

Atlanta



Apartment Market Snapshot - 12/7/2021



Green Street
— REAL ESTATE ANALYTICS —

Market Grade

A-

Risk

Volatility

High

Beta

1.0

CPPI

Index

253.2

YoY Δ

40.2%

Cap Rate

Current

3.7%

YoY Δ

-80 bps

LT NOI Growth

2.4%

Risk Adj. IRR

5.8%

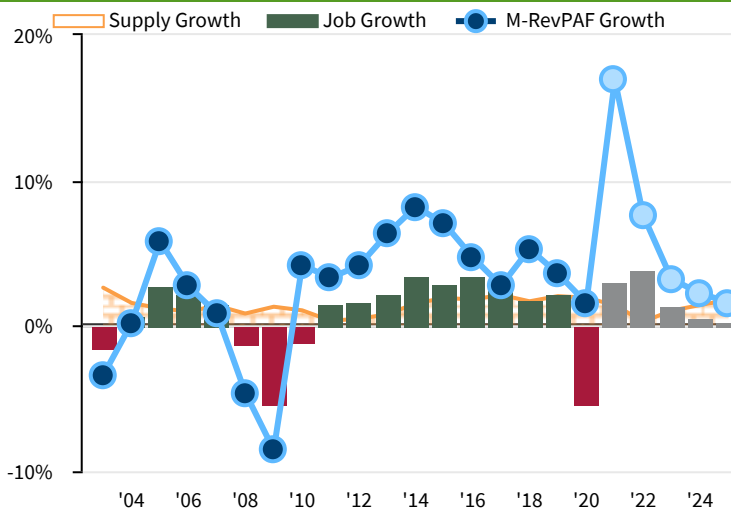
MARKET METRICS

| Metric | Current | Rank of 50 |
|----------------------|---------|------------|
| Avg. Effective Rents | \$1,290 | 28 |
| Occupancy | 95.6% | 26 |
| YOY M-RevPAF Growth | 11.0% | 7 |
| YOY Job Growth | 6.0% | 20 |
| Median Income | \$76k | 26 |
| Homeownership Rate | 55.2% | 24 |
| Med. Home Price | \$260k | 34 |
| Apartment Units | 453,000 | 8 |
| Households | 1,608k | 10 |

TOP 10 EMPLOYERS

- Delta
- Emory University & Healthcare
- The Home Depot
- Northside Hospital
- Piedmont Healthcare
- Publix Super Markets
- WellStar Health System
- The Kroger Co.
- AT&T
- UPS

SUPPLY AND DEMAND



MARKET OVERVIEW

Atlanta: Atlanta's sector diversification has helped moderate the impact of the recession as the metro is home to 16 Fortune 500 companies. The market has attracted an expanding presence of a highly-educated population with expectations for millennial population growth to outpace the top market average through '25. The growing tech presence is largely concentrated in Midtown, wherein college education rates are comparable to highly skilled coastal submarkets. Along with the positive human capital backdrop, low cost of living serves as a catalyst for continued in-migration. Google and Cousins Properties (CUZ) have highlighted Midtown's dynamism citing its technology presence, and adjacency to "educational powerhouses." Facebook, Google and Microsoft all signed leases in the metro in '20 for a combined ~720k SF of space, adding ~2,500 jobs between them. Infrastructure and congestion concerns will partly be addressed by an \$11B traffic improvement project in '21. The plan includes MARTA expansion and new rail lines in Clayton County and Clifton Corridor.

Strengths

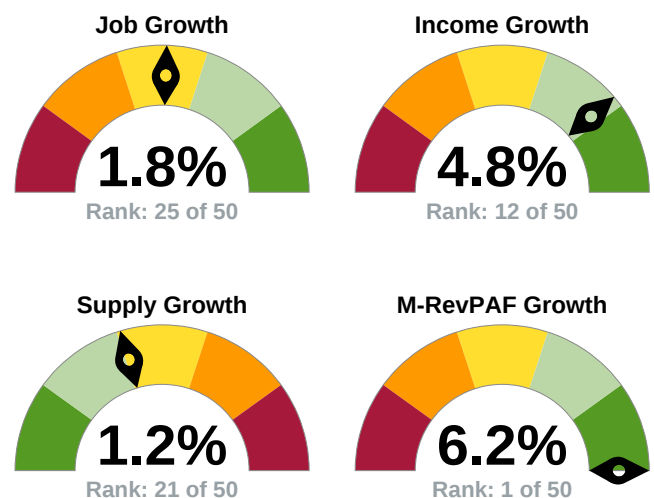
- + Labor shift towards a higher earning population aided by strong tech growth and quality universities
- + Low tax rates will likely make Atlanta a destination for corporate relocations and working age population growth
- + Elevated supply barriers in Buckhead, Midtown, and Cumberland constraining future development

