

Real Estate Market Review

Phoenix Multifamily

Top Transactions for 1Q18

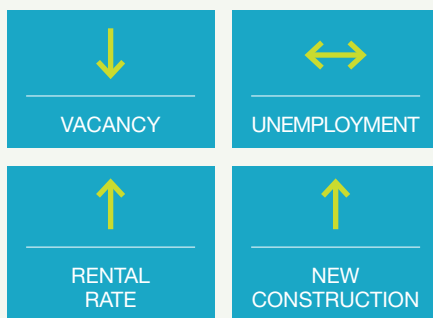
| Property | Address | # of Units | Sale Price | Price/Unit | Buyer | Seller |
|-------------------------------|---------------------|------------|---------------|------------|---|-------------------------------|
| Optima Sonoran Village | Downtown Scottsdale | 627 | \$200,000,000 | \$318,979 | Optima, Inc. & Principle Real Estate Investors, LLC | Optima, Inc. |
| Ten01 on the Lake | North Tempe | 523 | \$115,000,000 | \$219,885 | PGIM, Inc. | The Picerne Group, Inc. |
| Modena | Papago | 768 | \$110,000,000 | \$143,229 | Knightvest Capital | Weidner Property Mgmt, LLC |
| Carlyle at South Mountain | South Mountain | 552 | \$90,000,000 | \$163,043 | Western Health Capital | FPA Multifamily, LLC |
| 56 North Apartment Residences | Scottsdale Airpark | 344 | \$77,000,000 | \$223,837 | PrivatePortfolio Group, LLC | Greystar Real Estate Partners |

Top Under Construction

| Property | Address | Submarket | # of Units | Owner | Est. Delivery Date |
|--|---------------------------|---------------------|------------|--------------------------|--------------------|
| Camden North End | N Scottsdale Road | Scottsdale Airpark | 1,069 | Camden Property Trust | November 2019 |
| District at The Quarter | 15501 N Dial Boulevard | Desert Horizon Park | 644 | Kaplan Management Co. | July 2018 |
| The Pier 202 | 1125 E Rio Salado Parkway | Downtown Tempe | 551 | Spring Brook Development | April 2019 |
| The Grand at Papago Park Center Apartments | 1101 W Washington Street | North Tempe | 550 | Lincoln Property Company | August 2018 |
| Noria at Chandler Airpark | 2177 S McQueen Road | South Chandler | 483 | Whitneybell Perry, Inc. | September 2018 |

Top Completed Construction for 1Q18

| Property | Address | Submarket | # of Units | Owner | Delivery Date |
|------------------------------|---------------------------------------|----------------|------------|----------------------------------|---------------|
| Carter | 3300 N Scottsdale Road | Old Town | 374 | JLB Partners, LP | March 2018 |
| The Place at Sonoran Trails | 28000 North Valley Parkway | North Gateway | 202 | MC – The Place at Sonoran Trails | March 2018 |
| Park Place at Fountain Hills | 16725-16845 E Avenue of the Fountains | Fountain Hills | 115 | N-Shea Group | 2018 |
| The Lofts at Westgate | 6770 N Sunrise Boulevard | Westside | 76 | Hi Star Realty | February 2018 |
| Broadstone Tempe Lakeside | 500 W 1st Street | Downtown Tempe | 68 | Alliance Residential Co. | March 2018 |

Market Forecast Trends

Market Snapshot

| | 1Q18 | 4Q17 | 1Q17 | Annual % Change |
|----------------------|-----------|-----------|----------|-----------------|
| New Construction | 1,270 | 1,580 | 717 | 77.13% |
| Under Construction | 23,317 | 22,863 | 15,109 | 54.33% |
| Vacancy Rate | 6.40% | 6.80% | 6.40% | 0.00% |
| Average Asking Rents | \$985 | \$965 | \$940 | 4.79% |
| Average Sales Price | \$139,603 | \$127,411 | \$97,925 | 42.56% |
| Cap Rate | 5.62 | 5.93 | 6.68 | -15.87% |
| Net Absorption | 2,676 | 1,760 | 2,278 | N/A |

Average Rent

| Unit Type | Monthly Rent |
|-----------|--------------|
| Studio | \$784 |
| 1 Bedroom | \$889 |
| 2 Bedroom | \$1,052 |
| 3 Bedroom | \$1,309 |

