

LITTLE ROCK

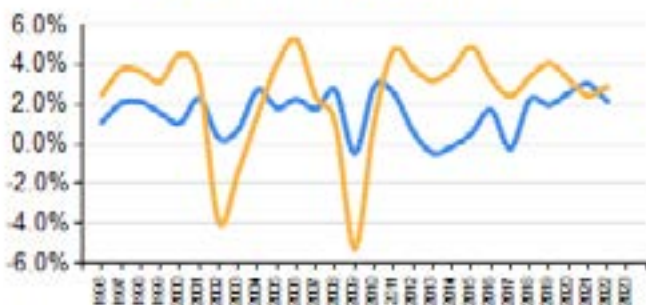
Q2 2017 | Multifamily

Source: AXIOMetrics, RCA, CoStar

Market Survey Results and Forecasts	Sequential				Month	Annual						
	3Q16	4Q16	1Q17	2Q17	Jul-17	2015	2016	2017F	2018F	2019F	2020F	2021F
Effective Rent Per Unit	\$755	\$751	\$747	\$746	\$748	\$738	\$750	\$749	\$765	\$780	\$800	\$825
Per Sq. Ft	\$0.85	\$0.85	\$0.84	\$0.84	\$0.84	\$0.83	\$0.85	\$0.84	\$0.86	\$0.88	\$0.90	\$0.93
Effective Rent Growth - Annually	1.7%	1.8%	0.4%	-0.7%	-0.3%	0.5%	1.7%	-0.2%	2.2%	2.0%	2.6%	3.0%
Effective Rent Growth - Quarterly	0.5%	-0.5%	-0.5%	-0.1%								
Occupancy Rate	93.6%	93.2%	92.2%	93.5%	93.7%	93.2%	93.5%	93.0%	94.2%	93.8%	94.2%	94.8%
Occupancy Change - Annually	-0.1%	0.3%	-0.7%	-0.7%	0.0%	-0.2%	0.3%	-0.5%	1.2%	-0.4%	0.5%	0.6%
Occupancy Change - Quarterly	-0.6%	-0.4%	-1.1%	1.4%								
Economic Concessions												
Concession Value	\$-9.53	\$-9.82	\$-12.18	\$-10.24	\$-8.05	\$-13.11	\$-12.37					
As a % of Asking Rent	-1.2%	-1.3%	-1.6%	-1.3%	-1.1%	-1.7%	-1.6%					

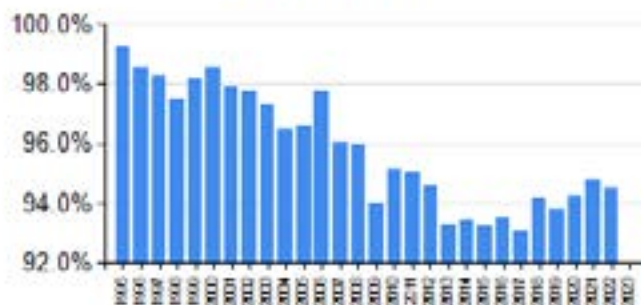
Annual Effective Rent Growth

— Little Rock, AR — National



Annual Occupancy Rate

— Little Rock, AR



RECENT SALES

Date	Property Name	Address	City	Units	Year Built	Price in \$	\$/Units
Jul-17	Summit House	400 N University Ave	Little Rock	165	1968	10,750,000	65,152
Jun-17	Ashburry at Chenal	16401 Chenal Valley Dr	Little Rock	216	1998	18,600,000	86,111
Mar-17	Windsor Place Townhomes	2 Windsor Dr	Maumelle	72	1999	4,400,000	61,111
Jan-17	Chenal Lakes Apartments	13500 Chenal Pkwy	Little Rock	456	1985	38,128,090	83,614
Dec-16	Quail Valley Apartments	5300 Baseline Rd	Little Rock	240	1997	3,700,000	15,417
Dec-16	Barrington Hills	1221 Reservoir Rd	Little Rock	232	1978	8,350,000	35,991
Nov-16	William Manor	700 Poplar St	Jacksonville	90	1976	1,873,095	20,812
Nov-16	Poplar Square	701 Poplar St	Jacksonville	53	1969	1,103,045	20,812
Oct-16	Normandy Place	7298 Indiana Ave	Little Rock	80	1974	3,535,000	44,188
Sep-16	Chapel Ridge at Chenal	24800 Chenal Pkwy	Little Rock	128	2001	8,050,000	62,891

SUPPLY AND DEMAND

According to the Bureau of Labor Statistics, job growth in Little Rock-North Little Rock-Conway, AR Metro Area was 0.9% in July 2017, reflecting 3,100 jobs added during a 12-month period.

