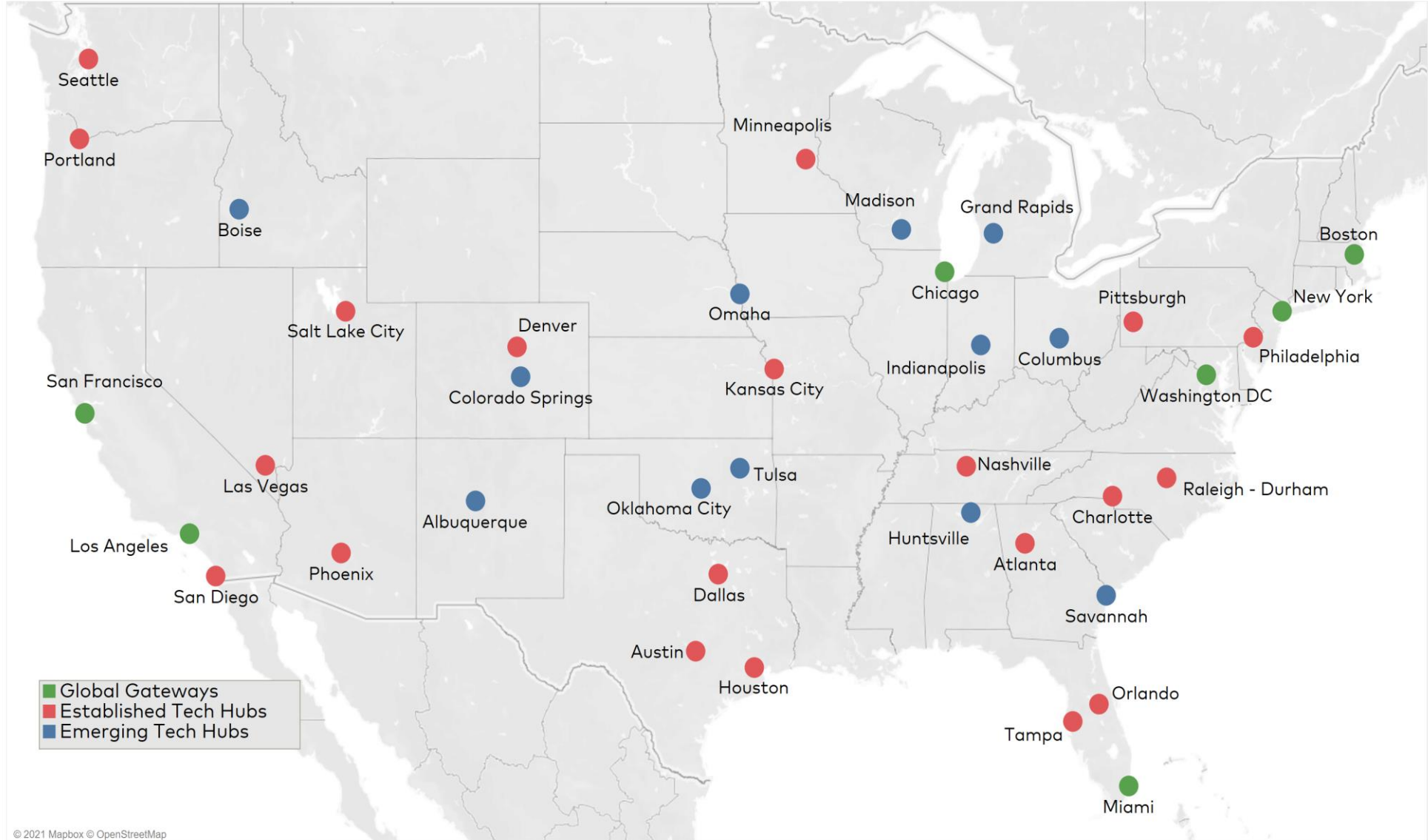




NATIONAL ANALYSIS OF DEMOGRAPHIC SHIFTS

A deep look into lifestyle changes, rentership rates,
job growth, and rent and occupancy trends

Our Market Classifications



Impacts of the Coronavirus on Certain Demographic and Lifestyle Trends

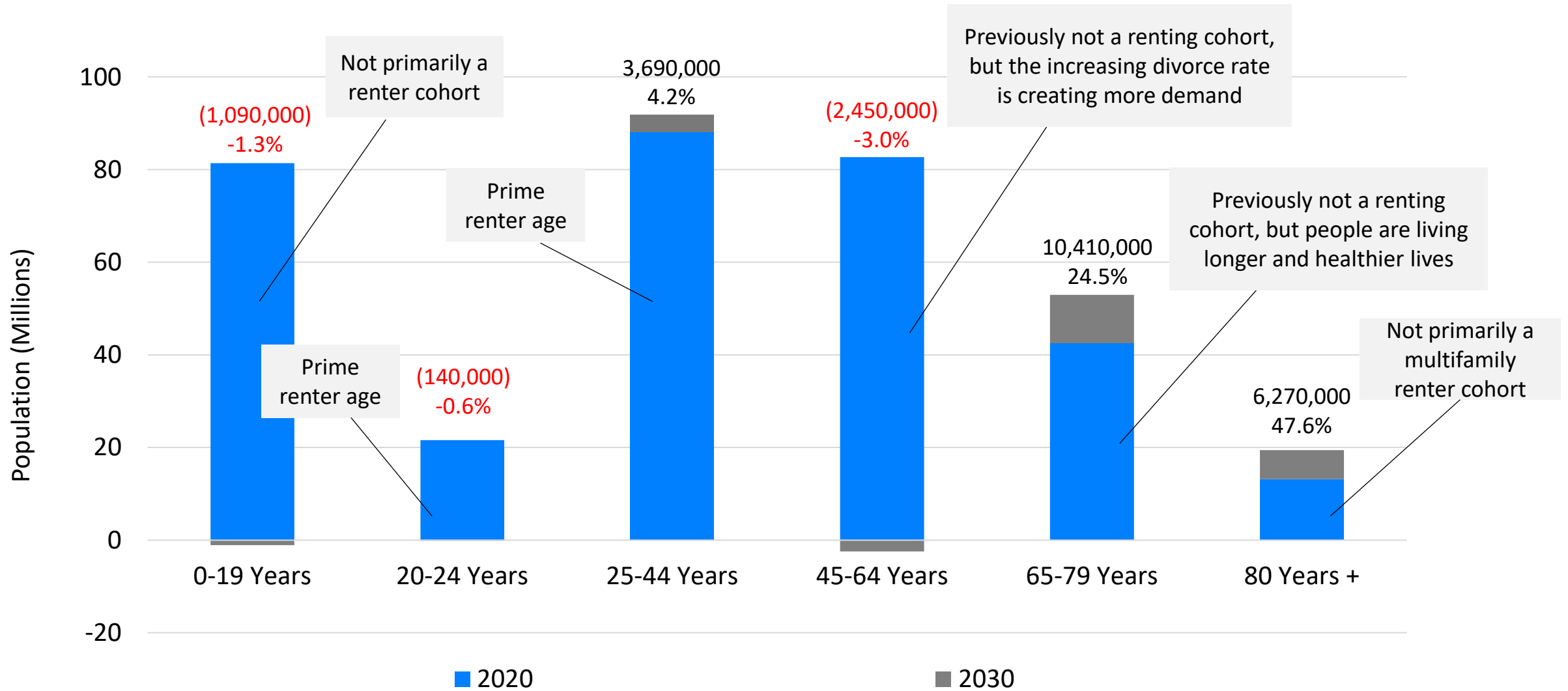
Trend	Outcome Post-COVID
People moving from gateway to tech hub markets	Accelerated
Declining birth rates & people getting married later in life	Accelerated
More young people living at home longer	Accelerated
Virtualization	Accelerated
E-Commerce	Accelerated
Local political risk/higher taxes	Accelerated
Aging population creating new renters	No change
Experiences over material goods	Reversal
Densification	Reversal
Globalization	Reversal

POSITIVE DEMOGRAPHIC TRENDS FOR MULTIFAMILY

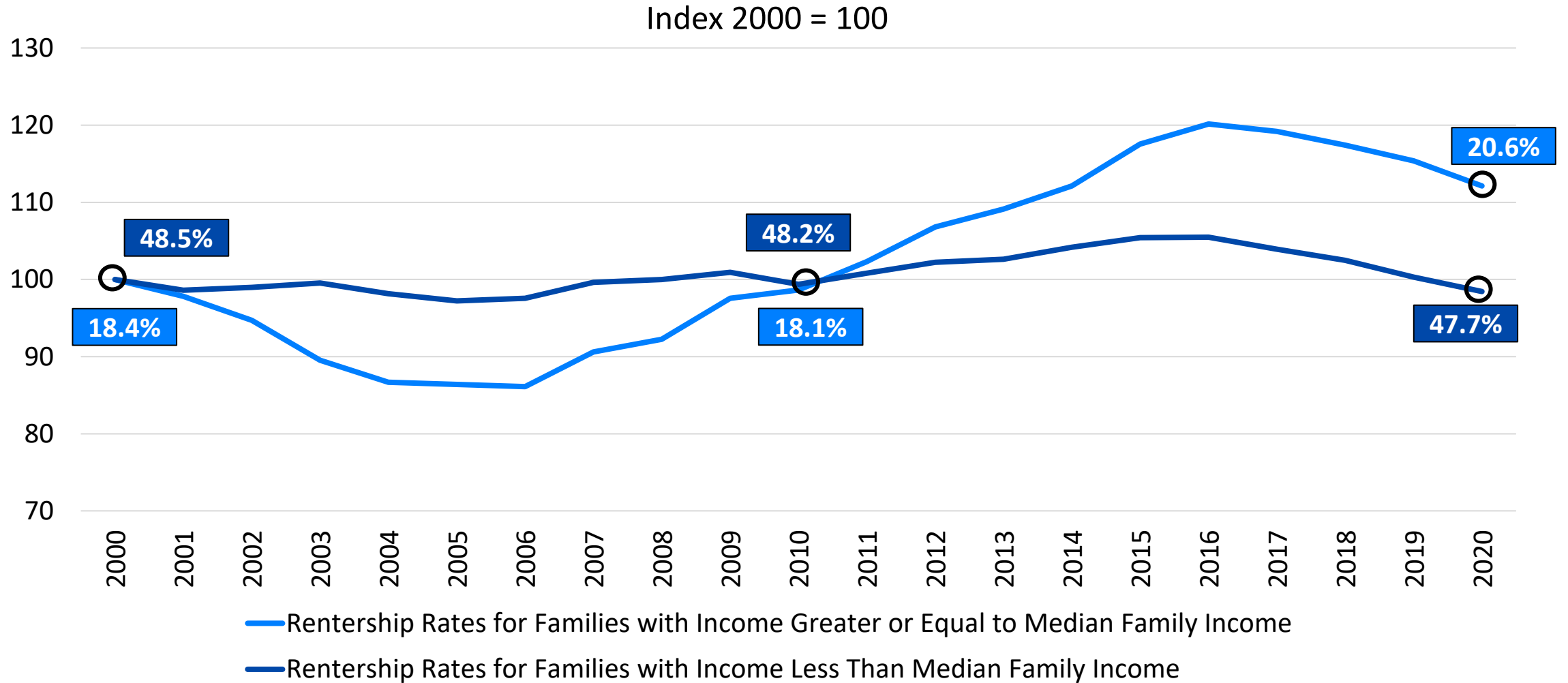
Positive Demographic Trends for Multifamily

- ④ Homeownership rates increased slightly last year, but are expected to level out
- ④ Delayed marriage and childbirth prolongs the number of years spent renting instead of owning
- ④ Surge of young people living at home will eventually unwind, and in turn, create demand for multifamily
- ④ Rising student debt levels diverts funds for a down payment
- ④ Overall, the multifamily market is performing very well

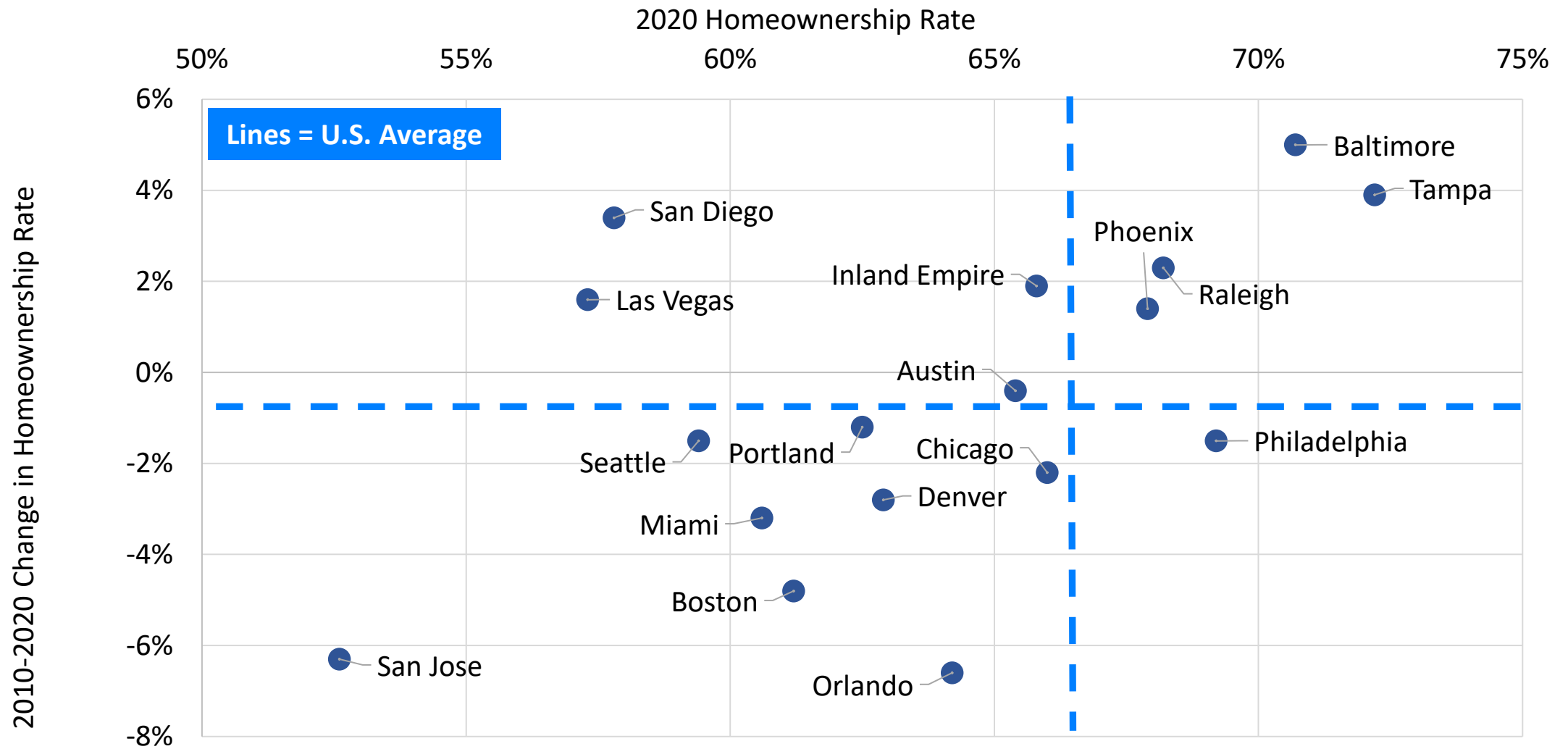
Within Each Age Group, There Are Drivers Of Demand



Rentership Rates Have Declined For Lower Income Families and Risen For Higher Income Families Over the Last Few Years

