
# 2023 Deliveries Remaining Elevated

## Multi-Family Supply - Updated Through 4Q23

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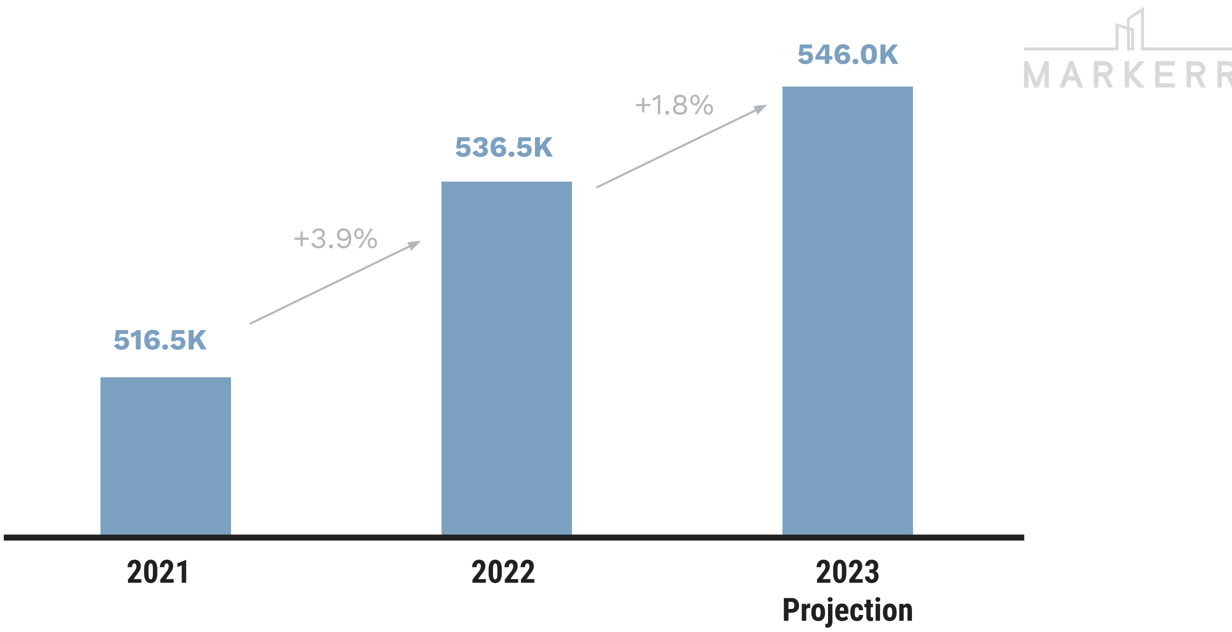
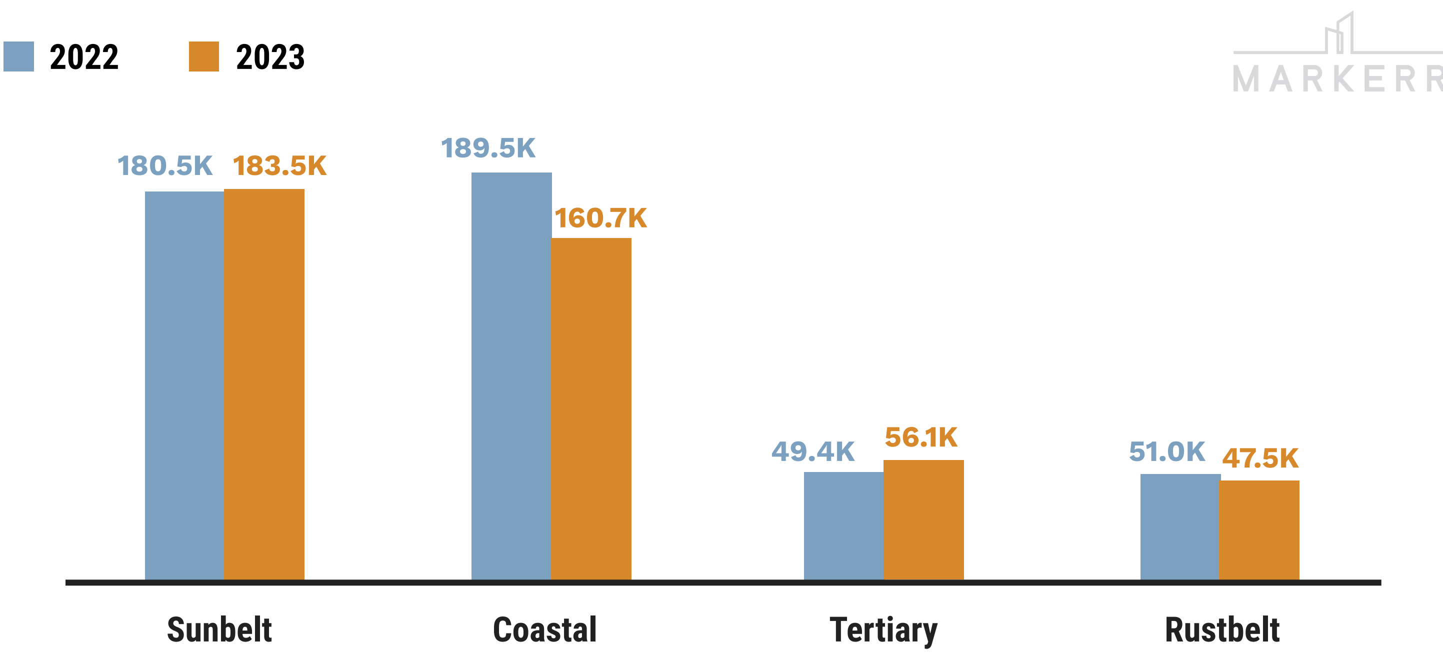
## Deliveries at the National Level are Showing No Sign of Slowing in 2023

