



Apartment Rents Show Tentative Signs of Recovery, Investors Advised Caution



Nationwide median rent ticked up 0.2% in March, snapping a six-month decline, according to the latest Apartment List report. This aligns with seasonal trends, but year-over-year growth remains negative at -1%.

While this uptick suggests a potential market shift, a cautious approach is still necessary for investors. The national vacancy rate remains high at 6.6%, and a record number of new apartment completions are expected in 2024.

Evergreen Capital's Insights:

- **Market Selectivity is Key:** While rent growth shows tentative signs of recovery, a national perspective can mask underlying market variations. Evergreen Capital recommends focusing on markets with strong job growth and limited new construction. These markets are better positioned for a quicker rent recovery and can offer more attractive investment opportunities.
- **Sun Belt Opportunities:** Sun Belt markets like Austin, Atlanta, and Nashville have seen significant year-over-year rent declines. This presents a potential buying opportunity for investors with a value-add strategy. Strategic renovations and operational improvements can unlock hidden potential in these markets, creating a compelling risk-reward profile.

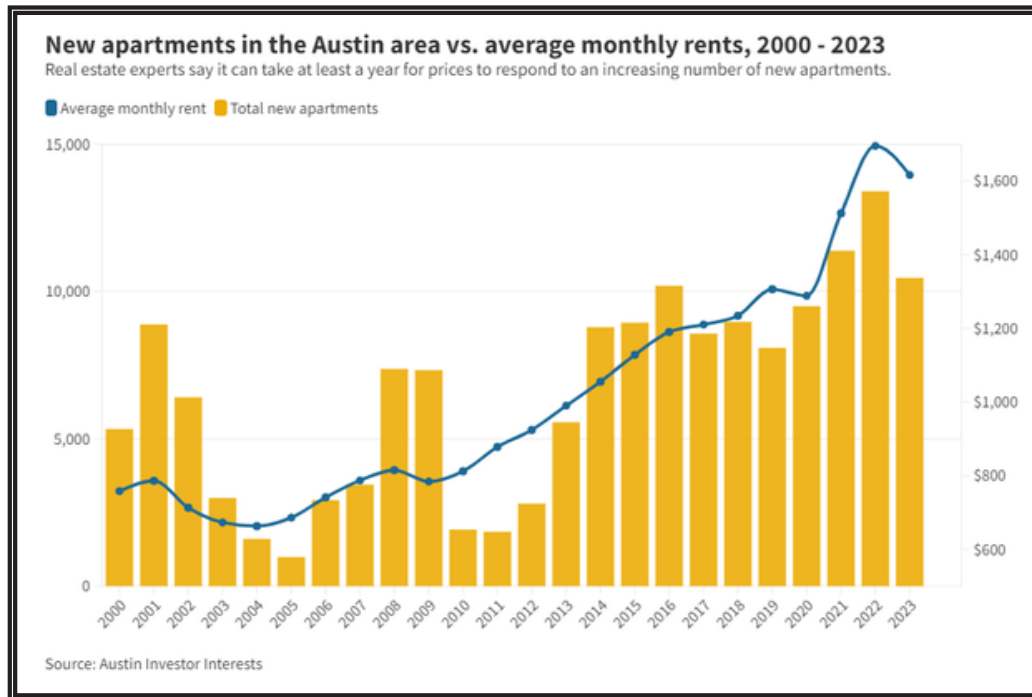


Evergreen Capital's Insights:

- **Data-Driven Approach:** Evergreen Capital leverages in-depth market analysis to identify emerging trends, assess local economic factors, and pinpoint hidden gems. This data-driven approach allows us to help investors navigate the evolving market landscape and make informed investment decisions.

In conclusion, the recent uptick in apartment rents offers a glimmer of hope for investors, but a cautious approach remains essential. While the national vacancy rate and new supply pose challenges, strategic investment opportunities exist. Evergreen Capital can help you navigate this market shift. Our expertise in market analysis and value-add strategies can help you identify strong markets and unlock potential in Sun Belt markets experiencing rent declines. Let's connect today to build a resilient multifamily portfolio for long-term success.

Austin Apartment Bust: A Boon for Renters, a Challenge for Investors



Austin's once red-hot apartment market is experiencing a slowdown, offering temporary relief to renters but raising concerns for investors.

A Glut of Supply Dampens Rents: Fueled by a pandemic migration boom and low interest rates, developers flooded the market with new apartments. This surge in supply has driven rents down 6% year-over-year, the first decline in three years, with some landlords even offering free rent to fill vacancies.

Development Slowdown: As construction costs rise and interest rates climb, building new apartments has become less profitable. Developers are hitting the pause button, with new construction starts dropping 42% compared to two years ago.

Investor Considerations:

- **Market Selectivity is Paramount:** While overall rents are down, specific submarkets within Austin may still offer opportunities. Evergreen Capital can help investors identify areas with strong job growth and limited new construction, where rents are poised for a quicker recovery.



Investor Considerations:

- **Value-Add Strategies:** Sun Belt markets like Austin that have seen significant rent declines could present compelling opportunities for value-add investors. Strategic renovations and operational improvements can unlock hidden potential in these markets.
- **Long-Term Focus:** The current market shift is likely temporary. Long-term investors who can weather the short-term volatility may be rewarded when the market rebounds.

