



NATIONAL
MULTIFAMILY
HOUSING
COUNCIL

APARTMENT LEADERSHIP RESIDES HERE™

Eye on the Apartment Market: Multifamily Dashboard

2016 NMHC Annual Meeting

January 19, 2016

PANELISTS

Melissa Reagen

Director, Head of Real Estate & Agriculture Research
MetLife Real Estate Investors

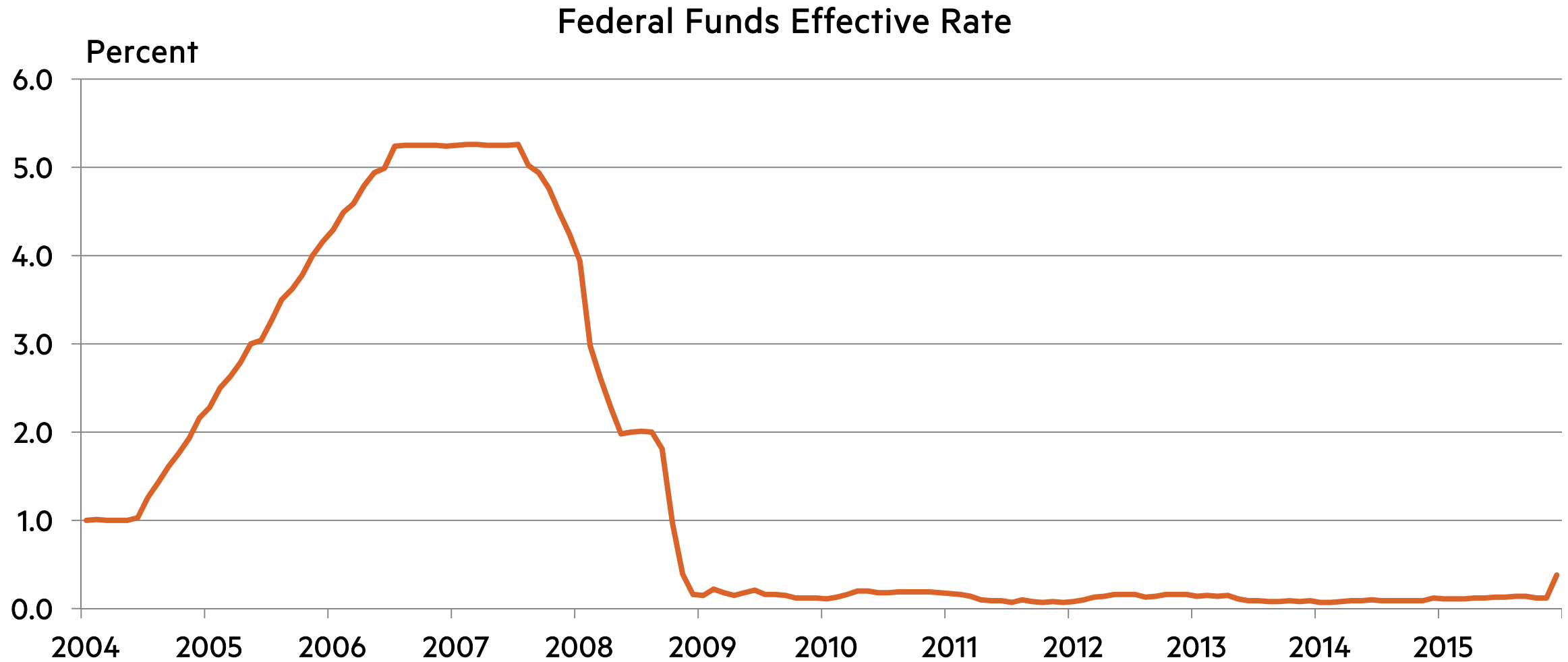
John Chang

First Vice President Research Services
Marcus & Millichap Real Estate Investment Services

Jay Parsons

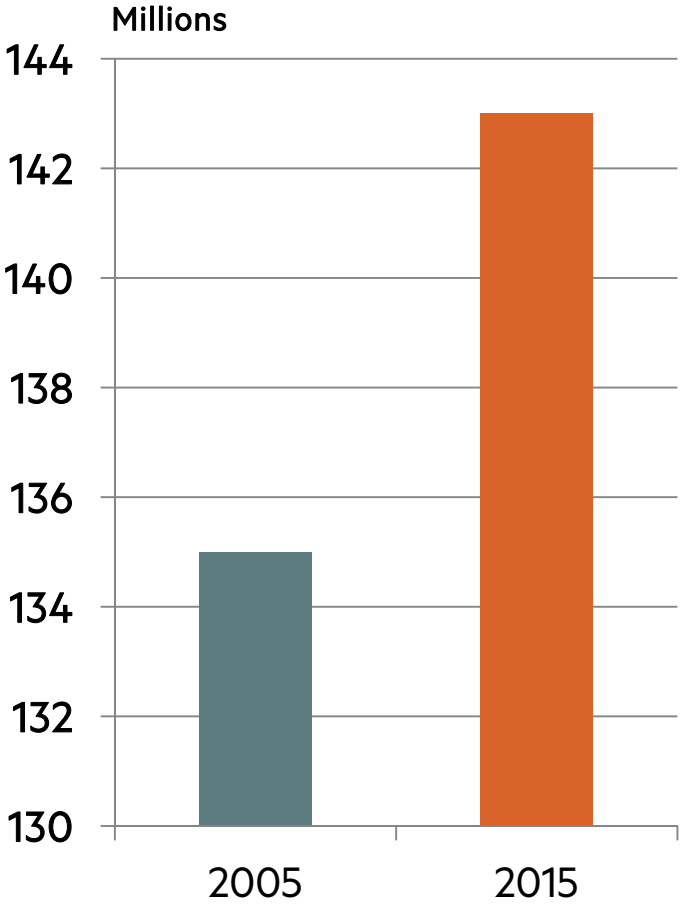
Director, Analytics & Forecasts
MPF Research, a division of RealPage, Inc.

