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SOUTH FLORIDA TEAM

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Sale, Marketing & Financing
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A trusted advisor, with over
\$20 BILLION in apartment
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#1 IN APARTMENT
SALES IN **SOUTH FLORIDA**

FOR MORE INFORMATION, CONTACT :

CALUM WEAVER

Executive Managing Director
+1 954 377 0517 direct
+1 786 443 3105 mobile

[www.cushwakesouthfl.com/
multifamily](http://www.cushwakesouthfl.com/multifamily)

**RECORD-BREAKING \$3.6 BILLION MULTIFAMILY SALES
IN 2016 IN SOUTH FLORIDA.**

For the second consecutive year, South Florida witnessed a record amount of multifamily sales totaling 278 property sales with approximately \$3.6 billion in value. We are now entering the eighth year of multifamily expansion in South Florida. Fundamentals remain strong and growth will continue albeit not at the feverish levels witnessed in previous years.

RENTAL DEMAND

New supply is easily observed by viewing the number of cranes and construction. New rental demand is more subtle and not readily quantified by driving or walking a submarket. Despite all the new construction, the demand for rentals continues to outpace supply. In the past five years South Florida's population increased by 333,000. During the same period, 30,093 new apartment units were built. This means one unit has been built for every 11 net new residents. Over the next five years, South Florida is expected to see a positive net migration of 7.5% or 503,260 people. Using the same ratio, the region would need over 45,000 new rentals to keep pace with the population growth for the next five years. There are currently 17,652 units under construction.

Another way to consider demand is look at household formation - the number of new households created each year. Household formations in South Florida are expected to increase to over 50,000 each year in the next five years. Let's conservatively assume 40,000 new households per year and 60% enter homeownership and 40% as renters (consistent with current homeownership rates) that represents 16,000 new renters per year in South Florida.

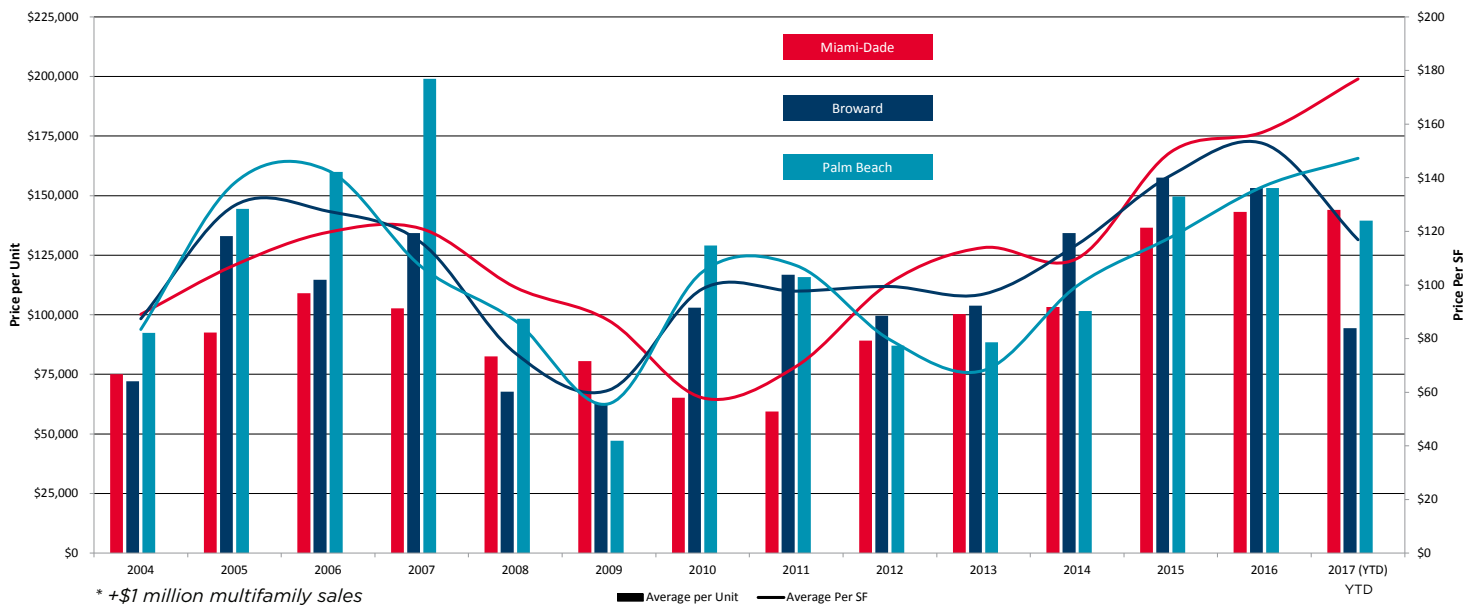
The homeownership rate in South Florida is 62.1%, near a 30-year low. In the past five years, median single-family home prices have increased 83%, 62%, and 61% in Miami-Dade, Broward, and Palm Beach Counties respectively. Simply stated, median home values are increasing at an even greater rate than rents, making ownership even tougher and rental demand even stronger. The median home value in Miami-Dade is now over \$330,000, meaning a renter who could afford a 10% down payment on a median-priced home in Miami-Dade would have a mortgage around \$2,000 — \$700 more than the average Miami-Dade rental.

RENTAL SUPPLY

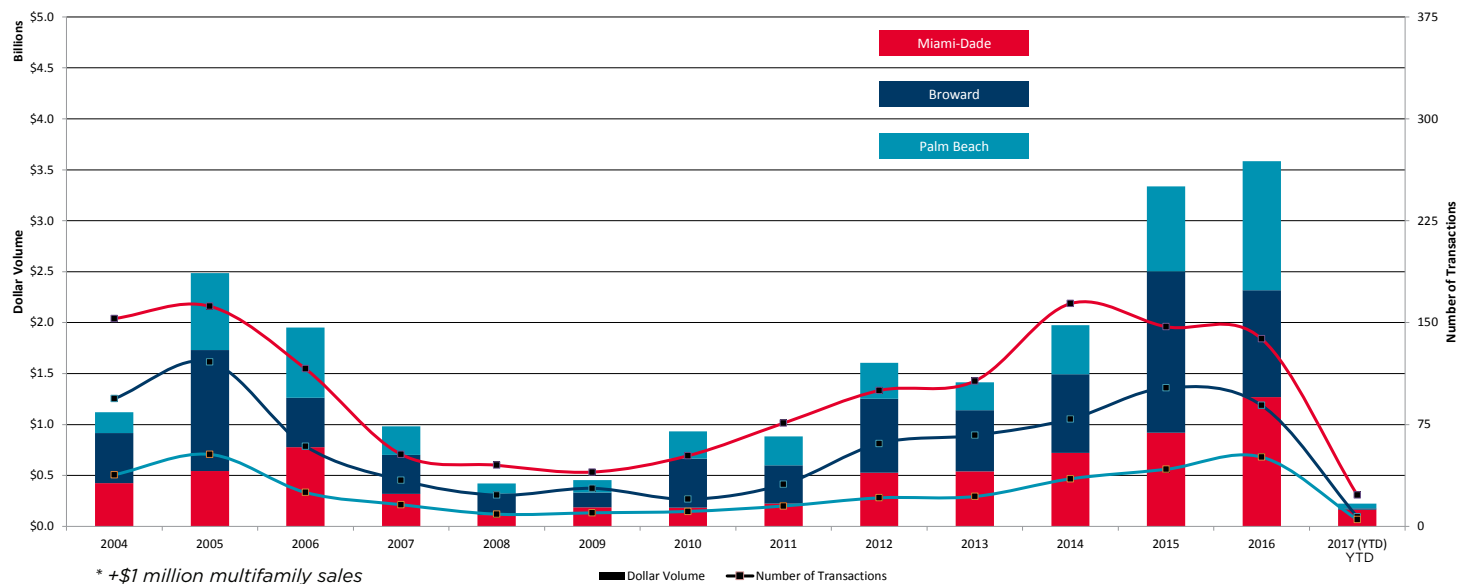
In the past four years 33,400 apartment units were built in South Florida. There are currently 17,652 units under construction. Hence, we are more 65% into the development cycle and the cloud of uncertainty from increased supply has not adversely effected the market thus far. The reality is the perceived unknown effects of new supply are largely known already - which is minimal and needed based on rental demand. Due to higher construction and land costs, new supply is almost exclusively geared towards Class A+ product. Any short-term increase in vacancies and/or concessions will be limited to higher end product in specific submarkets that experience several new building completions in quick succession. Affordable or Class B and C supply remains drastically underserved.

