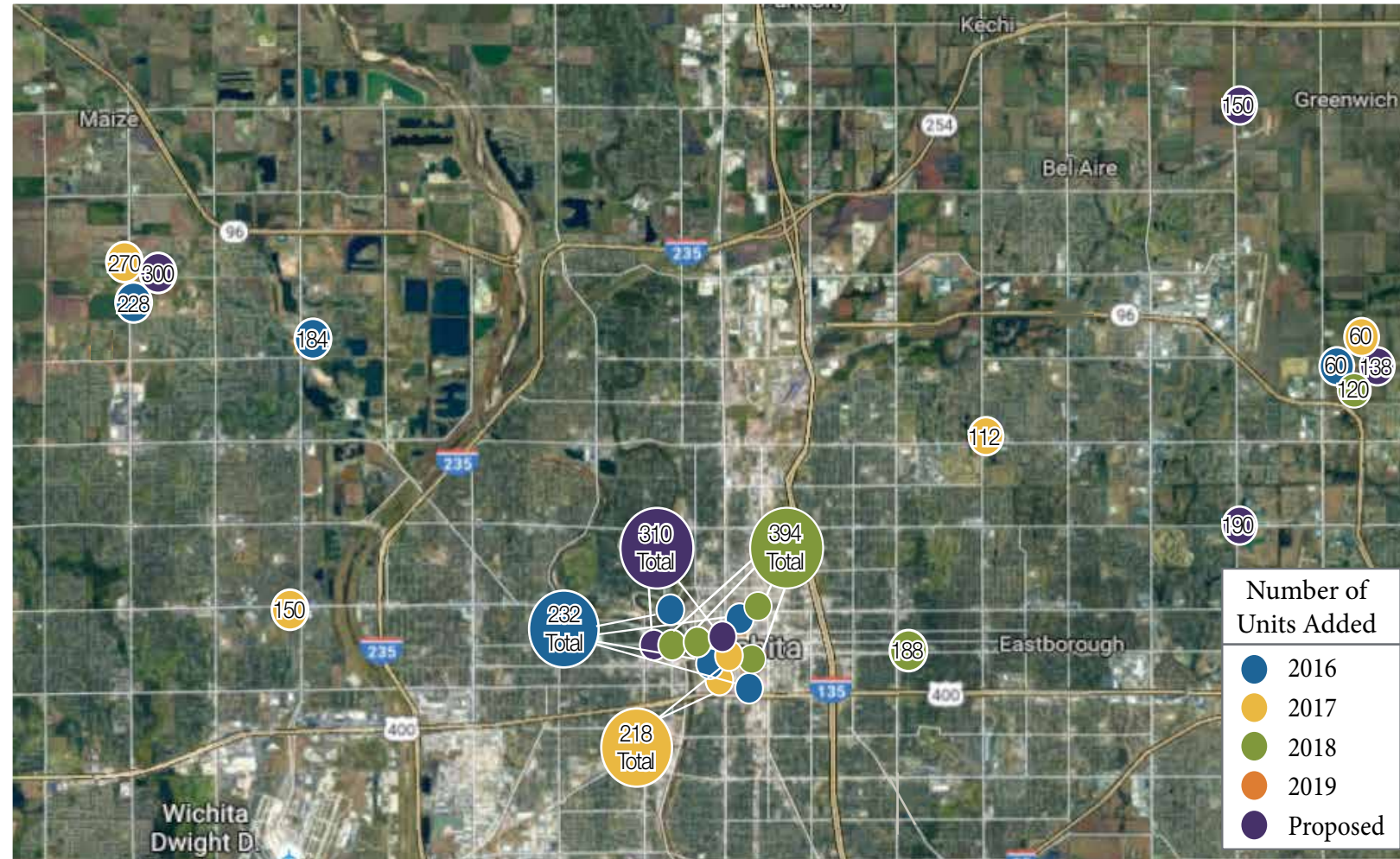


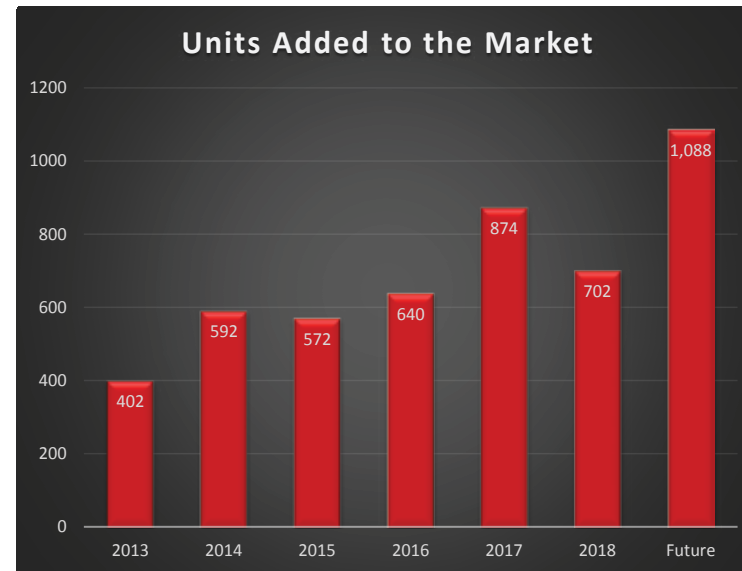
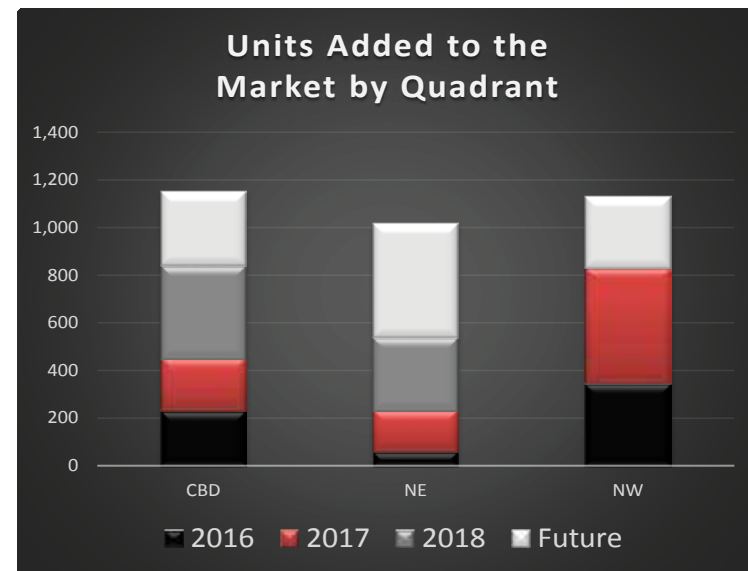
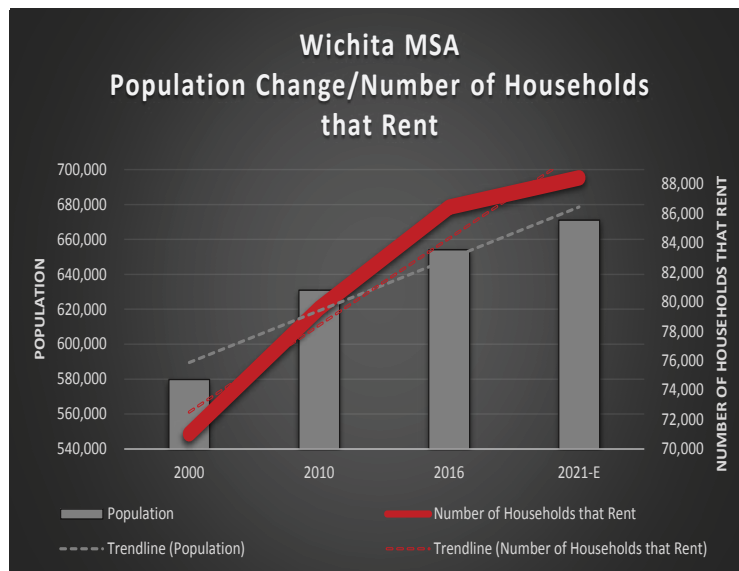
Multifamily Development Update

Wichita, Kansas

Over 2,200 new multifamily units have been added to the Wichita market from 2013 to 2016 with an average of 550 new units per year. Prior to 2013, a minimal number of new units were added in over a decade. During this period, population and job growth in Wichita was fairly stagnant. However, the pent-up demand lead to strong absorption at new developments. Additionally, since the recession there has been an increasing trend for households to lease compared to own. In 2000, 34.4% of the households in Wichita leased. In 2016 that increased to 37.1%, further supporting the need for new units in the market.

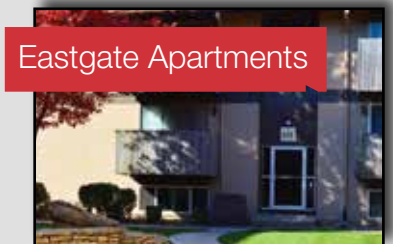
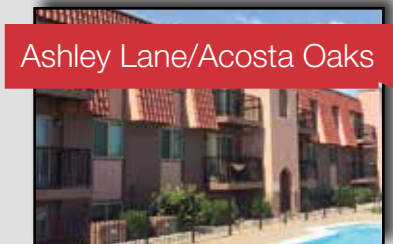
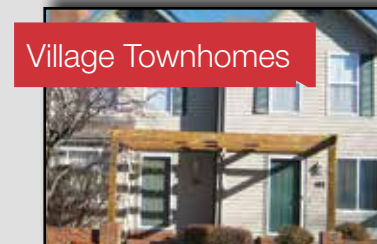
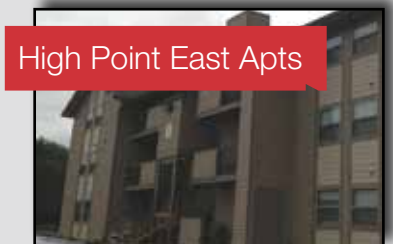
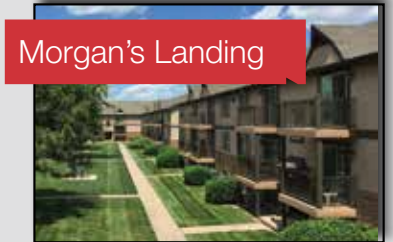
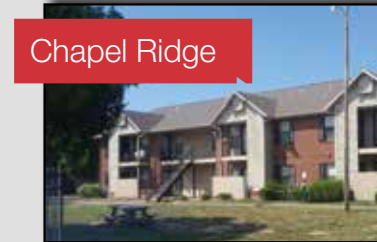


From 2012 through 2015 the overall occupancy rate in Wichita steadily increased from 92.5% to 94.5%. Therefore, the new development during this timeframe did not have a negative impact on the market. However, in 2016 the occupancy rate dropped to 93.5%. This was primarily in Class B & C properties. Over the next four to five years there are plans for over 2,500 additional units to be added to the market. These units could lead to a period of over saturation, but will be absorbed in time. If this happens, it is expected that any increase in the vacancy rate will predominately affect Class B & C properties that are not properly maintained or managed. If Wichita can attain a higher rate of population and job growth, we do not expect a dramatic change in the occupancy rate and can possibly foresee a demand for more units.



NAI Martens Multifamily Transactions

NAI Martens has completed over \$125,000,000 of multifamily transactions from 2014 to 2016 YTD.



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