Weaknesses

- Market affordability is below comparable Sun Belt markets, hampering incremental demand
- Poor household income in southern submarkets with less tech concentration will likely weigh down market effective rent
- Traffic congestion and crime rating above Sun Belt average, negatively effecting household formation

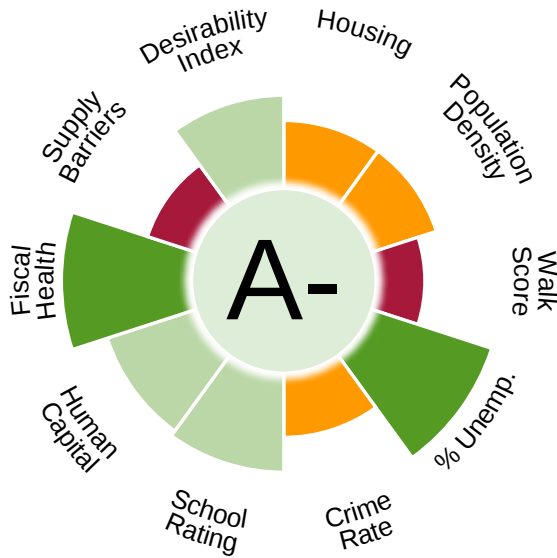
5-YEAR FORECASTS

(Growth Rates Annualized; Rankings 1-50 w/ 1 being best)

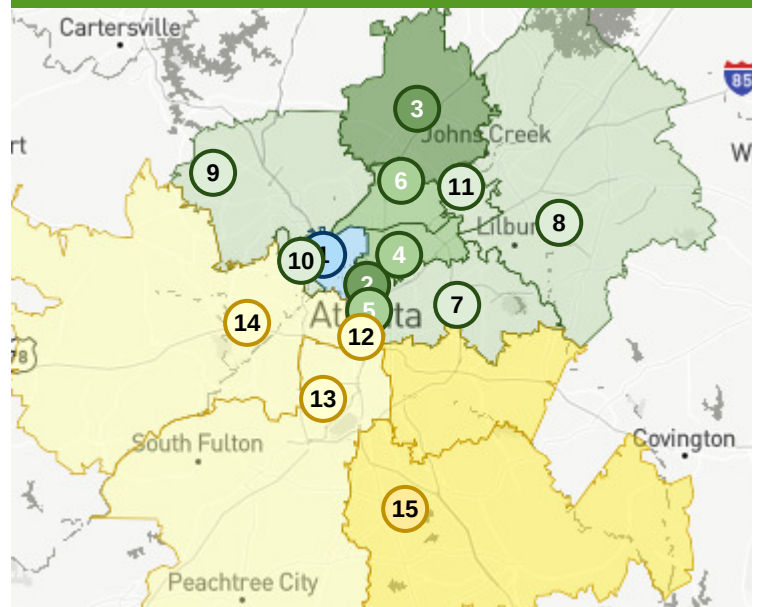


Sources: BLS, CBRE, Oxford Economics, U.S. Census Bureau, and Green Street.

