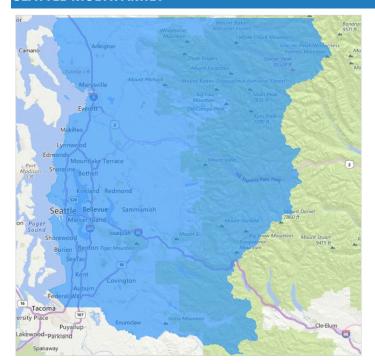


SEATTLE MULTIFAMILY MARCH 2018



National Ranking Out of 96 Markets 42 Rent Growth [-4]

4 Employment Growth [+3]

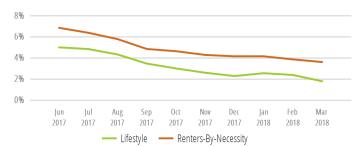
Completions

RENTAL TRENDS



Seattle Rent Growth by Asset Class

Year-over-Year



SUPPLY

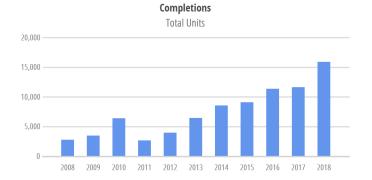
Inventory by Property Status

of Properties

1,547
Completed Under Construction
230,102 Units 23,688 Units

151 118 Planned Prospective 29,814 Units 23,372 Units





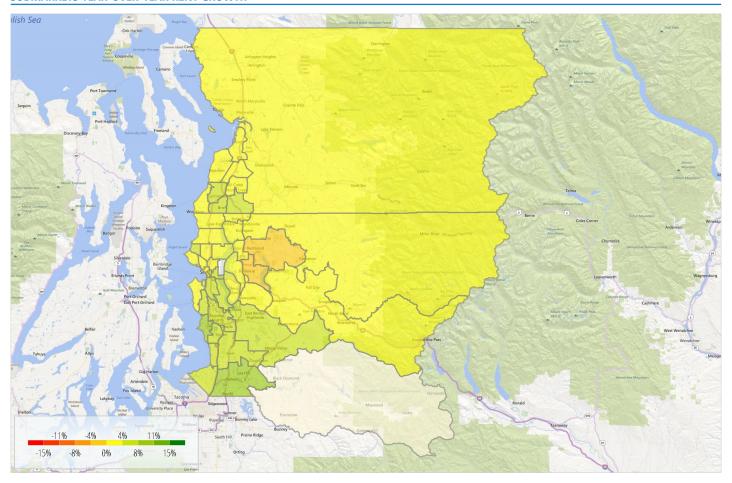
DEMAND

Employment Percentage Change

Year-over-Year 3.5% 3.0% 2.5% 2.0% 1.5% 1.0% 0.5% 0.0% May Feb Apr Sep 0ct lan 2017 2017 2017 2017 2017 2017 2017 2017 2017 2017 2018 2018 — Seattle — National

Employment Sector	Current Share	YOY C	hange
Trade, Transportation, and Utilities	18.9%	15,600	5.1%
Professional and Business Services	15.2%	9,700	3.9%
Education and Health Services	12.9%	8,800	4.1%
Leisure and Hospitality	9.8%	8,300	5.2%
Mining, Logging and Construction	5.9%	6,800	7.2%
Information	6.5%	4,900	4.6%
Financial Activities	5.0%	3,000	3.6%
Other Services	3.4%	900	1.6%
Government	13.1%	500	0.2%
Manufacturing	9.2%	-5,700	-3.5%

SUBMARKETS YEAR-OVER-YEAR RENT GROWTH



HIGHEST OVERALL PERFORMING SUBMARKETS

Submarket	Rent	Occupancy	YOY Change
Auburn	\$1,331	96.3%	8.3%
Burien	\$1,446	95.6%	7.7%
Beacon Hill	\$1,460	96.4%	6.6%
Kent	\$1,454	94.9%	6.4%
Lynnwood	\$1,515	95%	6.1%

