SYNERGY
GLOBAL HOUSING

2017 Market Insights

San Francisco • Seattle • Los Angeles • Silicon Valley • Orange County • San Diego • Chicago • Austin • Orlando

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2017 San Francisco Market Insights

Fueled by biotechnology, social media, IT and start-up technology companies, San Francisco has enjoyed a healthy job market during the last decade. This impressive economic growth has put a tremendous stress on multifamily unit housing by creating a demand for housing that far exceeds the available supply.

The San Francisco economy has seen higher-than-average increases in employment numbers during the previous five years, but the introduction of new housing inventory hasn't kept pace. This supply-and-demand imbalance have led to one of the highest monthly rent averages for any market in the United States.

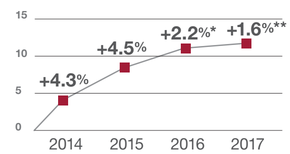
"People want to live next to their work," **Anthony Gonzalez**, Synergy Business Development Director, said. *"The types of people that are finding work in San Francisco are in their late-20s to mid-30s and are more prone to rent. That puts a heavy demand on housing located where the big employers are."*

The market conditions of a few years ago encouraged developers to build new apartment housing key neighborhoods as fast as possible, and the market is undergoing a flood of new inventory options as a result. According to Marcus & Millichap's 2017 U.S. Multifamily Investment Forecast, after only 1,500 new units were brought into ***San Francisco in 2015***, developers brought 5,200 units online in 2016 and plan to introduce another 5,600 new homes in 2017.

Where the new completions are coming online is key, as evolving economic developments are driving the neighborhoods that will need the next wave of new apartments.

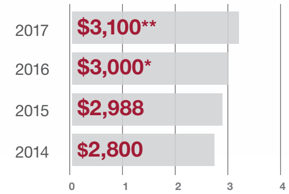
SAN FRANCISCO BY THE NUMBERS

Employment Growth
Year-Over-Year



New Unit Completions

Average Effective Monthly Rate



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The location of San Francisco's new commercial developments is influencing where new housing is being constructed, as local residents strive for housing within walking distance from work.

LOCATION

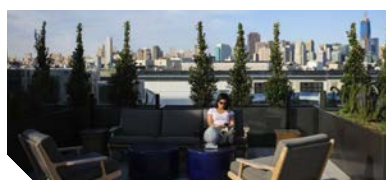
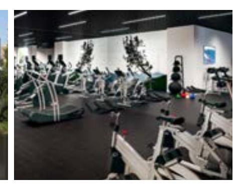
Much of the first wave of San Francisco's new developments were located around the Mission Bay neighborhood. Beginning in mid-2015, Mission Bay's inventory of new apartment grew with communities such as MB360 and Potrero 1010. Those new units have entered the marketplace and the supply is keeping pace with demand more effectively in that neighborhood.

The new demand is in the SoMa District of San Francisco, where new commercial development is bringing an even larger workforce to an already crowded submarket. Developers know these business hubs will bring a workforce that will need housing and have already targeted the areas around the Financial District with new construction projects. Of the 5,600 new homes expected to be completed in 2017, Marcus & Millichap predicts more than half will be located in SoMa.

"We're starting to see a huge amount of properties go up in the SoMa area, and there's no longer a willingness for some of our clients to go that far between work and home," **Gonzalez** said. *"They now understand that they don't have to be all the way on the Mission Bay side of things when they need to be closer to the Financial District. They're watching these new apartments get built across the street from their office, so they know there are options."*

The multifamily housing options popping up at desirable addresses are coming with non-desirable price tags. San Francisco already has the highest effective monthly rent rate in the U.S., but that figure accounts for all types of property, and many of the new buildings in this neighborhood are luxury towers where rents are easily double or triple the average monthly rent.

The high volume of new Class A properties has created a highly competitive market among property management companies. Rather than offering rent concessions, developers are looking at providing more amenities and designer touches to their buildings in an effort to attract tenants in an ever-crowding luxury apartment market.


AMENITIES TAKE STAGE

Rather than providing rent concessions, developers and management companies have looked toward increasing the amenities or enhancing the onsite services at many apartment communities. This has created an amenities "arms race" among new housing communities to see who can provide the most high-end touches or resort-style services for its residents. Some of the amenities that are becoming increasingly popular in San Francisco include dog grooming stations, onsite access to Zipcar and Scoot, Yoga studios, spin rooms, bike lockers and repair stations.

With San Francisco's role in the digital revolution, it's no surprise that several enhanced amenities are tech-driven. Resident services are easier and more efficient with app-based communication technologies. Package receiving and building access for food deliveries can be managed with the push of a button on your smart phone, providing a concierge-like experience in your own home.

"From utility services to maintenance requests, you can handle pretty much handle anything on your mobile phone now," Business Development Manager **David Toledo** said. *"Property management companies are taking advantage of this and using this as an added service to their residents. I'm also seeing a lot of buildings including an interactive video board in the lobby that show off schedules for the fitness classes or organized resident activities."*

The technology-driven resident services are also putting more control in the hands of tenants. From being able to schedule maintenance appointments to making spin class on your time, these app-based services and enhanced amenities stress the importance of having options when selecting a short-term furnished housing program.

THE SYNERGY COLLECTION

In an effort to put more control in the hands of its customers we recently launched The Synergy Collection, a portfolio of housing options broken down into three distinct tiers based on their varying levels of service and offerings. Each of the three groupings – Elements, Elevate and Experience – combine an impressive apartment home with a dedicated guest support team, but are differentiated by varying levels of high-end amenities and resident services.

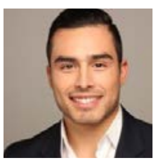
Synergy understands each customer has an individual set of priorities. Where one resident values an onsite dog-walking service, another guest might be more concerned with the walking distance to their office. The Synergy Collection allows customers and prospective guests to base their housing decisions on their own individual preferences.

The three tiers are spread throughout San Francisco in strategic locations, allowing Synergy to serve several different housing scenarios within the same in-demand neighborhoods, like SoMa.

"There might be some units that are perfect for the Executive-level client, but we're also making sure we don't neglect guests that need a convenient unit in a good location, while focusing on more value-based options and amenities," **Gonzalez** said. *"These units might have a great walk score and are in a prime location, but they don't have a concierge desk or a resort-style heated pool."*

YOUR LOCAL MARKET EXPERTS

Anthony Gonzalez has been focused on furnished housing for more than 7 years, having been with Synergy for five years. In addition to his industry experience, Anthony possesses a unique understanding of the complexities of San Francisco housing, having grown up in The City. He is a member of the Northern California Human Resources Associated, Urban Land Institute, Worldwide ERC and the San Francisco Chamber of Commerce. Anthony also serves on Bay Area Mobility Management's Board of Directors.



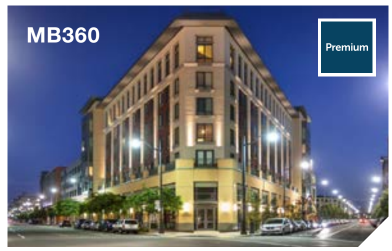
David Toledo originally joined Synergy's San Diego team at the end of 2016 before taking on sales responsibilities in San Francisco a few months later. David utilizes a consultative approach toward building housing programs for his individual corporate. He is also a member of the Southern California Relocation Council and the YP40 professional associations for Bay Area Mobility Management and Worldwide ERC.

More than just a furnished apartment, Synergy Global Housing provides the ultimate corporate housing experience by combining the comforts of "home" with exceptional customer support. Through listening to the needs of the individual guest, Synergy builds custom-tailored housing programs and supports each reservation with an experienced, dedicated team of customer service professionals. With Global Solution Centre offices in the United States, Ireland, India and Singapore, Synergy has the global scalability to service any housing need, anywhere in the world.

SAMPLE PROPERTIES FROM THE SYNERGY COLLECTION

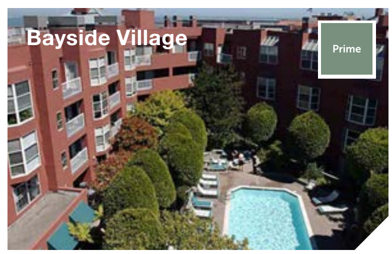
EXPERIENCE™

Luxury | Curated | Concierge



ELEVATE™

Modern | Dynamic | Connected



ELEMENTS™

Value | Efficiency | Quality

To learn more about **The Synergy Collection** and our **fully furnished housing options in San Francisco**, please contact **Anthony** or **David** at **925-807-1155**.

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SYNERGY GLOBAL HOUSING

2017 Market Update

Seattle Market Insights

With five-consecutive years of job gains at 3 percent or higher, Seattle has become one of the fastest-growing employment centers in the United States. This economic expansion has been fueled by a thriving technology sector, which is not only bringing in new jobs, but higher paid positions as well.

