

OPENING REMARKS: **BISNOW 5TH ANNUAL** FUTURE OF DOWNTOWN BALTIMORE



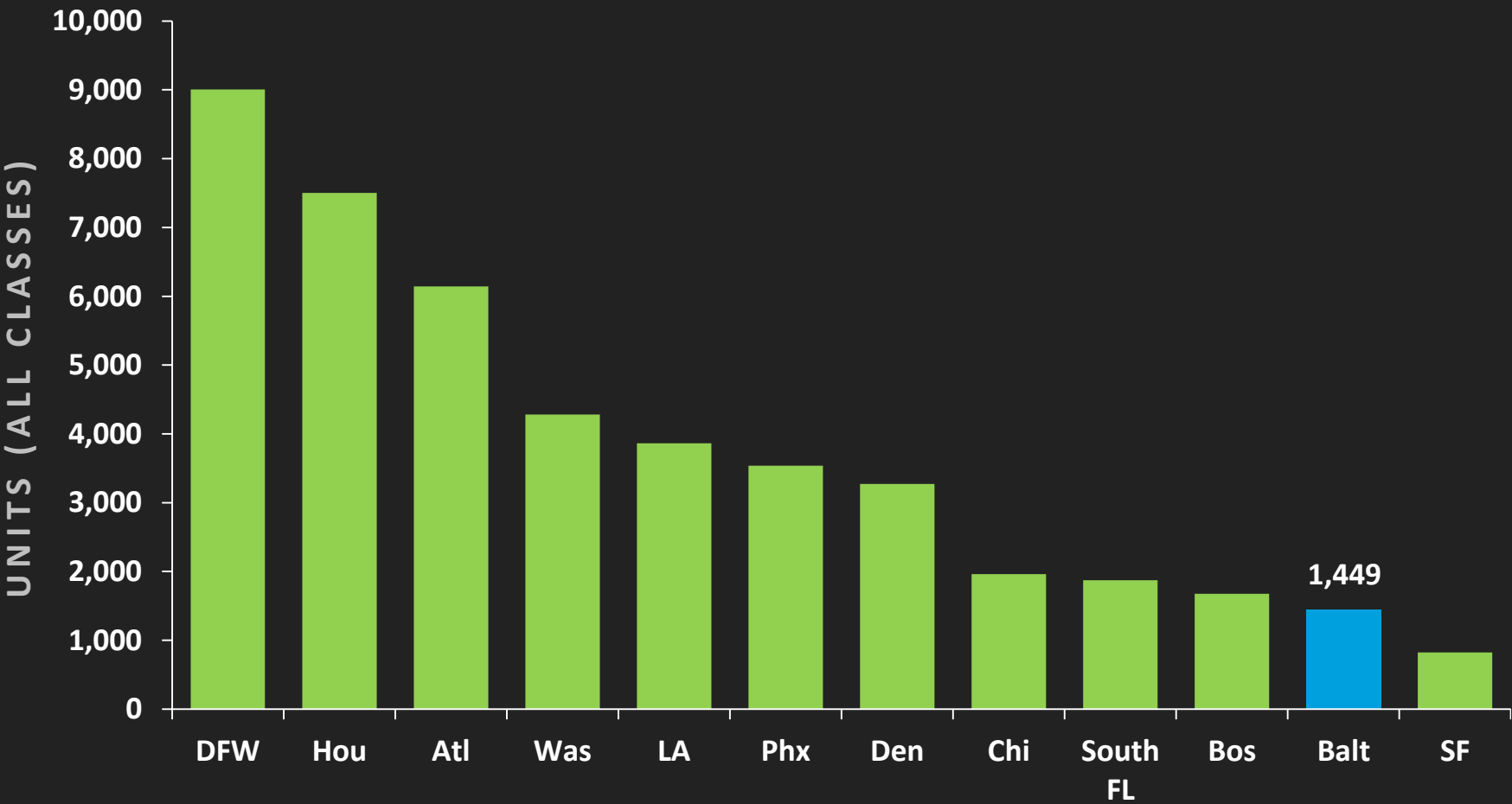
NATIONAL MULTIFAMILY MARKET



ANNUAL APARTMENT ABSORPTION

National Market Leaders | Long-Term Average

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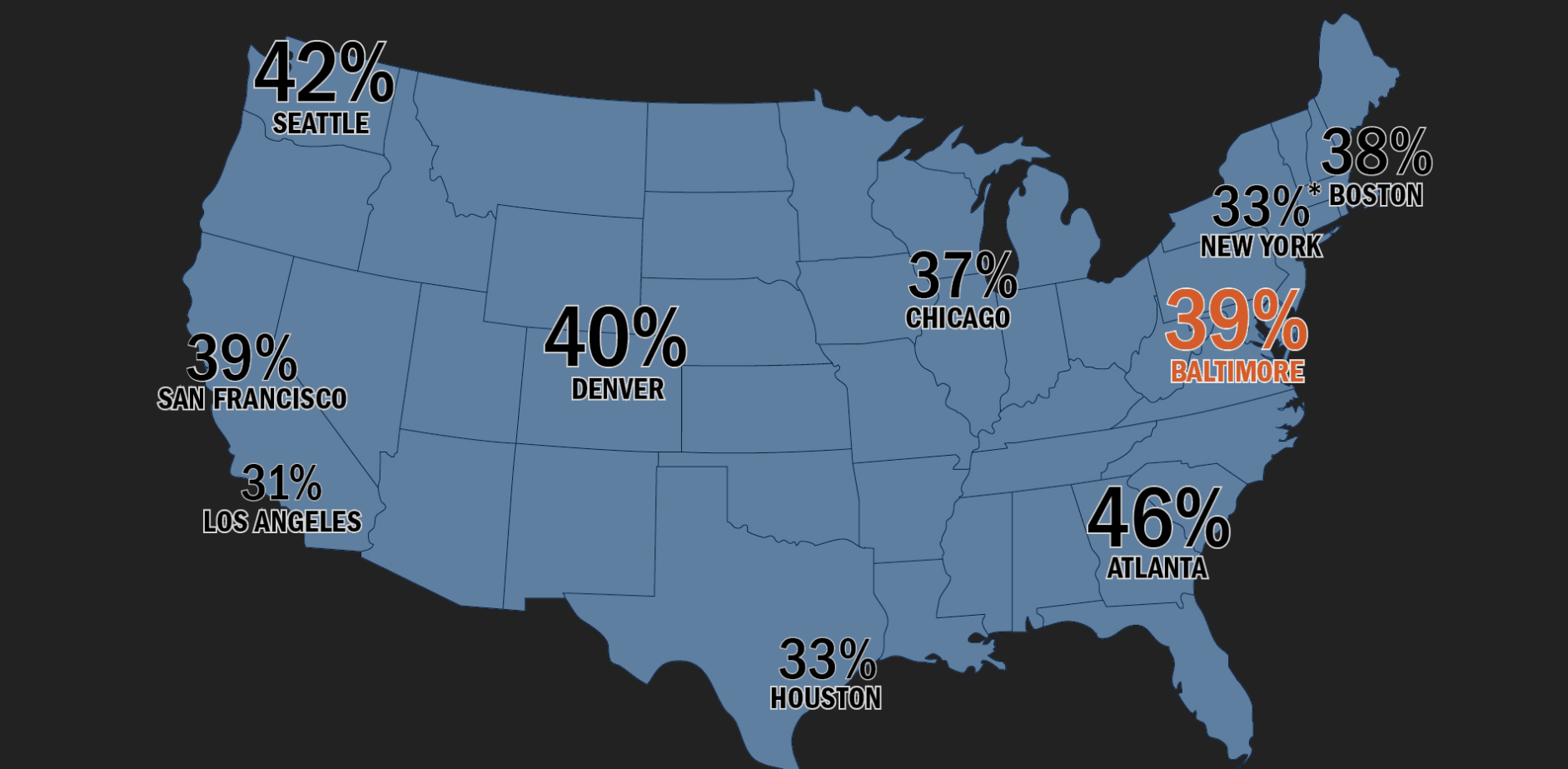
Source: REIS, Delta Associates; December 2016.

Note: Excludes NY metro to conserve scale.

