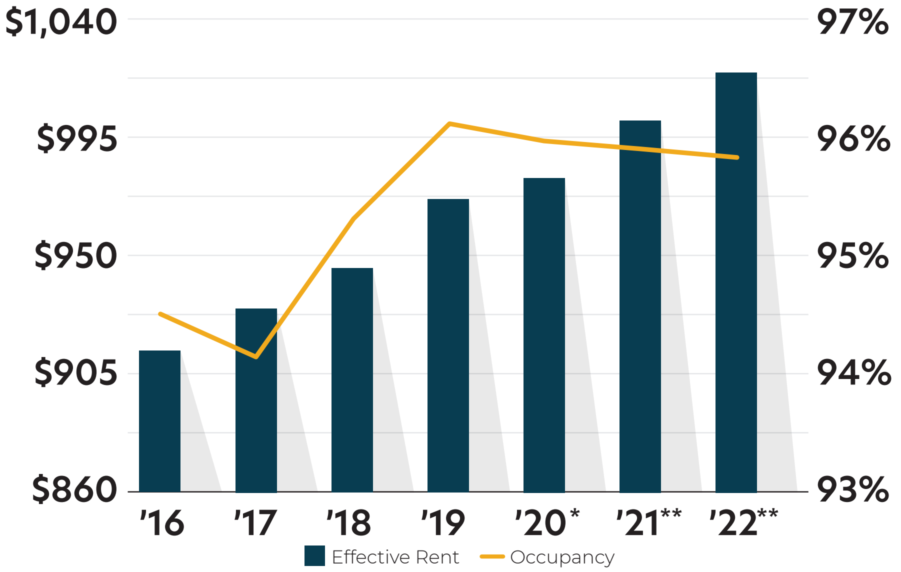
OCCUPANCY RATE
95.9%
Down **10 bps** YOY

EFFECTIVE RENT
$999
Up **2.4%** YOY

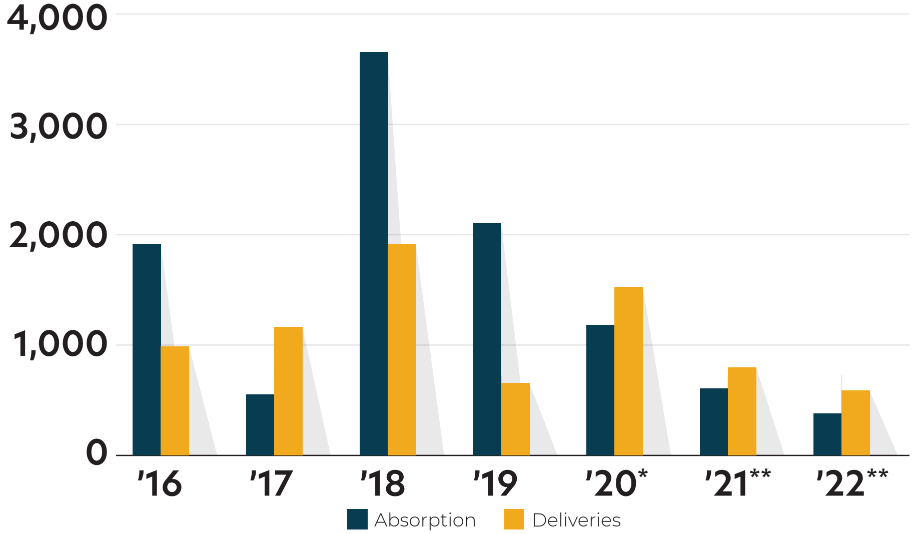
RENT SHARE OF WALLET
20.5%
Up **40 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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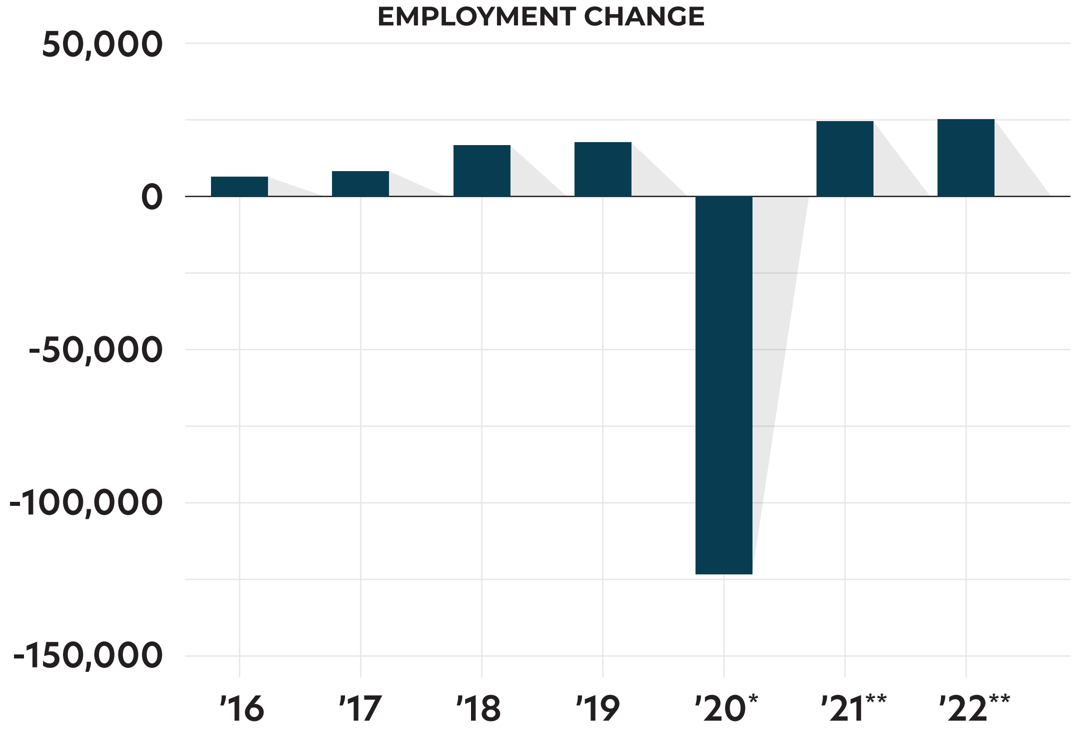
CLEVELAND, OHIO

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT				
2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,093,000	-11.2%	970,300	2.3%	993,000

UNEMPLOYMENT RATE				
2019	YOY CHANGE	2020	YOY CHANGE	2021
2.9%	630 BPS	9.2%	-210 BPS	7.1%

POPULATION				
2019	YOY CHANGE	2020	YOY CHANGE	2021
2,045,700	-0.2%	2,042,400	-0.2%	2,038,500

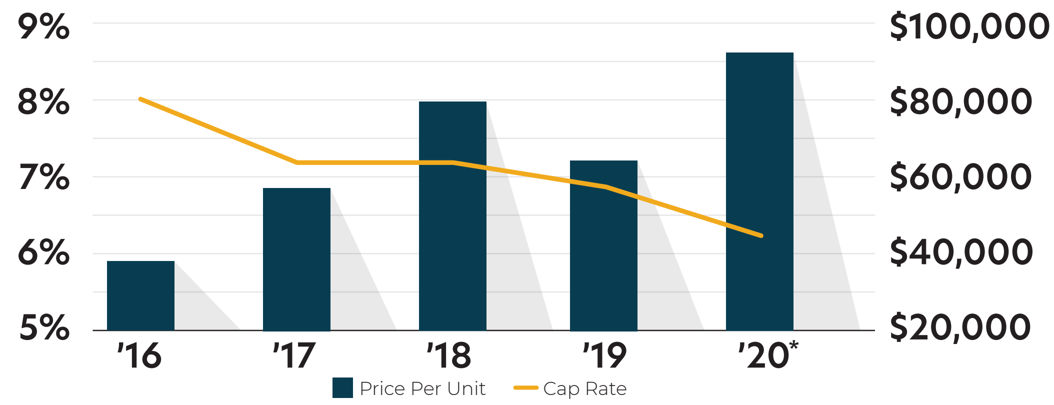
HOUSEHOLDS				
2019	YOY CHANGE	2020	YOY CHANGE	2021
862,100	0.2%	863,500	0.1%	864,000

MEDIAN HOUSEHOLD INCOME				
2019	YOY CHANGE	2020	YOY CHANGE	2021
$56,658	3.0%	$58,385	0.1%	$58,465

SALES TRENDS

PRICE PER UNIT		
2019	YOY CHANGE	2020*
$63,300	45.2%	$91,895

CAP RATE		
2019	YOY CHANGE	2020
6.9%	-60 BPS	6.3%



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COLUMBUS, OHIO

BERKADIA®

NUMEROUS MAJOR DEVELOPMENTS TO AID LOCAL ECONOMIC RECOVERY

The Columbus metro area's economy is on a solid path to recovery that is expected to continue through at least 2022. From May to December 2020, businesses and institutions added back nearly 40% of the 176,000 jobs lost earlier in the year. The pandemic had a cooling effect on apartment leasing activity, which lagged deliveries, leading to a 30-basis-point reduction in occupancy by year-end 2020. At the same time, average monthly effective rent was $1,005, a 1.6% annual gain. The pace of annual deliveries over the last few years will continue through 2021 and 2022 with a total of more than 6,700 new apartments. Apartment demand will remain vigorous, but will still trail deliveries by about 10%, spurring a 20-basis-point reduction in occupancy from December 2020 to December 2022. By year-end 2022, average monthly effective rent is forecast to reach $1,046, the result of 1.3% growth this year and a 2.8% increase in 2022. At the conclusion of 2022, payrolls in half of the employment sectors are projected to reach at least 95% of their pre-pandemic levels. The economic rebound will be aided by 600 positions filled at the new FedEx Corporation automated distribution center in Plain City and 300 new jobs following completion of the Ashley Furniture Industries Inc. distribution hub in Etna. Additionally, Carvana plans to hire 400 workers in Heath by 2023, and Amazon.com Inc. will fill up to 1,000 positions at a new fulfillment center in New Albany by 2024.

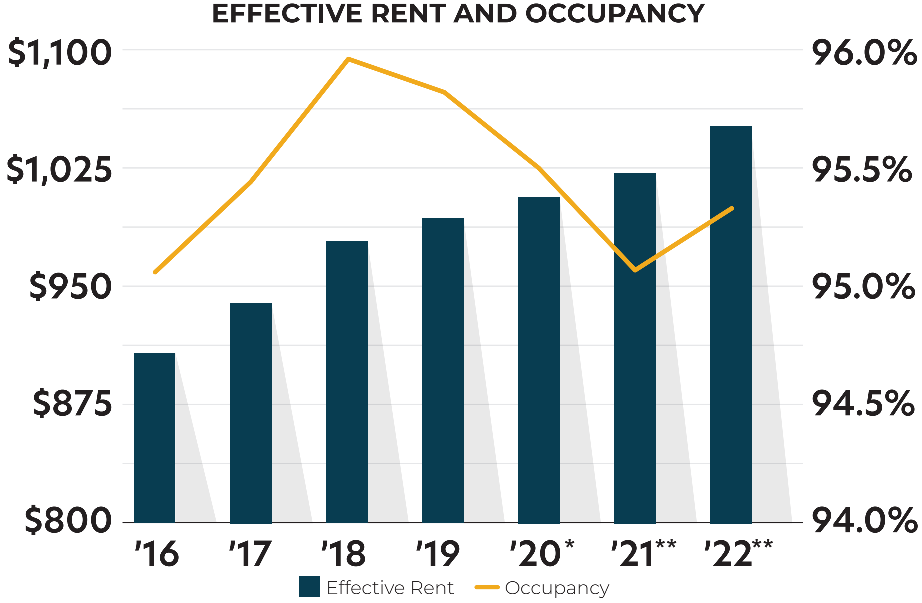
2021 MARKET AT A GLANCE

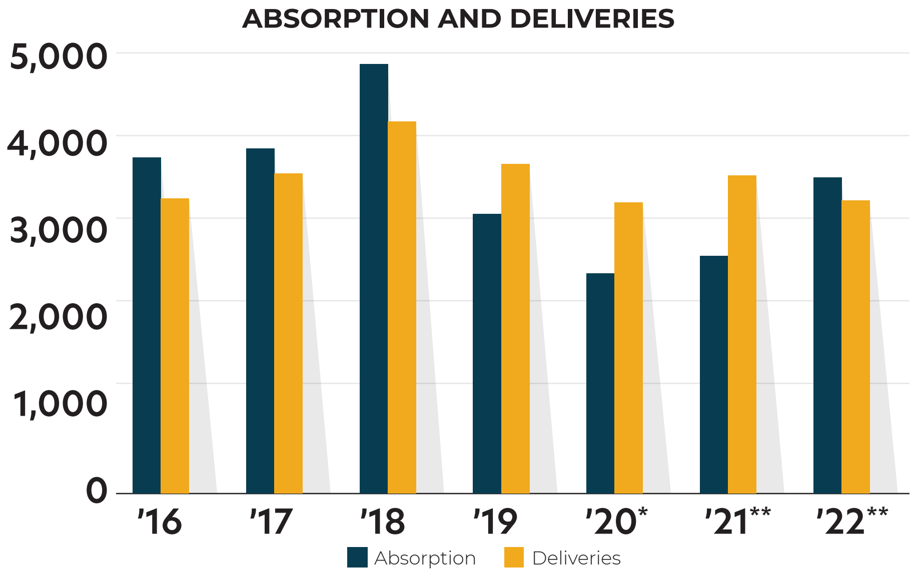
OCCUPANCY RATE
95.1%
Down **40 bps** YOY

EFFECTIVE RENT
$1,018
Up **1.3%** YOY

RENT SHARE OF WALLET
17.8%
Up **20 bps** YOY

MARKET TRENDS





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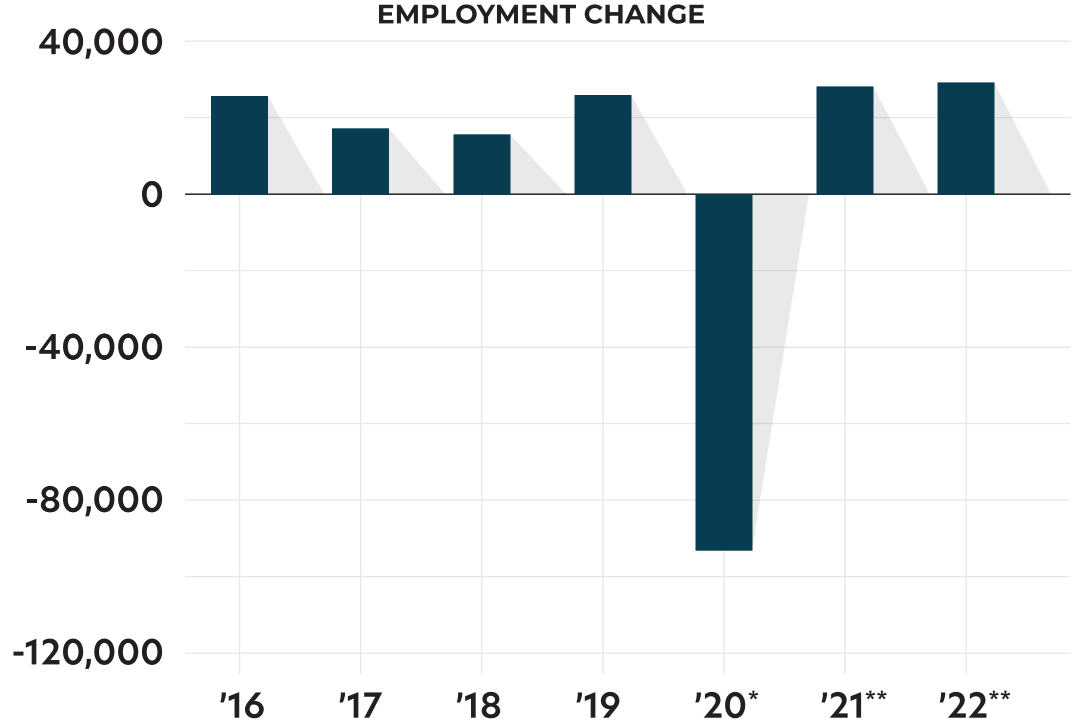
COLUMBUS, OHIO

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,129,900	-8.2%	1,037,300	2.7%	1,064,800

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.7%	440 BPS	7.1%	-100 BPS	6.1%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,133,600	1.2%	2,158,800	1.2%	2,183,700

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
841,700	1.4%	853,200	1.2%	863,800

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$66,813	2.5%	$68,479	0.0%	$68,453

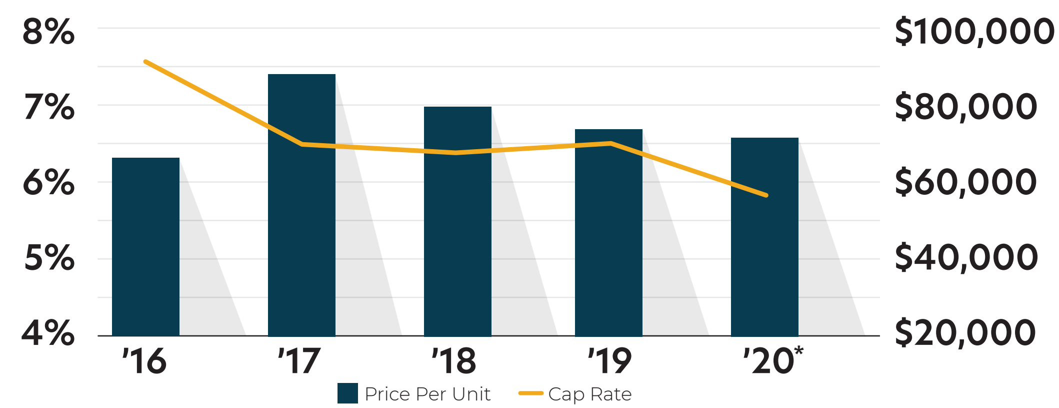
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$73,152	-3.9%	$70,326

CAP RATE

2019	YOY CHANGE	2020
6.5%	-70 BPS	5.8%



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OKLAHOMA CITY, OKLAHOMA

2021 MARKET AT A GLANCE

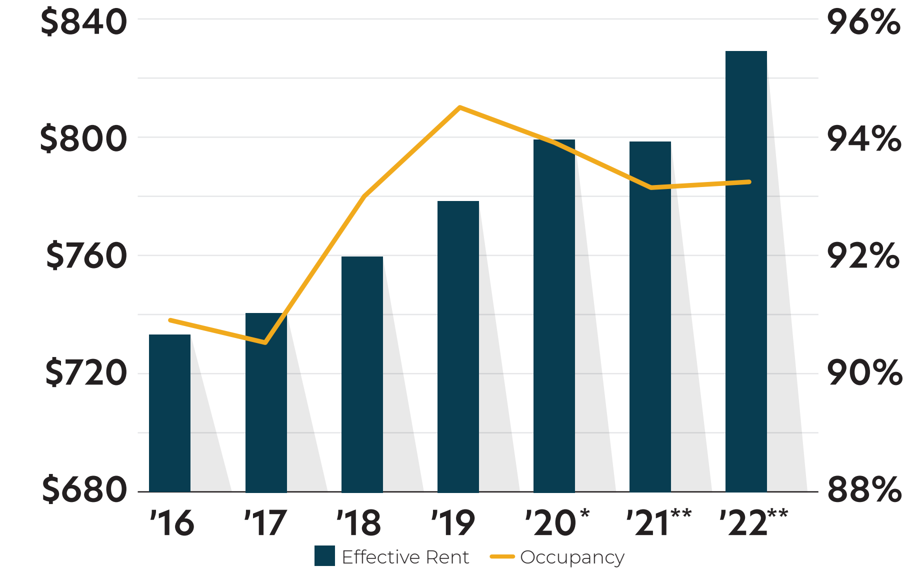
OCCUPANCY RATE
93.2%
Down **70 bps** YOY

EFFECTIVE RENT
$797
Down **0.1%** YOY

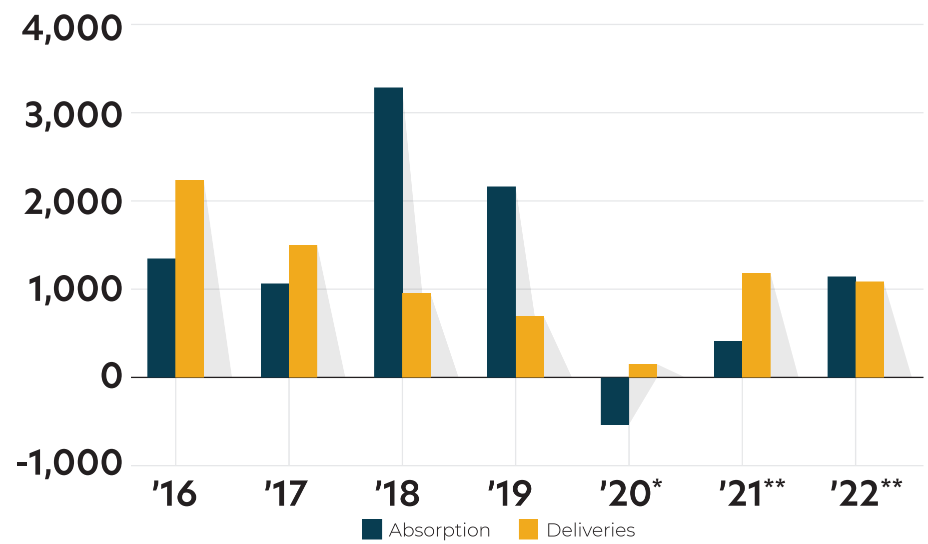
RENT SHARE OF WALLET
16.1%
Up **10 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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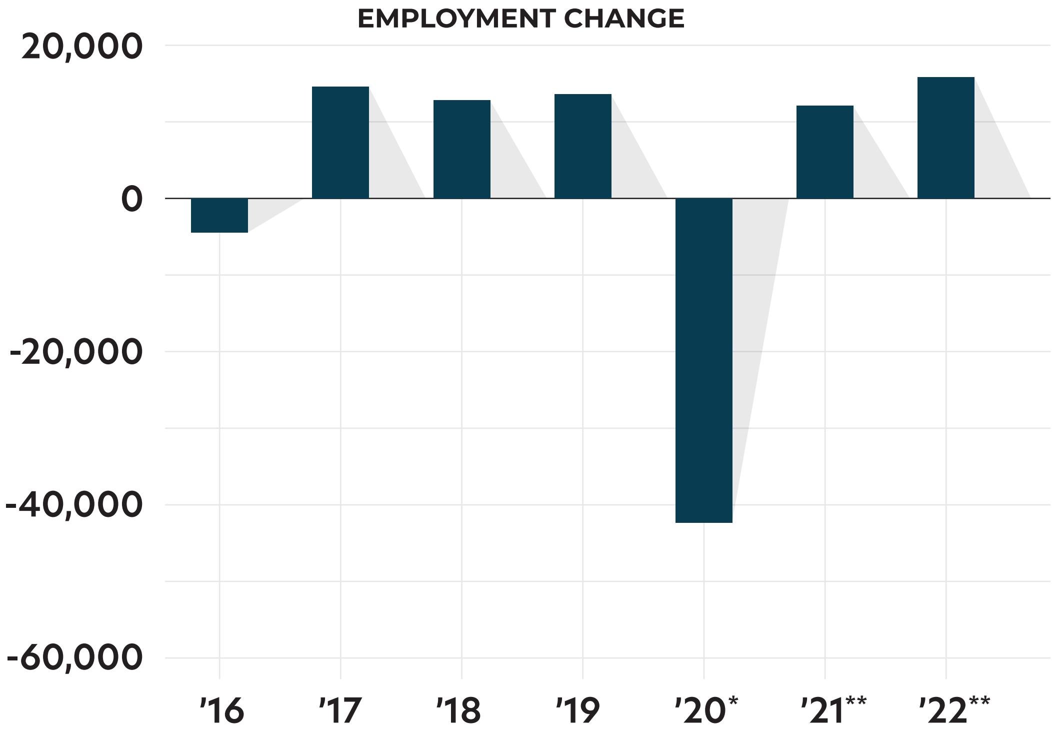
OKLAHOMA CITY, OKLAHOMA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
669,100	-6.3%	627,100	1.9%	639,000

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.1%	410 BPS	6.2%	-130 BPS	4.9%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,415,400	0.9%	1,427,900	0.8%	1,439,400

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
567,700	1.1%	574,100	1.0%	580,100

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$59,769	-0.1%	$59,709	-0.6%	$59,347

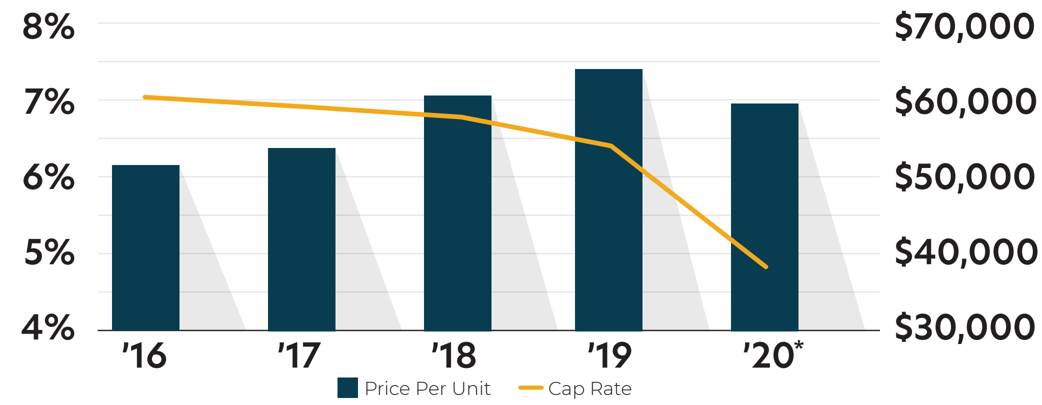
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$63,732	-7.6%	$58,894

