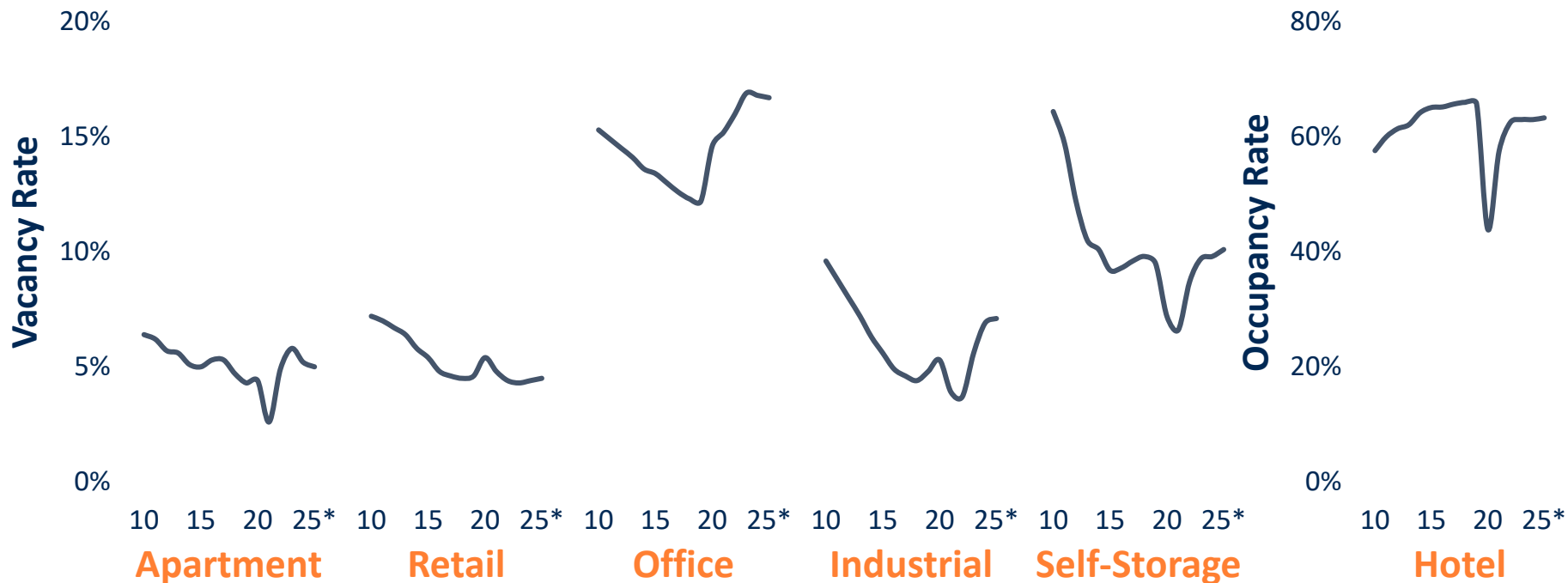


# Real Estate Roundtable

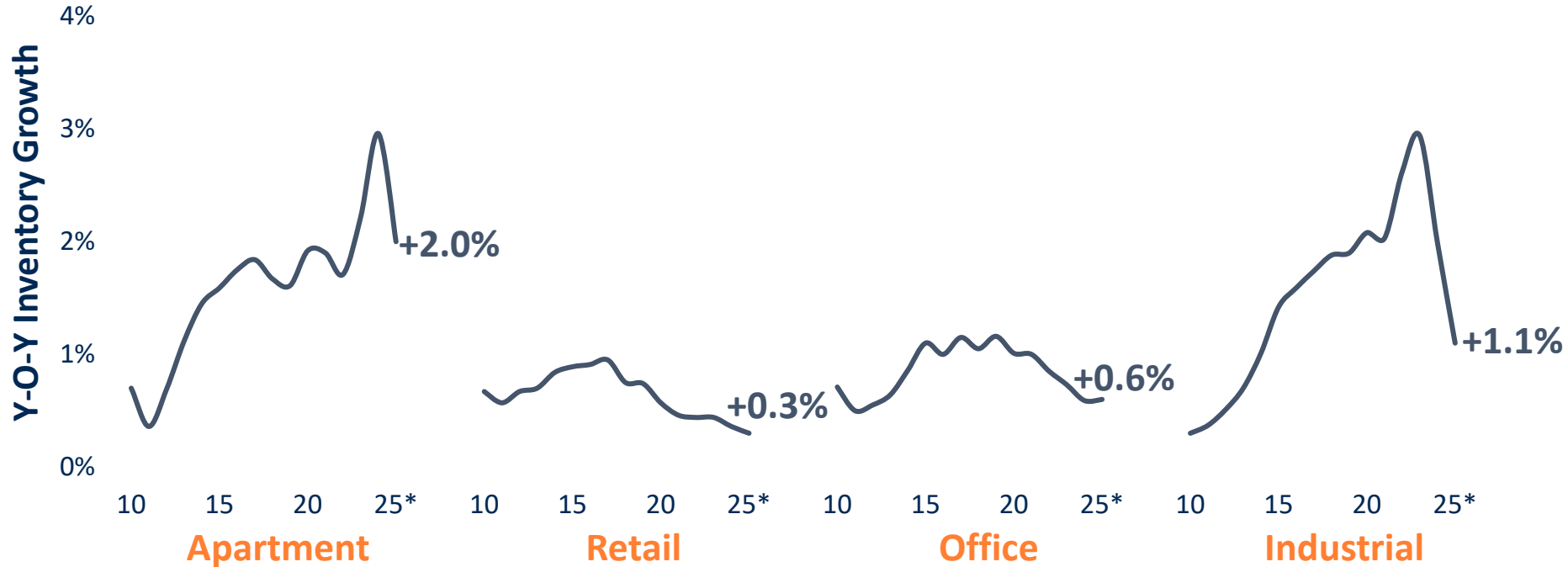
**Annual Meeting - May 28, 2025**

Marcus & Millichap

# Commercial Real Estate Performance Generally Healthy; Older Urban Office Struggling

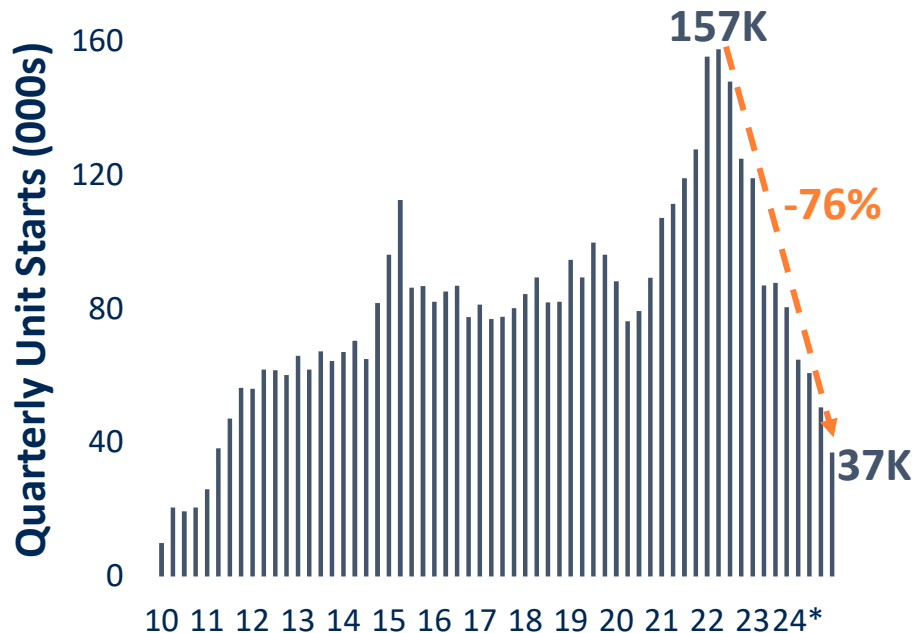


