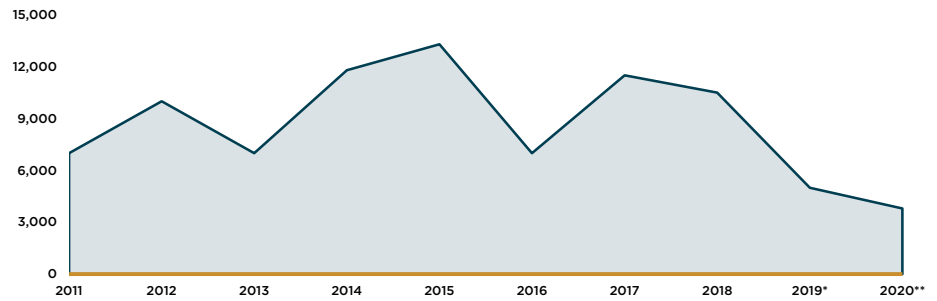


## 2019 REVIEW

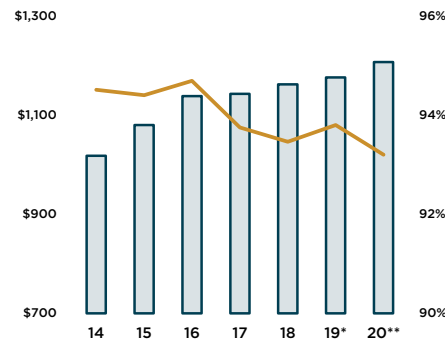
Continued job creation and rising household formation was a boost to leasing activity across Greater Charleston in 2019. Simultaneously, absorption outpaced new apartment inventory, provoking a 30-basis-point increase in occupancy to end the fourth quarter at 93.8%. Apartment owners took advantage of tightening occupancy by raising effective rent. The average monthly effective rent appreciated 1.2% to \$1,176 by December. While metro Charleston is flourishing overall, downtown's trendy Upper Peninsula district has become a desirable spot to locate with numerous tech firms and an expanding live-work-play atmosphere. Apartment demand in the Downtown/Mount Pleasant/Islands submarket led the metro during 2019 and pushed up occupancy to 93.4% in December, a 90-basis-point annual increase. Apartment demand is expected to remain sturdy in the Upper Peninsula, spurred by ongoing office development in the area, including The Lumberyard and the Charleston Tech Center. Meanwhile, on the jobs front, total nonfarm employment expanded by 5,000 workers last year, building on the 10,500 jobs added in 2018.

## EMPLOYMENT CHANGE



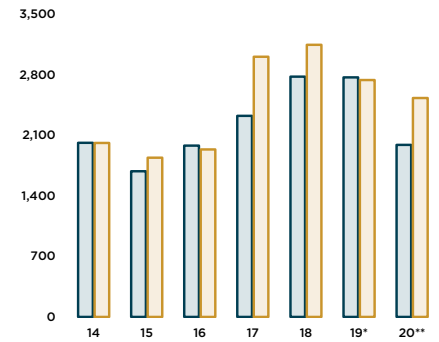
\*Estimate; \*\*Forecast | Source: Berkadia, Moody's Analytics

## EFFECTIVE RENT AND OCCUPANCY



\*Estimate; \*\*Forecast | Source: Berkadia, Axiometrics

## ABSORPTION AND DELIVERIES



\*Estimate; \*\*Forecast | Source: Berkadia, Axiometrics

## 2019 PERFORMANCE HIGHLIGHTS

### EMPLOYMENT CHANGE

**5,000**  
▲ 1.3% YOY

### UNEMPLOYMENT RATE

**3.0%**  
▲ 30 BPS YOY

### OCCUPANCY

**93.8%**  
▲ 30 BPS YOY

### EFFECTIVE RENT

**\$1,176**  
▲ 1.2% YOY

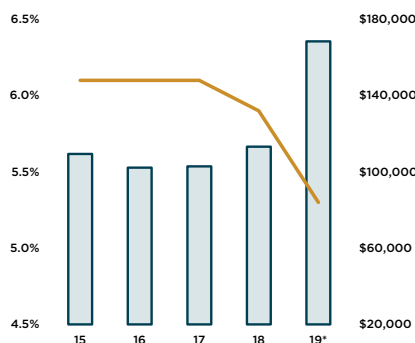
### ABSORPTION

**2,769 Units**

### CONSTRUCTION

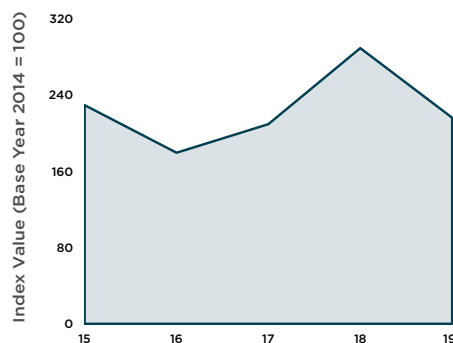
**2,739 Units**  
▼ 12.9% YOY

## CAP RATE | PRICE PER UNIT



\*Estimate | Source: Berkadia, CoStar Group

## SALES ACTIVITY INDEX



\*Estimate | Source: Berkadia, CoStar Group

## MARKET FACTS

### POPULATION

**806,100**  
YE 2019 ▲ 1.6% YOY

### HOUSEHOLDS

**324,400**  
YE 2019 ▲ 1.9% YOY

### MEDIAN HOUSEHOLD INCOME

**\$65,198**  
YE 2019 ▲ 2.9% YOY

### RENT SHARE OF WALLET

**21.6%**  
YE 2019 ▼ 40 BPS YOY

## 2020 PREVIEW

Charleston's apartment market will continue to benefit from exceptional job opportunities and the area's desirable lifestyle. Continued employment growth is anticipated among Charleston's high-profile manufacturers, including the Boeing Company, Mercedes-Benz Vans, and Volvo Cars USA. Currently, 900 people work at the Mercedes-Benz Sprinter plant in North Charleston, estimated to reach 1,300 workers by the end of the forecast cycle to build 20,000 cargo vans for Amazon.com's delivery service. Supporting apartment demand in the Summerville/Northwest Charleston submarket will be Volvo Cars hiring approximately 2,500 workers in the coming 12 to 24 months. Overall, Charleston-based employers will continue hiring this year as head counts rise 1.0% with 3,800 net jobs added. Multifamily builders will continue concentrating efforts in employment nodes where housing demand has been greatest. Scheduled supply will swell inventory in the Downtown/Mount Pleasant/Islands and the Summerville/Northwest Charleston submarkets by 6% and 12%, respectively, in the next 12 months. Metrowide inventory expansion of 4.0% and decreasing demand will drop the occupancy rate to 93.2% by year-end. Landlords will respond to lowering occupancy and heightened construction by tapering rents. The anticipated rent growth of 2.6% will put monthly effective rent at \$1,207 by December.