



FULL-SERVICE COMMERCIAL REAL ESTATE SOLUTIONS
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MARKET REPORT

DENVER



INDUSTRIAL



MULTIFAMILY



OFFICE



RETAIL

Q2|2019

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MULTI-FAMILY MARKET REPORT

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12 Mo. Delivered Units

6,852

12 Mo. Absorption Units

8,127

Vacancy Rate

6.6%

12 Mo. Asking Rent Growth

3.2%

Several indicators emerged or firmed over the past year that point to rebounding demand in Denver's apartment market. Both office and apartment absorption rose to new cyclical highs in 2018. Office absorption was even stronger during the four-quarter period ending 19Q1. Oil prices, which rose throughout most of 2018 only to drop in the final quarter, have staged another rebound in 2019. Improved oil prices partially explain improving demand, but accelerating tech sector growth is another central factor.

Alongside an improving economic picture, apartment rents grew at their strongest annual rate in three years in 2018, easily outpacing the national average. Even if gains remain subdued compared to the booming years earlier in the recovery, this marks an impressive turnaround at this point in the cycle, especially considering that the metro is now more than a year into its largest supply test to date.

Vacancies closed 2018 at around 7%. Given that Denver is in the midst of a massive supply wave that kicked off in mid-2017, the fact that vacancies are this controlled (and that rents accelerated) speaks to an uptick in demand. In both CoStar data and anecdotal reports from property managers, the 2018 leasing season was likely the strongest since 2015.

The near-term outlook remains uncertain, as the pipeline remains substantial: Roughly 15,000 units were recently underway, on top of about 20,000 that have delivered since the beginning of 2017. Development numbers are down slightly from a recent peak: 19,000 units were underway in early 2017, the high point of the current cycle. But fundamentals only remain as controlled as

they are in part due to a material uptick in economic activity and demand over the past year. Any return to slower growth could reinforce headwinds for the apartment sector.

Whether or not developers will continue to break ground to the same degree over the coming quarters remains to be seen. But the current pipeline alone promises to keep the metro in a highly competitive leasing environment for at least another year.

Denver's broader success this cycle comes down to several factors. The metro has become a premier destination for educated millennials, and net migration and total employment growth remain well above the national average. While population growth slowed in 2016 and again in 2017 (to just under 1.5% per year on average), population growth in the 25–34-year-old cohort continued to grow at a near-2% annual rate, outpacing the national average by more than a factor of three.

Denver is routinely considered one of the best cities in the nation on a range of life metrics: It ranked third in the U.S. News & World Report's 2018 list of Best Places to Live, which ranks the 125 largest metro areas on quality of life, the job market, and people's desire to live there. This has led to a high-value proposition for companies considering relocating, expanding, or starting a business in Denver, including a growing roster of West Coast-based tech firms. The Denver Office of Economic Development regularly provides tax incentives for new companies that promise high-paying jobs, supporting the idea that Denver is on the path to continued economic growth.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	110,859	8.7%	\$1,766	\$1,740	513	0	12,887
3 Star	81,254	5.1%	\$1,335	\$1,324	2	0	689
1 & 2 Star	49,185	4.4%	\$1,084	\$1,077	0	0	108
Market	241,298	6.6%	\$1,506	\$1,489	515	0	13,684

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.7%	7.2%	6.5%	9.9%	2002 Q4	4.1%	2000 Q3
Absorption Units	8,127	4,099	4,949	11,172	2018 Q3	242	2008 Q2
Delivered Units	6,852	4,746	5,125	14,022	2018 Q1	309	2012 Q1
Demolished Units	0	118	144	900	2013 Q2	0	2019 Q2
Asking Rent Growth (YOY)	3.2%	2.0%	1.5%	7.6%	2015 Q2	-4.7%	2009 Q4
Effective Rent Growth (YOY)	3.3%	2.0%	1.6%	7.4%	2015 Q2	-4.7%	2009 Q4
Sales Volume	\$5.1 B	\$2.2B	N/A	\$6.6B	2016 Q4	\$239.2M	2009 Q3

Traditionally affordable Denver suburbs—largely ignored by developers in this cycle—maintain tight vacancy levels. North Metro Denver suburban submarkets in particular have demonstrated exceptional strength over the past year.

In early 2019, the vacancy rates in Broomfield, Northeast Adams County and Northwest Adams County were 100 basis points or more below the metro average. Moreover, each of these submarkets posted annual rent growth of 5% or more in 2018—significantly outperforming the metro. Five out of the eight fastest growing cities in metro Denver (with a population of 10,000 or more) are located north of I-70, and a light rail expansion set to open in 2019 (the N-Line) promises longer-term growth.

Development in Adams County has been minimal throughout this cycle, and Broomfield hasn't seen a major supply wave since 2013-2014. That and excellent demographic trends has allowed for a prolonged stretch of material outperformance against the rest of the metro.

The leasing environment remains highly competitive in Downtown Denver: Over 5,000 units have delivered since the beginning of 2017, and another 6,000 are on the way. There have been at least 10 properties in lease-up in the submarket—continuously—since late 2013.

The Downtown submarket is more exposed to oil price swings than any other submarket in Denver, given that energy tenants are overwhelmingly located in the CBD. And a sharp improvement in oil prices for much of 2018

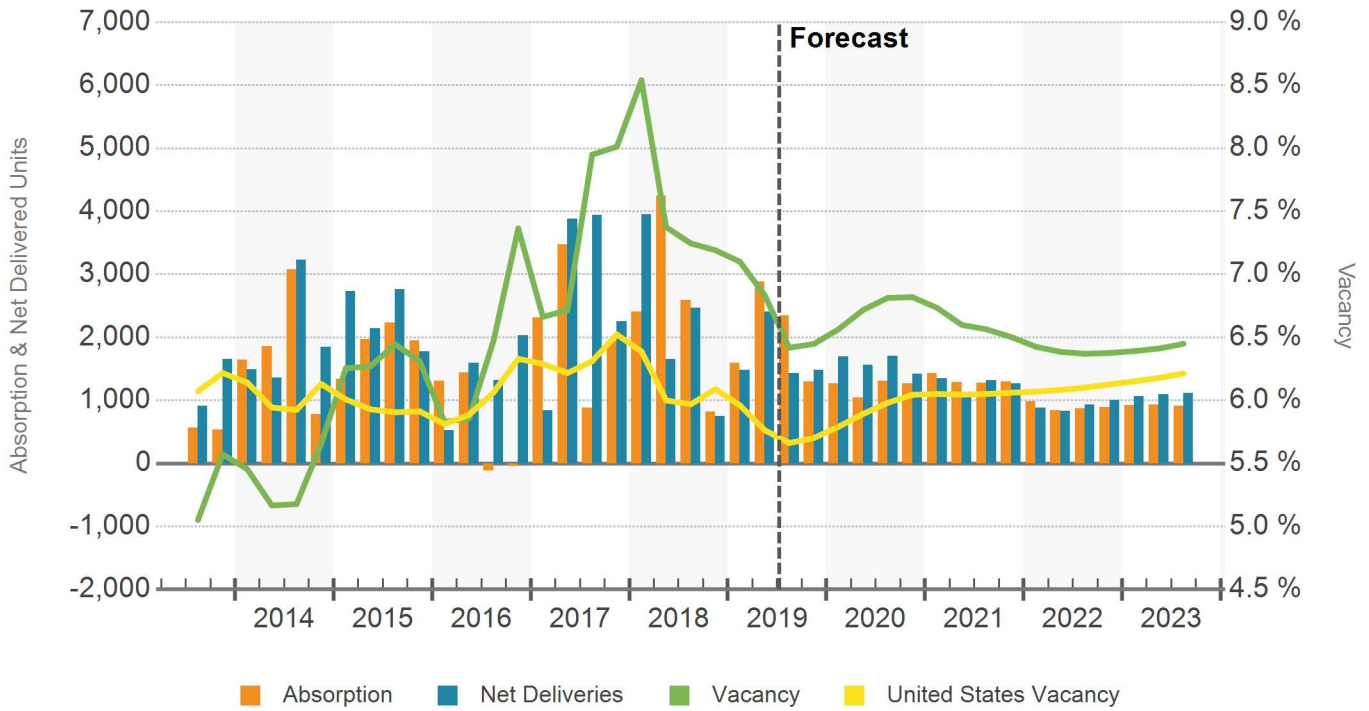
likely played a role in rebounding demand: On a trailing year basis, the submarket absorbed nearly 3,000 units in the year-ending 18Q4, up from 1,000 units on a trailing-year basis in late 2016 and early 2017 (when headwinds from oil prices were in full effect). Still, this was only enough to roughly keep up with supply additions, also in the ballpark of 3,000 units.

Concessions remain elevated downtown, and the loftiest discounts, those exceeding one-month's free rent, are more frequent now than they have been at any point in the current cycle. People want to live downtown, and job growth in high paying fields such as tech supports demand—but the sheer volume of competing options online has created and maintained an exceptionally competitive leasing environment for years, even in the midst of a demand rebound.

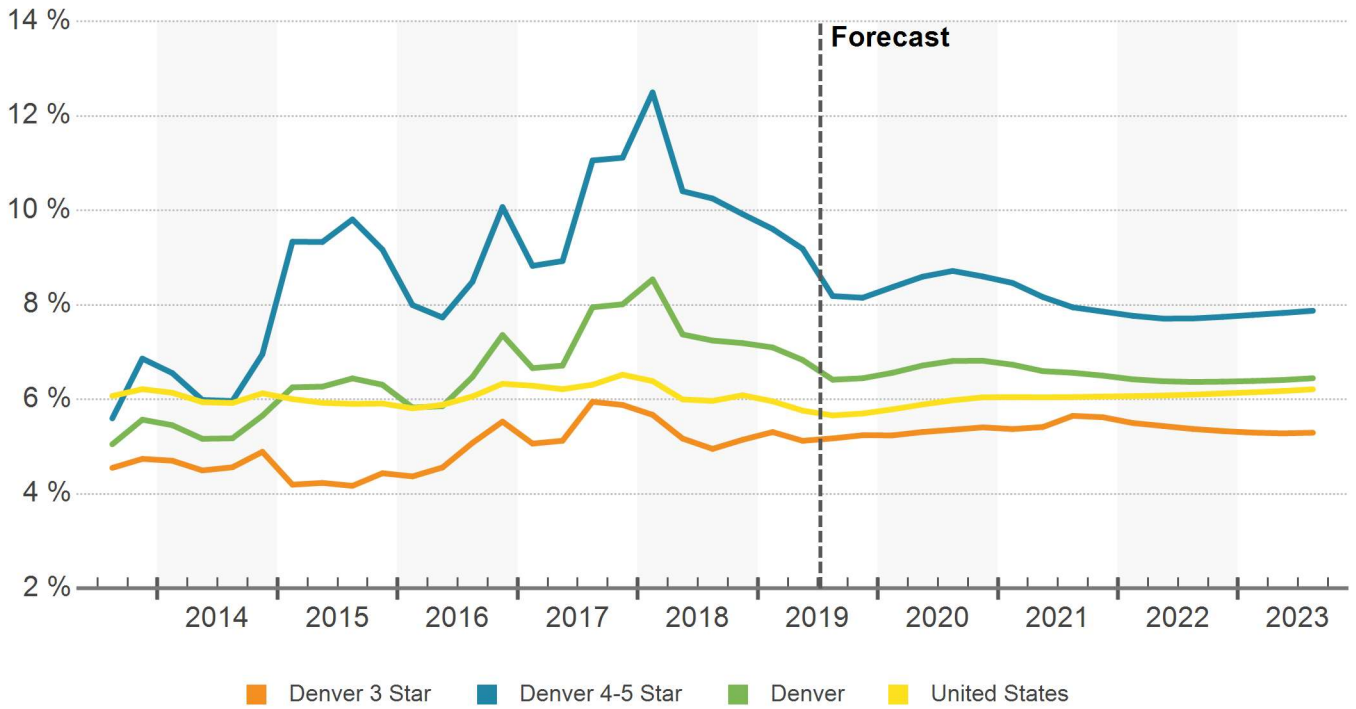
Core downtown submarkets continue to serve as a nexus for office developers, targeting (among others) tech firms which overwhelmingly choose to set up shop or expand in this part of the metro. Recently, nearly two-thirds of the entire metrowide office pipeline was located in core downtown office submarkets: LoDo, the CBD, and Platte River.

Metrowide, the number of 50-unit plus properties in lease-up reached a new peak of 50 in mid-2018, eclipsing a previous peak in 15Q4 of 40 properties. As a supply wave that kicked off in mid-2017 has started to slightly cool off, the number of properties in lease-up has started to trend downward.