THE LAST FED FUNDS RATE HIKE WAS 10 YEARS AGO

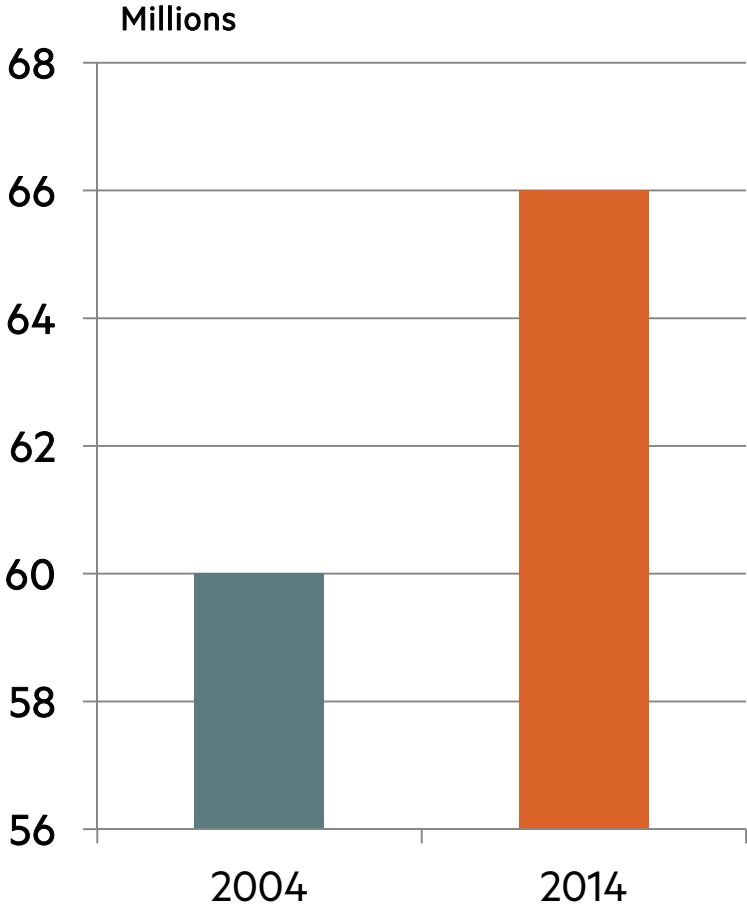


ECONOMIC SNAPSHOT: THEN VS. NOW

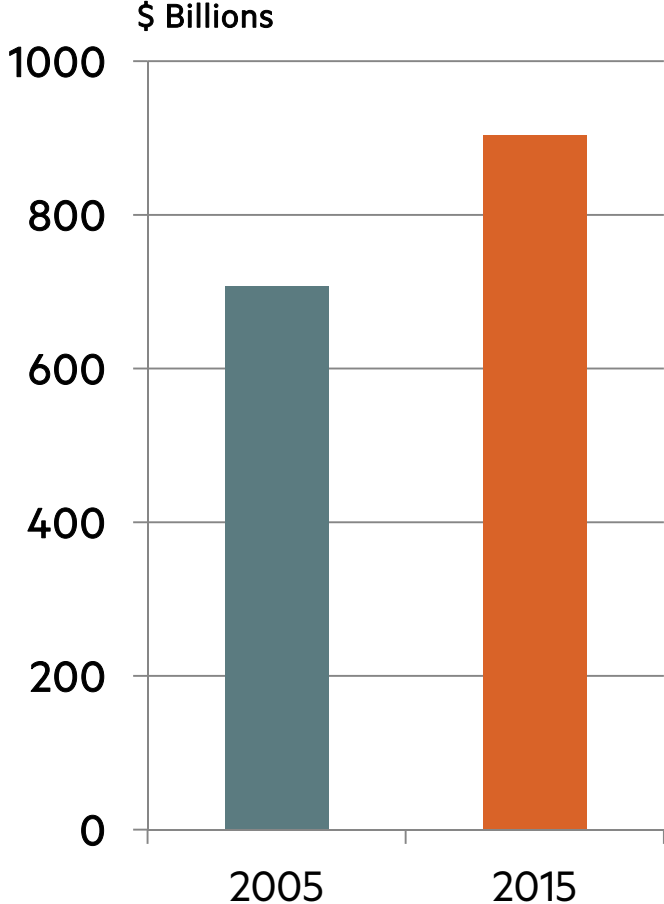
Employment



20-34 year olds*



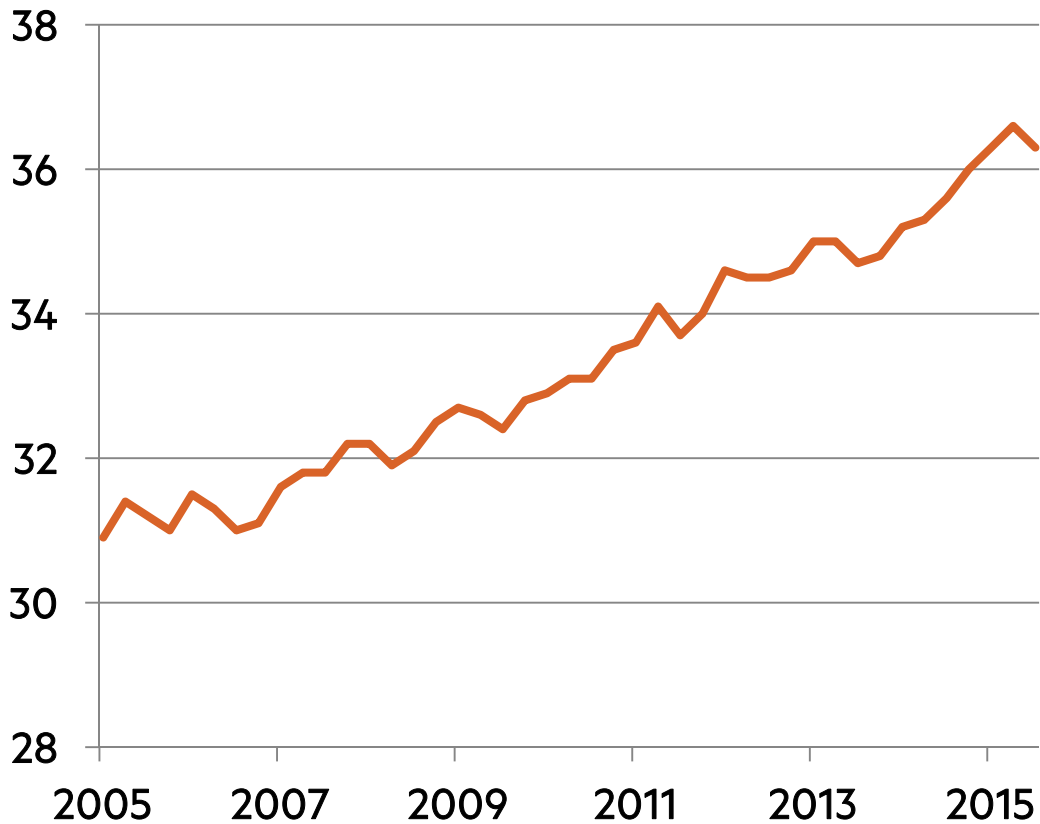
Retail sales ex auto



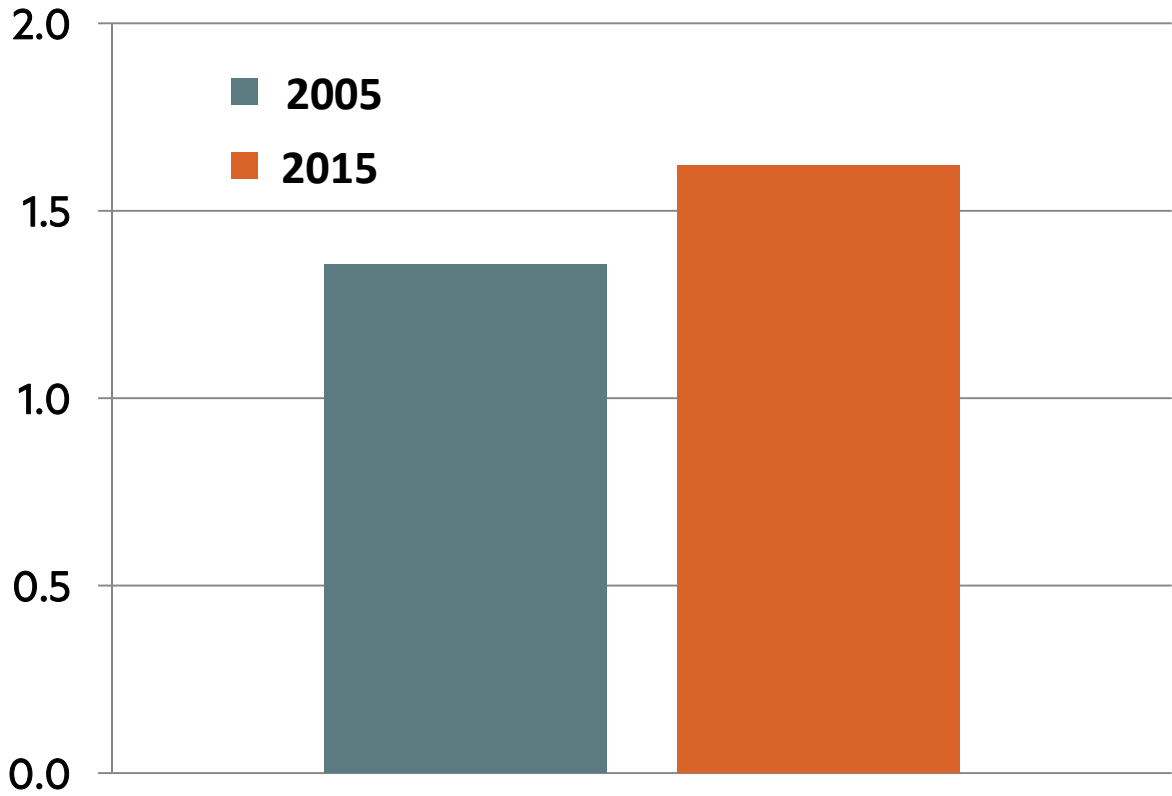
* Latest data available

WHAT ABOUT THE MULTIFAMILY MARKET 10 YEARS AGO?

Rentership Rate
(Percent)

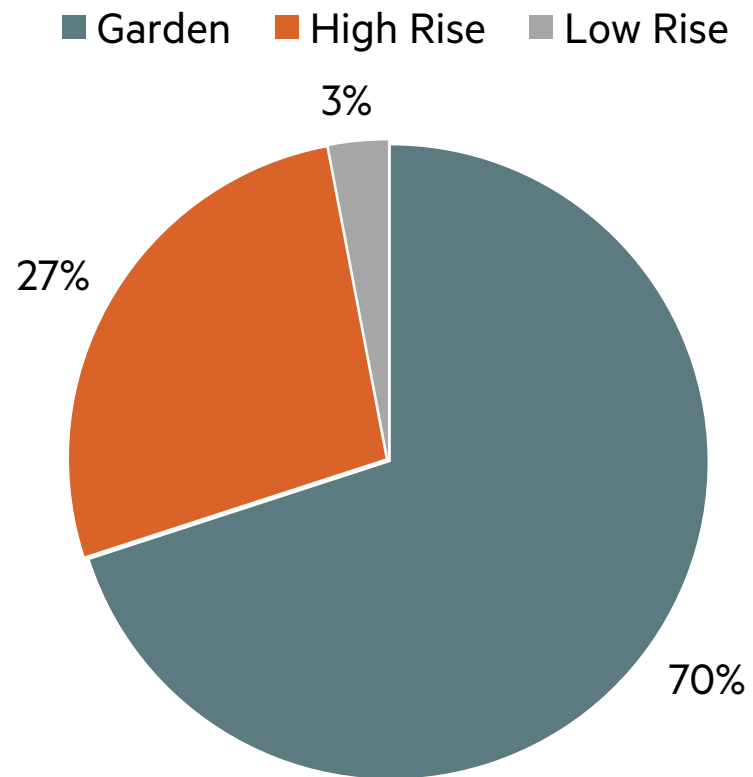


Urban Apartment Units
(millions)