CAP RATE

2019	YOY CHANGE	2020
6.4%	-160 BPS	4.8%



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TULSA, OKLAHOMA

2021 MARKET AT A GLANCE

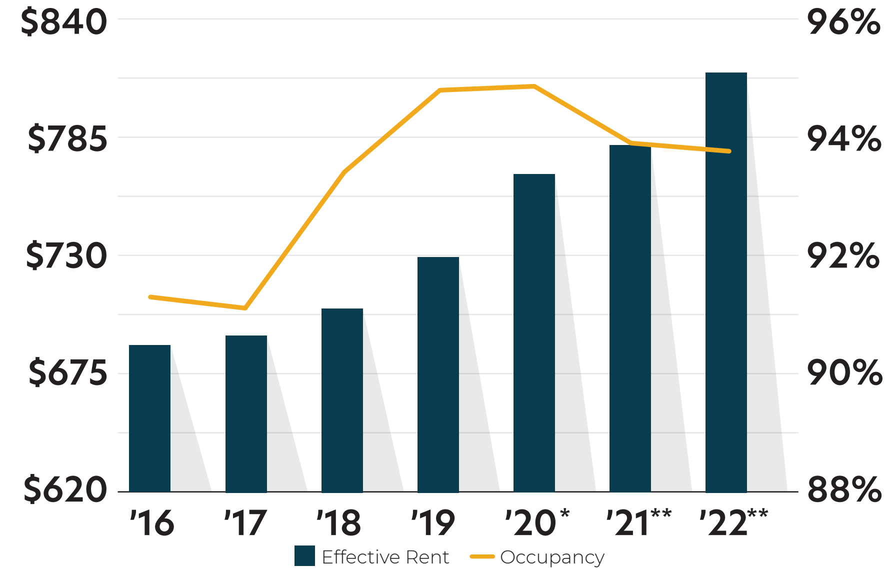
OCCUPANCY RATE
93.8%
Down **100 bps** YOY

EFFECTIVE RENT
$777
Up **1.7%** YOY

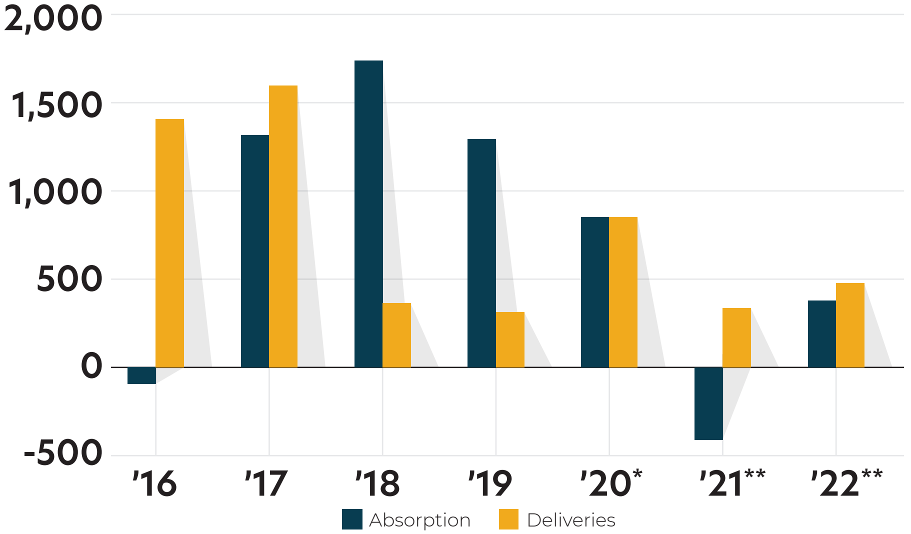
RENT SHARE OF WALLET
16.3%
Up **40 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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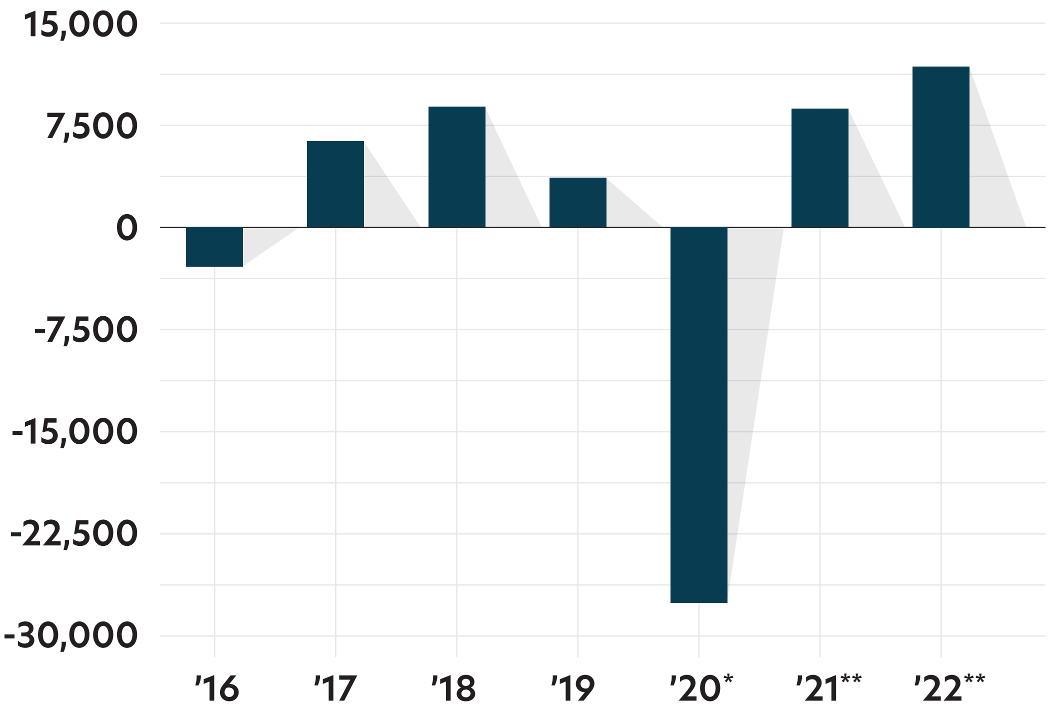
TULSA, OKLAHOMA

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
463,000	-6.0%	435,100	1.9%	443,400

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.3%	460 BPS	6.9%	-120 BPS	5.7%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,001,000	0.5%	1,005,600	0.4%	1,009,600

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
403,100	0.9%	406,600	0.8%	409,900

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$56,988	1.2%	$57,672	-1.0%	$57,075

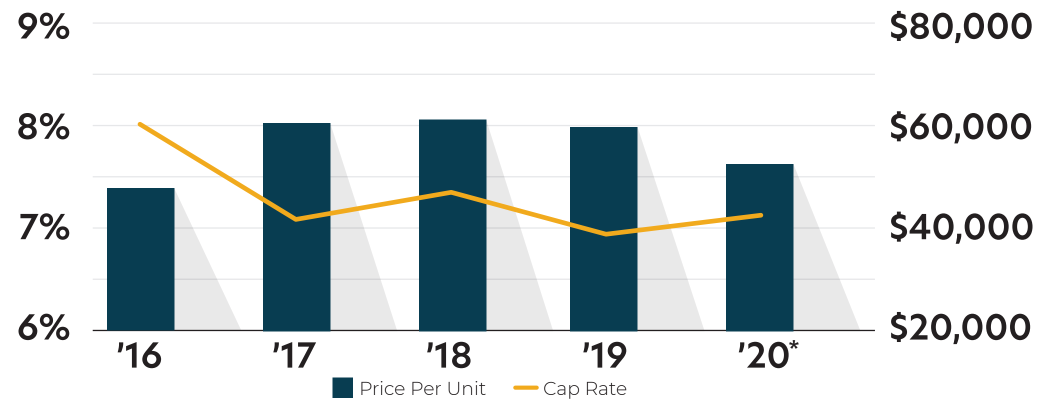
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$59,922	-13.0%	$52,127

CAP RATE

2019	YOY CHANGE	2020
6.9%	20 BPS	7.1%



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PORTLAND, OREGON

BERKADIA®

PORTLAND'S DRAW HELPS SUSTAIN APARTMENT DEMAND, HEALTHY FUNDAMENTALS

As the Portland economy continues to recover from the effects of the pandemic, demand for housing is projected to outpace development. After employment contracted nearly 9% in 2020, every employment sector is forecast to post gains over the next 12 months. A significant share of the additions will be among the white-collar industries of information, financial activities, and professional and business services. These positions typically pay one-third higher than the metro average and will contribute to healthy in-migration in 2021. More highly paid jobs will be needed as the apartment construction wave will crest this year as nearly 7,000 units are scheduled to come online. Contributing to the peak deliveries this year were construction delays last year due to disruptions in the labor force and materials pipeline brought on by the pandemic. Strategically located developments in the Central Portland and the Vancouver submarkets will underpin robust leasing activity in the metro. Heightened demand is expected to span all apartment stock this year as average occupancy rises for each class. Overall, Greater Portland occupancy is forecast to elevate 20 basis points year over year to an average of 95.3% by year-end. With occupancy rising amid an influx of new inventory, annual effective rent growth is projected to surpass the five-year average. Even amid city and state rent control legislation, monthly effective rent is forecast to advance 2.3% this year to an average of $1,442.

2021 MARKET AT A GLANCE

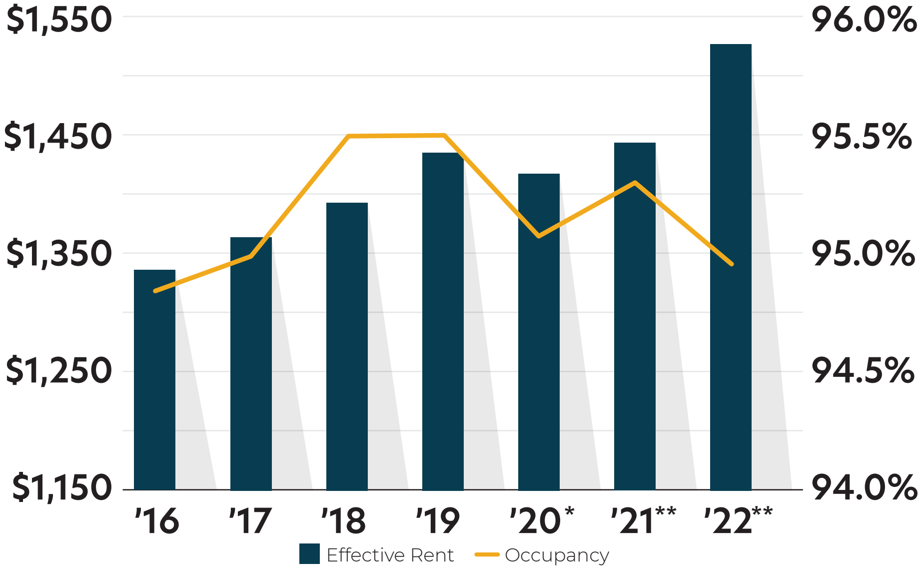
OCCUPANCY RATE
95.3%
Up **20 bps** YOY

EFFECTIVE RENT
$1,442
Up **2.3%** YOY

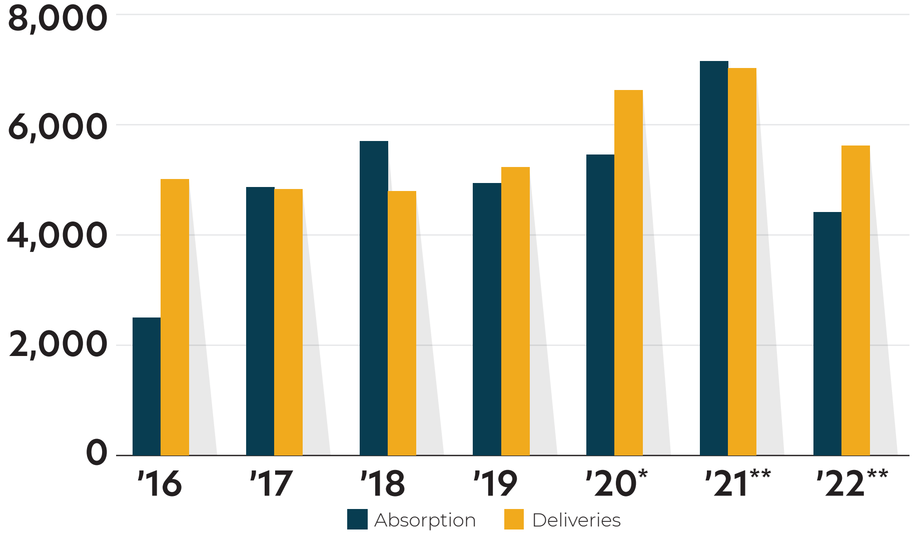
RENT SHARE OF WALLET
21.9%
Up **20 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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PORTLAND, OREGON

BERKADIA®

EMPLOYMENT TRENDS

EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,241,800	-8.7%	1,134,000	2.6%	1,163,300

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.2%	730 BPS	9.5%	-100 BPS	8.5%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,509,100	1.1%	2,535,500	1.1%	2,563,100

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
975,200	1.5%	989,600	1.8%	1,007,700

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$78,204	-0.2%	$78,083	1.2%	$79,019

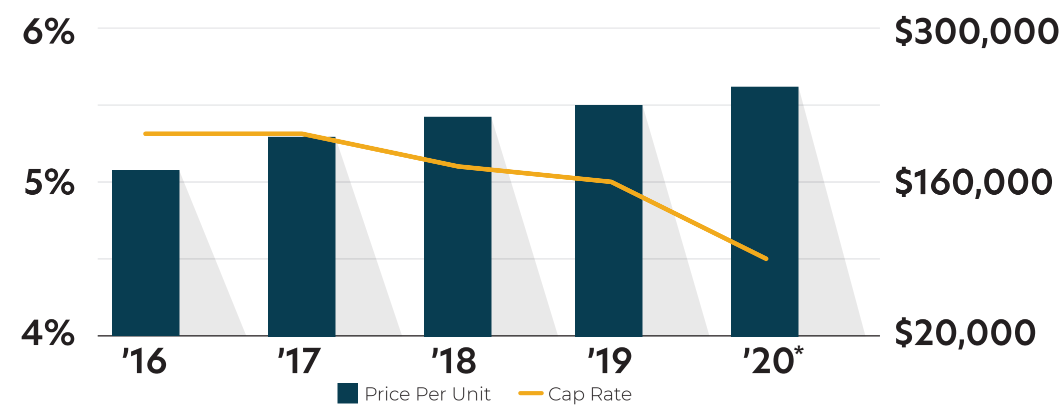
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$225,757	8.2%	$244,206

CAP RATE

2019	YOY CHANGE	2020
5.0%	-50 BPS	4.5%



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PHILADELPHIA, PENNSYLVANIA

BERKADIA®

STRATEGIC APARTMENT DEVELOPMENT TAPPING UNMET DEMAND

With apartment occupancy rising in recent years as limited single-family housing was available for sale across the Philadelphia metropolitan area, apartment construction elevated in kind to reach a cycle peak in 2020. Deliveries were focused on the western portion of the metro in the neighboring Norristown/Upper Merion/Lower Merion and Chester County submarkets. These additions as well as an increase in concessions facilitated positive leasing activity as these areas led all others in annual absorption last year. The strategic development will be further highlighted this year as deliveries concentrate in the Center City Philadelphia submarket. While these communities may take longer to reach lease-up due to the impact of the pandemic in the near term, annual apartment absorption is forecast to be highest in the submarket with major employers like Penn Medicine continuing to expand. Even with sustained apartment demand, Center City Philadelphia leasing activity will trail inventory growth. The submarket trend will reflect the market. With nearly 5,800 units scheduled to come online across Greater Philadelphia over the next four quarters, the supply-demand imbalance is expected to shift down occupancy 40 basis points over 2021. At an average of 95.8% by year-end, apartment occupancy would still be 10 basis points higher than the five-year average. With occupancy forecast to remain at healthy levels amid steady inventory expansion, apartment operators are predicted to accelerate rent growth. After advancing 0.4% last year, monthly effective rent is projected to reach $1,439 by year-end 2021, a 3.1% annual increase.

2021 MARKET AT A GLANCE

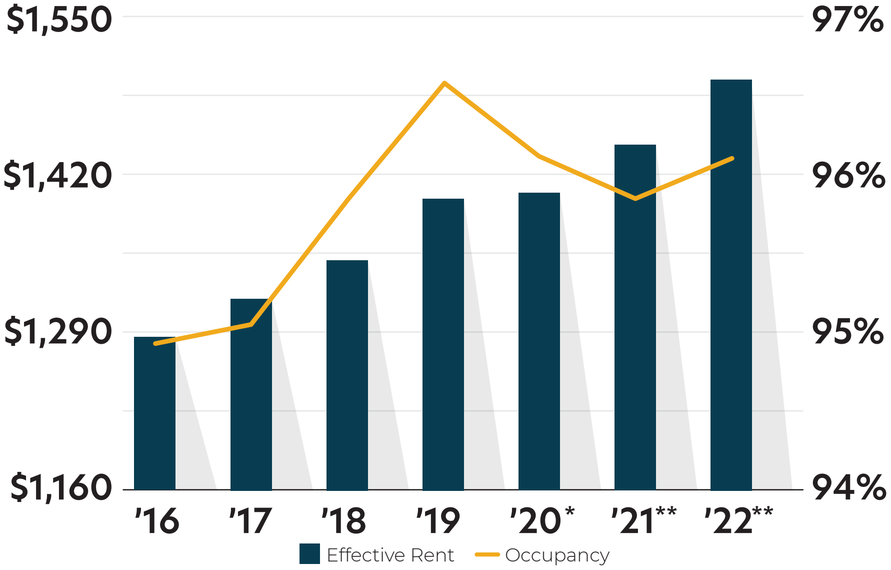
OCCUPANCY RATE
95.8%
Down **40 bps** YOY

EFFECTIVE RENT
$1,439
Up **3.1%** YOY

RENT SHARE OF WALLET
22.5%
Up **40 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



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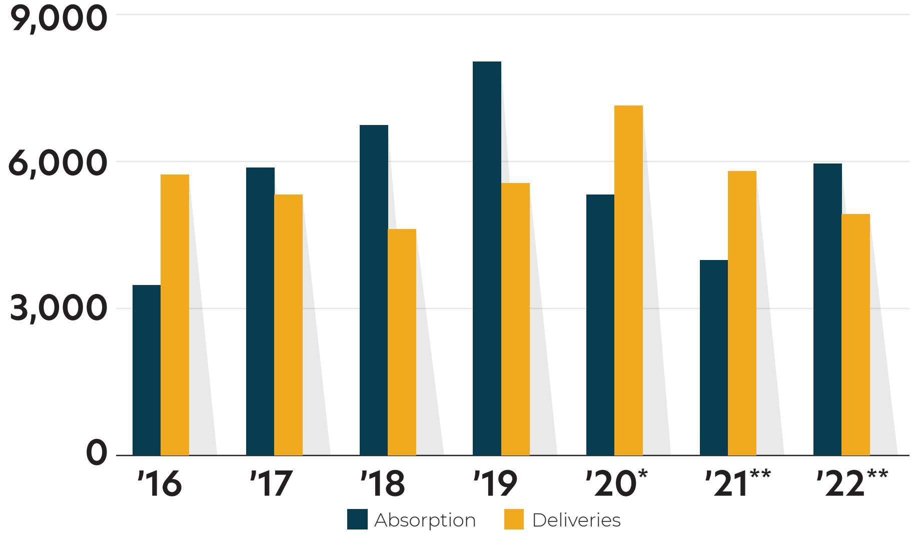

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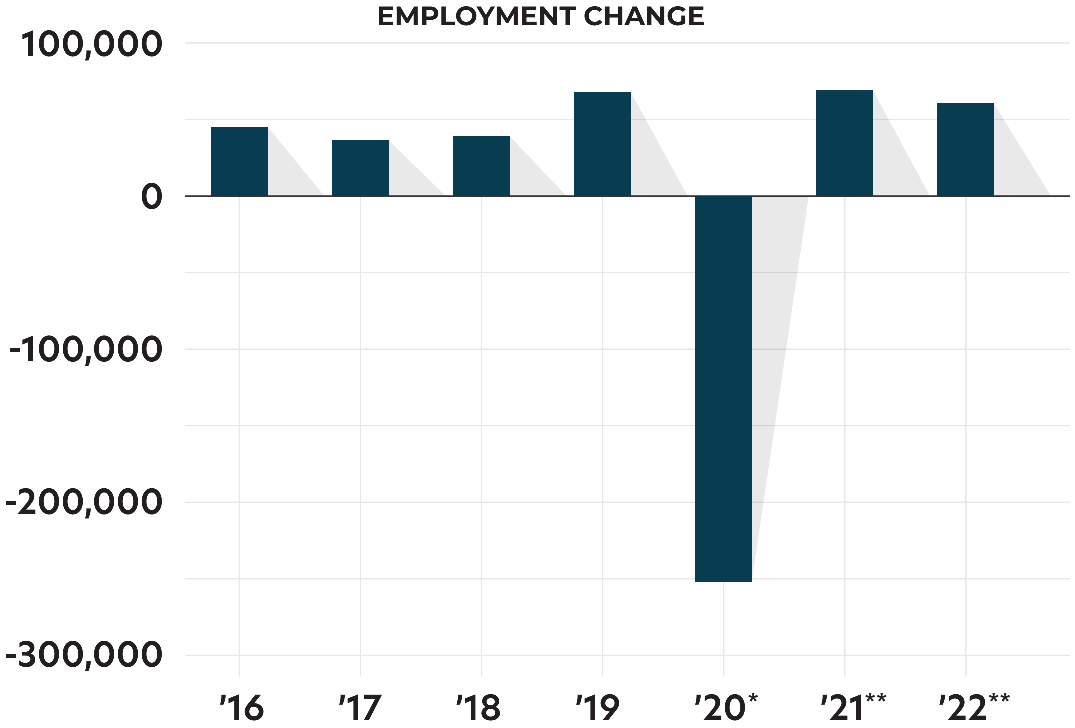
PHILADELPHIA, PENNSYLVANIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
3,025,200	-8.3%	2,773,300	2.5%	2,843,400

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
3.4%	760 BPS	11.0%	-290 BPS	8.1%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
6,107,800	0.3%	6,127,700	0.3%	6,146,400

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,393,500	0.7%	2,409,700	0.6%	2,425,000

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$74,122	2.4%	$75,895	0.9%	$76,601

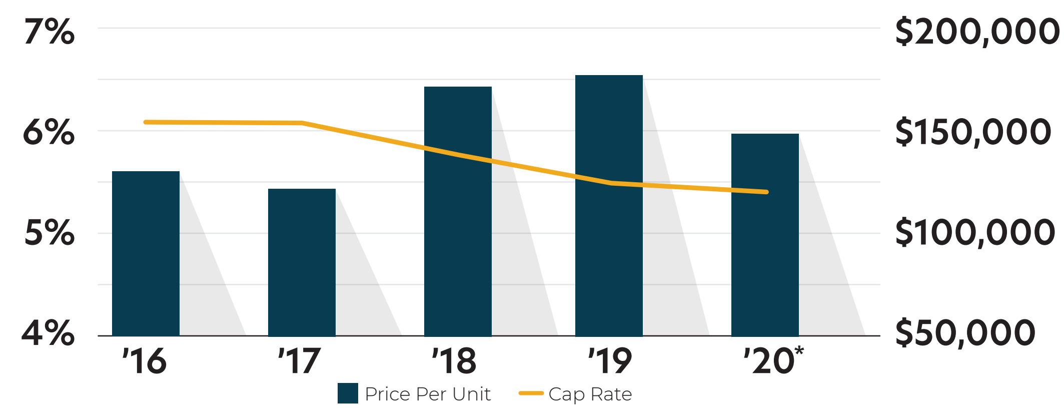
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$176,690	-16.4%	$147,691

CAP RATE

2019	YOY CHANGE	2020
5.5%	-10 BPS	5.4%



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CHARLESTON, SOUTH CAROLINA

BERKADIA®

ECONOMIC RECOVERY CONTINUES, AIDING POSITIVE MULTIFAMILY OUTLOOK

A wave of employment expansion is expected to support further demand in the Charleston multifamily market following a year of above-average apartment absorption in 2020. High-profile manufacturers Volvo Cars and Mercedes-Benz Vans are expected to add more than 3,800 workers to payrolls through 2022. Also helping to augment Charleston's multifamily market is a burgeoning technology sector anchored by Google's expanding campus in Berkeley County, bringing new white-collar jobs to the area. Additionally, the Charleston region leads the nation in job growth in scientific research and development firms with over 75 medical manufacturers, research laboratories, and service companies. The robust job market supports stout leasing activity; approximately 2,620 net units are anticipated to be absorbed by year-end 2021. Demand will likely be elevated in Berkeley County, where Volvo Cars and Google are hiring, as well as the Airport/North Charleston area where most of Boeing's Dreamliner jumbo jet production will be consolidated in 2021. Confident in the ongoing economic recovery, apartment operators will advance the market's average effective rent to $1,256 per month by December, a 2.8% appreciation from the start of the year and greater than the 2.1% five-year average. Meanwhile, occupancy will drop 30 basis points to 92.5%, a consequence of supply-side pressure. Greater Charleston's heavy construction pipeline will begin to downshift this year from the peak deliveries observed in 2020, supporting a rise in occupancy amid heightened leasing activity by the end of 2022.

