



May 8, 2025

Southeast Market Update

Moderator:

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Panelists:

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Quintin Kauchick, President | ValueTech Realty Services Inc



AGENDA

- I. Introduction / Overview
- II. EMAD Considerations for Applications
- III. Southeast Apartment Market Conditions, 1Q 2025
- IV. Southeast Apartment Vacancy Rates, 1Q2025
- V. Southeast Apartment 1Q Vacancy Trends
- VI. Southeast Apartment 1Q Rent Trends
- V. Southeast Apartment 1Q Pipeline
- VI. Growth Markets / Areas of Note
- VII. Valuation Key Topics
- VIII. Q&A



Market Conditions Update

May 8, 2025

Tammy Fayed
EMAD Regional Director
Region IV, Southeast/Caribbean Region



EMAD Considerations for Applications

- EMAD reviews applications with forward-looking perspective
- Overall vs stabilized vacancy rates
- In the Southeast, economic and population growth aren't usually a concern.
 - Vacancy rates and pipeline?
- Vacancy rates are high, but some pipelines are coming down.
 - Question is how long before specific markets rebalance
 - Seeing more info requests for larger markets that have been soft



Southeast Apartment Market Conditions, 1Q 2025

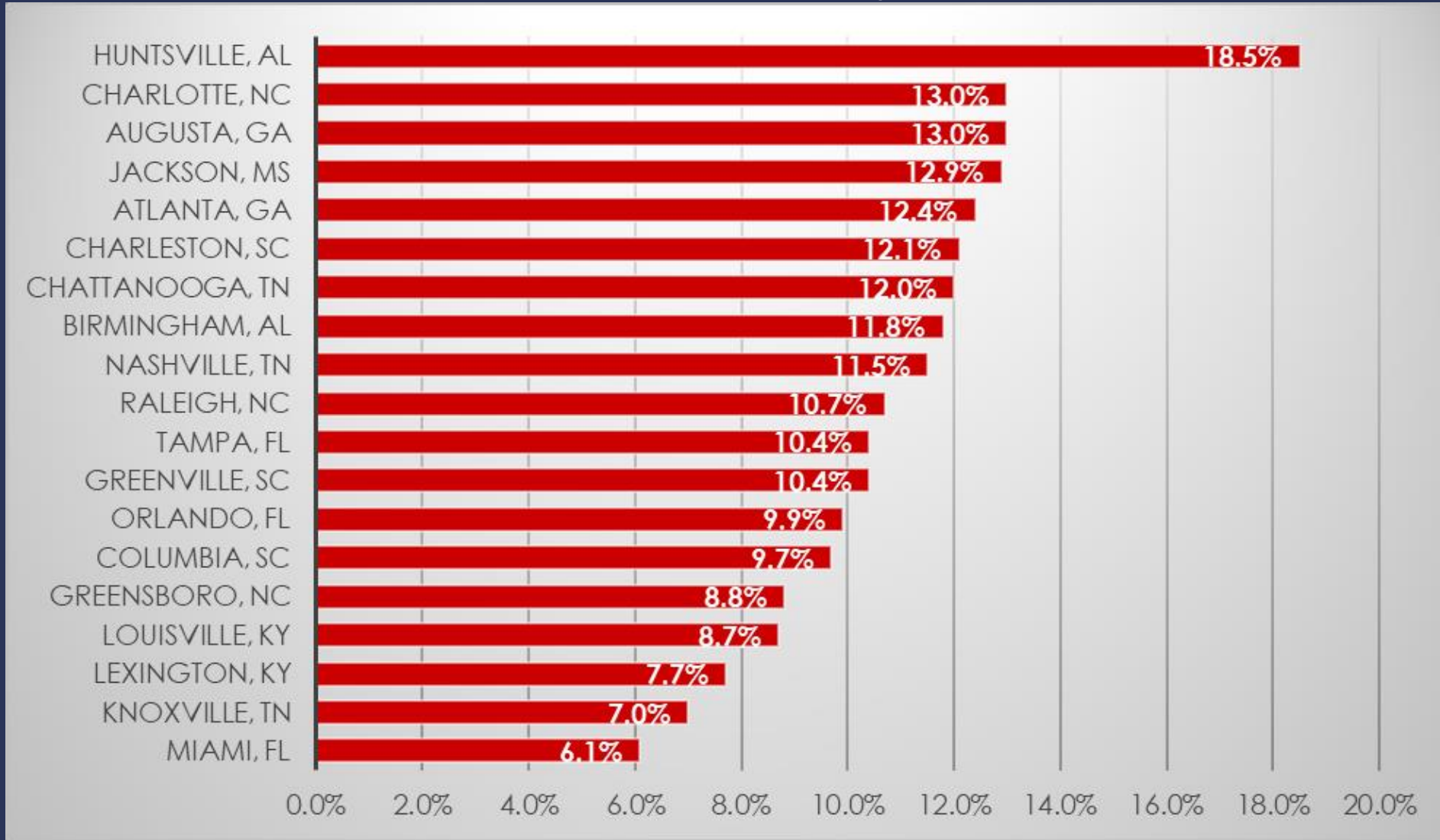
Selected Markets

<u>Alabama</u>	<u>Florida</u>	<u>Georgia</u>
Birmingham	Miami	Atlanta
Huntsville	Orlando	Augusta
	Tampa	
<u>Kentucky</u>	<u>Mississippi</u>	<u>North Carolina</u>
Lexington	Jackson	Charlotte
Louisville		Greensboro
		Raleigh
<u>South Carolina</u>	<u>Tennessee</u>	
Charleston	Chattanooga	
Columbia	Knoxville	
Greenville	Nashville	

