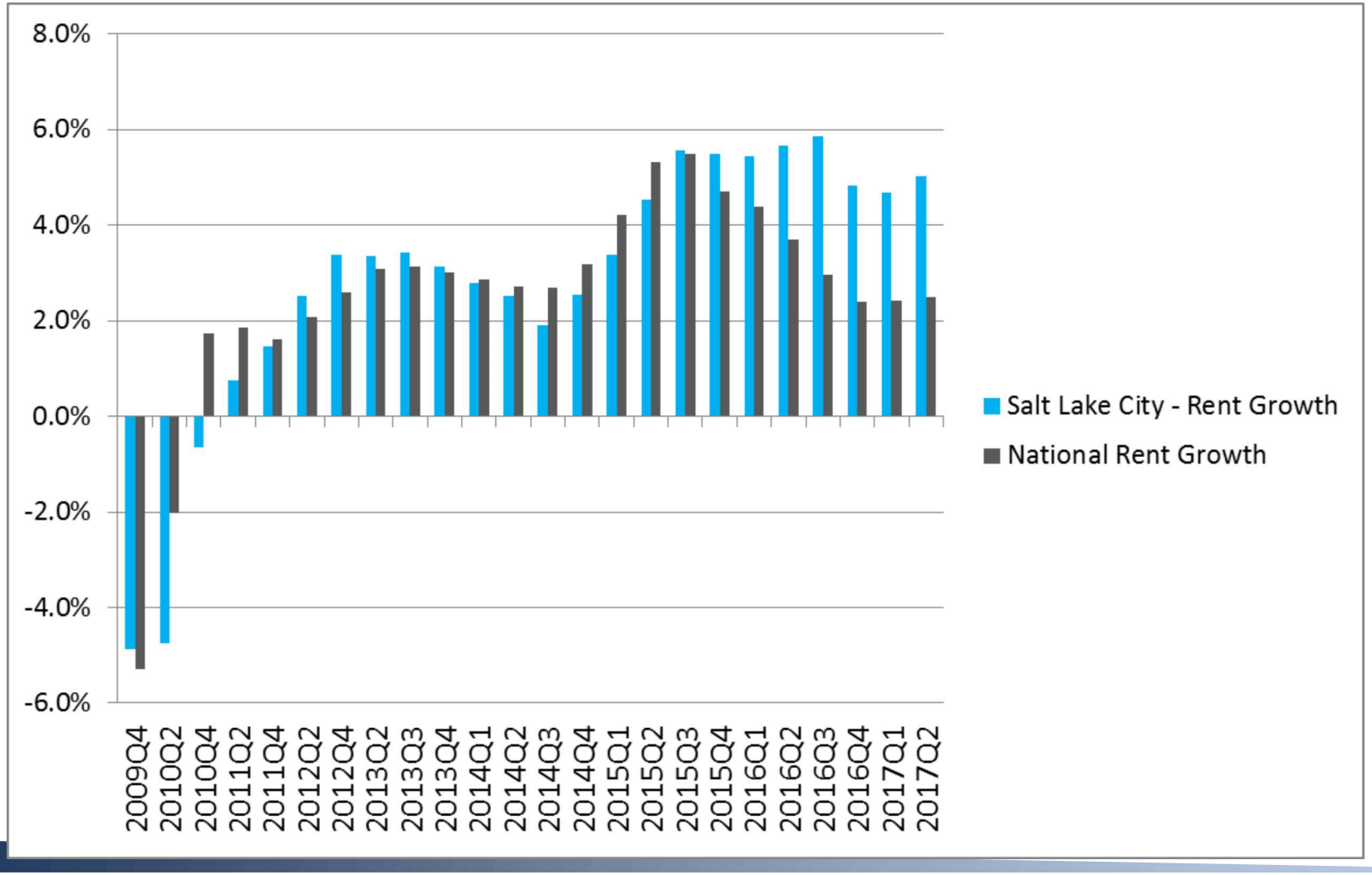
Rent Growth Has Moderated Nationally, Salt Lake Retains Momentum



SLC Posts 6th Best Rent Growth in Country as of 17Q2

Rank	Metro	Annual Rent Growth as of 17Q2
1	Sacramento	8.1%
2	Seattle	5.8%
3	Inland Empire	5.6%
4	Orlando	5.5%
5	Las Vegas	5.4%
6	Salt Lake City	5.2%
7	Phoenix	4.6%
8	Honolulu	4.4%
9	San Diego	4.4%
10	Atlanta	4.2%
11	Minneapolis	4.1%
12	Los Angeles	3.9%
13	Orange County	3.8%
14	Columbus OH	3.7%
15	Tampa	3.7%
16	Long Island	3.5%
17	Detroit	3.5%
18	Richmond	3.5%
19	Dallas - Fort Worth	3.4%
20	Charlotte	3.4%
21	Jacksonville	3.4%
22	Denver	3.3%
23	Raleigh	3.0%
24	Cincinnati	3.0%
25	Fort Lauderdale	3.0%
26	Indianapolis	2.9%
27	Kansas City	2.9%

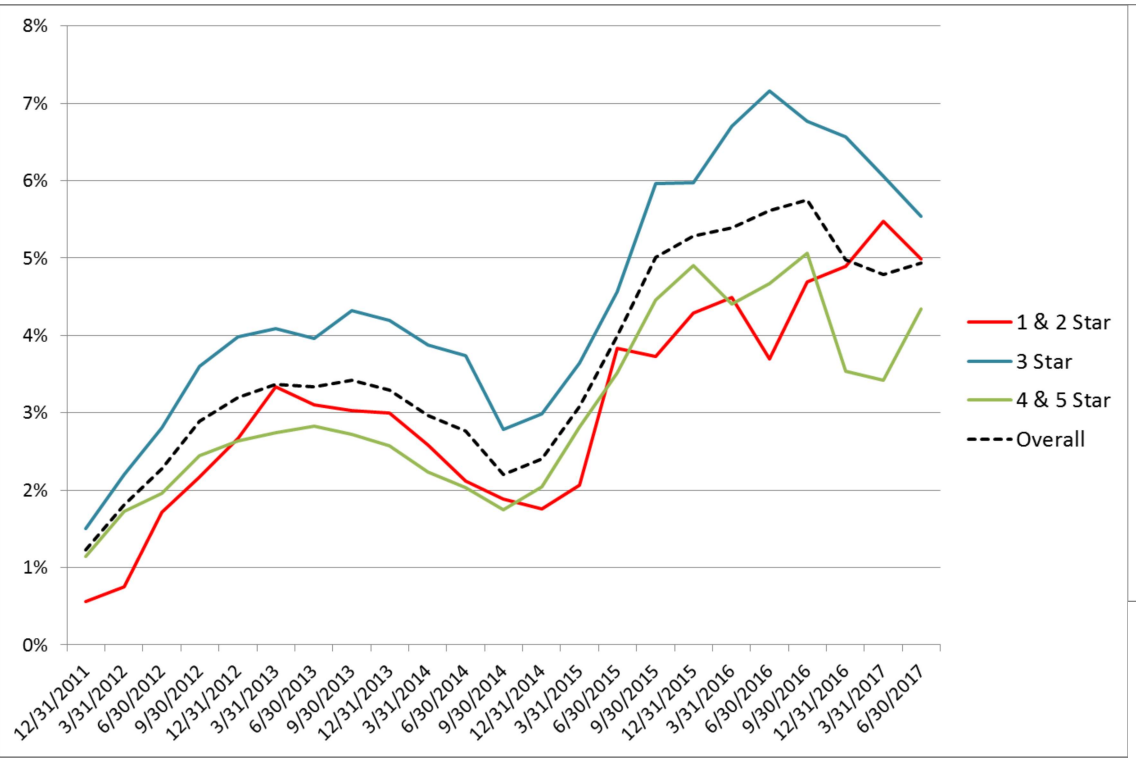
Rank	Metro	Annual Rent Growth as of 17Q2
28	Portland OR	2.9%
29	Northern New Jersey	2.7%
30	Boston	2.6%
31	Memphis	2.5%
32	Chicago	2.4%
33	Cleveland	2.3%
34	Philadelphia	2.3%
35	East Bay	2.3%
36	Stamford	2.1%
37	Hartford	2.1%
38	Milwaukee	2.0%
39	Saint Louis	1.9%
40	New Orleans	1.8%
41	Norfolk	1.7%
42	San Francisco	1.6%
43	Nashville	1.6%
44	Baltimore	1.5%
45	Miami	1.4%
46	Austin	1.4%
47	Washington - NoVA - MD	1.3%
48	San Jose	1.3%
49	San Antonio	1.3%
50	New York	1.2%
51	Palm Beach County	1.1%
52	Pittsburgh	0.9%
53	Oklahoma City	-0.2%
54	Houston	-1.5%

