Phoenix State of the Market

Presented By

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Metro Phoenix is a Leader in U.S. Job Growth

OVER HALF A MILLION JOBS ADDED IN LAST 10 YEARS

Metro Phoenix experienced ±2.7% year-over-year job growth compared to the national average of ±1.05% from 2016 to 2022

Net Domestic Migration Aids Population Expansion

2013-2023* TOTAL GROWTH

PHX MSA	U.S.
±15.90%	±5.40%

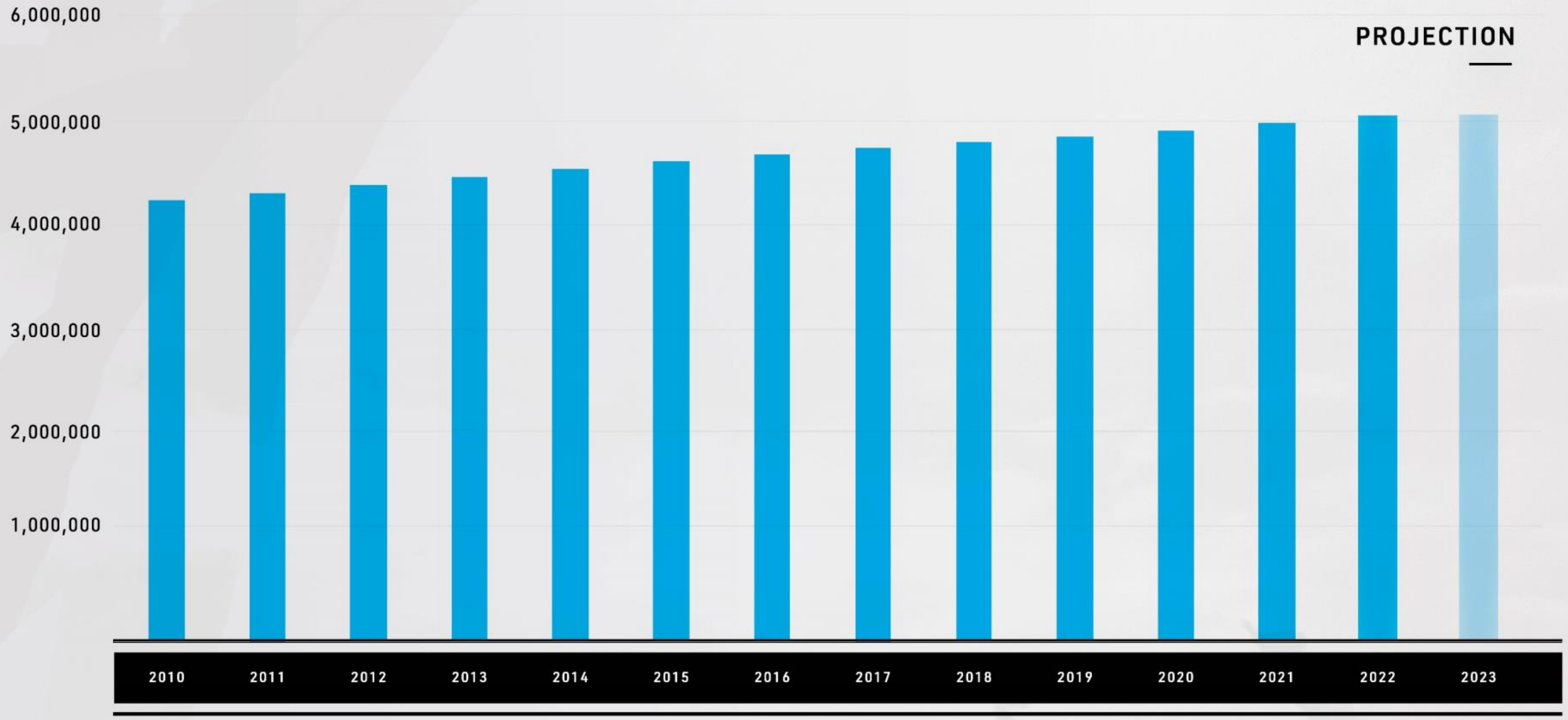
SOURCE: MOODY'S ANALYTICS, 2023

±7.5M – Projected Phoenix MSA Population by 2050

SOURCE: MARICOPA ASSOCIATION OF GOVERNMENTS, 2022

With an Average Annual Net Migration of ±65,100 from 2018-2023, Greater Phoenix is Within the Top U.S. Metros for Positive Net Migration

