

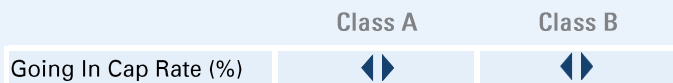
VIEWPOINT



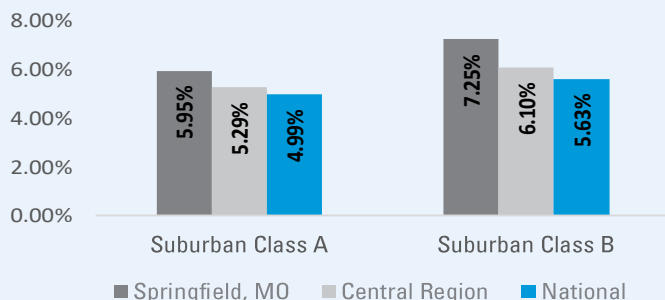
2023 SPRINGFIELD, MO MULTIFAMILY ANNUAL REPORT

An Integra Realty Resources Publication / irr.com

Cap Rate Indicator (Y/Y)



Going In Cap Rate Comparisons (%)



Change In Value Next 12 Months

0.1%-0.9%

Suburban Class A

0.1%-0.9%

Suburban Class B

Forecasts

Springfield, MO 12-Month Multifamily Forecasts

Categories	Suburban Class A	Suburban Class B
Going-In Cap Rates	▲1-24 bps	▲1-24 bps
Discount Rate	▲1-24 bps	▲1-24 bps
Reversion Rate	▲1-24 bps	▲1-24 bps
Market Rent Change	0%	+2.50%
Expense Rate Change	+2.50%	+2.50%
Years to Balance	4	

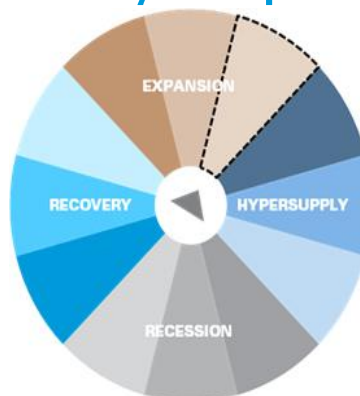
Springfield, MO 36-Month Multifamily Forecasts

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

Springfield, MO Multifamily Market Overview

New construction activity in the Springfield-area market is significant as we head into the new year. As of late 2022, there were nearly 2,000 proposed or under construction apartment units with completions expected over the next two years in Greene and Christian Counties. These include a 372 unit addition to The Greens in northeast Springfield, construction of Phases II and III of the Crossings at East Cherry (132 new units), and 95 units on the upper floors of the Heritage Flats project located on the site of the former Heritage Cafeteria off Battlefield, among other projects. Nixa, Ozark, Republic and Rogersville are also expected to see new additions, including Logan Heights (Phase II), Walker Heights, River Ranch, the Iron Grain District and Wilson's Valley projects. These and other proposed multi-family developments are born out of a tight supply and demand dynamic that has existed in the local market for the last few years, with low vacancy and rising rental rates providing evidence of strong renter demand relative to the existing supply of apartment units. The area has benefitted from growing employment, population and household formation, which is expected to continue. Rising incomes will also provide a tailwind to the multi-family market. However, newly developed apartments will face stiff competition for renters in the near term. We anticipate some of the less competitive new projects will face slower than anticipated absorption / lease-up activity and will likely need to offer concessions to achieve rapid stabilization. Ultimately, the area's growth in population and households will offset the high level of new apartment completions that are anticipated over the next couple of years. We anticipate a return to balanced market conditions within the next three to five years.

Market Cycle: Expansion Stage 3



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

Integra Realty Resources - St. Louis

215 Chesterfield Business Parkway, Suite B, Chesterfield, MO 63005, 573-219-8224
Clint Cooper, MAI, Managing Director, ccooper@irr.com

© 2023 Integra Realty Resources, Inc. The data and content contained herein is proprietary to IRR. The information contained in this publication is provided for general information only and should not be relied upon for decision making. Instead, you must conduct your own independent investigation and consult your own professional advisors. No representation or warranty is made regarding the accuracy of the information contained in this publication. In addition, this publication does not render legal, accounting, appraisal, counseling, investment or other professional advice. Any reliance on this publication is at your own risk.