Most Top Apartment Performers This Cycle Have Seen a Slowdown

	NATIONAL	18%	-1.5%				
Rank	**Metro**	**Current Rents Vs. 2008Q4**	**Annualized Rent Growth 2016-17Q2 - Annualized Rent Growth 2014-2015**	**Rank**	**Metro**	**Current Rents Vs. 2008Q4**	**Annualized Rent Growth 2016-17Q2 - Annualized Rent Growth 2014-2015**
1	Denver	38%	-3.5%	28	San Antonio	18%	-1.9%
2	East Bay	34%	-5.5%	29	Charlotte	18%	-1.5%
3	Sacramento	33%	1.6%	30	Miami	18%	-1.5%
4	Portland OR	33%	-3.7%	31	Philadelphia	18%	-0.1%
5	San Jose	33%	-6.5%	32	National	18%	-1.5%
6	Seattle	31%	-0.2%	33	Chicago	17%	-0.7%
7	Dallas - Fort Worth	28%	-1.2%	34	Kansas City	17%	0.2%
8	San Diego	27%	-1.1%	35	Minneapolis	17%	1.0%
9	Raleigh	27%	-1.0%	36	Cincinnati	16%	0.0%
10	Atlanta	26%	-1.5%	37	Richmond	16%	0.2%
11	San Francisco	26%	-5.3%	38	Los Angeles	15%	-0.7%
12	Nashville	25%	-2.9%	39	Detroit	15%	0.8%
13	Honolulu	25%	-1.1%	40	Northern New Jersey	15%	-0.2%
14	Tampa	24%	-1.0%	41	Indianapolis	14%	0.5%
15	Orlando	24%	-0.6%	42	Houston	14%	-5.0%
16	Austin	24%	-3.5%	43	Long Island	14%	-0.4%
17	Palm Beach County	23%	-4.0%	44	Cleveland	13%	-0.9%
18	Inland Empire	23%	1.3%	45	Saint Louis	13%	-0.9%
19	Washington - NoVA - MD	22%	-0.9%	46	Las Vegas	12%	0.7%
20	Orange County	21%	-0.6%	47	Pittsburgh	11%	-1.2%
21	Fort Lauderdale	21%	-3.5%	48	Norfolk	11%	-0.3%
22	Boston	21%	-1.9%	49	Oklahoma City	10%	-2.9%
23	Columbus OH	21%	-0.2%	50	Stamford	9%	-0.8%
24	Phoenix	20%	-0.3%	51	Memphis	9%	0.0%
25	Salt Lake City	20%	0.9%	52	New York	9%	-1.9%
26	Jacksonville	19%	-0.7%	53	Milwaukee	8%	-0.6%
27	Baltimore	18%	-1.0%	54	New Orleans	4%	-0.4%

Rent Growth at High-End Properties has Stalled Nationally, Strong in Salt Lake

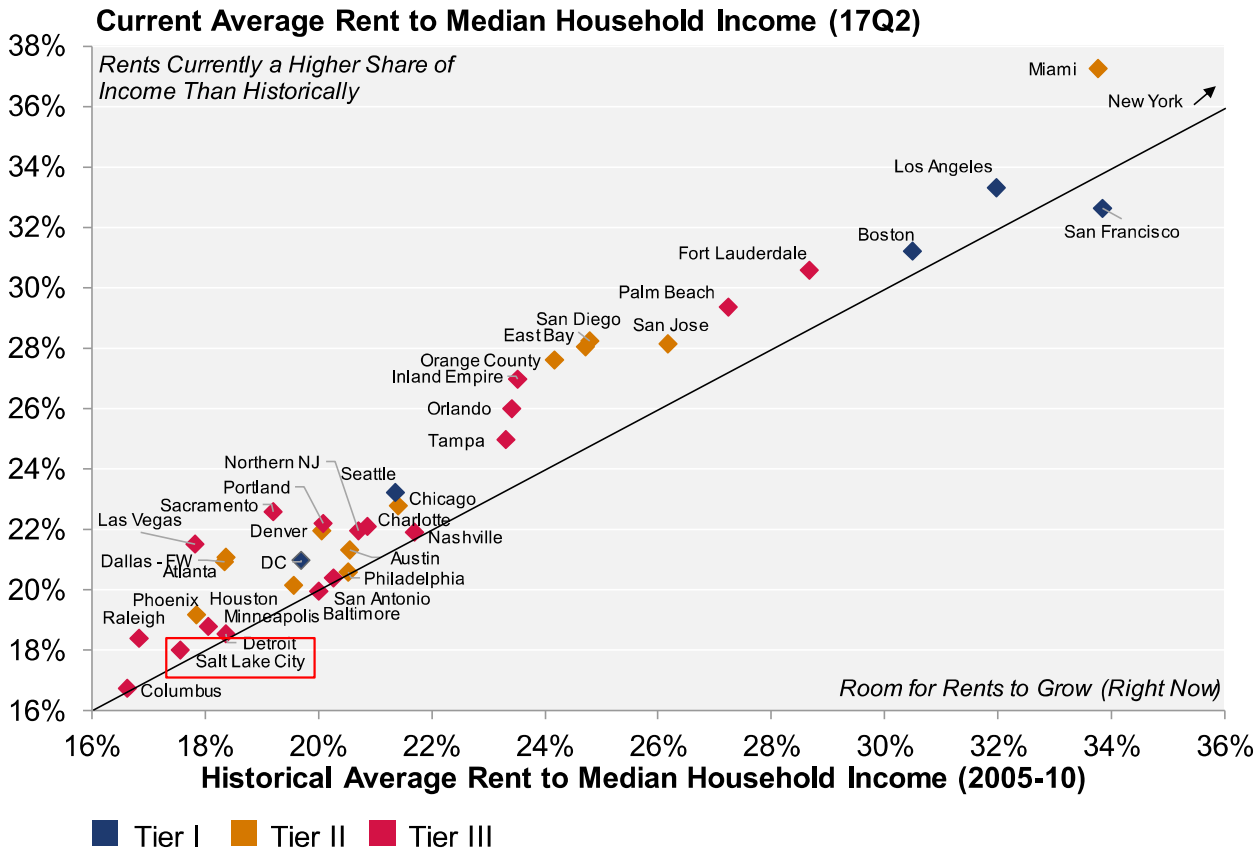
Salt Lake



National

Where Are Rents Affordable?

