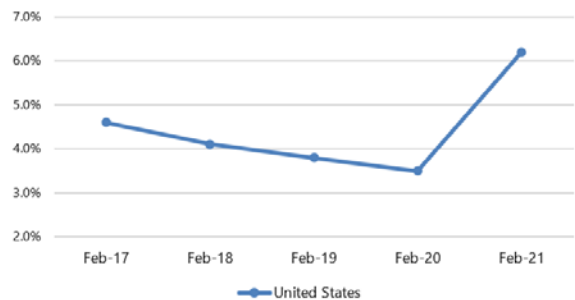


U.S. Class A Multifamily Sales Volume & Buying Trends – February 2021

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 retail sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 on American consumers and businesses alike. The United States Daily New Case table below highlights the progression of daily case counts relative to legislation imposed by state and local governments. A new high in case counts led to the implementation of the mask mandate in April 2020. Effective social distancing and mask mandates helped curb case counts over spring and summer 2020, and restrictions loosened. Colder weather and an increase in indoor gatherings around the holidays sent case counts surging again in the late fall and winter, shattering the previous high set in April 2020. Unemployment spiked over the period, reaching a high of 15.9 percent in United States in July. The unemployment rate decreased over the preceding months and continued to decrease in February 2021. Attention now turns to the rollout of the COVID vaccine and its effects on consumer sentiment and underlying market performance.

With COVID 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.

