Moderate Income Rental Housing: It's Viability As An Asset Class

Mark Roberts & Jake Wegmann with support from the Wells Fargo Foundation and Affordable Central Texas

Analysis as of March 2022

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Acknowledgements

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Objective & Methodology

- Objective: What is the relative performance and operating characteristics of buildings within the NCREIF Index which provide a rent/unit over time which is less than 80% of MFI?

- Determined maximum rent level over time using the following calculations:

- Extracted the Median Family Income from the HUD database for 38 cities for a 20-year time frame. The cities identified are those in which NCREIF collects and reports on the performance of apartment buildings.

- Utilize 30% of 80% of MFI to estimate housing costs

- Utilized state level data from the ACS database and the EIA (Energy Information Agency) to estimate utility costs

- Provide the maximum rent per unit "allowed" to NCREIF. NCREIF computed the monthly rent per unit for each individual building in the database for the last 10 years. Buildings were classified as "moderate income" if the rent/unit of the building was lower than our maximum. Due to masking criteria, they then aggregated the performance of the qualifying and non-qualifying buildings.

- *Initially we used the term "NOAH" naturally-occurring affordable housing, to describe the subset of apartments. We switched and decided to use the term "MIRH", or moderate-income rental housing during the research to better define the subset of assets.*

Methodology

NCREIF (NPI) Apartment
- Analyzed at the MSA Level in order to compare with HUD's Median Family Income (MFI).

Indices for 48 MSAs Published
- Filtered for those MSAs which had a sufficient number (20) of assets over time across MSAs or CBSAs (Exhibit 3).

38 MSAs Selected
- For the 38 MSAs selected, develop a time series of MFI (Exhibit 4).

Gross Shelter Costs/Month
- Convert annual MFI data to monthly maximum shelter costs: [(annual MFI * 80% * 30%)/12] (Exhibit 5).

Monthly Utility Costs
- Estimate monthly utility costs using data from the American Housing Survey (AHS) and the US Energy Information Agency (EIA). (Exhibits 6 & 7). Subtract from Gross Shelter Costs to determine maximum monthly rent net of utilities (Exhibit 8).

Monthly Net Rents
- Deliver time series to NCREIF. NCREIF uses property level rent/unit in their database to segment properties from the 38 MSAs into those with a rent which a moderate income household can afford (MIRH) and those with rent/unit above MIRH.

National Indices
- NCREIF creates National and Vintage Year (2005, 2010, 2015) Indices.

CBSA Level Indices
- 11 CBSAs considered (see Exhibit 3, metros noted). Chicago, Los Angeles and New York were eliminated because there was not a consistent MIRH index. Atlanta, Austin, Dallas, Denver, Houston, Phoenix, Seattle and Washington DC analyzed.

Return & Risk vs Other Asset Classes
Moderate Income Apartment appears to have produced competitive returns with lower risk.

Total Return vs Risk Last 11 Years as of 2Q2021
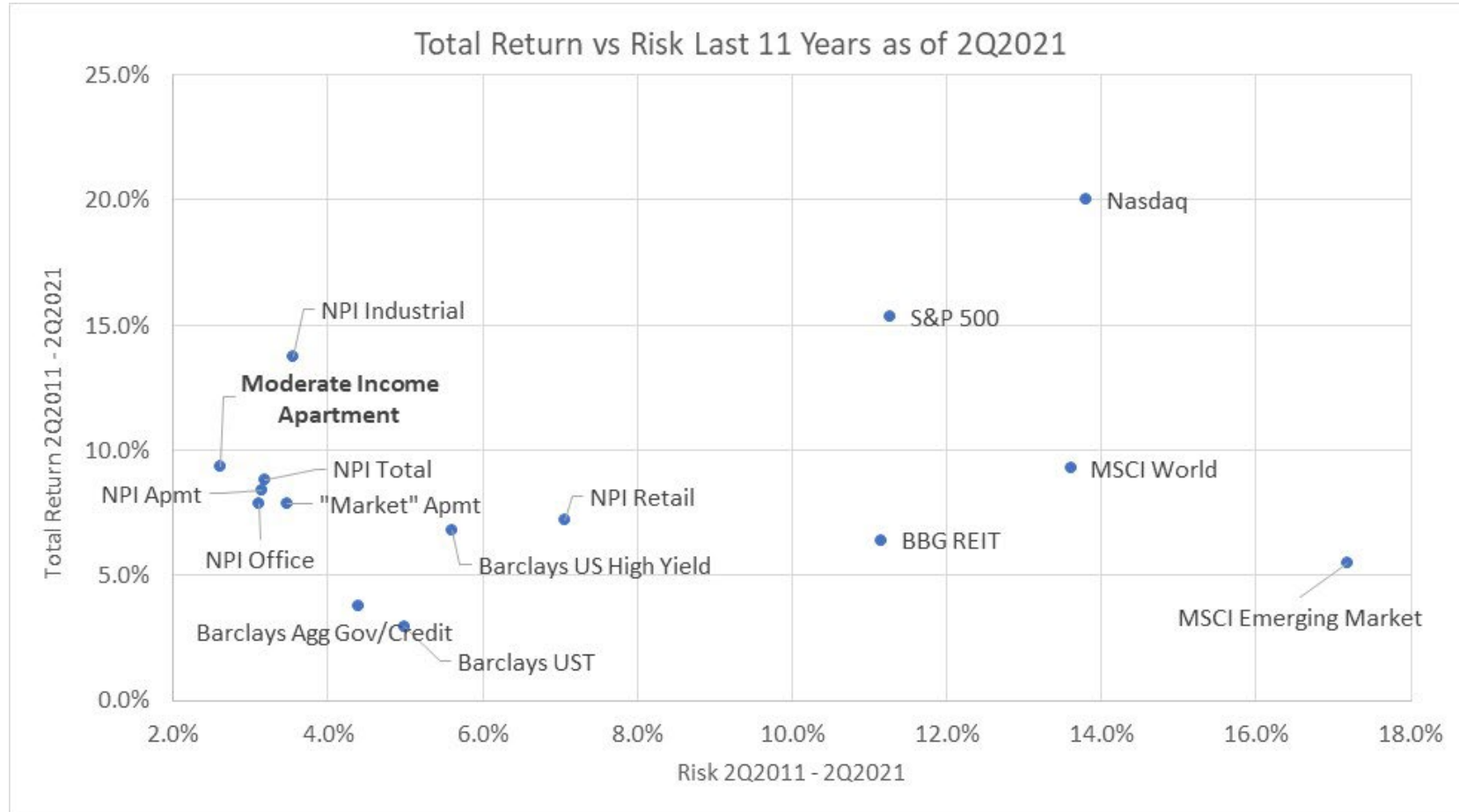
Return & Risk vs Other Property Sectors
Over the time studied, the Moderate-Income Apartment Index produced higher returns with less risk compared to all property sectors except industrial