Relationship Of Rents To Incomes

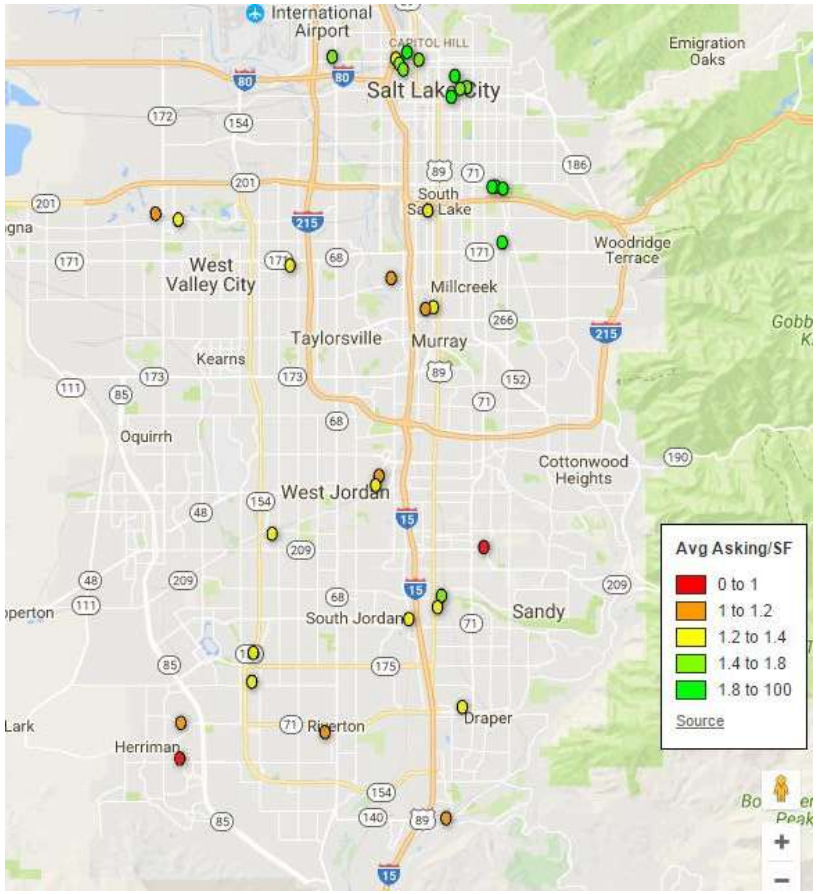


Sources: Moody's Analytics; CoStar Portfolio Strategy

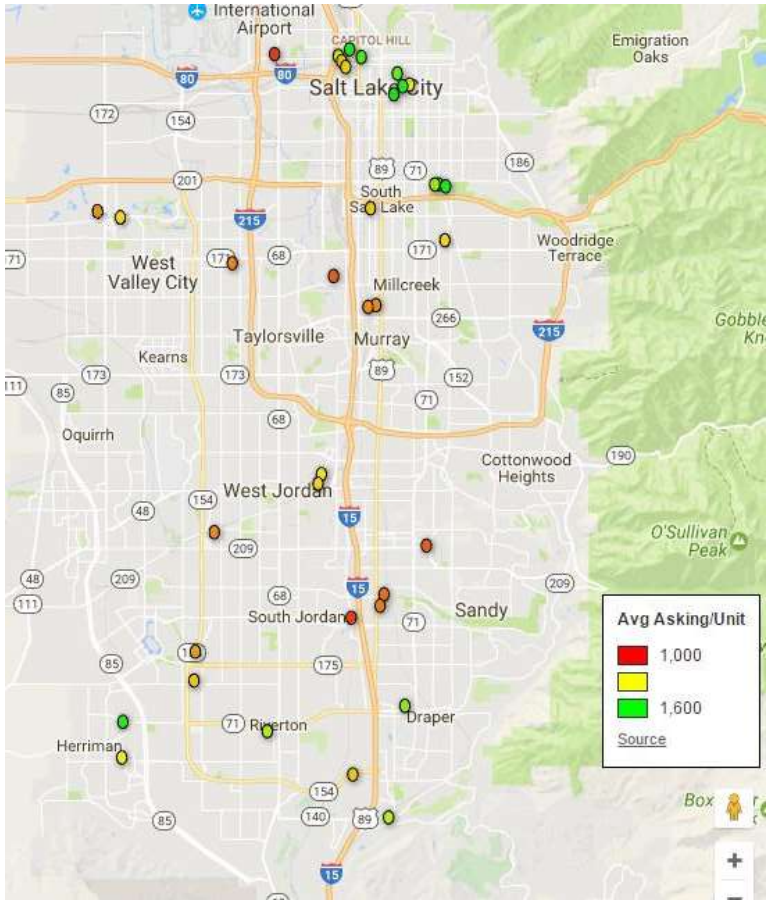
As of 17Q2

Salt Lake – Rents of Deliveries from 2012-Present, 100-units+

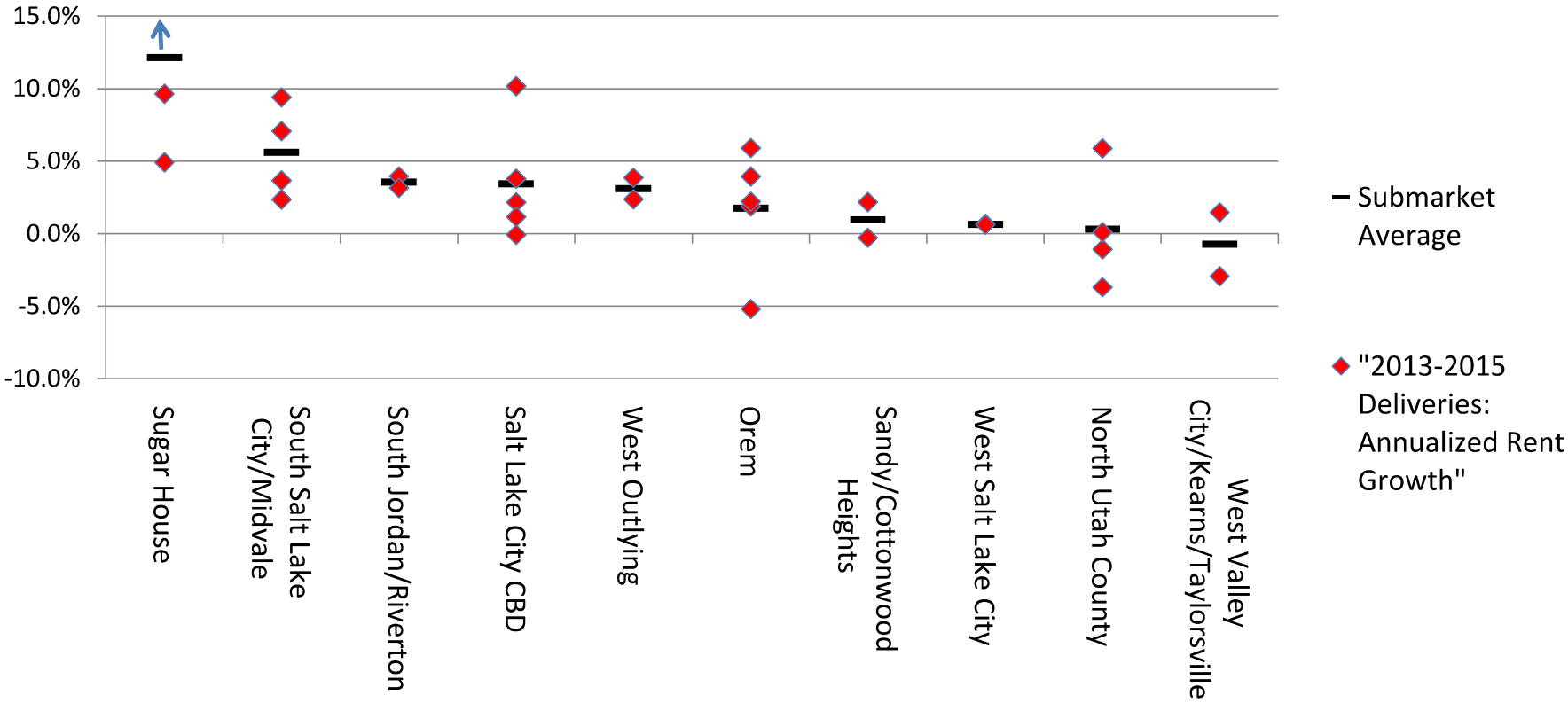