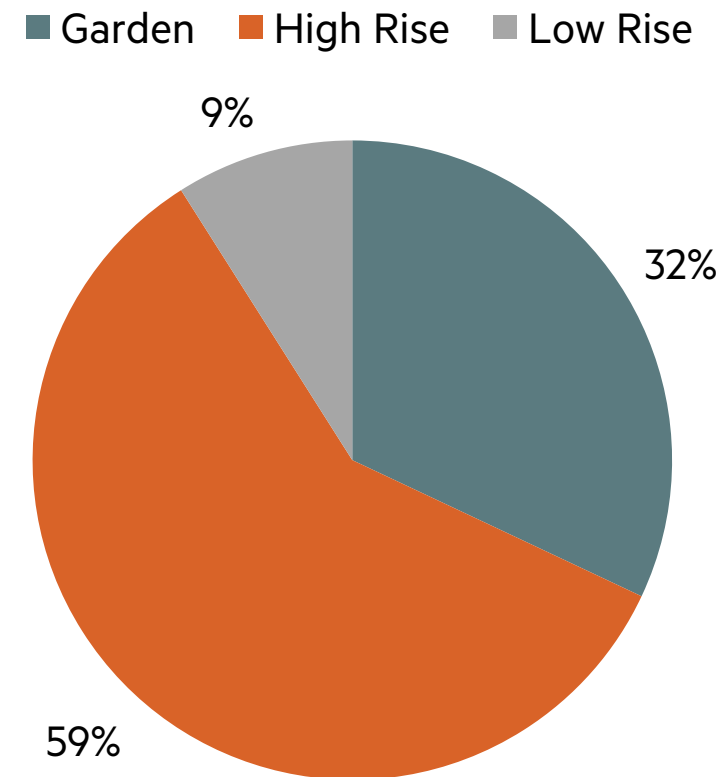


INSTITUTIONAL INVESTORS ARE CHOOSING HIGH RISE OVER GARDEN APARTMENTS

Apartments held in NCREIF Property Index in 2005

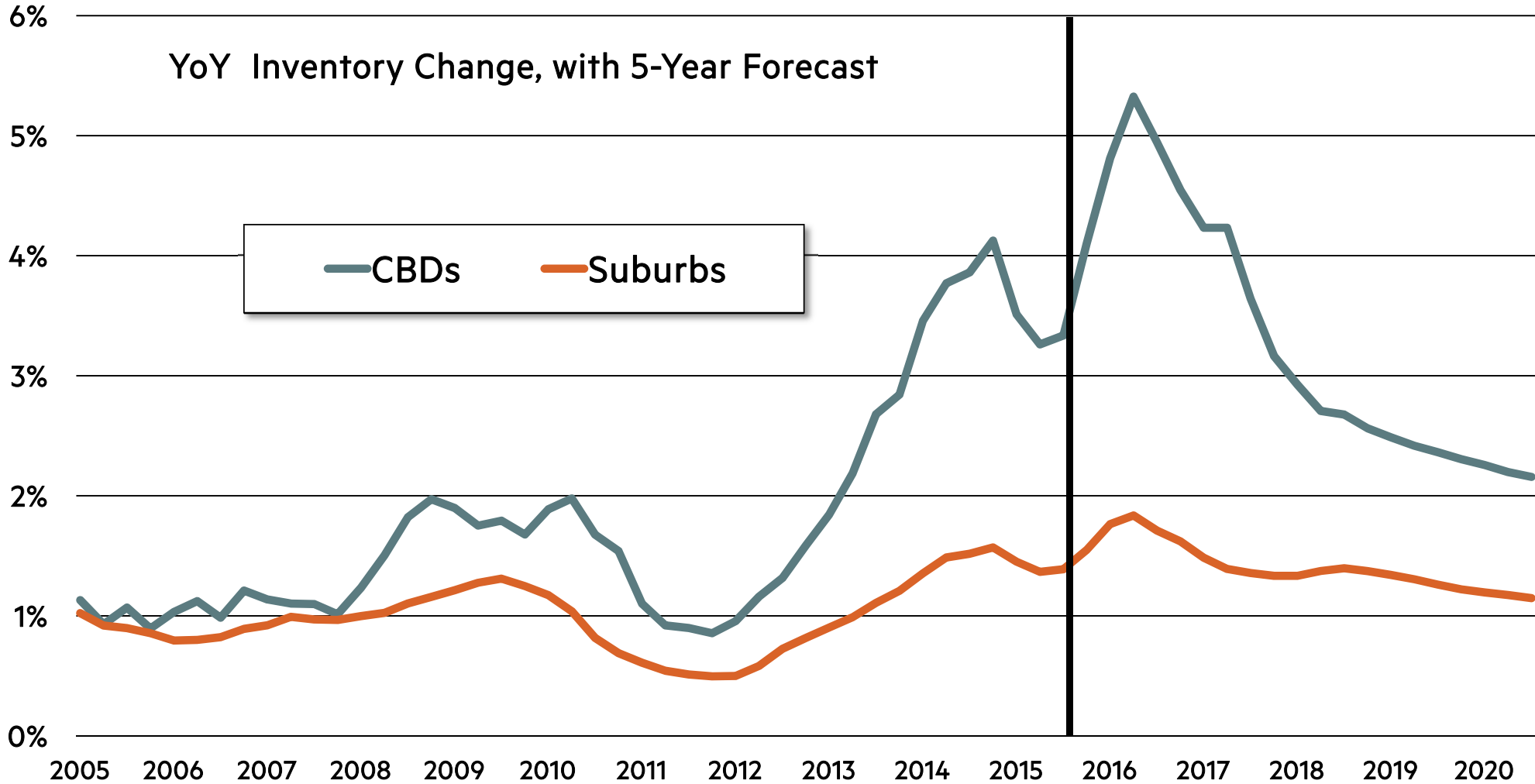


Apartments held in NCREIF Property Index in 2015



ONE BIG CHANGE: WHERE DEVELOPERS BUILD

Over the last 10 years, the number of apartment units inside CBDs jumped by 19% -- more than double the rate of the suburbs.

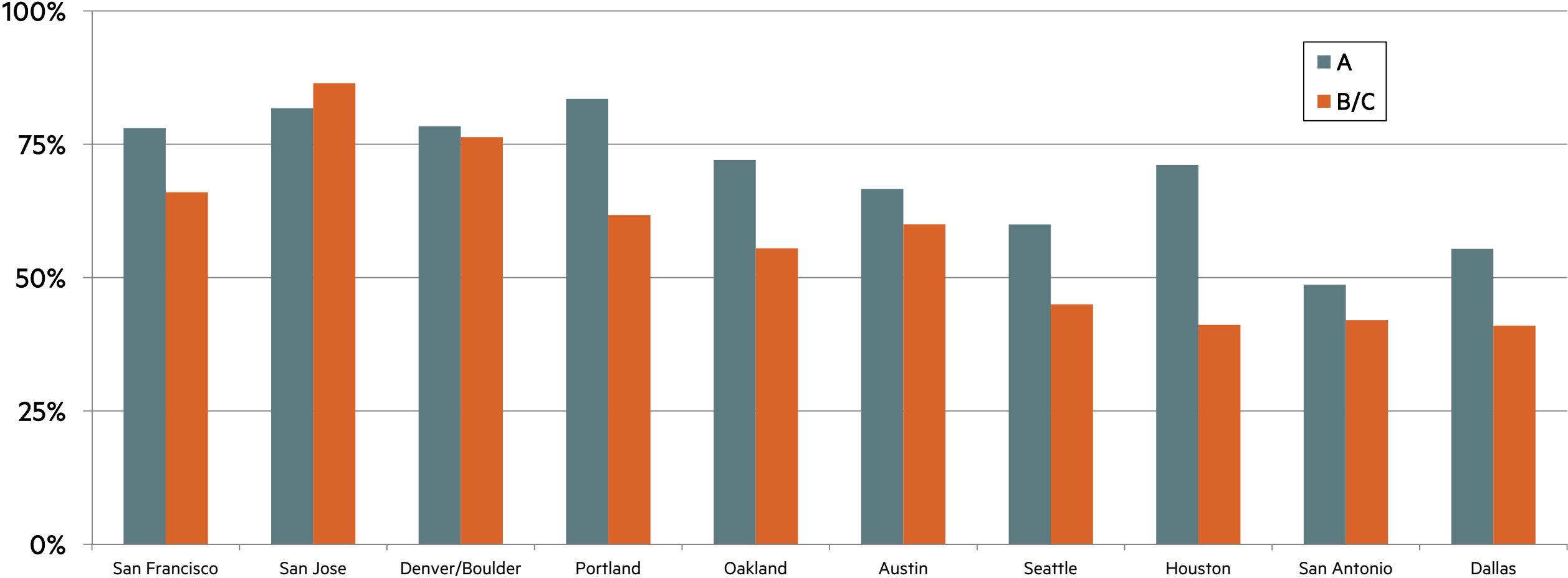


APARTMENT SNAPSHOT: THEN VS. NOW

MARKETS WITH THE LARGEST RENT GROWTH

Rank	Market	Avg. Monthly Rent, Q4 15	10-Year Change
1	San Francisco, CA	\$2,988	84%
2	San Jose, CA	\$2,474	81%
3	Denver/Boulder, CO	\$1,297	71%
4	Portland, OR-WA	\$1,164	64%
5	Oakland, CA	\$1,994	62%
6	Austin, TX	\$1,151	57%
7	Seattle, WA	\$1,356	57%
8	Houston, TX	\$1,015	48%
9	San Antonio, TX	\$899	43%
10	Dallas, TX	\$1,014	43%
--	U.S. Average	\$1,243	32%

