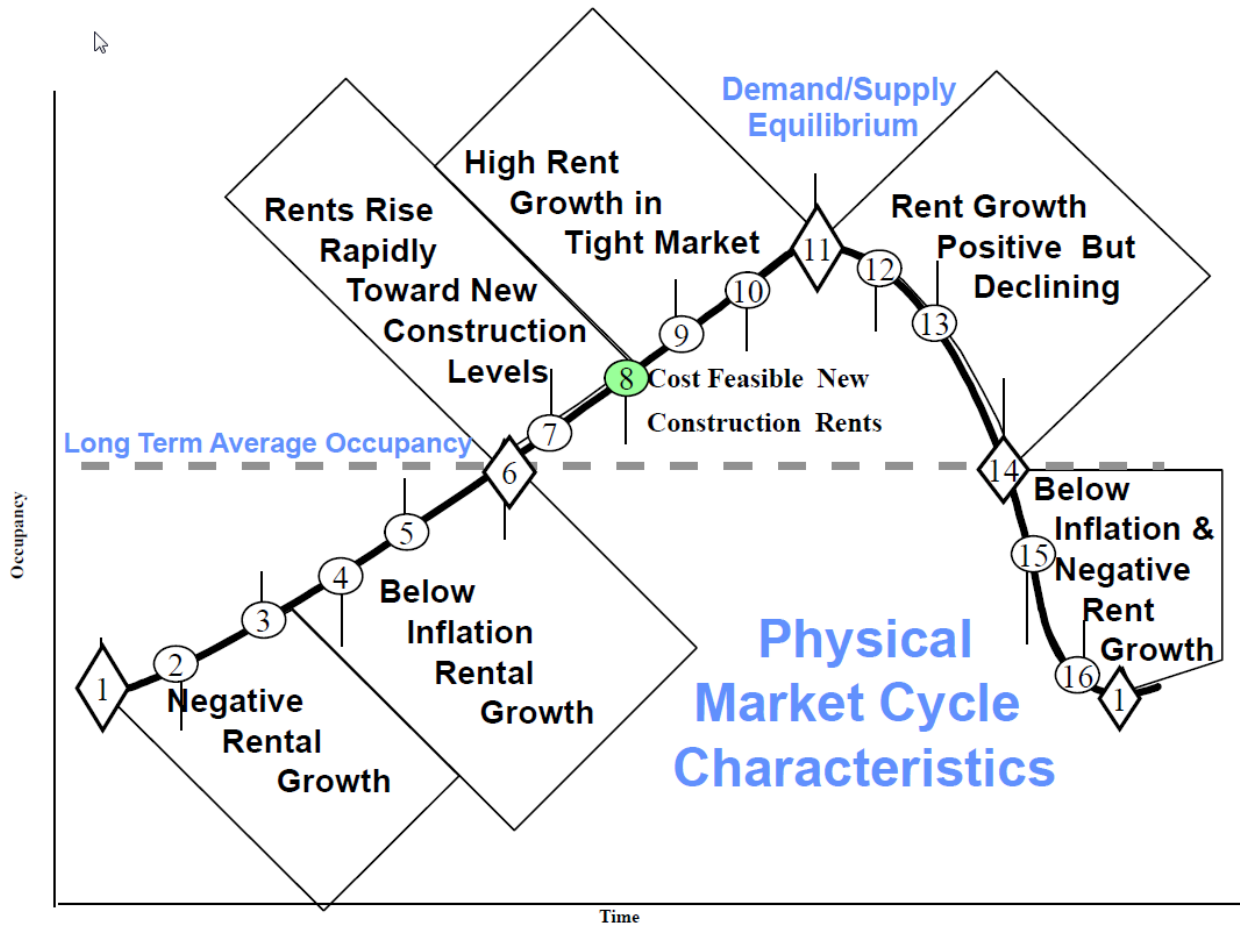


Real Estate Valuation Environment

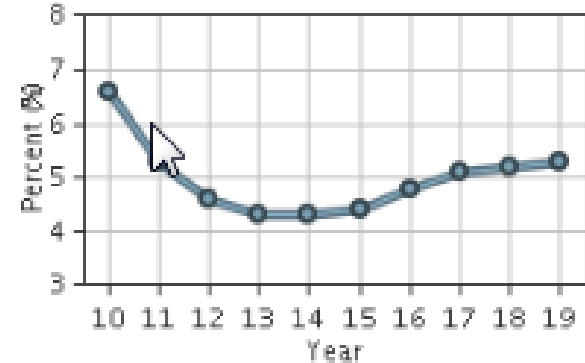
Market Cycles



Multifamily

- Fundamentals

- 4Q15 US Vacancy rate 4.3%
 - 3rd year of sub 5.0%
 - First increase since '09



- Forecast at 4.8% by year end and trending up
- Rental Rates up 4.6% in 2015
 - Average rental rate now \$1,227/month
- Class A Cap rates now 4.57%
 - 31 of the top 45 metros in the US have Class A cap rates which are at 5.0% or below

