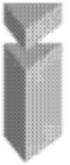


Location Based Approach – Balanced Between Established Gateway Cities and Growth Markets



Gateway Cities

- Up-and-coming neighborhoods in NY, LA, Bay Area, Seattle
- Gateway cities more defensive across cycles, more liquidity
- However, Opp Zones in gateway cities are often distressed, marginal areas or require environmental remediation
- Urban gateway locations are dense – demolition of existing assets and displacement may be an issue
- Demographic headwinds – millennial out-migration

Growth Markets

- More affordable cities with strong job growth that are targets of millennial in-migration
- Focus on Sunbelt cities such as Phoenix, Dallas, Orlando
- Opp Zones in the South and West are geographically much larger and pose less constraint / competition for deals as fewer managers have active presence
- Opp Zone areas are typically not distressed, just underdeveloped
- Suburban assets easier to construct, less cost overrun risk