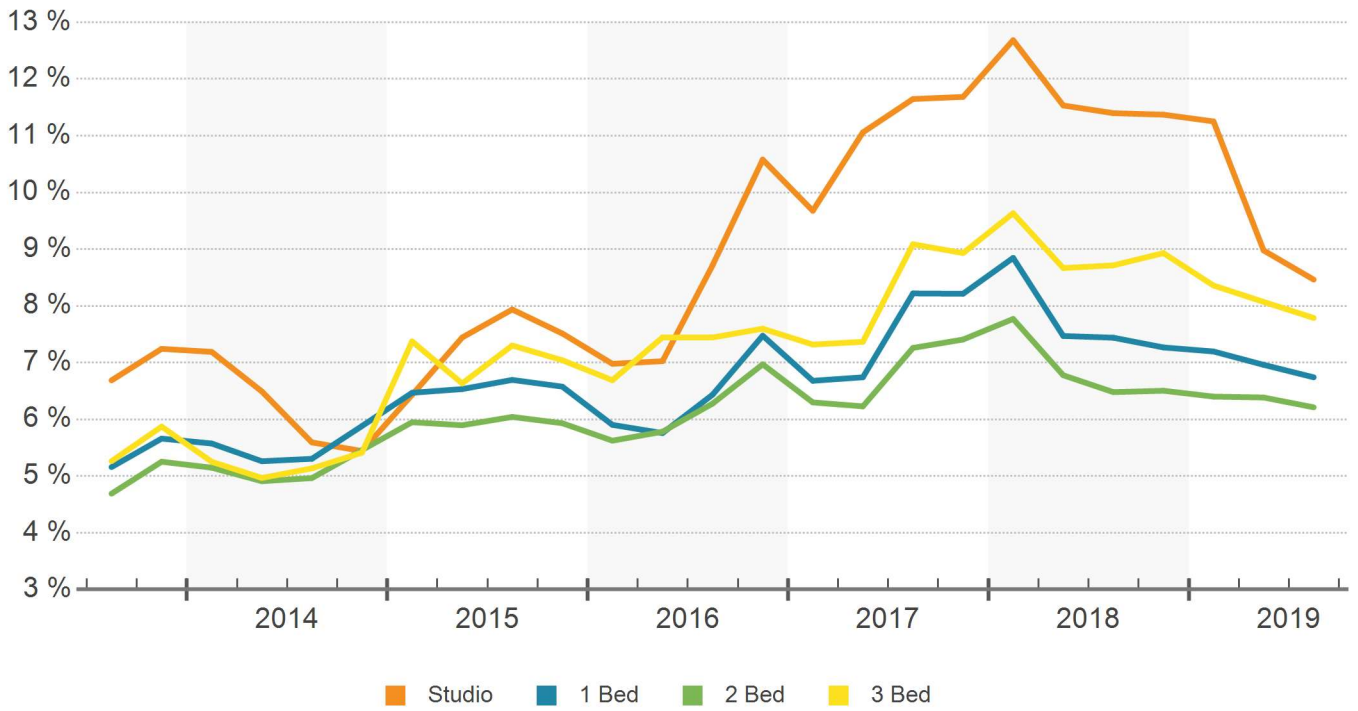
ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



VACANCY BY BEDROOM



Rents have impressively held in the black, despite the fact that Denver is now firmly in the midst of its largest supply wave to-date. In fact, rent growth accelerated for a second straight year in 2018, growing at an annual rate north of 3.5%, up from a recent low of 2% in 2016.

A key trend in 2018 was a sharp improvement for high-end apartments, especially notable given the historic supply wave the kicked off during the second half of 2017. From 2016-2017, 1-3 Star apartments posted an average annual gain of 3.5%, more than double the 1.5% average gain for high-end 4 & 5 Star apartments. In 2018, 1-3 Star apartments once again grew by about 3.5%. But high-end apartments posted a gain closer to 4%—more than the cumulative increase from the prior two years.

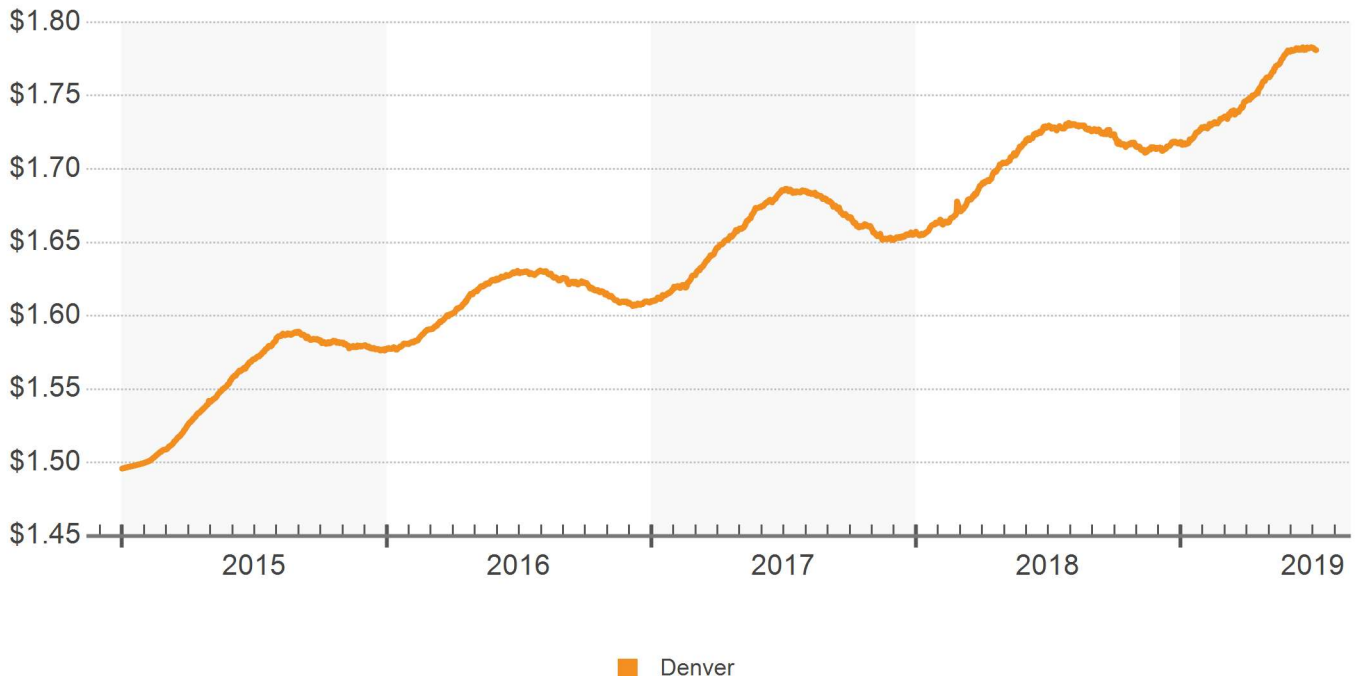
The broader improvement coincides with improving demand drivers (whereas the inverse was true in 2016): Oil prices rose and were stronger for most of 2018, and have resumed a sharp upward trend in 2019 to-date after falling late last year. Tech sector demand is as arguably as hot as it ever has been. Office absorption

clocked in at 3.8 million SF during the year ending 19Q1, the highest this cycle, and up from just 500,000 SF in 2016 (when oil-related headwinds were most pronounced).

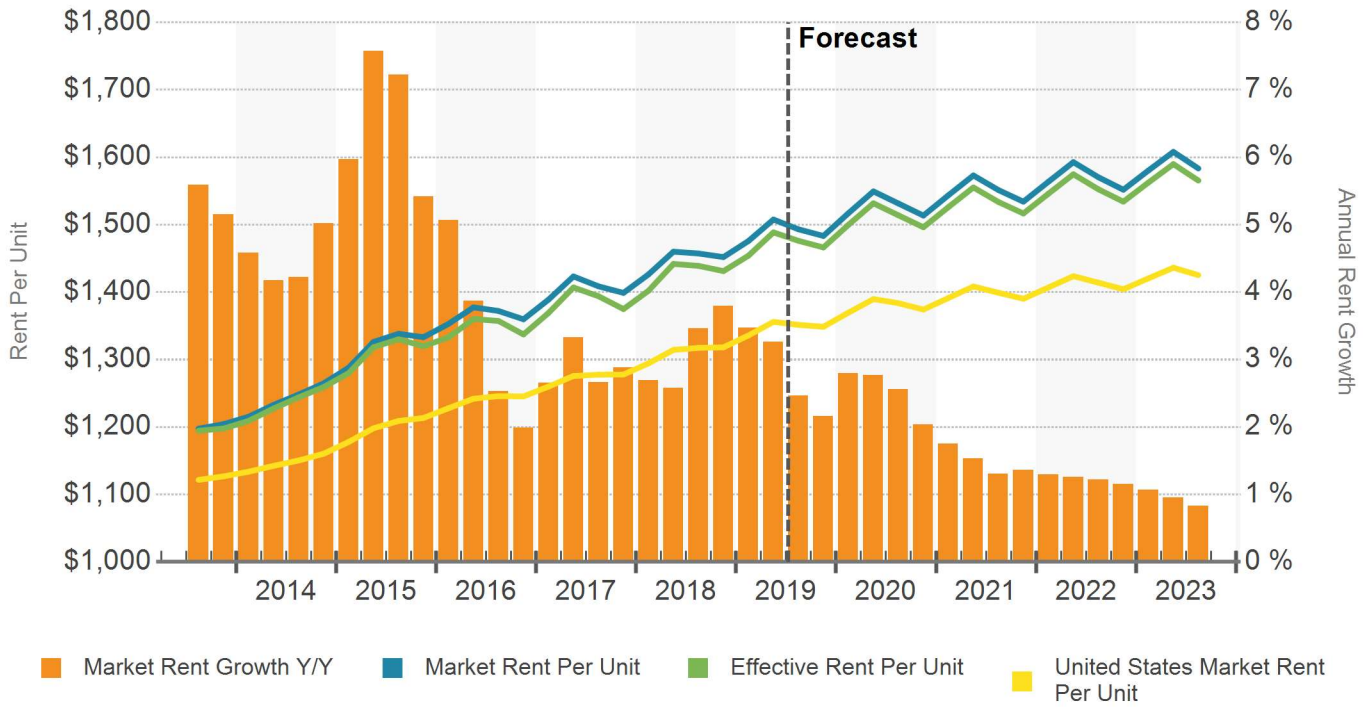
While concessions only trended slightly upwards in 2017 (after a substantial increase in 2016), they are once again on the rise. During the full year 2018, rent concessions were attached to 22% of all available apartments, up from 18% in the year-ending 17Q4. Discounts of at least one-month's free rent were tied to 10% of all available apartments in 2018, up from 7% the prior year. While the loftiest concessions can still be found in parts of Downtown Denver, rent concessions are increasingly ubiquitous in other parts of the metro, and not just for high-end apartments.

One recent concession indicator is at least encouraging. In a quarter-over-quarter comparison, the frequency of rent concessions decreased slightly in 19Q1 compared to 18Q1 (from 25% to 24%). This represents the first quarter-over-quarter decline in at least three years.

