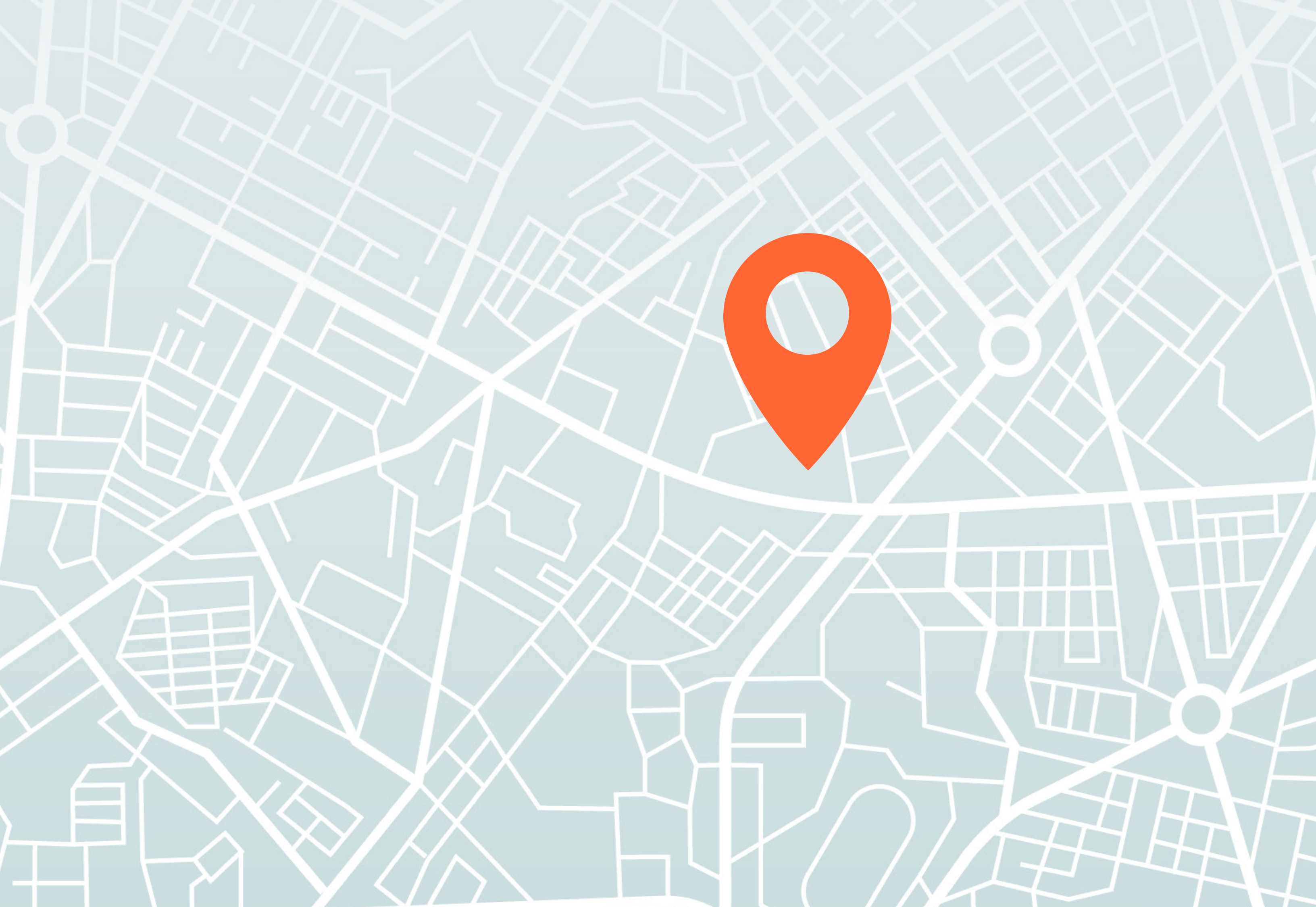
CS CROWDSTREET

The Best Places to Invest in 2021

CrowdStreet's Top Real Estate Markets



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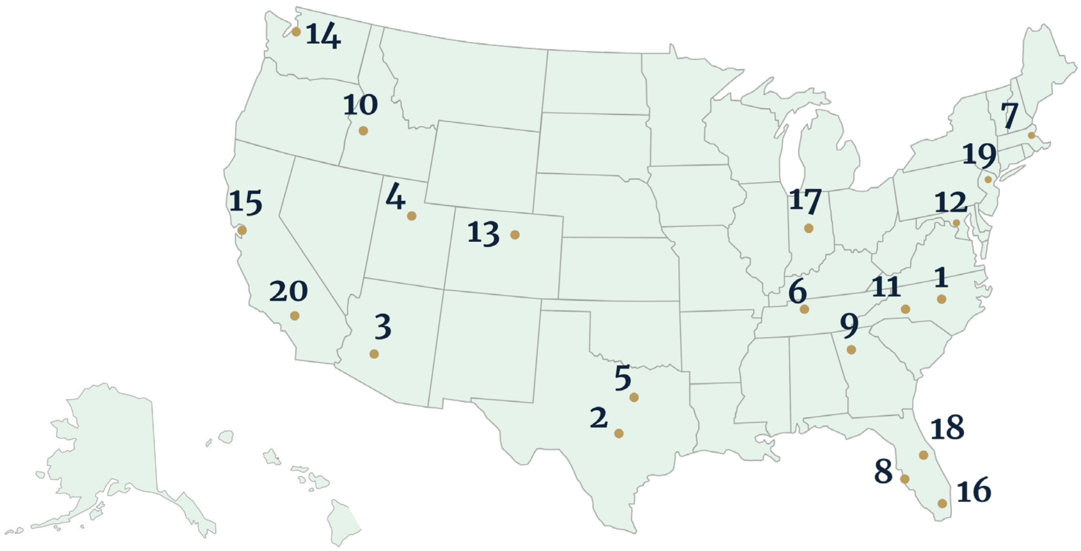


As we enter 2021, the U.S. commercial real estate (CRE) market is poised to move beyond its trough of 2020 and enter a new cycle of growth. Thanks to a reported 3.8% increase in GDP and the mass distribution of COVID-19 vaccines, recovery comes with the anticipation of increased transaction velocity—nearly 40% increase in total U.S. CRE transactions for the next year, according to CBRE's mid-year 2020 report.

In this new cycle, certain asset classes, such as industrial, will outperform while other asset classes, particularly retail and hospitality, will likely underperform. Different metros will also recover at different rates and we heavily weighted regional factors like population growth, the employment base, and more when determining the best places to invest in 2021. Our most favored markets also exhibited a subjective desirability or competitive advantage. Whether we label this as a metro's "vibe" or "quality of life," CrowdStreet's top markets possess a curated blend of multiple tangible and intangible attributes that coalesce to create attractive communities.