CHANGING DEMAND PATTERNS

Single Person Households for Major Cities

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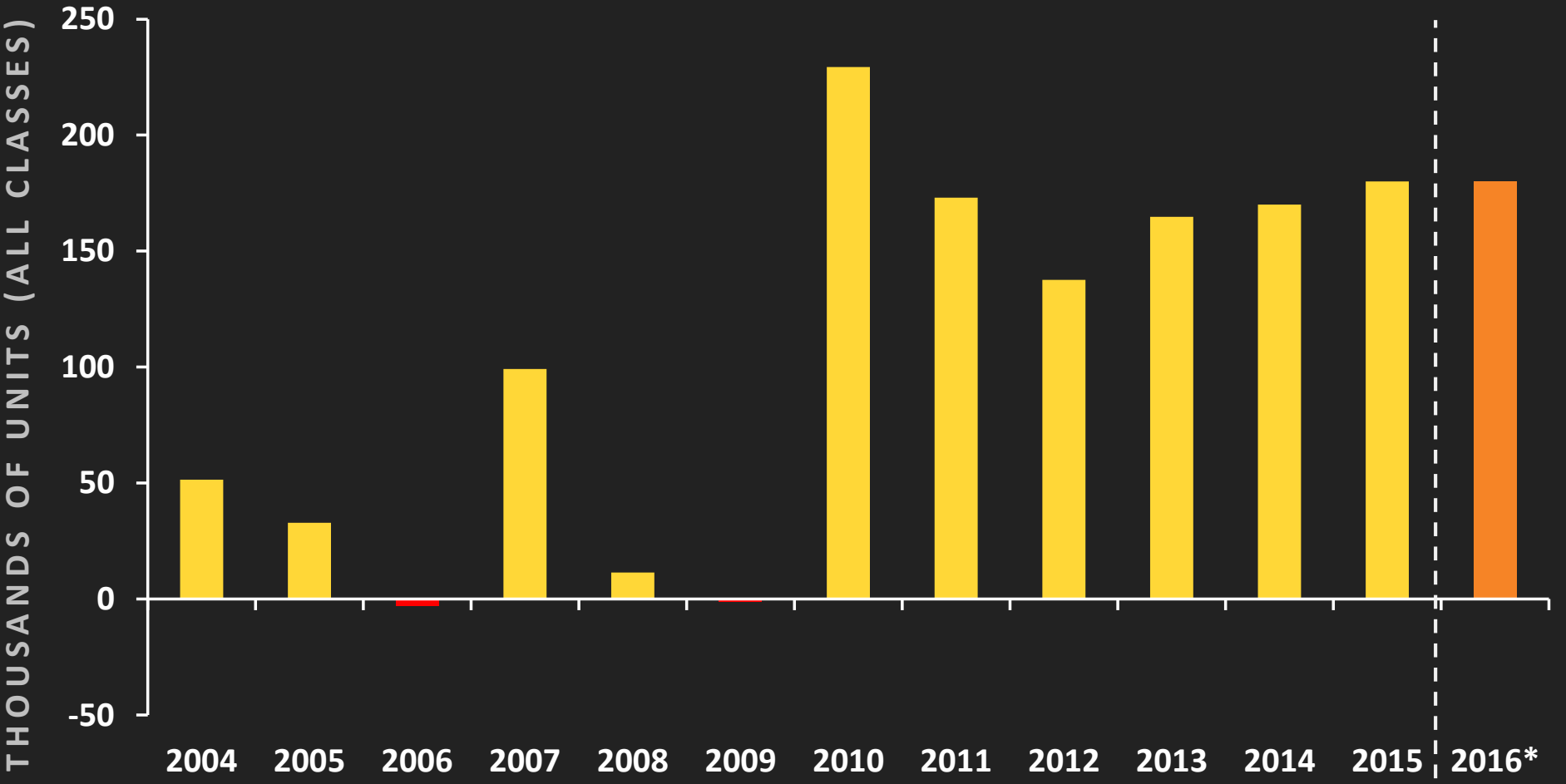
Source: U.S. Census Bureau, Delta Associates; December 2016.

*Manhattan: 47%

APARTMENT NET ABSORPTION

United States | 2004 - 2016

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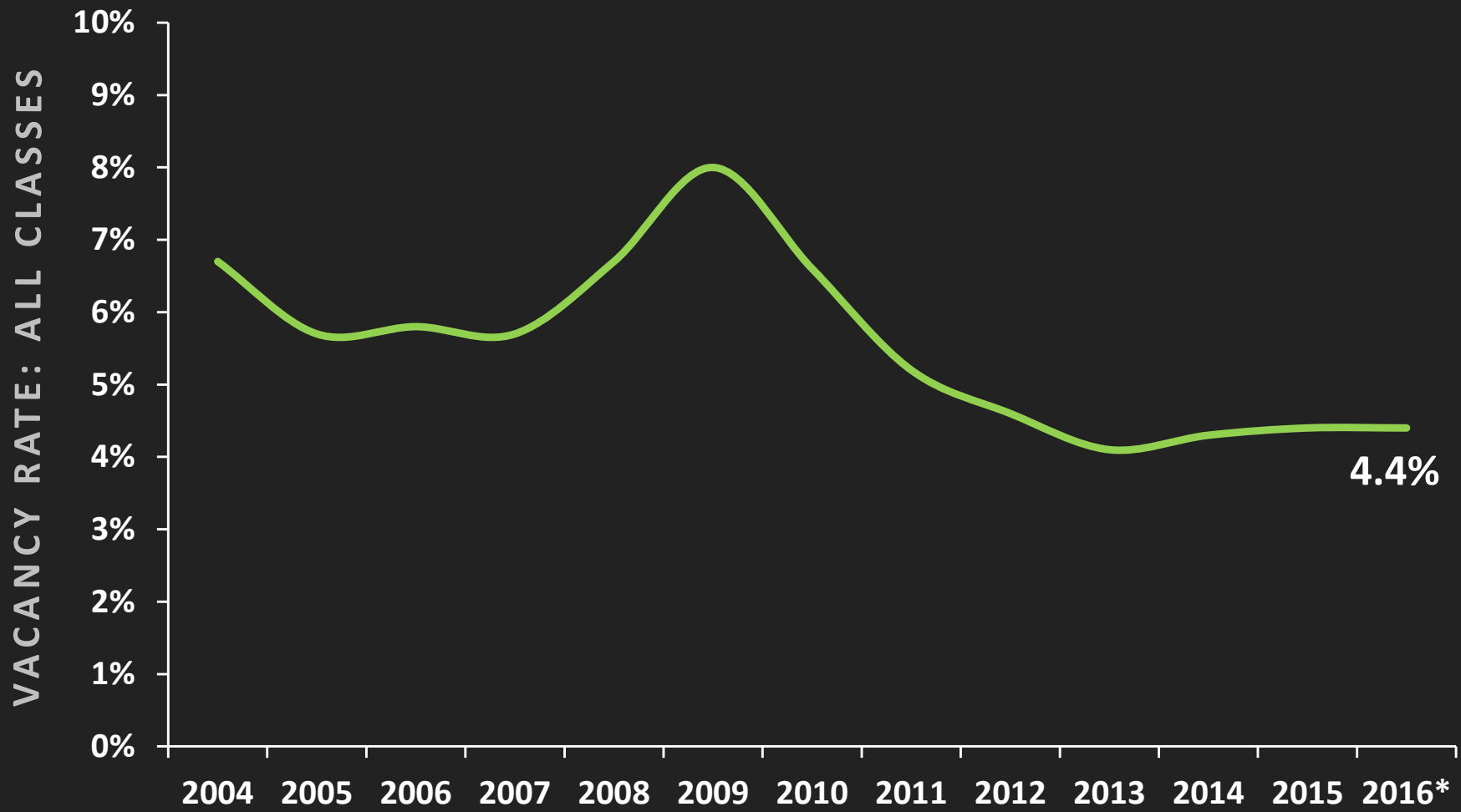
Source: REIS, Delta Associates; December 2016.

