



APARTMENT LEADERSHIP RESIDES HERE™

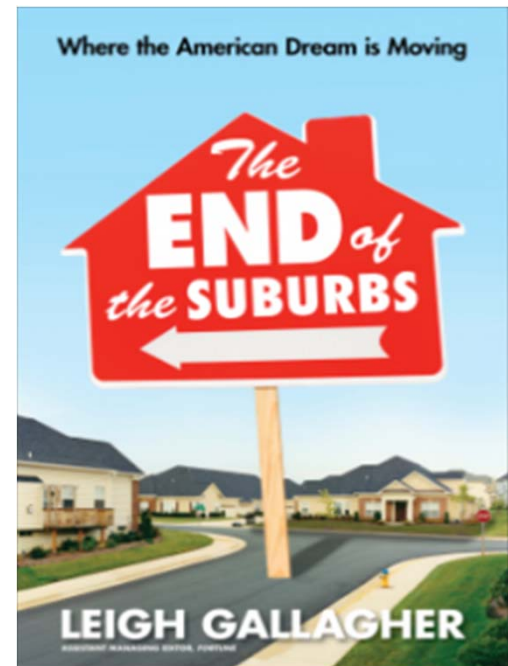
SUBURBAN STRATEGIES: WHAT WORKS WHERE?

Apartment Strategies Outlook Conference
January 20, 2015

ANYBODY KNOW A GOOD IMAGE CONSULTANT?

Today's News Headline Writers Are Not Fans of the Suburbs

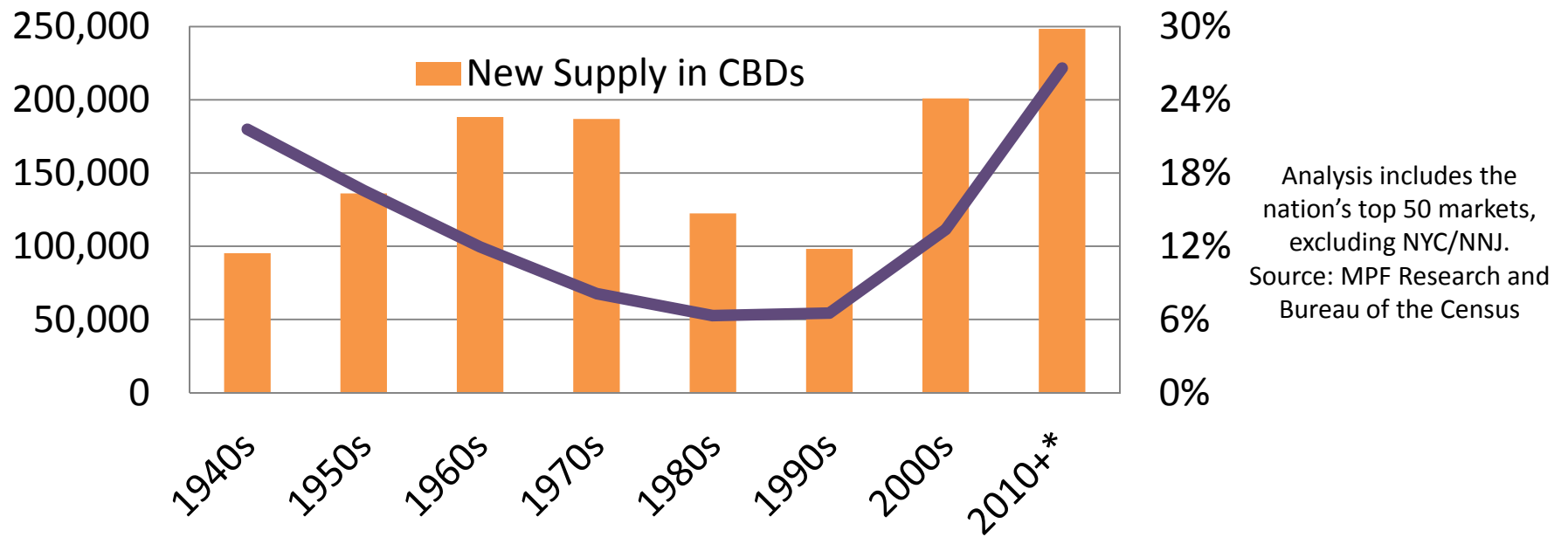
- America's Urban Future
- See Ya Suburbs: More Want to Live in the Big City
- Why Suburbs Are Losing Their Appeal
- Suburbs Dying and Cities Are Back
- Millennials Prefer Cities to Suburbs, Subways to Driveways
- Suburbs: The New Slums
- The Suburbs Still Suck, All Signs Indicate



WHAT IS A SUBURB?

