

Real Estate Market Review

Phoenix Multifamily

Top Sale Transactions for 4Q18

| Property | Submarket | # of Units | Sale Price | Price/Unit | Buyer | Seller |
|--|------------------|------------|---------------|------------|---|---|
| Optima Sonoran Village | Scottsdale | 592 | \$210,395,000 | \$355,396 | Optima, Inc. / Principle Real Estate Advisors | Optima, Inc. |
| Dakota & Pinnacle at McDowell Mountain Ranch | North Scottsdale | 736 | \$160,000,000 | \$217,391 | CBRE Global Investors | UBS Global Asset Management Real Estate |
| Ten01 on the Lake | North Tempe | 523 | \$115,000,000 | \$219,885 | PGIM, Inc. | The Picerne Group |
| Modena | Papago | 768 | \$110,000,000 | \$143,229 | Knightvest Management | Weidner Property Management, LLC |
| San Melia Apartment Homes | Ahwatukee | 488 | \$105,300,000 | \$215,778 | Goldman Sachs Asset Management | The Hanover Company |

Top Under Construction

| Property | Address | Submarket | # of Units | Owner | Delivery Date |
|--|------------------------|------------------|------------|----------------------------------|----------------|
| The Pier 202 | 1125 E Rio Salado Pkwy | Downtown Tempe | 551 | Spring Brook Development | April 2019 |
| The Grand at Papago Park Center Apartments | 1101 W Washington St | North Tempe | 550 | Lincoln Property Co. | March 2019 |
| Pearl Biltmore | 4640 N 24th St | Camelback | 472 | Gray Development Group | September 2020 |
| Aura Watermark | 420 N Scottsdale Rd | North Tempe | 360 | Trinsic Residential Group | May 2019 |
| Arizona Center Residential Tower | 440 E Van Buren St | Downtown Phoenix | 350 | North American Development Group | March 2019 |

Top Completed Construction

| Property | Address | Submarket | # of Units | Owner | Delivery Date |
|------------------------|----------------------|------------------|------------|---------------------------------|----------------|
| Camden North End | 6800 E Mayo Blvd | Desert View | 441 | Camden Property Trust | September 2018 |
| Union Tempe | 703 S Forest Ave | Downtown Tempe | 407 | Greystar Real Estate Partners | August 2018 |
| Carter | 3300 N Scottsdale Rd | Old Town | 374 | JLB Partners, LP | March 2018 |
| District at Scottsdale | 15501 N Dial Blvd | North Scottsdale | 332 | Kaplan Management Company, Inc. | December 2018 |
| Aviva | 8340 E Baseline Rd | East Mesa | 325 | Housing Trust Group | August 2018 |

Market Forecast Trends



YEAR-TO-YEAR BASIS

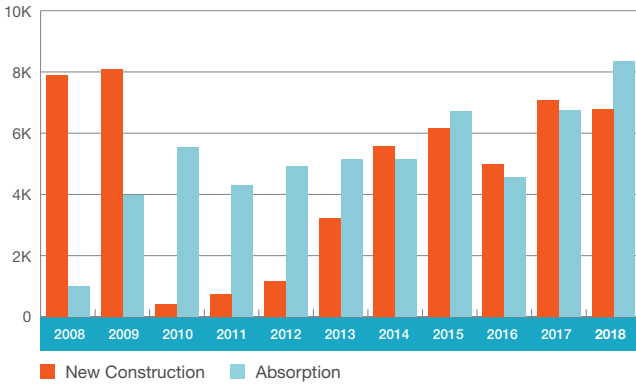
Market Snapshot

| | 2018 | 2017 | 2016 | Annual % Change |
|----------------------|-----------|-----------|----------|-----------------|
| New Construction | 6,793 | 7,078 | 4,997 | -4.03% |
| Under Construction | 13,632 | 15,536 | 10,277 | -12.26% |
| Vacancy Rate | 6.1% | 6.7% | 6.8% | -8.96% |
| Average Asking Rents | \$1,025 | \$964 | \$915 | 6.33% |
| Average Sales Price | \$132,718 | \$112,636 | \$96,437 | 17.83% |
| Cap Rate | 5.74% | 6.08% | 6.37% | -5.59% |
| Net Absorption | 8,335 | 6,738 | 4,545 | N/A |