MARKET GRADE



SUBMARKETS

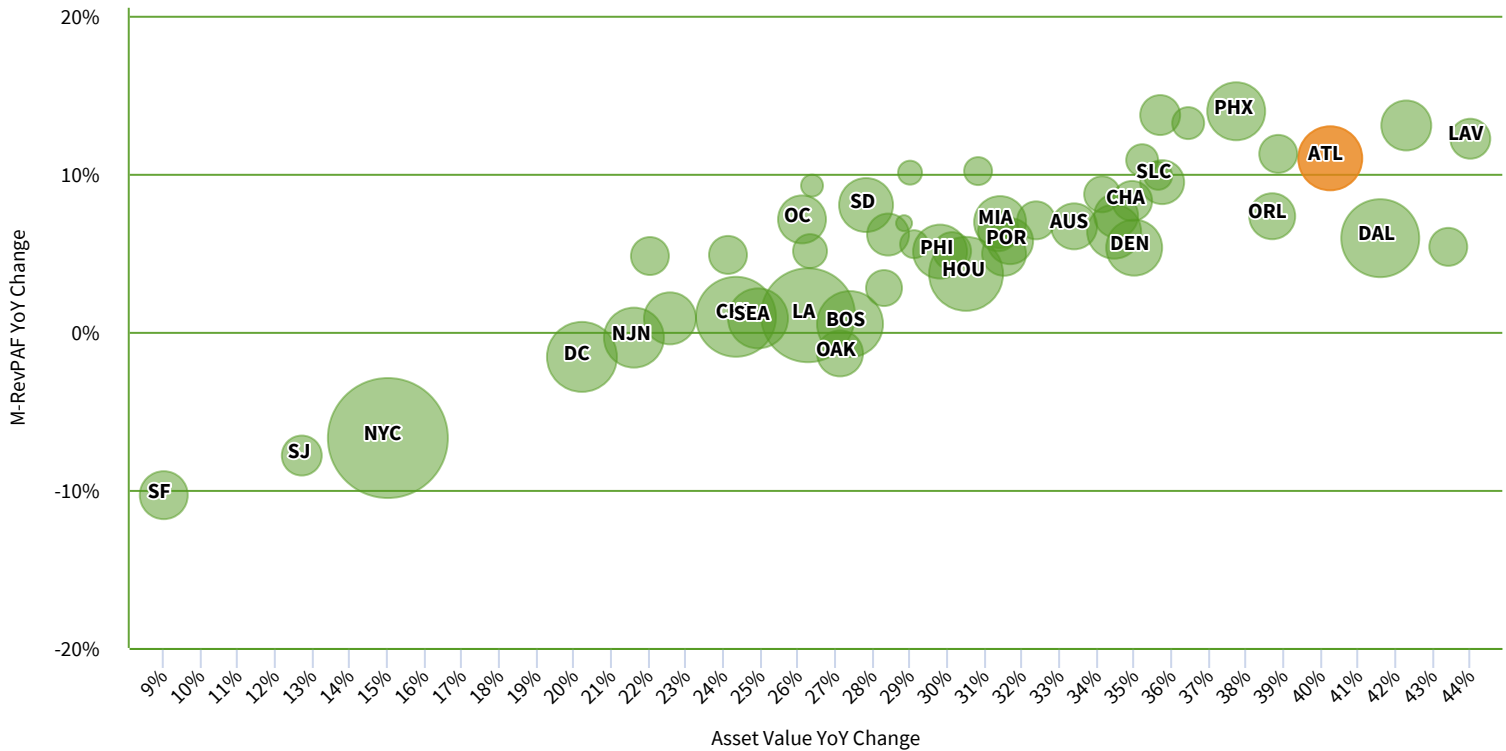


TOP 15 SUBMARKETS (RANKED BY GRADE)

