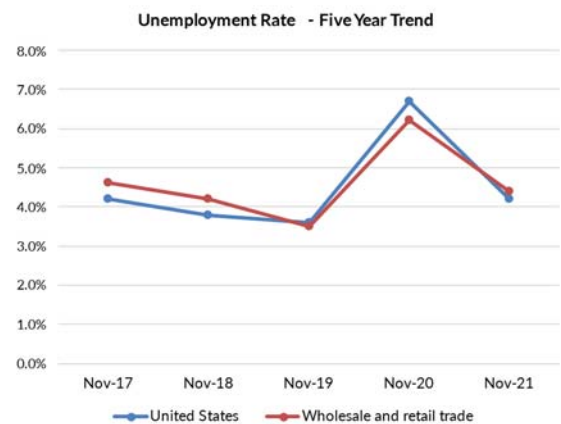


U.S. Class A Multifamily Sales Volume & Buying Trends – November 2021

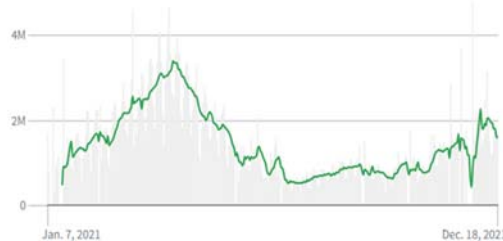
COVID-19 surfaced in the United States in Mid-March 2020. Federal, state, and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in investment sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 on American consumers and businesses alike. As a lead barometer, national unemployment increased significantly in 2020, from 3.5% in February to a peak of 14.8% in April 2020. Since April 2020, businesses began re-opening, and unemployment has been declining. However, new variants of the virus continue emerging, slowing down this progress.

The second graphic below illustrates how the new case counts have spiked as new variants of the virus have appeared. Counteracting those spikes in new cases are the vaccines that became available in late 2020. As more of the population becomes vaccinated, the hope is that new cases will continue to drop, and the population will not be overcome by new strains. These figures will be watched carefully as we continue through 2021 and into 2022.

With COVID-19 still on the forefront, fundamentals in many major markets have been greatly altered. This publication analyzes sales trends in terms of number of transactions and dollar volume for multifamily properties across the United States national market.



