



MARKET AT A GLANCE



OCCUPANCY RATE 97.0%

Down 40 bps since 2Q16



ASKING RENT \$1,141

Down 1.1% since 2Q16



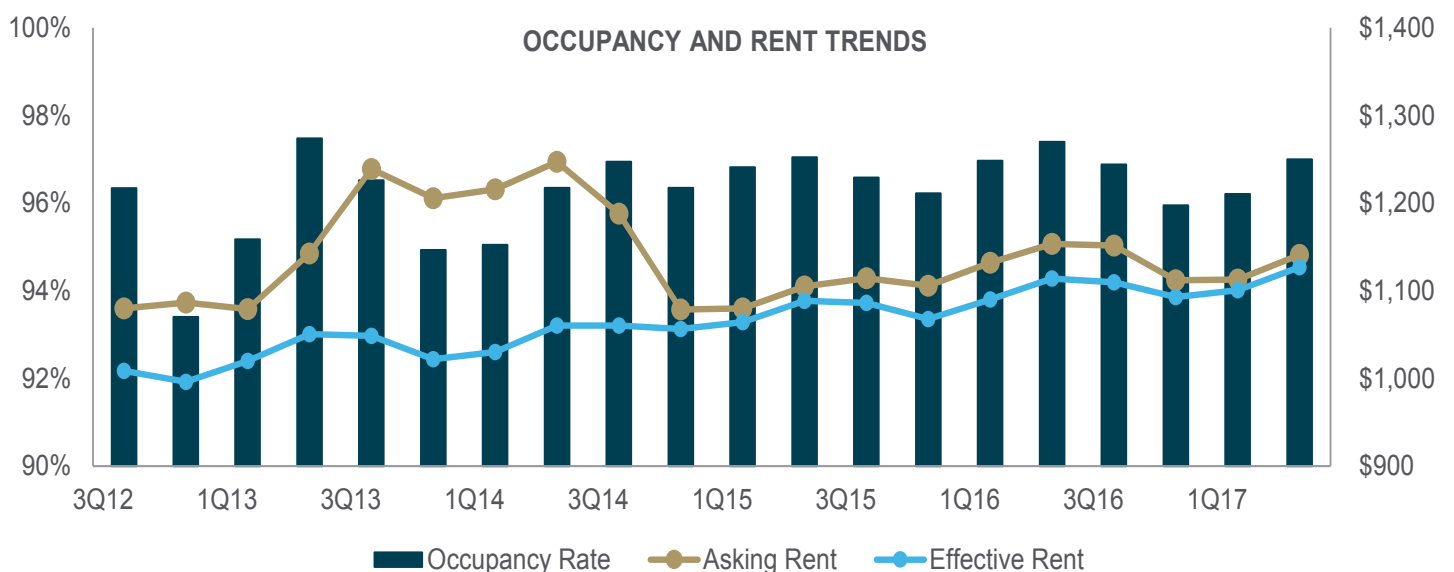
CONCESSIONS 1.2%

Down 220 bps since 2Q16

OCCUPANCY AND RENT TRENDS

APARTMENT DEMAND SURGES IN CITY EAST, ACROSS GREATER MILWAUKEE

Apartment demand surged in the Milwaukee metropolitan area during the second quarter. Residents newly occupied 1,766 net units during the last three months, up from 686 units absorbed during the first quarter. While leasing activity was positive in every submarket since March, a metro-leading 381 units were absorbed in the City East area, home to University of Wisconsin-Milwaukee and Fortune 500 headquarters for Northwestern Mutual Life Insurance Co. Builders worked to meet the demand by bringing 273 units online between two properties in the City East submarket. With inventory growth trailing leasing activity, the submarket apartment occupancy shifted up 60 basis points over the last three months to 95.5% in June. The heightened leasing activity reflected across Greater Milwaukee as occupancy rose to 97.0% in the second quarter from 96.2% in the first quarter. Operators capitalized on the elevated occupancy by advancing asking rent 2.5% quarter over quarter to \$1,141 per month. In the highly sought City East submarket, asking rent advanced 2.6% from March to \$1,559 per month in June.