- Markerr's national supply figure is calculated by aggregating data from 783 MSAs included in the Supply Dataset. The data indicates a projected increase of 9.5K units or 1.8% year-over-year by the end of 2023.




## Top 100 MSAs Expected to See Decline in Completions in 2023, Led by Coastal Decline

- The top 100 MSAs are expected to see a 22.5K decrease (-5%) in completions by 4Q23 relative to 4Q22. This implies that the smaller markets are seeing increased development activity.
- In terms of geography, Coastal markets (-15%) and Rustbelt markets (-7%) are anticipated to experience a decline in completion rates in 2023. On the other hand, Sunbelt markets (+2%) and Tertiary markets (+14%) are expected to see an increase in completions.



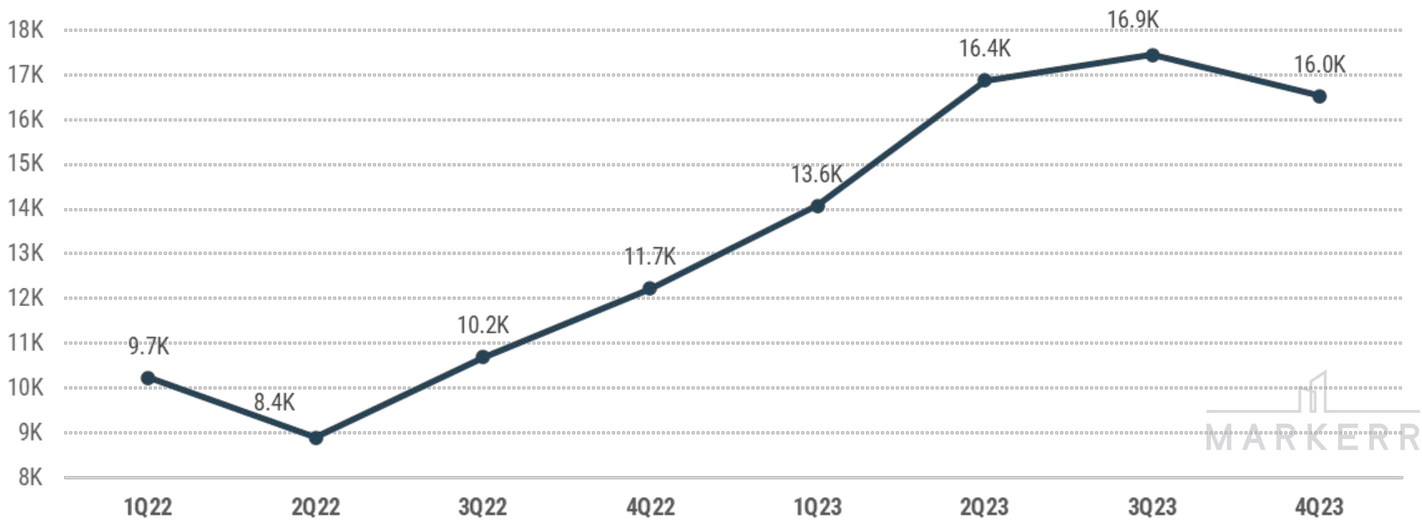
### Nashville, TN Tops the U.S. in Terms of Expected Completions in 2023

