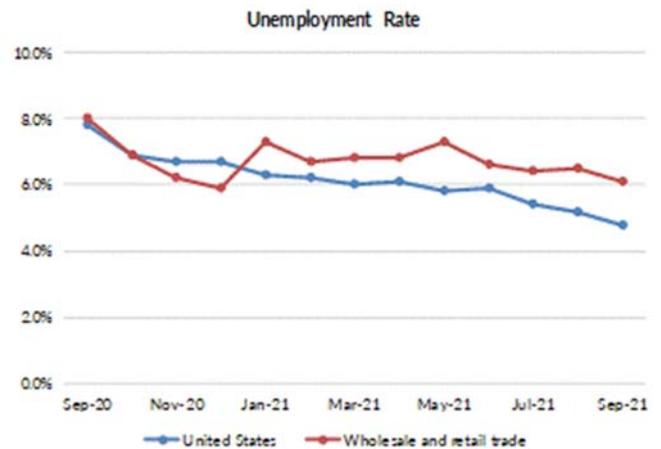


U.S. Class A Multifamily Sales Volume & Buying Trends – September 2021

COVID-19 surfaced in the United States in Mid-March 2020, over one year ago. Federal, state, and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in retail sales, vacancy rates, rent collection rates, and unemployment underscored the crippling effects of COVID-19 on American consumers and businesses alike. Pre-crisis, there was uncertainty surrounding the retail market as well. Given the rise in e-commerce, shopping patterns and preferences have changed, questioning the demand for brick-and-mortar retail, and multi-tenant shopping centers in particular.

This report analyzes trends in investment sales in the United States Multifamily Market from January 2019 through September 2021.

National unemployment increased significantly in 2020, from 3.5% in February to a peak of 14.8% in April 2020. Job losses in the wholesale and retail trade sector were particularly significant. Since April 2020, businesses have re-opened, and unemployment is showing signs of improvement. However, the recent rising number of new cases due to the delta variant is slowing down this progress. This metric will be watched carefully as we continue through 2021 and into 2022.