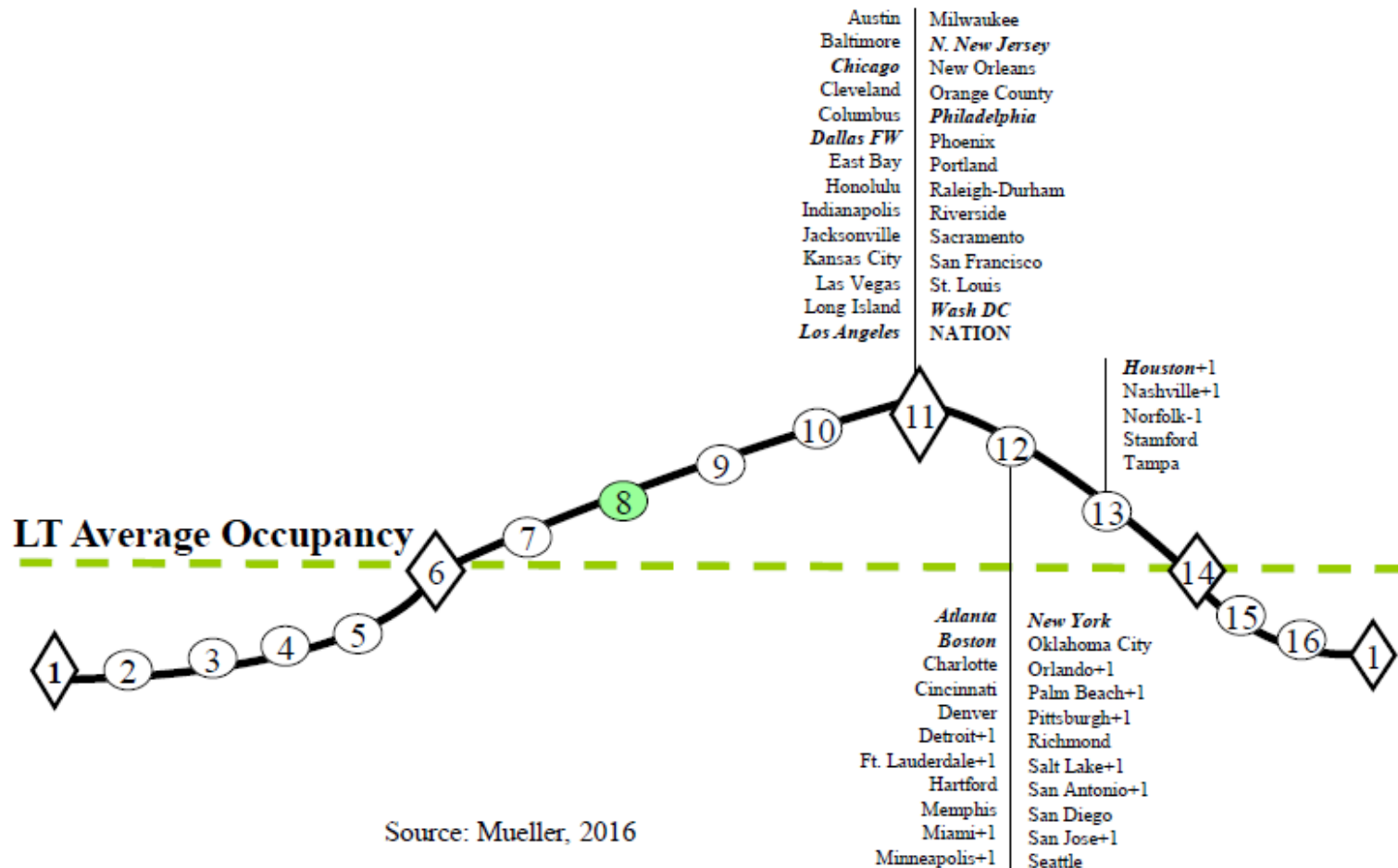
Multifamily

- Current Cycle is Millennial Driven
- Challenges in the Sector
 - Overbuilding on track for 2016 and beyond in some markets
 - “Fringe” building
 - Maintaining “Class A” status

Multifamily

Apartment Market Cycle Analysis

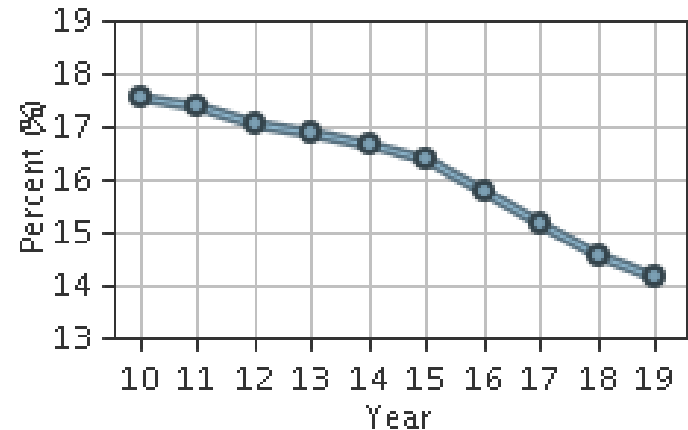
4th Quarter, 2015



Office

- Fundamentals

- US Vacancy rate 16.4%;
Declining since Q12011



- Forecast at 15.9% by year end
- Rental Rates up 3.3% in 2015
 - Average rental rate now \$30.94/SF
- Employment growth drives office occupancy
 - Choppy growth

