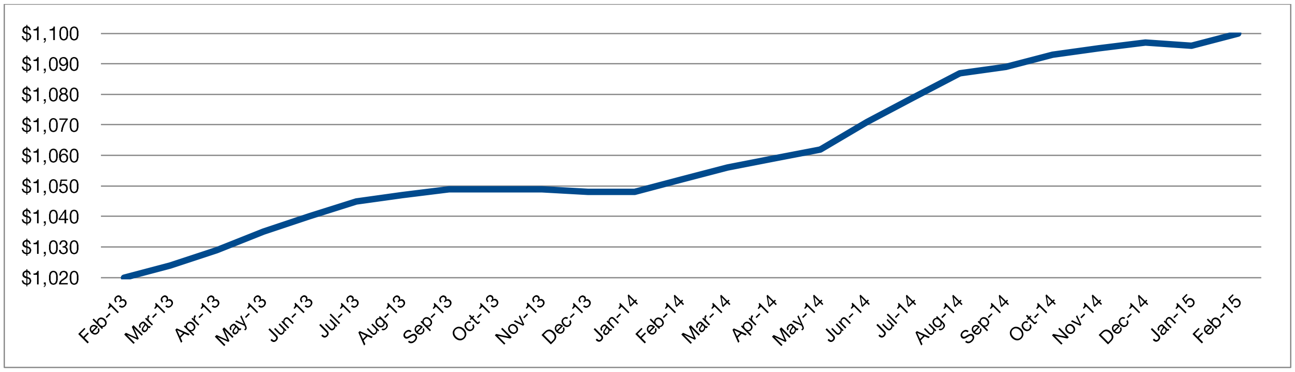
Rent Survey February 2015

Tech, Southern Metros Top-Performing Multifamily Markets

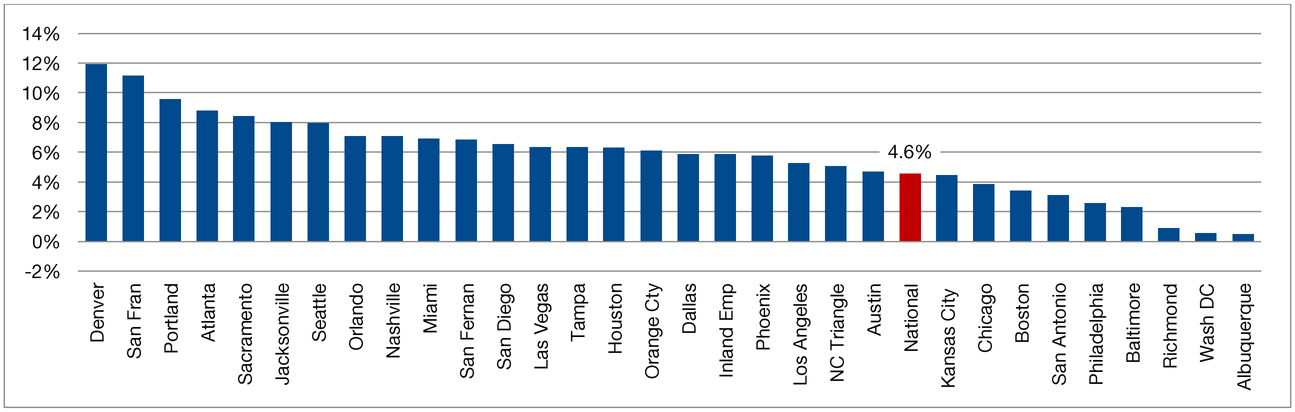
- Nationally, rents rose by 4.6% year-over-year to $1,100, according to Yardi Matrix's February 2015 survey. On a month-over-month basis, rents in the 84 surveyed markets have been basically flat since October.
- Metros with the fastest rent growth over the past year are concentrated on those with robust tech industries especially attractive to Millennials (Denver, San Francisco, Portland), and Southern markets with solid growth in jobs and population (Atlanta, Miami, Jacksonville, Orlando, Nashville).
- Denver tops year-over-year and trailing 12-month comparison charts for February 2015 but appears to have slowed in a trailing 3-month basis. Continued rent growth will be tested by the large amount of new supply. Rents rose to $1,163 in February, up from $1,039 in January 2014, an 11.9% jump.
- Not surprisingly given its hyper supply and already high rent levels, Washington DC's 0.5% rent growth over the last year was the weakest in the nation. Lifestyle has experienced the highest degree of volatility in this market. Rent growth in DC is likely to remain flat unless the construction pipeline slows.