Vaccine doses given
 7-day avg: 1,562,366
 72.7% at least one dose



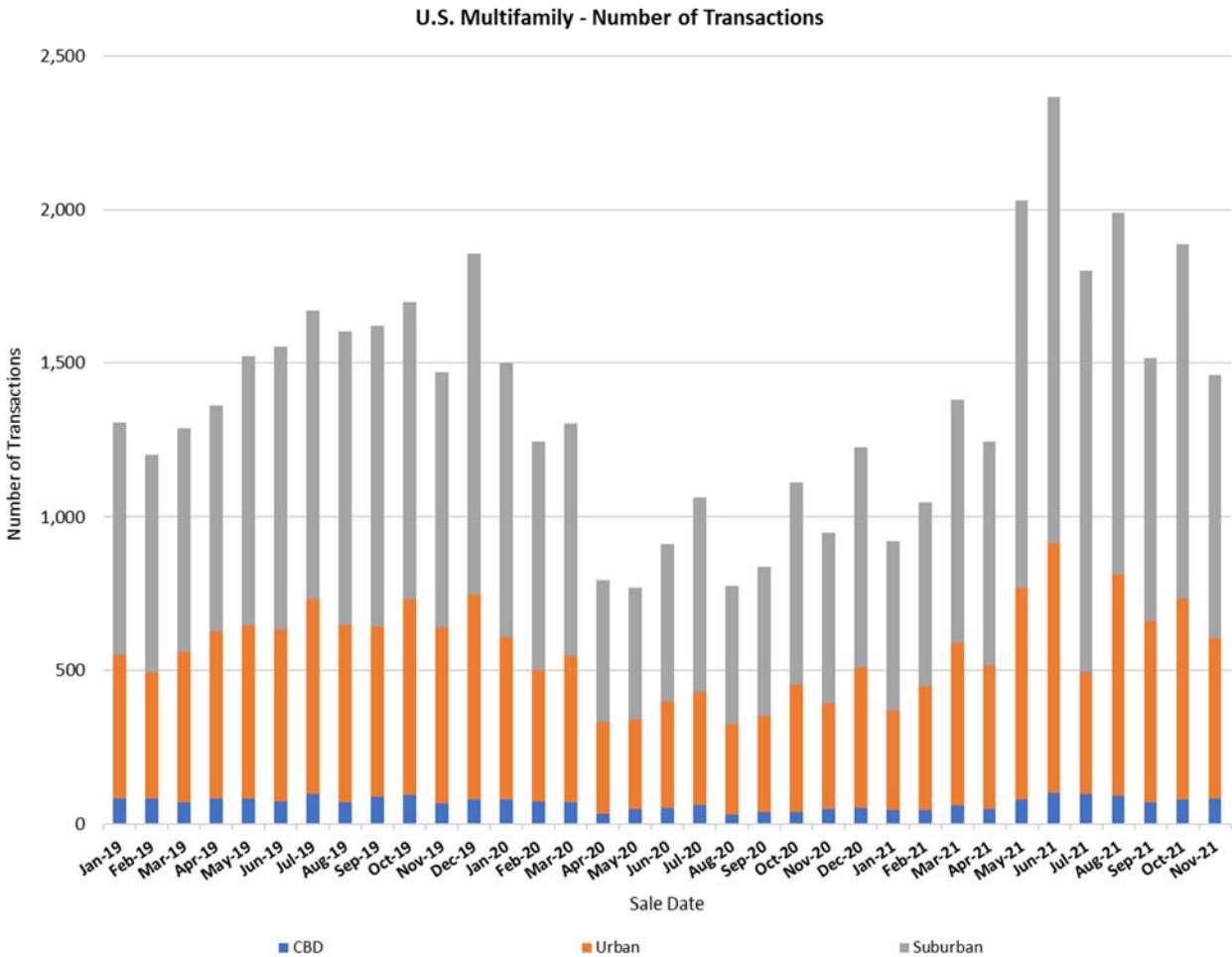
New cases
 7-day avg: 128,609



Number of Sales Transactions

- Parameters: All multifamily investment sales in the United States national market, segmented by location category.
- Consistent transaction volume from January 2019 to March 2020, with a high in December 2019.
- March 2020- initial COVID shockwaves grip market, number of transactions falls but does not plummet until April 2020.
- Uptick in transaction volume June and July 2020, followed by declines in August and September 2020.
- October 2020 – June 2021- general upward trend in number of transactions.
- June 2021- highest number of transactions this year with a total of 2,368.
- July 2021 through November 2021 – number of sales show a fluctuating trend, but higher than during initial onset of COVID-19.
- The market appears to have improved since the onset of the pandemic yet is still fluctuating in recent months.

The multifamily markets have fared better than other markets throughout the pandemic. Transaction volume was quick to rebound after the onset of COVID-19. In early 2021, average sales per month were below pre-COVID levels, but in May 2021 the number of transactions increased, as evidenced by the chart. The results of November 2021 show continued improvement in the multifamily market with a slight dip.