Source: CoStar Group



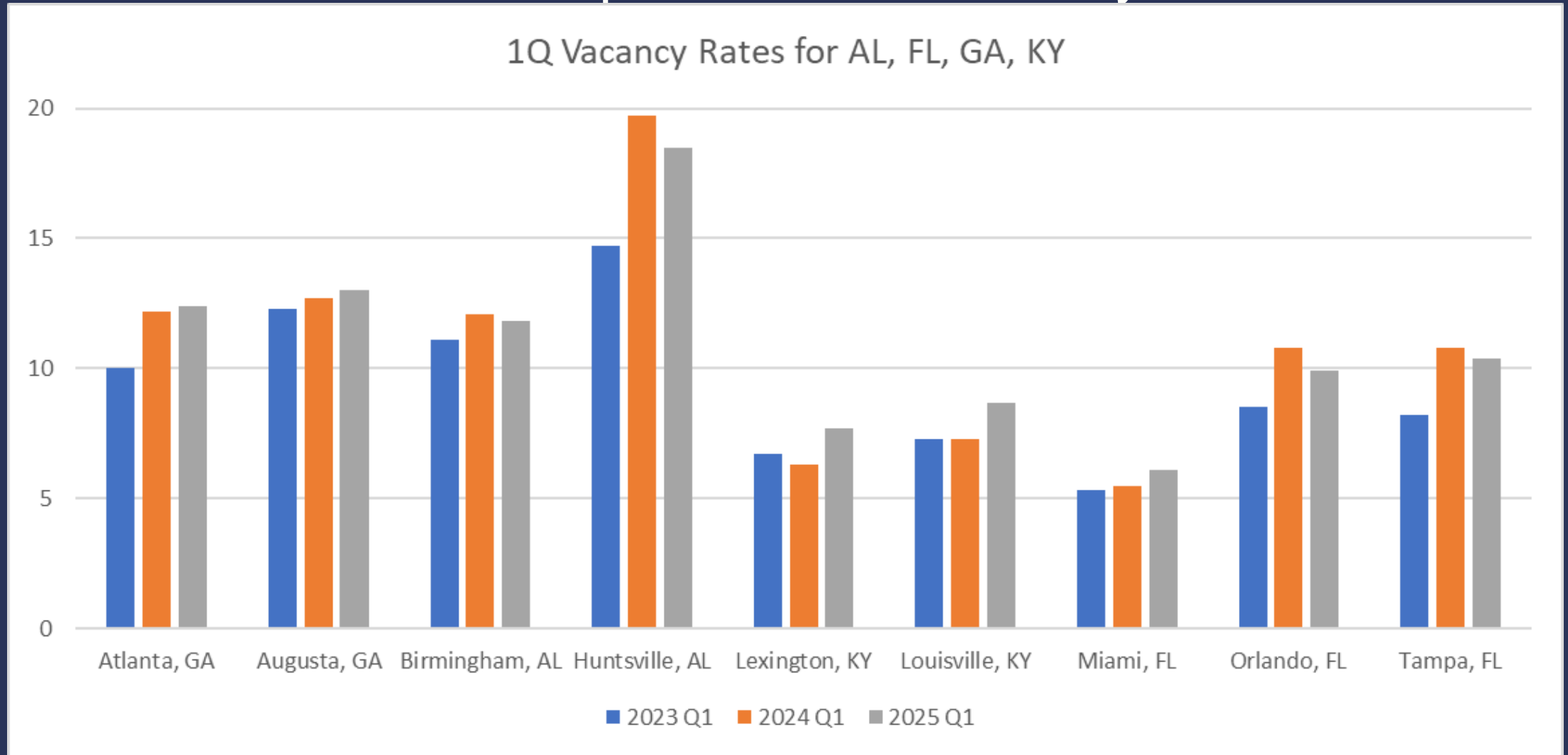
Southeast Apartment Vacancy Rates, 1Q2025



