IPA INSTITUTIONAL PROPERTY ADVISORS

2026 MULTIFAMILY

National Investment Forecast

TO OUR VALUED CLIENTS

The national multifamily investment climate is poised to gain momentum in 2026 as housing demand remains durable and supply pressures ease. Tenant retention will remain strong as fewer renters transition to homeownership. Elevated home prices and mortgage rates continue to widen the affordability gap and constrain first-time buyers. This tenant retention will partially offset tapering household formation driven by slower job creation in 2026.

The trajectory of capital markets suggests that investment activity will continue to gain momentum in the coming year. Financing costs have eased from peak levels, and debt availability is deepening, especially with Fannie Mae and Freddie Mac announcing sizable increases to their lending caps. With the Federal Reserve potentially more dovish in the coming year, debt costs could modestly ease, fueling investment activity.

Over the past year, several institutions have begun raising additional capital and increasing their commercial real estate targeted allocations. Amid this climate, multifamily investment activity could accelerate in 2026, supporting asset valuations and overall market liquidity. To help institutional multifamily investors navigate the numerous macroeconomic crosscurrents and capitalize on current opportunities, Institutional Property Advisors presents the 2026 National Multifamily Investment Forecast.

IPA investment and financing professionals across the United States and Canada are ready to help you achieve your investment goals for the coming year.

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TABLE OF CONTENTS

National Perspective

Market Overviews

Client Services

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EXECUTIVE SUMMARY

NATIONAL MULTIFAMILY INDEX (NMI)

- Metros from the Southeast, Midwest, Southwest, and the West Coast all land in the top 10 of this year's Index, reflecting how the sector's momentum is carrying through across regions. Steep barriers to homeownership, robust revenue growth, and demographic tailwinds help markets like San Francisco, Chicago, and Raleigh stand out.
- Markets with low and falling vacancy, yet softer labor markets, tend to land in the second half of the Index, including Minneapolis-St. Paul. New supply pressure, meanwhile, continues to keep vacancy comparatively higher in metros such as Nashville. Several markets with improving property fundamentals, but less dynamic populations, land in the lower tier of this year's Index.

NATIONAL ECONOMY

- While uncertainty exists in the outlook, the U.S. economy appears to be on a moderate growth path to start 2026, shaped by trade and other public policies, a cooling labor market, and interest rates still above relatively recent lows. An aging population and declining immigration are slowing labor force growth, placing a greater emphasis on increasing employee retention. Advances in artificial intelligence could help support productivity gains amid a tighter labor supply.
- Large companies have maintained steadier hiring than smaller firms and are better positioned to withstand economic softening. As many of these employers continue to scale back hybrid work, housing demand near corporate hubs may rise. The multifamily sector is well positioned to withstand a moderate economic downturn, as housing demand would likely be deferred, supporting formation when conditions improve.

NATIONAL MULTIFAMILY OVERVIEW

- The multifamily market is favorably situated to navigate a period of potential uncertainty. Entering 2026, rental demand was similar across property classes and suburban vs. urban settings. Still, weaker labor conditions may weigh on property performance, especially for Class B and C units. Class A rentals may be more insulated amid a sharp drop in deliveries for this year, helping recently completed projects lease up.
- Households are historically less likely to move during uncertain periods, which may help apartment renewal rates. Yet, many households took advantage of prodigious concessions to lease units at newly completed projects. As those discounts expire, some of these households may be forced into a financially motivated move. An economic downturn would exacerbate the effect.

CAPITAL MARKETS

- Capital for multifamily investment sales is becoming more readily available. Banks, in particular, stepped up their lending activity last year after spending 2023 and 2024 repairing their balance sheets. Government-sponsored agencies, meanwhile, remain the most common lenders for apartments. Each agency's lending cap was increased by more than 20 percent for 2026, signaling ample liquidity to meet market demand as financing activity increases.
- Private equity is more active now than in the past and may prove assertive in placing capital this year. This competition, and recent cuts by the Federal Reserve, may marginally reduce costs of bridge financing for borrowers. Overall, the Mortgage Bankers Association expects multifamily lending to increase more than 10 percent this year. Greater capital liquidity will help more well-priced assets change hands in 2026.

INVESTMENT OUTLOOK

- The combination of recent Federal Reserve rate cuts, a broader lender pool, and higher available leverage should allow more deals to pencil in 2026. Already, investment activity improved by more than 15 percent in 2025, as a portion of the dry powder capital accumulated during and after the pandemic was deployed. Both private investors and institutions have become more engaged in the market than in 2023 or 2024. While the outlook for U.S. public policies and the economy is uncertain for this year, investors with longer-term hold strategies are unlikely to be deterred, given the favorable, structurally sound demand drivers for multifamily housing.
- Population migration continues to be an influential factor for investment sales. The top 10 metros for net in-migration over the past five years are also projected to rank among the nation's top relocation destinations through at least 2030. This provides ample demographic tailwinds to the housing sectors of markets such as Dallas-Fort Worth, Phoenix, Atlanta, and Tampa-St. Petersburg. Markets in the Northeast and Midwest, meanwhile, note appealingly low vacancy compared to historical norms, aided by less substantial development pipelines.

Property Performance Outlook for 2026 Across Regions

MIDWEST

3.9%	0 bps	+22K
Vacancy	Y-O-Y Change	Net Absorption

All major markets in the Midwest entered 2026 with high-3 percent to mid-4 percent vacancy.

Chicago, Minneapolis-St. Paul, and Columbus each note less new supply in 2026, despite leading the region in net absorption last year.

Regional Outlook: Demand exceeds new supply in six major Midwest metros this year; however, moderate vacancy increases are noted in Chicago and Ohio markets.

MOUNTAIN

5.4%	-20 bps	+25K
Vacancy	Y-O-Y Change	Net Absorption

At 3.6 percent, Reno entered 2026 with the lowest vacancy among major Mountain metros, followed by Salt Lake City.

For a second straight year, Phoenix accounts for more than half of the apartments absorbed across the region.

Regional Outlook: Aided by continued in-migration, five metros register moderate vacancy declines, translating to a second straight year of regional compression.

NORTHEAST

3.5%	+10 bps	+36K
Vacancy	Y-O-Y Change	Net Absorption

Seven major Northeast markets entered 2026 with sub-5 percent vacancy, led by New York and Philadelphia.

Federal workforce fluctuations could impact rental demand in Washington, D.C., where a moderate vacancy increase is projected for 2026.

Regional Outlook: The Northeast's three lowest-cost rental markets notch vacancy declines, allowing regional vacancy to hold below 4 percent for a 14th straight year.

SOUTHEAST

5.2%	-20 bps	+60K
Vacancy	Y-O-Y Change	Net Absorption

Miami-Dade and West Palm Beach each entered 2026 with vacancy below the regional average.

Atlanta and Charlotte appear well positioned after 2025, when they collectively accounted for more than 40 percent of units absorbed across the Southeast.

Regional Outlook: Relocations to the Southeast aid rental demand, with nine of the region's 11 major markets projected to record vacancy compression this year.

TEXAS

6.2%	-10 bps	+42K
Vacancy	Y-O-Y Change	Net Absorption

Dallas-Fort Worth, Houston, and San Antonio each entered this year with vacancy below their long-term average.

Demand for new apartments is apparent across Texas. Last year's net absorption total matched or exceeded deliveries in the state's four major markets.

Regional Outlook: The state's lower cost of living continues to foster population growth, enabling rental demand to slightly outpace supply additions in 2026.

WEST

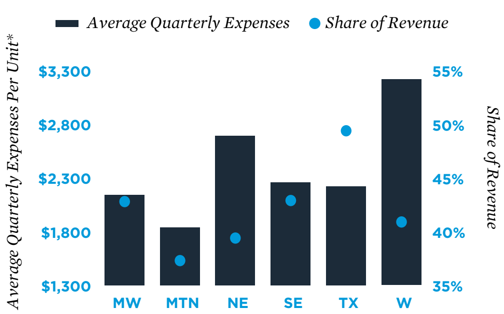
4.2%	-10 bps	+29K
Vacancy	Y-O-Y Change	Net Absorption

All major West Coast metros entered 2026 with vacancy in the mid-3 to high-4 percent range, with conditions tightest in Orange County and San Jose.

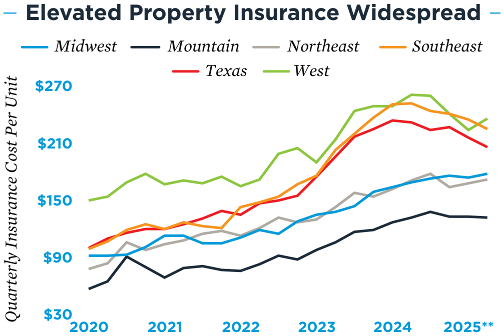
Vacancy in nearly all Pacific Northwest and Bay Area markets is below those metros' long-term averages.

Regional Outlook: Barriers to homeownership foster steadfast rental demand that translates to a slight reduction in regional vacancy.

Expenses as a Share of Revenue Varies



Elevated Property Insurance Widespread



*As of 3Q 2025 ** As of 2Q 2025

Sources: IPA Research Services; CoStar Group, Inc; RealPage, Inc.

Property Expense Growth Eases, Helped by Declining Insurance Costs

While costs are climbing, revenue metrics are also increasing. Quarterly expenses rose by nearly 50 percent per unit on average over the past five years. Expenses as a percentage of revenue, however, rose only moderately during the same period, entering 2026 around 45 percent. This indicates that owners have leaned on rent increases, utility-related upgrades, and management efficiencies to offset the impact of rising costs on a property's revenue. Moving forward, investors seeking areas where expenses have less influence on revenue may eye Mountain markets, where quarterly property costs accounted for less than 40 percent of revenue last year. This metric and near-term growth projections may enhance the appeal of apartment ownership in the region's major markets.

Greater frequency of weather events has long-term consequences. Apartment insurance rates more than doubled from 2020 to 2025, with the Southeast, Northeast, and Mountain regions recording the largest spikes, and the West, home to the highest cost per unit. The record count of flash flood warnings issued last year and the number of damaging tornadoes, hurricanes, and wildfires indicate rising rates are likely for the foreseeable future. As such, investors may increasingly factor potential rate hikes and limited availability of new policies into their acquisition criteria and offers.

Affordability, Migration, and Construction Among the Factors Guiding this Year's Market Index

Rankings for 2026 highlight a variety of trends. Metros from the Southeast, Midwest, Southwest, and the West Coast all land in the top 10 of this year's National Multifamily Index, reflecting how the sector's momentum carries through multiple regions. One of the common influences is the ongoing high cost of homeownership. Over half of this group, led by San Francisco (#8) and Orange County (#3), have some of the highest home prices relative to local incomes in the country. Meanwhile, a favorable combination of low vacancy and minimal new supply earns Chicago (#2) a top spot this year. Raleigh (#6) and Houston (#7) benefit from growing populations of rental-oriented young professionals. Other major Sun Belt metros such as Dallas-Fort Worth (#14), Phoenix (#15), and Austin (#17) rank lower on the Index as elevated construction, driven by robust post-pandemic in-migration, may now pose a short-term constraint if tighter immigration policies interrupt that momentum.

Demographics and development activity play a role throughout. The second half of the Index includes multiple metros with low and falling vacancy that nevertheless are contending with softer labor markets. These include Riverside-San Bernardino (#21), Minneapolis-St. Paul (#22), and Oakland (#24). Vacancies in Nashville (#28) and Denver (#32), meanwhile, remain elevated. Here, comparatively greater new supply pressure and lower barriers to homeownership than in other metros may affect properties' stabilization efforts. Despite tying for the nation's lowest vacancy rate, New York City (#25) lands in a similar position, as some proposed policies could prove challenging for property owners. The lower echelon of the Index, meanwhile, includes several markets with improving property fundamentals but less-dynamic populations or subdued hiring expectations for 2026. These include Cleveland (#29) and Baltimore (#34). Washington, D.C., (#33) gets off to a slow start in the year following the federal government shutdown. However, the metro's ongoing trend toward less reliance on the public sector aids the market's long-term outlook.

Index Methodology

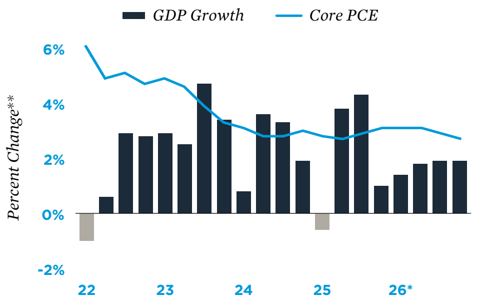
The NMI ranks 34 major markets on a collection of 12-month, forward-looking economic indicators and supply-and-demand variables. Markets are ranked based on their cumulative weighted-average scores across indicators, including projected job growth, vacancy, construction, housing affordability, rents, and household growth. Weighing the history, forecasts, and incremental change over the next year, the Index is designed to show supply-and-demand conditions at the market level. Index rankings do not account for insurance costs and natural disaster risks.

Users of the Index are cautioned to keep several important points in mind. First, the NMI is not designed to predict the performance of individual investments. A carefully chosen property in a bottom-ranked market could easily outperform a poor choice in a higher-ranked market. Second, the NMI is a snapshot of a one-year horizon. A market encountering difficulties in the near term may provide excellent long-term prospects, and vice versa. Third, a market's ranking may fall from one year to the next, even if its fundamentals are improving. The NMI is an ordinal Index, and differences in rankings should be interpreted carefully. A top-ranked market is not necessarily twice as good as the second-ranked market, nor is it 10 times better than the 10th-ranked market.

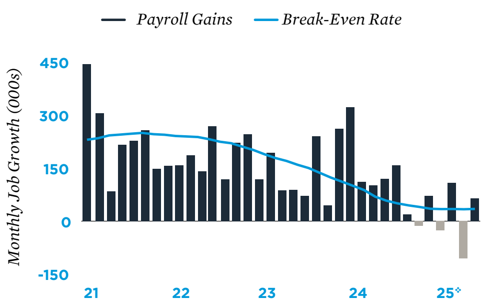
RANK	MARKET
1	*Southeast Florida*
2	*Chicago*
3	*Orange County*
4	*San Jose*
5	*Seattle-Tacoma*
6	*Raleigh*
7	*Houston*
8	*San Francisco*
9	*Tampa-St. Petersburg*
10	*Charlotte*
11	*Columbus*
12	*San Antonio*
13	*Atlanta*
14	*Dallas-Fort Worth*
15	*Phoenix*
16	*Orlando*
17	*Austin*
18	*Boston*
19	*Los Angeles*
20	*Salt Lake City*
21	*Riverside-San Bernardino*
22	*Minneapolis-St. Paul*
23	*San Diego*
24	*Oakland*
25	*New York City*
26	*New Haven-Fairfield County*
27	*Northern New Jersey*
28	*Nashville*
29	*Cleveland*
30	*Cincinnati*
31	*Portland*
32	*Denver*
33	*Washington, D.C.*
34	*Baltimore*

[1] *See National Multifamily Index Note on Page 80.*

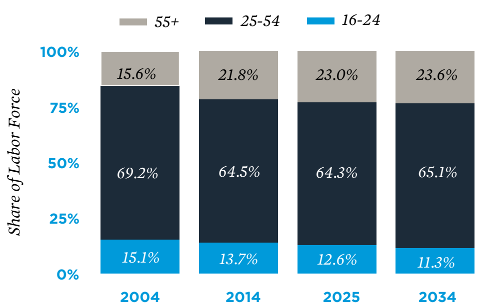
Inflation and Growth Outlook Stable



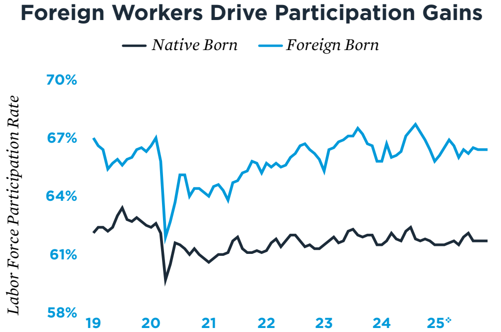
Hiring and Break-Even Rates Decline



Older Workers Growing Share of Labor Force



Foreign Workers Drive Participation Gains



** Forecast ** Annualized quarterly percent change for GDP; year-over-year percent change for Core PCE*

⁺ Through November

Economic Expansion Moderates in the Face of Continued Policy Uncertainty

Growth expected through market transition. The U.S. economy is entering 2026 on a moderate growth path, shaped by trade and immigration policies, a cooling labor market, and interest rates above relatively recent lows. Hiring has softened across most sectors, with health care emerging as the primary source of job creation amid ongoing demand for essential services. Tariff-related cost pressures have likely contributed to weaker hiring, though milder-than-expected duties and supply chain adjustments have limited their impact on GDP growth and inflation. Productivity has also been elevated, rising by about 3.3 percent year-over-year in mid-2025, supporting output even as new immigration restrictions slow labor force growth. Advances in artificial intelligence could reinforce these efficiency gains. Meanwhile, although inflation risks remain persistent, the Federal Reserve appears positioned to slightly extend gradual rate cuts, fostering conditions for slow but steady expansion. GDP growth is projected to firm up to roughly 1.8 percent by year-end, signaling a resilient economy adapting to lingering cost pressures and policy shifts.

Employment norms being recast. An aging population and declining immigration are slowing labor force growth, redefining "healthy" hiring. The Dallas Fed estimates the break-even pace of job growth dropped from about 250,000 per month in mid-2023 to near 30,000 by late 2025, meaning even modest payroll gains can hold the unemployment rate steady. With fewer workers needed to maintain stability, the labor force composition will reshape hiring trends. Older employees make up a growing share of the workforce and are staying longer, temporarily reducing turnover. Even as entry-level hiring has slowed, weaker immigration is expected to keep labor availability tight, exacerbating a market that relies more on retaining workers than new entrants. Fewer foreign arrivals may also constrain output in the near term as labor-intensive firms find it more difficult to scale. Over time, a tighter labor supply could raise wages and draw some individuals back into the labor force. Firms may also expand apprenticeships and university partnerships to upskill the workforce and help offset the loss of retiring workers, potentially supporting higher wage floors and more sustainable housing demand.

2026 NATIONAL ECONOMIC OUTLOOK

- **Low labor turnover weighs on domestic migration.** Amid a low-hiring environment, the quits rate has also fallen to around 1.9 percent, the lowest level since 2016 outside pandemic disruptions. This job stagnation is likely to dampen cross-metro migration, with Sun Belt metros potentially seeing fewer arrivals, while slower-growth metros experience reduced out-migration of working-age residents.
- **Corporate stability fuels city-center leasing.** Large companies have maintained steadier hiring than smaller firms and are better positioned to withstand economic softening. As many of these employers scale back hybrid work, housing demand near major corporate hubs may rise. CBD apartment vacancy fell below the suburban rate in September, reaching 4.3 percent, highlighting the growing appeal of urban living.
- **Recession not serious concern for housing needs.** The multifamily sector is well positioned to withstand a moderate economic downturn. Housing demand deferred in the short term would likely manifest later once conditions improve.

Demand Steady Across Rental Classes Despite Slowing Job Growth

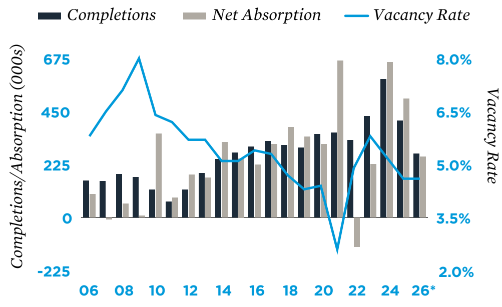
Notable vacancy movement unlikely over the near term. The multifamily market is well positioned to navigate a period of potential uncertainty. Entering 2026, rental demand was similar across property classes, with overall vacancy slightly below the prior decade-long average. Suburban and urban vacancy rates were also comparable. Together, these indicators point to broad-based demand for rentals across major metros and quality levels. Still, a higher underemployment rate may weigh on property performance. Class B and C apartments stand to be most impacted, as the labor market downturn is expected to slow the pace of household formation among middle- and lower-income renters. Class A properties should be more insulated from these conditions, with the sector benefiting from sizable barriers to homeownership that will keep many higher-earning households in the renter pool. These dynamics are occurring alongside a decline in construction. Approximately 270,000 units are slated for delivery in 2026, the lowest annual total since 2014, with 47 of 50 major metros noting reductions. Less supply-side pressure will aid leasing efforts at existing properties, enabling overall supply and demand to align despite near-term headwinds.

Renter turnover important consideration for 2026. Households are historically less inclined to make life-changing decisions during uncertain periods. As such, renters may move less in 2026, which would bode well for renewal rates. The proportion of renters renewing leases climbed to a more than three-year high of around 55 percent late last year. With renewals serving as the primary driver of rent growth in 2025, property owners are likely to intensify their retention efforts in 2026. This will prove especially important for renters who entered leases recently with elevated concessions. The share of units giving discounts exceeded 50 percent in some markets last year, with multiple months of free rent offered for some leases at recently completed properties. As these terms end, some renters may need to relocate, which could reintroduce some vacancy pressure to those recent builds.

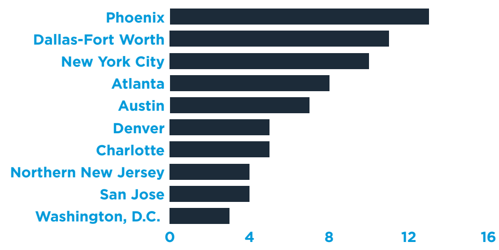
2026 NATIONAL MULTIFAMILY OUTLOOK

- **Deteriorating home affordability buoys rental demand.** Nearly every major rental market entered 2026 with an affordability gap — the difference between a metro's average effective rent and mean monthly payment on a 30-year, fixed-rate mortgage — larger than $1,000. These disparities, along with expectations that mortgage rates will remain volatile, point to only a select number of renters buying a home in 2026.
- **White House policies play a role in development pullback.** Stricter enforcement of President Trump's immigration mandates will tighten the construction labor pool in 2026. As such, workforce shortages are likely to materialize in certain metros. The combination of this hurdle and higher material costs will directly impact the timelines of ongoing projects, while also driving up the cost of proposed developments.
- **Cooling homebuilding a multifamily tailwind.** Single-family construction permitting fell by over 15 percent during the first nine months of 2025. Should such activity stay subdued through 2026, options for prospective new home buyers could be limited. This may prompt some renters to remain in the pool longer, benefiting Class A apartments where tenant incomes tend to range higher.

Supply and Demand Remain Aligned

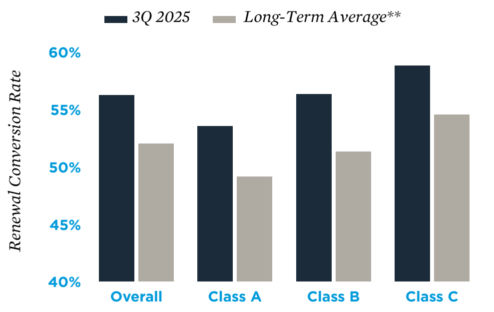


Construction Declines Broadly Across the U.S.

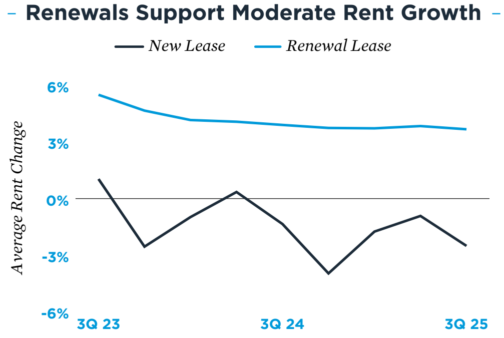


*2025 vs. 2026 - Decline in Unit Completions (000s)**

Conversion Rates Above Historical Norms



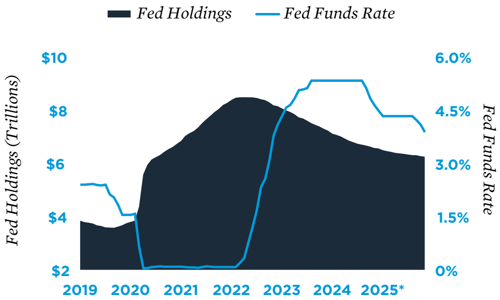
Renewals Support Moderate Rent Growth



** Forecast*

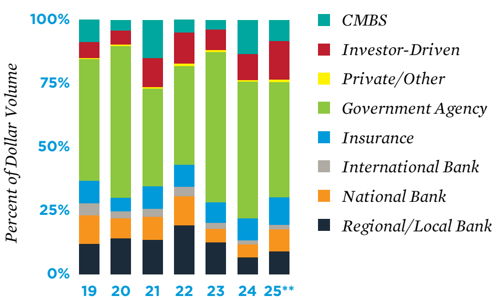
*** Long-term average since 2010*

Fed Reduces Rates and Balance Sheet

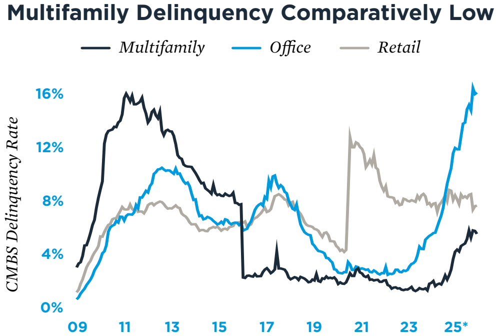


Treasury Yield Trends

Multifamily Lender Composition✧



Multifamily Delinquency Comparatively Low



* Through November

** 1H 2025

✧ Sales $2.5 million and greater

Financing Costs Easing but Still Elevated; Debt Capital Availability Rising

Borrowers to benefit some from looser monetary policy. The new year began with interest rates slightly lower after multiple cuts by the Federal Open Market Committee at the end of 2025. Future rate moves are less certain, but many financial market participants appear to favor further reductions. More than half of FOMC members indicated last December that the appropriate overnight rate to end 2026 would be under 3.5 percent. Meanwhile, the 10-year yield faces crosscurrents from influences such as inflation and government debt issuance. However, even if common benchmarks like the 10-year do not move materially lower this year, borrowers could still see some cost reductions through a more active lender market. Across property types, interest rates on commercial real estate loans were already down an average of 50 basis points in late 2025 compared to a year prior, when the 10-year was higher. Greater capital availability expected next year could spur similar behavior in the months ahead.

Multifamily liquidity continues to improve. While never scarce, more capital for multifamily investment became available last year as some lenders ceased tightening standards. The Mortgage Bankers Association expects this momentum to continue, with origination activity for the property type to rise more than 10 percent year-over-year in 2026. Banks have stepped up market engagement after spending 2023 and 2024 repairing their balance sheets. While these institutions represented 26 percent of multifamily lending on average between 2015 and 2019, they accounted for only 13 percent of volume in 2024. That ratio began to climb again last year, however. Government-sponsored agencies, meanwhile, remain the most common apartment lender, supplying nearly half of funds loaned. Each agency's lending cap was increased by 20.5 percent for 2026 to $88 billion, signaling that Fannie Mae and Freddie Mac will have ample liquidity to meet market demand as financing activity increases. Private equity is also more active than in the past, including from funds opting out of direct acquisitions. Many of these groups are likely to be aggressive in deploying capital, which could lower borrowers' spreads. A lower SOFR rate would also help make bridge financing more feasible. Life insurance companies, meanwhile, continue to generally favor the risk/return profile of multifamily assets. Overall, greater capital liquidity and lower borrowing costs set the stage for more well-priced assets to change hands in 2026.

2026 CAPITAL MARKETS OUTLOOK

- **Agency actions consistent for now.** As of early 2026, the possibility of Freddie Mac or Fannie Mae going public remains a speculation. In the meantime, their multifamily mission statements are unchanged. An increased capital allowance of $2 billion to fund low-income housing development may, in conjunction with last year's tax reform, lead to more such groundbreakings, especially in rural areas.
- **Distress in apartments remains in manageable zone**. While multifamily CMBS loan delinquency has been rising since May 2024, the rate of roughly 6 percent as of late last year was only a third of the peak rate during the global financial crisis. While multifamily loan maturities remain elevated in 2026, greater capital availability stands ready to absorb the refinancing demand. Lower short-term borrowing costs make bridge financing more obtainable as well.

Investment Activity Increasing as Structural Drivers Offset Some Short-Term Selectivity from Buyers

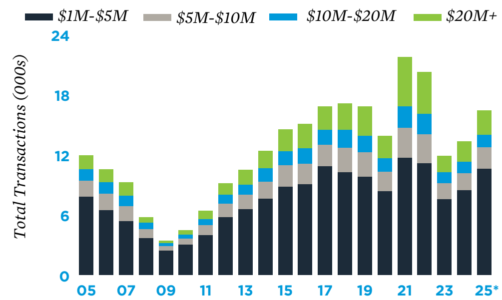
Long-term outlook for rental demand offsets investors' short-run concerns. A portion of the dry powder capital accumulated during and after the pandemic flowed into the multifamily sector in 2025, supporting a year-over-year increase of more than 15 percent in transaction activity. Notable increases in deal flow were registered across class cuts and price tranches as more private investors and institutional groups re-engaged with the marketplace — frequently acquiring assets below asking price. This year, the combination of recent Federal Reserve rate cuts, a broader lender pool, and higher available leverage should lower debt costs for borrowers, allowing more deals to pencil. Still, the trajectory of longer-term rates is unclear, as the 10-year Treasury often moves independently of the overnight rate. As such, opportunities to capitalize on favorable yield spreads may be limited for active investors, many of whom may adopt a more selective approach to asset procurement during a slower-growth period. Buyers with longer hold strategies, however, are unlikely to be deterred by near-term hurdles. A mean Class A rent $700 below a new mortgage payment on a median-priced home and recent construction dynamics support a positive outlook beyond this year.

Construction has been a key determinant of local market performance. Population migration continues to be an influencing factor for investment sales. The top 10 metros for net in-migration over the past five years include all major Texas metros, Phoenix, Atlanta, Orlando, Tampa, Charlotte, and Raleigh. Well-located apartments across this group of Sun Belt markets should remain coveted as each will likely rank among the nation's top relocation destinations through at least 2030. Additionally, all but one of these markets is projected to record a vacancy decrease this year. Elsewhere, buyer competition may be most apparent in metros with the largest disparity between current vacancy and their prior 10-year average rate. Most of these markets are in the Midwest, Northeast, or Bay Area, where moderate inventory growth supports strong demand for existing rentals despite slower population growth.

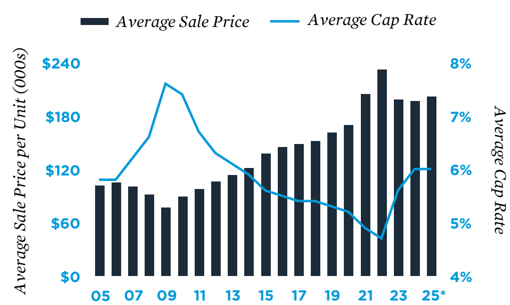
2026 INVESTMENT OUTLOOK

- **Construction pullback enhances appeal of newer properties.** More than 2.1 million units were delivered over the past five years, many by developers with short-term hold or merchant-build strategies. As such, newer complexes are likely to account for larger shares of total deal flow and sales volume in 2026. Recently completed properties that have yet to reach stabilization may trade more frequently if investors willing to tackle lease-up risk can obtain pricing at or below replacement costs.
- **Larger market deals remain focus.** Large primary markets captured 44 percent of multifamily properties traded last year, about the same as in 2024. Amid uncertainty, institutional groups are likely to target listings in well-established markets where sizable employers bolster long-term tailwinds in residential demand.
- **Property income metrics still favorable.** On a national scale, a rental property's net operating income (NOI) as a percentage of revenue has shifted nominally over the past two years, hovering around 56 percent. This positive reflection of multifamily property performance should provide buyers with added confidence.

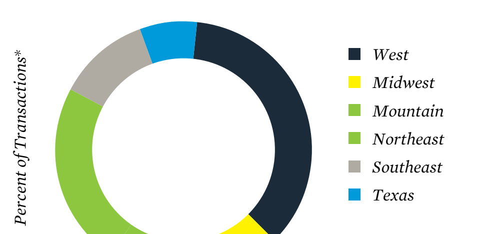
Multifamily Transaction Activity



Price vs. Cap Rate

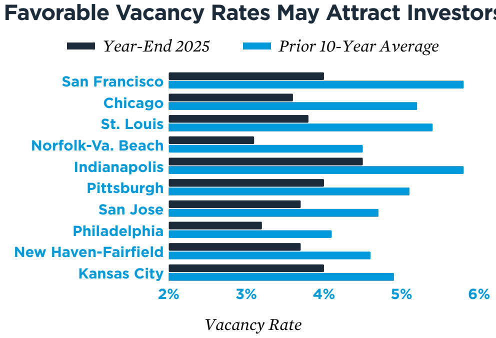


Distribution of Multifamily Deal Flow

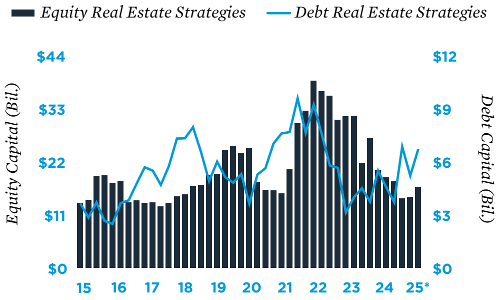


Note: Regional totals reflect deal flow in major markets only

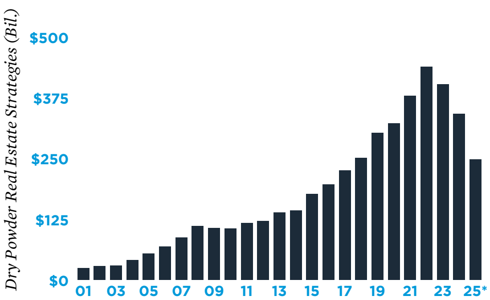
Favorable Vacancy Rates May Attract Investors



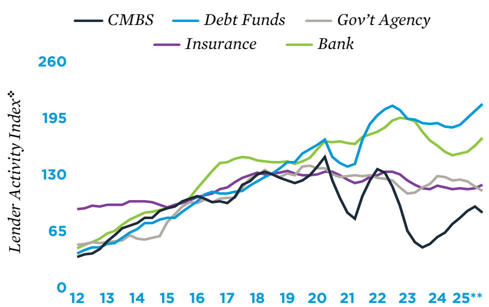
U.S. & Canada Fundraising



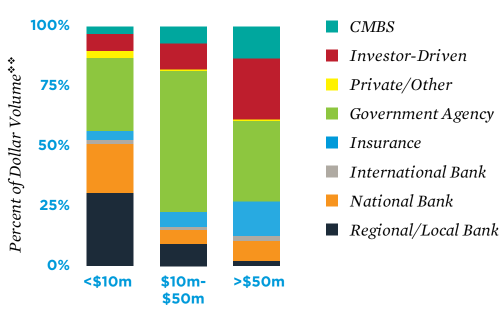
Capital Stockpiles Actively Deploying



Debt Funds & Banks Becoming More Active



Lender Composition By Loan Size



** As of 3Q*

*** As of 2Q*

** Trailing-12 months average number of quarterly transactions. Indexed to 2Q 2015 level.*

** Sales $2.5 million and greater. Includes entity level sales, acquisitions, and refinance transactions for $2.5 million and greater.*

Both Real Estate Equity and Debt Strategies Gaining Favor with Funds as Capital Accumulation Picks Up

Amid difficult landscape, multifamily sector stands ahead. Fund raising around equity real estate strategies has been challenging since 2022. The commercial real estate industry has undergone profound structural changes following the 2020 COVID-19 pandemic. The multifamily property sector has not been as deeply disrupted as office, retail, and hotel, but rising borrowing costs and elevated construction have sapped return performance for a property type that has absorbed an increasing share of institutional investor capital over the past 30 years.

Total returns improving while still prompting some caution. The primary reason behind the tough business development climate has been that real estate investment returns have suffered. Annual total returns for core real estate inclusive of all property types collapsed from an eye-popping 21.9 percent in the first quarter of 2022 to -8.4 percent by the third quarter of 2023. As of last year's third quarter, the annual total return had recovered to 4.6 percent but that was still well below its historical average. Understandably, institutional investors have been reluctant to commit new capital given real estate's lackluster performance.

Fundraising increasing, favoring certain property types including multifamily. In 2025, green shoots emerged for equity capital fundraising as flows stabilized. Trailing 12-month capital raised for U.S. and Canadian equity strategies including core, core-plus, value-add, and opportunistic bottomed in the first half of 2025 according to Preqin. The third quarter saw a modest increase, although the pace of fund raising was still far below the 2022 peak when capital flows reached almost $40 billion in the second quarter. Glogally, excluding North America, fundraising picked up notably in the first half of last year before slowing substantially in the third quarter. Anecdotal data suggests that the bulk of capital raised for North American equity real estate this year is being directed towards the residential and industrial property types.

Strategy dynamics are shifting slightly. Real estate debt strategies have gained traction since the middle of 2023. Despite a more accommodative policy rate, most investors find the risk-adjusted return profile for lending attractive relative to equity investment. With inflation appearing contained even as trade tensions and supply chain disruptions have escalated, the upside potential of equity real estate strategies is moving back into the forefront of investors' minds. Going forward, equity capital raising momentum should continue to build while the pace of debt capital raising stabilizes closer to its historical average of $20 billion annually.

Capital formation continues to require exacting execution. Fund raising both for debt and equity real estate strategies will continue to be highly competitive. The number of funds in the market with these targets have risen to record levels despite the dislocation due to previous hiking from the Federal Reserve. Even after capital formation takes place, the margin for error in achieving target returns is low. The great majority of managers are trying to "sharpshoot" opportunities while navigating a myriad of macro and micro market "known unknowns," requiring the expertise of local market experts.

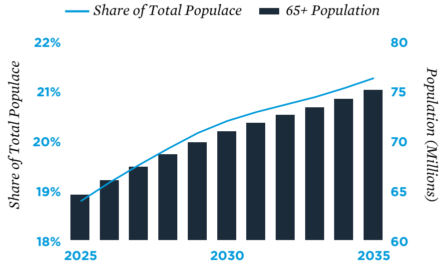
Demographic Dynamics Influence Future Rental Demand

AGES 65+

At least 7 million adults aged 65 and older rent. This cohort is poised for expansion, as the 65+ population accounts for a growing share of the nation's total resident count over the next 10 years.