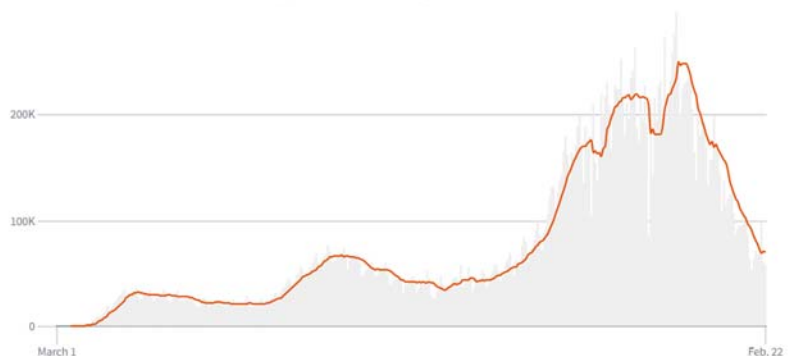
Unemployment Rate - Five Year Trend



Daily reported cases

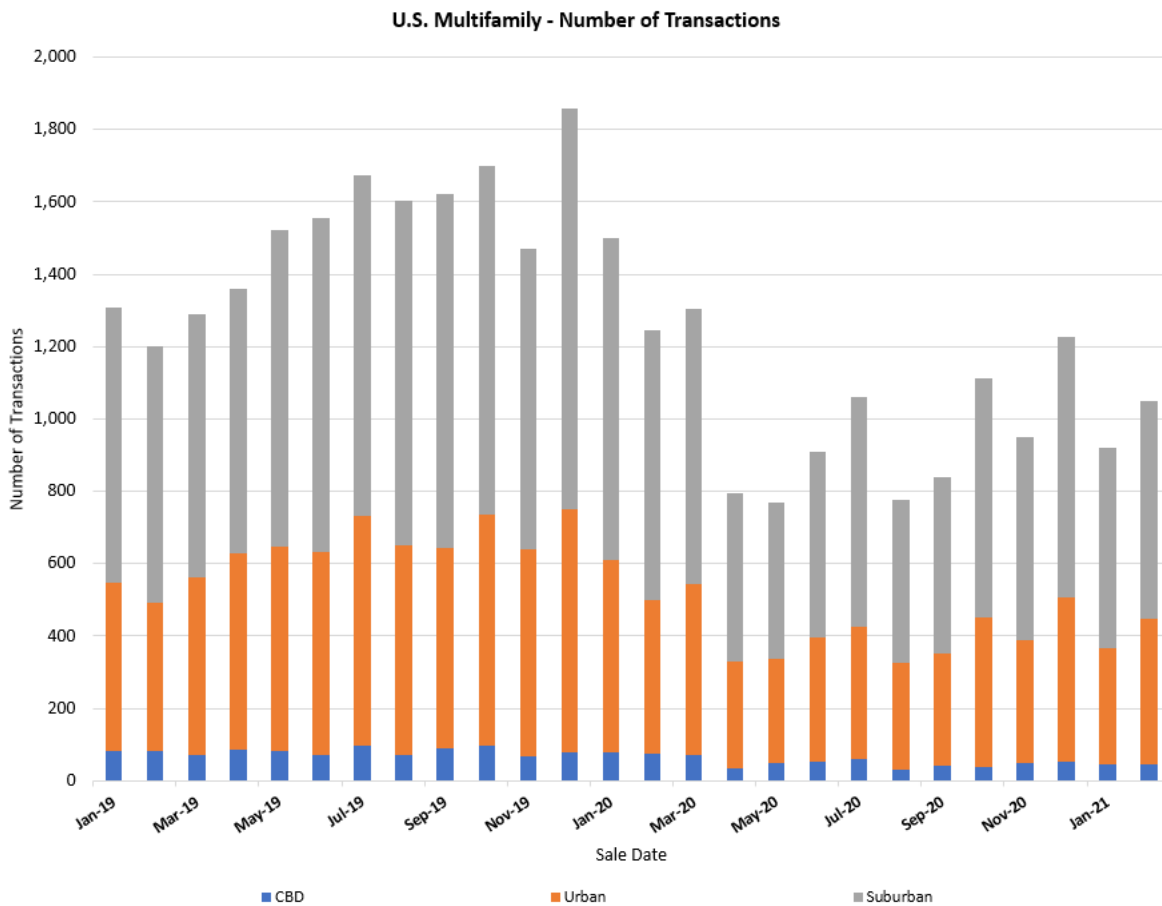
United States

Daily new cases 7-day average



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.
- Uptick in transaction volume June and July 2020, followed by declines in August and September 2020.
- October 2020 – December 2020- general upward trend in number of transactions.
- December 2020- 1,226 total transactions- most transactions since March 2020.
- February 2021- 1,048 total transactions, above the average of the prior 11-month period.
- The market remains in strong, despite less transactions since April 2020.



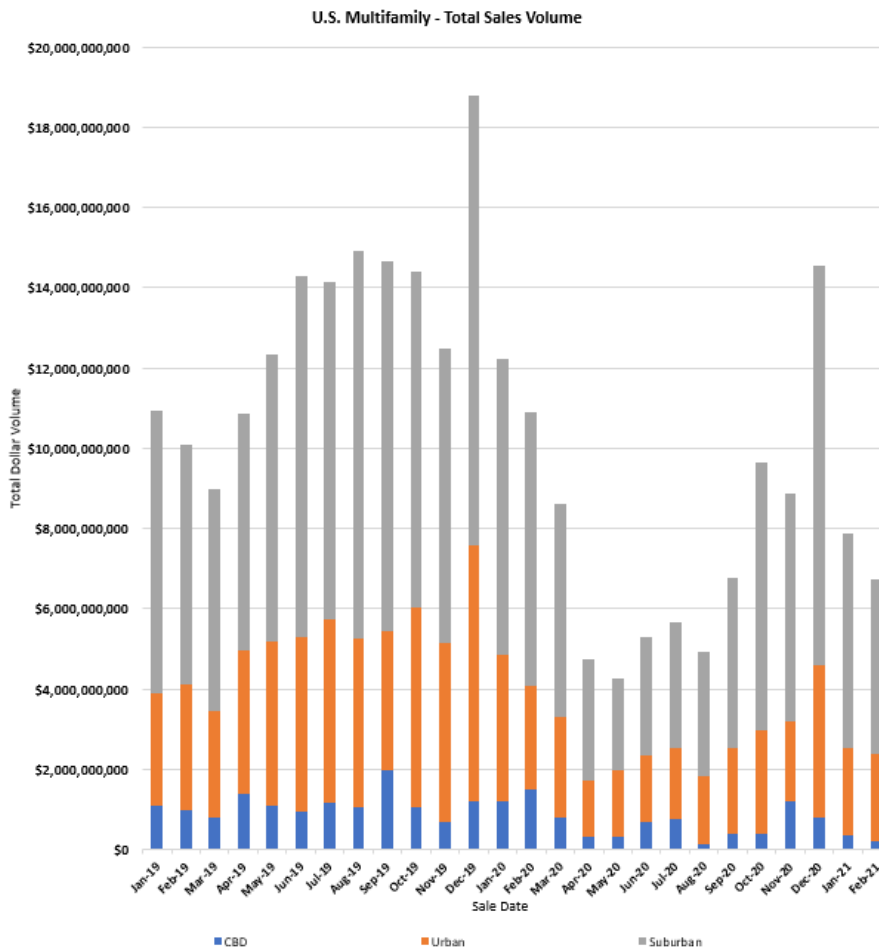
The multifamily markets have fared better than other markets during the post-COVID-19 era. Transaction volume was quick to rebound after the onset of COVID-19. Average sales per month are not too far off from pre-COVID levels, as evidenced by the chart. However, the market has not experienced the same level of consistency as was seen prior to April 2020. March statistics should shed light on whether the market can recover following a slow January and February.