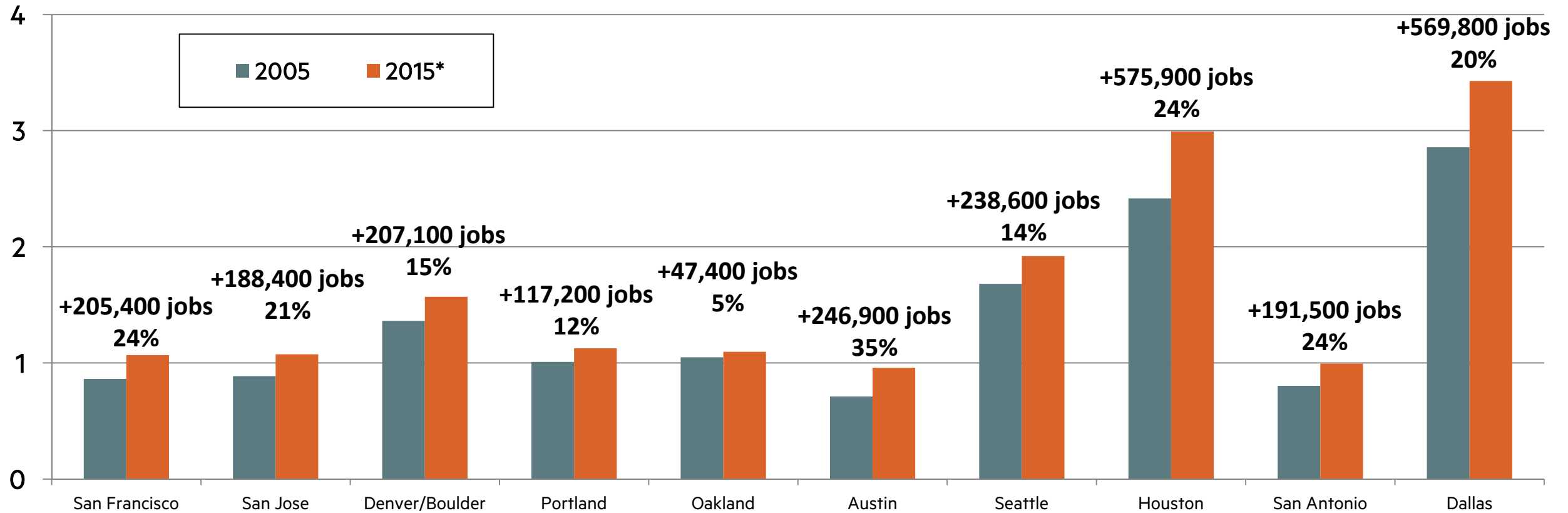
RENT GROWTH: 2005 TO 2015



* Through November

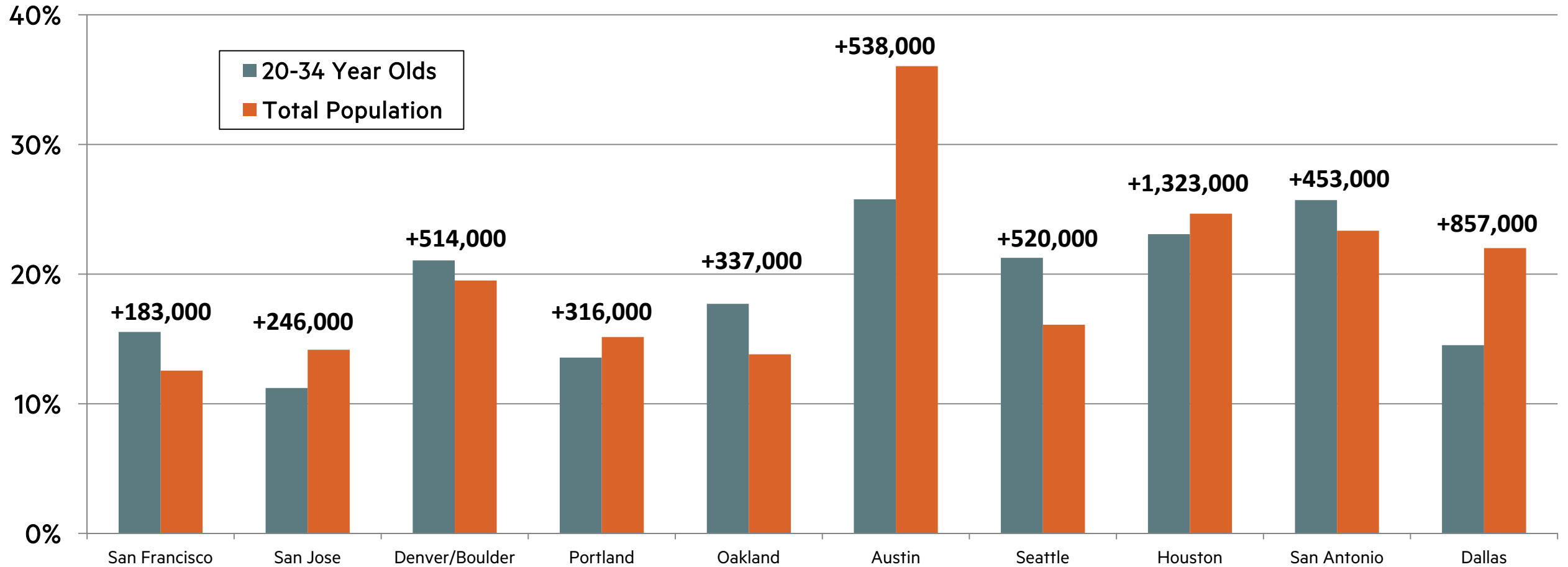
JOB GAINS DRIVE RENT GROWTH

Total Employment (Millions)



* Through November

POPULATION GROWTH: 2005 TO 2015



APARTMENT SNAPSHOT: THEN VS. NOW

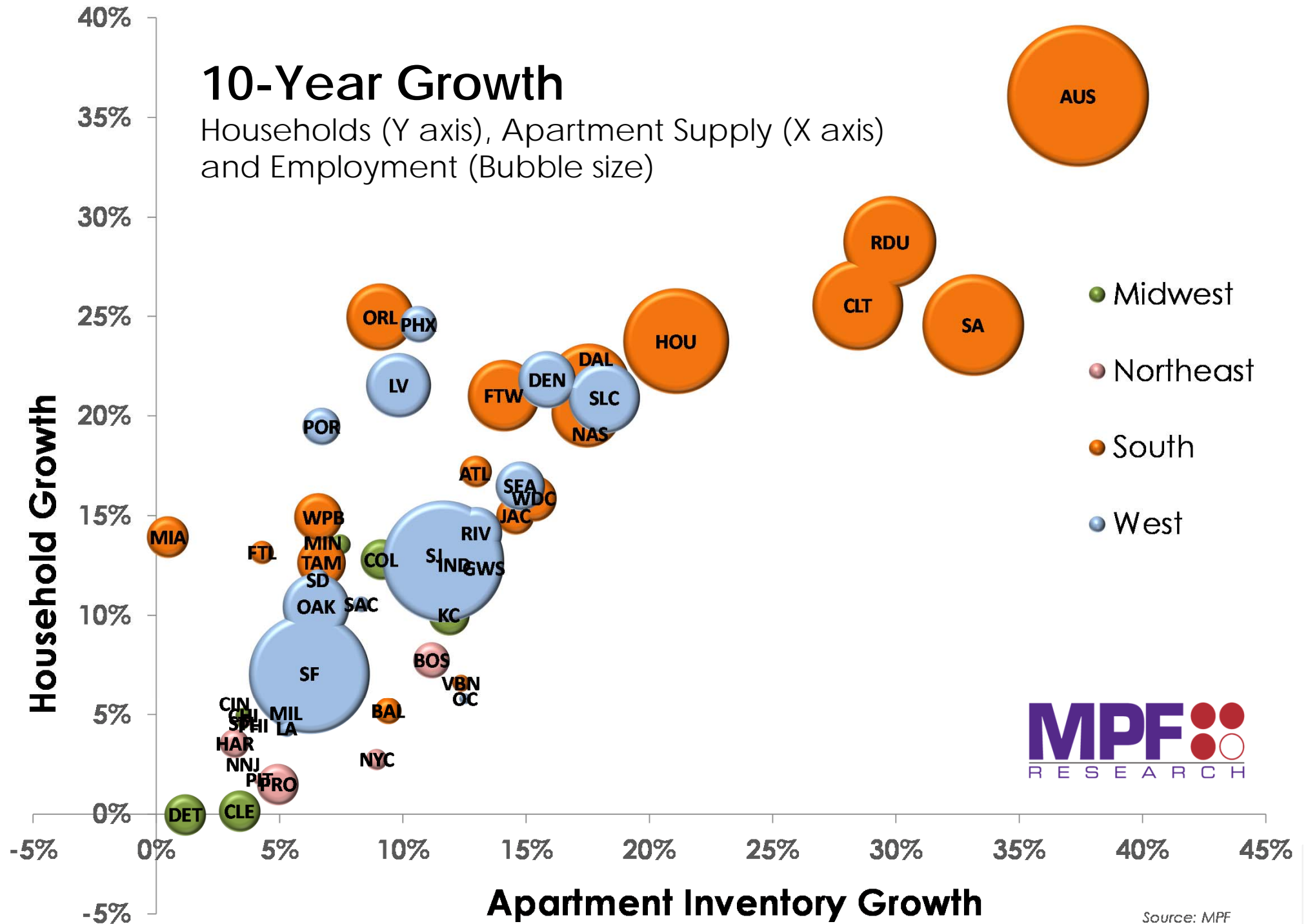
MARKETS WITH THE LARGEST SUPPLY GROWTH

Rank	Market	Total Apartments, Q4 15	10-Year Change
1	Austin, TX	213,842	37.4%
2	San Antonio, TX	177,031	33.1%
3	Raleigh/Durham, NC	146,019	29.7%
4	Charlotte, NC-SC	155,767	28.4%
5	Houston, TX	630,706	21.1%
6	Salt Lake City, UT	117,945	18.2%
7	Dallas, TX	526,257	17.5%
8	Nashville, TN	126,022	17.4%
9	Denver/Boulder, CO	295,438	15.8%
10	Washington, DC-VA-MD	572,941	15.3%
--	U.S. Core 100 Markets	17,387,476	10.5%

SUPPLY GROWTH, HOUSEHOLD FORMATION AND JOB GROWTH

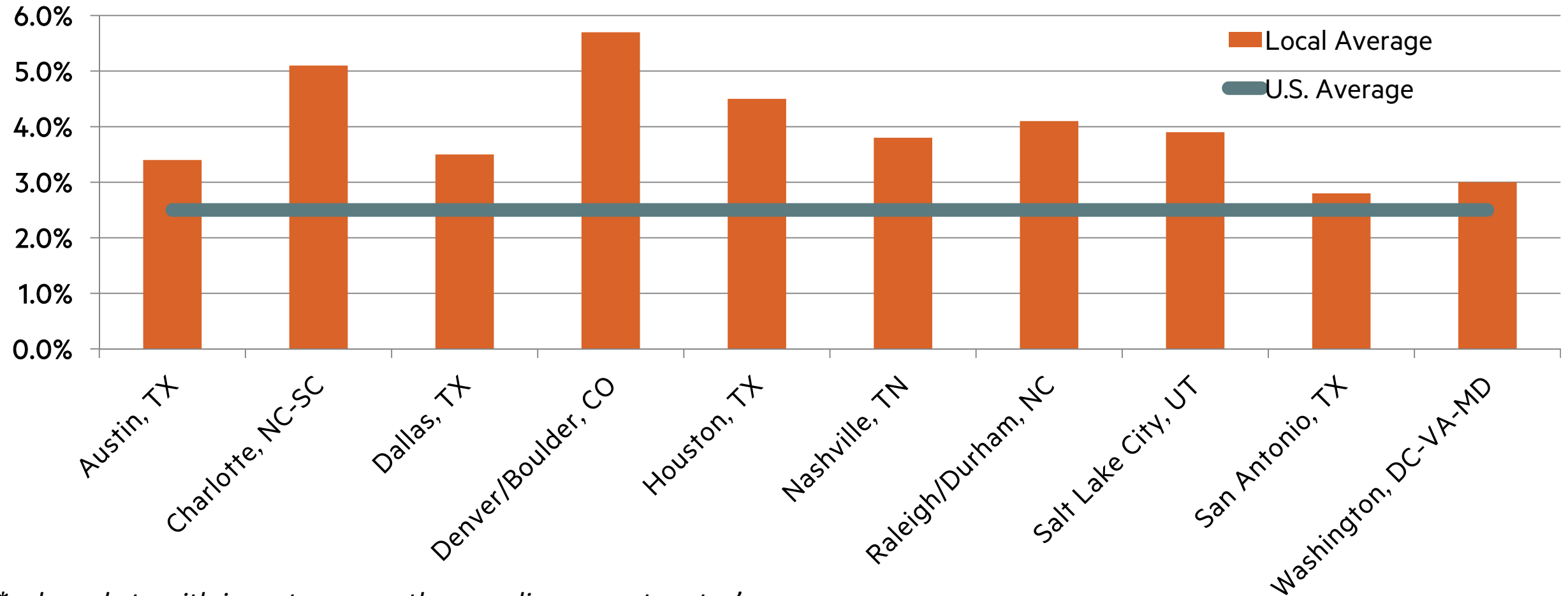
10-Year Growth

Households (Y axis), Apartment Supply (X axis) and Employment (Bubble size)