# Commercial Real Estate Construction Trends

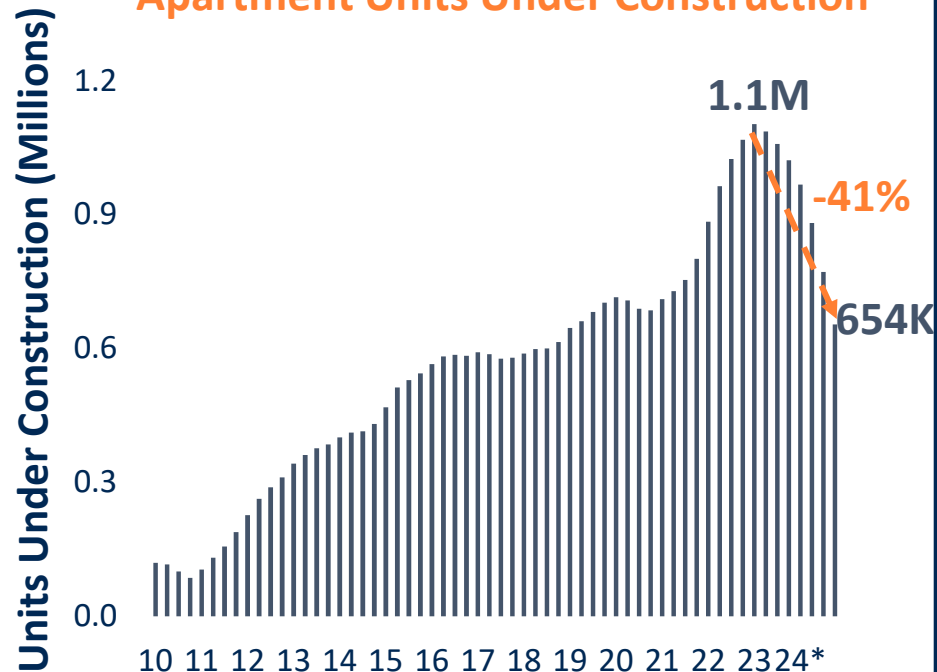


# Substantial Decline In Multifamily Construction Supports Strengthening Performance Outlook

## New Multifamily Starts

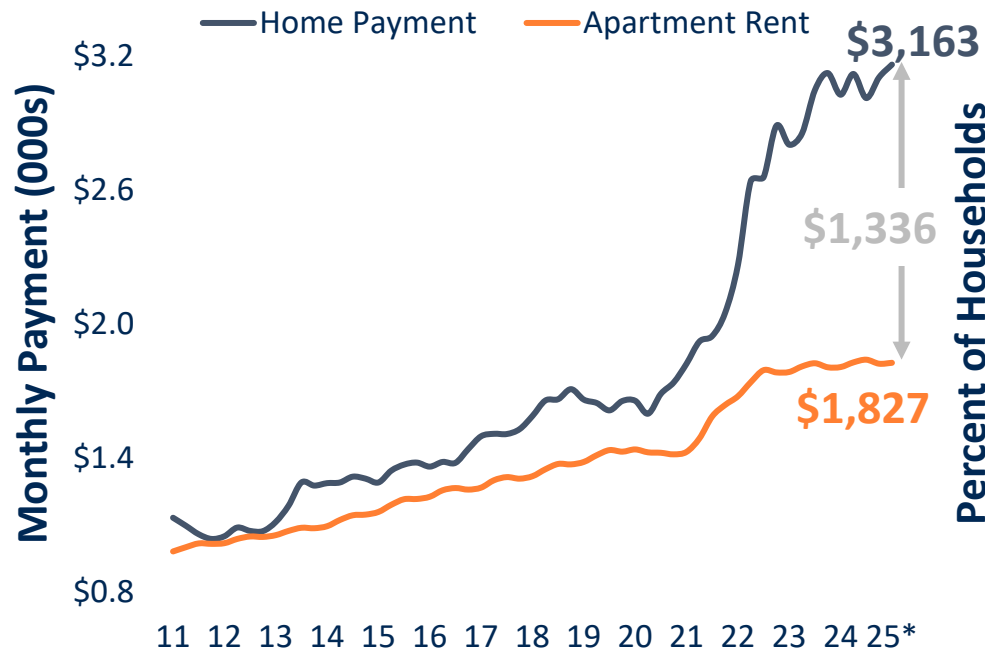