Total Phoenix MSA Population

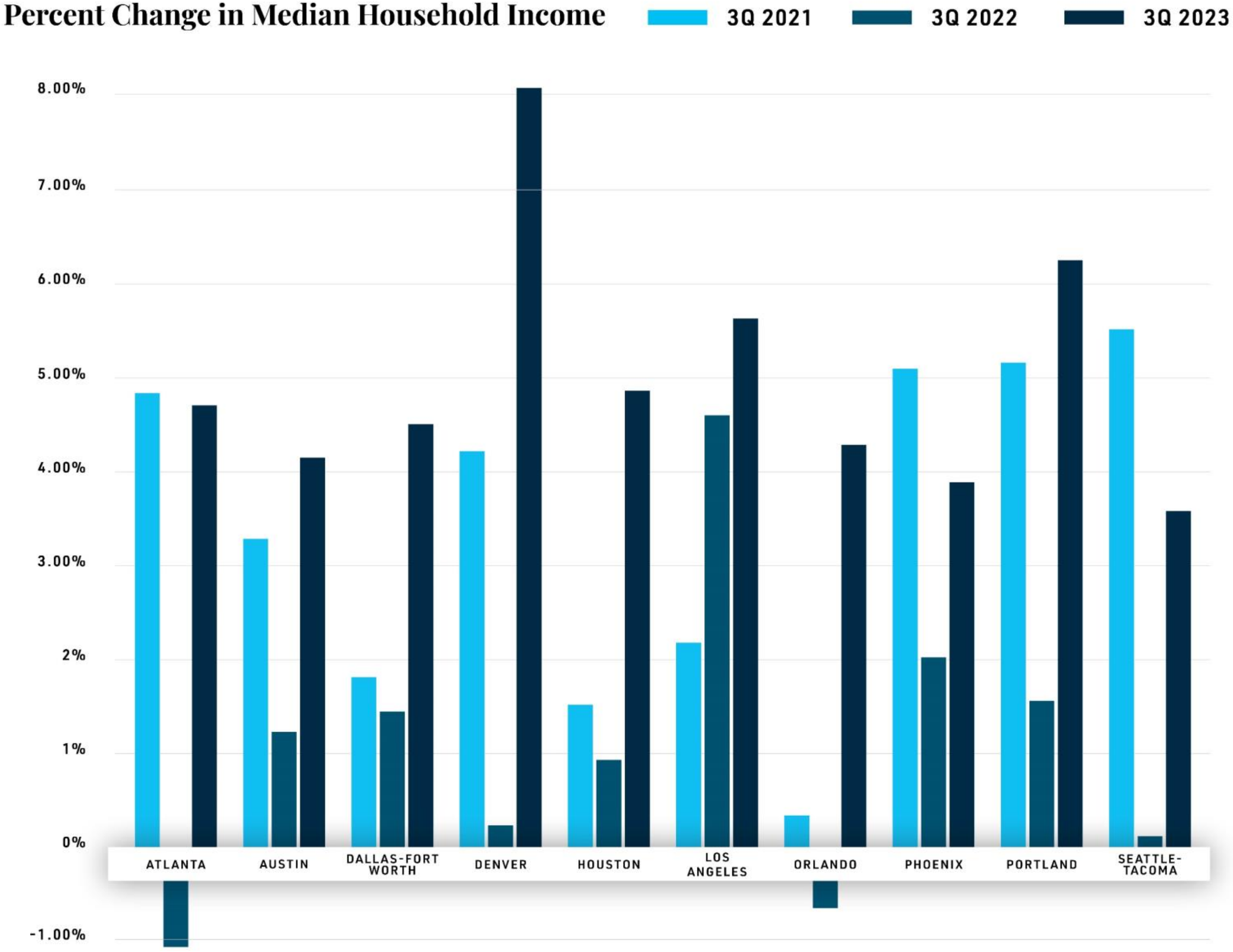


SOURCE: IPA RESEARCH SERVICES, U.S. CENSUS BUREAU, MOODY'S ANALYTICS, 2023
*FORECAST

Accelerating Income Growth Over Last 10 Years

PHOENIX MSA IS AMONG THE TOP MAJOR MARKETS FOR FASTEST GROWING HOUSEHOLD INCOME

Percent Change in Median Household Income



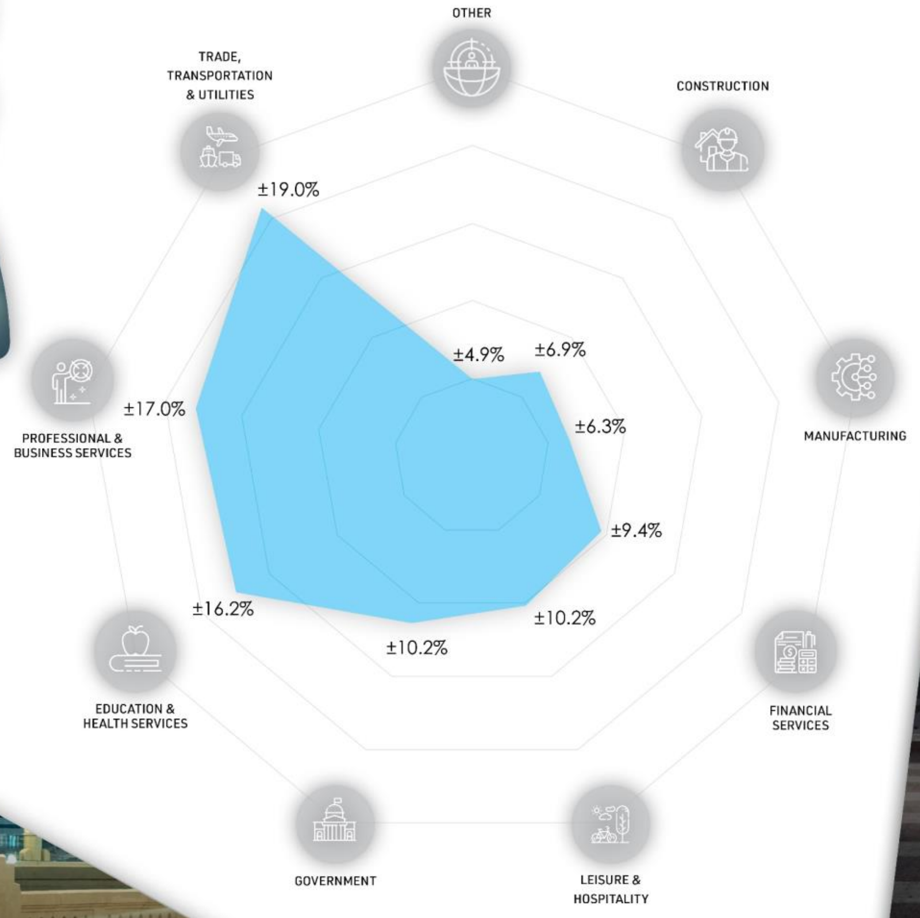
SOURCE: IPA RESEARCH SERVICES, 2023

POST-PANDEMIC NOTABLE

Employment Announcements

amazon	±5,000 EMPLOYEES	AVONDALE, CHANDLER, GLENDALE, GOODYEAR, MESA, PHOENIX, & TEMPE
tsmc	±4,500 EMPLOYEES (PHASE I)	PHOENIX | ARIZONA
intel	±3,000 EMPLOYEES	CHANDLER | ARIZONA
KOREPOWER	±3,000 EMPLOYEES	BUCKEYE | ARIZONA
LG Energy Solution	±2,800 EMPLOYEES	QUEEN CREEK | ARIZONA
WILLIAMS-SONOMA	±2,400 EMPLOYEES	GLENDALE | ARIZONA
The RealReal	±1,500 EMPLOYEES	PHOENIX | ARIZONA
HELLO FRESH	±1,200 EMPLOYEES	PHOENIX | ARIZONA
chewy.com	±1,000 EMPLOYEES	GOODYEAR | ARIZONA
Banner Health	±500 EMPLOYEES	CHANDLER | ARIZONA
ELECTRAMECCANICA	±500 EMPLOYEES	MESA | ARIZONA
Phoenix Children's Hospital	±500 EMPLOYEES	GLENDALE | ARIZONA
ups	±400 EMPLOYEES	GOODYEAR | ARIZONA
BROOKLYN BEDDING MADE IN AMERICA	±400 EMPLOYEES	GLENDALE | ARIZONA
TOYOTA	±300 EMPLOYEES	CHANDLER | ARIZONA
