Underwriting Report

2400 S Loop W

The Wilcox Apartment Homes

312 Unit Apartment Building

Houston, Texas - Medical Center South Neighborhood

Sale Price $29M

Cap Rate 6.2 - 6.8

Trailing 12 Nov 2017 to Oct 2018 market rent 3.11 Milion - After Concessions Rent 2.398 Million after Reinbursement Water/ Gas/ Trash 2.744 Million Total rent

Christian Consultants of Texas

Kevin Pawlowski
(936) 718-1920

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Subject Property

2400 S Loop W - The Wilcox Apartment Homes

Houston, Texas - Medical Center South Neighborhood

PROPERTY	
No. of Units:	312
Stories:	2
Avg. Unit Size:	724 SF
Type:	Apartments - All
Rent Type:	Market
Year Built:	1979 Renov 1988
Parking:	-
Distance to Transit:	18 Minute Walk

PROPERTY MANAGER
Myan - The Wilcox
(713) 669-0141

OWNER
Quasar Land, Ltd
Avi Ron
David Hecht
Purchased Apr 2016
Not Disclosed - Part of Portfolio

ASKING RENTS PER UNIT/SF		
Current:	$855	$1.18 /SF
Last Quarter:	$855	$1.18 /SF
Year Ago:	$823	$1.14 /SF
Competitors:	$1,000	$1.24 /SF
Submarket:	$1,510	$1.61 /SF

VACANCY		
Current:	15.1%	47 Units
Last Quarter:	15.1%	47 Units
Year Ago:	5.1%	16 Units
Competitors:	19.4%	1,187 Units
Submarket:	11.7%	3,163 Units

12 MONTH NET ABSORPTION	
Current:	(39) Units
Competitor Total:	(198) Units
Competitor Avg:	(12.4) Units
Submarket Total:	405 Units
Submarket Avg:	2.8 Units

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	Bath	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
1	1	602	100	32.1%	15	15.0%	$795	$1.32	$787	$1.31	1.0%
1	1	644	50	16.0%	8	16.0%	$795	$1.24	$787	$1.22	1.0%
2	1	812	100	32.1%	15	15.0%	$800	$0.99	$700	$0.86	12.5%
2	2	844	62	19.9%	9	14.5%	$1,090	$1.29	$953	$1.13	12.5%

Totals	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
All 1 Beds	616	150	48.1%	23	15.3%	$795	$1.29	$787	$1.28	1.0%
All 2 Beds	824	162	51.9%	24	14.8%	$911	$1.11	$797	$0.97	12.5%
Totals	**724**	**312**	**100%**	**47**	**15.1%**	**$855**	**$1.18**	**$792**	**$1.09**	**7.4%**

Estimate Updated October 20, 2018

SITE AMENITIES

Business Center	Controlled Access	Maintenance on site
Package Service	Pool	Sundeck
Tennis Court		

Subject Property

UNIT AMENITIES

Air Conditioning	Cable Ready	Carpet
Ceiling Fans	Den	Dining Room
Dishwasher	Disposal	Hardwood Floors
Heating	Kitchen	Range
Tub/Shower	Vinyl Flooring	Walk-In Closets
Washer/Dryer Hookup	Window Coverings	

RECURRING EXPENSES

Dog Rent $20	Cat Rent $20

ONE TIME EXPENSES

Dog Fee $300	Cat Fee $300	Admin Fee $150
Application Fee $50		

PET POLICY

Cats Allowed - $0 Deposit, $20/Mo, 1 Maximum, One-Time Fee: $300
Dogs Allowed - $0 Deposit, $20/Mo, 1 Maximum, One-Time Fee: $300
Restrictions: Cats and Dogs Welcome * Maximum Pets per Apartment: 2 * Deposit per Pet: $400 on time fee (non-Refundable) * Monthly Fee per Pet: $20.00 per month per pet * Breed Restrictions: Pit Bull, Rottweiler, Doberman

Subject Property

Primary

Building

Building

Building

Subject Property

Interior

Interior

Interior

Building

Rent Comparables

2400 S Loop W

The Wilcox Apartment Homes

312 Unit Apartment Building

Houston, Texas - Medical Center South Neighborhood

Christian Consultants of Texas

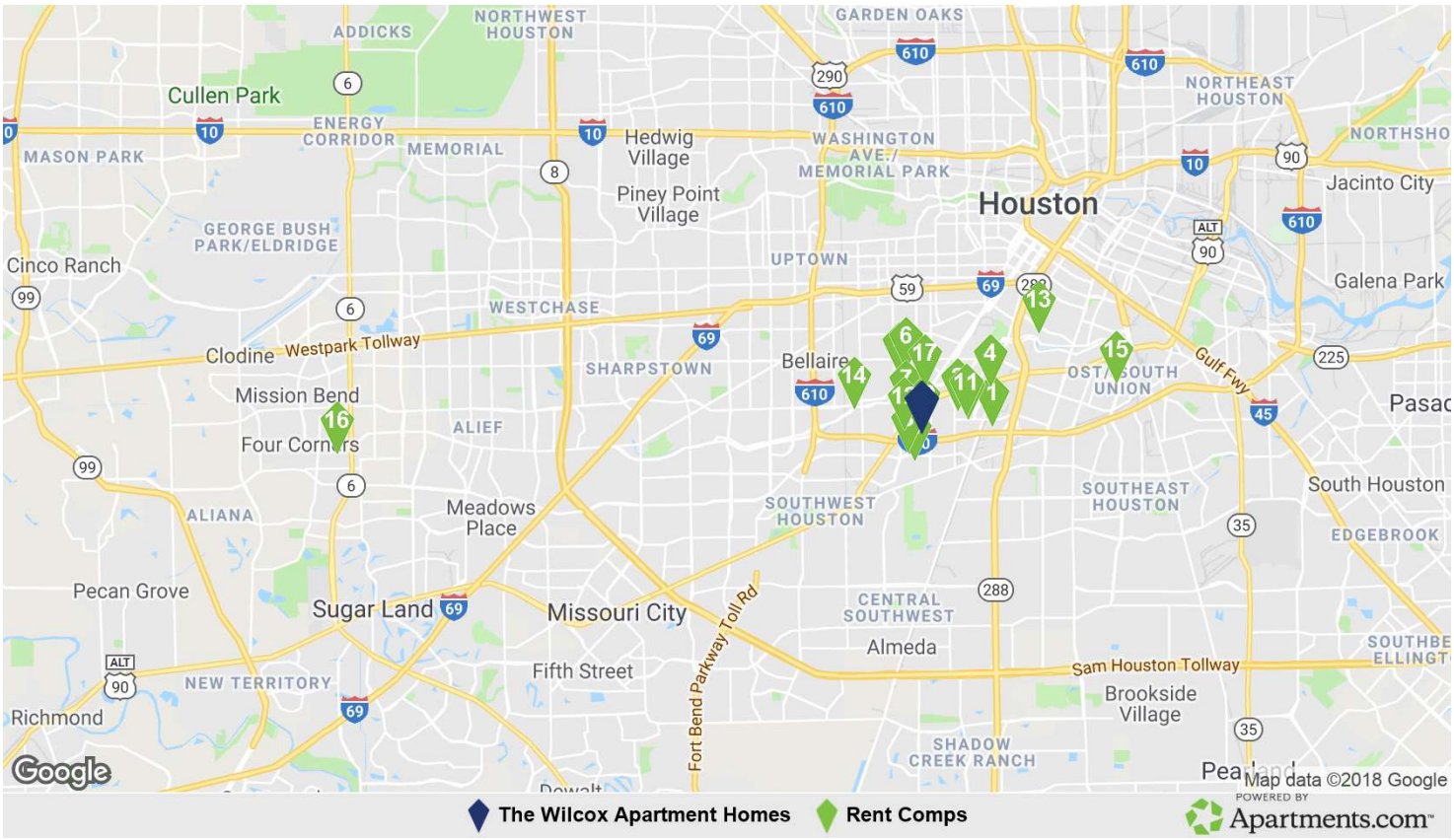
Kevin Pawlowski
(936) 718-1920

Rent Comparables Summary

2400 S Loop W - The Wilcox Apartment Homes

No. Rent Comps	Avg. Rent Per Unit	Avg. Rent Per SF	Avg. Vacancy Rate
17	$1,000	$1.24	19.4%

RENT COMP LOCATIONS



RENT COMPS SUMMARY STATISTICS

Unit Breakdown	Low	Average	Median	High
Total Units	132	372	312	800
Studio Units	0	14	0	200
One Bedroom Units	0	222	208	672
Two Bedroom Units	0	123	118	332
Three Bedroom Units	0	11	0	48

Property Attributes	Low	Average	Median	High
Year Built	1969	1987	1983	2018
Number of Floors	2	2	3	4
Average Unit Size	580 SF	797 SF	770 SF	1,128 SF
Vacancy Rate	0.0%	19.4%	7.3%	59.4%
Star Rating	★★☆☆☆	★★★☆☆ 3.4	★★★☆☆	★★★★☆

Rent Comparables Summary

2400 S Loop W - The Wilcox Apartment Homes

	Property Name/Address	Rating	Yr Built	Property Size		Asking Rent Per Month Per Unit				
				Units	Avg Unit SF	Studio	1 Bed	2 Bed	3 Bed	Rent/SF
1	Monarch Medical Center 8380 El Mundo St	★★★★☆	1984	224	691	-	$1,059	$1,300	-	$1.60
2	IMT at the Medical Center 8181 Fannin St	★★★☆☆	1995	678	778	$922	$1,015	$1,349	$1,909	$1.57
3	Villas at Coronado 9111 Lakes at 610 Dr	★★★☆☆	2005	344	799	-	$978	$1,294	$1,480	$1.39
4	7100 Almeda 7100 Almeda Rd	★★★★☆	1983	348	718	-	$888	$1,240	-	$1.36
5	Weston 7510 Brompton Rd	★★★☆☆	1973	800	908	$865	$1,070	$1,767	$2,531	$1.31
6	The Terraces on Brompton 7315 Brompton St	★★★☆☆	1970	362	734	-	$821	$1,180	-	$1.30
7	Broadmead Apartments 2801 Broadmead Dr	★★★☆☆	1979	235	761	-	$921	$1,045	-	$1.27
8	The Lakes of 610 Apartm… 2701 W Bellfort Ave	★★★☆☆	1983	276	659	-	$747	$1,143	-	$1.26
9	Scotland Yard 2250 Holly Hall St	★★★☆☆	1981	678	706	-	$803	$1,088	-	$1.24
◆	The Wilcox Apartment Ho… 2400 S Loop W	★★★☆☆	1979	312	724	-	$795	$911	-	$1.18
10	The Morgan Apartment H… 2401 West Ridge	★★★☆☆	1978	312	704	-	$739	$954	-	$1.17
11	2111 Holly Hall 2111 Holly Hall St	★★★☆☆	1980	569	904	-	$898	$1,234	$1,460	$1.16
12	The Edge at City Centre 8410 W Bartell Dr	★★★★☆	1983	284	770	-	$766	$1,036	-	$1.16
13	Savoy 5500 Sampson St	★★★★☆	2001	180	794	-	$958	$838	-	$1.14
14	Stratford House Apartments 4010 Linkwood Dr	★★☆☆☆	1969	474	869	-	$890	$853	$1,511	$1.02
15	Village at Palm Center 5110 Griggs Rd	★★★★☆	2016	222	986	-	$769	$917	$1,062	$0.91
16	Provision at Four Corners 15014 Old Richmond Rd	★★★★☆	2018	132	1,127	-	$499	$468	$884	$0.58
17	The Co-Op At The Med C… 7710 S Main St	★★★★☆	1982	200	580	-	-	-	-	-

Rent Comparables Photo Comparison

1 Monarch Medical Ce…

8380 El Mundo St
224 Units / 2 Stories
Rent/SF $1.60, Vacancy 3.6%
Owner: Lincoln Property Company;…

2 IMT at the Medical C…

8181 Fannin St
678 Units / 3 Stories
Rent/SF $1.57, Vacancy 4.9%
Owner: LivCor LLC

3 Villas at Coronado

9111 Lakes at 610 Dr
344 Units / 2 Stories
Rent/SF $1.39, Vacancy 7.0%
Owner: Cortland Partners

4 7100 Almeda

7100 Almeda Rd
348 Units / 2 Stories
Rent/SF $1.36, Vacancy 2.0%
Owner: Ilan Investments

5 Weston

7510 Brompton Rd
800 Units / 3 Stories
Rent/SF $1.31, Vacancy 45.6%
Owner: S2 Capital, LLC

6 The Terraces on Bro…

7315 Brompton St
362 Units / 3 Stories
Rent/SF $1.30, Vacancy 59.4%
Owner: Steadfast Capital Markets…

7 Broadmead Apartme…

2801 Broadmead Dr
235 Units / 2 Stories
Rent/SF $1.27, Vacancy 7.7%
Owner: Nitya Capital

8 The Lakes of 610 Ap…

2701 W Bellfort Ave
276 Units / 3 Stories
Rent/SF $1.26, Vacancy 3.6%
Owner: Starwood Capital Group;St…

9 Scotland Yard

2250 Holly Hall St
678 Units / 3 Stories
Rent/SF $1.24, Vacancy 4.0%
Owner: Frazin CPA

Rent Comparables Photo Comparison

Subject Property

The Wilcox Apartme…

2400 S Loop W
312 Units / 2 Stories
Rent/SF $1.18, Vacancy 15.1%
Owner: David Hecht;Quasar Land,…

10 The Morgan Apartme…

2401 West Ridge
312 Units / 2 Stories
Rent/SF $1.17, Vacancy 16.0%
Owner: David Hecht;Quasar Land,…

11 2111 Holly Hall

2111 Holly Hall St
569 Units / 3 Stories
Rent/SF $1.16, Vacancy 10.0%
Owner: American Realty Investors

12 The Edge at City Cen…

8410 W Bartell Dr
284 Units / 3 Stories
Rent/SF $1.16, Vacancy 8.1%
Owner: 29th Street Capital

13 Savoy

5500 Sampson St
180 Units / 3 Stories
Rent/SF $1.14, Vacancy 3.9%
Owner: DMG Investments

14 Stratford House Apa…

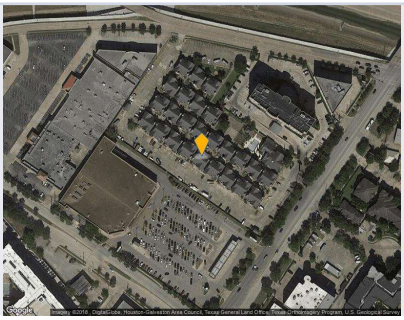
4010 Linkwood Dr
474 Units / 2 Stories
Rent/SF $1.02, Vacancy 45.8%
Owner: Prokop Industries Inc.

15 Village at Palm Center

5110 Griggs Rd
222 Units / 4 Stories
Rent/SF $0.91, Vacancy 56.8%
Owner: The ITEX Group

16 Provision at Four Co…

15014 Old Richmond Rd
132 Units / 3 Stories
Rent/SF $0.58, Vacancy 0%
Owner: Gardner Capital, Inc.



17 The Co-Op At The M…

7710 S Main St
200 Units / 2 Stories
Rent/SF -, Vacancy -
Owner: -

Rent Comparables

1 8380 El Mundo St - Monarch Medical Center

Houston, Texas - Medical Center South Neighborhood

PROPERTY

Property Size:	**224 Units, 2 Floors**
Avg. Unit Size:	**692 SF**
Year Built:	**1984**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**-**
Distance to Subject:	**1.7 Miles**
Distance to Transit:	**19 Minute Walk**

PROPERTY MANAGER

Lincoln - Monarch Medical Center

(713) 747-2698

OWNER

Purchased Nov 2014

$25,161,919 ($122,444/Unit) - Part of Portfolic

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	560	44	19.6%	10	22.7%	$985	$1.76	$916	$1.64	7.0%
1	1	660	110	49.1%	10	9.1%	$1,070	$1.62	$995	$1.51	7.0%
1	1	750	1	0.4%	0	0.0%	$1,166	$1.55	$1,085	$1.45	6.9%
1	1.5	750	24	10.7%	6	25.0%	$1,140	$1.52	$1,060	$1.41	7.0%
2	2	865	45	20.1%	10	22.2%	$1,300	$1.50	$1,161	$1.34	10.7%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	648	179	79.9%	26	14.5%	$1,059	$1.63	$985	$1.52	7.0%
All 2 Beds	865	45	20.1%	10	22.2%	$1,300	$1.50	$1,161	$1.34	10.7%
Totals	**692**	**224**	**100%**	**36**	**16.1%**	**$1,107**	**$1.60**	**$1,020**	**$1.48**	**7.9%**

Estimate Updated October 20, 2018

SITE AMENITIES

Concierge, Fitness Center, Gated, Laundry Facilities, Laundry Service, Maintenance on site, Pool, Spa, Storage Space

UNIT AMENITIES

Air Conditioning, Cable Ready, Ceiling Fans, Dishwasher, Disposal, Fireplace, High Speed Internet Access, Ice Maker, Microwave, Walk-In Closets, Washer/Dryer

RECURRING EXPENSES

Dog Rent $10	Cat Rent $10	Unassigned Surface Lot Parking $0

ONE TIME EXPENSES

Dog Deposit $250	Cat Deposit $250	Dog Fee $250
Cat Fee $250	Admin Fee $125	Application Fee $50

PET POLICY

Cats Allowed - $250 Deposit, $10/Mo, 2 Maximum, One-Time Fee: $250
Dogs Allowed - $250 Deposit, $10/Mo, 2 Maximum, Maximum Weight 25 lb, One-Time Fee: $250
Restrictions: No aggressive breeds or crossbreeds.

Rent Comparables

2 8181 Fannin St - IMT at the Medical Center

Houston, Texas - Medical Center South Neighborhood

★★★☆☆

PROPERTY	
Property Size:	**678 Units, 3 Floors**
Avg. Unit Size:	**779 SF**
Year Built:	**1995**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**1207 Spaces; 1.8 per Unit**
Distance to Subject:	**1.0 Miles**
Distance to Transit:	**3 Minute Walk**

PROPERTY MANAGER
IMT - IMT at the Medical Center
(713) 799-4000

OWNER
Purchased May 2017
$107,328,462 ($176,215/Unit) - Part of Portf…

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
Studio	1	498	42	6.2%	4	9.5%	$922	$1.85	$922	$1.85	0.0%
1	1	659	269	39.7%	15	5.6%	$1,015	$1.54	$1,015	$1.54	0.0%
2	1	809	78	11.5%	5	6.4%	$1,273	$1.57	$1,273	$1.57	0.0%
2	2	871	85	12.5%	8	9.4%	$1,347	$1.55	$1,347	$1.55	0.0%
2	2	910	169	24.9%	9	5.3%	$1,385	$1.52	$1,385	$1.52	0.0%
3	2	1,107	35	5.2%	2	5.7%	$1,909	$1.72	$1,909	$1.72	0.0%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All Studios	498	42	6.2%	4	9.5%	$922	$1.85	$922	$1.85	0.0%
All 1 Beds	659	269	39.7%	15	5.6%	$1,015	$1.54	$1,015	$1.54	0.0%
All 2 Beds	876	332	49.0%	22	6.6%	$1,349	$1.54	$1,349	$1.54	0.0%
All 3 Beds	1,107	35	5.2%	2	5.7%	$1,909	$1.72	$1,909	$1.72	0.0%
Totals	**779**	**678**	**100%**	**43**	**6.3%**	**$1,219**	**$1.57**	**$1,219**	**$1.57**	**0.0%**

Estimate Updated October 23, 2018

SITE AMENITIES

Business Center, Clubhouse, Controlled Access, Fitness Center, Grill, Laundry Facilities, Maintenance on site, Picnic Area, Pool, Property Manager on Site

UNIT AMENITIES

Air Conditioning, Cable Ready, Ceiling Fans, Dishwasher, Disposal, Heating, Walk-In Closets, Washer/Dryer Hookup

RECURRING EXPENSES

Dog Rent $20

Cat Rent $20

ONE TIME EXPENSES

Dog Fee $300

Cat Fee $300

Admin Fee $150

Application Fee $50

PET POLICY

Cats Allowed - $20/Mo, 2 Maximum, One-Time Fee: $300
Restrictions: Pets allowed! Pet fee is $300 per pet (maximum of up to 2 pets). Pet rent is $20 per month per pet. No weight restriction. Some breed restrictions apply.
Dogs Allowed - $20/Mo, 2 Maximum, Maximum Weight 50 lb, One-Time Fee: $300
Restrictions: Pets allowed! Pet fee is $300 per pet (maximum of up to 2 pets). Pet rent is $20 per month per pet. No weight restriction. Some breed restrictions apply.

3 9111 Lakes at 610 Dr - Villas at Coronado

Houston, Texas - South Main Neighborhood

PROPERTY	
Property Size:	**344 Units, 2 Floors**
Avg. Unit Size:	**799 SF**
Year Built:	**2005**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**486 Spaces; 1.4 per Unit**
Distance to Subject:	**0.7 Miles**
Distance to Transit:	**20 Minute Walk**

PROPERTY MANAGER

Cortland Partners - Villas at Coronado

(713) 667-0200

OWNER

Purchased Aug 2018

Not Disclosed - Part of Portfolio

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	594	88	25.6%	8	9.1%	$925	$1.56	$925	$1.56	0.0%
1	1	678	72	20.9%	8	11.1%	$982	$1.45	$982	$1.45	0.0%
1	1	814	48	14.0%	4	8.3%	$1,070	$1.31	$1,070	$1.31	0.0%
2	2	892	48	14.0%	5	10.4%	$1,242	$1.39	$1,222	$1.37	1.6%
2	2	1,019	72	20.9%	3	4.2%	$1,328	$1.30	$1,307	$1.28	1.6%
3	2	1,157	16	4.7%	0	0.0%	$1,480	$1.28	$1,480	$1.28	0.0%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	674	208	60.5%	20	9.6%	$978	$1.45	$978	$1.45	0.0%
All 2 Beds	968	120	34.9%	8	6.7%	$1,294	$1.34	$1,273	$1.31	1.6%
All 3 Beds	1,157	16	4.7%	0	0.0%	$1,480	$1.28	$1,480	$1.28	0.0%
Totals	**799**	**344**	**100%**	**28**	**8.1%**	**$1,112**	**$1.39**	**$1,104**	**$1.38**	**0.6%**

Estimate Updated October 15, 2018

SITE AMENITIES

Breakfast/Coffee Concierge, Business Center, Coffee Bar, Fitness Center, Wi-Fi at Pool and Clubhouse

UNIT AMENITIES

Air Conditioning, Alarm, Balcony, Ceiling Fans, Crown Molding, Disposal, Ice Maker, Microwave, Patio, Satellite TV, Storage Units, Tub/Shower, Vaulted Ceiling, Washer/Dryer, Wi-Fi

RECURRING EXPENSES

Dog Rent $10

Cat Rent $10

ONE TIME EXPENSES

Dog Fee $300

Cat Fee $300

Admin Fee $175

Application Fee $50

PET POLICY

Cats Allowed - $10/Mo, 2 Maximum, Maximum Weight 75 lb, One-Time Fee: $300
Restrictions: We welcome your pets for a maximum of 2 pets per apartment home. Breed restrictions do apply. No weight restrictions. Please call for complete pet policy information.
Dogs Allowed - $10/Mo, 2 Maximum, Maximum Weight 75 lb, One-Time Fee: $300
Restrictions: We welcome your pets for a maximum of 2 pets per apartment home. Breed restrictions do apply. No weight restrictions. Please call for complete pet policy information.

4 7100 Almeda Rd - 7100 Almeda

Houston, Texas - Medical Center South Neighborhood

★★★★☆

PROPERTY

Property Size:	**348 Units, 2 Floors**
Avg. Unit Size:	**719 SF**
Year Built:	**1983**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**696 Spaces; 2.0 per Unit**
Distance to Subject:	**2.0 Miles**
Distance to Transit:	**20 Minute Walk**

PROPERTY MANAGER

Adara Communities - 7100 Almeda

(713) 581-1668

OWNER

Purchased Nov 2002

$20,850,000 ($59,914/Unit)

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	627	160	46.0%	1	0.6%	$850	$1.36	$817	$1.30	3.9%
1	1	680	100	28.7%	2	2.0%	$949	$1.40	$912	$1.34	3.9%
2	2	930	88	25.3%	3	3.4%	$1,240	$1.33	$1,207	$1.30	2.7%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	647	260	74.7%	3	1.2%	$888	$1.37	$854	$1.32	3.9%
All 2 Beds	930	88	25.3%	3	3.4%	$1,240	$1.33	$1,207	$1.30	2.7%
Totals	**719**	**348**	**100%**	**6**	**1.7%**	**$977**	**$1.36**	**$943**	**$1.31**	**3.5%**

Estimate Updated October 19, 2018

SITE AMENITIES

Breakfast/Coffee Concierge, Business Center, Clubhouse, Courtyard, Fitness Center, Gated, Package Service, Pet Play Area, Pool, Property Manager on Site, Wi-Fi at Pool and Clubhouse

UNIT AMENITIES

Air Conditioning, Balcony, Cable Ready, Ceiling Fans, Crown Molding, Dishwasher, Disposal, Fireplace, High Speed Internet Access, Microwave, Range, Refrigerator, Storage Units, Views, Washer/Dryer, Washer/Dryer Hookup, Wheelchair Accessible (Rooms), Wi-Fi

RECURRING EXPENSES

Assigned Covered Parking $25

Unassigned Covered Parking $0-$25

ONE TIME EXPENSES

Dog Fee $500

Cat Fee $500

Admin Fee $75

Application Fee $50

PET POLICY

Cats Allowed - 2 Maximum, Maximum Weight 90 lb, One-Time Fee: $500
Dogs Allowed - 2 Maximum, Maximum Weight 90 lb, One-Time Fee: $500
Restrictions: Breed restrictions may apply.

Rent Comparables

5 7510 Brompton Rd - Weston

Houston, Texas - Braeswood Place Neighborhood

★★★☆☆

PROPERTY

Property Size:	**800 Units, 3 Floors**
Avg. Unit Size:	**909 SF**
Year Built:	**1973**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**-**
Distance to Subject:	**1.6 Miles**
Distance to Transit:	**-**

PROPERTY MANAGER

S2 Residential-The Weston

(713) 666-4138

OWNER

Purchased Mar 2018

$65,800,000 ($82,976/Unit)

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
Studio	1	607	2	0.3%	0	0.0%	$865	$1.43	$856	$1.41	1.0%
1	1	631	2	0.3%	0	0.0%	$895	$1.42	$886	$1.40	1.0%
1	1	709	2	0.3%	0	0.0%	$950	$1.34	$941	$1.33	1.0%
1	1	779	2	0.3%	1	50.0%	$1,035	$1.33	$1,025	$1.32	1.0%
1	1	801	600	75.0%	0	0.0%	$1,062	$1.33	$1,051	$1.31	1.0%
1	1	846	2	0.3%	1	50.0%	$1,048	$1.24	$1,037	$1.23	1.0%
1	1	971	2	0.3%	1	50.0%	$1,173	$1.21	$1,161	$1.20	1.0%
1	1	1,108	2	0.3%	0	0.0%	$1,373	$1.24	$1,359	$1.23	1.0%
1	1	1,205	58	7.3%	0	0.0%	$1,137	$0.94	$1,125	$0.93	1.0%
1	1	1,302	2	0.3%	1	50.0%	$1,550	$1.19	$1,535	$1.18	1.0%
2	2	1,032	2	0.3%	0	0.0%	$1,333	$1.29	$1,319	$1.28	1.0%
2	2	1,073	60	7.5%	0	0.0%	$1,638	$1.53	$1,621	$1.51	1.0%
2	2	1,114	2	0.3%	1	50.0%	$1,398	$1.25	$1,384	$1.24	1.0%
2	2	1,318	26	3.3%	0	0.0%	$1,932	$1.47	$1,913	$1.45	1.0%
2	2	1,545	28	3.5%	0	0.0%	$1,949	$1.26	$1,930	$1.25	1.0%
3	2	2,045	2	0.3%	0	0.0%	$2,343	$1.15	$2,319	$1.13	1.0%
3	3	2,045	6	0.8%	0	0.0%	$2,594	$1.27	$2,568	$1.26	1.0%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All Studios	607	2	0.3%	0	0.0%	$865	$1.43	$856	$1.41	1.0%
All 1 Beds	838	672	84.0%	4	0.6%	$1,070	$1.28	$1,059	$1.26	1.0%
All 2 Beds	1,239	118	14.8%	1	0.9%	$1,767	$1.43	$1,749	$1.41	1.0%
All 3 Beds	2,045	8	1.0%	0	0.0%	$2,531	$1.24	$2,506	$1.23	1.0%
Totals	**909**	**800**	**100%**	**5**	**0.6%**	**$1,187**	**$1.31**	**$1,175**	**$1.29**	**1.0%**

Estimate Updated October 20, 2018

SITE AMENITIES

Business Center, Elevator, Fitness Center, Furnished Units Available, Gated, Laundry Facilities, Laundry Service, Maintenance on site, Package Service, Pool, Property Manager on Site, Recycling

UNIT AMENITIES

Air Conditioning, Cable Ready, Ceiling Fans, Dishwasher, Disposal, Refrigerator, Storage Units, Window Coverings

RECURRING EXPENSES

Dog Rent $205	Cat Rent $205	

ONE TIME EXPENSES

Dog Deposit $500	Cat Deposit $500	Admin Fee $50
Application Fee $50		

PET POLICY

Cats Allowed - $500 Deposit, $205/Mo, 2 Maximum, Maximum Weight 100 lb
Dogs Allowed - $500 Deposit, $205/Mo, 2 Maximum, Maximum Weight 100 lb

6 7315 Brompton St - The Terraces on Brompton

Houston, Texas - Braeswood Place Neighborhood

PROPERTY	
Property Size:	**362 Units, 3 Floors**
Avg. Unit Size:	**734 SF**
Year Built:	**1970 Renov 2006**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**410 Spaces; 1.1 per Unit**
Distance to Subject:	**1.6 Miles**
Distance to Transit:	**-**

PROPERTY MANAGER

Steadfast - Terraces on Brompton

(844) 850-7079

OWNER

Purchased May 2014

$38,500,000 ($106,354/Unit)

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	505	59	16.3%	3	5.1%	$787	$1.56	$732	$1.45	7.0%
1	1	631	67	18.5%	3	4.5%	$829	$1.31	$771	$1.22	7.0%
1	1	686	104	28.7%	3	2.9%	$835	$1.22	$777	$1.13	7.0%
2	1	838	33	9.1%	3	9.1%	$1,048	$1.25	$987	$1.18	5.8%
2	1.5	903	52	14.4%	3	5.8%	$1,063	$1.18	$1,001	$1.11	5.8%
2	2	950	14	3.9%	3	21.4%	$1,328	$1.40	$1,250	$1.32	5.8%
2	2	1,000	8	2.2%	0	0.0%	$1,757	$1.76	$1,654	$1.65	5.8%
2	2	1,060	25	6.9%	2	8.0%	$1,329	$1.25	$1,251	$1.18	5.8%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	624	230	63.5%	9	3.9%	$821	$1.32	$764	$1.22	7.0%
All 2 Beds	927	132	36.5%	11	8.3%	$1,180	$1.27	$1,111	$1.20	5.8%
Totals	**734**	**362**	**100%**	**20**	**5.5%**	**$952**	**$1.30**	**$890**	**$1.21**	**6.5%**

Estimate Updated October 24, 2018

SITE AMENITIES

Breakfast/Coffee Concierge, Business Center, Controlled Access, Courtesy Patrol, Courtyard, Elevator, Fitness Center, Gated, Grill, Laundry Facilities, Lounge, Maintenance on site, Picnic Area, Pool, Property Manager on Site

UNIT AMENITIES

Air Conditioning, Cable Ready, Carpet, Ceiling Fans, Dishwasher, Heating, Microwave, Pantry, Refrigerator, Views, Wi-Fi, Window Coverings

RECURRING EXPENSES

Dog Rent $25

Cat Rent $25

Unassigned Covered Parking $0

ONE TIME EXPENSES

Admin Fee $150

Application Fee $50

PET POLICY

Cats Allowed - $25/Mo, 2 Maximum
Restrictions: Breed Restriction Apply
Dogs Allowed - $25/Mo, 2 Maximum
Restrictions: Breed Restriction Apply

7 2801 Broadmead Dr - Broadmead Apartments

Houston, Texas - Braeswood Place Neighborhood

PROPERTY	
Property Size:	**235 Units, 2 Floors**
Avg. Unit Size:	**762 SF**
Year Built:	**1979 Renov 2000**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**275 Spaces; 1.2 per Unit**
Distance to Subject:	**0.6 Miles**
Distance to Transit:	**-**

PROPERTY MANAGER

Karya - Broadmead Apartments

(713) 669-0588

OWNER

Purchased Aug 2016

$24,317,700 ($103,480/Unit)

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	635	84	35.7%	8	9.5%	$890	$1.40	$883	$1.39	0.8%
1	1	684	48	20.4%	8	16.7%	$927	$1.36	$919	$1.34	0.8%
1	1	768	19	8.1%	0	0.0%	$1,040	$1.35	$1,031	$1.34	0.8%
2	1	850	24	10.2%	0	0.0%	$995	$1.17	$987	$1.16	0.8%
2	2	965	60	25.5%	4	6.7%	$1,065	$1.10	$1,056	$1.09	0.8%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	667	151	64.3%	16	10.6%	$921	$1.38	$913	$1.37	0.8%
All 2 Beds	932	84	35.7%	4	4.8%	$1,045	$1.12	$1,036	$1.11	0.8%
Totals	**762**	**235**	**100%**	**20**	**8.5%**	**$965**	**$1.27**	**$957**	**$1.26**	**0.8%**

Estimate Updated October 20, 2018

SITE AMENITIES

Breakfast/Coffee Concierge, Courtesy Patrol, Fitness Center, Furnished Units Available, Gated, Grill, Laundry Facilities, Maintenance on site, Picnic Area, Pool, Property Manager on Site, Spa, Sundeck

UNIT AMENITIES

Air Conditioning, Alarm, Balcony, Barbecue Area, Bay Window, Breakfast Nook, Cable Ready, Carpet, Ceiling Fans, Dishwasher, Disposal, Fireplace, Hardwood Floors, Heating, High Speed Internet Access, Kitchen, Oven, Pantry, Range, Refrigerator, Vaulted Ceiling, Walk-In Closets, Washer/Dryer Hookup, Wheelchair Accessible (Rooms), Window Coverings

RECURRING EXPENSES

Dog Rent $15	Cat Rent $15	Unassigned Other Parking $0

ONE TIME EXPENSES

Dog Deposit $200	Cat Deposit $200	Dog Fee $15-$30
Cat Fee $15-$30	Admin Fee $75	Application Fee $40

PET POLICY

Cats Allowed - $200 Deposit, $15/Mo, 2 Maximum, Maximum Weight 50 lb, One-Time Fee: $15-$30
Restrictions: We welcome 3 pets per apartment home. There is a weight limit of 50 pounds per pet and aggressive breeds are prohibited. There is also a $400 pet deposit. Large breads are accepted. Please call our leasing office for more details.
Dogs Allowed - $200 Deposit, $15/Mo, 2 Maximum, Maximum Weight 50 lb, One-Time Fee: $15-$30
Restrictions: We welcome 3 pets per apartment home. There is a weight limit of 50 pounds per pet and aggressive breeds are prohibited. There is also a $400 pet deposit. Large breads are accepted. Please call our leasing office for more details.

8 2701 W Bellfort Ave - The Lakes of 610 Apartments

Houston, Texas - South Main Neighborhood

PROPERTY	
Property Size:	**276 Units, 3 Floors**
Avg. Unit Size:	**659 SF**
Year Built:	**1983**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**382 Spaces; 1.4 per Unit**
Distance to Subject:	**0.6 Miles**
Distance to Transit:	**-**

PROPERTY MANAGER

Milestone - The Lakes of 610 Apartments

(713) 218-7277

OWNER

Purchased Oct 2014

$310,099,950 ($82,364/Unit) - Portfolio Price

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	468	72	26.1%	6	8.3%	$734	$1.57	$730	$1.56	0.5%
1	1	643	144	52.2%	5	3.5%	$753	$1.17	$749	$1.17	0.5%
2	2	927	60	21.7%	3	5.0%	$1,143	$1.23	$1,136	$1.23	0.6%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	585	216	78.3%	11	5.1%	$747	$1.28	$743	$1.27	0.5%
All 2 Beds	927	60	21.7%	3	5.0%	$1,143	$1.23	$1,136	$1.23	0.6%
Totals	**659**	**276**	**100%**	**14**	**5.1%**	**$833**	**$1.26**	**$828**	**$1.26**	**0.5%**

Estimate Updated October 20, 2018

SITE AMENITIES

Breakfast/Coffee Concierge, Business Center, Courtesy Patrol, Furnished Units Available, Gated, Pool, Property Manager on Site, Spa

UNIT AMENITIES

Air Conditioning, Balcony, Cable Ready, Carpet, Ceiling Fans, Dishwasher, Disposal, Fireplace, Heating, High Speed Internet Access, Microwave, Refrigerator, Smoke Free, Storage Units, Views, Washer/Dryer, Wheelchair Accessible (Rooms)

RECURRING EXPENSES

Dog Rent $15	Cat Rent $15	Unassigned Surface Lot Parking $0

ONE TIME EXPENSES

Dog Deposit $200	Cat Deposit $200	Dog Fee $300
Cat Fee $300	Admin Fee $125	Application Fee $75

PET POLICY

Cats Allowed - $200 Deposit, $15/Mo, 2 Maximum, One-Time Fee: $300
Restrictions: Breed Restrictions Apply
Dogs Allowed - $200 Deposit, $15/Mo, 2 Maximum, One-Time Fee: $300
Restrictions: Breed Restrictions Apply

Rent Comparables

9 2250 Holly Hall St - Scotland Yard

Houston, Texas - Medical Center South Neighborhood

PROPERTY	
Property Size:	**678 Units, 3 Floors**
Avg. Unit Size:	**707 SF**
Year Built:	**1981**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**590 Spaces; 0.9 per Unit**
Distance to Subject:	**1.2 Miles**
Distance to Transit:	**8 Minute Walk**

PROPERTY MANAGER

Westwood Residential - Scotland Yard Apa..

(713) 799-9460

OWNER

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UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	566	72	10.6%	1	1.4%	$750	$1.33	$711	$1.26	5.3%
1	1	567	71	10.5%	1	1.4%	$765	$1.35	$725	$1.28	5.3%
1	1	622	71	10.5%	1	1.4%	$825	$1.33	$782	$1.26	5.3%
1	1	630	71	10.5%	1	1.4%	$765	$1.21	$725	$1.15	5.3%
1	1	656	71	10.5%	1	1.4%	$775	$1.18	$734	$1.12	5.3%
1	1	676	71	10.5%	1	1.4%	$885	$1.31	$839	$1.24	5.3%
1	1	706	71	10.5%	1	1.4%	$855	$1.21	$810	$1.15	5.3%
2	1	881	25	3.7%	2	8.0%	$1,100	$1.25	$1,058	$1.20	3.9%
2	2	830	25	3.7%	1	4.0%	$1,100	$1.33	$1,058	$1.27	3.9%
2	2	892	26	3.8%	2	7.7%	$1,030	$1.15	$990	$1.11	3.9%
2	2	924	26	3.8%	1	3.9%	$1,115	$1.21	$1,072	$1.16	3.9%
2	2	925	26	3.8%	1	3.9%	$1,125	$1.22	$1,082	$1.17	3.9%
2	2	965	26	3.8%	1	3.9%	$1,075	$1.11	$1,034	$1.07	3.9%
2	2	979	26	3.8%	2	7.7%	$1,075	$1.10	$1,034	$1.06	3.9%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	632	498	73.5%	7	1.4%	$803	$1.27	$761	$1.20	5.3%
All 2 Beds	914	180	26.5%	10	5.6%	$1,088	$1.19	$1,046	$1.14	3.9%
Totals	**707**	**678**	**100%**	**17**	**2.5%**	**$879**	**$1.24**	**$836**	**$1.18**	**4.8%**

Estimate Updated October 22, 2018

SITE AMENITIES

Business Center, Clubhouse, Fitness Center, Laundry Facilities, Picnic Area, Pool, Property Manager on Site, Racquetball Court, Sauna

UNIT AMENITIES

Air Conditioning, Balcony, Cable Ready, Carpet, Ceiling Fans, Dishwasher, Disposal, Fireplace, Heating, High Speed Internet Access, Refrigerator, Sprinkler System, Vaulted Ceiling, Walk-In Closets, Washer/Dryer, Washer/Dryer Hookup

RECURRING EXPENSES

Cat Rent $20

Assigned Covered Parking $15

Unassigned Covered Parking $15

Free Trash Removal

ONE TIME EXPENSES

Cat Deposit $250	Admin Fee $50	Application Fee $50

PET POLICY

Cats Allowed - $250 Deposit, $20/Mo, 2 Maximum, Maximum Weight 25 lb
Restrictions: Cats Only

10 2401 West Ridge - The Morgan Apartment Homes

Houston, Texas - Medical Center South Neighborhood

★★★☆☆

PROPERTY	
Property Size:	**312 Units, 2 Floors**
Avg. Unit Size:	**705 SF**
Year Built:	**1978**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**-**
Distance to Subject:	**0.1 Miles**
Distance to Transit:	**15 Minute Walk**

PROPERTY MANAGER

Myan - The Morgan

(713) 665-3101

OWNER

Purchased Apr 2016

Not Disclosed - Part of Portfolio

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	602	88	28.2%	14	15.9%	$670	$1.11	$600	$1.00	10.4%
1	1	644	98	31.4%	16	16.3%	$800	$1.24	$717	$1.11	10.4%
2	1	812	78	25.0%	13	16.7%	$910	$1.12	$901	$1.11	1.0%
2	2	844	48	15.4%	8	16.7%	$1,025	$1.21	$1,014	$1.20	1.0%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	624	186	59.6%	30	16.1%	$739	$1.18	$662	$1.06	10.4%
All 2 Beds	824	126	40.4%	21	16.7%	$954	$1.16	$944	$1.15	1.0%
Totals	**705**	**312**	**100%**	**51**	**16.4%**	**$825**	**$1.17**	**$776**	**$1.10**	**6.0%**

Estimate Updated October 20, 2018

SITE AMENITIES

Controlled Access, Laundry Facilities, Maintenance on site, Pool, Property Manager on Site

UNIT AMENITIES

Air Conditioning, Balcony, Ceiling Fans, Dishwasher, Disposal, Heating, Range, Refrigerator, Washer/Dryer Hookup

RECURRING EXPENSES

Dog Rent $20

Cat Rent $20

ONE TIME EXPENSES

Dog Fee $300

Cat Fee $300

Admin Fee $150

Application Fee $50

PET POLICY

Cats Allowed - $20/Mo, One-Time Fee: $300
Dogs Allowed - $20/Mo, One-Time Fee: $300
Restrictions: Cats and Dogs Welcome * Maximum Pets per Apartment: 2 * Deposit per Pet: $400 on time fee (non-Refundable) * Monthly Fee per Pet: $20.00 per month per pet * Breed Restrictions: Pit Bull, Rottweiler, Doberman

11 2111 Holly Hall St - 2111 Holly Hall

Houston, Texas - Medical Center South Neighborhood

PROPERTY	
Property Size:	**569 Units, 3 Floors**
Avg. Unit Size:	**904 SF**
Year Built:	**1980**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**600 Spaces; 1.1 per Unit**
Distance to Subject:	**1.2 Miles**
Distance to Transit:	**7 Minute Walk**

PROPERTY MANAGER

ARI - 2111 Holly Hall

(713) 799-2111

OWNER

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UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	598	123	21.6%	16	13.0%	$825	$1.38	$825	$1.38	0.0%
1	1	654	68	12.0%	8	11.8%	$850	$1.30	$850	$1.30	0.0%
1	1	662	38	6.7%	14	36.8%	$875	$1.32	$875	$1.32	0.0%
1	1.5	795	18	3.2%	1	5.6%	$980	$1.23	$980	$1.23	0.0%
1	1.5	875	90	15.8%	21	23.3%	$1,027	$1.17	$1,027	$1.17	0.0%
2	1.5	1,209	143	25.1%	14	9.8%	$1,230	$1.02	$1,162	$0.96	5.6%
2	2	963	32	5.6%	4	12.5%	$1,205	$1.25	$1,138	$1.18	5.6%
2	2	1,209	18	3.2%	3	16.7%	$1,315	$1.09	$1,242	$1.03	5.6%
3	3	1,354	39	6.9%	4	10.3%	$1,460	$1.08	$1,460	$1.08	0.0%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	701	337	59.2%	60	17.8%	$898	$1.28	$898	$1.28	0.0%
All 2 Beds	1,168	193	33.9%	21	10.9%	$1,234	$1.06	$1,165	$1.00	5.6%
All 3 Beds	1,354	39	6.9%	4	10.3%	$1,460	$1.08	$1,460	$1.08	0.0%
Totals	**904**	**569**	**100%**	**85**	**14.9%**	**$1,050**	**$1.16**	**$1,027**	**$1.14**	**2.2%**

Estimate Updated October 22, 2018

SITE AMENITIES

Basketball Court, Business Center, Controlled Access, Courtyard, Fitness Center, Free Weights, Laundry Facilities, Maintenance on site, Pool, Property Manager on Site, Spa, Tennis Court, Wi-Fi at Pool and Clubhouse

UNIT AMENITIES

Air Conditioning, Alarm, Cable Ready, Ceiling Fans, Dishwasher, Disposal, High Speed Internet Access, Ice Maker, Refrigerator, Walk-In Closets, Washer/Dryer, Wi-Fi, Window Coverings

RECURRING EXPENSES

Dog Rent $20

Cat Rent $20

ONE TIME EXPENSES

Dog Fee $350

Cat Fee $350

Application Fee $55

PET POLICY

Cats Allowed - $0 Deposit, $20/Mo, Pet Interview Required, 2 Maximum, One-Time Fee: $350
Dogs Allowed - $0 Deposit, $20/Mo, Pet Interview Required, 1 Maximum, Maximum Weight 25 lb, One-Time Fee: $350
Restrictions: Breed Restricted

12 8410 W Bartell Dr - The Edge at City Centre

Houston, Texas - Medical Center South Neighborhood

PROPERTY	
Property Size:	**284 Units, 3 Floors**
Avg. Unit Size:	**770 SF**
Year Built:	**1983 Renov 2008**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**-**
Distance to Subject:	**0.4 Miles**
Distance to Transit:	**-**

PROPERTY MANAGER

Portico - The Edge at City Centre

(713) 661-7261

OWNER

Purchased Jan 2015

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	Bath	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
1	1	622	44	15.5%	2	4.6%	$720	$1.16	$714	$1.15	0.9%
1	1	654	72	25.4%	4	5.6%	$750	$1.15	$744	$1.14	0.9%
1	1	673	24	8.5%	2	8.3%	$780	$1.16	$773	$1.15	0.9%
1	1	693	12	4.2%	0	0.0%	$1,005	$1.45	$997	$1.44	0.9%
2	1.5	830	16	5.6%	2	12.5%	$1,030	$1.24	$1,021	$1.23	0.9%
2	1.5	855	12	4.2%	8	66.7%	$1,060	$1.24	$1,051	$1.23	0.9%
2	1.5	880	12	4.2%	0	0.0%	$1,042	$1.18	$1,033	$1.17	0.9%
2	2	892	28	9.9%	20	71.4%	$970	$1.09	$962	$1.08	0.9%
2	2	924	32	11.3%	0	0.0%	$1,071	$1.16	$1,062	$1.15	0.9%
2	2	974	32	11.3%	4	12.5%	$1,050	$1.08	$1,041	$1.07	0.9%

Totals	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
All 1 Beds	651	152	53.5%	8	5.3%	$766	$1.18	$760	$1.17	0.9%
All 2 Beds	908	132	46.5%	34	25.8%	$1,036	$1.14	$1,027	$1.13	0.9%
Totals	**770**	**284**	**100%**	**42**	**14.8%**	**$892**	**$1.16**	**$884**	**$1.15**	**0.9%**

Estimate Updated October 20, 2018

SITE AMENITIES

24 Hour Availability, Clubhouse, Fitness Center, Gated, Pool, Security System

UNIT AMENITIES

Air Conditioning, Balcony, Cable Ready, Ceiling Fans, Dishwasher, Disposal, Fireplace, Heating, High Speed Internet Access, Storage Units, Washer/Dryer, Washer/Dryer Hookup, Wheelchair Accessible (Rooms)

RECURRING EXPENSES

Dog Rent $50	Cat Rent $50	Unassigned Other Parking $15

ONE TIME EXPENSES

Dog Deposit $250	Cat Deposit $250	Dog Fee $250-$500
Cat Fee $250-$500	Admin Fee $100	Application Fee $50

PET POLICY

Cats Allowed - $250 Deposit, $50/Mo, 2 Maximum, Maximum Weight 65 lb, One-Time Fee: $250-$500
Restrictions: We welcome four legged friends to our community! Residents with pets are required to pay a one-time $250 pet deposit per household (refundable), plus a $250 pet fee per pet (non-refundable) and a $25 monthly pet rent (per pet. Two (2) pet max per household, 65 lbs. max weight limit, and aggressive breeds prohibited at management's discretion. For more information, please call our leasing office.
Dogs Allowed - $250 Deposit, $50/Mo, 2 Maximum, Maximum Weight 65 lb, One-Time Fee: $250-$500
Restrictions: We welcome four legged friends to our community! Residents with pets are required to pay a one-time $250 pet deposit per household (refundable), plus a $250 pet fee per pet (non-refundable) and a $25 monthly pet rent (per pet. Two (2) pet max per household, 65 lbs. max weight limit, and aggressive breeds prohibited at management's discretion. For more information, please call our leasing office.

13 5500 Sampson St - Savoy

Houston, Texas - MacGregor Neighborhood

★★★★☆

PROPERTY

Property Size:	**180 Units, 3 Floors**
Avg. Unit Size:	**794 SF**
Year Built:	**2001**
Type:	**Apartments - Student**
Rent Type:	**Market**
Parking:	**34 Spaces; 0.2 per Unit**
Distance to Subject:	**3.7 Miles**
Distance to Transit:	**-**

PROPERTY MANAGER

Peak Campus - Savoy

(713) 630-2900

OWNER

Purchased May 2016

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	572	36	20.0%	0	0.0%	$907	$1.59	$904	$1.58	0.3%
1	1	643	36	20.0%	0	0.0%	$993	$1.54	$990	$1.54	0.3%
1	1	733	24	13.3%	0	0.0%	$982	$1.34	$979	$1.34	0.3%
2	1	891	24	13.3%	2	8.3%	$1,073	$1.20	$1,064	$1.19	0.8%
2	2	981	36	20.0%	3	8.3%	$724	$0.74	$718	$0.73	0.8%
2	2	1,040	24	13.3%	2	8.3%	$774	$0.74	$768	$0.74	0.8%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	639	96	53.3%	0	0.0%	$958	$1.50	$955	$1.49	0.3%
All 2 Beds	972	84	46.7%	7	8.3%	$838	$0.86	$831	$0.85	0.8%
Totals	**794**	**180**	**100%**	**7**	**3.9%**	**$902**	**$1.14**	**$897**	**$1.13**	**0.5%**

Estimate Updated October 20, 2018

SITE AMENITIES

Business Center, Clubhouse, Controlled Access, Fitness Center, Laundry Facilities, Maintenance on site, Package Service, Pool, Property Manager on Site, Sauna, Storage Space, Sundeck

UNIT AMENITIES

Air Conditioning, Cable Ready, Carpet, Ceiling Fans, Dining Room, Dishwasher, Disposal, Heating, Kitchen, Microwave, Range, Tub/Shower, Vinyl Flooring, Walk-In Closets, Washer/Dryer, Window Coverings

RECURRING EXPENSES

Dog Rent $250

Unassigned Garage Parking $50

Free Gas, Trash Removal

ONE TIME EXPENSES

Dog Deposit $150

Cat Deposit $150

Admin Fee $150

Application Fee $50

PET POLICY

Cats Allowed - $150 Deposit, 1 Maximum
Restrictions: $250 fee, $150 deposit. 25-pound weight limit. One pet per lease.
Dogs Allowed - $150 Deposit, $250/Mo, 1 Maximum, Maximum Weight 25 lb
Restrictions: $250 fee, $150 deposit. 25-pound weight limit. One pet per lease.