## Apartment Units Under Construction



# Affordability Gap Widened; Loan Qualification Remains a Significant Barrier

## Affordability Gap Between Home Payment and Apartment Rent



## Share of Households That Qualify For Loan on Median-Priced Home

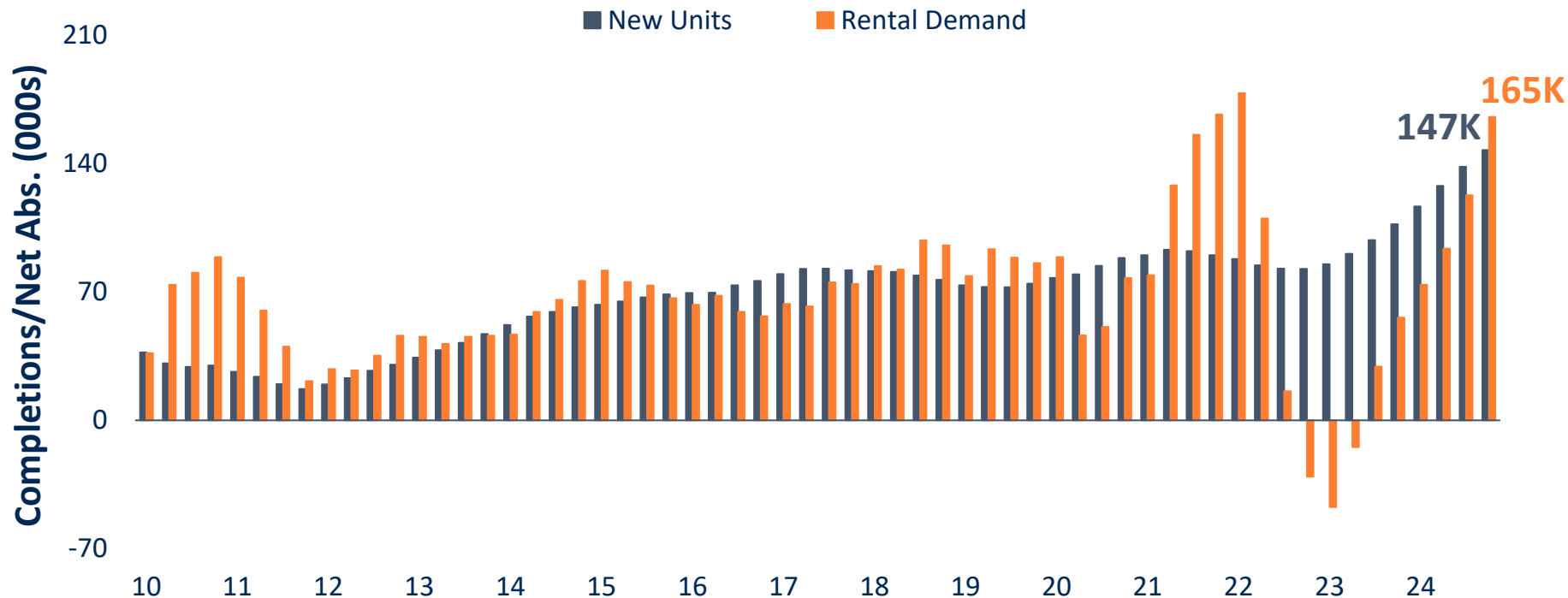


\* Through 1Q

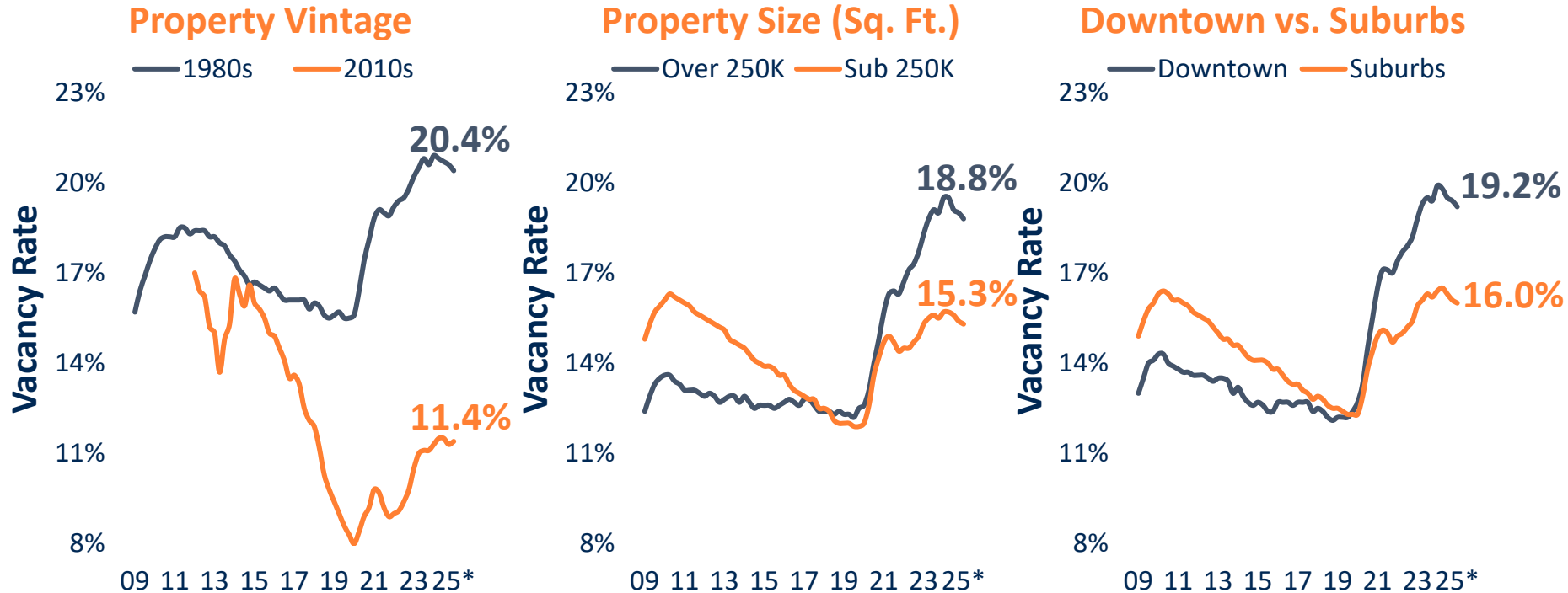
Mortgage payments based on median home price for a 30-year fixed rate mortgage, 90% LTV, taxes, insurance, and PMI; 27% mortgage payment coverage ratio

Sources: Marcus & Millichap Research Services, RealPage, Inc., Freddie Mac, National Association of Realtors, U.S. Census Bureau

