



Multi-Family Market Report

Rochester - MN (USA)

PREPARED BY



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MULTI-FAMILY MARKET REPORT

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12 Mo Delivered Units

780

12 Mo Absorption Units

206

Vacancy Rate

10.0%

12 Mo Asking Rent Growth

-0.2%

Rochester is a hub for healthcare and medical research, home to the globally-renowned Mayo Clinic, one of the world's leading medical institutions. The market's economy revolves around healthcare services, medical technology, and life sciences, which attract a highly skilled workforce and drive multifamily demand. Rochester's apartment market also benefits from its educational institutions, including the Mayo Clinic School of Medicine and the University of Minnesota Rochester.

With a diverse economy and an outsized share of high-paying jobs, 3-star and higher apartments are the dominant subtype in Rochester, accounting for over 80 percent of the submarket's multifamily stock. In turn, Rochester's market asking rents are higher than other outstate markets, currently averaging \$1,470/month. This outpaces the Twin Cities metro but is below the national average of \$1,660/month.

Over the past year, Rochester has registered 190 units of net absorption compared to 780 units of net deliveries. In turn, the market's vacancy rate has changed by 5.0% year over year, currently sitting at 10.0%. This compares to the National Index vacancy rate of 7.5% and the market's historical average of 7.8%.

Given the market's recent supply/demand landscape, annual rent growth sits at -0.2%, versus the national average of 0.8% and the submarket's 10-year average of 2.2%. Over a broader five-year horizon, rents have grown 13.1% cumulatively, compared to 19.5% for the National Index.

700 units are currently underway, representing an inventory expansion of 6.3%, versus the 4.9% inventory growth witnessed nationally. Over the past decade, Rochester has an average under construction stock of 710 units.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	4,497	8.8%	\$1,688	\$1,663	5	0	210
3 Star	4,846	13.0%	\$1,373	\$1,356	6	0	494
1 & 2 Star	1,763	4.5%	\$1,020	\$1,015	0	0	0
Market	11,106	10.0%	\$1,471	\$1,452	11	0	704

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	4.9%	7.7%	7.4%	17.9%	2017 Q1	4.1%	2022 Q1
Absorption Units	206	248	382	993	2018 Q1	(81)	2022 Q4
Delivered Units	780	274	380	1,433	2017 Q1	0	2022 Q4
Demolished Units	0	2	4	54	2015 Q3	0	2023 Q4
Asking Rent Growth (YOY)	-0.2%	1.4%	2.9%	7.4%	2022 Q2	-2.4%	2009 Q4
Effective Rent Growth (YOY)	-1.0%	1.4%	2.8%	8.2%	2022 Q2	-3.1%	2024 Q1
Sales Volume	\$79.3M	\$60.6M	N/A	\$411M	2022 Q2	\$0	2012 Q3

While Rochester's current vacancy rate stands at 10.0%, the fundamental landscape is bifurcated across quality slices. The vacancy rate among 4 & 5 Star apartments is 8.9%, compared to 13.0% in 3 Star apartments and 4.5% for the lowest tier, 1 & 2 Star properties. Comparatively, average vacancies across the nation sit at 10.3% for 4 & 5 Star units, 7.0% in 3 Star units, and 5.5% among 1 & 2 Star units.

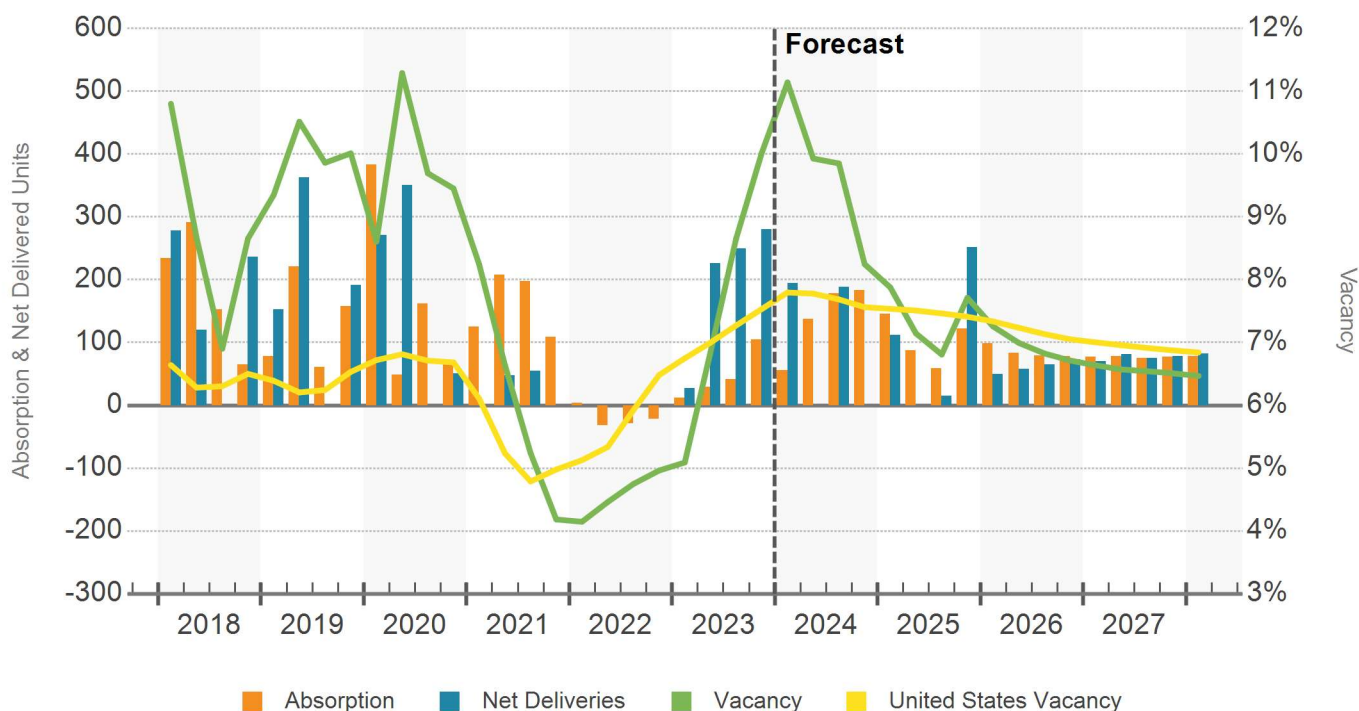
Given the supply/demand landscape over the past year, the market's vacancy rate has changed by 5.0%, compared to the 1.0% change in year over year vacancy witnessed for the broader nation. With a robust supply wave beginning in 2015, the market's overall vacancy rate, which includes properties in lease-up, has witnessed substantial volatility in recent years. Over the past decade, the largest year-over-year vacancy rate expansion is 10.9%, compared to the biggest compression of -7.1%. The market's 10-year average vacancy rate sits at 8.2%.

Rochester has several tailwinds aiding the multifamily market looking forward, most notably strong recent job gains and solid population growth. Over the past year, Rochester has registered job growth of 2.2% and population growth of 0.4%, or 950 people. This compares to the national average annual job gains of 1.3% and year-over-year population growth of 0.4%.

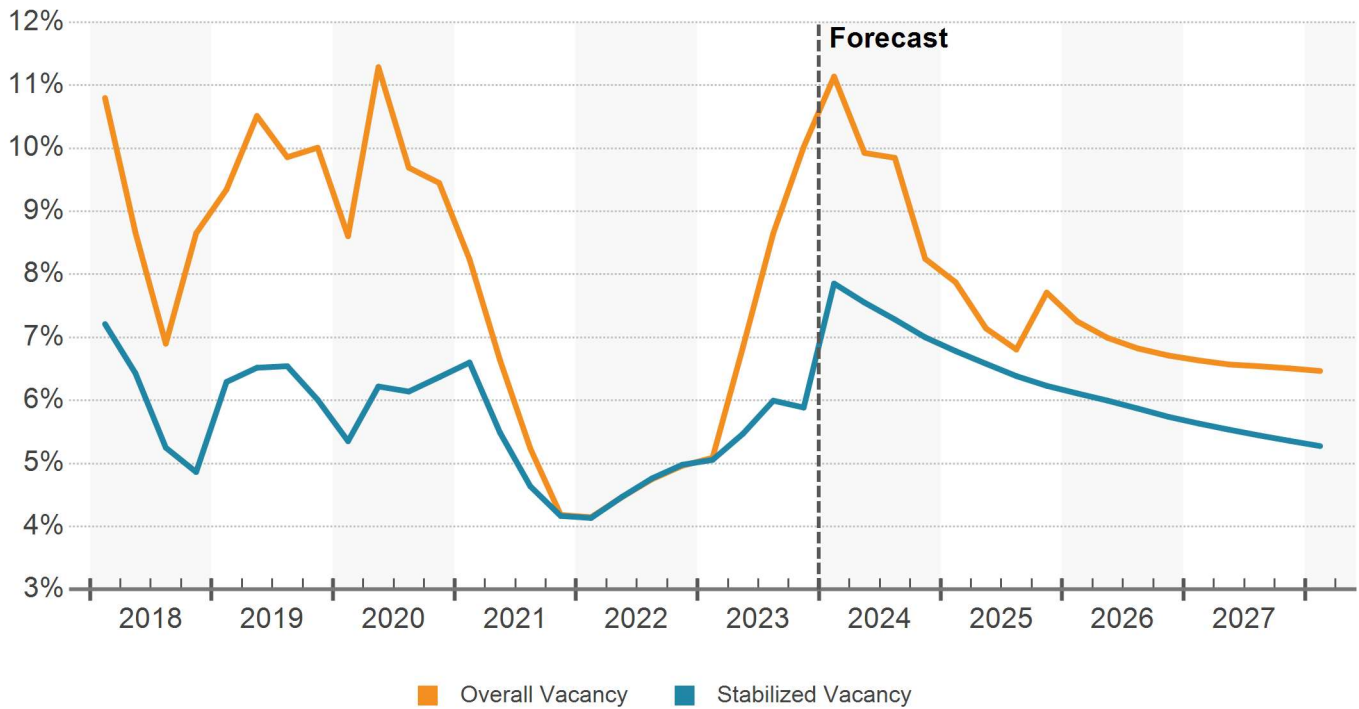
On a broader horizon, Rochester has seen 10-year job growth of 10.8%, while the market's population has increased by 7.5% over the same time. Comparatively, the national average 10-year job growth stands at 13.9%, with population growing by 5.5% over the past decade.

The historic lack of affordability in the single-family housing market will also continue to force would-be homeowners into the rental market, bolstering near-term apartment demand.

