MAY 2019

SURVEY OF THE COLIVING LANDSCAPE


SURF SHACK

2019: COLIVING'S MOMENT

COLIVING: WHERE **LOCATION, CONVENIENCE, COMMUNITY** AND **AFFORDABILITY** ARE ALL MAXIMIZED FOR THE TENANT, WHILE REVENUE IS MAXIMIZED FOR THE OWNER AND OPERATOR.

INTRODUCTION

A housing crisis is raging across the United States. For decades, young professionals have been steadily emigrating into the once inert urban submarkets of major cities like New York, Los Angeles and San Francisco among many others. A positive feedback loop formed between the influx of highly-educated workers and the concentration of corporate investment and job opportunities in these areas. Over the course of this past decade, this feedback loop has heated both renter and owner housing markets. Between 40% and 50% of residents in these key markets have become cost-burdened - spending more than over 30% of their pre-tax household income on rent.

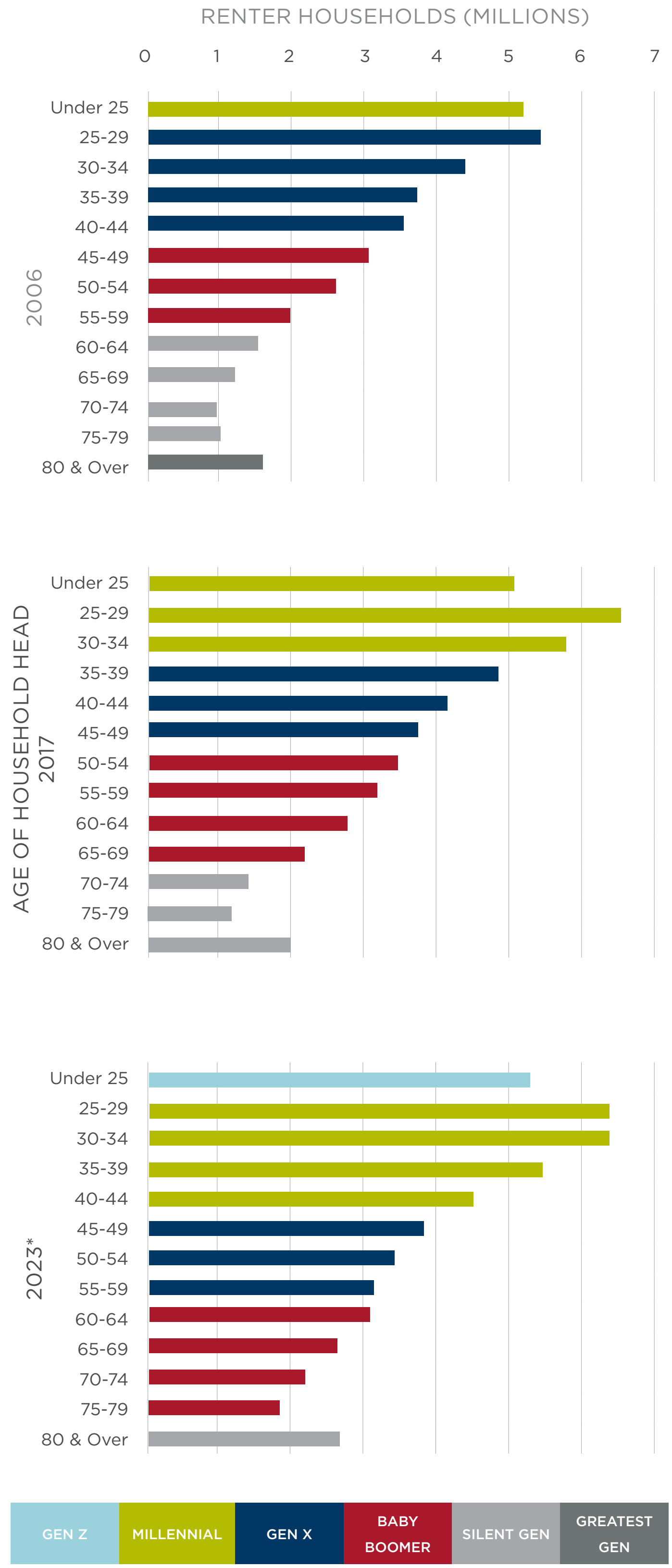
Simultaneously, other demographic trends began to affect the prime renting population in their twenties and thirties. Marriage and family formation have been delayed. Educational attainment among this age bracket is at record highs. Consequently, student loan debt is also at record numbers, along with record low savings accounts.

Coliving is a natural solution to this housing environment where tenants can share units and amenities in a cohesive community assisted by a skilled operator. Location, lifestyle, community and affordability are all maximized for the tenant. In this environment, operators are providing product that better reflects the price range and types of living situations people are looking for when they move into an urban area. **Through coliving, tenants are able to pay less rent by trading private space for more and better shared communal space. Typically, coliving providers include additional services and perks, including fully furnished units, all utilities included, hosted community events and even housekeeping, which in the aggregate represent as much as a 20% discount to living alone.** For the operator, this opens new avenues to differentiate their product, taps into a large renter base not currently served by top-end luxury product, and maximizes revenue on a per square foot basis.

First emerging among the high cost coastal markets where the necessity was greatest for young professionals, the model has continued to evolve. Coliving has now begun to appear in secondary and tertiary markets. The phenomenon has also spread to a wider range of incomes and ages. Given long-term demographic trends and the continued tightening of the housing market, coliving sits on the precipice of rapid expansion.

OVER THE NEXT TEN YEARS, AGING BABY BOOMERS AND MILLENNIALS WILL CONTINUE TO DRIVE GROWTH IN RENTER HOUSEHOLDS.

RENTERSHIP BY AGE



*(JCHS Projected)

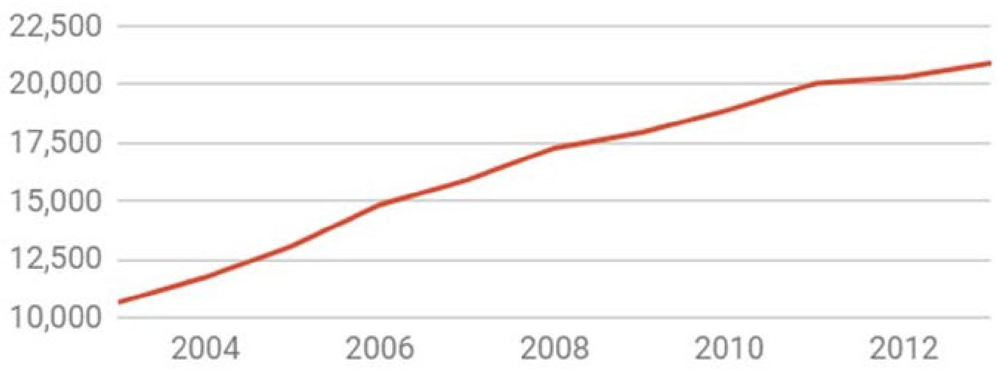
Source: The State of the Nation's Housing, Joint Center for Housing Studies

THE AMERICAN DREAM IS SHIFTING

The American dream has always been partially defined as owning your own house. It helped elucidate status, inspire community engagement and promote a path toward financial stability if not substantial wealth. Several factors have changed this revered and longstanding model. The first of which is a demographic shift toward delayed household formation. Although the 25-to-34-year-old population has grown rapidly, this is not translating into increased household formation, meaning that headship rates have been declining (ratio of households to population). The headship rate declined from **49.2%** in 2005 to **44.3%** in 2017. The Great Recession saw economic destruction of homeownership as a means to wealth, given that an estimated 9.3 million Americans experienced foreclosure or lost their homes. Lifestyle changes have also altered the American Dream. The stigma against city living and the corresponding romanticization of the white-picket fence suburbs was the mantra of the second half of the 20th century which has evaporated due to renewed urban interest. **The number of 18-to-28 year olds moving from the cities to the suburbs has decreased by 40% in the last 20 years**. Furthermore, Americans increasingly spend disposable income on experiential activities, rather than tying up equity in homes. 72% of millennials said they would like to increase their spending on experiences rather than physical things in the next year. Since 1987, consumer expenditures on experiential activities has increased by 70% relative to total consumer spending. The seismic shift from rural to urban life has also impacted the shifting American Dream. According to the United Nations, 55% of the world's population lives in urban areas, **a proportion that is expected to increase to 68% by 2050**. Additionally, the economic reality of graduating from college with student debt cripples the ability to save money for a down payment on a house. Ultimately, due to societal shifts, renting has become a viable, destigmatized housing choice, rather than just an economic necessity. Given that renting is both sustainable and socially acceptable, Americans will continue to rent indefinitely.

TOTAL INDIVIDUALS UNDER 30 WITH STUDENT LOAN DEBT

(IN THOUSANDS)



63% **OF MILLENNIALS ARE UNHAPPY WITH THE PURCHASE OF THEIR HOME.** FACTORS SUCH AS ONGOING HOMEOWNER EXPENSES, SHORTAGES OF STARTER HOMES IN DESIRED LOCATION AND LIMITATIONS OF SIZE HAVE ALL CONTRIBUTED TO THESE PURCHASING REGRETS.

Source: JCHS, Bankrate.com

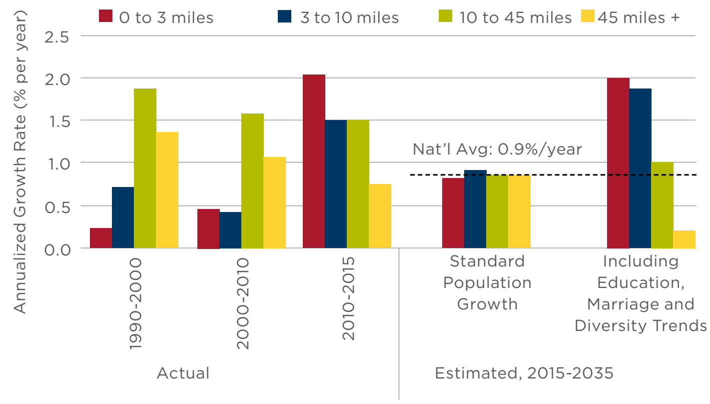
IN THE WAKE OF THE GREAT RECESSION, THE INCREASINGLY URBAN-FOCUSED HIGH-SKILL U.S. ECONOMY HAS RESULTED IN A NUMBER OF CONSEQUENCES:

Core urban areas expect continued growth

As projected by the Joint Center for Housing Studies of Harvard University, population growth will continue to center around dense urban cores. Factoring in longstanding trends in U.S. marriage rates, educational attainment and evolving diversity leads to a striking outcome: the urban cores of U.S. cities will continue to witness incredible growth.

Harvard's Hyojung Lee states, "These findings indicate that while downtown areas will continue to grow, racial and ethnic diversity, delayed or non-marriage, and higher educational attainment, not the aging of millennials and post-millennials, will be the key drivers behind the continued demand for downtown living."

ACTUAL AND PROJECTED POPULATION GROWTH BY DISTANCE FROM CITY CENTER

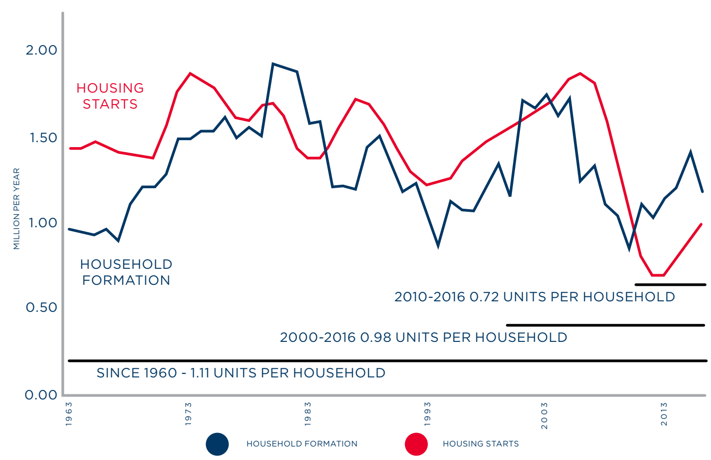


There has been a historical shortage of new housing supply in dense urban areas

Urban areas across the country have seen limited housing starts in recent times. The number of households in the U.S. grew by **10.8 million** over a 10-year period between 2008 and 2018, while only about **9.2 million** new housing units were permitted over that same period.

U.S. HOUSEHOLD FORMATION VS. HOUSING STARTS

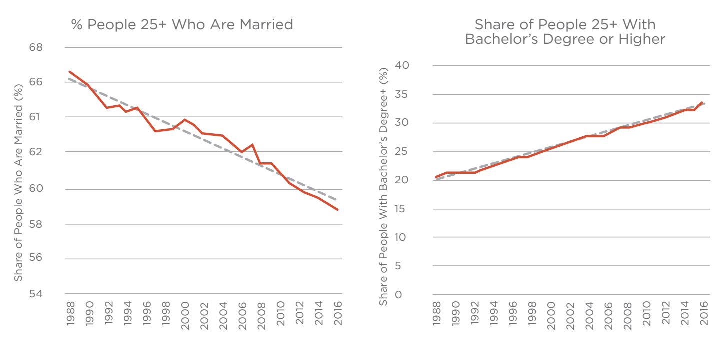
5-YEAR MOVING AVERAGE IN MILLIONS



As the population grows more educated, marriage and family formation has begun later

From 1988 to 2016, the age of individuals over 25 who were married declined by **8%**. Over the same time period, the share of individuals with a bachelor's degree or higher increased by over **15%**. This correlation suggests that increased time dedication to education may have a delaying effect upon marriage and ultimately raising a child. A study conducted in 2017 by Pew Research Center found that 58% of millennials still wanted to marry at some point. Additionally, individuals with a bachelor's degree were more likely to get married in the long run as compared to individuals with only a high school diploma.

DELAYED MARRIAGE AND HOUSEHOLD FORMATION



US households, particularly tenants, are increasingly housing cost-burdened

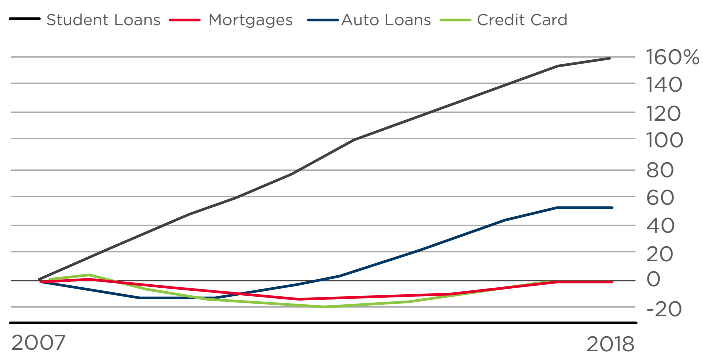
During the previous 11 years, the volume of student loans issued has grown **157%** cumulatively, a number expected to increase. Both the cost of college tuition and student borrowing continue to rise, which has resulted in a widening default crisis. In comparison to student loan debt, mortgage and credit card debt fell **1%,** according to Bloomberg Global Data. This means **44 million** Americans share **$1.5 trillion** in student loan debt (through the second quarter of 2018). The average student in the graduating class of 2016 has **$37,172** in student loan debt. And while student loans are being issued at unprecedented rates, tuition costs at both private and public institutions continue to grow. In terms of delinquency, student loan debt currently has the highest 90+ day delinquency rate of all household debt. More than 1 in 10 borrowers is at least 90 days delinquent, while mortgages and auto loans have a **1.1%** and **4%** delinquency rate, respectively, according to Bloomberg Global Data. The cost of borrowing has also risen over the last two years. Subsidized and unsubsidized loan interest grew **5%** last year, the highest rate since 2009.

Higher attainment in education has correspondingly resulted in higher student debt

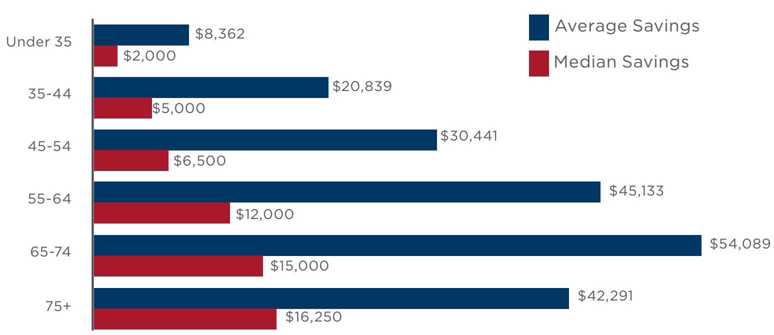
Similarly, professional degree loan interest rates grew **6.6%**, according to the U.S. Department of Education. Experts suggest that student debt has delayed household formation and led to a decline in homeownership. On average, Americans pay **6%** of each paycheck toward students loans. However, large cities tend to contain more low-income borrowers, which drives debt burden as high as **10%**. Ultimately, when the cost of college rises nearly eight times faster than wages, the magnitude of student loan debt will only increase.

THE FASTEST GROWING SEGMENT OF U.S. HOUSEHOLD DEBT, STUDENT LOANS SAW AN ALMOST 157% GROWTH SINCE 2008.

RISING STUDENT LOANS



AVERAGE SAVINGS ACCOUNT BALANCES BY AGE

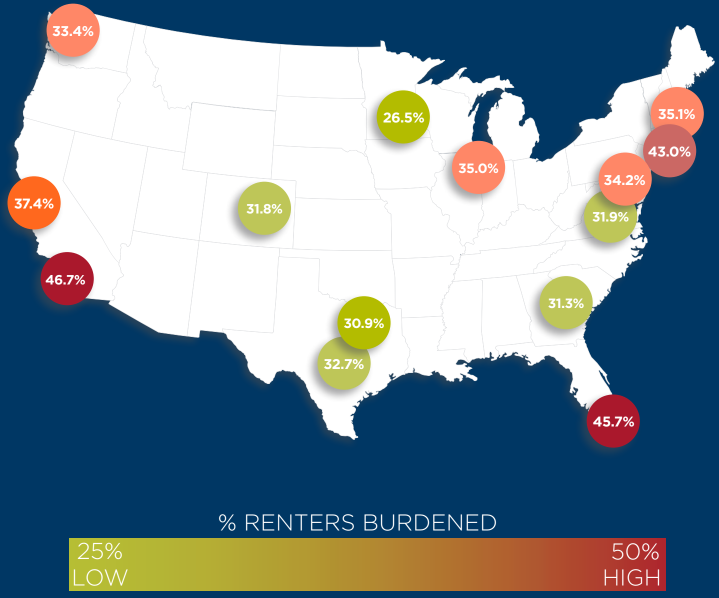


These and other factors have driven down savings and disposable income

Average savings accounts for Americans has plateaued, sliding from more than **$33,000** in 2013 to **$30,600** in 2016. The growth of disposable income and savings has not kept pace with rent growth across major U.S. metros.