Source: CoStar Group



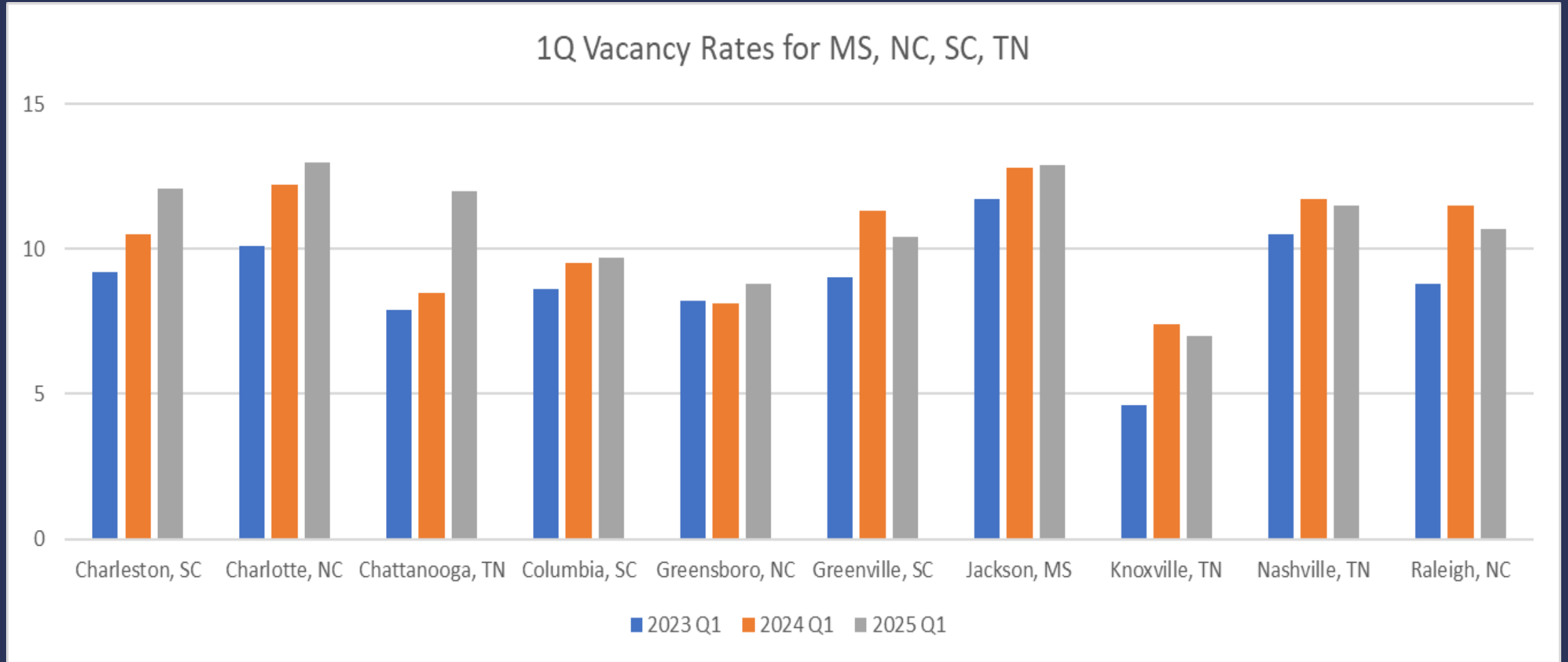
Southeast Apartment 1Q Vacancy Trends



Source: CoStar Group



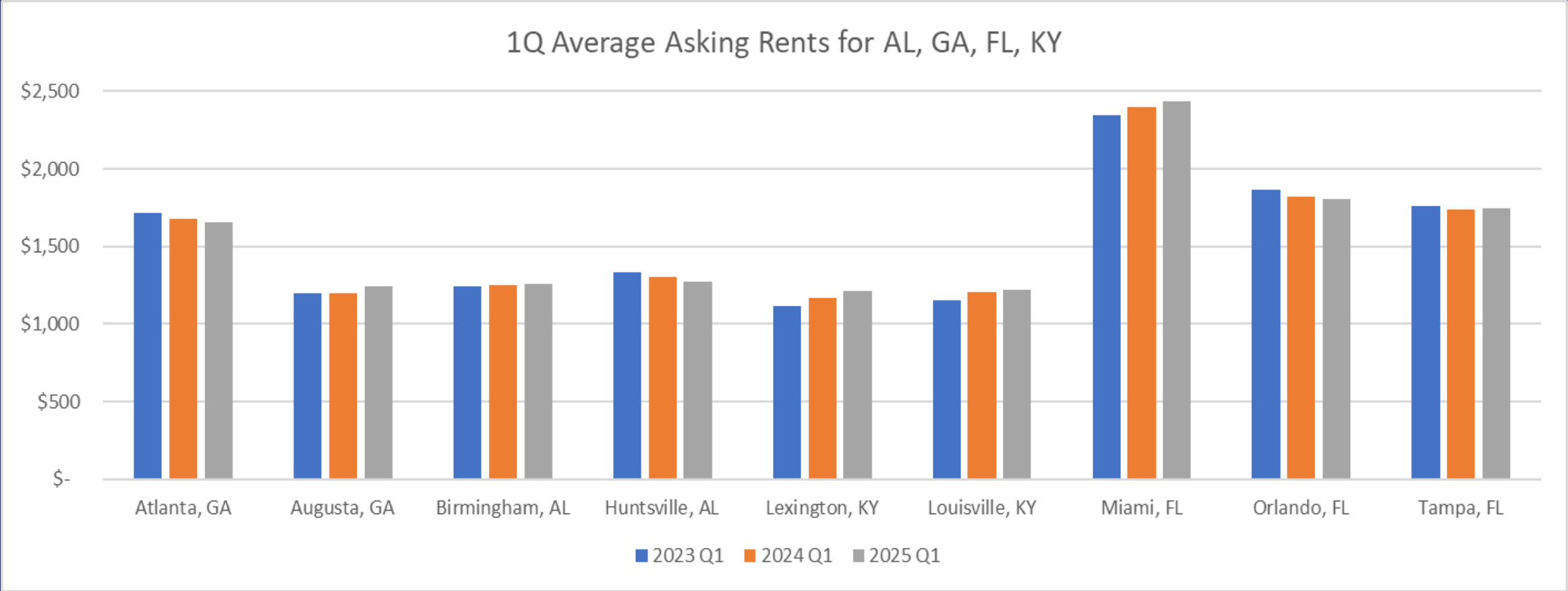
Southeast Apartment 1Q Vacancy Trends



Source: CoStar Group



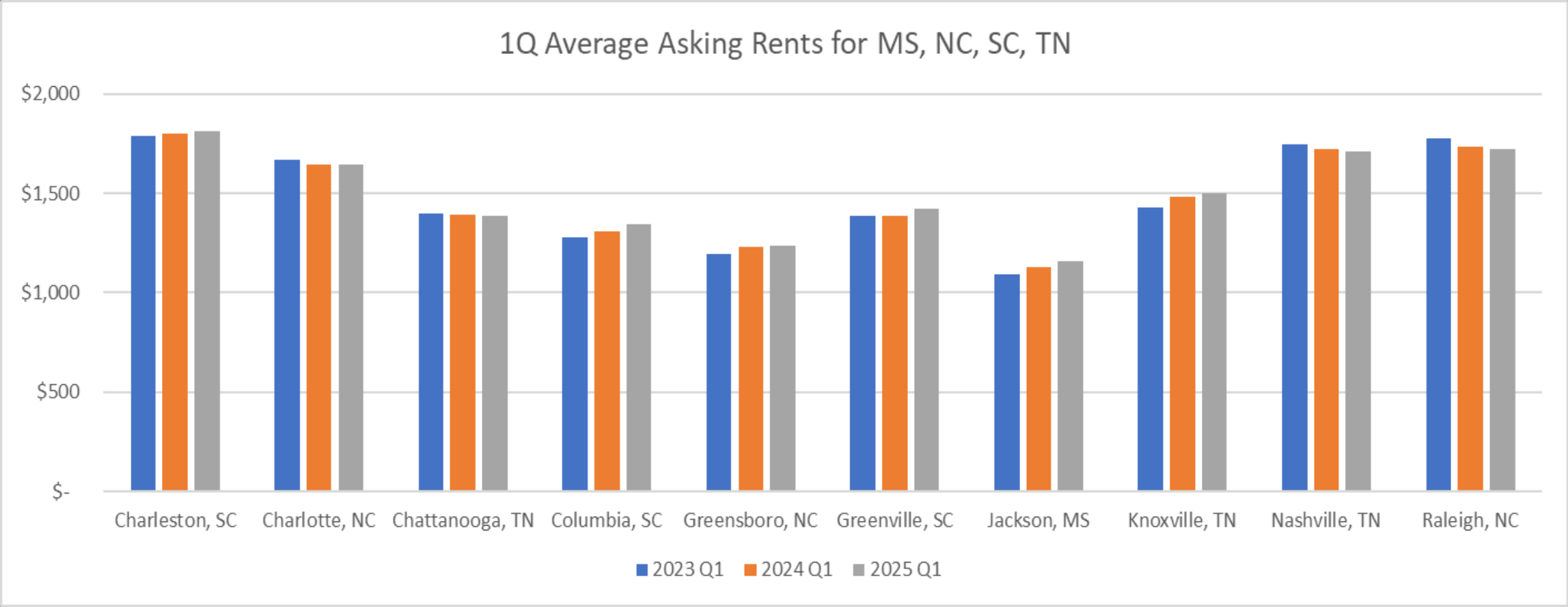
Southeast Apartment 1Q Rent Trends



Source: CoStar Group



Southeast Apartment 1Q Rent Trends

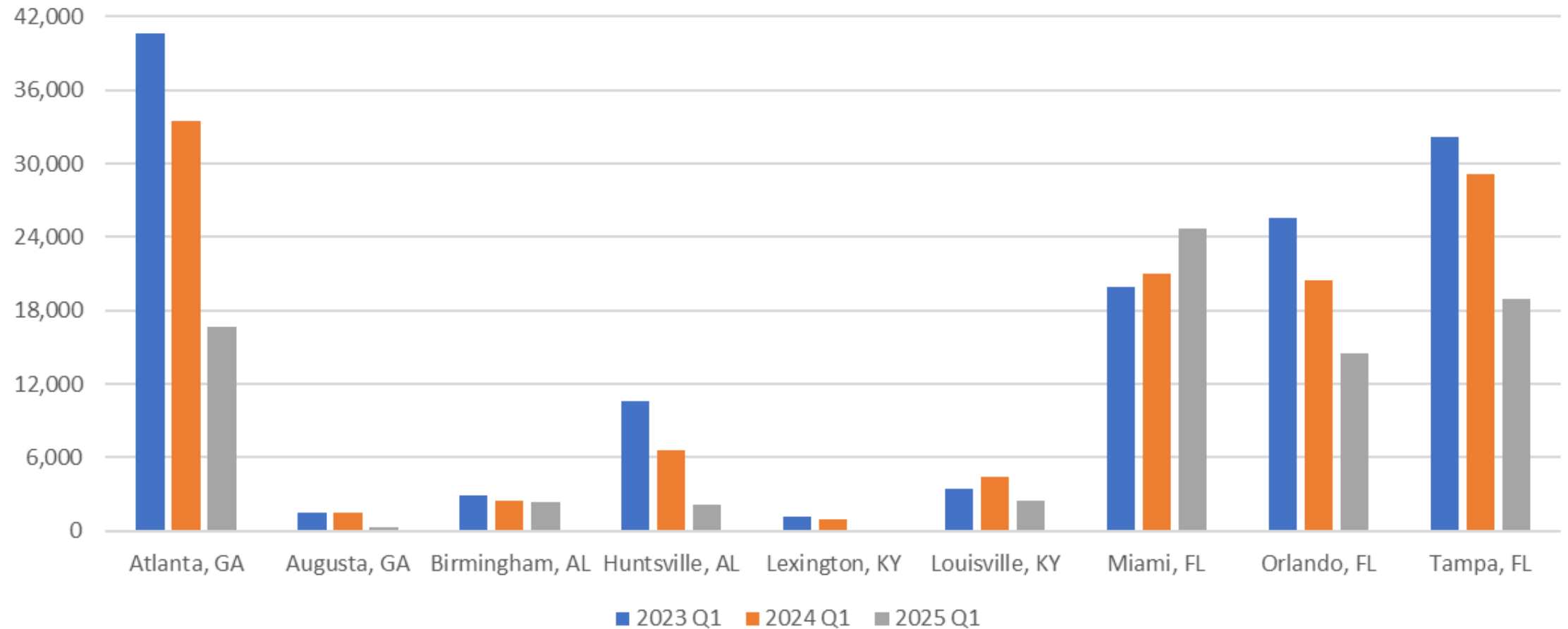