14 4010 Linkwood Dr - Stratford House Apartments

Houston, Texas - Braeswood Place Neighborhood

PROPERTY	
Property Size:	**474 Units, 2 Floors**
Avg. Unit Size:	**869 SF**
Year Built:	**1969 Renov Oct 2018**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**525 Spaces; 1.1 per Unit**
Distance to Subject:	**1.7 Miles**
Distance to Transit:	**-**

PROPERTY MANAGER

Greystar - Stratford House

(713) 666-0116

OWNER

-

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	-	-	-	-	-	$776	-	$776	-	0.0%
1	1	714	152	32.1%	2	1.3%	$938	$1.31	$938	$1.31	0.0%
1	1	735	95	20.0%	18	19.0%	$813	$1.11	$813	$1.11	0.0%
2	1	917	29	6.1%	3	10.3%	$759	$0.83	$759	$0.83	0.0%
2	1	918	29	6.1%	3	10.3%	$769	$0.84	$769	$0.84	0.0%
2	1	1,052	30	6.3%	0	0.0%	$838	$0.80	$838	$0.80	0.0%
2	2	987	62	13.1%	4	6.5%	$826	$0.84	$826	$0.84	0.0%
2	2	1,040	33	7.0%	9	27.3%	$933	$0.90	$933	$0.90	0.0%
2	2	1,200	36	7.6%	4	11.1%	$983	$0.82	$983	$0.82	0.0%
3	2	1,272	8	1.7%	0	0.0%	$1,511	$1.19	$1,511	$1.19	0.0%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	722	247	52.1%	20	8.1%	$889	$1.23	$889	$1.23	0.0%
All 2 Beds	1,020	219	46.2%	23	10.5%	$853	$0.84	$853	$0.84	0.0%
All 3 Beds	1,272	8	1.7%	0	0.0%	$1,511	$1.19	$1,511	$1.19	0.0%
Totals	**869**	**474**	**100%**	**43**	**9.1%**	**$883**	**$1.02**	**$883**	**$1.02**	**0.0%**

Estimate Updated October 23, 2018

SITE AMENITIES

Laundry Facilities, Maintenance on site, Package Service, Pool, Property Manager on Site, Trash Pickup - Door to Door

UNIT AMENITIES

Air Conditioning, Balcony, Cable Ready, Carpet, Dining Room, Dishwasher, Disposal, Heating, Kitchen, Oven, Patio, Range, Refrigerator, Tub/Shower, Vinyl Flooring, Walk-In Closets, Window Coverings

RECURRING EXPENSES

Dog Rent $10	Cat Rent $10

ONE TIME EXPENSES

Dog Deposit $600	Cat Deposit $600	Dog Fee $150
Cat Fee $150	Admin Fee $150	Application Fee $45

PET POLICY

Cats Allowed - $600 Deposit, $10/Mo, 2 Maximum, Maximum Weight 70 lb, One-Time Fee: $150
Restrictions: We welcome two pets per apartment home. There is a $300.00 deposit per pet ($150.00 non-refundable). Pet rent is $10.00 per month. There is a weight limit of 70 pounds per pet. Breed restrictions will apply, see office for more information.
Dogs Allowed - $600 Deposit, $10/Mo, 2 Maximum, Maximum Weight 70 lb, One-Time Fee: $150
Restrictions: We welcome two pets per apartment home. There is a $300.00 deposit per pet ($150.00 non-refundable). Pet rent is $10.00 per month. There is a weight limit of 70 pounds per pet. Breed restrictions will apply, see office for more information.

5110 Griggs Rd - Village at Palm Center

Houston, Texas - OST-South Union Neighborhood

★★★★☆

PROPERTY	
Property Size:	**222 Units, 4 Floors**
Avg. Unit Size:	**987 SF**
Year Built:	**2016**
Type:	**Apartments - All**
Rent Type:	**Market/Affordable**
Parking:	**-**
Distance to Subject:	**4.9 Miles**
Distance to Transit:	**-**

PROPERTY MANAGER

ITEX - Village at Palm Center

(713) 510-3983

OWNER

-

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	731	34	15.3%	0	0.0%	$791	$1.08	$783	$1.07	1.0%
1	1	772	34	15.3%	0	0.0%	$747	$0.97	$740	$0.96	1.0%
2	2	954	44	19.8%	0	0.0%	$946	$0.99	$937	$0.98	1.0%
2	2	988	44	19.8%	0	0.0%	$900	$0.91	$891	$0.90	1.0%
2	2.5	1,410	28	12.6%	1	3.6%	$900	$0.64	$891	$0.63	1.0%
3	2	1,131	14	6.3%	0	0.0%	$1,098	$0.97	$1,087	$0.96	1.0%
3	2	1,194	14	6.3%	7	50.0%	$1,041	$0.87	$1,031	$0.86	1.0%
3	2.5	1,048	10	4.5%	1	10.0%	$1,041	$0.99	$1,031	$0.98	1.0%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	752	68	30.6%	0	0.0%	$769	$1.02	$761	$1.01	1.0%
All 2 Beds	1,077	116	52.3%	1	0.9%	$917	$0.85	$908	$0.84	1.0%
All 3 Beds	1,132	38	17.1%	8	21.1%	$1,062	$0.94	$1,051	$0.93	1.0%
Totals	**987**	**222**	**100%**	**9**	**4.1%**	**$897**	**$0.91**	**$888**	**$0.90**	**1.0%**

Estimate Updated October 20, 2018

SITE AMENITIES

Day Care, Fitness Center, Grill, Picnic Area, Playground, Pool

UNIT AMENITIES

Air Conditioning, High Speed Internet Access, Wheelchair Accessible (Rooms)

RECURRING EXPENSES

Dog Rent $10	Cat Rent $10	Free Gas, Water, Trash Removal, Sewer

ONE TIME EXPENSES

Dog Deposit $150	Cat Deposit $150	Dog Fee $150
Cat Fee $150	Application Fee $18	

PET POLICY

Cats Allowed - $150 Deposit, $10/Mo, 1 Maximum, One-Time Fee: $150
Dogs Allowed - $150 Deposit, $10/Mo, 1 Maximum, One-Time Fee: $150

16 15014 Old Richmond Rd - Provision at Four Corners

★★★★☆

Sugar Land, Texas - Sugar Land/Missouri City Neighborhood

PROPERTY

Property Size:	**132 Units, 3 Floors**
Avg. Unit Size:	**1,128 SF**
Year Built:	**Apr 2018**
Type:	**Apartments - All**
Rent Type:	**Market/Affordable**
Parking:	**-**
Distance to Subject:	**14.1 Miles**
Distance to Transit:	**-**

PROPERTY MANAGER

Allied Orion - Provision at Four Corners

(281) 575-1800

OWNER

-

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	780	12	9.1%	0	0.0%	$499	$0.64	$499	$0.64	0.0%
2	2	1,015	60	45.5%	0	0.0%	$468	$0.46	$468	$0.46	0.0%
3	2	1,275	48	36.4%	0	0.0%	$884	$0.69	$884	$0.69	0.0%
4	2	1,452	12	9.1%	0	0.0%	$781	$0.54	$781	$0.54	0.0%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	780	12	9.1%	0	0.0%	$499	$0.64	$499	$0.64	0.0%
All 2 Beds	1,015	60	45.5%	0	0.0%	$468	$0.46	$468	$0.46	0.0%
All 3 Beds	1,275	48	36.4%	0	0.0%	$884	$0.69	$884	$0.69	0.0%
All 4 Beds	1,452	12	9.1%	0	0.0%	$781	$0.54	$781	$0.54	0.0%
Totals	**1,128**	**132**	**100%**	**0**	**0.0%**	**$650**	**$0.58**	**$650**	**$0.58**	**0.0%**

Estimate Updated October 20, 2018

SITE AMENITIES

Business Center, Clubhouse, Grill, Laundry Facilities, Pool

UNIT AMENITIES

Air Conditioning, Balcony, Patio, Walk-In Closets, Washer/Dryer Hookup

RECURRING EXPENSES

Dog Rent $25	Cat Rent $25

ONE TIME EXPENSES

Dog Deposit $350	Cat Deposit $350	Dog Fee $250
Cat Fee $250	Admin Fee $5	Application Fee $14

PET POLICY

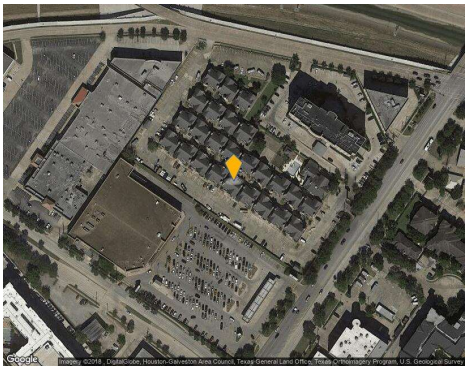
Cats Allowed - $350 Deposit, $25/Mo, 2 Maximum, One-Time Fee: $250
Dogs Allowed - $350 Deposit, $25/Mo, 2 Maximum, Maximum Weight 25 lb, One-Time Fee: $250

Rent Comparables

17 7710 S Main St - The Co-Op At The Med Center

Houston, Texas - Braeswood Place Neighborhood

★★★★☆



PROPERTY	
Property Size:	**200 Units, 2 Floors**
Avg. Unit Size:	**580 SF**
Year Built:	**1982 Renov 2006**
Type:	**Apartments - Corporate**
Rent Type:	**Market**
Parking:	**165 Spaces; 0.8 per Unit**
Distance to Subject:	**1.2 Miles**
Distance to Transit:	**12 Minute Walk**

PROPERTY MANAGER

Portico - The Co-Op At The Med Center

-

OWNER

Purchased Jun 2018

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
Studio	1	-	-	-	-	-	-	-	-	-	-
Studio	1	580	200	100%	19	9.5%	-	-	-	-	-
1	2	-	-	-	-	-	-	-	-	-	-
2	2	-	-	-	-	-	-	-	-	-	-

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All Studios	580	200	100%	19	9.5%	-	-	-	-	-
All 1 Beds	-	-	-	-	-	-	-	-	-	-
All 2 Beds	-	-	-	-	-	-	-	-	-	-
Totals	**580**	**200**	**100%**	**19**	**9.5%**	**-**	**-**	**-**	**-**	**-**

Estimate Updated October 20, 2018

RECURRING EXPENSES

Dog Rent $20	Cat Rent $20	Unassigned Surface Lot Parking $0

ONE TIME EXPENSES

Dog Deposit $200	Cat Deposit $200	Dog Fee $200
Cat Fee $200	Admin Fee $150	Application Fee $50

PET POLICY

Cats Allowed - $200 Deposit, $20/Mo, One-Time Fee: $200
Dogs Allowed - $200 Deposit, $20/Mo, One-Time Fee: $200
Restrictions: Aggressive breed restrictions may apply

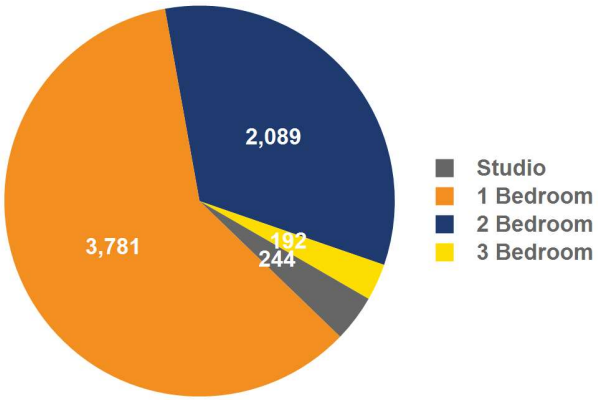
Rent Comparables by Bedroom

2400 S Loop W - The Wilcox Apartment Homes

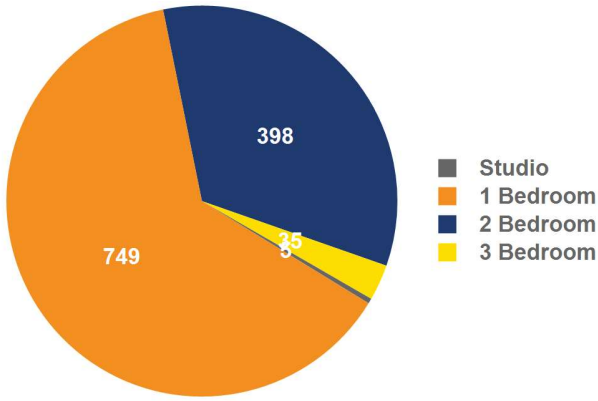
Studio Comps	One Bed Comps	Two Bed Comps	Three Bed Comps
$919	$908	$1,136	$1,367
Subject	Subject	Subject	Subject
-	$795	$911	-

Current Conditions in Rent Comps	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Total Number of Units	244	3,781	2,089	192
Vacancy Rate	11.4%	19.8%	19.1%	18.4%
Asking Rent Per Unit	$919	$908	$1,136	$1,367
Asking Rent Per SF	$1.83	$1.32	$1.17	$1.09
Effective Rents Per Unit	$919	$886	$1,113	$1,364
Effective Rents Per SF	$1.83	$1.29	$1.14	$1.09
Concessions	0.0%	2.4%	2.1%	0.2%
Changes Past Year in Rent Comps	**Studio**	**1 Bedroom**	**2 Bedroom**	**3 Bedroom**
Year-Over-Year Effective Rent Growth	-10.1%	1.0%	-0.2%	7.2%
Year-Over-Year Vacancy Rate Change	5.2%	2.3%	3.3%	2.1%
12 Month Net Absorption in Units	-3	-160	-75	27

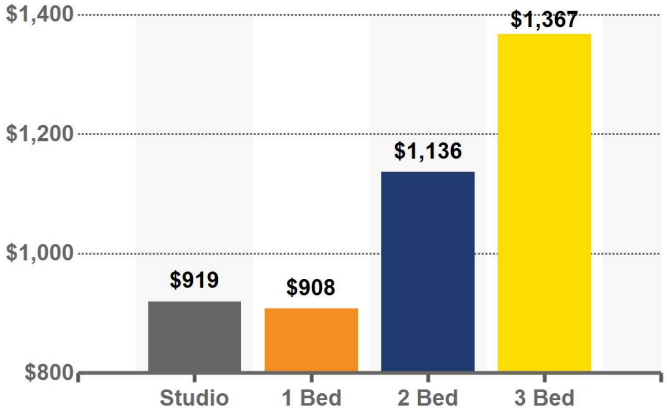
EXISTING UNITS



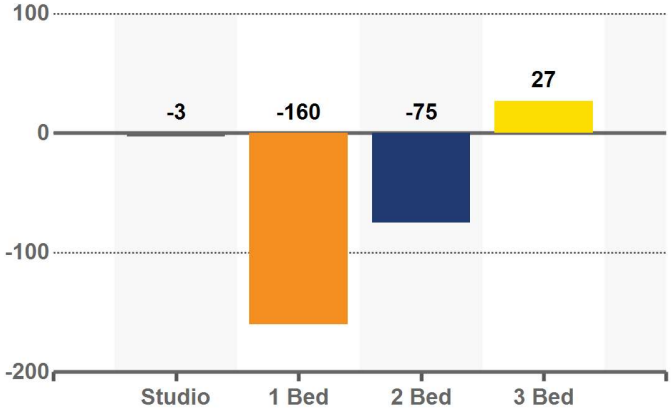
VACANT UNITS



ASKING RENT PER UNIT PER MONTH



12 MONTH NET ABSORPTION IN UNITS



One Bedroom Rent Comparables

2400 S Loop W - The Wilcox Apartment Homes

Property Name/Address	Rating	One Bedroom Rent Per Unit	Rent/SF	Change in Rent	
				Quarter	Year
Weston 7510 Brompton Rd	★★★☆☆	$1,070 $895 $1,550	$1.28	0.1%	8.0%
Monarch Medical Center 8380 El Mundo St	★★★★☆	$1,059 $985 $1,166	$1.63	11.3%	6.6%
IMT at the Medical Center 8181 Fannin St	★★★☆☆	$1,015 $1,015	$1.54	-14.5%	-13.7%
Villas at Coronado 9111 Lakes at 610 Dr	★★★☆☆	$978 $925 $1,070	$1.45	0.0%	-5.1%
Savoy 5500 Sampson St	★★★★☆	$958 $906 $993	$1.50	0.2%	4.4%
Broadmead Apartments 2801 Broadmead Dr	★★★☆☆	$921 $890 $1,040	$1.38	0.0%	-0.1%
2111 Holly Hall 2111 Holly Hall St	★★★☆☆	$898 $825 $1,026	$1.28	0.2%	2.1%
Stratford House Apartments 4010 Linkwood Dr	★★☆☆☆	$889 $776 $938	$1.23	5.8%	20.8%
7100 Almeda 7100 Almeda Rd	★★★★☆	$888 $850 $949	$1.37	0.7%	7.5%
The Terraces on Brompton 7315 Brompton St	★★★☆☆	$821 $787 $835	$1.32	-4.6%	-18.1%
Scotland Yard 2250 Holly Hall St	★★★☆☆	$803 $750 $885	$1.27	-5.2%	0.1%
The Wilcox Apartment Homes 2400 S Loop W	★★★☆☆	$795 $795	$1.29	0.0%	1.9%
Village at Palm Center 5110 Griggs Rd	★★★★☆	$769 $747 $791	$1.02	0.0%	3.0%
The Edge at City Centre 8410 W Bartell Dr	★★★★☆	$766 $720 $1,005	$1.18	-10.7%	0.5%
The Lakes of 610 Apartments 2701 W Bellfort Ave	★★★☆☆	$747 $734 $753	$1.28	-12.3%	-12.4%
The Morgan Apartment Homes 2401 West Ridge	★★★☆☆	$739 $670 $800	$1.18	-6.0%	-6.0%
Provision at Four Corners 15014 Old Richmond Rd	★★★★☆	$499 $498	$0.64	0.0%	3.8%

$0 $625 $1,250 $1,875 $2,500

Two Bedroom Rent Comparables

2400 S Loop W - The Wilcox Apartment Homes

Property Name/Address	Rating	Two Bedroom Rent Per Unit	Rent/SF	Change in Rent	
				Quarter	Year
Weston 7510 Brompton Rd	★★★☆☆	$1,767 $1,332 $1,949	$1.43	0.1%	18.6%
IMT at the Medical Center 8181 Fannin St	★★★☆☆	$1,349 $1,272 $1,385	$1.54	-7.7%	-4.6%
Monarch Medical Center 8380 El Mundo St	★★★★☆	$1,300	$1.50	0.0%	8.3%
Villas at Coronado 9111 Lakes at 610 Dr	★★★☆☆	$1,294 $1,242 $1,328	$1.34	0.0%	2.2%
7100 Almeda 7100 Almeda Rd	★★★★☆	$1,240	$1.33	1.4%	0.1%
2111 Holly Hall 2111 Holly Hall St	★★★☆☆	$1,234 $1,205 $1,315	$1.06	0.4%	4.1%
The Terraces on Brompton 7315 Brompton St	★★★☆☆	$1,180 $1,048 $1,756	$1.27	-1.4%	-11.8%
The Lakes of 610 Apartments 2701 W Bellfort Ave	★★★☆☆	$1,143	$1.23	7.0%	2.4%
Scotland Yard 2250 Holly Hall St	★★★☆☆	$1,088 $1,030 $1,125	$1.19	-1.5%	-0.9%
Broadmead Apartments 2801 Broadmead Dr	★★★☆☆	$1,045 $995 $1,065	$1.12	0.0%	-2.3%
The Edge at City Centre 8410 W Bartell Dr	★★★★☆	$1,036 $970 $1,070	$1.14	0.0%	9.2%
The Morgan Apartment Homes 2401 West Ridge	★★★☆☆	$954 $909 $1,024	$1.16	0.1%	6.6%
Village at Palm Center 5110 Griggs Rd	★★★★☆	$917 $900 $946	$0.85	0.0%	1.9%
The Wilcox Apartment Homes 2400 S Loop W	★★★☆☆	$911 $800 $1,089	$1.11	0.1%	5.7%
Stratford House Apartments 4010 Linkwood Dr	★★☆☆☆	$853 $759 $983	$0.84	-18.3%	-11.8%
Savoy 5500 Sampson St	★★★★☆	$838 $723 $1,072	$0.86	0.2%	5.7%
Provision at Four Corners 15014 Old Richmond Rd	★★★★☆	$468 $467	$0.46	0.0%	5.7%

$0 $750 $1,500 $2,250 $3,000

Changes in Rent Comparables

2400 S Loop W - The Wilcox Apartment Homes

VACANCY CHANGES PAST QUARTER & YEAR

			Vacancy Levels			Change	
Property Name - Address	Rating	Units	Now	Last Qtr	Last Year	Past Qtr	Past Year
Scotland Yard - 2250 Holly Hall St	★★★☆☆	678	3.9%	4.3%	6.2%	-0.4%	-2.3%
IMT at the Medical Center - 8181 Fannin St	★★★☆☆	678	4.9%	4.9%	4.8%	-0.1%	0.1%
7100 Almeda - 7100 Almeda Rd	★★★★☆	348	2.1%	2.1%	4.0%	0%	-1.9%
Broadmead Apartments - 2801 Broadmead Dr	★★★☆☆	235	7.7%	7.7%	9.6%	0%	-2.0%
Monarch Medical Center - 8380 El Mundo St	★★★★☆	224	3.6%	3.6%	6.7%	0%	-3.2%
Provision at Four Corners - 15014 Old Richmon…	★★★★☆	132	0%	0%	-	0%	-
Savoy - 5500 Sampson St	★★★★☆	180	3.9%	3.9%	4.0%	0%	-0.1%
Stratford House Apartments - 4010 Linkwood Dr	★★☆☆☆	475	45.8%	45.8%	42.9%	0%	2.9%
The Edge at City Centre - 8410 W Bartell Dr	★★★★☆	284	8.1%	8.1%	5.6%	0%	2.5%
The Lakes of 610 Apartments - 2701 W Bellfort A…	★★★☆☆	276	3.6%	3.6%	4.8%	0%	-1.2%
The Morgan Apartment Homes - 2401 West Ridge	★★★☆☆	312	16.0%	16.0%	5.1%	0%	10.9%
The Terraces on Brompton - 7315 Brompton St	★★★☆☆	362	59.4%	59.4%	53.8%	0%	5.7%
The Wilcox Apartment Homes 2400 S Loop W	★★★☆☆	312	15.1%	15.1%	5.0%	0%	10.1%
Village at Palm Center - 5110 Griggs Rd	★★★★☆	222	56.8%	56.8%	19.8%	0%	37.0%
Villas at Coronado - 9111 Lakes at 610 Dr	★★★☆☆	344	6.9%	6.9%	5.0%	0%	1.9%
Weston - 7510 Brompton Rd	★★★☆☆	800	45.7%	45.7%	39.8%	0%	5.9%
2111 Holly Hall - 2111 Holly Hall St	★★★☆☆	569	10.0%	9.0%	8.5%	1.0%	1.5%

ASKING RENT CHANGES PAST QUARTER & YEAR - STUDIO

			Rents Levels			Change	
Property Name - Address	Rating	Units	Now	Last Qtr	Last Year	Past Qtr	Past Year
IMT at the Medical Center - 8181 Fannin St	★★★☆☆	42	$922	$965	$1,040	-4.5%	-11.3%
Weston - 7510 Brompton Rd	★★★☆☆	2	$865	$865	$802	0%	7.9%

Changes in Rent Comparables

2400 S Loop W - The Wilcox Apartment Homes

ASKING RENT CHANGES PAST QUARTER & YEAR - ONE BEDROOM

			Rents Levels			Change	
Property Name - Address	Rating	Units	Now	Last Qtr	Last Year	Past Qtr	Past Year
IMT at the Medical Center - 8181 Fannin St	★★★☆☆	269	$1,015	$1,188	$1,176	-14.5%	-13.7%
The Lakes of 610 Apartments - 2701 W Bellfort A…	★★★☆☆	216	$747	$852	$852	-12.3%	-12.4%
The Edge at City Centre - 8410 W Bartell Dr	★★★★☆	152	$766	$858	$763	-10.7%	0.5%
The Morgan Apartment Homes - 2401 West Ridge	★★★☆☆	186	$739	$786	$786	-6.0%	-6.0%
Scotland Yard - 2250 Holly Hall St	★★★☆☆	498	$803	$846	$802	-5.2%	0%
The Terraces on Brompton - 7315 Brompton St	★★★☆☆	230	$821	$860	$1,003	-4.6%	-18.1%
Broadmead Apartments - 2801 Broadmead Dr	★★★☆☆	151	$921	$921	$921	0%	-0.1%
Provision at Four Corners - 15014 Old Richmon…	★★★★☆	12	$499	$499	$481	0%	3.8%
Village at Palm Center - 5110 Griggs Rd	★★★★☆	68	$769	$769	$747	0%	2.9%
Villas at Coronado - 9111 Lakes at 610 Dr	★★★☆☆	208	$978	$978	$1,031	0%	-5.1%
The Wilcox Apartment Homes 2400 S Loop W	★★★☆☆	150	$795	$795	$780	0%	1.9%
Weston - 7510 Brompton Rd	★★★☆☆	672	$1,070	$1,069	$991	0.1%	8.0%
Savoy - 5500 Sampson St	★★★★☆	96	$958	$956	$918	0.2%	4.4%
2111 Holly Hall - 2111 Holly Hall St	★★★☆☆	337	$898	$896	$879	0.2%	2.1%
7100 Almeda - 7100 Almeda Rd	★★★★☆	260	$888	$882	$826	0.7%	7.5%
Stratford House Apartments - 4010 Linkwood Dr	★★☆☆☆	248	$889	$841	$736	5.8%	20.8%
Monarch Medical Center - 8380 El Mundo St	★★★★☆	179	$1,059	$951	$993	11.3%	6.6%

Changes in Rent Comparables

2400 S Loop W - The Wilcox Apartment Homes

ASKING RENT CHANGES PAST QUARTER & YEAR - TWO BEDROOM

			Rents Levels			Change	
Property Name - Address	Rating	Units	Now	Last Qtr	Last Year	Past Qtr	Past Year
Stratford House Apartments - 4010 Linkwood Dr	★★☆☆☆	219	$853	$1,044	$968	-18.2%	-11.8%
IMT at the Medical Center - 8181 Fannin St	★★★☆☆	332	$1,349	$1,461	$1,415	-7.7%	-4.6%
Scotland Yard - 2250 Holly Hall St	★★★☆☆	180	$1,088	$1,105	$1,098	-1.5%	-0.9%
The Terraces on Brompton - 7315 Brompton St	★★★☆☆	132	$1,180	$1,196	$1,338	-1.4%	-11.8%
Broadmead Apartments - 2801 Broadmead Dr	★★★☆☆	84	$1,045	$1,045	$1,070	0%	-2.3%
Monarch Medical Center - 8380 El Mundo St	★★★★☆	45	$1,300	$1,300	$1,200	0%	8.3%
Provision at Four Corners - 15014 Old Richmon…	★★★★☆	60	$468	$468	$442	0%	5.7%
Village at Palm Center - 5110 Griggs Rd	★★★★☆	116	$917	$917	$900	0%	1.9%
Villas at Coronado - 9111 Lakes at 610 Dr	★★★☆☆	120	$1,294	$1,294	$1,265	0%	2.2%
The Edge at City Centre - 8410 W Bartell Dr	★★★★☆	132	$1,036	$1,035	$949	0%	9.2%
Weston - 7510 Brompton Rd	★★★☆☆	118	$1,767	$1,766	$1,490	0.1%	18.6%
The Wilcox Apartment Homes 2400 S Loop W	★★★☆☆	162	$911	$911	$862	0.1%	5.7%
The Morgan Apartment Homes - 2401 West Ridge	★★★☆☆	126	$954	$953	$894	0.1%	6.6%
Savoy - 5500 Sampson St	★★★★☆	84	$838	$836	$793	0.2%	5.7%
2111 Holly Hall - 2111 Holly Hall St	★★★☆☆	193	$1,234	$1,229	$1,185	0.4%	4.1%
7100 Almeda - 7100 Almeda Rd	★★★★☆	88	$1,240	$1,223	$1,239	1.4%	0.1%
The Lakes of 610 Apartments - 2701 W Bellfort A…	★★★☆☆	60	$1,143	$1,068	$1,116	7.0%	2.4%

ASKING RENT CHANGES PAST QUARTER & YEAR - THREE BEDROOM

			Rents Levels			Change	
Property Name - Address	Rating	Units	Now	Last Qtr	Last Year	Past Qtr	Past Year
IMT at the Medical Center - 8181 Fannin St	★★★☆☆	35	$1,909	$2,021	$1,671	-5.6%	14.3%
Provision at Four Corners - 15014 Old Richmon…	★★★★☆	48	$884	$884	$842	0%	5.0%
Village at Palm Center - 5110 Griggs Rd	★★★★☆	38	$1,062	$1,062	$1,041	0%	2.1%
Villas at Coronado - 9111 Lakes at 610 Dr	★★★☆☆	16	$1,480	$1,480	$1,356	0%	9.1%
Weston - 7510 Brompton Rd	★★★☆☆	8	$2,531	$2,530	$2,333	0%	8.5%
2111 Holly Hall - 2111 Holly Hall St	★★★☆☆	39	$1,460	$1,459	$1,446	0.1%	0.9%
Stratford House Apartments - 4010 Linkwood Dr	★★☆☆☆	8	$1,511	$1,335	$1,330	13.2%	13.6%

Rent Trends

2400 S Loop W - The Wilcox Apartment Homes

PROPERTY ATTRIBUTES	The Wilcox Apartment Homes	Rent Comps	Medical Center/West University 2-4 Star	Houston 2-4 Star
Existing Units	312	6,118	25,540	695,325
Building Rating	★★★☆☆	★★★☆☆ 3.3	★★★☆☆	★★☆☆☆ 2.8
Under Construction as % of Inventory	-	-	2.9%	1.9%

UNIT MIX	The Wilcox Apartment Homes	Rent Comps	Medical Center/West University 2-4 Star	Houston 2-4 Star
1 Bedroom - 1 Bath	48%	60%	56%	47%
2 Bedroom - 1 Bath	32%	6%	4%	11%
2 Bedroom - 2 Bath	20%	24%	27%	26%

ASKING RENTS PER SF	The Wilcox Apartment Homes	Rent Comps	Medical Center/West University 2-4 Star	Houston 2-4 Star
1 Bedroom - 1 Bath	$1.29	$1.32	$1.59	$1.29
2 Bedroom - 1 Bath	$0.99	$1.16	$1.21	$1.03
2 Bedroom - 2 Bath	$1.29	$1.20	$1.48	$1.14
Concessions	7.4%	2.1%	5.3%	2.3%

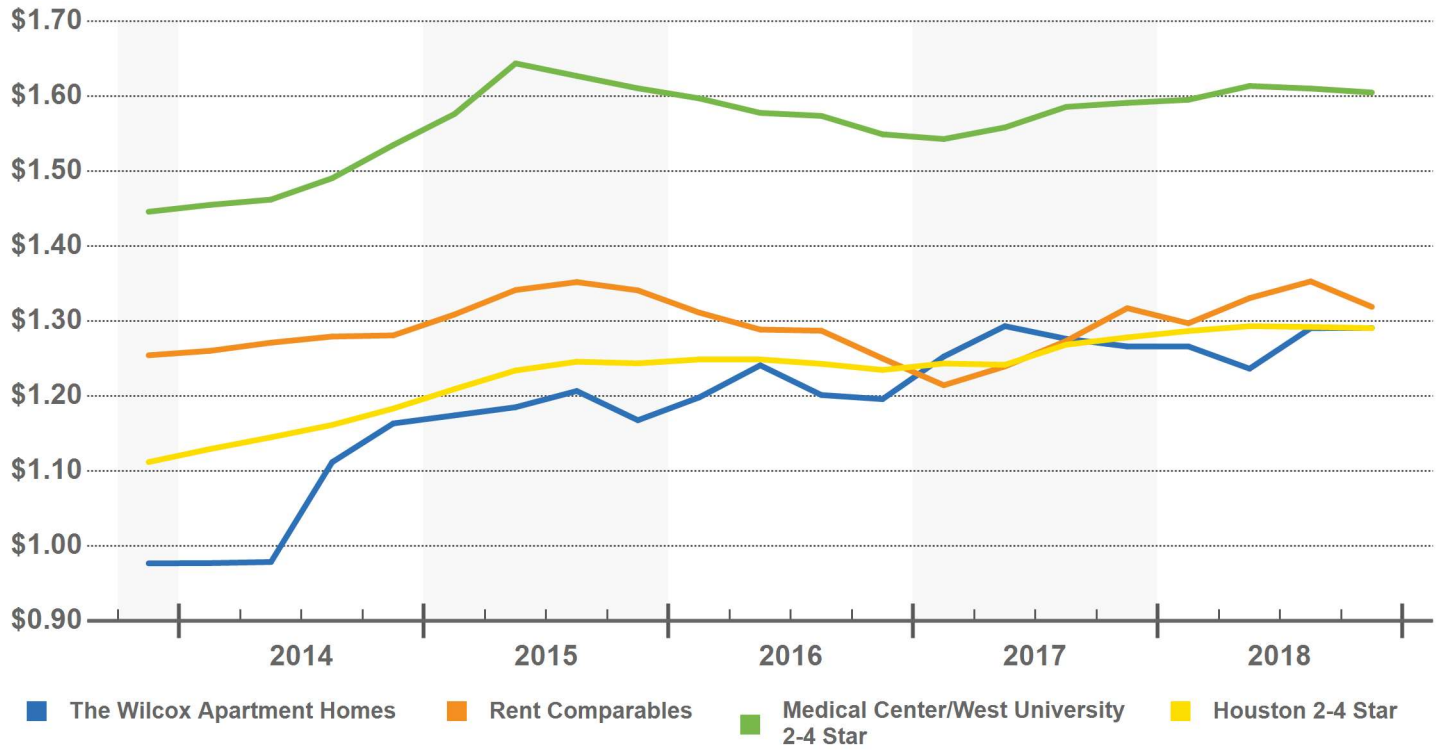
AVERAGE EFFECTIVE RENT GROWTH	The Wilcox Apartment Homes	Rent Comps	Medical Center/West University 2-4 Star	Houston 2-4 Star
Current Quarter	0.0%	-2.9%	-1.9%	-0.3%
1 Year Rent Growth	23.7%	0.7%	-2.3%	1.1%
3 Year Rent Growth	-3.1%	-2.7%	-6.3%	2.4%
5 Year Rent Growth	20.3%	1.1%	-0.6%	9.3%
All-Time Average	0.9%	2.0%	1.7%	1.7%

Vacancy Rate	The Wilcox Apartment Homes	Rent Comps	Medical Center/West University 2-4 Star	Houston 2-4 Star
Current Quarter	15.1%	19.4%	12.0%	9.6%
Last Quarter	15.1%	19.4%	12.1%	9.7%
1 Year Ago	5.1%	16.8%	11.1%	10.3%
3 Years Ago	2.2%	6.4%	7.5%	8.2%
5 Years Ago	24.0%	3.9%	5.3%	7.2%

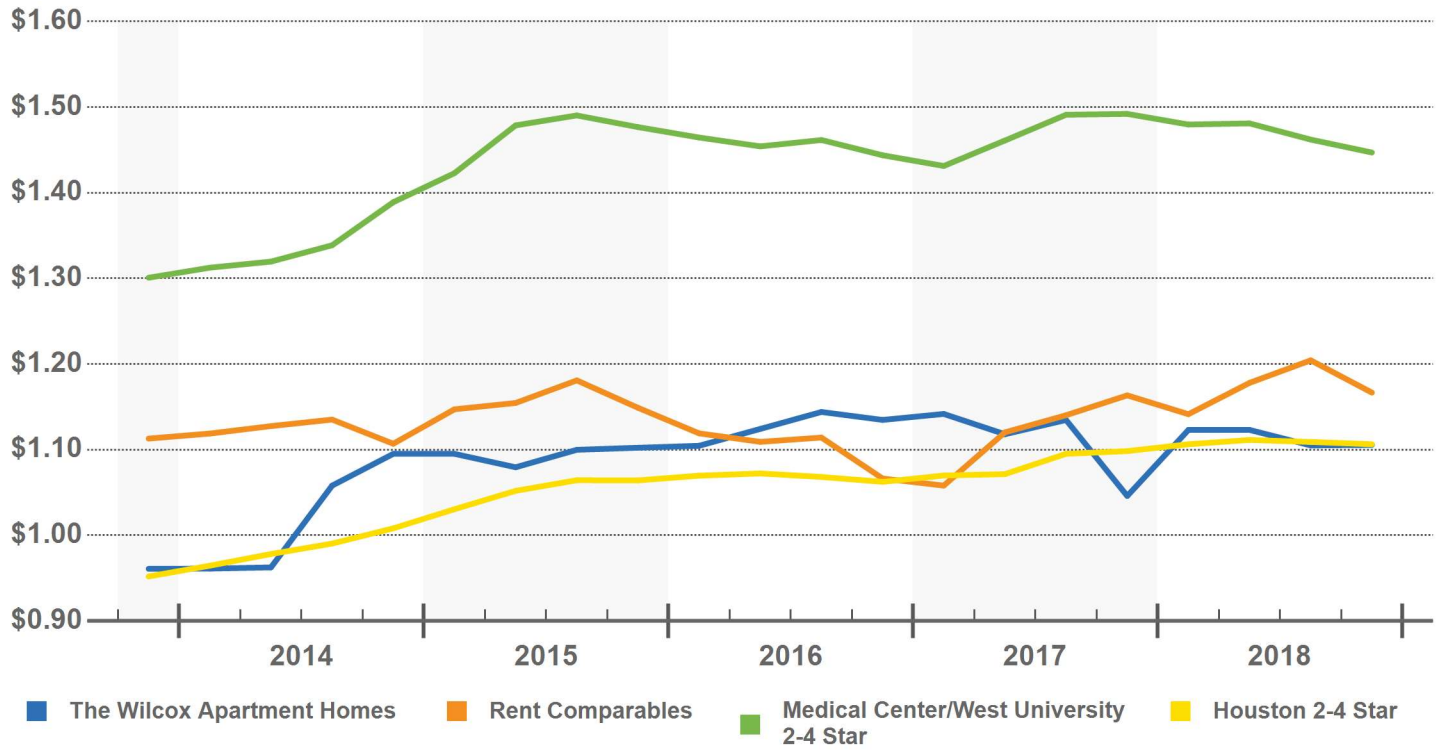
Rent Trends

2400 S Loop W - The Wilcox Apartment Homes

ONE BEDROOM ASKING RENT PER SQUARE FOOT



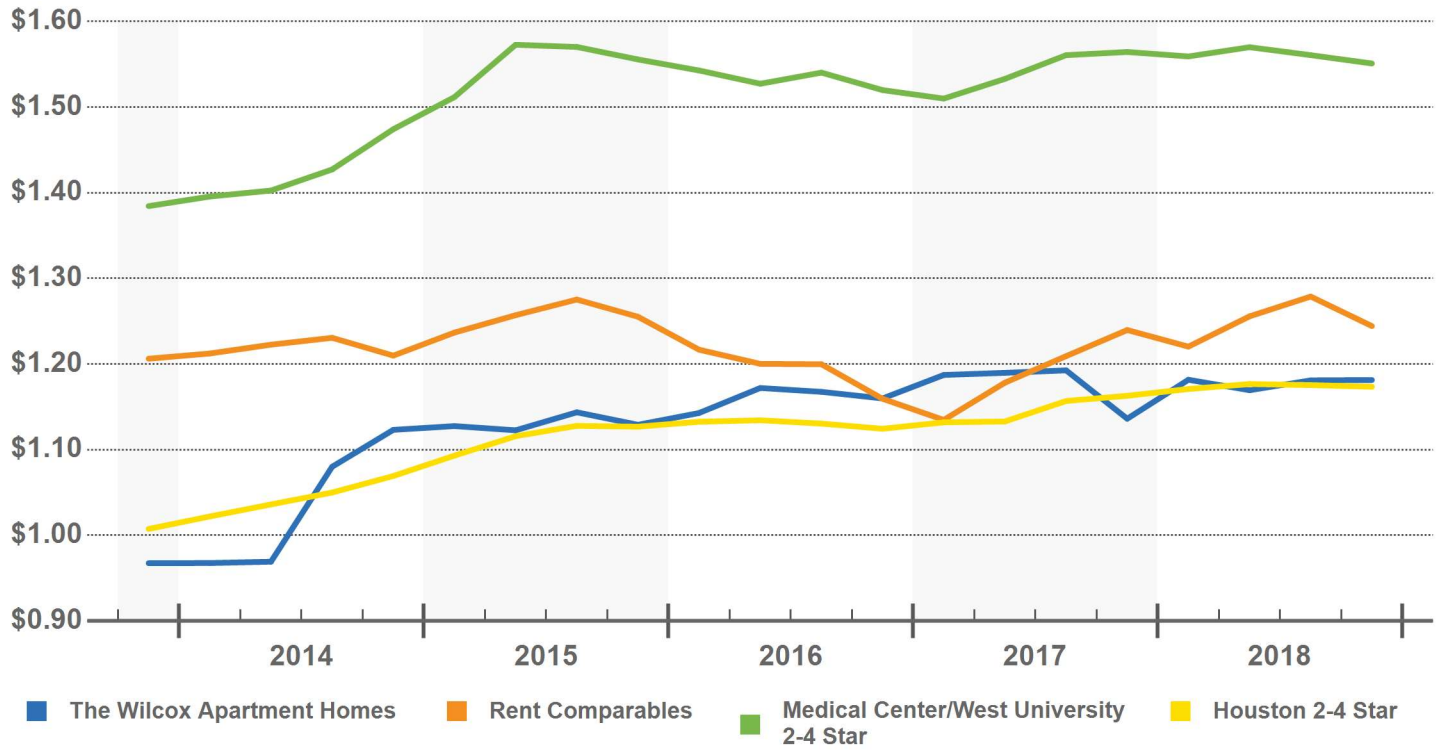
TWO BEDROOM ASKING RENT PER SQUARE FOOT



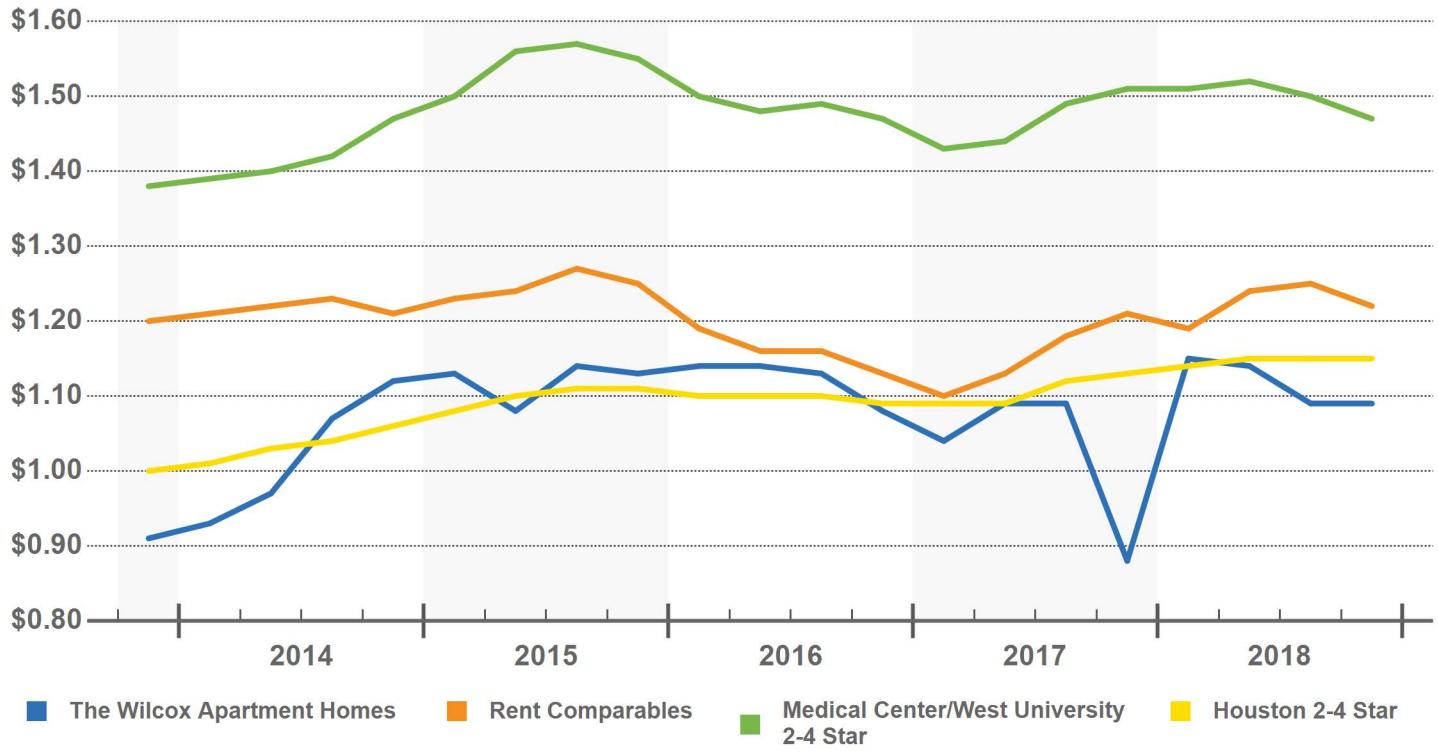
Rent Trends

2400 S Loop W - The Wilcox Apartment Homes

OVERALL ASKING RENT PER SQUARE FOOT



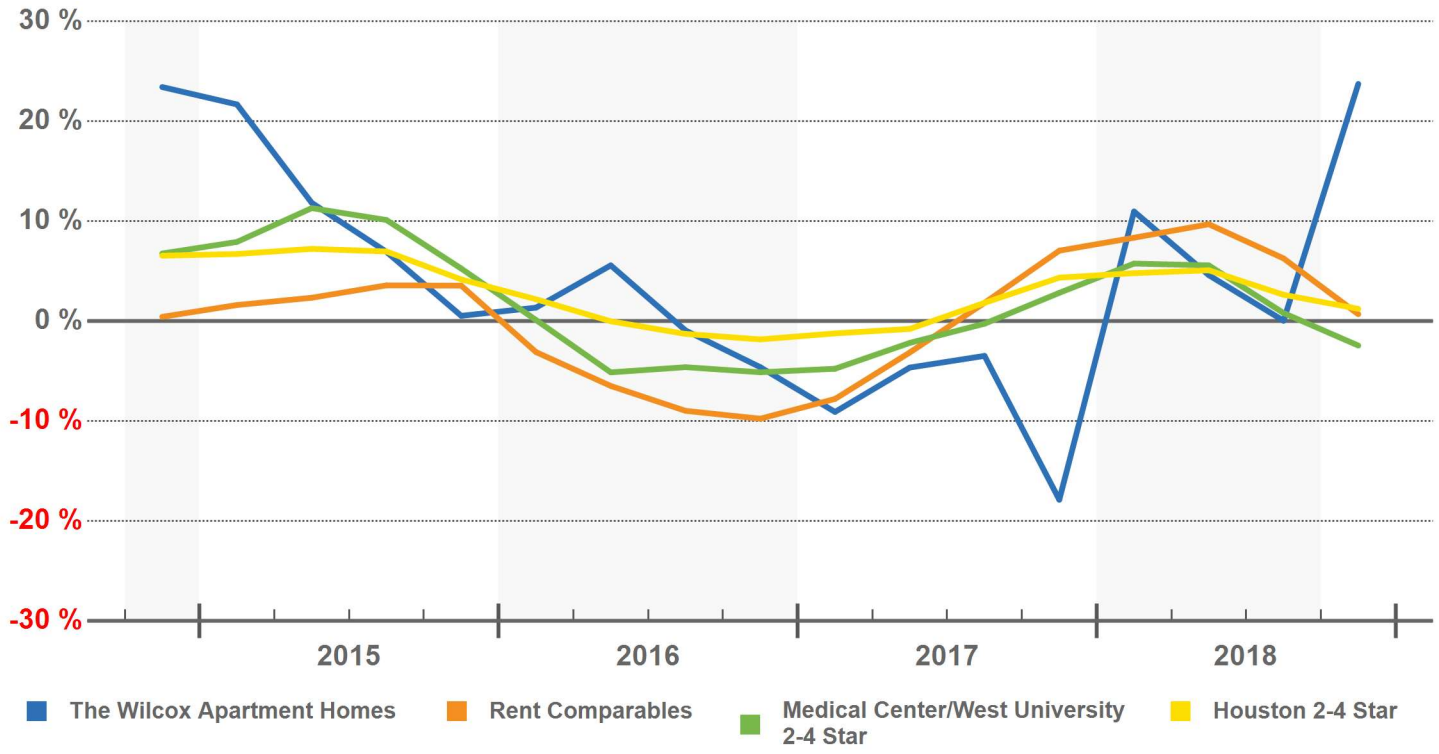
OVERALL EFFECTIVE RENT PER SQUARE FOOT



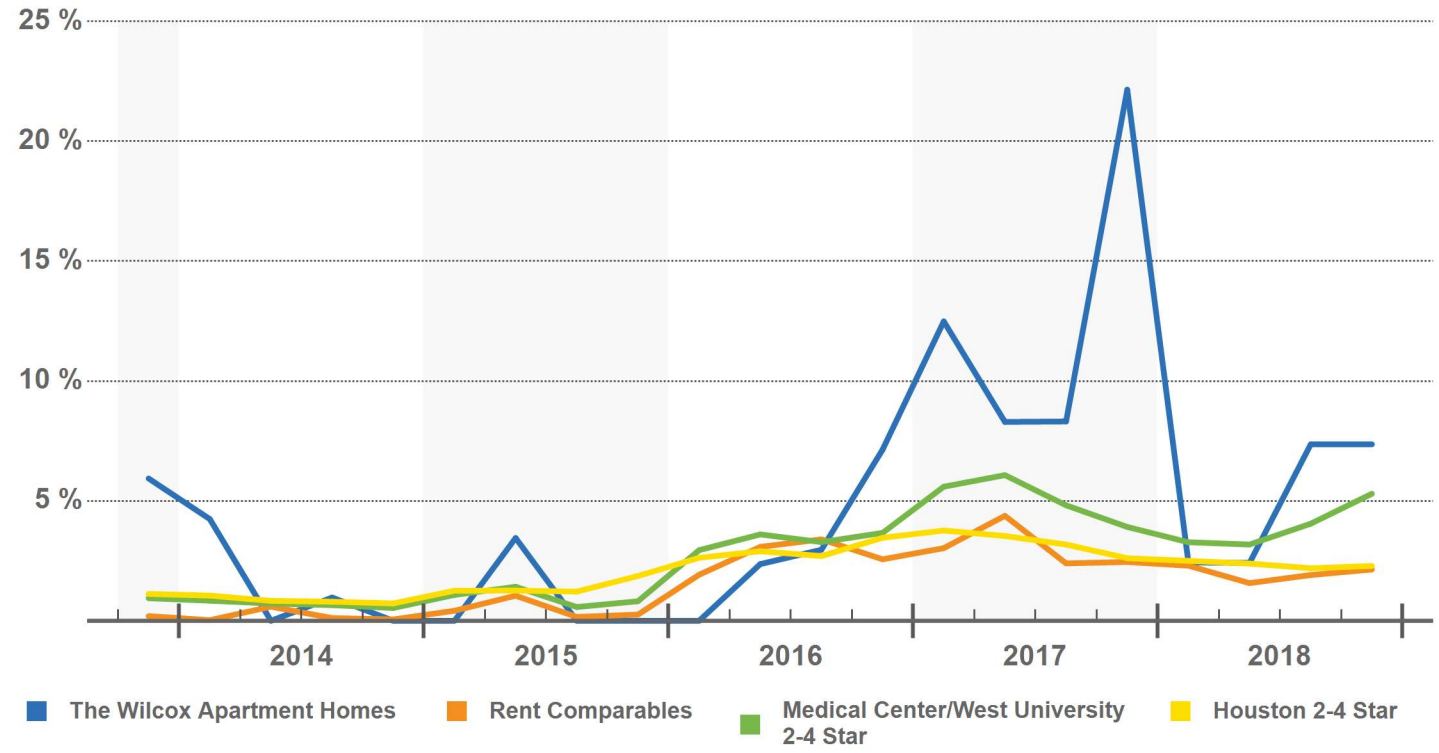
Rent Trends

2400 S Loop W - The Wilcox Apartment Homes

ANNUAL EFFECTIVE RENT GROWTH



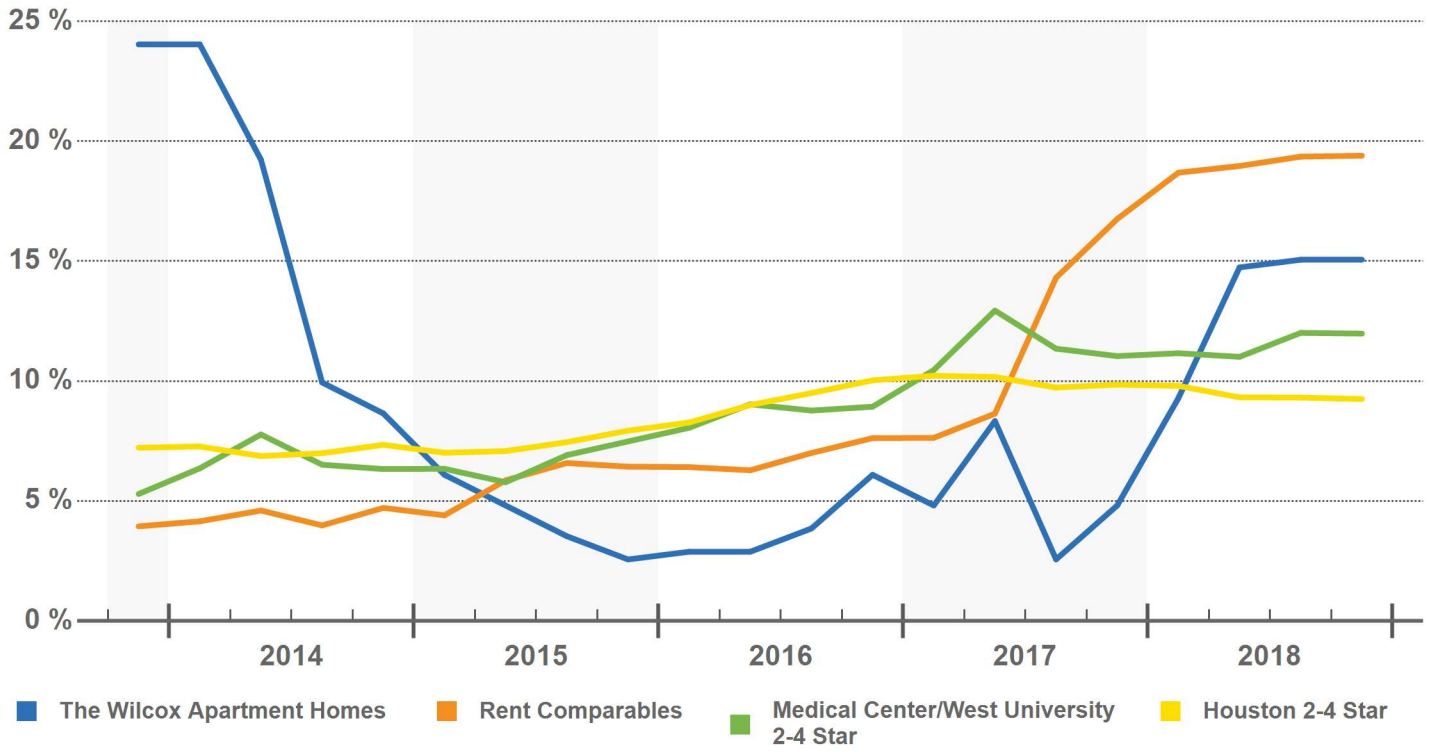
CONCESSIONS



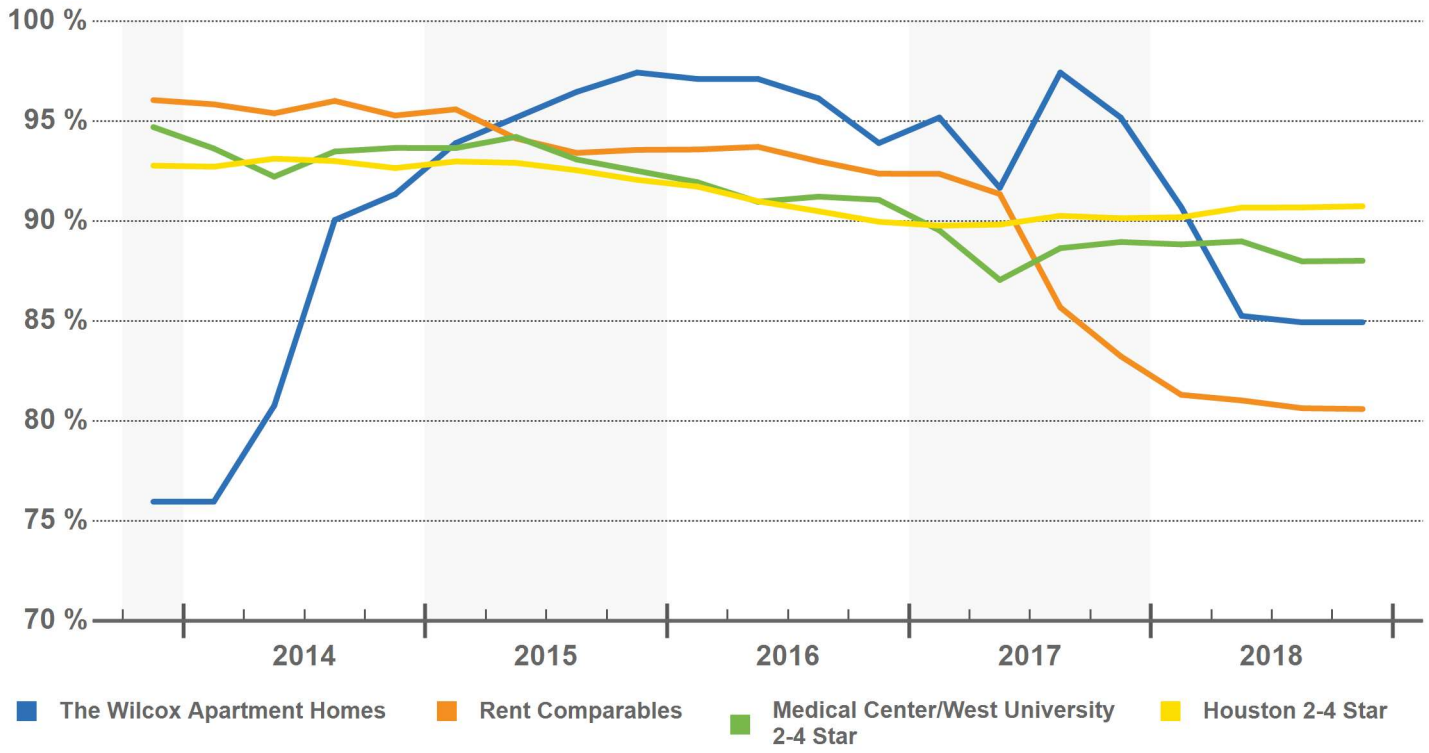
Rent Trends

2400 S Loop W - The Wilcox Apartment Homes

VACANCY RATES



OCCUPANCY RATES



Rent Trends

RENT COMPARABLES HISTORICAL DATA BY YEAR

		Rental Rates Per SF				Vacancy			
Year	Units	Asking	Effective	Growth	Concessions	Units	Percent	Change	Net Absorption
2018	6,119	$1.24	$1.22	0.7%	2.1%	1,187	19.4%	2.6%	(3)
2017	5,987	$1.24	$1.21	7.1%	2.5%	1,004	16.8%	9.1%	(147)
2016	5,987	$1.16	$1.13	-9.8%	2.6%	457	7.6%	1.2%	(37)
2015	5,765	$1.26	$1.25	3.6%	0.3%	371	6.4%	1.7%	8
2014	5,765	$1.21	$1.21	0.4%	0.1%	272	4.7%	0.8%	(42)
2013	5,765	$1.21	$1.20	6.2%	0.2%	227	3.9%	-0.9%	(42)
2012	5,765	$1.15	$1.13	8.9%	1.8%	279	4.8%	-1.7%	12
2011	5,765	$1.05	$1.04	3.8%	0.7%	374	6.5%	-1.7%	31
2010	5,765	$1.01	$1.00	3.9%	0.8%	470	8.2%	0.0%	35
2009	5,765	$0.97	$0.96	-4.4%	0.8%	469	8.1%	3.4%	(68)

