

An aerial photograph of Charlotte, North Carolina, showing a mix of urban and residential areas. In the background, the city skyline is visible with several prominent skyscrapers, including the Bank of America Corporate Center. The middle ground is filled with a dense residential area featuring many trees and smaller buildings. The foreground shows more residential structures and greenery. The sky is blue with scattered white clouds.

ULI CHARLOTTE HOUSING OUTLOOK 2026 AND BEYOND

ADAM DUCKER, CEO

June 11, 2026

RCLCO

~60

Years in
Business

400+

Engagements
Annually

>100

Employees
Globally

» RCLCO | REAL ESTATE ECONOMICS

Economics and market research services backed by 59 years of analyzing trends and consultation to the best minds in real estate.

» RCLCO | MANAGEMENT CONSULTING

Collaborative and actionable strategy planning, and operational, portfolio, and capital consultation to real estate enterprises.

» RFA | RCLCO FUND ADVISORS

Customized real estate advisory to institutional investors built on a legacy of thought leadership and analytical rigor.

We Partner with Clients to Look Around the Corner

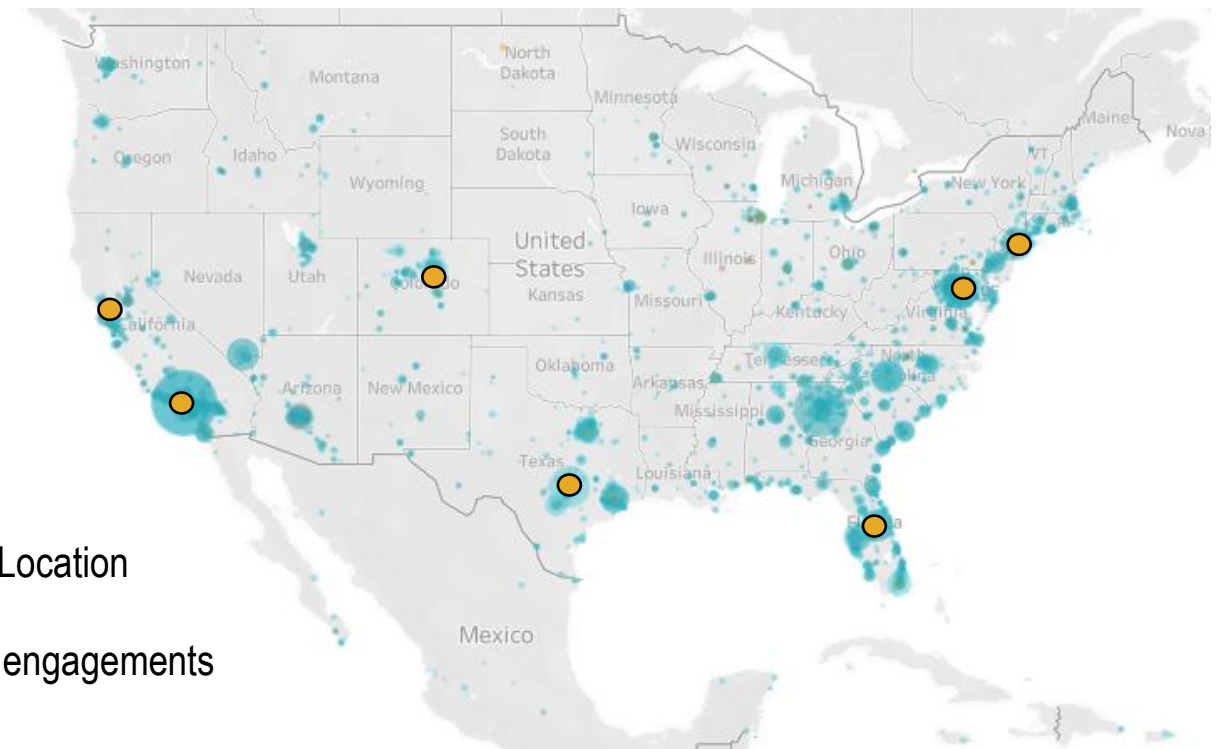
RCLCO leverages quantitative analytics and a strategic planning framework to provide end-to-end business planning and implementation solutions at an entity, portfolio, or project level. With the insights and experience gained over 55 years and thousands of projects – RCLCO brings success to all product types across the United States and around the world. RCLCO is organized into three service areas: real estate economics, management consulting, and advisory services for institutional investors through RCLCO Fund Advisors.

Where We Work

KEY

● RCLCO Office Location

Larger dot = more engagements

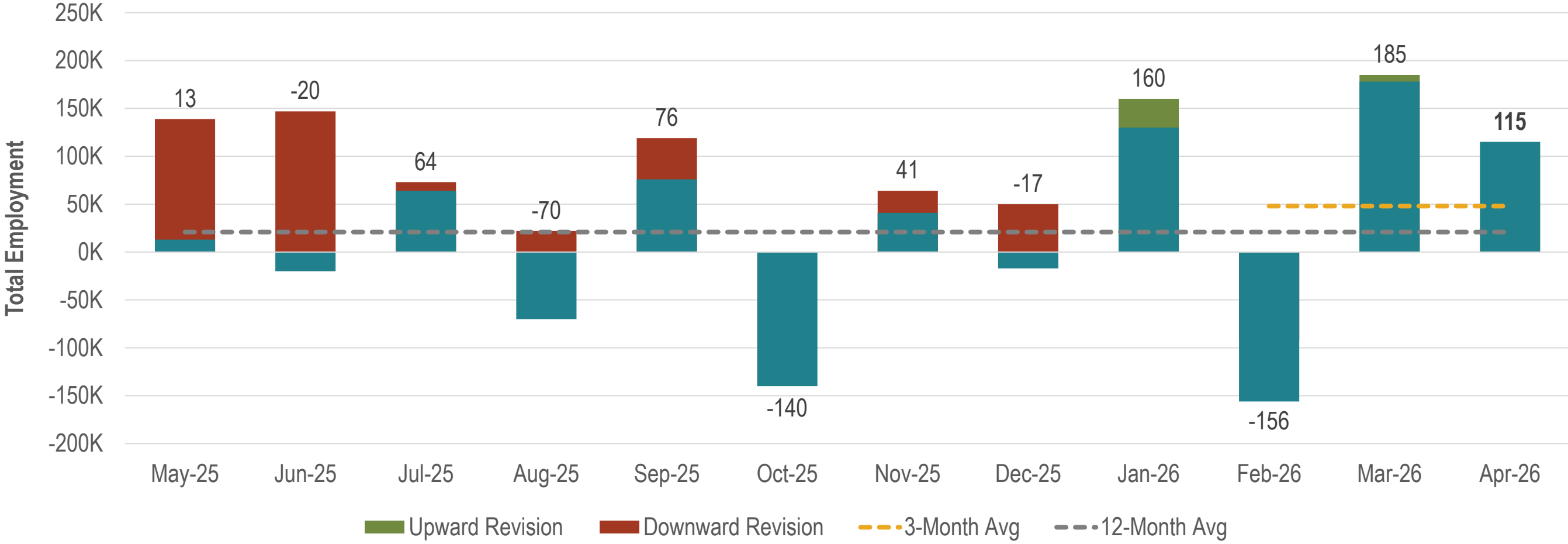


NATIONAL LANDSCAPE

US EMPLOYMENT GROWTH... NOT DEAD YET BY ANY MEANS

Employment Growth Strong Three Out of Four Past Months = Housing Demand

Monthly US Employment Growth with Revisions



Note: With the January 2026 release, the BLS implemented its annual CES benchmark revision, aligning payrolls to more complete data, which lowered March 2025 employment by 898,000 (-0.6%) and reset subsequent months off the new level. Data are as of April 2026.

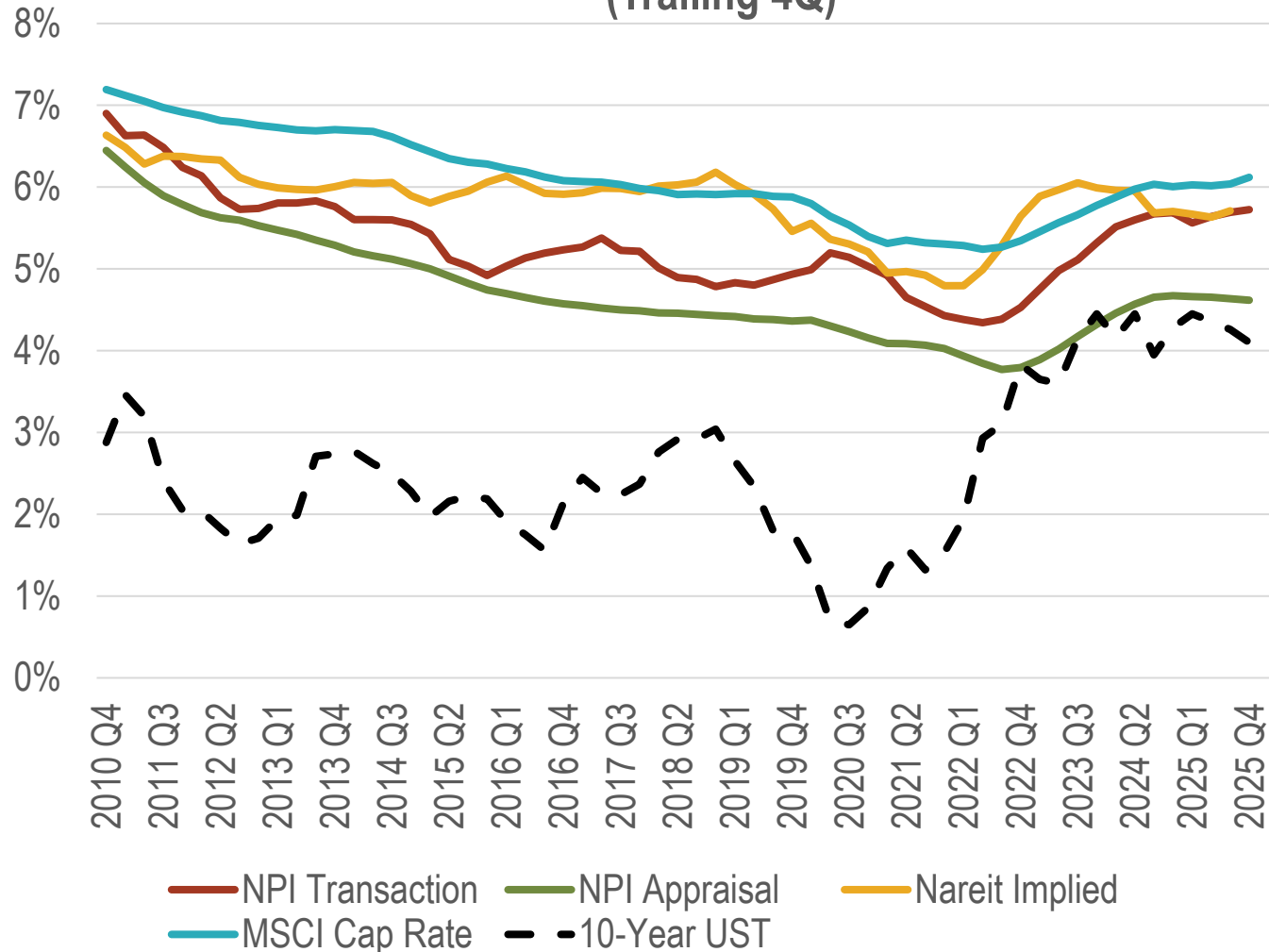
Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis; Oxford Economics



