24TH ANNUAL DELTA ASSOCIATES'

Market Overview & Awards For Excellence

10.21.20

DELTA ASSOCIATES

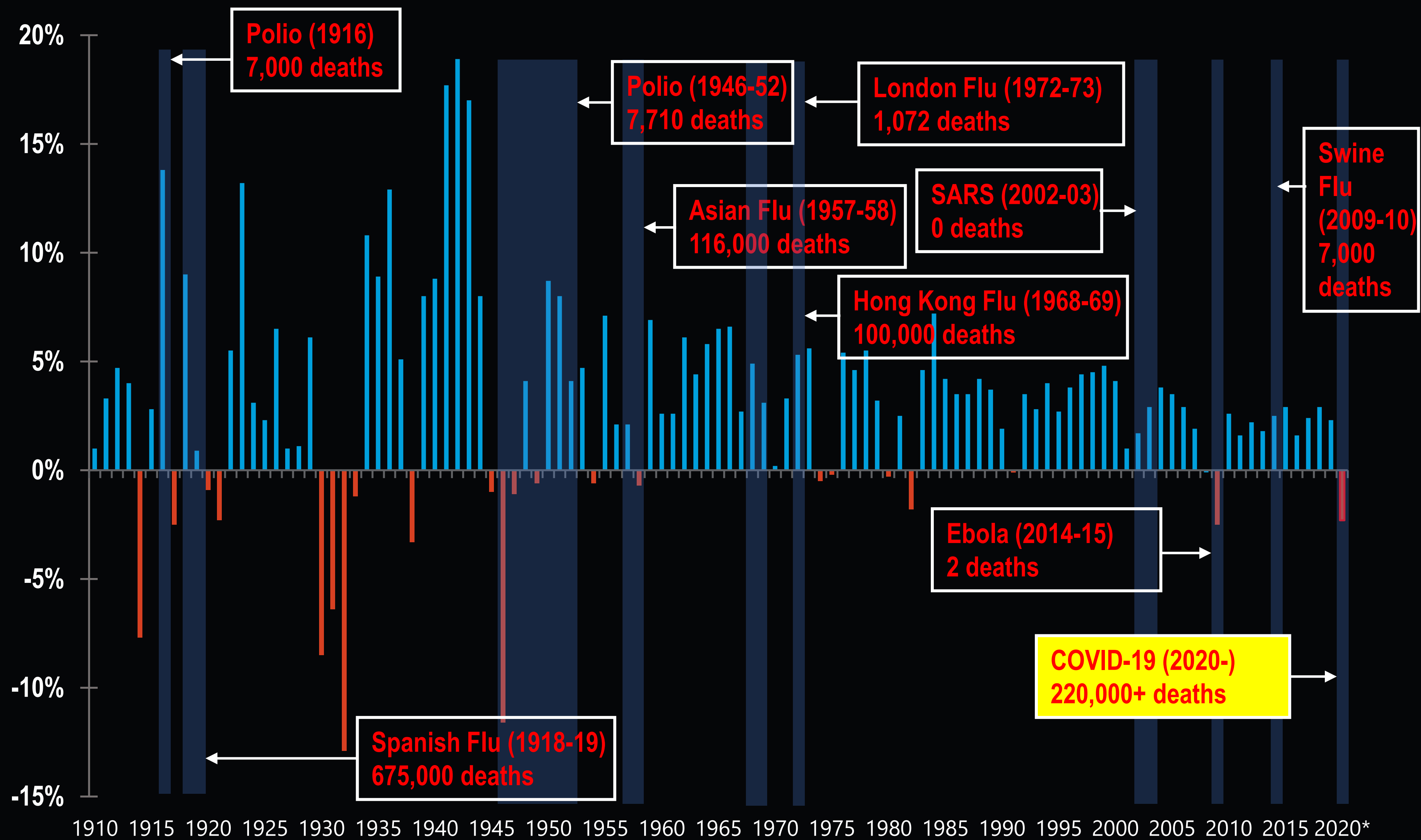
TRANSWESTERN

AltusGroup

THE NATIONAL ECONOMY

DISRUPTIVE EPIDEMICS AND THE U.S. ECONOMY

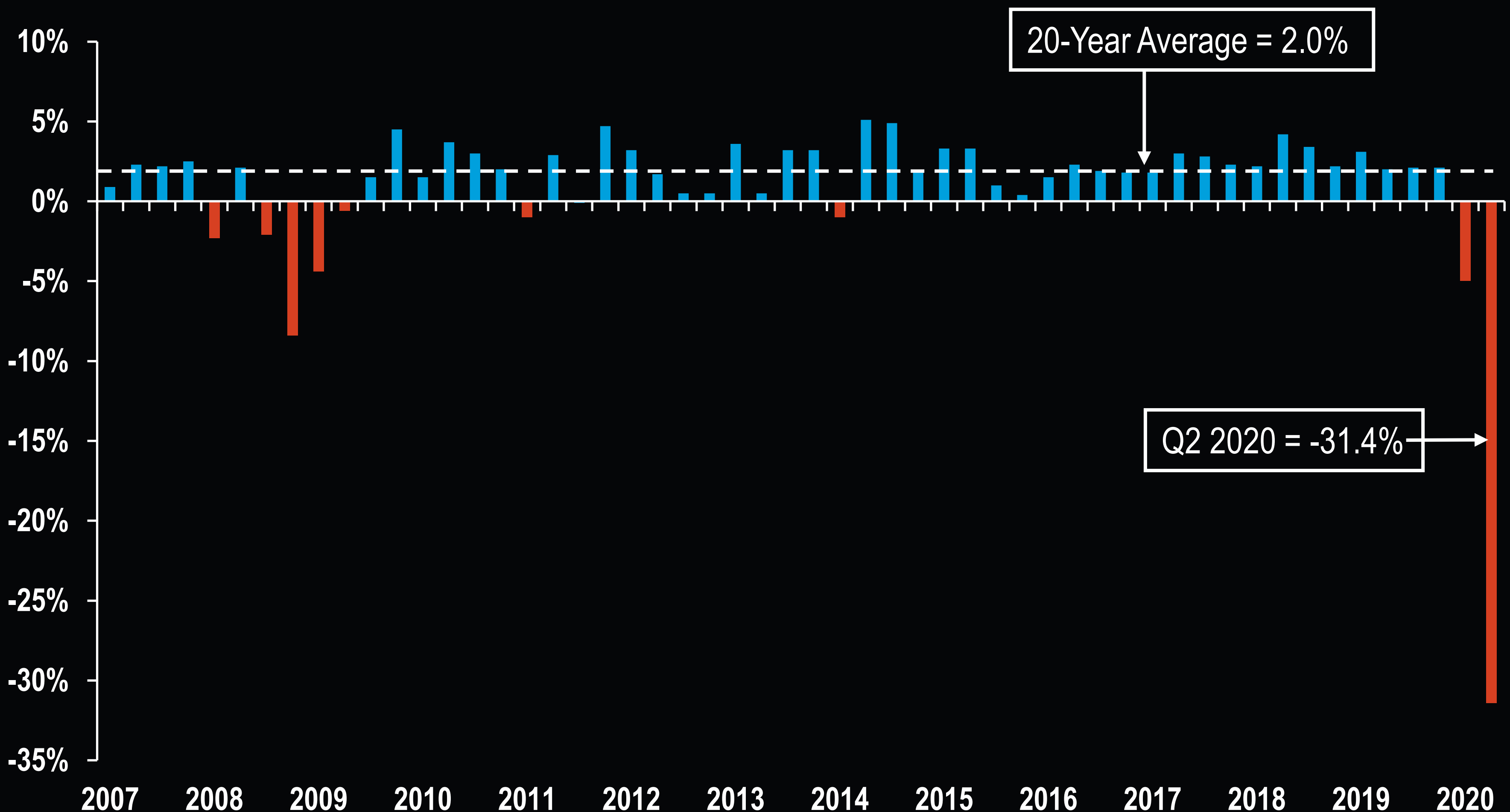
U.S. Annual GDP Growth and Epidemic Deaths 1910 - 2020



*estimated

Source: Bureau of Economic Analysis, CDC, University of Groningen, Delta Associates; October 2020.

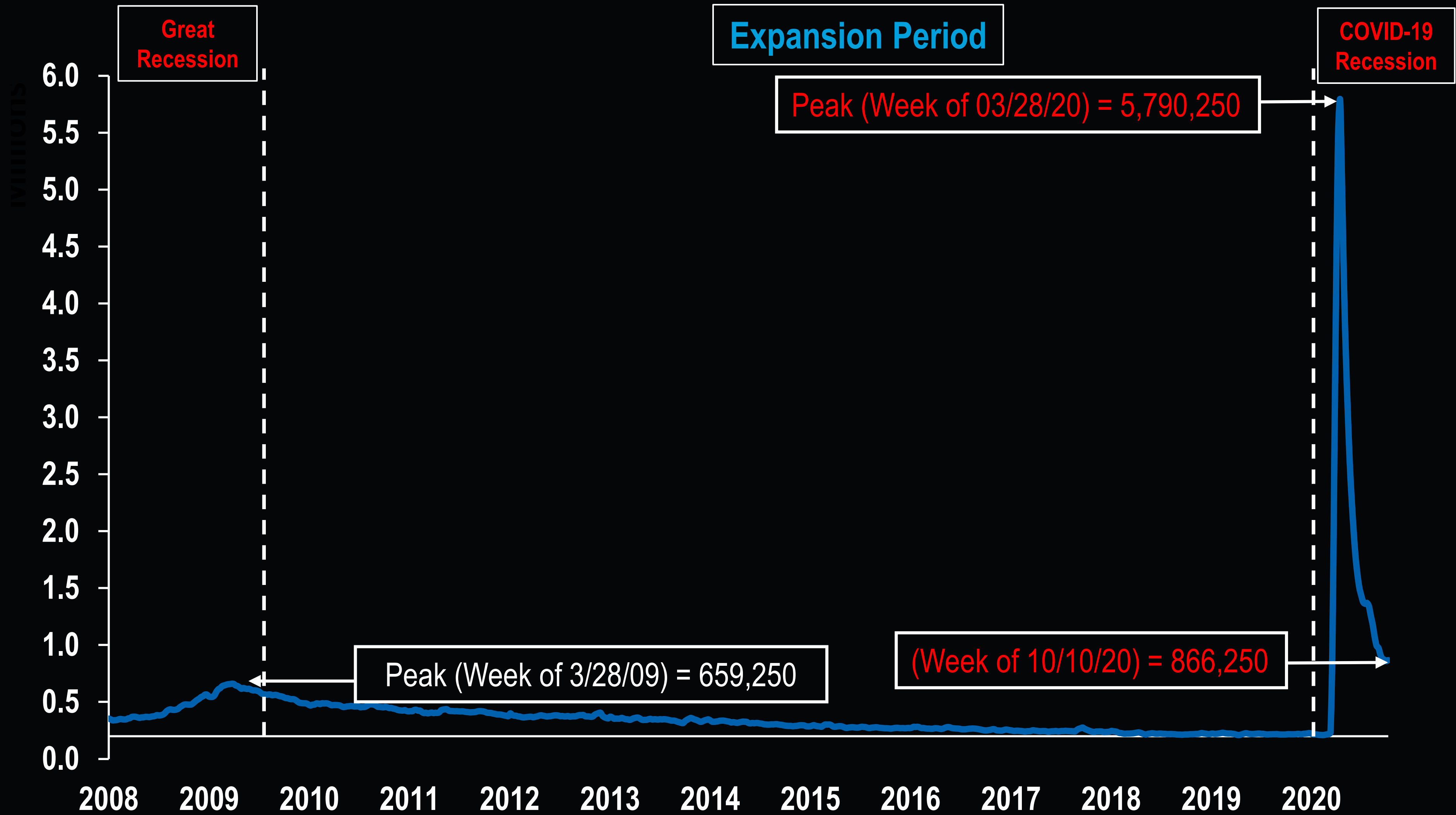
QUARTERLY GDP PERCENT CHANGE
United States



Note: Seasonally adjusted at annual rates; change in chained 2012 dollars.
Source: Bureau of Economic Analysis, Delta Associates; October 2020.

INITIAL UNEMPLOYMENT CLAIMS

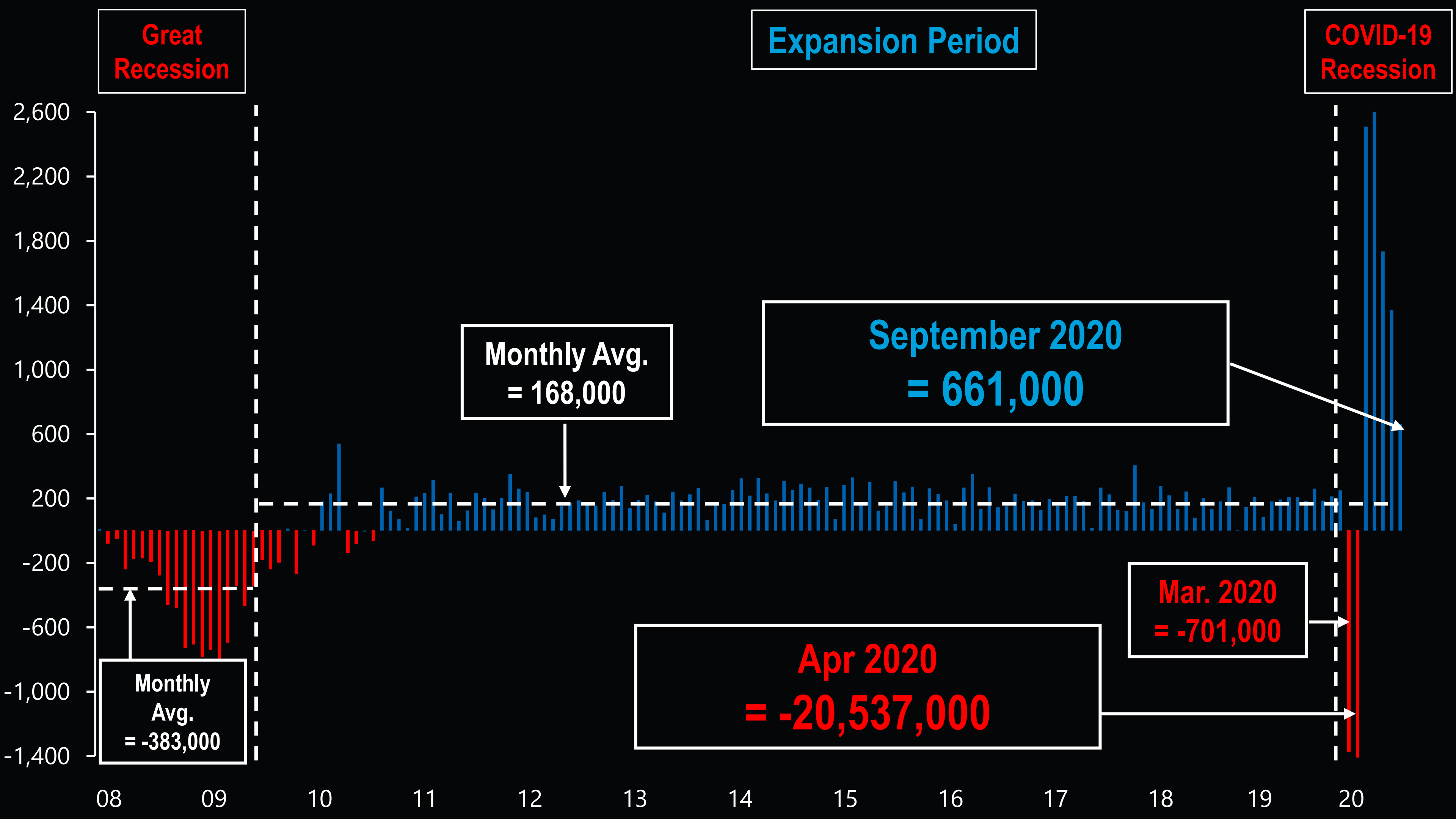
United States | Four-Week Moving Average in Millions



Note: Data are seasonally adjusted.
Source: Federal Reserve Bank of St. Louis, Delta Associates; October 2020.

PAYROLL JOB GROWTH

United States | Monthly in Thousands

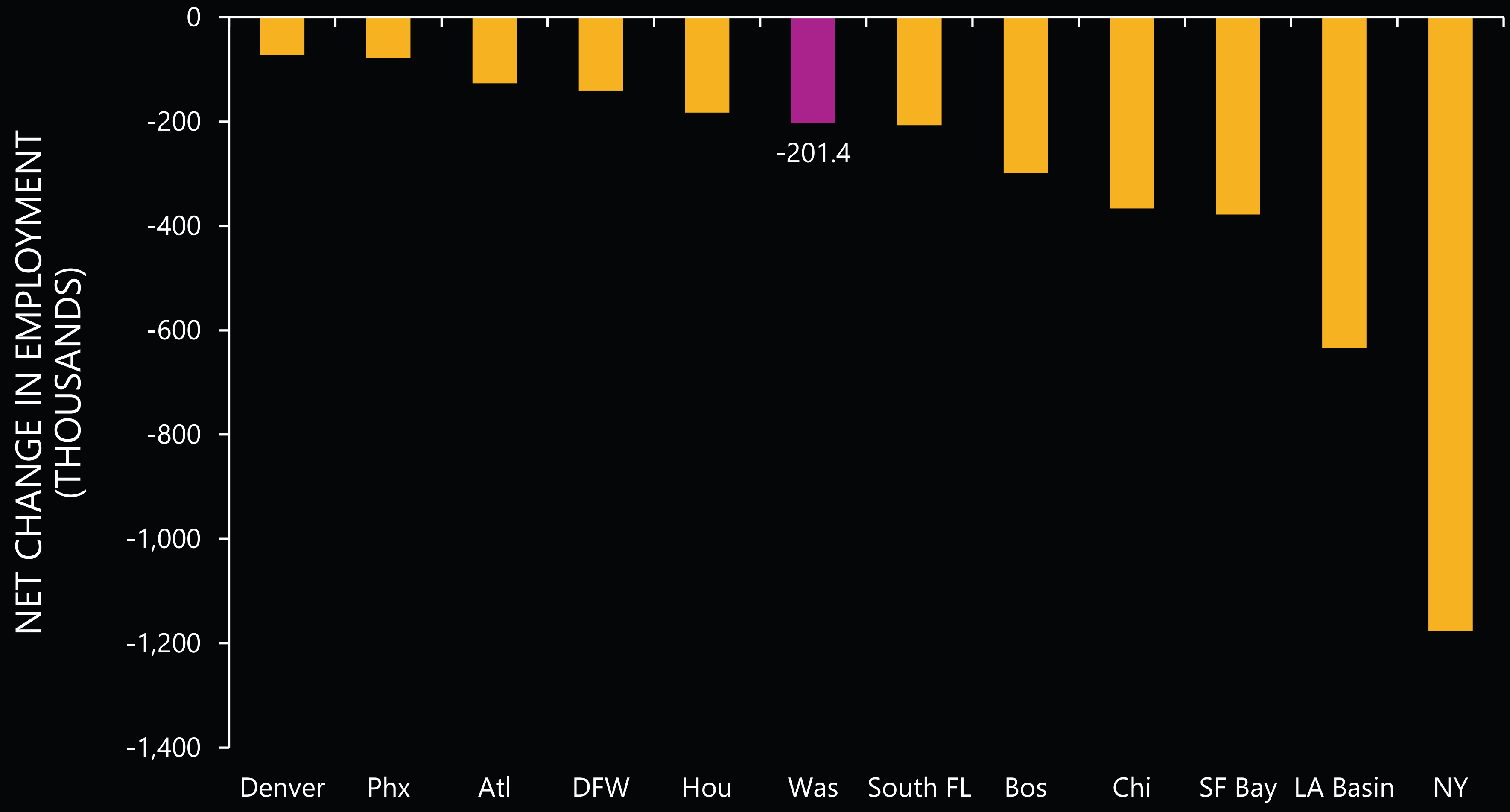


Note: Data is seasonally adjusted.
Source: Bureau of Labor Statistics, Delta Associates; October 2020.

THE WASHINGTON ECONOMY

PAYROLL JOB GROWTH

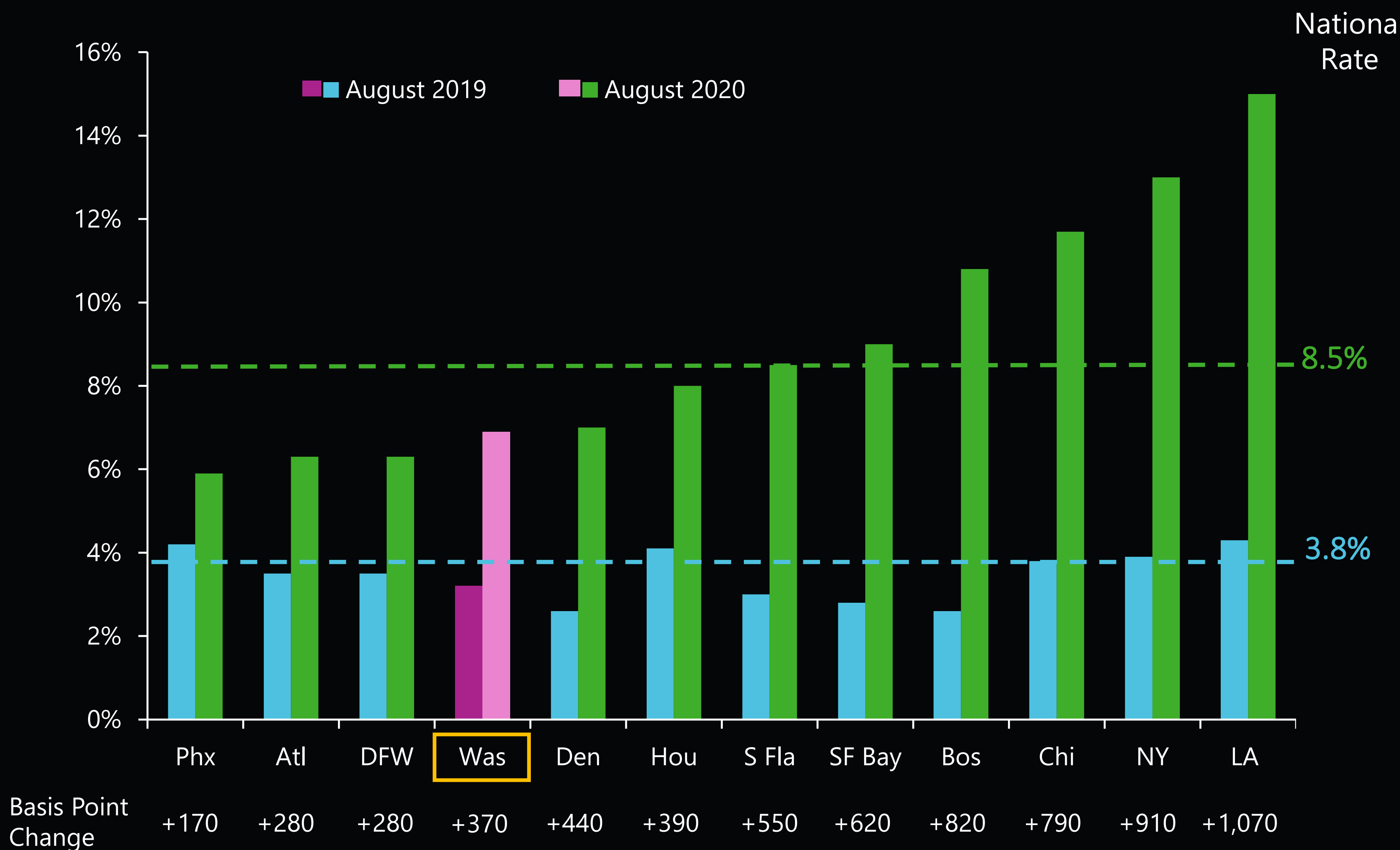
Selected Large Metro Areas | 12 Months Ending August 2020



Source: Bureau of Labor Statistics, Delta Associates; October 2020.