Evergreen Capital's Expertise:

Our data-driven approach allows us to assess market trends, pinpoint emerging opportunities, and develop a resilient multifamily portfolio positioned for long-term success.

The Road Ahead:

While lower rents offer a welcome reprieve for tenants, the slowdown in construction raises concerns about future affordability. Policymakers and developers must work together to find solutions that incentivize building and ensure a steady supply of housing in the long run.



PropTech Boom: Striking a Balance in Multifamily Investment



The multifamily sector is experiencing a surge in proptech adoption, offering opportunities for operational efficiency and resident satisfaction. However, striking a balance between technology and human connection remains crucial for investors.

Evergreen Capital Insights:

- **Strategic PropTech Implementation:** Not all technology is created equal. We help investors identify proptech solutions that streamline operations, enhance resident experience, and don't compromise human interaction.
- **Data-Driven Decision Making:** Our data analysis allows us to assess the impact of proptech on resident demographics and team capabilities within specific properties. This ensures proptech integration is tailored to maximize benefits and minimize disruptions.
- **Focus on Long-Term Value:** While proptech can deliver immediate operational efficiencies, fostering a sense of community is essential for long-term resident retention. We help investors develop strategies that leverage technology to empower on-site teams and cultivate human connection.



The Future of Multifamily Investment:

As Gen Z renters enter the market, proptech adoption will become increasingly important. Evergreen Capital can help investors navigate this shift by identifying proptech solutions that cater to the digital-native preferences of this generation.

Additionally, effective change management is key. We advocate for pilot programs and team involvement in proptech integration, ensuring a smooth transition that minimizes disruption and maximizes team buy-in.

In conclusion, the multifamily industry is on the cusp of a technological revolution. Proptech offers exciting possibilities for streamlining operations, enhancing resident experiences, and attracting a new generation of renters. However, investors must navigate this shift with a thoughtful approach, prioritizing solutions that complement, not replace, human connection. By strategically implementing proptech, focusing on long-term value creation, and fostering a culture of innovation, investors can unlock the full potential of this evolving market. Evergreen Capital can be your partner in this journey, guiding you towards proptech solutions that optimize your investments and cultivate thriving resident communities.



DFW Metroplex: A Magnet for Investors Seeking Diversified Growth



The Dallas-Fort Worth metroplex is experiencing a meteoric rise, transforming into a multi-industry powerhouse. This presents a compelling opportunity for investors seeking a dynamic and diversified market.

Evergreen Capital Insights:

- **DFW's Diversified Growth:** The region's economic strength is not tied to a single industry. From finance and healthcare to tech and manufacturing, DFW offers exposure to a wide range of growth sectors. This diversification mitigates risk and fosters long-term stability.
- **Strategic Infrastructure Investments:** DFW is committed to infrastructure improvements that support its booming population and economy. These investments, including transportation upgrades and airport expansions, enhance connectivity and position the region for continued success.
- **Focus on Talent and Innovation:** The influx of young professionals and the establishment of research facilities like the new Children's Health/UT Southwestern pediatric campus underscore DFW's commitment to fostering a skilled workforce and fostering innovation. This bodes well for future economic growth.



- **Thriving Environment for Women-Owned Businesses:** DFW ranks second nationally for women-owned business growth, highlighting a supportive ecosystem for entrepreneurship. This fosters a dynamic and inclusive business environment.

Partnering for Success in DFW:

Evergreen Capital is well-positioned to guide investors towards lucrative opportunities in the DFW market. Our expertise in data analysis and proptech integration allows us to identify high-potential investments and optimize asset performance. We can help you navigate this dynamic market and capitalize on DFW's long-term growth trajectory.

The Future of DFW:.

As DFW continues to invest in infrastructure, attract talent, and nurture innovation, its economic vibrancy is assured. This makes it a strategic location for investors seeking a diversified and prosperous market.



Job Growth Not Always Golden for Apartment Investors: A Look Beyond Headlines



While job growth is a positive economic indicator, it doesn't guarantee success in multifamily development. Investors need to look beyond headlines and consider market dynamics before committing capital.

Evergreen Capital Insights:

- **Strategic Market Selection:** Job growth is just one factor in a successful multifamily investment strategy. We employ data analysis to identify markets with strong job growth, limited new construction, and a healthy mix of industries, mitigating risk and maximizing returns.
- **Avoiding Overbuilding Traps:** Our team analyzes historical construction trends and considers existing inventory levels to identify markets with balanced supply and demand. This helps investors avoid overbuilt markets like Austin, where a glut of luxury apartments has led to rent declines and concessions.
- **Understanding Tenant Demographics:** Job growth doesn't always translate to renter demand. We analyze job types and wage levels to ensure new developments cater to the specific needs of the incoming workforce. This ensures strong occupancy rates and rental income.



Investing for Long-Term Success:

Evergreen Capital goes beyond surface-level data to provide investors with a comprehensive understanding of a market's true potential. We help you identify strategic opportunities and navigate potential pitfalls for long-term success in the multifamily sector.

The Takeaway:

Job growth is a positive sign, but it's only one piece of the puzzle. By strategically selecting markets and considering long-term trends, investors can avoid overbuilding traps and capitalize on the true potential of growing markets. **Contact Evergreen Capital today** to learn more about our data-driven approach to multifamily investment.