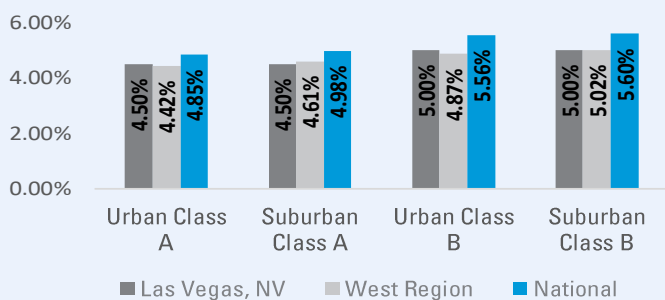


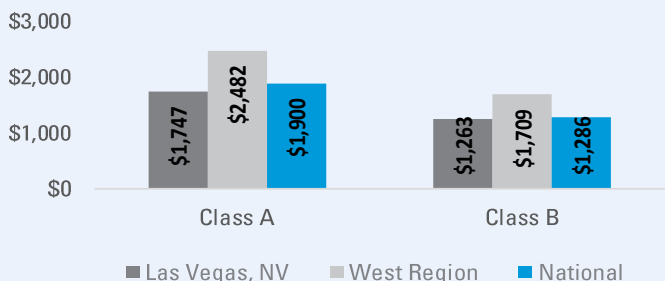
Market Rate Indicators (Y/Y)

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

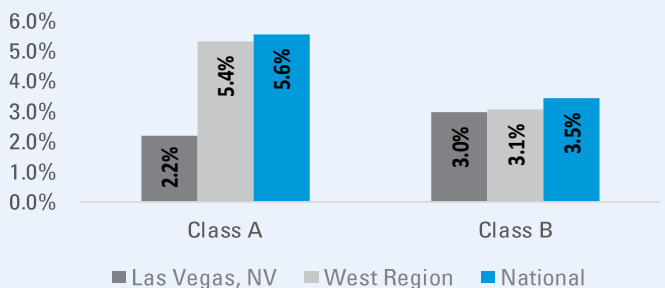
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



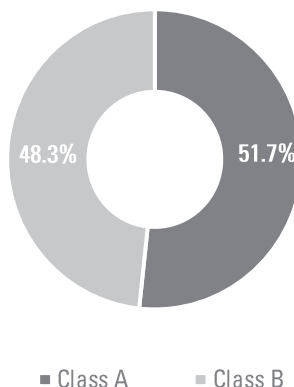
Vacancy Rates (%)



Las Vegas, NV Multifamily Market Overview

The Covid-19 pandemic appears firmly in the rear-view mirror. The market has transitioned to ponder the looming challenges of the macro-economic market with higher interest rates, looming continued inflation, and concern about regulatory intervention through rent control. The epic bull run of rental rates surging 15%-25% in various submarkets during 2021 and the early part of 2022 has subsided. However, escalation in market rental rates does take some time to fully implement and the landlords that have raised their rents by market levels are getting pushback in the form of proposals for "rent control" regulations in some form or fashion for rental properties in the Las Vegas area. The counterargument that many landlords struggled with renters not paying or delaying their rent payments during the Covid-19 pandemic finds little sympathy amongst households seeing \$200-\$500 rental increases or more on their units with no commensurate household income increase to offset such rental escalation. The concern with rent control could be a dampening of new housing supply provided by private developers as such regulation would limit the upside investment prospects of building multi-family product type. There is a small amount of new product ready to open at the present time. This product will do well but will capture upgrading and financially "better off" households on expiring leases at less competitive properties in the market areas they are built. REIS indicates only 1057 units completed in 2021 with no completions yet in 2022 with a present tally of 2,916 units under construction. It appears that 2022 deliveries will be much higher towards the end of 2022 and may help relieve some high occupancy conditions in certain submarkets with additional supply. The effects of the pandemic have caused some delays in projects that otherwise would have been delivered sooner. We do not view the level of upcoming inventory as problematic and expect the health of the multi-family market to be maintained over the near-term. Prior years of rapid growth in the 1980's and 1990's in the Las Vegas area witnessed eight to ten thousand apartment units built per year so the number of units being delivered to the market is still nowhere near all-time highs. There remains continued movement of households from "Rust Belt" areas and from Southern California into the Las Vegas area. We anticipate that apartment values and rental rates will stabilize going forward due to current economic conditions and the slowing effects of higher interest rates and inflation. A drop-off in value acceleration and perhaps even a modest decline this coming year and continued moderate value and rental growth 2 to 3 years out at lower rates of increase appears most likely at present. Looming concerns of much higher interest rates, inflation, and possible rent control in certain jurisdictions or even all jurisdictions of the Las Vegas metro area raise the largest unknown questions and risks for this market. However, this is also a concern in many other marketplaces with Las Vegas not being unique in this regard.

Distribution of Total Inventory



155,513 Units
Multifamily Inventory

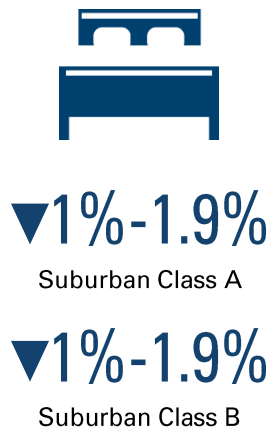
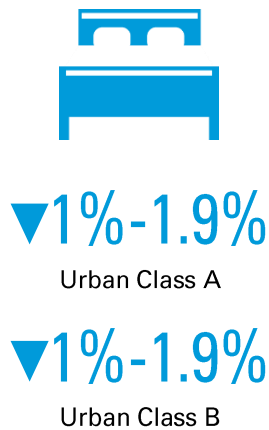
0.49% - 12 Mo. Proj.
Construction/Inventory

2023 LAS VEGAS, NV MULTIFAMILY ANNUAL REPORT

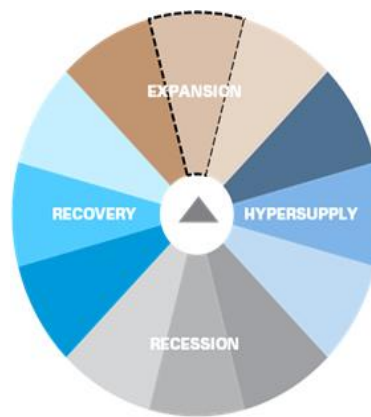
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Change In Value Next 12 Months



Market Cycle: Expansion Stage 2



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

Forecasts

Las Vegas, NV 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)	766			
Market Rent Change	+2.00%	+1.50%	+2.00%	+1.50%
Expense Rate Change	+5.00%	+5.00%	+4.00%	+4.00%
Years to Balance	In Balance			

Las Vegas, NV 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+15.86%			
Change in Value	Increase 1%-1.9%	Increase 1%-1.9%	Increase 1%-1.9%	Increase 1%-1.9%

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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