* Projected annual total

APARTMENT VACANCY RATE

United States | 2004 - 2016

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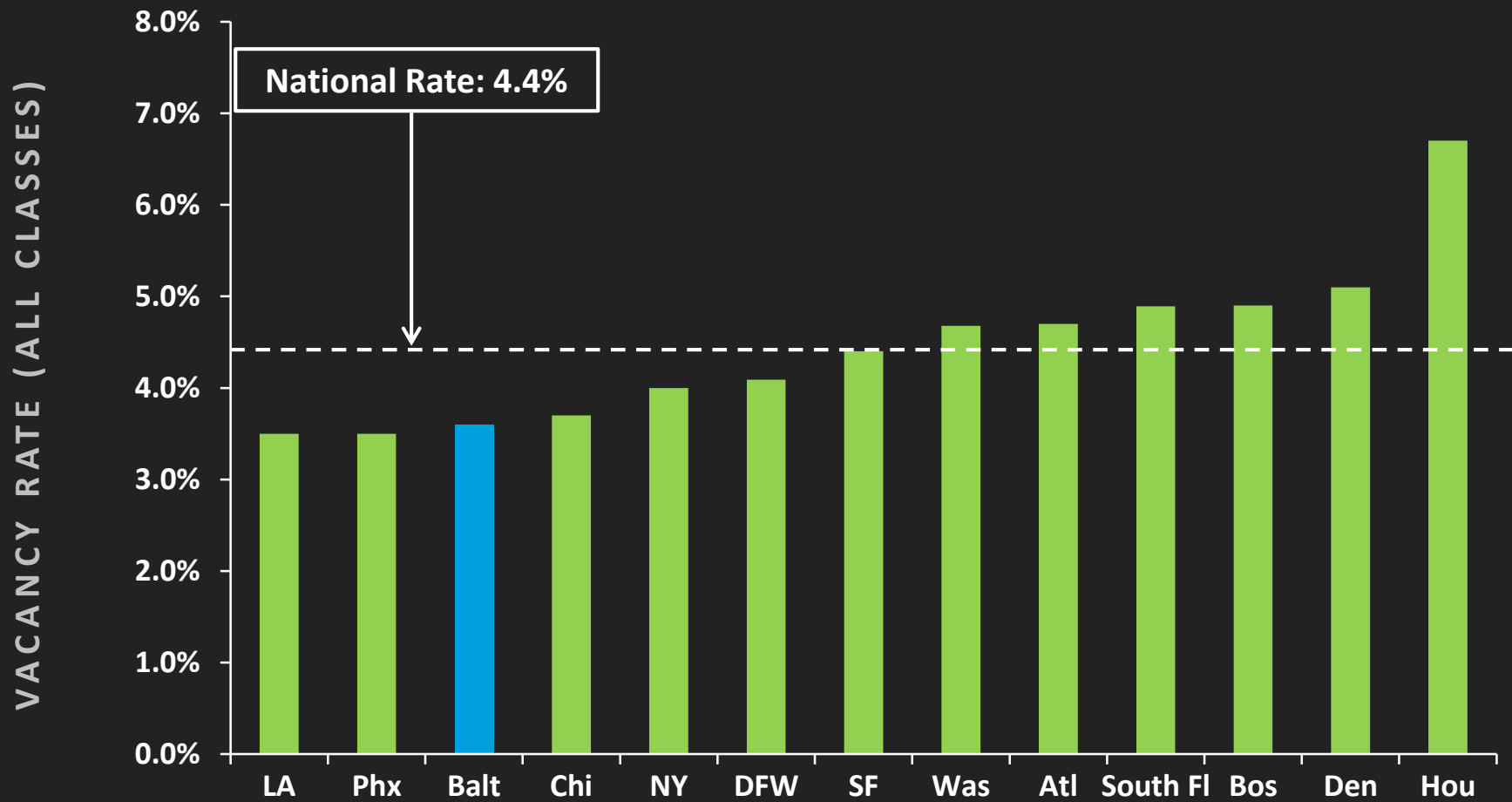
Source: REIS, Delta Associates; December 2016.

* As of Q3 2016.

APARTMENT VACANCY RATES

Major Apartment Markets | Third Quarter 2016

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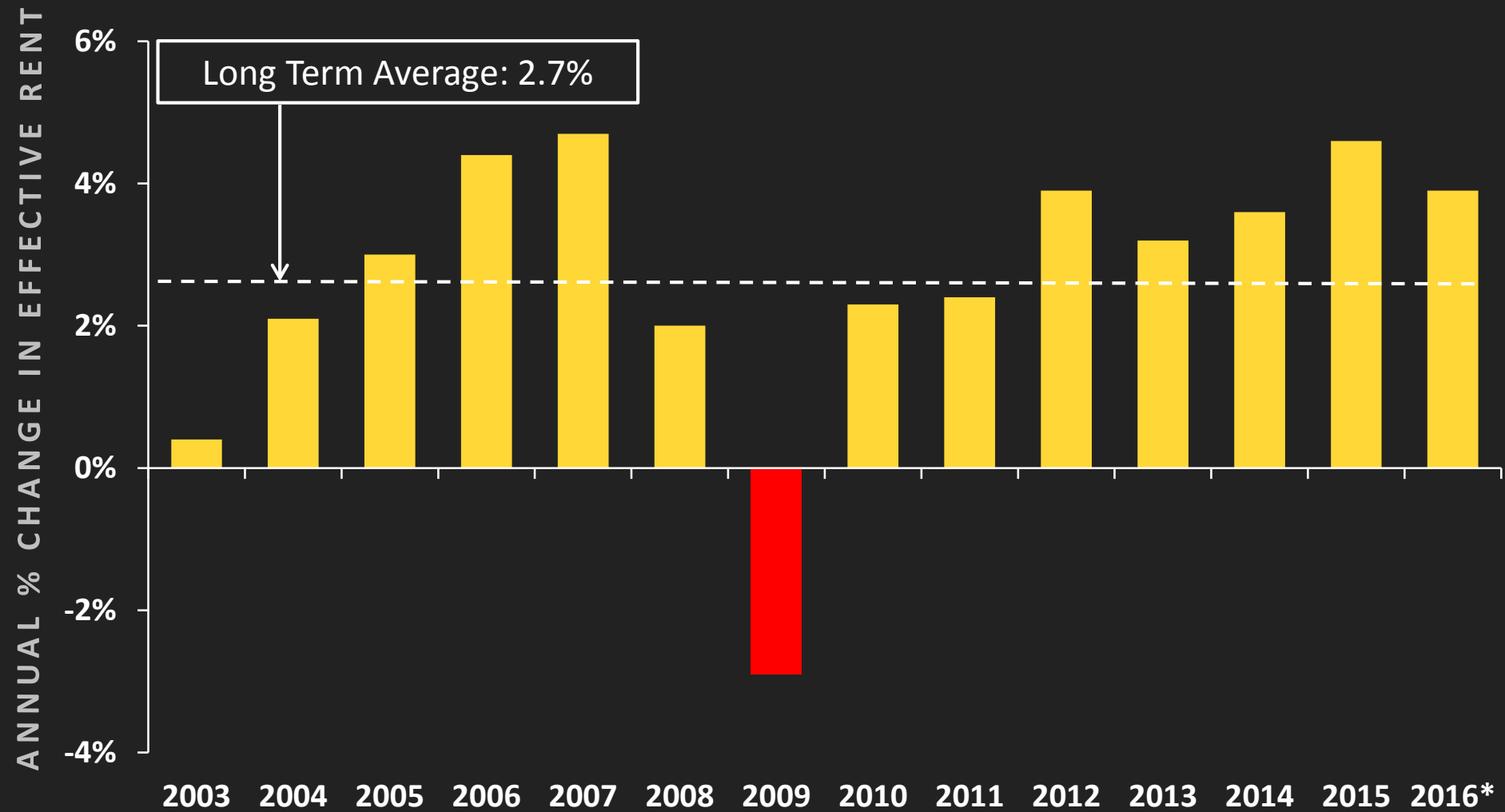


Source: REIS, Delta Associates; December 2016.