Source: CoStar Group



Southeast Apartment 1Q Pipeline

Units Under Construction, AL, FL, GA, & KY

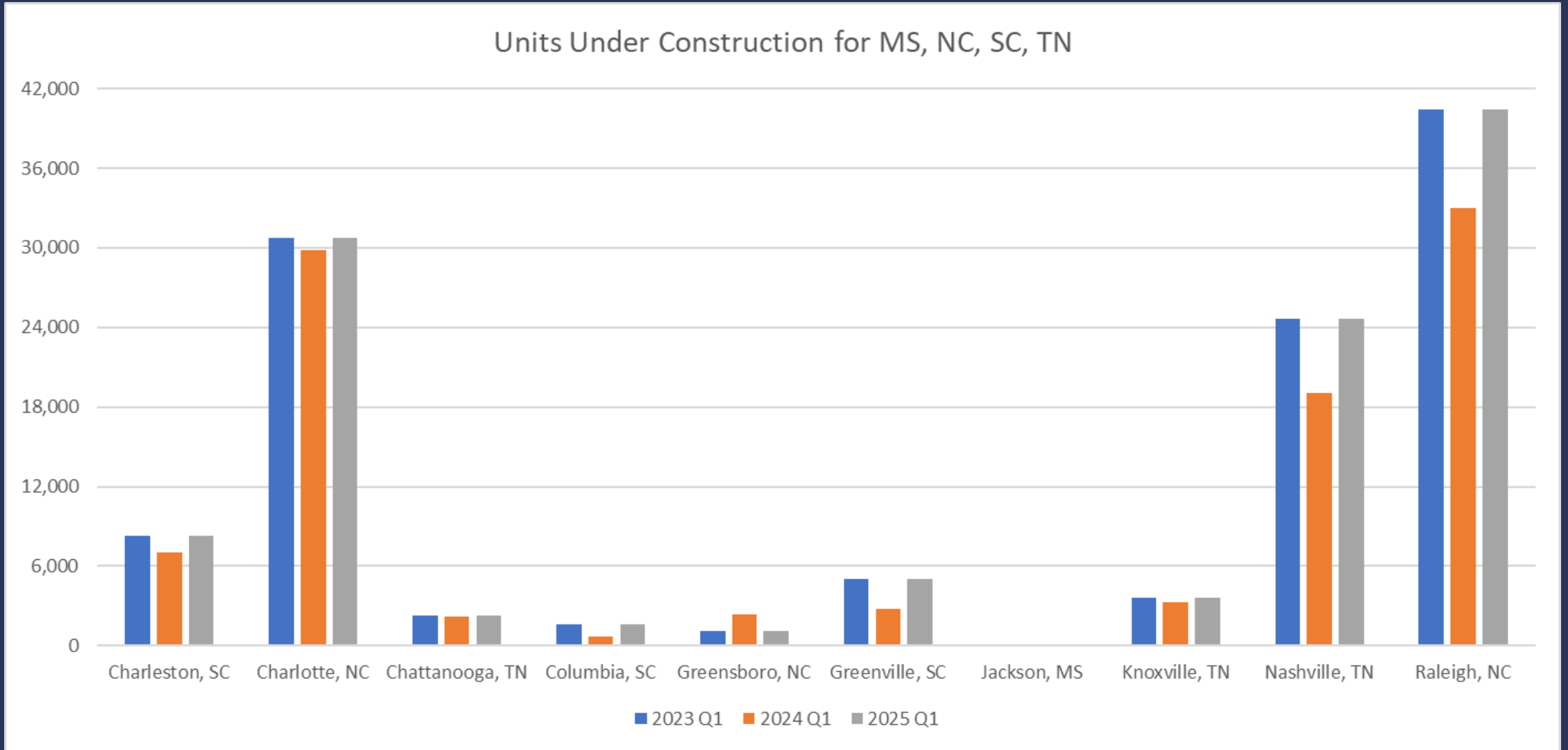


Source: CoStar Group



PD&R

Southeast Apartment 1Q Pipeline



Source: CoStar Group



PD&R

EMAD Questions / Contact?

Contact Tammy Fayed
EMAD Regional Director
Southeast/Caribbean Region

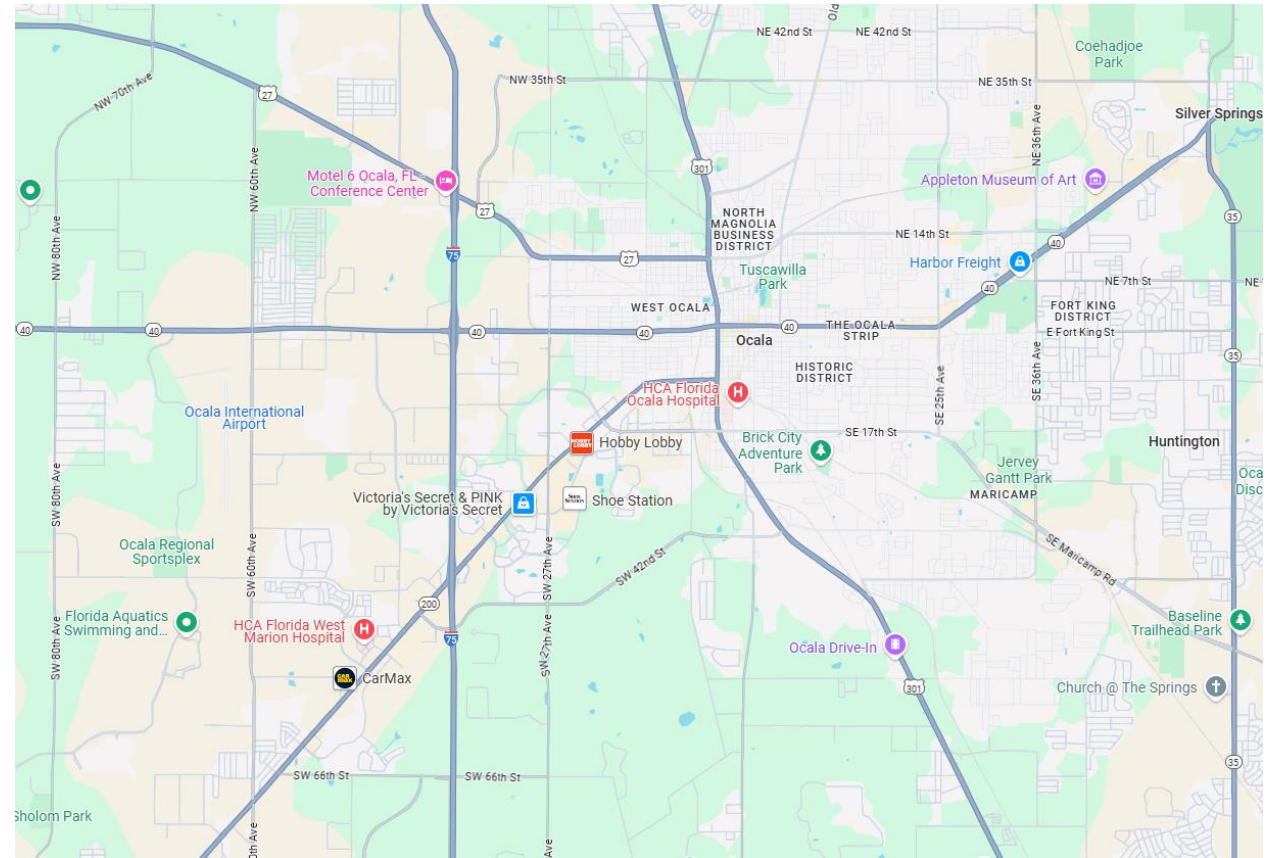
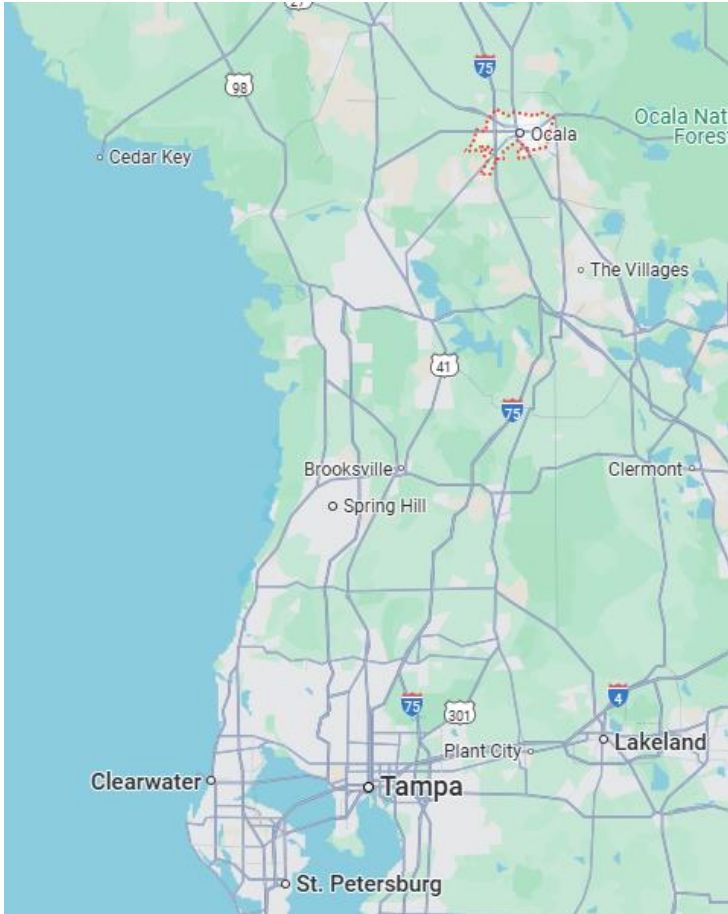
Tammy.Fayed@hud.gov