| Submarket | Rent | Occ. | Med. Home Price | Affordability | Pop/Sq. Mi. | Walk Score | Description | % Unemp. | Crime Rate | School Rating | Med. HHI | % Coll. Deg. | Grade |
|----------------------------|----------------|--------------|-----------------|----------------|--------------|------------|----------------------|-------------|------------|---------------|--------------|--------------|-----------|
| 1 Cumberland | \$1,460 | 95.4% | \$640k | Very Expensive | 1,890 | 18 | Car-Dependent | 6.5% | 43 | 8.0 | \$120k | 78% | A++ |
| 2 Buckhead | \$1,790 | 94.0% | \$560k | Very Expensive | 4,390 | 61 | Somewhat Walkable | 4.6% | 61 | 5.5 | \$100k | 76% | A+ |
| 3 Alpharetta / Roswell | \$1,380 | 94.8% | \$420k | Expensive | 1,930 | 19 | Car-Dependent | 7.9% | 20 | 7.3 | \$120k | 66% | A+ |
| 4 Northeast | \$1,380 | 95.6% | \$450k | Expensive | 3,560 | 38 | Car-Dependent | 7.0% | 38 | 5.4 | \$84k | 62% | A |
| 5 Midtown | \$1,800 | 93.0% | \$340k | Neutral | 9,290 | 75 | Very Walkable | 6.1% | 69 | 6.0 | \$85k | 76% | A |
| 6 Sandy Springs / Dunwoody | \$1,340 | 94.2% | \$450k | Expensive | 3,220 | 27 | Car-Dependent | 6.8% | 34 | 5.9 | \$89k | 67% | A |
| 7 North DeKalb | \$1,320 | 94.8% | \$310k | Expensive | 3,490 | 42 | Car-Dependent | 10.6% | 50 | 5.0 | \$73k | 52% | A- |
| 8 Gwinnett | \$1,270 | 96.4% | \$250k | Cheap | 2,000 | 20 | Car-Dependent | 8.7% | 27 | 7.4 | \$85k | 41% | A- |
| 9 Marietta | \$1,240 | 96.0% | \$290k | Neutral | 2,330 | 20 | Car-Dependent | 8.5% | 37 | 6.3 | \$86k | 49% | A- |
| 10 Smyrna | \$1,280 | 95.8% | \$300k | Neutral | 4,220 | 40 | Car-Dependent | 7.5% | 41 | 4.0 | \$76k | 56% | A- |
| 11 Peachtree Corners | \$1,140 | 96.5% | \$290k | Neutral | 2,700 | 25 | Car-Dependent | 7.9% | 40 | 5.5 | \$62k | 41% | A- |
| 12 Downtown | \$1,410 | 94.7% | \$220k | Neutral | 8,250 | 79 | Very Walkable | 27.3% | 71 | 3.5 | \$48k | 36% | B+ |
| 13 Airport / South | \$1,170 | 96.1% | \$200k | Cheap | 1,010 | 21 | Car-Dependent | 13.6% | 47 | 4.8 | \$63k | 34% | B+ |
| 14 West | \$1,250 | 95.8% | \$190k | Very Cheap | 1,070 | 24 | Car-Dependent | 13.1% | 47 | 5.1 | \$67k | 33% | B+ |
| 15 Clayton / Henry | \$1,140 | 96.9% | \$150k | Very Cheap | 1,010 | 15 | Car-Dependent | 13.6% | 43 | 4.4 | \$63k | 24% | B |
| Atlanta | \$1,290 | 95.6% | \$260k | Cheap | 1,620 | 26 | Car-Dependent | 4.5% | 39 | 5.5 | \$76k | 43% | A- |

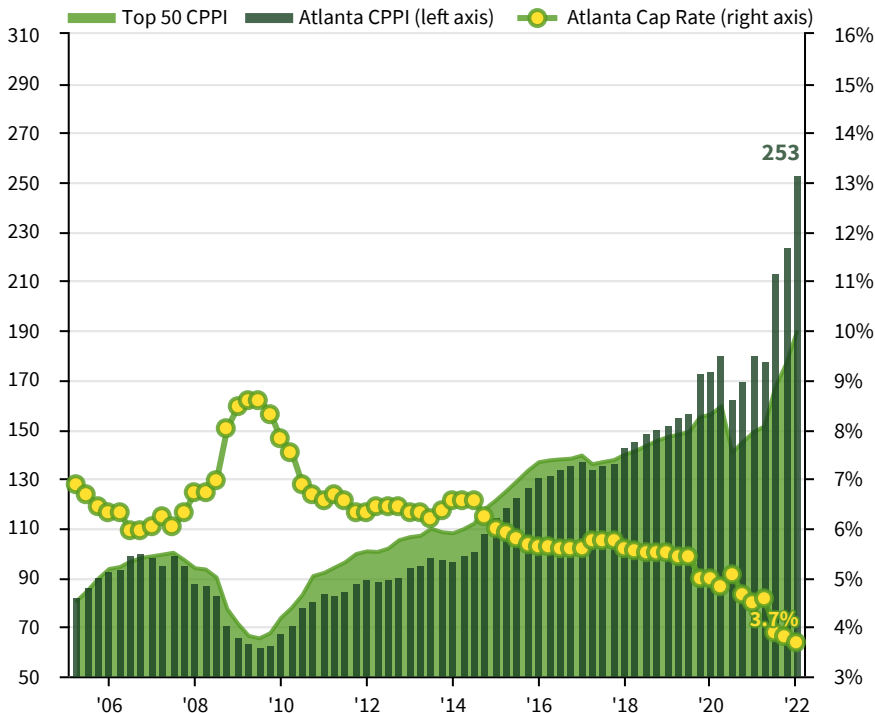
Sources: GreatSchools, U.S. Census Bureau, Walk Score, and Green Street.