Asking Rent/SF



Asking Rent/Unit

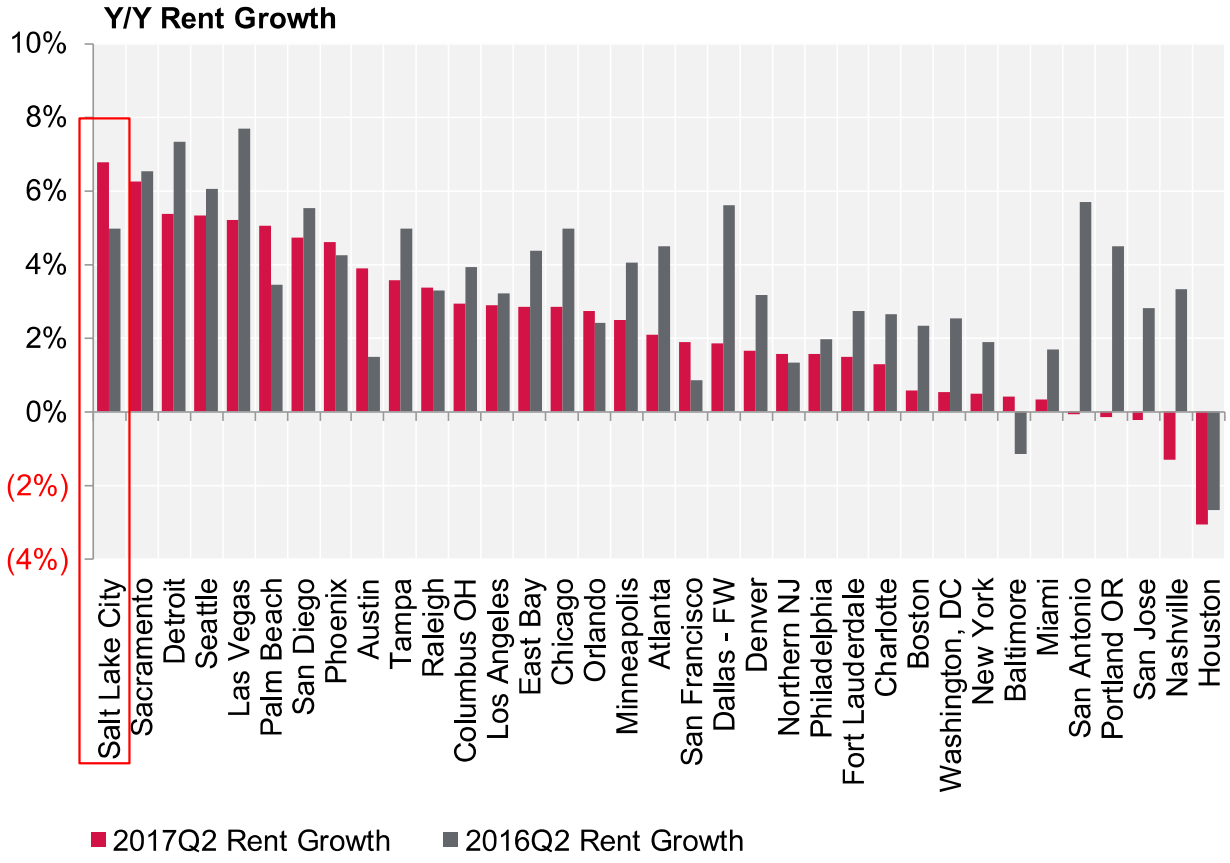


Annualized Rent Growth of 2013-2015 Deliveries by Submarket



Not Your Usual Suspects

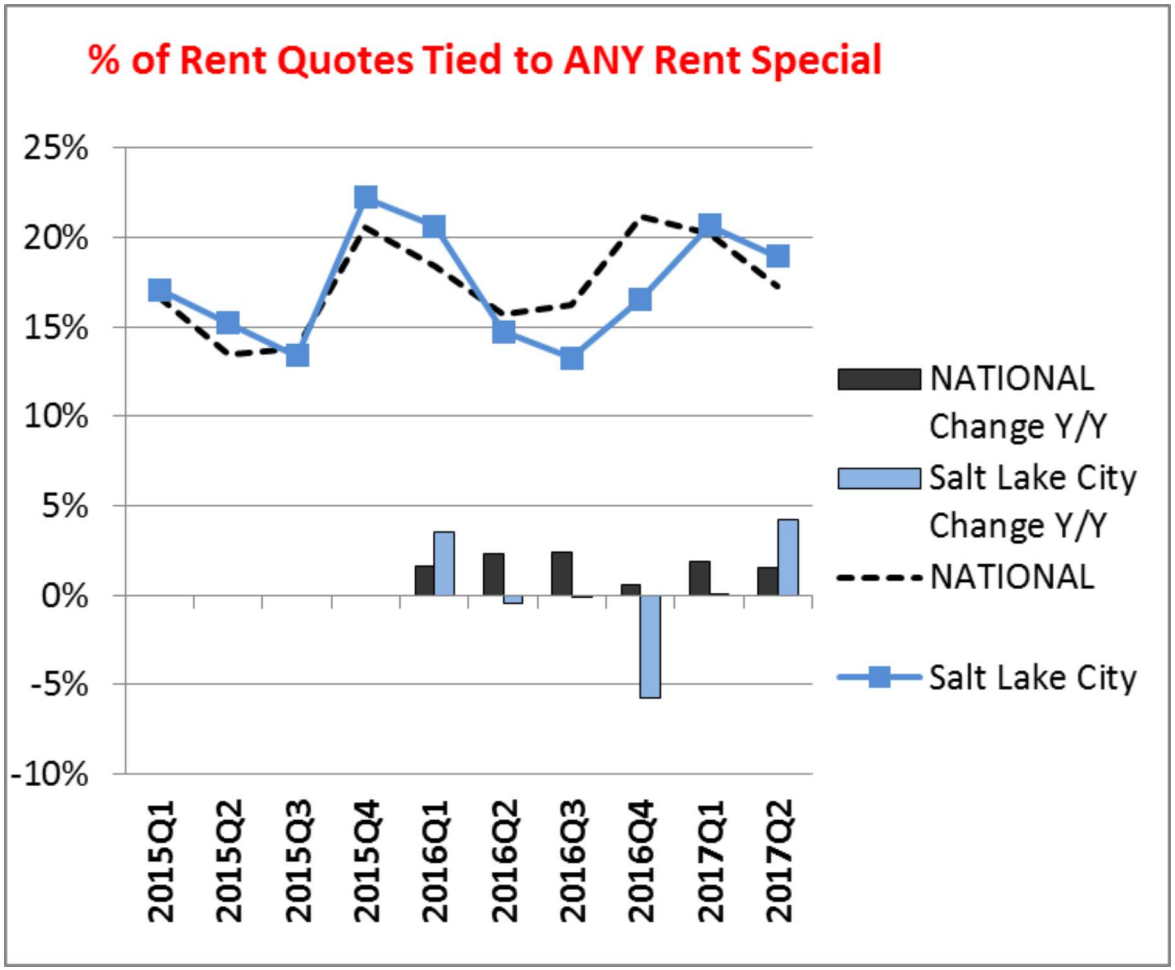
CBD And Secondary Core Annual Rent Growth By Metro



