SECONDARY & TERTIARY MARKETS

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MARKET I: LONGVIEW, TX

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LONGVIEW UPDATES:

1. INSTITUTIONAL RETAIL GROUP, TRADEMARK, TEAMS UP WITH DILLARDS TO PURCHASE 646K SF LONGVIEW MALL

2. 1,165 ACRES ACQUIRED BY LONGVIEW ECONOMIC DEVELOPMENT FOR INDUSTRY RECRUITMENT & DEVELOPMENT

3. NINTH AVENUE FOODS MANUFACTURING FACILITY ($200M | 150 NEW JOBS)

4. LONGVIEW ISD HOLDS GROUNDBREAKING FOR 3 BOND-FUNDED FACILITIES ($150M)

5. FLANDERS ELECTRIC MOTOR RE-INVESTMENT (50 NEW JOBS)

6. CHRISTUS HEALTH BUILDS FIRST ONCOLOGY CLINIC IN LONGVIEW

7. FRESH BY BROOKSHIRE'S OPENS IN LONGVIEW (+250 JOBS)

TOP EXISTING EMPLOYERS

Healthcare (Largest Sector)

- **CHRISTUS Good Shepherd Health System**

~3,000 employees | 425-bed hospital

- **Longview Regional Medical Center**

~1,300+ employees | 244-bed hospital

Manufacturing & Industrial

- **Eastman Chemical Company**

~1,500+ employees

- **TrinityRail**

~400+ employees | Railcar manufacturing

- **AAON Coil Products**

