

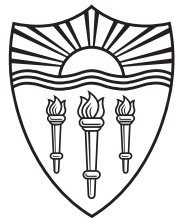
USC Lusk

*Casden Real Estate
Economics Forecast*

2014 Multifamily Forecast Conference



The World of Multifamily Finance



USC University of
Southern California

Marshall School of Business

Sol Price School of Public Policy

USC Lusk

*Casden Real Estate
Economics Forecast*

2014 CASDEN MULTIFAMILY FORECAST SPONSORS



PROGRAM AFFILIATES



CASDEN FORECAST DATA SPONSOR

Marcus & Millichap

USC Casden Multifamily Forecast Conference

NETWORKING BREAKFAST

WELCOME

Richard K. Green | Director
USC Lusk Center for Real Estate

Alan I. Casden | Chairman and Chief Executive Officer
Casden Properties, LLC

USC CASDEN MULTIFAMILY MARKET FORECAST

Richard K. Green | Director
USC Lusk Center for Real Estate

CAPITAL FLOW: THE SEARCH FOR MULTIFAMILY FINANCING

Moderator

Barry Altshuler | Senior Vice President
Equity Residential

Panel

Daniel M. Cashdan | Senior Managing Director and Principal
HFF Securities, LP.

Paul N. Keller | Chief Executive Officer & Founding Principal
Mack Urban, LLC

Wenzel R. B. Hoberg | Managing Director Real Estate Investments
At a Canadian Fund

BREAK

A DEBATE ON THE FUTURE OF MULTIFAMILY FINANCING

Moderator

Richard K. Green | Director
USC Lusk Center for Real Estate

Debate Panel

Dwight M. Jaffee | Willis Booth Professor of Banking, Finance
Fisher Center for Real Estate and Urban Economics

David K. Min | Assistant Professor of Law
University of California Irvine School of Law

MULTIFAMILY & THE AFFORDABILITY ISSUES

Moderator

Gary D. Painter | Professor
USC Price School of Public Policy

Panel

Raphael W. Bostic | Director
USC Bedrosian Center on Governance

Daryl J. Carter | Founder, Chairman, and Chief Executive Officer
Avanath Capital Management, LLC

William A. Witte | Chairman and CEO
Related California

CLOSING REMARKS

Richard K. Green | Director
USC Lusk Center for Real Estate

REPORT AUTHORS



Vincent Reina

Research Associate, USC Casden Real Estate Economics Forecast

Vincent Reina is a doctoral candidate at the USC Price School of Public Policy. Prior to joining USC, he was a Visiting Scholar at the Furman Center for Real Estate and Urban Policy at New York University, where he conducted and published research on housing programs and markets. He has worked at the Local Initiatives Support Corporation as a Senior Program Officer, where he underwrote financing for affordable multifamily rental housing developments across the country. In addition, he has worked as Project Manager in HUD's Office of Multifamily Housing and as a Community Planning and Development Representative in its Office of Community Planning and Development. Vincent was a Coro Community Fellow and an Associate at the Centre for the Analysis of South African Social Policy. He earned a B.S. in Urban Studies from Cornell University with honors, a M.Sc. in Comparative Social Policy from Oxford University, and a MBA with a concentration in Economics and Real Estate from New York University's Stern School of Business.

Selma Hepp, Ph.D.

Senior Economist, California Association of Realtors

Dr. Hepp is Senior Economist for the California Association of REALTORS (C.A.R.), a statewide trade organization with more than 150,000 members dedicated to the advancement of professionalism in real estate.

Dr. Hepp directs the activities of the Association's Research and Economics Group. She oversees the research and analysis of housing market and economic trends, member and consumer surveys, and the impact of real estate related regulatory and legislative policy. She regularly monitors and writes columns on the latest academic research in housing and urban economics, foreclosures, international housing markets, and demographic trends. Her research has been published in a number of academic journals, including Housing Policy Debate, Journal of the Center for Real Estate Studies, Papers in Regional Science, International Regional Science Review.

Before joining C.A.R. in 2012, Dr. Hepp was Economist and Manager of Public Policy and Homeownership at the National Association of REALTORS®. She also worked as a research associate at the Department of Housing and Urban Development and the National Center for Smart Growth Research and Education, and was an instructor at George Washington University. Currently, Dr. Hepp collaborates with the USC Lusk Center for Real Estate and the REALTOR® University Center for Real Estate Studies.