This increase in higher income professionals has created a strong demand for housing in the Seattle region, sparking some of the highest rent increases in the nation. According to Marcus & Milllichap's *2017 U.S. Multifamily Investment Forecast*, effective rents for all multifamily housing units are expected to average $1,557 at the end of 2017, representing a 6 percent rise from the previous year. According to The Seattle Times, rents in Seattle have increased 57 percent over the past six years. The cost of buying a home is also growing in the area, and ownership is becoming increasingly out of reach for many professionals, which only increases the demand for rental housing among Seattle's new professionals.

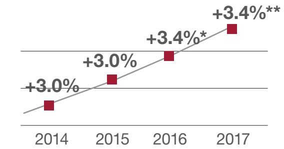
In response to the heavy rental demand, developers have spent the previous two years constructing apartments at record levels. Marcus & Millichap report that after 9,500 new apartment units were brought to market in 2015, Seattle saw 13,800 new units completed in 2016, with another 13,200 units expected online this year.

"Seattle is going through a lot of growth right now," Synergy Business Development Manager **Lisa Brand** says. *"There's construction almost everywhere you go, especially in the Seattle and Bellevue areas. Last year it was announced Seattle had the highest amount of construction cranes in the entire country."*

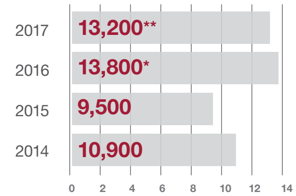
Developers have been constructing apartments at record levels during the previous two years, but there has been little relief to increasing rent prices due to the wave of incoming professionals driving up demand.

SEATTLE BY THE NUMBERS

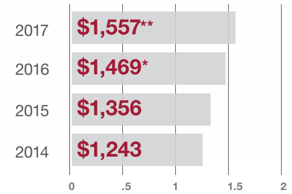
Employment Growth
Year-Over-Year



New Unit Completions



Average Effective Monthly Rate



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SYNERGY GLOBAL HOUSING

2017 Market Update

While construction in Seattle has reached record levels, there has been very little relief to increasing rent prices due to the wave of incoming professionals driving up demand. According to Marcus & Millichap, Seattle ranks 8th in the U.S. for markets with the highest expected absorption rate for 2017 according to the 2017 U.S. Multifamily Investment Forecast.

"I think all of this new construction will slow down the rate that we're seeing rents increase," **Brand** says. *"However, I don't think there is going to be a major drop off, or even rent prices come down, because the demand for housing in Seattle is so strong right now and it doesn't seem to be letting up."*

"SILICON VALLEY NORTH"

Another trend putting stress on the Seattle housing market is the migration of Silicon Valley tech workers moving north due to the region's growing presence as a technology hub. Workers fed up with San Francisco Bay Area's rising housing costs are relocating to the region for its lower cost of living and Washington state's lack of a state income tax. Because these transferees typically hold well-paid positions many of the tech workers are filling the luxury towers in the Puget Sound core of Seattle and Bellevue. Downtown Seattle and the South Lake Union neighborhood are especially popular for professionals working in the tech industries.

Real estate developers looking to take advantage of the strong demand and expensive rent prices are focuses their new construction projects on creating more of these high-end high-rises. As a result, the majority of new apartments in the in-demand neighborhoods have been Class A properties, with little concern for B-and C-level accommodations.

"I know that Seattle's growing technology giants are a huge reason for these new towers," **Brand** says. *"People want to live close to their work, and the workers at these tech firms are looking for housing near their work at prices they can afford."*

LOCATION IS CRUCIAL

Which city and neighborhood you choose for housing is also becoming increasingly important due to the region's geographical constraints. The city of Seattle is surrounded by two bodies of water, the **Puget Sound** to the west and **Lake Washington** to the east. These features restrict Seattle's ability to expand the boundaries for residential and commercial development. Despite all the economic similarities between its Northern California counterpart, Seattle and its suburbs are less than a fifth the size of Silicon Valley.

The most popular secondary market is across from **Lake Washington** in the cities of **Bellevue** and **Redmond**. The popularity of these markets has created a strain on the region's transportation infrastructure. There are only two bridges that connect either side of Lake Washington, Interstate 90 and State Route 520, and having only two routes has greatly increased commute times.

"I typically plan for an hour if I have to cross a I-90 during rush hour," **Brand** said. *"Keep in mind that this is usually for a drive that's only 18 miles long."*

These crowded roadways have made mobility around the Puget Sound Area more difficult, and the two sides of Lake Washington are becoming increasingly isolated from one another as the area's population continues to swell. The east side of Lake Washington is where most of the area's developments are expanding. Brand points to cities located to the north and south of Bellevue and Redmond, along Interstate 405, as areas of increased expansion. These are the markets where residents that have been priced out of Seattle and Bellevue are finding affordable housing. As a result, the majority of the new completions in these cities are Class B and C properties.

"I would imagine that eventually this construction trend will continue moving toward other outer areas like Renton and Everett," says **Brand**. *"I would also keep my eye on Bothell and Mill Creek for new developments."*

SYNERGY
GLOBAL HOUSING

2017 Market Update

THE SYNERGY COLLECTION

Conditions in Seattle such as an increasing population, preference for luxury high-rises and the region's topographical constraints have made it increasingly difficult to build a diversified apartment inventory in every Seattle-area neighborhood. In an effort to give customers the corporate housing solution they want – where they want it – Synergy has created **The Synergy Collection**, a portfolio of furnished apartments broken down into three distinct tiers based on their varying levels of service and offerings. Each of the three groupings – **Elements, Elevate and Experience** – combine an impressive apartment home with a dedicated guest support team, but are differentiated by varying levels of amenities and resident services.

Synergy understands each customer has an individual set of priorities. Where one resident values an onsite dog-walking service, another guest might be more concerned with the walking distance to their office. The Synergy Collection allows customers and prospective guests to base their housing decisions on their own individual preferences. Simply put, The Synergy Collection puts more control in the hands of the customer.

"The Synergy Collection gives our customers more choices," says **Brand**. *"It brings a focus to our local expertise and how we can work with our customers to place them in the right building, in the right location, to make their temporary home feel like home."*

YOUR LOCAL MARKET EXPERT

Lisa Brand is an expert on Seattle housing having overseen the market for almost 20 years. Lisa joined Synergy in early 2017, after serving as a licensed real estate broker in the Pacific Northwest. Prior to her licensing, Lisa was a Major Account Manager at a corporate housing provider in Seattle for more than a decade. In addition to her real estate license, Lisa is a Certified Relocation Professional and a chairperson Pacific Northwest Relocation Council's Social Responsibility Committee.

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SAMPLE SEATTLE PROPERTIES FROM THE SYNERGY COLLECTION

EXPERIENCE™

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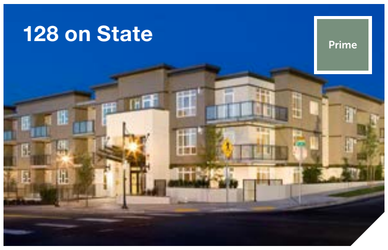

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SYNERGY GLOBAL HOUSING

2017 Market Update

Los Angeles Market Insights

The Los Angeles market has experienced strong employment growth in recent years that is fueling a demand for housing that developers are still trying to catch up with.

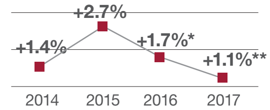
After adding 75,000 new jobs in 2016, the Los Angeles region is expected to add an additional 50,000 new workers by the end of 2017, according to Marcus & Millichap's 2017 U.S. Multifamily Investment Forecast. While new employment is a good thing, the jobs that are typically being produced have not kept pace with the high cost of home ownership for the region. The lack of affordable homes to buy has created one of the strongest demands for rental housing in the nation.

Developers are responding to this demand by ramping up their pace of construction. Marcus & Millchap forecast 10,900 new units will be completed by the end of 2017, in addition to the 12,900 new apartments introduced in 2016. The combined 23,800 new units is more than the 21,800 new apartments brought online in Los Angeles from 2013-2015. Much of this new inventory has been based on Downtown Los Angeles and surrounding neighborhoods.

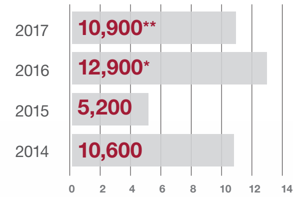
While the recent developments represent the **largest supply injection** in more than **two decades**, expect **vacancy** in Los Angeles to **continue to decline**, a trend that began in 2014.

LOS ANGELES BY THE NUMBERS

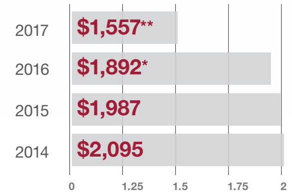
Employment Growth
Year-Over-Year



New Unit Completions



Average Effective Monthly Rate



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2017 Market Update

While the recent developments represent the largest supply injection in more than two decades, expect vacancy in Los Angeles to continue to decline, a trend that began in 2014. After finishing 2016 with a 2.9 percent vacancy rate, Marcus & Millichap predict Los Angeles to average 2.6 percent vacancy by the end of this year.

