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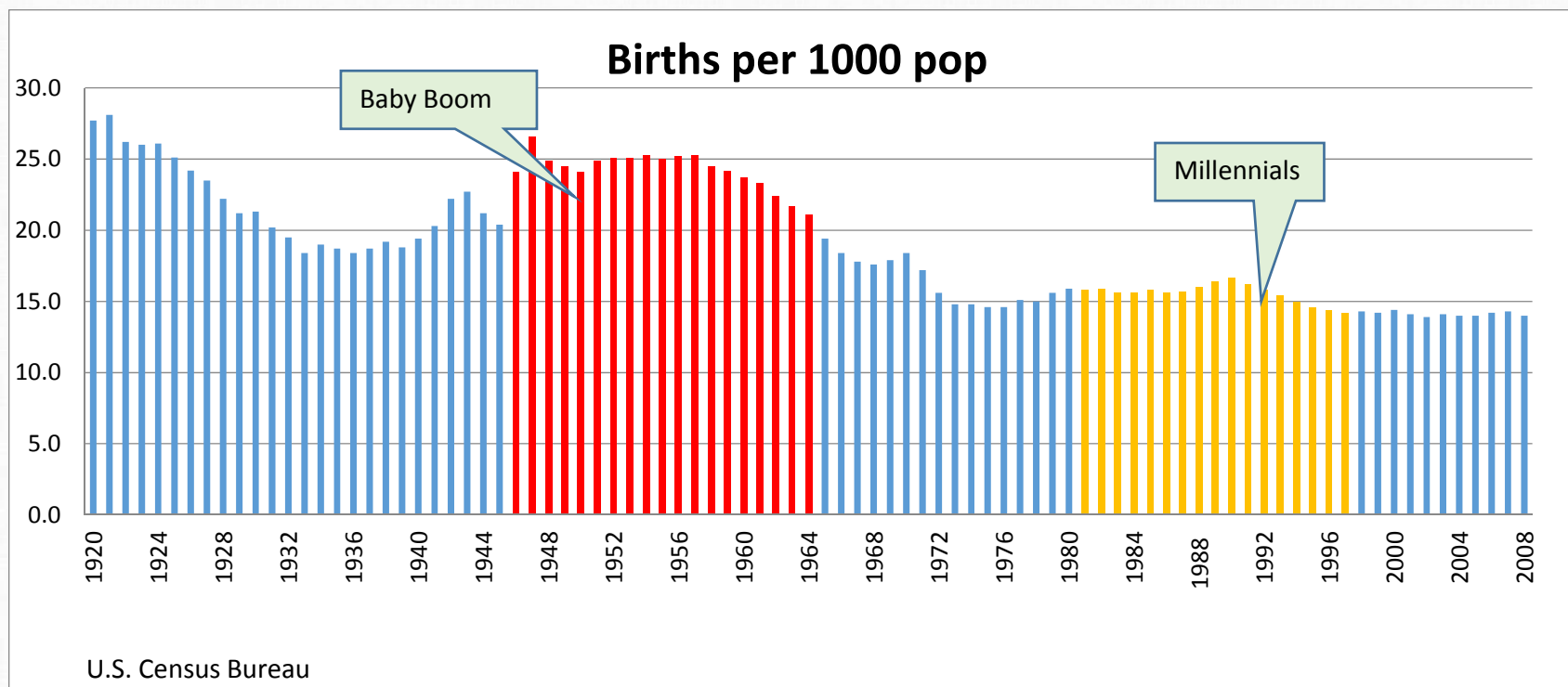
Market Trends