RENT COMPARABLES HISTORICAL DATA BY QUARTER PAST 3 YEARS

		Rental Rates Per SF				Vacancy			
Quarter	Units	Asking	Effective	Growth	Concessions	Units	Percent	Change	Net Absorption
2018 Q4	6,119	$1.24	$1.22	-2.9%	2.1%	1,187	19.4%	0.0%	(3)
2018 Q3	6,119	$1.28	$1.25	1.5%	1.9%	1,185	19.4%	0.4%	(24)
2018 Q2	6,119	$1.26	$1.24	3.7%	1.6%	1,161	19.0%	0.3%	90
2018 Q1	5,987	$1.22	$1.19	-1.4%	2.3%	1,119	18.7%	1.9%	(115)
2017 Q4	5,987	$1.24	$1.21	2.5%	2.5%	1,004	16.8%	2.5%	(147)
2017 Q3	5,987	$1.21	$1.18	4.8%	2.4%	857	14.3%	5.7%	(340)
2017 Q2	5,987	$1.18	$1.13	2.4%	4.4%	518	8.6%	1.0%	(61)
2017 Q1	5,987	$1.13	$1.10	-2.6%	3.0%	457	7.6%	0.0%	0
2016 Q4	5,987	$1.16	$1.13	-2.5%	2.6%	457	7.6%	0.6%	(37)
2016 Q3	5,987	$1.20	$1.16	-0.4%	3.4%	419	7.0%	0.7%	165
2016 Q2	5,765	$1.20	$1.16	-2.5%	3.1%	362	6.3%	-0.1%	7
2016 Q1	5,765	$1.22	$1.19	-4.7%	1.9%	369	6.4%	0.0%	2

Construction Survey

2400 S Loop W

The Wilcox Apartment Homes

312 Unit Apartment Building

Houston, Texas - Medical Center South Neighborhood

Christian Consultants of Texas

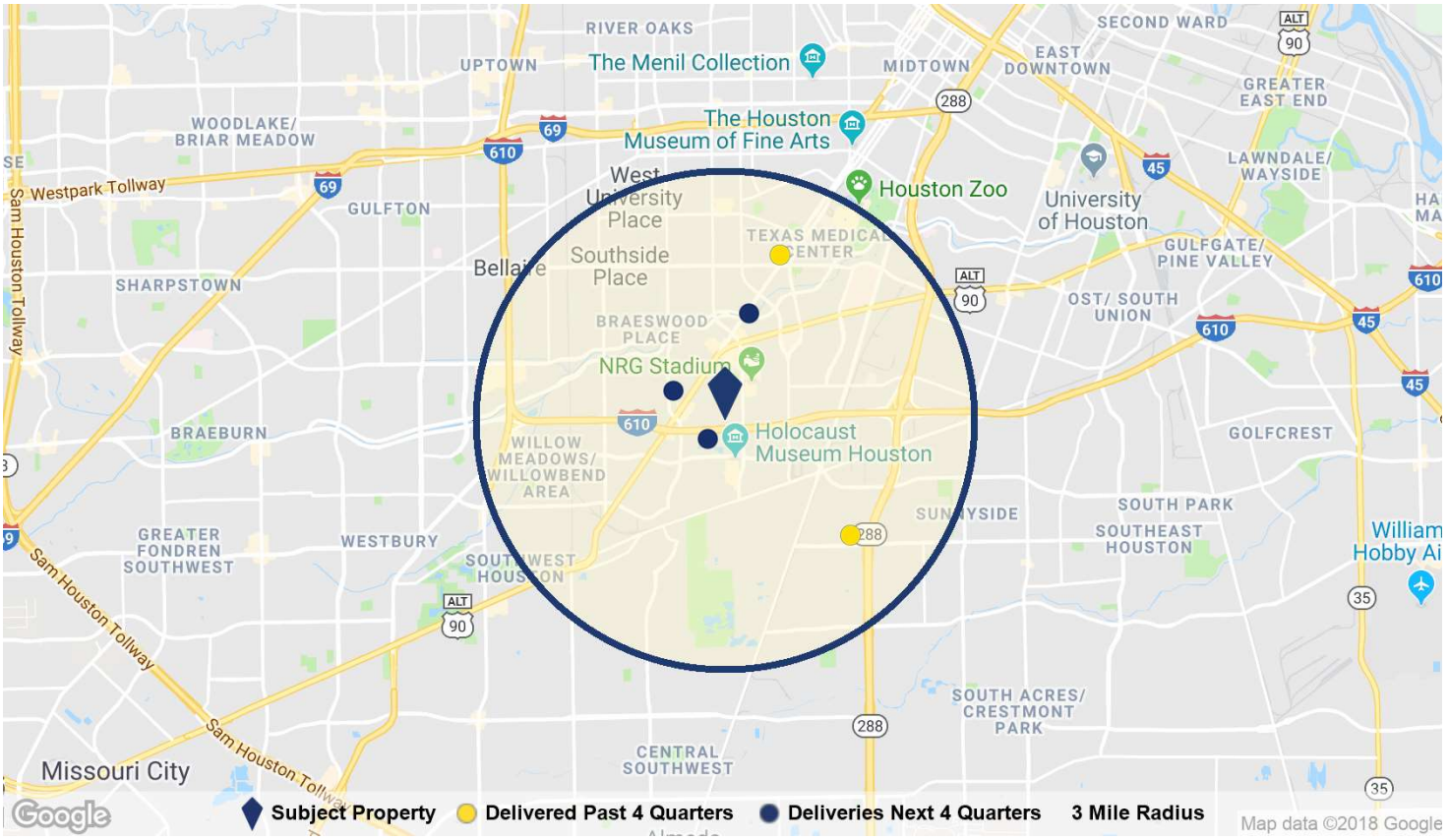
Kevin Pawlowski
(936) 718-1920

Overall Construction Summary

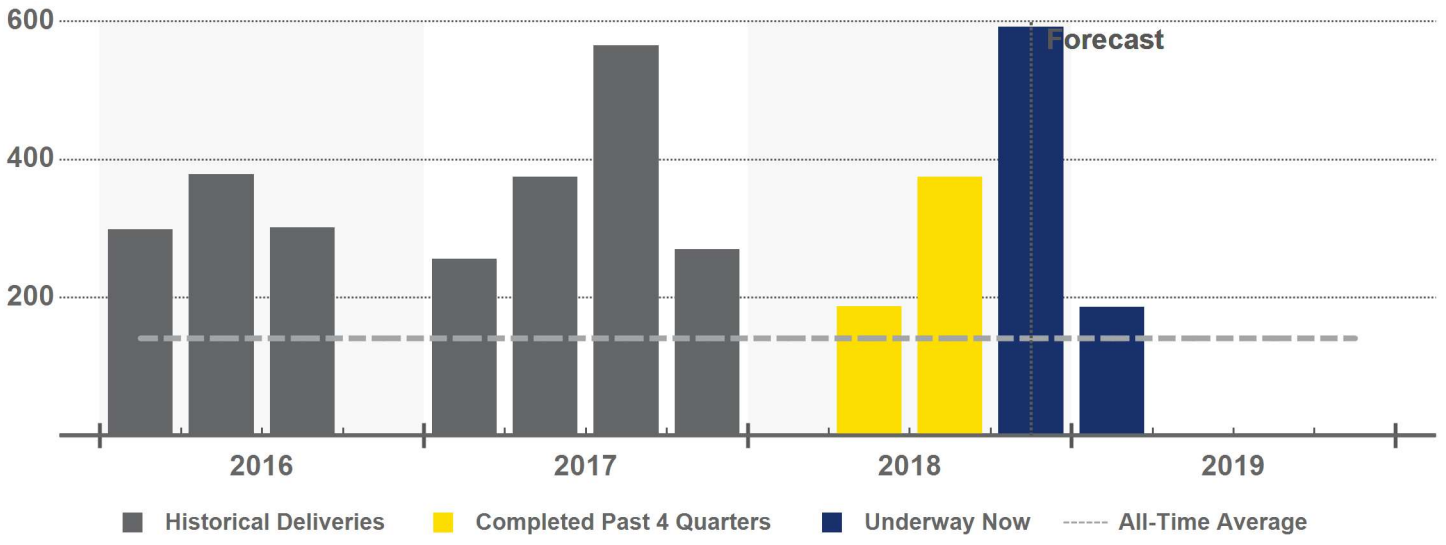
2400 S Loop W - The Wilcox Apartment Homes

All-Time Annual Average	Delivered Past 4 Quarters	Deliveries Next 4 Quarters	Proposed Next 4 Quarters
564	562	778	0

MAP OF 12 MONTH DELIVERIES, UNDER CONSTRUCTION, PROPOSED



PAST AND FUTURE DELIVERIES

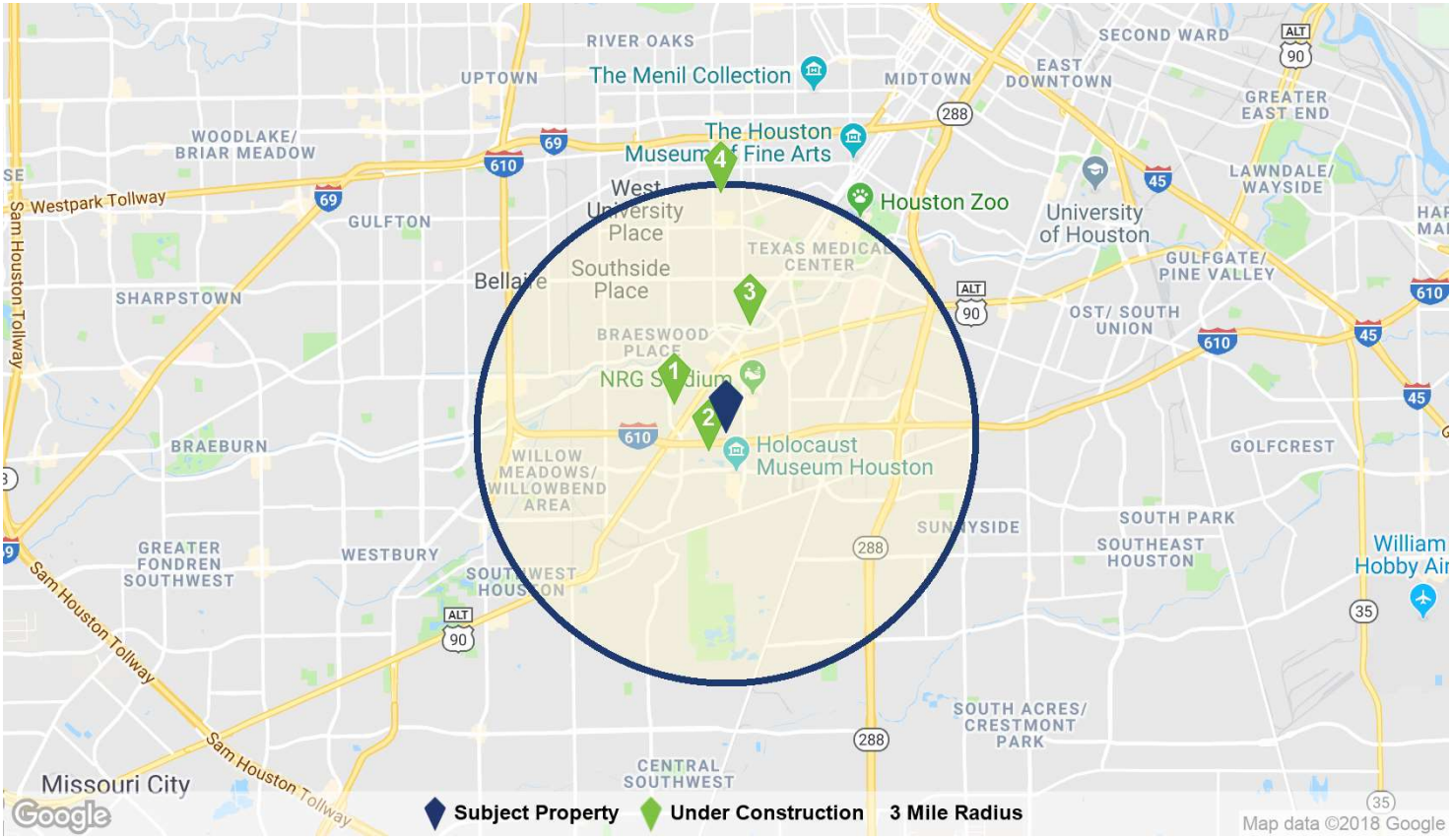


Under Construction Properties

2400 S Loop W - The Wilcox Apartment Homes

Properties	Units	Percent Of Inventory	Avg. No. Units
4	982	3.5%	245

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION SUMMARY STATISTICS

	Low	Average	Median	High
Property Size in Units	186	245	240	316
Number of Stories	4	10	11	17
Average Unit Size	600 SF	800 SF	800 SF	1,000 SF
Star Rating	★★★☆☆	★★★☆☆ 3.7	★★★★☆	★★★★☆
Estimated Delivery Date	Nov 2018	Mar 2019	Dec 2018	Apr 2020
Months to Delivery	1	5	2	18
Construction Period in Months	18	24	23	35

Under Construction Properties

COMPLETIONS WITHIN NEXT 3 MONTHS

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1	**The Tradition-Buffalo Sp…** 9339 Buffalo Speedway	★★★★☆	316	-	May-2017	Nov-2018	Tradition Senior Living, LP Tradition Senior Living, LP
2	**Haven at Lakes of 610** 8900 Lakes at 610 Dr	★★★★☆	276	4	Dec-2015	Nov-2018	Guefen Development Company Guefen Development Company
3	**South Main** 7551 Main St	★★★☆☆	186	11	Dec-2016	Jan-2019	Allen Harrison Company Allen Harrison Company

COMPLETIONS MORE THAN 6 MONTHS AWAY

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
4	**5020 Kelvin Dr**	★★★★☆	204	17	Jul-2018	Apr-2020	PRDG Architects Bridgewood Property Company

1 9339 Buffalo Speedway - The Tradition-Buffalo Speedway

Houston, Texas - Braeswood Place Neighborhood

PROPERTY		CONSTRUCTION INFO	
Property Size:	**316 Units**	Start Date:	**May-2017**
Stories:	**-**	Completion Date:	**Nov-2018**
Average Unit Size:	**1,000 SF**	Build Time:	**18 Months**
Rent Type:	**Market**	Time to Delivery:	**1 Month**

DEVELOPER	OWNER
Tradition Senior Living, LP	Tradition Senior Living, LP

2 8900 Lakes at 610 Dr - Haven at Lakes of 610

Houston, Texas - South Main Neighborhood

PROPERTY		CONSTRUCTION INFO	
Property Size:	**276 Units**	Start Date:	**Dec-2015**
Stories:	**4**	Completion Date:	**Nov-2018**
Average Unit Size:	**-**	Build Time:	**35 Months**
Rent Type:	**Market**	Time to Delivery:	**1 Month**

DEVELOPER	OWNER
Guefen Development Company	Guefen Development Company

3 7551 Main St - South Main

Houston, Texas - University Place Neighborhood

PROPERTY		CONSTRUCTION INFO	
Property Size:	**186 Units**	Start Date:	**Dec-2016**
Stories:	**11**	Completion Date:	**Jan-2019**
Average Unit Size:	**-**	Build Time:	**25 Months**
Rent Type:	**Market**	Time to Delivery:	**3 Months**

DEVELOPER	OWNER
Allen Harrison Company	Allen Harrison Company

4 5020 Kelvin Dr

Houston, Texas - University Place Neighborhood

★★★★☆

PROPERTY		CONSTRUCTION INFO	
Property Size:	**204 Units**	Start Date:	**Jul-2018**
Stories:	**17**	Completion Date:	**Apr-2020**
Average Unit Size:	**600 SF**	Build Time:	**21 Months**
Rent Type:	**Market**	Time to Delivery:	**18 Months**

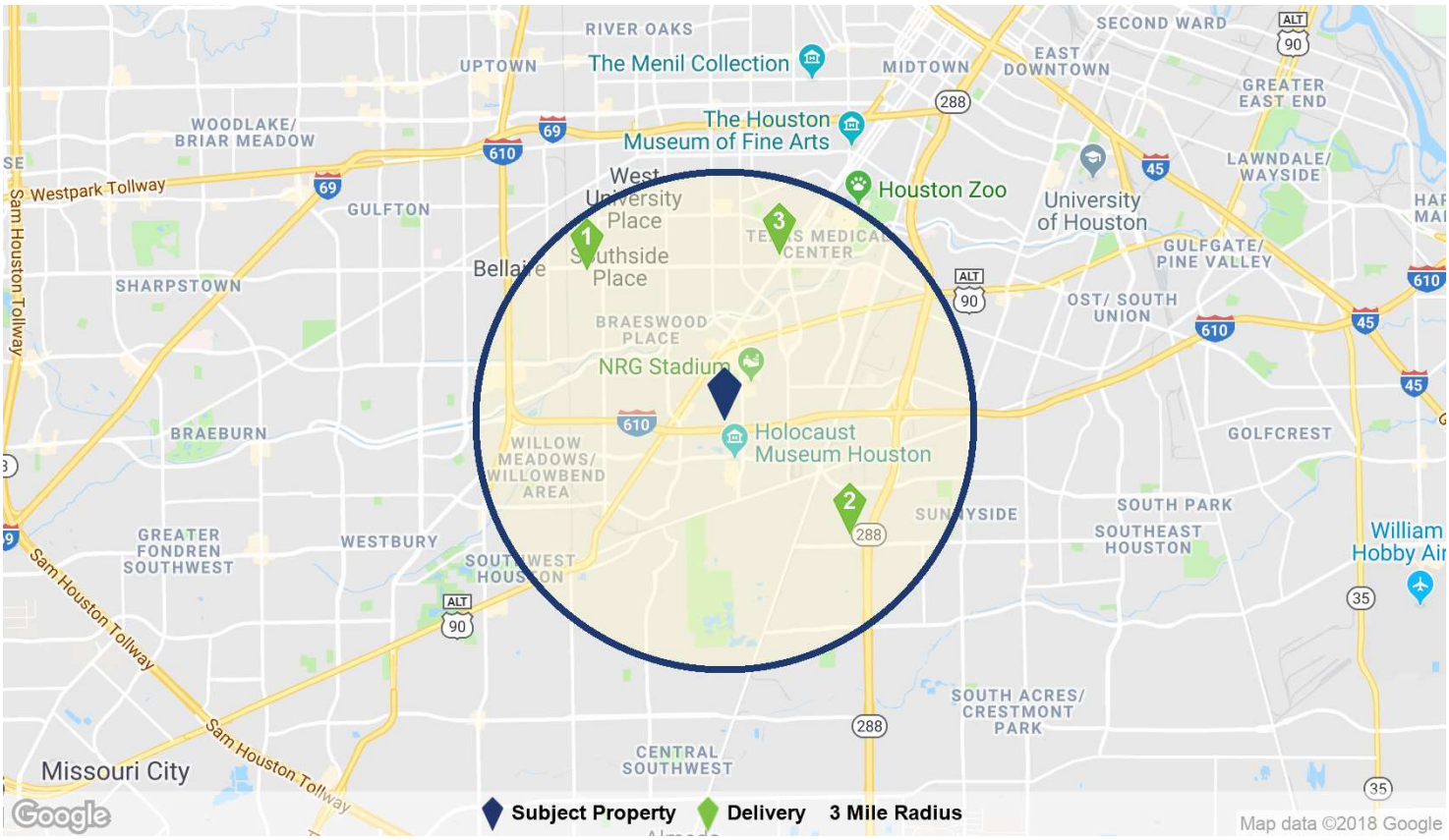
DEVELOPER	OWNER
PRDG Architects	Bridgewood Property Company

Deliveries Past 12 Months Summary

2400 S Loop W - The Wilcox Apartment Homes

Properties	Units	Vacancy Rate	Avg. Asking Rent/Unit
3	832	49.6%	$2,195

DELIVERIES IN PAST 12 MONTHS



DELIVERIES PAST 12 MONTHS SUMMARY STATISTICS

Unit Mix	Low	Average	Median	High
Property Size in Units	187	277	270	375
Studio Units	4	81	81	158
One Bedroom Units	63	111	97	174
Two Bedroom Units	62	84	92	99
Three Bedroom Units	21	42	42	62
Property Attributes	**Low**	**Average**	**Median**	**High**
Number of Stories	4	14	5	35
Average Unit Size	895	959	908	1,076
Rating	★★★★☆	★★★★☆ 4.0	★★★★☆	★★★★★
Leasing Performance	**Low**	**Average**	**Median**	**High**
Vacancy Rate	21.4%	49.6%	21.9%	83.7%
Asking Rent Per Unit	$965	$2,195	$1,953	$2,983
Effective Rent Per Unit	$931	$1,601	$1,774	$1,810
Asking Rent Per SF	$0.90	$2.33	$2.15	$3.33
Effective Rent Per SF	$0.87	$1.70	$1.95	$2.02
Concessions	3.5%	17.2%	8.1%	39.9%

Deliveries Past 12 Months Summary

2400 S Loop W - The Wilcox Apartment Homes

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1	**Alexan Southside Place** 4139 Bellaire Blvd	★★★★★	270	5	Mar-16	Oct-17	Trammell Crow Residential Bluerock Real Estate, LLC
2	**New Hope Housing on R...** 2665 Reed Rd	★★★★☆	187	4	Jan-17	Apr-18	New Hope Housing; Inc New Hope Housing; Inc
3	**Latitude Med Center** 1850 Old Main St	★★★★☆	375	35	Aug-16	Jul-18	Greystar Real Estate Partners, LLC Medistar Corporation

Deliveries Past 12 Months

1 4139 Bellaire Blvd - Alexan Southside Place

★★★★★

Houston, Texas - Braeswood Place Neighborhood

PROPERTY	
Property Size:	**270 Units, 5 Floors**
Avg. Unit Size:	**909 SF**
Year Built:	**Oct 2017**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**-**
Distance to Subject:	**2.5 Miles**
Distance to Transit:	**-**

PROPERTY MANAGER

ZRS - Alexan Southside Place

(713) 668-2000

OWNER

-

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
Studio	1	735	4	1.5%	0	0.0%	$1,533	$2.09	$1,533	$2.09	0.0%
1	1	702	38	14.1%	3	7.9%	$1,575	$2.24	$1,444	$2.06	8.3%
1	1	731	49	18.1%	0	0.0%	$1,458	$1.99	$1,336	$1.83	8.3%
1	1	735	40	14.8%	1	2.5%	$1,730	$2.35	$1,586	$2.16	8.3%
1	1	848	35	13.0%	3	8.6%	$1,920	$2.26	$1,760	$2.08	8.3%
1	1	853	12	4.4%	3	25.0%	$1,910	$2.24	$1,751	$2.05	8.3%
2	2	1,136	45	16.7%	16	35.6%	$2,422	$2.13	$2,169	$1.91	10.4%
2	2	1,154	23	8.5%	4	17.4%	$2,365	$2.05	$2,118	$1.84	10.4%
2	2	1,374	24	8.9%	15	62.5%	$2,795	$2.03	$2,504	$1.82	10.4%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All Studios	735	4	1.5%	0	0.0%	$1,533	$2.09	$1,533	$2.09	0.0%
All 1 Beds	758	174	64.4%	10	5.8%	$1,670	$2.20	$1,531	$2.02	8.3%
All 2 Beds	1,203	92	34.1%	35	38.0%	$2,505	$2.08	$2,244	$1.87	10.4%
Totals	**909**	**270**	**100%**	**45**	**16.7%**	**$1,953**	**$2.15**	**$1,774**	**$1.95**	**9.2%**

Estimate Updated October 23, 2018

SITE AMENITIES

Business Center, Car Charging Station, Concierge, Conference Room, Fitness Center, Laundry Service, Lounge, Package Service, Pool, Video Patrol, Wi-Fi at Pool and Clubhouse, Zen Garden

UNIT AMENITIES

Balcony, Granite Countertops, Hardwood Floors, Kitchen, Mud Room, Patio, Range, Refrigerator, Stainless Steel Appliances, Tub/Shower, Washer/Dryer

RECURRING EXPENSES

Dog Rent $25

Cat Rent $25

ONE TIME EXPENSES

Dog Fee $350

Cat Fee $350

Admin Fee $200

Application Fee $65

PET POLICY

Cats Allowed - $25/Mo, 2 Maximum, One-Time Fee: $350
Restrictions: Excluded dog breeds include Akita, Alaskan Malamute, American Bull Dog, American Pit Bull Terrier, American or Bull Staffordshire Terrier, Bull Terrier, Chinese Shar-Pei, Dalmatian, Doberman Pinscher, Persa Canario, Pit Bull, Rottweiler, Siberian Husky, Mastiff, Stafford Terrier, Chow, German Shepherd and any mix thereof. Letter required by Certified Veterinarian for proof of breed, weight, and required vaccinations.
Dogs Allowed - $25/Mo, 2 Maximum, One-Time Fee: $350
Restrictions: Excluded dog breeds include Akita, Alaskan Malamute, American Bull Dog, American Pit Bull Terrier, American or Bull Staffordshire Terrier, Bull Terrier, Chinese Shar-Pei, Dalmatian, Doberman Pinscher, Persa Canario, Pit Bull, Rottweiler, Siberian Husky, Mastiff, Stafford Terrier, Chow, German Shepherd and any mix thereof. Letter required by Certified Veterinarian for proof of breed, weight, and required vaccinations.

2665 Reed Rd - New Hope Housing on Reed

Houston, Texas - Central Southwest Neighborhood

PROPERTY	
Property Size:	**187 Units, 4 Floors**
Avg. Unit Size:	**1,077 SF**
Year Built:	**Apr 2018**
Type:	**Apartments - All**
Rent Type:	**Affordable**
Parking:	**-**
Distance to Subject:	**2.1 Miles**
Distance to Transit:	**-**

PROPERTY MANAGER

New Hope Housing - 2665 Reed Rd.

(713) 733-2605

OWNER

-

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	754	63	33.7%	14	22.2%	$807	$1.07	$779	$1.03	3.5%
2	2	1,084	62	33.2%	13	21.0%	$970	$0.89	$936	$0.86	3.5%
3	2	1,398	62	33.2%	13	21.0%	$1,121	$0.80	$1,081	$0.77	3.5%

Totals	**Avg SF**	**Units**	**Mix %**	**Units**	**Percent**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
All 1 Beds	754	63	33.7%	14	22.2%	$807	$1.07	$779	$1.03	3.5%
All 2 Beds	1,084	62	33.2%	13	21.0%	$970	$0.89	$936	$0.86	3.5%
All 3 Beds	1,398	62	33.2%	13	21.0%	$1,121	$0.80	$1,081	$0.77	3.5%
Totals	**1,077**	**187**	**100%**	**40**	**21.4%**	**$965**	**$0.90**	**$931**	**$0.86**	**3.5%**

Estimate Updated October 20, 2018

UNIT AMENITIES

Air Conditioning, Carpet, Heating, Kitchen, Oven, Refrigerator, Tub/Shower

RECURRING EXPENSES

Free Gas, Water, Electricity, Heat, Trash…

ONE TIME EXPENSES

Application Fee $15

PET POLICY

No Pets Allowed

Deliveries Past 12 Months

1850 Old Main St - Latitude Med Center

Houston, Texas - University Place Neighborhood

PROPERTY

Property Size:	**375 Units, 35 Floors**
Avg. Unit Size:	**895 SF**
Year Built:	**Jul 2018**
Type:	**Apartments - All**
Rent Type:	**Market**
Parking:	**-**
Distance to Subject:	**2.1 Miles**
Distance to Transit:	**5 Minute Walk**

PROPERTY MANAGER

Greystar - Latitude Med Center

(713) 527-1000

OWNER

-

UNIT BREAKDOWN

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	Bath	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
Studio	1	331	1	0.3%	0	0.0%	$1,295	$3.91	$774	$2.34	40.2%
Studio	1	349	21	5.6%	9	42.9%	$1,445	$4.14	$864	$2.48	40.2%
Studio	1	424	1	0.3%	0	0.0%	$1,620	$3.82	$969	$2.29	40.2%
Studio	1	440	21	5.6%	16	76.2%	$1,760	$4.00	$1,053	$2.39	40.2%
Studio	1	477	1	0.3%	0	0.0%	$1,705	$3.57	$1,019	$2.14	40.2%
Studio	1	489	23	6.1%	11	47.8%	$1,730	$3.54	$1,035	$2.12	40.2%
Studio	1	501	20	5.3%	17	85.0%	$1,655	$3.30	$990	$1.98	40.2%
Studio	1	505	1	0.3%	1	100%	$1,630	$3.23	$975	$1.93	40.2%
Studio	1	520	2	0.5%	0	0.0%	$1,775	$3.41	$1,062	$2.04	40.2%
Studio	1	556	21	5.6%	17	81.0%	$1,845	$3.32	$1,104	$1.99	40.2%
Studio	1	583	2	0.5%	0	0.0%	$1,850	$3.17	$1,107	$1.90	40.2%
Studio	1	613	21	5.6%	10	47.6%	$1,850	$3.02	$1,107	$1.81	40.2%
Studio	1	655	2	0.5%	0	0.0%	$2,175	$3.32	$1,301	$1.99	40.2%
Studio	1	684	21	5.6%	16	76.2%	$2,245	$3.28	$1,343	$1.96	40.2%
1	1	731	1	0.3%	0	0.0%	$2,180	$2.98	$1,271	$1.74	41.7%
1	1	778	21	5.6%	14	66.7%	$2,244	$2.88	$1,309	$1.68	41.7%
1	1	891	1	0.3%	0	0.0%	$2,500	$2.81	$1,458	$1.64	41.7%
1	1	938	21	5.6%	7	33.3%	$2,650	$2.83	$1,546	$1.65	41.7%
1	1.5	909	1	0.3%	1	100%	$2,600	$2.86	$1,516	$1.67	41.7%
1	1.5	931	2	0.5%	2	100%	$2,530	$2.72	$1,476	$1.58	41.7%
1	1.5	935	19	5.1%	16	84.2%	$2,640	$2.82	$1,540	$1.65	41.7%
1	1.5	949	2	0.5%	2	100%	$3,050	$3.21	$1,779	$1.87	41.7%
1	1.5	1,006	21	5.6%	20	95.2%	$3,140	$3.12	$1,832	$1.82	41.7%

Deliveries Past 12 Months

UNIT BREAKDOWN CONTINUED

			Unit Mix		Availability		Avg Asking Rent		Avg Effective Rent		
Bed	Bath	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
1	2	982	2	0.5%	0	0.0%	$2,995	$3.05	$1,747	$1.78	41.7%
1	2	1,018	6	1.6%	4	66.7%	$2,985	$2.93	$1,741	$1.71	41.7%
2	2	817	1	0.3%	0	0.0%	$2,800	$3.43	$1,633	$2.00	41.7%
2	2	849	2	0.5%	0	0.0%	$2,805	$3.30	$1,636	$1.93	41.7%
2	2	877	21	5.6%	19	90.5%	$2,840	$3.24	$1,657	$1.89	41.7%
2	2	898	21	5.6%	19	90.5%	$2,795	$3.11	$1,630	$1.82	41.7%
2	2	1,070	1	0.3%	1	100%	$3,745	$3.50	$2,184	$2.04	41.7%
2	2	1,116	21	5.6%	19	90.5%	$3,764	$3.37	$2,195	$1.97	41.7%
2	2	1,167	1	0.3%	1	100%	$4,045	$3.47	$2,359	$2.02	41.7%
2	2	1,242	21	5.6%	11	52.4%	$4,215	$3.39	$2,459	$1.98	41.7%
2	2.5	1,479	8	2.1%	7	87.5%	$4,800	$3.25	$2,800	$1.89	41.7%
2	2.5	1,915	2	0.5%	0	0.0%	$10,293	$5.37	$6,004	$3.13	41.7%
3	3.5	2,047	1	0.3%	1	100%	$7,330	$3.58	$5,039	$2.46	31.3%
3	3.5	2,497	14	3.7%	14	100%	$7,630	$3.06	$5,246	$2.10	31.3%
3	3.5	2,838	2	0.5%	0	0.0%	$13,994	$4.93	$9,621	$3.39	31.2%
3	3.5	3,459	2	0.5%	0	0.0%	$17,285	$5.00	$11,884	$3.44	31.2%
3	3.5	3,767	2	0.5%	0	0.0%	$18,355	$4.87	$12,619	$3.35	31.2%

Totals	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
All Studios	519	158	42.1%	97	61.4%	$1,790	$3.45	$1,071	$2.06	40.2%
All 1 Beds	921	97	25.9%	66	68.0%	$2,693	$2.93	$1,571	$1.71	41.7%
All 2 Beds	1,083	99	26.4%	77	77.8%	$3,647	$3.37	$2,127	$1.96	41.7%
All 3 Beds	2,721	21	5.6%	15	71.4%	$10,163	$3.74	$6,987	$2.57	31.3%
Totals	**895**	**375**	**100%**	**255**	**68.0%**	**$2,983**	**$3.33**	**$1,810**	**$2.02**	**39.3%**

Estimate

Updated October 23, 2018

UNIT AMENITIES

Kitchen, Oven, Range

RECURRING EXPENSES

Dog Rent $40	Cat Rent $40

ONE TIME EXPENSES

Dog Deposit $250	Cat Deposit $250	Dog Fee $250
Cat Fee $250	Admin Fee $150	Application Fee $75

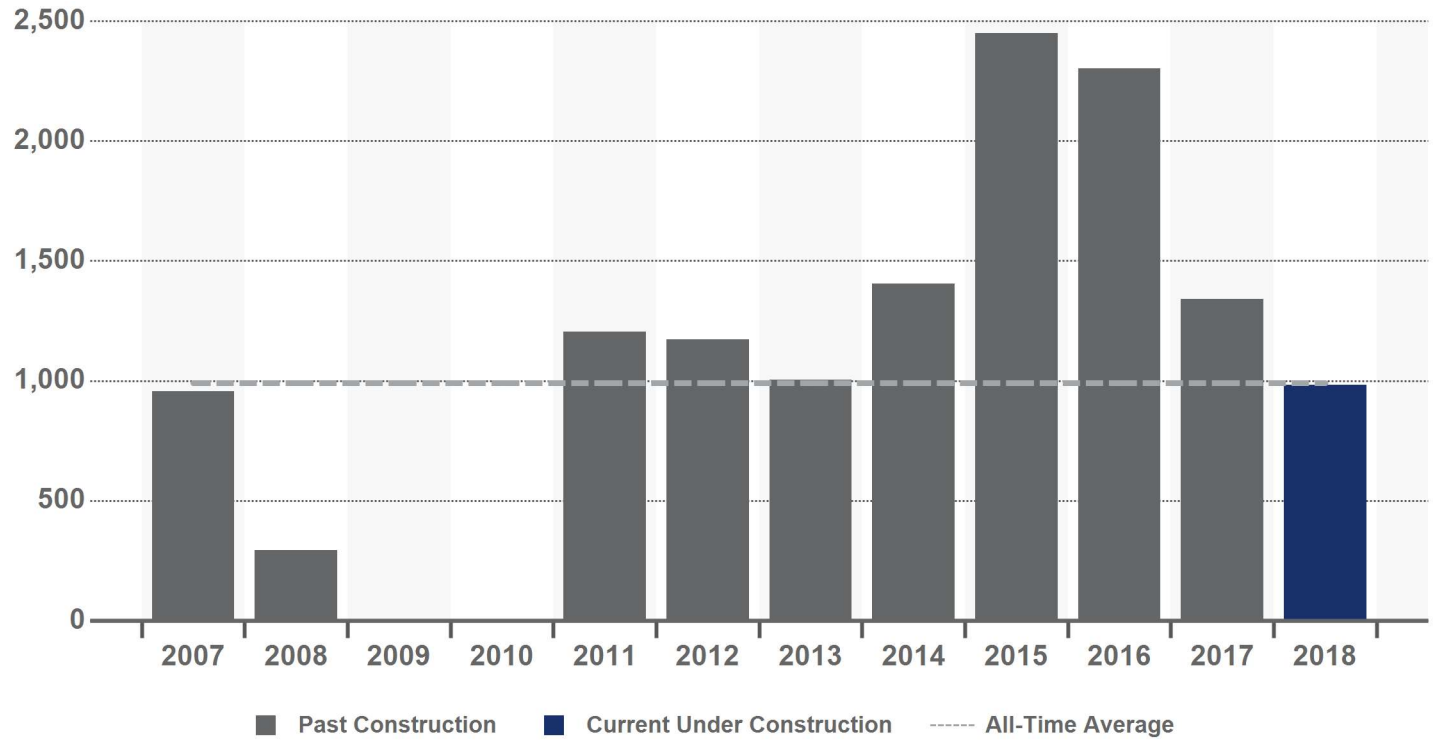
PET POLICY

Cats Allowed - $250 Deposit, $40/Mo, 2 Maximum, Maximum Weight 100 lb, One-Time Fee: $250
Restrictions: We welcome 2 pets per apartment home. There is a $250 refundable pet deposit and $250 pet fee. Pet rent is $20 per month per pet. There is a weight limit of 100lbs per pet and aggressive breeds are prohibited. Please call for complete pet policy information.
Dogs Allowed - $250 Deposit, $40/Mo, 2 Maximum, Maximum Weight 100 lb, One-Time Fee: $250
Restrictions: We welcome 2 pets per apartment home. There is a $250 refundable pet deposit and $250 pet fee. Pet rent is $20 per month per pet. There is a weight limit of 100lbs per pet and aggressive breeds are prohibited. Please call for complete pet policy information.

