

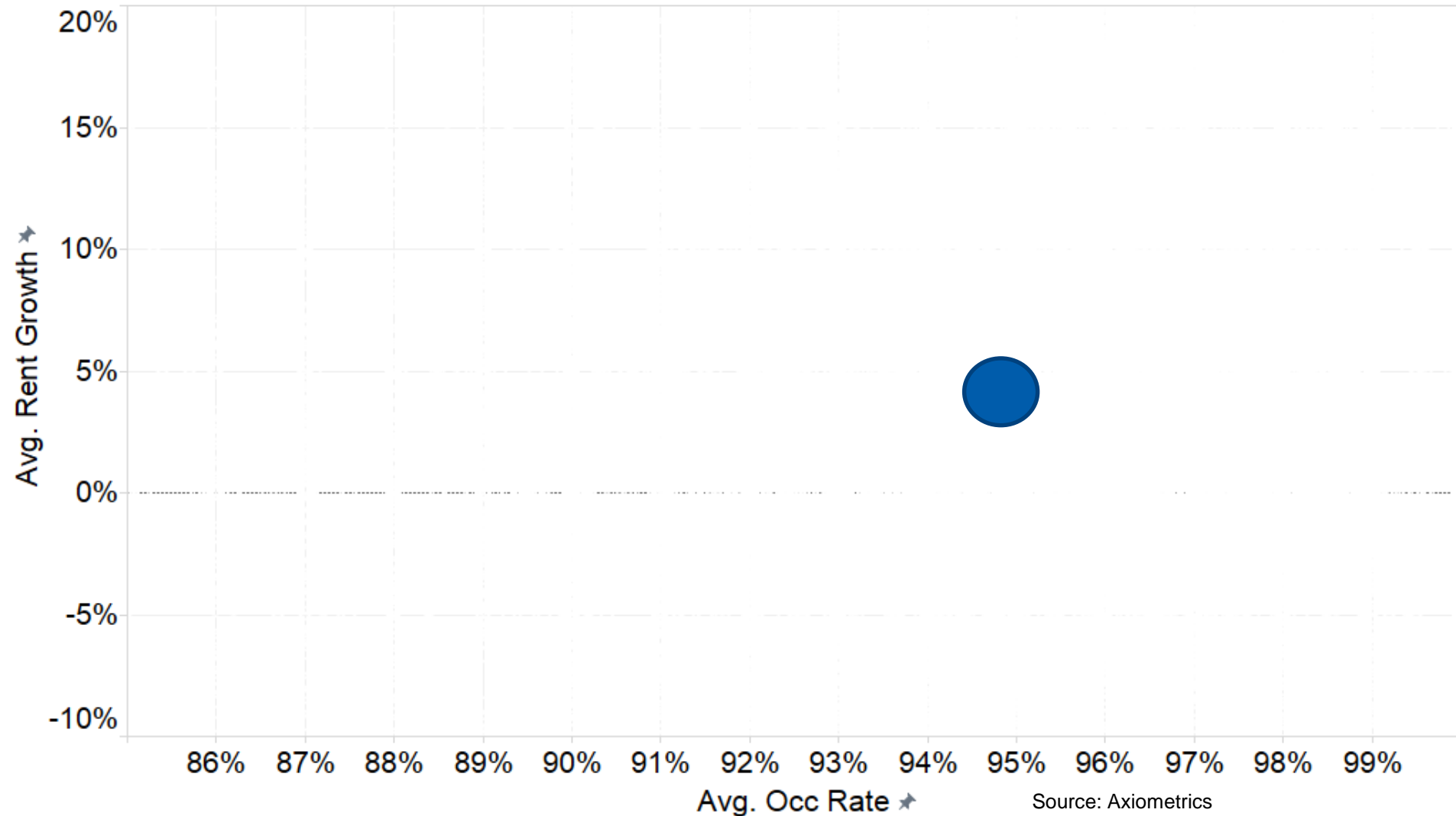


# Apartment Market Summary and Outlook

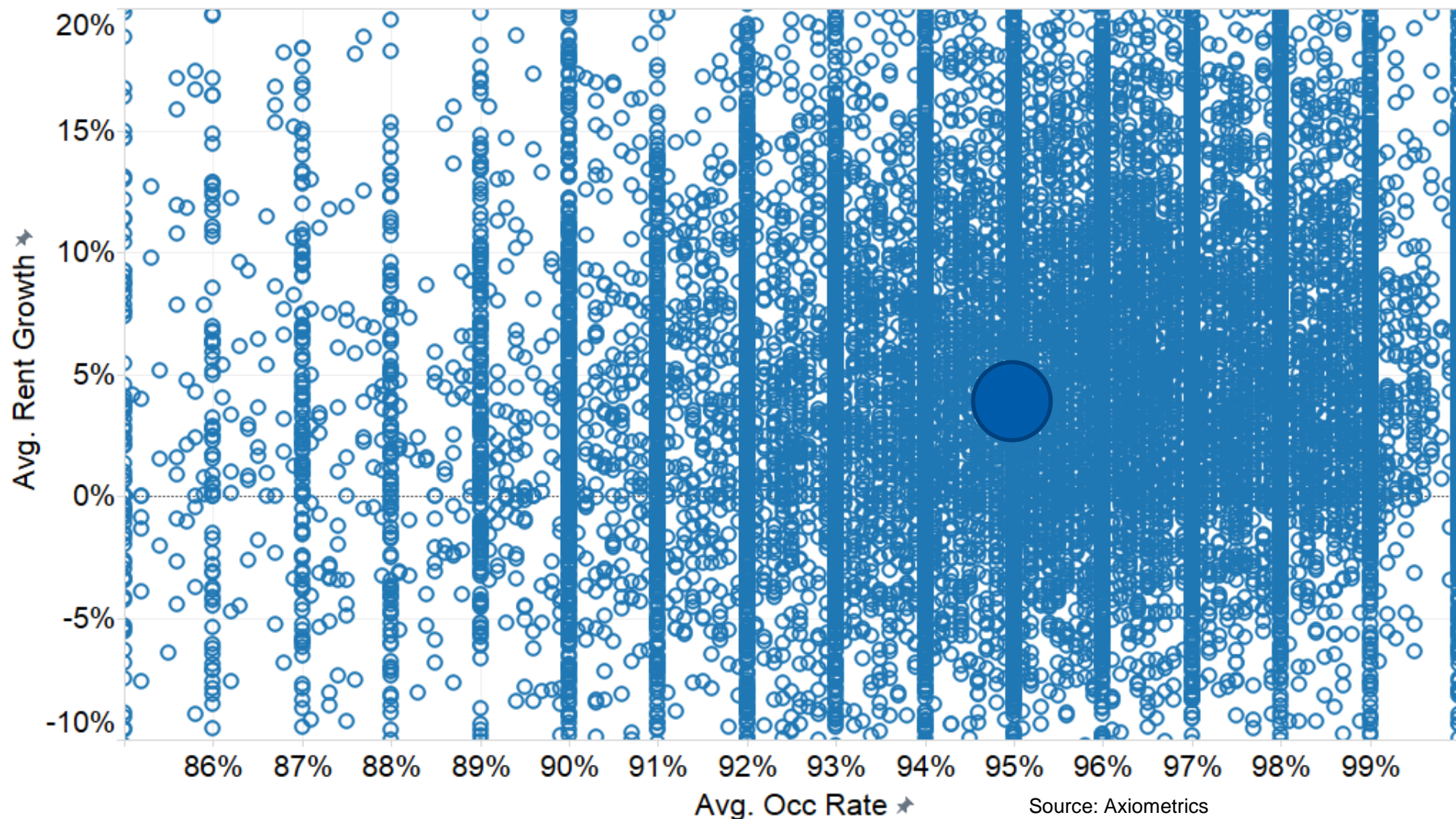
May 2016

14901 Quorum Dr.  
Suite 900  
Dallas, TX 75254  
214.953.2242

# National Rent Growth and Occupancy Rate

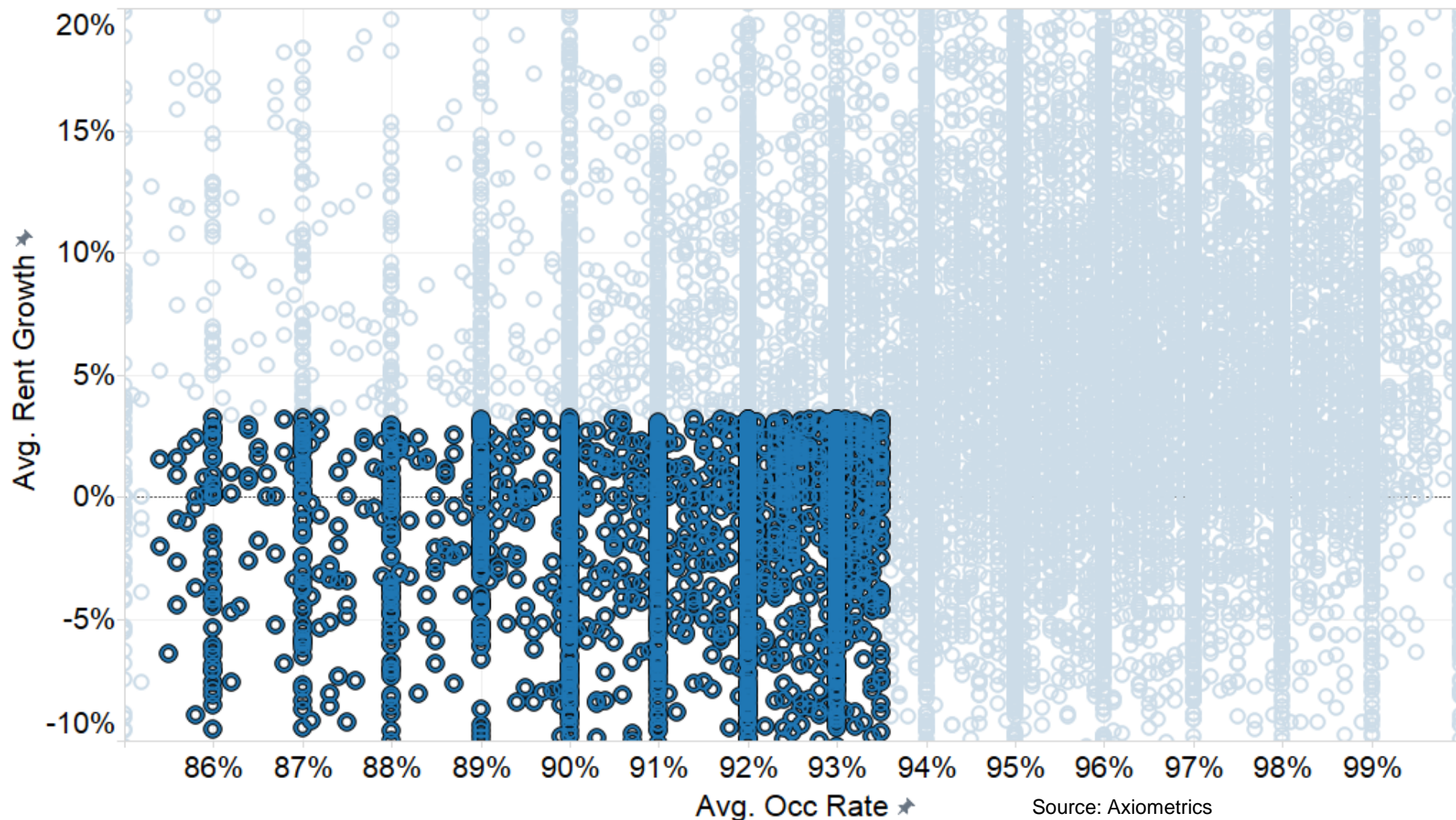


# Performance for Individual Properties - 1Q16





# What Do These Properties Have in Common?



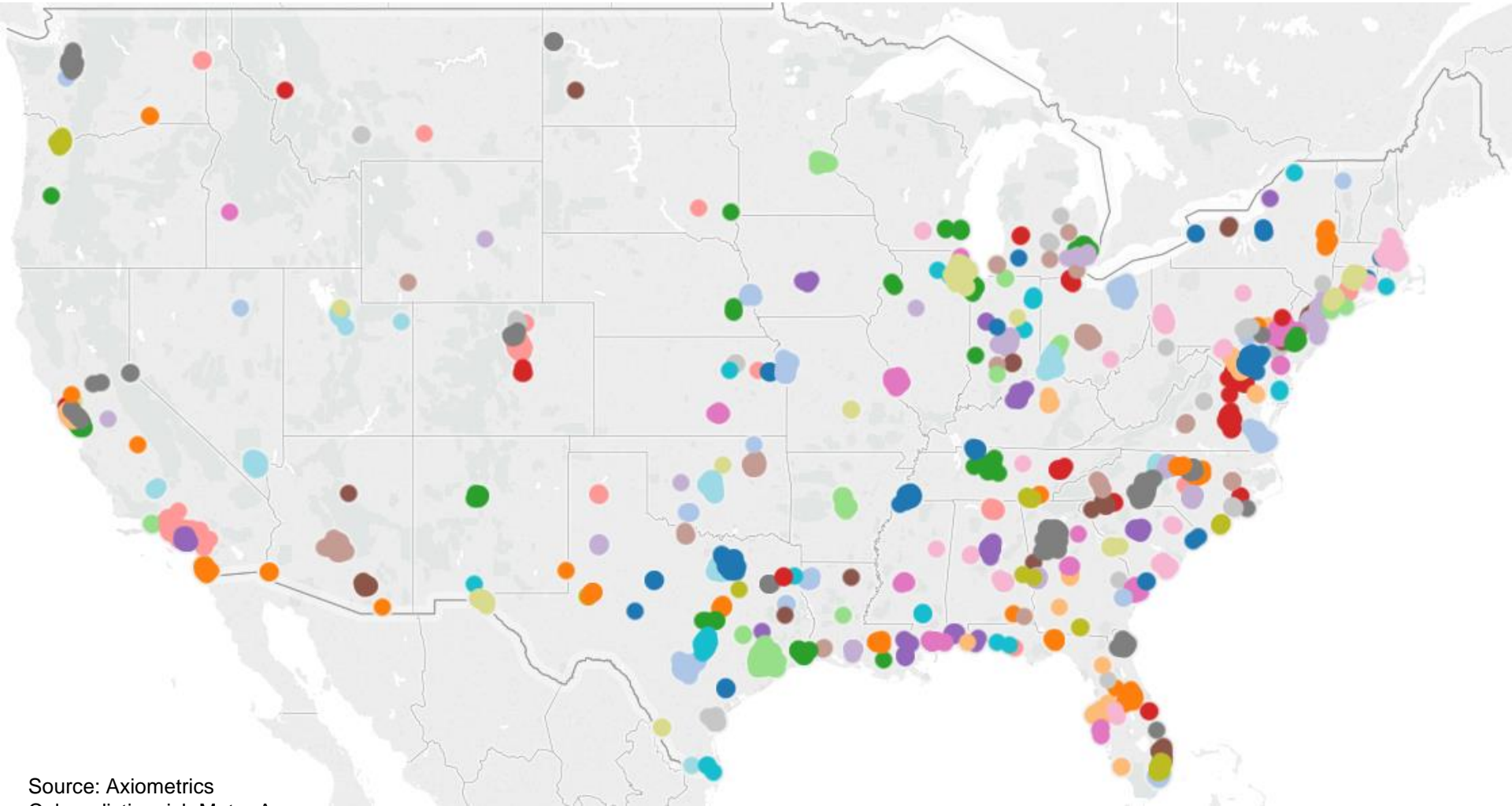
Source: Axiometrics



# Results by Market



# Properties with $< 3\%$ RG and $< 93\%$ Occ Rate



Source: Axiometrics  
Colors distinguish Metro Areas



# Apartment Market News

- Nationally, Performance is Still Strong
  - Rent Growth 4%
  - Occupancy Rate 95%
- SF Bay Area, Denver, Houston, SE Florida
- MF Supply or Job Growth
- Lease-up Properties – Concessions and Absorption
- Where are we in the Cycle?