Source: Up For Growth, Apartment List Research, Bloomberg Data, Federal Reserve

PERCENTAGE (%) OF RENTER POPULATION COST BURDENED



Source: JCHS,2018

WHAT IS RENT BURDENSHIP

According to the U.S. Department of Housing and Urban Development, families that pay more than **30%** of their incomes on housing are considered cost burdened and may have difficulty affording rent as well as other necessities, such as food, clothing, transportation and medical care. While workforce families are the most likely to be cost burdened, skyrocketing home prices in U.S. metropolitan areas have caused the nation's housing affordability crisis to spread to a large number of middle class Americans.

While housing cost burden for low-income households is often offset through housing subsidies, there are few forces protecting middle-income households from the rising cost of real estate. Fast-growing cities with high construction costs and low housing inventories have experienced some of the sharpest spikes in home prices over the past several decades, and today these cities have some of the largest shares of cost-burdened middle-class households.

Definitions of the middle class vary by housing organization and geography. Nationwide, the middle **20%** of U.S. households earn between **$45,325** and **$72,384**, roughly in line with the **$45,000-$74,999** breakout provided by the JCHS. While the incomes earned by the middle class of earners varies city to city, the **$45,000-$74,999** range was used throughout this analysis as an approximation of the American middle class.

Rents are rising more in places with a constrained housing stock, particularly where a lack of available land or regulations limit development. A Zillow study last April found that rents in cities with the most restrictive land use policies were growing nearly three times faster than those with the least restrictive regulations. Of course, housing affordability is also influenced by the extent to which regional economies and incomes have grown. Since last summer, rents have fallen for the highest earners while increasing for workforce residents** in San Francisco, Atlanta, Nashville, Chicago, Philadelphia, Denver, Pittsburgh, Washington and Portland, Ore., among other cities.

In several other metro areas — including Los Angeles, Las Vegas, Houston and Miami — rents have risen for workforce residents and the rich alike. The ongoing increase in prices for low-end tenants poses a challenge for city officials who have vowed to lower housing costs for working-class residents already struggling with tepid wage growth in the U.S. economy. City officials have said a boom in luxury housing construction would cause rents to fall for everyone else, arguing that creating new units for those at the top would ease competition for cheaper properties. In part based on that theory, cities have approved thousands of new luxury units over the past several years, hoping to check high rents that have led more than **20 million** American tenants to be classified as "cost burdened," defined as spending more than **30%** of one's income on housing.

But although some advocates say the dividends could still pay off for low-income tenants, others say more direct government action is needed to prevent workforce residents from being forced out of their cities or into homelessness. They have called for the federal government to help construct more affordable units, or offer greater rental assistance for workforce families. Workforce city residents have experienced significant rent increases over the past several years. In Portland, average rents for workforce residents have risen from about **$1,100 to $1,600** — or by more than **40%** — since 2011. In San Francisco, the average rent at the bottom of the market has soared from **$1,700 to $2,600**, a nearly **50%** increase. Seattle's workforce residents have also had their rents rise by close to **40%**. Nationwide, rents for those at the bottom have increased by **18%**. Rising rents for workforce residents threatens to put an additional severe strain on tens of millions of families, often forcing them to forgo other basic needs to avoid losing their housing.

***Workforce residents being defined as those making between 60-100% AMI for their MSA*

RENT BURDENSHIP IS INCREASING

Soaring housing costs are largely to blame, with the national median rent rising **20%** faster than overall inflation in 1990–2016 and the median home price **41%** faster. Although better housing quality accounts for some of this increase, sharply higher costs for building materials and labor, coupled with limited productivity gains in the homebuilding industry, have made housing construction considerably more expensive. Land prices have also skyrocketed as population growth in metro areas has intensified demand for well-located sites. In addition, new regulatory barriers have also served to limit the supply of land available for homes and increased the time, complexity and risks of housing development

AFFORDABILITY CHALLENGES HAVE REDUCED HOMEOWNERSHIP IN YOUNGER POPULATIONS

First-time homebuyers accounted for **31%** of all home sales transactions in May 2018, according to the May 2018 REALTORS® Confidence Index Survey. The share of first-time buyers has hovered at about this level for most of the housing market's recovery since 2012. The share of first-time buyers has not increased even with the growing population of 25-to-34-year-olds because of slow household formation and the delayed transition to homeownership.

Homebuying has similarly been delayed due to these affordability challenges. The 25-to-34-year-olds now make up the largest population age group, at **45.3 million** as of July 2017, about six million more than in 2009. However, the number of households headed by 25-to-34-year-olds remained stagnant at about 20 million. Real wages have been slow to recover from the Great Recession, with negative to zero real growth from 2010-2014 and 1% growth from 2015-2017.

The notable shift in the relative growth rates after 2007 reflects declines in "headship" rates, that is, the share of the population identified as heads of households. By definition, the percent change in household formation equals the sum of the percent growth in population and the percent change in headship rates. This means that for over five decades headship rates in the United States had increased on average before falling off in the wake of the financial crisis.

In other words, although the 25-to-34-year-old population has been strongly rising, this is not translating into rising household formation, meaning that headship rates have been declining (ratio of households to population). The headship rate declined from **49.2%** in 2005 to **44.3%** in 2017. This may be due to a confluence of economic (e.g., slow wage growth, student debt burden, weak credit profiles) and demographic or lifestyle factors (e.g., delayed marriage, multi-generational living, etc.). In fact, according to a Pew Research Center study, millennials in 2014 were more likely to live with their parents than with a romantic partner

The patterns in headship rates over the housing cycle differ considerably across age groups. Specifically, in recent years most of the changes were among young adults. For two groups—ages 18-to-24 and ages 25-to-29—headship rates have declined appreciably in recent years. Headship rates among older age groups have been more stable. Headship rates among young adults rose considerably from the mid-1990s up to the financial crisis. That was the period of the strong housing market, rapidly rising house prices, and booming homeownership rates, including among young adults. The movements in shares of young heads of household closely track the rise and decline in homeownership ratios.

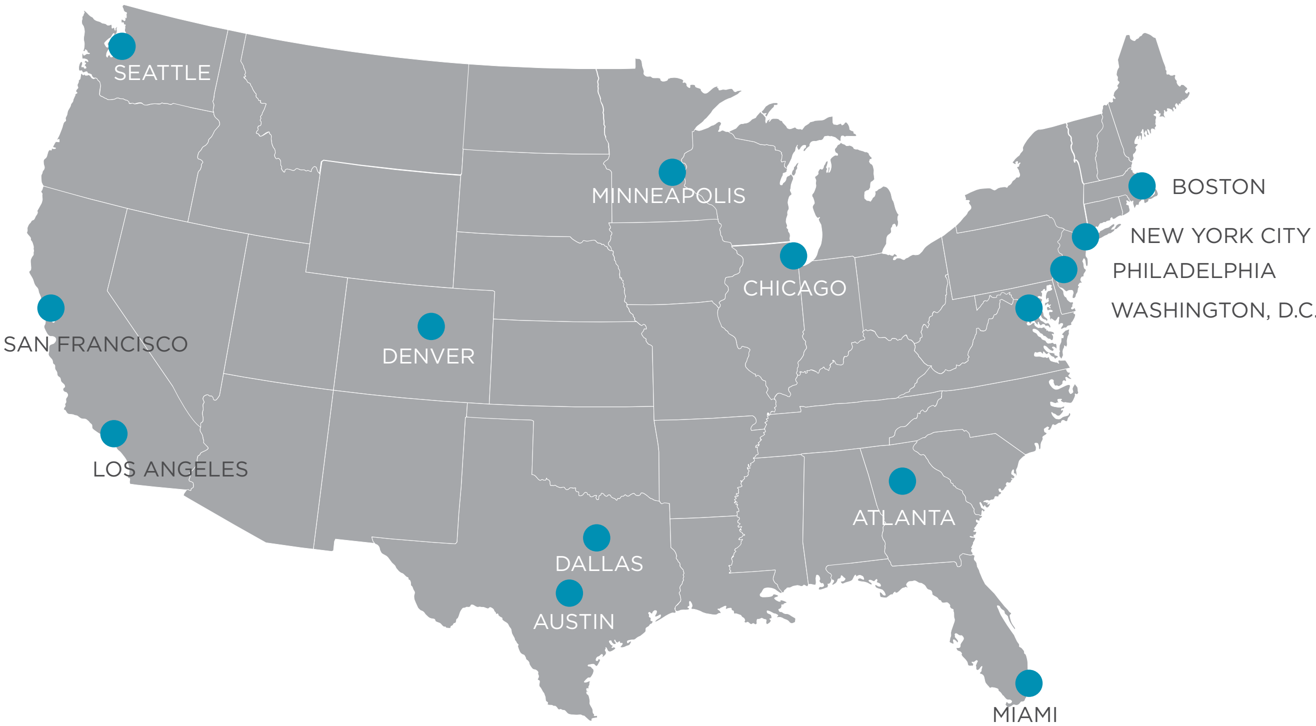
CHALLENGES TO HOMEOWNERSHIP HAVE DESTIGMATIZED RENTING AS A LIFESTYLE.



VEZA
SUR

NATIONAL RENTER PROFILES

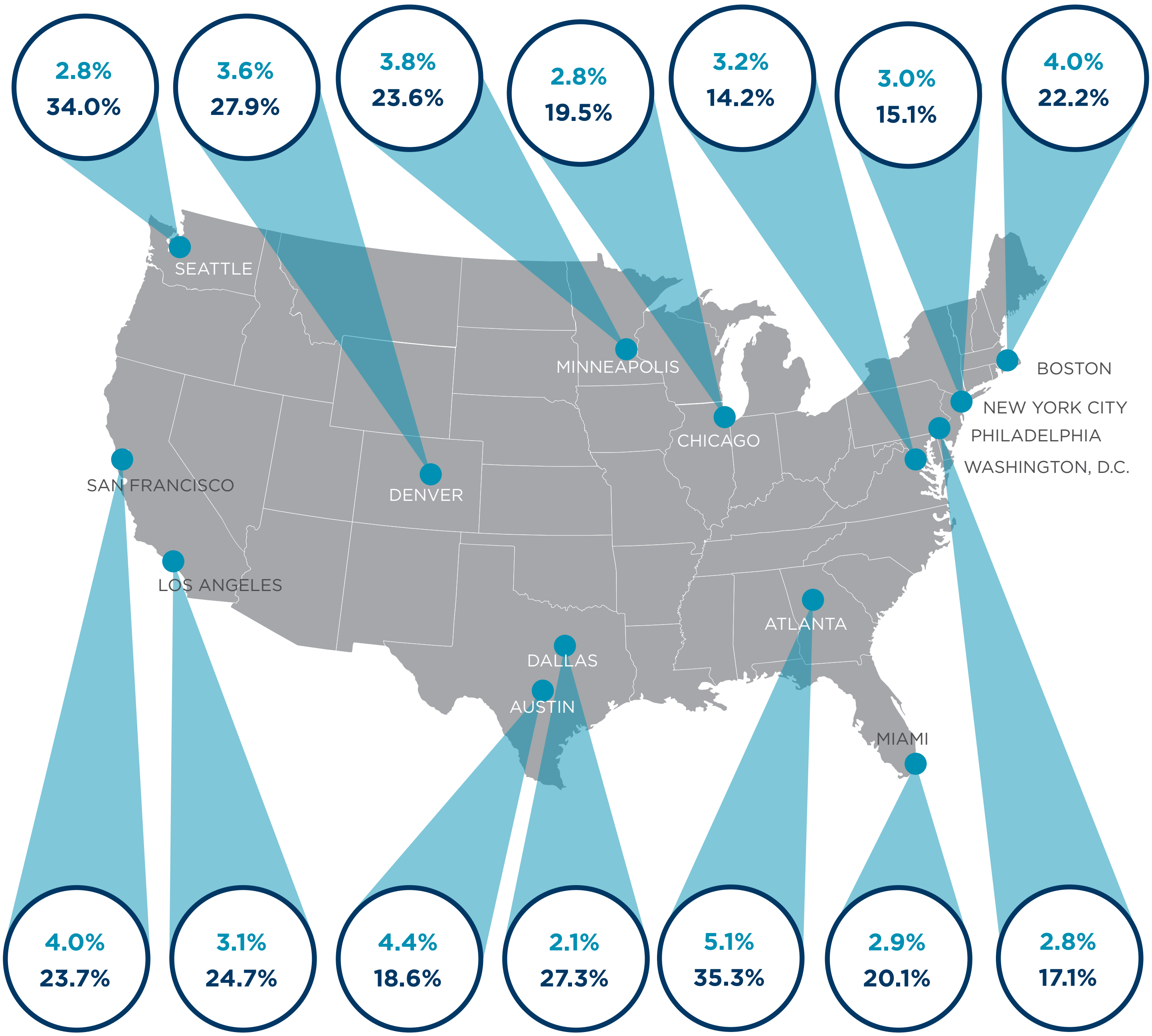
WHILE INCOMES REMAIN STAGNANT FOR POPULATIONS THAT INCREASINGLY COMPRISE RENTERS, RENT HAS INCREASED ON AVERAGE BY OVER 20% ACROSS MAJOR U.S. MARKETS.



BY CITY BOUNDARIES					
	Total Population	Median Age	Median Income	Renter Occupied	Bachelor's + Degree
Atlanta	475,836	40.1	$32,376	69.6%	25%
Austin	927,556	32.9	$65,643	55.3%	47%
Boston	679,660	32.2	$64,290	66.8%	46%
Chicago	2,736,994	34.2	$53,335	56.3%	36%
Dallas	1,316,726	32.7	$48,244	58.0%	31%
Denver	713,294	34.4	$60,437	51.2%	45%
Los Angeles	3,965,206	35.5	$56,797	63.6%	32%
Miami	443,268	40.1	$32,376	69.6%	25%
Minneapolis	413,416	32.4	$55,526	52.9%	47%
New York	8,590,165	36.3	$58,271	68.7%	36%
Philadelphia	1,586,356	34.1	$43,106	47.6%	26%
San Francisco	876,259	38.3	$104,986	64.4%	54%
Seattle	689,131	36.1	$82,778	54.0%	60%
Washington D.C.	680,420	33.9	$76,587	60.5%	55%

For each city across the U.S., several key indicators are correlated with the potential of the market for renting as well as coliving more specifically. Age is reflective of the type of workforce common in a given market; higher cost markets often have a concentration of older, and therefore wealthier populations. The percentage of the population occupied by renter delineates more renter-focused markets like New York from more homeowner-centered markets like Minneapolis.

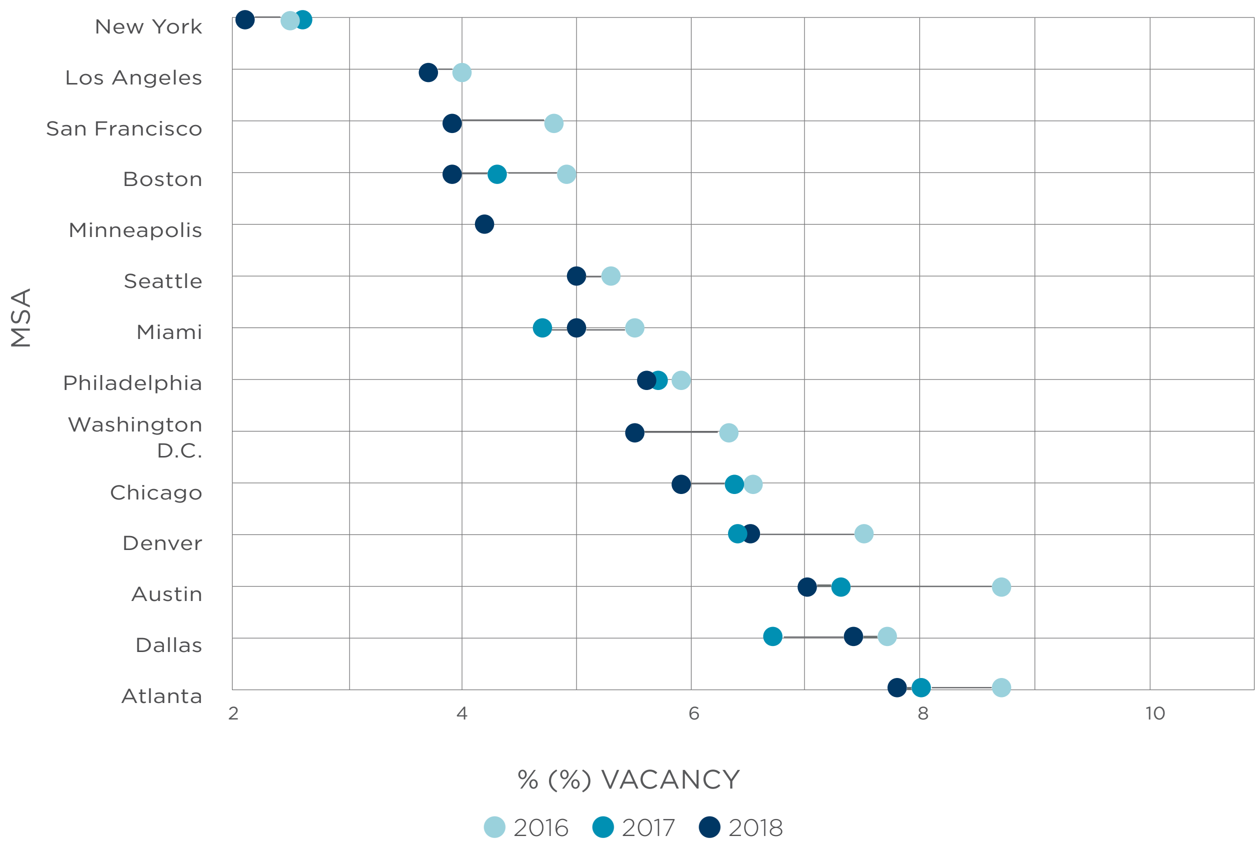
RENT GROWTH BY CITY



The most recent real estate cycle has led to strong, prolonged rent growth across many of the major markets across the US. As the nation enters the tenth year of this cycle, vacancy rates have begun to edge incrementally upward with rent growth also reaching a plateau within traditional multifamily product classes and types. As the cycle matures, developers and investors have begun to seek product types that will continue to be recession-proof going forward.

