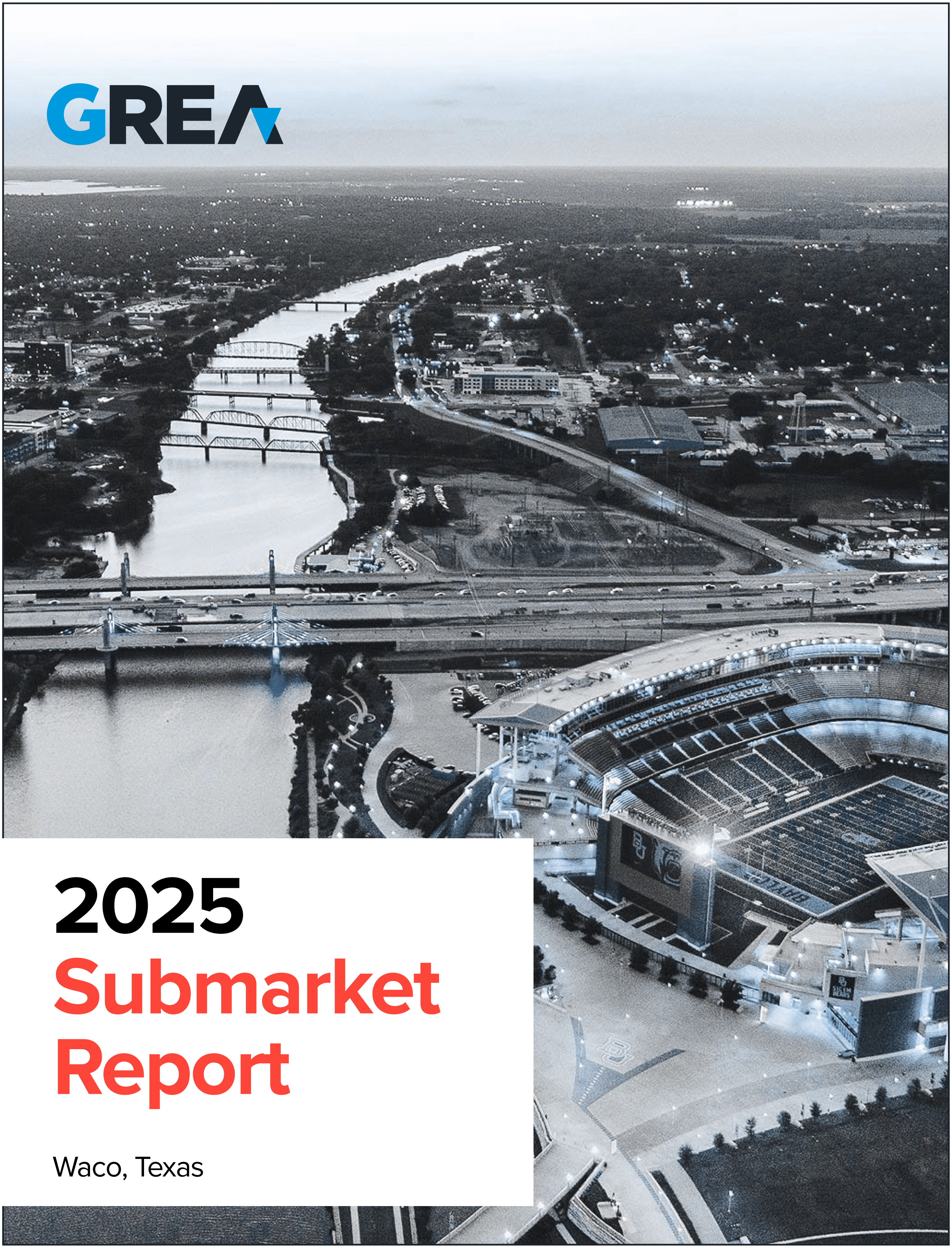


2025 Submarket Report

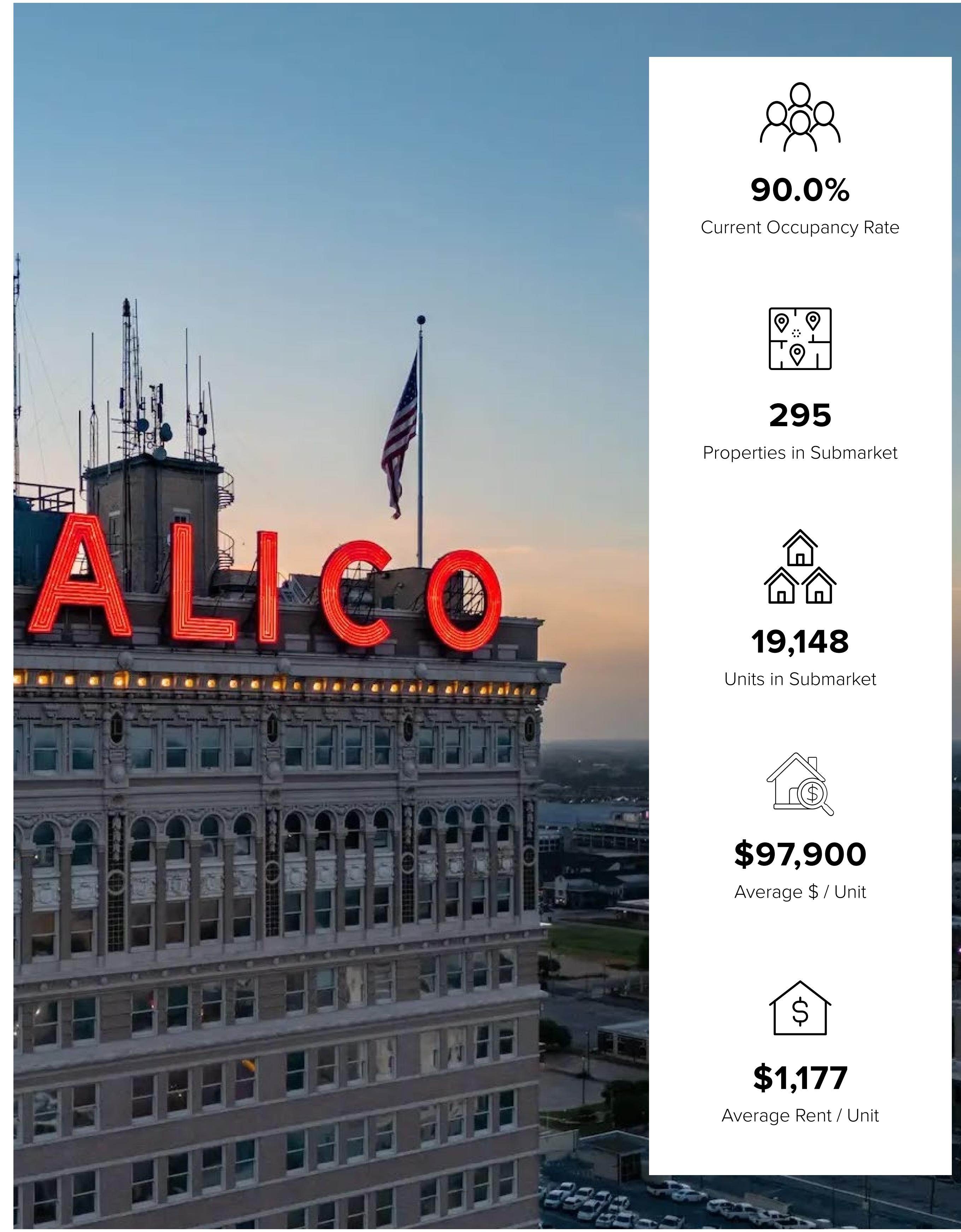
Waco, Texas

Market Overview

Waco continues to hold its ground as a resilient and yield-driven market in Central East Texas. Occupancy levels remain healthy, hovering in the low-90% range, supported largely by Renters-by-Necessity (RBN) assets (C Class), which account for the majority of tenant demand. Rent growth has been mixed across the metro, with pockets of strength in the North and Central submarkets, while East Waco saw slight softening over the past year.

Overall market rent is flat year-over-year at $1,177 per unit, a negligible -0.1% change, underscoring Waco's stability in a volatile broader economic environment. Recent absorption outpaced new deliveries, a signal of healthy demand: 660 units were absorbed over the last 12 months compared to 545 units delivered. This dynamic helped push vacancy down to 10.0%, a full percentage point lower than the prior period.