ZEV	±300 EMPLOYEES	GILBERT | ARIZONA
Abercrombie & Fitch	±300 EMPLOYEES	GOODYEAR | ARIZONA
VPX	±300 EMPLOYEES	GOODYEAR | ARIZONA
MLILY	±300 EMPLOYEES	GLENDALE | ARIZONA
Sysco	±260 EMPLOYEES	MESA | ARIZONA
GPMI COMPANY	±200 EMPLOYEES	GILBERT | ARIZONA
State Farm	±200 EMPLOYEES	TEMPE | ARIZONA
Virgin GALACTIC	±200 EMPLOYEES	MESA | ARIZONA
Meta	±100 EMPLOYEES	MESA | ARIZONA

Diversified Employment Creates Durable Economy



SOURCE: BUREAU OF LABOR STATISTICS, 2023

KEY INDUSTRY PLAYERS

FINANCIAL SERVICES

Wells Fargo, JPMorganChase, Bank of America, Northern Trust Asset Management

EDUCATION & HEALTH SERVICES

ASU, Banner Health, HonorHealth, Phoenix Children's Hospital

PROFESSIONAL & BUSINESS SERVICES

Avnet, State Farm, Republic Services, Allstate

MANUFACTURING

Intel, Honeywell, Boeing, TSMC

GOVERNMENT

az.gov State of Arizona, City of Phoenix, Maricopa County, Department of Justice

TRADE, TRANSPORTATION & UTILITIES

aps, SRP, chewy.com, amazon

CONSTRUCTION

Freeport-McMoRan, Haydon, Ryan, McCarthy

LEISURE & HOSPITALITY

Talking Stick Resort, AZSTA Arizona Sports & Tourism Authority, Fairmont Scottsdale Princess, The Phoenician

OTHER

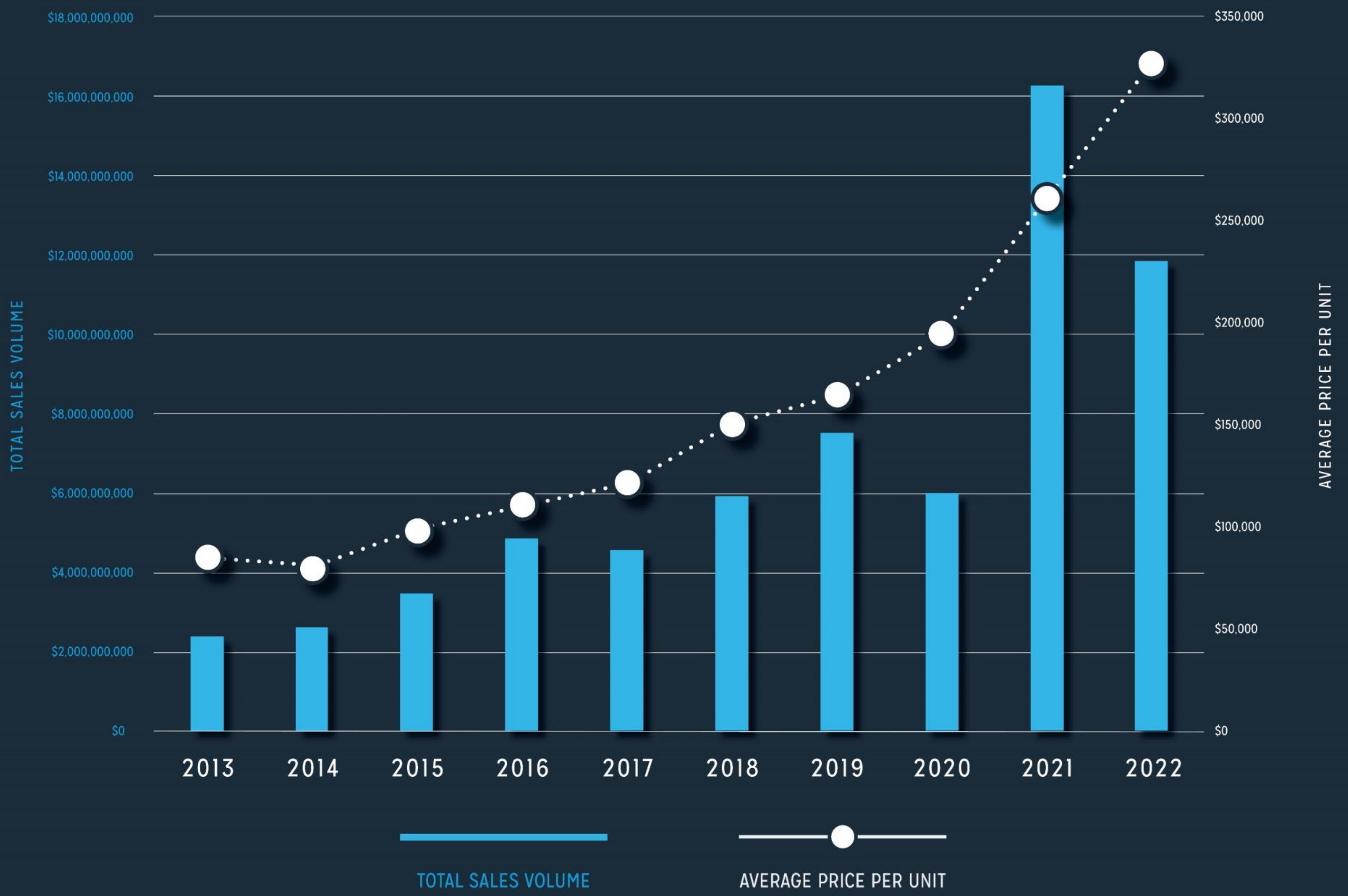
Carvana, Sprouts Farmers Market, GoDaddy, Verizon