Axiometrics forecasts Little Rock-North Little Rock-Conway, AR Metro Area's job growth to be 1.4% in 2018, with 4,805 jobs added. Job growth is expected to average 1.0% from 2019 to 2021, with an average of 3,590 jobs added each year.

On the supply side, permits for 755 multifamily units were issued in the 12 months ending in June 2017, up 158 units from the prior year's sum. In terms of total residential housing, 2,530 units were permitted in the 12 months ending June 2017, an increase of 228 units from the prior year's total.

Market Employment and Permitting										
	Annual			July-17		Annual Forecast				
	2014	2015	2016	Market	National	2017F	2018F	2019F	2020F	2021F
Employment (000s)	345.7	350.2	353.9	353.7	146,368.0	355.8	360.6	363.9	367.0	371.4
Job Gain (000s)	1.1	4.5	3.7	3.1	2,165.0	1.9	4.8	3.3	3.1	4.4
Job Growth (%)	0.3%	1.3%	1.1%	0.9%	1.5%	0.5%	1.4%	0.9%	0.9%	1.2%
Total Residential Permitting	1,877	2,699	2,302	2,410	1,127,614	2,986	3,452	3,762	2,883	2,616
Relative Change	-19.2%	43.8%	-14.7%	-3.9%	6.6%	29.7%	15.6%	9.0%	-23.4%	-9.3%
Single Family Units Permitted	1,309	1,487	1,624	1,524	725,224					
Relative Change	-13.2%	13.6%	9.2%	5.9%	10.1%					
Multifamily Units Permitted	485	1,142	597	755	369,955					
Relative Change	-34.8%	135.5%	-47.7%	-25.0%	0.0%					
Multifamily as a % of Total	25.8%	42.3%	25.9%	31.3%	32.8%					
Demand/Supply Ratio										
Job Gain / Total Residential Units Permitted	0.5	2.4	1.4	1.2	2.0	0.8	1.6	0.9	0.8	1.5
Job Gain / Single Family Units Permitted	0.7	3.5	2.5	2.2	3.3					
Job Gain / Multifamily Units Permitted	1.4	9.4	3.2	3.1	5.9					

Multifamily Absorption and Supply										
	Annual			2Q17		Annual Forecast				
	2014	2015	2016	Market	National	2017F	2018F	2019F	2020F	2021F
Total Units Absorbed	1,083	188	960	141	175,965	868	881	467	1,011	607
New Supply	669	520	893	771	363,579	610	534	849	721	464
Inventory Growth	1.3%	1.0%	1.7%	1.6%	1.4%	1.1%	1.0%	1.6%	1.3%	0.8%

Annual Employment Growth



MF Supply and Inventory Growth



IDENTIFIED SUPPLY

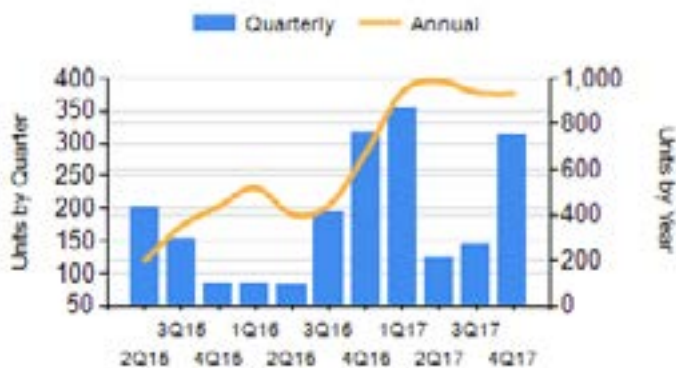
As of August 20, 2017, Axiometrics has identified 934 apartment units scheduled for delivery in 2017, of which, 478 have been delivered. As a comparison, there were 675 apartment units delivered in 2016. Properties delivered to the market in the last 12 months have achieved an average asking rent of \$976 per unit, or \$1.06 per square foot. Effective rent has averaged \$969, or \$1.05 per square foot, resulting in an average concession value of \$-7.09. As a comparison, existing properties in the market had an average asking rent of \$756 per unit (\$0.85 per square foot) and an average effective rent of \$746 per unit, or \$0.84 per square foot, in 2Q17. Concessions for existing properties averaged \$-10.24.