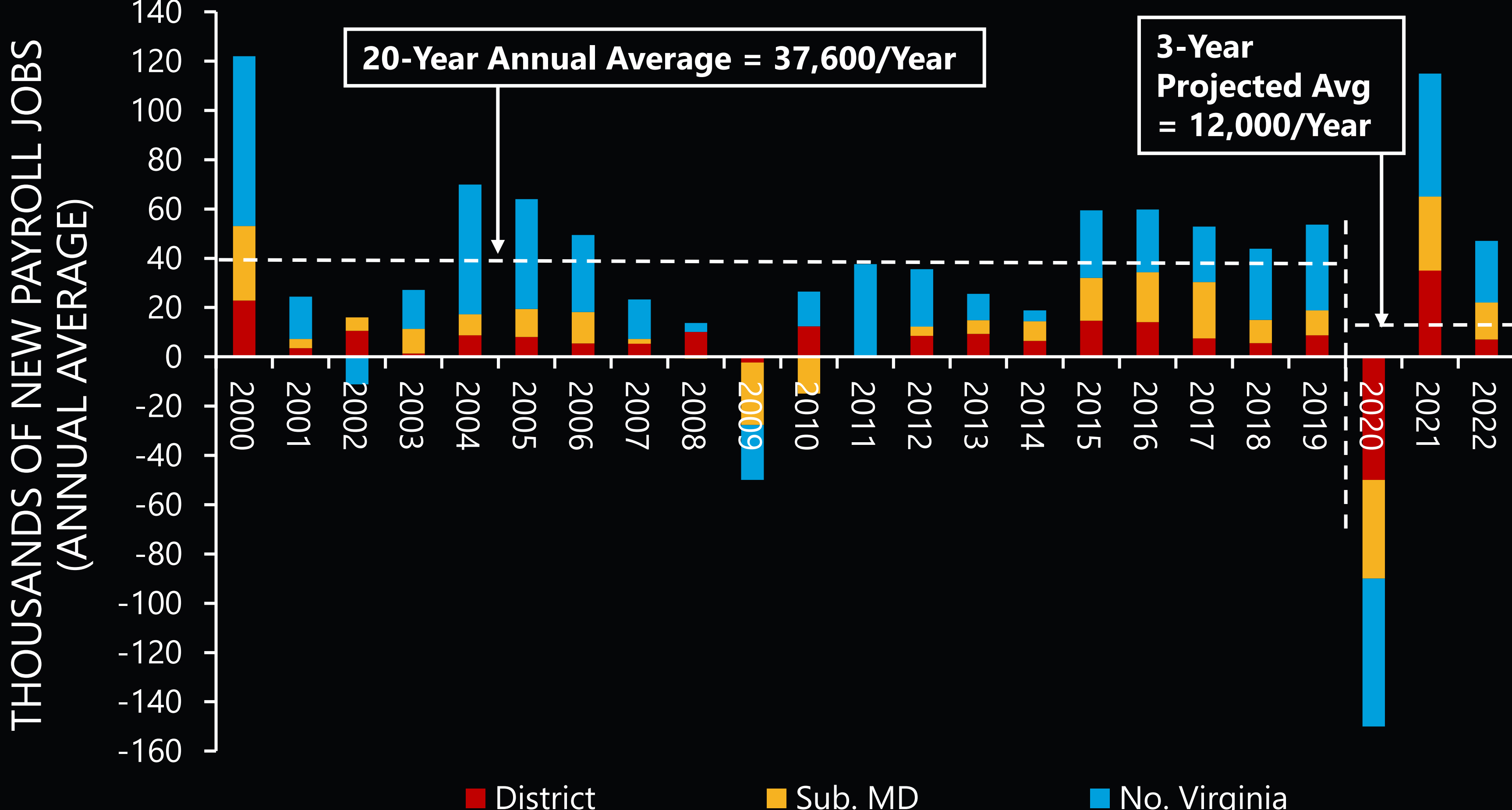
UNEMPLOYMENT RATE

Selected Large Metro Areas | August 2019 vs. August 2020



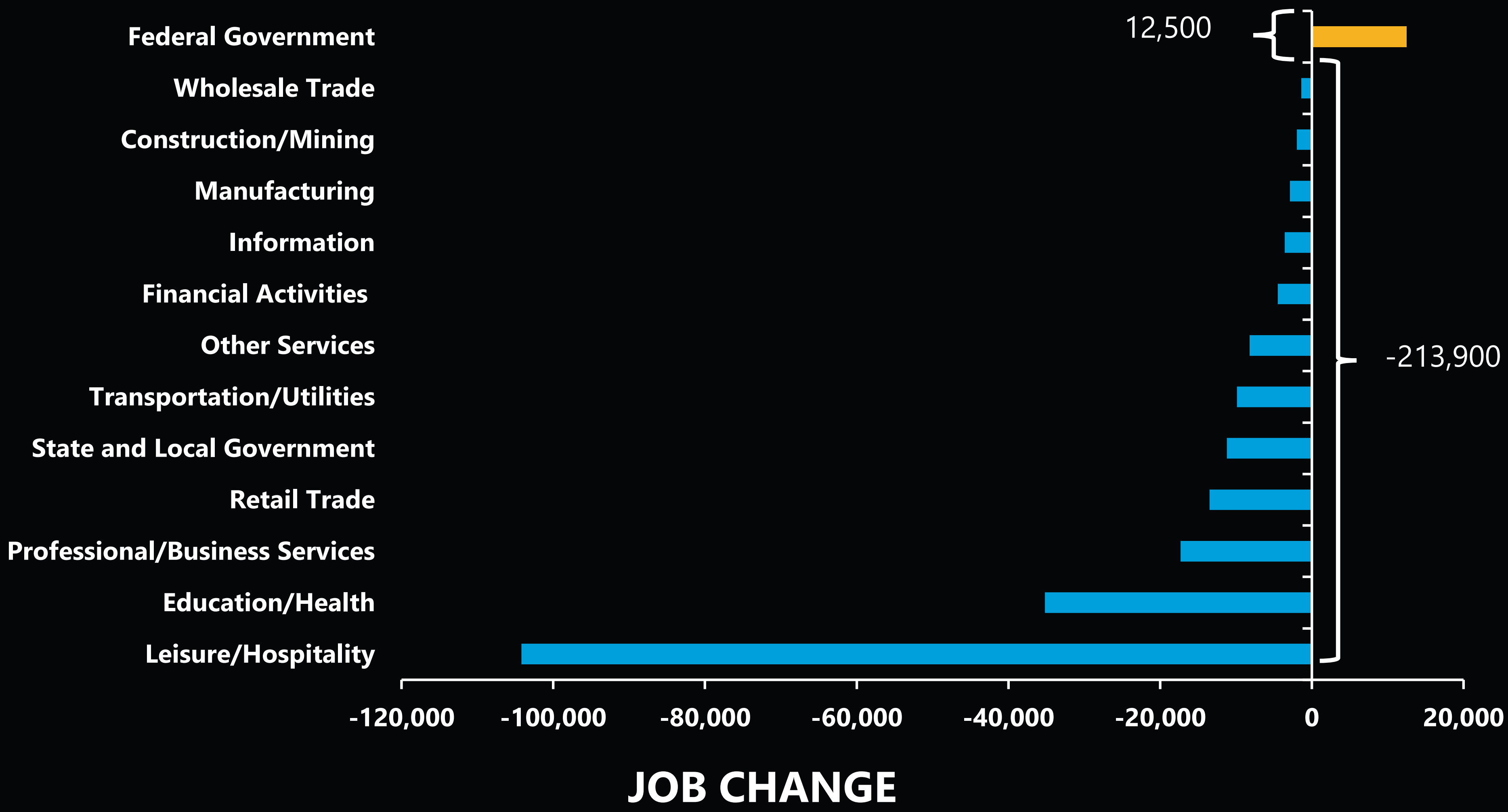
Source: Bureau of Labor Statistics, Delta Associates; October 2020.

PAYROLL JOB GROWTH
Washington Metro Area



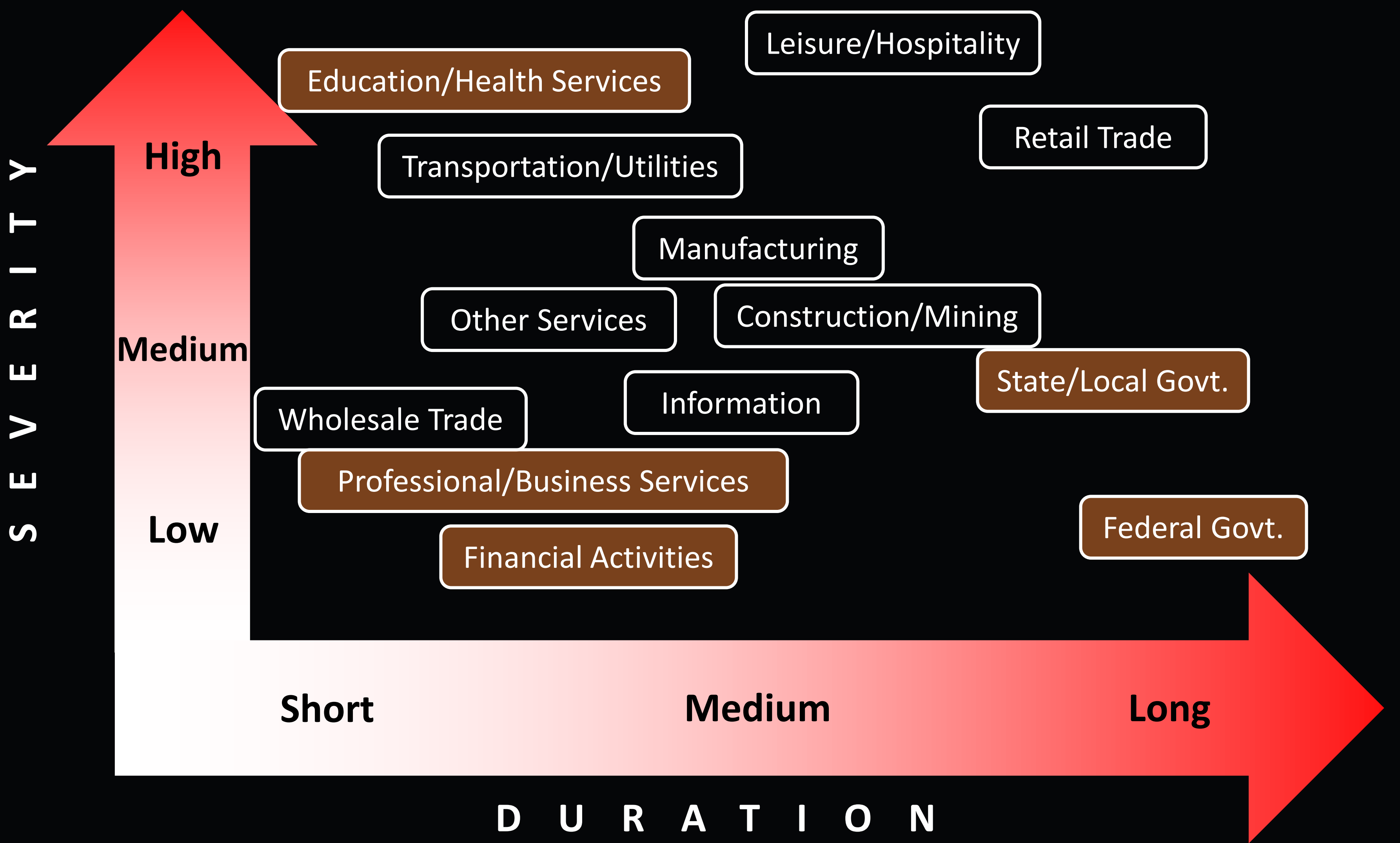
PAYROLL JOB GROWTH

Washington Metro Area | 12 Months Ending August 2020



COVID-19 RELATIVE ECONOMIC IMPACT BY SECTOR

Washington Metro Area



Note: Primary demand sources for Class A multifamily units, office, and for-sale housing highlighted in orange.
Source: Delta Associates; October 2020.

COVID-19 RELATIVE ECONOMIC IMPACT BY SECTOR

Washington Metro Area

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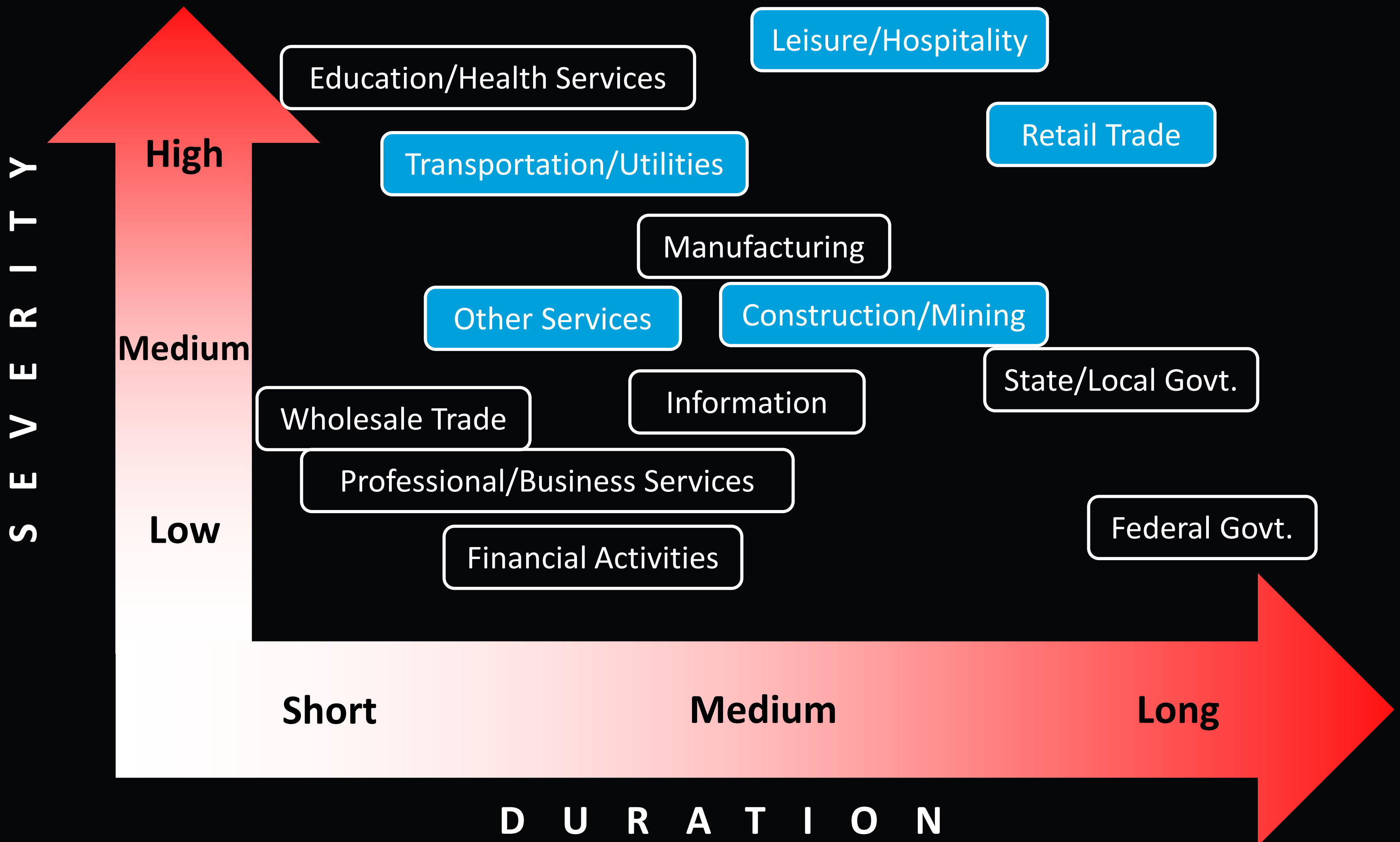
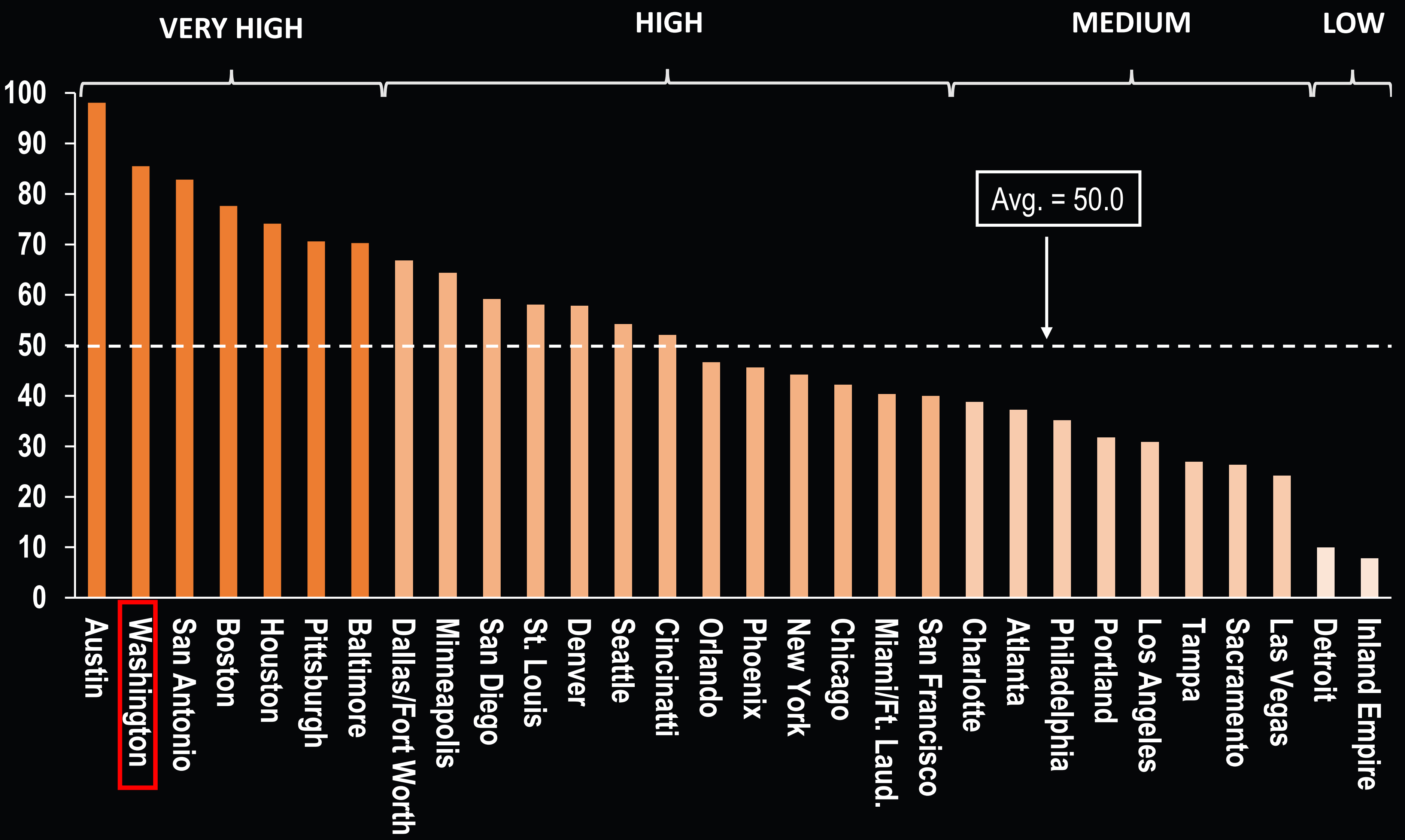


Note: Primary demand sources for multifamily units highlighted in blue.
Source: Delta Associates; October 2020.

MARKET RESILIENCE INDEX

30 Largest Metropolitan Statistical Areas

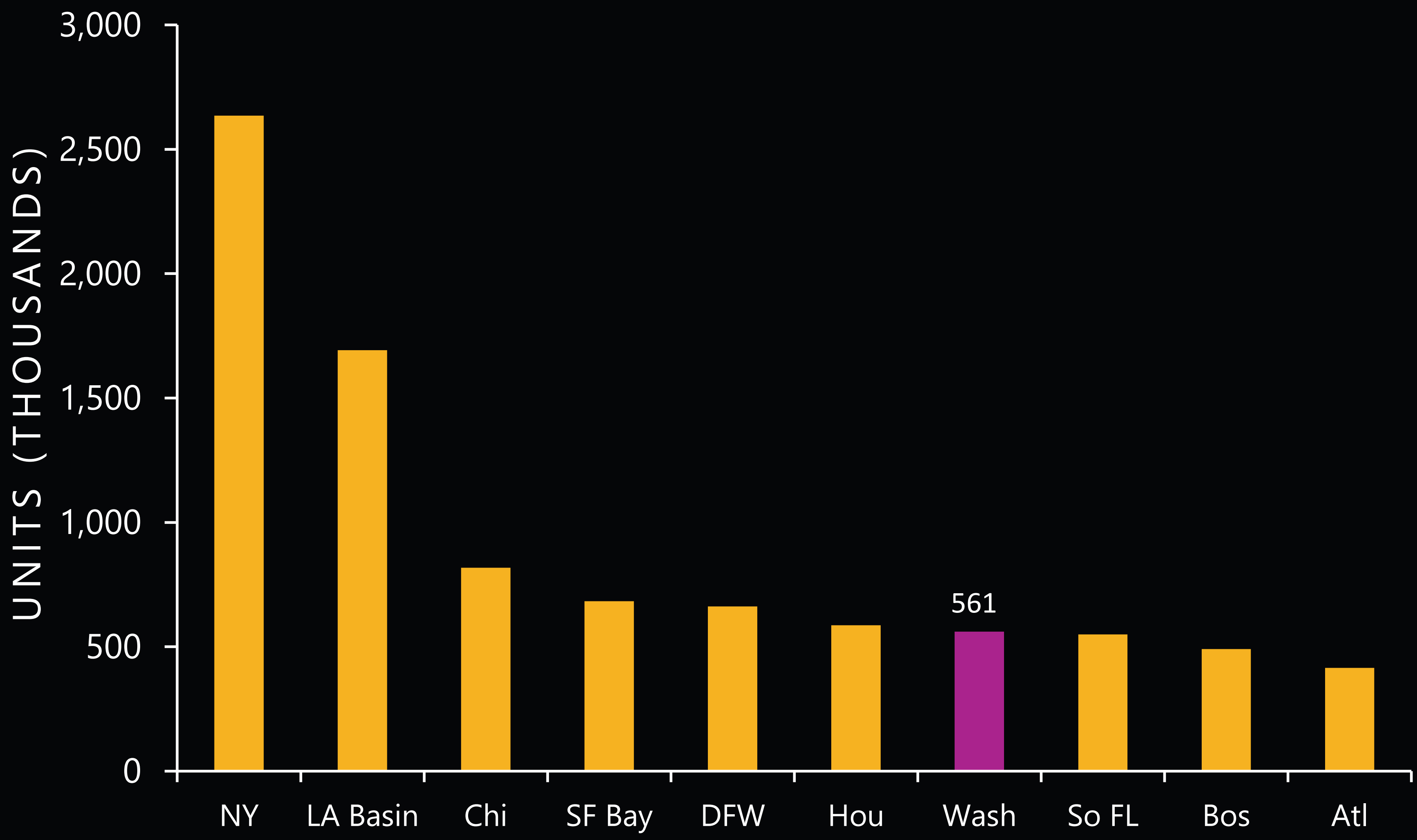


Source: Delta Associates; October 2020.

