



MARKET AT A GLANCE



OCCUPANCY RATE 92.2%

Up 60 bps since 3Q16



ASKING RENT \$774

Unchanged since 3Q16



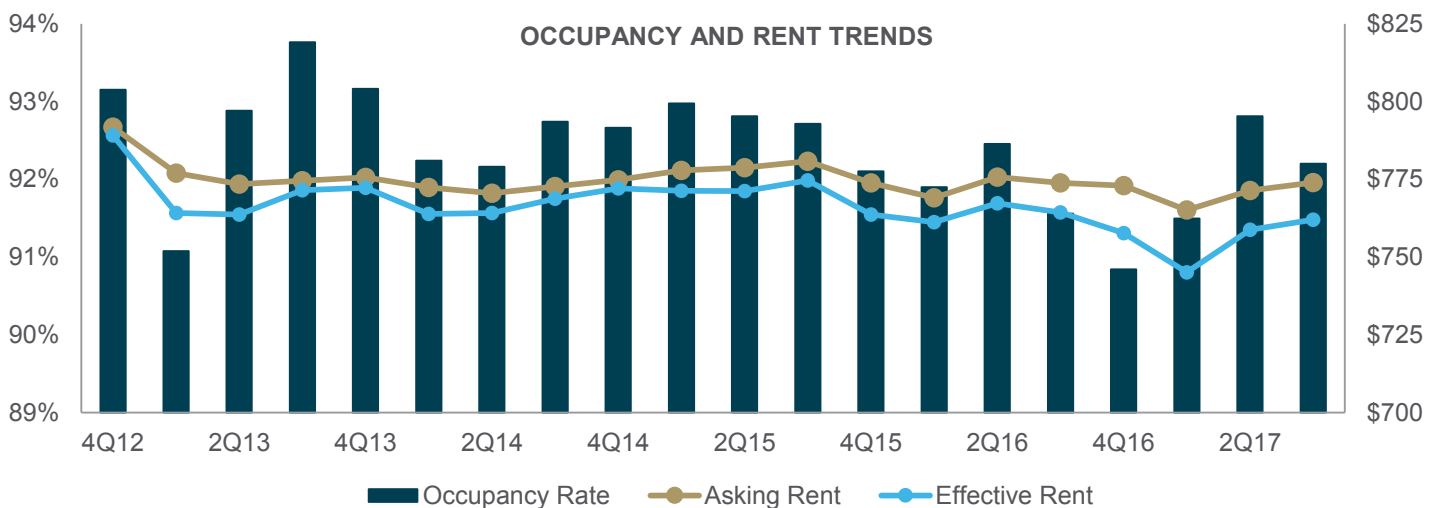
CONCESSIONS 1.6%

Unchanged since 3Q16

OCCUPANCY AND RENT TRENDS

APARTMENT OCCUPANCY RISES 60 BPS AMID HEALTHY LEASING ACTIVITY

During the last four quarters, apartment demand exceeded completions by more than two to one, fueling a 60-basis-point increase in occupancy. Operators recorded metrowide occupancy of 92.2% by the end of the third quarter. Despite negative apartment demand in the third quarter, leasing activity remained net positive in the trailing 12 months with 1,240 newly occupied apartments, up 42% from one year prior. Multifamily completions totaled 451 units annually, with most of the new inventory concentrated in northeast El Paso. For the remainder of the year, another 232 apartments are scheduled to be delivered as the Bella Estancias phase II project is completed and all 214 units at North Loop Apartments come online in El Paso's Lower Valley near the Loop 375 freeway. Average rent remained consistent over the past three years; the quarterly average since third quarter 2014 was \$774. Third quarter 2017 was no different; average rent was \$774 per month, the same as one year prior. Meanwhile, effective rent reached \$762 per month in the third quarter, as concessions remained stable to the year-ago rate of 1.6% of asking rent.



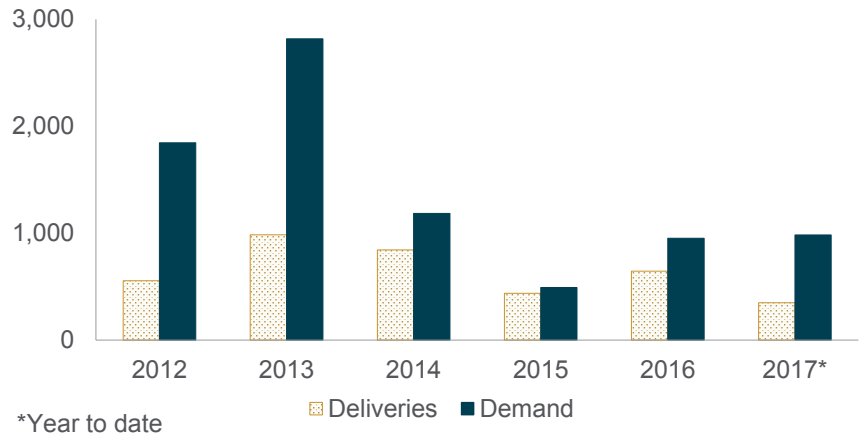
DELIVERIES AND DEMAND



DELIVERIES 350
Units YTD



NET ABSORPTION 983
Units YTD



ECONOMIC TRENDS

2016 5.1% **UNEMPLOYMENT*** 2017 4.3%
-80 BPS CHANGE

2016 310.9k **EMPLOYMENT*** 2017 318.4k
2.4% CHANGE

2016 7.4k **EXISTING SFH SALES**** 2017 8.1k
9.5% CHANGE

2016 \$148.9k **MEDIAN SFH PRICE**** 2017 \$150.1k
0.8% CHANGE

2016 1.63% **10-YEAR TREASURY**** 2017 2.20%
60 BPS CHANGE

El Paso-area employment expanded 2.4% in the trailing 12 months ending August 2017 and outpaced national job growth of 1.4%. Area companies added 7,500 workers to local payrolls. The professional and business services sector accounted for the most growth, 2,100 new jobs, representing a 6.2% year-over-year increase. The financial activities industry had the greatest rate of growth, 7.9%, as 1,000 positions were filled. In the education and health services segment, 1,300 workers were hired, representing a gain of 2.9%. The sector was boosted by more than 300 jobs when the 106-bed The Hospitals of Providence Transmountain Campus in El Paso opened in January. The leisure and hospitality industry rounded out the high-growth sectors as 1,100 jobs were created, an expansion of 3.2%. The construction industry was supported by the \$670 million William Beaumont Army Medical Center bringing an estimated 1,200 skilled laborers to the project. The 1.1-million-square-foot William Beaumont Army Medical Center is slated to complete in 2019.

*August; **September



EL PASO

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
El Paso, TX	91.6%	92.2%	-0.9%	0.0%	\$774	\$774	-167	1,240	143	451
TOTALS	91.6%	92.2%	-0.9%	0.0%	\$774	\$774	-167	1,240	143	451



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