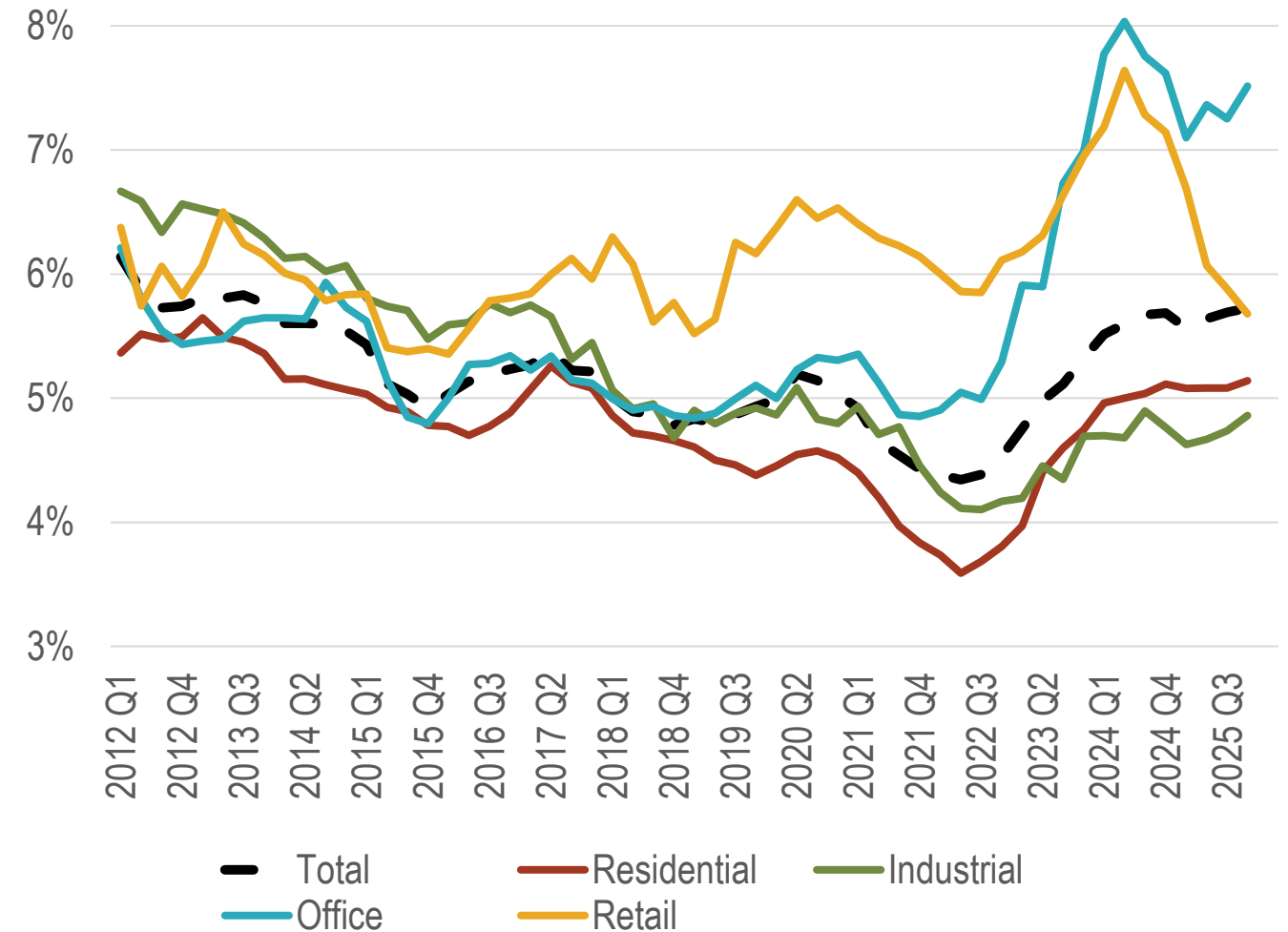
CAP RATES LARGELY STABILIZED IN 2025

Retail NPI Transaction Cap Rates Fell ~150 bps in 2025 as Sector Out-Performs

Commercial Real Estate Yields and 10-Year UST
(Trailing 4Q)



NPI Transaction Cap Rates by Property Type
(Trailing 4Q)

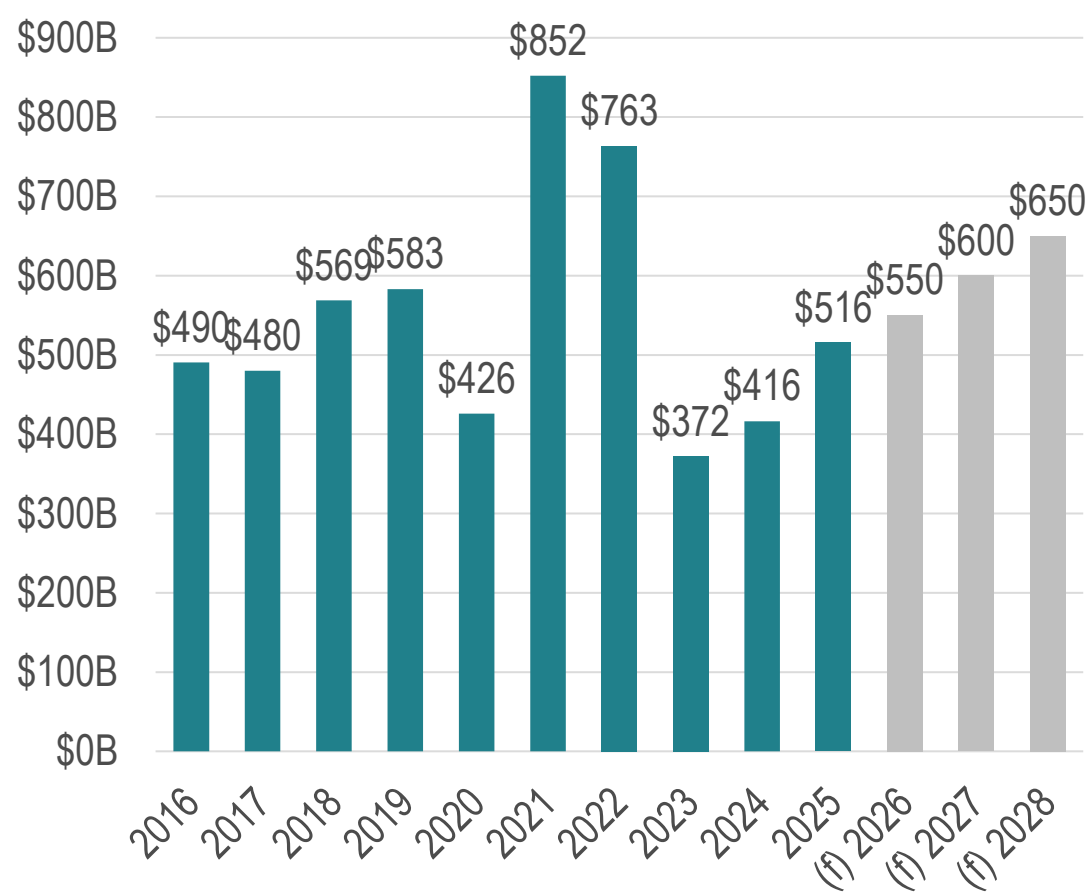


Note: Nareit data are as of Q3 2025; all other data are as of Q4 2025. 10-year UST data are quarterly.
 Mix of NPI property types varies from quarter to quarter, potentially impacting average cap rates
 Source: NCREIF; Nareit; MSCI; Federal Reserve Bank of St. Louis