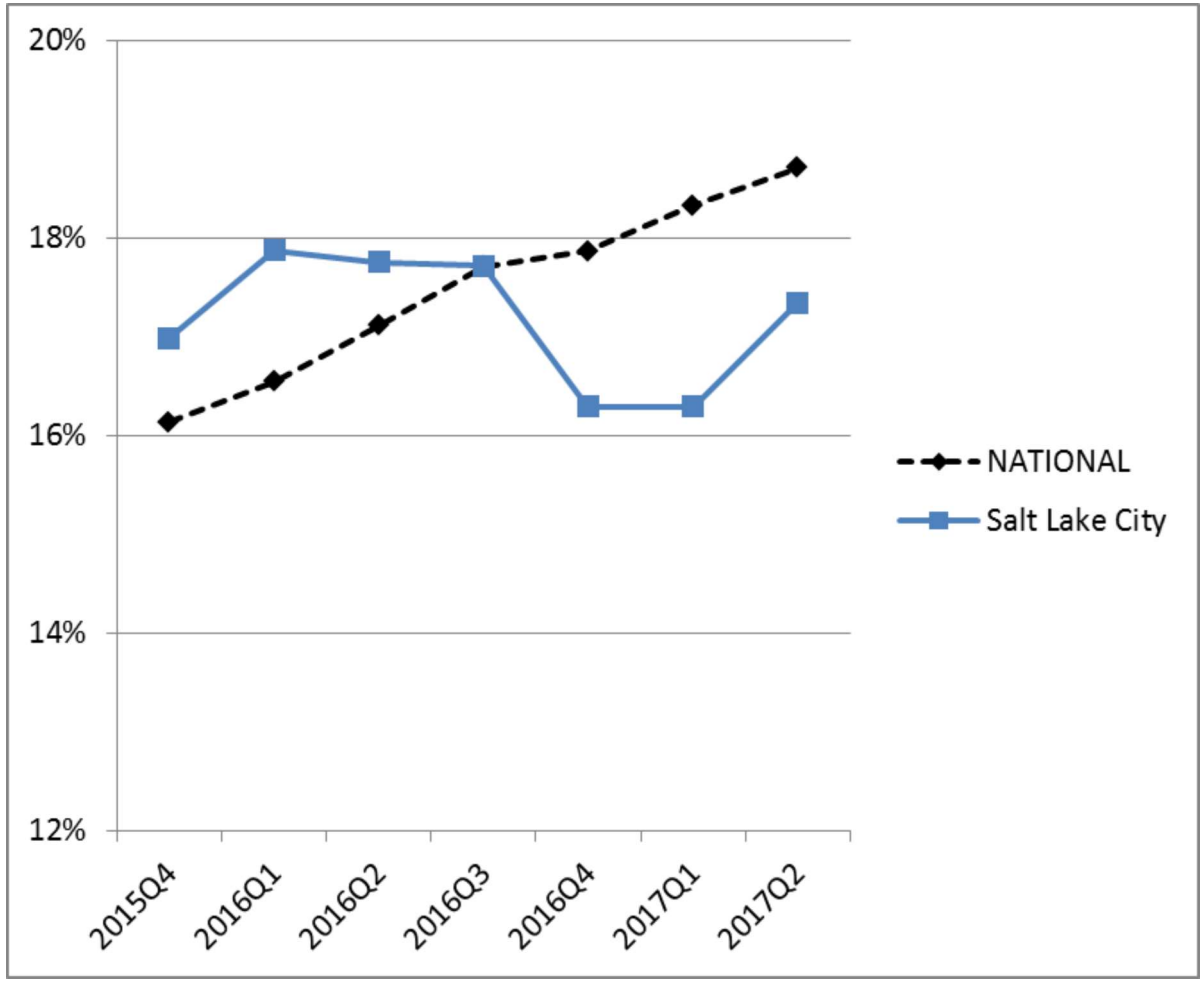
Source: CoStar Portfolio Strategy

As of 17Q2

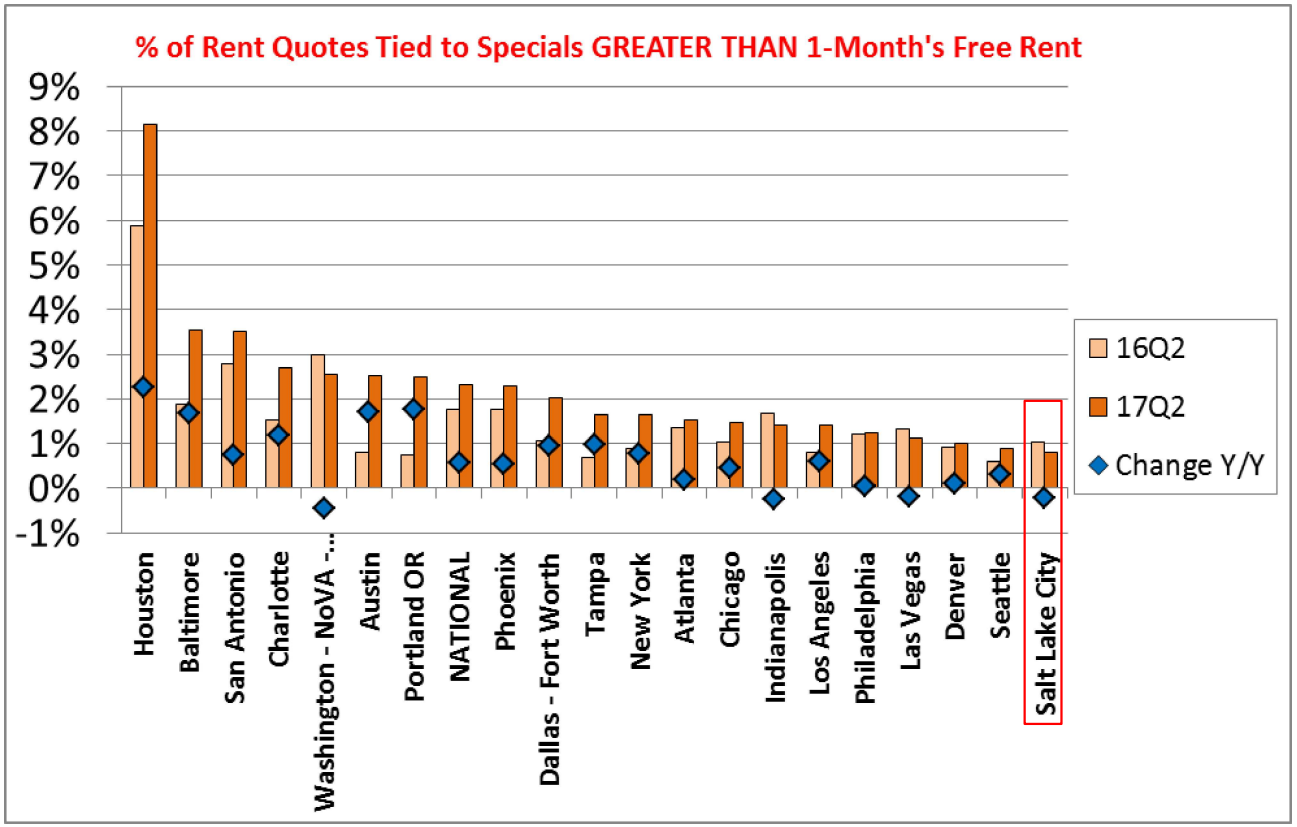
Concessions Well-Controlled in Salt Lake, but May Continue to Trend Slightly Upward in Near-Term



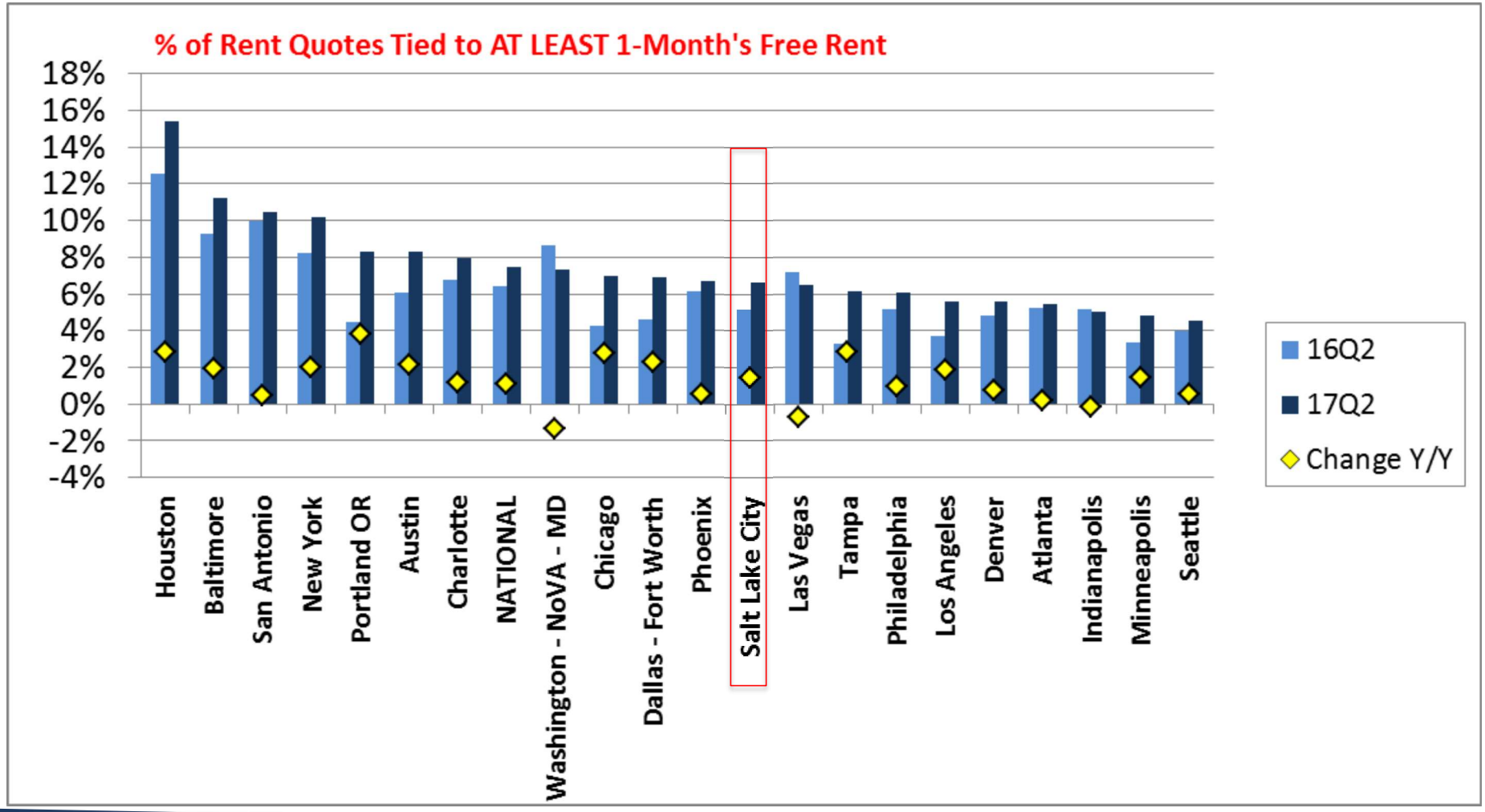
Concessions Tied to ANY Rent Special – 4 Quarter Rolling Average



