

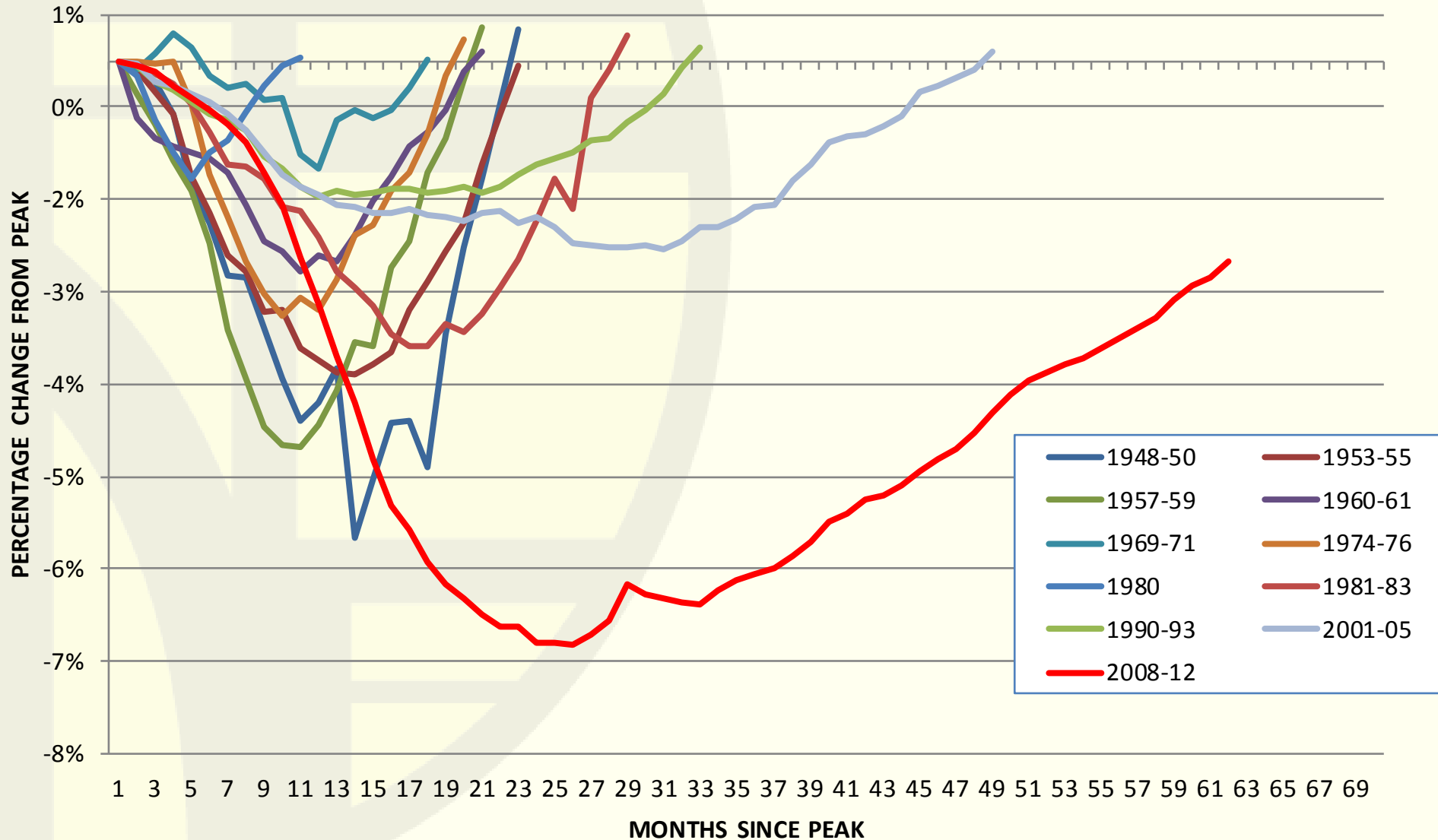
HFO DEVELOPER FORUM

Portland Metro Area Rental Apartment Dynamics

Jerry Johnson
Principal
Johnson Reid, LLC