The lone exception to this vacancy trend could be the downtown area, where a heavy introduction of new housing is decreasing occupancy and creating a competitive housing market among property management companies.

"Developers and Property Managers are hungry to fill their buildings, so there's a willingness on their part to work with corporate housing providers," Synergy Business Development Manager Lisa Cantello says. *"They're more open to rent concessions or short-term leases now. A lot of property managers were hesitant to discuss these options in the past, but the market has become so competitive among the newer and remodeled properties that there's more flexibility."*

These market conditions make it especially crucial to work with an experienced corporate housing provider that has strong relationships with Los Angeles property managers. Synergy works hard to be the first corporate housing provider that these companies call when new pricing specials are made available. This gives Synergy's customers the best possible rates at the best possible locations.

OTHER EMERGING SUBMARKETS

Renovated sections of Downtown Los Angeles helped spur an apartment surge, and Cantello says she is seeing new commercial developments in other submarkets that will increase the demand for housing in upcoming years.

She points to The Grove neighborhood, west of downtown, as a neighborhood that is already seeing a heavy demand for corporate housing. Tucked in between several production studios, this neighborhood is becoming increasingly popular for entertainment professionals seeking short-term furnished housing.

"A lot of the people interested in The Grove are younger executives," Cantello said. *"The Grove is known for being a highly-visible neighborhood in Los Angeles. It's adjacent to Beverly Hills. There's tons of energy in the area, and it has a great vibe. People want to be here because of how central it is and the great restaurants, shopping and entertainment options."*

Another area that Cantello sees growing in popularity are the beach cities in and around Santa Monica. She points to the growing number of tech campuses that have spring up within Playa Vista and neighboring areas that are increasing the demand for housing among new employees. Glendale, just north of Los Angeles is another city experiencing a wave of economic growth that has seen its popularity intensify.

THE SYNERGY COLLECTION

One area of concern with the new developments in Los Angeles is a lack of housing variety. The majority of new and renovated buildings going up in downtown have been luxury apartment towers. These high-class high-rises also come with high rent prices, and an organization in need of corporate housing in the area might have a difficult time finding a housing solution that meets their budget.

This challenge led Synergy to create The Synergy Collection, a portfolio of housing options broken into three distinct tiers based on varying levels of service and offerings. Each of the three groupings – Elements, Elevate and Experience – combine an impressive apartment home with a dedicated guest support team, but are differentiated by varying levels of high-end amenities and services.

SYNERGY GLOBAL HOUSING

2017 Market Update

The goal of The Synergy Collection is to provide more choices to more people in their desired locations. Synergy is known for its high level of service and its ability to provide customized solutions for each individual guest, and The Synergy Collection is an extension of that philosophy.

"One of our most popular locations in DTLA is 8th and Hope because of the amenities the property offers," Cantello said. *"It is centrally located so people can walk to their office or hop on public transit at the metro station. It also offers easy access to all the great restaurants and entertainment options at LA LIVE."*

ABOUT THE SYNERGY TEAM

Lisa Cantello has spent her career devoted to client relations and sales. She joined Synergy two year ago after entering the corporate housing industry in 2010, and she uses a consultative sales style and collaborative approach to offer strategic furnished housing solutions. She is a member of the Los Angeles Business Travel Association and the Southern California Relocation Council.

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SAMPLE LOS ANGELES PROPERTIES FROM THE SYNERGY COLLECTION

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![SYNERGY GLOBAL HOUSING]

2017 Market Update

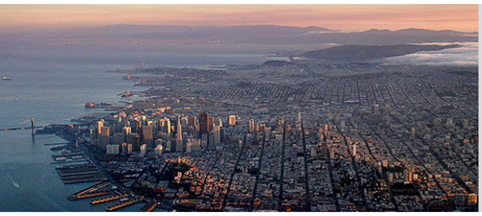
Silicon Valley Market Insights

The tech industry that Silicon Valley has become known for will continue to grow throughout the remainder of 2017, bringing thousands of new jobs to the southern part of the San Francisco Bay.

These jobs are typically well-paying, and employ younger individuals with new families seeking housing options. The heavy demand has put an enormous stress on the region's available housing and driven up the price for home ownership, pushing many new formed households into the rental market. This trend has put an additional strain on the availability and pricing for multifamily housing options.

"People want to live close to their work," Synergy Business Development Manager **Yimun Stauffer** said. *"But as these tech companies continue to grow and add workers, the areas around these corporate headquarters are running out of housing and driving up the prices."*

In response to this growing demand for new apartments, developers have spent the last few years introducing a record number of new apartment communities. According to Marcus & Millichap's 2017 U.S. Multifamily Investment Forecast, approximately 5,900 new units were introduced in San Jose and surrounding cities, representing the largest delivery of inventory in almost 20 years. This heavy supply has put a dent in the region's vacancy rate. Marcus & Millichap note that vacancy rates spiked to 4 percent in 2016 after averaging 3.4 percent in 2015.

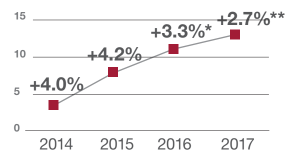


Silicon Valley and San Francisco

are only an hour apart and have an extreme housing shortage, but the two markets are completely different.

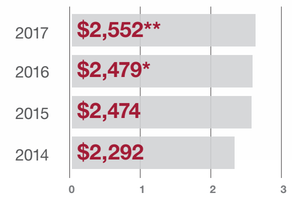
SILICON VALLEY BY THE NUMBERS

Employment Growth
Year-Over-Year



New Unit Completions

Average Effective Monthly Rate



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The rise in vacancy has had an impact on rent prices as well. From 2014 to 2015, the average effective monthly rent increased $189 *(from $2,292 to $2,474)*, but average rents only saw a $5 raise from 2015 to 2016 *($2,479 per month in 2016)*.

In response to this oversaturation of new inventory, developers are slowing down their construction rate. After averaging 4,600 new rentals from 2014-2016, only 3,500 new units are expected in San Jose and its submarkets by the end of 2017, representing a 25 percent drop off from previous averages, according to the data from Marcus & Millichap.

As a result of this slowdown, Marcus & Millichap expect the area's vacancy to dip slightly to 3.9 percent by the end of 2017. These factors will contribute to an estimated 3 percent increase to effective monthly rents.

SILICON VALLEY VERSUS SAN FRANCISCO

Silicon Valley and San Francisco are only an hour apart and have an extreme housing shortage fueled by a thriving technology sector, but the two markets are completely different.

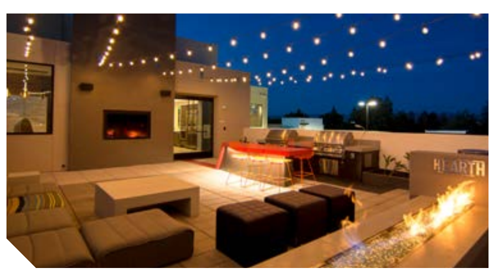
Geographic barriers prevent San Francisco development from expanding, forcing developers to build housing vertically. Meanwhile, the large apartment communities being built in Silicon Valley are located on the edges of town, where the population isn't as dense and construction can build out, not up.

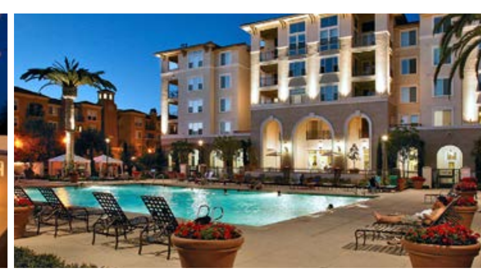
"The mega properties in Silicon Valley are different that the giant residential complexes in San Francisco, because those communities are built on top of one another," Synergy Business Development Manager **Paul Morrow** said. *"The larger communities in Silicon Valley are typically built ,where there is room to grow, are often made up of several smaller, individual buildings that only go to four or five stories."*

Another significant difference is the type of building and features included in the new apartment communities. Tech workers in San Francisco are well-paid and have shown a preference for high-end accommodations tucked into tight urban spaces, leading to a rush of new luxury towers in the downtown area.

Workers in Silicon Valley, however have shown a tendency toward larger, more efficient living spaces that take advantage of available room for developments. New apartment communities in southern part of the San Francisco Bay offer less luxury amenities and concierge services (such as package receiving, dog walking or on-site tanning beds) in favor of communities with outdoor social spaces (such as swimming pools, barbecue pits and outdoor fireplaces).

"You're going to see a lot of quality apartments that allow residents to live comfortably, but not live the life of luxury," **Morrow** said. *"Resort-style pools and hot tubs with plenty of outdoor living spaces are more common in Silicon Valley. It's not just about available land, but about the types of families drawn to Silicon Valley and what their needs are."*





Silicon Valley's wave of recent apartment construction has created an inventory of diversified housing options throughout the bay's southern cities. This has put a premium on having the right apartment option in the right location, and led us to the creation of The Synergy Collection.