As our country looks to resume growth, we are keeping an eye on many of the growing secondary markets we valued prior to the pandemic. But with a post-COVID twist, we're expanding that list with the addition of select markets within the Mountain region.

Here are our top 20 markets for 2021:

Rank	Market	Rank	Market
1	Raleigh-Durham	11	Charlotte
2	Austin	12	Washington D.C.
3	Phoenix	13	Denver
4	Salt Lake City	14	Seattle-Tacoma
5	Dallas-Fort Worth	15	San Francisco-Oakland
6	Nashville	16	Miami
7	Boston	17	Indianapolis
8	Tampa-St. Petersburg	18	Orlando
9	Atlanta	19	Northern New Jersey
10	Boise	20	Inland Empire

Understanding that real estate is local with unique drivers in each location, we have also ranked our top markets by asset class including multifamily development, industrial, hospitality, and more.

Methodology

The CrowdStreet Investments team leveraged the following sources of information to determine our 2021 top markets rankings:

1. Green Street Advisors
2. CoStar
3. ULI Emerging Trends in Real Estate
4. CrowdStreet Marketplace portfolio analysis
5. CrowdStreet Investments team experience
6. Interviews with real estate industry professionals (operators, capital markets professionals, brokers, etc.)

When analyzing prospective markets, our Investments team favored 25 attributes.

No single market possesses all 25 of these attributes and, when markets do possess a subset of them, some markets exhibit higher levels of certain attributes and lower levels of others. In addition, some attributes were more relevant to certain assets than others (e.g., highly rated school districts matter a lot to multifamily and single family residential housing, but little to industrial real estate). And certain attributes carried heavier weight in our analysis than others (e.g., we valued high population and job growth rates over entertainment amenities). However, there is no single algorithm that can capture the ideal market. Instead, we entered these factors into a holistic analysis.

While most of our favored attributes are quantifiable, it is not machines that dictate population migration, but people. And people tend to combine objective and subjective perspectives when making decisions. Thus, our most favored markets also exhibited a subjective desirability or competitive advantage. Whether we call this a metro's "vibe" or "quality of life," CrowdStreet's most favored markets tend to possess a curated blend of our favored attributes that coalesce to create attractive environments.

It is important to highlight that the order of our rankings does not necessarily correlate with our expectations for the number of offerings or total equity allocations we intend to bring to the Marketplace in 2021. This methodology simply provides guidelines for the Marketplace and are not absolute rules. We'll seek the best possible deal flow at any given moment in time and we believe that some situations may mandate coloring outside the lines if the opportunity is compelling.

Macroeconomic Factors

- Higher-than-average population growth rates
- Higher-than-average job growth rates
- Higher-than-average rental growth rates
- Below-average unemployment rates
- Above-average Millennial demographic growth rates

Microeconomic Factors

- Diversified economies with a focus on the tech sector
- Higher-than-average educational attainment levels
- Airports with above-average connectivity
- Major research university clusters
- VC funding levels

Geographic Factors

- Temperate climates
- Land constraints
- State capitals

Market Dynamics

- Current prices relative to historical prices
- Muted supply
- Capital inflows

Quality of Life Measures

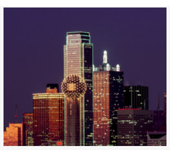
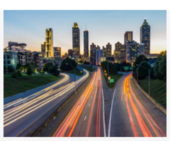
- Public transportation infrastructure
- Highly rated school districts
- Entertainment amenities
- Cultural amenities
- Lower cost of living relative to U.S. average
- Lower-than-average crime rates

Tax/Regulatory Factors

- Low tax regimes
- Municipal financial health
- Barriers to entry

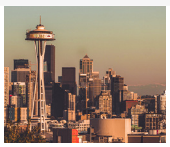
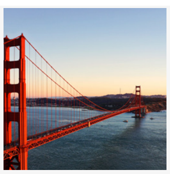
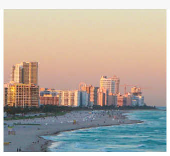
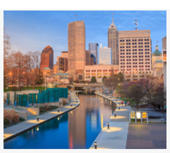
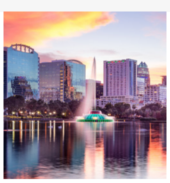
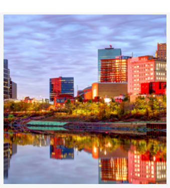
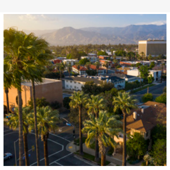
National Overview

Our top 20 markets

Rank	Market		Comments
1	Raleigh-Durham		Our clear #1 market for 2021, Raleigh-Durham ranks 3rd or better across four strategies. With its proximity to top universities, world class research facilities, a highly educated workforce, relative affordability, and increasingly walkable urban center, there is just so much to be bullish about regarding Raleigh-Durham's future, arguably one of the nation's hottest "work from anywhere" markets.
2	Austin		Austin is a market with an unfair number of competitive advantages. Strong population and job growth (with a thriving tech scene), the presence of the state capital, a major research university, and location within a tax-free state combine to provide a strong long-term outlook.
3	Phoenix		Phoenix is our top market in the West. A 2020 exodus from urban CA locations has bolstered already strong underlying fundamentals. Arizona also ranked #5 for inbound moves in the Annual 2020 United Van Lines Moving Study.
4	Salt Lake City		Consistent population growth, low unemployment, and tight vacancies are perennial attributes of this market. Salt Lake City is maturing and becoming more institutional in nature.
5	Dallas-Fort Worth		As a technically land unconstrained market, Dallas-Fort Worth continues to unlock new areas of growth via fresh development. Consistent growth, a business friendly central location, and a favorable tax environment provide strong underlying fundamentals for both multifamily and industrial strategies.
6	Nashville		Nashville ranks as one of our top markets from a 10-year growth perspective. COVID-19 may have inflicted damage upon its tourism sector in 2020 but, with a major airport expansion due to open in 2023, including new direct flights to and from Europe, it is poised to recover and reach record levels of visitors. Multifamily rents continue to grow at 4% year-over-year.
7	Boston		Life sciences leads the way for Boston, but it's also a solid industrial and multifamily market. Its university cluster rates as #1 in the world, creating a concentration of intellectual capital that serves as Boston's strategic advantage.
8	Tampa-St. Petersburg		With strong population growth, no state income tax, a business friendly environment, affordability, and a Sunbelt location, Tampa-St. Petersburg is an attractive market across nearly every asset class.
9	Atlanta		Home to the world's busiest airport, Atlanta is on the move. With a large population, the highest concentration of colleges and universities in the Southeast, and a highly educated workforce, Atlanta may still classify as a secondary market, but it's well on its way to attaining primary market status.
10	Boise		Boise is leading the nation in year-over-year housing appreciation, hitting a blistering 20.1% in 2020. The California-to-Idaho movement is on and Boise is poised for strong growth across every asset class. A hidden gem, Boise is not currently an institutional market but we believe it will be later this decade.