Growth Markets / Areas of Note

ALABAMA			GEORGIA		
MSA	City/Area	Economic Trends	MSA	City/Area	Economic Trends
Mobile	Saraland/Creola	Billions in new Investment, ArcelorMittal, Austal, Logistics	SW Georgia	Hogansville-LaGrange-West Point	Auto Manufacturing, Inland Ports
Huntsville	Huntsville, Decatur, Athens	FBI, Defense, Balanced Market in 2028	Atlanta Region	Suburban towns	Outward growth of Atlanta
KENTUCKY			FLORIDA		
Rural Areas	Bowling Green, Elizabethtown, Richmon/Berea, Highland Heights/Wright	Affordable Product. Primary Driver = Rental Rates vs Construction Costs	State Wide	Primary, Secondary, Tertiary	Opportunities throughout State
Louisville	NE Region-State Road 265	Commerce/Data Centers-Meta, 3,600+ new jobs	NW Region	Pensacola to Panama City	Military, Innovation
NORTH CAROLINA			Central FL	Ocala	Logistic Hub
Asheville	Entire Region	\$1.4 Billion HUD to Rebuild	I-4 Corridor	Tampa-Orlando-Melbourne	Port, Distribution, Space Program
Charlotte	SE and W submarkets	Logistics along I-74, Advanced Manufacturing, Plastic/Chemical Plants	SE Florida	Miami-Ft. Lauderdale-Palm Beach	Wall Street of the South
Fayetteville	Lumberton, Southern Pines	Affordable Housing Shortage	TENNESSEE		
Raleigh/Durham	Suburbs	Research/Education	Nashville	Suburbs	Outward Expansion of Nashville
SOUTH CAROLINA			MISSISSIPPI		
Charleston-Savannah Corridor	Suburbs	Logistics, Port Activity	Gulf Coast	Coastal Region	Gaming, Ship Building
Greenville/Spartanburg	Suburbs	Manufacturing/Auto			