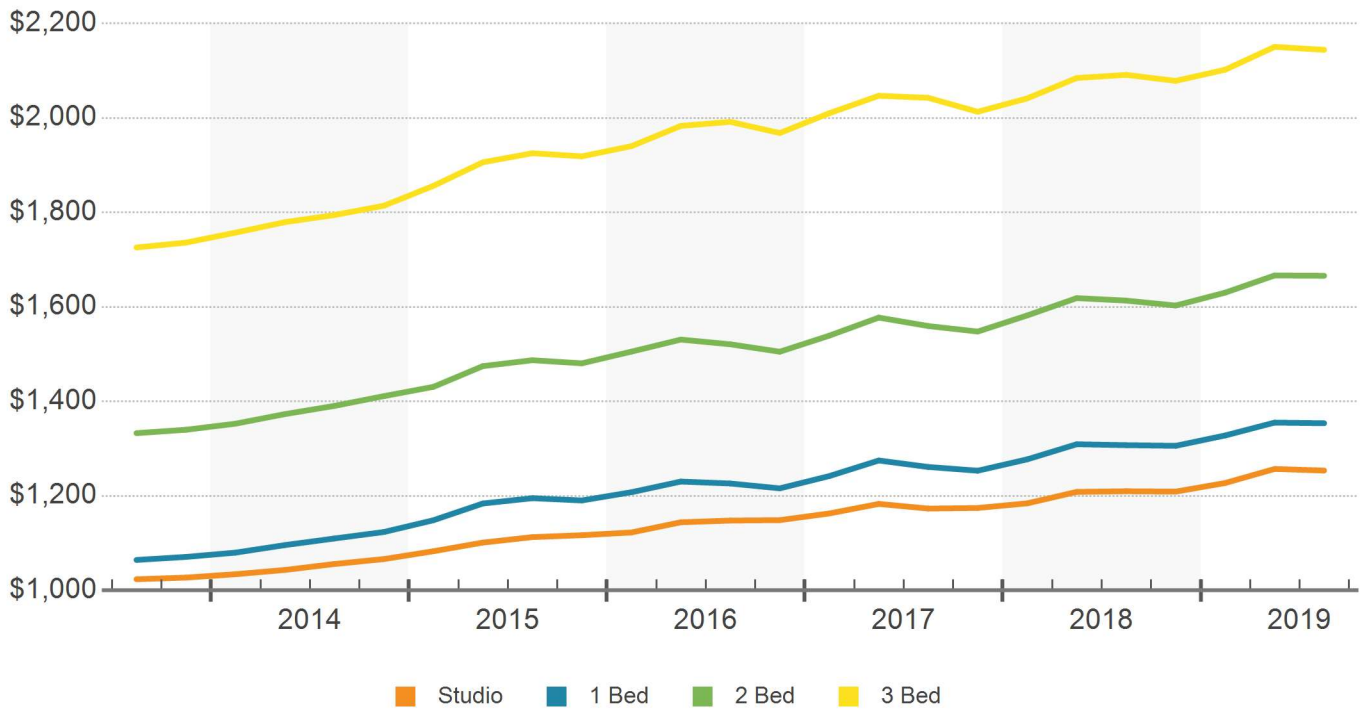
DAILY ASKING RENT PER SF



MARKET RENT PER UNIT & RENT GROWTH



MARKET RENT PER UNIT BY BEDROOM



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
Denver	\$0.63	\$0.79	\$0.64	\$0.45	\$0.96	\$1.23	\$0.30	\$1.28	\$0.13	\$0.26	\$1.02	\$7.69
Aurora	\$0.53	\$0.51	\$0.51	\$0.65	\$0.89	\$1.05	\$0.24	\$0.67	\$0.06	\$0.17	\$0.83	\$6.11
Broomfield County	\$0.54	\$0.73	\$1.01	\$0.60	\$1.01	\$0.90	\$0.21	\$1.05	\$0.07	\$0.12	\$1.19	\$7.43
Downtown Denver	\$0.64	\$0.78	\$0.87	\$0.27	\$1.00	\$1.45	\$0.35	\$1.99	\$0.05	\$0.42	\$1.02	\$8.84
DTC/Southeast Cor...	\$0.56	\$0.66	\$0.40	\$0.45	\$0.85	\$1.16	\$0.26	\$0.88	\$0.05	\$0.35	\$0.97	\$6.59
Englewood/Littleton	\$0.73	\$0.91	\$0.19	\$0.43	\$1.03	\$1.71	\$0.49	\$0.84	\$0.11	\$0.37	\$0.98	\$7.79
Glendale University...	\$0.63	\$0.69	\$0.70	\$0.51	\$1.10	\$1.15	\$0.32	\$1.31	\$0.39	\$0.15	\$0.98	\$7.93
Highlands Ranch-L...	\$0.63	\$0.81	\$0.42	\$0.84	\$1.14	\$1.41	\$0.29	\$1.03	\$0.16	\$0.38	\$1.16	\$8.27
Lakewood/West Cor...	\$0.69	\$0.86	\$0.31	\$0.43	\$0.68	\$1.26	\$0.30	\$1.05	\$0.32	\$0.29	\$1.12	\$7.31
North Jefferson Cou...	\$0.70	\$0.60	\$0.39	\$0.61	\$1.10	\$1.00	\$0.26	\$0.94	\$0.26	\$0.29	\$1.19	\$7.34
Northeast Adams C...	\$0.56	\$1.05	\$0.87	\$0.58	\$1.00	\$1.15	\$0.28	\$1.27	\$0.21	\$0.11	\$1.11	\$8.19
Northwest Adams C...	\$0.44	\$0.53	\$1.01	\$0.38	\$0.64	\$1.00	\$0.19	\$0.95	\$0.09	\$0.12	\$1.19	\$6.54
South Adams County	\$0.54	\$0.65	\$0.35	\$0.48	\$0.78	\$1.14	\$0.25	\$0.80	\$0.05	\$0.38	\$0.96	\$6.38
South Douglas County	\$0.62	\$0.68	\$0.40	\$0.87	\$1.16	\$1.42	\$0.28	\$1.02	\$0.17	\$0.38	\$1.19	\$8.19
South Jefferson Co...	\$0.74	\$1.05	\$0.45	\$0.43	\$0.75	\$1.23	\$0.31	\$1.19	\$0.08	\$0.26	\$1.12	\$7.61
Stapleton/East Denver	\$0.66	\$0.66	\$0.66	\$0.27	\$0.84	\$0.71	\$0.23	\$0.86	\$0.07	\$0.11	\$0.98	\$6.05
West Denver	\$0.66	\$1.35	\$0.72	\$0.49	\$1.02	\$1.40	\$0.35	\$1.48	\$0.19	\$0.12	\$1.02	\$8.80

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
Denver	\$0.51	\$0.49	\$0.47	\$0.44	\$0.83	\$0.91	\$0.27	\$0.61	\$0.13	\$0.17	\$0.93	\$5.76
Aurora	\$0.51	\$0.19	\$0.46	\$0.58	\$0.74	\$0.83	\$0.23	\$0.51	\$0.02	\$0.16	\$0.71	\$4.94
Broomfield County	\$0.48	\$0.58	\$0.92	\$0.54	\$0.90	\$0.78	\$0.20	\$0.82	\$0.04	\$0.12	\$1.15	\$6.53
Clear Creek County	\$0.54	\$0.62	\$0.54	\$0.39	\$0.73	\$0.89	\$0.22	\$0.64	\$0.10	\$0.33	\$1.07	\$6.07
Downtown Denver	\$0.58	\$0.73	\$0.72	\$0.25	\$0.90	\$1.23	\$0.32	\$0.85	\$0.05	\$0.37	\$0.96	\$6.96
DTC/Southeast Cor...	\$0.56	\$0.59	\$0.44	\$0.39	\$0.89	\$0.96	\$0.27	\$0.64	\$0.04	\$0.20	\$0.82	\$5.80
Englewood/Littleton	\$0.53	\$0.68	\$0.17	\$0.41	\$0.72	\$0.84	\$0.35	\$0.60	\$0.09	\$0.22	\$0.66	\$5.27
Gilpin County	\$0.45	\$0.15	\$0.23	\$0.36	\$0.54	\$0.62	\$0.24	\$0.56	\$0.01	\$0.08	\$1.13	\$4.37
Glendale University...	\$0.50	\$0.43	\$0.59	\$0.44	\$1.01	\$1.06	\$0.29	\$0.51	\$0.28	\$0.14	\$0.91	\$6.16
Highlands Ranch-L...	\$0.29	\$0.80	\$0.01	\$0.41	\$0.56	\$0.25	\$0.14	\$0.82	\$0.16	\$0.38	\$1.13	\$4.95
Lakewood/West Cor...	\$0.54	\$0.25	\$0.17	\$0.39	\$0.53	\$0.76	\$0.26	\$0.42	\$0.31	\$0.10	\$1.10	\$4.83
North Jefferson Cou...	\$0.40	\$0.21	\$0.33	\$0.63	\$1.23	\$0.48	\$0.25	\$0.65	\$0.22	\$0.09	\$1.13	\$5.62
Northeast Adams C...	\$0.39	\$0.23	\$0.77	\$0.52	\$0.86	\$0.62	\$0.18	\$0.47	\$0.19	\$0.11	\$1.11	\$5.45
Northwest Adams C...	\$0.39	\$0.28	\$0.94	\$0.36	\$0.63	\$0.84	\$0.18	\$0.58	\$0.10	\$0.12	\$1.13	\$5.55
South Adams County	\$0.48	\$0.33	\$0.39	\$0.47	\$0.73	\$0.83	\$0.22	\$0.53	\$0.03	\$0.19	\$0.69	\$4.89
South Douglas County	\$0.49	\$0.66	\$0.14	\$0.64	\$0.87	\$1.13	\$0.15	\$0.66	\$0.16	\$0.38	\$1.13	\$6.41
South Jefferson Co...	\$0.50	\$0.48	\$0.35	\$0.40	\$0.65	\$0.82	\$0.27	\$0.79	\$0.05	\$0.09	\$1.11	\$5.51
Stapleton/East Denver	\$0.42	\$0.55	\$0.63	\$0.29	\$0.80	\$0.70	\$0.19	\$0.65	\$0.06	\$0.11	\$0.89	\$5.29
West Denver	\$0.58	\$1.19	\$0.50	\$0.47	\$0.90	\$1.28	\$0.34	\$0.64	\$0.14	\$0.10	\$0.87	\$7.01

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
Denver	\$0.44	\$0.42	\$0.40	\$0.37	\$0.69	\$0.84	\$0.24	\$0.51	\$0.08	\$0.14	\$0.88	\$5.01
Aurora	\$0.38	\$0.21	\$0.41	\$0.51	\$0.72	\$0.66	\$0.19	\$0.49	\$0.03	\$0.16	\$0.45	\$4.21
Broomfield County	\$0.35	\$0.22	\$0.68	\$0.43	\$0.70	\$0.59	\$0.16	\$0.51	\$0.02	\$0.11	\$1.08	\$4.85
Clear Creek County	\$0.48	\$0.53	\$0.52	\$0.37	\$0.69	\$0.84	\$0.21	\$0.48	\$0.10	\$0.32	\$1.01	\$5.55
Downtown Denver	\$0.53	\$0.71	\$0.53	\$0.28	\$0.82	\$1.23	\$0.31	\$0.67	\$0.05	\$0.23	\$0.91	\$6.27
DTC/Southeast Cor...	\$0.51	\$0.60	\$0.45	\$0.33	\$0.62	\$0.71	\$0.24	\$0.51	\$0.04	\$0.15	\$0.82	\$4.98
Elbert County	\$0.48	\$0.53	\$0.52	\$0.37	\$0.69	\$0.84	\$0.21	\$0.48	\$0.10	\$0.32	\$1.01	\$5.55
Englewood/Littleton	\$0.40	\$0.36	\$0.14	\$0.39	\$0.69	\$0.74	\$0.26	\$0.49	\$0.08	\$0.21	\$0.45	\$4.21
Glendale University...	\$0.37	\$0.32	\$0.54	\$0.28	\$0.47	\$0.89	\$0.13	\$0.49	\$0.03	\$0.14	\$0.89	\$4.55
Lakewood/West Cor...	\$0.48	\$0.18	\$0.16	\$0.37	\$0.50	\$0.70	\$0.25	\$0.36	\$0.13	\$0.08	\$1.05	\$4.26
North Jefferson Cou...	\$0.37	\$0.14	\$0.21	\$0.42	\$0.83	\$0.42	\$0.24	\$0.56	\$0.13	\$0.08	\$1.08	\$4.48
Northeast Adams C...	\$0.35	\$0.24	\$0.68	\$0.43	\$0.70	\$0.61	\$0.17	\$0.40	\$0.16	\$0.11	\$1.07	\$4.92
Northwest Adams C...	\$0.35	\$0.22	\$0.69	\$0.32	\$0.52	\$0.59	\$0.15	\$0.50	\$0.08	\$0.11	\$1.08	\$4.61
South Adams County	\$0.40	\$0.26	\$0.37	\$0.45	\$0.70	\$0.82	\$0.21	\$0.49	\$0.03	\$0.18	\$0.45	\$4.36
South Douglas County	\$0.45	\$0.62	\$0.14	\$0.11	\$0.39	\$1.04	\$0.14	\$0.61	\$0.07	\$0.23	\$1.08	\$4.88
South Jefferson Co...	\$0.42	\$0.15	\$0.22	\$0.35	\$0.51	\$0.59	\$0.23	\$0.53	\$0.01	\$0.08	\$1.08	\$4.17
Stapleton/East Denver	\$0.38	\$0.56	\$0.55	\$0.26	\$0.78	\$0.32	\$0.18	\$0.56	\$0.06	\$0.10	\$0.86	\$4.61
West Denver	\$0.45	\$0.72	\$0.47	\$0.44	\$0.77	\$1.13	\$0.29	\$0.49	\$0.09	\$0.11	\$0.83	\$5.79

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All-time-high rent levels and pricing alongside notable barriers to homeownership continue to attract developers to Denver. Supply additions in 2014 and 2015, then the largest in 30 years, were exceeded during the 2017-2018 two-year period.

Over 29,000 units delivered from the start of 2017 through 19Q1, and around 15,000 additional units were recently underway. Developers and lenders, wary perhaps of a mountain of supply, do appear to have slightly tapped on the breaks. The number of units underway is down roughly 20% from an early 2017 peak of about 19,000 units.

Developers in search of the best rent-per-SF prospects in the metro have continued to break ground on projects in the greater downtown area despite an ongoing softening in fundamentals. Anecdotally, since late 2017, some lenders have expressed concern about pursuing further new developments Downtown in what is already a mountain of new supply.

All but one of the top 25 rents-per-SF commanded by properties built in the last two years were in Downtown Denver or West Denver, shedding some light on developer motivations. But developers who have projects that are currently underway in Downtown Denver (or who break ground over the coming quarters) will find themselves in a highly competitive leasing environment. As net migration and employment growth have moderated somewhat, the sheer quantity of new potentially high-income renters coming into Denver has undoubtedly slowed from its peaks.

But development isn't limited to Downtown Denver, and a number of suburban submarkets that had previously seen little development this cycle are seeing renewed interest from developers: North Jefferson County, Stapleton, and Aurora are all experiencing cyclically high levels of development. Each of these submarkets has been affected by a light rail line that recently opened (the A-Line and the R-Line), or that is set to open soon (the G Line).