She earned her Masters from the SUNY at Buffalo and a PhD from the University of Maryland.



REPORT AUTHORS CONTINUED



Richard K. Green

Director, USC Lusk Center for Real Estate

Richard K. Green, Ph.D., is the Director of the USC Lusk Center for Real Estate. He holds the Lusk Chair in Real Estate and is Professor in the USC Price School of Public Policy and the USC Marshall School of Business.

Prior to joining the USC faculty, Dr. Green spent four years as the Oliver T. Carr, Jr., Chair of Real Estate Finance at The George Washington University School of Business. He was Director of the Center for Washington Area Studies and the Center for Real Estate and Urban Studies at that institution. Dr. Green also taught

real estate finance and economics courses for 12 years at the University of Wisconsin-Madison, where he was Wangard Faculty Scholar and Chair of Real Estate and Urban Land Economics. He also has been principal economist and director of financial strategy and policy analysis at Freddie Mac. He was a visiting professor of real estate at the University of Pennsylvania's Wharton School. He is or has been involved with the Lincoln Institute of Land Policy, the Conference of Business Economists, the Center for Urban Land Economics Research, and the National Association of Industrial and Office Properties. Dr. Green also is a Weimer Fellow at the Homer Hoyt Institute, and a member of the faculty of the Selden Institute for Advanced Studies in Real Estate. He was recently President of the American Real Estate and Urban Economics Association.

Dr. Green earned his Ph.D. and M.S. in economics from the University of Wisconsin-Madison. He earned his A.B. in economics from Harvard University.

His research addresses housing markets, housing policy, tax policy, transportation, mortgage finance and urban growth. He is a member of two academic journal editorial boards, and a reviewer for several others. His work is published in a number of journals including the American Economic Review, Journal of Economic Perspectives, Journal of Regional Science, Journal of Real Estate Finance and Economics, Journal of Urban Economics, Land Economics, Regional Science and Urban Economics, Real Estate Economics, Housing Policy Debate, Journal of Housing Economics, and Urban Studies. His book with Stephen Malpezzi, *A Primer on U.S. Housing Markets and Housing Policy*, is used at universities throughout the country, and he recently published a book, *Introduction to Mortgages and Mortgage Backed Securities*. His work has been cited or he has been quoted in the New York Times, The Wall Street Journal, The Washington Post, the Christian Science Monitor, the Los Angeles Times, Newsweek and the Economist, as well as other outlets. He spoke at the 31st annual Federal Reserve Bank of Kansas City Economic Symposium, and he has testified before US Senate and House Committees, as well as California Assembly Committees. The National Association of REALTORS, the Ford Foundation, and the Lincoln Institute for Land Policy have funded grants to support some of Dr. Green's research. He consults for the World Bank.

In 1995, Dr. Green was honored as "Teacher of the Year" by the University of Wisconsin Graduate Business Association, and soon thereafter was inducted into that University's Teaching Academy.

CAPITAL FLOW: THE SEARCH FOR MULTIFAMILY FINANCING

Barry Altshuler

Senior Vice President / Equity Residential

Mr. Altshuler is a Senior Vice President of Equity Residential and manages Equity's Investments Group for Southern California. He is responsible for all acquisitions, dispositions, renovations and capital improvements in this portfolio and works closely with the company's development and property management groups. He has over thirty years of experience in the real estate industry and has been directly involved in several billion dollars of transactions during his career.



Mr. Altshuler joined Equity Residential in 1998 as a Vice President of Asset Management. In 2001 he became a Vice President of Acquisitions and in 2007 was named a Senior Vice President. He holds a B.S. in Real Estate & Urban Analysis from the University of Florida.



Daniel M. Cashdan

Senior Managing Director and Principal / HFF Securities L.P.

Mr. Cashdan is a Senior Managing Director and Principal of HFF Securities L.P., the real estate investment banking affiliate of HFF. Mr. Cashdan is also a leader of HFF's Equity Placement line of business. His responsibilities include business development, managing client relationships and raising equity capital. In addition, Mr. Cashdan is responsible for development of the firm's relationships in China and greater Asia, identifying capital and investors looking for global diversification. He has developed and marketed institutional real estate products for over 25 years.