- This chart breaks down the top ten markets with supply as a % inventory and the bottom ten markets with supply as a % of inventory.
- Austin, TX is seeing an elevated level of deliveries again, but the deliveries as a percent of inventory is going to decelerate by 100 bps YoY.
- Seeing Tucson, AZ among the markets with the least supply could be an interesting alternative in the Southwest since it has been seeing positive population growth in recent years.

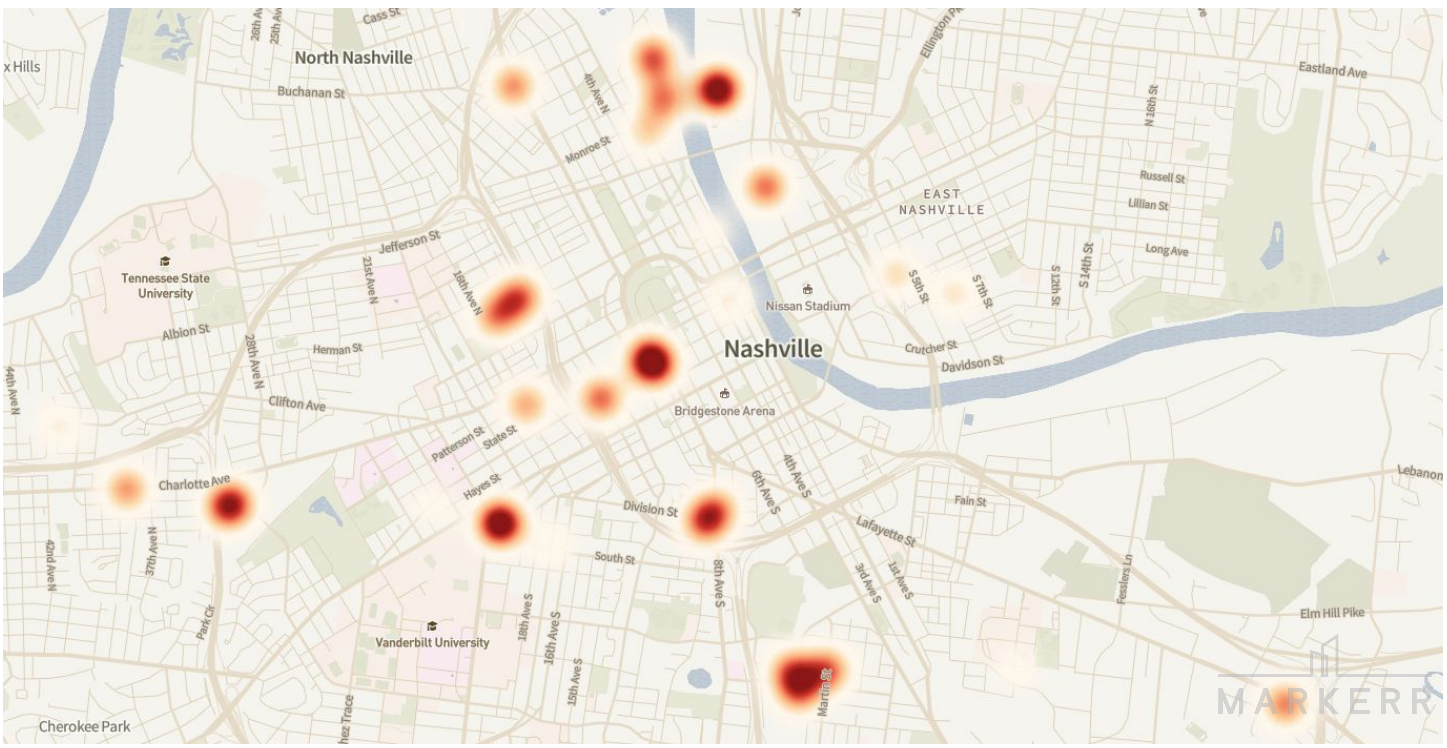
| | MSA | 2022 | 2023 |
|---|---|---|---|
| HIGHEST SUPPLY AS % OF INVENTORY | Nashville, TN | 6.9% | 9.5% |
| | Boise, ID | 9.4% | 9.0% |
| | Provo-Orem, UT | 2.5% | 8.6% |
| | Colorado Springs, CO | 2.2% | 7.6% |
| | Raleigh, NC | 4.2% | 7.0% |
| | Lakeland, FL | 3.5% | 6.8% |
| | Austin, TX | 7.2% | 6.2% |
| | Charlotte, NC | 3.8% | 6.0% |
| | Jacksonville, FL | 5.5% | 5.7% |
| | Durham, NC | 2.7% | 5.2% |
| LOWEST SUPPLY AS % OF INVENTORY | Akron, OH | 1.0% | 0.6% |
| | Syracuse, NY | 0.6% | 0.5% |
| | Albany, NY | 1.9% | 0.4% |
| | Bakersfield, CA | 0.7% | 0.3% |
| | Little Rock, AR | 0.7% | 0.3% |
| | Providence, RI | 1.1% | 0.3% |
| | Tulsa, OK | 1.4% | 0.3% |
| | Bridgeport, CT | 2.7% | 0.2% |
| | Springfield, MA | 1.1% | 0.2% |
| | Tucson, AZ | 1.2% | 0.1% |

