

VIEWPOINT



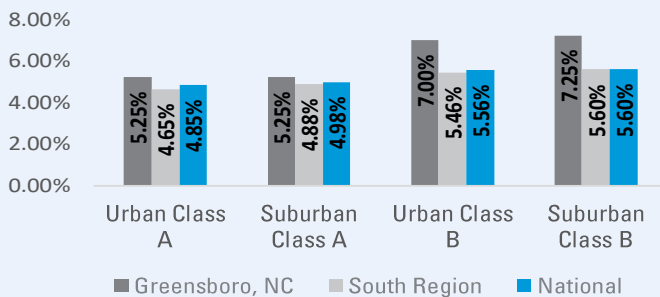
2023 GREENSBORO, NC MULTIFAMILY ANNUAL REPORT

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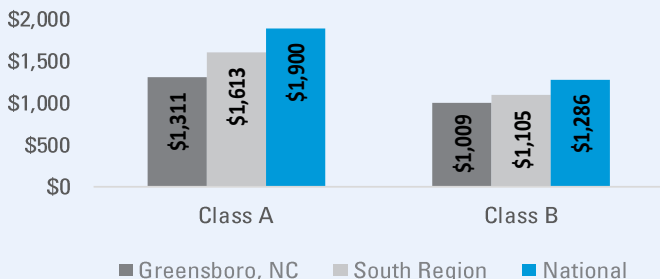
Market Rate Indicators (Y/Y)

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

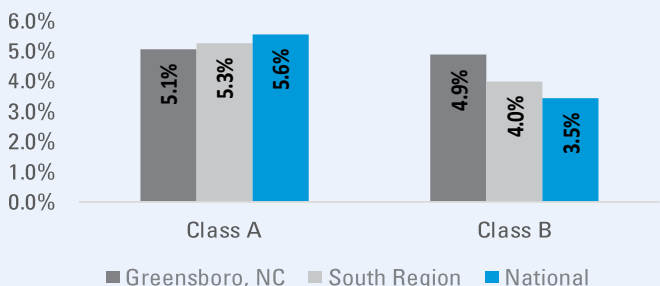
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



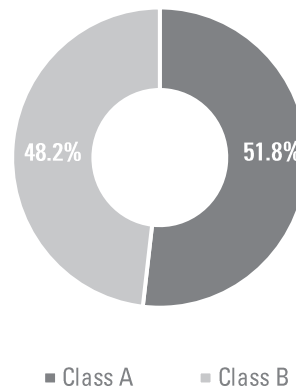
Vacancy Rates (%)



Greensboro, NC Multifamily Market Overview

The Triad Multifamily market has experienced strong rent growth over the past year with a slight decrease increase in vacancy, but overall, is performing well. The Greensboro, Winston Salem and surrounding areas that make up the Triad has historically been a tobacco and furniture manufacturing region whose industries have struggled over the years. Until recently, the Triad has experienced very limited job growth and an unemployment rate around 8% which has dropped closer to 4% over the last several years. Historically, the area has not seen lot of new Business and new residents relocating from other parts of the US; therefore, job growth has been minimal. However, with recent net gain job growth reported before the pandemic, the trend is closer to the national average and continues to gain momentum as of the fourth quarter 2022. Greensboro and Winston Salem both have central business districts, but local sources loosely define boundaries for multifamily purposes. Overall, multifamily performed well during the pandemic. The vacancy rate dropped below 5% post pandemic and is now closer to 7% given new deliveries. Rental rates have increased by 25% in the last 18 months and are expected to continue to increase with new units completed in 2023. There are approximately 5,000 units currently under construction with the majority in the Greensboro market. Demand for multi-family properties in the market has remained strong for Class A product with sub 5% cap rates; however, with inflation, interest rates, and construction costs cap rates are expected to increase, and some starts will likely be delayed.

Distribution of Total Inventory



77,720 Units
Multifamily Inventory

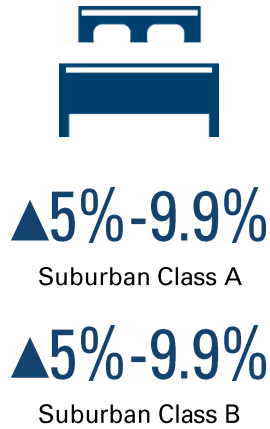
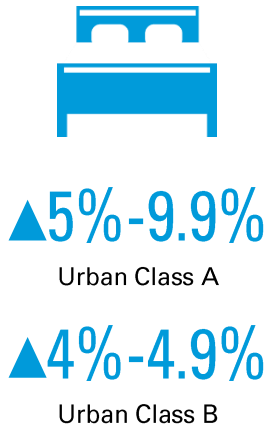
2.03% - 12 Mo. Proj.
Construction/Inventory

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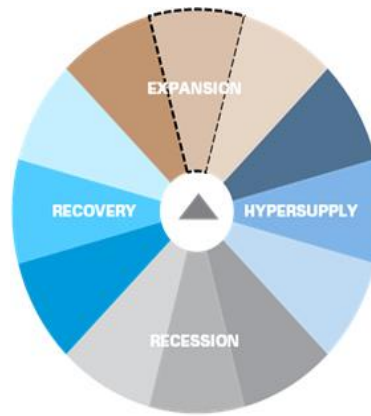
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Change In Value Next 12 Months



Market Cycle: Expansion Stage 2



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

Forecasts

Greensboro, NC 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	Increase 1-24 bps	Increase 1-24 bps
Discount Rate	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps
Reversion Rate	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps
Construction (Units)	1,581			
Market Rent Change	+5.00%	+5.00%	+5.00%	+5.00%
Expense Rate Change	+3.00%	+3.00%	+3.00%	+3.00%
Years to Balance	1			

Greensboro, NC 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+14.38%			
Change in Value	Increase 10%-14.9%	Increase 5%-9.9%	Increase 10%-14.9%	Increase 10%-14.9%

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