

RENEWS

Welcome to the RENEW Quarterly Newsletter!

We are excited to be able to connect with you and let you know the happenings with the group, and in the world of Commercial Real Estate Finance in general.

Membership Events

Hello!

As we continue to enjoy the summer months, the ladies of RENEW would like to share this quarter's newsletter. RENEW remains committed to empowering and elevating women and all diverse professionals in the commercial real estate industry. Building and maintaining this network of talented and brilliant female professionals is more important than ever.

We on the Board appreciate each and every one of you and can't wait to get together in the coming weeks. We encourage you to remain active RENEW members even while the world looks a bit different. Visit our website to **RENEW** your 2023 membership.



FIRESIDE CHATS

A Note From Co-President Alicia Cotton-Doney and Kristen Reilley

Greetings, Members, and Friends!

Summer is here and we are ready for it. For those of us in the multifamily finance space, this year has been challenging with the rise in interest rates which surely translated into difficulties in the investment sales space since buyers were having trouble obtaining financing. So what do we do? We get together and commiserate with our friends! It has been so nice to get to travel to see our friends and fellow members in person. We are so thankful for Troutman Pepper inviting us to visit them in Richmond, as well as to Moss & Barnett for throwing a happy hour in D.C. If you missed us at TopGolf in Atlanta, no worries - we will be back soon. Remember that we are here to network, uplift and support each other! We look forward to seeing everyone at our Fall Signature event in D.C. In October, and hopefully we will have a few closings to celebrate. In the meantime, enjoy the summer and exercise as much self-care as possible.

RENEW Mentoring Program

Members from across the country are invited to join RENEW's revamped mentor program, RENEW PEP (Private Enrichment Program). PEP supports connection among members of RENEW through its small group design. Each group will have 1-2 senior members paired with 2-3 entry to mid-level career members. Groups are encouraged to meet at least once per month virtually and foster in person connections when possible. RENEW will be suggesting discussion topics and providing ideas and resources, but each group is encouraged to explore topics that are relevant to the members to build networks and promote personal and career growth. Members who are interested in joining PEP are invited to complete the application survey.

Complete Survey Here: <https://us5.list-manage.com/survey?u=555a09f0dfc11adbe2ba061ed&id=65364a8c97&e=b81ef1ce81>

INDUSTRY NEWS

From Globest. Apartment Rents Decline YoY for First Time

May 2023 brought some unpleasant news for landlords and developers. For the first time in Realtor.com's data history, there was a year-over-year rent decline for 0-2 bedroom-units since numbers started to be tracked three years ago. The two-bedroom properties dropped 0.5% to \$1,923, which was \$10 lower than a year ago and \$47 lower than at the July 2022 peak.

Smaller apartment units, meanwhile, saw rents increase with studios going up 2% to \$1,463 year-over-year and one-bedrooms climbing 0.4% to \$1,628 over the same period.

When it comes to rent growth, the larger unit rents showed the highest growth rate over the last four years, up by \$417 or 26%. For one-bedroom units on a YOY basis, the rent growth was 0.4% this past May. In contrast, rent growth for studios was 2.0%, indicating that renters have prioritized affordability with studios outperforming the larger two-bedroom units during the last 10 months.

How Location Factors

Rents are headed down in the South where they dropped 0.7% from a year ago. The top Southern markets showing the biggest YoY rent declines were Austin at -5.6%, Tampa at -4%, Dallas at -3.6%, Charlotte at -3.5% and Atlanta at -3.1%. In the West, the decline was 3% lower than a year ago. San Jose, Calif., was the only large metro in that region seeing rent growth, but it was only one-twentieth of what it was a year ago.

In the Midwest, rents slowed but continued to increase 4.5% year-over-year. The growth is said to be due to markets in the Heartland offering greater affordability. Six of the top 10 metros experiencing faster YoY growth are located there, including Columbus at 9.3%, St. Louis at 7.7%, Cincinnati at 7.5%, Indianapolis at 7.3%, Milwaukee at 6.2% and Detroit at 5.1%. As renters search for affordable units, Midwestern metros that offer the lower-rent options are expected to experience stronger demand, which, in turn, will lead to accelerated rent growth.

The densely populated northeastern metros such as New York City, Pittsburgh and Boston tell another story. They continued to experience faster growth with NYC at 6.8%, followed by Pittsburgh at 3.8% and then Boston at 3.3%. Realtor.com's possible explanation is that the areas there have a robust labor pool, which may have contributed to increased demand for rental housing.

Looking Ahead

Overall, the median asking rent was \$1,738, which was down by \$38 from July 2022's peak but up by \$3 from April 2023 and \$344 or 24.7% higher than the same time before the pandemic in 2019. The 2023 mid-year forecast has led to projections that the median asking rents will show a small annual decline at a rate of -0.9%, but in the second half of this year, demand for rental properties is expected to remain strong. Part of this is due to fewer renters opting to

buy a home with housing prices and mortgage rates remaining high. Many of these renters have a strong incentive to remain put to save money and be able to act when the situation changes.

RENEW's Atlanta Happy Hour - Thank you for all who attended - it was wonderful to see you!



Upcoming Industry Events:

National Housing Conference Solutions for Affordable Housing
- December 7, 2023

Novogradac 2024 Affordable Housing Developers Conference
- January 18 to January 19, 2024

Board Members

Alicia Cotton-Doney, Greystone - Co-President

Kristen Reilley, CBRE - Co-President

Erin Ashby, PGIM - Secretary

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Kyasia Gray, Enterprise - VP of Communications

Caroline Simonson, Moss & Barnett - Attorney

Sharon Plattner, Northmarq - Advisor

Galina Ivanova-Tozeva - Advisor

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Want to join RENEW! Please visit our website at
www.renewcre.com or email us at info@renewcre.com