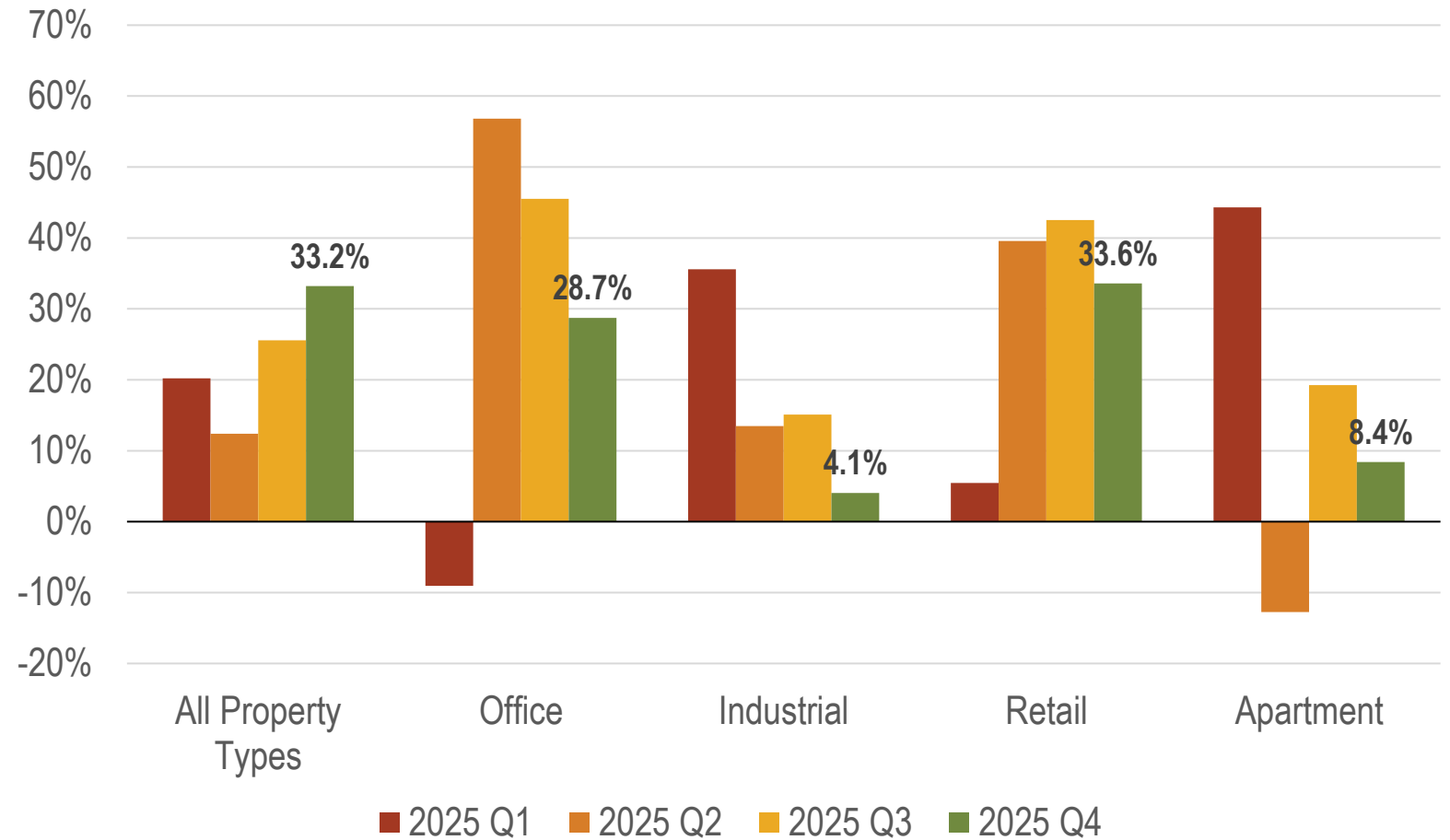
TRANSACTION ACTIVITY SLOWLY PICKING UP

Transaction Volume Rose YoY Across All Property Types in Q4

Annual Transaction Volume



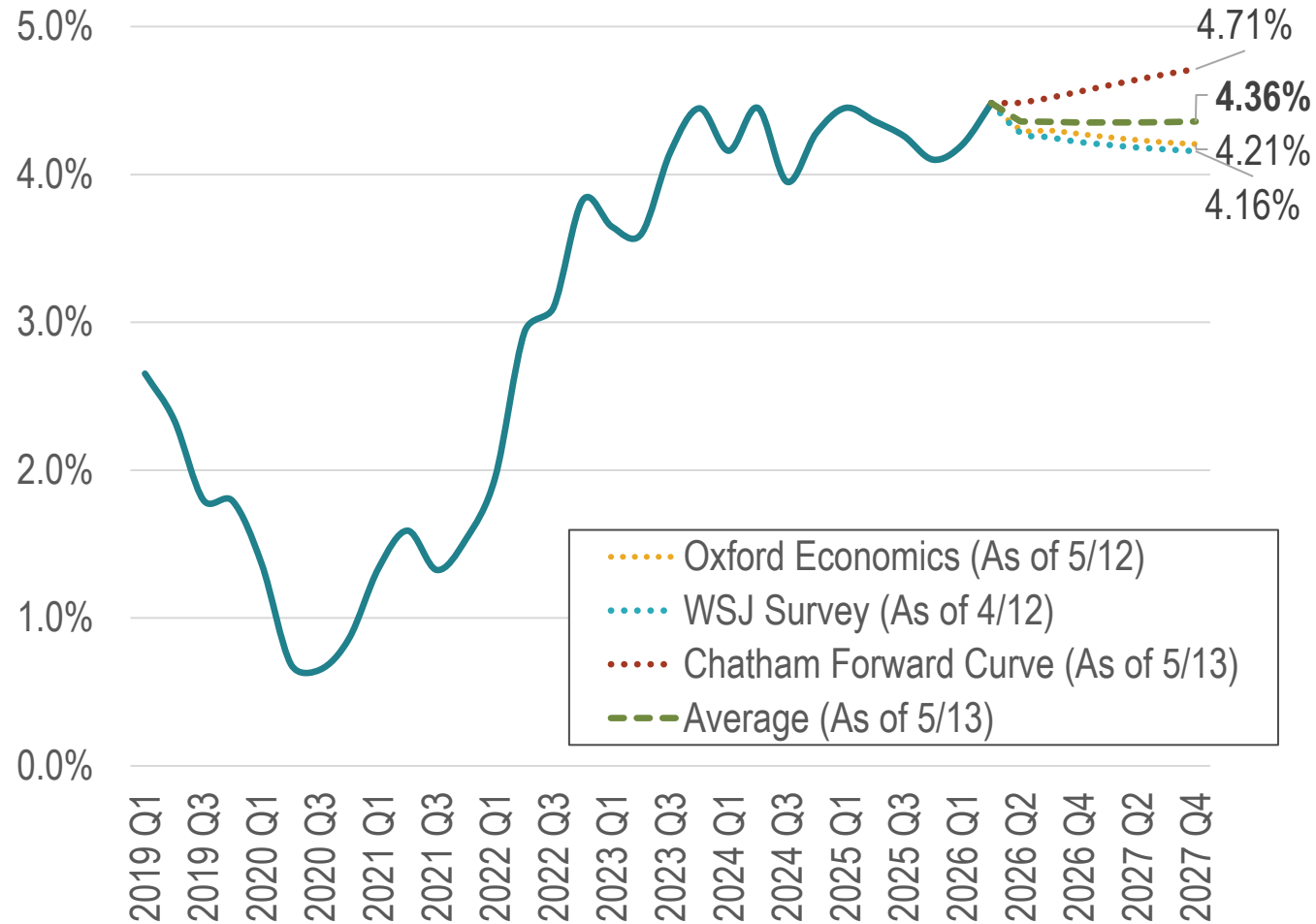
MSCI YoY Transaction Volume Change by Property Type



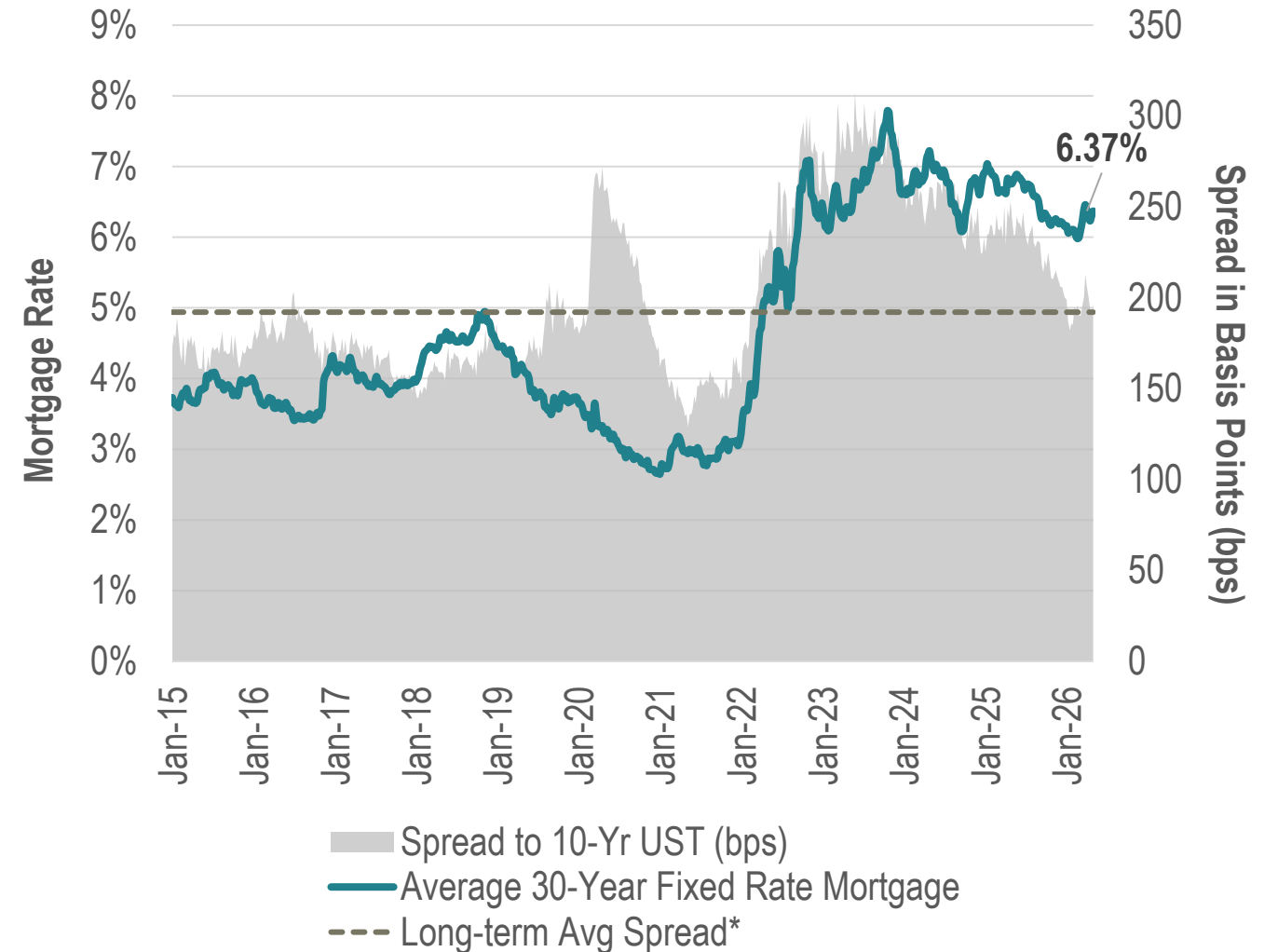
BORROWING COSTS NOT GOING THE WAY WE WOULD HOPE

Time to Accept This is the New Normal?

