



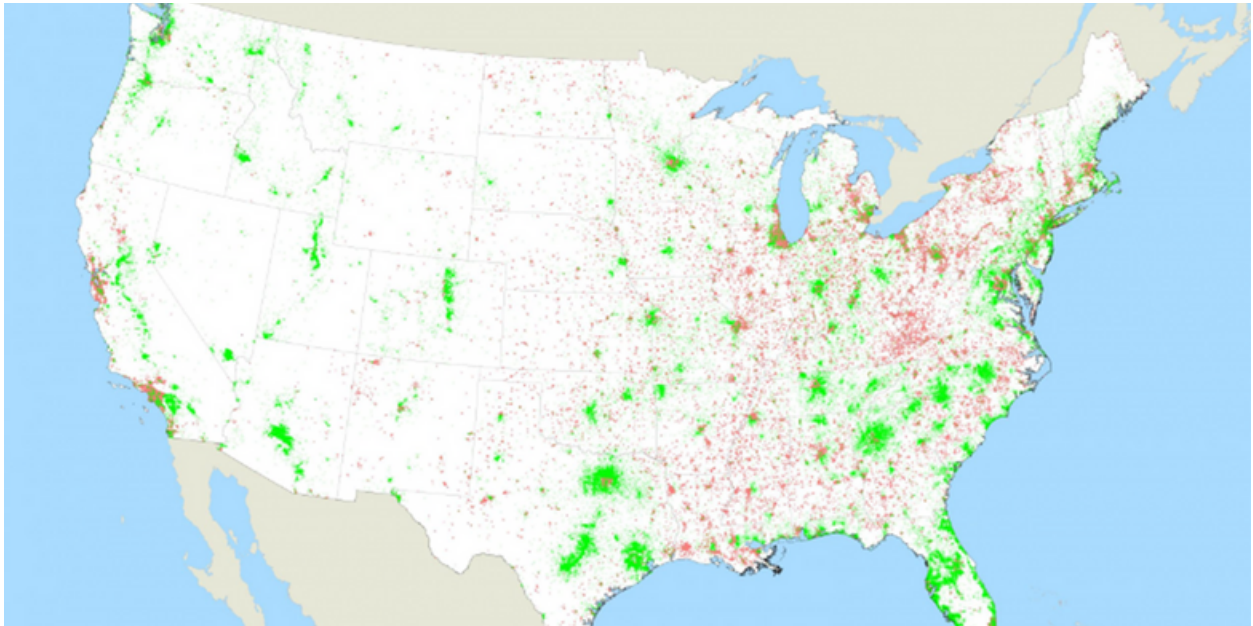
U-Haul Growth States: Beyond the Headlines - Insights for Savvy Investors

Top 10 States	Bottom 10 States
1) Texas	50) California
2) Florida	49) Illinois
3) South Carolina	48) Michigan
4) North Carolina	47) Massachusetts
5) Virginia	46) New York
6) Tennessee	45) New Jersey
7) Arizona	44) Maryland
8) Georgia	43) Arkansas
9) Ohio	42) Oklahoma
10) Idaho	41) Alaska

Source: U-Haul Growth States of 2022: Texas, Florida Top List Again | U-Haul (uhaul.com)

While U-Haul's annual migration trends offer clues to national relocation patterns, a deeper dive reveals nuances crucial for informed investment decisions. Let's dissect the data and uncover hidden gems for investors seeking growth potential.

However, it gets more interesting when you dig into the city data ([U.S. Growth Cities of 2022: Ocala Tops List as Families Flock to Florida | U-Haul \(uhaul.com\)](#)). While Ocala, Florida, takes the top spot, Sacramento, California takes second place for most moves on the growth city list. In fact, a Texas city doesn't hit the list until spot 13. As you can see on the map below, which shows population increases (green) and declines (red), it isn't as if all of Texas is bright green, or all of California is red. In fact, if you look closely, areas of Dallas have seen declines as people move to neighboring suburbs, and many areas of Southern California are experiencing tremendous growth. Let's look closer at some of the various state maps to see why these lists aren't always as they seem.



Key Insights:

Urban Magnets: Despite state-level growth, some cities within those states are experiencing decline. Focus on urban centers with consistent job growth and rising populations, like Sacramento in California.

Beyond Sun Belt Boom: While Texas and Florida dominate the state rankings, explore thriving pockets within declining states, like Bakersfield in California, experiencing positive migration trends.