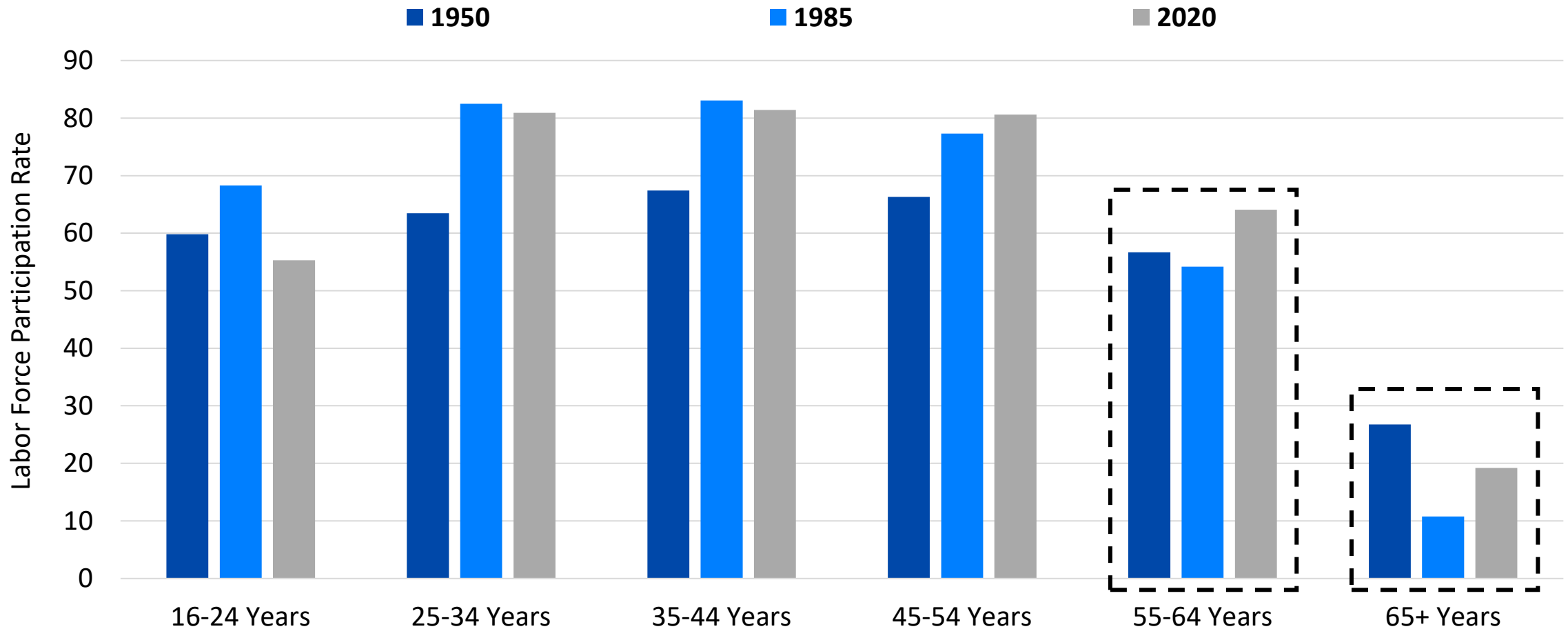


Homeownership Rates Have Fallen in Major Markets Over the Past 10 Years

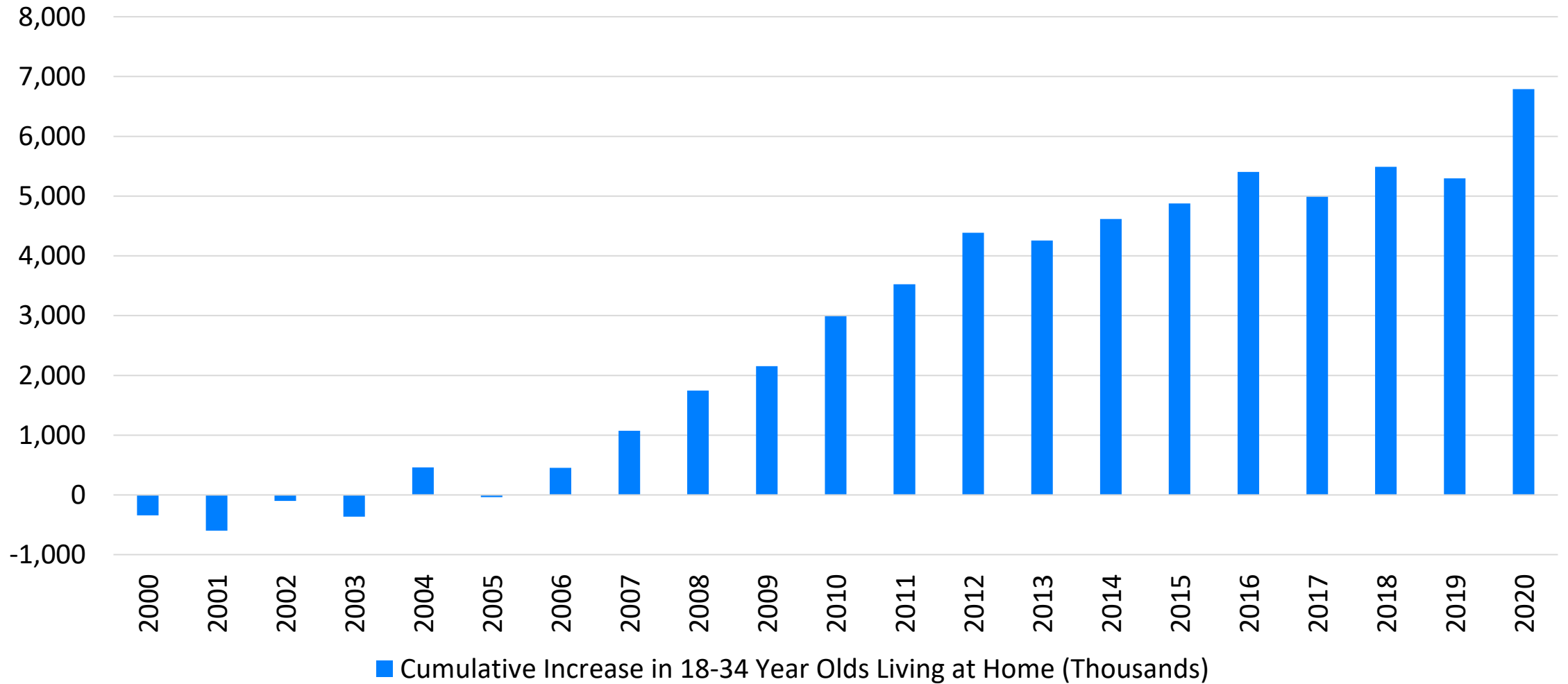


Source: Yardi Matrix; Moody's Analytics; U.S. Census Bureau (BOC)

More People Working Longer Impacts the Multifamily and Office Industries

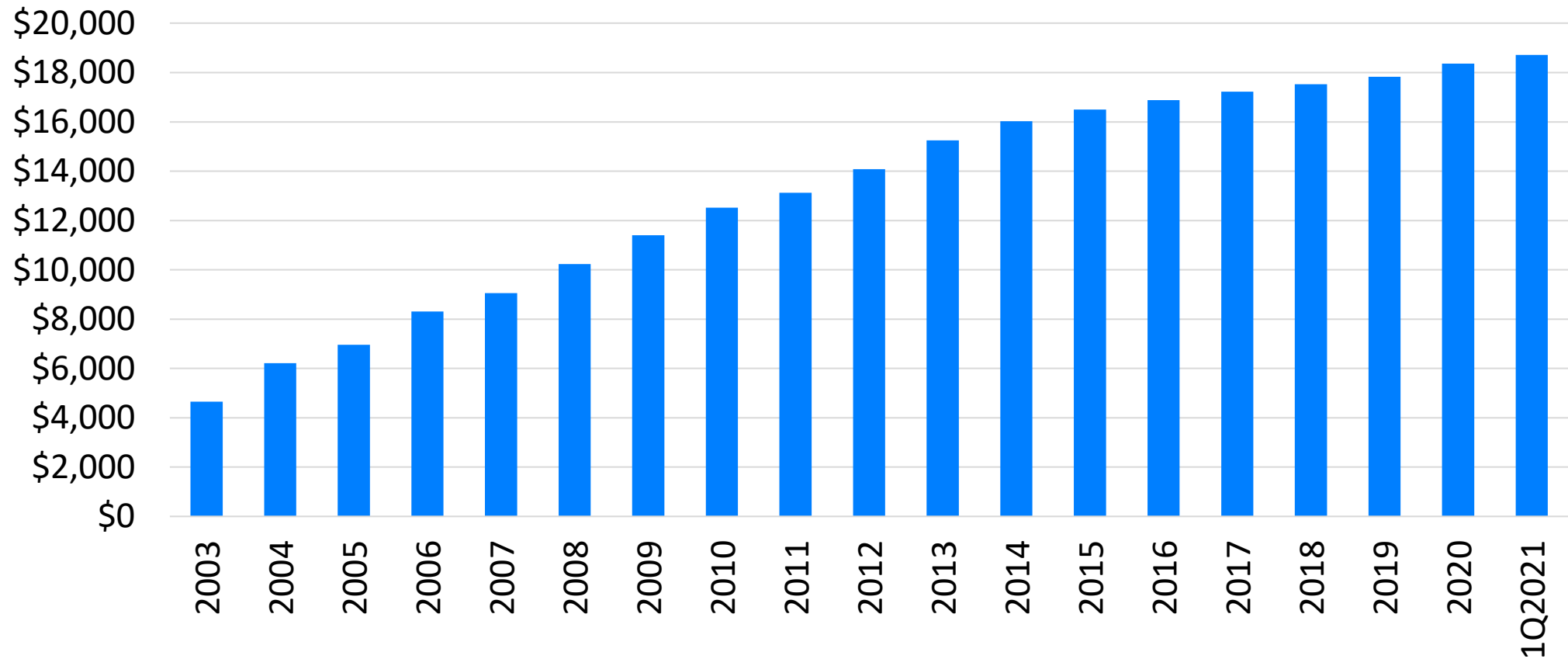


The Surge of Young People Living at Home Amid the Pandemic Will Eventually Unwind, Creating Demand For Multifamily



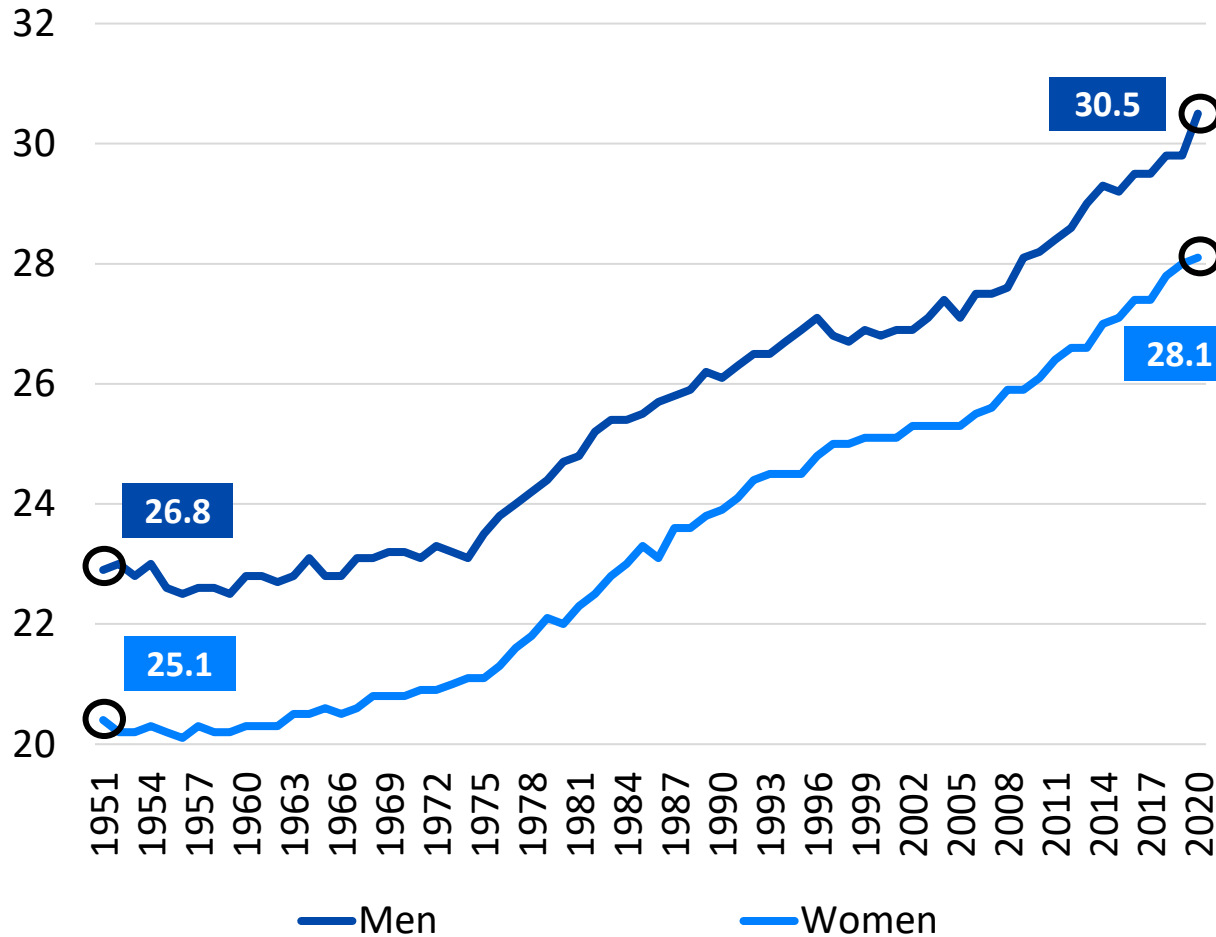
Student Debt per Capita Increased 302% Since 2003, Diverting Funds Available for a Down Payment

