

VIEWPOINT



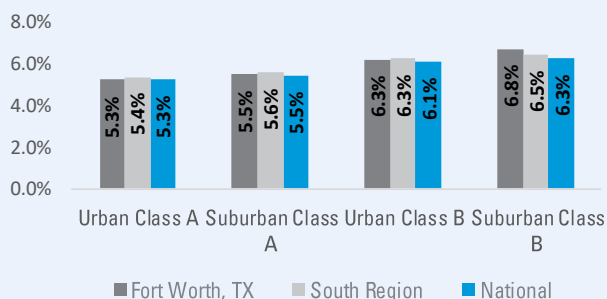
2018 FORT WORTH, TX MULTIFAMILY ANNUAL REPORT

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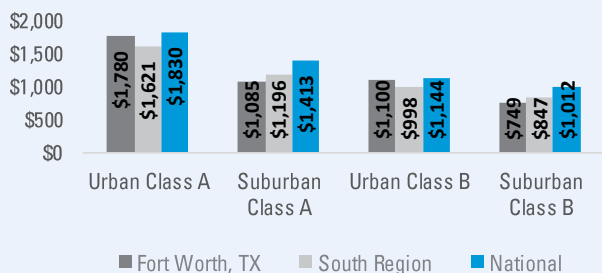
Market Rate Indicators (Y/Y)

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

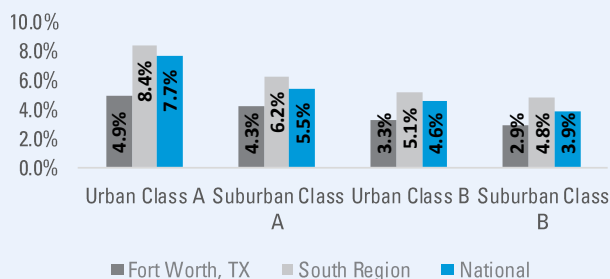
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



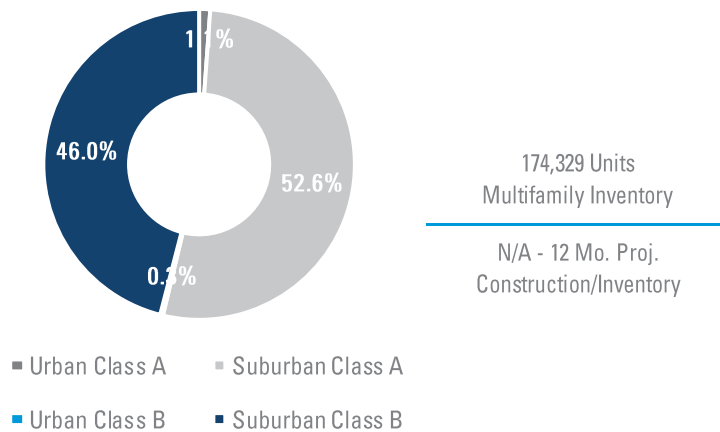
Vacancy Rates (%)



Fort Worth, TX Multifamily Market Overview

Population growth and low unemployment continue to drive the expansion of the Fort Worth multifamily market. Absorption remains positive and will likely remain positive for the next several years. Rental rates for A and B/C property classes in both the urban and suburban setting have been steadily increasing in recent years with this trend expected to continue. Overall cap rates and discount rates varied little in 2017 and are expected to remain steady in 2018. Although construction has been minimal in recent years, more than 1,800 new units were added in 2017 with an addition 7,100 units expected to be added to the Fort Worth multifamily market in 2018 or later. Northwest Fort Worth has taken over the hot spot for new multifamily development with more than 2,900 new units under construction and an additional 4,500 units planned or proposed for construction. The largest of these new multifamily developments is the 378-unit Alexan Summit with an expected completion date in late 2018 and the 380-unit Elan Crockett Row expected to be complete in late 2019. Growth is being spurred by the Trinity River Vision project, also known as the Panther Island mixed-use development, a plan to create an urban waterfront community to the north of Downtown Fort Worth along the Trinity River bank. Several other projects in Fort Worth include the 389-unit Alta Waterside and the 327-unit Oleander Apartments. Other multifamily projects under construction to the east of Fort Worth in Arlington as part of the revitalization of the city's urban core, including 100 Center and 101 Center, will add more than 500 new units combined. Fort Worth's economy remains strong and the multifamily market should continue to expand in 2018 with positive absorption and continuing increases in rental rates.

