



Multilytics[®] Rent Forecast

January 2023 – January 2024

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Executive Summary

Origin Multilytics® Rent Forecast provides a one-year outlook for Class A multifamily rents in a variety of markets. The data for the report is provided by Origin Multilytics, our proprietary suite of machine-learning models that can forecast rents down to the property level. In this report, we cover:

- Year-over-year rent forecast data from January 2023 to January 2024
- National, regional and gateway market forecasts
- Forecasts for Origin investment markets, including:
 - Texas: Austin, Dallas, Houston, San Antonio
 - Florida: Orlando, Tampa, Jacksonville
 - Nashville
 - North Carolina: Charlotte, Raleigh
 - Atlanta
 - Colorado: Colorado Springs, Denver
 - Phoenix
 - Las Vegas

Multilytics is forecasting that by January 2024, year-over-year apartment rent growth nationally will be negative by as much as 2% (-2%). Negative rent growth also will occur in various regions, and in key gateway and secondary markets across the U.S. After one year of negative rent growth, rents will again turn positive for the foreseeable future.

While factors influencing negative rent growth include the delivery of new units at a pace not seen since the 1970s and an increase in the affordability ratio, the long-term fundamentals of private real estate remain sound. While these periods of negative rent growth are unsettling, their relative rarity speaks to the strength of multifamily housing as a long-term asset class.

2023: Negative Rent Growth Territory for Multifamily

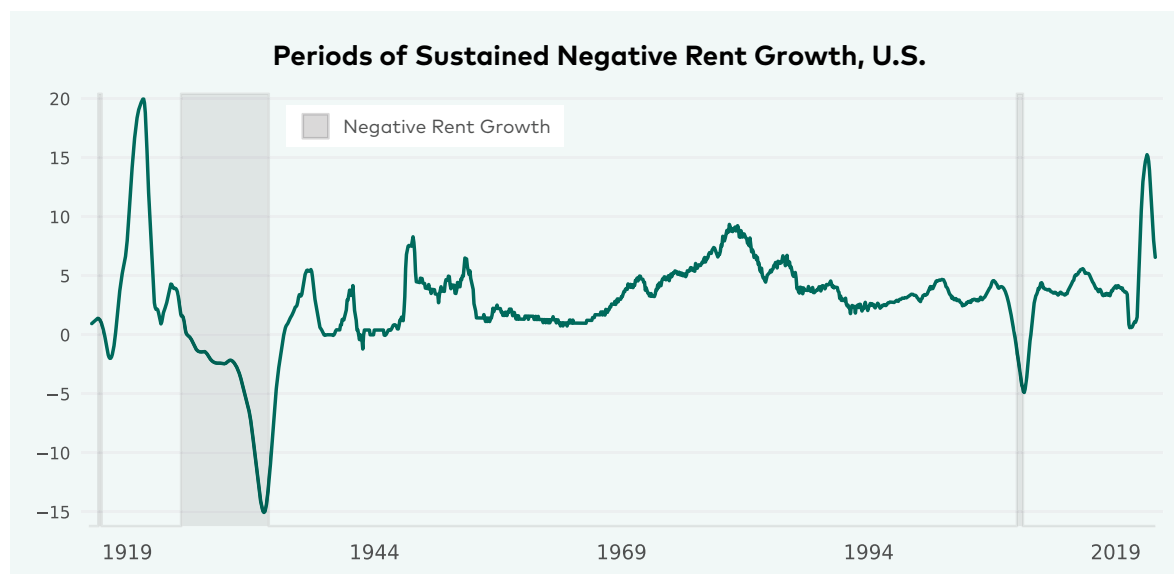
Introduction

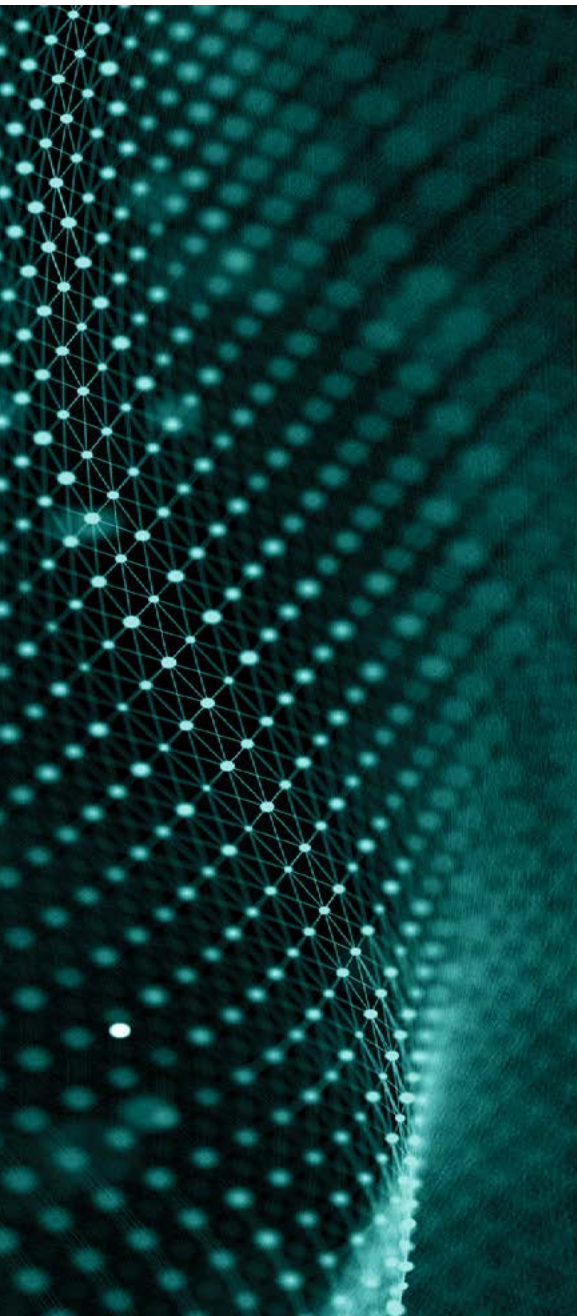
In 2023, multifamily real estate is facing a reckoning: Along with persistent inflation, rising interest rates and the possibility of a recession, about a million new rental units are becoming available this year, according to the U.S. Census Bureau—more than at any point since the 1970s. Occupancy, which spiked with rents in mid-2022, has fallen back to 2011 levels. All these factors are putting the brakes on a nearly two-year run of red-hot rent increases and inflated valuations.

At Origin, we had no illusions that this peak was sustainable. Since late 2021, we have been incorporating the higher cost of debt and other factors into our study of

investment markets, property underwriting and due diligence. To better prepare for these contingencies as fund managers, we employ Origin Multilytics®, our proprietary suite of machine-learning models that identifies average annual rent growth down to the property level.

Starting in 2021, Multilytics' predictive analytics began showing us that we should be preparing for more than a simple deceleration in rents. Rather, it was showing negative growth in 2023—during a period when other market observers have been predicting single-digit growth in many markets.





A sustained period of negative rent growth has occurred only three times in the past century: during the Spanish flu epidemic in 1918, the Great Depression of the 1930s, and the more recent Great Recession. It is the proven accuracy of Multilytics' data that led us to create this report, the first of a series of reports that will provide one-year rent forecasts for multifamily Class A buildings in the U.S. It forecasts rent to January 2024 at the national, regional and gateway market level, then drills down to our target markets across the Southwest and Southeast.

Why We Created This Report

Our team of in-house data scientists created Multilytics three years ago because we couldn't find consistent, accurate predictive analytics that go further than the ZIP code level. While we continuously test its accuracy, in 2021 we compared data from Multilytics with that of a leading rent forecaster. At year-end, Multilytics had correctly classified 95% of submarkets, compared with the industry leader's 4%; our annual median absolute error was about \$15. In the Dallas market during that year, Multilytics came within 0.08% accuracy (\$1.19) in predicted versus actual rent growth.

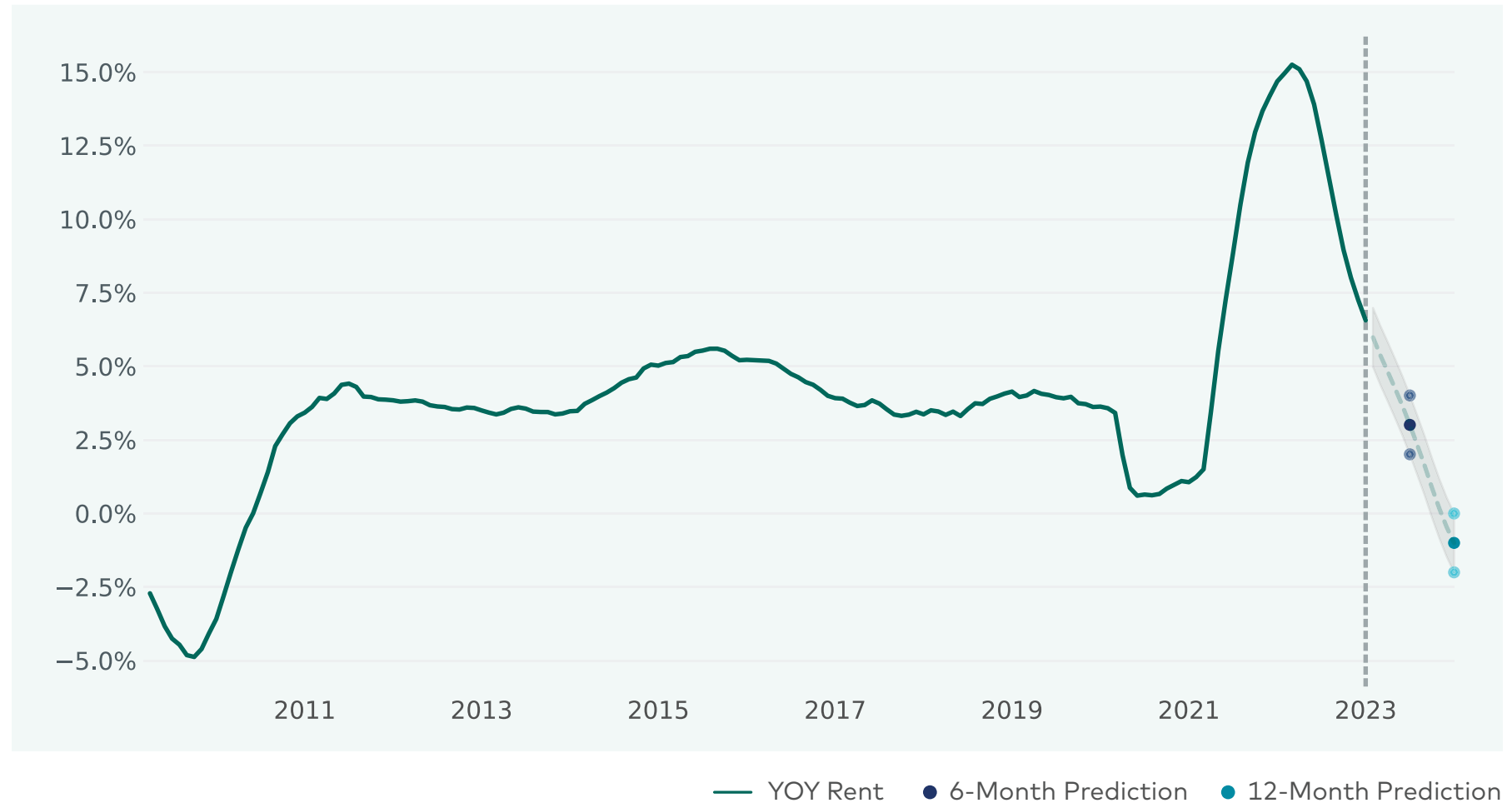
Why are we choosing to go public with our data now? First and most importantly, we trust its accuracy. Second, we are committed to accountability with our investors. Success requires a long-term outlook, and informed decisions lead to better outcomes.