Eastern Lenders Association
Baltimore, MD
March 6, 2018

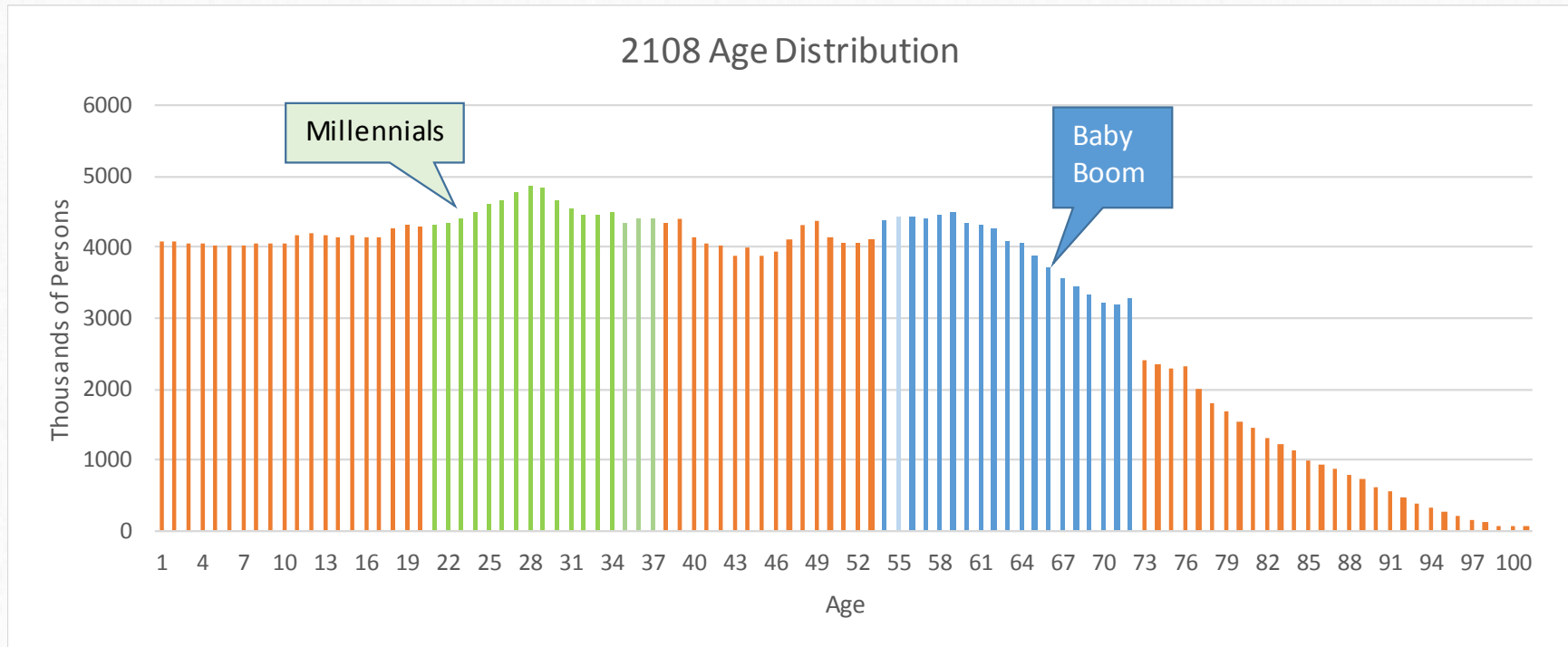
Topics

- Demographic Fundamentals
- Economic Fundamentals
- Market Performance

Birth Rates



Age Distribution

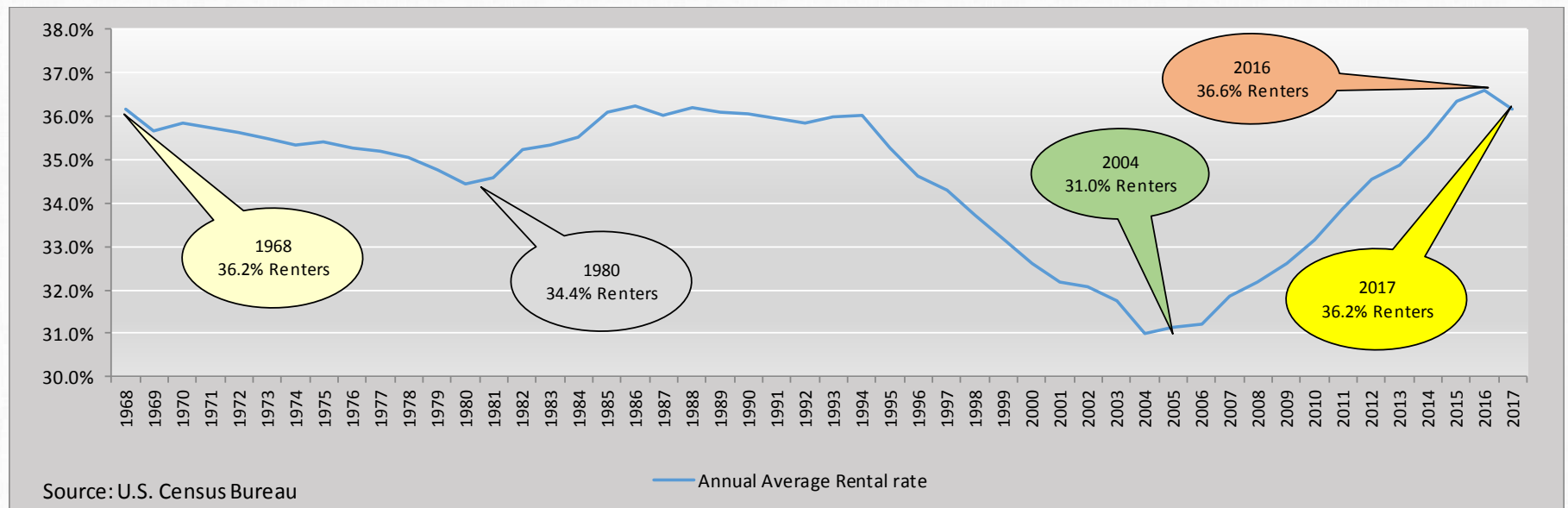




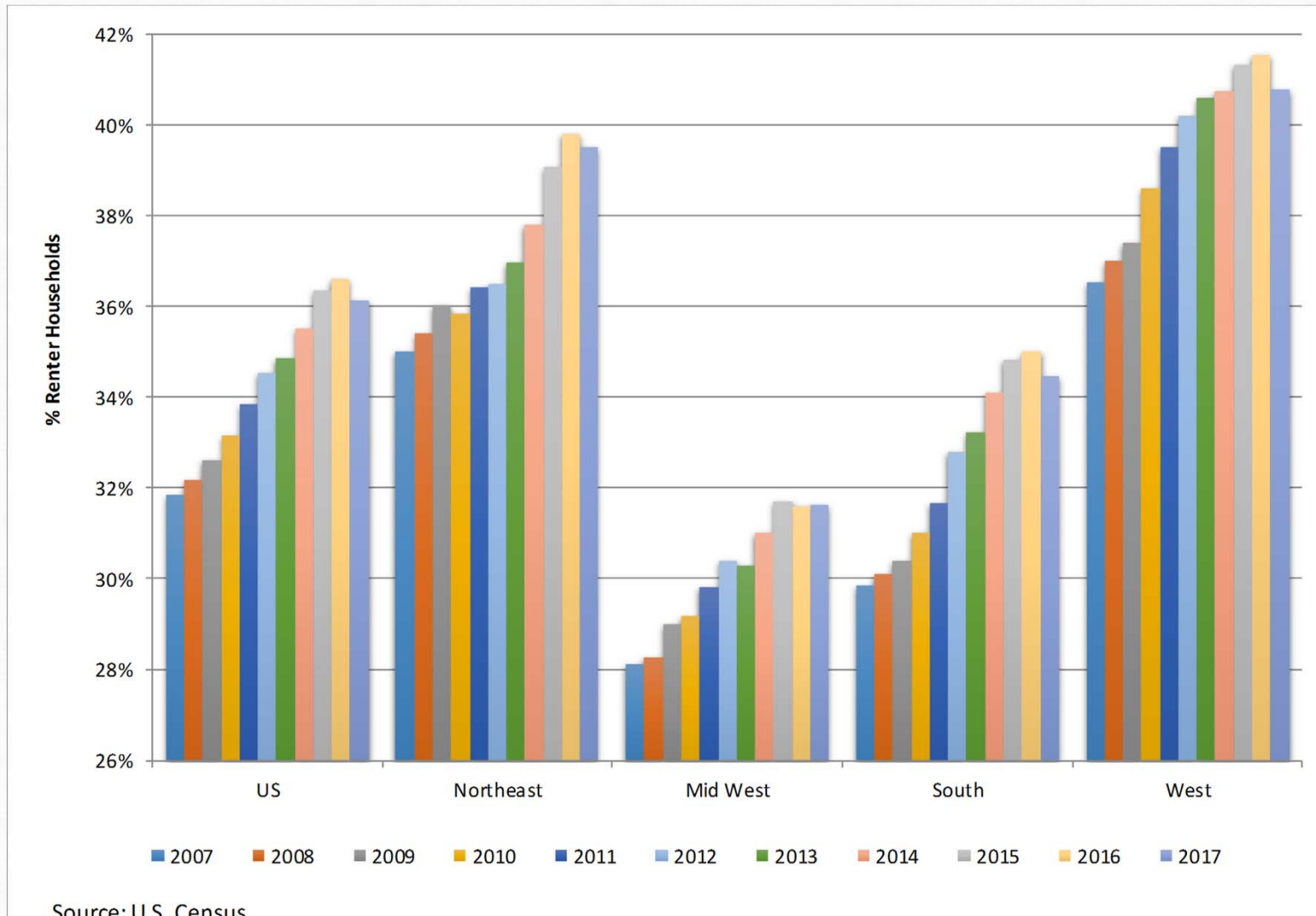