THE WASHINGTON METRO AREA APARTMENT MARKET

LARGET APARTMENT MARKETS

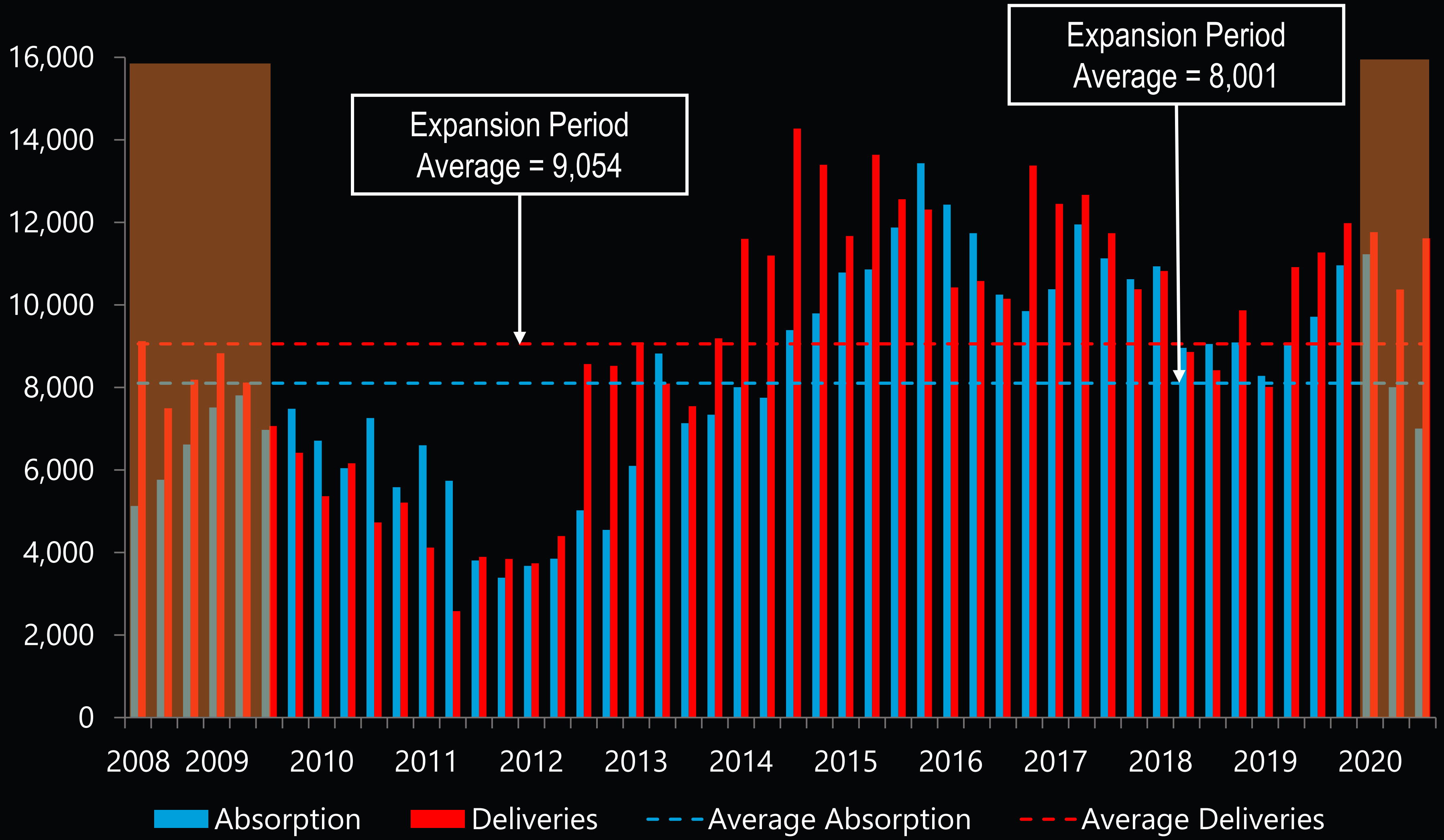
Selected Metro Areas | 2018



Source: U.S. Census Bureau, Delta Associates; October 2020.

ANNUAL CLASS A APARTMENT ABSORPTION AND DELIVERIES

Washington Metro Area

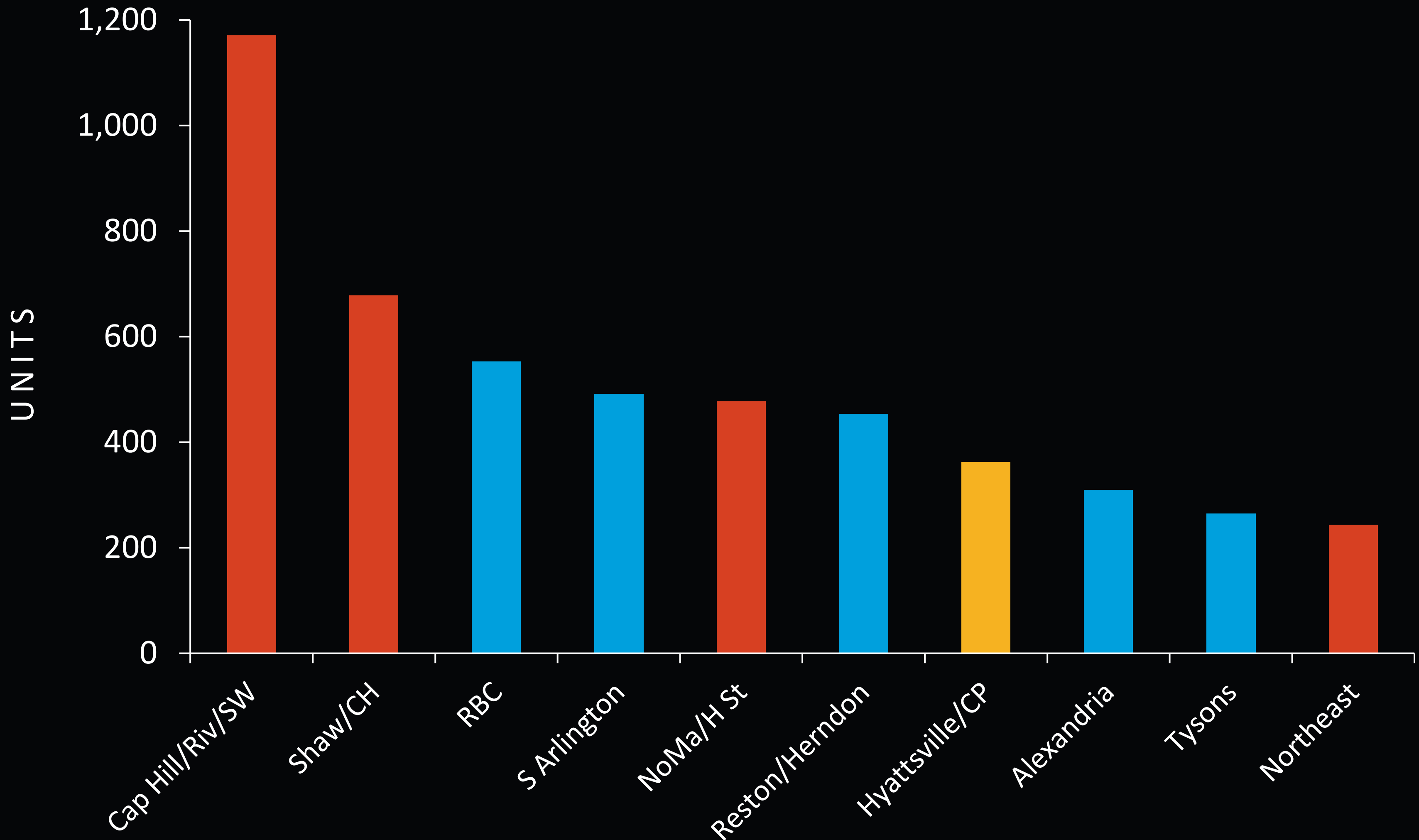


Note: Shaded bars represent recession periods.
Source: Delta Associates; October 2020.

CLASS A APARTMENT ABSORPTION

Top 10 Submarkets in Washington Metro Area | 12 Mo. Ending September 2020

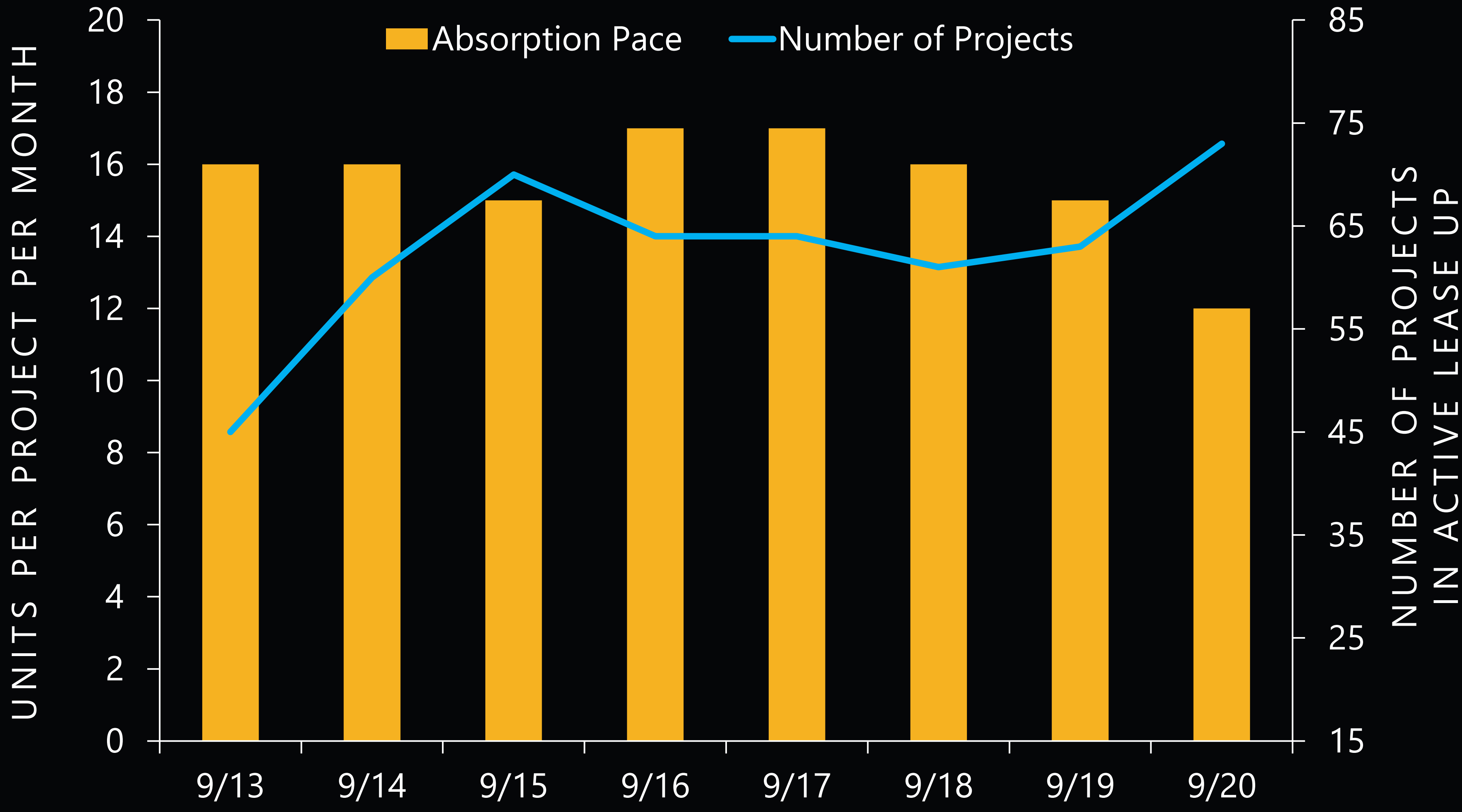
DELTA ASSOCIATES' 24TH ANNUAL Market Overview & Awards For Excellence



Source: Delta Associates; October 2020.

ABSORPTION PACE

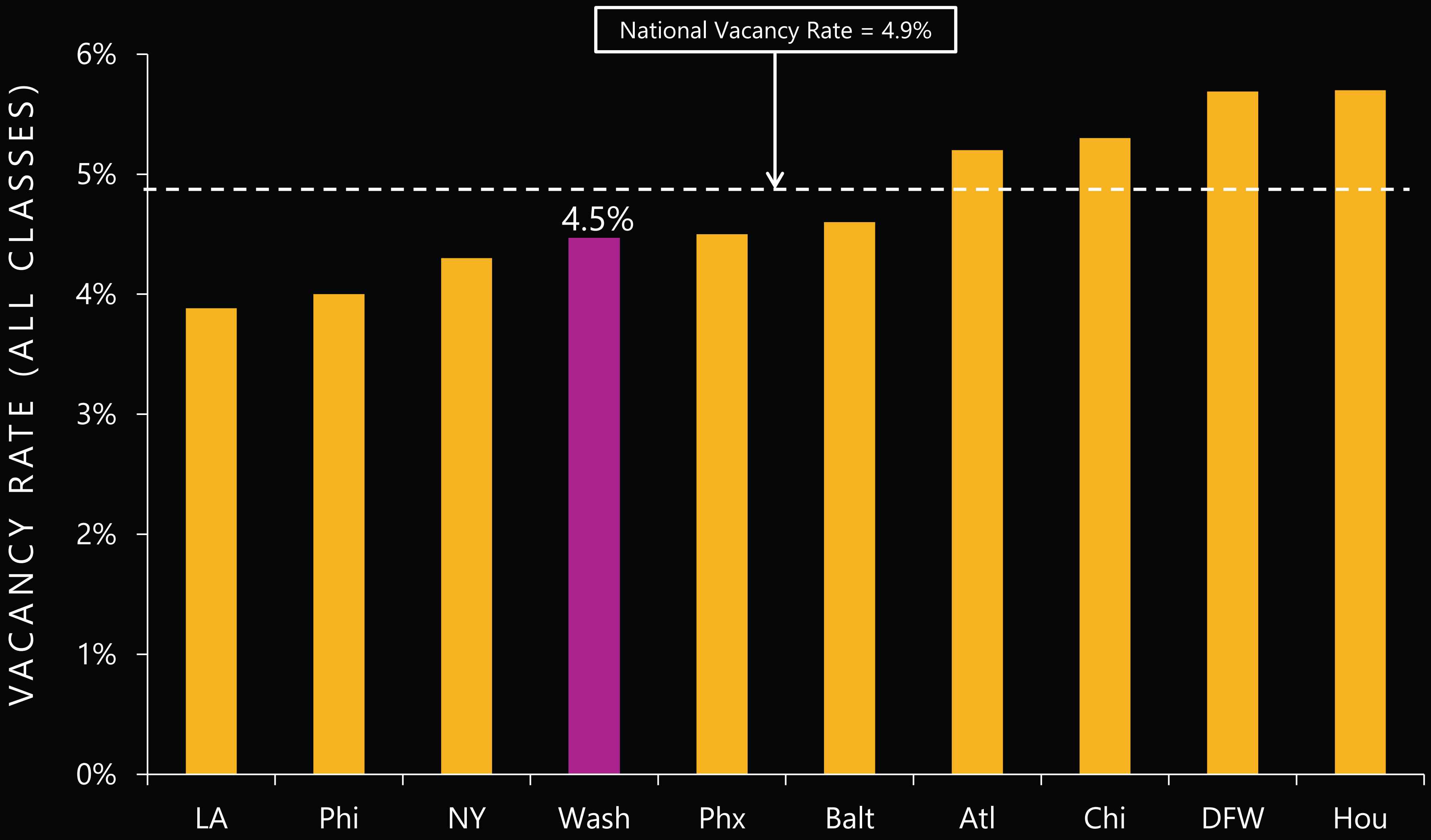
Class A Projects in Initial Lease-Up | Washington Metro Area



Source: Delta Associates; October 2020.

STABILIZED APARTMENT VACANCY RATES

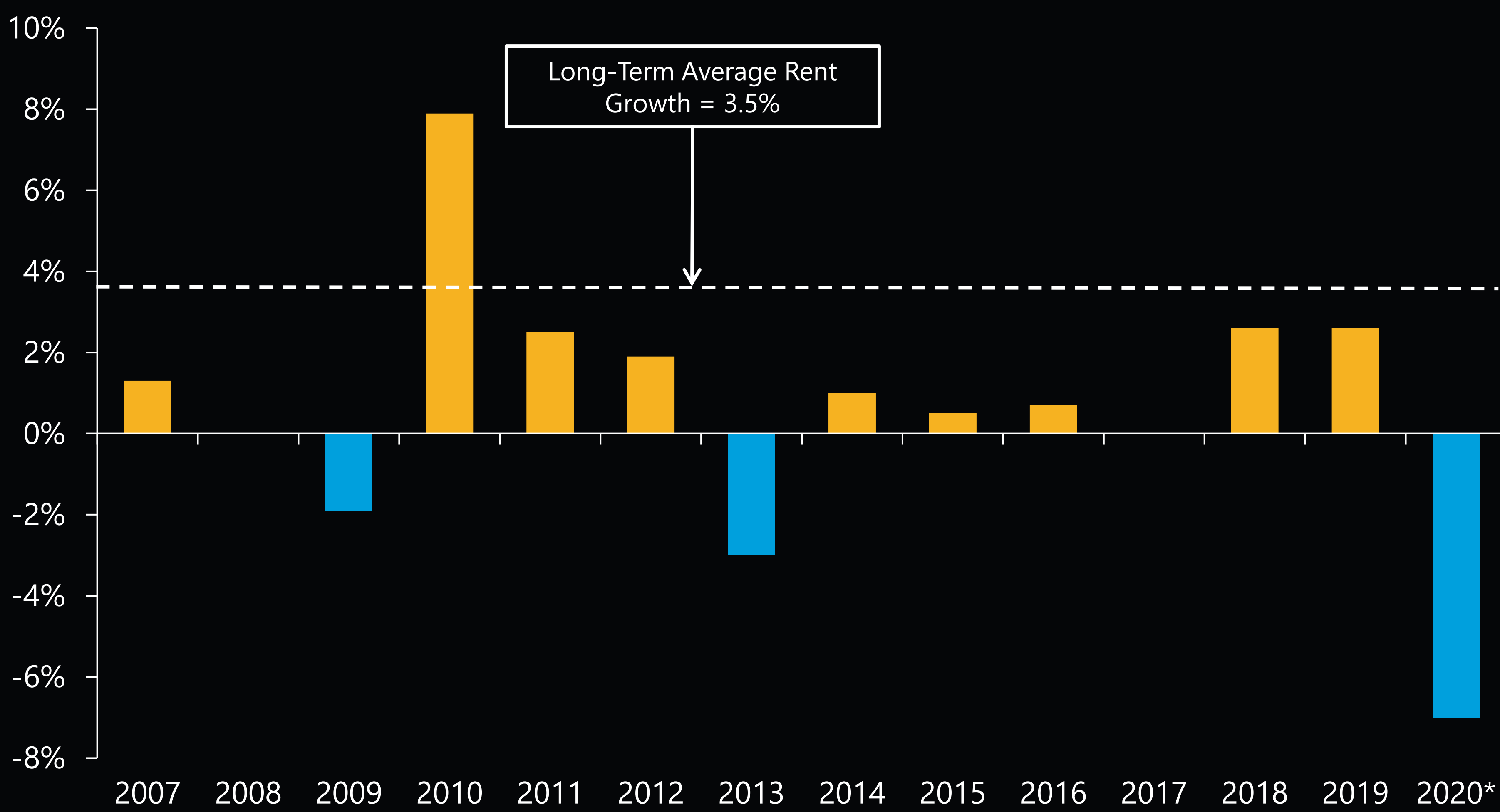
Major Apartment Markets | Third Quarter 2020



Source: Axiometrics, Delta Associates; October 2020.

ANNUAL EFFECTIVE RENT GROWTH

Class A Apartments | Washington Metro Area | 2007 - 2020



Source: Delta Associates; October 2020.

**12 months ending September 2020.*

PROJECTS CURRENTLY UNDER CONSTRUCTION

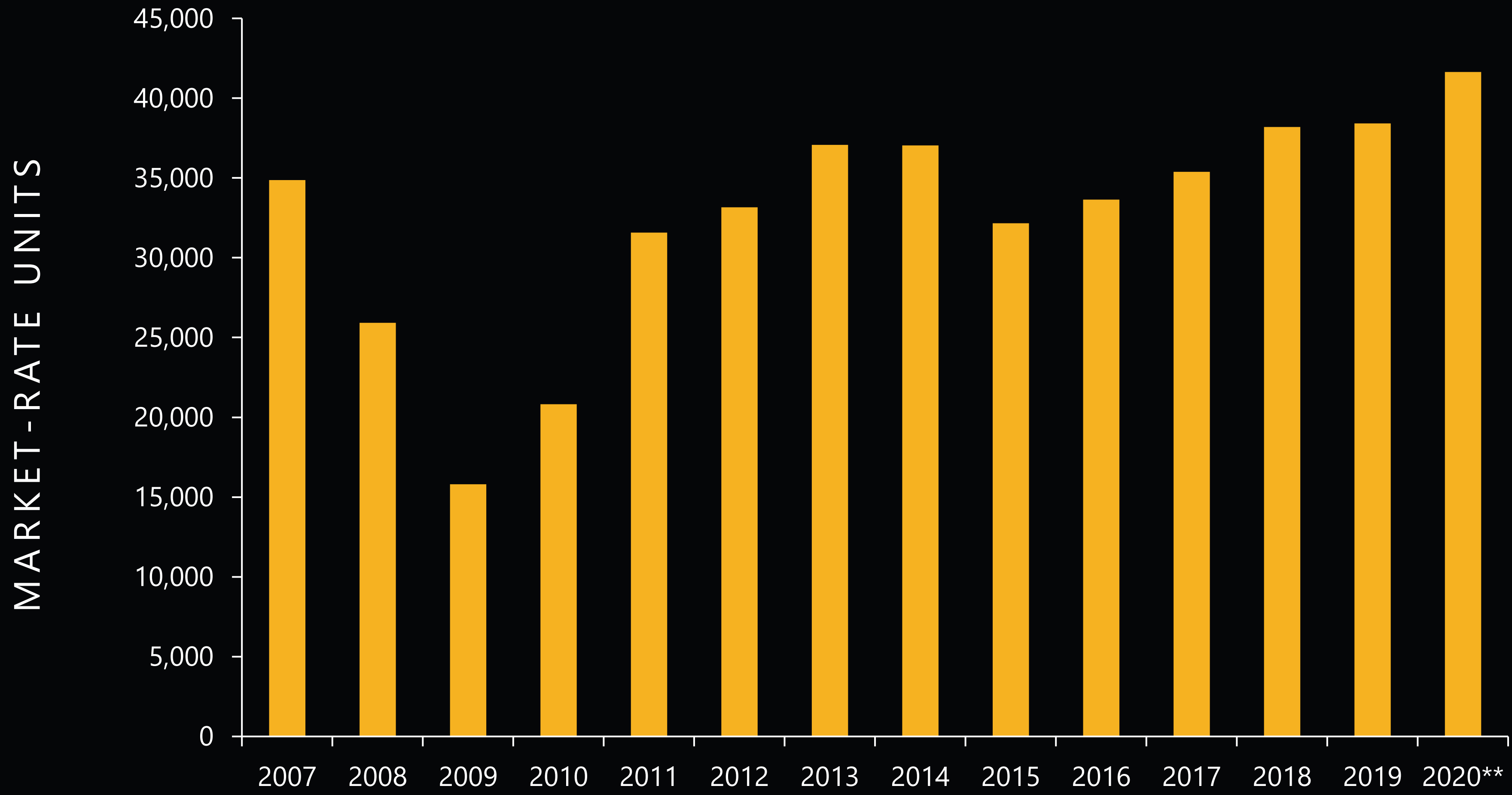
District of Columbia

Source: Delta Associates; October 2020.