SUBURBS STILL DOMINATE NEW CONSTRUCTION

The urban core's share, while way up in this cycle, remains less than a third of the total

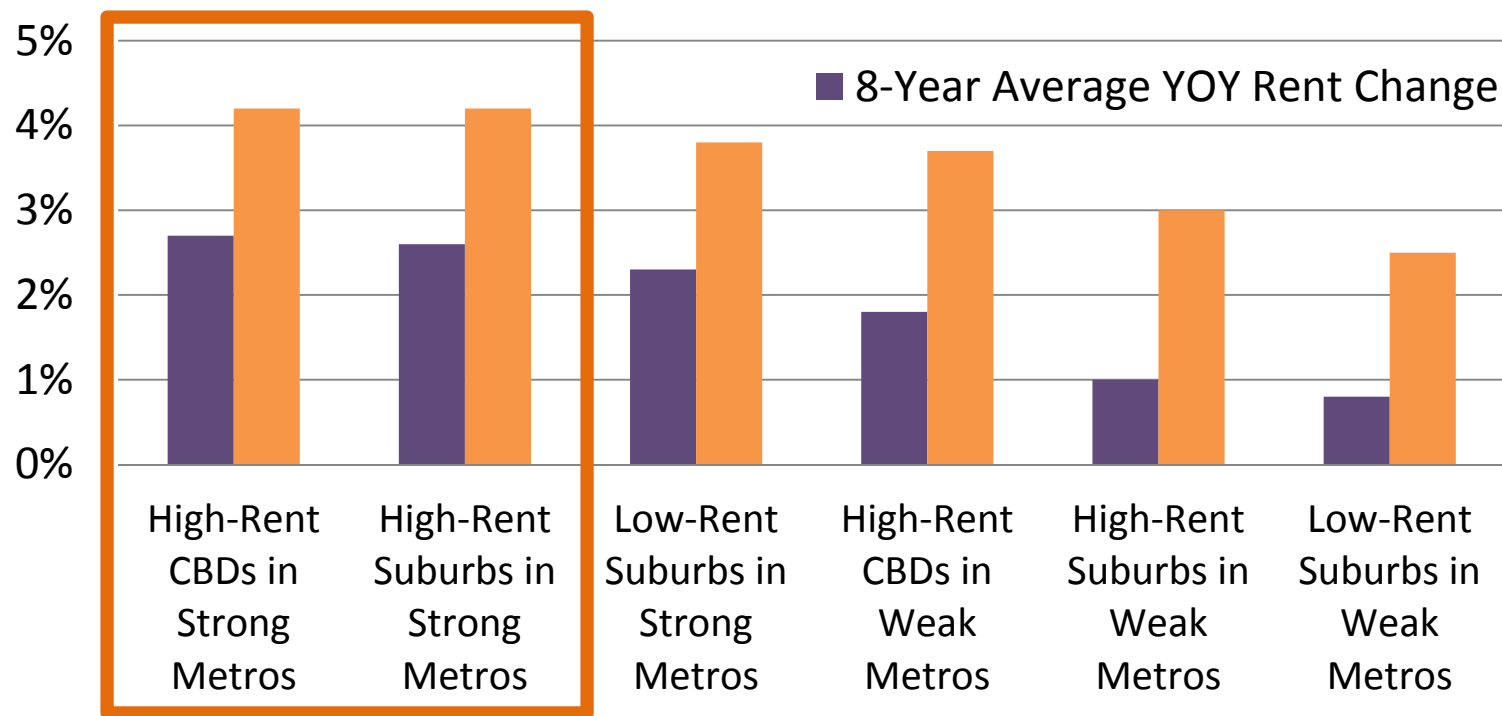


Analysis includes the nation's top 50 markets, excluding NYC/NNJ.
Source: MPF Research and Bureau of the Census