Submarket Delivery Schedule										
Top Submarkets	Pipeline Delivery Schedule				Pipeline Lease Up Trend					
	2014	2015	2016	Total	Units Absorbed		Asking Rent		Effective Rent	
					Totals	PPM	Per Unit	PSF	Per Unit	PSF
Downtown/South	59		48	107	285	16	\$1,139	\$1.17	\$1,139	\$1.17
Pulaski County/Other	48	143	614	805	38	3	\$698	\$0.87	\$698	\$0.87
Saline County		340	272	612	17	2	\$954	\$1.05	\$906	\$1.00
Other	330	192		522	340	10	\$975	\$1.05	\$968	\$1.05
Little Rock-North Little Rock-Conway, AR	437	675	934	2,046						

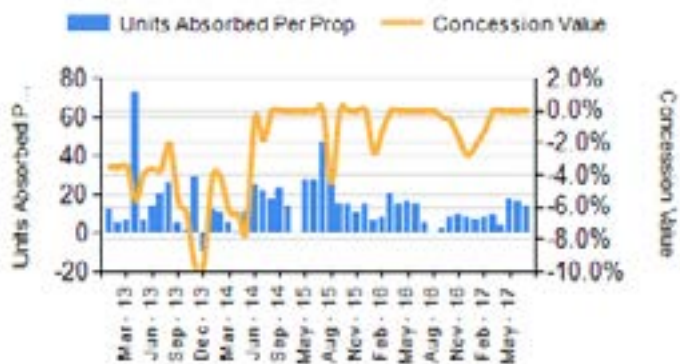
*Based on 2017 deliveries

*Trend based on a trailing 12 month period

Identified Unit Deliveries



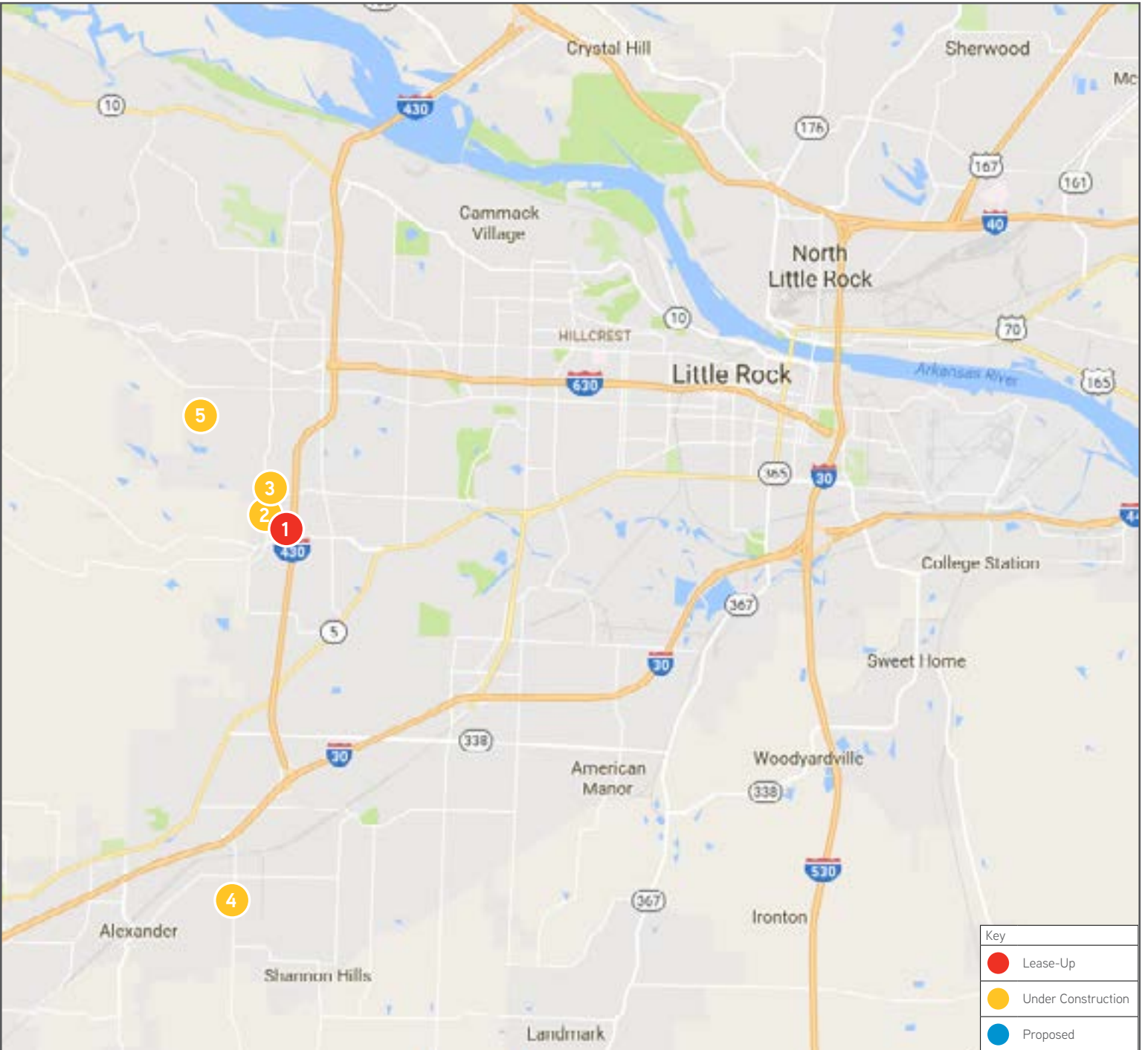
Lease Up Performance



PIPELINE

Source: CoStar

#	Name	Status	Owner	Address	Market	Units
1	Fontaine Bleu West Apartment Homes	Lease Up	Burkhalter Technologies Inc.	4216 Bowman Rd	Outer Southwest/Universit	120
2	Fontaine Bleu - Phase II	Under Construction	Burkhalter Technologies Inc.	4216 Bowman Rd	Outer Southwest/Universit	120
3	Bowman Pointe	Under Construction	Richardson Properties	3321 S Bowman Rd	Outlying West MF	100
4	Village at the Gateway	Under Construction	First Community Bank	12506 Vimy Ridge Rd	Chicot West I-30 South MF	200
5	Landmark	Under Construction	Landmark Apartments LLC	16000 Rushmore Ave	Outlying West MF	196
Total Units						736



WHO WE ARE

One of the largest and most experienced teams of multifamily specialists in the industry



MORE THAN

50

Dedicated Multifamily Professionals & Advisors



COVERING OVER
20 STATES

20