**Student Loan Debt per Person
with a Bachelor's Degree or Higher**

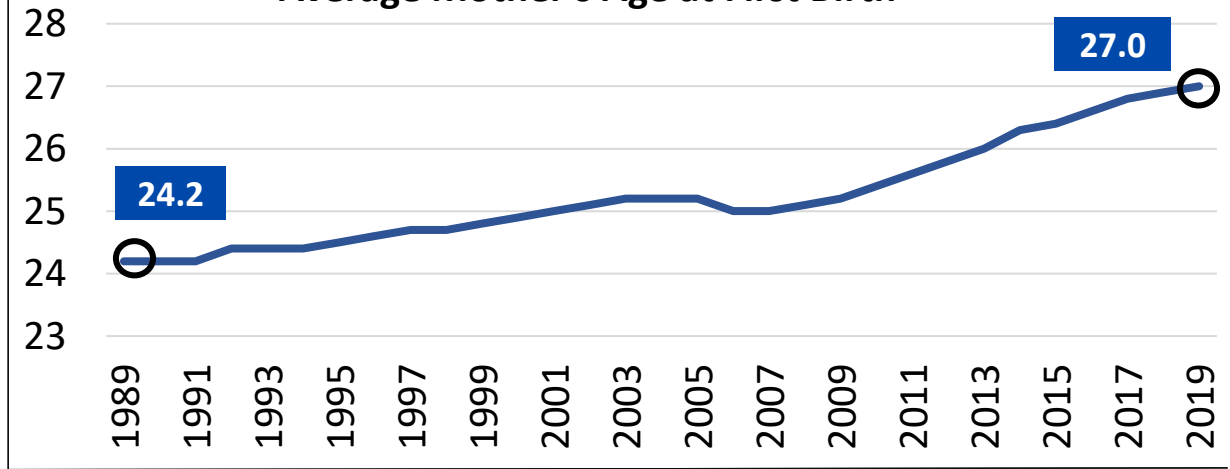


Lifestyle Changes Fueling Strong Demand for Multifamily

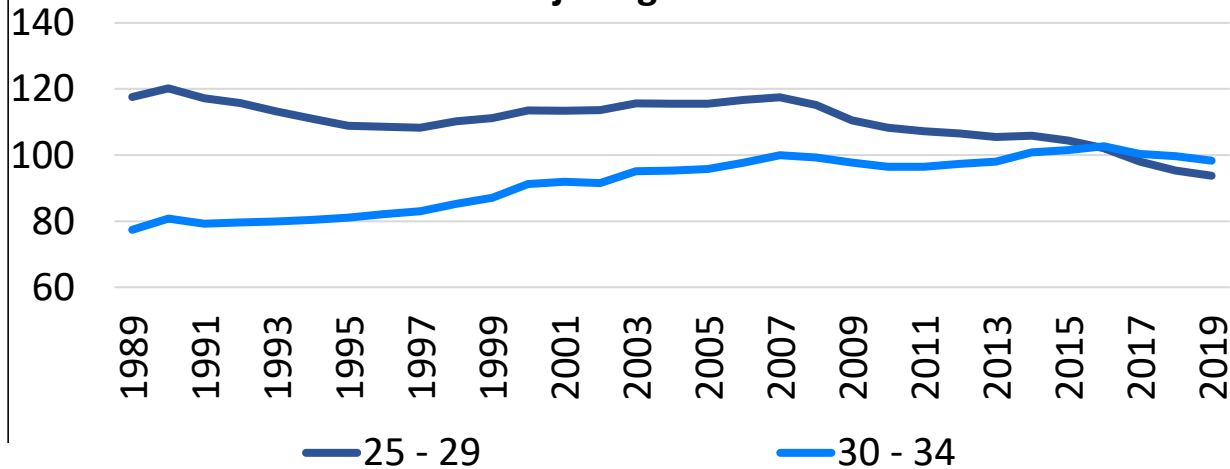
Median Age at First Marriage



Average Mother's Age at First Birth



Birth Rate for Major Age Cohorts: 1989-2019

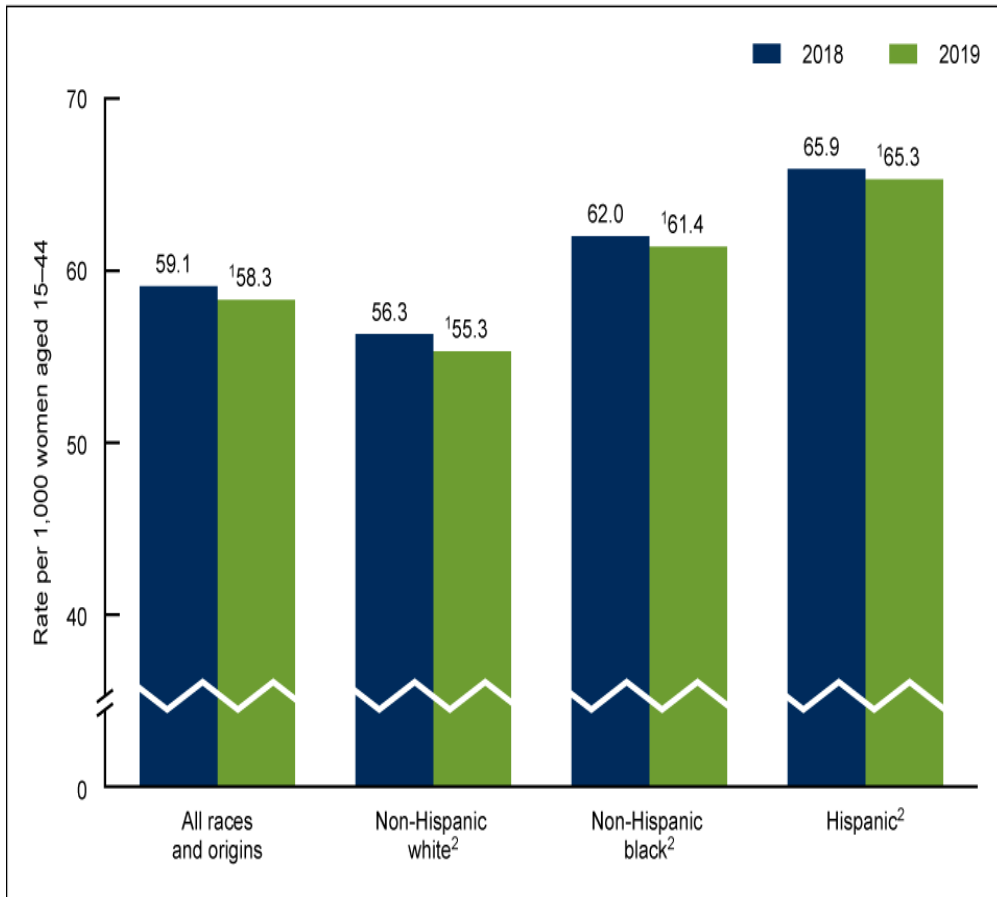


Source: Yardi Matrix; U.S. Census Bureau (BOC), Current Population Survey; CBRE Research, Delayed Childbearing Contributes to Longer Tenure in Multifamily Rentals; NCHS, National Vital Statistics System, published November 2019, birth rate for major age cohort data represents births per 1,000 women in age cohort



Declining Fertility in the U.S. Is Not Unlike the 1930's

Figure 1. General fertility rates, by race and Hispanic origin of mother: United States, 2018 and 2019



¹Significant decline from 2018 ($p < 0.05$).

²Significant difference between all race and Hispanic-origin groups ($p < 0.05$).

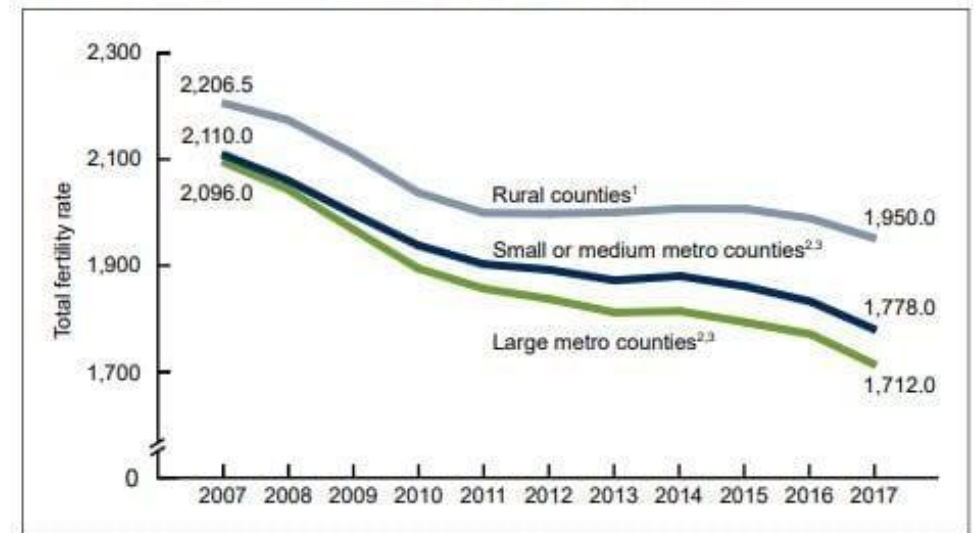
NOTE: Access data table for Figure 1 at: <https://www.cdc.gov/nchs/data/daatbriefs/db387-tables-508.pdf#1>.

SOURCE: National Center for Health Statistics, National Vital Statistics System, Natality.

WHY?

- Record student debt; childcare is too expensive
- Teen birth rate has declined to around a third of what it was in 1990
- Changing marital patterns, delaying marriage
- Changed social and cultural expectations of parents and parenting

Figure 1. Total fertility rate, by urbanization level: United States, 2007–2017



¹Significant decreasing trend for 2007–2011 ($p < 0.05$); stable trend for 2011–2017.

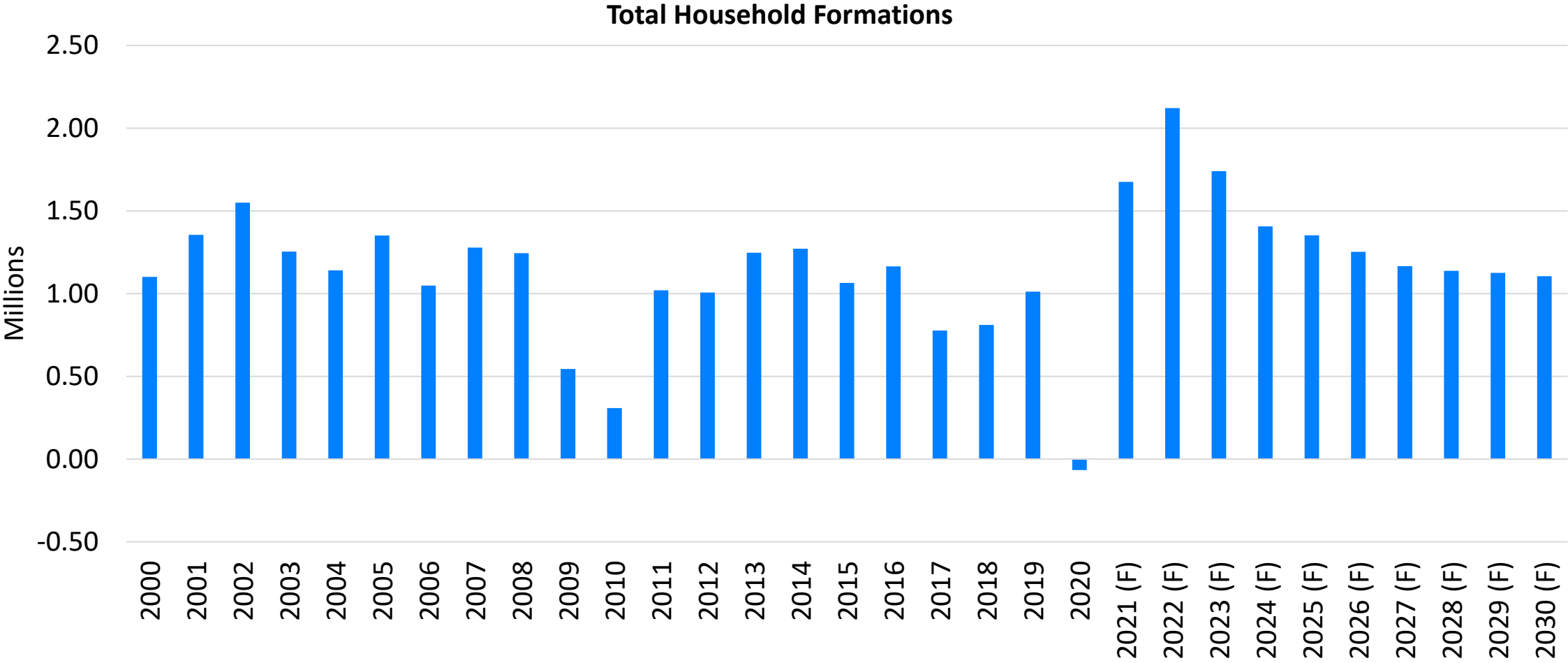
²Significant decreasing trend for 2007–2017 ($p < 0.05$).

³Significant difference in rate compared with rural counties for all years ($p < 0.05$).

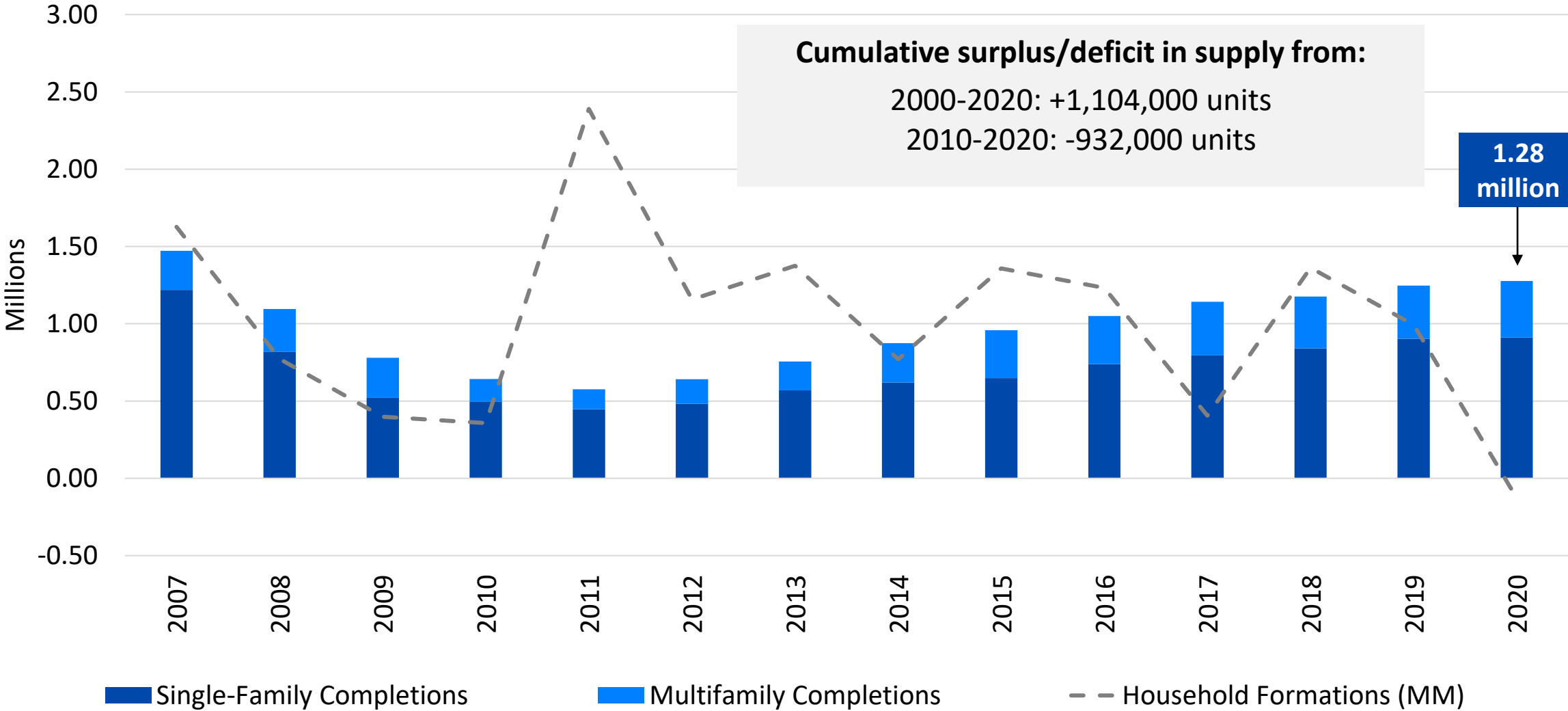
NOTES: Total fertility rate is based on births per 1,000 women in a specified area. County designation is based on mother's county of residence. County classification is based on the 2006 and 2013 NCHS Urban–Rural Classification Scheme for Counties. Access data table for Figure 1 at: https://www.cdc.gov/nchs/data/daatbriefs/db323_table-508.pdf#1.

SOURCE: NCHS, National Vital Statistics System, 2007–2017.