Growth of the 65+ populace is coinciding with a notable pullback in senior housing development. In the first quarter of last year, construction began on 1,100 such units — a near-historic low that bodes well for conventional rentals.

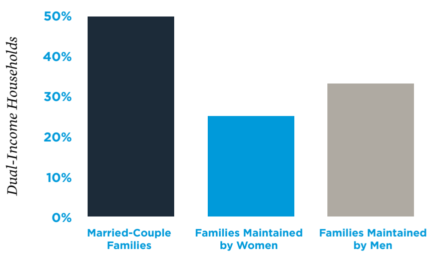
Number of Older Renters Poised to Increase



MULTIPLE RENTER COHORTS

Half of all married couples are dually employed and many single-parent households also rely on more than one earner. The prevalence of multiple-income households has positive implications for apartment renewals and in-market relocations, as long-distance moves are typically more difficult for families with multiple income sources.

Dual-Income Households Impact Renewals

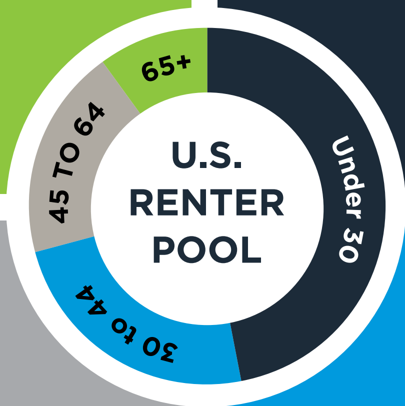


16.4%

Projected 10-Year Growth Rate of the 65+ Cohort

8.3%

Unemployment Rate Among 20- to 24-Year-Olds (November 2025)



49.6%

Percent of married couples who are dual-income households (2024)

19.2%

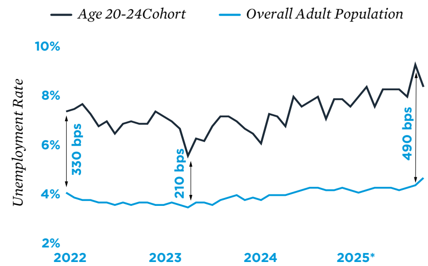
Share of adults ages 25 to 34 living with parents (2023)

AGES 20-24

Unemployment among 20- to 24-year-olds was historically high during the latter half of last year — a dynamic that may require more young adults to live with family in 2026.

Urban rental demand may be most impacted by heightened unemployment among younger adults. Fortunately, 90 percent of the nation's largest markets recorded declines in CBD vacancy over the 12-month period ended in the third quarter of 2025.

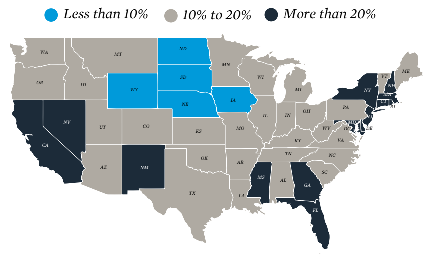
Unemployment Higher Among Young Adults



AGES 25-34

The share of adults ages 25 to 34 who live with parents or in-laws is historically high at more than 19 percent. This arrangement is most frequent in California, Florida, and the Northeast, which will impact household formation rates and rental demand in these areas' major metros.

Young Adults Ages 25-34 Living with Parents



Decline in Immigrant Population Also Has Implications for Lower-Cost Rentals

White House policies may alter Class C rental demand. The number of immigrants living in the United States declined by 1.4 million from January to June of 2025, marking the first drop since the 1960s. The immigrant base was likely to fall further in the second half of 2025, as the Trump administration's policies were more fully implemented. The impact on rental demand in 2026 — including on Class C properties — should be most apparent in California, Southeast Florida, and Texas, where immigrants account for more than 20 percent of the local population. Fortunately, Class C vacancy is below the national average in most California and Florida markets, providing some layer of insulation from this headwind. Major Texas markets, however, may be more exposed. Dallas-Fort Worth, Austin, and San Antonio each entered 2026 with Class C vacancy at 7 percent-plus.

* Through November 2025

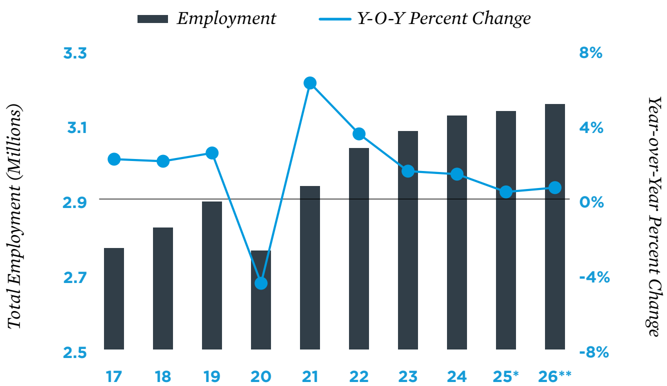
ATLANTA

Core Submarkets Lead Metrowide Performance, Prompting Investment

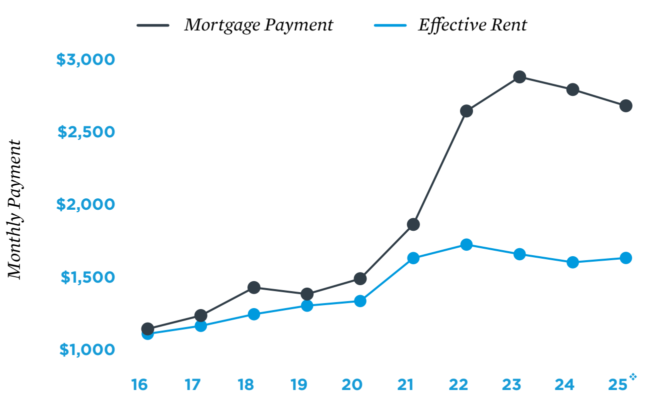
CBD strength anchors the metro's multifamily outlook. Over the past three years, apartment inventory expanded 7 percent, yet renter demand outpaced supply in both 2024 and 2025, driving vacancy to its lowest level since the post-pandemic recovery. Record net absorption was supported by some of the nation's strongest net in-migration and employment growth, though it is moderating. Buckhead, Midtown, and Downtown Atlanta in particular posted lower vacancy and stronger rent growth in 2025, buoyed by renewed population gains and continued development along the Atlanta Beltline. The project has spurred other revitalization efforts, which should improve property performance further this year, particularly in Midtown and Downtown, where fewer than 600 total units are slated to deliver. Suburban submarkets such as South Cobb County-Douglasville, South Fulton County, and the far east suburbs have benefited from similar improvements in vacancy and rent. They should experience additional tightening in fundamentals, supported by minimal upcoming supply. Conversely, areas like Buford and Buckhead will face elevated deliveries, increasing vacancy pressure, and tempering rents.

Investor confidence steadies amid early signs of rent growth. Class A assets comprised roughly a quarter of Atlanta's trades in 2025, an increase from prior years. Lower-tier properties, however, continued to dominate activity, particularly in suburban areas offering higher yields. Metrowide, assets traded at a mean cap rate in the high-5 percent range, stabilizing after a two-year climb. Atlanta's average price per unit increased by less than 1 percent. That broke a two-year downtrend and kept entry costs among the lowest of any primary U.S. metro, sustaining opportunities for out-of-market investors. Meanwhile, rent growth showed early signs of recovery, posting a modest 0.6 percent annual increase in 2025. Looking ahead, a stronger rent rebound anticipated for 2026 could further attract capital, especially toward Class A assets. This renewed interest may extend to areas slated for corporate expansion, including AIG's new 1,000-job Brookhaven innovation hub and Rivian's Downtown headquarters along the Beltline, expected to ultimately add 500 positions following its recent opening in mid-2025.

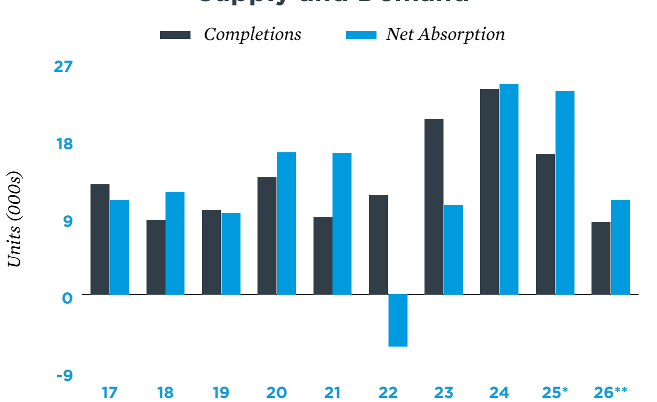
Employment Trends



Housing Affordability Gap



Supply and Demand



21.0%
2025 share of local population between 20 and 34 years old

38.4%
of local population hold bachelor's degree or higher ⌘

$369,200
2025 median home price✣

** Estimate ** Forecast ✣ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

Consecutive years of robust vacancy decline translate into a demand score of 6 for Atlanta. The anticipated benefit to rent growth is expected to lift the related indicator one interval from last year to a 4. This matches the market's supply reading, which is on the lower end of the KPI distribution for 2026 but not uncommon.

Atlanta's matching liquidity and yield KPI values of 5 place it within the upper third of ranked markets for this year. While at the middle of the theoretical KPI spectrum, these readings reflect real improvements in sales activity last year.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index

2026 MARKET FORECAST

NMI Rank 13

Employment — 19,000 *jobs* — *Metro* 0.6% — *U.S.* 0.2%

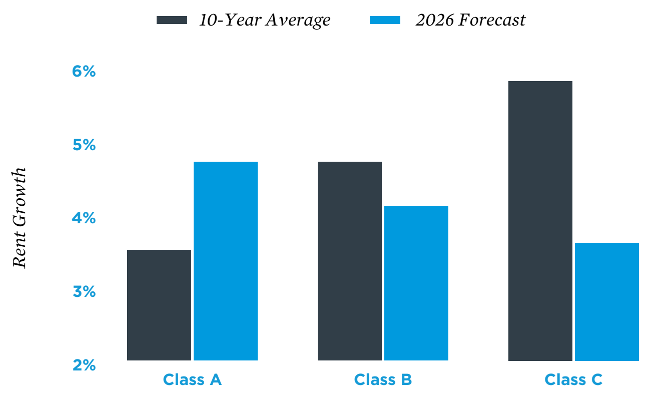
Construction — *% of inventory*❖ — *Metro* 1.4% — *U.S.* 1.3%

Class A Vacancy — Down 50 bps — *Metro* 4.9% — *U.S.* 4.7%

Class A Rent — $2,065 *per month* — *Metro* 4.7% — *U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



** Estimate   ** Forecast*

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

AUSTIN

Investment Confidence Building Even as Some Demographic Tailwinds Ease

Vacancy declines as supply pressures recede. Austin's rapid post-pandemic expansion has begun to moderate, signaling a shift toward more sustainable growth. Since 2020, the metro's employment base has grown by about 25 percent, spread across sectors. This hiring surge spurred a 33 percent increase in apartment inventory from 2020 to 2025 — the fastest rate among major U.S. markets. However, both employment and construction activity are expected to slow in 2026. The tech sector, in particular, faces headwinds from infrastructure constraints and return-to-office mandates requiring employees to report to headquarters outside Texas, which may dampen renter demand. At the same time, a sharp pullback in deliveries should ease supply-side pressure, allowing demand to outpace new supply and further reduce metrowide vacancy. Northern suburbs such as Pflugerville and Round Rock, where vacancy hovered near 7 percent in late 2025, may benefit most from this dynamic. However, elevated construction activity should continue in submarkets such as San Marcos and Near North Austin, which may keep pressure on local vacancy rates.

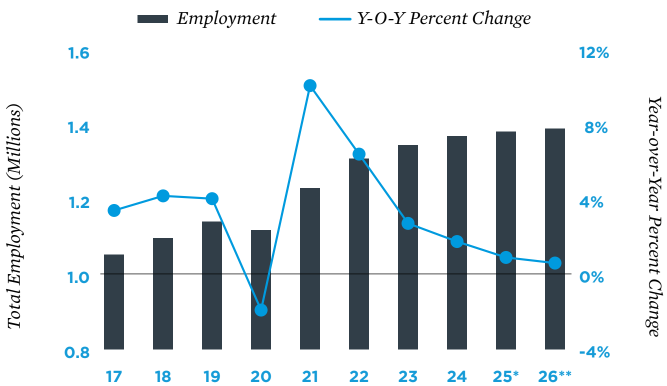
Long-term market fundamentals fare well. Despite four consecutive years of rent declines, investor sentiment in Austin's multifamily market remains cautiously optimistic. The metro's average cap rate — in the low-5 percent range as of late 2025 — ranks among the lowest nationally outside of California, signaling continued confidence in the long-term viability of the metro's apartment sector. Much of this outlook is shaped by the belief that recent underperformance reflects short-term market corrections tied to supply imbalances and economic shifts, rather than deeper structural issues. Austin will approach a turning point in 2026, marked by slower but more sustainable growth. Investors may see this as a final opportunity for well-timed acquisitions. High-demand infill areas near major employment centers, including Midtown and North Austin, are expected to remain top targets. Additionally, recent trades have clustered along the corridor between Interstate 35 and Highway 1, highlighting the importance of location and connectivity. Infrastructure improvements across the metro, including MetroRail expansions, roadway upgrades, and new mixed-use projects near transit stations, are likely to remain central to investment strategies.

24.0%
2025 share of local population between 20 and 34 years old

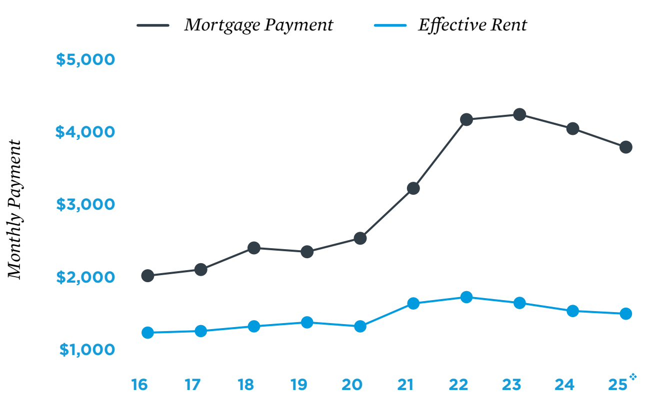
46.7%
of local population hold bachelor's degree or higher ⌘

$461,100
2025 median home price✣

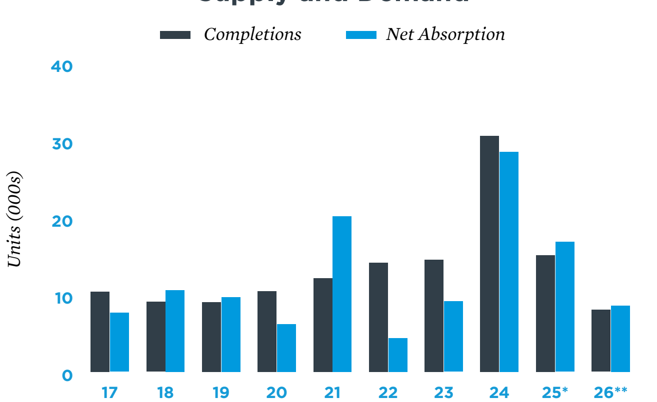
Employment Trends



Housing Affordability Gap



Supply and Demand



** Estimate ** Forecast ✣ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

The need for rental housing in Austin continues to climb in 2026 as the market's KPI score for demand doubles from last year to a current rating of 4. Contributing to this reading is an even more improved supply score, which jumps up from 1 to 4 this year. Amid these gains, Austin's rent value stays at a 3.

Whereas Austin's KPIs for property performance fundamentals had noteworthy improvements year-over-year, the metro's reading for liquidity and yield stay the same at 5 and 4 respectively. These metrics, nevertheless, hold up well from a national perspective.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index

2026 MARKET FORECAST

NMI Rank 17

Employment — 8,000 *jobs* — *Metro* 0.6% — *U.S.* 0.2%

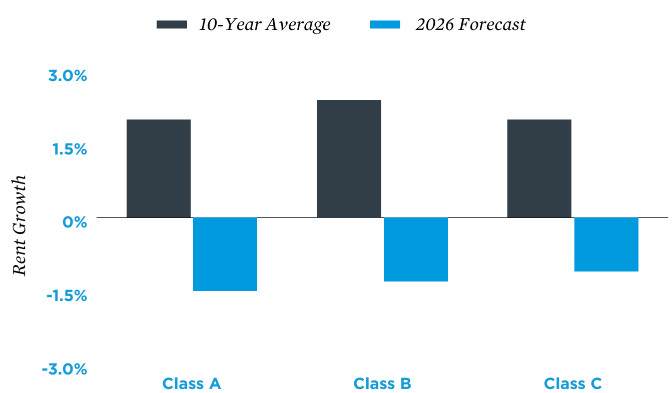
Construction — *% of inventory*❖ — *Metro* 2.3% — *U.S.* 1.3%

Class A Vacancy — Down 30 bps — *Metro* 5.6% — *U.S.* 4.7%

Class A Rent — $1,956 *per month* — *Metro* -1.5% — *U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

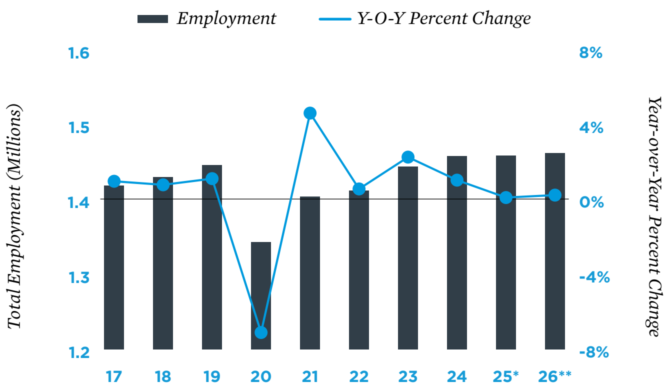
BALTIMORE

Investors Eye Suburban Highway Corridors and Redevelopment Projects

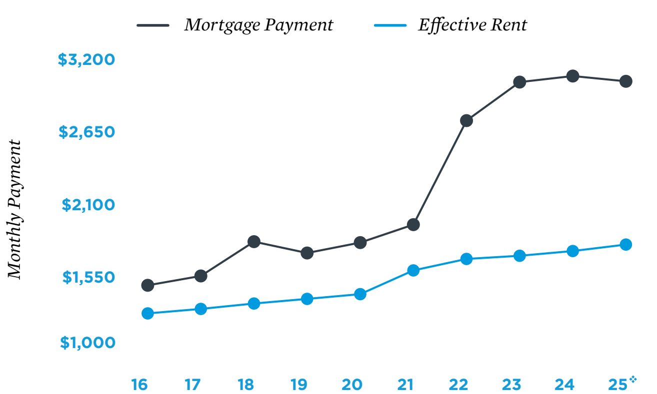
CBD approaching equilibrium, suburbs outperform. Though not immune to federal downsizing, Baltimore fared better than the Washington, D.C., metro in 2025. Employment growth will offer limited support for apartment demand this year, but net job losses will likely be avoided. Many submarkets surrounding the core are better positioned to withstand potential headwinds, vacancies last year fell by more than 100 basis points in some instances. The lowest rates entering 2026 were, nevertheless, in suburban communities farther out, such as Columbia and Towson. In the city center, vacancy was largely unchanged through last year, constrained by the metro's highest supply pressure of roughly 3 percent year-over-year, which will likely ease in 2026. The Class A vacancy rate there has tended toward the low-4 percent band since 2024, about 3 to 5 percentage points below the other tiers' metrics. Facing a local supply growth rate closer to 2 percent in 2026, Class A vacancy in the core may now decline year-over-year. Similarly, the Towson and Hunt Valley submarket expects a sudden contraction in new supply, which may lower vacancy rates in its sizable Class B inventory, with the metric already near 3.8 percent late in 2025.

New projects reshaping prospects. Baltimore's transaction velocity rose slightly year-over-year in 2025 amid uncertainty surrounding government employment and the impact of tariffs on the Port of Baltimore. The metro's relative endurance to these challenges and exposure to European markets may encourage deal flow this year. Institutional capital may continue to target Class B/C buildings of 200-plus units, as recent attention has centered on properties along the Northwest Expressway in Owings Mills. The local vacancy rate also fell below 5 percent during this period. Investors may be drawn to one of the metro's lowest-vacancy submarkets, Columbia-Laurel, with a planned redevelopment near Interstate 95. The Gateway Plaza project includes retail and office space that could aid apartment leasing once stabilized, but also adds new multifamily supply. Concurrently, Howard County has unveiled new tax credits in two enterprise zones around the site. If investors see incentives to business creation and foot traffic as offsetting direct supply pressure in the long run, eastern Howard County deal flow may rise in anticipation.

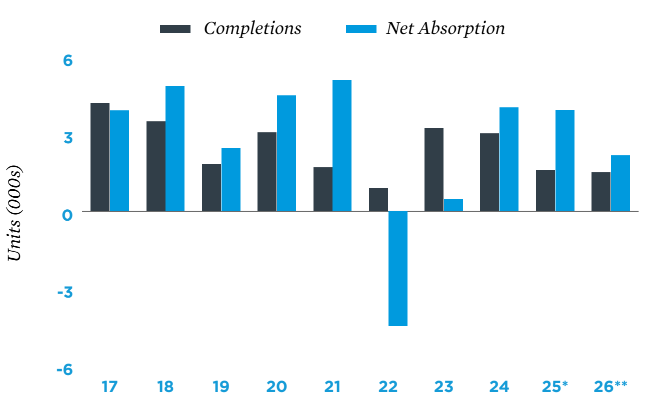
Employment Trends



Housing Affordability Gap



Supply and Demand



19.5%
2025 share of local population between 20 and 34 years old

40.2%
of local population hold bachelor's degree or higher ⌘

$422,600
2025 median home price✣

** Estimate ** Forecast ✣ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

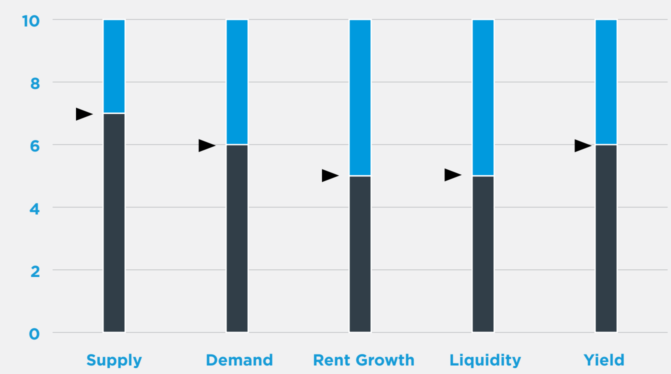
Investment Outlook

One of the highest supply KPI readings in the country, at 7, reflects a disciplined construction pipeline aligned with the growth in the renter pool for 2026. A drop in the metro's vacancy rate into the low 4 percent zone translates into a demand KPI of 6 and rent score of 5. These measures trail some of the metro's regional peers.

Baltimore's investment sales-related KPIs tell a mixed story. While the market's liquidity score improves one notch to a score of 5 this year, its yield rating of 6 is a tick down from the 2025 mark. Overall, however, the market ranks well nationally in both readings.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 34

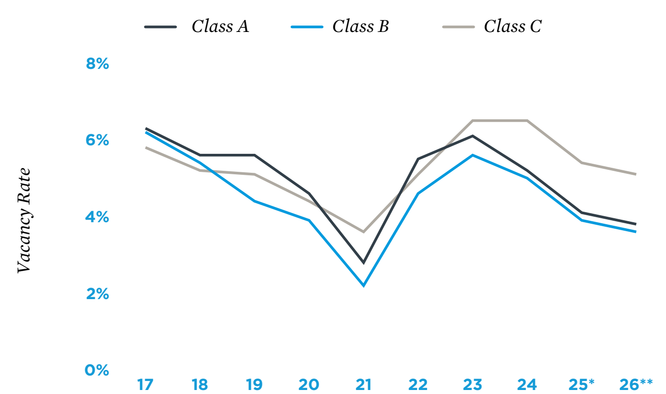
Employment
3,000 *jobs*
Metro 0.2% *U.S.* 0.2%

Construction
% of inventory❖
Metro 0.6% *U.S.* 1.3%

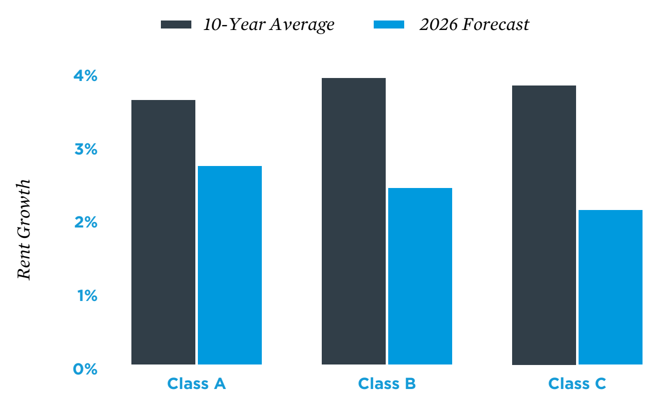
Class A Vacancy
Down 30 bps
Metro 3.7% *U.S.* 4.7%

Class A Rent
$2,398 *per month*
Metro 2.7% *U.S.* 2.1%

Vacancy By Class



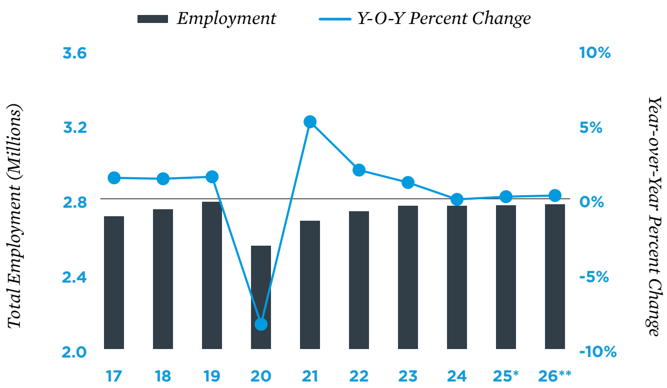
Rent Growth By Class



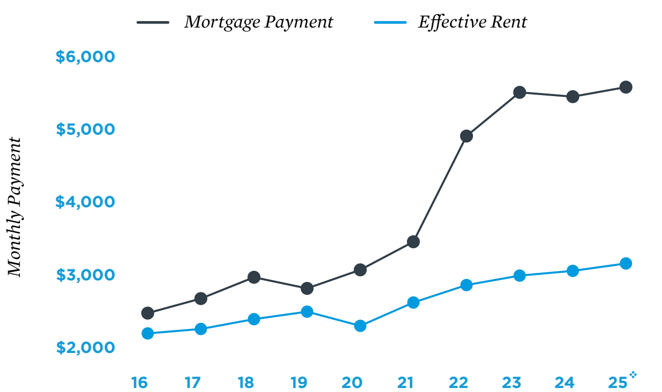
** Estimate ** Forecast*
❖ Arrow reflects completions trend compared with 2025
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

BOSTON

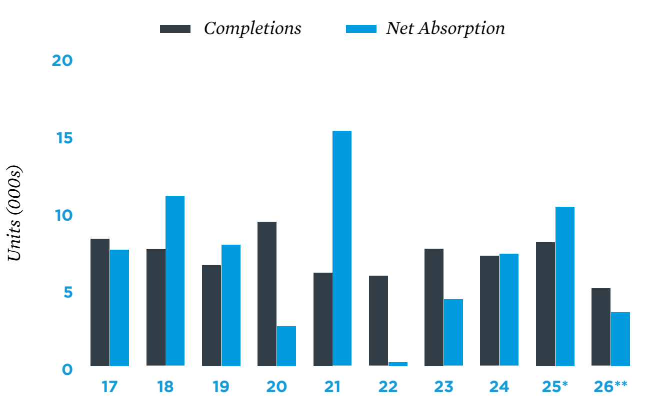
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast ✢ Through 3Q

⌘2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Housing Constraints and Transit Access Drive Multifamily Stability

Structural factors continue to create new rental demand. Boston's multifamily sector continues to show strength, with last year marking its highest net absorption since 2021 — a key factor behind the metro's notable vacancy decline. Although looming cuts to university research funding and a sustained drop in international student enrollment may temper leasing activity in 2026, Boston's population growth remains above that of other major Northeastern metros, offering a stabilizing counterbalance. Housing affordability challenges persist, reinforcing the appeal of Class C properties, which are expected to maintain the lowest vacancy rates and lead rent growth again this year. While total development activity is slowing, citywide zoning reforms, especially the MBTA Communities Act, are enabling new apartment development near transit stations. This has supported construction in first-ring suburbs such as East Middlesex County, Quincy, and Waltham-Newton-Lexington — all of which may continue to report sub-4 percent vacancy. Downtown Boston and Cambridge should also sustain similarly tight conditions, reinforcing the strength of core locations. These factors collectively suggest a durable outlook for multifamily performance in 2026, with demand supported by demographic momentum and constrained housing alternatives.

Capital targets transit-oriented and infill opportunities. Investor interest in Boston is intensifying as the metro faces its lowest new supply pipeline in over a decade. With limited deliveries expected in 2026, existing assets have become increasingly attractive, driving the average price per unit up 2.5 percent last year while cap rates stayed in the low-6 percent band. Boston now reports the second-lowest average cap rate among major Northeastern metros, underscoring the market's high liquidity. Transaction activity has been concentrated near transit-accessible areas, including Lynn, Salem, and Beverly along the Newburyport/Rockport Line, where connectivity and limited competition support pricing. Properties built after 2010 saw elevated trading volumes in 2025 and are poised to remain in high demand due to persistent housing shortages and a lack of new inventory. These conditions continue to draw institutional capital to Boston's multifamily market, especially to newer inner-ring properties with low lease-up risks.

21.6%
2025 share of local population between 20 and 34 years old

47.3%
of local population hold bachelor's degree or higher ⌘

$785,000
2025 median home price✢

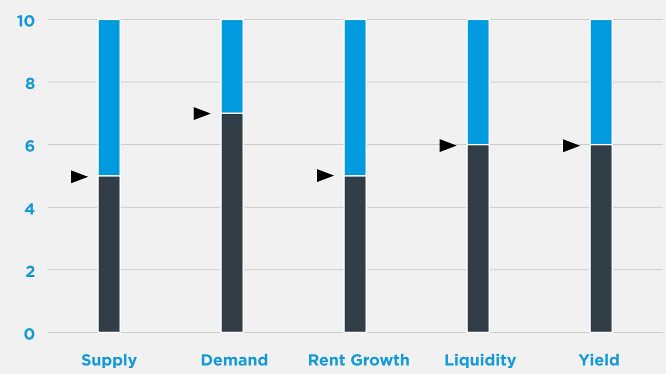
Investment Outlook

Boston ties with New Haven-Fairfield County and New York City for the highest demand rating in the northeast at 7. This is joined, however, by a comparatively stronger supply score of 5, indicating less pressure from development. The market records a rent KPI of 5, on par with most other markets in the region for this year.

Matching liquidity and yield scores of 6 are unchanged from last year, stability that was shared among other markets in the region in the 2026 KPI. Regarding the readings themselves, Boston falls in line with or just below its Connecticut and New York neighbors.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 18

Employment 6,000 *jobs* — *Metro* 0.2% — *U.S.* 0.2%

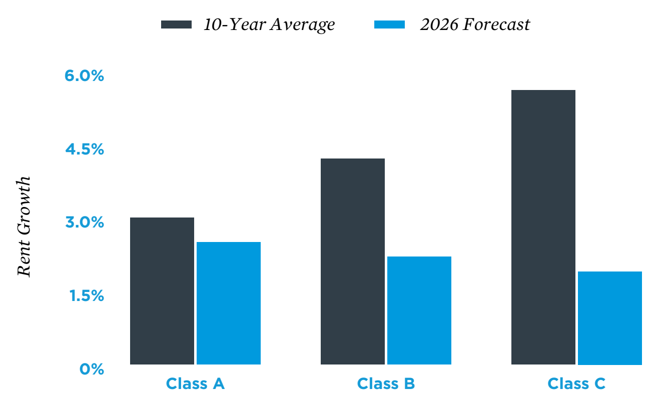
Construction *% of inventory*❖ — *Metro* 1.1% — *U.S.* 1.3%

Class A Vacancy Up 30 bps — *Metro* 5.0% — *U.S.* 4.7%

Class A Rent $4,237 *per month* — *Metro* 2.5% — *U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

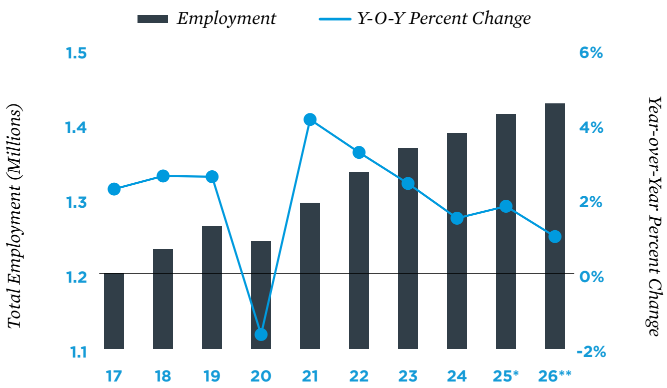
CHARLOTTE

Southern Areas Find Respite as Northern Corridor Faces Sustained Pressure

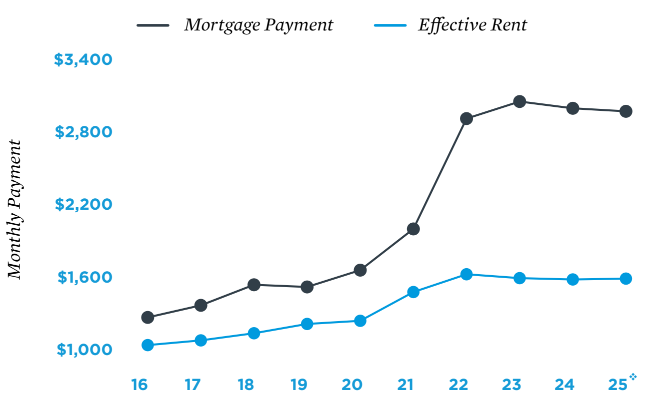
Demographic tailwinds coincide with moderating supply. Job opportunities, especially in professional services settings, continue to draw young adults to the market, helping support Charlotte's apartment sector this year. Meanwhile, concession usage across the metro has become increasingly common, particularly in areas such as North Charlotte to Cornelius and Southwest Charlotte, where elevated construction activity has been evident over recent years. Vacancy in the former submarket may rise in 2026 as anticipated deliveries outpace the 2025 total. In contrast, the southern infill submarkets, including Uptown-South End and Southwest Charlotte, are entering a period of reduced development following a prior surge, with both areas expected to add about half of 2025's total. The slowdown in development is expected to support further vacancy compression and strengthen rent growth prospects in these neighborhoods. Longer term, the marketwide outlook is more favorable as construction starts in late 2025 fell to the lowest level since 2019.

Hurdles to investment retreat. While transaction activity held relatively steady in 2025, easing near-term headwinds could spur growth in the coming years. Tempering construction can support effective rent growth, thereby helping stabilize cap rates, potentially helping more trades pencil. In supply-saturated areas, owners facing maturing construction loans amid tight lending standards may create opportunities for buyers seeking discounted valuations. Meanwhile, trades involving Class A and B assets priced above $20 million are expected to pick up, building on recent momentum. At the submarket level, East Charlotte stands out, with vacancy roughly 200 basis points below its long-term average, supported by strong infrastructure and connectivity to major employment corridors. Class A trading in this area accelerated markedly in 2025 compared to the prior year, as the segment's vacancy declined at one of the fastest rates among submarkets in the metro, driving rent growth above other tiers. These strengthening fundamentals and structural features are likely to continue drawing investor interest to the area.

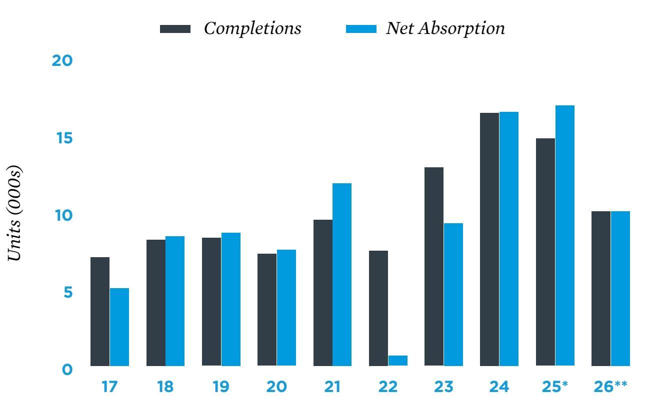
Employment Trends



Housing Affordability Gap



Supply and Demand



20.4%
2025 share of local population between 20 and 34 years old

37.1%
of local population hold bachelor's degree or higher ⌘

$413,800
2025 median home price ✣

* Estimate ** Forecast ✣ Through 3Q
⌘ 2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

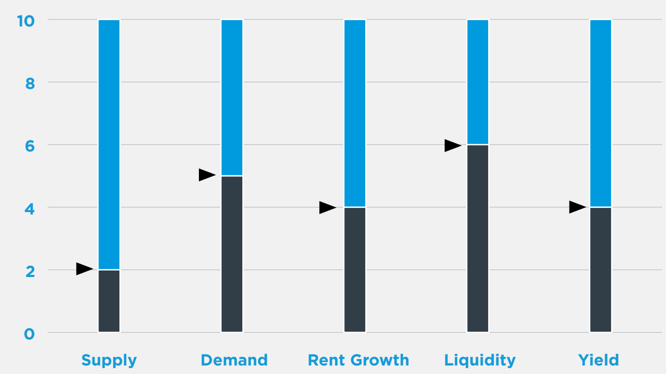
Investment Outlook

While Charlotte contends with a lower relative KPI rating of 2 in 2026, favorable demographics support a declining vacancy rate this year and a demand indicator score of 5, the most common rating for that field in this year's tabulations. Meanwhile, the market records a rent KPI value of 4.

