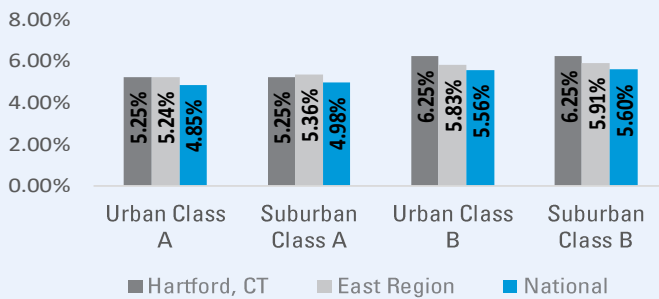


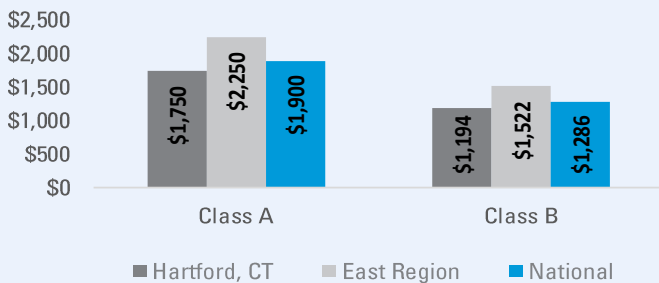
Market Rate Indicators (Y/Y)

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

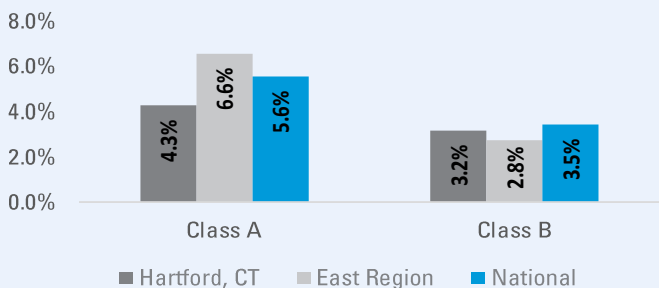
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



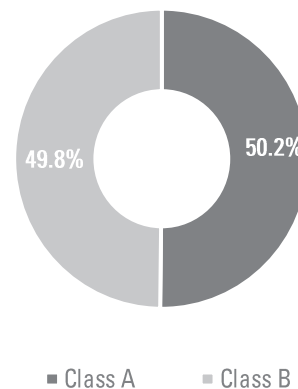
Vacancy Rates (%)



Hartford, CT Multifamily Market Overview

The multifamily rental market in Connecticut has continued to maintain its investments strength during Calendar Year 2022 with rental rates increasing from previous levels experienced during Calendar Year 2021 while vacancy rates have remained at frictional levels. The continued demand for market rental housing in the various supply constrained submarkets within the state has continued to assist property owners and management companies in maintaining stabilized occupancy levels in both the Class A and B markets. Property managers reported nominal changes in collection loss rates at quality managed properties within both the Class A and B markets given the limited number of alternative rental options in the submarkets that has included the ongoing increases in home sale prices throughout the state. Property operators have also reported that rental rates have continued to increase during Calendar Year 2022 given the ongoing strong demand for quality units in supply constrained submarkets. Additionally, property managers are anticipating ongoing increases in rental rates into Calendar Year 2023 as local operators continue to experience significant increases in operating costs given atypical high levels of inflation that are drastically impacting all sectors of the local, regional and national economies. Overall, commercial brokers and investors have reported stabilization in investor parameters over the past 12 months with overall capitalization having remained stable or having slightly increased during the second half of Calendar Year 2022 due to increasing levels of mortgage interest rates. This trend is anticipated to continue as noted increases in interest rates by the Fed to bring down inflationary levels that have increased significantly in 2022. The market fundamentals for multifamily rental housing in Connecticut remain stable given current supply and demand parameters. New construction of Class A rental housing in both the market rate and affordable housing sectors is projected to continue into Calendar Year 2023 as ongoing housing demand and frictional vacancy levels has continued to fuel new development. Commercial brokers have reported that investor demand for this product type is projected to remain stable given the levels of investor equity that remain in place. The market will continue to watch the investment criteria through 2022 and into 2023 to determine what level of impact that interest rate increases and inflationary factors will have on this sector.

Distribution of Total Inventory



43,142 Units
Multifamily Inventory

0.70% - 12 Mo. Proj.
Construction/Inventory

2023 HARTFORD, CT MULTIFAMILY ANNUAL REPORT

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Change In Value Next 12 Months



+/- 0%

Urban Class A

+/- 0%

Urban Class B



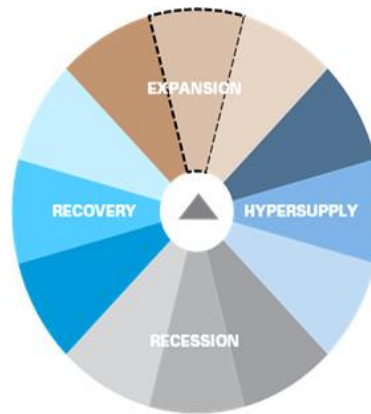
+/- 0%

Suburban Class A

+/- 0%

Suburban Class B

Market Cycle: Expansion Stage 2



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

Forecasts

Hartford, CT 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)	304			
Market Rent Change	+4.00%	+4.00%	+4.00%	+4.00%
Expense Rate Change	+5.00%	+5.00%	+5.00%	+5.00%
Years to Balance	In Balance			

Hartford, CT 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+10.10%			
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.

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