# 2015

# Urban Land Institute

# Demographic Reality Check

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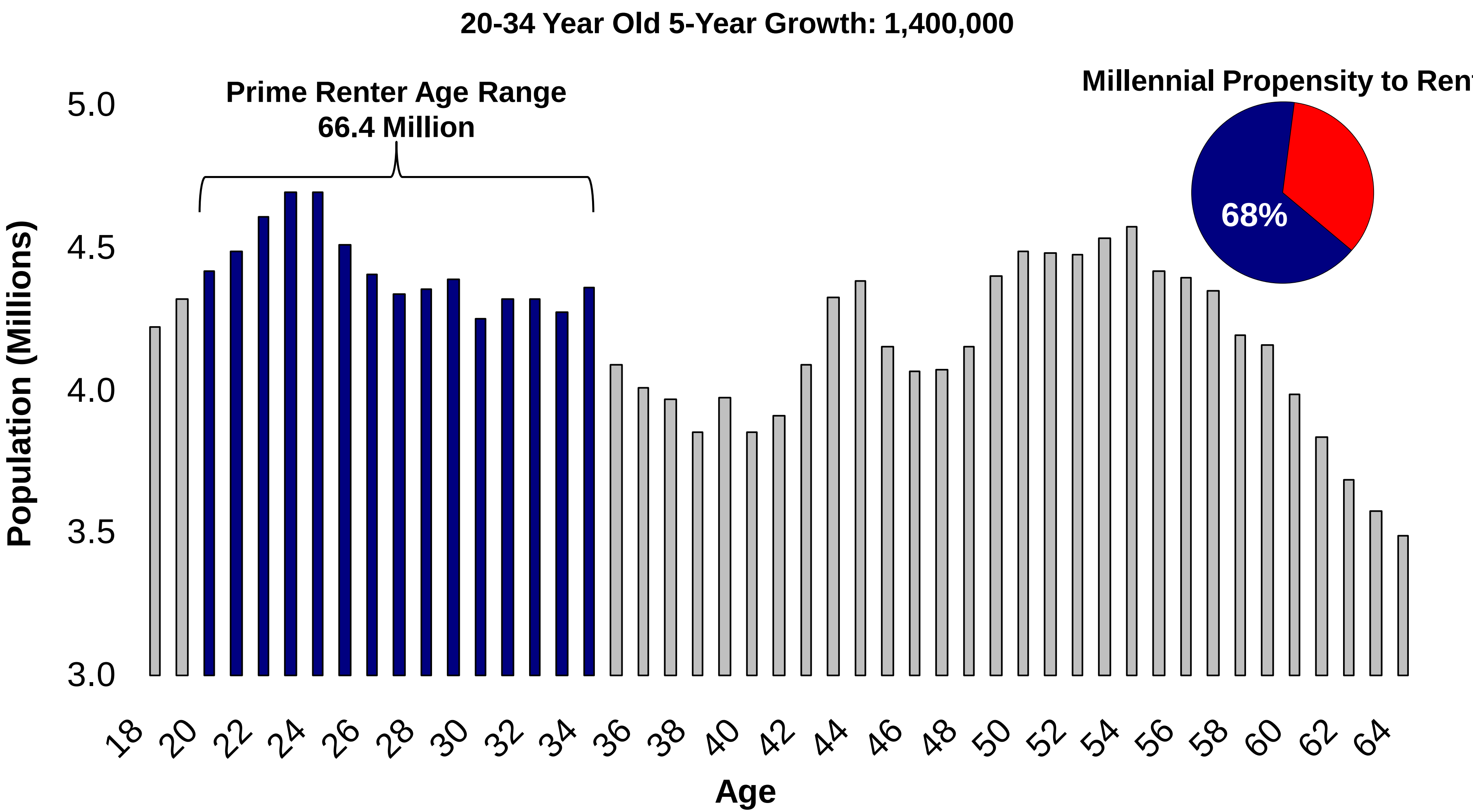
# Millennial Cohort Bigger Than Baby Boom
# U.S. 2014 Population by Age