Vaccine doses given
7-day avg: 768,503
66.4% at least one dose



Source: Reuters

United States

New cases
7-day avg: 72,782

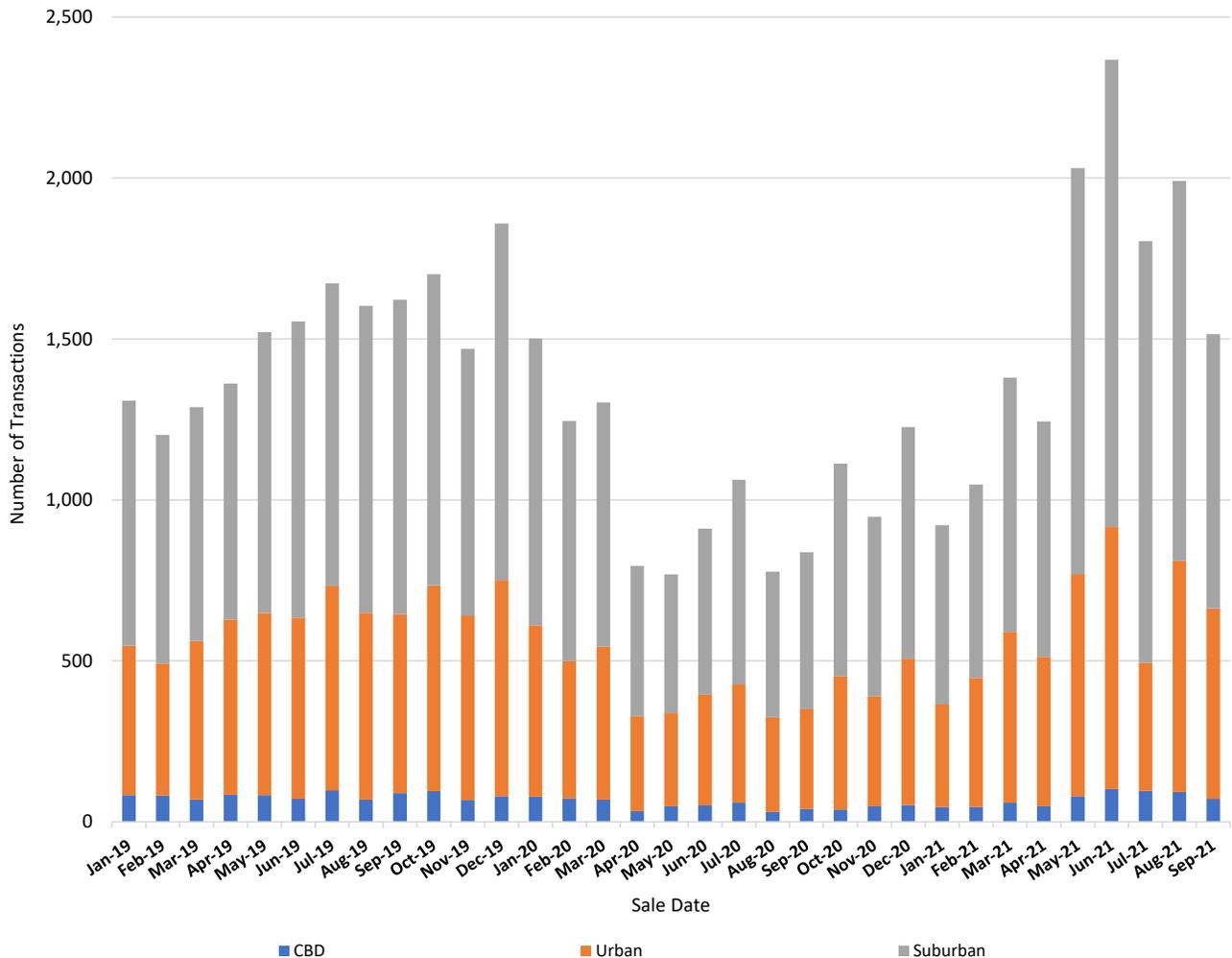


Number of Sales Transactions

- 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.
- April 2020- initial COVID shockwaves grip market, number of transactions falls.
- 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.
- August 2021- shows a fluctuating yet upward trend in number of transactions
- September 2021- decline of 23.9% from August
- The market appears to have improved since the onset of the pandemic, yet still fluctuating in recent months. October will shed a more accurate picture of long-term trends.

The multifamily markets have fared better than other markets throughout the pandemic. Transaction volume was quick to rebound after the onset of COVID-19. During 2021, average sales per month were below pre-COVID levels, as evidenced by the chart. The results of September 2021 show fluctuations in the multifamily real estate market, making it difficult to determine long term trends at the moment.

