

VIEWPOINT



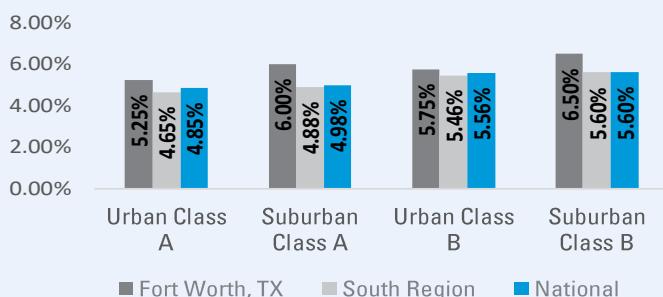
2023 FORT WORTH, TX MULTIFAMILY ANNUAL REPORT

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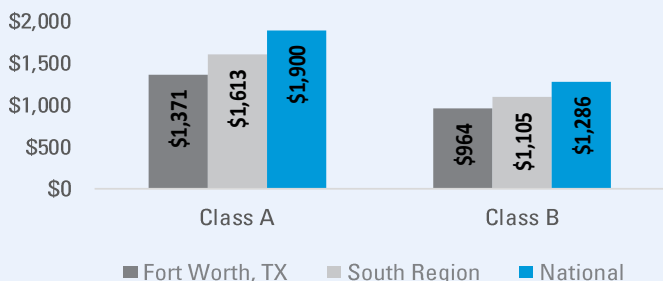
Market Rate Indicators (Y/Y)

| Categories | Class A | Class B |
|-----------------------|---------|---------|
| Going In Cap Rate (%) | ▲ | ▲ |
| Asking Rent (\$/Unit) | ▲ | ▲ |
| Vacancy Rate (%) | ▼ | ▲ |

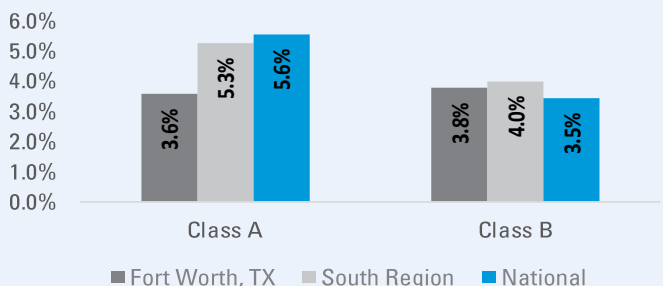
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



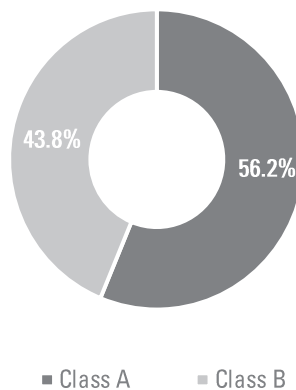
Vacancy Rates (%)



Fort Worth, TX Multifamily Market Overview

The Fort Worth multifamily market is expected to continue to experience growth into Q4 2022 and 2023, albeit slightly slower than the past 24 months. The Fort Worth economy is booming and continues to have expansion and job growth. It is estimated that the Dallas-Fort Worth metroplex area added an additional 295,000 jobs within the past 12 months which is contributing to a 1.42% population increase over 2021. In fact, the Dallas-Fort Worth Metroplex area has experienced an average 1.5% population growth year over year, the past four years. Out of state corporations continue to set their sights on Dallas-Fort Worth for their newest location and even new headquarter settlements. Most growth is concentrated in fast-growing suburban centers and is tied directly with the robust demographic growth in areas like Tarrant County. As the Fort Worth Metroplex has expanded to its boundaries, the trend for development of multifamily development into surrounding areas has taken off. For example, the Arlington Entertainment District, which is home to Texas Live, Globe Life Field, Choctaw Stadium and AT&T Stadium, broke ground this fall on One Rangers Way which is a 300-unit Luxury apartment development that will continue to compliment the progression of turning this area into a national destination. While interest rates and rental rates both continue to climb, investors in the multifamily market are also seeing the benefits of providing renters the options of Single-Family homes to rent in lieu of purchasing, which has created a large trend into Single Family Built to Rent (BTR) communities. Investors are experiencing great success in the leasing out of these properties and selling of these leased up communities to single purchase investors. Things have slowed down and apartment values have slightly dipped, but as a market, multifamily values are still higher than they were 24 months ago. Dallas-Fort Worth economy has proven durable in other economic downturns and the metro is typically among the first to show signs of recovery, and the long-term structural advantages, both in terms of economic development and demographics, in North Texas remain intact.

Distribution of Total Inventory



190,496 Units
Multifamily Inventory

1.40% - 12 Mo. Proj.
Construction/Inventory

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Change In Value Next 12 Months



+/- 0%

Urban Class A

+/- 0%

Urban Class B



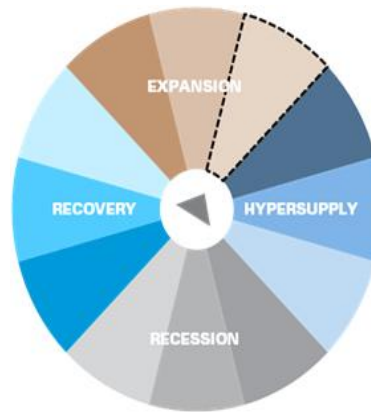
+/- 0%

Suburban Class A

+/- 0%

Suburban Class B

Market Cycle: Expansion Stage 3



- Moderate/High New Construction
- Moderate/High Employment Growth
- High Absorption
- Decreasing Vacancy Rates
- Med/High Rental Rate Growth

Forecasts

Fort Worth, TX 12-Month Multifamily Forecasts

| Categories | Urban Class A | Urban Class B | Suburban Class A | Suburban Class B |
|----------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Going-In Cap Rates | Increase 1-24 bps | Increase 1-24 bps | Remain Steady - no change | Increase 1-24 bps |
| Discount Rate | Increase 1-24 bps | Increase 1-24 bps | Remain Steady - no change | Increase 1-24 bps |
| Reversion Rate | Remain Steady - no change | Remain Steady - no change | Remain Steady - no change | Remain Steady - no change |
| Construction (Units) | 2,676 | | | |
| Market Rent Change | +3.00% | +3.00% | +3.00% | +3.00% |
| Expense Rate Change | +3.00% | +3.00% | +3.00% | +3.00% |
| Years to Balance | In Balance | | | |

Fort Worth, TX 36-Month Multifamily Forecasts

| Categories | Urban Class A | Urban Class B | Suburban Class A | Suburban Class B |
|--------------------|------------------|------------------|------------------|------------------|
| Market Rent Change | +15.51% | | | |
| Change in Value | Increase 1%-1.9% | Increase 1%-1.9% | Increase 1%-1.9% | Increase 1%-1.9% |

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 165 MAI-designated members of the Appraisal Institute among 600+ professionals based in our 50+ offices throughout the United States and the Caribbean. Founded in 1999, the firm specializes in real estate appraisals, feasibility and market studies, expert testimony, and related property consulting services across all local and national markets. Our valuation and counseling services span all commercial property types and locations, from individual properties to large portfolio assignments.

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