LOUISVILLE, KY

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
94.1%	$1,243	20.9%
UP 10 BPS YOY	UP 3.6% YOY	UP 20 BPS YOY

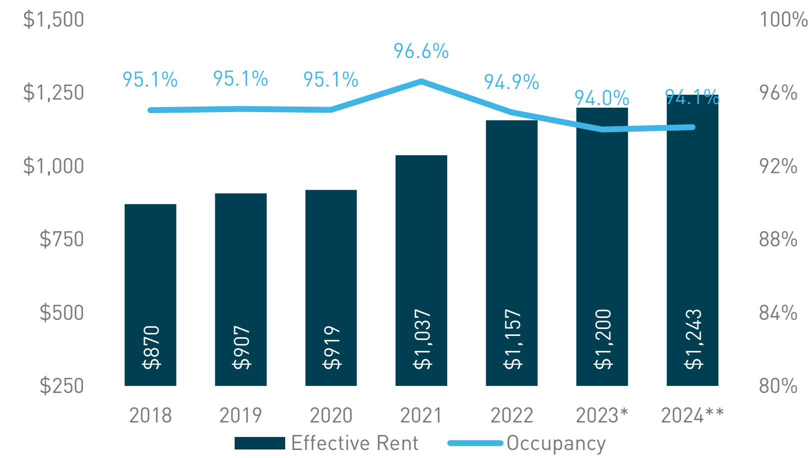
Apartment Demand and Development to Be Focused in Downtown

Developers have sustained a conscientious pipeline to maintain healthy apartment fundamentals in Greater Louisville. Construction is scheduled to be completed on 1,924 units over the next four quarters, representing 2% annual inventory growth. This year's additions will be well shy of the previous peak of 2,569 deliveries in 2020, and closer to the annual average in the five years leading up to the pandemic. A significant share of new inventory this year will come online in the Southwest Louisville submarket, home to Downtown Louisville. Five apartment communities were under construction at the start of 2024, which will add approximately 1,200 units to downtown by year-end 2025. Apartment developers are looking to fill the housing demand that comes with more than 62,000 jobs based downtown. The deliveries will facilitate leasing activity as annual net absorption is forecast to be highest in the Southwest Louisville submarket. The submarket demand will be part of a projected 1,925 net units absorbed this year metrowide. Strong leasing activity combined with sustained lease renewals will push up metrowide occupancy 10 basis points year over year to an average of 94.1% in the fourth quarter of 2024. This movement will support apartment operators' decision to continue to raise rent. At a projected average of $1,243 in the fourth quarter of 2024, monthly effective rent will be up 3.6% from one year prior and outpace the 3.0% U.S. forecast at the same time. Even with the annual increase, the Louisville rent share of wallet is projected to end the year at 20.9%, lower than the U.S. average.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