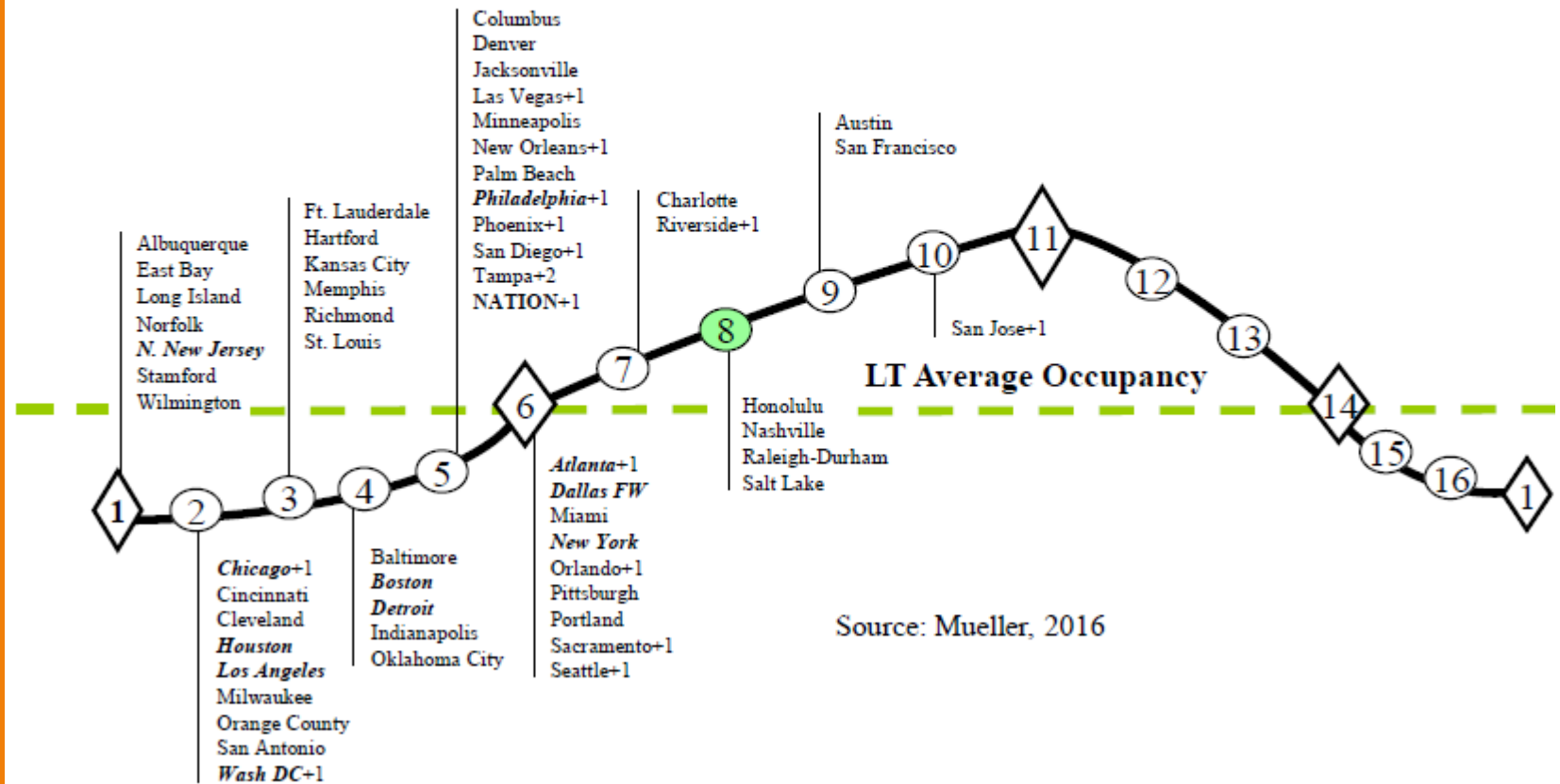
Office

- Investment Market
 - Class A Cap rates now 5.84%
 - Class A product in top tier markets just eclipsed 5.0%
- Underwriting Stress
 - Efficient office use
 - Older product will suffer
 - Millennials redefining what office space looks like