SYNERGY
GLOBAL HOUSING

2017 Market Update

THE SYNERGY COLLECTION

To better serve its customers, Synergy recently launched The Synergy Collection, a portfolio of housing options broken into three distinct tiers based on varying levels of service and offerings. Each of the three groupings – Elements, Elevate and Experience – combine an impressive apartment home with a dedicated guest support team, but are differentiated by varying levels of high-end amenities and services. This is especially important in a market where the in-demand neighborhoods are based on the location of Silicon Valley's major tech offices. This has forced many organizations looking at corporate housing in Silicon Valley to choose accommodations based on price or location – but never both.

"A lot of times you either get a low rate, but it's in a less than ideal location," **Morrow** said. *"Other times you get a great location, but you're paying for it. It's not until the guest is actually living onsite that they, and their employer, realize that the 20 miles between apartment and office is actually a 90-minute drive.*

The Synergy Collections puts more control in the hands of its customers by giving them more options in more locations. In designating all of its housing solutions into one of the three groupings, Synergy now has to ability to keep a diversified portfolio of apartments within the same neighborhood.

"One type of apartment might not be ideal for all types of residents," **Stauffer** said. *"An executive is going to have different needs and expectations than an intern. The Synergy Collection gives us the ability to provide different housing solutions in the same in-demand residential areas."*

ABOUT THE SYNERGY TEAM

Paul Morrow has been a corporate housing professional in the Bay Area since 2008, helping businesses of all sizes find furnished housing solutions for several Silicon Valley-based organizations. He works collaboratively with his clients and internal team to build custom-tailored solutions based on the needs of the individual guest.

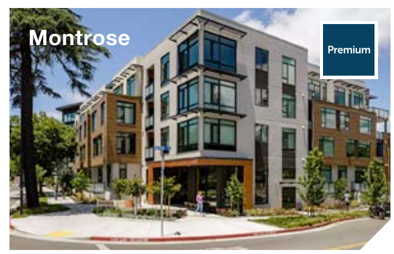
Yimun Stauffer has been with Synergy for almost a year, focusing her efforts on Silicon Valley and its surrounding cities. Prior to joining Synergy, she spent more than 15 years in the hotel industry, selling and managing corporate accounts for several leading hotel brands.

More than just a furnished apartment, Synergy Global Housing provides the ultimate corporate housing experience by combining the comforts of "home" with exceptional customer support. Through listening to the needs of the individual guest, Synergy builds custom-tailored housing programs and supports each reservation with an experienced, dedicated team of customer service professionals. With Global Solution Centre offices in the United States, Ireland, India and Singapore, Synergy has the global scalability to service any housing need, anywhere in the world.

To learn more about **The Synergy Collection** and our **fully furnished housing options in Silicon Valley,** please contact **Paul Morrow** or **Yimun Stauffer** at **(925) 807-1155**.

SAMPLE SEATTLE PROPERTIES FROM THE SYNERGY COLLECTION

EXPERIENCE™
Luxury | Curated | Concierge



ELEVATE™
Modern | Dynamic | Connected

ELEMENTS™
Value | Efficiency | Quality

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SYNERGY GLOBAL HOUSING

2017 Market Update

Orange County Market

A record wave of new construction will drive up Orange County's vacancy levels in 2017, but the type of apartments and where they are being built will limit the impact these new apartments have on the region's strong demand and the rate of rent increases.

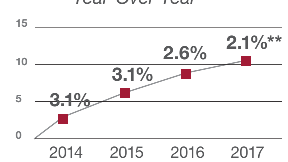
According to *Marcus & Millichap's 2017 U.S. Multifamily Investment Forecast*, Orange County is expected to see 8,200 new units brought online by the end of 2017, representing the largest introduction of new apartments since 2000. The amount of new apartments more than doubles the pace in recent years, as only 2,900 new apartments were completed in 2016, and the previous four-year average for new multifamily housing in the region was only 3,150 apartments per year.

The heavy introduction of new apartments will impact Orange County's vacancy rate, as Marcus & Millichap predict the county will finish 2017 with 3.8 percent vacancy. This would be the highest vacancy in Orange County since 2013, when the rate reached 4.1 percent. But while the new inventory will raise vacancy, rent prices in the county will see little relief. Marcus & Millichap predict Orange County will end 2017 with an average effective rent of $2,004 per month, up from 2016's $1,909 per month average. This increase represents 5% Year-over-Year growth, a 3-year low rents growth reaching 5.2 percent in 2016 and 5.5 percent in 2015. By contrast, rent prices only grew 3.5 percent YOY in 2014, when 4,500 new completions were brought online, the second-highest amount in the previous five years.

The region's large inventory surge will have minimal impact on rent prices due to location and style of these new units.

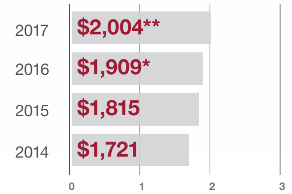
ORANGE COUNTY BY THE NUMBERS

Employment Growth
Year-Over-Year



New Unit Completions

Average Effective Monthly Rate



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A big reason why the unusually large inventory surge will have such a minimal impact on rent prices is the location and style of these new units. Much of the local economy is fueled by local tourist attractions, and the majority of jobs that serve the area's tourism come from service sector, such as bars and restaurants.

Because much of these positions are low wage, the high cost of home ownership has forced many families into the rental market in search of Class B and C properties with lower monthly rents around the tourist-rich attractions. Unfortunately for these families, most of the new construction projects have been Class A developments centered around recently completed commercial developments.

OC'S EVOLVING ECONOMY

Orange County's economy has been defined by the tourism and service industries for decades. Tourist attractions such as Disneyland, Disney's California Adventure and Knott's Berry Farms employ thousands of workers and fuel neighboring businesses to create a strong service sector workforce.

But tourism hasn't been the only economic factor in recent years, as a wave of financial services and technology companies are growing or relocating to Southern California and diversifying Orange County's economy.

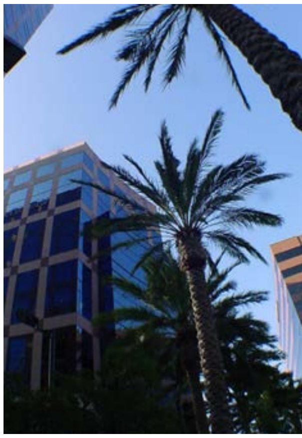
"When people think of Orange County they think of Anaheim, and when they think of Anaheim they think of Disneyland," Synergy's Business Development Manager **Marianne Rabold** said. *"A lot of families come here for that, but once they see the beach areas and the communities around Anaheim, the entire county becomes an appealing place to relocate."*

Much of the new commercial developments have been based in Irvine and East Anaheim, and as a result developers are responding to the new migration of higher wage earners who are looking for Class A apartment home in the same neighborhoods as their employer.

"Right now tech is exploding and there is a need for these companies to take care of their employees because of the battle for recruiting and retaining tech talent," Rabold said. "They know that an attractive setting for work and home is a huge advantage in the battle for top talent. There is an increasing need to provide quality housing for these professionals."

Because Class A properties offer developers larger profit margins, much of the recent construction projects for housing have been focused on serving these white collar workers. The high price tag associated with these luxury apartments will help accelerate average effective rent growth, despite a record number of new completions in the area.

Not only is there no price relief from these new buildings, but these communities failed to address the housing needs of current residents that can't afford luxury accommodations, putting even more stress on the high demand for existing Class B and C properties. This trend makes the role of a corporate housing provider especially crucial, as access to a variety of housing options is becoming increasingly difficult in Orange County.



2017 Market Update

THE SYNERGY COLLECTION

To ensure it continues to provide a wide variety of corporate housing offerings to its customers, Synergy created **The Synergy Collection**, a portfolio of furnished housing solutions broken down into three distinct tiers based on their varying levels of service and amenities. Each grouping – **Elements, Elevate and Experience** – combines a fully-furnished apartment with a dedicated guest support team, while providing varying levels of apartment features and resident services.

Orange County has always had a strong inventory of Elevate-style offerings, and is now seeing a wave of construction projects focused on luxury, Experience-style buildings. This creates a large void in the availability of value-based Elements-style properties in the region.

The Synergy Collection differentiates these three groups, allowing our corporate housing experts to identify housing solutions throughout Orange County for each of the three property classification – regardless of where you need your fully-furnished apartment.

"I'm excited to diversify our leases and really show the differences in the three tiers because I think it's going to make an impact when we can truly show our variety and apply it to a particular client's need and budget," Rabold said.

