



MARKET AT A GLANCE



OCCUPANCY RATE **95.3%**
Down **60 bps** since 2Q16



ASKING RENT **\$1,065**
Up **3.1%** since 2Q16

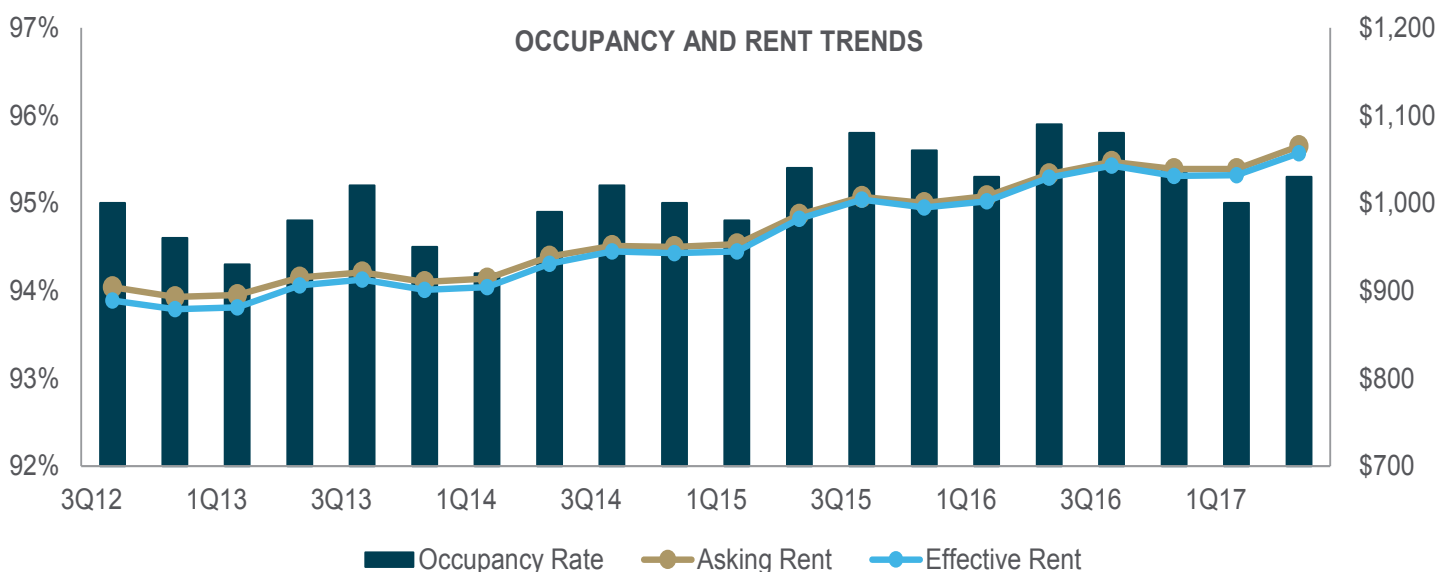


CONCESSIONS **0.8%**
Up **40 bps** since 2Q16

OCCUPANCY AND RENT TRENDS

RENTERS, APARTMENT DEVELOPERS TARGETING DOWNTOWN CHARLOTTE

Apartment rental demand heightened in the Charlotte metropolitan area during the second quarter. Residents newly occupied a net 2,677 units during the last three months, up from the net 300 units absorbed in the first quarter. Leasing activity was highest in the Downtown submarket, home to Fortune 500 headquarters for Bank of America Corp. and Duke Energy. Also attracting renters to the Downtown area was the metro-leading 623 units added to the inventory. Overall, 1,983 units were delivered across the metro during the second quarter. Builders worked to meet the demand as 50 properties were under construction in the second quarter, and scheduled to bring more than 11,200 units online by year-end 2019. In the meantime, leasing activity outpaced additions to cause occupancy to rise 30 basis points to 95.3% in the second quarter. Operators capitalized on elevated occupancy by advancing asking rent an average of 2.5% from March to \$1,065 per month in June. Amid heightened competition in the highly sought Downtown submarket, operators trimmed asking rent 0.4% quarter over quarter, resulting in average asking rent of \$1,781 per month in June.