2000-2025 US Population by Age



Rentership Rates



Rentership Rate by Region



Source: U.S. Census

Rentership Rates by Age of Householder

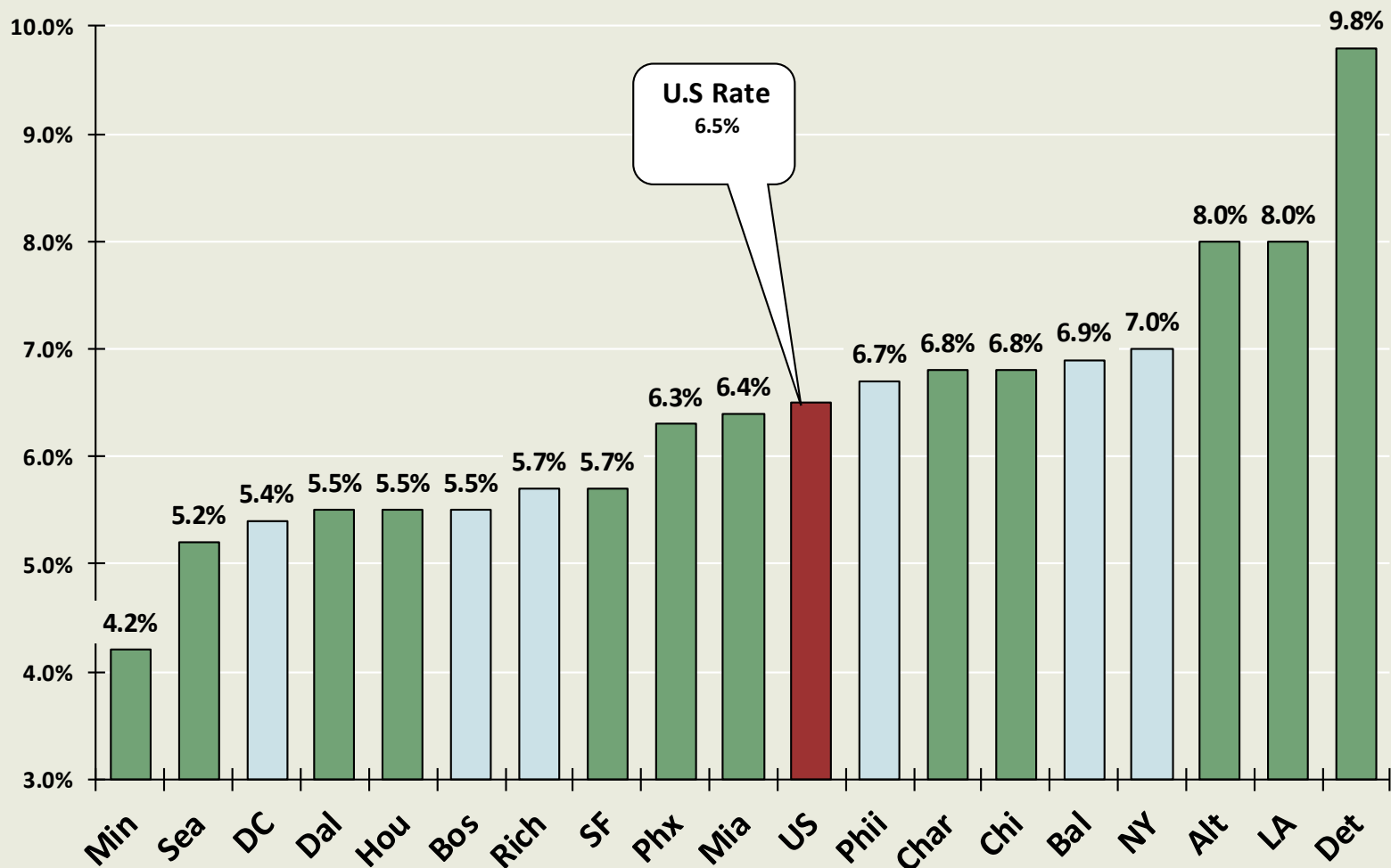
Rental Rates						
Year	United States	HH Under 35 years	HH 35 -44 yrs	HH 45-54 yrs	HH 55-64 yrs	HH 65 Yrs +
2003	31.7%	57.8%	31.7%	23.4%	18.6%	19.5%
2004	31.0%	56.9%	30.8%	22.8%	18.3%	19.0%
2005	31.1%	56.9%	30.7%	23.4%	18.8%	19.4%
2006	31.2%	57.4%	31.1%	23.8%	19.1%	19.1%
2007	31.9%	58.3%	32.2%	24.6%	19.4%	19.6%
2008	32.2%	59.0%	33.0%	25.0%	19.9%	19.9%
2009	32.6%	60.3%	33.8%	25.6%	20.5%	19.5%
2010	33.2%	60.9%	35.0%	26.5%	21.0%	19.5%
2011	33.9%	62.3%	36.5%	27.3%	21.5%	19.1%
2012	34.6%	63.3%	38.6%	28.3%	22.7%	18.9%
2013	34.9%	63.2%	39.4%	28.8%	23.4%	19.2%
2014	35.5%	64.2%	40.3%	29.3%	23.7%	20.1%
2015	36.4%	65.0%	41.6%	30.0%	24.6%	21.1%
2016	36.6%	65.5%	41.4%	30.7%	25.0%	21.2%
2017	36.2%	64.7%	41.0%	30.7%	24.7%	21.3%