MULTIFAMILY INVESTMENT SALES ANALYSIS / SOUTH FLORIDA

South Florida Historical Price/Unit Versus Price /SF



South Florida Historical Transaction Volume Versus Number of Transactions



Lastly, it's necessary to consider the impact of new condo construction on the rental market through a "shadow rental market." According to CraneSpotters.com, in the tri-county area, there are 106 condo buildings totaling over 13,066 units that are currently under construction. It is likely that many of the under construction condominiums may end up in the rental pool as absentee owners try to bring

in income to offset their expenses. Yet the rents on these units are unlikely to meet the condominium owners HOA and tax obligations. A small percentage of Class AAA buildings that are achieving rents over \$3 per square foot will increasingly compete for renters from the shadow market. Yet even with this competing supply, the demand for rentals, absorption levels, a growing population, low

home ownership levels, increased single-family home pricing all point towards the units being leased in short order without any negative impact on rents. Any softening in the market is more likely to occur in the condo resale market as investors realize the prospect at renting their condo at a profit is marginal and decide to sell.

¹ Source: U.S. Department of Labor, Bureau of Labor Statistics, 2017

RENTS

For the sixth year in a row, rents were at record levels in South Florida. Since 2011, rents increased by 27.4%, 27.2%, and 32.2% in Miami-Dade, Broward, and Palm Beach Counties respectively. Rent growth will not be as feverish as in previous years, although we do anticipate stronger growth in Class B and C properties.

INCOME LEVELS

In 2016 the median salary income increased by 3.6% in South Florida. This is the second biggest increase since 2006. Continued higher income levels will help South Florida rents become more affordable.

VALUE IN VALUE ADD

Value-add Class B and C properties remain in strong demand. Rents in prominent urban and suburban locations are \$3.00+ and \$2.50+ per square foot respectively. Many investors see this as an opportunity to achieve significant rent premiums by implementing value-add strategies for Class B and Class C properties that can be repositioned to attract renters that are unwilling to pay \$2.50+ per square foot in rents, yet able to pay notably higher than the in-place rents at the B and C properties. Competition for these acquisition opportunities remains fierce.

VACANCY RATES

Occupancies are at record levels in most submarkets. In previous years, a lack of new supply and strong demand helped fuel rent growth. Much needed new rental supply is starting to come online; however, there is significant pent-up demand for rentals and it is unlikely to have any meaningful impact on occupancies. In 2016, over 9,000 new units were added to the South Florida rental market, yet overall vacancy rates dropped as net absorption levels continue to outpace new supply.

CAP RATES/INTEREST RATES

For the second time in a decade, the Fed raised interest rates in December. The well telegraphed hike had no material impact on cap rates. The Fed likely

has significantly more room to move before we begin to see real pressure on cap rates. The reason is credit spreads for loans. Currently, spreads on 10 year, moderate to full leverage loans range from 205bp to 255bp through the agencies. By comparison, during the previous real estate cycle, credit spreads on 10-year CMBS loans were as low as 90-100bp. As indexes increase, lenders will be forced to lower spreads in order to be competitive which will offset any marginal up-tick in interest rates. Things may get tricky as the expansionary cycle runs its course and interest rates near equilibrium, but that's still a few years away.

CASH RETURNS ARE KING

With cap rates at or near historic lows, investors are increasingly focused on cash returns, favoring markets with stronger rental growth outlooks and

Cap Rates

Class A - 4.25% - 4.75%
Class B - 4.75% - 5.50%
Class C - 5.50% - 6.75%

properties offering immediate cash flow. This means a near-term investor shift away from the major urban metro areas where multifamily deliveries are peaking. However, investors are already looking to 2019 when this supply will be fully absorbed, and underlying strong employment and growth fundamentals continue to assert themselves.

FINANCING

Debt markets continue to be robust, with the multifamily asset class enjoying the most plentiful and cheap options. The Freddie Mac small balance loan program is a popular choice for owners looking to refinance, and Fannie Mae provides attractive financing options for new construction multifamily pre-stabilization. Both agencies offer up to 80% non-recourse debt with rates in the low to mid 4% range. CMBS continues to be an option up to 75% LTV in certain cases; With Q1 CMBS issuance down 35% Year over year, issuers are anxious to put

paper out, but continue to struggle to compete with agency rates. Finally, bridge lenders offer 80% (and higher) financing packages with future funding facilities to finance planned capital improvements and flexible prepayment structures that allow the loan to be paid off without penalty once stabilization has been achieved.

FINAL THOUGHTS

2016 was a funny year in the South Florida multifamily market. There was a record sale activity yet we witnessed economic uncertainty in the beginning of the year and political uncertainty in the second half of the year which actually restrained transaction volume. It's interesting to note that 82% of deals were completed in the first 9 months of 2016, and only 18% thereafter.

So what happened in the second half of 2016? The economic and political ambiguities gave rise to a gap between buyer and seller valuations. In the second half of 2016 we entered a period of price discovery with relatively restrained transaction volumes since fewer deals came on the market for sale. However, the resultant pent up demand has given way to an extremely robust start to 2017. All multifamily property types are exhibiting strong levels of interest. For example, we recently went under contract on a 468-unit value-add property in Miami. The interest in the property was very strong including 28 property tours and 14 offers. In short, the beginning of 2017 has provided a larger hose to drink from and domestic and foreign capital are primed to deploy capital in South Florida. Increased interest from offshore and high net worth investors is particularly noted. In contrast to other real estate assets, there is no indication that the current cycle in multifamily has reached its peak in volume. The caveat is that the focus of capital is changing across a range of axes in response to similar drivers—from major markets to secondary, urban sub-markets to suburban, Class-A assets to Class-B, and from core and development strategies to core-plus and value-add.