LOWEST OVERALL PERFORMING SUBMARKETS

Submarket	Rent	Occupancy	YOY Change
Greenlake/Wallingford	\$1,992	93.1%	0.7%
Factoria	\$1,926	94.8%	0.4%
Juanita	\$1,794	95.4%	0.4%
Redmond	\$1,915	95.8%	-0.3%
Bellevue-East	\$1,772	95%	-1.6%

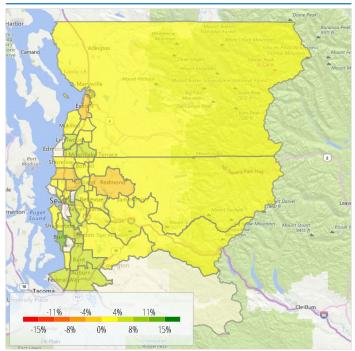
HIGHEST PERFORMING SUBMARKET - AUBURN

Properties	31
Units	4,231
Average Rent/Unit	\$1,331
Effective YOY Chg	8.3%





LIFESTYLE APARTMENTS - YEAR-OVER-YEAR RENT GROWTH



HIGHEST PERFORMING SUBMARKETS - LIFESTYLE

Submarket	Rent	Occupancy	YOY Change
Burien	\$1,500	94.4%	11.5%
Rainier Valley	\$1,985	93.7%	6.9%
Lynnwood	\$1,662	94.1%	5.9%
Mountlake Terrace	\$1,510	95.4%	5.8%
Riverton/Tukwila	\$1,406	96.3%	5.7%

BURIEN

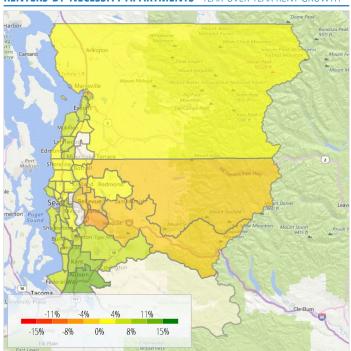
	Lifestyle	RBN	Overall
Properties	5	14	19
Units	543	1,695	2,238
Avg Rent/Unit	\$1,500	\$1,428	\$1,446
Effective YOY Chg	11.5%	6.6%	7.7%



LOWEST PERFORMING SUBMARKETS - LIFESTYLE

Submarket	Rent	Occupancy	YOY Change
Redmond	\$1,939	95.8%	-0.4%
University	\$2,458	91%	-0.5%
First Hill	\$2,603	93%	-0.9%
North Seattle	\$1,683	93.3%	-1.1%
Central Everett	\$1,551	96.6%	-2.6%

RENTERS-BY-NECESSITY APARTMENTS - YEAR-OVER-YEAR RENT GROWTH



HIGHEST PERFORMING SUBMARKETS - RBN

Submarket	Rent	Occupancy	YOY Change
Auburn	\$1,266	96.5%	11.9%
Kent	\$1,346	95%	8.6%
Central Everett	\$1,227	95.2%	7.2%
Ballard	\$1,800	93.4%	6.7%
Beacon Hill	\$1,460	96.4%	6.6%

AUBURN

	RBN	Lifestyle	Overall
Properties	20	11	31
Units	2,448	1,783	4,231
Avg Rent/Unit	\$1,266	\$1,420	\$1,331
Effective YOY Chg	11.9%	4.1%	8.3%



LOWEST PERFORMING SUBMARKETS - RBN

Submarket	Rent	Occupancy	YOY Change
Bellevue-West	\$1,869	95.6%	-0.2%
Kirkland	\$1,463	96.3%	-1.5%
Issaquah	\$1,730	95.3%	-2.2%
Bellevue-East	\$1,658	95.2%	-2.8%
Factoria	\$1,669	96%	-4.5%