Transaction activity picked up, with sales volume reaching $10.8 million in the past year, spread across 23 properties. Most of this activity is centered around workforce housing, where cap rates remain appealing in the mid-7% range. Investors looking for reliable income streams continue to find Waco an attractive market, especially in submarkets like Central and North Waco, where rent growth and absorption are most favorable.



90.0%
Current Occupancy Rate

295
Properties in Submarket

19,148
Units in Submarket

$97,900
Average $ / Unit

$1,177
Average Rent / Unit

Rent Trends

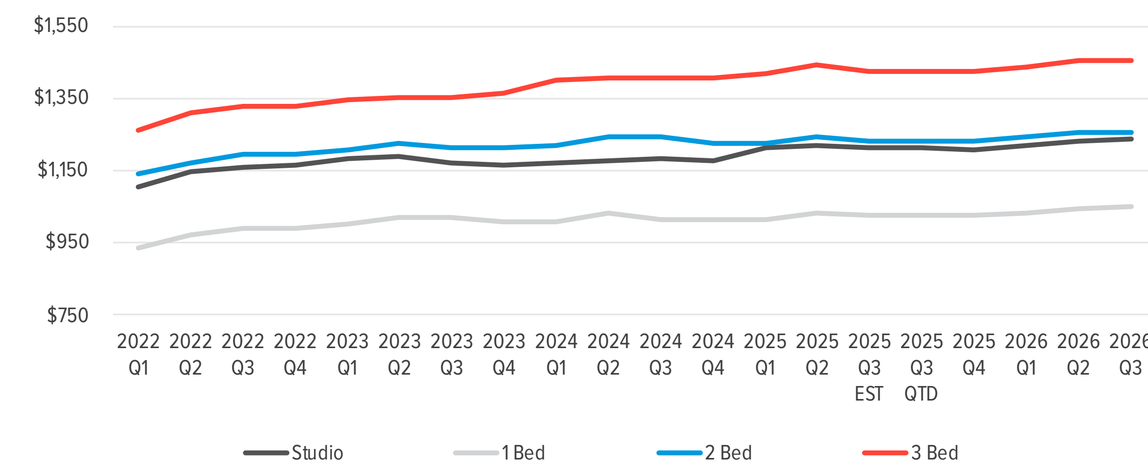
Rent Resilience in the Face of Flat Growth

Waco's multifamily rental market continues to demonstrate resilience, even as rent growth moderates. As of mid-2025, the average market rent sits at $1,177 per unit—a marginal 0.1% decline year-over-year, signaling stabilization after several years of post-pandemic fluctuations. While flat on a metro-wide basis, performance varies by submarket. North Waco posted the highest year-over-year growth at 3.4%, with particularly strong momentum in three-bedroom units, which saw a 10.5% rent increase. Central Waco also outperformed the average with 2.2% annual growth, while East Waco saw rents slide by -3.4%, likely a result of softer demand and limited new investment.

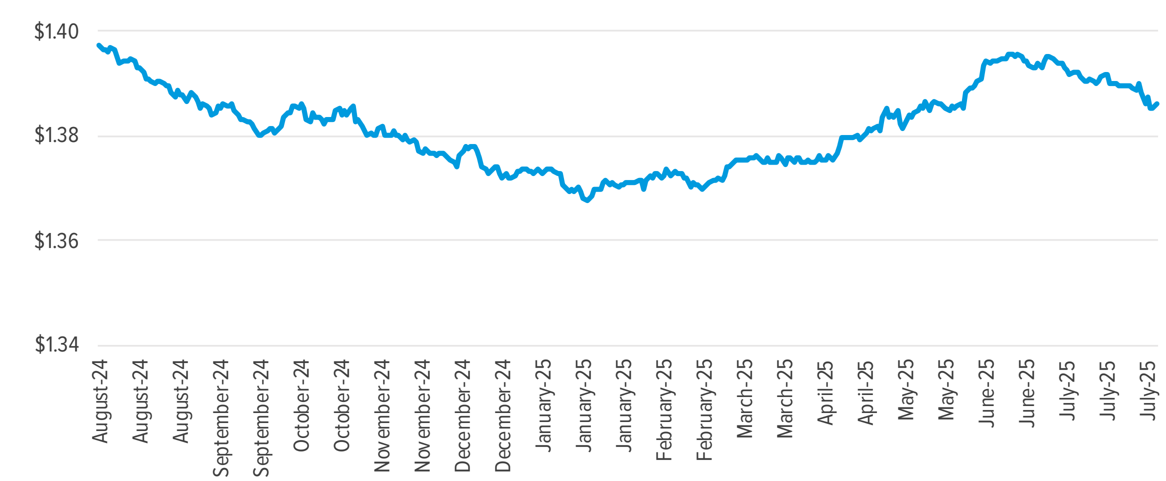
Market rents held steady at $1,177/unit, with strongest YoY growth in North Waco and flat performance metro-wide.