Florida

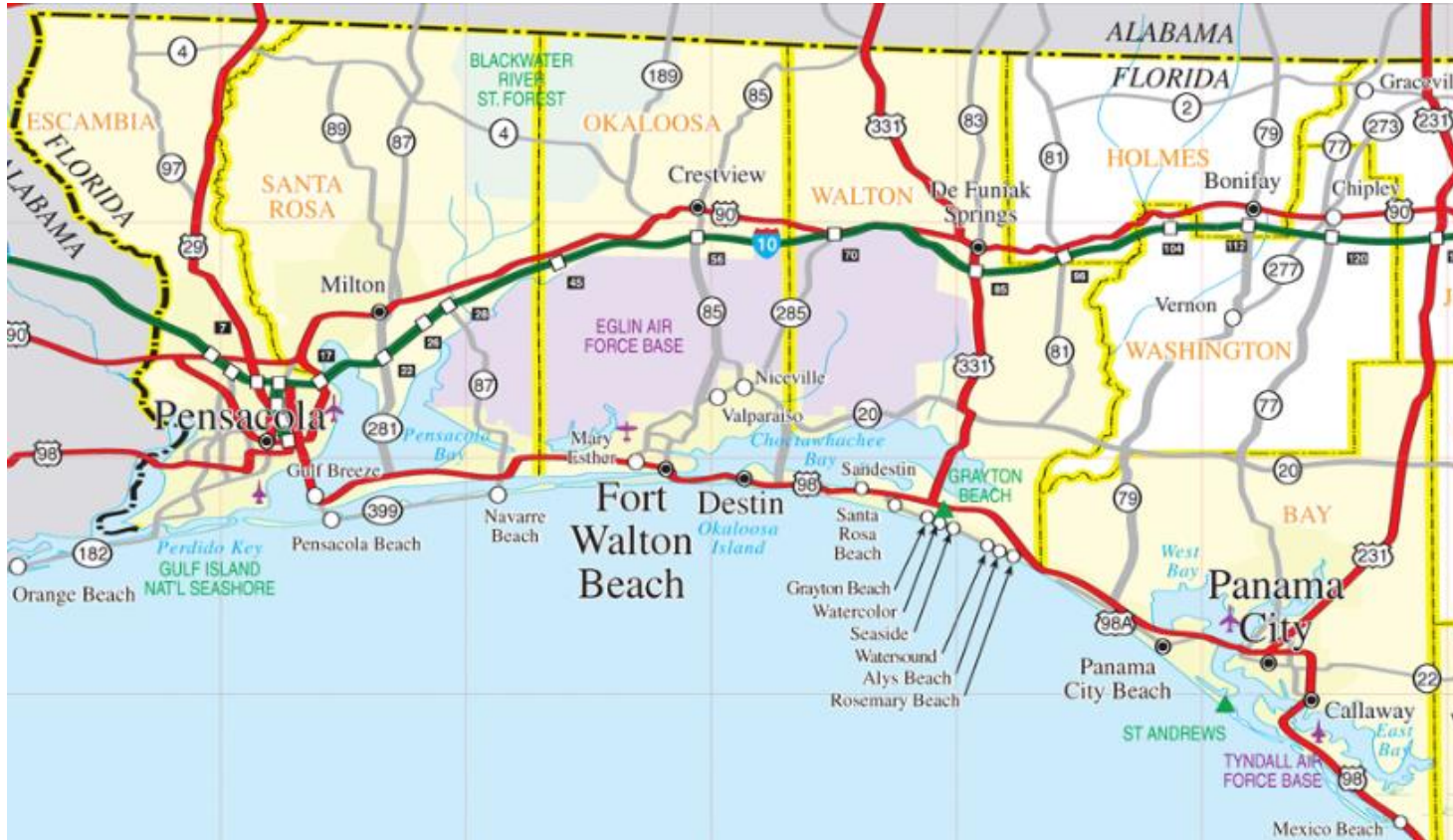


Ocala is a surging growth market. Top logistics hub with over 25 million people within 3-hour drive. World Equestrian Center. Largest in the world with billions in local annual impact. Rapidly expanding population.

Northwest Florida

Pensacola:
Achieving
equilibrium in
early 2026.
Aviation,
healthcare,
banking.

Destin &
Niceville:
Defense,
Healthcare,
Eglin AFB



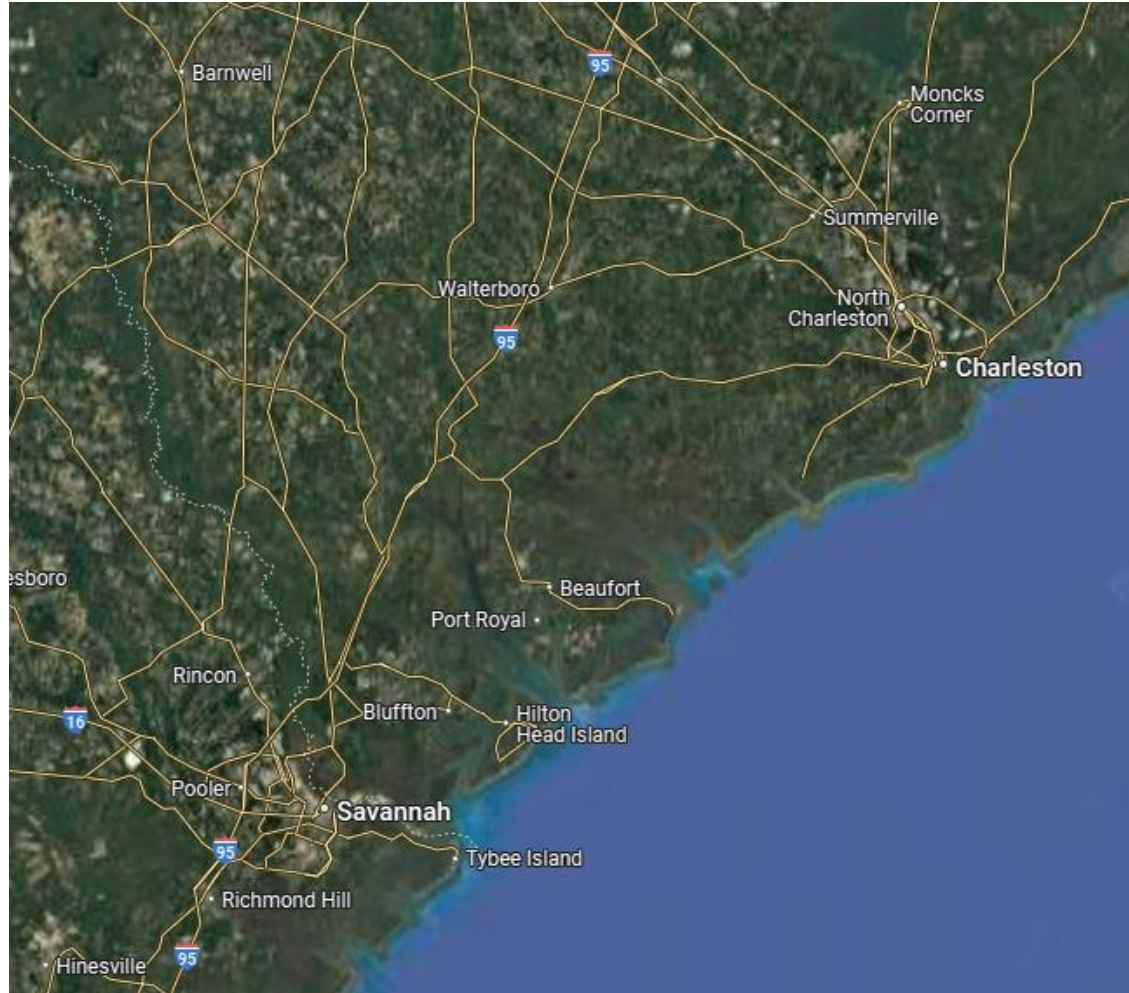
Crestview:
Major
Infrastructure
Improvements,
New I-10 – HWY
90 Parkway in
2025

Santa Rosa –
PCB: Defense,
30A & 98,
Tyndall AFB
\$5.3B
Modernization
& New F35
Squadron

Georgia & South Carolina

Charleston:
Continued
downtown
growth,
Growth
expanding
north towards
Goose Creek.
Industrial
expansion
along 26.

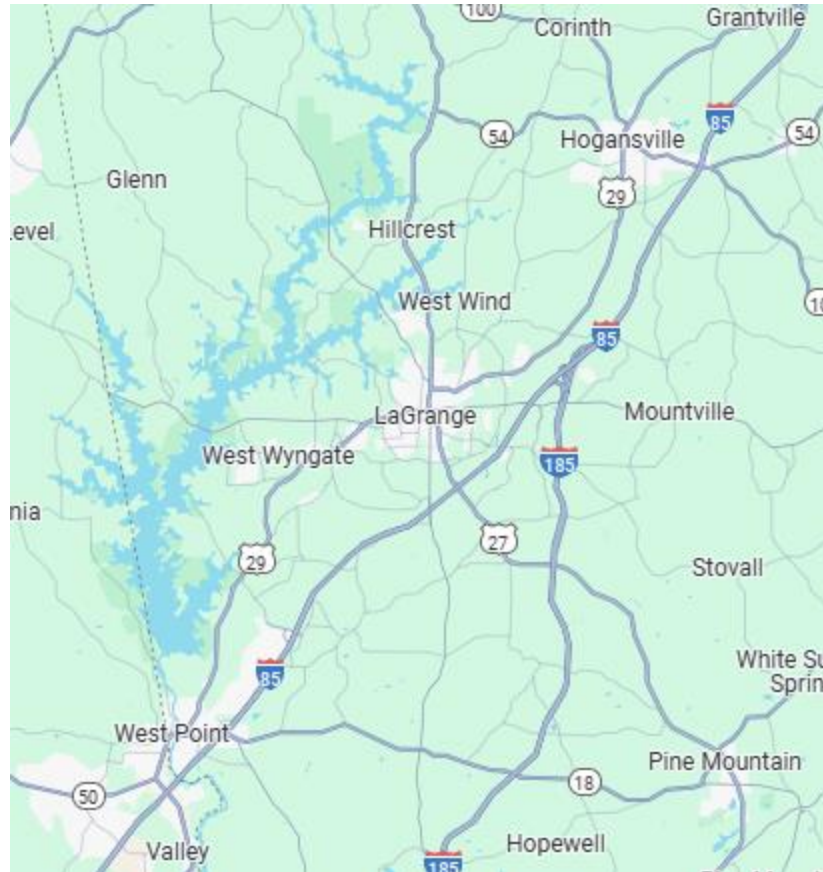
Okatie &
Hardeeville:
Workforce
opportunities
supporting
Hilton Head &
Savannah



Savannah: Top 5
busiest port in
the U.S.
Consumer
staples, auto,
electronics top
imports. Growth
along 16, 95.
Industrial on
Hwy 17.