Granular Data is Key: Don't rely solely on state-level data. Utilize detailed city-level migration trends and economic indicators to identify hidden investment opportunities.

Evergreen Capital: Your Guide to Smart Location-Based Investing:

Data-Driven Targeting: We leverage advanced analytics to pinpoint cities and neighborhoods undergoing dynamic population shifts and economic expansion, maximizing your investment potential.

Beyond Traditional Metrics: We go beyond simple migration data, incorporating job market analysis, wage growth trends, and local infrastructure developments to paint a comprehensive picture of investment potential.



4Q Apartment Demand: Insights for Investors

U.S. apartment demand in the fourth quarter of 2023 displayed strength, with some markets surpassing pre-COVID norms. Most notably, Sun Belt cities, experiencing robust population growth and job market performances, outperformed long-term demand averages. Phoenix stood out as a top performer, absorbing nearly 4,300 units in Q4 2023, a significant increase from the 2010-2019 average of less than 900 units. Houston and Austin in Texas also exhibited notable demand recovery. Conversely, markets like San Diego and Los Angeles faced challenges, with San Diego logging the worst demand performance among the top 50 markets, experiencing net move-outs of nearly 990 units in Q4 2023.

Markets Where 4Q Demand Well Outpaced Pre-COVID Norms

Market	4Q23 Demand	4Q10 - 4Q19 Average	Difference
Phoenix	4,282	866	3,416
Houston	3,737	481	3,256
Atlanta	2,939	-158	3,097
Minneapolis	2,553	-279	2,832
Newark	3,065	419	2,646
Raleigh/Durham	2,886	525	2,361
Orlando	2,652	416	2,236
Detroit	1,083	-1,102	2,185
Austin	2,915	912	2,003
Chicago	-788	-2,777	1,989
Charlotte	2,498	517	1,982
Salt Lake City	2,171	262	1,909



Source: RealPage Market Analytics

The data, sourced from RealPage Market Analytics, revealed that demand in 12 markets, including Phoenix, significantly outperformed long-term norms by at least 1,900 units. These markets demonstrated the strongest demand rebound, marking a positive trend for investors.

Markets Where 4Q Demand Came in Below Pre-COVID Norms

Market	4Q23 Demand	4Q10 - 4Q19 Average	Difference
San Diego	-987	235	-1,222
Los Angeles	1,226	1,938	-712
Indianapolis	-423	34	-457
Anaheim	17	364	-347
Kansas City	-539	-222	-317
San Jose	-431	-115	-316
Greensboro/W-S	-54	255	-309
Portland	-381	-78	-303
Seattle	-193	83	-276
Memphis	-39	24	-63



Source: RealPage Market Analytics

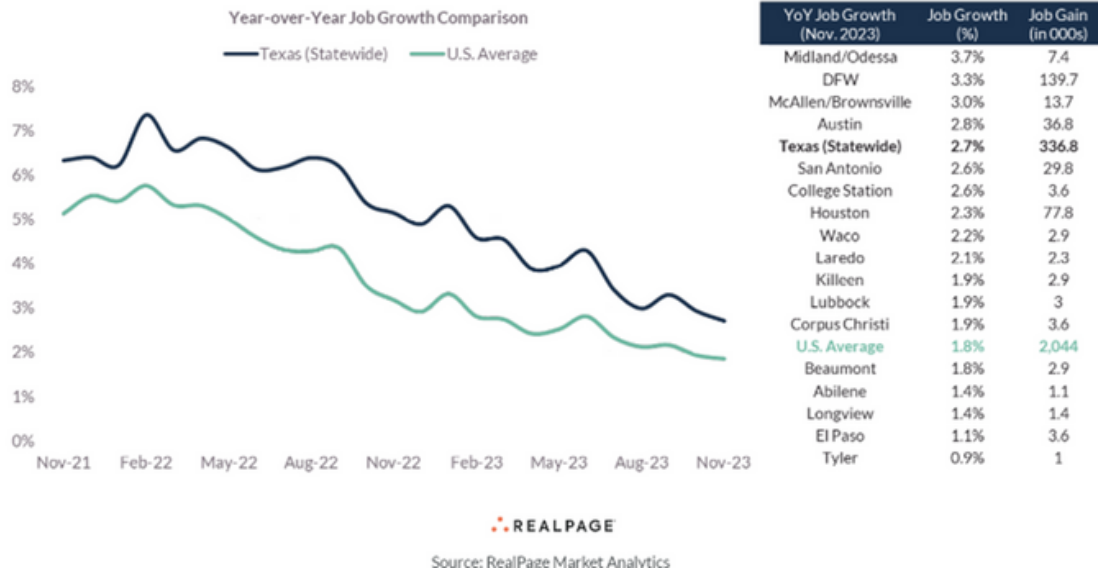
Evergreen Capital Key Insights:

Evergreen Capital notes that the robust demand in select markets, particularly those in the Sun Belt, underscores the potential for investment opportunities. The continued population growth, coupled with job market strength, indicates sustained demand for housing. Investors may find value in markets like Phoenix, Houston, and Austin, where the combination of job growth and increased demand presents favorable conditions. However, caution is advised for markets facing challenges, such as San Diego and Los Angeles, where demand struggles are anticipated in 2024 due to substantial completion volumes.

Evergreen Capital suggests investors carefully evaluate market dynamics, focusing on regions with strong demand fundamentals and potential for growth in the coming year. Understanding the unique challenges and opportunities presented by each market will be crucial for making informed investment decisions in the evolving landscape of the U.S. real estate market.



Texas Job Growth Fuels Strong Investor Interest



Texas continues to be a powerhouse in job creation, outpacing national employment standards with 336,800 jobs added in the year-ending November, reflecting a remarkable 2.7% increase. This robust performance, well ahead of the U.S. average of 1.8%, positions Texas metros prominently in the national job growth landscape. Notable standouts include Midland/Odessa ranking 15th, Dallas/Fort Worth ranking 20th, and other cities like McAllen/Brownsville, Austin, San Antonio, and College Station securing positions in the top quartile nationally. This strong job growth, a precursor to solid household formation, has propelled significant apartment demand in key Texas markets, particularly Houston, Austin, and Dallas.

Bureau of Labor Statistics data underscores Texas' exceptional job growth, reinforcing its reputation as an economic hub. The state's resilience in the face of the broader economic slowdown is a testament to its robust employment market.

Evergreen Capital Key Insights:

Evergreen Capital highlights the compelling link between strong job growth and increased household formation, emphasizing the potential for sustained demand in the Texas real estate market. The firm advises investors to closely monitor the thriving job markets in Texas, particularly in Houston, Austin, and Dallas, as they present favorable conditions for real estate investment. The correlation between job growth and apartment demand underscores the resilience of these markets, offering investors valuable opportunities in the evolving economic landscape.

In conclusion, Evergreen Capital encourages investors to consider the dynamic job market in Texas as a key factor in their investment strategy, leveraging the state's economic strength for potential long-term returns. The firm's insights position Texas as a strategic focus for investors seeking stability and growth in the real estate sector.

Navigating Commercial Real Estate Challenges



Recent trends in Commercial Real Estate (CRE) present challenges as the industry navigates uncertainties. The fourth quarter of 2023, typically robust for CRE investment, recorded a significant downturn, with transactions totaling \$89.5 billion – marking the lowest point of the year, and a year-over-year decline of -41%. Major metros experienced a 37% slide, while non-major metros were down by 42%. Property types such as multifamily, industrials, hotels, offices, retail, and development sites saw declines ranging from 27% to 50%. Seniors housing and care, however, showed resilience with a 9% increase.

Key Economic Data: MSCI's report highlights a challenging landscape in Q4 2023, influenced by comparisons to the stronger performance of 2022 and the record-setting 2021. Factors include falling property valuations, rising cap rates (up by 50 to 60 bps for major property sectors), and widening bid-ask gaps, contributing to poor price discovery.