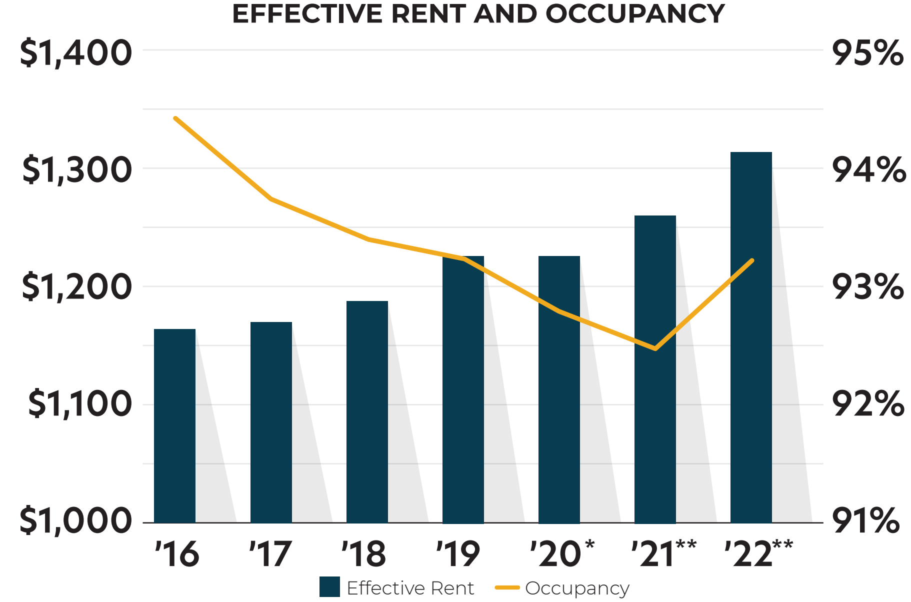
2021 MARKET AT A GLANCE

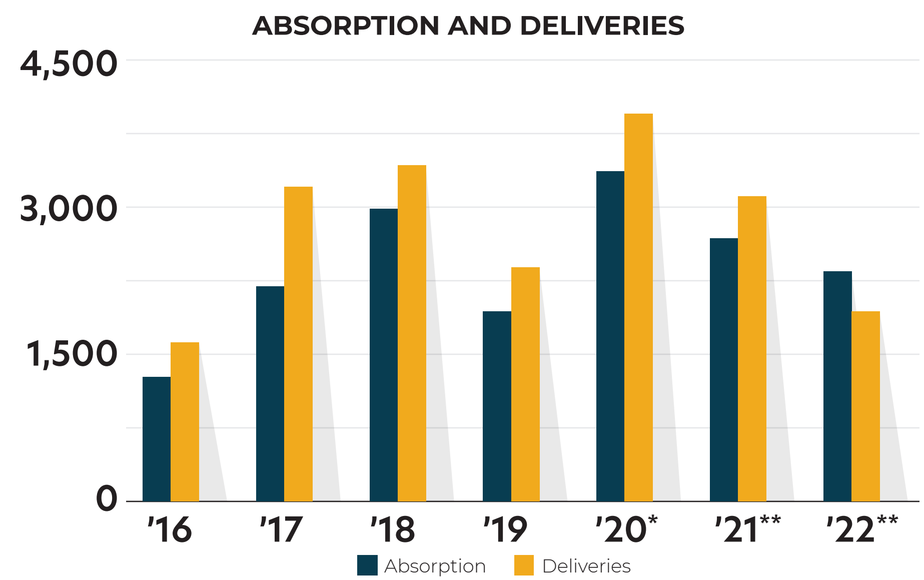
OCCUPANCY RATE
92.5%
Down **30 bps** YOY

EFFECTIVE RENT
$1,256
Up **2.8%** YOY

RENT SHARE OF WALLET
20.4%
Up **80 bps** YOY

MARKET TRENDS





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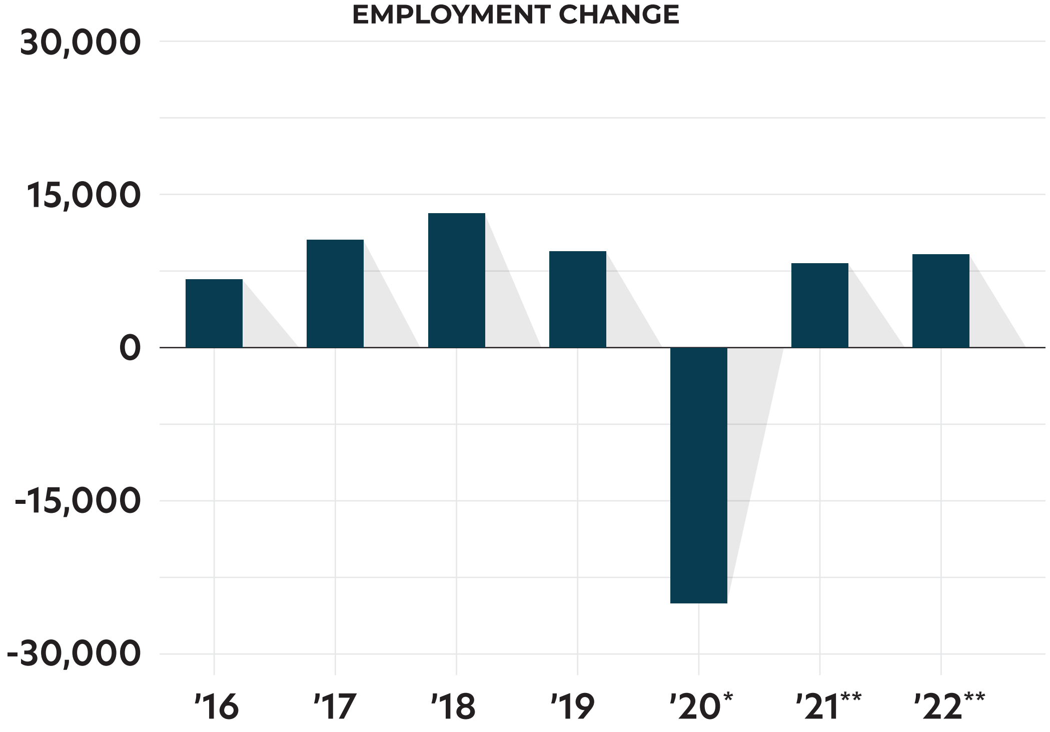
CHARLESTON, SOUTH CAROLINA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
381,200	-6.5%	356,500	2.4%	364,900

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.1%	690 BPS	8.0%	-80 BPS	7.2%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
809,200	1.0%	817,600	1.1%	826,300

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
323,300	1.4%	327,800	1.9%	334,000

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$70,363	6.2%	$74,740	-1.0%	$73,984

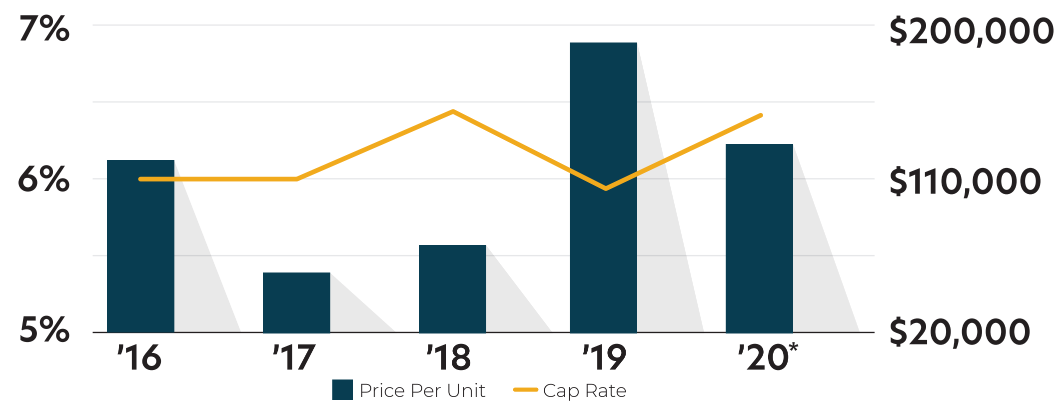
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$189,259	-33.1%	$126,595

CAP RATE

2019	YOY CHANGE	2020
5.9%	50 BPS	6.4%



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GREENVILLE, SOUTH CAROLINA

BERKADIA®

LONG-TERM PROSPECTS FOR TECH & MANUFACTURING FUEL APARTMENT MARKET

A projected drop in rental demand in the Central Greenville submarket, in part due to the struggles of the metro's leisure and entertainment industry, will hold back metrowide apartment fundamentals over the next 12 months. The job sector is based primarily around hotel and retail activity in Downtown Greenville and was hard hit by travel restrictions and social distancing. While ongoing health concerns will temporarily soften the desirability of the metro's urban core, demand is expected to increase in adjacent submarkets. Overall, renters are anticipated to absorb 734 apartment units this year, trailing the 1,204 apartment units brought online. Occupancy will fall 60 basis points to 93.9% due to supply-side pressure. Simultaneously, apartment operators will raise effective rent 2.5% this year to $1,009 per month as payrolls rise. An increasing number of attractive jobs in the technology and automotive industries are expected to help restore apartment demand in the urban core by 2022. Many of the fastest-growing companies in South Carolina are medical tech, logistics, and finance firms operating in or near Downtown Greenville. The metro has become a magnet for professionals displaced by COVID-19 and those committing long term to the remote-work lifestyle. Residents are expected to absorb 1,315 apartments metrowide in 2022 as developers bring 1,037 units online. Another promising development: Clemson University began moving forward on its 250-acre Technology Neighborhood campus, a 40,000-square-foot office space designed to accommodate the operational needs of major tech companies.

2021 MARKET AT A GLANCE

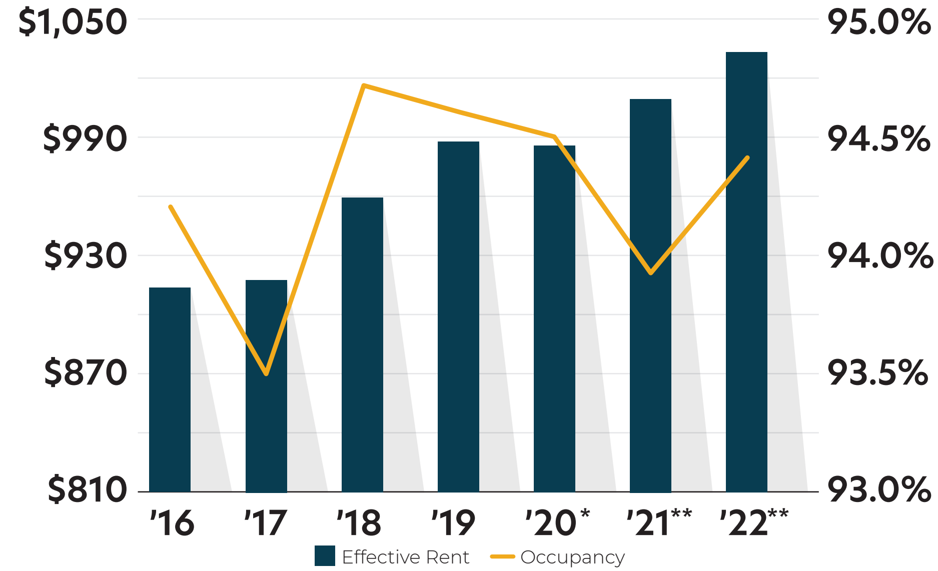
OCCUPANCY RATE
93.9%
Down **60 bps** YOY

EFFECTIVE RENT
$1,009
Up **2.5%** YOY

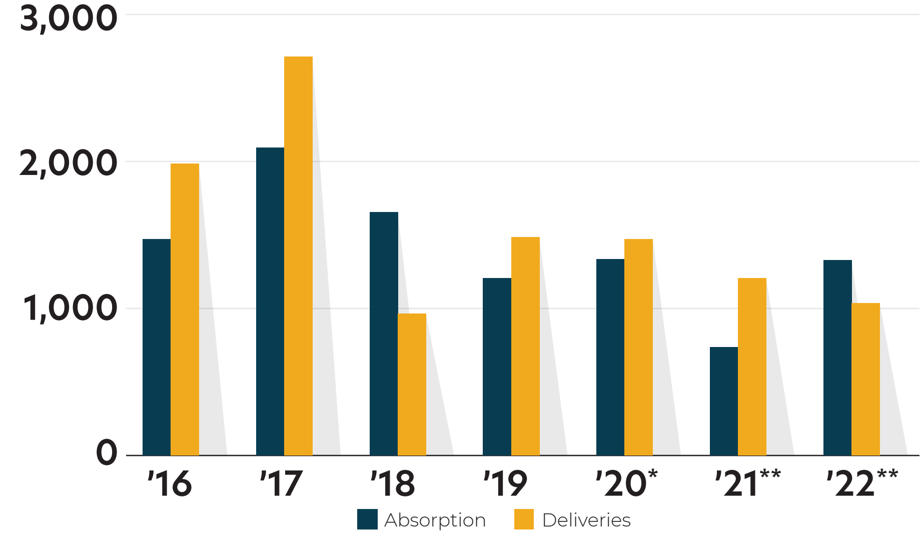
RENT SHARE OF WALLET
19.8%
Up **70 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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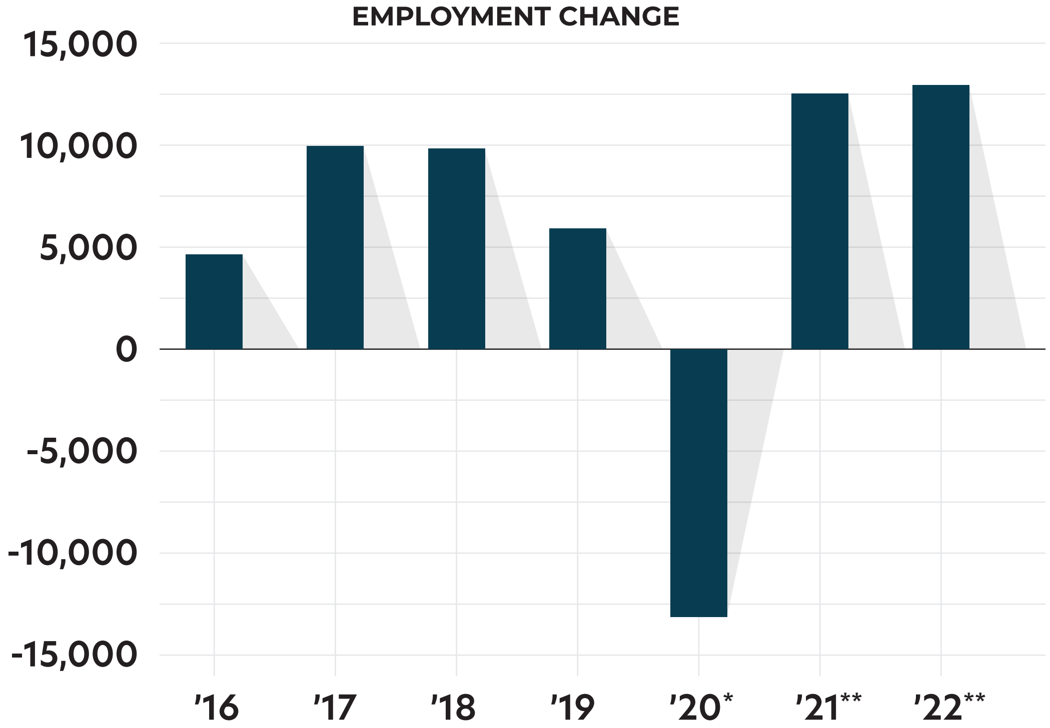
GREENVILLE, SOUTH CAROLINA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
437,700	-3.0%	424,700	2.9%	437,200

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.3%	570 BPS	7.0%	-10 BPS	6.9%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
927,400	0.9%	935,500	0.9%	944,000

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
360,900	1.3%	365,700	1.8%	372,200

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$58,081	6.2%	$61,705	-0.8%	$61,202

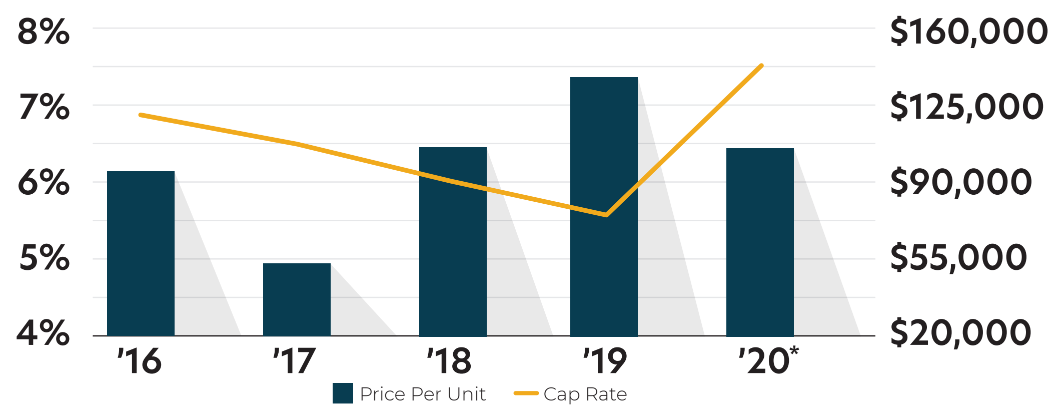
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$134,046	-22.6%	$103,814

CAP RATE

2019	YOY CHANGE	2020
5.6%	190 BPS	7.5%



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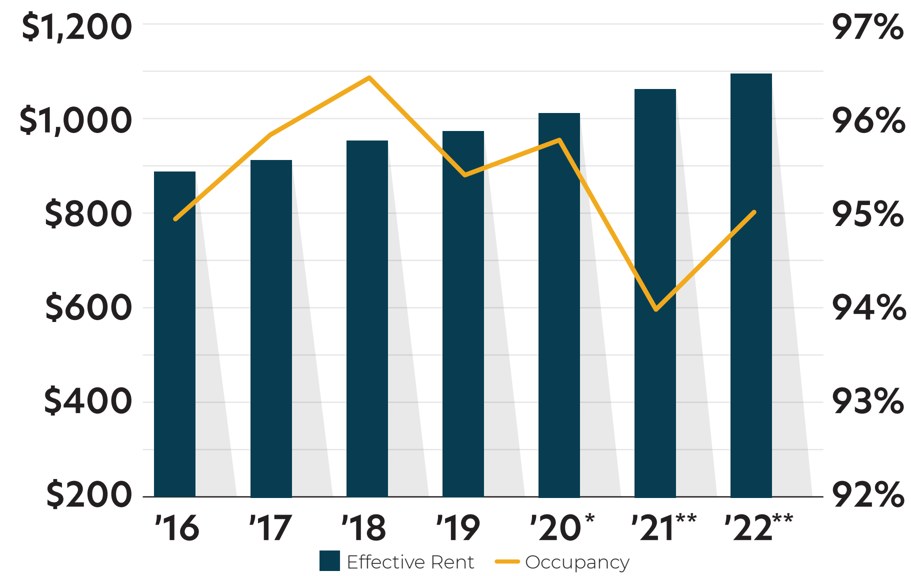
CHATTANOOGA, TENNESSEE

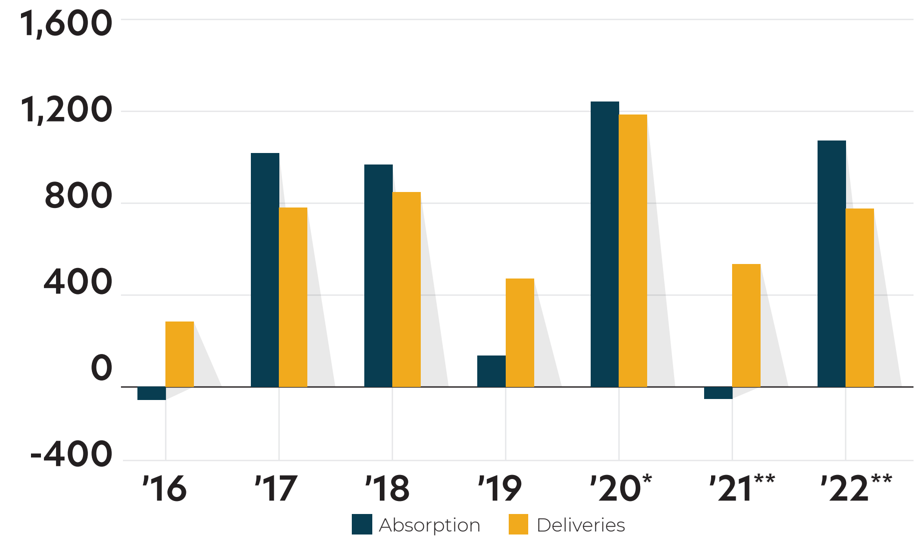
BERKADIA®

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



2021 MARKET AT A GLANCE

OCCUPANCY RATE
94.0%
Down **170 bps** YOY

EFFECTIVE RENT
$1,058
Up **5.3%** YOY

RENT SHARE OF WALLET
21.7%
Up **110 bps** YOY

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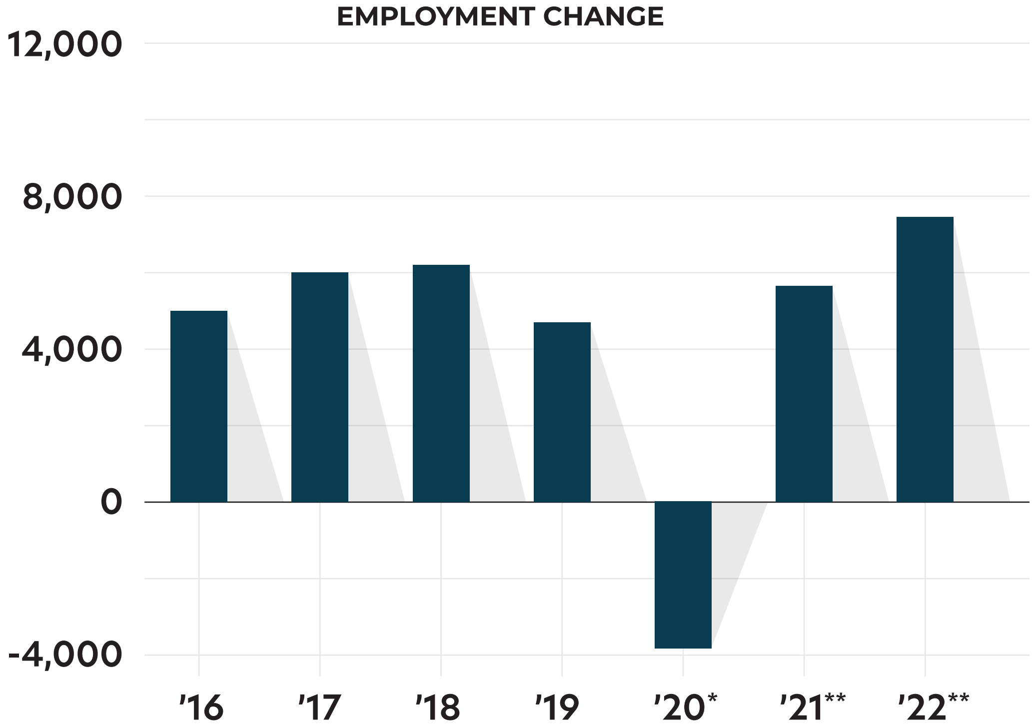
CHATTANOOGA, TENNESSEE

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
270,500	-1.4%	266,800	2.1%	272,400

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.5%	430 BPS	6.8%	-70 BPS	6.1%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
568,000	0.6%	571,300	0.5%	574,100

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
230,800	1.0%	233,200	1.1%	235,800

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$54,722	6.9%	$58,477	-0.1%	$58,409

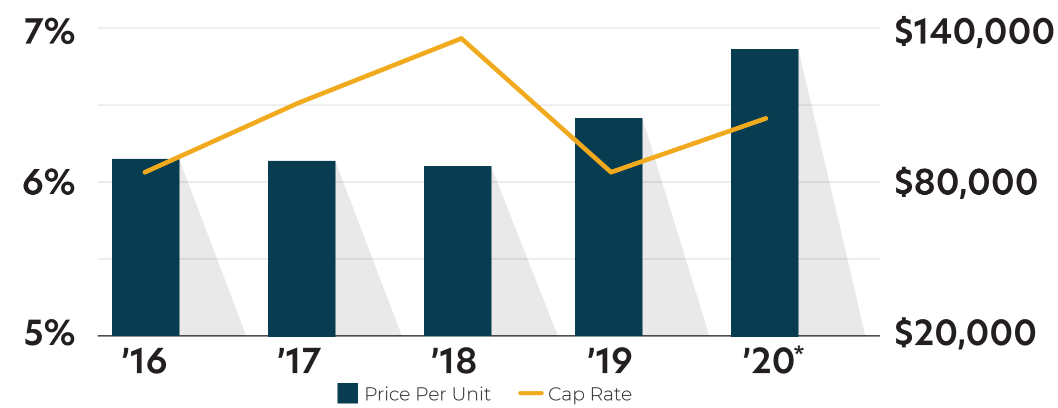
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$102,531	27.0%	$130,199

CAP RATE

2019	YOY CHANGE	2020
6.1%	30 BPS	6.4%



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KNOXVILLE, TENNESSEE

BERKADIA®

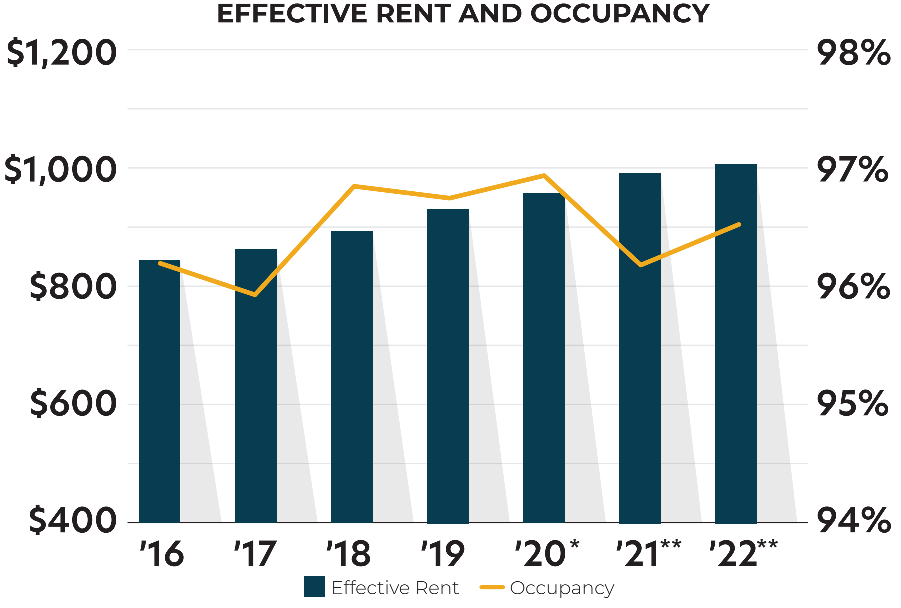
2021 MARKET AT A GLANCE

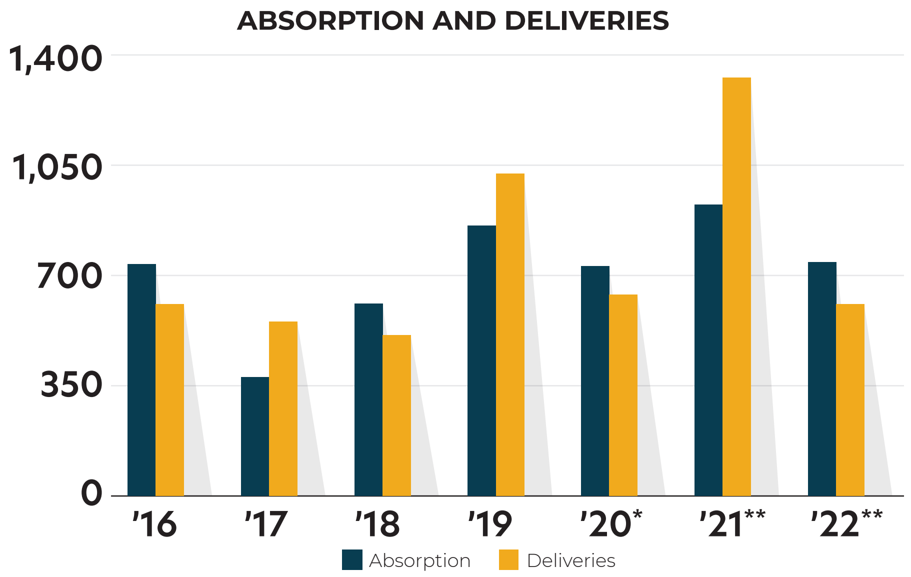
OCCUPANCY RATE
96.2%
Down **70 bps** YOY