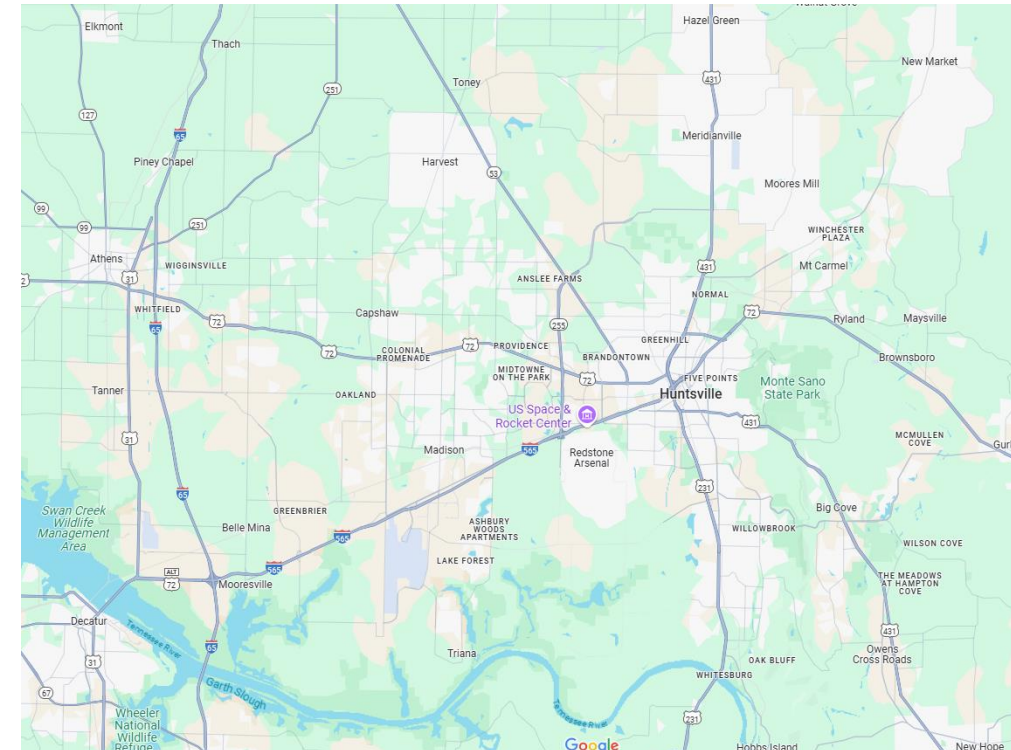
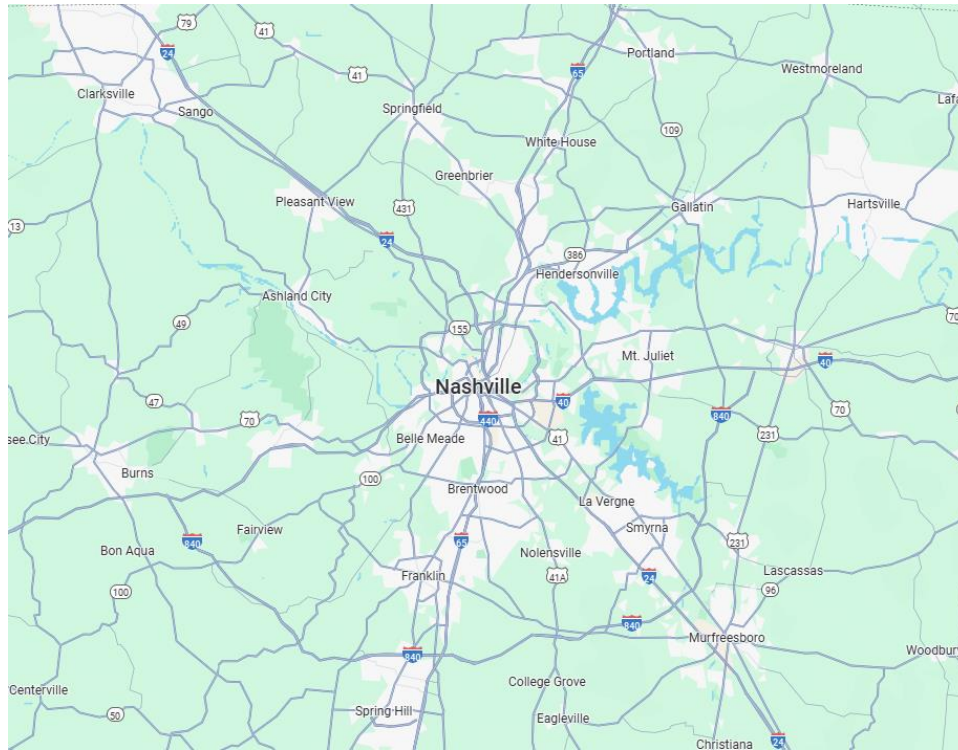
Georgia Continued

LaGrange: Kia &
Inland Port.
~\$130M
distribution
center to have
major rail and
intermodal
improvements.



Huntsville AL / Nashville TN

HSV: Balanced
market
beginning 2028.
Added ~15,000
jobs Feb 2024 –
Feb 2025. FBI,
Limestone
Industrial,
Defense



