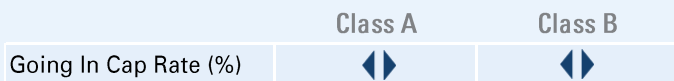
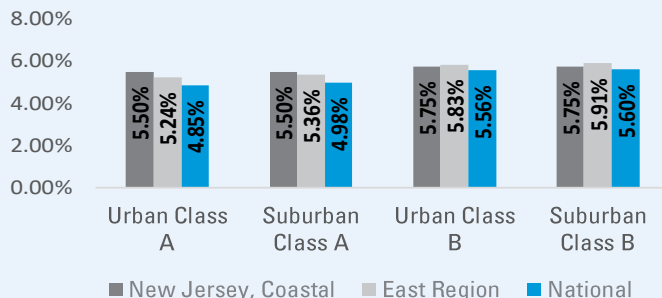


Cap Rate Indicator (Y/Y)



Going In Cap Rate Comparisons (%)



Change In Value Next 12 Months

+/- 0%

Urban Class A

+/- 0%

Suburban Class A

+/- 0%

Urban Class B

+/- 0%

Suburban Class B

Forecasts

New Jersey, Coastal 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	▲25-49 bps	▲25-49 bps	▲25-49 bps	▲25-49 bps
Discount Rate	▲25-49 bps	▲25-49 bps	▲25-49 bps	▲25-49 bps
Reversion Rate	▲25-49 bps	▲25-49 bps	▲25-49 bps	▲25-49 bps
Market Rent Change	+3.50%	+3.50%	+3.50%	+3.50%
Expense Rate Change	+3.00%	+3.00%	+3.00%	+3.00%
Years to Balance	In Balance			

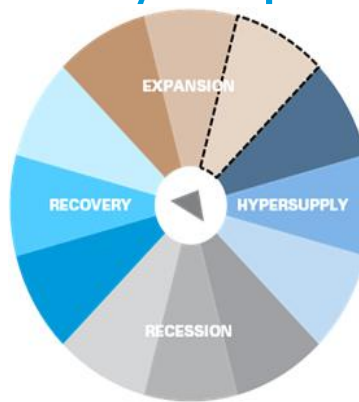
New Jersey, Coastal 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Change in Value	▲0.1%-0.9%	▲0.1%-0.9%	▲0.1%-0.9%	▲0.1%-0.9%

New Jersey, Coastal Multifamily Market Overview

The Coastal New Jersey multi-family market continues to be strong with extremely low vacancy rates and an accelerating level of new construction throughout the region. The vacancy rate within the Ocean/Monmouth market areas has been sub 3% for almost five years despite the new construction. The Atlantic City housing market is also receiving significant success with many large-scale rehabilitations. The new development "600NoBe" with 250 units which opened in early 2019 and by mid-2020 was fully leased. We are also seeing large-scale developments in some fairly rural areas such as Jackson Township. The location of the Gardens at Jackson 21 is adjacent to I-195 and provides easy access to employment centers in Monmouth County, metropolitan North Jersey and the Trenton Mercer County markets. These newer products are demanding some of the higher rents in the \$2,000 to \$2,400+ per month range. Gabrielle Run is a new project in Toms River that was recently constructed and currently fully occupied with most rental rates starting at over \$3,000 per month. Construction is also underway on a multi-family project adjacent to the Seacourt Pavilion to be known as Camelot at Toms River. Kaplan Companies is developing the project which will include 128 units, comprised of (46) 1BR units, (76) 2BR units, and (6) 3BR units. There is reportedly a waiting list for the units. "Toms River 40" recently received approval and will be the first high-rise to be constructed in Downtown Toms River. This project, to be developed by Capodagli Property Company under a PILOT agreement with the municipality, will include 285 apartment units, a two-level riverfront boardwalk along the Toms River and 16,000 SF of retail space, including a restaurant. This project is expected to be the catalyst toward significant improvements expected to the downtown area. The multi-family market is in an expansion stage and we would anticipate an acceleration of the rehabilitation and upgrading of the older multi-family housing stock. The multi-family market has been strong for several years and the recent interest rate hikes will likely create additional demand for rental units as home ownership becomes unaffordable for a larger segment of the population.

Market Cycle: Expansion Stage 3



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

Integra Realty Resources - Coastal NJ

1415 Hooper Ave., Suite 306, Toms River, NJ 8753, 732-244-7000
Halvor Egeland, MAI, Senior Managing Director, hegeland@irr.com