Source: U.S. Census Bureau

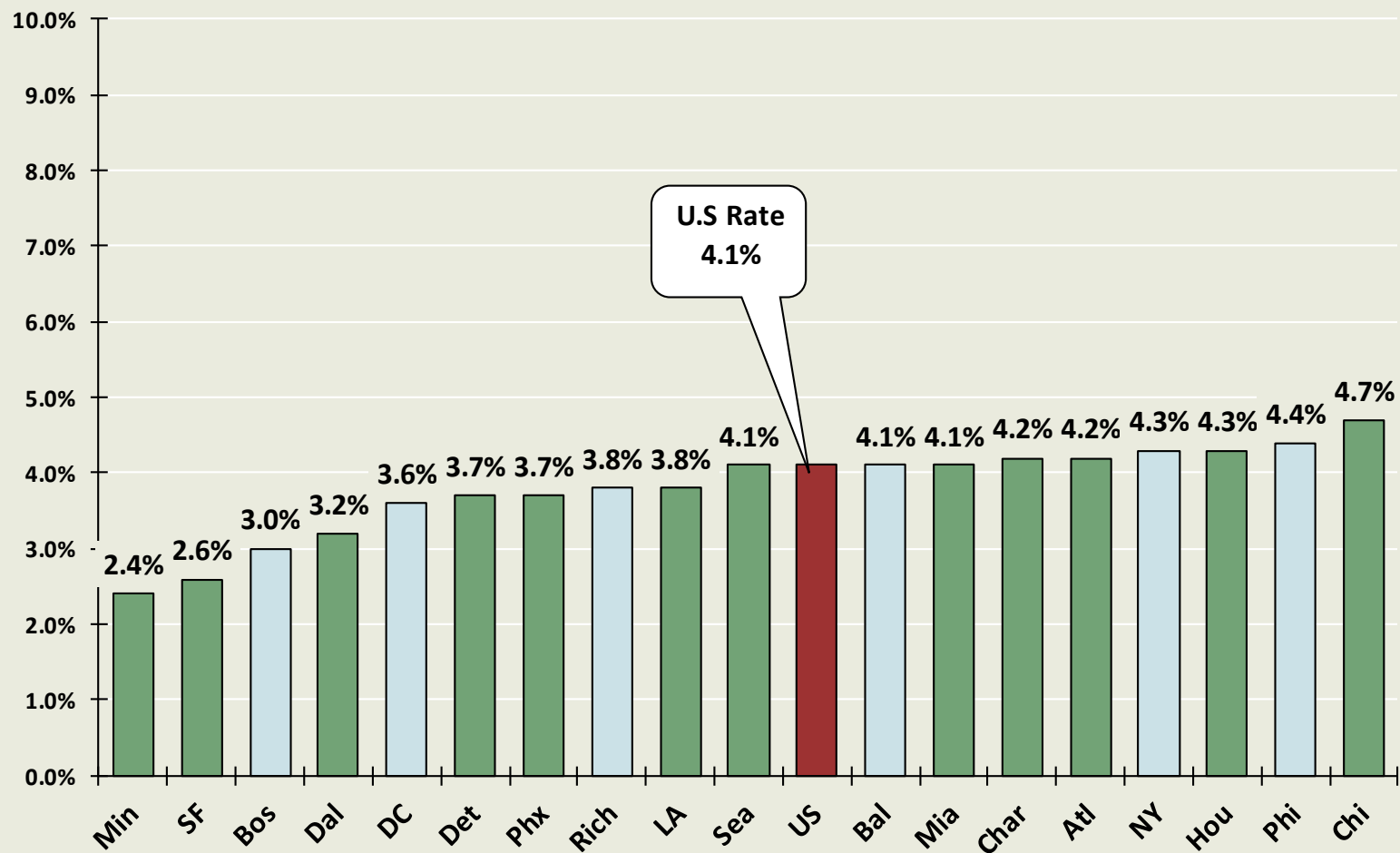
Highest

Lowest

Unemployment - July 2014 US Metropolitan Areas



Unemployment - November 2017 US Metropolitan Areas

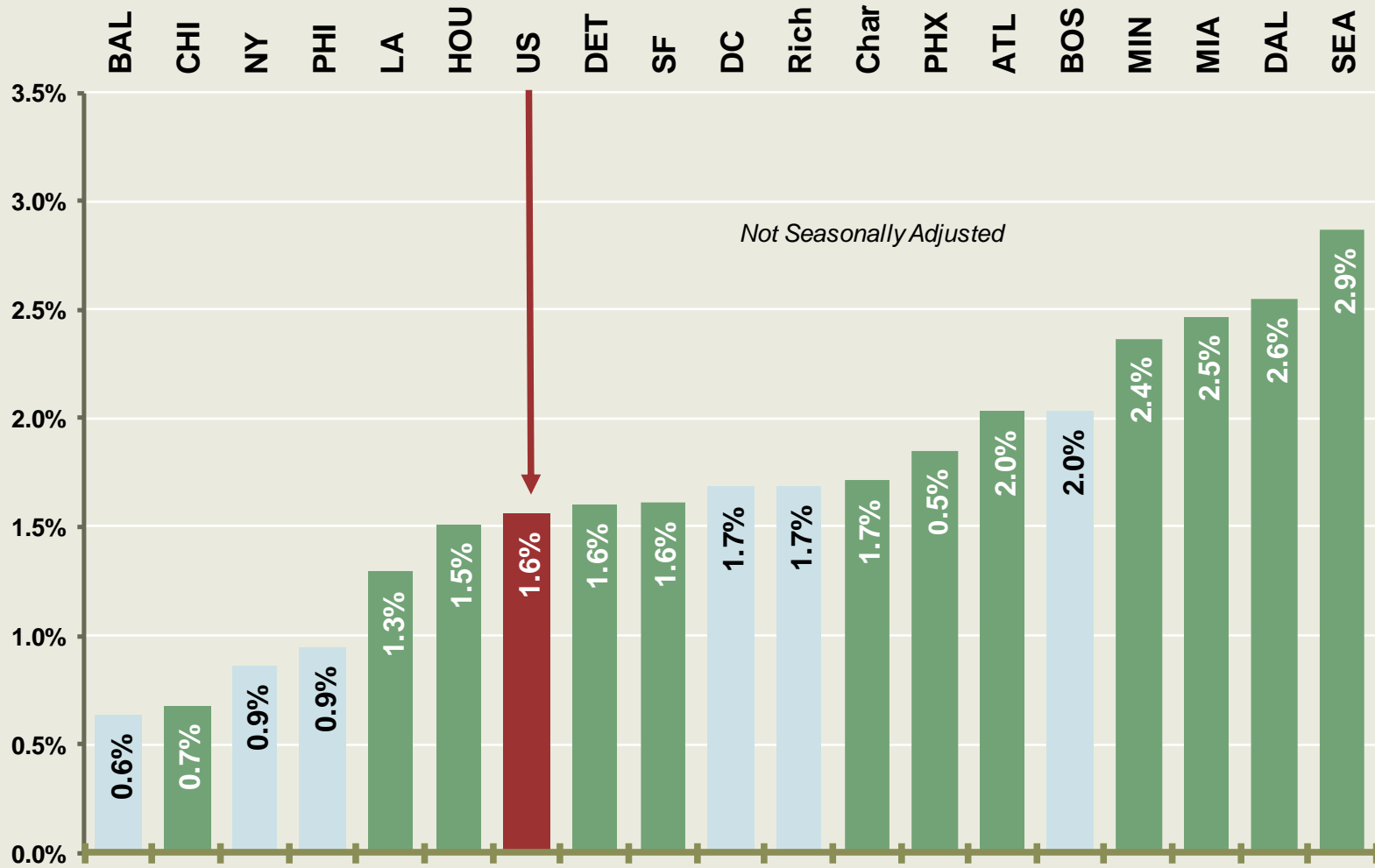




Change in Total Employment 3Q 2007 to June-2016



Change in Total Employment Dec-16 to Dec-17





RPRG Market Snapshots

- Based on RPRG studies conducted over the last six months.
- Specific to a distinct market area rather than the overall jurisdiction.
- Data relevant to the specific effective date of the market (markets change daily).
- Bias for positive markets. Sample excludes some markets where deals just didn't work (Yes, we do kill some deals).



Averages by Market Type

	Stab. Vacancy	Overall \$/SF		Upper Tier \$/SF		Demand	Supply	Net Demand
		1BR	2BR	1BR	2BR			
Urban	3.12%	\$1.89	\$1.76	\$2.12	\$2.01	973	1350	↓ -377
Inner Suburb	2.41%	\$1.49	\$1.48	\$1.75	\$1.51	699	654	→ 45
Outer Suburb	1.81%	\$1.34	\$1.12	\$1.44	\$1.22	846	688	↑ 158
Exurban	2.54%	\$1.18	\$1.02	\$1.29	\$1.14	552	541	→ 12