Multifamily Market Velocity + Pricing Trends

2013-2022

APARTMENT TRANSACTIONS
WITH 100 UNITS OR MORE

Total Sales Volume + Average Price Per Unit



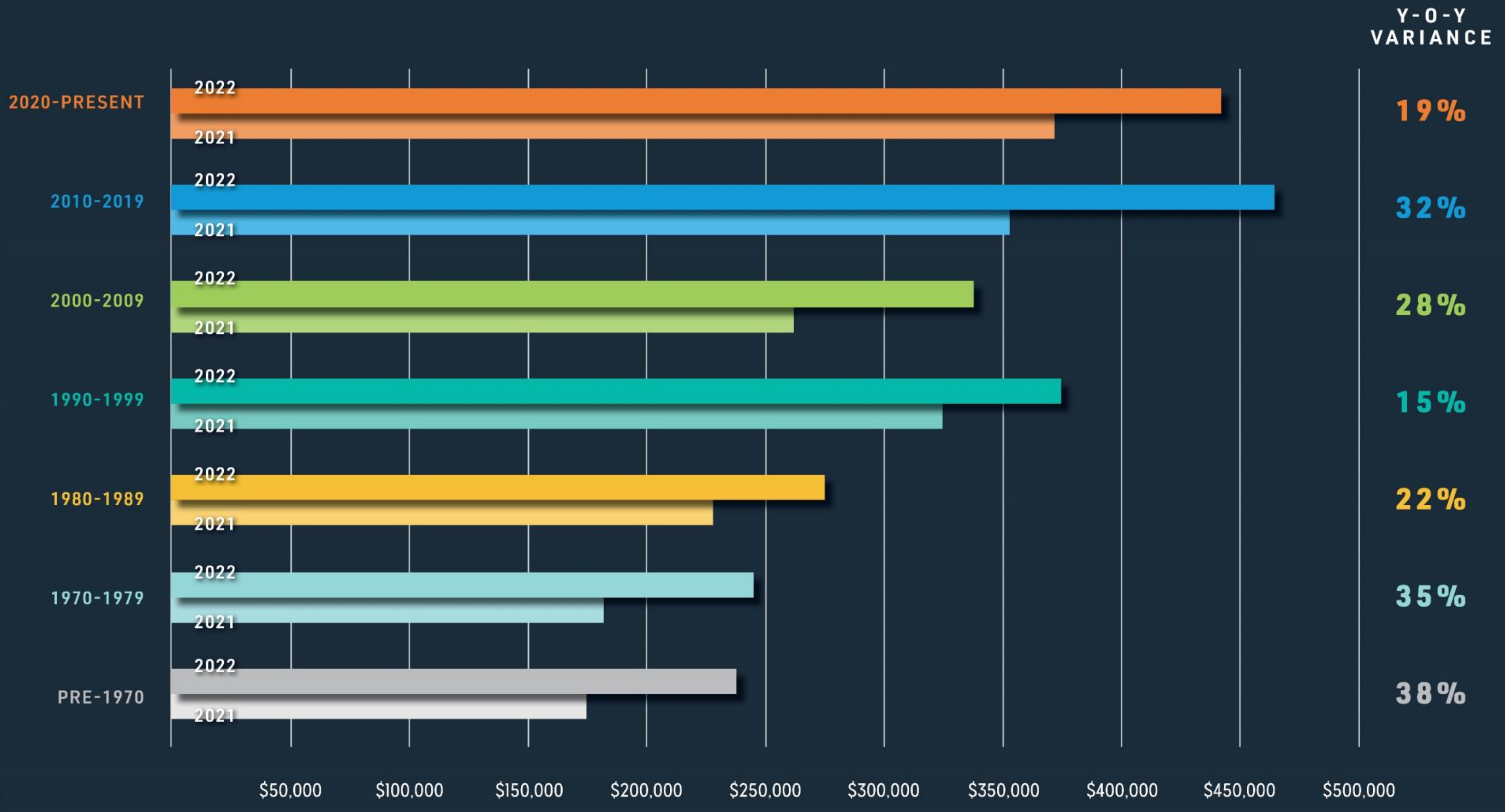
Multifamily Market Velocity + Pricing Trends