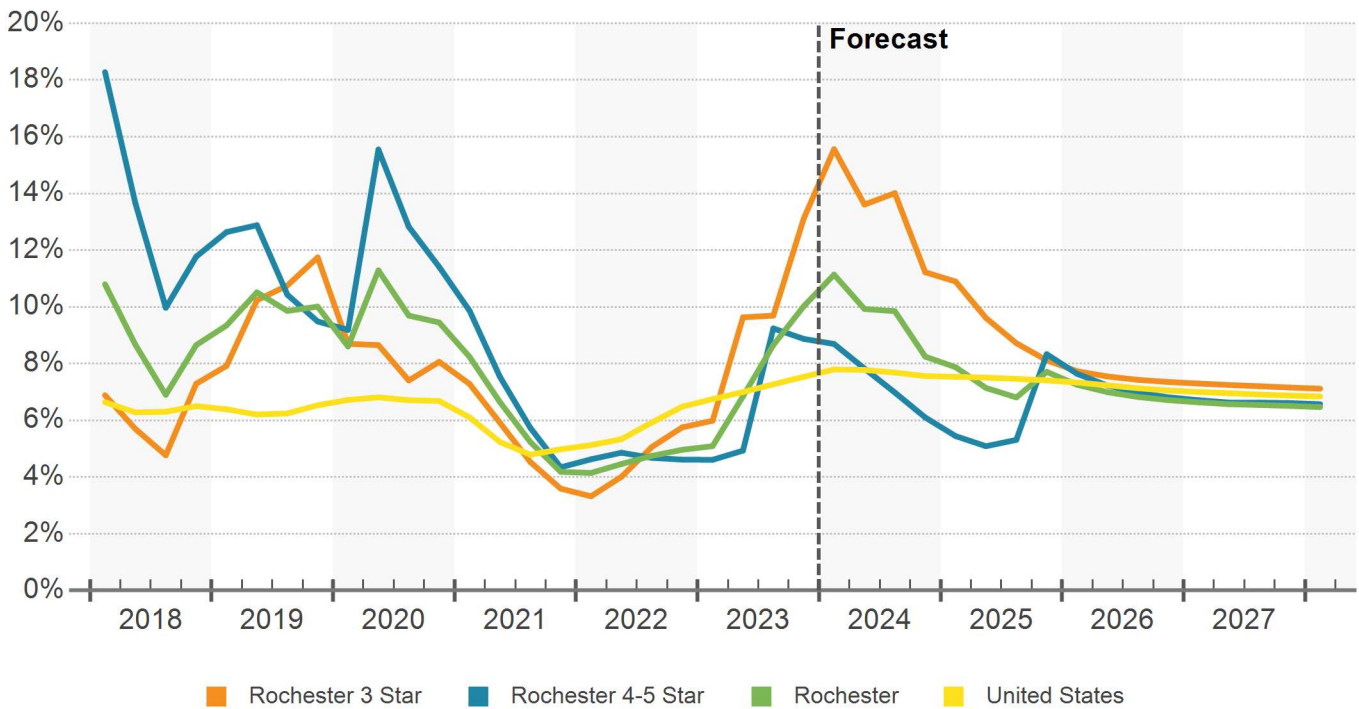
ABSORPTION, NET DELIVERIES & VACANCY



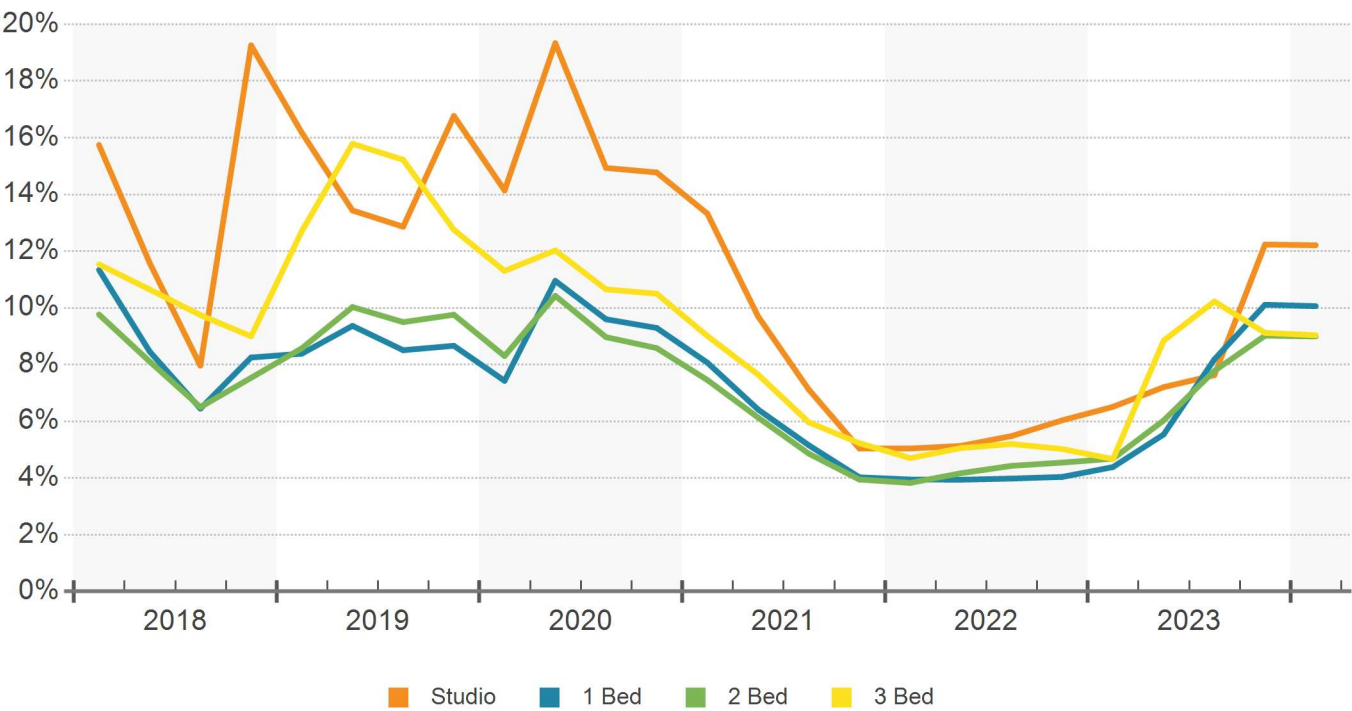
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



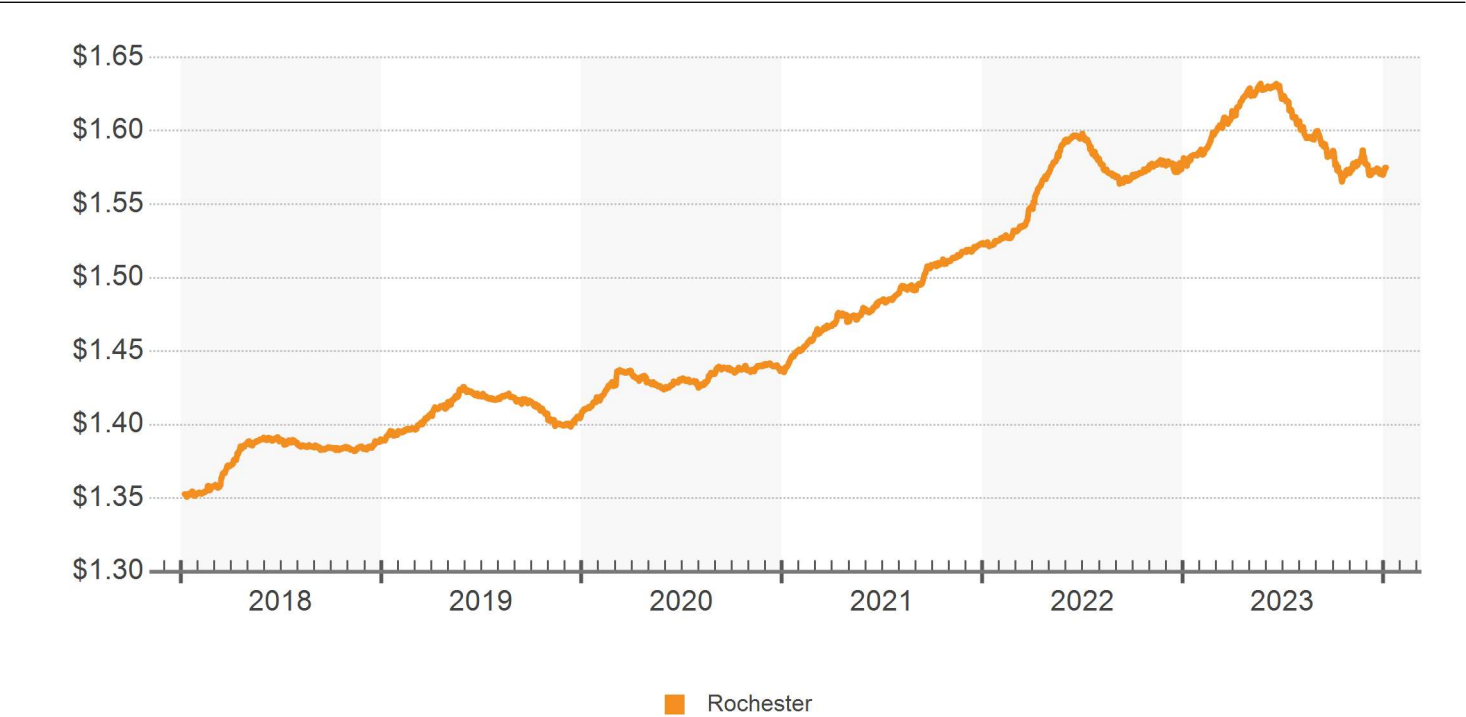
Though higher than comparable tertiary markets, Rochester's average asking rent of \$1,470/month is still below the national average of \$1,660/month. Among the highest quality stock, asking rents stand at \$1,690/month, versus 3 Star asking rents of \$1,370/month and 1 & 2 Star asking rents of \$1,020/month.

Rents in the market have grown by 0.2% over the past 12 months, compared to the 3.3% annualized average over the past three years. This compares to the year-over-year growth witnessed for the broader U.S. of 0.8%, with the three-year national average annual rent growth sitting at 5.0%.

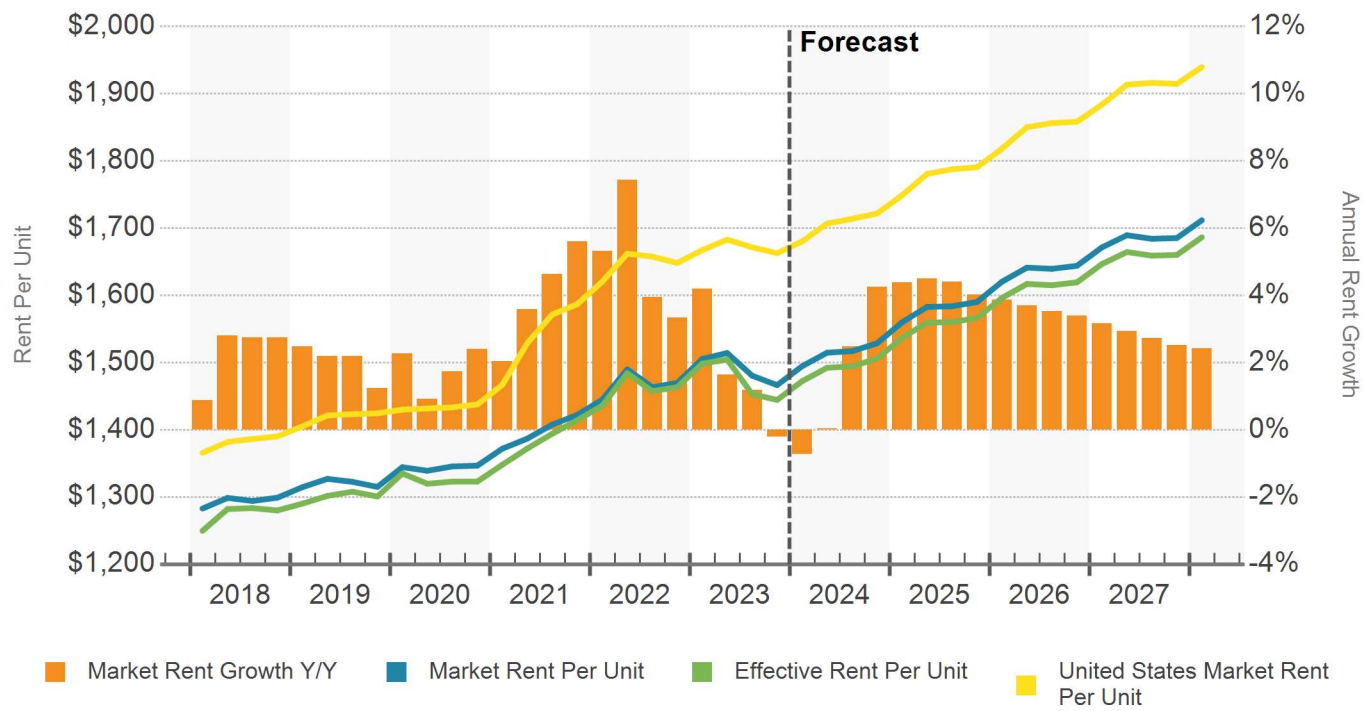
Further bifurcation in rent growth exists across quality slice, with 4 & 5 Star annual rent growth sitting at 0.2%, 3 Star units registering -0.7% annual rent growth, and 1 & 2 Star units witnessing 1.1% year over year rent growth.