U.S. Multifamily - Number of Transactions

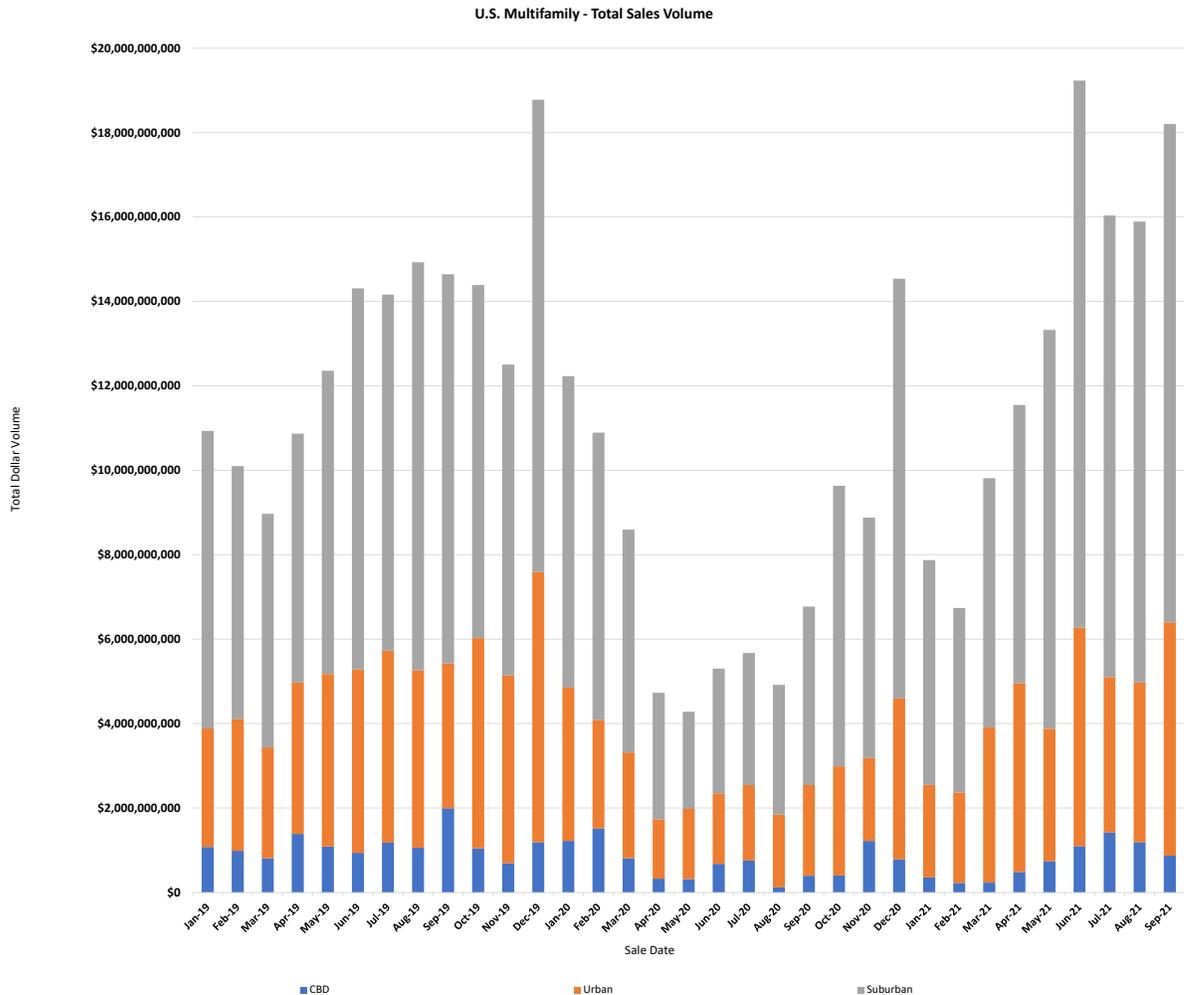


Dollar Volume of Sales Transactions

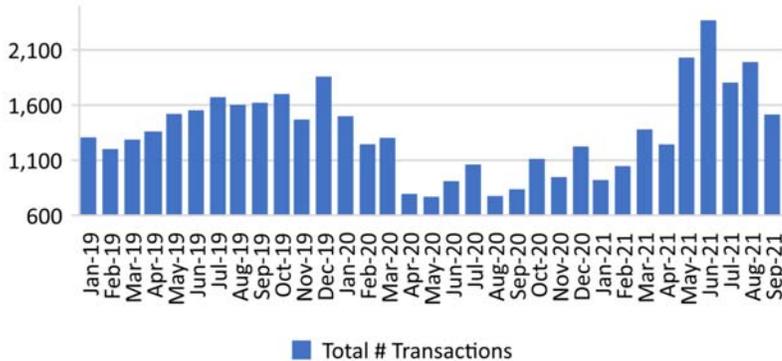
In 2019, the average monthly sales volume was approximately \$13.1 billion. Comparatively, the average monthly sales volume in 2020 was roughly \$8.0 billion, reflecting a decrease of approximately 38.5%. In 2021, through September, the monthly average has overtaken the monthly average of 2019, reflecting a gain of 64% versus 2020.