EFFECTIVE RENT
$986
Up **3.1%** YOY

RENT SHARE OF WALLET
19.7%
Up **70 bps** YOY

MARKET TRENDS





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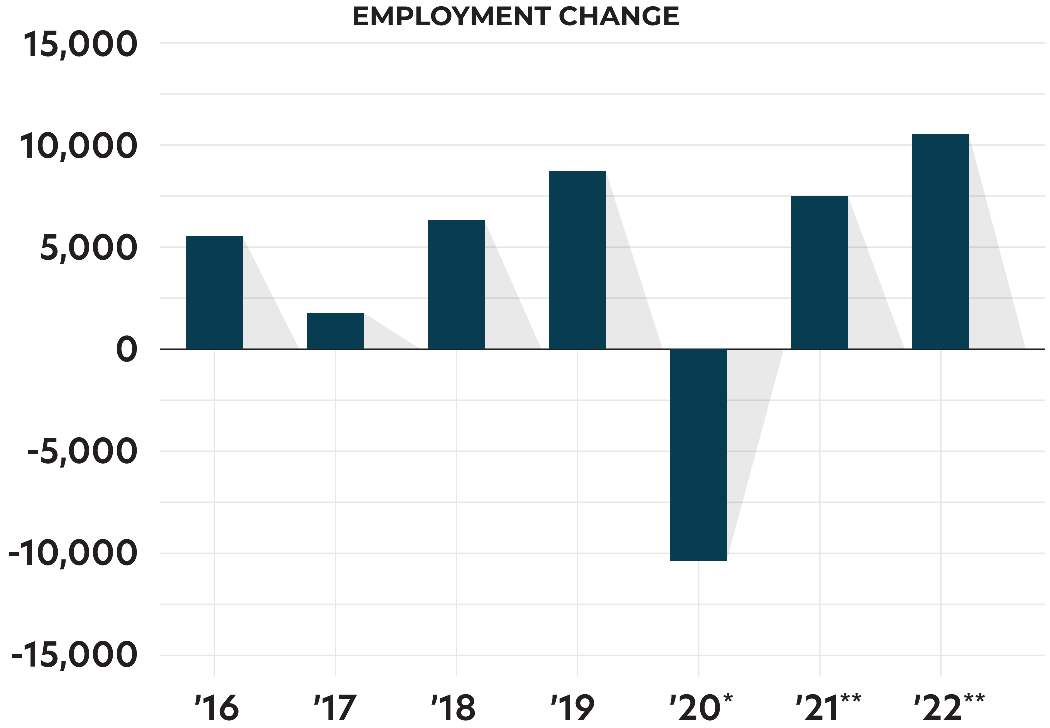
KNOXVILLE, TENNESSEE

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
411,100	-2.5%	400,800	1.9%	408,300

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.3%	430 BPS	6.6%	-60 BPS	6.0%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
896,300	0.6%	901,500	0.6%	906,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
370,900	1.1%	374,900	1.2%	379,500

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$56,133	7.3%	$60,243	-0.3%	$60,032

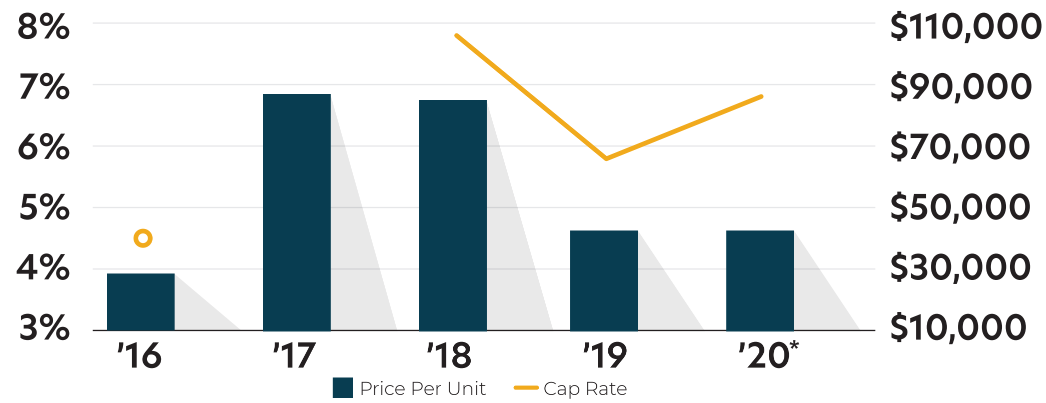
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$42,162	-0.2%	$42,069

CAP RATE

2019	YOY CHANGE	2020
5.8%	100 BPS	6.8%



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MEMPHIS, TENNESSEE

BERKADIA®

TECH & HEALTH CARE JOB GROWTH HELP SUSTAIN SOLID MULTIFAMILY MARKET

Like many metros in the United States, employers across Memphis experienced major payroll losses during the first half of 2020 before recovering close to half of those jobs going into the fourth quarter. Despite this economic slowdown, apartment operators raised effective rent 2.9% to $948 last year as occupancy increased 50 basis points. Rent growth was down 10 basis points from the previous year's growth due to increased concessions. This move contributed to renters absorbing 1,005 apartment units during the past 12 months, outpacing the 515 new apartment units brought online by developers. Rising prices also discouraged homeownership as the median price increased 13.5% year over year amid an extremely tight housing market. With home prices expected to continue rising over the next 12 months, both apartment demand and new construction will also ramp up to pre-pandemic levels. Apartment operators will respond to the improving apartment fundamentals by accelerating rent growth over the next 12 months. Operators are expected to increase effective rent 4.0% to $986. An additional factor encouraging bullish operators is multiple signs of major employers investing in the metro for the long term, including the upcoming completion of St. Jude Children's new, 625,000-square-foot research center in Downtown Memphis. The project will double the economic impact of the hospital and increase the number of high-paying health care jobs in the metro. Likewise, recently announced plans by high-tech manufacturers Cognate BioServices and Pristex Solutions will bring a combined 1,000 jobs to the metro.

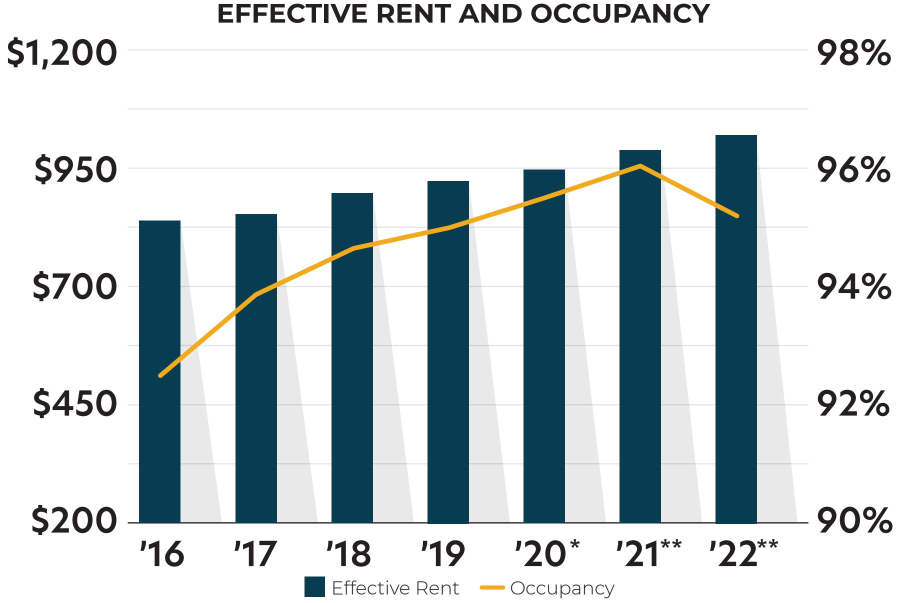
2021 MARKET AT A GLANCE

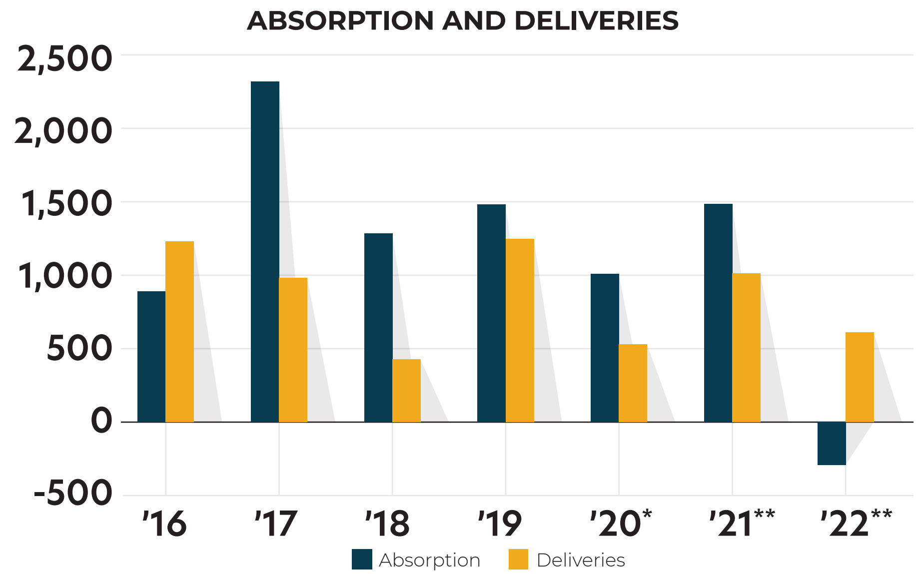
OCCUPANCY RATE
96.0%
Up **50 bps** YOY

EFFECTIVE RENT
$986
Up **4.0%** YOY

RENT SHARE OF WALLET
20.4%
Up **70 bps** YOY

MARKET TRENDS





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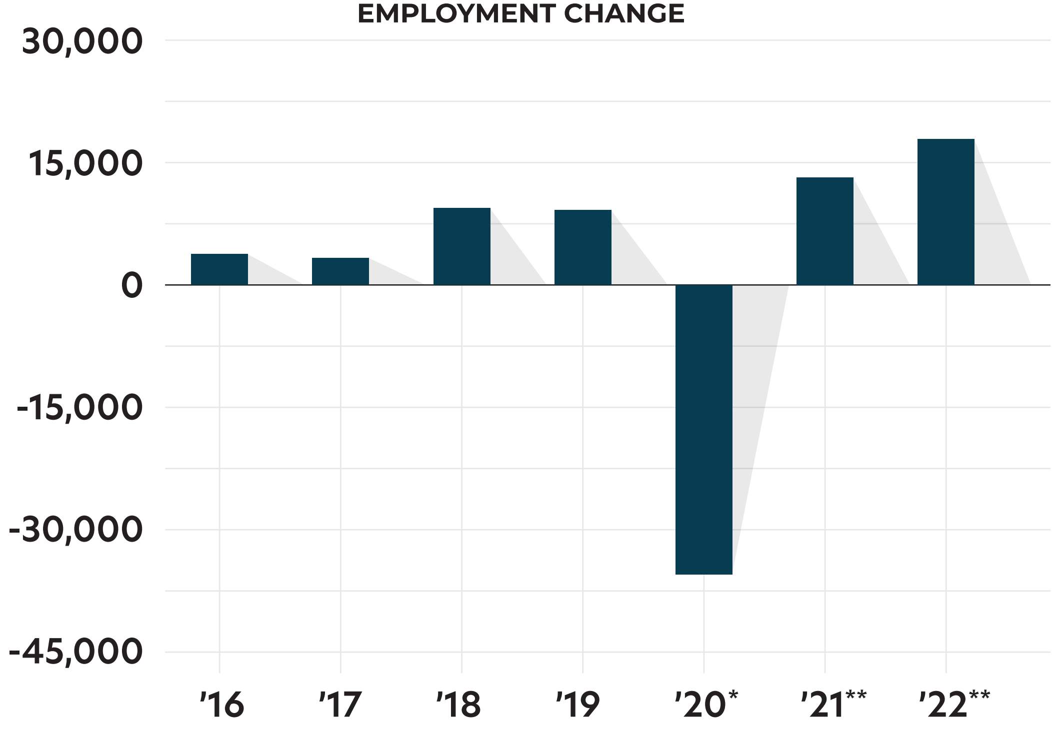
MEMPHIS, TENNESSEE

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
661,200	-5.3%	626,100	2.0%	638,900

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
3.3%	790 BPS	11.2%	-200 BPS	9.2%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,358,400	0.4%	1,364,300	0.5%	1,371,400

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
516,100	0.9%	521,000	1.1%	526,900

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$54,258	6.5%	$57,803	0.3%	$57,971

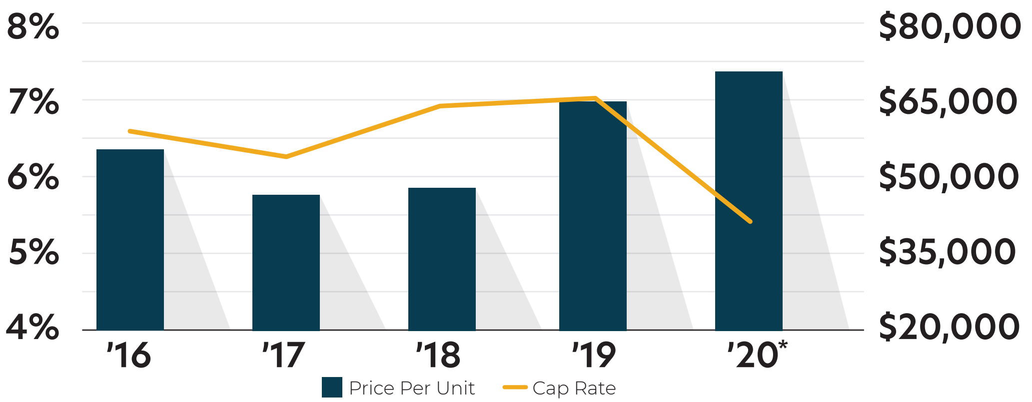
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$64,447	8.2%	$69,716

CAP RATE

2019	YOY CHANGE	2020
7.0%	-160 BPS	5.4%



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NASHVILLE, TENNESSEE

BERKADIA®

SURGE IN APARTMENT CONSTRUCTION MEETS ROBUST DEMAND

Although the pandemic struck Music City's tourism industry hard, commercial and residential construction surged. Permits for $3.6 billion of total commercial real estate development were approved during the fiscal year ending June 2020. Spurred by a regional population growing on average by almost 100 net residents a day, multifamily construction maintains its rapid tempo. With 58 projects underway, it is anticipated apartment stock in Greater Nashville will increase by 8.3%, or 13,300 apartment units in 2021 and 2022 combined. A notable project is a new 21-story apartment building named Gibson Residences at the former Gibson Guitar building site. It will be the focus building of a larger cluster of office spaces and shops. Also planned is a $170 million Marriott Edition Hotel, standing 16 stories high and steps away from the new Asurion headquarters, still under construction. Both proposed buildings will be near the highly anticipated Amazon.com towers. The Central Nashville submarket is in the heart of the metro's largest office and college district, including Hospital Corporation of America, Bridgestone America, and Vanderbilt University. Development in the urban core will be favorable for the 4,600 market-rate units scheduled to come online in this submarket through next year. While shelter-in-place orders stymied leasing activity in 2020, pent-up demand will nearly match new construction in 2021. Occupancy will be consistent with last year at 94.2% by December 2021 and rebound to pre-pandemic levels by next year. Meanwhile, effective rent will appreciate 6.6% over the 24-month forecast period to average $1,343 per month.

2021 MARKET AT A GLANCE

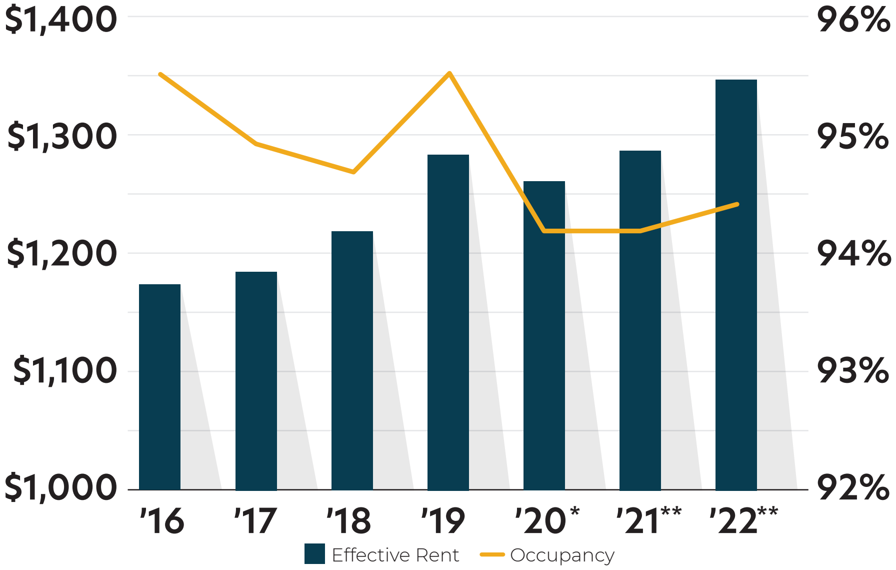
OCCUPANCY RATE
94.2%
Unchanged YOY

EFFECTIVE RENT
$1,285
Up **2.1%** YOY

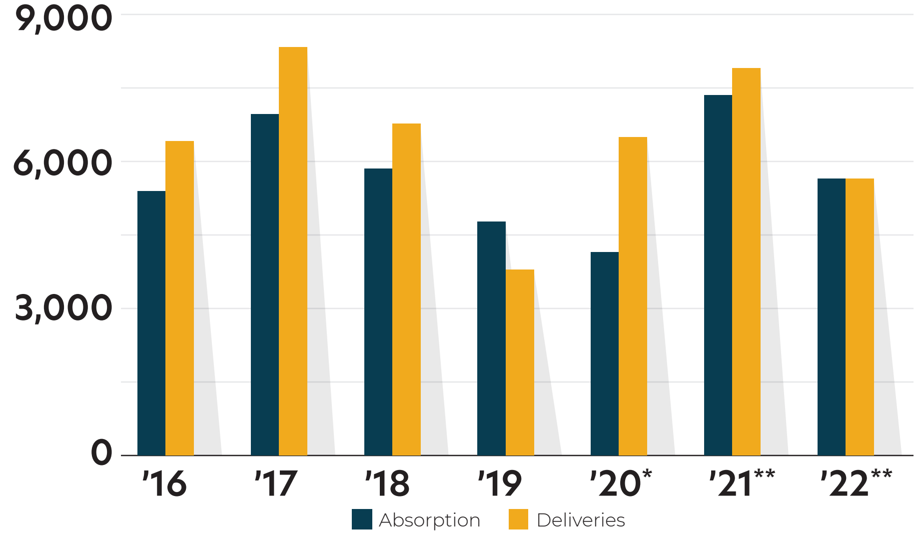
RENT SHARE OF WALLET
20.6%
Up **40 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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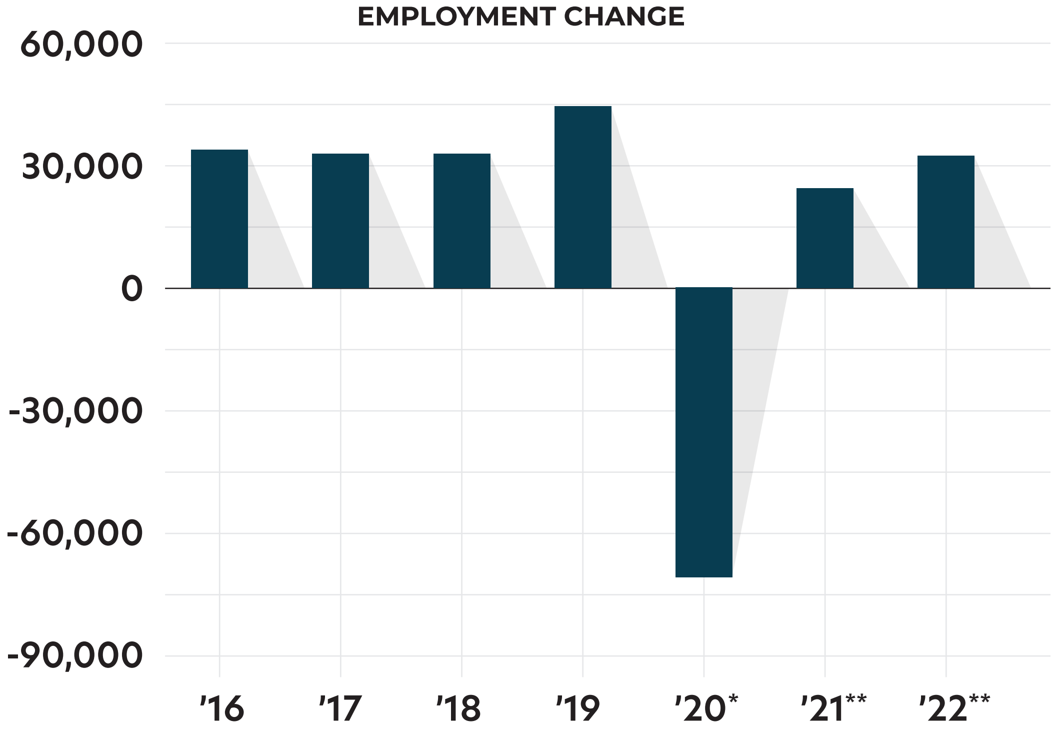
NASHVILLE, TENNESSEE

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,074,700	-6.6%	1,003,900	2.3%	1,027,400

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.6%	650 BPS	8.1%	-170 BPS	6.4%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,980,300	1.4%	2,008,700	1.3%	2,034,600

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
778,700	1.7%	792,000	1.8%	806,000

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$69,361	7.8%	$74,779	0.2%	$74,915

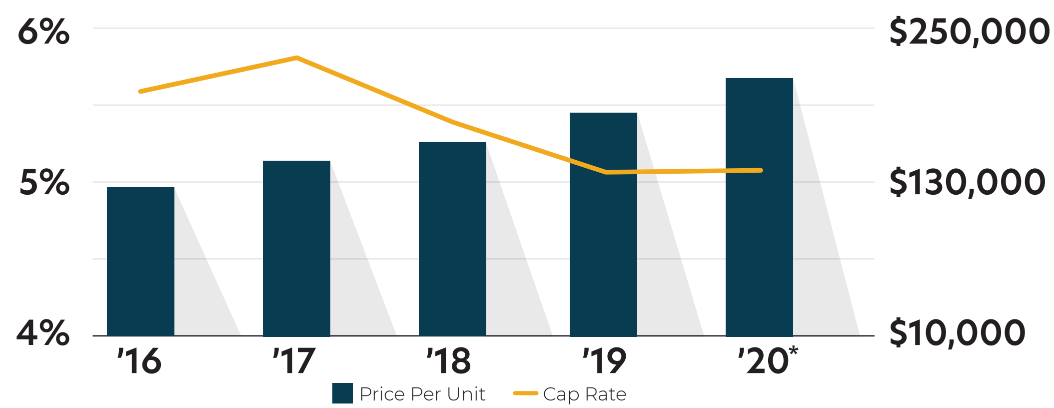
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$181,904	14.7%	$208,639

CAP RATE

2019	YOY CHANGE	2020
5.1%	0 BPS	5.1%



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AUSTIN, TEXAS

BERKADIA®

NEW WHITE-COLLAR WORKERS EXPECTED TO SEEK APARTMENT ADDITIONS

While the effects of the coronavirus pandemic will continue to reverberate through the Austin market, the resiliency of the local economy should benefit the multifamily sector coming out of 2020. The payrolls shed last year eclipsed the trough of the Great Recession, as nearly one out of every four leisure and hospitality jobs were lost in 2020. The recovery of this industry is expected to be more protracted than most in the market. Conversely, the white-collar sectors that include financial activities and professional and business services expanded in 2020 and are forecast to continue to grow at a rapid pace this year. Facilitating these additions are more than 5.5 million square feet of office space scheduled to be completed in 2021. Occupations in business and financial operations typically earn 36% higher than the metro average, and the creation of these high-paying positions will contribute to Austin remaining an ideal destination for in-migration, especially for millennials. Well-paid renters will be needed as developers continue to add apartments at a healthy clip. After more than 10,000 units came online in 2020, nearly 11,900 units are scheduled to begin lease-up over the next four quarters. Unlike last year when apartment leasing activity slowed, annual absorption is forecast to almost double to nearly keep pace with inventory growth in 2021. This will lead to occupancy holding at an average of 94.0% year over year. At the same time, monthly effective rent is projected to dip on average 0.1% to close 2021 at $1,251 as operators increase concessions to entice renters amid greater competition.