# The Apartment Market Cycle

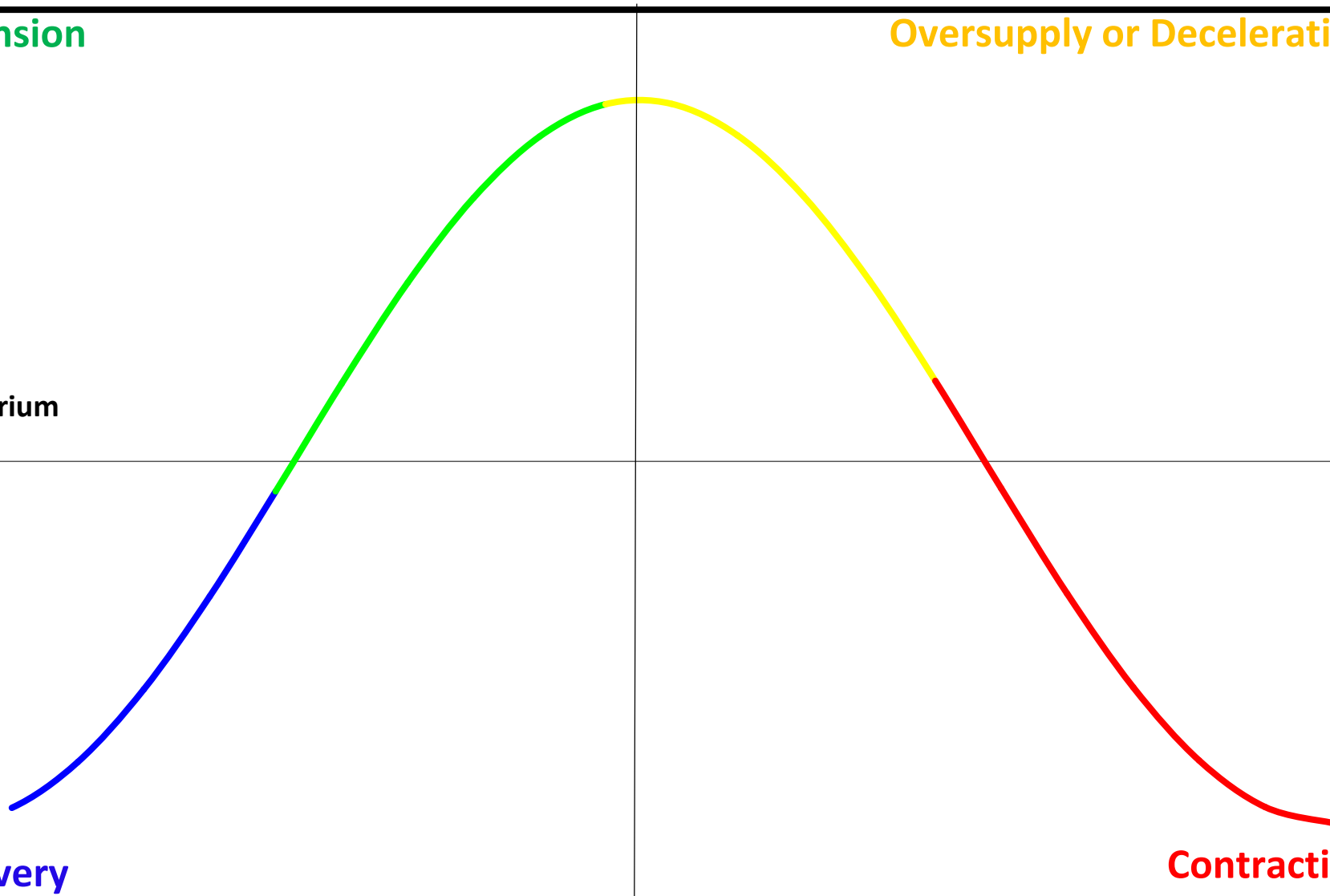
**Expansion**

**Oversupply or Deceleration**

**Equilibrium**

**Recovery**

**Contraction**



Source: Axiometrics



# Selected U.S. Metros Apartment Market Cycle at 1Q16

**Expansion**

**Oversupply or Deceleration**

SANA  
ATL  
AUS  
BOS  
CHAR  
DAL  
RAL  
SEA

FOT  
FTW  
KC  
LSV  
LA  
NASH  
RIV  
SDG

NYC  
OAK  
ORL  
PHIL  
PHO  
PORT  
SAC  
TMP

CHI  
DEN  
MIA  
SFR  
SJO

**Equilibrium**

BAL  
WASH-DC

HOU  
OKC  
PITTS

**Recovery**

**Contraction**

Source: Axiometrics

# Selected U.S. Metros Apartment Market Cycle at 4Q16

**Expansion**

SANA  
ATL  
ORL  
LSV  
CHAR  
PHO  
RIV  
SDG

**Oversupply or Deceleration**

FOT	NYC
FTW	OAK
KC	PHIL
LA	DAL
NASH	PORT
RAL	SAC
TMP	CHI
DEN	MIA
SFR	SJO
SEA	

**Equilibrium**

BAL  
WASH-DC

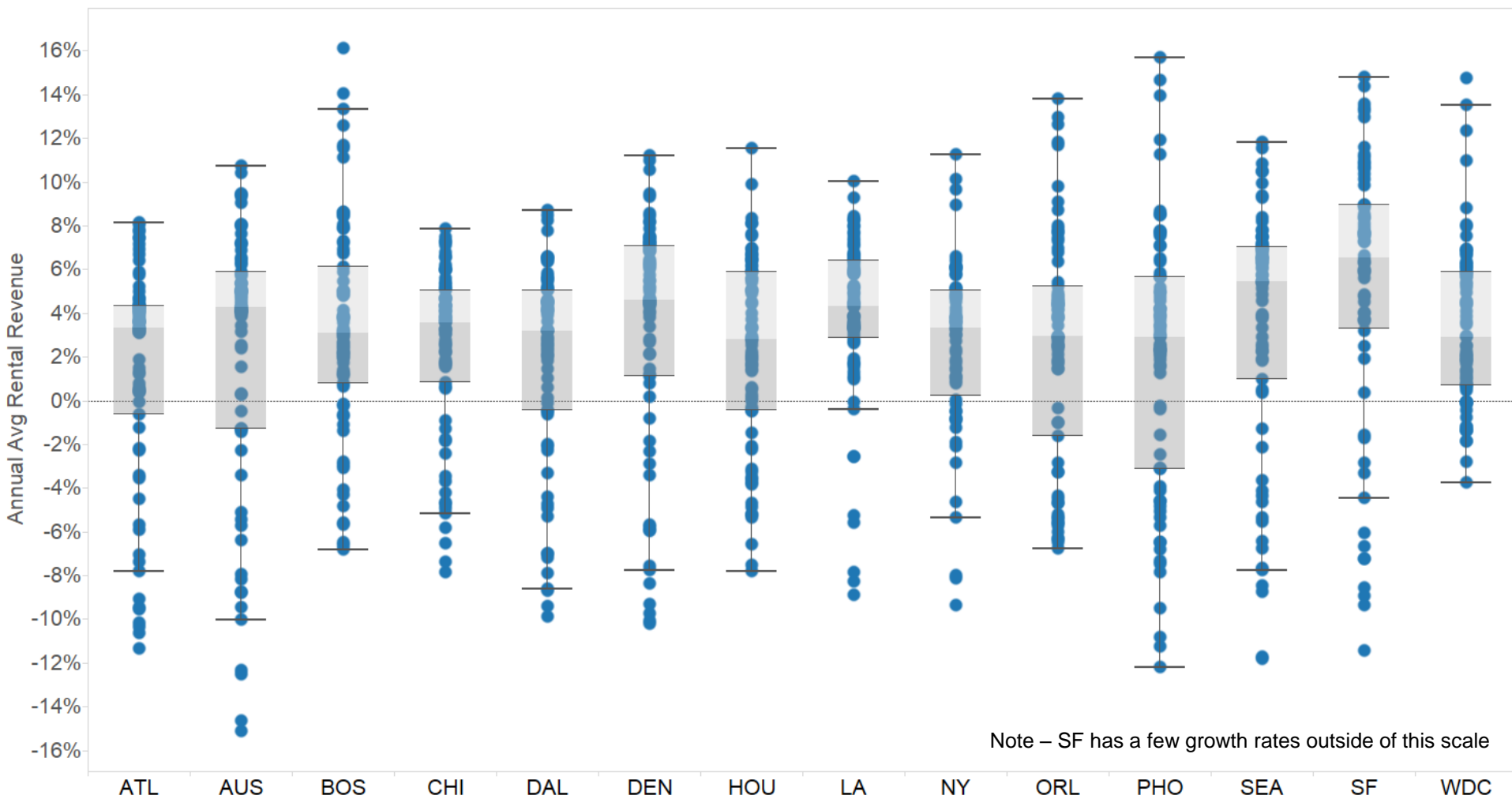
HOU  
OKC  
PITTS

**Recovery**

**Contraction**

Source: Axiometrics

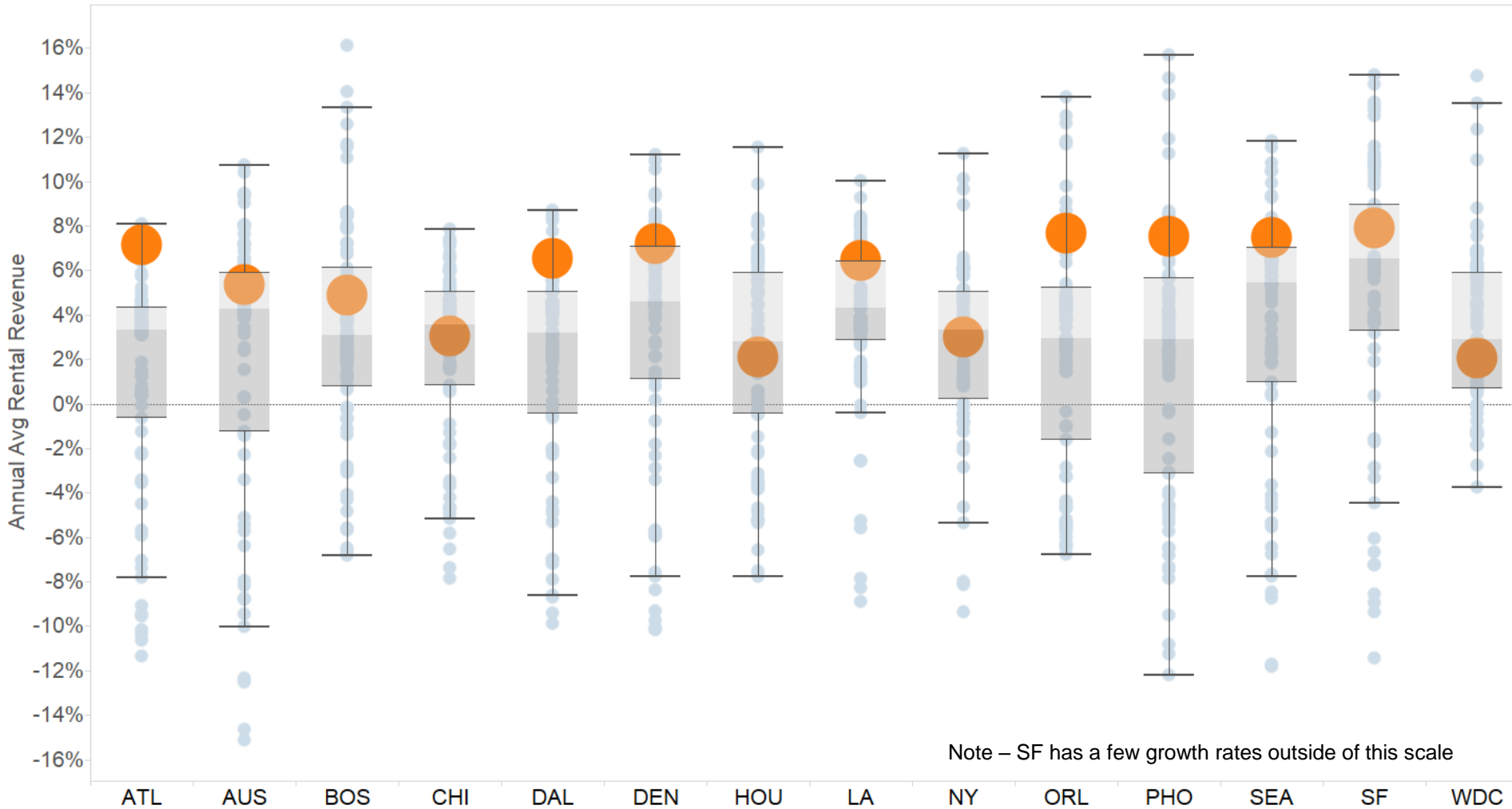
