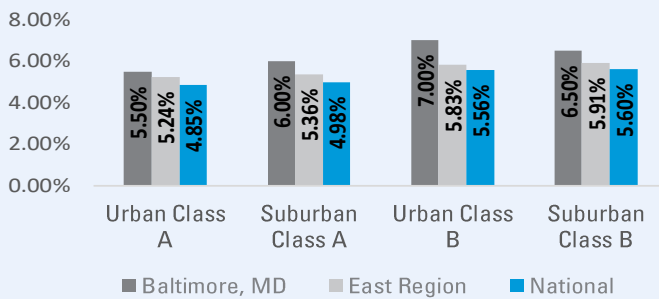


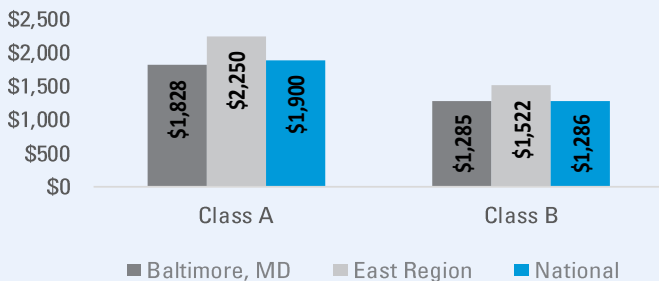
Market Rate Indicators (Y/Y)

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

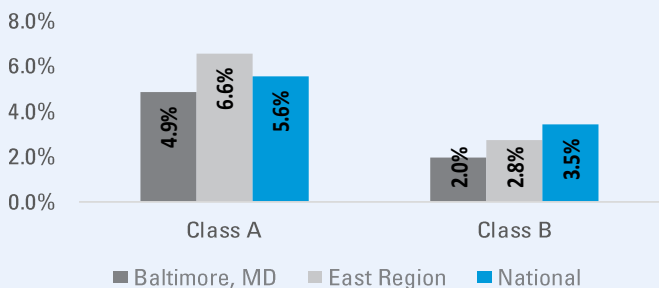
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



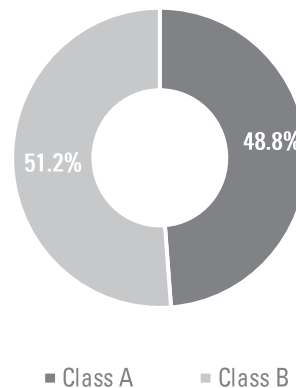
Vacancy Rates (%)



Baltimore, MD Multifamily Market Overview

Baltimore's multifamily market remained strong through the onset and middle stages of the COVID-19 pandemic, with vacancy rates dropping below 5% and rental rates rising sharply in 2021. Growth in terms of both occupancy and rents moderated somewhat in 2022 but remained strong. The current uptick in construction comes after years of undersupply and a response to high demand for multifamily housing in the past several years. Units currently under construction are among 10-year lows. Areas of growth within the market include a migration of developers occupying space within the downtown sector, East Baltimore City, and the northwestern suburbs. Currently, the largest multifamily development under construction is in Baltimore City East, adjacent to the Inner Harbor. The development is called Elan Brewers Hill and is expected to be completed at the end of 2022 with 5-stories and 500 apartment units adding more progress to heart of the city. Suburban markets outside the northern city limits such as Towson and Randallstown are additional locations developers are searching to improve. Towson is becoming a hub for student housing projects in addition to creating market-rate apartment complexes near high traffic corridors. The suburban markets continue to evidence growth and the uptick has been gradual within city limits. Demand remains stable across the Baltimore Metro region. Sales prices have tended to move in line with rental rates: gradually increasing through 2019, rising sharply over the next two years, and then leveling off at around \$200,000 per unit in 2022. Notable transactions from 2022 include Armada Hoffler's sale of the 416-unit Residences at Annapolis Junction for \$150 million and the \$92.9 million acquisition of Riverstone at Owings Mills by Carter Funds.

Distribution of Total Inventory



168,065 Units
Multifamily Inventory

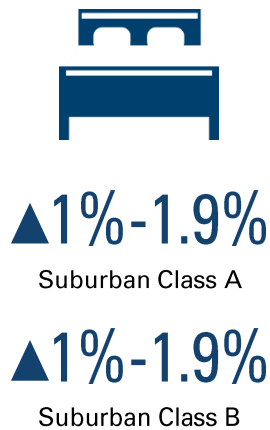
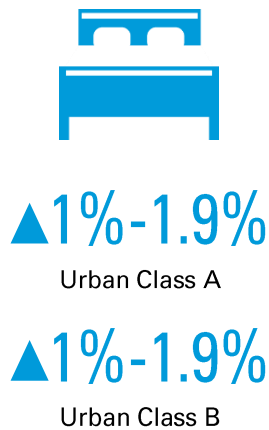
0.80% - 12 Mo. Proj.
Construction/Inventory

2023 BALTIMORE, MD MULTIFAMILY ANNUAL REPORT

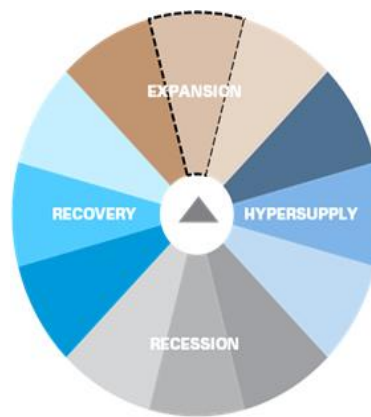
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Change In Value Next 12 Months



Market Cycle: Expansion Stage 2



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

Forecasts

Baltimore, MD 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Discount Rate	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Reversion Rate	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Construction (Units)	1,340			
Market Rent Change	+3.00%	+3.00%	+3.00%	+3.00%
Expense Rate Change	+2.00%	+2.00%	+2.00%	+2.00%
Years to Balance	3			

Baltimore, MD 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+10.02%			
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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