Household Formation Declined During the Pandemic, But is Expected to Bounce Back



Multifamily Construction Catching Up to New Household Formation, But a Large Deficit Will Likely Remain Once Household Formations Bounce Back



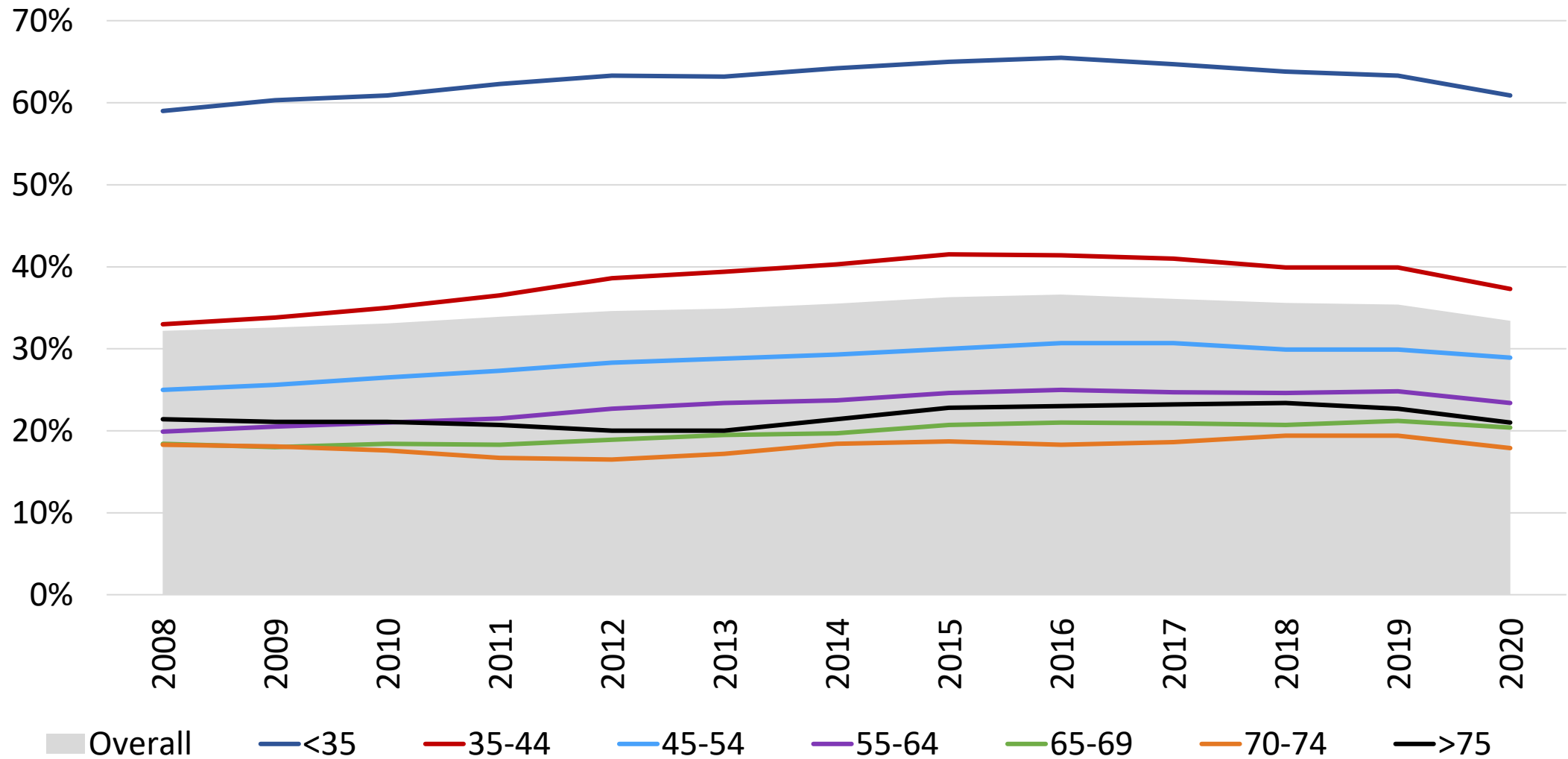
Source: Yardi Matrix; Moody's Analytics; National Association of Realtors (NAR); U.S. Census Bureau (BOC)

POTENTIAL HEADWINDS
FOR MULTIFAMILY DEMAND

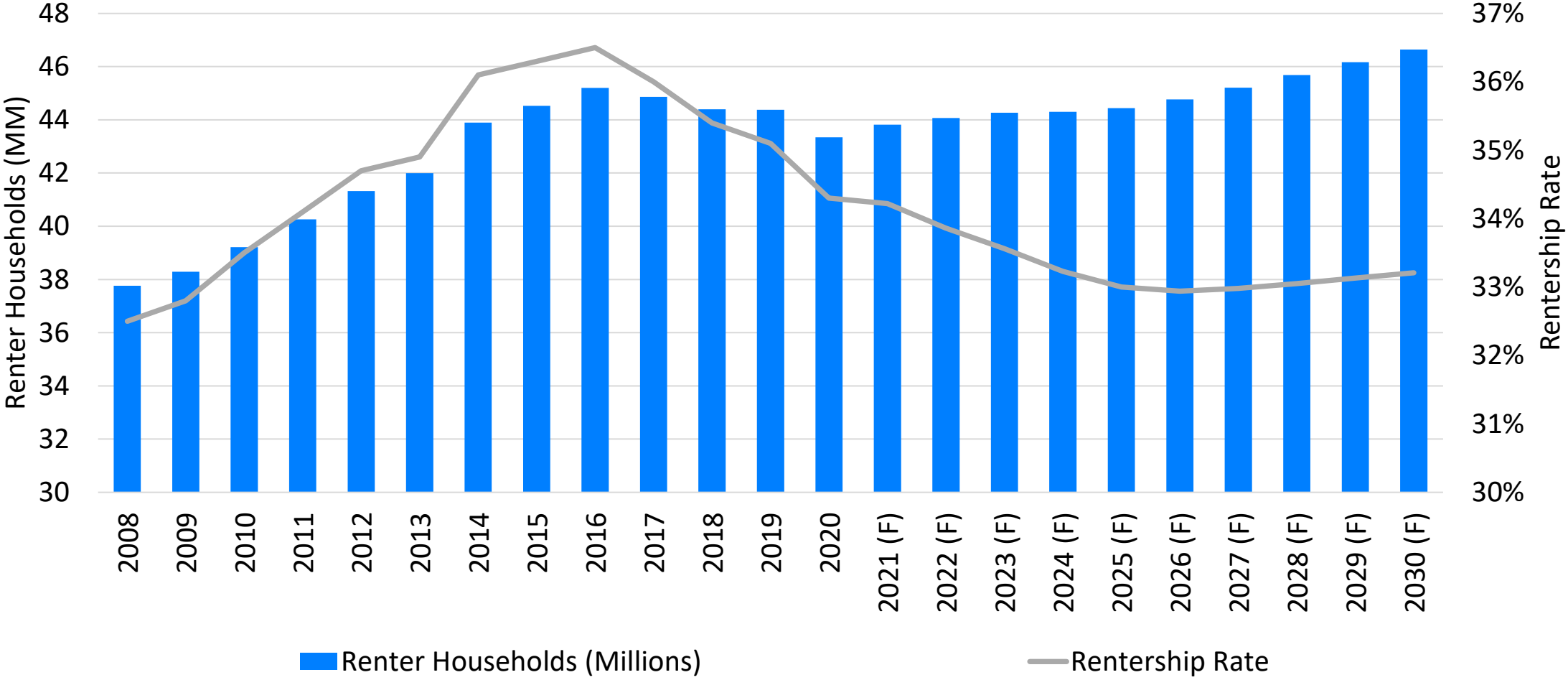
Potential Headwinds For Multifamily

- ④ The work from home revolution has given people the opportunity to move to lower cost cities
- ④ Rising construction costs
- ④ Gateway markets were more impacted by the pandemic than tech hub markets and are still recovering
- ④ The desire for more space has led people to seek out homeownership and single-family rentals
- ④ New supply is being delivered in gateway markets that are still recovering

Overall Rentership Rate Declined by 2% in the Last Year Amid a Surge In Home Buying



Rentership Rates Are Expected to Level Out, Even in the Face of a Growing Millennial Generation

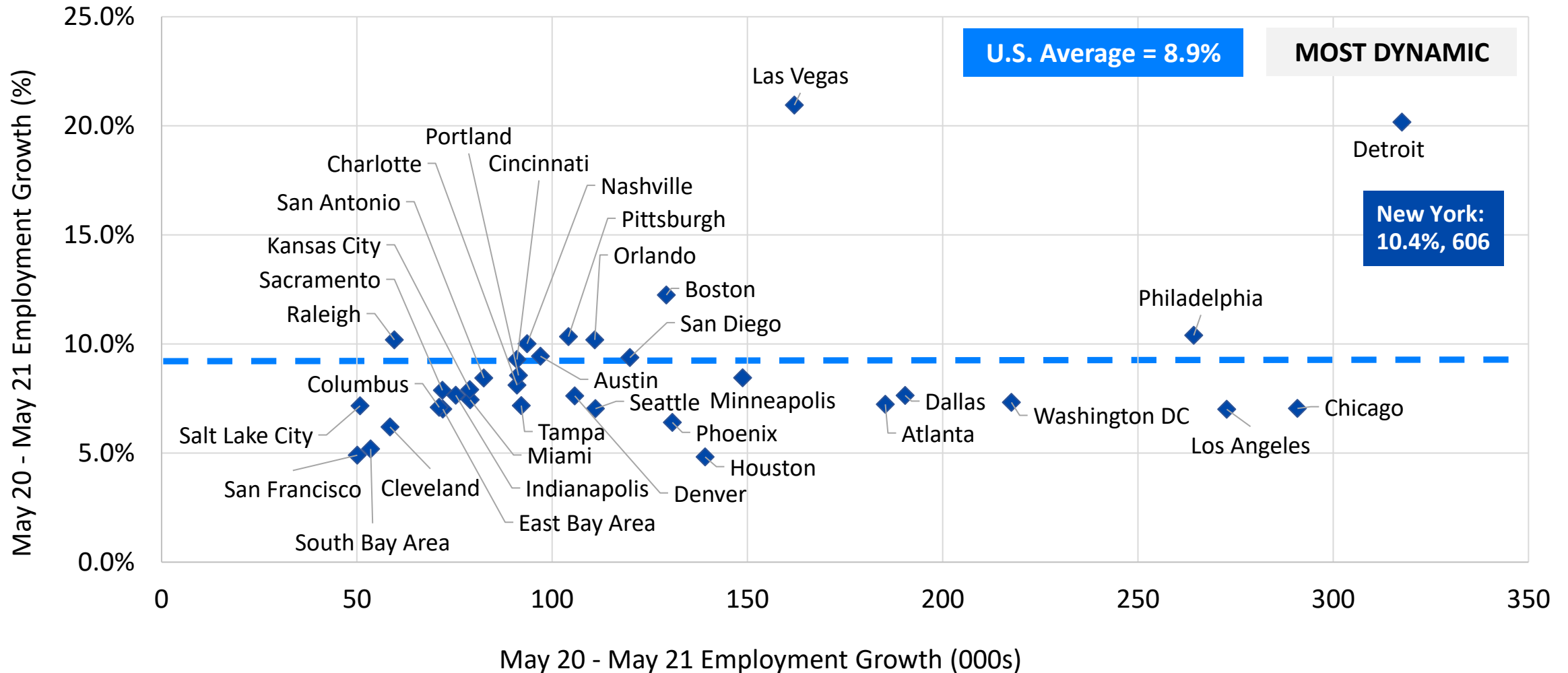


Source: Yardi Matrix; U.S. Census Bureau (BOC); Moody's Analytics

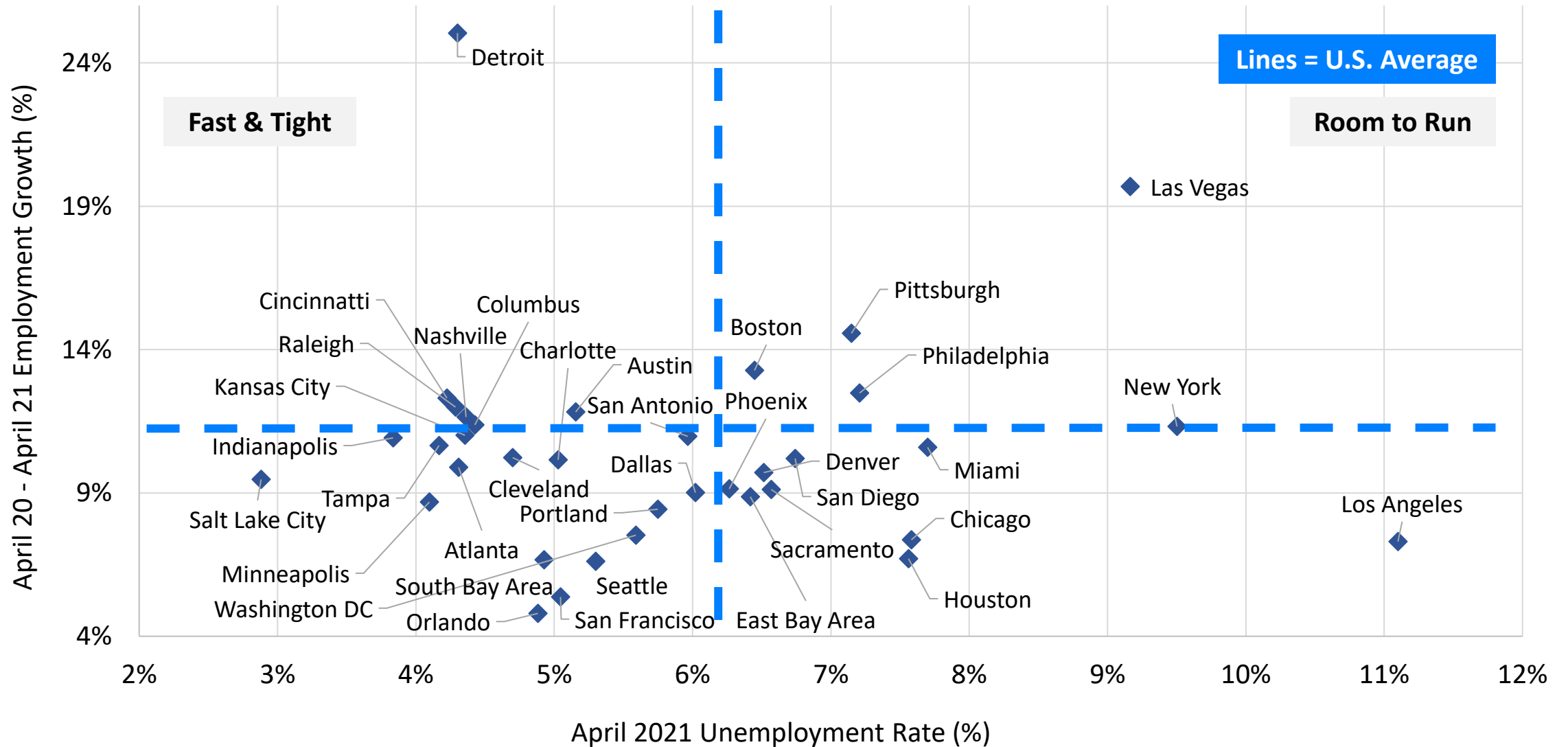
The Work From Home Revolution Has Changed Where Home Base is For Some Employees

- Many companies have started to call workers back to the office – banking and finance companies that are highly regulated were some of the first companies to call on workers to return, while technology companies continue to allow employees to work from home
- Prior to the pandemic, about **10%** of the U.S. labor force worked remotely full-time. As much as **25%** of the labor force is projected to work remotely full-time in the long term (could be significantly higher for office-using employment) and many more are likely to continue working remotely part-time
- The shift to remote work has given smaller cities and communities the opportunity to compete with coastal hubs for residents
- Employees are taking this opportunity to **move out of dense, costly metros to lower cost alternatives**
 - Nearly half of all remote workers surveyed by ApartmentList said they will move over the next year
 - About 19% of the 5,000 US workers surveyed by the firm expect to have a hybrid arrangement post pandemic, while 21% say they think they'll have the ability to work exclusively from home
 - 'Untethered workers', or remote workers that are unencumbered by homeownership or family obligations, are expected to drive this trend – approximately 23% of the untethered workers in the survey moved over the past year and 55% will move in the coming year

Year-over-Year Employment Growth Surged in May, But Strong Employment Does Not Necessarily Lead to Multifamily Demand as it Has in the Past



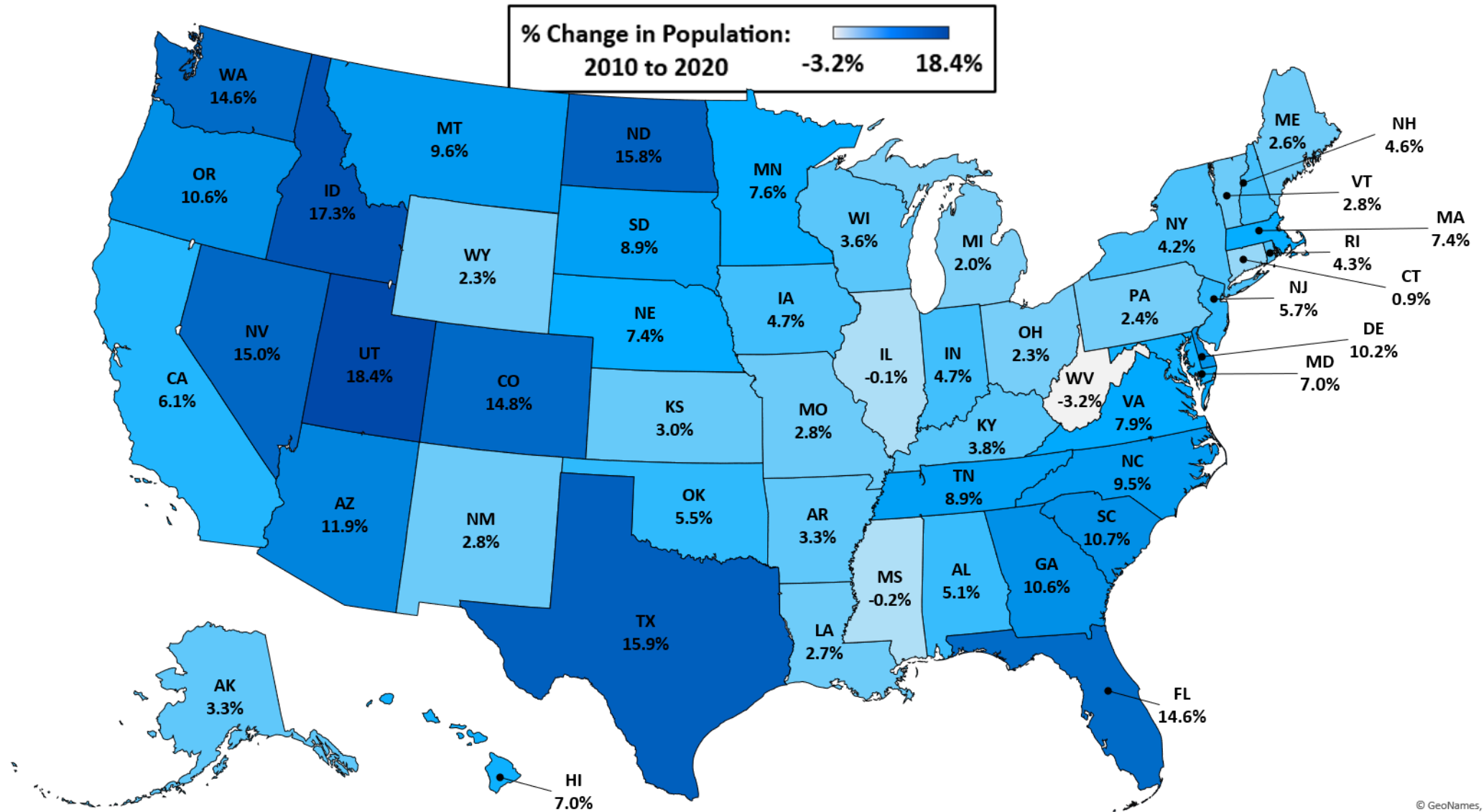
Gateway Markets Still Have Ground to Make Up When it Comes to Unemployment