# Annual Revenue Growth Ranges



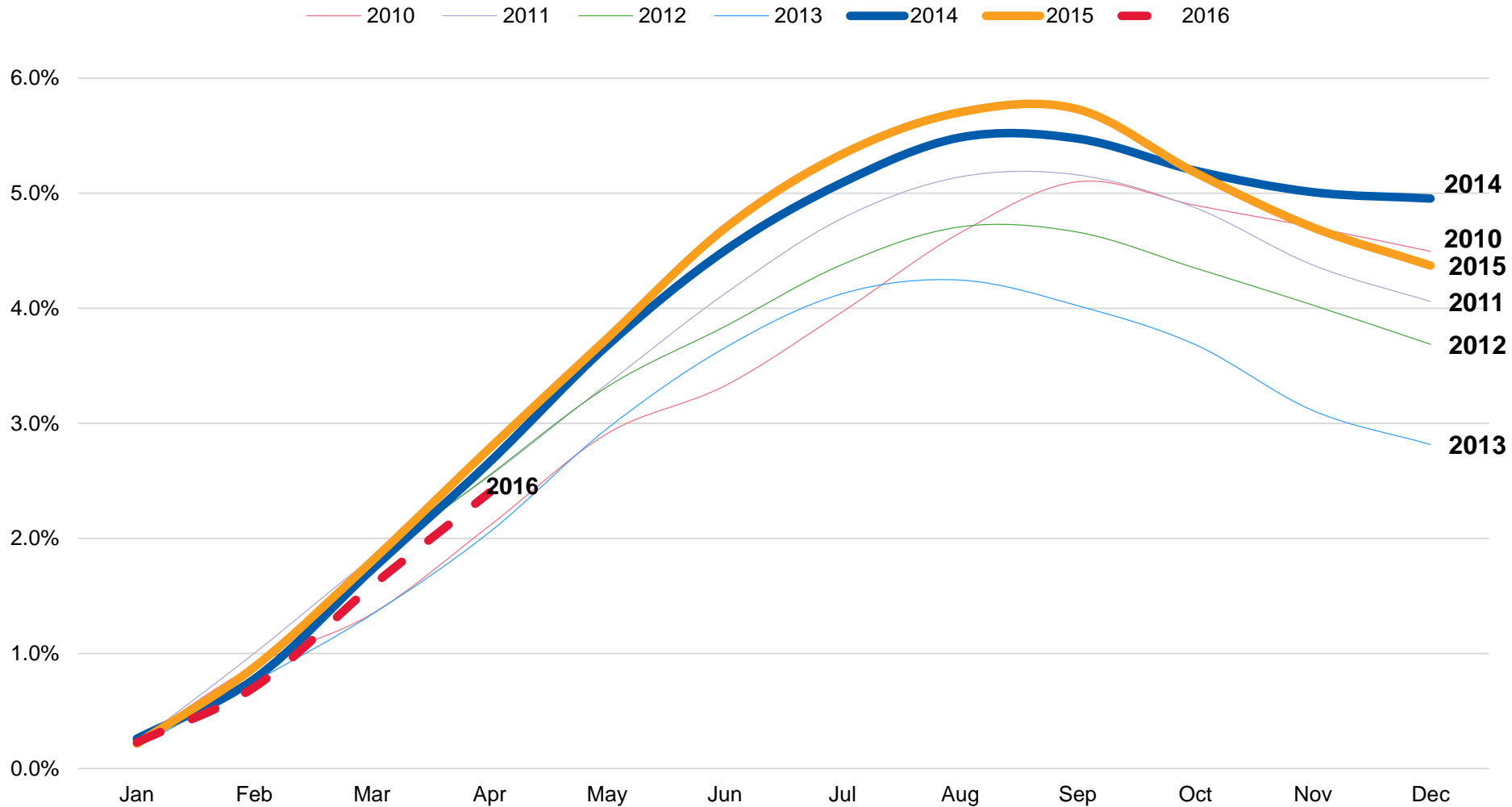


# Annual Revenue Growth Ranges

1Q16 Highlighted



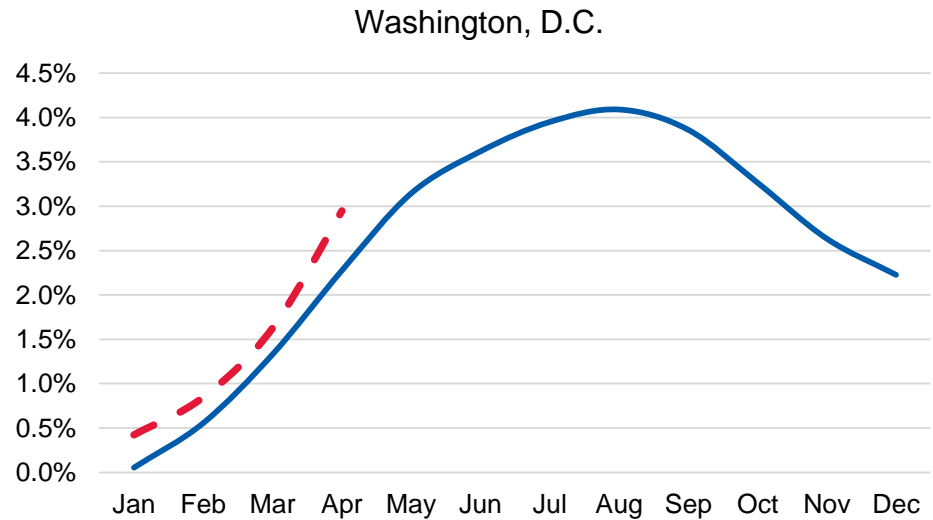
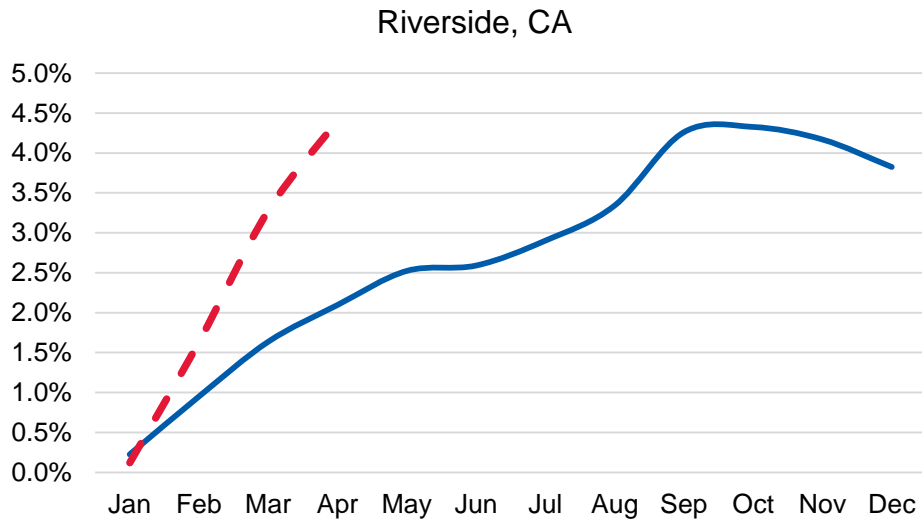
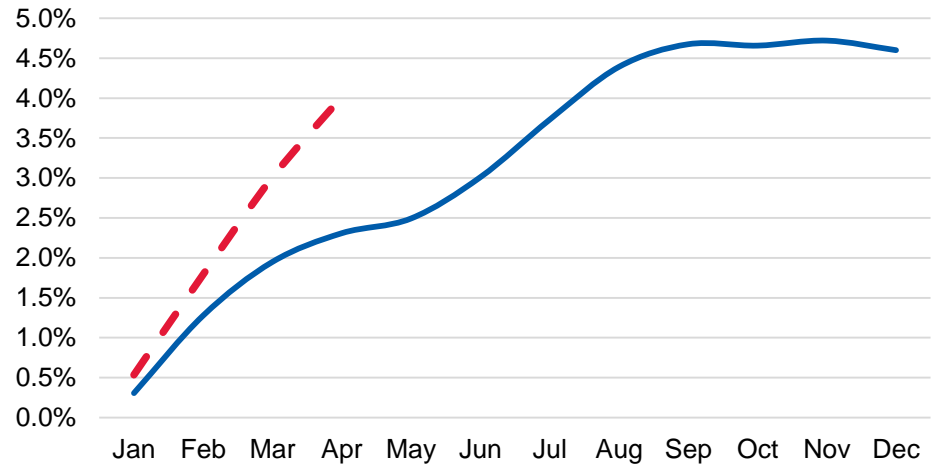
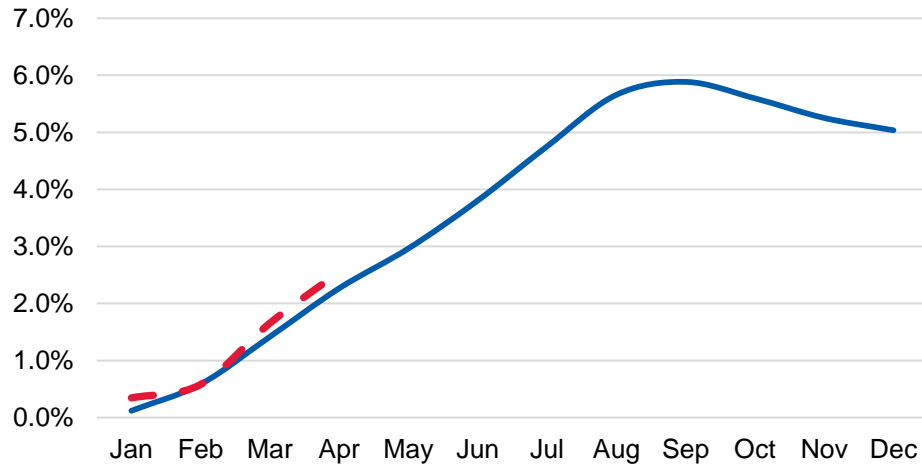
# Year-to-Date Effective Rent Growth by MSA



Source: Axiometrics

# Year-to-Date Effective Rent Growth by MSA

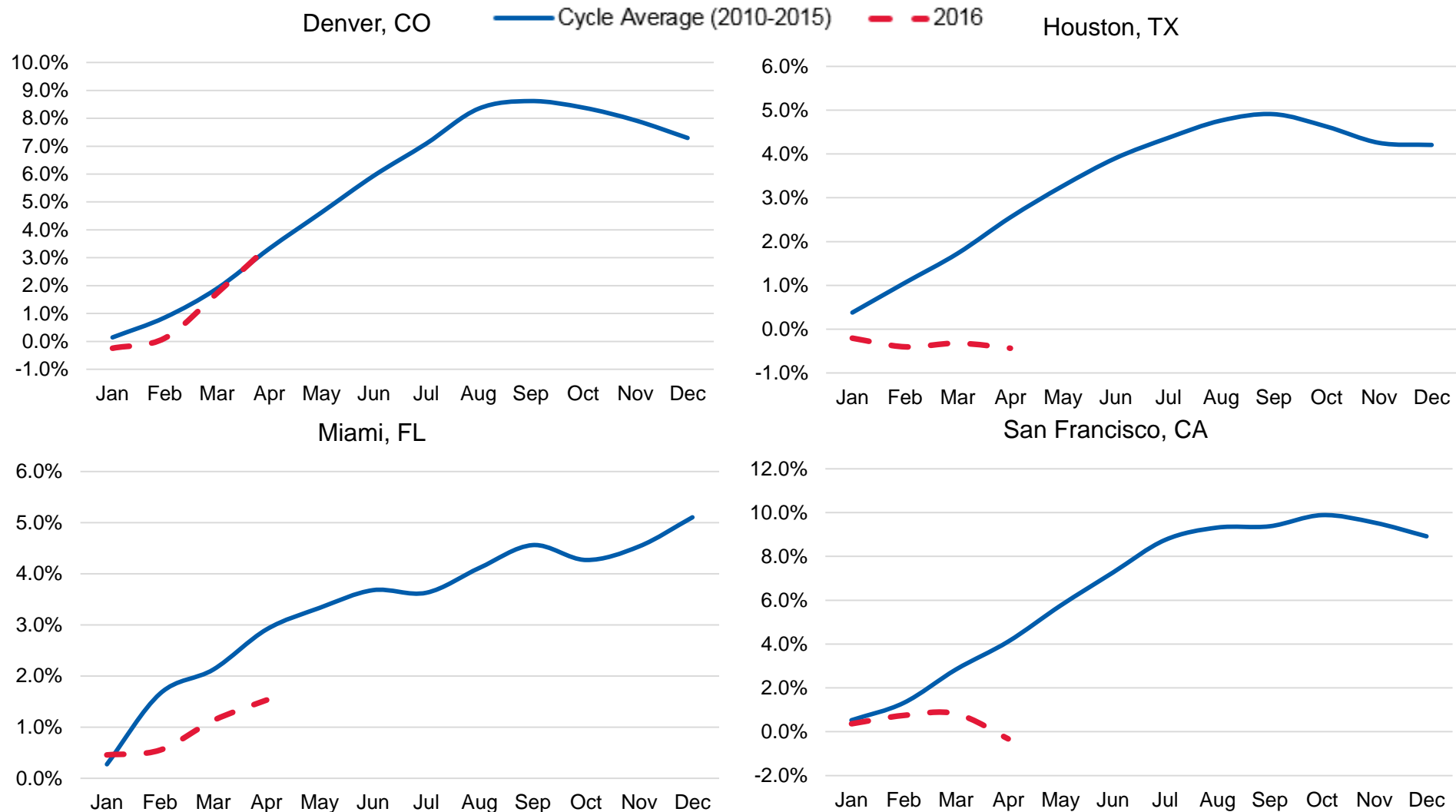
Atlanta, GA      — Cycle Average (2010-2015)      - - - 2016      Phoenix, AZ



Source: Axiometrics



# Year-to-Date Effective Rent Growth by MSA

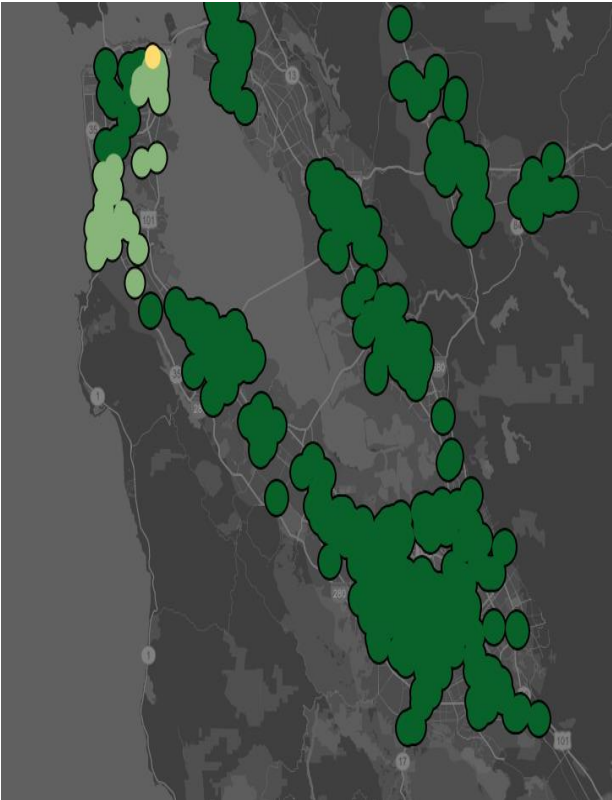


Source: Axiometrics

# Annual Effective Rent Growth by Submarket

San Francisco, CA

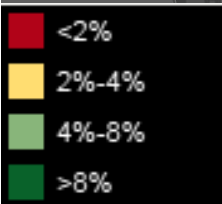
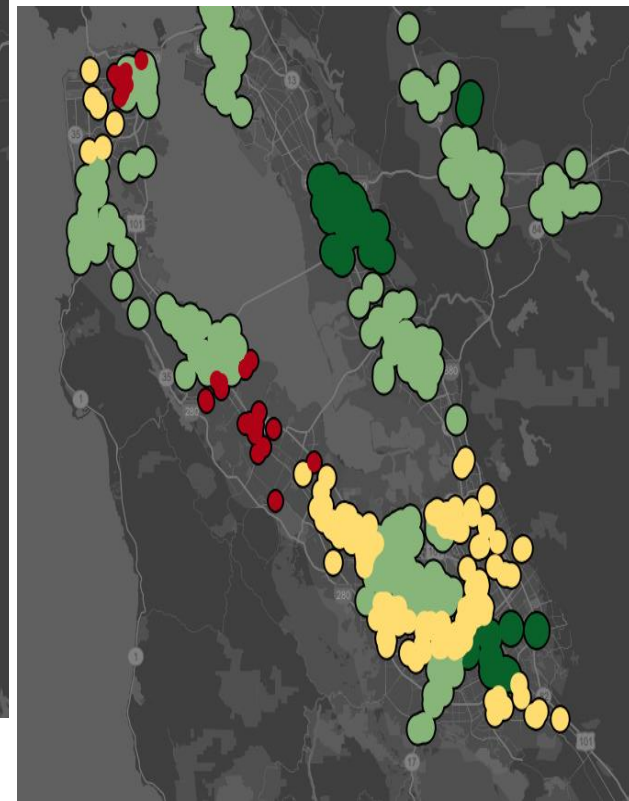
2014



2015



March 2016

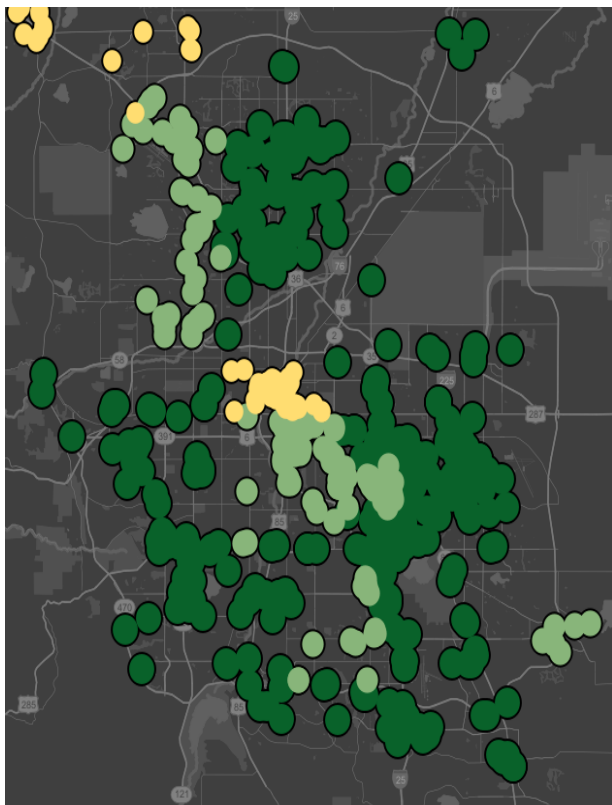


Source: Axiometrics

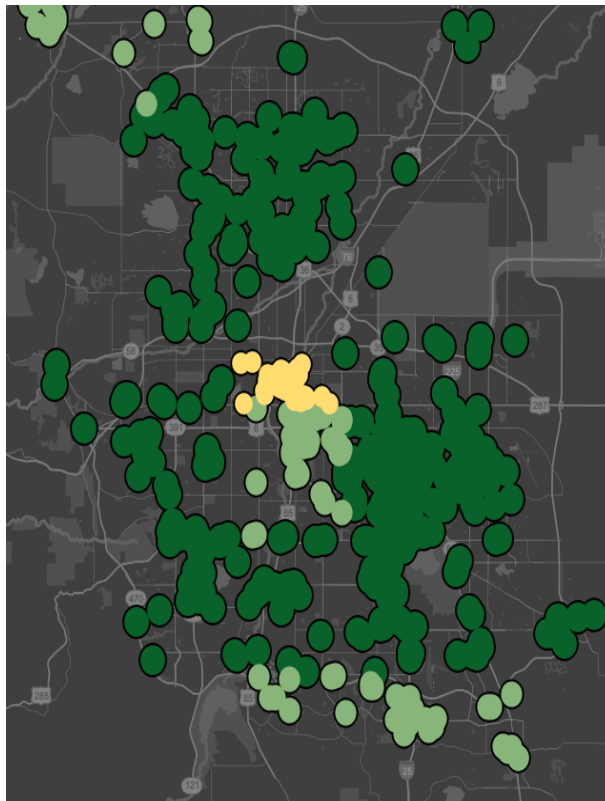
# Annual Effective Rent Growth by Submarket