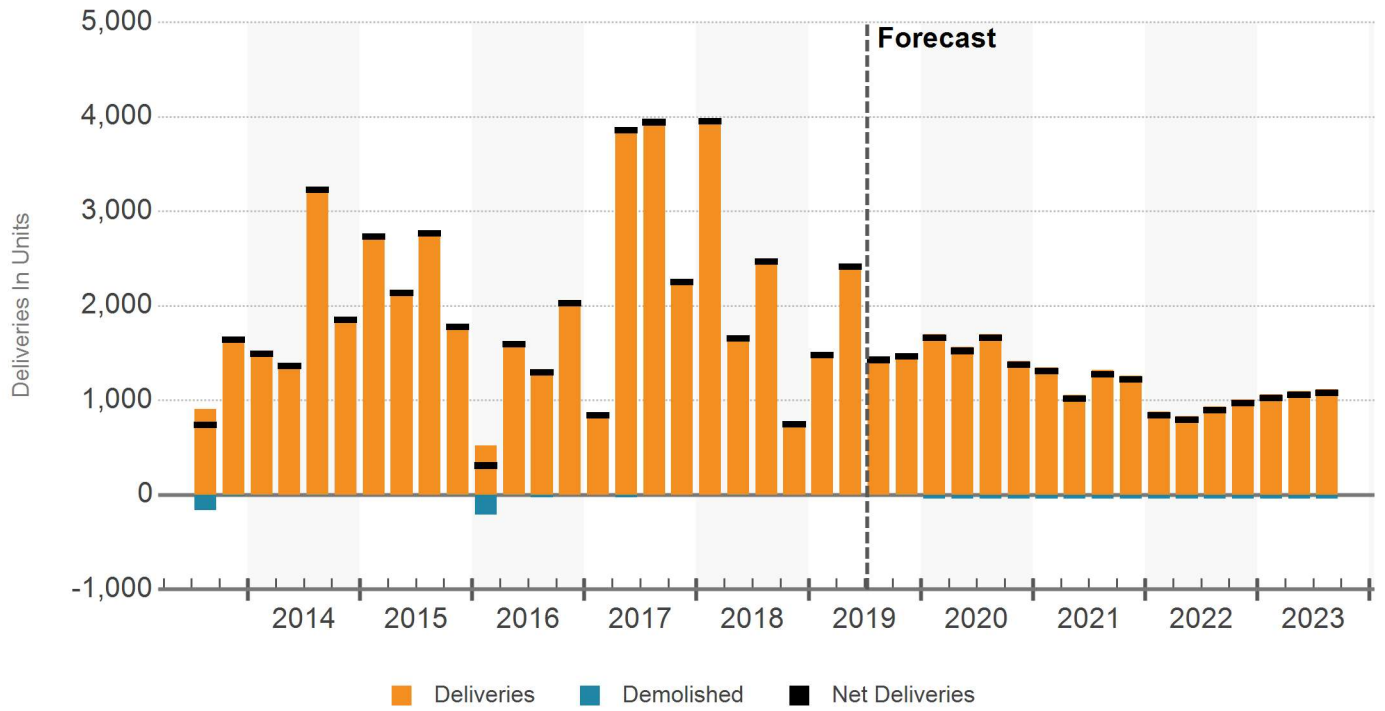
The G Line, initially slated to open as early as 2016, finally has an announced opening date. Shortly after clearing key federal regulatory hurdles in February 2019, a May 2019 opening date was announced. With uncertainty around the timing of the G Line removed, development may further accelerate over the coming quarters.

Soaring development in North Jefferson County is particularly notable: Prior to the final quarter of 2016, fewer than 400 units were under construction at any given time this cycle. In early 2019, there were roughly 1,000 underway on top of 1,500 that have delivered since 17Q2. Here, developers are targeting two areas: The up-and-coming Olde Town Arvada neighborhood, and the northeast part of the submarket, near the Shops at Walnut Creek, Westminster City Park, and the Downtown Westminster redevelopment.

Condo development is making a (relative) comeback following two key developments regarding the state's construction defects laws: In April 2017, HB 1279 was unanimously passed by the Colorado House, requiring a majority condo owners to vote before any construction-defects lawsuit to be filed (previously, only a majority of homeowners association board members were required to vote). A second major concern of potential condo developers was addressed in June, when the Colorado Supreme Court ruled that a homeowners association was wrong to sue a builder after disregarding bylaws that require binding arbitration to settle claims of construction defects. Developers prefer arbitration, rather than prolonged and costly litigation. These two developments in tandem have the potential to spur a rush of condo development, with mixed implications for apartment owners.

Condo developers appear to be testing the waters: Around 800 condo units delivered from the start of 2018 through 19Q1, and over 1,100 additional units were recently underway. From 2010-2017, a combined sum of 450 condo units delivered, or roughly one new condo unit for every 100 market-rate apartment units.

DELIVERIES & DEMOLITIONS



Under Construction Properties

Denver Multi-Family

Properties

75

Units

13,666

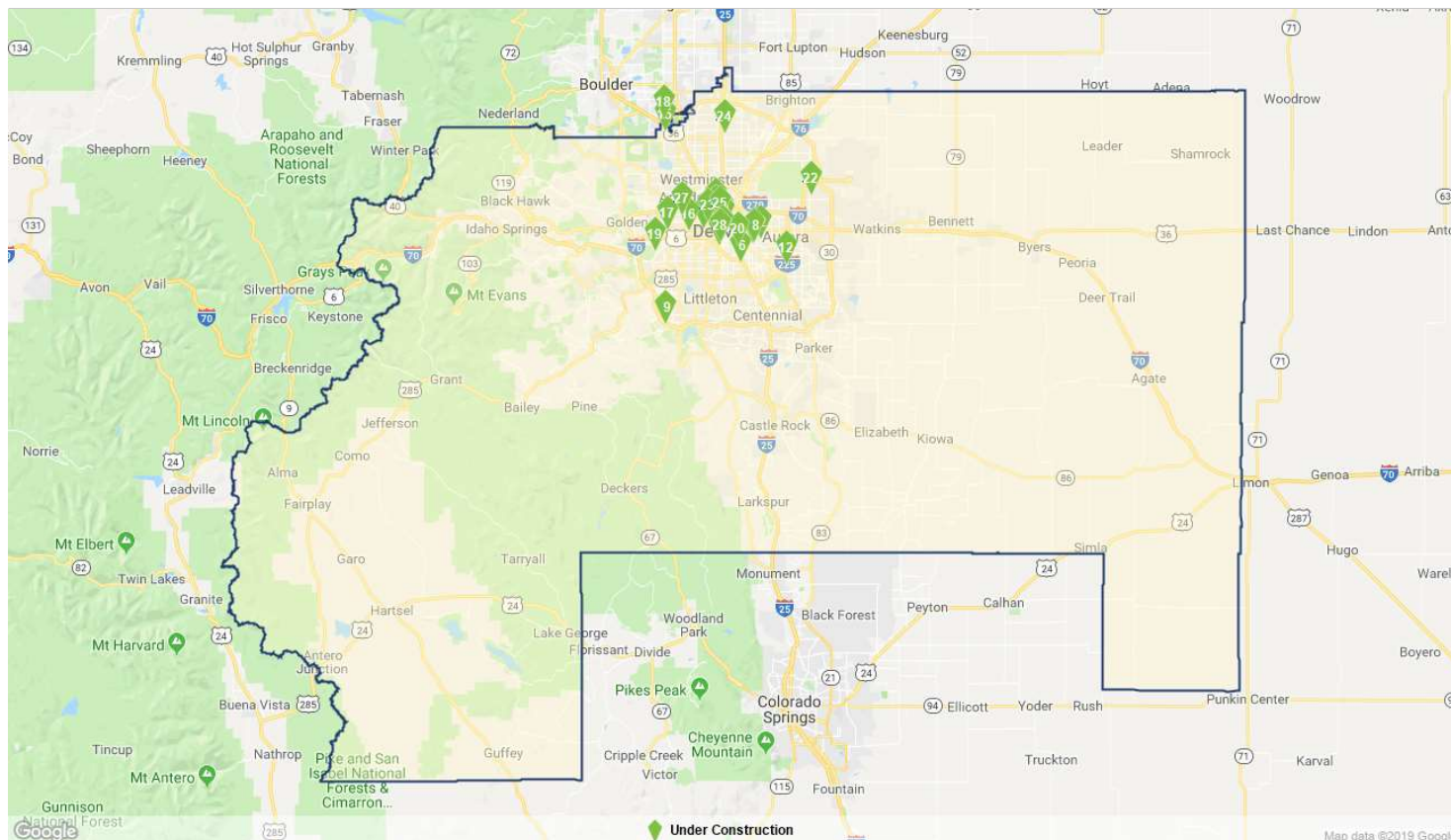
Percent of Inventory

5.7%

Avg. No. Units

182

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 Luxe At Mile High 3200 W Colfax Ave	★★★★☆	375	-	Jul-2017	Aug-2019	Embrey Partners, Ltd. Embrey Partners, Ltd.
2 Broadstone Lowry 82 N Unita Way	★★★★☆	368	-	Jan-2018	Sep-2019	Alliance Residential Company Alliance Residential Company
3 Alexan Arapahoe Square 550 Park Ave W	★★★★☆	355	13	Oct-2016	Aug-2019	Trammell Crow Residential Comp... Trammell Crow Residential Comp...
4 Alexan 20th Street Station 2080 California St	★★★★☆	354	12	Aug-2016	Sep-2019	Trammell Crow Residential Comp... Crow Holdings Industrial
5 363 South Broadway 198 W Alameda Ave	★★★★☆	354	7	Mar-2019	Feb-2021	Price Development Group, LLC -
6 Deco 2170 S Colorado Blvd	★★★★★	350	6	Nov-2017	Sep-2019	The Dinerstein Companies CityView
7 Encore at Boulevard One 7108 E Lowry Blvd	★★★★☆	348	-	Apr-2018	Aug-2019	Lowry Redevelopment Authority -

Under Construction Properties

Denver Multi-Family

UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 Encore at Boulevard One 7180 Lowry Blvd	★ ★ ★ ★ ★	347	4	Aug-2017	Sep-2019	Embrey Partners, Ltd. -
9 Westerly 8510 S Oak Cir	★ ★ ★ ★ ★	345	-	Jan-2018	Aug-2019	Embrey Partners, Ltd. Embrey Partners, Ltd.
10 1800 Market St	★ ★ ★ ★ ★	324	11	Jun-2019	Aug-2020	Crow Holdings Industrial Greystar Real Estate Partners
11 Bespoke Uptown 538 E 17th St	★ ★ ★ ★ ★	316	10	Mar-2018	Dec-2019	Southern Land Company Southern Land Company
12 Spur at Iliff Iliff Ave	★ ★ ★ ★ ★	316	4	Apr-2018	Aug-2019	Grand Peaks Properties, Inc. Grand Peaks Properties, Inc.
13 Zia Lofts 4001 Inca St	★ ★ ★ ★ ★	314	6	Nov-2018	Apr-2020	Confluence Companies Confluence Companies, LLC
14 Parq on Speer 933 Bannock St	★ ★ ★ ★ ★	302	16	Jun-2017	Aug-2019	Greystar Real Estate Partners Greystar
15 Fusion 355 355 Eldorado Blvd	★ ★ ★ ★ ★	298	4	Aug-2017	Aug-2019	A.G. Spanos Companies A.G. Spanos Companies
16 Brickhouse at Lamar Sta... 6300 W 13th Ave	★ ★ ★ ★ ★	293	4	Feb-2017	Feb-2020	Riverpoint Partners Riverpoint Partners
17 Oak Street Station 1420 Oak St	★ ★ ★ ★ ★	291	-	May-2017	Aug-2019	K2Ventures, LLC K2Ventures, LLC
18 Caliber at Flatirons 13872 Del Corso Way	★ ★ ★ ★ ★	288	2	Apr-2018	Aug-2019	The Garrett Companies Stephen Grand
19 Alta Green Mountain 13155 W Mississippi Ct	★ ★ ★ ★ ★	260	-	Jan-2019	Feb-2020	Wood Partners -
20 Gables Vista 351 S Jackson St	★ ★ ★ ★ ★	255	12	Oct-2017	Oct-2019	- Gables Residential
21 X Denver 3019 Huron St	★ ★ ★ ★ ★	251	12	Nov-2018	Feb-2020	Property Markets Group, Inc. Property Markets Group, Inc.
22 East Range Crossings 5959 N Dunkirk St	★ ★ ★ ★ ★	250	3	Feb-2018	Oct-2019	- Dominium
23 The Alcott Alcott St	★ ★ ★ ★ ★	248	12	Apr-2018	Nov-2019	Argyle Residential Argyle Residential
24 Avilla Eastlake Washington Center Pky	★ ★ ★ ★ ★	244	-	Jul-2018	Jul-2020	NexMetro Development LLC -
25 Canvas on Blake 2401 Blake St	★ ★ ★ ★ ★	241	7	Jul-2017	Aug-2019	Lennar Multifamily Lennar Multifamily
26 Modera West Wash Park 390 Grant St	★ ★ ★ ★ ★	241	8	Jan-2018	Jan-2020	Mill Creek Residential Trust UBS Financial Services, Inc.
27 The Edison Apartments 3501 Wadsworth Blvd	★ ★ ★ ★ ★	240	4	Jan-2018	Apr-2020	The Kroenke Group Quadrant Properties
28 99 South Broadway 99 S Broadway	★ ★ ★ ★ ★	238	3	Jul-2018	Aug-2020	Holland Partner Group Holland Partner Group

Investment slowed in 2018, at least from the historic levels of investment observed in both 2016 and 2017. Still, active dealmaking late in the year (headlined by deals involving new construction) drove annual sales volume just over the \$5 billion mark in 2018—the third-highest total ever outside of 2016 and 2017.

Cap rates continued to trend fractionally downward in 2018, as the market continues to attract interest from a broadening range of investors. To that point, nearly 70% of apartment units sold last cycle involved buyers based out of Colorado or California. Since 2015, Colorado or California-based buyers have been responsible for closer to 40% of units traded, and major investors from New York, Chicago, Boston, and other major hubs are active in the area to an unprecedented extent.

International investors, virtually absent from the market prior to this cycle, have driven some recent sales volume. Since 2016, investors from Germany, South Korea, Canada, and the UK have acquired apartment assets in metro Denver. Since 2017, international investors have acquired just over 3,000 units, or about 6% unit sales volume.