NCREIF Property Sector Risk and Return
10 Years as of 2Q2021
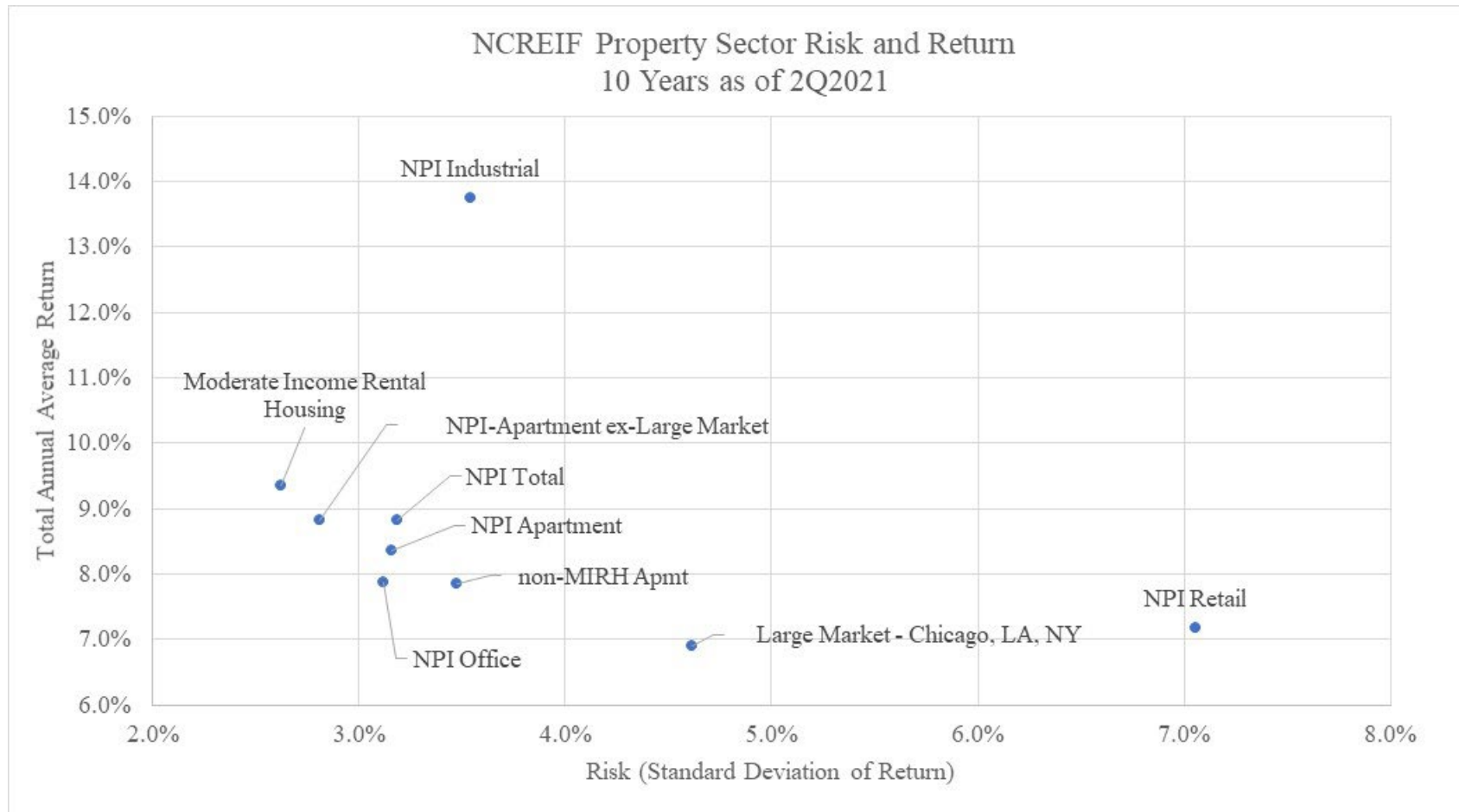
Correlations with Other Asset Classes

Moderate Income Apartment produced attractive correlations over the last 11 Years which implies attractive diversification benefits in a multi-asset portfolio.

Select Correlations with Major Asset Classes					
Correlation Table 2Q2011-2Q2021	Moderate Income Apartment	Market Rate Apartment	S&P 500	BBG Barclays US Agg Gov/Credit	BBG Barclays US High Yield
BBG Barclays US Treasury	(0.12)	(0.06)	(0.69)	0.97	(0.53)
BBG Barclays US Agg Gov/Credit	(0.12)	(0.06)	(0.56)	1.00	(0.36)
BBG Barclays US High Yield	0.41	0.37	0.84	(0.36)	1.00
S&P 500	0.29	0.21	1.00	(0.56)	0.84
Nasdaq	0.04	(0.04)	0.85	(0.48)	0.61
MSCI Emerging Market	0.17	0.07	0.93	(0.59)	0.79
MSCI World	0.24	0.17	0.99	(0.59)	0.83
Moderate Income Apartment	1.00	0.98	0.29	(0.12)	0.41
Market Rate Apartment	0.98	1.00	0.21	(0.06)	0.37
NPI Apartments	0.99	1.00	0.24	(0.06)	0.37
NPI Industrial	0.15	(0.02)	0.66	(0.39)	0.41
NPI Office	0.86	0.90	(0.07)	0.03	0.06
NPI Retail	0.74	0.79	(0.07)	(0.16)	0.14
NPI	0.94	0.94	0.17	(0.15)	0.29

Periodic Annual Total Returns: MIRH Outperformed in Each Period

Periodic Annual Total Return 2Q2011 - 2Q2021

	1 Year	3 Year	5 Years	10 Years
National MIRH	9.27%	6.88%	7.40%	9.32%
National non-MIRH	5.5%	4.2%	4.9%	7.8%
NPI Apartment	7.0%	5.2%	5.7%	8.4%
NPI Apartment Ex-Large	8.6%	6.3%	6.5%	8.8%
NPI Large Market Apartment	1.2%	1.5%	2.9%	6.9%
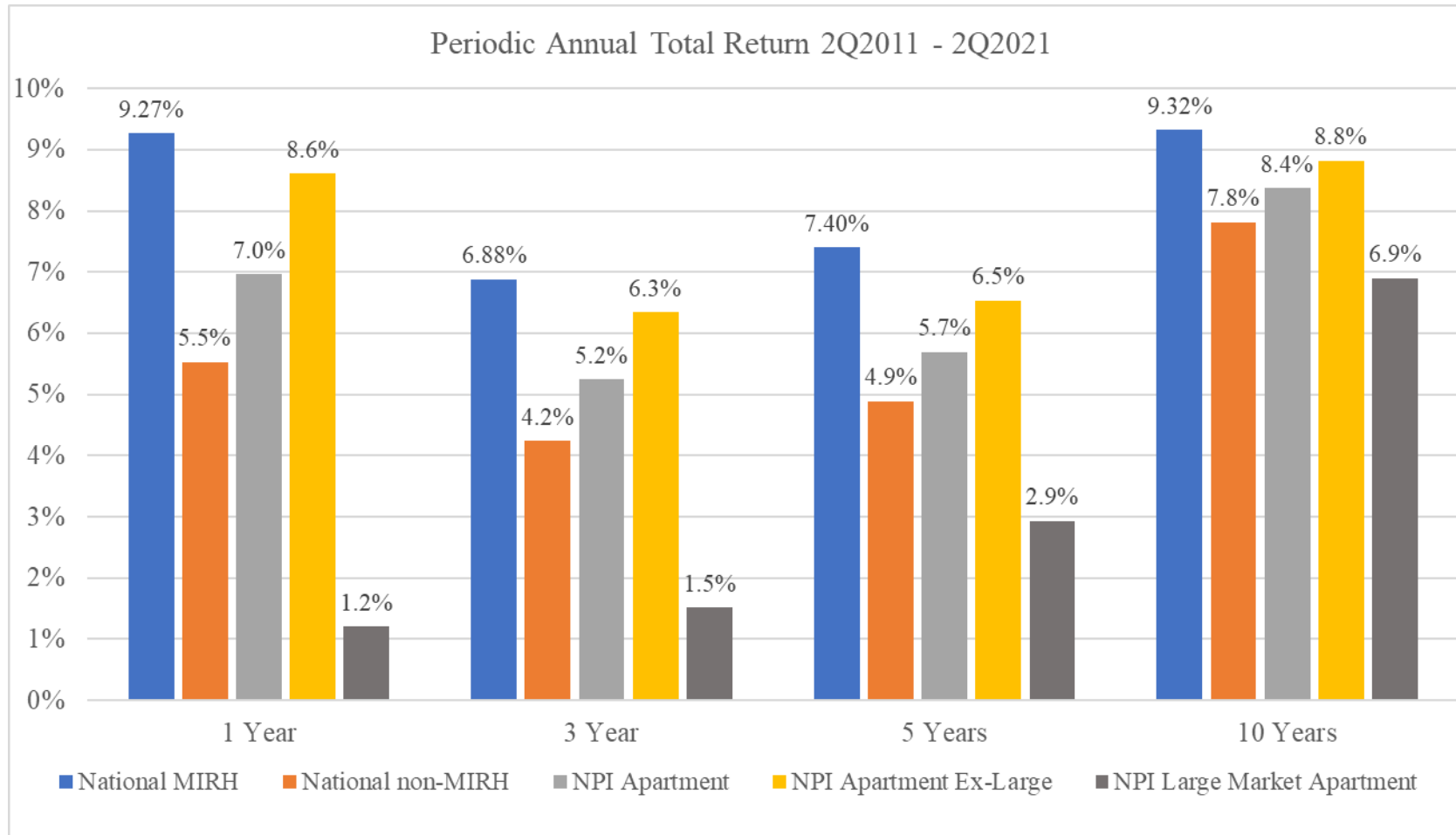
Sub-Indices: MIRH Outperforms in Each Vintage Year Index