Denver, CO

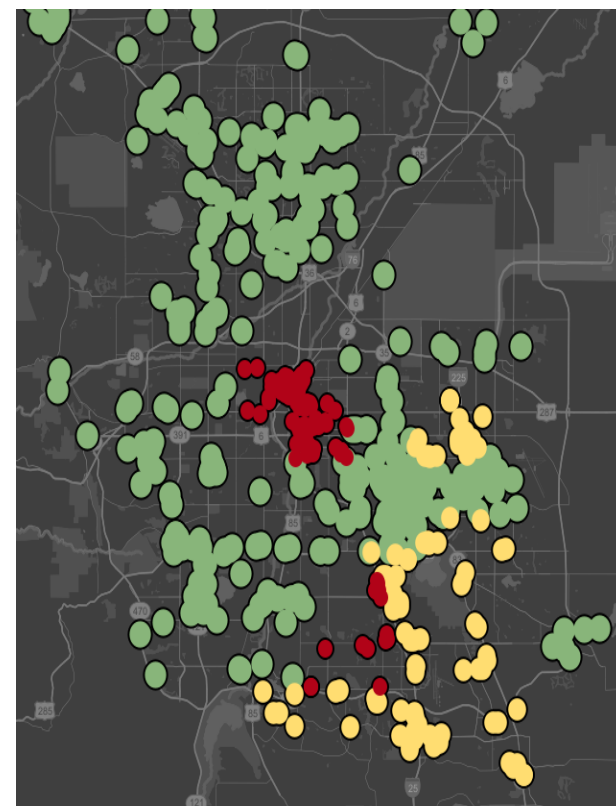
2014



2015



March 2016



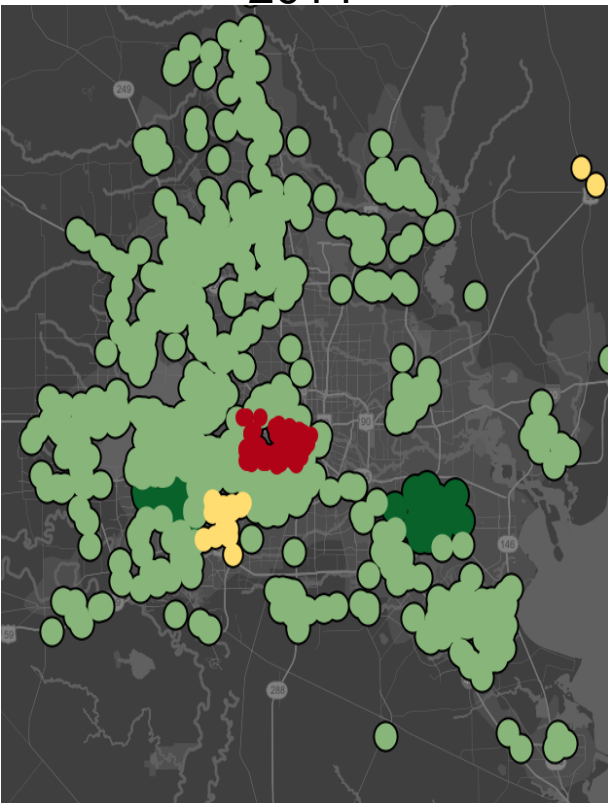
Source: Axiometrics



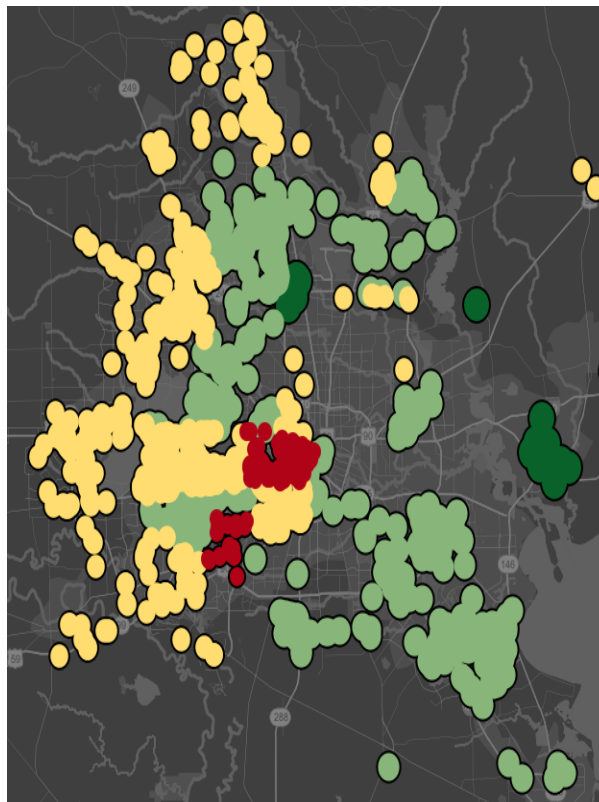
# Annual Effective Rent Growth by Submarket

Houston, TX

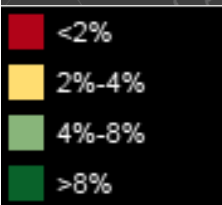
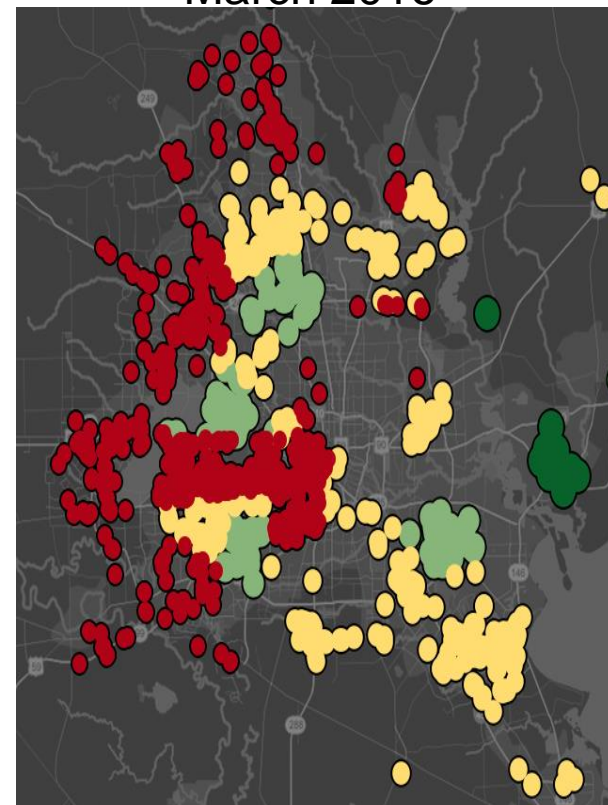
2014



2015



March 2016

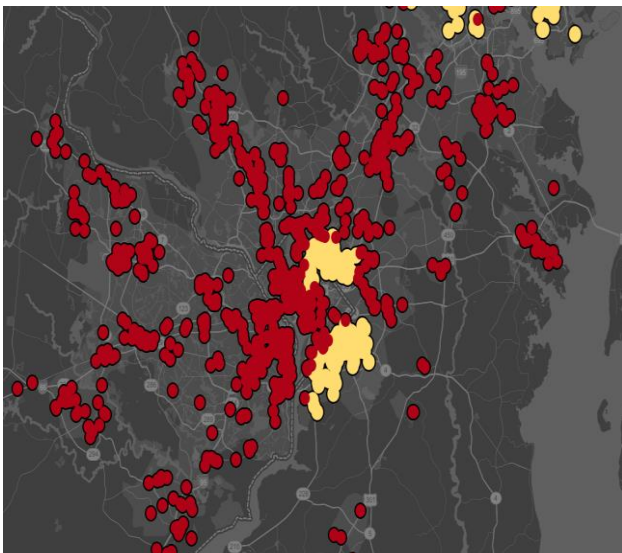


Source: Axiometrics

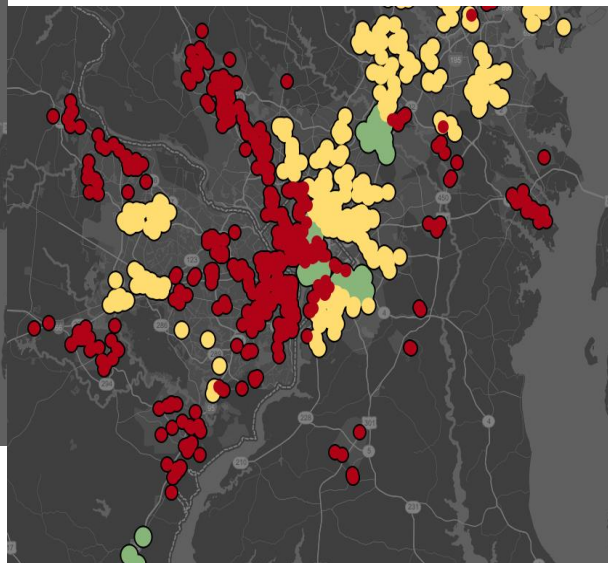
# Annual Effective Rent Growth by Submarket

Washington, D.C./Baltimore, MD

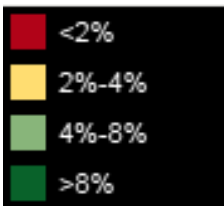
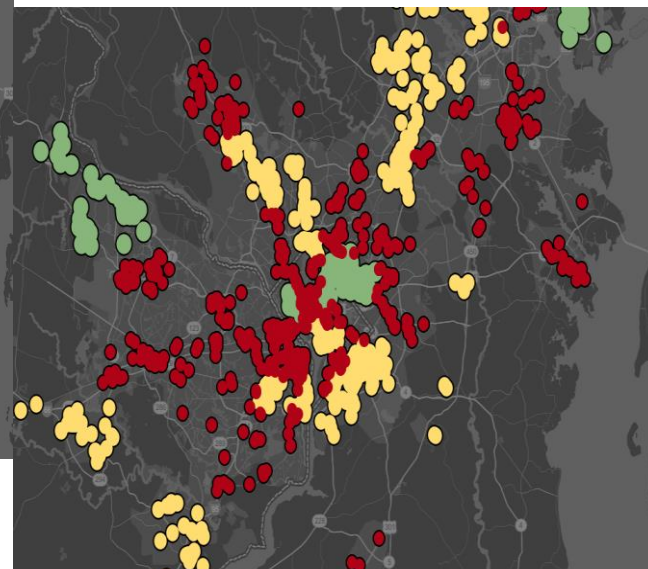
2014



2015



March 2016

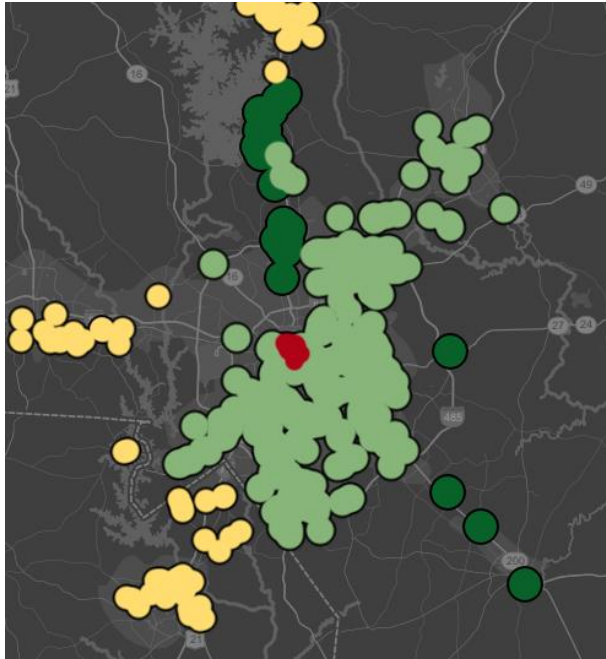


Source: Axiometrics

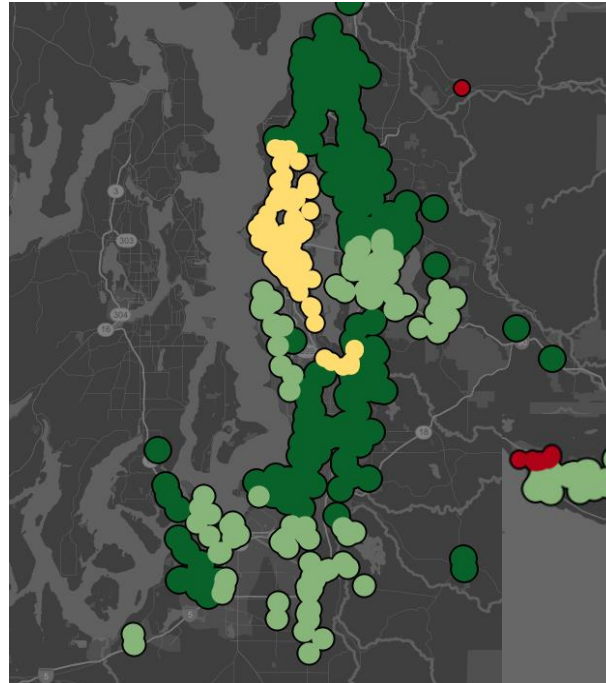
# Annual Effective Rent Growth by Submarket

March 2016

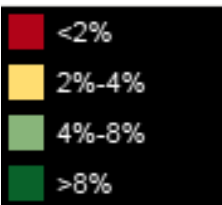
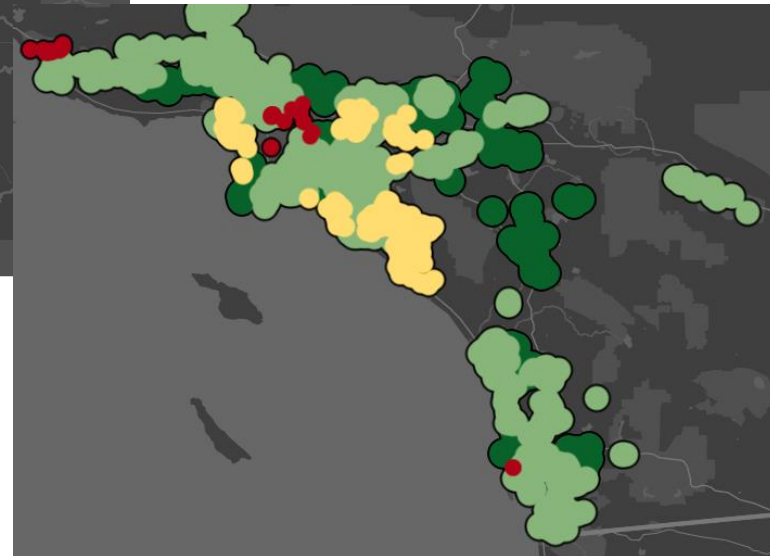
Charlotte, NC



