

VIEWPOINT



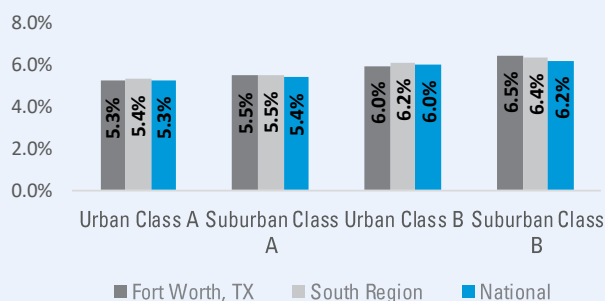
2020 FORT WORTH, TX MULTIFAMILY ANNUAL REPORT

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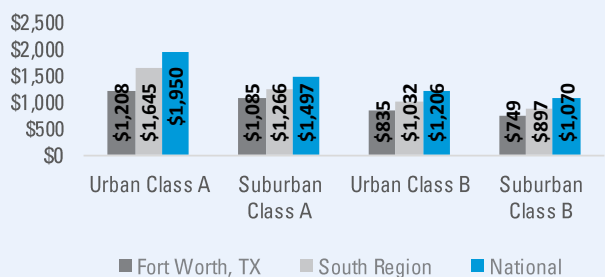
Market Rate Indicators (Y/Y)

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

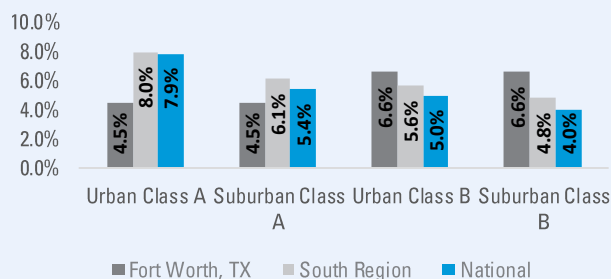
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



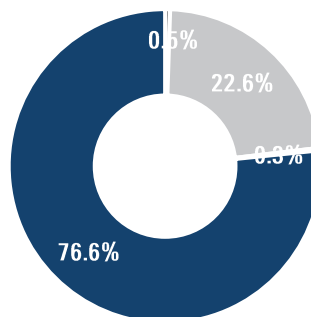
Vacancy Rates (%)



Fort Worth, TX Multifamily Market Overview

Fort Worth is the 13th largest city in United States. Job growth in North Texas has propelled growth in many sectors, including multifamily. In year-ending 2nd quarter 2019, Dallas/Fort Worth added 109,000 jobs, growing its employment base 3%. Though the Fort Worth area accounted for only 18,500 of those jobs, the western market benefits from jobs created on the eastern side of North Texas. According to Real Clear Analytics, the Fort Worth multifamily market is outpacing its eastern neighbor in terms of both rent growth and occupancy, and it is well positioned to be a top performer over the next three years. While supply volumes are slowing rent growth in the eastern portion of the metroplex, Fort Worth submarkets haven't seen similar supply loads to slow rent growth. Perhaps the lone exception is Intown Fort Worth, where ongoing construction activity is expected to keep rents around their current level over the next year. New multi-family construction within Tarrant County is highlighted by the Presidium at Revelstoke, a 408-unit luxury multifamily community in Alliance Town Center in North Fort Worth. According to Multi-Housing News, Presidium is expected to be completed in 2020, the three-story, 466,515-square-foot development is the first multifamily community in Alliance, North Fort Worth's premier shopping and dining hub, that will have modern design and SMART technology. The SMART technology will allow residents to control the temperature, access and lighting in the units from their wireless devices. John Griggs, co-founder & Co-CEO of Presidium, noted in a prepared statement that residents drawn to the region through corporate relocations and expansions are seeking high-end multifamily properties that are modern and technologically-advanced.

Distribution of Total Inventory



193,555 Units
Multifamily Inventory

4.27% - 12 Mo. Proj.
Construction/Inventory

- Urban Class A
- Suburban Class A
- Urban Class B
- Suburban Class B

Source: CoStar Realty Information, Inc.

Integra Realty Resources - Fort Worth

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Change In Value Next 12 Months



2% - 3.9%

Urban Class A



4%+

Suburban Class A

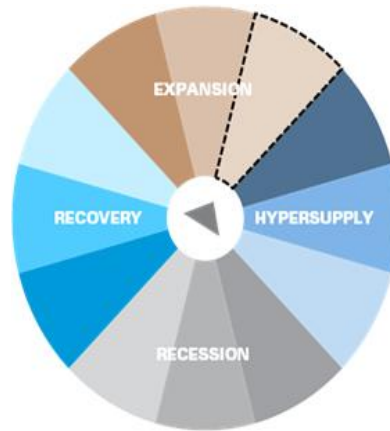
2% - 3.9%

Urban Class B

4%+

Suburban Class B

Market Cycle: Expansion Stage 3



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

Forecasts

Fort Worth, TX 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)	8,261			
Years to Balance	In Balance	In Balance	In Balance	In Balance

Source: CoStar Realty Information, Inc.

Fort Worth, TX 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	3.00%	3.00%	3.00%	3.00%
Expense Rate Change	3.00%	3.00%	3.00%	3.00%
Change in Value	Increase 2% - 3.9%	Increase 2% - 3.9%	Increase 4%+	Increase 4%+
Annual Absorption (Units)	4,472	302	0	0

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 175 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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