On a longer horizon, apartment rent growth in Rochester has been on a solid positive trajectory, although gains have fallen short of the outsized levels seen in some parts of the country, particularly in the fast-growing sunbelt regions. The typical apartment space in Rochester is 22.9% more expensive than it was a decade ago, compared to the 10-year growth observed for the broader nation of 38.9%.

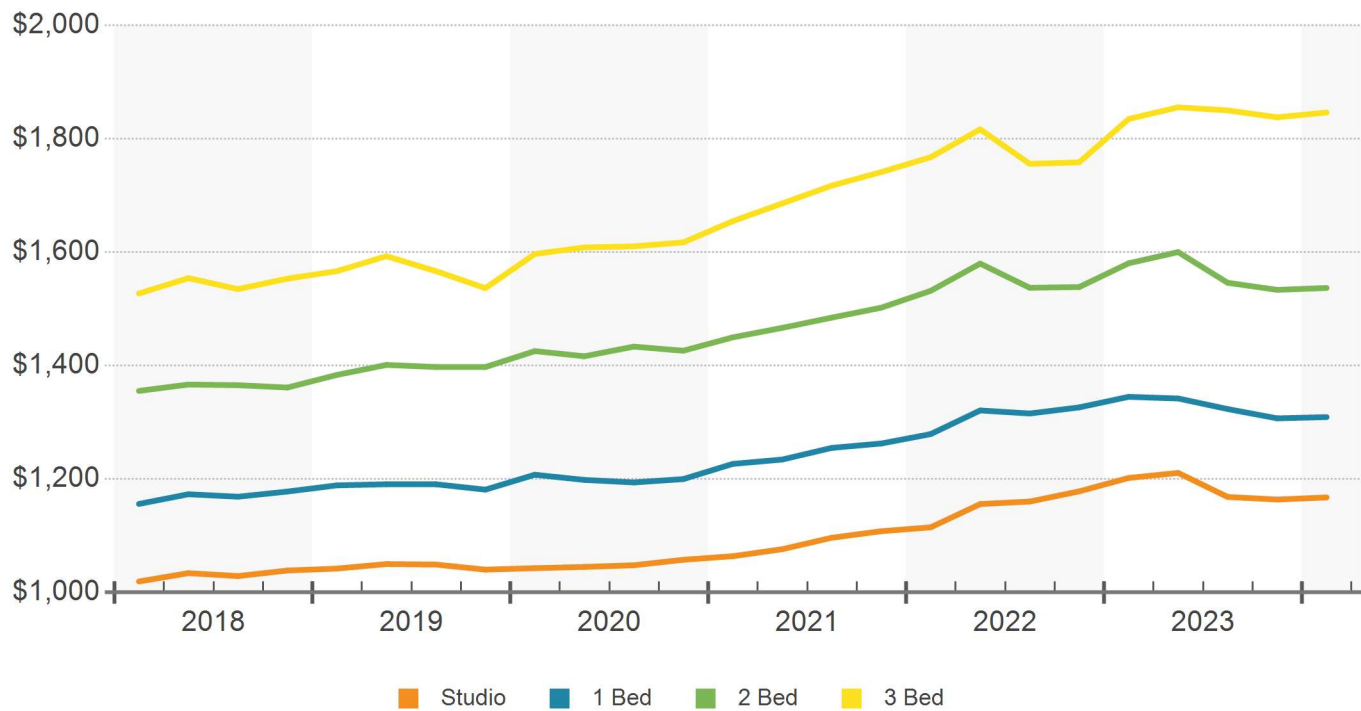
DAILY ASKING RENT PER SF



MARKET RENT PER UNIT & RENT GROWTH



MARKET RENT PER UNIT BY BEDROOM



Annual net deliveries sit at 780 units, compared to the market's 10-year average of 480 units. Among the current trailing 12-month new supply, 330 units are 4 & 5 Star product, while 450 units trace to 3 Star units and 0 units are among the 1 & 2 Star quality slice. Over the past decade, the market has registered cumulative supply growth of 5,100 units.

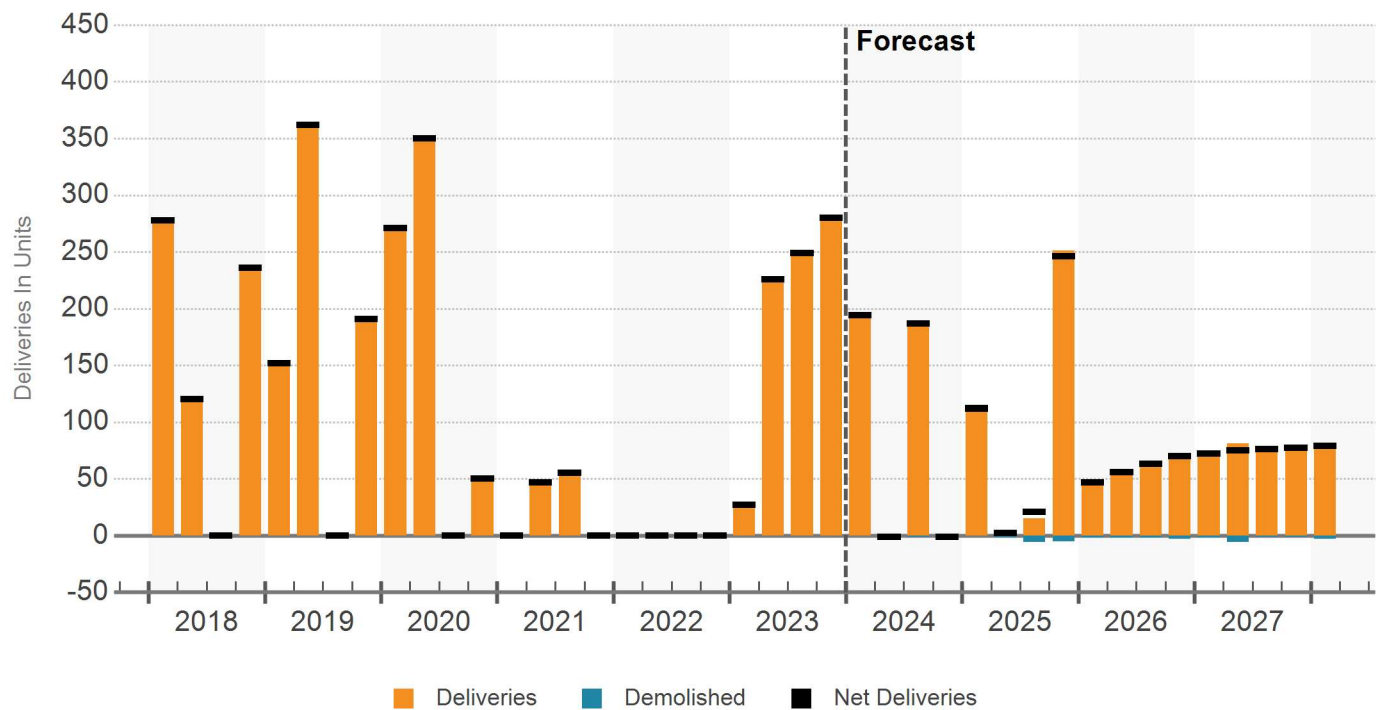
In addition to the recent net deliveries, 700 units are under construction, representing an inventory expansion of 6.3%.

While there is certainly some supply-side pressure, higher interest rates and labor constraints have inhibited the feasibility of new developments, slowing year-to-date construction starts substantially. Given the

metropolitan area's pipeline of mostly mid-rise buildings with an average construction time of approximately 18 months to 26 months, this recent pullback in starts signals that by the end of 2024, the number of new projects completing construction in subsequent quarters will decline sharply. This may set the stage for stabilizing or falling vacancies and accelerating rent growth in 2025, particularly if the economy is emerging from its current slowdown.

Going forward, another consideration for the market is the prospect of converting obsolete office space into multifamily housing, creating potential long-term ramifications regarding how housing will reshape the market and shift the property tax basis.

DELIVERIES & DEMOLITIONS

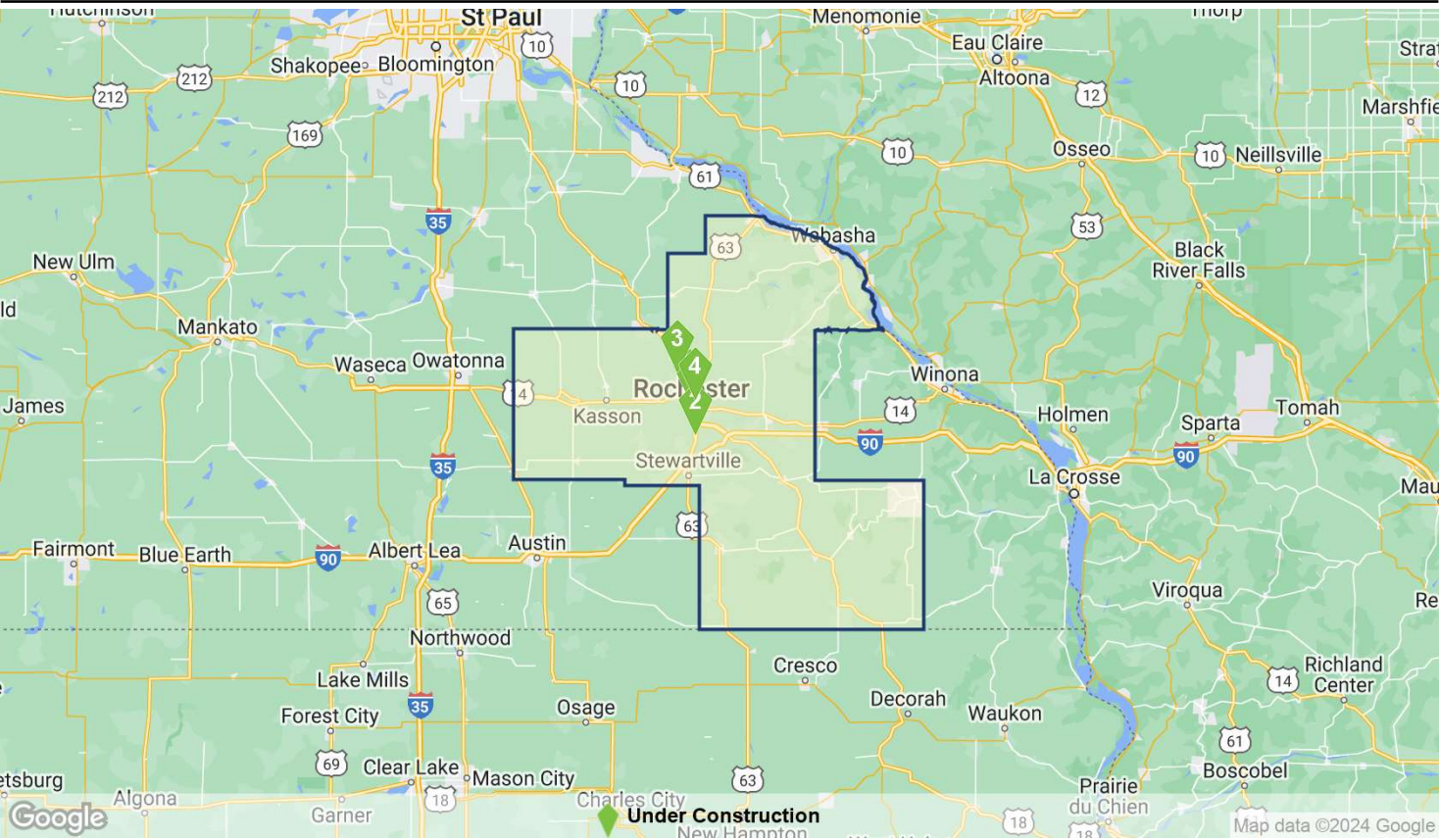


Under Construction Properties

Rochester Multi-Family

Properties	Units	Percent of Inventory	Avg. No. Units
4	704	6.3%	176

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1	Bakery Flats 300 11th Ave NW	★★★★★	210	8	Oct 2023	Oct 2025	City Of Rochester
2	SoRoc on Maine - Phase II 4850 Maine Ave SE	★★★★★	194	3	Oct 2022	Mar 2024	Centerspace Harvest Holdings Llc
3	VUE North Apartments 6470 37th Ave NW	★★★★★	188	3	Jul 2023	Jul 2024	-
4	Silver Lake Crossing 112 7th St NE	★★★★★	112	3	Apr 2023	Apr 2024	-

Rochester's annual sales volume currently sits at \$78.5 million, compared to the market's three-year average of \$207 million and 10-year average of \$93.0 million.