The slight investment slowdown in 2018 may be a reflection of growing near-term concerns given Denver's massive pipeline. But there is a flip side to this, namely that rents in certain parts of the metro have been suppressed for years due to constant supply additions, and that there may be upside once things cool off.

The latter notion is at the heart of Chicago-based Equity Residential's strategy: On a July 2018 earnings call, the firm announced plans to re-enter the Denver market, less than three years after divesting all of its Denver-area properties as part of a \$5.4 billion national portfolio deal.

In August 2018, just weeks after announcing its intentions, Equity Residential made its re-entry into the Denver market with the \$134.9 million acquisition of

Radius Uptown (formerly Alexan Uptown), a 372-unit property that delivered in 2017. The property, located in the Uptown neighborhood of the Downtown Denver submarket, first reached 90% occupancy during the month in which the deal closed.

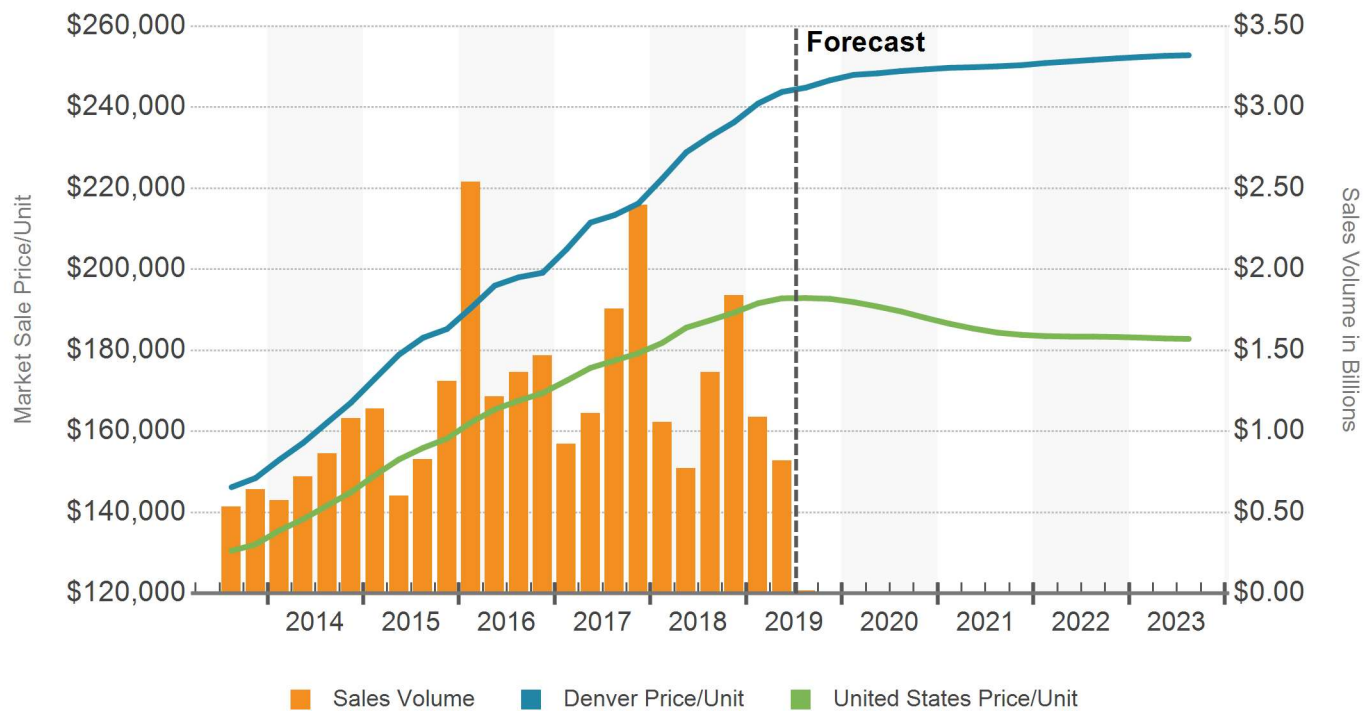
Weeks later, Equity closed on another major new development in the Uptown neighborhood. The firm acquired the 354 unit SkyHouse Denver apartments for \$139.8 million (\$395,000/unit) at a 4.5% cap rate. In January 2019, the firm made its third Denver acquisition, paying \$110.5 million (\$403,000/unit) for EVIVA on Cherokee, a 274-unit development near the CBD in the Golden Triangle neighborhood. The July 2017 delivery was about 85% occupied and close to stabilizing at the time of the sale.

Equity's recently stated goal to invest about \$1.5 billion in 14 to 16 properties is now well underway, and is thus far focusing on neighborhoods in the greater downtown area, where rents have arguable been suppressed for years by virtue of a never ending stream of new supply and a fierce concession environment.

Rents at 4 & 5 Star apartments in Downtown Denver have increased by about 1.8% annually on average over the past five years, less than half of the near-4% average in the rest of Metro Denver, and the product of an unrelenting supply wave since 2013. Factoring in concessions in Downtown Denver, the recent underperformance is even more pronounced. If (and when) things cool off, there would appear to be upside in Downtown Denver, given that the relative premium to live downtown is as low as it has been in recent history.

In 2017 and 2018, each of the 14 largest single-asset trades in the Downtown Denver submarket involved properties that delivered this cycle. Developers may be wary of the near-term headwinds that appear certain given the massive pipeline, but have found eager investors looking at the area's burgeoning tech scene and longer term upside.

SALES VOLUME & MARKET SALE PRICE PER UNIT



Sales Past 12 Months

Denver Multi-Family

Sale Comparables

269

Avg. Price/Unit (thous.)

\$239

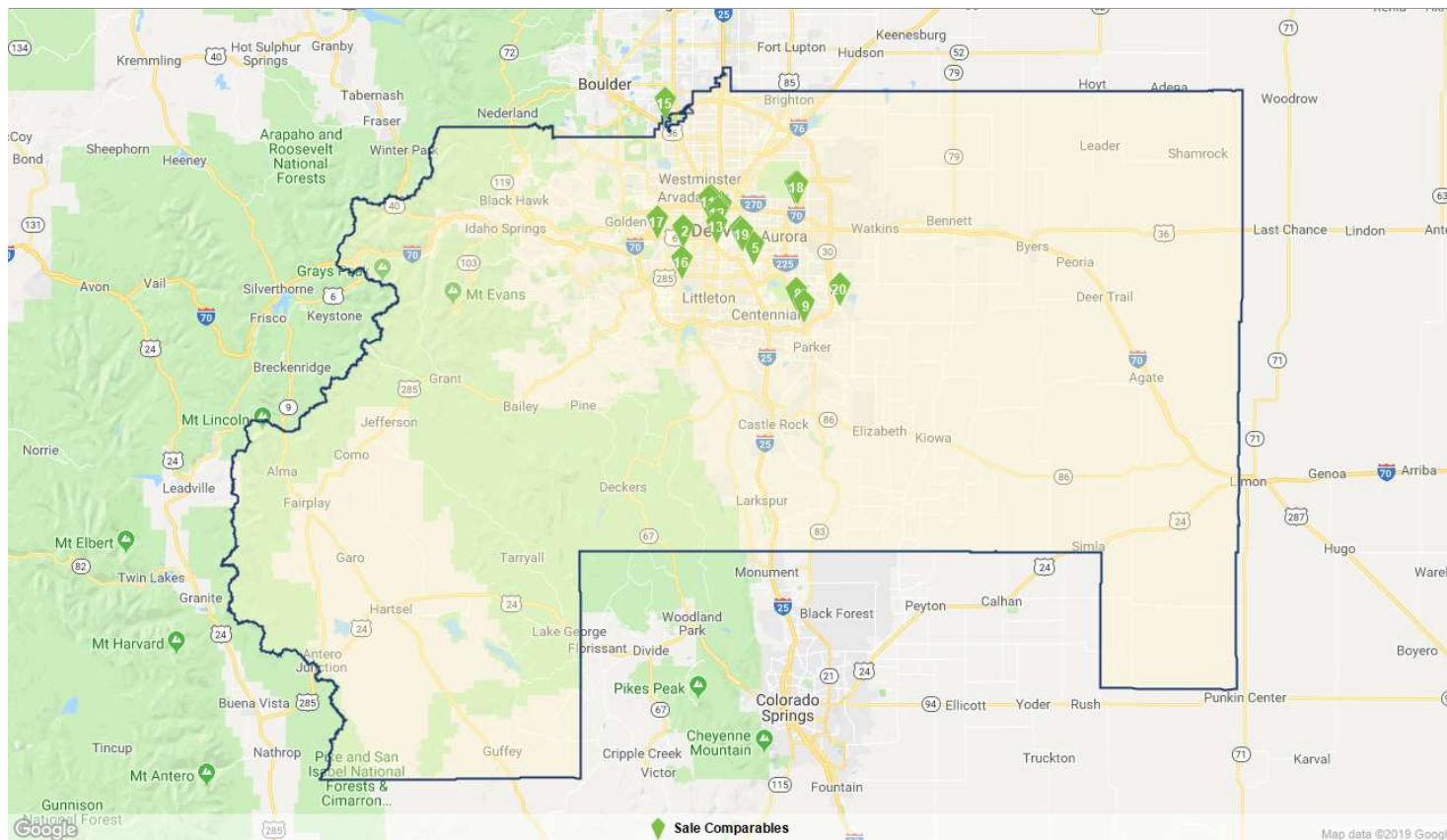
Average Price (mil.)

\$21.4

Average Vacancy at Sale

7.7%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$227,500	\$21,354,739	\$3,147,500	\$285,603,007
Price Per Unit	\$11,104	\$239,216	\$166,641	\$493,269
Cap Rate	2.6%	5.5%	5.5%	11.2%
Vacancy Rate at Sale	0%	7.7%	4.3%	92.9%
Time Since Sale in Months	0.0	6.2	6.2	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	5	84	23	727
Number of Floors	1	3	3	31
Average Unit SF	0	729	725	1,504
Year Built	1880	1966	1965	2018
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.5	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

Denver 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 Union Denver 1770 Chestnut Pl	★★★★★	2017	579	21.9%	4/29/2019	\$285,603,007	\$493,269	\$330	
2 Ashford Belmar 7301 W Ohio Ave	★★★★☆	1985	512	6.6%	11/15/2018	\$143,500,000	\$280,273	\$233	
3 SkyHouse Denver 1776 Broadway St	★★★★★	2016	354	4.5%	9/6/2018	\$139,750,000	\$394,774	\$501	
4 Radius Uptown 1935 N Logan St	★★★★☆	2017	372	9.4%	8/22/2018	\$135,430,000	\$364,059	\$471	
5 Woodhaven Apartments & To... 2470 S Quebec St	★★★★☆	1974	727	6.9%	3/13/2019	\$131,627,384	\$181,055	\$186	
6 1600 Glenarm Place 1600 Glenarm Pl	★★★★★	2006	333	8.1%	7/13/2018	\$131,000,000	\$393,393	\$329	
7 Centri LoHi by Windsor 2525 18th St	★★★★☆	2018	302	9.3%	12/18/2018	\$130,750,000	\$432,947	\$525	
8 IMT Cornerstar Ranch 16363 E Fremont Ave	★★★★☆	2002	507	5.9%	8/15/2018	\$125,000,000	\$246,548	\$236	
9 Broadstone Montane 17825 Cottonwood Dr	★★★★☆	2018	400	20.5%	1/17/2019	\$120,000,000	\$300,000	\$343	
10 Parkfield Apartments 16199 Green Valley Ranch Blvd	★★★★☆	1999	476	7.8%	10/1/2018	\$119,211,277	\$250,443	\$228	
11 Infinity LoHi 2298 W 28th Ave	★★★★☆	2017	273	9.2%	12/12/2018	\$111,750,000	\$409,340	\$409	
12 EVIVA on Cherokee 1250 Cherokee St	★★★★☆	2017	274	16.4%	1/18/2019	\$110,500,000	\$403,284	\$432	
13 Alameda Station 275 S Cherokee St	★★★★☆	2014	338	2.7%	5/9/2019	\$109,600,000	\$324,260	\$327	
14 AMLI Cherry Creek 801 S Cherry St	★★★★☆	2015	341	9.4%	12/27/2018	\$108,500,000	\$318,181	\$373	
15 Terracina Apartment Homes 13620 Via Varra Rd	★★★★☆	2008	386	4.7%	10/31/2018	\$106,000,000	\$274,611	\$294	
16 Windsor at Pinehurst 3950 S Wadsworth Blvd	★★★★☆	2017	350	14.6%	8/21/2018	\$105,000,000	\$300,000	\$272	
17 Silver Reef 12419 W 2nd Pl	★★★★☆	1985	419	4.3%	8/1/2018	\$96,700,000	\$230,787	\$260	
18 Strata 16505 Green Valley Ranch Blvd	★★★★☆	2017	336	8.3%	11/1/2018	\$94,499,000	\$281,247	\$313	
19 Esprit Cherry Creek 5001 Mississippi Ave	★★★☆☆	1978	560	7.7%	9/27/2018	\$93,000,000	\$166,071	\$260	
20 Ridge at Wheatlands 6855 S Langdale St	★★★★☆	2017	338	27.5%	3/1/2019	\$91,250,000	\$269,970	\$289	

Denver has been frequently lauded as a destination for job seekers throughout this cycle, and current labor conditions (and a slew of companies actively expanding in the metro) reinforces this proposition today. Headwinds could come from housing costs, which are dramatically higher today for both renters and prospective owners. While home prices continue to climb into the stratosphere (albeit at a slower rate than the peak years of this cycle), apartment rent growth has moderated alongside massive levels of development, which may provide a relief valve for those considering the metro for its otherwise robust employment prospects.