National Overview

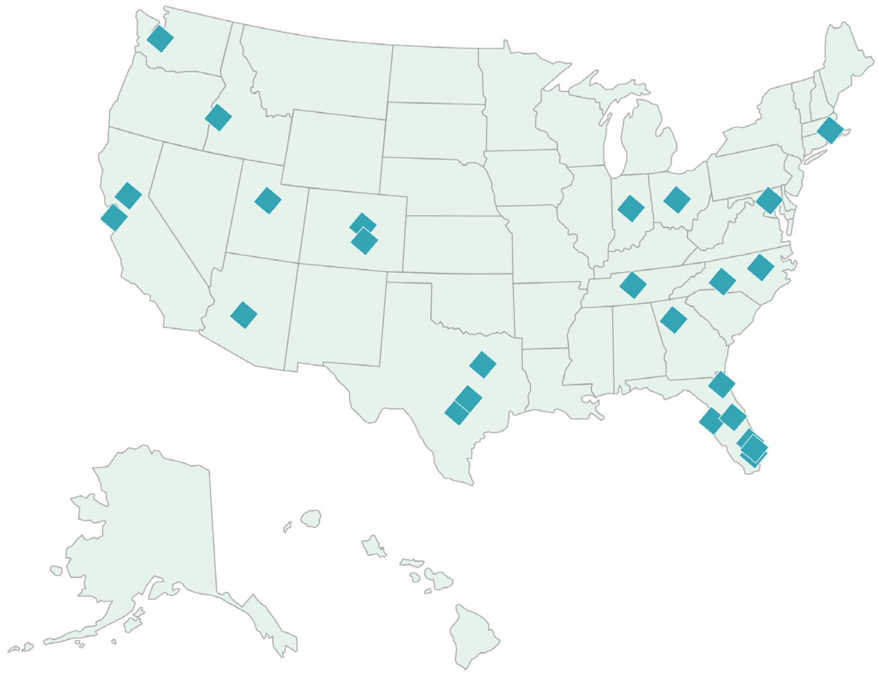
Our top 20 markets

Rank	Market		Comments
11	Charlotte		Charlotte is a banking powerhouse. It also boasts a total of nine Fortune 500 HQs, including Honeywell, Nucor, and Duke Energy. A quintessential CrowdStreet 18-hour city market with above-average population and job growth rates, yet still relatively affordable, Charlotte is our third favorite market for multifamily acquisitions.
12	Washington D.C.		With a new administration, we anticipate growth in the federal government and, post-vaccine, we expect D.C. to quickly resume its bustling activity. D.C. is also one of the most liquid markets in the world, which will draw major institutional investment as the new cycle takes hold.
13	Denver		Like Boise, Denver's housing market is also on fire, setting all-time median price records this year. As a growing 18-hour city, we like most strategies in this market but its surging housing prices lead us to rate multifamily development and Build-to-Rent as our favorites.
14	Seattle-Tacoma		In an Amazon dominated world, it's hard not to like the city that houses Amazon's headquarters, not to mention the home of Microsoft, Starbucks, and Costco Wholesale as well. Seattle is on the cusp of transitioning from secondary to primary market status.
15	San Francisco-Oakland		San Francisco was a headline city in 2020 for out-migration from its city core, with apartment rents dropping by as much as 20% from its peak. However, with disruption comes opportunity. San Francisco enters 2021 with opportunistic potential in apartments, office, and hospitality. It's also the #2 life sciences market after Cambridge, MA. Finally, Oakland and other parts of the East Bay continue to rate as strong industrial markets.
16	Miami		Miami is Florida's largest and most cosmopolitan metro. It also benefits from a low tax and business friendly environment that provides for above-average job growth and it's highly land constrained. We like Miami for its multifamily investment opportunities given its high priced real estate and it's one of our favorite industrial markets, as well as one the top hotel markets we see bouncing back post-vaccine.
17	Indianapolis		A central location and the convergence of four major interstates make Indianapolis a key Midwest distribution hub. The presence of the state capital provides a stable base of employment and, unlike its Midwest competitor cities, it's growing faster than the national average. The cost of living is relatively low, which makes it attractive for residents seeking a more affordable lifestyle.
18	Orlando		Orlando had a record 75 million visitors in 2018, making it the #1 tourist destination in the U.S.. While COVID-19 devastated the Orlando tourism market, it should start to recover in Q2 2021, likely making this year the final opportunity to buy low on a hotel property. With tourism the leading story in Orlando, it's easy to overlook that it is also home to one of the nation's largest universities, the University of Central Florida.
19	Northern New Jersey		A solid interstate system, Newark International Airport, the Port of New Jersey, and proximity to over 23 million people make Northern New Jersey CrowdStreet's #1 industrial market for 2021. This factor alone makes it a top 20 CrowdStreet market but, with apartment rents at steep discounts to Manhattan, yet also offering more space, the Northern New Jersey multifamily market has been one of the major beneficiaries of COVID-19 induced migration out of Manhattan.
20	Inland Empire (San Bernardino & Riverside Counties)		A blue chip industrial market serving a regional population of 23 million residents, the Inland Empire also serves as the more affordable alternative for residents priced out of Los Angeles and Orange Counties. This has led to remarkable multifamily fundamentals in the form of well-above average population growth, below-average home ownership rates, and an astounding 7.7% year-over-year rent growth.

Multifamily Acquisition

Our 25 favorite markets

Rank	Market
1	Raleigh-Durham
2	Austin
3	Charlotte
4	Salt Lake City
5	Phoenix
6	Atlanta
7	Dallas-Forth Worth
8	Orlando
9	Nashville
10	Tampa-St. Petersburg
11	Boise
12	Washington D.C.
13	San Antonio
14	Boston
15	Seattle
16	Indianapolis
17	Denver
18	Palm Beach
19	Colorado Springs
20	Sacramento
21	Fort Lauderdale
22	Columbus
23	Jacksonville
24	Miami
25	San Jose



As job losses mounted at an unprecedented rate at the outset of the pandemic, there was immediate concern we'd see significant spikes in vacancy rates and lease defaults. Government intervention propped up this sector by providing significant fiscal and monetary stimulus, as well as by implementing an eviction moratorium. Consequently, rent collections never dropped below 93% in 2020, as reported by the National Multifamily Housing Council, with final collection rates below, but still close, to 2019.