10-Year US Treasury Yield and Forecasts

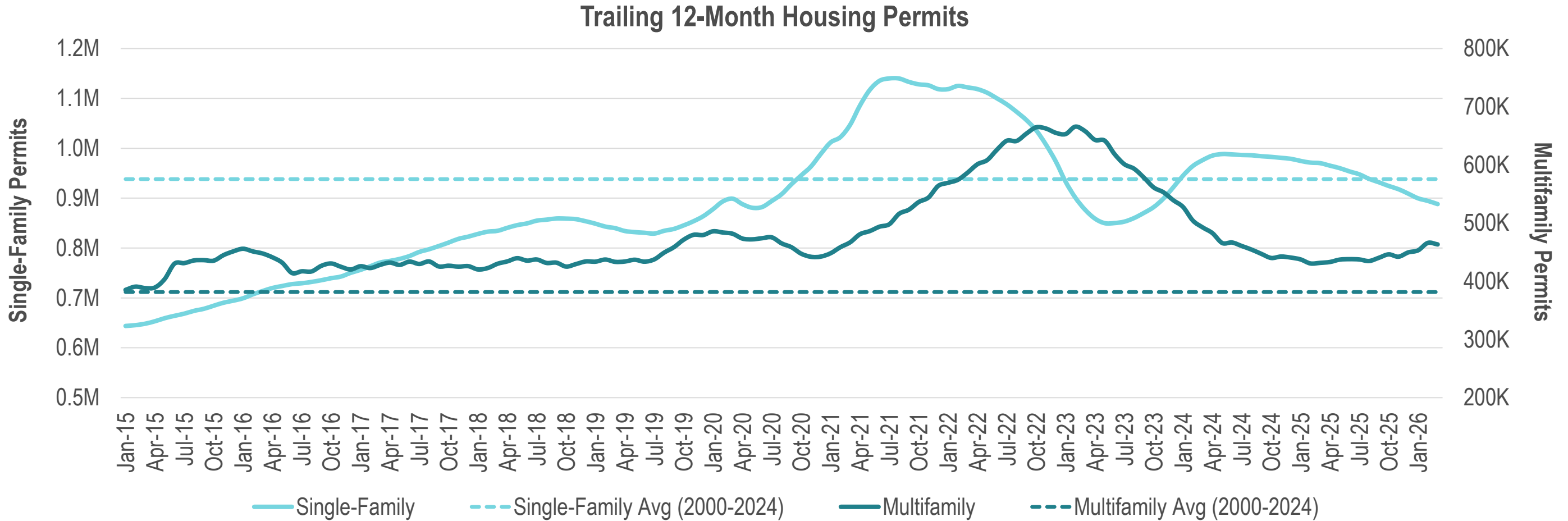


Average 30-Yr Fixed Rate Mortgage



MULTIFAMILY PERMITTING BOTTOMED OUT IN LATE 2025 IN HIGH 300S

Multifamily Permits Have Trended Up and Remained Above the Average; Single-Family Permits Continued Decline



Data are as of April 2026.

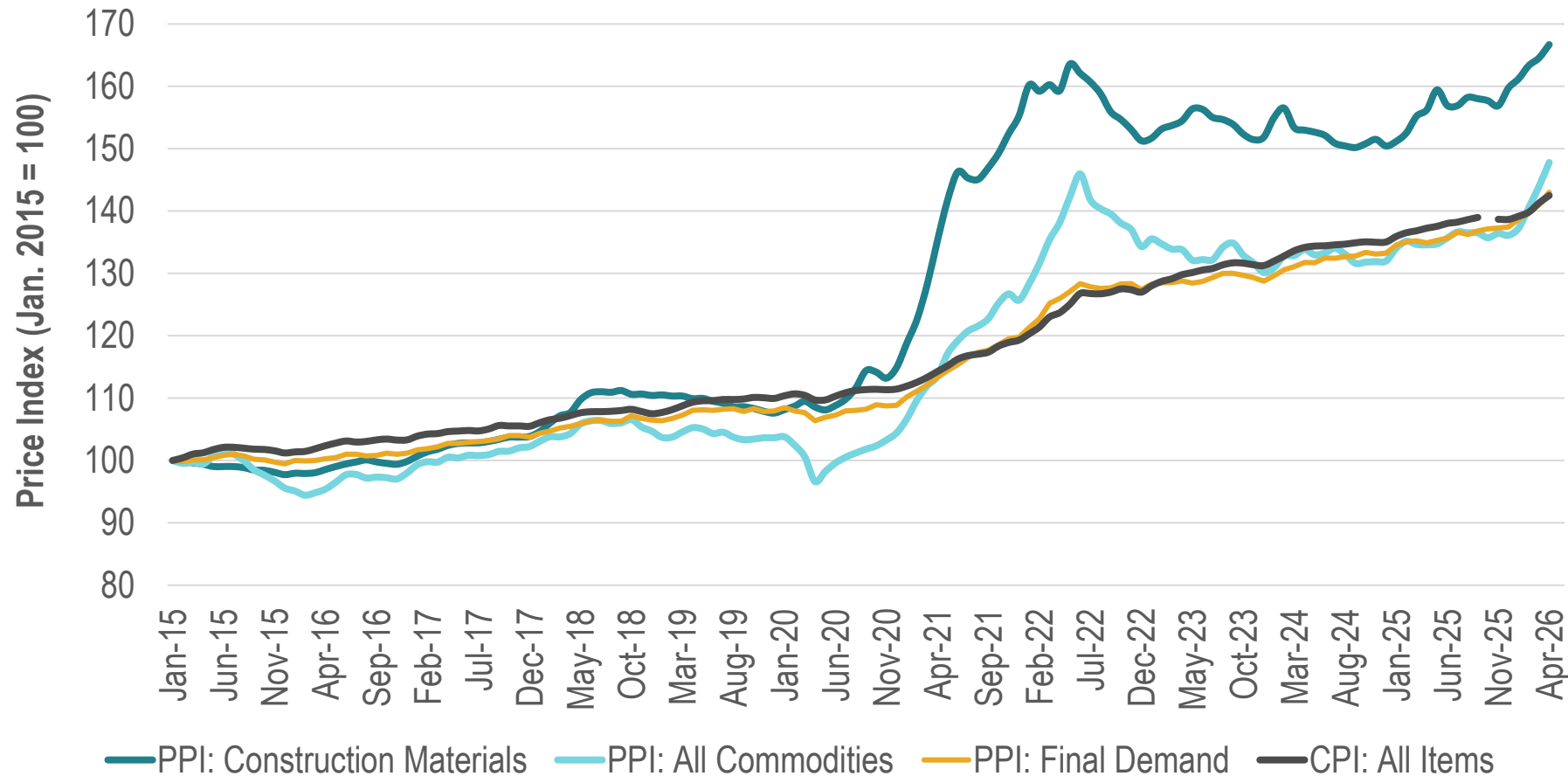
Note: Housing data release one month in arrears.

Source: U.S. Census Bureau; Federal Reserve Bank of St. Louis

CONSTRUCTION PRICING MAY HAVE BOTTOMED OUT

Not Clear Whether Spike in Recent Months Factors in Petroleum Price Impacts

Production and Consumer Price Indices



April 2026 Producer Price Index

	Monthly	Trailing 12-Month	10-Yr Annual Avg
PPI: Construction Materials	1.3%	6.7%	5.4%
PPI: All Commodities	2.7%	9.8%	4.5%
PPI: Final Demand	1.4%	6.0%	3.6%
CPI: All Items	0.9%	3.8%	3.4%

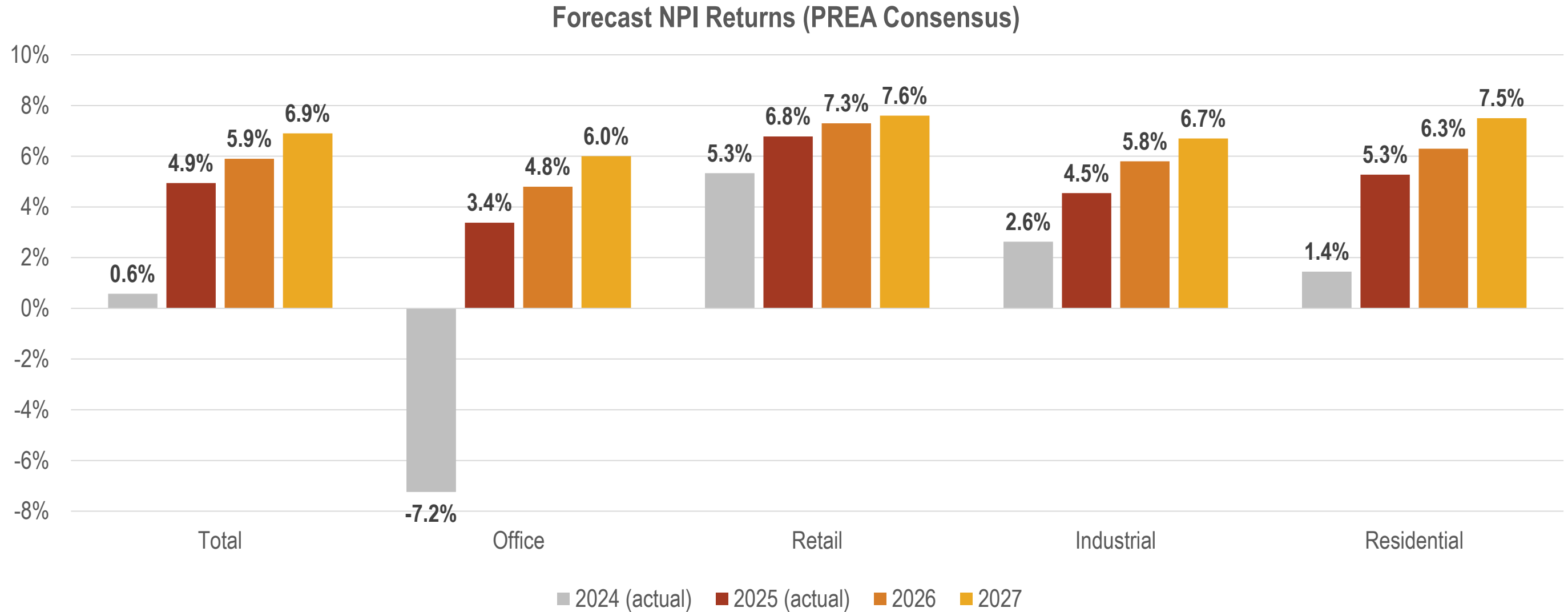
Data are as of April 2026.