While these periods of negative rent growth are unsettling, their relative rarity speaks to the strength of multifamily housing as a long-term asset class. History has proven this. And there are better outcomes ahead: According to Multilytics, all our investment markets turn positive in 2024 and beyond. We invest in submarkets with high-potential pockets of growth, and the long-term fundamentals of private real estate remain sound. We are well positioned not only to address current challenges but to take advantage of what may be once-in-a-generation investment opportunities as they become available.

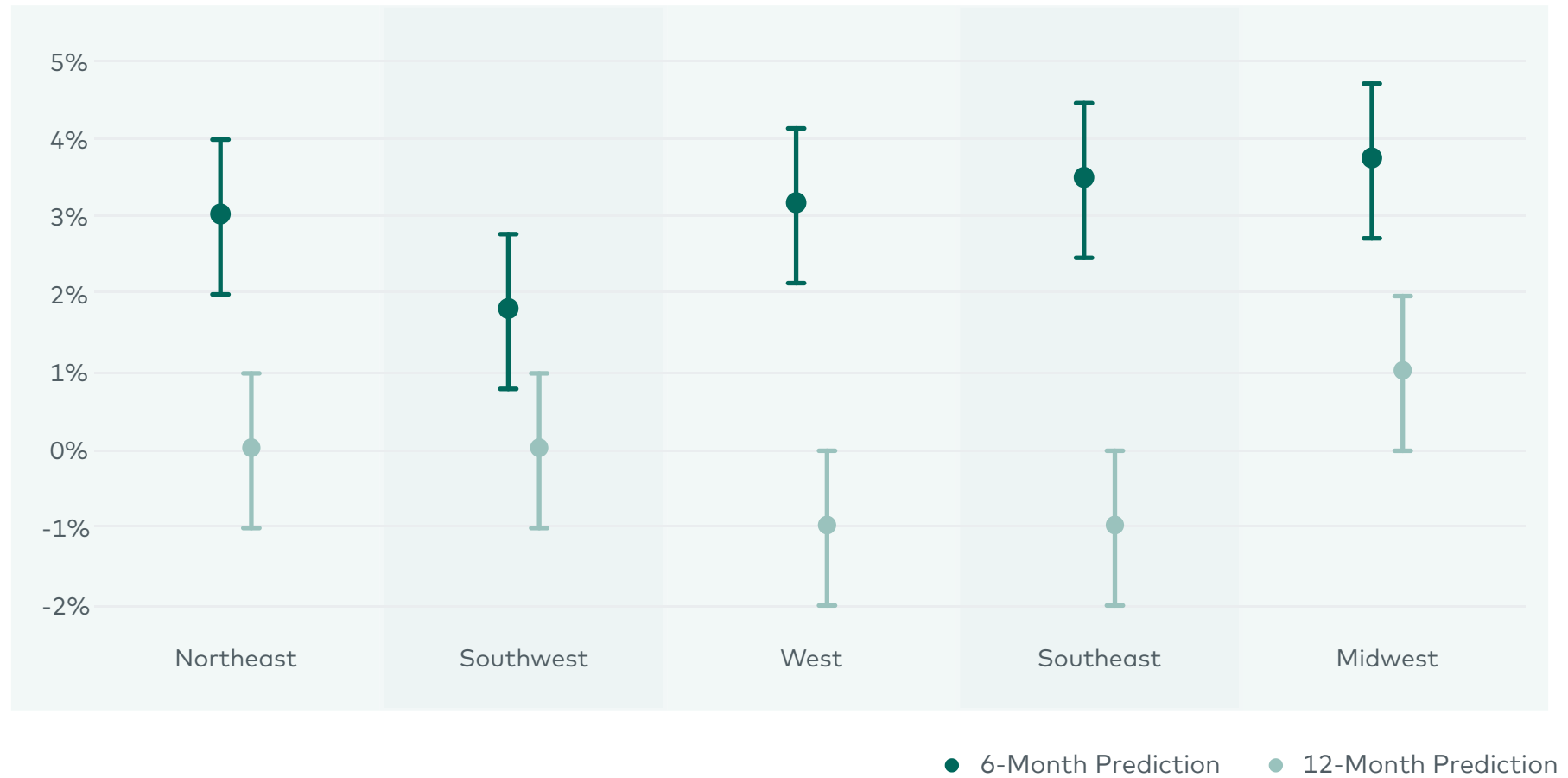
Rent Outlook:

National, Regional and Gateway Markets

National Rent Forecast (%)

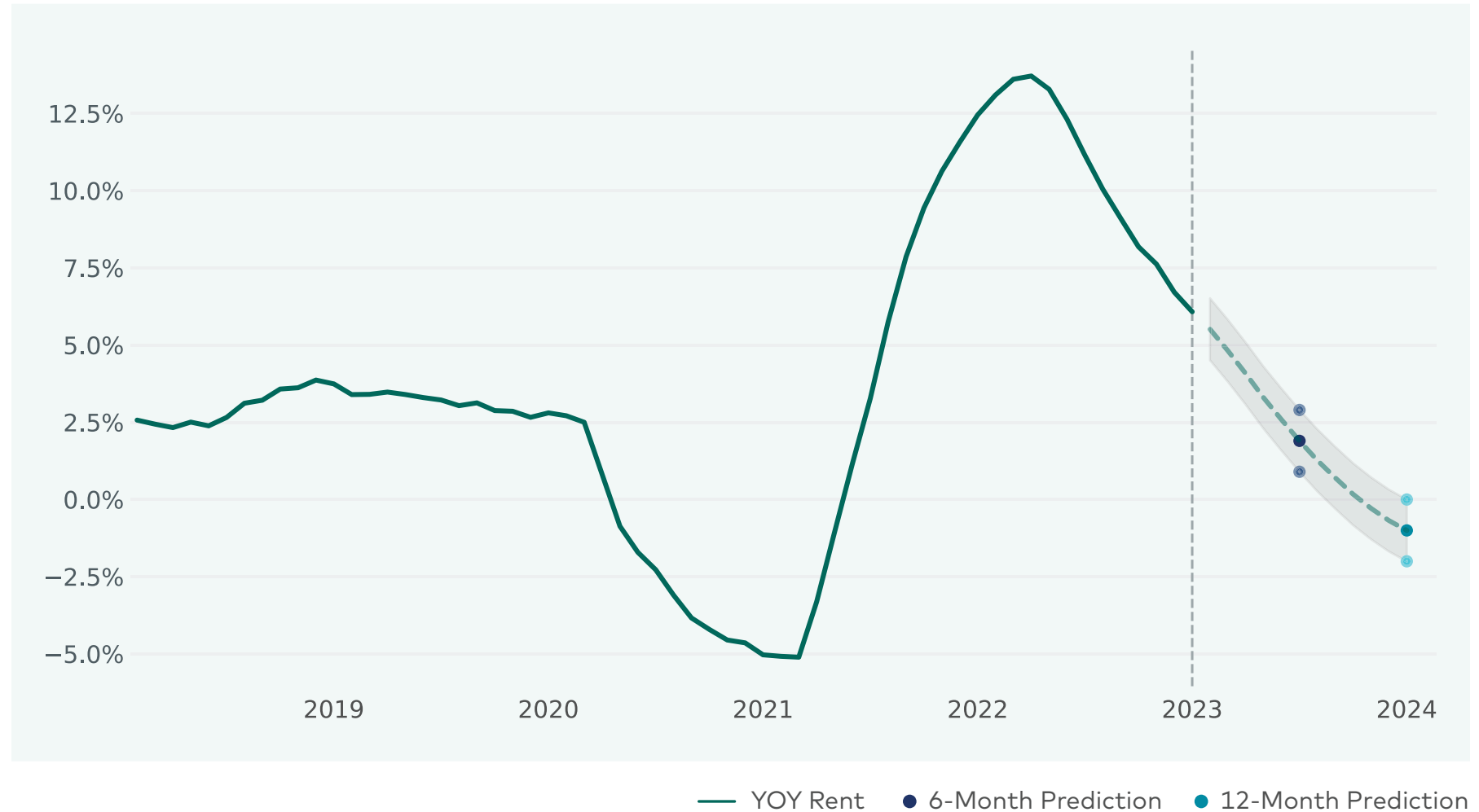


Regional Rent Forecast (%)



Gateway Rent Forecast (%)

Gateway markets include Los Angeles, San Francisco, Boston, New York City and Miami.