NCREIF National Return and Risk: MIRH vs above-MIRH
2Q2011 - 2Q2021 except as noted*
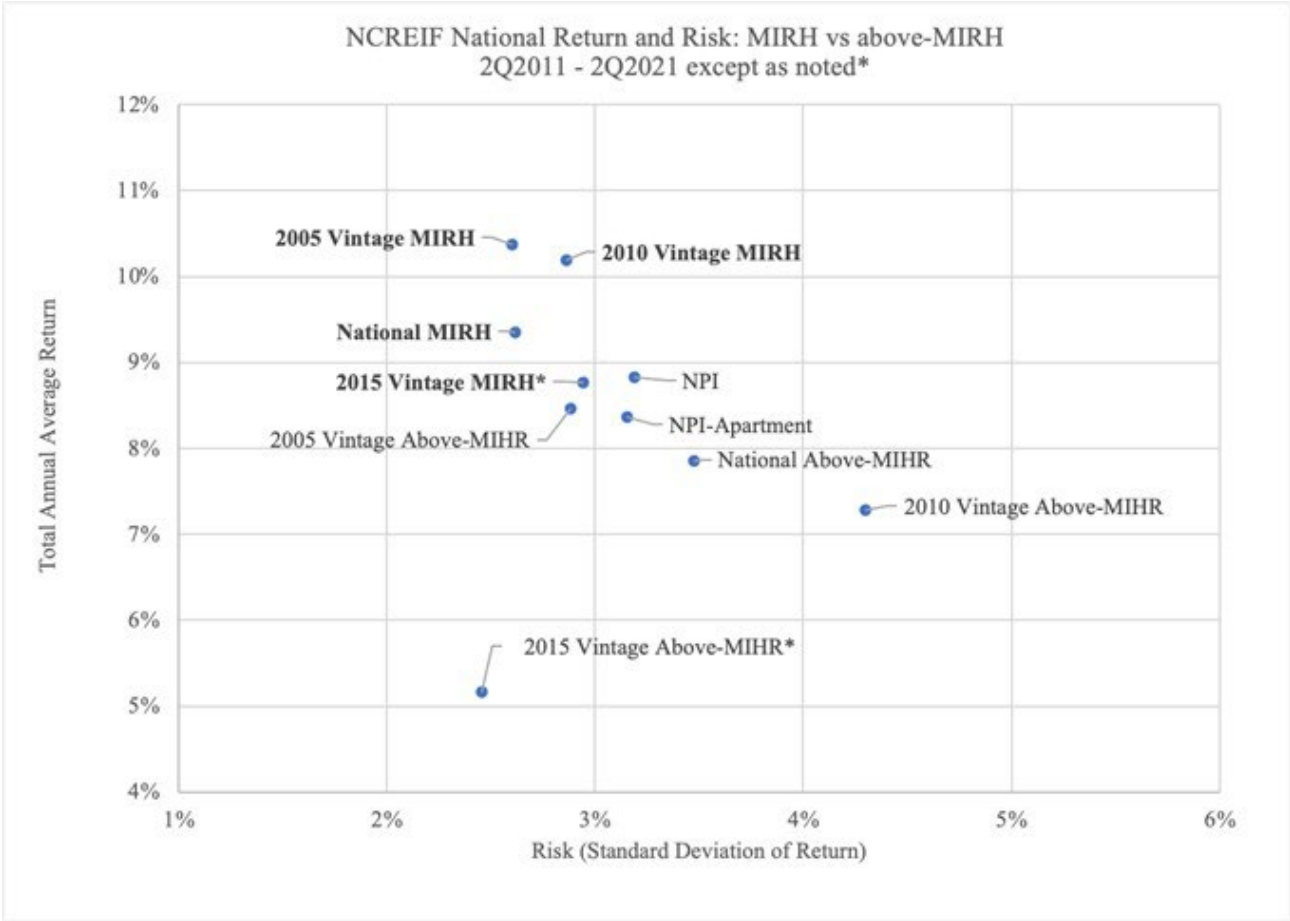
At The City Level, in Each Instance, MIRH Also Outperformed