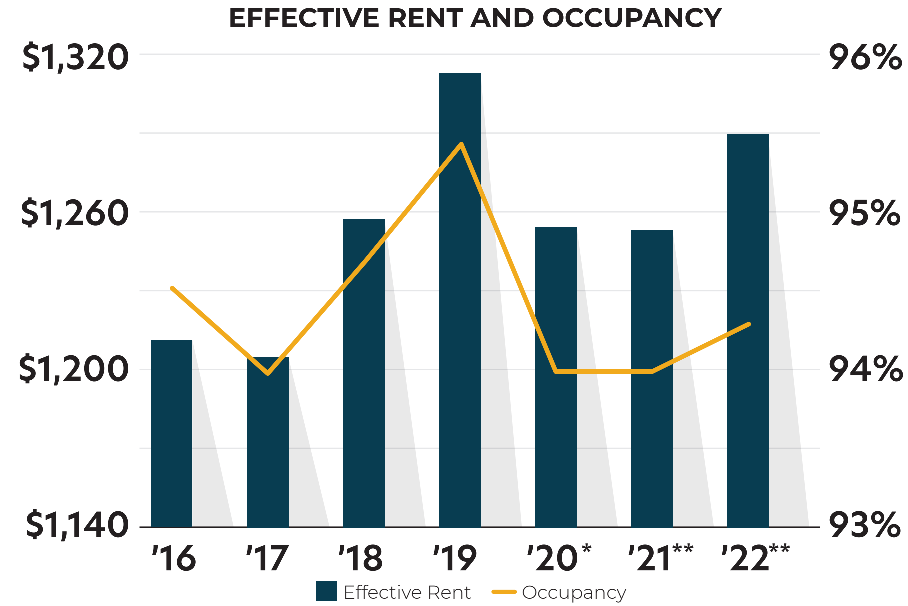
2021 MARKET AT A GLANCE

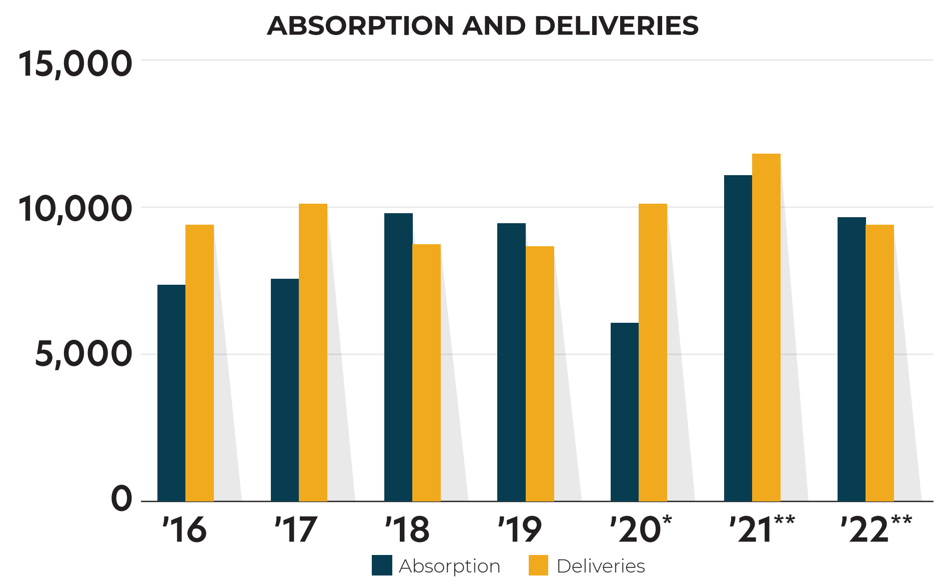
OCCUPANCY RATE
94.0%
Unchanged YOY

EFFECTIVE RENT
$1,251
Down **0.1%** YOY

RENT SHARE OF WALLET
18.5%
Down **40 bps** YOY

MARKET TRENDS





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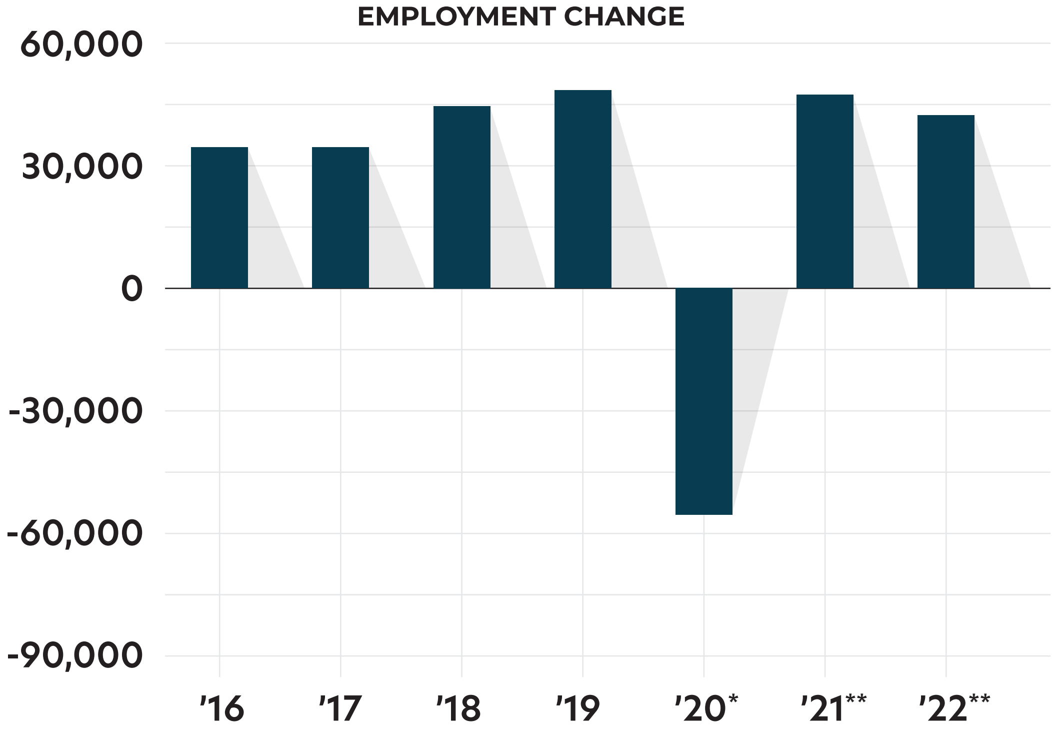
AUSTIN, TEXAS

BERKADIA

EMPLOYMENT TRENDS



2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,144,200	-4.8%	1,089,200	4.3%	1,136,500

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.9%	400 BPS	5.9%	-90 BPS	5.0%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,253,700	2.2%	2,303,000	2.2%	2,354,100

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
867,800	2.2%	887,200	2.4%	908,900

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$81,347	-2.0%	$79,694	1.9%	$81,184

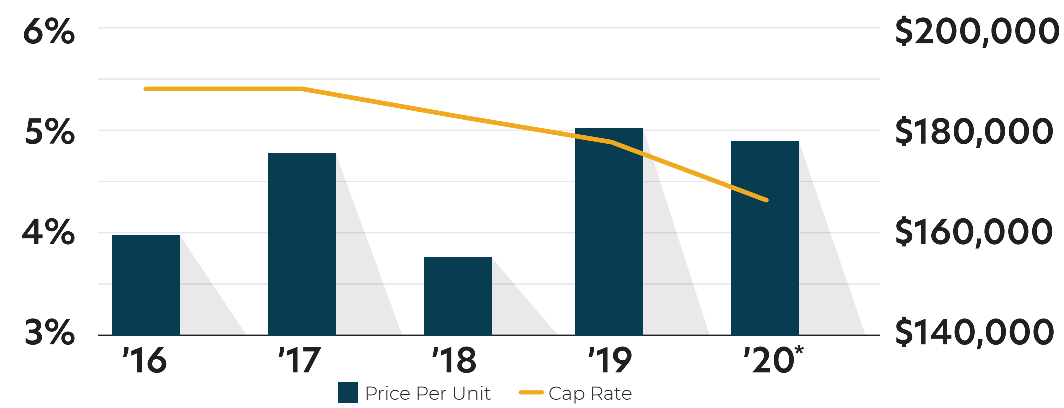
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$180,322	-1.6%	$177,520

CAP RATE

2019	YOY CHANGE	2020
4.8%	-50 BPS	4.3%



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DALLAS-FORT WORTH, TEXAS

BERKADIA®

PENT-UP DEMAND PROJECTED TO EXCEED SURGE OF APARTMENTS IN 2021

The coronavirus and resulting stay-at-home orders in 2020 temporarily stalled the bustling local apartment market that owners and operators had grown accustomed to over the last several years. While apartment demand was positive in all four quarters of 2020, leasing activity fluctuated significantly. By year-end, apartment occupancy averaged 94.2% in the Metroplex, down 60 basis points year over year. The decrease in occupancy was fueled by 26,737 deliveries, a 4.7% year-over-year rise, as net absorption fell 22.4%. The supply imbalance and heightened competitive environment drove concessions higher, pushing average effective rent down 1.6% annually to $1,168 per month in December. All of this occurred as metrowide employment fell 10.4% from January to May and then bounced back 5.3% from May to December. By year-end 2021, it is anticipated that payrolls in half of the metro's employment sectors will meet or exceed the staffing levels recorded just prior to the pandemic. The job growth will be underpinned by the anticipated net migration of over 57,700 people to the metro area this year, continued corporate and regional relocations, and several large industrial and logistical companies who will hire hundreds of workers. The local apartment market will mirror the rebounding labor market. Apartment deliveries are projected to rise 5.9% year over year with 28,325 completions. Net absorption is forecast to exceed deliveries, resulting in a 30-basis-point increase in occupancy to 94.5% by year-end. Meanwhile, effective rent is expected to increase 0.9% to $1,179 per month.

2021 MARKET AT A GLANCE

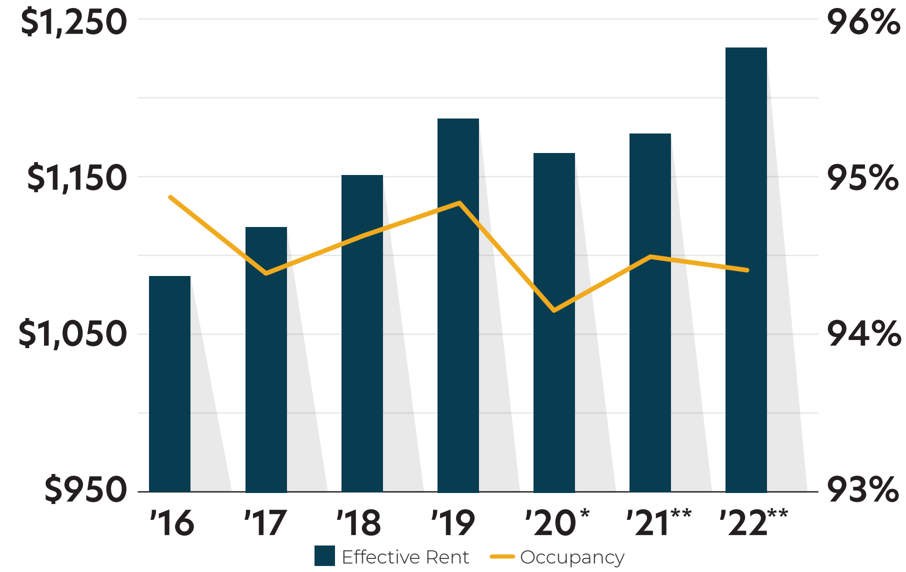
OCCUPANCY RATE
94.5%
Up **30 bps** YOY

EFFECTIVE RENT
$1,179
Up **0.9%** YOY

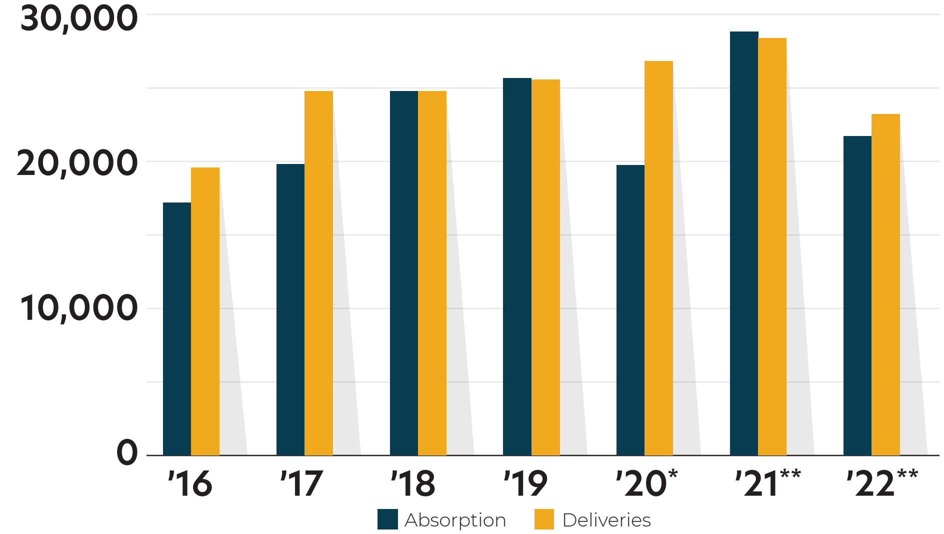
RENT SHARE OF WALLET
19.5%
Down **20 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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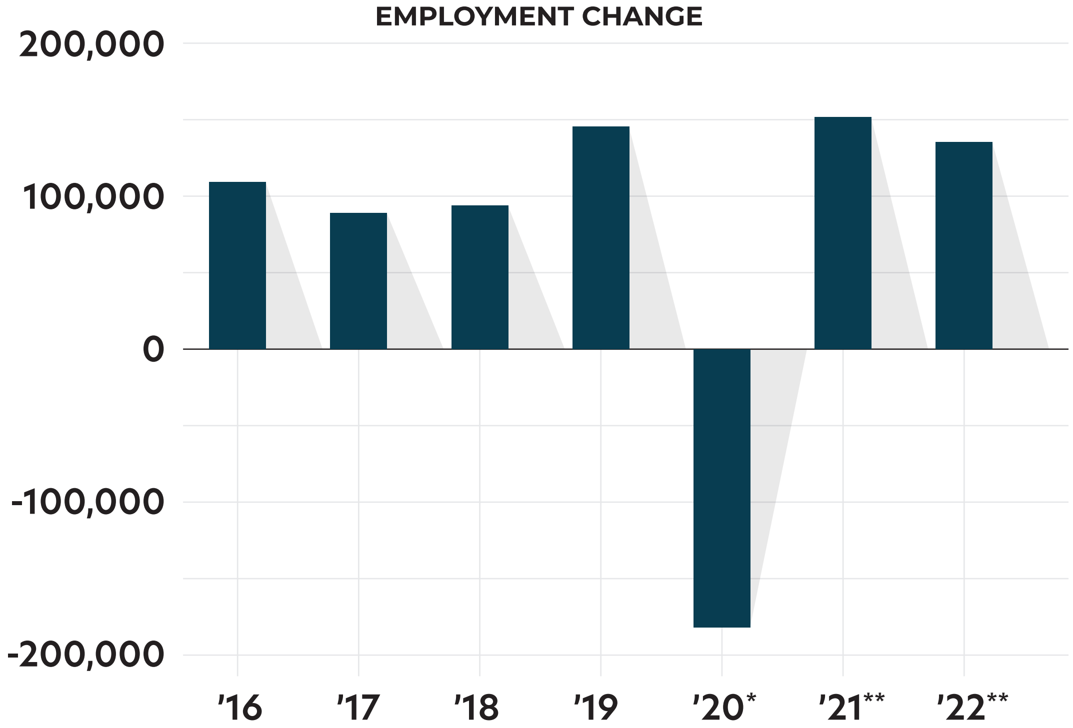
DALLAS-FORT WORTH, TEXAS

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
3,873,600	-4.7%	3,690,300	4.1%	3,841,700

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.4%	370 BPS	6.1%	-50 BPS	5.6%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
7,707,700	1.5%	7,825,200	1.5%	7,946,400

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,830,400	1.7%	2,878,400	1.9%	2,932,500

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$72,379	-1.6%	$71,217	2.2%	$72,750

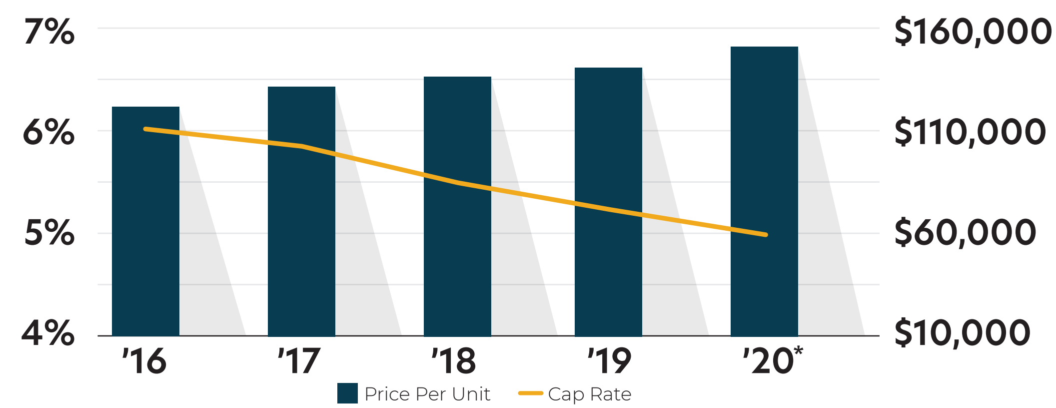
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$139,140	7.3%	$149,310

CAP RATE

2019	YOY CHANGE	2020
5.2%	-20 BPS	5.0%



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EL PASO, TEXAS

YEAR-END 2021 EMPLOYMENT TO EXCEED 96% OF PRE-PANDEMIC LEVELS

By year-end 2020, local payrolls in the trade, transportation, the financial activities, the education and health services, and the government sectors reached at least 96% of pre-pandemic levels. Approximately 21,000 of the 44,000 metro-wide jobs lost from January 2020 to May were recovered by December. The gradually improving economy supported apartment demand as renters occupied 258 additional apartments in 2020, with positive net absorption in the second and third quarters transitioning to seasonal negative net absorption in the fourth quarter. Annual absorption outpaced the 160 newly completed apartments in 2020, resulting in a 20-basis-point increase in occupancy to 95.9% in December. While rent continued to rise, the 1.3% annual rent growth last year was noticeably lower than the 3%-plus rent appreciation in each of the prior two years. In 2021, operators are expected to start returning rent growth to the annual pace prior to the pandemic. Average monthly effective rent is projected to rise 2.0% to $833 per month. Meanwhile, slowing apartment demand is anticipated, spurred in part by continued softness in leisure and hospitality payrolls. Net apartment absorption is forecast to approximate the number of deliveries in 2021, keeping average occupancy unchanged from 2020. Only about a dozen apartment units are anticipated to come online in 2021, followed by 544 units slated for delivery in 2022. As the economy continues recovering in 2022, apartment occupancy is forecast to rise 30 basis points to 96.2% while monthly effective rent reaches $857, a 2.9% increase.

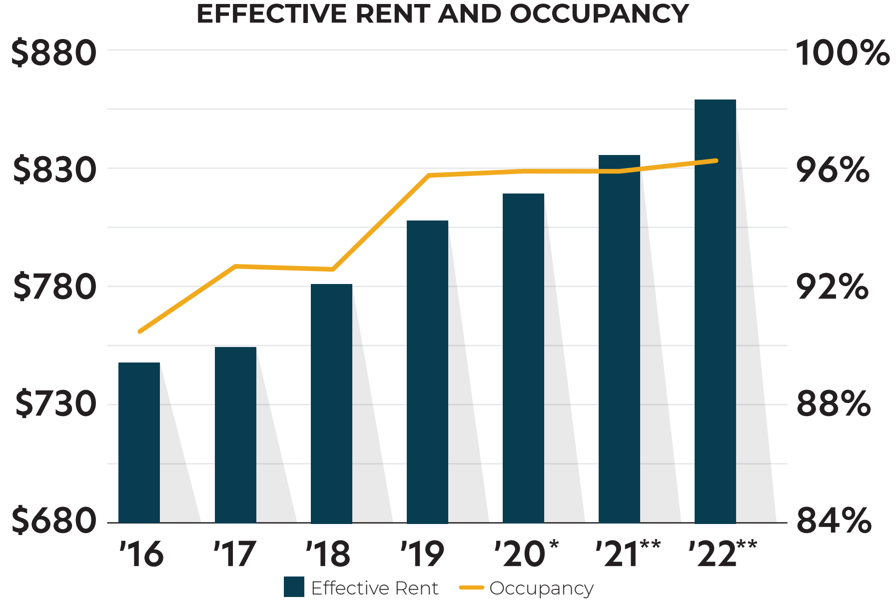
2021 MARKET AT A GLANCE

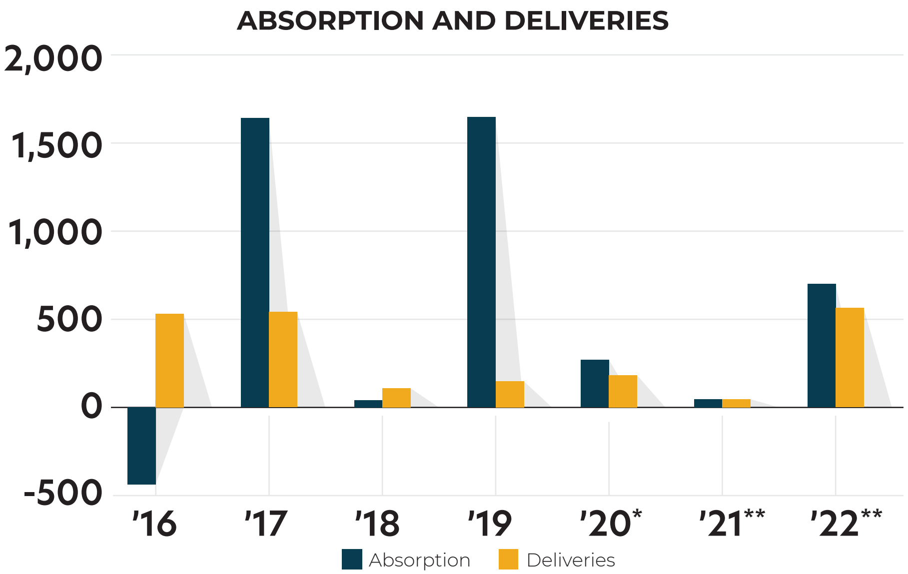
OCCUPANCY RATE
95.9%
Unchanged YOY

EFFECTIVE RENT
$833
Up **2.0%** YOY

RENT SHARE OF WALLET
20.0%
Unchanged YOY

MARKET TRENDS





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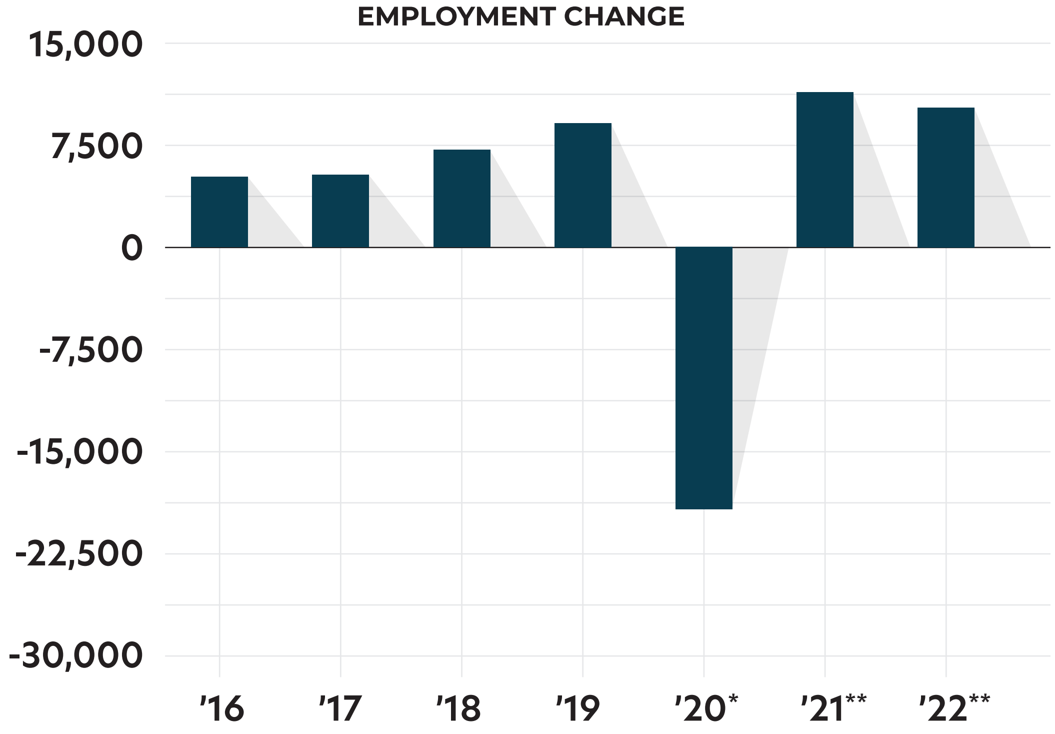
EL PASO, TEXAS

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
330,900	-5.7%	311,900	3.6%	323,100

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
3.0%	400 BPS	7.0%	-30 BPS	6.7%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
846,600	0.5%	850,700	0.5%	854,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
286,900	0.7%	288,900	0.9%	291,400

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$49,311	-0.7%	$48,966	1.8%	$49,865

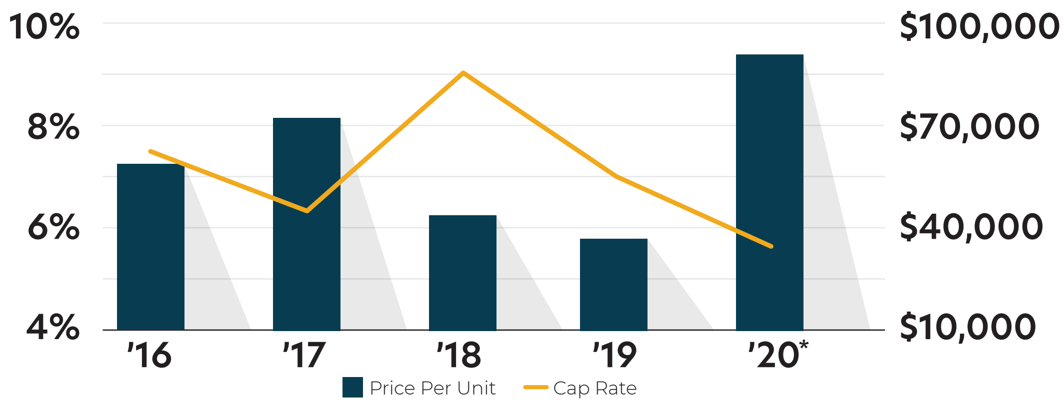
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$36,032	148.0%	$89,348

CAP RATE

2019	YOY CHANGE	2020
7.0%	-130 BPS	5.7%



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HOUSTON, TEXAS

AS HOUSTON ECONOMY RECOVERS, APARTMENT DEVELOPERS ADD HOUSING

The recent multifamily construction wave peaked in 2020 as Greater Houston apartment operators coped with the effects of the pandemic by raising concessions to attract renters. Builders brought nearly 23,300 units online in the last four quarters, reaching a cycle high. While development was spread throughout the metro, a significant share came online in the Katy/Cinco Ranch/Waterside submarket with 3,800 units. The additions facilitated leasing activity in the area, where rental demand remained positive all year. Even with rent higher than the metro average, the submarket remained attractive to renters as development along Interstate 10 and the Grand Parkway created employment opportunities and community amenities. Sustained inventory growth is expected in the submarket this year, with more than 2,000 units scheduled to come online. Apartment absorption in the submarket is projected to remain positive, though trail inventory growth over the next four quarters. The submarket trend should mirror the metrowide forecast, as positive annual leasing activity is expected to trail the nearly 16,700 additions in 2021. Contributing to the slowdown in absorption is the predicted slower recovery of blue-collar jobs this year. Conversely, employment in most white-collar industries is anticipated to exceed pre-pandemic levels by the end of 2021. These positions will support demand for Class A, amenity-rich apartments in Greater Houston. Positive movement in the workforce is expected to carry over to 2022 as apartment demand surpasses inventory growth. As a result, apartment fundamentals are projected to improve, as occupancy is forecast to reach 87.8% by year-end 2022 and monthly effective rent reaches $1,065.

