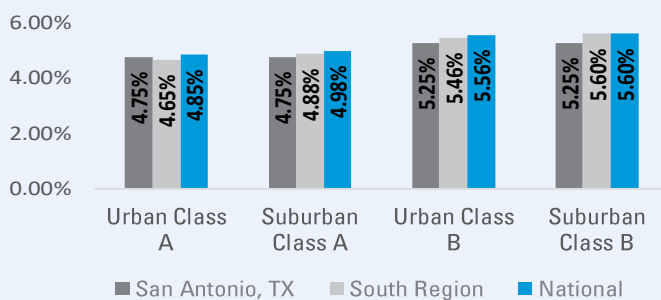


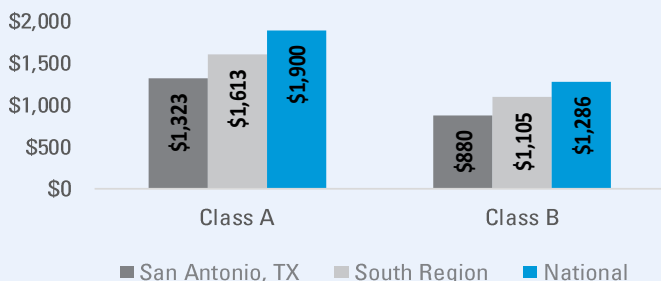
Market Rate Indicators (Y/Y)

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

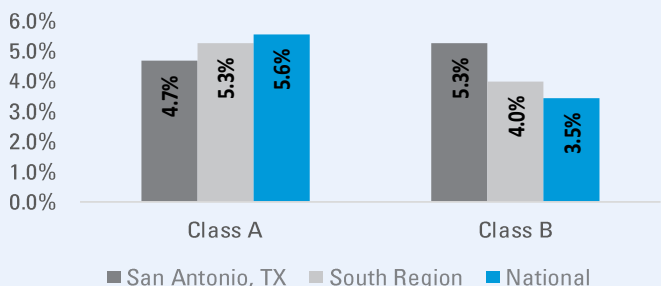
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



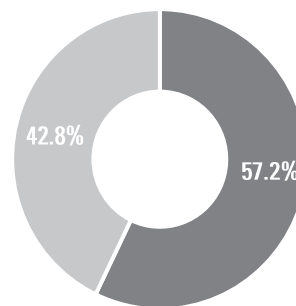
Vacancy Rates (%)



San Antonio, TX Multifamily Market Overview

Over the past year, San Antonio's Multifamily Market trends have begun to stabilize after the frothy market conditions experienced during the pandemic. The city of San Antonio's economy is anticipated to outperform the national economy and San Antonio remains a steady and consistent market for multifamily investment. These strong market fundamentals should help the local market weather any potential future economic slowdowns as population growth and economic stability have been major drivers of net absorption over the past decade. While supply and demand imbalances in both labor and materials are finally beginning to recede, San Antonio's current inventory under construction is projected to remain above the national average over the next year and this should result in a slight increase in future vacancy rates. In addition, sales velocity has declined over the latter half of the year and is projected to remain constrained heading into 2023. The limited number of quality institutional grade properties being brought to market and substantially higher costs of capital will present challenges going forward. Capitalization rates should moderate, but thus far this is being offset by increases in rising rental rates. While COVID-19, interest rates, and inflation concerns have caused some uncertainty throughout the market, demand for new office inventory is projected to continue, but this trend bears watching going forward as many employers are anticipating a recessionary environment in 2023. At present, Investors will remain cautious heading into 2023 as the Federal Reserve has indicated monetary policy will remain tightened for a significant time going forward.

Distribution of Total Inventory



197,246 Units
Multifamily Inventory

1.38% - 12 Mo. Proj.
Construction/Inventory

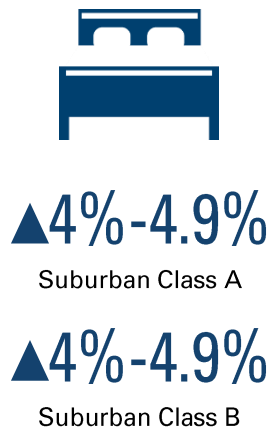
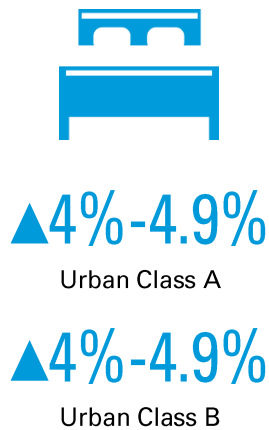
■ Class A ■ Class B

2023 SAN ANTONIO, TX MULTIFAMILY ANNUAL REPORT

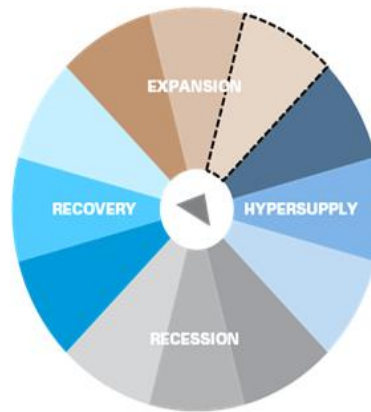
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Change In Value Next 12 Months



Market Cycle: Expansion Stage 3



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

Forecasts

San Antonio, TX 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)	2,725			
Market Rent Change	+2.50%	+3.50%	+2.50%	+3.50%
Expense Rate Change	+3.00%	+3.00%	+3.00%	+3.00%
Years to Balance	2			

San Antonio, TX 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+13.30%			
Change in Value	Increase 3%-3.9%	Increase 3%-3.9%	Increase 3%-3.9%	Increase 3%-3.9%

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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