The Ability to Work From Home Has Allowed Many Tech Employees to Relocate to Lower-Cost Metros While Keeping Their Above-Average Salaries



10-Year Population Growth Highest in the West and Southeast States



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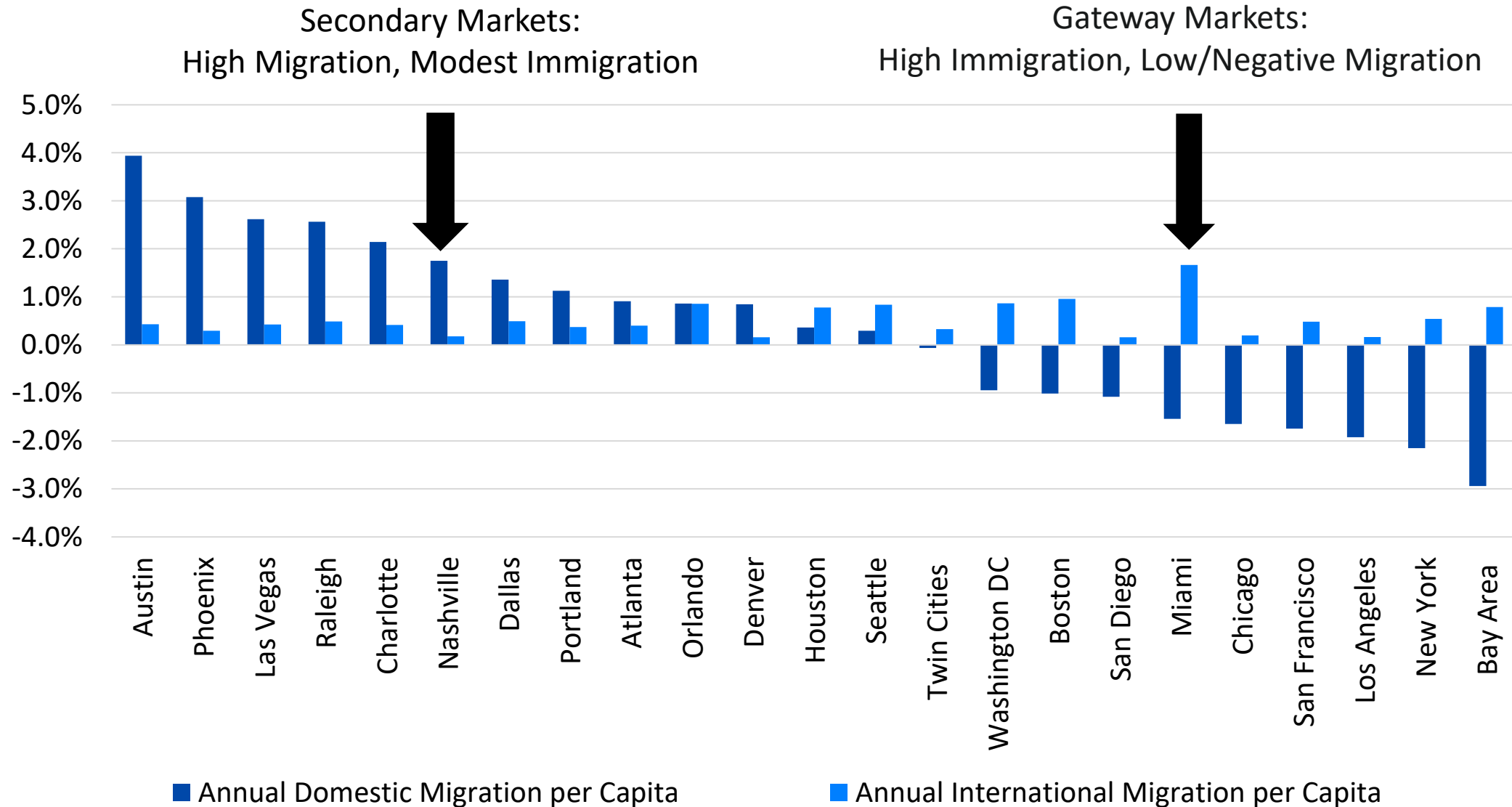
*Percent Change in Resident State Population: 2020 Census and 2010 Census
Source: Yardi Matrix; U.S. Census Bureau, "Resident Population for the 50 States, the District of Columbia, and Puerto Rico: 2020 Census," released April 27, 2021

Tech Hub Markets Have Had The Fastest Population Growth

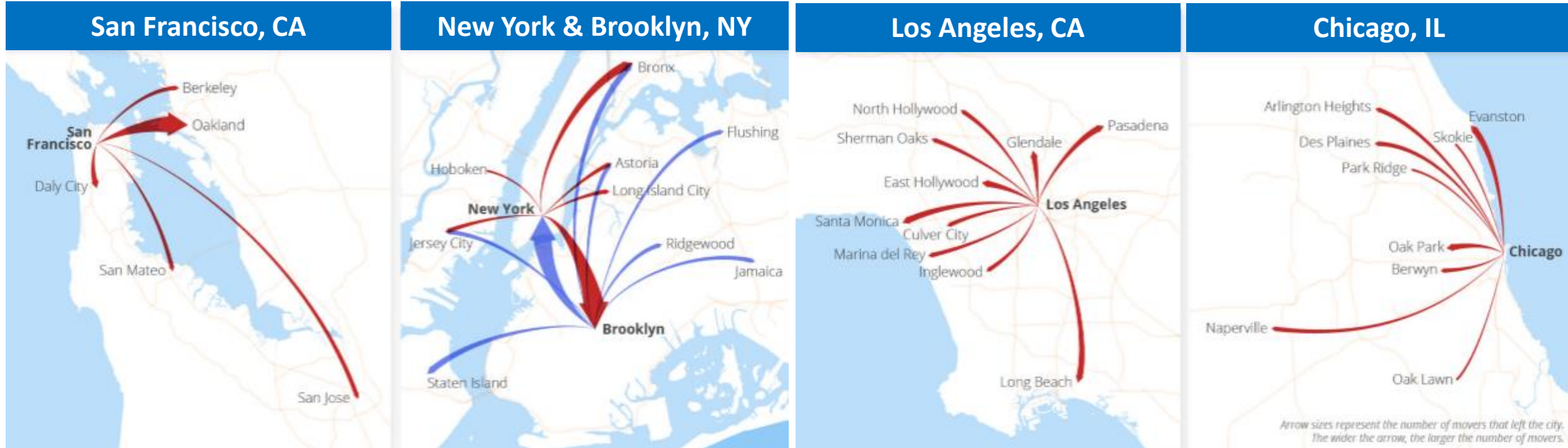
Market	2018 Pop. Growth	2019 Pop. Growth	2020 Pop. Growth	Overall Trend
Austin	2.4%	2.8%	3.0%	Accelerating
Phoenix	1.9%	2.1%	2.1%	Stable
Raleigh	2.1%	1.9%	1.8%	Decelerating
Las Vegas	2.1%	2.1%	1.8%	Decelerating
Charlotte	1.7%	1.7%	1.7%	Stable
Dallas	1.7%	1.6%	1.6%	Stable
San Antonio	1.7%	1.5%	1.6%	Accelerating
Tampa	1.8%	1.5%	1.6%	Accelerating
Nashville	1.6%	1.4%	1.4%	Stable
Houston	1.1%	1.3%	1.3%	Stable
Orlando	2.0%	1.2%	1.2%	Stable
Seattle	1.1%	1.0%	1.1%	Accelerating
Denver	1.5%	1.2%	1.0%	Decelerating
Atlanta	1.3%	1.3%	1.0%	Decelerating
Inland Empire	1.0%	0.7%	0.8%	Accelerating

Market	2018 Pop. Growth	2019 Pop. Growth	2020 Pop. Growth	Overall Trend
Portland	0.7%	0.7%	0.7%	Stable
Columbus	1.0%	0.9%	0.6%	Decelerating
Sacramento	1.0%	0.9%	0.5%	Decelerating
Twin Cities	0.9%	0.8%	0.5%	Decelerating
Washington DC	0.6%	0.7%	0.4%	Decelerating
Boston	0.4%	0.3%	0.1%	Decelerating
Philadelphia	0.3%	0.1%	0.1%	Stable
San Diego	0.4%	-0.1%	0.1%	Accelerating
Miami Metro	0.3%	0.2%	0.0%	Decelerating
Pittsburgh	-0.3%	-0.3%	-0.4%	Declining
San Francisco	0.2%	-0.1%	-0.5%	Declining
Chicago	-0.3%	-0.3%	-0.5%	Declining
San Jose	0.0%	-0.4%	-0.7%	Declining
Los Angeles	-0.3%	-0.5%	-0.7%	Declining
New York	-0.3%	-0.3%	-0.7%	Declining

Limited International Immigration Affects Demand for Multifamily

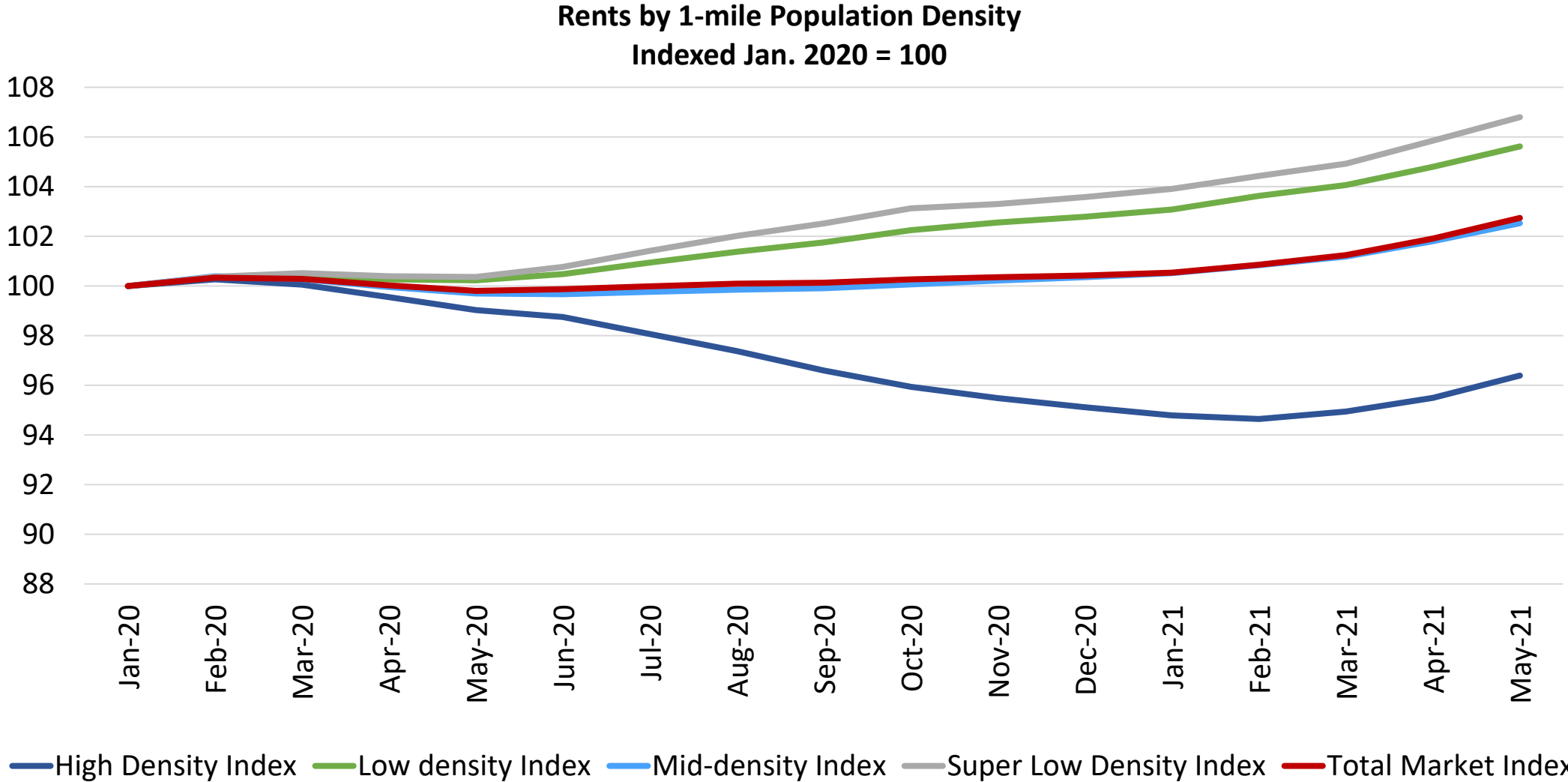


Movement of People Isn't Just From Gateway To Tech Hub Markets – Residents Are Moving From Densely Populated Cities To Suburbs