NCREIF Metro Level Return and Risk: MIRH vs Above-MIRH
2Q2011 - 2Q2021 except as noted*
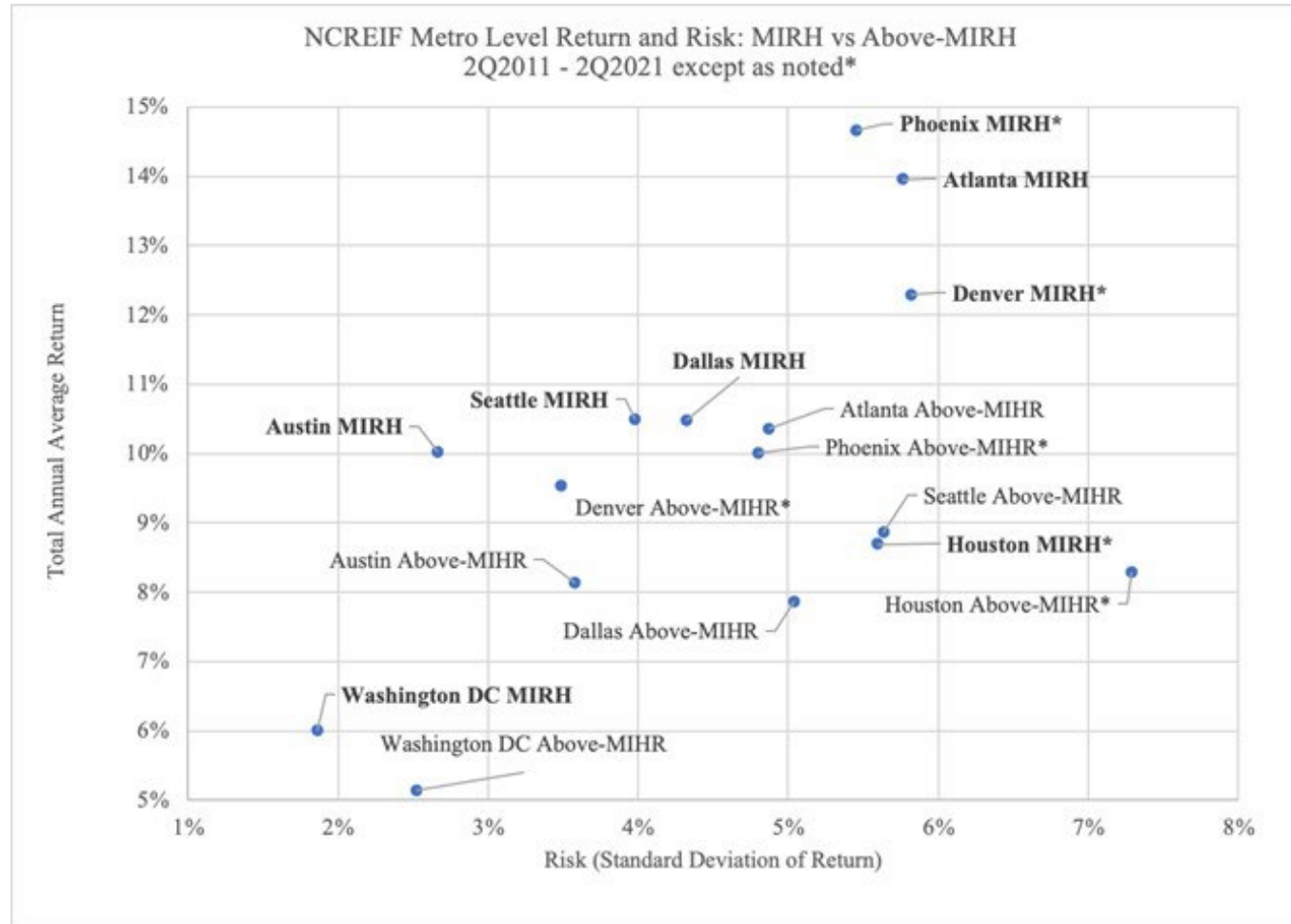
City Level Periodic Returns as of 2Q2021: MIRH Outperforms

Period	Category	One Year	Three Year	Five Year	Ten Year*	Since Inception Total Return	Since Inception Risk (Standard Deviation)
2Q2010-2Q2021	**Atlanta MIRH**	**13.6%**	**10.0%**	**13.2%**	**13.8%**	**13.9%**	**5.5%**
	Atlanta Above MIRH	10.7%	6.7%	6.7%	10.3%	10.8%	4.9%
2Q2010-2Q2021	**Austin MIRH**	**10.7%**	**8.1%**	**8.0%**	**10.0%**	**11.3%**	**4.9%**
	Austin Above MIRH	5.1%	5.7%	5.6%	8.1%	9.4%	5.5%
2Q2010-2Q2021	**Dallas MIRH**	**10.7%**	**7.0%**	**7.4%**	**10.4%**	**11.1%**	**4.6%**
	Dallas Above MIRH	8.5%	3.7%	4.0%	7.8%	9.8%	7.9%
2Q2013-2Q2021	**Denver MIRH**	**16.9%**	**10.4%**	**8.9%**	**12.2%**	**12.3%**	**5.8%**
	Denver Above MIRH	9.2%	6.8%	7.3%	9.5%	9.5%	3.5%
2Q2010-2Q2018	**Houston MIRH**	**6.4%**	**3.4%**	**7.3%**	**9.9%**	**10.1%**	**6.5%**
	Houston Above MIRH	4.9%	0.8%	5.2%	9.0%	9.2%	7.3%
2Q2013-2Q2021	**Phoenix MIRH**	**25.1%**	**17.2%**	**16.5%**	**14.6%**	**14.7%**	**5.5%**
	Phoenix Above MIRH	20.4%	13.4%	11.5%	9.9%	10.0%	4.8%
2Q2011-2Q2021	**Seattle MIRH**	**3.9%**	**5.7%**	**8.4%**	**10.4%**	**10.5%**	**4.0%**
	Seattle Above MIRH	4.5%	3.8%	4.5%	8.7%	8.9%	5.6%
2Q2011-2Q2021	**Washington DC MIRH**	**7.1%**	**6.1%**	**6.2%**	**6.0%**	**6.0%**	**1.9%**
	Washington DC Above MIRH	4.8%	4.2%	4.2%	5.1%	5.1%	2.5%
2Q210-2Q2021	**National MIRH**	**9.3%**	**6.9%**	**7.4%**	**9.3%**	**10.4%**	**4.2%**
	National Above MIRH	5.5%	4.2%	4.9%	7.8%	9.2%	5.5%
2Q210-2Q2021	**2005 Vintage MIRH**	**11.3%**	**8.7%**	**8.6%**	**10.3%**	**11.5%**	**4.4%**
	2005 Vintage Above MIRH	7.8%	5.9%	6.2%	8.4%	10.0%	5.7%
2Q210-2Q2021	**2010 Vintage MIRH**	**13.1%**	**8.7%**	**8.5%**	**10.2%**	**11.2%**	**4.2%**
	2010 Vintage Above MIRH	2.9%	2.6%	3.6%	7.2%	8.6%	5.9%
2Q2015-2Q2021	**2015 Vintage MIRH**	**13.6%**	**8.9%**	**8.3%**	**8.7%**	**8.8%**	**2.9%**
	2015 Vintage Above MIRH	4.9%	3.6%	4.4%	5.1%	5.2%	2.5%
2Q210-2Q2022	**NCREIF Apartment**	**7.0%**	**5.2%**	**5.7%**	**8.4%**	**9.6%**	**4.9%**

Are total returns statistically different?

City/Category	Since Inception Total Return		Are Total Returns Different?		Are MIRH Returns < above-MIRH?	
	MIRH	above-MIRH	t-Stat	p-value	t-Stat	p-value
Atlanta	13.9%	10.8%	1.41	0.17	0.32	0.38
Austin	11.3%	9.4%	0.83	0.41	1.25	**0.12**
Dallas	11.1%	9.8%	0.49	0.63	0.97	0.18
Denver	12.3%	9.5%	1.15	0.27	1.34	**0.11**
Houston	10.1%	9.2%	0.25	0.81	0.37	0.36
Phoenix	14.7%	10.0%	1.82	**0.09**	2.42	**0.02**
Seattle	10.5%	8.9%	0.75	0.47	1.29	**0.11**
Washington DC	6.0%	5.1%	0.87	0.40	1.47	**0.09**
National	10.4%	9.2%	0.20	0.85	0.93	0.19
2005 Vintage - SI	9.7%	8.5%	0.34	0.74	0.49	0.32
2005 Vintage 11 Yrs	11.5%	10.0%	0.70	0.50	1.13	0.14
2010 Vintage	11.2%	8.6%	1.18	0.25	2.05	**0.03**
2015 Vintage	8.8%	5.2%	2.31	**0.04**	3.00	**0.01**

- From a statistical perspective, even though MIRH returns are higher, they fall within the range of returns investors might expect from apartments.
- Implication – at least from past data, investors in MIRH have "done well and good" at the same time.

Are occupancy rates statistically different?