Along with a highly educated and growing labor force, the FasTracks transit expansion will pay dividends as additional lines connect downtown to North Denver, Aurora and the Denver International Airport, all in addition to an expansion to the southeast rail line.

Healthcare, a major growth sector for years to come, is seeing major investment in the \$1.3 billion VA hospital in Aurora, the Denver Health Administration's new headquarters in South Midtown, and Catalyst's 300,000 SF digital health facility in RiNo (Platte River Submarket).

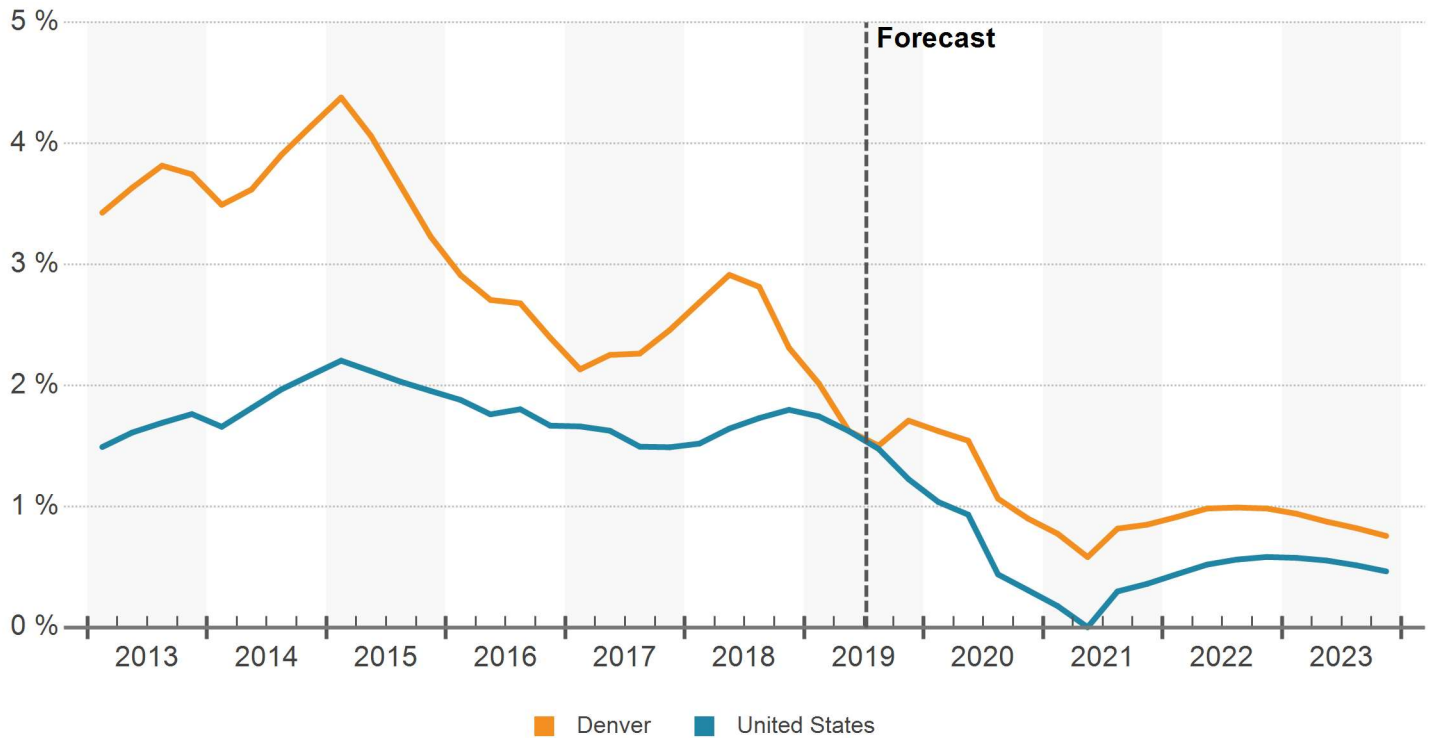
Geographic isolation remains an economic liability in some respects. The geographic separation from large business and financial centers makes locating a corporate headquarters here difficult for companies that benefit from proximity to suppliers, competitors, financiers, and customers, although firms that draw on Denver's natural resources and brainpower have thrived. As a result, the metro has had to rely on its own brand of specialization in high-value-add industries like engineering, energy, communications, and high tech to drive growth.

DENVER EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	71	0.5	1.30%	1.39%	1.09%	0.81%	0.55%	0.13%
Trade, Transportation and Utilities	277	1.0	1.98%	1.20%	1.84%	1.17%	0.98%	0.42%
Retail Trade	139	0.9	0.02%	0.14%	1.51%	0.87%	0.74%	0.31%
Financial Activities	112	1.3	-0.44%	1.27%	1.75%	1.01%	0.50%	0.40%
Government	199	0.9	-0.24%	0.55%	1.32%	-0.02%	1.08%	0.76%
Natural Resources, Mining and Construction	111	1.3	1.62%	3.26%	3.61%	2.02%	1.16%	0.26%
Education and Health Services	193	0.8	2.54%	1.93%	3.46%	2.08%	0.75%	0.32%
Professional and Business Services	283	1.3	3.99%	2.47%	3.27%	2.62%	1.36%	0.85%
Information	50	1.7	-1.55%	-0.10%	1.00%	0.07%	0.09%	0.43%
Leisure and Hospitality	171	1.0	0.14%	2.24%	3.10%	2.46%	0.64%	0.39%
Other Services	61	1.0	3.46%	0.99%	2.34%	0.95%	0.79%	0.21%
Total Employment	1,527	1.0	1.61%	1.61%	2.42%	1.42%	0.92%	0.47%

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



Source: Oxford Economics

DEMOGRAPHIC TRENDS

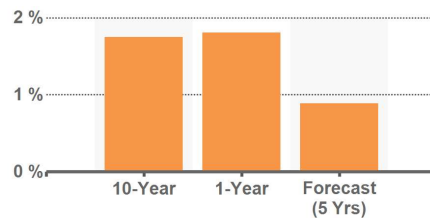
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	2,965,614	329,298,625	1.3%	0.7%	1.7%	0.7%	1.3%	0.7%
Households	1,132,657	121,280,875	1.2%	0.6%	1.6%	0.7%	1.2%	0.6%
Median Household Income	\$81,830	\$64,035	3.3%	3.6%	3.2%	2.3%	4.2%	4.3%
Labor Force	1,671,449	163,713,391	1.8%	1.2%	1.7%	0.6%	0.9%	0.5%
Unemployment	3.5%	3.8%	0.8%	-0.1%	-0.4%	-0.6%	-	-

Source: Oxford Economics

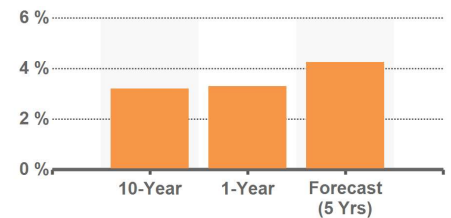
POPULATION GROWTH



LABOR FORCE GROWTH

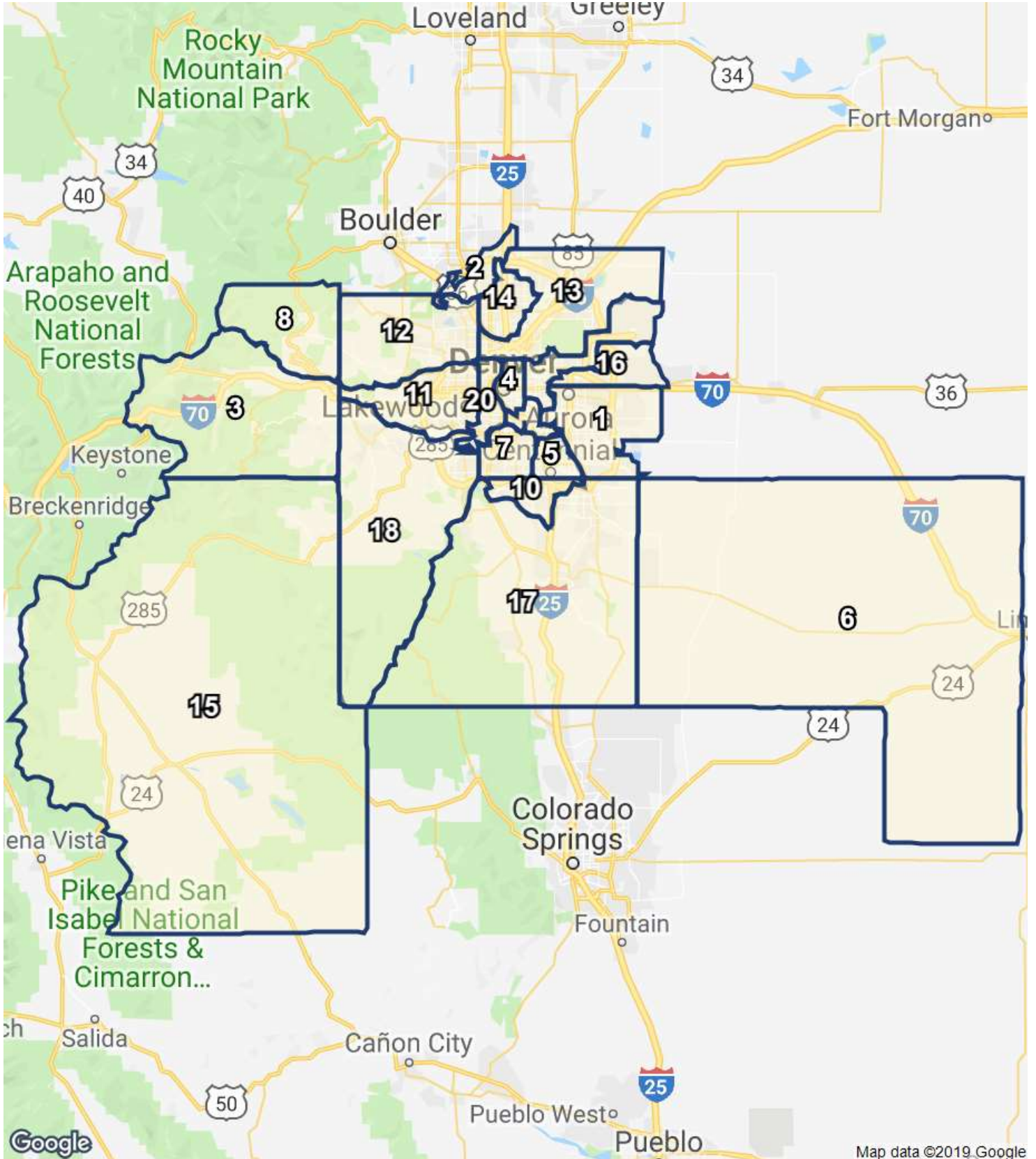


INCOME GROWTH



Source: Oxford Economics

DENVER SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Units	% Market	Rank	Bldgs	Units	Percent	Rank	Bldgs	Units	Percent	Rank
1	Aurora	225	33,528	13.9%	2	3	397	1.2%	7	4	712	2.1%	6
2	Broomfield County	38	7,307	3.0%	13	0	0	0%	-	3	770	10.5%	5
3	Clear Creek County	7	96	0%	18	0	0	0%	-	0	0	0%	-
4	Downtown Denver	1,211	44,517	18.5%	1	16	2,849	6.4%	1	23	5,126	11.5%	1
5	DTC/Southeast Corridor	47	12,515	5.2%	8	1	140	1.1%	10	1	81	0.6%	14
6	Elbert County	1	5	0%	20	0	0	0%	-	0	0	0%	-
7	Englewood/Littleton	248	11,654	4.8%	9	1	163	1.4%	8	2	252	2.2%	13
8	Gilpin County	1	168	0.1%	17	0	0	0%	-	0	0	0%	-
9	Glendale University Area	217	21,633	9.0%	3	1	72	0.3%	12	1	350	1.6%	10
10	Highlands Ranch-Lone Tr...	29	9,547	4.0%	11	2	612	6.4%	3	0	0	0%	-
11	Lakewood/West Corridor	492	20,407	8.5%	4	3	49	0.2%	13	7	1,413	6.9%	4
12	North Jefferson County	147	10,424	4.3%	10	2	580	5.6%	4	2	306	2.9%	12
13	Northeast Adams County	99	5,794	2.4%	14	1	160	2.8%	9	3	355	6.1%	9
14	Northwest Adams County	84	18,744	7.8%	5	1	89	0.5%	11	3	359	1.9%	8
15	Park County	1	6	0%	19	0	0	0%	-	0	0	0%	-
16	South Adams County	138	3,244	1.3%	16	0	0	0%	-	0	0	0%	-
17	South Douglas County	48	8,378	3.5%	12	4	520	6.2%	5	3	519	6.2%	7
18	South Jefferson County	22	4,208	1.7%	15	0	0	0%	-	1	345	8.2%	11
19	Stapleton/East Denver	181	14,708	6.1%	6	3	818	5.6%	2	8	1,609	10.9%	2
20	West Denver	332	14,385	6.0%	7	6	407	2.8%	6	16	1,487	10.3%	3