Seattle, WA



Southern California



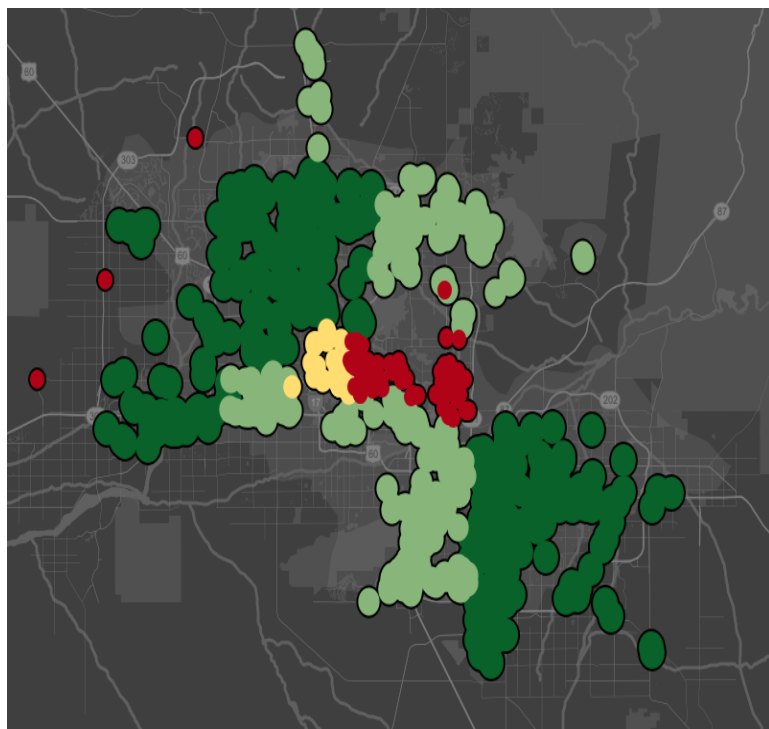
Source: Axiometrics



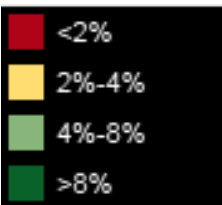
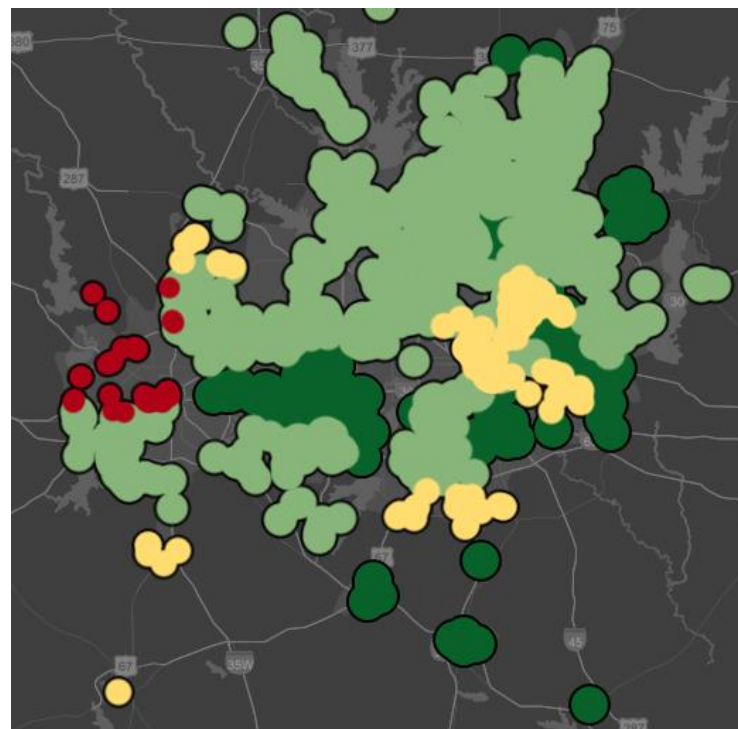
# Annual Effective Rent Growth by Submarket

March 2016

Phoenix, AZ



Dallas, TX

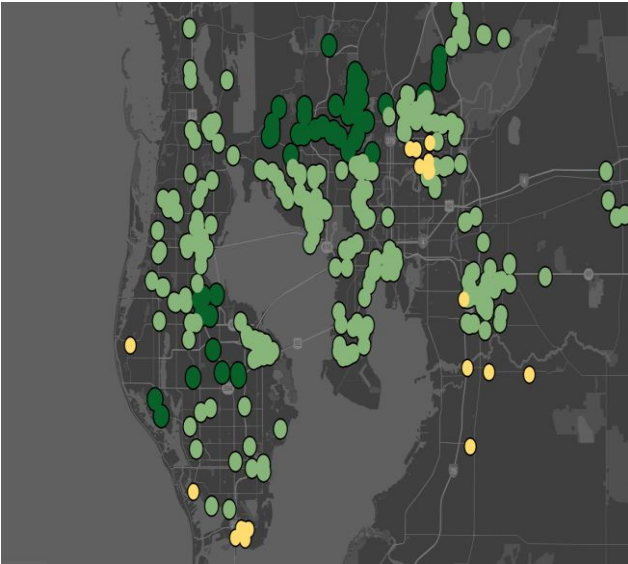


Source: Axiometrics

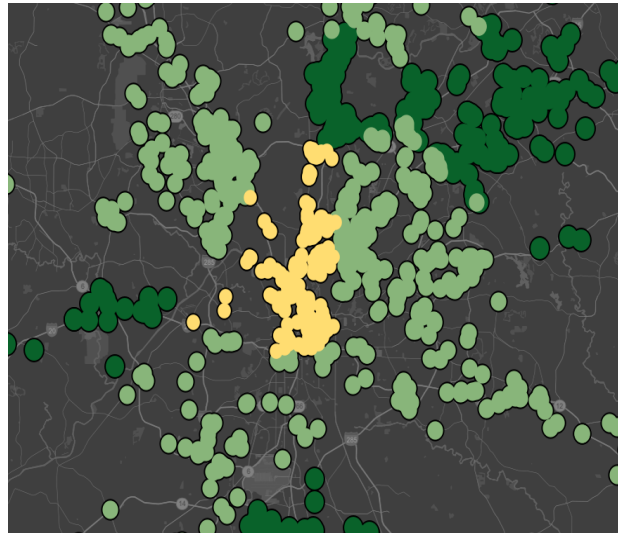
# Annual Effective Rent Growth by Submarket

March 2016

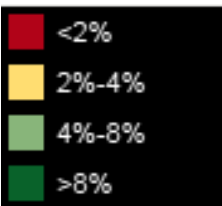
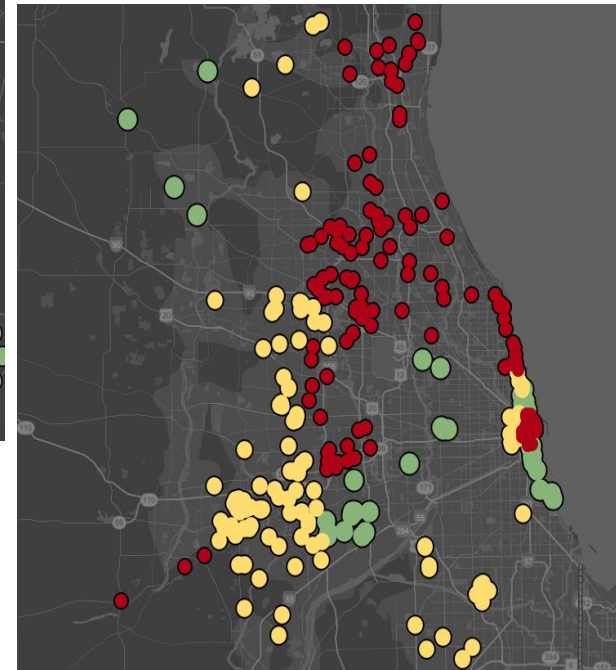
Tampa, FL



Atlanta, GA



Chicago, IL

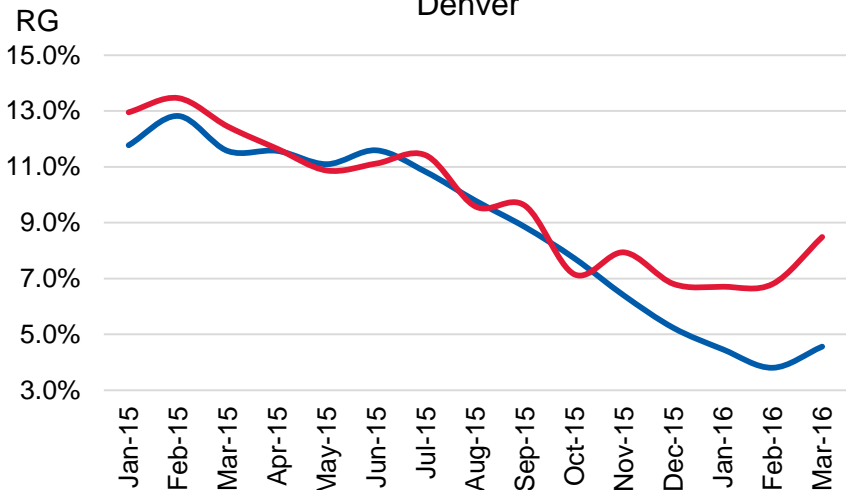


Source: Axiometrics

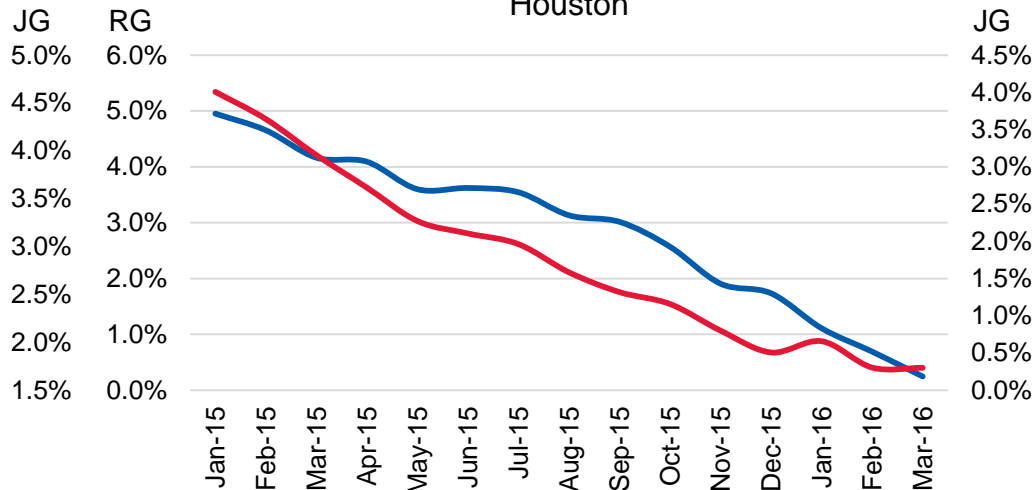
# Annual Job Growth and Effective Rent Growth