MARKET FUNDAMENTALS SNAPSHOT

Miami-Dade

YEAR	POPULATION	12 MONTH POPULATION GROWTH	UNEMPLOYMENT RATE	AVERAGE SALARY	12 MONTH MEDIAN SALARY INCREASE	MEDIAN HOME VALUE	12-MONTH MEDIAN HOME GROWTH RATE
2016	2,730,000	1.4%	5.4%	\$45,195	3.2%	\$332,490	9.8%
2015	2,693,000	0.9%	5.7%	\$43,786	2.0%	\$330,475	8.1%
2014	2,669,000	1.0%	6.3%	\$42,914	1.1%	\$302,705	8.8%
2013	2,642,000	1.2%	7.2%	\$42,444	1.1%	\$257,329	23.7%
2012	2,611,000	1.2%	8.2%	\$41,978	0.7%	\$208,045	14.4%

Broward

YEAR	POPULATION	12 MONTH POPULATION GROWTH	UNEMPLOYMENT RATE	AVERAGE SALARY	12 MONTH MEDIAN SALARY INCREASE	MEDIAN HOME VALUE	12-MONTH MEDIAN HOME GROWTH RATE
2016	1,929,000	1.7%	4.4%	\$55,874	3.6%	\$285,120	8.9%
2015	1,896,000	1.4%	4.5%	\$53,926	3.5%	\$261,912	3.5%
2014	1,870,000	1.4%	5.0%	\$52,127	2.8%	\$252,995	5.0%
2013	1,844,000	1.4%	5.8%	\$50,690	1.8%	\$240,960	22.5%
2012	1,818,000	1.7%	7.3%	\$49,786	1.5%	\$196,721	11.5%

Palm Beach

YEAR	POPULATION	12 MONTH POPULATION GROWTH	UNEMPLOYMENT RATE	AVERAGE SALARY	12 MONTH MEDIAN SALARY INCREASE	MEDIAN HOME VALUE	12-MONTH MEDIAN HOME GROWTH RATE
2016	1,461,000	2.7%	4.7%	\$59,067	4.1%	\$298,620	10.6%
2015	1,423,000	1.7%	4.3%	\$56,664	4.3%	\$269,971	5.8%
2014	1,399,000	1.7%	4.8%	\$54,206	4.0%	\$255,195	6.3%
2013	1,376,000	1.3%	6.1%	\$52,060	1.4%	\$240,167	21.3%
2012	1,358,000	1.4%	7.8%	\$51,308	0.6%	\$197,971	6.9%

*Data reported by BLS, Moodys and Alteryx Demographics



- Population has grown by 410,000 in the past five years. This was the 11th fastest-growing metropolitan area in the U.S.
- Over the next five years, South Florida is expected to see a positive net migration of 7.5% or 503,260 people.



- Last year, median salary income increased by +/- 3.6% in South Florida, the 2nd biggest increase since 2006.



- In the past five years, South Florida has added 336,270 new jobs. This is the 7th highest in absolute job creation in the U.S.
- There are 7.6 jobs for every apartment unit in South Florida.
- The economy of Florida has transitioned from one driven on international trade and tourism to a more diverse mix that includes financial services, healthcare, logistics and aerospace.



- Foreign capital. South Florida is the first port of call for many overseas investors. A strengthening dollar has not dampened foreign investor interest in South Florida multifamily product. Many of these foreign investors already have their currency in dollars.



- The home ownership rate in South Florida is 62.1%, near a 30-year low.
- In the past five years, median single-family home prices have increased 83%, 62%, and 61% in Miami-Dade, Broward, and Palm Beach Counties respectively. Average home values are increasing at an even greater rate than rents, making ownership even tougher and rental demand even stronger.



- South Florida continues to attract large-scale investments including: \$2.5 billion All Aboard Florida, the \$1.0 billion Brickell City Centre, and the \$2.0 billion Miami Worldcenter. With the widening of the Panama Canal, Miami has completed over \$1 billion in capital infrastructure projects and is ready to handle the larger Post-Panama ships. Similarly, Fort Lauderdale will also complete a similar deepening of the port to also handle these larger ships.

MULTIFAMILY DEBT UPDATE

APRIL 2017

DEBT MARKETS

- After the 0.25% March Fed rate hike, it is unclear if the FOMC will continue the pattern of increasing rates with a third 0.25% increment in the May or June meeting. The continued flight to quality, and geopolitical fears have caused 10 year yields to remain stable around 2.50% since the December hike.
- FOMC's Statement & Summary of Economic Projections were largely unchanged from December's meeting, though slightly less hawkish than some had anticipated. Reduced expectations of the pace of increases has resulted in lower rates post announcement, as many had already priced in a higher frequency of rate hikes.
- The Mortgage Bankers Association is forecasting \$515 billion of lending activity for 2017, which would top the origination record of \$508 billion set in 2007. \$267 billion of that volume is expected to be comprised of multifamily loans. Last year Fannie Mae wrote \$55.3 billion and Freddie Mac wrote \$56.8 billion. While both are subject to origination caps, they're able to exceed those caps when they write loans against affordable housing.

CAPITAL	MAX LTV	COUPON	DSCR
Credit Company	Up To 80%	3.50%-6.00%	1.00 -1.25x
Life Company	Up To 70%	3.00%-3.75%	1.25 -1.30x
Bank	Up To 65%	2.50%-4.50%	<1.00 -1.20x
Agency / Conduit	See Indicative Pricing Below		1.25 -1.35x

Cushman & Wakefield is not a direct seller servicer. Through our correspondent agreements, C&W acts as an advisor to our clients for capital raises, including Fannie, Freddie & FHA executions.

EQUITY MARKETS

- MBA projections of increased commercial real estate activity in U.S. during 2017 are supported in part by expectation of rising interest rates. Real estate is viewed as a hedge against inflation, and investors both domestic and foreign, continue to view U.S. commercial real estate as a safe haven.
- There are currently 466 active fund vehicles managed by 374 operators, the majority of which are either exclusively focused on multifamily or include multifamily as an acceptable asset class for investment. These funds are seeking to raise \$322 billion of equity and have already closed on \$234 billion of commitments - all new records.
- However, fund operators are having a more difficult time deploying capital. Of the \$234 billion raised, \$163 billion is still uninvested - up sharply from \$140 billion a year ago and \$98 billion two years ago.
- Secondary markets saw an 8.2% year over year increase in multifamily investment between 2015 and 2016. This was largely driven by a combination of strong job and population growth which outpaced national averages.

INVESTMENT PROFILE	LEVERAGED IRR
Core	6%-9%
Core-Plus	10%-13%
Value-Add	14%-17%
Opportunistic/Development	+18%

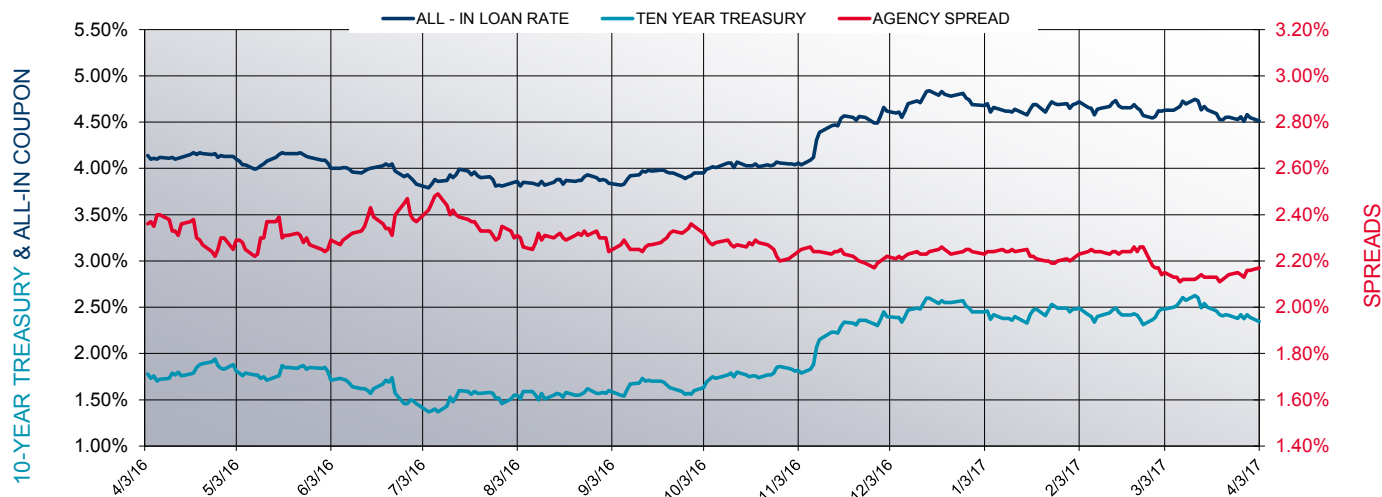
INDICATIVE PRICING

FANNIE FIXED*	DSCR/LTV	INDEX	SPREAD*	COUPON*
5 YR	1.25x / 75%	1.87	2.59	4.46
7 YR	1.25x / 80%	2.16	2.23	4.39
10 YR	1.25x / 80%	2.35	2.17	4.52
CONDUIT	DSCR/LTV	INDEX	SPREAD	COUPON
5 YR	1.25x / 75%	2.00	+/-2.95	4.95
10 YR	1.25x / 77%	2.34	+/-2.30	4.64
10 YR w/Sub debt	1.10x / 85%	2.34	+/-2.80	5.14