## Markerr Data Illustrates the Continuing Ramp in Deliveries in Nashville Through 3Q23

- On a trailing 12-month basis, Nashville is projected to provide ~16,000 new units by 4Q23. It is expected to have a few notable spikes in completions, particularly in 2Q23 and 3Q23 where there will be a significant increase in units completed compared to the previous quarters.
- Overall, this data suggests that the **supply of housing units in Nashville is steadily increasing and is expected to continue to do so in the coming quarters**, potentially indicating a growing demand for housing in the area.

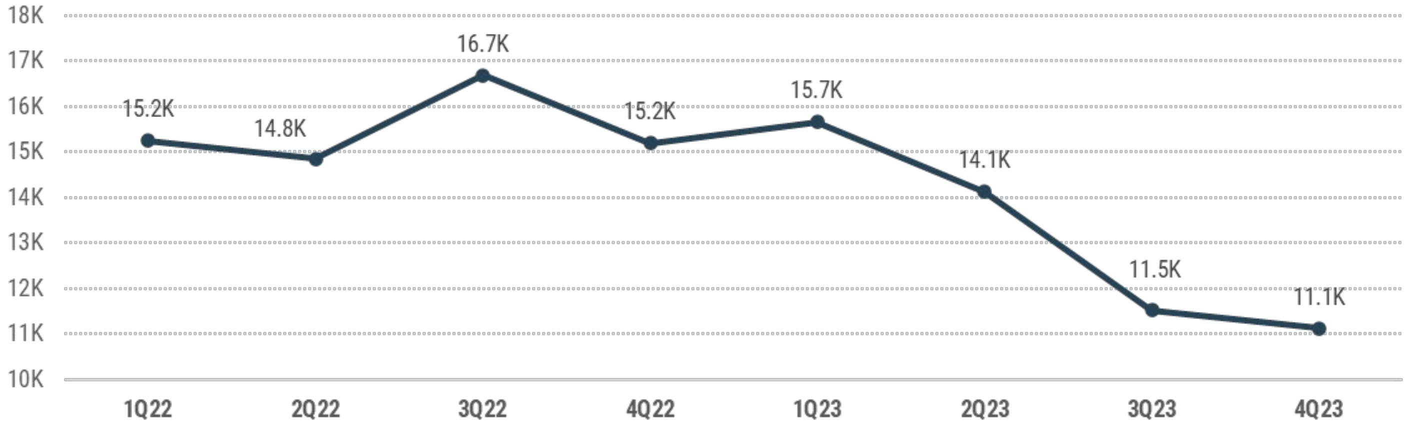



- The map below illustrates the concentration of units coming online in Nashville through the end of 2023. The larger and darker circles represent areas where a higher amount of units are expected to be delivered.

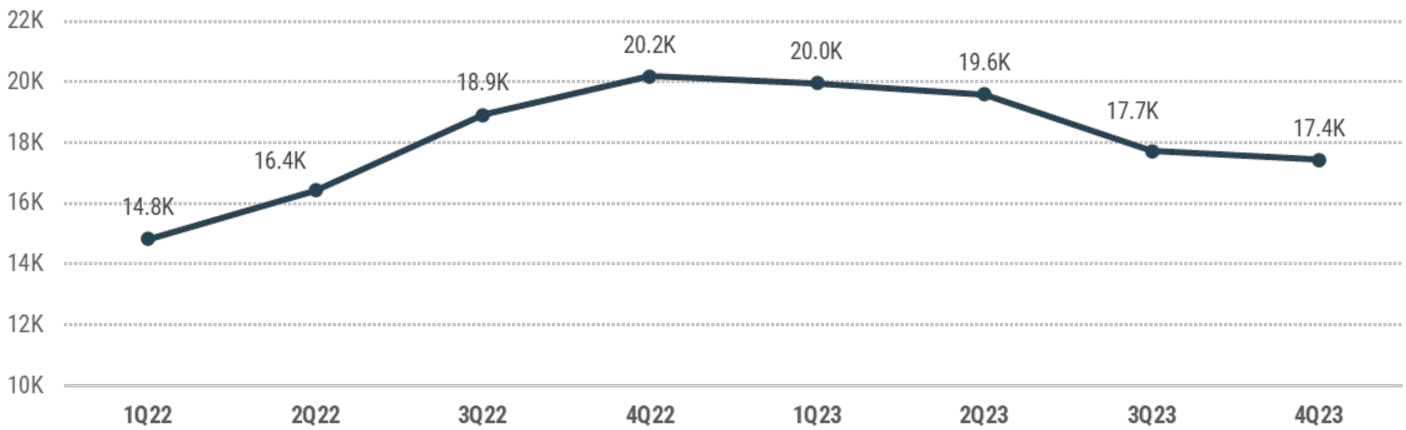


To interpret the charts below effectively, it is recommended to keep in mind that each point signifies the **completion of deliveries over the past twelve months.**