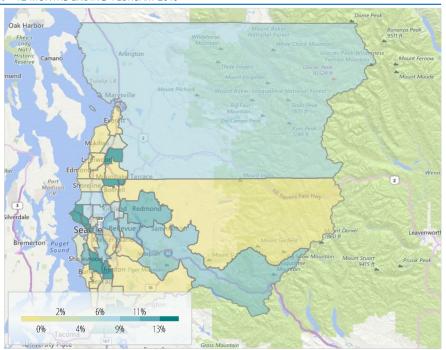
SUPPLY MARCH 2018

OVERALL DEVELOPMENT ACTIVITY



PROJECTED COMPLETIONS AS % OF PRIOR INVENTORY - 12 MONTHS ENDING FEBRUARY 2019

I ROJECTED COMITEETTONS A	3 70 OI I KION	HAAFIAI
Submarket	Growth	# Units
Magnolia	27.4%	285
Belltown	17.3%	3,332
Bothell	16.6%	488
Auburn	14.9%	886
Riverton/Tukwila	14.8%	671
Queen Anne	14.5%	989
Ballard	13.3%	479
Mill Creek	11.8%	476
Redmond	11.6%	1,403
White Center	11.3%	298
First Hill	11.2%	885
+ 15 More Submarkets		5,604
IVIAI NEL OVETAII	6.6% 15,796 Units	



LARGEST COMMUNITIES UNDER CONSTRUCTION

Project	Address	# Units	Developer
1120 Denny Way	1120 Denny Way Seattle, WA 98109	1128	Onni Real Estate
Esterra Park Blocks 5, 6A and 9	SWC 156th Avenue NE & NE Turing Street Redmond, WA 98052	658	Lincoln Property Company
Hyde Square	15400 NE 20th Street Bellevue, WA 98007	618	Carmel Partners
970 Denny	970 Denny Way Seattle, WA 98109	461	Holland Partners
McKenzie	2202 8th Avenue Seattle, WA 98121	450	Clise Properties

TOP DEVELOPERS BY UNITS UNDER CONSTRUCTION

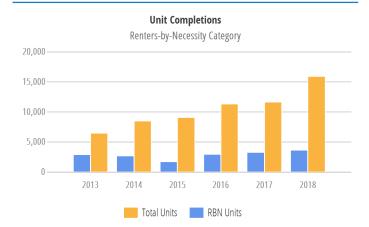
Developer	# Units	# Props
Onni Real Estate	1,128	1
Vulcan	1,109	6
Holland Partners	1,063	4
AVS Communities	887	3
Senior Housing Assistance Group	777	3
Devco	730	3
Lincoln Property Company	658	1
Carmel Partners	618	1
Greystar	615	3
AvalonBay Communities	598	2

SUPPLY MARCH 2018

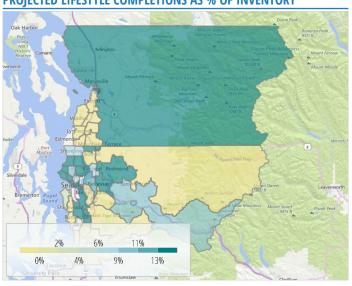
LIFESTYLE DEVELOPMENT ACTIVITY

Unit Completions Lifestyle Category 20,000 15,000 2013 2014 2015 2016 2017 2018 Total Units Lifestyle Units

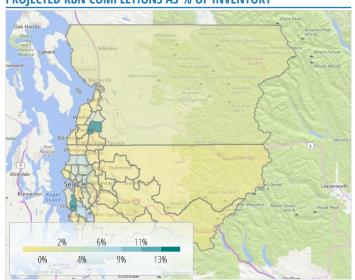
RENTERS-BY-NECESSITY DEVELOPMENT ACTIVITY



PROJECTED LIFESTYLE COMPLETIONS AS % OF INVENTORY



PROJECTED RE	BN COMPLETIONS <i>P</i>	AS % OF INVENTORY
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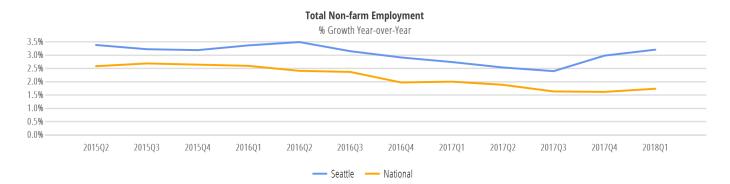
Submarket		Growth	# Units
Magnolia		84.8%	285
Rainier Valley		57.1%	450
Riverton/Tukwila		45.9%	371
Bellevue-East		36.5%	947
North Seattle		27.5%	419
Belltown		27.4%	3,172
University		26.5%	214
Marysville/Monroe		23.5%	182
Queen Anne		23.4%	918
Bothell		22.7%	488
First Hill		21.9%	620
+ 10 More Submarkets			4,003
Market Overall	11.2% 12,069 Units		