MOMENTUM



Note: Size of bubble represents size of market.

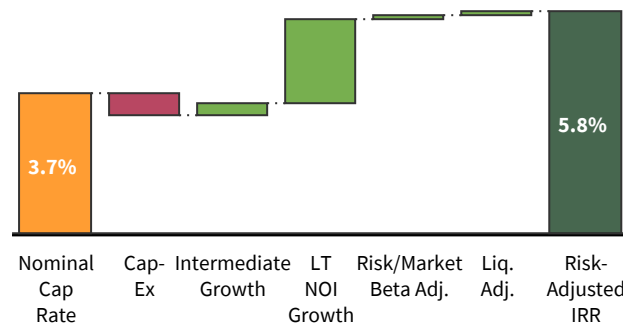
ASSET VALUES



MARKET VALUATION

| | |
|-------------------------------------|--------|
| Nominal Cap Rate | 3.7% |
| Cap-Ex Reserve (% NOI) | -16.0% |
| Economic Cap Rate | 3.1% |
| Intermediate NOI Growth ('21 - '25) | 3.0% |
| Long-Term NOI Growth | 2.4% |
| Unlevered IRR | 5.6% |
| Sector Risk/Market Beta Adjustment | 0.1% |
| Liquidity Adjustment | 0.1% |
| Risk-Adjusted IRR | 5.8% |

Unlevered IRR Build-Up



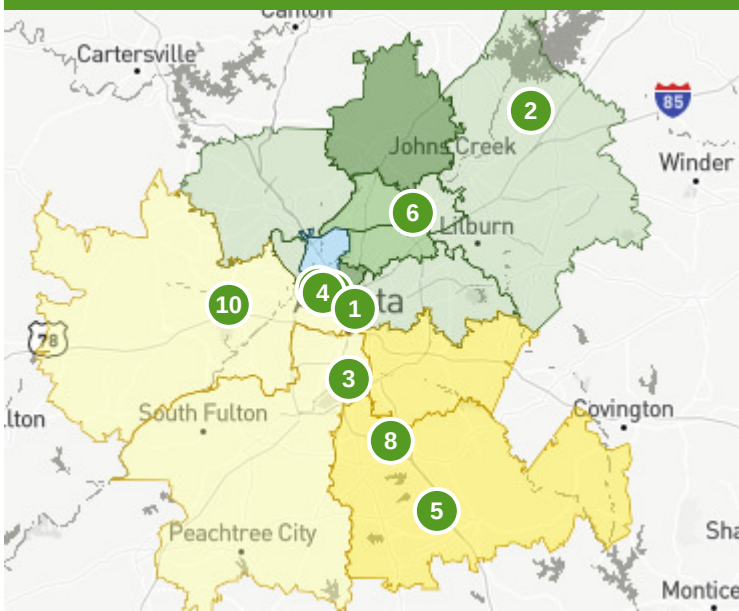
Source: Green Street.