*Includes completions since 2010 plus units under construction as of 1/1/2015

“GOOD” SUBURBS ACHIEVE STRONG RENT GROWTH

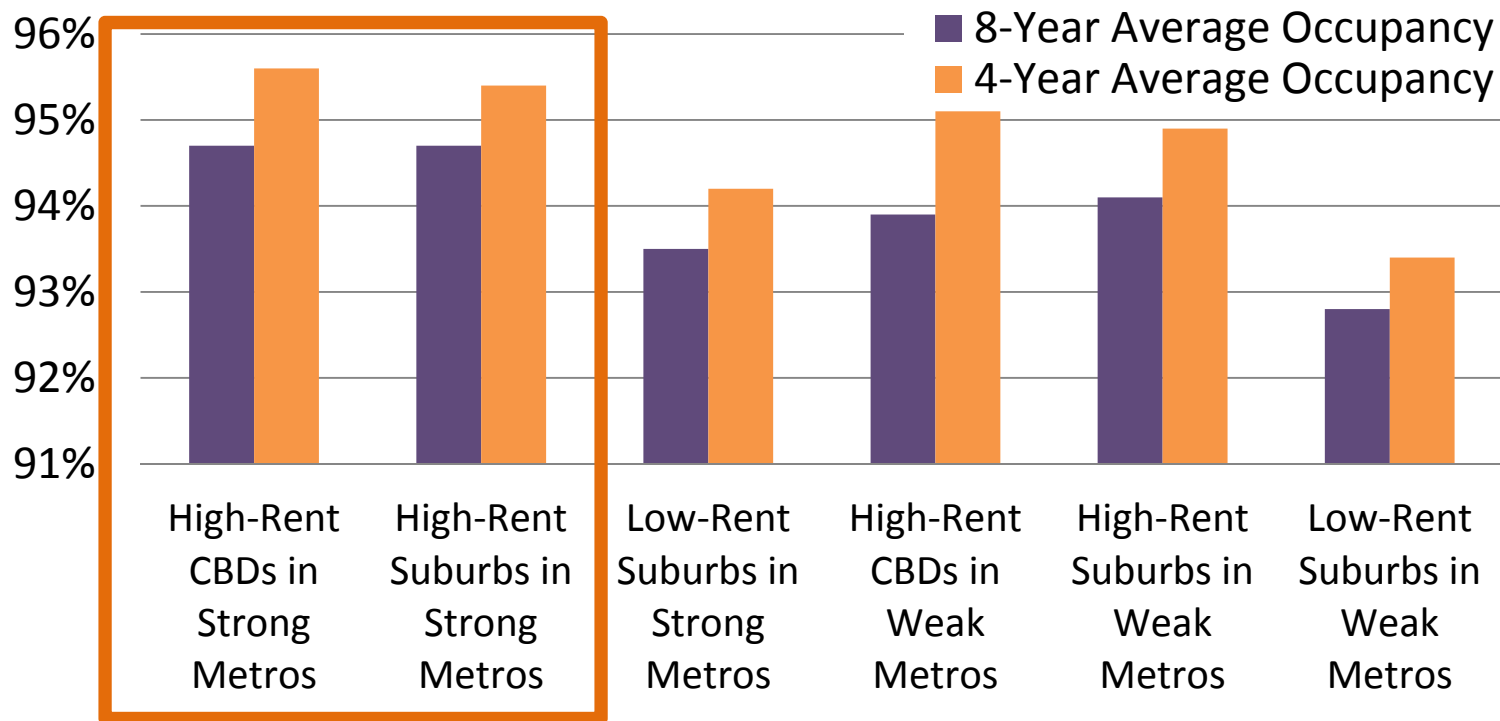
On average, pricing increases basically match the performances in urban core properties



Strong metros posted net job growth of 3% or better since Q1 2008. Analysis includes the nation's top 50 markets, excluding NYC/NNJ. Source: MPF Research

“GOOD” SUBURBS ALSO MAINTAIN FULL OCCUPANCY

They are roughly as full as properties within their corresponding urban core neighborhoods



