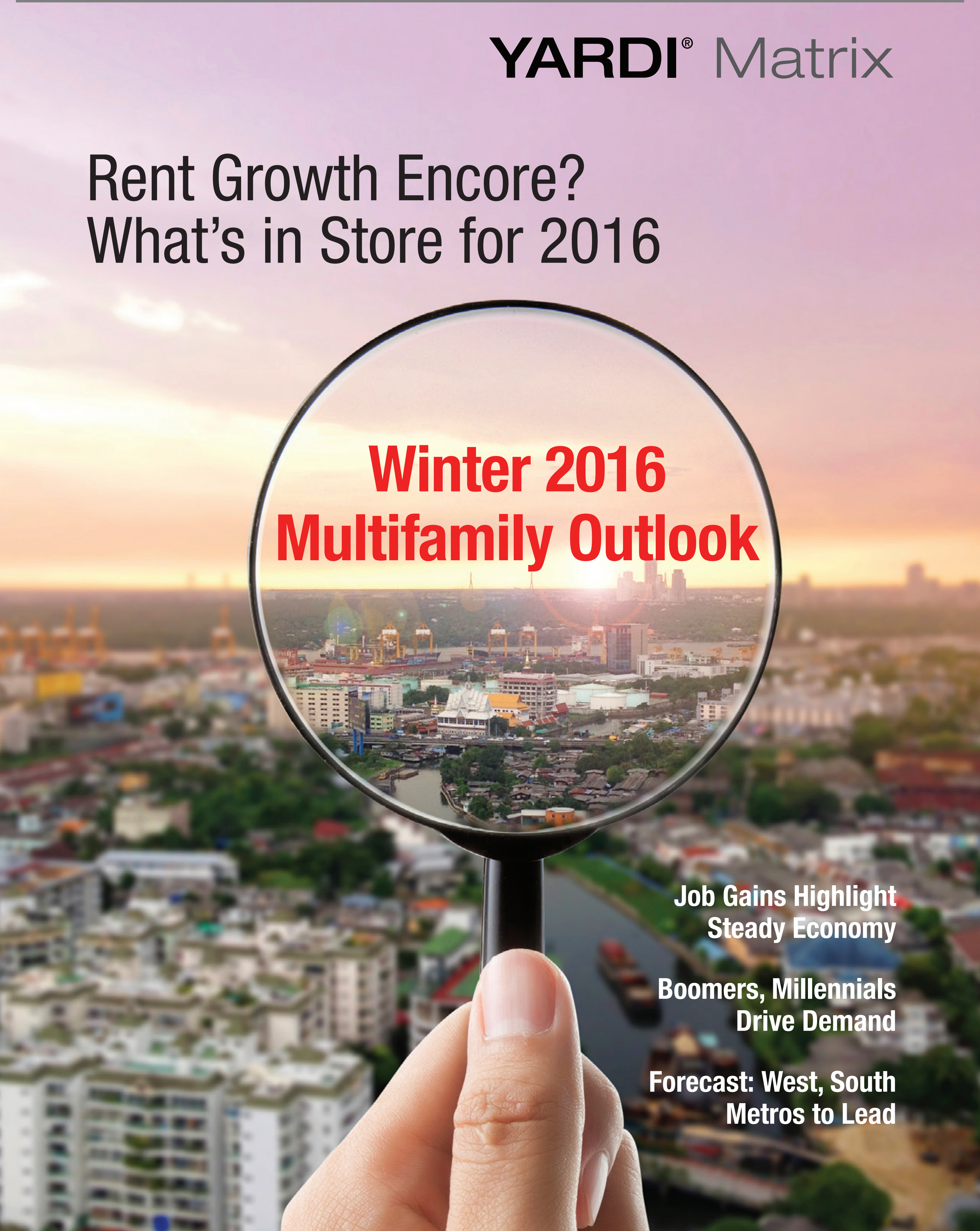
YARDI® Matrix

Rent Growth Encore?
What's in Store for 2016



Winter 2016 Multifamily Outlook

Job Gains Highlight Steady Economy

Boomers, Millennials Drive Demand

Forecast: West, South Metros to Lead

Matrix National Outlook

YARDI® Matrix

Market Analysis

Winter 2016

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Overview

After a couple of fat years in which apartment rent growth soared beyond 6% nationally, the big question for the market is: Can it last?

Over the long haul, the answer is "No," of course. But in the meantime, 2016 should be a year of solid rent growth, without the froth of 2015. Yardi Matrix projects 4.6% rent growth nationally, led by many of the hot markets that produced outsize increases in 2015. While the forecast represents a deceleration from the 6.5% gain recorded in 2015, rent growth will, nonetheless, outpace the eight-year average of 2.8%, satisfying most property owners. Several factors support our forecast:

Economic Expansion: More of the same may not be the most exciting theme, but most signs point to another year of moderate growth. During 2016, forecasts call for U.S. GDP growth of approximately 2.5% and the creation of roughly 2.5 million jobs, on par with gains recorded since the recovery began in 2010. Key economic segments including housing, auto sales and consumer spending are improving. However, headwinds persist. In addition to tepid wage growth and weakness in

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