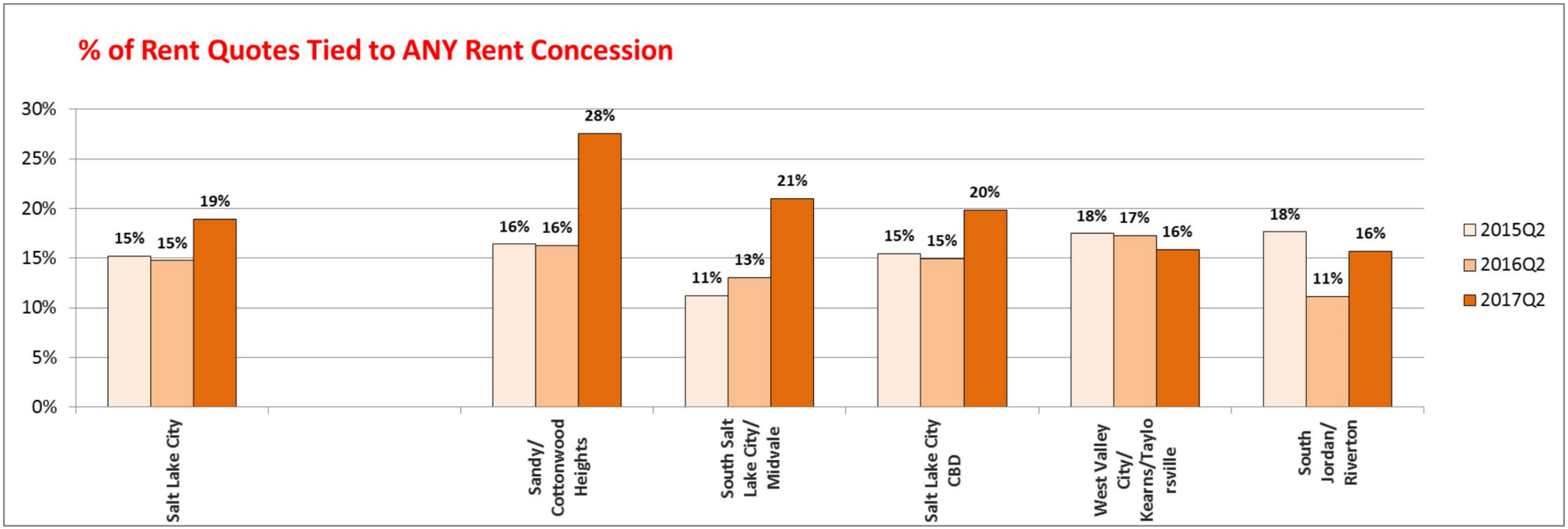
Concessions > 1-month's Free Rent are Almost Non-Existent



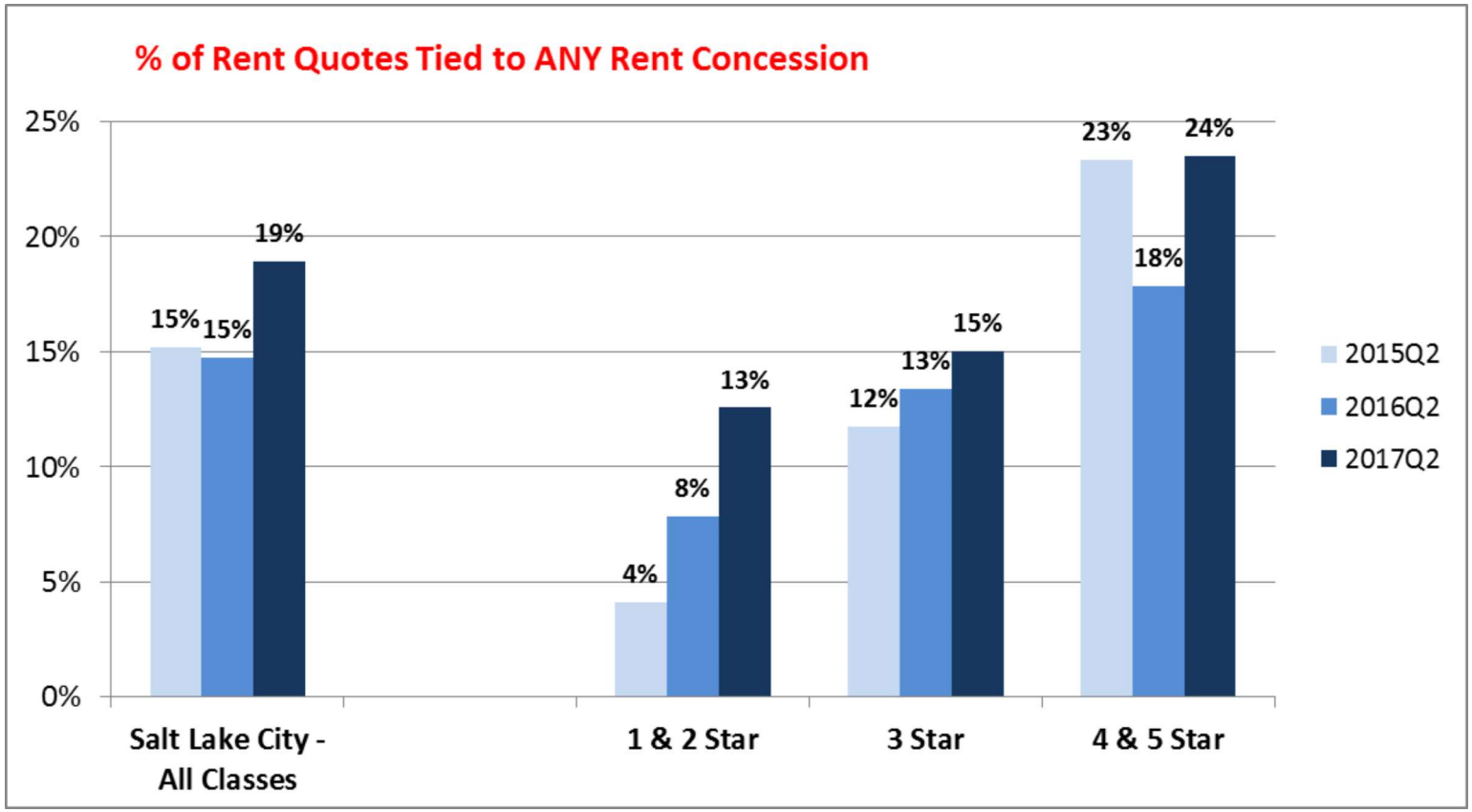
One-Month Discounts more Prevalent but Generally Limited to New Construction