CHANGE IN APARTMENT RENTS

United States | 2003 - 2016

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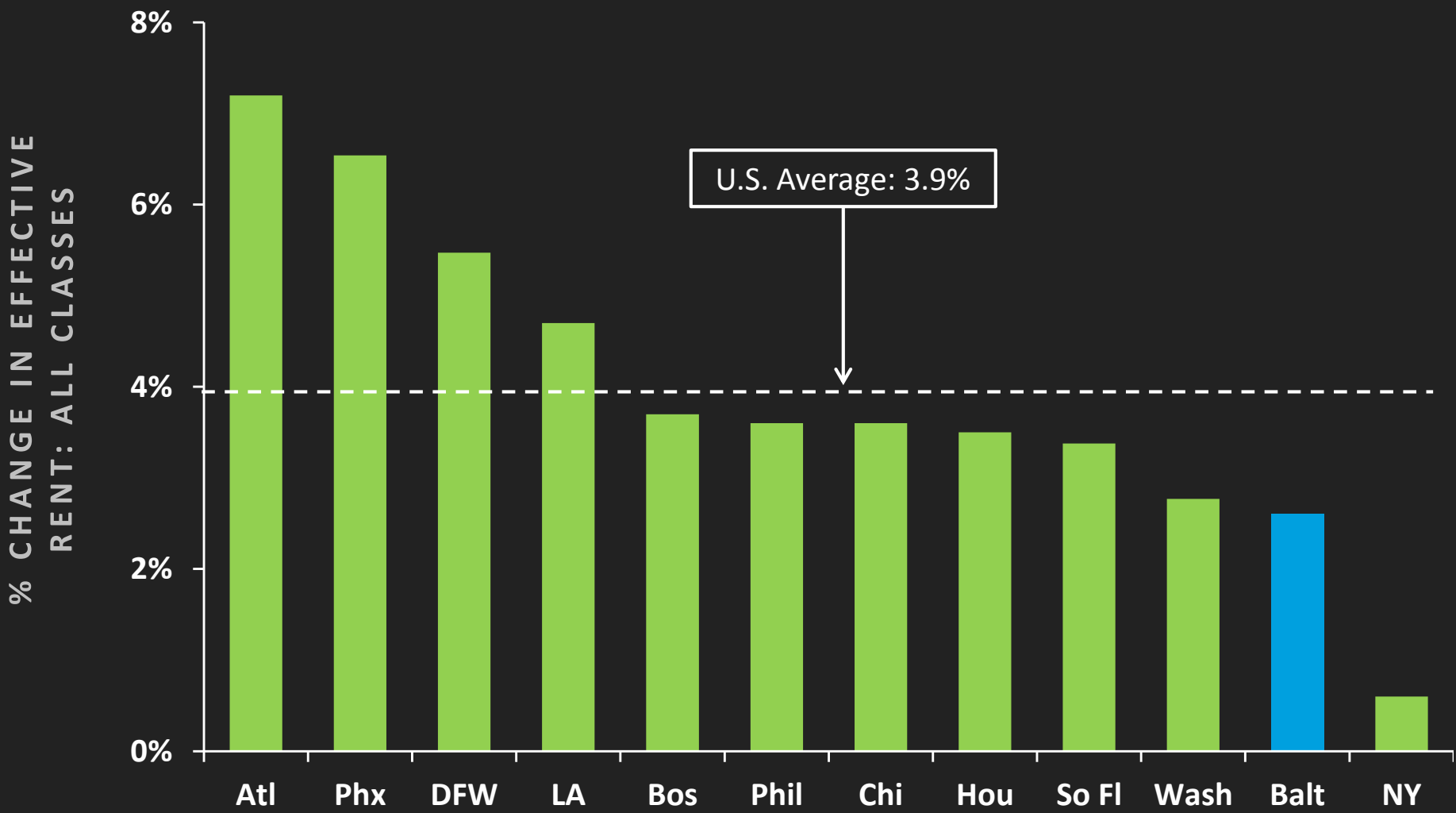
Source: REIS, Delta Associates; December 2016.

* 12 months ending September 2016.

ANNUAL APARTMENT RENT CHANGE

Selected Metro Areas | Third Quarter 2016

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Source: REIS, Delta Associates; December 2016.