Prior to joining HFF, Mr. Cashdan was a Partner and Managing Director at Chadwick Saylor. Prior to joining Chadwick Saylor, Mr. Cashdan was a Senior Vice President at Aldrich, Eastman, Waltch and President of Real Asset Management Inc., an affiliate of Dimensional Fund Advisors and the RREEF Funds. Mr. Cashdan also founded and served as Chairman and CEO of RealEnergy, a clean-tech energy firm focused on the real estate industry.

Mr. Cashdan graduated from the University of Southern California with a degree in Real Estate Finance and received an MBA from the University of Chicago Booth School. Mr. Cashdan has served on the Booth School Distinguished Alumni Award Selection Committee and the Board of The U.S. Green Building Council during the initial creation of the LEED certification standards. In 2007, he was asked by former Vice President Al Gore to be among those invited to discuss Climate Change and Sustainability as part of Mr. Gore's Inconvenient Truth "presenters" program. Mr. Cashdan is a general securities principal. He has authored numerous articles relating to real estate investment and finance, is a member of the Pension Real Estate Association and is a Governor of the Urban Land Institute.

Wenzel R. B. Hoberg

Managing Director of Real Estate Investments at a Canadian Fund

Mr. Hoberg is a Senior European real estate investment executive with global investment committee and management experience at a major Canadian pension fund. He has a successful track record of building global high quality real estate portfolios and teams.





Paul N. Keller

Founding Principal and CEO / Mack Urban, LLC.

Paul Keller has more than thirty years of experience in the commercial real estate and construction industries and is currently a founding principal of Mack Urban, LLC. He provides leadership with the firm's strategic direction, capital market relationships and tactical management of Mack Urban's investments.

Mr. Keller formerly has held executive management positions with Urban Partners, Keller Equity Group, Keller CMS and Keller Construction Company. Mr. Keller and Keller-related entities have been responsible for more than 2,000 projects in the continental United States and Hawaii, and have provided program development, project and construction management oversight services to a variety of clients of projects valued in excess of seven billion dollars.

Mr. Keller is highly regarded in the industry for his comprehensive grasp of asset and project management details and his ability to align leasing, construction and financing requirements resulting in asset development and management success. He is considered a leading industry expert and is interviewed and quoted frequently in many business, financial, investment and trade media outlets.

Some of Mr. Keller's activities include: member of ULI (Urban Land Institute) Los Angeles Advisory Board and ULI Los Angeles Land Use Leadership Committee; board member for the L.A. Streetcar Initiative (LASI); board member for FOLAR (Friends of the L.A. River); and a member of the Central City Association of Los Angeles.

He was previously the Chairman of Eimago (formerly Union Rescue Mission Foundation) and former Chairman of the Board of Directors, Seven Arrows Elementary School in Pacific Palisades, California.

THE FUTURE OF MULTIFAMILY FINANCING

Dwight M. Jaffee

Willis Booth Professor of Banking, Finance / Fisher Center for Real Estate and Urban Economics

Dwight Jaffee is the Booth Professor of Real Estate and Finance at the Haas School of Business, University of California Berkeley, where he is currently a Co-Chair of the Fisher Center for Real Estate and Urban Economics. He holds a BA degree in Economics from Northwestern University and a PhD in Economics from the Massachusetts Institute of Technology. He serves as a Public Interest Director for the Contra Fund, a mutual fund, and for the Global Earthquake Model, a non-profit organization dedicated to improving the accuracy of earthquake knowledge and preparations.



Professor Jaffee teaches and publishes on topics in finance, banking, real estate, and insurance. His recent research includes the subprime mortgage crisis, energy efficiency in real estate, and catastrophe insurance. Professor Jaffee has consulted with many governmental and research entities including the SEC, the World Bank, Federal Reserve, and the U.S. Treasury. His research can be found at: <http://faculty.haas.berkeley.edu/jaffee/research.htm>

David K. Min

Assistant Professor of Law / UC Irvine

David Min is a nationally recognized expert on financial markets regulation, and his research interests focus on the law and policy of banking, real estate finance, and capital markets.