2021-2022

APARTMENT TRANSACTIONS
WITH 100 UNITS OR MORE

Average Price Per Unit

SEGMENTED BY VINTAGE



2022

Debt Structure Composition

APARTMENT TRANSACTIONS WITH 100 UNITS OR MORE

2020-PRESENT CONSTRUCTION

Bank	7	41%
Other (Debt Fund, Balance Sheet, etc.)	4	24%
All Cash	3	18%
Life Insurance Co.	2	12%
FHLMC	1	6%
	17	100%

2010-2019 CONSTRUCTION

Other (Debt Fund, Balance Sheet, etc.)	6	46%
Bank	2	15%
Life Insurance Co.	2	15%
FHLMC	1	8%
FNMA	1	8%
All Cash	1	8%
	13	100%

2000-2009 CONSTRUCTION

Bank	8	38%
FHLMC	7	33%
Other (Debt Fund, Balance Sheet, etc.)	2	10%
FNMA	1	5%
Life Insurance Co.	1	5%
All Cash	1	5%
Assumption	1	5%
	21	100%

1990-1999 CONSTRUCTION

Other (Debt Fund, Balance Sheet, etc.)	6	38%
All Cash	3	19%
FHLMC	2	13%
FNMA	2	13%
Life Insurance Co.	2	13%
Bank	1	6%
	16	100%

1980-1989 CONSTRUCTION

Other (Debt Fund, Balance Sheet, etc.)	26	41%
Bank	17	27%
FNMA	9	14%
FHLMC	8	13%
Seller Carryback	2	3%
Life Insurance Co.	1	2%
Assumption	1	2%
	64	100%

1970-1979 CONSTRUCTION

Other (Debt Fund, Balance Sheet, etc.)	16	53%
Bank	5	17%
FHLMC	5	17%
FNMA	2	7%
Life Insurance Co.	1	3%
Assumption	1	3%
	30	100%

PRE-1970 CONSTRUCTION

Other (Debt Fund, Balance Sheet, etc.)	2	40%
Bank	1	20%
FHLMC	1	20%
All Cash	1	20%
	5	100%

ALL YEARS CONSTRUCTION

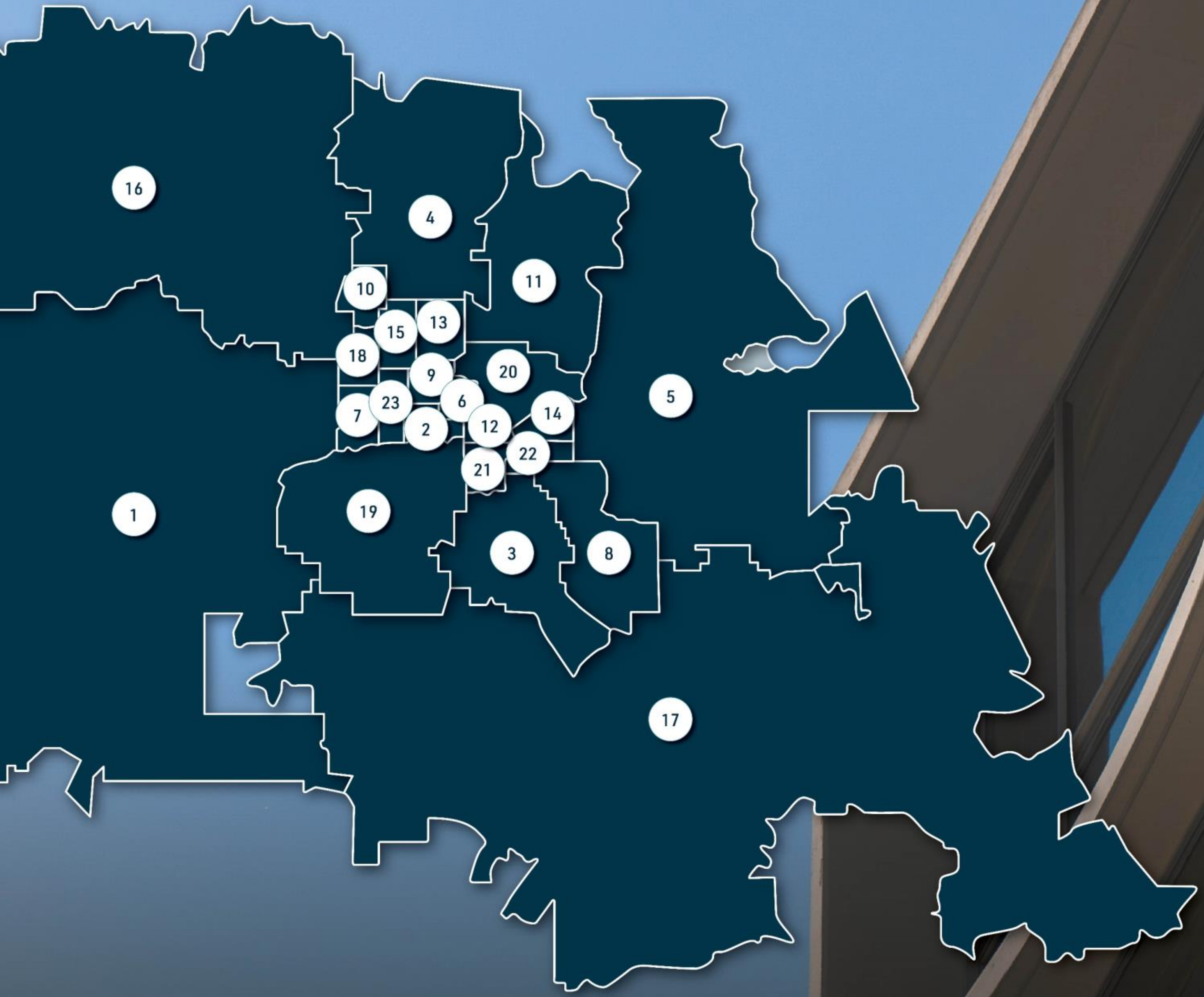
Other (Debt Fund, Balance Sheet, etc.)	62	37%
Bank	41	25%
FHLMC	25	15%
FNMA	15	9%
Life Insurance Co.	9	5%
All Cash	9	5%
Assumption	3	2%
Seller Carryback	2	1%
	166	100%