RENT GROWTH AND VACANCIES CAN VARY GREATLY BY MARKET, AN IMPORTANT CONTRIBUTING FACTOR TO WHERE RENTERS CHOOSE TO LIVE.

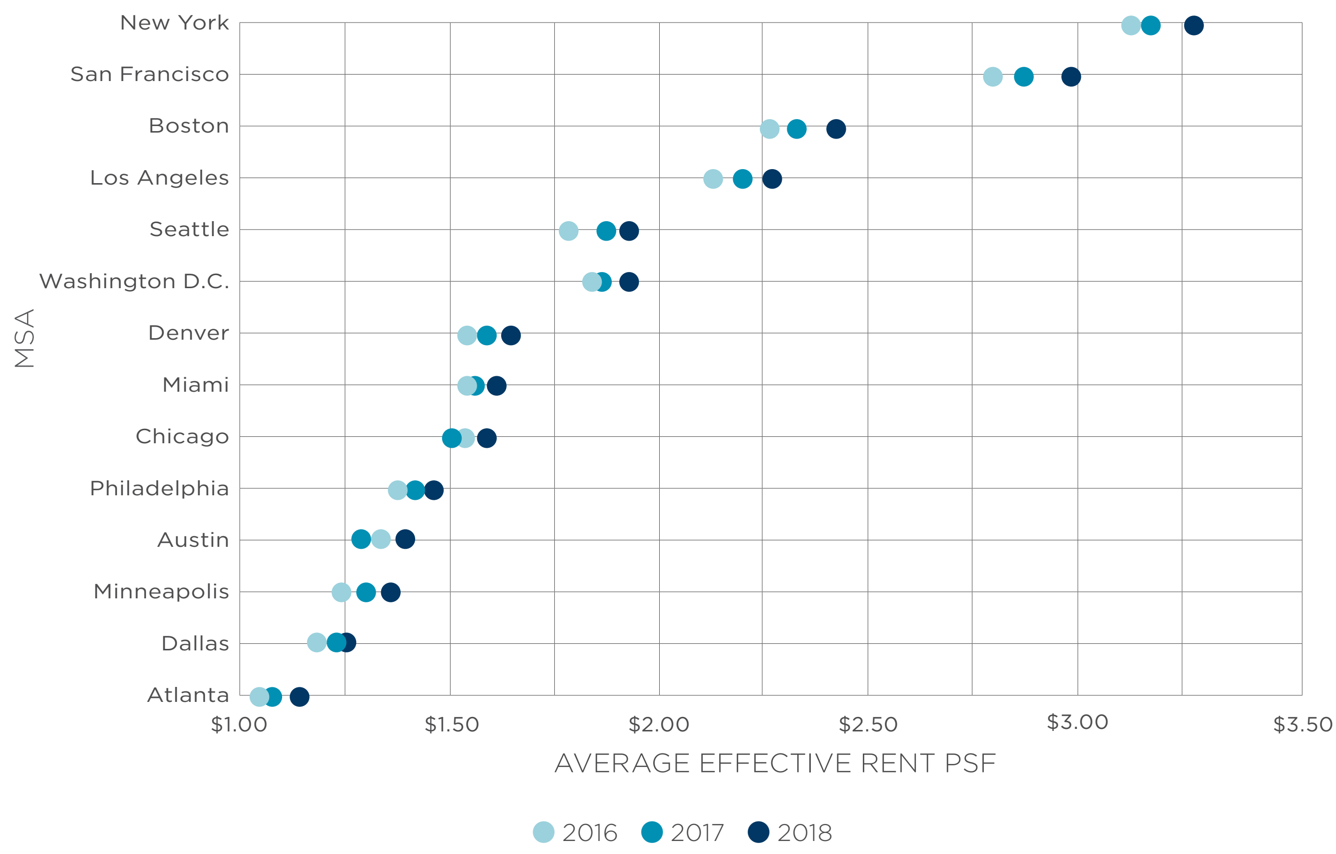
VACANCY BY MARKET 2016-2018



DURING THIS CYCLE, MANY MAJOR MARKETS HAVE EXPERIENCED STRONG RENT GROWTH.

AVERAGE RENT GROWTH						
	MSA		City		Downtown CBD	
	1 Year	5 year	1 Year	5 year	1 Year	5 year
Atlanta	5.1%	35.3%	3.3%	21.7%	4.3%	20.5%
Austin	4.4%	18.6%	3.1%	14.1%	3.2%	25.4%
Boston	4.0%	22.2%	4.4%	18.3%	1.9%	12.2%
Chicago	2.8%	19.5%	3.8%	14.2%	5.1%	21.0%
Dallas	2.1%	27.3%	3.6%	24.6%	4.3%	22.7%
Denver	3.6%	27.9%	0.7%	26.2%	-1.4%	18.6%
Los Angeles	3.1%	24.7%	2.3%	11.4%	2.2%	11.4%
Miami	2.9%	20.1%	3.5%	23.4%	2.9%	23.2%
Minneapolis	3.8%	23.6%	2.6%	24.8%	1.5%	13.5%
New York	3.0%	15.1%	8.2%	12.0%	8.8%	14.1%
Philadelphia	2.8%	17.1%	1.8%	20.3%	0.6%	28.6%
San Francisco	4.0%	23.7%	0.2%	12.0%	0.4%	15.6%
Seattle	2.8%	34.0%	2.9%	13.2%	1.2%	10.3%
Washington D.C.	3.2%	14.2%	3.6%	31.4%	2.9%	30.9%

AVERAGE EFFECTIVE RENT BY MARKET 2016-2018



NEED FOR WORKFORCE HOUSING IN URBAN AREAS

The Department of Housing and Urban Development (HUD) utilizes the concept of AMI (Area Median Income) to determine which areas are in need of what types of housing. For every state and MSA, a median income is determined and percentages of that income are used to stratify need and affordability in that market. Many municipalities utilize this measure to set affordable housing goals and policies. The graphic below represents the AMI ranges for Chicago.

While traditional city programs have been targeted at individuals at below 60% AMI, in many cities individuals making between 80 and 120% AMI have increasingly become cost-burdened. According to JCHS, the income band of individuals making over $75,000 (which falls within the 80-120 AMI range for many major markets) has witnessed the fastest increases in cost burdenship across all cohorts.

Cities have begun to realize that policies are needed to address the affordability issues for this segment of the populace, many of whom occupy vital service professions. Current policies such as inclusionary zoning have had limited results, pushing cities to search for incentive-based solutions in the private sector

EXAMPLE AREA MEDIAN INCOME (AMI) RANGES FROM THE CITY OF CHICAGO

$35,580 60%AMI	$47,400 80%AMI	$59,300 100% AMI	$71,160 120% AMI
• Lyft / Uber Driver • Restaurant Server • Security Guard • Daycare Teacher • Barista • Courier • Nurse Assistant	• Entry Level Firefighter • Retail Store Manager • Receptionist • Bartender • Cable Technician	• Public School Teacher • Construction Worker • Experienced Firefighter (5+ years) • Restaurant Manager • Yoga Instructor • Graphic Designer • Entry Level Police Officer	• Financial Analyst • Nurse • Electrician • College Instructor • Experienced Police Officer (5+ years)

Source: Glassdoor, City of Chicago Quarterly Affordable Housing Report

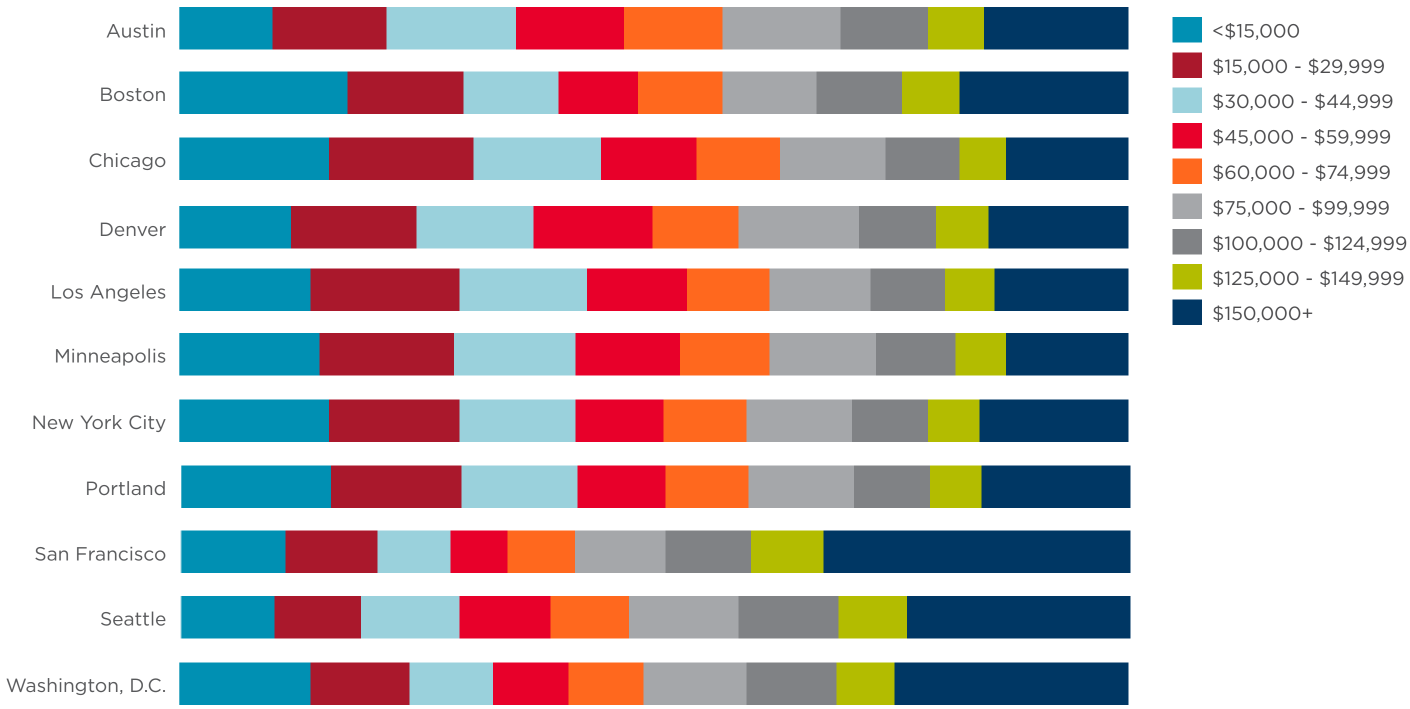
TENANTS OCCUPY PROFESSIONS THAT ARE VITAL TO ANY CITY, BUT CONTINUE TO HAVE INCOMES THAT CANNOT AFFORD THE HIGH AMOUNT OF RENT GROWTH HAPPENING IN MAJOR CITIES.

TENANTS SPAN A WIDE RANGE OF INCOME BANDS, AND THEREFORE ARE DIFFERENTLY AFFECTED BY RENT INCREASES.

MARKET POPULATION BY INCOME

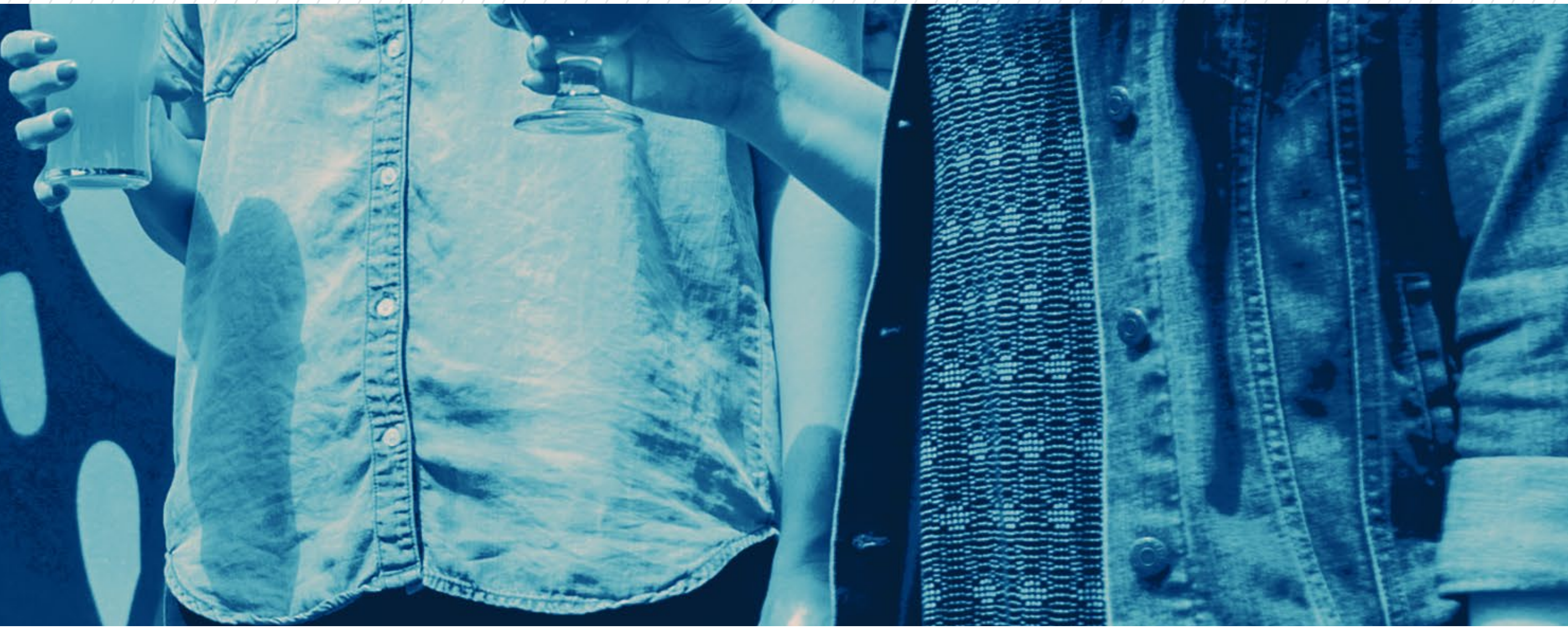
Market	Area AMI Individual	Area AMI Family	<$15,000	$15,000 - $29,999	$30,000 - $44,999	$45,000 - $59,999	$60,000 - $74,999	$75,000 - $99,999	$100,000 - $124,999	$125,000 - $149,999	$150,000+
Austin	$50,700	$72,400	35,786	43,290	47,837	42,462	38,022	44,046	34,067	20,593	55,154
Boston	$71,000	$107,800	47,236	31,600	26,217	22,914	22,118	26,157	23,767	16,044	47,176
Chicago	$59,300	$84,600	165,177	162,829	135,886	108,515	92,476	114,428	81,270	51,278	134,930
Denver	$62,900	$89,900	33,850	36,954	37,441	35,182	26,296	35,093	23,845	16,445	42,156
Los Angeles	$67,800	$69,300	188,778	212,568	183,494	143,198	121,866	145,629	107,422	67,193	194,079
Minneapolis	$62,900	$94,300	25,631	24,138	22,113	18,721	15,796	19,944	14,676	9,198	21,865
New York City	$73,000	$70,300	491,844	439,246	375,015	302,670	267,568	341,935	255,389	170,004	498,734
Portland	$57,000	$81,400	32,517	33,868	32,024	28,894	25,233	33,251	24,633	14,801	35,728
San Francisco	$102,700	$118,400	40,254	33,354	27,413	23,467	24,578	34,819	33,742	26,156	114,989
Seattle	$70,300	$103,400	31,277	29,493	31,486	30,849	26,431	37,338	31,422	23,079	73,475
Washington, D.C.	$67,800	$117,200	39,079	28,667	24,162	22,461	21,259	29,781	26,091	18,308	68,177

TARGET MARKET'S PERCENT POPULATION BY INCOME



VEZA
SUR

EXPANDING RENTAL OPTIONS



In 1960, rental buildings housed 20 million tenants across the U.S. Most of these tenants lived in traditional 3-flats across the urban landscape.

Over time, rental properties were built to accommodate the middle and lower classes who had no economic means to own a home. This often meant that rental units were located in less than desirable parts of the city. Therefore renting was stigmatized by a population focused upon homeownership. As opportunities and talent have clustered in major urban cores, prices have risen and a larger spectrum of the population in terms of age, income and education has decided to rent. Now in 2019, not only has renting become destigmatized but more communal and flexible renting models have begun increasingly become accepted by the renter population.

RENTING OPTIONS HAVE EXPANDED

TRADITIONAL RENTING

Traditional renting involves long-term leases; buildings and units offer standard amenities. For new delivery buildings, this includes a number of in-unit amenities such as a complete kitchen, living area, in-unit laundry and secure private access. Amenities not in-unit can include fitness centers, outdoor amenity decks, dogruns and coworking space.

SINGLE-FAMILY HOME RENTAL

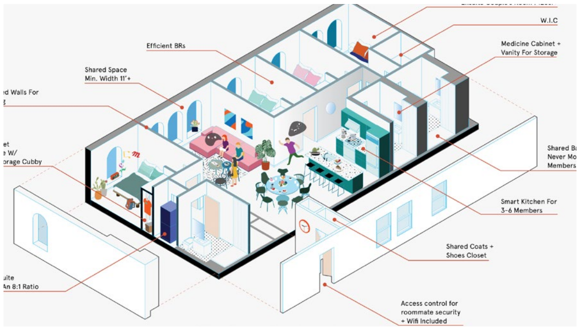
A free-standing residential building maintained and used as a single dwelling unit. In many instances renting can be cheaper than paying a mortgage, and does not require a long-term commitment. Certain life scenarios may render renting a home more optimal than outright buying one. Amenities often match those of other single fmaily residences in the submarket.