Distribution of Total Inventory



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Change In Value Next 12 Months



4%+

Urban Class A

4%+

Urban Class B



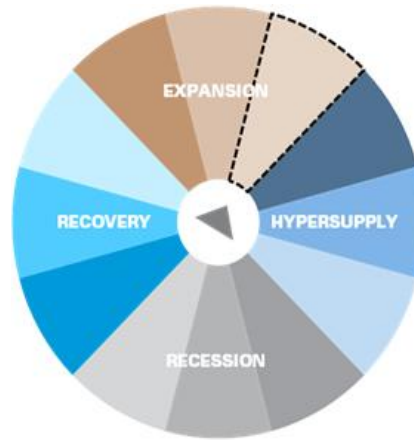
4%+

Suburban Class A

4%+

Suburban Class B

Market Cycle: Expansion Stage 3



- Decreasing Vacancy Rates
- Med/High Rental Rate Growth
- Moderate/High Employment Growth
- Moderate/High New Construction
- 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)				
Years to Balance	In Balance	In Balance	In Balance	In Balance

Fort Worth, TX 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	4.00%	3.00%	4.00%	3.00%
Expense Rate Change	3.00%	3.00%	3.00%	3.00%
Change in Value	Increase 4%+	Increase 4%+	Increase 4%+	Increase 4%+
Annual Absorption (Units)	10	20	826	400

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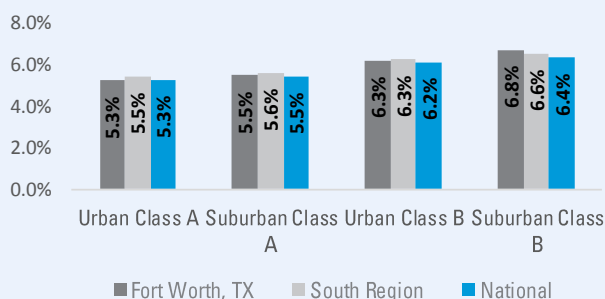
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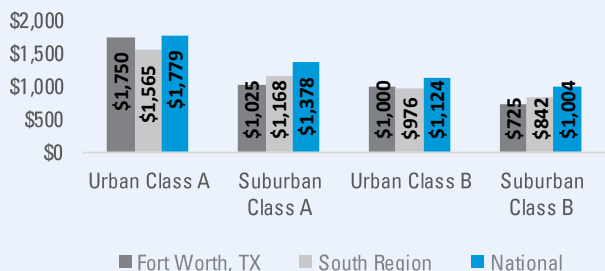
Market Rate Indicators (Y/Y)

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

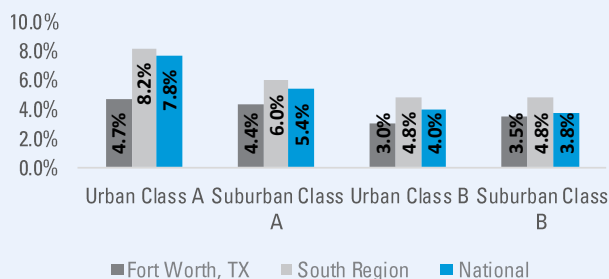
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



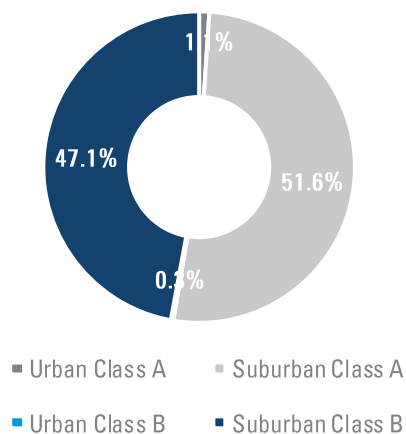
Vacancy Rates (%)