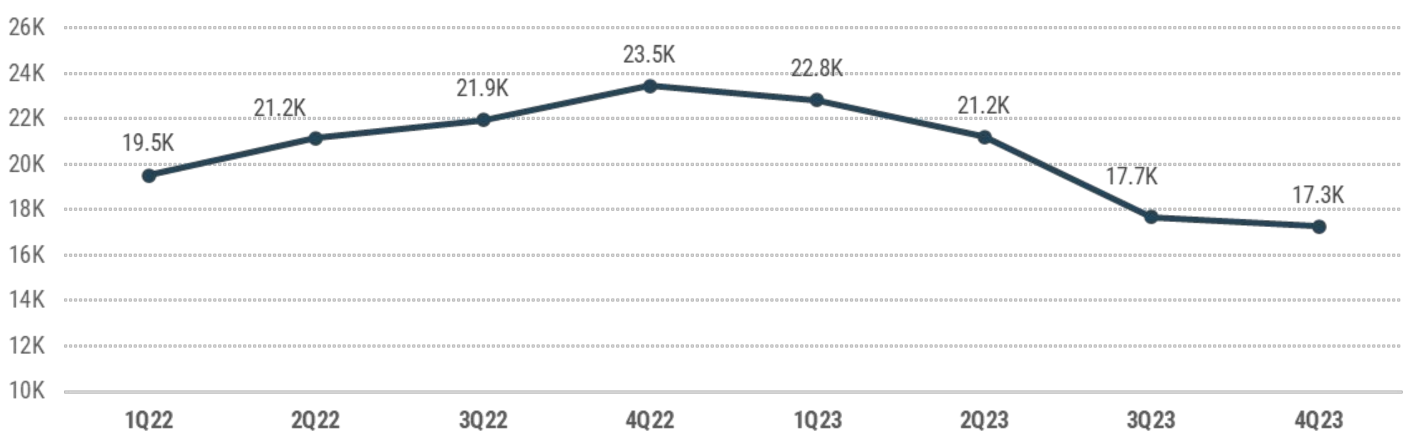
## Atlanta Supply Projected to Decline Each Quarter in 2023




## Austin Completions to Slowly Taper Out




## Supply Laden D.C. to