



Multi-Family Market Report

Minneapolis - MN USA

PREPARED BY



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MULTI-FAMILY MARKET REPORT

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12 Mo Delivered Units

12,943

12 Mo Absorption Units

9,331

Vacancy Rate

8.0%

12 Mo Asking Rent Growth

1.2%

Despite remarkably resilient demand, Minneapolis' multifamily market enters mid-2024 with a historically high vacancy rate amid four consecutive record-setting years of development, culminating in the largest ever trailing 12 months of completions in 24Q1.

On the demand side, a still-strong labor market, chronically tight unemployment rate, and near-nation-leading affordability fueled the third-strongest first quarter of absorption on record, doubling the 2010 to 2019 average. Annual demand formation of 9,400 units in 24Q1 exceeds the pre-pandemic peak by roughly 85% and, as a share of inventory, ranks in the top 10 among all major markets nationally, the only Midwest metro even in the top 18.

Still, annual demand failed to outpace supply for the eighth consecutive quarter thanks to an all-time high trailing 12-month net deliveries of 14,000 units. The metro's cumulative supply growth of over 44,000 units since 20Q1 outpaces the total inventory expansion witnessed in the 17 years leading up to the pandemic, outstripping aggregate absorption by nearly 11,000 units.

The unprecedented supply/demand imbalance increased the market's vacancy rate to a high-water mark of 8.4% in 24Q1, distinctly higher than the 2017 to 2019 average of 4.7%.

Among the 50 largest U.S. markets, Minneapolis is the only metro to rank in the top 10 for percent inventory growth, supply/demand imbalance, and vacancy rate

expansion since the pandemic's onset. While this suggests considerable oversupply conditions have emerged here, a noteworthy outlier joined mainly by Sun Belt markets, rents have remained the most stable of any major U.S. market.

Led by suburban and mid-tier apartments, Minneapolis' annual rent growth of 1.2% exceeds the U.S. average of 1.0%, decelerating by less than 250 basis points from the pandemic-era peak in 22Q1. Not only is that the lowest pullback nationally, but Minneapolis is the only top-50 U.S. market with at least 5% year-over-year inventory growth to witness positive annual rent growth.

A deeply entrenched labor shortage has supported such remarkable stability, keeping annual wage growth above rent growth for 16 consecutive quarters by an average of over twofold.

With elevated rates and a pullback in construction lending, trailing 12-month construction starts have fallen by over 50% to a six-year low, cooling the under-construction stock from a peak of 19,000 units in 23Q1 to 10,000 units currently.

In turn, the base case forecast calls for net deliveries to fall to 8,400 units in 2024, a more than 30% year-over-year decline, ranking among the ten largest projected annual drop-offs in supply across the 50 largest U.S. markets. Looking forward, strong underlying demand drivers coinciding with a stark slowdown in supply pressure may set the stage for vacancies to tighten again by the beginning of 2025 and for rent growth to accelerate thereafter.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	83,956	13.5%	\$1,849	\$1,820	1,043	504	6,988
3 Star	95,331	6.5%	\$1,458	\$1,447	416	214	2,990
1 & 2 Star	98,824	4.9%	\$1,131	\$1,125	90	0	0
Market	278,111	8.0%	\$1,493	\$1,477	1,549	718	9,978

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.0%	5.6%	7.4%	8.4%	2024 Q1	3.1%	2000 Q1
Absorption Units	9,331	3,197	5,422	12,281	2022 Q1	(203)	2009 Q4
Delivered Units	12,943	3,962	5,280	13,614	2024 Q1	176	2010 Q4
Demolished Units	0	96	133	728	2007 Q2	0	2024 Q1
Asking Rent Growth (YOY)	1.2%	1.7%	2.8%	5.8%	2001 Q2	-2.8%	2009 Q4
Effective Rent Growth (YOY)	1.3%	1.7%	2.8%	5.7%	2001 Q2	-2.8%	2009 Q4
Sales Volume	\$1.2B	\$775M	N/A	\$2.9B	2022 Q2	\$396K	2004 Q2

While a strong start to spring leasing season has compressed the overall vacancy rate from a high-water mark of 8.4% in 24Q1 to 8.0%, it still represents a 1.0% year-over-year increase amid a persistent supply/demand imbalance. That exceeds pre-pandemic levels by over 300 basis points and is above the national average of 7.7%.

Minneapolis' underperformance compared to the broader U.S. represents a stark divergence from pre-pandemic norms. In the decade leading up to the pandemic, the metro's vacancy rate was below the national index every quarter by an average of 150 basis points, consistently ranking among the 10 tightest major markets nationally.

Weighing on the fundamentals is the subdued demand formation across the urban core, which continues to struggle from the structural shifts in work arrangements and persisting safety concerns. Looking at the stabilized vacancy rate, which excludes apartments built within the past 18 months that have not yet reached 90% occupancy, underscores the downshift in demand. Excluding downtown Minneapolis' North Loop neighborhood, the lone pocket of strength, Minneapolis CBD's stabilized vacancy rate of 9.5% is nearly 300 basis points above the five-year pre-pandemic average. While St. Paul CBD is performing slightly better, the overall and stabilized vacancy rate of just over 8% is still an uptick of roughly 200 basis points relative to pre-pandemic levels.

Across the urban apartment landscape, St. Paul is also slightly outperforming Minneapolis thanks to less supply-side pressure amid the recently enacted rent control ordinance. While urban St. Paul's stabilized vacancy rate of 5.7% sits below the 6.1% witnessed across urban Minneapolis, both remain roughly 200 basis points above the 2015 to 2019 average. The fundamental landscape is relatively even across St. Paul's urban submarkets, whereas Minneapolis exhibits substantial bifurcation.

Northeast Minneapolis, a vibrant and walkable entertainment hub, represents a notable pocket of

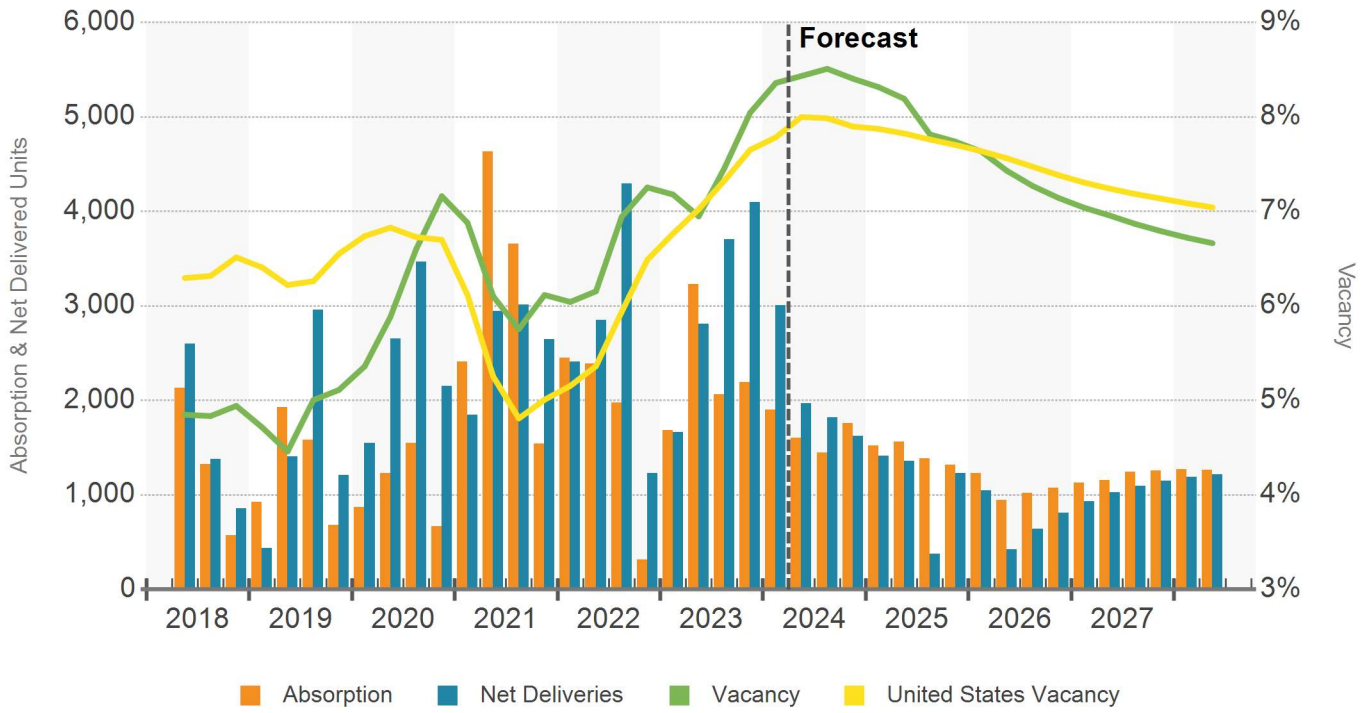
strength. The current sub-4% stabilized vacancy rate aligns with pre-pandemic levels. Conversely, Minneapolis' Uptown and University submarkets are noteworthy weak spots struggling with zapped vitality and persisting safety concerns. Both are witnessing mid-7% stabilized vacancy rates, an uptick of almost 300 basis points from pre-pandemic norms.

As renter preferences focus on affordable and spacious living arrangements in walkable and safe neighborhoods, suburban demand remains historically robust, mirroring migration trends. The suburbs enter mid-2024 on the heels of consecutive top 5 all-time quarters of trailing 12-month demand formation, over twice the 2015 to 2019 average. While four successive years of record supply have increased the overall vacancy rate by over 100 basis points annually to 7.9%, the stabilized suburban vacancy rate has slightly compressed year-over-year to 5.0%, underscoring unprecedented demand.

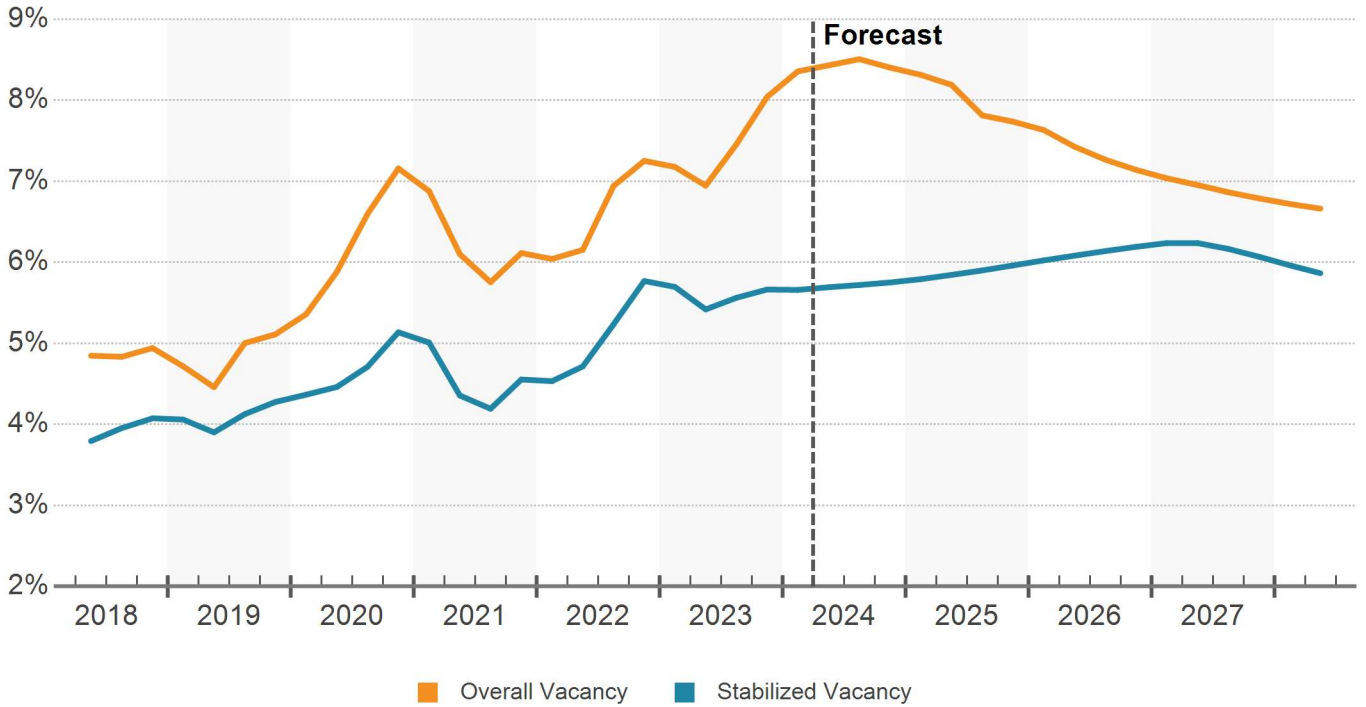
Much of the new suburban supply traces to mid-tier apartments in high-demand and historically supply-constrained outer-ring submarkets, which have led the metro in population growth over the past three years. Moreover, the strongest recent job growth has been in middle-wage sectors such as government, education, and healthcare. In turn, mid-tier apartment performance has distinctly outperformed the high-end segment. The overall 3 Star vacancy rate of 6.5% is less than half that of 4 & 5 Star apartments, which, at 13.5%, ranks among the five highest across the nation's 50 largest markets.

Nation-leading job losses in the typically higher-wage office-using job sectors, coupled with persisting safety concerns and a still-heavy near-term supply wave, may present continued headwinds to demand in high-end urban submarkets.

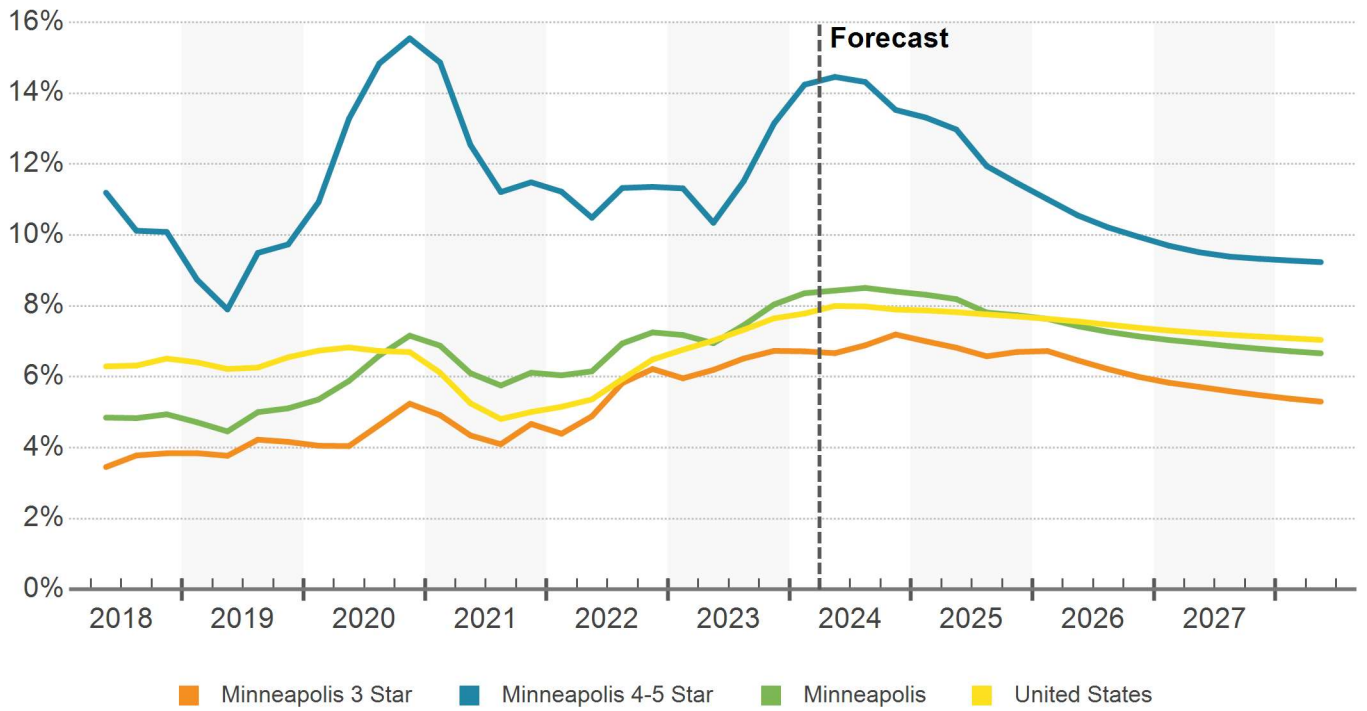
ABSORPTION, NET DELIVERIES & VACANCY



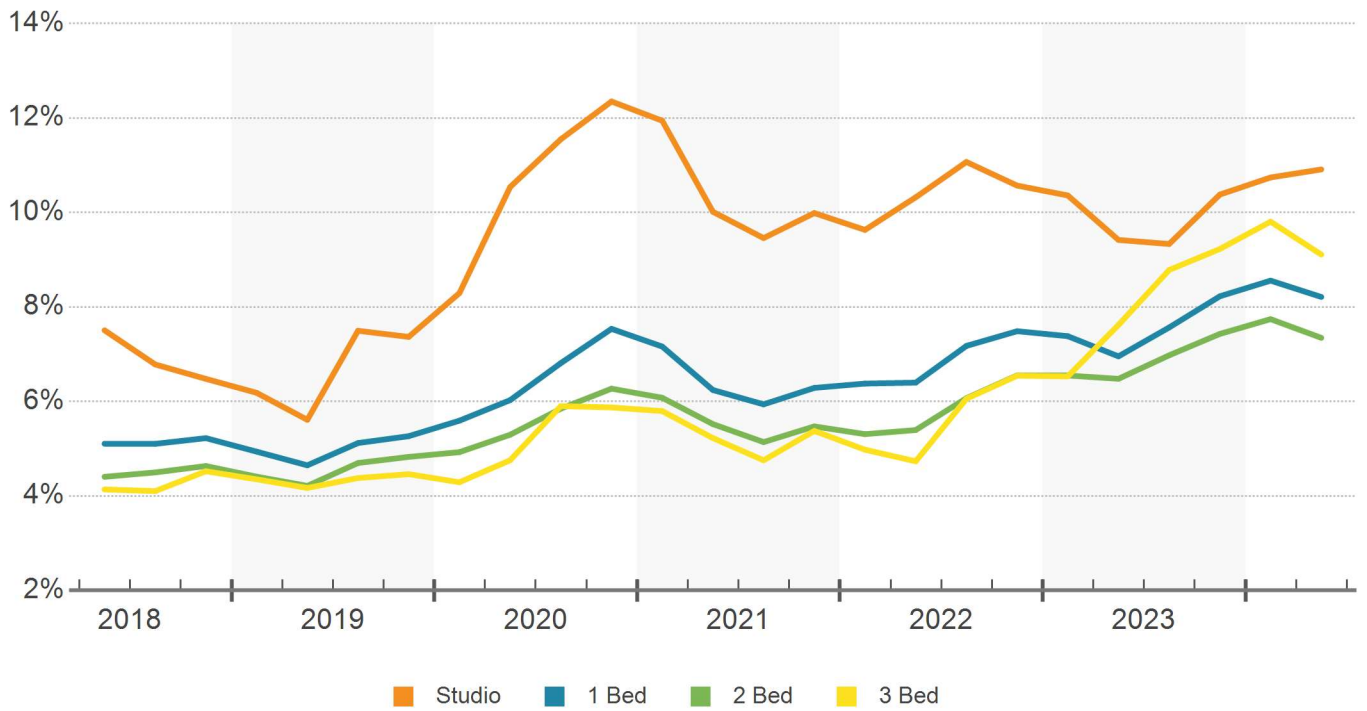
OVERALL & STABILIZED VACANCY



VACANCY RATE



VACANCY BY BEDROOM



Despite coming off a record year of completions, with Minneapolis' year-over-year inventory expansion ranking in the top 10 among all major U.S. markets in 24Q1, the metro's annual rent growth of 1.2% still exceeds the U.S. average of 1.0%. While annual rent growth is still below the 2015 to 2019 average of 3.0% for both the Twin Cities and National Index, Minneapolis witnessed the least rent growth deceleration from the pandemic-era peak of any major market.