# U.S. Apartment Demand Outpacing New Supply; Trend Suggests Continued Performance Gains

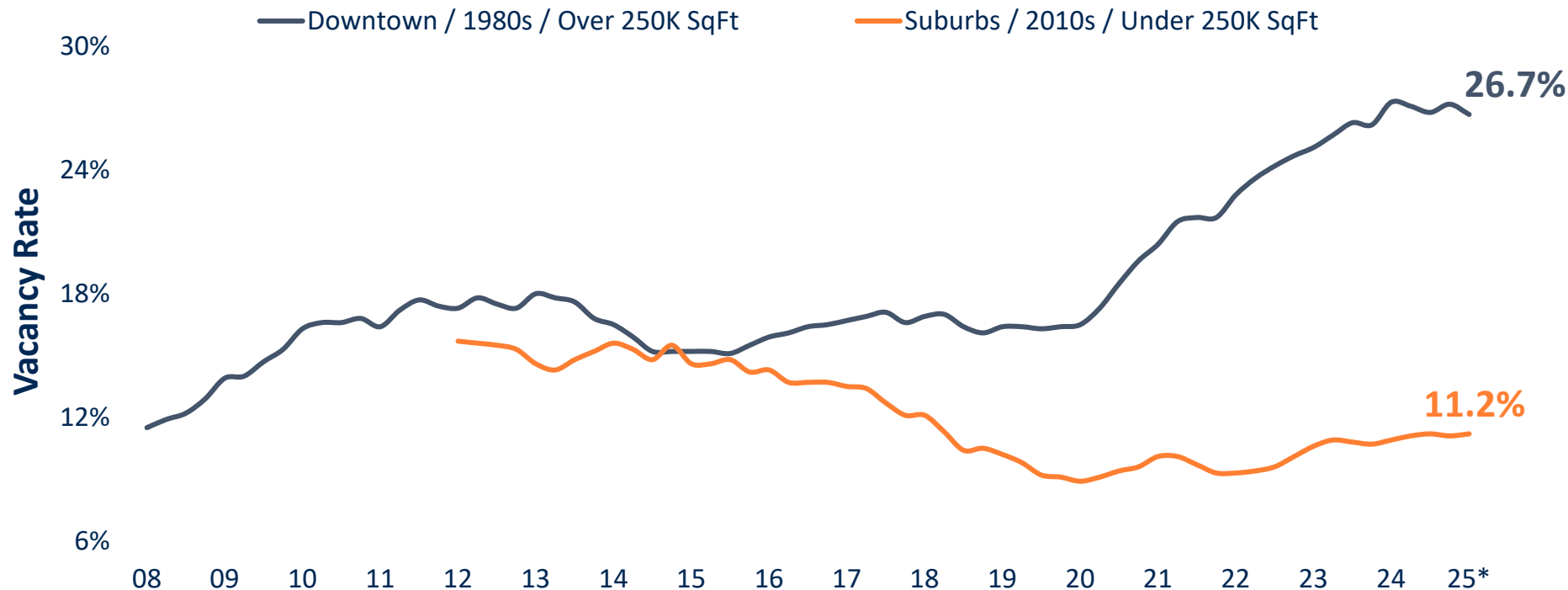


# Office Vacancy Rise Concentrated; High-Rise '80s-Vintage Urban Office Impacted Most



\* Through 1Q  
Includes downtown and suburban submarkets for major metros  
Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