City/Category	Occupancy Average		Are Occupancy Rates Different?		Are above-MIRH occupancy rates > MIRH?	
	MIRH	above-MIRH	t-Stat	p-value	t-Score	p-value
Atlanta	93.3%	94.2%	-1.99	**0.06**	2.93	**0.01**
Austin	93.8%	94.7%	-1.45	0.16	3.38	**0.00**
Dallas	94.2%	94.2%	-0.24	0.82	0.48	0.32
Denver	94.4%	94.7%	-0.97	0.35	1.65	**0.07**
Houston	92.1%	94.1%	-2.55	**0.02**	5.68	**0.00**
Phoenix	92.9%	94.6%	-3.32	**0.01**	4.48	**0.00**
Seattle	94.3%	91.6%	2.36	**0.03**	-2.48	0.98
Washington DC	93.8%	93.7%	0.09	0.93	-0.14	0.55
National	93.3%	94.0%	-2.89	**0.01**	6.05	**0.00**
2005 Vintage - SI	94.3%	94.4%	-0.41	0.68	0.61	0.28
2005 Vintage 11 Yrs	94.6%	94.5%	0.57	0.57	-0.72	0.76
2010 Vintage	94.7%	93.3%	4.59	**0.00**	-5.17	1.00
2015 Vintage	94.7%	93.9%	2.81	**0.02**	-3.80	1.00

- From a statistical perspective, occupancy rates were different and lower in certain cases (Atlanta, Houston, Phoenix, Seattle and Nationally.
- Implication – assuming units were not undergoing renovation, there seemed to be an opportunity for MIHR to increase NOI by leasing some vacancy.

Was cap-ex statistically different?

City/Category	Cap-Ex as a % of Market Value		Is Cap-Ex Significantly different?		Is Cap-ex for MIRH > above-MIRH?	
	MIRH	above-MIRH	t-Stat	p-value	t-Score	p-value
Atlanta	1.96%	0.77%	3.30	**0.00**	3.46	**0.00**
Austin	1.42%	0.90%	2.64	**0.02**	2.84	**0.01**
Dallas	2.07%	1.79%	0.30	0.77	1.09	**0.15**
Denver	1.19%	0.79%	2.80	**0.01**	3.40	**0.01**
Houston	1.46%	0.91%	2.10	**0.05**	2.94	**0.01**
Phoenix	1.95%	0.87%	5.43	**0.00**	5.78	**0.00**
Seattle	1.16%	0.50%	2.50	**0.02**	2.53	**0.02**
Washington DC	0.94%	0.41%	5.04	**0.00**	5.09	**0.00**
National	1.50%	0.88%	6.57	**0.00**	7.76	**0.00**
2005 Vintage SI	1.27%	0.91%	3.26	**0.00**	2.94	**0.01**
2005 Vintage - 11 Years	1.34%	0.99%	2.35	**0.03**	2.58	**0.01**
2010 Vintage	1.20%	1.06%	1.16	0.26	1.57	**0.07**
2015 Vintage	1.37%	0.85%	3.95	**0.00**	4.06	**0.00**

- From a statistical perspective, cap-ex as a share of market value was different except in Dallas and the 2010 vintage. Generally, cap-ex as a share of market value was also higher.
- Interpretation: MIHR asset values were smaller, so perhaps the nominal cap-ex spent was similar, but the denominator for MIHR was smaller. Additional research needed on age, # of units, etc.

Were earning yields statistically different?

City/Category	Earnings Yield		Are Earning Yields Significantly different?		Are Earning yields for MIRH > above-MIRH?	
	MIRH	above-MIRH	t-Stat	p-value	t-Score	p-value
Atlanta	5.1%	4.9%	1.01	0.32	1.59	**0.07**
Austin	4.9%	4.6%	1.53	0.14	2.31	**0.02**
Dallas	5.0%	4.5%	1.76	**0.09**	2.07	**0.03**
Denver	4.8%	4.5%	1.36	0.20	1.81	**0.06**
Houston	5.1%	5.0%	0.38	0.71	0.43	0.34
Phoenix	5.0%	4.7%	2.76	**0.02**	3.14	**0.01**
Seattle	4.7%	4.0%	3.18	**0.01**	3.81	**0.00**
Washington DC	4.5%	4.2%	2.53	**0.02**	3.02	**0.01**
National	4.8%	4.4%	2.14	**0.04**	2.66	**0.01**
2005 Vintage-SI	5.3%	4.9%	2.56	**0.02**	3.86	**0.00**
2005 Vintage-11 Years	5.2%	4.7%	2.69	**0.01**	4.04	**0.00**
2010 Vintage	5.2%	4.4%	4.04	**0.00**	6.03	**0.00**
2015 Vintage	4.9%	4.2%	4.11	**0.00**	6.64	**0.00**

- From a statistical perspective, no real difference in earning yields in Atlanta, Denver and Houston, though earning yields were statistically higher (except in the case of Houston where they were the same)..
- Interpretation: MIHR assets likely "overlooked" to some degree during the time frame studied as NOI divided by market value was higher. Investors could perceive higher risk with MIHR assets.

Appendix

Maximum Rent Levels by Market Used to Screen For Buildings with Affordable Rents/Unit
Monthly Net Rent per Unit Maximum: 80% of MFI x 30% less Utility Costs