Fort Worth, TX Multifamily Market Overview

Population growth and low unemployment continue to drive the expansion of the Fort Worth multifamily market. Absorption remains positive and will likely remain positive for the next several years. Rental rates for A and B/C property classes in both the urban and suburban setting have been steadily increasing in recent years with this trend expected to continue. Overall cap rates and discount rates varied little in the first part of this year and are expected to remain steady in 2017. Although construction has been minimal in recent years, more than 3,700 new units were added to the Fort Worth multifamily market in early 2017. Southwest Fort Worth continues to be a hot spot for new multifamily development, with more than 1,200 units delivered in late 2016 and early 2017. The largest of these new multifamily developments is the 392-unit Kelton at Clearfork, part of the mixed-use Clearfork development that will also include retail and office space. Several multifamily projects are also under construction to the east of Fort Worth in Arlington as part of the revitalization of the city's urban core, including 100 Center and 101 Center, which will add more than 500 new units combined. Despite lingering uncertainty within the oil and gas industry, Fort Worth's economy remains strong and the multifamily market should continue to expand as 2017 progresses with occupancy levels remaining high and continued increases in rental rates.

Distribution of Total Inventory



170,550 Units
Multifamily Inventory

N/A - 12 Mo. Proj.
Construction/Inventory

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Change In Value Next 12 Months



4%+

Urban Class A

4%+

Urban Class B



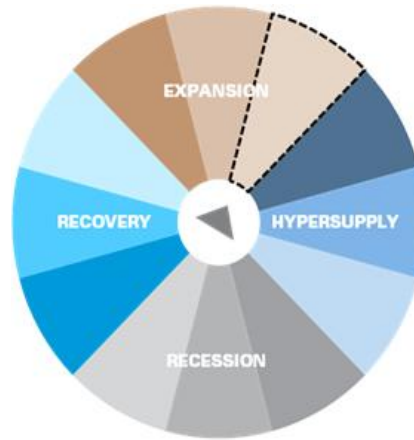
4%+

Suburban Class A

4%+

Suburban Class B

Market Cycle: Expansion Stage 3



- Decreasing Vacancy Rates
- Med/High Rental Rate Growth
- Moderate/High Employment Growth
- Moderate/High New Construction
- 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)	-			
Years to Balance	In Balance	In Balance	In Balance	In Balance

Fort Worth, TX 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	4.00%	3.00%	4.00%	3.00%
Expense Rate Change	3.00%	3.00%	3.00%	3.00%
Change in Value	Increase 4%+	Increase 4%+	Increase 4%+	Increase 4%+
Annual Absorption (Units)	10	20	826	400

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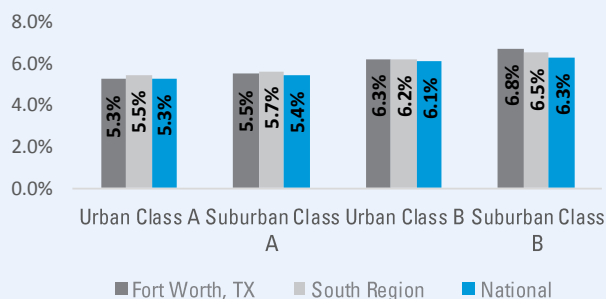
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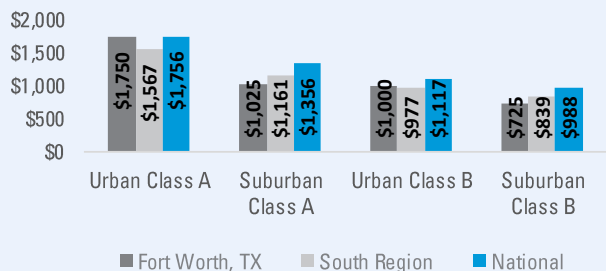
Market Rate Indicators (Y/Y)