HIGH SUPPLY LEVELS DID NOT SLOW CLASS A RENTS

10-Year, Average Annual Class A Rent Growth in Highest-Supply Submarkets*



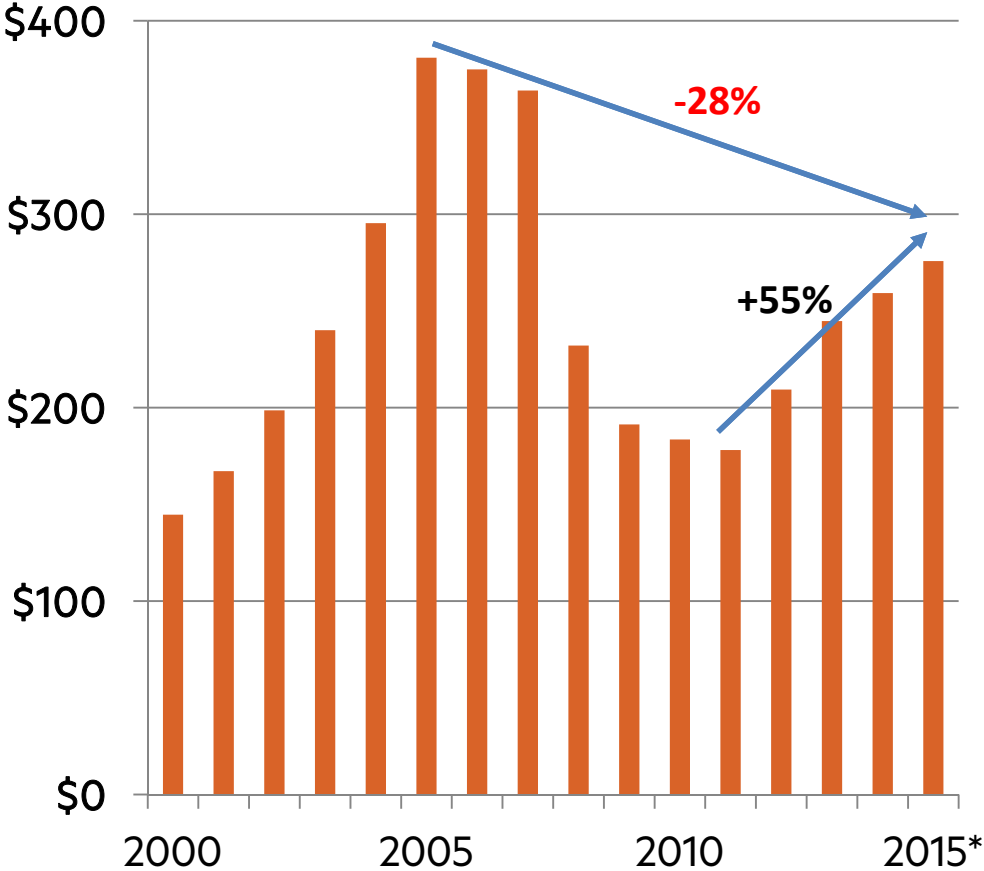
*submarkets with inventory growth exceeding parent metro's average

OLDER APARTMENTS ARE BUFFERED FROM NEW PRODUCT

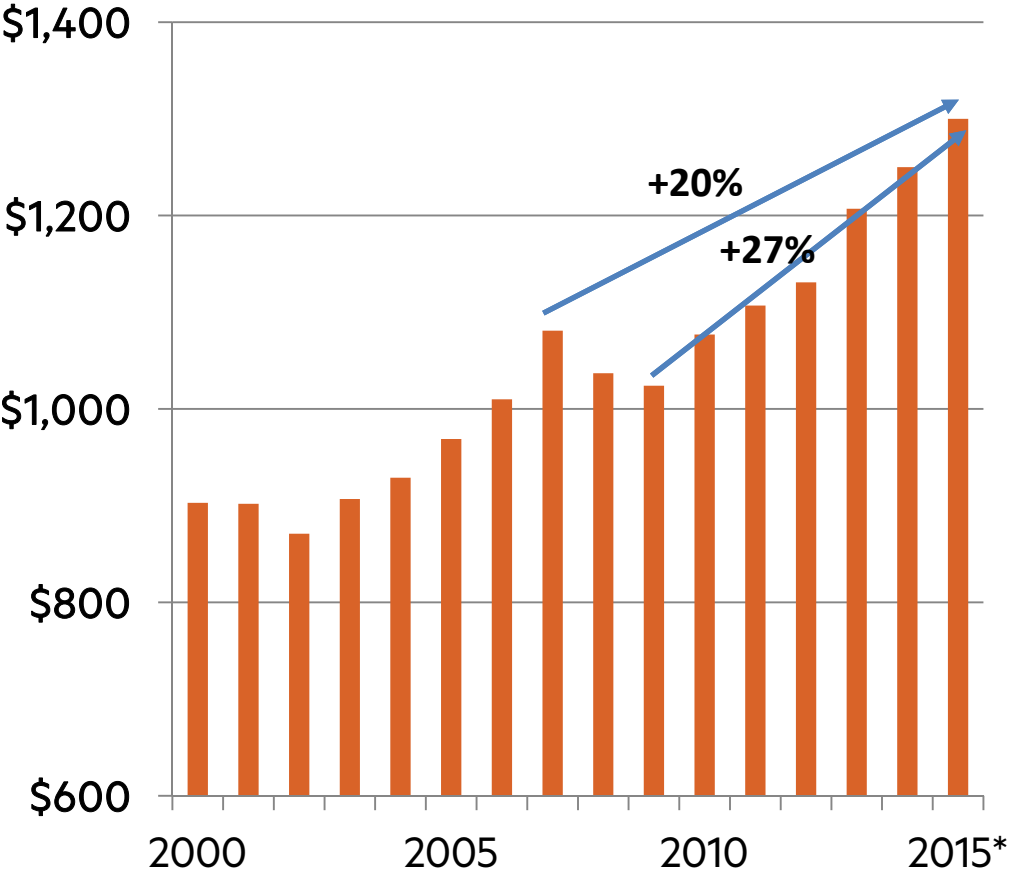
Rank	Market	Q4 15 Rent Gap, Pre-2006 Units vs. Newer Units	10-Year Rent Change, Pre-2006 Units (Same-Store)
1	Austin, TX	-33.9%	44.5%
2	San Antonio, TX	-41.1%	28.8%
3	Raleigh/Durham, NC	-30.1%	27.3%
4	Charlotte, NC-SC	-33.1%	30.5%
5	Houston, TX	-52.4%	32.1%
6	Salt Lake City, UT	-20.6%	34.1%
7	Dallas, TX	-50.4%	31.3%
8	Nashville, TN	-31.9%	37.5%
9	Denver/Boulder, CO	-35.4%	63.4%
10	Washington, DC-VA-MD	-39.1%	27.2%
--	U.S. Average	-38.7%	29.9%

HARD-HIT MARKETS ON RECOVERY PATH: MIAMI

Median Single-Family Home Price (000s)