36-MONTH APARTMENT DEVELOPMENT PIPELINE*

Washington Metro Area | 2007 - 2020

24TH ANNUAL DELTA ASSOCIATES' Market Overview & Awards For Excellence



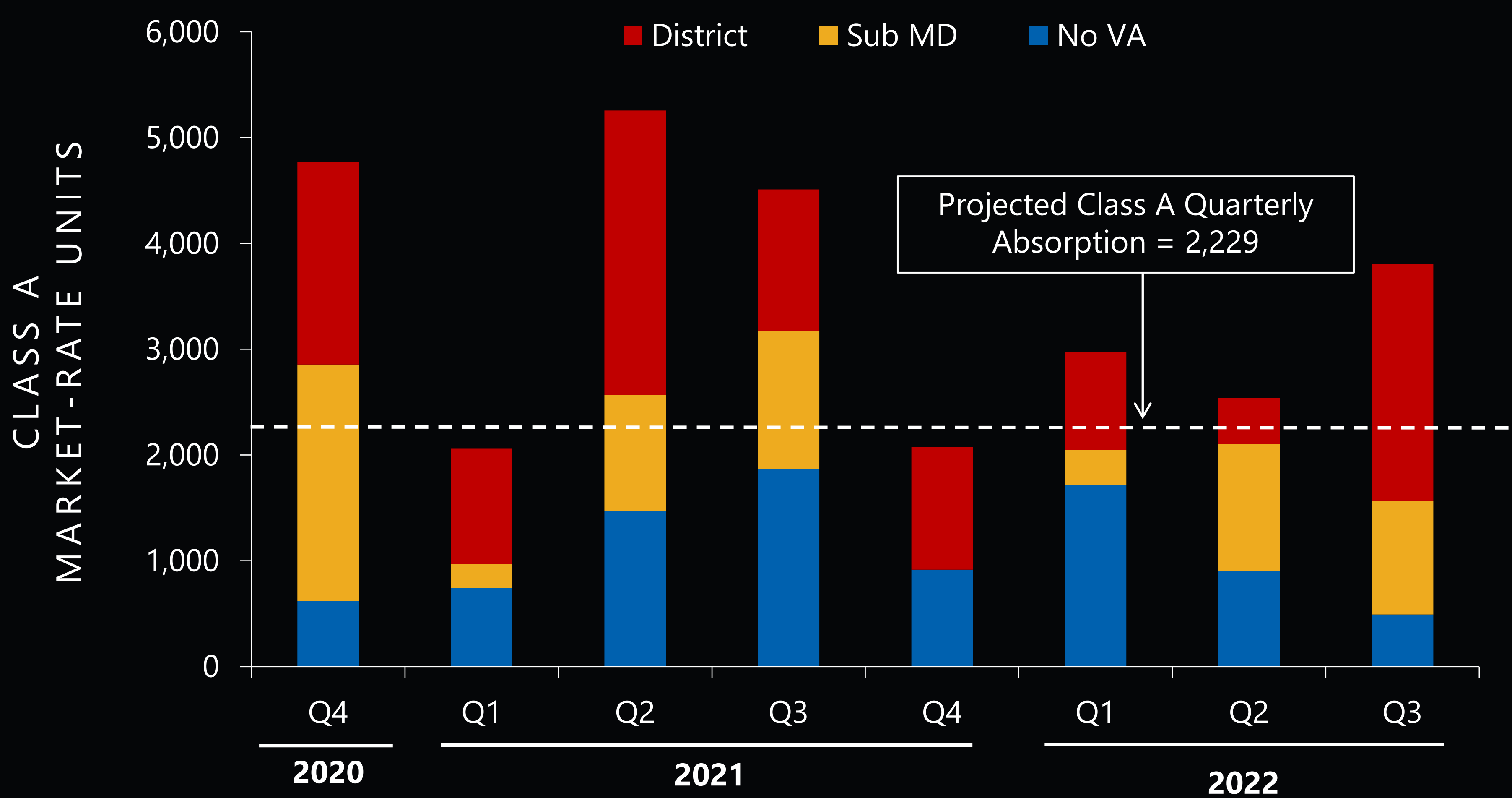
Source: Delta Associates; October 2020.

**Market-Rate Units Planned and Under Construction After Attrition.*

***As of Third Quarter.*

PROJECTED DELIVERIES

Washington Metro Area | 2020 - 2022

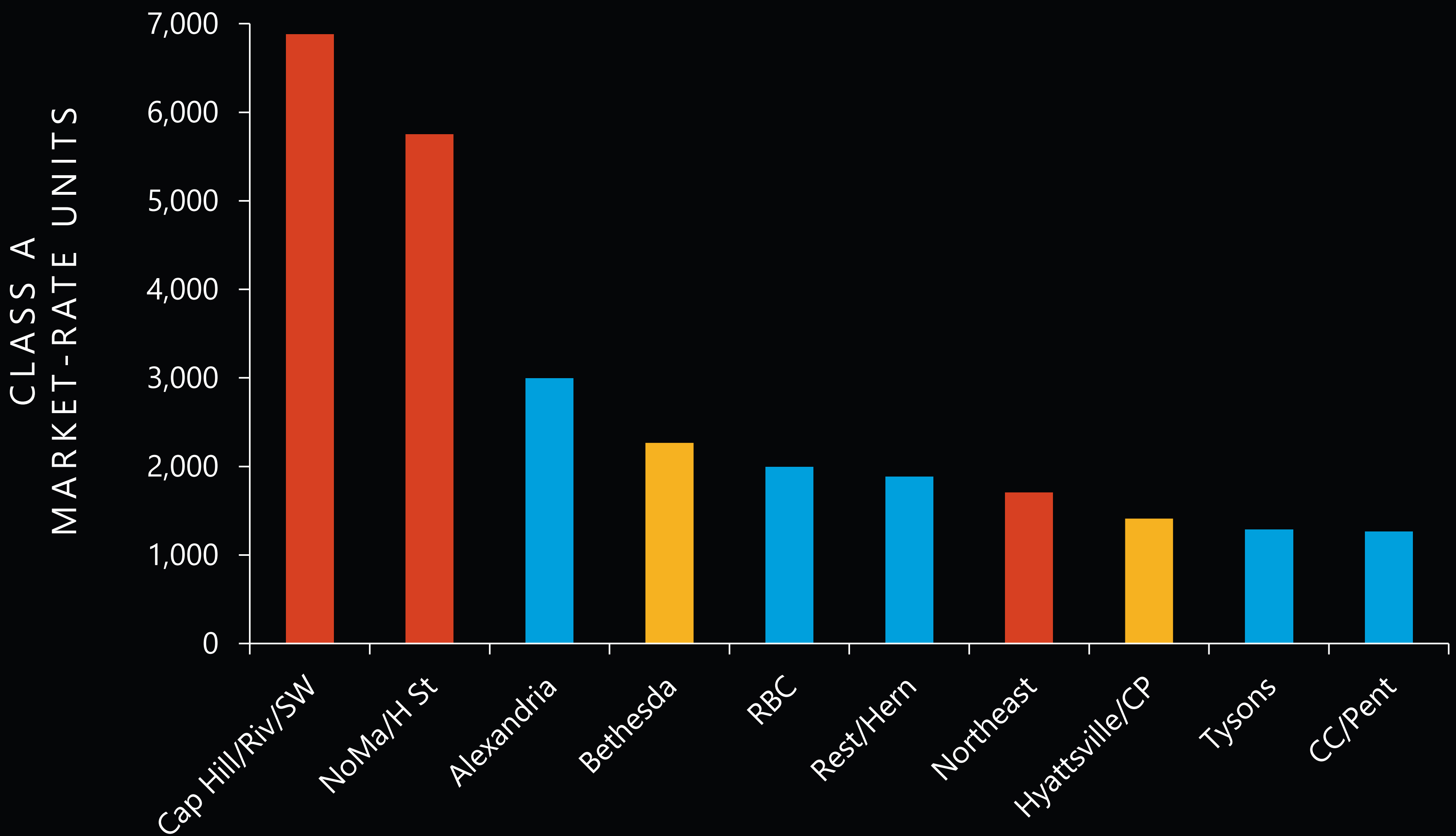


Source: Delta Associates; October 2020.

36-MONTH APARTMENT DEVELOPMENT PIPELINE*

Top 10 Submarkets in Washington Metro Area | Third Quarter 2020

24TH ANNUAL DELTA ASSOCIATES' Market Overview & Awards For Excellence

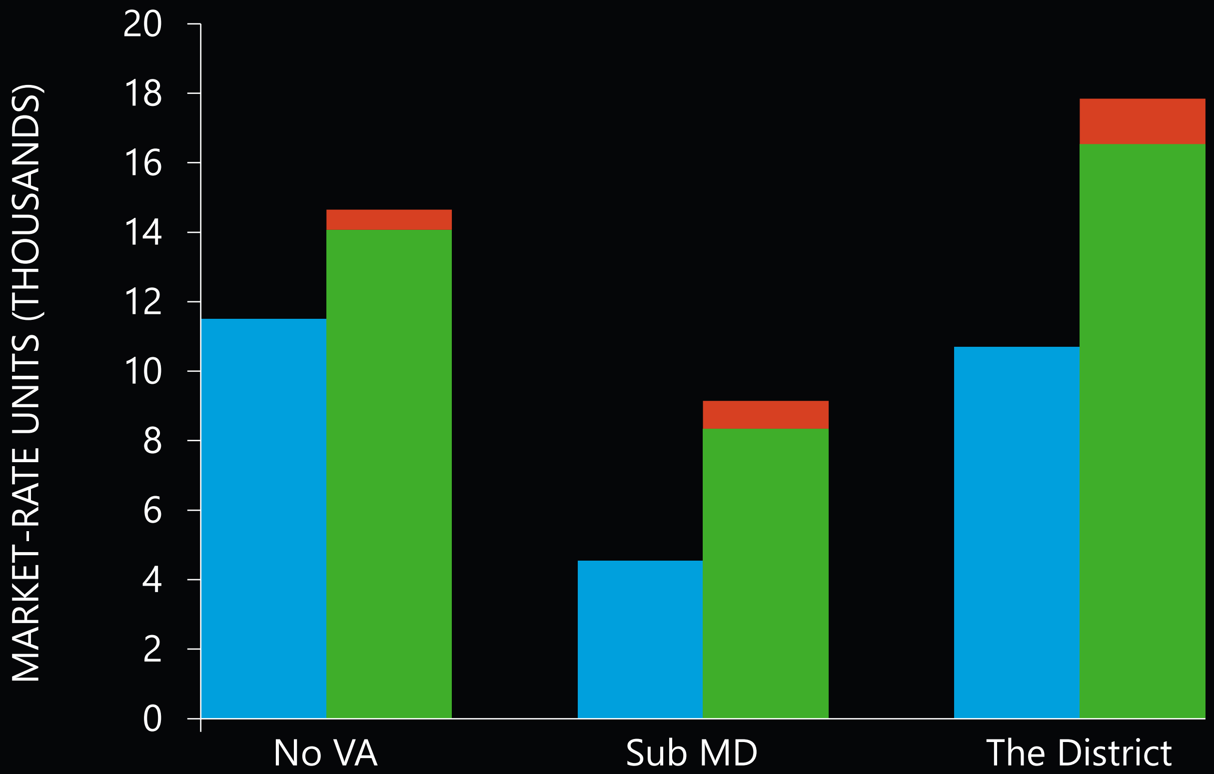


Source: Delta Associates; October 2020.

*Market-Rate Units Planned and Under Construction After Attrition.

DEMAND AND SUPPLY PROJECTIONS

Washington Metro Area Class A Apartments | 36 Mo. Ending September 2023



3.9% 4.1% 5.5%

Projected Stabilized Vacancy % at September 2023

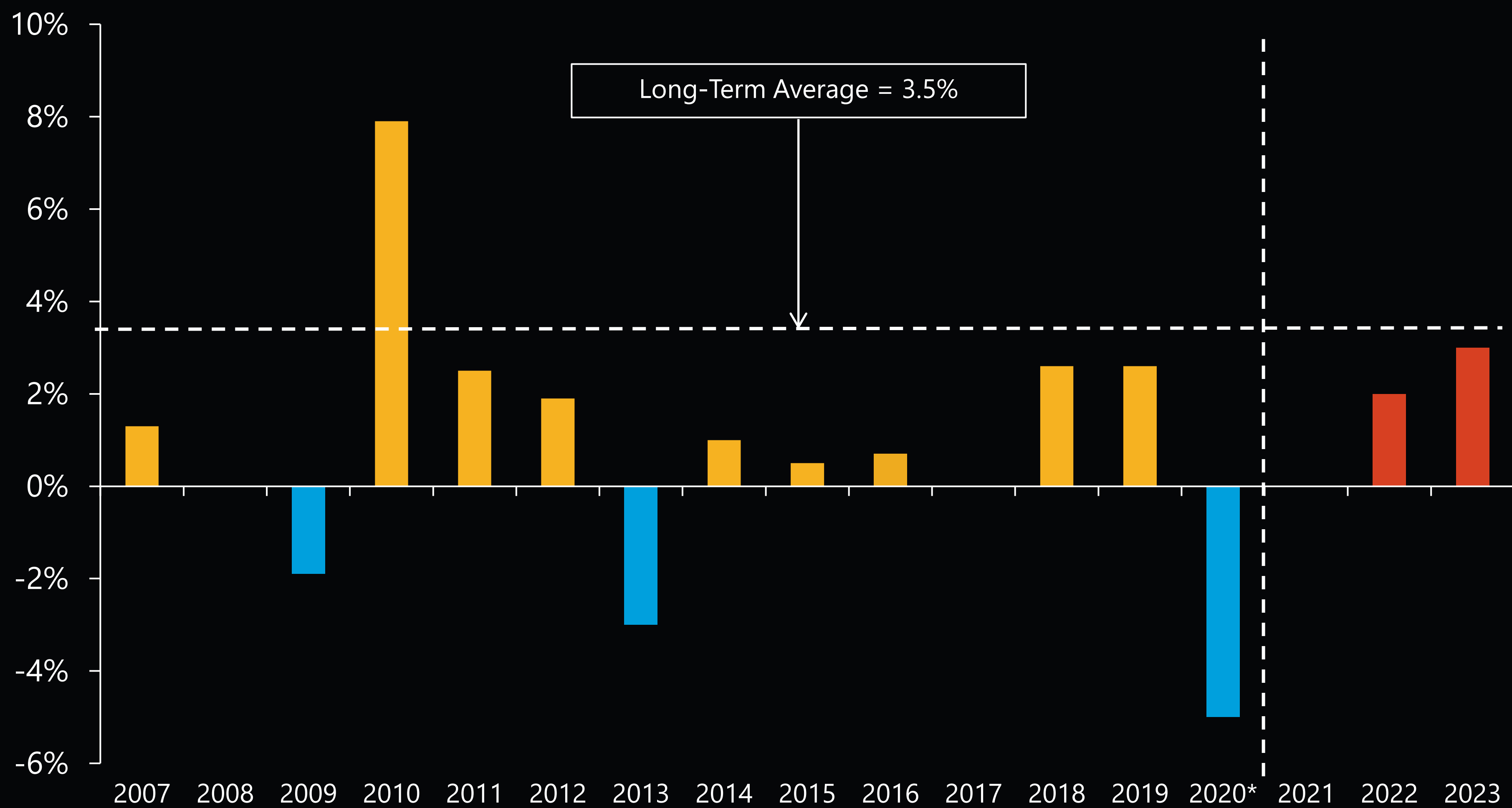
4.4% Metro-Wide

DEMAND
Net Absorption: 8,917/Year = 26,750
SUPPLY
Planned and may deliver by 9/23: 2,681 units[1]
Under construction: 38,961 units[2]
Total = 41,642 units

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

ANNUAL CLASS A APARTMENT EFFECTIVE RENT GROWTH

Washington Metro Area | 2007 - 2023



Source: Delta Associates; October 2020.

* Annual rent growth at Third Quarter 2020 is -7.0%.

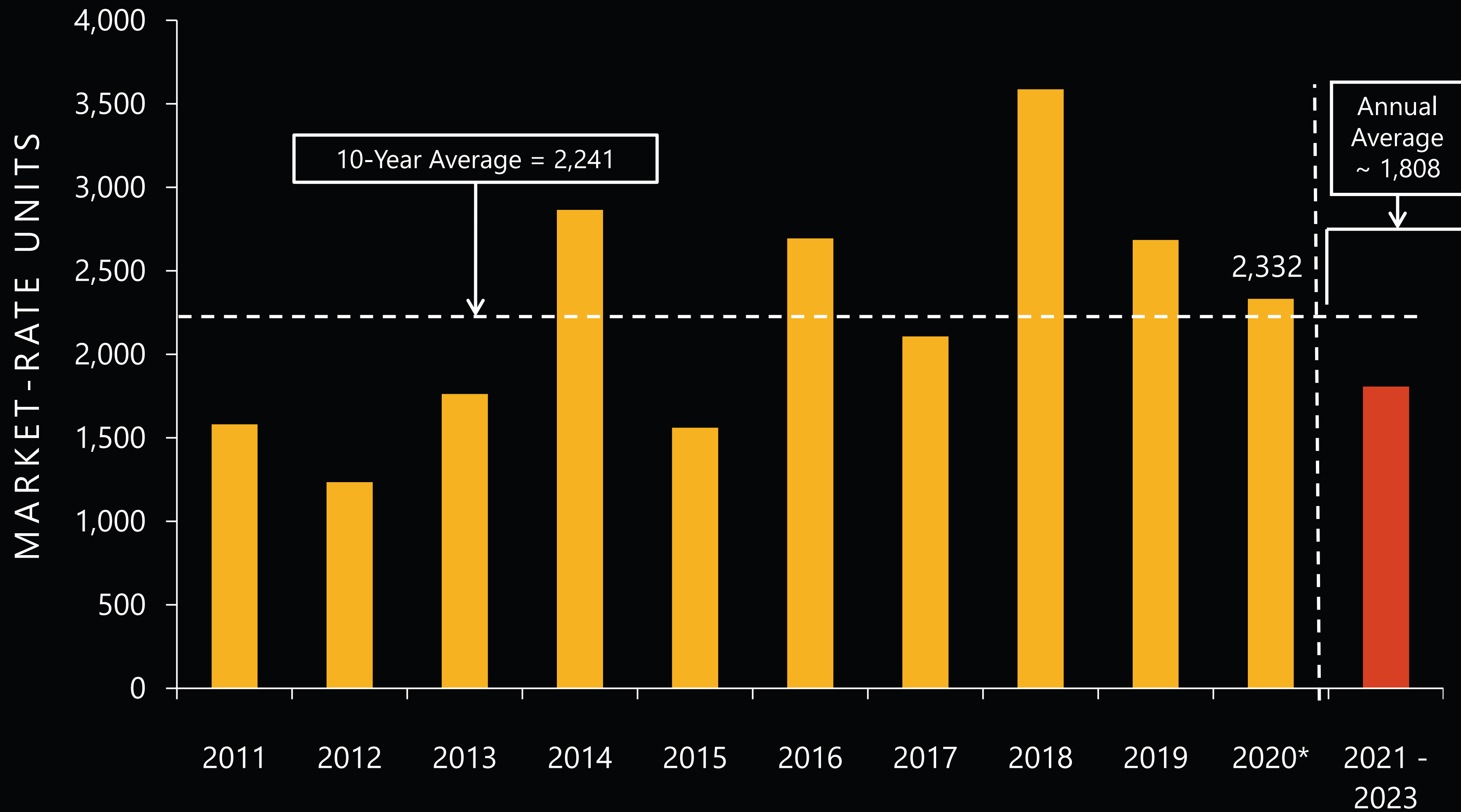
24TH ANNUAL DELTA ASSOCIATES' Market Overview & Awards For Excellence

THE BALTIMORE METRO AREA APARTMENT MARKET

DELTA ASSOCIATES TRANSWESTERN AltusGroup

CLASS A APARTMENT ABSORPTION

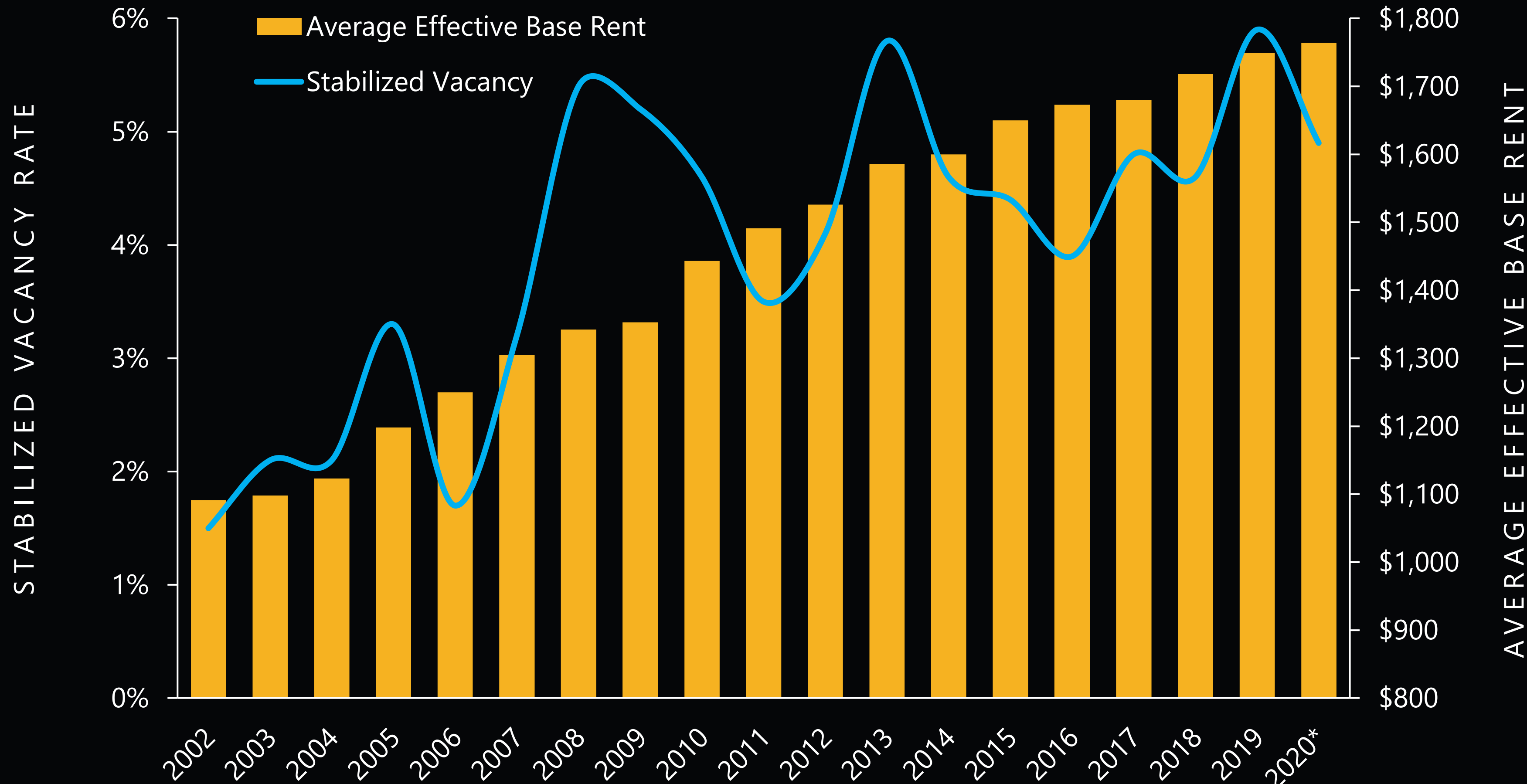
Baltimore Metro Area | 2011 - 2023



EFFECTIVE RENT AND VACANCY RATE

Class A Apartments | Baltimore Metro Area | 2002 - 2020

24TH ANNUAL DELTA ASSOCIATES' Market Overview & Awards For Excellence



3.6% / YEAR
LONG-TERM RENT GROWTH

Source: Delta Associates; October 2020.