Monthly Net Rent per Unit Maximum: 80% of MFI x 30% Less Utility Costs

NCREIF MSA	City	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
11244	Anaheim/Orange County	1,251	1,328	1,362	1,248	1,328	1,354	1,400	1,403	1,506	1,540	1,562	1,499	1,515	1,487	1,501	1,517	1,499	1,557	1,646	1,746	1,846	1,915
12060	Atlanta	1,118	1,181	1,270	1,220	1,220	1,241	1,193	1,167	1,204	1,247	1,250	1,177	1,191	1,127	1,086	1,161	1,144	1,186	1,283	1,378	1,435	1,500
12420	Austin	1,032	1,143	1,267	1,181	1,177	1,181	1,221	1,210	1,200	1,278	1,288	1,307	1,321	1,263	1,304	1,329	1,349	1,418	1,505	1,700	1,731	1,752
12580	Baltimore	1,109	1,104	1,165	1,181	1,203	1,270	1,277	1,331	1,374	1,444	1,447	1,490	1,505	1,501	1,456	1,575	1,516	1,602	1,673	1,791	1,848	1,865
14454	Boston	1,122	1,205	1,284	1,413	1,444	1,438	1,461	1,420	1,482	1,561	1,593	1,683	1,702	1,628	1,619	1,702	1,694	1,797	1,879	1,984	2,094	2,124
15764	Cambridge	1,122	1,205	1,284	1,413	1,444	1,438	1,461	1,420	1,482	1,561	1,593	1,683	1,702	1,628	1,619	1,702	1,694	1,797	1,879	1,984	2,094	2,124
14860	Bridgeport	1,158	1,237	1,292	1,292	1,299	1,310	1,368	1,303	1,378	1,443	1,479	1,463	1,477	1,488	1,400	1,501	1,447	1,444	1,588	1,758	1,663	1,708
16740	Charlotte	1,010	1,072	1,142	1,094	1,091	1,087	1,134	1,045	1,122	1,160	1,174	1,178	1,192	1,101	1,100	1,157	1,153	1,224	1,288	1,383	1,470	1,480
16974	Chicago	1,214	1,262	1,355	1,219	1,233	1,231	1,280	1,222	1,253	1,313	1,317	1,308	1,322	1,274	1,247	1,316	1,334	1,373	1,481	1,567	1,602	1,641
19124	Dallas	1,070	1,137	1,175	1,143	1,141	1,137	1,139	1,068	1,114	1,164	1,178	1,191	1,205	1,149	1,154	1,201	1,227	1,258	1,329	1,444	1,503	1,554
19740	Denver	1,114	1,156	1,262	1,222	1,249	1,288	1,276	1,273	1,277	1,355	1,353	1,396	1,413	1,379	1,355	1,416	1,420	1,493	1,610	1,664	1,806	1,897
22744	Ft. Lauderdale	969	1,013	1,076	997	1,020	1,025	1,070	1,022	1,130	1,152	1,168	1,078	1,089	1,067	1,067	1,094	1,046	1,108	1,136	1,191	1,313	1,280
23104	Ft. Worth	1,002	1,051	1,071	1,049	1,093	1,089	1,097	1,036	1,110	1,132	1,160	1,175	1,187	1,111	1,112	1,203	1,181	1,218	1,289	1,302	1,409	1,390
26420	Houston	988	1,019	1,037	1,025	1,059	1,055	1,047	970	1,040	1,088	1,114	1,129	1,141	1,123	1,128	1,179	1,177	1,220	1,283	1,308	1,355	1,358
31084	Los Angeles	901	944	952	854	914	929	958	959	1,020	1,060	1,078	1,095	1,105	1,043	1,015	1,059	1,047	1,083	1,178	1,250	1,332	1,381
33124	Miami	753	787	836	745	774	790	976	758	834	860	888	880	889	813	799	826	790	862	868	917	999	1,032
33460	Minneapolis	1,232	1,349	1,385	1,355	1,373	1,381	1,406	1,382	1,443	1,497	1,499	1,470	1,489	1,453	1,462	1,533	1,517	1,606	1,680	1,790	1,855	1,880
34980	Nashville	1,042	1,076	1,090	1,022	1,066	1,066	1,061	1,040	1,098	1,125	1,132	1,149	1,162	1,062	1,093	1,148	1,180	1,181	1,301	1,400	1,443	1,479
35614	New York	952	1,004	1,073	852	898	893	1,216	928	980	1,010	1,024	1,059	1,068	1,023	1,009	1,029	1,059	1,076	1,153	1,252	1,313	1,367
35084	Newark	1,248	1,311	1,400	1,403	1,425	1,420	1,496	1,448	1,472	1,541	1,547	1,576	1,593	1,557	1,525	1,598	1,561	1,648	1,667	1,767	1,872	1,894
36084	Oakland	1,211	1,286	1,340	1,380	1,488	1,484	1,510	1,489	1,546	1,604	1,624	1,661	1,679	1,589	1,573	1,657	1,671	1,745	1,880	2,022	2,170	2,293
36740	Orlando	871	915	966	923	960	965	1,006	952	1,034	1,058	1,062	990	1,001	1,003	927	994	984	994	1,080	1,121	1,179	1,228
37964	Philadelphia	992	1,033	1,092	1,187	1,195	1,190	1,250	1,234	1,282	1,344	1,355	1,393	1,409	1,358	1,347	1,389	1,373	1,428	1,507	1,556	1,683	1,636
33874	Bucks County, PA	992	1,033	1,092	1,187	1,195	1,190	1,250	1,234	1,282	1,344	1,355	1,393	1,409	1,358	1,347	1,389	1,373	1,428	1,507	1,556	1,683	1,636
38060	Phoenix	922	953	1,009	1,015	1,018	1,013	1,038	1,013	1,110	1,137	1,152	1,127	1,139	1,051	1,042	1,081	1,059	1,123	1,176	1,248	1,344	1,363
38900	Portland	946	986	1,008	1,178	1,217	1,213	1,188	1,121	1,191	1,234	1,259	1,272	1,287	1,189	1,209	1,296	1,284	1,309	1,440	1,566	1,648	1,739
39580	Raleigh	1,124	1,186	1,286	1,254	1,250	1,247	1,277	1,237	1,334	1,368	1,384	1,403	1,420	1,324	1,332	1,389	1,344	1,414	1,492	1,665	1,682	1,710
20500	Durham	1,124	1,186	1,286	1,254	1,250	1,247	1,277	1,237	1,334	1,368	1,384	1,403	1,420	1,324	1,332	1,389	1,344	1,414	1,492	1,665	1,682	1,710
40140	Riverside	807	852	856	868	930	953	984	1,013	1,064	1,108	1,118	1,065	1,075	1,057	1,017	1,009	1,027	1,061	1,108	1,182	1,292	1,331
41740	San Diego	933	992	1,052	1,046	1,112	1,108	1,132	1,217	1,266	1,316	1,328	1,313	1,327	1,251	1,257	1,259	1,269	1,383	1,428	1,514	1,640	1,683
41884	San Francisco	1,357	1,456	1,572	1,678	1,744	1,740	1,658	1,559	1,710	1,754	1,806	1,847	1,869	1,829	1,745	1,837	1,953	2,103	2,160	2,524	2,648	2,773
41940	San Jose	1,599	1,600	1,770	1,958	1,954	1,950	1,776	1,719	1,780	1,868	1,888	1,887	1,909	1,831	1,841	1,925	1,941	2,063	2,296	2,416	2,618	2,807
42220	Santa Rosa	1,021	1,090	1,118	1,278	1,336	1,332	1,336	1,319	1,380	1,422	1,426	1,445	1,461	1,303	1,341	1,271	1,317	1,475	1,474	1,654	1,840	1,847
42644	Seattle	1,228	1,353	1,464	1,343	1,340	1,345	1,382	1,405	1,518	1,572	1,598	1,620	1,641	1,612	1,640	1,666	1,680	1,793	1,938	2,040	2,132	2,177
45300	Tampa	829	829	882	863	890	906	946	932	980	1,028	1,032	956	965	969	979	1,008	1,012	1,022	1,100	1,157	1,201	1,266
47894	Washington DC	1,523	1,575	1,689	1,553	1,561	1,635	1,650	1,729	1,815	1,882	1,899	1,948	1,971	1,963	1,954	1,995	1,983	2,015	2,149	2,227	2,319	2,374
43524	Silver Springs, MD	1,523	1,575	1,689	1,553	1,561	1,635	1,650	1,729	1,815	1,882	1,899	1,948	1,971	1,963	1,954	1,995	1,983	2,015	2,149	2,227	2,319	2,374
48424	West Palm Beach	1,011	1,075	1,128	1,085	1,108	1,105	1,146	1,078	1,170	1,196	1,196	1,108	1,119	1,125	1,097	1,126	1,136	1,184	1,308	1,327	1,399	1,416