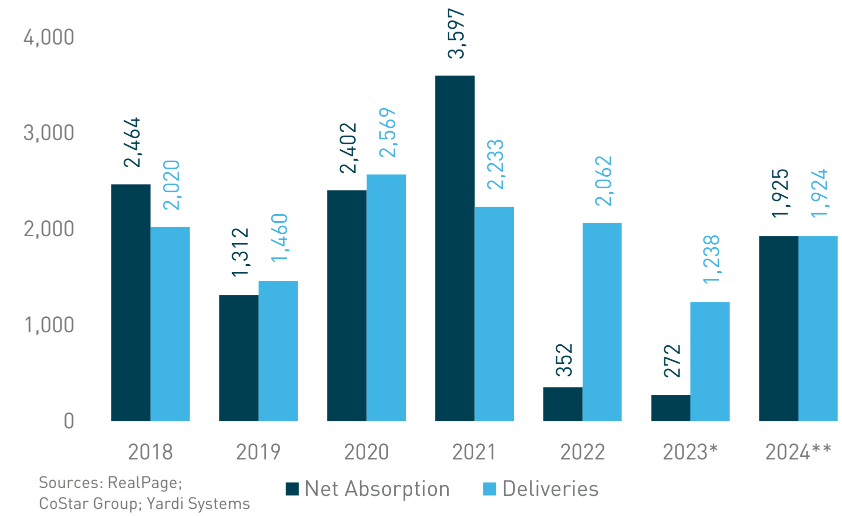


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



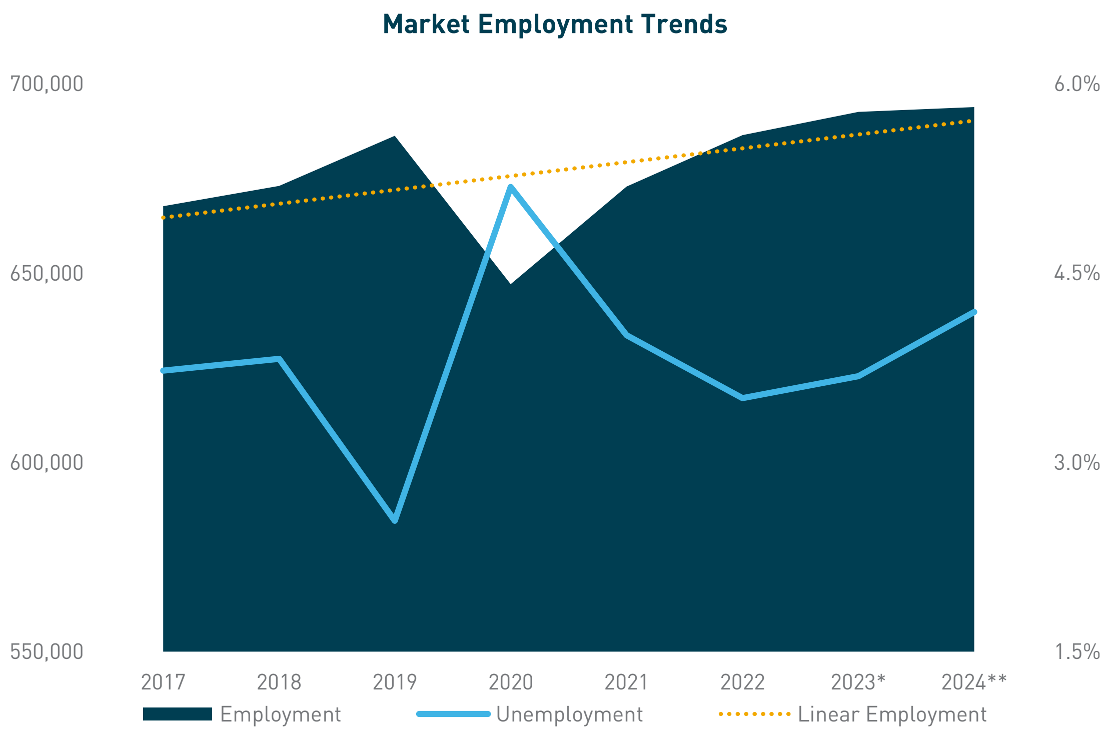
Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

LOUISVILLE, KY

BERKADIA

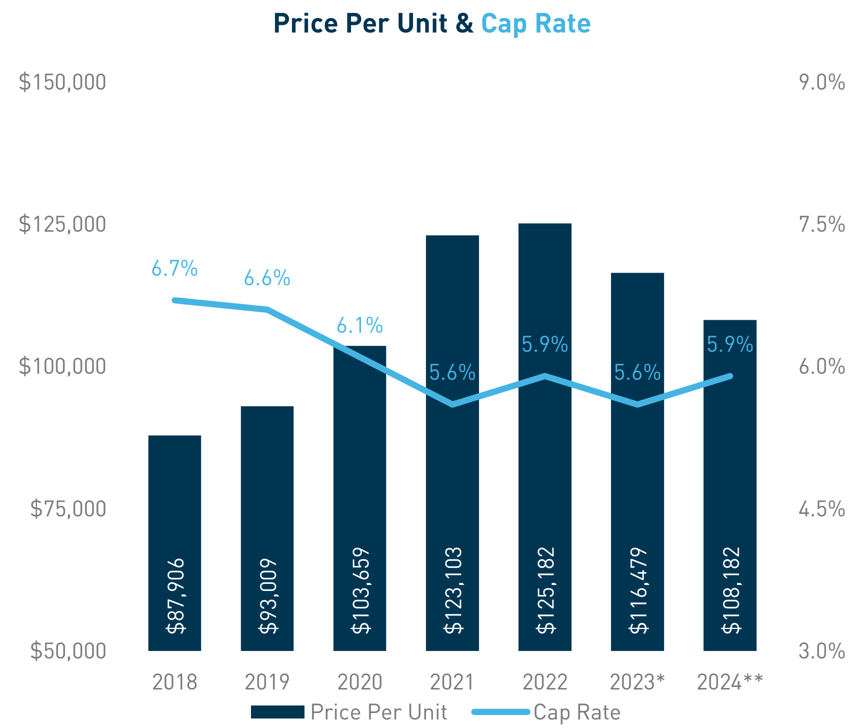
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
693,900	4.2%	$71,427	$127,781	5.9%
UP 0.2% YOY	UP 50 BPS YOY	UP 2.7% YOY	DOWN 7.1% YOY	UP 30 BPS YOY