Average Apartment Effective Rent

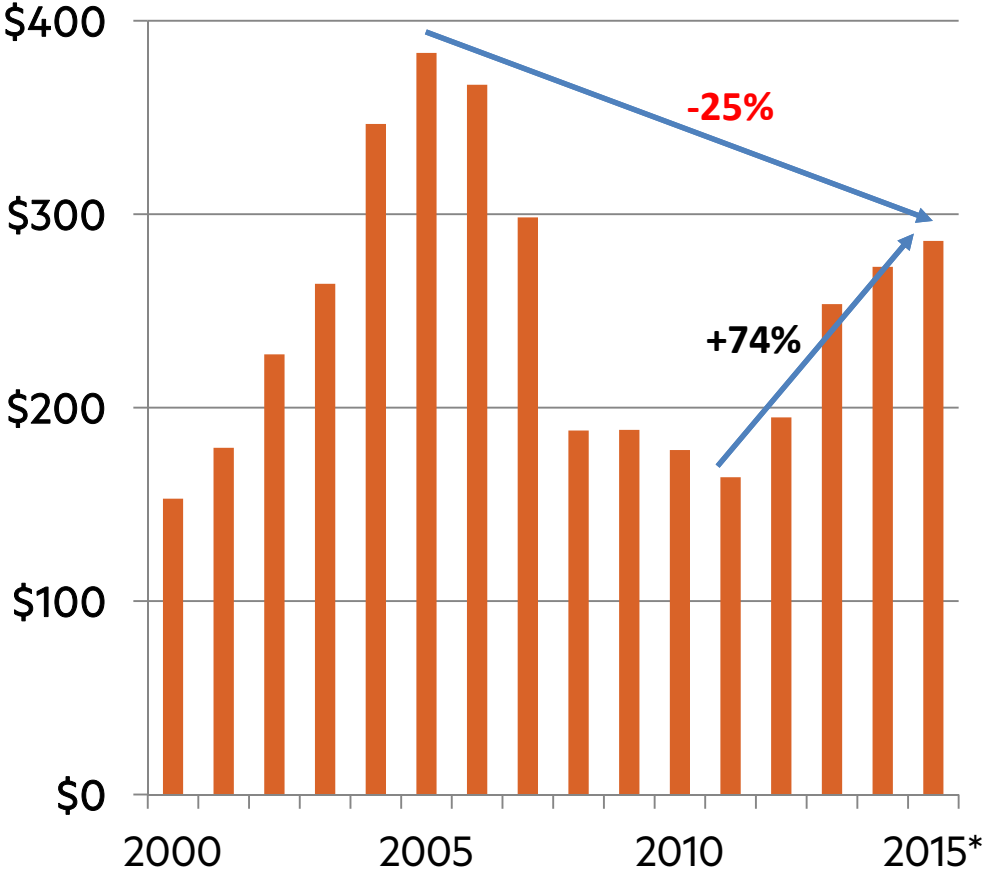


* Through 3Q

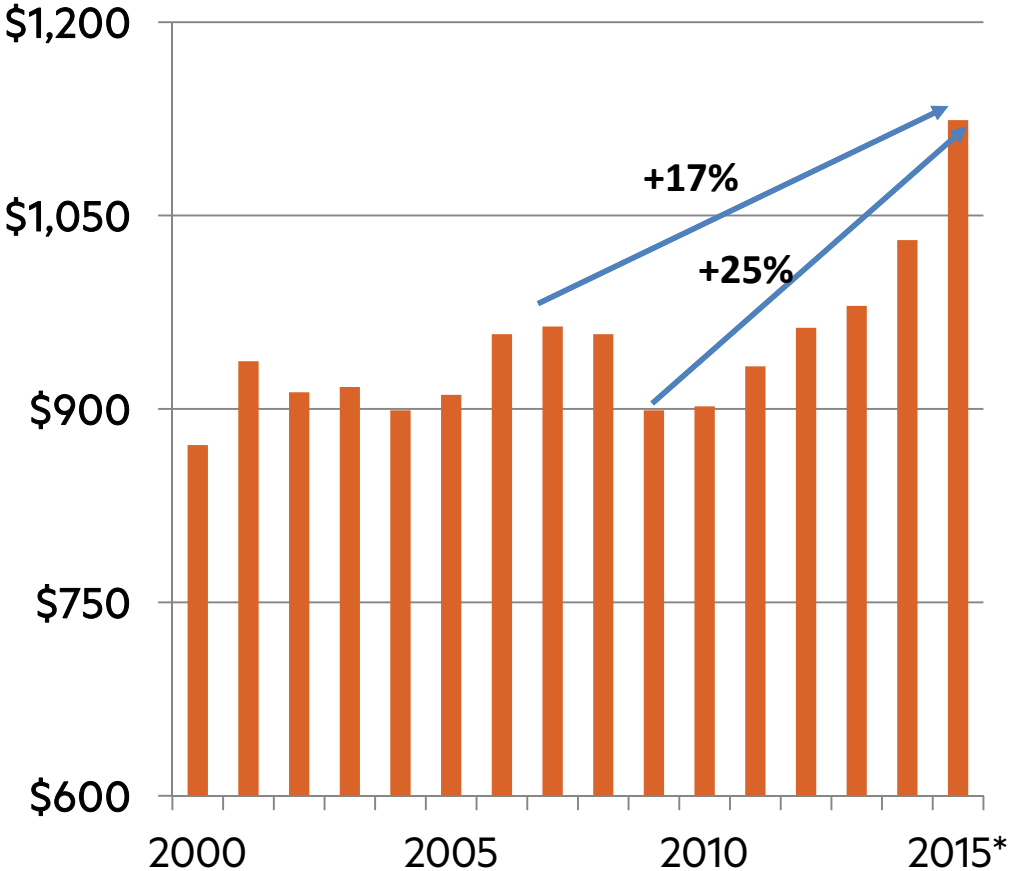


HARD-HIT MARKETS ON RECOVERY PATH: SACRAMENTO

Median Single-Family Home Price (000s)



Average Apartment Effective Rent

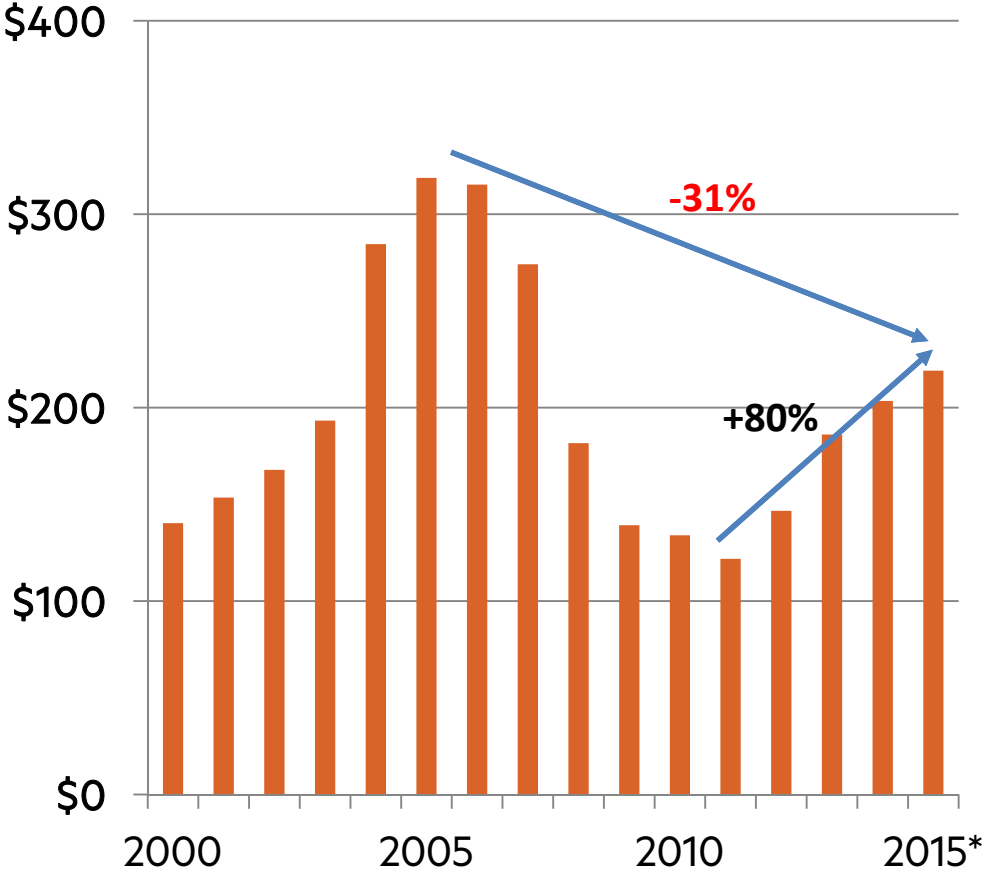


* Through 3Q

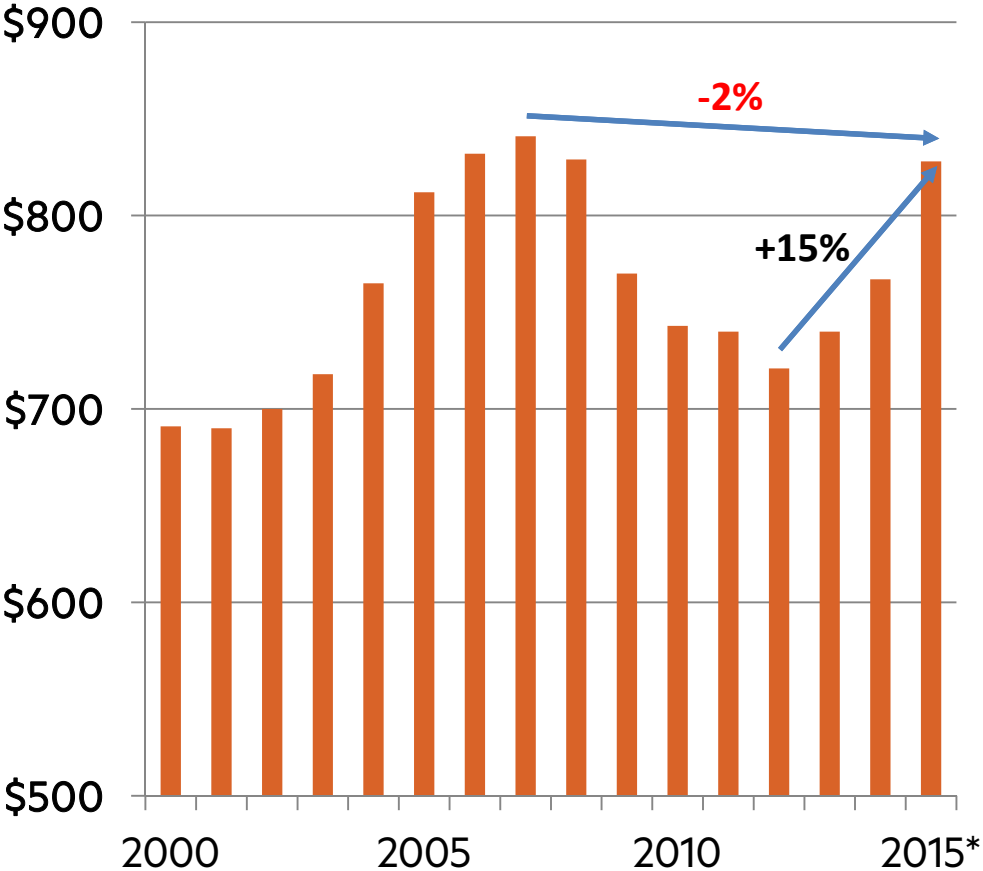


HARD-HIT MARKETS ON RECOVERY PATH: LAS VEGAS

Median Single-Family Home Price (000s)