Note: Total Baby Boomer Population 75 million. Total Millennial Population 80 million
Sources: Marcus & Millichap Research Services, U.S. Census Bureau

# Top 10 Metros
## Five-Year Millennial Rental Demand Growth*

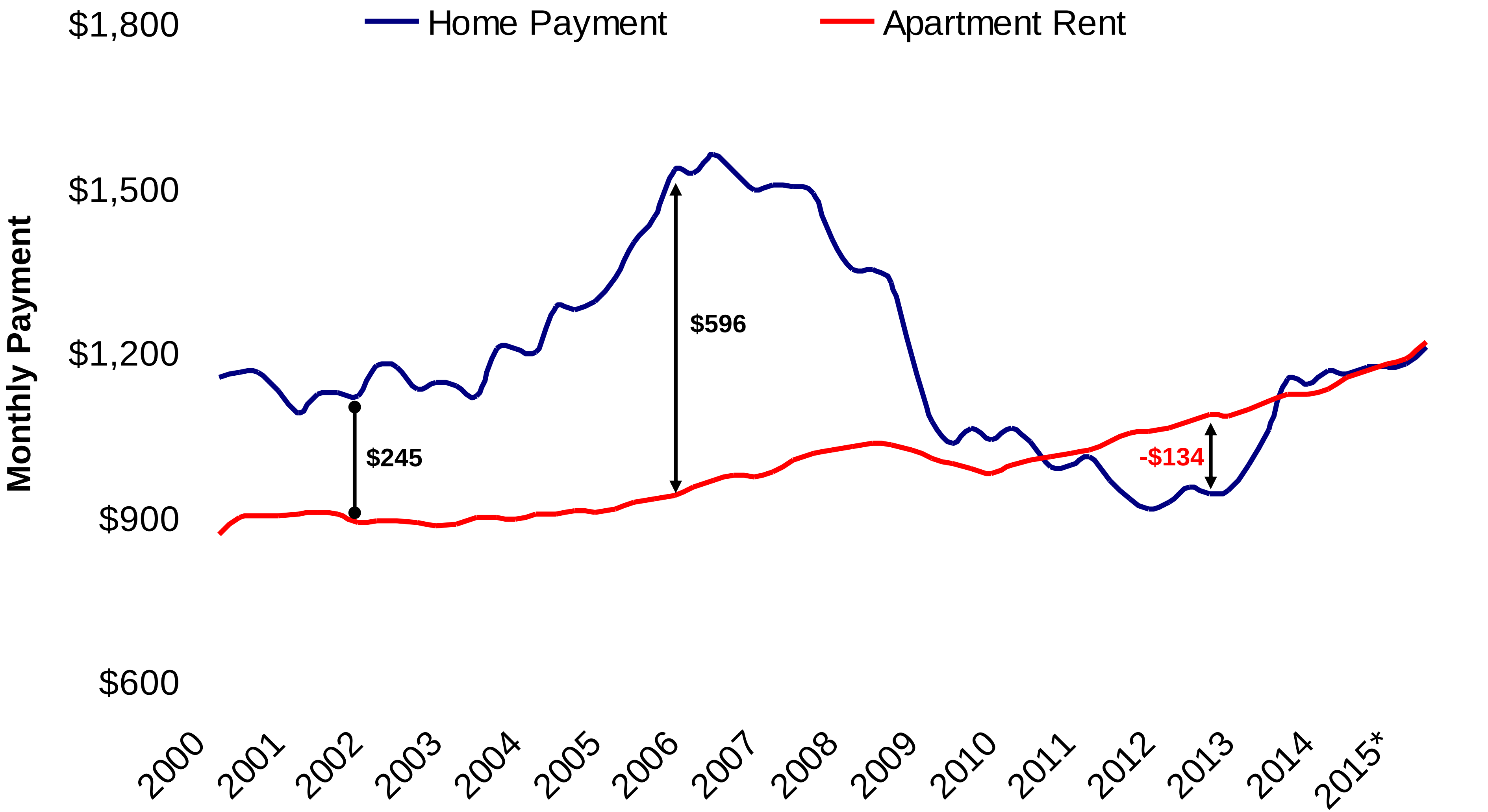
| Top 10 Metros | Propensity to Rent** | 20-34 Year Old Population Growth | Potential Demand Growth |
|---|---|---|---|
| Dallas-Fort Worth | 71.6% | 139,500 | 99,900 |
| Atlanta | 67.2% | 139,800 | 93,900 |
| Houston | 68.6% | 128,800 | 88,300 |
| Phoenix | 67.2% | 113,300 | 76,200 |
| New York | 85.3% | 89,200 | 76,100 |
| Los Angeles | 82.9% | 80,500 | 66,700 |
| Washington, D.C. | 68.6% | 85,200 | 58,400 |
| Orlando | 70.1% | 80,500 | 56,500 |
| Austin | 73.8% | 69,600 | 51,400 |
| Charlotte | 65.3% | 76,400 | 49,900 |
| U.S. Total | 67.7% | 1,436,000 | 972,000 |