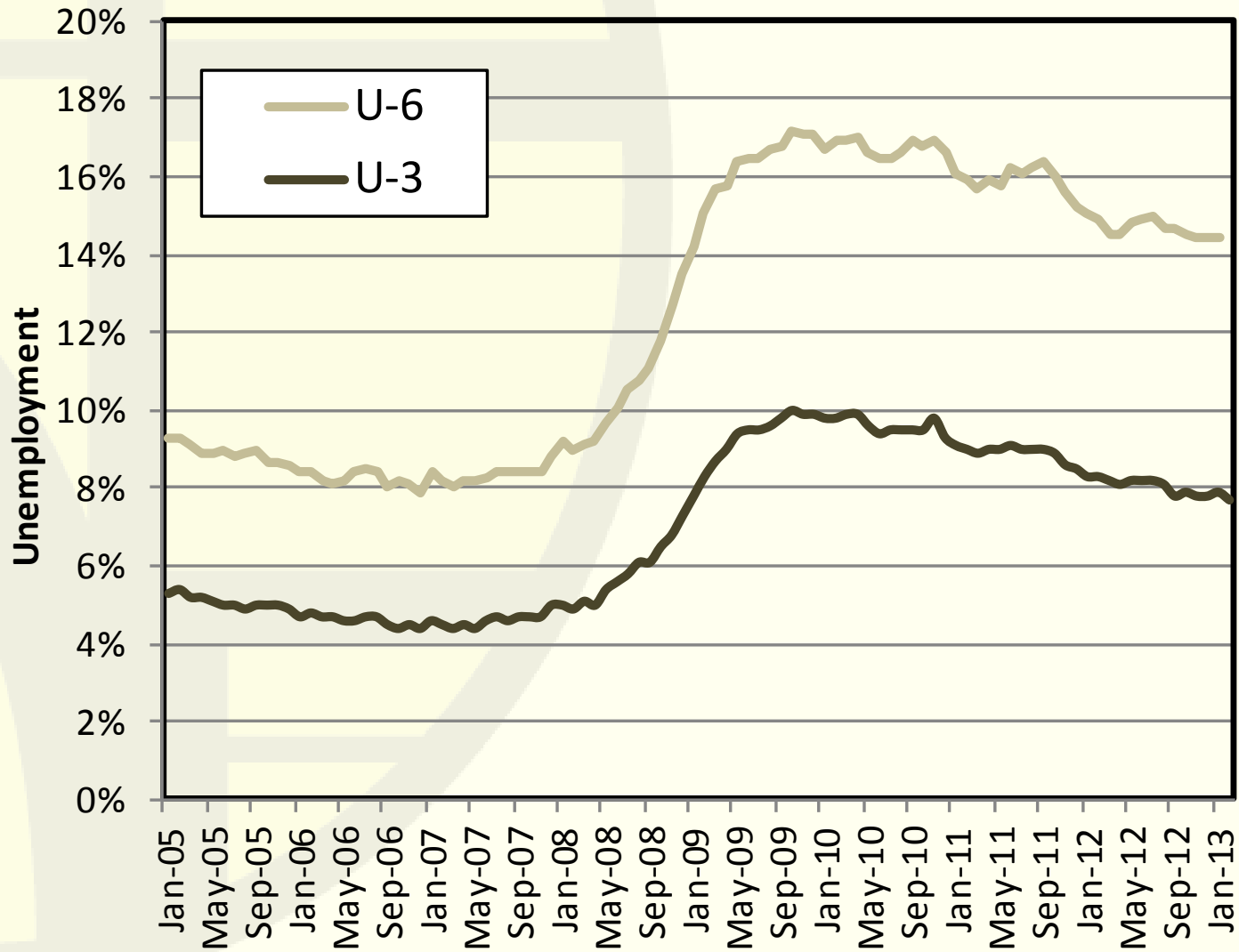


THE GREAT RECESSION

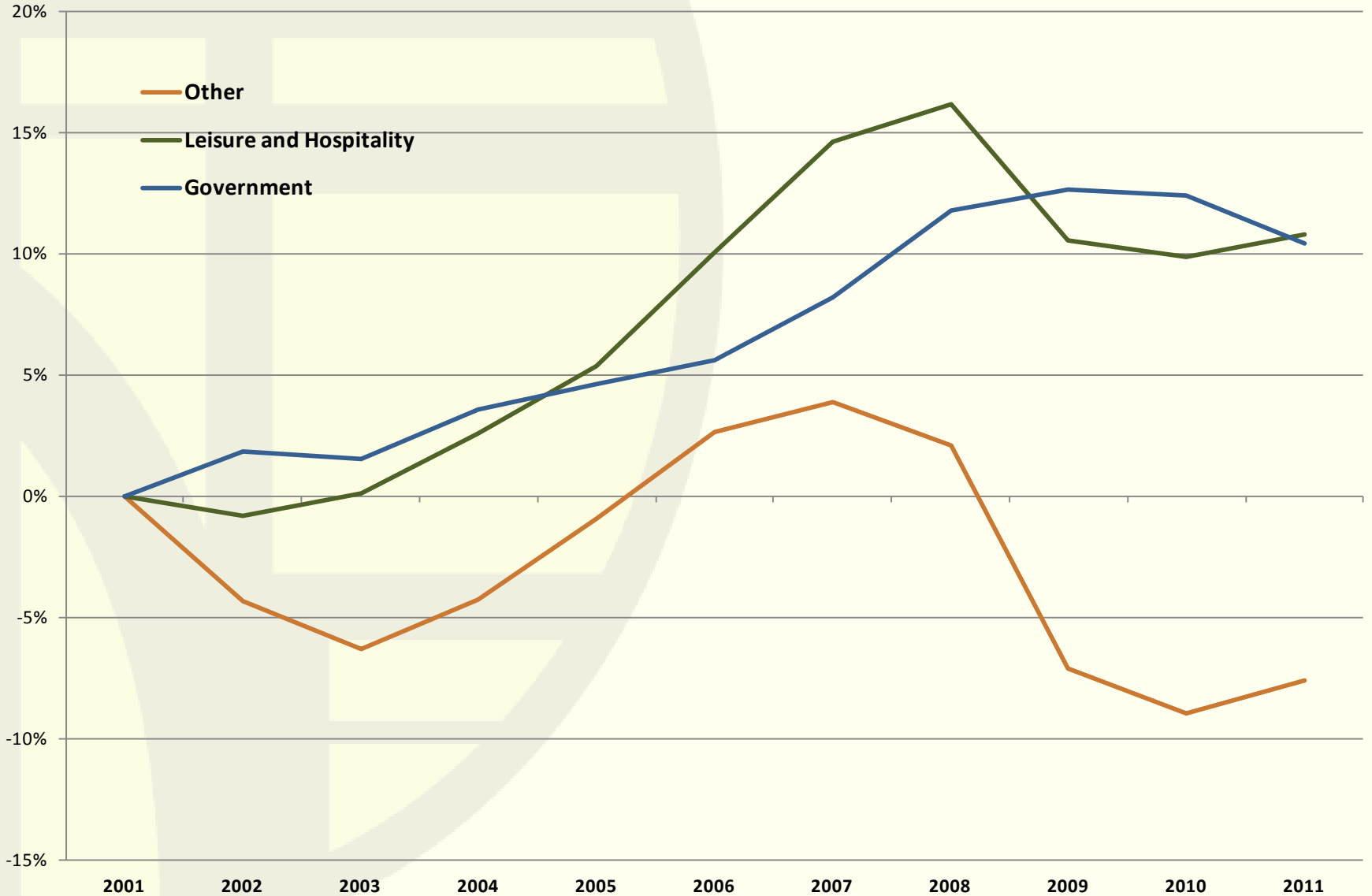


UNEMPLOYMENT RATE

National

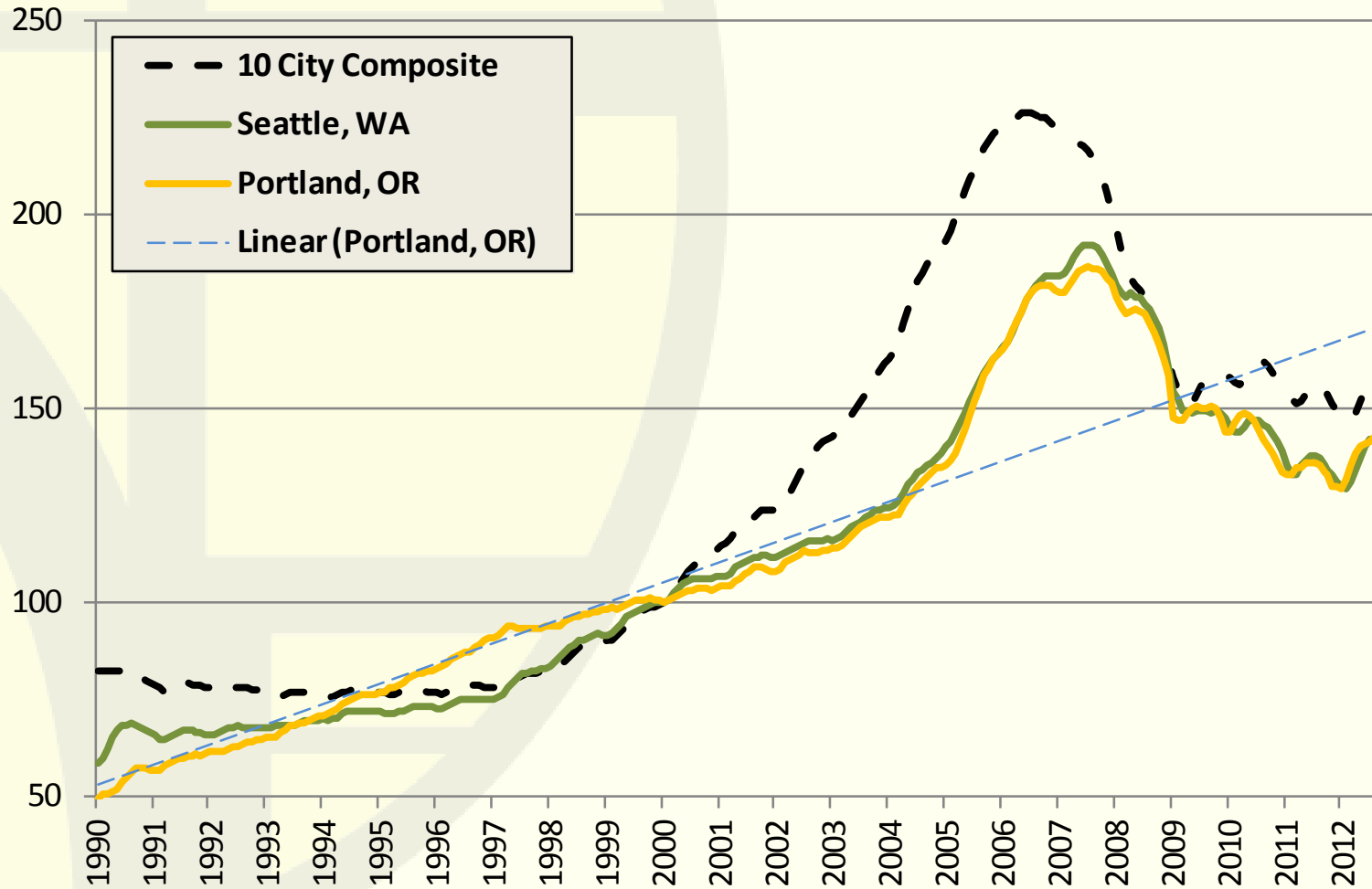