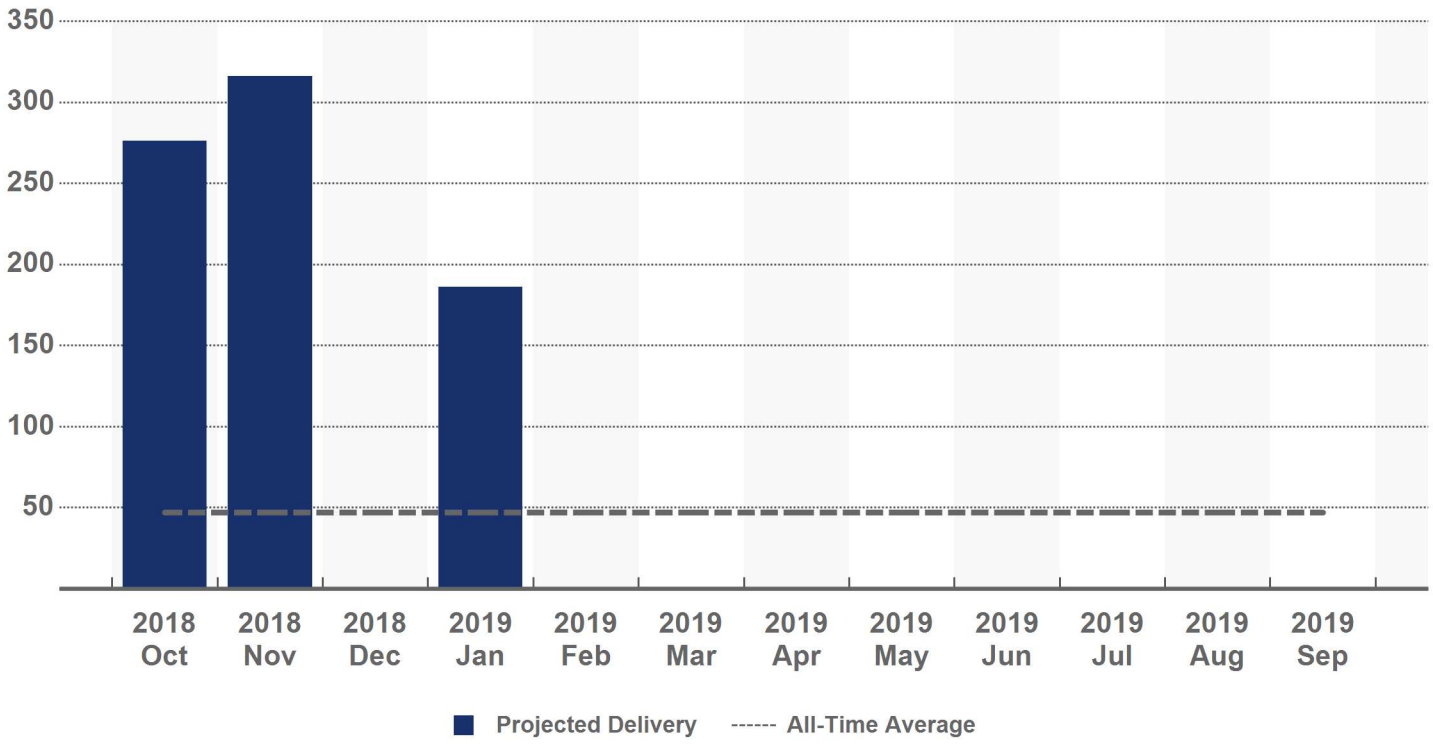
Construction Summary

2400 S Loop W - The Wilcox Apartment Homes

UNITS UNDER CONSTRUCTION

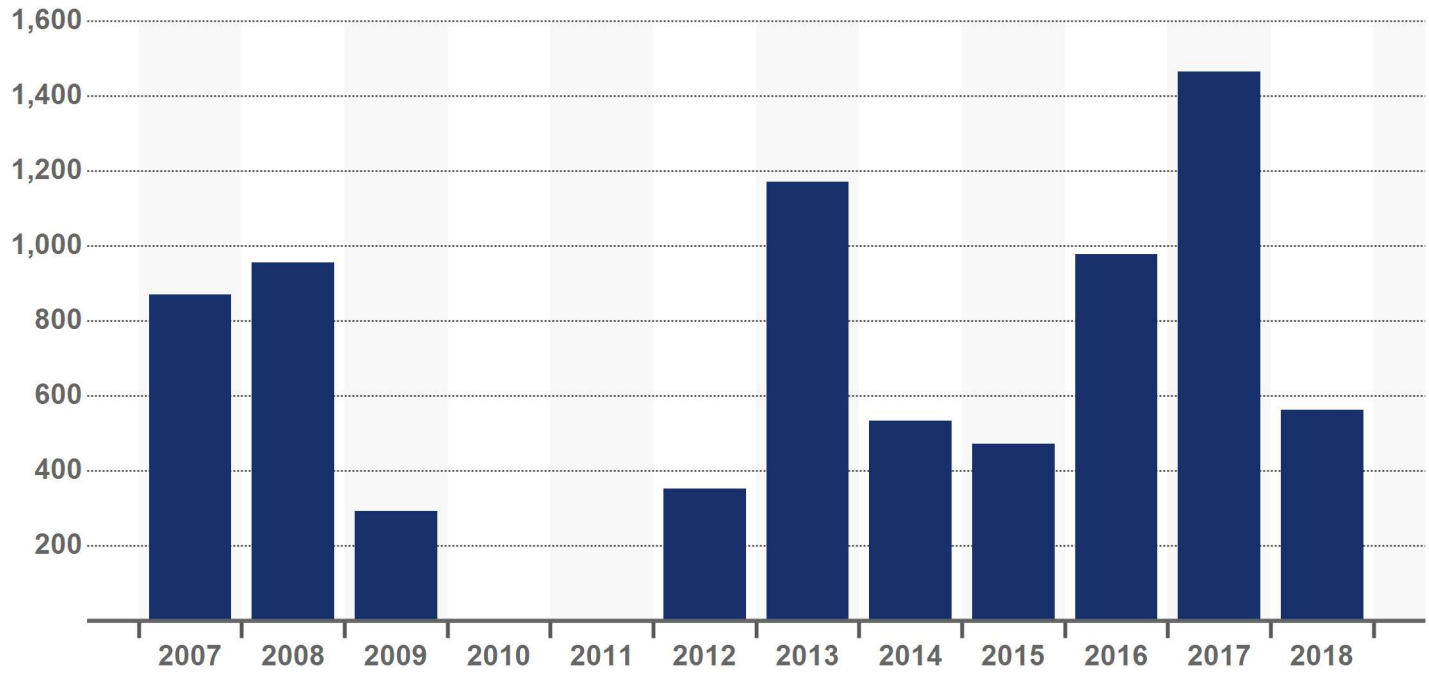


PROJECTED DELIVERY DATES OF UNITS UNDER CONSTRUCTION

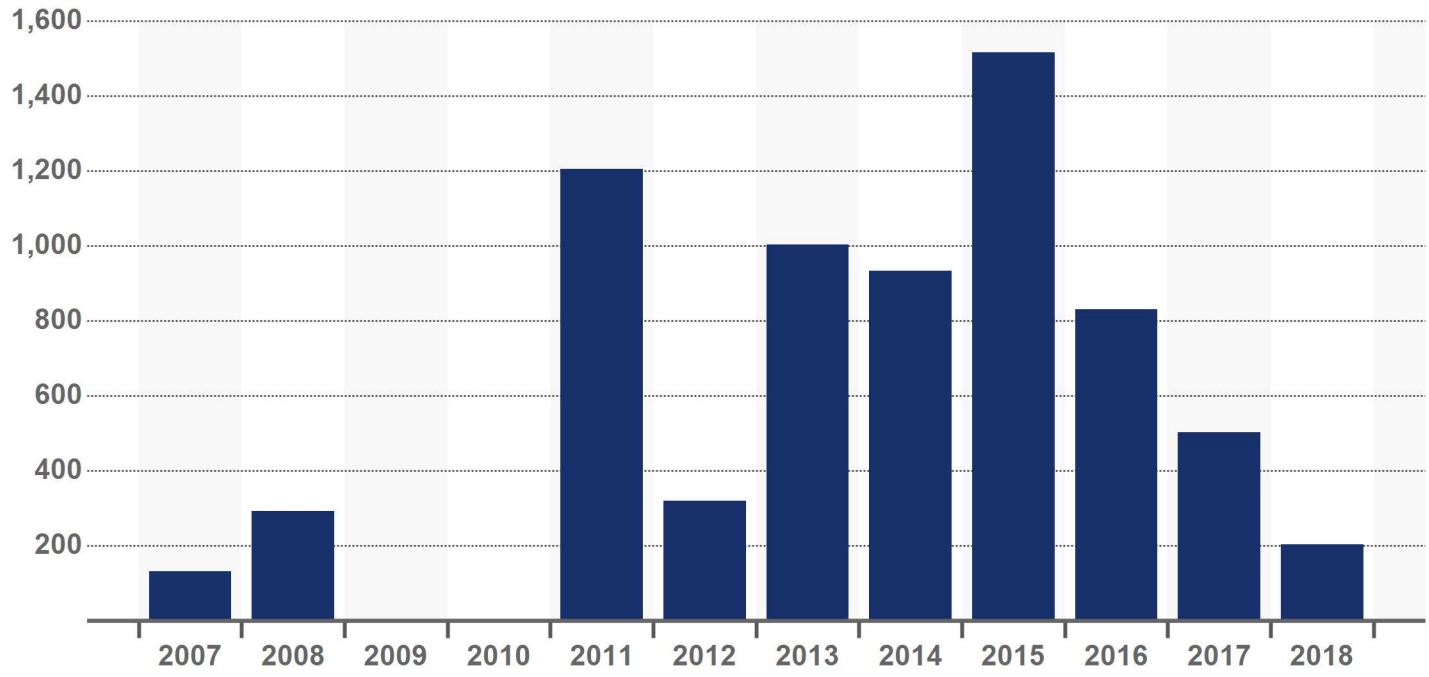


Construction Summary

CONSTRUCTION DELIVERIES IN UNITS

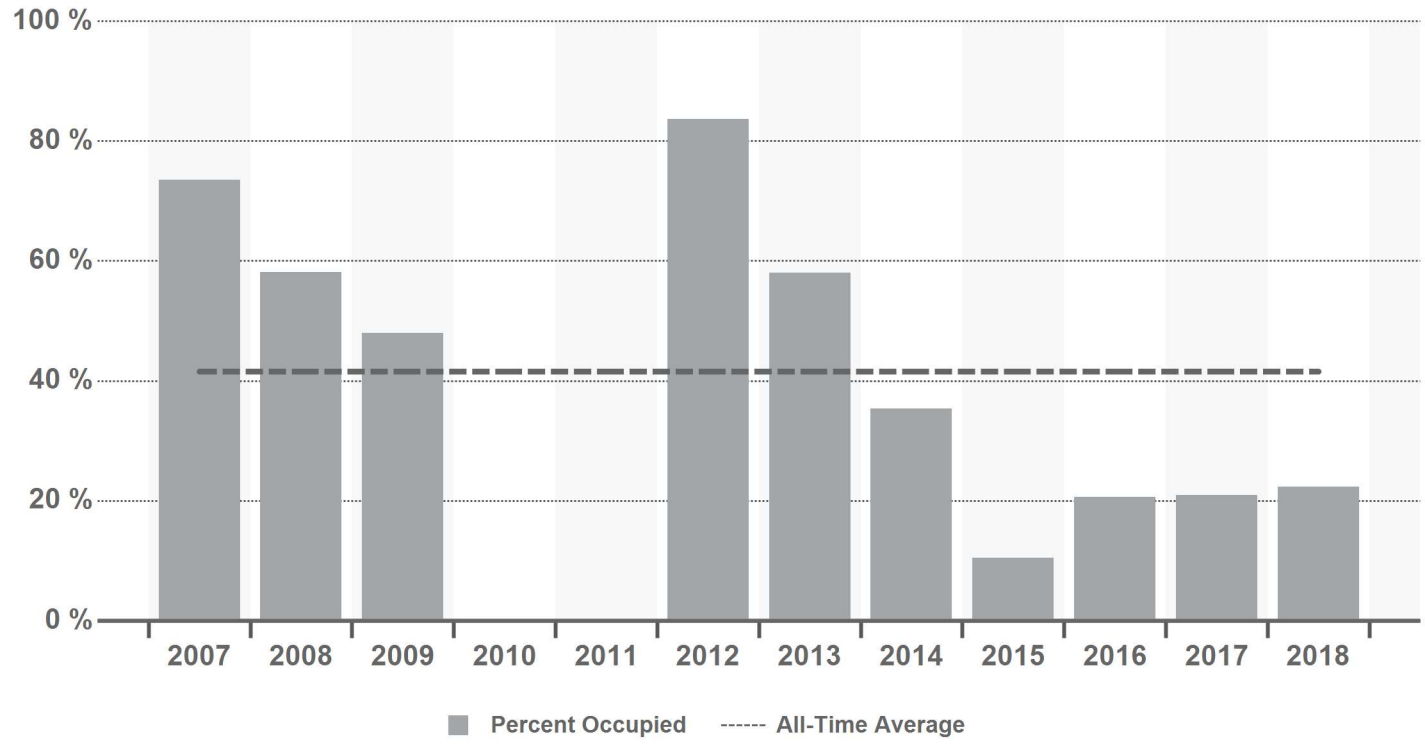


CONSTRUCTION STARTS IN UNITS

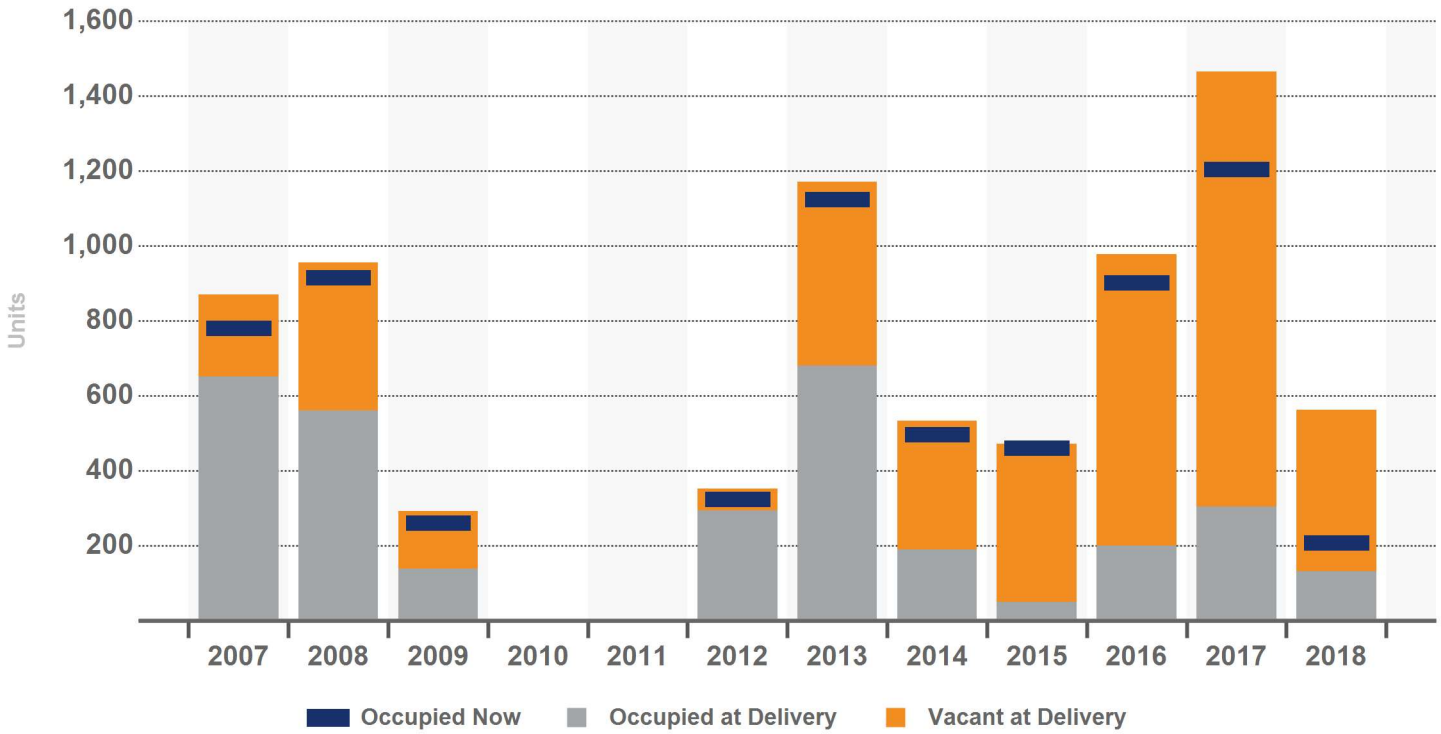


Construction Summary

PERCENT OCCUPIED AT DELIVERY

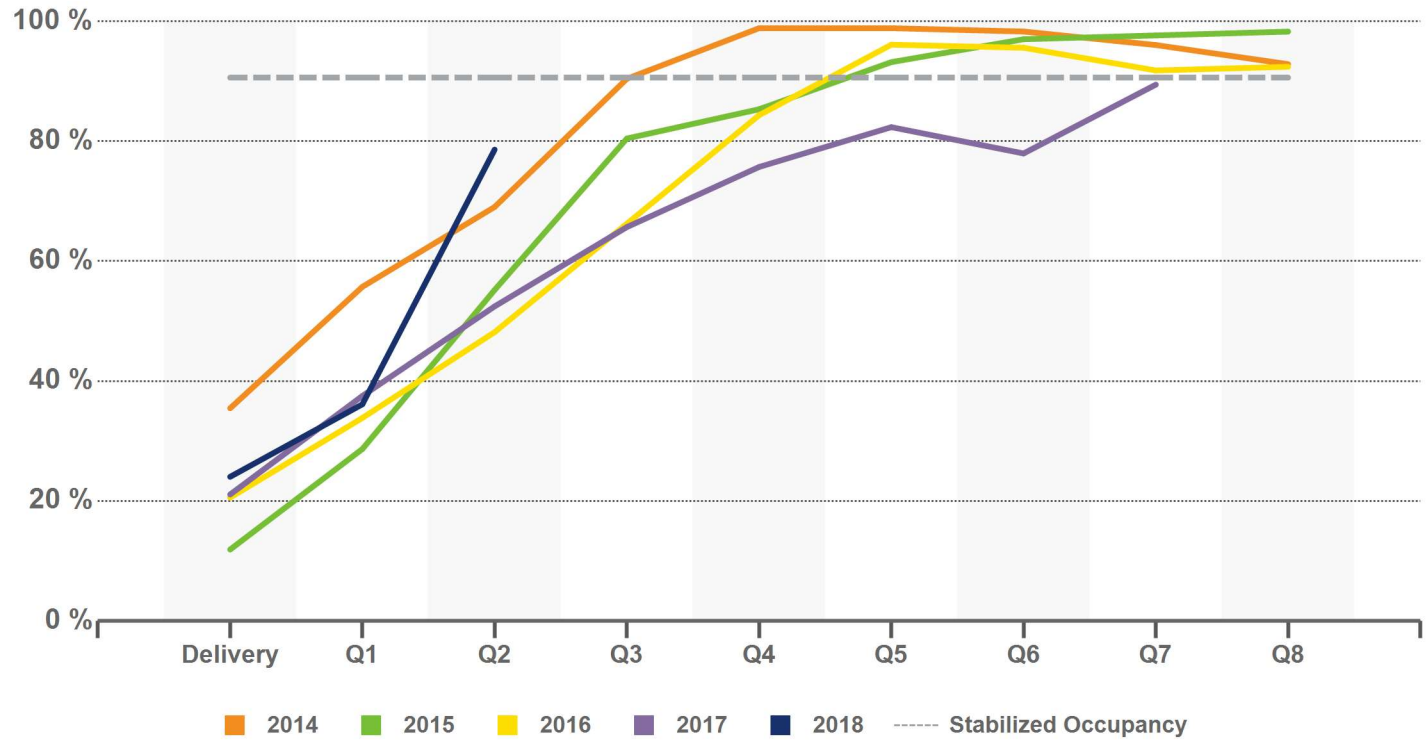


UNITS OCCUPIED IN DELIVERIES OVER TIME

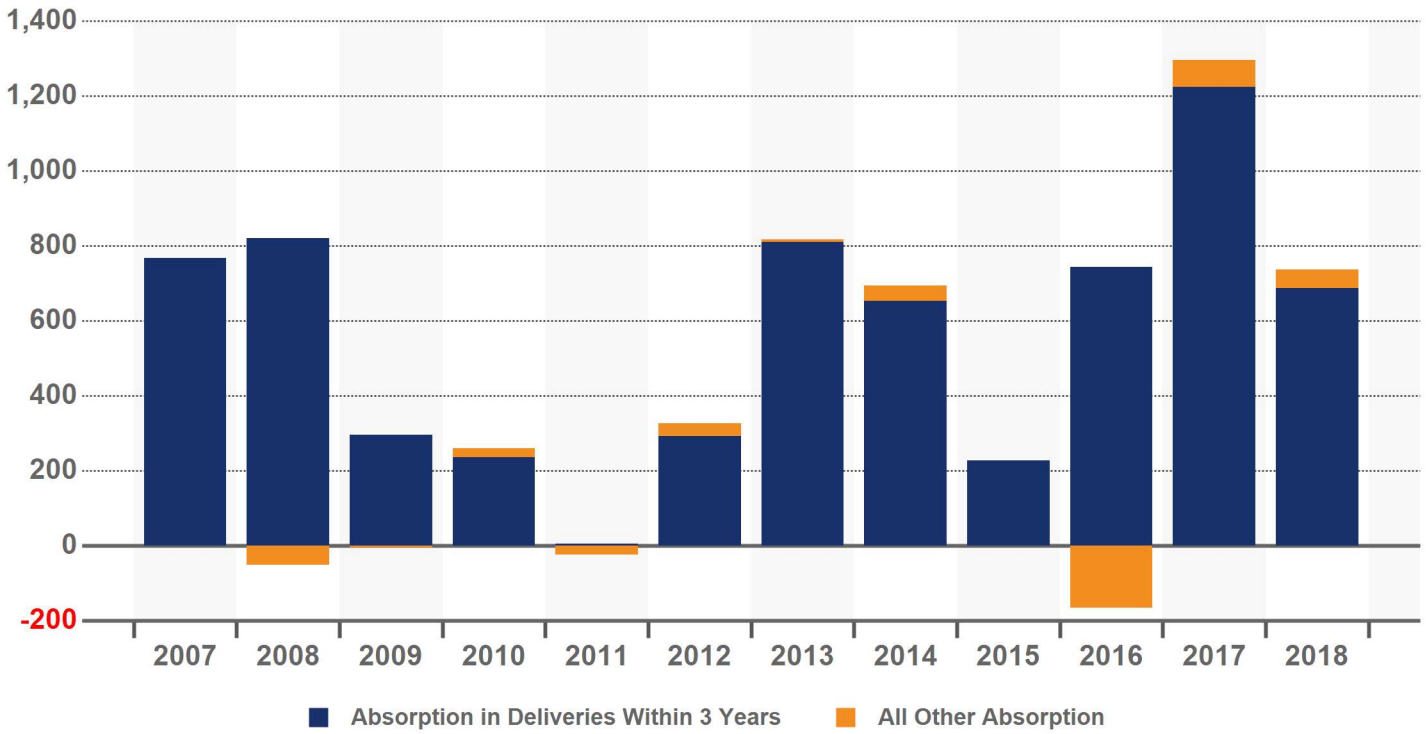


Construction Summary

NEW CONSTRUCTION OCCUPANCY AFTER DELIVERY BY YEAR BUILT

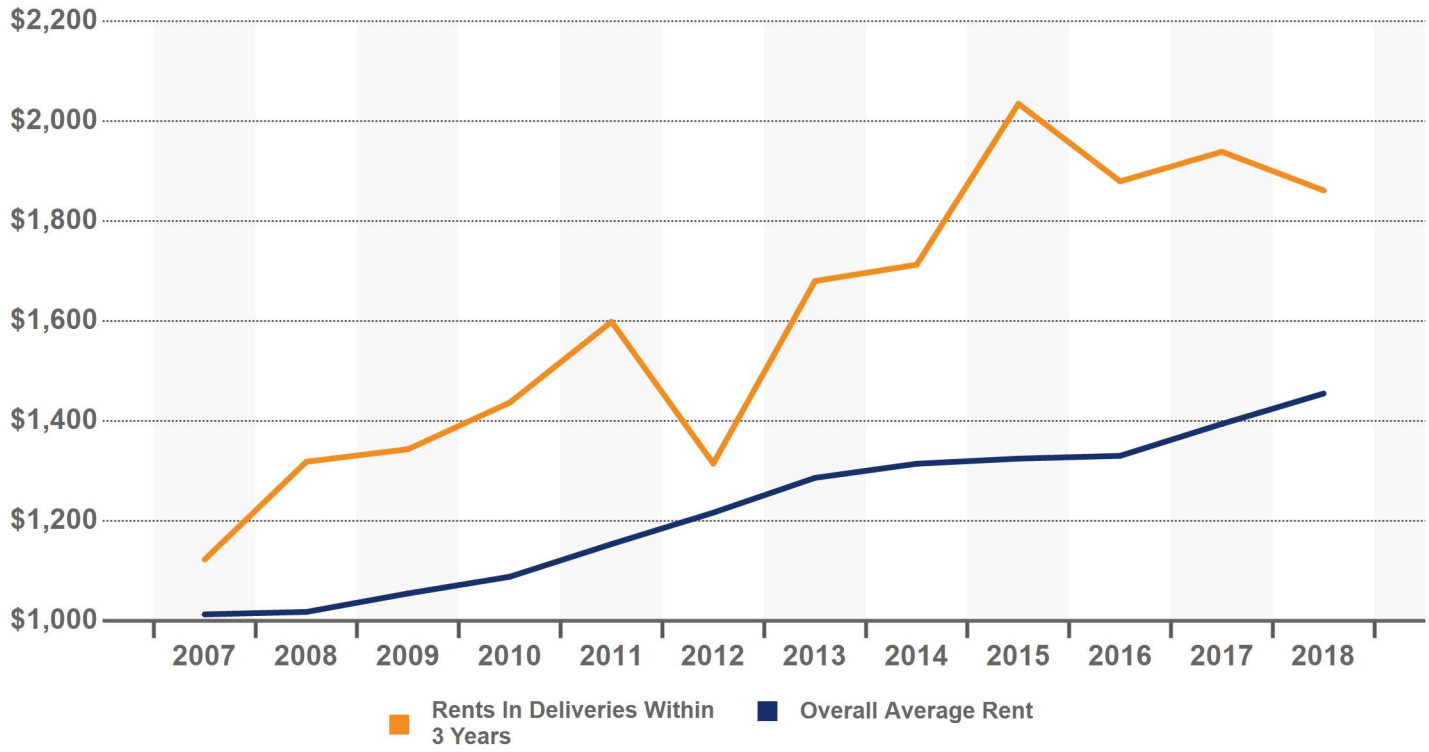


NET ABSORPTION IN UNITS

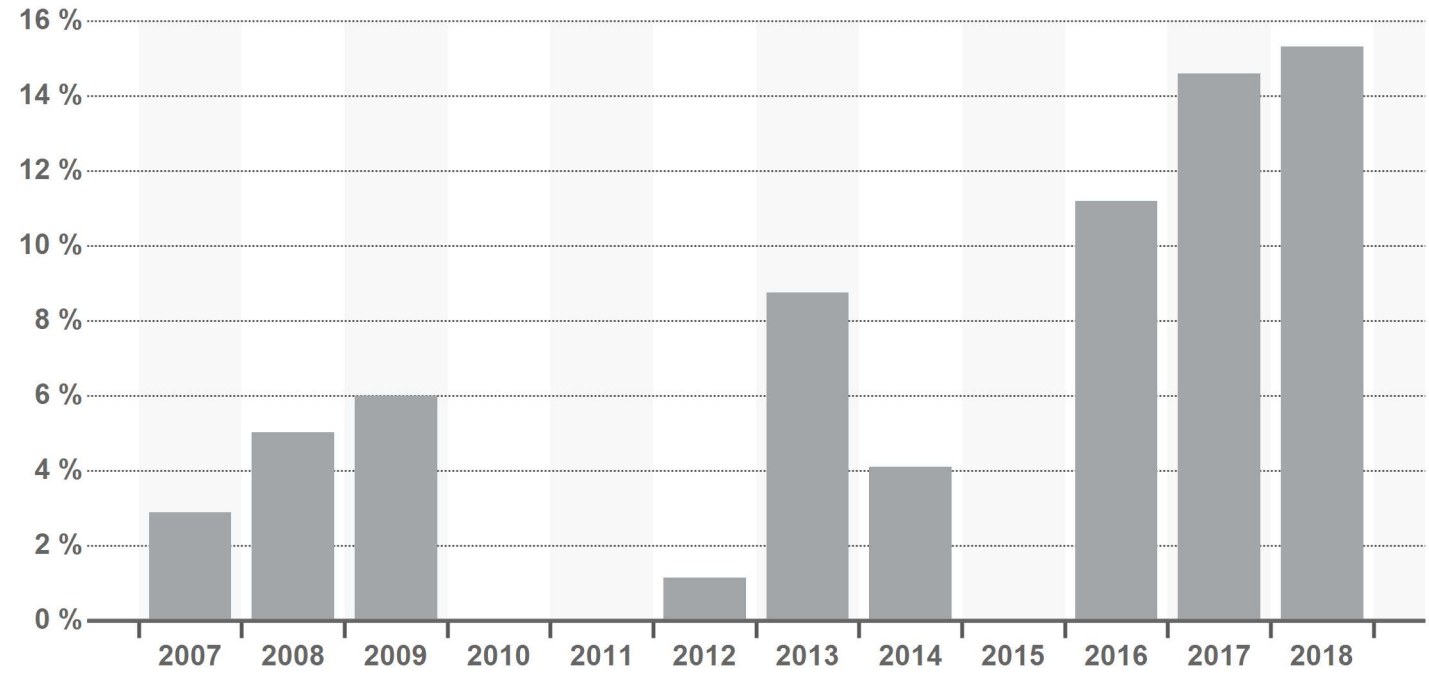


Construction Summary

ASKING RENTAL RATES PER UNIT



CONCESSIONS IN DELIVERIES PER YEAR



Sale Comparables

2400 S Loop W

The Wilcox Apartment Homes

312 Unit Apartment Building

Houston, Texas - Medical Center South Neighborhood

Christian Consultants of Texas

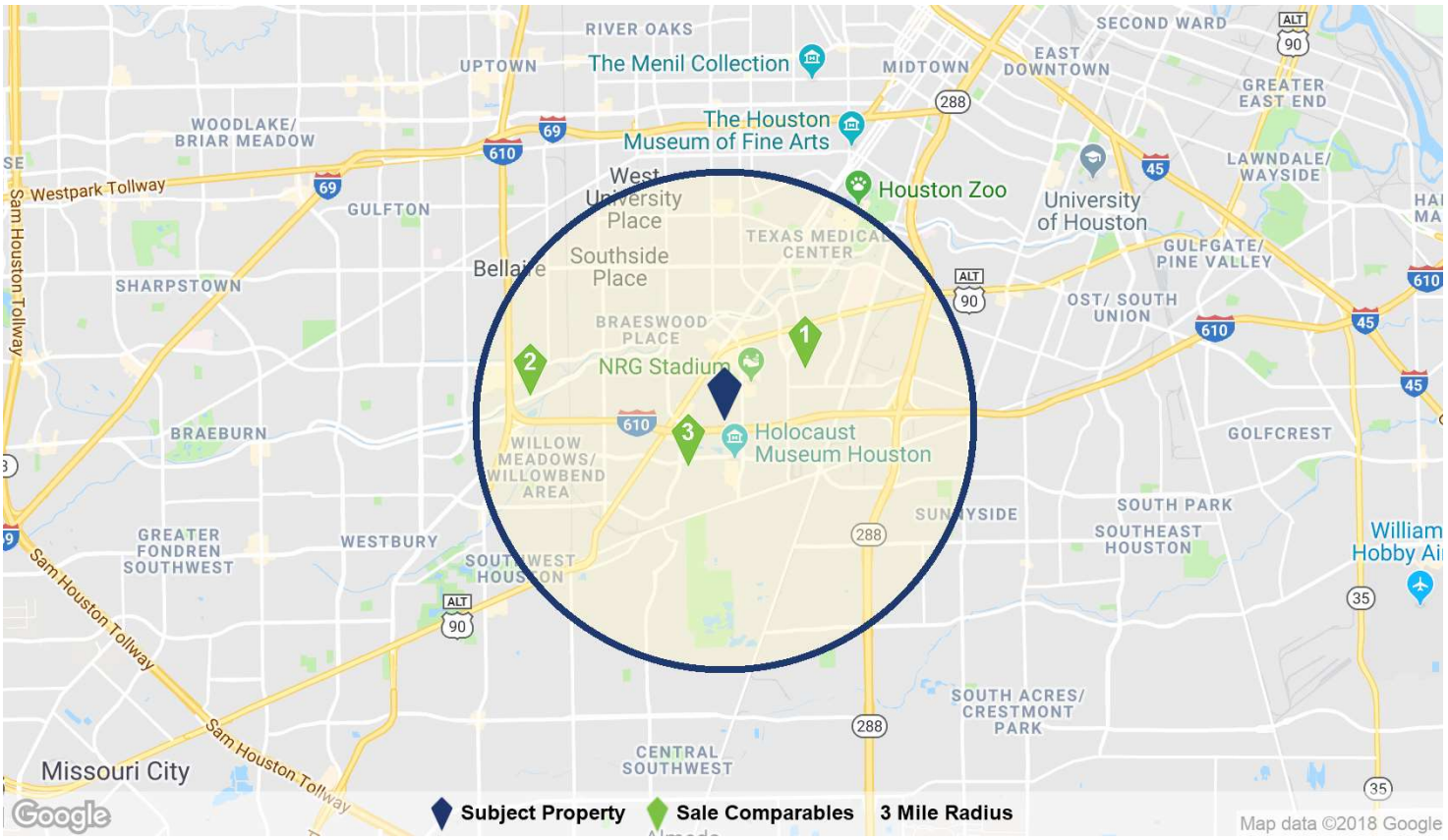
Kevin Pawlowski
(936) 718-1920

Sale Comparables Summary

The Wilcox Apartment Homes - 2400 S Loop W

Sale Comparables	Avg. Price/Unit (thous.)	Average Price (mil.)	Average Vacancy at Sale
3	$132	$41.5	6.8%

SALE COMPARABLE LOCATIONS



Sales Attributes	Low	Average	Median	High
Sale Price	$35,000,000	$41,466,666	$38,600,000	$50,800,000
Price Per Unit	$99,431	$131,779	$144,318	$160,833
Cap Rate	-	-	-	-
Vacancy Rate at Sale	5.7%	6.8%	6.3%	9.6%
Time Since Sale in Months	6.9	16.8	21.8	21.8
Property Attributes	**Low**	**Average**	**Median**	**High**
Property Size in Units	240	314	352	352
Number of Floors	2	3	3	5
Average Unit SF	686	809	837	904
Year Built	1980	1999	2007	2012
Star Rating	★★★☆☆	★★★☆☆ 3.3	★★★☆☆	★★★★☆

Sale Comparables Summary

The Wilcox Apartment Homes - 2400 S Loop W

		Property Information				Sale Information			
	Property Name/Address	Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF
1	The Daphne Apartments 1800 El Paseo St	★★★☆☆	1980	352	6.3%	3/28/2018	$35,000,000	$99,431	$146
2	The Meritage 4550 N Braeswood Blvd	★★★☆☆	2007	240	9.6%	12/29/2016	$38,600,000	$160,833	$133
3	Connection at Buffalo Pointe 10201 Buffalo Speedway	★★★★☆	2012	352	5.7%	12/29/2016	$50,800,000	$144,318	$103

1 The Daphne Apartments - 1800 El Paseo St

Houston, TX 77054 - Medical Center South Neighborhood

★★★☆☆

SALE		PROPERTY	
Sale Date:	**3/28/2018**	Property Size:	**352 Units, 2 Floors**
Sale Price:	**$35,000,000**	Average Unit Size:	**686 SF**
Price Per Unit:	**$99,431**	Year Built:	**1980**
Price Per SF:	**$146**	Vacancy At Sale:	**6.3%**
Cap Rate:	**-**	Parking Spaces:	**225 Spaces; 0.6 per Unit**

CONTACTS

Buyer:	**The Barvin Group**
Seller:	**Cyril Chiosa**
Listing Broker:	**Cushman & Wakefield - Ed Nwokedi, Leia Yin, Lucas Tsang**

FINANCING

$27,000,000 from Allstate Life Insurance Company: Acquisition & Development

UNIT MIX AT SALE

			Unit Mix		Vacancy		Avg Asking Rent		Avg Effective Rent		
Bed	**Bath**	**Avg SF**	**Units**	**Mix %**	**Units**	**Vac %**	**Per Unit**	**Per SF**	**Per Unit**	**Per SF**	**Concessions**
1	1	-	-	-	-	-	$1,064	-	$1,019	-	4.2%
1	1	601	240	68.2%	15	6.3%	$879	$1.46	$842	$1.40	4.2%
2	1	812	40	11.4%	2	5.0%	$1,104	$1.36	$1,012	$1.25	8.4%
2	2	900	72	20.5%	4	5.6%	$1,234	$1.37	$1,131	$1.26	8.4%
Totals		**686**	**352**	**100%**	**22**	**6.3%**	**$978**	**$1.42**	**$921**	**$1.34**	**5.8%**

SITE AMENITIES

Breakfast/Coffee Concierge, Business Center, Clubhouse, Controlled Access, Fitness Center, Free Weights, Gated, Grill, Laundry Facilities, Lounge, Maintenance on site, Package Service, Picnic Area, Playground, Pool, Property Manager on Site, Spa, Sundeck

UNIT AMENITIES

Air Conditioning, Balcony, Cable Ready, Carpet, Ceiling Fans, Crown Molding, Den, Dining Room, Dishwasher, Disposal, Eat-in Kitchen, Fireplace, Hardwood Floors, Heating, High Speed Internet Access, Kitchen, Microwave, Range, Refrigerator, Tub/Shower, Vinyl Flooring, Walk-In Closets, Washer/Dryer, Washer/Dryer Hookup, Wi-Fi, Window Coverings

TRANSACTION NOTES

The Barvin Group acquired the multi-family property at 1800 El Paseo Street in Houston, TX from an individual owner, Cyril Chiosa, on March 28, 2018.

Third party sources reported the sale price as $35 million, or about $99,432 per unit. However, this information has not been confirmed by parties directly involved in the sale.

Known as the Parque View Apartments, 1800 El Paseo Street is a 352-unit apartment community.

The buyer retained the property manager in place.

The seller was represented. It is not known if the buyer had any representation.

The buyer took out a $27 million loan from Allstate Life Insurance Company towards the acquisition of the property. Terms of the loan were not known at the time of publication.

A property management contact for the seller confirmed the number of units.

The buyer contact confirmed the number of units, but was not at liberty to disclose any additional details.

As the seller refused to disclose any information and the buyer was only willing to confirm the number of units, we were unable to obtain additional information about the property or the transaction.

2 The Meritage - 4550 N Braeswood Blvd

Houston, TX 77096 - Bellaire Neighborhood

★★★☆☆

SALE

Sale Date:	**12/29/2016**
Sale Price:	**$38,600,000**
Price Per Unit:	**$160,833**
Price Per SF:	**$133**
Cap Rate:	**-**

PROPERTY

Property Size:	**240 Units, 5 Floors**
Average Unit Size:	**904 SF**
Year Built:	**2007**
Vacancy At Sale:	**9.6%**
Parking Spaces:	**345 Spaces; 1.4 per Unit**

CONTACTS

Buyer:	**Highland Capital Management**
Seller:	**CBRE Global Investors Ltd**
Listing Broker:	**ARA, A Newmark Company - David Mitchell, David Oelfke, David…**

FINANCING

$24,500,000 from Keybank

UNIT MIX AT SALE

			Unit Mix		Vacancy		Avg Asking Rent		Avg Effective Rent		
Bed	Bath	Avg SF	Units	Mix %	Units	Vac %	Per Unit	Per SF	Per Unit	Per SF	Concessions
1	1	690	15	6.3%	1	6.7%	$1,115	$1.62	$1,115	$1.62	0.0%
1	1	707	15	6.3%	1	6.7%	$978	$1.38	$978	$1.38	0.0%
1	1	723	15	6.3%	1	6.7%	$1,075	$1.49	$1,075	$1.49	0.0%
1	1	751	15	6.3%	1	6.7%	$1,054	$1.40	$1,054	$1.40	0.0%
1	1	757	10	4.2%	1	10.0%	$1,151	$1.52	$1,151	$1.52	0.0%
1	1	759	15	6.3%	1	6.7%	$1,305	$1.72	$1,305	$1.72	0.0%
1	1	762	15	6.3%	1	6.7%	$1,021	$1.34	$1,021	$1.34	0.0%
1	1	765	15	6.3%	1	6.7%	$1,108	$1.45	$1,108	$1.45	0.0%
1	1	785	15	6.3%	1	6.7%	$1,116	$1.42	$1,116	$1.42	0.0%
2	2	921	15	6.3%	1	6.7%	$1,696	$1.84	$1,696	$1.84	0.0%
2	2	991	15	6.3%	1	6.7%	$1,481	$1.49	$1,481	$1.49	0.0%
2	2	994	14	5.8%	1	7.1%	$1,444	$1.45	$1,444	$1.45	0.0%
2	2	1,004	10	4.2%	1	10.0%	$1,482	$1.48	$1,482	$1.48	0.0%
2	2	1,056	10	4.2%	1	10.0%	$1,725	$1.63	$1,725	$1.63	0.0%
2	2	1,075	10	4.2%	1	10.0%	$1,583	$1.47	$1,583	$1.47	0.0%
2	2	1,128	10	4.2%	1	10.0%	$1,548	$1.37	$1,548	$1.37	0.0%
2	2	1,228	10	4.2%	1	10.0%	$1,676	$1.36	$1,676	$1.36	0.0%
3	2	1,413	8	3.3%	1	12.5%	$2,355	$1.67	$2,355	$1.67	0.0%
3	2	1,431	8	3.3%	1	12.5%	$2,160	$1.51	$2,160	$1.51	0.0%
Totals		**904**	**240**	**100%**	**23**	**9.6%**	**$1,363**	**$1.51**	**$1,363**	**$1.51**	**0.0%**

SITE AMENITIES

Cardio Machines, Clubhouse, Conference Room, Fitness Center, Picnic Area

UNIT AMENITIES

Air Conditioning, Carpet, Ceiling Fans, Disposal, Double Vanities, Granite Countertops, Heating, Ice Maker, Microwave, Walk-In Closets, Washer/Dryer

TRANSACTION NOTES

The multifamily property located on 4550 N Braeswood Blvd in Houston, TX sold on 12/29/16 for an approximate price of $38,600,000.

The gated community consists of 120 one-bed/one-bath, 104 two-bed/two-bath and 16 three-bed/two-bath units. Each unit features an alarm, balcony/patio, ceramic/tile floors, crown molding, dishwasher, disposal, double vanities, granite countertops, microwave, refrigerator, stove, sunroom, wall-to-wall carpeting and washer/dryer. The site amenities include business center, cabana, clubhouse, corner lot, doorman, fitness center, gameroom, grill, guest apartment, pet play area, pool, on-site property management and Wi-Fi at the pool and clubhouse.

The parties involved were not at liberty to confirm nor deny the information appearing in this report. The information in this report is based on public records.

3 Connection at Buffalo Pointe - 10201 Buffalo Speedway

Houston, TX 77054 - South Main Neighborhood

★★★★☆

SALE

Sale Date:	**12/29/2016**
Sale Price:	**$50,800,000**
Price Per Unit:	**$144,318**
Price Per SF:	**$103**
Cap Rate:	**-**

PROPERTY

Property Size:	**352 Units, 3 Floors**
Average Unit Size:	**837 SF**
Year Built:	**Oct 2012**
Vacancy At Sale:	**5.7%**
Parking Spaces:	**-**

CONTACTS

Buyer:	**BH Management Services LLC, Highland Capital Management**
Seller:	**CBRE Global Investors**
Listing Broker:	**ARA, A Newmark Company - Adam Allen, Brandon Miller, David…**

FINANCING

$34,550,000 from Keybank

UNIT MIX AT SALE

			Unit Mix		Vacancy		Avg Asking Rent		Avg Effective Rent		
Bed	Bath	Avg SF	Units	Mix %	Units	Vac %	Per Unit	Per SF	Per Unit	Per SF	Concessions
1	1	559	22	6.3%	1	4.6%	$854	$1.53	$660	$1.18	22.7%
1	1	657	66	18.8%	4	6.1%	$1,072	$1.63	$828	$1.26	22.7%
1	1	729	22	6.3%	1	4.6%	$1,119	$1.53	$865	$1.19	22.7%
1	1	788	66	18.8%	4	6.1%	$1,058	$1.34	$818	$1.04	22.7%
1	1	798	44	12.5%	3	6.8%	$1,161	$1.46	$897	$1.12	22.7%
1	1	810	22	6.3%	1	4.6%	$1,145	$1.41	$885	$1.09	22.7%
2	2	951	33	9.4%	2	6.1%	$1,390	$1.46	$1,381	$1.45	0.7%
2	2	1,022	40	11.4%	2	5.0%	$1,379	$1.35	$1,370	$1.34	0.7%
2	2	1,110	26	7.4%	2	7.7%	$1,532	$1.38	$1,522	$1.37	0.7%
3	2	1,523	11	3.1%	1	9.1%	$2,163	$1.42	$2,149	$1.41	0.7%
Totals		**837**	**352**	**100%**	**20**	**5.7%**	**$1,207**	**$1.44**	**$1,036**	**$1.24**	**14.2%**

SITE AMENITIES

Basketball Court, Breakfast/Coffee Concierge, Business Center, Clubhouse, Courtyard, Fitness Center, Free Weights, Gated, Laundry Facilities, Lounge, Maintenance on site, Package Service, Pool, Property Manager on Site, Storage Space

UNIT AMENITIES

Air Conditioning, Alarm, Cable Ready, Carpet, Ceiling Fans, Dining Room, Dishwasher, Disposal, Eat-in Kitchen, Hardwood Floors, Heating, Ice Maker, Loft Layout, Microwave, Range, Refrigerator, Stainless Steel Appliances, Tub/Shower, Views, Walk-In Closets, Washer/Dryer, Washer/Dryer Hookup, Window Coverings

TRANSACTION NOTES

In a joint venture, BH Management Services LLC and Highland Capital Management acquired Connection at Buffalo Pointe located at 10201 Buffalo Speedway from CBRE Global Investors for an undisclosed price. KeyBank National Association financed $34,550,000 for the buyers. Details on the loan are attached to the report.

Connection at Buffalo Pointe was built in 2012 and has 352 units (220- one bedroom, 121- two bedroom and 11- three bedroom). The occupancy and breakdown of the income stream was not provided.

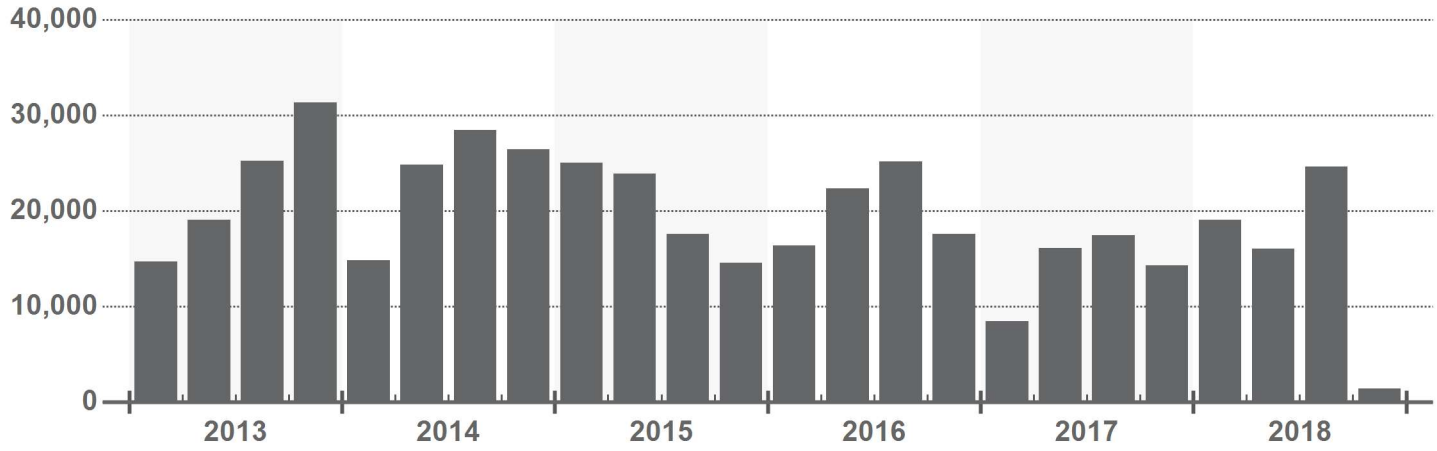
It is unknown if there were any conditions that affected the price.

The seller had broker representation in the deal. Representation for the buyer was not confirmed.

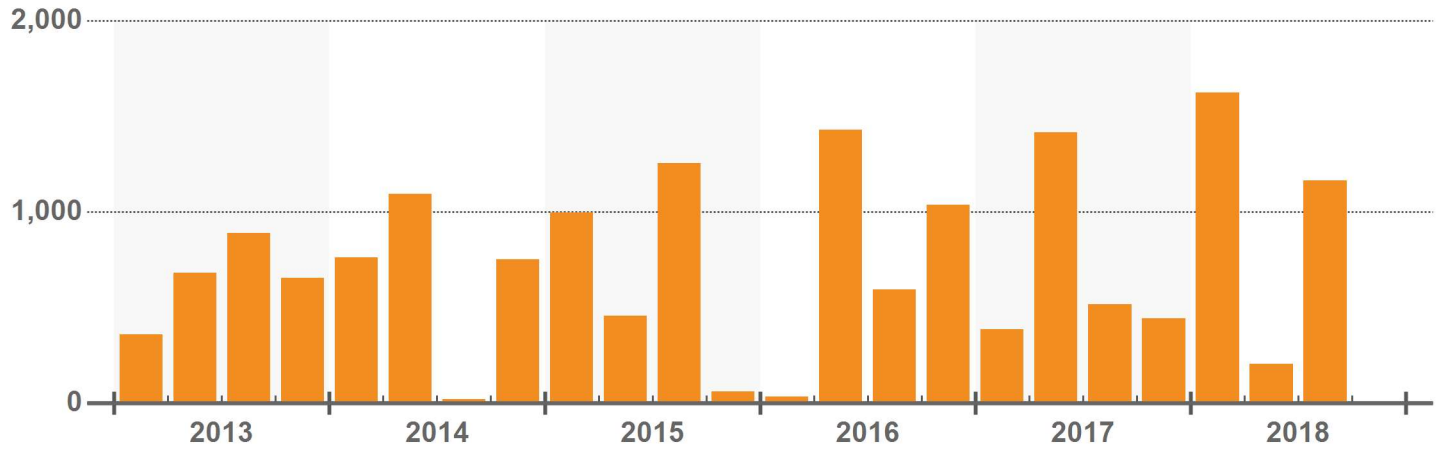
The listing brokers, seller, and buyers were unwilling to provide confirmation on the transaction details. Information regarding the transaction was provided by public records.

