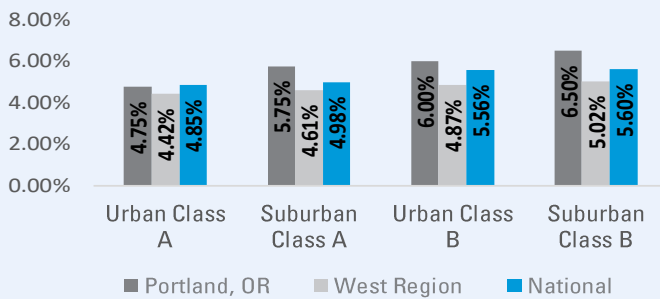


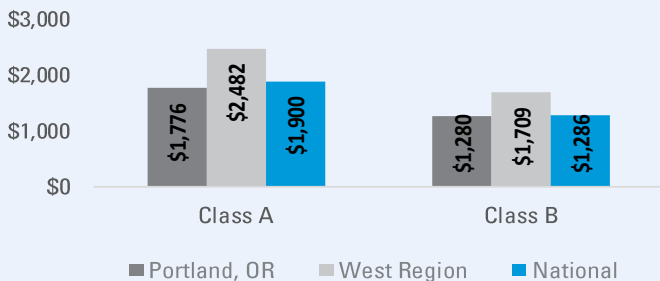
Market Rate Indicators (Y/Y)

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

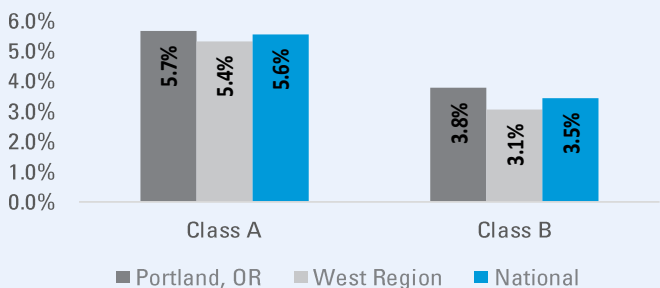
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



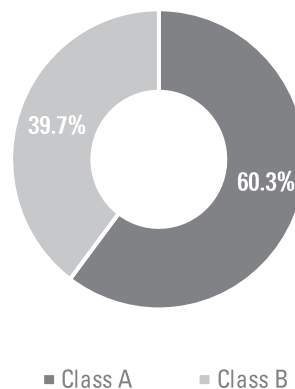
Vacancy Rates (%)



Portland, OR Multifamily Market Overview

Per REIS, monthly movement in asking rents during Q3-2022 was mixed, with September's decline of 0.3% bringing the cumulative quarterly total down to 1.1%. Mean unit rents in the Portland metro were as follows: studios at \$1,178 per month, one-bedroom units at \$1,375, two-bedroom units at \$1,729 per month, and three bedroom units at \$1,973 per month. Since Q3-2021, asking rents have increased 7.0%, up from \$1,475 per month. The market has absorbed 1,547 units since Q3-2021, which is less than half the average annual absorption rate of 3,536 units since late 2012. REIS is tracking 640 new units that will be brought to market by the end of 2022, and projects positive absorption of 669 units which will cause the market vacancy to hold at 4.9%. During 2023 and 2024, 6,684 additional units are projected to be introduced to the Portland inventory. Net new household formations during 2023 and 2024 are expected to average 1.5% annually. The market vacancy rate will finish both years at 4.9%. By year-end 2022, asking rents are expected to climb 0.8% to a level of \$1,592 per month. On an annualized basis through 2023 and 2024, asking and effective rents are anticipated to increase by 4.0% and 4.3%, respectively, to finish 2024 at \$1,721 and \$1,640 per month. All eyes are on the Fed as interest rates are projected to continue their rise that started in May 2022. These increases are likely to put upward pressure on capitalization rates and potentially slow sales velocity. Notable transactions in the latter half of 2022 include: the 347-unit One Jefferson Apartments (West Portland Park submarket) that sold for \$357,349 per unit; the 180-unit Nash Apartments (Rockwood submarket) that sold for \$188,889 per unit; the 187-unit Oak Street Lofts (Metzger submarket) that sold for \$435,829 per unit; and the 124-unit 134th Street Lofts (Pleasant Valley Vancouver submarket) that sold for \$312,500 per unit.

Distribution of Total Inventory



144,131 Units
Multifamily Inventory

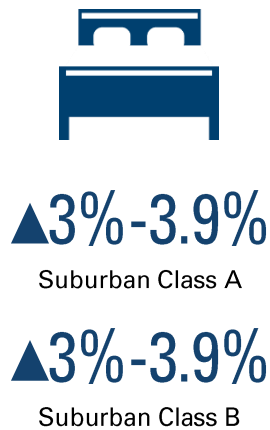
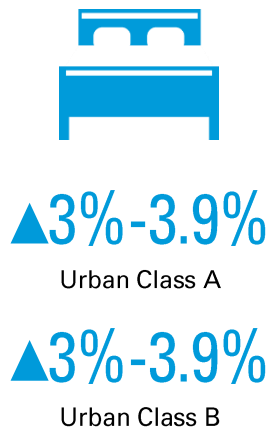
2.02% - 12 Mo. Proj.
Construction/Inventory

2023 PORTLAND, OR MULTIFAMILY ANNUAL REPORT

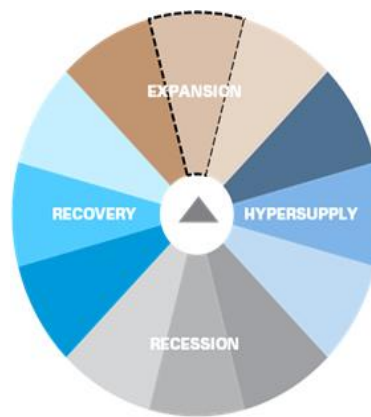
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Change In Value Next 12 Months



Market Cycle: Expansion Stage 2



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

Forecasts

Portland, OR 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)	2,906			
Market Rent Change	+4.00%	+4.00%	+4.00%	+4.00%
Expense Rate Change	+3.00%	+3.00%	+3.00%	+3.00%
Years to Balance	In Balance			

Portland, OR 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+17.92%			
Change in Value	Increase 4%-4.9%	Increase 4%-4.9%	Increase 4%-4.9%	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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