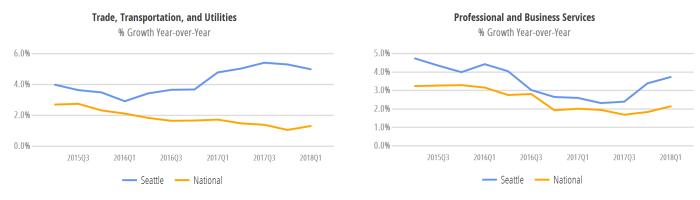
Submarket	Growth	# Units
Mill Creek	58.5%	476
Auburn	21.8%	886
White Center	15.2%	298
Riverton/Tukwila	8.1%	300
First Hill	5.2%	265
North Seattle	4.8%	407
Silver Lake	3.9%	180
University	3.7%	133
Central	3.7%	115
Greenlake/Wallingford	3.4%	72
Queen Anne	2.4%	71
+ 6 More Submarkets		524
Warket Overall	2.8% 727 Units	

EMPLOYMENT COMPOSITION BY INDUSTRY SECTOR

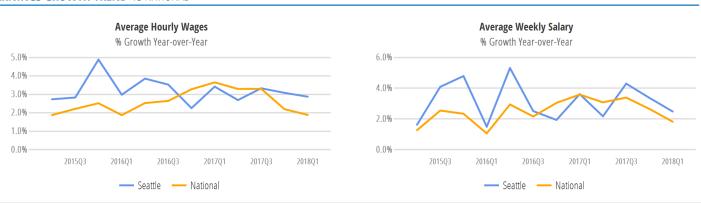


EMPLOYMENT GROWTH TREND FOR TOTAL NON-FARM AND TWO LARGEST INDUSTRY SECTORS





EARNINGS GROWTH TREND VS NATIONAL



Prior 12 Months





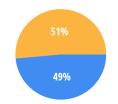
Sale Velocity

Properties Sold

Sale Volume

Total Sales

	Lifestyle	RBN
# Properties	34	36
Total \$MM	\$2,204	\$1,142
Avg \$/Unit	\$346,596	\$208,683



MOST ACTIVE SUBMARKETS BY TRANSACTION VOLUME



Submarket	#	Units	\$MM
Belltown	4	633	\$352.4
Kent	9	1,985	\$347.8
Mercer Island	2	854	\$305.8
University	5	715	\$256.5
Shoreline	2	774	\$216.5
Bellevue-West	2	424	\$204.5
West Seattle	3	409	\$147.0
Issaquah	1	344	\$134.7
Bothell	1	304	\$102.5
Redmond	2	417	\$100.5
+ 22 More Submarkets	39	4,974	\$1,178.3
Total	70	11,833	\$3,346.5

HIGHEST PRICED PREV. 3 MONTHS

West Ridge Park



Buyer: Intercontinental Real Estate
Sale Date: 03/22/2018

MOST ACTIVE BUYERS BY # PROPERTIES PURCHASED

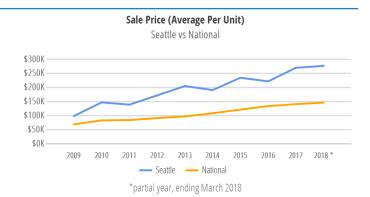
Company	#	Units	\$MM
MG Properties Group	3	788	\$203.8
Equity Residential	3	603	\$287.3
Security Properties	3	487	\$139.5
Blackstone Group	3	456	\$79.4
Greystar	2	816	\$278.5
Goodman Real Estate	2	711	\$103.5
Sares-Regis Group	2	294	\$73.8
Jackson Square Properties	2	154	\$41.8

MOST ACTIVE SELLERS BY # PROPERTIES SOLD

Company	#	Units	\$MM
TruAmerica Multifamily	4	756	\$142.4
FPA Multifamily	4	484	\$79.3
MG Properties Group	3	456	\$79.4
Essex Property Trust	2	587	\$157.8
Intracorp	2	307	\$125.6
Hamilton Zanze & Company	2	194	\$39.4
Weidner Investment Services	2	185	\$36.1
Goodman Real Estate	2	174	\$49.7

SALE TRENDS





COVERAGE

Yardi® Matrix reports on multi-family properties of 50+ units in size.