PERCENTAGE EMPLOYMENT CHANGE BY INDUSTRY PORTLAND METRO AREA



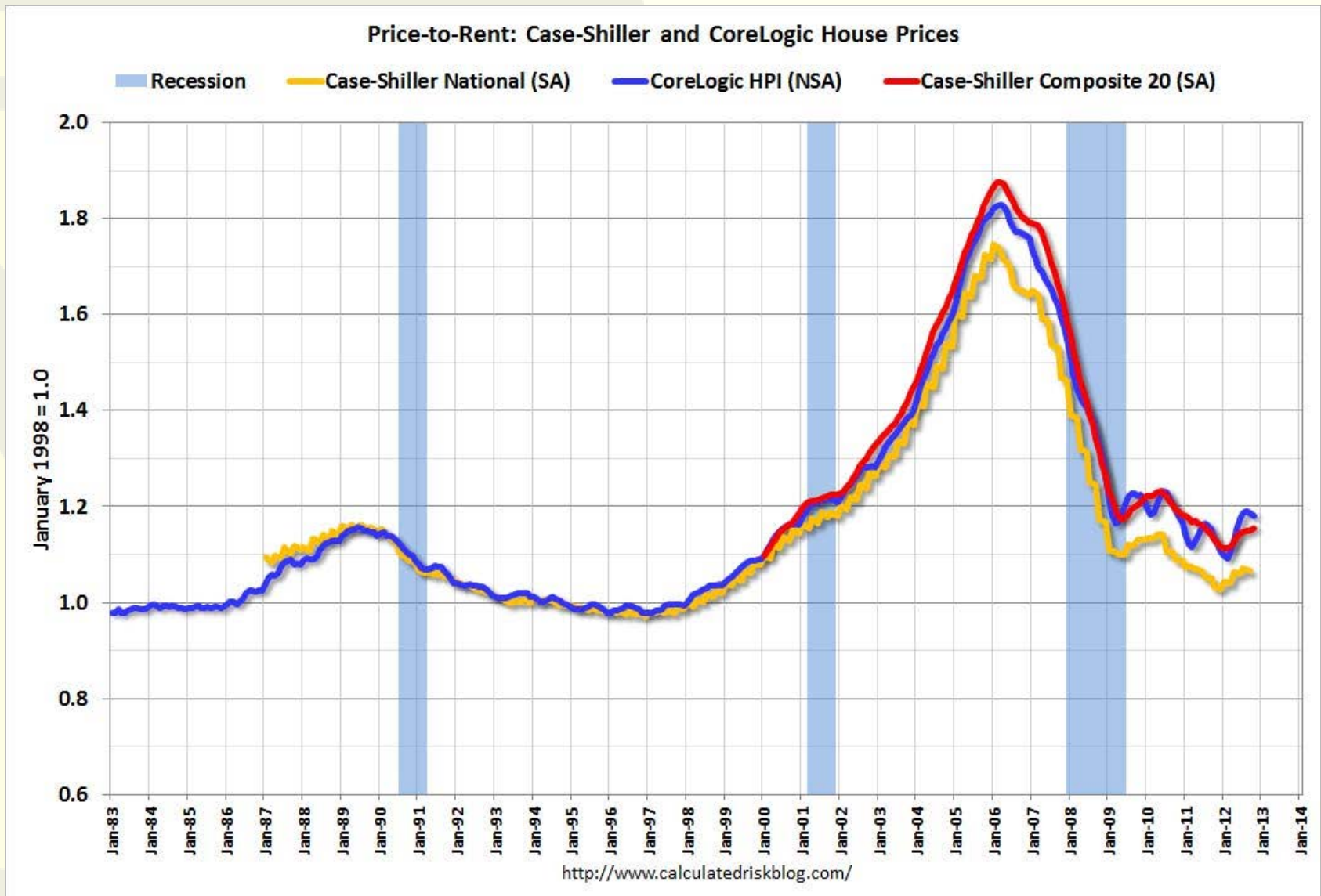
CASE SHILLER HOME PRICE INDEX