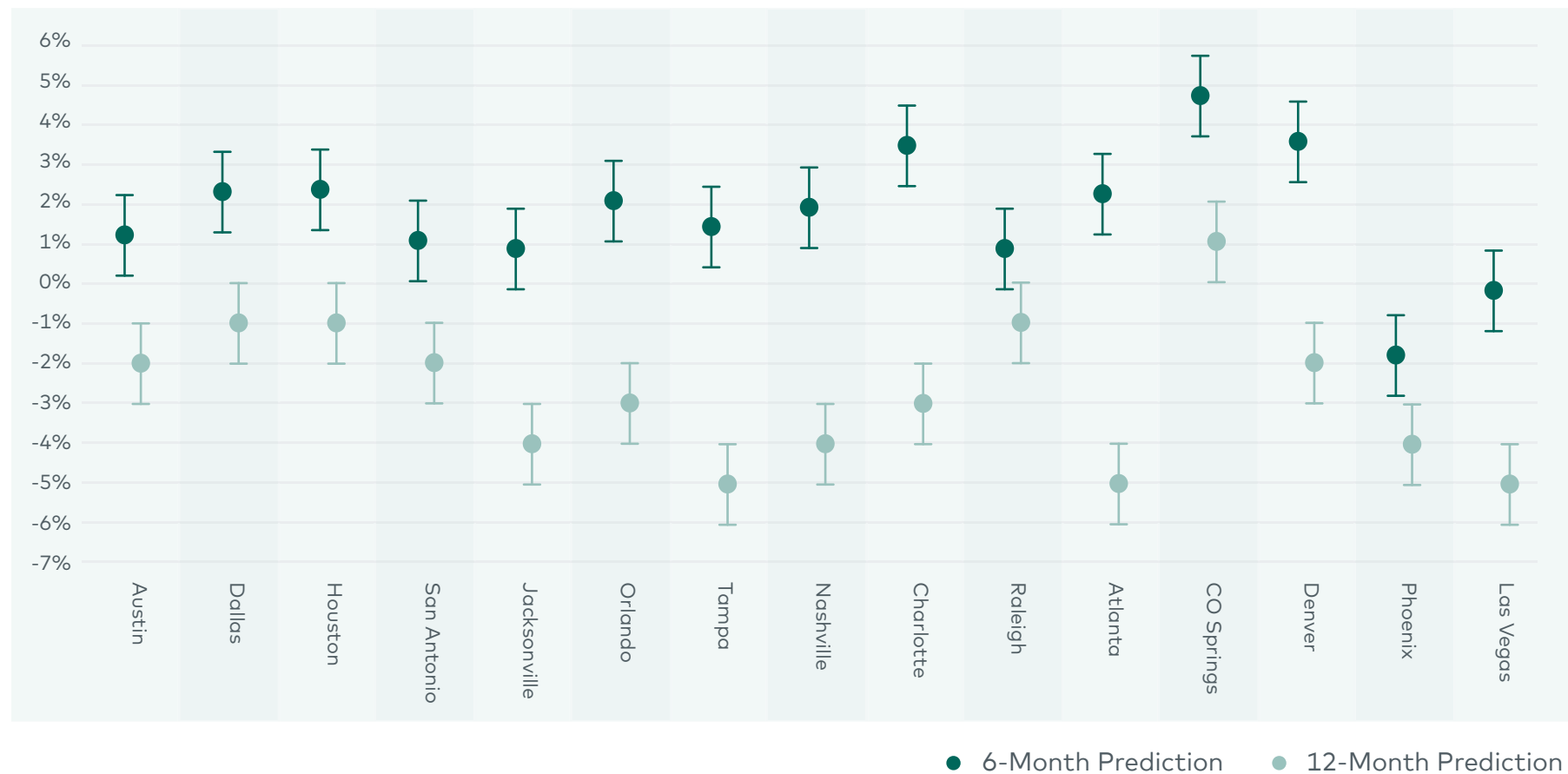
Rent Outlook:

Origin Investments Target Markets

Summary

Through its Funds, Origin invests in Class A multifamily development projects across fast-growing cities throughout the Southeast and Southwest regions of the U.S. The chart below shows six- and 12-month rent outlooks for all our investment markets; following are detailed outlooks for each investment market.

Origin Investments Target Markets Rent Forecast (%)



Austin. Dallas. Houston. San Antonio.



Summary

Statewide, Jan. 1 marked the expiration of Chapter 313, a package of property tax and other incentives that helped fuel the migration of company headquarters, high-paying jobs and a younger, educated workforce for more than 20 years. For Austin in particular, 2023 represents a rare downturn after more than a decade of red-hot growth. The tech-heavy capital is exposed to the effect of industry layoffs, but it may be insulated

by its diverse business base. However, Austin is expected to rebound aggressively in 2024—it's tied with Tampa for our best-performing market next year. With that city and our other investment markets expected to move back into positive rent growth territory, we're willing to accept the short-term pain in our Texas markets for long-term gain.

Austin

3% to 5% 5-Year Growth

4.31%

Income Change

2.67%

Job Growth

91.07%

Current Occupancy

3.02%

Population Growth

23.49%

Rent Affordability Ratio

41.20%

Renter Proportion

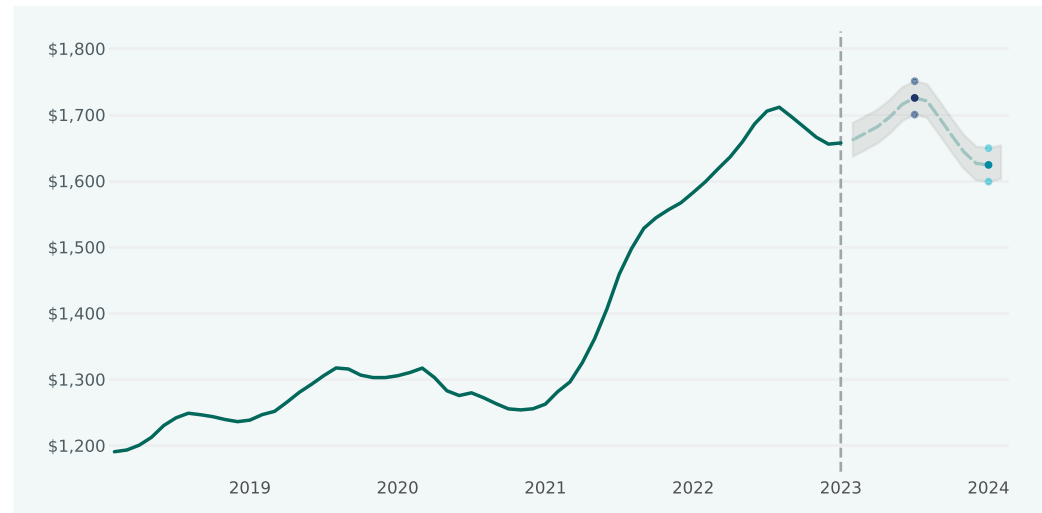
-4.27%

YOY Occupancy

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Dallas

2% to 4% 5-Year Growth

1.79%

Income Change

4.29%

Job Growth

91.25%

Current Occupancy

1.60%

Population Growth

32.02%

Rent Affordability Ratio

40.2%

Renter Proportion

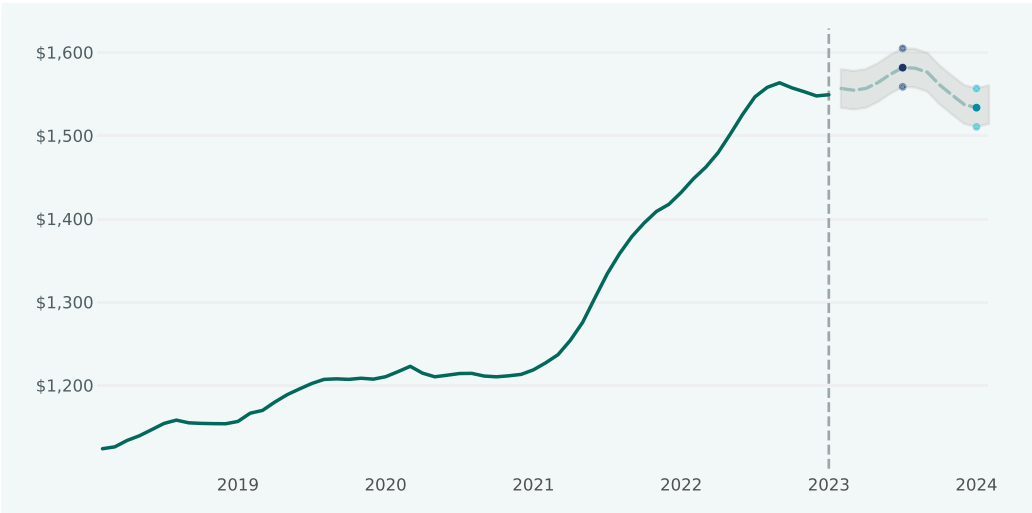
-4.69%

YOY Occupancy

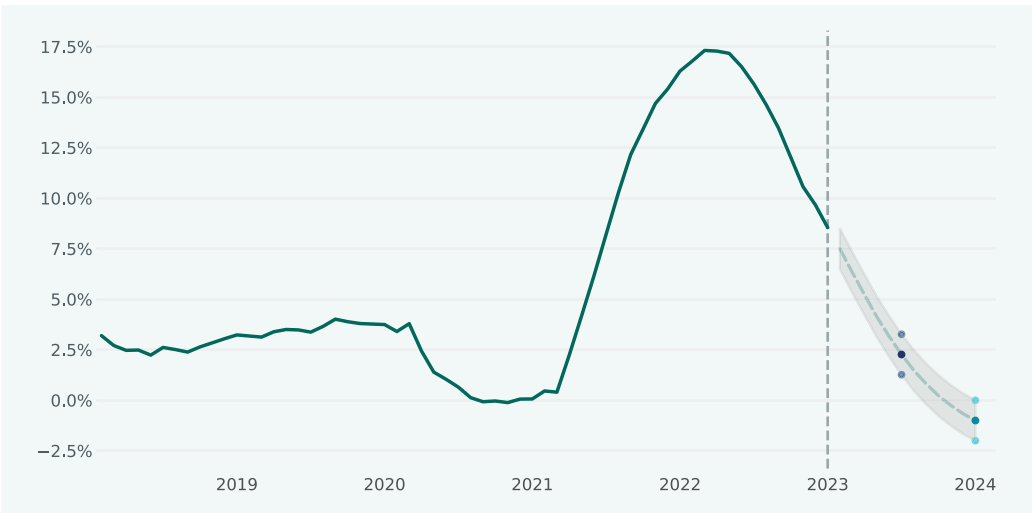
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Houston