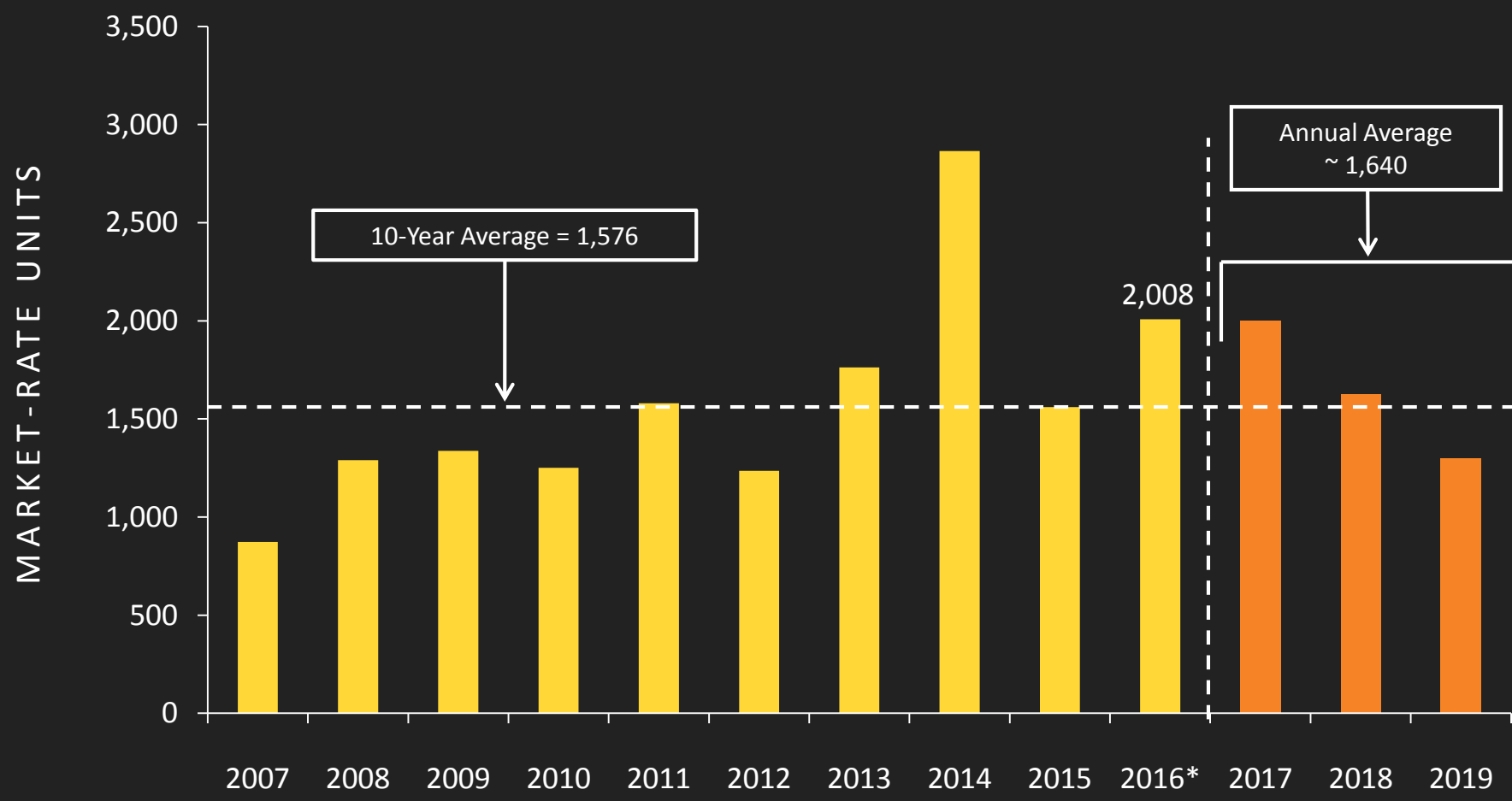
BALTIMORE APARTMENT MARKET METRICS



CLASS A APARTMENT ABSORPTION

Baltimore Metro Area

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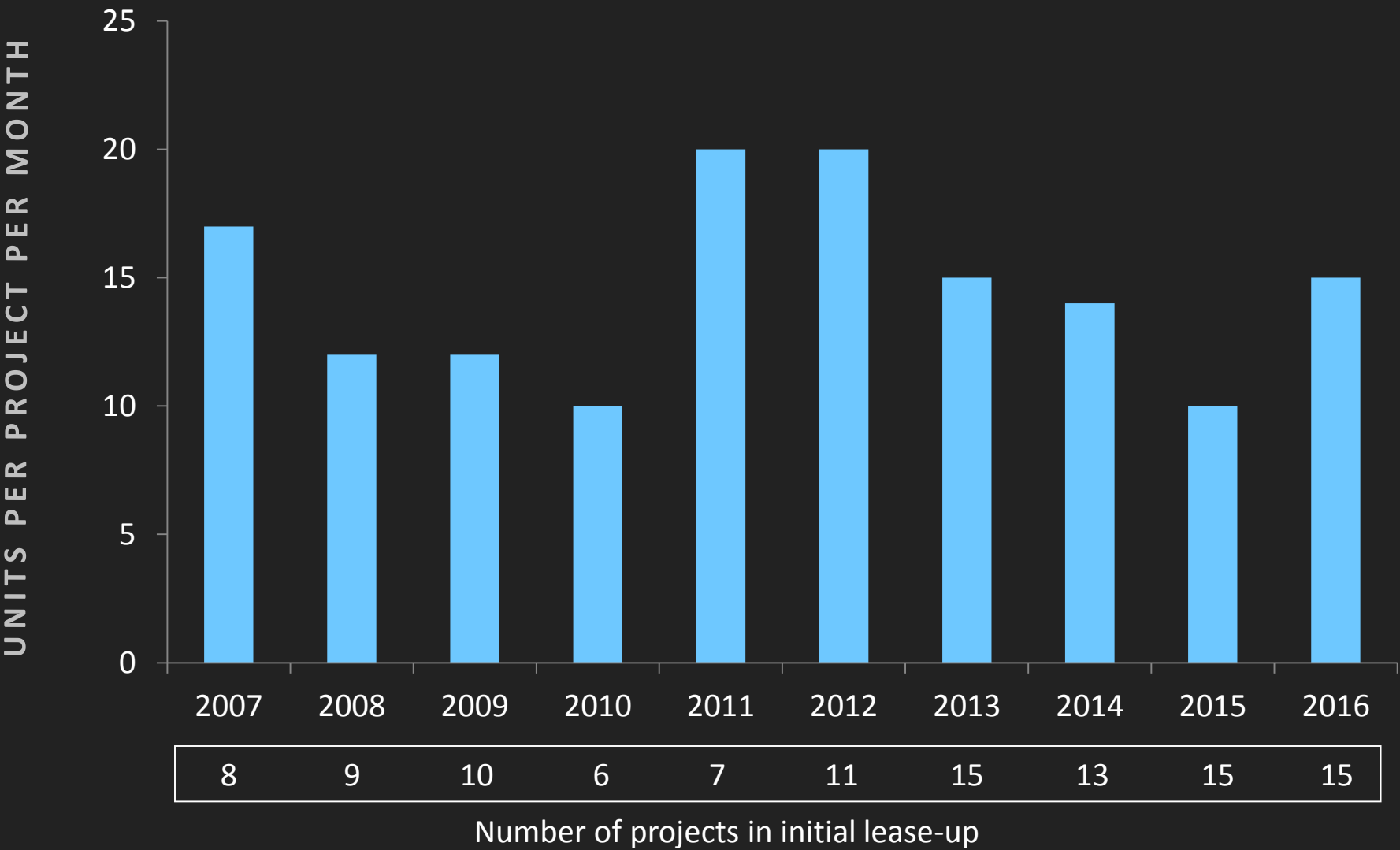
Source: Delta Associates; December 2016.

*12 Months Ending September 2016

CLASS A APARTMENT ABSORPTION

Pace per Project | Baltimore Metro Area

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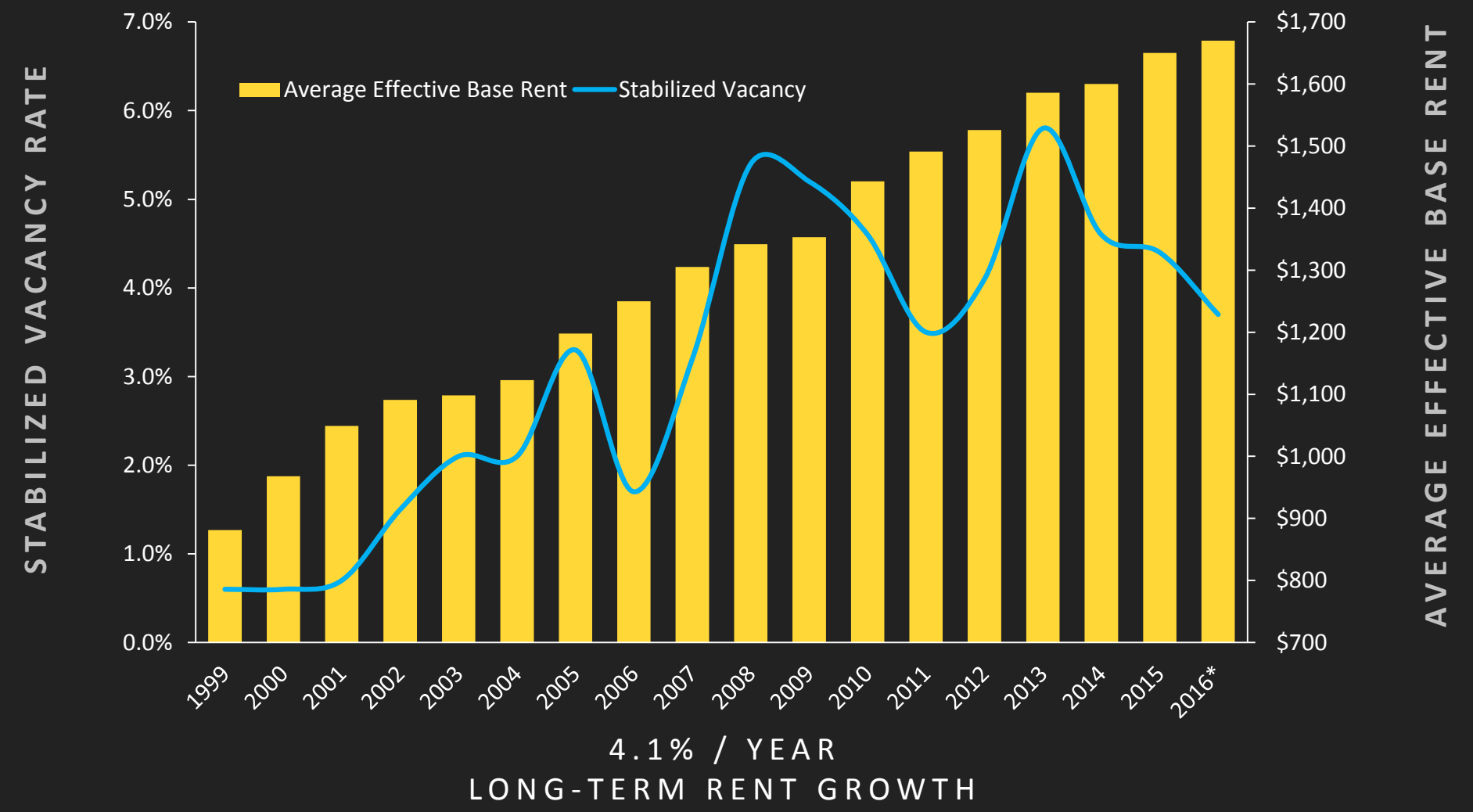


Source: Delta Associates; December 2016.

