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The multi-family market continues to have increasing rents and declining vacancy during Q3 2019. Vacancy rates from Q3 2018 have decreased an average of .8% overall while rents have remained steady. Currently, the First National Center will bring 193 units to the market in January, 2021.

The demand for the purchase of multi family projects remain strong as 32 complexes changed hands at an average price per unit of $60,512.00 per unit and an average capitalization rate of 7.69%. The expectation is multi-family sales will remain strong and demand will increase as there is great demand in the marketplace for multi family properties.

Respectfully,

Bob Sullivan
CEO

The Federal Reserve has cut the interest rate twice during Q3 2019, slashing the federal funds rate to a range of 1.75 percent to 2 percent. The trade war between United States and China started to hurt more US companies, and it has been the main reason for the volatile stock market since April 2019. OPEC decided to extend its policy to cut production for another 8 months as the outlook for global demand of oil and gas continues to weaken. Also, unemployment dropped to 3.5 percent, which is the lowest level since 1969.

Oklahoma City saw a strong market during the third quarter 2019. The long-waited Oklahoma City Boulevard has opened for traffic in August the Amazon fulfillment center received its first package in August as well and the Scissortail Park had its grand opening at the end of September. It has been more than a year since the medical marijuana law passed and the number of dispensaries keep rising and the marijuana tax collection keeps growing. More affordable senior housing is planned between Midtown and Classen-10-Penn, the OMNI hotel and new convention center are well under construction and the City council has approved the rezoning for the 20-acre, mixed-use development at NW Expressway and Pennsylvania Avenue. The Oklahoma City commercial real estate market should continue to stay strong and active.
The overall vacancy rate for multi-family properties in the Oklahoma City market at the end of Q3 2019 was 9.8 percent, which has decreased compared to the rate of 9.9 percent at the end of Q2 2019. Average asking rental rate per SF was 0.91/SF/YR, which remained about the same compared to the rate at the end of Q2 2019. Studio asking rental rate averaged $634 per unit, one bedroom asking rents averaged $669 per unit, two-bedroom asking rents averaged $811 per unit, and three-or-more bedroom asking rents averaged $1,003 per unit.
There were more than 700 units of multi-family space under construction at the end of Q3 2019. The two largest multi-family properties that have the most rentable building area under construction were the 516 unit Liberty Creek Village at 6929 Sooner Rd., in Oklahoma City, which is scheduled to be delivered in April 2020, and the 193 unit First National Center Apartments at 120 N Robinson Ave., in Oklahoma City, which is scheduled to be delivered in January 2021.
TOP UNDER CONSTRUCTION & PROPOSED MULTI-FAMILY PROPERTIES

<table>
<thead>
<tr>
<th>Under Construction</th>
<th>Property Name</th>
<th>City</th>
<th>Number Of Units</th>
<th>RBA</th>
<th>Delivery Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>6929 Sooner Rd</td>
<td>Liberty Creek Village</td>
<td>Oklahoma City</td>
<td>516</td>
<td>51,600 SF</td>
<td>Apr 2020</td>
</tr>
<tr>
<td>120 N Robinson Ave</td>
<td>First National Center - Apartments</td>
<td>Oklahoma City</td>
<td>193</td>
<td>25,432 SF</td>
<td>Jan 2021</td>
</tr>
<tr>
<td>701 NW 17th St</td>
<td></td>
<td>Moore</td>
<td>-</td>
<td>20,000 SF</td>
<td>Jan 2020</td>
</tr>
</tbody>
</table>

There were 647,475 SF of multi-family space proposed at the end of Q3 2019. The proposed projects with the most rentable building area were the 188,000 SF, or 188-unit Apartments at 24th Avenue NW in Norman, and the Wilshire Point Apartments at Classen Drive in Oklahoma City a 160 unit development to deliver in 2021.