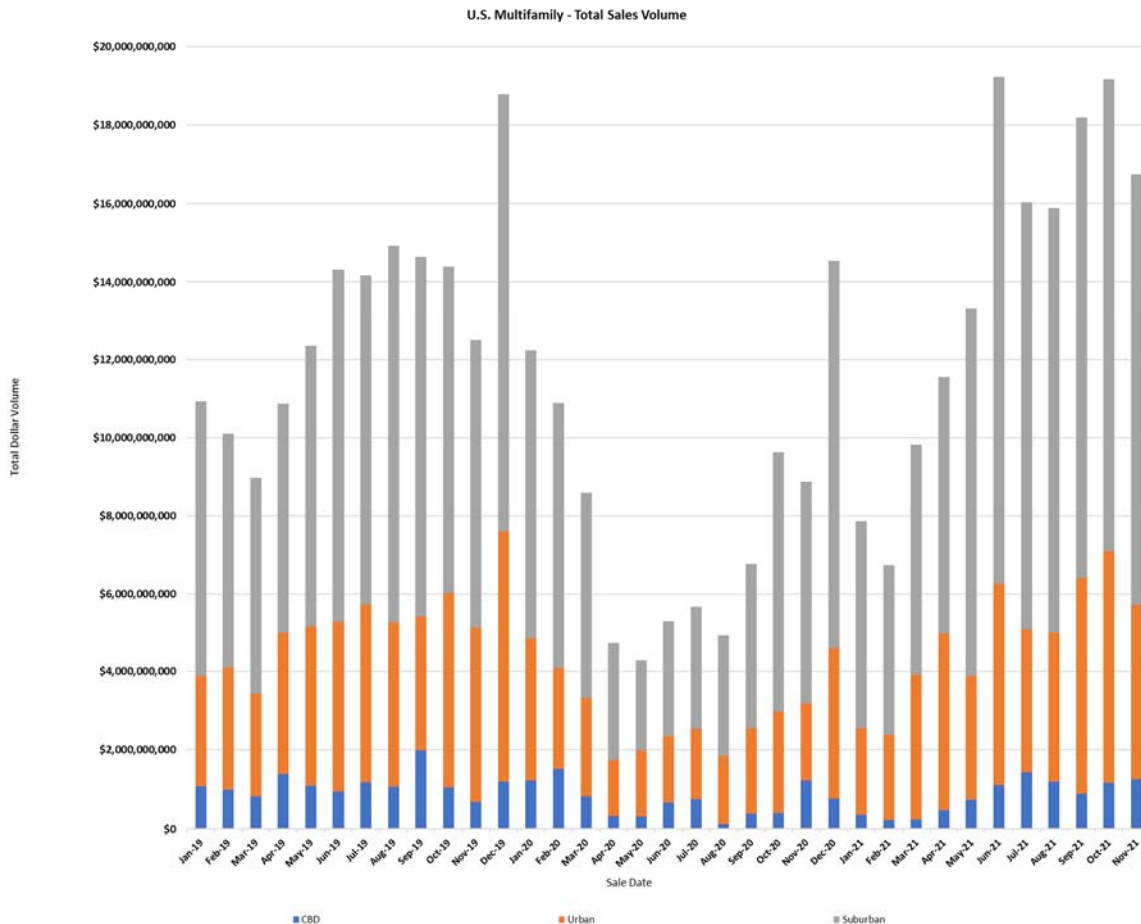


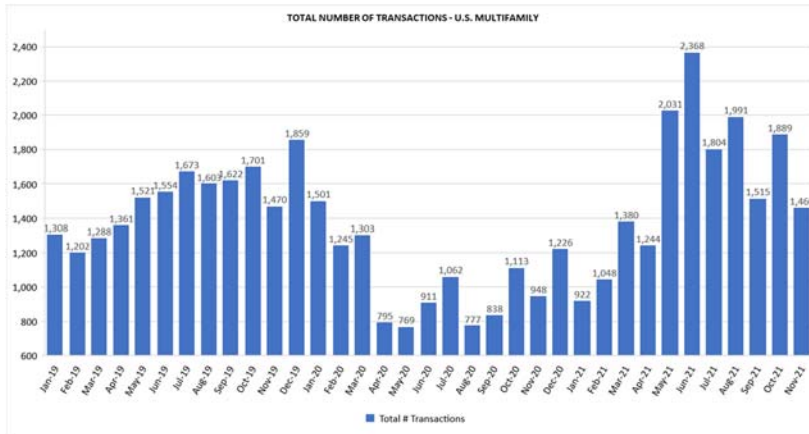
Dollar Volume of Sales Transactions

In 2019, the average monthly sales volume was approximately \$13.1 billion. Comparatively, the average monthly sales volume in 2020 was roughly \$8.0 billion, reflecting a decrease of approximately 38.5%. In 2021 through November, the monthly average increased 74.8% from the 2020 average, surpassing 2019 monthly volume. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - U.S. Multifamily			
YEAR	2019	2020	2021 (Jan - Nov)
Min	\$8,970,174,443	\$4,282,592,767	\$6,739,757,742
Max	\$18,780,564,765	\$14,539,362,992	\$19,230,464,653
Average	\$13,078,796,346	\$8,037,539,126	\$14,051,887,298
% Difference	-	-38.5%	74.8%