FANNIE 7-YR ARM*	INDEX	SPREAD*	COUPON*	CAPPED RATE
1.00x / 75%	0.98	2.29	3.27	3rd Party
1.10x / 65%	0.98	2.05	3.03	3rd Party
1.30x / 55%	0.98	1.82	2.80	3rd Party
OTHER PROGRAMS	INDEX	SPREAD	COUPON	COMMENTS
HUD A7	N/A	N/A	3.69	Excludes MIP
HUD 223(f)	N/A	N/A	3.69	Excludes MIP
HUD 221(d)(4)	N/A	N/A	4.27	Excludes MIP

* Indicative Fannie Mae spreads assume no pricing waiver. Pricing waivers can be obtained and may reduce rates up to 50 basis points depending on the loan size, market, property condition, borrower, and other relevant factors.

10-YEAR AGENCY AND RATE TRENDS



MIAMI-DADE MULTIFAMILY MARKET SUMMARY

\$165 MILLION	\$7.2 MILLION	\$177 PSF	\$130,000
2017 Sales (YTD)	YTD Average Sale Price	YTD Median Average Sale PSF	YTD Median Sale per Unit
\$1,289	96.0%	444 UNITS	153,442 UNITS
Average Rent Per Unit	Occupancy Rate	Annual Unit Net Absorption	Inventory of Rentable Units

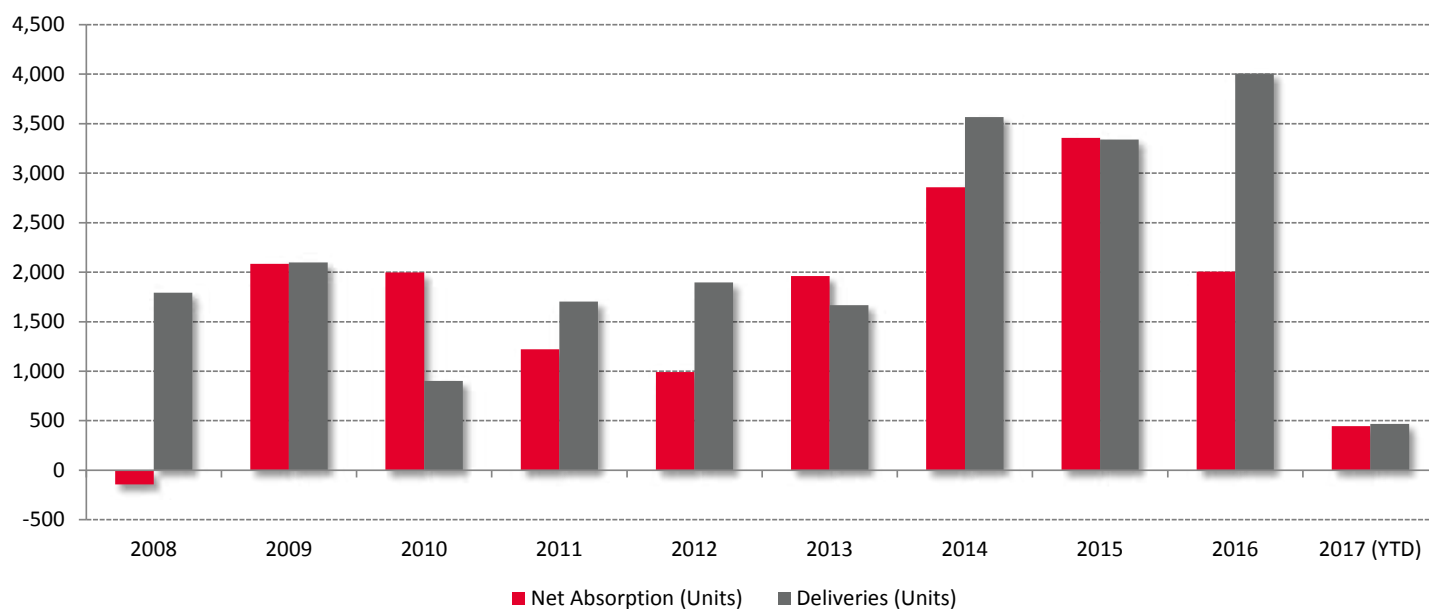
YEAR	\$ SALES VOLUME	# OF SALES	TOTAL # OF UNITS	ASKING RENT	ASKING RENT PSF	ASKING RENT GROWTH	EFFECTIVE RENT	EFFECTIVE RENT PSF	EFFECTIVE RENT GROWTH	VACANCY	NET ABSORP	NEW UNITS
2017	\$165,196,100	23	153,442	\$1,289	\$1.52	0.4%	\$1,261	\$1.49	0.1%	4.0%	444	468
2016	\$1,268,653,900	138	153,015	\$1,284	\$1.51	5.5%	\$1,260	\$1.49	4.6%	4.3%	2,006	4,006
2015	\$918,049,900	147	149,264	\$1,217	\$1.44	6.6%	\$1,205	\$1.43	6.1%	3.5%	3,357	3,340
2014	\$721,553,000	164	146,208	\$1,142	\$1.36	4.0%	\$1,136	\$1.36	3.9%	3.8%	2,858	3,568
2013	\$540,725,900	107	143,246	\$1,098	\$1.32	4.3%	\$1,093	\$1.31	4.5%	3.8%	1,962	1,666
2012	\$528,063,000	100	141,867	\$1,053	\$1.27	4.1%	\$1,046	\$1.26	4.0%	4.3%	991	1,896
2011	\$222,063,600	76	140,521	\$1,012	\$1.22	1.1%	\$1,006	\$1.21	1.0%	4.1%	1,221	1,703
2010	\$184,819,533	52	139,708	\$1,001	\$1.21	1.7%	\$996	\$1.20	1.9%	4.4%	1,998	903
2009	\$187,155,924	40	138,933	\$984	\$1.19	-2.8%	\$977	\$1.18	-2.8%	5.4%	2,084	2,099
2008	\$110,937,600	45	137,054	\$1,012	\$1.23	-3.0%	\$1,005	\$1.22	-3.0%	5.7%	-144	1,792

Miami-Dade Apartments Under Construction

28 apartment buildings
totaling **9,863**
units under construction
in Miami-Dade

BUILDING	CITY	# OF UNITS	EXPECTED COMPLETION
Villas de Palmas	Hialeah	226	2018
Moderia Station II	Coral Gables	181	2017
Pearl Midtown	Miami	309	2018
Solitaire Brickell	Miami	+438	2018
Avant at Met Square	Miami	391	2018