Synergy relies on its relationships and reputation in Orange County to build a diversified inventory in a market where variety is limited. To offer each individual the housing solution they truly need, Synergy is constantly working with local property managers to locate apartments that meet both the customer's needs and Synergy's high standards. The Synergy Collection would not be possible without an onsite team in Orange County working with local property management companies to build a truly diversified inventory of apartment homes.

"I've worked hard to establish a relationship with a lot of these communities," Rabold said. *"Knowing and understanding the market allows me to quickly identify the right fit for a specific housing need. One of the biggest strengths Synergy has is having a physical presence in this market. People in this area know Synergy and have for several years. They know what we can do and how we can benefit their communities. This opens the door to additional possibilities as we continue to serve Orange County."*

ABOUT THE SYNERGY TEAM

Marianne Rabold utilizes a consultative approach toward customer relations, developed from almost 15 years' experience as a sale professional. She has managed fully-furnished housing programs in Orange County as a member of Synergy team for the past two years. Marianne is a member of Southern California Relocation Council and the Irvine Chamber.

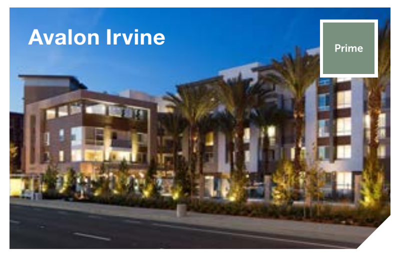
More than just a furnished apartment, Synergy Global Housing provides the ultimate corporate housing experience by combining the comforts of "home" with exceptional customer support. Through listening to the needs of the individual guest, Synergy builds custom-tailored housing programs around the world and supports each reservation with an experienced, dedicated team of customer service professionals. Through listening to the needs of the individual guest, Synergy builds custom-tailored housing programs and supports each reservation with an experienced, dedicated team of customer service professionals.

To learn more about **The Synergy Collection** and our **fully furnished housing options in** Orange County, please contact Marianne at (949) 331-2279.

SAMPLE ORANGE COUNTY PROPERTIES FROM THE SYNERGY COLLECTION

Luxury | Curated | Concierge

Modern | Dynamic | Connected



Value | Efficiency | Quality

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San Diego Market Insights

San Diego's reliance on the tourism industry has made the region a great place to visit, but the local economy has made finding a home increasingly difficult for local residents.

As a popular vacation spot, San Diego's labor force is largely dependent on the tourism and service sectors. Service employees – hired by local bars, restaurants and hotels – are creating a strong demand for housing. Unfortunately, these workers are typically low-wage earners and have been priced out of home ownership due to San Diego's growing real estate prices.

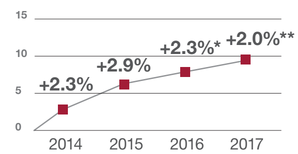
Lacking the money to buy a home, many residents have opted to rent, which has created a strong demand for apartment homes. Developers are looking to meet the need for additional apartments by completing a five-year-high for new unit completions in 2017. According to ***Marcus & Millichap's 2017 U.S. Multifamily Investment Forecast***, developers will bring 5,800 new apartments online this year.

By contrast, the number of new units completed in 2017 is expected to equal the same amount of new apartments brought online in 2015 and 2016, combined. While the new inventory might appear to be just what San Diego needed, the types of new buildings isn't satiating the region's appetite for more housing options. Residents working in the tourism or service industries have shown a preference toward more affordable Class B and C properties, while developers have been primarily focused on building more expensive luxury apartments.

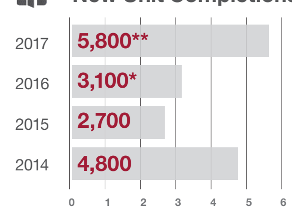
Rather than building a balanced and diverse inventory of new apartments, San Diego developers are focused on constructing high-end properties hoping to turn a faster return on their investments.

SAN DIEGO BY THE NUMBERS

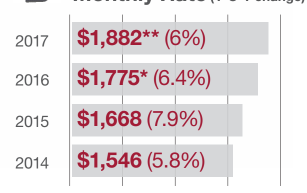
Employment Growth
Year-Over-Year



New Unit Completions



Average Effective Monthly Rate (Y-O-Y change)



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"There isn't much development for Class B and C properties, because you need land to build and land is really expensive in San Diego," **Synergy General Manager M.J. Myers said***. "Developers that want to build want to build new, high-end buildings that will return their investment a lot faster than developing less expensive buildings."*

The heavy wave of Class A completions will test overall vacancy levels. Marcus & Millichap predict the San Diego market will finish the year with a vacancy rate close to 3.4 percent, up from the 2.9 percent vacancy rate in 2015. That vacancy growth can almost entirely be attributed the Class A inventory being constructed in the area. Class A properties ended 2016 just under 4 percent vacancy, while B and C apartment buildings had a vacancy rate closer to 3.5 percent. The new deliveries in 2017 are expected to increase the vacancy gap among luxury buildings and older apartment communities.

AGE IS JUST A NUMBER

One of the primary differentiators among Class A and B properties is the age of the buildings. Class A properties have generally been completed within the previous 10 years, while Class B apartment communities may have been built win the last 20.

The age difference, however, isn't as important in a market like San Diego as in other markets. The region's year-round mild climate and lack of heavy participation reduces the gaining effects on San Diego's buildings, and a lack of evolving style had led developers into building relatively similar communities. These two trends allow a 15-year-old building to have the same look and feel as newer properties.

"There's a lot of really nice Class B properties that have that label simply because of their age," **Synergy's Business Development Associate Rochelle Tirado said.** *"But most guests are concerned with what it's like to live there, rather than how old the property is."*

Myers adds that while newer buildings might offer more modern amenities like a coffee bar or yoga studio, the majority of her corporate housing customers only have three amenity necessities – a pool, Jacuzzi and on-site fitness center – all available in most Class B properties.

With minimal quality difference among Class A and B properties in San Diego, Myers notes many of her clients are beginning to request short-term furnished housing solutions that meet their needs and budgets, regardless of the availability of luxury accommodations. This trend has Myers and Synergy looking for new opportunities in some of San Diego's older apartment communities.

While Synergy explores opportunities at these older buildings, Myers has taken on the responsibility of ensuring these apartments sill meet Synergy's high standards. Once Myers has identified a potential opportunity, she will conduct an on-site inspection of the community and its amenities, as well as a security audit for features such as controlled-access entries, on-site security patrols and closed-circuit television monitoring.

"Once you've actually walked the units you can tell if they are a Class B property in age only," **Tirado says.** *"This is something that someone looking for a more moderate price would be able to feel comfortable in."*

It takes an experienced corporate housing professional to know the market, its inventory and its opportunities to best serve the business travel community. This knowledge is also required in building The Synergy Collection.

SYNERGY GLOBAL HOUSING

2017 Market Update

THE SYNERGY COLLECTION

The better provide its customers with a variety of housing options in any desired San Diego submarket, Synergy has created The Synergy Collection, a portfolio of furnished apartments broken down into three distinct tiers based on their varying levels of service and offerings. Each of the three groupings – **Elements, Elevate and Experience** – combines a fully-furnished apartment with a dedicated guest support team, while providing varying levels of high-end amenities and resident services.

These three classifications prioritize the need for a variety of housing options in the same San Diego submarkets. Synergy now has a more diverse inventory within the same San Diego neighborhoods, allowing us to meet any need or budget.

"I hear a lot of my clients tell me that they don't really need anything posh or upscale," **Myers said.** *"They really just need cost-effective housing close to their new office. The Synergy Collection is our answer to their requests and their needs. Simply put, The Synergy Collection gives more choices to more people."*

YOUR LOCAL MARKET EXPERT

M.J. Myers has been focused on furnished housing for almost 20 years, having been with Synergy for five years. She oversees Synergy's inventory and operations in San Diego, as well as Orange County. Myers works collaboratively with her clients and internal team to build custom-tailored solutions based on the individual guest throughout Southern California.

Rochelle Tirado has more than a decade of experience providing guests with short-term furnished housing. Beginning as a guest services coordinator, Tirado has served in almost every possible role within corporate housing, giving her a unique top-to-bottom perspective to better serve Synergy's customers. She has been a member of the Corporate Housing Providers Association for the past two years.

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To learn more about **The Synergy Collection** and our **fully furnished housing options in San Diego**, please contact **M.J. Myers** or **Rochelle Tirado** at **(858) 242-5900**.

SAMPLE SAN DIEGO PROPERTIES FROM THE SYNERGY COLLECTION

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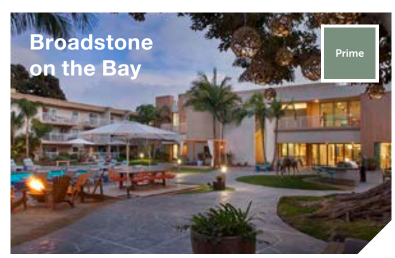
ELEVATE™

Modern | Dynamic | Connected



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SYNERGY GLOBAL HOUSING

2017 Market Update

Chicago Market Insights

A steady economy and reinvestment in downtown have motivated developers to introduce the largest supply of new apartments in Chicagoland since 2000.