Source: 2017-18 Surveys, Real Property Research Group, Inc.



Urban Markets

Market	State	Stab. Vacancy	Overall \$/SF		Upper Tier \$/SF		Demand	Supply	Net Demand
			1BR	2BR	1BR	2BR			
Central DC	DC	2.80%	\$3.06	\$2.99	\$3.39	\$3.17	1211	2367	↓ -1156
SE	DC	1.00%	\$1.49	\$1.37	\$1.50	\$1.40	967	1256	↓ -289
Balt-Canton	MD	3.20%	\$2.25	\$2.08	\$2.39	\$2.21	886	881	⇒ 5
Hampton-Balt Ci	MD	1.90%	\$1.82	\$1.65	\$2.05	\$1.95	393	499	↓ -106
Altantic City	NJ	3.00%	\$1.40	\$1.18	\$1.44	\$1.38	314	555	↓ -241
Essex	NJ	2.30%	\$1.89	\$1.88	\$2.29	\$2.54	413	286	↑ 127
Dtn Buffalo	NY	5.80%	\$1.39	\$1.33	\$1.50	\$1.41	667	1001	↓ -334
Dtn Phila	PA	4.60%	\$2.60	\$2.49	\$2.94	\$2.80	1337	1522	↓ -185
E. Pittsburgh	PA	3.00%	\$1.11	\$0.95	\$1.36	\$1.21	183	384	↓ -201
Richmond	VA	4.30%	\$1.46	\$1.30	\$1.87	\$1.68	1334	1840	↓ -506
Tyson-Fairfax	VA	2.40%	\$2.27	\$2.12	\$2.57	\$2.37	2997	4263	↓ -1266
Average		3.12%	\$1.89	\$1.76	\$2.12	\$2.01	973	1350	↓ -377

Source: 2017-18 Surveys, Real Property Research Group, Inc.



