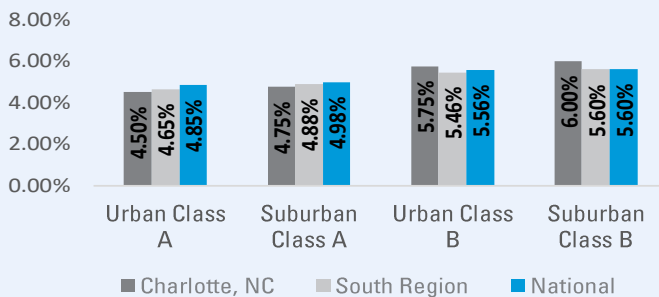


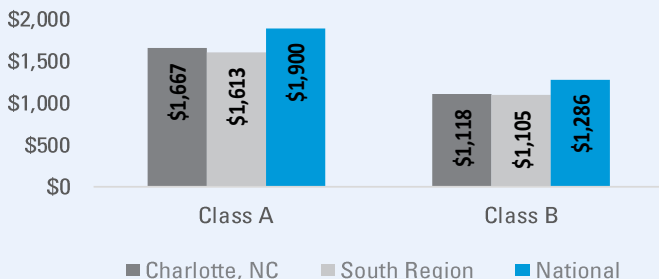
Market Rate Indicators (Y/Y)

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

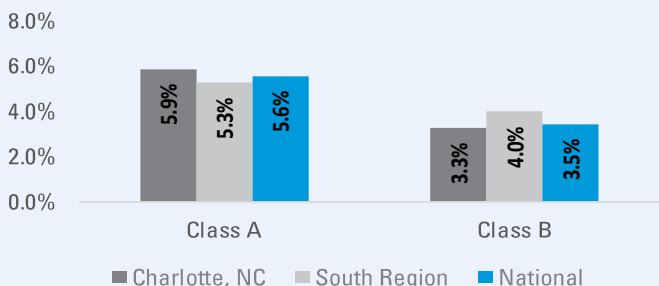
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



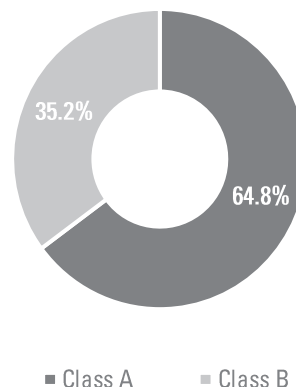
Vacancy Rates (%)



Charlotte, NC Multifamily Market Overview

The Charlotte Apartment market continued to experience heavy activity through the fourth quarter of 2022 with significant rent increases outpacing inflation. However, with current market conditions, this is expected to slow significantly. Rent growth will be positive but not at the rate over the past 12 months. Charlotte is ranked nationally as one of the top banking centers in the United States and is now the headquarters of Truist which is the result of the SunTrust and BB&T merger. The MSA is also supported by the manufacturing, health care, education, technology, and energy industries as well. Charlotte's overall growth is fueled by an increase in average annual salary, job growth, corporate relocations, and quality of life which is attracting over 35,000 new residents a year indicating a 5% annual increase in population over the past 5 years. The areas logistics, with its Interstate infrastructure, airport and intermodal facility is attracting large e-commerce companies and other global companies to set up corporate headquarters in the market. Lowes, Honeywell, Centene, Arrival, Glatfelter, and multiple other companies have just completed, are in the process of constructing new corporate headquarters or have announced that they are relocating to the area attracting new workforce. The Midtown and South End areas which are adjacent to Charlotte's CBD, continue to experience significant activity with mid-rise, mixed-use developments with a multifamily component primarily along the light rail. Because of the higher-than-expected job growth and wage increase and based on many younger professionals now choosing to delay home ownership, the pool of potential renters is much deeper than anticipated. Rents have increased by 25% +/- for both urban and suburban properties in the last twelve months and occupancy rates remain 94%+ for class A properties and higher for B and C properties. The area has experienced a 20% value increase for single-family homes over the last year with slim inventory increasing the demand for apartment units. With inflation and interest rates, cap rates have increased between 25 and 50 basis points. Deals are being scrutinized with higher LTV's and while properties acquired earlier in the year have suffered some decrease in value.

Distribution of Total Inventory



171,816 Units
Multifamily Inventory

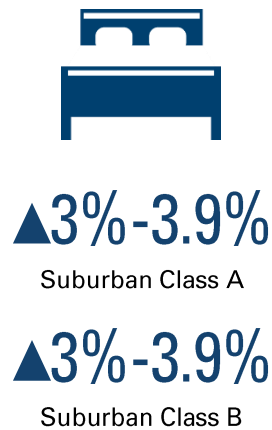
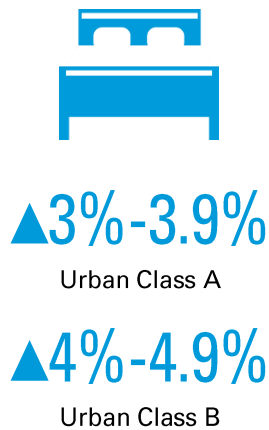
2.03% - 12 Mo. Proj.
Construction/Inventory

2023 CHARLOTTE, NC MULTIFAMILY ANNUAL REPORT

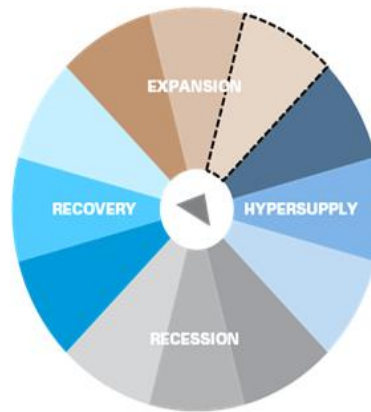
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Change In Value Next 12 Months



Market Cycle: Expansion Stage 3



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

Forecasts

Charlotte, NC 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)	3,482			
Market Rent Change	+3.00%	+3.00%	+3.00%	+3.00%
Expense Rate Change	+3.00%	+3.00%	+3.00%	+3.00%
Years to Balance	In Balance			

Charlotte, NC 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+13.68%			
Change in Value	Increase 4%-4.9%	Increase 4%-4.9%	Increase 3%-3.9%	Increase 4%-4.9%

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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