Home Price Indices



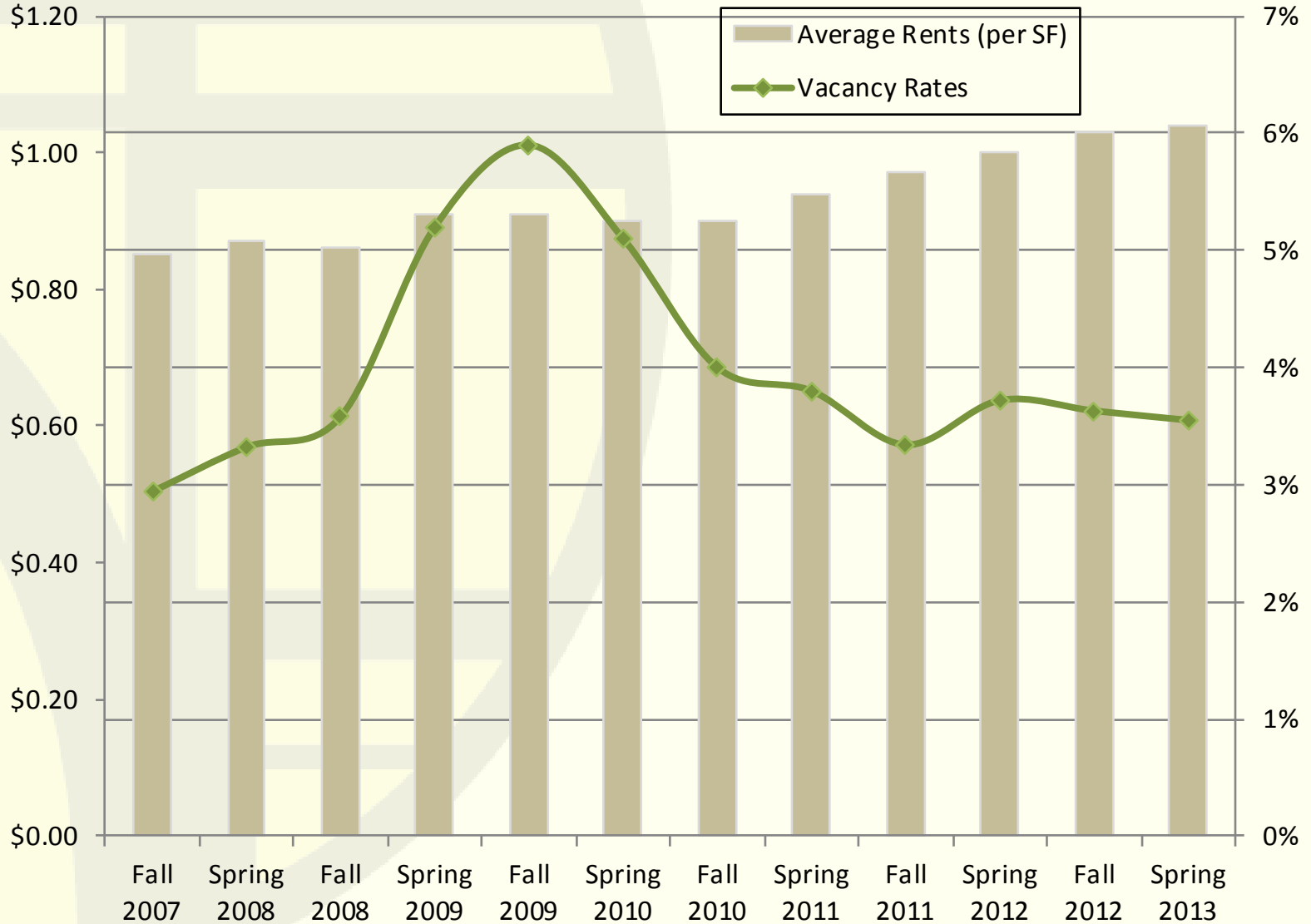
PRICE TO RENT RATIO

National Trends



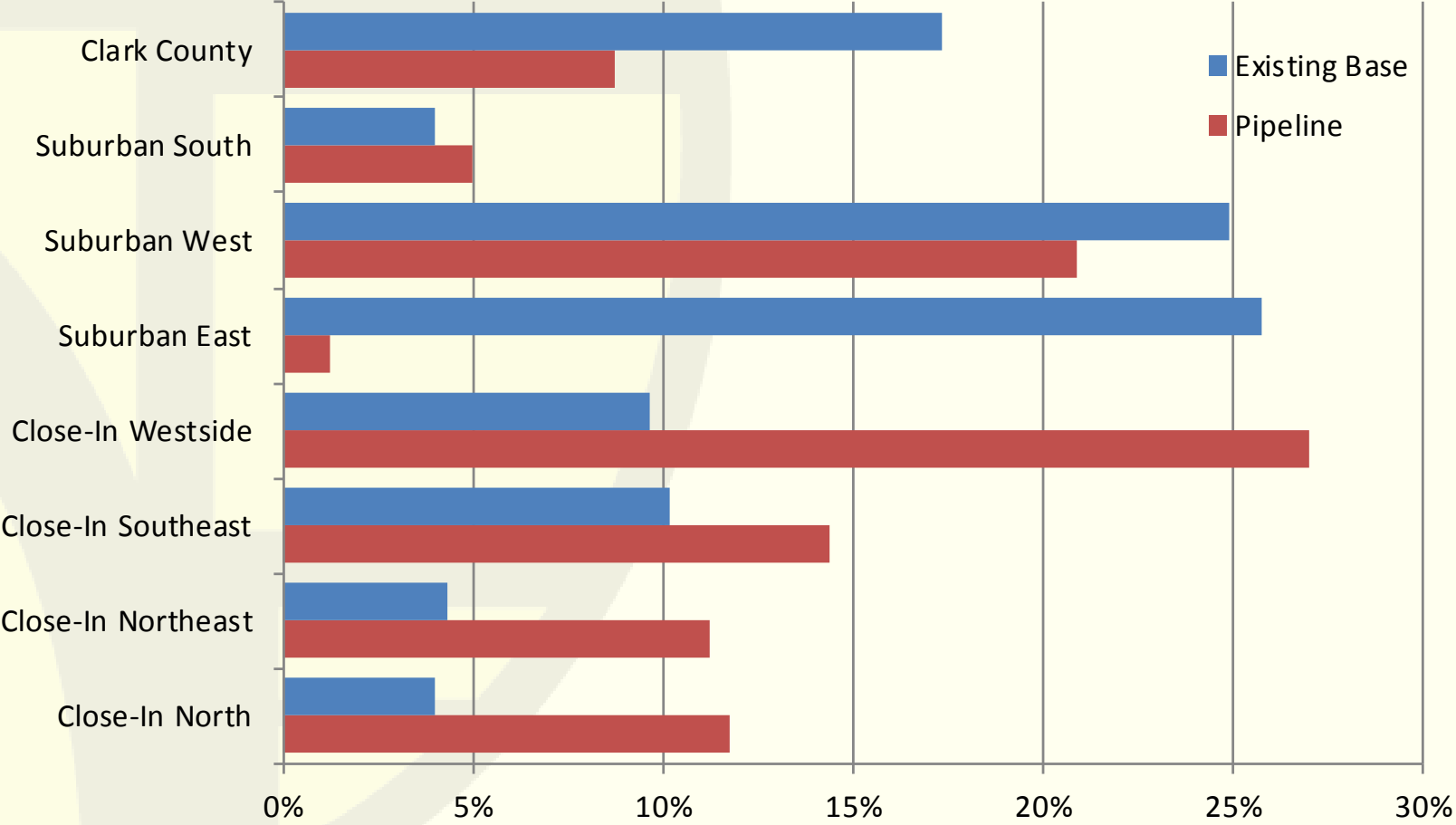