# Suburban, Smaller Offices Outperforming



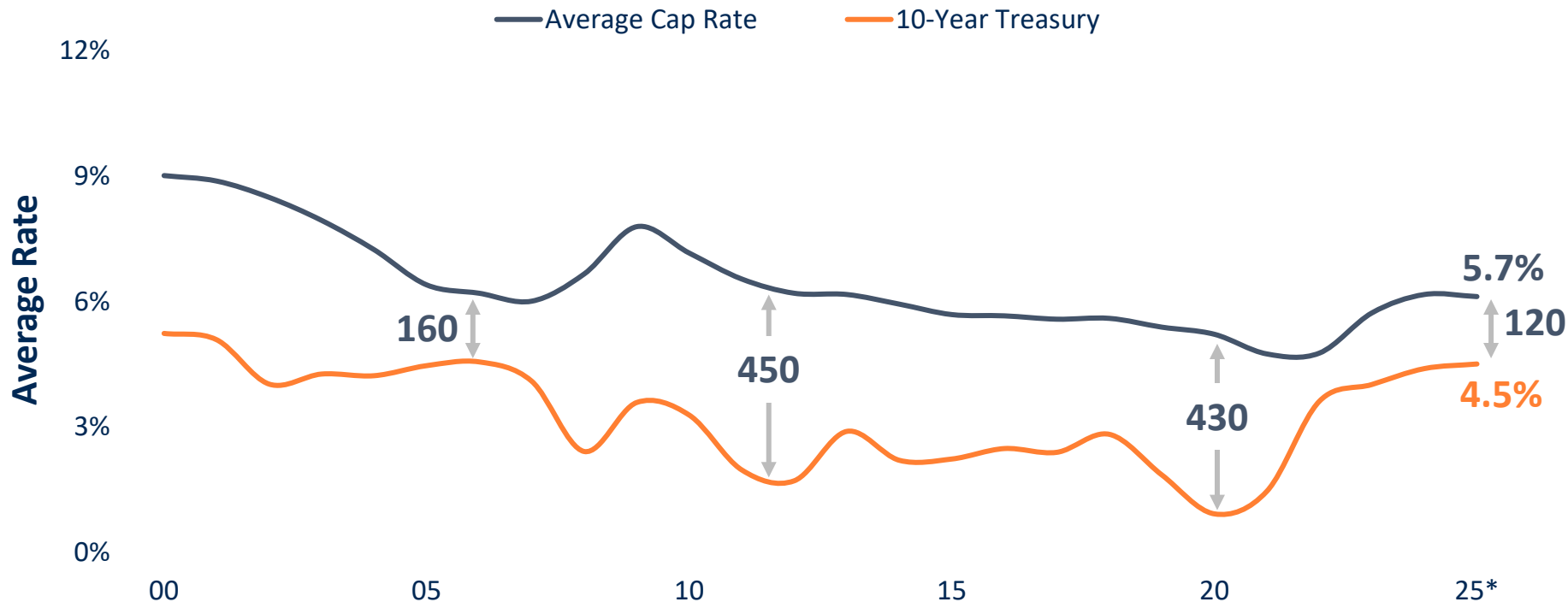
\* Through 1Q

Includes downtown and suburban submarkets for major metros  
Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Marcus & Millichap