According to *Marcus & Milichap's 2017 U.S. Multifamily Investment Forecast*, employment in The Windy City has grown between 1.4 percent and 1.6 percent annually for the past four years. This consistent growth rate has helped fuel new households, especially among millennials, and developers have spent the last two years building new apartment units. More than 16,000 new units will be brought online in 2016 and 2017, combined, in an attempt to satiate the rising demand for new housing.

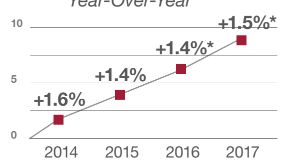
New completions will be quickly absorbed by the market, with Marcus & Millichap predicting Chicago's vacancy rate to hit 3.9 percent by the end of 2017 after finishing 2016 with 3.7 percent vacancy rate. The slight increase in vacancy should slow rent growth, which has increased dramatically in recent years. Chicagoland is expected to end the year with an average effective monthly rent of $1,442. If this occurs, the 4.5 percent average effective rent increase would mark the only time in the previous three years of sub-5 percent growth.

"The biggest issue for us right now has been price," **said Jennifer Breen, President and Founder of Chicago-based Suite Home Corporate Housing.** *"We've never been like San Francisco, Washington DC or Boston with these crazy-high rent prices, but we've seen rent increase in the 7-12 percent range over one year at certain properties."*

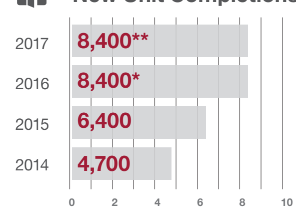
A flood of **companies relocating** from the suburbs to downtown Chicago are **driving demand as well as higher prices** on both new and existing inventory.

CHICAGO BY THE NUMBERS

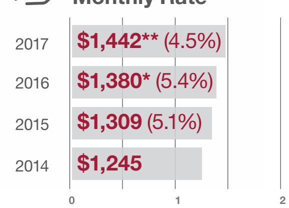
Employment Growth
Year-Over-Year



New Unit Completions



Average Effective Monthly Rate



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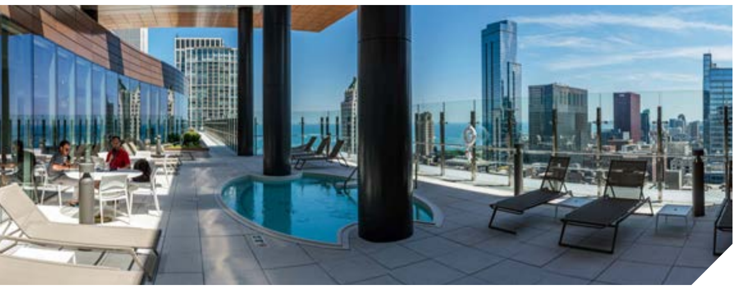
EMERGING DOWNTOWN DEMAND

Another trend making the city of Chicago attractive to developers is a flood of companies and corporations based in Chicago's suburbs relocating to the downtown area. **McDonald's** corporate headquarters, which has been based in the Chicago suburb of Oak Brook since 1971, announced it was moving its operations to Chicago's West Town neighborhood before the end of 2018. The fast-food giant will join **Kraft Heinz**, **Motorola Solutions** and farming supplier **ADM** as notable organizations moving their offices to the friendly confines of Chicago.



The need for young professionals with a background in technology, e-commerce and engineering is forcing many organizations to make their offices more attractive. Millennials have shown a preference for urban environments for both work and play, and companies are migrating to those locations in an effort to be more attractive to prospective employees.

Organizations relocating to Chicago proper are looking for underdeveloped locations that are cheap to build on or rent. New offices are now going into neighborhoods that were previously empty, which is transforming the city's map.

"I've lived in Chicago for 17 years and I'm seeing new neighborhoods pop up in downtown," **Breen said**. *"It's almost like there's a new city popping up in the middle of an existing city. There's such a heavy concentration of people moving into areas that have never been lived in before."*

Breen points to Google's office in the West Loop section of town as an example of Chicago's ongoing evolution.

"It was always referred to as 'West Loop,' but that area's growing so fast that it's splitting into West Loop and The Fulton District," **Breen said**. *"West Loop, before Google and a bunch of other tech companies moved in, was literally the Meat Packing District. Now it's all high-end buildings and Michelin-rated restaurants. It's a trendy area."*

Corporate housing has felt the impact of this migration as residential developers are building apartments in close proximity to the new offices. While choice is typically good for consumers, too many choices has led to confusion among buyers and created noticeable inconsistencies among neighboring properties.

"There was also a time when you would work with 3 or 4 properties, they were like your 'go-to' properties for certain neighborhoods," **Breen said**. *"Now, there can be as many as 10 choices for a single location, and it just becomes too overwhelming when clients are trying to narrow down their options. With so many new properties coming online, it's been hard for me to determine which new buildings we need to be in."*

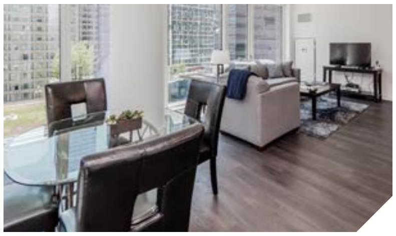
RELATIONSHIPS MATTER

In addition to knowing what properties are available, an experienced corporate housing professional will also have strong personal relationships with local property management companies. These relationships can impact the guest's experience and bottom line. Strong relationships help identify opportunities and provide direct access to accommodations that meet the guest's specific needs and wants. Relationships also help identify opportunities when a management companies begin offering concessions, whether reduced rents or enhanced services, for communities with high vacancy.

There are two distinct strategies a corporate housing provider can utilize when building their inventory. One method attempts to have a physical presence across a broad region by obtaining a small handful of units at several apartment communities. This allows a provider access to any neighborhood or city district a customer might need. But Suite Home chooses the opposite approach by strategically taking on a large collection of leases at only a few select buildings, providing Suite Home more opportunity for a centralized location during a large group move. This philosophy also helps establish better and more fruitful relationships with property management companies, which can lead to lower rent prices and faster response times for on-site issues.

"We're able to service these buildings a lot more effectively and efficiently because we're not spread across the city," **Breen said**. *"I've also noticed that if there is an issue and we need the property manager's attention, we have quicker response times in a building where we have 15 leases, as opposed to a community where we might only have one or two apartments leases."*

STRONG PARTNERSHIP OF SUPPLIERS



Consistency in quality is another reason Suite Home chooses to take several leases in the same building. Due diligence trips and site inspections can be more efficiently administered in communities with multiple leased units. Community amenities and on-site services can vary among properties and management companies, but this challenge is eliminated with several apartments under one roof.

Focusing on consistency isn't limited to Chicago's corporate housing either. One of the best ways for bringing a sense of *"home"* to our customers is by delivering a consistent level of quality in every corporate housing solution. Finding a housing supplier that can consistently meet Suite Home's standard for quality in a market outside Illinois and Wisconsin puts pressure on the organization to partner with a provider as customer-focused as Synergy.

Suite Home and Synergy have a long-term partnership built on trust and collaboration. This relationship has flourished because of how culturally-aligned both organizations are. Each prioritizes the guest experience, ensuring every customer that either Synergy or Suite Home touches is attended to at a personal level.

"It's also important for me to partner with people that take their business as seriously as I do," **Breen said**. *"I take a lot of pride in my knowledge of Chicago and the inventory options that exist in the city. I want to work with someone that really knows and understands their territory to the level I know Chicago. There's no way one person can know all markets. You have to rely on people that are as passionate about their regions as I am with mine."*

ABOUT SYNERGY GLOBAL HOUSING AND SUITE HOME

Jennifer Breen has been focused on providing clean and high-end accommodations for almost two decades. She founded Suite Home in May of 2005 after several years of working as vendor for the corporate housing industry. She is a Certified Corporate Housing Professional and a member of the Chicago Corporate Relocation Council, Corporate Housing Providers Association, Chicago land Apartment Association, Global Business Travel Association, Worldwide Employment Relocation Council, Forum for Expatriate Management and the Women's President's Organization.

SUITE·HOME
CORPORATE HOUSING

Established in 2005, **Suite Home Corporate Housing** offers luxury furnished, corporate apartments with flexible leasing terms throughout the Chicagoland and Milwaukee areas. The units are fully equipped with modern furnishings, luxury linens, and all the housewares needed for a temporary stay. The Suite Home staff strive to provide guests a "home away from home" experience, and are equipped to handle large corporate groups, project work, relocation, medical travel, entertainment crews, interns, and government travel.

SYNERGY
GLOBAL HOUSING

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SYNERGY GLOBAL HOUSING

2017 Market Update

Austin Market Insights

Austin has been one of the most desirable destinations in the United States for several years, and that trend is not expected to slow in the near future.