Note: Monthly figures represent seasonally adjusted CPI; trailing 12-month and index figures represent not seasonally adjusted CPI. Monthly and trailing 12-month PPI data are not seasonally adjusted.

Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis

NPI RETURNS

Retail and Residential Are Forecast to Outperform Over the Next Two Years

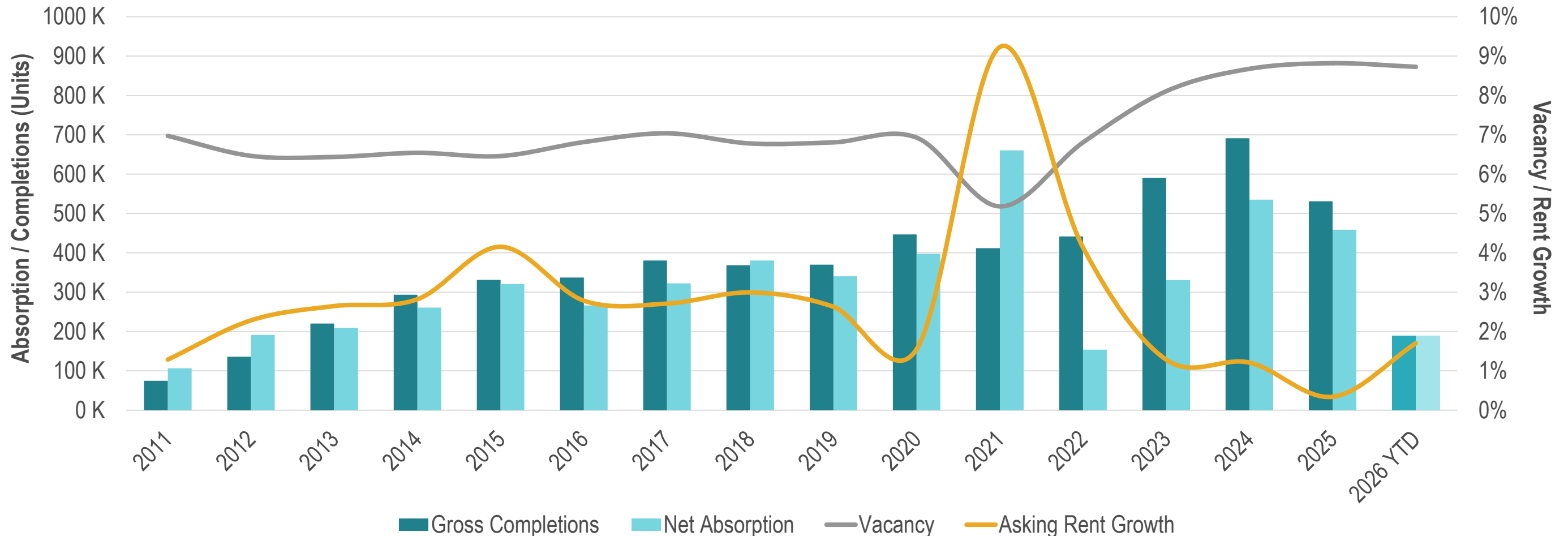


National Multifamily Trends

FUNDAMENTALS BOTTOMED OUT IN 2025 (2024?)

Rent Growth Is Forecast to Improve Over Balance of 2026, Accelerate in 2027?

U.S. Apartment Completions, Absorption, Vacancy, and Rent Growth



As of June 2026.

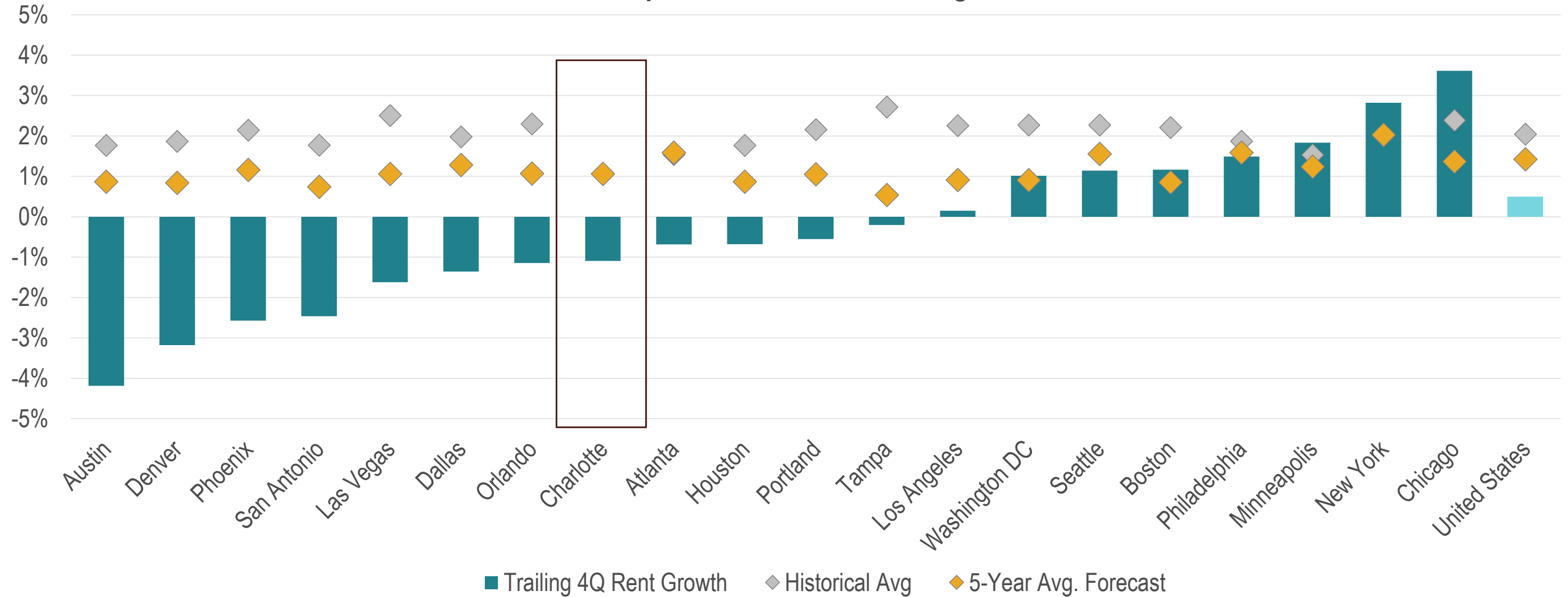
Note: Data are filtered for market-rate properties with 20 units or more; rent growth and vacancy are rolling four-quarter averages; absorption and completions are four-quarter totals; rent growth is based on market asking rent; vacancy reflects stabilized vacancy.

Source: CoStar

AND RENT GROWTH PATTERN ALONG WITH IT

Rent Growth Is Forecast to Improve in Most Markets, Charlotte a Laggard

Apartment Current and Long-term Rent Growth



Notes: The chart shows the twenty largest apartment markets by CoStar inventory; the markets are CoStar-defined real estate markets not necessarily MSAs or central cities; long-term effective rent growth is the average since 2000 Q1.