* 2015-2019

** Based on 2012 American Community Survey; 2013 for U.S. total

Sources: Marcus & Millichap Research Services, U.S. Census Bureau

# National Apartment Rents and Home Payments Remain Near Parity

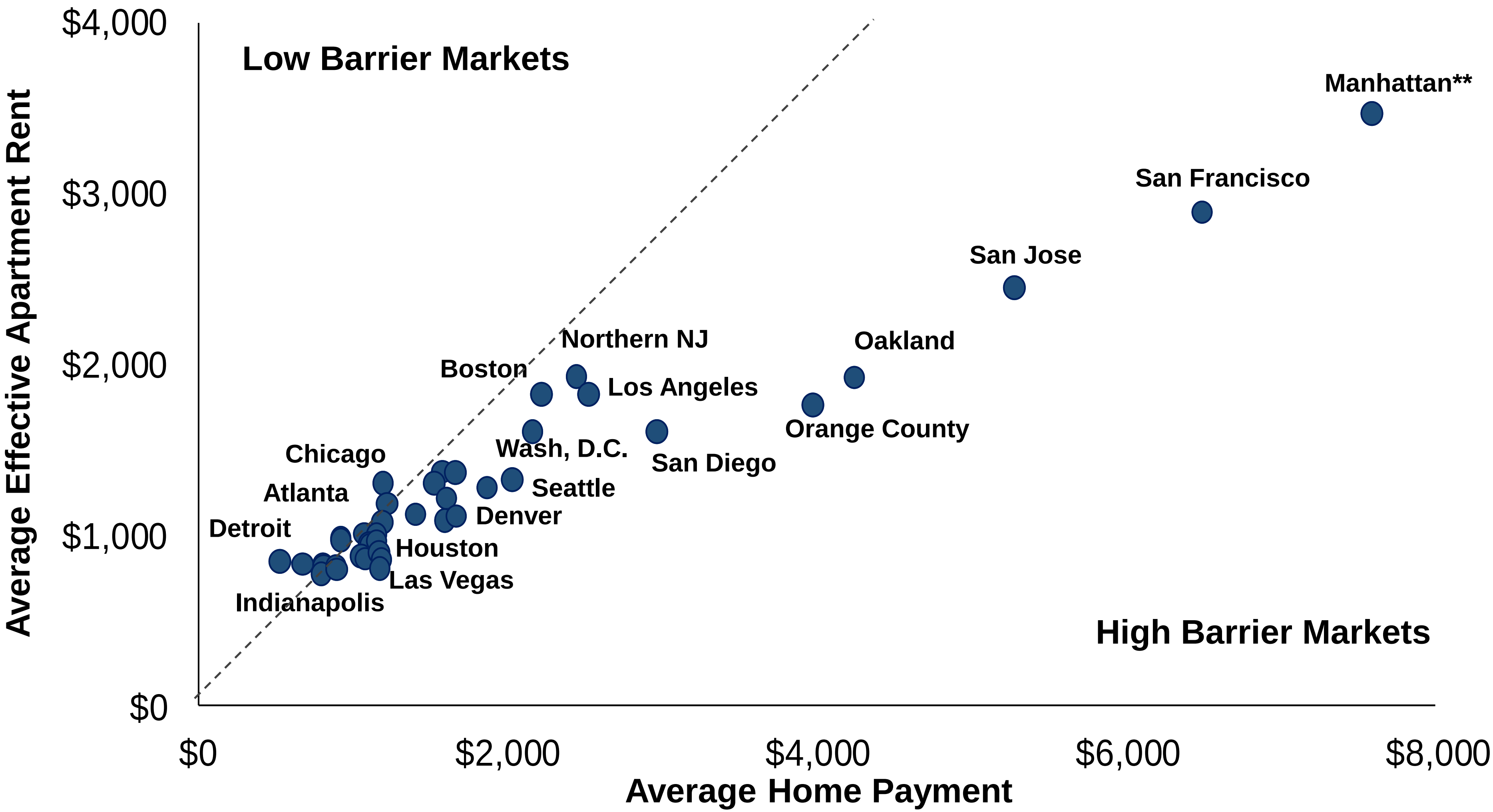



* Through 2Q