As the pandemic unfolded, we witnessed a noticeable shift in renter behavior as people migrated from highly populated urban centers to the suburbs in search of larger units and less densely populated multifamily communities. Overall vacancy rates for suburban multifamily declined, with a 6% national vacancy in Q3 2020, and downtown multifamily vacancy increased to around 9%.

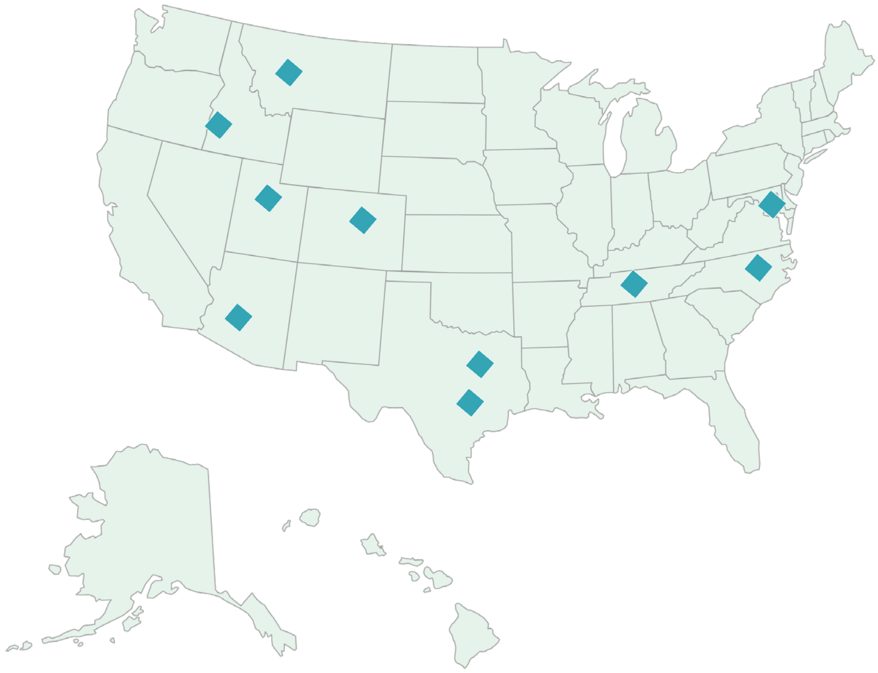
> "CrowdStreet will continue to pursue opportunity in this sector in 2021, with a strong conviction for 18-hour cities in growing secondary markets."

The outlook for multifamily is positive, with favorable target tenant demographics, all-time low interest rates, and a spike in single family values. CrowdStreet will continue to pursue opportunity in this sector in 2021, with a strong conviction for 18-hour cities in growing secondary markets. Cities such as Raleigh-Durham, Austin, Nashville, and Phoenix continue to stand out thanks to their favorable business climates, educated workforces, population growth, and affordability.

Multifamily Development

Our 10 favorite markets

Rank	Market
1	Austin
2	Nashville
3	Boise
4	Raleigh-Durham
5	Phoenix
6	Salt Lake City
7	Denver
8	Dallas-Fort Worth
9	Bozeman
10	Washington D.C.



Driven by a slowdown in new deliveries we see beginning later this year and extending into 2022, multifamily development in 2021 stands to benefit from a window of opportunity. While the existing pipeline of new units remained strong in Q3 2020 with over 110,000 units delivered and another 580,000 units under construction, fewer than 300 new projects broke ground, the lowest velocity witnessed since 2012. Urban construction saw the largest pullback in 2020 at ~50% below the three year average.

Meanwhile, the share of new construction for suburban multifamily development has risen, a trend that can be attributed to the migration of tenants away from urban multifamily.

When ranking our top multifamily development markets, CrowdStreet prioritized markets that have demonstrated above-average rates for both population and job growth, with the expectation those trends will continue. In addition, we sought locations that presented at least moderate barriers to entry and which current demand supports both densification and the arrival of new housing supply (typically measured through rapid rates of absorption).

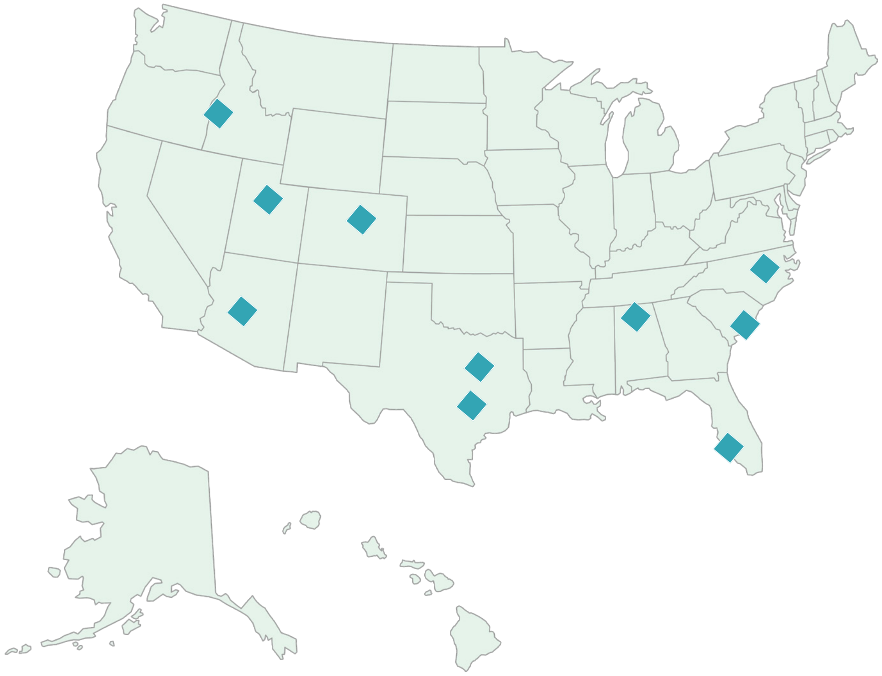
CrowdStreet's top ten markets for this category contain a blend of growing secondary markets (Austin, Nashville, Raleigh-Durham, Phoenix, Denver, and Dallas), markets that are smaller but transitioning towards institutional markets with strong underlying fundamentals (Salt Lake City and Boise), one primary market we see bouncing back strong post-vaccine (Washington D.C.) and one "work from anywhere" beneficiary (Bozeman).

> "CrowdStreet prioritized markets that have demonstrated above average rates for both population and job growth..."

Build-to-Rent

Our 10 favorite markets

Rank	Market
1	Boise
2	Raleigh-Durham
3	Phoenix
4	Austin
5	Huntsville
6	Denver
7	Charleston
8	Salt Lake City
9	Dallas-Fort Worth
10	Cape Coral-Fort Myers



One of CrowdStreet's current favorite strategies, Build-to-Rent (BTR) communities possess a strong outlook, fueled by the current tenant migratory trend that has been opting out of smaller, denser urban housing in favor of larger, less dense housing options.