EXTENDED STAY

Length of stay is shorter than a full-term lease - with durations often running between one to nine months. Tenants are seeking temporary accommodations, though also may value similar benefits to coliving.

MICRO-LIVING

Community tenants do not share units. Unit sizes are minimized. In-unit amenities such as kitchen and bathroom are explicitly not shared. Tenants often prefer to live without roommates.



COLIVING

A community of tenants seeking socializing, convenience, flexibility and affordability. A multifamily building with a coliving situation is one where community and sharing of common space is fundamental, often facilitated by the operator's platform. The building may have a mix of traditional unit types, micro-units and coliving units. A coliving unit is comprised of shared areas such as living room, dining room and kitchen with private bedroom and bathroom for each renter. **The additional density provided in coliving allows real estate owners to enjoy substantially higher rents per square foot, while still providing a more affordable option for renters.**

IN LIGHT OF THESE TRENDS, TENANTS HAVE INCREASINGLY SEARCHED FOR MODELS THAT OFFER BOTH AFFORDABILITY AND THE COMMUNITY LIFESTYLE THEY DESIRE. **SIMULTANEOUSLY, MULTIFAMILY OPERATORS HAVE SOUGHT MODELS THAT CAN OPTIMIZE PER SQUARE FOOT RENT WHILE UNDERSTANDING AVERSION TO HIGH UNIT RENT PRICES.**

BACKGROUND ON COLIVING

Shared and communal housing models have existed for millenia in many different forms. Since the turn of the century, a standard home included a family with multiple generations living in a 3-flat under the same roof. Then, during the WWI and WWII period, Americans began to rent with roommates in order to make ends meet. Thus began the genesis of coliving: tenants who forsook space and privacy in search for affordability. For early coliving adopters, it was an economic decision. A trend that continues to today's high cost environment.

Coliving is a type of intentional community of housing where multiple people share a single home with shared areas such as bathrooms, kitchens and living rooms as well as other amenities.

Tenants who choose coliving do so for a variety of reasons, one of which includes flexible lease terms. This allows renter to determine how long they stay at a given location and where they go next. They are only responsible for themselves and can choose to leave more easily compared with traditional lease terms. Tenants who choose to colive also do so for a sense of community belonging. The social norms of inclusion and sharing entice the modern renter more so than ever before. These tenants are also technology driven and enjoy the operating systems that coliving facilities provide. Amenities like advanced security systems and phone applications (for billing and maintenance requests) are a must for a modern renter.

AMERICANS WHO CHOOSE TO RENT EXPECT CERTAIN STANDARDS ASSOCIATED WITH THEIR LIVING ARRANGEMENT. SOME OF THESE FACTORS INCLUDE FLEXIBILITY, COMMUNITY AND AFFORDABILITY.

SOME LOCAL GOVERNMENTS HAVE STARTED TO TAKE NOTICE OF THE RISE OF COLIVING.

A MODERN VISION FOR A TRADITIONAL HOUSING MODEL

Despite market-to-market differences in application, coliving has gained mainstream prominence in recent years due in part to a surge of millennials adopting coliving as their standard of living. Financial circumstances and housing supply remain the most significant factors impacting millennial renting tendencies. Moreover, millennials tend to engage in lifestyles that align with coliving environments. Shared values, lifestyles and motivations often unite coliving tenants.

Additional newer renting models include micro-units and extended stay leases. However, according to the Urban Land Institute, no formal definition for micro-units exists. Per their study, "a micro-unit is a somewhat ambiguous term that covers anything from a relatively small studio or one-bedroom apartment to a short-term lease, SRO unit with communal kitchen and common room areas." ULI goes on to suggest that companies are avoiding the term "micro-units" in order to avoid negative connotations associated with the term. In any case, micro-units (relative to the market in which it exists) are an economically efficient alternative to conventional renting in urban areas.

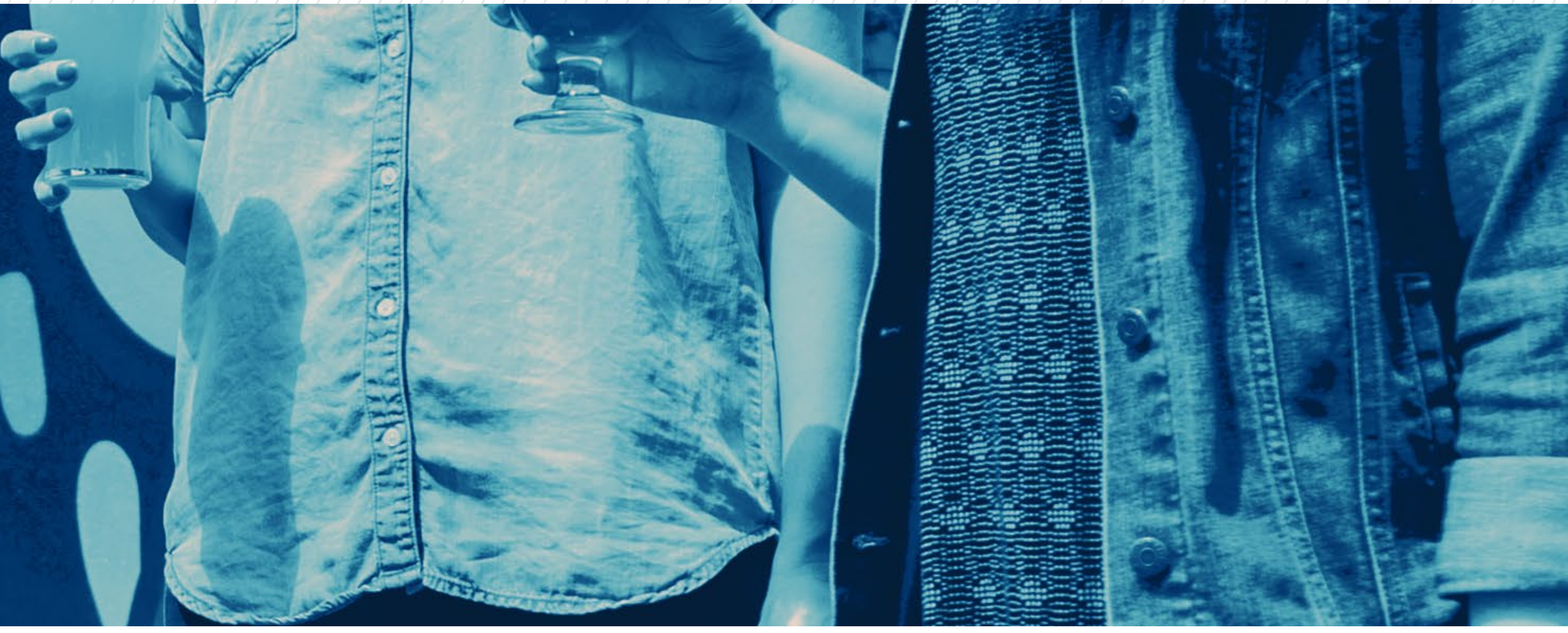
SHARENYC

New York City placed a request for information and interest to various coliving and shared housing companies in Q1 2019. The request asked for both information on the development, operations, benefits, and challenges of shared housing from private parties in the space. Furthermore, the city requested expressions of interest to develop sustainable and affordable shared housing on private land. Stakeholders selected through this second request will work in concert with NYC's HPD's iterative process, gaining financing or other assistance and expediting the pre-development process.

Source: NYC Housing Preservation & Development


VEZA
SUR

COMPETITIVE MATRIX

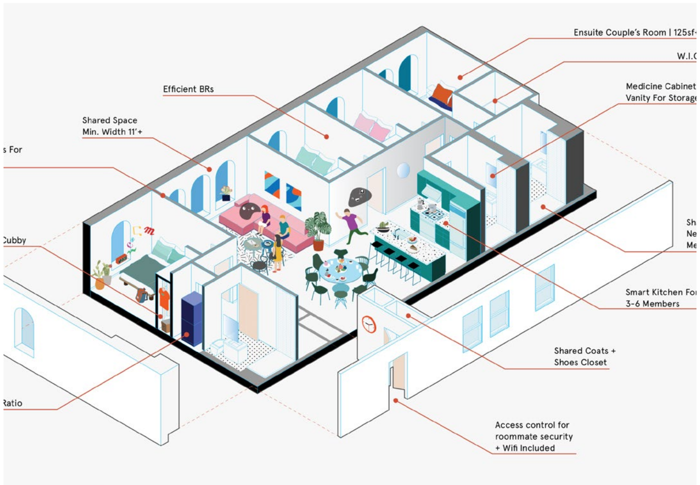


These companies feature all-inclusive amenities, though the degree to which they emphasize the coliving experience varies. Additionally, size affects the number of amenities and features that each company can provide to tenants. For example, most coliving operators offer catered social events and weekend getaways. Firms like Hubhaus and Bungalow use their platform to provide a market for single family homes to be leased on a per bed basis, building a small-scale coliving communities. The remaining investment grade operators are aiming for ever larger scale communities with resident totals in the hundreds.

COMPETITORS ACROSS NEW RENTAL MODELS

Who are some of the players in these spaces?

COLIVING



QUARTERS

X SOCIAL COMMUNITIES

OLLIE

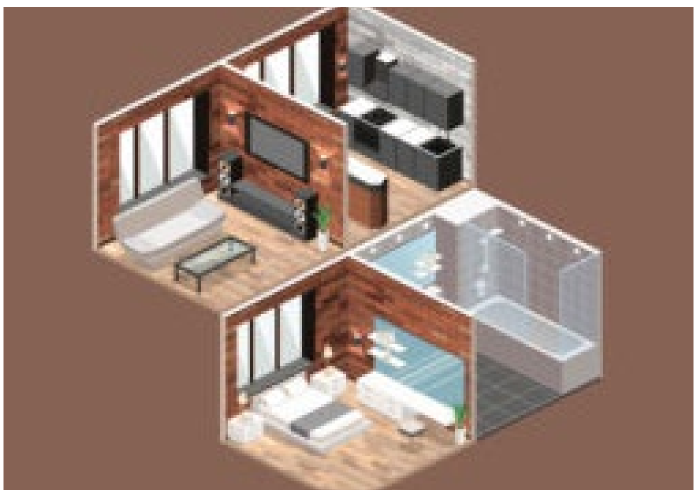
THE COLLECTIVE

COMMON

WELIVE

HUBHAUS

MICRO-LIVING



NICHOLS PARTNERSHIP

FLATS

MONADNOCK DEVELOPMENT LLC.

PANORAMIC INTERESTS

SHORT-TERM RENTAL / EXTENDED STAY

ROAM

OUTSITE

THE GUILD HOTELS

STAY ALFRED

SONDER

WHYHOTEL

AIRBNB

LYRIC

COMPETITIVE OVERVIEW

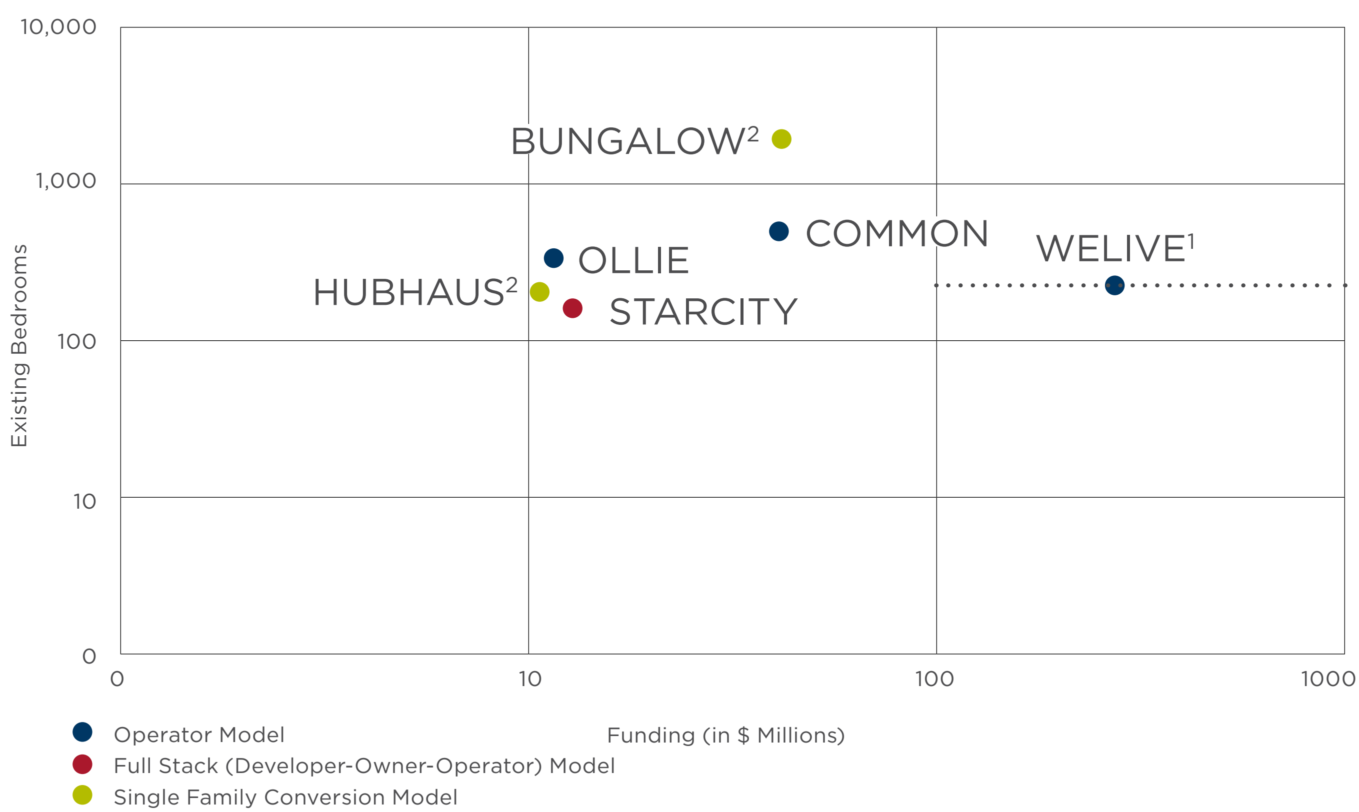
Some of the most standard features that these companies provide are common areas that are integral to the coliving experience. These areas provide the community aspect for individuals renting in a coliving building. Integrated technology, such as in-app full-service management and complementary Wifi, are community essentials in all of these buildings. Tenants are expecting a seemless operating platform that can provide everything from necessities to communication to even planning. More specifically, this operating platform connects all aspects of the community including: group events, catered events, fully-furnished rooms (with fully-integrated kitchens, bathrooms and washers and dryers), cleaning services, all-inclusive bills, gyms and movability. A majority of coliving firms allow tenants to move into any company-owned building throughout the country. That is, a renter coliving in Chicago who moves to New York for a new job may simply transfer to a New York building owned by the same coliving company.

FUNDING FOR COLIVING COMPANIES IS DIVIDED BETWEEN:
- OPERATIONS: VENTURE CAPITAL OR ANGEL FUNDING FOR BUILDING PLATFORM AND FEATURES
- PROPERTY: DEBT AND EQUITY FOR DEVELOPING GROUND-UP PROJECTS

PLAYERS IN EACH SPACE

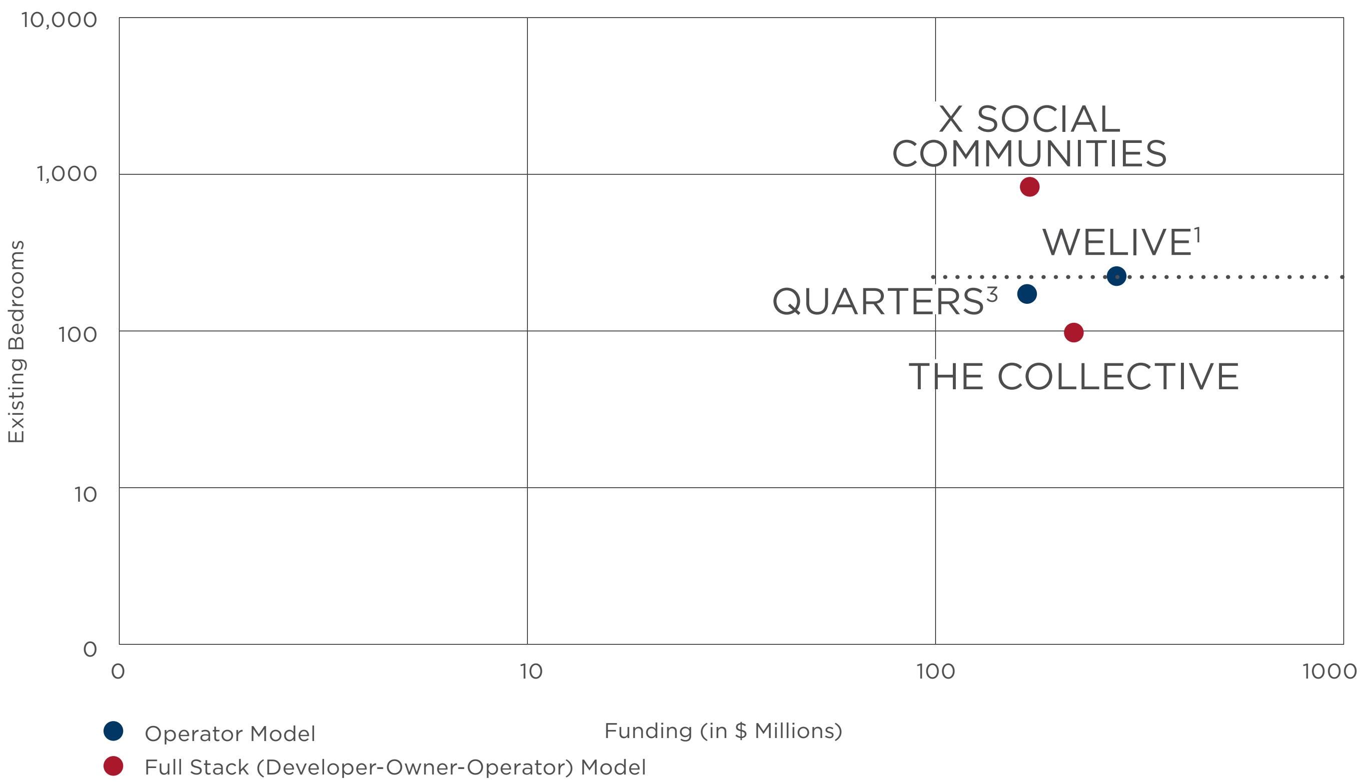
Where do these companies rank in terms of funding vs. production?