Across the board, rents remain attainable compared to larger Texas metros, which continues to support renter demand. One-bedroom units ranged from $891 in North Waco to over $1,220 in East Waco, showing both affordability and rent headroom depending on product and location. With a low concession rate of 1.1% and declining vacancy, landlords in stabilized submarkets are holding firm on asking rents while strategically upgrading RBN product to capture further rent growth.

Market Rent per Unit by Bedroom



Daily Asking Rent per SF



Inventory & Development

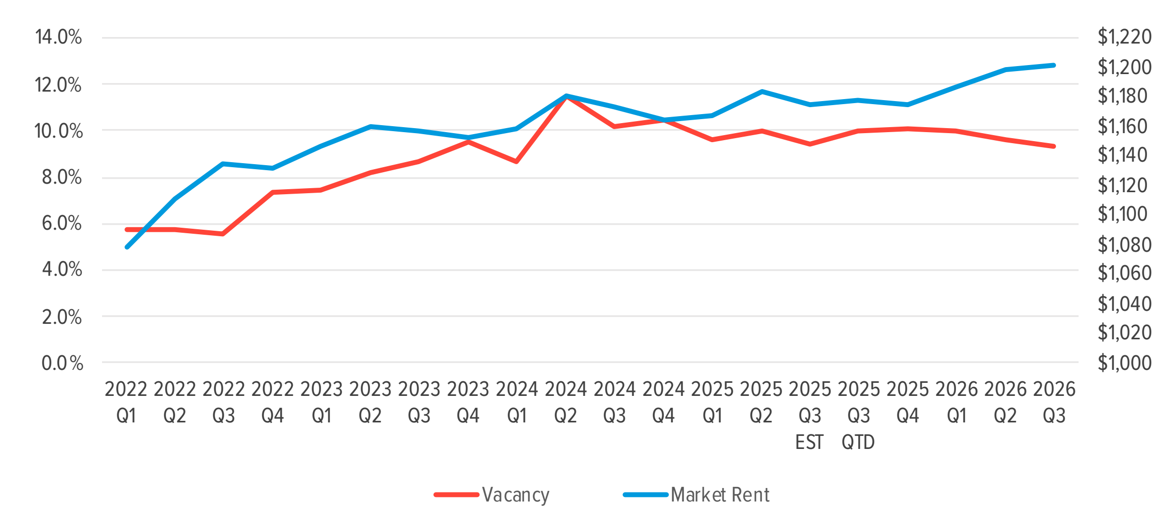
Absorption Surpasses Deliveries as Construction Slows

660 units absorbed vs. 545 delivered in past 12 months; only 399 units remain under construction.

Waco's development cycle is clearly shifting gears. After a period of expansion, the market is seeing a sharp slowdown in new construction starts. Only 399 units are currently under construction—down more than 50% from the prior 12-month period, when 804 units were underway. That slowdown, however, comes at a time when demand remains solid. Over the past year, 660 units were absorbed—outpacing new deliveries of 545 units and helping to push the vacancy rate down to 10.0% from 11.0% a year ago.

The South submarket remains the epicenter of new development, accounting for 718 units planned for delivery this year—roughly 27% of the metro's overall inventory growth. Major lifestyle-focused projects such as Wayfare Waco and Virtu on Bagby are reshaping the South's multifamily profile, drawing in both young professionals and families. Central Waco followed with 266 new units, largely concentrated in mid-market and lifestyle developments. In contrast, East and West Waco have seen little to no recent construction, suggesting continued price support for older stock in those corridors. With new starts down and deliveries tapering off, the near-term outlook favors landlords and existing operators.