Charlotte joins a cadre of markets at the top end of the liquidity field this year with a KPI of 6, which is more indicative of relative improvements in sales activity over absolute volume levels.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index

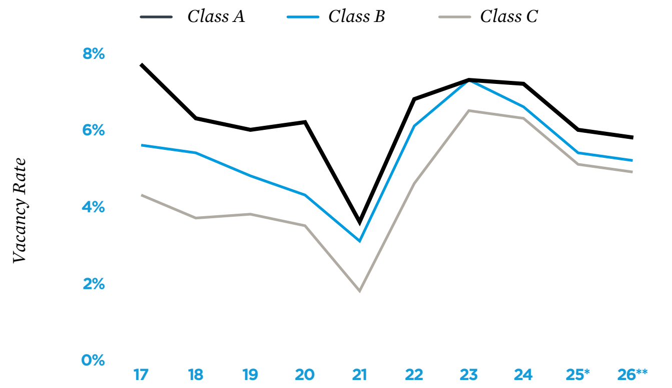


2026 MARKET FORECAST

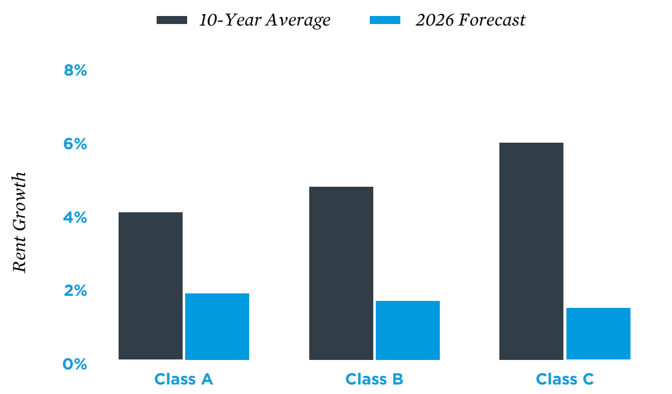
NMI Rank 10

		Metro	U.S.
Employment	14,000 *jobs*	1.0%	0.2%
Construction	*% of inventory*❖	3.9%	1.3%
Class A Vacancy	Down 20 bps	5.7%	4.7%
Class A Rent	$1,969 *per month*	1.8%	2.1%

Vacancy By Class



Rent Growth By Class



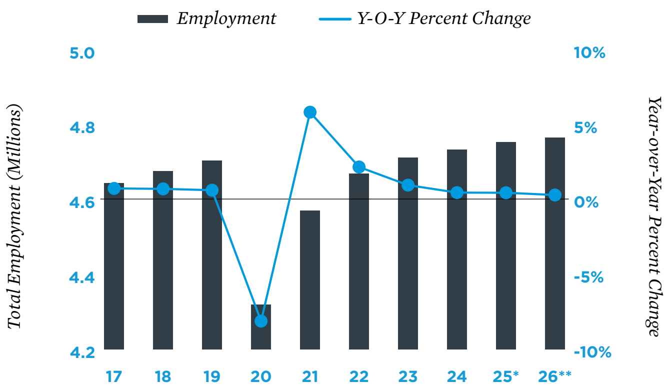
** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

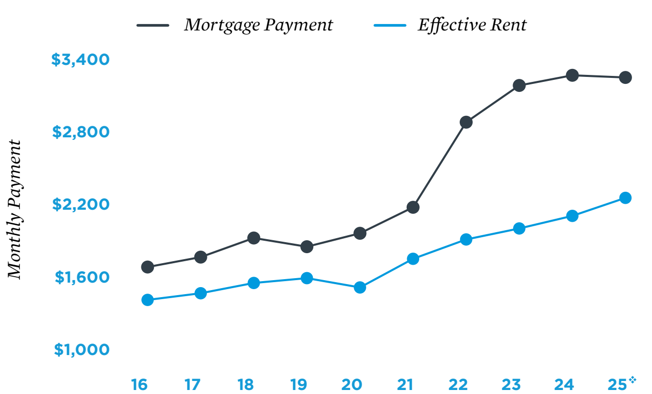
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

CHICAGO

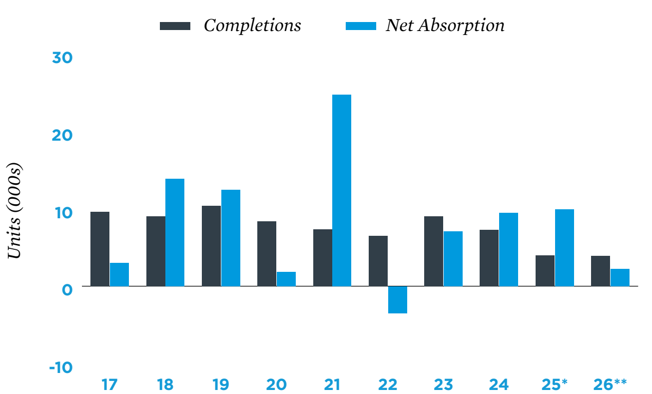
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast ✢ Through 3Q
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Balanced Workforce Aids Market Amid Demographic Headwind

Supply-side dynamics vary by geography. The pace of inventory growth in Chicago's apartment market ranked among the slowest of major metros over the past three years, a pattern expected to continue in 2026 as deliveries drop below 4,000 units for the first time since 2012. This should aid Class A performance, where vacancy fell to the mid-3 percent range in 2025, its lowest level in at least 20 years. Among submarkets, the CBD will benefit from nearly scant construction, with vacancy in 2025 reaching its lowest level since at least 2006. Similarly, South Cook and Will counties are entering 2026 on a solid footing, with vacancy near 2 percent and limited development. In contrast, the Lake County-Kenosha submarket is slated for the most completions in 2026, potentially pushing vacancy up from roughly 3 percent in 2025. While the key renter cohort of 20- to 34-year-olds is shrinking slightly metrowide, Chicago's diverse economy helps protect the labor market from sector-specific shocks. No sector accounts for more than 13 percent of the region's economic output — one of the most balanced compositions among major U.S. metros.

Concentration of large-scale activity in select submarkets. While trading activity in Chicago rose substantially in 2025, the buyer mix remained consistent with 2024 trends, as institutional investors again accounted for roughly one-quarter of transactions. Deals involving properties over $20 million and 300 units increased notably, supported by the strongest annual Class A rent growth since 2022. Much of this activity was concentrated in the corridor spanning north of the Loop up to Lake View, where a slowing construction pipeline is expected to bolster near-term fundamentals and sustain investor interest. The benefits of easing supply-side pressure on cash flows are not limited to that part of the market, either. Historically high cap rates may further enhance the market's appeal to investors with broader selection criteria. However, ongoing property tax uncertainty tied to evolving Cook County assessment practices has complicated underwriting, delaying select transactions as investors seek clarity on long-term operating costs.

20.4%
2025 share of local population between 20 and 34 years old

38.1%
of local population hold bachelor's degree or higher ⌘

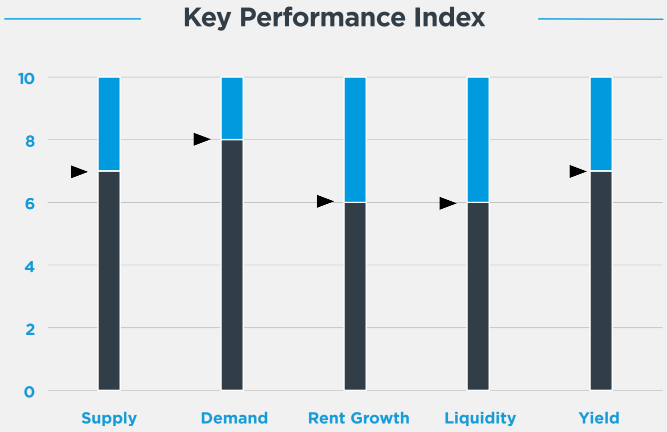
$389,800
2025 median home price✢

Investment Outlook

Chicago stands out in this year's KPI with a supply score of 7, the highest in the Midwest. This favorable rating is paired with an even stronger value of 8 for demand. A modestly lower rent KPI of 6 reflects, in part, a basis effect from 2025's local pace of rent growth, which was among the strongest in the country.

As one of the largest rental markets in the country by inventory, Chicago has a liquidity score of 6 for this year. This level of investment interest is joined by a nationally prominent yield KPI reading of 7.

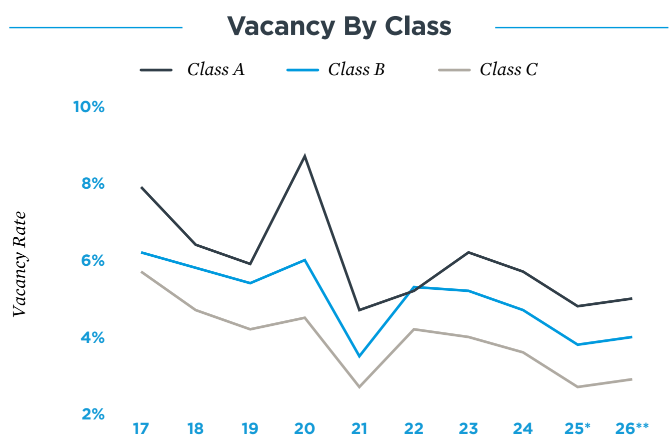
Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.



2026 MARKET FORECAST

NMI Rank 2

		Metro	U.S.
Employment	13,000 *jobs*	0.3%	0.2%
Construction	*% of inventory*❖	0.5%	1.3%
Class A Vacancy	Up 20 bps	4.9%	4.7%
Class A Rent	$3,201 *per month*	3.3%	2.1%



* Estimate ** Forecast

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

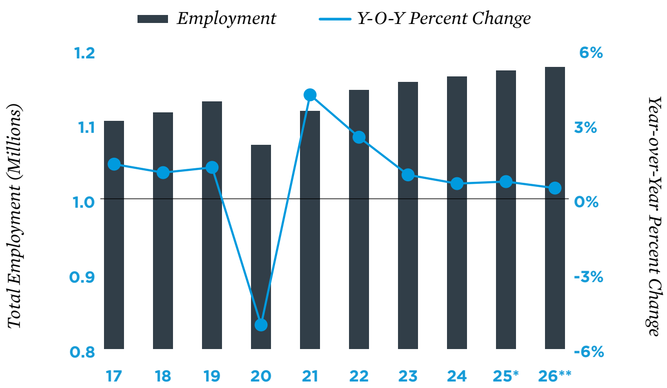
CINCINNATI

Emerging Class A Strength May Translate to Investment Market

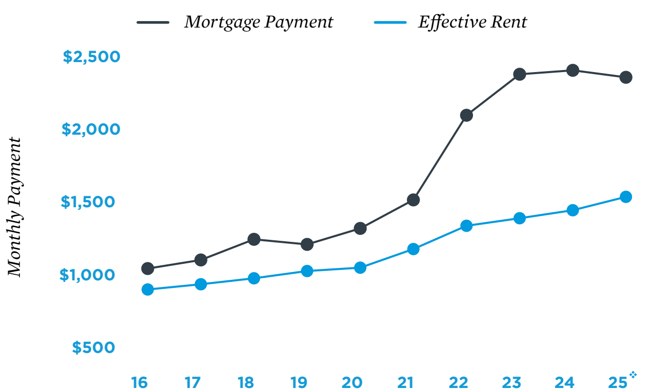
Evident divergence across tiers amid slower hiring. Net absorption outpaced completions in Cincinnati apartments over the past two years. As a result, the percentage of Class B/C units offering concessions fell sharply compared to the more modest decline noted in Class A in 2025. Additionally, while vacancy tightened across all segments, Class A remained above 4 percent compared with roughly 3 percent for lower-tier assets. These trends point to slower lease-up among newer properties, a dynamic that may persist, particularly in submarkets expecting the bulk of new supply, such as Northeast Cincinnati-Warren County and Southeast Cincinnati. It will likely drive another year of stronger rent growth across mid- and low-tier properties where inventory is more stable. Softer labor conditions, especially in traditional office-using sectors, may also temper Class A demand before a sharp drop in the development pipeline beginning in the fourth quarter of 2026 helps rebalance the upper end of the market over the longer term.

Strengthening fundamentals may reignite interest. Trades over $10 million remained infrequent for the second straight year in 2025. Key transportation corridors in north Cincinnati, such as Ohio State Route 126 and Interstate 275, recorded slight upticks in these trades, driven primarily by Class B deals. Mid-tier properties in this area maintain vacancy below 4 percent heading into 2026, while rent growth has been the second strongest in the metro over the past three years. Trailing only West Cincinnati, this area will likely continue to draw larger investors. Northeast Cincinnati-Warren County also stands out. Despite the submarket being slated for a pickup in deliveries over the coming year, recent fundamental performance suggests the area is positioned to manage the incoming supply effectively. Class B vacancy tightened to around 2 percent in 2025, well below its long-term average of 4.4 percent. At the same time, Class A vacancy fell to its lowest level on record, fueling the metro's strongest rent growth in the segment. Metrowide, rent growth projected to rank among the top five major U.S. markets in 2026 may reinforce interest in the market's higher-end properties.

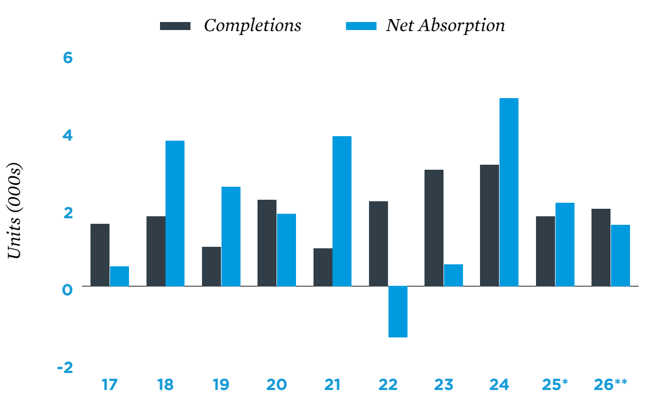
Employment Trends



Housing Affordability Gap



Supply and Demand



19.8%
2025 share of local population between 20 and 34 years old

34.3%
of local population hold bachelor's degree or higher ⌘

$302,500
2025 median home price ✣

** Estimate ** Forecast ✣ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

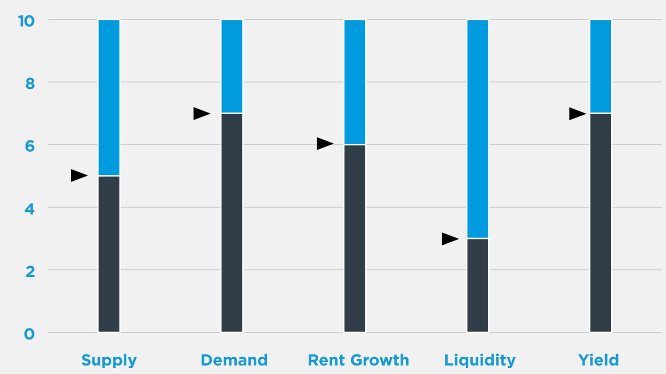
Investment Outlook

All three of the major markets in Ohio stand out in the KPI this year, with demand scores of 7. Only Chicago and San Francisco earn higher ratings in that field this year. Cincinnati's strong renter demand gauge, paired with a neutral supply score of 5, translates into an improved rent indicator of 6.

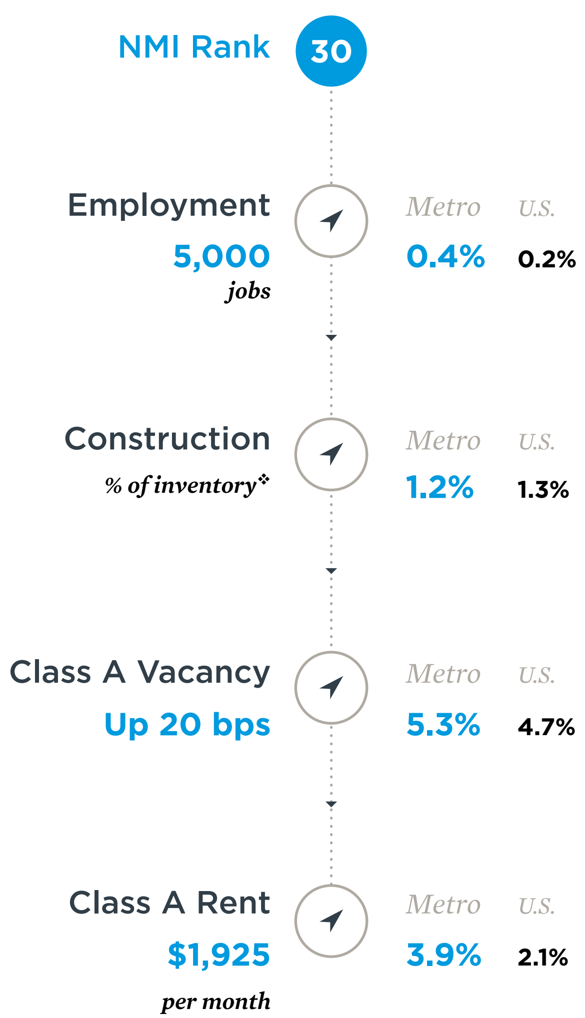
Cincinnati's yield KPI of 7 distinguishes it from the other major Ohio markets and from metros nationally. Only three other major markets share a comparably high score.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index

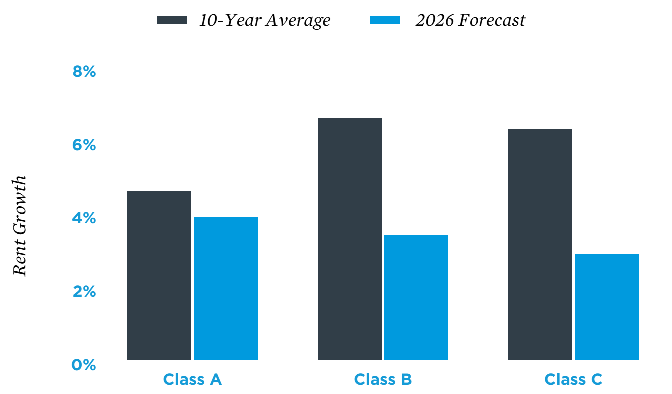


2026 MARKET FORECAST



Vacancy By Class

Rent Growth By Class



* Estimate ** Forecast

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

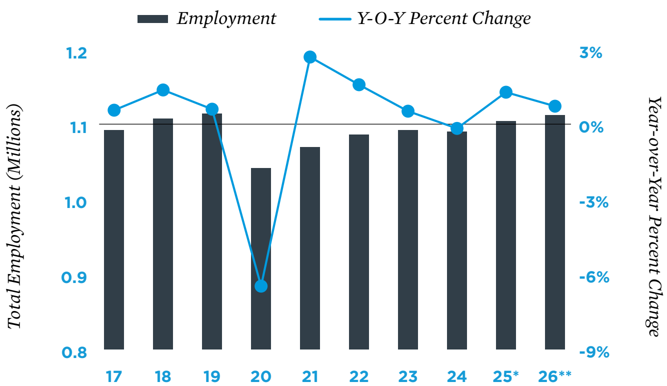
CLEVELAND

CBD Poised for a Stronger Year, Influencing Investment Outlook

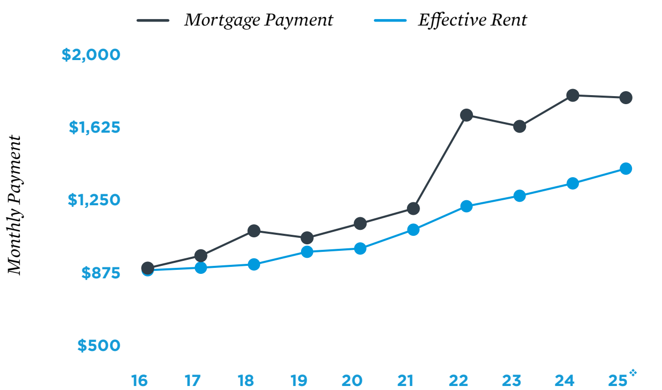
Supply contraction aids Class A recovery. Apartment fundamentals improved across the metro in 2025, with suburban submarkets posting some of the county's strongest rent gains as the CBD began to recover from elevated vacancy. This occurred despite persistent demographic challenges, as Cleveland led the nation in household consolidation amid scant population growth and ongoing weak net in-migration. Looking ahead, a decline in 2026 deliveries combined with multifamily permitting among the lowest in the country should help maintain tight vacancy metrowide. This constrained pipeline is expected to sustain Class A momentum, with upper-tier vacancy below 2024 highs and robust rent growth through 2025, especially in East Cleveland, where the pullback in openings is among the steepest. Additionally, solid job creation in retail trade and local government — sectors where median wages are at or below $65,000 — should reinforce Class B and C performance this year, especially in Medina County, where retail openings could strengthen already healthy conditions.

Core developments support the metro's long-term appeal. Transaction velocity edged higher in 2025, concluding a two-year slowdown, though Cleveland's overall deal volume still lagged other secondary markets. The CBD and nearby infill areas are expected to remain focal points for investors, supported by revitalization initiatives such as The Riverfront redevelopment and the Thunderbird project on the Scranton Peninsula, both of which are set to enhance the core's lifestyle appeal. As multifamily development activity cools, these projects should bolster long-term apartment performance. Buyers are also expected to focus on established submarkets like East Cleveland, targeting smaller, older properties that offer steady occupancy and lower entry costs than those in the urban core. While local and private investors dominate these lower-tier trades, pricing dynamics at the upper end could attract renewed institutional interest. Investors seeking discounted acquisitions may turn to Cleveland — the metro with the lowest average price per unit among Midwestern markets — for a comparatively low cost of entry for institutional capital. With upper-tier fundamentals expected to improve this year, large-scale investment activity could improve after a subdued 2025.

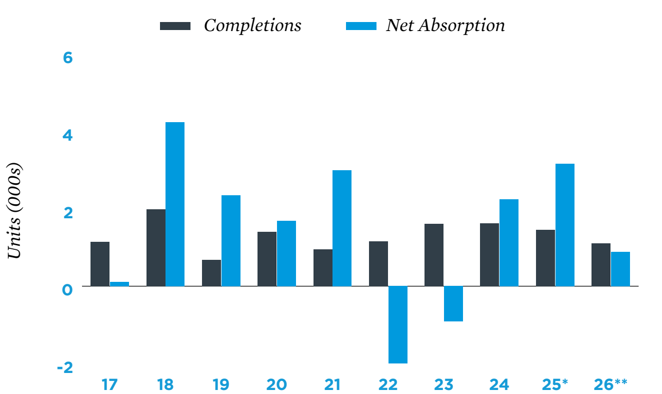
Employment Trends



Housing Affordability Gap



Supply and Demand



18.9%
2025 share of local population between 20 and 34 years old

30.9%
of local population hold bachelor's degree or higher ⌘

$224,800
2025 median home price✣

* Estimate ** Forecast ✣ Through 3Q
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

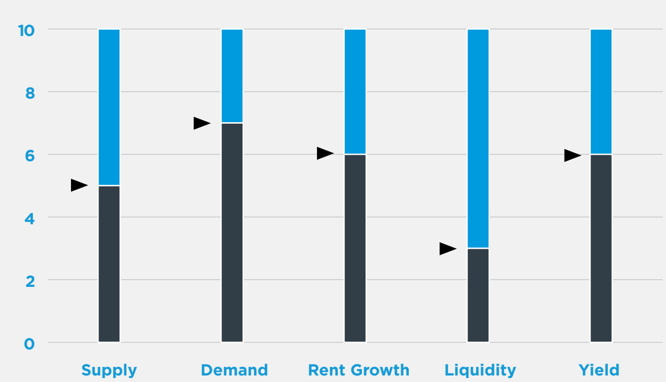
Investment Outlook

The mirror of Cincinnati in KPI valuations for supply, vacancy, and rent, Cleveland's on-the-ground fundamentals nevertheless vary. The market's pace of inventory growth is half of that of Cincinnati, while its vacancy rate will increase by half as much, though at a comparatively higher rate. Rent growth is similar.

As with property performance-related measures, Cleveland shares the same liquidity score as Cincinnati at 3. Comparatively lower entry costs do not translate into meaningfully higher cap rates in aggregate, however, producing a slightly lower KPI yield rating of 6.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 29

Employment
8,000 *jobs*
Metro 0.7% *U.S.* 0.2%

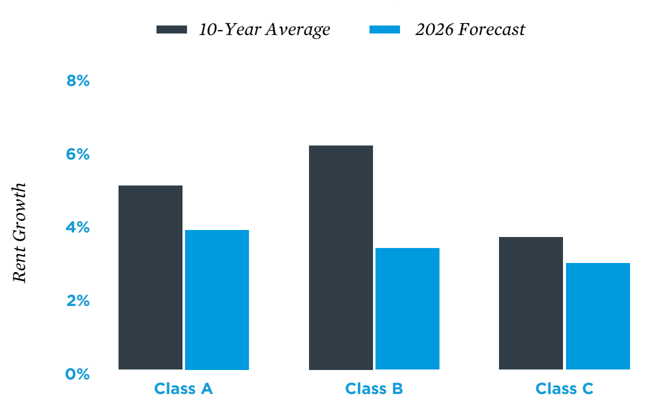
Construction
% of inventory❖
Metro 0.6% *U.S.* 1.3%

Class A Vacancy
Up 10 bps
Metro 6.4% *U.S.* 4.7%

Class A Rent
$2,185 *per month*
Metro 3.8% *U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



** Estimate ** Forecast*
❖ Arrow reflects completions trend compared with 2025
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

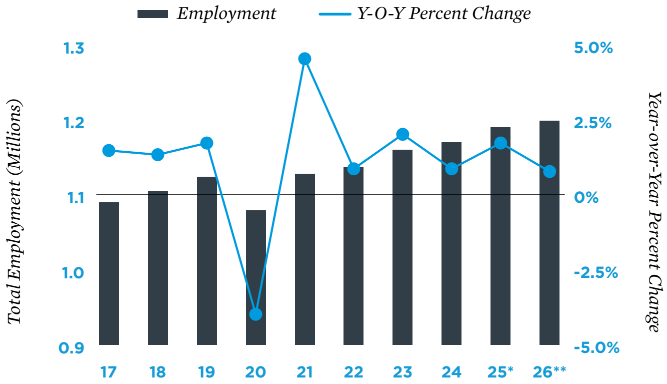
COLUMBUS

Investors Show Optimism, Despite Cooling Industrial Expansion

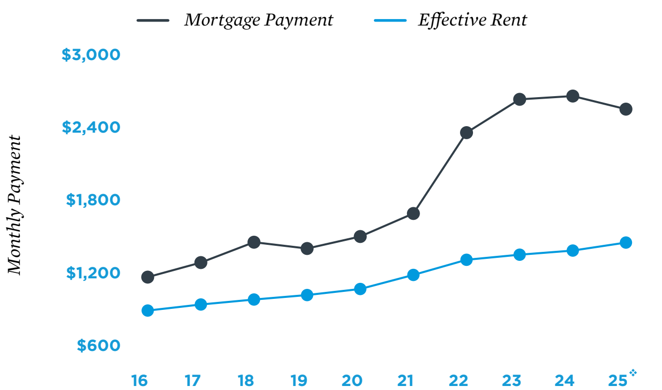
Vacancy trends shift amid project delays. Columbus has attracted steady capital inflows since the pandemic, particularly in the technology sector, which has driven strong job creation and elevated household incomes. In 2025, the metro ranked second in the Midwest and among the top 10 nationally for income growth. Major corporate expansions — including Intel's semiconductor facility, the Honda-LG EV battery plant, and Anduril's Arsenal-1 — have been key drivers of this momentum. However, the pace of growth is beginning to slow. Intel's Ohio One project has been postponed to 2030, while Amazon and Google's data center plans in New Albany face increasing local opposition. These delays may dampen renter demand, contributing to a modest rise in metro vacancy rates. Deliveries this year are concentrated in Far East Columbus near Reynoldsburg and in the Downtown-University area. As a result, properties in the urban core are expected to see vacancy rates hover around 6 percent. Suburban submarkets remain tighter, with rates likely to fall below 4 percent, supported by steady renter demand and limited new supply.

Yield advantage still apparent. Despite recent rent softness, Columbus continues to attract investor interest, supported by favorable yields and long-term growth prospects. Trades completed in 2025 produced average cap rates in the mid- to upper-6 percent range. While these are among the lowest in the Midwest, they still position the metro as a compelling alternative to higher-priced East Coast markets, especially for buyers seeking scale and relative affordability. Out-of-state investors accounted for over 80 percent of transaction dollar volume, while in-state sellers represented more than half of dispositions, further underscoring the metro's appeal to external capital. Transaction velocity rose 40 percent year-over-year, with notable activity in Downtown and around New Albany, where infrastructure and employment growth remain strong. Looking ahead, Columbus' combination of low vacancy, competitive pricing, and a robust pipeline of industrial and tech-sector expansions is expected to support rent growth over the next decade. These fundamentals continue to position the market for long-term upside.

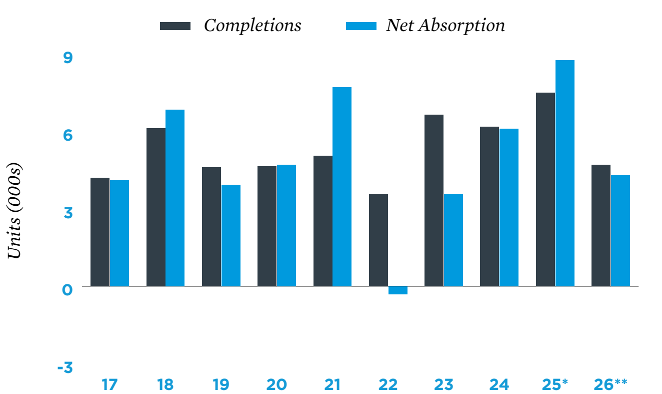
Employment Trends



Housing Affordability Gap



Supply and Demand



21.4%
2025 share of local population between 20 and 34 years old

37.2%
of local population hold bachelor's degree or higher ⌘

$327,900
2025 median home price✢

* Estimate ** Forecast ✢ Through 3Q
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

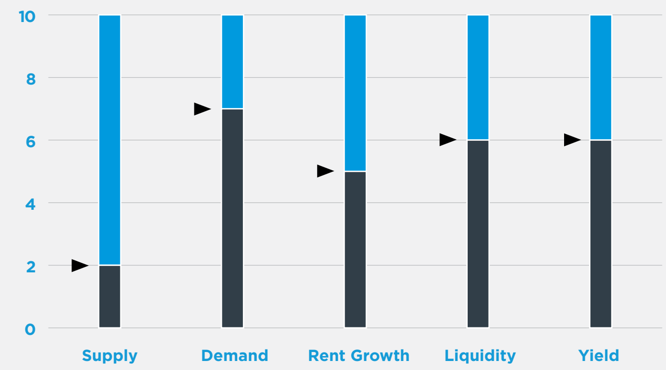
Investment Outlook

In contrast to its in-state neighbors, Columbus has retained a low supply KPI rating of 2 this year, a value only shared with Phoenix. Yet, Columbus' favorable demand score of 7 indicates that the market's comparatively more active development pipeline is warranted. This is reflected in a rent rating of 5, as well.

While not the largest of the major Ohio markets in terms of absolute number of trades, relative shifts in trading activity favor Columbus with a higher liquidity KPI of 6. Columbus also maintains a yield rating of 6, on par with Cleveland.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



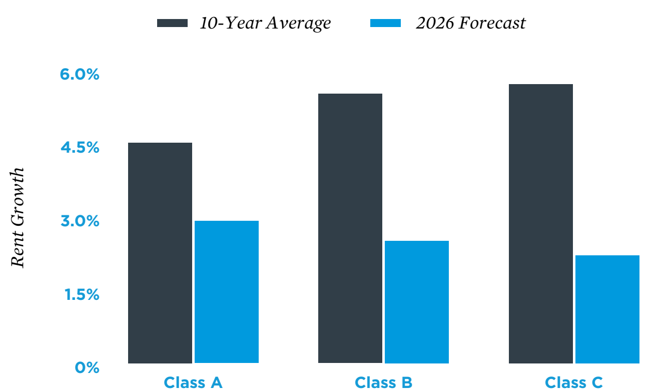
2026 MARKET FORECAST

NMI Rank 11

	Metro	U.S.
Employment 9,000 *jobs*	0.8%	0.2%
Construction *% of inventory*❖	2.2%	1.3%
Class A Vacancy Up 10 bps	4.7%	4.7%
Class A Rent $1,806 *per month*	2.9%	2.1%

Vacancy By Class

Rent Growth By Class

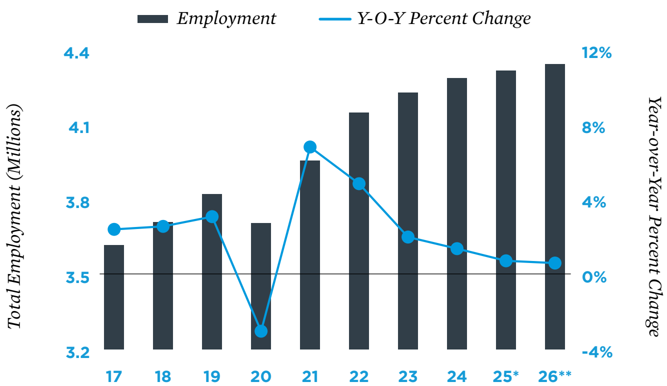


* Estimate ** Forecast

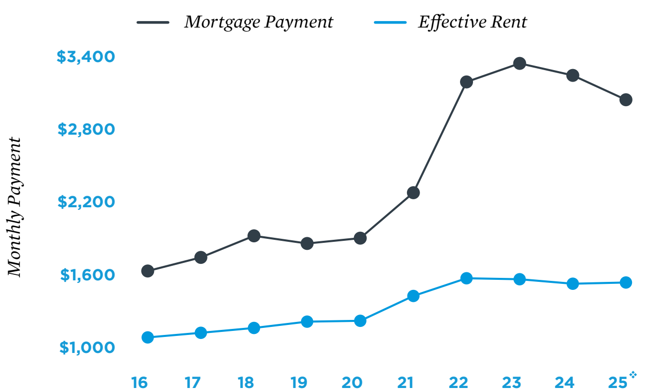
❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

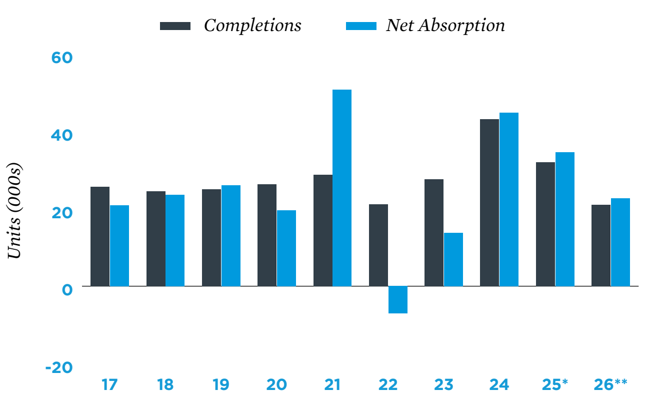
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast ✣ Through 3Q

⌘2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

DALLAS-FORT WORTH

Demographic Momentum Coincides With Shifting Submarket Dynamics

Class A fundamentals benefit from slowing deliveries. Population growth projected to rank among the nation's 10 fastest in 2026 will continue to bolster renter demand in Dallas-Fort Worth. In addition, many areas that have noted elevated new supply in recent years anticipate substantial pullbacks in 2026, including South Fort Worth, South Arlington-Mansfield, and North Fort Worth-Keller. New Fort Worth residents will arrive with accelerating supply only along the Haltom City-Meacham corridor. In Dallas, the recently supply-laden Allen-McKinney and Frisco submarkets are positioned to expand as employment hubs with substantial mixed-use development, helping fuel net absorption. At the same time, deliveries are set to be less than half of 2025's level. Marketwide, concession usage remains most pervasive among Class C properties. In contrast, while Class A assets continue to face longer stabilization timelines following the recent wave of deliveries, vacancy remains below the other tiers in the mid-5 percent range heading into 2026. This relatively tight environment supported the fastest rent growth across segments, a trend likely to continue as construction activity slows.

Institutional confidence builds as dispositions decline. Robust in-migration and corporate relocations keep Dallas-Fort Worth positioned as a prime target for multifamily investors in 2026. Trading accelerated over the past year, driven by deals exceeding $20 million and 300-plus units. REITs accounted for much of the uptick in acquisitions as institutions maintained a steady share of buyer composition but reduced dispositions. Pockets surrounding Dallas Fort Worth International Airport may continue to attract more investment following some of the largest vacancy declines among submarkets in 2025. Buyers targeting Class A assets will likely continue to focus on North Dallas-North Irving, Las Colinas, and Grapevine areas with strong connectivity and proximity to major employment hubs such as the Las Colinas Business District. This concentration of high-paying corporate offices attracting an affluent renter base, coupled with the area's sharply receding development pipeline, should continue supporting higher-tier fundamentals and investment appeal in the coming years.

21.5%
2025 share of local population between 20 and 34 years old

36.6%
of local population hold bachelor's degree or higher ⌘

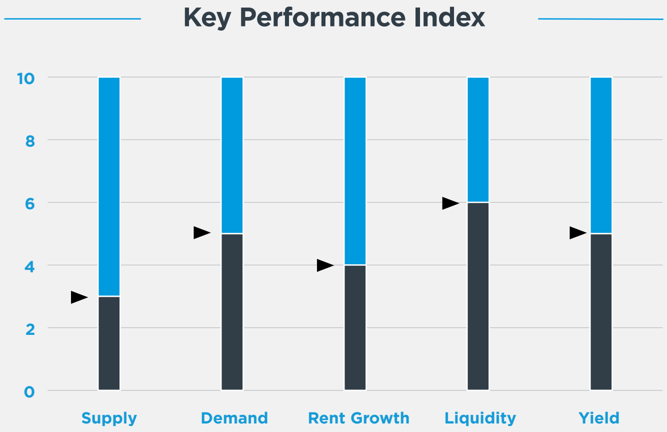
$369,100
2025 median home price✣

Investment Outlook

The Metroplex joins five other major markets this year in recording a low KPI supply score of 3, indicating relative pressure from recent and upcoming completions. Even so, ongoing population and job growth are sufficient to support improvements in the ratings for demand and rent, up to scores of 5 and 4 respectively.

Dallas-Fort Worth boasts one of the higher liquidity scores this year for a market with its supply KPI. A value of 6 exceeds that of nearby Austin and Houston. The Metroplex also records a yield value of 5, a slight increase from 2025.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.