Sales Volume

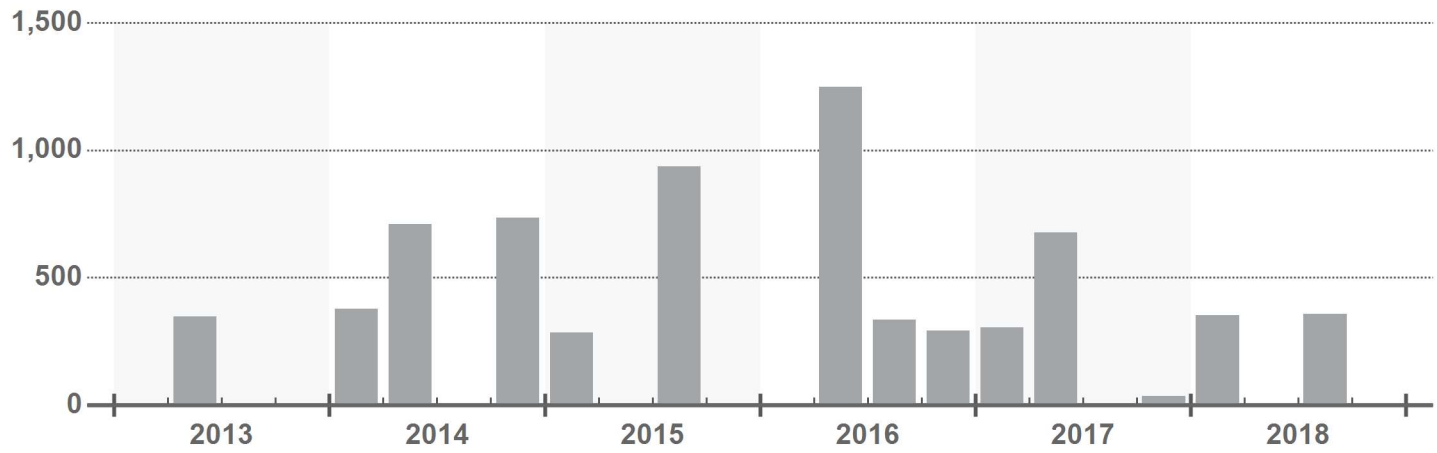
HOUSTON METRO SALES VOLUME IN UNITS



MEDICAL CENTER/WEST UNIVERSITY SUBMARKET SALES VOLUME IN UNITS

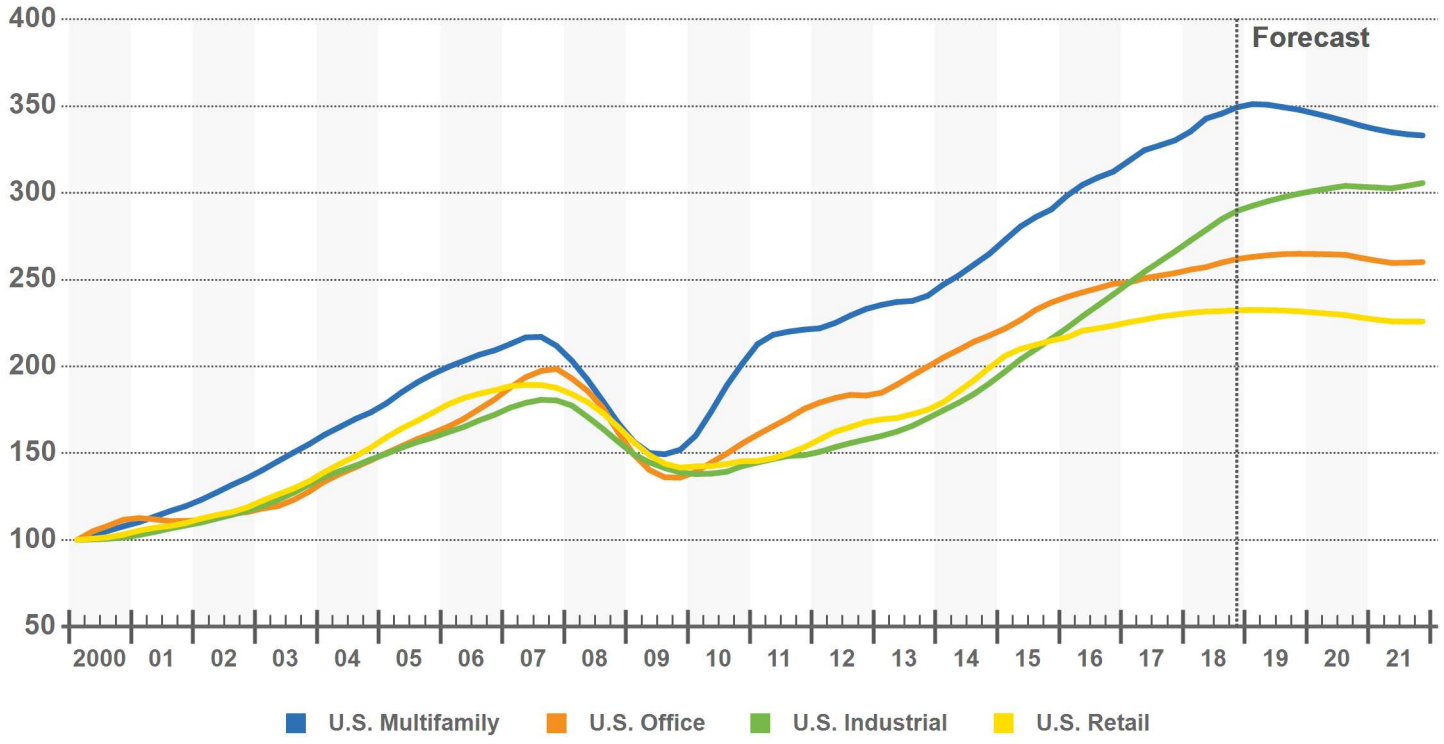


MEDICAL CENTER SOUTH NEIGHBORHOOD SALES VOLUME IN UNITS

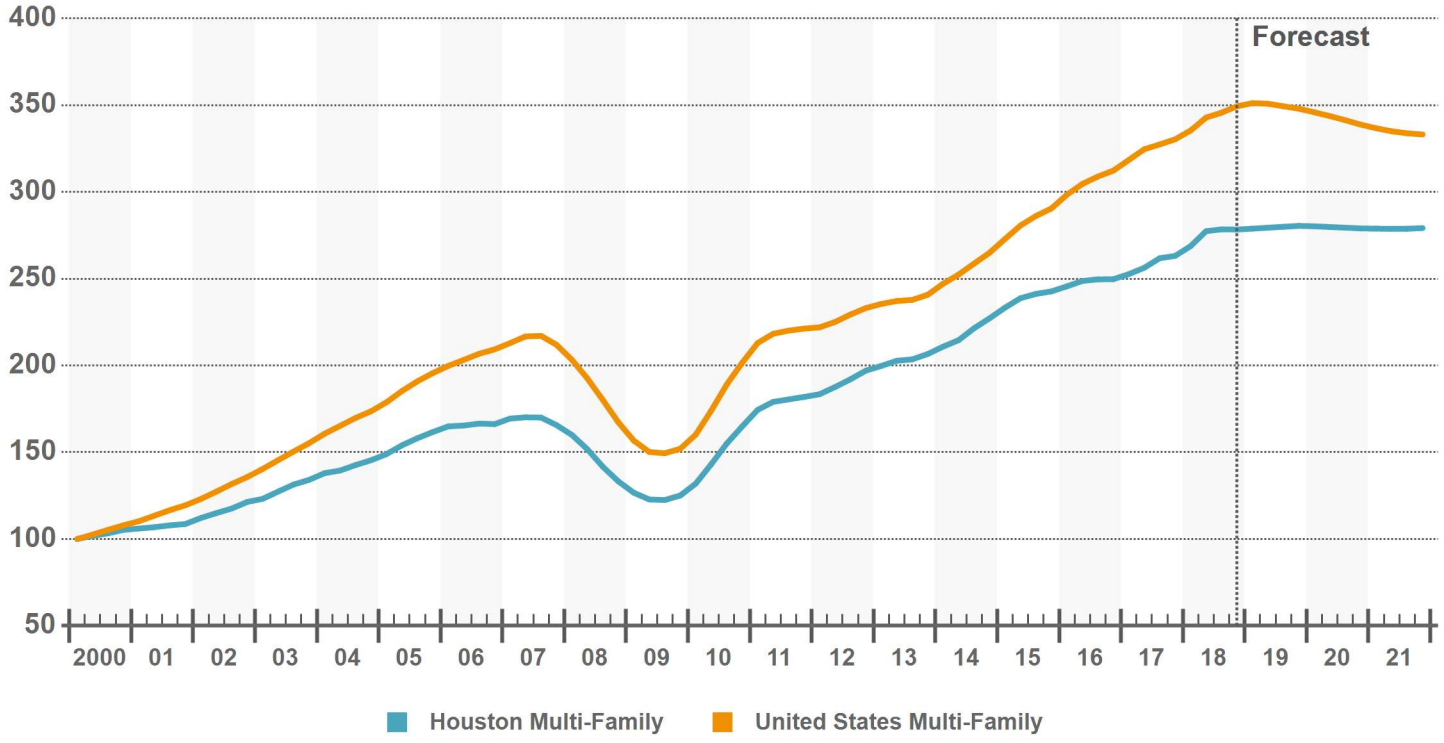


Sales Pricing

NATIONAL PRICE INDICES

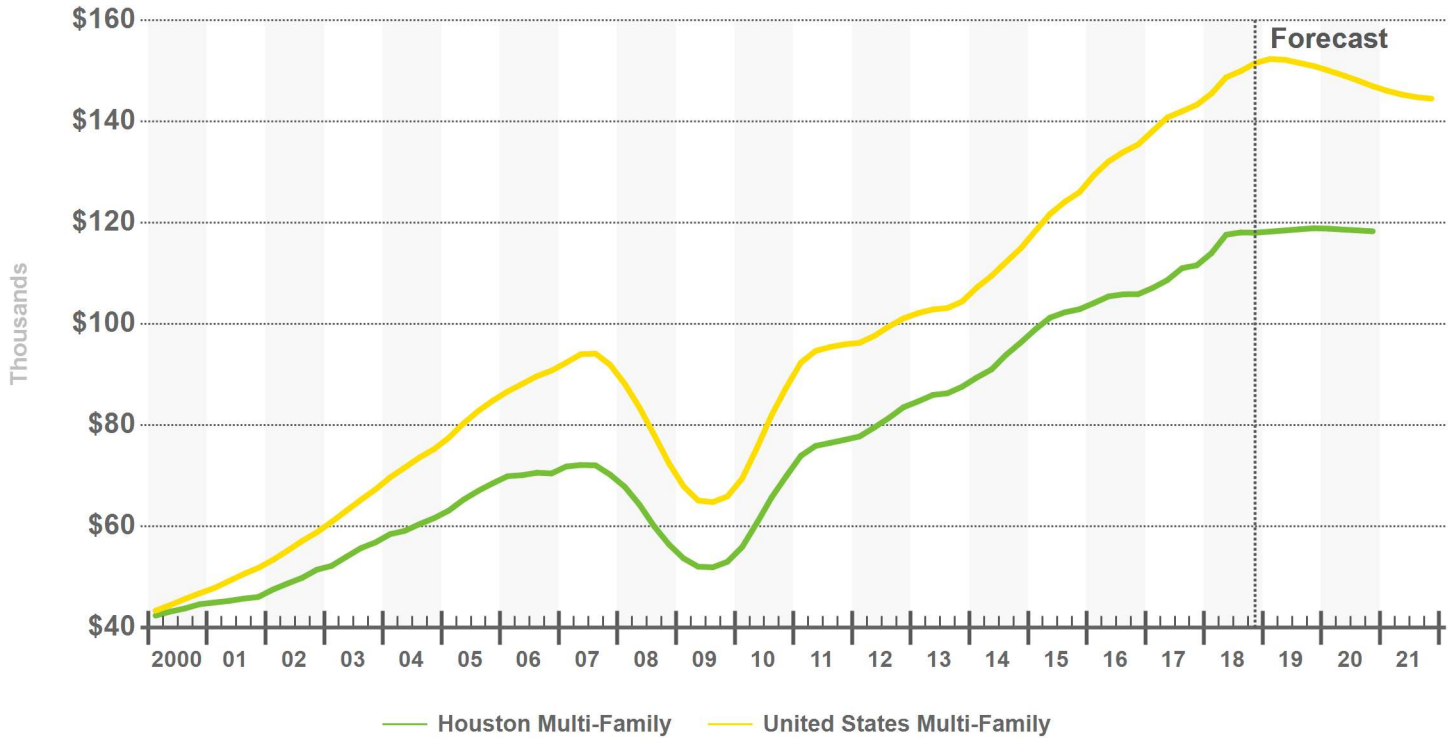


REGIONAL MULTI-FAMILY PRICE INDICES

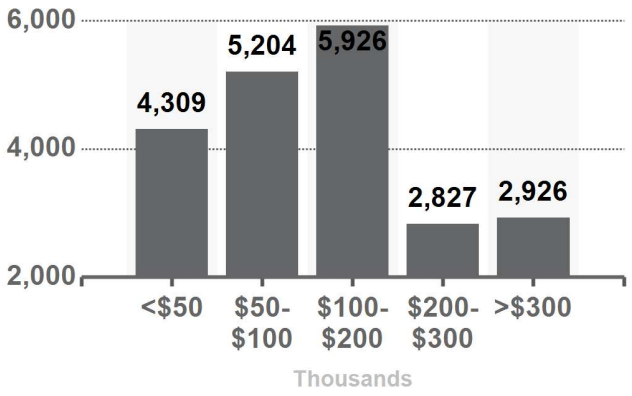


Sales Pricing

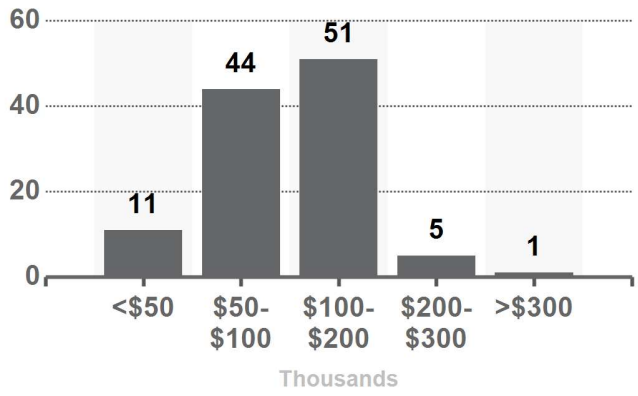
HOUSTON PRICE PER UNIT INDEX



UNITED STATES PAST YEAR BY PRICE PER UNIT



HOUSTON PAST YEAR BY PRICE PER UNIT

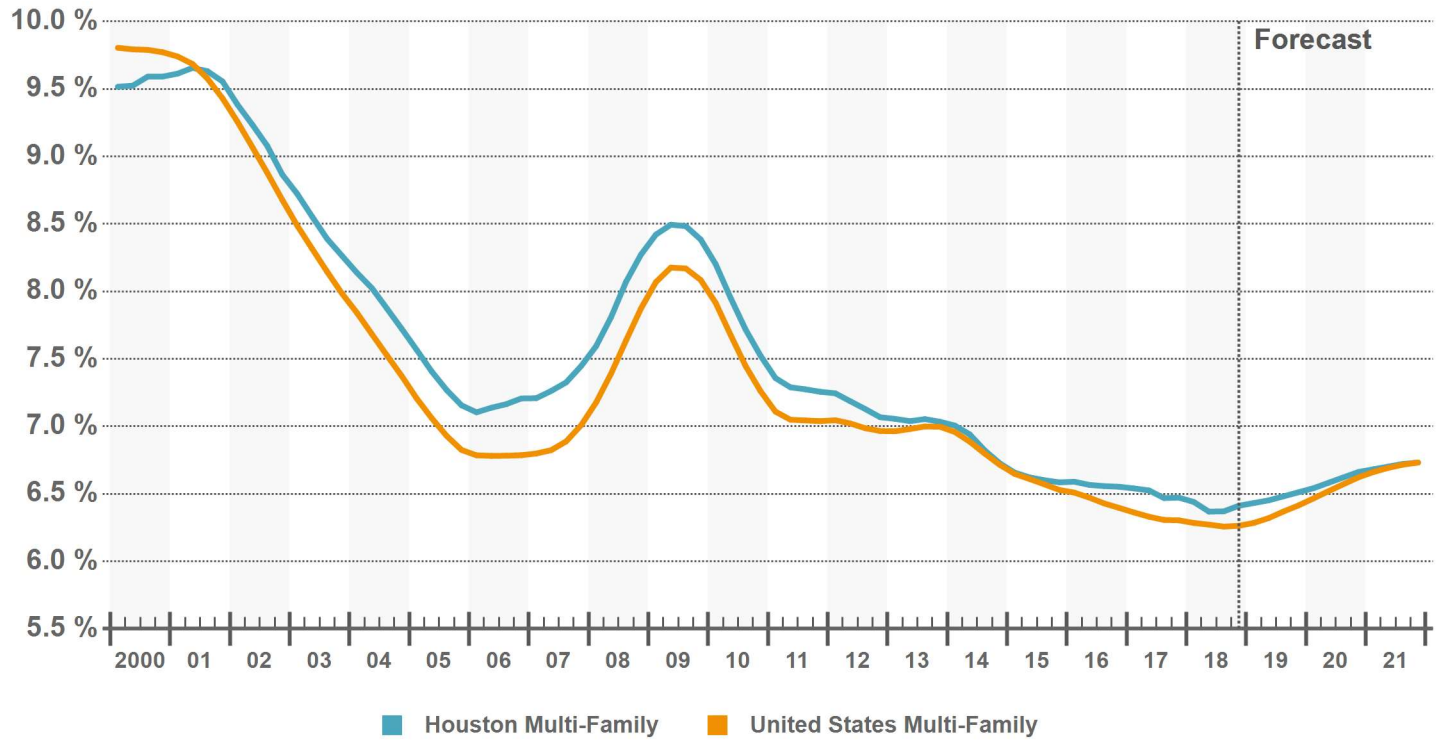


PRICE PER UNIT SUMMARY FOR SALES IN PAST YEAR

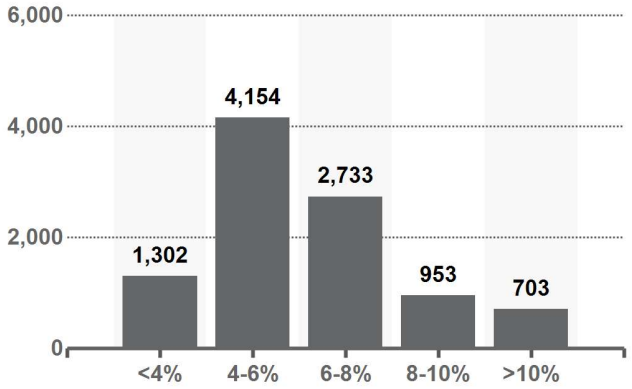
Geography	Transactions	Low	Bottom 25%	Median	Average	Top 25%	High
United States	21,197	$5,000	$35,412	$112,666	$148,085	$406,655	$83,333,333
Houston	112	$29,000	$49,834	$101,330	$116,591	$177,983	$325,446
Medical Center/West Univer…	5	$82,976	$91,204	$184,000	$149,804	$276,991	$325,446
Medical Center South	2	$99,431	N/A	$141,716	$100,848	N/A	$184,000
Selected Sale Comps	3	$99,431	N/A	$144,318	$131,779	N/A	$160,833

Cap Rates

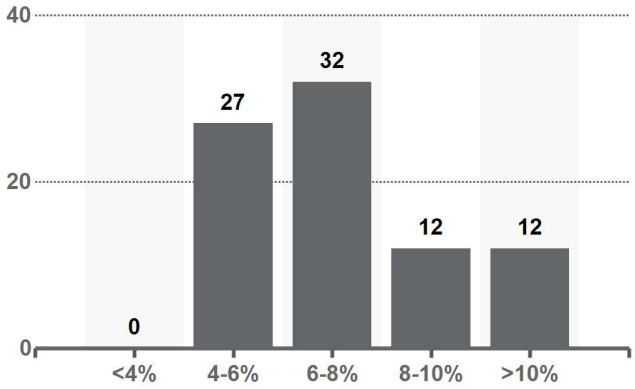
CAP RATE TRENDS



UNITED STATES CAP RATES PAST YEAR



HOUSTON CAP RATES PAST YEAR



CAP RATE SUMMARY STATISTICS IN PAST YEAR

Geography	Transactions	Low	Bottom 25%	Median	Average	Top 25%	High
United States	9,845	0.0%	3.7%	5.7%	6.1%	9.3%	25.0%
Houston	83	4.0%	5.3%	6.5%	7.3%	10.8%	17.0%
Medical Center/West Univer…	1	5.5%	N/A	5.5%	5.5%	N/A	5.5%
Medical Center South	1	5.5%	N/A	5.5%	5.5%	N/A	5.5%
Selected Sale Comps	0	-	-	-	-	-	-

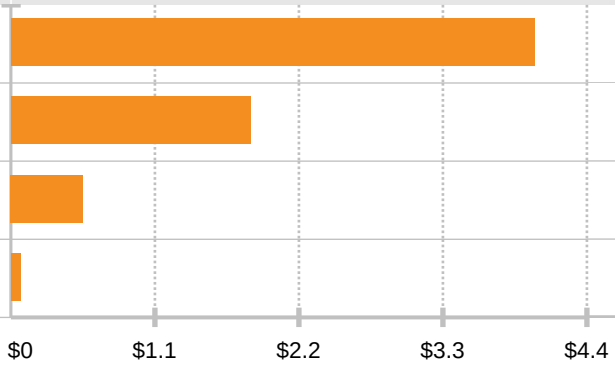
TOP HOUSTON MULTI-FAMILY BUYERS PAST TWO YEARS

	Properties Bought			Properties Sold		
Company Name	**Bldgs**	**Units**	**Volume**	**Bldgs**	**Units**	**Volume**
Knightvest Management	13	5,027	$379,650,000	3	1,286	$23,050,000
Cortland Partners	12	3,364	$349,716,715	1	376	$40,500,000
Roscoe Properties	7	2,220	$302,280,000	1	313	$34,430,000
Nitya Capital	27	7,334	$227,754,570	4	920	$2,500,000
Highland Capital Management	8	2,608	$221,953,000	5	1,424	$28,200,000
Ilan Investments	5	1,425	$209,384,000	1	438	$28,470,000
Hilltop Residential	6	1,616	$162,400,000	0	0	-
APG Algemene Pensioen Group NV	3	913	$144,470,306	0	0	-
GIC Real Estate	3	913	$144,470,306	0	0	-
Greystar Real Estate Partners	3	913	$144,470,306	0	0	-
Ivanhoe Cambridge, Inc.	3	913	$144,470,306	0	0	-
The Blackstone Group LP	5	2,242	$138,309,474	3	1,316	$103,260,000
S2 Capital, LLC	5	2,160	$125,800,000	0	0	-
ResProp Management	5	1,541	$123,250,000	0	0	-
Bluerock Real Estate, LLC	3	1,022	$116,500,000	0	0	-
Alliance Residential Company	2	612	$114,100,000	2	690	$112,550,000
GPI Real Estate Management Corporation	6	1,625	$101,900,000	2	507	$14,300,000
Stockbridge Capital Group LLC	1	378	$100,000,000	0	0	-
ECI Group	2	700	$95,900,000	0	0	-
Prudential Financial, Inc.	1	396	$90,500,000	0	0	-
The Hanover Company	1	396	$90,500,000	0	0	-
Hines Securities, Inc.	1	365	$85,780,000	0	0	-
Valcap Group	5	2,132	$85,500,000	2	422	$26,300,000
Amaz Property Management USA	2	544	$78,250,000	0	0	-
Carroll Organization	3	916	$77,650,000	0	0	-

Purchased at least one asset in Medical Center/West University Multi-Family submarket

TYPES OF MULTI-FAMILY HOUSTON BUYERS PAST TWO YEARS

	Buying Volume				Average Purchase	
Company Type	**Bldgs**	**Units**	**Billions**		**Price/Unit**	**Avg Price**
Private	228	55,530		$4.08	$73,541	$17,911,210
Institutional	58	18,421		$1.86	$101,448	$32,220,422
Private Equity	27	9,165		$.56	$61,431	$20,852,639
REIT/Public	2	538		$.07	$136,306	$36,666,500



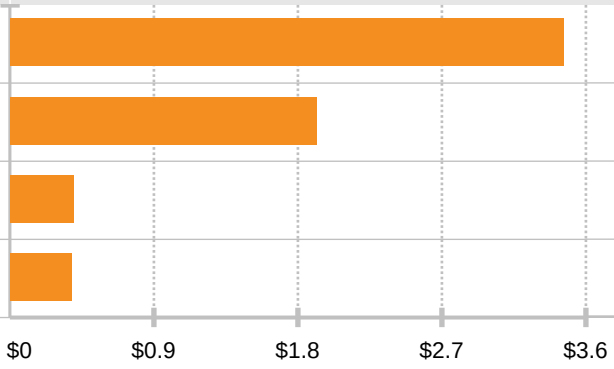
TOP HOUSTON MULTI-FAMILY SELLERS PAST TWO YEARS

	Properties Sold			Properties Bought		
Company Name	Bldgs	Units	Volume	Bldgs	Units	Volume
Davis Development	9	2,698	$349,716,715	0	0	-
Crow Holdings	7	2,394	$286,560,000	0	0	-
Monogram Residential Trust	5	1,424	$253,470,306	0	0	-
CBRE Global Investors Ltd	5	1,948	$197,453,000	0	0	-
IMT Capital	2	970	$138,309,474	0	0	-
CNL Financial Group, Inc.	3	981	$130,887,000	0	0	-
Sueba USA Corporation	3	933	$121,700,000	0	0	-
Alliance Residential Company	2	690	$112,550,000	2	612	$114,100,000
Capri Investment Group	4	1,067	$111,000,000	0	0	-
Martin Fein Interests, Ltd.	3	806	$105,620,000	0	0	-
Starwood Capital Group	14	4,538	$103,600,000	0	0	-
The Blackstone Group LP	3	1,316	$103,260,000	5	2,242	$138,309,474
Gaia Real Estate	9	2,618	$100,000,000	0	0	-
Unilev Capital Corporation	3	1,100	$99,624,570	0	0	-
Allen Harrison Company	6	1,385	$95,200,000	1	291	$33,000,000
Thompson Thrift	3	1,004	$95,100,000	0	0	-
Adams LaSalle Realty	3	871	$92,000,000	0	0	-
Winthrop Realty Liquidating Trust	1	396	$90,500,000	0	0	-
Starlight Investments Ltd.	4	797	$81,050,000	0	0	-
Island Capital Group LLC	4	1,210	$80,500,000	0	0	-
Wood Partners	3	711	$79,600,000	0	0	-
Berkshire Group	2	624	$77,360,000	0	0	-
Grayco Partners	2	603	$72,900,000	0	0	-
Sun Life Financial Inc.	1	224	$72,900,000	0	0	-
Brookfield Asset Management, Inc.	6	1,849	$67,650,000	1	256	$15,700,000

Sold at least one asset in Medical Center/West University Multi-Family submarket

TYPES OF MULTI-FAMILY HOUSTON SELLERS PAST TWO YEARS

	Selling Volume			Average Sale	
Company Type	Bldgs	Units	Billions	Price/Unit	Avg Price
Private	189	44,280	$3.53	$79,761	$18,686,942
Institutional	92	28,059	$1.95	$69,791	$21,285,709
REIT/Public	8	2,536	$.40	$160,220	$50,790,038
Private Equity	12	4,516	$.39	$86,510	$32,556,741



Demographics

2400 S Loop W - The Wilcox Apartment...

209,815 SF Multi-Family Building

Christian Consultants of Texas

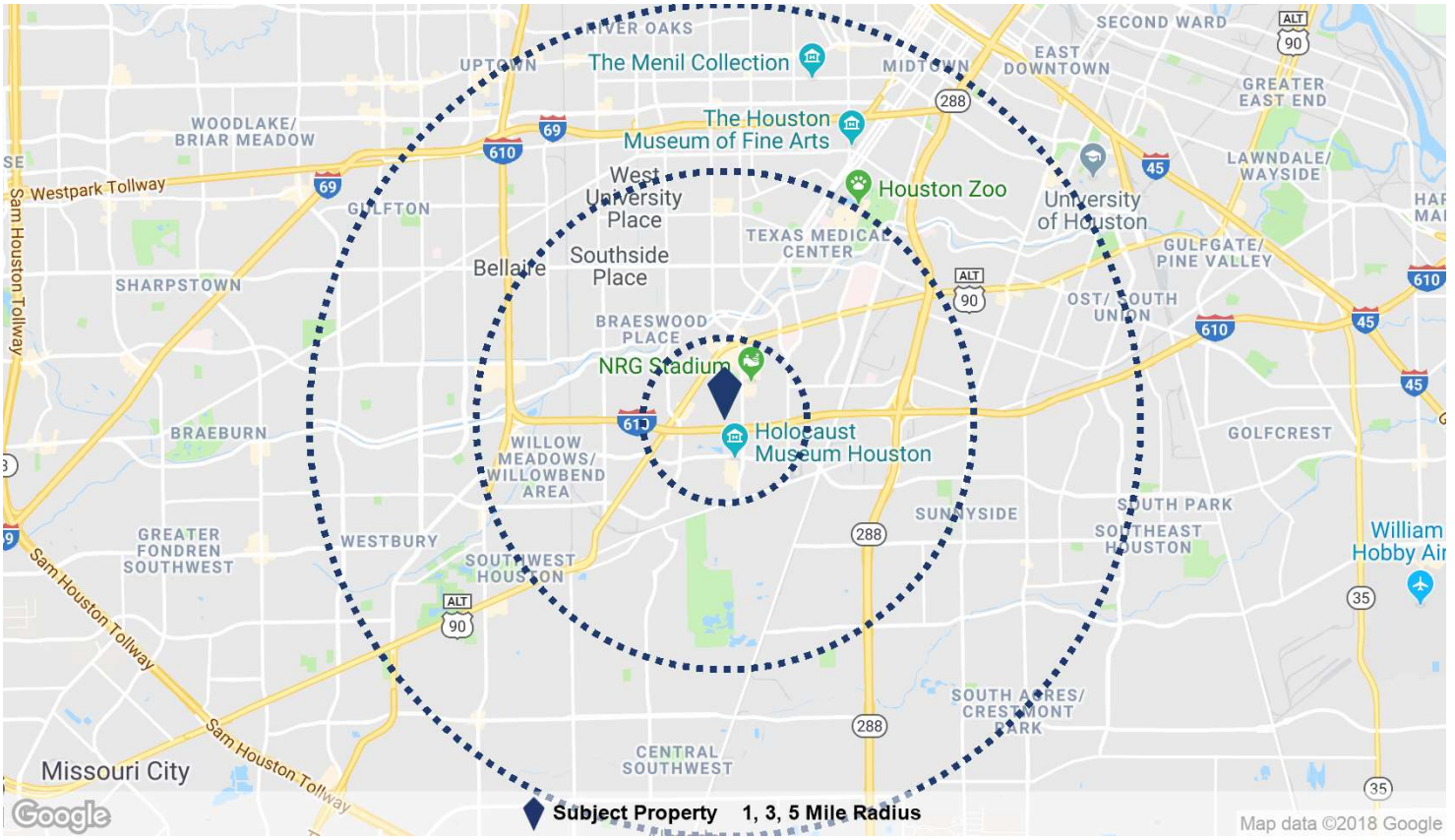
Kevin Pawlowski
(936) 718-1920

Demographic Overview

2400 S Loop W

Population (1 mi)	Avg. HH Size (1 mi)	Avg. Age (1 mi)	Med. HH Inc. (1 mi)
13,874	2.0	33	$50,408

DEMOGRAPHIC RADIUS RINGS

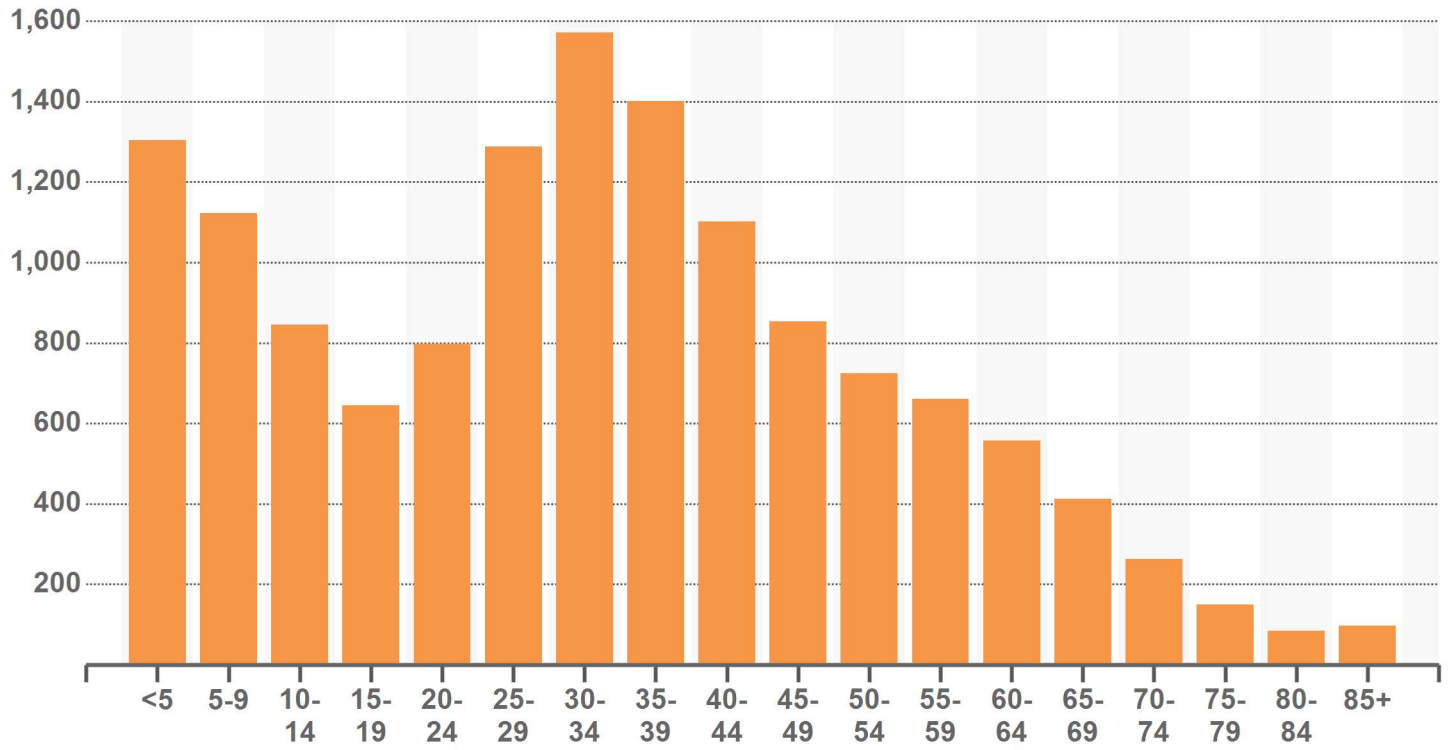


DEMOGRAPHIC SUMMARY

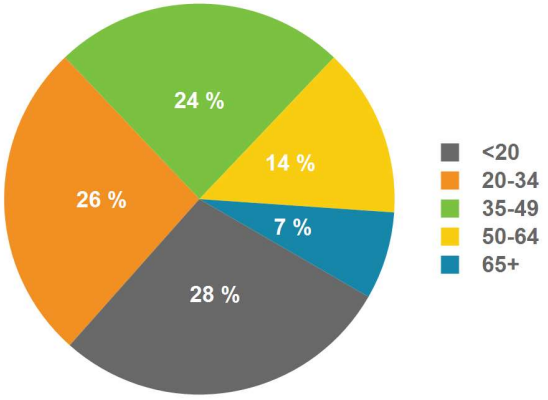
Population	1 Mile	3 Mile	5 Mile
2018 Population	13,874	113,326	406,766
2023 Population	15,087	122,176	438,637
Pop Growth 2018-2023	8.7%	7.8%	7.8%
2018 Average Age	33	36	36
Households			
2018 Households	6,656	49,917	168,934
2023 Households	7,220	53,829	182,273
Household Growth 2018-2023	8.5%	7.8%	7.9%
Median Household Income	$50,408	$67,751	$59,447
Average Household Size	2.0	2.2	2.3
Average HH Vehicles	1	2	2
Housing			
Median Home Value	$283,042	$418,437	$303,879
Median Year Built	1984	1981	1972

Age & Education

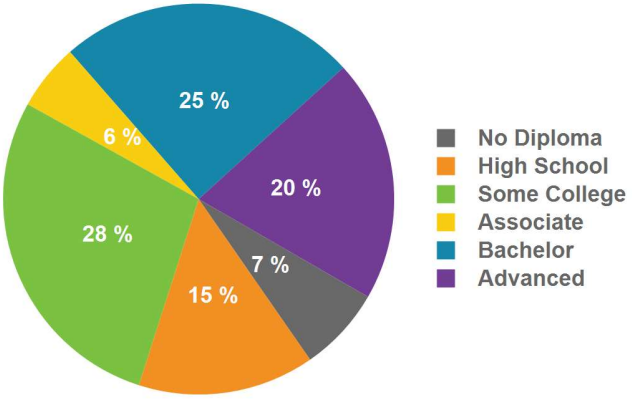
POPULATION BY AGE GROUP IN 1 MILE RADIUS



POPULATION BY AGE IN 1 MILE RADIUS



POPULATION BY EDUCATION IN 1 MILE RADIUS



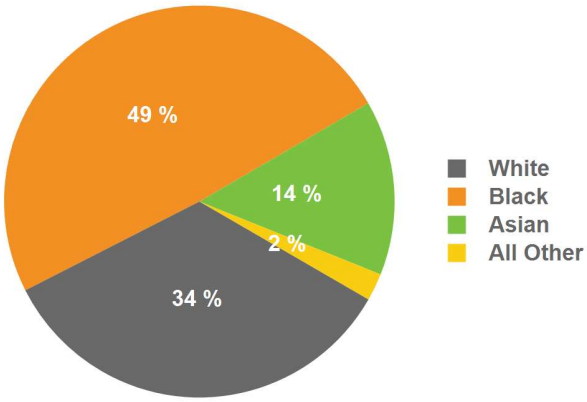
Ethnicity

2400 S Loop W

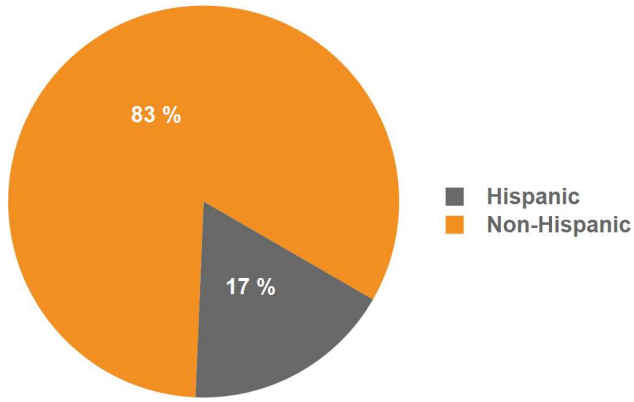
POPULATION BY RACE

	2018 Population					
Race	1 Mile		3 Mile		5 Mile	
White	4,743	34.18%	62,957	55.55%	230,527	56.67%
Black	6,814	49.11%	26,756	23.61%	125,250	30.79%
Asian	2,003	14.44%	20,459	18.05%	40,366	9.92%
American Indian & Alaskan	74	< 1%	488	< 1%	2,834	< 1%
Hawaiian & Pacific Islander	15	< 1%	72	< 1%	308	< 1%
Other	226	1.63%	2,593	2.29%	7,482	1.84%

POPULATION BY RACE IN 1 MILE RADIUS



HISPANIC POPULATION IN 1 MILE RADIUS



MILITARY POPULATION

	2018 Population					
	1 Mile		3 Mile		5 Mile	
Military	0	0.00%	14	< 1%	104	< 1%
Non-Military Workforce	7,027	100.00%	56,945	99.98%	202,263	99.95%

Multi-Family Submarket Report

Medical Center/West University

Houston Market

Christian Consultants of Texas

Kevin Pawlowski
(936) 718-1920

Overview

Medical Center/West University Multi-Family

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
575	369	11.7%	-0.4%

The Medical Center/West University Submarket is one of the more desirable places to live in Houston. Anchored by its namesake, the Texas Medical Center, the submarket features a high-earning, well-educated population that pays a premium to be in Houston's core.

In addition to the Texas Medical Center, the presence of Rice University results in a strong education and healthcare sector here. While on paper this may seem to insulate the submarket from energy-related downturns, the Medical Center/West University Submarket still softened as a result of the downturn this cycle. Much like the metro as a whole, an improving local economy has allowed for some improvements in fundamentals this year, but the submarket is still working through the thousands of new units delivered in recent years.

Texas Medical Center 3 is likely to be a boon for development. With an expected $5.2 billion impact on the city, and the creation of 30,000 jobs, developers will likely be looking to capitalize on those additions to the submarket over the next five years. The campus is expected to break ground next year and complete in 2022.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	17,485	9.3%	$1,744	$1,626	9	0	8
3 Star	7,625	15.7%	$1,071	$1,044	0	0	186
1 & 2 Star	1,611	18.6%	$899	$892	0	0	0
Submarket	**26,721**	**11.7%**	**$1,510**	**$1,424**	**9**	**0**	**194**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.4%	7.6%	11.0%	13.2%	2017 Q2	4.5%	2000 Q4
Absorption Units	369	386	287	1,052	2015 Q2	(445)	2002 Q1
Delivered Units	575	591	343	1,674	2017 Q3	0	2012 Q4
Demolished Units	23	88	55	589	2013 Q2	0	2017 Q2
Asking Rent Growth (YOY)	-0.4%	1.8%	1.0%	8.3%	2008 Q1	-4.9%	2010 Q1
Effective Rent Growth (YOY)	-1.8%	1.6%	0.7%	8.2%	2008 Q1	-6.9%	2016 Q4
Sales Volume	$265 M	$118.7M	N/A	$404.8M	2018 Q1	$3.2M	2003 Q4

Vacancy

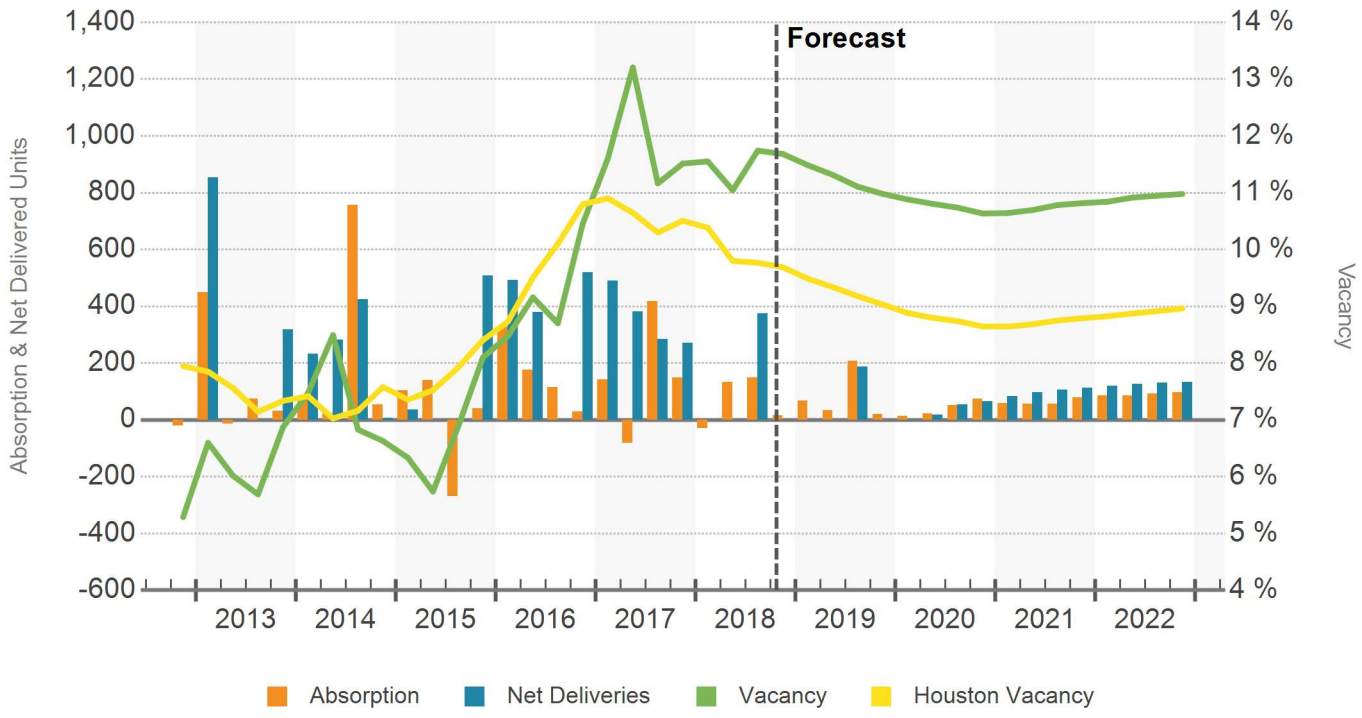
The Medical Center/West University Submarket is home to the Texas Medical Center (TMC), a network of over 50 hospitals, research institutions, and clinics. It is the largest medical center in the world, employing more than 100,000 and admitting more than six million patients a year. Medical Center/West University is also home to Rice University, renowned as a research institution, and the Museum District, a collection of nearly 20 institutions.

The strength of the submarket is in its above-average demographics. More than 30% of the population holds a bachelor's degree or higher, which is one of the highest shares in the metro for that metric and reflects the education and healthcare presence. Median household incomes exceed $80,000 annually, and that rate continues to grow as the education and healthcare sectors do. Typical of an Inner Loop submarket, over half of the households here rent rather than own. Steep home prices in and around the Med Center tend to act as a barrier for households below the median income, and the transient nature of individuals within the healthcare sector skews more towards renting.

The submarket's positive outlook stems from the fact that TMC can be seen as the backbone of diversification in Houston. In a part of town in which volatility from the energy sector has been prevalent in recent years, the steady growth of TMC has been the driving force for the metro. And while this area is certainly not immune from downturns within the multifamily sector, the benefits of having the world's largest medical center as the primary demand driver are clear. While energy-related job gains came to a halt at the trough of the downturn, healthcare-related growth continued to excel. And while energy-related employers are slowly beginning to grow again, expansions continue at TMC.

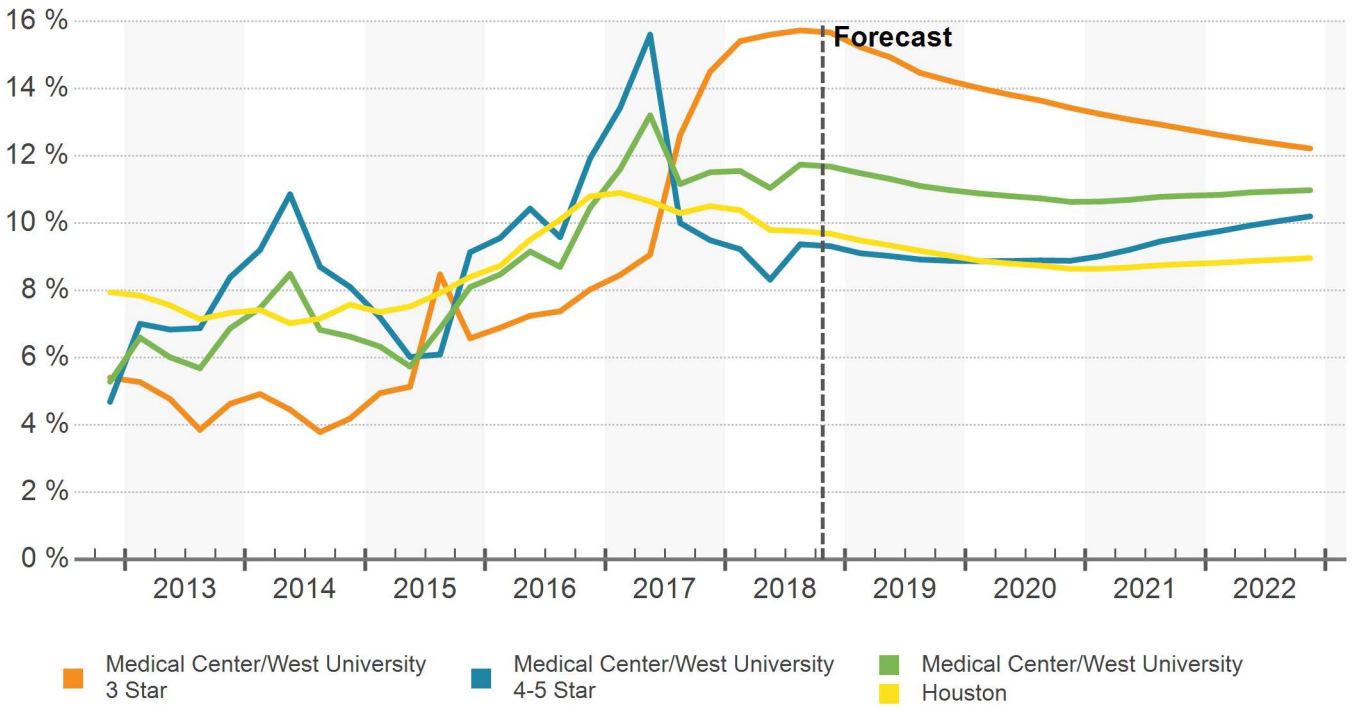
Chief among those expansions will be Texas Medical Center 3. The proposed $1.5 billion collaborative research campus, which is estimated to have a $5.2 billion impact on the city, is expected to break ground next year with a completion in 2022. The campus will feature offices and shared research labs in addition to a walkable mix of retail, entertainment, and residential housing. The development will create about 30,000 new jobs and will be located directly next to the existing TMC campus.

ABSORPTION, NET DELIVERIES & VACANCY

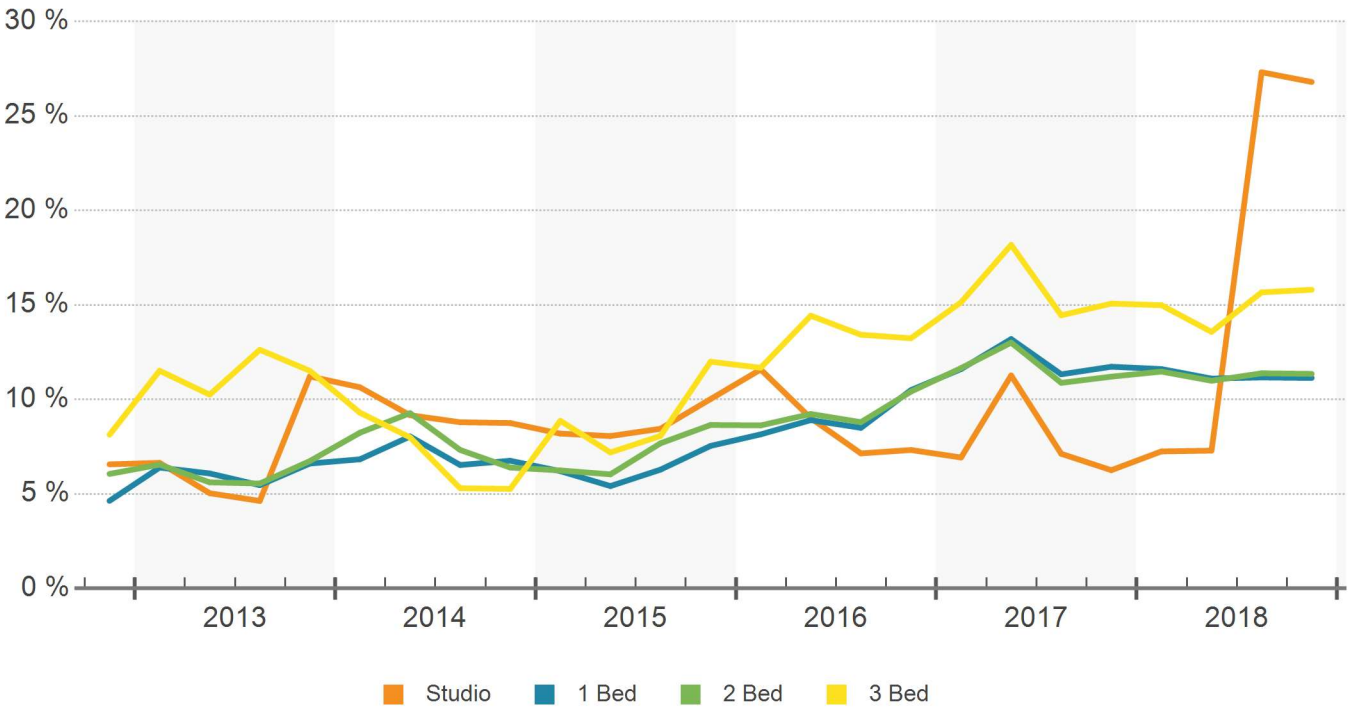


Vacancy

VACANCY RATE



VACANCY BY BEDROOM

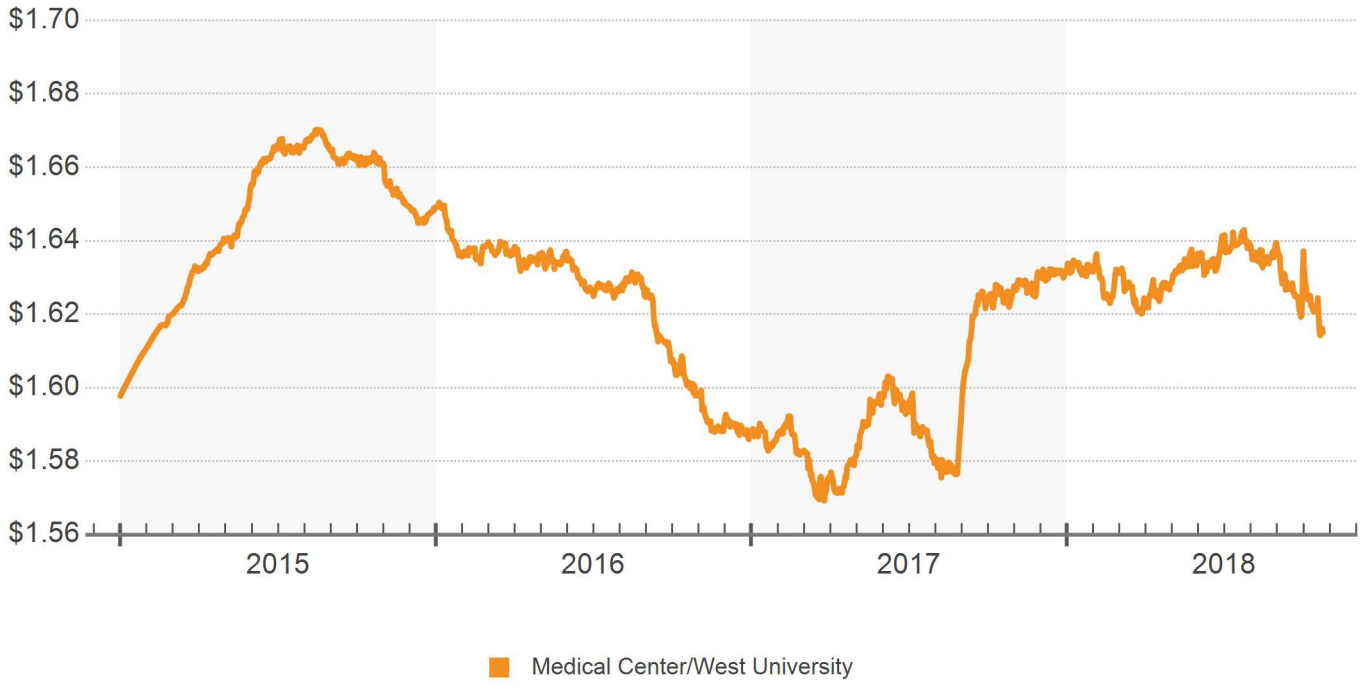


Asking rents in the Medical Center/West University Submarket average $1,500/month, which is nearly 40% higher than the metro average. This rate is one of the highest among all Houston multifamily submarkets, only trailing Downtown ($2,475) and Neartown/River Oaks ($1,750). This rate is higher due to the plethora of high-quality units here. In fact, the submarket has the third-most 4 & 5 Star units out of any submarket in the metro, with nearly 17,500.

Although the Medical Center/West University Submarket can be seen as the engine of diversification in Houston, it is not necessarily immune from local economic downturns. Like the metro as a whole, asking rents declined here in 2016 as demand dwindled. But growth regained its footing last year, growing by more than 2.5%. Much of that growth can be attributed to the combination of an improving local economy, as well as an increase in demand from displaced residents due to Hurricane Harvey.

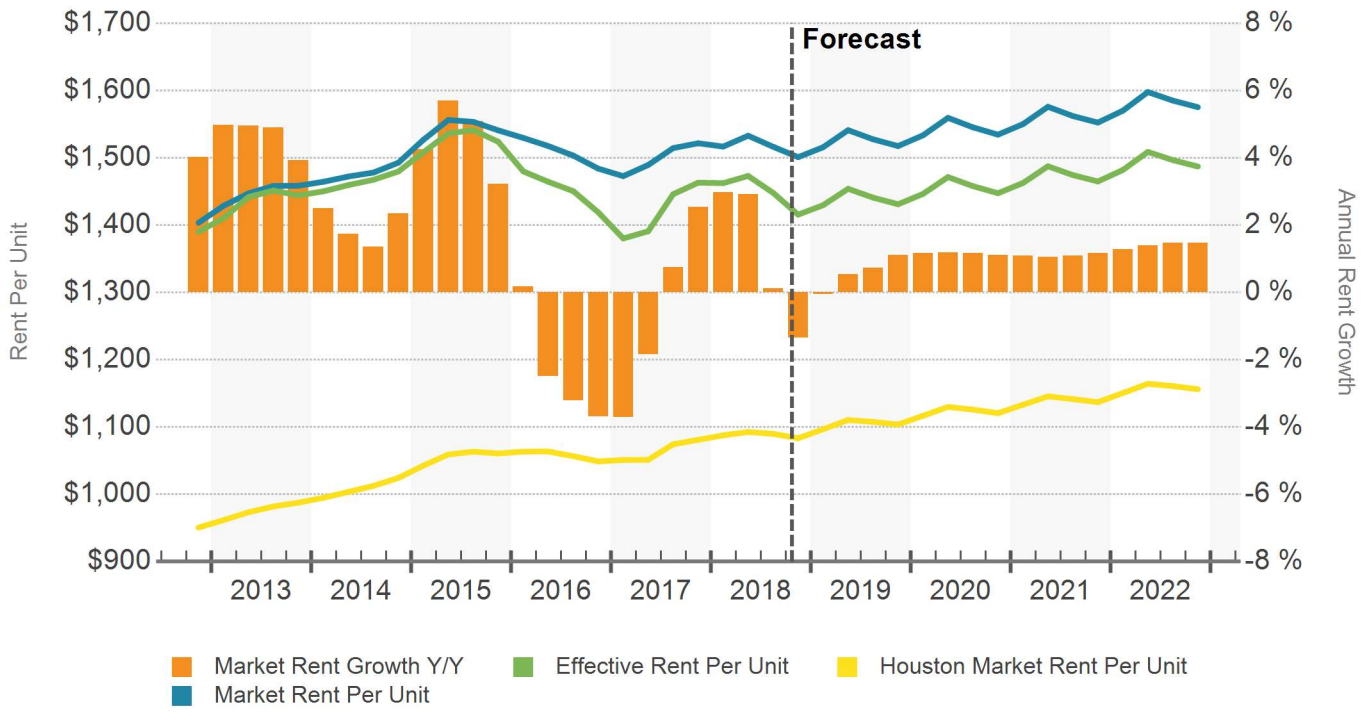
The rate at which asking rents grew due to Hurricane Harvey was unprecedented. Rates grew by nearly 2% in the Medical Center/West University Submarket in 17Q3 alone. For a frame of reference, asking rents typically grow by that amount over the course of an entire calendar year here. As a result, growth has been sluggish in 2018. Asking rents have actually declined this year as the submarket has normalized. This decline has not been indicative of fundamentals, but more so a leveling that is bringing rates back to normalcy after such a large growth period last year.