Inner Suburban Markets

Market	State	Stab. Vacancy	Overall \$/SF		Upper Tier \$/SF		Demand	Supply	Net Demand
			1BR	2BR	1BR	2BR			
Central AA	MD	3.40%	\$1.79	\$1.51	\$2.03	\$1.72	946	1502	↓ -556
Central PG	MD	2.90%	\$1.74	\$4.68	\$1.99	\$1.87	876	816	⇒ 60
Elkrdige	MD	3.90%	\$1.53	\$1.33	\$1.93	\$1.57	957	1116	↓ -159
Gaithersburg	MD	2.00%	\$1.71	\$1.47	\$1.99	\$1.67	598	474	↑ 124
Harford	MD	1.90%	\$1.53	\$1.33	\$1.57	\$1.35	291	193	⇒ 98
NW Balt	MD	4.30%	\$1.43	\$1.33	\$1.58	\$1.46	393	409	⇒ -16
Silver Spring	MD	1.90%	\$1.94	\$1.72	\$2.52	\$2.29	587	1040	↓ -453
So. Howard	MD	2.20%	\$1.71	\$1.51	\$2.19	\$1.75	379	301	⇒ 78
Southern PG	MD	4.20%	\$1.76	\$1.61	\$2.11	\$1.66	390	286	↑ 104
Cumberland	PA	1.50%	\$1.19	\$1.04	\$1.49	\$1.29	760	467	↑ 293
Lancaster	PA	1.40%	\$0.90	\$0.82	\$1.01	\$0.94	520	329	↑ 191
Alexandria	VA	2.80%	\$2.17	\$1.95	\$2.60	\$2.06	662	546	↑ 116
Chesterfield	VA	1.70%	\$1.10	\$1.10	\$1.14	\$1.15	794	744	⇒ 50
Chesterfield	VA	1.20%	\$1.28	\$1.14	\$1.35	\$1.18	589	717	↓ -128
Hampton	VA	2.10%	\$1.15	\$0.97	\$1.30	\$1.21	409	116	↑ 293
Norfolk	VA	2.40%	\$1.54	\$1.33	\$1.85	\$1.57	856	744	↑ 112
Suffolk	VA	2.80%	\$1.10	\$0.98	\$1.46	\$1.28	1271	1171	↑ 100
VA Beach	VA	2.10%	\$1.35	\$1.17	\$1.48	\$1.26	829	489	↑ 340
Williamsburg	VA	2.50%	\$1.32	\$1.14	\$1.52	\$1.29	969	780	↑ 189
Woodbridge	VA	0.90%	\$1.52	\$1.46	\$1.86	\$1.58	909	836	⇒ 73
Average		2.41%	\$1.49	\$1.48	\$1.75	\$1.51	699.25	653.8	⇒ 45

Source: 2017-18 Surveys, Real Property Research Group, Inc.



Outer Suburban Markets

Market	State	Stab. Vacancy	Overall \$/SF		Upper Tier \$/SF		Demand	Supply	Net Demand
			1BR	2BR	1BR	2BR			
Charles	MD	2.30%	\$1.75	\$1.42	\$1.76	\$1.45	610	122	↑ 488
Frederick	MD	3.50%	\$1.47	\$1.29	\$1.65	\$1.41	1151	1382	↓ -231
Hagerstown	MD	1.80%	\$1.01	\$0.90	\$1.09	\$0.99	708	336	↑ 372
Salisbury	MD	0.90%	\$1.12	\$0.93	\$1.21	\$1.06	668	541	↑ 127
York	PA	1.60%	\$1.13	\$0.94	\$1.13	\$0.97	488	792	↓ -304
Charlottesville	VA	0.50%	\$1.48	\$1.23	\$1.57	\$1.37	861	399	↑ 462
Fredericksburg	VA	2.10%	\$1.41	\$1.13	\$1.66	\$1.28	1437	1247	↑ 190
Average		1.81%	\$1.34	\$1.12	\$1.44	\$1.22	846	688	↑ 158

Source: 2017-18 Surveys, Real Property Research Group, Inc.

Exurban Markets

Market	State	Stab. Vacancy	Overall \$/SF		Upper Tier \$/SF		Demand	Supply	Net Demand
			1BR	2BR	1BR	2BR			
Kent	DE	2.10%	\$1.29	\$1.09	\$1.33	\$1.15	663	171	↑ 492
Middletown	DE	1.30%	\$1.22	\$1.06			820	668	↑ 152
Susex	DE	5.00%	\$1.14	\$0.93	\$1.28	\$1.08	659	528	↑ 131
Calvert	MD	5.10%	\$1.38	\$1.07	\$1.64	\$1.34	335	390	→ -55
Gloucester	NJ	0.80%	\$1.10	\$1.00	\$1.31	\$1.21	129	0	↑ 129
Western Buck	PA	2.90%	\$1.30	\$1.24	\$1.31	\$1.30	473	364	↑ 109
Blacksburg	VA	0.70%	\$1.13	\$0.97	\$1.26	\$1.09	668	641	→ 27
Lynchburg	VA	2.40%	\$0.88	\$0.80	\$0.91	\$0.78	671	1563	↓ -892
Average		2.54%	\$1.18	\$1.02	\$1.29	\$1.14	552	541	→ 12

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