Strong metros posted net job growth of 3% or better since Q1 2008. Analysis includes the nation's top 50 markets, excluding NYC/NNJ. Source: MPF Research

“GOOD” SUBURBS SHARE KEY CHARACTERISTICS

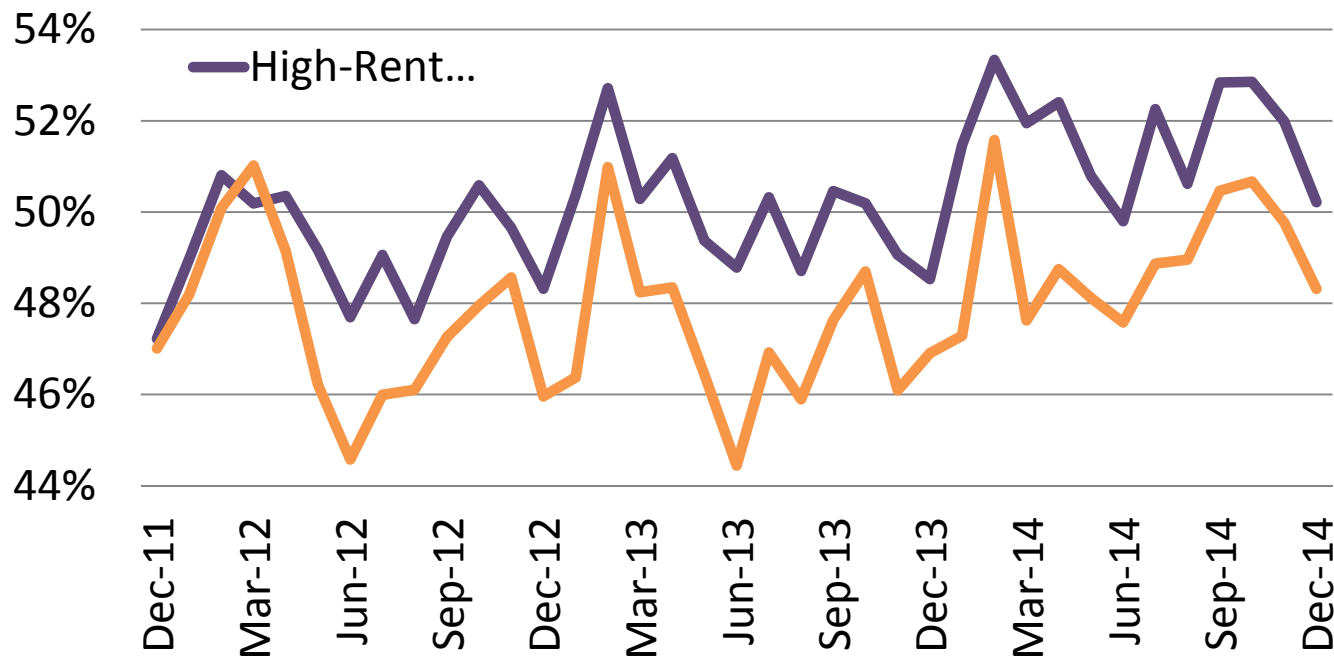
They are not the exurbs that some think of as the typical suburban environment

Characteristics of “Good” Suburbs	
Located in economically healthy metros	Parent metros rank in top 25 for net job change since Q1 2008 (>3% net growth)
More jobs	Jobs per household (physically located within these submarkets) 18% above the mean
Higher home values	29% above the mean
Higher household incomes	27% above the mean
Higher rents	16% above the mean
Urban-ish, to some degree	Generally <u>not</u> bedroom communities and <u>not</u> sprawl

Source: MPF Research and Bureau of the Census

RENTER RETENTION IS STRONG IN “GOOD” SUBURBS

The share renewing upon lease expiration tends to be a bit higher than in urban core locations



Analysis includes the nation's top 20 markets, excluding NYC/NNJ.
Source: RealPage Performance Analytics

THINK “AND” ... NOT “EITHER/OR”

- For-rent AND for-sale housing can perform well at the same time.
- The renter base includes lots of Millennials AND Gen-Xers AND Baby Boomers.
- Luxury AND middle-market AND workforce housing are needed.
- The urban core AND the suburbs can be very attractive options.