LET'S DWELL ON IT

NEWS FROM ALL CORNERS OF THE MULITFAMILY LANDSCAPE

DEBARTOLO DEVELOPMENT

STRONG MF FUNDAMENTALS AND BUYER INTEREST DRIVE CAP RATE COMPRESSION

Despite the 10-Year US Treasury Rate rising by roughly 50 basis points (bps) from 2.4% in December 2017 to 2.9% in July 2018, multifamily (MF) acquisition cap rates have been flat to 25 bps tighter, owing to strong fundamentals and substantial foreign buyer interest. Large Tier 1 markets currently trade in the low to mid 4s, while Tier 2 markets have changed hands recently at only a 25-50 bps discount, according to Mid-America Apartment Communities (MAA). Equity Residential (EQR) reported a record transaction in 1Q18 on the Upper East Side of NYC inside a 3 cap.

DEVELOPMENT SLOWS WITH PREFERENCE FOR LOW DENSITY SUBURBAN DEALS

Land acquisition and development slowed markedly at most major REITs during 1Q18, due partly to over supply concerns as well as high single digit increases in construction costs, pressuring development returns in a low single digit rent growth environment. For the second consecutive year, AvalonBay's (AVB) development starts are pacing 35% below the cycle peak from 2013 to 2016. Nearly half of AVB's projects are now located in lower density suburban markets (vs. 80-90% last cycle) where cost pressures on garden product have been less severe and deliveries are half that of urban markets.

PACIFIC NORTHWEST AND MID-ATLANTIC WEAK, SUNBELT MF OUTLOOK MIXED

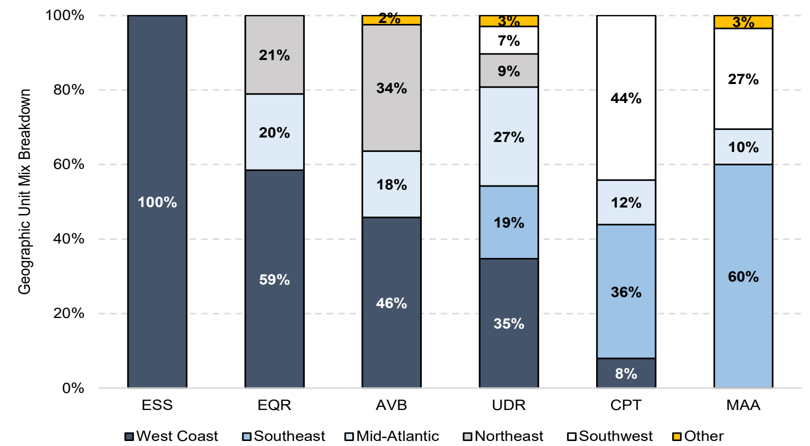
While tech and government job gains remain robust across the West Coast and Mid-Atlantic region, MF results were mixed, with SoCal better than expected, while the Pacific Northwest (namely, Seattle) and Washington D.C. were below estimates on elevated new supply. In the Northeast, NJ/NY metro beat EQR's internal targets for occupancy, renewals, and concessions and AVB provided an upbeat 2019 outlook for NY metro where deliveries will reset the sharpest across its portfolio. In the Sunbelt, Austin, Dallas, and Nashville remain weak, while Jacksonville, Orlando, Phoenix, Raleigh, and Tampa posted mid-single digit rent growth given a more balanced supply/demand environment.

LOCAL SPONSORS SHOWING SIGNS OF STRESS NATIONWIDE IN 1H18

Sponsors across the country have come under intensifying pressure recently from softer rents and cost increases that serve as an impediment to development. While EQR believes it is too early for distress at this juncture, EQR is fielding calls from sponsors that would have been inconceivable last year as proforma rents and returns fall short. ESS said construction peaked this cycle with "many" residential deals put on hold or tabled in 1H18. In 2Q18, Camden Property Trust (CPT) reached a deal to co-develop a 12-story high rise in Orlando from an East Coast sponsor struggling with financing.