EFFECTIVE RENT AND VACANCY RATE

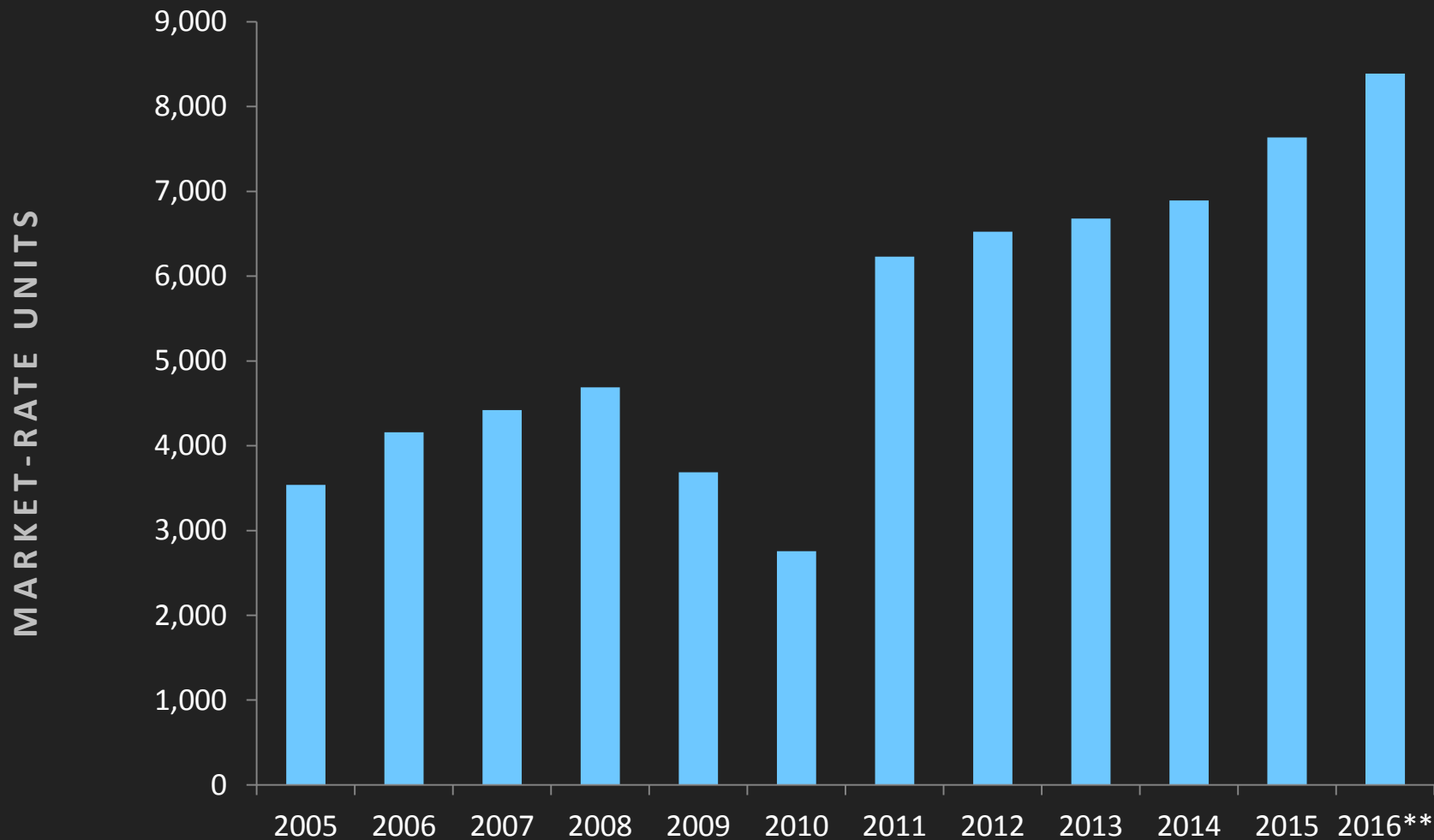
Class A Apartments | Baltimore Metro Area

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Source: Delta Associates; December 2016.

* As of Third Quarter.



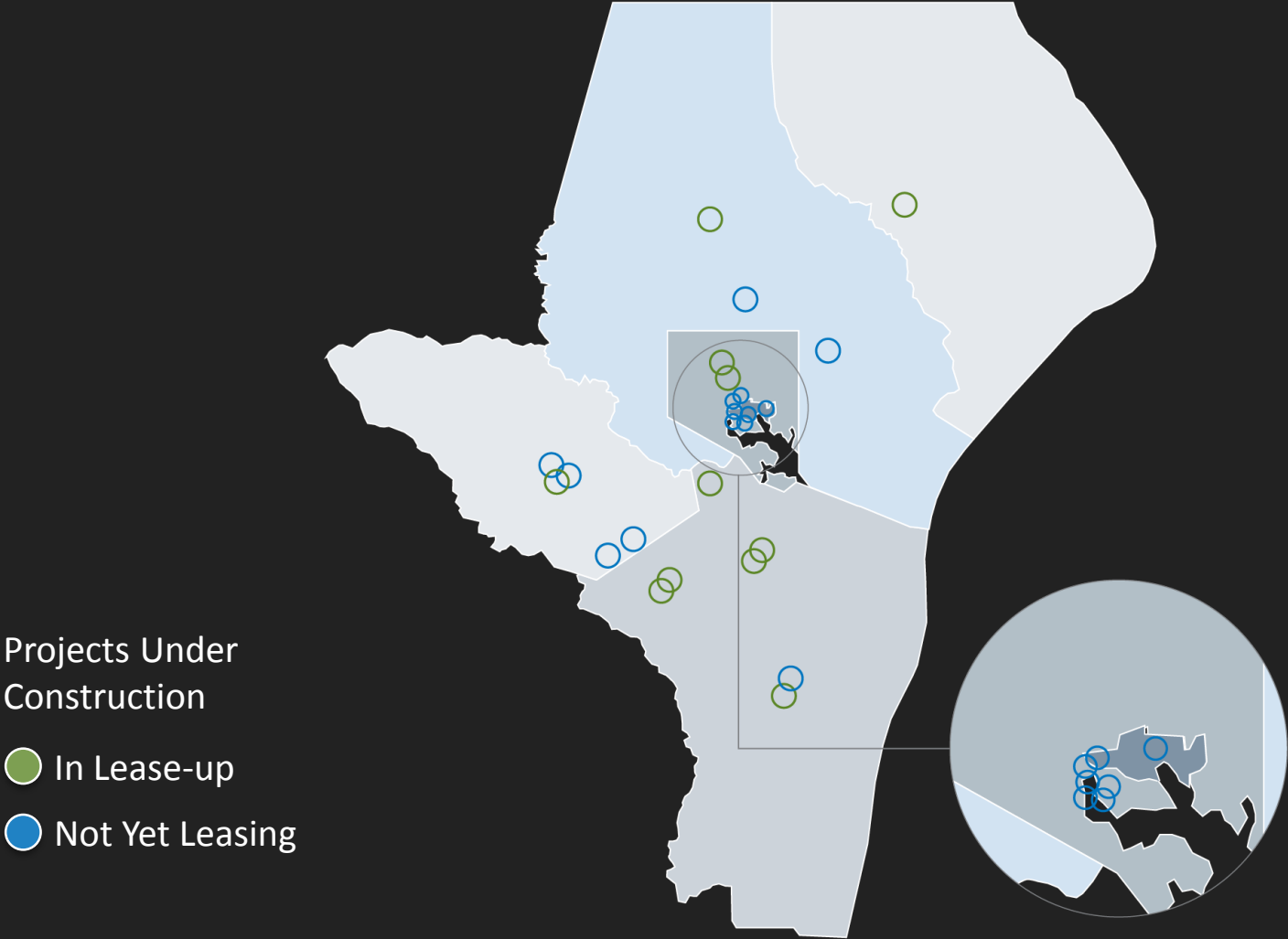
**Market-rate units planned and under construction.*

***As of September 2016.*

PROJECTS CURRENTLY UNDER CONSTRUCTION

Baltimore Metro Area | Third Quarter 2016

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Source: Delta Associates; December 2016.

PROJECT CURRENTLY IN LEASE-UP

10 Light

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Source: Gables Residential, Delta Associates; December 2016.