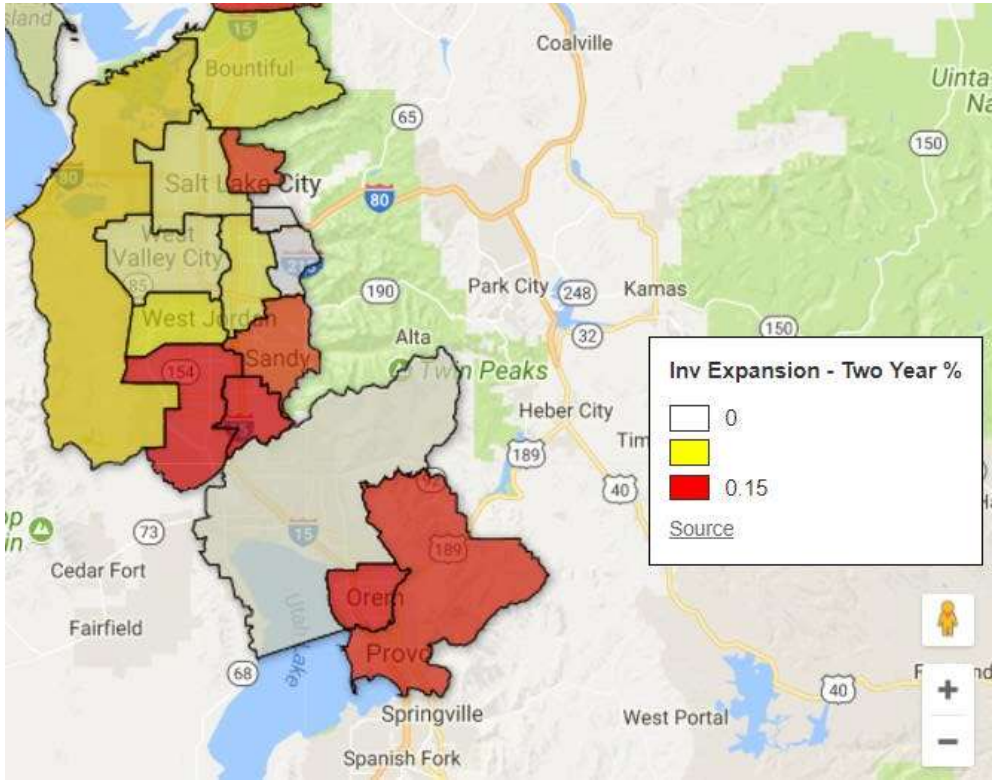
Concessions May Remain Elevated in CBD and South Salt Lake