Total Dollar Volume - U.S. Multifamily			
YEAR	2019	2020	2021 (Jan - Sep)
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	\$13,184,255,241
% Difference	-	-38.5%	64.0%

- The largest increase in dollar volume was 63.8% from November 2020 to December 2020.
- The largest decrease in dollar volume was 45.9% from December 2020 to January 2021.
- April 2020 through November 2020 did not eclipse total sales volume over \$10 billion.
- Sales from Suburban locations have generally comprised the largest share of all total sales.
- 61% of August 2021 sales fell within the Suburban category. 65% of September 2021 sales fell within the Suburban category, indicating an increase in demand from the previous month.



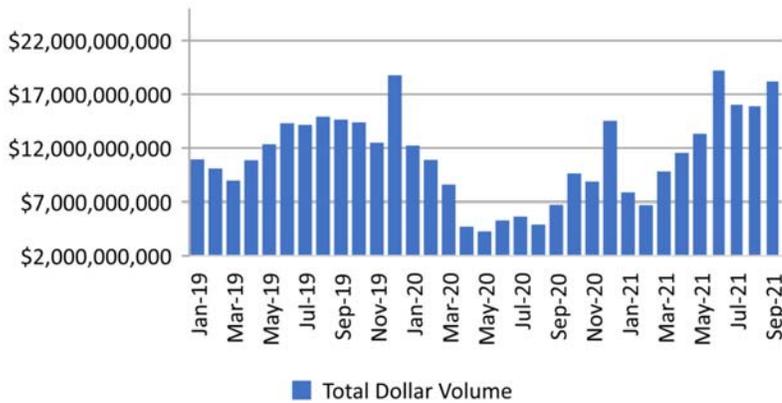
TOTAL NUMBER OF TRANSACTIONS - U.S. MULTIFAMILY



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.

TOTAL SALES VOLUME - U.S. MULTIFAMILY



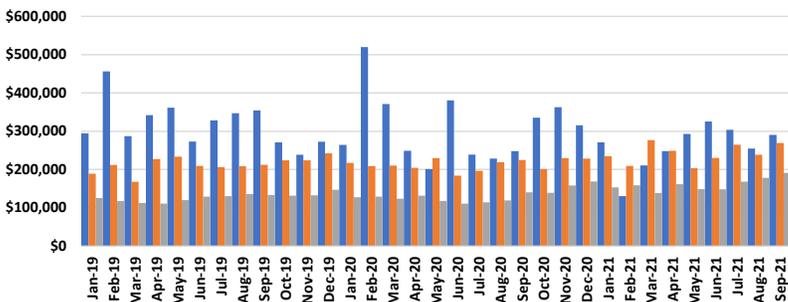
Dollar Volume of Sales

Sales volume began declining in December 2019 and hit bottom in May 2020. Since that time, sales volume was fluctuating through May 2021, then began showing an upward trend. By June 2021, sales volume returned to pre-COVID levels, which were maintained in July and August 2021 before starting to increase in September 2021.

Sale Price Per Unit

The CBD market has been fluctuating, with an average price over the study period of \$298,988, compared to September pricing of \$290,453. The Urban market peaked at \$276,957 in March 2021, compared to the average over the study period of \$220,749

SALE PRICE PER UNIT - U.S. MULTIFAMILY



The Suburban market had an average price over the study period of \$137,987 and in September 2021 hit its peak at \$191,266. 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, which is supported by these figures.

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



Patrick T. Craig, MAI, MRICS
 Executive Managing Director
 Real Estate Valuation Practice
 212.897.9481
 ptcraig@marshall-stevens.com



Catherine Gu, MAI
 Senior Director
 Real Estate Valuation Practice
 646.438.7602
 cgu@marshall-stevens.com



Nataly Zaks
 Valuation Intern
 Real Estate Valuation Practice
 732.685.2812
 nzaks@marshall-stevens.com