Although Minneapolis' recent rent growth resiliency is undoubtedly encouraging for landlords, the metro's cumulative rent growth since the first quarter of 2020 of 8.4% ranks among the bottom of all major markets, outpacing only San Francisco, East Bay, and San Jose.

Weighing on Minneapolis' rent growth is the underperformance of the CBD. In fact, apartment asking rents in the Twin Cities' downtown areas are still down by more than 100 basis points relative to pre-pandemic levels, making Minneapolis one of only two markets in the country with CBD rents still below pre-pandemic levels. The other CBD area — San Francisco — got hit disproportionately hard by renters fleeing for areas with less density and more affordability. For context, one-bedroom CBD rents in San Francisco are nearly triple CBD rents in the Twin Cities. Minneapolis CBD is faring the worst among the metro's two downtown areas, registering negative rent growth on a year-over-year basis and cumulatively since 20Q1.

Despite historic supply-side pressure, rent growth performance in the metro's suburban apartments remains remarkably resilient, with both asking and effective year-over-year rent gains in line with historical performance. Strong annual rent growth performance is broad-based across the metro's suburban submarkets. While well-located, historically strong performing second-ring suburban submarkets like Bloomington West and Eden Prairie continue to post strong rent gains, the metro's most outlying submarkets lead the way in annual rent

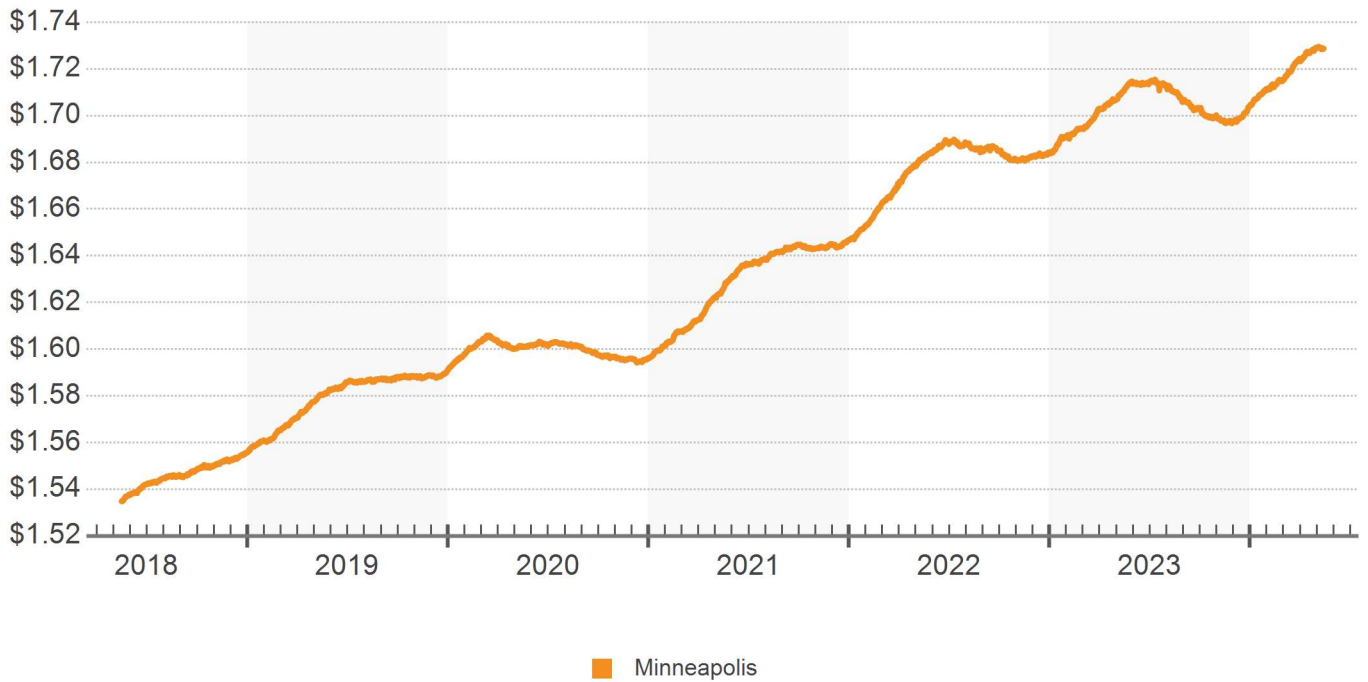
growth performance as of the second quarter of 2024. Minneapolis' lifestyle renters have realized that select suburban locations with walkable amenities and access to transit afford them a similar live/work/play environment as downtown and urban areas but with the added benefits of larger units in safer neighborhoods.

Concessions have also been much more common in the CBD versus the suburbs, driving a distinct shift in effective rents across the metro. Notably, effective rental rates (adjusted for concessions) among 4 & 5-Star apartments in Minneapolis' first-ring suburban cities exceed the effective rental rates garnered for 4 & 5-Star CBD apartments, a trend that began for the first time on record in 20Q4 and continues to hold firm. For context, just before the pandemic, average effective rents in the Twin Cities' 4 & 5-Star CBD apartments exceeded first-ring suburban levels by roughly \$100/month. Currently, average effective 4 & 5-Star rents in the first ring suburbs now exceed the CBD by more than \$150/month.

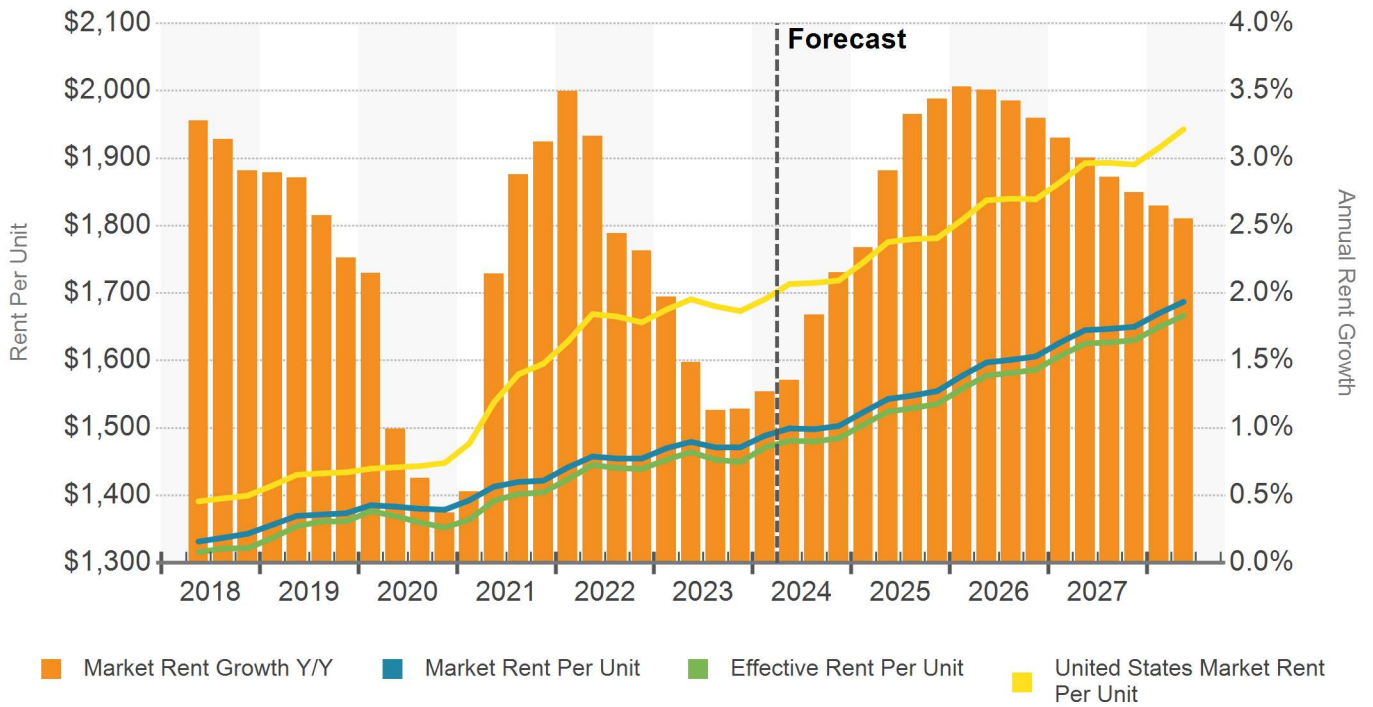
Despite a notable uptick in the development of 3-Star properties over the past year, essentially all of these developments trace to the suburbs where demand is strongest, resulting in continued outperformance of 3-Star rent growth compared to the luxury 4 & 5-Star product (most heavily concentrated in the underperforming CBD and urban nodes).

With the precipitous drop in construction starts so far this year and the second-lowest rent-to-income ratio among the 50 largest markets helping bolster demand, CoStar's Base Case forecast predicts that Minneapolis' market rents will grow at an average annual pace of just over 2% over the next two years, compared to the market's 10-year average of 2.3%. It is important to note that the Twin Cities has typically been a lower-growth, higher-yield market. When looking at the metro's historical 10-year cumulative apartment rent growth, Minneapolis ranks among the bottom 10 U.S. markets tracked by CoStar.

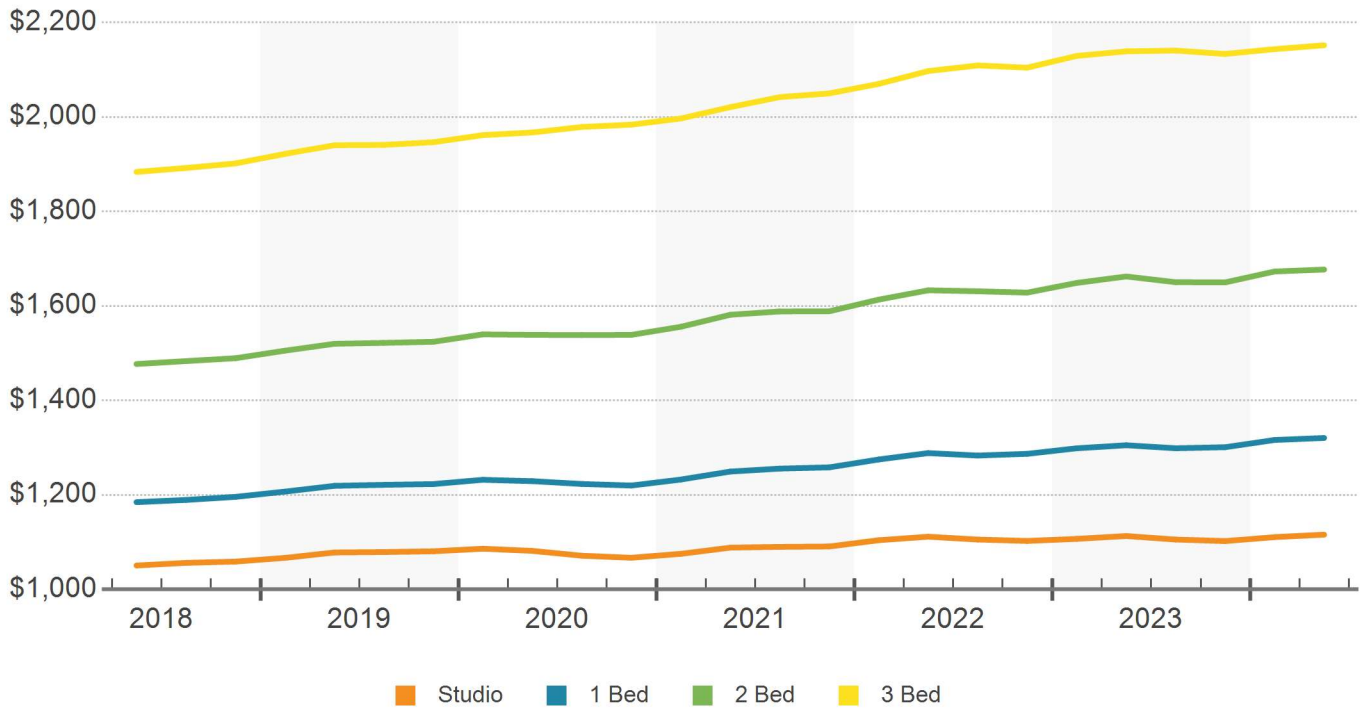
DAILY ASKING RENT PER SF



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	
Minneapolis	\$0.56	\$0.88	\$0.82	\$0.30	\$0.77	\$1.46	\$0.30	\$1.75	\$0.15	\$0.16	\$0.77	\$7.92
Anoka Northern Su...	\$0.65	\$0.86	\$0.79	\$0.43	\$0.96	\$1.36	\$0.31	\$1.71	\$0.23	\$0.16	\$0.79	\$8.25
Apple Valley/Lakevil...	\$0.54	\$0.94	\$0.88	\$0.30	\$0.91	\$1.31	\$0.33	\$1.66	\$0.12	\$0.16	\$0.76	\$7.91
Bloomington West	\$0.53	\$0.96	\$0.83	\$0.25	\$0.65	\$1.60	\$0.28	\$1.81	\$0.16	\$0.16	\$0.79	\$8.02
Carver County	\$0.54	\$0.86	\$0.79	\$0.25	\$0.68	\$1.36	\$0.31	\$1.71	\$0.12	\$0.16	\$0.79	\$7.57
Coon Rapids/Fridle...	\$0.64	\$0.73	\$0.74	\$0.42	\$0.93	\$1.16	\$0.29	\$1.38	\$0.22	\$0.13	\$0.67	\$7.31
Dayton/Champlin/Br...	\$0.74	\$0.96	\$0.83	\$0.47	\$1.06	\$1.60	\$0.39	\$1.81	\$0.16	\$0.44	\$0.99	\$9.45
Downtown Minneap...	\$0.53	\$0.96	\$0.83	\$0.25	\$0.65	\$1.60	\$0.28	\$1.81	\$0.16	\$0.16	\$0.79	\$8.02
Downtown St Paul	\$0.54	\$0.81	\$0.77	\$0.38	\$0.85	\$1.28	\$0.31	\$1.65	\$0.12	\$0.15	\$0.74	\$7.60
Eagan/Burnsville/In...	\$0.52	\$0.90	\$0.87	\$0.24	\$0.83	\$1.18	\$0.31	\$1.52	\$0.11	\$0.14	\$0.70	\$7.32
Eden Prairie	\$0.52	\$0.87	\$0.79	\$0.24	\$0.64	\$1.38	\$0.27	\$1.79	\$0.13	\$0.16	\$0.74	\$7.53
Edina	\$0.53	\$0.89	\$0.80	\$0.24	\$0.64	\$1.44	\$0.28	\$1.80	\$0.14	\$0.16	\$0.75	\$7.67
Hennepin Far West...	\$0.54	\$0.56	\$0.82	\$0.24	\$0.56	\$1.27	\$0.28	\$1.77	\$0.16	\$0.16	\$0.78	\$7.14
Highland/M-Grovela...	\$0.54	\$0.80	\$0.77	\$0.39	\$0.87	\$1.26	\$0.31	\$1.63	\$0.12	\$0.15	\$0.73	\$7.57
Isanti Northern Sub...	\$0.67	\$0.86	\$0.79	\$0.32	\$0.97	\$1.36	\$0.31	\$1.71	\$0.12	\$0.16	\$0.79	\$8.06
Maple Grove/Golde...	\$0.52	\$0.79	\$0.91	\$0.23	\$0.67	\$1.70	\$0.28	\$1.53	\$0.12	\$0.18	\$0.77	\$7.70
Maplewood/East Ra...	\$0.54	\$0.86	\$0.81	\$0.42	\$0.95	\$1.48	\$0.34	\$1.71	\$0.12	\$0.16	\$0.79	\$8.18
North Minneapolis	\$0.53	\$0.96	\$0.83	\$0.25	\$0.65	\$1.60	\$0.28	\$1.81	\$0.16	\$0.16	\$0.79	\$8.02
Northeast Minneapolis	\$0.53	\$0.96	\$0.83	\$0.25	\$0.65	\$1.60	\$0.28	\$1.81	\$0.16	\$0.16	\$0.79	\$8.02
Outlying St Paul	\$0.54	\$0.80	\$0.77	\$0.43	\$0.93	\$1.26	\$0.31	\$1.63	\$0.12	\$0.15	\$0.73	\$7.67
Richfield/Bloomingt...	\$0.52	\$0.82	\$0.77	\$0.24	\$0.63	\$1.27	\$0.27	\$1.79	\$0.11	\$0.16	\$0.72	\$7.30
Scott Far Western S...	\$0.54	\$0.86	\$0.79	\$0.25	\$0.68	\$1.36	\$0.31	\$1.71	\$0.12	\$0.16	\$0.79	\$7.57
Sherburne County	\$0.62	\$0.78	\$0.76	\$0.32	\$0.92	\$1.22	\$0.30	\$1.60	\$0.12	\$0.14	\$0.71	\$7.49
South Minneapolis	\$0.53	\$0.96	\$0.83	\$0.25	\$0.65	\$1.60	\$0.28	\$1.81	\$0.16	\$0.16	\$0.79	\$8.02
St Croix Far Easter...	\$0.54	\$0.86	\$0.79	\$0.32	\$0.85	\$1.36	\$0.31	\$1.71	\$0.12	\$0.16	\$0.79	\$7.81
St Louis Park/Hopkins	\$0.66	\$0.90	\$0.80	\$0.26	\$0.81	\$1.53	\$0.27	\$1.98	\$0.14	\$0.16	\$0.77	\$8.28
University	\$0.53	\$0.96	\$0.83	\$0.25	\$0.65	\$1.60	\$0.28	\$1.81	\$0.16	\$0.16	\$0.79	\$8.02
Uptown/West Calho...	\$0.66	\$0.96	\$0.83	\$0.39	\$1.07	\$1.60	\$0.40	\$2.01	\$0.16	\$0.16	\$0.79	\$9.03
Washington Far Ea...	\$0.54	\$0.80	\$0.77	\$0.25	\$0.67	\$1.26	\$0.31	\$1.63	\$0.12	\$0.15	\$0.73	\$7.23
West Bank/Central...	\$0.53	\$0.96	\$0.83	\$0.31	\$0.77	\$1.60	\$0.33	\$1.83	\$0.16	\$0.16	\$0.79	\$8.27
West Ramsey County	\$0.59	\$0.82	\$0.77	\$0.40	\$0.90	\$1.28	\$0.31	\$1.62	\$0.17	\$0.14	\$0.75	\$7.75
West Side	\$0.54	\$0.95	\$1.38	\$0.42	\$1.04	\$1.36	\$0.33	\$1.71	\$0.12	\$0.16	\$0.79	\$8.80
Wright Far Western...	\$0.61	\$0.86	\$0.79	\$0.48	\$0.85	\$1.36	\$0.31	\$1.71	\$0.12	\$0.16	\$0.79	\$8.04