Finally Start to See Some Relief



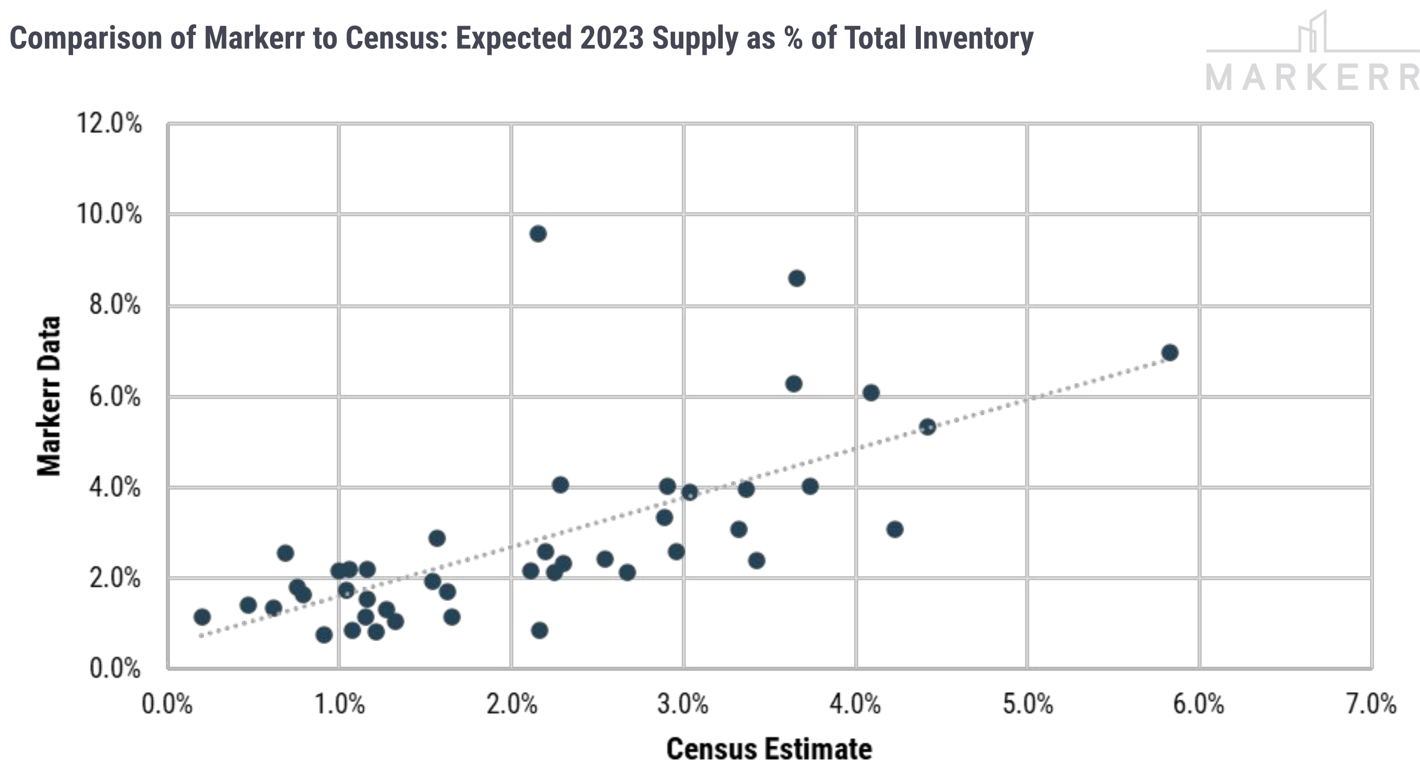
## Markerr Data Shows A High Correlation to Census Completions and Rolled Forward Permits

