

VIEWPOINT



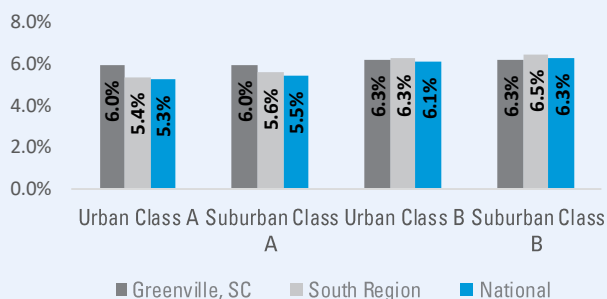
2018 GREENVILLE, SC MULTIFAMILY ANNUAL REPORT

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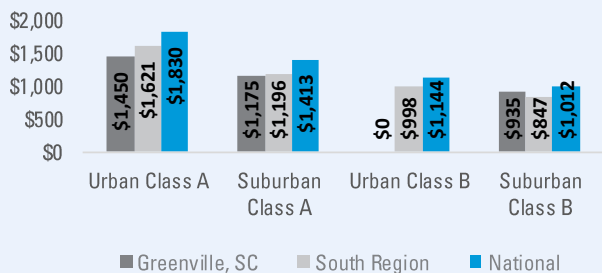
Market Rate Indicators (Y/Y)

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

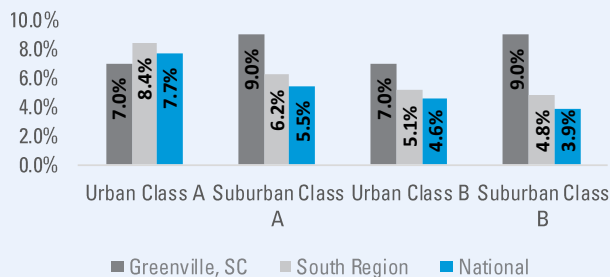
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



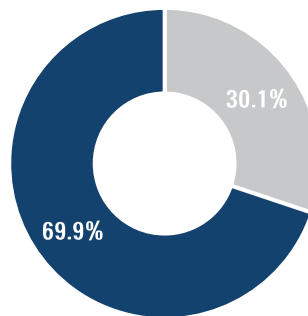
Vacancy Rates (%)



Greenville, SC Multifamily Market Overview

According to Real Data, the current occupancy rate for the Greenville metropolitan area is 91.9%. There were 2,140 units absorbed over the past eighteen months. Despite healthy absorption, demand has not been able to keep pace with the additional units added to supply during this period pushing vacancies higher. Rents have increased by 1.6% over the past year raising the average monthly rent to \$933. With much new supply coming online over the next 12 months, supply will outpace demand allowing vacancies to rise slightly. Rental rates will increase marginally as new competition enters the market. In the Greenville region, about 6,700 units are proposed for the region, with the many of those close to downtown Greenville, according to the Atlanta-based apartment information service RentPath. Judson Mill, at 701 Easley Bridge Road, is about a mile west of Greenville city limits and stands at the northern entrance of the 1,100-home Judson community. The 36.2-acre mill property includes an 800,000-square-foot building. About one half of the development will be residential space, including 200 apartments, according to the developer Ken Reiter, president of Belmont Sayre. Charleston developer The Beach Co. plans to turn a high-rise in downtown Greenville that is currently occupied by BB&T bank into an apartment complex. The apartments would be more moderately priced compared to new apartments closer to Main Street. The firm plans to put about 100 apartments in the eight-story, 140,000-square-foot high-rise at 301 College Street. In Spartanburg, a \$29 million renovation will transform the historic 10-story, 130,000-square-foot former office high-rise into a mixed-use development. Greenville-based developer BF Spartanburg is leading the renovation of the Montgomery Building, with completion expected in October 2018. When complete, the building will boast 63 apartments on floors four through 10, ranging from about 500 to 1,500 square feet.

Distribution of Total Inventory



39,000 Units
Multifamily Inventory

7.69% - 12 Mo. Proj.
Construction/Inventory

■ Suburban Class A ■ Suburban Class B



Change In Value Next 12 Months



.1% - 1.9%

Urban Class A



.1% - 1.9%

Suburban Class A

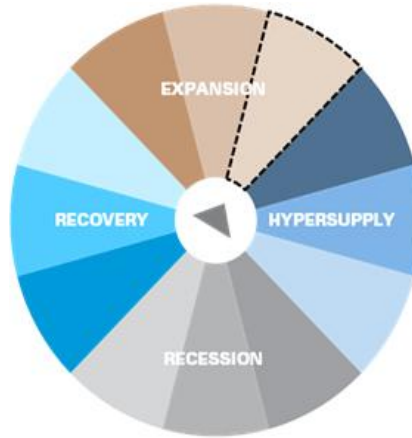
.1% - 1.9%

Urban Class B

.1% - 1.9%

Suburban Class B

Market Cycle: Expansion Stage 3



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

Forecasts

Greenville, SC 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)	3,000			
Years to Balance	In Balance	In Balance	In Balance	In Balance

Greenville, SC 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	1.00%	1.00%	1.00%	1.00%
Expense Rate Change	2.50%	2.50%	2.50%	2.50%
Change in Value	Increase .1% - 1.9%	Increase .1% - 1.9%	Increase .1% - 1.9%	Increase .1% - 1.9%
Annual Absorption (Units)	400	350	400	425

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