2021 MARKET AT A GLANCE

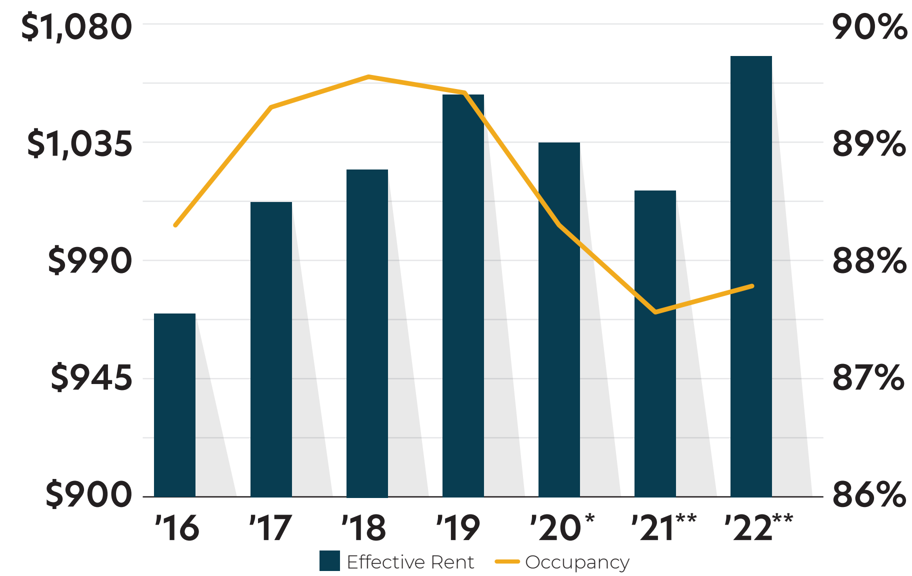
OCCUPANCY RATE
87.6%
Down **70 bps** YOY

EFFECTIVE RENT
$1,015
Down **1.7%** YOY

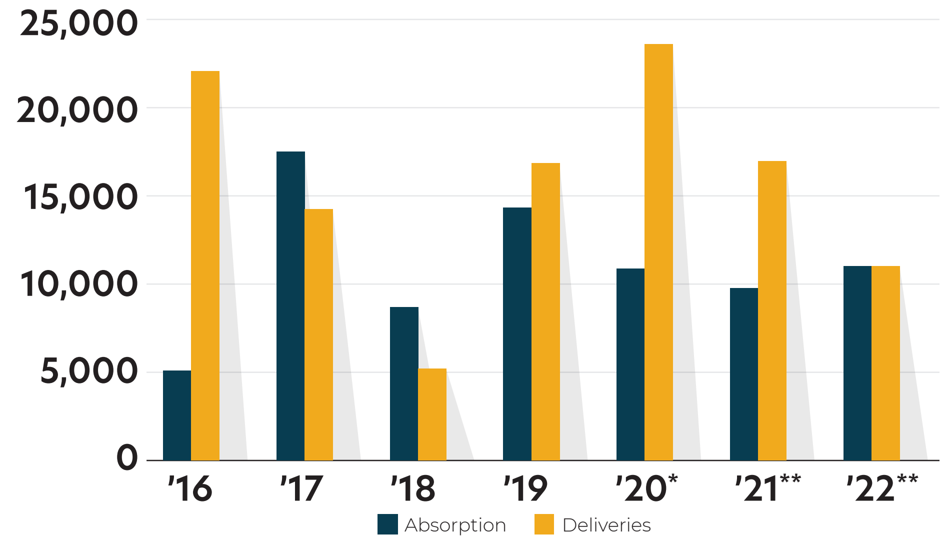
RENT SHARE OF WALLET
17.3%
Down **70 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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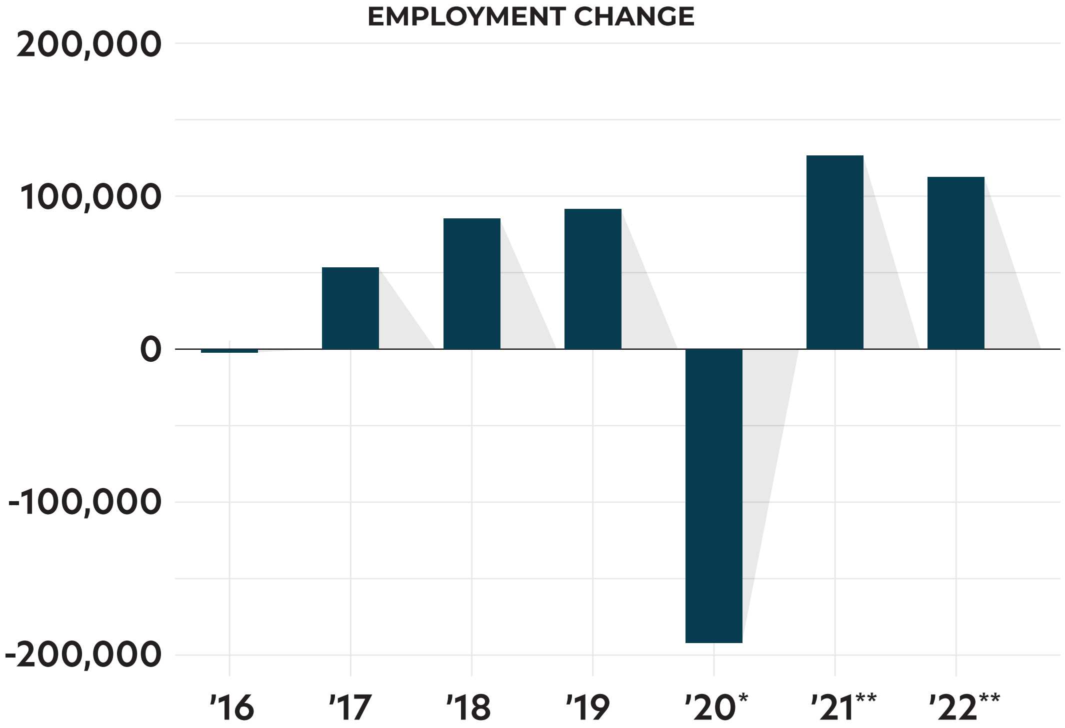
HOUSTON, TEXAS

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
3,216,400	-5.9%	3,026,600	4.1%	3,151,500

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
3.0%	480 BPS	7.8%	-140 BPS	6.4%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
7,123,000	1.5%	7,227,900	1.5%	7,335,800

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,548,700	1.6%	2,589,900	1.8%	2,636,300

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$69,253	-0.5%	$68,876	2.1%	$70,292

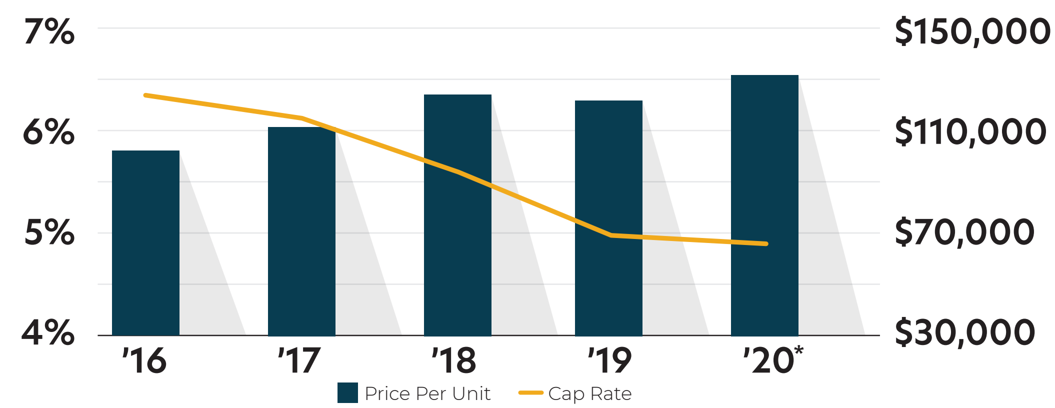
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$120,292	8.2%	$130,105

CAP RATE

2019	YOY CHANGE	2020
5.0%	-10 BPS	4.9%



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SAN ANTONIO, TEXAS

RECOVERING ECONOMY TO BOOST APARTMENT FUNDAMENTALS IN 2021

Disruption from the COVID-19 pandemic, combined with a wave of new apartments, caused multifamily fundamentals to dip in 2020. Economic and demographic strengths, however, will foster a healthy rebound. Multifamily builders delivered 4,770 apartments in 2020 while renters newly occupied 3,226 units. The supply-demand imbalance led to a 50-basis-point annual reduction in occupancy to 93.3% in December. Meanwhile, average effective rent decreased 1.1% to $1,004 per month. Approximately 43% of the jobs lost between January and May 2020 were recovered by December, but unemployment in the area's large leisure and hospitality sector persisted. Losses of these low-wage jobs became apparent in Class C apartment communities where occupancy and rent growth did not fare as well as among Class A and B properties. Improvement in overall apartment fundamentals is anticipated in 2021. Monthly effective rent is projected to rise 1.4% to $1,018 in 2021 while apartment completions taper to 4,065 units. Net absorption is forecast to outpace deliveries, spurring a 60-basis-point increase in occupancy to 93.9% by year-end. The multifamily pipeline indicates that new apartment inventory, which in the past several years has been heavily concentrated in the Far West San Antonio and Far Northwest San Antonio submarkets, will be more evenly distributed in the metro area over the next few years. This change will give renters more choices about what part of the metro to reside in and may allow absorption to catch up in the recent build-up of apartments in the western and the northwestern portions of the metro.

2021 MARKET AT A GLANCE

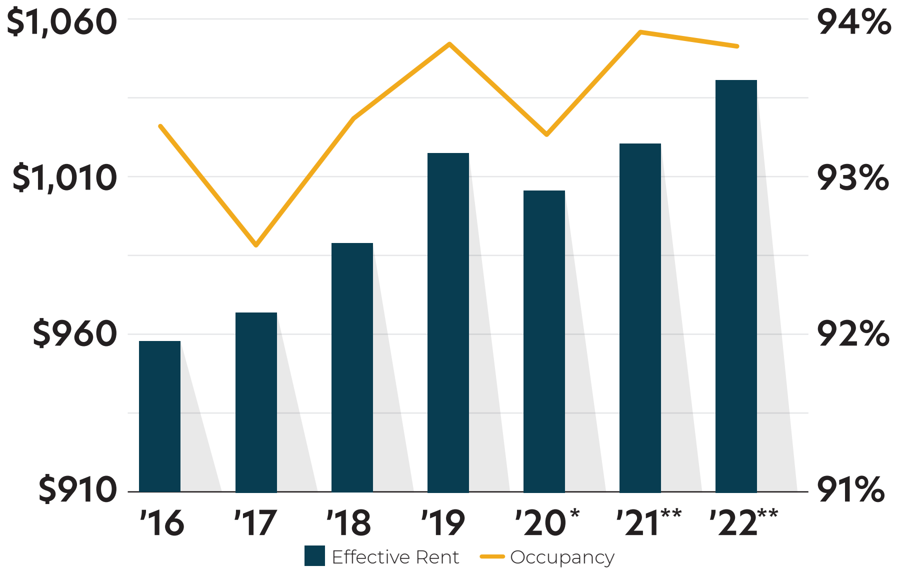
OCCUPANCY RATE
93.9%
Up **60 bps** YOY

EFFECTIVE RENT
$1,018
Up **1.4%** YOY

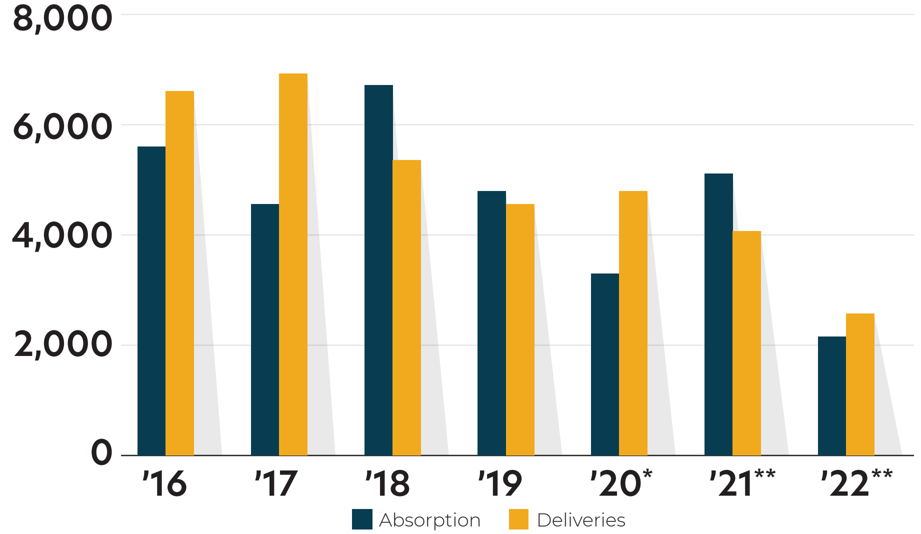
RENT SHARE OF WALLET
19.3%
Unchanged YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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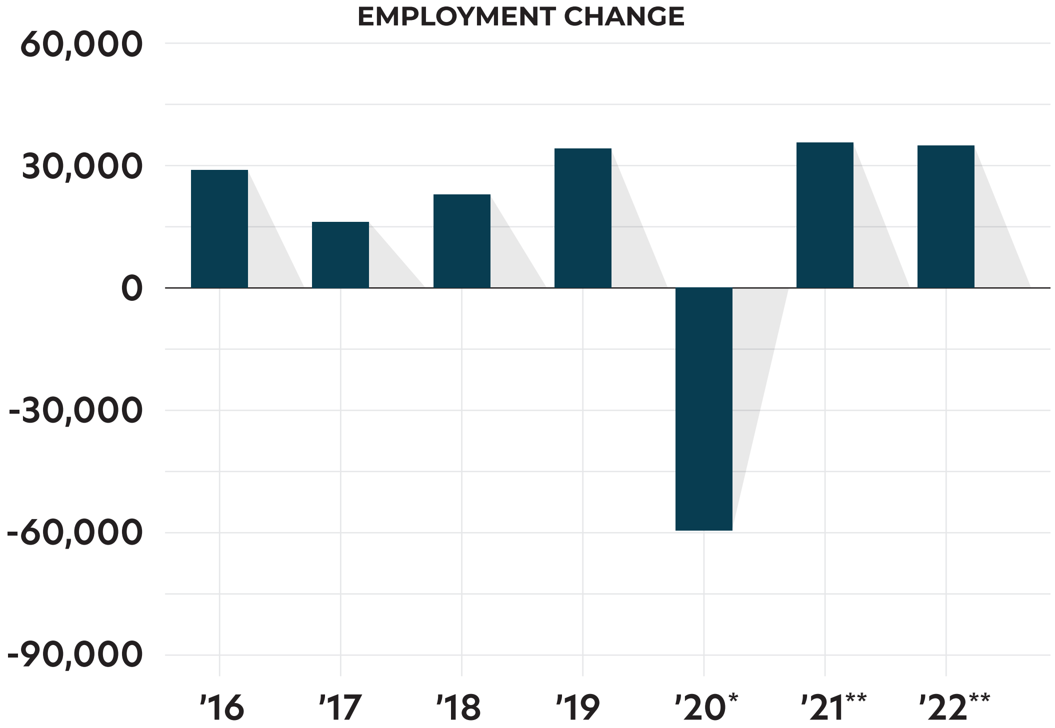
SAN ANTONIO, TEXAS

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,102,600	-5.4%	1,043,200	3.4%	1,078,600

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.3%	450 BPS	6.8%	-100 BPS	5.8%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,569,000	1.3%	2,602,200	1.3%	2,636,300

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
948,400	1.4%	961,900	1.6%	977,300

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$62,815	-0.8%	$62,307	1.7%	$63,355

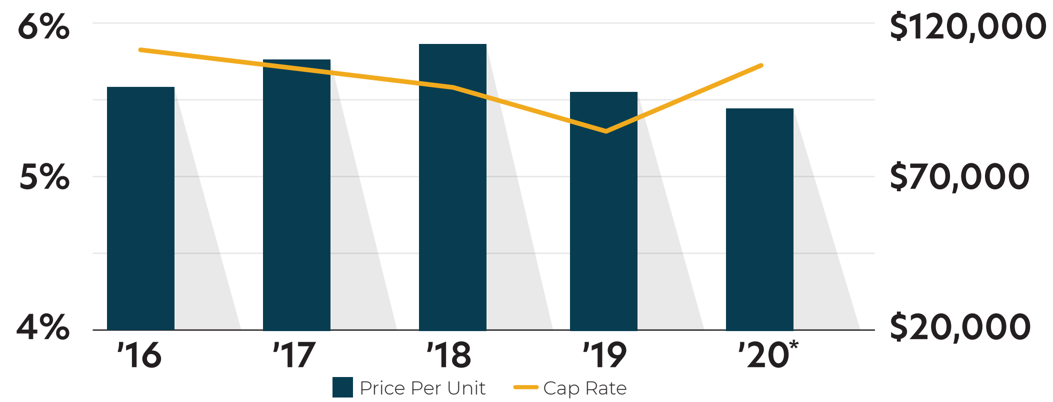
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$96,757	-5.9%	$91,015

CAP RATE

2019	YOY CHANGE	2020
5.3%	40 BPS	5.7%



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SALT LAKE CITY, UTAH

BERKADIA®

ANNUAL 2.5% RENT INCREASE PROJECTED IN 2021 AMID SURGE IN DELIVERIES

Apartment fundamentals in the Salt Lake City/Ogden/Clearfield metro area began to improve during the third quarter of 2020 following the pandemic-driven disruption to the economy in the prior two quarters. By the last quarter of 2020, however, a surge of 1,149 new apartments coinciding with the seasonal, fourth-quarter softening in leasing activity slowed the momentum. Fourth quarter apartment demand, while positive, trailed deliveries, resulting in a 40-basis-point, year-over-year reduction in occupancy to 95.3% in December. At the same time, average monthly effective rent settled at $1,180, unchanged from December 2019. The 4.0% employment rebound from May to December 2020 is anticipated to lead to continued economic improvement, which will help stimulate renewed rent growth. Average effective rent is forecast to increase 2.5% in 2021 to $1,209 per month. One concern for the apartment market in the near term, however, is the wave of new inventory on the way. More than 5,200 apartments are scheduled for delivery in 2021, approximately one-third of which will be placed into service in the Downtown Salt Lake City/University submarket. The influx of new product is projected to prolong the supply-demand imbalance metrowide. Net apartment absorption is expected to increase with rising employment in 2021, but will still lag deliveries, resulting in a 20-basis-point reduction in occupancy to 95.1% by December 2021. Over the near term and beyond, sustained increases in single-family home prices and robust in-migration are anticipated, and these trends should underpin apartment demand for the foreseeable future.

2021 MARKET AT A GLANCE

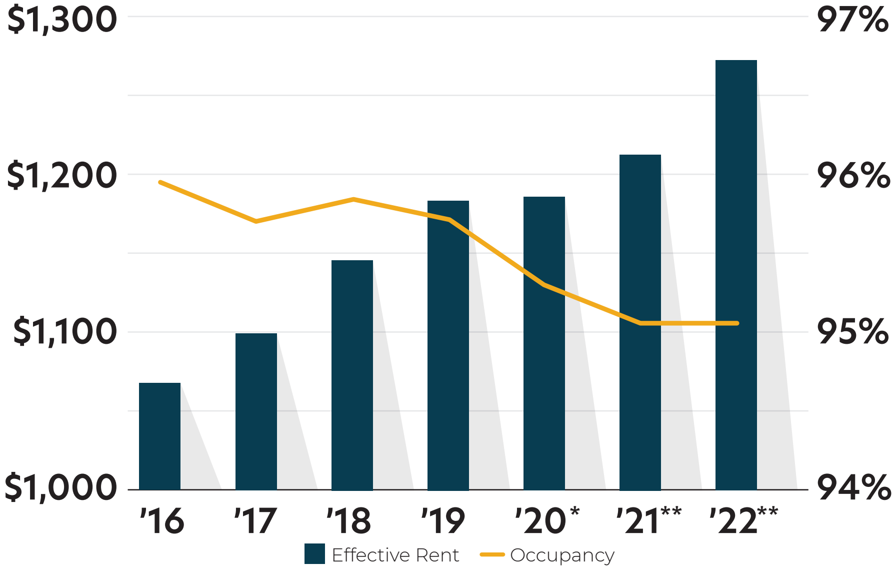
OCCUPANCY RATE
95.1%
Down **20 bps** YOY

EFFECTIVE RENT
$1,209
Up **2.5%** YOY

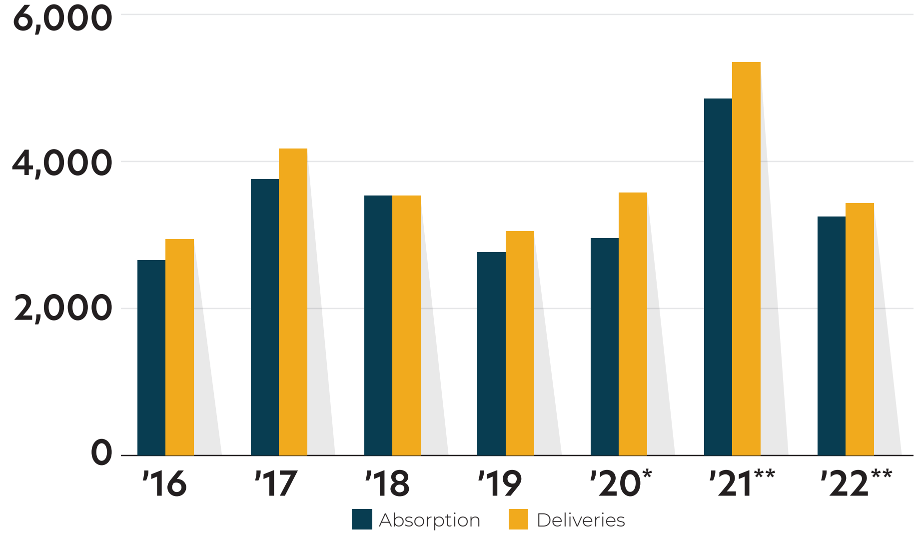
RENT SHARE OF WALLET
18.8%
Down **10 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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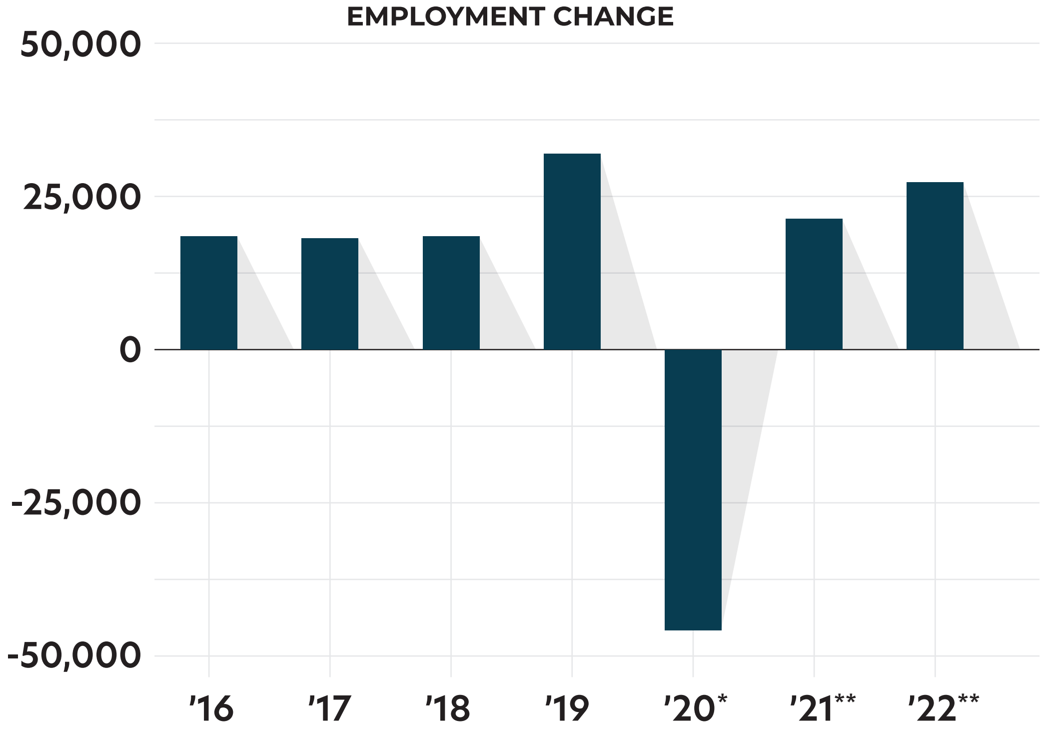
SALT LAKE CITY, UTAH

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
771,800	-5.9%	726,300	2.8%	746,900

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.8%	300 BPS	4.8%	-110 BPS	3.7%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,241,500	1.3%	1,257,100	1.2%	1,272,200

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
423,800	1.5%	430,300	1.5%	436,900

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$81,079	-7.4%	$75,063	3.0%	$77,311

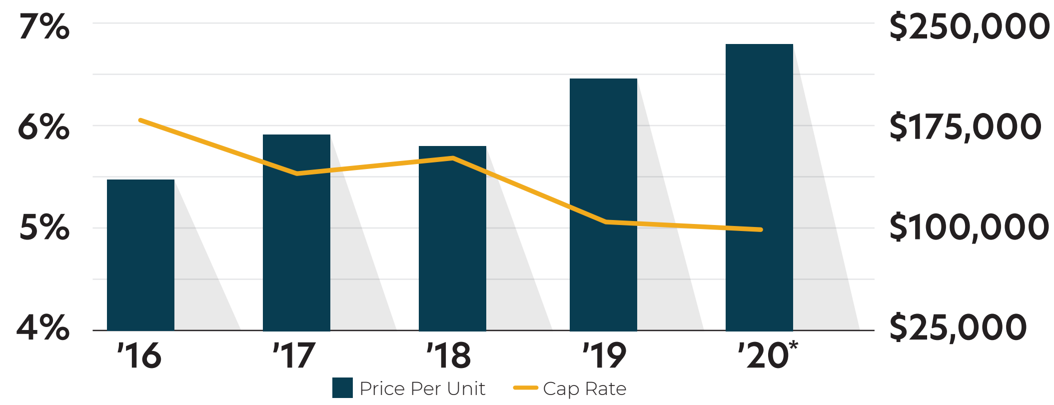
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$208,033	11.8%	$232,669

CAP RATE

2019	YOY CHANGE	2020
5.1%	-10 BPS	5.0%



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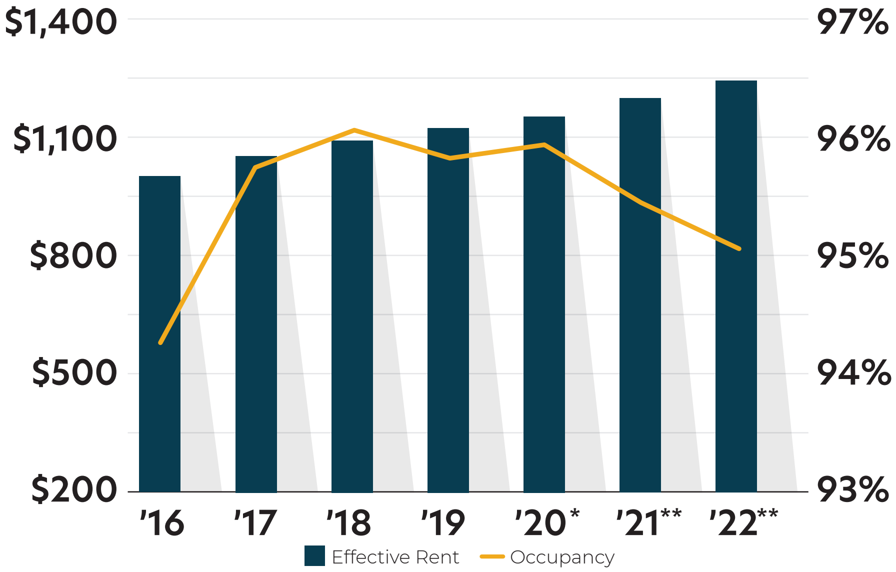
RICHMOND, VIRGINIA