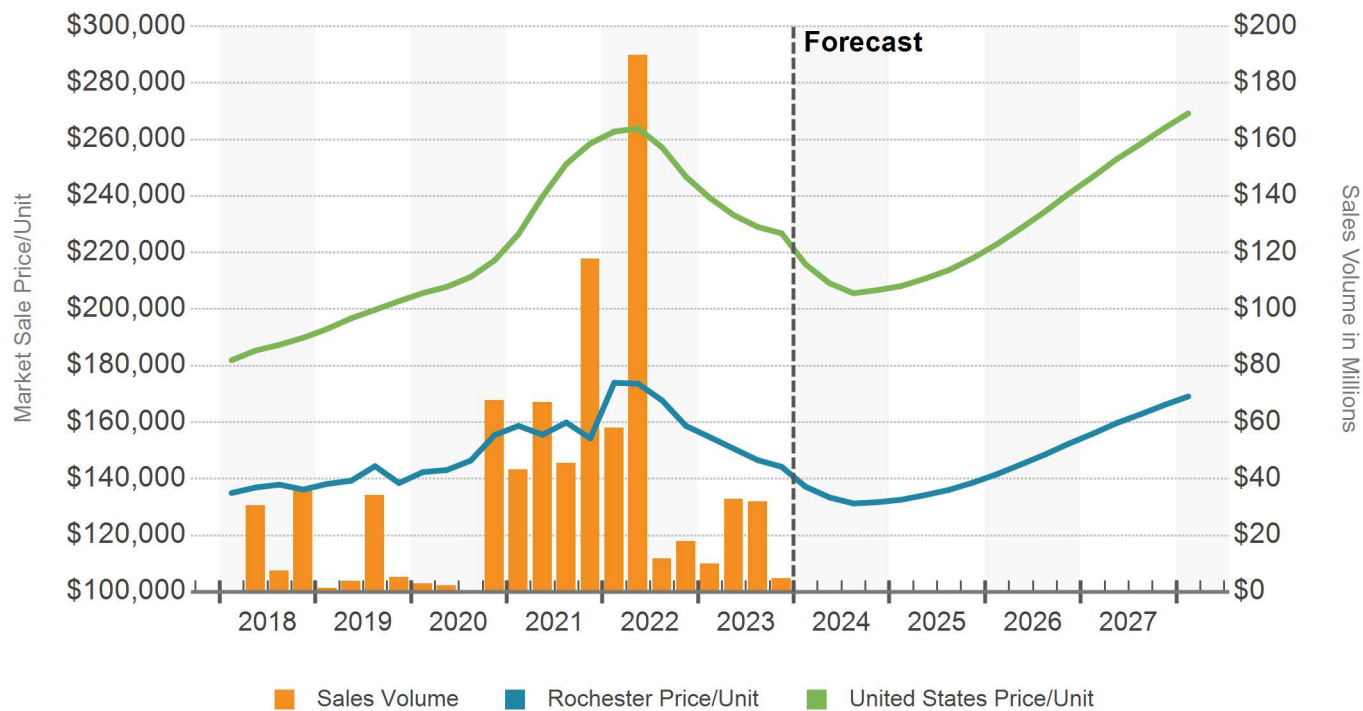
Over the past year, deal flow has been bifurcated among quality slices as follows: \$0.00 tracing to 4 & 5 Star stock, \$65.8 million among 3 Star units, and \$12.7 million witnessed in the 1 & 2 Star apartments.

While some deals are getting done, pricing trends have experienced discernible changes relative to pre-pandemic levels. Loan-to-value ratios, once commonly found at 70%-80% with 3%-3.5% interest rates, have now slipped to around 55%-65% with 5%-6% interest rates. CoStar's market sale price for the market, a modeled price derived from actual sale transactions, now stands at around \$140,000/unit, representing year-over-

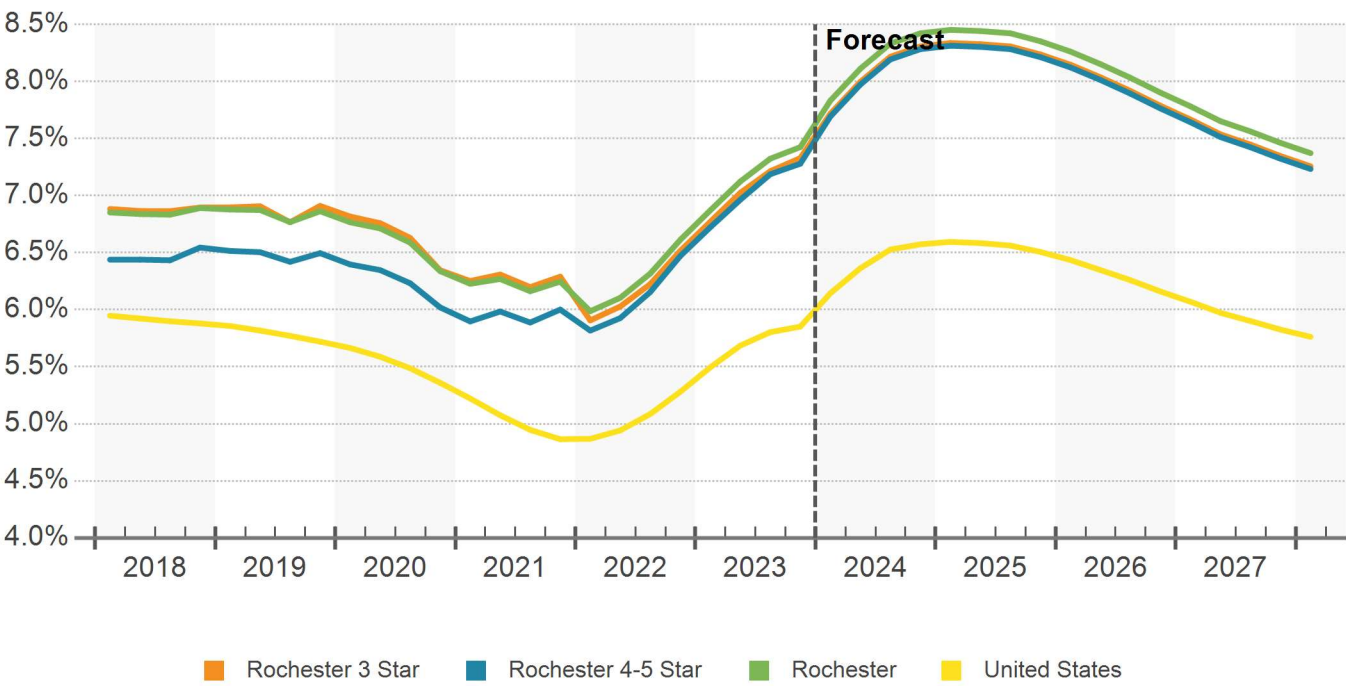
year growth at a time when most other markets nationally are witnessing declining pricing ranging anywhere from 10% to 30%. However, CoStar's base case forecast projects that market sale pricing in Rochester will dip to nearly 140,000/unit by the end of 2024, in tune with deteriorating economic conditions, before rising again in 2025.

Although economic uncertainty, declining household formations, and a robust recent supply wave may present temporary obstacles, the long-term tailwinds of strong recent job growth, economic diversity, and an overall housing shortage remain intact locally. Thus, the market's rent growth and investment levels will likely outperform the nation and historical averages over the next several years.

SALES VOLUME & MARKET SALE PRICE PER UNIT



MARKET CAP RATE

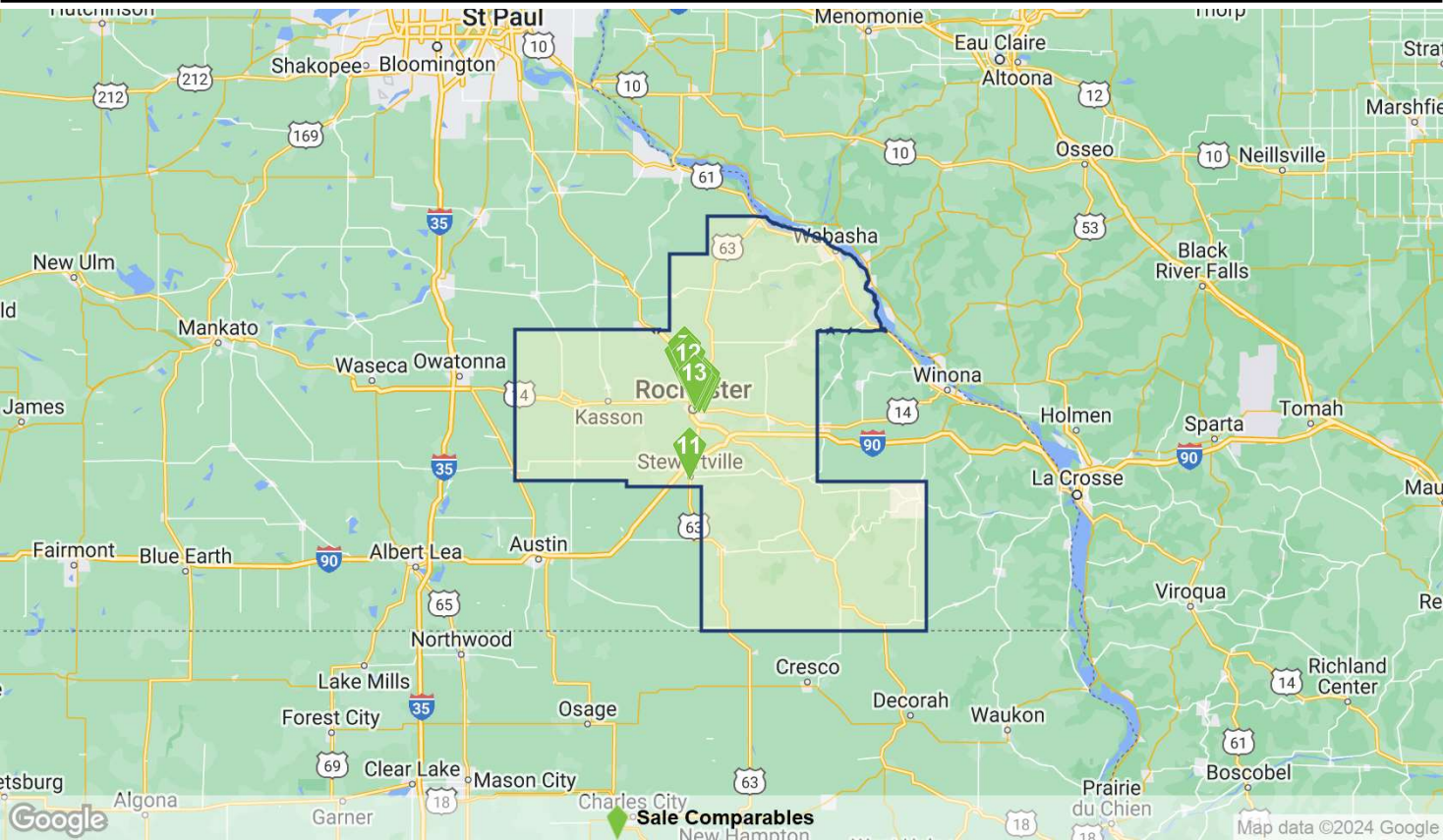


Sales Past 12 Months

Rochester Multi-Family

Sale Comparables	Avg. Price/Unit (thous.)	Average Price (mil.)	Average Vacancy at Sale
13	\$140	\$6.1	14.4%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$550,000	\$6,102,392	\$1,700,000	\$28,866,004
Price/Unit	\$55,000	\$140,160	\$86,666	\$209,302
Cap Rate	4.6%	8.3%	8.3%	12.0%
Vacancy Rate At Sale	0%	14.4%	5.0%	55.6%
Time Since Sale in Months	2.3	7.6	8.6	11.7
Property Attributes	Low	Average	Median	High
Property Size in Units	10	43	20	140
Number of Floors	2	2	2	7
Average Unit SF	235	778	794	1,250
Year Built	1920	1974	1980	2023
Star Rating	★★★★★	★★★★★ 2.5	★★★★★	★★★★★