Valuation

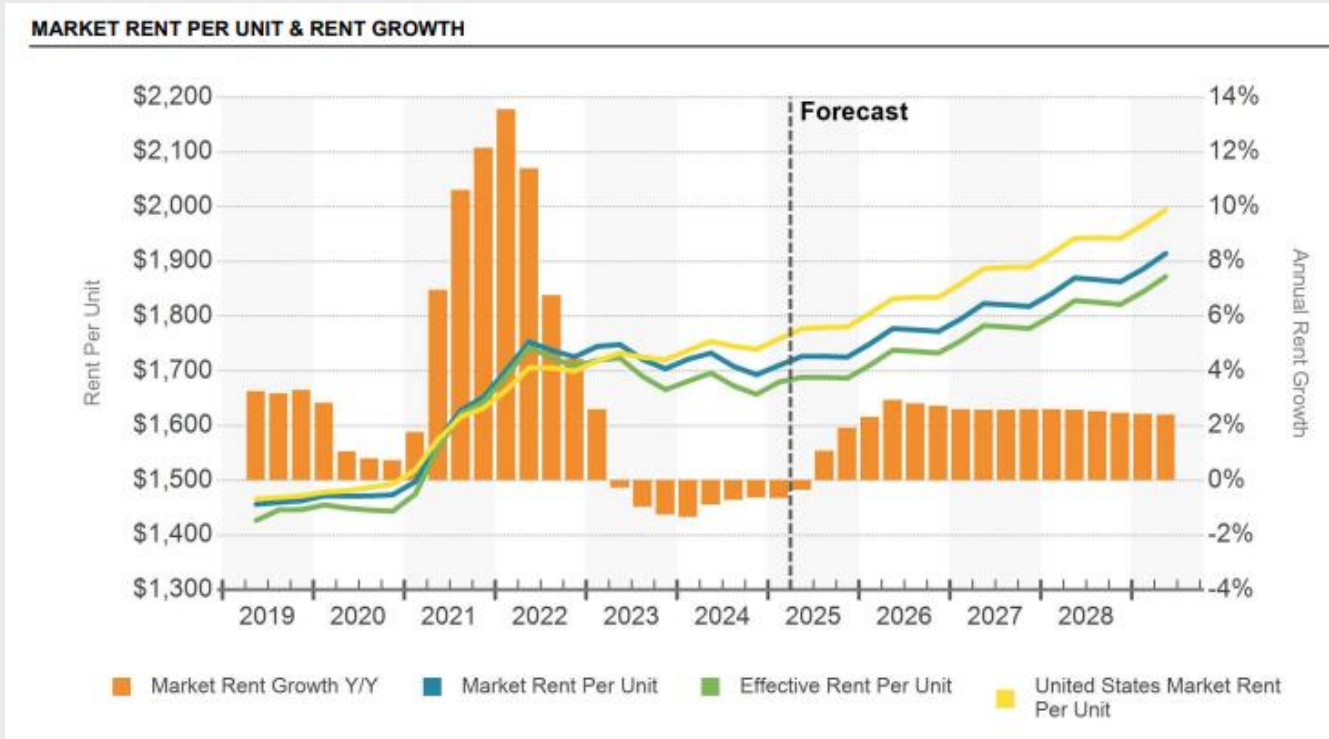
Key Topics

- Rents
- Other Income
- Vacancy
- Expenses
- Cap Rates
- Land Value

Valuation - Rents

Rents

- Data Collection
- Starting to stabilize to normal growth patterns



Valuation - Rents

Other Income

- Significant Increases in Amounts and Line Items
- Market Support
- Developer Experience

Valuation - Expenses

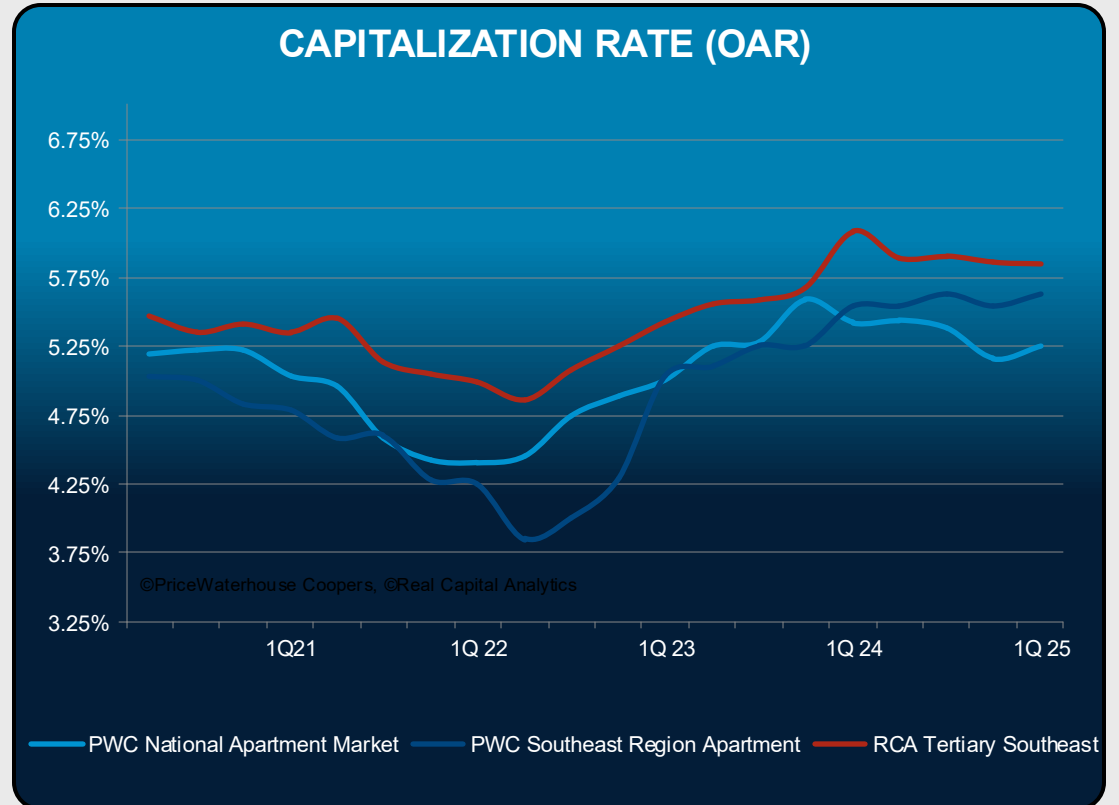
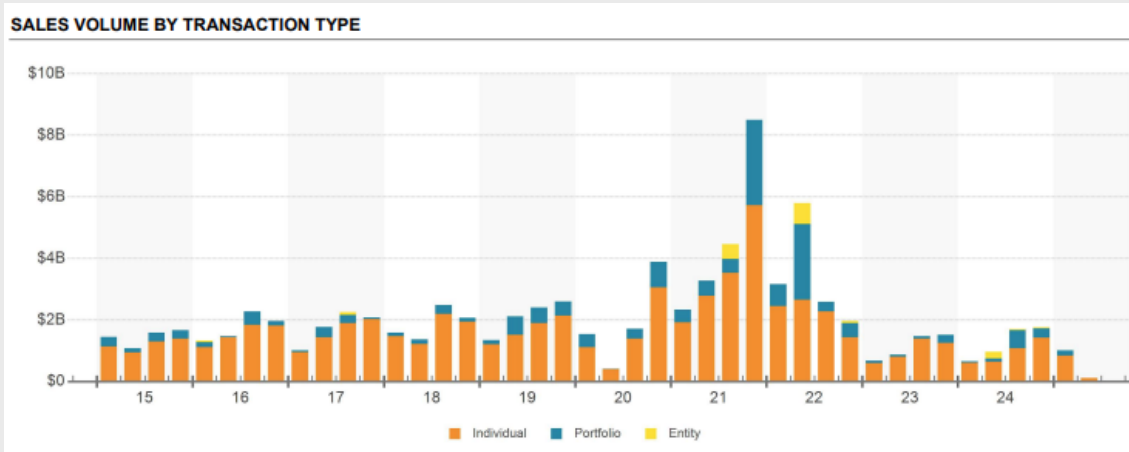
Expenses

- Real Estate Taxes
- Insurance
- Historicals vs. Market

Valuation – Cap Rate

Cap Rates

- In-Place vs. Proforma
- Trends
- Lack of Sales Data



Panelist's Rapid Response

Which are more important in today's market

- Capital Market Outlook
- Rent Growth Recovery
- Renter Demand & Consumer Confidence
- Operating Expenses
- Policy

Q & A



Thank you to
our panelists!