Vacancy & Market Asking Rent / Unit



Q3 2025 SUBMARKET REPORT

WACO, TEXAS

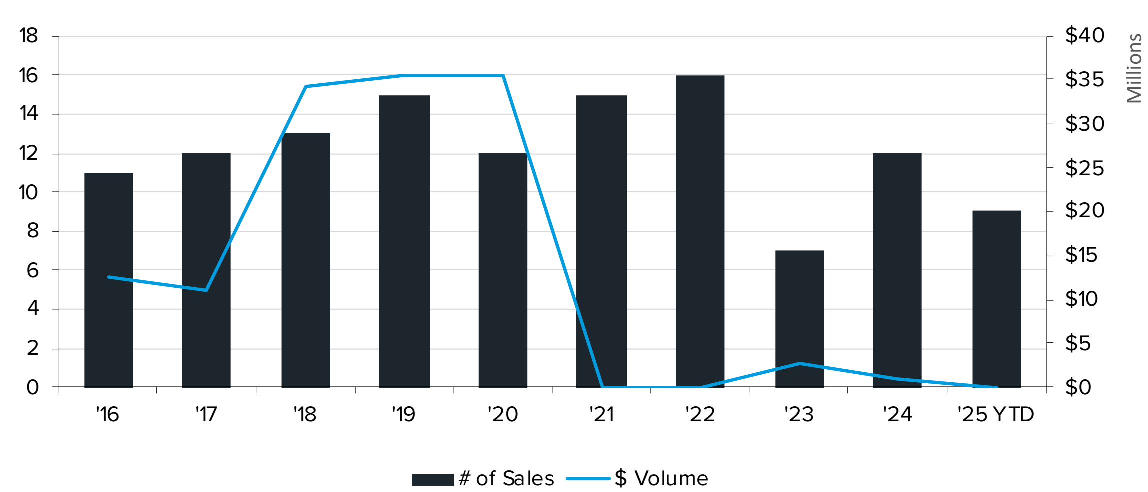
Sales Volume

Buyer Interest Rebounds in Affordable Asset Classes

Sales activity in Waco's multifamily market has begun to rebound, especially in the affordable and value-add segments. Over the past 12 months, the market recorded $10.8 million in sales volume across 23 properties, with the average deal closing within about five months. Most of this activity has been concentrated in Renters-by-Necessity (RBN) product—typically older, workforce housing assets—which remain in strong demand among private buyers and regional investors. Pricing across these trades has ranged from $80K to $135K per unit, depending on vintage and submarket.

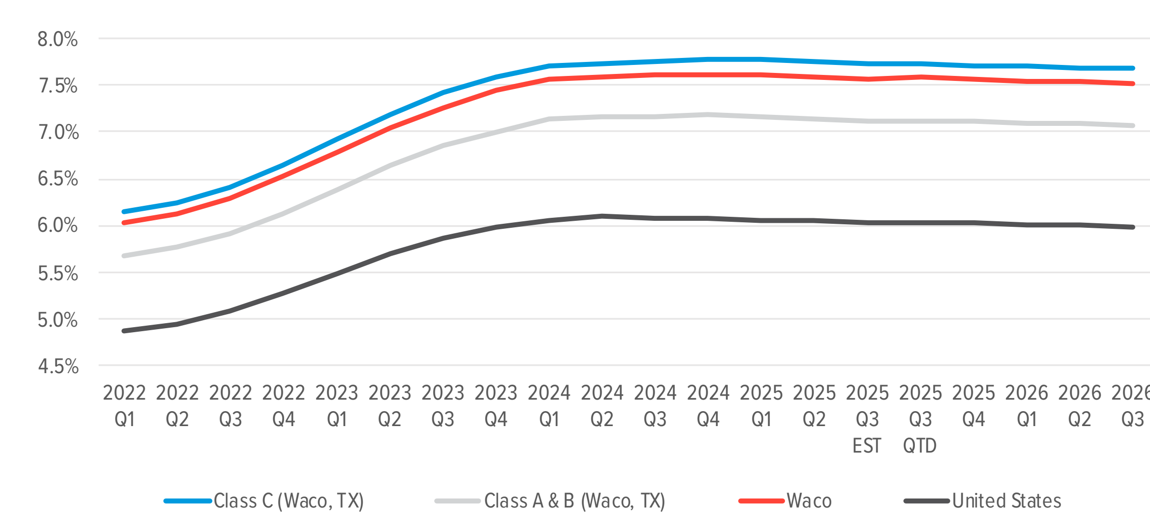
Central and East Waco were the most active investment corridors, accounting for a combined $9.1 million in deal volume across five transactions, pointing to growing investor confidence in these core neighborhoods. The market-wide cap rate held firm at 7.6%, offering attractive yield spreads compared to larger metros. This consistent cap rate performance—paired with relatively low price-per-unit figures ($97.9K average, up 2.5% YoY)—positions Waco as a stable and high-yielding alternative for multifamily investors seeking lower entry points without compromising fundamentals.