PROJECT CURRENTLY UNDER CONSTRUCTION

Liberty Harbor East

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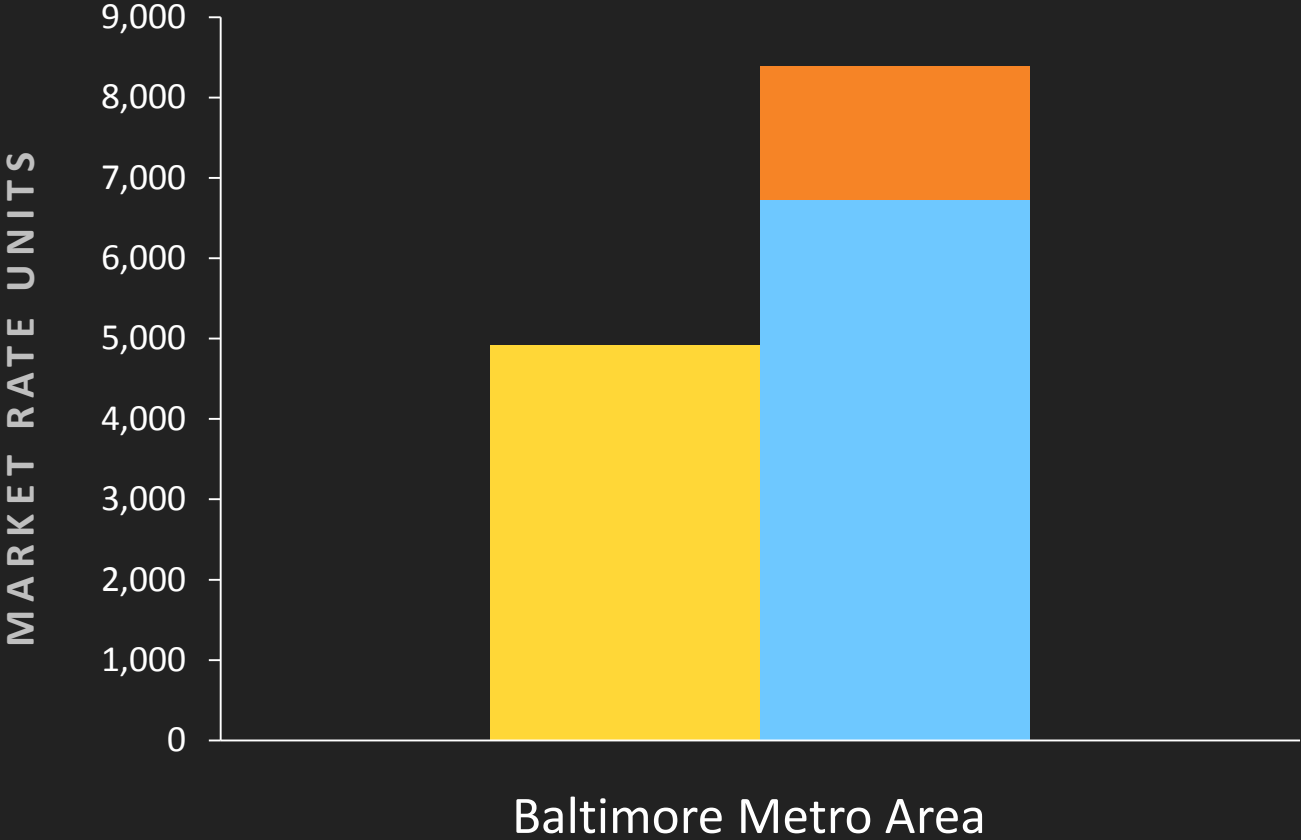


Source: Bozzuto; Delta Associates; December 2016.

DEMAND AND SUPPLY PROJECTIONS

Baltimore Metro Area Class A Apartments | 36 Months Ending September 2019

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DEMAND

Net Absorption:
1,642/Year = 4,925

SUPPLY

Planned and may deliver by 9/19:
1,664 units¹

Under construction:
6,724 units²

Total = 8,388 units

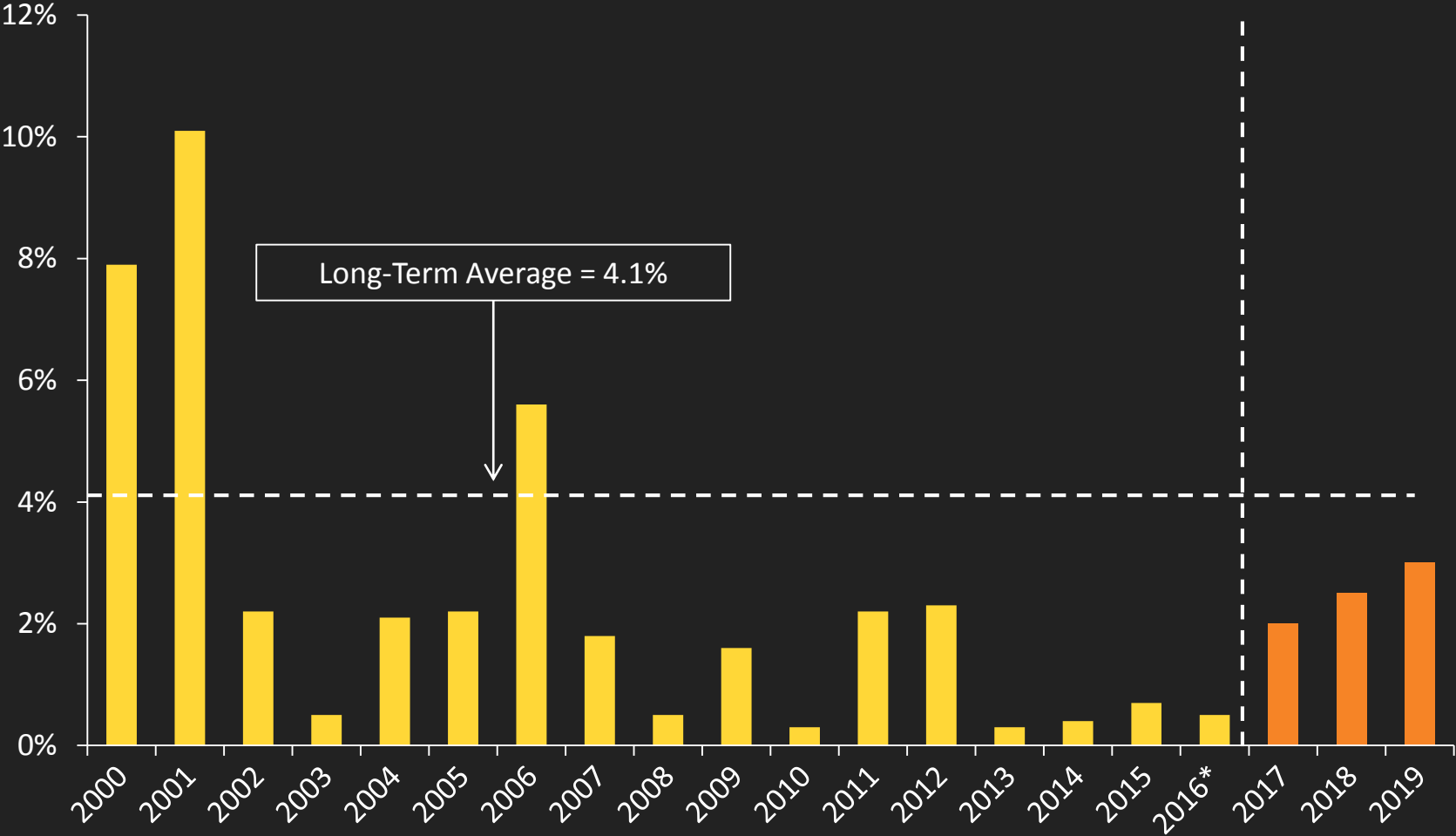
¹ Probable supply after projected attrition.
² Includes unleased units at projects in lease-up.

Projected Stabilized Vacancy % at Sept. 2019: 5.0% Metro-Wide

ANNUAL CLASS A APARTMENT RENT GROWTH

Baltimore Metro Area

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Source: Delta Associates; December 2016.