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	
Minneapolis	\$0.51	\$0.64	\$0.71	\$0.26	\$0.73	\$0.94	\$0.28	\$1.50	\$0.08	\$0.13	\$0.60	\$6.38
Anoka Northern Su...	\$0.62	\$0.59	\$0.69	\$0.41	\$0.91	\$0.96	\$0.27	\$1.05	\$0.22	\$0.11	\$0.55	\$6.38
Apple Valley/Lakevil...	\$0.49	\$0.91	\$0.85	\$0.29	\$0.88	\$0.99	\$0.32	\$1.22	\$0.09	\$0.08	\$0.54	\$6.66
Bloomington West	\$0.51	\$0.68	\$0.71	\$0.23	\$0.61	\$0.94	\$0.27	\$1.76	\$0.06	\$0.16	\$0.65	\$6.58
Carver County	\$0.51	\$0.61	\$0.69	\$0.24	\$0.65	\$0.96	\$0.28	\$1.39	\$0.10	\$0.11	\$0.55	\$6.09
Chisago Outlying N...	\$0.51	\$0.61	\$0.69	\$0.31	\$0.81	\$0.96	\$0.28	\$1.39	\$0.10	\$0.11	\$0.55	\$6.32
Coon Rapids/Fridle...	\$0.61	\$0.54	\$0.69	\$0.39	\$0.90	\$0.94	\$0.26	\$1.04	\$0.21	\$0.10	\$0.55	\$6.23
Dayton/Champlin/Br...	\$0.56	\$0.61	\$0.71	\$0.29	\$0.88	\$0.98	\$0.31	\$1.54	\$0.06	\$0.17	\$0.66	\$6.77
Downtown Minneap...	\$0.51	\$0.69	\$0.71	\$0.23	\$0.62	\$0.97	\$0.27	\$1.76	\$0.06	\$0.16	\$0.66	\$6.64
Downtown St Paul	\$0.51	\$0.61	\$0.69	\$0.31	\$0.81	\$0.96	\$0.28	\$1.39	\$0.10	\$0.11	\$0.55	\$6.32
Eagan/Burnsville/In...	\$0.44	\$0.80	\$0.76	\$0.22	\$0.79	\$0.63	\$0.28	\$0.87	\$0.08	\$0.05	\$0.45	\$5.37
Eden Prairie	\$0.51	\$0.71	\$0.72	\$0.24	\$0.62	\$1.03	\$0.27	\$1.77	\$0.07	\$0.16	\$0.67	\$6.77
Edina	\$0.50	\$0.65	\$0.70	\$0.23	\$0.61	\$0.93	\$0.26	\$1.70	\$0.06	\$0.16	\$0.65	\$6.45
Hennepin Far West...	\$0.52	\$0.53	\$0.71	\$0.23	\$0.57	\$0.96	\$0.26	\$1.73	\$0.07	\$0.16	\$0.66	\$6.40
Highland/M-Grovela...	\$0.51	\$0.62	\$0.69	\$0.31	\$0.82	\$0.97	\$0.28	\$1.38	\$0.10	\$0.10	\$0.56	\$6.34
Isanti Northern Sub...	\$0.51	\$0.61	\$0.69	\$0.31	\$0.81	\$0.96	\$0.28	\$1.39	\$0.10	\$0.11	\$0.55	\$6.32
Maple Grove/Golde...	\$0.47	\$0.59	\$0.71	\$0.24	\$0.70	\$1.25	\$0.32	\$1.24	\$0.06	\$0.16	\$0.66	\$6.40
Maplewood/East Ra...	\$0.51	\$0.61	\$0.69	\$0.31	\$0.81	\$0.96	\$0.28	\$1.39	\$0.10	\$0.11	\$0.55	\$6.32
North Minneapolis	\$0.51	\$0.68	\$0.71	\$0.23	\$0.61	\$0.94	\$0.27	\$1.76	\$0.06	\$0.16	\$0.65	\$6.58
Northeast Minneapolis	\$0.51	\$0.68	\$0.71	\$0.23	\$0.61	\$0.94	\$0.27	\$1.76	\$0.06	\$0.16	\$0.65	\$6.58
Outlying St Paul	\$0.51	\$0.60	\$0.69	\$0.31	\$0.81	\$0.96	\$0.28	\$1.37	\$0.10	\$0.10	\$0.55	\$6.28
Pierce Far Eastern...	\$0.49	\$0.48	\$0.69	\$0.29	\$0.74	\$0.85	\$0.28	\$1.24	\$0.09	\$0.09	\$0.51	\$5.75
Richfield/Bloomingt...	\$0.50	\$0.64	\$0.70	\$0.23	\$0.61	\$0.92	\$0.26	\$1.67	\$0.06	\$0.16	\$0.65	\$6.40
Scott Far Western S...	\$0.51	\$0.60	\$0.69	\$0.24	\$0.64	\$0.96	\$0.28	\$1.36	\$0.10	\$0.10	\$0.55	\$6.03
Sherburne County	\$0.51	\$0.61	\$0.69	\$0.31	\$0.81	\$0.96	\$0.28	\$1.39	\$0.10	\$0.11	\$0.55	\$6.32
South Minneapolis	\$0.50	\$0.60	\$0.70	\$0.23	\$0.60	\$0.90	\$0.26	\$1.57	\$0.06	\$0.16	\$0.64	\$6.22
South St Paul	\$0.44	\$0.86	\$0.82	\$0.28	\$0.86	\$0.85	\$0.31	\$1.04	\$0.08	\$0.05	\$0.45	\$6.04
St Croix Far Easter...	\$0.51	\$0.55	\$0.69	\$0.30	\$0.79	\$0.88	\$0.28	\$1.28	\$0.10	\$0.10	\$0.54	\$6.02
St Louis Park/Hopkins	\$0.61	\$0.51	\$0.69	\$0.24	\$0.76	\$0.81	\$0.22	\$1.78	\$0.06	\$0.16	\$0.65	\$6.49
University	\$0.51	\$0.68	\$0.71	\$0.23	\$0.61	\$0.96	\$0.27	\$1.76	\$0.06	\$0.16	\$0.65	\$6.60
Uptown/West Calho...	\$0.56	\$0.65	\$0.71	\$0.26	\$0.85	\$0.93	\$0.28	\$1.82	\$0.07	\$0.16	\$0.66	\$6.95
Washington Far Ea...	\$0.52	\$0.63	\$0.70	\$0.24	\$0.65	\$0.99	\$0.29	\$1.41	\$0.11	\$0.11	\$0.57	\$6.22
West Bank/Central...	\$0.50	\$0.64	\$0.70	\$0.24	\$0.66	\$0.93	\$0.27	\$1.70	\$0.06	\$0.16	\$0.65	\$6.51
West Ramsey County	\$0.53	\$0.60	\$0.69	\$0.32	\$0.83	\$0.95	\$0.28	\$1.30	\$0.12	\$0.10	\$0.55	\$6.27
West Side	\$0.45	\$0.87	\$0.82	\$0.28	\$0.86	\$0.86	\$0.31	\$1.05	\$0.08	\$0.05	\$0.45	\$6.08
Wright Far Western...	\$0.52	\$0.60	\$0.70	\$0.32	\$0.81	\$0.96	\$0.29	\$1.36	\$0.10	\$0.10	\$0.57	\$6.33

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	
Minneapolis	\$0.47	\$0.47	\$0.68	\$0.24	\$0.68	\$0.82	\$0.26	\$1.07	\$0.06	\$0.12	\$0.58	\$5.45
Anoka Northern Su...	\$0.52	\$0.19	\$0.69	\$0.28	\$0.80	\$0.84	\$0.26	\$0.99	\$0.14	\$0.08	\$0.53	\$5.32
Apple Valley/Lakevil...	\$0.42	\$0.75	\$0.73	\$0.27	\$0.83	\$0.82	\$0.30	\$0.85	\$0.08	\$0.05	\$0.43	\$5.53
Bloomington West	\$0.48	\$0.44	\$0.69	\$0.22	\$0.59	\$0.82	\$0.25	\$1.18	\$0.06	\$0.15	\$0.62	\$5.50
Carver County	\$0.49	\$0.44	\$0.69	\$0.23	\$0.61	\$0.91	\$0.27	\$1	\$0.08	\$0.10	\$0.53	\$5.35
Chisago Outlying N...	\$0.49	\$0.20	\$0.69	\$0.28	\$0.77	\$0.61	\$0.27	\$0.76	\$0.04	\$0.08	\$0.53	\$4.72
Coon Rapids/Fridle...	\$0.52	\$0.16	\$0.69	\$0.28	\$0.83	\$0.83	\$0.25	\$1	\$0.15	\$0.08	\$0.53	\$5.32
Dayton/Champlin/Br...	\$0.53	\$0.24	\$0.68	\$0.27	\$0.82	\$0.69	\$0.28	\$0.73	\$0.02	\$0.15	\$0.62	\$5.03
Downtown Minneap...	\$0.48	\$0.44	\$0.69	\$0.22	\$0.59	\$0.83	\$0.25	\$1.20	\$0.06	\$0.15	\$0.62	\$5.53
Downtown St Paul	\$0.47	\$0.56	\$0.66	\$0.29	\$0.79	\$0.91	\$0.27	\$1.01	\$0.06	\$0.04	\$0.55	\$5.61
Eagan/Burnsville/In...	\$0.43	\$0.69	\$0.57	\$0.21	\$0.77	\$0.61	\$0.27	\$0.65	\$0.08	\$0.05	\$0.43	\$4.76
Eden Prairie	\$0.50	\$0.62	\$0.70	\$0.23	\$0.61	\$0.92	\$0.26	\$1.64	\$0.06	\$0.16	\$0.65	\$6.35
Edina	\$0.48	\$0.43	\$0.68	\$0.22	\$0.58	\$0.82	\$0.25	\$1.16	\$0.06	\$0.15	\$0.62	\$5.45
Hennepin Far West...	\$0.49	\$0.42	\$0.69	\$0.22	\$0.51	\$0.82	\$0.25	\$1.17	\$0.06	\$0.15	\$0.62	\$5.40
Highland/M-Grovela...	\$0.47	\$0.58	\$0.66	\$0.29	\$0.79	\$0.91	\$0.27	\$1.06	\$0.06	\$0.04	\$0.55	\$5.68
Isanti Northern Sub...	\$0.49	\$0.20	\$0.69	\$0.28	\$0.77	\$0.61	\$0.27	\$0.76	\$0.04	\$0.08	\$0.53	\$4.72
Maple Grove/Golde...	\$0.40	\$0.52	\$0.67	\$0.21	\$0.59	\$0.94	\$0.25	\$0.97	\$0.06	\$0.15	\$0.62	\$5.38
Maplewood/East Ra...	\$0.50	\$0.58	\$0.57	\$0.27	\$0.69	\$0.91	\$0.26	\$1.23	\$0.06	\$0.04	\$0.55	\$5.66
North Minneapolis	\$0.48	\$0.41	\$0.68	\$0.23	\$0.60	\$0.81	\$0.25	\$1.12	\$0.05	\$0.15	\$0.62	\$5.40
Northeast Minneapolis	\$0.48	\$0.42	\$0.68	\$0.22	\$0.58	\$0.81	\$0.25	\$1.14	\$0.06	\$0.15	\$0.62	\$5.41
Outlying St Paul	\$0.45	\$0.53	\$0.66	\$0.29	\$0.77	\$0.91	\$0.27	\$0.90	\$0.06	\$0.04	\$0.55	\$5.43
Pierce Far Eastern...	\$0.43	\$0.21	\$0.69	\$0.26	\$0.61	\$0.62	\$0.27	\$0.94	\$0.05	\$0.07	\$0.44	\$4.59
Richfield/Bloomingt...	\$0.48	\$0.42	\$0.68	\$0.22	\$0.58	\$0.82	\$0.25	\$1.15	\$0.06	\$0.15	\$0.62	\$5.43
Scott Far Western S...	\$0.49	\$0.44	\$0.69	\$0.23	\$0.61	\$0.91	\$0.27	\$1	\$0.08	\$0.10	\$0.53	\$5.35
Sherburne County	\$0.47	\$0.22	\$0.69	\$0.27	\$0.70	\$0.63	\$0.27	\$0.86	\$0.05	\$0.08	\$0.49	\$4.73
South Minneapolis	\$0.48	\$0.42	\$0.68	\$0.22	\$0.59	\$0.82	\$0.25	\$1.15	\$0.06	\$0.15	\$0.62	\$5.44
South St Paul	\$0.38	\$0.76	\$0.71	\$0.27	\$0.83	\$0.82	\$0.30	\$1.01	\$0.08	\$0.05	\$0.43	\$5.64
St Croix Far Easter...	\$0.46	\$0.19	\$0.69	\$0.26	\$0.67	\$0.43	\$0.25	\$0.68	\$0.05	\$0.07	\$0.44	\$4.19
St Louis Park/Hopkins	\$0.53	\$0.42	\$0.68	\$0.23	\$0.72	\$0.68	\$0.21	\$1.17	\$0.06	\$0.15	\$0.62	\$5.47
University	\$0.48	\$0.42	\$0.68	\$0.22	\$0.58	\$0.82	\$0.25	\$1.15	\$0.06	\$0.15	\$0.62	\$5.43
Uptown/West Calho...	\$0.50	\$0.49	\$0.69	\$0.25	\$0.82	\$0.80	\$0.27	\$1.52	\$0.06	\$0.15	\$0.62	\$6.17
Washington Far Ea...	\$0.50	\$0.45	\$0.69	\$0.23	\$0.62	\$0.92	\$0.27	\$1.03	\$0.08	\$0.10	\$0.53	\$5.42
West Bank/Central...	\$0.48	\$0.43	\$0.68	\$0.23	\$0.62	\$0.83	\$0.26	\$1.23	\$0.06	\$0.15	\$0.62	\$5.59
West Ramsey County	\$0.50	\$0.46	\$0.67	\$0.29	\$0.81	\$0.89	\$0.27	\$1.09	\$0.09	\$0.05	\$0.54	\$5.66
West Side	\$0.41	\$0.80	\$0.74	\$0.27	\$0.83	\$0.82	\$0.30	\$1.01	\$0.08	\$0.05	\$0.43	\$5.74
Wright Far Western...	\$0.49	\$0.18	\$0.69	\$0.29	\$0.66	\$0.57	\$0.27	\$0.75	\$0.04	\$0.03	\$0.53	\$4.50

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

After hitting a pandemic-era peak of 19,000 units under construction in early 2023, Minneapolis' supply wave has cooled to 10,000 units, or 3.6% of the market's total existing inventory. While this still exceeds the five-year pre-pandemic average of roughly 8,000 units, trailing 12-month construction starts have fallen by roughly 60% from peak pandemic levels. Given the metro's pipeline of mostly mid- and high-rise buildings with an average construction time of 18 months to 32 months, this recent pullback in starts signals that by the beginning of 2025, the number of new projects completing construction in subsequent quarters will decline sharply, setting the stage for stabilizing or falling vacancies and accelerating rent growth, particularly in the fast-growing suburbs where lease-up velocities remain at historic levels.