1% to 3% 5-Year Growth

6.53%

Income Change

3.99%

Job Growth

90.70%

Current Occupancy

1.19%

Population Growth

21.95%

Rent Affordability Ratio

38.50%

Renter Proportion

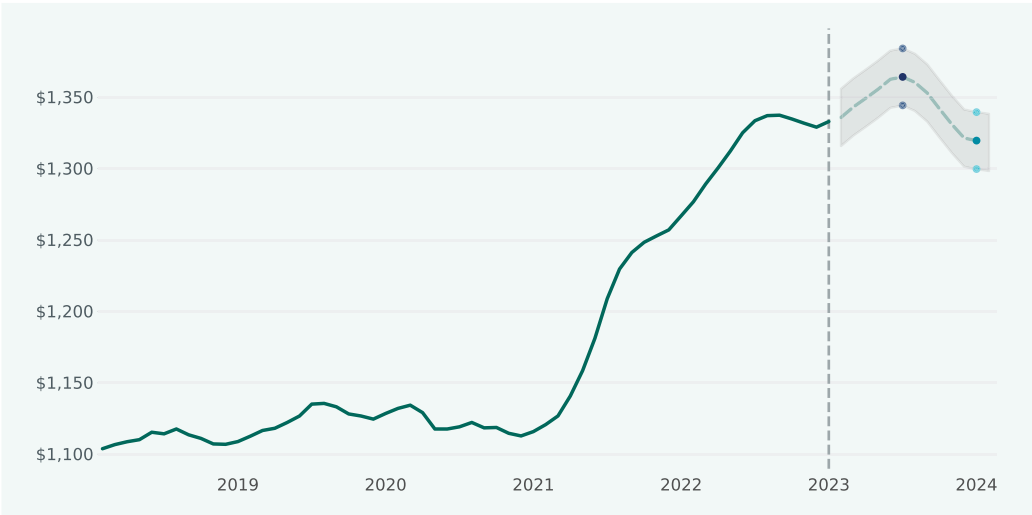
-4.05%

YOY Occupancy

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

San Antonio

2% to 4% 5-Year Growth

4.26%

Income Change

2.73%

Job Growth

90.73%

Current Occupancy

1.71%

Population Growth

22.69%

Rent Affordability Ratio

36.50%

Renter Proportion

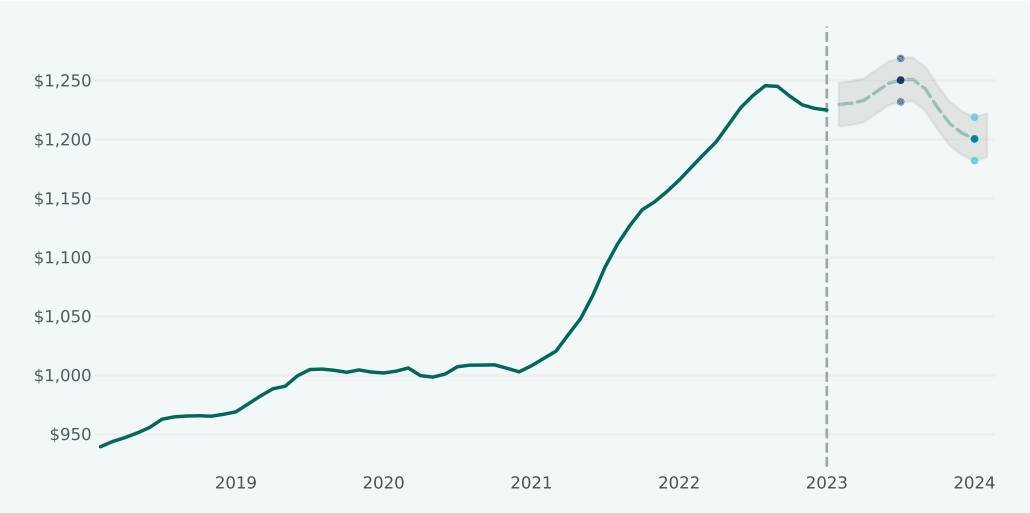
-5.18%

YOY Occupancy

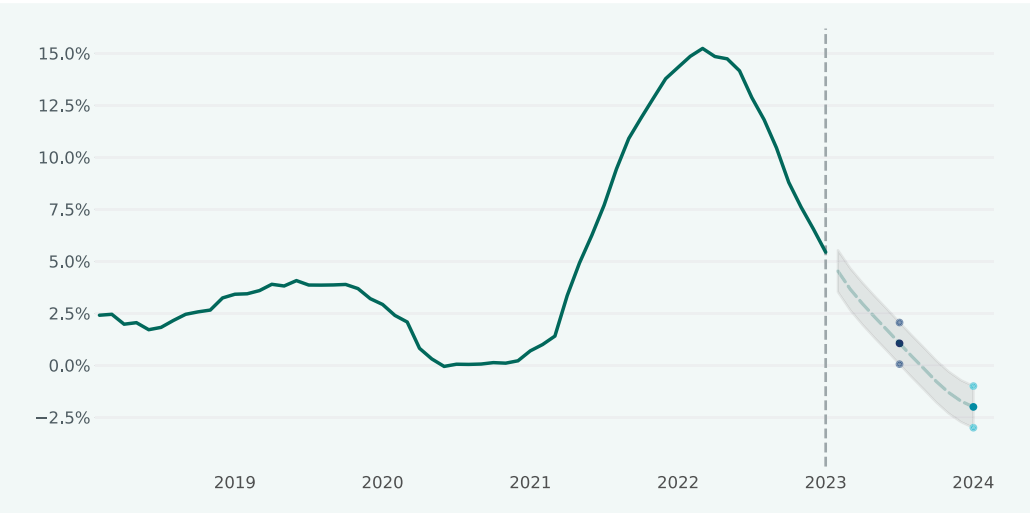
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Jacksonville. Orlando. Tampa.



Summary

In Florida, 2023 rents are declining after a period when many parts of the state, including Orlando and Tampa, saw year-over-year increases of more than 20%. Florida continues to be a big beneficiary of domestic migration trends accelerated by the COVID-19 pandemic, in 2022 ranking first in the nation in population growth. Its job growth continues to exceed the national average—and according to a new report, Florida edged

out New York in total number of jobs. Jacksonville is a rail, air and highway focal point with extensive freight-handling facilities; Tampa is an emerging tech hub, and both cities have tourist-friendly water and beach access, ports of entry, military bases and a diverse business base. So while forecasted rent declines in 2023 are steep by any measure, we see the state rebounding strongly.

Jacksonville

2% to 4% 5-Year Growth

-0.41%

Income Change

5.04%

Job Growth

87.67%

Current Occupancy

1.98%

Population Growth

27.23%

Rent Affordability Ratio

33.60%

Renter Proportion

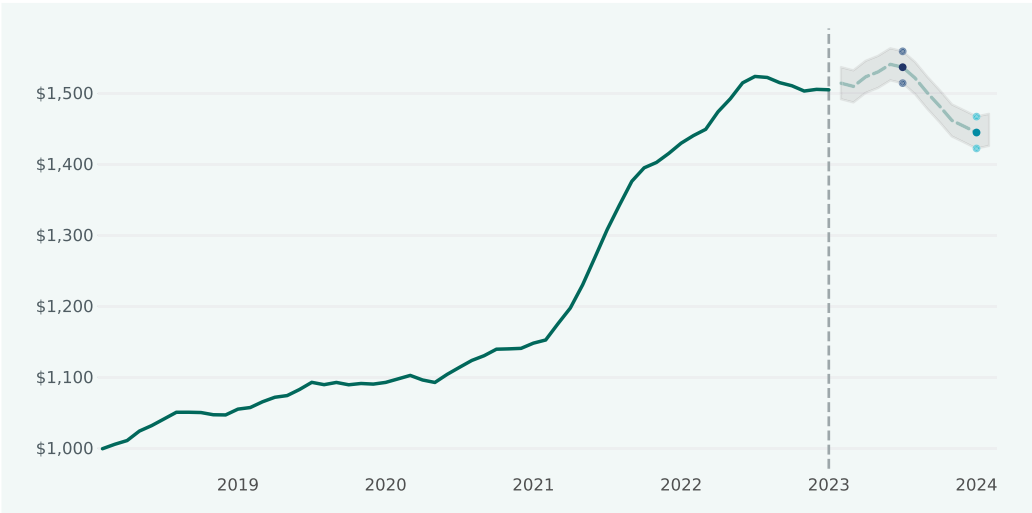
-7.25%

YOY Occupancy

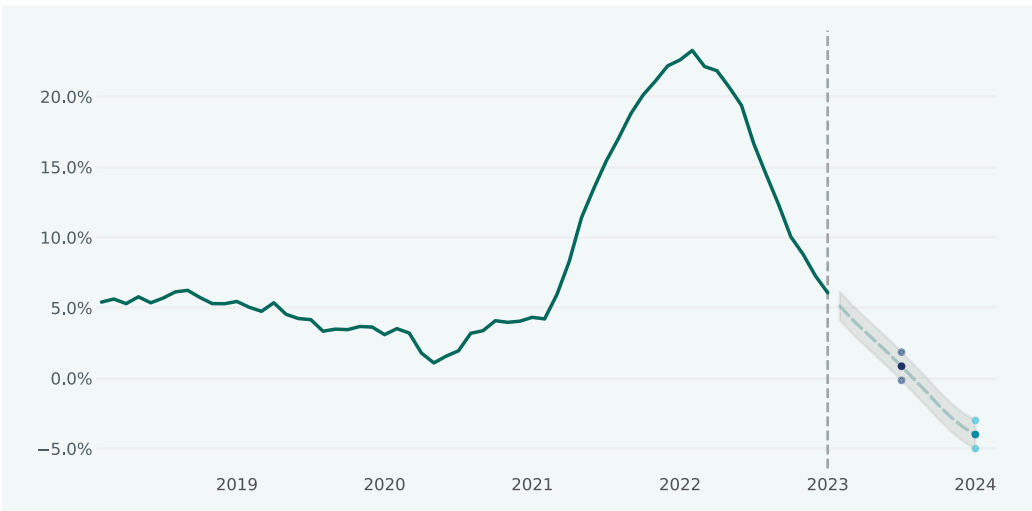
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Orlando