2026 MARKET FORECAST

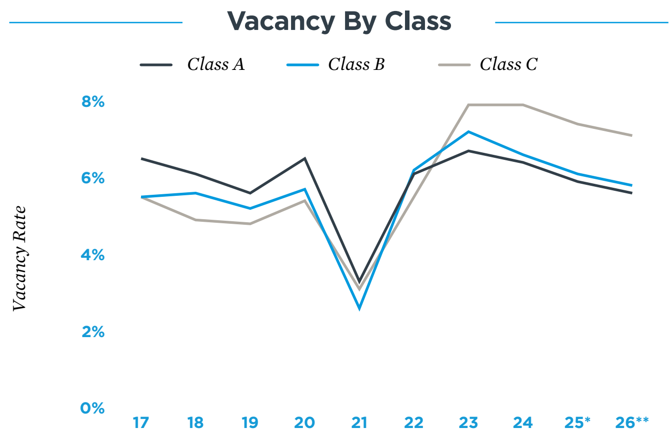
NMI Rank 14

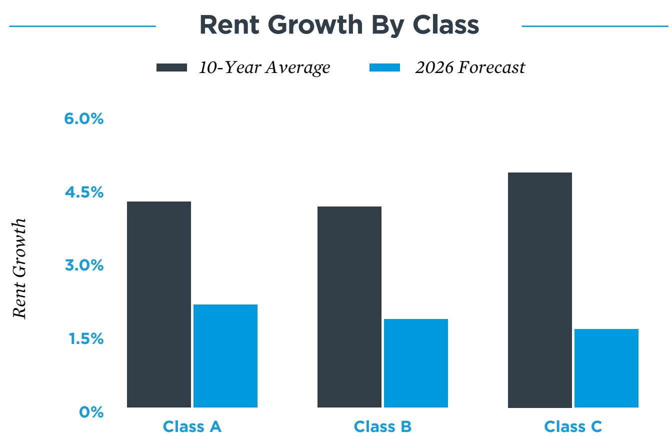
Employment
25,000 *jobs*
Metro 0.6% *U.S.* 0.2%

Construction
% of inventory❖
Metro 2.1% *U.S.* 1.3%

Class A Vacancy
Down 30 bps
Metro 5.5% *U.S.* 4.7%

Class A Rent
$1,998 *per month*
Metro 2.1% *U.S.* 2.1%





** Estimate ** Forecast*
❖ Arrow reflects completions trend compared with 2025
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

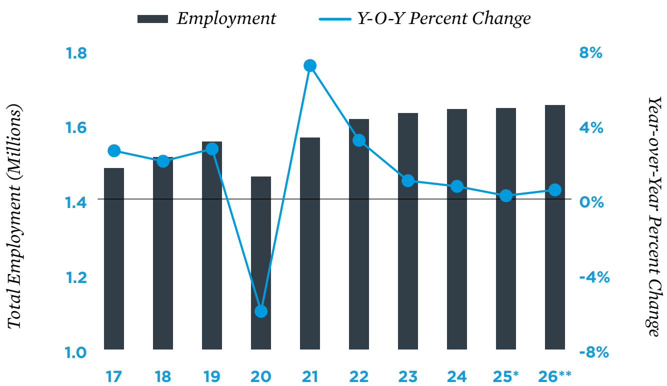
DENVER

Declining Construction Aids Outlook Despite Mixed Demand Trends

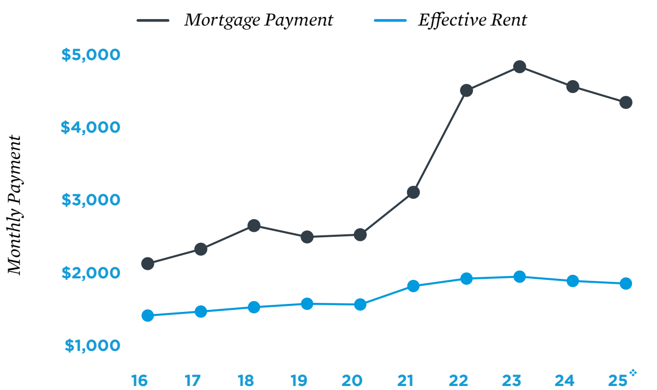
Labor constraints shape uneven apartment leasing. Renter demand is expected to remain uneven across Denver in 2026 amid demographic shifts and a cooling labor market. The metro's unemployment rate trended lower during 2025 despite modest hiring, suggesting a smaller labor pool possibly influenced by stricter immigration enforcement. With foreign migration driving more than 60 percent of Denver's population growth since 2020, reduced inflows may restrain household formation. Eastside neighborhoods with larger immigrant populations — such as North Aurora, Glendale, and Commerce City — also faced the most leasing pressure, as vacancy climbed above 6 percent in 2025. In contrast, the west side and key suburban job centers — including Broomfield, Arvada, and the Tech Center area — have held vacancy below 5 percent. With completions in 2026 projected to be the lowest total in more than a decade, fewer supply additions should help contain vacancy risk even as demand stays fragmented across the metro.

Improving outlook spurs investor reengagement. The record construction boom in recent years affected some institutional investors' decision-making, though sales activity picked up in late 2025, signaling improved confidence in the market's trajectory. With permitting activity still down more than 50 percent from the 2021 peak, completions are expected to remain subdued for the foreseeable future, potentially encouraging greater trading activity. In late 2025, more buyers targeted 1970s- and 1980s-vintage assets in infill neighborhoods such as Glendale and Aurora, often through portfolio acquisitions priced below $200,000 per unit. Class B vacancy fell below the Class C rate in these areas last year, highlighting enduring demand for mid-tier housing. Meanwhile, investors pursuing assets built within the past decade were more active in affluent western suburbs such as Arvada and Broomfield, where higher-income renters anchor absorption of new supply. Key employment centers, including the Denver Tech Center and Downtown, also registered increased trading of newer assets, with some buyers acquiring properties still in lease-up or utilizing debt assumptions to secure lower entry costs.

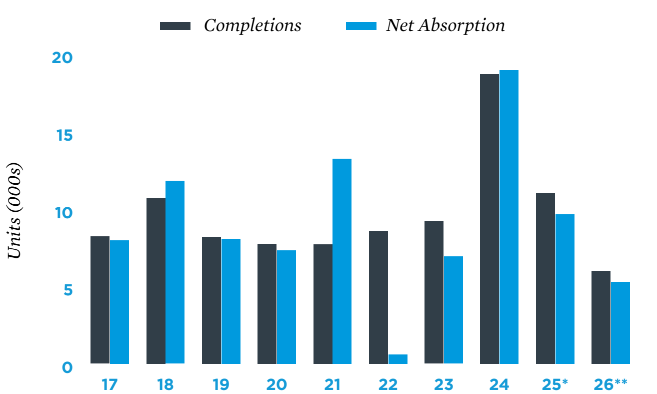
Employment Trends



Housing Affordability Gap



Supply and Demand



23.0%
2025 share of local population between 20 and 34 years old

45.3%
of local population hold bachelor's degree or higher ⌘

$639,900
2025 median home price✢

** Estimate ** Forecast ✢ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

While slowing, development is expected to outpace growth in the renter pool this year, resulting in a slight vacancy increase overall. Reflecting these dynamics, the market registers lower demand and rent KPIs of 5 and 3, respectively, for 2026. The supply score of 4 is below neutral but above last year's severe rating of 1.

Denver's liquidity and yield levels held at equivalent scores of 5 for this year. This stability in the KPI belies improvements in the local transaction landscape, as other markets have shown greater recent relative shifts in trading.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index

2026 MARKET FORECAST

NMI Rank 32

Employment
8,000
jobs
Metro 0.5% *U.S.* 0.2%

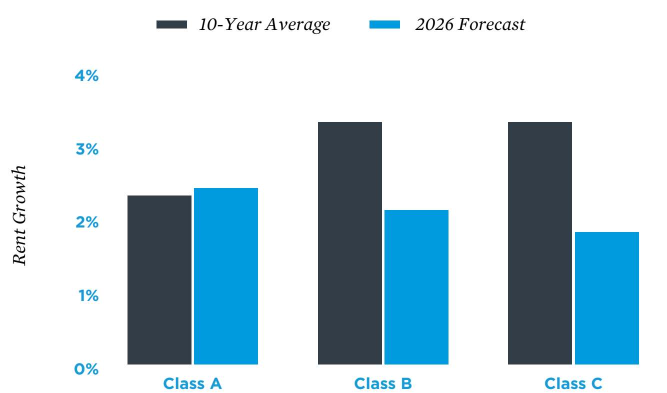
Construction
% of inventory❖
Metro 1.7% *U.S.* 1.3%

Class A Vacancy
Up 10 bps
Metro 6.1% *U.S.* 4.7%

Class A Rent
$2,161
per month
Metro 2.4% *U.S.* 2.1%

Vacancy By Class

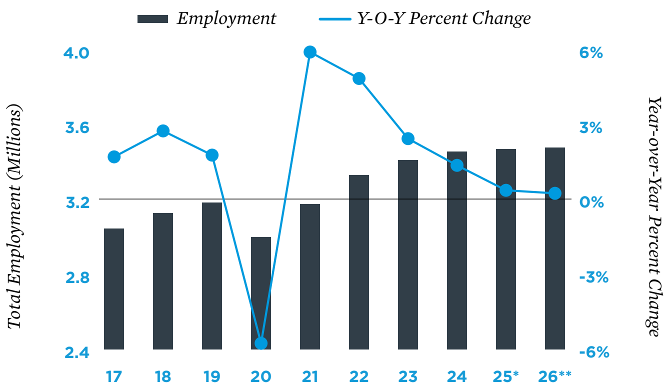
Rent Growth By Class



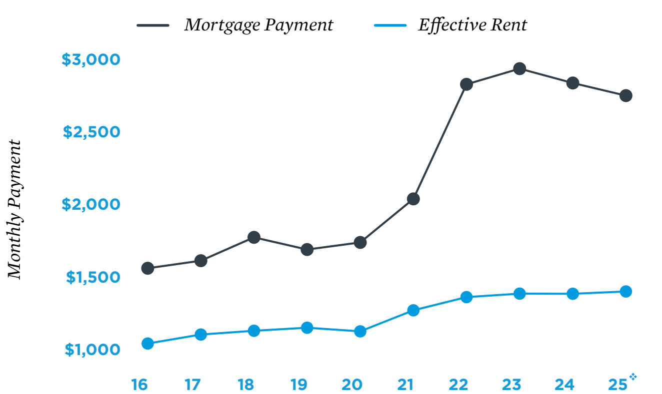
** Estimate ** Forecast*
❖ Arrow reflects completions trend compared with 2025
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

HOUSTON

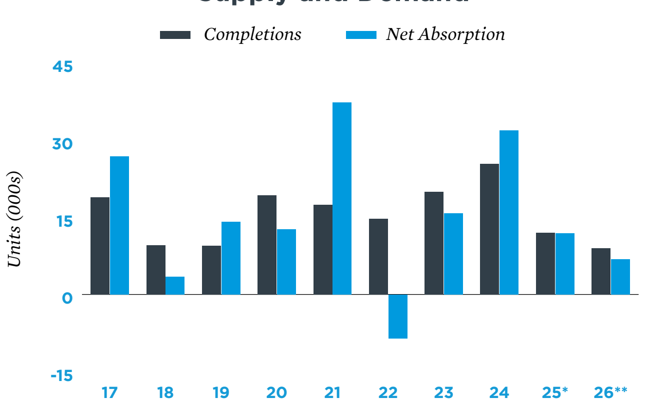
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast ✣ Through 3Q

⌘2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Suburban Stability and Urban Constraints Shaping Investment

Local fundamentals diverge across urban and suburban areas. Rent growth remained evident across much of Houston in late 2025, with outer-ring hubs such as Conroe, Baytown, and Galveston continuing to post steady gains. Urban-core neighborhoods, where average monthly rents exceed $2,000 and vacancy rates hovered near 5 percent, also held firm, supported by limited new supply and sustained demand. Looking ahead, rents are expected to continue rising, even as household formation slows. Houston's development pipeline is set to contract further, with completions falling to the lowest level since 2012. The slowdown is most pronounced inside the Interstate 610 Loop, where deliveries in 2026 will represent just 10 percent of the prior year's volume. In contrast, suburban construction remains active, particularly in high-growth areas such as Katy, Sugar Land-Stafford, and along Highway 249 in Northwest Houston. The latter area, in particular, will face near-term headwinds, with late-2025 vacancy upticks and a wave of new supply in 2026 that could weigh on performance. The metrowide outlook, however, is broadly healthy.

Investors target supply-constrained submarkets. Houston apartments are attracting increased investor attention, driven in part by the metro's relatively high yields and steady fundamentals. Among Texas' major markets, Houston has long offered some of the highest average cap rates, a characteristic that continues to attract capital seeking income-generating assets. Transaction velocity picked up more profoundly in Houston in 2025 compared with Austin and Dallas-Fort Worth, where average cap rates were over 100 basis points lower than Houston's. Building on last year's momentum, investors are expected to remain active in 2026, particularly if borrowing costs ease and pricing adjusts. Investment focus has shifted somewhat toward supply-constrained areas such as River Oaks, where limited development supports rent stability. Southeast Houston submarkets — including Clear Lake, Pearland, Pasadena, and Galveston — are also attracting attention, backed by consistent demand from a growing working-class population amid a broader national slowdown of white-collar employment growth. These dynamics suggest a favorable environment for institutional investors seeking stable returns in a diversifying Sun Belt market.

20.8%
2025 share of local population between 20 and 34 years old

33.2%
of local population hold bachelor's degree or higher ⌘

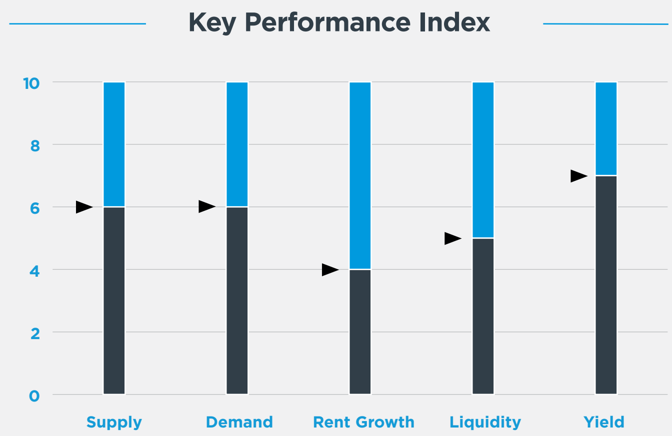
$332,600
2025 median home price✣

Investment Outlook

Houston leads the other major Texas markets in its KPI ratings for supply and demand this year with matching scores of 6. Local dynamics play a key role here. While metrowide vacancy will exceed 6 percent this year, above most other metros, it is nevertheless well below the local historical average.

Space City also leads Austin, Dallas-Fort Worth, and San Antonio in yield KPI with a 2026 score of 7. The market's liquidity score has also improved from last year, although the rating of 5 places it with Austin, below that of the other two ranked Texas metros.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.



2026 MARKET FORECAST

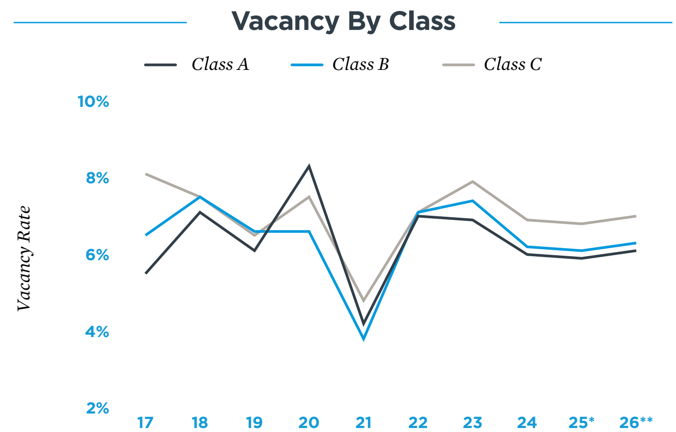
NMI Rank 7

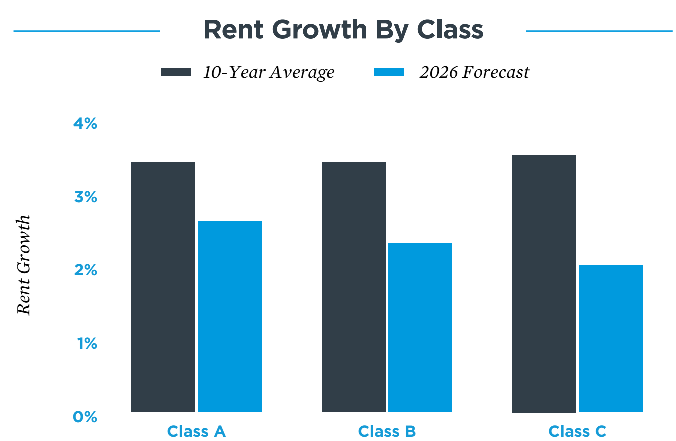
Employment
8,000 *jobs*
Metro 0.2% *U.S.* 0.2%

Construction
% of inventory❖
Metro 1.1% *U.S.* 1.3%

Class A Vacancy
Up 20 bps
Metro 6.0% *U.S.* 4.7%

Class A Rent
$1,935 *per month*
Metro 2.6% *U.S.* 2.1%





** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

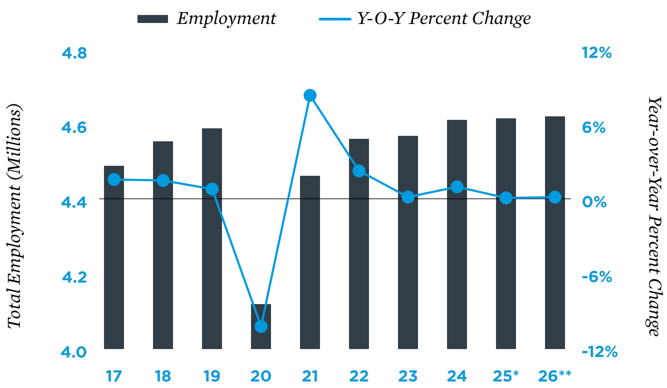
LOS ANGELES

Rental Demand Proves Steadfast Despite Heightened Exposure to Broad Headwinds

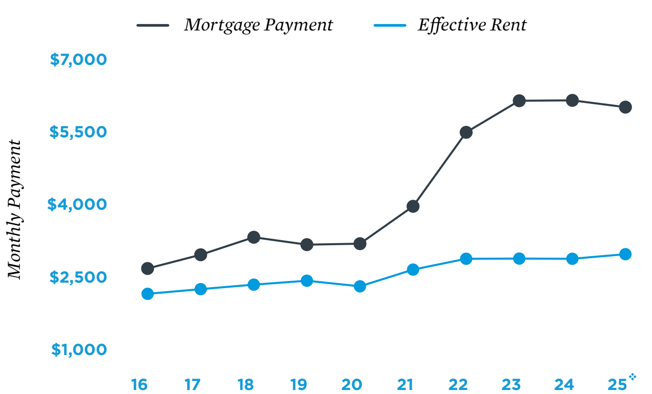
Emerging and existing demand drivers offset hurdles. After two years of moderate vacancy compression, Los Angeles' rental market will face several hurdles in 2026 that could potentially alter the trajectory of local demand. Home to the nation's fourth-largest immigrant population — more than 4 million people as of 2023 — the market will continue to be acutely impacted by stricter immigration policies, which reduced the number of individuals arriving in the U.S. last year. The ongoing decline in local film- and entertainment-related jobs also stands to affect the size of the metro's renter pool. Over the past three years, the count of Los Angelenos employed in the motion picture industry declined by at least 40,000. Fortunately, the market will face limited supply pressure in 2026, as approximately 6,200 units are slated for delivery — the lowest total since 2015. This, along with the metro's longstanding barriers to homeownership, will counteract the effects of the aforementioned headwinds on the renter pool, keeping the metro in a low vacancy state over the near term.

Diverse buyer pool a reflection of positive investor sentiment. Los Angeles recorded the most multifamily transactions among major markets last year, with sales above $10 million nearly doubling on an annual basis. In 2026, institutional investors should remain active as supply-and-demand alignment and a construction pullback bode well for future property performance. The 87,000 units delivered metrowide during the past 10 years should translate into a collection of newer Class A listings available below replacement cost. Of late, these trades have been centered in Greater Downtown Los Angeles. Meanwhile, buyers targeting Class B and C properties above $25 million may be less active in Los Angeles proper moving forward. Recent changes to the city's rent stabilization ordinance have capped rent increases for units built before 1978 at 4 percent or 90 percent of CPI. As such, competition for listings outside the city could heat up, including in the San Gabriel Valley. Here, vacancy is below average, with the portion of the valley south of Interstate 10 home to low-2 percent mid- and lower-tier vacancy. Metrowide, investors will need to account for insurance, as premiums may continue to increase following last year's devastating Palisades and Eaton fires.

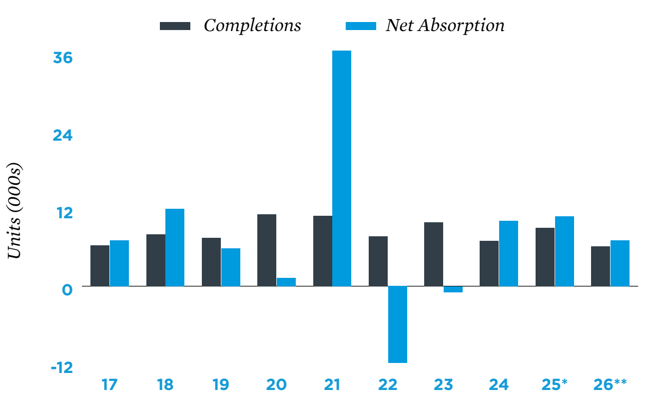
Employment Trends



Housing Affordability Gap



Supply and Demand



21.9%
2025 share of local population between 20 and 34 years old

32.8%
of local population hold bachelor's degree or higher ⌘

$902,600
2025 median home price ✣

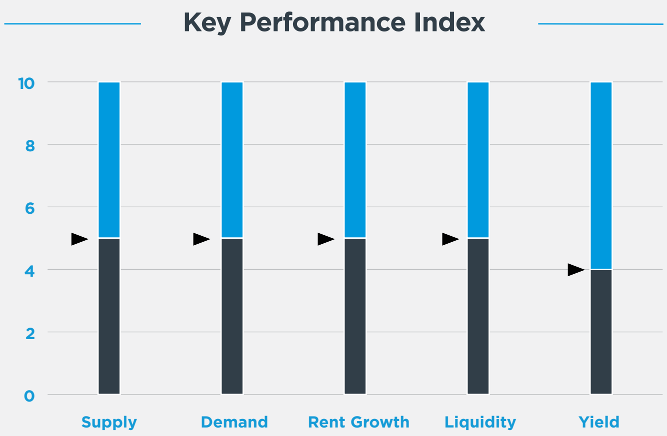
** Estimate ** Forecast ✣ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

Persistently subdued construction activity translates into a supply KPI of 5 for Los Angeles, while low 4 percent overall vacancy rate facilitates a demand score of the same value. The market's rent value is also 5, even as the city of Los Angeles itself faces a stricter level of rent control on certain properties going forward.

Los Angeles retains national recognition as the most liquid multifamily investment market in the country, although the market does not quite hit its highest historical benchmarks, leading to a liquidity rating of 5. The metro's yield KPI is a 4.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.



2026 MARKET FORECAST

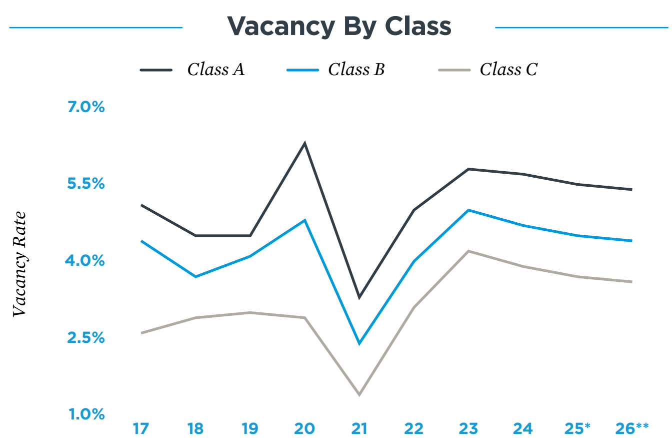
NMI Rank 19

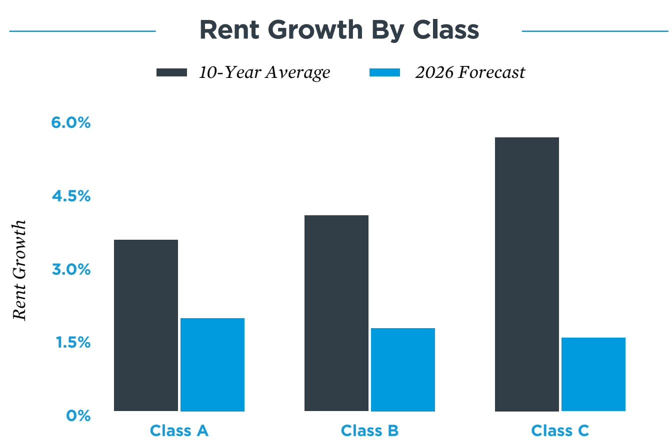
Employment
6,000 *jobs*
Metro 0.1% *U.S.* 0.2%

Construction
% of inventory❖
Metro 0.5% *U.S.* 1.3%

Class A Vacancy
Down 10 bps
Metro 5.3% *U.S.* 4.7%

Class A Rent
$3,860 *per month*
Metro 1.9% *U.S.* 2.1%

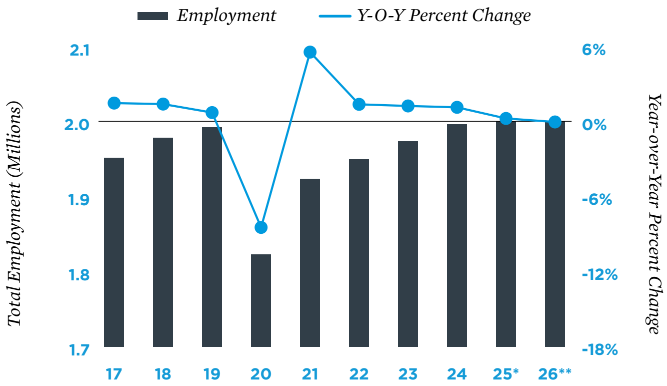




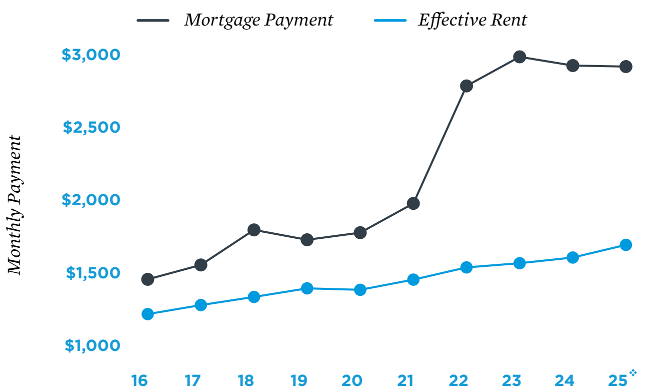
** Estimate ** Forecast*
❖ Arrow reflects completions trend compared with 2024
• The January wildfires could increase multifamily housing demand as displaced households seek short-term living options
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

MINNEAPOLIS-ST. PAUL

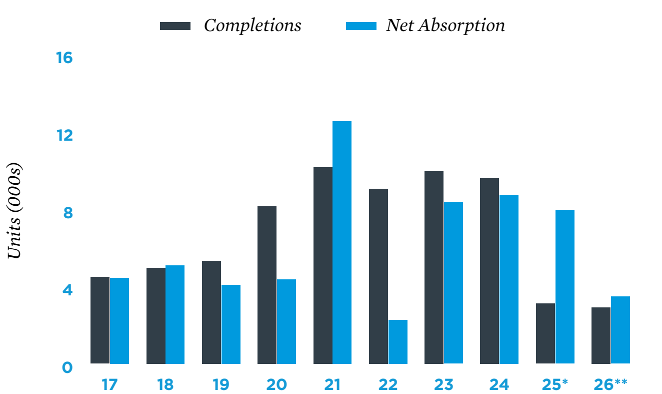
Employment Trends



Housing Affordability Gap



Supply and Demand



** Estimate ** Forecast ❖ Through 3Q*

⌘2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Demand Steadies Amid Diverging Submarket Fundamentals

Select submarkets benefit from easing supply. After elevated deliveries and strong demand between 2020 and the first half of 2025, momentum slowed in late 2025. That trend is expected to continue in 2026, with net absorption projected to return to its long-term annual average over the coming year amid moderating population growth and a softer labor market. This will result in only modest cooling in rent gains, keeping the Twin Cities firmly among the Midwest's highest-rent metros. In 2026, a slight reduction in deliveries may ease competitive pressure on existing properties, particularly in Downtown Minneapolis and Uptown-St. Louis Park, where little additional supply is expected this year and next. In contrast, St. Paul will see higher completion rates following the city council's 2025 amendment permanently exempting post-2004 properties from the 3 percent rent cap. Much of this construction is concentrated in East St. Paul, which could moderate rent growth after the submarket recorded one of the metro's strongest annual increases last year.

Western submarkets anchor 2026 investor momentum. Investors targeting assets above $20 million contributed to a rise in transaction volume last year, propelling the metro's average price-per-unit growth rate to the fastest among Midwestern markets, outside of Chicago. That momentum may extend into 2026 as buyer attention is expected to concentrate on western submarkets, where vacancy remains low and rent growth continues to outpace the metro average. Among these areas, Plymouth-Maple Grove stands out, as Class A vacancy fell sharply in 2025 after remaining above 10 percent since late 2023. Reduced supply pressure supports near-term operational stability here amid solid renter demand, which may draw investor attention this year. Across the river, the Mounds View-Falcon Heights-Vadnais Heights area is St. Paul's only submarket with limited deliveries in 2026, positioning it for stronger occupancy and Class A rent growth. Over the long term, the metro's substantial base of more than 15 Fortune 500 companies — among the nation's highest per capita concentrations — continues to underpin economic stability, employment depth, and durable renter demand, reinforcing long-term multifamily investment appeal.

19.7%

2025 share of local population between 20 and 34 years old

41.9%

of local population hold bachelor's degree or higher ⌘

$397,200

2025 median home price❖

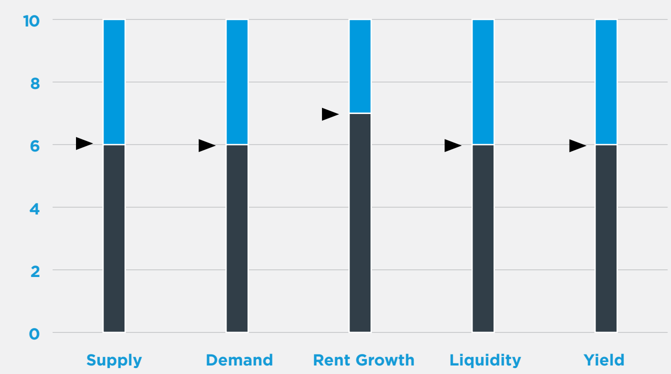
Investment Outlook

Minneapolis-St. Paul records year-over-year improvements in nearly every KPI category. A sub-1 percent level of inventory growth amid sustained growth in the renter pool translates into matching supply and demand scores of 6 and a rent value of 7, the highest not only in the Midwest but nationally, excluding San Francisco.

A favorable outlook for property fundamentals supports investment activity, with an increased liquidity rating of 6. While not the highest in the region, the Twin Cities' yield score of 6 still places it among the top half of markets for this year.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 22

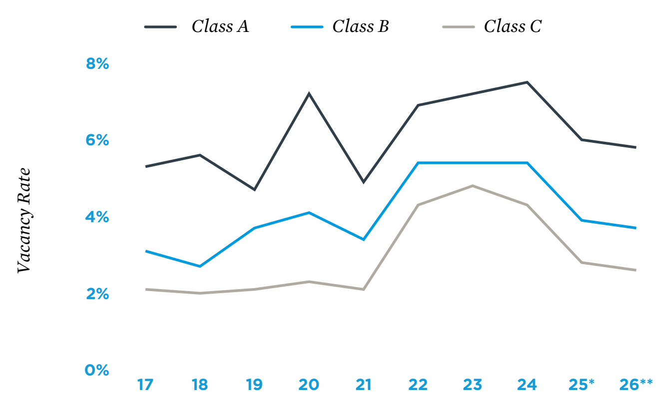
Employment -1,000 *jobs* — *Metro* -0.05% *U.S.* 0.2%

Construction *% of inventory*❖ — *Metro* 0.9% *U.S.* 1.3%

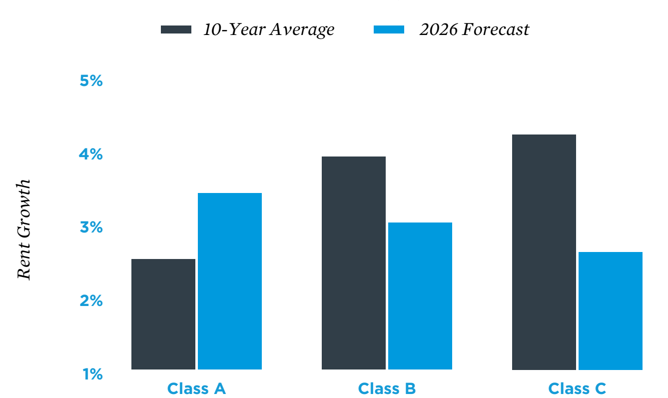
Class A Vacancy Down 20 bps — *Metro* 5.7% *U.S.* 4.7%

Class A Rent $2,048 *per month* — *Metro* 3.4% *U.S.* 2.1%

Vacancy By Class



Rent Growth By Class



** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

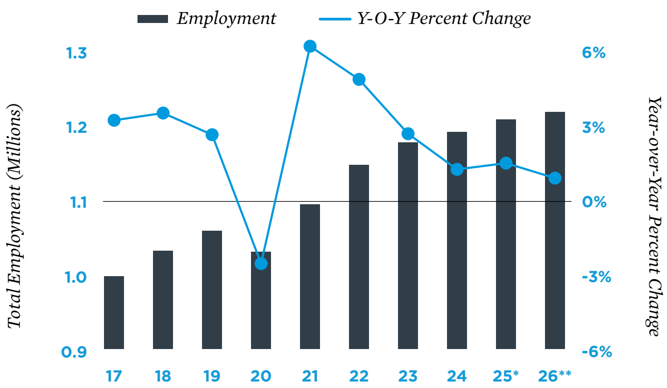
NASHVILLE

Corporate Commitments Fuel Multifamily Demand and Capital Return

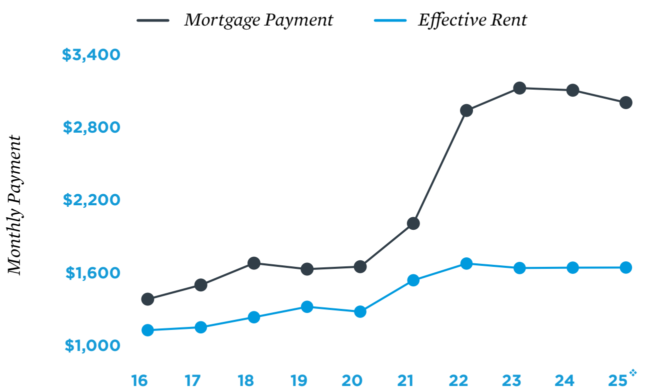
Office expansion supports multifamily absorption. Nashville's apartment vacancy rate will lower again in 2026, following the surge in supply during 2023-2024. Job growth and housing demand continue to be stoked by lower living costs and long-term employment opportunities, including high-profile developments such as Amazon's second tower at Nashville Yards and Oracle's $1.2 billion campus. Other corporate investments, such as Gap Inc.'s $58 million facility in Gallatin, are helping drive greater residential development in suburban counties like Sumner. Although overall apartment construction has decelerated, developers are still active, with 6,200 units slated for delivery in 2026. Nashville ranked among the top 10 major metros for young-adult population growth last year, driven by an influx of college graduates and workers drawn by lower living costs and a vibrant job market. As such, new supply should be well received in the CBD, where Class A vacancy fell below Class B last year. Mid-tier apartments are likely to outperform in the suburbs with a stronger appeal to cost-conscious renters. While vacancies may continue to tighten in 2026, elevated supply and softer employment growth will likely keep rent gains restrained.

Investor interest builds as prices moderate. Sales activity has remained subdued since 2023, ranking near the bottom among major metros for transaction growth last year. However, 2026 may bring a gradual rebound amid looser monetary policy and improving fundamentals. Nashville experienced one of the sharpest price contractions among major metros, with the average price per unit declining to $220,000 in 2025. In 2025, out-of-state investors targeted Central Nashville and bordering submarkets, typically pursuing fewer acquisitions but at higher prices, committing around $14 million. Roughly half of the capital deployed in 2025 came from buyers based in New York and Texas. Private equity groups have noticeably increased their presence in Nashville, signaling a renewed appetite for scale as pricing stabilizes. Notably, the metro saw its first major acquisition from a public REIT since 2022. The resurgence of institutional capital suggests improving liquidity conditions, making Nashville's investment environment more competitive in 2026.

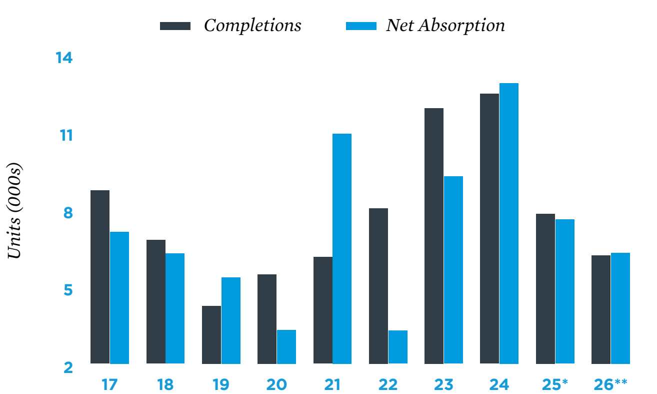
Employment Trends



Housing Affordability Gap



Supply and Demand



22.1%

2025 share of local population between 20 and 34 years old

37.5%

of local population hold bachelor's degree or higher ⌘

$415,900

2025 median home price ❖

* Estimate ** Forecast ❖ Through 3Q

⌘2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

The second-fastest pace of inventory growth nationally earns Nashville a supply KPI of 3, although net absorption has kept pace, leading to a demand score of 5. Both values improved year-over-year. Ongoing lease-up endeavors among the recent and upcoming builds, nevertheless, result in a rent value of 4.