** As of Third Quarter.*

Washington/Baltimore

36-MONTH APARTMENT DEVELOPMENT PIPELINE*

Baltimore Metro Area | 2007 - 2020

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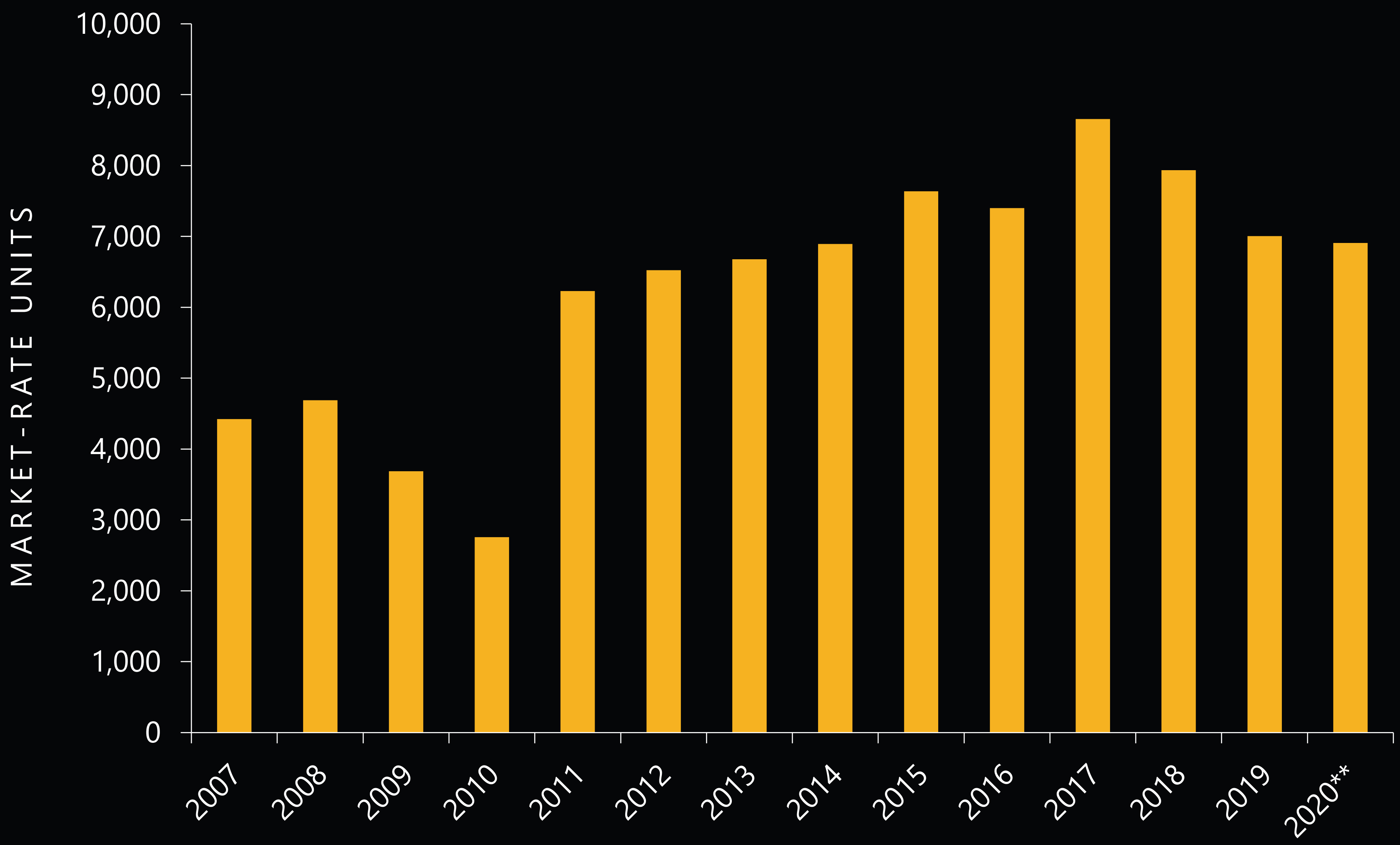


Source: Delta Associates; October 2020.

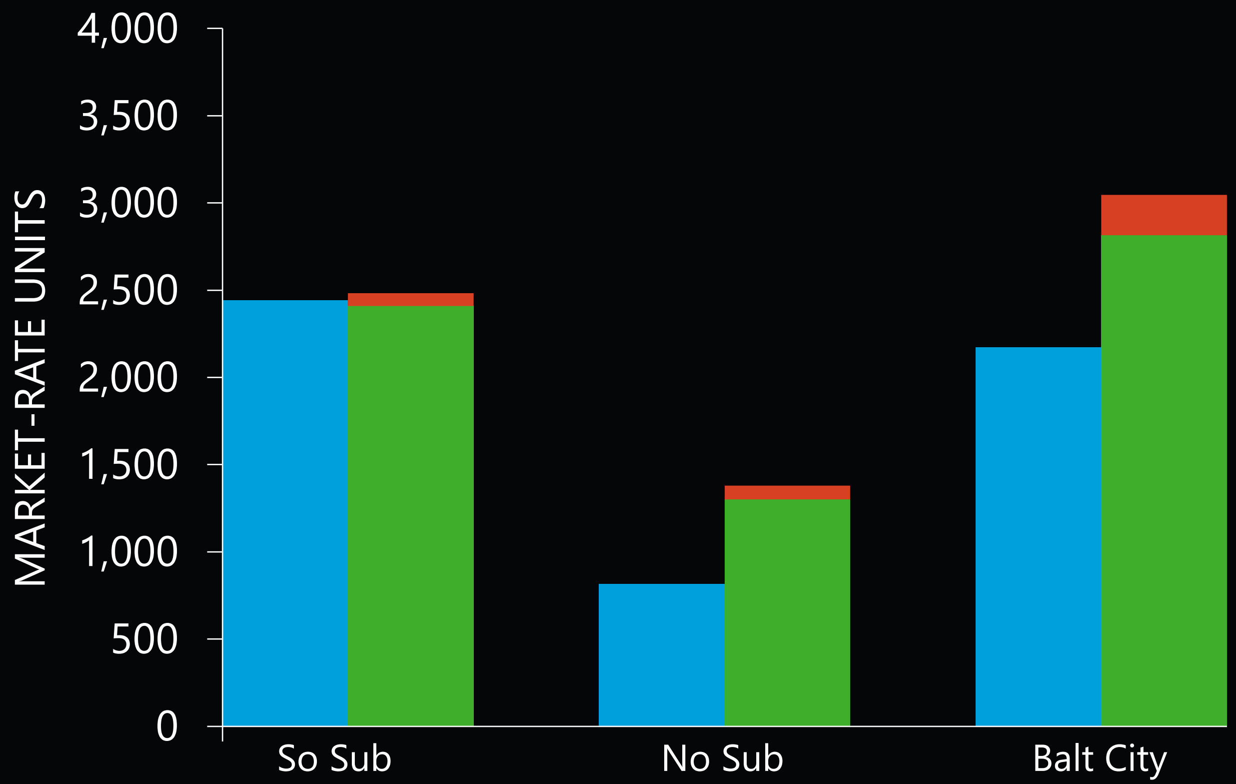
**Market-Rate Units Planned and Under Construction After Attrition.*

***As of Third Quarter.*

Washington/Baltimore

DEMAND AND SUPPLY PROJECTIONS

Baltimore Metro Area Class A Apartments | 36 Mo. Ending September 2023



So Sub	No Sub	Balt City
3.2%	3.1%	6.0%

Projected Stabilized Vacancy % at September 2023

4.1% Metro-Wide

DEMAND

Net Absorption: 1,808/Year = 5,425

SUPPLY

Planned and may deliver by 9/23: 385 units[1]

Under construction: 6,525 units[2]

Total = 6,910 units

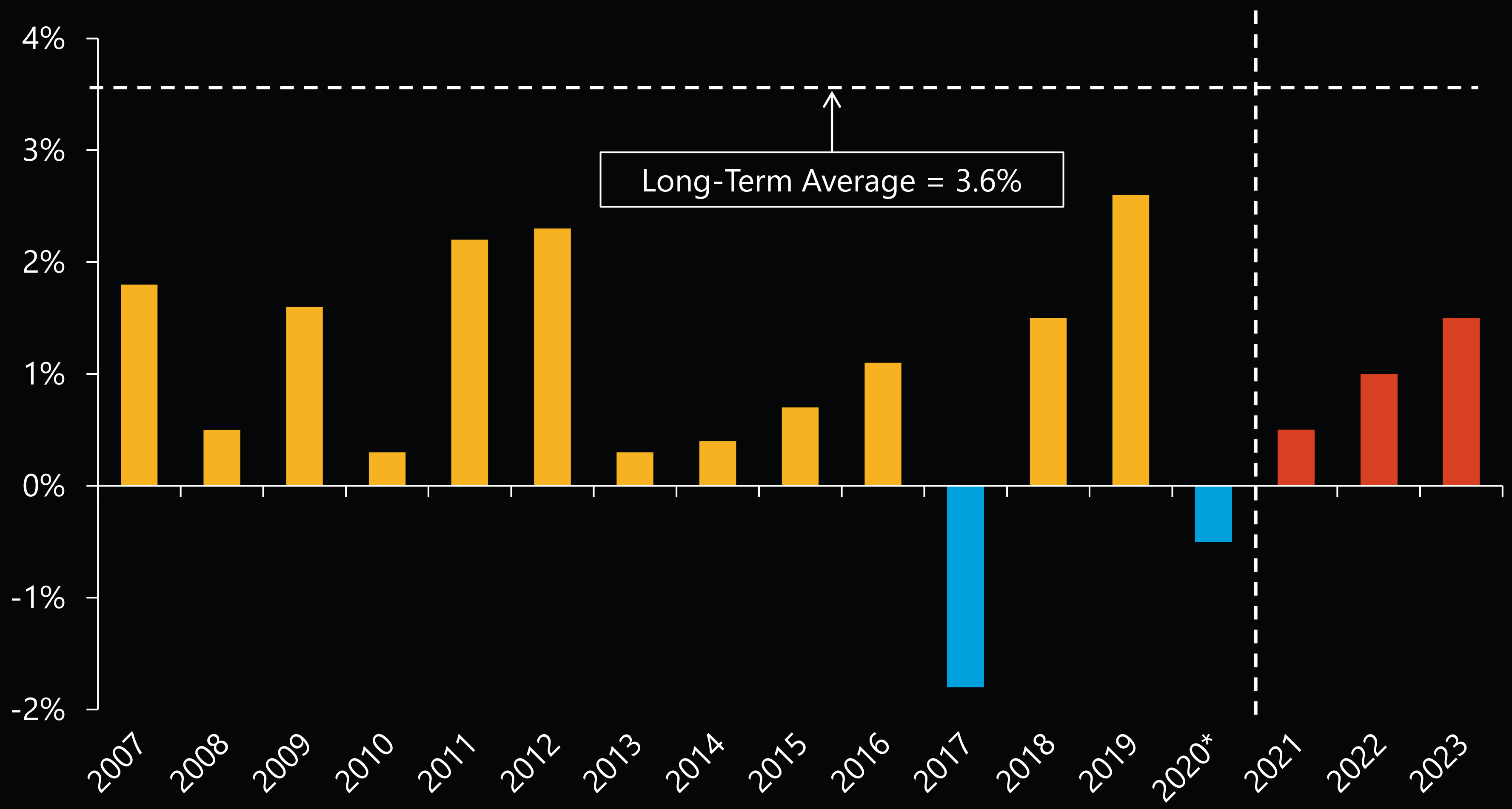
1 Probable supply after projected attrition.

2 Includes unleased units at projects in lease-up.

Source: Delta Associates; October 2020.

ANNUAL CLASS A APARTMENT EFFECTIVE RENT GROWTH

Baltimore Metro Area | 2007 - 2023



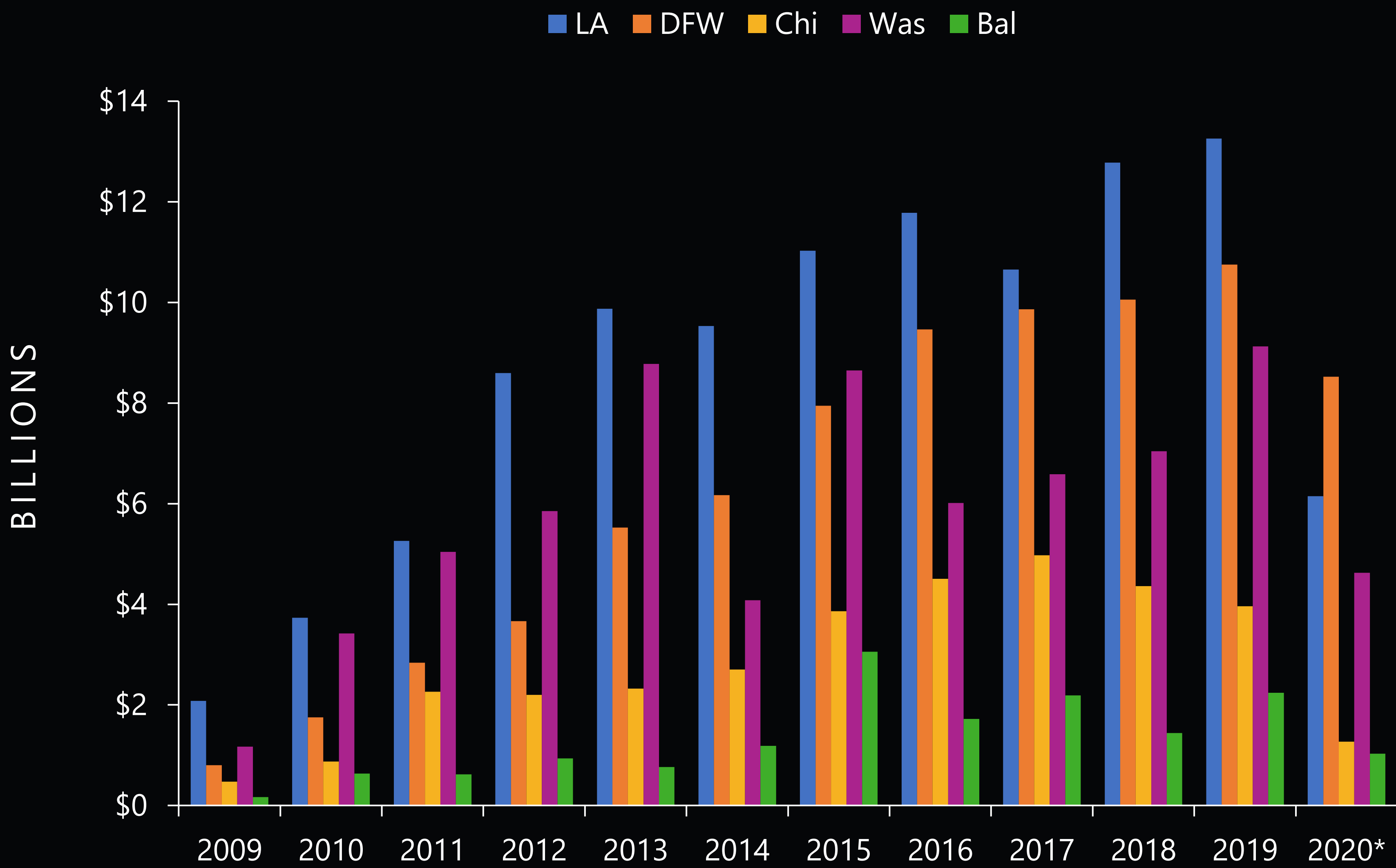
Source: Delta Associates; October 2020.

** Annual rent growth at Third Quarter 2020 is -1.0%.*

THE WASHINGTON/BALTIMORE AREA CAPITAL MARKETS

APARTMENT INVESTMENT SALES

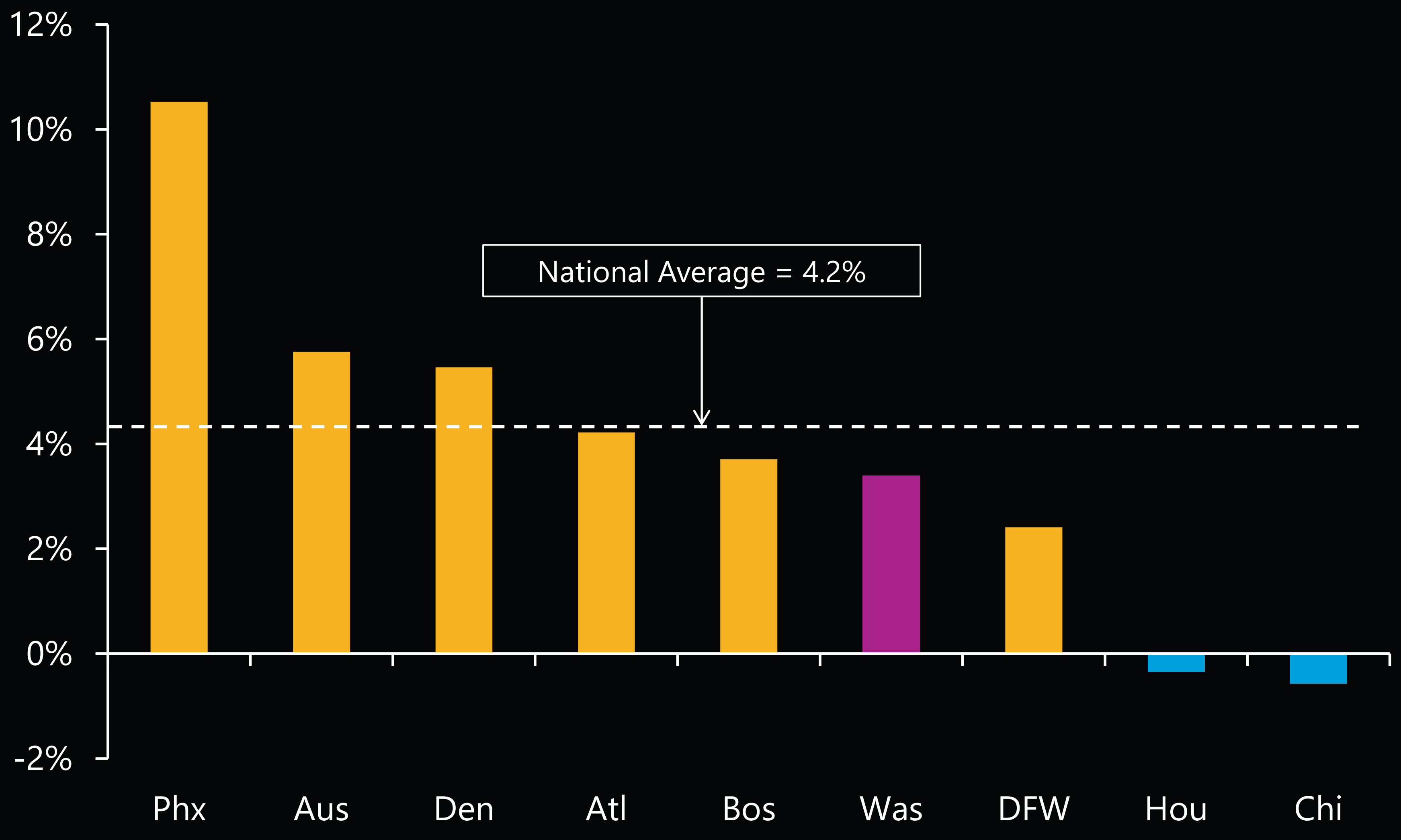
Selected Metro Areas | 2011 - 2020



Source: Real Capital Analytics, Delta Associates; October 2020. **Sales through September annualized.*

NCREIF RETURN INDEX FOR INVESTMENT-GRADE APARTMENTS

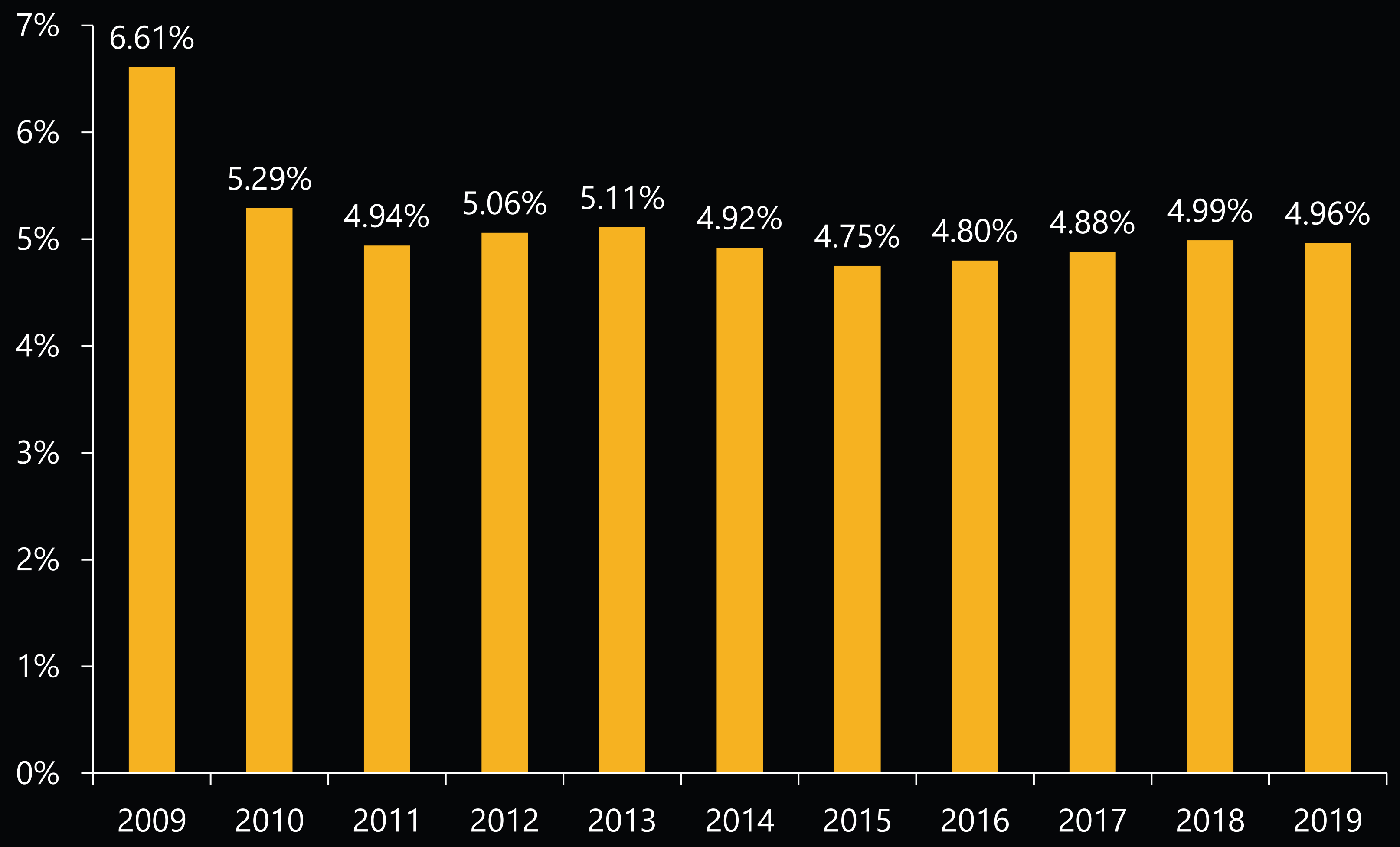
Selected Metro Areas | 12 Months Ending June 2020



Source: NCREIF, Delta Associates; October 2020.