SUBMARKET RENT

No.	Submarket	Asking Rents				Effective Rents					
		Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Aurora	\$1,344	\$1.57	15	2.7%	\$1,328	\$1.55	15	2.9%	1.2%	4
2	Broomfield County	\$1,620	\$1.78	4	4.7%	\$1,610	\$1.76	4	4.4%	0.7%	13
3	Clear Creek County	\$917	\$1.42	18	1.7%	\$914	\$1.41	18	1.7%	0.3%	17
4	Downtown Denver	\$1,807	\$2.29	1	2.6%	\$1,776	\$2.25	1	2.4%	1.8%	2
5	DTC/Southeast Corridor	\$1,662	\$1.78	3	2.6%	\$1,648	\$1.77	3	2.9%	0.8%	12
6	Elbert County	-	-	-	-	-	-	-	-	0%	-
7	Englewood/Littleton	\$1,384	\$1.67	9	3.8%	\$1,371	\$1.66	9	3.7%	1.0%	9
8	Gilpin County	\$1,233	\$1.49	17	6.3%	\$1,228	\$1.49	17	6.4%	0.4%	16
9	Glendale University Area	\$1,331	\$1.64	12	3.6%	\$1,318	\$1.62	12	3.8%	1.0%	7
10	Highlands Ranch-Lone Tr...	\$1,631	\$1.70	8	2.3%	\$1,616	\$1.68	8	2.2%	0.9%	11
11	Lakewood/West Corridor	\$1,394	\$1.63	13	3.7%	\$1,386	\$1.62	13	4.3%	0.6%	15
12	North Jefferson County	\$1,493	\$1.73	6	3.2%	\$1,473	\$1.71	6	2.9%	1.3%	3
13	Northeast Adams County	\$1,318	\$1.71	7	2.9%	\$1,303	\$1.69	7	2.1%	1.1%	5
14	Northwest Adams County	\$1,419	\$1.65	11	3.7%	\$1,410	\$1.64	10	4.4%	0.6%	14
15	Park County	-	-	-	-	-	-	-	-	0%	-
16	South Adams County	\$1,109	\$1.52	16	5.3%	\$1,106	\$1.51	16	5.8%	0.3%	18
17	South Douglas County	\$1,527	\$1.60	14	3.3%	\$1,487	\$1.56	14	2.6%	2.6%	1
18	South Jefferson County	\$1,598	\$1.65	10	4.3%	\$1,582	\$1.64	11	4.4%	1.0%	8
19	Stapleton/East Denver	\$1,451	\$1.74	5	3.5%	\$1,437	\$1.73	5	3.8%	0.9%	10
20	West Denver	\$1,532	\$1.97	2	3.4%	\$1,516	\$1.95	2	3.9%	1.0%	6

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construct. Ratio
1	Aurora	1,979	5.9%	11	637	1.9%	5	0.4
2	Broomfield County	430	5.9%	10	(61)	-0.8%	20	-
3	Clear Creek County	2	1.9%	2	2	2.0%	16	-
4	Downtown Denver	3,739	8.4%	18	2,530	5.7%	1	0.8
5	DTC/Southeast Corridor	803	6.4%	14	421	3.4%	9	0.3
6	Elbert County	0	8.0%	17	0	0%	-	-
7	Englewood/Littleton	729	6.3%	13	38	0.3%	14	4.3
8	Gilpin County	3	1.8%	1	0	0%	-	-
9	Glendale University Area	1,128	5.2%	7	503	2.3%	8	0.1
10	Highlands Ranch-Lone Tr...	808	8.5%	19	687	7.2%	4	0.9
11	Lakewood/West Corridor	956	4.7%	5	211	1.0%	11	0.2
12	North Jefferson County	811	7.8%	15	594	5.7%	6	0.5
13	Northeast Adams County	345	6.0%	12	122	2.1%	13	1.3
14	Northwest Adams County	1,021	5.4%	8	217	1.2%	10	0.4
15	Park County	0	5.0%	6	0	0%	-	-
16	South Adams County	105	3.2%	3	2	0.1%	15	-
17	South Douglas County	658	7.9%	16	737	8.8%	3	0.6
18	South Jefferson County	195	4.6%	4	165	3.9%	12	-
19	Stapleton/East Denver	1,421	9.7%	20	738	5.0%	2	0.3
20	West Denver	842	5.9%	9	592	4.1%	7	0.2

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2023	262,928	4,233	1.6%	3,742	1.4%	1.1
2022	258,695	3,487	1.4%	3,587	1.4%	1.0
2021	255,208	4,814	1.9%	5,292	2.1%	0.9
2020	250,394	6,208	2.5%	4,880	1.9%	1.3
2019	244,186	6,771	2.9%	8,106	3.3%	0.8
YTD	241,298	3,883	1.6%	4,981	2.1%	0.8
2018	237,415	8,809	3.9%	10,058	4.2%	0.9
2017	228,606	10,878	5.0%	8,608	3.8%	1.3
2016	217,728	5,209	2.5%	2,580	1.2%	2.0
2015	212,519	9,406	4.6%	7,488	3.5%	1.3
2014	203,113	7,919	4.1%	7,355	3.6%	1.1
2013	195,194	3,841	2.0%	3,331	1.7%	1.2
2012	191,353	1,440	0.8%	3,786	2.0%	0.4
2011	189,913	302	0.2%	585	0.3%	0.5
2010	189,611	539	0.3%	3,806	2.0%	0.1
2009	189,072	3,364	1.8%	3,183	1.7%	1.1
2008	185,708	3,445	1.9%	752	0.4%	4.6
2007	182,263	1,566	0.9%	1,261	0.7%	1.2

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2023	132,391	4,397	3.4%	3,865	2.9%	1.1
2022	127,994	3,651	2.9%	3,507	2.7%	1.0
2021	124,343	4,287	3.6%	4,843	3.9%	0.9
2020	120,056	6,273	5.5%	5,221	4.3%	1.2
2019	113,783	6,578	6.1%	7,939	7.0%	0.8
YTD	110,859	3,654	3.4%	4,619	4.2%	0.8
2018	107,205	8,753	8.9%	9,060	8.5%	1.0
2017	98,452	9,901	11.2%	7,885	8.0%	1.3
2016	88,551	5,392	6.5%	4,101	4.6%	1.3
2015	83,159	9,253	12.5%	6,774	8.1%	1.4
2014	73,906	7,786	11.8%	7,229	9.8%	1.1
2013	66,120	4,236	6.8%	3,115	4.7%	1.4
2012	61,884	1,413	2.3%	2,160	3.5%	0.7
2011	60,471	328	0.5%	468	0.8%	0.7
2010	60,143	783	1.3%	2,148	3.6%	0.4
2009	59,360	3,411	6.1%	3,409	5.7%	1.0
2008	55,949	3,215	6.1%	2,056	3.7%	1.6
2007	52,734	1,546	3.0%	1,019	1.9%	1.5

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2023	81,922	(5)	0%	27	0%	-
2022	81,927	(4)	0%	236	0.3%	0
2021	81,931	683	0.8%	471	0.6%	1.5
2020	81,248	(5)	0%	(140)	-0.2%	0
2019	81,253	228	0.3%	138	0.2%	1.7
YTD	81,254	229	0.3%	236	0.3%	1.0
2018	81,025	62	0.1%	657	0.8%	0.1
2017	80,963	990	1.2%	654	0.8%	1.5
2016	79,973	(158)	-0.2%	(1,028)	-1.3%	0.2
2015	80,131	159	0.2%	515	0.6%	0.3
2014	79,972	147	0.2%	21	0%	7.0
2013	79,825	(100)	-0.1%	174	0.2%	-
2012	79,925	115	0.1%	1,156	1.4%	0.1
2011	79,810	8	0%	(108)	-0.1%	-
2010	79,802	0	0%	1,312	1.6%	0
2009	79,802	(18)	0%	(67)	-0.1%	0.3
2008	79,820	420	0.5%	(811)	-1.0%	-
2007	79,400	67	0.1%	269	0.3%	0.2

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2023	48,615	(159)	-0.3%	(150)	-0.3%	1.1
2022	48,774	(160)	-0.3%	(156)	-0.3%	1.0
2021	48,934	(156)	-0.3%	(22)	0%	7.1
2020	49,090	(60)	-0.1%	(201)	-0.4%	0.3
2019	49,150	(35)	-0.1%	29	0.1%	-
YTD	49,185	0	0%	126	0.3%	0
2018	49,185	(6)	0%	341	0.7%	0
2017	49,191	(13)	0%	69	0.1%	-
2016	49,204	(25)	-0.1%	(493)	-1.0%	0.1
2015	49,229	(6)	0%	199	0.4%	0
2014	49,235	(14)	0%	105	0.2%	-
2013	49,249	(295)	-0.6%	42	0.1%	-
2012	49,544	(88)	-0.2%	470	0.9%	-
2011	49,632	(34)	-0.1%	225	0.5%	-
2010	49,666	(244)	-0.5%	346	0.7%	-
2009	49,910	(29)	-0.1%	(159)	-0.3%	0.2
2008	49,939	(190)	-0.4%	(493)	-1.0%	0.4
2007	50,129	(47)	-0.1%	(27)	-0.1%	1.7

OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rent	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2023	16,988	6.5%	0.1	\$1,563	\$1.85	0.7%	(0.4)	\$1,545	\$1.83
2022	16,496	6.4%	(0.1)	\$1,552	\$1.84	1.2%	(0.2)	\$1,534	\$1.82
2021	16,598	6.5%	(0.3)	\$1,534	\$1.82	1.4%	(0.7)	\$1,517	\$1.80
2020	17,075	6.8%	0.4	\$1,514	\$1.79	2.0%	(0.1)	\$1,496	\$1.77
2019	15,747	6.4%	(0.7)	\$1,483	\$1.76	2.2%	(1.6)	\$1,466	\$1.74
YTD	15,977	6.6%	(0.6)	\$1,506	\$1.78	3.7%	(0.1)	\$1,489	\$1.76
2018	17,074	7.2%	(0.8)	\$1,452	\$1.72	3.8%	0.9	\$1,431	\$1.69
2017	18,317	8.0%	0.6	\$1,399	\$1.65	2.9%	0.9	\$1,375	\$1.63
2016	16,034	7.4%	1.1	\$1,360	\$1.61	2.0%	(3.4)	\$1,337	\$1.58
2015	13,411	6.3%	0.7	\$1,333	\$1.58	5.4%	0.4	\$1,320	\$1.56
2014	11,487	5.7%	0.1	\$1,265	\$1.49	5.0%	(0.1)	\$1,259	\$1.49
2013	10,876	5.6%	0.2	\$1,204	\$1.42	5.1%	0.4	\$1,198	\$1.42
2012	10,367	5.4%	(1.3)	\$1,145	\$1.35	4.8%	1.8	\$1,138	\$1.35
2011	12,705	6.7%	(0.2)	\$1,093	\$1.29	2.9%	(1.8)	\$1,085	\$1.28
2010	12,985	6.8%	(1.7)	\$1,062	\$1.25	4.8%	9.5	\$1,054	\$1.25
2009	16,246	8.6%	(0.1)	\$1,014	\$1.20	-4.7%	(6.3)	\$1,005	\$1.19
2008	16,065	8.7%	1.3	\$1,064	\$1.26	1.5%	(2.0)	\$1,054	\$1.25
2007	13,373	7.3%	0.1	\$1,048	\$1.24	3.5%	-	\$1,040	\$1.23

4 & 5 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rent	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2023	10,448	7.9%	0.1	\$1,825	\$1.98	0.6%	(0.4)	\$1,799	\$1.95
2022	9,916	7.7%	(0.1)	\$1,814	\$1.97	1.0%	(0.2)	\$1,788	\$1.94
2021	9,773	7.9%	(0.7)	\$1,795	\$1.95	1.3%	(0.7)	\$1,770	\$1.92
2020	10,327	8.6%	0.5	\$1,772	\$1.92	2.0%	(0.5)	\$1,747	\$1.89
2019	9,275	8.2%	(1.8)	\$1,738	\$1.88	2.5%	(1.3)	\$1,713	\$1.86
YTD	9,671	8.7%	(1.2)	\$1,766	\$1.91	4.1%	0.3	\$1,740	\$1.88
2018	10,636	9.9%	(1.2)	\$1,696	\$1.83	3.8%	2.0	\$1,668	\$1.80
2017	10,941	11.1%	1.0	\$1,634	\$1.77	1.8%	0.3	\$1,602	\$1.73
2016	8,917	10.1%	0.9	\$1,605	\$1.73	1.5%	(1.5)	\$1,575	\$1.70
2015	7,625	9.2%	2.2	\$1,581	\$1.71	3.1%	(1.2)	\$1,562	\$1.69
2014	5,142	7.0%	0.1	\$1,534	\$1.66	4.2%	(0.1)	\$1,526	\$1.65
2013	4,538	6.9%	1.3	\$1,472	\$1.59	4.4%	0.3	\$1,462	\$1.58
2012	3,416	5.5%	(1.4)	\$1,410	\$1.52	4.0%	1.4	\$1,402	\$1.52
2011	4,157	6.9%	(0.3)	\$1,356	\$1.46	2.6%	(2.0)	\$1,346	\$1.45
2010	4,295	7.1%	(2.4)	\$1,322	\$1.43	4.6%	9.5	\$1,312	\$1.42
2009	5,659	9.5%	(0.6)	\$1,263	\$1.36	-4.8%	(6.1)	\$1,252	\$1.35
2008	5,657	10.1%	1.6	\$1,327	\$1.43	1.3%	(2.7)	\$1,314	\$1.42
2007	4,498	8.5%	0.8	\$1,310	\$1.42	4.0%	-	\$1,299	\$1.40