Operations Funding: Existing U.S. Bedrooms vs. Funding for Coliving Companies



1.WeWork has raised $12.8B in venture funding and has recently opened a $2.9B acquisitions platform, allocations toward WeLive concept have not been publicized.
2. Both Bungalow and Hubhaus utilize a different operational model - converting primarily single family homes into coliving assets

Property Funding: Existing U.S. Bedrooms vs. Funding for Coliving Companies



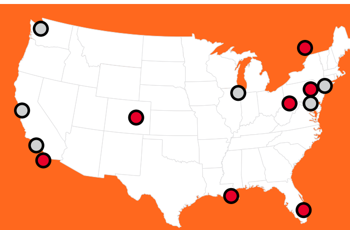
One other feature that distinguishes more established coliving companies from smaller firms is an integrated app. Groups like Common, Quarters and X Social Communities enhance the coliving experience by providing tenants with a phone app that makes the coliving experience easier. The phone application allows tenants to manage bills, make payments, request maintenance and interact with other community tenants through the safety and convenience of an electronic device.

Individuals choose coliving for a variety of reasons. Firstly, the cost of living in a shared community is less than in an individual apartment. Secondly, individuals who choose coliving also do so for the network of individuals with whom they can surrounds themselves. Much like an office building, the curated community in a coliving building fosters inclusivity that enables tenants to meet a variety of other individuals and expand their network. Firms that offer group activities within coliving spaces provide the opportunity for tenants to interact with other tenants, engage and build relationships. A third reason why tenants choose to colive is the ephemeral nature of community renting. Generation Y tenants are predominantly single, want flexibility and convenience and value authentic experiences.

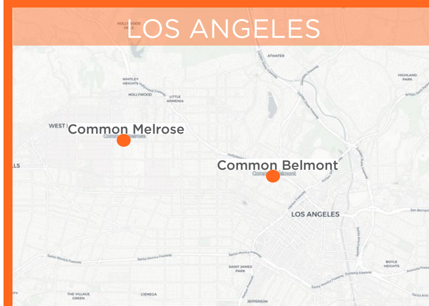
3. Includes only U.S. Quarters funding, Quarters also raised $1.1B from Corestate Capital for European expansion.

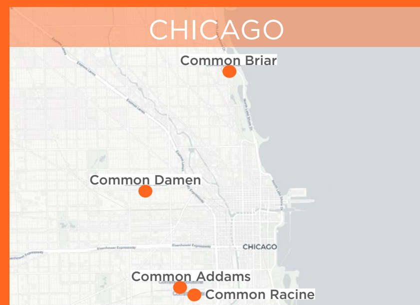
Source: Cushman & Wakefield Research, CoStar, Crunchbase, Crain's, The Real Deal, Curbed

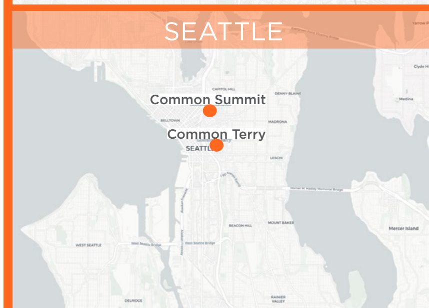
COMMON

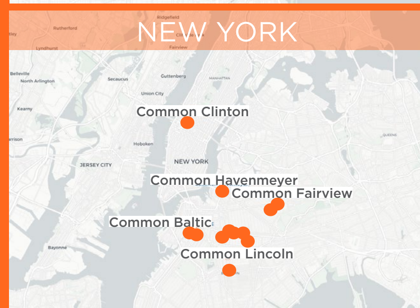


EXISTING MARKETS
TARGET MARKETS









Business Model: Operator with development partners

Current U.S. Bedrooms Estimate: 731

Operations Funding Reported: $63+M

Operations Fund Entities: Norwest Venture Partners, 8VC, Solon Mack Capital, Circle Ventures, Justin Mateen, Richard LeFrak, Circle Ventures, Maveron, Wolfswood Partners, Grand Central Tech, Inevitable Ventures

Partnerships: CityPads, Anew Apartments, Patoma Partners, YD Development, Duke Properties, Proper Development, Harrison Capital, Six Peak Development

Markets Existing: New York City, Washington D.C., Chicago, Los Angeles, San Francisco, Seattle

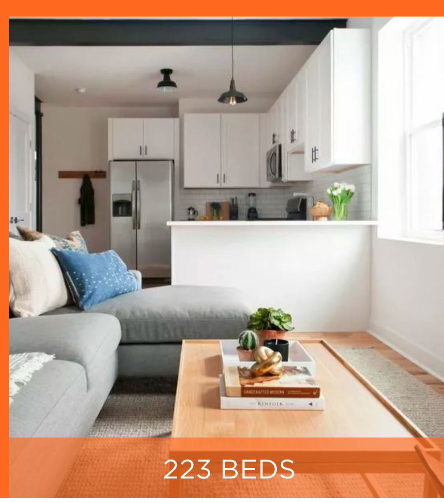
Known Target Markets: Philadelphia, Pittsburgh, Denver, Austin, Minneapolis, Dallas, Nashville, San Diego, Portland, Boston, Charlotte, O

Common is a tech-enabled, community-focused residential property manager working with real estate partners to operate traditional apartments and coliving suites. We manage 26 buildings across New York City, Chicago, San Francisco, Seattle, Los Angeles, and Washington, D.C. at a 98% occupancy rate and above-market NOI.

Common has a proven history of keeping vacancy low and retention high through its recognizable consumer brand, superior digital marketing and leasing capabilities, and tech-enabled tenant experience. Common currently receives 3,200 leads every week.

EXAMPLE DEVELOPMENT

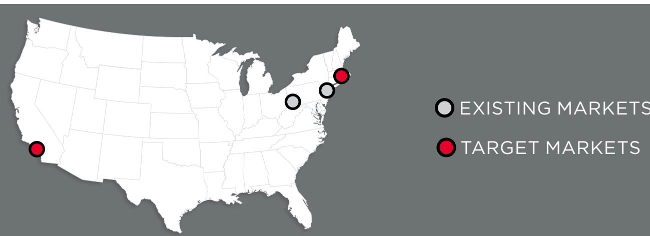
COMMON ADDAMS, CHICAGO

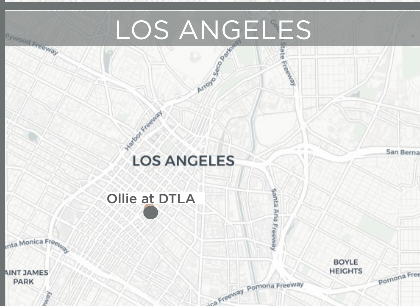


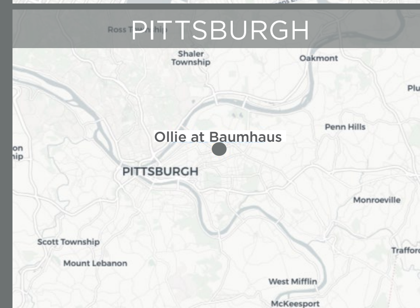
223 BEDS

2019 EXPECTED

OLLIE







Business Model: Operator with equity to joint venture on new projects

Current U.S. Bedrooms Estimate: 512

Operating Funding: $15+M

Operating Funding Sources: Aviva Investors, The Moinian Group, Texas Employees Retirement System, Justin Mateen

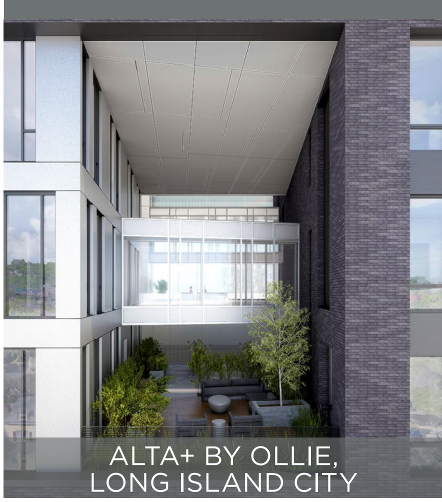
Partnerships: Simon Baron Development, Quadrum Global

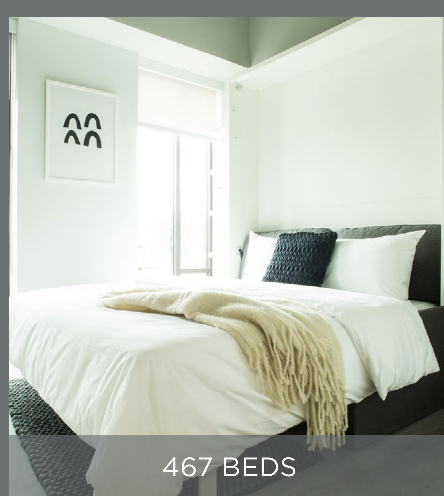
Markets Existing: New York City, Pittsburgh

Known Target Markets: Los Angeles, Boston

Founded by brothers Andrew and Chris Bledsoe, Ollie originated in New York City and has partnered with developers for projects in Long Island City, Kips Bay and Pittsburgh - with known future developments in the pipeline for Boston and Los Angeles. Ollie has focused its efforts in not only providing an in-app interface and necessities, but also a fully furnished experience complete with a lifestyle and wellness goods division known as Ollie Provisions Co.

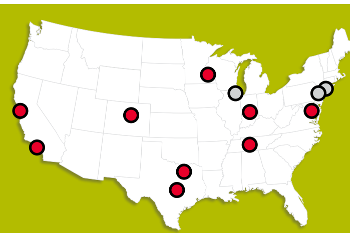
EXAMPLE DEVELOPMENT


ALTA+ BY OLLIE, LONG ISLAND CITY


467 BEDS


2018 DELIVERED

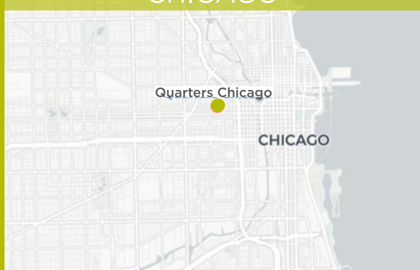
QUARTERS



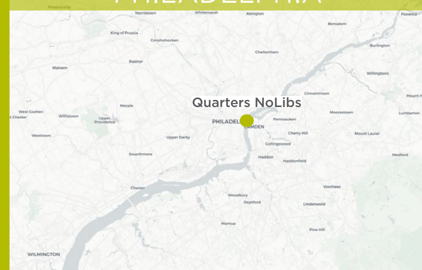
EXISTING MARKETS

TARGET MARKETS

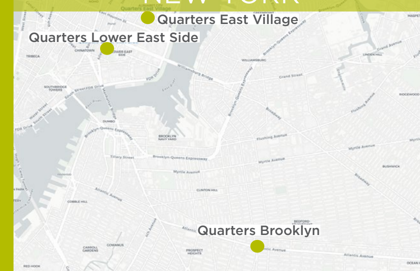
CHICAGO



PHILADELPHIA



NEW YORK



Business Model: Operator with equity to joint venture on new projects

Current U.S. Bedrooms Estimate: 293

Property Funding Reported: $300M (U.S.), $1.1B (Europe)

Operation/Property Fund Entities: Ralph Winter (U.S.), Corestate Capital (Europe), Medici Group

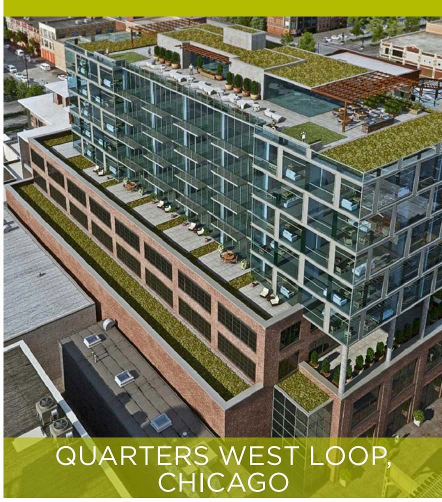
Partnerships: Caton Commercial, MCZ Development

Markets Existing: New York City, Chicago

Known Target Markets: Washington D.C., Denver, Austin, Dallas, Minneapolis, Indianapolis

Founded by Gunther Schmidt in 2015 out of Berlin, Quarters has quickly expanded across Europe and over the Atlantic to the United States. Across both continents, Quarters currently operates 1,300 rooms. In Europe, Quarters has received $1.1B from Corestate Capital to buy and build 35 coliving projects in Europe, totaling up to 6,000 beds. This initiative will target cities over 500,000 in population and have an approximate deal size of $22M to $66M. Meanwhile, in the U.S., Quarters $300M infusion from W5 Group, the family office for Ralph Winter, is targeting a national expansion that will partner with local developers in target cities, providing a portion of capital for each project. The ultimate aim of this funding is to produce 1,500 units of Quarters-managed units across the country. Quarters has also developed a proprietary app to provide an interface for resident services and property management.

EXAMPLE DEVELOPMENT

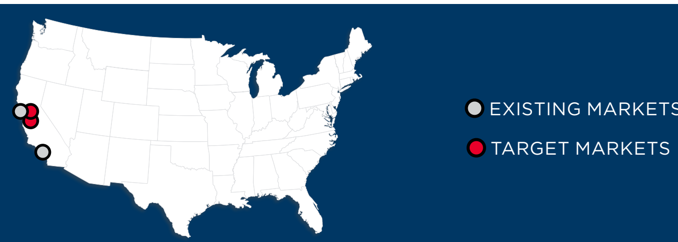


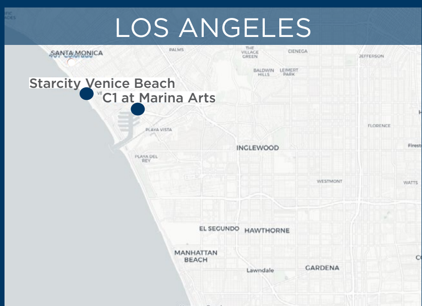
QUARTERS WEST LOOP, CHICAGO

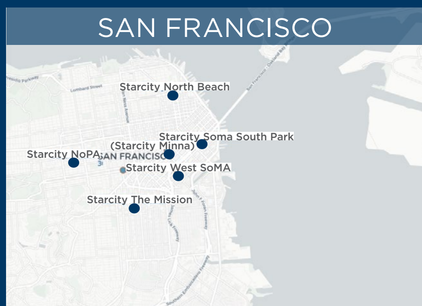
175 BEDS

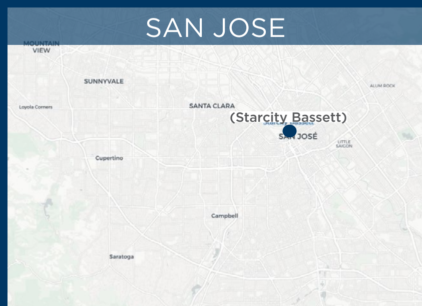
2018 DELIVERED

STARCITY









Business Model: Owner and operator with equity to joint venture on new projects

Current U.S. Bedrooms Estimate: 440

Operations Funding Reported: $20.3M

Operations Fund Entities: Bullpen Capital, Y Combinator, Urban Us, Alrai Capital, Vander Capital Partners, Social Capital

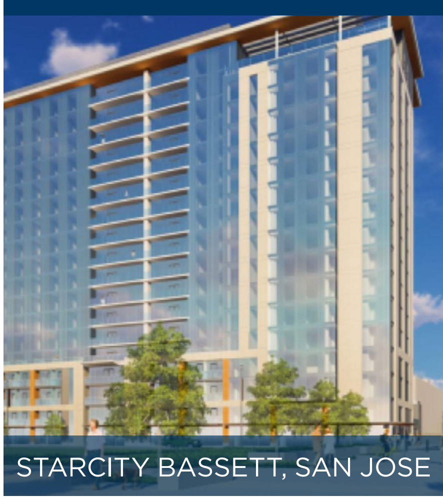
Partnerships: CLG

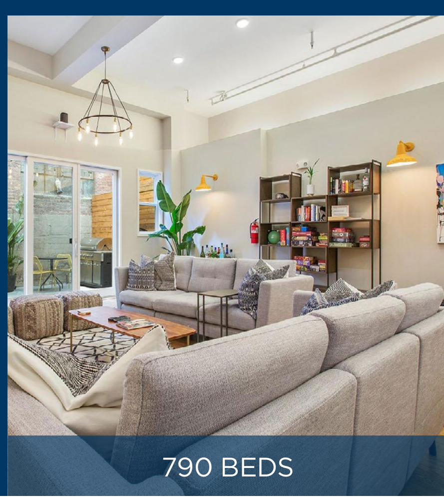
Markets Existing: San Francisco, Los Angeles

Known Target Markets: San Jose,

Established in 2016 by Jon Dishotsky, Jesse Suarez, Mo Sakrani and Josh Lehman, Starcity is a West Coast-based coliving operation based around a combined ownership and management platform. Founded by veterans of real estate, tech and hospitality, Starcity has the largest stock of coliving beds along the West Coast. With all of its current assets located in the markets of San Francisco and Los Angeles, Starcity has taken particular care in branding itself as a solution to the affordability crises in both areas, as well as a partner of local communities.