<table>
<thead>
<tr>
<th>Property Address</th>
<th>Property Name</th>
<th>City</th>
<th>Number Of Units</th>
<th>RBA</th>
<th>Estimated Delivery Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>24th Ave NW</td>
<td>-</td>
<td>Norman</td>
<td>188</td>
<td>188,000 SF</td>
<td>2021</td>
</tr>
<tr>
<td>Classen Dr</td>
<td>Wilshire Point</td>
<td>OKC</td>
<td>160</td>
<td>120,000 SF</td>
<td>2021</td>
</tr>
<tr>
<td>Martin Luther King Ave</td>
<td>-</td>
<td>OKC</td>
<td>140</td>
<td>120,000 SF</td>
<td>-</td>
</tr>
<tr>
<td>100 Charlie Christian Ave</td>
<td>-</td>
<td>OKC</td>
<td>125</td>
<td>106,272 SF</td>
<td>2022</td>
</tr>
<tr>
<td>1305 N Classen Dr</td>
<td>-</td>
<td>OKC</td>
<td>-</td>
<td>70,000 SF</td>
<td>2021</td>
</tr>
<tr>
<td>229 E Campbell St</td>
<td>The Campbell</td>
<td>Edmond</td>
<td>50</td>
<td>43,203 SF</td>
<td>2021</td>
</tr>
</tbody>
</table>

OKC MULTI-FAMILY MARKET SALES

<table>
<thead>
<tr>
<th></th>
<th>2018 Q4</th>
<th>2019 Q1</th>
<th>2019 Q2</th>
<th>2019 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Transactions</td>
<td>29</td>
<td>25</td>
<td>20</td>
<td>32</td>
</tr>
<tr>
<td>Total Sales Volume</td>
<td>$172,402,400</td>
<td>$74,993,499</td>
<td>$161,846,000</td>
<td>$84,333,000</td>
</tr>
<tr>
<td>Total Units</td>
<td>3,009</td>
<td>1,377</td>
<td>1,841</td>
<td>1,494</td>
</tr>
<tr>
<td>Average Price per Bldg. SF</td>
<td>$72.30</td>
<td>$62.91</td>
<td>$90.71</td>
<td>$54.13</td>
</tr>
<tr>
<td>Average Price per Unit</td>
<td>$61,749</td>
<td>$57,776</td>
<td>$88,248</td>
<td>$60,512</td>
</tr>
<tr>
<td>Actual Cap Rate</td>
<td>7.36%</td>
<td>7.17%</td>
<td>8.47%</td>
<td>7.69%</td>
</tr>
</tbody>
</table>

There were 32 transactions totaling $84,333,000 recorded during Q3 2019. The largest transaction based on dollar volume was the sale of the 396-unit at Bridgepoint at 5304 Willow Cliff Rd. in Oklahoma City. Cedar Grove Capital from Woodmere, NY purchased the 513,028 SF property from Presidium Group from Dallas, TX on July 12, 2019.
OKC MARKET SIGNIFICANT MULTI-FAMILY SALE TRANSACTIONS DURING Q3 2019

Property Name: Bridgepoint
Property Address: 5304 Willow Cliff Rd., OKC
Sale Price: $22,000,000
Price per SF: $42.88
Price per Unit: $55,555
Sale Date: 07/12/2019

Property Name: Legend V Apartments
Property Address: 2133 E 2nd St., Edmond
Sale Price: $19,040,000
Price per SF: $66.02
Price per Unit: $95,200
Sale Date: 08/26/2019

Property Name: The Haven
Property Address: 601 Robert S Kerr Ave., OKC
Sale Price: $9,000,000
Price per SF: $119.45
Price per Unit: $140,625
Sale Date: 07/19/2019

Property Name: Chelsea Manor
Property Address: 6300 N Meridian Ave., OKC
Sale Price: $8,670,000
Price per SF: $56.30
Price per Unit: $45,873
Sale Date: 07/09/2019

Property Name: Savannah Pointe
Property Address: 6134 N MacArthur Blvd., Warr Acres
Sale Price: $5,100,000
Price per SF: $26.89
Price per Unit: $36,956
Sale Date: 08/05/2019

Property Name: Camino Del Plaza Ln
Property Address: 2133-2225, Edmond
Sale Price: $2,748,500
Price per SF: $117.90
Price per Unit: $171,781
Sale Date: 08/15/2019
NAI SULLIVAN GROUP

NAI Sullivan Group is a leading global service provider offering a full range of premier services, customized to fit your need and exceed your expectations. Our talented and experienced professionals provide benefits to large institutions and small business owners alike. We are your single point of contact for customized real estate services.

NAI Sullivan Group strives for excellence in all facets of real estate services in order to maintain our position as an industry leader. Our team transforms forward-thinking ideas into cutting-edge applications, to achieve maximum results for our clients, company and community.

For more information, please visit our website: www.naisullivangroup.com

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