Office

Office Market Cycle Analysis

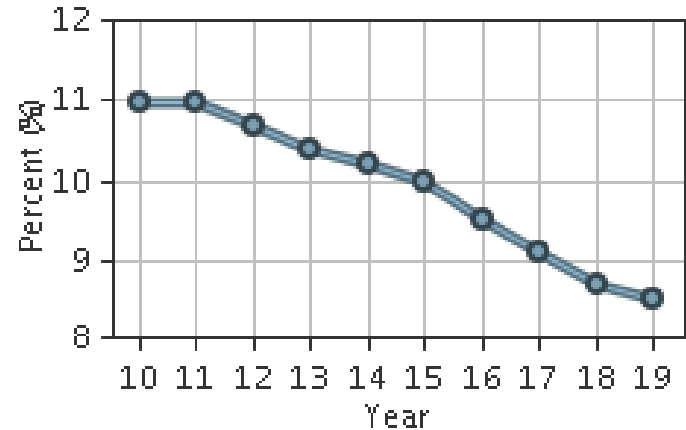
4th Quarter, 2015



Retail

- Fundamentals

- US Vacancy rate 10.0%
Declining since 2011



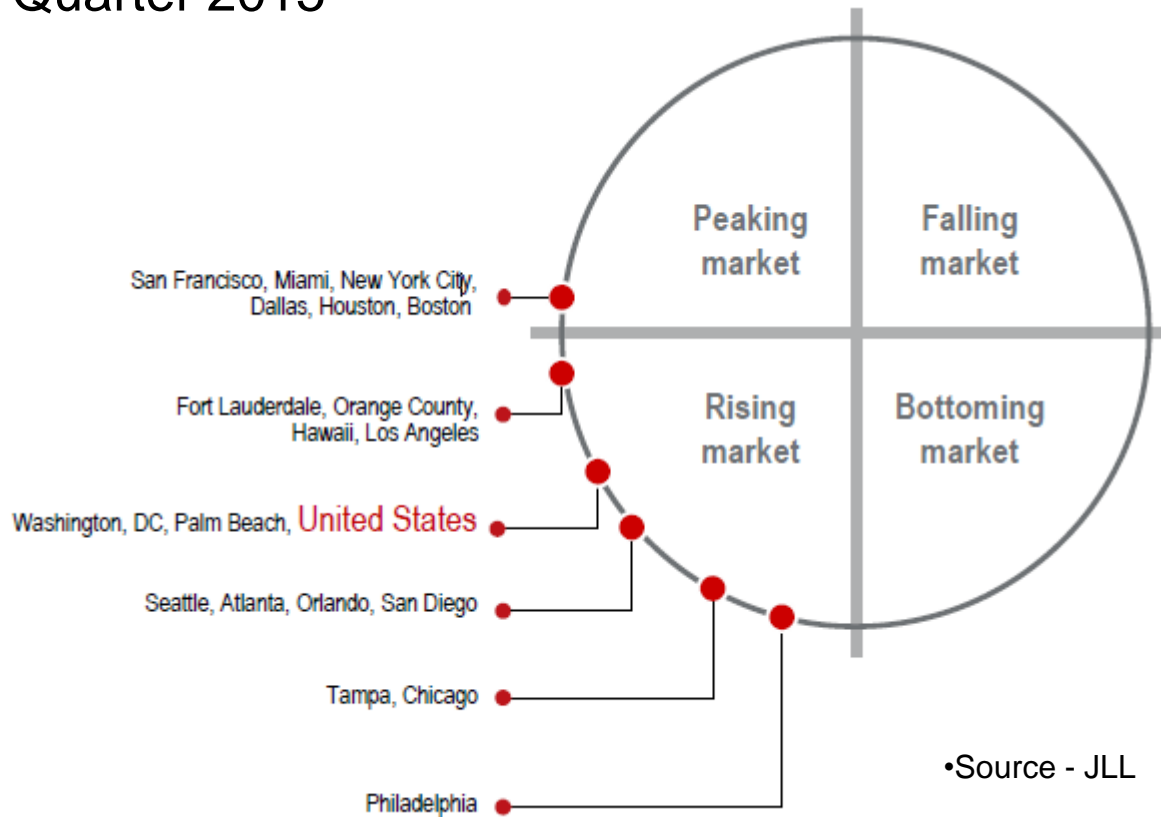
- Forecast to be below 10% in 2016
- Rental Rates up 2.1% over past 12 months
 - Average rental rate now \$20.11/SF

Retail

- Investment Market
 - NNN Retail cap rates 6.25% and falling (new historic low)
- Underwriting Stress
 - Malls (Dead properties)
 - Power Centers – Not being built anymore