Forbes ranked Austin as the second fastest-growing city in 2015, while the ***U.S. Census Bureau*** ranked ninth among all U.S. metro areas for population growth from 2015 to July 2016 after the region's population grew 2.9 percent during that time. Population growth during the past year has moved Austin past Cleveland and Columbus, Ohio to become the 31st largest metro area in the U.S.

The U.S. Census Bureau reports that Austin had 2,056,405 residents on July 1st, 2016, representing a 58,301 increase from the previous year. Austin's population has grown a remarkable 19 percent from 2010 to 2016.

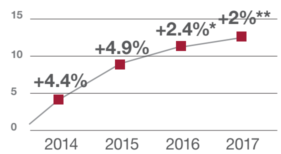
A combination of economic opportunity, low cost of living and good public relations have fueled this growth. According to ***Marcus & Millichap's 2017*** U.S. Multifamily Investment Forecast, Austin employers will add 20,000 new jobs to local payrolls in 2017, creating a 2 percent increase to the local labor pool. Last year, 23,400 new positions were created.

This constant growth has developers looking to build both single-family homes and apartment communities. Close to 13,000 new units hit the Austin market in 2016, representing a record-high for new completions. Construction is expected to slow to only 9,800 new units this year, but that is still an increase over the 9,000 new units placed on the market in 2015.

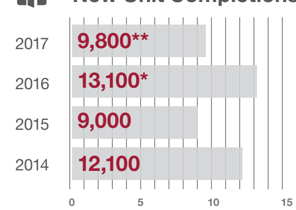
New construction isn't expected to slow down as new residents continue to arrive and the cost of construction remains relatively cheap.

AUSTIN BY THE NUMBERS

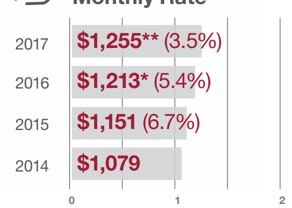
Employment Growth
Year-Over-Year



New Unit Completions



Average Effective Monthly Rate



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SYNERGY GLOBAL HOUSING

2017 Market Update

"There is so much positive PR on Austin that the development never stops," said **Tracy Hayes, President of Austin-based CWS Corporate Housing**. *"Even in the tech bust of 2007, people loved the atmosphere here, so there was still a heavy demand. Austin is one of those cities, like a Portland or Seattle, where people always react positively or with curiosity."*

The heavy construction has impacted housing availability, as vacancy has grown slightly during the previous three years. Austin is expected to end 2017 with a 4.8 percent vacancy rate, after finishing 2016 with 4.6 percent vacancy.

Rising vacancy rates have slowed rent growth, as Marcus & Millichap predict the average effective rent to hit $1,255 by the end of the year, up from 2016's $1,213 monthly average. The 3.5 percent increase from 2016 would mark the first time in the previous four years where annual rent growth fell below five percent.

COST OF LIVING AND BUILDING

New construction isn't expected to slow down as new residents continue to arrive and the cost of construction remains relatively cheap compared to the rest of the country. Texas' status as a right-to-work state leads to lower construction costs due to the non-unionized labor used in the building process. The vast, undeveloped landscape surrounding the Austin area also allows builders access cheap land to build on.

"Overall, Austin just isn't very dense," **Hayes** *said. "I'm in North Austin, and I can look around and still see a lot of empty spaces. Just 10 minutes from downtown are 1,000's of acres of land that still have cattle grazing on it."*

Hayes points to State Highway 130, a recently-built toll road that runs along Austin's eastern border, as an area with tremendous opportunity for future developments. The toll road connects North Austin with San Antonio by circumnavigating the city of Austin and the heavy traffic congestion that populated Interstate 35, the main traffic artery connecting the region.

The road was built on the outer edges of Austin, where little development has occurred, but developers are taking note of the new wave of commuters and are beginning to build on neighboring plots of land. According to MPF Research's Austin Apartment Market Report, Southwest Austin (east of SH-130 and south of US-290) saw the largest inventory growth in 2016 among Austin's submarkets, with a 20.9 percent increase in housing inventory from 2015.

IN-DEMAND NEIGHBORHOODS SPREAD THROUGHOUT

While the demand for corporate housing is often centrally-located in many U.S. markets, Austin's housing needs are spread throughout Austin and its surrounding suburbs, as several Austin-based companies have elected to establish offices away from the downtown corridor.

Hayes points to Dell Technologies, one of two Fortune 500 companies based in the area, as an example the region's corporate reach. Dell was founded in Austin, but has its corporate headquarters located Round Rock, a suburb 20 miles north of Downtown Austin.

Organizations typically request housing close to their corporate offices, which explains why the Arboretum submarket, near the intersection of Research Boulevard and the North Mopac Expressway, is becoming increasingly popular among relocating corporations and their employees. This trend isn't always true, however, as some Austin neighborhoods are becoming increasingly attractive to different groups of business travelers. Transferring families looking for a quality school system, for example, are frequently targeting the Southeast Austin community of Westlake, while younger workers prefer some of Austin's more trendy neighborhoods.

"Of course, everyone wants to live downtown, especially millennials," **Hayes** *said. "They love that downtown lifestyle. But one thing that they are surprised at, is that our walk scores in the downtown area aren't that great. It's gotten better recently, but it's still not great."*

RELATIONSHIPS MATTER

With a large geographic area, strong housing diversity and new opportunities provided by new developments, the region has become a highly popular market for corporate housing with several unique conditions. In order to navigate the features that "keep Austin weird," Synergy needed to partner with a corporate housing provider with a long history of providing quality short-term furnished accommodation throughout Central Texas. Synergy identified CWS as the premier provider of serviced accommodation in Central Texas, and the two have built a long-term partnership that has flourished because of how culturally-aligned both organizations are. Each prioritizes the guest experience, ensuring every customer that either Synergy or CWS touches is attended to at a personal level.

"You have your relationship with the client and the relationship with the properties," **Hayes** *said. "You need good partners to meet those needs. We don't set up inventory in our outside markets, where we don't have boots on the ground. We count on the best of the best to be our boots on the ground."*

In situations where it provides housing in a market outside of Texas, CWS serves more of a logistical role while the partners provide the in-unit customer support. Hayes believes communicating these roles in a transparent way with customers is a crucial aspect for serving the guest and building a productive relationship.

"We don't ask Synergy to take its logos and branding out of the unit because we're happy to disclose our partners and that we aren't on-site," **Hayes** *said. "I want our customers to know who their point of contact and will be the facilitator. I don't know if in this industry, even when someone is national, it's impossible to be everywhere, all the time."*

ABOUT SYNERGY GLOBAL HOUSING AND CWS

Tracy Hayes has more than 25 years of experience in property management and corporate housing, including her current role as President of CWS Corporate Housing. Tracy originally joined CWS Apartment Homes in 1994, before helping the organization establish its Corporate Housing brand a year later. She is a Certified Corporate Housing Professional and Global Mobility Specialist, and is a member of the Corporate Housing Providers Association, Vistage Executive Network, Texas Association of Business and Texas Business Leadership Council.

CWS Corporate Housing is known as an industry leader and specializes in short-term furnished apartment rentals in Texas, North Carolina, Georgia, and Louisiana. As a company, they are committed to hiring good people who perform at great levels and have a strong understanding of how to develop and drive top quality. Their excellence and local service is unparalleled. They are a trusted business partner with a number of resources to help their clients find the best accommodations based on their needs. To learn more, visit www.cwshousing.com.

More than just a furnished apartment, **Synergy Global Housing** provides the ultimate corporate housing experience by combining the comforts of "home" with exceptional customer support. Through listening to the needs of the individual guest, Synergy builds custom-tailored housing programs and supports each reservation with an experienced, dedicated team of customer service professionals. With Global Solution Centre offices in the United States, Ireland, India and Singapore, Synergy has the global scalability to service any housing need, anywhere in the world.

To learn more about corporate housing in the **Austin** area, contact a **Synergy Global Housing** representative at **(925) 807-1155**.

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SYNERGY GLOBAL HOUSING

2017 Market Update

Orlando Market Insights

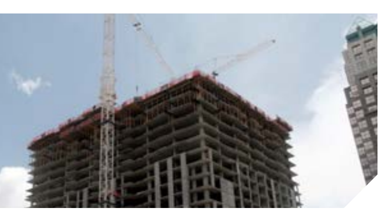
A thriving employment market has developers scrambling to keep up with an increasing demand for housing in Orlando, but builders have been unable to satiate this demand, resulting in a highly competitive housing market.

Orlando is currently enjoying its lowest employment rate since July 2007, recording 4.1 percent unemployment at the end of July, and the city was named in ***Marcus & Millichap's 2017 U.S. Multifamily Investment Forecast*** as the market with the highest expected employment growth in the United States this year.