— Annual Effective Rent Growth — Job Growth

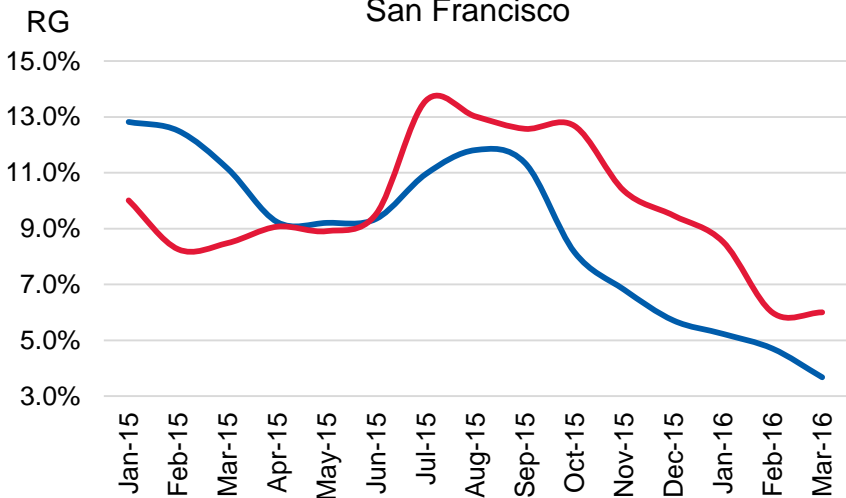
Denver



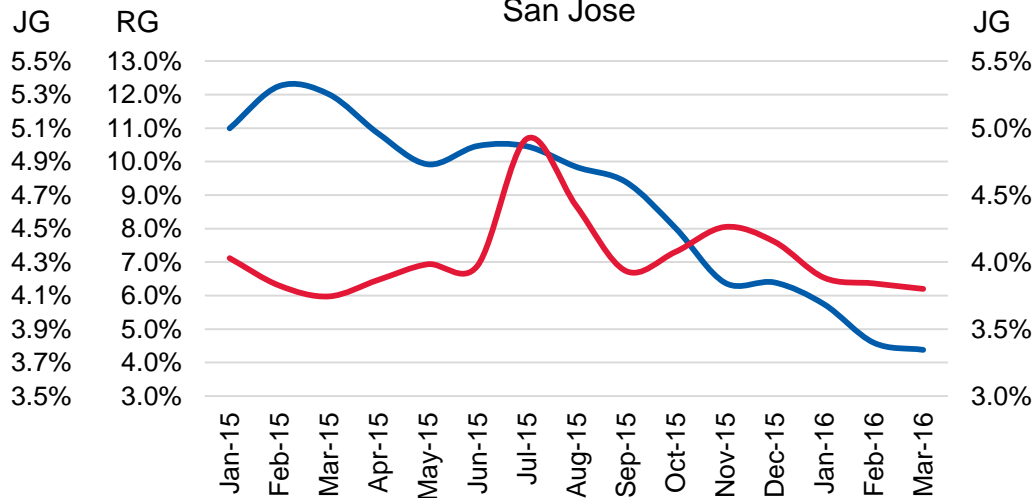
Houston



San Francisco

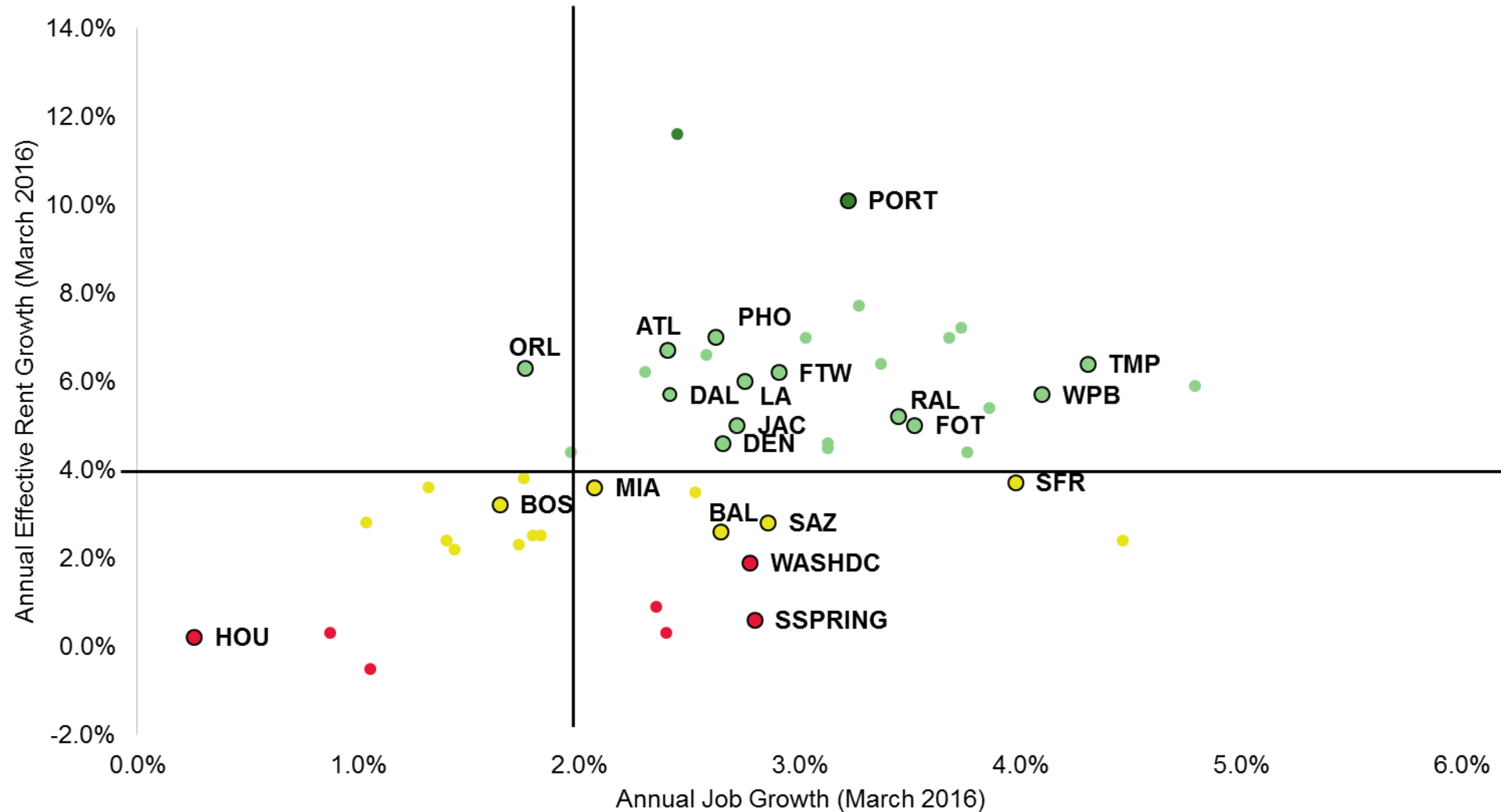


San Jose



Sources: Axiometrics, BLS

# Current Rent Growth and Job Growth



Sources: Axiometrics, BLS

# Legends for the Property Maps

Stabilized

Lease Up

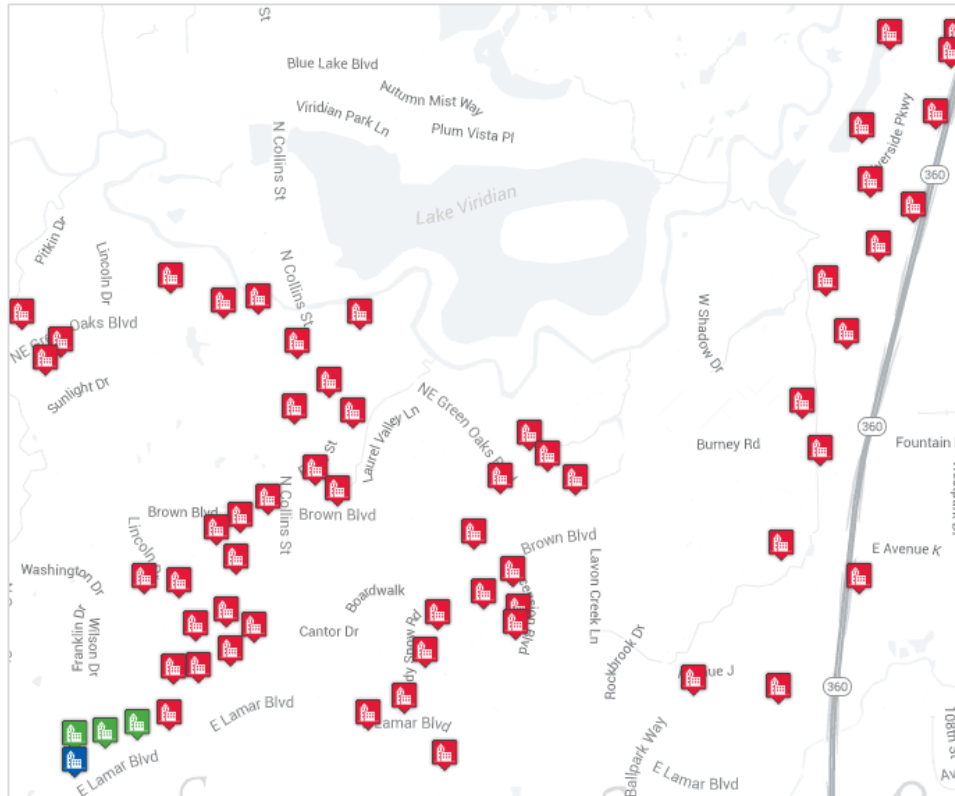
Under  
Construction

Planned

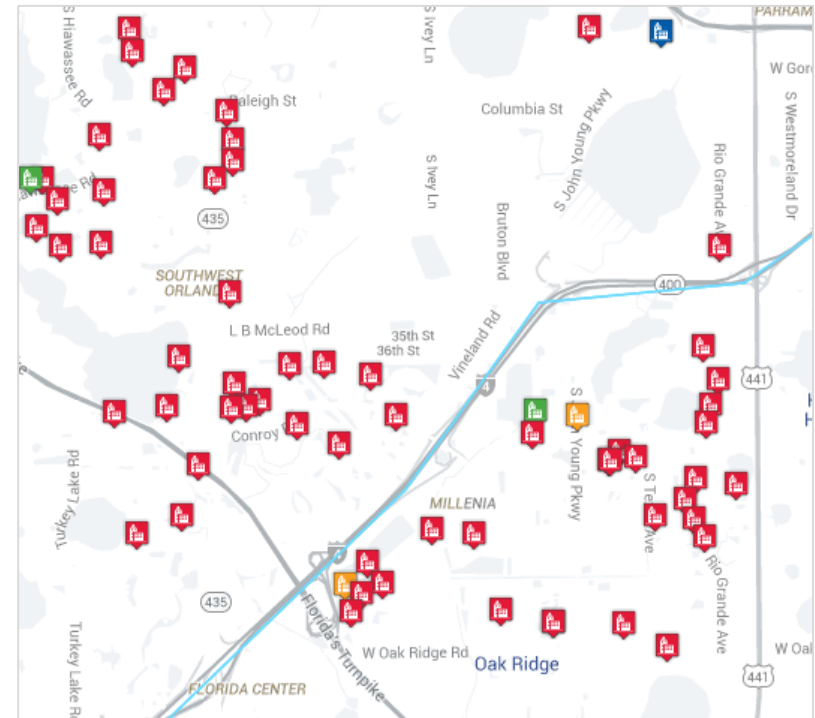


# Maps of Suburban Areas

DFW – North Arlington



Orlando – Southwest



Stabilized

Lease Up

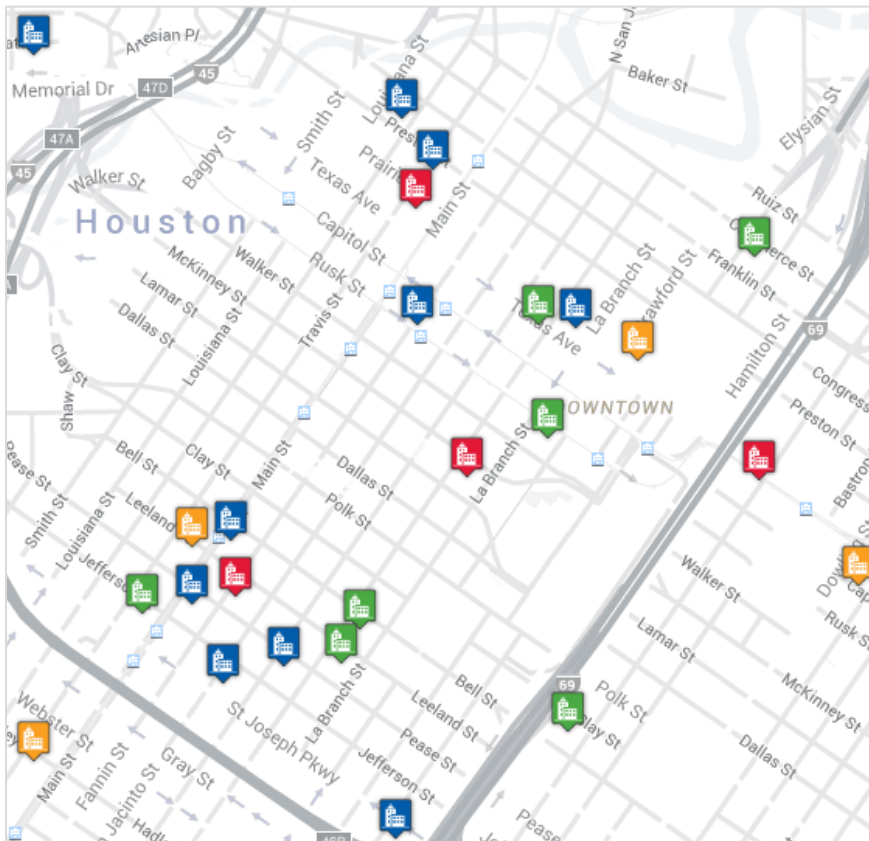
Under  
Construction

Planned

Source: Axiometrics

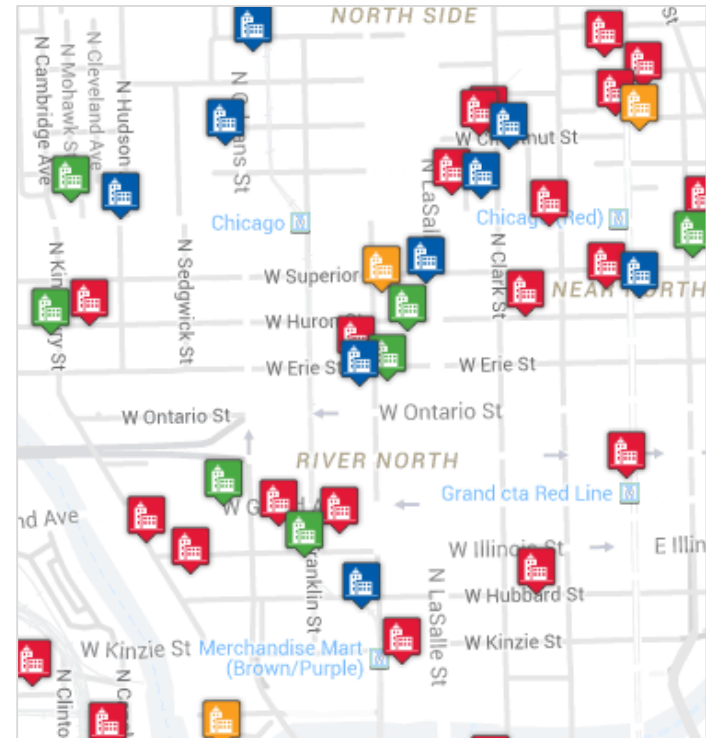