~600+ employees | HVAC manufacturing

- **Komatsu**

~500+ employees | Heavy equipment manufacturing

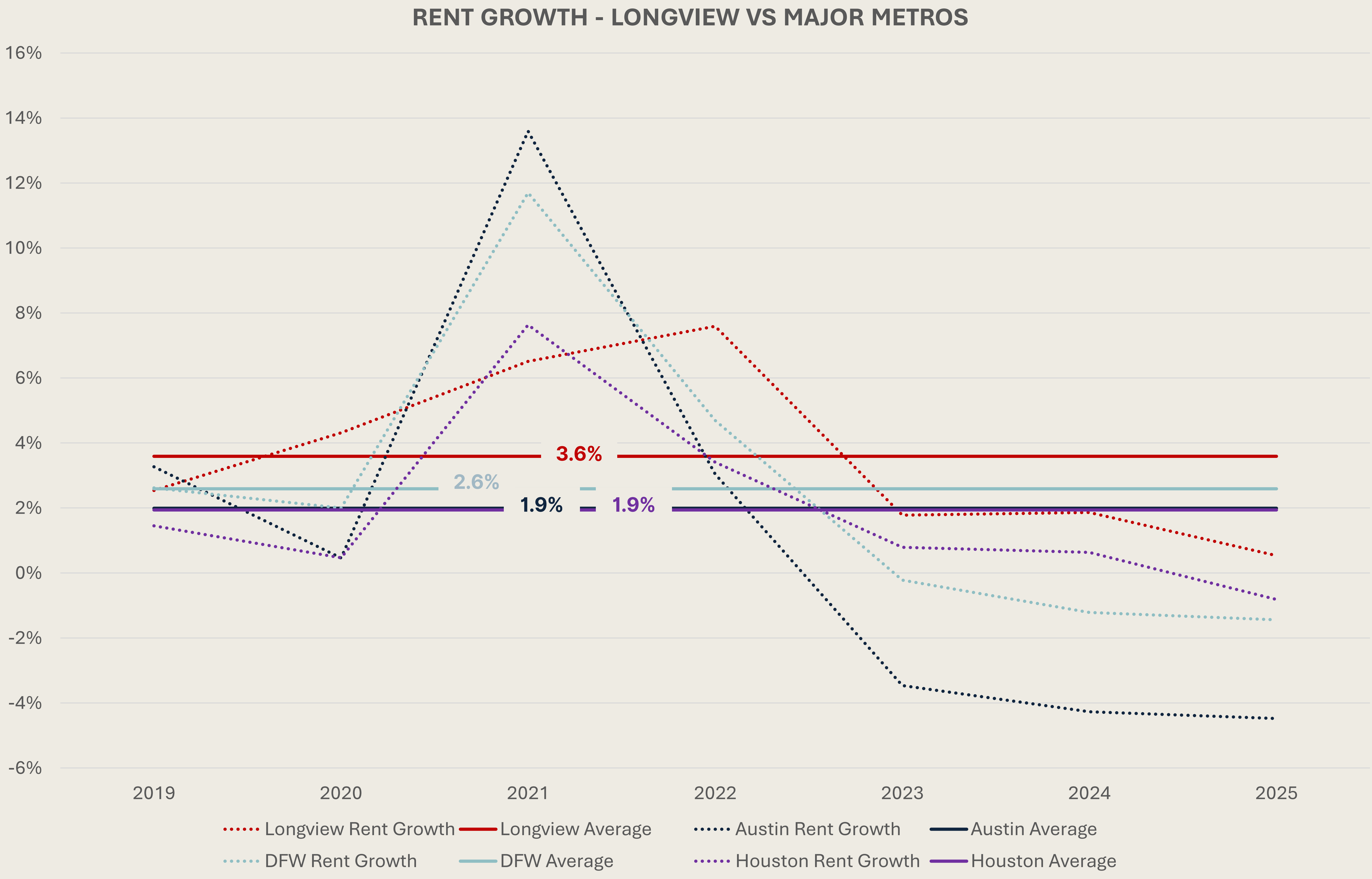
CASE STUDY: RENT GROWTH IN SMALLER MARKETS VS MAJOR METROS: LONGVIEW

RENT GROWTH RESILIENCE IN SECONDARY MARKETS

As the chart demonstrates, **Longview has delivered a higher average rent growth rate than nearby major metros**—including Austin, DFW, and Houston—over the 2019–2025 period, while also **exhibiting significantly lower year-to-year volatility**. In contrast, Austin and DFW experienced pronounced peaks and troughs, reflecting greater exposure to supply surges and cyclical demand shifts.

Longview's more consistent rent growth profile underscores the advantage of supply-constrained secondary markets, where modest new construction, stable employment bases, and in-migration from higher-cost metros help support durable rent increases across market cycles. This dynamic results in more predictable income growth and reduced downside risk relative to larger, more competitive metropolitan markets.