DAILY ASKING RENT PER SF

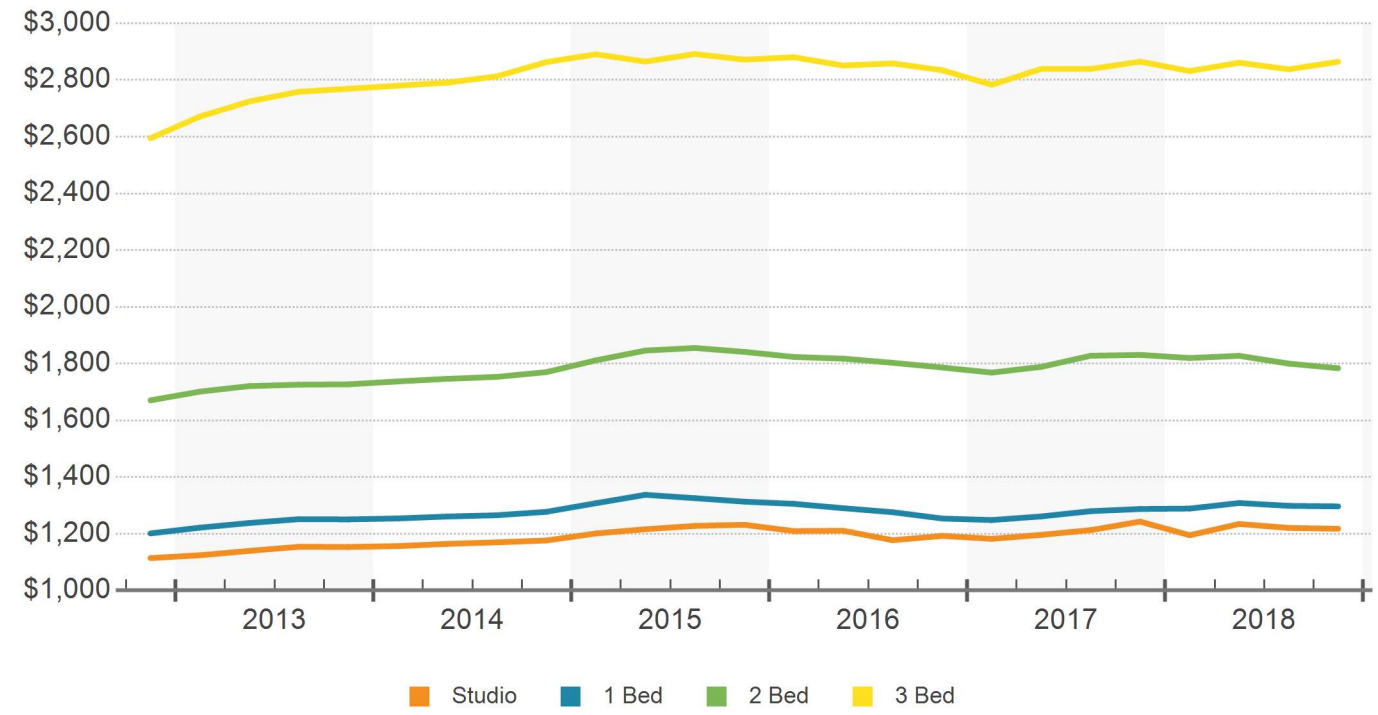


Rent

MARKET RENT PER UNIT & RENT GROWTH



MARKET RENT PER UNIT BY BEDROOM

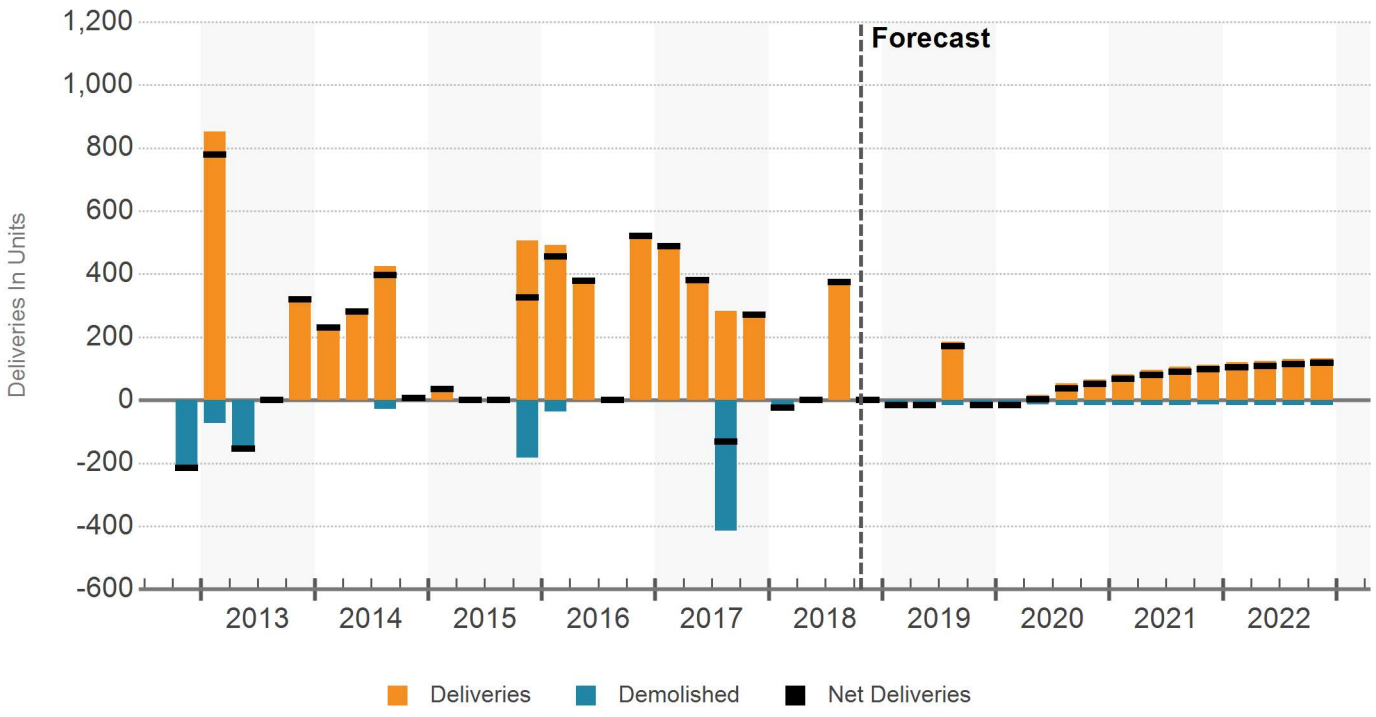


The Medical Center/West University Submarket has nearly 27,000 units, making it one of the largest multifamily submarkets in Houston. It's high-profile location in and around the Texas Medical Center often results in the delivery of high-quality complexes on an annual basis, and the submarket has one of the largest shares of 4 & 5 Star units in the metro.

Nearly 5,800 units have come on line here since 2010, which has expanded the submarket's inventory by about 20% on a net basis. Of those communities, about 90% are 4 & 5 Star, which expanded that cohort by about 45% over the same time. Not only has this added competition within the submarket itself, but new communities have been popping up at a torrid pace inside the 610 Loop this cycle. In total, nearly 28,000 units have come on line inside the loop since 2010, providing renters with a plethora of options in the area.

Among recent deliveries, Greystar's 4 Star, 375-unit Latitude Med Center opened its doors in July 2018. The 35-story luxury tower is just a few blocks from both Rice University and TMC, and it will be connected to Medistar's new InterContinental Houston Medical Center upon its completion later this year. The community features a unit mix of studios, one-, two-, and three-bedroom units. However, studios make up about 40% of the units in the complex, one of the highest percentages in the submarket.

DELIVERIES & DEMOLITIONS

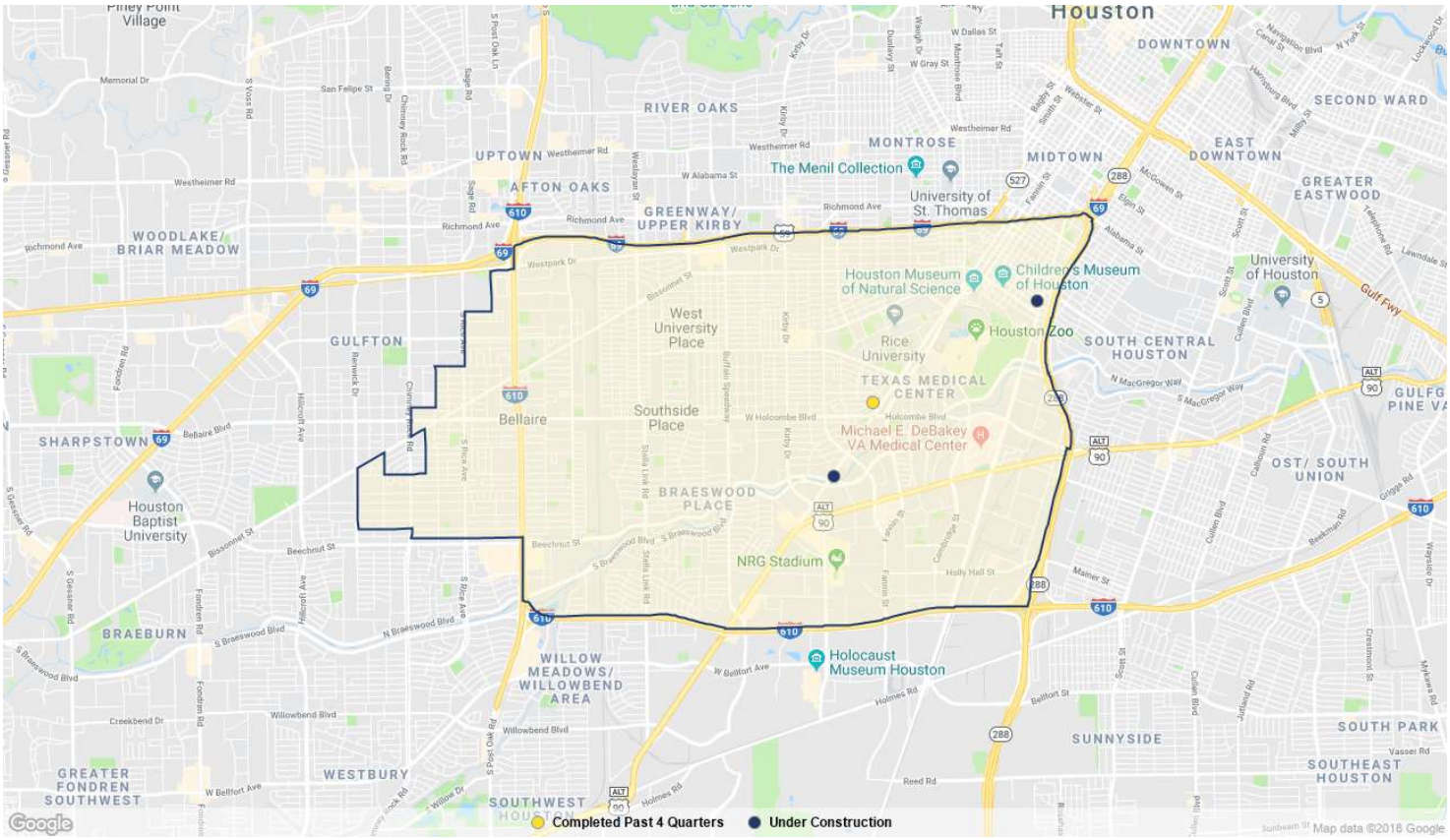


Construction

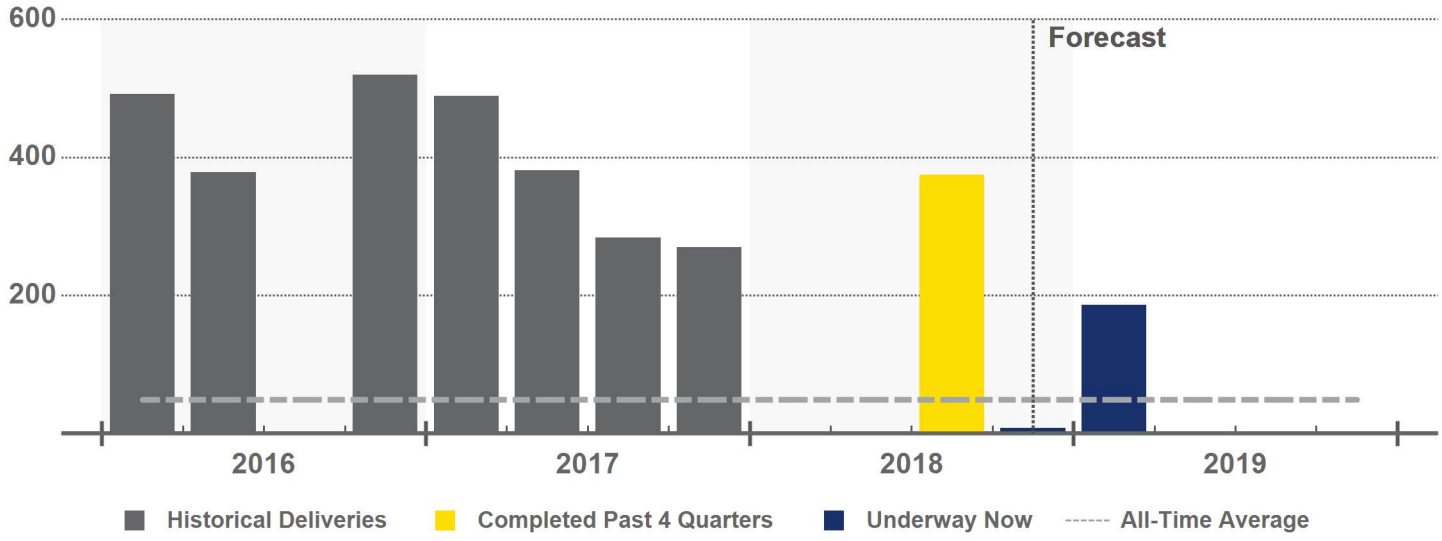
Medical Center/West University Multi-Family

All-Time Annual Avg. Units	Delivered Units Past 4 Qtrs	Delivered Units Next 4 Qtrs	Proposed Units Next 4 Qtrs
196	375	194	0

PAST 4 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PAST & FUTURE DELIVERIES IN UNITS



Construction

RECENT DELIVERIES

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1	**Latitude Med Center** 1850 Old Main St	★★★★☆	375	35	Aug-2016	Jul-2018	Greystar Real Estate Partners, LLC Medistar Corporation
2	**Alexan Southside Place** 4139 Bellaire Blvd	★★★★★	270	5	Mar-2016	Oct-2017	Trammell Crow Residential Bluerock Real Estate, LLC

UNDER CONSTRUCTION

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1	**South Main** 7551 Main St	★★★☆☆	186	11	Dec-2016	Jan-2019	Allen Harrison Company Allen Harrison Company
2	**4265 Chartres**	★★★★☆	8	4	Jan-2017	Nov-2018	- -

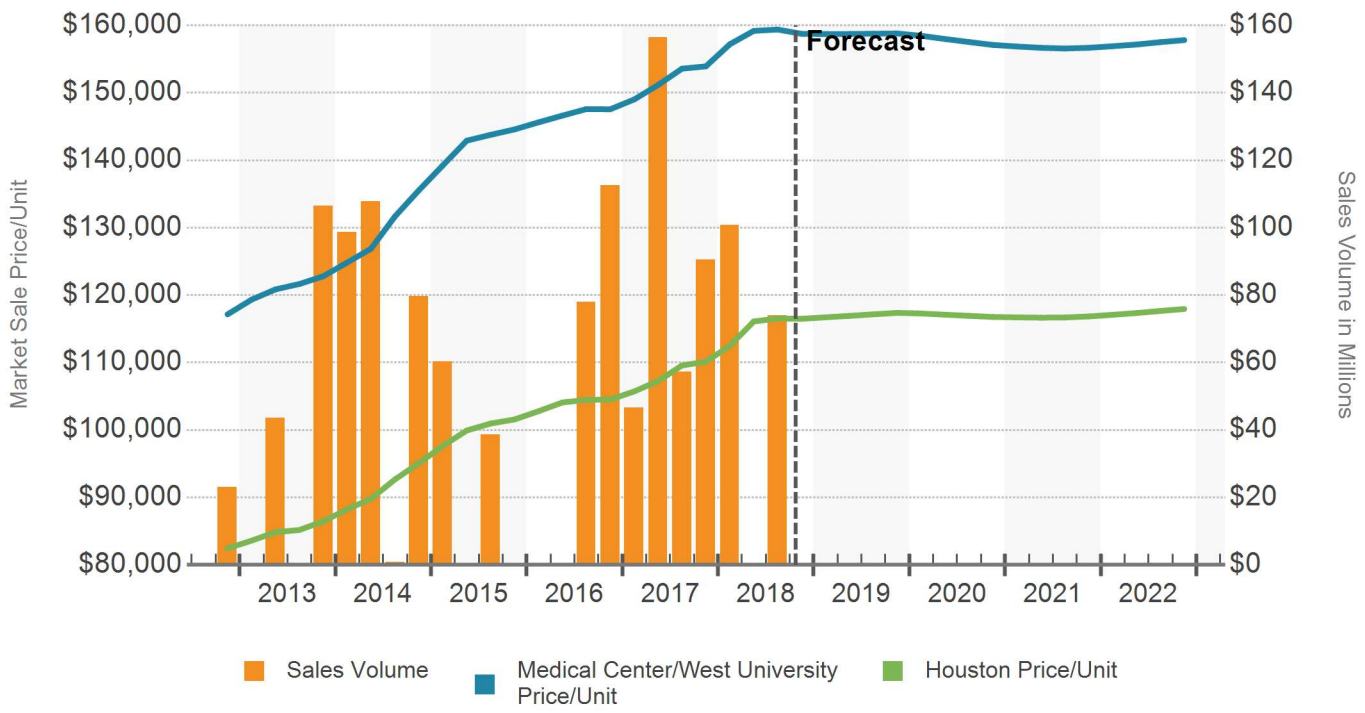
Often touted as one of the premier multifamily submarkets in Houston, investors are drawn to the submarket via the presence of the Texas Medical Center, as well as the high-quality complexes in and around the area. Turnover has averaged just over 8% annually since 2010, which has slightly lagged the metro's 10% average output over that time. Although turnover has lagged behind that of the metro as a whole, several high-profile deals have taken place in recent years.

In November 2017, the 5 Star, 396-unit Hanover Hermann Park sold for $90.5 million ($228,500/unit). Formerly known as Mosaic Hermann Park, the community was sold by Winthrop Realty Liquidating Trust of Boston at a 4% cap rate, and acquired in a joint venture between PGIM Real Estate of New Jersey and the locally based Hanover Company. Walker & Dunlop provided financing to the tune of $60 million on the deal, and the property has since been rebranded as Hanover Hermann Park.

Among investments in 2018, one of the largest properties to sell was the 3 Star, 793-unit Brompton Court Apartments, which has since been renamed Weston. Philadelphia-based Merion Realty Partners sold the property to S2 Capital of Dallas for $65.8 million ($83,000/unit) in March. The community was severely damaged in Hurricane Harvey, with 268 units harmed in the flooding. As part of the acquisition, S2 Capital announced that it plans to make significant upgrades to the property's units, including new paint, appliances, flooring, cabinetry, windows, and bedroom and bathroom fixtures. Additionally, improvements will be made to the swimming pools, fitness center, laundry rooms, and leasing office.

On the other end of the pricing spectrum, in September, the 4 Star, 224-unit Venue Museum District sold for $72.9 million ($325,000/unit). A joint venture between locally based Grayco Partners and Bentall Kennedy of Toronto sold the property to locally based Hines Global Income Trust. The community was about 90% occupied at the time of sale, and the sellers were motivated to divest, as their fund was closing.

SALES VOLUME & MARKET SALE PRICE PER UNIT

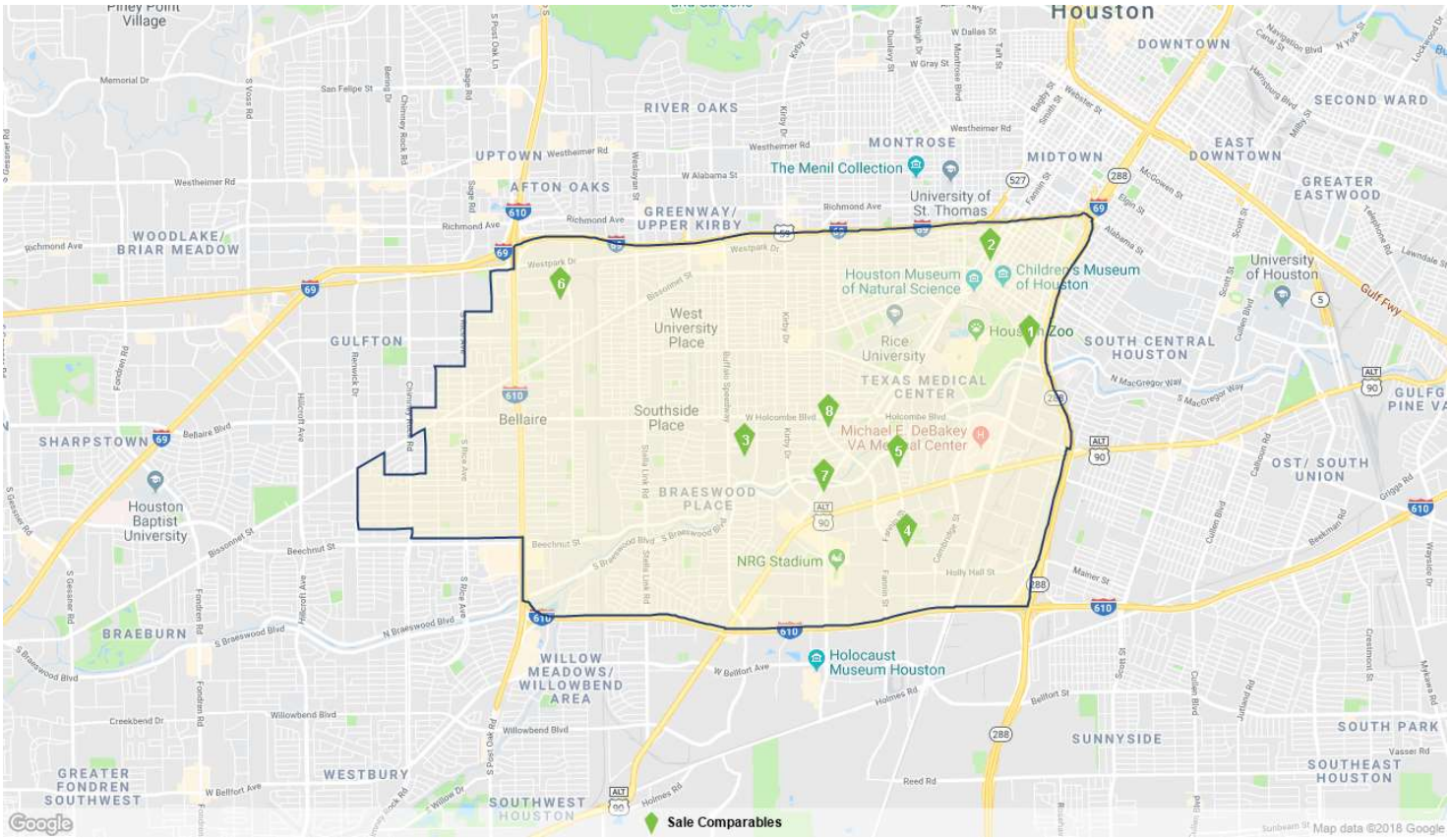


Sales Past 12 Months

Medical Center/West University Multi-Family

Sale Comparables	Avg. Price/Unit (thous.)	Average Price (mil.)	Average Vacancy at Sale
9	$150	$53.1	16.4%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$1,104,000	$53,060,800	$65,800,000	$90,500,000
Price Per Unit	$82,976	$149,804	$184,000	$325,446
Cap Rate	5.5%	5.5%	5.5%	5.5%
Vacancy Rate at Sale	0%	16.4%	9.4%	37.1%
Time Since Sale in Months	1.1	6.3	6.9	11.5
Property Attributes	**Low**	**Average**	**Median**	**High**
Property Size in Units	6	299	288	793
Number of Floors	2	6	3	29
Average Unit SF	686	944	909	1,402
Year Built	1955	1991	1994	2014
Star Rating	★★☆☆☆	★★★☆☆ 3.4	★★★☆☆	★★★★★

Sales Past 12 Months

RECENT SIGNIFICANT SALES

		Property Information				Sale Information			
	Property Name/Address	Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF
1	Hanover Hermann Park 5927 Almeda Rd	★★★★★	2009	396	9.4%	11/9/2017	$90,500,000	$228,535	$224
2	Venue Museum District 5353 Fannin St	★★★★☆	2009	224	9.4%	9/21/2018	$72,900,000	$325,446	$235
3	Weston 7510 Brompton Rd	★★★☆☆	1973	793	37.1%	3/28/2018	$65,800,000	$82,976	$92
4	The Daphne Apartments 1800 El Paseo St	★★★☆☆	1980	352	8.5%	3/28/2018	$35,000,000	$99,431	$146
5	1026 Saint Agnes St	★★★☆☆	2014	6	16.7%	8/2/2018	$1,104,000	$184,000	$139
6	The Village at Bellaire 5454 Newcastle Dr	★★★★☆	1990	580	5.3%	7/17/2018	-	-	-
4	The Daphne Apartments 1800 El Paseo St	★★★☆☆	1980	352	8.5%	7/23/2018	-	-	-
7	The Reside 7755 S Main St	★★★☆☆	1999	36	0%	12/15/2017	-	-	-
8	2232 Bellefontaine St	★★☆☆☆	1955	12	25.0%	11/14/2017	-	-	-

OVERALL SUPPLY & DEMAND

	Inventory			Absorption		
Year	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2022	27,702	446	1.6%	359	1.3%	1.2
2021	27,256	336	1.2%	247	0.9%	1.4
2020	26,920	74	0.3%	158	0.6%	0.5
2019	26,846	125	0.5%	328	1.2%	0.4
2018	26,721	352	1.3%	267	1.0%	1.3
YTD	26,721	352	1.3%	260	1.0%	1.4
2017	26,369	1,009	4.0%	625	2.4%	1.6
2016	25,360	1,354	5.6%	646	2.5%	2.1
2015	24,006	361	1.5%	15	0.1%	24.1
2014	23,645	914	4.0%	912	3.9%	1.0
2013	22,731	949	4.4%	540	2.4%	1.8
2012	21,782	(516)	-2.3%	(246)	-1.1%	2.1
2011	22,298	0	0%	109	0.5%	0
2010	22,298	0	0%	390	1.7%	0
2009	22,298	737	3.4%	600	2.7%	1.2
2008	21,561	644	3.1%	531	2.5%	1.2
2007	20,917	1,049	5.3%	746	3.6%	1.4
2006	19,868	530	2.7%	413	2.1%	1.3

4 & 5 STAR SUPPLY & DEMAND

	Inventory			Absorption		
Year	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2022	18,525	508	2.8%	351	1.9%	1.4
2021	18,017	397	2.3%	228	1.3%	1.7
2020	17,620	135	0.8%	124	0.7%	1.1
2019	17,485	0	0%	77	0.4%	0
2018	17,485	375	2.2%	371	2.1%	1.0
YTD	17,485	375	2.2%	370	2.1%	1.0
2017	17,110	1,003	6.2%	1,299	7.6%	0.8
2016	16,107	1,354	9.2%	782	4.9%	1.7
2015	14,753	507	3.6%	349	2.4%	1.5
2014	14,246	937	7.0%	900	6.3%	1.0
2013	13,309	1,172	9.7%	624	4.7%	1.9
2012	12,137	(30)	-0.2%	215	1.8%	-
2011	12,167	0	0%	(16)	-0.1%	0
2010	12,167	0	0%	355	2.9%	0
2009	12,167	901	8.0%	884	7.3%	1.0
2008	11,266	644	6.1%	647	5.7%	1.0
2007	10,622	793	8.1%	449	4.2%	1.8
2006	9,829	540	5.8%	463	4.7%	1.2

3 STAR SUPPLY & DEMAND

	Inventory			Absorption		
Year	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2022	7,811	0	0%	42	0.5%	0
2021	7,811	0	0%	50	0.6%	0
2020	7,811	0	0%	62	0.8%	0
2019	7,811	186	2.4%	270	3.5%	0.7
2018	7,625	0	0%	(88)	-1.2%	0
YTD	7,625	0	0%	(93)	-1.2%	0
2017	7,625	6	0.1%	(489)	-6.4%	0
2016	7,619	0	0%	(110)	-1.4%	0
2015	7,619	(146)	-1.9%	(325)	-4.3%	0.4
2014	7,765	6	0.1%	42	0.5%	0.1
2013	7,759	(67)	-0.9%	(1)	0%	67.0
2012	7,826	0	0%	47	0.6%	0
2011	7,826	0	0%	81	1.0%	0
2010	7,826	0	0%	16	0.2%	0
2009	7,826	(164)	-2.1%	(209)	-2.7%	0.8
2008	7,990	0	0%	(110)	-1.4%	0
2007	7,990	256	3.3%	296	3.7%	0.9
2006	7,734	0	0%	(62)	-0.8%	0

1 & 2 STAR SUPPLY & DEMAND

	Inventory			Absorption		
Year	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2022	1,366	(62)	-4.3%	(34)	-2.5%	1.8
2021	1,428	(61)	-4.1%	(31)	-2.2%	2.0
2020	1,489	(61)	-3.9%	(28)	-1.9%	2.2
2019	1,550	(61)	-3.8%	(19)	-1.2%	3.2
2018	1,611	(23)	-1.4%	(16)	-1.0%	1.4
YTD	1,611	(23)	-1.4%	(17)	-1.1%	1.4
2017	1,634	0	0%	(185)	-11.3%	0
2016	1,634	0	0%	(26)	-1.6%	0
2015	1,634	0	0%	(9)	-0.6%	0
2014	1,634	(29)	-1.7%	(30)	-1.8%	1.0
2013	1,663	(156)	-8.6%	(83)	-5.0%	1.9
2012	1,819	(486)	-21.1%	(508)	-27.9%	1.0
2011	2,305	0	0%	44	1.9%	0
2010	2,305	0	0%	19	0.8%	0
2009	2,305	0	0%	(75)	-3.3%	0
2008	2,305	0	0%	(6)	-0.3%	0
2007	2,305	0	0%	1	0%	0
2006	2,305	(10)	-0.4%	12	0.5%	-

OVERALL VACANCY & RENT

	Vacancy			Market Rent				Effective Rent	
Year	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2022	3,010	11.0%	0.2	$1,575	$1.68	1.5%	0.3	$1,487	$1.59
2021	2,925	10.8%	0.2	$1,552	$1.66	1.2%	0.1	$1,465	$1.57
2020	2,839	10.6%	(0.3)	$1,535	$1.64	1.1%	0	$1,447	$1.55
2019	2,922	11.0%	(0.7)	$1,518	$1.62	1.1%	2.5	$1,431	$1.53
2018	3,122	11.7%	0.2	$1,501	$1.60	-1.4%	(3.9)	$1,416	$1.51
YTD	3,128	11.7%	0.2	$1,510	$1.62	-0.8%	(3.3)	$1,424	$1.52
2017	3,036	11.5%	1.1	$1,522	$1.63	2.5%	6.2	$1,463	$1.57
2016	2,653	10.5%	2.4	$1,484	$1.59	-3.7%	(6.9)	$1,419	$1.52
2015	1,944	8.1%	1.5	$1,541	$1.65	3.2%	0.9	$1,524	$1.63
2014	1,568	6.6%	(0.2)	$1,493	$1.60	2.3%	(1.6)	$1,480	$1.58
2013	1,563	6.9%	1.6	$1,459	$1.56	3.9%	(0.1)	$1,444	$1.55
2012	1,152	5.3%	(1.1)	$1,404	$1.50	4.0%	2.1	$1,390	$1.49
2011	1,426	6.4%	(0.5)	$1,349	$1.44	1.9%	1.6	$1,341	$1.43
2010	1,534	6.9%	(1.7)	$1,324	$1.42	0.4%	4.0	$1,314	$1.41
2009	1,920	8.6%	0.3	$1,319	$1.41	-3.7%	(8.6)	$1,307	$1.40
2008	1,785	8.3%	0.3	$1,370	$1.47	4.9%	(2.2)	$1,358	$1.45
2007	1,669	8.0%	1.1	$1,306	$1.40	7.1%	4.8	$1,297	$1.39
2006	1,367	6.9%	0.4	$1,219	$1.30	2.3%	-	$1,209	$1.29

4 & 5 STAR VACANCY & RENT

	Vacancy			Market Rent				Effective Rent	
Year	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2022	1,890	10.2%	0.6	$1,803	$1.81	1.5%	0.4	$1,684	$1.69
2021	1,733	9.6%	0.7	$1,777	$1.78	1.1%	0.2	$1,658	$1.66
2020	1,565	8.9%	0	$1,758	$1.76	0.9%	0.4	$1,639	$1.64
2019	1,553	8.9%	(0.4)	$1,742	$1.75	0.5%	2.4	$1,624	$1.63
2018	1,629	9.3%	(0.2)	$1,732	$1.74	-1.9%	(4.2)	$1,616	$1.62
YTD	1,629	9.3%	(0.2)	$1,744	$1.75	-1.3%	(3.5)	$1,626	$1.64
2017	1,625	9.5%	(2.4)	$1,766	$1.78	2.3%	5.8	$1,698	$1.71
2016	1,920	11.9%	2.8	$1,727	$1.74	-3.5%	(6.5)	$1,643	$1.65
2015	1,348	9.1%	1.0	$1,789	$1.80	3.0%	1.2	$1,766	$1.78
2014	1,155	8.1%	(0.3)	$1,737	$1.75	1.8%	(2.0)	$1,719	$1.73
2013	1,116	8.4%	3.7	$1,707	$1.72	3.8%	0.4	$1,687	$1.70
2012	569	4.7%	(2.0)	$1,645	$1.65	3.3%	1.5	$1,632	$1.64
2011	814	6.7%	0.1	$1,592	$1.60	1.8%	1.8	$1,582	$1.59
2010	797	6.5%	(2.9)	$1,564	$1.57	-0.1%	3.8	$1,552	$1.56
2009	1,151	9.5%	(0.6)	$1,566	$1.57	-3.9%	(8.5)	$1,550	$1.56
2008	1,134	10.1%	(0.6)	$1,628	$1.64	4.6%	(3.1)	$1,613	$1.62
2007	1,136	10.7%	2.6	$1,557	$1.57	7.8%	5.3	$1,546	$1.55
2006	791	8.1%	0.4	$1,445	$1.45	2.5%	-	$1,432	$1.44

3 STAR VACANCY & RENT

	Vacancy			Market Rent				Effective Rent	
Year	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2022	955	12.2%	(0.6)	$1,151	$1.40	1.5%	0.1	$1,122	$1.37
2021	998	12.8%	(0.7)	$1,134	$1.38	1.4%	(0.4)	$1,105	$1.35
2020	1,049	13.4%	(0.8)	$1,119	$1.36	1.7%	(1.1)	$1,090	$1.33
2019	1,111	14.2%	(1.4)	$1,100	$1.34	2.9%	2.3	$1,072	$1.31
2018	1,195	15.7%	1.2	$1,069	$1.30	0.5%	(3.3)	$1,042	$1.27
YTD	1,199	15.7%	1.2	$1,071	$1.31	0.7%	(3.1)	$1,044	$1.27
2017	1,106	14.5%	6.5	$1,064	$1.30	3.8%	8.2	$1,021	$1.24
2016	612	8.0%	1.4	$1,025	$1.25	-4.4%	(8.0)	$994	$1.21
2015	501	6.6%	2.4	$1,072	$1.31	3.5%	(0.6)	$1,068	$1.30
2014	326	4.2%	(0.4)	$1,036	$1.26	4.1%	(1.0)	$1,034	$1.26
2013	360	4.6%	(0.8)	$995	$1.21	5.1%	(2.0)	$992	$1.21
2012	424	5.4%	(0.6)	$946	$1.15	7.1%	4.4	$930	$1.13
2011	471	6.0%	(1.1)	$884	$1.08	2.6%	0.6	$878	$1.07
2010	553	7.1%	(0.2)	$861	$1.05	2.1%	5.1	$855	$1.04
2009	567	7.2%	0.7	$843	$1.03	-3.0%	(8.9)	$837	$1.02
2008	522	6.5%	1.4	$870	$1.06	5.8%	1.3	$865	$1.05
2007	410	5.1%	(0.7)	$822	$1.00	4.5%	3.3	$816	$0.99
2006	450	5.8%	0.8	$786	$0.96	1.2%	-	$781	$0.95

1 & 2 STAR VACANCY & RENT

	Vacancy			Market Rent				Effective Rent	
Year	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2022	165	15.3%	(0.7)	$977	$1.24	1.5%	0.1	$970	$1.23
2021	194	16.0%	(1.8)	$963	$1.22	1.4%	(0.6)	$956	$1.21
2020	224	17.8%	(1.9)	$950	$1.20	1.9%	(1.8)	$943	$1.20
2019	258	19.7%	1.2	$932	$1.18	3.7%	1.3	$925	$1.17
2018	298	18.5%	(0.2)	$899	$1.14	2.4%	1.2	$892	$1.13
YTD	300	18.6%	(0.1)	$899	$1.14	2.5%	1.3	$892	$1.13
2017	306	18.7%	11.3	$878	$1.11	1.2%	4.8	$853	$1.08
2016	121	7.4%	1.5	$867	$1.10	-3.5%	(10.4)	$863	$1.09
2015	95	5.8%	0.5	$899	$1.14	6.9%	1.3	$898	$1.14
2014	87	5.3%	0.1	$841	$1.07	5.6%	5.0	$839	$1.06
2013	87	5.2%	(3.5)	$797	$1.01	0.5%	(2.7)	$794	$1.01
2012	159	8.8%	2.6	$792	$1.00	3.2%	2.1	$791	$1.00
2011	141	6.1%	(1.9)	$768	$0.97	1.2%	0	$763	$0.97
2010	185	8.0%	(0.8)	$759	$0.96	1.1%	4.4	$753	$0.95
2009	203	8.8%	3.2	$750	$0.95	-3.2%	(9.8)	$745	$0.94
2008	129	5.6%	0.2	$775	$0.98	6.6%	(0.1)	$771	$0.98
2007	123	5.4%	(0.1)	$727	$0.92	6.7%	2.6	$724	$0.92
2006	125	5.4%	(0.9)	$682	$0.86	4.0%	-	$678	$0.86

OVERALL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2022	-	-	-	-	-	-	$157,801	200	6.0%
2021	-	-	-	-	-	-	$156,663	198	6.0%
2020	-	-	-	-	-	-	$157,087	199	5.9%
2019	-	-	-	-	-	-	$158,790	201	5.8%
2018	-	-	-	-	-	-	$158,735	201	5.7%
YTD	6	$174.8 M	8.6%	$43,701,000	$127,130	-	$159,353	202	5.6%
2017	11	$350.6 M	7.5%	$70,127,612	$189,739	5.2%	$153,914	195	5.6%
2016	12	$190.3 M	8.2%	$38,066,348	$151,780	5.2%	$147,552	187	5.7%
2015	8	$98.9 M	6.4%	$24,731,000	$167,101	5.0%	$144,565	183	5.7%
2014	14	$286.8 M	10.0%	$23,896,618	$123,870	5.6%	$135,544	172	5.8%
2013	11	$150.2 M	8.7%	$37,546,125	$211,230	5.6%	$122,795	156	6.1%
2012	10	$194.2 M	13.7%	$38,850,000	$120,652	6.6%	$117,150	148	6.1%
2011	6	$80.0 M	7.6%	$40,000,000	$141,844	5.2%	$108,321	137	6.3%
2010	8	$23.7 M	4.3%	$5,918,750	$92,480	7.7%	$97,827	124	6.5%
2009	6	$68.9 M	3.8%	$17,231,250	$89,397	7.4%	$74,168	94	7.2%
2008	2	$89.8 M	3.3%	$44,890,000	$125,391	6.6%	$78,964	100	7.2%
2007	10	$58.3 M	8.9%	$8,327,452	$94,630	6.5%	$98,202	124	6.4%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2022	-	-	-	-	-	-	$177,512	197	5.8%
2021	-	-	-	-	-	-	$176,232	196	5.8%
2020	-	-	-	-	-	-	$176,837	197	5.7%
2019	-	-	-	-	-	-	$179,205	199	5.5%
2018	-	-	-	-	-	-	$180,261	201	5.4%
YTD	2	$72.9 M	4.6%	$72,900,000	$325,446	-	$181,246	202	5.4%
2017	4	$243.3 M	6.8%	$60,827,400	$207,602	-	$175,305	195	5.4%
2016	2	$115.1 M	3.9%	$57,550,000	$183,573	5.0%	$168,362	187	5.4%
2015	4	$95.4 M	7.9%	$47,720,000	$175,441	5.0%	$165,059	184	5.4%
2014	7	$226.8 M	12.2%	$32,395,203	$130,251	5.3%	$154,980	172	5.5%
2013	5	$149.5 M	12.2%	$74,747,250	$214,483	5.2%	$140,571	156	5.8%
2012	6	$97.8 M	14.2%	$48,875,000	$171,793	5.9%	$133,592	149	5.8%
2011	5	$80.0 M	13.9%	$40,000,000	$141,844	5.2%	$123,192	137	6.0%
2010	1	$22.0 M	1.8%	$22,000,000	$98,214	-	$111,374	124	6.2%
2009	3	$57.7 M	4.6%	$19,233,333	$103,220	7.4%	$84,554	94	6.9%
2008	1	$49.8 M	3.4%	$49,780,000	$131,000	7.5%	$89,889	100	6.9%
2007	3	$39.3 M	14.1%	$39,315,250	$104,009	5.0%	$111,813	124	6.2%

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3 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2022	-	-	-	-	-	-	$120,200	204	6.4%
2021	-	-	-	-	-	-	$119,306	202	6.4%
2020	-	-	-	-	-	-	$119,374	202	6.3%
2019	-	-	-	-	-	-	$119,872	203	6.1%
2018	-	-	-	-	-	-	$117,979	200	6.0%
YTD	4	$101.9 M	19.7%	$33,968,000	$88,535	-	$117,992	200	6.0%
2017	2	$107.3 M	9.3%	$107,328,462	$158,770	5.2%	$114,068	193	6.0%
2016	7	$75.2 M	18.5%	$25,077,247	$119,987	5.3%	$108,656	184	6.1%
2015	2	$1.9 M	4.5%	$1,900,000	$59,375	-	$106,194	180	6.1%
2014	3	$58.2 M	7.6%	$29,125,000	$105,144	6.1%	$99,287	168	6.2%
2013	2	$0 M	3.2%	-	-	-	$89,626	152	6.5%
2012	3	$95.5 M	16.1%	$47,750,000	$92,718	8.0%	$86,810	147	6.5%
2011	-	-	-	-	-	-	$81,140	138	6.6%
2010	1	$0 M	8.7%	-	-	-	$73,105	124	6.9%
2009	1	$11.2 M	2.7%	$11,225,000	$52,948	7.6%	$55,226	94	7.7%
2008	1	$40.0 M	4.2%	$40,000,000	$119,048	5.7%	$59,008	100	7.6%
2007	1	$0.8 M	0.2%	$775,912	$48,494	-	$73,438	124	6.9%

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1 & 2 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2022	-	-	-	-	-	-	$126,075	221	6.5%
2021	-	-	-	-	-	-	$125,308	219	6.5%
2020	-	-	-	-	-	-	$125,490	220	6.4%
2019	-	-	-	-	-	-	$125,802	220	6.3%
2018	-	-	-	-	-	-	$122,608	215	6.2%
YTD	-	-	-	-	-	-	$122,167	214	6.2%
2017	5	$0 M	6.5%	-	-	-	$114,836	201	6.3%
2016	3	$0 M	3.2%	-	-	-	$110,163	193	6.3%
2015	2	$1.6 M	2.1%	$1,584,001	$99,000	-	$108,074	189	6.3%
2014	4	$1.7 M	1.7%	$581,000	$87,150	-	$100,283	176	6.5%
2013	4	$0.7 M	6.1%	$345,000	$49,286	7.0%	$90,596	159	6.8%
2012	1	$1.0 M	0.6%	$1,000,000	$90,909	-	$85,730	150	6.9%
2011	1	$0 M	0.4%	-	-	-	$78,625	138	7.1%
2010	6	$1.7 M	2.6%	$558,333	$52,344	7.7%	$70,595	124	7.4%
2009	2	$0 M	3.3%	-	-	-	$53,238	93	8.2%
2008	-	-	-	-	-	-	$57,097	100	8.1%
2007	6	$18.2 M	15.1%	$3,640,200	$81,986	7.0%	$70,468	123	7.3%

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DELIVERIES & UNDER CONSTRUCTION

	Inventory			Deliveries		Net Deliveries		Under Construction	
Year	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2022	-	27,704	10.9%	-	508	-	446	-	-
2021	-	27,258	10.7%	-	397	-	336	-	-
2020	-	26,922	10.5%	-	136	-	76	-	-
2019	-	26,846	10.9%	-	186	-	125	-	-
2018	-	26,721	11.7%	-	375	-	352	-	-
YTD	135	26,721	11.7%	1	375	0	352	2	194
2017	135	26,369	11.5%	6	1,424	5	1,009	3	569
2016	130	25,360	10.5%	5	1,390	4	1,354	8	1,985
2015	126	24,006	8.1%	4	543	3	361	10	2,544
2014	123	23,645	6.6%	4	943	3	914	11	2,422
2013	120	22,731	6.9%	3	1,172	(1)	944	6	1,414
2012	121	21,782	5.3%	0	0	(5)	(516)	3	1,172
2011	126	22,298	6.4%	0	0	0	0	2	853
2010	126	22,298	6.9%	0	0	0	0	0	0
2009	126	22,298	8.6%	3	901	2	736	0	0
2008	124	21,561	8.3%	2	644	2	644	3	901
2007	122	20,917	8.0%	4	1,049	4	1,049	2	644
2006	118	19,868	6.9%	3	540	2	530	5	1,353

Multi-Family Market Report

Houston Market

Christian Consultants of Texas

Kevin Pawlowski
(936) 718-1920

Overview

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
6,088	8,728	9.7%	1.1%

A weakened energy industry, bloated construction pipeline and the effects of Hurricane Harvey have been the driving forces in ever-changing dynamics within the Houston apartment market this cycle. In total, nearly 96,000 units have come on line since 2010. This has placed significant supply-side pressure on a market heavily dependent upon the energy industry, which has experienced its own volatility in recent years.

Over 4,800 energy-related establishments have operations in Houston, and 23 energy-related Fortune 500 companies are headquartered here. This reliance on energy and the subsequent pullback in the industry helped push vacancies above 10% for the first time since the Great Recession. Asking rents in the “Energy Capital of the World” plummeted in 2016 as a result, and generous concessions—in some cases upwards of four rent-free months—were the norm.

All is not doom and gloom, however. The Houston metro has diversified as an economic engine since the last great oil shock in the 1980s, and although many consider the recent drop this cycle to be more significant than prior crashes, the Houston metro has survived and has been on a consistent positive path forward since the beginning of 2017. Healthcare and the Port of Houston have been the primary drivers of growth, but other population-driven sectors like leisure and hospitality, retail services, and government provided an extra buffer against the loss of jobs in the energy sector.

The impact of Hurricane Harvey and the subsequent increase in demand for rental housing improved fundamentals in one month’s time. Residents displaced by flooding and damage to both single-family and multifamily units looked to apartments, and vacancies compressed rapidly. In turn, rent growth over the course of one month outpaced the metro's four-quarter trailing historical average, a torrid rate of growth over a short span of time. In addition, in terms of an asking rent standpoint, this healthy rate of growth allowed for landlords to recoup all losses from the year prior.

After a few years of uncertainty, the outlook for the apartment market appears to be favorable. The onslaught of new, high-quality apartments entering the metro has slowed, and for the first time since 2013, Houston is expected to add fewer than 10,000 units this year. Couple this with an improving demand picture buoyed by both positive job growth and population gains, and fundamentals are finally on a path to improvement.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	219,590	9.7%	$1,417	$1,374	327	0	9,874
3 Star	242,790	9.7%	$924	$903	14	0	1,324
1 & 2 Star	135,934	9.7%	$831	$815	10	0	0
Market	**598,314**	**9.7%**	**$1,088**	**$1,060**	**351**	**0**	**11,198**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.6%	9.1%	9.0%	11.4%	2004 Q4	5.7%	2000 Q3
Absorption Units	8,728	7,770	6,843	20,729	2006 Q1	(5,426)	2002 Q1
Delivered Units	6,088	10,487	7,067	21,084	2017 Q1	491	2011 Q4
Demolished Units	669	806	987	4,427	2014 Q1	0	2006 Q1
Asking Rent Growth (YOY)	1.1%	1.9%	1.5%	5.6%	2015 Q2	-2.6%	2010 Q1
Effective Rent Growth (YOY)	2.0%	1.7%	1.5%	5.3%	2018 Q2	-3.0%	2016 Q4
Sales Volume	$3.1 B	$1.5B	N/A	$3.7B	2015 Q1	$441.4M	2009 Q2

The story in Houston has been tri-fold this cycle. First, nearly 96,000 units have delivered since 2010, which placed incredible supply-side pressure on fundamentals. Second, the local economic downturn, driven by the rapid decline in oil prices, resulted in muted demand in 2015–16 and a subsequent increase in vacancies. Third, Hurricane Harvey's impact on Houston was significant, and due to a sharp increase in demand via displaced renters, fundamentals took a turn in the right direction and have continued to improve ever since.

Net absorption in the Houston market amounted to nearly 6,000 units in 17Q3, most of which were due to Hurricane Harvey. This was one of the largest quarterly absorption gains in any quarter dating back to 2000. Most of this positive absorption came from the submarkets most affected by or within closest proximity to the severe flooding: Neartown/River Oaks, Sugar Land/Missouri City, Westchase/Woodlake and Medical Center/West University. In total, Houston absorbed more than 15,000 units in 2017, the most since 2008.

The real pain point in Houston is visible in the number of vacant units in newly built properties. As construction began to increase earlier in this cycle, so did the number of vacant units. Between 10Q1 and 18Q3, nearly 96,000 units delivered, and of those units, about 11,000, or about 12%, were vacant as of 18Q3. Over 5,000 of those vacant units (45%) are in buildings that have delivered since the beginning of 2017, which is to be expected, since a lot of these properties are still going through lease-up.

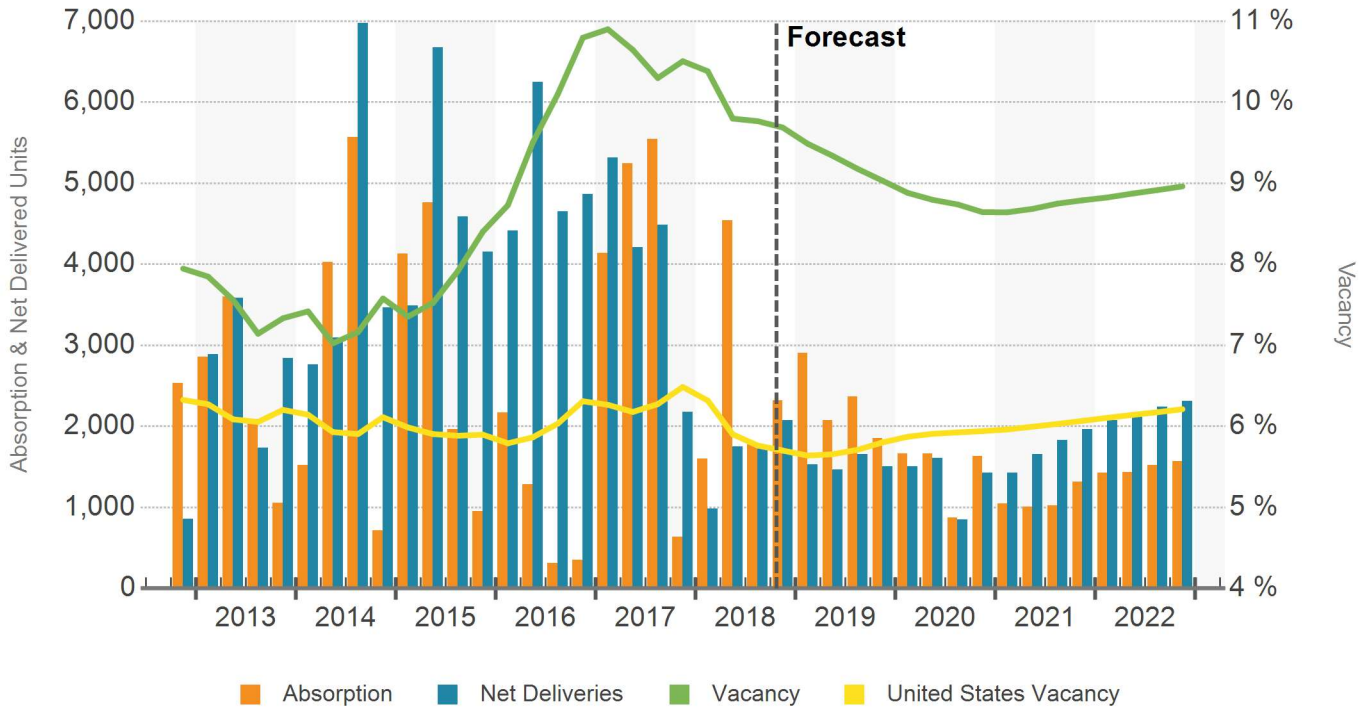
Breaking it down in terms of 3 Star and 4 & 5 Star buildings provides even more insight. Since 15Q1, only 4 & 5 Star properties show positive absorption overall. A possible explanation could be market conditions that favor renters. Most of Houston's new deliveries—and even stabilized properties—were offering generous concessions, sometimes as much as two-three months free rent, and what was once unaffordable for some renters had then become affordable.

Houston's typically affordable single-family home market applies constant pressure on the apartment market. However, as pricing continues to climb and inventory continues to shrink within the single-family sector, locals have started to feel the squeeze as affordability has started to dwindle. According to the Houston Association of Realtors, Houston registered its strongest month of August ever in terms of nominal sales. In addition, after pricing fell in July, it rose again in August, up 3% from August 2017. The potential for rising interest rates is possibly generating demand, as many are opting to buy now to get ahead of the increases.