Dollar Volume of Sales Transactions

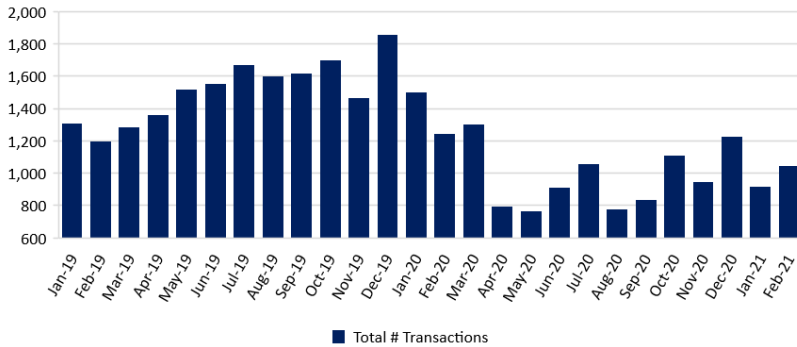
In 2019, the average monthly sales volume was approximately \$13.1 billion. Comparatively, the average monthly sales volume in 2020 was roughly \$8 billion, reflecting a decrease of approximately 38.5%. We tracked the dollar volume of monthly sales by category as seen below.

Total Dollar Volume - U.S. Multifamily			
YEAR	2019	2020	2021 (Jan - Feb)
Min	\$8,970,174,443	\$4,282,592,767	\$6,739,757,742
Max	\$18,780,564,765	\$14,539,362,992	\$7,870,922,734
Average	\$13,078,796,346	\$8,037,539,126	\$7,305,340,238
% Difference	-	-38.5%	-9.1%

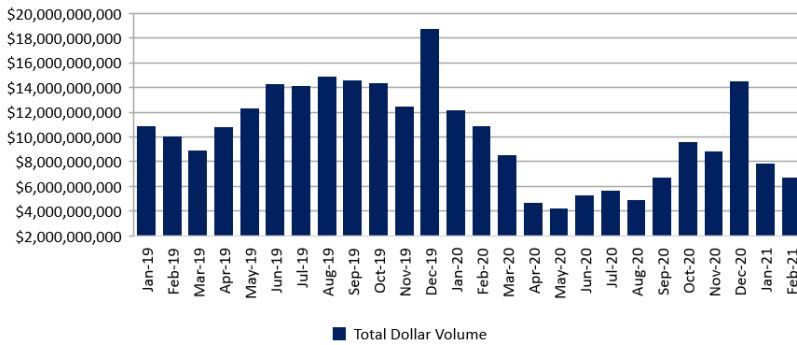
- Average sales volume from January 2019 to March 2020 was \$12,577,514,039.
- Average sales volume from April 2020 to February 2021 was \$7,213,090,504.
- The largest increase in dollar volume was 63.8% from November 2020 to December 2020.
- The largest decrease in dollar volume was 45.9% from December 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.
- 68% of total January 2021 sales fell within the Suburban category.
- 65% of February 2021 sales fell within the Suburban category.



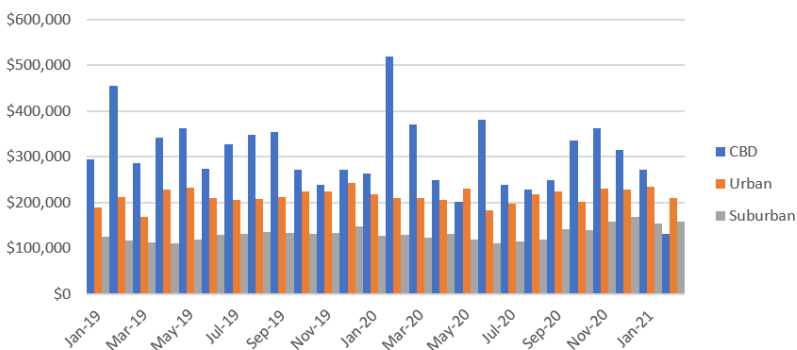
TOTAL NUMBER OF TRANSACTIONS - U.S. MULTIFAMILY



TOTAL SALES VOLUME - U.S. MULTIFAMILY



SALE PRICE PER UNIT - U.S. MULTIFAMILY



SALES (2019-2021): Volume

Pre-COVID-19, sales volume fluctuated at a relatively consistent level, 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. Transaction volume increased over the next few months, except for August and September 2020. December 2020 saw an increase from the previous month. The number of transactions in February increased slightly and is above the average since April 2020.

Dollar Volume of Sales

Whereas the number of transactions increased in February, there was a decrease in dollar volume. Totalling 1,048 transactions, 126 more than January 2021, dollar volume decreased by almost 15%. The decrease in total sales volume is due to the drop in volume per transaction. February saw a 2% drop in Urban sales volume and a 18% drop in Suburban sales volume from January.

Sale Price Per Unit

Over the period, sale price per unit in the Urban and Suburban segments has fluctuated very little, while the CBD segment has been declining. The CBD markets continue to suffer from COVID-19 related uncertainties. In the given period, CBD has averaged \$305,404 per unit, Urban has averaged \$213,561 per unit, and Suburban has averaged \$131,487 per unit. For the Urban and Suburban markets, the COVID-19 pandemic has not had a significant impact on the sales price per unit. Demand remains high in these segments, while the CBD markets remain off the radar for many investors.



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



Vinnie Ratamess
 Analyst
 Real Estate Valuation Practice
 215.630.9550
 vratamess@marshall-stevens.com

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