Average Apartment Effective Rent

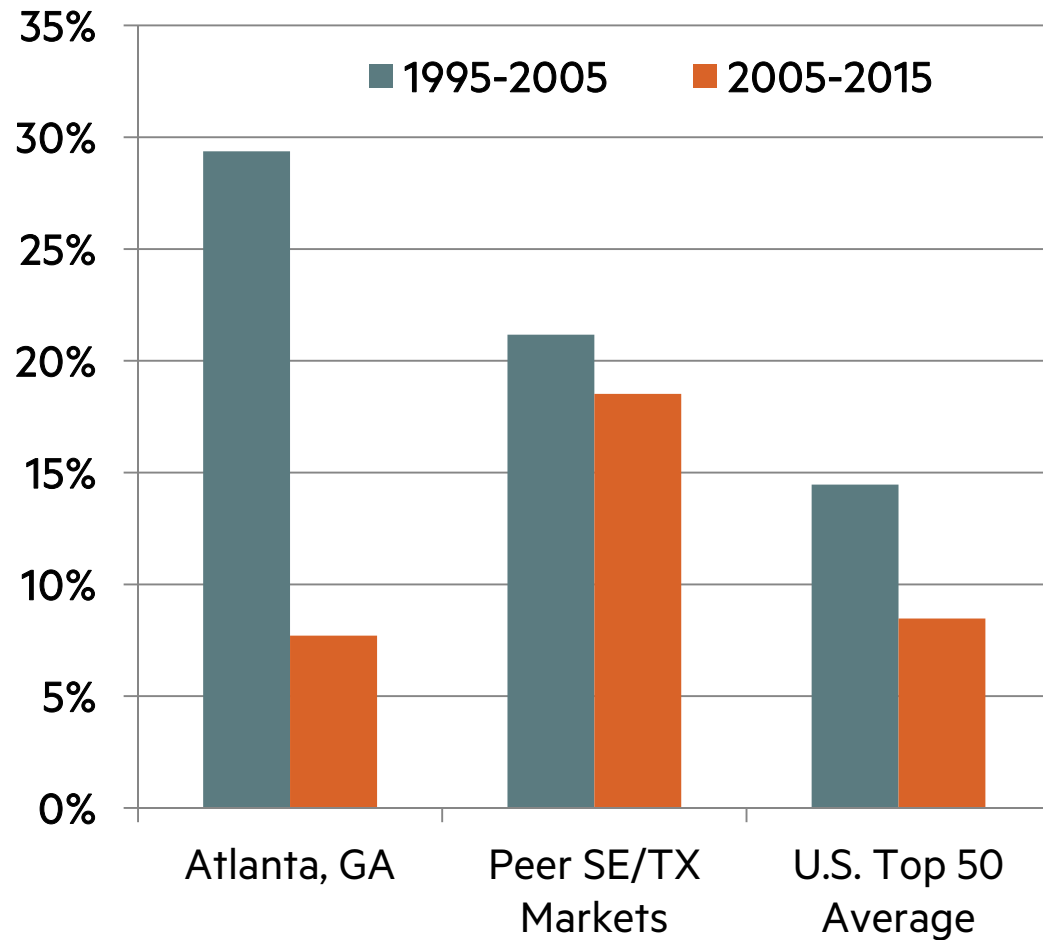


* Through 3Q

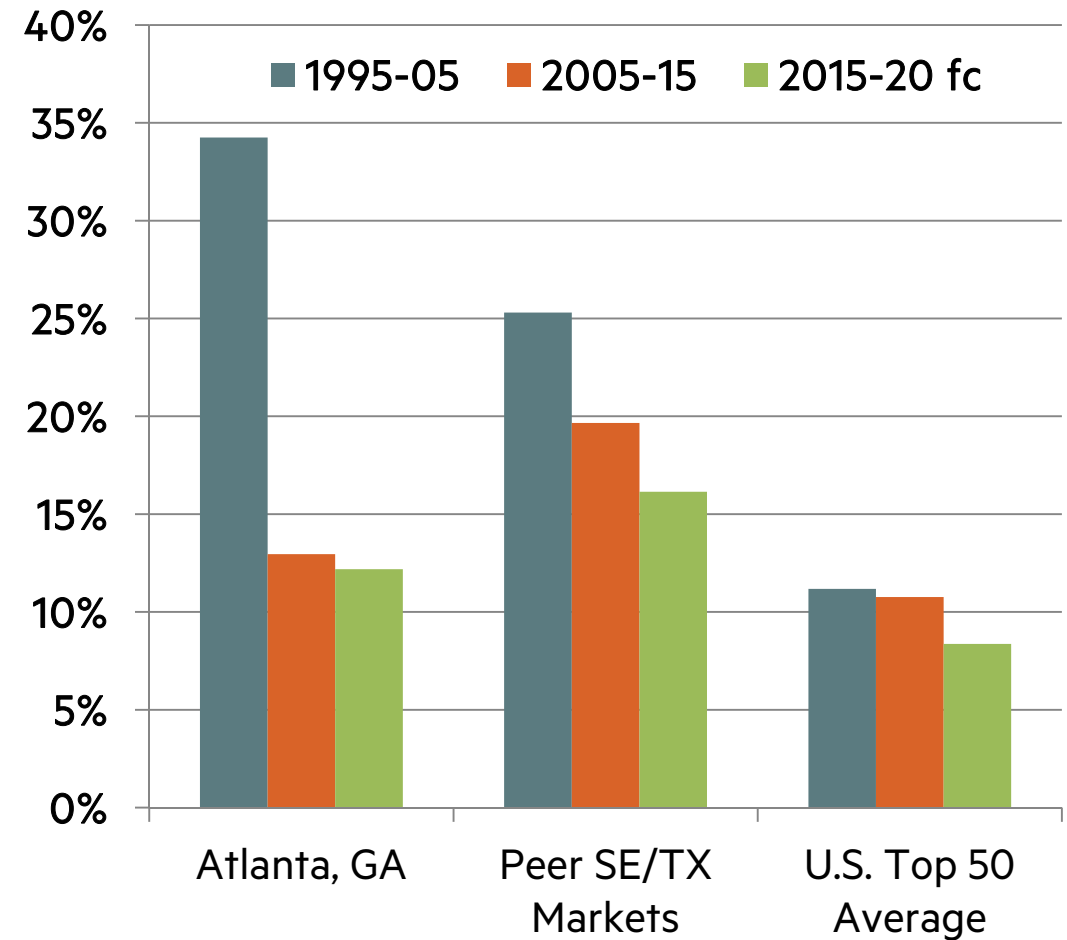


IDENTITY CHANGE MARKETS: ATLANTA

Net Employment Change

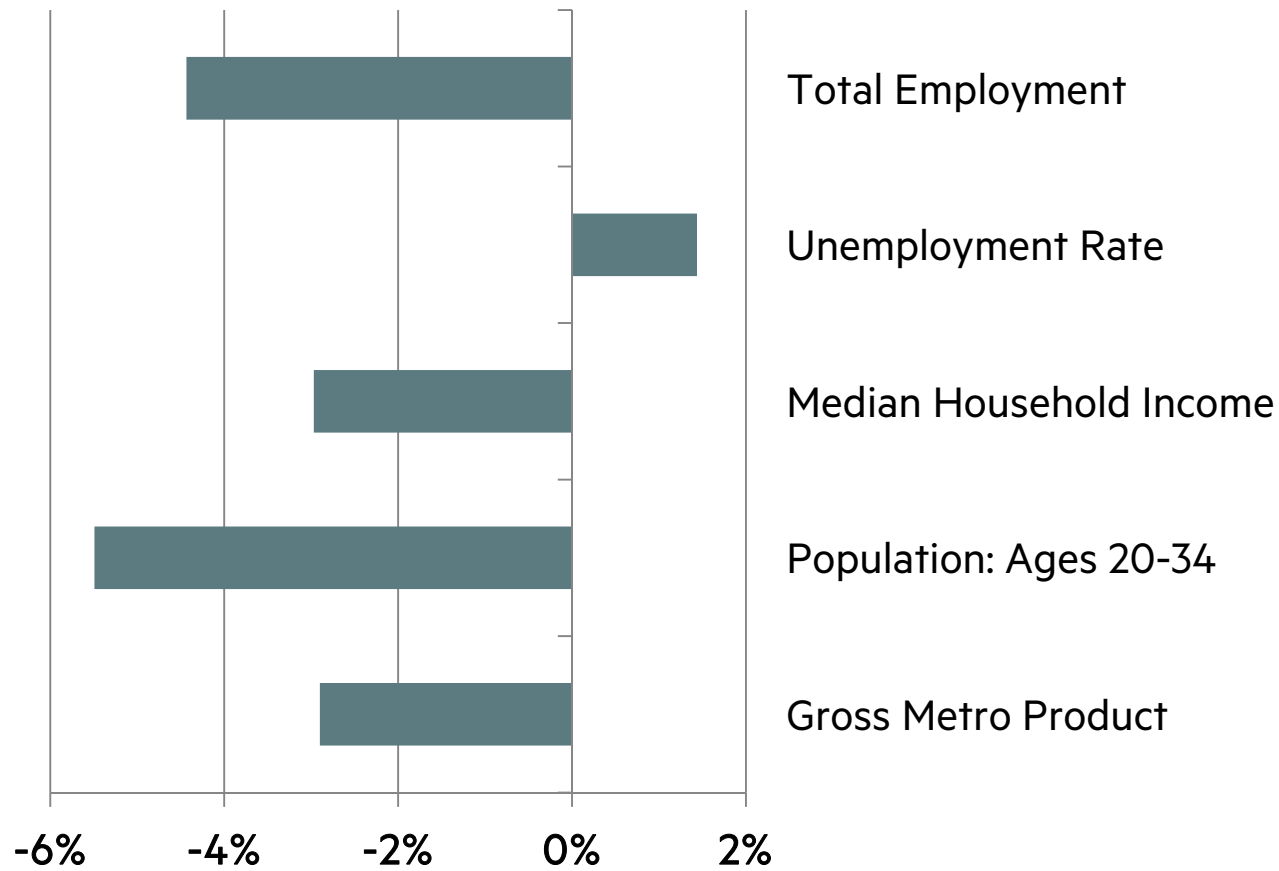


Apartment Inventory Growth

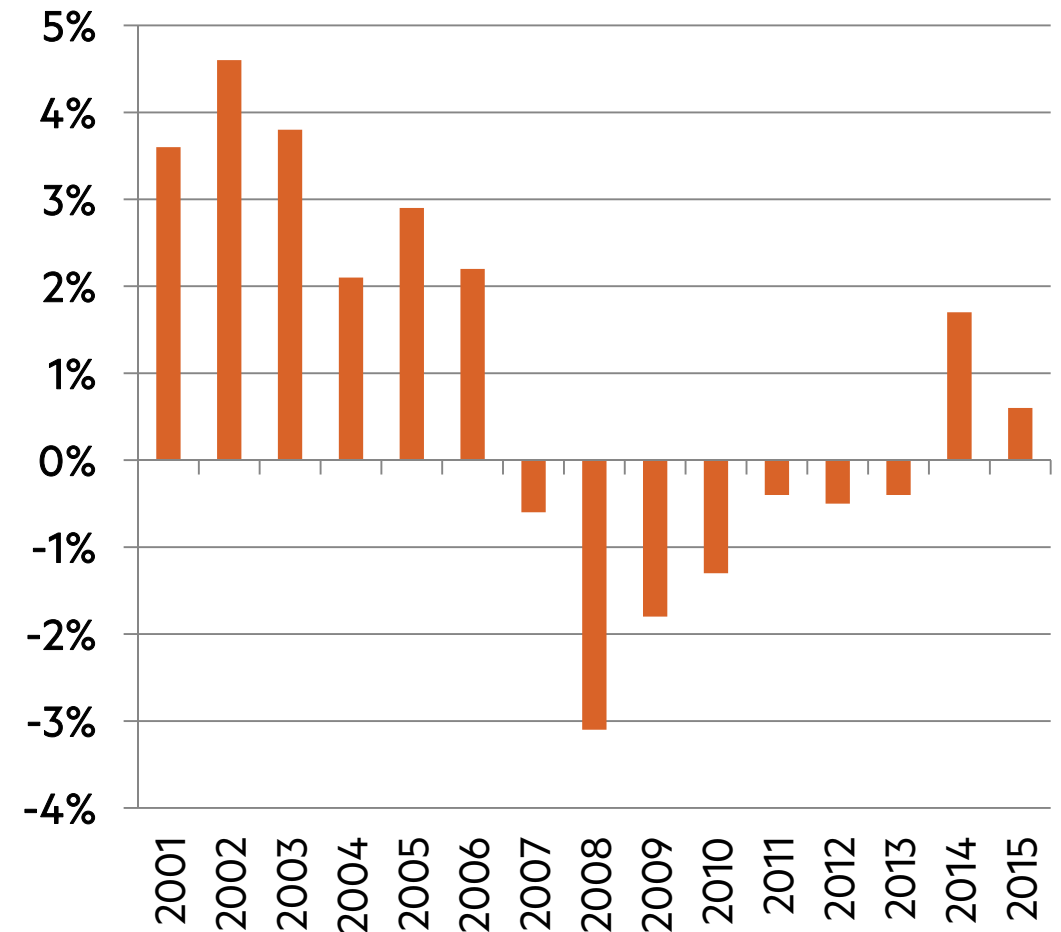


IDENTITY CHANGE MARKETS: LOS ANGELES

Change in L.A. vs. U.S., 2005-2015