2% to 4% 5-Year Growth

10.26%

Income Change

3.87%

Job Growth

91.82%

Current Occupancy

0.69%

Population Growth

32.75%

Rent Affordability Ratio

37%

Renter Proportion

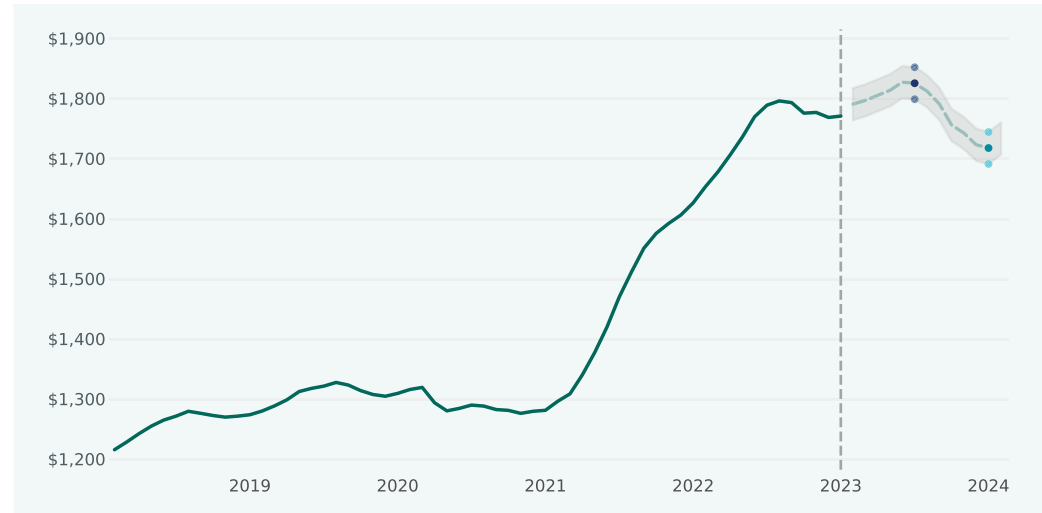
-4.09%

YOY Occupancy

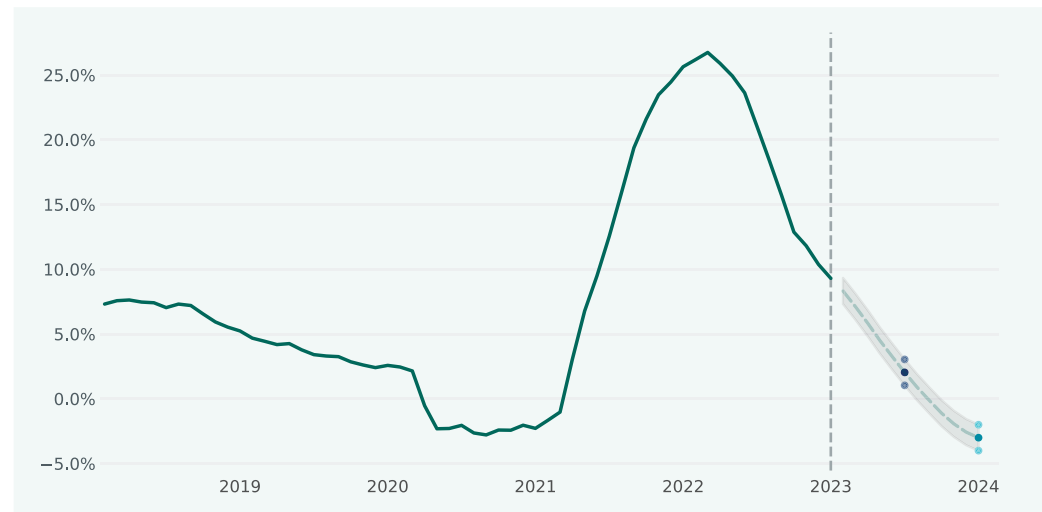
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Tampa

3% to 5% 5-Year Growth

9.54%

Income Change

4.64%

Job Growth

92.03%

Current Occupancy

1.39%

Population Growth

35.09%

Rent Affordability Ratio

32.20%

Renter Proportion

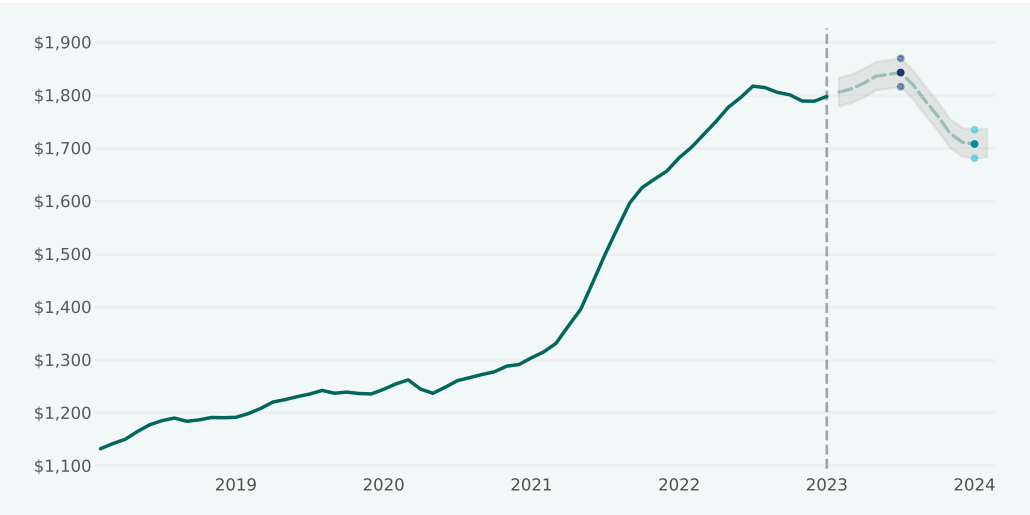
-4.71%

YOY Occupancy

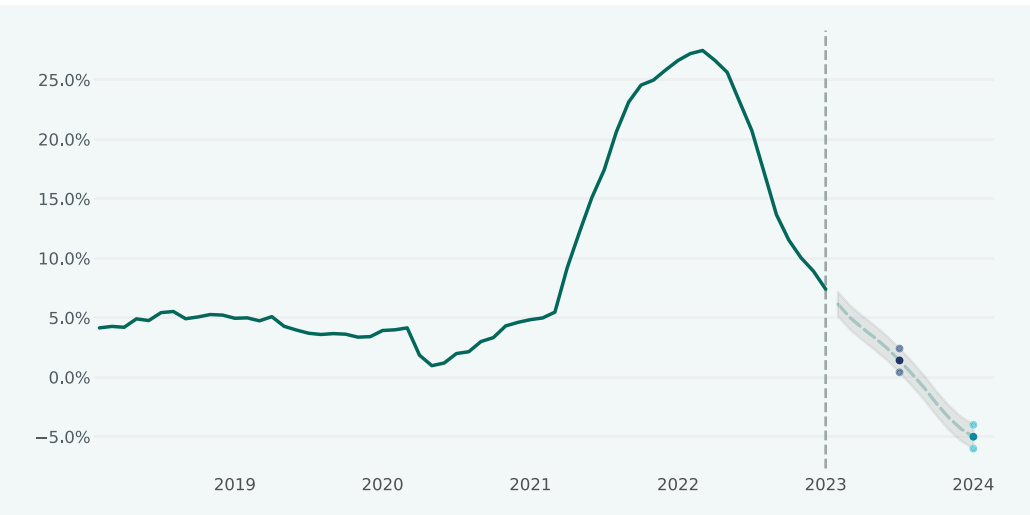
Occupancy: Average percent of total units leased in a market
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Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)

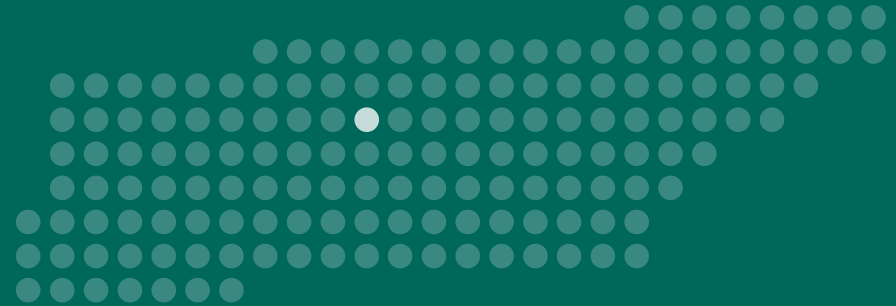


Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Nashville.



Summary

This year, the Nashville market will see an estimated 13,000 new multifamily units being delivered, with about half in urban high-rises. But the detour into negative territory doesn't spell the end of the Nashville market's growth trajectory: Our longer-term outlook reflects a solid rebound leading to higher-than-average growth. A [state economic forecast](#) by the University of Tennessee says it's on solid enough footing to narrowly avoid the recession widely predicted for later this year. While local

employment mainstays have been health care and education, financial services and tech are growing in stature. The city remains positioned to benefit from the conference market, a solid professional sports scene—and, of course, its reputation as a music mecca. From our perspective, the market's long-term outlook remains highly favorable.

Nashville

3% to 5% 5-Year Growth

8.80%

Income Change

-1.05%

Job Growth

89.96%

Current Occupancy

1.15%

Population Growth

26.94%

Rent Affordability Ratio

33.10%

Renter Proportion

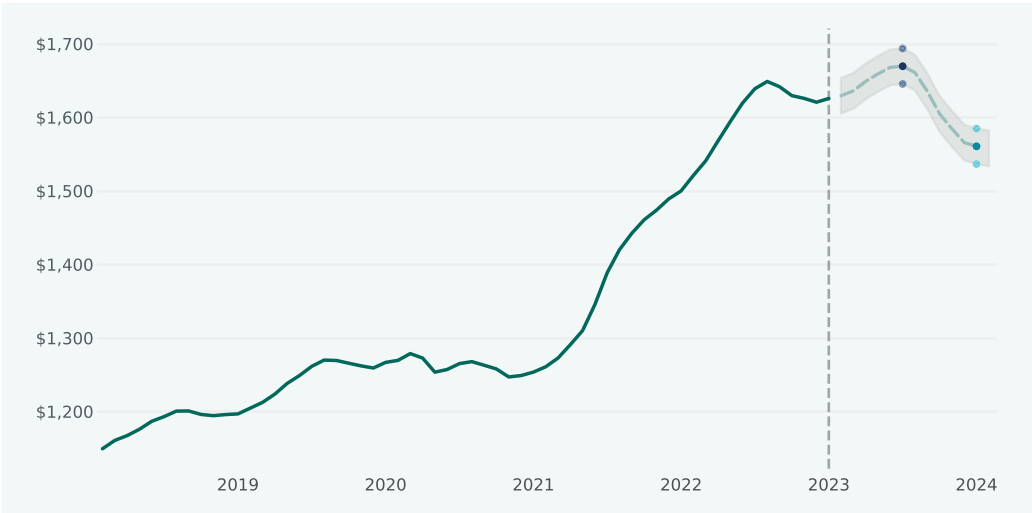
-4.90%

YOY Occupancy

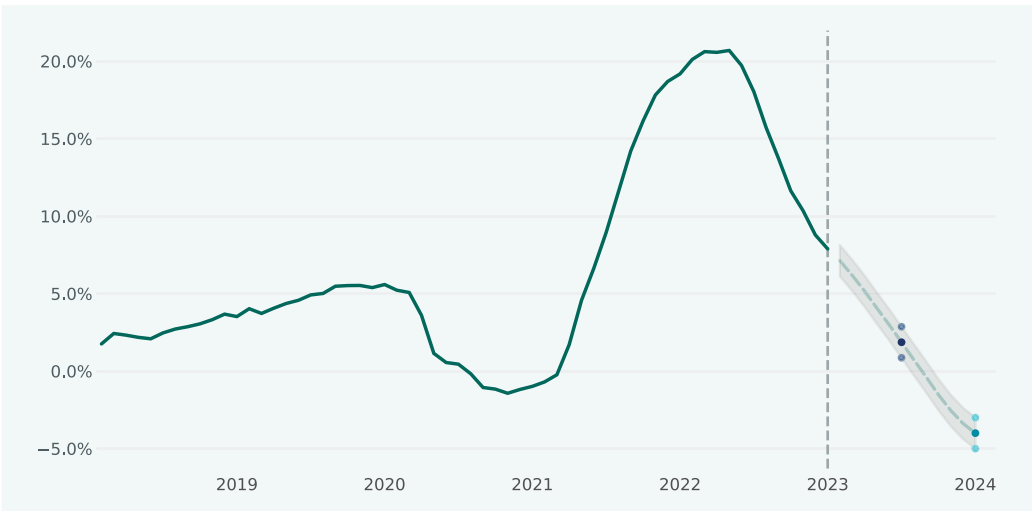
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)

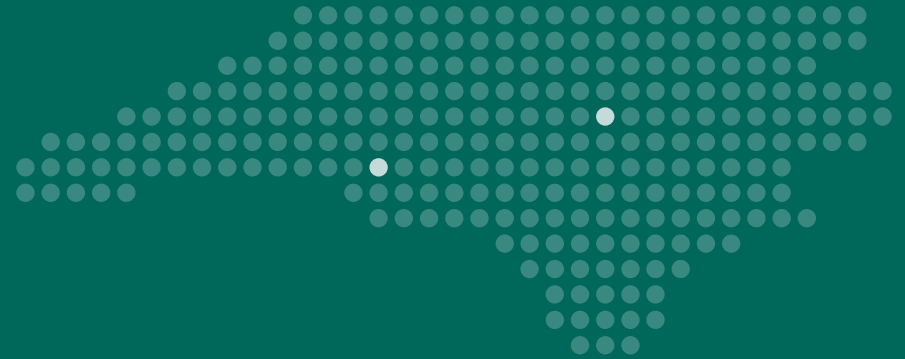


Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Charlotte. Raleigh.