GENERAL APARTMENT TRENDS

PORTLAND METRO AREA

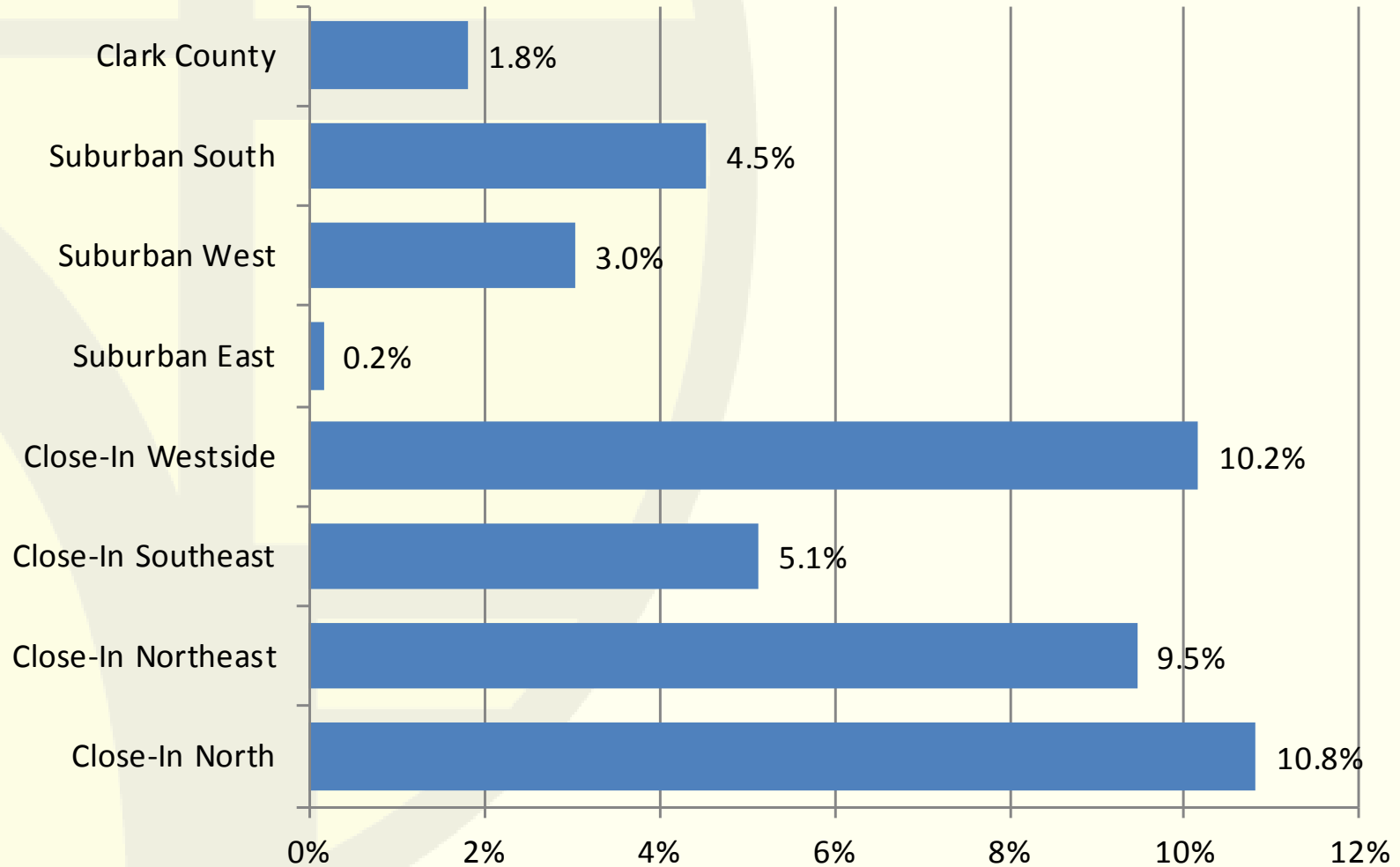


PIPELINE AND APARTMENT BASE

PERCENT OF METRO AREA TOTAL

