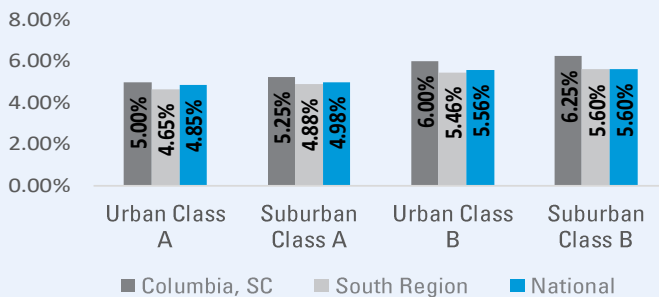


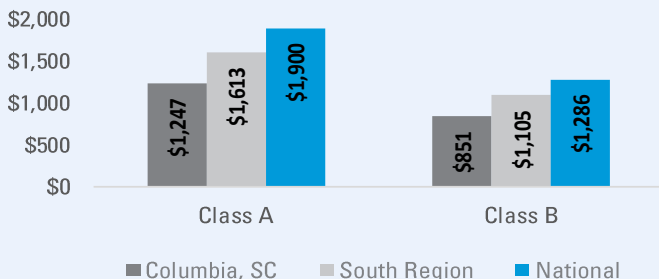
### Market Rate Indicators (Y/Y)

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

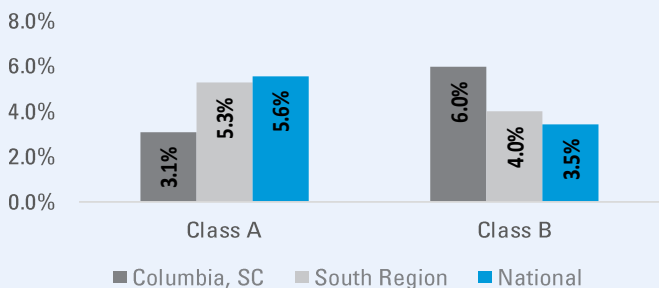
### Going In Cap Rate Comparisons (%)



### Asking Rents (\$/Unit)



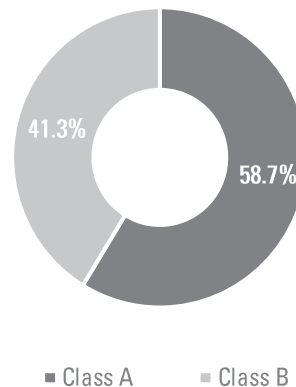
### Vacancy Rates (%)



### Columbia, SC Multifamily Market Overview

As a state capital, university town, and home to a large federal military installation, government employment plays an outsized role in the Columbia metro's economy. More than one in five employees here work in government, a 40% higher concentration than the national average. This reliance on government employment lends some stability to Columbia's economy, but slower private sector growth means the positive effects of the broader Sun Belt boom have had less impact on economic and population growth here. In the decade prior to the onset of the COVID-19 pandemic, employment in Columbia grew by 8%, less than half the rate of Greenville, South Carolina (19%), and one-third of Charlotte's 28% growth. Employment has returned to pre-COVID levels in Columbia, and its employment rate of 2.9% in September 2022 is comparable to South Carolina markets such as Charleston and Greenville, which have also fully recovered pandemic-induced job losses. Construction jobs have grown in the Columbia market, particularly in the residential sector. Single-family housing starts in the metro are up by more than 60% in April, more than other large South Carolina metros. New job announcements point to growth in nongovernmental sectors, as well, particularly for industrial users. Existing distribution companies include Amazon and UPS' Southeastern airport hub. In early 2022, Westinghouse announced a \$131 million expansion of its Fuel Fabrication Facility in Hopkins. South Carolina's recruitment of life science companies has also paid dividends for Columbia with the 2020 announcement of Nephron Pharmaceuticals' \$215.8 million expansion of its global HQ, including new warehouse and production space. While office-using announcements were more limited through 2020 and into 2021, technology consulting firm Capgemini recently expanded its service-delivery center in Columbia's Bull Street Corridor and Call4Health, a health Business Process Outsourcing company, announced a 324-job call center in Richland County. Multifamily sales activity in Columbia remained static in 22Q3 as interest rate hikes led investors to pull back on tertiary markets such as Columbia. That came after a record year in 2021 and 22Q1. Overall, about 52 deals have closed over the past 12 months. The average unit trades for about \$120,000/unit, although higher-end assets command a clear premium. In January 2022, Boston-based West Shore bought the Vantage at Wildewood for \$52.5 million or \$198,864/unit. The 264-unit property in North Richland County was built in 1998 and was 20% vacant at the time of sale. Multifamily vacancy rates are highest in West Columbia and Downtown; though Downtown is the only sizable submarket to see continued positive absorption in the first half of 2022, the area is still making up for deeper losses during the pandemic. Lake Murray and North Richland, which together account for nearly one-third of Columbia's inventory, saw the most demand in 2021, resulting in lower vacancy rates. However, absorption in the Lake Murray Submarket has remained negative since early 2022.

### Distribution of Total Inventory



38,518 Units  
Multifamily Inventory

0.22% - 12 Mo. Proj.  
Construction/Inventory

# 2023 COLUMBIA, SC MULTIFAMILY ANNUAL REPORT

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## Change In Value Next 12 Months



**+/- 0%**

Urban Class A

**▼0.1%-0.9%**

Urban Class B



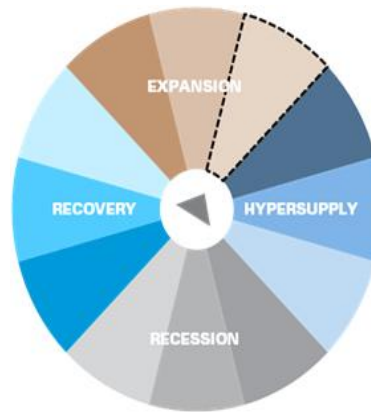
**+/- 0%**

Suburban Class A

**▼1%-1.9%**

Suburban Class B

## Market Cycle: Expansion Stage 3



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

## Forecasts

### Columbia, SC 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Remain Steady - no change	Increase 1-24 bps	Remain Steady - no change	Increase 1-24 bps
Discount Rate	Remain Steady - no change	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps
Reversion Rate	Remain Steady - no change	Increase 1-24 bps	Remain Steady - no change	Increase 1-24 bps
Construction (Units)	83			
Market Rent Change	+4.00%	+3.00%	+4.00%	+3.00%
Expense Rate Change	+4.00%	+4.00%	+4.00%	+4.00%
Years to Balance	3			

### Columbia, SC 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+12.61%			
Change in Value	Decrease 0.1%-0.9%	Decrease 0.1%-0.9%	Decrease 0.1%-0.9%	Decrease 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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