Sales Volume by Year



$10.8M in sales volume across 23 properties, with RBN assets leading the way.

Market Cap Rate



Q3 2025 SUBMARKET REPORT
WACO, TEXAS

Overview

— WHO WE ARE

GREA is an investment sales platform led by a nationwide network of top advisors with decades of experience arranging the purchase, sale and financing of multifamily properties. United by a shared mission, we offer investors a boutique brokerage model on a national scale. Through our unified platform, we provide unrivaled local market insights and contacts, delivering superior results across the United States.

— WHAT SETS US APART

- **National Network of Local Experts:** Our focus is deep and our expertise is wide providing you with specialized knowledge of local markets.
- **Entrepreneurial Flexibility:** We're nimble and independent, equipped with the experience and skills to craft flexible solutions that traditional corporate models can't match.
- **Tailored Service:** Our marketing strategies are customized to meet your specific needs, ensuring success in achieving your investment objectives.

— WHY GREA

- **Multifamily Specialists:** we're exclusively dedicated to multifamily investments, offering guidance tailored to this unique asset class.
- **Unmatched Market Insights:** With extensive local experience, we provide valuable insights into trends and potential opportunities.
- **Client Centric Approach:** Clients always come first. We're independent, meaning our loyalty is solely with you. We work relentlessly to meet your goals and exceed expectations.
- **National Reach:** Our consistently high-quality brokerage services are available nationwide to support your needs.

— BY THE NUMBERS

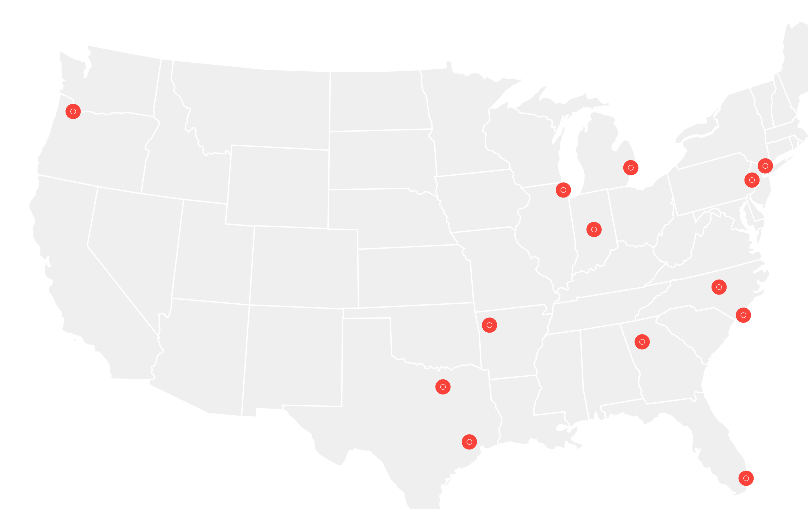
13	100+	$14 Billion+	$1.5 Billion+
OFFICES	BROKERS	VOLUME 2021-2024	DEBT VOLUME 2021-2024

— SERVICES

- Conventional
- Pre-Stabilized
- Student
- SFR / BTR
- Senior
- Land
- Affordable
- NNN
- Debt & Equity

— OFFICES

- Atlanta
- Chicago
- Dallas
- Detroit
- Fayetteville
- Hilton Head Island
- Houston
- Indianapolis
- Miami
- New York City
- Philadelphia
- Portland
- Raleigh



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