Source: CoStar

DEMOGRAPHIC TRENDS TO SUPPORT SENIOR HOUSING AND SFR/BTR

Investment Implications

- ▶ Rapid growth in renter households aged 75+ will boost demand for **senior housing**
- ▶ Renter households aged 35-44 also to increase meaningfully; prime candidates for **SFR/BTR**
 - » Growth is more dependent on immigration for this cohort than for senior households
- ▶ **Multifamily** demographic outlook is mixed
 - » Slower growth among renter households aged 25-34, traditionally the primary occupants of multifamily
 - » Trend of households renting for longer may mean more 35-44-year-old households occupy multifamily than in past generations
- ▶ **Student housing** faces demographic headwinds as declining renter households under 25-years-old will drag on university enrollment

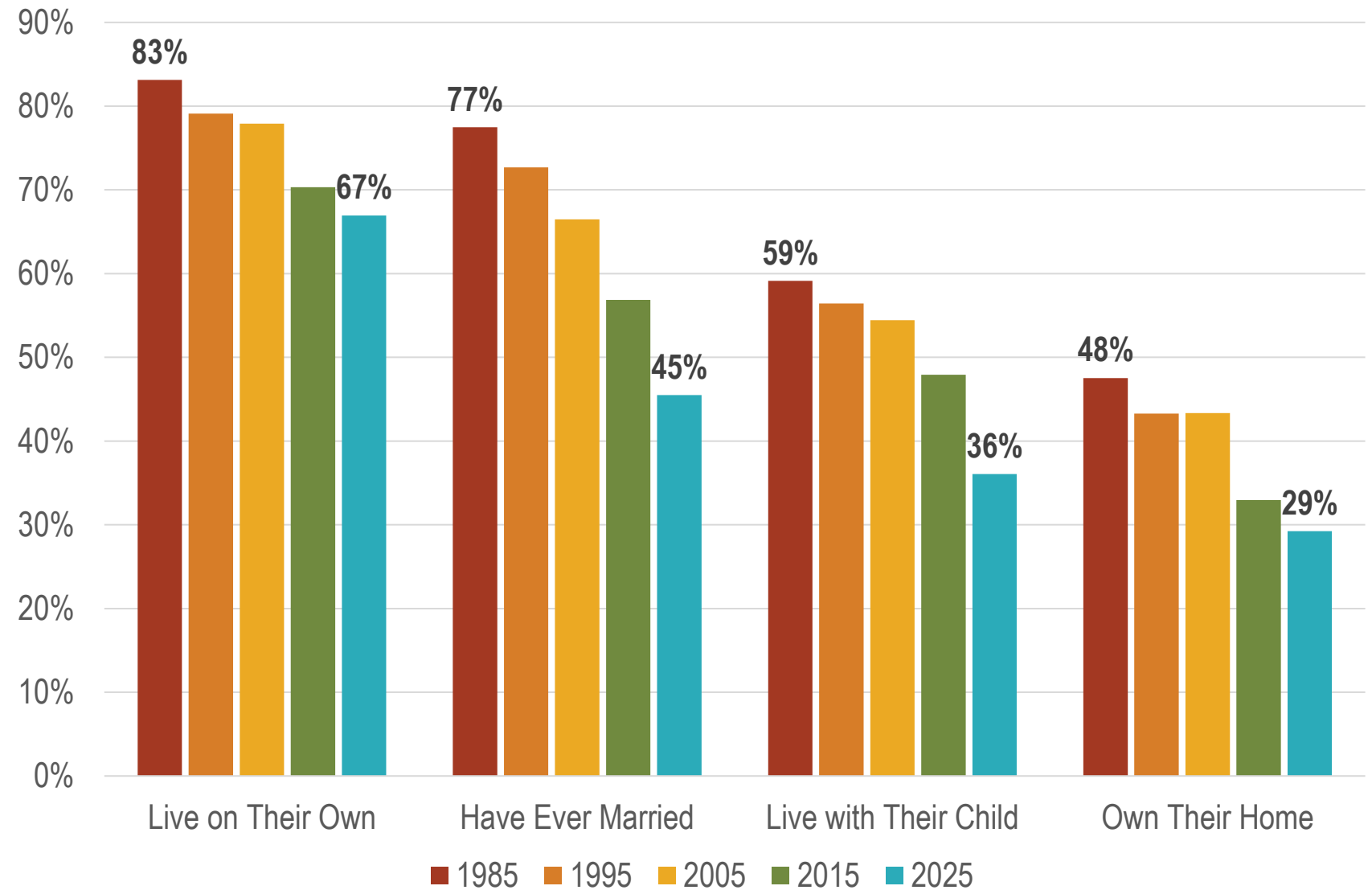
2025-35 Ann. Growth (000s)				Upper Estimate			Cumulative Renter Growth		2014-24 Ann. Growth (000s)
Age of Householder	Lower Estimate			Total	Owners	Renters	Lower	Upper	Renters
	Total	Owners	Renters						
Total	686	401	285	807	310	497	6%	11%	285
Under 25	-55	-21	-33	-49	-40	-10	-8%	-2%	44
25-34	-46	-49	3	-14	-88	74	0%	6%	76
35-44	39	-29	67	75	-90	165	7%	18%	29
45-54	177	119	59	198	132	66	9%	10%	-74
55-64	-196	-171	-24	-184	-162	-22	-4%	-4%	20
65-74	25	-12	37	34	-18	52	8%	12%	128
75 and Over	741	564	176	747	575	171	50%	48%	63

ASSUMPTION: YOUNG ADULTS CONTINUE DELAYING MILESTONES

Implication for Homeownership

- ▶ Young adults move out, get married, and have kids later, decreasing their propensity to own a home and increasing the renter phase of their lives
- ▶ Median age of a renter householder has risen from 37 in 2000 to 41 in 2025 (US Census Bureau)
- ▶ Median age of first-time homebuyers has risen from 31 in 2002 to 40 in 2025 (National Association of REALTORS)