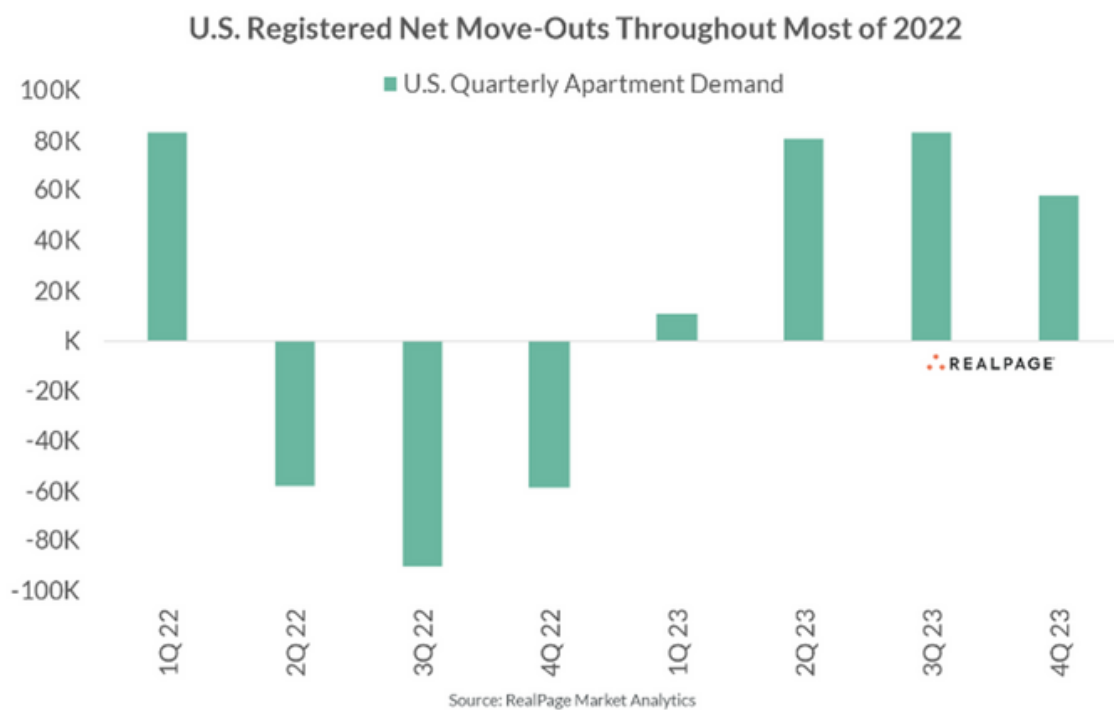
Key Insight from Evergreen Capital

Evergreen Capital acknowledges the complexities in the CRE market but emphasizes the potential for improvement in 2024, particularly with anticipated Federal Reserve interest rate drops. The current disconnect between buyers and sellers, resulting in bid-ask gaps, is seen as a temporary challenge. Evergreen suggests that investors remain vigilant and strategic, considering the broader macroeconomic landscape and the potential impact of interest rate adjustments in the coming months. While challenges persist, opportunities for well-informed investors may emerge as the market undergoes adjustments in 2024.



Resilient Rental Havens: Unveiling the 6 Apartment Markets That Defied the Odds

While apartment demand experienced turbulent highs and lows in 2022 and 2023, a select few markets emerged as beacons of stability. Unveiling the secrets of their success provides valuable insights for savvy investors seeking resilient locations.



Key Points:

- Six markets - Charleston, Salinas, Madison, Sioux Falls, Huntsville, Provo-Orem, and Boise City - defied the national trend, avoiding net move-outs throughout the turbulent period.
- Demographic shifts, job growth, and strategic construction played crucial roles in their resilience.
- Charleston's robust job market and steady apartment construction fueled its success.
- Madison's moderate supply and established reputation attracted consistent demand.
- Huntsville and Sioux Falls capitalized on surging populations and significant apartment construction.

- Provo-Orem benefited from a growing young adult population anchored by universities.
- Provo-Orem benefited from a growing young adult population anchored by universities.
- Boise City attracted remote workers and enjoyed healthy job growth.

Evergreen Capital: Your Guide to Navigating a Dynamic Market:

Data-Driven Market Selection: We leverage in-depth market analysis to identify resilient locations with robust job markets, favorable demographics, and strategic development plans.

Beyond the Headlines: We delve deeper than surface-level trends, considering factors like wage growth, infrastructure developments, and local economic diversification to assess long-term sustainability.

Tailored Investment Strategies: We partner with you to craft personalized investment plans aligned with your risk tolerance and goals, focusing on sectors and locations poised for enduring success.

Proactive Risk Management: We actively monitor market shifts and identify potential challenges, helping you make informed decisions and adapt your strategies as needed.

Conclusion:

While the recent national apartment market presented challenges, these resilient markets offer valuable lessons for investors. Partnering with Evergreen Capital empowers you to leverage data-driven insights, identify hidden gems, and craft investment strategies that thrive in diverse market conditions. Don't settle for fleeting trends. Embrace a data-driven approach, invest in resilient locations, and build a portfolio poised for long-term success.

Contact Evergreen Capital today and let's chart your course towards investment stability in a dynamic landscape.

Together, we can unlock the potential of resilient markets and navigate market fluctuations with confidence, turning challenges into opportunities and securing your investment future.