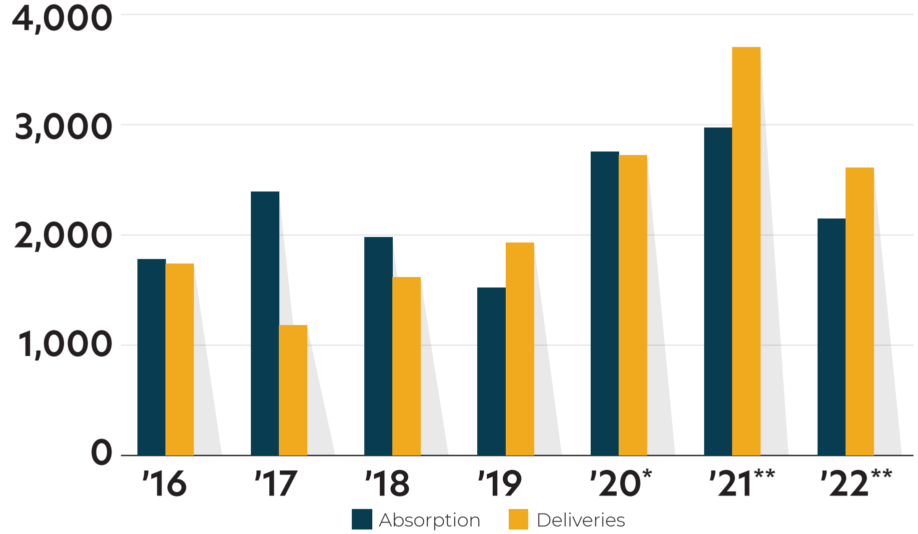
BERKADIA®

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



2021 MARKET AT A GLANCE

OCCUPANCY RATE
95.4%
Down **50 bps** YOY

EFFECTIVE RENT
$1,194
Up **4.2%** YOY

RENT SHARE OF WALLET
20.9%
Up **70 bps** YOY

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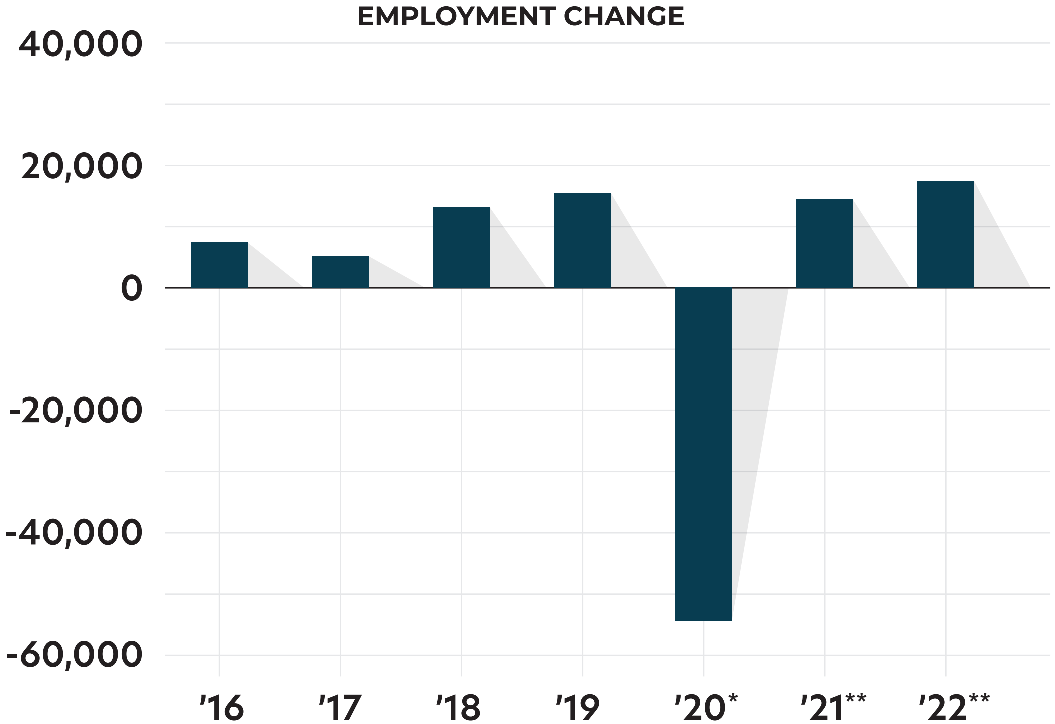
RICHMOND, VIRGINIA

BERKADIA®

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
699,100	-7.8%	644,500	2.1%	658,300

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.1%	540 BPS	7.5%	-100 BPS	6.5%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,318,600	0.6%	1,327,100	0.6%	1,334,900

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
524,600	0.9%	529,500	0.9%	534,200

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$67,419	1.1%	$68,145	0.4%	$68,447

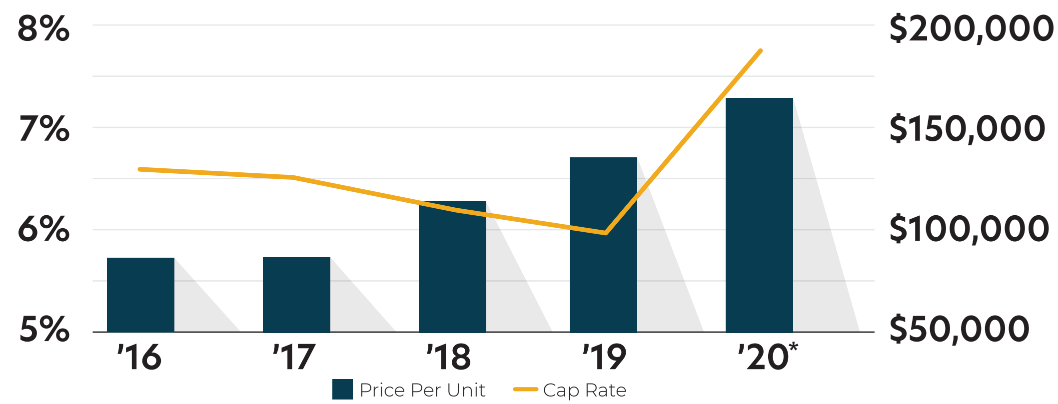
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$132,703	21.2%	$160,831

CAP RATE

2019	YOY CHANGE	2020
6.0%	170 BPS	7.7%



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VIRGINIA BEACH, VIRGINIA

BERKADIA®

JOB GROWTH IN 2021 TO SUPPORT APARTMENT DEMAND & RENT GROWTH

The Virginia Beach metro area's monthly unemployment rate fell to 7.9% in December 2020, down from the pandemic-driven high of 11.5% in May. During that time, employers created or reinstated 33,700 jobs, accounting for 38% of the furloughed and eliminated jobs from January to May. The most significant jobs recovery was in the leisure and hospitality sector. By December, payrolls in the sector bounced back to 91% of the pre-pandemic level. The employment rebound occurred as developers brought 1,843 apartments online in 2020, more than double those in 2019. And while third quarter 2020 apartment demand was healthy, suppressed renter mobility in the second quarter drove down leasing activity, contributing to a near-50% reduction in annual net absorption compared to 2019. The drop caused apartment occupancy to dip 10 basis points to 96.5% by year-end. Simultaneously, average effective rent rose 3.4% to $1,143 per month. In 2021, monthly effective rent is forecast to rise 2.5% to $1,172, while apartment deliveries are expected to decrease from 2020. Net absorption is forecast to once again trail deliveries in 2021, prompting a 10-basis-point reduction in occupancy to 96.4% by year-end. Beyond 2021, the leisure and hospitality segment will get a boost following completion of two new casinos: Norfolk Resort and Casino expects to support 2,500 new jobs, while Rivers Casino Portsmouth anticipates hiring 2,000 workers. Additionally, sustained hiring at Newport News Shipbuilding will provide a stabilizing effect to local employment in the near term.

2021 MARKET AT A GLANCE

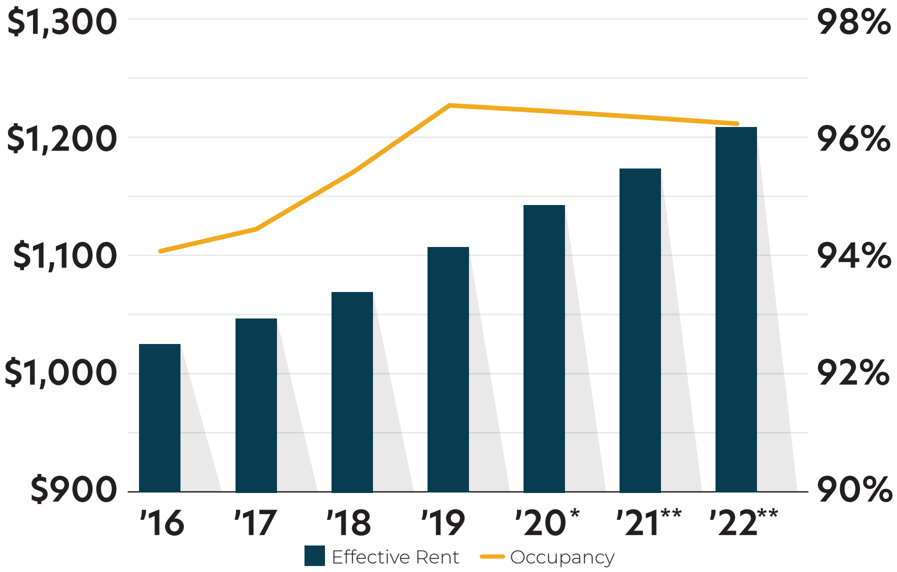
OCCUPANCY RATE
96.4%
Down **10 bps** YOY

EFFECTIVE RENT
$1,172
Up **2.5%** YOY

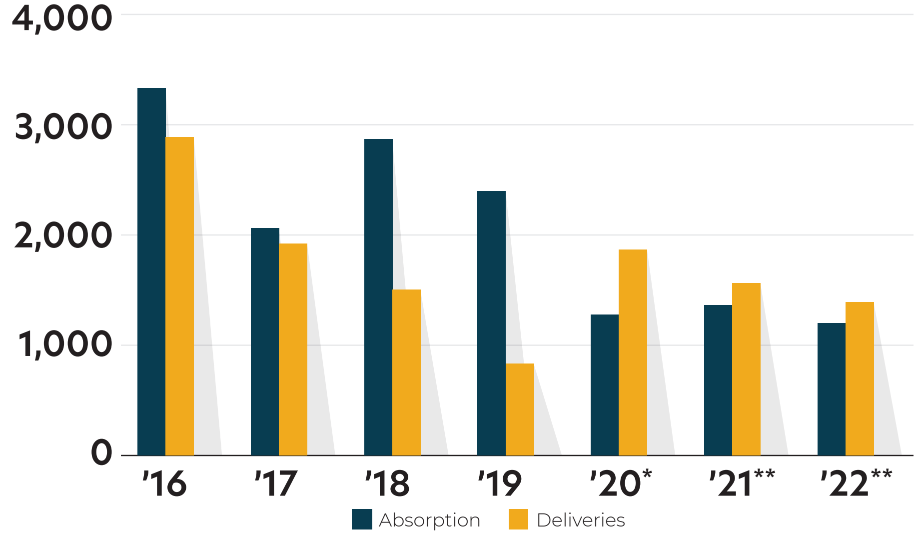
RENT SHARE OF WALLET
20.1%
Up **40 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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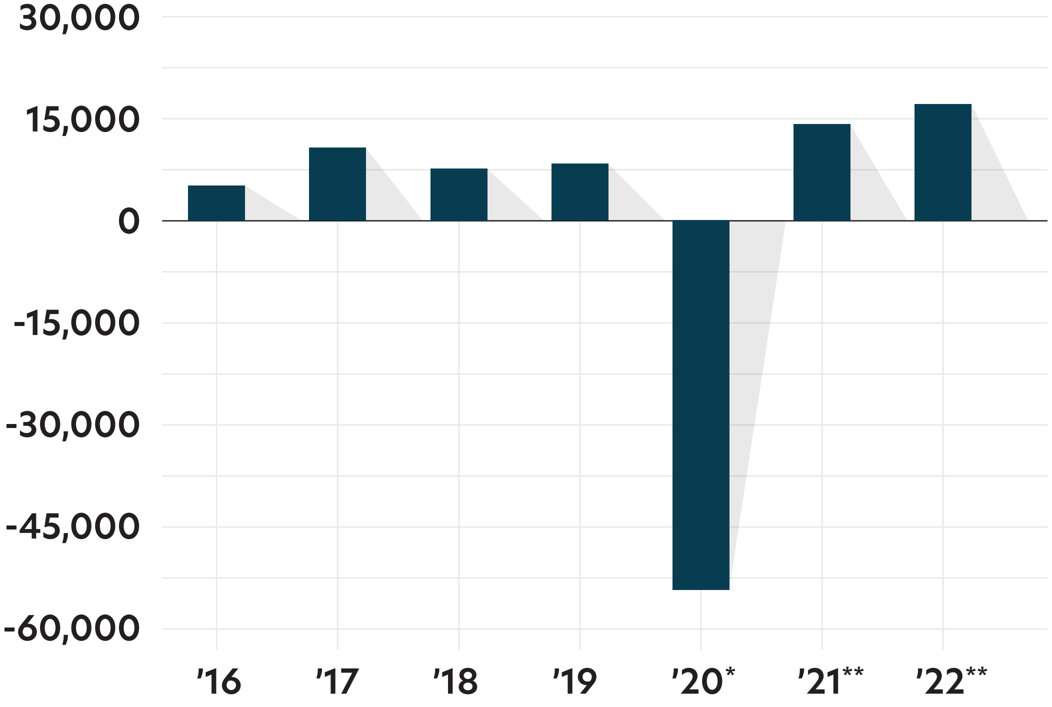
VIRGINIA BEACH, VIRGINIA

BERKADIA®

EMPLOYMENT TRENDS

EMPLOYMENT CHANGE



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
804,400	-6.9%	749,200	1.9%	763,600

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.2%	570 BPS	7.9%	-110 BPS	6.8%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,735,300	0.5%	1,744,800	0.5%	1,753,600

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
675,300	0.8%	680,900	0.8%	686,400

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$68,820	1.3%	$69,709	0.5%	$70,091

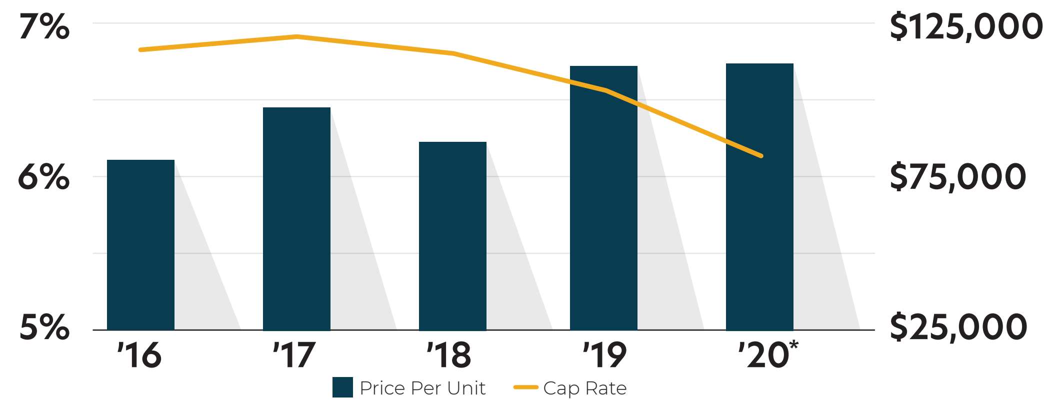
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$111,224	1.4%	$112,830

CAP RATE

2019	YOY CHANGE	2020
6.6%	-40 BPS	6.2%



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SEATTLE-TACOMA, WASHINGTON

BERKADIA®

CONSTRUCTION DELAYS IN 2020 WILL LEAD TO PEAK APARTMENT DELIVERIES IN 2021

After delays in construction caused by the pandemic in 2020, apartment deliveries across the Seattle-Tacoma metropolitan area are expected to peak this year. These extended timelines were most present among Downtown Seattle projects. Nine properties in the submarket that began construction before 2020 will begin lease-up this year. Of the nearly 15,500 units scheduled to come online across the metro in 2021, approximately one quarter of additions will be in the Downtown Seattle submarket. As apartment operators face competition amid the historic high of apartment inventory growth in the submarket, concessions are expected to increase, attracting renters. This move, along with a rebound in white-collar payrolls, should facilitate an increase in leasing in the submarket and metrowide as Greater Seattle-Tacoma average apartment occupancy is forecast to rise 60 basis points to 95.1% by year-end 2021. Economic recovery will also extend to blue-collar industries, as hiring by construction employers is projected to lead all other sectors in job creation during 2021. Beyond the increase in the apartment pipeline, work on large-scale projects like the Microsoft Redmond campus redevelopment and the 896,600-square-foot mixed-use Block V development will create more construction jobs this year. Hiring across all sectors, along with the increase in minimum wage, should boost apartment operators' ability to increase rent. After a 2.4% dip in 2020, monthly effective rent is forecast to advance 0.9% to finish this year at an average of $1,791.

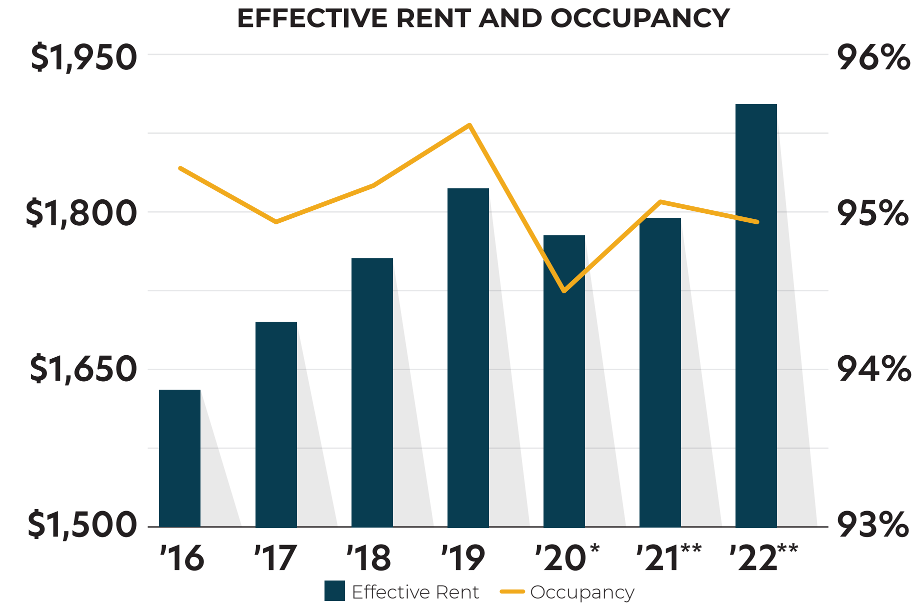
2021 MARKET AT A GLANCE

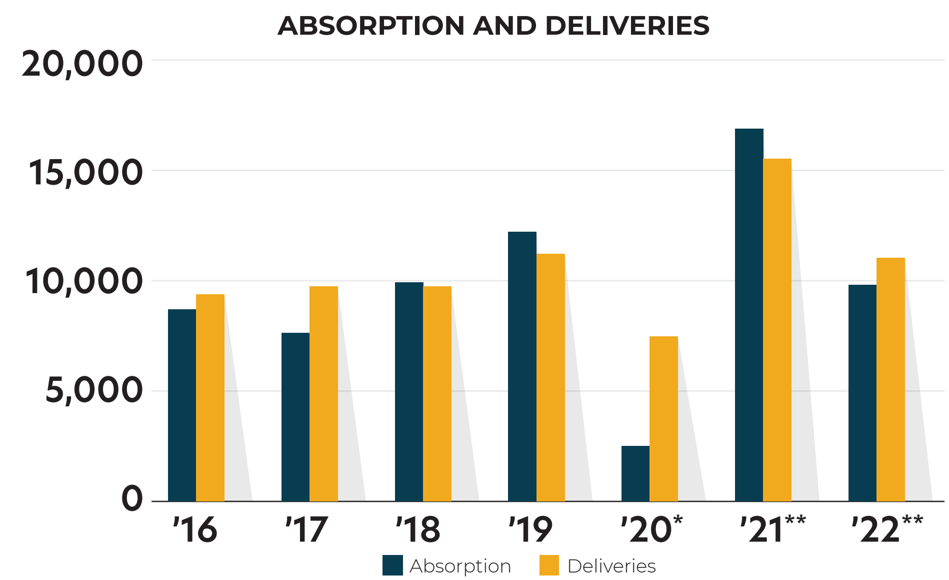
OCCUPANCY RATE
95.1%
Up **60 bps** YOY

EFFECTIVE RENT
$1,791
Up **0.9%** YOY

RENT SHARE OF WALLET
23.4%
Down **30 bps** YOY

MARKET TRENDS





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SEATTLE-TACOMA, WASHINGTON

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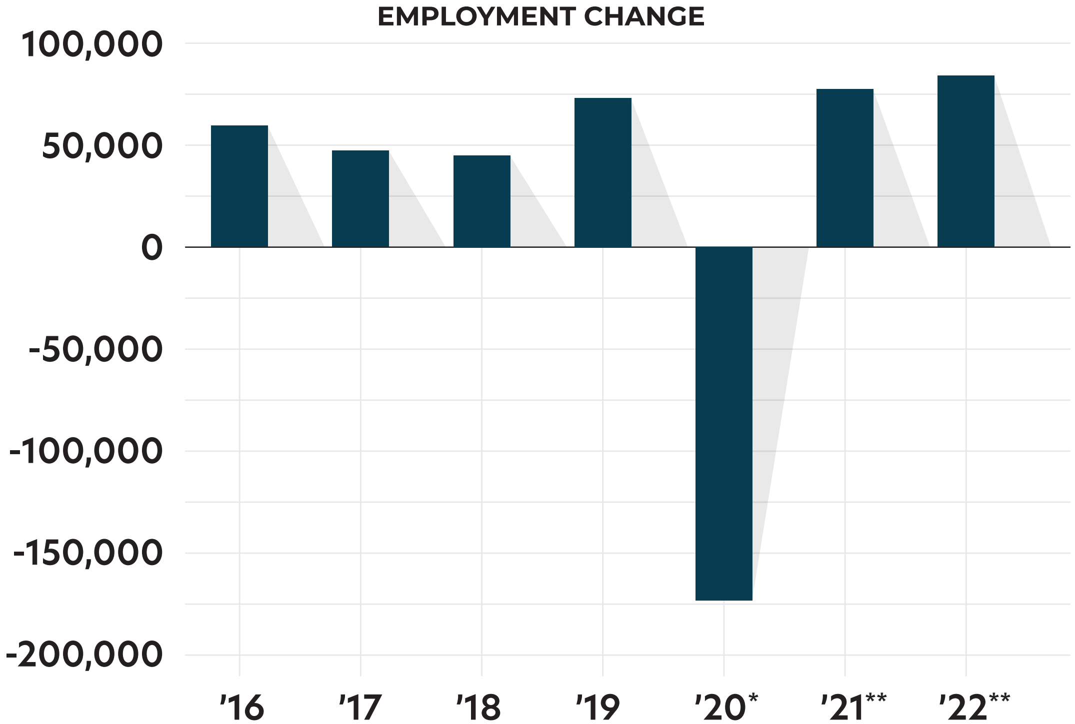
EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2,137,400	-8.1%	1,964,100	3.9%	2,041,100

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.2%	650 BPS	8.7%	-150 BPS	7.2%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
4,009,100	1.2%	4,055,600	1.1%	4,101,600

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,549,100	1.6%	1,573,400	1.7%	1,600,800

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$94,992	-5.5%	$89,810	2.4%	$91,923

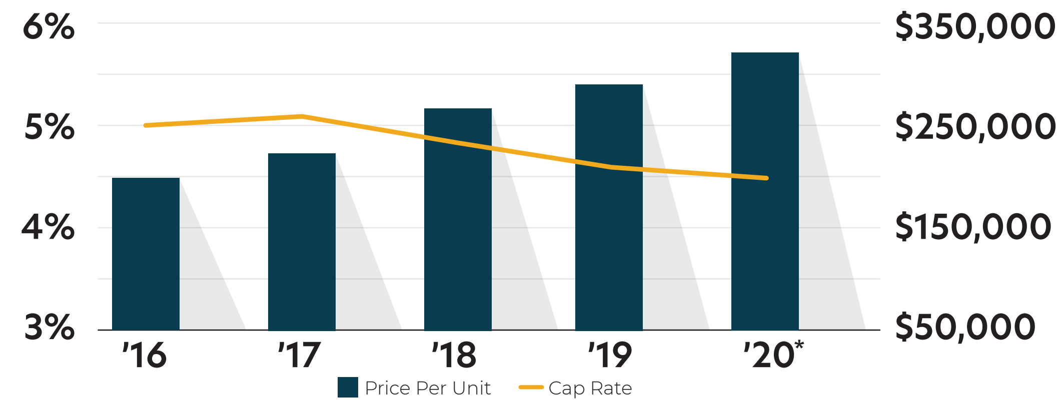
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$285,842	11.9%	$319,840

CAP RATE

2019	YOY CHANGE	2020
4.6%	-10 BPS	4.5%



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WASHINGTON, D.C.