Percent of US 30-Year-Olds Achieving Milestones



BUILD-FOR-RENT: FROM EMERGING TO ESTABLISHED

Once Emerging, BFR Is Now a Vehicle for Institutional investment

ABODE at Greenway



Amavi Mooresville

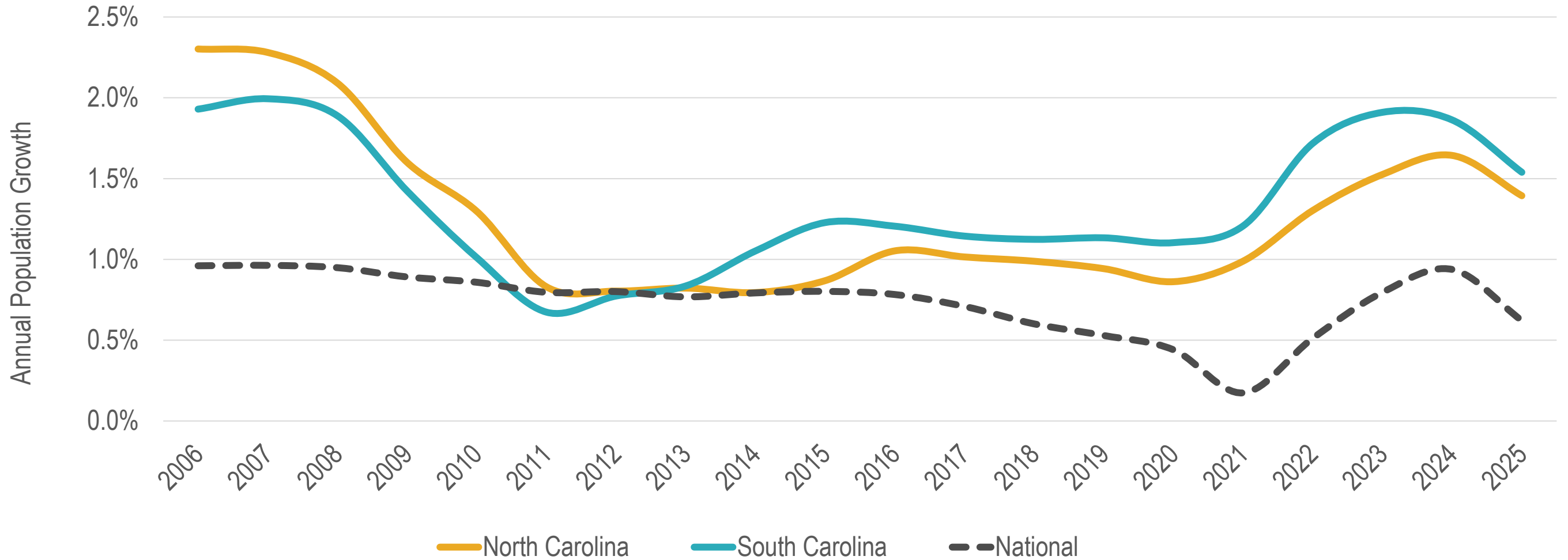


LOCAL MARKETS OVERVIEW

POPULATION GROWTH

North and South Carolina Continue to Experience Exceptional Growth

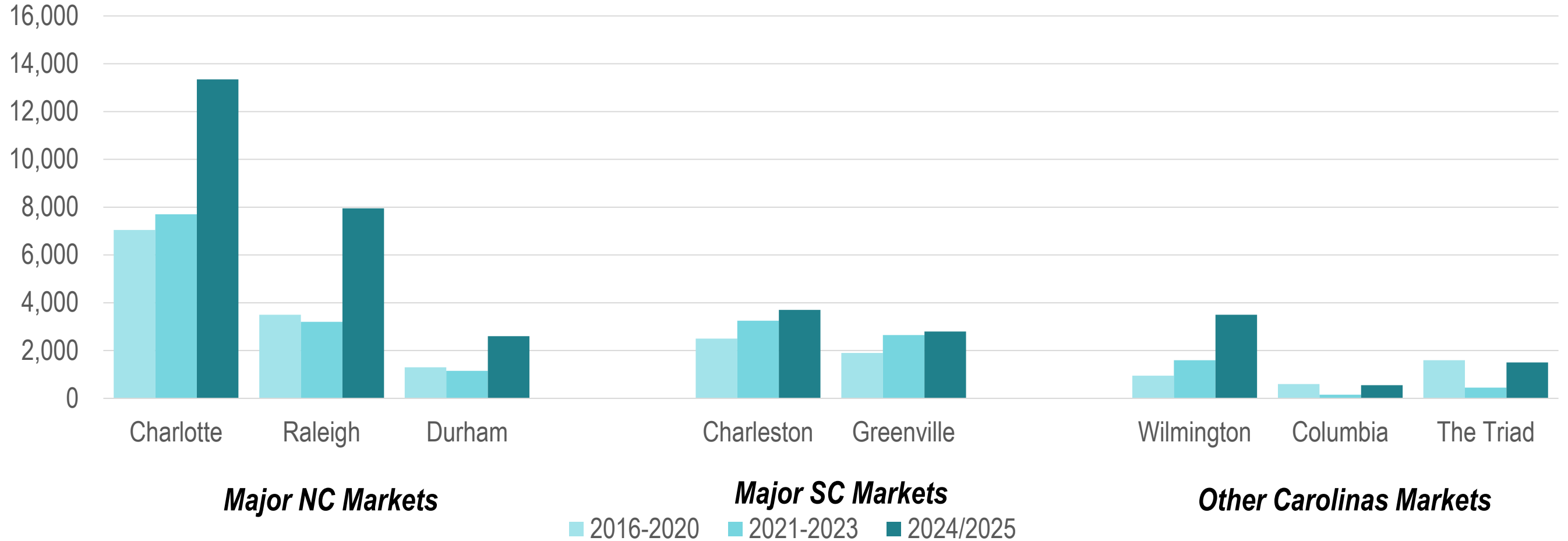
Annual Population Growth



RENTAL APARTMENT MARKET

Demand for Apartments Is at a Record High in the Carolinas

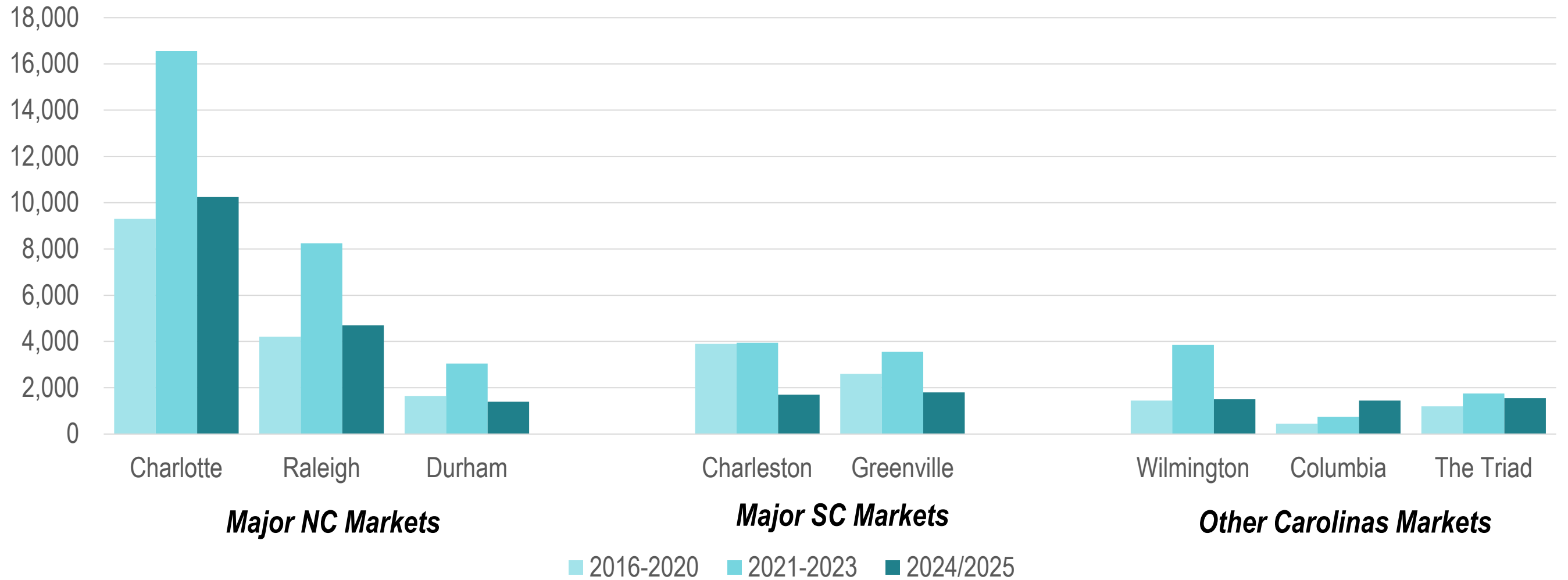
Average Annual Absorption by Time Period



RENTAL APARTMENT MARKET

New Starts are Slowing but Stubbornly Remain Elevated

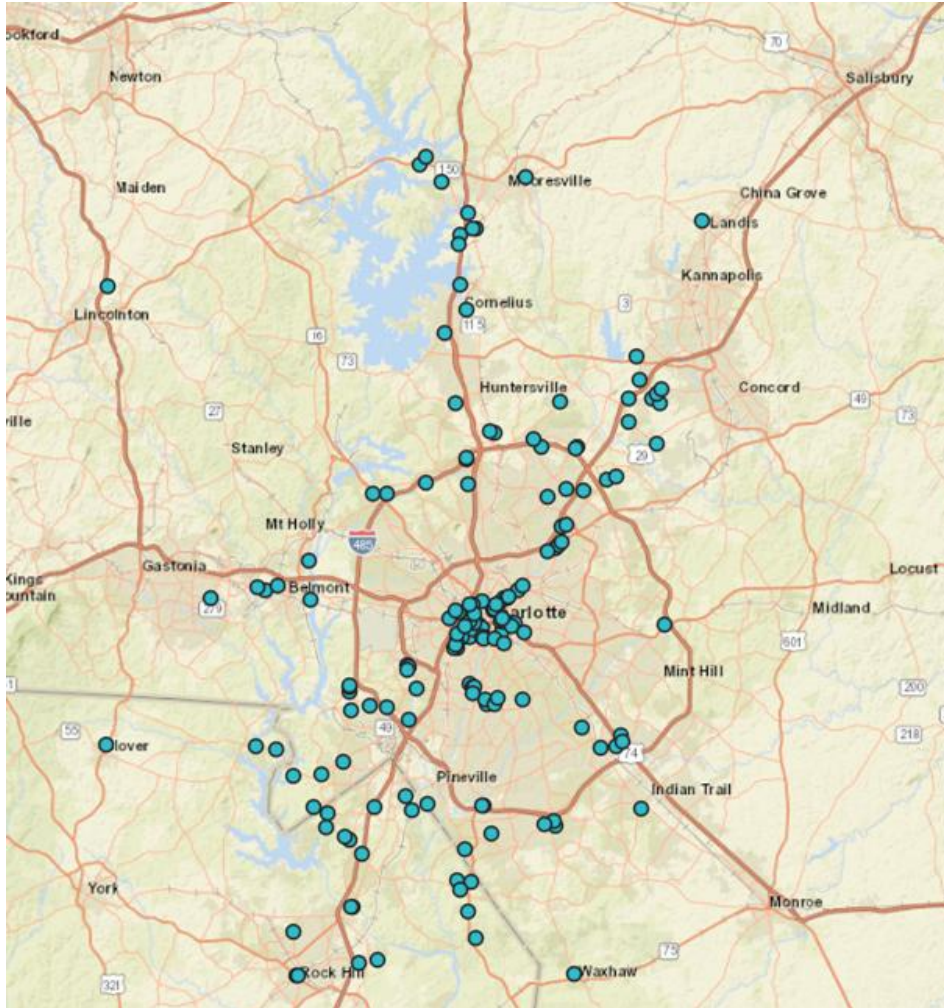
Average Annual Construction Starts by Time Periods



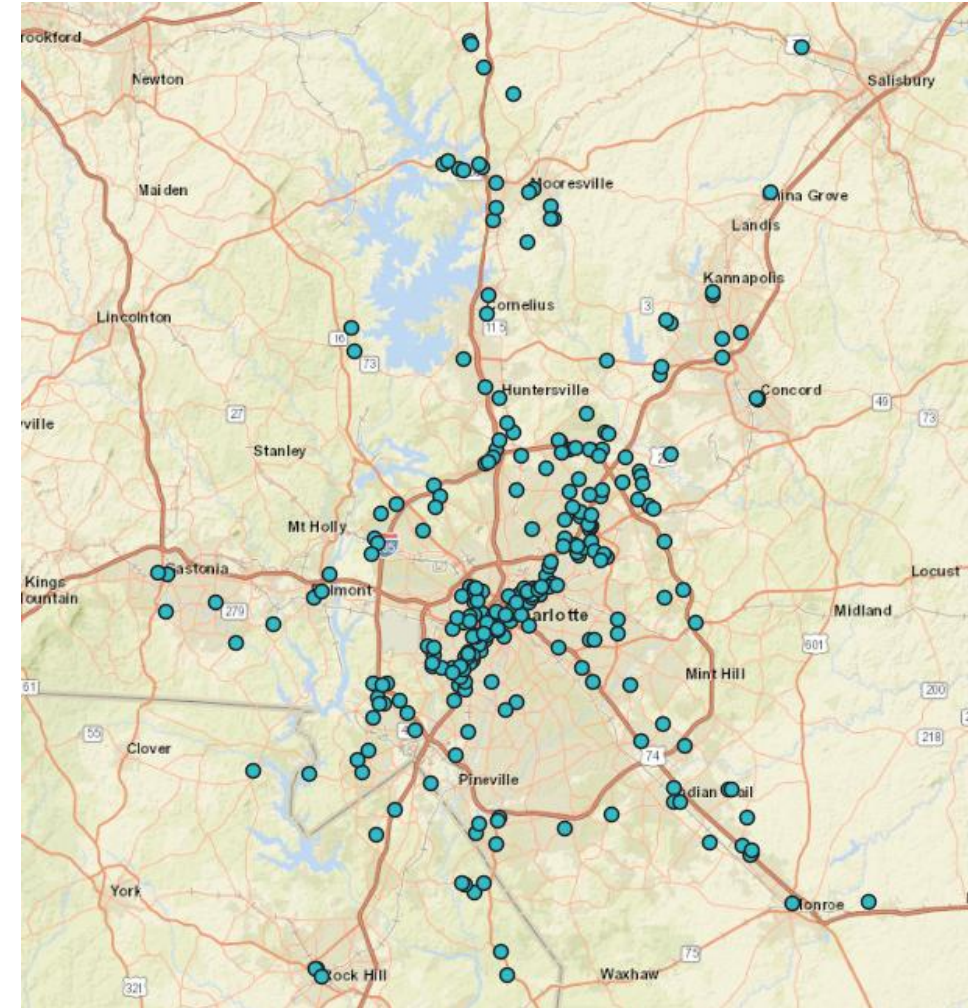
WHERE IS ALL THIS NEW SUPPLY YOU SPEAK OF?