3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rent	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2023	4,336	5.3%	0	\$1,389	\$1.74	0.9%	(0.4)	\$1,378	\$1.72
2022	4,367	5.3%	(0.3)	\$1,377	\$1.72	1.3%	(0.2)	\$1,366	\$1.71
2021	4,608	5.6%	0.2	\$1,359	\$1.70	1.5%	(0.8)	\$1,348	\$1.69
2020	4,395	5.4%	0.2	\$1,339	\$1.67	2.3%	0.4	\$1,328	\$1.66
2019	4,260	5.2%	0.1	\$1,309	\$1.64	1.8%	(2.1)	\$1,299	\$1.62
YTD	4,163	5.1%	0	\$1,335	\$1.67	3.9%	(0.1)	\$1,324	\$1.65
2018	4,171	5.1%	(0.7)	\$1,285	\$1.60	4.0%	(0.4)	\$1,270	\$1.58
2017	4,763	5.9%	0.4	\$1,236	\$1.54	4.4%	2.2	\$1,216	\$1.52
2016	4,423	5.5%	1.1	\$1,184	\$1.48	2.1%	(7.0)	\$1,166	\$1.45
2015	3,557	4.4%	(0.5)	\$1,159	\$1.45	9.2%	2.6	\$1,150	\$1.43
2014	3,913	4.9%	0.2	\$1,062	\$1.32	6.6%	(0.4)	\$1,060	\$1.32
2013	3,786	4.7%	(0.3)	\$997	\$1.24	7.0%	0.1	\$994	\$1.24
2012	4,061	5.1%	(1.3)	\$932	\$1.16	6.8%	2.6	\$925	\$1.15
2011	5,099	6.4%	0.1	\$872	\$1.09	4.3%	(1.0)	\$866	\$1.08
2010	4,983	6.2%	(1.6)	\$836	\$1.04	5.3%	10.7	\$831	\$1.04
2009	6,291	7.9%	0.1	\$794	\$0.99	-5.4%	(7.0)	\$788	\$0.98
2008	6,242	7.8%	1.5	\$839	\$1.05	1.7%	(0.4)	\$832	\$1.04
2007	5,013	6.3%	(0.3)	\$825	\$1.03	2.0%	-	\$820	\$1.02

1 & 2 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rent	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2023	2,204	4.5%	0	\$1,141	\$1.63	0.9%	(0.4)	\$1,133	\$1.62
2022	2,213	4.5%	0	\$1,130	\$1.62	1.3%	(0.1)	\$1,122	\$1.60
2021	2,218	4.5%	(0.3)	\$1,116	\$1.59	1.4%	(0.4)	\$1,108	\$1.58
2020	2,352	4.8%	0.3	\$1,101	\$1.57	1.7%	0.3	\$1,093	\$1.56
2019	2,212	4.5%	(0.1)	\$1,082	\$1.55	1.5%	(1.8)	\$1,074	\$1.54
YTD	2,143	4.4%	(0.3)	\$1,084	\$1.55	1.7%	(1.6)	\$1,077	\$1.54
2018	2,268	4.6%	(0.7)	\$1,067	\$1.52	3.3%	(1.0)	\$1,057	\$1.51
2017	2,613	5.3%	(0.2)	\$1,033	\$1.47	4.3%	0.3	\$1,023	\$1.46
2016	2,694	5.5%	0.9	\$991	\$1.41	3.9%	(4.5)	\$981	\$1.40
2015	2,229	4.5%	(0.4)	\$953	\$1.36	8.4%	3.1	\$947	\$1.35
2014	2,433	4.9%	(0.2)	\$879	\$1.25	5.4%	0.4	\$874	\$1.24
2013	2,552	5.2%	(0.7)	\$834	\$1.19	5.0%	1.1	\$830	\$1.18
2012	2,891	5.8%	(1.1)	\$794	\$1.13	3.9%	2.0	\$790	\$1.12
2011	3,449	7.0%	(0.5)	\$765	\$1.09	1.8%	(2.4)	\$759	\$1.08
2010	3,707	7.5%	(1.1)	\$751	\$1.07	4.2%	7.1	\$745	\$1.06
2009	4,296	8.6%	0.3	\$721	\$1.02	-2.9%	(5.3)	\$715	\$1.02
2008	4,166	8.3%	0.6	\$742	\$1.05	2.4%	(1.5)	\$736	\$1.05
2007	3,863	7.7%	0	\$724	\$1.03	3.9%	-	\$719	\$1.02

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
2023	-	-	-	-	-	-	\$253,060	281	5.1%
2022	-	-	-	-	-	-	\$252,086	280	5.1%
2021	-	-	-	-	-	-	\$250,400	278	5.0%
2020	-	-	-	-	-	-	\$249,368	277	5.0%
2019	-	-	-	-	-	-	\$246,664	274	5.0%
YTD	136	\$1,922 M	3.7%	\$16,018,552	\$230,926	5.8%	\$243,118	270	4.9%
2018	281	\$5,036 M	9.5%	\$19,827,636	\$228,898	5.4%	\$236,316	262	4.9%
2017	338	\$6,187 M	13.5%	\$19,956,923	\$217,243	5.7%	\$216,262	240	5.0%
2016	348	\$6,589 M	15.3%	\$20,210,488	\$199,004	5.9%	\$199,171	221	5.2%
2015	354	\$3,879 M	13.1%	\$11,790,589	\$144,253	6.2%	\$185,269	206	5.3%
2014	340	\$3,238 M	11.7%	\$10,214,760	\$140,804	6.5%	\$167,153	186	5.5%
2013	313	\$2,012 M	10.7%	\$6,705,613	\$105,159	6.8%	\$148,487	165	5.8%
2012	288	\$2,805 M	15.6%	\$10,789,837	\$99,361	6.6%	\$139,216	155	5.9%
2011	243	\$1,574 M	10.0%	\$6,994,193	\$91,986	7.0%	\$126,529	140	6.1%
2010	159	\$640.6 M	4.8%	\$4,159,755	\$71,241	7.7%	\$113,072	125	6.4%
2009	128	\$306.5 M	2.5%	\$2,736,670	\$67,320	7.8%	\$83,734	93	7.2%
2008	173	\$676.5 M	4.8%	\$3,933,248	\$78,255	7.2%	\$90,098	100	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
2023	-	-	-	-	-	-	\$320,847	275	4.8%
2022	-	-	-	-	-	-	\$320,121	274	4.8%
2021	-	-	-	-	-	-	\$318,504	273	4.7%
2020	-	-	-	-	-	-	\$317,629	272	4.7%
2019	-	-	-	-	-	-	\$314,588	269	4.6%
YTD	18	\$1,171 M	3.4%	\$73,178,250	\$329,261	4.7%	\$310,117	265	4.6%
2018	39	\$3,088 M	9.8%	\$81,272,850	\$293,906	4.8%	\$301,600	258	4.6%
2017	53	\$3,709 M	14.8%	\$75,689,677	\$272,405	4.8%	\$276,712	237	4.7%
2016	54	\$3,793 M	17.2%	\$70,234,535	\$248,536	5.2%	\$256,831	220	4.8%
2015	37	\$1,701 M	10.7%	\$50,034,943	\$205,781	5.4%	\$239,678	205	4.9%
2014	35	\$1,912 M	13.2%	\$54,627,024	\$195,456	5.3%	\$217,375	186	5.1%
2013	27	\$992.4 M	13.5%	\$38,167,824	\$134,049	5.8%	\$193,602	166	5.4%
2012	32	\$1,304 M	16.9%	\$44,970,399	\$140,442	5.4%	\$181,810	156	5.5%
2011	29	\$963.3 M	14.8%	\$41,882,582	\$128,184	5.4%	\$164,873	141	5.7%
2010	10	\$373.8 M	5.4%	\$37,383,500	\$114,885	5.7%	\$146,957	126	5.9%
2009	5	\$142.7 M	2.7%	\$28,543,000	\$89,420	7.6%	\$108,988	93	6.7%
2008	10	\$324.7 M	4.9%	\$32,470,330	\$119,332	5.1%	\$116,877	100	6.6%

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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.

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
2023	-	-	-	-	-	-	\$202,320	295	5.2%
2022	-	-	-	-	-	-	\$201,188	294	5.2%
2021	-	-	-	-	-	-	\$199,436	291	5.2%
2020	-	-	-	-	-	-	\$198,164	289	5.1%
2019	-	-	-	-	-	-	\$195,439	285	5.1%
YTD	20	\$443.1 M	3.4%	\$22,153,119	\$162,294	5.8%	\$192,049	280	5.1%
2018	64	\$1,294 M	8.5%	\$20,873,426	\$187,586	5.2%	\$186,714	272	5.1%
2017	78	\$1,941 M	15.2%	\$27,730,620	\$176,035	5.5%	\$169,456	247	5.2%
2016	71	\$2,306 M	17.0%	\$33,418,882	\$169,577	5.6%	\$153,776	224	5.4%
2015	82	\$1,635 M	17.2%	\$21,231,151	\$120,418	5.9%	\$142,305	208	5.5%
2014	70	\$887.6 M	10.9%	\$13,248,132	\$107,630	6.4%	\$127,503	186	5.7%
2013	64	\$680.5 M	9.1%	\$10,975,451	\$94,616	6.7%	\$112,740	164	6.0%
2012	68	\$1,242 M	18.9%	\$18,531,018	\$82,333	6.4%	\$105,270	154	6.1%
2011	46	\$415.3 M	7.5%	\$9,228,837	\$71,076	6.9%	\$95,760	140	6.3%
2010	31	\$165.1 M	4.3%	\$5,325,210	\$47,864	6.9%	\$85,659	125	6.6%
2009	23	\$90.8 M	2.0%	\$4,326,148	\$57,939	7.0%	\$63,487	93	7.4%
2008	42	\$238.7 M	5.0%	\$5,821,420	\$62,909	7.2%	\$68,538	100	7.3%

(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.

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
2023	-	-	-	-	-	-	\$170,233	286	5.6%
2022	-	-	-	-	-	-	\$168,910	283	5.6%
2021	-	-	-	-	-	-	\$167,163	280	5.6%
2020	-	-	-	-	-	-	\$166,143	279	5.5%
2019	-	-	-	-	-	-	\$164,312	276	5.5%
YTD	98	\$308.3 M	4.7%	\$3,670,379	\$151,282	6.0%	\$162,129	272	5.4%
2018	178	\$653.7 M	10.3%	\$4,244,797	\$142,263	5.7%	\$157,080	263	5.5%
2017	207	\$536.7 M	8.4%	\$2,809,993	\$139,914	6.0%	\$144,356	242	5.6%
2016	223	\$490.1 M	9.1%	\$2,414,047	\$115,306	6.3%	\$131,836	221	5.8%
2015	235	\$543.1 M	10.6%	\$2,491,362	\$107,591	6.5%	\$121,944	205	5.9%
2014	235	\$438.5 M	10.5%	\$2,039,573	\$88,267	6.8%	\$108,689	182	6.2%
2013	222	\$338.8 M	9.4%	\$1,598,314	\$74,717	7.0%	\$96,184	161	6.5%
2012	188	\$259.6 M	8.7%	\$1,583,157	\$67,125	7.1%	\$90,161	151	6.6%
2011	168	\$195.1 M	8.1%	\$1,242,653	\$52,026	7.3%	\$82,720	139	6.9%
2010	118	\$101.7 M	4.9%	\$899,874	\$44,424	8.1%	\$74,727	125	7.1%
2009	100	\$72.9 M	3.2%	\$848,174	\$52,515	8.0%	\$54,850	92	8.1%
2008	121	\$113.1 M	4.3%	\$935,017	\$53,116	7.4%	\$59,621	100	7.9%

(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.

DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2023	-	262,930	6.5%	-	4,399	-	4,234	-	-
2022	-	258,696	6.4%	-	3,651	-	3,486	-	-
2021	-	255,210	6.5%	-	4,985	-	4,815	-	-
2020	-	250,395	6.8%	-	6,373	-	6,207	-	-
2019	-	244,188	6.4%	-	6,784	-	6,773	-	-
YTD	3,569	241,298	6.6%	27	3,883	27	3,883	77	13,684
2018	3,542	237,415	7.2%	49	8,815	48	8,809	96	16,085
2017	3,494	228,606	8.0%	49	10,909	46	10,878	92	16,805
2016	3,448	217,728	7.4%	30	5,456	27	5,209	86	18,079
2015	3,421	212,519	6.3%	49	9,412	48	9,406	50	10,671
2014	3,373	203,113	5.7%	36	7,933	34	7,919	61	12,309
2013	3,339	195,194	5.6%	25	4,287	10	3,841	58	12,894
2012	3,329	191,353	5.4%	13	2,119	5	1,440	37	7,379
2011	3,324	189,913	6.7%	3	365	(2)	302	16	2,566
2010	3,326	189,611	6.8%	4	783	(10)	539	6	968
2009	3,336	189,072	8.6%	12	3,416	10	3,364	5	1,111
2008	3,326	185,708	8.7%	21	3,721	18	3,445	12	3,416
2007	3,308	182,263	7.3%	15	1,613	13	1,566	24	4,901