# Maps of Urban Core Areas

Houston - Downtown



Source: Axiometrics

Chicago – River North



Stabilized

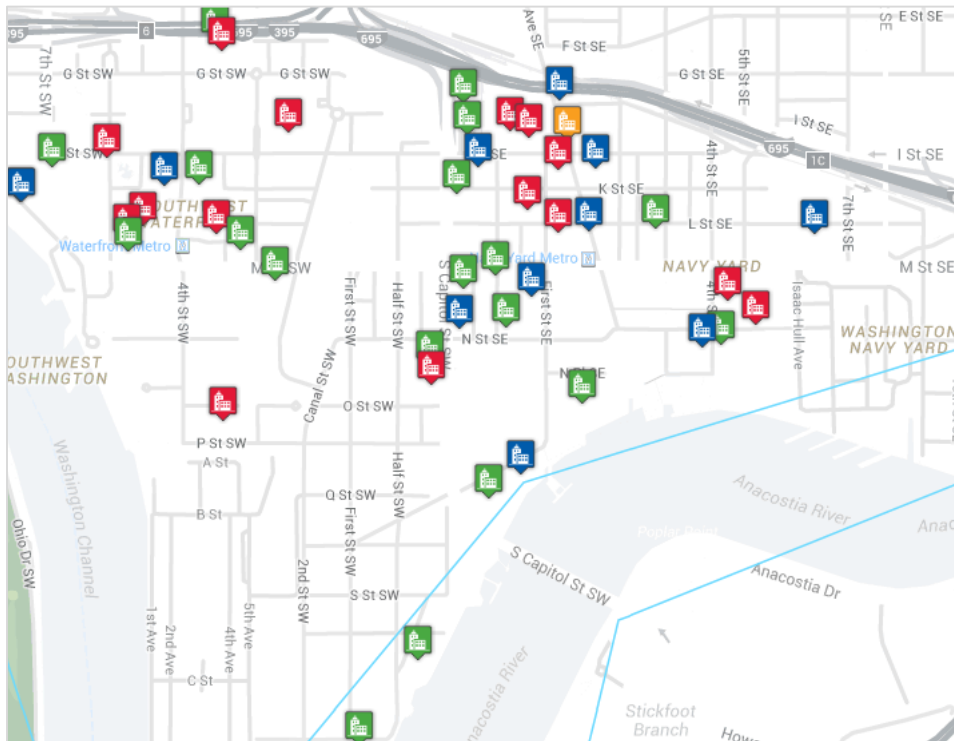
Lease Up

Under  
Construction

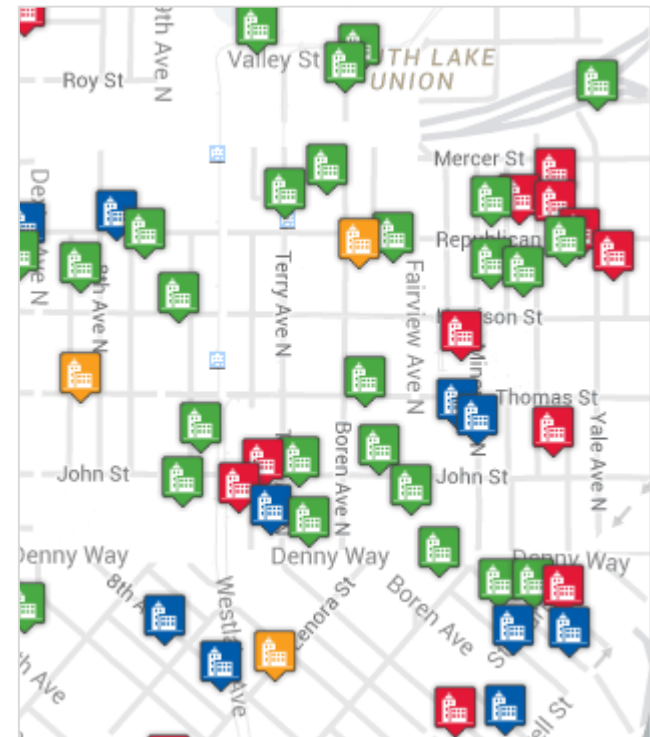
Planned

# Maps of Urban Core Areas

## DC – Navy Yard & SW Waterfront



## Seattle – South Lake Union



Source: Axiometrics

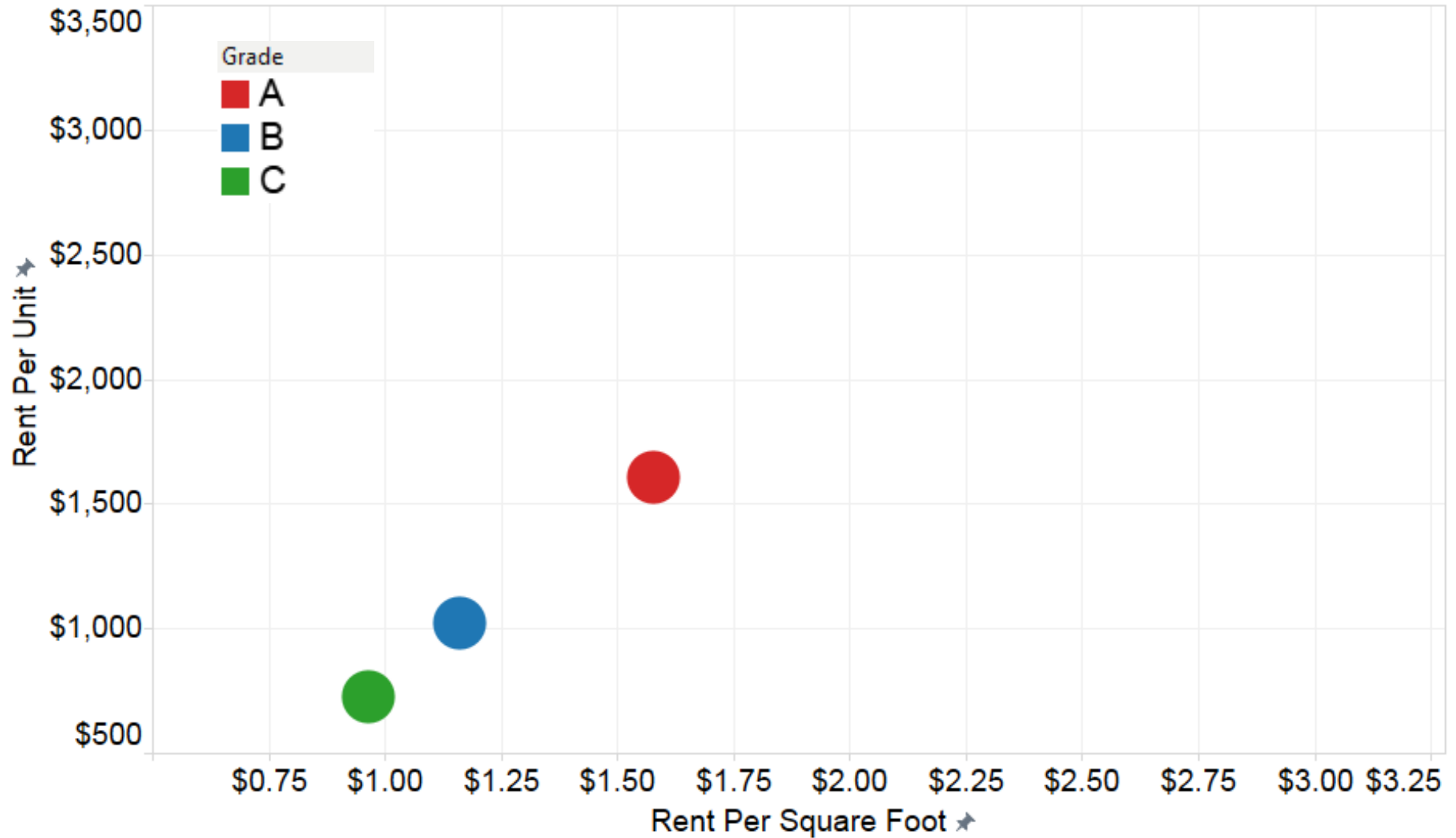
Stabilized

Lease Up

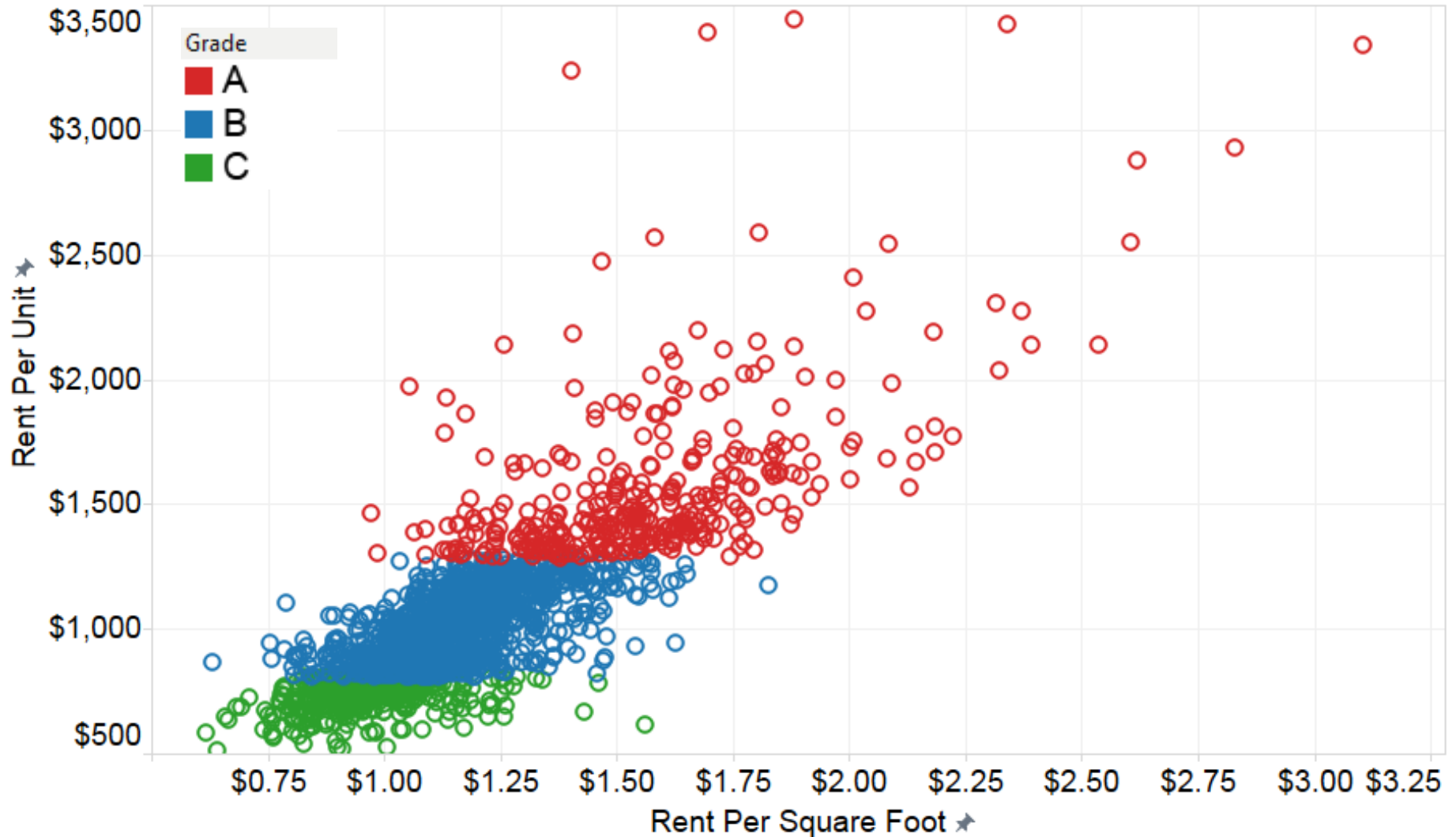
Under  
Construction

Planned

# Average Rent Level by Asset Class for DFW



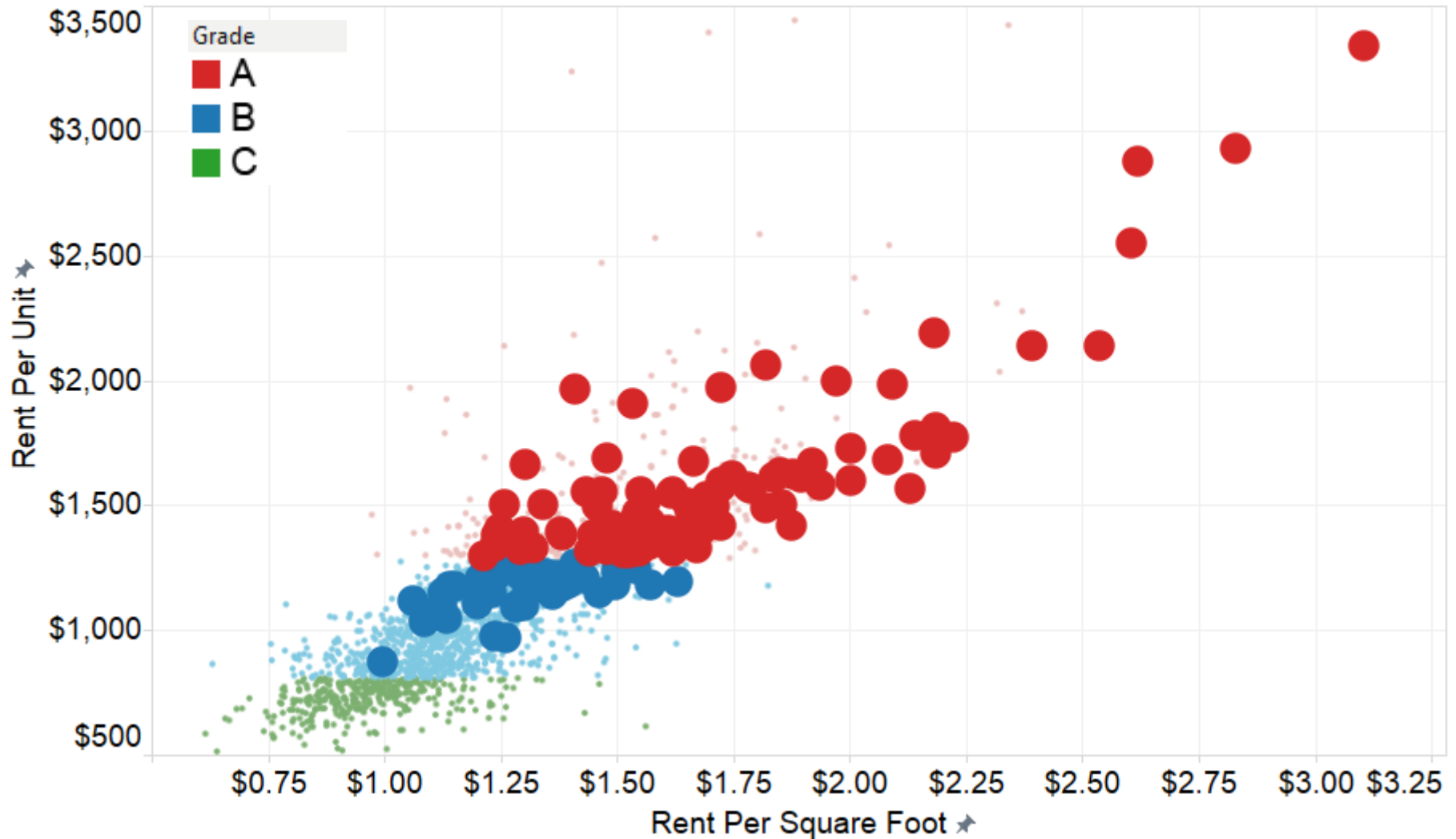
# All Properties: Rent Level by Asset Class DFW





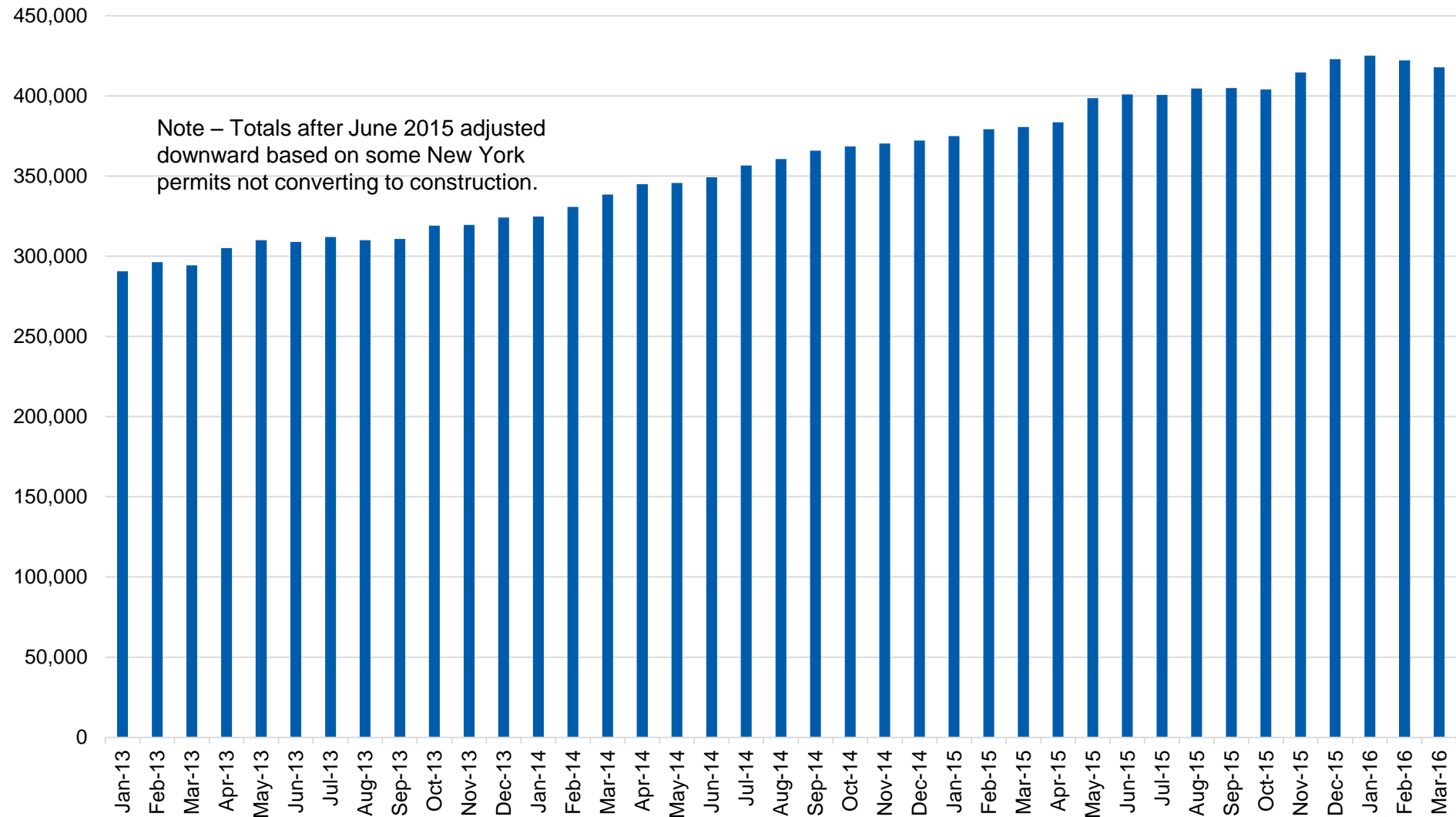
# All Properties: Rent Level by Asset Class DFW