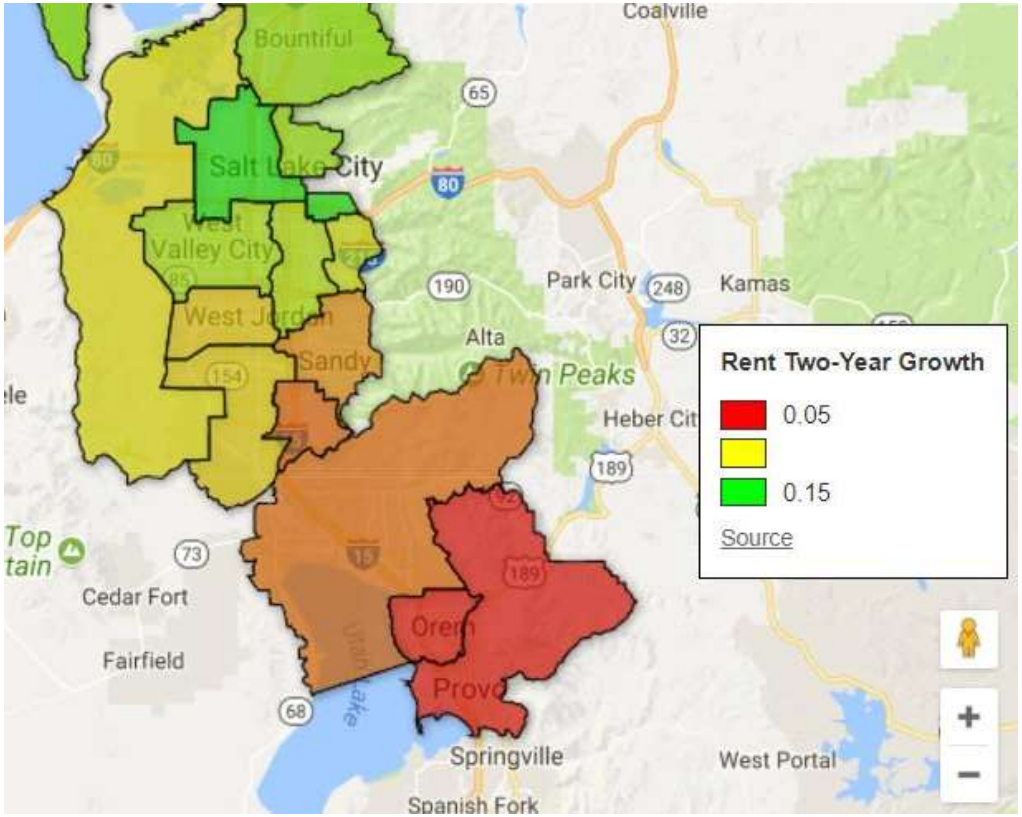


Concessions No Longer Limited to Higher End Properties

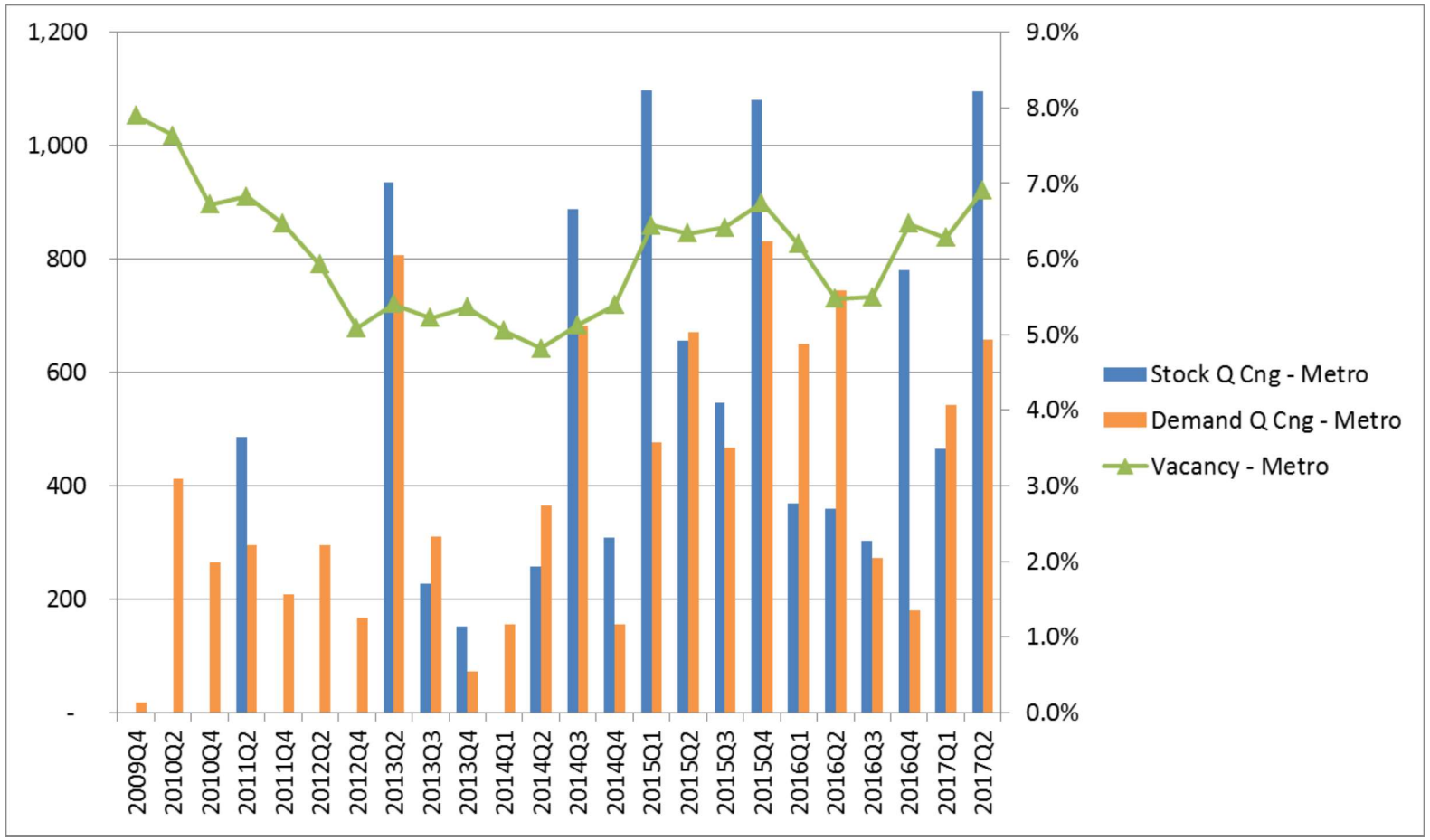


Two Year Inventory Expansion, Rent Growth (%)

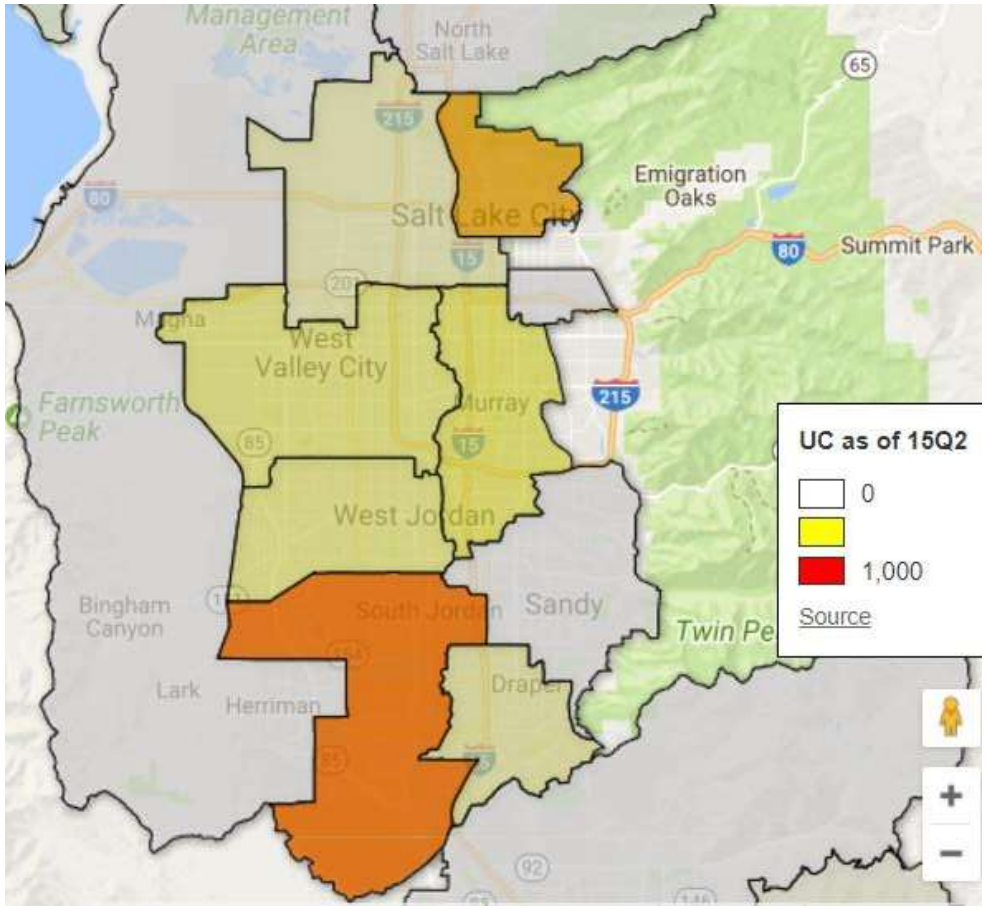
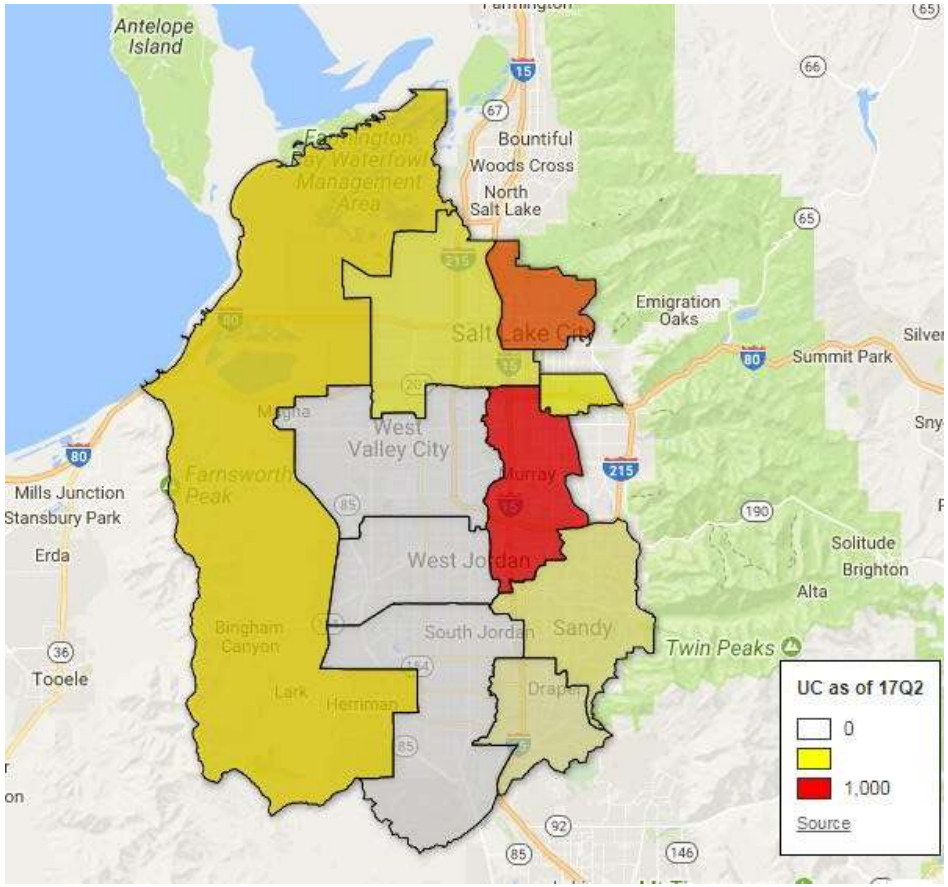




Next Major Development Wave has Begun



2017 Deliveries are Cruising

Property Name	Date of First Move-ins	Current Units Occupied (As of Mid-August unless Otherwise Stated)	Concessions?	Asking Rent/SF	Units	Approximate Units Absorbed/Month Since Opening	Submarket
Alta Gateway	Early July 2017	40	*1-month free across the board*	$1.88	277	25	CBD
Liberty Crest	Late-March/Early-April 2017	100 at the end of July	*No Rent Specials*	$2.07	176	25	CBD
Downtown 360	Mid-April 2017	90	*$600 off most floorplans since delivering*	$1.70	151	23	CBD
Moda Bonneville	May 2017	50 as of mid-July		$1.87	158	25	CBD
4th West Apartments	First Units November 2016 (Final Units Delivered Aug 2017)	200	*generally 1-month free, 1.5 months free occasionally*	$2.10	493	23	CBD
Park at City Center	Apr-17	60	*2-months free initially, 1-month as of august*	$1.80	330	15	Sandy
Axio 8400	Late March/Early April 2017	115	*No Rent Specials, has Hiked Rents Since Delivering*	$1.35	332	25	Sandy

Development has Cooled in South Suburbs