“Economic Tailwinds, Affordability Headwinds”

2019 MULTI-FAMILY OUTLOOK

Phillip A. Smith
Framework Group, LLC
HOMEOWNERSHIP RATE VS. RENTER HOUSEHOLDS IN THE U.S.

Source: Walker & Dunlop, 2019
TAILWIND
EMPLOYMENT GROWTH

QUARTERLY NATIONAL EMPLOYMENT GROWTH REMAINS STEADY FOR 9 YEARS

Source: Bureau of Labor Statistics, Walker & Dunlop
<table>
<thead>
<tr>
<th>Rank</th>
<th>Location</th>
<th>Population</th>
<th>Annual Growth</th>
<th>Per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Texas</td>
<td>28,322,717</td>
<td>385,225</td>
<td>1,055</td>
</tr>
<tr>
<td>2</td>
<td>Florida</td>
<td>21,494,390</td>
<td>346,830</td>
<td>950</td>
</tr>
<tr>
<td>3</td>
<td>California</td>
<td>39,399,349</td>
<td>190,222</td>
<td>521</td>
</tr>
<tr>
<td></td>
<td>I-4 Corridor</td>
<td>7,008,090</td>
<td>160,600</td>
<td>440</td>
</tr>
<tr>
<td>4</td>
<td>Washington</td>
<td>7,425,432</td>
<td>130,752</td>
<td>358</td>
</tr>
<tr>
<td>5</td>
<td>North Carolina</td>
<td>10,270,800</td>
<td>114,121</td>
<td>313</td>
</tr>
<tr>
<td>6</td>
<td>Georgia</td>
<td>10,413,055</td>
<td>108,292</td>
<td>297</td>
</tr>
<tr>
<td>7</td>
<td>Arizona</td>
<td>7,048,876</td>
<td>103,424</td>
<td>283</td>
</tr>
<tr>
<td></td>
<td>Orlando MSA</td>
<td>2,516,690</td>
<td>75,400</td>
<td>207</td>
</tr>
<tr>
<td>8</td>
<td>Colorado</td>
<td>5,615,902</td>
<td>74,981</td>
<td>205</td>
</tr>
<tr>
<td>9</td>
<td>Tennessee</td>
<td>6,708,794</td>
<td>63,783</td>
<td>175</td>
</tr>
<tr>
<td>10</td>
<td>South Carolina</td>
<td>5,021,219</td>
<td>62,984</td>
<td>173</td>
</tr>
<tr>
<td></td>
<td>Tampa Bay MSA</td>
<td>3,139,000</td>
<td>60,700</td>
<td>166</td>
</tr>
</tbody>
</table>
TAILWIND

2018 DAILY IN-MIGRATION

Source: Bloomberg Analysis of US Census Data
**TAILWIND**

**2019 PROJ. RENT GROWTH**

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**2019 MULTI-FAMILY RENTAL REVENUE GROWTH FORECAST**

- Las Vegas: 5.5%
- Orlando: 5.5%
- Phoenix: 4.4%
- Houston: 4.3%
- Jacksonville: 4.2%
- Richmond: 3.8%
- South Florida: 3.7%
- San Diego: 3.6%
- Denver: 3.5%
- Atlanta: 3.0%
- Raleigh: 2.9%
- San Francisco: 2.9%
- Charlotte: 2.8%
- Orange County: 2.6%
- Nashville: 2.5%
- Dallas: 2.4%
- Seattle: 2.2%
- Baltimore: 1.9%
- Austin: 1.9%
- Chicago: 1.7%
- New York Metro: 1.7%
- Raleigh: 1.5%
- San Jose: 1.5%
- Richmond: 1.3%
- Philadelphia: 1.3%
- South Florida: 1.1%
- United States: 2.8%
- Top 30 Markets: 2.5%

Source: Axiometrics, Zelman & Associates Analysis
HEADWINDS
“Tampa’s main draws are relative affordability ($1,200/month avg. rent) compared to the national average ($1,381/month rent).”

Is this the whole picture?
Housing and Transportation Costs

United States: Average Household Income Spent
- 19% on transportation
- 32% on housing
- 51% total

Hillsborough County: Average Household Income Spent
- 25% on transportation
- 33% on housing
- 58% total

Source: Florida Center for Community Design and Research
Turner Construction Cost Index and Annual Increase

Source: Turner Construction Cost Index
WESTSHORE DISTRICT
MARKET SNAPSHOT

3,600 NEW UNITS DELIVERED SINCE 2009

95% OCCUPIED

65% OF 15,000 WESTSHORE RESIDENTS WORK IN THE DISTRICT

98% OF THOSE SURVEY RECOMMEND WESTSHORE AS A PLACE TO LIVE

Source: Westshore Alliance
<table>
<thead>
<tr>
<th>Property</th>
<th>Year Built</th>
<th># of Units</th>
<th>Avg. SF</th>
<th>Mkt. Rent</th>
<th>Rent/sf</th>
<th>Occup.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lantower Westshore</td>
<td>2014</td>
<td>300</td>
<td>1,028</td>
<td>$1,955</td>
<td>$1.90</td>
<td>95%</td>
</tr>
<tr>
<td>Varela Westshore</td>
<td>2015</td>
<td>350</td>
<td>876</td>
<td>$1,601</td>
<td>$1.83</td>
<td>95%</td>
</tr>
<tr>
<td>Novus Westshore</td>
<td>2016</td>
<td>260</td>
<td>963</td>
<td>$1,789</td>
<td>$1.85</td>
<td>97%</td>
</tr>
<tr>
<td>Grady Square</td>
<td>2017</td>
<td>300</td>
<td>998</td>
<td>$1,868</td>
<td>$1.87</td>
<td>93%</td>
</tr>
<tr>
<td>Society Westshore</td>
<td>2017</td>
<td>374</td>
<td>831</td>
<td>$1,684</td>
<td>$2.03</td>
<td>96%</td>
</tr>
<tr>
<td>Comp Average (Stab. Prop.)</td>
<td>2016</td>
<td>317</td>
<td>939</td>
<td>$1,779</td>
<td>$1.90*</td>
<td>95%</td>
</tr>
</tbody>
</table>

*Source: NFK Multi-Family Capital Markets*

*Downtown Tampa = $2.46/nrsf avg.*
WESTSHORE DISTRICT
CLASS 'A' PROPERTY PERFORMANCE

WESTSHORE AVERAGE RENTAL RATE PER UNIT

+3% YOY

Source: Newmark Knight Frank, 2019
ROCKY POINT
SITE LOCATION—180 UNITS
HEADWINDS...

NEXT WESTSHORE RENTS APPROACHING DOWNTOWN

NO NEW ATTAINABLY-PRICED HOUSING DEVELOPMENTS

TRANSPORTATION, MOBILITY & CONNECTIVITY BARRIERS

...TAILWINDS

IMPROVING LIFESTYLE AND AMENITIES WITH MIXED-USES

FUTURE LARGE-SCALED DEVELOPMENT TRANSFORMATION

CONTINUED EMPLOYMENT STRENGTH