Data from CoStar

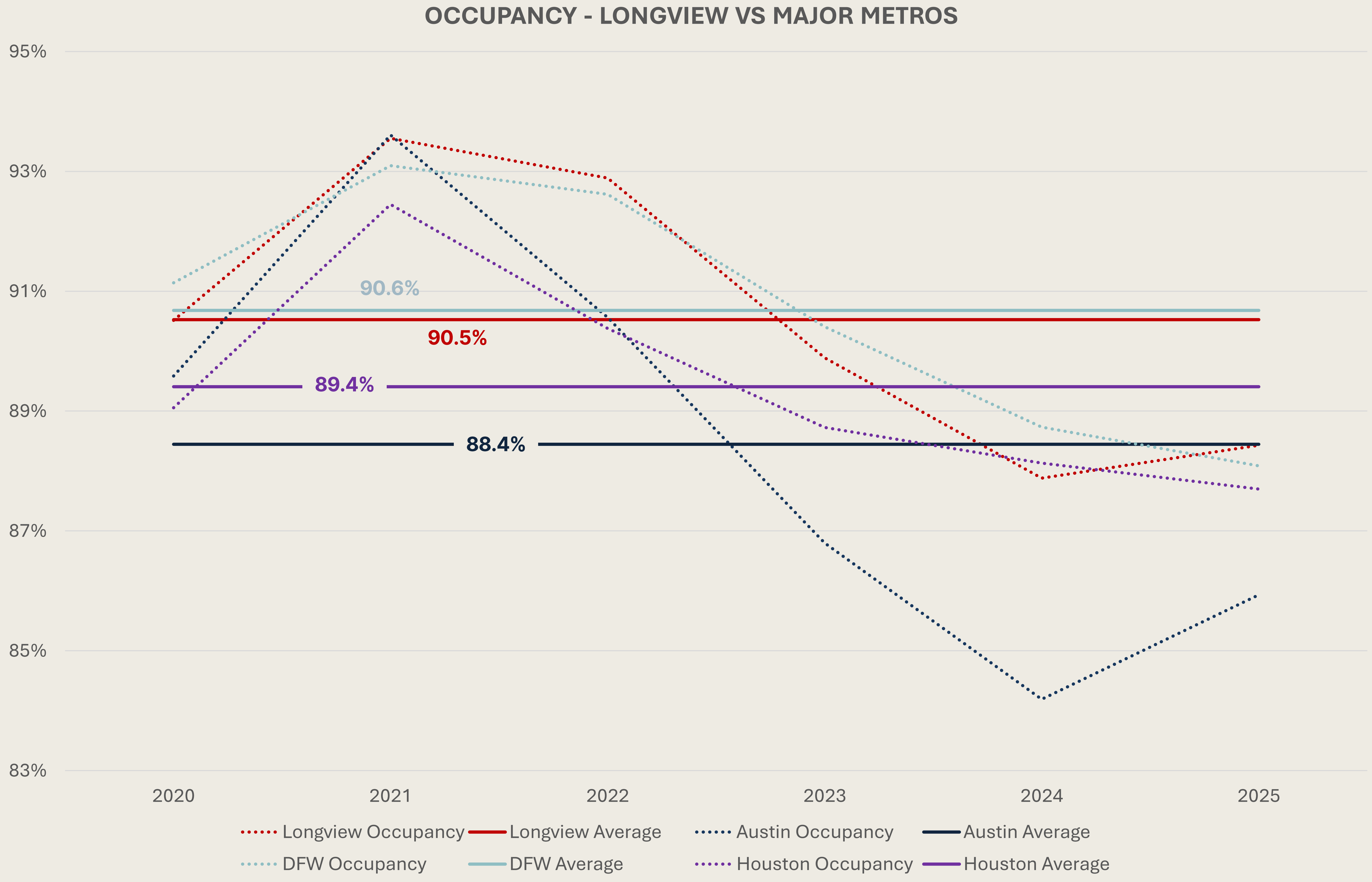


CASE STUDY: OCCUPANCY IN SMALLER MARKETS VS MAJOR METROS

OCCUPANCY STRENGTH IN SECONDARY MARKETS

As the chart illustrates, **Longview has maintained average occupancy levels in line with Dallas–Fort Worth and above those of Houston and Austin** over the 2020–2025 period, despite experiencing normal year-to-year fluctuations.

This performance supports our thesis that select secondary markets can sustain strong baseline renter demand without requiring the scale or pricing of a major metro. In Longview, limited new supply, stable employment drivers, and in-migration from higher-cost urban markets contribute to durable occupancy fundamentals, allowing the market to compete favorably with top-tier metros like DFW while benefiting from lower volatility in development activity.