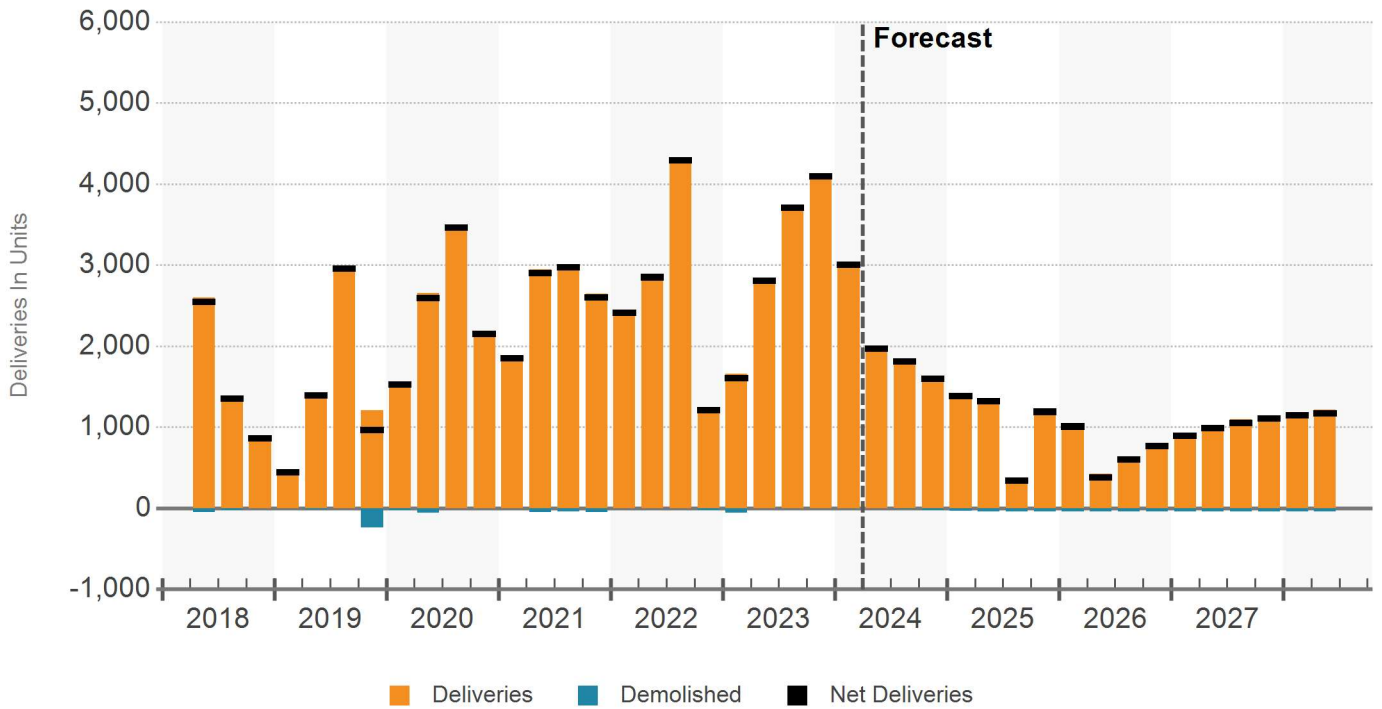
The metro's steep drop-off in construction starts underscores a historically challenging development landscape, stemming from a confluence of factors. Exorbitant construction material costs, more expensive debt due to rapidly rising interest rates, and a shortage of skilled construction labor continue to pressure multifamily developers in the Twin Cities market, particularly those active in more outlying suburban submarkets that cannot garner the rent levels necessary to make new construction projects financially feasible. Amid a historically tight labor market and persisting inflationary environment, projects have been taking longer and costing more. Notably, a recent survey of the Twin Cities' most active local developers indicates that multifamily construction costs in the metro remain inflated anywhere from 15% to 40% relative to pre-pandemic levels. This unprecedented construction cost environment affects everything from lumber, concrete, metal, and hundreds of materials in between. Contributing to the pricing pressures are the soaring land costs metro-wide, as the available plots in areas where people want to live are in short supply and draw heightened competition from developers.

Adding nuance and bifurcation to the metro's fundamental picture is the disproportionate location of the record amount of new supply witnessed this cycle, with downtown and urban submarkets attracting an outsized share of the deliveries. The metro's primary downtown and urban submarkets — Downtown Minneapolis, Downtown St. Paul, University, and Uptown — have a collective area of 13.5 square miles, or 0.2% of the market's total landmass. Yet roughly 20% of trailing three-year deliveries and 35% of new supply since 2010 trace to one of these submarkets. Not coincidentally, the average vacancy rate in these submarkets is significantly higher than the overall metro average.

Much of the suburban development planned and underway is focused around one of the metro's seven large-scale light rail and bus rapid transit projects in engineering or construction (Southwest light rail extension, Blue Line light rail extension, Orange Line bus rapid transit, Gold Line bus rapid transit, Riverview Corridor transit, Rush Line Corridor transit, and Metro D Line transit). These are set to provide direct access to all the metro's high-growth, second- and third-ring suburbs.

Minneapolis and St. Paul's recently enacted inclusionary zoning and rent control policies are intended to help alleviate the Twin Cities' dire need for affordable housing that has marred the region since the aftermath of the Great Recession. Despite a widely acknowledged lack and apparent demand for affordable workforce housing, it has not been sufficiently built. From a financial standpoint, the return on investment is higher for 4 & 5-star communities as construction costs continue to rise in land, labor, and materials. Affordable multifamily buildings have additional features and constraints that generally increase development costs relative to market-rate housing. Notably, the soft costs of affordable housing are substantially higher because of the complexity of assembling subsidy programs.

DELIVERIES & DEMOLITIONS



Under Construction Properties

Minneapolis Multi-Family

Properties

Units

Percent of Inventory

Avg. No. Units

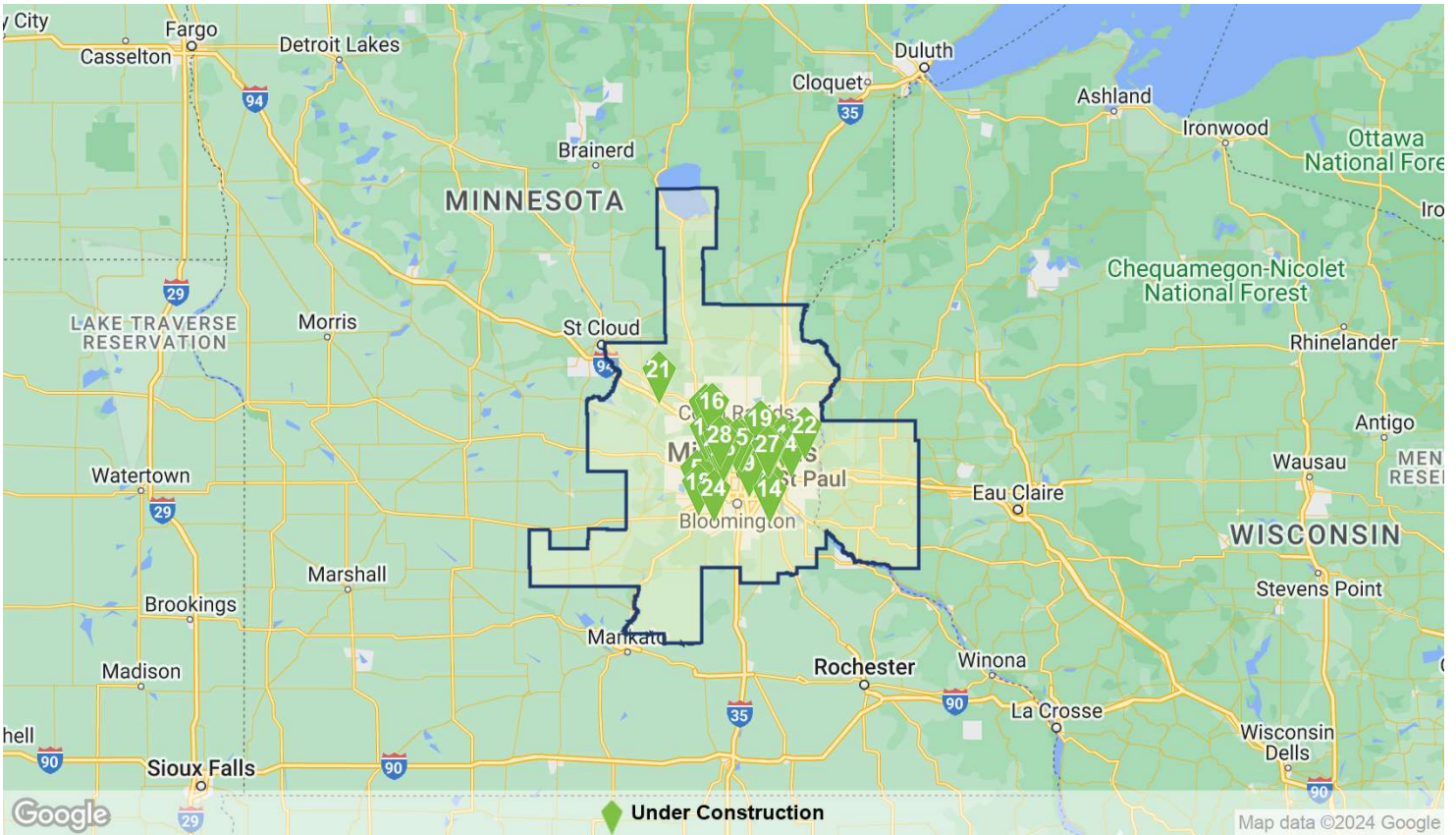
61

10,370

3.7%

170

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 The Heights 2251 Larpenteur Ave E	★★★★☆	1,000	6	Jun 2023	Feb 2025	Sherman Associates, Inc.
2 The Golden Triangle Stat... 6901 Flying Cloud Dr	★★★★☆	425	6	Oct 2023	Dec 2024	Eagle Ridge Partners LLC Eagle Ridge Partners LLC
3 The Nine at Lexington St... 411-417 Lexington Pky N	★★★★☆	304	6	Dec 2022	Aug 2024	Alatus, LLC Alatus, LLC
4 Norhart Oakdale 7601 3rd St N	★★★★☆	302	7	Aug 2022	Jun 2024	Norhart Norhart
5 Avienda Apartments Powers Blvd	★★★★★	300	3	May 2022	Dec 2024	Level 7 LLC Life Time
6 The Falk 608 N 3rd St	★★★★☆	258	8	Jul 2022	Jul 2024	CEDARst Companies Cedar Street Commercial
7 Edison at Maple Grove 9820 Garland Ln N	★★★★☆	248	5	Jan 2023	Oct 2024	JPL Development JPL Development

Under Construction Properties

Minneapolis Multi-Family

UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 Avalon Apartments & To... 4231 Minnesota 3	★ ★ ★ ★ ★	244	4	Dec 2023	Jun 2025	- JLL
9 The Ardor 3701 E American Blvd	★ ★ ★ ★ ★	235	6	Dec 2023	Dec 2024	Kaeding Management Group -
10 Mera 9920 Wayzata Blvd	★ ★ ★ ★ ★	233	6	Dec 2022	Aug 2024	- Bigos Management
11 O2 Apartments 250 Portland Ave	★ ★ ★ ★ ★	222	23	Jul 2021	Sep 2024	- -
12 Esox House 150 Water St	★ ★ ★ ★ ★	221	3	Apr 2023	Jun 2024	Jeffers Pond Dev Llc Buhl Investors
13 Groove Lofts at Northsta... 608 2nd Ave S	★ ★ ★ ★ ★	221	10	Jul 2023	Sep 2024	Sherman Associates, Inc. -
14 Wicklowne 14211 Akron Ave	★ ★ ★ ★ ★	214	4	Jun 2023	Oct 2024	Roers Companies -
15 Park Era Residences 16800 Highway 55	★ ★ ★ ★ ★	210	4	Dec 2023	Jan 2025	Doran Companies Mark Jepson
16 Territorial Greens West 13653 Territorial Rd	★ ★ ★ ★ ★	208	4	Jun 2022	Jul 2024	Brummer Properties Brummer Properties
17 1113 Douglas Dr N	★ ★ ★ ★ ★	207	4	Apr 2023	Sep 2025	The Simmons Group The Simmons Group
18 The Blakeley 1600 Windermere Way	★ ★ ★ ★ ★	205	4	Aug 2023	Feb 2025	Roers Companies -
19 Shoreview 4061 Lexington Ave N	★ ★ ★ ★ ★	201	3	Oct 2023	Jan 2025	Eagle Ridge Partners LLC Greco Real Estate Development...
20 Cray Plaza Redevelopment 175 E 5th St	★ ★ ★ ★ ★	200	7	Dec 2020	Jan 2025	Bigos Management Bigos Management
21 Savanna Vista 9277-9379 NE Edmonso A...	★ ★ ★ ★ ★	200	3	Jan 2023	Sep 2024	- INH Property Management Inc.
22 5651 Manning Ave N	★ ★ ★ ★ ★	200	4	Jul 2023	Mar 2025	- Summit Real Estate & Management
23 11816 Wayzata Blvd	★ ★ ★ ★ ★	200	6	Mar 2024	Mar 2025	- Doran Companies
24 The Preserve at Jeffers... 3729 Jeffers Pky NW	★ ★ ★ ★ ★	197	4	Oct 2023	Oct 2024	Chase Real Estate Chase Real Estate
25 Currie Commons 187 Humboldt Ave N	★ ★ ★ ★ ★	187	6	Oct 2022	Jun 2024	Wellington Management, Inc. -
26 Alatus - Building D 325 Blake Rd N	★ ★ ★ ★ ★	187	5	Nov 2022	Jun 2025	Alatus, LLC Alatus, LLC
27 Landmark Towers (MF P... 345 Saint Peter St	★ ★ ★ ★ ★	187	25	Sep 2023	Mar 2025	Sherman Associates, Inc. Houle Helene A Trust
28 Wren on the Creek 10000 Highway 55	★ ★ ★ ★ ★	176	5	Jul 2022	Jun 2024	- Doran Companies

Amid an interest rate environment that has more than doubled over the past 18 months and a record supply wave pushing vacancies to an all-time high, annual sales volume in the Twin Cities multifamily market fell below \$1 billion for the first time since 2014 last year. The roughly \$971 million trading hands in 2023 is just under half the volume registered in 2022 and over 30% below the 2017 to 2019 average.

Unsurprisingly, the most significant driver of the slowdown was the increased cost of debt. Loan-to-value (LTV) ratios, once commonly found at 70% to 80% with 3% to 4% interest rates, have now slipped to around 55% to 65% with high-6% to mid-7% interest rates.

With stability and predictability top-of-mind for private equity and REITs, these investors were inactive on the buy side for the first time in five years in 2023. On the other hand, private investors, using their own funds, had more flexibility and were most active in the market. While institutional investors, often driven by capital deployment deadlines, continued transacting last year, they were much more selective. They have been focused on 4 & 5-star complexes of at least 150+ units near an existing property, enabling them to realize economies of scale and capitalize on operational efficiencies.

Across all buyer groups, there has been a noticeable shift in buying patterns, with investors moving up the quality spectrum. The reason for the upward reach is at least twofold. The first is the opportunity to acquire high-quality assets marked down roughly 20% compared to peak pricing in 22Q1. The second is a growing desire to manage risk through owning better-quality assets where unexpected capital expenses are less likely. In the 3-Star property segment, price declines were less pronounced, falling about 15% from the pandemic-era peak, where deals once traded for approximately \$190,000/unit.

As property values decline to varying degrees across quality and vintages, rising yield requirements are also diffusing. These spreads were flattened during the buying spree in 2021 but are re-emerging with rising uncertainty. Currently, cap rates for many 4 & 5-star assets fluctuate in the mid-5% range, while 3-star

assets have broadly climbed toward 6%. Older, less luxurious assets are pushing north of the 7% threshold.

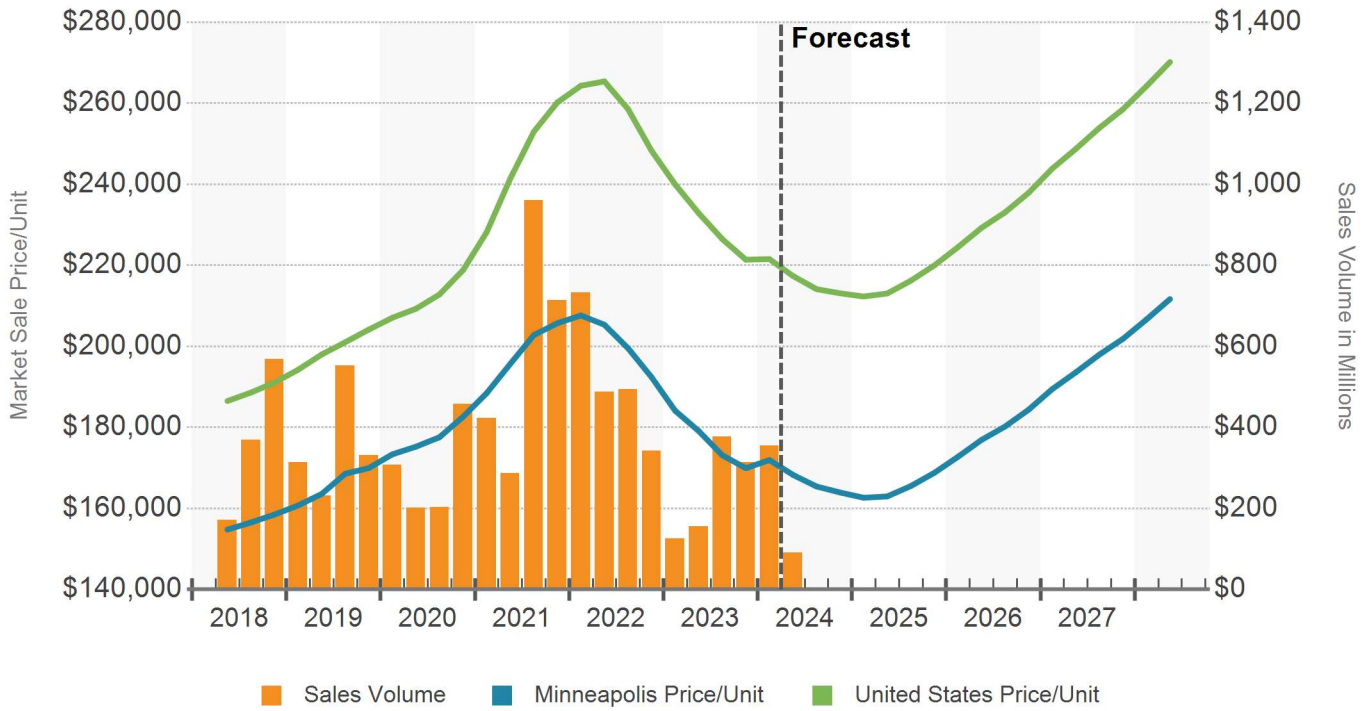
In addition to asset quality, investors adapted their approaches to stay ahead of rent growth, leading to noticeable shifts in sales volume and pricing trends across geographic boundaries. Amid structural shifts in demand, downtown rent growth has yet to achieve pre-pandemic levels, leading to the steepest price cuts. Conversely, high-quality suburban assets see the most minor valuation declines, fueled by historic demand and resilient rent growth. Market participants have noted that 4 & 5-star suburban properties are often being purchased with negative leverage for about 12 months.