Sales Past 12 Months

Rochester Multi-Family

RECENT SIGNIFICANT SALES

Property Name/Address		Property Information				Sale Information			
		Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF
1	Songhill 41 3345 41st St NW	★★★★★	2023	140	0%	8/28/2023	\$28,866,004	\$206,185	\$97
2	Residence at Discovery Square 511 3rd Ave	★★★★★	2018	129	10.9%	4/21/2023	\$27,000,000	\$209,302	\$155
3	The Manor at Med City 1505 Marion Rd SE	★★★★★	1992	72	55.6%	5/5/2023	\$5,900,000	\$81,944	\$76
4	897 16th Ave SE	★★★★★	1991	36	0%	10/30/2023	\$3,120,000	\$86,666	\$67
5	Chester Estates 1463-1537 6th Ave SE	★★★★★	1969	40	5.0%	3/2/2023	\$3,100,000	\$77,500	\$95
6	Windsor Court 1232 4th Ave SW	★★★★★	1980	43	4.7%	7/21/2023	\$2,400,000	\$55,813	\$160
7	2700 56th St NW	★★★★★	1984	16	6.3%	3/3/2023	\$1,700,000	\$106,250	\$93
8	Pill Hill Apartments 730 5th St NW	★★★★★	1928	15	0%	10/19/2023	\$1,525,000	\$101,666	\$120
9	Regency Apartments 513 2nd St NW	★★★★★	1963	20	5.0%	1/17/2023	\$1,420,095	\$71,004	\$109
10	858 Center St W	★★★★★	1955	13	7.7%	3/15/2023	\$1,350,000	\$103,846	\$157
11	Stewartville Apartments 206 6th St SE	★★★★★	1982	20	4.0%	2/14/2023	\$1,300,000	\$65,000	\$65
12	3712 18th Ave NW	★★★★★	1968	12	8.3%	3/30/2023	\$1,100,000	\$91,666	\$227
13	510 7th St SW	★★★★★	1920	10	10.0%	7/26/2023	\$550,000	\$55,000	\$234

Rochester boasts a diverse and resilient economy with several key sectors driving its growth and stability. According to Oxford Economics, Rochester's average annual unemployment rate stands at 2.4%, compared to the 10-year average of 3.2% and the national average of 3.6%.

At the heart of the city's economy is the renowned Mayo Clinic, one of the world's largest and most prestigious medical institutions. The presence of Mayo Clinic not only serves as a major healthcare provider but also contributes significantly to the local economy by attracting patients and medical professionals from around the world. This healthcare sector, including other medical facilities and healthcare-related businesses, is a primary driver of Rochester's economy.

The city's educational institutions, notably the University of Minnesota Rochester, also play a significant role in shaping its economy. These institutions drive innovation, research, and technology, fostering a knowledge-based economy. Additionally, Rochester has made strategic investments in the bio and life sciences sector, leading to the emergence of several biotechnology companies. These firms benefit from the research expertise and healthcare infrastructure in the region, creating high-value jobs and driving economic growth.

Manufacturing is another vital component of Rochester's economy. The city is home to a variety of manufacturers, including medical device and technology companies. These businesses contribute to the local economy and provide jobs for the region's residents. Moreover, Rochester's strategic location in southeastern Minnesota and excellent transportation infrastructure facilitates the distribution of goods and services, contributing to the city's economic vitality.

Retail, hospitality, and service industries also contribute significantly to Rochester's economy. The city's growth has led to an expansion of retail establishments, restaurants, and entertainment venues, catering to both residents and the many patients and visitors to Mayo Clinic. This sector not only provides job opportunities but also enhances the overall quality of life in the city.

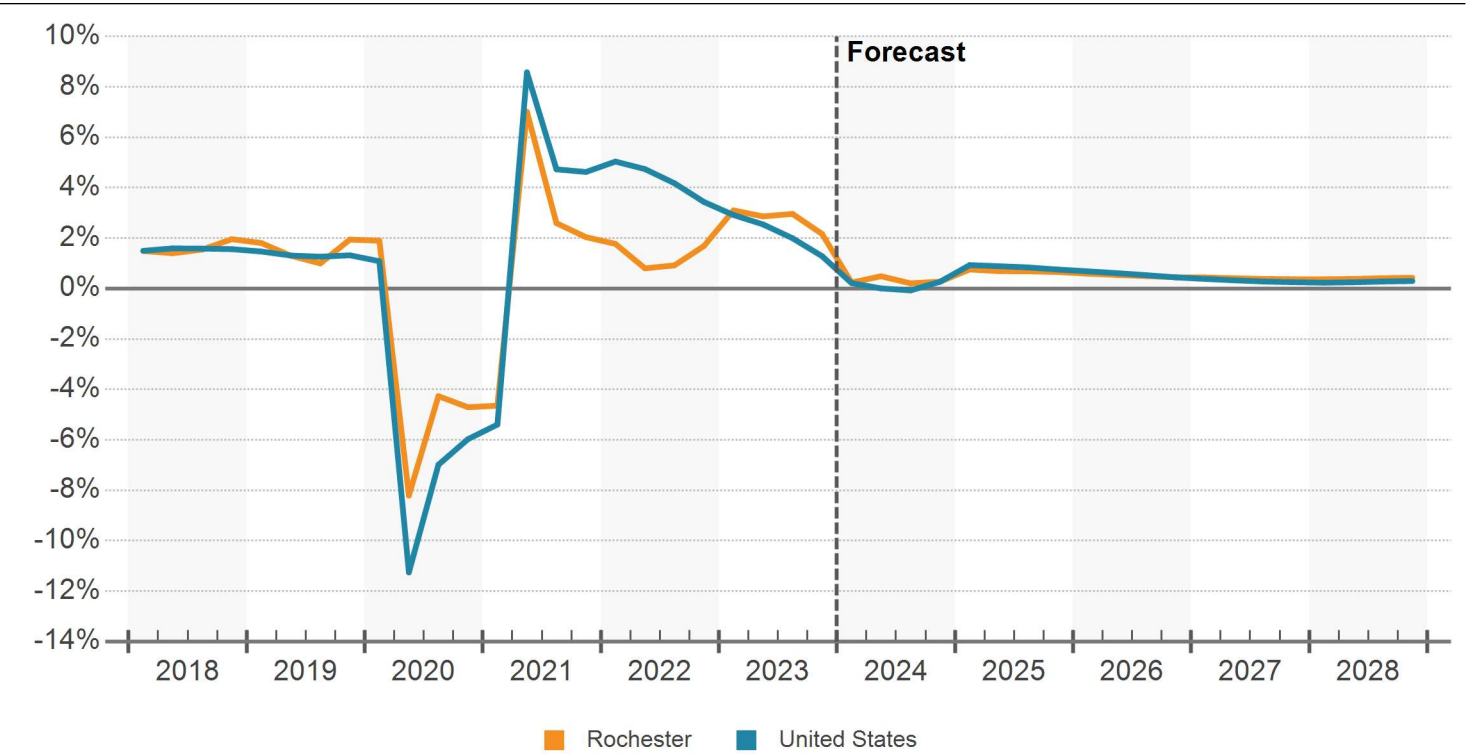
Overall, Rochester has a well-rounded economy that combines healthcare, education, research, manufacturing, and a robust service sector. The presence of the Mayo Clinic and related healthcare businesses sets the city apart, making it a global healthcare destination. With a commitment to innovation and strategic investments in key sectors, Rochester's economy is poised for continued growth and prosperity.

ROCHESTER EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	10	1.0	0.75%	-0.11%	-0.89%	0.70%	-0.21%	0.09%
Trade, Transportation and Utilities	18	0.8	3.72%	0.11%	-0.05%	1.05%	-0.09%	0.15%
Retail Trade	13	1.0	6.44%	0.41%	0.24%	0.23%	-0.04%	0.10%
Financial Activities	3	0.4	-3.49%	0.49%	0.14%	1.45%	-0.04%	0.16%
Government	13	0.7	1.63%	1.45%	0.67%	0.37%	0.70%	0.41%
Natural Resources, Mining and Construction	5	0.8	0.54%	1.32%	3.00%	2.32%	0.44%	0.29%
Education and Health Services	55	2.7	2.97%	2.91%	2.04%	1.87%	0.72%	0.67%
Professional and Business Services	6	0.3	-4.10%	0.66%	1.05%	2.00%	-0.35%	0.52%
Information	1	0.4	-3.65%	-2.69%	-5.49%	1.09%	-0.32%	0.34%
Leisure and Hospitality	11	0.8	1.83%	2.83%	1.08%	1.48%	0.81%	0.83%
Other Services	4	0.8	4.17%	1.57%	0.37%	0.63%	0.39%	0.28%
Total Employment	126	1.0	1.99%	1.19%	1.03%	1.30%	0.44%	0.41%

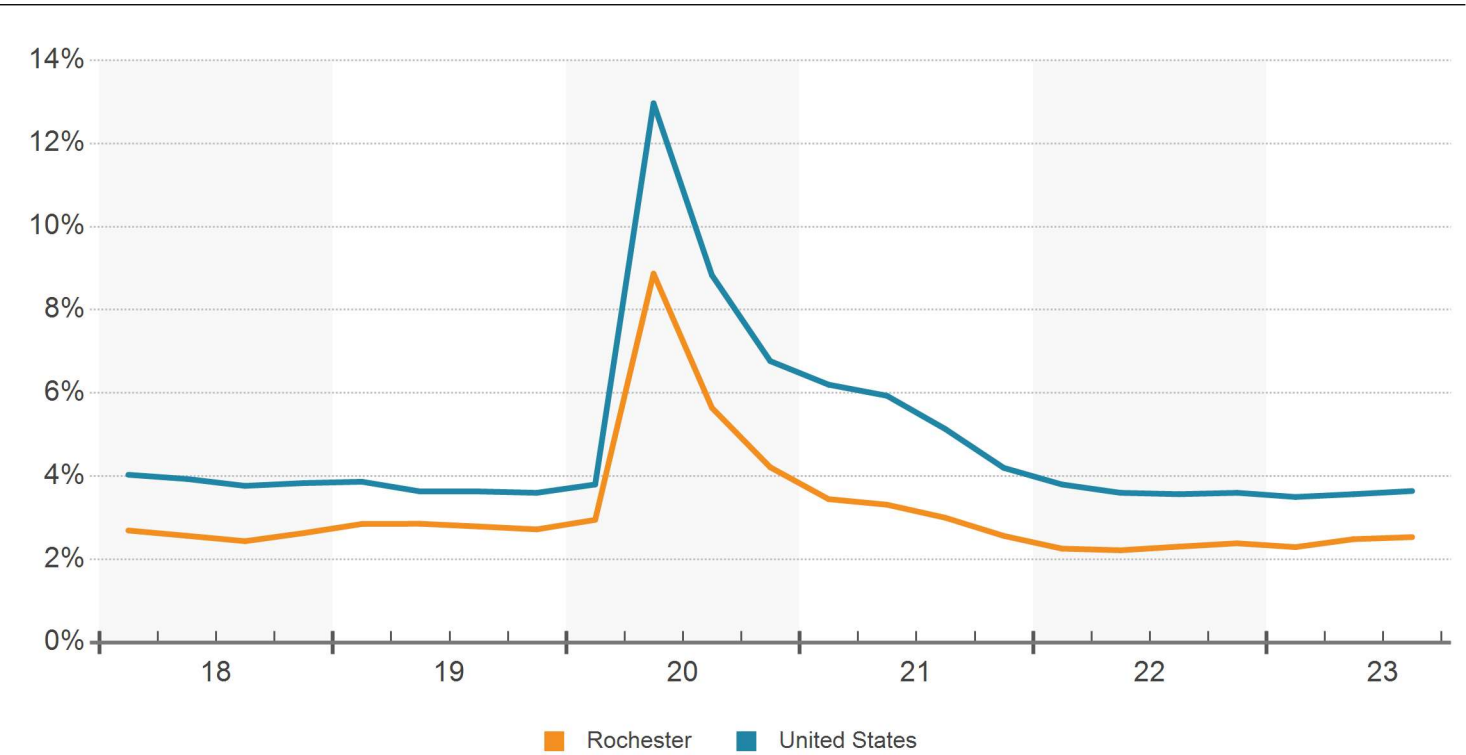
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