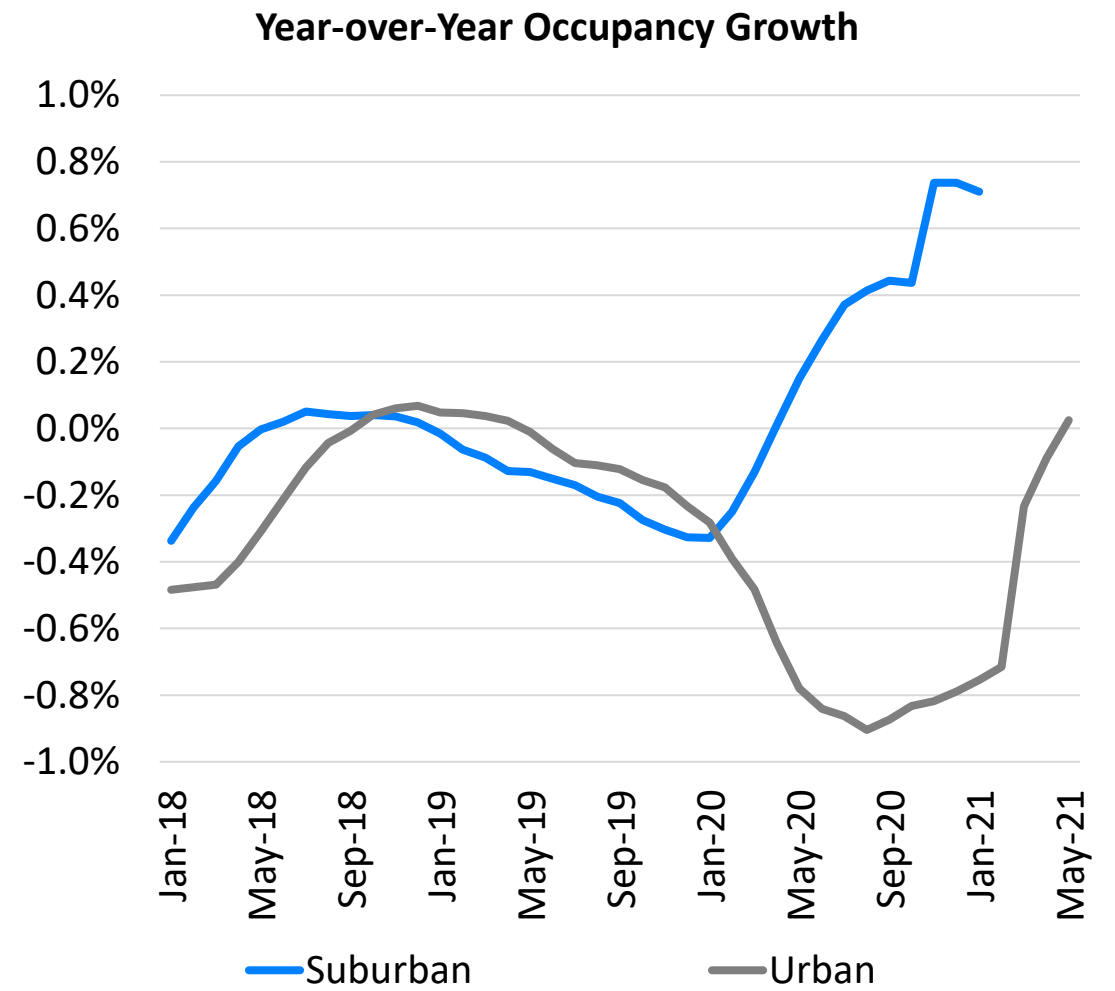
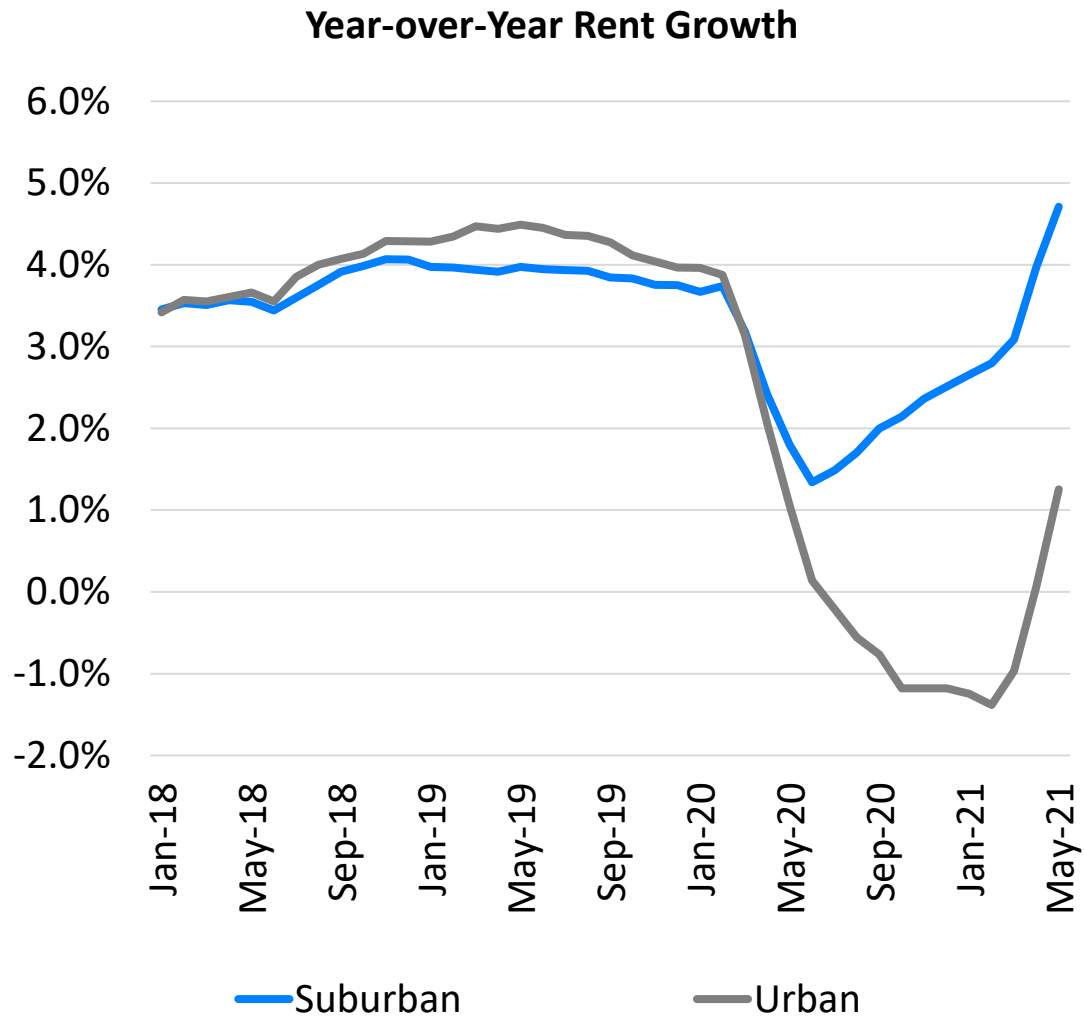
*Data pulled from total USPS change-of-address requests filed between Feb. 1 2020 and Jul. 31 2020. Data represents net move ins/outs
Source: Yardi Matrix; MYMOVE, <https://www.mymove.com/moving/covid-19/coronavirus-moving-trends/>

Nationally, High Density Areas Have Seen the Biggest Impact On Rents



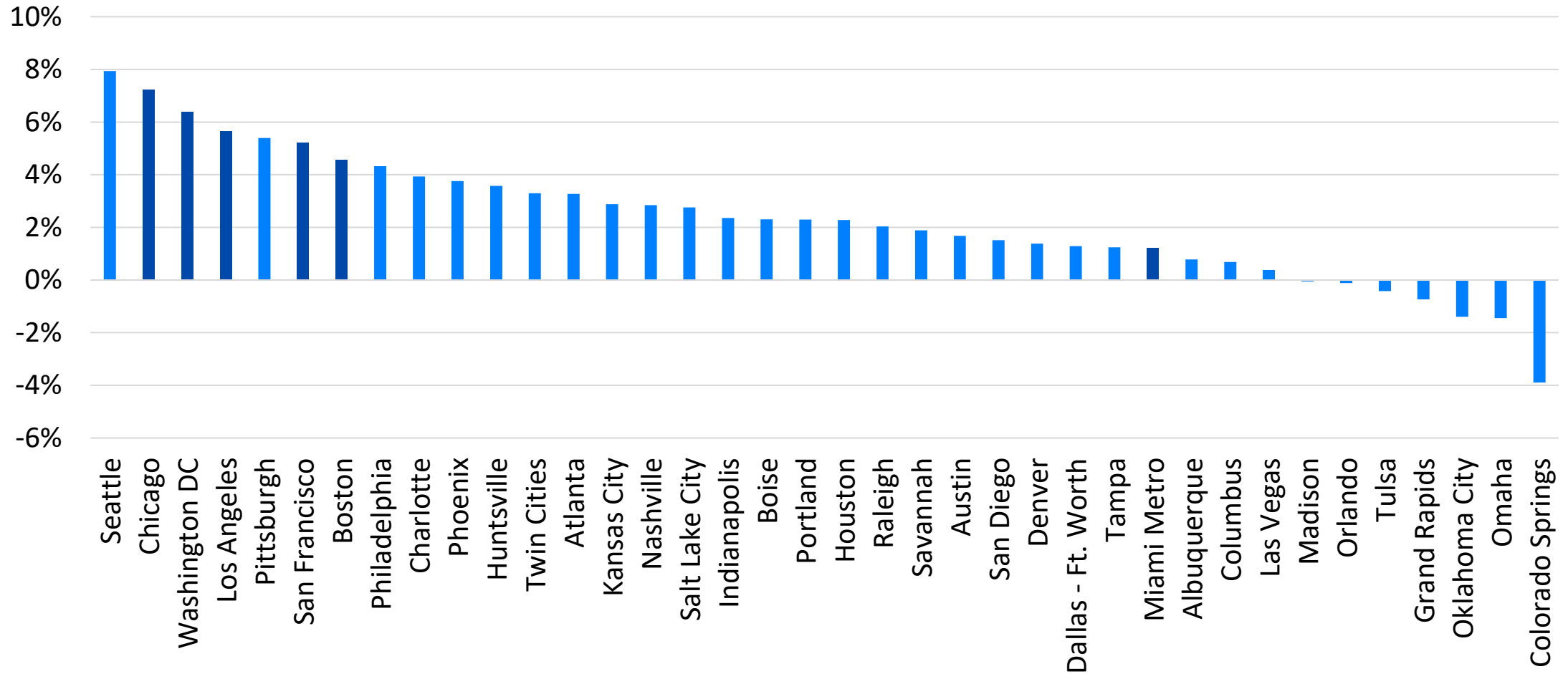
Source: Yardi Matrix

Urban Cores are Recovering



Suburbs Have Outperformed Their Urban Counterparts in Most Markets

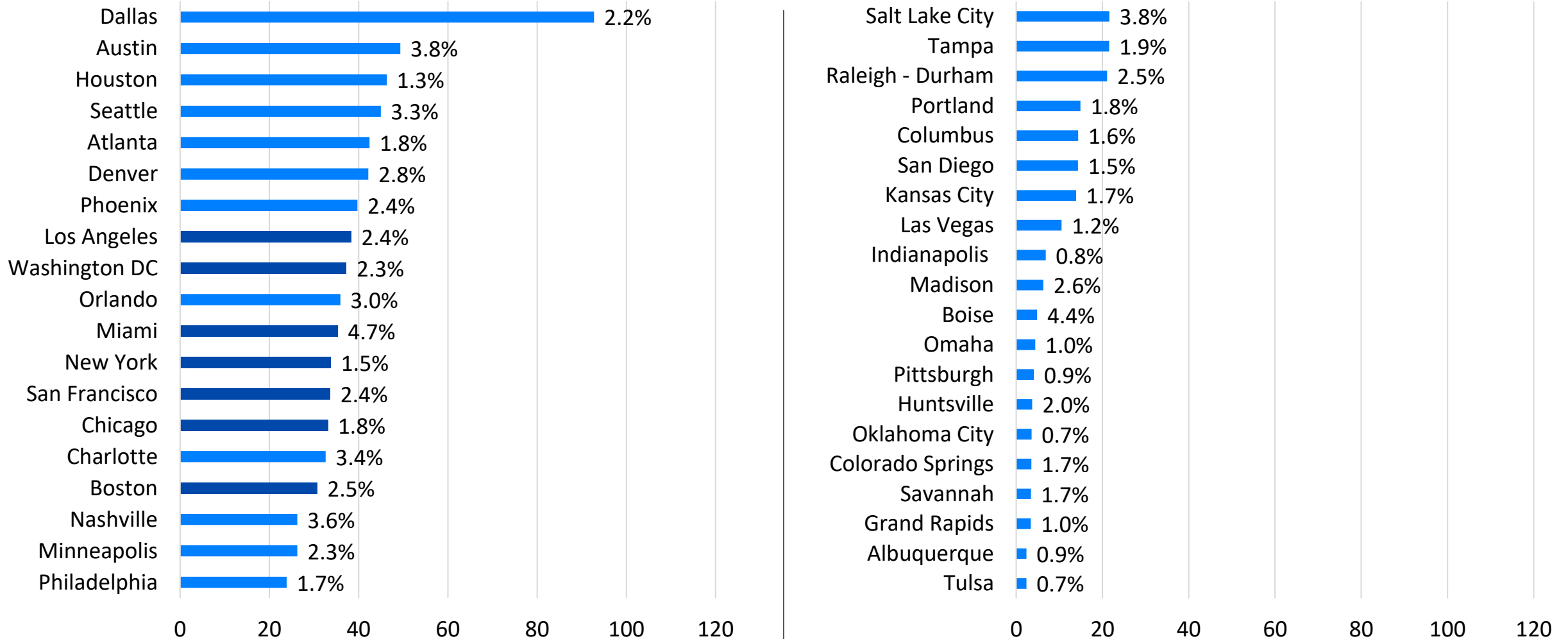
Difference Between Suburban and Urban Rent Growth May 2020-May 2021



Dark blue bars are gateway markets. New York excluded as it does not have a suburban component
Source: Yardi Matrix

Tech Hubs Are Forecasted to Have the Highest Number of Deliveries on an Absolute & Percent of Stock Basis

Forecasted New Unit Deliveries 2021-2025 (Thousands) - Percentages Denote Avg Annual Growth as a % of Stock

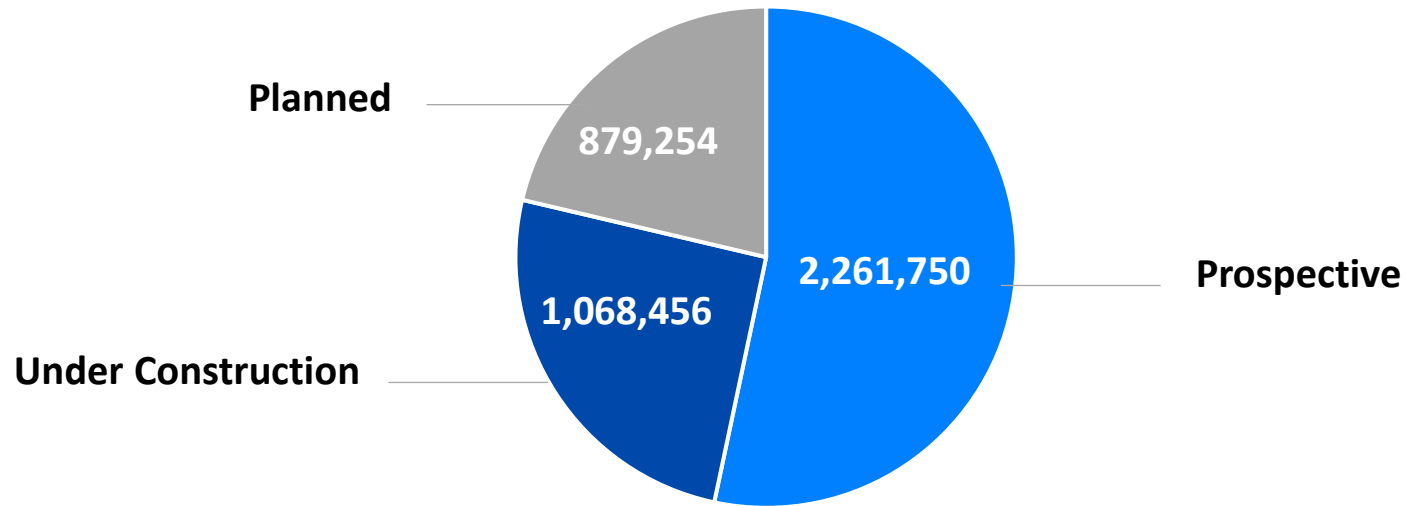


Markets with dark blue lines are gateway markets

Source: Yardi Matrix



New Supply Pipeline: Where is New Supply Concentrated?