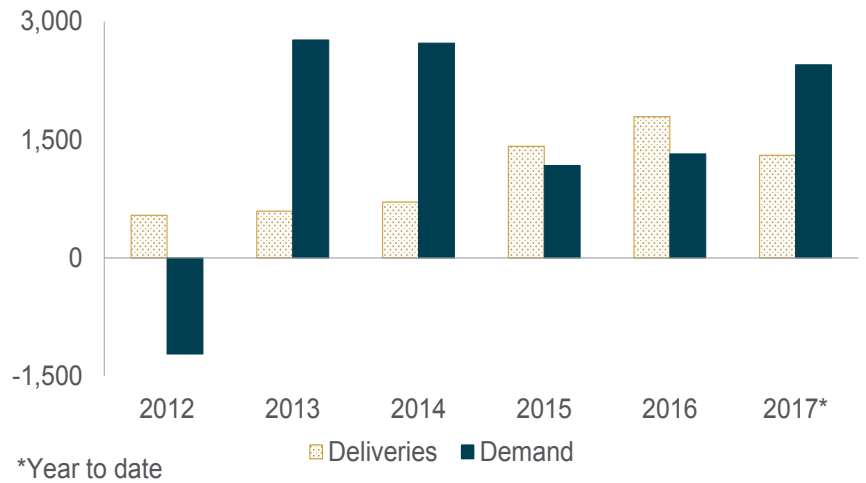
DELIVERIES AND DEMAND



DELIVERIES 1,304
Units YTD



NET ABSORPTION 2,452
Units YTD



ECONOMIC TRENDS

2016 4.5% **UNEMPLOYMENT*** 2017 3.3%
-120 BPS CHANGE

2016 861.8k **EMPLOYMENT*** 2017 866.5k
0.5% CHANGE

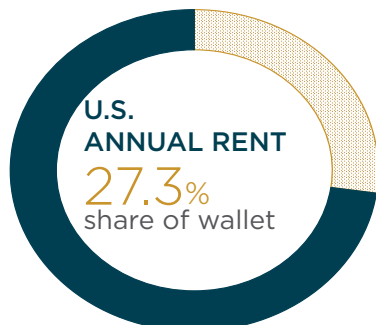
2016 22.5k **EXISTING SFH SALES**** 2017 29.0k
28.9% CHANGE

2016 \$223.8k **MEDIAN SFH PRICE**** 2017 \$239.8k
7.1% CHANGE

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

*May; **June

Total nonfarm employment expanded 0.5%, or by 4,700 jobs, year over year through May 2017 in the Milwaukee metropolitan area. Hiring was down slightly from the 0.7% increase during the preceding year. The education and health services industry was an economic driver in the last year. Institutions in the segment created a metro-leading 3,200 positions to expand 1.9% since May 2016. Part of the jobs came when GE Healthcare shut down a plant in Maryland and transferred the jobs between offices in Milwaukee County Research Park and in Madison. Hiring was also robust in the professional and business services sector, which grew 1.2%, or by 1,500 jobs. Concentrix made part of the additions to the sector, recruiting 170 positions at the start of 2017. In the trade, transportation, and utilities industry, employers created 1,200 jobs for a 0.8% increase. Sendik's Food Market contributed to the rise and will continue to do so through the rest of the year. The supermarket chain plans to open five stores in Greater Milwaukee in 2017, requiring 100 workers for each location.



SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q17	ANNUAL	2Q17	ANNUAL
Brookfield/New Berlin	97.3%	97.3%	0.4%	0.6%	\$1,295	\$1,303	84	293	60	302
City East	96.1%	95.5%	0.2%	-3.4%	\$1,614	\$1,559	381	282	273	426
City West	95.7%	95.8%	-1.4%	-13.6%	\$1,646	\$1,423	1	325	0	324
Cudahy/S. Milwaukee/Oak Creek	98.0%	97.4%	2.1%	6.9%	\$912	\$975	222	479	146	566
Greenfield/Greendale/Franklin	97.0%	97.0%	5.2%	-3.5%	\$1,001	\$966	26	16	10	10
Northshore/NW Milwaukee	95.7%	96.0%	5.7%	-1.9%	\$1,144	\$1,123	287	153	95	95
Washington/Ozaukee County	96.0%	96.1%	0.7%	-0.2%	\$1,269	\$1,267	154	283	108	284
Wauwatosa/West Allis	96.9%	96.3%	3.4%	4.5%	\$1,028	\$1,074	298	133	167	233
West Waukesha County	97.6%	98.1%	4.0%	3.9%	\$1,042	\$1,083	313	281	126	207
TOTALS	97.4%	97.0%	4.4%	-1.1%	\$1,153	\$1,141	1,766	2,244	985	2,447



CORPORATE HEADQUARTERS

521 Fifth Avenue
20th Floor
New York, NY 10175
(646) 600-7800 | Fax : (646) 600-7838
www.Berkadia.com

ALBUQUERQUE, NM

AMBLER, PA

ATLANTA, GA

AUSTIN, TX

BAKERSFIELD, CA

BATON ROUGE, LA

BIRMINGHAM, AL

BOCA RATON, FL

BOSTON, MA

CAMAS, WA

CAPISTRANO BEACH, CA

CHARLESTON, SC

CHATTANOOGA, TN

CHICAGO, IL

CLEARWATER, FL

COLORADO SPRINGS, CO

DALLAS, TX

DC METRO

DENVER, CO

DETROIT, MI

EL SEGUNDO, CA

FRESNO, CA

HOUSTON, TX

IRVINE, CA

JACKSONVILLE, FL

KANSAS CITY, MO

LAS VEGAS, NV

LEAWOOD, KS

LOS ANGELES, CA

MANCHESTER, MA

MARBLEHEAD, MA

MEMPHIS, TN

MIAMI, FL

MIDVALE, UT

NASHVILLE, TN

NEW YORK, NY

NEWPORT BEACH, CA

NEWPORT NEWS, VA

OKLAHOMA CITY, OK

ONTARIO, CA

ORLANDO, FL

PASADENA, CA

PHILADELPHIA, PA

PHOENIX, AZ

PORTLAND, OR

RALEIGH, NC

RICHMOND, VA

SACRAMENTO, CA

SALT LAKE CITY, UT

SAN ANTONIO, TX

SAN DIEGO, CA

SAN FRANCISCO, CA

SCOTTSDALE, AZ

SEATTLE, WA

SHREWSBURY, NJ

ST. LOUIS, MO

TACOMA, WA

TAMPA, FL

TEMECULA, CA

TEMPE, AZ

THE PLAINS, CA

TROY, MI

TUCSON, AZ

TULSA, OK

WAUKESHA, WA

WOODLAND HILLS, CA

HYDERABAD - INDIA*

**Back Office Support*