Monthly Maximum Net Rent for Select Cities
Maximum Net Rent Indexed to 100 as of 2000
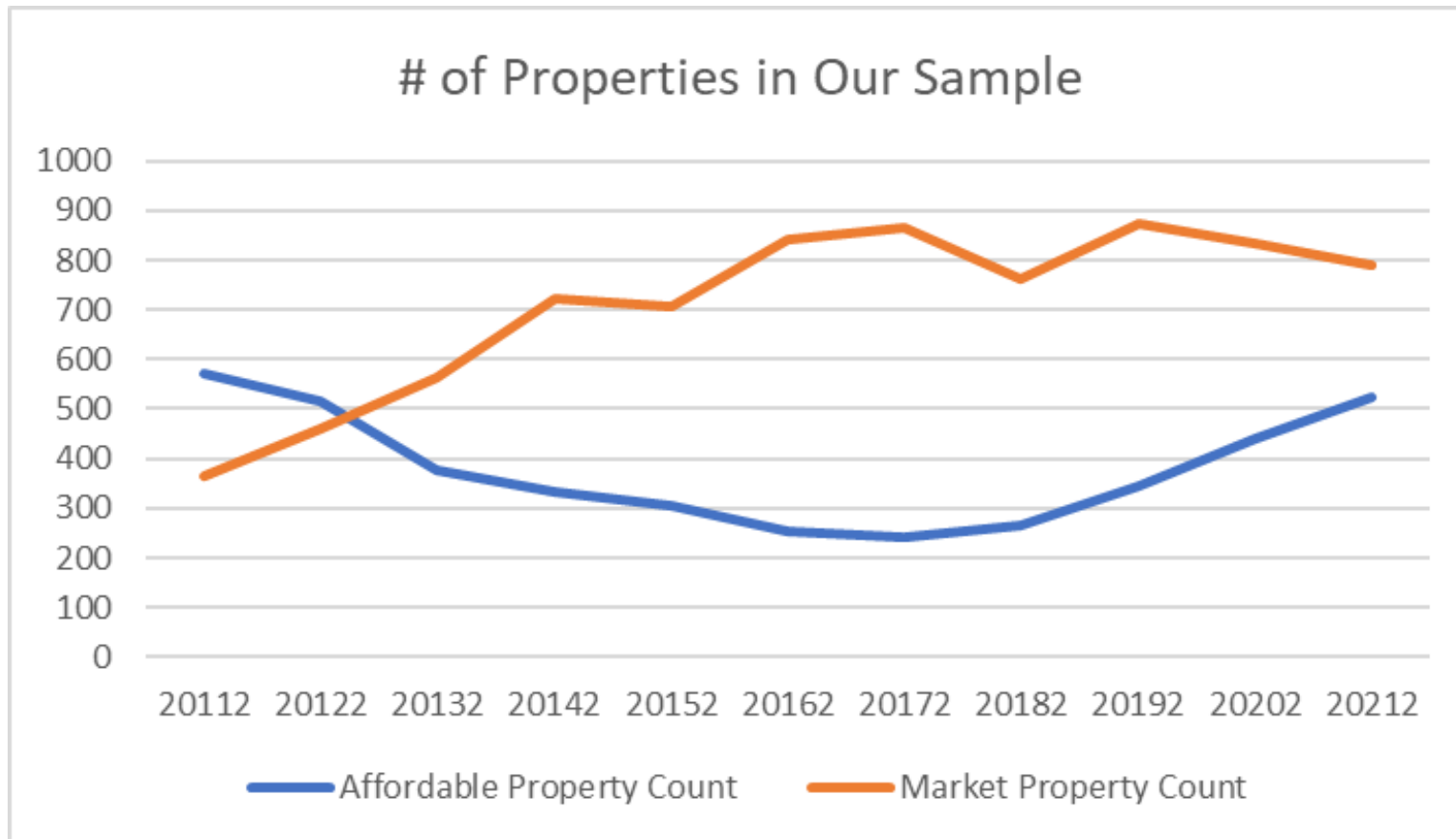

Monthly Net Rent per Unit Max: 80% of MFI x 30% Less Utility Costs

Select Cities Shown: Maximum Net Rent Indexed to 100 as of 2000
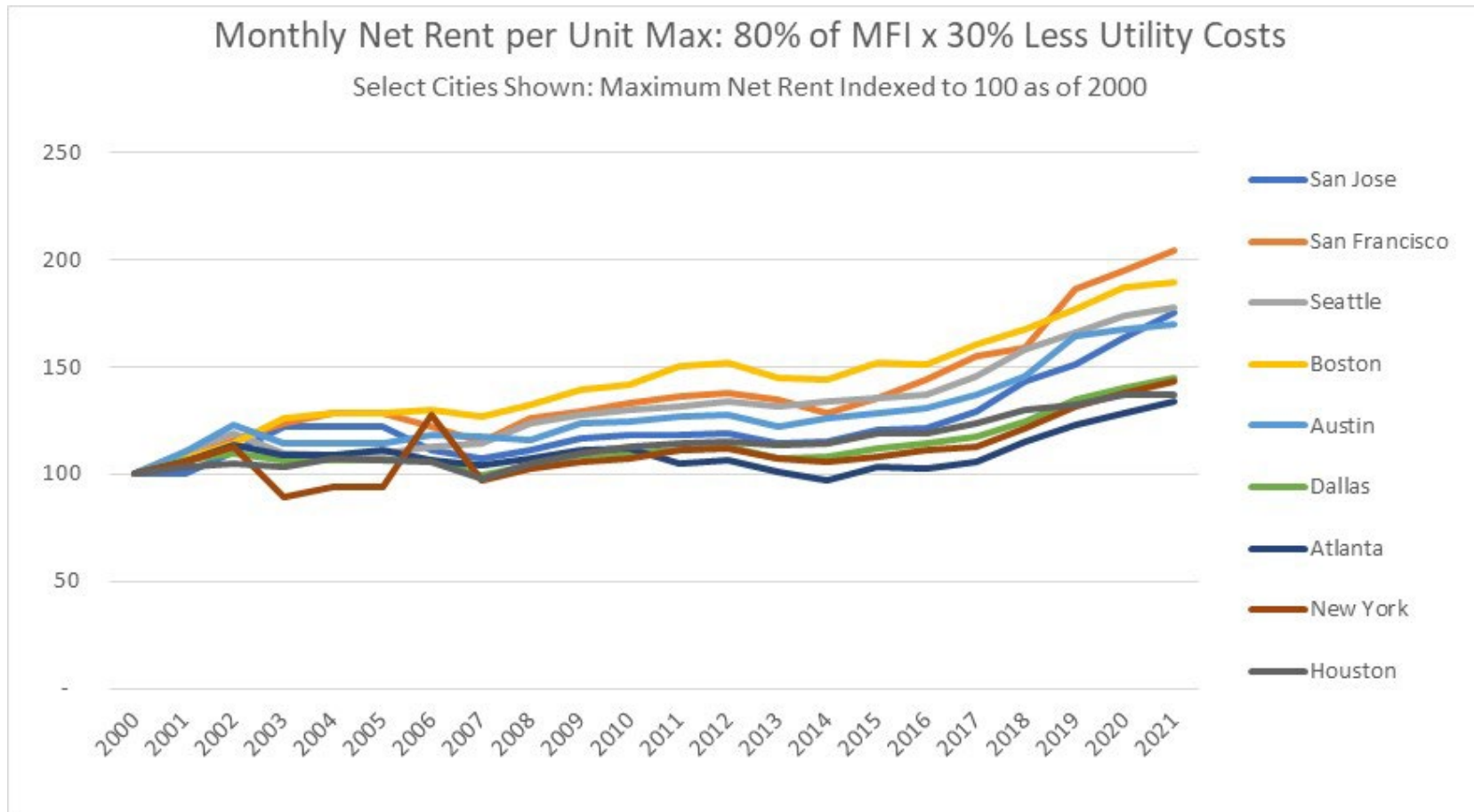
Number of Buildings in the Study

Sample size is a determined by those buildings where rent/unit in NCREIF database is below the maximum monthly net rent established


# of Properties in Our Sample

2Q Occupancy (Percent Leased)
"Moderate Income" buildings had slightly lower occupancy

Percent Leased 2011-2021
10 Year Avg: Moderate = 93.6%; Market = 94.5%

Legend: ■ Moderate Percent Leased   ■ Market Percent Leased

Cap-Ex as a Percent of Market Value
"Moderate Income" buildings had slightly higher Cap-ex

