

VIEWPOINT



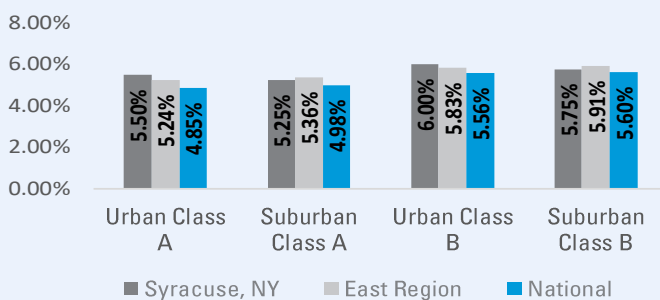
2023 SYRACUSE, NY MULTIFAMILY ANNUAL REPORT

An Integra Realty Resources Publication / irr.com

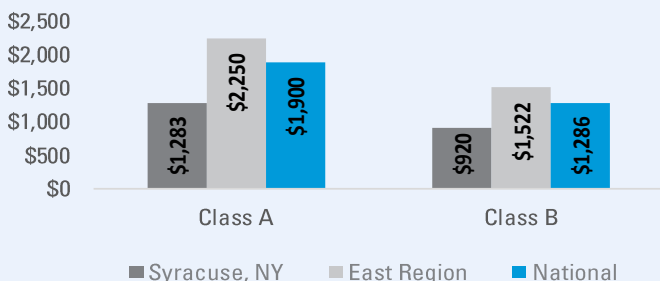
Market Rate Indicators (Y/Y)

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

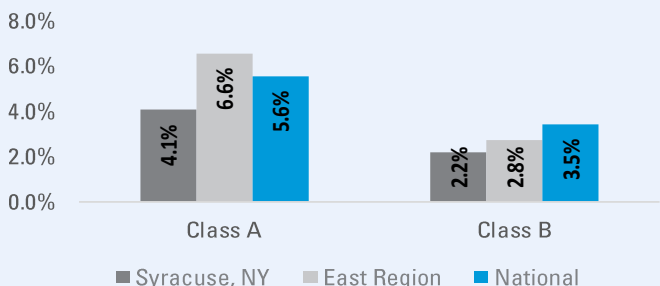
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



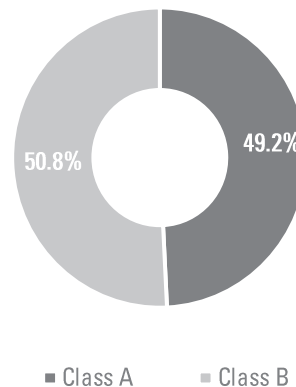
Vacancy Rates (%)



Syracuse, NY Multifamily Market Overview

According to REIS data, the asking rent for the Syracuse metro area averaged \$1,099 per month for all units combined in the third quarter 2022. Rents have increased an astounding 12.2% during 2021, after coming off a slight decrease of -0.3% during 2020. Rents are on track to increase around 7.5% to 8.0% for all four quarters of 2022, based on the 7.4% increase through the third quarter and expected weak rent increase typical for Q4 due to the winter weather. Despite these large rental rate increases, vacancy in the Syracuse market has remained steady over the past 12 months. As mortgage interest rates continue to increase, this makes home ownership less appealing and is expected to help keep some tenants in apartment units that may have otherwise sought home ownership. Capitalization rates are expected to start seeing upward movement given the continued rising interest rates. Vacancy is expected to remain low while rental rates are expected to continue to increase, though at a slower rate than the past two years. The recent announcement by Micron to build a new \$100 billion chip plant factory in the northern suburbs of Syracuse would be the largest single private investment in New York history and is anticipated to create up to 9,000 jobs over the next 20 years. This would have a positive economic impact on the Syracuse MSA and also help create demand for future apartment construction. Overall, pricing for multifamily assets is expected to continue to remain steady in the near term but there is uncertainty as to the extent of the impact from rising interest rates.

Distribution of Total Inventory



19,171 Units
Multifamily Inventory

0.00% - 12 Mo. Proj.
Construction/Inventory

2023 SYRACUSE, NY MULTIFAMILY ANNUAL REPORT

An Integra Realty Resources Publication / irr.com



Change In Value Next 12 Months



+/- 0%

Urban Class A

+/- 0%

Urban Class B



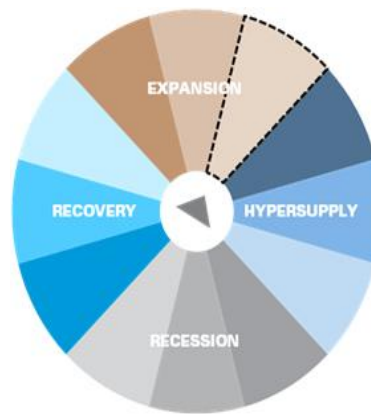
+/- 0%

Suburban Class A

+/- 0%

Suburban Class B

Market Cycle: Expansion Stage 3



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

Forecasts

Syracuse, NY 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps
Discount Rate	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps
Reversion Rate	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps
Construction (Units)	0			
Market Rent Change	+4.00%	+4.00%	+4.00%	+4.00%
Expense Rate Change	+3.00%	+3.00%	+3.00%	+3.00%
Years to Balance	In Balance			

Syracuse, NY 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+11.84%			
Change in Value	Increase 2%-2.9%	Increase 2%-2.9%	Increase 2%-2.9%	Increase 2%-2.9%

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.

For more information, visit www.irr.com.