Millennials, in particular, are driving a portion of this demand. This demographic is looking for more space as they contemplate a post-pandemic world where they still work from home a portion of the week.

Similar to prior generations, Millennials are willing to move to the suburbs to gain access to space. However, unlike former generations, they have become attached to the amenities of modern urban living and want to retain their dog parks, fitness facilities, and other common areas.

Simultaneously, the Millennial generation is largely saddled with student debt and confronting a red hot single family housing market.

BTR can provide more space at a lower price per square foot as it is purpose-built for this specific type of demand. It's attractive to tenants because the assets are often newly constructed with amenities that rival any garden-style multifamily property, while still providing a living experience that offers the best of a single family residence.

CrowdStreet looked for markets that were less land constrained as building this product requires three to four times as much space as a standard garden-style multifamily property for the same number of units.

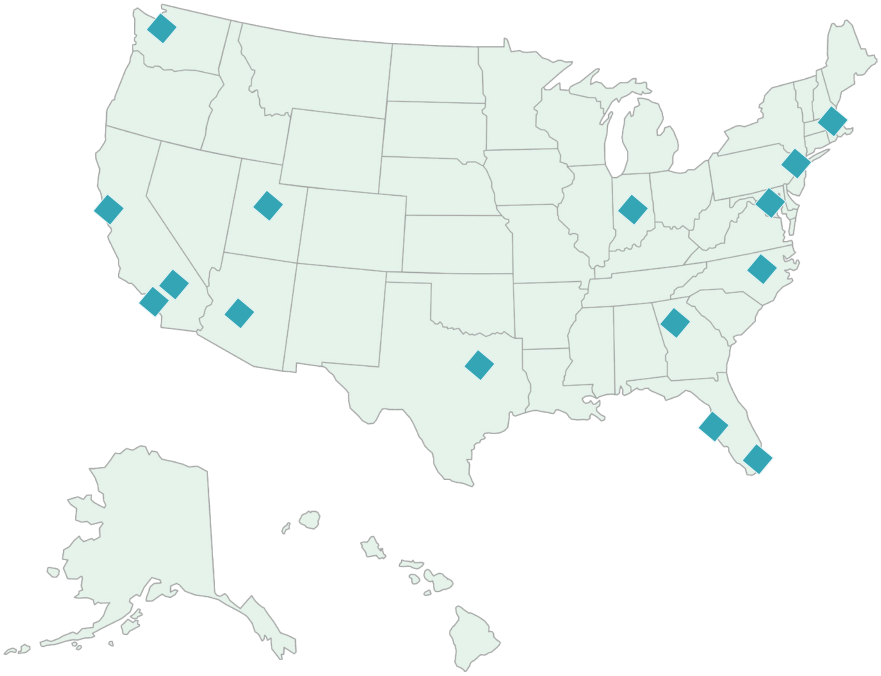
> "Markets such as Boise and Raleigh-Durham, with their sheer influx of population and room to expand, are strong candidates for BTR."

Markets such as Boise and Raleigh-Durham, thanks to an influx of population and room to expand, are strong candidates for BTR. We sought locations that make the space trade-off feel worth any additional commute time. We also wanted to see job and population growth rates that justify the creation of multiple BTR projects.

Industrial

Our 15 favorite markets

Rank	Market
1	Northern New Jersey
2	Inland Empire
3	Raleigh-Durham
4	Dallas-Fort Worth
5	Washington D.C.
6	Atlanta
7	Boston-Cambridge
8	Seattle
9	Indianapolis
10	San Francisco-Oakland
11	Miami
12	Tampa-St. Petersburg
13	Phoenix
14	Orange County
15	Salt Lake City



As a percentage of all retail sales, e-commerce sales were already growing at double digit rates over the past decade and were only accelerated by the pandemic. The increase in e-commerce sales, which requires more square footage than traditional retail, has driven the continued demand for industrial space. Class B manufacturing-oriented properties have also enjoyed low vacancies and strong rent growth.

Although construction deliveries have outpaced net absorption for the past six quarters, most of this new space was pre-leased and net absorption in 2020 was on par with 2019.

Asking rents are expected to continue to increase year-over-year, according to Cushman & Wakefield, while Green Street Advisors projects the industrial sector to be one of only two asset types (along with manufactured housing) to see strong net-operating-income (NOI) growth in 2021.

The industrial sector will need to meet growing demand for this type of real estate by finding land in strategic locations with enough space to accommodate its large footprints. CrowdStreet views land limitation as a driver for rent growth, low vacancies, and increased tenant renewal rates.

Many of our top industrial markets, such as Northern New Jersey, Dallas-Fort Worth, the Inland Empire, and Washington D.C., are close to large populations with excellent access to highways, railway, and seaports.

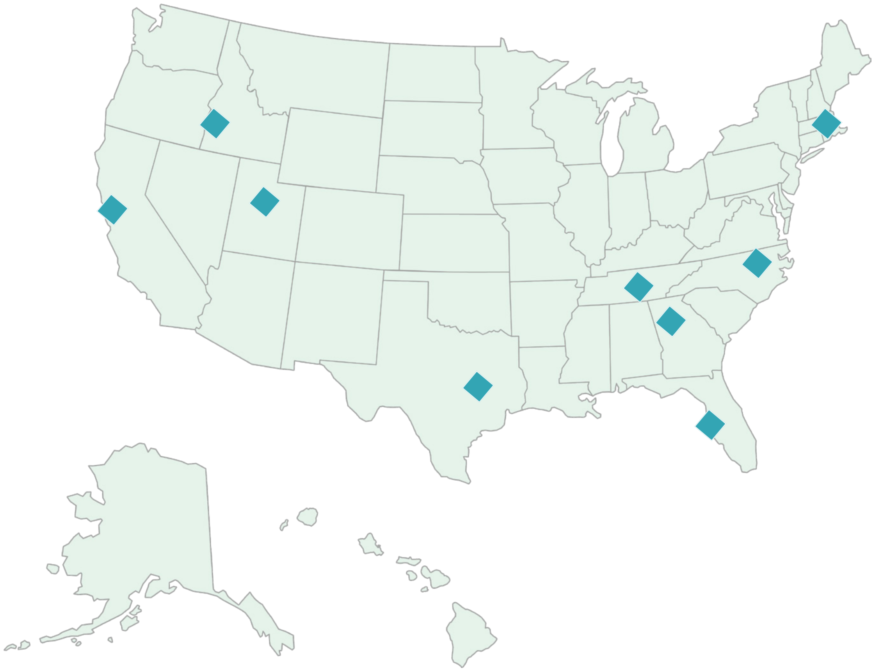
Such markets also possess favorable ingress and egress, as well as exhibit strong underlying demographic drivers. CrowdStreet also values smaller infill locations, located closer to the end user for last-mile distribution.