* Annual rent growth at Third Quarter 2016 is -0.6%

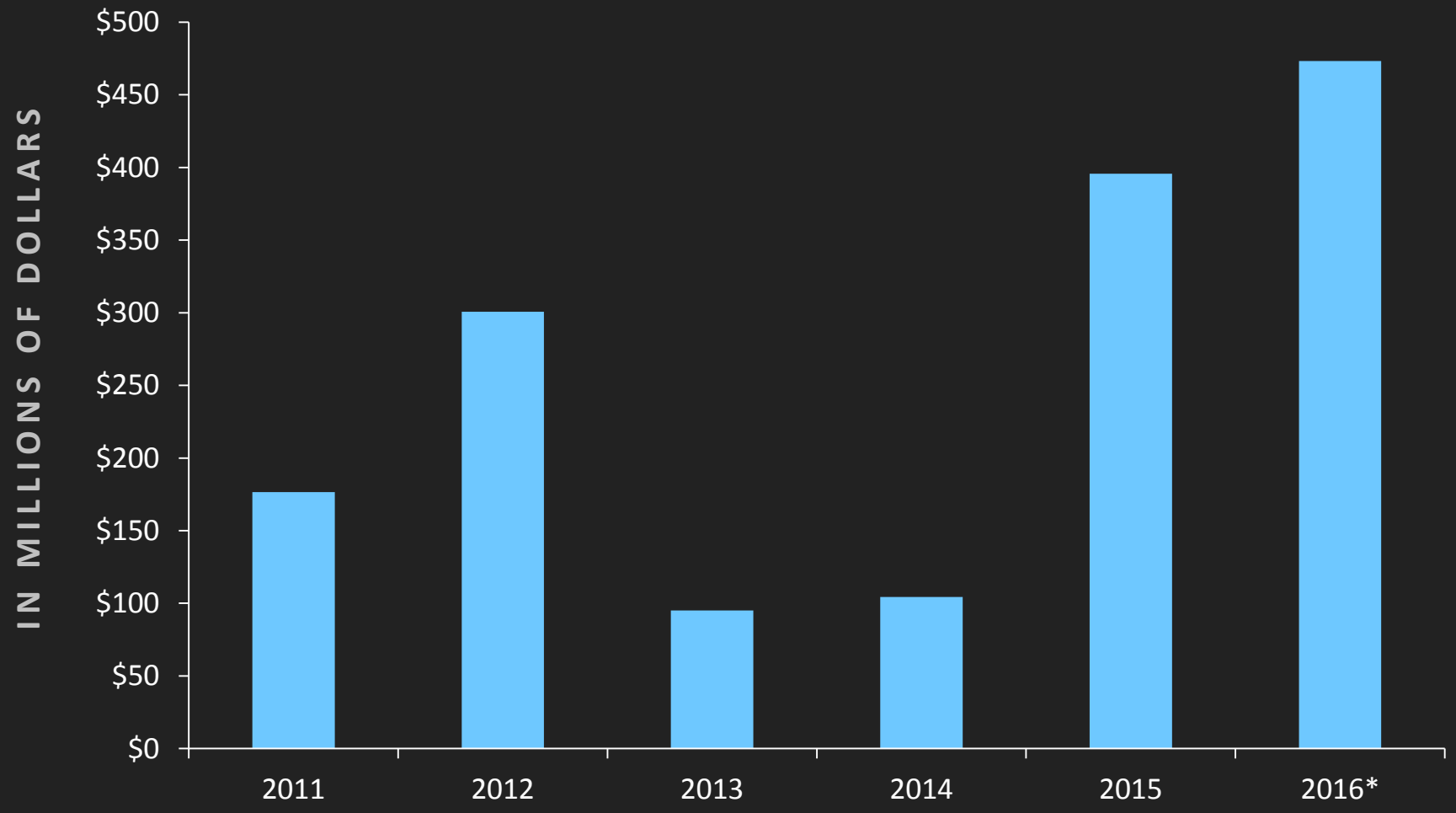
BALTIMORE APARTMENT CAPITAL MARKETS



APARTMENT INVESTMENT SALES

Baltimore Metro Area | Class A

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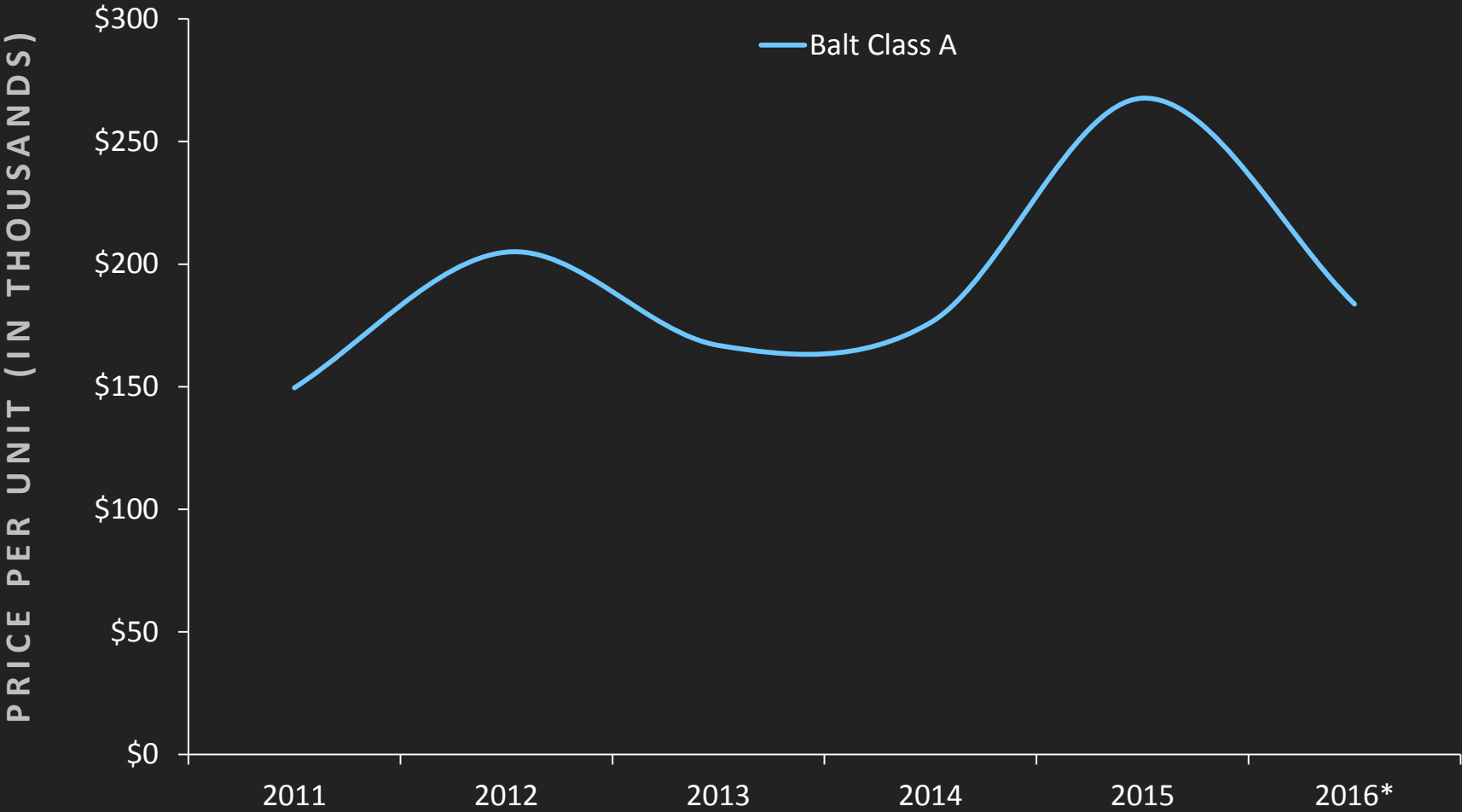
Source: Delta Associates; December 2016.

*Sales through September

AVERAGE SALES PRICE PER UNIT

Baltimore Metro Area | 2011 - 2016

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Source: Delta Associates; December 2016.

*Sales through September

BALTIMORE AREA APARTMENT MARKET OPPORTUNITIES



OPPORTUNITIES DURING THIS CYCLE

Baltimore Area Apartment Market

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MILLENNIALS ARE
DRAWN TO TRANSIT-
ORIENTED DEVELOPMENT



CONVERT OBSOLETE OFFICE
AND OTHER COMMERCIAL
BUILDINGS TO APARTMENTS



ONCOMING SUPPLY
REMAINS A CONCERN IN
THE SHORT-TERM



BUILD OR RENOVATE FOR
THE 99%

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