CLASS A HIGH-RISE APARTMENT CAP RATES

Washington Metro Area | 2009 - 2019



Source: Delta Associates Market Maker Survey; October 2020.

YEARS OF SUPPLY

Low-Rise Class A Submarkets | Washington Metro Area

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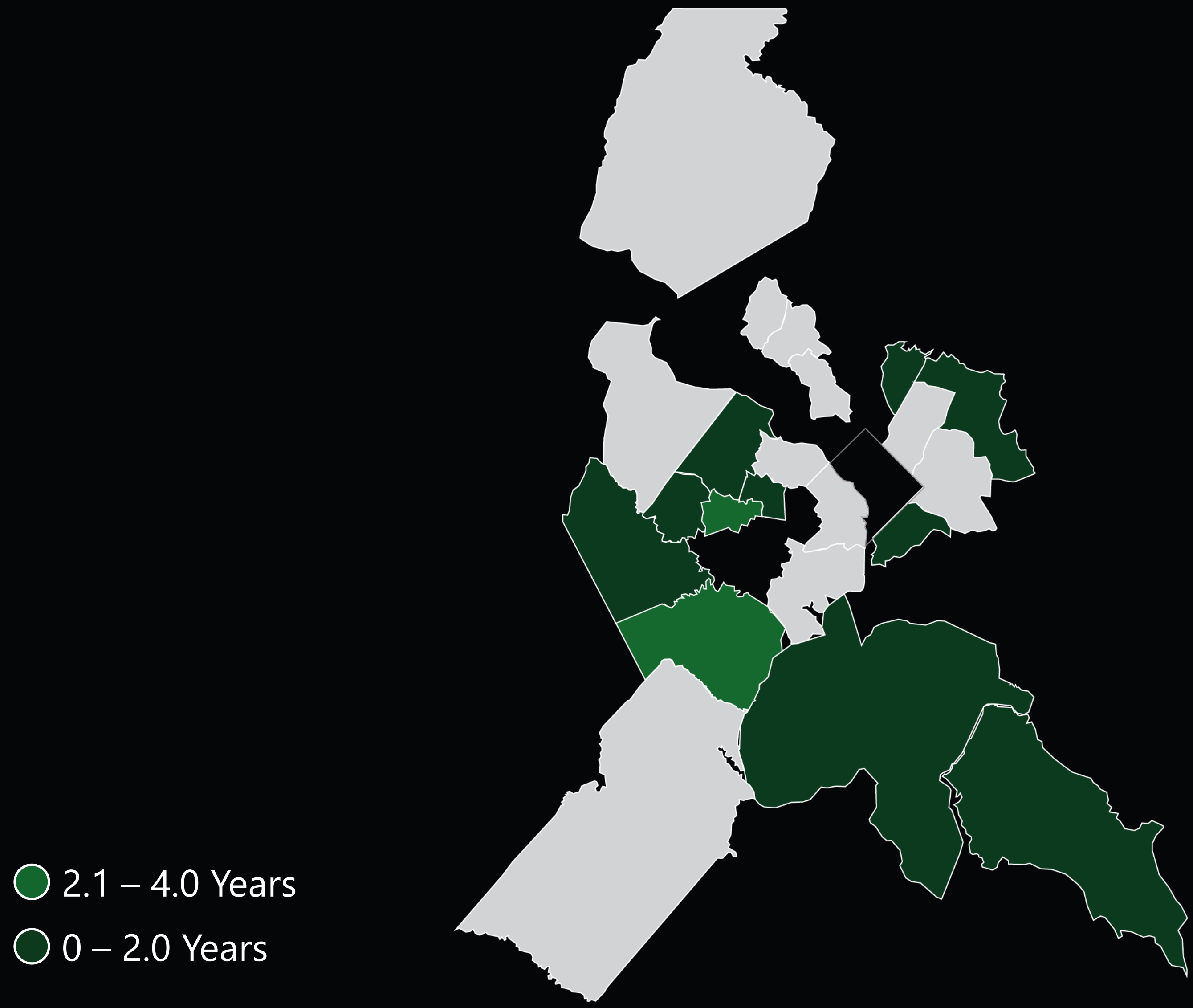
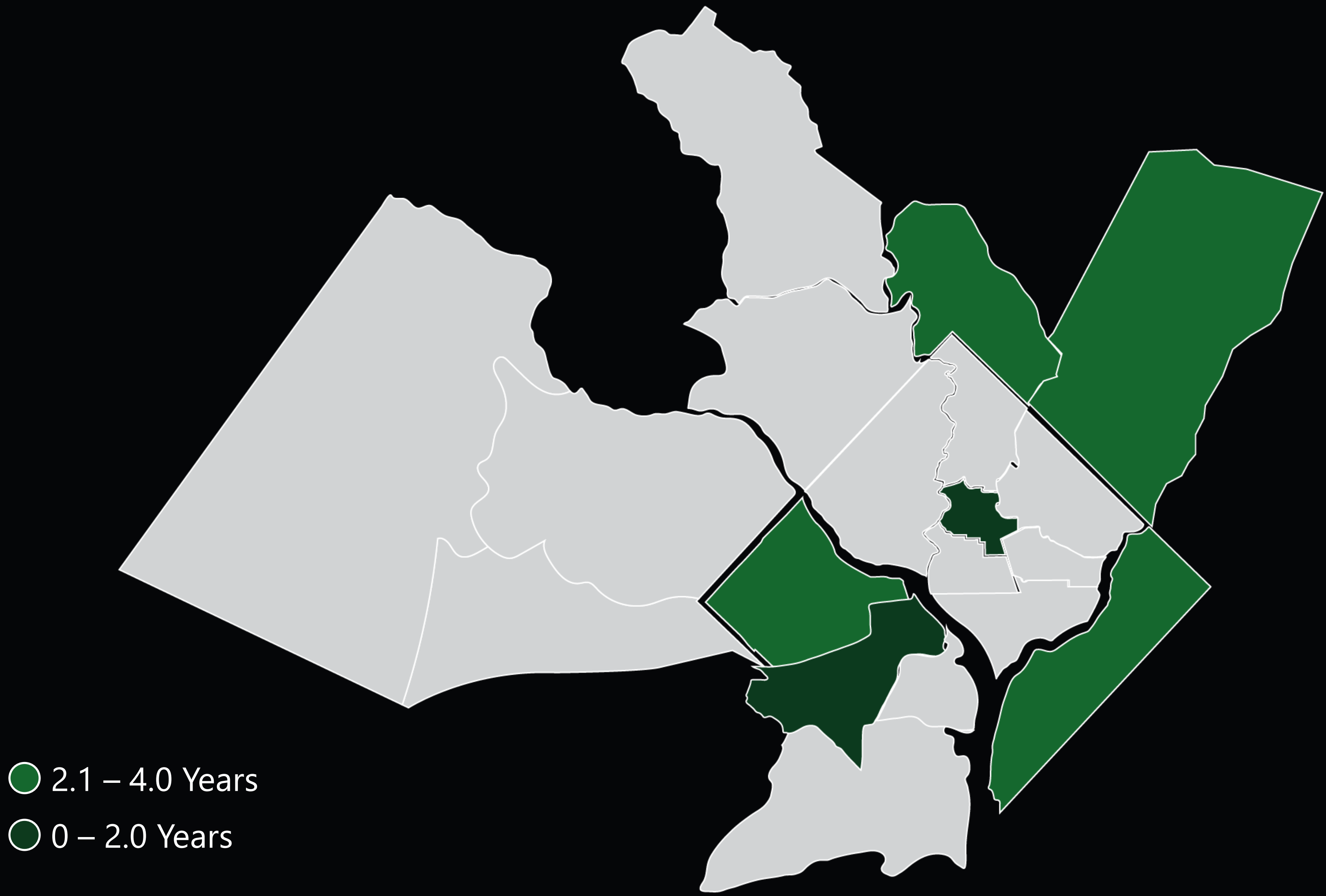


Source: Delta Associates; October 2020.

YEARS OF SUPPLY

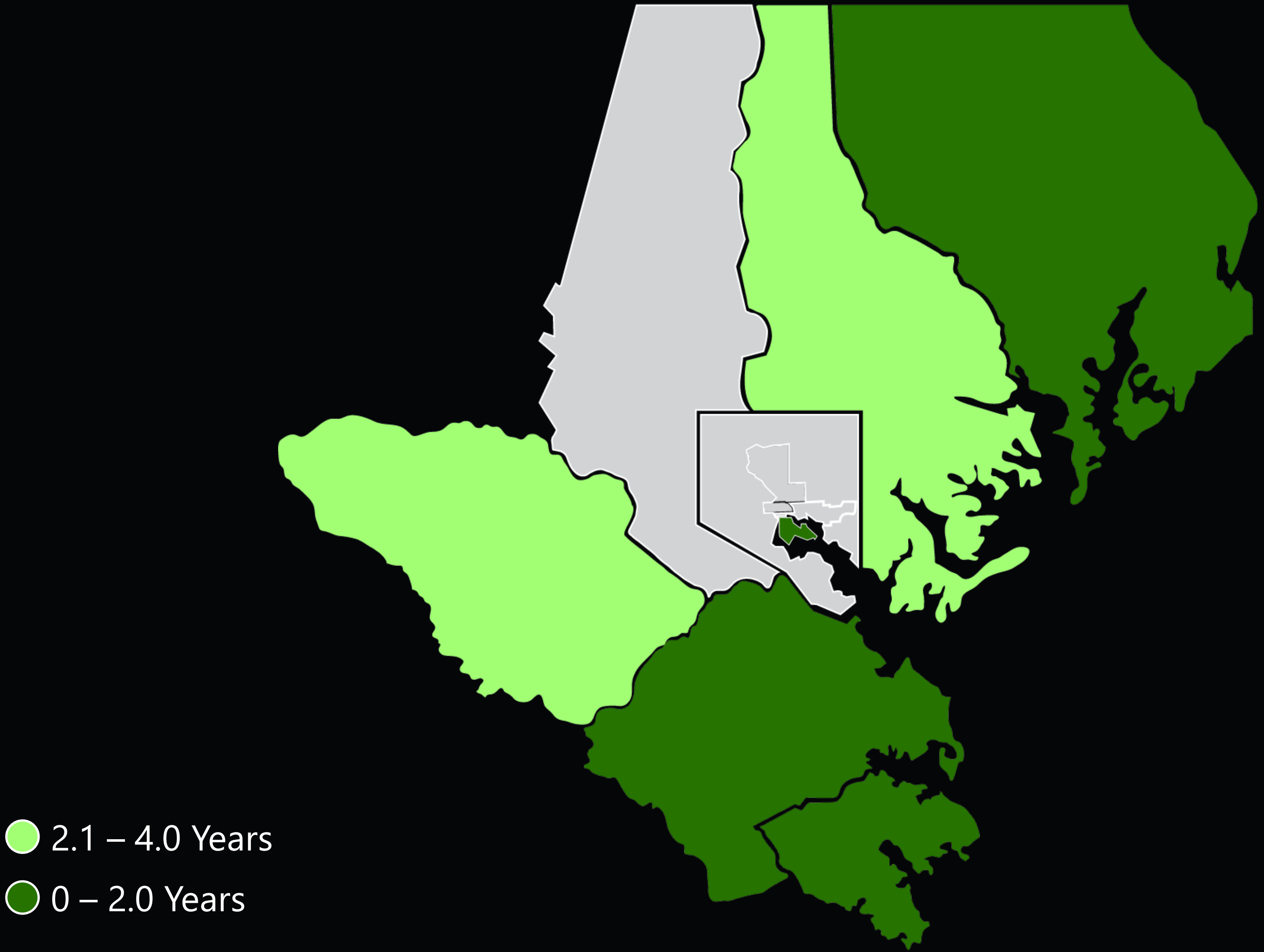
High-Rise Class A Submarkets | Washington Metro Area



Source: Delta Associates; October 2020.

YEARS OF SUPPLY

Class A Submarkets | Baltimore Metro Area



Source: Delta Associates; October 2020.

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THE WASHINGTON METRO AREA CONDOMINIUM MARKET

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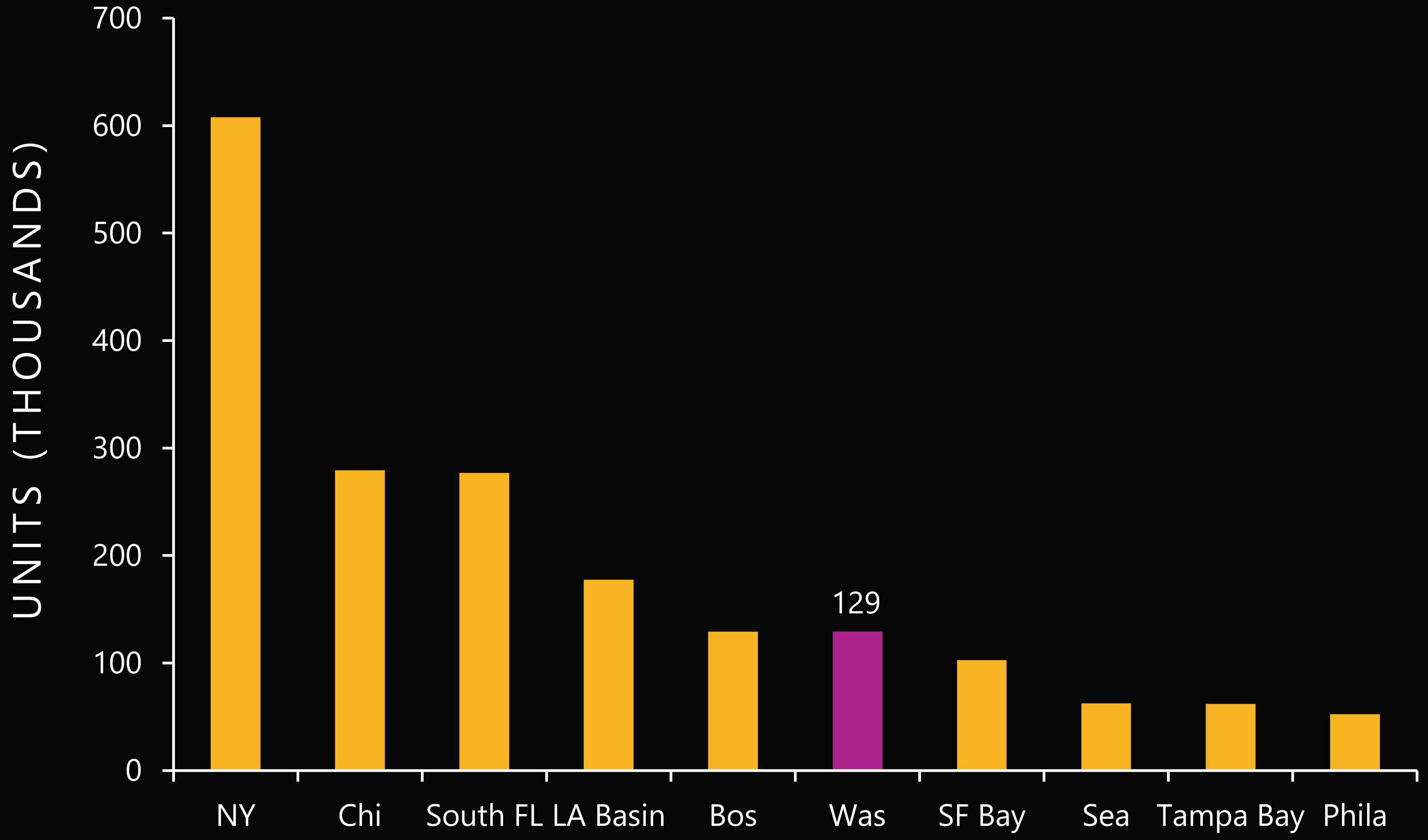
LARGEST CONDOMINIUM MARKETS

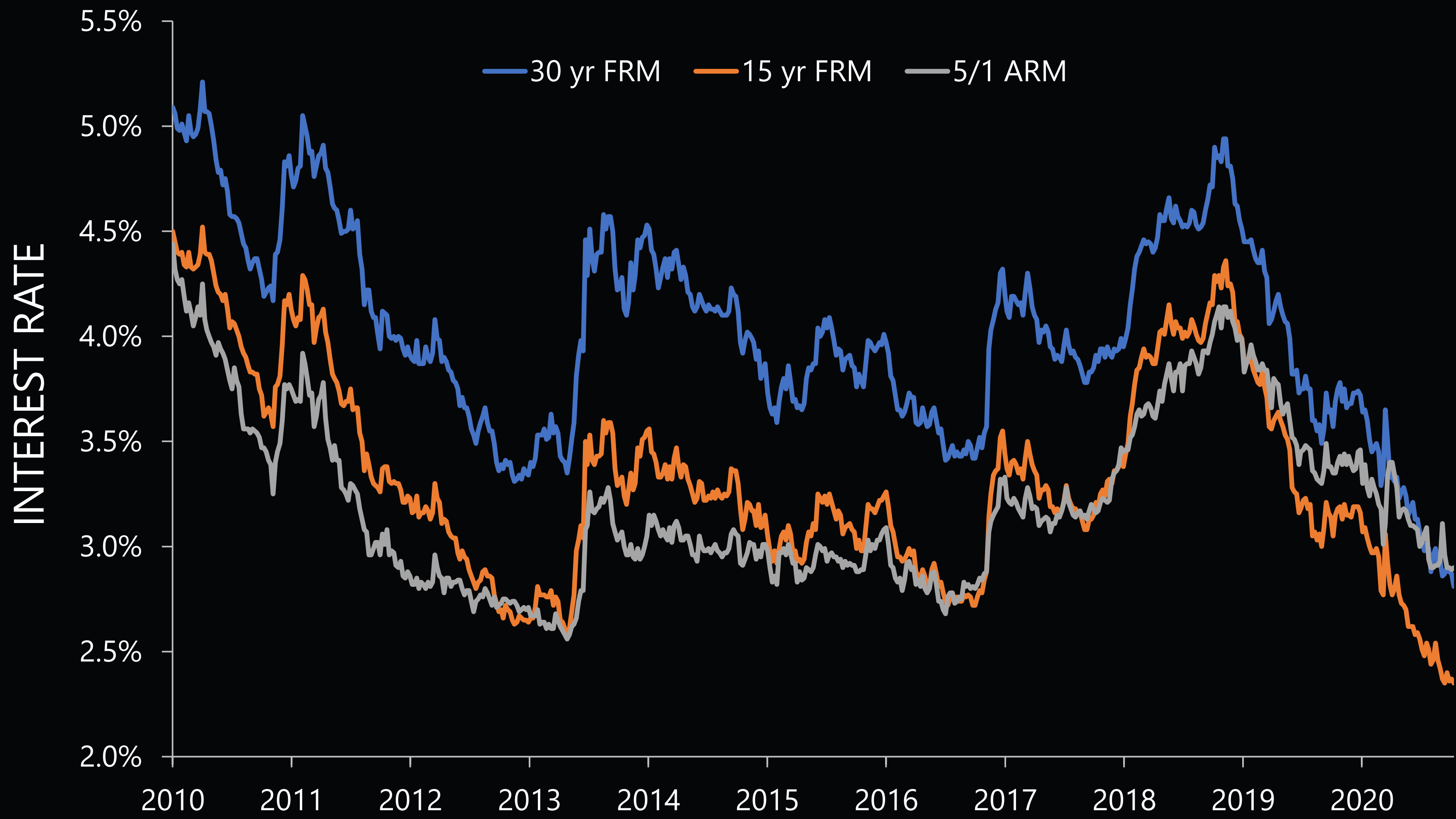
Selected Metro Areas | 2018



Source: U.S. Census Bureau, Delta Associates; October 2020.