Miami-Dade Deliveries Versus Absorption



MIAMI-DADE MULTIFAMILY MARKET SUMMARY *CONTINUED*

SUBMARKET	UNITS	ASKING RENT	ASKING RENT PSF	ASKING RENT GROWTH	EFFECTIVE RENT	EFFECTIVE RENT PSF	EFFECTIVE RENT GROWTH	VACANCY	NET ABSORPTION	DELIVERED UNITS
Aventura	2,458	\$1,585	\$1.62	1.0%	\$1,584	\$1.61	1.0%	8.3%	27	-
Bal Harbor/South Beach	9,511	\$1,369	\$1.97	0.1%	\$1,352	\$1.94	0.2%	7.5%	12	-
Brickell/Downtown	10,182	\$1,248	\$1.69	1.0%	\$1,236	\$1.68	1.5%	5.0%	89	-
Coconut Grove	2,341	\$1,426	\$1.95	2.0%	\$1,207	\$1.67	-11.0%	5.8%	22	51
Coral Gables	5,580	\$1,913	\$2.24	1.7%	\$1,897	\$2.22	1.0%	6.5%	28	-
Hialeah/Miami Lakes	22,135	\$1,221	\$1.39	0.0%	\$1,217	\$1.38	0.0%	2.2%	-11	-
Homestead/South Dade	18,653	\$946	\$1.09	-0.1%	\$942	\$1.09	-0.1%	3.0%	39	-
Kendall	13,451	\$1,492	\$1.66	0.4%	\$1,455	\$1.62	0.2%	7.1%	112	417
Miami Gardens/OpaLocka	30,198	\$1,007	\$1.24	-0.2%	\$1,003	\$1.23	-0.1%	3.3%	17	-
Miami Springs/Doral	17,089	\$1,582	\$1.70	2.0%	\$1,531	\$1.64	1.2%	4.7%	83	-
North Miami/Beach	17,942	\$1,132	\$1.42	-0.5%	\$1,123	\$1.41	-0.2%	4.2%	27	-
Outlying Miami-Dade County	539	\$1,342	\$1.12	0.0%	\$993	\$0.75	0.0%	2.4%	0	-
Westchester/Tamiami	3,363	\$1,250	\$1.62	0.1%	\$1,239	\$1.60	0.2%	3.6%	-1	-
TOTAL/AVERAGE	153,442	\$1,289	\$1.52	0.4%	\$1,261	\$1.49	0.1%	4.0%	444	468



- In the first three months of 2017, there were 23 apartment sales totaling \$165 million with a median price of \$130,000 per unit or \$177 per square foot.



- For a ninth year in a row, average asking and effective rents were at record levels.
- Year-to-date, average asking rents grew by 0.4%. This is below the record 6.6% rent increase in 2015.



- Vacancies are at record lows. Some submarkets will experience short term vacancy increases in the coming months with new supply.



- There are 9,863 units forecasted for delivery to market. This represents only 6.4% of the current inventory in the market.



- Year-to-date net absorption was over 440 units. In 2016 new units outpaced net absorption by 2,000 units contributing to a slightly higher vacancy rate.



- Last year, median salary income in Miami-Dade increased by +/- 3.2%, one of the biggest increases since 2006.
- The population has grown by 119,000 in the past five years.

BROWARD MULTIFAMILY MARKET SUMMARY

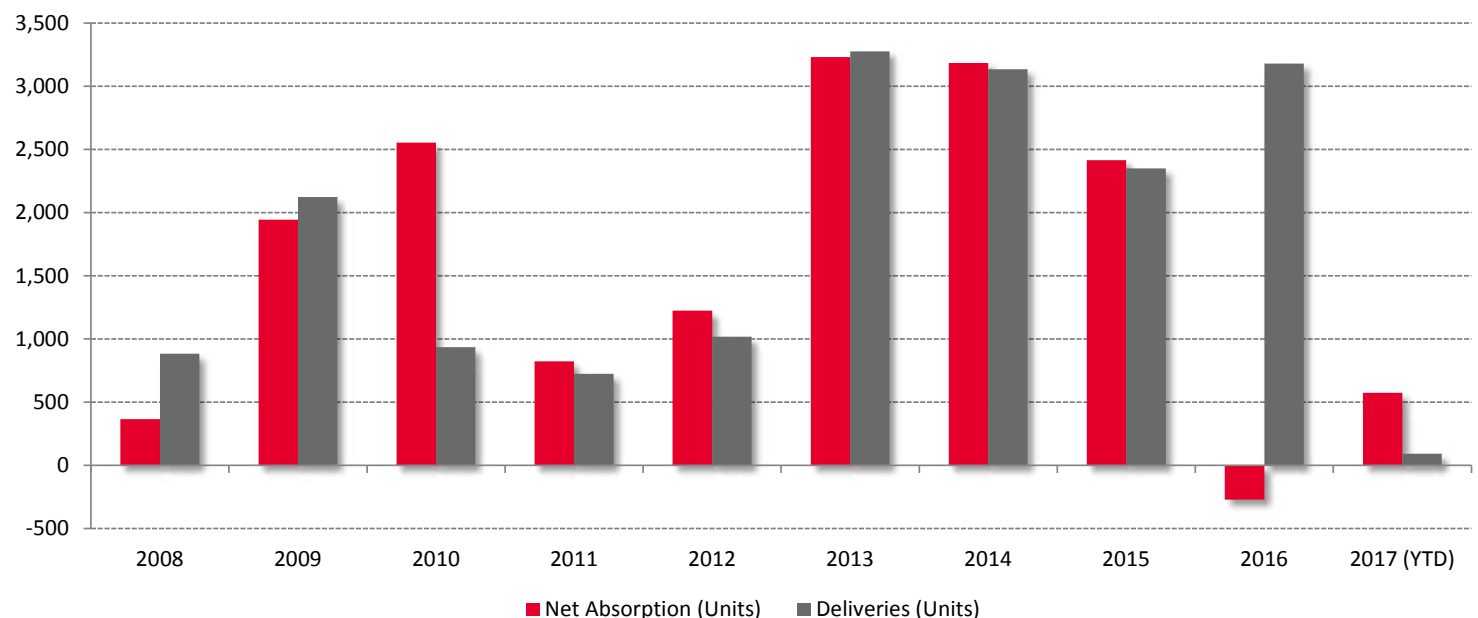
\$15 MILLION			\$1.85 MILLION			\$117 PSF			\$92,161			
2017 Sales (YTD)			YTD Average Sale Price			YTD Median Sale PSF			YTD Median Sale per Unit			
\$1,383			94.5%			575 UNITS			115,548 UNITS			
Average Rent Per Unit			Occupancy Rate			Annual Unit Net Absorption			Inventory of Rentable Units			
YEAR	\$ SALES VOLUME	# OF SALES	TOTAL # OF UNITS	ASKING RENT	ASKING RENT PSF	ASKING RENT GROWTH	EFFECTIVE RENT	EFFECTIVE RENT PSF	EFFECTIVE RENT GROWTH	VACANCY	NET ABSORP	NEW UNITS
2017 (YTD)	\$13,018,900	7	115,548	\$1,383	\$1.42	0.3%	\$1,361	\$1.40	0.0%	5.5%	575	92
2016	\$1,048,995,200	89	115,507	\$1,379	\$1.42	3.5%	\$1,361	\$1.40	2.5%	6.0%	-270	3,179
2015	\$1,585,508,531	102	113,564	\$1,333	\$1.38	7.9%	\$1,328	\$1.37	8.1%	4.1%	2,416	2,349
2014	\$771,870,300	79	111,256	\$1,235	\$1.27	5.8%	\$1,228	\$1.27	6.0%	4.3%	3,183	3,134
2013	\$598,883,060	67	108,375	\$1,167	\$1.21	4.3%	\$1,159	\$1.20	4.4%	4.7%	3,231	3,275
2012	\$723,801,200	61	105,198	\$1,119	\$1.16	2.9%	\$1,110	\$1.15	2.8%	4.9%	1,225	1,018
2011	\$377,812,000	31	104,472	\$1,087	\$1.13	1.3%	\$1,080	\$1.12	1.3%	5.4%	823	725
2010	\$479,334,800	20	103,888	\$1,073	\$1.12	2.5%	\$1,066	\$1.11	2.6%	5.7%	2,553	935
2009	\$146,662,500	28	103,045	\$1,047	\$1.09	-3.2%	\$1,039	\$1.08	-3.2%	7.5%	1,944	2,123
2008	\$211,643,000	23	100,925	\$1,082	\$1.13	-3.6%	\$1,073	\$1.12	-3.7%	7.4%	365	883