Nashville's investment-related KPIs remain similar to last year, with a rating of 5 for both liquidity and yield. While below the 2022 peak, the average sale price and cap rate last year remained elevated compared to pre-pandemic levels.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index

2026 MARKET FORECAST

NMI Rank 28

Employment
10,000 *jobs*
Metro 0.8% *U.S.* 0.2%

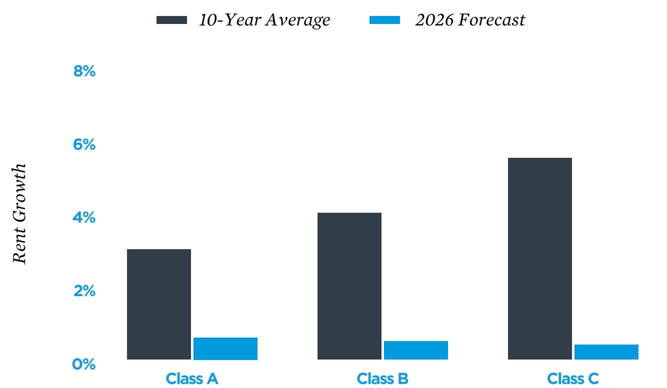
Construction
% of inventory❖
Metro 3.0% *U.S.* 1.3%

Class A Vacancy
Down 20 bps
Metro 6.0% *U.S.* 4.7%

Class A Rent
$2,037 *per month*
Metro 0.6% *U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



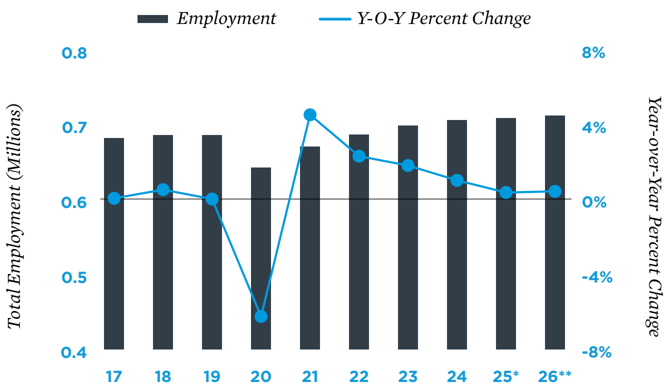
** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

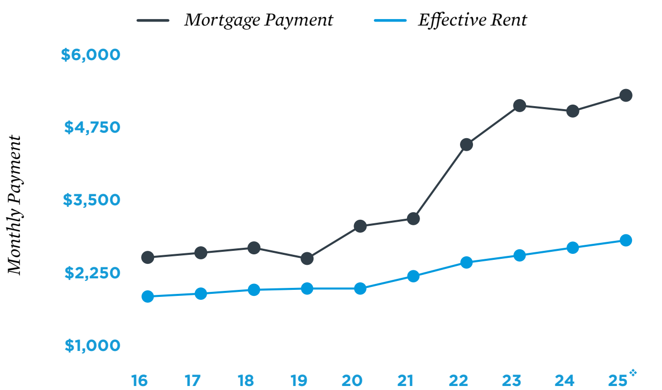
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

NEW HAVEN-FAIRFIELD COUNTY

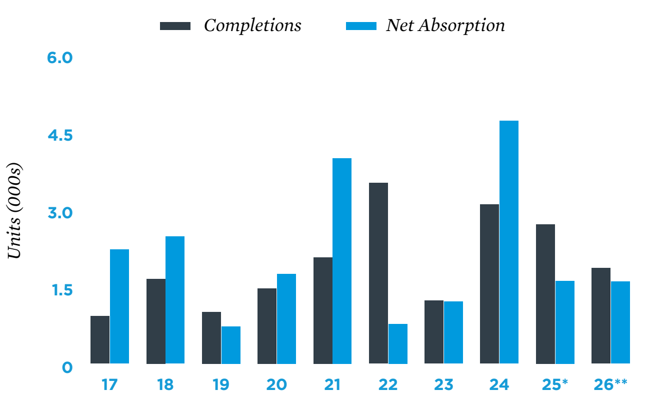
Employment Trends



Housing Affordability Gap



Supply and Demand



** Estimate ** Forecast ✤ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Construction Trends and Regulatory Hurdles Drive Market Divergence

New Haven investment holds steady despite leasing pressures. Heavy construction activity lifted local Class A apartment vacancy more than 100 basis points in 2025 to nearly 7 percent, the highest level in over two years. Another 800 units opening in 2026 may extend softness as demand eased late last year amid new federal policies. International student arrivals to the U.S. fell 19 percent year-over-year in August due to stricter visa screening. At least 17 NIH grants to Yale researchers were also cut, impacting key renter bases. Even so, Yale remains a national leader in research funding, and the city's expanding innovation district, bolstered by a $50 million state investment in infrastructure and technology firms in September 2025, should reinforce jobs and housing growth. As homeownership barriers keep residents in rentals longer, investment should remain firm after institutional deal flow reached its highest level since 2022 last year. Downtown saw stronger investment as buyers gained confidence to pursue assets built within the past decade, often trading above $300,000 per unit — a trend that may continue as easing monetary policy lowers financing hurdles. Investors targeting older properties may focus on outlying suburbs that have seen less construction and offer lower entry costs.

Affluent renters sustain absorption in Fairfield County. Class A vacancy in Fairfield County, while up modestly, held below New Haven's rate at around 4 percent in 2025, driven by consistent net absorption from higher-income households. Fewer completions in 2026 should help prevent further vacancy expansion and reinforce investment. Potential regulatory headwinds following New York City's mayoral election may prompt more out-of-state investors to favor Fairfield County, where restrictions are comparatively lighter. Buyers will likely remain active in Stamford-Norwalk and surrounding areas due to their large concentrations of affluent residents and easing development outlooks. Rail-accessible assets in these areas are expected to remain key targets as Manhattan's congestion pricing encourages commuters to seek alternatives to driving. Bridgeport, however, faces near-term uncertainty, as its sizable foreign-born population and manufacturing base increase exposure to immigration policies and tariff adjustments, likely restraining sales activity until greater clarity emerges.

18.7%
2025 share of local population between 20 and 34 years old

40.1%
of local population hold bachelor's degree or higher ⌘

$659,500
2025 median home price✤

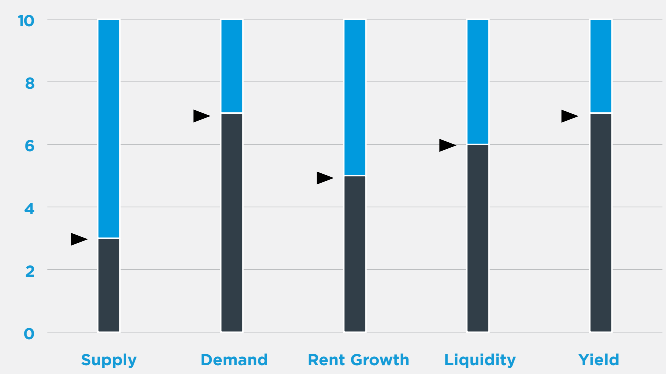
Investment Outlook

While development pressure is easing locally, other markets have seen a larger relative pullback, translating into a KPI evaluation of 3. Both counties, nevertheless, retain renter appeal, with a demand score of 7 and a rent value of 5. Both metrics are unchanged from last year.

New Haven-Fairfield County ties New York City with the highest yield KPIs among major Northeast markets. The market's liquidity score has also doubled from last year, reaching 6 in this year's tabulation. This aligns with Boston's rating.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 26

Employment
2,900 *jobs*
Metro 0.4% *U.S.* 0.2%

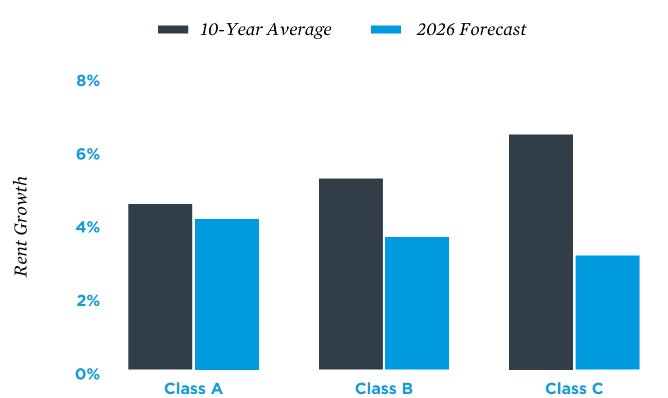
Construction
% of inventory❖
Metro 1.4% *U.S.* 1.3%

Class A Vacancy
Up 10 bps
Metro 4.3% *U.S.* 4.7%

Class A Rent
$3,724 *per month*
Metro 4.1% *U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

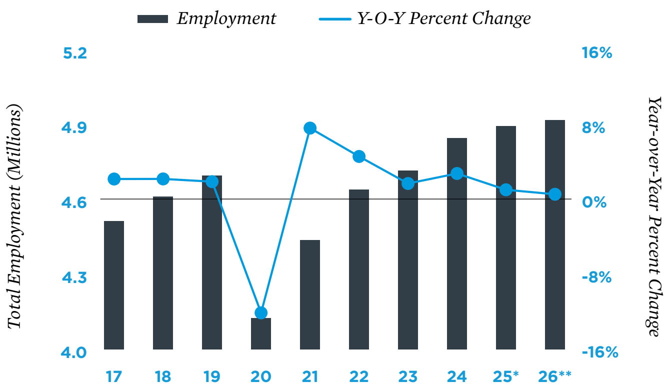
NEW YORK CITY

Premium Rental Demand Anchors Market Outlook Amid Regulatory Transition

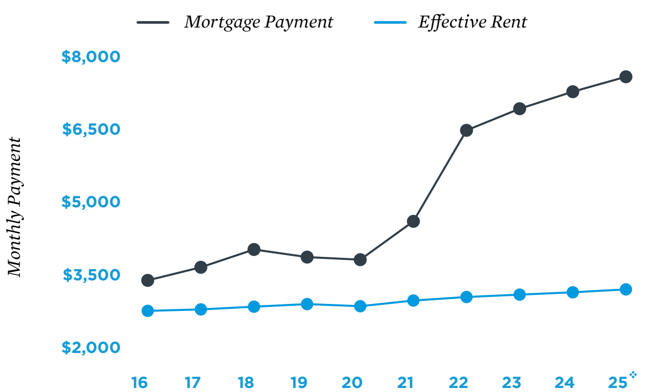
Class A apartments hold steady despite lower-tier pressures. Leasing momentum held firm across core Manhattan and affluent Brooklyn submarkets last year, positioning the market for steady performance as construction activity slows. Class A vacancy in Midtown and Midtown South returned to pre-pandemic levels below 4 percent, and segment rent growth neared 5 percent, supported by return-to-office mandates. Higher-income Brooklyn neighborhoods like Williamsburg and Greenpoint posted similar gains, and a sharp drop in 2026 deliveries should help maintain tight conditions despite softer expected job and immigration growth. These headwinds, however, will likely weigh most on less affluent residents and could slow leasing at Class C and rent-regulated properties. In this environment, regulatory compliance, rent collection, and expense discipline become key to sustaining performance. Manhattan operators may be better positioned to preserve cash flow, as Rent Guidelines Board data show 84 percent of rent-stabilized buildings in Core Manhattan contain free-market units, compared with roughly 40 percent in Brooklyn and 25 percent in the Bronx.

Institutions active as policy shifts unfold. New York City posted the sixth-fastest annual increase in sales activity among major U.S. markets in 2025, with institutional deal flow reaching its highest level since 2022. While the recent mayoral election has introduced uncertainty amid calls for a four-year rent freeze on stabilized buildings, larger investors who typically focus on free-market properties are expected to remain relatively insulated. A multiyear pause would also be unprecedented and may face legal scrutiny, given the board's obligation to align rent adjustments with measurable economic conditions. Moreover, full mayoral control of the board could take several years, with October marking the earliest window for the proposal's consideration. Still, properties outside the main rent-regulation regime, such as those with fewer than six units or built after 1974, are likely to become increasingly sought-after to avoid potential headwinds. Buyers targeting assets built after 2000 may continue to favor central Brooklyn and Queens neighborhoods, where trades around $400,000 per unit offer lower entry costs than waterfront properties.

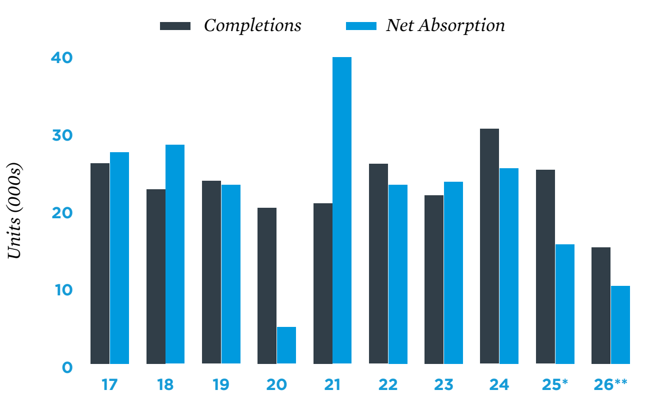
Employment Trends



Housing Affordability Gap



Supply and Demand



22.6%
2025 share of local population between 20 and 34 years old

37.7%
of local population hold bachelor's degree or higher ⌘

$1,014,600
2025 median home price

** Estimate ** Forecast ⁘ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

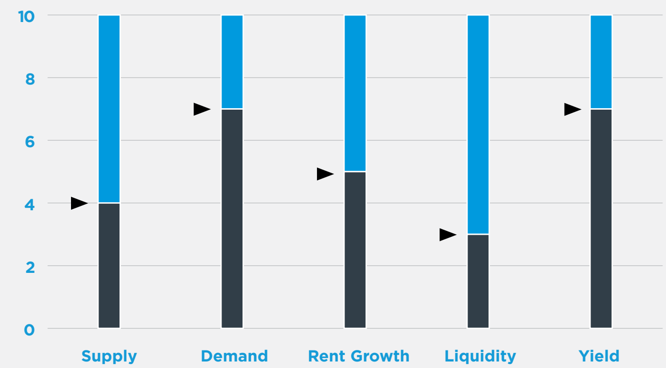
Investment Outlook

New York City lands in the top half of markets by demand rating with a score of 7. Relatively low new supply pressure on an inventory-adjusted basis produces an associated KPI of 4. The market retains a rent value of 5, as a proposed rent fee on regulated units could not take place until October at the earliest.

While sizable in absolute terms, New York City's transaction activity remains below previous cycle highs, translating into a liquidity score of 3. A higher yield rating of 7, however, illustrates the degree to which investors have responded to higher interest rates.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 25

Employment
25,000
jobs
Metro 0.5% *U.S.* 0.2%

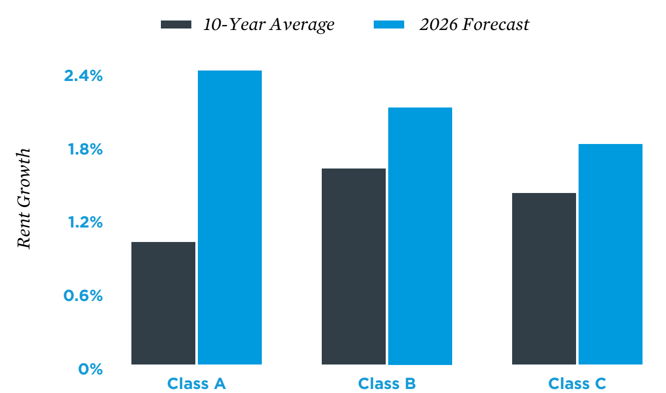
Construction
% of inventory❖
Metro 0.7% *U.S.* 1.3%

Class A Vacancy
Up 20 bps
Metro 7.6% *U.S.* 4.7%

Class A Rent
$5,218
per month
Metro 2.4% *U.S.* 2.1%

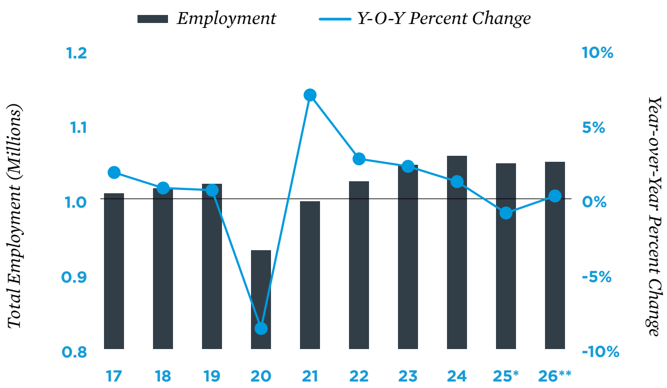
Vacancy By Class

Rent Growth By Class

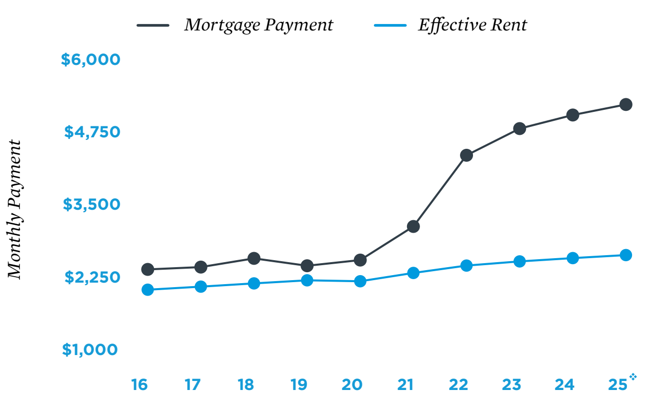


* Estimate ** Forecast
❖ Arrow reflects completions trend compared with 2025
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

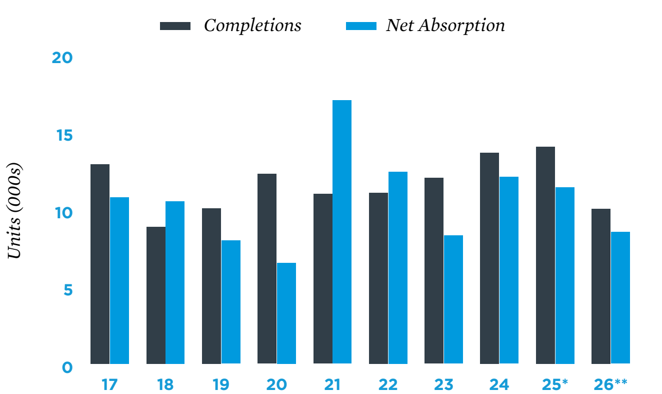
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast ✣ Through 3Q
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

NORTHERN NEW JERSEY

Development and Regulation Shape Outlook

Urban supply wave masks broader leasing strength. Vacancy across Northern New Jersey began to diverge in late 2025 amid shifting development patterns. Heavy deliveries in Jersey City lifted rates in Hudson County while conditions largely tightened elsewhere. More than 4,000 additional units are slated to deliver in Jersey City in 2026, likely keeping upward pressure on vacancy. A shrinking pipeline in Union, West Essex, and Bergen counties, however, will reduce competition for existing rentals. While recent hiring softness in traditionally office-using sectors may slow new demand for higher-end units, a nearly decade-high Class A retention rate should help sustain occupancy. Less competition from new supply and steady job gains in middle-income sectors, such as education and health care, are also expected to reinforce Class B property performance. In contrast, weaker hiring in lower-wage sectors and rising household budget strain could weigh more heavily on lower-tier apartment leasing. Nevertheless, Class C vacancy across the metro remained the fifth tightest nationally, ending last year at under 3 percent.

Investor interest persists through policy hurdles. In September 2025, Passaic City adopted one of the region's strictest rent-control laws. It caps annual increases at 3 percent and eliminates the ability to raise rents when units turn over. The policy limits income potential and reduces the appeal of value-add strategies, likely contributing to a drop in sales last year. Meanwhile, Hoboken and Jersey City banned algorithmic rent-setting software, adding administrative burdens and potentially reducing operating efficiency. Despite these headwinds, the metro saw the third largest increase in transactions above $20 million among major markets last year, underscoring improving investor confidence. Investment may continue to build as buyers pivot from New York City's comparatively heavier regulatory environment. Morris and Bergen counties may stay popular targets for those acquiring suburban assets built after 2000, often at a discount to urban properties. Bayonne could also draw greater investor interest, benefiting from improved connectivity as a new ferry terminal opens and construction begins on the Newark Bay Bridge expansion in 2026.

19.8%
2025 share of local population between 20 and 34 years old

41.4%
of local population hold bachelor's degree or higher ⌘

$641,800
2025 median home price✣

Investment Outlook

Northern New Jersey joins New Haven-Fairfield County as the other northeastern market with a supply rating of 3, as the six-county area anticipates a relatively modest 30 percent slowdown in completions for 2026. The market's vacancy rate will tick up slightly as a result, leading to demand and rent KPIs of 4 and 5, respectively.

The market's liquidity score improves markedly year-over-year to a rating of 5, bringing it more in line with most metros in 2026. The matching yield score of 5 reflects a slightly lower overall cap rate on average than its immediate neighbors.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index

2026 MARKET FORECAST

NMI Rank 27

Employment
2,000 *jobs*
Metro **0.2%** *U.S.* **0.2%**

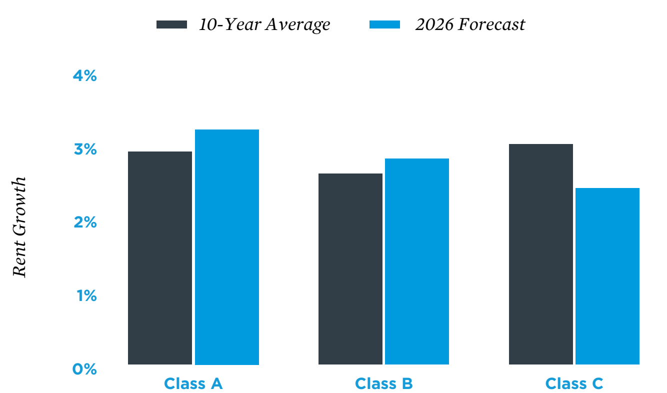
Construction
% of inventory❖
Metro **2.0%** *U.S.* **1.3%**

Class A Vacancy
Up 20 bps
Metro **8.6%** *U.S.* **4.7%**

Class A Rent
$3,595 *per month*
Metro **3.2%** *U.S.* **2.1%**

Vacancy By Class

Rent Growth By Class



* Estimate ** Forecast
❖ Arrow reflects completions trend compared with 2025
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

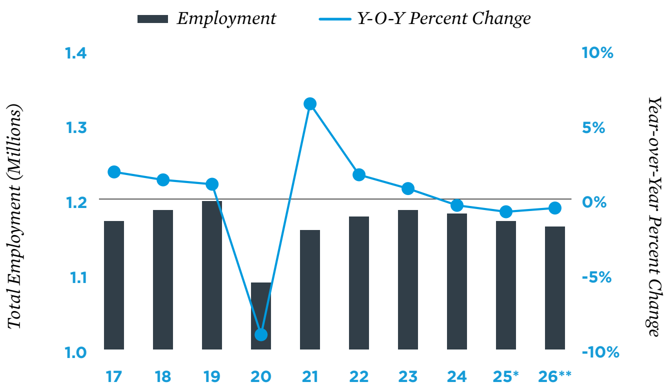
OAKLAND

Tight Supply and Increased Trading Last Year Reinforce Momentum

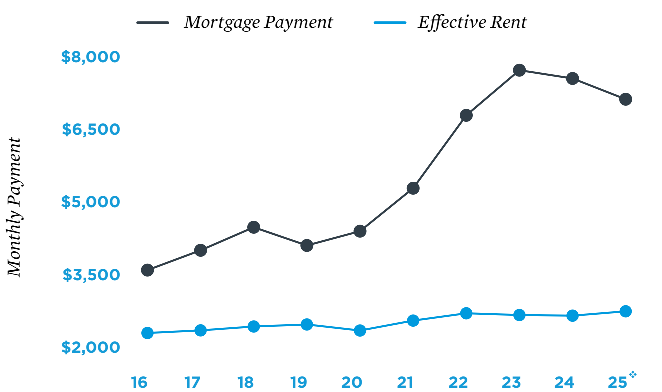
Vacancy holds steady as inventory growth slows. Oakland's aggregate vacancy rate is expected to align with the national average following a third consecutive year of contraction. While the metro continues to experience annual job losses — a trend seen across the Bay Area — renter demand remains resilient, as homeownership remains financially out of reach for many households. This affordability gap is helping sustain rent growth, especially as new supply slows. Although recent CEQA reform and SB 79 legislation may support multifamily development in the long term, the near-term delivery pipeline remains limited. In 2026 and 2027, only the Oakland-Berkeley and Livermore-Pleasanton submarkets are expected to see meaningful additions. As a result, tight submarkets just outside the core — including Fremont and Richmond — are likely to maintain vacancy rates below 4 percent. Class C properties are expected to outperform in these areas, which offer relatively affordable rents and strong connectivity to employment centers across the Bay Area. These dynamics should indicate stability in local rent performance, despite broader economic uncertainty nationwide.

Institutional capital engaging amid improving fundamentals. Oakland's multifamily market is seeing renewed interest from institutional investors, driven by improving fundamentals and attractive pricing. Transaction velocity rose roughly 60 percent year-over-year as of late 2025, with the number of deals over $20 million more than doubling. While private capital played a significant role in recent activity, institutional buyers have also been drawn to one of the higher average cap rates among major Western U.S. markets, along with pricing that remains below pre-pandemic levels. For investors with an optimistic long-term view of the market, these conditions can create favorable entry points. Submarkets with limited new supply and strong transit access, such as Downtown Oakland and Berkeley, are emerging as key targets for institutional strategies. As the market continues to stabilize, these areas are expected to offer favorable options for investors seeking durable returns in an improving urban environment.

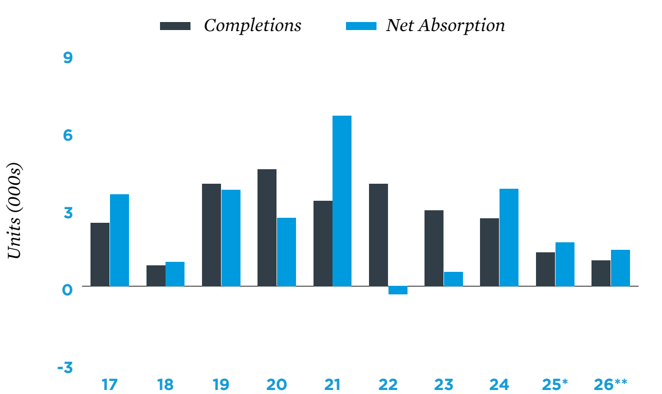
Employment Trends



Housing Affordability Gap



Supply and Demand



19.4%
2025 share of local population between 20 and 34 years old

45.6%
of local population hold bachelor's degree or higher ⌘

$1,074,200
2025 median home price✣

** Estimate ** Forecast ✣ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

Oakland apartments benefit from low construction activity, as the market records one of the highest supply KPIs in the country this year at a 7. Slightly lower demand and rent scores of 5 reflect ongoing headwinds in the market, including a softer labor market and affordability challenges among segments of the renter pool.

California's highest yield score, 6, supports investor interest in a part of the country where often high entry costs can limit cap rate upside. As a result, Oakland also boasts a liquidity score of 6, which aligns with its Bay Area neighbors.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index

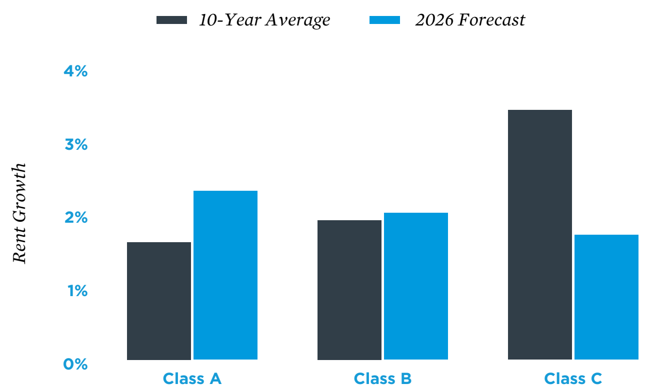
2026 MARKET FORECAST

NMI Rank 24

		Metro	U.S.
Employment	**-7,000** *jobs*	-0.6%	0.2%
Construction	*% of inventory*❖	0.4%	1.3%
Class A Vacancy	**Down 20 bps**	5.6%	4.7%
Class A Rent	**$3,253** *per month*	2.3%	2.1%

Vacancy By Class

Rent Growth By Class



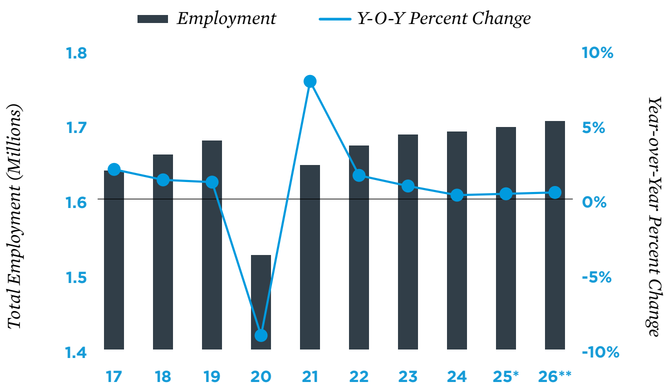
** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

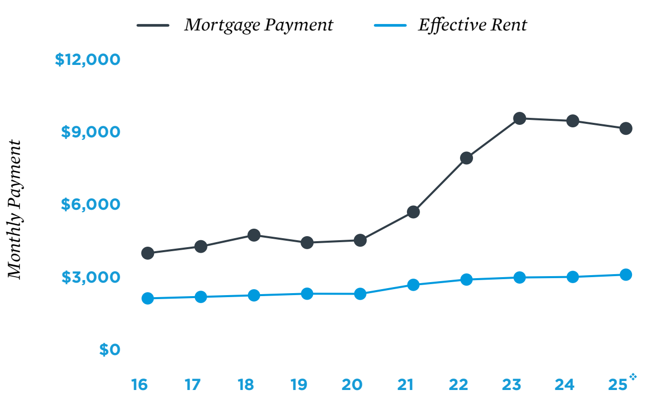
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

ORANGE COUNTY

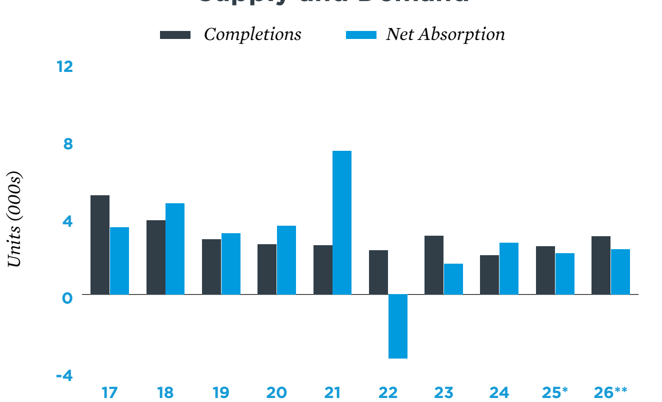
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast ✣ Through 3Q

⌘2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Steady Fundamentals Sustain Investment Appeal

Vacancy remains low despite rising deliveries. Orange County is projected to be one of just five major U.S. metros in which apartment completions in 2026 will exceed those in 2025, although the total remains modest by national standards. Limited land availability has supported a consistent development pipeline since 2018, typically ranging between 2,000 and 3,000 units annually, helping keep metrowide vacancy below 4 percent. This year's construction activity is concentrated in North and South Irvine — the metro's highest-rent submarkets after Newport Beach — where strong net absorption is expected. Class A vacancy held flat in late 2025, while average monthly rents climbed more than 5 percent year-over-year, outpacing all other segments. Orange County's workforce should continue driving multifamily demand, since office-using jobs account for about 25 percent of total employment, more than in other Southern California metros. Return-to-office requirements will reinforce the trend. Supported by these demographics and limited housing options, the market should remain the second-least vacant on the West Coast by year-end.

Investor interest builds in workforce housing submarkets. Transaction velocity in Orange County rose roughly 40 percent year-over-year as of late 2025. The Irvine Company's tight control of land in the city of Irvine continues to concentrate investment activity elsewhere, reinforcing interest in areas with minimal near-term supply pressure. Sales over $10 million climbed notably in Garden Grove, Santa Ana, and Anaheim — submarkets that led the metro in rent growth last year at approximately 5 percent, with the Class C average outpacing that of Class A. These areas' comparatively lower median household incomes support value-add strategies targeting workforce housing. Policy-driven support for income-constrained renters should continue to support the outlook for Class C housing, while steep homeownership barriers limit lease-up risk. Both factors are likely to sustain institutional interest in the metro in 2026, despite the high entry cost. While Orange County's average cap rate was the third lowest among major markets last year, the sub-5 percent reading underscores the market's generally stable conditions. This could appeal to larger organizations amid some nationwide economic uncertainty.

20.4%
2025 share of local population between 20 and 34 years old

40.2%
of local population hold bachelor's degree or higher ⌘

$1,374,800
2025 median home price✣

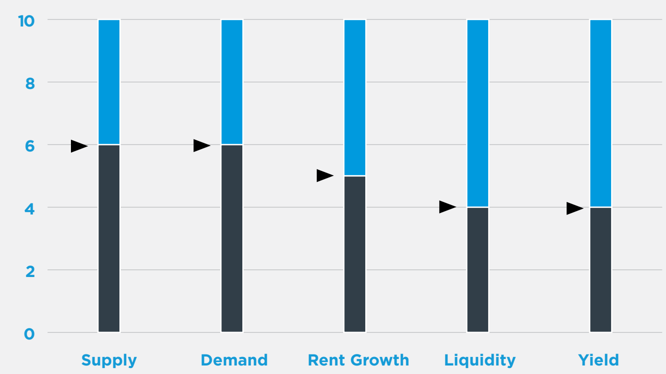
Investment Outlook

A supply score of 6 places Orange County in the top 10 markets for this ranking in 2026 and the leader in Southern California. A matching demand score also exceeds that of Oakland, the only other in-state metro with a higher supply score. A rent KPI of 5 reflects a pace of rent growth broadly in line with the U.S. this year.

While transaction activity increased last year, Orange County joins Riverside-San Bernardino as the only two California markets with a sub-5 liquidity score. One of the highest mean entry costs in the country keeps Orange County's yield score at 4.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index

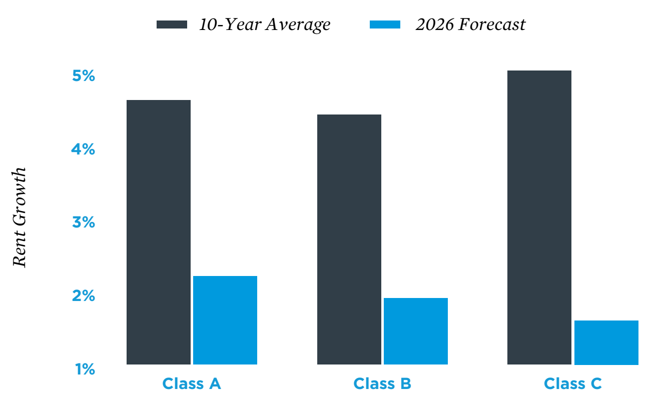


2026 MARKET FORECAST

NMI Rank	3		
Employment 7,500 *jobs*		*Metro* 0.4%	*U.S.* 0.2%
Construction *% of inventory*❖		*Metro* 1.1%	*U.S.* 1.3%
Class A Vacancy Up 20 bps		*Metro* 4.1%	*U.S.* 4.7%
Class A Rent $3,416 *per month*		*Metro* 2.2%	*U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



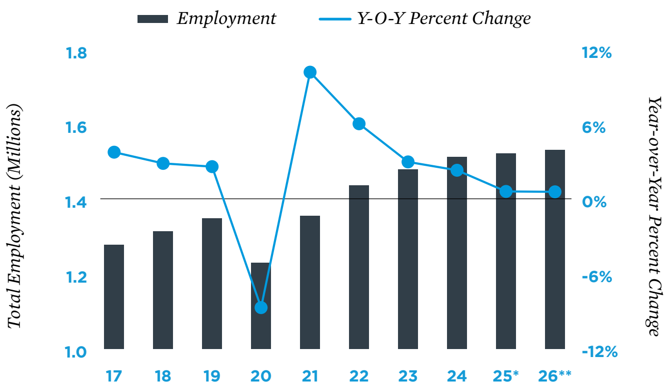
* Estimate ** Forecast

❖ Arrow reflects completions trend compared with 2025

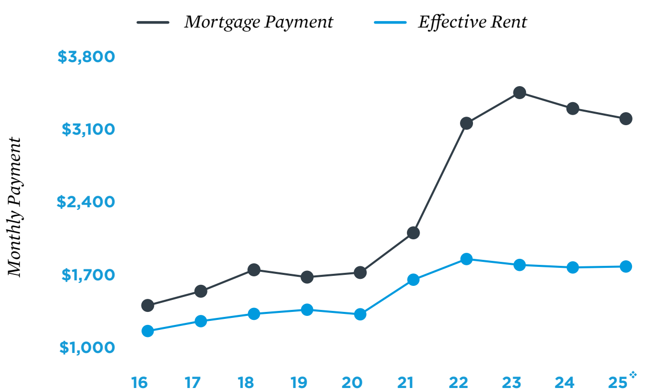
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

ORLANDO

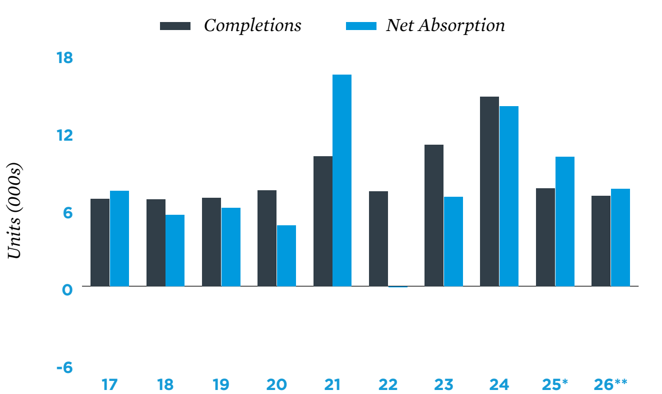
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast ✣ Through 3Q

⌘2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Rent Growth Prospects Strengthening Amid Rising Demand for Class A Assets

Submarkets see shifting development patterns. Bolstered by the nation's second-fastest rate of net in-migration in 2025, Orlando's apartment market enters 2026 on a solid footing, though population gains are beginning to moderate. The metro also must contend with an inventory that has grown more than 20 percent over the past five years, one of the 10 fastest paces among major markets. The longer-term outlook is promising, given that the number of units under construction fell by late 2025 to its lowest level since at least 2020. But areas such as Winter Garden, the Interstate 4 corridor between the CBD and Williamsburg, and Kissimmee will still face notable supply pressure in the months ahead. In contrast, areas like the CBD and Northwest Orlando maintain favorable positioning after recording some of 2025's largest declines in vacancy and anticipate limited supply pressure in the coming years. Metrowide, mean effective rent declines have narrowed each year since 2022. As vacancy continues to tighten for a third consecutive year in 2026, a return to rent growth appears imminent.