Phoenix MSA Multifamily

2023 YTD TRANSACTIONS

ORGANIZED BY SALE DATE
APARTMENT COMMUNITIES WITH 100 UNITS OR MORE

No.	PROPERTY	CITY	UNITS	YEAR BUILT	SALE DATE	PRICE	$/UNIT	SqFT	$/SqFT
1	Dimension on 27th	Phoenix	260	1982	1/23/2023	$49,750,000	$191,346	177,108	$281
2	Eden	Tempe	112	1980	1/31/2023	$26,500,000	$236,607	90,490	$293
3	Dwell	Scottsdale	193	1963/1975	2/14/2023	$41,600,000	$215,544	122,687	$339
4	Mountain Park	Phoenix	240	1994	2/17/2023	$70,015,000	$291,729	230,560	$304
5	The Havenly at Fountain Hills	Fountain Hills	147	2022	2/24/2023	$68,300,000	$464,626	150,331	$454
6	Springs at Deer Valley	Phoenix	296	2022	3/3/2023	$90,280,000	$305,000	296,518	$304
7	Covington Park	Phoenix	520	1999	3/13/2023	$115,000,000	$221,154	463,874	$248
8	Tempe Station	Tempe	400	2000	3/15/2023	$110,000,000	$275,000	379,528	$290
9	Aventura	Avondale	408	2000	3/27/2023	$102,500,000	$251,225	368,436	$278
10	Spring	Phoenix	186	1984	3/30/2023	$42,000,000	$225,806	154,400	$272
11	700 North 4th Street	Phoenix	234	2022	5/16/2023	$70,250,000	$300,214	150,516	$467
12	Solaire	Tempe	124	1963	5/24/2023	$28,300,000	$228,226	103,788	$273
13	The Griffin	Scottsdale	277	2019	5/24/2023	$127,780,000	$461,300	261,937	$488
14	Canvas Tempe	Tempe	263	2021	5/25/2023	$180,500,000	$686,312	304,909	$592
15	Avalon	Phoenix	117	1973	6/1/2023	$29,500,000	$252,137	96,750	$305
16	Alta Raintree	Scottsdale	330	2022	6/14/2023	$141,500,000	$428,788	317,061	$446
17	Phoenix Manor	Phoenix	450	1961	6/14/2023	$50,000,000	$111,111	252,270	$198
18	Bayside	Phoenix	176	1999	6/22/2023	$46,000,000	$261,364	147,040	$313
19	Soltra at SanTan Village	Gilbert	380	2022	6/23/2023	$140,000,000	$368,421	354,269	$395
20	Clarendon Park	Phoenix	138	2002	6/30/2023	$37,000,000	$268,116	96,942	$382
21	Country Gables	Glendale	139	1984	7/24/2023	$28,000,000	$201,439	84,462	$332
22	Cabana Encanto	Goodyear	286	2022	7/28/2023	$61,000,000	$213,287	172,512	$354
23	Las Casas at Windrose	Litchfield Park	133	2022	8/18/2023	$53,000,000	$398,496	271,919	$195
24	Arcadia Cove	Phoenix	432	1996	8/23/2023	$130,500,000	$302,083	379,500	$344
25	FirstStreet at Happy Valley	Phoenix	212	2021	8/23/2023	$87,850,000	$414,387	231,862	$379
26	Springs at Cooley Station	Gilbert	276	2022	8/24/2023	$85,350,000	$309,239	283,342	$301
27	Northerly	Phoenix	165	1985	8/31/2023	$36,000,000	$218,182	115,530	$312
28	Peoria Grand	Peoria	144	1985	9/7/2023	$30,000,000	$208,333	128,784	$233
29	Aiya	Gilbert	360	2022	9/12/2023	$112,000,000	$311,111	314,985	$356
30	Soleil	Chandler	187	1995	9/14/2023	$60,500,000	$323,529	198,098	$305
31	Cabana Happy Valley	Phoenix	292	2023	9/15/2023	$79,250,000	$271,404	174,240	$455
32	Ascend at Mountain Vista	Mesa	300	2023	9/27/2023	$84,250,000	$280,833	283,326	$297
33	District at Scottsdale	Scottsdale	332	2019	9/29/2023	$161,500,000	$486,446	307,330	$525
34	Obsidian on 85th	Peoria	100	1975	9/29/2023	$18,600,000	$186,000	72,000	$258
35	Alta Warehouse District	Phoenix	300	2023	10/6/2023	$82,000,000	$273,333	282,451	$290
36	Trails at Harris	Mesa	209	1983	10/18/2023	$44,500,000	$212,919	160,100	$278
37	Haverly	Phoenix	323	2022	10/24/2023	$102,350,000	$316,873	272,744	$375
	Total / Average		**9,441**			**$2,823,425,000**	**$296,538**	**8,252,599**	**$338**
	Total / Weighted Average		**255**			**$76,308,784**	**$299,060**		**$342**