The majority of available jobs in Orlando are in the leisure and hospitality industries that service Orlando's major tourist destinations, such as Disney World, Universal Studios and SeaWorld. These positions are typically low wage and filled by younger workers, who are beginning their professional careers and looking to form new households.

Hoping to capitalize on this growing need for housing, developers are rushing to build new multifamily housing options. Despite seeing close to 7,000 new units completed in 2016, a 5-year high for Orlando, vacancy actually decreased in 2016, to 3.4 percent, after averaging 3.7 percent in 2015.

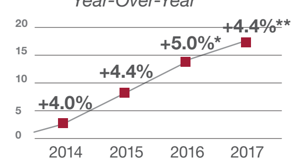
With only 4,900 new apartments expected in 2017, vacancy is forecasted to fall for the fifth-consecutive year, averaging 3.2 percent vacancy.



Consistent demand will lead to an eighth-consecutive year of rent growth, with a record-high average effective monthly rent for the greater Orlando area.

ORLANDO BY THE NUMBERS

Employment Growth
Year-Over-Year



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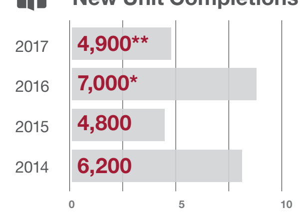
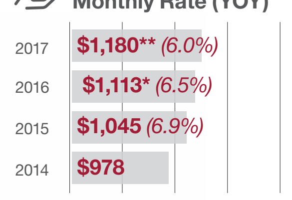


Average Effective Monthly Rate (YOY)



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This demand will lead to an eighth-consecutive year of rent growth, with a record-high average effective monthly rent of $1,180, representing an increase of 6 percent from the previous year.

"A lot of it revolves around the amusement parks and entertainment industry," said ***Scott Cagle, Vice President and General Manager of Nika Corporate Housing.*** *"I wouldn't go as far as to say that the housing prices are prohibiting home ownership. That's a much deeper conversation about the economy and where the rebounds are, but the entire Florida market is pretty hot right now."*

TIMESHARES IMPACT CORPORATE HOUSING

Over the past several decades Orlando's designation as a tourist hub has led to developers flooding the market with timeshare resorts and rental units. Central Florida has become the largest regional area for timeshare properties in the United States. According to the American Resort Development Association, there are 87 identified timeshare resorts and more than 29,000 rental units in the Orlando-Kissimmee-Sanford metro area.

The heavy volume of timeshares has created a very competitive market, and many timeshare owners are looking at attracting short-stay corporate housing guests to fill vacancy gaps left by unused units. These owners are finding it easier to reach an audience seeking short-term furnished accommodations through online booking platforms, such as Airbnb, and the Orlando temporary housing market has become saturated with vacant timeshares as a result.

While staying at a luxury vacation resort may sound appealing to some business travelers, these property types can be problematic for individuals looking to balance work/life responsibilities. Rather than having a peaceful home-like environment, these resorts are filled with vacationers looking to have a good time during their brief residence, creating a difficult setting for a corporate stay.

"A lot of people looking for corporate housing for the two or three months they're in Orlando prefer to live like a local rather than a tourist," ***Nika Cagle, Nika Corporate Housing President and CEO****, said. "I used to live in Orlando and seeing tourist after tourist everywhere you go is difficult. If you are a long-time customer of corporate housing, or have experience in a corporate housing setting, you would be somewhere between uncomfortable and miserable living in one of those resort places, where they are constantly turning over residents and your neighbors are always in 'party mode.'"*

Additionally, many owners see their timeshare properties as an investment, and manage the property from outside the region or state. The long-distance owners provide no on-site support staff to assist with guest arrivals, maintenance issues or service requests, and rarely have the experience in resolving these challenges in a timely manner. All of these factors have led to disappointing guest experiences becoming more common among customers that chose a timeshare offering over a fully-supported corporate housing program.

BUILDING STYLES ARE 'UNIQUE'

Tourism's impact on the local economy also affects the types and location of new developments under construction. Like other "entertainment rich" cities such as Los Angeles or Las Vegas, there is a need for new buildings to have their own unique look and offerings to differentiate from a crowded field of competitors.

"Generally speaking, if you aren't making a statement with your building and its amenities, then you aren't going to stand out as the newest, coolest thing out there," ***Scott Cagle*** *said. "It's going to be more difficult to fill up your leases as fast as you want, unless you're offering something new and different."*

Developers and managers have started looking at offering new and enhanced on-site amenities to differentiate their apartment communities and attract tenants. ***The Rialto***, a luxury apartment located outside Orlando in the Doctor Phillips area, is an example of a recently completed community offering innovative ideas such as a pet washing station and a state-of-the-art fitness center with internet-connected cardio equipment.

Some of these new amenities seem great on paper, but don't provide a practical benefit to residents. One new community bragged about its resident wine room, but the idea of having to take an elevator down to the basement to access a bottle of wine seemed unnecessary. Nika makes it a point to do no-notice inspection stays in her own inventory to experience the property and community, just as a guest would.

"We make it a priority to test out these newer amenities, because we want to see if they actually benefit the guest," ***Nika*** *said. "It looks great during a showing of the property, but is it better to go downstairs and use the property's pretty wine room or just use your refrigerator and pour a glass in your own place? When we're explaining the offered amenities, we want to make sure it's something that appeals to the guest, both in idea and in practice."*

THE RIGHT LOCATION

Proximity to the major theme parks is also driving the location of Orlando's corporate housing demand. Disney World, Universal Studios and SeaWorld are all located in the southwest corner of Orlando, which is a 20-minute drive from downtown with uncongested roads. Unfortunately, traffic conditions and a lack of quality public transportation has increased the distance between Orlando proper and the major tourist destinations during the last several years.

"There's only one major corridor that runs through the entire Orlando market," ***Scott*** *said. "If Interstate 4 goes down, it's a parking lot for hours. There's really no good way around it."*

A lack of mobility has created an increased demand for housing in the communities neighboring the major tourist destinations. Doctor Phillips and Celebration are two popular areas for business travelers, due to their proximity and quality school system, but obtaining short-term inventory in these neighborhoods can be difficult as the theme parks work to prevent vacationers from using local housing.

"These parks don't want transient people staying in nearby homes," ***Scott*** *said. "They want their resort money and they don't want to make it easy to find short-term housing. So you have to make a year-long commitment to get housing in a lot of these areas."*

SYNERGY GLOBAL HOUSING

2017 Market Update

RELATIONSHIPS MATTER

Finding a short-term housing solution in a market specifically and purposefully regulated to encourage hotel stays can also be a challenge.

Nika Corporate Housing's approach is to establish strong relationships with local property managers to identify mutually beneficial opportunities and become the Property's sole provider through exclusive agreements whenever possible.

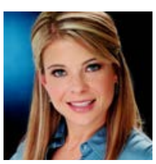
Melbourne, Florida, a city about 70 miles southeast of Orlando, is becoming more popular for corporate housing due to its proximity to Cape Canaveral, a growing number of aerospace companies and projects such as *SpaceX*. As such, Nika Corporate Housing has spent the last year touring apartment communities and building relationships with property managers in Melbourne to help meet this growing demand.

This philosophy is also extended to Nika Corporate Housing's supply chain partners. From outbound market providers to the furniture companies furnishing its apartments, Nika Corporate Housing succeeds because of its firm commitment and belief in well-established partnerships in all aspects of its business.

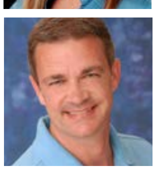
Nika Corporate Housing and Synergy have a long-term partnership built on trust and collaboration. This relationship has flourished because of how culturally-aligned both organizations are. Each prioritizes the guest experience, ensuring every customer that either Synergy or Nika touches is attended to at a personal level.

"We have the view that you're only as good as your weakest link," Nika said. "We want to offer people what they want. So we're always looking at what's trendy, from accommodations to amenities to locations. We look for partners that take the same approach."

ABOUT SYNERGY GLOBAL HOUSING AND NIKA CORPORATE HOUSING



Nika Cagle is the owner and CEO of Nika Corporate Housing, having founded the organization in 2003. She is a member of the CEO group "12 Mavens" in Tampa, and a board member of the local chapter of The Alternative Board. She was also honored by the National Association of Professional Women as an inductee into its VIP Woman of the Year Circle this year.



Scott Cagle is Vice President, General Manager and owner of Nika Corporate Housing. A retired US Air Force Combat B-2A "Stealth Bomber" pilot, He believes in "leadership over management" and leads his team of Corporate Housing professionals to provide the best, efficient and most positive experience possible for each and every guest. He is a member of the Corporate Housing Providers Association.

NIKA Corporate Housing Your Place, Your Way

Based in the Tampa Bay metro area, **Nika Corporate Housing** takes great pride in providing best-in-class corporate housing services in the Tampa, Orlando, St Petersburg, Clearwater, Sarasota and Bradenton areas.

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