For example, in one of the largest sales over the past year, Millennium Edina apartments, a 227-unit complex built in 2021, sold to a private investor in August for \$74.7 million, or \$329,075/unit, transacting at a 5.2% cap rate. With the private buyer utilizing traditional financing, negative leverage is implied. Additionally, the near-record price per unit indicates little drop-off in pricing from 2021 and early 2022 levels.

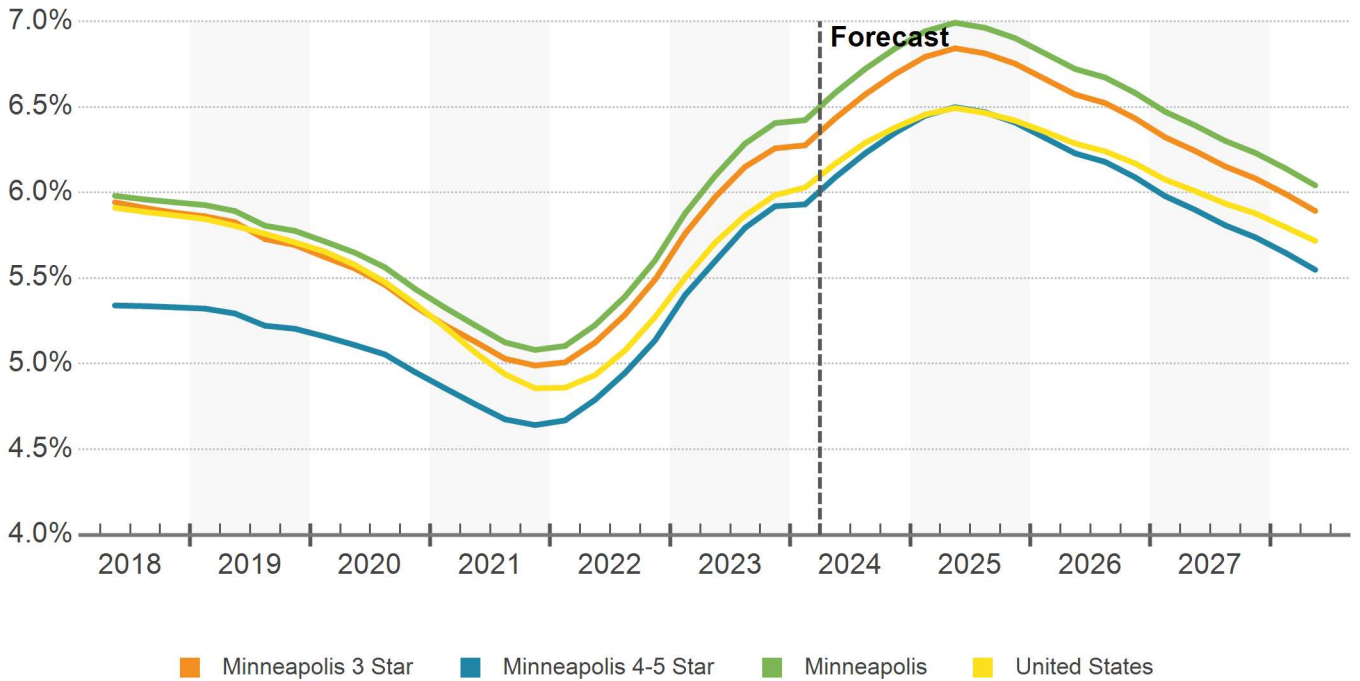
Comparatively, downtown apartments have noticed discernible changes in pricing, even for newer properties. Illustrating this trend, Washington-based Weidner Property Management acquired LPM Apartments, a 354-unit complex constructed in 2014, in June for \$74.0 million, or roughly \$209,000/unit. This represents a discount of approximately 14% from its reported development cost of \$86.3 million. It also represents an unadjusted price variance of roughly 22% from the sale of Marquee Apartments in January 2022, a 231-unit property built in 2020 located less than one-quarter mile from LPM apartments.

In addition to the still uncertain economic landscape and record-high vacancy rates, the metro's policy risk presents further challenges to the Twin Cities' multifamily capital markets environment, particularly in Minneapolis and St. Paul. While St. Paul has already enacted a rent control policy, the potential of rent control in Minneapolis is a concern, particularly for institutional capital, which may avoid the market until the situation is clarified.

SALES VOLUME & MARKET SALE PRICE PER UNIT



MARKET CAP RATE



Sales Past 12 Months

Minneapolis Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

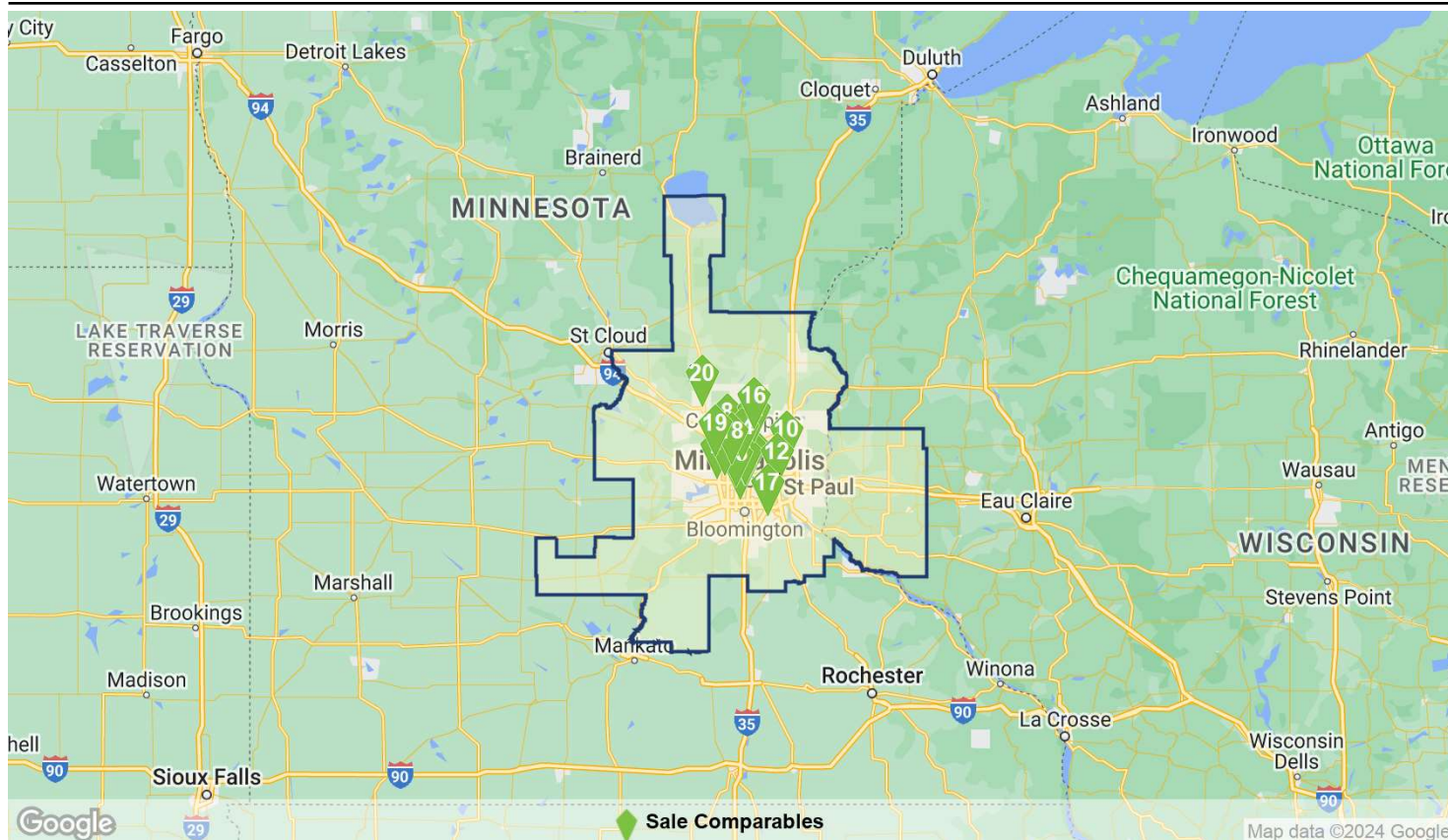
202

\$168

\$7.0

7.9%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$398,389	\$7,010,395	\$1,487,500	\$120,000,000
Price/Unit	\$34,523	\$167,702	\$114,773	\$361,451
Cap Rate	4.7%	6.6%	6.5%	8.7%
Vacancy Rate At Sale	0%	7.9%	4.1%	60.0%
Time Since Sale in Months	0.0	5.8	6.2	11.8
Property Attributes	Low	Average	Median	High
Property Size in Units	2	40	14	435
Number of Floors	1	3	3	36
Average Unit SF	27	797	773	3,144
Year Built	1881	1956	1961	2023
Star Rating	★★★★★	★★★★★ 2.3	★★★★★	★★★★★

Sales Past 12 Months

Minneapolis 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 EXPO 200 University Ave SE	★★★★★	2020	369	23.6%	12/19/2023	\$120,000,000	\$325,203	\$191	
2 Arrive Minnetonka 300 Carlson Pky	★★★★★	1990	435	10.8%	10/31/2023	\$89,000,000	\$204,597	\$225	
3 Millennium Edina 3250 W 66th St	★★★★★	2021	227	4.9%	8/24/2023	\$74,700,000	\$329,074	\$249	
4 LPM Apartments 1369 Spruce Pl	★★★★★	2014	354	3.4%	6/21/2023	\$74,000,000	\$209,039	\$225	
5 Inspire 2837 Emerson Ave S	★★★★★	2013	387	12.9%	9/20/2023	\$72,808,474	\$188,135	\$243	
6 The Nic on 5th 465 Nicollet Mall	★★★★★	2014	253	9.5%	9/7/2023	\$70,000,000	\$276,679	\$186	
7 Arlo West End 1325 Utica Ave S	★★★★★	2020	164	7.9%	1/18/2024	\$53,400,000	\$325,609	\$534	
8 Avery Park 9713 95th Pl	★★★★★	2023	124	14.5%	3/28/2024	\$44,820,000	\$361,451	\$192	
9 The Miles 2837 Dupont Ave S	★★★★★	2013	203	9.4%	9/20/2023	\$38,191,526	\$188,135	\$73	
10 The Barnum Apartments 1711 County Road E	★★★★★	2021	192	12.5%	2/23/2024	\$37,997,175	\$197,901	\$182	
11 Viridian Central 9436 Ulysses St NE	★★★★★	2017	191	3.7%	4/12/2024	\$36,940,797	\$193,407	\$213	
12 The Cosmopolitan 250 E 6th St E	★★★★★	1915	258	14.0%	1/31/2024	\$33,900,000	\$131,395	\$91	
13 Zelia on Seven 5855 Highway 7	★★★★★	2022	217	26.7%	12/29/2023	\$33,250,000	\$153,225	\$139	
14 Gateway Commons 2850 Northway Dr	★★★★★	1968	252	0.8%	1/1/2024	\$30,034,000	\$119,182	\$130	
15 Arrive at Medicine Lake 1020 W Medicine Lake Dr	★★★★★	2003	132	6.1%	8/17/2023	\$25,250,000	\$191,287	\$128	
16 Emberwood 12664 Central Ave NE	★★★★★	2016	112	6.3%	2/20/2024	\$23,130,000	\$206,517	\$216	
17 Lexington Hills 4100-4160 Lexington Ave S	★★★★★	1988	168	7.1%	2/8/2024	\$21,255,000	\$126,517	\$175	
18 Wingate Apartments 7700 49th Ave N	★★★★★	1967	136	2.2%	3/5/2024	\$12,800,000	\$94,117	\$125	
19 Silvan Townhomes 6876 Vicksburg Ln	★★★★★	1997	48	4.2%	2/26/2024	\$10,225,000	\$213,020	\$187	
20 Granite Shores 633 Main St	★★★★★	2007	67	1.5%	4/10/2024	\$10,038,349	\$149,826	\$109	

The Twin Cities metro, home to 15 Fortune 500 headquarters, is a diverse and resilient economic hub in the Midwest, driven by the finance, healthcare, and manufacturing sectors. According to Oxford Economics, annual employment growth stands at 1.9%, compared to the national average of 1.8% and the metro's 10-year average of 0.9%.

The finance and insurance sectors are central to the Twin Cities economy, with Minneapolis being one of the most important financial centers in the Midwest. Headquarters of major corporations such as U.S. Bancorp, Ameriprise Financial, and Thrivent Financial bolster growth in this sector, contributing significantly to the metro's employment landscape and economic activity. The advanced financial services infrastructure supports local business operations and attracts regional investments, enhancing the area's economic stature.

Healthcare is another critical driver, underscored by renowned institutions like the Mayo Clinic and the University of Minnesota's medical research facilities. These institutions provide high-quality medical services and engage in cutting-edge research and development, attracting significant federal and private funding. This sector's growth is supported by a rapidly expanding biotechnology industry, making the Twin Cities a focal point for medical innovation and healthcare services.

Manufacturing, especially in medical devices, electronics, and food products, remains a cornerstone of the Twin Cities' economy. Companies like Medtronic, 3M, and

General Mills highlight the region's industrial diversity and capacity for high-tech manufacturing. These industries benefit from a skilled workforce fostered by excellent educational institutions that provide a steady pipeline of talent. Moreover, the region's strategic location and developed logistics network facilitate the efficient distribution of manufactured goods nationally and internationally.

Anchored by growth and stability in these critical sectors, the region's average annual unemployment rate remains tight at 2.9%, compared to the national average of 3.7% and the metro's 10-year average of 3.5%.

Underscored by persisting labor supply constraints, median household income levels have increased by 2.5% over the past year to an average of \$94,000, versus an average annual median household income of \$77,000 for the broader nation. Concurrently, the metro boasts an average monthly asking rent of \$1,490 for market-rate multifamily housing, compared to the U.S. average of \$1,700/month.

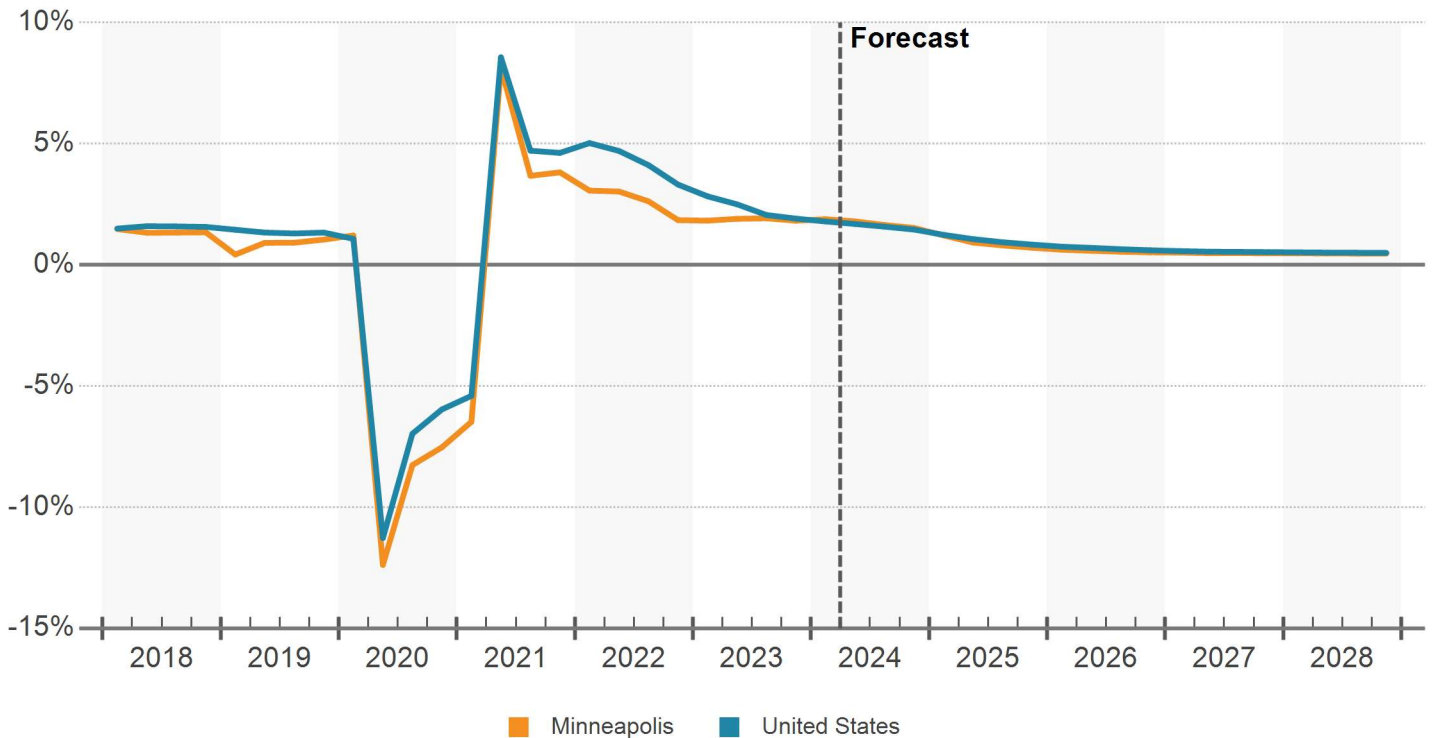
A resilient, affordable, and diverse economy helps attract and retain a skilled workforce, fueling population increases and continued economic expansion. Over the past year, the region's population has changed by 0.7%, compared to the national average of 0.5% and the metro's 10-year average of 0.7%. Among the 26,000 total residents gained annually, 1,900 stems from net migration, an important growth driver in the labor market.