EXAMPLE DEVELOPMENT

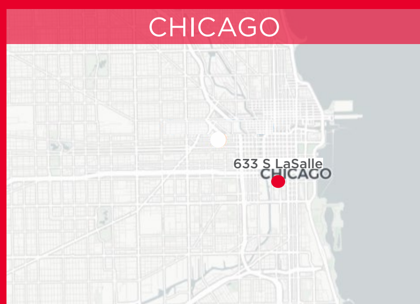

STARCITY BASSETT, SAN JOSE


790 BEDS


2020 EXPECTED

THE COLLECTIVE

EXISTING MARKETS
TARGET MARKETS



Business Model: Ground up Developer and Operator

Current U.S. Bedrooms Estimate: 125+

Property Funding: $800+ M Globaly

Property Fund Entities: Jonathan Teklu, Undisclosed

Partnerships: N/A

Markets Existing: London, New York City

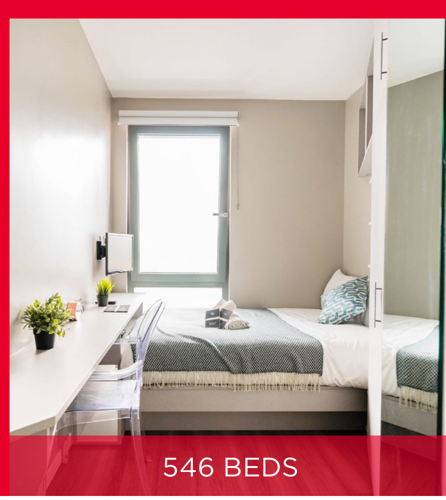
Known Target Markets: New York City, Dublin, Chicago

Founded by Reza Merchant in 2010, the Collective began in London with the largest (currently operating) coliving development, the 546-bed Old Oak. The Collective has raised $800M to ground-up develop 6,500 new units across Europe and the United States. Three projects been announced for New York, while two more have been announced for London as well as a third headquarters in Germany. The Collective partners with local developers to develop purpose-built locations that they will own and operate.

Development plans are in the works for three sites in Brooklyn and announced another for downtown Chicago in May, 2019. The Collective also continues to expand in Europe, dwarfing Old Oak with the 705-bed Canary Wharf development in London due July 2019. The firm has also announced plans for a site in Dublin, Ireland.

EXAMPLE DEVELOPMENT

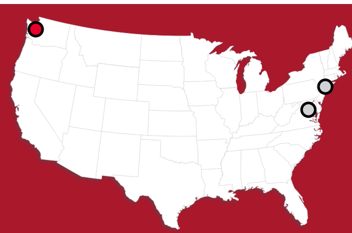
OLD OAK, LONDON



546 BEDS

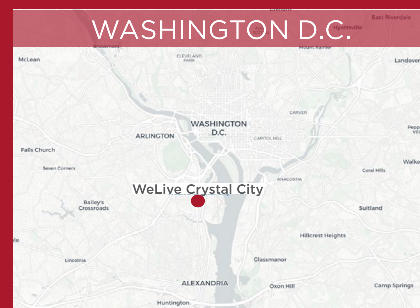
2017 DELIVERED

WELIVE



EXISTING MARKETS

TARGET MARKETS



Business Model: Operator with equity to joint venture on new projects

Current U.S. Bedrooms Estimate: 351+

Operations/Property Funding Reported: Determined by allocation from WeWork. WeWork has raised $12.8B in funding.

Funding Source: WeWork, SoftBank

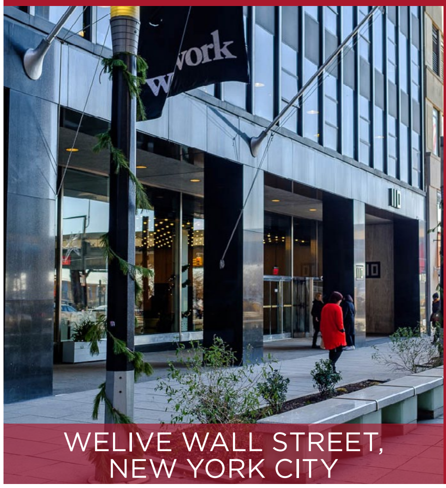
Partnerships: Martin Selig Development, JBG Smith, Rudin Management

Markets Existing: New York City, Washington D.C.

Known Target Markets: Seattle

The coliving division of WeWork, WeLive opened its first coliving operations on Wall Street and Crystal City in 2017. These provided testing sites for WeLive to determine how they wanted to execute their coliving concept, while also determining the best way to connect the concept with WeWork. In the intervening two years, WeLive worked in concert with Martin Selig Development in Seattle to develop a ground-up combined WeWork and WeLive concept built on what they've learned in New York and Washington DC. Plans have already been circulated for a follow-up project in Seattle. Furthermore, WeLive announced plans to debut a coliving concept in India in 2019, likely targeting cities where WeWork already has a presence: Bengaluru, Mumbai and Gurgaon.

EXAMPLE DEVELOPMENT

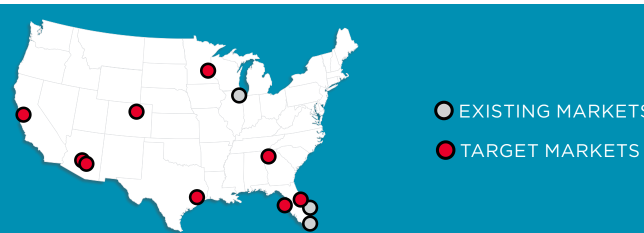


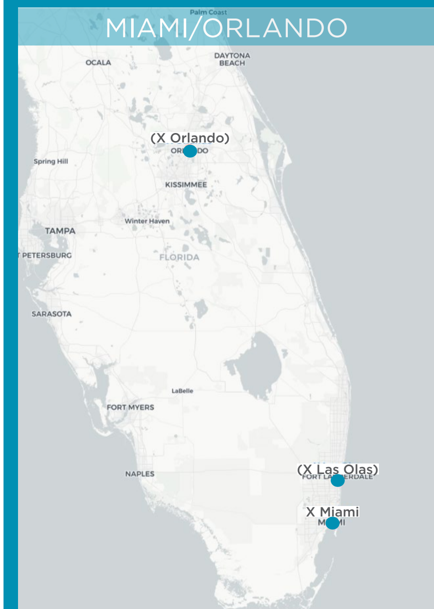
WELIVE WALL STREET, NEW YORK CITY

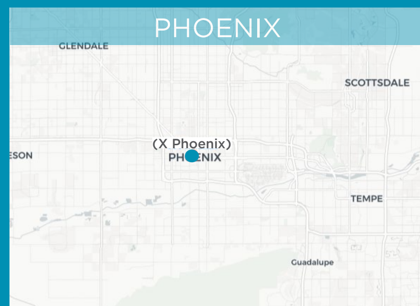
93 BEDS

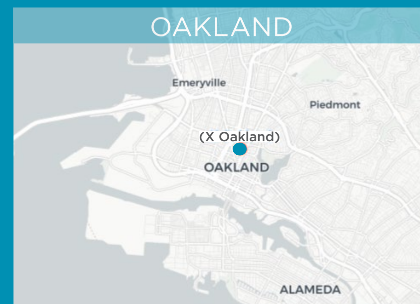
2016 DELIVERED

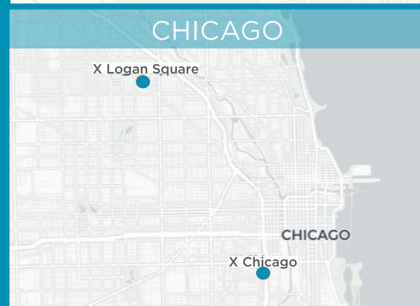
X SOCIAL COMMUNITIES

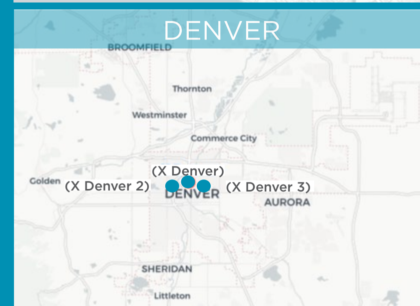












Business Model: Full-stack developer, owner and operator

Current U.S. Bedrooms Estimate: 970

Property Funding Reported: $300+M

Property Fund Entities: Raven Capital Management, PMG (Property Markets Group)

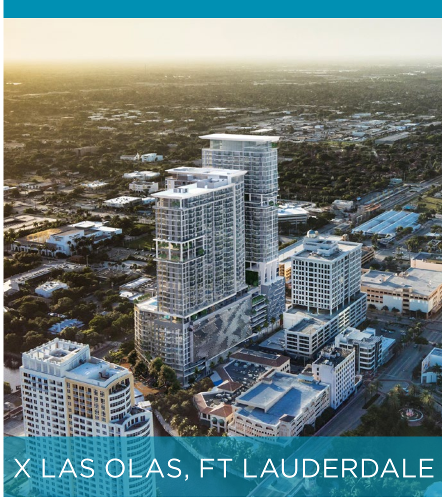
Partnerships: N/A

Markets Existing: Chicago, Miami, Fort Lauderdale

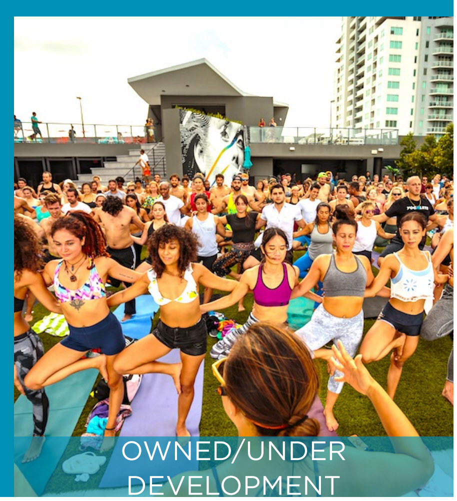
Known Target Markets: Denver, Oakland, Orlando, Phoenix, Tempe, Houston, Tampa, Minneapolis, Atlanta

A division of Property Markets Group, XSL focuses on offering its residents the experience of “social living”. XSL has branded a combination of traditional units and rent-by-the-bedroom larger units under a coliving banner. XSL launched its first test projects in Chicago in 2015 and 2018, with deliveries in both Florida and Denver on the horizon. All new projects are planned to be ground-up, large-scale (from 200 to 1,500 beds) targeting markets outside of the urban centers of New York, Los Angeles and San Francisco - the logic being that these markets are fertile ground for the talent and renter base that finds coliving attractive, but are not impacted by the competition of those top three affordability-challenged markets. XSL has also made a strong push to promote the community of their developments through a fully-integrated in-app experience.

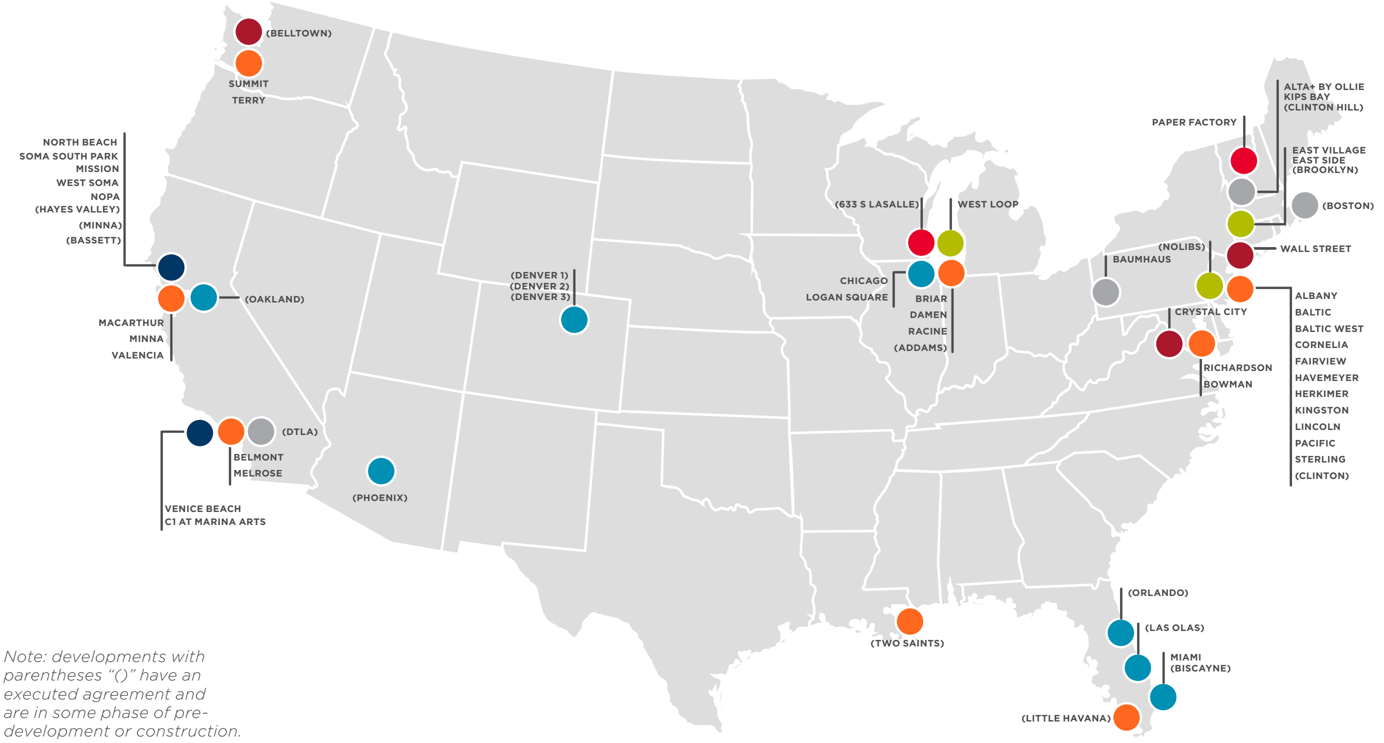
EXAMPLE DEVELOPMENT


X LAS OLAS, FT LAUDERDALE


1,994 BEDS


OWNED/UNDER DEVELOPMENT

Major U.S. Coliving Developments



Note: developments with parentheses "()" have an executed agreement and are in some phase of pre-development or construction.

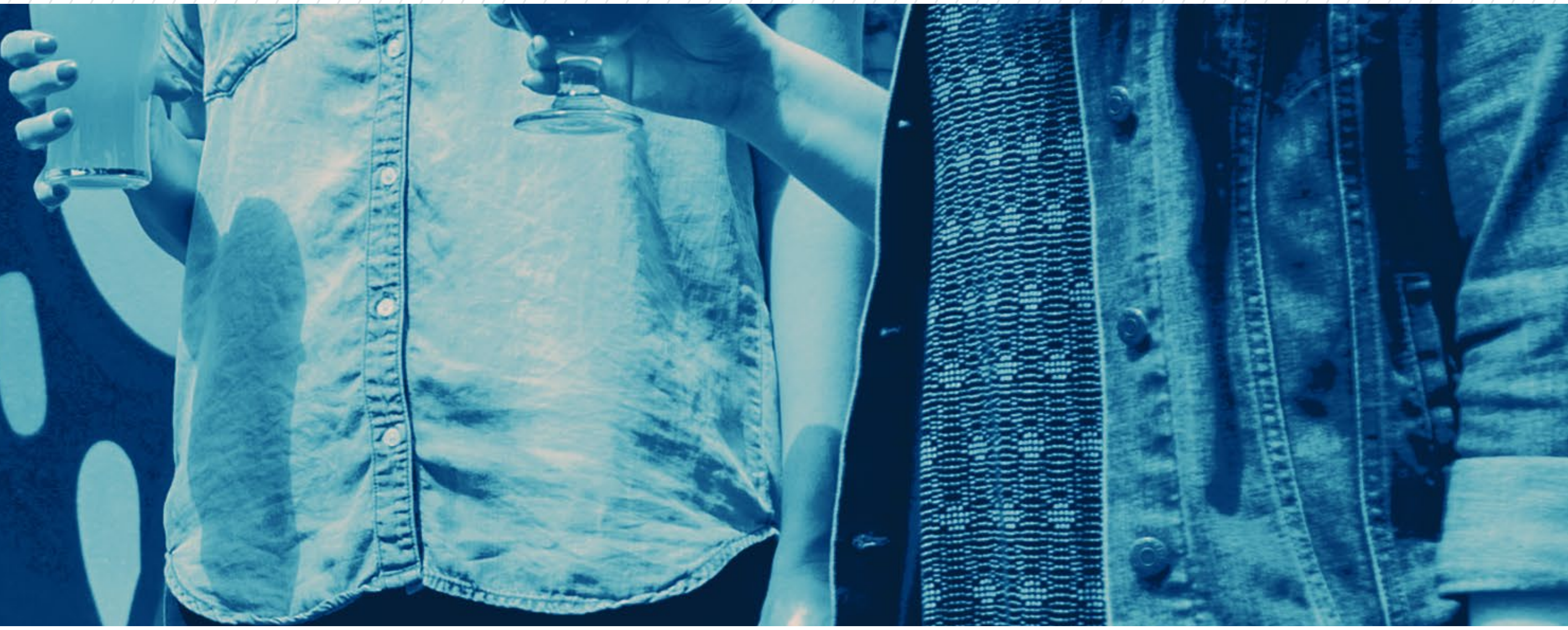
COMPANY	CURRENT U.S. BEDS ESTIMATED	BEDS IN PIPELINE LOWER BOUND
Common	731+	2,000+
Ollie	512+	600+
Quarters	293+	1,200+
Starcity	200+	1,600+
The Collective	125+	1,000+
WeLive	351+	400+
X Social Communities	970+	9,930+
TOTAL	3,182+	16,730+