Market set for large-scale trading. After a slow start to the year, investment sales accelerated in the second half of 2025, with the largest relative jump among trades about $20 million. As such, activity was more evenly distributed across asset classes than in 2024, when Class C deals accounted for more than half of all transactions. Despite the influx of new supply over recent years, Class A properties remain well positioned, having recorded the steepest vacancy decline among tiers and reduced concession usage in 2025 — in contrast to modest increases across lower-quality tiers. Submarkets such as North Orlando, the Winter Garden area, and the key transportation corridor stretching from Northeast Lake Buena Vista to Oak Ridge along Interstate 4 captured a sizable share of Class A and 100-plus-unit property trading last year. Each of these locations demonstrated strong absorption of new supply. As metrowide rent-growth prospects continue to improve, investor interest in upper-tier assets across these nodes is likely to remain elevated through 2026.

21.1%
2025 share of local population between 20 and 34 years old

33.6%
of local population hold bachelor's degree or higher ⌘

$436,200
2025 median home price✣

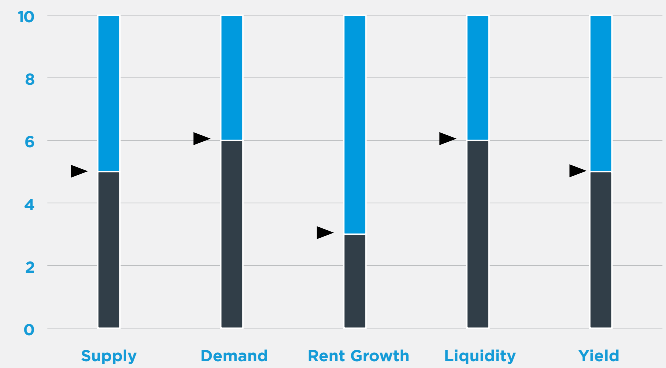
Investment Outlook

Orlando stands out as the only market in the KPI with a rent score of 3 and a demand score of 6. While renter demand has kept pace with supply additions over the past three years, pushing vacancy lower, the increase in options for renters has held the average rent relatively flat since one of the nation's stronger gains in 2021.

Orlando's ties with San Antonio as having the highest liquidity score this year of any market with a sub-4 rent KPI. The metro's yield value of 5 is in line with most other major Florida markets.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 16

Employment
8,500 *jobs*
Metro 0.6% *U.S.* 0.2%

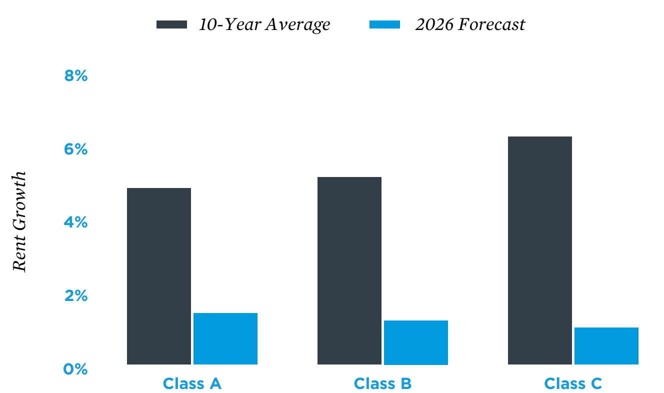
Construction
% of inventory❖
Metro 2.4% *U.S.* 1.3%

Class A Vacancy
Down 30 bps
Metro 5.3% *U.S.* 4.7%

Class A Rent
$2,071 *per month*
Metro 1.4% *U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

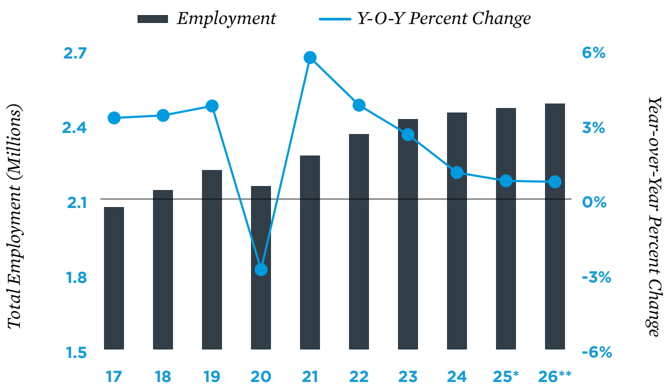
PHOENIX

East Valley Outperforms as Higher-End Rentals Overcome Supply Pressures

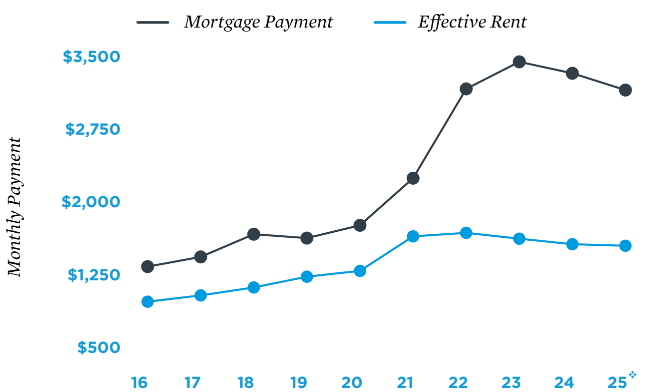
Class A momentum builds despite widening submarket divide. Phoenix's multifamily market is poised for sustained recovery in 2026. Easing supply pressures and local inflation near national lows — below 2 percent in 2025 — will enable wages to catch up to asking rents. Performance will likely remain split by submarket, however, due to softer job growth and immigration headwinds. The East Valley and North Phoenix-Scottsdale corridors should be better positioned due to their affluent residents and steady job creation in healthcare and white-collar industries, which helped sustain vacancy compression into late 2025. With completions projected to fall by nearly 50 percent across the market in 2026, higher-end properties will face less competition from new supply, positioning Class A fundamentals to strengthen and potentially regain rent growth momentum. Meanwhile, centrally located neighborhoods and the West Valley may lag as lower-income renters face weaker hiring in sectors such as manufacturing, logistics, and hospitality, keeping pressure on Class B and C rentals.

Significant commitments return as net absorption holds firm. Institutional investment improved in 2025 as interest rates stabilized and new supply was rapidly absorbed. Transactions of roughly $100 million grew, with activity concentrated in affluent submarkets such as North Scottsdale and Chandler, after the metro recorded the fifth-strongest Class A vacancy compression among major markets last year. Applied Materials' August 2025 announcement to invest more than $200 million to establish a new advanced manufacturing facility in Chandler underscores the area's growth trajectory. At the same time, buyers became increasingly active in infill neighborhoods near Uptown Phoenix and Glendale, where limited land availability constrains construction and 1970s- and 1980s-vintage assets often traded near $150,000 per unit. Investment in Downtown may also build as projects reach stabilization, supported by the CBD maintaining the strongest net absorption relative to inventory among any urban core in the country. Long-term plans such as Arizona State University's health campus headquarters, slated to open in 2028, should reinforce job growth Downtown, potentially enhancing the appeal of value-add opportunities aimed at attracting higher-income renters.

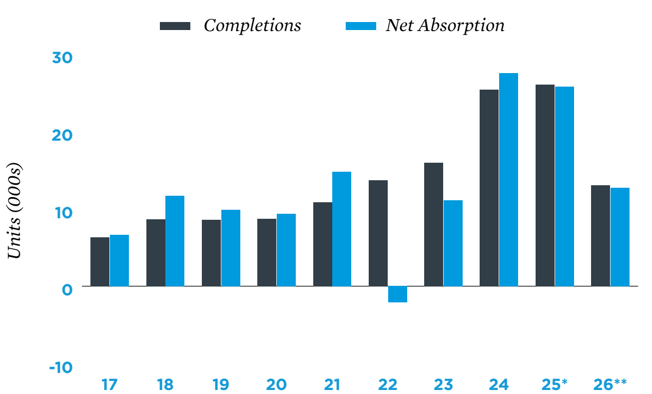
Employment Trends



Housing Affordability Gap



Supply and Demand



21.1%

2025 share of local population between 20 and 34 years old

32.2%

of local population hold bachelor's degree or higher ⌘

$460,200

2025 median home price✣

** Estimate ** Forecast ✣ Through 3Q*

⌘2025: 25+ years old

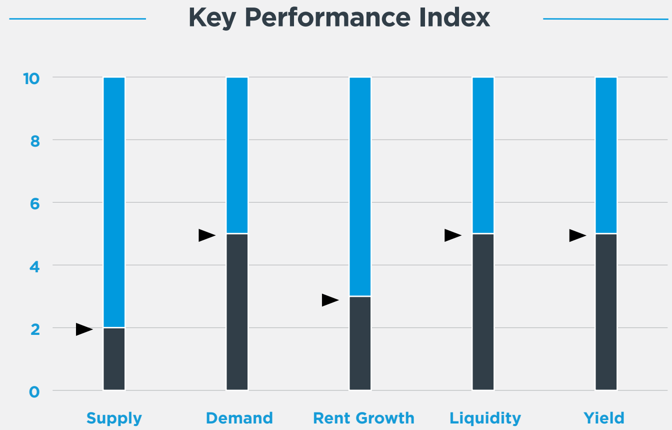
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

New supply remains an active pressure on the Phoenix rental landscape in 2026, with a KPI of 2. Robust net in-migration in recent years, nevertheless, underscores the housing need, producing an improved demand score of 5 this year. Numerous properties seeking stabilization, nonetheless, limits the rent value to 3.

Both the liquidity and yield scores for Phoenix stay at a 5 for 2026, despite lingering supply pressure. While recent changes to immigration policy pose a risk, the market's strong track record of domestic in-migration favors the long-term investment outlook.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.



2026 MARKET FORECAST

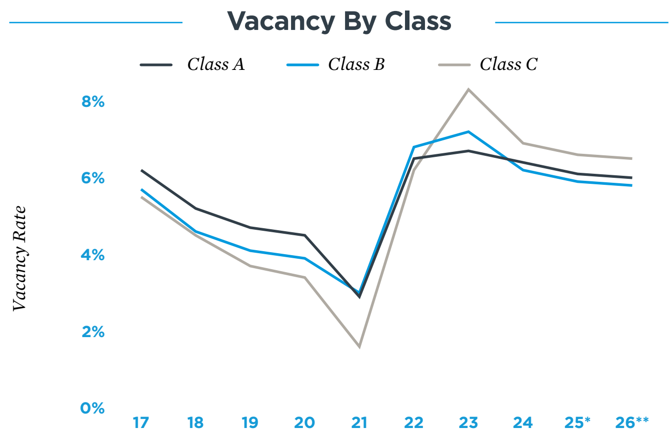
NMI Rank 15

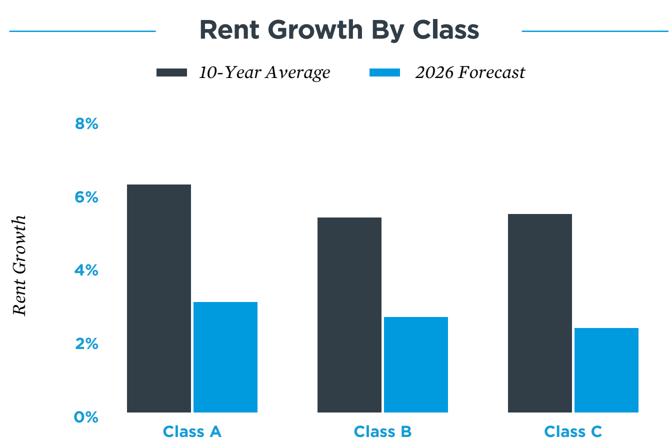
Employment
17,000
jobs
Metro 0.7% *U.S.* 0.2%

Construction
% of inventory❖
Metro 2.8% *U.S.* 1.3%

Class A Vacancy
Down 10 bps
Metro 5.9% *U.S.* 4.7%

Class A Rent
$1,887
per month
Metro 3.0% *U.S.* 2.1%





** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

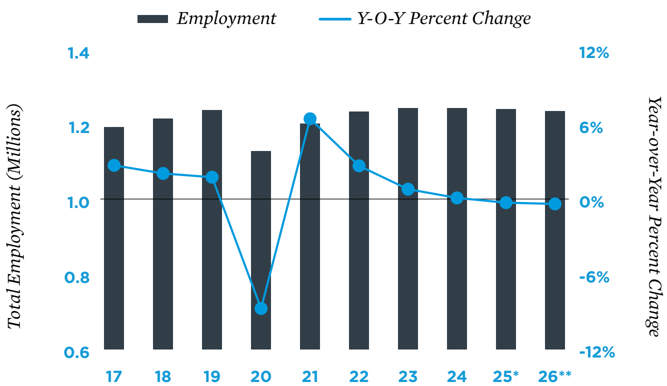
PORTLAND

Transaction Velocity Began New Year on Upswing as Vacancy Rate Normalizes

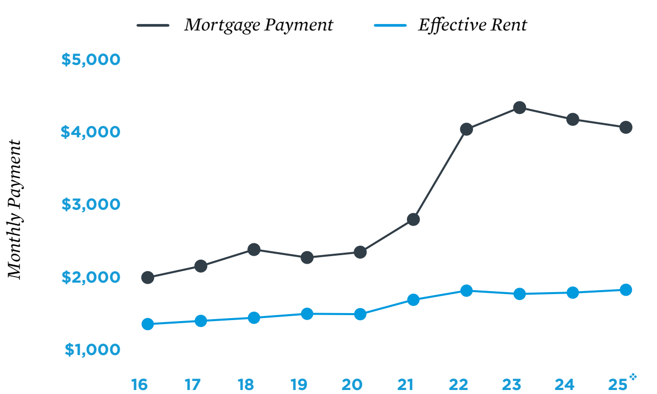
Limited supply bolsters current occupancy levels. The marketwide apartment delivery slate is due to decline by about 60 percent year-over-year, following a 40 percent de-escalation in 2025. That said, development continues as usual in one rapidly growing area. Vancouver's 2026 inventory addition will be around 3.0 percent, like 2025. The area's population growth, while slowing from the region-leading 9.4 percent jump recorded from 2017 to 2022, continues to warrant more units. In contrast to Vancouver, almost no new buildings are slated to open in Portland's central business district. Its vacancy rate was among the most improved in 2025, falling to under 6 percent, and this delivery shortfall may enable further progress even amid dampened new-renter demand. Marketwide, modest workforce reductions are expected to continue. Employment in logistics and professional services, however, has been roughly maintained at 2024 levels, despite regional stressors such as the West Coast's exposure to trade conflicts. Even so, a demand boost from accelerated net in-migration is unlikely in 2026. This combination of factors will leave property fundamentals close to where they started the year.

Middle tier a favorite in suburbs. Deal flow in the metro was rising annually to start 2026, with additional transactions in the $20 million-plus price tranche. Institutional activity in the Vancouver submarket focused primarily on Class B buildings. This emphasis was consistent with a segment vacancy rate falling into the low-4 percent band, down from a high of over 6 percent in the prior year. Apartments exchanged there at relevant price points had been built since 1985. This year, buyers may look for similar opportunities in the Vancouver area or target 200-plus-unit Class C facilities, given comparably low vacancy in that tier. On the other side of the river, in Gresham, a build date within a few years of the millennium was a common theme in institutional-grade deals. Few new units opened in the submarket last year, and no projects are billed for a 2026 delivery date, which should help maintain investor interest. Here, tight office vacancy below 6 percent last year, alongside the October lease of an In-N-Out Burger warehouse, may support employment and renter demand, spotlighting both mid- and low-tier apartments with convenient commutes.

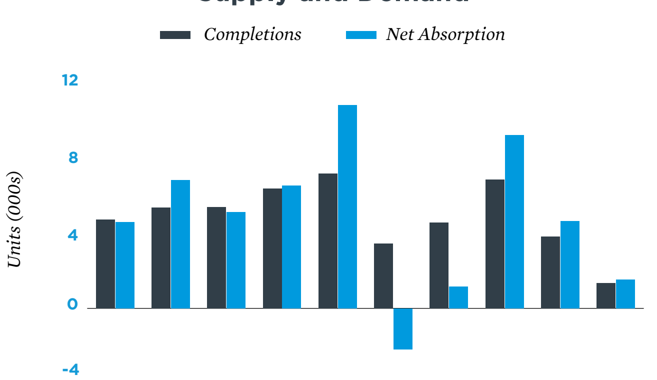
Employment Trends



Housing Affordability Gap



Supply and Demand



20.8%

2025 share of local population between 20 and 34 years old

39.1%

of local population hold bachelor's degree or higher ⌘

$591,300

2025 median home price✣

* Estimate ** Forecast ✣ Through 3Q

⌘2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

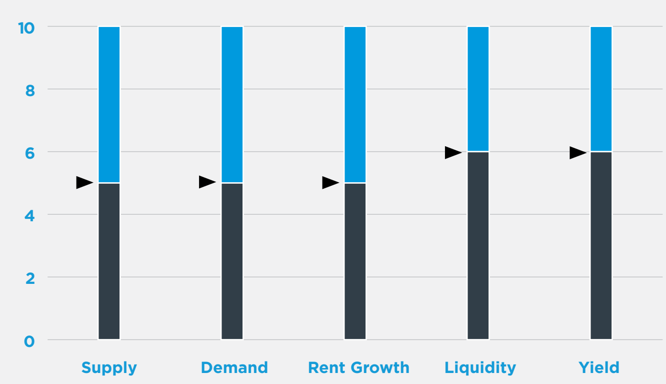
Investment Outlook

Portland is the only market in this year's KPI that records scores of 5 across all three property performance ratings, indicating a balanced market. Inventory growth one-third of the metro's long-run average is helping keep vacancy below its historical mean of 5 percent, supporting rent growth above the U.S. pace.

The market's liquidity and yield scores both improved from 2025, with matching scores of 6 for this year. These values place Portland among the top half of markets in these fields for this year.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 31

Employment
-4,800 *jobs*
Metro **-0.4%** *U.S.* **0.2%**

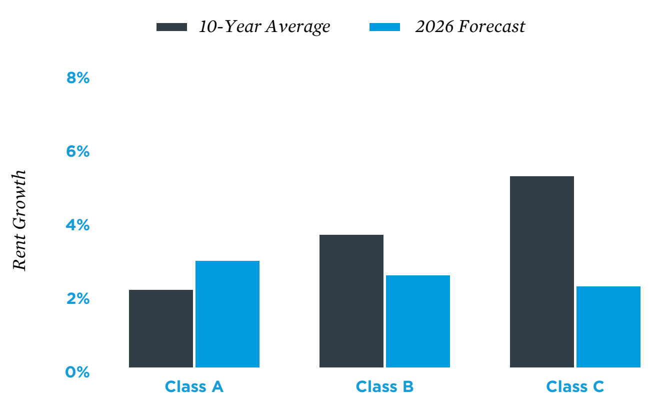
Construction
% of inventory❖
Metro **0.5%** *U.S.* **1.3%**

Class A Vacancy
Down 10 bps
Metro **5.8%** *U.S.* **4.7%**

Class A Rent
$2,014 *per month*
Metro **2.9%** *U.S.* **2.1%**

Vacancy By Class

Rent Growth By Class



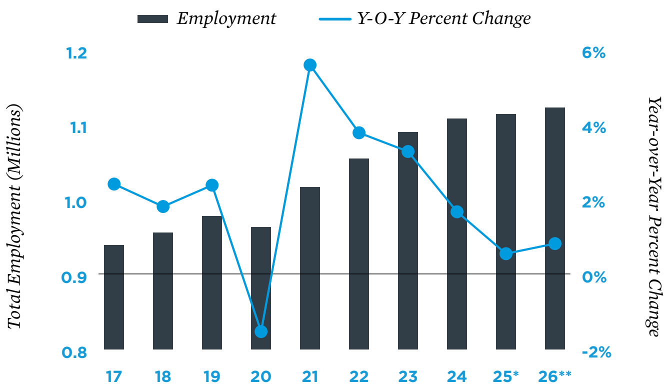
** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

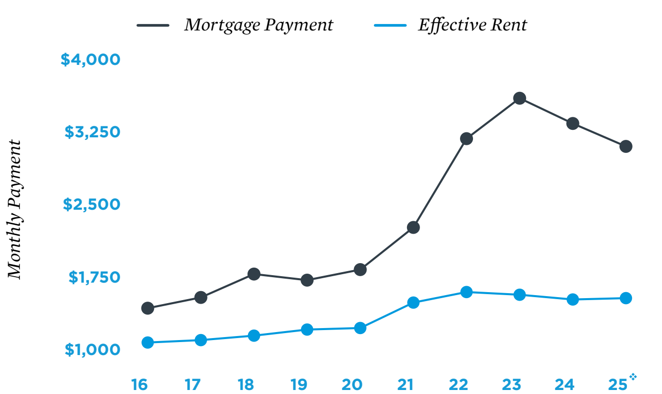
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

RALEIGH

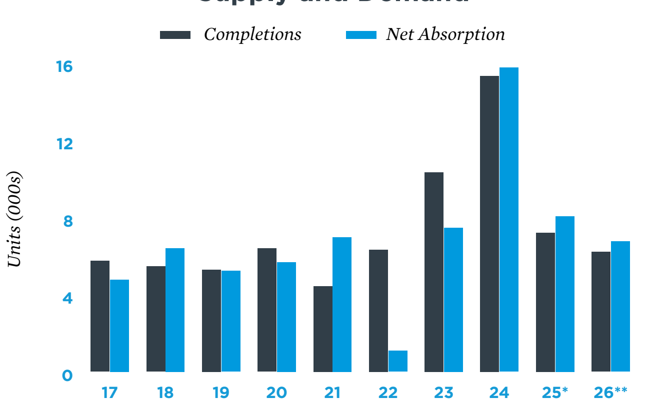
Employment Trends



Housing Affordability Gap



Supply and Demand



*Estimate ** Forecast ❖ Through 3Q

⌘2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Market Balance Returns in 2026 Amid Steady Employment Growth

Rent gains remain measured as supply pressure moderates. The pace of expansion in apartment supply and renter demand should both ease by roughly 15 percent in 2026. This will return both completions and net absorption to their 10-year averages, signaling a more balanced market environment going forward. Despite this normalization, rent growth entering 2026 remains subdued. This reflects the lingering effects of 2025's elevated concessions and the 2023-2024 construction surge, during which apartment inventory expanded by nearly 15 percent. Many newly completed properties remain in lease-up, with elevated incentives muting overall rent growth. A sharper pullback in new supply this year should support stronger momentum with vacancy and rent growth as the market absorbs the recent delivery wave. Even so, some submarkets may continue to experience pressure from incoming inventory, particularly Apex-Cary, where a record number of completions could weigh on rents despite vacancy holding near the mid-5 percent range. By contrast, Downtown Durham is poised for firmer performance later in the year as project openings drop by nearly 90 percent — the steepest annual decline in more than a decade.

Investor activity rose across all segments coming into 2026. Transaction velocity increased last year after slowing in 2024, as the metro's average price per unit posted its first annual gain since 2022. While trades above $20 million remained prevalent, activity among sub-$10 million assets accelerated, particularly in Downtown Raleigh and Durham. This momentum may extend into 2026, supported by increasingly active investors amid looser monetary policy and an improving outlook. Institutional transactions inched higher last year, while assets trading above $20 million posted their lowest average price per unit in five years. Post-2000 Class B properties dominated the sales mix, with mid-tier vacancy holding near the lowest level among segments since late 2023. Investors may continue to target Class B assets in 2026, seeking strong performance at a lower entry cost. Meanwhile, employment growth metrowide is expected to reaccelerate in 2026 after five years of slowing expansion, supporting renewed gains in household income and bolstering demand for upper-tier properties.

20.3%

2025 share of local population between 20 and 34 years old

47.6%

of local population hold bachelor's degree or higher ⌘

$431,600

2025 median home price❖

Investment Outlook

As construction activity begins to pull back in the greater Raleigh area, the metro's supply score improves from the lowest possible rating last year to a near-neutral score of 4 in 2026. Demand and rent values of 5 and 4 also indicate gains over last year and a market where the supply-demand balance tilts toward the latter.

Raleigh's liquidity value of 5 joins a large cohort of markets, reflecting improved sales activity. While the metro's yield level of 4 is below that of some of those other markets, the local mean cap rate has nevertheless risen more than 100 basis points since 2022.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index

2026 MARKET FORECAST

NMI Rank 6

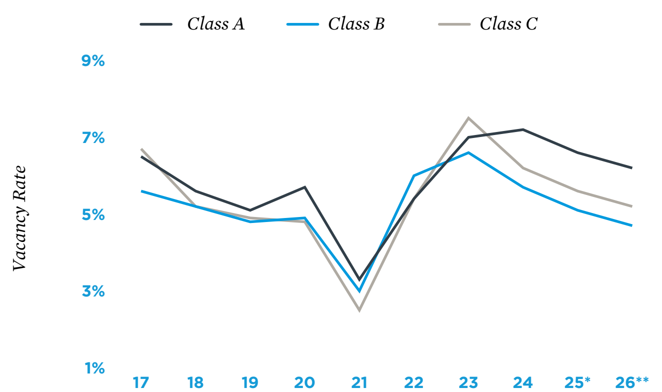
Employment
9,000
jobs
Metro 0.8% *U.S.* 0.2%

Construction
% of inventory❖
Metro 2.9% *U.S.* 1.3%

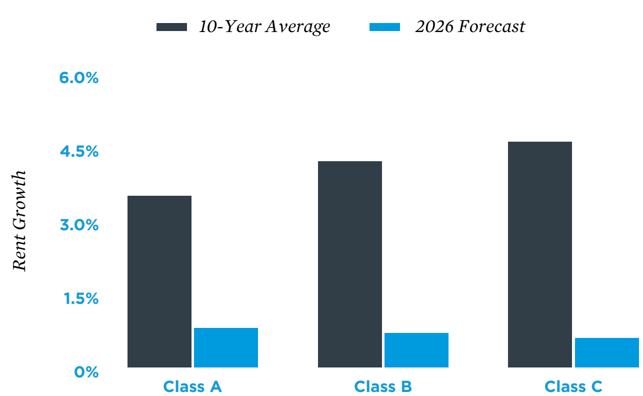
Class A Vacancy
Down 40 bps
Metro 6.1% *U.S.* 4.7%

Class A Rent
$1,832
per month
Metro 0.8% *U.S.* 2.1%

Vacancy By Class



Rent Growth By Class



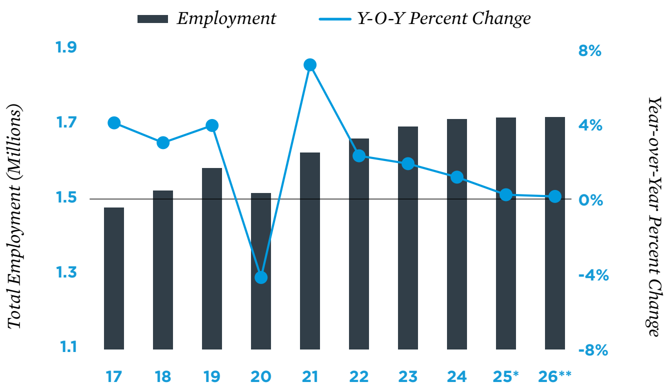
** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

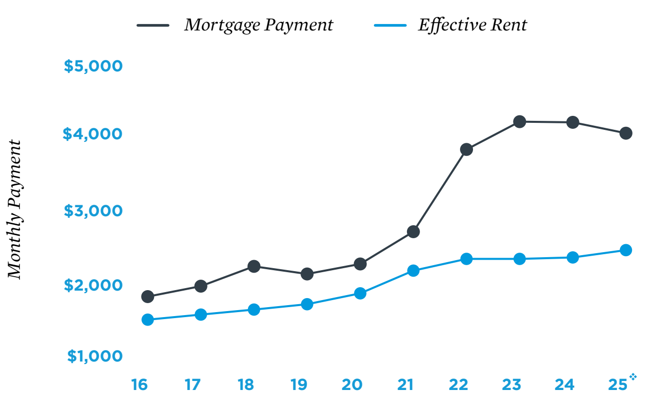
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

RIVERSIDE-SAN BERNARDINO

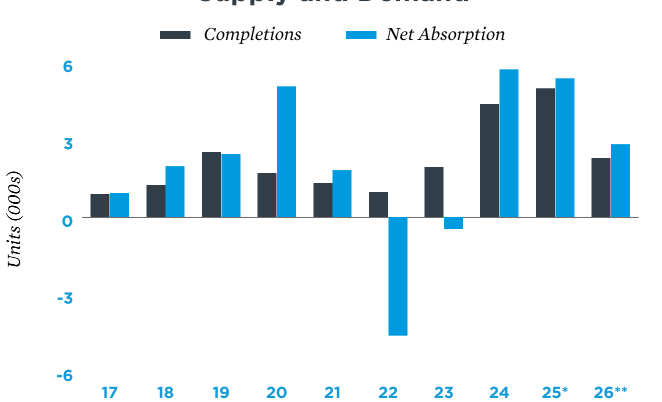
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast ✣ Through 3Q
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Differing Labor Market Effects Driving Demand to Key Submarkets

Rental outlook bright across key Inland Empire submarkets. Less new supply this year removes hurdles in several areas of the market. While vacancy rose above 6 percent last year in the Palm Springs-Coachella Valley submarket, a roughly 60 percent decline in deliveries in 2026 should ease some pressure. Although near-term demand is less apparent amid national logistics challenges that weigh on regional employers, tourism spending and the new Amazon warehouse in Desert Hot Springs are expected to reinforce Class C rental demand. Closer in, Riverside's vacancy rate temporarily rose 50 basis points last year due to a spike in deliveries, but no completions this year should aid lease-up. In San Bernardino, without such stock growth, vacancy compressed to the mid-4 percent range. Metrowide, rental demand could benefit from trade negotiation breakthroughs, reinvigorating hiring, with government and healthcare roles continuing to expand in the interim. This would build upon the market's already relatively low vacancy rate on a national scale.

Western neighborhoods lead in high-price deal flow. The transaction velocity of properties priced above $20 million jumped in 2025, after lulls in the preceding two years. This upswing was driven primarily by institutional-caliber trading in the Greater Ontario-Rancho Cucamonga area and growing activity in the Riverside area. In the former submarket, investors acquired buildings across quality tiers, mostly built before 1990. Given vacancy declines of around 100 basis points in these areas in 2025, buyers this year may turn to these neighborhoods first. The apartments purchased in and around Riverside averaged higher unit counts and tended more toward Class A/B builds. The office vacancy rates declined in these areas last year, as well. Westside cities, such as Ontario, Chino, and Rancho Cucamonga, stood out with reductions in the metric exceeding 100 basis points. This pattern of firm move-ins last year, if it continues in 2026, may attract renter demand and draw institutional investor attention, as well. As in recent years, the metro's comparative affordability relative to Los Angeles will serve as a demand driver, particularly as consumers continue to prioritize cost of living.

21.2%
2025 share of local population between 20 and 34 years old

22.4%
of local population hold bachelor's degree or higher ⌘

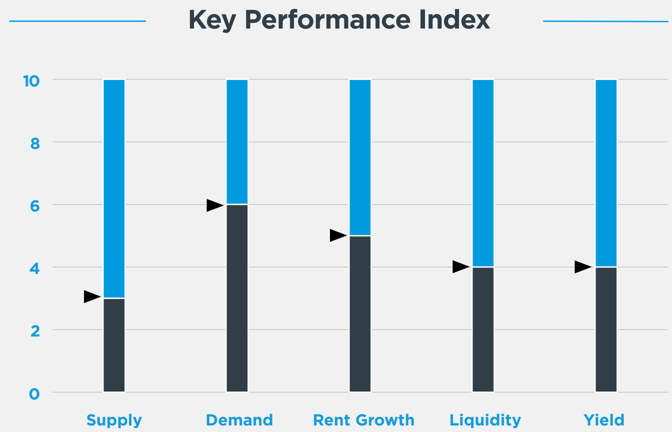
$592,600
2025 median home price✣

Investment Outlook

Tied with Orange County among major California markets for the fastest rate of inventory growth, Riverside-San Bernardino earns a supply score of 3 this year. State-leading net in-migration, nevertheless, supports a demand KPI of 6, an improvement from 2025, and a rent value of 5.

Riverside-San Bernardino's liquidity rating of 4 trails that of nearby Los Angeles and San Diego. However, the Inland Empire's yield KPI of 4 slightly exceeds that of San Diego.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.



2026 MARKET FORECAST

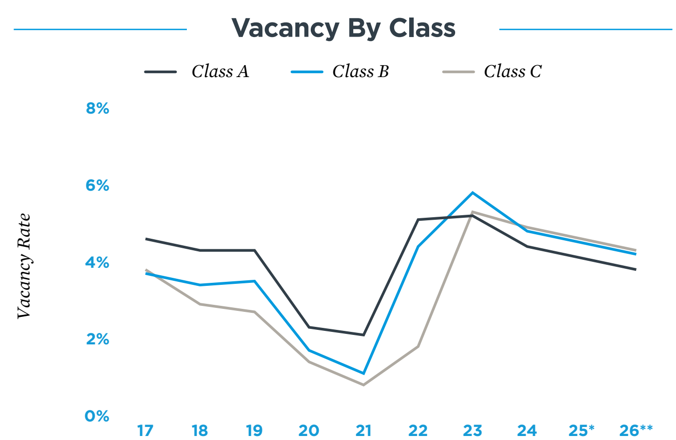
NMI Rank 21

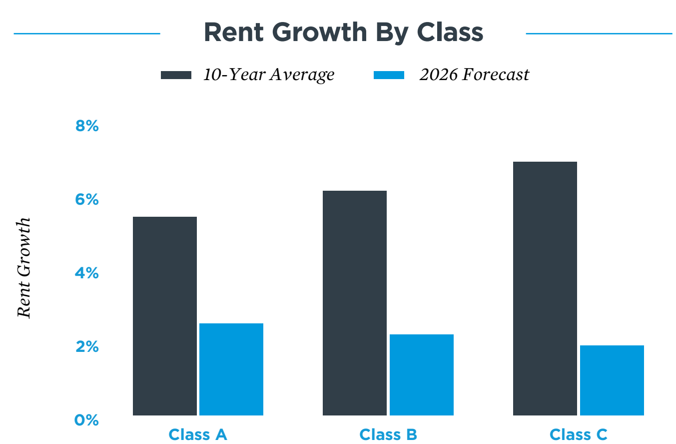
Employment
2,500 *jobs*
Metro 0.1% *U.S.* 0.2%

Construction
% of inventory❖
Metro 1.1% *U.S.* 1.3%

Class A Vacancy
Down 30 bps
Metro 3.7% *U.S.* 4.7%

Class A Rent
$2,685 *per month*
Metro 2.5% *U.S.* 2.1%





** Estimate ** Forecast*
❖ Arrow reflects completions trend compared with 2025
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

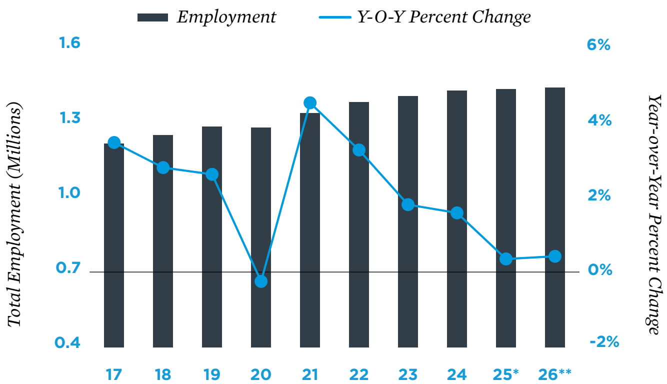
SALT LAKE CITY

Institutions Seeing Promise in Newer Assets in Silicon Slopes and Downtown

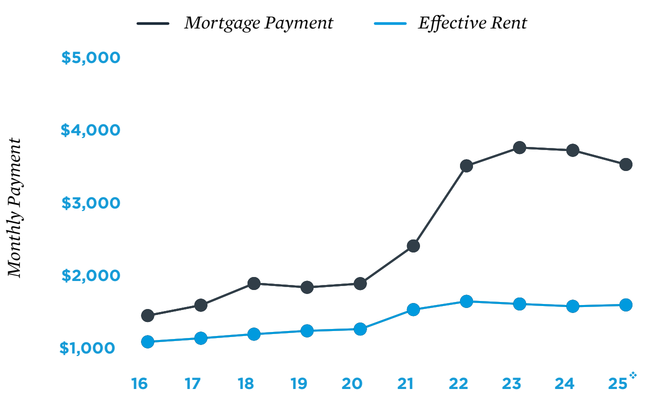
Suburbs lead core in vacancy compression. Last year, vacancy declined more in suburban submarkets, with reductions of over 100 basis points in some cases. Areas already performing well, such as Sandy-Draper and the southwestern communities, including Tooele, should see further improvements this year. In Downtown, the openings of the Astra, Luma, and Worthington apartments have collectively added over 900 luxury units since 2024, which were still not fully leased as of last December. This contributed to the highest prevalence of concessions in the Wasatch Front, ending last year at 50 percent. Fortunately, the 2026 delivery slate there will be 40 percent smaller, with weaker supply growth in the metro as a whole. The market's projected population growth rate, exceeding 1 percent annually over the next five years, will help to absorb surplus units. Vacancy rates should decline for a third successive year, though more modestly than in 2025, remaining the second-lowest metric among major Southwest markets.