Cap-Ex as a Share of Market Value
10 Year Avg. Moderate =1.5%; Market = 1.0%
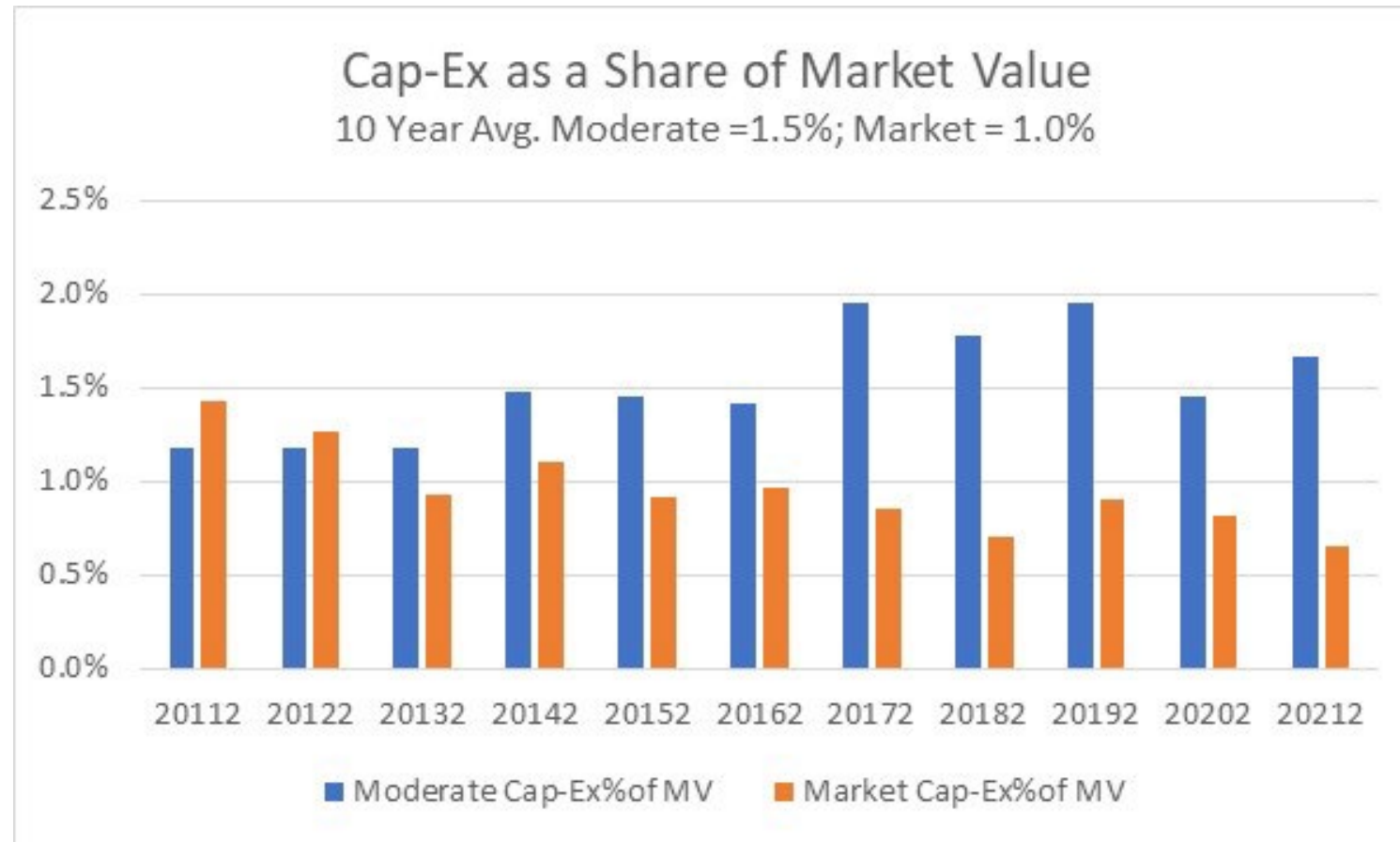
Income Return
"Moderate Income" buildings had slightly higher income which offset Cap-ex

Income Return
10 Yr Avg. Moderate =4.9%; Market=4.4%
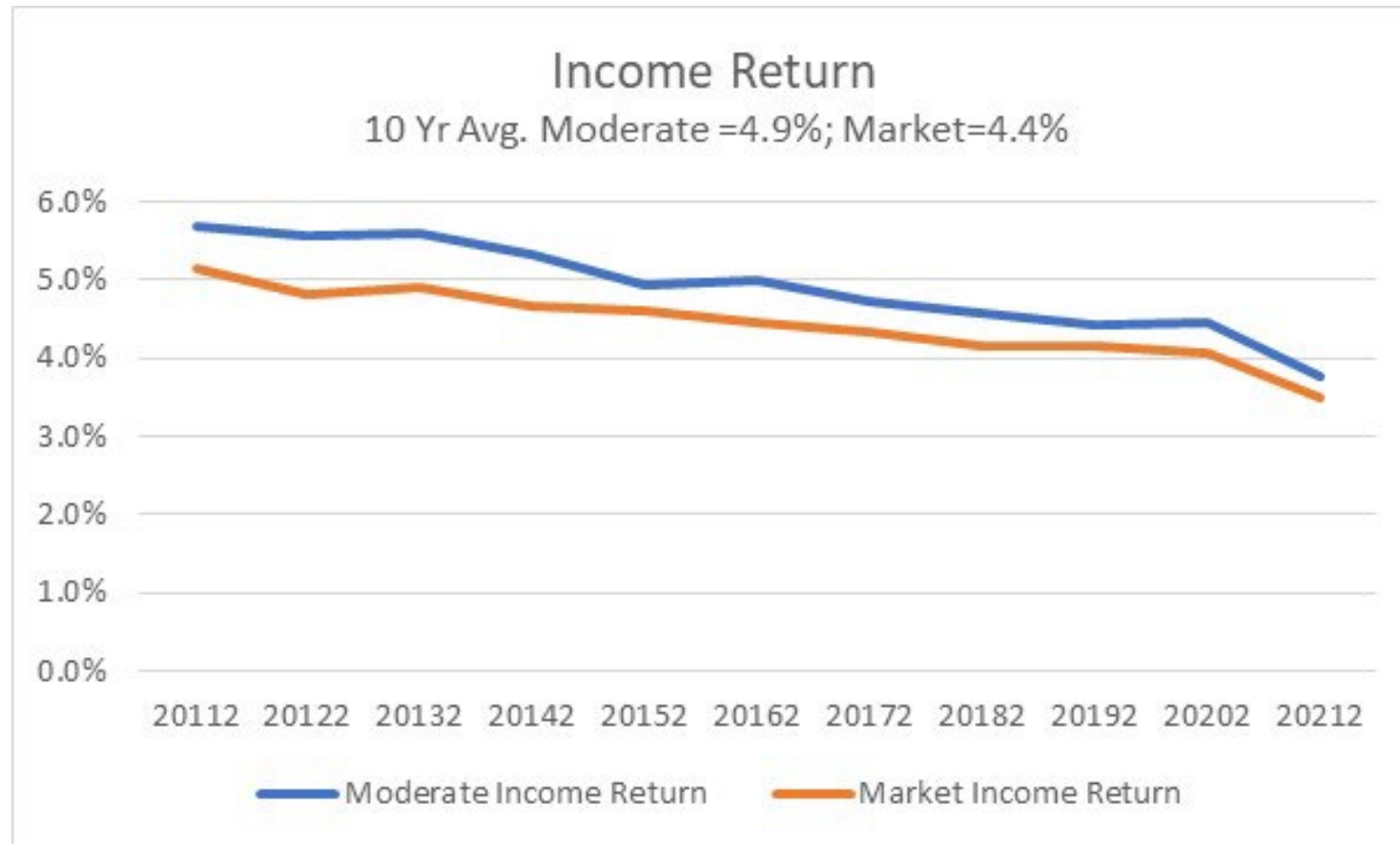
Total Return by Year 2Q2011 – 2Q2021
"Moderate Income" buildings had slightly higher total return