Exhibit 1: West Coast and Sun Belt Represent Nearly 75% MF REIT Apartments

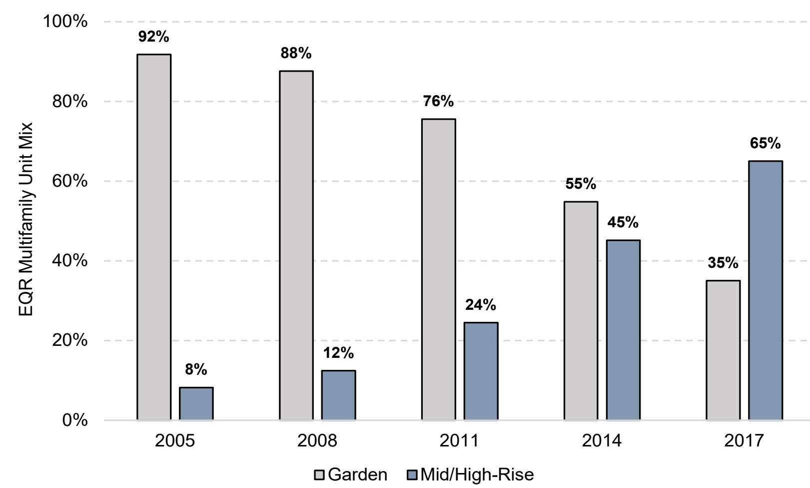
Top 6 Multifamily REIT Property Portfolio (1Q18)



Source: ESS, EQR, AVB, UDR, CPT, MAA.

Exhibit 2: EQR's Mid/High-Rise Unit Count Ramps 3X Vs. Last Cycle Peak

Garden vs. Mid/High-Rise Unit Mix (2005 to 2017)



Source: Company Data (10-K filing).

PEAK DELIVERIES FORCE 8 WEEKS CONCESSIONS IN OVER-SUPPLIED MARKETS

Peak deliveries in most regions across the country weighed on pricing in 1Q18, with concessions reaching up to two months in some markets. ESS, which operates 100% of its portfolio on the West Coast, is offering six weeks free rent on Phase 1 of Station Park Green in San Mateo, CA. MAA, which focuses almost exclusively on high-growth Southeast and Southwest markets, is offering six to eight weeks' concessions in Buckhead and Midtown, Atlanta, GA. In Texas, MAA is offering up to eight weeks at its South Lamar Phase II project in Austin's West End submarket and up to eight weeks in various DFW submarkets such as Frisco, Plano, and Richardson. UDR, the most geographically diverse of the MF REITs, posted a 22% drop in concessions vs. the year ago period.

MF REITS OVER-INDEX TO WEST COAST VS. HOUSEHOLD/GDP METRICS

The West Coast, which represents 15% of the US population and 20% of GDP, has experienced leading job and rent growth this cycle, owing to investment in cloud computing, autonomous vehicles, and AI as well as restrictive/lengthy entitlement processes and the nation's biggest housing/labor shortages. Today, the five largest MF REITs – EQR, AVB, ESS, MAA, and UDR – own roughly 150k apartments on the West Coast or about 44% of total units. Excluding MAA, the West Coast represents over 60% of the total portfolio. The Bay Area is benefiting this year from migration out of high tax cities on the East Coast (e.g., NYC and Boston), according to LinkedIn. MAA views Denver and Phoenix as the next best alternatives to NorCal for consumers and corporates.