Expansive geographic footprint

MORE THAN

33,500

Units sold since 2011



\$2.3^B

Group gross transaction value in since 2011

WE CAN HELP

As an investor in multifamily properties, you need a firm that provides experience, broad reach and the ability to market an asset no matter how challenging the economic environment. You need a team that specializes in your **market** you need The East Region Multifamily Advisory Group.

Colliers International has one of the largest and most experienced teams in the industry, strategically located in key markets throughout North America. Our combination of market dominance, expertise, and singular focus, make us uniquely successful in helping our clients achieve their disposition objectives.

How are we able to bring together the skills and tools necessary to complete challenging assignments? Our East Region Multifamily Advisory Group is connected by purpose and focus. Our team is dedicated to sharing information on market opportunities, capital sources and buyers/sellers to achieve the best results for our clients.



Bob Galamba, CCIM, SIOB
SENIOR VICE PRESIDENT | EAST
REGION

bob.galamba@colliers.com
DIR +1 816 556 1152



Gabe Tovar
ASSOCIATE | EAST REGION

gabe.tovar@colliers.com
DIR +1 816 556 1161



Will Mathews
PRINCIPAL | EAST REGION

INSTITUTIONAL CLIENT GROUP
will.mathews@colliers.com
DIR +1 404 877 9285



Payton Herschberger
ASSOCIATE | EAST REGION

payton.herschberger@colliers.com
DIR +1 404 574 1061

AT YOUR SERVICE



To learn more, scan this with a QR code reader or visit:

www.ColliersMultifamilyEast.com