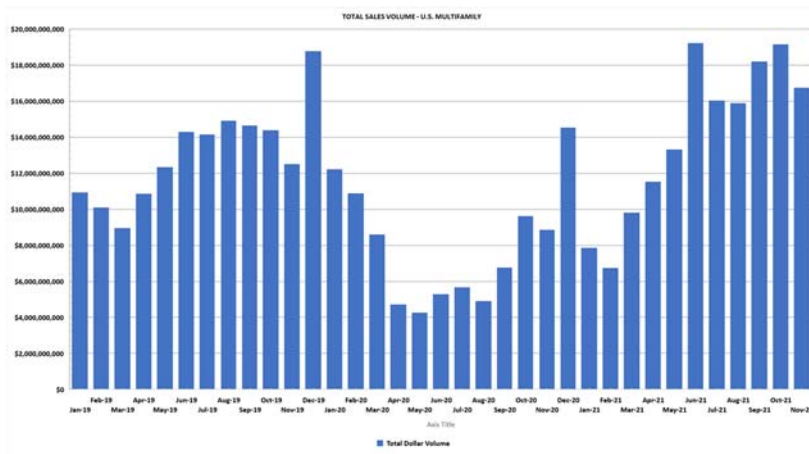
- The US Multifamily Market experienced its pre-COVID peak in December 2019 at \$18.8 billion.
- Its low occurred in May 2020 at \$4.3 billion.
- In June 2021, the monthly sales volume peaked at \$19.23 billion.
- Since then, the market has remained strong, with volume in November 2021 at \$16.74 billion.
- Sales from Suburban locations have generally comprised the largest share of all total sales.
- 63% of November 2021 sales fell within the Suburban category, indicating a slight decline in demand from the previous month.





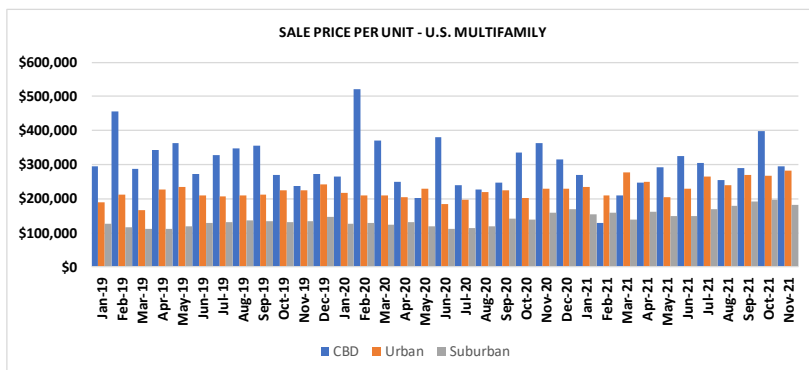
SALES (2019-2021): Number of Transactions

Pre-COVID-19, sales volume fluctuated, ranging from 1,202 to 1,859 sales per month from January 2019 through March 2020. April 2020 marked a significant drop in the number of transactions. From May 2020 to April 2021, the market was fluctuating, although generally trending upward. Since May 2021, the market is performing above pre-COVID levels, showing a range in monthly sales from 1,515 to 2,368 transactions. November 2021 shows a slight downward trend.



Dollar Volume of Sales

Sales volume began declining in December 2019 and hit bottom in May 2020. Since that time, sales volume fluctuated through May 2021, then began showing an upward trend. By June 2021, sales volume surpassed pre-COVID levels, which were maintained in July and August 2021 before starting to improve in both September and October 2021 and experiencing a slight downward trend in November 2021.



Sale Price Per Unit

The CBD market has been fluctuating, with an average price over the study period of \$398,534 per unit, compared to August 2021 pricing of \$290,453 per unit. The Urban market peaked at \$276,957 per unit in March 2021, compared to the average over the study period of \$268,083 per unit.

The Suburban market had an average price over the study period of \$140,875 per unit and in October 2021, hit its peak at \$195,670 per unit. Overall, the CBD market is lagging, the Urban market is improving, and the Suburban market is outperforming. The flight out of CBD markets and into Suburban markets has been well documented due to COVID,

SOURCE: CoStar, STDB, US Bureau of Labor Statistics, and Marshall & Stevens



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