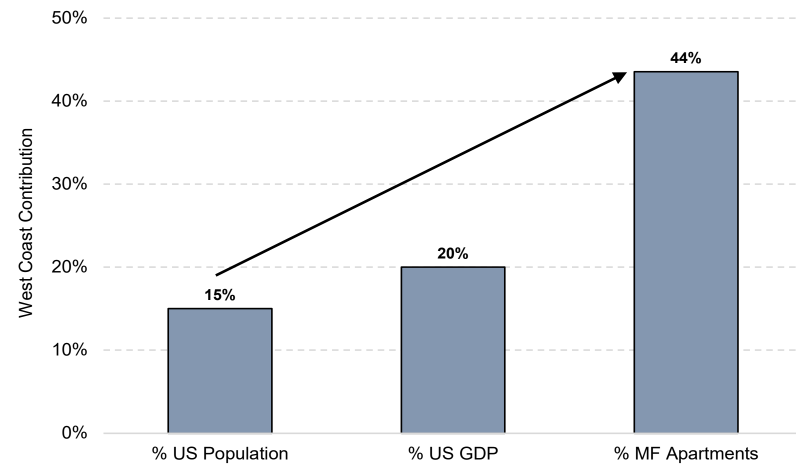
LIFESTYLE CHOICES AND RECORD HOME PRICES FAVOR RENT VS. BUY NEAR TERM

Lifestyle choices, coupled with record US home prices, rising interest rates, approximately $1.5 trillion in student debt, and muted wage growth, should drive consumer's rent vs. buy decision over the next several years. Ten years post-recession, US residential builders are constructing housing stock at the lowest levels since World War II, with Holland Government Affairs estimating a shortfall of 7.3 million units, which drove high single digit home price appreciation in 2017 (2-3x the rate of income/ inflation growth). In 1Q18, MAA and EQR said that purchasing a home accounted for only 5% and 11% of move-outs, respectively. EQR's move-out rate declined 130 bps yoy.

GREYING OF MF PORTFOLIOS MAY OFFSET RISING MILLENNIAL HH FORMATION

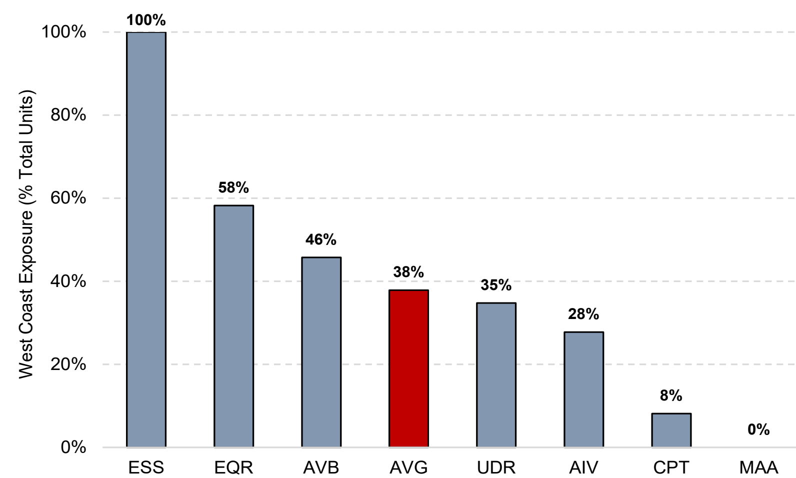
Demand for high density urban living remains broad based across region and demographics. Today, roughly 20% of EQR's portfolio is over the age of fifty (50). Separately, MAA's overall tenant age and (not surprisingly) income levels keep trending higher nationwide. In our view, this may mitigate the adverse impact from millennial homeownership rates reverting back to historic levels next cycle. Today, homeownership among adults thirty five (35) and below remains at generational lows (35% vs. the national average of about 65%).

Exhibit 3: Multifamily REITs Over-Index To West Coast Vs. Population & GDP
Top 5 MF REIT West Coast Exposure (% Total Units) vs. HH/GDP (1Q18)



Source: US Census, ESS, EQR, AVB, UDR, MAA.

Exhibit 4: ESS & EQR Most Reliant On California, CPT & MAA Least Exposed
West Coast MF Apartment Exposure (% Total Units)



Source: ESS, EQR, AVB, UDR, AIV, CPT, MAA.

Below are excerpts on micro/macro trends from recent conference calls held by large US multifamily REITs. The information contained herein has been compiled from third party sources believed to be reliable; however, no representation or warranty is given as to the truth and accuracy of the information contained herein.