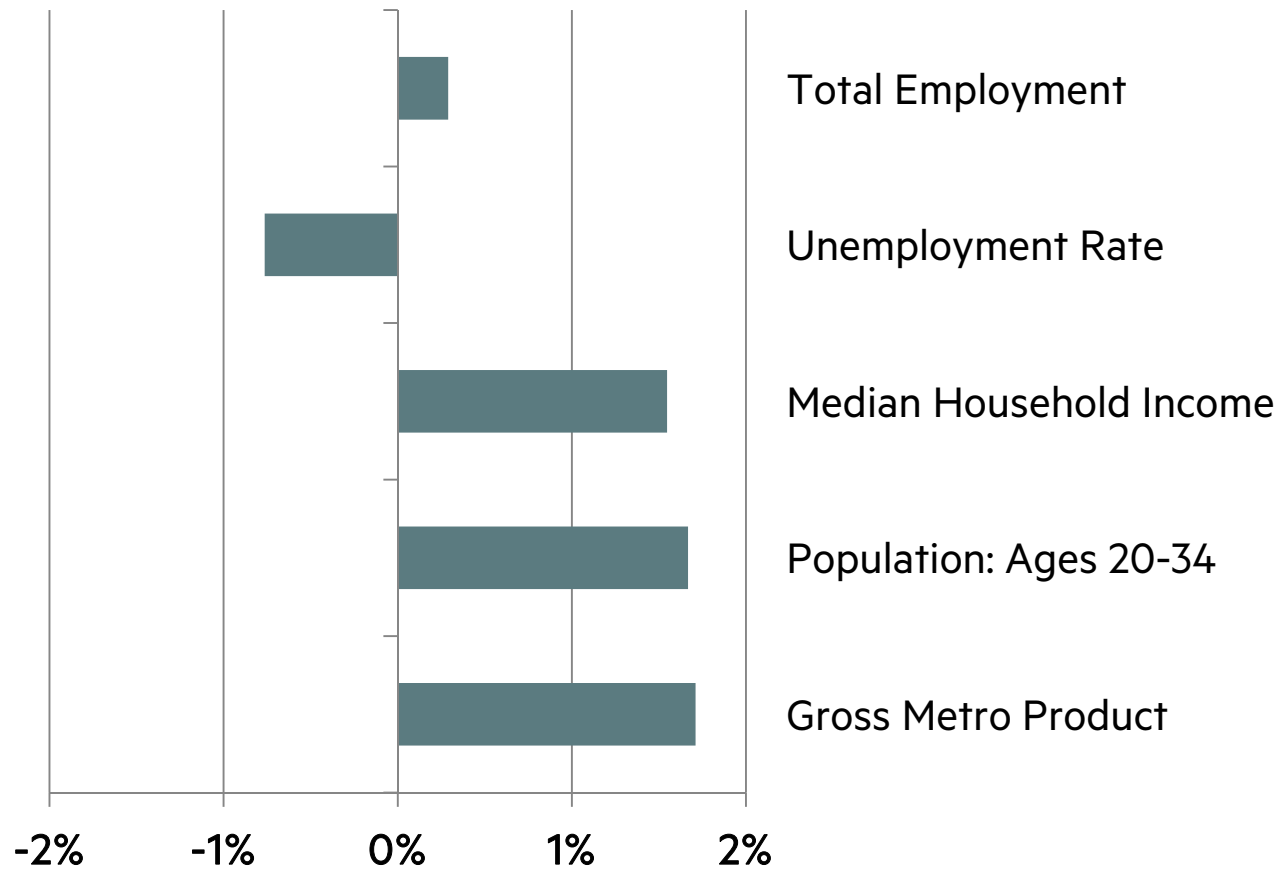


L.A. Rent Growth Relative to U.S.

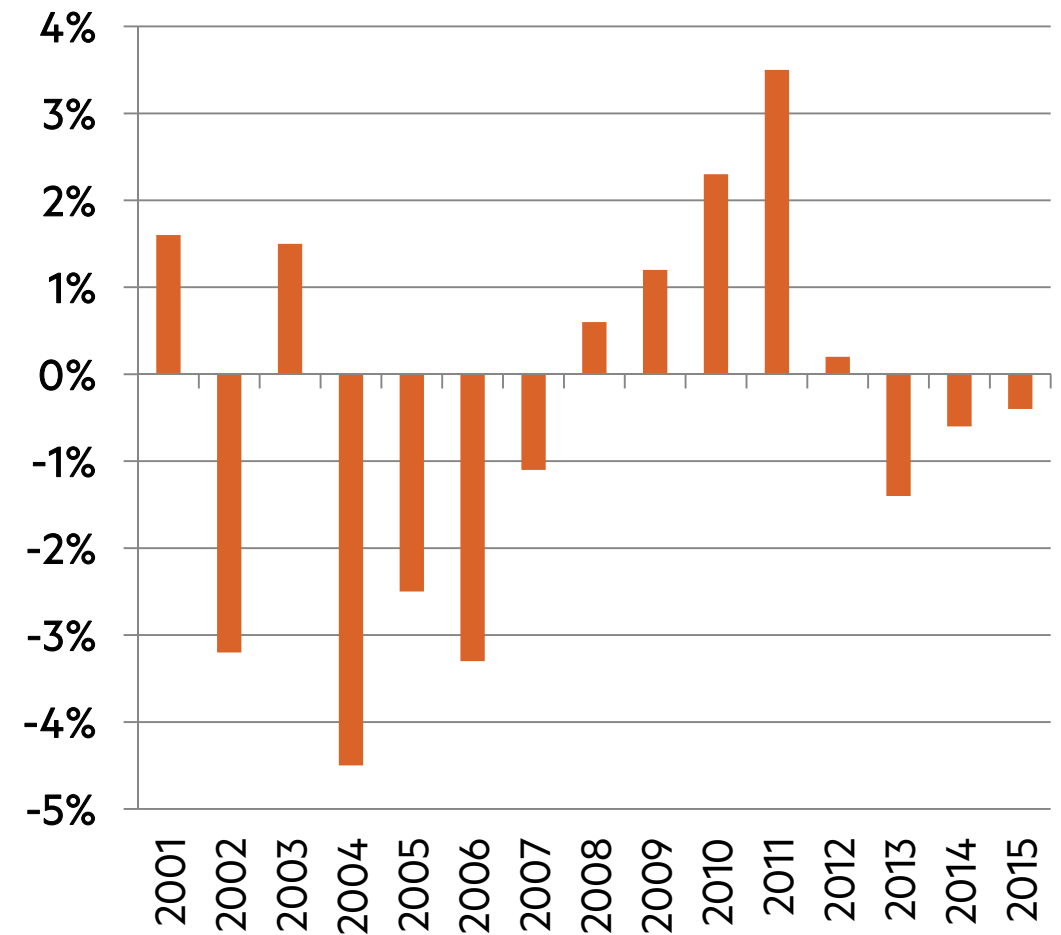


IDENTITY CHANGE MARKETS: BOSTON

Change in Boston vs. U.S., 2005-2015

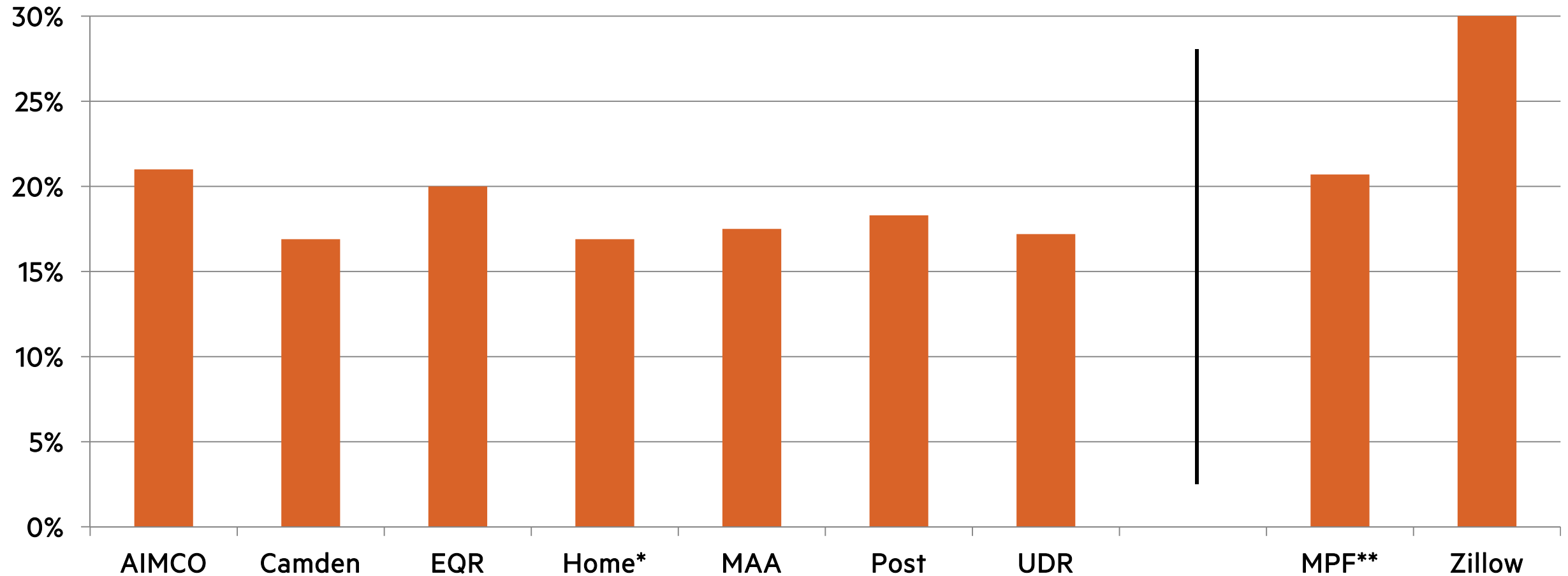


Boston Rent Growth Relative to U.S.



WHAT IS NOT CHANGING TO THE DEGREE PERCEIVED

Reported Rent-to-Income Ratios



*prior to sale

**based on leases tracked by RealPage software