Broward Apartments Under Construction

12 apartment buildings
totaling **4,155**
units under construction
in Broward

BUILDING	CITY	# OF UNITS	EXPECTED COMPLETION
The Midtown Residences	Coconut Creek	308	2018
AMLI Plantation	Plantation	250	2017
Elan at College Crossings	Davie	477	2018
Harbor Park	Fort Lauderdale	350	2018
Altis Pembroke Gardens	Pembroke Pines	280	2018

Broward Deliveries Versus Absorption



BROWARD MULTIFAMILY MARKET SUMMARY *CONTINUED*

SUBMARKET	UNITS	ASKING RENT	ASKING RENT PSF	ASKING RENT GROWTH	EFFECTIVE RENT	EFFECTIVE RENT PSF	EFFECTIVE RENT GROWTH	VACANCY	NET ABSORPTION	DELIVERED UNITS
Coral Springs	20,934	\$1,437	\$1.37	0.3%	\$1,427	\$1.37	0.4%	5.9%	141	-
Fort Lauderdale	14,252	\$1,557	\$1.77	0.3%	\$1,498	\$1.70	0.8%	5.4%	9	-
Hollywood/Dania Beach	11,461	\$1,208	\$1.41	-0.2%	\$1,204	\$1.40	0.0%	5.4%	48	-
Miramar/Hallandale Beach	5,232	\$1,124	\$1.28	0.2%	\$1,121	\$1.28	0.2%	3.4%	-4	-
Oakland Park/Lauderhill	13,198	\$1,098	\$1.25	-0.3%	\$1,092	\$1.24	-0.4%	5.0%	14	-
Pembroke Pines/West Miramar	9,657	\$1,662	\$1.51	-0.3%	\$1,653	\$1.51	-0.2%	7.9%	131	-
Plantation/Sunrise	17,491	\$1,457	\$1.41	1.1%	\$1,451	\$1.41	0.9%	5.9%	111	-
Pompano Beach/Deerfield Beach	15,031	\$1,192	\$1.31	0.1%	\$1,154	\$1.27	-2.7%	6.0%	62	92
Weston/Davie	8,292	\$1,531	\$1.47	0.9%	\$1,469	\$1.45	0.6%	6.0%	63	-
TOTAL/AVERAGE	115,548	\$1,383	\$1.42	0.3%	\$1,361	\$1.40	0.0%	5.5%	575	92



- In the first three months of 2017, there were 7 apartment sales totaling \$15 million with a median price of \$92,161 per unit or \$117 per square foot.



- For a ninth year in a row, average asking and effective rents were at record levels. Year-to-date, average asking rents grew by 0.3%. This is below the record 7.9% rent increase in 2015.



- Vacancies increased in 2016 to a 6-year high of 6%. This was due to new supply out-pacing net absorption.



- There are 4,155 units forecasted for delivery to market. This represents only 3.6% of the current inventory in the market.



- Year-to-date there were 483 more units absorbed than delivered in Broward. This caused the vacancy to slightly decrease to 5.5% down from 6.0% in 2016.



- Last year, median salary income in Broward increased by +/- 3.6%, one of the biggest increases since 2006.
- Population has grown by 111,000 in the past five years.

*Data as of March-2017, apartment sales of 10 units or more, in excess of \$1MM in pricing, excluding all condo sales

PALM BEACH MULTIFAMILY MARKET SUMMARY

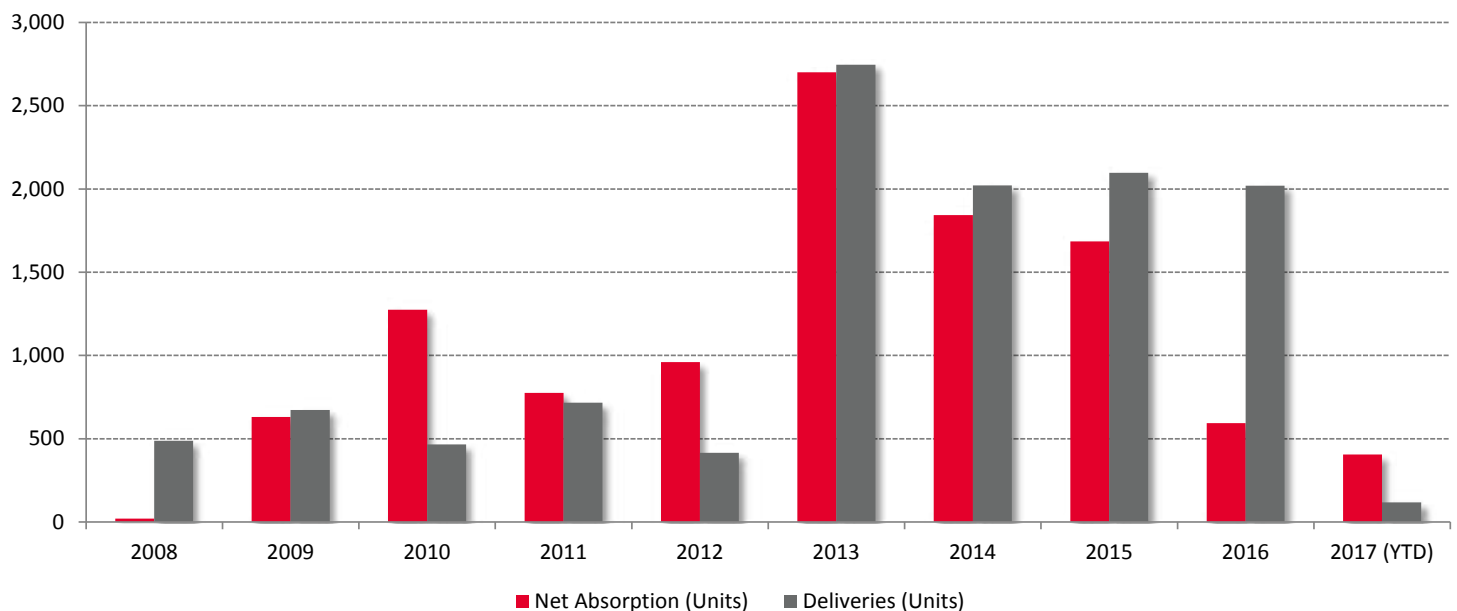
\$45 MILLION				\$9.4 MILLION			\$147 PSF		\$137,381			
2017 Sales (YTD)				YTD Average Sale Price			YTD Median Sale PSF		YTD Median Sale per Unit			
\$1,411				93.7%			406 UNITS		68,476 UNITS			
Average Rent Per Unit				Occupancy Rate			Annual Unit Net Absorption		Inventory of Rentable Units			
YEAR	\$ SALES VOLUME	# OF SALES	TOTAL # OF UNITS	ASKING RENT	ASKING RENT PSF	ASKING RENT GROWTH	EFFECTIVE RENT	EFFECTIVE RENT PSF	EFFECTIVE RENT GROWTH	VACANCY	NET ABSORP	NEW UNITS
2017 (YTD)	\$46,875,000	5	68,476	\$1,411	\$1.39	0.6%	\$1,387	\$1.37	-0.3%	6.3%	406	118
2016	\$1,266,145,979	51	68,358	\$1,402	\$1.38	4.6%	\$1,391	\$1.37	4.4%	6.9%	593	2,020
2015	\$832,152,724	42	66,966	\$1,340	\$1.33	8.1%	\$1,333	\$1.32	7.8%	6.0%	1,685	2,097
2014	\$482,599,189	35	64,904	\$1,240	\$1.23	5.6%	\$1,236	\$1.22	6.4%	5.6%	1,843	2,021
2013	\$273,242,418	22	63,042	\$1,174	\$1.16	5.5%	\$1,162	\$1.15	5.8%	5.7%	2,700	2,746
2012	\$354,481,000	21	60,308	\$1,113	\$1.11	4.3%	\$1,098	\$1.09	3.6%	6.0%	960	416
2011	\$282,395,600	15	59,905	\$1,067	\$1.07	1.8%	\$1,060	\$1.06	1.8%	6.9%	776	716
2010	\$268,935,358	11	59,224	\$1,048	\$1.05	2.4%	\$1,041	\$1.04	2.6%	7.3%	1,275	466
2009	\$121,138,414	10	58,804	\$1,023	\$1.02	-2.1%	\$1,015	\$1.02	-2.1%	8.8%	630	673
2008	\$100,031,000	9	58,392	\$1,045	\$1.05	-3.0%	\$1,037	\$1.04	-3.0%	9.2%	21	488