COMPANY	TYPE	FUNDING (IN $ MILLIONS)	EXISTING U.S. BEDROOMS EST.	PARTNERS	FUNDING / EQUITY
Bungalow	Operator	Operations Funding: $64.0	584		Operations Fund Entities: Finitive, Khosla Ventures, Founders Fund, Wing Venture Capital, UpHonest Capital, Cherubic Ventures, Wei Guo, Atomic
Common	Operator	Operations Funding: $63.4	731	CityPads, Anew Apartments, Patoma Partners, YD Development, Duke Properties, Proper Development, Harrison Capital, Six Peak Development	Operations Fund Entities: Norwest Venture Partners, 8VC, Solon Mack Capital, Circle Ventures, Justin Mateen, Richard LeFrak, Circle Ventures, Maveron, Wolfswood Partners, Grand Central Tech, Inevitable Ventures
Hubhaus	Operator	Operations Funding: $13.4	240		Operations Fund Entities: Social Capital, General Catalyst
Ollie	Operator	Operations Funding: $15.0	512	Simon Baron Development, Quadrum Global	Operations Fund Entities: Aviva Investors, The Moinian Group, Texas Employees Retirement System, Justin Mateen
Quarters	Operator	Property Funding: $300+ (U.S.) $1,100 (Europe)	293	MCZ Development. Caton Commercial	Property Fund Entities: Ralph Winter (U.S.), Corestate Capital (Europe) Operations Fund Entities: Medici Group
Starcity	Owner-Operator	Operations Funding: $20.3	200	CLG	Operations Fund Entities: Bullpen Capital, Y Combinator, Urban Us, Alrai Capital, Vander Capital Partners, Social Capital
The Collective	Owner-Operator	Property Funding: $800+	125		Property Fund Entities: Undisclosed
WeLive	Operator	Determined by allocation from WeWork. WeWork has raised $12.8B in funding.	351	Martin Selig, JBG Smith, Rudin Management	Operations Fund Entities: WeWork Via SoftBank
X Social Communities	Developer-Owner-Operator	Property Funding: $300	970		Property Fund Entities: Raven Capital Management, PMG (Property Markets Group)

Source: The Collective, OpenDoor, Starcity, Hubhaus, Quarters, WeLive, Ollie, Bungalow, Common , X Social Communities,Crunchbase, Pitchbook


VEZA
SUR

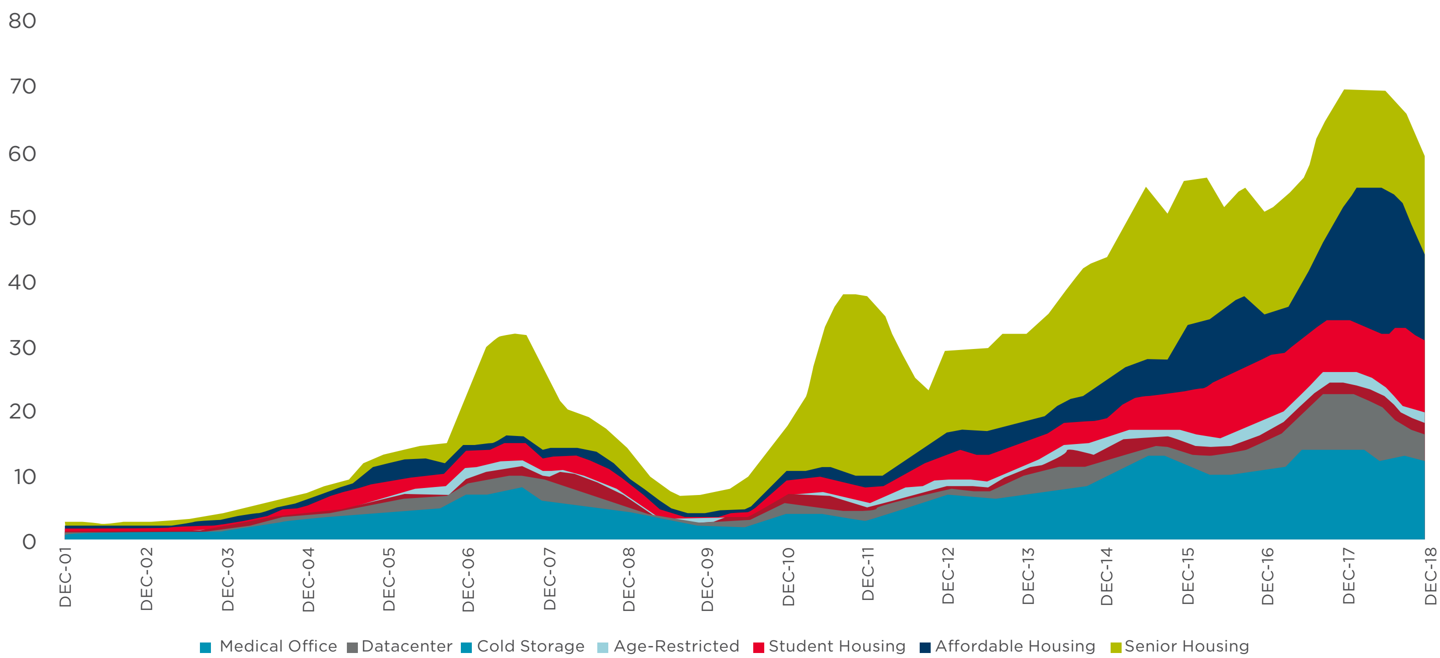
INSTITUTIONAL INVESTMENT IN COLIVING



THE HUNT FOR NICHE ASSETS

Niche Asset Investment Sales Volumes

Rolling 4Q, Dollars in Billions



Source: RCA, Cushman & Wakefield Research

RISE OF NICHE ASSET CLASSES

Post-Recession, niche real estate classes such as allocations across age restricted and affordable housing, coworking, data centers, as well as self and cold storage have soared as solid investments. Over time, investors have taken notice and many of these niche classes now make an appearance in the most prestigious portfolios. In Price Waterhouse Cooper's annual 2018 Emerging Trends in Real Estate, age restricted housing reached nearly $14B in year-over-year transactions. In the same report, Price Waterhouse Coopers found that Medical Office was the strongest prospect among office sub-sectors for the third year in a row. More emergent niche areas have also seen signs of promise. Data centers held another banner year in 2018, absorbing over 474 megawatt users and pre-leasing more than 55% of all new developments. Coworking office space reached a record 51 million square feet globally in 2018. Cushman & Wakefield investors surveys found that many were comfortable with up to 30% of a building devoted to coworking.

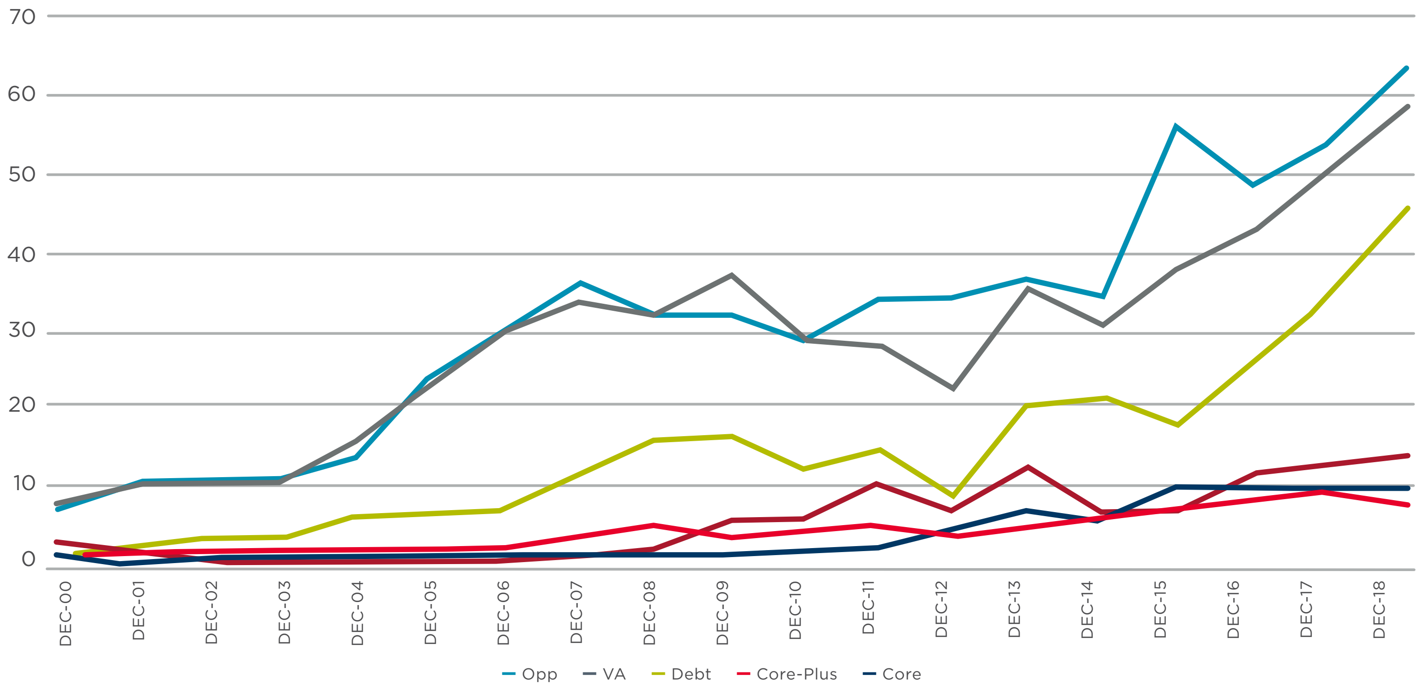
Coliving follows in the footsteps of these niche asset classes that began with a small footprint but have been making a large impact in investor portfolios.

DISRUPTION IS THE NEW NORMAL

Despite a relative nascent entrance into the real estate world housing market, coliving has already reached the beginning of a critical tipping point. There is a proven demand for the product, as evidenced by the burgeoning number of companies entering the market. From well established firms to newer players, all of these organizations are grabbing a foothold. And these organizations are evolving. They're entering new cities and markets, increasing capacity at established locations and partnering with other services to curate an experience that attracts the largest number of tenants. Demand is proven. Yet, there is still a lack of supply despite market expansion, and this enables institutions to enter during this inflection point. The ability to deploy large amounts of capital in a relatively new and small arena will have an enormous impact. However, this impact will shrink once more coliving companies emerge and more institutions with capital enter the fray.

Dry Powder Target at North America Commercial Real Estate by Strategy

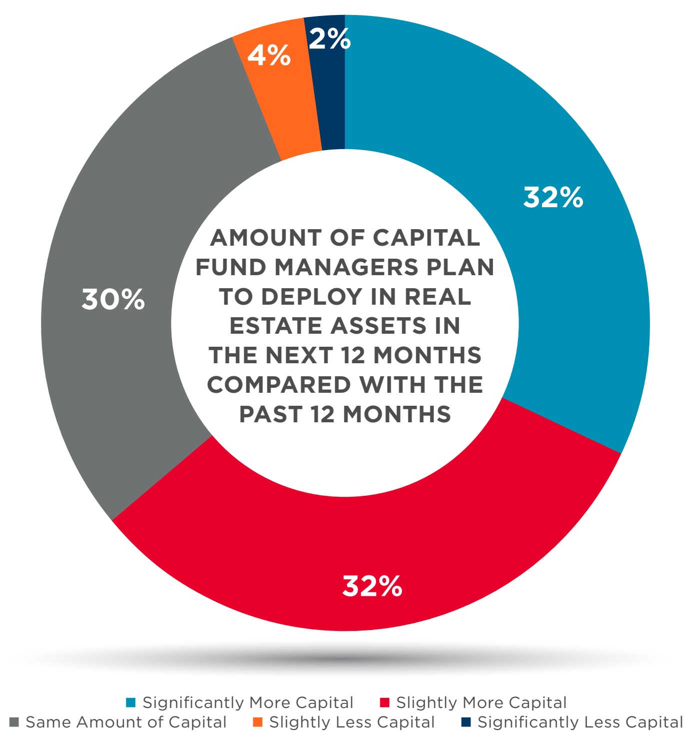
Dollars in Billions

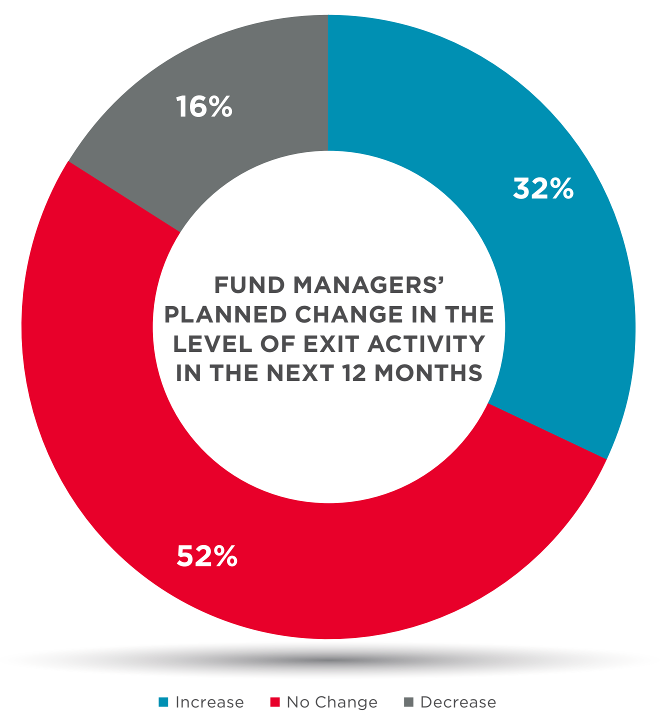


Source: Preqin, Cushman & Wakefield Research

Intensive Competition for Assets

But also a necessary expansion of liquidity by market, sector and deal size





Source: Preqin Fund Manager Survey, Nov 2017

COLIVING IS THE CURRENT NICHE ASSET CLASS ON INVESTORS' RADAR

In order for any real estate product to achieve true market penetration and dominance, institutional capital is needed. Most of these capital sources have a number of prerequisites that must be met before an allocation can be decided. While every institution may have its own formula for requirements, they generally fall somewhere along the following sequence:

1. Proven Demand

The market must be of sufficient size to warrant investment.

79M SIZE OF MILLENNIAL AGE GROUP, WITH GEN Z ALREADY AT 74M

65% A RECORD NUMBER OF UNDER 35-YEAR-OLDS ARE RENTING

40% % OF HIGHLY EDUCATED UNDER 30 WORKFORCE WITH STUDENT DEBT

2. Lack of Supply

There must be demonstrable evidence that there is continued runway for the asset type going forward.

3.3K ESTIMATED TOTAL NUMBER OF CURRENT U.S. COLIVING BEDS

3. Proof of Concept

Coliving assets must have been successfully executed and exited. See example to the right

1 TOTAL NUMBER OF SUCCESSFUL EXITS FOR COLIVING PROPERTIES WORLDWIDE

Proof of Concept Case Study: Institutional Refinancing In Coliving

The Collective Old Oak

Market: London, U.K.

Bedrooms: 546

Occupancy: 99%

Sale Price: £125M ($162.5M as of date of sale)

Developer / Owner: The Collective (25% ownership) with partnership from U.K. and Singaporean Investors (75% ownership)

Operator: The Collective

Seller: Private Investors with 75% ownership

Buyer: The Collective

Buyer Senior Debt: Deutsche Bank

Buyer Mezzanine Debt: Catalina Re

While an original deal to sell the entire development to Red Door Ventures fell through in mid-2018, lenders were willing to provide substantial debt for a large-scale coliving development. The debt was also provided at a valuation much higher than the initial asking price of $100M, with an expected 4% yield.

4. Meaningful Way to Measure Results

Deployment of capital must be tied to a defined set of metrics.

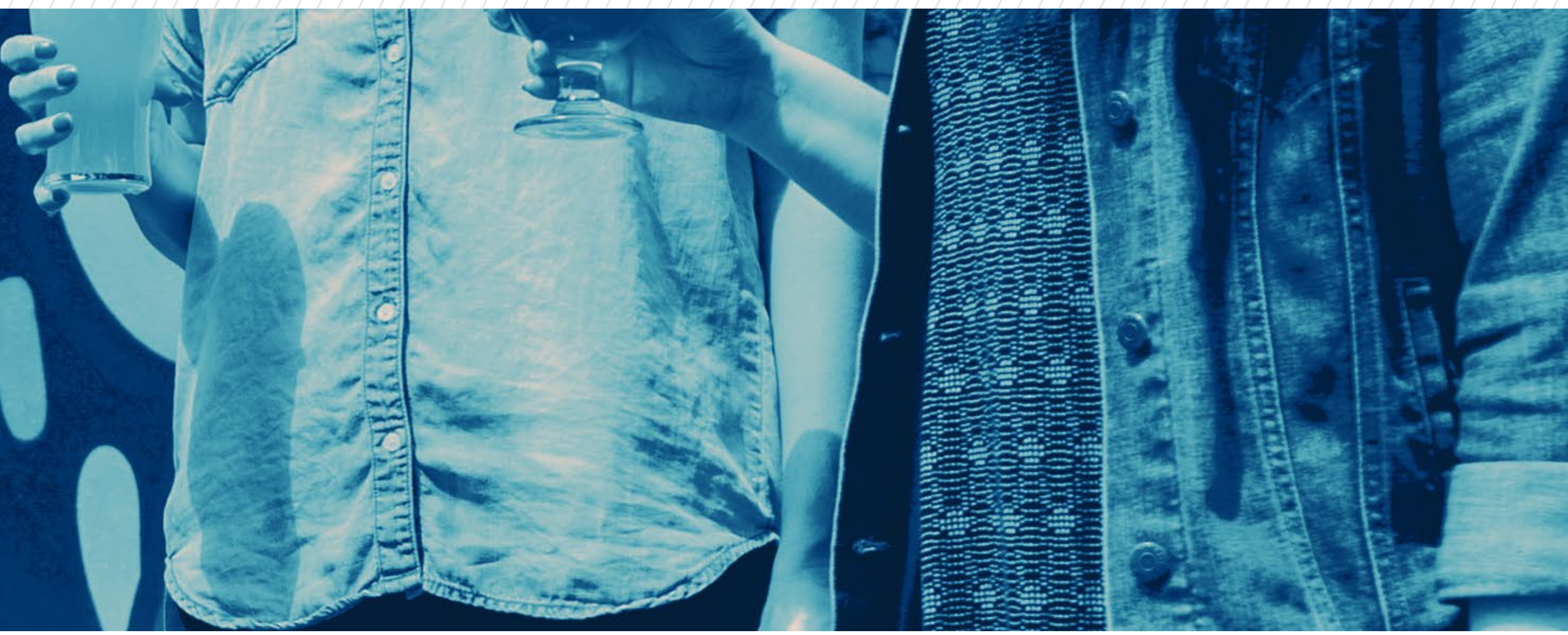
ROC HOW FAVORABLE ARE RETURN ON COSTS FOR COLIVING ASSETS

IRR WHAT IS THE EXPECTED INTERNAL RATE OF RETURN FOR A 4-YEAR HOLD?