Summary

Charlotte's population growth was among the fastest in the nation, and recent headlines from Zillow say its housing market will be the hottest in the country this year due to its relative affordability and anticipated growth in home values. A vibrant financial center, its fintech and logistics presences are growing as well, and investments in advanced manufacturing, health care and clean energy businesses will further diversify the regional economy. Raleigh's proximity to three major universities continues to attract tech and biotech companies, and it is planning several

ambitious developments to build momentum in its downtown. Apple's billion-dollar campus is materializing, and several new mixed-use developments have been announced nearby. Our North Carolina submarkets benefit from state incentives, higher-paying jobs and top-tier schools. We see a shallow dip into negative rent growth and a return to positive growth as significant near-term supply is absorbed through inbound migration and job growth.

Charlotte

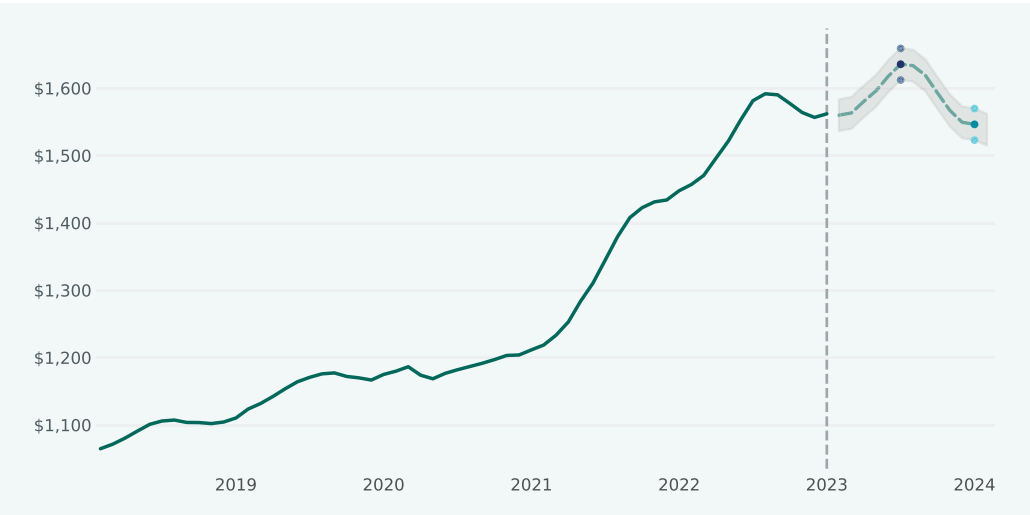
2% to 4% 5-Year Growth

2.59%	2.89%
Income Change	Job Growth
90.55%	1.53%
Current Occupancy	Population Growth
26.88%	46.90%
Rent Affordability Ratio	Renter Proportion
-4.74%	
YOY Occupancy	

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Raleigh

3% to 5% 5-Year Growth

-1.29%

Income Change

3.15%

Job Growth

91.35%

Current Occupancy

3.74%

Population Growth

25.25%

Rent Affordability Ratio

33%

Renter Proportion

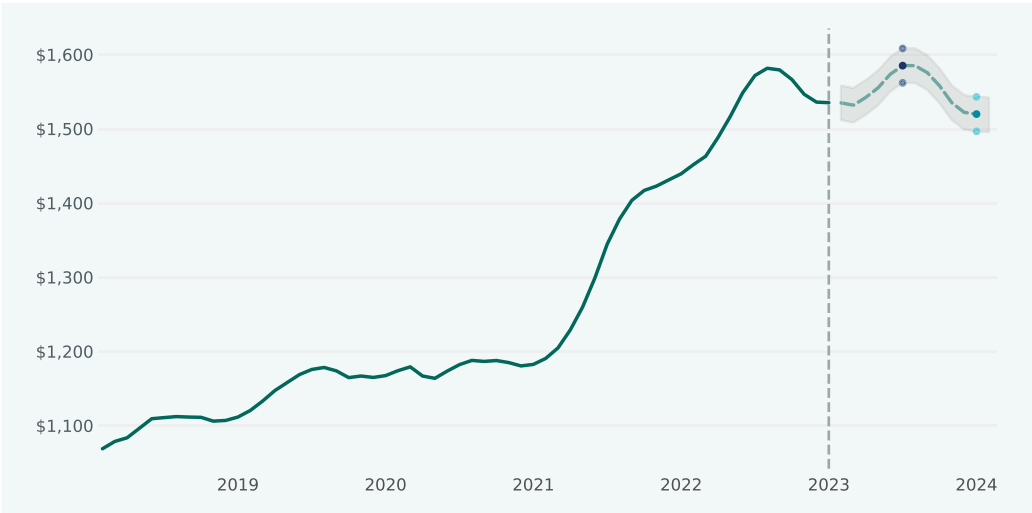
-4.73%

YOY Occupancy

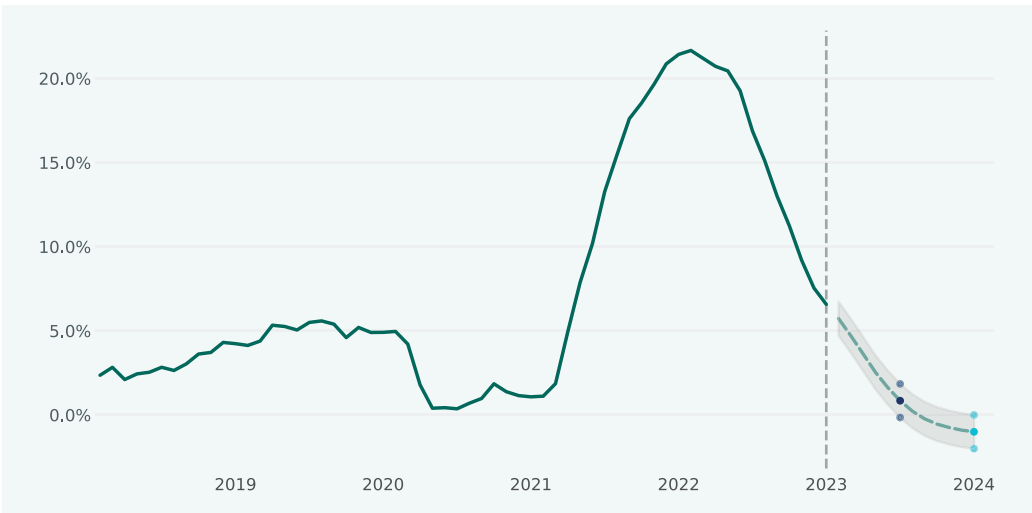
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Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)

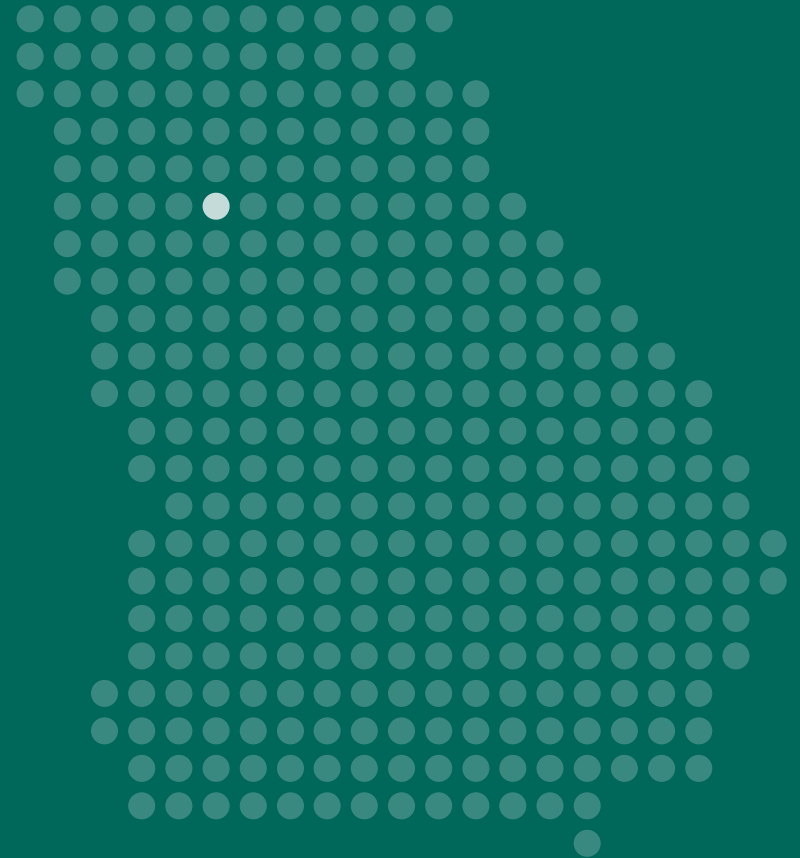


Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Atlanta.



Summary

Our key criteria in market selection includes a seat of government, a university presence and a diverse business base or other critical employment driver. Of all our investment markets, Atlanta may be the best positioned to absorb increasing supply and withstand this year's economic shifts. This resilient metro area's move into negative rent growth territory is more than erased in 2024 and beyond. Job cuts in the tech sector add some uncertainty, but there is strength in diversity, and the city continues to plan for

growth. In 2022, voters approved \$750 million in infrastructure improvements; Hartsfield-Jackson Atlanta International Airport added \$4.8 billion in capital improvements; and the city is the center of the state's film and television industry, which contributed more than \$4 billion to the economy.