New Construction Has Shifted to EXURBAN LOCATIONS IN ALL DIRECTIONS

New Apartment Deliveries 2016-2020



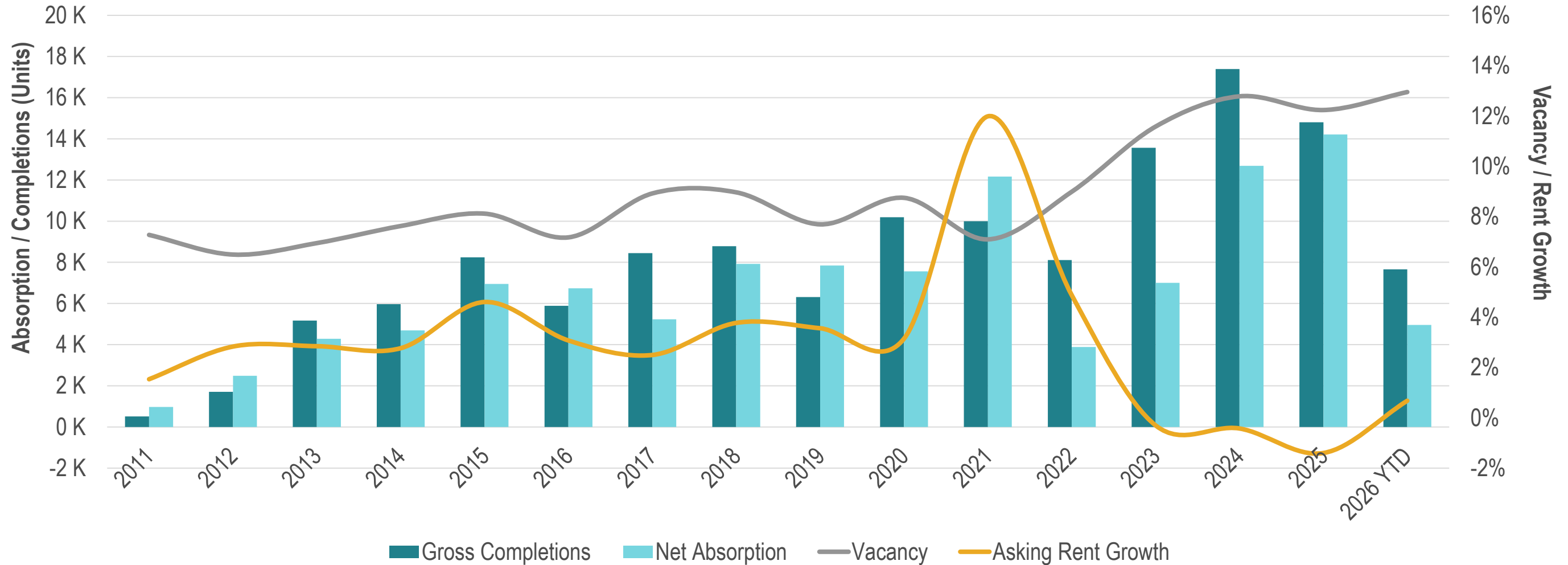
New Apartment Deliveries 2021-2025



CHARLOTTE IS/WILL RECOVERING FROM SUPPLY BOOM

But Not Much We Can do to Accelerate the Process

Charlotte MSA Apartment Completions, Absorption, Vacancy, and Rent Growth



As of June 2026.

Note: Data are filtered for market-rate properties with 20 units or more; rent growth and vacancy are rolling four-quarter averages; absorption and completions are four-quarter totals; rent growth is based on market asking rent; vacancy reflects stabilized vacancy.

Source: CoStar

GATEWAY / GROWTH MARKET DYNAMICS SHIFTING AGAIN

Vacancies Are Forecast to Remain Somewhat Elevated Across Sunbelt Markets

Apartment Current and Long-term Stabilized Vacancy



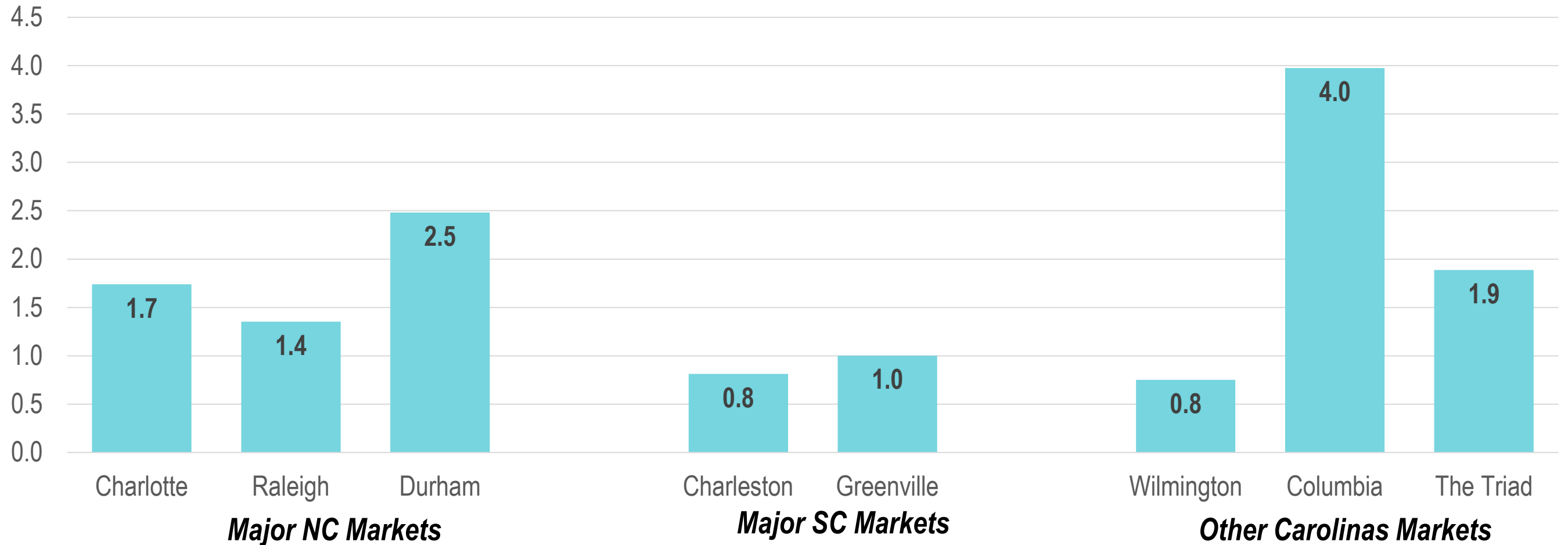
Notes: The chart shows the twenty largest apartment markets by CoStar inventory; the markets are CoStar-defined real estate markets not necessarily MSAs or central cities; long-term average vacancy is the average since 2000 Q1.

Source: CoStar

PIPELINE RISK

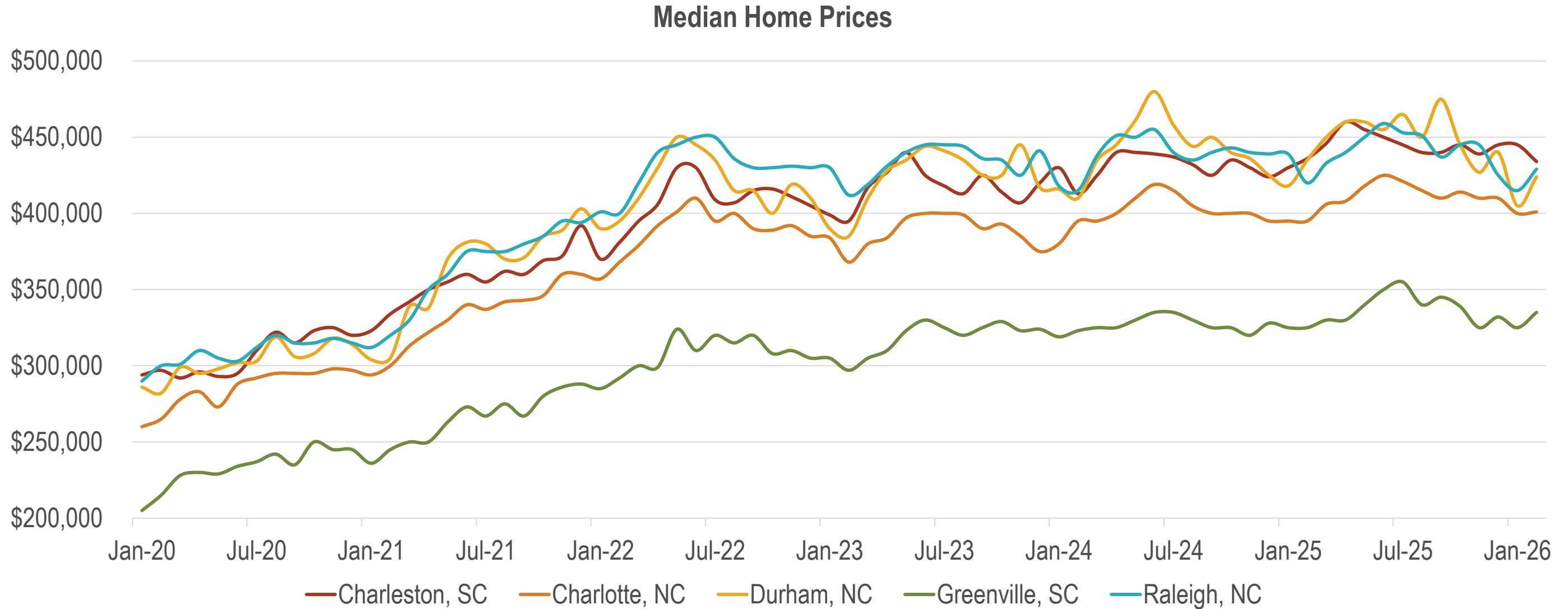
Future Pipeline Risk in Charlotte Likely to Be Trailing Off Next Year?

Years of Supply for Under Construction Apartment Units



HOME SALES

Home Prices Have Stagnated in Recent Years Due to Elevated Mortgage Rates



THE RETURN OF URBAN LUXURY

Ultra-Luxury Prices Required to Drive Feasibility in Urban Locations

Laurel at Eastover
Condos



2129 Queens Rd West
Condos



Linea
Apartments



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