MINNEAPOLIS EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	206	1.3	0.89%	0.35%	0.89%	0.69%	0.53%	0.47%
Trade, Transportation and Utilities	346	0.9	1.07%	0.29%	0.66%	1.03%	0.25%	0.39%
Retail Trade	180	0.9	1.72%	0.46%	0.01%	0.27%	0.12%	0.28%
Financial Activities	147	1.3	-1.94%	0.77%	0.84%	1.53%	0.56%	0.38%
Government	256	0.9	5.78%	2.60%	0.67%	0.61%	0.53%	0.72%
Natural Resources, Mining and Construction	89	0.8	-0.19%	2.60%	2.91%	2.42%	1.20%	0.89%
Education and Health Services	363	1.1	4.10%	3.97%	1.91%	2.04%	0.99%	0.83%
Professional and Business Services	303	1.0	-1.27%	0.66%	0.29%	1.90%	0.41%	0.75%
Information	29	0.7	-0.48%	-0.90%	-2.09%	1.06%	-0.07%	0.66%
Leisure and Hospitality	189	0.9	3.88%	2.86%	0.89%	1.50%	1.01%	1.06%
Other Services	77	1.0	3.23%	1.60%	-0.23%	0.59%	0.54%	0.57%
Total Employment	2,004	1.0	1.83%	1.73%	0.88%	1.36%	0.62%	0.68%

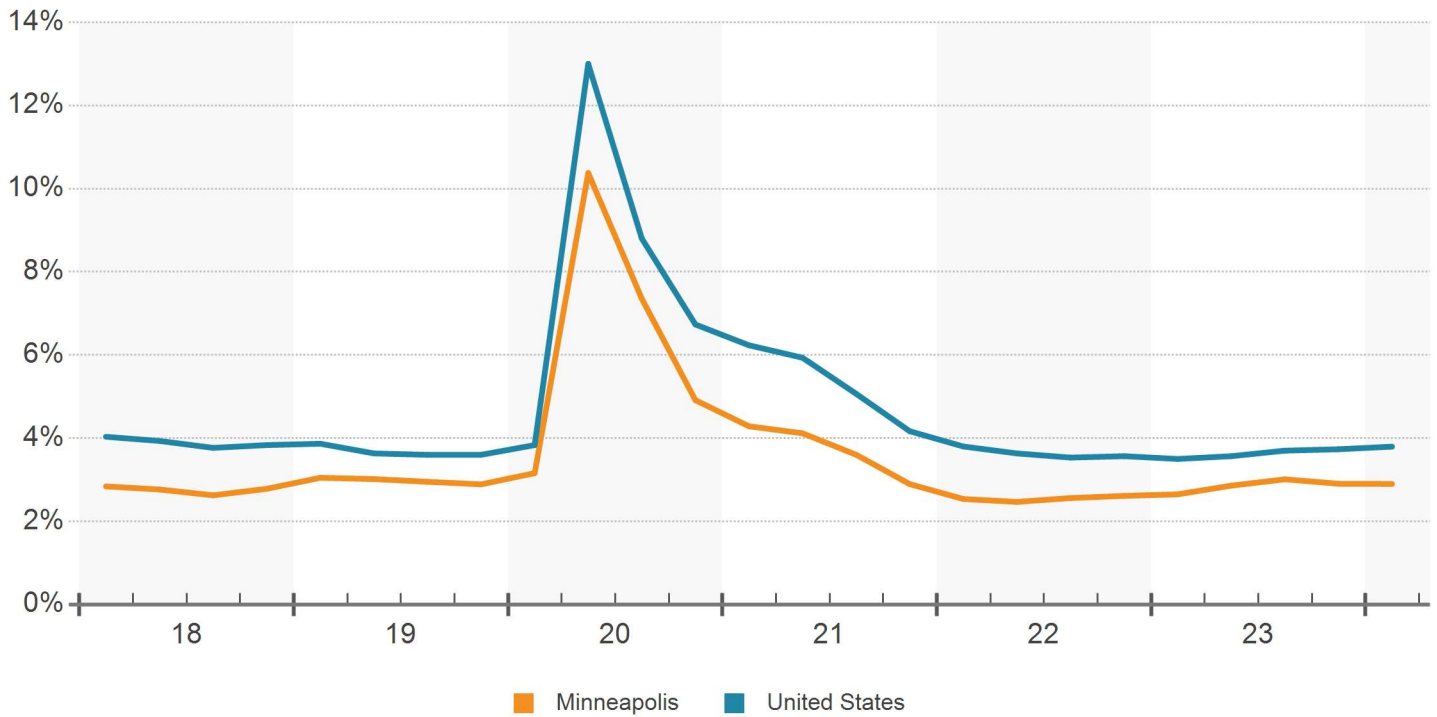
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

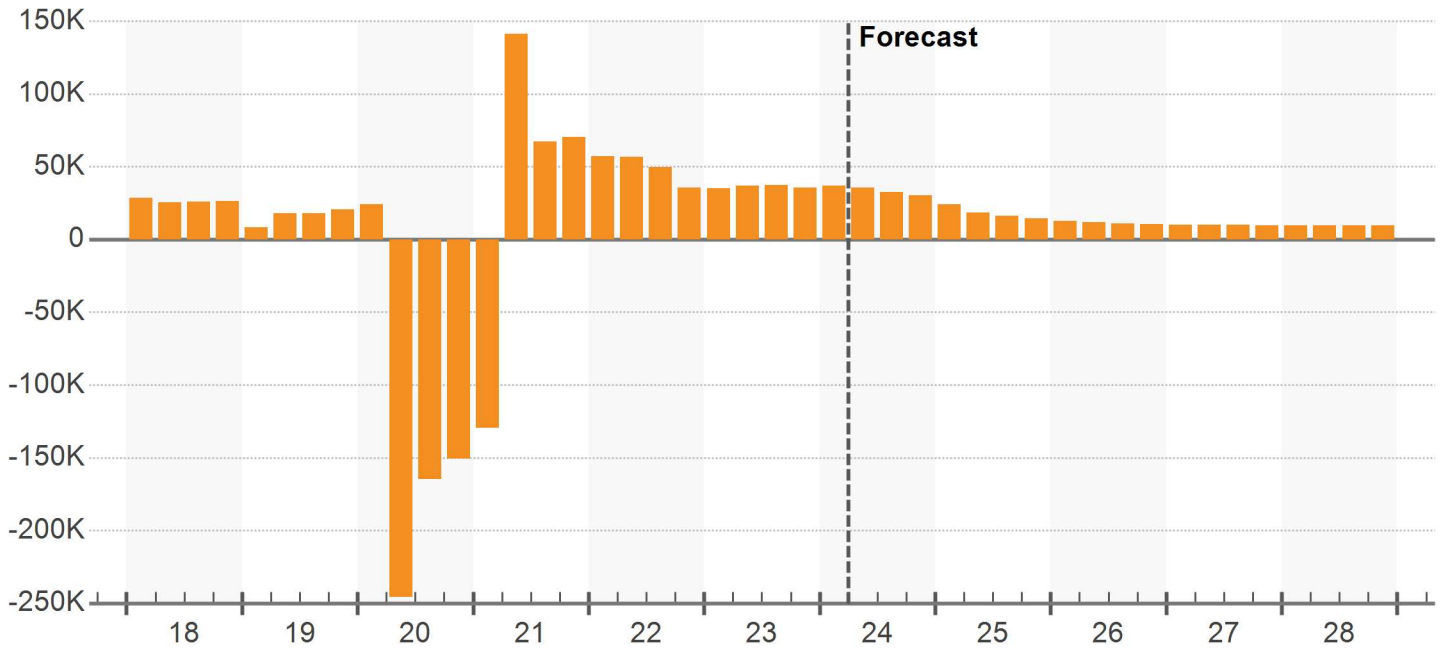


Source: Oxford Economics

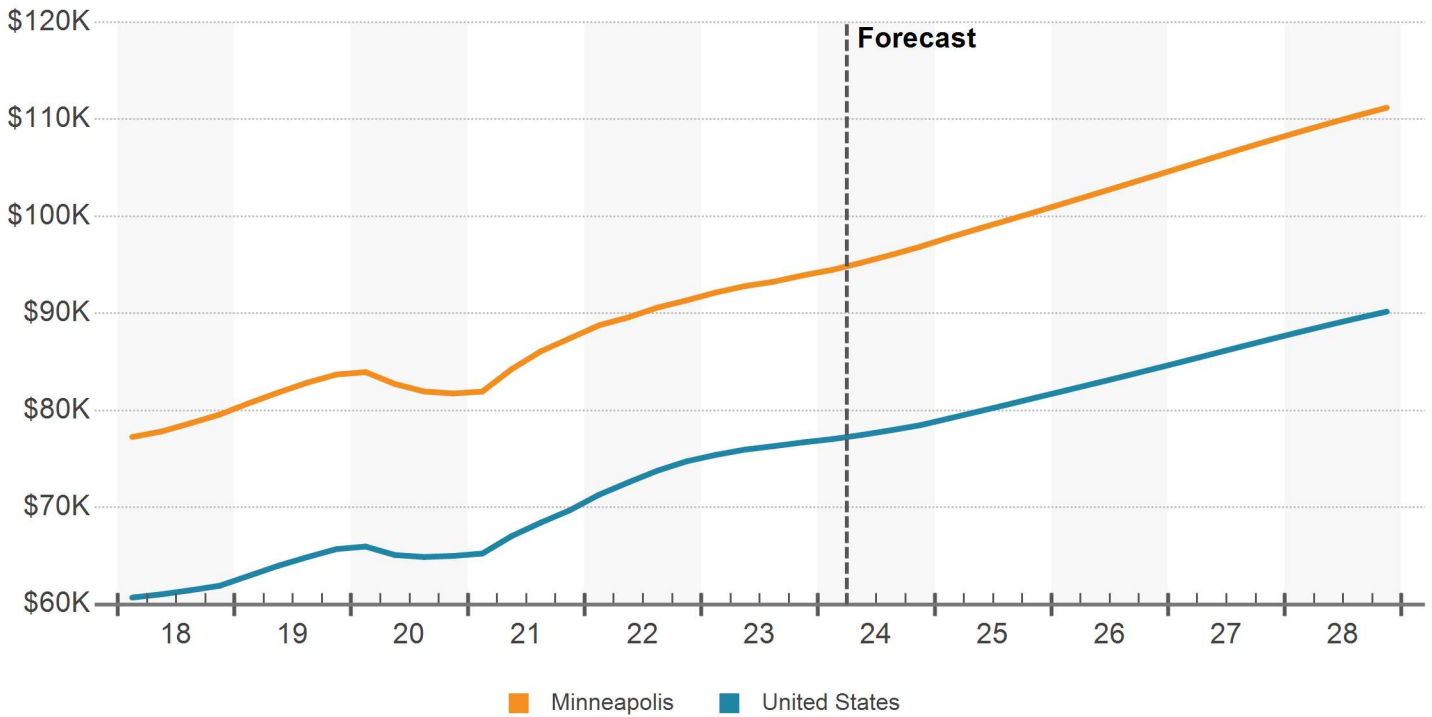
UNEMPLOYMENT RATE (%)



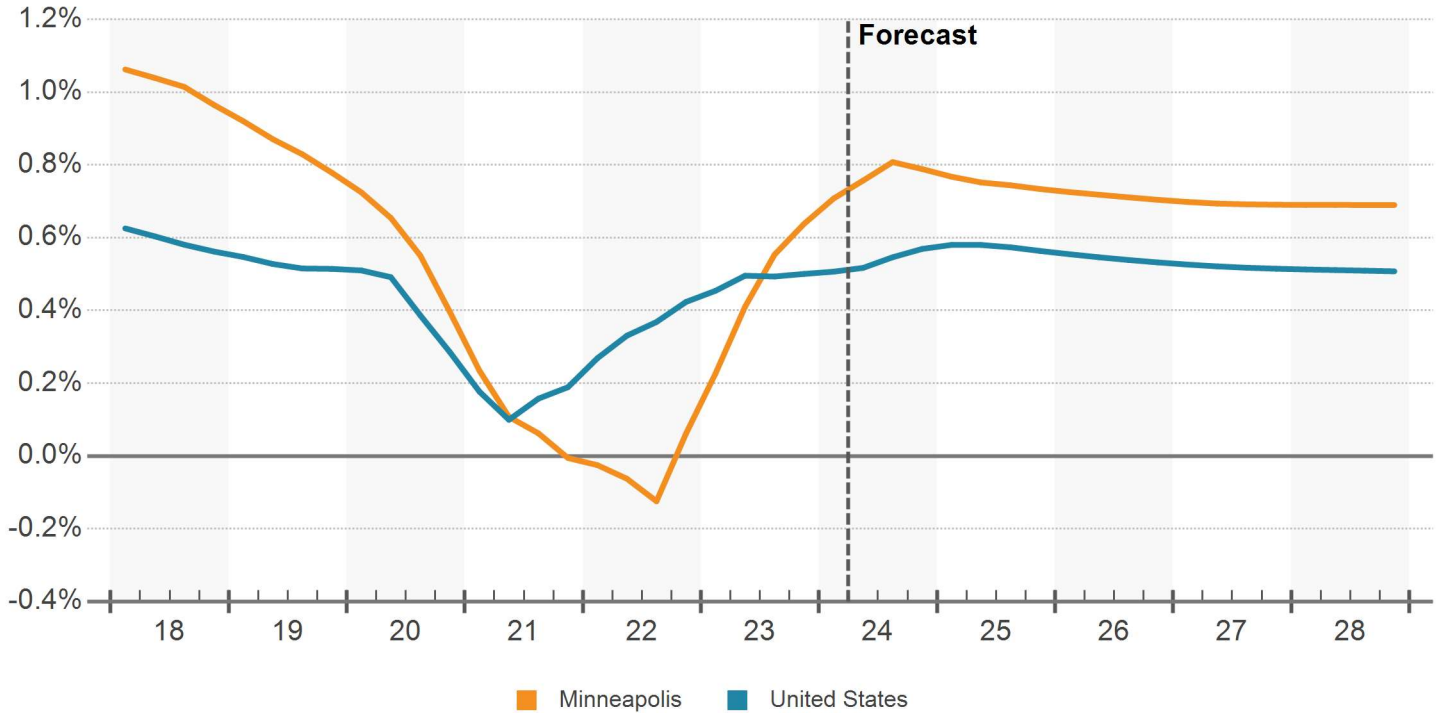
NET EMPLOYMENT CHANGE (YOY)



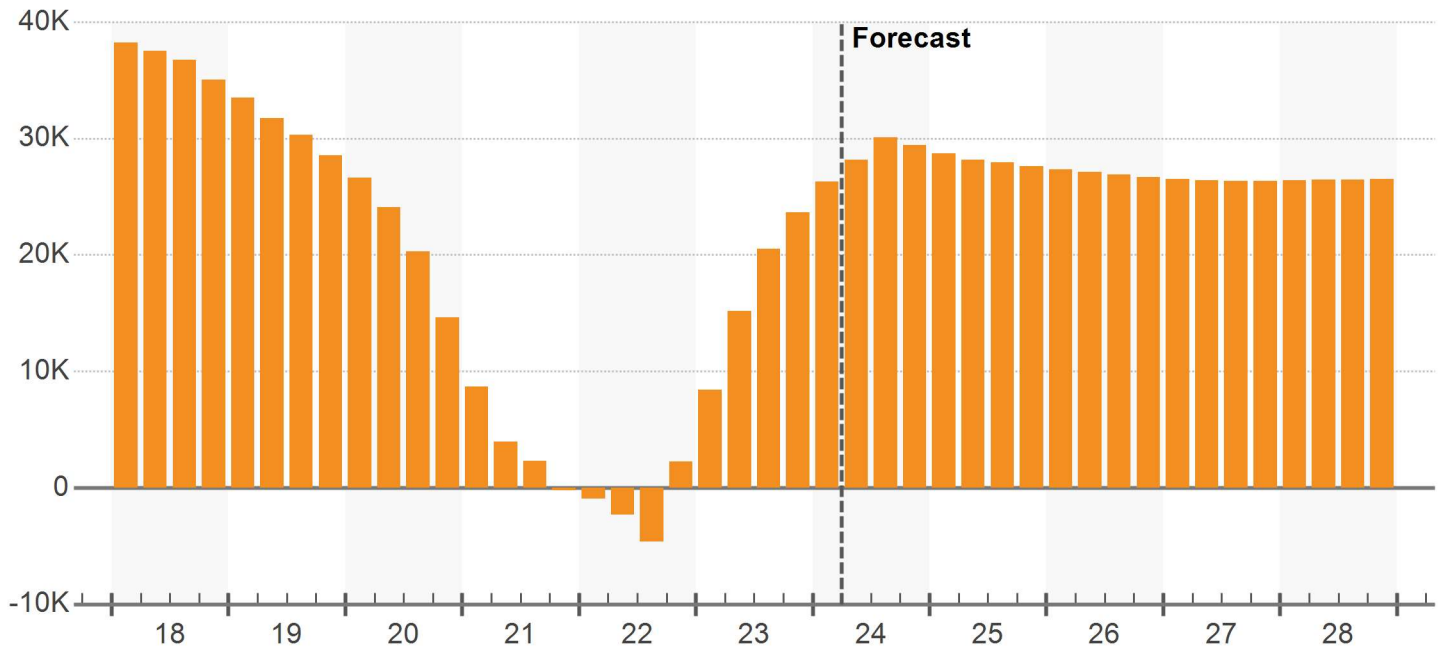
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