CHARLOTTE

MULTIFAMILY REPORT

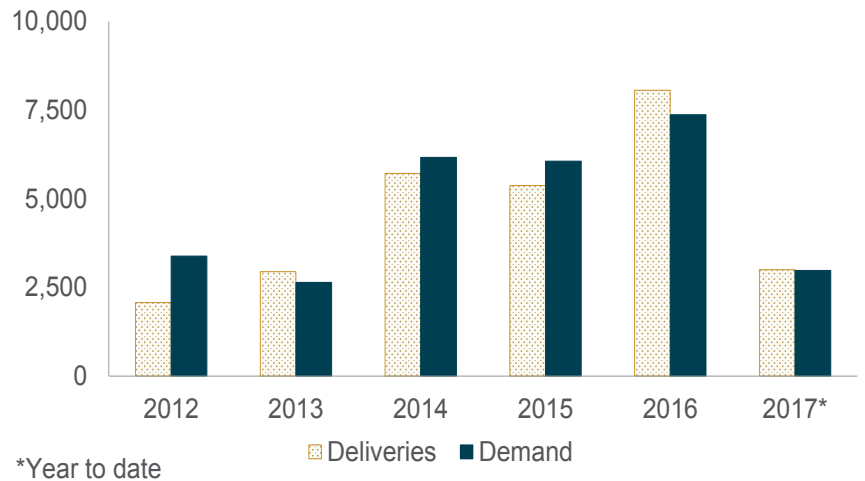
DELIVERIES AND DEMAND



DELIVERIES 3,001
Units YTD



NET ABSORPTION 2,978
Units YTD



ECONOMIC TRENDS

2016 4.7% **UNEMPLOYMENT*** 2017 4.2%
-50 BPS CHANGE

2016 1.14m **EMPLOYMENT*** 2017 1.18m
3.0% CHANGE

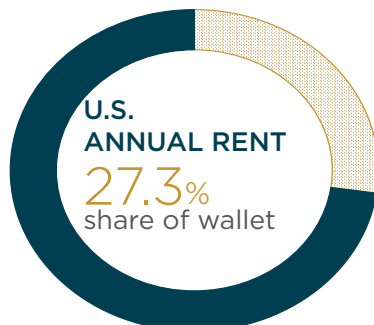
2016 42.9k **EXISTING SFH SALES**** 2017 44.9k
4.7% CHANGE

2016 \$205.2k **MEDIAN SFH PRICE**** 2017 \$224.8k
9.6% CHANGE

2016 1.64% **10-YEAR TREASURY**** 2017 2.19%
60 BPS CHANGE

*May; **June

Supporting elevated leasing activity was healthy job creation across Greater Charlotte. Employers added a net 34,100 new positions since May 2016, to expand the labor force 3.0% annually. Local job growth nearly doubled the national average increase of 1.6% during the same time. Hiring among Charlotte-area professional and business services companies boosted the local economy with the addition of a metro-leading 12,800 net new positions for a 6.6% year-over-year increase. At the same time, the government segment expanded 4.5% with 6,600 personnel recruited annually through May 2017. Hiring was also robust in the trade, transportation, and utilities sector, with 4,700 net jobs added. Part of the additions were by Red Classic. The transportation, logistics, and fleet maintenance company hired nearly 300 employees as it added 16,000 square feet of office space to its location in the North Pineville submarket. With a majority of employment sectors posting gains, the Charlotte unemployment rate was 4.2% in May 2017, down 50 basis points year over year.



CHARLOTTE

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q17	ANNUAL	2Q17	ANNUAL
Carmel	95.1%	95.1%	3.8%	2.4%	\$1,154	\$1,182	190	440	0	463
Downtown	96.0%	95.4%	-0.5%	-1.8%	\$1,813	\$1,781	675	600	623	679
East Charlotte - Albemarle Corridor	95.9%	95.4%	6.9%	6.3%	\$895	\$951	-17	114	0	207
East Charlotte - Central Ave.	97.3%	96.7%	7.3%	5.4%	\$926	\$976	57	294	91	367
Fairview North	96.3%	94.8%	5.7%	2.9%	\$1,256	\$1,292	258	534	234	698
Gaston County	94.2%	94.8%	6.3%	5.0%	\$795	\$835	263	371	64	332
Harris Blvd/Mallard Creek Church Rd	96.1%	95.4%	4.6%	6.2%	\$981	\$1,042	129	466	98	614
N. Tryon St. - The Plaza	96.1%	96.4%	5.3%	2.7%	\$858	\$881	240	633	146	630
North Pineville	96.8%	96.0%	5.5%	2.7%	\$994	\$1,021	98	75	54	204
Northwest Charlotte	95.4%	95.5%	4.5%	2.1%	\$1,101	\$1,124	239	668	169	691
Rock Hill	95.8%	95.0%	4.8%	3.4%	\$943	\$975	263	613	234	756
Union County	95.9%	95.8%	10.9%	2.1%	\$1,004	\$1,025	87	192	81	204
West - Charlotte Airport	95.4%	94.8%	2.6%	-0.1%	\$1,373	\$1,372	197	549	189	633
TOTALS	95.9%	95.3%	4.7%	3.1%	\$1,033	\$1,065	2,677	5,548	1,983	6,478



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