Palm Beach Apartments Under Construction

12 apartment buildings
totaling **3,634**
units under construction
in Palm Beach

BUILDING	CITY	# OF UNITS	EXPECTED COMPLETION
Altis Boca Raton	Boca Raton	513	2018
Allure Boca	Boca Raton	282	2018
500 Ocean	Boyton Beach	341	2017
Alta Delray Station	Delray Beach	284	2017
Brightline Station Apts.	West Palm Beach	290	2018

Palm Beach Deliveries Versus Absorption



PALM BEACH MULTIFAMILY MARKET SUMMARY *CONTINUED*

SUBMARKET	UNITS	ASKING RENT	ASKING RENT PSF	ASKING RENT GROWTH	EFFECTIVE RENT	EFFECTIVE RENT PSF	EFFECTIVE RENT GROWTH	VACANCY	NET ABSORPTION	DELIVERED UNITS
Belle Glade	2,111	\$670	\$0.85	1.3%	\$667	\$0.84	1.4%	8.6%	5	-
Boca Raton	12,641	\$1,772	\$1.70	1.3%	\$1,741	\$1.67	0.0%	8.8%	245	-
Boynton Beach	9,910	\$1,368	\$1.30	1.4%	\$1,345	\$1.28	0.4%	7.4%	107	-
Delray Beach	5,284	\$1,622	\$1.49	3.0%	\$1,572	\$1.44	0.1%	6.2%	-8	-
Greenacres	7,142	\$1,077	\$1.16	0.5%	\$1,071	\$1.15	0.5%	4.8%	-4	118
Outlying Palm Beach County	193	\$666	\$1.05	0.1%	\$664	\$1.05	0.2%	4.6%	1	-
Palm Beach Gardens/Jupiter	7,455	\$1,510	\$1.40	0.6%	\$1,508	\$1.39	0.7%	5.6%	29	-
Royal Palm Beach/Wellington	6,087	\$1,441	\$1.31	-0.1%	\$1,399	\$1.30	-0.1%	6.4%	-5	-
West Palm Beach	17,653	\$1,209	\$1.31	0.3%	\$1,204	\$1.30	0.2%	5.3%	36	-
TOTAL/AVERAGE	68,476	\$1,411	\$1.39	0.6%	\$1,387	\$1.37	-0.3%	6.3%	406	118



- In the three months of 2017, there were 5 apartment sales totaling \$45 million with a median price of \$137,381 per unit or \$147 per square foot.



- For a ninth year in a row, average asking and effective rents were at record levels. Year-to-date, average asking rents grew by 0.6%. This is below the record 8.1% rent increase from 2015.



- Vacancies increased in 2016 to a 6-year high of 6.9%. This was due to new supply out-pacing net absorption.



- There are 3,634 units forecasted for delivery to market. This represents only 5.3% of the current inventory in the market.



- Year-to-date net absorption was over 400 units. Net absorption outpaced new supply by almost 300 units contributing to a slightly lower vacancy rate.



- Last year, median salary income in Palm Beach increased by +/- 4.1%, the second biggest increase since 2007. Population has grown by 103,000 in the past five years.

*Data as of March-2017, apartment sales of 10 units or more, in excess of \$1MM in pricing, excluding all condo sales