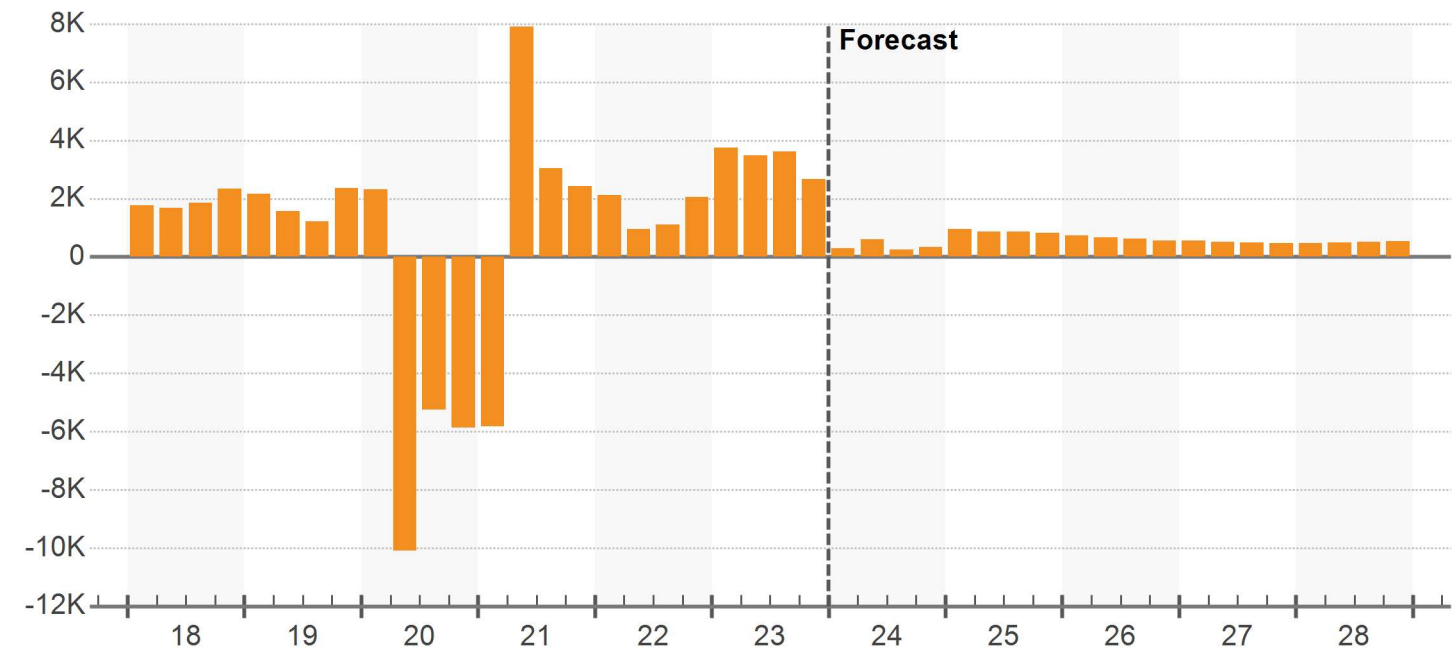


Source: Oxford Economics

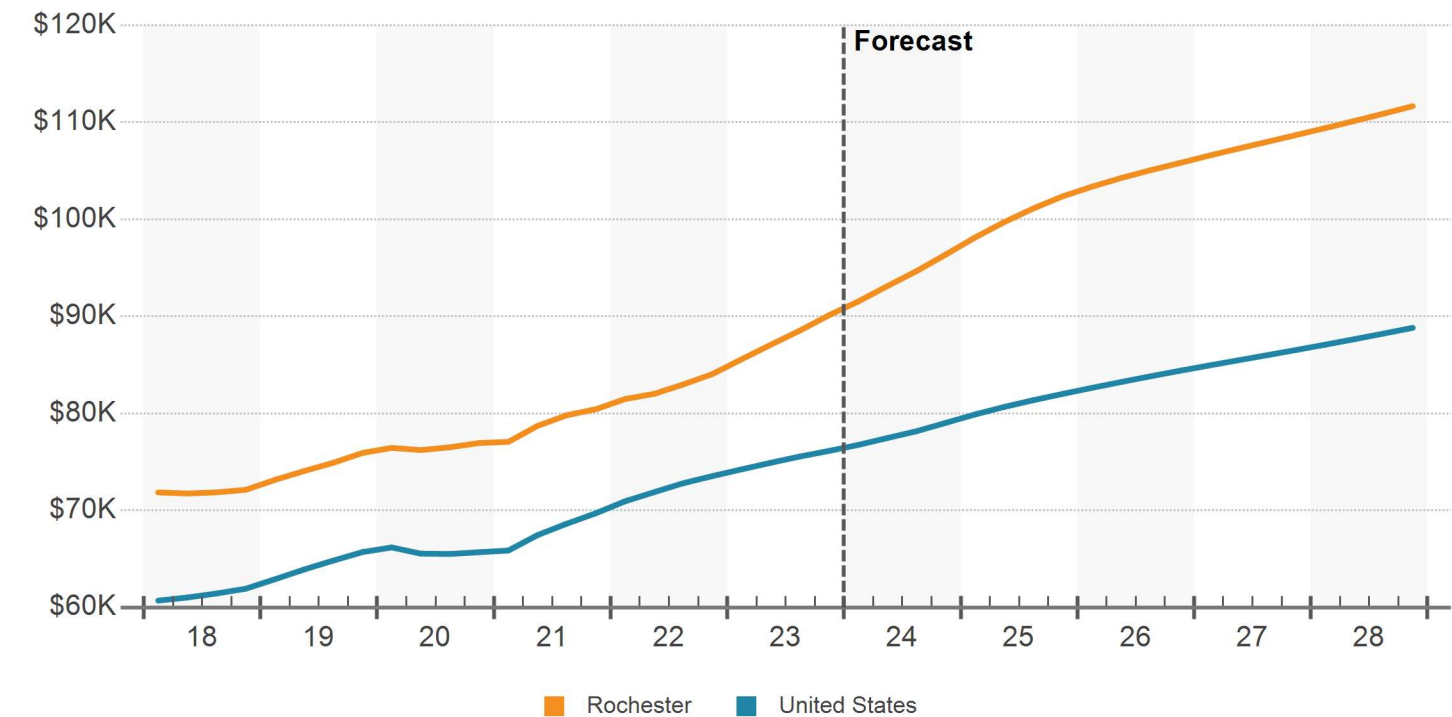
UNEMPLOYMENT RATE (%)



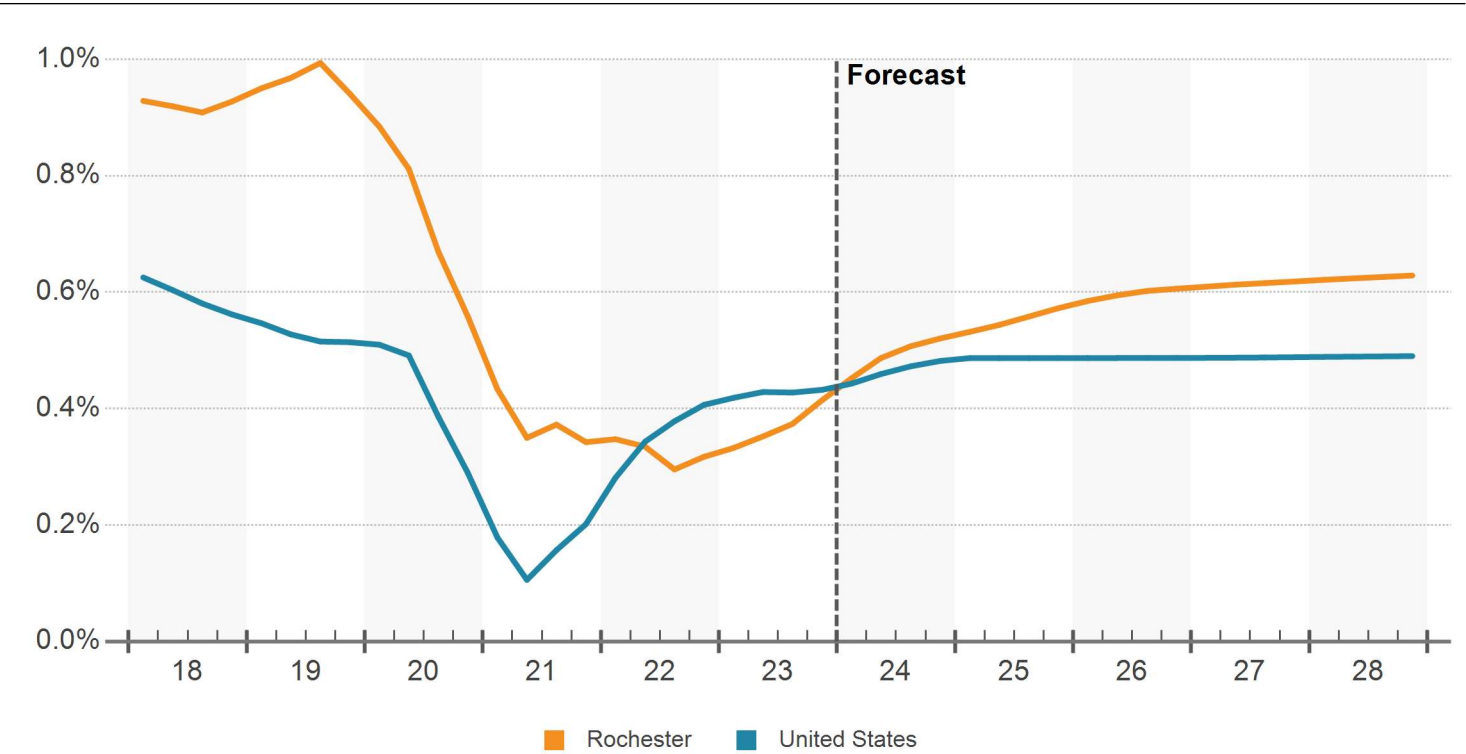
NET EMPLOYMENT CHANGE (YOY)