PRIMARY MORTGAGE INTEREST RATES

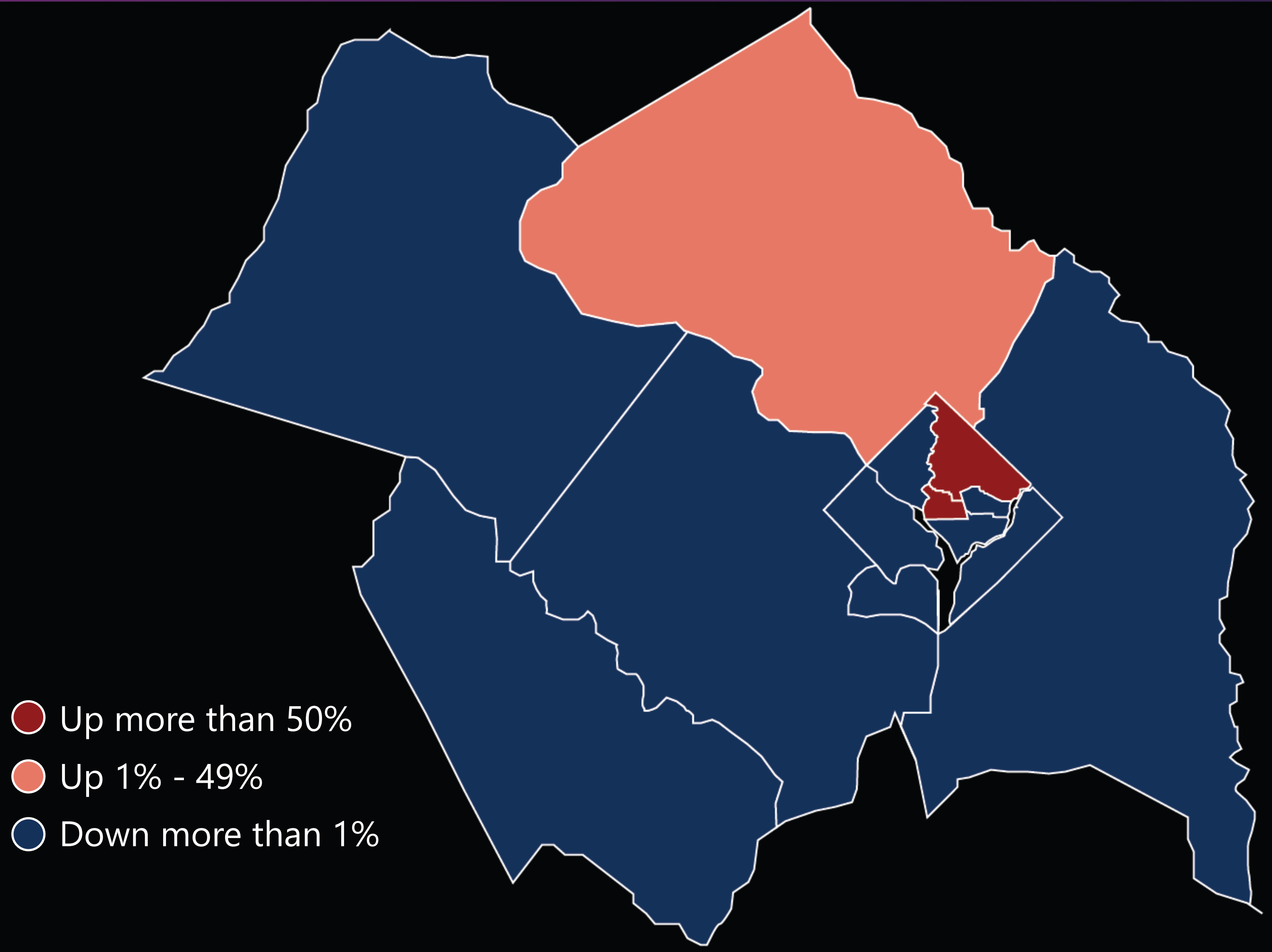
National Market Survey | 2010 – 2020*



*As of October 2020
Source: Freddie Mac, Delta Associates; October 2020.

CONDOMINIUM SALES ACTIVITY

Washington Metro Area | 12 Mo. Ending Sept. 2020 Compared to Prior Year



Source: Delta Associates; October 2020.

ANNUAL CONDOMINIUM RESALES

Washington Metro Area | 2004 - 2020

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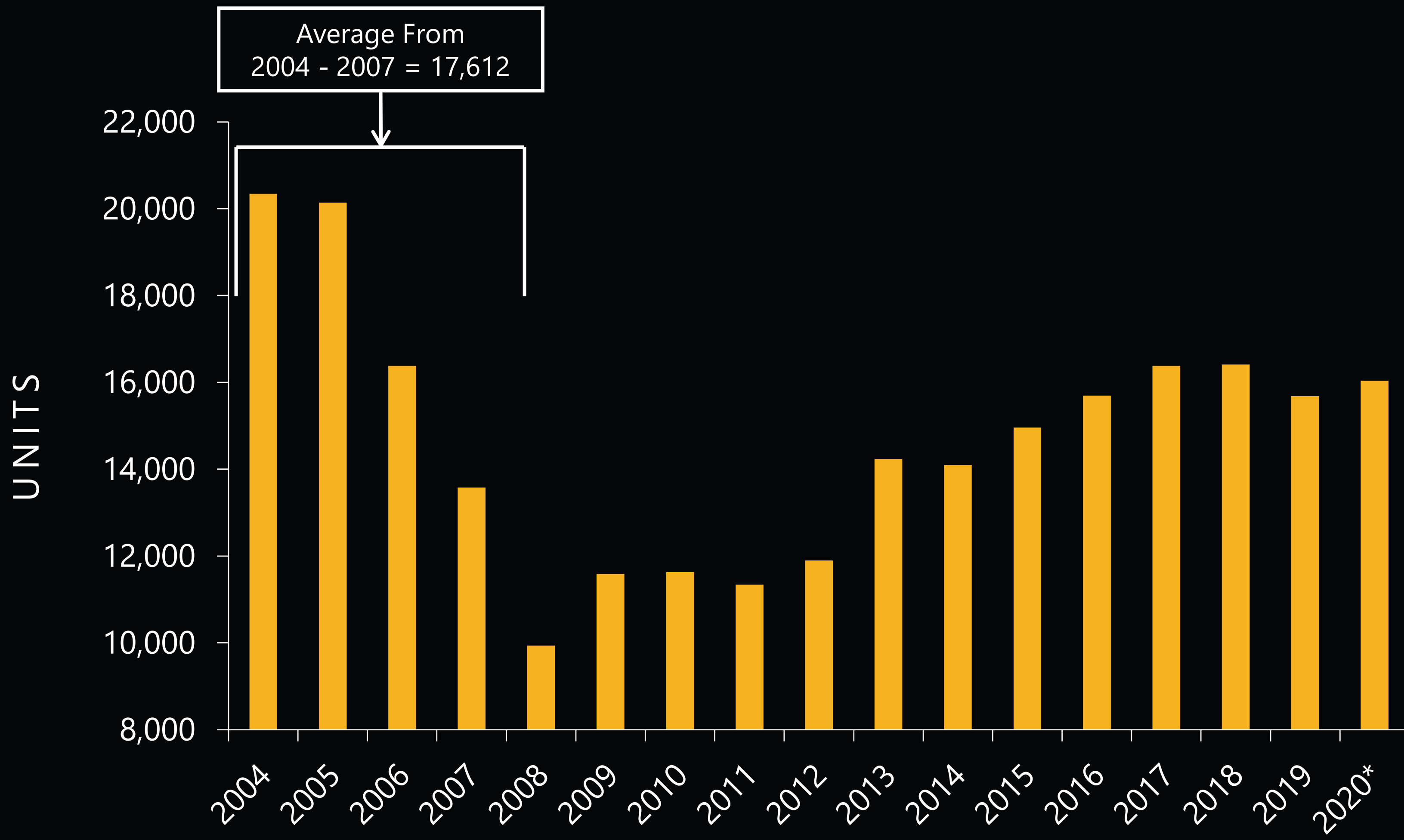
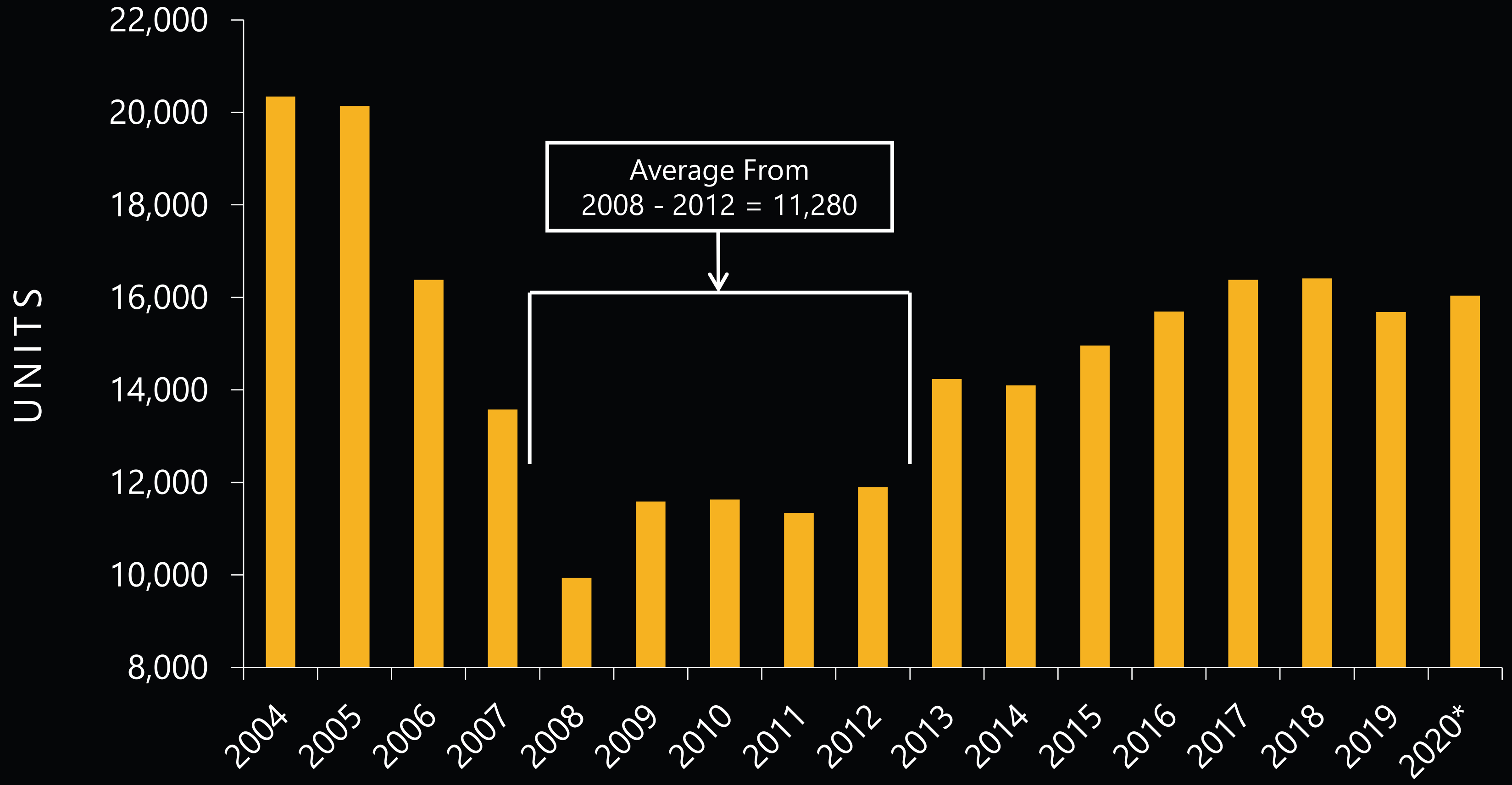


Source: MRIS, Delta Associates; October 2020.

**12 months ending September 2020.*

ANNUAL CONDOMINIUM RESALES

Washington Metro Area | 2004 - 2020

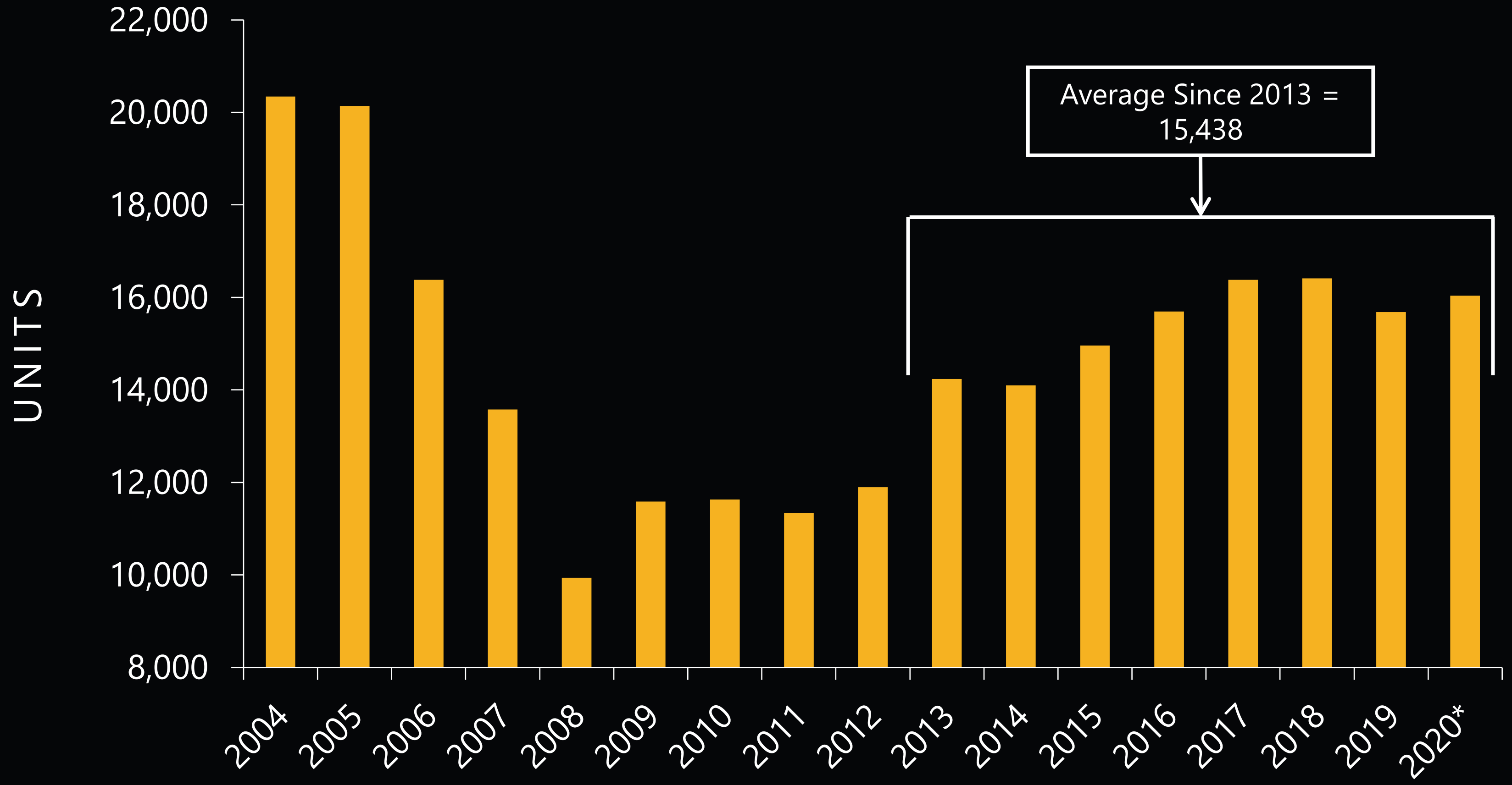


Source: MRIS, Delta Associates; October 2020.

**12 months ending September 2020.*

ANNUAL CONDOMINIUM RESALES

Washington Metro Area | 2004 - 2020



Source: MRIS, Delta Associates; October 2020.

**12 months ending September 2020.*

EFFECTIVE NEW CONDOMINIUM SALES PRICE CHANGE

Washington Metro Area | 2007 - 2021

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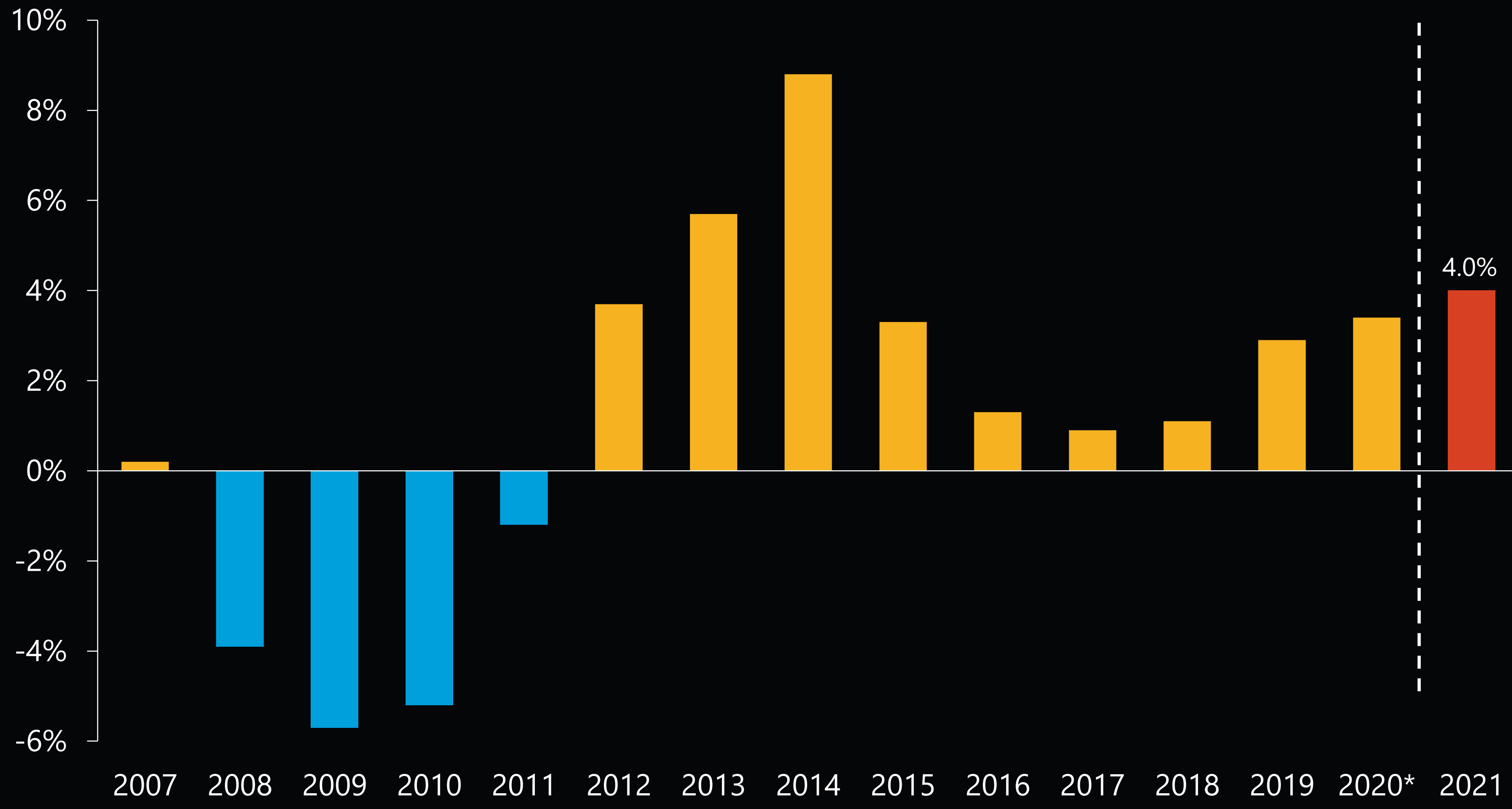

Source: Delta Associates; October 2020.

**12 months ending September 2020.*

Washington/Baltimore

NEW CONDOMINIUM AVERAGE PRICE PER SF

Washington Metro Area | Third Quarter 2020

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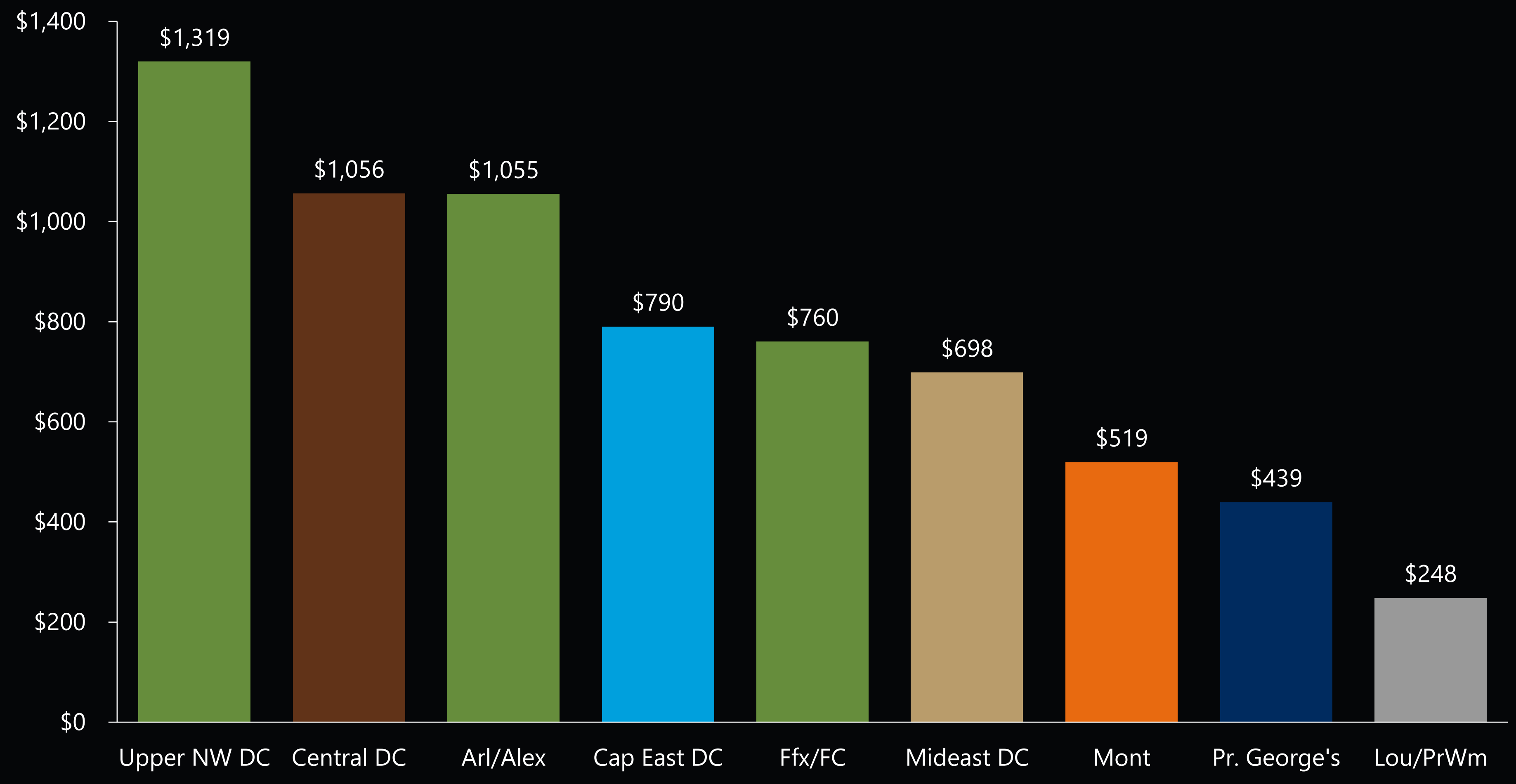

Source: Delta Associates; October 2020.