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

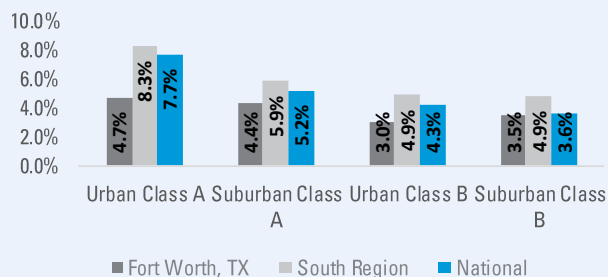
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



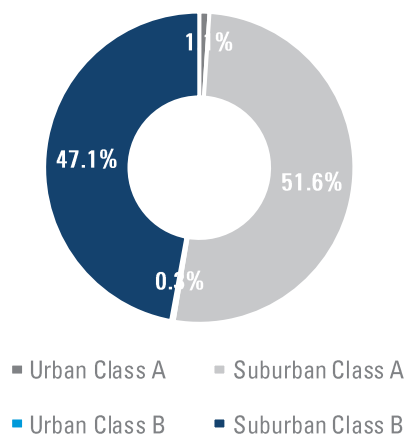
Vacancy Rates (%)



Fort Worth, TX Multifamily Market Overview

Population growth and low unemployment continue to drive the expansion of the Fort Worth multifamily market. Absorption remains positive and will likely remain positive for the next several years. Rental rates for A and B/C property classes in both the urban and suburban setting have been steadily increasing in recent years with this trend expected to continue. Overall cap rates and discount rates varied little in the first part of this year and are expected to remain steady in 2017. Although construction has been minimal in recent years, more than 3,700 new units are expected to be added to the Fort Worth multifamily market in early 2017. Southwest Fort Worth continues to be a hot spot for new multifamily development, with more than 1,200 units set to be completed in late 2016 and early 2017. The largest of these new multifamily developments is the 392-unit Kelton at Clearfork, part of the mixed-use Clearfork development that will also include retail and office space. Other projects in this area include Highpoint on South Main, South 400, and The Grove at Waterside. Several multifamily projects are also under construction to the east of Fort Worth in Arlington as part of the revitalization of the city's urban core, including 100 Center and 101 Center, which will add more than 500 new units combined. Despite lingering uncertainty within the oil and gas industry, Fort Worth's economy remains strong and the multifamily market should continue to expand as 2017 progresses with occupancy levels remaining high and continued increases in rental rates.

Distribution of Total Inventory



170,550 Units
Multifamily Inventory

2.20% - 12 Mo. Proj.
Construction/Inventory

Integra Realty Resources - Fort Worth

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Change In Value Next 12 Months



4%+

Urban Class A

4%+

Urban Class B



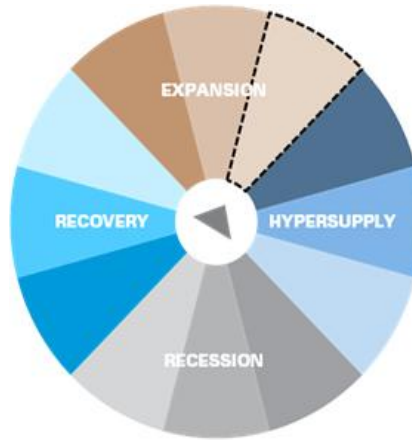
4%+

Suburban Class A

4%+

Suburban Class B

Market Cycle: Expansion Stage 3



- Decreasing Vacancy Rates
- Med/High Rental Rate Growth
- Moderate/High Employment Growth
- Moderate/High New Construction
- 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)	3,760			
Years to Balance	In Balance	In Balance	In Balance	In Balance