Before joining the faculty of UCI Law, Professor Min spent over a decade working in financial regulatory law and policy, including as a staff attorney at the Securities and Exchange Commission, as an associate in the Securities Litigation practice group of the Washington, DC, law firm WilmerHale, as Banking Committee counsel for Sen. Charles E. Schumer (D-NY), and as the senior policy advisor and counsel for the Joint Economic Committee of Congress. Professor Min was most recently the Associate Director for Financial Markets Policy at the Center for American Progress, a policy think tank, where he oversaw the efforts of the Mortgage Finance Working Group, a collection of leading mortgage market experts responsible for, among other things, one of the leading proposals on housing finance reform that was described by the Wall Street Journal as “influential” and “one of the most detailed road maps yet for the creation of a housing-finance structure to succeed mortgage giants Fannie Mae and Freddie Mac.”

Professor Min is regularly quoted on financial markets and housing finance issues, including in The New York Times, The Washington Post, The Boston Globe, Reuters, Associated Press and Bloomberg, and is a frequent contributor to radio and television programs, including NPR’s Marketplace, the Diane Rehm Show, CNBC and Fox News. Professor Min is often asked to speak at local and national events.

Professor Min holds a J.D. from Harvard Law School, and received his undergraduate degrees from the University of Pennsylvania’s Wharton School of Business and School of Arts and Sciences, where he graduated magna cum laude and Phi Beta Kappa.

MULTIFAMILY & THE AFFORDABILITY ISSUES

Raphael Bostic

Director / USC Bedrosian Center On Governance and

The Public Enterprise



Dr. Raphael Bostic was previously Director of the USC Price School of Public Policy's Master of Real Estate Development degree program and was the founding Director of the Casden Real Estate Economics Forecast, which tracks and models southern California's office, industrial, and multifamily apartment markets. He also served as the Interim Associate Director of the USC Lusk Center for Real Estate.

Dr. Bostic served for 3 years in the Obama Administration as the Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development. In that Senate-confirmed position, Dr. Bostic was a principal advisor to the Secretary on policy and research, with the goal of helping the Secretary and other principal staff make informed decisions on HUD policies and programs.

Dr. Bostic is an expert on housing and home ownership, and has extensively studied the roles that credit markets, financing, and policy play in enhancing household access to economic and social amenities. His most recent work examines how mortgage finance institutions, such as Fannie Mae and Freddie Mac, have influenced the flow of mortgage credit through lenders that mainly originate high cost, or subprime, loans and through the Federal Housing Administration insurance program. He is also currently studying the role of the private label secondary market in facilitating the flow of capital to subprime and possibly predatory loans.

Dr. Bostic is an active contributor to professional and industry organizations. He has held leadership positions in the American Real Estate and Urban Economics Association, the Association of Public Policy and Management, and the National Economic Association, and served on a National Academies Committee charged with evaluating the research plan of the Department of Housing and Urban Development. He has also been named a Faculty Fellow of the Urban Land Institute and was a Fellow of the Royal Institute for Chartered Surveyors.

Dr. Bostic is a frequent featured speaker to industry groups. He also offers insights to the broader public through the media, and has been quoted in numerous outlets, including television appearances on The Today Show (NBC), CNBC, and Fox News, radio interviews on national public radio, Bloomberg, KNX and KFI, and quotes in newspapers such as the Wall Street Journal, USA Today, Chicago Tribune, and Los Angeles Times.

Prior to joining Price School, Mr. Bostic spent six years on the staff at the Federal Reserve Board of Governors. He received his B.A. in psychology and economics from Harvard University in 1987 and his Ph.D. in economics from Stanford in 1995.

Daryl J. Carter

Founder, Chairman and CEO / Avanath Capital Management, LLC

Daryl J. Carter is the Founder, Chairman and CEO of Avanath Capital Management, LLC, a Southern California based investment firm focused on conventional and affordable multifamily investments.

Mr. Carter directs the strategy, investments, and overall operations of the firm. Over the past 3 years, Avanath has acquired in excess of \$300 million in affordable apartment communities nationwide. Mr. Carter is also a Managing Partner of McKinley-Avanath, a property management company focused on the affordable apartment sector, an entity owned jointly by Avanath and McKinley, Inc.