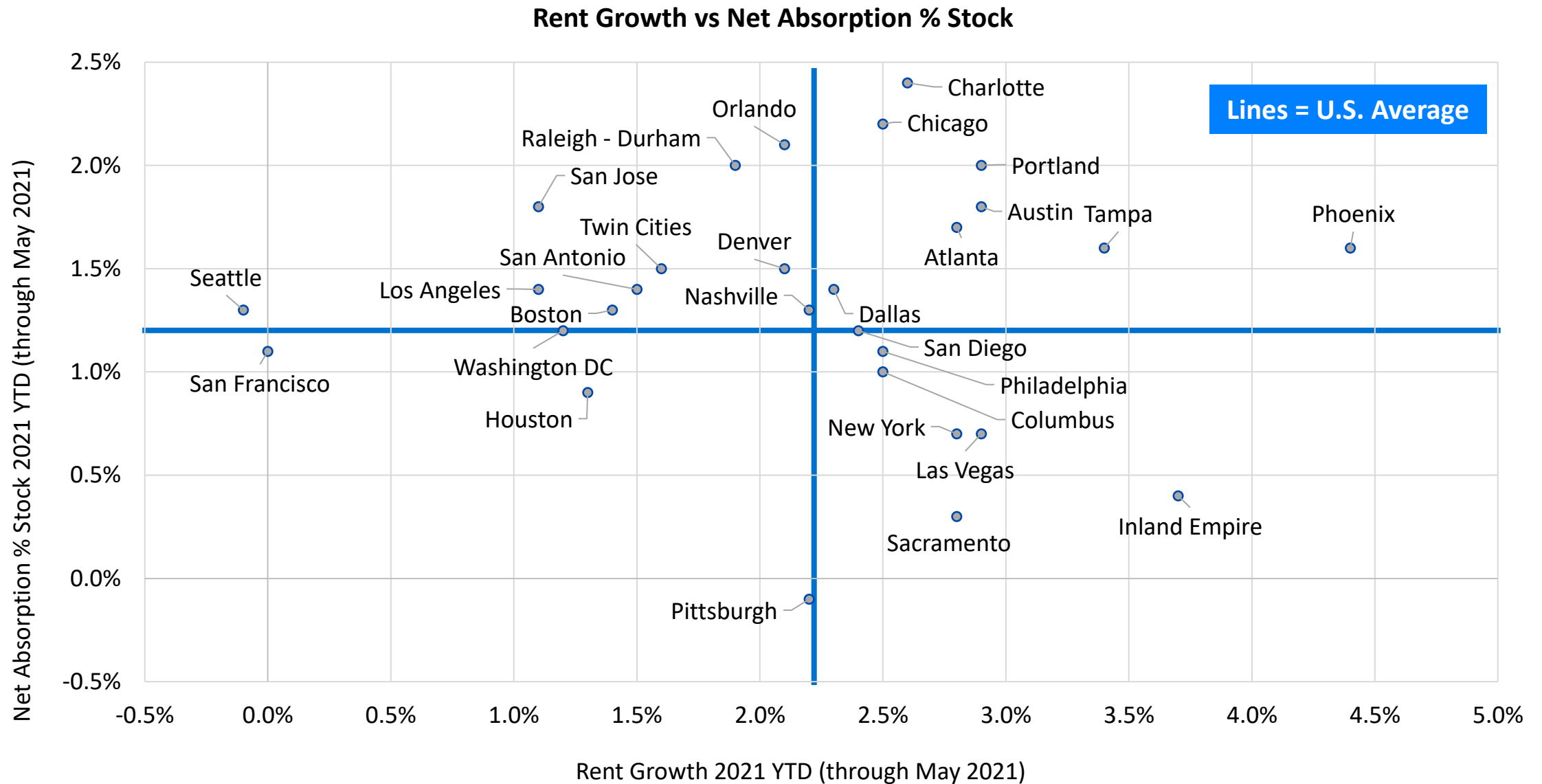


Top 10 Markets	Units	UC as a % of Existing Stock
Miami	21,254	15.3%
Boise	3,308	15.3%
Austin	34,433	13.4%
Athens	2,709	12.2%
Nashville	16,560	11.7%
Midland – Odessa	2,842	11.3%
Reno	4,527	11.1%
Huntsville	3,953	11.1%
Salt Lake City	11,985	11.0%
Pensacola	3,860	10.9%

Top 10 Markets	Units	Planned as a % of Existing Stock
Asheville	4,976	26.4%
Portland ME	3,353	25.5%
Miami	31,949	23.0%
Ft Lauderdale	22,340	21.1%
Northern New Jersey	46,483	20.1%
Urban Chicago	36,689	19.9%
Wilmington	4,091	18.9%
White Plains	12,680	17.8%
Metro Los Angeles	30,285	15.8%
SW Florida Coast	11,296	15.2%

Top 10 Markets	Units	Prospective as a % of Existing Stock
Miami	95,175	68.6%
SW Florida Coast	43,495	58.5%
San Francisco	58,735	46.8%
Carolina Triangle	59,628	35.9%
Wilmington	7,658	35.4%
Boise	7,423	34.3%
Pensacola	11,545	32.7%
Queens	33,851	32.7%
Orlando	75,440	32.5%
Bay Area – South Bay	40,254	30.7%

Absorption Has Been Strongest in Tech Hub Markets



DEMOGRAPHICS DRIVING DEMAND

SINGLE-FAMILY RENTALS & BUILD-TO-RENT



A Surge in Single-Family Rentals Came Out of the Recession

- Single-family rentals have been around for a long time, but the space was dominated by local mom-and-pop operators
- After the recession, large institutional companies such as American Homes 4 Rent and Tricon Residential started buying foreclosed single-family homes to rent out
- Eventually, supply at the entry-level price range began to run out, as first-time home buyers and big rental companies competed for desirable properties
- Over the last few years, this shortage of supply, combined with surging property values, made homeownership less attainable, fueling more demand for single-family rentals
- With growing demand but limited supply, institutional landlords started building their own single-family rentals, spurring the built-to-rent boom

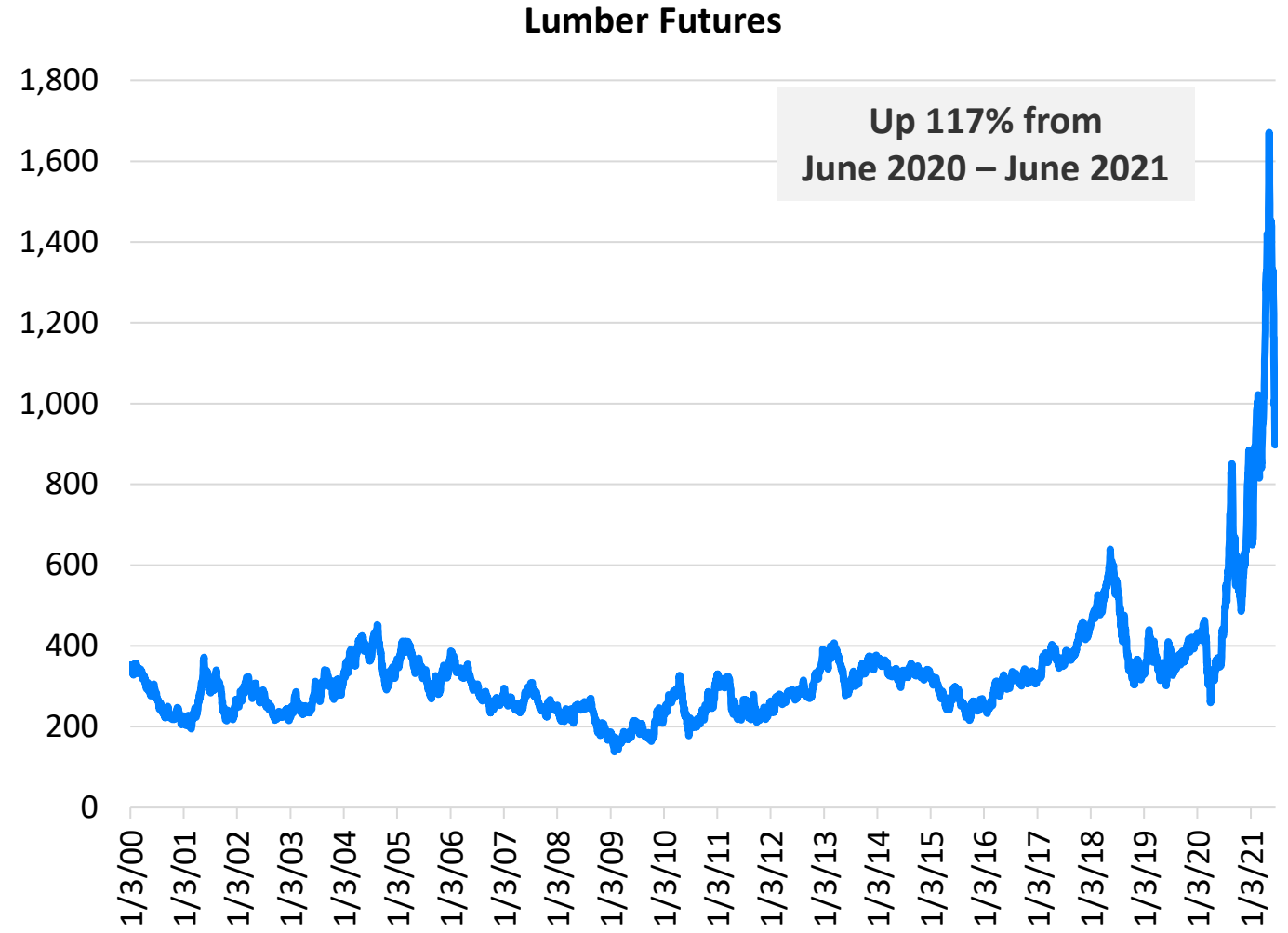
The Pandemic Has Fueled Even More Demand

- Current demand for single-family homes is stronger than ever, largely fueled by:
 - Record-low mortgage interest rates
 - People wanting more space coming out of the pandemic
 - According to John Burns Real Estate Consulting and National Rental Home Council, 59% of newly signed SFR leases are from households leaving cities
- However, there are constraints to purchasing:
 - Continued price appreciation outpacing wage growth
 - Long-standing limited supply at the entry-level
 - Millennials reaching home-buying age, but cannot afford the down payment due to student debt burdens

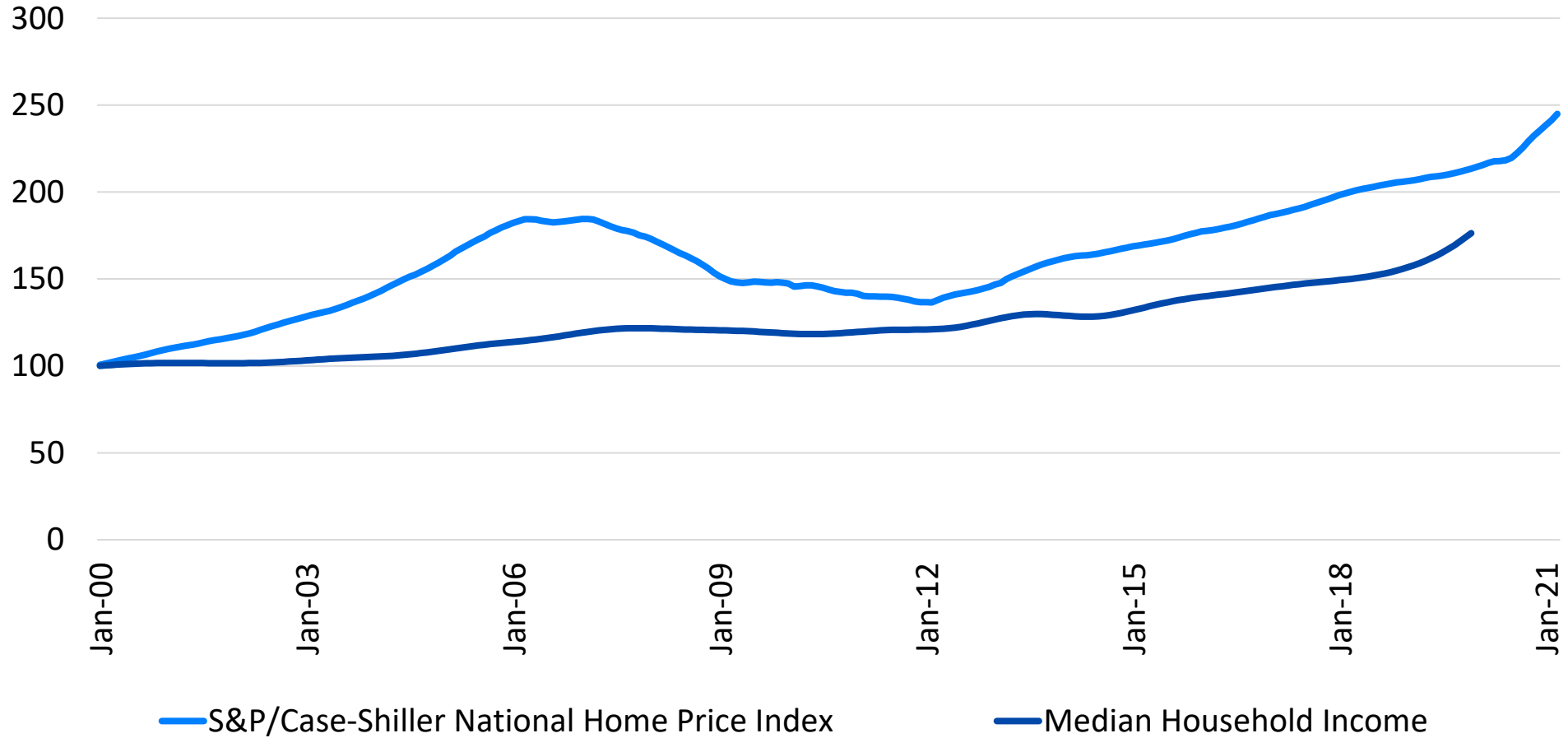
- More demand for homes, with constraints to purchasing, is fueling greater demand for single-family rentals:
 - Single-family rental stock (new and existing) grew 18% from 2008-2018 to approx. 15.5 million units, accounting for about one-third of all rental units nationwide
 - Built-to-rent homes currently make up 5-10% of new home stock
 - This sector will continue to grow, as more and more institutional investors are entering the market every day

Lumber Prices Appear to Have Peaked, But Prices Remain Well Above Historical Levels

- Lumber futures up 117% from one year prior
- Crude oil (used for paint, drain pipes, roof shingles and flooring) costs up more than 90% since last year
- Copper (carries water and electricity throughout houses) costs up about 45% since last year
- Prices for granite, insulation, concrete blocks and common brick have all pushed to records in 2021



Single-Family Home Prices Outpacing Income Growth, And Will Continue to Do So as Builders Pass Along Higher Construction Costs



The Four Types of Single-Family Built-to-Rent

HORIZONTAL MULTIFAMILY

- 1,500 sq ft
- 1-3 bedrooms
- \$1,300-\$1,900 rents
- Single-level cottage homes, enclosed small backyards
- NextMetro & Lennar in Phoenix and Denver pioneered concept
- Fully amenitized community-pool/clubhouse

TWO-STORY TOWNHOMES AND/OR ATTACHED ROW HOUSES

- 1,700 sq ft
- 2-3 bedrooms
- \$1,300-\$1,900 rents
- Western U.S.
- Partial to no amenities

LUXURY SINGLE-FAMILY

- 2,000-3,000 sq ft
- >4 bedrooms
- \$4,500-\$7,000 monthly rents
- California + Nevada
- No community amenities

TRADITIONAL SINGLE-FAMILY

- 1,800-2,500 sq ft
- 3-4 bedrooms
- Southeastern U.S. (Nashville, TN)
- Larger lot sizes

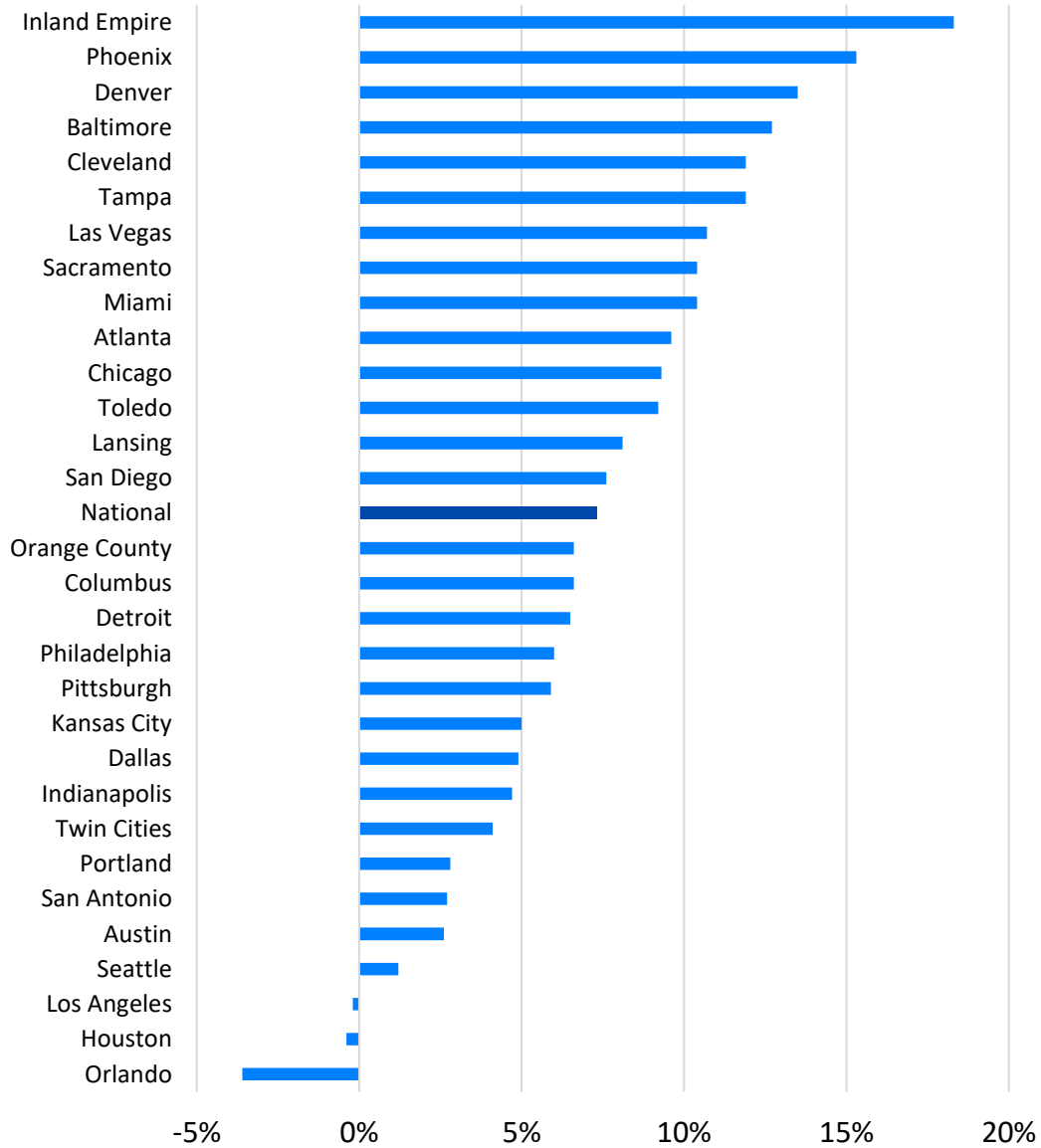
Single-Family Rentals in Built-To-Rent Communities

Now a Part of the Yardi Matrix Data Service!