Fort Worth, TX 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	4.00%	3.00%	4.00%	3.00%
Expense Rate Change	3.00%	3.00%	3.00%	3.00%
Change in Value	Increase 4%+	Increase 4%+	Increase 4%+	Increase 4%+
Annual Absorption (Units)	10	20	826	400

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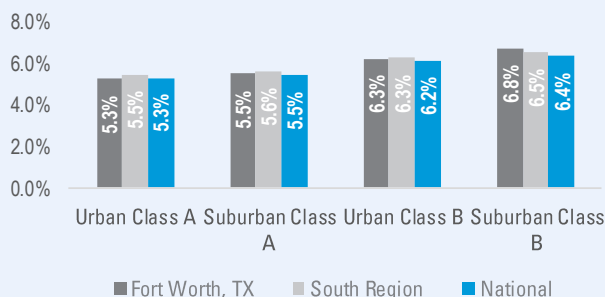
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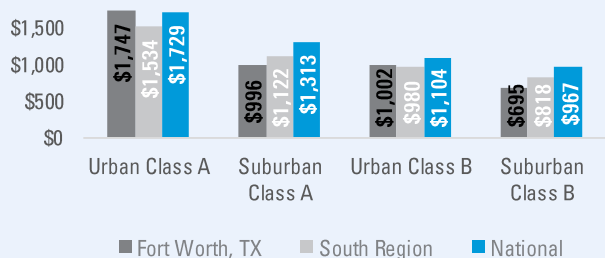
Market Rate Indicators (Y/Y)

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

Going In Cap Rate Comparisons (%)

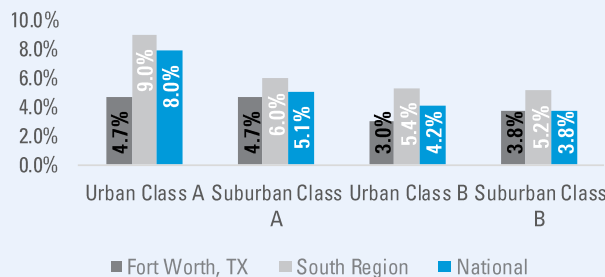


Asking Rents (\$/Unit)



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Vacancy Rates (%)

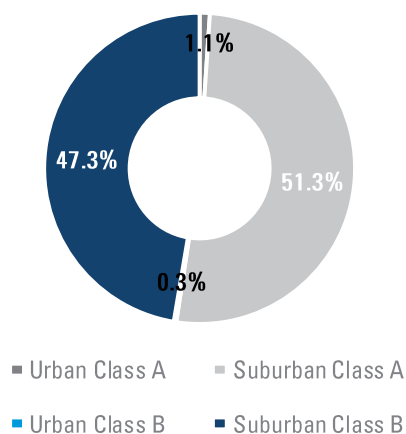


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Fort Worth, TX Multifamily Market Overview

Population growth and low unemployment continue to drive the expansion of the Fort Worth multifamily market. Overall vacancy has remained below 5 percent since 2014 with a current overall vacancy rate of 4.2 percent. Absorption remains positive and will likely remain positive for the next several years. Rental rates for A and B/C property classes in both the urban and suburban setting have been steadily increasing in recent years with this trend expected to continue. Overall cap rates and discount rates varied little in the first part of this year and are expected to remain steady as 2016 progresses. Although construction has been minimal in recent years, more than 3,700 new units are expected to be added to the Fort Worth multifamily market through 2017. Southwest Fort Worth continues to be a hot spot for new multifamily development, with more than 1,200 units set to be completed in late 2016 and early 2017. The largest of these new multifamily developments is the 392-unit Kelton at Clearfork, part of the mixed-use Clearfork development that will also include retail and office space. Other projects in this area include Highpoint on South Main, South 400, and The Grove at Waterside. Several multifamily projects are also under construction to the east of Fort Worth in Arlington as part of the revitalization of the city's urban core, including 100 Center and 101 Center, which will add more than 500 new units combined. Despite lingering uncertainty within the oil and gas industry, Fort Worth's economy remains strong and the multifamily market should continue to expand as 2016 progresses with occupancy levels remaining high and continued increases in rental rates.