Mortgage payments based on quarterly median home price for a 30-year fixed rate conventional mortgage, 90% LTV, and 1.5% taxes and insurance

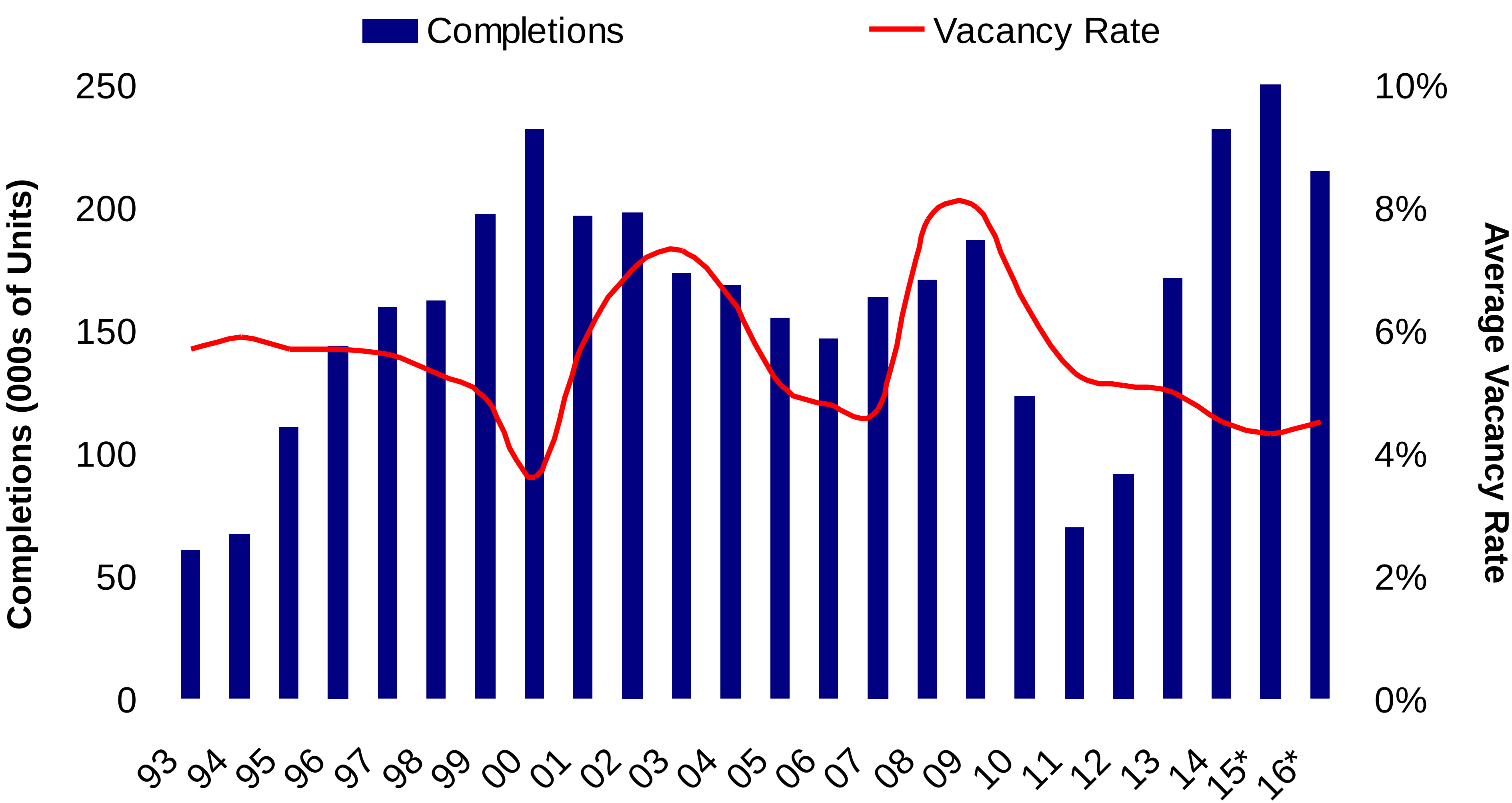
Sources: Marcus & Millichap Research Services, MPF Research, Freddie Mac, National Association of Realtors