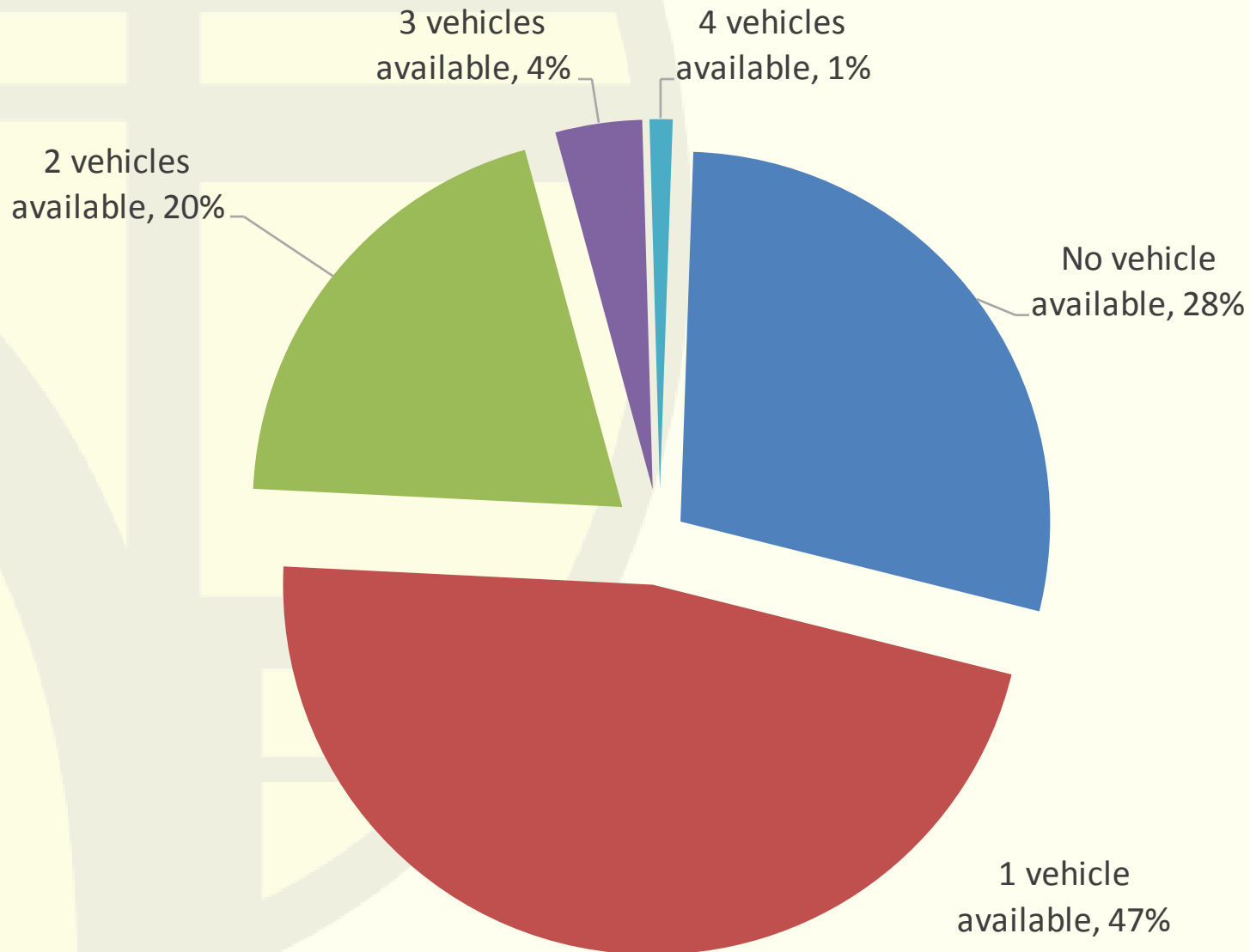


CURRENT PIPELINE AS AN EXPANSION OF STOCK



DO RENTERS NEED PARKING?

CITY OF PORTLAND, ACS SURVEY



SUMMARY

- ECONOMIC GROWTH SLOW BUT STEADY
- OWNERSHIP MARKET HAS RETURNED TO HISTORIC RELATIONSHIP WITH RENTAL
- SUBURBAN MARKETS HAVE BEEN OVERLOOKED BY CURRENT ACTIVITY
 - Demand for urban product, but not 64% of market
 - Employment growth continues to be in suburbs
- CAP RATE RISK



INTEREST RATES PROJECTED TO EVENTUALLY RISE AGAIN