Atlanta

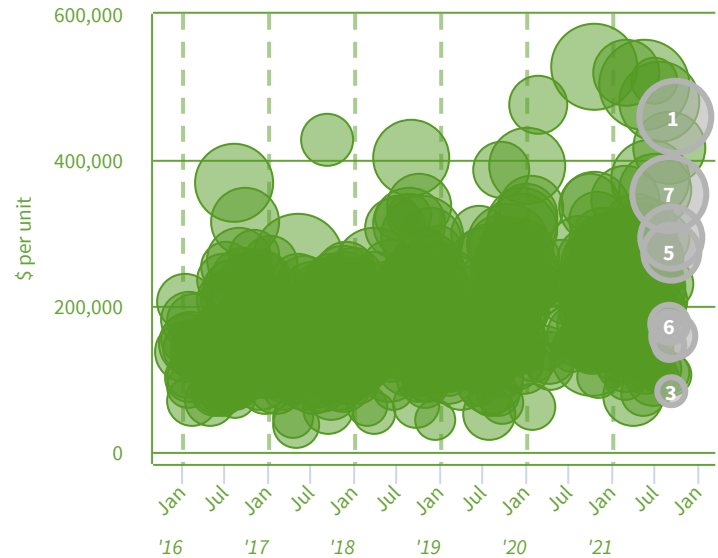
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RECENT TRANSACTIONS