This report for the Seattle metro area covers Counties: King and Snohomish

Rental rate coverage is for Market Rate properties only. Fully Affordable properties are not included in our rental surveys and are not reported in rental rate averages.

GENERAL DEFINITIONS

Asset Class – refers to a generalized category of properties grouped by their Yardi® Matrix improvements rating

Lifestyle Asset Class – a grouping of all of the highest rated market rate properties A+, A, A- and B+

Renters-by-Necessity (RBN) Asset Class – a grouping of all of the lowest rated properties B, B-, C+, C, C- and D

COMMONLY USED CALCULATIONS

Year-over-Year Change – percentage growth from last year, for several months or quarters in a time-series. This analysis will highlight an overall direction of movement for a metro.

An upward slope means an accelerating growth. A downward slope means a slowing growth. Above the line (zero) for increases, below the line for loss.

Rankings – this metro is ranked nationally among other Yardi Matrix reported metros based on a single measure. For details on any specific ranking, see section descriptions below

DATA SOURCES

Rental Rates — are collected by Yardi® Matrix phone surveyors three times annually for 95%+ of property and unit configurations. Additionally, a representative sample of the market (between 10% and 20%) are surveyed monthly.

Occupancy Rates — are derived from U.S. Postal Service data and Yardi® Matrix phone surveys

Development Activity – information is tracked by Yardi® Matrix researchers. Construction projects are discovered through various publications and local government sources. Projects are tracked on a monthly basis. Completion dates and lease-up information are confirmed by phone calls to properties under construction.

Employment – data is sourced from the U.S. Bureau of Labor Statistics. Reported employment is generally two months behind the current date for this report.

Transaction Activity – information is tracked by Yardi® Matrix researchers. Sales are discovered through various publications and local government sources, and updates are made continuously.

MARKET OVERVIEW

Rent Growth Ranking – based on rent growth over the past year, current month.

Employment Growth Ranking – based on employment growth over the past year, latest employment month.

Completions Ranking – based on inventory growth over the past year, current month.

EMPLOYMENT AND EARNINGS

Calculations – total employment size (jobs) is expressed as a sum of employment in areas overlapping the reported market: Seattle-Bellevue-Everett, WA Metro Division

Industry Sectors — are defined by the NAICS Supersector designations. For more information visit: http://www.bls.gov/sae/saesuper.htm

Sector National Ranking – is based on the absolute size of the industry sector within this metro, when compared to the same industry in other metro areas nationally.

Earnings weekly vs hourly – differentiates hourly wage workers, from weekly salaried workers.

DEVELOPMENT ACTIVITY

Prospective Properties – announced construction projects, with no specific documents or government filings

Planned Properties – are in the planning stages of construction, with documents having been filed with the county or city

Under Construction Properties – have received permits for construction and broken ground.

Rankings – are based on the number of units currently under construction: Overall, Lifestyle and Renters-by-Necessity Asset Classifications

Projected Completions – Projected completions reported by Yardi® Matrix are limited to a year out and are based on properties currently under construction and their expected completion date.

Projected Completions as a % of Prior Inventory — This forward-looking metric uses projected unit completions to calculate a relative growth over the next year for a particular area. Submarkets with a total share of market inventory below 1% are assigned an N/A value, to avoid over-stating their significance in rankings and color-coded map displays.

Construction and Completion Counts — are reported based on property status as of the start of the month.

TRANSACTION ACTIVITY

Price – is expressed as Price/Unit as a standard measure. This is also used for national ranking

Velocity – is measured by the number of properties sold per year. This is also used for national ranking

Volume — measures the total amount of money spent in multifamily sale transactions in the prior year, expressed as millions of U.S. Dollars (\$MM). This is also used for national ranking

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