Submarket Rent Forecast

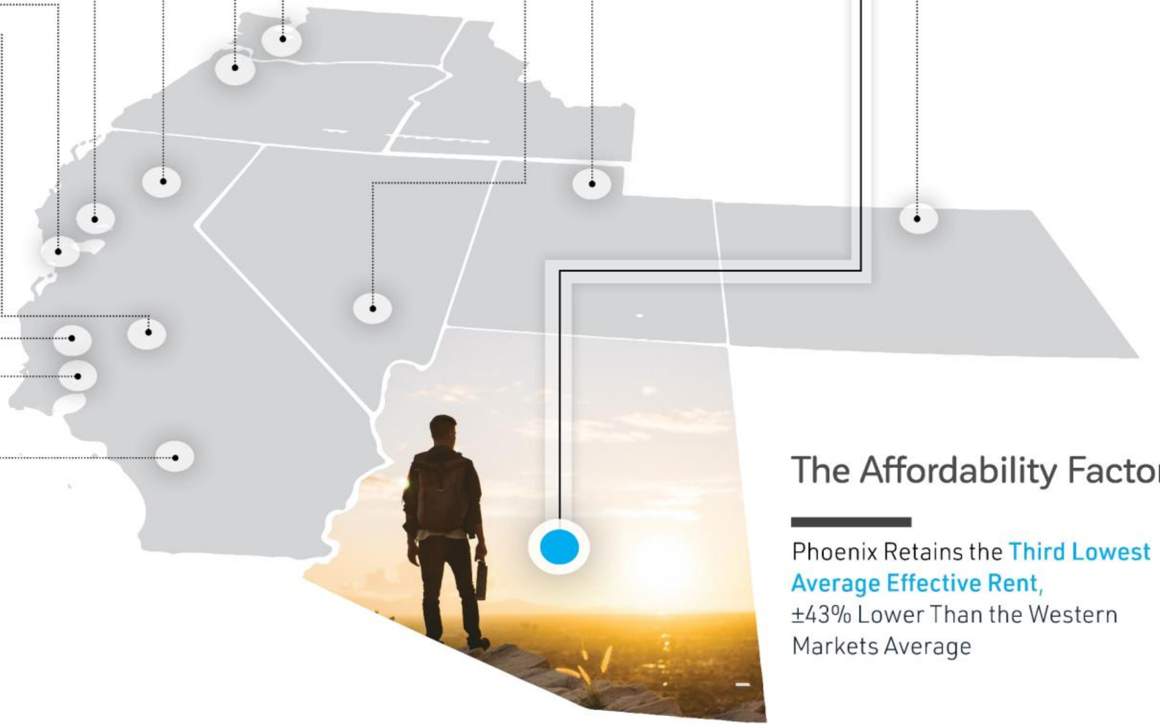
	CITY	2023*	2024*	2025*	2026*	2027*
1	Avondale/Goodyear/West Glendale	(0.84%)	(0.54%)	0.61%	0.94%	0.88%
2	Central Phoenix	(0.37%)	(0.20%)	0.25%	0.50%	0.60%
3	Chandler	(0.35%)	0.10%	0.61%	0.79%	0.76%
4	Deer Valley	(0.13%)	(0.07%)	0.37%	0.67%	0.63%
5	East Mesa	(0.59%)	(0.30%)	0.59%	0.83%	0.79%
6	East Phoenix	0.52%	0.69%	0.96%	1.04%	0.98%
7	Far West Phoenix	0.52%	0.72%	1.06%	1.42%	1.24%
8	Gilbert	(0.58%)	(0.27%)	0.40%	0.79%	0.71%
9	North Central Phoenix	0.39%	0.25%	0.51%	0.63%	0.80%
10	North Glendale	(0.80%)	0.21%	0.54%	0.81%	0.78%
11	North Scottsdale	(0.78%)	(0.06%)	0.32%	0.83%	0.79%
12	North Tempe/University	(0.06%)	0.03%	0.61%	0.78%	0.72%
13	Northeast Phoenix	(0.20%)	0.19%	0.75%	0.98%	0.94%
14	Northwest Mesa	0.12%	0.45%	0.74%	1.23%	1.16%
15	Northwest Phoenix	0.54%	0.66%	0.92%	1.08%	1.23%
16	Peoria/Sun City/Surprise	(0.17%)	0.23%	0.84%	1.02%	1.01%
17	Pinal County	(0.37%)	(0.71%)	1.05%	1.20%	1.00%
18	South Glendale	0.57%	0.90%	1.15%	1.19%	1.18%
19	South Phoenix	(0.32%)	(0.09%)	0.62%	0.83%	0.80%
20	South Scottsdale	(0.07%)	0.10%	0.62%	0.76%	0.67%
21	South Tempe	(0.29%)	0.24%	0.56%	0.79%	0.77%
22	Southwest Mesa	(0.09%)	0.38%	0.81%	1.10%	1.07%
23	West Phoenix	1.17%	1.06%	1.18%	1.28%	1.24%
	PHX MSA	**0.03%**	**0.47%**	**0.72%**	**0.89%**	**0.85%**

SOURCE: REALPAGE, INC. 2023 *PROJECTIONS

Market	3Q2023 Median Home Price	3Q2023 Monthly Mortgage Payment	3Q2023 Average Effective Rent
SAN DIEGO	±$948,558	±$8,135	±$2,858
ORANGE COUNTY	±$1,265,744	±$10,833	±$2,810
LOS ANGELES	±$838,092	±$7,195	±$2,813
RIVERSIDE-SAN BERNARDINO	±$577,570	±$4,978	±$2,237
SAN JOSE	±$1,769,540	±$15,119	±$3,093
SAN FRANCISCO	±$1,719,944	±$14,697	±$2,822
SACRAMENTO	±$533,339	±$4,602	±$1,974
PORTLAND	±$594,978	±$5,127	±$1,748
SEATTLE-TACOMA	±$775,380	±$6,661	±$2,151
LAS VEGAS	±$456,930	±$3,953	±$1,462
SALT LAKE CITY	±$520,173	±$4,490	±$1,586
PHOENIX	**±$466,732**	**±$4,036**	**±$1,606**
DENVER	±$664,613	±$5,720	±$1,924