> "Many of our top industrial markets, such as Northern New Jersey, Dallas-Fort Worth, the Inland Empire, and Washington D.C., are close to large populations with great access to highways, railway, and seaports."

Office

Our 10 favorite markets

Rank	Market
1	Austin
2	Raleigh-Durham
3	Nashville
4	Salt Lake City
5	Charlotte
6	Boston
7	Atlanta
8	Tampa-St. Petersburg
9	Boise
10	San Francisco-Oakland



The office sector entered 2021 with a high level of uncertainty. At the national level, office utilization rates were exceedingly low at the end of 2020 (on average below 20%) as most office employees worked from home, although distinct regional effects were in play. The lowest utilization cities, such as San Francisco, ended the year at an abysmal 10%, while other cities, such as Dallas, were at 45%.

Overall, we have little doubt that central business district (CBD) office will face headwinds over the next one to three years. However, we do believe the urban core, in even the hardest hit cities, will recover by 2025.

In relative contrast to the urban office market, the suburban office outlook is markedly better. Suburban offices typically offer more space per employee as they are cheaper to rent. They also offer plentiful cheap or free parking that enables employees to avoid mass transit, as well as shorter commute times. CrowdStreet sees office properties located in inner vibrant suburbs that exhibit the Urban Land Institute's vision of "hipsturbia" as enjoying a period of relative success over the next few years.

Finally, one particular bright spot within the office sector is life sciences. Life sciences real estate focuses on work that cannot be done remotely and the pandemic has highlighted the essential nature of the work performed by these tenants who often exist in the biochemical or medical fields. Vacancy levels remained low nationwide in 2020 (as low as 2.4% in major markets such as Cambridge, MA) while rents continued to rise. Many of our favorite locations are close to major research clusters.

> "CrowdStreet views the Sunbelt as possessing the most attractive markets for office in 2021."

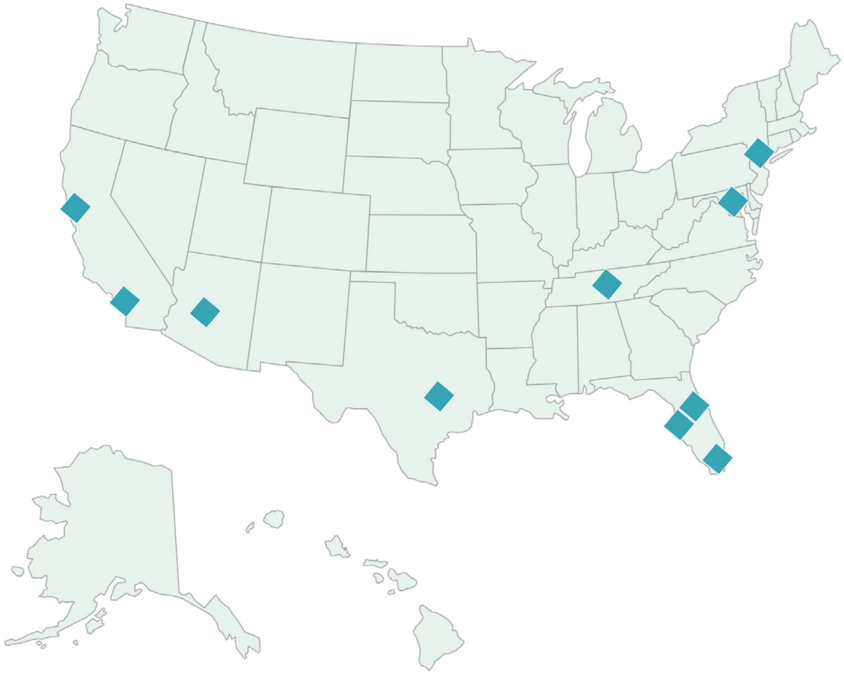
When ranking our top office markets, CrowdStreet looked for strong population and employment growth trends and an above-national-average net absorption. They typically offer attractive nearby amenities, lively entertainment, and/or accessibility to nature.

Overall, CrowdStreet views the Sunbelt as possessing the most attractive markets for office in 2021. For example, Austin, Atlanta, Charlotte, and Raleigh-Durham have demonstrated resilience in 2020 with the prospect of the resumption of growth later in 2021.

Hospitality

Our 10 favorite markets

Rank	Market
1	Miami
2	Washington D.C.-Arlington
3	New York City
4	San Francisco-Oakland
5	Tampa-St. Petersburg
6	Nashville
7	Austin
8	Orlando
9	San Diego
10	Phoenix



The hotel sector was undeniably the hardest hit in 2020. Since rents and occupancy levels are marked to market daily, it was the first and fastest to plunge heading into the pandemic. The sector bottomed out at 22% occupancy with an 81.6% decline in RevPAR (Revenue per Available Room) during the first week of April. However, it also means hospitality is likely to be the distressed asset class with the strongest bounce coming out of the pandemic. Distress in the sector will continue until wide vaccine distribution has occurred. However, when it does, we believe that top leisure destinations like Orlando, FL, may bounce back faster than others.

Leisure RevPAR recovery has consistently outperformed business by approximately ten percentage points since June, as reported by STR.

As teleconferencing has become a workable alternative to in-person meetings, we believe it will continue to gain favor over non-essential business travel, meaning this side of the sector could trail up to a year behind the leisure recovery.

After Airbnb's successful IPO in 2020, its $90 billion enterprise value makes it the most highly valued in the lodging industry, more than Marriott, Hilton, and IHG combined. So far, Airbnb and the traditional hotel industry have only competed at the margin. However, we now expect this well-capitalized giant to move in and directly compete with the struggling hotel sector.

When ranking our top hospitality markets, CrowdStreet looked for demand drivers within the leisure space such as cultural amenities, entertainment venues, tourist attractions, and one-of-a-kind destinations.