MULTIFAMILY REITS

APARTMENT INVESTMENT AND MANAGEMENT CO. (MAY 8, 2018 – 1Q2018 EARNINGS CALL)

- "Same-store occupancy was the best 1Q result in the past seven years. Blended rent increases were 2.7%, up 60 basis points year-over-year. And this positive trend continues in April".
- "Looking at leases which transacted in 1Q18. Same-store blended lease rates were up 2.7%, with renewal rents having solid increases of 4.9% and new leases up 40 bps. We saw new lease rates of 4-6% in Miami, Los Angeles, and San Diego. These are some of our most important markets, which account for about a quarter of our same-store NOI".
- "We had the most pressure on new lease rates in Seattle, Nashville, and Baltimore. These less impactful markets only represent 4% of same-store NOI".
- "Our top performers had revenue increases over 3% for the quarter. This includes Miami, the Bay Area, San Diego, and Denver. Strong performers, which had revenue growth over 2% are Boston, Los Angeles, Chicago, and Seattle. With revenue growth of flat to 1%, we had Washington D.C. and NY. And finally, revenue was down in Atlanta and Philadelphia".
- "We believe that demand is driven by a resurgence in downtown Philadelphia that is largely supported by its high levels of educational attainment and strong job growth in relation to new multifamily supply".
- "Based on data from Green Street, Philadelphia's ratio of 9.9 new jobs for every new unit of multifamily supply ranks in the top tier nationally. It is 3rd highest among the top 50 largest multifamily markets, behind Sacramento and the Inland Empire of California. And that 9.9 ratio is nearly double the 5 to 1 ratio we believe drives equilibrium in the market".

AVALONBAY COMMUNITIES (APRIL 26, 2018 – 1Q18 EARNINGS CALL)

- "We completed $300 mn new development in 1Q18 at an average initial projected yield of 6.5%, which helps drive earnings/NAV growth per share".
- "Supply is elevated in our markets vs. historical averages but does appear to be approaching a cyclical peak this year. Over the next few quarters, we expect new deliveries in our markets to reach right around 25,000 per quarter, before drifting down to just under 20,000 per quarter later next year".
- "Construction costs, in particular, are now growing well above rents, in the mid-to high-single-digit range, which put pressure on new development".
- "Metro NY/NJ and Mid-Atlantic regions continue to be the weakest performers, with flat to modestly positive rent growth. The Mid-Atlantic continues to be plagued with heavy supply, which is expected to continue through 2019. And then NY/NJ region continues to be very weak, but supply is expected to peak late this year and then fall off considerably in 2019".
- "In Northern California, we see signs of improved performance, particularly in San Jose, where deliveries are expected to be down 1,500 units this year vs. 2017. The healthiest region in the portfolio is SoCal, which is currently producing effective rent growth of 4%. Given deliveries are expected to decline

from the 2% range this year to just above 1% next year, the outlook for SoCal is pretty healthy through 2019".

- "Our development starts for 2017 and 2018 are expected to average about $900 million per year, about $500 million less than the average start volume of $1.4 billion per year in the preceding four-year period".
- "Over the past two years, we have kept our land inventory at multi-decade low levels. Of this land held for development, nearly all of it is associated with projects that are expected to start construction within the next six months".
- "We expect fundamentals to stabilize over the next two to three years, leading to rent growth we believe in the 2% to 3% range".
- "2Q is pacing in-line with expectations across the footprint. Though, the Mid-Atlantic and Pacific Northwest a little bit softer than we would have anticipated. The others are either flat to slightly up as compared to what we anticipated".
- "The D.C. metro area, which includes the district, suburban Virginia and suburban Maryland – or Northern Virginia I should say. Slightly weaker than expected. I'd say the district is weak and we expected it to be weak based on the volume of supply being delivered in the district, which is heavier than what you're seeing in either Northern Virginia or in suburban Maryland, as a percentage of stock".
- "But for D.C. this year, we're talking about deliveries that are north of 5% of inventory, about the same level in 2019, it's about 6,000 units a year. It's concentrated in certain pockets, but unless we see a meaningful uptick in job growth, I don't think we're going to see improved performance in D.C. It's going to continue to be pretty weak".
- "Hard costs are certainly growing faster than rents in all of our markets. We're finding that lower density suburban product is still underwriting better".
- "Four of our planned eight starts this year are mid-rise kind of wrap deals, above-grade parking with wood-frame, and costs are growing 4-6%, maybe a little more in California and Seattle. And consequently, that's where less of our pipeline is because those deals are having a harder time underwriting. And then we have one high-rise we might start this year but in Baltimore, which is not a market that's seen the kind of cost pressures".
- "A lot of talk about commodities and certainly steel and lumber tariffs don't help but the main driver is labor availability and subcontractor margin".
- "Banks have redlined multifamily but non-bank lenders have materialized to fill the void. How long they keep the party going will be the test".
- Across our footprint, suburban assets continue to outperform urban assets, due to (1) absolute price point is cheaper in burbs and (2) urban deliveries roughly twice suburban markets".
- "In terms of our footprint, 2017 deliveries were 2.1% of inventory. 2018 is projected to be 2.3% but given delays it's probably going to end up in-line with 2017.We expect supply will continue to sort of shift out and level off to 1.8% in 2019".
- "In 2019, the markets with the most material reduction in deliveries are in NY metro including the city, which is expected to decline from ~13,000 units to ~6,700 next year, and Northern NJ, which goes from ~9,000 to ~7,000 deliveries".