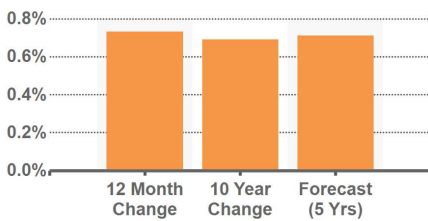


DEMOGRAPHIC TRENDS

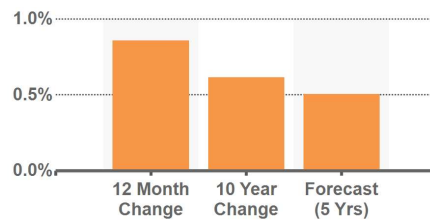
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,746,463	336,020,531	0.7%	0.5%	0.7%	0.5%	0.7%	0.5%
Households	1,502,310	131,259,938	0.9%	0.7%	1.1%	0.9%	0.8%	0.6%
Median Household Income	\$94,869	\$77,266	2.6%	2.1%	3.4%	3.9%	3.4%	3.4%
Labor Force	2,039,796	167,713,813	0.9%	0.7%	0.6%	0.8%	0.5%	0.5%
Unemployment	2.9%	3.8%	0.1%	0.3%	-0.1%	-0.3%	-	-

Source: Oxford Economics

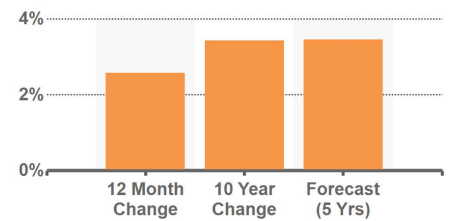
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Submarkets

Minneapolis Multi-Family

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Units	% Market	Rank	Bldgs	Units	Percent	Rank	Bldgs	Units	Percent	Rank
1	Anoka Northern Suburbs	20	1,067	0.4%	33	1	150	14.1%	24	0	0	0%	-
2	Apple Valley/Lakeville/Ha...	120	9,061	3.3%	14	4	455	5.0%	12	3	321	3.5%	11
3	Bloomington West	55	5,768	2.1%	19	1	149	2.6%	25	0	0	0%	-
4	Carver County	84	3,599	1.3%	27	5	730	20.3%	5	5	781	21.7%	4
5	Chisago Outlying Norther...	27	787	0.3%	36	0	0	0%	-	0	0	0%	-
6	Coon Rapids/Fridley/Blaine	353	13,989	5.0%	7	5	584	4.2%	7	1	72	0.5%	25
7	Dayton/Champlin/Brookly...	81	7,058	2.5%	17	1	40	0.6%	32	1	75	1.1%	24
8	Downtown Minneapolis	166	17,676	6.4%	4	3	896	5.1%	4	6	975	5.5%	3
9	Downtown St Paul	31	3,662	1.3%	26	0	0	0%	-	2	387	10.6%	10
10	Eagan/Burnsville/Inver Gr...	133	16,030	5.8%	5	0	0	0%	-	1	244	1.5%	14
11	Eden Prairie	28	5,166	1.9%	21	2	364	7.0%	17	1	425	8.2%	9
12	Edina	79	6,560	2.4%	18	4	621	9.5%	6	1	28	0.4%	29
13	Hennepin Far Western S...	125	10,141	3.7%	11	7	1,003	9.9%	3	4	453	4.5%	8
14	Highland/M-Groveland/S...	337	10,047	3.6%	12	2	193	1.9%	22	0	0	0%	-
15	Isanti Northern Suburbs	24	1,068	0.4%	32	1	65	6.1%	29	1	148	13.9%	19
16	Maple Grove/Golden Vall...	215	20,091	7.2%	2	3	419	2.1%	14	6	1,103	5.5%	2
17	Maplewood/East Ramsey...	95	8,311	3.0%	15	2	392	4.7%	16	2	258	3.1%	13
18	North Minneapolis	102	1,936	0.7%	30	3	283	14.6%	19	1	38	2.0%	27
19	Northeast Minneapolis	135	3,809	1.4%	23	5	428	11.2%	13	1	160	4.2%	18
20	Outlying St Paul	744	21,405	7.7%	1	4	237	1.1%	21	3	1,432	6.7%	1
21	Pierce Far Eastern Suburbs	97	1,493	0.5%	31	2	44	2.9%	31	0	0	0%	-
22	Richfield/Bloomington East	180	9,791	3.5%	13	2	564	5.8%	8	1	99	1.0%	23
23	Scott Far Western Suburbs	89	5,366	1.9%	20	2	358	6.7%	18	3	474	8.8%	7
24	Sherburne County	83	3,337	1.2%	28	2	186	5.6%	23	1	104	3.1%	22
25	South Minneapolis	207	3,740	1.3%	24	2	50	1.3%	30	1	50	1.3%	26
26	South St Paul	116	4,305	1.6%	22	1	111	2.6%	27	0	0	0%	-
27	St Croix Far Eastern Sub...	139	2,433	0.9%	29	3	145	6.0%	26	1	106	4.4%	21
28	St Louis Park/Hopkins	171	13,998	5.0%	6	3	1,227	8.8%	1	3	570	4.1%	6
29	University	196	7,409	2.7%	16	2	272	3.7%	20	0	0	0%	-
30	Uptown/West Calhoun/Br...	460	13,041	4.7%	8	6	489	3.7%	10	1	187	1.4%	17
31	Washington Far Eastern...	125	10,320	3.7%	10	9	1,019	9.9%	2	3	613	5.9%	5
32	West Bank/Central Minne...	752	17,737	6.4%	3	4	416	2.3%	15	1	38	0.2%	27
33	West Ramsey County	155	11,394	4.1%	9	1	67	0.6%	28	2	290	2.5%	12
34	West Side	41	959	0.3%	34	0	0	0%	-	1	221	23.0%	15
35	West St Paul	3	941	0.3%	35	1	483	51.3%	11	1	126	13.4%	20
36	Wright Far Western Subu...	121	3,726	1.3%	25	5	509	13.7%	9	1	200	5.4%	16

Submarkets

Minneapolis Multi-Family

SUBMARKET RENT

No.	Market	Asking Rents				Effective Rents					
		Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Anoka Northern Suburbs	\$1,473	\$1.61	24	1.4%	\$1,458	\$1.59	24	0.7%	1.0%	19
2	Apple Valley/Lakeville/Ha...	\$1,549	\$1.66	18	0.8%	\$1,533	\$1.65	17	0.6%	1.0%	20
3	Bloomington West	\$1,532	\$1.66	20	0.5%	\$1,520	\$1.64	18	0.9%	0.8%	25
4	Carver County	\$1,642	\$1.67	17	1.1%	\$1,595	\$1.62	22	-1.0%	2.9%	2
5	Chisago Outlying Norther...	\$1,080	\$1.36	34	0.2%	\$1,073	\$1.35	34	0%	0.7%	31
6	Coon Rapids/Fridley/Blaine	\$1,363	\$1.54	28	2.8%	\$1,350	\$1.53	29	3.2%	1.0%	21
7	Dayton/Champlin/Brookly...	\$1,320	\$1.48	31	1.7%	\$1,313	\$1.47	31	2.0%	0.5%	35
8	Downtown Minneapolis	\$1,755	\$2.32	1	1.4%	\$1,731	\$2.28	1	2.6%	1.4%	10
9	Downtown St Paul	\$1,515	\$1.89	8	0.8%	\$1,492	\$1.86	8	0.3%	1.5%	6
10	Eagan/Burnsville/Inver Gr...	\$1,507	\$1.59	26	3.0%	\$1,499	\$1.58	25	2.9%	0.6%	34
11	Eden Prairie	\$1,724	\$1.77	10	-1.0%	\$1,696	\$1.74	10	-2.0%	1.6%	5
12	Edina	\$1,931	\$2.03	4	-0.2%	\$1,904	\$2.01	4	-0.9%	1.4%	7
13	Hennepin Far Western S...	\$1,673	\$1.74	11	0.6%	\$1,654	\$1.72	11	0.1%	1.2%	13
14	Highland/M-Groveland/S...	\$1,359	\$1.73	12	0.9%	\$1,350	\$1.72	12	1.0%	0.6%	32
15	Isanti Northern Suburbs	\$1,348	\$1.40	32	2.9%	\$1,345	\$1.40	32	3.1%	0.2%	36
16	Maple Grove/Golden Vall...	\$1,602	\$1.66	21	1.0%	\$1,588	\$1.64	19	0.7%	0.8%	24
17	Maplewood/East Ramsey...	\$1,471	\$1.67	16	2.2%	\$1,459	\$1.66	16	1.9%	0.8%	27
18	North Minneapolis	\$1,408	\$1.64	22	3.1%	\$1,381	\$1.60	23	1.2%	1.9%	4
19	Northeast Minneapolis	\$1,487	\$1.98	5	3.1%	\$1,470	\$1.96	5	4.3%	1.1%	14
20	Outlying St Paul	\$1,239	\$1.63	23	2.1%	\$1,230	\$1.62	21	2.5%	0.7%	29
21	Pierce Far Eastern Suburbs	\$1,042	\$1.21	36	1.0%	\$1,033	\$1.20	36	0.5%	0.9%	23
22	Richfield/Bloomington East	\$1,330	\$1.66	19	0.9%	\$1,311	\$1.64	20	0.2%	1.4%	8
23	Scott Far Western Suburbs	\$1,504	\$1.59	25	0.2%	\$1,488	\$1.57	26	-0.1%	1.1%	15
24	Sherburne County	\$1,202	\$1.30	35	1.9%	\$1,190	\$1.29	35	1.4%	1.0%	18
25	South Minneapolis	\$1,274	\$1.68	15	2.4%	\$1,263	\$1.67	15	2.7%	0.8%	26
26	South St Paul	\$1,292	\$1.57	27	2.3%	\$1,282	\$1.56	27	2.0%	0.8%	28
27	St Croix Far Eastern Sub...	\$1,290	\$1.40	33	1.0%	\$1,282	\$1.39	33	0.7%	0.6%	33
28	St Louis Park/Hopkins	\$1,584	\$1.83	9	1.2%	\$1,567	\$1.81	9	1.1%	1.0%	17
29	University	\$1,721	\$2.15	2	-0.9%	\$1,686	\$2.10	3	-1.4%	2.0%	3
30	Uptown/West Calhoun/Br...	\$1,487	\$1.96	6	-0.4%	\$1,467	\$1.93	6	0.7%	1.3%	11
31	Washington Far Eastern...	\$1,755	\$1.71	13	0.9%	\$1,736	\$1.69	13	1.1%	1.1%	16
32	West Bank/Central Minne...	\$1,140	\$1.69	14	0.9%	\$1,130	\$1.67	14	1.4%	0.9%	22
33	West Ramsey County	\$1,318	\$1.54	29	2.1%	\$1,309	\$1.53	28	2.2%	0.7%	30
34	West Side	\$1,384	\$1.93	7	0.1%	\$1,365	\$1.91	7	1.8%	1.4%	9
35	West St Paul	\$2,566	\$2.14	3	4.4%	\$2,467	\$2.14	2	7.1%	3.9%	1
36	Wright Far Western Subu...	\$1,454	\$1.51	30	1.2%	\$1,435	\$1.49	30	0.4%	1.3%	12

Submarkets

Minneapolis Multi-Family

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Anoka Northern Suburbs	120	11.3%	32	85	7.9%	29	1.8
2	Apple Valley/Lakeville/Ha...	867	9.6%	26	277	3.1%	14	1.6
3	Bloomington West	415	7.2%	14	17	0.3%	34	8.7
4	Carver County	641	17.8%	36	281	7.8%	12	2.2
5	Chisago Outlying Norther...	51	6.5%	11	(13)	-1.7%	36	-
6	Coon Rapids/Fridley/Blaine	846	6.0%	8	827	5.9%	2	0.5
7	Dayton/Champlin/Brookly...	393	5.6%	7	176	2.5%	23	0.2
8	Downtown Minneapolis	2,210	12.5%	33	479	2.7%	5	1.9
9	Downtown St Paul	297	8.1%	19	3	0.1%	35	-
10	Eagan/Burnsville/Inver Gr...	693	4.3%	3	185	1.2%	22	-
11	Eden Prairie	537	10.4%	29	165	3.2%	24	1.4
12	Edina	583	8.9%	21	404	6.2%	7	1.0
13	Hennepin Far Western S...	933	9.2%	23	606	6.0%	3	1.4
14	Highland/M-Groveland/S...	545	5.4%	5	297	3.0%	11	0.7
15	Isanti Northern Suburbs	59	5.5%	6	53	4.9%	31	1.2
16	Maple Grove/Golden Vall...	1,253	6.2%	10	317	1.6%	10	1.1
17	Maplewood/East Ramsey...	612	7.4%	16	254	3.1%	16	1.5
18	North Minneapolis	163	8.4%	20	158	8.2%	25	1.8
19	Northeast Minneapolis	286	7.5%	17	279	7.3%	13	1.3
20	Outlying St Paul	1,304	6.1%	9	395	1.8%	8	0.5
21	Pierce Far Eastern Suburbs	46	3.1%	1	55	3.7%	30	0.8
22	Richfield/Bloomington East	781	8.0%	18	230	2.3%	19	2.5
23	Scott Far Western Suburbs	792	14.8%	35	131	2.4%	26	2.7
24	Sherburne County	241	7.2%	15	109	3.3%	27	1.7
25	South Minneapolis	195	5.2%	4	100	2.7%	28	0.5
26	South St Paul	407	9.5%	25	18	0.4%	33	6.2
27	St Croix Far Eastern Sub...	75	3.1%	2	218	9.0%	20	0.3
28	St Louis Park/Hopkins	1,476	10.5%	30	499	3.6%	4	2.5
29	University	680	9.2%	22	249	3.4%	17	1.1
30	Uptown/West Calhoun/Br...	1,253	9.6%	28	263	2.0%	15	1.7
31	Washington Far Eastern...	988	9.6%	27	915	8.9%	1	1.0
32	West Bank/Central Minne...	1,173	6.6%	12	216	1.2%	21	1.9
33	West Ramsey County	779	6.8%	13	247	2.2%	18	-
34	West Side	90	9.4%	24	22	2.3%	32	-
35	West St Paul	125	13.2%	34	408	43.4%	6	1.2
36	Wright Far Western Subu...	401	10.8%	31	377	10.1%	9	1.1

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	298,492	4,708	1.6%	5,076	1.7%	0.9
2027	293,784	4,036	1.4%	4,783	1.6%	0.8
2026	289,748	2,751	1.0%	4,262	1.5%	0.6
2025	286,997	4,231	1.5%	5,787	2.0%	0.7
2024	282,766	8,380	3.1%	6,696	2.4%	1.3
YTD	278,111	3,725	1.4%	3,445	1.2%	1.1
2023	274,386	12,212	4.7%	9,166	3.3%	1.3
2022	262,174	10,754	4.3%	7,123	2.7%	1.5
2021	251,420	10,312	4.3%	12,243	4.9%	0.8
2020	241,108	9,731	4.2%	4,316	1.8%	2.3
2019	231,377	5,746	2.5%	5,112	2.2%	1.1
2018	225,631	5,958	2.7%	5,020	2.2%	1.2
2017	219,673	3,599	1.7%	3,872	1.8%	0.9
2016	216,074	3,963	1.9%	4,438	2.1%	0.9
2015	212,111	4,136	2.0%	3,734	1.8%	1.1
2014	207,975	3,276	1.6%	3,176	1.5%	1.0
2013	204,699	3,138	1.6%	2,778	1.4%	1.1
2012	201,561	1,132	0.6%	1,848	0.9%	0.6

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	102,033	4,874	5.0%	4,610	4.5%	1.1
2027	97,159	4,201	4.5%	4,386	4.5%	1.0
2026	92,958	2,512	2.8%	3,634	3.9%	0.7
2025	90,446	3,376	3.9%	4,785	5.3%	0.7
2024	87,070	5,891	7.3%	4,788	5.5%	1.2
YTD	83,956	2,777	3.4%	2,108	2.5%	1.3
2023	81,179	9,066	12.6%	6,583	8.1%	1.4
2022	72,113	8,483	13.3%	7,607	10.5%	1.1
2021	63,630	8,417	15.2%	9,700	15.2%	0.9
2020	55,213	8,515	18.2%	4,489	8.1%	1.9
2019	46,698	5,108	12.3%	4,781	10.2%	1.1
2018	41,590	5,113	14.0%	4,273	10.3%	1.2
2017	36,477	3,303	10.0%	3,565	9.8%	0.9
2016	33,174	3,522	11.9%	3,578	10.8%	1.0
2015	29,652	3,525	13.5%	2,665	9.0%	1.3
2014	26,127	2,956	12.8%	2,498	9.6%	1.2
2013	23,171	2,941	14.5%	2,050	8.8%	1.4
2012	20,230	1,168	6.1%	1,014	5.0%	1.2

3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	98,316	(1)	0%	317	0.3%	0
2027	98,317	(1)	0%	509	0.5%	0
2026	98,318	408	0.4%	1,071	1.1%	0.4
2025	97,910	1,002	1.0%	1,412	1.4%	0.7
2024	96,908	2,525	2.7%	1,913	2.0%	1.3
YTD	95,331	948	1.0%	1,118	1.2%	0.8
2023	94,383	2,956	3.2%	2,301	2.4%	1.3
2022	91,427	2,174	2.4%	660	0.7%	3.3
2021	89,253	1,697	1.9%	2,147	2.4%	0.8
2020	87,556	1,271	1.5%	286	0.3%	4.4
2019	86,285	564	0.7%	270	0.3%	2.1
2018	85,721	573	0.7%	532	0.6%	1.1
2017	85,148	401	0.5%	400	0.5%	1.0
2016	84,747	495	0.6%	717	0.8%	0.7
2015	84,252	617	0.7%	710	0.8%	0.9
2014	83,635	347	0.4%	595	0.7%	0.6
2013	83,288	387	0.5%	427	0.5%	0.9
2012	82,901	66	0.1%	499	0.6%	0.1

