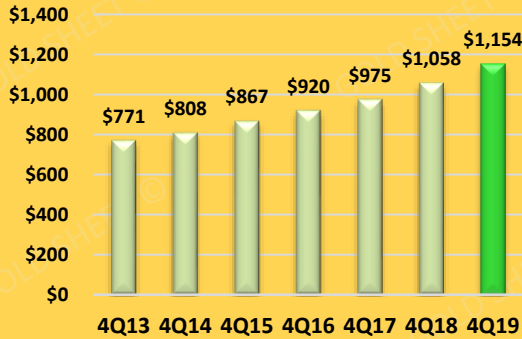
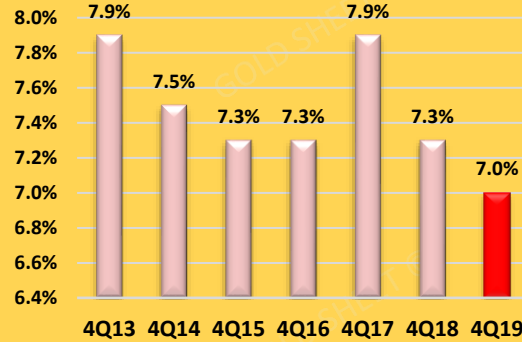


4Q19 PHOENIX APARTMENT INDUSTRY  
REVENUE STREAM UPDATE

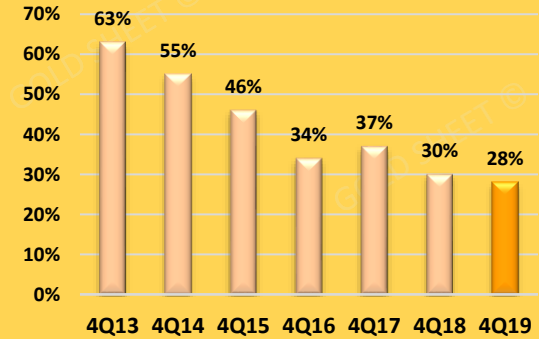
Rents



Vacancy



Concessions



- Highest Rent 4Q19: North Scottsdale/Fountain Hills @ \$1,507 (\$1,405 in 4Q18; \$1,283 in 4Q17)
- Lowest Rent 4Q19: West Central Phoenix @ \$759 (\$710 in 4Q18; \$671 in 4Q17)

- Highest Vacancy 4Q19: East Central Phoenix @ 11.9% (7.7% in 4Q18; 12.4% in 4Q17)
- Lowest Vacancy 4Q19: NW/SW County @ 2.4% (2.9% in 4Q18; 9.1% in 4Q17)

- Highest Concession Ratio 4Q19: South Paradise Valley @ 71% (50% in 4Q18; 46% in 4Q17)
- Lowest Concession Ratio 4Q19: South Tempe @ 15% (22% in 4Q18; 26% in 4Q17)

Phoenix Metro Area New Construction as of 4Q19

- 36 projects comprising 8,255 units were added in 2019; (35 projects/ 7,655 units in 2018; 43 projects/9,406 units in 2017)
- 74 projects comprising 16,135 units were scheduled for- or under construction (55 projects/ 12,569 units in 4Q18)
- 16/31 Submarkets added units in 2019; One submarket, North Tempe, added units in every quarter of 2019

YOY Rent Growth by Unit Type and Decade of Construction\* 4Q18 - 4Q19

Unit Type:	Studio			1 x 1			2 x 2*		
	4Q18	4Q19	% Δ	4Q18	4Q19	% Δ	4Q18	4Q19	% Δ
2010-2019	\$1,172	\$1,255	7.1%	\$1,267	\$1,351	6.6%	\$1,591	\$1,694	6.5%
2000-2009	\$977	\$1,047	7.2%	\$1,002	\$1,088	8.6%	\$1,163	\$1,261	8.4%
1990-1999	\$811	\$920	13.4%	\$1,043	\$1,133	8.6%	\$1,252	\$1,339	6.9%
1980-1989	\$677	\$749	10.6%	\$814	\$885	8.7%	\$1,021	\$1,121	9.8%
1970-1979	\$692	\$744	7.5%	\$818	\$883	7.9%	\$1,031	\$1,101	6.8%
1960-1969	\$713	\$780	9.4%	\$818	\$889	8.7%	\$1,025	\$1,106	7.9%
1950-1959	\$636	\$628	-1.3%	\$717	\$733	2.2%	\$1,237	\$1,369	10.7%
1940-1949	\$775	\$846	9.2%	\$879	\$912	3.8%	\$1,000	\$1,027	2.7%

4Q19 Key Observations:

- 30th consecutive quarter of + YOY rent growth
- 3,763 1x1 units built in 2019 with average rent of \$1,451
- Studio units built in the 1990s had a 13.4% YOY rent increase
- Overall YOY rent growth was 9.1%
- 21/31 submarkets had rent > \$1,000
- 16/31 submarkets had lower vacancy than in 4Q18
- Of the 16 submarkets that added new units, SIX had lower vacancies in 4Q19 vs. 4Q18
- One submarket had vacancy > 10%
- 6/31 submarkets had vacancy < or = to 4.5%; two of these had sub 3.5% vacancy
- One submarket had rents < \$800