NEW CONDOMINIUM AVERAGE PRICE PER SF

Selected Downtown Areas in the U.S. | Third Quarter 2020

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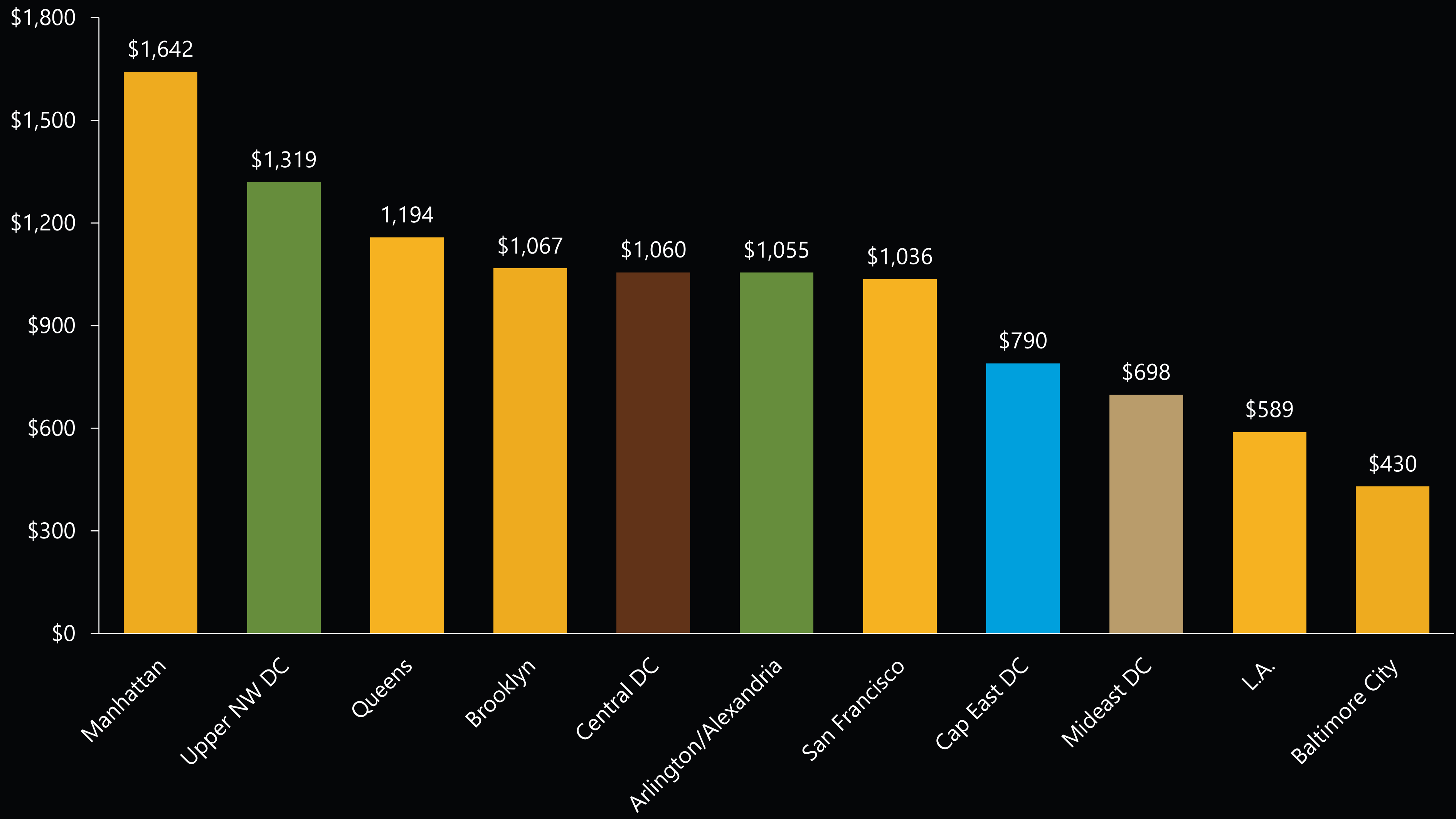

Source: Realtor.com, Douglas Elliman, Delta Associates; October 2020.

**Third Quarter 2020 except for New York City Submarkets which are as of Second Quarter 2020.*

RESALE CONDOMINIUM SALES PRICE CHANGE

Washington Metro Area | 2007 - 2020

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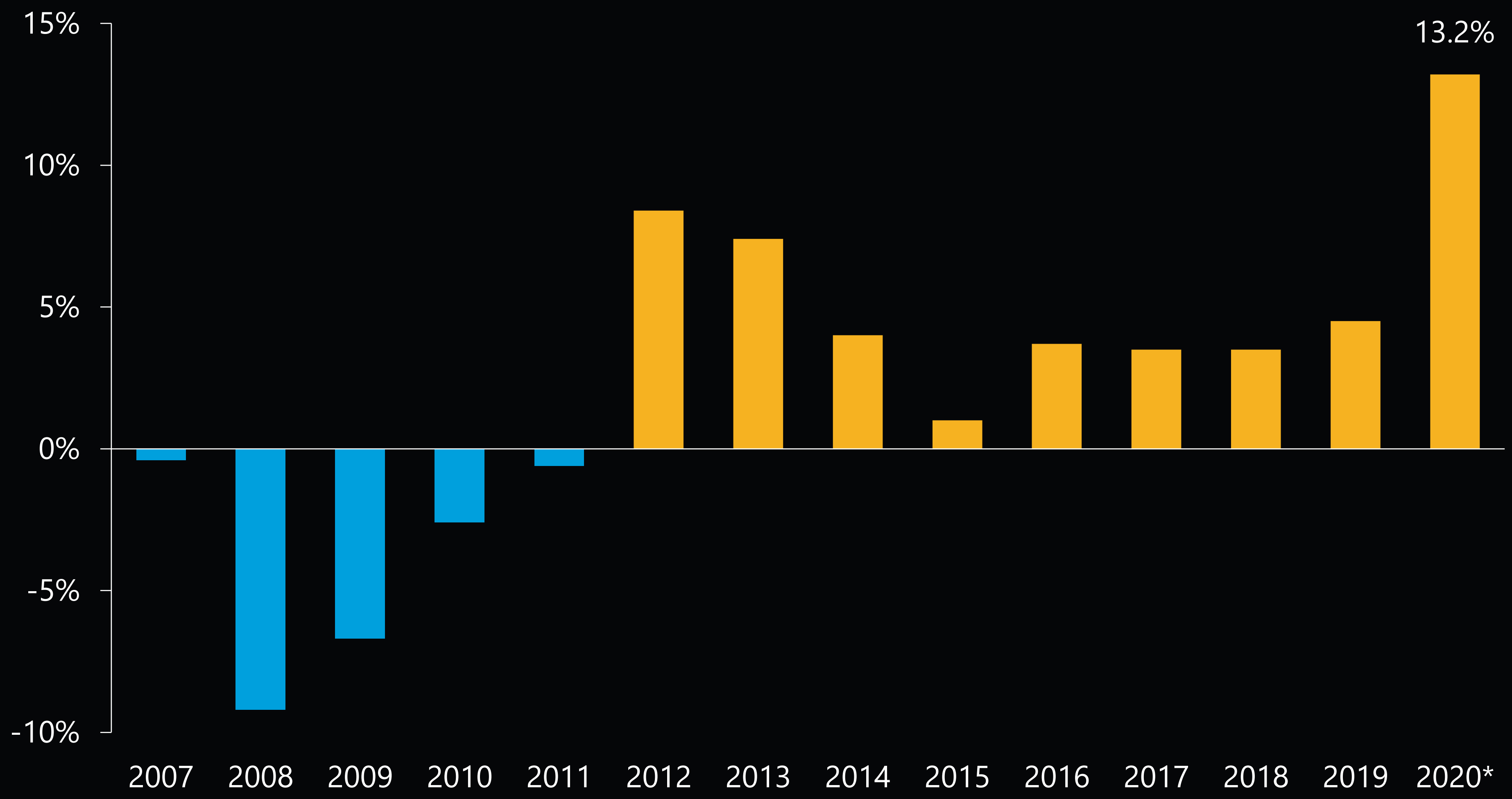


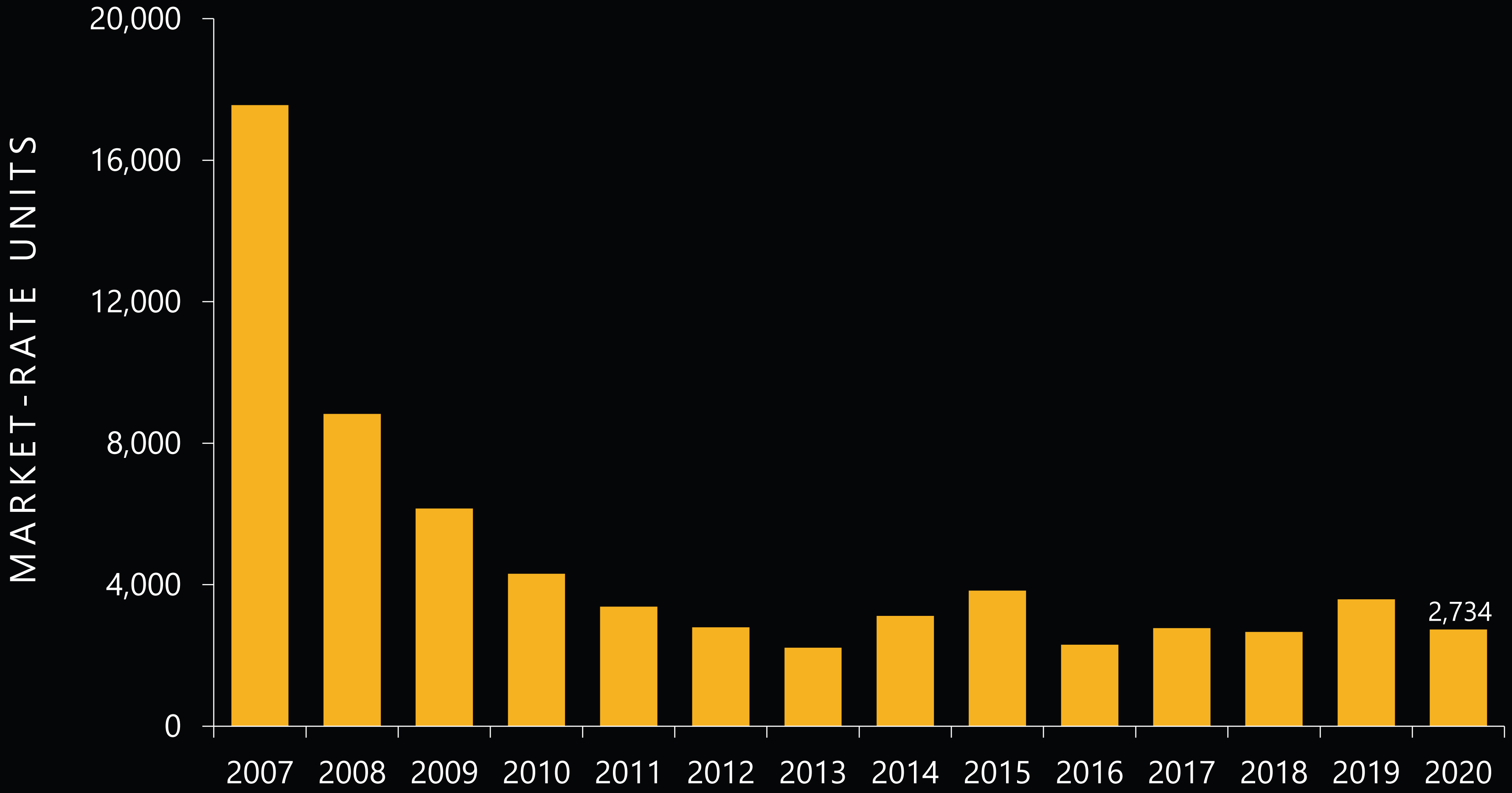
Source: MRIS, Delta Associates; October 2020.

** 12 months ending August 2020.*

Washington/Baltimore

UNSOLD CONDO UNITS ACTIVELY MARKETING

Washington Metro Area | 2007 - 2020

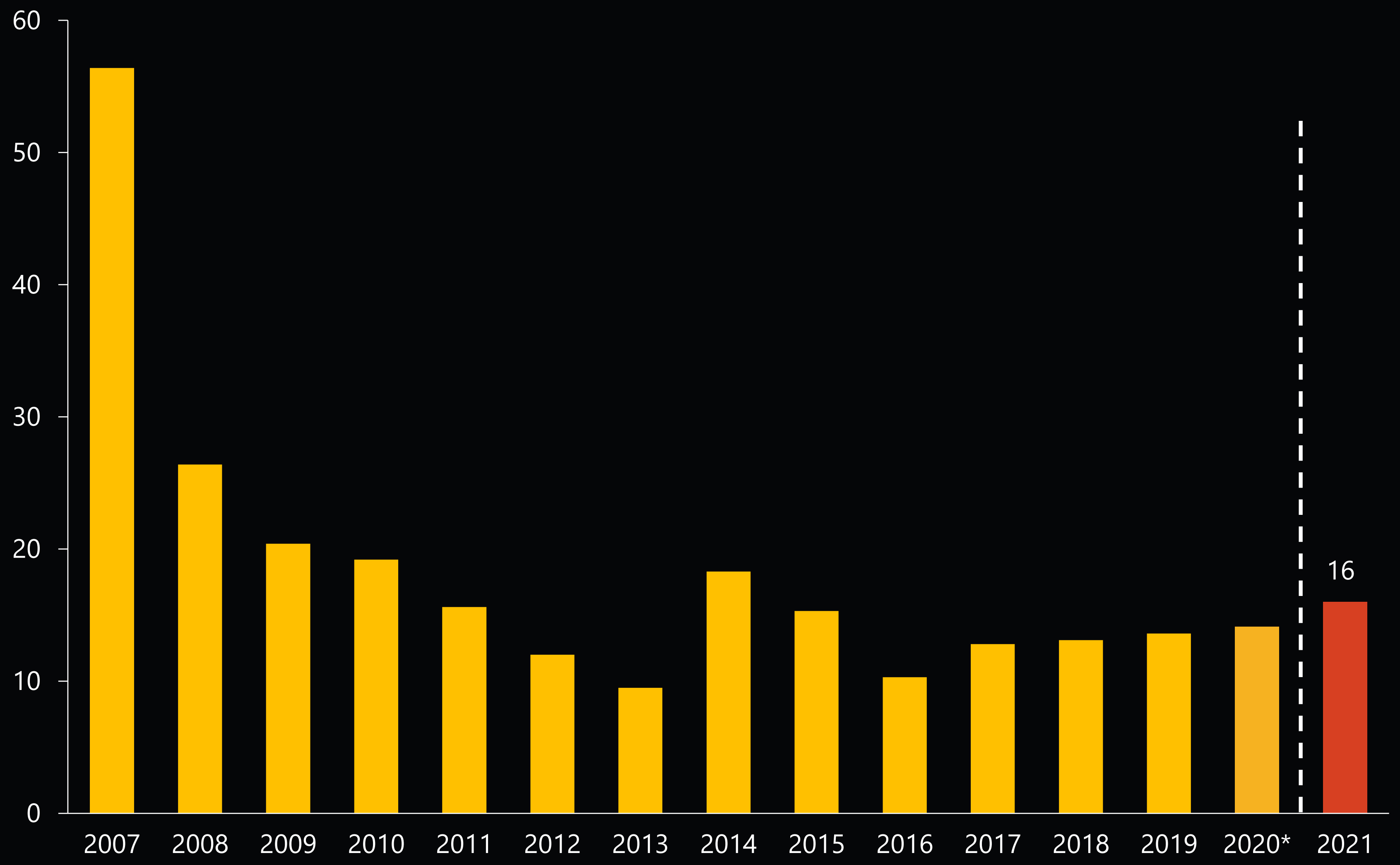


Source: Delta Associates; October 2020.

Note: Number of units are for September of each year.

MONTHS OF NEW CONDOMINIUM SUPPLY

Washington Metro Area | 2007 - 2021

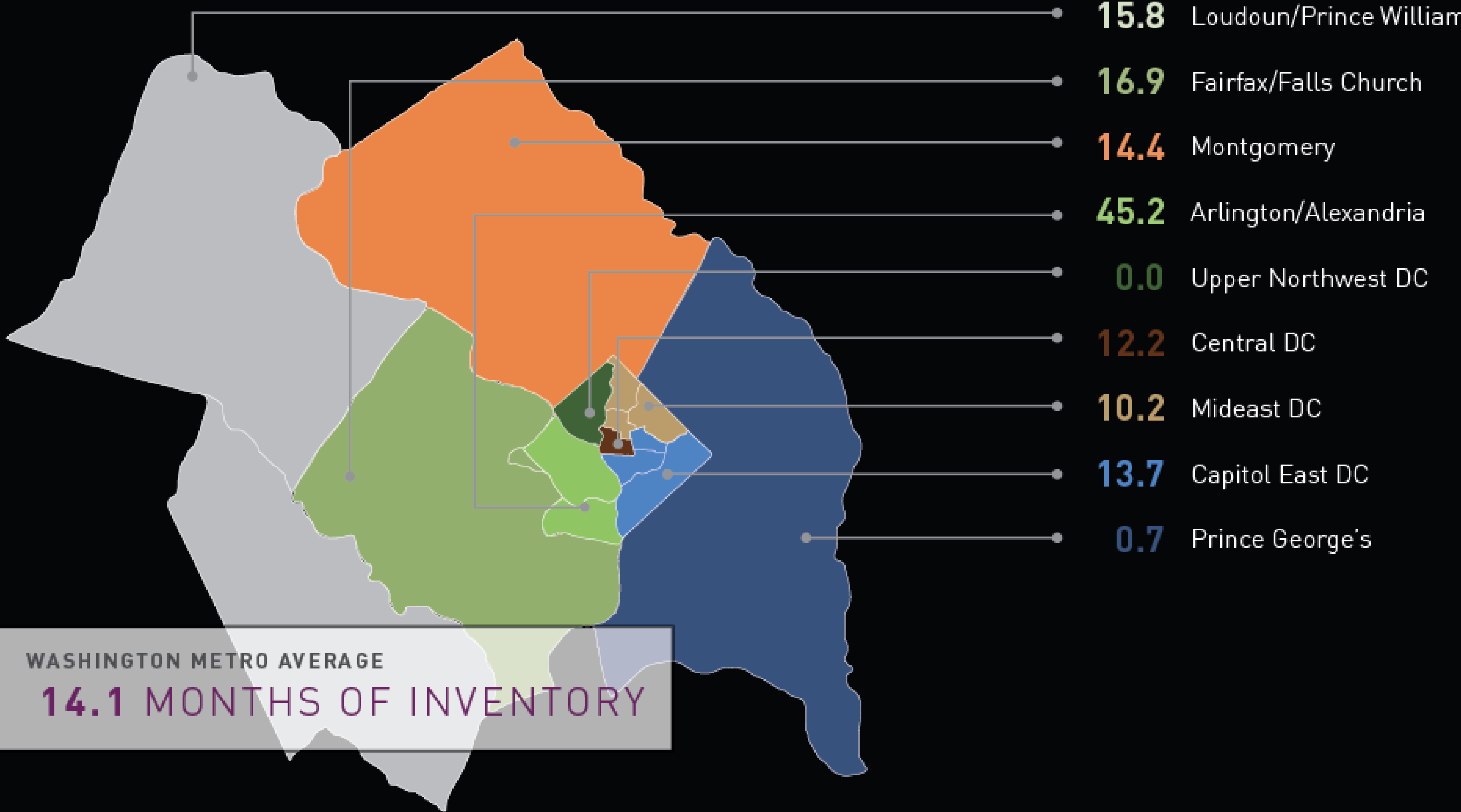


Source: Delta Associates; October 2020.

**as of Third Quarter 2020.*

MONTHS OF NEW CONDOMINIUM SUPPLY BY MARKET

Washington Metro Area | Third Quarter 2020



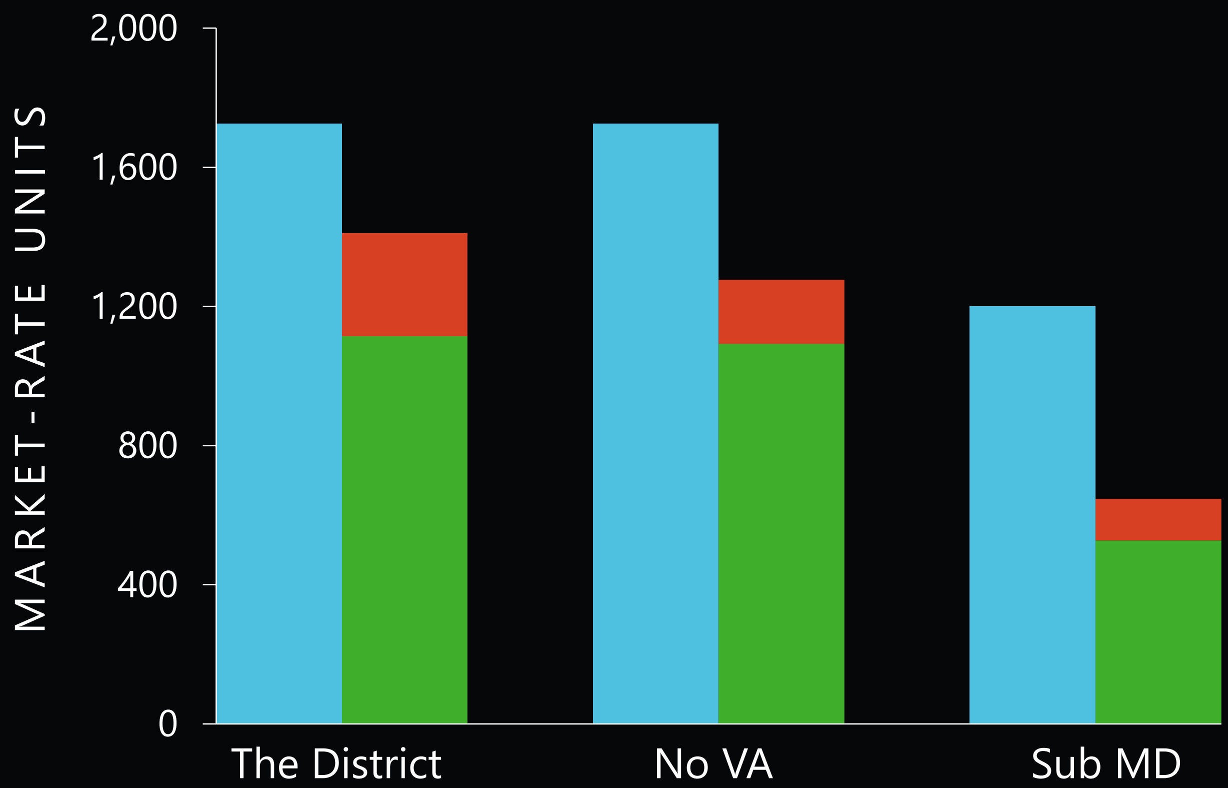
WASHINGTON METRO AVERAGE

14.1 MONTHS OF INVENTORY

Source: Delta Associates; October 2020.

DEMAND AND SUPPLY PROJECTIONS

Washington Metro Area Condominiums | 36 Months Ending September 2023



DEMAND

Net Sales:
1,750/Year = 5,250 units

SUPPLY

Planned and May Begin Marketing by 9/23: 601 units[1]

Under Construction and/or Marketing: 2,734 units[2]

Total = 3,335 units

1 Probable supply after projected attrition.
2 Includes unlsold units at projects selling.

Source: Delta Associates; October 2020.

24TH ANNUAL DELTA ASSOCIATES'

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PRESENTED BY:

WILLIAM RICH, CRE
President
Delta Associates

MOUSTAFA FAHMY
Associate
Delta Associates

DELTA ASSOCIATES

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