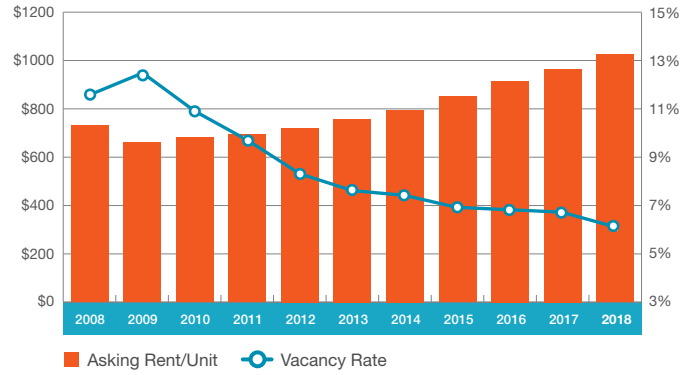
Average Rent

| Unit Size | Monthly Rent |
|-----------|--------------|
| Studio | \$809 |
| 1 Bedroom | \$942 |
| 2 Bedroom | \$1,099 |
| 3 Bedroom | \$1,362 |

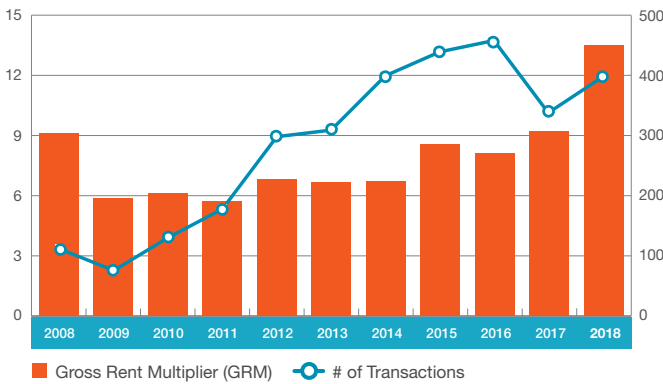
NEW CONSTRUCTION & ABSORPTION IN UNITS



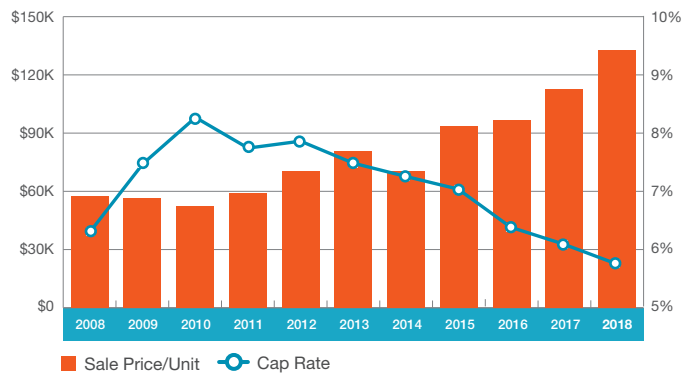
AVERAGE ASKING RENT/UNIT & VACANCY RATE



GRM & NUMBER OF SALE TRANSACTIONS



AVERAGE SALES PRICE/UNIT & CAP RATES



Kidder Mathews is the largest, independent commercial real estate firm on the West Coast, with more than 750 real estate professionals and staff in 21 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, property management, consulting, project and construction management, and debt equity finance services for all property types.

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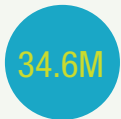


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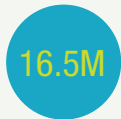
COMMERCIAL BROKERAGE



ANNUAL TRANSACTION VOLUME



ANNUAL LEASING SF



ANNUAL SALES SF



BROKERS

PROPERTY MANAGEMENT

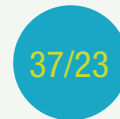


MANAGEMENT PORTFOLIO

VALUATION ADVISORY



ASSIGNMENTS ANNUALLY



TOTAL # APPRAISERS/MAI'S