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	98,143	(165)	-0.2%	149	0.2%	-
2027	98,308	(164)	-0.2%	(112)	-0.1%	1.5
2026	98,472	(169)	-0.2%	(443)	-0.4%	0.4
2025	98,641	(147)	-0.1%	(410)	-0.4%	0.4
2024	98,788	(36)	0%	(5)	0%	7.2
YTD	98,824	0	0%	219	0.2%	0
2023	98,824	190	0.2%	282	0.3%	0.7
2022	98,634	97	0.1%	(1,144)	-1.2%	-
2021	98,537	198	0.2%	396	0.4%	0.5
2020	98,339	(55)	-0.1%	(459)	-0.5%	0.1
2019	98,394	74	0.1%	61	0.1%	1.2
2018	98,320	272	0.3%	215	0.2%	1.3
2017	98,048	(105)	-0.1%	(93)	-0.1%	1.1
2016	98,153	(54)	-0.1%	143	0.1%	-
2015	98,207	(6)	0%	359	0.4%	0
2014	98,213	(27)	0%	83	0.1%	-
2013	98,240	(190)	-0.2%	301	0.3%	-
2012	98,430	(102)	-0.1%	335	0.3%	-

OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	19,580	6.6%	(0.2)	\$1,690	\$1.96	2.4%	(0.3)	\$1,669	\$1.94
2027	19,948	6.8%	(0.4)	\$1,650	\$1.92	2.7%	(0.6)	\$1,630	\$1.89
2026	20,695	7.1%	(0.6)	\$1,606	\$1.87	3.3%	(0.1)	\$1,587	\$1.84
2025	22,205	7.7%	(0.7)	\$1,555	\$1.81	3.4%	1.3	\$1,536	\$1.78
2024	23,762	8.4%	0.4	\$1,503	\$1.75	2.2%	1.0	\$1,485	\$1.73
YTD	22,354	8.0%	0	\$1,493	\$1.73	1.2%	0.1	\$1,477	\$1.71
2023	22,068	8.0%	0.8	\$1,471	\$1.70	1.1%	(1.2)	\$1,450	\$1.68
2022	19,015	7.3%	1.1	\$1,455	\$1.68	2.3%	(0.8)	\$1,439	\$1.67
2021	15,375	6.1%	(1.0)	\$1,422	\$1.65	3.1%	2.7	\$1,405	\$1.63
2020	17,264	7.2%	2.0	\$1,379	\$1.60	0.4%	(1.9)	\$1,352	\$1.56
2019	11,828	5.1%	0.2	\$1,374	\$1.59	2.3%	(0.6)	\$1,362	\$1.58
2018	11,152	4.9%	0.3	\$1,343	\$1.55	2.9%	(0.4)	\$1,322	\$1.53
2017	10,206	4.6%	(0.2)	\$1,305	\$1.51	3.3%	0.3	\$1,286	\$1.49
2016	10,477	4.8%	(0.3)	\$1,264	\$1.46	2.9%	(0.2)	\$1,246	\$1.44
2015	10,941	5.2%	0.1	\$1,228	\$1.42	3.1%	1.4	\$1,210	\$1.40
2014	10,523	5.1%	0	\$1,191	\$1.38	1.8%	0	\$1,174	\$1.36
2013	10,408	5.1%	0.1	\$1,170	\$1.35	1.8%	0.3	\$1,158	\$1.34
2012	10,026	5.0%	(0.4)	\$1,149	\$1.33	1.5%	-	\$1,141	\$1.32

4 & 5 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	9,328	9.1%	(0.2)	\$2,072	\$2.33	2.2%	(0.3)	\$2,035	\$2.29
2027	9,063	9.3%	(0.6)	\$2,027	\$2.28	2.5%	(0.6)	\$1,991	\$2.24
2026	9,249	9.9%	(1.5)	\$1,977	\$2.23	3.1%	(0.1)	\$1,942	\$2.19
2025	10,369	11.5%	(2.1)	\$1,917	\$2.16	3.2%	1.0	\$1,883	\$2.12
2024	11,779	13.5%	0.4	\$1,857	\$2.09	2.2%	2.4	\$1,824	\$2.06
YTD	11,344	13.5%	0.4	\$1,849	\$2.08	0.5%	0.8	\$1,820	\$2.04
2023	10,675	13.1%	1.8	\$1,818	\$2.04	-0.3%	(2.2)	\$1,778	\$2
2022	8,190	11.4%	(0.1)	\$1,822	\$2.05	1.9%	(1.2)	\$1,795	\$2.02
2021	7,309	11.5%	(4.1)	\$1,788	\$2.01	3.1%	4.3	\$1,754	\$1.97
2020	8,583	15.5%	5.8	\$1,735	\$1.95	-1.2%	(2.8)	\$1,678	\$1.89
2019	4,546	9.7%	(0.3)	\$1,756	\$1.97	1.6%	(0.2)	\$1,734	\$1.95
2018	4,194	10.1%	0.9	\$1,729	\$1.94	1.8%	(0.7)	\$1,687	\$1.90
2017	3,352	9.2%	(1.7)	\$1,699	\$1.91	2.5%	0.8	\$1,663	\$1.87
2016	3,614	10.9%	(1.5)	\$1,658	\$1.86	1.7%	(0.5)	\$1,622	\$1.82
2015	3,667	12.4%	1.7	\$1,631	\$1.83	2.1%	0.7	\$1,598	\$1.80
2014	2,790	10.7%	0.6	\$1,597	\$1.79	1.4%	(0.3)	\$1,565	\$1.76
2013	2,325	10.0%	3.0	\$1,575	\$1.77	1.7%	0.5	\$1,553	\$1.75
2012	1,425	7.0%	0.4	\$1,550	\$1.74	1.2%	-	\$1,539	\$1.73

3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	5,071	5.2%	(0.3)	\$1,657	\$1.83	2.5%	(0.3)	\$1,641	\$1.81
2027	5,389	5.5%	(0.5)	\$1,616	\$1.78	2.9%	(0.5)	\$1,601	\$1.77
2026	5,898	6.0%	(0.7)	\$1,571	\$1.73	3.4%	(0.1)	\$1,556	\$1.72
2025	6,561	6.7%	(0.5)	\$1,519	\$1.68	3.5%	1.6	\$1,505	\$1.66
2024	6,971	7.2%	0.5	\$1,467	\$1.62	2.0%	(0.3)	\$1,453	\$1.60
YTD	6,190	6.5%	(0.2)	\$1,458	\$1.60	1.6%	(0.7)	\$1,447	\$1.59
2023	6,354	6.7%	0.5	\$1,439	\$1.58	2.3%	(0.4)	\$1,421	\$1.56
2022	5,687	6.2%	1.6	\$1,407	\$1.55	2.6%	(0.8)	\$1,397	\$1.53
2021	4,168	4.7%	(0.6)	\$1,371	\$1.51	3.4%	2.1	\$1,360	\$1.49
2020	4,589	5.2%	1.1	\$1,325	\$1.46	1.3%	(1.2)	\$1,311	\$1.44
2019	3,594	4.2%	0.3	\$1,309	\$1.44	2.5%	(1.3)	\$1,300	\$1.43
2018	3,294	3.8%	0	\$1,276	\$1.40	3.8%	(0.1)	\$1,262	\$1.39
2017	3,252	3.8%	0	\$1,229	\$1.35	3.9%	(0.1)	\$1,215	\$1.33
2016	3,250	3.8%	(0.3)	\$1,183	\$1.30	4.0%	0	\$1,172	\$1.29
2015	3,461	4.1%	(0.1)	\$1,138	\$1.25	4.0%	1.9	\$1,126	\$1.24
2014	3,561	4.3%	(0.3)	\$1,094	\$1.20	2.1%	0.1	\$1,081	\$1.19
2013	3,804	4.6%	(0.1)	\$1,072	\$1.18	2.0%	0.2	\$1,063	\$1.17
2012	3,833	4.6%	(0.5)	\$1,050	\$1.15	1.8%	-	\$1,042	\$1.14

1 & 2 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	5,181	5.3%	(0.3)	\$1,297	\$1.67	2.6%	(0.3)	\$1,289	\$1.66
2027	5,496	5.6%	0	\$1,264	\$1.63	2.9%	(0.6)	\$1,256	\$1.62
2026	5,549	5.6%	0.3	\$1,228	\$1.58	3.5%	(0.2)	\$1,221	\$1.57
2025	5,274	5.3%	0.3	\$1,187	\$1.53	3.7%	1.3	\$1,180	\$1.52
2024	5,012	5.1%	0	\$1,145	\$1.47	2.4%	0.4	\$1,138	\$1.47
YTD	4,820	4.9%	(0.2)	\$1,131	\$1.45	2.1%	0.1	\$1,125	\$1.44
2023	5,039	5.1%	(0.1)	\$1,118	\$1.43	2.0%	(0.5)	\$1,111	\$1.43
2022	5,138	5.2%	1.3	\$1,096	\$1.40	2.5%	(0.2)	\$1,088	\$1.39
2021	3,899	4.0%	(0.2)	\$1,069	\$1.37	2.8%	0.7	\$1,063	\$1.36
2020	4,091	4.2%	0.4	\$1,040	\$1.33	2.1%	(1.2)	\$1,034	\$1.32
2019	3,688	3.7%	0	\$1,019	\$1.30	3.2%	(0.5)	\$1,014	\$1.30
2018	3,664	3.7%	0.1	\$987	\$1.26	3.7%	(0.2)	\$981	\$1.25
2017	3,602	3.7%	0	\$951	\$1.22	4.0%	0	\$945	\$1.21
2016	3,614	3.7%	(0.2)	\$915	\$1.17	4.0%	0	\$909	\$1.16
2015	3,813	3.9%	(0.4)	\$880	\$1.12	3.9%	1.9	\$873	\$1.12
2014	4,172	4.2%	(0.1)	\$847	\$1.08	2.0%	0.2	\$841	\$1.07
2013	4,279	4.4%	(0.5)	\$830	\$1.06	1.8%	0	\$826	\$1.05
2012	4,768	4.8%	(0.4)	\$816	\$1.04	1.8%	-	\$811	\$1.03

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$220,755	270	5.9%
2027	-	-	-	-	-	-	\$201,844	247	6.2%
2026	-	-	-	-	-	-	\$184,378	225	6.6%
2025	-	-	-	-	-	-	\$168,808	206	6.9%
2024	-	-	-	-	-	-	\$163,948	200	6.8%
YTD	80	\$446.2M	1.3%	\$6,971,451	\$150,176	6.3%	\$172,583	211	6.4%
2023	190	\$970.8M	2.3%	\$5,744,234	\$161,904	6.7%	\$169,944	208	6.4%
2022	271	\$2.1B	4.5%	\$8,256,772	\$189,907	5.8%	\$192,399	235	5.6%
2021	329	\$2.4B	6.0%	\$7,491,888	\$164,305	6.4%	\$205,723	251	5.1%
2020	230	\$1.2B	3.2%	\$5,466,054	\$157,265	6.5%	\$182,649	223	5.4%
2019	288	\$1.4B	4.5%	\$6,000,875	\$152,229	6.4%	\$169,982	208	5.8%
2018	327	\$1.5B	5.0%	\$5,094,889	\$139,942	6.3%	\$158,517	194	5.9%
2017	271	\$1.5B	5.1%	\$6,355,784	\$141,991	6.6%	\$150,518	184	6.0%
2016	251	\$1.4B	5.3%	\$6,450,529	\$132,443	7.0%	\$144,109	176	6.1%
2015	224	\$755.4M	3.1%	\$3,614,485	\$116,184	7.7%	\$137,724	168	6.1%
2014	203	\$856.6M	5.6%	\$4,580,990	\$108,094	7.1%	\$129,519	158	6.2%
2013	189	\$467.6M	2.8%	\$2,641,823	\$83,620	7.8%	\$121,298	148	6.4%

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

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

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$315,816	260	5.4%
2027	-	-	-	-	-	-	\$288,268	237	5.7%
2026	-	-	-	-	-	-	\$262,970	216	6.1%
2025	-	-	-	-	-	-	\$240,526	198	6.4%
2024	-	-	-	-	-	-	\$234,068	193	6.3%
YTD	7	\$179.9M	1.4%	\$29,975,220	\$195,491	-	\$247,506	204	5.9%
2023	9	\$559M	2.9%	\$62,105,556	\$238,358	5.2%	\$243,357	200	5.9%
2022	20	\$808.5M	4.6%	\$42,553,442	\$267,987	4.7%	\$278,783	229	5.1%
2021	23	\$865.9M	6.0%	\$41,233,999	\$249,184	7.1%	\$299,425	246	4.6%
2020	18	\$583.6M	4.3%	\$32,422,350	\$245,417	4.8%	\$267,187	220	5.0%
2019	12	\$506.4M	5.6%	\$50,635,000	\$211,685	5.1%	\$252,987	208	5.2%
2018	21	\$613.7M	6.7%	\$30,686,090	\$226,132	5.7%	\$237,626	195	5.3%
2017	11	\$426.2M	5.8%	\$47,357,157	\$244,109	5.2%	\$226,412	186	5.4%
2016	13	\$648.4M	10.9%	\$49,880,765	\$178,883	5.4%	\$217,401	179	5.4%
2015	10	\$368.1M	6.8%	\$36,805,000	\$182,203	5.5%	\$207,946	171	5.4%
2014	8	\$268.1M	7.5%	\$44,683,014	\$240,447	5.8%	\$197,231	162	5.5%
2013	7	\$249.1M	7.5%	\$35,582,143	\$143,229	5.6%	\$185,302	152	5.7%

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3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$212,234	282	5.7%
2027	-	-	-	-	-	-	\$193,857	257	6.1%
2026	-	-	-	-	-	-	\$176,896	235	6.4%
2025	-	-	-	-	-	-	\$161,825	215	6.8%
2024	-	-	-	-	-	-	\$157,026	208	6.7%
YTD	19	\$175.8M	1.4%	\$11,720,267	\$158,097	5.0%	\$165,136	219	6.3%
2023	24	\$203.7M	1.8%	\$8,857,804	\$122,140	6.5%	\$162,736	216	6.3%
2022	44	\$748.9M	4.2%	\$18,723,707	\$206,663	5.3%	\$182,390	242	5.5%
2021	70	\$854.2M	6.2%	\$12,202,411	\$153,877	6.8%	\$194,126	258	5.0%
2020	30	\$302.7M	2.8%	\$10,810,389	\$124,718	5.3%	\$172,165	228	5.3%
2019	41	\$634.5M	4.7%	\$16,697,203	\$160,672	6.2%	\$158,010	210	5.7%
2018	42	\$444.8M	4.1%	\$11,705,857	\$132,388	5.4%	\$146,187	194	5.9%
2017	37	\$638.8M	4.7%	\$18,788,732	\$162,384	6.6%	\$138,045	183	6.0%
2016	39	\$581.6M	5.4%	\$15,304,658	\$130,340	6.6%	\$132,208	175	6.0%
2015	27	\$200.8M	2.3%	\$7,436,871	\$105,626	7.2%	\$125,913	167	6.0%
2014	43	\$403.6M	6.6%	\$10,906,984	\$102,218	6.4%	\$117,573	156	6.2%
2013	19	\$96.4M	1.8%	\$5,356,307	\$66,264	7.7%	\$109,995	146	6.4%

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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.

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$141,744	274	6.5%
2027	-	-	-	-	-	-	\$130,252	252	6.8%
2026	-	-	-	-	-	-	\$119,492	231	7.2%
2025	-	-	-	-	-	-	\$109,751	212	7.5%
2024	-	-	-	-	-	-	\$106,302	205	7.4%
YTD	54	\$90.5M	1.1%	\$2,105,059	\$96,398	6.6%	\$111,041	215	7.0%
2023	157	\$208.1M	2.2%	\$1,518,949	\$104,940	6.8%	\$109,552	212	7.0%
2022	207	\$498.5M	4.5%	\$2,623,540	\$119,109	5.9%	\$122,858	237	6.1%
2021	236	\$662.3M	5.8%	\$2,917,787	\$120,997	6.3%	\$131,028	253	5.6%
2020	182	\$283.4M	2.9%	\$1,687,156	\$107,650	6.7%	\$115,280	223	6.0%
2019	235	\$287.4M	3.8%	\$1,512,445	\$94,497	6.7%	\$105,504	204	6.4%
2018	264	\$393.5M	5.1%	\$1,733,475	\$91,469	6.7%	\$97,979	189	6.6%
2017	223	\$403.2M	5.1%	\$2,144,441	\$86,514	6.8%	\$93,081	180	6.6%
2016	199	\$208.4M	3.3%	\$1,211,866	\$75,141	7.6%	\$88,498	171	6.7%
2015	187	\$186.6M	2.8%	\$1,084,779	\$72,291	8.2%	\$84,849	164	6.7%
2014	152	\$185M	4.2%	\$1,284,644	\$64,636	7.5%	\$79,089	153	6.9%
2013	163	\$122.1M	2.6%	\$803,382	\$50,923	8.1%	\$73,642	142	7.1%

(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
2028	-	298,495	6.6%	-	4,876	-	4,709	-	-
2027	-	293,786	6.8%	-	4,200	-	4,035	-	-
2026	-	289,751	7.1%	-	2,922	-	2,752	-	-
2025	-	286,999	7.7%	-	4,379	-	4,230	-	-
2024	-	282,769	8.4%	-	8,415	-	8,383	-	-
YTD	5,929	278,111	8.0%	23	3,725	23	3,725	59	9,978
2023	5,906	274,386	8.0%	92	12,267	88	12,212	78	13,322
2022	5,818	262,174	7.3%	82	10,778	81	10,754	124	18,337
2021	5,737	251,420	6.1%	84	10,449	74	10,312	109	15,232
2020	5,663	241,108	7.2%	85	9,815	77	9,731	109	14,161
2019	5,586	231,377	5.1%	55	6,003	52	5,746	110	14,461
2018	5,534	225,631	4.9%	41	6,026	37	5,954	77	9,668
2017	5,497	219,673	4.6%	29	3,714	18	3,599	52	7,610
2016	5,479	216,074	4.8%	32	4,017	29	3,963	46	7,293
2015	5,450	212,111	5.2%	31	4,177	27	4,136	40	5,600
2014	5,423	207,975	5.1%	22	3,303	20	3,276	40	5,319
2013	5,403	204,699	5.1%	20	3,328	7	3,138	29	4,580
2012	5,396	201,561	5.0%	12	1,252	5	1,132	20	3,460