BERKADIA®

APARTMENT DELIVERIES & DEMAND FORECAST TO RISE IN 2021 AS ECONOMY RECOVERS

With apartment occupancy rising in the Washington, D.C., metropolitan area in recent years, developers ramped up activity. Apartment deliveries rose more than 16% annually, with approximately 13,300 market-rate units coming online in 2020. While construction activity remained elevated, the effects of the pandemic hindered leasing activity last year as the workforce contracted, especially in the leisure and hospitality industry. The positive net apartment absorption trailed inventory growth to lead to a significant drop in metrowide occupancy. In response, average concessions increased to contribute to a decrease in monthly effective rent in 2020. Apartment operators are expected to employ concessions to attract renters, as more than 14,900 units are scheduled to come online over the next four quarters. A significant share of additions will be in the Navy Yard/Capitol South submarket, an area undergoing massive redevelopment beyond multifamily, as approximately 1.3 million square feet of office space was under construction at the start of this year. The additional office space will be needed as hiring among professional and business services employers is forecast to lead all employment sectors in 2021. This bodes well for apartment operators, as leasing activity in the submarket is expected to be among the highest in the metro. Across the DMV region, absorption this year is projected to more than double 2020's pace. Even with this rise, supply-side pressure is forecast to result in a 30-basis-point decrease in metrowide occupancy to 94.6% by year-end 2021. Simultaneously, monthly effective rent is expected to increase 0.1% annually to $1,756.

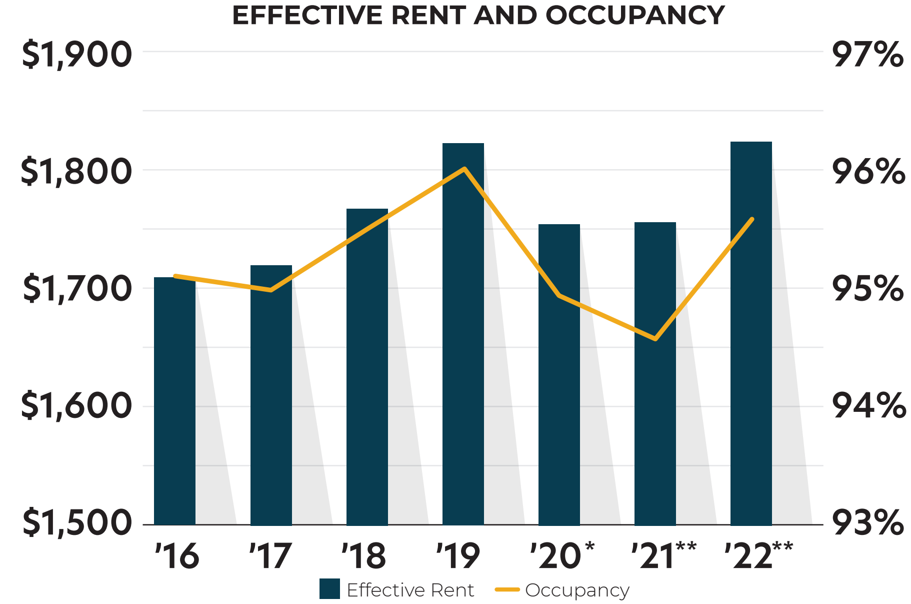
2021 MARKET AT A GLANCE

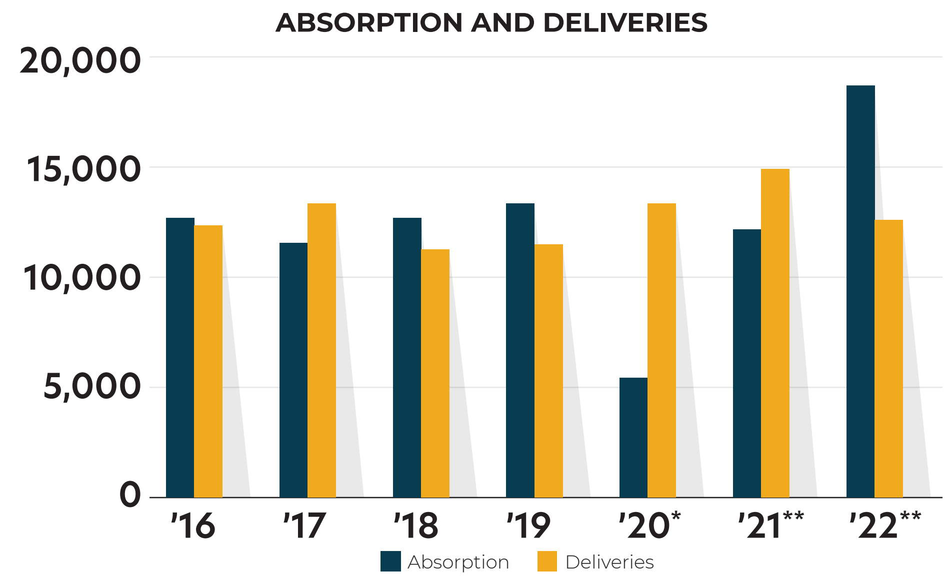
OCCUPANCY RATE
94.6%
Down **30 bps** YOY

EFFECTIVE RENT
$1,756
Up **0.1%** YOY

RENT SHARE OF WALLET
19.8%
Down **20 bps** YOY

MARKET TRENDS





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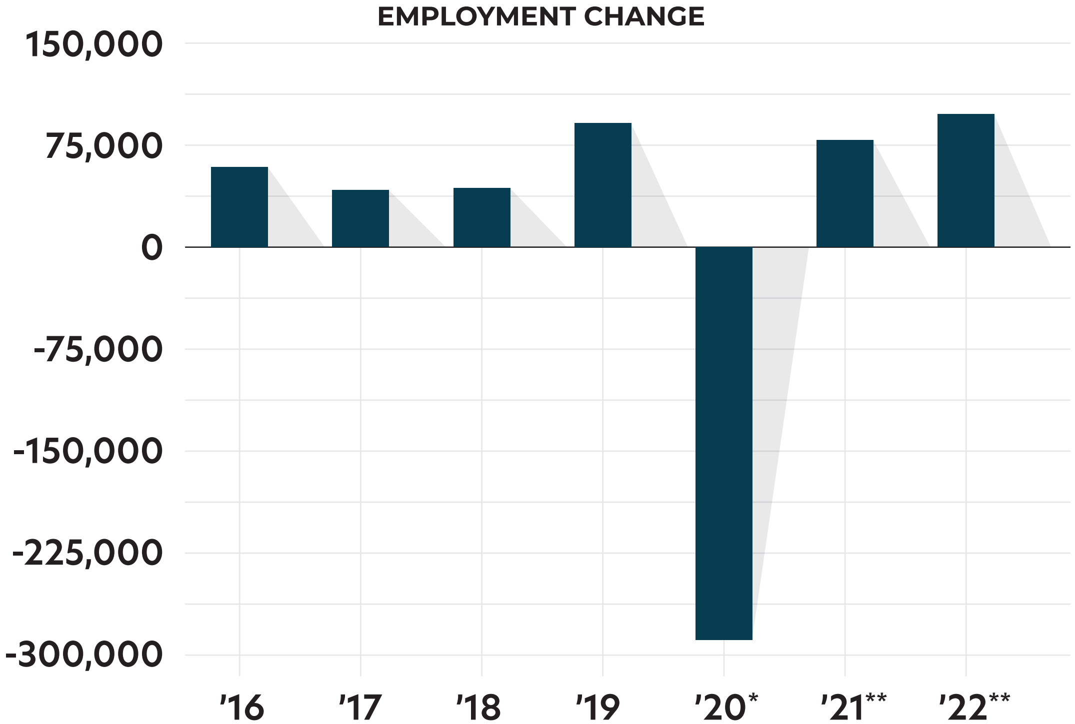
WASHINGTON, D.C.

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
3,412,300	-8.5%	3,123,700	2.4%	3,199,100

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.3%	470 BPS	7.0%	-120 BPS	5.8%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
6,286,900	0.8%	6,340,200	0.8%	6,390,200

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,389,900	1.1%	2,416,800	1.1%	2,442,400

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$105,416	-0.1%	$105,340	1.2%	$106,627

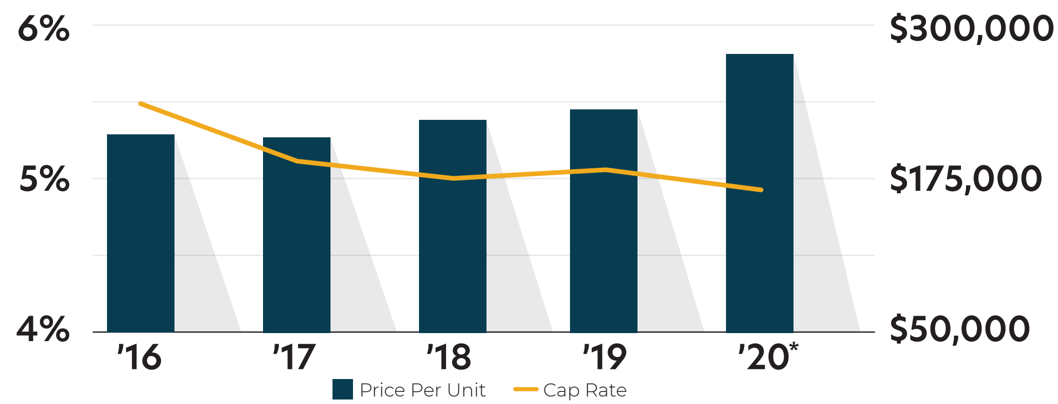
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$232,058	19.4%	$277,022

CAP RATE

2019	YOY CHANGE	2020
5.1%	-20 BPS	4.9%



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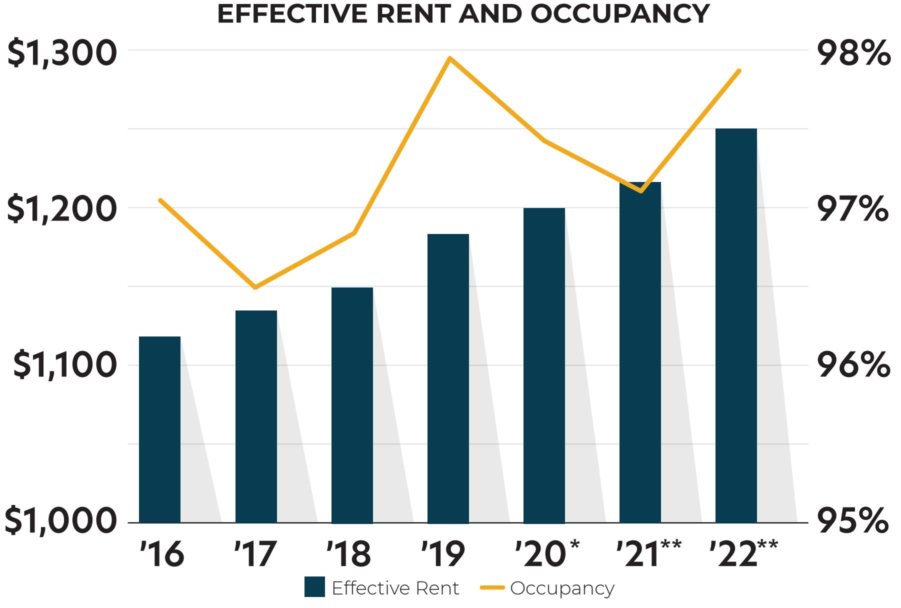
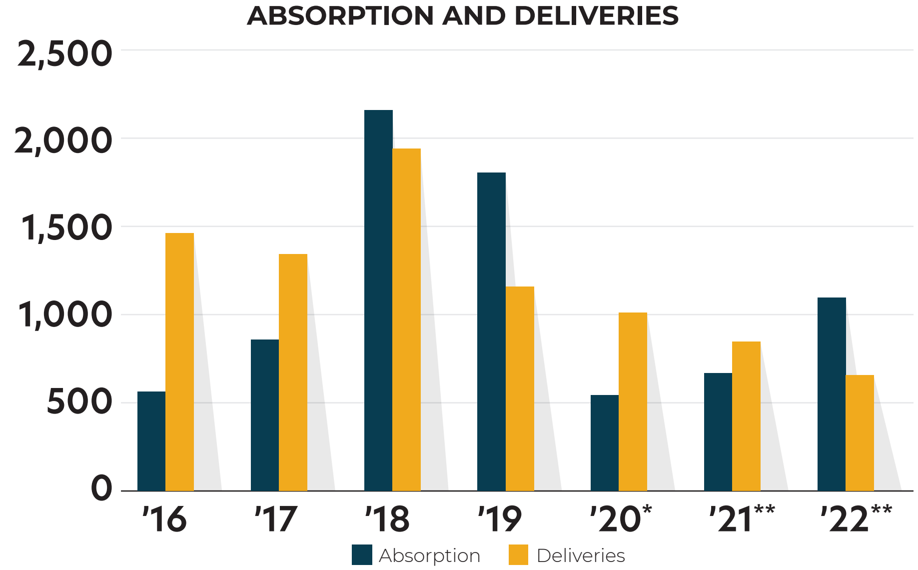
MADISON, WISCONSIN

BERKADIA®

MARKET TRENDS





2021 MARKET AT A GLANCE

OCCUPANCY RATE
97.2%
Down **20 bps** YOY

EFFECTIVE RENT
$1,217
Up **1.3%** YOY

RENT SHARE OF WALLET
18.5%
Up **20 bps** YOY

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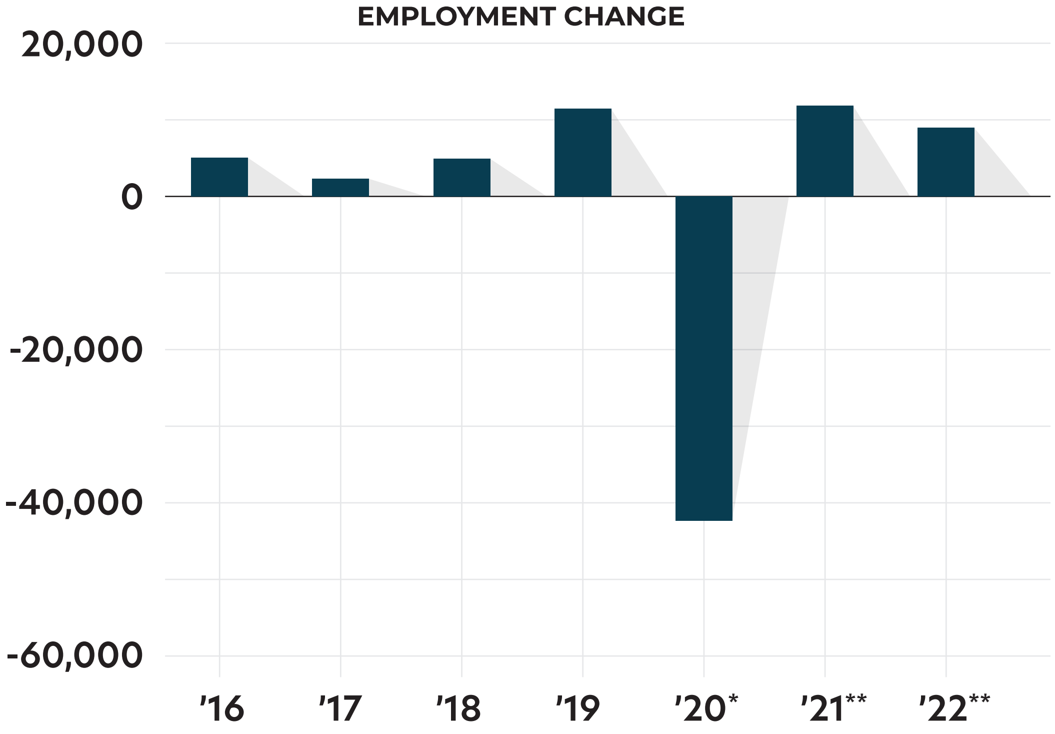
MADISON, WISCONSIN

BERKADIA

EMPLOYMENT TRENDS



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
417,300	-10.0%	375,700	3.1%	387,300

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.7%	380 BPS	5.5%	-120 BPS	4.3%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
666,600	0.6%	670,400	0.5%	673,600

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
283,900	1.0%	286,700	0.9%	289,300

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$75,469	4.1%	$78,553	0.7%	$79,096

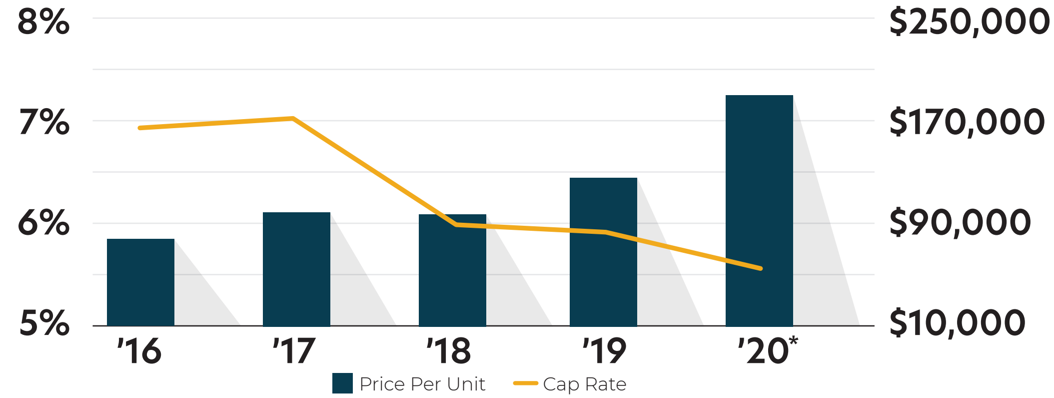
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$127,568	49.7%	$190,959

CAP RATE

2019	YOY CHANGE	2020
5.9%	-30 BPS	5.6%



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MILWAUKEE, WISCONSIN

BERKADIA®

APARTMENT RENT CONTINUES TO RISE AMID HEALTHY OCCUPANCY

Of the approximately 117,000 jobs shed from Greater Milwaukee employer payrolls during the first half of 2020, 50,000 jobs were rehired or recovered by year-end. This trend of recovery is expected to continue over the next 12 months, thanks to Milwaukee's continued appeal as a destination for expanding manufacturing and logistics firms. An in-progress expansion by Milwaukee Tool will add a new corporate campus to Menomonee Falls and 770 new jobs to the metro over the next five years. Likewise, pump manufacturer Wilo USA LLC is expanding its presence in the metro with a new 250,000-square-foot facility in 2022. Another boon for the metro is an expected influx of remote work professionals relocating from coastal cities that have been affected by COVID-19. Economic development experts have highlighted the Milwaukee metro's unique appeal to former coastal residents seeking an alternative, amenities-filled urban environment. This and other signs of positive economic recovery are encouraging apartment operators to increase effective rent 0.4% over the next 12 months to $1,190. Healthy apartment occupancy will be the catalyst for the operators' decision to increase rent over the next two years. Occupancy will fall 20 basis points this year due to supply-side pressure caused by apartment construction ramping back up to pre-pandemic levels. The trend is expected to reverse course in 2022 when apartment developers ease the pace of construction. At 95.6% by year-end 2022, Milwaukee's occupancy will be up 20 basis points annually.

2021 MARKET AT A GLANCE

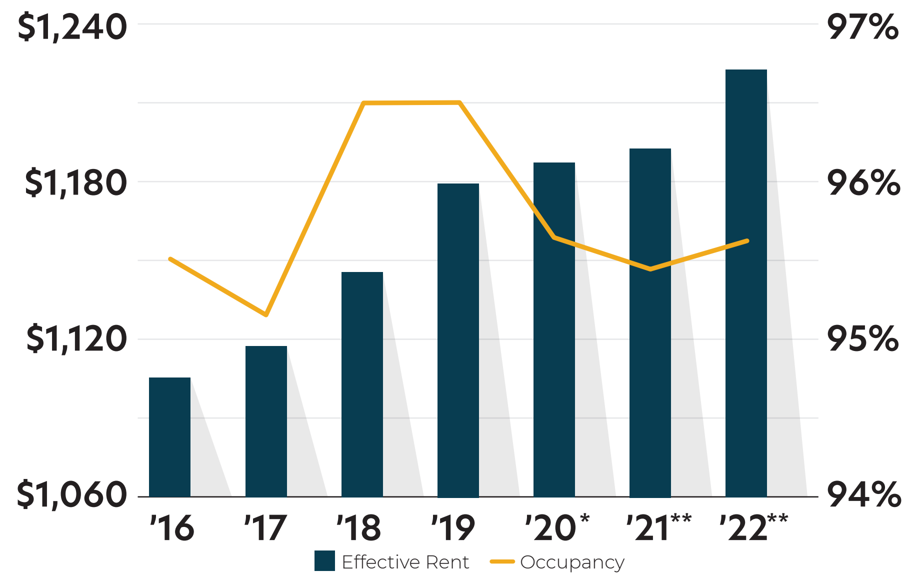
OCCUPANCY RATE
95.4%
Down **20 bps** YOY

EFFECTIVE RENT
$1,190
Up **0.4%** YOY

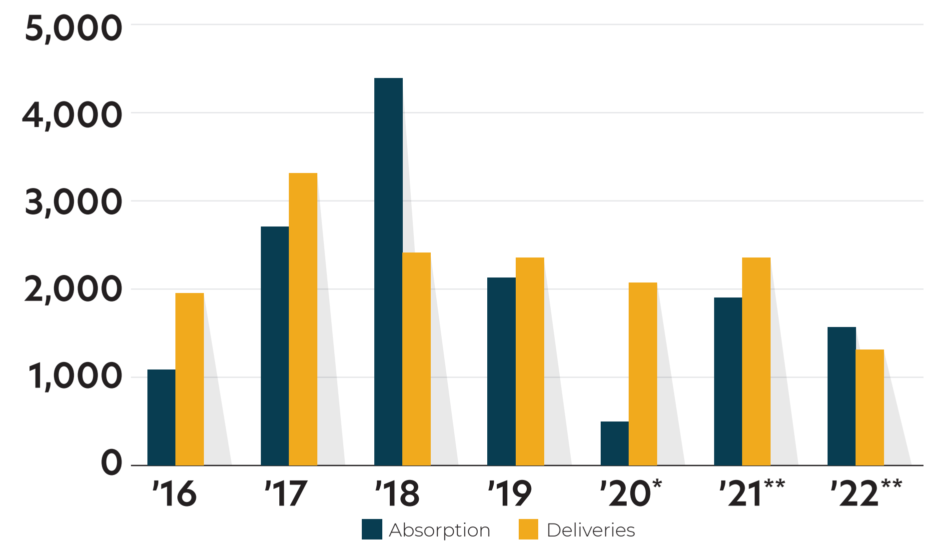
RENT SHARE OF WALLET
21.0%
Down **10 bps** YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



ABSORPTION AND DELIVERIES



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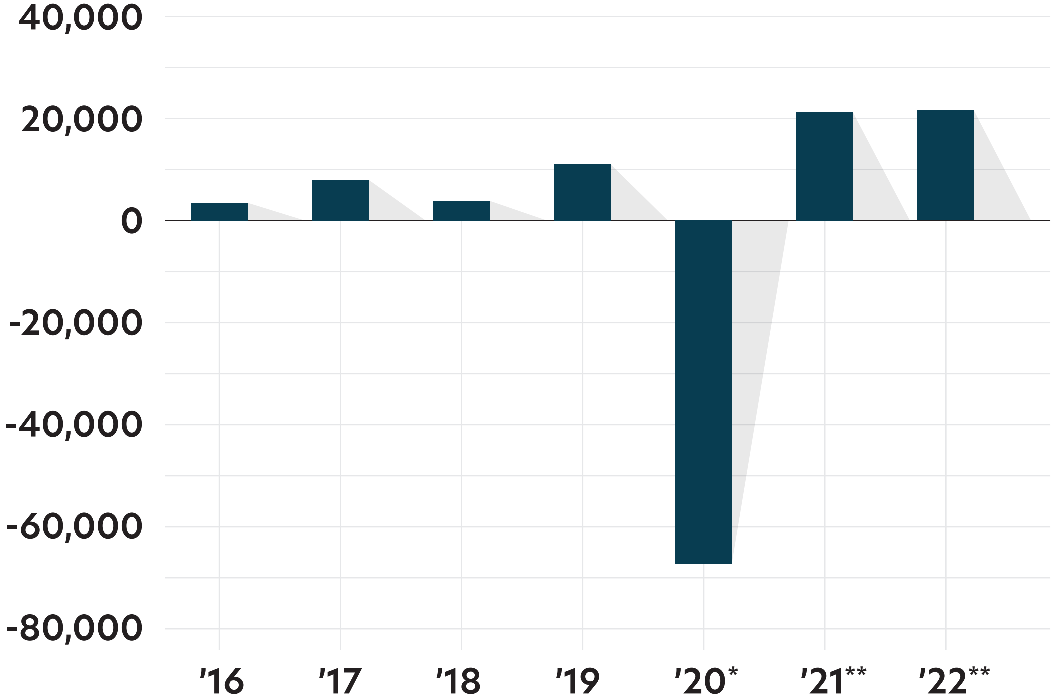
MILWAUKEE, WISCONSIN

BERKADIA

EMPLOYMENT TRENDS

EMPLOYMENT CHANGE



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021 **
886,100	-7.5%	819,500	2.5%	840,200

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.6%	520 BPS	7.8%	-160 BPS	6.2%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,576,600	0.2%	1,579,600	0.2%	1,582,000

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
643,500	0.5%	647,000	0.5%	650,500

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
$65,876	2.5%	$67,551	0.5%	$67,906

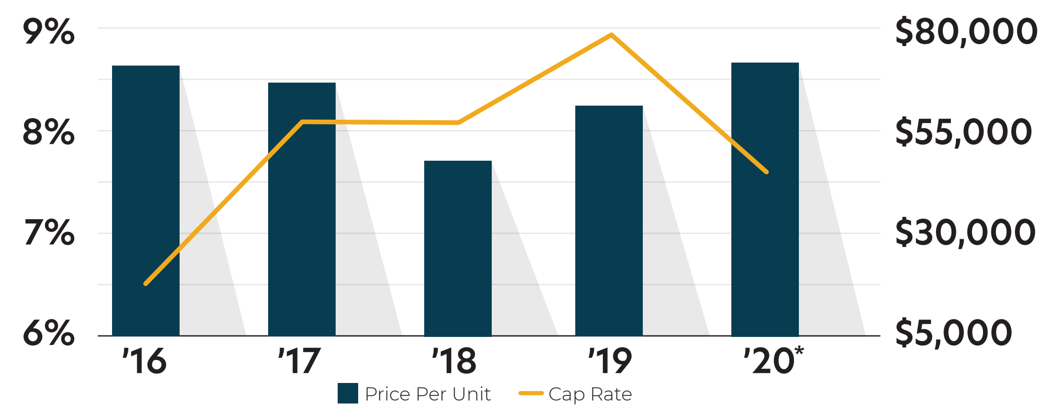
SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
$60,141	18.0%	$70,968

CAP RATE

2019	YOY CHANGE	2020
8.9%	-130 BPS	7.6%



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SOURCES:

Berkadia Research; Axiometrics Inc.; ApartmentData.com; Yardi Systems Inc.; CoStar Group Inc.; CoStar Group Inc.; Real Capital Analytics Inc.; Moody's Analytics Inc.; National Association of Realtors; Tetrad; 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 Atlanta; Federal Reserve Bank of St. Louis.

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