Atlanta

3% to 5% 5-Year Growth

5.02%

Income Change

1.55%

Job Growth

91.69%

Current Occupancy

1.09%

Population Growth

26.61%

Rent Affordability Ratio

33.10%

Renter Proportion

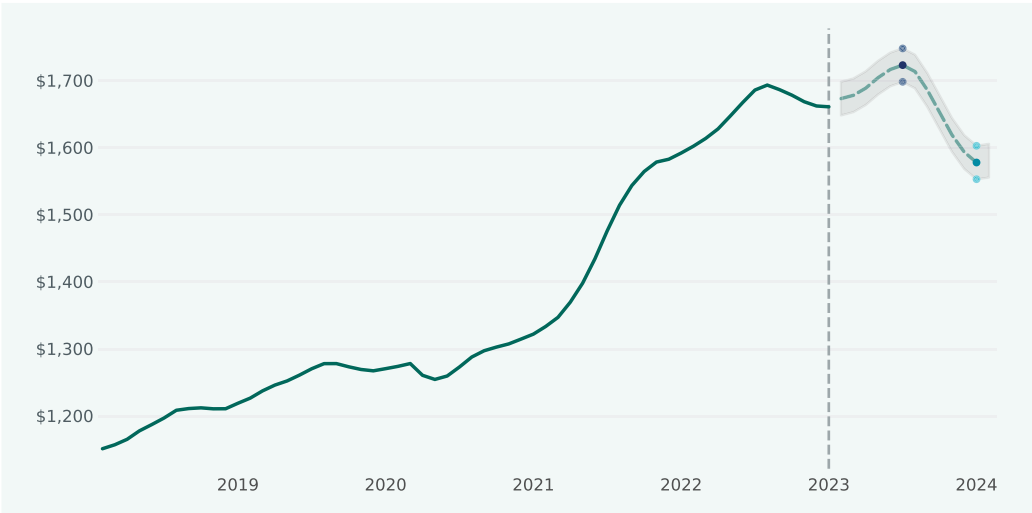
-4.63%

YOY Occupancy

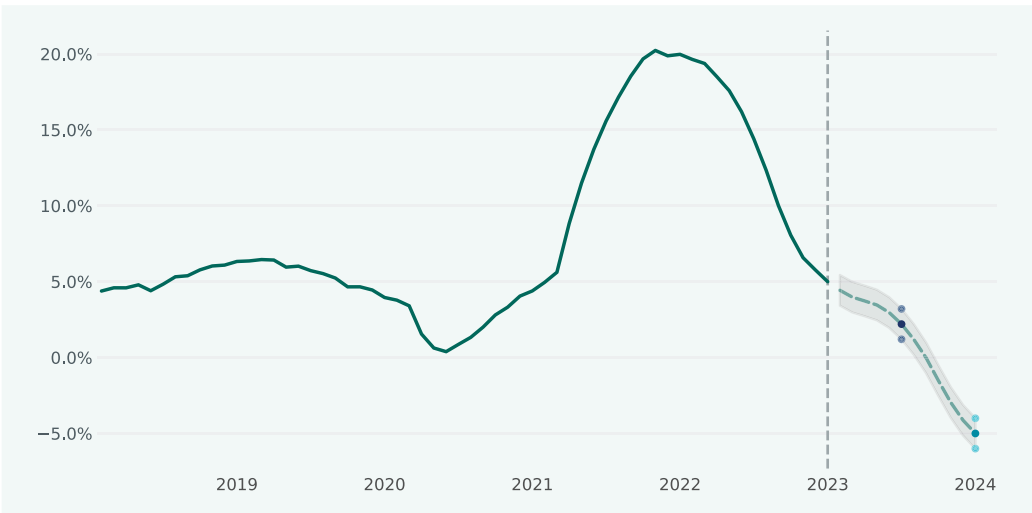
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)

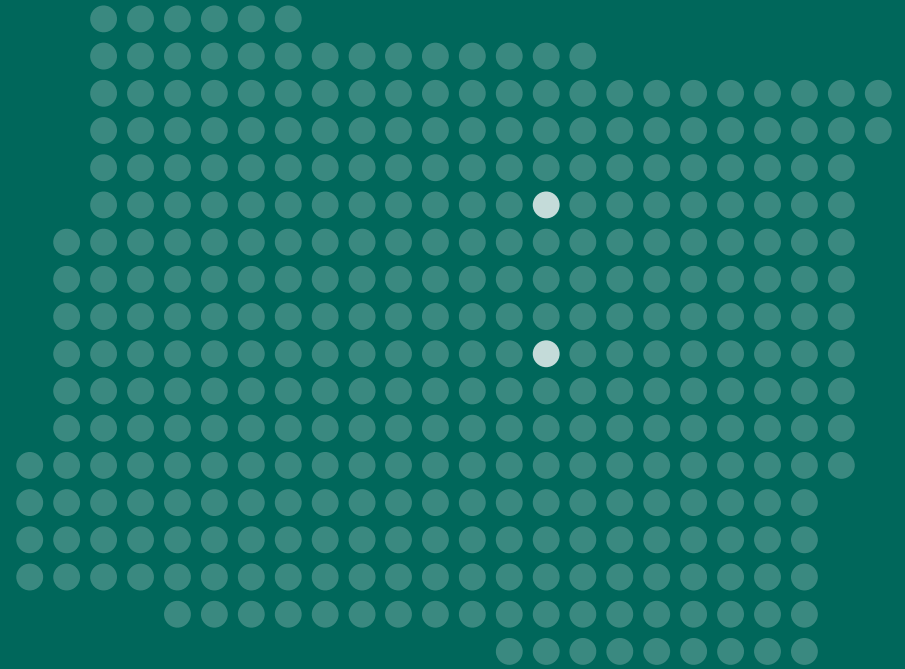


Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Colorado Springs. Denver.



Summary

The Denver metro area added nearly 11,000 apartments over the past year, with at least another 8,000 units becoming available over 2023. While lower rents in the central business district are affecting the overall forecast, we believe surrounding submarkets will outperform. Colorado Springs has experienced steady acceleration in rent growth and units coming online, along with income and job growth. According to our projections, this

market shows the smallest decline in rents in 2023 and quickly returns to growth. The city had the third-fastest recovery in labor force participation in the U.S. post-pandemic and continues to outpace much of the country in new job growth.

Colorado Springs

2% to 4% 5-Year Growth

7.15%

Income Change

1.73%

Job Growth

92.08%

Current Occupancy

1.02%

Population Growth

23.66%

Rent Affordability Ratio

32.80%

Renter Proportion

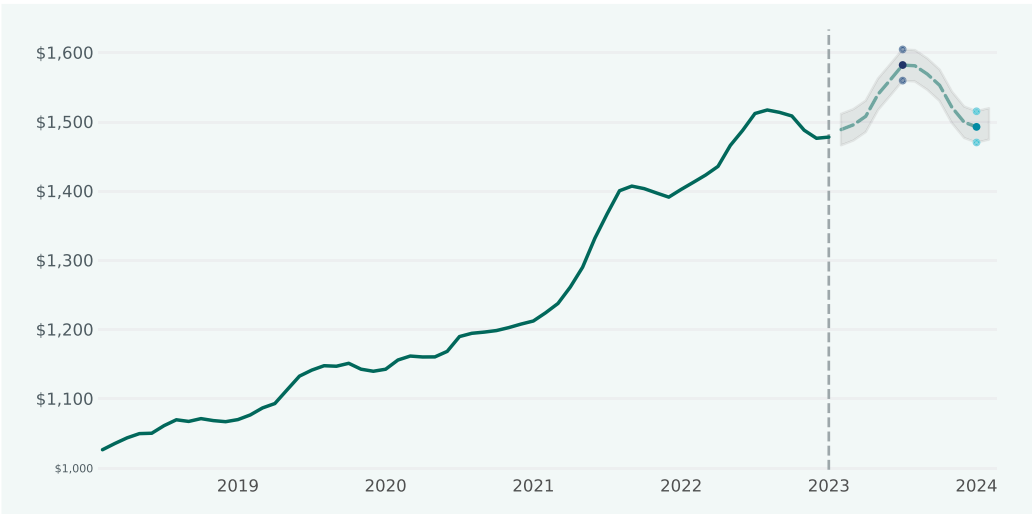
-4.40%

YOY Occupancy

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Denver

0% to 2% 5-Year Growth

7.24%

Income Change

3.60%

Job Growth

91.87%

Current Occupancy

0.30%

Population Growth

25.32%

Rent Affordability Ratio

34.70%

Renter Proportion

-2.89%

YOY Occupancy

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)

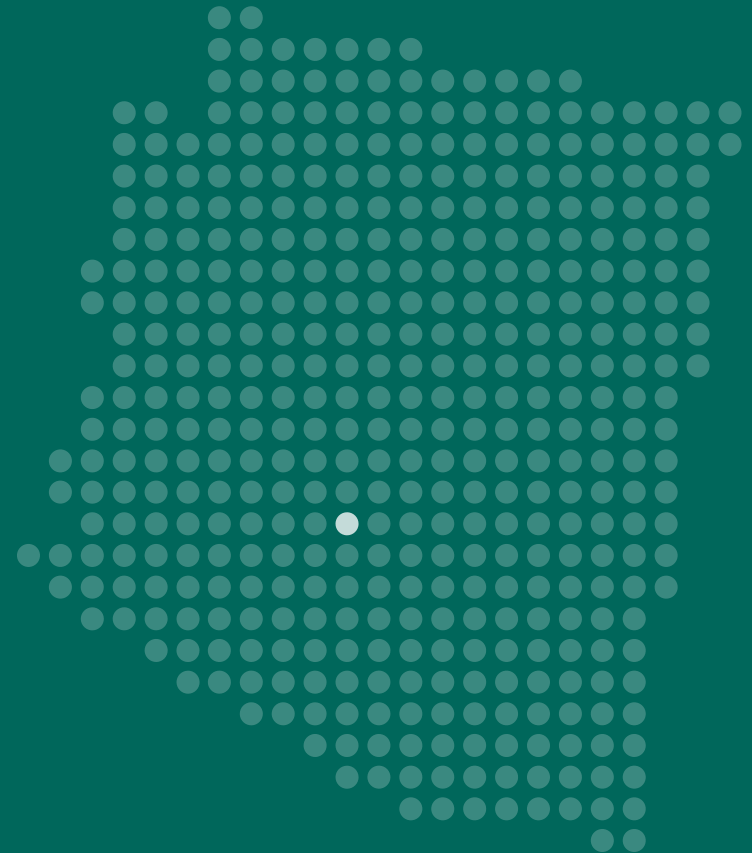


Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Phoenix.