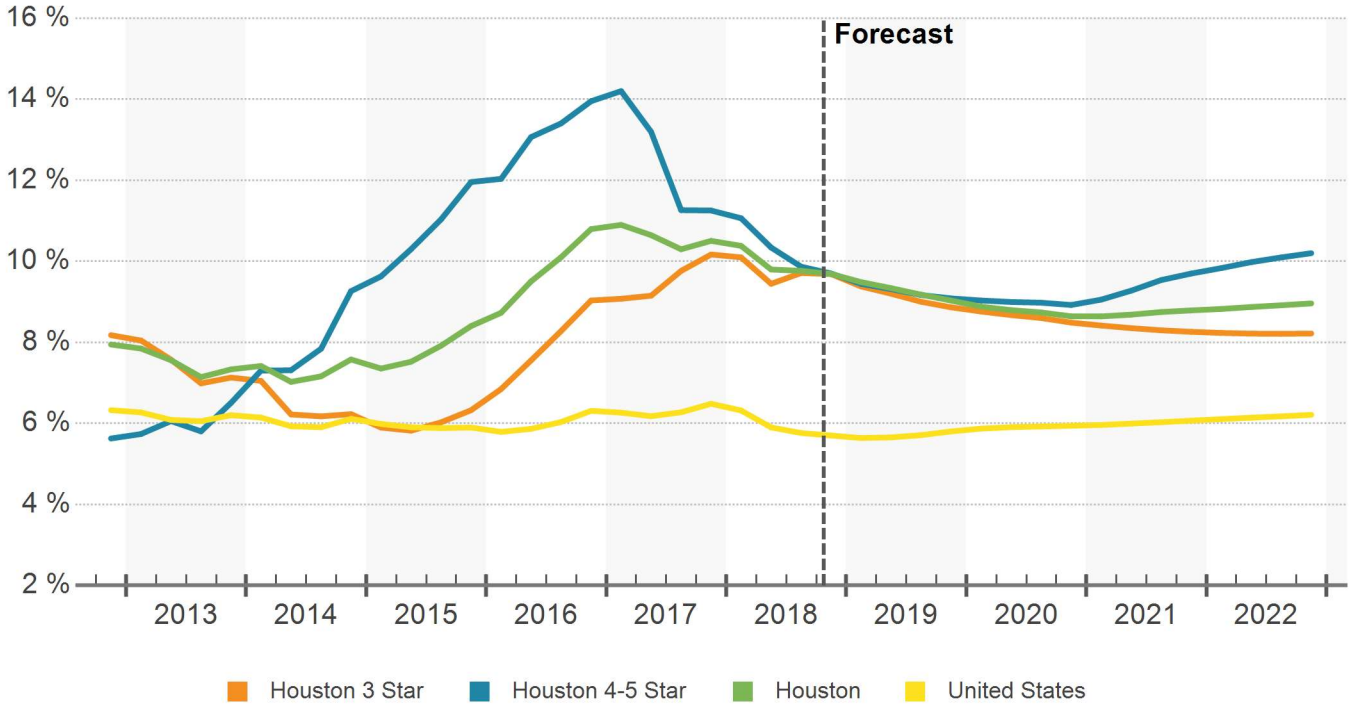
A recent study by the Kinder Institute at Rice University showed that, while Houston ranks highly in terms of affordability at a metro level, the cost of living inside the 610 Loop and in West Houston is more akin to Chicago or Miami, especially as the city becomes increasingly densified. Data from Moody's Analytics also shows that Houston single-family housing starts and apartment deliveries continue to lag new household formation and that housing is increasingly undersupplied.

Vacancy

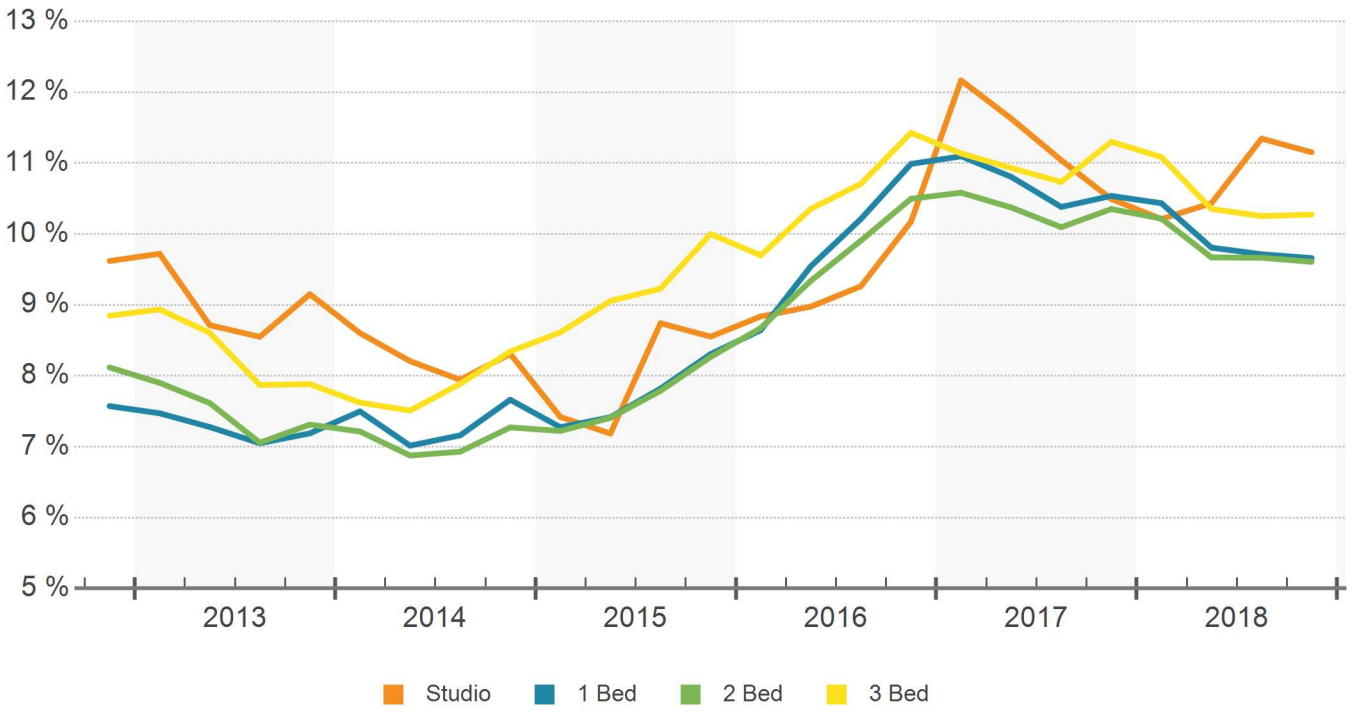
ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



VACANCY BY BEDROOM



As of 18Q3, year-over-year rent growth was 1.1%, which stood in stark contrast to the negative four-quarter trailing rent growth that lasted between 16Q3 and 17Q2. Between the number of units that delivered this cycle and the slowdown in the local economy, rent declines were prevalent before Harvey, and an improving economic outlook reversed that trend.

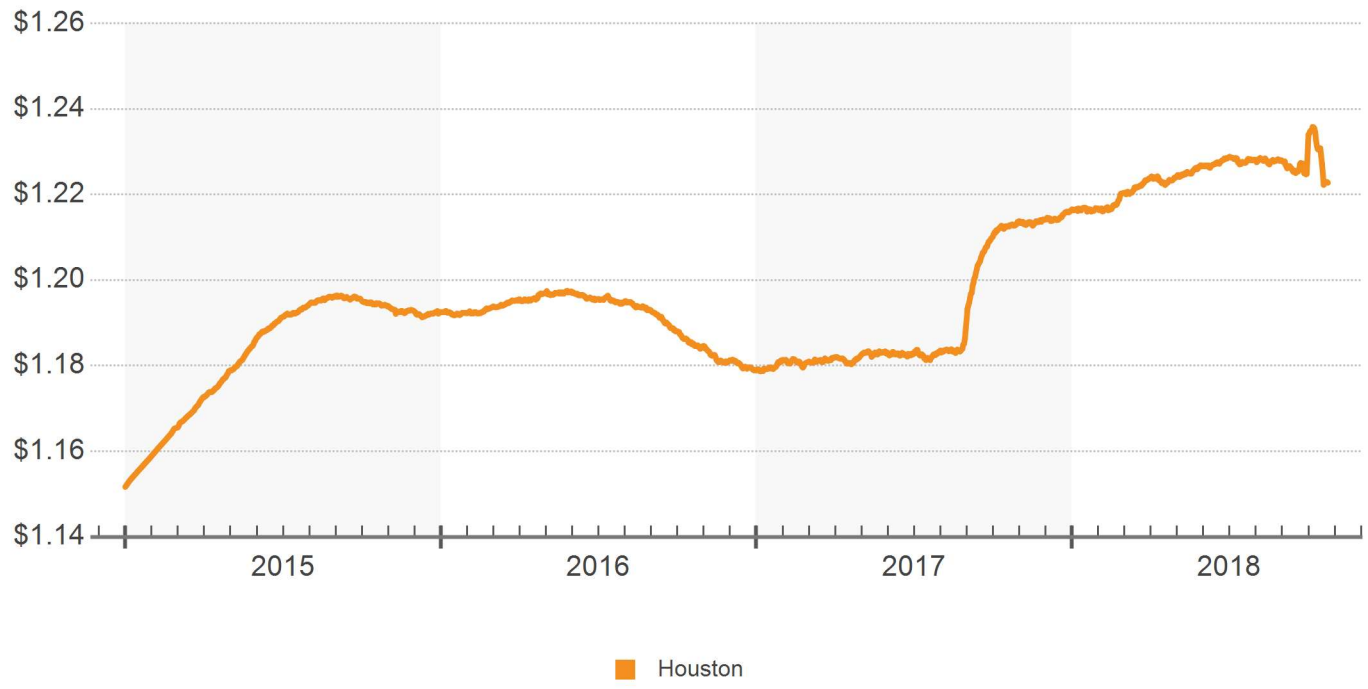
In the submarkets that have received heavy supply this cycle, average annual rent growth was significantly lower than growth in the previous cycle (2006–09). A good example is Neartown/River Oaks. In terms of number of units delivered, Neartown/River Oaks saw the largest inventory expansion this cycle on a nominal basis. While annual rent growth averaged about 3% last cycle in this submarket, it has slowed to approximately 1% growth this cycle. While this slowdown in rent growth in Neartown/River Oaks was the greatest among all Houston submarkets, a similar trend was exhibited in submarkets such as Medical Center/West University and Galleria/Uptown.

Before Hurricane Harvey hit, in early 17Q3, the metro's four-quarter trailing rent growth was still negative. However, an increase in demand from displaced residents due to Harvey resulted in immediate rent growth. Average asking rents in the metro increased by more than 2% in one month, and the bump was even larger in top-quality properties. CoStar offers the ability to track daily rent changes, which provides a good indication of how the apartment market has fared since the storm passed through in August 2017.

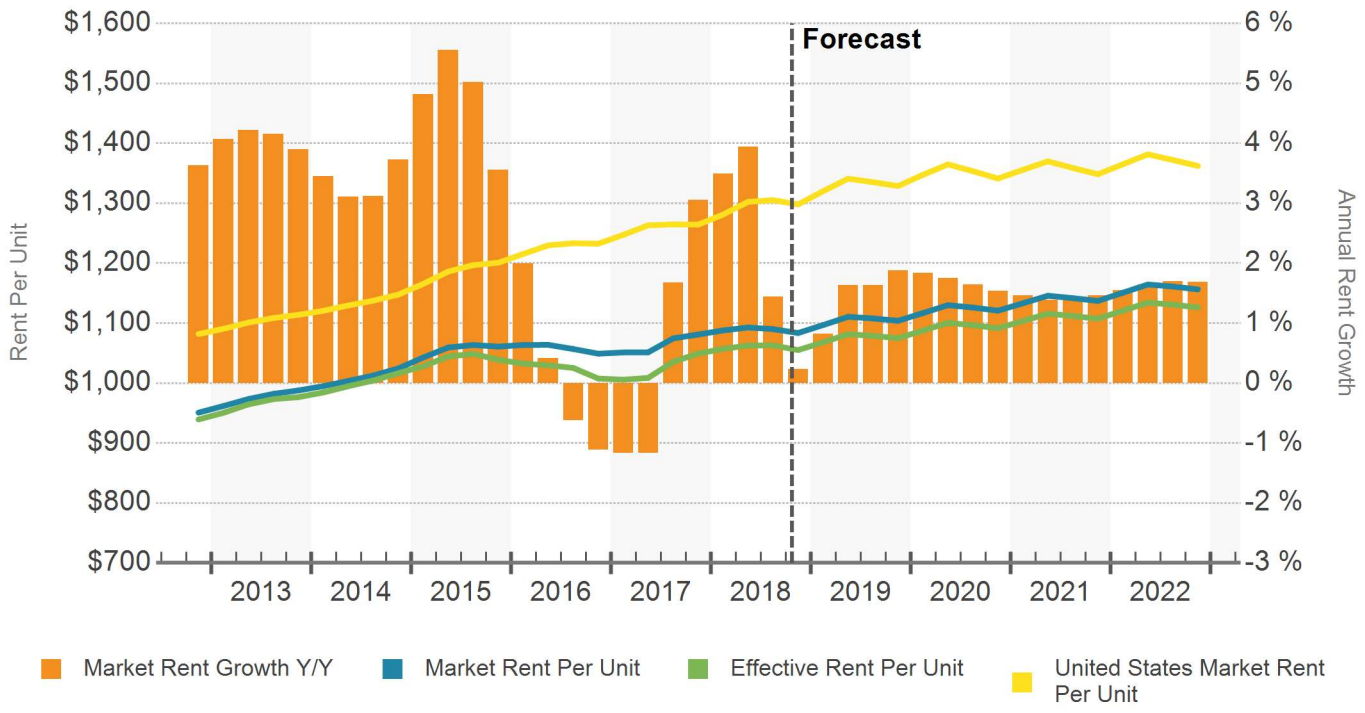
Prior to the storm, landlords were forced to get creative in order to lease up or maintain occupancy. Generous concessions of anything from one month free rent to three months free could be found throughout the metro, and established submarkets like Galleria/Uptown and Neartown/River Oaks were at the forefront because of the sheer amount of supply that delivered at the peak of the cycle. However, the recent uptick in demand has allowed for landlords to reduce some of the incentives they were offering prior to the storm, and concessions in most submarkets have been cut by at least half.

Perhaps most interesting to follow has been the correction that has taken place in the second half of 2018. While asking rents rose, albeit slowly, over the first six months of the year, rates have started to decline slowly this quarter. In fact, since the beginning of July, asking rents have decreased by about 0.5%. While this is minimal, especially compared to the losses experienced in 2016, it should be noted that this decline has been steady and consistent, rather than a swift fluctuation that may correct itself overnight. Although seasonality does play a significant role in Houston, this appears to be more of a market correction from Harvey, rather than an early onset of seasonality.

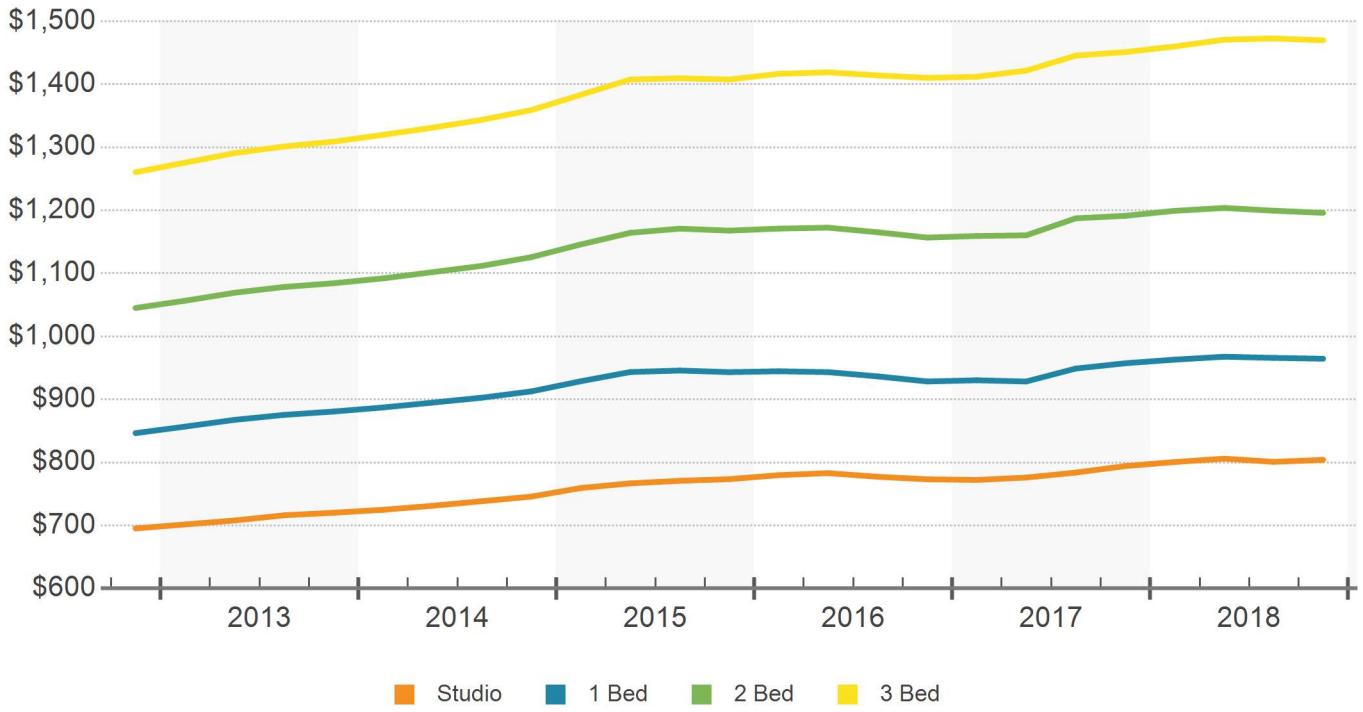
DAILY ASKING RENT PER SF



MARKET RENT PER UNIT & RENT GROWTH



MARKET RENT PER UNIT BY BEDROOM



4 & 5 STAR EXPENSES PER SF (ANNUAL)

	Operating Expenses								Capital Expenditures			
Market / Cluster	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	Total
Houston	$0.44	$0.75	$0.35	$0.43	$0.69	$1.00	$0.48	$2.36	$0.14	$0.27	$0.79	**$7.70**
Alief	$0.44	$0.97	$0.97	$0.84	$1.23	$1.06	$0.57	$1.82	$0.11	$0.39	$0.99	**$9.39**
Baytown	$0.38	$0.88	$0.44	$0.47	$0.70	$0.88	$0.60	$1.47	$0.05	$0.16	$0.56	**$6.59**
Bear Creek/Copperf…	$0.40	$0.49	$0.05	$0.48	$0.60	$1.05	$0.45	$2.23	$0.06	$0.05	$0.55	**$6.41**
Briar Forest/West M…	$0.42	$0.72	$0.29	$0.50	$0.64	$0.81	$0.46	$2.44	$0.08	$0.36	$0.65	**$7.37**
Brookhollow/Inwood	$0.36	$0.84	$0.58	$0.53	$0.74	$0.67	$0.34	$1.13	$0.06	$0.24	$0.52	**$6.01**
Cinco Ranch	$0.48	$0.72	$0.34	$0.44	$0.64	$0.94	$0.42	$2.76	$0.21	$0.33	$0.86	**$8.14**
Downtown	$0.42	$0.71	$0.09	$0.31	$0.79	$0.97	$0.49	$3.59	$0.11	$0.30	$0.87	**$8.65**
Galleria/Uptown	$0.48	$0.74	$0.59	$0.35	$0.56	$0.86	$0.38	$2.85	$0.12	$0.16	$0.94	**$8.03**
Greenspoint/IAH Air…	$0.35	$0.89	$0.51	$0.46	$0.84	$0.76	$0.56	$1.58	$0.06	$0.13	$0.68	**$6.82**
Heights	$0.56	$0.85	$0.38	$0.42	$0.66	$1.28	$0.55	$3.38	$0.36	$0.34	$1.10	**$9.88**
Inner Loop East	$0.43	$0.83	$0.28	$0.37	$0.75	$0.98	$0.54	$3.11	$0.12	$0.27	$0.89	**$8.57**
Lake Houston Area	$0.35	$0.95	$0.58	$0.42	$0.82	$0.73	$0.56	$1.63	$0.06	$0.09	$0.72	**$6.91**
Medical Center/Wes…	$0.47	$0.77	$0.17	$0.43	$0.78	$1.19	$0.47	$3.09	$0.15	$0.21	$0.92	**$8.65**
Neartown/River Oaks	$0.56	$0.69	$0.28	$0.40	$0.70	$1.20	$0.47	$3.61	$0.23	$0.47	$1.19	**$9.80**
North Galveston Co…	$0.54	$0.58	$0.09	$0.38	$0.59	$0.91	$0.71	$1.48	$0.04	$0.16	$0.56	**$6.04**
Northwest Houston	$0.35	$0.68	$0.31	$0.44	$0.61	$0.87	$0.49	$1.96	$0.08	$0.37	$0.63	**$6.79**
Outlying Montgomer…	$0.37	$0.47	$0.10	$0.44	$0.53	$0.96	$0.40	$2.08	$0.08	$0.57	$0.56	**$6.56**
Pearland	$0.35	$0.45	$0.06	$0.45	$0.60	$0.92	$0.39	$1.82	$0.05	$0.12	$0.42	**$5.63**
Richmond/Rosenberg	$0.45	$0.63	$0.49	$0.43	$0.68	$0.93	$0.39	$1.90	$0.08	$0.12	$0.99	**$7.09**
South Brazoria Cou…	$0.36	$0.87	$0.44	$0.46	$1.12	$0.96	$0.64	$1.37	$0.09	$0.15	$0.56	**$7.02**
South Galveston Co…	$0.38	$0.88	$0.44	$0.47	$0.70	$0.88	$0.60	$1.47	$0.05	$0.16	$0.56	**$6.59**
Southeast Houston	$0.36	$1.11	$0.67	$0.49	$0.73	$0.82	$0.58	$1.36	$0.05	$0.10	$0.63	**$6.90**
Southeast Montgom…	$0.35	$1.06	$0.42	$0.56	$1.08	$0.82	$0.49	$1.10	$0.06	$0.11	$0.83	**$6.88**
Southwest Houston	$0.46	$0.51	$0.40	$0.49	$1.06	$1.31	$0.46	$2.11	$0.15	$0.15	$1.03	**$8.13**
Spring Branch	$0.36	$0.71	$0.53	$0.50	$0.70	$0.78	$0.58	$1.95	$0.10	$0.21	$0.54	**$6.96**
Sugar Land/Missour…	$0.48	$0.94	$0.68	$0.44	$0.60	$0.78	$0.50	$2.16	$0.05	$0.15	$0.99	**$7.77**
The Woodlands	$0.36	$0.51	$0.27	$0.28	$0.29	$0.99	$0.21	$1.89	$0.07	$0.53	$0.56	**$5.96**
Waller County	$0.37	$0.47	$0.10	$0.44	$0.53	$0.96	$0.40	$2.08	$0.08	$0.57	$0.56	**$6.56**
Westchase/Woodlake	$0.53	$0.76	$0.31	$0.44	$0.63	$1.22	$0.46	$3.01	$0.57	$0.33	$0.83	**$9.09**

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

	Operating Expenses								Capital Expenditures			
Market / Cluster	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	Total
Houston	$0.35	$0.64	$0.38	$0.42	$0.66	$0.77	$0.47	$1.28	$0.06	$0.13	$0.60	**$5.76**
Alief	$0.34	$0.92	$0.85	$0.76	$1.13	$1.02	$0.53	$0.71	$0.09	$0.38	$0.68	**$7.41**
Austin County	$0.38	$0.80	$0.47	$0.42	$0.63	$0.85	$0.35	$1.42	$0.09	$0.22	$0.73	**$6.36**
Baytown	$0.36	$0.68	$0.42	$0.44	$0.66	$0.78	$0.56	$0.93	$0.05	$0.07	$0.54	**$5.49**
Bear Creek/Copperf…	$0.22	$0.46	$0.05	$0.47	$0.59	$0.87	$0.43	$1.23	$0.06	$0.04	$0.53	**$4.95**
Briar Forest/West M…	$0.27	$0.64	$0.30	$0.47	$0.60	$0.71	$0.43	$1.59	$0.06	$0.21	$0.58	**$5.86**
Brookhollow/Inwood	$0.29	$0.95	$0.60	$0.57	$0.84	$0.75	$0.43	$0.62	$0.06	$0.14	$0.64	**$5.89**
Chambers County	$0.36	$0.67	$0.42	$0.44	$0.66	$0.77	$0.56	$0.89	$0.05	$0.07	$0.53	**$5.42**
Cinco Ranch	$0.43	$0.72	$0.34	$0.42	$0.60	$0.91	$0.41	$2.50	$0.17	$0.28	$0.81	**$7.59**
Downtown	$0.32	$0.68	$0.09	$0.30	$0.71	$0.78	$0.47	$1.30	$0.07	$0.17	$0.78	**$5.67**
Galleria/Uptown	$0.25	$0.66	$0.47	$0.34	$0.55	$0.64	$0.39	$1.42	$0.07	$0.16	$0.58	**$5.53**
Greenspoint/IAH Air…	$0.32	$0.69	$0.49	$0.43	$0.71	$0.71	$0.46	$1.27	$0.05	$0.09	$0.65	**$5.87**
Heights	$0.54	$0.82	$0.36	$0.41	$0.58	$1.07	$0.53	$2.55	$0.06	$0.16	$0.42	**$7.50**
Inner Loop East	$0.35	$0.70	$0.16	$0.32	$0.71	$0.81	$0.49	$1.62	$0.07	$0.17	$0.73	**$6.13**
Lake Houston Area	$0.32	$0.73	$0.52	$0.41	$0.68	$0.70	$0.47	$1.30	$0.05	$0.09	$0.66	**$5.93**
Liberty County	$0.32	$0.72	$0.53	$0.44	$0.71	$0.71	$0.47	$1.30	$0.05	$0.08	$0.66	**$5.99**
Medical Center/Wes…	$0.41	$0.62	$0.20	$0.42	$0.69	$0.84	$0.45	$2.15	$0.07	$0.15	$0.58	**$6.58**
Neartown/River Oaks	$0.52	$0.65	$0.25	$0.38	$0.60	$1.08	$0.46	$2.50	$0.06	$0.20	$0.45	**$7.15**
North Galveston Co…	$0.49	$0.53	$0.08	$0.30	$0.54	$0.58	$0.70	$1.11	$0.04	$0.07	$0.53	**$4.97**
Northwest Houston	$0.25	$0.53	$0.29	$0.36	$0.55	$0.65	$0.43	$1.10	$0.05	$0.06	$0.60	**$4.87**
Outlying Montgomer…	$0.21	$0.46	$0.11	$0.36	$0.51	$0.66	$0.38	$1.03	$0.05	$0.09	$0.55	**$4.41**
Pearland	$0.34	$0.45	$0.06	$0.44	$0.60	$0.90	$0.39	$1.70	$0.05	$0.11	$0.42	**$5.46**
Richmond/Rosenberg	$0.35	$0.54	$0.45	$0.41	$0.70	$0.82	$0.35	$1.10	$0.08	$0.12	$0.90	**$5.82**
South Brazoria Cou…	$0.29	$0.79	$0.42	$0.46	$1.07	$0.92	$0.61	$0.80	$0.09	$0.07	$0.53	**$6.05**
South Galveston Co…	$0.36	$0.67	$0.42	$0.44	$0.66	$0.77	$0.56	$0.89	$0.05	$0.07	$0.53	**$5.42**
Southeast Houston	$0.34	$0.70	$0.60	$0.47	$0.70	$0.76	$0.49	$0.82	$0.05	$0.03	$0.36	**$5.32**
Southeast Montgom…	$0.32	$0.72	$0.41	$0.48	$0.71	$0.78	$0.47	$1.07	$0.05	$0.10	$0.78	**$5.89**
Southwest Houston	$0.33	$0.45	$0.38	$0.47	$0.75	$0.77	$0.44	$1.16	$0.08	$0.15	$0.89	**$5.87**
Spring Branch	$0.28	$0.25	$0.60	$0.54	$0.77	$0.46	$0.22	$0.82	$0.12	$0.29	$0.76	**$5.11**
Sugar Land/Missour…	$0.40	$0.81	$0.55	$0.34	$0.47	$0.77	$0.42	$1.65	$0.04	$0.12	$0.97	**$6.54**
The Woodlands	$0.27	$0.37	$0.28	$0.21	$0.25	$0.73	$0.15	$1.35	$0.04	$0.31	$0.55	**$4.51**
Waller County	$0.28	$0.46	$0.10	$0.39	$0.52	$0.79	$0.40	$1.51	$0.06	$0.31	$0.55	**$5.37**
Westchase/Woodlake	$0.20	$0.65	$0.27	$0.43	$0.60	$0.66	$0.43	$0.92	$0.07	$0.15	$0.55	**$4.93**

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

	Operating Expenses								Capital Expenditures			
Market / Cluster	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	Total
Houston	$0.31	$0.41	$0.25	$0.38	$0.61	$0.61	$0.35	$0.82	$0.05	$0.09	$0.48	**$4.36**
Alief	$0.29	$0.67	$0.63	$0.62	$0.88	$0.77	$0.39	$0.59	$0.07	$0.29	$0.61	**$5.81**
Austin County	$0.34	$0.65	$0.45	$0.40	$0.60	$0.83	$0.28	$0.98	$0.08	$0.21	$0.67	**$5.49**
Baytown	$0.34	$0.34	$0.24	$0.38	$0.54	$0.47	$0.35	$0.72	$0.04	$0.06	$0.51	**$3.99**
Bear Creek/Copperf…	$0.19	$0.42	$0.04	$0.34	$0.49	$0.63	$0.27	$0.71	$0.05	$0.04	$0.50	**$3.68**
Briar Forest/West M…	$0.25	$0.38	$0.30	$0.37	$0.52	$0.58	$0.29	$1.00	$0.05	$0.24	$0.39	**$4.37**
Brookhollow/Inwood	$0.28	$0.76	$0.48	$0.55	$0.81	$0.72	$0.38	$0.54	$0.05	$0.05	$0.39	**$5.01**
Chambers County	$0.35	$0.55	$0.36	$0.42	$0.62	$0.67	$0.49	$0.83	$0.05	$0.06	$0.52	**$4.92**
Cinco Ranch	$0.26	$0.67	$0.25	$0.42	$0.61	$0.86	$0.35	$1.68	$0.07	$0.21	$0.49	**$5.87**
Downtown	$0.32	$0.56	$0.08	$0.29	$0.71	$0.76	$0.42	$1.06	$0.06	$0.16	$0.66	**$5.08**
Galleria/Uptown	$0.23	$0.64	$0.29	$0.31	$0.51	$0.63	$0.36	$1.07	$0.04	$0.13	$0.42	**$4.63**
Greenspoint/IAH Air…	$0.32	$0.53	$0.35	$0.41	$0.72	$0.69	$0.39	$0.94	$0.05	$0.09	$0.57	**$5.06**
Heights	$0.43	$0.34	$0.28	$0.37	$0.55	$1.01	$0.44	$1.10	$0.03	$0.06	$0.41	**$5.02**
Inner Loop East	$0.32	$0.45	$0.10	$0.29	$0.69	$0.74	$0.37	$0.83	$0.05	$0.15	$0.54	**$4.53**
Lake Houston Area	$0.32	$0.48	$0.33	$0.39	$0.67	$0.67	$0.37	$0.86	$0.05	$0.08	$0.56	**$4.78**
Liberty County	$0.32	$0.45	$0.31	$0.41	$0.70	$0.68	$0.36	$0.82	$0.05	$0.08	$0.54	**$4.72**
Medical Center/Wes…	$0.34	$0.34	$0.05	$0.39	$0.64	$0.56	$0.40	$1.07	$0.04	$0.09	$0.44	**$4.36**
Neartown/River Oaks	$0.46	$0.45	$0.25	$0.36	$0.58	$1.04	$0.42	$1.39	$0.03	$0.11	$0.42	**$5.51**
North Galveston Co…	$0.34	$0.32	$0.07	$0.29	$0.53	$0.45	$0.34	$0.72	$0.03	$0.06	$0.50	**$3.65**
Northwest Houston	$0.27	$0.49	$0.31	$0.35	$0.57	$0.62	$0.38	$0.83	$0.05	$0.06	$0.55	**$4.48**
Outlying Montgomer…	$0.18	$0.41	$0.09	$0.31	$0.46	$0.58	$0.25	$0.65	$0.04	$0.04	$0.51	**$3.52**
Pearland	$0.32	$0.39	$0.06	$0.41	$0.56	$0.65	$0.36	$0.83	$0.05	$0.06	$0.39	**$4.08**
Richmond/Rosenberg	$0.27	$0.45	$0.38	$0.41	$0.67	$0.65	$0.29	$0.70	$0.07	$0.11	$0.73	**$4.73**
South Brazoria Cou…	$0.27	$0.38	$0.26	$0.39	$0.60	$0.51	$0.38	$0.72	$0.07	$0.06	$0.51	**$4.15**
South Galveston Co…	$0.34	$0.33	$0.24	$0.38	$0.53	$0.46	$0.35	$0.72	$0.04	$0.06	$0.51	**$3.96**
Southeast Houston	$0.34	$0.33	$0.24	$0.38	$0.53	$0.46	$0.35	$0.72	$0.05	$0.02	$0.34	**$3.76**
Southeast Montgom…	$0.32	$0.72	$0.41	$0.48	$0.71	$0.78	$0.47	$1.07	$0.05	$0.10	$0.78	**$5.89**
Southwest Houston	$0.25	$0.36	$0.28	$0.44	$0.62	$0.51	$0.27	$0.73	$0.05	$0.13	$0.58	**$4.22**
Spring Branch	$0.27	$0.24	$0.52	$0.53	$0.75	$0.44	$0.22	$0.57	$0.06	$0.11	$0.43	**$4.14**
Sugar Land/Missour…	$0.24	$0.50	$0.39	$0.35	$0.47	$0.57	$0.27	$0.70	$0.04	$0.15	$0.66	**$4.34**
The Woodlands	$0.16	$0.20	$0.37	$0.11	$0.19	$0.40	$0.08	$0.69	$0	$0.04	$0.54	**$2.78**
Waller County	$0.20	$0.44	$0.12	$0.33	$0.49	$0.65	$0.26	$0.68	$0.04	$0.09	$0.48	**$3.78**
Westchase/Woodlake	$0.18	$0.57	$0.18	$0.42	$0.58	$0.63	$0.36	$0.73	$0.05	$0.14	$0.44	**$4.28**

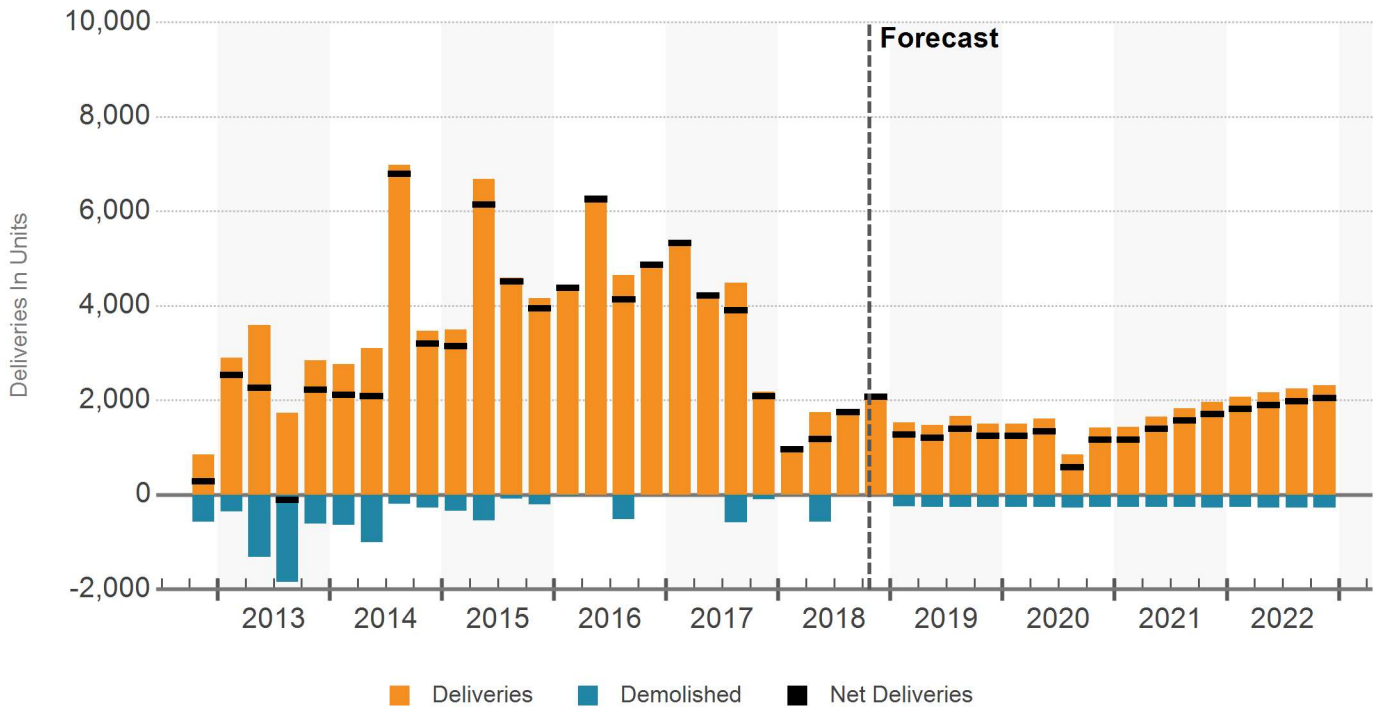
Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Houston continues to work through the large volume of units that delivered this cycle. Nearly 96,000 units have delivered since the beginning of 2010, and the majority were 4 & 5 Star properties concentrated in energy-exposed submarkets, west and north of Downtown. Developers followed the center of population growth, which mimicked that path. Construction is not finished, though: Another 11,000 units are under construction currently. While the focus of this activity has spread east and south of the city, about 25% of these units are slated to deliver in the ever-sought-after Neartown/River Oaks Submarket.

Downtown Houston remains in the spotlight for developers and investors. Headline news continues to arrive monthly in regards to the office market—Hines recently announced a new 1-million-SF office tower that it will develop on the former Houston Chronicle site, and Skanska is slated to complete construction on the Capitol Tower in 2019. Although the Downtown Living Initiative tax initiative program has concluded, the impacts are still being felt. The area embarked on a plan a few years ago to add population density to Downtown Houston to help make it a more live/work/play environment, and developers were given a tax incentive—$15,000/unit—to build. As a result, more than 3,000 units have delivered since 16Q1, and vacancies there are elevated as the submarket works through this glut of new inventory.

The expansion of the Grand Parkway has brought about a frenzy of development. As sections of Houston's third outer loop opened between 2013 and 2016, thus connecting I-10 with I-45, developers followed suit. And developers are once again following this path of growth. Next in line for the Grand Parkway's expansion is the Lake Houston Area, where more than 1,000 units are currently under construction, an all-time high for the submarket. Developments like Generation Park, along with the growth of the Port of Houston, have been a few of the additional catalysts that have driven rental demand and attracted developers to the area.

DELIVERIES & DEMOLITIONS

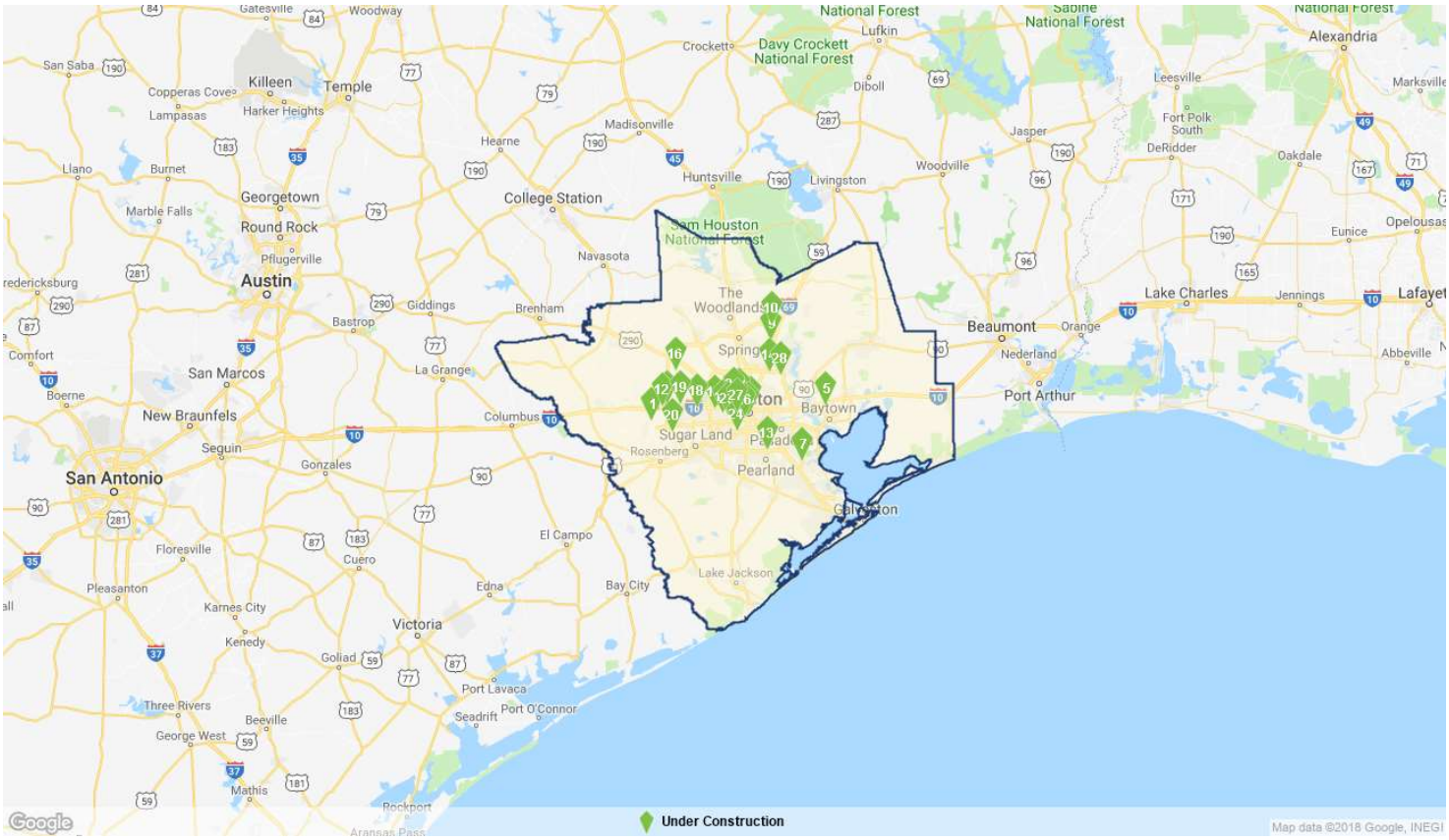


Under Construction Properties

Houston Multi-Family

Properties	Units	Percent of Inventory	Avg. No. Units
47	11,198	1.9%	238

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1	ParkLane Fulshear 27222 Fulshear Bend Dr	★★★★☆	380	3	Jun-2017	Nov-2018	Judwin Realty Group Judwin Realty Group
2	Hanover River Oaks 2930 Kirby Dr	★★★★★	370	39	Mar-2018	Jan-2020	The Hanover Company The Hanover Company
3	The Midtown 2850 Fannin St	★★★★☆	357	27	Jan-2018	Aug-2019	Caydon USA Caydon Property Group
4	Hardy Yards Apartment… 1550 Leona St	★★★★☆	350	4	Jan-2017	Nov-2018	Zieben Group Zieben Group
5	ALTA Baytown 1600 Santavy St	★★★★☆	337	3	Oct-2017	Jan-2019	Wood Partners Alta Baytown Owner Lp
6	3300 Main 3300 Main St	★★★★★	336	25	Jun-2018	Dec-2019	PM Realty Group Midtown Redevelopment Authority
7	1235 Nasa Pky	★★★☆☆	334	-	Mar-2018	Dec-2018	The Finger Companies The Finger Companies

Under Construction Properties

UNDER CONSTRUCTION

	Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8	**San Remo** 1502 Partnership Way	★★★☆☆	333	3	Sep-2017	Nov-2018	Sueba USA Corporation Sueba Development 145 Lp
9	**The Royalton at Kingwood** 22003 Northpark Dr	★★★★☆	331	3	Sep-2018	Nov-2019	- SWBC Real Estate, LLC
10	**The Pointe at Valley Ran…** US 59 & Grand Pky	★★★★☆	330	4	Jun-2018	Jun-2019	The Signorelli Company -
11	**The McAdams** 12000 Barryknoll Ln	★★★★☆	328	8	Aug-2017	Aug-2019	MetroNational Corporation MetroNational Corporation
12	**Lennar Multifamily Com…** 0 Colonial Pky	★★★★☆	326	-	Oct-2017	Dec-2018	Lennar Multifamily Investors LLC Lennar
13	**Domain Boulder Creek** 11576 Pearland Pky	★★★★☆	324	-	Apr-2017	Jan-2019	- CityStreet Residential
14	**Stonegrove Fall Creek** 8802 N Sam Houston Pky	★★★★☆	322	3	May-2018	Sep-2019	Allen Harrison Company -
15	**The Tradition-Woodway** 6336 Woodway Dr	★★★★☆	314	23	Jul-2018	Apr-2020	Tradition Senior Living, LP Tradition Senior Living, LP
16	**18515 Bridgeland Creek…**	★★★★☆	312	4	Sep-2018	Mar-2020	The Howard Hughes Corporation -
17	**Broadstone Heights Wat…** Nicholson St	★★★★☆	309	7	Mar-2018	Mar-2019	Alliance Residential Company Alliance Residential Company
18	**Village on Memorial Tow…** 15200 Memorial Dr	★★★★☆	305	2	Sep-2017	Jan-2020	- The Finger Companies
19	**Greenhouse Rd**	★★★★☆	301	3	Sep-2018	Feb-2020	TX-Morrow Construction Faringdon Corp N V
20	**Satori at Long Meadow** 3850 Meadow Ranch Pky	★★★★☆	300	3	Sep-2018	Sep-2019	- D.R. Horton, Inc.
21	**Citadel Apartments** 2601 Citadel Plaza Dr	★★★★☆	293	5	Apr-2018	Oct-2019	Allen Harrison Company Allen Harrison Company
22	**Residences at La Colom…** 1010 Harold St	★★★★★	285	34	Jul-2018	Dec-2020	Hines Hines
23	**Hanover BLVD** 1770 Post Oak Blvd	★★★★★	281	32	Feb-2017	Jan-2019	The Hanover Company The Hanover Company
24	**Haven at Lakes of 610** 8900 Lakes at 610 Dr	★★★★☆	276	4	Dec-2015	Nov-2018	Guefen Development Company Guefen Development Company
25	**Camden Downtown** 1515 Austin	★★★★★	271	21	Mar-2018	Apr-2020	Camden Property Trust Camden Property Trust
26	**Morgan Midtown** 3120 Smith St	★★★★☆	264	8	Feb-2017	Apr-2019	The Morgan Group, Inc. The Morgan Group, Inc.
27	**City Place Memorial Park** 160 Birdsall St	★★★★☆	264	4	Apr-2018	Nov-2019	Farb Homes Farb Homes
28	**255 Assay Street Luxury…** 255 Assay St	★★★★☆	251	5	May-2018	Jun-2019	McCord Development, Inc. McCord Development, Inc.

The local economic shock and subsequent negative impact on fundamentals had little impact on metro-wide investments in Houston. In fact, between 2012 and 2014, there was an average of 335 sales per year. And since the beginning of 2015, Houston has averaged about 320 sales per year, with time still remaining in 2018.

Digging deeper into this, though, the quality of property that sold changed drastically. From 2012 to 2014, about 22% of the properties that sold in each of those calendar years was 4 & 5 Star quality. Over that same time frame, 3 Star properties accounted for 40%, with 1 & 2 Star communities at about 38%.

Since the beginning of 2015, that percentage shifted, particularly as fundamentals did well, but also as pricing sky-rocketed in high-quality assets. Over that time, on average, nearly 50% of the assets sold have been of 1 & 2 Star quality. At the same time, sales of 4 & 5 Star assets dipped to 18%, while 3 Star assets made up just over 30% of assets sold. This era of the cycle represented the shift towards value-add acquisitions, particularly as investors saw lower-quality assets outperforming the overly volatile 4 & 5 Star assets during the local economic downturn.

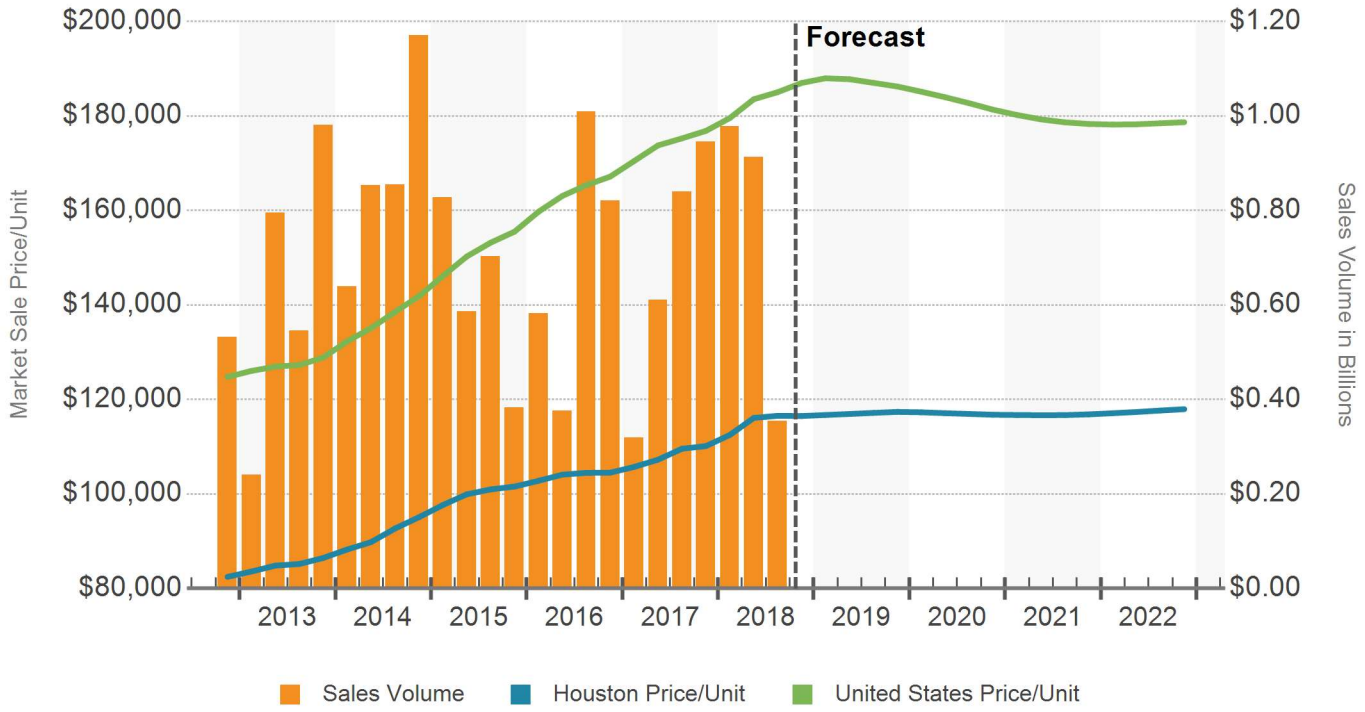
At the start of the cycle, Houston was targeted as one of the premier metros for apartment investment, and large-scale national and international investors flooded the market. More recently, though, since the beginning of 2017, many of the most active buyers here have been local, or at least regional. Houston-based companies and investors such as Nitya Capital, Hilltop Residential, Ajay Gupta, Gatesco, Mosaic Residential, and GPI Real Estate Management Corporation led the way in acquiring more than 40 properties collectively. Regional buyers like F&B Capital (five acquisitions), Knightvest Management (four), Cortland Partners (three), and Westmount Realty Capital (three) have also been active.

Meanwhile, most of the sellers in recent years included national players. New York- and Houston-based Gaia Real Estate sold five properties, Dallas-based Trammel Crow Residential sold four, Austin-based CFH Investment Partners sold four, and Plano-based Monogram Residential Trust sold three.

As mentioned before, pricing for high-quality assets has sky-rocketed in recent years, a trend not just unique to Houston, but one also seen throughout the country. Among notable transactions in Houston, the sale of Hanover Hermann Park late last year was one of the highest-valued deals in this cycle. In November 2017, the 5 Star, 396-unit property sold for $90.5 million ($228,500/unit). Formerly known as Mosaic at Hermann Park, the community was sold by Winthrop Realty Liquidating Trust of Boston and acquired in a joint venture between the locally based Hanover Company and PGIM Real Estate of New Jersey. A private loan of $60 million was utilized in the acquisition.

In June 2018, another deal took place, this time with even higher pricing than the Hanover Hermann Park deal. The 5 Star, 378-unit Assembly at Historic Heights community sold for approximately $100 million ($264,500/unit). The community was sold by Trammel Crow Residential, which developed the property two years prior, and was acquired by San Francisco-based Stockbridge Capital Group. Formerly known as Alexan Yale Street, the property was about 90% occupied at the time of sale.