# Rent vs. Own
## Affordability Gap by Metro*




* As of 2Q 2015
** Includes condominiums
Mortgage payments based on 2Q 2015 median home price for a 30-year fixed rate conventional mortgage, 90% LTV, and 1.5% taxes and insurance
Sources: Marcus & Millichap Research Services, MPF Research, Freddie Mac, National Association of Realtors, Douglas Elliman Real Estate, Axiometrics

# Apartment Vacancy vs. Construction




* Forecast

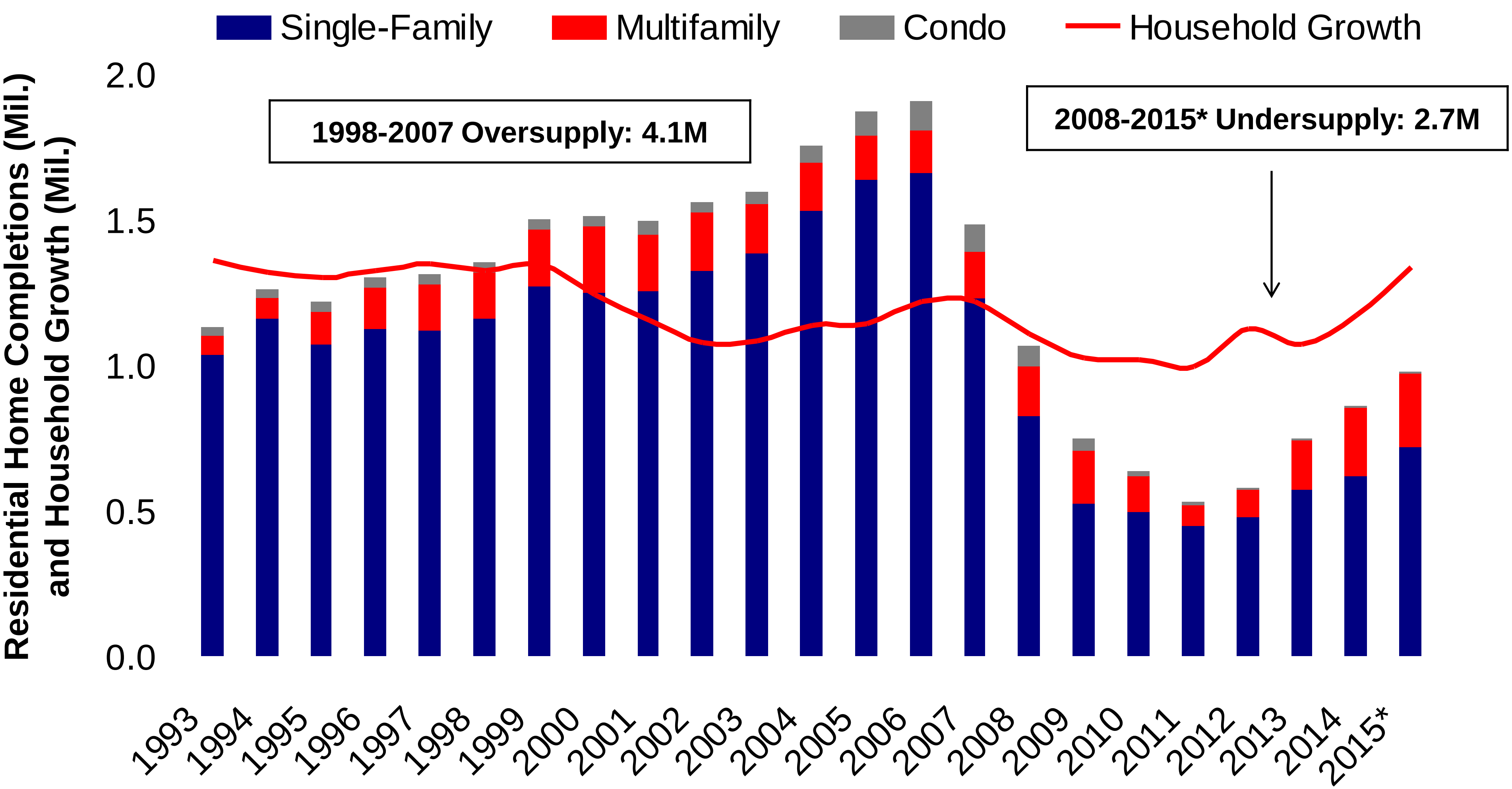
Sources: Marcus & Millichap Research Services, MPF Research

# Top 10 National Apartment Completions 2015 Forecast

| Top 10 Metros | 2015* Completions | Completions as % of Inv. | 2015* Vacancy Rate | Y-O-Y Bps Change |
|---|---|---|---|---|
| Dallas-Fort Worth | 22,000 | 3.2% | 5.1% | -10 |
| Houston | 20,000 | 3.3% | 6.3% | 50 |
| New York | 15,000 | 1.0% | 2.5% | 40 |
| Washington, D.C. | 12,800 | 2.3% | 5.5% | 20 |
| Denver | 12,500 | 4.8% | 4.2% | 50 |
| Seattle | 12,000 | 3.1% | 3.7% | -20 |
| Austin | 10,800 | 5.3% | 3.5% | -110 |
| Atlanta | 9,700 | 2.1% | 5.9% | -20 |
| Los Angeles | 8,600 | 0.8% | 3.4% | 20 |
| Phoenix | 8,200 | 2.5% | 5.0% | -100 |
| U.S. Total | 250,000 | 1.8% | 4.3% | -20 |

* Forecast
Sources: Marcus & Millichap Research Services, MPF Research

# Plunge in Residential Construction Has Generated Strong Pent-Up Demand




* Forecast

Sources: Marcus & Millichap Research Services, U.S. Census Bureau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