

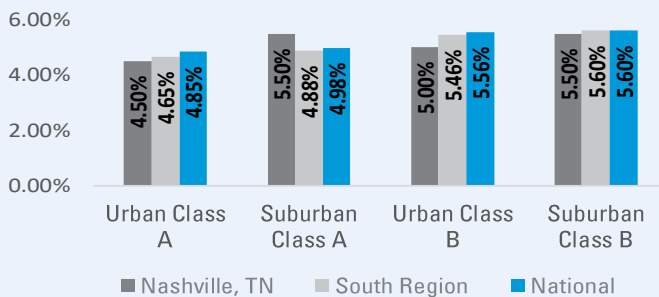
2023 NASHVILLE, TN MULTIFAMILY ANNUAL REPORT

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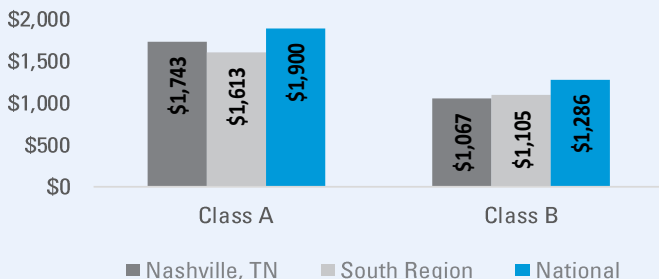
Market Rate Indicators (Y/Y)

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

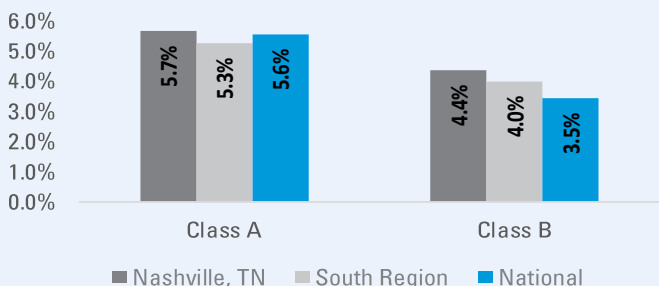
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



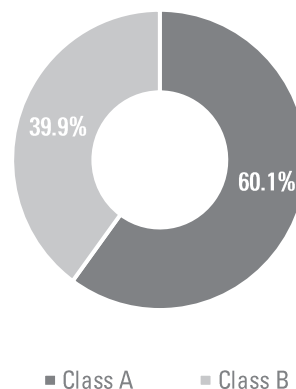
Vacancy Rates (%)



Nashville, TN Multifamily Market Overview

Job growth in Nashville according to the Bureau of Labor Statistics was 4.9% in August 2022 which indicated 52,300 jobs were added during the 12-month period. This figure was above the national average of 3.8%. This strong growth which is above the national average is a reason why there has been such strong demand for residential housing. It was estimated that there are 8,680 apartment units set to be delivered in 2022 whereas there were 5,990 units delivered in 2021. The average asking rental rate of newly delivered projects is \$2,082 per unit, or \$2.23 per square foot. Concessions are also at an all-time low with only \$204 being the value allocated. Existing multifamily projects in the Nashville MSA have an average asking rent of \$1,667 per unit, or \$1.75 per square foot. Investors have not shied away from Nashville's multifamily market in recent months, with sales volume exceeding \$7 billion over the last 12-month period. Investors are still strong in the market with sales volume exceeding \$7 billion over the last twelve months. The price per unit is approaching an average of \$250,000 which is an increase of 28% over the last two years. New deliveries continue to place supply-side pressure on the apartment market, but job growth stemming from corporate relocations and expansions from Amazon, AllianceBernstein, Capgemini, NTT Data, and others will help support strong housing demand in the future making it a mecca for retail, hospitality, and restaurants, which in turn enhances the multifamily market. Suburbs such as Williamson County and Murfreesboro have also received an influx of development as the submarkets pick up in population and job opportunities.

Distribution of Total Inventory



136,500 Units
Multifamily Inventory

2.51% - 12 Mo. Proj.
Construction/Inventory

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Change In Value Next 12 Months



▲5%-9.9%

Urban Class A



▲10%-14.9%

Suburban Class A

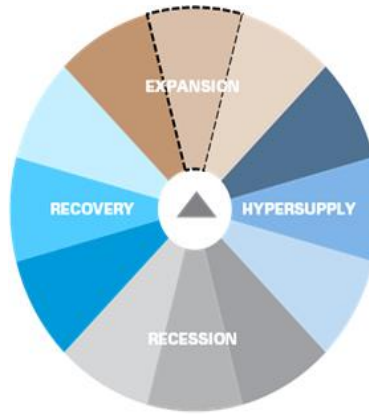
▲10%-14.9%

Urban Class B

▲5%-9.9%

Suburban Class B

Market Cycle: Expansion Stage 2



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

Forecasts

Nashville, TN 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	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Discount Rate	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Reversion Rate	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Construction (Units)	3,423			
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	3			

Nashville, TN 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+16.40%			
Change in Value	Increase 15%-19.9%	Increase 15%-19.9%	Increase 10%-14.9%	Increase 5%-9.9%

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