Distribution of Total Inventory



169,650 Units
Multifamily Inventory

2.21% - 12 Mo. Proj.
Construction/Inventory

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Integra Realty Resources - Fort Worth

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Change In Value Next 12 Months



4%+

Urban Clas A

4%+

Urban Clas B



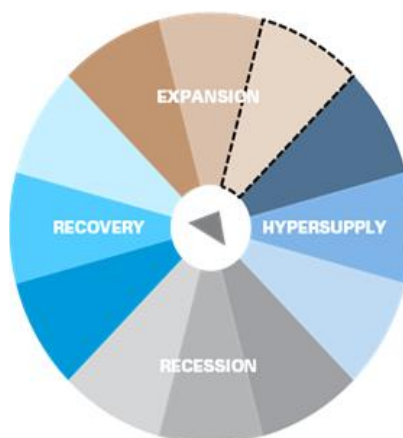
4%+

Suburban Clas A

4%+

Suburban Clas B

Market Cycle: Expansion Stage 3



- Decreasing Vacancy Rates
- Med/High Rental Rate Growth
- Moderate/High Employment Growth
- Moderate/High New Construction
- 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 +/- 0%	Remain +/- 0%	Remain +/- 0%	Remain +/- 0%
Discount Rate	Remain +/- 0%	Remain +/- 0%	Remain +/- 0%	Remain +/- 0%
Reversion Rate	Remain +/- 0%	Remain +/- 0%	Remain +/- 0%	Remain +/- 0%
Construction (Units)	3,756			
Years to Balance	In Balance	In Balance	In Balance	In Balance

Fort Worth, TX 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	4.00%	3.00%	4.00%	3.00%
Expense Rate Change	3.00%	3.00%	3.00%	3.00%
Change in Value	Increase 4%+	Increase 4%+	Increase 4%+	Increase 4%+
Annual Absorption (Units)	10	20	826	400

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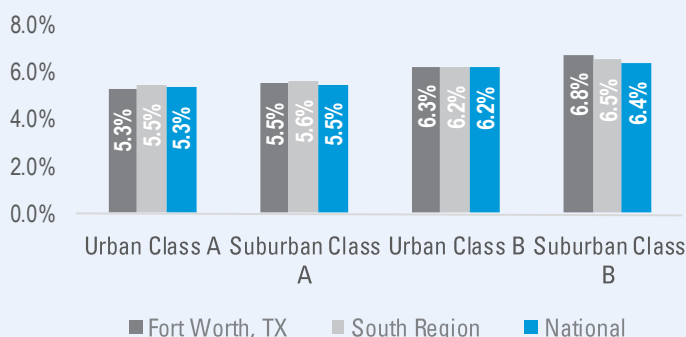
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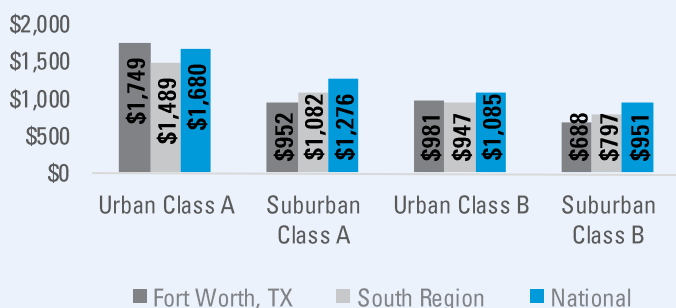
Market Rate Indicators (Y/Y)

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

Going In Cap Rate Comparisons (%)

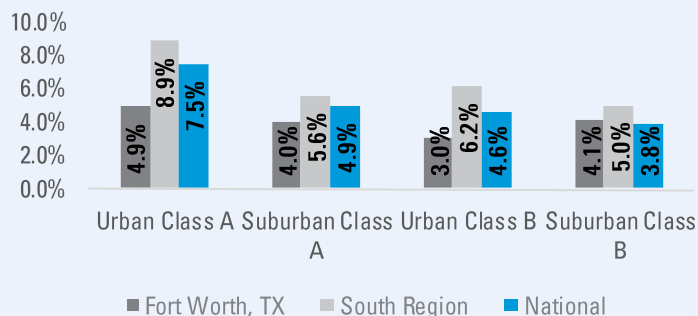


Asking Rents (\$/Unit)