Western Markets Comparison

PHOENIX MEDIAN MORTGAGE PAYMENT NOTABLY LOWER THAN OTHER WESTERN MARKETS



The Affordability Factor

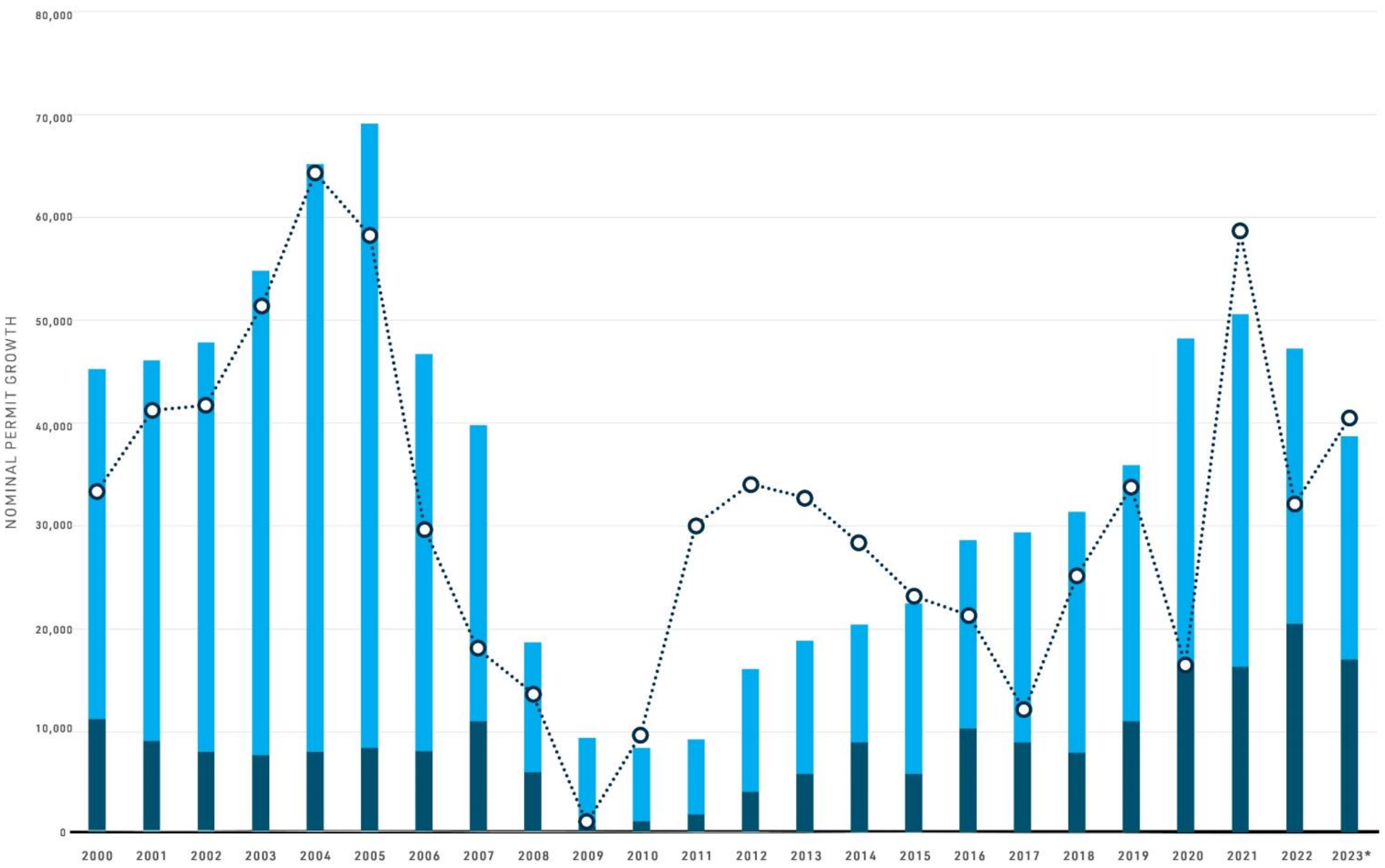
Phoenix Retains the **Third Lowest Average Effective Rent,** ±43% Lower Than the Western Markets Average

SOURCES:
MOODY'S ANALYTICS, 2023
NATIONAL ASSOCIATION OF REALTORS, 2023
REALPAGE.COM, 2023
COSTAR GROUP, 2023
BANKRATE.COM, 2023
IPA RESEARCH SERVICES, 2023

Monthly mortgage payments are calculated assuming 95% LTV, 30-Year Amortization, 8.13% Interest Rate, Real Estate Taxes, Homeowners Insurance, and PMI.

Greater Phoenix Historical Multifamily + Single-Family Housing Stock
(2000-2023*)

Greater Phoenix Historical Multifamily + Single-Family Housing Stock
(2000-2023*)



2018 - 2023* Absolute Totals

±88,776
MULTIFAMILY CONSTRUCTION PERMITS (5+ UNITS)

±163,194
SINGLE-FAMILY CONSTRUCTION PERMITS

±206,400
HOUSEHOLDS ADDED (#)

Legend

MULTIFAMILY CONSTRUCTION PERMITS

SINGLE-FAMILY CONSTRUCTION PERMITS

HOUSEHOLDS ADDED (#)

SOURCE: IPA RESEARCH SERVICES, 2023
*FORECAST

Phoenix State of the Market

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