Retail

•4th Quarter 2015



Industrial

- Fundamentals

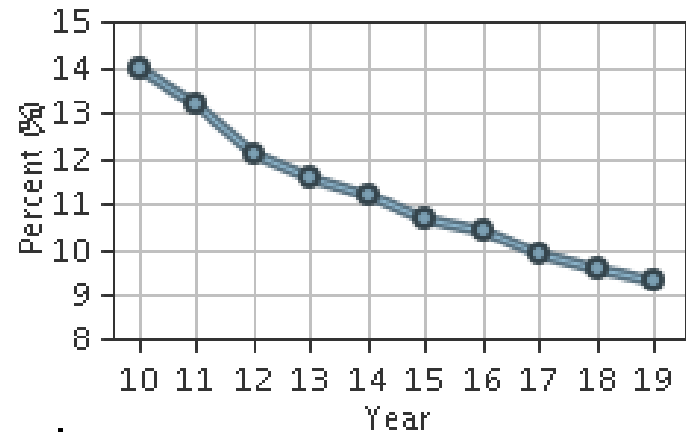
- US Vacancy rate 10.7%

- CBRE, JLL claim 14-20 year low

- Market is highly fragmented

- Rental Rates up 1.8% over past 12 months

- Average rental rate now \$4.98/SF

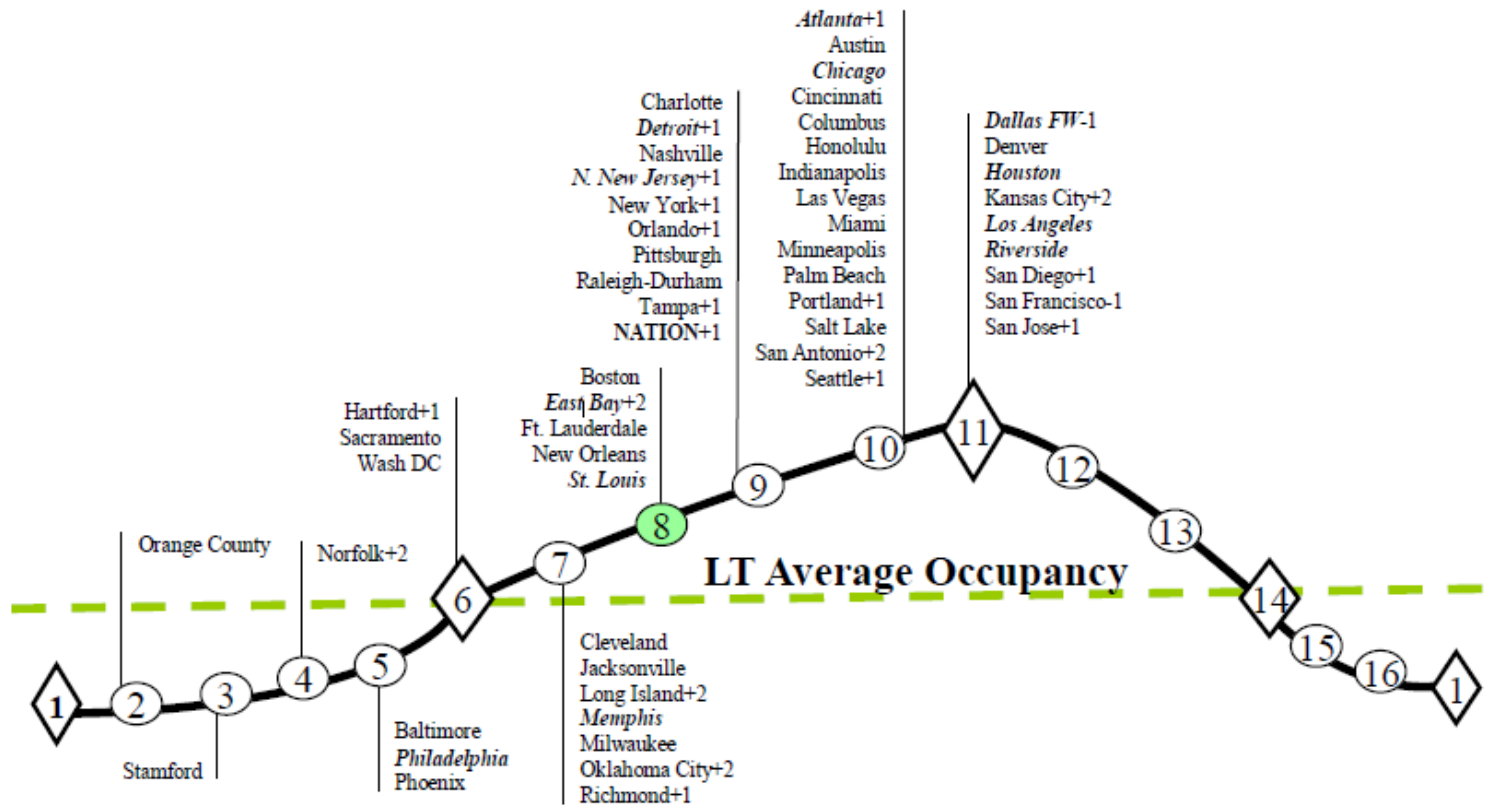


Industrial

- Investment Market
 - Class A cap rates 5.65%
 - Market volume set to be highest since '07
- Underwriting Stress
 - Fragmented Marketplace (where to invest?)
 - Developer/Owner

Industrial

Industrial Market Cycle Analysis 4th Quarter, 2015



Source: Mueller, 2016