RECENT SOUTH FLORIDA CUSHMAN & WAKEFIELD PRIVATE CAPITAL SALES



LITTLE TORCH COTTAGES

Marketing | 2014 | 48 Units
Little Torch Key, Florida



RIVERWALK POINTE

Marketing | 2014 | 104 Units
Jupiter, Florida



COTTAGE COVE

Under Contract | 468 Units
Miami, Florida



PRIVE EDGEWATER

Sold | up to 279 units
Miami, Florida



SOUTH BEACH COLLECTION

Sold 2016 | 240 Units
Miami Beach, Florida



PALM BEACH COLLECTION

Sold 2016 | 155 Units
Palm Beach County, Florida



RIVERSIDE TOWER

Sold 2015 | 1.588 Acres
Miami, Florida



DEAN'S GOLD

Sold 2015 | 2.02 Acres
North Miami Beach, Florida



4101 LAGUNA

Sold 2015 | .99 Acres
Coral Gables, Florida



25 BRICKELL BAY CONDO

Sold 2015 | 61 Units
Miami, Florida



VERANDA

Sold 2015 | 240 Units
Homestead, Florida



LUNA AT HOLLYWOOD

Sold 2015 | 1968 | 145 Units
Hollywood, Florida



NOLA LOFTS II

Sold 2015 | .63 Acres
Fort Lauderdale, Florida



730 NE 128TH ST

Sold 2015 | 16 Units
North Miami, Florida



FLAGLER VIEW

Sold 2015 | 1925 | 18 Units
Miami, Florida



ESSEX HOUSE

Sold 2015 | 1969 | 156 Units
West Palm Beach, Florida



427 ANASTASIA AVE

Sold 2015 | 1963 | 24 Units
Coral Gables, Florida



SUNSET HARBOUR

Sold 2015 | 10 Units
Hollywood, Florida



PARAGON PLANTATION

Sold 2014 | 1997 | 74 Units
Plantation, Florida



SIDONIA & SANTILLANE

Sold 2014 | Varies | 36 Units
Coral Gables, Florida



EMERALD PLACE

Sold 2014 | 1985 | 300 Units
Hollywood, Florida



BAY HARBOR ISLAND II

Sold 2014 | 1950's | 70 Units
Bay Harbor Island, Florida



200 SOUTH MIAMI AVENUE

Sold 2014 | 1.22 Acres | 1,221 Units
Miami, Florida



PALM CLUB

Sold 2014 | 1993 | 160 Units
Lake Worth, Florida

RECENT SOUTH FLORIDA CUSHMAN & WAKEFIELD PRIVATE CAPITAL SALES



**SOUTH BEACH
PORTFOLIO III**
Sold 2014 | 113 Units
South Beach, Florida



VISTA POINTE
Sold 2014 | 1971 | 314 Units
Palm Springs, Florida



MIAMI BEACH PORTFOLIO
Sold 2014 | 1949/1951 | 24 Units
Miami Beach, Florida



PRESIDENTIAL HOUSE
Sold 2014 | 1963 | 200 Units
North Miami, Florida



**SOUTH BEACH
PORTFOLIO II**
Sold 2014 | 1937 | 26 Units
South Beach, Florida



HERON POND
Sold 2014 | 1989 | 79 Units
Palm Springs, Florida



**WILTON MANORS
APARTMENTS**
Sold 2014 | 1970 | 26 Units
Wilton Manors, Florida



MIRAMAR GARDENS
Sold 2014 | 1975 | 25 Units
Miramar, Florida



CARD SOUND
Sold 2014 | 1970 | 105 Units
Homestead, Florida



CARIBBEAN ISLE VILLAS
Sold 2014 | 2006 | 79 Units
Homestead, Florida



BAY HARBOR ISLAND
Sold 2014 | 1950 | 32
and 70 Units
Bay Harbor Island, Florida



MAJESTIC COVE
Sold 2013 | 2010 | 56
out of 69 Units
Sebring, Florida



1110 PENNSYLVANIA
Sold 2013 | 1951 | 12 Units
Miami Beach, Florida



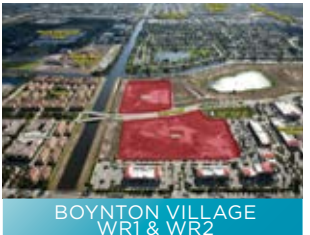
THE BOUTIQUE
Sold 2013 | 1956/2008 | 43
Units
Miami, Florida



COLONIAL SUNSET
Sold 2013 | 1963 | 82 Units
Miami, Florida



DEVONAIRE
Sold 2013 | 2000 | 69 Units
Pembroke Pines, Florida



**BOYNTON VILLAGE
WRI & WR2**
Sold 2013 | 13.44 Acres
Boynton Beach, Florida



RIVERWALK II
Sold 2013 | 1994 | 112 Units
Homestead, Florida



SOUTH BEACH I PORTFOLIO
Sold 2013 | 1950 | 39 Units
South Beach, Florida



MID BEACH PORTFOLIO
Sold 2013 | 1941-1951 | 31
Units
Miami Beach, Florida



ORCHID GROVE
Sold 2013 | 2007 | 54 Units
Pompano Beach, Florida



700 EUCLID
Sold 2013 | 1935 | 54 Units
Miami Beach, Florida



16851 NE 18TH AVE
Sold 2013 | 1964 | 36 Units
North Miami Beach, Florida



BELLA APARTMENTS
Sold 2013 | 2007 | 17 Units
Sunny Isles, Florida

FOR SALE OPPORTUNITIES

To view more deals please visit: <http://www.cushwakesouthfl.com/multifamily/>

CUSHMAN & WAKEFIELD NOW AVAILABLE

Miami Beach, FL
LOCATION

8
UNITS

877
AVG UNIT SF

\$1,700
AVG MONTHLY RENT

2015
YEAR BUILT

100%
OCCUPANCY

CRESPI NOBE

CUSHMAN & WAKEFIELD NOW AVAILABLE

Little Torch Key, FL
LOCATION

48
UNITS

1,081
AVG UNIT SF

\$2,688
AVG MONTHLY RENT

2014
YEAR BUILT

95.8%
OCCUPANCY

LITTLE TORCH COTTAGES

CUSHMAN & WAKEFIELD NOW AVAILABLE

Jupiter, FL
LOCATION

104
UNITS

1,123
AVG UNIT SF

\$1,973
AVG MONTHLY RENT

2014
YEAR BUILT

95.2%
LEASED

RIVERWALK POINTE

CUSHMAN & WAKEFIELD NOW AVAILABLE

Naples, FL
LOCATION

66
UNITS

781
AVG UNIT SF

\$1,031
AVG MONTHLY RENT

1978-1983
YEAR BUILT

98.5%
OCCUPANCY

NAPLES PORTFOLIO

CUSHMAN & WAKEFIELD NOW AVAILABLE

Vero Beach, FL
LOCATION

Up to 83
ACRES

JUST 3 MILES TO INDIAN RIVER MALL

60 ACRES

23 ACRES

VERO BEACH FASHION OUTLETS

Wawa McDonald

36,000 VPD

VERO BEACH LAND

CUSHMAN & WAKEFIELD NOW AVAILABLE

Lake Worth, FL
LOCATION

16
UNITS

968
AVG UNIT SF

\$1,188
AVG MONTHLY RENT

2008
YEAR BUILT

100%
OCCUPANCY

CAMBRIDGE APARTMENTS

PLEASE CONTACT THE FLORIDA MULTIFAMILY TEAM FOR MORE INFORMATION ABOUT THESE SALES

LEAD
CALUM WEAVER
EXECUTIVE MANAGING DIRECTOR
+1 954 377 0517
calum.weaver@cushwake.com

PERRY SYNANIDIS
SR. FINANCIAL ANALYST
+1 954 377 0521
perry.synanidis@cushwake.com



TEAM CREDENTIALS



#1 IN
APARTMENT
SALES IN
SOUTH FLORIDA

250,000+

APARTMENT UNITS SOLD
IN **SOUTH FLORIDA**



\$20B
SOUTH FLORIDA
MULTIFAMILY SALES

**AWARD
WINNING**

MARKETING



**MORE
OFFERS**

HIGHER PRICING



GLOBAL
CAPITAL

REACH

CONTACT INFORMATION



CALUM WEAVER

Executive Managing Director
T 954 377 0517
calum.weaver@cushwake.com

MULTIFAMILY INVESTMENT TEAM CONTACTS



ROBERT GIVEN

Vice Chairman



ZACHARY SACKLEY

Executive Managing Director



TROY BALLARD

Senior Managing Director



NEAL VICTOR

Director



PERRY SYNANIDIS

Senior Financial Analyst



JAMES QUINN

Senior Financial Analyst



AARON MANDEL

Financial Analyst



KRISTEN MACKEY

Marketing Specialist



ELIZABETH ROGERIO

Sr. Brokerage Coordinator



ROBERT KAPLAN

Executive Managing Director
Equity, Debt & Structured Finance



CHRIS LENTZ

Senior Director
Equity, Debt & Structured Finance



MARK RUTHERFORD

Analyst
Equity, Debt & Structured Finance



RIVERGATE KW RESIDENTIAL

Expert People. Exceptional Places.

Premier Multifamily Property Management in the Southeast

People First Philosophy

Individualized Attention

Detailed Client Focus

100

Years Combined Experience

1,200

Team Members

6,000+

Multifamily Units

65,000

Condominium Units

1,500,000

SF of Commercial Space

**Your #1 Choice
For Property
Management**

We're ready & would love to manage your properties.

RIVERGATE KW RESIDENTIAL is a third-party property management firm headquartered in Miami with regional offices in Charlotte, New York and the Bahamas, and satellite offices throughout Florida.

RIVERGATE KW RESIDENTIAL was formed out of the partnership of Rivergate Companies, a private real estate investment firm, and KW PROPERTY MANAGEMENT, one of the largest condo management companies in Florida representing 65,000 units. With our sister companies, we are able to offer our clients an established organizational structure, volume pricing and preferred vendor relationships commensurate with the leading management companies in the U.S.

FOR MORE INFORMATION CONTACT JOHN ZALKIN AT 305.969.8001