** National averages include 84 markets tracked by Matrix, not just the 31 metros featured in the report.*

National Average Rents



Year-Over-Year Rent Growth – All Asset Classes



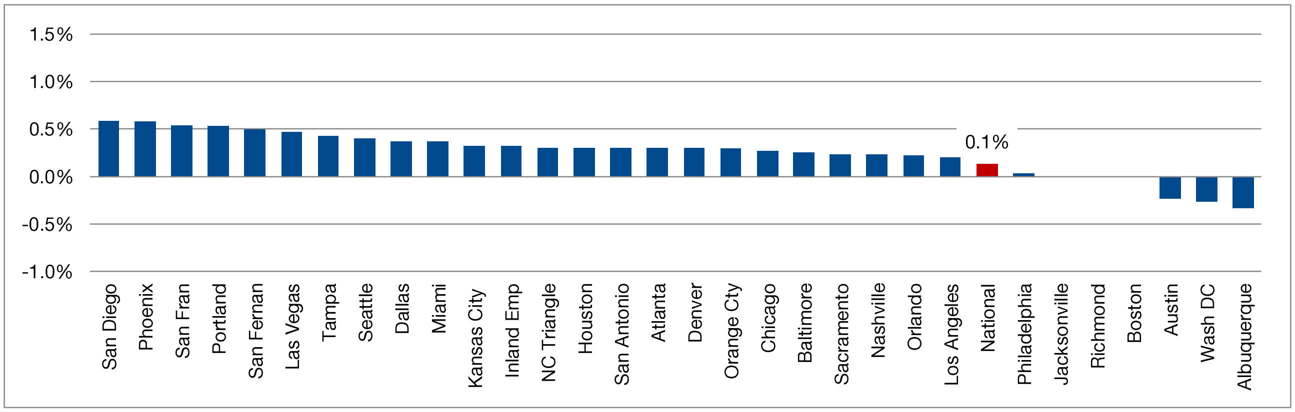
Contacts

- Jeff Adler, Vice President & General Manager of Yardi Matrix: Jeff.Adler@Yardi.com, 1-800-866-1124 x2403
- Jack Kern, Director of Research and Publications: Jack.Kern@Yardi.com, 1-800-866-1124 x2444
- Paul Fiorilla, Associate Director of Research: Paul.Fiorilla@Yardi.com, 1-800-866-1124 x5764
- Dana Seeley, Senior Research Analyst: Dana.Seeley@Yardi.com, 1-800-866-1124 x2035

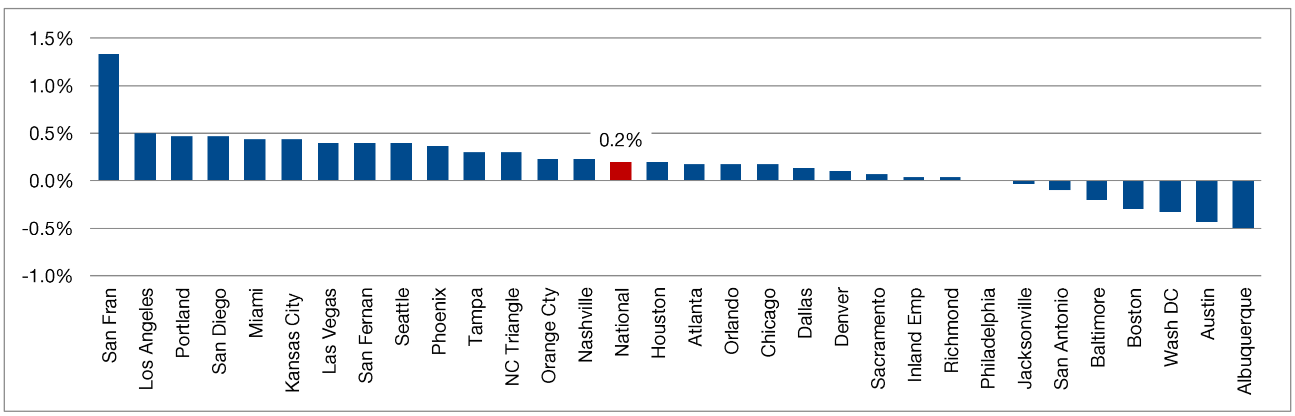
Trailing 3 Months: Phoenix Heats up, Denver Cools, Rents in DC Stall