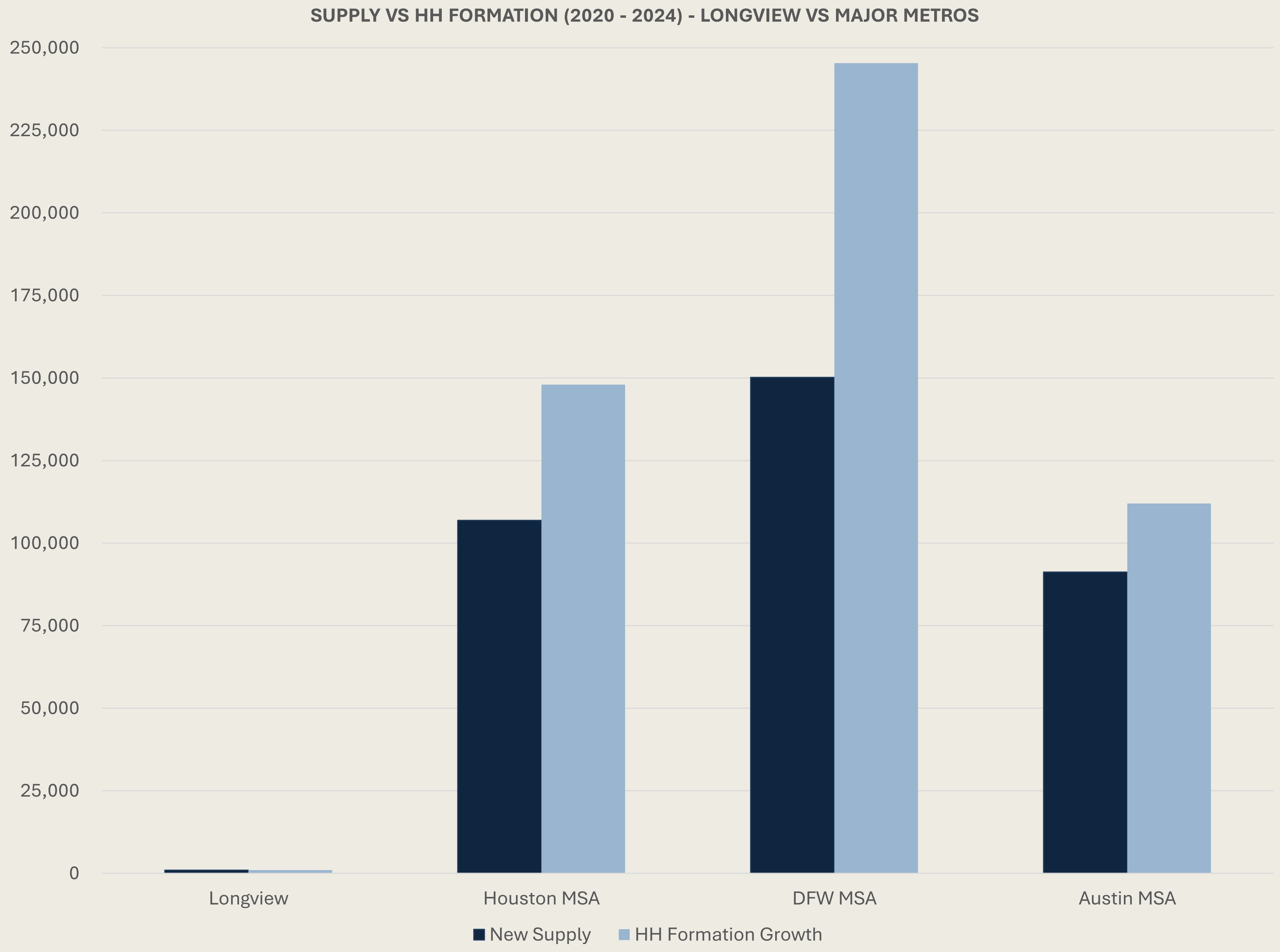
Data from CoStar

CASE STUDY: LACK OF SUPPLY IN SMALLER MARKETS

STRUCTURAL SUPPLY CONSTRAINTS IN SECONDARY MARKETS

As shown in the chart, new multifamily supply has remained heavily concentrated in major metros such as Austin, Dallas–Fort Worth, and Houston, while smaller **secondary markets like Longview have seen minimal to virtually no new construction over the same period**. This imbalance has created a structurally constrained supply environment in Longview relative to nearby major metros.