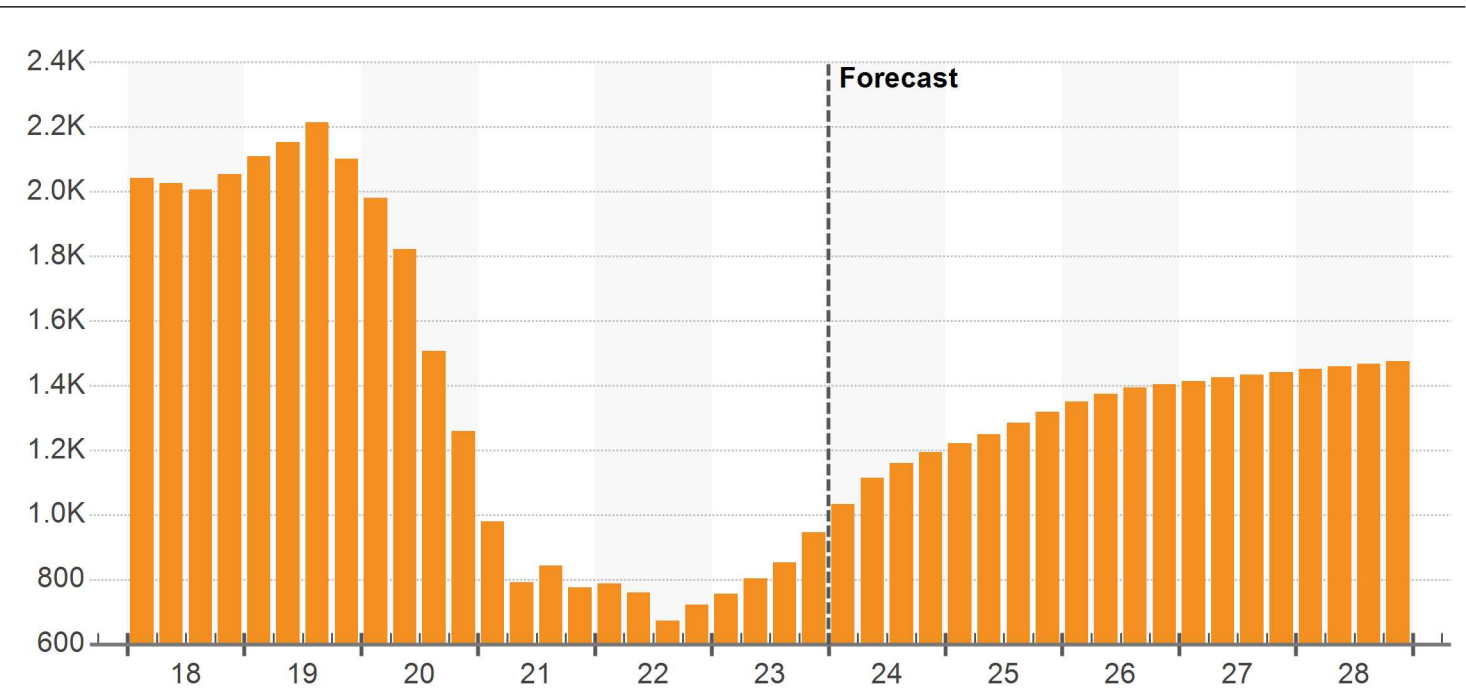
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

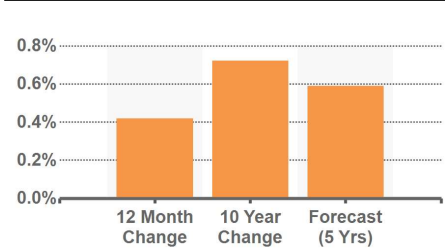


DEMOGRAPHIC TRENDS

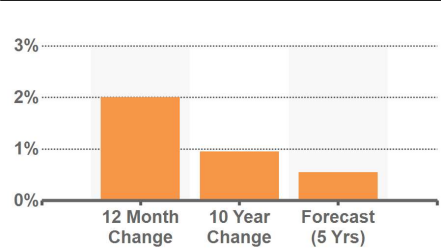
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	229,238	335,138,125	0.4%	0.4%	0.7%	0.5%	0.6%	0.5%
Households	93,491	130,848,617	0.6%	0.6%	1.2%	0.9%	0.7%	0.6%
Median Household Income	\$90,258	\$76,199	7.2%	3.5%	3.7%	3.8%	4.4%	3.1%
Labor Force	129,536	167,591,625	2.0%	1.7%	0.9%	0.8%	0.5%	0.2%
Unemployment	2.5%	3.6%	0.2%	0.1%	-0.2%	-0.3%	-	-

Source: Oxford Economics

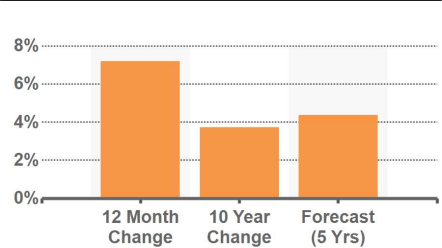
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	12,716	315	2.5%	317	2.5%	1.0
2027	12,401	302	2.5%	304	2.5%	1.0
2026	12,099	235	2.0%	338	2.8%	0.7
2025	11,864	380	3.3%	412	3.5%	0.9
2024	11,484	378	3.4%	555	4.8%	0.7
YTD	11,106	0	0%	11	0.1%	0
2023	11,106	782	7.6%	186	1.7%	4.2
2022	10,324	0	0%	(81)	-0.8%	0
2021	10,324	102	1.0%	638	6.2%	0.2
2020	10,222	671	7.0%	664	6.5%	1.0
2019	9,551	705	8.0%	518	5.4%	1.4
2018	8,846	634	7.7%	741	8.4%	0.9
2017	8,212	807	10.9%	851	10.4%	0.9
2016	7,405	866	13.2%	430	5.8%	2.0
2015	6,539	505	8.4%	346	5.3%	1.5
2014	6,034	21	0.3%	70	1.2%	0.3
2013	6,013	82	1.4%	37	0.6%	2.2
2012	5,931	10	0.2%	28	0.5%	0.4

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	5,630	318	6.0%	309	5.5%	1.0
2027	5,312	305	6.1%	294	5.5%	1.0
2026	5,007	239	5.0%	295	5.9%	0.8
2025	4,768	271	6.0%	150	3.1%	1.8
2024	4,497	0	0%	133	3.0%	0
YTD	4,497	0	0%	5	0.1%	0
2023	4,497	328	7.9%	126	2.8%	2.6
2022	4,169	0	0%	(13)	-0.3%	0
2021	4,169	55	1.3%	344	8.3%	0.2
2020	4,114	621	17.8%	484	11.8%	1.3
2019	3,493	332	10.5%	375	10.7%	0.9
2018	3,161	505	19.0%	529	16.7%	1.0
2017	2,656	225	9.3%	425	16.0%	0.5
2016	2,431	866	55.3%	471	19.4%	1.8
2015	1,565	397	34.0%	256	16.4%	1.6
2014	1,168	39	3.5%	69	5.9%	0.6
2013	1,129	62	5.8%	31	2.7%	2.0
2012	1,067	0	0%	10	0.9%	0

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	5,340	0	0%	8	0.1%	0
2027	5,340	0	0%	10	0.2%	0
2026	5,340	0	0%	40	0.7%	0
2025	5,340	112	2.1%	265	5.0%	0.4
2024	5,228	382	7.9%	428	8.2%	0.9
YTD	4,846	0	0%	6	0.1%	0
2023	4,846	454	10.3%	71	1.5%	6.4
2022	4,392	0	0%	(94)	-2.1%	0
2021	4,392	47	1.1%	241	5.5%	0.2
2020	4,345	50	1.2%	206	4.7%	0.2
2019	4,295	373	9.5%	155	3.6%	2.4
2018	3,922	129	3.4%	200	5.1%	0.6
2017	3,793	582	18.1%	434	11.4%	1.3
2016	3,211	0	0%	(23)	-0.7%	0
2015	3,211	108	3.5%	96	3.0%	1.1
2014	3,103	12	0.4%	29	0.9%	0.4
2013	3,091	0	0%	(7)	-0.2%	0
2012	3,091	10	0.3%	3	0.1%	3.3

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	1,746	(3)	-0.2%	0	0%	-
2027	1,749	(3)	-0.2%	0	0%	-
2026	1,752	(4)	-0.2%	3	0.2%	-
2025	1,756	(3)	-0.2%	(3)	-0.2%	1.0
2024	1,759	(4)	-0.2%	(6)	-0.3%	0.7
YTD	1,763	0	0%	-	-	-
2023	1,763	0	0%	(11)	-0.6%	0
2022	1,763	0	0%	26	1.5%	0
2021	1,763	0	0%	53	3.0%	0
2020	1,763	0	0%	(26)	-1.5%	0
2019	1,763	0	0%	(12)	-0.7%	0
2018	1,763	0	0%	12	0.7%	0
2017	1,763	0	0%	(8)	-0.5%	0
2016	1,763	0	0%	(18)	-1.0%	0
2015	1,763	0	0%	(6)	-0.3%	0
2014	1,763	(30)	-1.7%	(28)	-1.6%	1.1
2013	1,793	20	1.1%	13	0.7%	1.5
2012	1,773	0	0%	15	0.8%	0

OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	805	6.3%	(0.2)	\$1,722	\$1.85	2.2%	(0.3)	\$1,697	\$1.82
2027	807	6.5%	(0.2)	\$1,685	\$1.81	2.5%	(0.9)	\$1,660	\$1.78
2026	812	6.7%	(1.0)	\$1,644	\$1.76	3.4%	(0.6)	\$1,619	\$1.74
2025	915	7.7%	(0.5)	\$1,590	\$1.71	4.0%	(0.2)	\$1,566	\$1.68
2024	947	8.2%	(1.8)	\$1,529	\$1.64	4.2%	4.5	\$1,506	\$1.62
YTD	1,108	10.0%	0	\$1,471	\$1.57	-0.1%	0.1	\$1,452	\$1.55
2023	1,113	10.0%	5.1	\$1,466	\$1.57	-0.2%	(3.6)	\$1,444	\$1.54
2022	512	5.0%	0.8	\$1,470	\$1.57	3.3%	(2.3)	\$1,463	\$1.57
2021	432	4.2%	(5.3)	\$1,422	\$1.52	5.6%	3.2	\$1,414	\$1.51
2020	966	9.5%	(0.6)	\$1,347	\$1.44	2.4%	1.2	\$1,323	\$1.41
2019	956	10.0%	1.4	\$1,315	\$1.40	1.2%	(1.5)	\$1,301	\$1.39
2018	765	8.7%	(2.0)	\$1,299	\$1.39	2.7%	2.6	\$1,280	\$1.37
2017	873	10.6%	(1.7)	\$1,264	\$1.35	0.1%	(1.0)	\$1,222	\$1.30
2016	914	12.3%	5.0	\$1,263	\$1.35	1.1%	(1.7)	\$1,236	\$1.32
2015	478	7.3%	2.0	\$1,250	\$1.33	2.7%	1.0	\$1,236	\$1.32
2014	320	5.3%	(0.8)	\$1,217	\$1.30	1.7%	0.6	\$1,206	\$1.29
2013	369	6.1%	0.7	\$1,196	\$1.28	1.1%	(0.4)	\$1,158	\$1.24
2012	323	5.5%	(0.3)	\$1,183	\$1.26	1.5%	-	\$1,177	\$1.26

4 & 5 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	360	6.4%	(0.2)	\$1,976	\$2.10	2.1%	(0.3)	\$1,943	\$2.06
2027	351	6.6%	(0.2)	\$1,935	\$2.05	2.4%	(0.9)	\$1,903	\$2.02
2026	341	6.8%	(1.5)	\$1,889	\$2	3.3%	(0.8)	\$1,858	\$1.97
2025	397	8.3%	2.2	\$1,828	\$1.94	4.1%	0	\$1,798	\$1.91
2024	274	6.1%	(2.8)	\$1,756	\$1.86	4.1%	3.8	\$1,726	\$1.83
YTD	397	8.8%	0	\$1,688	\$1.78	0.2%	(0.1)	\$1,663	\$1.75
2023	399	8.9%	4.3	\$1,686	\$1.78	0.3%	(1.5)	\$1,658	\$1.75
2022	192	4.6%	0.3	\$1,681	\$1.77	1.8%	(4.6)	\$1,671	\$1.76
2021	181	4.3%	(7.1)	\$1,651	\$1.74	6.4%	4.7	\$1,640	\$1.72
2020	469	11.4%	1.9	\$1,552	\$1.63	1.7%	0	\$1,525	\$1.61
2019	331	9.5%	(2.3)	\$1,527	\$1.61	1.6%	(0.6)	\$1,512	\$1.59
2018	372	11.8%	(3.1)	\$1,502	\$1.58	2.2%	3.2	\$1,474	\$1.55
2017	395	14.9%	(9.5)	\$1,470	\$1.55	-1.0%	(1.3)	\$1,413	\$1.49
2016	592	24.3%	11.8	\$1,484	\$1.56	0.3%	(2.2)	\$1,442	\$1.52
2015	196	12.5%	7.8	\$1,481	\$1.56	2.5%	0.9	\$1,460	\$1.54
2014	55	4.7%	(2.7)	\$1,445	\$1.52	1.6%	0.8	\$1,438	\$1.51
2013	84	7.5%	2.6	\$1,422	\$1.50	0.8%	(0.7)	\$1,358	\$1.43
2012	52	4.9%	(0.9)	\$1,411	\$1.49	1.4%	-	\$1,404	\$1.48