- San Diego, Phoenix and San Francisco top the list of metros on a trailing 3-month basis. All three cities continue to be red-hot, boosted by gains in tech employment and an influx of young workers.
- Meanwhile, rents in Washington DC, Albuquerque, Austin and Boston have slowed, at least temporarily. Austin bears watching, as rent growth dropped over the past three months relative to its 12-month level, possibly a sign that supply is taking a toll on rents.
- Another metro to keep an eye on is Jacksonville, which posted strong year-over-year rent growth but was negative over the past three months.

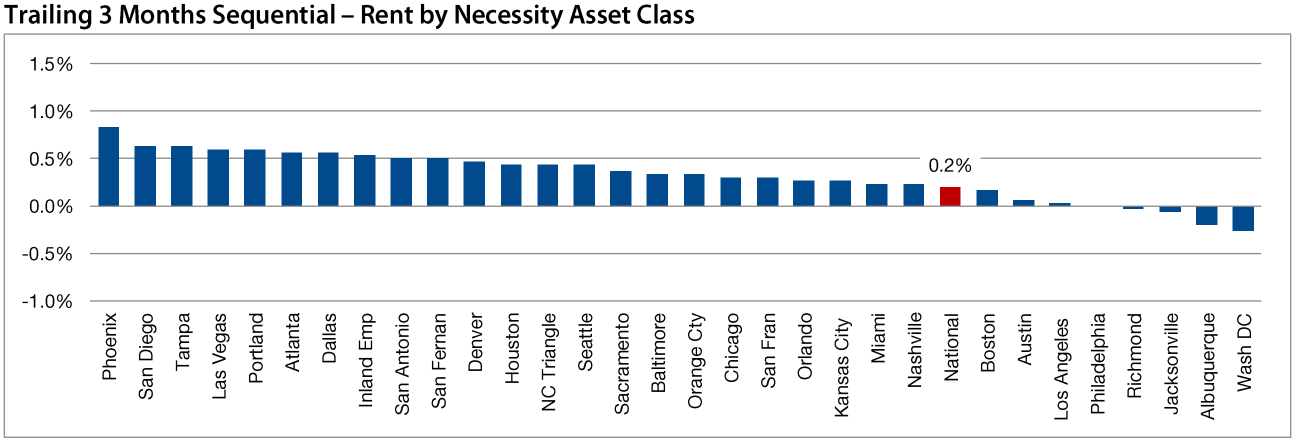
Trailing 3 Months Sequential – All Asset Classes