Properties delivered since 2014 identified



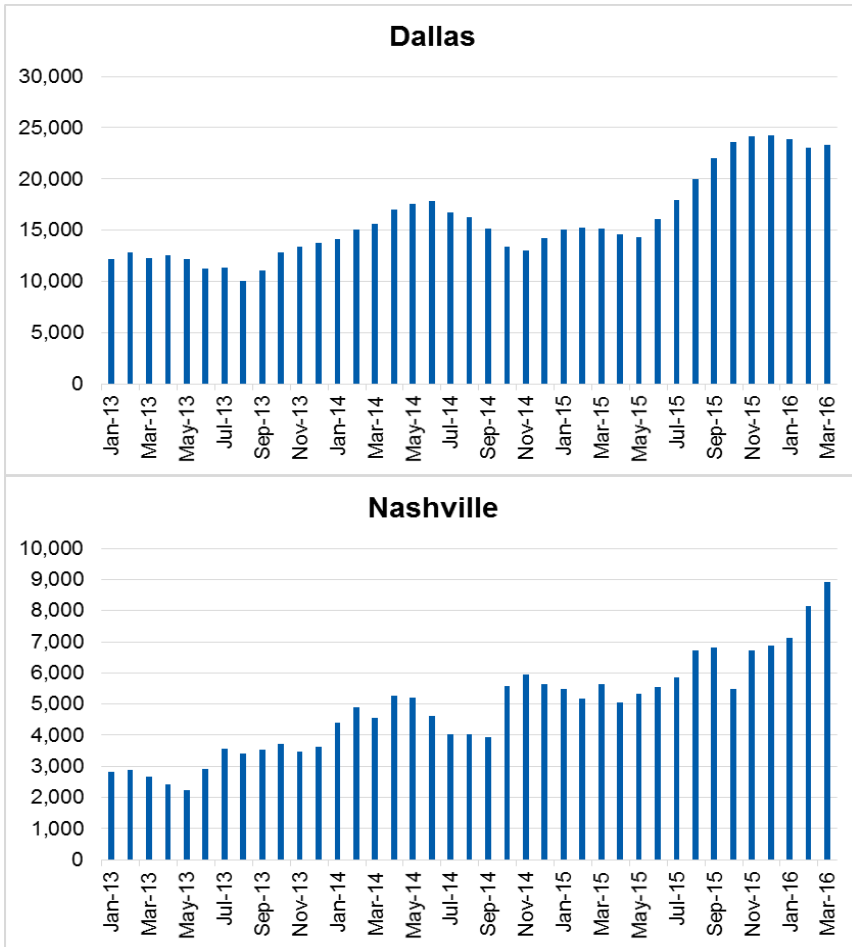
# National New Supply Likely at Plateau

## Units Permitted for Trailing 12 Months

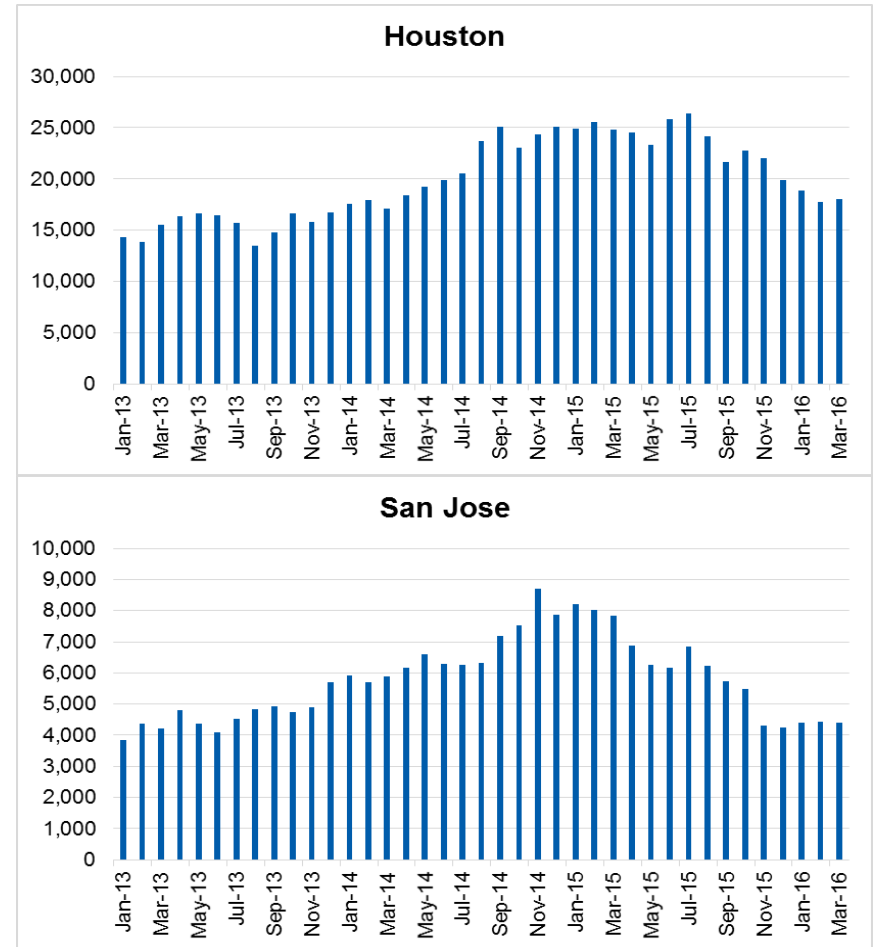


# New Supply Levels by Market Units Permitted by Year

## Gaining Momentum



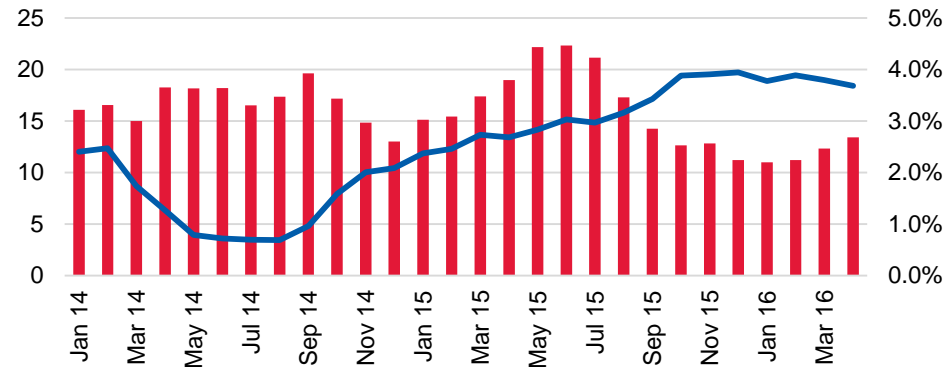
## Losing Momentum



# Lease Up Properties and Concession Values

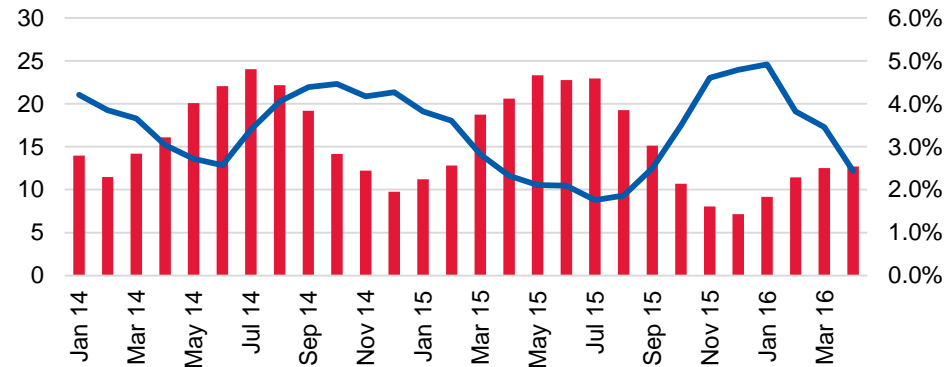
Atlanta, GA

Absorption per Month Concession Value



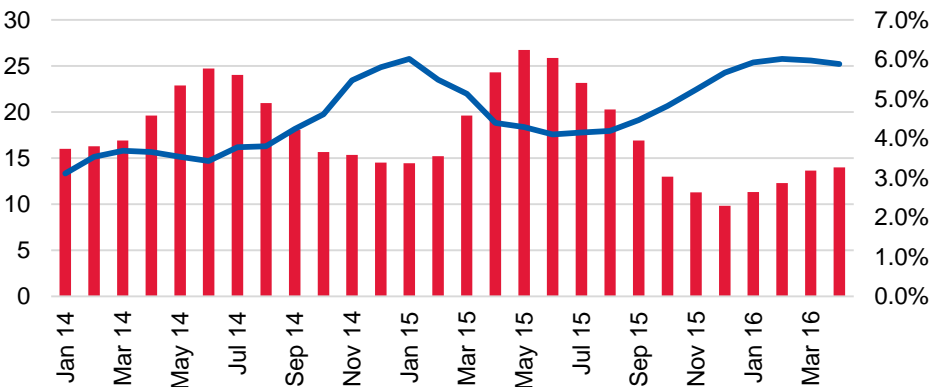
Chicago, IL

Absorption per Month Concession Value



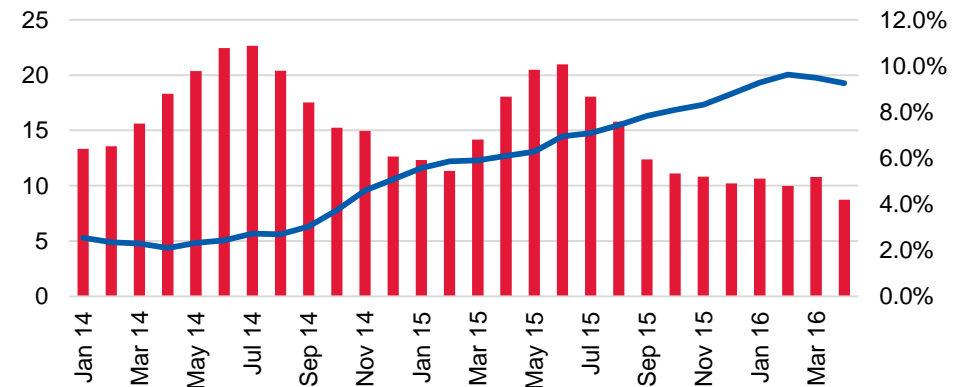
Dallas, TX

Absorption per Month Concession Value



Houston, TX

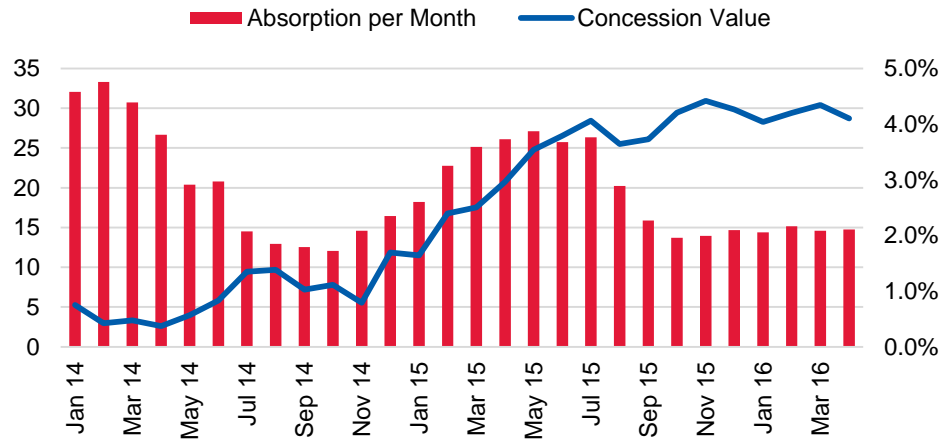
Absorption per Month Concession Value



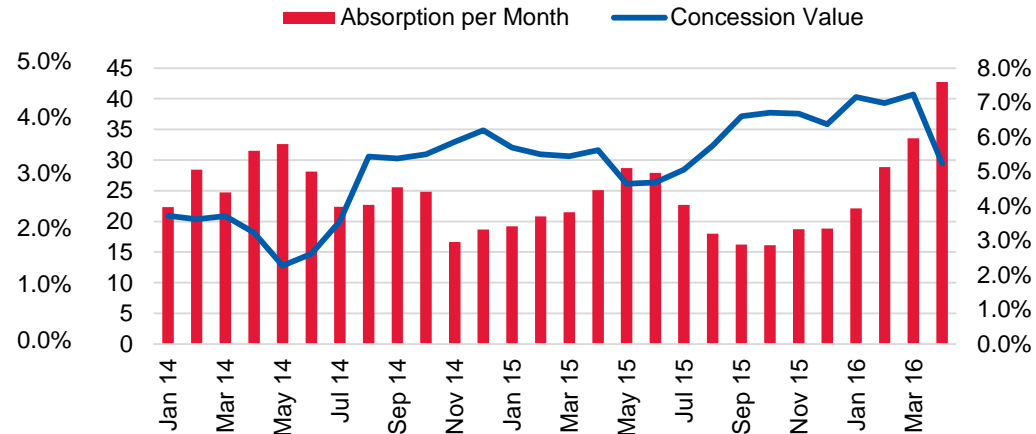
Sources: Axiometrics

# Lease Up Properties and Concession Values

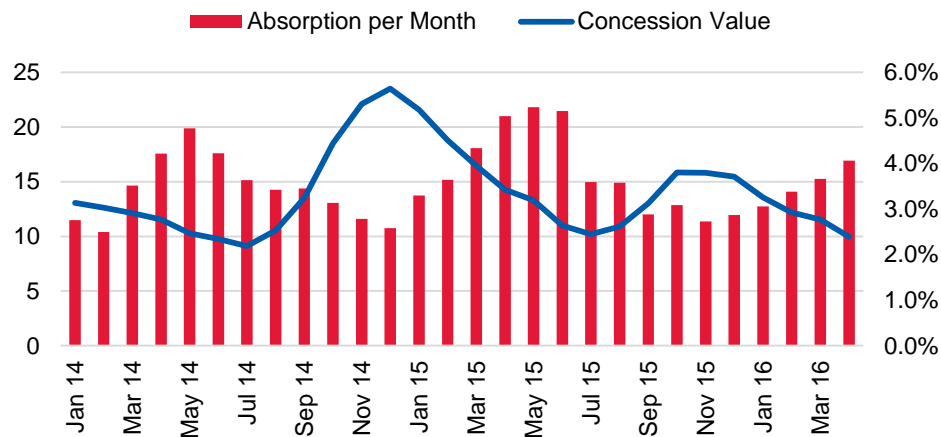
Miami, FL



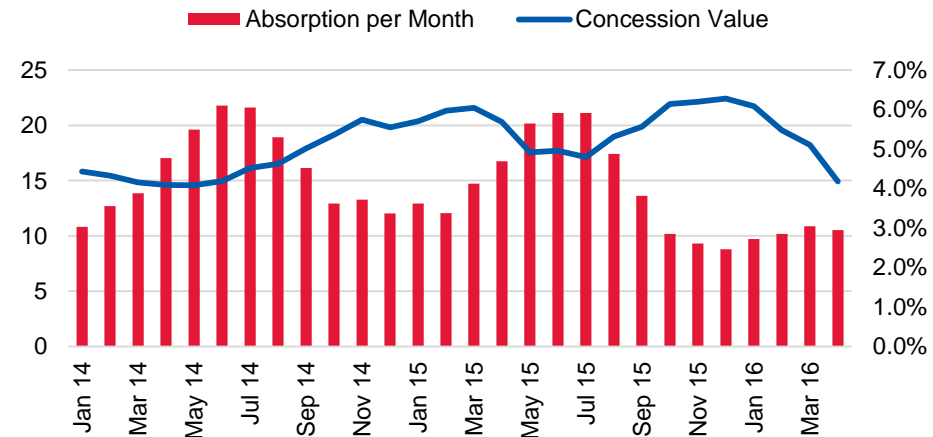
San Jose, CA



Seattle, WA



Washington, D.C.

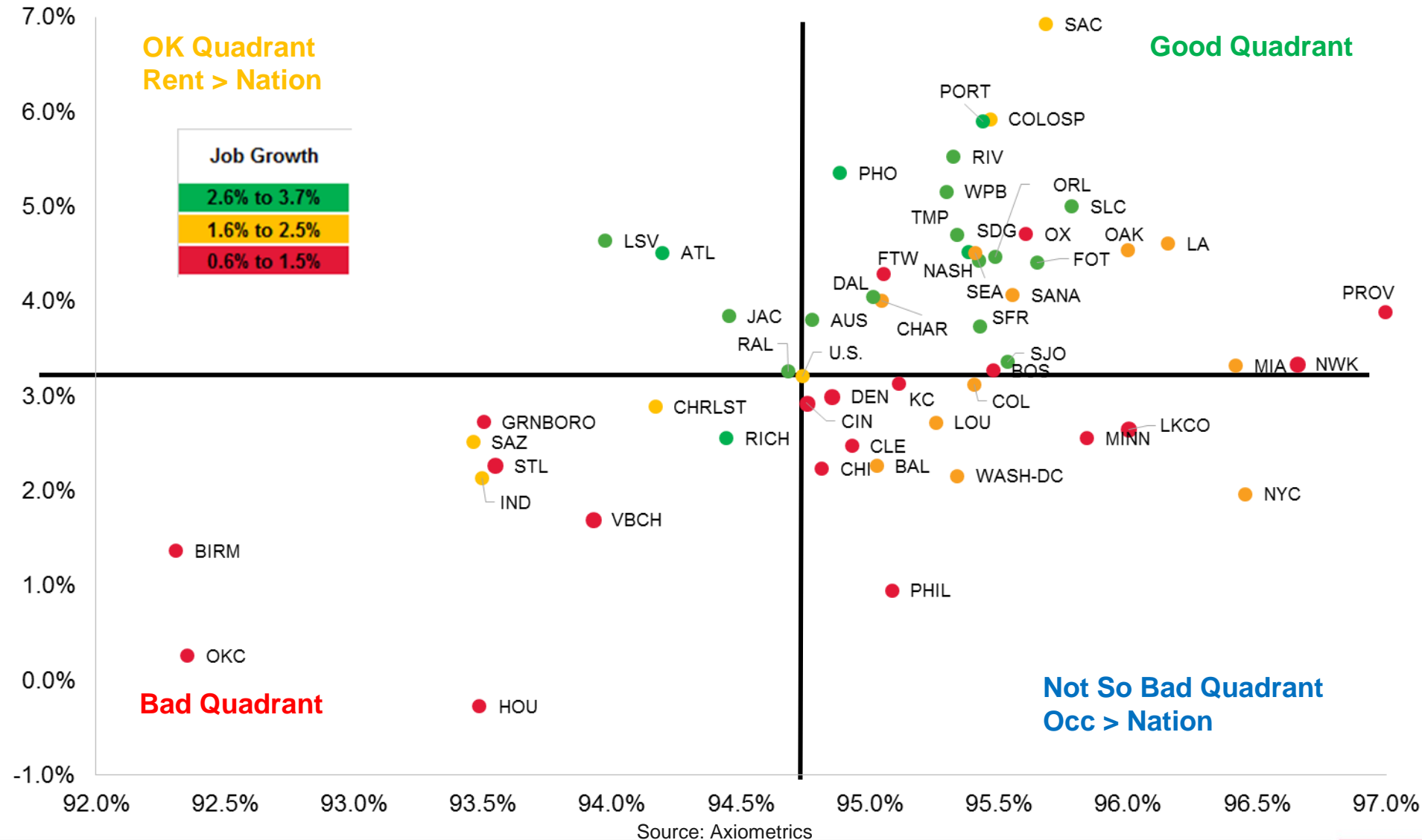


Sources: Axiometrics Inc.



# 2016 Avg Occupancy and Rent Growth

Color coded by job growth



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