Downtown revitalization creating anchors in CBD. The number of marquee projects completed over the past five years has created new entry points for institutional investors across the Wasatch Front. Sales activity for properties over $20 million increased 77 percent last year, with almost half of the market's institutional deal flow involving assets built since 2020. These trades were split between Salt Lake City proper and outlying areas near Draper and Lehi. The metro's high cost of homeownership continues to influence rental demand among middle- and high-income households, likely steering investor interest toward suburbs such as these, which offer access to major employers in the Silicon Slopes. Move-ins late in 2025 by software solutions developers MX and AdvancedMD underscore the desirability of these communities to employers. Downtown, the completion of the first phase of the Delta Center's renovations may encourage more investment activity in the core. Other projects remain in development, including a 6,000-seat live-music venue. As these facilities come online in preparation for the 2034 Winter Olympics, further government infrastructure plans, such as a faster, double-tracked FrontRunner line, could uplift buyer interest in Class A/B properties.

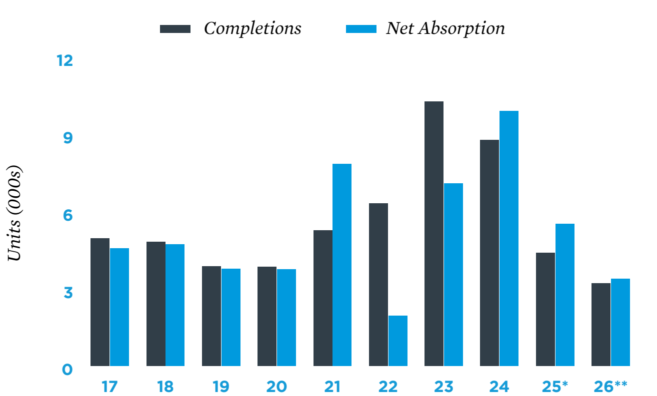
Employment Trends



Housing Affordability Gap



Supply and Demand



25.2%
2025 share of local population between 20 and 34 years old

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of local population hold bachelor's degree or higher ⌘

$532,300
2025 median home price✢

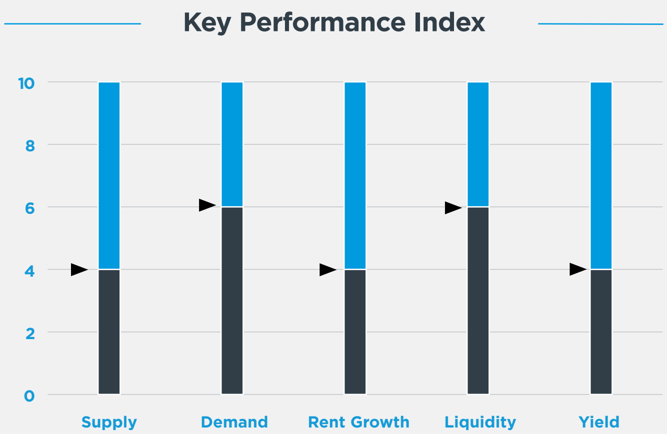
** Estimate ** Forecast ✢ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

Among the trio of ranked Rocky Mountain region markets, Salt Lake City boasts the highest combined total across the supply, demand, and rent scores. Both the metro's supply and demand readings improved over 2025, reaching 4 and 6, respectively, while its rent evaluation stayed consistent at 4.

Salt Lake City's liquidity KPI exceeds that of Phoenix and Denver by one level, although the yield value of 4 trails the other two markets by the same margin. These relative differences nevertheless disguise a multi-year high mean cap rate noted last year.

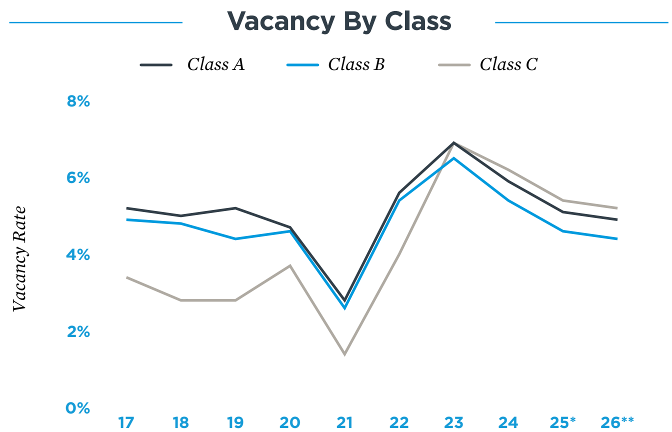
Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

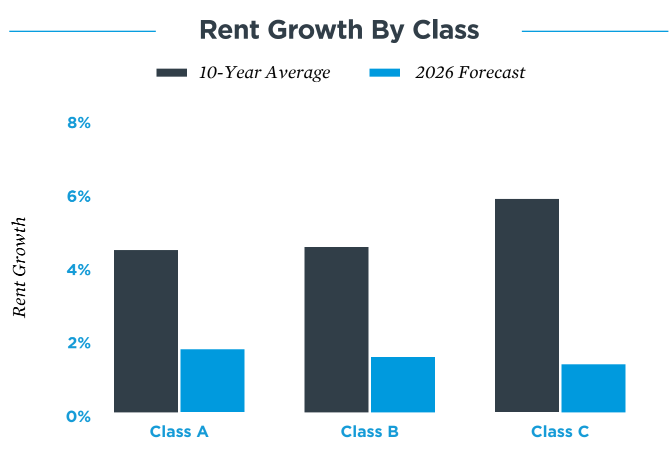


2026 MARKET FORECAST

NMI Rank 20

	Metro	U.S.
Employment 6,000 *jobs*	0.4%	0.2%
Construction *% of inventory*❖	1.9%	1.3%
Class A Vacancy Down 20 bps	4.8%	4.7%
Class A Rent $1,854 *per month*	1.7%	2.1%





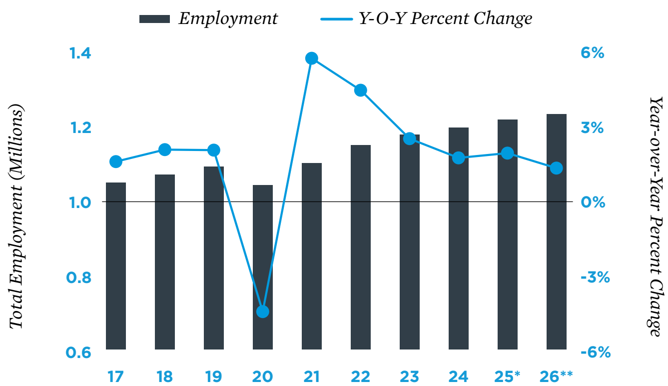
** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

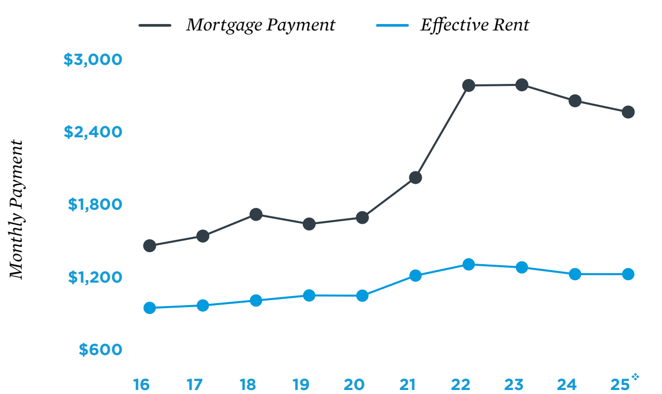
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

SAN ANTONIO

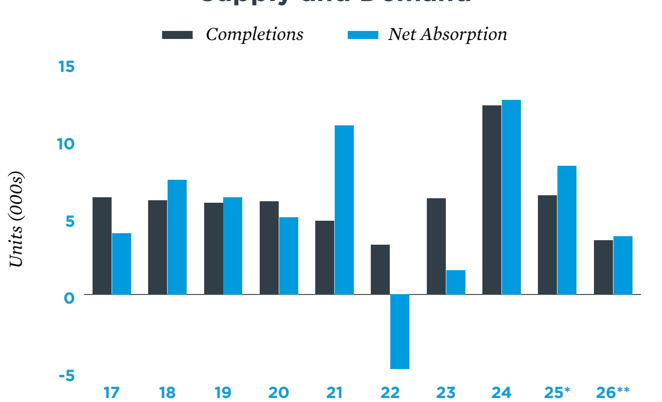
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast ✣ Through 3Q

⌘2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Suburban Strength, Youth Factor, Supply Contraction Signal Turnaround

Rent growth returns as development slows. San Antonio's affordability continues to attract young adults, earning the metro a top-five ranking nationwide for population growth among 20- to 34-year-olds over the past three years. This demographic shift is supporting an expanding job base, with San Antonio projected to rank second in employment growth among major U.S. markets in 2026. Anchored by healthcare, government, and defense sectors, the metro's economy is expected to remain resilient even as national job growth slows. With fewer apartment completions on the horizon, vacancy is projected to stand roughly 200 basis points below its 2023 peak, setting the stage for a reversal of the three-year rent-decline trend. Despite its midsized population and apartment inventory, San Antonio currently has the highest vacancy rate and the lowest average rent among major U.S. metros. This combination suggests upside potential from migration even as new supply continues to contract and demand stabilizes. These conditions are expected to support a more balanced rental market, especially in areas with limited future development.

Investors target outer-ring high-growth submarkets. Investor attention is increasingly focused on San Antonio's Far Northwest and North Central submarkets, which benefit from proximity to major employment centers, particularly in health care. These areas are experiencing strong population growth and the lowest vacancy rates in the metro, contributing to a near doubling of transaction velocity last year. With minimal apartment deliveries expected in 2026, fundamentals in these submarkets should remain tight, offering favorable conditions for institutional investors seeking stable income and reduced lease-up risk. Meanwhile, the Far West submarket is emerging as a growth node, underscored by AT&T's relocation there of its regional headquarters from Downtown side this year. A concentration of middle-income jobs and improving infrastructure enhance its appeal for strategies focused on newer assets. Downtown also warrants attention, as the newly approved San Antonio Spurs stadium and UTSA's ongoing expansion are poised to increase foot traffic downtown and could generate compelling value-add opportunities in the years ahead.

21.5%
2025 share of local population between 20 and 34 years old

30.0%
of local population hold bachelor's degree or higher ⌘

$308,300
2025 median home price✣

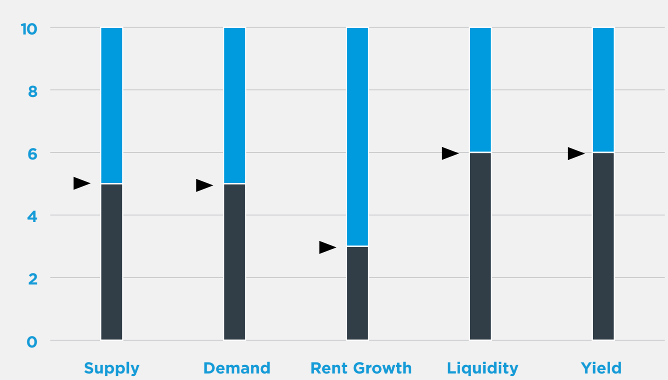
Investment Outlook

A 55 percent reduction in construction activity for 2026 translates into one of the largest one-year improvements in the supply score across the entire KPI set. San Antonio's supply score earns a 5 this year, up from 1 in 2025. Lower new supply pressure, in turn, supports enhanced KPI readings of 5 and 3 for demand and rent, respectively.

San Antonio ties with Dallas-Fort Worth for the lead among the major Texas metros in the liquidity KPI, with a value of 6. Alamo City also records a matching yield score of 6, trailing only Houston. San Antonio's average cap rate hit a decade high in 2025.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 12

Employment — 15,000 *jobs* — *Metro* 1.2% — *U.S.* 0.2%

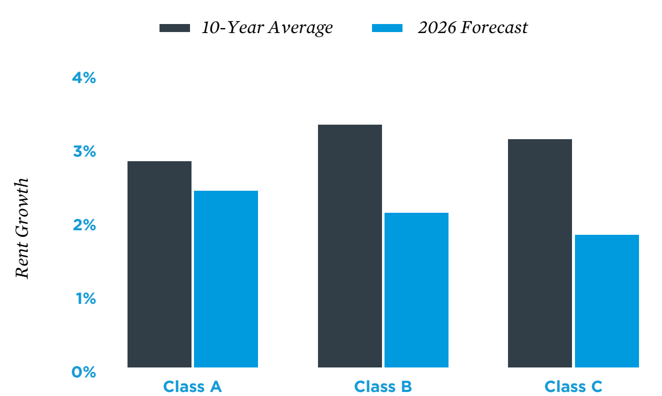
Construction — *% of inventory*❖ — *Metro* 1.4% — *U.S.* 1.3%

Class A Vacancy — Down 20 bps — *Metro* 6.1% — *U.S.* 4.7%

Class A Rent — $1,493 *per month* — *Metro* 2.4% — *U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



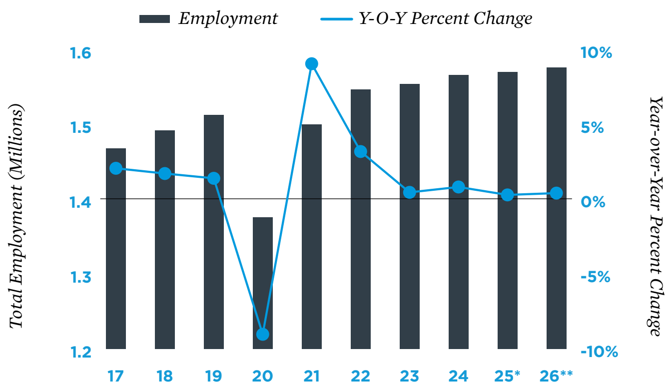
** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

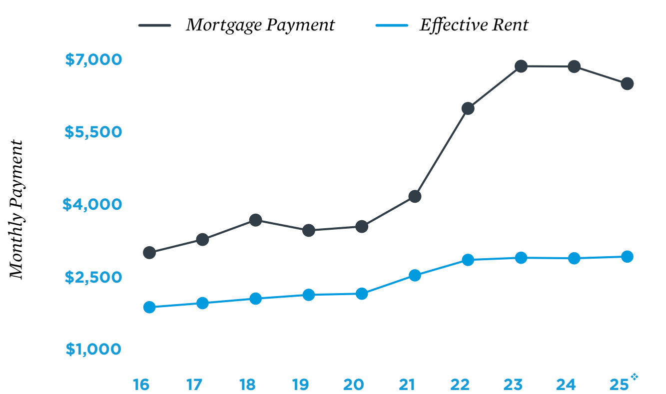
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

SAN DIEGO

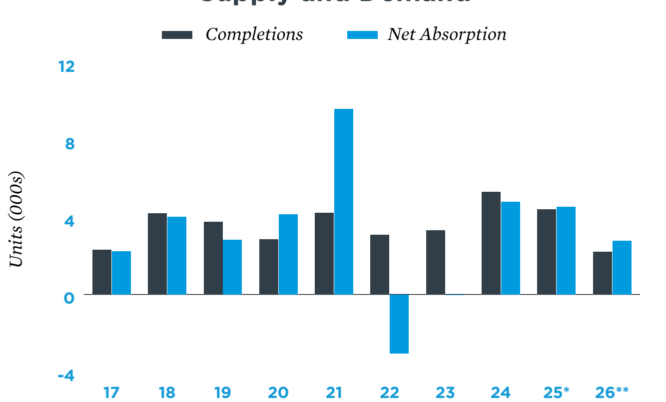
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast ✣ Through 3Q

⌘ 2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Younger Renter Pool, Home Prices Allow Metro to Remain in a Low-Vacancy State

Completions temper outside of still active Balboa Park. San Diego's vacancy rate adjusted nominally over the past three years, remaining in the low-4 percent band, despite adding 13,000 units. The size of the metro's 20- to 34-year-old demographic, who are facing significant barriers to homeownership, is partially to credit for this steadfast demand. Entering 2026, this cohort accounted for 22 percent of the local population, the third-largest share nationally. With San Diego State University, Cal State San Marcos, and the University of California San Diego all posting record enrollment, the metro's younger renter pool should remain sizable. As such, developers are most active in areas popular among recent graduates and other younger professionals — highlighted by the 1,700 units underway in Balboa Park-adjacent neighborhoods, including Bankers Hill. Elsewhere, supply pressure will be generally modest in 2026, with demand exceeding completions. This will counteract the effects the Balboa Park-centered supply wave has on both Class A and overall fundamentals, supporting slight vacancy compression.

Favorable pricing and broad demand fuel investor competition. Vacancy was below 4 percent in two-thirds of San Diego's submarkets at the start of this year. With average rents across these areas ranging from $2,300 to nearly $3,500 per month, renter demand is evident at both ends of the price spectrum. This dynamic is likely to facilitate institutional investment activity across class cuts. Buyers seeking assets built after 2010, where units typically rent for more than $3,200 per month, will scour Downtown San Diego and its adjacent neighborhoods for listings. Over the past two years, pricing for these assets has varied from $300,000 to more than $600,000 per unit, suggesting investors with various entry-cost thresholds should be active. During the same stretch, average pricing for larger Class B and C properties built from 1970 to 1989 held under $300,000 per unit. Historically home to some of the metro's lowest mid- and lower-tier vacancy, cities in East County and North County, including El Cajon and Oceanside, should garner attention. Competition for these assets may heat up if pricing allows buyers to invest in property upgrades after closing.

22.7%
2025 share of local population between 20 and 34 years old

38.9%
of local population hold bachelor's degree or higher ⌘

$977,700
2025 median home price✣

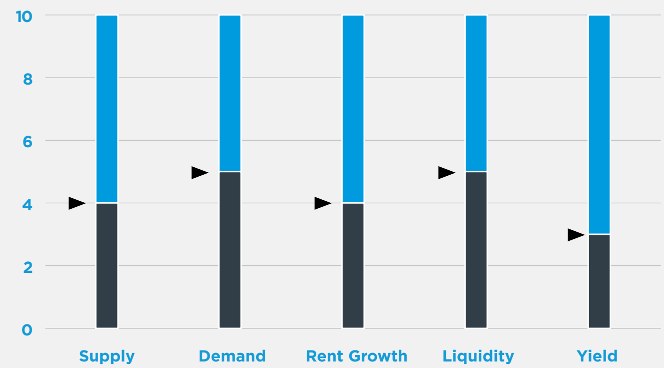
Investment Outlook

Declining vacancy for the second consecutive year will result in a demand KPI of 5, while a halving of the openings slate lifts the 2026 supply score by one rung to 4. An equivalent rent KPI reflects continued modest rent growth in the low 1 percent band, roughly on par with the U.S. average.

San Diego ranks in the middle of the pack among major California markets in terms of its liquidity rating. A KPI of 5 is consistent with last year, while the metro's yield score improves to 3.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 23

Employment 6,000 *jobs* — *Metro* 0.4% — *U.S.* 0.2%

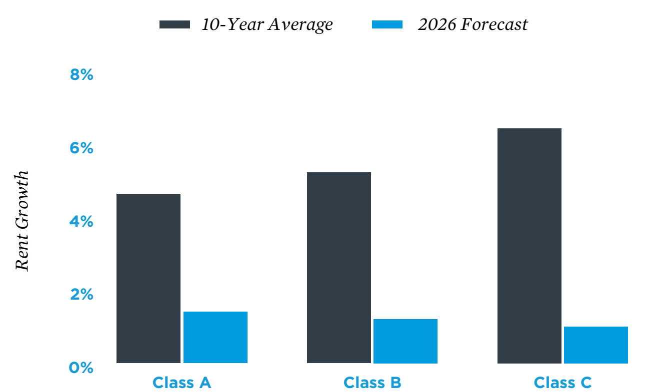
Construction *% of inventory*❖ — *Metro* 0.7% — *U.S.* 1.3%

Class A Vacancy Down 20 bps — *Metro* 4.7% — *U.S.* 4.7%

Class A Rent $3,356 *per month* — *Metro* 1.4% — *U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

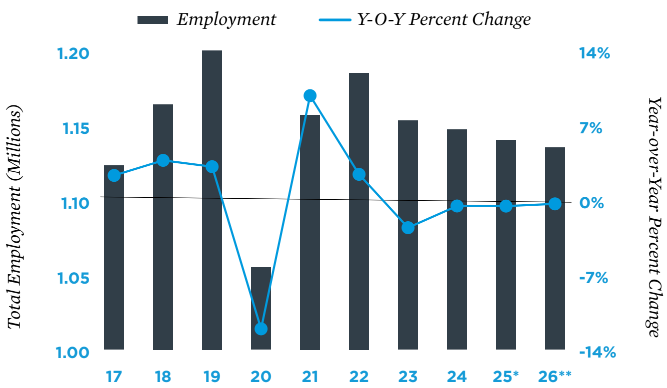
SAN FRANCISCO

The Market's Hurdles Fall Further into the Rear View

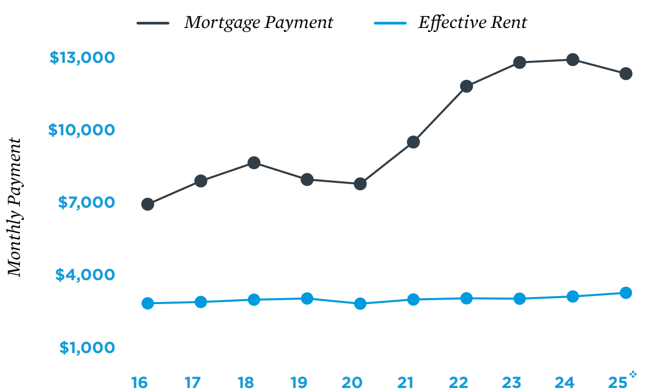
The metro's post-pandemic progress reaches new phase. San Francisco's multifamily market is expected to stabilize in 2026 after a strong 2025, which saw a triple-digit basis-point drop in vacancy. The city's expanding role in AI and tech innovation — driven by startups drawn to downtown — continues to generate high-paying jobs and reinforce renter demand. As a result, rent growth has been strongest in downtown submarkets such as SoMa and Mission Bay, both of which posted year-over-year gains exceeding 10 percent in late 2025. Higher-income renter demand is evident in Class A performance, with the average monthly rent up nearly 10 percent metrowide. By contrast, San Mateo-Burlingame has seen Class A vacancy climb above 10 percent, reflecting slower growth in high-paying jobs locally. However, Class B and C vacancy rates remain below 4 percent in this area as of late 2025, keeping San Mateo's overall countywide vacancy rate comparable to San Francisco's. Still, these dynamics underscore the diverging momentum ahead between suburban areas and the urban core.

Capital flows improving. Investor activity accelerated in San Francisco last year, with the metro recording its highest annual transaction count since 2020. Among major U.S. markets, only San Jose experienced this level of recent improvement, underscoring renewed confidence in the Bay Area's long-term fundamentals. Even as new zoning reforms aim to expand future development, existing properties priced below replacement cost remain attractive to institutional buyers. Sales activity increased across the CBD and nearby infill neighborhoods, with transaction volume doubling in areas such as Sunset-Lakeshore, Haight-Ashbury, Noe Valley-Mission District, Marina-Pacific Heights, and Downtown San Francisco. Meanwhile, activity remained flat in cities across San Mateo County, where fundamentals have softened slightly among Class A and B properties. Still, vacancy rates and rent growth for Class C assets remain steady amid solid demand for affordable units. With the metro's average price per unit still 25 percent below peak levels from 2019 and 2020, institutional investors bullish on the region's innovation economy may find compelling acquisition opportunities, particularly in supply-constrained submarkets with strong long-term demand drivers.

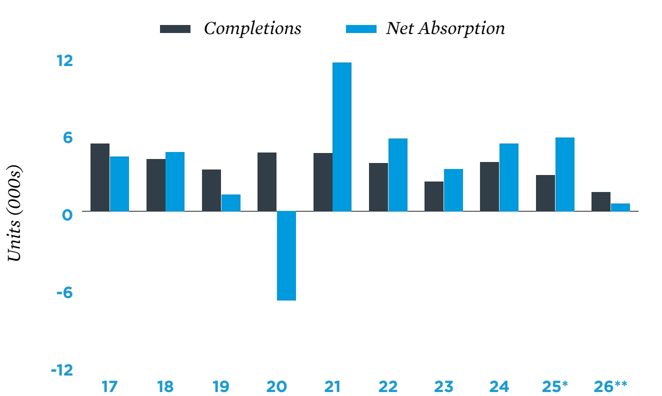
Employment Trends



Housing Affordability Gap



Supply and Demand



22.2%
2025 share of local population between 20 and 34 years old

52.7%
of local population hold bachelor's degree or higher ⌘

$1,866,400
2025 median home price✣

** Estimate ** Forecast ✣ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

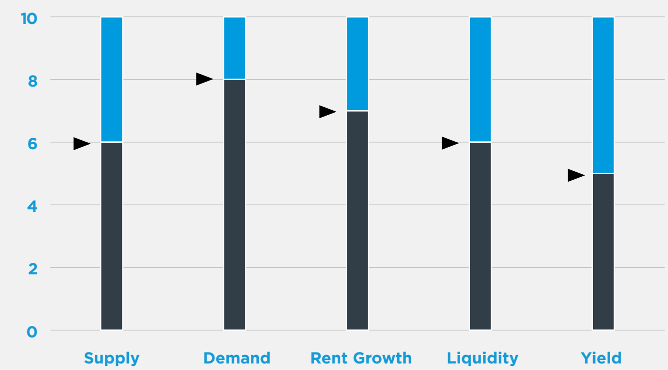
Investment Outlook

While San Francisco's five-year stretch of robust net absorption may finally lose some steam in 2026, a below-national vacancy rate still translates into a robust demand KPI of 8. Combined with a supply score of 6, the market earns a rent evaluation of 7, the highest among major West Coast metros.

San Francisco's liquidity score advances two rungs this year to 6, while the yield KPI stays at 5. While at a 13-year high, the metro's average cap rate has been stabilizing amid greater transaction activity and modestly lower borrowing costs.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 8

Employment -4,500 *jobs* — *Metro* -0.4% — *U.S.* 0.2%

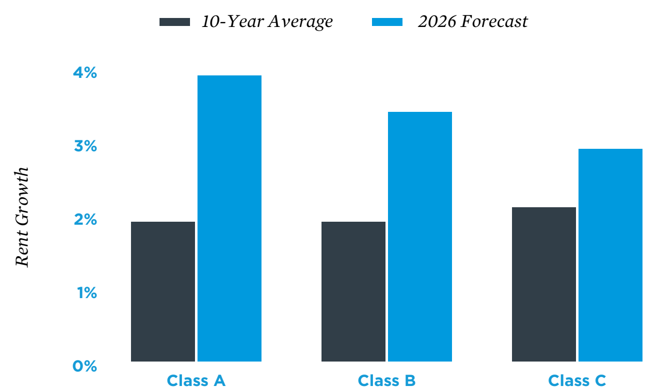
Construction *% of inventory*❖ — *Metro* 0.5% — *U.S.* 1.3%

Class A Vacancy Up 30 bps — *Metro* 7.1% — *U.S.* 4.7%

Class A Rent $4,208 *per month* — *Metro* 3.9% — *U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

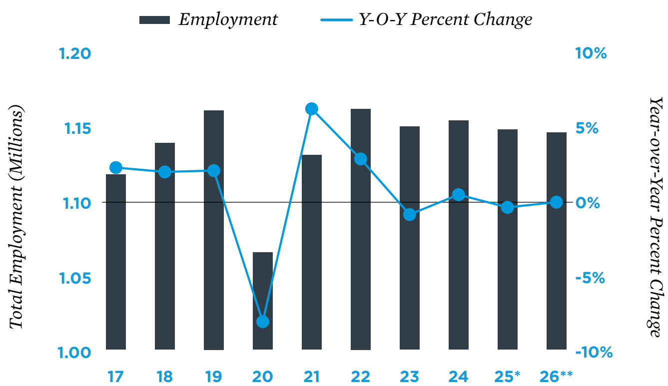
SAN JOSE

Drop in Tech Sector Wealth and Supply Drive Occupancy Gains in San Jose

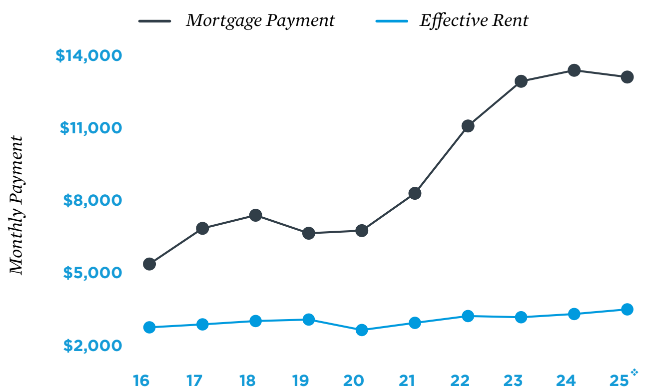
Rent growth leads in core Silicon Valley submarkets. San Jose remains one of the least vacant multifamily markets nationwide, supported by limited land availability and elevated home prices that continue to push demand toward rentals. This constrained supply growth, paired with numerous high-paying tech jobs, supports one of the strongest rent-growth projections among major U.S. metros for 2026. Submarket performance remains uneven: Mountain View, Palo Alto, Los Altos, and North Sunnyvale — the heart of Silicon Valley — posted near-3 percent vacancy rates in late 2025, with rent growth exceeding 6 percent year-over-year. In contrast, East and South San Jose, which have notably lower median household incomes, saw rent increases below 2 percent. These trends of divergence are expected to continue in 2026 if tech momentum holds, though a broader sector slowdown could disproportionately affect the metro due to its concentrated employment base. Still, the steep drop in apartment deliveries — with the 2026 pipeline just 10 percent of 2025's volume — should help stabilize multifamily fundamentals even if demand softens, particularly in supply-constrained submarkets.

Repositioning opportunities emerging as a 2026 theme. Multifamily transaction activity surged in San Jose last year, especially in wealthier submarkets, with sales doubling year-over-year in Mountain View, Sunnyvale, and Palo Alto, and tripling in Santa Clara, Cupertino, and Los Gatos. Downtown San Jose remained steady, reflecting consistent investor interest in the urban core. Buyers are increasingly targeting older assets with repositioning potential, as transaction volume rose sharply among pre-1970s buildings while declining for post-2000s properties. With higher-end units posting stronger rent growth, investors can capture greater upside by converting older rent-stabilized units to market-rate space, particularly those located near major employment hubs. Looking ahead, tech-driven capital is expected to continue flowing into Western San Jose, where fundamentals remain tight. Meanwhile, East and South San Jose may attract investors seeking lower entry costs and value-add opportunities in a market where pricing remains elevated.

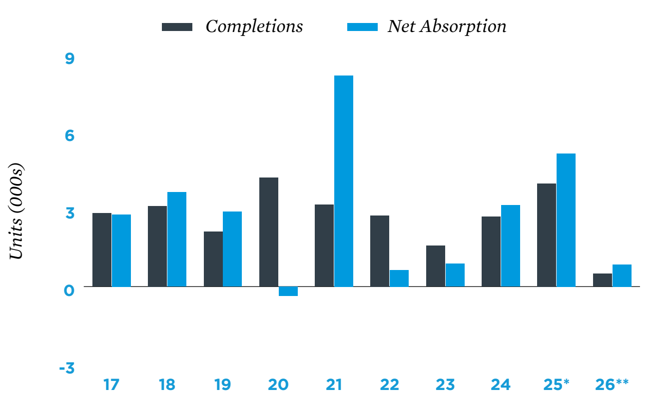
Employment Trends



Housing Affordability Gap



Supply and Demand



22.2%
2025 share of local population between 20 and 34 years old

52.1%
of local population hold bachelor's degree or higher ⌘

$1,986,400
2025 median home price✣

** Estimate ** Forecast ✣ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

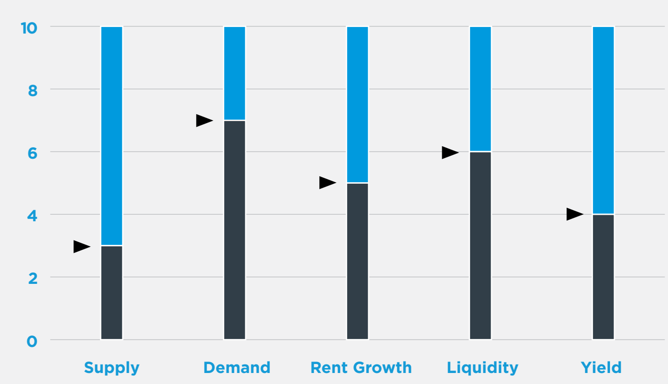
Investment Outlook

While San Jose contends with a supply score of 3 this year, lower than its regional neighbors, the market still boasts a demand rating of 7. The demand rating is among the higher values in that category this year, and it is supporting rent growth of more than 4 percent in 2026 and the associated KPI rating of 5.

San Jose joins the rest of the Bay Area in a liquidity score of 6 as the region's ongoing post-pandemic recovery stands out amid quieter momentum in some other parts of the country. High entry costs, nevertheless, translate into a yield KPI of 4.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 4

Employment -2,000 *jobs* — *Metro* -0.2% — *U.S.* 0.2%

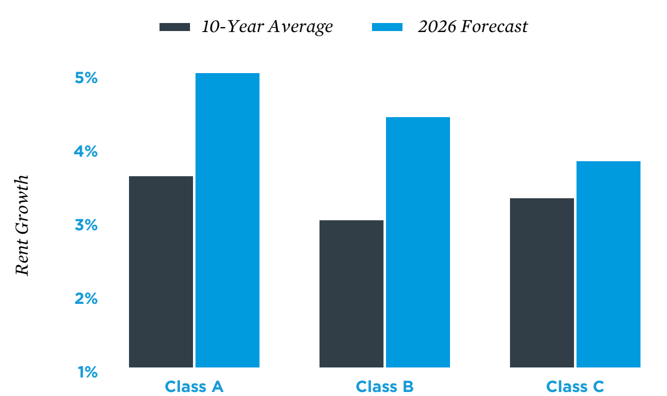
Construction *% of inventory*❖ — *Metro* 0.3% — *U.S.* 1.3%

Class A Vacancy Down 20 bps — *Metro* 4.8% — *U.S.* 4.7%

Class A Rent $4,235 *per month* — *Metro* 5.0% — *U.S.* 2.1%

Vacancy By Class

Rent Growth By Class



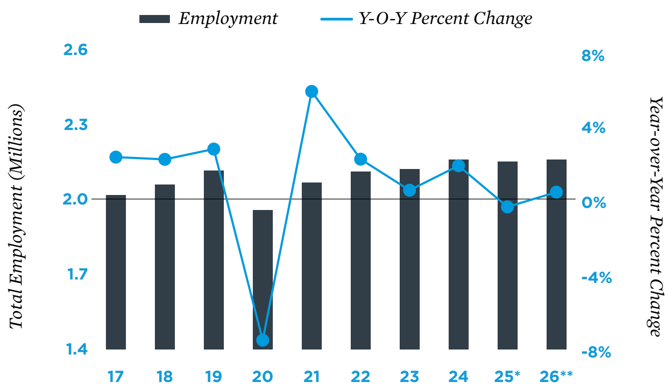
** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

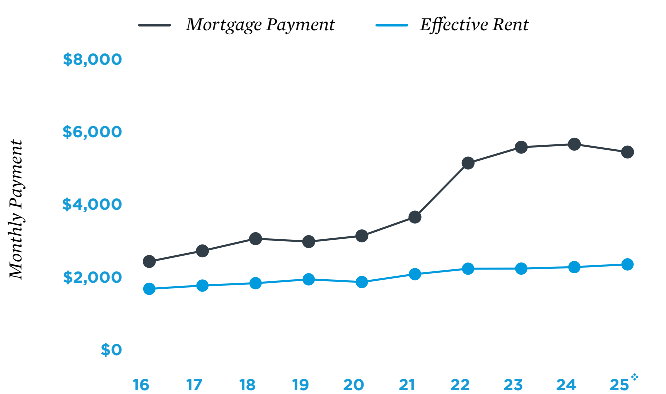
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

SEATTLE-TACOMA

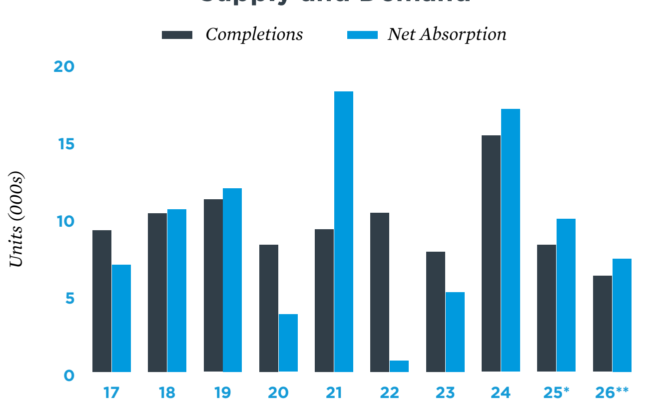
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast ✣ Through 3Q
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Pattern of Vacancy Compression Draws Investors to Major Urban Centers

Leasing outpacing openings in supply-pressured submarkets. Vacancy has compressed since 2024 across the largest submarkets in Seattle proper and is likely to continue to a lesser extent this year. South Lake Union and Queen Anne both returned to around 4.0 percent vacancy rounding out last year, as net absorption accelerated past deliveries. However, some submarkets, such as Capitol Hill, the University District, and Downtown Seattle, had concessions applied to around 25 percent of local units. Tapering deliveries should ease that pressure in the former areas, but Downtown Seattle is slated to receive similar new stock this year, which could weigh on local fundamentals. Demand drivers from population expansion and labor market growth are expected to soften overall, although the region's AI industry presents some upside. The number of open tech positions in the metro has favored roles that require AI skills. Hiring increases among firms related to creating and operating AI tools could drive Class A demand in metro areas where tech firms concentrate, including the Eastside.

Heightened sales activity near high-skill employment hubs. The market's deal flow grew in 2025, especially at prices above $20 million. In about a quarter of those transactions, buyers closed on complexes with fewer than 100 units, mostly in higher-rent submarkets around the city center. South of Seattle, in cities like Burien and Renton, investors penciled deals on Class B/C buildings constructed between 1965 and 1990. Vacancy has fallen in the lower tiers in these submarkets. Employment in logistics-related roles held its ground last year amid international trade tensions, potentially reinforcing confidence in workforce housing near Seattle-Tacoma International Airport this year. Across Lake Washington, in Bellevue and Redmond, institutional activity expanded modestly, as a cohort of national investors typically acquired Class A facilities built or renovated post-2000. Major corporate employers are steadily absorbing unoccupied office space on the metro's east side, highlighted by a new Walmart corporate office in Bellevue last year. If local workplace demand drivers intensify in 2026, sales activity in the area may rise as well.