# U.S. Average CRE Cap Rate and Interest Rate Trends (Sales of \$20M+ Assets)

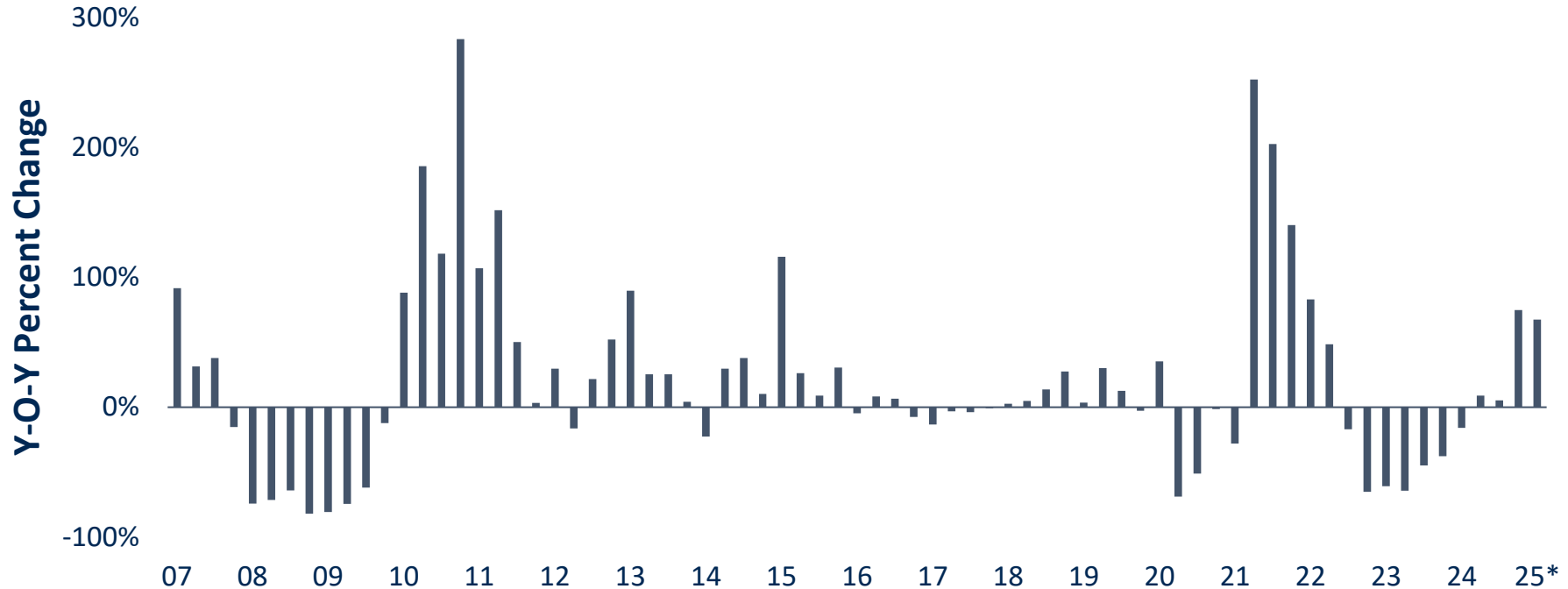


\* Through May 23

Includes apartment, retail, office, and industrial sales \$20 million and greater

Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Real Capital Analytics, Federal Reserve