A key driver of this dynamic is persistently high construction costs, which make ground-up development increasingly difficult to underwrite in secondary markets where absolute rent levels are meaningfully lower than in major metros. As a result, capital continues to flow toward large urban markets where higher rents can better absorb development costs, leaving markets like Longview with limited new supply and reinforcing favorable long-term supply-demand fundamentals for existing assets.



MARKET I: ASCENSION PARISH,LA

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ASCENSION PARISH UPDATES:

1. Hyundai Electric Buys Land For $5.8b Steel Mill (+1,300 JOBS)

2. $7.5b Clean Hydrogen Works Plant (350 direct + 2,700 indirect)

3. Linde to Invest Over $400 Million in New Air Separation Unit at RiverPlex MegaPark

4. Construction Begins on Magnolia Ridge Logistics Park, Bringing New Industrial Opportunities

5. NEARBY UPDATES: Louisiana Secures Element USA's $850 Million Investment Decision in St. John's Parish, Advancing U.S. Critical Minerals Supply Chain (200 Jobs with average salary of $90K)

EXISTING TOP EMPLOYERS

- **BASF**
  ~1,200–1,400 employees
  One of the largest chemical manufacturing complexes in the region, with long-tenured skilled labor and high average wages.
- **CF Industries**
  ~1,000–1,200 employees
  Major nitrogen fertilizer production facility; capital-intensive operations with stable, long-duration employment.
- **Shell Chemical**
  ~800–1,000 employees (regional operations)
- **Dow**
  ~700–900 employees
  Advanced materials and chemical production; employment extends beyond parish boundaries but anchors regional labor demand.
- **ExxonMobil**
  ~**1,500+ employees** across nearby Baton Rouge / Ascension Parish industrial corridor

CASE STUDY: RENT GROWTH IN SMALLER MARKETS VS MAJOR METROS:

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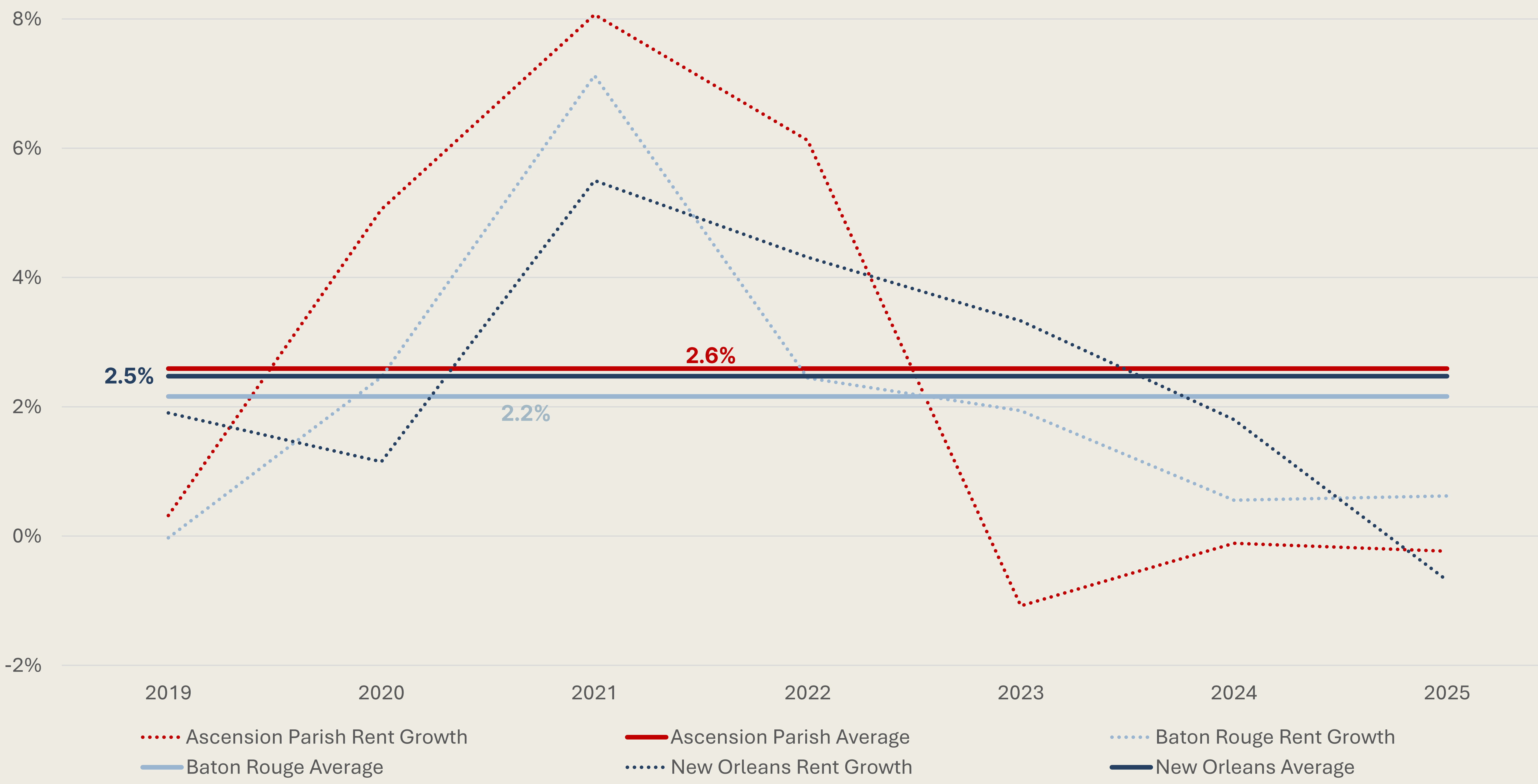
HIGHER RENT GROWTH IN SECONDARY MARKETS