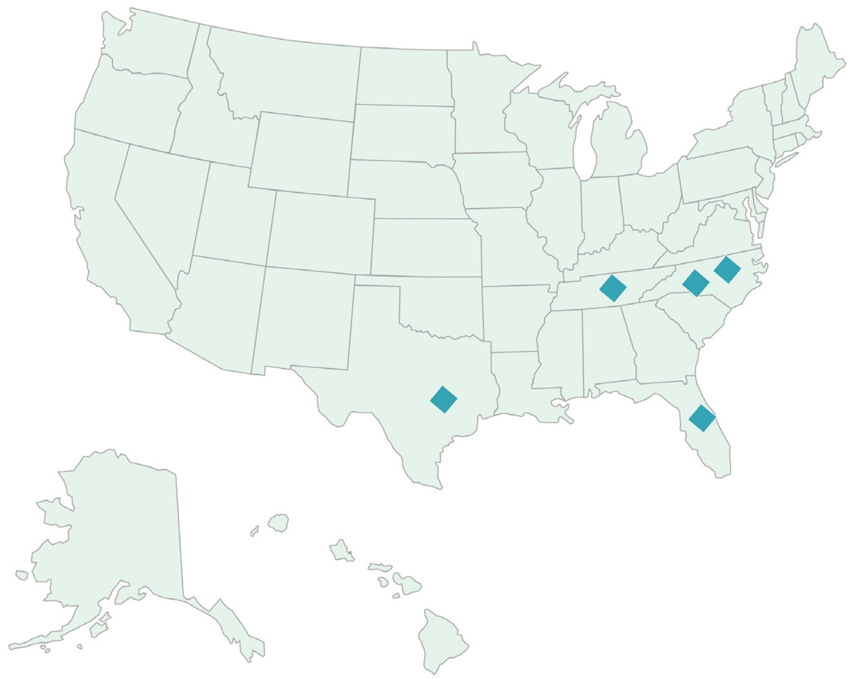
When it came to business travel, we focused on demand drivers for essential business travel, such as government, that can't be replicated in an online environment. We also looked at potential future supply imbalances that could materialize on the other side of the pandemic. Lastly, we considered regulation, specifically in regards to Airbnb, in markets such as San Francisco, Miami, Orlando, and New York.

> "...top leisure destinations like Orlando, FL, may bounce back faster than others."

Retail

Our 5 favorite markets

Rank	Market
1	Austin
2	Charlotte
3	Nashville
4	Orlando
5	Raleigh-Durham



As the second hardest hit asset type after hotels, the retail sector entered 2021 in a weakened state. Aside from grocery stores, most retail locations remain severely limited in their operations. As we begin to enter the next chapter of brick-and-mortar retail it's likely that we'll see some consolidation within the industry as the best located centers seek to backfill their pandemic-induced vacancies with surviving tenants looking to upgrade their locations.

Despite the headlines, the news is not all bad for the retail sector—some of it is surprisingly good. According to Green Street Advisors, total retail sales (excluding restaurants, auto, and gas) increased an impressive 10% year-over-year in Q3 2020, including 4%+ growth among brick-and-mortar stores. As the research group also recently noted, rent collections bounced back to 90% in Q3, up from 70% in Q2. Leasing activity has also picked up and is now reaching pre-COVID levels in many markets.

When ranking our top retail markets for 2021, CrowdStreet placed value on a number of considerations. The first is muted supply. As an asset class experiencing an extended period of strain, most markets are almost entirely shut off to new supply.

That means centers that are still relevant to the submarket, particularly grocery-anchored centers, have little to no worries of new supply to contend with. Second, we considered current prices relative to historical prices. As the sector looks to exit its trough and begin its gradual recovery in 2021, we will prioritize any deal that is trading at a discount relative to its 2019 valuation.

We also looked to macroeconomic factors such as above-average population growth rates and below-average U.S. unemployment rates. Alternatively, we believe we may find value in markets that have been hard hit during 2020 but have an outlook of rapid improvement—Orlando is a great example of this type of market.

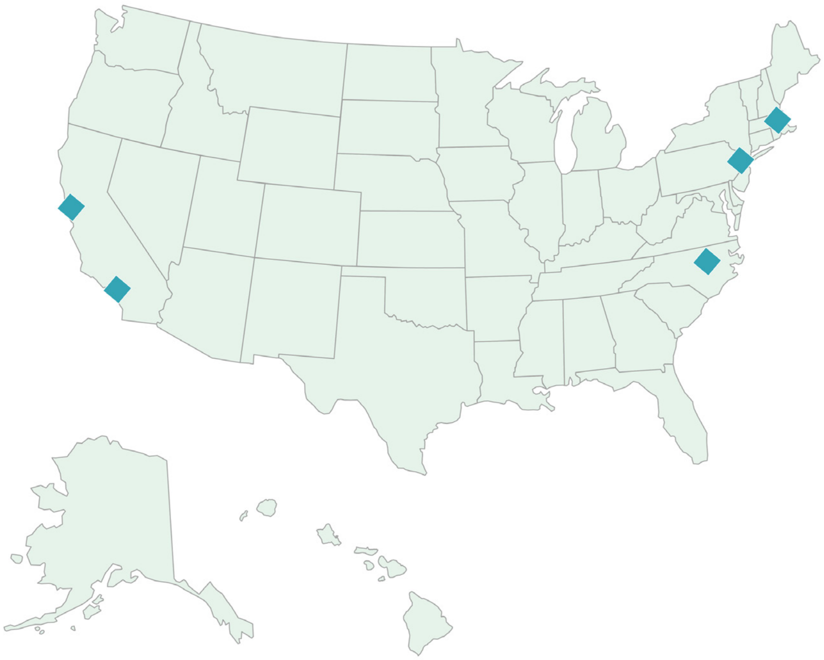
> "...we believe we may find value in markets that have been hard hit during 2020 but have an outlook of rapid improvement..."

As the number one tourist destination in the U.S., its retail has suffered disproportionately during the pandemic. However, we believe that once Disney is fully reopened, people will flood back to the market and its retail sector will surge in per foot sales.

Life Sciences

Our 5 favorite markets

Rank	Market
1	Boston-Cambridge
2	San Francisco-Oakland
3	Raleigh-Durham
4	San Diego
5	New York City



Similar to industrial, demand has been strong for life sciences related assets over the past decade, and that demand has only been accelerated by the pandemic. The U.S. population is aging, with the 65+ age group growing by more than 30% during the past decade. The demand for new and improved medicine has increased as a result. Part of the investment in life sciences companies has been driven by the National Institute of Health, an agency with strong bipartisan support. Additionally, healthcare received more venture capital funding than any other sector in 2020, and commercial research and development investment has remained strong. Big data and genomics advancements are expanding access to new health information, leading to increasingly personalized therapies to meet the specific needs of individuals.

When ranking our top life sciences markets for 2021, CrowdStreet placed an emphasis on major research clusters. Boston, San Francisco, and San Diego are the three established leading markets that are known for their vibrant life sciences ecosystems and are accompanied by robust academic research.

The next major consideration is VC funding and grants from the National Institute of Health, as major funding is the lifeblood of life sciences real estate demand. Follow these types of dollars in this space and you will find leasing demand.