NOI HOW DOES NOI COMPARE TO A TRADITIONAL ASSET UNDER THE SAME MARKET CONDITIONS?


VEZA
SUR

CONCLUSION



COLIVING HAS PASSED ITS EARLY STAGES, AND NOW IS A FULLY FLEDGED NICHE ASSET CLASS.

COLIVING FOLLOWS IN THE TRACKS OF OTHER NICHE ASSETS

Asset classes like student housing offer the blueprints going forward

107M+

TOTAL US RENTAL BEDS

COMPRISES 35% OF TOTAL US BEDS

790K+

INVESTMENT GRADE STUDENT HOUSING INVENTORY IN BEDS BUILT 1995-2019

20K+

INVESTMENT GRADE MICRO-UNITS INVENTORY IN BEDS BUILT 2008-2019

3,300+

INVESTMENT GRADE COLIVING BED INVENTORY BUILT 2014 - 2019

Source: U.S. Census Bureau, Realpage, CoStar, Cushman & Wakefield

COLIVING'S MOMENT IS NOW

indicators point to the rapid expansion of the sector in 2019

DEAL SIZE

62
AVG BED COUNT
2014-2018

180
AVG BED COUNT
2019-2021

DEAL VOLUME

OVER 52%
PERCENTAGE OF TOTAL COLIVING BEDS
WERE DELIVERED IN THE PAST YEAR

FUNDING

$0.2B
GLOBAL FINANCING
SECURED 2017

$2.2B
GLOBAL FINANCING
SECURED 2018

INVESTMENT IN COLIVING OPERATIONS
AND ASSETS HAS INCREASED
DRAMATICALLY IN 2018 - 2019

COLIVING IS NOT ONLY HERE TO STAY...

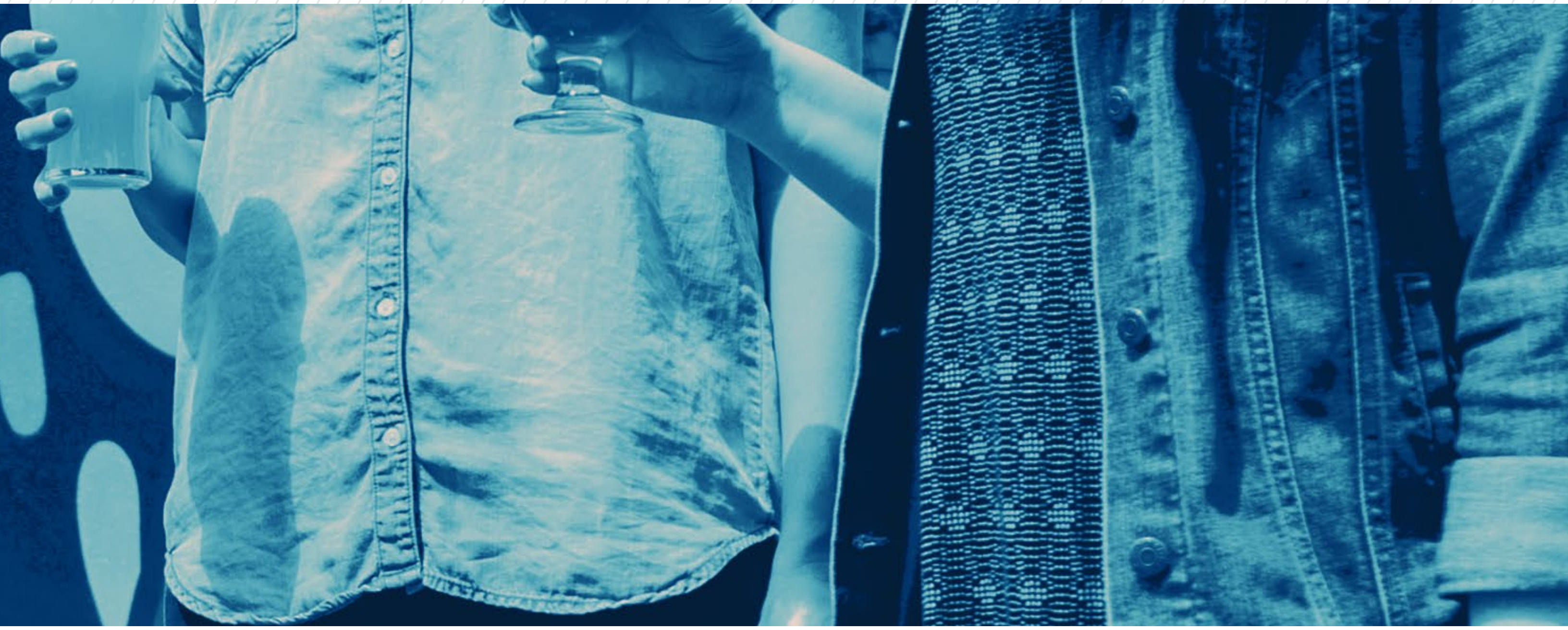
- Fueled by **increasing affordability challenges and an expanding demographic of renters,** the expansion of coliving has passed its early stages, and now is a fully fledged niche asset class.
- Over the course of the next five years, **significant capital will be deployed** toward delivery of thousands of more beds across the world.

WHERE COLIVING GOES FROM HERE

The way we live is changing. Goals of homeownership and a suburban lifestyle have given way to more urban and communal preferences for those entering the workforce. Fueled by increasing affordability challenges and an expanding demographic of renters, the expansion of coliving has passed its early stages, and now is a fully fledged niche asset class. Over the course of the next five years, significant capital will be deployed toward delivery of thousands of more beds across the world. As new generations enter the rental market space, preference will be centered upon the coliving brands that provide convenience, affordability and a vibrant community. As more companies seek to capture talent pipelines across a wider geographic area, more markets will become viable for coliving developments. Coliving options will become more ubiquitous with recent college graduates seeking to join a community and learn about a city that they are living in for the first time. Finally, coliving options will see growth in official affordable housing options, with programs like ShareNYC providing a template for further public-private partnerships in building housing for all.

VEZA
SUR

APPENDIX



LOS ANGELES		SAN FRANCISCO	
TOTAL POPULATION	3,965,206	TOTAL POPULATION	876,259
AGES 25-44	32%	AGES 25-to-44	39%
MEDIAN AGE	35.5	MEDIAN AGE	38.3
AVERAGE HOUSEHOLD INCOME	$91,137	AVERAGE HOUSEHOLD INCOME	$151,210
MEDIAN HOUSEHOLD INCOME	$56,797	MEDIAN HOUSEHOLD INCOME	$104,986
UNEMPLOYED	5.3%	UNEMPLOYED	3.4%
RENTER OCCUPIED	63.6%	RENTER OCCUPIED	64.4%
BACHELORS +	32%	BACHELORS +	54%
AVG HOUSEHOLD SIZE	2.76	AVG HOUSEHOLD SIZE	2.20
NON-FAMILY HOUSEHOLDS	154,696/ 11%	NON-FAMILY HOUSEHOLDS	61,441/ 16%

DENVER		WASHINGTON D.C.	
TOTAL POPULATION	713,294	TOTAL POPULATION	680,420
AGES 25-to-44	38%	AGES 25-to-44	37%
MEDIAN AGE	34.4	MEDIAN AGE	33.9
AVERAGE HOUSEHOLD INCOME	$90,956	AVERAGE HOUSEHOLD INCOME	$120,013
MEDIAN HOUSEHOLD INCOME	$60,437	MEDIAN HOUSEHOLD INCOME	$76,587
UNEMPLOYED	2.9%	UNEMPLOYED	6.7%
RENTER OCCUPIED	51.2%	RENTER OCCUPIED	60.5%
BACHELORS +	45%	BACHELORS +	55%
AVG HOUSEHOLD SIZE	2.19	AVG HOUSEHOLD SIZE	2.08
NON-FAMILY HOUSEHOLDS	35,093/11%	NON-FAMILY HOUSEHOLDS	39,971/13%

MIAMI		ATLANTA	
TOTAL POPULATION	443,268	TOTAL POPULATION	475,836
AGES 25-to-44	32%	AGES 25-to-44	35%
MEDIAN AGE	40.1	MEDIAN AGE	34.2
AVERAGE HOUSEHOLD INCOME	$58,705	AVERAGE HOUSEHOLD INCOME	$99,227
MEDIAN HOUSEHOLD INCOME	$32,376	MEDIAN HOUSEHOLD INCOME	$56,945
UNEMPLOYED	5.8%	UNEMPLOYED	6.0%
RENTER OCCUPIED	69.6%	RENTER OCCUPIED	57.7%
BACHELORS +	25%	BACHELORS +	49%
AVG HOUSEHOLD SIZE	2.44	AVG HOUSEHOLD SIZE	2.10
NON-FAMILY HOUSEHOLDS	19,106/11%	NON-FAMILY HOUSEHOLDS	29,610/14%

CHICAGO		BOSTON	
TOTAL POPULATION	2,736,994	TOTAL POPULATION	679,660
AGES 25-to-44	34%	AGES 25-to-44	37%
MEDIAN AGE	34.2	MEDIAN AGE	32.2
AVERAGE HOUSEHOLD INCOME	$82,881	AVERAGE HOUSEHOLD INCOME	$98,319
MEDIAN HOUSEHOLD INCOME	$53,335	MEDIAN HOUSEHOLD INCOME	$64,290
UNEMPLOYED	6.3%	UNEMPLOYED	3.7%
RENTER OCCUPIED	56.3%	RENTER OCCUPIED	66.8%
BACHELORS +	36%	BACHELORS +	46%
AVG HOUSEHOLD SIZE	2.50	AVG HOUSEHOLD SIZE	2.24
NON-FAMILY HOUSEHOLDS	113,979/11%	NON-FAMILY HOUSEHOLDS	45,276/16%

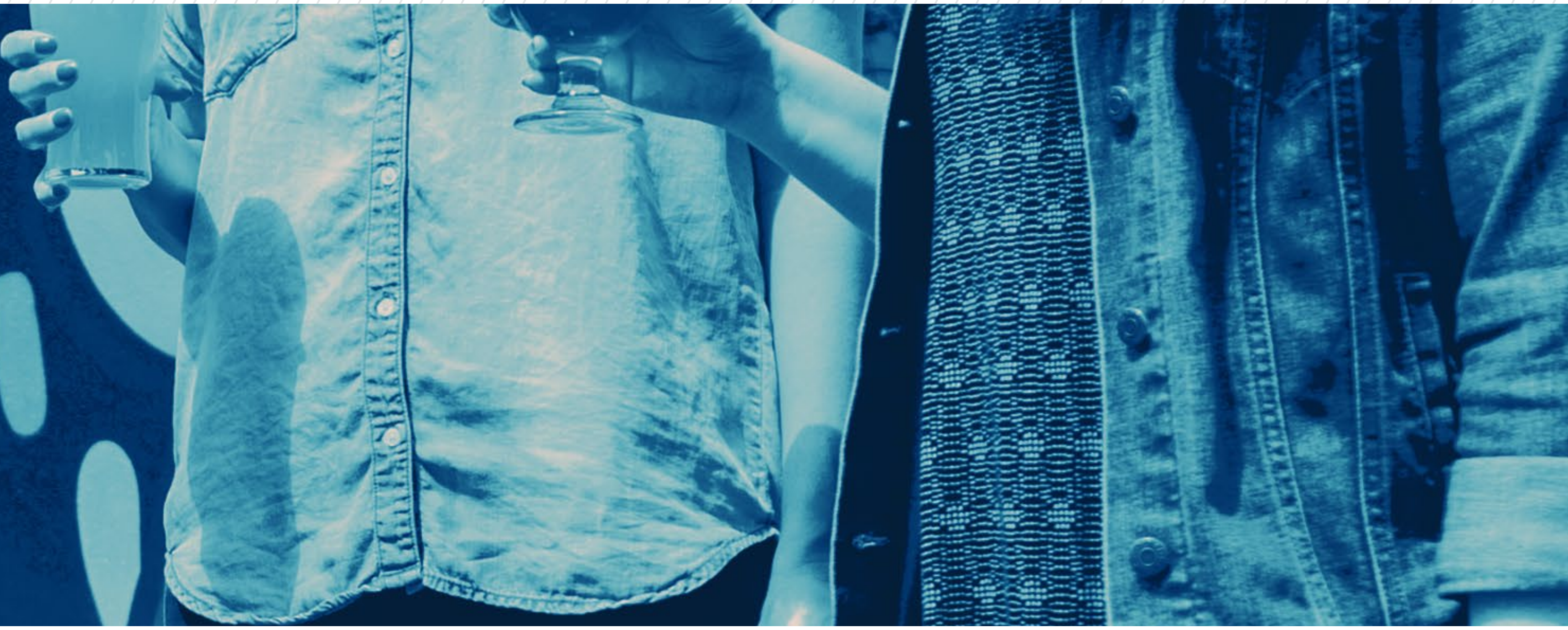
MINNEAPOLIS		NEW YORK	
TOTAL POPULATION	413,416	TOTAL POPULATION	8,590,165
AGES 25-to-44	37%	AGES 25-to-44	32%
MEDIAN AGE	32.4	MEDIAN AGE	36.3
AVERAGE HOUSEHOLD INCOME	$84,437	AVERAGE HOUSEHOLD INCOME	$92,604
MEDIAN HOUSEHOLD INCOME	$55,526	MEDIAN HOUSEHOLD INCOME	$58,271
UNEMPLOYED	4.8%	UNEMPLOYED	5.4%
RENTER OCCUPIED	52.9%	RENTER OCCUPIED	68.7%
BACHELORS +	47%	BACHELORS +	36%
AVG HOUSEHOLD SIZE	2.19	AVG HOUSEHOLD SIZE	2.54
NON-FAMILY HOUSEHOLDS	27,277/15%	NON-FAMILY HOUSEHOLDS	272,871/8%

PHILADELPHIA		AUSTIN	
TOTAL POPULATION	1,586,356	TOTAL POPULATION	927,556
AGES 25-to-44	31%	AGES 25-to-44	38%
MEDIAN AGE	34.1	MEDIAN AGE	32.9
AVERAGE HOUSEHOLD INCOME	$62,908	AVERAGE HOUSEHOLD INCOME	$97,002
MEDIAN HOUSEHOLD INCOME	$43,106	MEDIAN HOUSEHOLD INCOME	$65,643
UNEMPLOYED	6.3%	UNEMPLOYED	3.5%
RENTER OCCUPIED	47.6%	RENTER OCCUPIED	55.3%
BACHELORS +	26%	BACHELORS +	47%
AVG HOUSEHOLD SIZE	2.49	AVG HOUSEHOLD SIZE	2.36
NON-FAMILY HOUSEHOLDS	72,929/12%	NON-FAMILY HOUSEHOLDS	55,171/14%

DALLAS		SEATTLE	
TOTAL POPULATION	1,316,726	TOTAL POPULATION	689,131
AGES 25-to-44	33%	AGES 25-to-44	39%
MEDIAN AGE	32.7	MEDIAN AGE	36.1
AVERAGE HOUSEHOLD INCOME	$82,100	AVERAGE HOUSEHOLD INCOME	$120,379
MEDIAN HOUSEHOLD INCOME	$48,244	MEDIAN HOUSEHOLD INCOME	$82,778
UNEMPLOYED	4.5%	UNEMPLOYED	4.0%
RENTER OCCUPIED	58.0%	RENTER OCCUPIED	54.0%
BACHELORS +	31%	BACHELORS +	60%
AVG HOUSEHOLD SIZE	2.53	AVG HOUSEHOLD SIZE	2.01
NON-FAMILY HOUSEHOLDS	42,454/8%	NON-FAMILY HOUSEHOLDS	45,916/14%


VEZA
SUR

SOURCES



PAGE	SOURCE(S)	Boundaries
1		
2		
3		
4		
5		
6	The State of the Nation's Housing, Joint Center for Housing Studies	National
7	Joint Center for Housing Studies, Bankrate.com	
8	Joint Center for Housing Studies, Up For Growth, Apartment List Research, Bloomberg Data, Federal Reserve	
9	Joint Center for Housing Studies, Up For Growth, Apartment List Research, Bloomberg Data, Federal Reserve	
10	Joint Center for Housing Studies, U.S. Census Bureau	MSA
11	U.S. Census, REALTOR Confidence Index Survey, Pew Research Center	
12		
13		
14	Alteryx	City
15	CoStar, Cushman & Wakefield Research	MSA
16	CoStar	National, MSA
17	CoStar	MSA
18	Glassdoor, Department of Housing & Urban Development (HUD), City of Chicago Quarterly Affordable Housing Report	Chicago
19	US Census Bureau, Alteryx	MSA
20		
21		
22		
23		
24		
25	NYC Housing Preservation & Development	
26		
27		
28		
29		
30		
31	Cushman & Wakefield Research, CoStar, Crunchbase, Crain’s, The Real Deal, Curbed	
32		
33		
34		
35		
36		
37		
38		
39	The Collective, Starcity, Hubhaus, Quarters, WeLive, Ollie, Bungalow, Common , X Social Communities,Crunchbase, Pitchbook	
40		
41		
42	RCA, Cushman & Wakefield Research	
43	Preqin, Cushman & Wakefield Research, Preqin Fund Manager Survey, Nov 2017	
44		

ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of $8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

SUSAN TJARKSEN
Managing Director
Tel: +1 312-523-7617
susan.tjarksen@cushwake.com

LAURA BALLOU
Senior Research Analyst, Capital Markets
Tel: +1 312-424-8077
laura.ballou@cushwake.com

JACOB ALBERS
Research Analyst, Capital Markets
Tel: +1 312-424-8086
jacob.albers@cushwake.com

multifamily.cushwake.com