SALES VOLUME & MARKET SALE PRICE PER UNIT

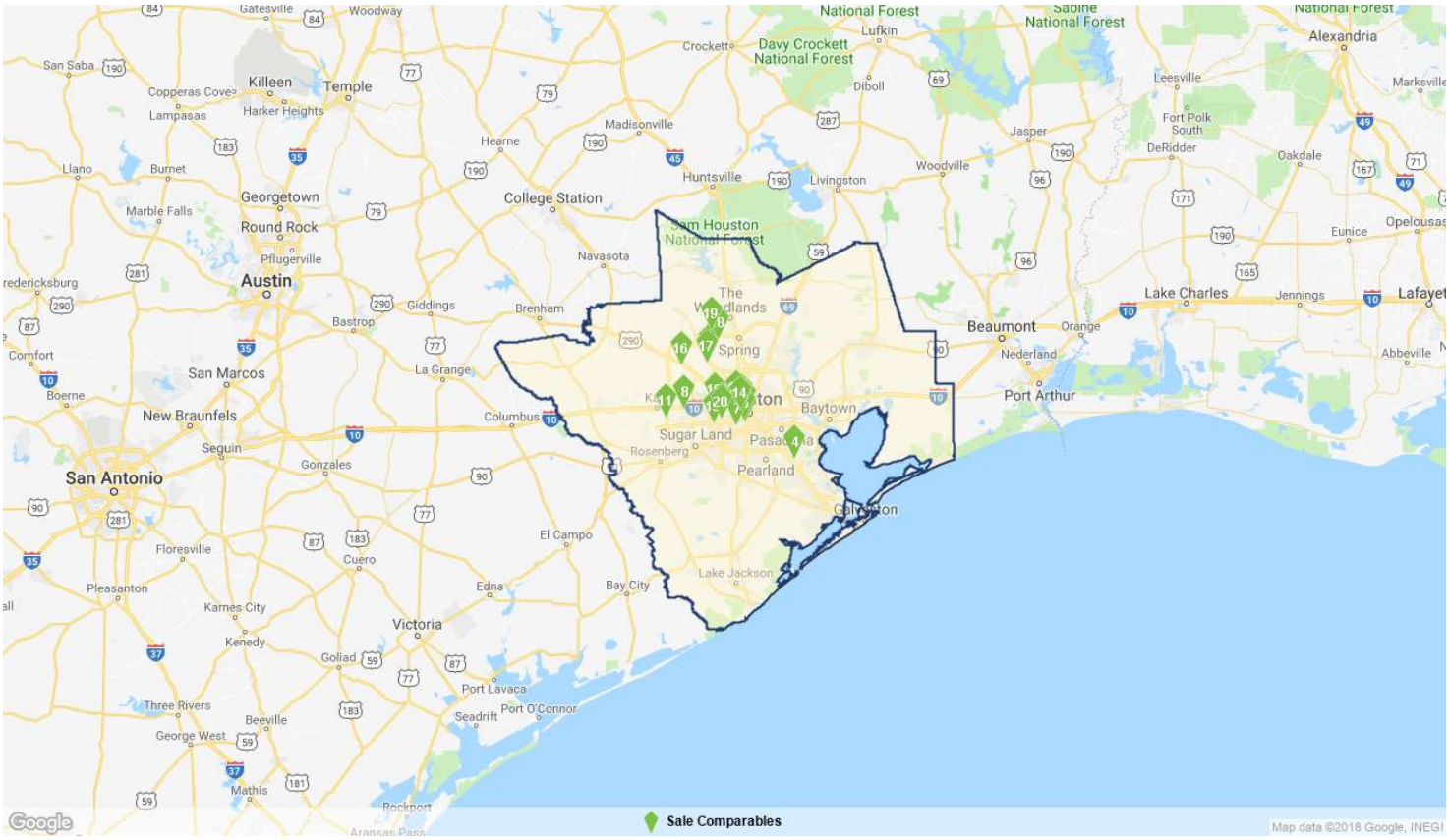


Sales Past 12 Months

Houston Multi-Family

Sale Comparables	Avg. Price/Unit (thous.)	Average Price (mil.)	Average Vacancy at Sale
349	$117	$29.6	10.4%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$225,000	$29,559,495	$29,500,000	$100,000,000
Price Per Unit	$29,625	$117,131	$105,882	$325,446
Cap Rate	4.0%	6.9%	6.0%	17.0%
Vacancy Rate at Sale	0%	10.4%	7.1%	90.0%
Time Since Sale in Months	0.1	6.1	5.8	12.0
Property Attributes	**Low**	**Average**	**Median**	**High**
Property Size in Units	5	183	173	810
Number of Floors	1	2	2	29
Average Unit SF	78	853	855	1,607
Year Built	1920	1981	1980	2018
Star Rating	★☆☆☆☆	★★☆☆☆ 2.9	★★★☆☆	★★★★★

Sales Past 12 Months

RECENT SIGNIFICANT SALES

	Property Name/Address	Property Information				Sale Information			
		Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF
1	Assembly at Historic Heights 525 Yale St	★★★★★	2016	378	9.5%	6/8/2018	$100,000,000	$264,550	$288
2	Hanover Hermann Park 5927 Almeda Rd	★★★★★	2009	396	9.4%	11/9/2017	$90,500,000	$228,535	$224
3	Tinsley On The Park 919 Gillette St	★★★★★	2017	365	24.1%	3/15/2018	$85,780,000	$235,013	$276
4	The Haven 15902 Highway 3	★★☆☆☆	1991	732	4.8%	2/22/2018	$73,000,000	$99,726	$122
5	Venue Museum District 5353 Fannin St	★★★★☆	2009	224	9.4%	9/21/2018	$72,900,000	$325,446	$235
6	Memorial Hills 4200 Scotland St	★★★★☆	2008	308	9.4%	12/15/2017	$67,500,000	$219,155	$138
7	Weston 7510 Brompton Rd	★★★☆☆	1973	793	37.1%	3/28/2018	$65,800,000	$82,976	$92
8	VUE Kingsland 18021 Kingsland Blvd	★★★★☆	2014	423	37.6%	1/19/2018	$64,400,000	$152,245	$142
9	San Cierra Apartments 15500 Cutten Rd	★★★★☆	2009	362	7.7%	6/7/2018	$64,200,000	$177,348	$134
10	Villas at Bunker Hill 9757 Pine Lake Dr	★★★★☆	2006	399	18.6%	6/20/2018	$63,000,000	$157,894	$162
11	The Grand at LaCenterra 2727 Commercial Center Blvd	★★★★☆	2015	271	7.4%	1/18/2018	$58,270,000	$215,018	$228
12	Tanglewood at Voss 7510 Burgoyne Rd	★★★★☆	2007	376	4.0%	12/6/2017	$56,172,500	$149,394	$89
13	City Park in the Heights 1640 E TC Jester Blvd	★★★★☆	2003	308	7.5%	3/26/2018	$55,250,000	$179,383	$215
14	Heights West End 4020 Koehler St	★★★★☆	2016	283	3.5%	11/2/2017	$52,700,000	$186,219	$159
15	Vista on Gessner 6425 S Gessner Dr	★★☆☆☆	1978	810	12.4%	2/5/2018	$51,000,000	$62,962	$85
16	North Haven 17802 Mound Rd	★★★★☆	2015	310	3.9%	1/19/2018	$49,500,000	$159,677	$87
17	Palazzo at Cypresswood 13801 Napoli Dr	★★★★☆	2008	365	8.3%	6/26/2018	$48,750,000	$133,561	$134
18	Parkside Place 6220 FM 2920 Rd	★★★★☆	2015	384	16.7%	10/31/2017	$48,384,000	$126,000	$147
19	The Everlee 23902 Kuykendahl Rd	★★★★☆	2016	322	7.2%	5/10/2018	$48,140,000	$149,503	$160
20	Arium Uptown West 7600 Highmeadow Dr	★★★★☆	2010	321	9.7%	5/15/2018	$47,500,000	$147,975	$163

The Houston economy is one of the largest in the world. Houston is the fourth-most-populous city and fifth-most-populous metro in the United States, with more than 6.9 million residents in the metro area, and has grown at an impressive pace recently. If Houston were a nation, it would be the 24th-largest economy in the world and is currently the sixth-largest economy in the U.S. in terms of GDP. There are twenty Fortune 500 companies that call Houston home, helping to spur the more than 3 million jobs that exist here. Houston is known as the Energy Capital of the World—owing to its preeminent cluster of energy-related companies that are headquartered in the city. It is also home to the world's largest health care complex (the Texas Medical Center), the NASA Lyndon B. Johnson Space Center and the nation's largest U.S. export port.

Houston's resilience through the Global Financial Crisis, the recent height of the Shale Boom and the oil downturn is supported by its strong demographic trends. Since 2010, its population has grown by more than 15%, equating to over 1 million new residents added. Although nominal growth has slowed in each of the past three years, Houston still ranked second only to Dallas-Fort Worth among major U.S. metros for population growth over that time frame. This rapid growth is impressive, especially considering the recent local economic downturn and Hurricane Harvey. Through all of this, Houston still remains appealing to new residents due to its affordable cost of living, attractive climate and affordable home prices, among other factors.

Over the past year, Houston has added over 100,000 jobs, returning to a level of job growth not seen since the first quarter of 2015. This follows a year of tepid, below-average job growth in 2017 and two slightly negative years of job growth in 2015 and 2016. Part of this turnaround in the local economy owes itself to recovery efforts in the wake of Harvey, although the majority of growth is attributed to a recovery in oil prices and a brighter outlook for energy companies.

These leading economic indicators demonstrate a strong and lasting economy; however, Houston's dependency on the energy industry continues to cast a dark shadow on the overall real estate market. The recent oil crash has been compared to the 1980s bust, the worst in Houston's history. Between 1982 and 1986, Houston shed over 220,000 jobs, which would be the equivalent of losing more than half a million jobs today over an adjusted base. The difference during this past downturn is that Houston only shed a couple thousand jobs net, while continuing to lead the nation in population growth through the downturn. Moreover, during the 1980s, an oil downturn was compounded by a Savings & Loan crisis.

During this most recent oil downturn, Houston benefited from a strong U.S. economy as well as an increasingly diverse local economy. The energy market has begun to regain its footing, although with new realities. The days of rig counts regularly exceeding 1,700 nationally and crude oil prices eclipsing $100/barrel are not likely to return soon. The consensus of many energy industry experts is that cautious growth in the energy industry is the new norm. They forecast a more sustainable, Goldilocks recovery—in essence, not too hot and not too cold—less volatile.

Since the 1980s, Houston has diversified both within the energy industry—across upstream, midstream and downstream—and outside of it. Professional and Business Services and a variety of other industries expanded their geographic reach and stature and grew in tandem alongside Houston's population growth. Houston has become a central location for top medical research facilities and cutting-edge technological advances. The Texas Medical Center (TMC) is a major economic driver, employing over 100,000 people—second only to downtown Houston's approximately 150,000—and that number continues to grow. There are more than 175,000 high-tech professionals working in the combined knowledge cluster of the TMC, Rice University and the University of Houston.

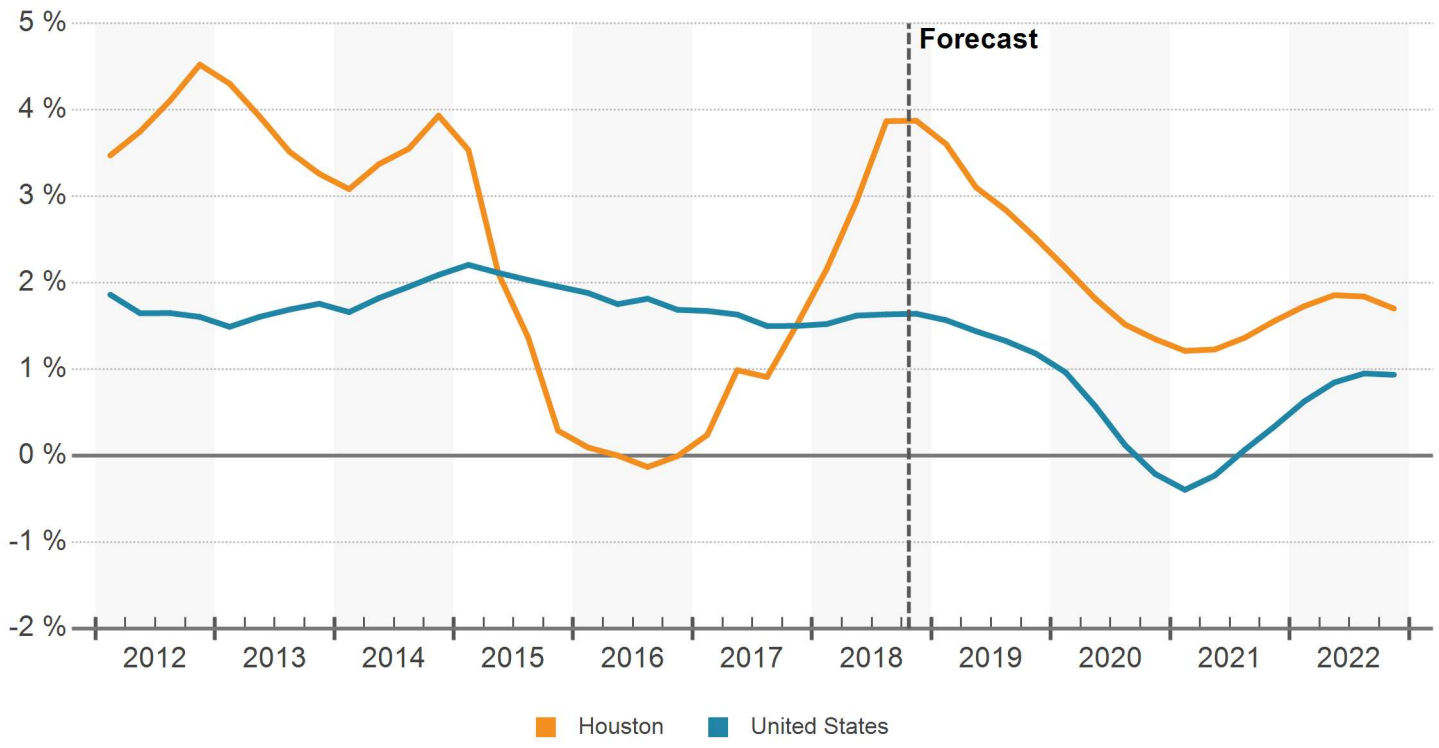
The Texas Medical Center 3 (TMC|3) project is symbolic of the local health care industry's meteoric trajectory. The TMC|3 is a proposed $1.5 billion collaborative research campus that will foster a commercial biotech hub, formed as a partnership between TMC, Baylor College of Medicine, Texas A&M University Health Science Center, The University of Texas Health Science Center at Houston and The University of Texas MD Anderson Cancer Center. Expected to break ground in 2019, the campus will be located just south of the existing TMC. Upon completion in 2022, it is estimated that TMC|3 will drive over $5 billion into the Houston economy and create 30,000 jobs.

HOUSTON EMPLOYMENT BY INDUSTRY IN THOUSANDS

	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
NAICS Industry	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	230	0.9	4.25%	2.02%	-0.54%	-0.41%	-0.13%	-1.36%
Trade, Transportation and Utilities	639	1.1	3.45%	1.17%	1.71%	0.64%	1.84%	0.21%
Retail Trade	320	1.0	3.69%	0.51%	1.81%	0.49%	2.27%	0.26%
Financial Activities	164	0.9	3.23%	1.38%	1.25%	0.50%	1.42%	0.64%
Government	408	0.9	0.43%	0.04%	0.95%	-0.10%	0.63%	0.53%
Natural Resources, Mining and Construction	317	1.9	8.12%	4.15%	0.67%	0.20%	2.45%	1.39%
Education and Health Services	393	0.8	2.32%	2.01%	3.17%	2.08%	2.09%	1.08%
Professional and Business Services	520	1.2	7.51%	2.57%	2.68%	1.81%	2.30%	1.22%
Information	31	0.5	-2.35%	-0.62%	-1.66%	-0.66%	1.03%	0.07%
Leisure and Hospitality	326	0.9	2.75%	1.80%	3.46%	2.05%	2.54%	1.09%
Other Services	111	0.9	2.17%	1.51%	1.44%	0.66%	1.69%	0.25%
Total Employment	**3,139**	**1.0**	**3.87%**	**1.64%**	**1.72%**	**0.89%**	**1.76%**	**0.61%**

Source: Moody's Analytics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



Source: Moody's Analytics

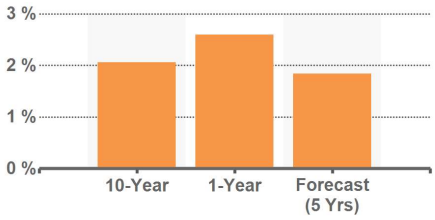
DEMOGRAPHIC TRENDS

	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
Demographic Category	**Metro**	**U.S.**	**Metro**	**U.S.**	**Metro**	**U.S.**	**Metro**	**U.S.**
Population	7,059,441	328,653,992	1.9%	0.7%	2.1%	0.8%	1.7%	0.6%
Households	2,492,166	126,673,844	2.0%	1.1%	2.1%	0.9%	1.9%	1.1%
Median Household Income	$65,889	$61,960	4.6%	3.6%	1.6%	1.7%	3.6%	2.8%
Labor Force	3,416,601	162,075,333	2.6%	0.9%	2.1%	0.5%	1.8%	0.8%
Unemployment	4.4%	3.8%	-0.3%	-0.4%	-0.1%	-0.2%	-	-

Source: Moody's Analytics

POPULATION GROWTH

LABOR FORCE GROWTH

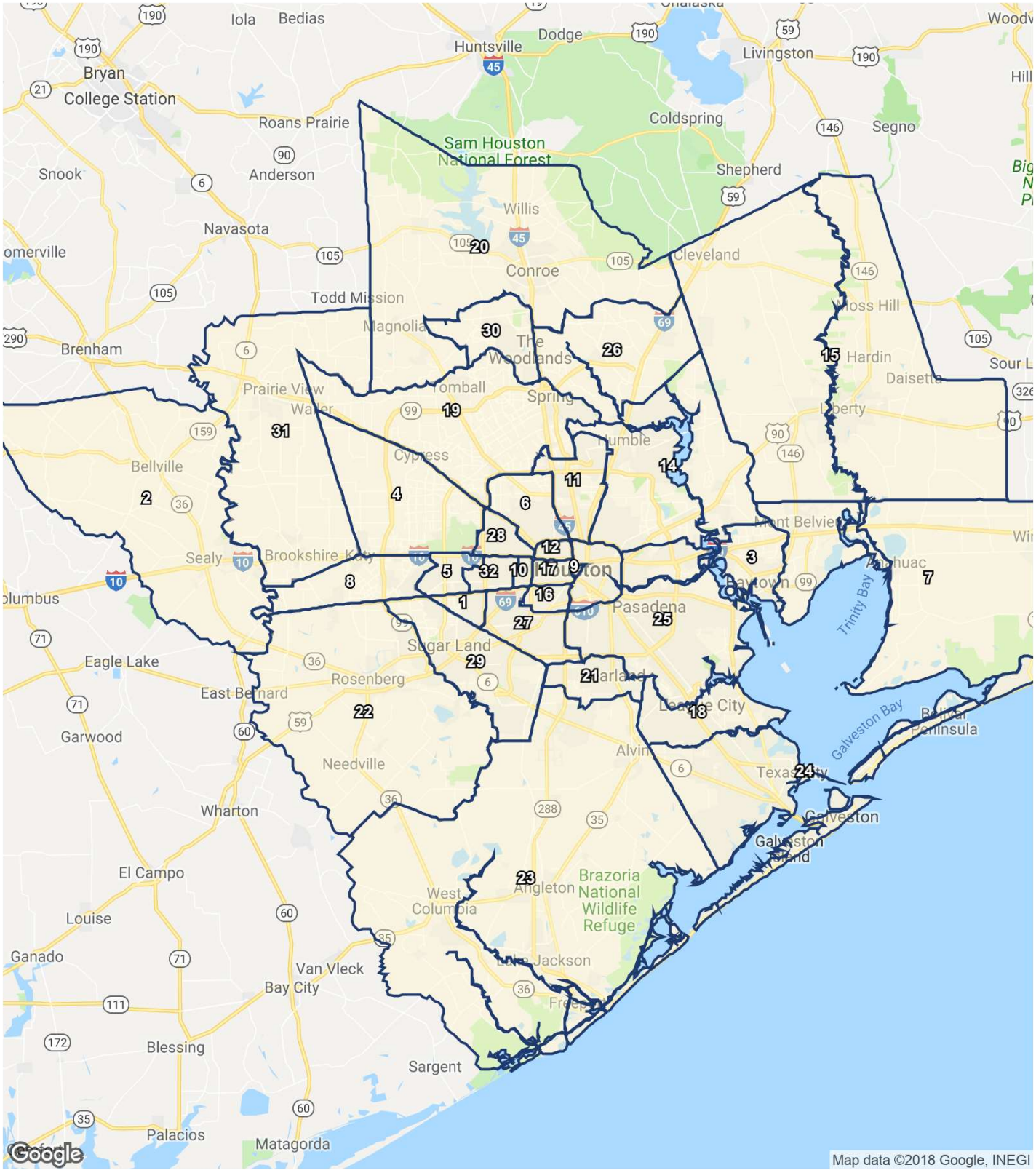


INCOME GROWTH

Source: Moody's Analytics

Submarkets

HOUSTON SUBMARKETS



SUBMARKET INVENTORY

		Inventory				12 Month Deliveries				Under Construction			
No.	Submarket	Bldgs	Units	% Market	Rank	Bldgs	Units	Percent	Rank	Bldgs	Units	Percent	Rank
1	Alief	63	15,153	2.5%	14	(1)	0	0%	-	1	64	0.4%	20
2	Austin County	11	282	0%	32	0	0	0%	-	0	0	0%	-
3	Baytown	55	8,443	1.4%	22	1	170	2.0%	10	2	491	5.8%	9
4	Bear Creek/Copperfield	80	19,798	3.3%	12	0	0	0%	-	4	1,272	6.4%	2
5	Briar Forest/West Memorial	99	30,257	5.1%	6	1	242	0.8%	8	1	305	1.0%	13
6	Brookhollow/Inwood	139	22,330	3.7%	9	0	0	0%	-	0	0	0%	-
7	Chambers County	8	633	0.1%	30	1	156	24.6%	11	0	0	0%	-
8	Cinco Ranch	48	14,099	2.4%	16	0	0	0%	-	2	516	3.7%	8
9	Downtown	24	5,056	0.8%	27	2	431	8.5%	5	1	271	5.4%	15
10	Galleria/Uptown	106	23,490	3.9%	8	1	171	0.7%	9	2	595	2.5%	6
11	Greenspoint/IAH Airport	129	21,413	3.6%	10	0	0	0%	-	1	135	0.6%	18
12	Heights	92	7,349	1.2%	25	2	94	1.3%	14	2	602	8.2%	5
13	Inner Loop East	214	9,797	1.6%	20	0	0	0%	-	1	350	3.6%	10
14	Lake Houston Area	112	19,094	3.2%	13	3	768	4.0%	2	5	1,126	5.9%	3
15	Liberty County	12	911	0.2%	29	0	0	0%	-	0	0	0%	-
16	Medical Center/West Uni…	135	26,721	4.5%	7	1	575	2.2%	3	2	194	0.7%	17
17	Neartown/River Oaks	324	35,521	5.9%	5	7	1,876	5.3%	1	10	2,562	7.2%	1
18	North Galveston County	60	8,547	1.4%	21	0	0	0%	-	0	0	0%	-
19	Northwest Houston	238	58,237	9.7%	3	3	403	0.7%	6	0	0	0%	-
20	Outlying Montgomery Co…	60	8,084	1.4%	24	0	0	0%	-	1	31	0.4%	21
21	Pearland	34	8,400	1.4%	23	2	311	3.7%	7	2	260	3.1%	16
22	Richmond/Rosenberg	42	6,397	1.1%	26	0	0	0%	-	0	0	0%	-
23	South Brazoria County	104	10,851	1.8%	18	0	0	0%	-	0	0	0%	-
24	South Galveston County	143	10,818	1.8%	19	0	0	0%	-	0	0	0%	-
25	Southeast Houston	427	70,018	11.7%	1	1	84	0.1%	15	3	850	1.2%	4
26	Southeast Montgomery C…	16	3,311	0.6%	28	1	20	0.6%	16	1	330	10.0%	11
27	Southwest Houston	280	65,639	11.0%	2	(1)	0	0%	-	1	276	0.4%	14
28	Spring Branch	117	20,062	3.4%	11	0	0	0%	-	0	0	0%	-
29	Sugar Land/Missouri City	51	13,211	2.2%	17	1	132	1.0%	13	3	540	4.1%	7
30	The Woodlands	46	14,321	2.4%	15	2	524	3.7%	4	1	100	0.7%	19
31	Waller County	11	318	0.1%	31	0	0	0%	-	0	0	0%	-
32	Westchase/Woodlake	128	39,753	6.6%	4	1	133	0.3%	12	1	328	0.8%	12

SUBMARKET RENT

		Asking Rents				Effective Rents					
No.	Submarket	Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Alief	$851	$1.00	27	2.7%	$828	$0.97	28	3.5%	2.7%	8
2	Austin County	$729	$0.96	29	-0.2%	$724	$0.95	29	-0.2%	0.6%	32
3	Baytown	$888	$1.04	25	-0.4%	$857	$1.01	25	-0.3%	3.5%	4
4	Bear Creek/Copperfield	$1,080	$1.18	15	1.4%	$1,056	$1.16	15	1.8%	2.2%	15
5	Briar Forest/West Memorial	$1,137	$1.20	12	-1.8%	$1,110	$1.17	12	-0.1%	2.4%	11
6	Brookhollow/Inwood	$866	$0.99	28	2.9%	$853	$0.97	27	3.7%	1.5%	27
7	Chambers County	$1,216	$1.23	10	3.1%	$1,178	$1.19	10	-0.1%	3.1%	5
8	Cinco Ranch	$1,281	$1.31	7	-0.6%	$1,253	$1.29	7	0.1%	2.2%	14
9	Downtown	$2,462	$2.47	1	3.8%	$2,346	$2.35	1	8.1%	4.7%	2
10	Galleria/Uptown	$1,360	$1.47	5	-1.1%	$1,305	$1.41	5	-0.5%	4.1%	3
11	Greenspoint/IAH Airport	$766	$0.93	31	2.6%	$751	$0.91	31	3.8%	2.0%	20
12	Heights	$1,359	$1.65	3	2.0%	$1,319	$1.60	3	3.8%	3.0%	7
13	Inner Loop East	$919	$1.09	22	2.8%	$905	$1.07	22	3.2%	1.5%	28
14	Lake Houston Area	$1,038	$1.14	19	0%	$1,020	$1.12	19	-0.5%	1.7%	24
15	Liberty County	$779	$0.93	30	3.5%	$774	$0.93	30	3.5%	0.7%	31
16	Medical Center/West Uni…	$1,510	$1.62	4	-0.4%	$1,424	$1.52	4	-1.8%	5.7%	1
17	Neartown/River Oaks	$1,743	$1.85	2	-0.9%	$1,696	$1.80	2	0.8%	2.7%	9
18	North Galveston County	$1,103	$1.18	16	-0.9%	$1,093	$1.17	13	-0.8%	0.9%	30
19	Northwest Houston	$1,025	$1.14	20	1.4%	$1,004	$1.12	20	2.6%	2.1%	19
20	Outlying Montgomery Co…	$993	$1.10	21	3.3%	$979	$1.09	21	6.9%	1.3%	29
21	Pearland	$1,223	$1.24	9	-1.6%	$1,195	$1.21	9	-2.3%	2.3%	13
22	Richmond/Rosenberg	$1,048	$1.20	11	1.8%	$1,031	$1.18	11	4.0%	1.7%	26
23	South Brazoria County	$962	$1.16	18	1.3%	$944	$1.14	18	2.3%	1.9%	23
24	South Galveston County	$982	$1.19	13	5.1%	$963	$1.17	14	5.3%	1.9%	21
25	Southeast Houston	$915	$1.09	23	2.9%	$894	$1.06	23	3.4%	2.3%	12
26	Southeast Montgomery C…	$1,098	$1.17	17	1.3%	$1,070	$1.14	17	2.1%	2.6%	10
27	Southwest Houston	$830	$1.00	26	2.8%	$812	$0.98	26	3.9%	2.2%	16
28	Spring Branch	$975	$1.08	24	3.0%	$957	$1.06	24	4.9%	1.9%	22
29	Sugar Land/Missouri City	$1,220	$1.27	8	0.6%	$1,199	$1.24	8	2.3%	1.7%	25
30	The Woodlands	$1,260	$1.32	6	1.8%	$1,234	$1.29	6	2.9%	2.1%	18
31	Waller County	$821	$0.90	32	4.3%	$803	$0.88	32	2.8%	2.1%	17
32	Westchase/Woodlake	$1,062	$1.19	14	1.0%	$1,030	$1.15	16	2.0%	3.0%	6

SUBMARKET VACANCY & ABSORPTION

		Vacancy			12 Month Absorption			
No.	Submarket	Units	Percent	Rank	Units	% of Inv	Rank	Construct. Ratio
1	Alief	1,154	7.6%	12	58	0.4%	18	-
2	Austin County	14	5.0%	1	(1)	-0.3%	24	-
3	Baytown	1,122	13.3%	30	110	1.3%	16	-
4	Bear Creek/Copperfield	1,976	10.0%	22	420	2.1%	8	-
5	Briar Forest/West Memorial	3,732	12.3%	29	(23)	-0.1%	27	-
6	Brookhollow/Inwood	1,486	6.7%	7	44	0.2%	19	-
7	Chambers County	55	8.6%	17	169	26.7%	14	0.9
8	Cinco Ranch	1,704	12.1%	27	(283)	-2.0%	31	-
9	Downtown	784	15.5%	32	1,204	23.8%	3	0.2
10	Galleria/Uptown	2,226	9.5%	21	418	1.8%	9	-
11	Greenspoint/IAH Airport	2,603	12.2%	28	274	1.3%	12	-
12	Heights	528	7.2%	9	294	4.0%	11	-
13	Inner Loop East	834	8.5%	15	35	0.4%	20	-
14	Lake Houston Area	2,580	13.5%	31	23	0.1%	22	33.6
15	Liberty County	55	6.0%	3	(18)	-1.9%	26	-
16	Medical Center/West Uni…	3,128	11.7%	26	370	1.4%	10	1.0
17	Neartown/River Oaks	3,059	8.6%	16	1,977	5.6%	1	0.6
18	North Galveston County	751	8.8%	18	(34)	-0.4%	28	-
19	Northwest Houston	5,513	9.5%	20	1,499	2.6%	2	0.3
20	Outlying Montgomery Co…	503	6.2%	4	689	8.5%	4	-
21	Pearland	770	9.2%	19	23	0.3%	21	13.5
22	Richmond/Rosenberg	465	7.3%	10	(38)	-0.6%	29	-
23	South Brazoria County	1,253	11.5%	25	483	4.5%	6	-
24	South Galveston County	777	7.2%	8	(46)	-0.4%	30	-
25	Southeast Houston	7,790	11.1%	24	124	0.2%	15	0.7
26	Southeast Montgomery C…	214	6.5%	6	98	2.9%	17	0.2
27	Southwest Houston	5,140	7.8%	13	(16)	0%	25	-
28	Spring Branch	1,666	8.3%	14	(301)	-1.5%	32	-
29	Sugar Land/Missouri City	828	6.3%	5	217	1.6%	13	0.6
30	The Woodlands	1,054	7.4%	11	489	3.4%	5	0.5
31	Waller County	19	6.0%	2	1	0.2%	23	-
32	Westchase/Woodlake	4,305	10.8%	23	471	1.2%	7	0.3

OVERALL SUPPLY & DEMAND

	Inventory			Absorption		
Year	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2022	623,375	7,725	1.3%	5,955	1.0%	1.3
2021	615,650	5,817	1.0%	4,389	0.7%	1.3
2020	609,833	4,327	0.7%	5,828	1.0%	0.7
2019	605,506	5,119	0.9%	9,204	1.5%	0.6
2018	600,387	5,953	1.0%	10,225	1.7%	0.6
YTD	598,314	3,880	0.7%	8,259	1.4%	0.5
2017	594,434	15,508	2.7%	15,558	2.6%	1.0
2016	578,926	19,624	3.5%	4,111	0.7%	4.8
2015	559,302	17,733	3.3%	11,806	2.1%	1.5
2014	541,569	14,183	2.7%	11,834	2.2%	1.2
2013	527,386	6,917	1.3%	9,604	1.8%	0.7
2012	520,469	1,225	0.2%	8,844	1.7%	0.1
2011	519,244	249	0%	4,293	0.8%	0.1
2010	518,995	4,770	0.9%	8,558	1.6%	0.6
2009	514,225	9,655	1.9%	1,041	0.2%	9.3
2008	504,570	16,821	3.4%	16,197	3.2%	1.0
2007	487,749	13,005	2.7%	7,845	1.6%	1.7
2006	474,744	6,730	1.4%	5,111	1.1%	1.3

4 & 5 STAR SUPPLY & DEMAND

	Inventory			Absorption		
Year	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2022	247,530	8,782	3.7%	6,687	2.7%	1.3
2021	238,748	6,867	3.0%	4,401	1.8%	1.6
2020	231,881	5,049	2.2%	4,967	2.1%	1.0
2019	226,832	5,836	2.6%	6,663	2.9%	0.9
2018	220,996	5,417	2.5%	8,233	3.7%	0.7
YTD	219,590	4,011	1.9%	6,934	3.2%	0.6
2017	215,579	14,912	7.4%	18,649	8.7%	0.8
2016	200,667	19,687	10.9%	13,331	6.6%	1.5
2015	180,980	18,095	11.1%	11,585	6.4%	1.6
2014	162,885	15,930	10.8%	10,404	6.4%	1.5
2013	146,955	9,904	7.2%	8,057	5.5%	1.2
2012	137,051	3,164	2.4%	4,820	3.5%	0.7
2011	133,887	426	0.3%	1,572	1.2%	0.3
2010	133,461	4,987	3.9%	7,119	5.3%	0.7
2009	128,474	9,400	7.9%	7,328	5.7%	1.3
2008	119,074	14,985	14.4%	13,879	11.7%	1.1
2007	104,089	10,821	11.6%	8,545	8.2%	1.3
2006	93,268	5,534	6.3%	5,559	6.0%	1.0

3 STAR SUPPLY & DEMAND

	Inventory			Absorption		
Year	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2022	244,145	15	0%	116	0%	0.1
2021	244,130	13	0%	566	0.2%	0
2020	244,117	338	0.1%	1,229	0.5%	0.3
2019	243,779	322	0.1%	2,289	0.9%	0.1
2018	243,457	671	0.3%	1,777	0.7%	0.4
YTD	242,790	4	0%	1,132	0.5%	0
2017	242,786	688	0.3%	(2,132)	-0.9%	-
2016	242,098	(38)	0%	(6,602)	-2.7%	0
2015	242,136	(200)	-0.1%	(427)	-0.2%	0.5
2014	242,336	(894)	-0.4%	1,361	0.6%	-
2013	243,230	(1,398)	-0.6%	1,266	0.5%	-
2012	244,628	(428)	-0.2%	3,704	1.5%	-
2011	245,056	5	0%	2,194	0.9%	0
2010	245,051	302	0.1%	1,353	0.6%	0.2
2009	244,749	428	0.2%	(4,174)	-1.7%	-
2008	244,321	2,265	0.9%	2,057	0.8%	1.1
2007	242,056	2,546	1.1%	422	0.2%	6.0
2006	239,510	1,620	0.7%	453	0.2%	3.6

1 & 2 STAR SUPPLY & DEMAND

	Inventory			Absorption		
Year	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2022	131,700	(1,072)	-0.8%	(848)	-0.6%	1.3
2021	132,772	(1,063)	-0.8%	(578)	-0.4%	1.8
2020	133,835	(1,060)	-0.8%	(368)	-0.3%	2.9
2019	134,895	(1,039)	-0.8%	252	0.2%	-
2018	135,934	(135)	-0.1%	215	0.2%	-
YTD	135,934	(135)	-0.1%	193	0.1%	-
2017	136,069	(92)	-0.1%	(959)	-0.7%	0.1
2016	136,161	(25)	0%	(2,618)	-1.9%	0
2015	136,186	(162)	-0.1%	648	0.5%	-
2014	136,348	(853)	-0.6%	69	0.1%	-
2013	137,201	(1,589)	-1.1%	281	0.2%	-
2012	138,790	(1,511)	-1.1%	320	0.2%	-
2011	140,301	(182)	-0.1%	527	0.4%	-
2010	140,483	(519)	-0.4%	86	0.1%	-
2009	141,002	(173)	-0.1%	(2,113)	-1.5%	0.1
2008	141,175	(429)	-0.3%	261	0.2%	-
2007	141,604	(362)	-0.3%	(1,122)	-0.8%	0.3
2006	141,966	(424)	-0.3%	(901)	-0.6%	0.5

OVERALL VACANCY & RENT

	Vacancy			Market Rent				Effective Rent	
Year	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2022	55,826	9.0%	0.2	$1,156	$1.29	1.7%	0.2	$1,126	$1.26
2021	54,042	8.8%	0.1	$1,137	$1.27	1.5%	(0.1)	$1,107	$1.24
2020	52,607	8.6%	(0.4)	$1,121	$1.25	1.5%	(0.3)	$1,091	$1.22
2019	54,095	9.0%	(0.7)	$1,104	$1.24	1.9%	1.7	$1,075	$1.20
2018	58,171	9.7%	(0.8)	$1,084	$1.21	0.2%	(2.8)	$1,055	$1.18
YTD	58,087	9.7%	(0.8)	$1,088	$1.22	0.6%	(2.4)	$1,060	$1.19
2017	62,458	10.5%	(0.3)	$1,081	$1.21	3.1%	4.2	$1,049	$1.18
2016	62,507	10.8%	2.4	$1,049	$1.18	-1.1%	(4.7)	$1,008	$1.13
2015	47,006	8.4%	0.8	$1,061	$1.19	3.6%	(0.2)	$1,039	$1.17
2014	41,046	7.6%	0.2	$1,024	$1.15	3.7%	(0.2)	$1,017	$1.14
2013	38,687	7.3%	(0.6)	$988	$1.11	3.9%	0.3	$977	$1.10
2012	41,366	7.9%	(1.5)	$951	$1.07	3.6%	2.1	$939	$1.06
2011	48,984	9.4%	(0.8)	$917	$1.03	1.6%	1.6	$911	$1.02
2010	53,016	10.2%	(0.8)	$903	$1.01	-0.1%	1.9	$896	$1.01
2009	56,795	11.0%	1.5	$904	$1.02	-2.0%	(4.8)	$896	$1.01
2008	48,191	9.6%	(0.2)	$922	$1.04	2.9%	(0.9)	$915	$1.03
2007	47,570	9.8%	0.8	$897	$1.01	3.7%	1.3	$890	$1.00
2006	42,405	8.9%	0.2	$864	$0.97	2.5%	-	$858	$0.96

4 & 5 STAR VACANCY & RENT

	Vacancy			Market Rent				Effective Rent	
Year	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2022	25,253	10.2%	0.5	$1,478	$1.52	1.6%	0.3	$1,433	$1.48
2021	23,159	9.7%	0.8	$1,455	$1.50	1.3%	0.1	$1,410	$1.45
2020	20,694	8.9%	(0.2)	$1,436	$1.48	1.2%	0.1	$1,392	$1.43
2019	20,610	9.1%	(0.6)	$1,420	$1.46	1.1%	2.8	$1,376	$1.42
2018	21,437	9.7%	(1.6)	$1,405	$1.45	-1.7%	(4.9)	$1,361	$1.40
YTD	21,345	9.7%	(1.5)	$1,417	$1.46	-0.9%	(4.1)	$1,374	$1.42
2017	24,265	11.3%	(2.7)	$1,429	$1.47	3.2%	6.6	$1,381	$1.42
2016	28,001	14.0%	2.0	$1,385	$1.43	-3.4%	(4.3)	$1,313	$1.35
2015	21,642	12.0%	2.7	$1,433	$1.48	0.9%	(1.7)	$1,399	$1.44
2014	15,094	9.3%	2.8	$1,420	$1.46	2.7%	(0.7)	$1,407	$1.45
2013	9,564	6.5%	0.9	$1,383	$1.43	3.3%	0	$1,371	$1.41
2012	7,715	5.6%	(1.4)	$1,338	$1.38	3.4%	1.7	$1,328	$1.37
2011	9,371	7.0%	(0.9)	$1,295	$1.34	1.7%	1.6	$1,286	$1.33
2010	10,514	7.9%	(2.0)	$1,273	$1.31	0.1%	2.7	$1,263	$1.30
2009	12,642	9.8%	1.0	$1,272	$1.31	-2.6%	(5.8)	$1,260	$1.30
2008	10,568	8.9%	(0.2)	$1,305	$1.35	3.3%	(1.5)	$1,294	$1.33
2007	9,461	9.1%	1.4	$1,264	$1.30	4.7%	2.0	$1,254	$1.29
2006	7,182	7.7%	(0.5)	$1,207	$1.24	2.7%	-	$1,197	$1.24

3 STAR VACANCY & RENT

	Vacancy			Market Rent				Effective Rent	
Year	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2022	20,070	8.2%	0	$1,000	$1.17	1.8%	0.2	$977	$1.14
2021	20,170	8.3%	(0.2)	$982	$1.15	1.6%	(0.2)	$959	$1.12
2020	20,723	8.5%	(0.4)	$966	$1.13	1.9%	(0.7)	$944	$1.11
2019	21,614	8.9%	(0.8)	$948	$1.11	2.6%	0.7	$926	$1.08
2018	23,581	9.7%	(0.5)	$924	$1.08	1.9%	(1.2)	$903	$1.06
YTD	23,567	9.7%	(0.5)	$924	$1.09	1.9%	(1.3)	$903	$1.06
2017	24,692	10.2%	1.1	$906	$1.07	3.2%	2.8	$883	$1.04
2016	21,874	9.0%	2.7	$879	$1.03	0.3%	(5.4)	$853	$1.00
2015	15,320	6.3%	0.1	$876	$1.03	5.8%	1.1	$859	$1.01
2014	15,097	6.2%	(0.9)	$828	$0.97	4.7%	0	$823	$0.97
2013	17,349	7.1%	(1.0)	$791	$0.93	4.7%	0.5	$779	$0.92
2012	20,008	8.2%	(1.7)	$755	$0.89	4.2%	2.7	$743	$0.87
2011	24,135	9.8%	(0.9)	$724	$0.85	1.5%	1.9	$719	$0.85
2010	26,317	10.7%	(0.4)	$714	$0.84	-0.4%	1.1	$708	$0.83
2009	27,364	11.2%	1.9	$717	$0.84	-1.5%	(3.7)	$711	$0.84
2008	22,770	9.3%	0	$727	$0.86	2.3%	(0.2)	$722	$0.85
2007	22,567	9.3%	0.8	$711	$0.84	2.5%	0.6	$706	$0.83
2006	20,440	8.5%	0.4	$694	$0.82	1.9%	-	$689	$0.81

1 & 2 STAR VACANCY & RENT

	Vacancy			Market Rent				Effective Rent	
Year	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2022	10,503	8.0%	(0.1)	$900	$1.08	1.7%	0.2	$882	$1.05
2021	10,713	8.1%	(0.3)	$885	$1.06	1.5%	(0.3)	$867	$1.04
2020	11,191	8.4%	(0.8)	$871	$1.04	1.8%	(0.9)	$854	$1.02
2019	11,871	9.3%	(0.4)	$856	$1.02	2.7%	0	$839	$1.00
2018	13,153	9.7%	(0.2)	$833	$1.00	2.7%	0.3	$817	$0.98
YTD	13,174	9.7%	(0.2)	$831	$1.00	2.5%	0.1	$815	$0.98
2017	13,501	9.9%	0.6	$811	$0.98	2.4%	(0.6)	$791	$0.95
2016	12,633	9.3%	1.9	$792	$0.95	3.0%	(4.6)	$774	$0.93
2015	10,044	7.4%	(0.6)	$769	$0.93	7.6%	2.3	$757	$0.91
2014	10,855	8.0%	(0.6)	$714	$0.86	5.3%	1.3	$710	$0.85
2013	11,774	8.6%	(1.2)	$679	$0.82	4.0%	0.7	$671	$0.81
2012	13,644	9.8%	(1.2)	$652	$0.79	3.3%	1.9	$640	$0.77
2011	15,477	11.0%	(0.5)	$631	$0.76	1.4%	1.4	$626	$0.75
2010	16,185	11.5%	(0.4)	$623	$0.75	-0.1%	1.0	$618	$0.74
2009	16,789	11.9%	1.4	$623	$0.75	-1.1%	(3.8)	$618	$0.74
2008	14,853	10.5%	(0.5)	$630	$0.76	2.7%	(0.3)	$626	$0.75
2007	15,542	11.0%	0.6	$614	$0.74	3.0%	0.3	$609	$0.73
2006	14,783	10.4%	0.4	$596	$0.72	2.7%	-	$592	$0.71

OVERALL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2022	-	-	-	-	-	-	$117,944	212	6.8%
2021	-	-	-	-	-	-	$116,840	210	6.7%
2020	-	-	-	-	-	-	$116,763	209	6.7%
2019	-	-	-	-	-	-	$117,368	211	6.5%
2018	-	-	-	-	-	-	$116,494	209	6.4%
YTD	275	$2,247 M	8.5%	$28,808,074	$116,204	7.1%	$116,730	209	6.4%
2017	298	$2,713 M	7.8%	$25,117,303	$111,111	7.4%	$110,131	198	6.5%
2016	363	$2,788 M	10.6%	$21,609,183	$96,553	7.2%	$104,509	187	6.6%
2015	350	$2,498 M	11.7%	$22,103,068	$87,446	8.0%	$101,571	182	6.6%
2014	374	$3,517 M	13.5%	$22,836,798	$96,316	7.7%	$95,084	171	6.7%
2013	375	$2,561 M	14.4%	$19,547,614	$81,296	7.1%	$86,468	155	7.0%
2012	257	$2,060 M	10.8%	$18,562,586	$66,472	6.9%	$82,469	148	7.1%
2011	204	$980.5 M	9.4%	$14,633,738	$51,832	7.5%	$76,123	137	7.3%
2010	150	$1,155 M	5.5%	$13,274,395	$58,677	7.6%	$69,003	124	7.5%
2009	121	$635.4 M	4.2%	$11,345,944	$49,113	8.2%	$52,353	94	8.4%
2008	180	$886.3 M	7.8%	$9,529,572	$48,913	8.1%	$55,748	100	8.3%
2007	227	$1,741 M	10.6%	$13,816,822	$61,615	6.8%	$69,324	124	7.4%

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4 & 5 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2022	-	-	-	-	-	-	$152,574	201	6.3%
2021	-	-	-	-	-	-	$151,300	199	6.3%
2020	-	-	-	-	-	-	$151,510	199	6.2%
2019	-	-	-	-	-	-	$152,979	201	6.1%
2018	-	-	-	-	-	-	$153,078	201	6.0%
YTD	65	$1,316 M	8.8%	$48,729,630	$157,324	5.5%	$153,714	202	5.9%
2017	51	$1,604 M	6.7%	$44,558,098	$147,897	5.8%	$148,483	195	5.9%
2016	52	$1,221 M	7.3%	$38,154,030	$128,600	5.9%	$140,685	185	6.0%
2015	62	$1,538 M	10.1%	$42,732,497	$131,777	5.7%	$137,810	181	6.0%
2014	77	$2,509 M	14.6%	$42,528,273	$127,648	5.4%	$129,568	171	6.1%
2013	80	$1,455 M	16.8%	$37,304,292	$131,223	6.0%	$118,051	155	6.4%
2012	64	$1,325 M	14.5%	$32,313,279	$104,905	5.9%	$112,479	148	6.4%
2011	58	$658.4 M	13.1%	$28,624,571	$94,783	5.9%	$103,879	137	6.6%
2010	29	$730.8 M	6.5%	$38,462,186	$115,193	6.2%	$94,076	124	6.8%
2009	14	$247.5 M	3.0%	$22,504,317	$86,223	7.4%	$71,518	94	7.6%
2008	25	$396.5 M	5.9%	$30,501,604	$96,080	6.9%	$75,980	100	7.5%
2007	45	$858.0 M	14.2%	$32,999,864	$108,306	5.9%	$93,771	123	6.8%

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3 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2022	-	-	-	-	-	-	$99,041	220	7.0%
2021	-	-	-	-	-	-	$97,986	218	7.0%
2020	-	-	-	-	-	-	$97,702	217	6.9%
2019	-	-	-	-	-	-	$97,773	218	6.7%
2018	-	-	-	-	-	-	$96,304	214	6.6%
YTD	109	$677.6 M	9.0%	$21,176,007	$86,676	6.4%	$96,301	214	6.6%
2017	89	$839.9 M	8.2%	$27,997,007	$89,485	7.2%	$89,572	199	6.7%
2016	144	$1,394 M	13.3%	$23,622,476	$84,443	7.3%	$84,867	189	6.8%
2015	112	$894.6 M	13.5%	$23,542,863	$60,579	7.8%	$81,867	182	6.9%
2014	137	$858.3 M	13.7%	$18,260,920	$63,406	7.5%	$76,370	170	7.0%
2013	148	$974.2 M	14.4%	$16,796,853	$59,717	7.1%	$69,463	155	7.3%
2012	112	$703.4 M	12.1%	$14,653,251	$43,275	7.7%	$66,317	148	7.4%
2011	71	$254.6 M	8.5%	$10,182,800	$30,958	7.6%	$61,177	136	7.6%
2010	54	$372.4 M	6.1%	$9,799,844	$34,790	8.3%	$55,571	124	7.8%
2009	51	$343.4 M	5.2%	$12,720,254	$43,829	8.7%	$42,112	94	8.7%
2008	79	$370.4 M	9.8%	$9,496,597	$37,544	8.1%	$44,949	100	8.6%
2007	89	$735.4 M	10.8%	$14,419,969	$44,690	6.9%	$56,343	125	7.7%

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1 & 2 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2022	-	-	-	-	-	-	$93,580	228	7.1%
2021	-	-	-	-	-	-	$92,676	226	7.1%
2020	-	-	-	-	-	-	$92,489	225	7.0%
2019	-	-	-	-	-	-	$92,599	225	6.9%
2018	-	-	-	-	-	-	$91,152	222	6.8%
YTD	101	$253.7 M	6.9%	$13,352,504	$80,386	9.2%	$91,014	221	6.7%
2017	158	$268.7 M	8.9%	$6,396,833	$64,244	8.0%	$82,518	201	6.9%
2016	167	$172.9 M	10.8%	$4,550,778	$60,212	8.1%	$78,907	192	7.0%
2015	176	$64.6 M	10.5%	$1,657,642	$30,494	9.3%	$75,974	185	7.1%
2014	160	$149.4 M	11.7%	$3,113,240	$44,997	9.4%	$70,663	172	7.2%
2013	147	$131.7 M	11.8%	$3,872,135	$32,126	8.6%	$63,862	155	7.6%
2012	81	$32.2 M	4.9%	$1,465,750	$15,247	8.6%	$60,978	148	7.6%
2011	75	$67.5 M	7.4%	$3,553,965	$18,021	10.6%	$56,255	137	7.8%
2010	67	$51.7 M	3.7%	$1,723,227	$19,627	8.1%	$50,933	124	8.1%
2009	56	$44.4 M	3.6%	$2,465,472	$19,901	8.2%	$38,496	94	9.1%
2008	76	$119.4 M	5.8%	$2,911,269	$28,922	8.7%	$41,095	100	8.9%
2007	93	$147.5 M	7.4%	$3,010,301	$38,046	7.3%	$51,499	125	8.0%

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DELIVERIES & UNDER CONSTRUCTION

	Inventory			Deliveries		Net Deliveries		Under Construction	
Year	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2022	-	623,377	9.0%	-	8,796	-	7,725	-	-
2021	-	615,652	8.8%	-	6,879	-	5,817	-	-
2020	-	609,835	8.6%	-	5,389	-	4,329	-	-
2019	-	605,506	8.9%	-	6,158	-	5,119	-	-
2018	-	600,387	9.7%	-	6,547	-	5,946	-	-
YTD	3,409	598,321	9.7%	24	4,481	20	3,880	47	11,198
2017	3,389	594,441	10.5%	68	16,189	65	15,508	50	9,865
2016	3,324	578,933	10.8%	76	20,181	73	19,621	82	18,961
2015	3,251	559,309	8.4%	68	18,910	58	17,733	119	31,266
2014	3,193	541,576	7.6%	55	16,304	37	14,183	107	28,609
2013	3,156	527,393	7.3%	40	11,047	16	6,912	75	21,739
2012	3,140	520,476	7.9%	15	3,283	(2)	1,221	60	16,489
2011	3,142	519,251	9.4%	4	491	0	249	31	7,434
2010	3,142	519,002	10.2%	22	5,616	16	4,770	12	2,409
2009	3,126	514,232	11.0%	34	10,093	29	9,654	24	5,829
2008	3,097	504,577	9.6%	65	17,904	58	16,821	45	13,014
2007	3,039	487,756	9.8%	47	13,473	44	13,005	78	22,017
2006	2,995	474,751	8.9%	29	7,154	25	6,730	72	21,735