Mr. Carter has 33 years of experience in the commercial real estate industry. Previously, he was an Executive Managing Director of Centerline Capital Group ("Centerline") and head of the Commercial Real Estate Group. Mr. Carter became part of the Centerline team when his company, Capri Capital Finance ("CCF"), was acquired by Centerline in 2005. Mr. Carter co-founded and served as Co-Chairman of both CCF and Capri Capital Advisors ("CCA"). He was instrumental in building Capri to a diversified real estate investment firm with \$8 billion in real estate equity and debt investments under management. Prior to Capri, Mr. Carter was Regional Vice President at Westinghouse Credit Corporation in Irvine and a Second Vice President at Continental Bank in Chicago.

Mr. Carter holds dual Masters Degrees in Architecture and Management, both received from the Massachusetts Institute of Technology. He received a Bachelor of Science degree in Architecture from the University of Michigan. Mr. Carter is currently Chairman of the National Multifamily Housing Council and a Past Chairman of the Commercial Board of Governors of the Mortgage Bankers Association. Mr. Carter serves on the Visiting Committee of the M.I.T. Sloan School of Management. Mr. Carter also serves as an independent director of three companies, Whitestone REIT (NYSE:WSR), a retail/office REIT, Silver Bay Realty Trust Corporation (NYSE:SBY), a single-family rental REIT, and RREEF America III, a private REIT managed by Deutsche Asset & Wealth Management.



Gary D. Painter

Professor / USC Price School of Public Policy

Gary Painter is a Professor in the Sol Price School of Public Policy at the University of Southern California. He also serves as the Director of Research at the Lusk Center for Real Estate and Director of Graduate Programs in Public Policy. He has published over 35 articles and numerous other publications in top journals such as the Review of Economics and Statistics, Journal of Urban Economics, Urban Studies, Journal of Human Resources, Journal of Policy Analysis and Management, Real Estate

Economics, Journal of Real Estate Finance and Economics, and Regional Science and Urban Economics.

Professor Painter's research interests focuses on housing, urban economics, and education policy. He is among the world's foremost experts on how changing demographics impact U.S. housing markets. Recent work has focused on how immigrants are integrating into housing markets across the U.S., the role of the economic cycle on household formation, and how older households make housing tenure decisions as they age. Other recent work has studied immigrant integration issues in spatial labor markets and in education.

He has served as a consultant for the National Association of Realtors, Pacific Economics Group, Andrew Davidson Co., Fannie Mae, Grant Thornton LLP, Burr Consulting, and the Research Institute for Housing America.

William A. Witte

Chairman and CEO / Related California

Mr. Witte is the Chairman and Chief Executive Officer of Related California, one of the largest developers of urban and multifamily housing in the state. Prior to joining The Related Companies in May of 1989, Mr. Witte served as Deputy Mayor for Housing and Neighborhoods under Mayor Art Agnos in San Francisco, where he oversaw all housing, development and redevelopment activities for the City, and from 1981–1988, as Director of Housing and Economic Development under Mayor Dianne Feinstein. He also served as an appointed Commissioner of the San Francisco Housing Authority in 1989-90.



Prior to his tenure in San Francisco, Mr. Witte served in 1980 as Executive Assistant to Assistant Secretary for Housing/Federal Housing Commissioner Lawrence B. Simons at HUD in Washington, as Legislative Director for the National Association of Housing and Redevelopment Officials (1978–1980) and with the Philadelphia Office of Housing and Community Development (1975–1977).

He received a B.A. in Urban Studies and a Masters in City Planning from the University of Pennsylvania. Mr. Witte is a member of the Board of Overseers of the Graduate School of Design at the University of Pennsylvania and the Board of Directors of The New Home Company, a publicly traded homebuilder. He is also a Policy Advisory Board member of the Fisher Center for Real Estate at UC Berkeley's Haas School of Business; and a member of the Boards of the Center for Real Estate at the Merage School of Business at UCI, the Lusk Center for Real Estate at USC, and a member of the Community Partner Advisory Board of the Orange County Human Relations Commission. In addition, Mr. Witte sits on the Boards of the Center for Creative Land Recycling in San Francisco, Shelter Partnership in Los Angeles, and the Foundation for the Great Park in Orange County.