- Markerr supply data at the national level shows a very similar output to the national level of Census completions over the past four quarters. Both Markerr data and Census data define multi-family as 5+ apartment units.

| Period | Markerr (000s) | Census (000s) | Delta (000s) | % Delta |
|---|---|---|---|---|
| 1Q22 | 508 | 481 | 27 | 5.5% |
| 2Q22 | 527 | 500 | 27 | 5.5% |
| 3Q22 | 540 | 520 | 20 | 3.9% |
| 4Q22 | 536 | 534 | 2 | 0.4% |

## A High Degree of Accuracy is Found Across the Top 100 MSAs

- Below is the plotted Census estimates of 2023 Supply as % of Total Inventory on the x-axis and Markerr's estimates on the y-axis. Each point represents one of the top 100 MSAs conducted in this analysis. Most points cluster around this diagonal line suggesting that Markerr's data does not significantly deviate from Census estimates. **However, it is important to note that the Census figure is still an estimate based on rolling forward permit data (see next bullet). Markerr data is comprised of actuals verified by humans.**
- The Census comparison methodology comprises extracting the permit data from the Census, extrapolating the permit information by a period of 18 months to accommodate the construction duration, and incorporating a 15% attrition factor to factor in the non-completion of projects.



## Forward Looking Supply Data Can Identify Opportunities and Risks

Introducing the newest addition to the Markerr product suite - Supply Data! Markerr has been a leader in providing commercial real estate data solutions to enhance risk-adjusted returns, and now with Supply Data, we are filling in the last piece required in a full supply-demand analysis. Markerr supply data is sourced from public data, as well as human-verified data to estimate a forward-looking supply estimate.

MARKERR
**Product Suite**

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Also aggregated to
7,900 Zip Codes and 730 MSAs

Updated Monthly

**Rent Data**
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* Individual Income Growth
* Household Income Growth
* Six Figure Earners
* Education
* Hiring Data
* Age Cohort Analysis
* Commute Distance
* Over 400 more

## Why Supply Data is Critical to Multi-Family Real Estate Investing

- At the most fundamental level, supply data helps to **determine the balance of supply and demand** in a market and at more granular levels. This helps to identify trends, opportunities, and risks in any multi-family opportunity.
- Supply data is crucial to understanding rent growth projections, as well as asset value projections.
- The current and future supply pipeline can be utilized by owner operators to see if there are acquisition or development opportunities in the area are worth pursuing.

**Sources:**
Markerr Supply Dataset
*Markerr's Supply data is sourced from both publicly available data and data from a leading human-verified construction intelligence platform. A proprietary methodology is used to combine, smooth, and estimate forward-looking new supply.*

**Coverage:**
*Covers more than five million multifamily units located in more than 7,900 unique ZIP Codes and more than 730 MSAs*

**Frequency:**
*This dataset will be updated on a monthly basis.*

**Latency:**
*One month. The data is currently updated through the end of January 2023.*

**Granularity:**
*Available down to the property level and in aggregated form at the ZIP Code, County, and MSA level.*