- "In SoCal, about 2% of inventory delivered this year and about 1.25% in 2019, which is spread across all three major markets in SoCal. LA goes from 14,000 to 10,000 deliveries, Orange County from 6,000 to 3,000 deliveries, San Diego from 5,000 to 3,000 deliveries".
- "New England is down 30 bps. We remain concerned about the Mid-Atlantic and the Pacific Northwest, which are still high absolute numbers in 2019, about 2.7% (inventory delivered) in the Mid-Atlantic and still roughly 4% (inventory delivered) in the Pacific Northwest".
- "We're delivering today in the 6.0-6.5% range and those assets are worth no higher than a 4.5% cap vs. we're trading at 5.5% on a portfolio that is more like a 4.75% portfolio. Today, development is down 30-40% from the 2013 to 2016 peak".

CAMDEN PROPERTY TRUST (MAY 4, 2018 – 1Q2018 EARNINGS CALL)

- "The acquisition environment has become a lot more competitive since the beginning of the year with cap rates dropping at least 25 bps in our markets, driven by significant buyer interest and strong multifamily fundamentals".
- "After 1Q18, we acquired a shovel-ready high rise development site in downtown Orlando from a developer that couldn't get their financing completed".
- "Outperformance in Orlando placed it at the top with 6.2% yoy revenue growth, Tampa, Raleigh, San Diego, and the Inland Empire each had 5.2% growth followed by Atlanta at 4.8% and Phoenix at 4.5%".
- As expected, growth was slightly below 2% in 3 markets, with Houston at 1.9% and D.C. metro and Austin both at 1.6%. We expect better results in Houston and D.C. over the next few quarters and anticipate getting to our full year outlook of roughly 3% growth in each market".
- "Move-outs to buy a home fell to 14.1% vs. 14.9% in 2017. That bears watching to see if it's an outlier or reversal vs. the modest up trend seen lately".
- "During 1Q18, we purchased Camden Pier District, a newly constructed 358-unit 18-story building in St Petersburg, FL for ~$127 mn and Camden North Quarter, a newly constructed 333 unit 9-story building in Orlando, FL for ~$81 mn".
- "The wildcard the next several years is the impact of the tax reform on accelerating migration patterns. In addition to out-migration that has been going on for nearly a decade in CA and NY, the forecast was an additional 800,000 people would leave due to the tax policy".
- "Our Denver exposure is underweight. The challenge is everybody wants to be there, which does bad things to pricing and affects our appetite for expanding at this part of the cycle".
- "In the new lower regulatory environment construction lenders are back in the market with spreads contracting from 300 to 225-250 over the curve. And they're getting more constructive about making construction loans today than they were in the past".
- "Freddie and Fannie have actually dropped their spreads and are more aggressive in the market trying to take back market share".
- "It's going to be a challenge in Dallas just based on the amount of new supply that needs to be absorbed. When you get 22,000 apartments that need to be absorbed you are going to get smacked. Dallas, Austin, and Charlotte are the 3 most supply impacted markets for CPT".