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Vacancy Rates (%)

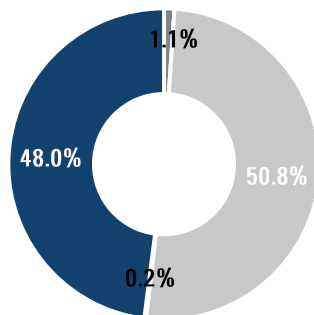


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Fort Worth, TX Multifamily Market Overview

Despite uncertainty within the oil and gas industry, Fort Worth's economy remains strong. Population growth and low unemployment continue to drive the expansion of the Fort Worth multifamily market. Overall vacancy has remained below 5% over the past two years with a current vacancy rate of 4.1%. Absorption remains positive and will likely remain positive, although at decreasing levels. Rental rates for both A and B/C property classes have been steadily increasing in recent years with this trend expected to continue. Overall cap rates and discount rates varied little throughout 2015 and will likely see only slight variation going into 2016 as well. Although construction has slowed in recent years, more than 2,000 new units are expected to be added to the Fort Worth multifamily market in 2016. Of the projects currently under construction and set to be complete within the next two years, a majority are located within the Southwest Fort Worth submarket, including The Kelton, a 392-unit complex at Edwards Ranch and the 385-unit Grove at Waterside. Future plans call for an additional 2,100 units as part of the mixed-use Clearfork development, also located within the Southwest Fort Worth submarket. Other projects of note include the 339-unit Overlook Ranch project within the AllianceTexas development and the newly completed Elan West 7th complex with 374 units. Downtown Fort Worth has experienced little development within the multifamily sector in recent years; however, Alliance Residential recently announced plans to build Brownstone 5th and Summit, a 345-unit apartment community to be located in Downtown Fort Worth. The Fort Worth multifamily market should continue to expand into 2016 as demand continues to fuel high occupancy levels and increased market rents.

Distribution of Total Inventory



168,069 Units
Multifamily Inventory

1.27% - 12 Mo. Proj.
Construction/Inventory

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

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Integra Realty Resources - Fort Worth

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Change In Value Next 12 Months



+ 4%

Urban Class A

+ 4%

Urban Class B



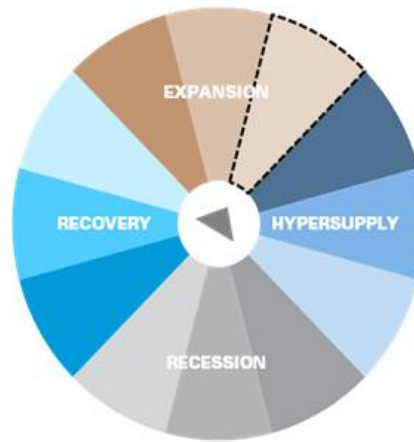
+ 4%

Suburban Class A

+ 4%

Suburban Class B

Market Cycle: Expansion Stage 3



- Decreasing Vacancy Rates
- Med/High Rental Rate Growth
- Moderate/High Employment Growth
- Moderate/High New Construction
- 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)	2,132			
Years to Balance	In Balance	In Balance	In Balance	In Balance

Fort Worth, TX 36 Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	Increase 3% - 4.9%	Increase 3% - 4.9%	Increase 3% - 4.9%	Increase 3% - 4.9%
Expense Rate Change	Increase 3% - 4.9%	Increase 3% - 4.9%	Increase 3% - 4.9%	Increase 3% - 4.9%
Change in Value	Increase 4%+	Increase 4%+	Increase 4%+	Increase 4%+
Annual Absorption (Units)	10	4	650	450

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