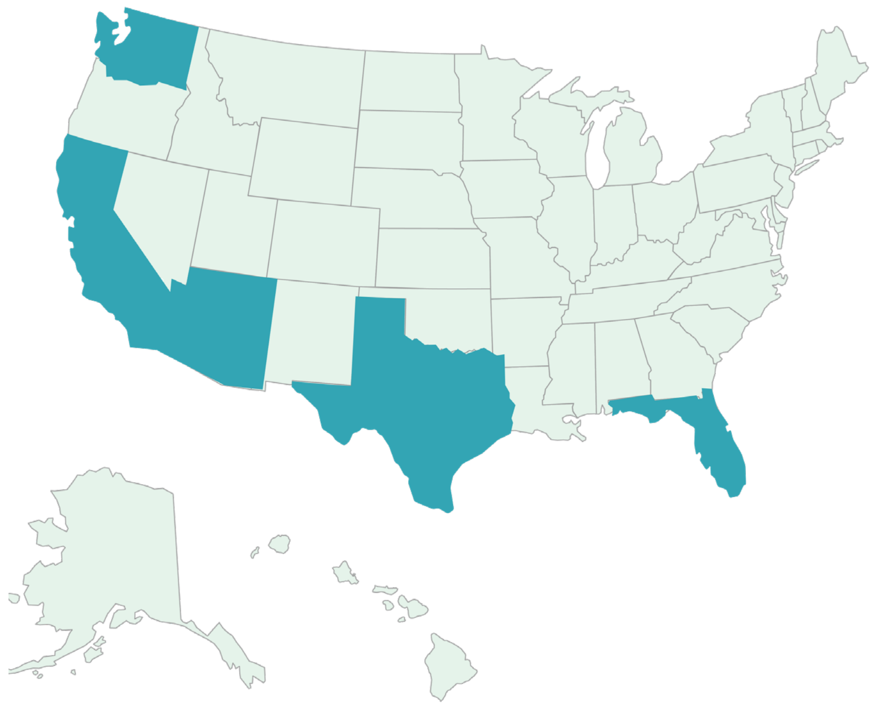
In addition to the top three major markets, CrowdStreet sees opportunity in Raleigh-Durham and New York City. Raleigh-Durham, with its Research Triangle, is home to over 600 life sciences companies with a 10 million+ sf lab market. With strong local research universities including UNC Chapel Hill and Duke University, this market has plenty of room to run. While lesser known in the sector, the presence of leading technology firms, world renowned medical research centers, top-ranked academic institutions, and large successful pharmaceutical and biotechnology companies position New York City as a market ripe for growth and the opportunity for it to develop into a mature life sciences cluster.

> "When ranking our top life sciences markets for 2021, CrowdStreet placed an emphasis on major research clusters."

Manufactured Housing

Our 5 favorite states

Rank	State
1	Florida
2	Arizona
3	California
4	Texas
5	Washington (state)



Manufactured housing is a niche asset class with a long track record of strong performance. While once a mom-and-pop asset class, manufactured housing has graduated to the ranks of institutional ownership and has even entered the public REIT arena. The robust fundamentals led Green Street Advisors to rate it as its favorite asset class for both 2021, as well in its Outlook through 2024. Along with industrial, manufactured housing rates as the only other asset class for which values not only didn't dip throughout the pandemic, but actually increased. With continued robust demand in place for this asset class, manufactured housing enters 2021 with solid prospects for continued growth.

When ranking our top manufactured housing markets we considered a multitude of factors. First, is muted supply. Lack of new supply, largely attributable to NIMBYism ("Not In My Backyard"), has kept vacancies tight and rent growth consistent in most markets. CrowdStreet evaluated existing and potential supply and we favor deals in markets where barriers to entry remain high.

Second, we analyzed inbound migration trends with an emphasis on 60+ year olds.

As an affordable form of housing for seniors, we sought locations that attract the upcoming or newly retired demographic. Third, CrowdStreet tends to favor low tax states.

Again, as this asset class caters to lower income retirees, cost of living is a major concern for residents and makes lower tax states even more appealing. Finally, given the demographic drivers, CrowdStreet preferred temperate climates for manufactured housing.

Considering our key criteria, it should be no surprise that we rank Florida number one for manufactured housing. Many Florida markets possess all four of the criteria we are looking for.

> "...it should be no surprise that we rank Florida number one for manufactured housing..."

Next up, Arizona offers an affordable lifestyle and an abundance of sun (and heat). Our third and fourth ranked markets lead with no state income taxes and a dearth of supply. Finally, while California may be losing residents, its sky high cost of living keeps any manufactured housing community at full capacity and with strong NIMBYism at play in California, that almost certainly means that no new supply will be created.

In Conclusion

As we journey into 2021, we must acknowledge that deaths due to COVID-19 are still surging and the worst months of the pandemic are likely still ahead of us. Despite the national struggle that we will undoubtedly endure before truly reaching the backside of the pandemic, we sit at a pivotal moment for the commercial real estate market. We see multiple data points lining up to suggest that the next cycle is emerging right now.

The first is our supply of money. Over 20% of all dollars now in existence were created in 2020. CrowdStreet simply does not see how this much liquidity pumped into the market this fast doesn't put upward pressure on commercial real estate prices.

The second is an extremely low interest rate environment for the foreseeable future. With the Fed providing guidance this past summer that it expects to keep interest rates near zero until 2022, we have already begun to see the effects of such low interest rates on commercial real estate pricing, in the form of cap rate compression, and we expect to see more of it in 2021.

The third is the relative health of the consumer. As many economists point out the economy is 70% the consumer, so our ability to purchase goods and services is paramount to economic growth and, in turn, real estate demand. According to data reported by The Linneman Letter in December 2020, individual debt service levels fell below 10% in 2020, a healthy number that is far below its 13.7% peak in 2007. In addition, in Q3 2020 credit card delinquencies were 40 basis points below where they stood in Q4 2019. Finally, we have seen consumer spending recover to 5.5% above its pre-COVID peak in January 2020.

The fourth is revised economic outlooks that show a more rapid recovery. Green Street Advisors revised its own 2021 outlook in late 2020 and now projects a full return to 2019 output levels by Q4 2021. In addition, Peter Linneman, renowned real estate economist and author of The Linneman Letter, projected that this year, the U.S. will regain 8 million of the 8.6 million jobs it lost in 2020.

We view 2021 as a year to hunt value wherever possible and bring it to the Marketplace. We also see continued opportunities in developing assets that stand to deliver excellent yield upon stabilization. Finally, wherever we can identify current yield, we will seize upon it.

Markets will undoubtedly change and we will monitor and adjust accordingly. Many of our top markets, including Raleigh-Durham, Austin, Nashville, Denver, and Atlanta, exhibit strong trends we view as translating to sustainable growth over the next decade. However, we understand that supply can overshoot demand in the short term. To the extent that it begins to do so in our favorite markets, leading them to overheat, we will change our rankings to reflect and provide new guidance on their relative positions.

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