EQUITY RESIDENTIAL (APRIL 25, 2018 – 1Q18 EARNINGS CALL)

- "We're facing peak new deliveries in many of our markets this year, which means it is a very competitive marketplace for new prospective residents and our existing residents have a lot of options from which to choose when their lease with us comes up for renewal".
- "Most markets were flat to down, with most increased turnover in Seattle. Move-outs to buy a home declined to 11.2% vs. 12.5% in 1Q17".
- "In NY – the focus of conversation given elevated supply – pricing remains disciplined. Our operating metrics were better than we expected with occupancy at 96.0%, renewals up 2.9%, and our use of concessions lower than we expected in 1Q.
- "New York employment is at an all-time high and we continue to hear stories about companies revving up hiring and increasing compensation".
- "The main headline for D.C. is absorption. And we are off to a promising start. D.C.'s MF market has absorbed more Class A units the last 12 months than any time in history. The positive economic conditions have helped maintain Class A absorption well above historical averages".
- "In Seattle, occupancy for 1Q18 was 95.7%, 10 bps less than 1Q17 and renewals averaged 5.7%. While it's still early in the season, our ability to grow rate is less than we expected. Base rents are down 1.6% vs. the same week last year".
- "LA is a market with significant increase in supply, and while it's a large geographic area, almost 60% of this new supply will be concentrated in the Downtown Metro area".
- "In San Diego, military spending remains strong but we're also facing several lease-ups in downtown. Qualcomm, San Diego's seventh largest employer, also just announced that they will be cutting just over 1,200 jobs in the market".
- "We have New York and San Francisco trending modestly ahead, Seattle and Orange County a bit behind, and the rest of the markets on track and performing as expected".
- "Absorption in both Brooklyn and Long Island City is better than what we expected and it is not impacting the performance in Manhattan and even in our Brooklyn portfolio, sitting here today we are better positioned vs. expectations, given the elevated supply we're facing".
- "We sold a deal in the Upper East Side of Manhattan at a sub-3% cap rate, which had a big impact on the weighted average cap rate for all the dispositions for the quarter".
- "Over the past 2 years, the most notable change is in Seattle, where rents have grown, but the absolute level of rents has been lower. But you've seen this influx of high-paying tech jobs. Seattle has kind of come down and mirrors NYC, which is our lowest at 17% of rent-to-income. Everything else is kind of in the 20s, and we're at 22% rent-to-income today.
- "Businesses are chasing talent and talent is going to high density urban environments. We're seeing very strong absorption of this new supply. It negatively impacts pricing power. We believe the tide will turn come 2019. But we're seeing an extraordinary absorption of this new product certainly from millennials. They're having a profound impact but nearly 20% of our residents are 50 years of age and older, so we really do believe that we appeal

to anyone who's interested in living that sort of high density urban lifestyle".

- "New lease rate for the entire portfolio, same-store, was negative 2.6%. Boston was -4.2%, New York was -5.0%, Washington D.C. was -4.8%, Seattle was -4.5%, San Francisco -1.5%, LA was +0.2%, Orange County was -0.4%, and San Diego was +0.5%.
- "Our investment team has received inquiries about our interest in providing some equity capital for developments from sponsors that never would have called us 12-18 months ago".
- "We see some banks, for example, Fifth Third just announced that they are reducing their multi-family lending. The other banks we survey generally say they're going to be in about the same place as they've been in the recent past".
- "It doesn't seem that the banks are the restrictor, it's the equity, because the banks are only loaning at 50-60%. Development costs continue to rise, rental rates pressured, development spreads compressed, and we just think it's getting to a point where a lot of equity is heading to the sidelines".

ESSEX PROPERTY TRUST (MAY 3, 2018 – 1Q18 EARNINGS CALL)

- "Job growth was relatively strong during the first quarter with Essex markets achieving 2.2% job growth on a trailing three-month basis versus the US average of 1.5% with most of the outperformance emanating from the tech markets. The Bay Area continues to be a net attractor of talent, especially from high cost East Coast metros".
- "We continue to expect periodic disruption to pricing power at stabilized communities when the -- when multiple lease-ups in a submarket offer concessions exceeding six weeks of rent. At this point, we expect supply to be mostly flat in 2019 versus 2018 with an increasing share concentrated in downtown submarkets".
- "We are seeing many examples of residential developments being put on hold as the economics don't pencil. This supports our belief that the construction pipeline has peaked in our markets and supply will slowly taper off over the next several years".
- "A quality property and locations continue to transact around a 4% to 4.25% cap rate using the Essex methodology. B quality assets and locations are generally 25 to 50 basis points higher, though often contemplate upside from redevelopment and/or value-add activities".
- "We continue to see a slowdown in the preferred equity pipeline. This is consistent with my earlier comments that cost increases represent a headwind to new development. We continue to believe that we will be close to our target for preferred equity commitments this year".
- "Overall, the Essex markets are performing as expected with Seattle a little weaker and SoCal a little stronger versus our expectations".
- "In Seattle, job growth is the strongest in the ESS portfolio, up 3.2% yoy in 1Q18 (the strongest growth since 3Q16). However, supply is adversely impacting March rents, which are slightly below the prior year period. Seattle MD has roughly 4.8 MSF or 5% of inventory U/C, nearly half of which is already pre-leased".
- "During 1Q, we started the lease-up of Station Park Green Phase 1 located in San Mateo with six-week concessions on selected units. As of April 26th,