3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	374	7.0%	(0.1)	\$1,604	\$1.68	2.2%	(0.3)	\$1,581	\$1.65
2027	382	7.2%	(0.2)	\$1,569	\$1.64	2.6%	(0.8)	\$1,546	\$1.62
2026	393	7.4%	(0.8)	\$1,530	\$1.60	3.4%	(0.4)	\$1,507	\$1.58
2025	433	8.1%	(3.1)	\$1,479	\$1.55	3.8%	(0.6)	\$1,458	\$1.53
2024	587	11.2%	(1.9)	\$1,425	\$1.49	4.4%	5.5	\$1,404	\$1.47
YTD	632	13.0%	(0.1)	\$1,373	\$1.44	-0.7%	0.3	\$1,356	\$1.42
2023	635	13.1%	7.4	\$1,365	\$1.43	-1.1%	(6.5)	\$1,344	\$1.41
2022	253	5.8%	2.2	\$1,379	\$1.44	5.4%	0.6	\$1,376	\$1.44
2021	158	3.6%	(4.5)	\$1,309	\$1.37	4.8%	1.5	\$1,304	\$1.36
2020	350	8.1%	(3.7)	\$1,249	\$1.31	3.3%	2.6	\$1,226	\$1.28
2019	504	11.7%	4.5	\$1,210	\$1.27	0.7%	(3.1)	\$1,194	\$1.25
2018	286	7.3%	(2.1)	\$1,202	\$1.26	3.8%	2.5	\$1,188	\$1.24
2017	357	9.4%	2.9	\$1,158	\$1.21	1.2%	(0.8)	\$1,121	\$1.17
2016	210	6.5%	0.7	\$1,144	\$1.20	2.0%	(0.8)	\$1,126	\$1.18
2015	188	5.9%	0.2	\$1,121	\$1.17	2.8%	1.5	\$1,111	\$1.16
2014	176	5.7%	(0.6)	\$1,090	\$1.14	1.4%	(0.2)	\$1,076	\$1.12
2013	193	6.2%	0.2	\$1,076	\$1.12	1.5%	(0.1)	\$1,052	\$1.10
2012	186	6.0%	0.2	\$1,059	\$1.11	1.6%	-	\$1,053	\$1.10

1 & 2 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	71	4.0%	(0.2)	\$1,211	\$1.50	2.5%	(0.3)	\$1,205	\$1.49
2027	74	4.2%	(0.3)	\$1,181	\$1.46	2.8%	(0.8)	\$1,175	\$1.45
2026	78	4.5%	(0.3)	\$1,149	\$1.42	3.7%	(0.6)	\$1,143	\$1.41
2025	84	4.8%	(0.1)	\$1,108	\$1.37	4.3%	0	\$1,103	\$1.36
2024	86	4.9%	0.4	\$1,063	\$1.31	4.3%	3.0	\$1,058	\$1.31
YTD	79	4.5%	0	\$1,020	\$1.26	1.1%	(0.1)	\$1,015	\$1.25
2023	79	4.5%	0.6	\$1,020	\$1.26	1.2%	(0.6)	\$1,015	\$1.25
2022	67	3.8%	(1.5)	\$1,007	\$1.24	1.8%	(3.3)	\$1,003	\$1.24
2021	93	5.3%	(3.0)	\$989	\$1.22	5.1%	2.7	\$985	\$1.21
2020	146	8.3%	1.5	\$941	\$1.15	2.4%	0.4	\$930	\$1.13
2019	120	6.8%	0.7	\$919	\$1.12	2.0%	1.7	\$912	\$1.11
2018	107	6.1%	(0.8)	\$901	\$1.09	0.3%	(0.8)	\$896	\$1.09
2017	121	6.8%	0.5	\$898	\$1.09	1.2%	(0.2)	\$891	\$1.08
2016	112	6.4%	1.0	\$888	\$1.08	1.3%	(2.5)	\$881	\$1.07
2015	94	5.3%	0.3	\$876	\$1.07	3.8%	(0.6)	\$871	\$1.06
2014	89	5.0%	(0.1)	\$844	\$1.02	4.4%	3.4	\$839	\$1.02
2013	91	5.1%	0.3	\$808	\$0.97	0.9%	(0.2)	\$803	\$0.97
2012	85	4.8%	(0.8)	\$801	\$0.97	1.1%	-	\$796	\$0.96

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$177,837	203	7.1%
2027	-	-	-	-	-	-	\$166,093	189	7.5%
2026	-	-	-	-	-	-	\$152,379	174	7.9%
2025	-	-	-	-	-	-	\$138,648	158	8.4%
2024	-	-	-	-	-	-	\$131,708	150	8.4%
YTD	-	-	-	-	-	-	\$144,013	164	7.4%
2023	14	\$79.3M	5.4%	\$6,102,392	\$140,161	8.3%	\$144,229	164	7.4%
2022	15	\$277.3M	9.2%	\$18,485,500	\$291,569	6.2%	\$158,680	181	6.6%
2021	26	\$273.7M	17.7%	\$10,949,697	\$151,574	5.4%	\$154,278	176	6.2%
2020	12	\$72.7M	5.4%	\$6,606,455	\$134,327	6.5%	\$155,457	177	6.3%
2019	13	\$44.3M	4.3%	\$4,025,682	\$113,837	7.6%	\$138,477	158	6.9%
2018	18	\$74.4M	9.6%	\$4,962,918	\$90,785	6.9%	\$136,194	155	6.9%
2017	8	\$16.6M	6.8%	\$2,762,000	\$31,092	6.8%	\$133,098	152	6.9%
2016	6	\$65.9M	5.6%	\$10,976,240	\$159,461	7.0%	\$129,408	147	6.9%
2015	3	\$56.5M	4.6%	\$18,848,745	\$186,621	-	\$139,192	159	6.6%
2014	1	\$225K	0.1%	\$225,000	\$37,500	9.0%	\$126,993	145	6.8%
2013	5	\$1.8M	1.0%	\$356,000	\$30,169	9.0%	\$118,605	135	7.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$202,992	207	7.0%
2027	-	-	-	-	-	-	\$189,750	194	7.3%
2026	-	-	-	-	-	-	\$174,223	178	7.8%
2025	-	-	-	-	-	-	\$158,605	162	8.2%
2024	-	-	-	-	-	-	\$150,560	154	8.3%
YTD	-	-	-	-	-	-	\$163,810	167	7.3%
2023	-	-	-	-	-	-	\$164,856	168	7.3%
2022	3	\$235.2M	14.1%	\$78,400,000	\$400,000	-	\$181,317	185	6.5%
2021	4	\$130.1M	14.2%	\$32,521,805	\$220,487	5.3%	\$185,942	190	6.0%
2020	2	\$50.8M	7.3%	\$25,375,000	\$168,605	6.8%	\$185,265	189	6.0%
2019	1	\$30.5M	6.0%	\$30,500,000	\$145,933	5.4%	\$166,461	170	6.5%
2018	-	-	-	-	-	-	\$161,673	165	6.5%
2017	1	\$600K	13.2%	\$600,000	\$1,714	-	\$159,879	163	6.4%
2016	-	-	-	-	-	-	\$153,729	157	6.5%
2015	1	\$56M	17.6%	\$56,000,000	\$202,899	-	\$157,589	161	6.3%
2014	-	-	-	-	-	-	\$146,858	150	6.5%
2013	-	-	-	-	-	-	\$136,859	140	6.7%

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3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$177,064	197	7.0%
2027	-	-	-	-	-	-	\$165,146	184	7.3%
2026	-	-	-	-	-	-	\$151,278	168	7.8%
2025	-	-	-	-	-	-	\$137,483	153	8.2%
2024	-	-	-	-	-	-	\$130,721	145	8.3%
YTD	-	-	-	-	-	-	\$144,016	160	7.3%
2023	6	\$66.2M	8.2%	\$11,031,017	\$166,716	4.6%	\$143,457	160	7.3%
2022	5	\$16.4M	3.2%	\$3,275,000	\$117,806	6.0%	\$157,967	176	6.5%
2021	14	\$125.3M	23.9%	\$8,950,943	\$119,346	6.0%	\$145,042	161	6.3%
2020	2	\$16.8M	4.0%	\$8,423,000	\$96,263	6.2%	\$150,475	167	6.3%
2019	2	\$0	0.6%	-	-	-	\$132,423	147	6.9%
2018	3	\$61.6M	16.0%	\$20,531,700	\$98,081	6.6%	\$131,775	147	6.9%
2017	1	\$10.4M	2.2%	\$10,350,000	\$124,699	7.6%	\$127,973	142	6.9%
2016	4	\$63.5M	11.8%	\$15,870,610	\$167,943	7.0%	\$125,846	140	6.9%
2015	-	-	-	-	-	-	\$142,548	159	6.4%
2014	-	-	-	-	-	-	\$126,461	141	6.7%
2013	1	\$760K	0.7%	\$760,000	\$33,043	-	\$118,477	132	6.9%

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1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$112,569	210	7.9%
2027	-	-	-	-	-	-	\$105,388	197	8.2%
2026	-	-	-	-	-	-	\$97,017	181	8.6%
2025	-	-	-	-	-	-	\$88,552	165	9.1%
2024	-	-	-	-	-	-	\$84,039	157	9.1%
YTD	-	-	-	-	-	-	\$91,151	170	8.1%
2023	8	\$13.1M	11.4%	\$1,877,857	\$77,781	12.0%	\$91,134	170	8.1%
2022	7	\$25.7M	12.7%	\$3,672,500	\$114,766	6.4%	\$100,000	186	7.3%
2021	8	\$18.3M	10.8%	\$2,620,286	\$110,494	4.9%	\$97,323	181	6.8%
2020	8	\$5.1M	4.0%	\$725,000	\$78,077	6.6%	\$90,521	169	7.2%
2019	10	\$13.8M	10.2%	\$1,378,250	\$76,569	8.3%	\$81,719	152	7.7%
2018	15	\$12.8M	12.6%	\$1,070,722	\$66,920	7.1%	\$81,179	151	7.8%
2017	6	\$5.6M	6.9%	\$1,405,500	\$56,220	6.0%	\$76,737	143	7.9%
2016	2	\$2.4M	2.0%	\$1,187,500	\$67,857	-	\$74,891	140	7.9%
2015	2	\$546.2K	1.5%	\$273,118	\$20,231	-	\$79,499	148	7.8%
2014	1	\$225K	0.3%	\$225,000	\$37,500	9.0%	\$75,215	140	7.9%
2013	4	\$1M	2.0%	\$255,000	\$28,333	9.0%	\$69,928	130	8.2%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2028	-	12,718	6.3%	-	318	-	316	-	-
2027	-	12,402	6.5%	-	304	-	300	-	-
2026	-	12,102	6.7%	-	245	-	236	-	-
2025	-	11,866	7.7%	-	378	-	381	-	-
2024	-	11,485	8.2%	-	382	-	379	-	-
YTD	191	11,106	10.0%	0	0	0	0	4	704
2023	191	11,106	10.0%	8	782	8	782	4	704
2022	183	10,324	5.0%	0	0	0	0	9	976
2021	183	10,324	4.2%	2	102	2	102	1	27
2020	181	10,222	9.5%	4	671	4	671	2	102
2019	177	9,551	10.0%	5	705	5	705	3	621
2018	172	8,846	8.7%	5	634	5	634	8	1,326
2017	167	8,212	10.6%	5	807	5	807	6	865
2016	162	7,405	12.3%	6	866	6	866	8	1,205
2015	156	6,539	7.3%	5	529	4	505	7	1,272
2014	152	6,034	5.3%	2	51	1	21	6	558
2013	151	6,013	6.1%	2	82	2	82	2	51
2012	149	5,931	5.5%	1	10	1	10	2	82