TRANSACTION HISTORY



Note: Size of bubble represents transaction size

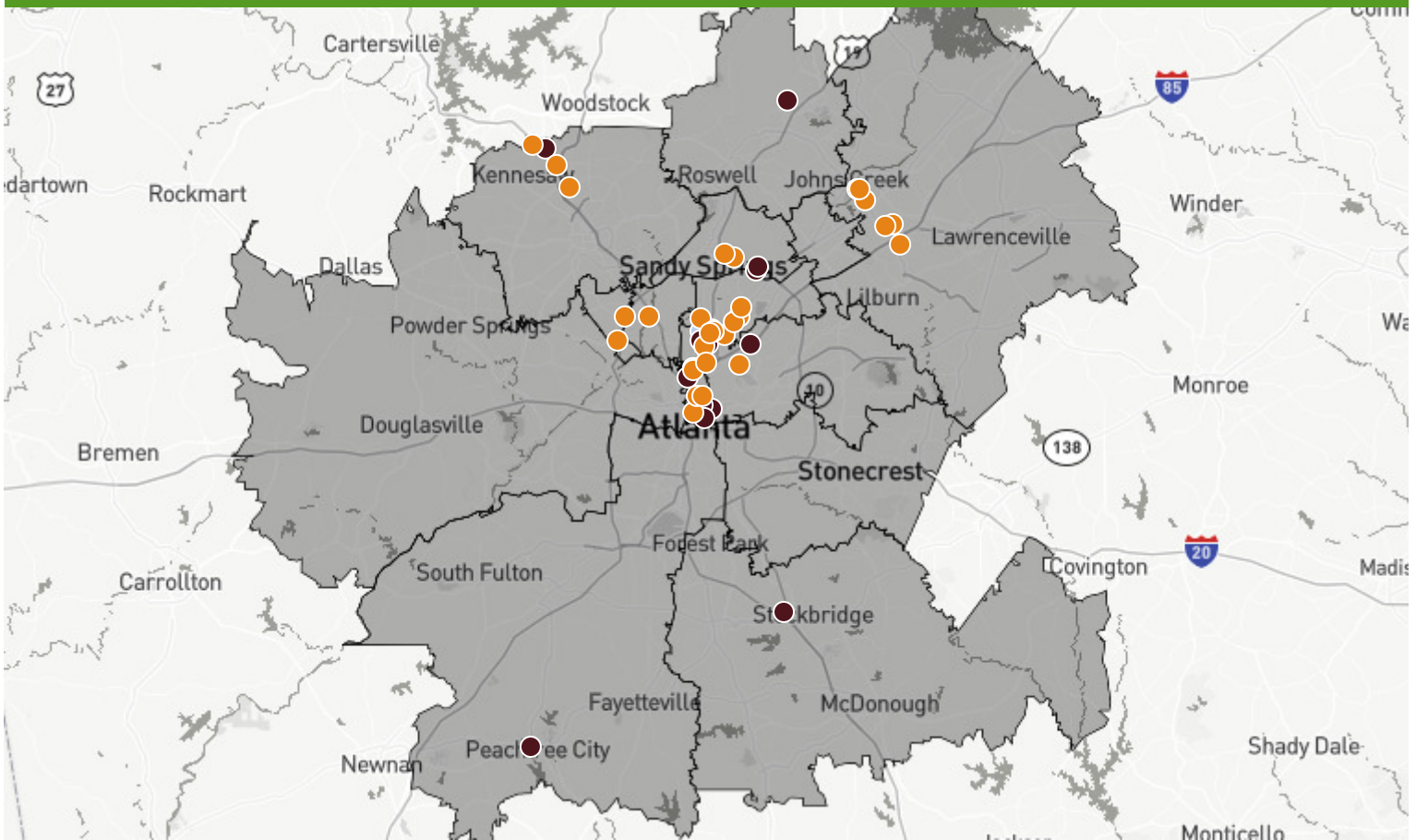
RECENT TRANSACTIONS SUMMARY

| Property Name Address | Sale Date | Sale Price | Units | Price / Unit | Year Built | Submarket Grade | Zip Code Grade | Buyer | Seller |
|---|-----------|----------------|------------|------------------|------------|-----------------|----------------|---|---------------------------------------|
| 1 YOO ON THE PARK 207 13TH STREET NE ATLANTA, GA, 30309  | 9/29/21 | \$112.5M | 245 | \$459,184 | - | A | A | LINCOLN PROPERTY CO.; CADILLAC FAIRVIEW CORP. | ATLANTIC AMERICAN PARTNERS; THRILLIST |
| 2 PLANTATION RIDGE 1022 LEVEL CREEK ROAD SUGAR HILL, GA, 30518  | 9/20/21 | \$34.8M | 218 | \$159,404 | - | A- | A- | - | HALLMARK COS. |
| 3 NIRVANA AT GLENROSE 50 MOUNT ZION ROAD SW ATLANTA, GA, 30354  | 9/14/21 | \$14.5M | 172 | \$84,209 | - | B+ | B- | - | - |
| 4 VUE AT THE QUARTER 2048 BOLTON DRIVE NW ATLANTA, GA, 30318  | 9/14/21 | \$79.7M | 271 | \$294,096 | - | B+ | B+ | EXETER PROPERTY GROUP | GJ ENTERPRISES |
| 5 CANYON SPRINGS 1200 TOWNE CENTRE VILLAGE DRIVE MCDONOUGH, GA, 30253  | 9/10/21 | \$61.0M | 223 | \$273,543 | - | B | B | CLARK VENTURES | - |
| 6 SPAULDING HILLS 6701 WINTERBROOK COURT ATLANTA, GA, 30360  | 9/8/21 | \$16.9M | 98 | \$172,559 | - | A | B+ | - | - |
| 7 LUNA UPPER WESTSIDE 2265 MARIETTA BOULEVARD NW ATLANTA, GA, 30318  | 9/8/21 | \$122.0M | 345 | \$353,623 | - | B+ | B+ | EQUITY RESIDENTIAL | CRESCENT COMMUNITIES |
| 8 HIDDEN CREEK 6595 MOUNT ZION BOULEVARD MORROW, GA, 30260  | 9/7/21 | \$17.1M | 116 | \$147,414 | - | B | B | - | - |
| 9 2100 DEFOORS 2100 DEFOORS FERRY ROAD NW ATLANTA, GA, 30318  | 9/1/21 | \$10.7M | 60 | \$178,083 | - | B+ | B+ | - | - |
| 10 RESERVE AT SWEETWATER CREEK 99 CREEKSIDE CIRCLE AUSTELL, GA, 30168  | 9/1/21 | \$27.5M | 156 | \$176,282 | - | B+ | B- | - | BEACH CO. |
| Average | - | \$49.7M | 190 | \$229,840 | - | | | - | - |




 = Signifies Verified Transaction

Sources: BLS, CBRE, Oxford Economics, U.S. Census Bureau, and Green Street.

REIT PROPERTIES



ATLANTA PORTFOLIO SUMMARY

| Name | Submarket Grade | Zip Code Grade | % of REIT NOI | # Props | Units | Nominal Cap Rate |
|--|-----------------|----------------|---------------|---------|--------|------------------|
|  MAA | A | A | 13% | 29 | 10,800 | 3.5% |
|  Camden Prop Trust | A- | A | 8% | 14 | 4,500 | 3.4% |
|  Apartment Income REIT | A | A | 1% | 3 | 500 | 3.4% |
| Total REIT Exposure | | | 3% | 46 | 15,700 | 3.5% |

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