we are 40% leased".

- "Leasing by tech and media companies remain strong in west LA with several leases from high-profile tenants including by Amazon Studios. Downtown CBD continues to be challenged with elevated levels of supply causing same-store LA CBD revenues to decline 1.1% yoy in 1Q".
- In Orange County, job growth improved in 1Q to 1.9% yoy, a 20 bps increase vs. 4Q. The supply impact is evident with rents only increasing 70 bps yoy, and loss to lease was 40 bps. San Diego rents increased 2.1% yoy in March and loss to lease was 1.4%".
- "We have been invested in Portland and we are looking at that once again. It's a relatively small market and the cost of for-sale housing is less expensive and therefore the transition from a renter to a homeowner can be a little bit of a headwind in actually".
- "We think a lot of permits are likely to get pushed back, given the relationship between rents growing around 3% and construction costs growing high-single to low-double digits. That's not good for residential construction. And we think the trend is down but not by huge amounts".
- "We're seeing a number of deals from a market clearing threshold that don't hit margins or risk premiums typical in the industry but they're moving ahead anyway. Pretty soon people run out of equity to throw into their deals. That's the primary reason we're looking at pref equity deals".
- "At this stage of the cycle, exactions, city requirements, and fees tend to go up, which coupled with hard costs rising make it challenging to make a deal work economically".
- "We track the top 10 tech companies and how many open positions they've had, and they've actually added a lot of positions. At the end of 1Q, Amazon had about 4,700 open positions, and that has grown to 6,700. These are in California and Washington only".
- "Small developers are getting squeezed, the equity requirements are close to 50% with. They are going to have an equity squeeze on the backside because costs are up double digits the last 24 months. We'll subordinate their interest and make it a safer deal and still a good transaction, although a skinnier return on their side".
- "We're excited about condo conversion to rentals. As that differential between apartment values and for-sale values diverges it becomes more and more interesting, and we are working on transactions pretty diligently".
- "There is actually a significant number of SoCal cities that have rent control discussions. Our expectation for rent growth and housing shortages is greater in the north. This will be part of an effort over the next decade to re-examine rent control in the US, not just California".

MID-AMERICA APARTMENT COMMUNITIES (MAY 3, 2018 – 1Q18 EARNINGS CALL)

- "Elevated levels of new supply continue to weigh on our ability to drive rent growth on leases written for new residents. We expect the supply pressures to persist through most of this year with trends moderating in 2019".
- "As we enter the busy summer season, we're encouraged with a number of trends that we are capturing and believe that revenue trends have bottomed out for the cycle".