Offices

Seattle
206.296.9600

Bellevue
425.454.7040

South Seattle
206.248.7300

Tacoma
253.722.1400

Olympia
360.705.2800

Portland
503.221.9900

San Francisco
415.229.8888

Redwood Shores
650.769.3600

Silicon Valley
408.970.9400

Sacramento
916.970.9700

Roseville
916.751.3600

Los Angeles
213.880.5250

El Segundo
310.807.0880

Commerce
323.727.1144

Long Beach
562.472.0071

Orange County
949.557.5000

Inland Empire
909.764.6500

San Diego
858.509.1200

Carlsbad
760.430.1000

Reno
775.301.1300

Phoenix
602.513.5200

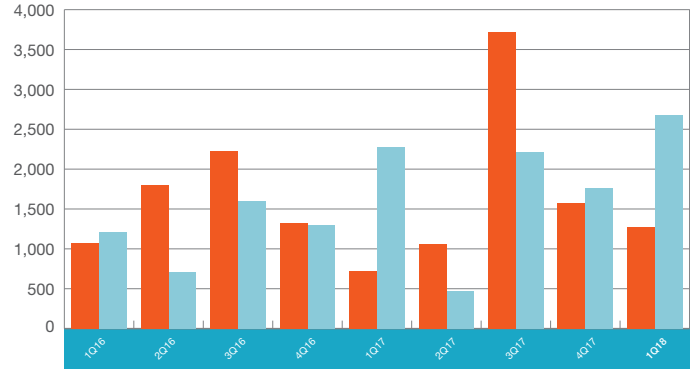
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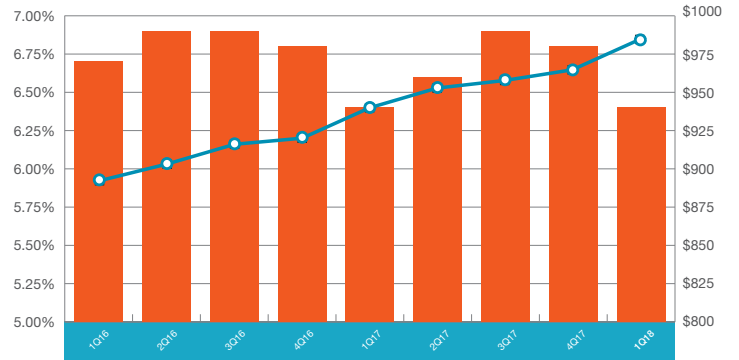
NEW UNIT CONSTRUCTION & ABSORPTION

■ New Construction
■ Absorption



AVERAGE ASKING RENT/UNIT & VACANCY RATE*

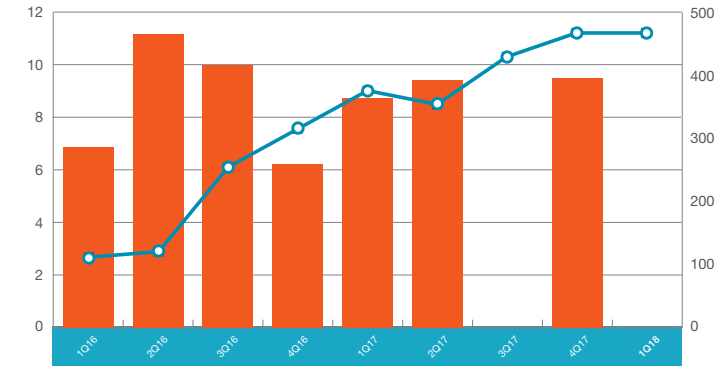
■ Vacancy Rate
○ Asking Rent/Unit



*Based on monthly rate

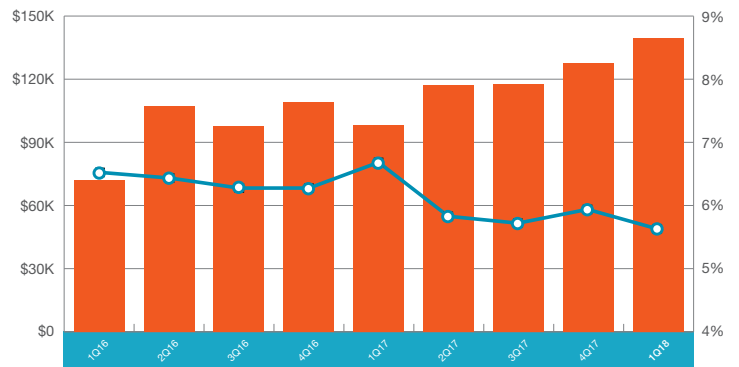
GROSS RENT MULTIPLIER (GRM) & NUMBER OF SALE TRANSACTIONS

■ GRM
○ # of Transactions



AVERAGE SALES PRICE/UNIT AND CAP RATES

■ Average Sales Price/Unit
○ Cap Rate



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