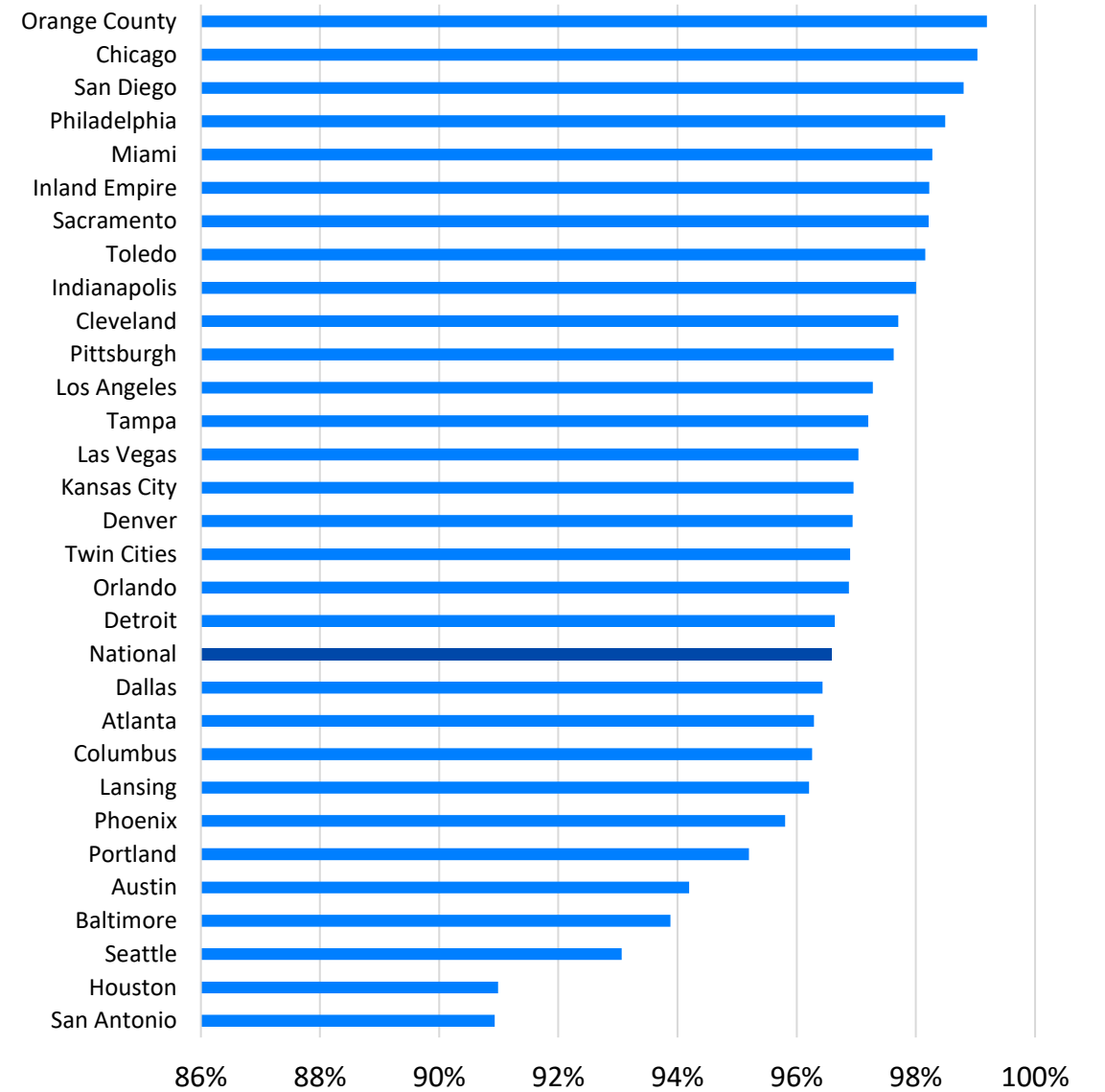


Single-Family Rent Growth and Occupancy Are Solid in Most Markets

May 2021 Year-over-Year Rent Growth

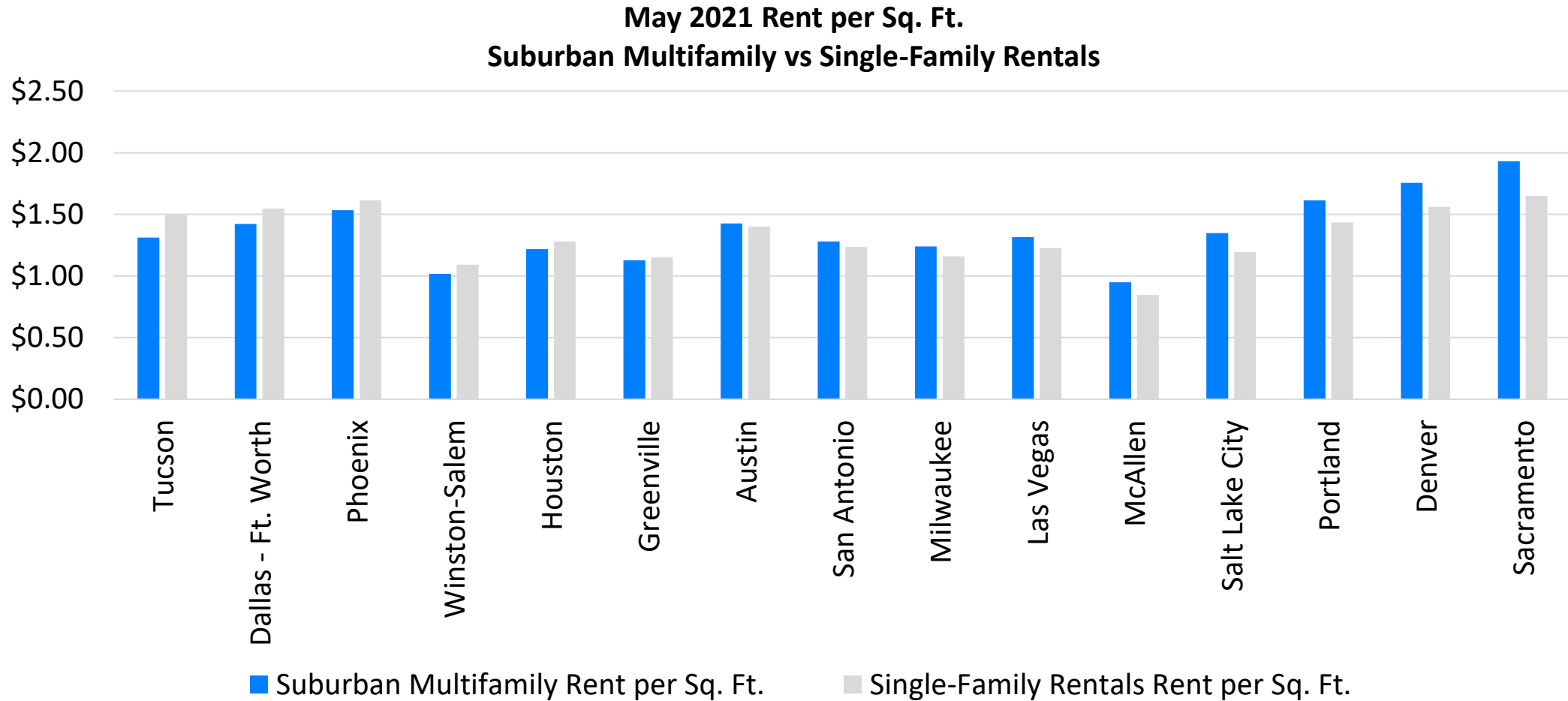


April 2021 Occupancy



Source: Yardi Matrix

There Is Not a Meaningful Difference Between Single-Family Rental and Suburban Multifamily Rents per Sq. Ft.



APPENDIX:

RENT GROWTH & FORECASTS, OCCUPANCY,
JOB GROWTH AND COMPLETIONS

Tech Hub Markets Have Had the Highest Rent Growth This Year...

Market	YoY Rent Growth May 2021	Forecasted Rent Growth YE 2021	YoY Job Growth May 2021	Completions as a % of Total Stock May 2021	Occupancy Rates April 2021
Inland Empire	10.2%	7.1%	11.0%	0.7%	98.0%
Phoenix	9.6%	8.7%	6.4%	3.3%	96.0%
Las Vegas	8.3%	6.2%	20.9%	1.4%	95.9%
Sacramento	8.3%	5.7%	7.9%	1.0%	97.0%
Atlanta	6.9%	4.7%	7.2%	2.9%	95.0%
Tampa	6.8%	6.4%	7.2%	2.6%	95.7%
Miami	6.0%	5.0%	7.4%	3.2%	95.4%
Indianapolis	5.4%	4.6%	7.7%	1.3%	94.7%
Charlotte	5.0%	4.5%	8.1%	4.3%	95.3%
Baltimore	4.7%	2.9%	3.6%	1.3%	95.9%
Philadelphia	4.5%	3.7%	10.4%	1.9%	95.9%
Portland	4.1%	5.2%	8.6%	2.8%	95.3%
Orange County	3.4%	4.0%	10.2%	1.0%	96.4%
Kansas City	3.3%	3.2%	7.9%	2.9%	94.4%
Raleigh	3.1%	3.5%	10.2%	3.3%	94.5%

Sorted by YoY Rent Growth as of May 2021

Source: Yardi Matrix; Moody's Analytics; U.S. Census Bureau (BOC)

While Gateway Markets Are Still Recovering

Market	YoY Rent Growth May 2021	Forecasted Rent Growth YE 2021	YoY Job Growth May 2021	Completions as a % of Total Stock May 2021	Occupancy Rates April 2021
Dallas	3.0%	4.4%	7.6%	2.9%	93.8%
Nashville	2.2%	3.8%	10.0%	2.4%	94.1%
Denver	2.1%	3.9%	7.6%	3.3%	94.4%
Orlando	1.7%	4.3%	10.2%	3.4%	94.5%
Austin	1.4%	5.1%	9.4%	4.3%	93.6%
Twin Cities	1.0%	2.1%	8.4%	3.9%	94.8%
Houston	0.9%	3.5%	4.8%	2.0%	91.8%
Chicago	0.0%	4.8%	7.0%	1.8%	92.7%
Los Angeles	-0.1%	1.1%	7.0%	2.9%	94.8%
Boston	-1.0%	2.5%	12.2%	2.8%	94.9%
Washington DC	-2.7%	1.6%	7.3%	2.0%	93.8%
Seattle	-5.4%	1.9%	7.0%	2.7%	93.8%
San Francisco	-6.7%	0.3%	4.9%	2.7%	92.4%
New York	-8.8%	3.0%	10.2%	0.7%	94.2%
San Jose	-9.0%	3.8%	5.2%	3.2%	92.2%

Sorted by YoY Rent Growth as of May 2021

Source: Yardi Matrix; Moody's Analytics; U.S. Census Bureau (BOC)



Tech Hub Markets Are Forecasted to Have the Most Rent Growth This Year...

Market	YoY Rent Growth YE 2021	Occupancy YE 2021	YoY Rent Growth YE 2022	Occupancy YE 2022	Market	YoY Rent Growth YE 2021	Occupancy YE 2021	YoY Rent Growth YE 2022	Occupancy YE 2022
Boise	9.6%	97.0%	5.3%	97.4%	Salt Lake City	5.2%	96.2%	3.8%	96.0%
Phoenix	8.7%	95.4%	5.2%	95.2%	Austin	5.1%	93.5%	4.5%	93.8%
Huntsville	7.9%	96.6%	5.3%	96.7%	Miami	5.0%	94.9%	4.6%	95.0%
Colorado Springs	7.2%	95.7%	4.8%	95.3%	Grand Rapids	4.8%	96.7%	3.5%	96.8%
Tampa	6.4%	95.6%	4.4%	95.8%	Chicago	4.8%	89.2%	5.2%	88.9%
Las Vegas	6.2%	95.6%	4.5%	95.2%	San Diego	4.8%	96.2%	3.2%	96.2%
Savannah	6.0%	94.0%	3.0%	94.1%	Atlanta	4.7%	93.7%	3.7%	94.0%
Tulsa	6.0%	94.3%	3.2%	94.1%	Indianapolis	4.6%	94.6%	3.0%	94.5%
Albuquerque	5.3%	96.4%	3.9%	96.6%	Charlotte	4.5%	95.0%	4.3%	95.4%
Portland	5.2%	95.2%	4.1%	95.1%	Columbus	4.4%	95.0%	3.5%	94.5%

Sorted by YoY Rent Growth Year-End 2021. Gateway markets are bolded. | Full market forecast on all markets and submarkets available for clients

Source: Yardi Matrix



...While Gateway Markets Are Forecasted to Have the Least Rent Growth

Market	YoY Rent Growth YE 2021	Occupancy YE 2021	YoY Rent Growth YE 2022	Occupancy YE 2022	Market	YoY Rent Growth YE 2021	Occupancy YE 2021	YoY Rent Growth YE 2022	Occupancy YE 2022
Dallas	4.4%	93.5%	3.2%	93.8%	Kansas City	3.2%	94.2%	3.1%	94.3%
Orlando	4.3%	94.1%	4.1%	94.3%	Pittsburgh	2.6%	95.4%	2.6%	95.7%
Oklahoma City	4.0%	93.1%	3.9%	93.6%	Madison	2.6%	97.1%	2.0%	96.8%
Denver	3.9%	94.6%	3.3%	94.7%	Boston	2.5%	95.2%	2.8%	95.0%
Nashville	3.8%	94.3%	3.6%	94.1%	Twin Cities	2.1%	93.6%	2.8%	93.8%
Philadelphia	3.7%	94.7%	3.6%	94.8%	Seattle	1.9%	94.2%	5.6%	94.3%
Omaha	3.6%	95.3%	2.8%	95.5%	Washington DC	1.6%	93.6%	3.3%	94.6%
Houston	3.5%	92.2%	3.8%	91.9%	Los Angeles	1.1%	92.2%	8.7%	92.1%
Raleigh	3.5%	94.6%	3.3%	94.8%	San Francisco	0.3%	90.2%	6.3%	90.3%
Manhattan	3.4%	92.5%	7.5%	92.7%					

Sorted by YoY Rent Growth Year-End 2021. Gateway markets are bolded. | Full market forecast on all markets and submarkets available for clients

Source: Yardi Matrix



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