Summary

Arizona ranked seventh in the U.S. in terms of net domestic migration last year as economic and lifestyle factors have made the state a more affordable and attractive alternative to California and elsewhere—for businesses such as logistics, and for people as well. Phoenix continues to rise as a center of semiconductor chip manufacturing, with Taiwan Semiconductor's \$40 billion investment expected to add about 17,000 jobs to the

local economy as ancillary businesses sprout. The decline seen this year in rents reflects the challenges of absorbing the number of units coming online in the next two years. With a diverse business base and nearby Arizona State University—ranked in 2022 by U.S. News & World Report as the most innovative school in the U.S. for the eighth consecutive year—we view the imbalance as short-lived and see a strong rebound in 2024 and beyond.

Phoenix

3% to 5% 5-Year Growth

4.20%

Income Change

2.73%

Job Growth

90.28%

Current Occupancy

2.07%

Population Growth

27.14%

Rent Affordability Ratio

32.90%

Renter Proportion

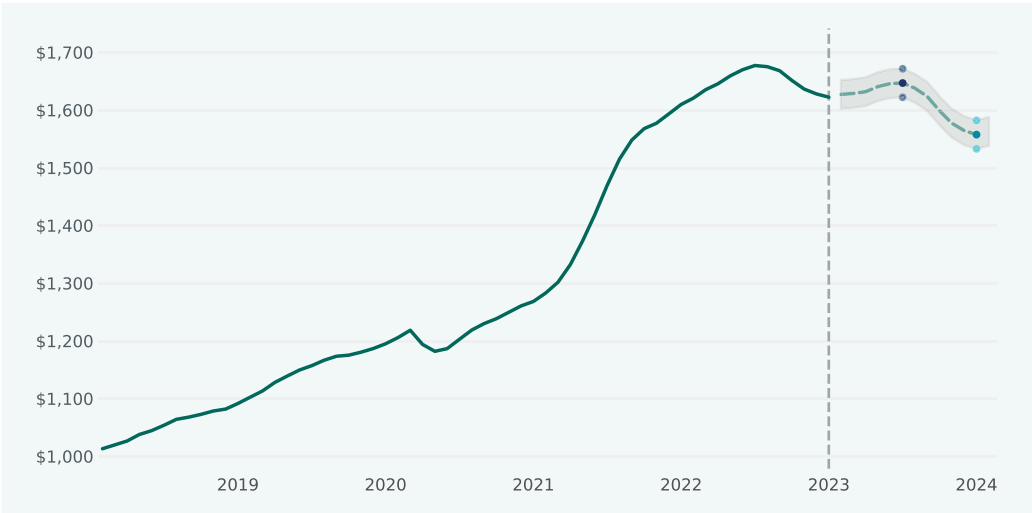
-5.28%

YOY Occupancy

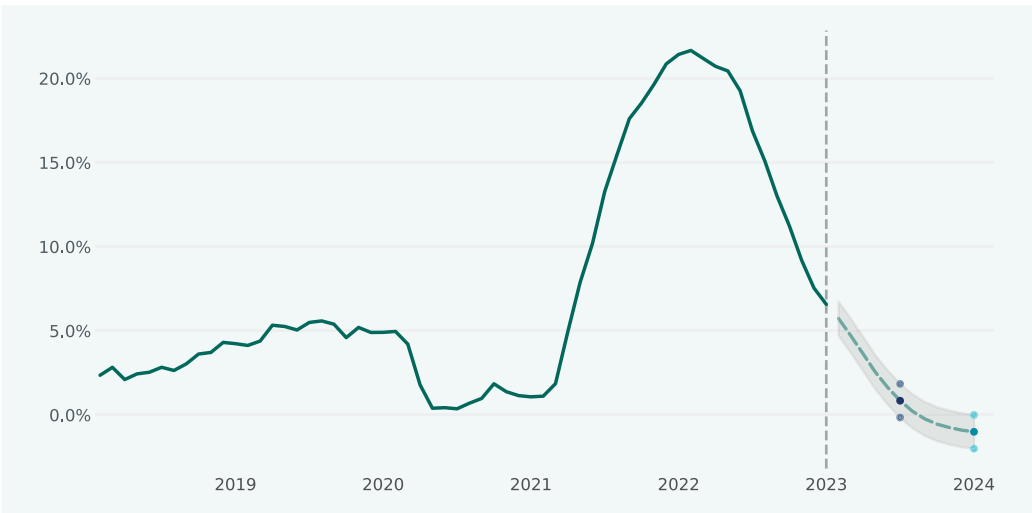
Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)

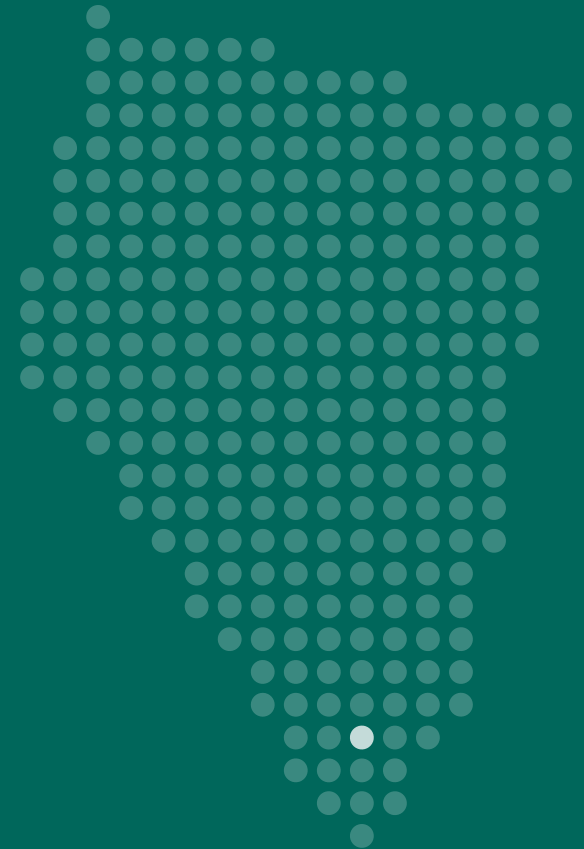


Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction

Las Vegas.



Summary

By the numbers, Nevada is still rolling high, reaping a record \$14.8 billion in gambling revenue in 2022. That was driven largely by one area: The Las Vegas Strip, whose \$8.2 billion take broke its own 2021 record by a whopping 17%. In a city where gambling and related tourism sectors tend to share the spotlight, there are other reasons to be bullish on Las Vegas. It continues to benefit from its proximity to California and that state's higher

costs for manufacturing and other business sectors, with steadily increasing population, labor force, median household income and jobs. Overall, the state was tops in infrastructure, including bridge and road quality, public transit usage and commute times. While occupancy is a concern this year, the city still has a lot of runway in terms of growth, and we continue to see opportunities.

Las Vegas

2% to 4% 5-Year Growth

5.84%

Income Change

4.65%

Job Growth

91.53%

Current Occupancy

1.19%

Population Growth

27.45%

Rent Affordability Ratio

43.30%

Renter Proportion

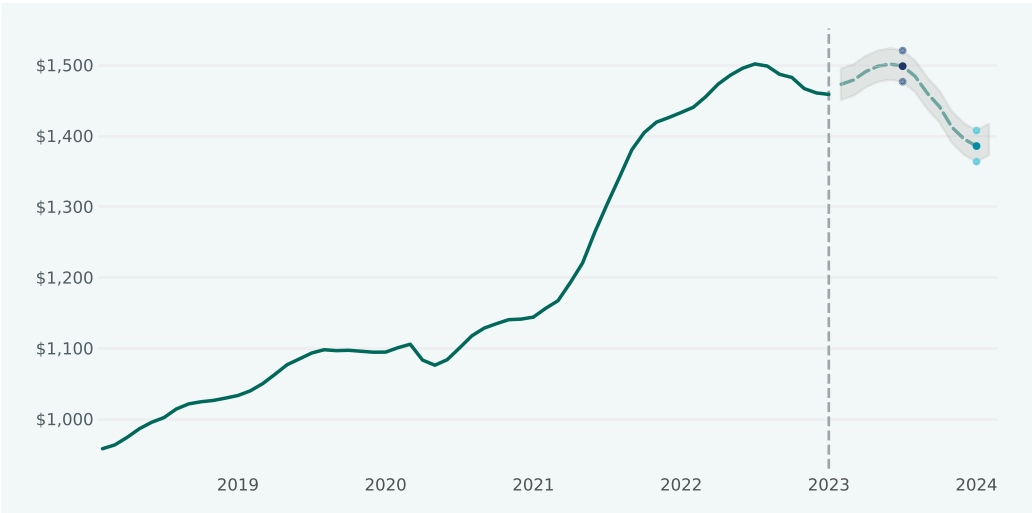
-5.23%

YOY Occupancy

Occupancy: Average percent of total units leased in a market
Rent Affordability Ratio: Percentage of renter income going to rent
Renter Proportion: Percent of people who rent rather than own their homes

Sources: Multilytics, Bureau of Labor Statistics, U.S. Census

Rent Forecast (\$)



Rent Forecast (%)



— YOY Rent ● 6-Month Prediction ● 12-Month Prediction



About Multilytics

The rent forecast data in this report was compiled using Origin Multilytics®, our proprietary suite of machine-learning models. Multilytics aggregates and analyzes more than 3 billion datapoints per month, from hundreds of public and private sources that monitor economic and demographic trends, real-time data from property managers and spatial data such as local points of interest. It slices submarkets smaller than a ZIP code to pinpoint high-growth clusters and identifies average annual rent growth down to the property level. Its predictive analytics allow us to create and study a variety of multifamily-specific scenarios.

The Multilytics model was developed by in-house data scientists and has been back-tested from 2015 onward. Its rent growth predictions have proven to be accurate to within \$10 to \$15 annually, according to outcomes back-tested over a five-year period in the 150 largest metro areas. It's a powerful tool to give our local expertise and specialist teams the deeper knowledge and insights they need to help us discover, evaluate and develop the right sites and to generate alpha in multifamily real estate investment.



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About Origin Investments

Origin Investments helps high-net-worth investors, family offices and clients of registered investment advisors grow and preserve wealth by providing best-in-class real estate solutions. The firm is a private real estate manager that builds, buys and lends to multifamily real estate projects in fast-growing markets throughout the U.S.

Since its founding in 2007, Origin has executed more than \$2.8 billion in real estate transactions and their performance for Origin Funds I, II and III ranks them in the top decile of the best performing private real estate fund managers ranked globally by Preqin, an independent provider of data on alternative investments.

Origin is currently accepting new investors for the open Growth Fund, IncomePlus Fund, and Qualified Opportunity Zone Funds, which seek to provide tax efficiency, enhance portfolio yield, maximize growth and minimize portfolio volatility. To learn more, visit www.origininvestments.com.

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