22.7%
2025 share of local population between 20 and 34 years old

43.3%
of local population hold bachelor's degree or higher ⌘

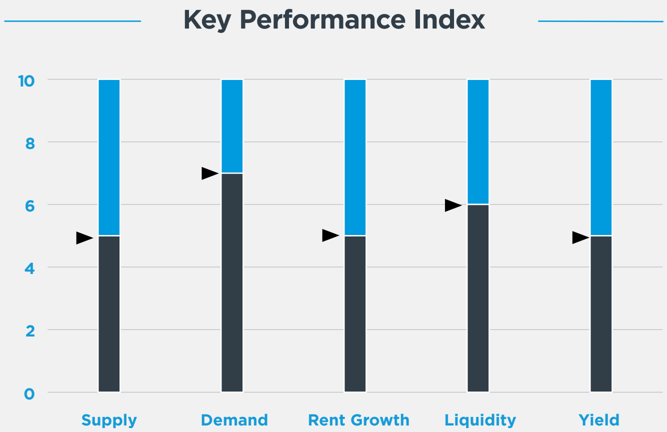
$788,100
2025 median home price✣

Investment Outlook

The market matches neighbor Portland with a rent score of 5 this year, as a top-half demand KPI of 7 pairs well with a supply reading of 5 to support higher effective rents in 2026. Both the supply and demand readings improved from last year, when existing inventory expanded by close to 2 percent.

Seattle-Tacoma joins the Bay Area and Portland on the West Coast in reporting a KPI of 6 for the liquidity category. The market's yield score is comparatively lower at 5, which, nevertheless, marks an improvement of one level from the 2025 calculation.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.



2026 MARKET FORECAST

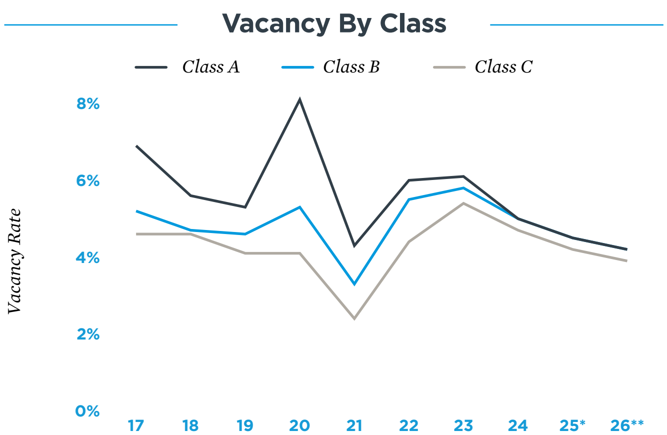
NMI Rank 5

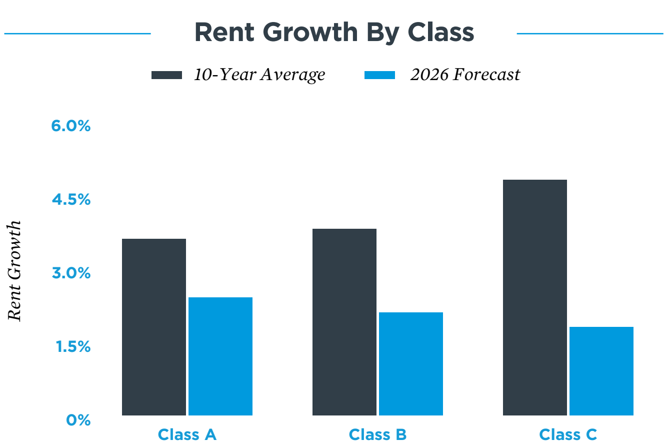
Employment
8,000 *jobs*
Metro	U.S.
0.4%	0.2%

Construction
% of inventory❖
Metro	U.S.
1.4%	1.3%

Class A Vacancy
Down 30 bps
Metro	U.S.
4.1%	4.7%

Class A Rent
$2,776 *per month*
Metro	U.S.
2.4%	2.1%





** Estimate ** Forecast*
❖ Arrow reflects completions trend compared with 2025
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

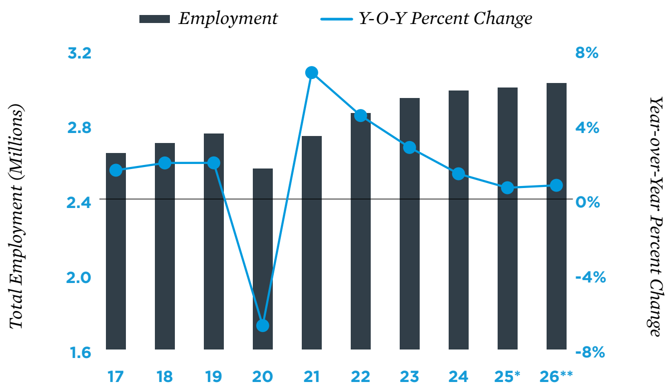
SOUTHEAST FLORIDA

Tight Class A Conditions Sustain Investor Interest in Southeast Florida

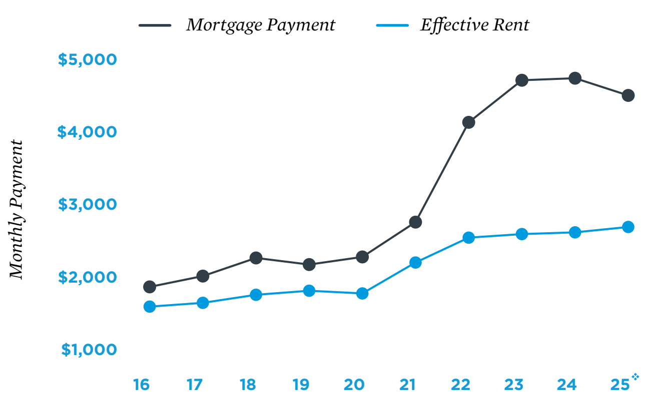
Urban-core strength reinforces recovery. Amid a softening labor market and moderating immigration, Southeast Florida's multifamily landscape remains on a solid footing, particularly as homeownership barriers continue to steer higher-income residents toward rentals. Class A vacancy in the region fell by more than 100 basis points in 2025 to below 6 percent, dropping close to the local Class B rate and a three-year low. This tightening has helped rents firm up among higher-end properties, aided by rising retention and signaling a more balanced supply-and-demand environment. Strong growth in office-using employment across the region's commercial districts should continue to anchor rental demand, underscored by record office leasing in West Palm Beach in late 2025. This momentum is expected to reinforce net absorption as completions increasingly concentrate in urban cores. Meanwhile, suburban areas are experiencing a faster pullback in construction but could face greater exposure to weak job growth among lower-income workers. Miami-Dade County's large foreign-born population may also heighten vulnerability to tighter immigration policies. Even so, Southeast Florida's deep employment base and slowing delivery pipeline should sustain measured yet durable performance in 2026.

Investment broadens as tight vacancy bolsters outlook. Southeast Florida remained a popular destination for institutional investors in 2025, with many gradually increasing their holdings as supply pipelines contracted. The region has maintained low Class A vacancy rates compared to several other Sun Belt metros, keeping modern assets highly sought after. In 2026, suburban properties are expected to remain key investment targets, despite near-term headwinds, supported by limited construction and persistent homeownership barriers. South Miami suburbs such as Kendall attracted increased capital in 2025 as development slowed, while Fort Lauderdale suburbs like Plantation could draw more investors following the recent absorption of ample new supply. At the same time, more buyers are reentering urban cores such as Downtown Miami and Boca Raton — the latter registering near-record sales volume in 2025 — signaling renewed confidence in premium assets. Easing monetary policy could further lift sales in 2026, though debt assumptions and all-cash acquisitions are likely to remain prevalent.

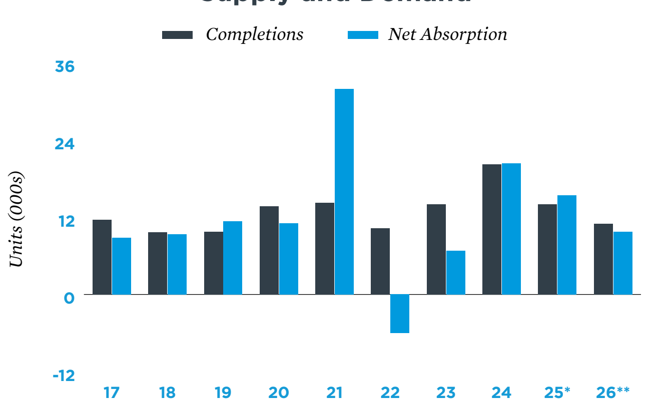
Employment Trends



Housing Affordability Gap



Supply and Demand



18.8%
2025 share of local population between 20 and 34 years old

31.4%
of local population hold bachelor's degree or higher ⌘

$619,200
2025 median home price✣

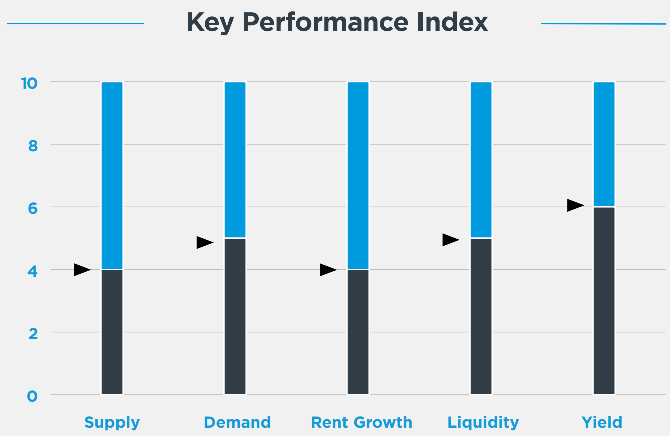
** Estimate ** Forecast ✣ Through 3Q*
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

West Palm Beach leads its regional neighbors in the supply KPI with a score of 6, double that of Fort Lauderdale and Miami-Dade. The three Southeast Florida metros align more closely with demand KPIs ranging from 5 to 6, with Fort Lauderdale and Miami's rent values of 4 trailing Palm Beach County's score of 5.

Miami-Dade distinguishes itself in the region with the highest liquidity score of 6, which matches its yield rating of 6. West Palm Beach holds the same yield value, but a lower liquidity of 5. Fort Lauderdale holds a rank of 5 for both liquidity and yield.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.



2026 MARKET FORECAST

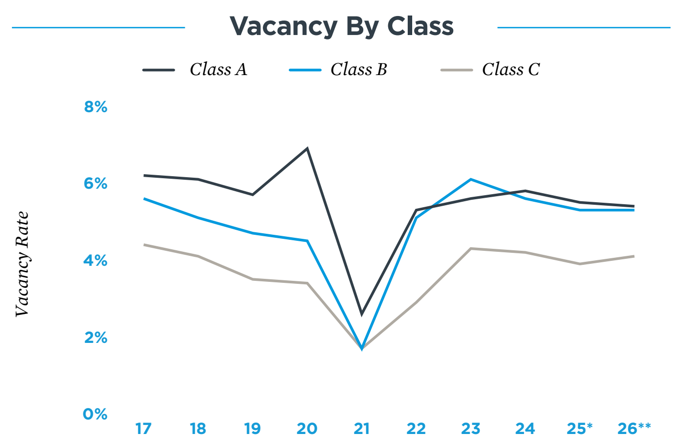
NMI Rank 1

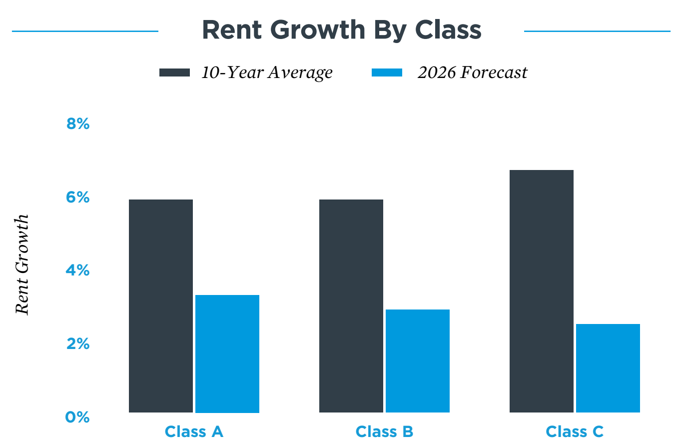
Employment
22,000 *jobs*
Metro 0.7% *U.S.* 0.2%

Construction
% of inventory❖
Metro 1.6% *U.S.* 1.3%

Class A Vacancy
Down 10 bps
Metro 5.3% *U.S.* 4.7%

Class A Rent
$3,307 *per month*
Metro 3.2% *U.S.* 2.1%

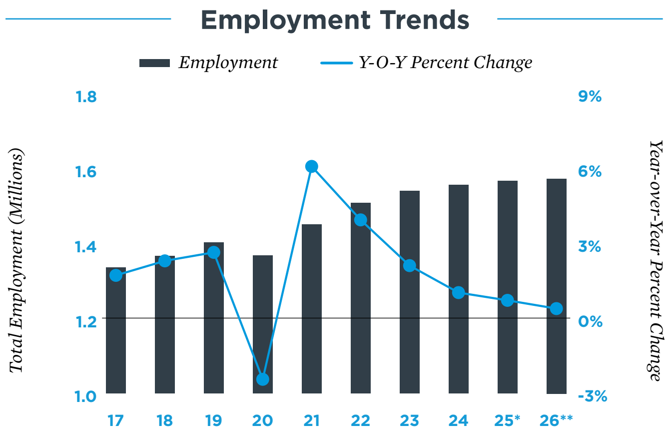


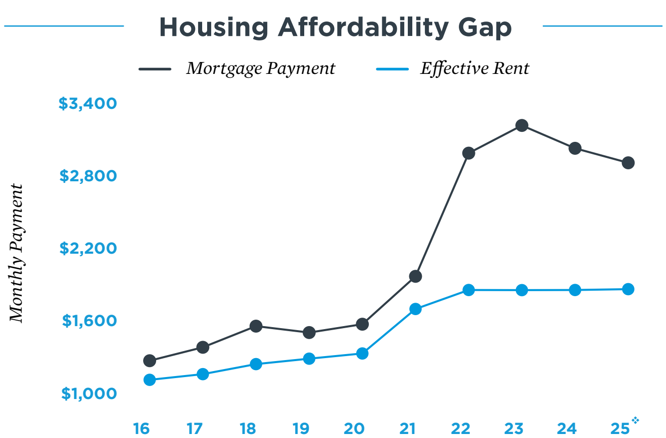


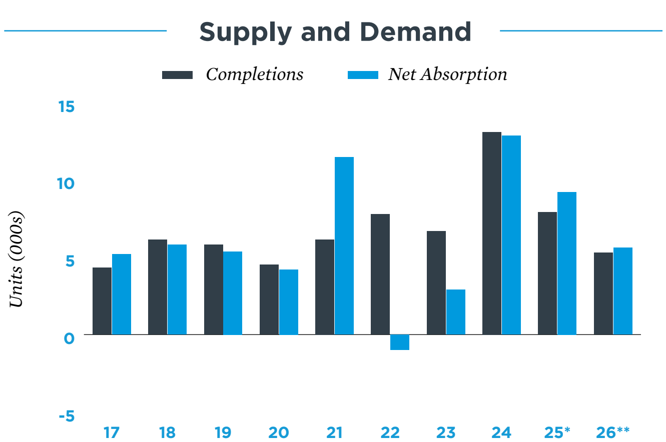
** Estimate ** Forecast*
❖ Arrow reflects completions trend compared with 2025
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

TAMPA-ST. PETERSBURG

Slowing Construction and In-Migration Influence Fundamental Outlook







* Estimate ** Forecast ⁺ Through 3Q
⌘2025: 25+ years old
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Transitioning conditions take shape. Tampa's apartment market is rebalancing as shifts in supply and demand take hold. On the demand side, select submarkets, such as Hernando and Pasco counties, continue to attract an outsize share of new residents. But the broader slowdown in Sun Belt in-migration is evident in the metro, which is projected to post its slowest annual population growth since 2011. This cooling has already contributed to sharply reduced net absorption figures in the second half of 2025, following six consecutive quarters above 2,000 units. The trend was most apparent in Class B/C assets, as Class A properties recorded a steeper vacancy decline in 2025, despite all tiers remaining in the 5 percent to 6 percent range heading into 2026. On the supply side, slowing deliveries should bring relief to areas that faced heavy construction in recent years, including West Pasco County-Hernando, the Peninsula, and South St. Petersburg. Conversely, submarkets such as Central Tampa and New Tampa-East Pasco County will continue to see elevated completions, likely pushing local vacancy rates higher through 2026. In both cases, however, no deliveries are currently scheduled for 2027, offering a more favorable longer-term outlook.

North St. Petersburg investment appeal stands out. Tampa's buyer mix leaned further toward private capital as institutions pulled back some in 2025 amid an uptick in transaction velocity fueled by both Class B and C deals under $10 million. This trend may continue in the near term, particularly in Class C, where rent growth has outperformed the other tiers in recent years. Since 2022, the mean Class C rent has climbed 11 percent, compared with a 6 percent increase in Class A properties and a modest decline in Class B. Across submarkets, central Pinellas and North Tampa continued to account for the largest share of trades exceeding $20 million. However, North St. Petersburg could see higher-capital investment activity increase. The area recorded one of the steepest Class A vacancy declines and fastest rent growth rates among submarkets in the segment in 2025. Additionally, ongoing improvements to the Howard Franklin Bridge and Interstate 275 are enhancing connectivity, which may further strengthen demand and bolster investor confidence in the corridor.

18.8%
2025 share of local population between 20 and 34 years old

31.4%
of local population hold bachelor's degree or higher ⌘

$394,900
2025 median home price⁺

Investment Outlook

Operational KPIs improve across the board in Tampa-St. Petersburg this year relative to 2025, as a five-year-low delivery slate leads to the third consecutive annual vacancy decline. The resulting supply score of 4 and demand score of 5 align with a rent score of 4, reflecting an increase in the monthly rate above the U.S. pace.

As with the other major Florida markets, Tampa receives KPI ratings for liquidity and yield near the middle of the spectrum, at 5 for both. The metro boasts a similar mean cap rate to West Palm Beach, but at a lower average entry cost.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index

2026 MARKET FORECAST

NMI Rank 9

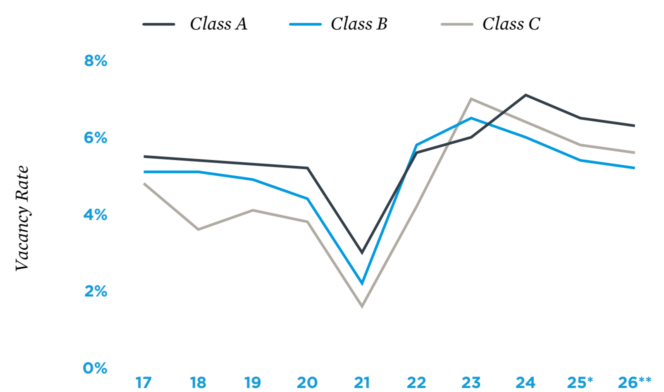
Employment
6,000
jobs
Metro 0.4% *U.S.* 0.2%

Construction
% of inventory❖
Metro 1.8% *U.S.* 1.3%

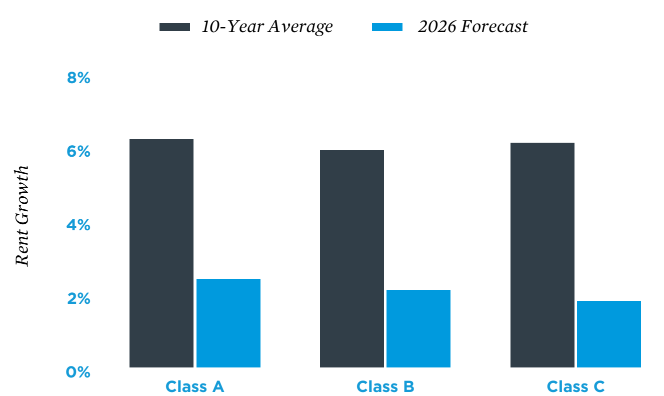
Class A Vacancy
Down 20 bps
Metro 6.2% *U.S.* 4.7%

Class A Rent
$2,575
per month
Metro 2.4% *U.S.* 2.1%

Vacancy By Class



Rent Growth By Class



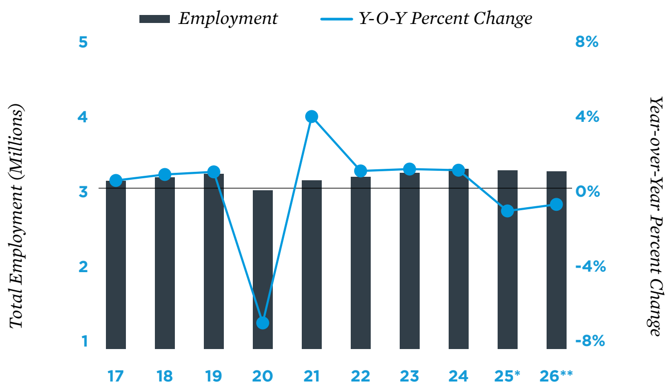
** Estimate ** Forecast*

❖ Arrow reflects completions trend compared with 2025

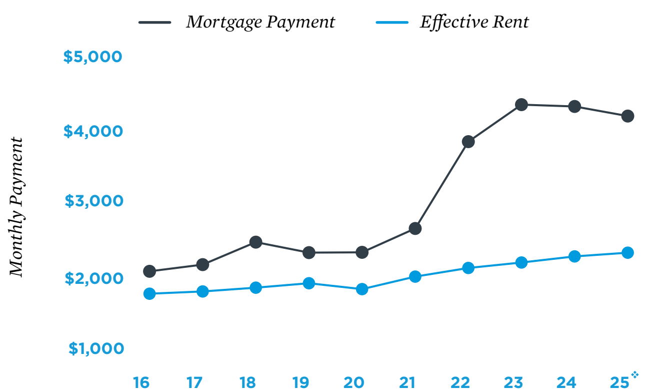
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

WASHINGTON, D.C.

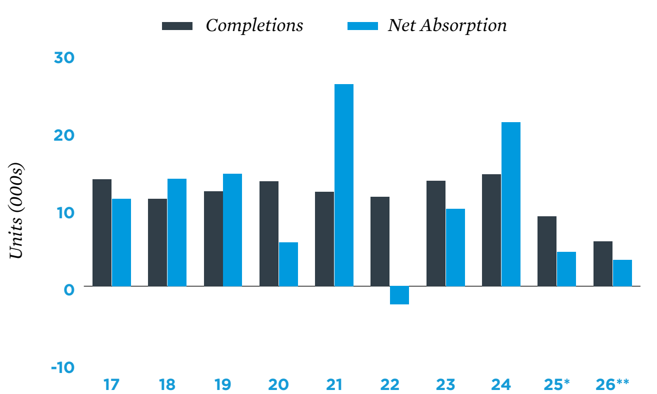
Employment Trends



Housing Affordability Gap



Supply and Demand



*Estimate ** Forecast ✣ Through 3Q*

⌘2025: 25+ years old

Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Policy Tailwinds in Store for Sales Market as Supply, Employment Concerns Abate

Select submarkets shrug off labor market challenges. The metro's job losses last year weighed on leasing, but not enough to fully reverse vacancy rate reductions from 2024. Federal workforce cuts have also had second-order effects on white-collar firms that employ Class A/B renters, reducing professional services positions by slightly more than government jobs were reduced. However, fewer roles are projected to be shed in 2026, and some submarkets, such as North Central D.C. and the Reston-Herndon area, have already seen declining Class A/B vacancy rates under these pressures. That momentum may continue this year. Separately, a handful of areas may benefit from acute supply pullbacks. In the Navy Yard-Capitol Hill South submarket last year, new supply pushed the vacancy rate into the 6 percent band. A nearly blank slate due in 2026, however, will give existing properties a reprieve. The Hyattsville-Riverdale area and Bethesda-Chevy Chase will also see this dynamic, though at a smaller scale. This should help mid- and upper-tier properties sustain occupancy levels even as the metro navigates ongoing headwinds.

Policy changes may catalyze trading. While overall transaction velocity rose in 2025, momentum in the $20 million-plus price tranche remained little changed. The D.C. City Council's RENTAL Act, passed last fall, is likely to influence trades this year. It includes an exemption from the Tenant Opportunity to Purchase Act (TOPA) right-of-first-refusal process for apartments built less than 15 years ago that could reduce deal timelines. Court-procedure reforms could also benefit operations at certain properties. Last year, before the passage of the RENTAL Act, Public REITs accounted for a little more than half of institutional-grade deal flow. In this period, such buyers commonly targeted buildings completed in the 21st century. Outside the core, investors may look to Northern Virginia's West Fairfax County, which includes Centreville and Chantilly. Vacancy rates here were below 4 percent at the end of 2025. Move-ins by the DEA and AT&T created varied employment opportunities and renter demand last year. An IKEA planned for this spring highlights corporate confidence in the area's residential base, potentially drawing more investors toward this Class B-oriented submarket.

20.2%
2025 share of local population between 20 and 34 years old

49.2%
of local population hold bachelor's degree or higher ⌘

$637,800
2025 median home price✣

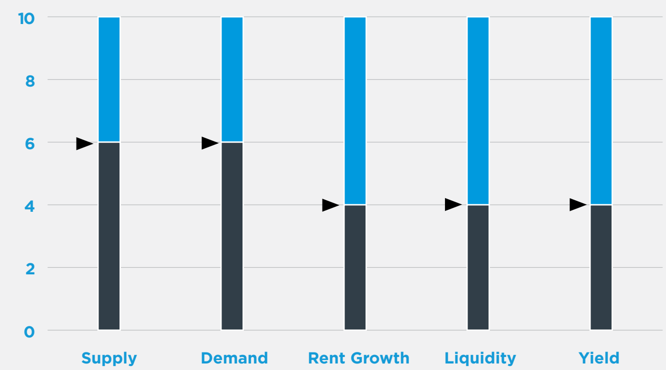
Investment Outlook

Washington, D.C., registers matching scores of 6 for supply and demand, indicating the market is experiencing less-than-average pressure from completions while vacancy rises by less than last year. This closer balance, however, takes some momentum out of rent growth, translating into a lower rent score of 4.

The liquidity and yield scores for the nation's capital remain unchanged at 4 for 2026. Holding in the mid-5 percent zone last year, the lowest average cap rate in the Mid-Atlantic may limit some more yield-oriented investors' options.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1 to 10 for five key metrics. Scores above 5 signal outperformance on the relative scale while scores below 5 indicate underperformance.

Key Performance Index



2026 MARKET FORECAST

NMI Rank 33

Employment
-10,000
jobs
Metro -0.3%
U.S. 0.2%

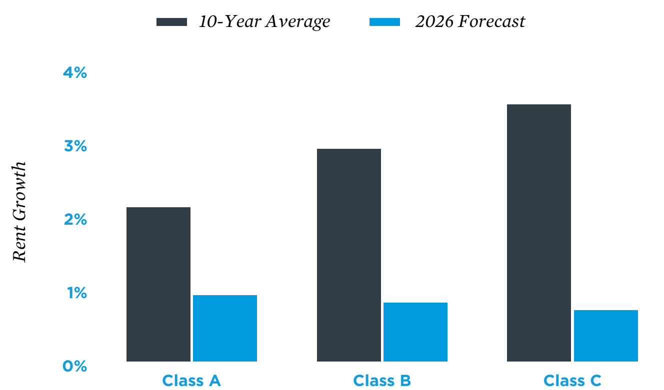
Construction
% of inventory❖
Metro 0.8%
U.S. 1.3%

Class A Vacancy
Up 30 bps
Metro 5.4%
U.S. 4.7%

Class A Rent
$2,924
per month
Metro 0.9%
U.S. 2.1%

Vacancy By Class

Rent Growth By Class



** Estimate ** Forecast*
❖ Arrow reflects completions trend compared with 2025
Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics

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[1] National Multifamily Index Note: Employment and apartment data forecasts for 2026 are based on the most up-to-date information available as of December 2025 and are subject to change.

[2] Statistical Summary Note: Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of December 2025. Effective rent is equal to asking rent less concessions. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and apartment data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.

Sources: IPA Research Services; CoStar Group, Inc.; Federal Reserve; Joint Center for Housing Studies at Harvard University; Las Vegas Convention and Visitors Authority; Migration Policy Institute; Moody's Analytics; Mortgage Bankers Association; National Association of Home Builders; National Association of Realtors; National Investment Center for Seniors Housing and Care; National Travel and Tourism Office; Nareit; New York Rent Guidelines Board; Pew Research Center; Preqin; The Palm Beaches; Real Capital Analytics; RealPage, Inc.; U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; U.S. Census Bureau; various city and government websites; Yardi Matrix; ZipRecruiter

STATISTICAL SUMMARY

Market Name	Employment[2]				Completions[2]				Class A Vacancy[2]				Class A Rent[2]				Share of Sales Volume ($15M+)[2]			Market Name
	2023	2024	2025*	2026**	2023	2024	2025*	2026**	2023	2024	2025*	2026**	2023	2024	2025*	2026**	2023	2024	2025*	
Atlanta	1.5%	1.3%	0.4%	0.6%	20,500	24,000	16,400	8,400	7.3%	6.9%	5.4%	4.9%	$2,052	$1,959	$1,973	$2,065	90.2%	95.8%	92.6%	Atlanta
Austin	2.7%	1.7%	0.9%	0.6%	14,500	30,500	15,100	8,000	7.6%	6.7%	5.9%	5.6%	$2,132	$2,061	$1,985	$1,956	93.5%	96.0%	94.8%	Austin
Baltimore	2.2%	1.0%	0.1%	0.2%	3,200	3,000	1,600	1,500	6.0%	5.1%	4.0%	3.7%	$2,183	$2,251	$2,334	$2,398	91.5%	94.6%	86.2%	Baltimore
Boston	1.1%	-0.0%	0.1%	0.2%	7,600	7,100	8,000	5,000	4.8%	5.3%	4.7%	5.0%	$3,922	$3,973	$4,133	$4,237	81.7%	76.7%	80.5%	Boston
Charlotte	2.4%	1.5%	1.8%	1.0%	12,800	16,400	14,700	10,000	7.2%	7.1%	5.9%	5.7%	$1,950	$1,909	$1,934	$1,969	92.3%	92.7%	93.9%	Charlotte
Chicago	0.9%	0.4%	0.4%	0.3%	9,000	7,300	4,000	3,900	6.1%	5.6%	4.7%	4.9%	$2,696	$2,836	$3,099	$3,201	55.5%	69.4%	75.1%	Chicago
Cincinnati	1.0%	0.6%	0.7%	0.4%	3,000	3,100	1,800	2,000	5.9%	5.6%	5.1%	5.3%	$1,822	$1,857	$1,998	$2,076	44.1%	46.2%	44.3%	Cincinnati
Cleveland	0.5%	-0.2%	1.3%	0.7%	1,600	1,600	1,450	1,100	7.6%	7.3%	6.3%	6.4%	$1,886	$2,008	$2,106	$2,185	26.9%	55.5%	45.5%	Cleveland
Columbus	2.0%	0.9%	1.7%	0.8%	6,600	6,200	7,500	4,700	6.5%	5.8%	4.6%	4.7%	$1,707	$1,684	$1,756	$1,806	76.4%	83.4%	78.9%	Columbus
Dallas/Fort Worth	2.0%	1.4%	0.7%	0.6%	27,500	43,200	32,000	21,000	6.6%	6.3%	5.8%	5.5%	$1,932	$1,928	$1,958	$1,998	90.1%	95.3%	93.6%	Dallas/Fort Worth
Denver	1.0%	0.7%	0.2%	0.5%	9,200	18,700	11,000	6,000	6.4%	5.8%	6.0%	6.1%	$2,236	$2,175	$2,110	$2,161	85.9%	86.8%	87.2%	Denver
Houston	2.4%	1.3%	0.3%	0.2%	19,900	25,400	12,000	9,000	6.8%	5.9%	5.8%	6.0%	$1,842	$1,852	$1,885	$1,935	90.9%	94.5%	88.9%	Houston
Los Angeles	0.1%	1.0%	0.1%	0.1%	9,900	7,000	9,000	6,200	5.7%	5.6%	5.4%	5.3%	$3,620	$3,631	$3,786	$3,860	28.6%	49.3%	46.4%	Los Angeles
Minneapolis-St. Paul	1.2%	1.1%	0.2%	-0.0%	9,900	9,600	3,100	2,900	7.1%	7.4%	5.9%	5.7%	$1,851	$1,871	$1,980	$2,048	73.7%	69.1%	79.0%	Minneapolis-St. Paul
Nashville	2.6%	1.2%	1.4%	0.8%	11,900	12,500	7,800	6,200	7.2%	6.3%	6.2%	6.0%	$1,958	$2,023	$2,025	$2,037	92.1%	95.2%	90.9%	Nashville
New Haven-Fairfield County	1.8%	1.0%	0.5%	0.4%	1,200	3,100	2,700	1,850	5.2%	3.4%	4.2%	4.3%	$3,151	$3,450	$3,577	$3,724	79.5%	88.1%	78.7%	New Haven-Fairfield County
New York City	1.7%	2.7%	1.0%	0.5%	21,700	30,300	25,000	15,000	5.8%	7.0%	7.4%	7.6%	$4,894	$4,966	$5,096	$5,218	57.3%	46.1%	63.1%	New York City
Northern New Jersey	2.2%	1.1%	-0.9%	0.2%	12,000	13,600	14,000	10,000	7.9%	8.0%	8.4%	8.6%	$3,328	$3,391	$3,484	$3,595	67.3%	60.1%	69.4%	Northern New Jersey
Oakland/East Bay	0.7%	-0.4%	-0.8%	-0.6%	2,900	2,600	1,300	1,000	7.1%	6.0%	5.8%	5.6%	$3,187	$3,060	$3,180	$3,253	57.2%	74.5%	77.2%	Oakland/East Bay
Orange County	0.9%	0.3%	0.4%	0.4%	3,000	2,000	2,500	3,000	3.9%	3.8%	3.9%	4.1%	$3,238	$3,236	$3,344	$3,416	61.7%	71.8%	64.5%	Orange County
Orlando	3.0%	2.3%	0.6%	0.6%	11,000	14,700	7,600	7,000	6.5%	6.7%	5.6%	5.3%	$2,040	$2,048	$2,043	$2,071	96.8%	97.6%	98.4%	Orlando
Phoenix	2.6%	1.1%	0.7%	0.7%	15,900	25,400	26,000	13,000	6.6%	6.3%	6.0%	5.9%	$1,890	$1,868	$1,832	$1,887	86.7%	91.9%	91.2%	Phoenix
Portland	0.8%	0.1%	-0.3%	-0.4%	4,400	6,700	3,700	1,300	7.8%	6.3%	5.9%	5.8%	$1,895	$1,895	$1,958	$2,014	63.2%	76.5%	74.6%	Portland
Raleigh	3.3%	1.7%	0.5%	0.8%	10,300	15,300	7,200	6,200	6.9%	7.1%	6.5%	6.1%	$1,859	$1,815	$1,817	$1,832	94.9%	95.1%	92.5%	Raleigh
Riverside-San Bernardino	1.9%	1.2%	0.2%	0.1%	1,900	4,400	5,000	2,300	5.1%	4.3%	4.0%	3.7%	$2,497	$2,509	$2,619	$2,685	77.4%	82.3%	83.5%	Riverside-San Bernardino
Salt Lake City	1.8%	1.6%	0.3%	0.4%	10,300	8,800	4,400	3,200	6.8%	5.8%	5.0%	4.8%	$1,872	$1,812	$1,823	$1,854	73.4%	78.3%	76.4%	Salt Lake City
San Antonio	2.4%	1.6%	1.8%	1.2%	6,200	12,200	6,400	3,500	7.9%	7.3%	6.3%	6.1%	$1,530	$1,483	$1,458	$1,493	83.7%	92.0%	90.7%	San Antonio
San Diego	0.4%	0.8%	0.3%	0.4%	3,300	5,300	4,400	2,200	5.2%	5.0%	4.9%	4.7%	$3,247	$3,256	$3,310	$3,356	51.2%	63.4%	72.0%	San Diego
San Francisco	-2.6%	-0.6%	-0.6%	-0.4%	2,300	3,800	2,800	1,500	9.1%	7.9%	6.8%	7.1%	$3,595	$3,794	$4,051	$4,208	41.3%	45.0%	70.2%	San Francisco
San Jose	-1.0%	0.3%	-0.5%	-0.2%	1,600	2,700	4,000	500	5.5%	5.7%	5.0%	4.8%	$3,598	$3,806	$4,032	$4,235	75.9%	56.8%	86.6%	San Jose
Seattle-Tacoma	0.5%	1.8%	-0.4%	0.4%	7,800	15,300	8,200	6,200	6.0%	4.9%	4.4%	4.1%	$2,537	$2,600	$2,711	$2,776	74.7%	83.7%	81.3%	Seattle-Tacoma
Southeast Florida	0.6%	0.2%	0.3%	0.7%	14,000	20,200	14,000	11,000	5.5%	5.7%	5.4%	5.3%	$3,104	$3,123	$3,205	$3,307	80.5%	84.5%	82.4%	Southeast Florida
Tampa-St. Petersburg	2.1%	1.0%	0.7%	0.4%	6,700	13,100	7,900	5,300	5.9%	7.0%	6.4%	6.2%	$2,453	$2,494	$2,515	$2,575	91.3%	88.3%	88.7%	Tampa-St. Petersburg
Washington, D.C.	1.6%	1.5%	-0.6%	-0.3%	13,600	14,400	9,000	5,800	5.6%	4.5%	5.1%	5.4%	$2,728	$2,847	$2,898	$2,924	95.0%	94.9%	90.4%	Washington, D.C.
United States	**1.7%**	**1.3%**	**0.6%**	**0.2%**	**429,200**	**586,200**	**410,000**	**270,000**	**6.0%**	**5.5%**	**4.8%**	**4.7%**	**$2,279**	**$2,301**	**$2,383**	**$2,432**	**72.6%**	**80.7%**	**75.7%**	**United States**

** Estimate ** Forecast*

[2] See Statistical Note on Page 80

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