Trailing 3 Months Sequential – Lifestyle Asset Class



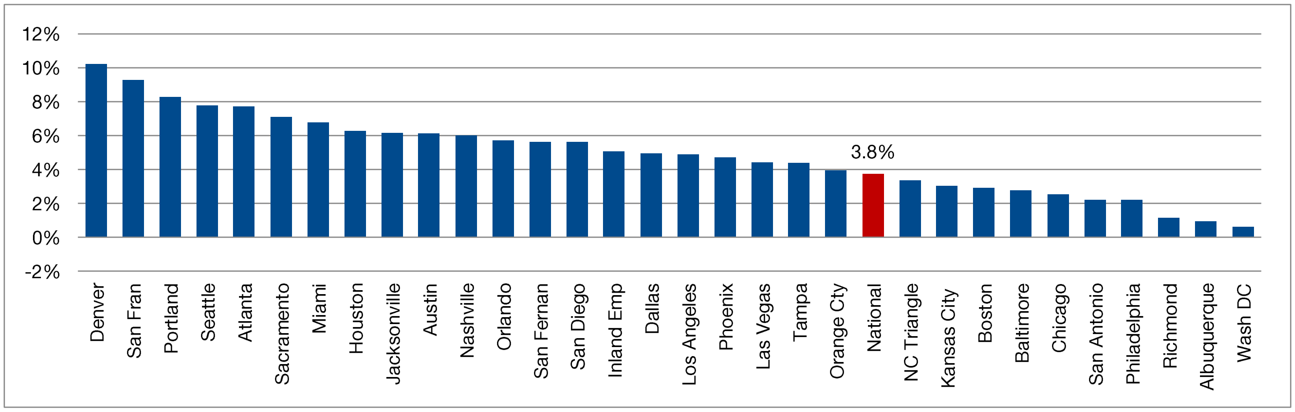
Trailing 3 Months Sequential – Rent by Necessity Asset Class



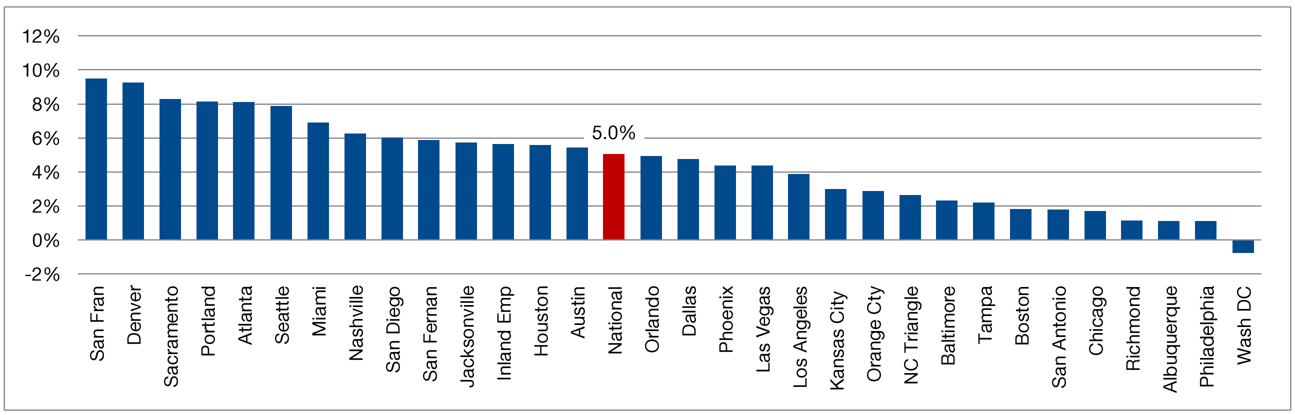
Trailing 12 Months: West is Best, East is Least

- Six of the top seven metros in terms of rent growth over a trailing 12-month period are growing metros in the West that are popular destinations for Millennials (Denver, Los Angeles, Portland, Sacramento, San Francisco and Seattle). The sole exception is Atlanta, which ranked third.
- On the other side of the coin, five of the bottom eight metros are in the Northeast or Eastern Seaboard (Washington DC, Richmond, Philadelphia, Baltimore and Boston). These metros tend to have slower job growth and relatively high rents that will be difficult to increase without higher wage growth.
- Rent growth has been slightly above average in Austin, Houston and Dallas, although those markets face a great deal of supply and/or the possibility of slower growth as a result of the drop in oil prices.

Trailing 12 Months Year-Over-Year – All Asset Classes



Trailing 12 Months Year-Over-Year – Lifestyle Asset Class



Trailing 12 Months Year-Over-Year – Rent by Necessity Asset Class