- "Resident turnover remains low at 49.6% on a LTM basis. This is despite continued healthy growth in renewal lease pricing of 5.5% during 1Q18".
- "Dallas and Austin face the most supply pressure. In 2018, we expect 22,000 deliveries for Dallas and 8,400 in Austin. We're encouraged by the job outlook. Dallas job growth was 2.5% in 2017 and expected at 2.6% in 2018, while Austin was 3.3% in 2017 and expected at 3.3% again".
- "We're seeing good growth in a number of markets (namely, Phoenix, Richmond, Orlando and Jacksonville)".
- "Home renting remains an insignificant cost for turnover and accounts for less than 6% of our move-outs. On a rolling 12-month basis, turnover dropped to a historic low of 49.6%. The steady decrease in turnover was achieved while increasing renewal rents by 5.5%".
- "During 1Q, we completed Post River North located in Denver. The community was complete on plan with a total investment of $88.2 mn and stabilized (early 2019) at a 6.4% yield".
- "We certainly continue to see average age, average income continue to move up -- within our resident portfolio over the last couple of years. We continue to see the percentage of female versus male continue to move up as a consequence of the last two or three years with the trend. Certainly, the ability to go out and buy a starter home is more challenging, and I'm sure that factors into it to some degree. But I think -- I continue to believe that a lot of it is more social, and more about just our behavior patterns of our resident profile as much as it is anything".
- "In Atlanta we've got one to two months free in Buckhead and Midtown. In Austin, we see one month in Cedar Park, which is north area and in South Austin. In Dallas, we're seeing one to two months in Frisco, Plano and Richardson. Uptown is running close to six weeks, which is actually slightly better than what we saw previously. It was running closer to two months".
- "Where the pricing is right now, it's just hard to really justify some of the pricing that we see happening. And so we're going to remain patient, frankly, as we think that -- as we get a little later into the cycle".
- "Some of the West Coast markets continue to become prohibitively expensive to live in. We think that the markets like Denver, Phoenix, continue to find favor with a lot of households and employers as well".

UDR INC. (APRIL 26, 2018 – 1Q2018 EARNINGS CALL)

- "Solid job/wage growth and positive tax reform offset by elevated supply contribute to our view that 2018 (pricing/occupancy) will be similar to 2017".
- "Rent concessions in 1Q18 was 22% lower vs. last year and gift card expense was down 48%".
- "Orlando has meaningfully outperformed our original forecast, while Austin has struggled as the result of new supply pressures".
- "We saw a minimal pressure from move-outs to home purchase or rent increase at 12% and 6% of reasons for move-out during 1Q18".
- "During 1Q18 we sold Pacific Shores, a 264-home whole owned community in Orange County, for $90.5 mn at a low 5% yield".
- "Regarding development, our desire to add land to the balance sheet to restock our pipeline continues to be a goal. However, given the difficulty in

sourcing economical land in many of our markets, our pipeline will continue to shrink for the foreseeable future".

- "In 1Q18, we acquired land in Denver for $13.2 mn, which is expected to close 4Q18. It's in a gentrifying area above Mile High Stadium near transit. Construction won't start until 1H19. Late 2020 or early 2021 lease-up. The deal meets our 150-200 bps spread requirement with a 6%+ type of yield".
- "You still have a difficult environment and see supply ramp meaningfully, but overall, we see supply flat to down 10% in 2019 with notable declines in Orange County, Orlando, Nashville and Austin, and supply flat to maybe up in D.C., LA and Northern California".
- "Heavy new supply in the North Dallas area of Plano Frisco. We've got a thousand unit property in the legacy village retail area, and new supply has been able to offset jobs from Toyota, Liberty Mutual, and JPMorgan coming there over the last six months".
- "In Austin, job growth is 3.5%, but heavy supply of 8,000 homes in 2018 is really putting a lid on where rent growth can go".
- "It's remarkable if you look at the office leasing activity that's taken place in downtown and Mission Bay where Salesforce is taking 700k SF, Dropbox is taking 500k SF, Uber is taking 500k SF and a rumored single-tenant lease of 700k SF in the future near our 399 Fremont project".
- "Short-term lease program is no more than 1-2% of property unit count. Occupancy is split 50-50 between business/personal. Its corporate relocations and short-term assignments (average stay 70 days), which is much more affordable than a hotel".
- "You've got an influx of people into Bellevue and South Lake Union from Apple, Facebook, and Google. Wage growth in Seattle is over 3%, but supply, will be a headwind this year and early next, but it's predominantly focused in the downtown area".
- "Developers are still limited to 50-60% LTC. In some cases, equity is still available, but not in the same levels it was two years ago. So, that tranche has remained consistent over 12 months in terms of opportunity set and pricing levels".
- "What's intriguing is construction loans rolling over to perm loans with the 10-year at 4.25%. How will all this construction activity gets refinanced. We know Fannie is behind in its book of business this year. You'll see people trying to stabilize and get off construction loans".
- "New York is very competitive with the new supply. Development in Long Island City and Brooklyn is putting a ceiling on where rent growth can go".