# Commercial Real Estate – Trading Volume Trends (Sales of \$20M+ Assets)

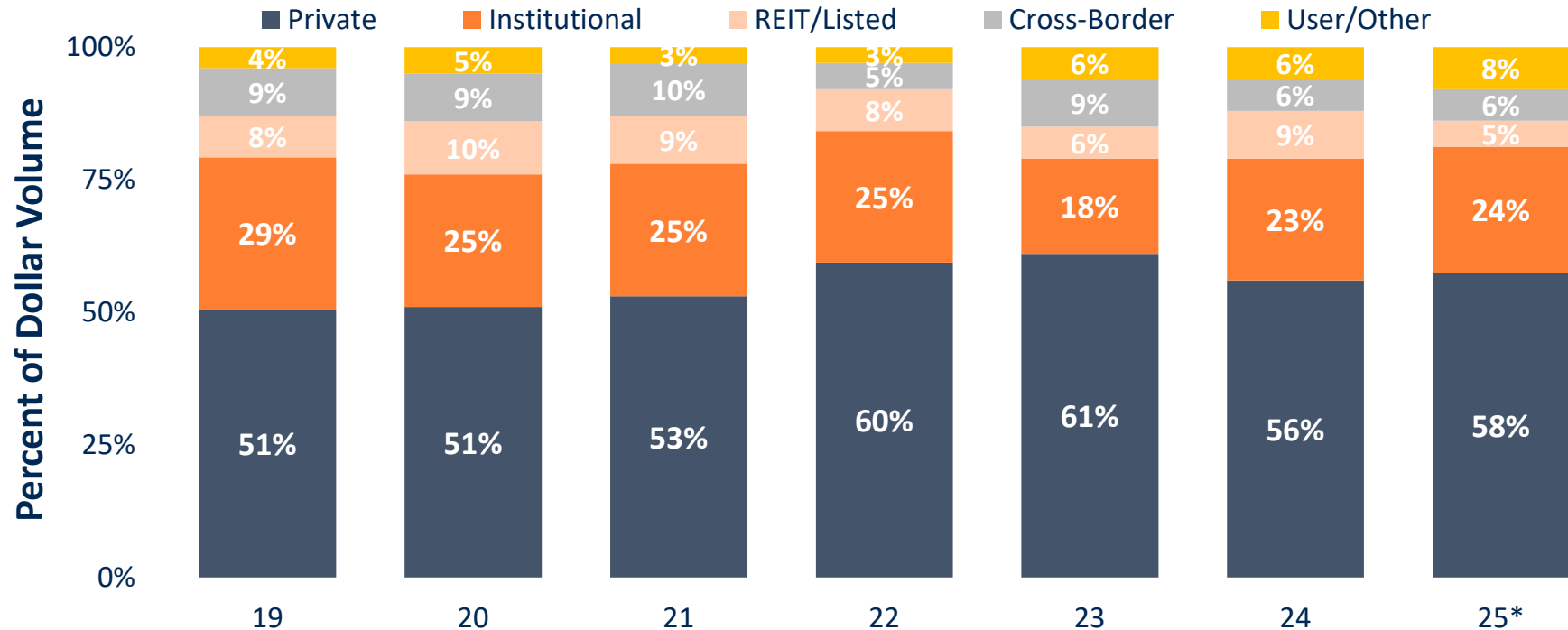


\* Preliminary estimate through 1Q

Includes apartment, retail, office, and industrial sales \$20 million and greater

Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Real Capital Analytics

# U.S. Commercial Real Estate - Buyer Composition (Sales of \$20M+ Assets)



\* YTD through May 27

Includes apartment, retail, office, industrial, sales \$20 million and greater

Sources: Marcus & Millichap Research Services, Real Capital Analytics

# 10-Year Economic Lookback – 2014 to Today

- 22.2 Million Increase in Population
- 1.6 Million Increase in Young-Adult Population
- 9.8 Million More Households
- 18.5 Million More Jobs
- 120 bps Decline in Unemployment to 4.2%
- 2.1 Million More Job Openings (7.6 Million)
- 32.8% Increase in Inflation-Adjusted Core Retail Sales
- \$11.8 Trillion GDP Growth (Japan + Germany Total)
- 11,000 Baby Boomers Turn 65 Every Day
- 12,000 Gen Zers Turn 21 Every Day

# Real Estate Roundtable

**Annual Meeting - May 28, 2025**

Marcus & Millichap