As shown in the chart, **Ascension Parish** has generated a **higher average rent growth rate** than both Baton Rouge and New Orleans over the 2019–2025 period.

This pattern reflects a market driven by strong demand sensitivity and limited supply elasticity, where shifts in household formation and local employment can translate more directly into rent movement. Over time, these dynamics have supported stronger cumulative rent growth, reinforcing Ascension Parish's ability to outperform surrounding metros on an average basis despite short-term fluctuations.

RENT GROWTH - ASCENSION PARISH VS MAJOR METROS



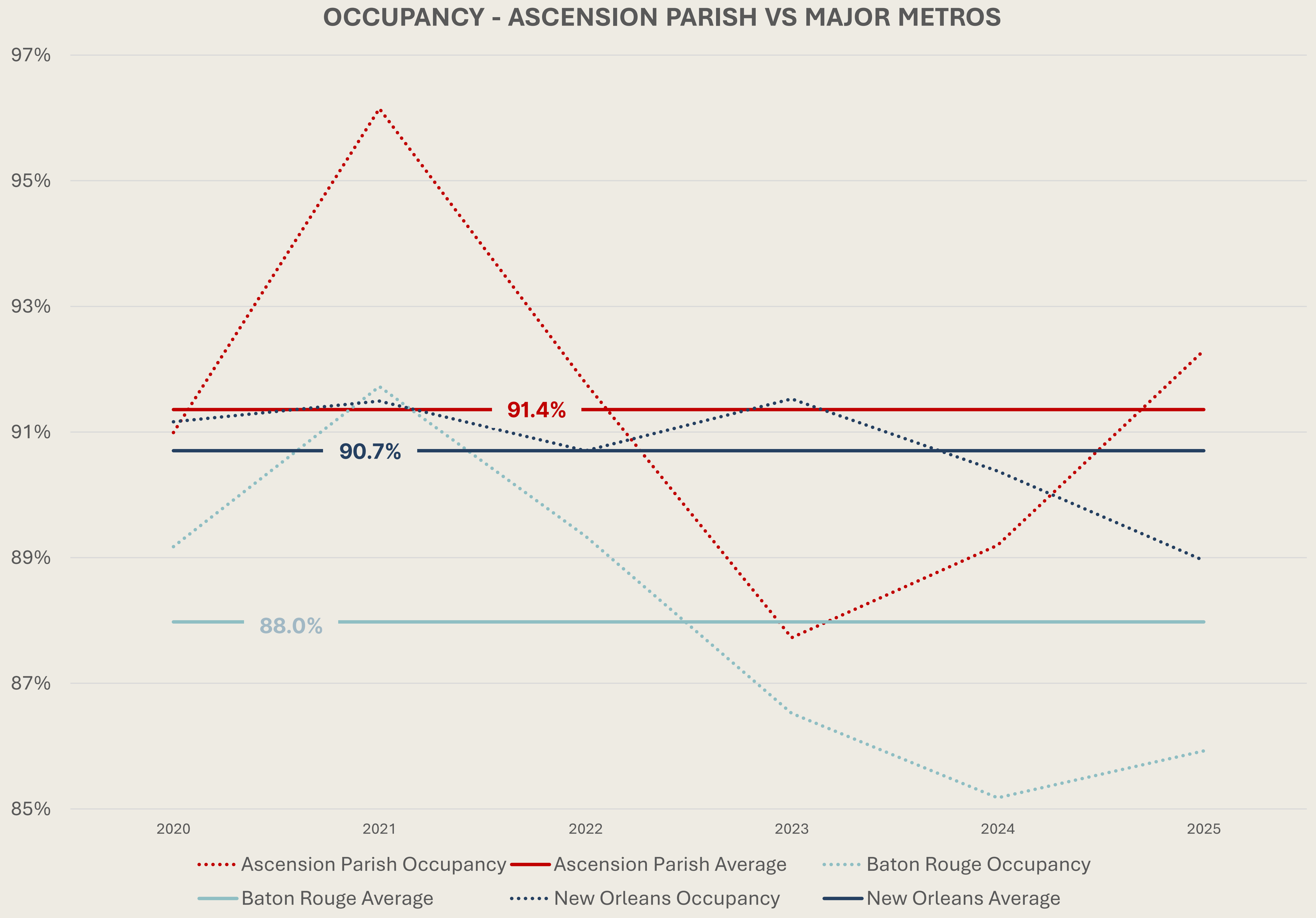
Data from CoStar

CASE STUDY: OCCUPANCY IN SMALLER MARKETS VS MAJOR METROS

OCCUPANCY STRENGTH IN SECONDARY MARKETS

As the chart illustrates, **Ascension Parish has consistently maintained higher occupancy levels than the Baton Rouge metro and on average, higher than the New Orleans metro** over the 2020–2025 period. While both markets reflect cyclical movement, Ascension's occupancy has trended above the major metro averages across the full timeframe.

This outperformance supports our thesis that select **secondary markets can sustain stronger baseline demand relative to larger metros, driven by limited new supply, strong household formation, and continued in-migration from higher-cost urban areas**. The Ascension Parish submarket—where Mansions at Ivy Lake is located—benefits from these dynamics, contributing to structurally higher occupancy over time.



Data from CoStar

CASE STUDY: LACK OF SUPPLY IN SMALLER MARKETS

STRUCTURAL SUPPLY CONSTRAINTS IN SECONDARY MARKETS

As shown in the chart, **Ascension Parish is the only market in this comparison where new household formation exceeds new multifamily supply** over the 2020–2024 period. While Baton Rouge and New Orleans have experienced net household outflows alongside new supply delivery, Ascension Parish has continued to absorb population growth with limited new unit deliveries.

This divergence reflects a broader migration pattern, with households relocating out of higher-density urban cores and into suburban and exurban submarkets offering affordability, quality of life, and proximity to employment centers.