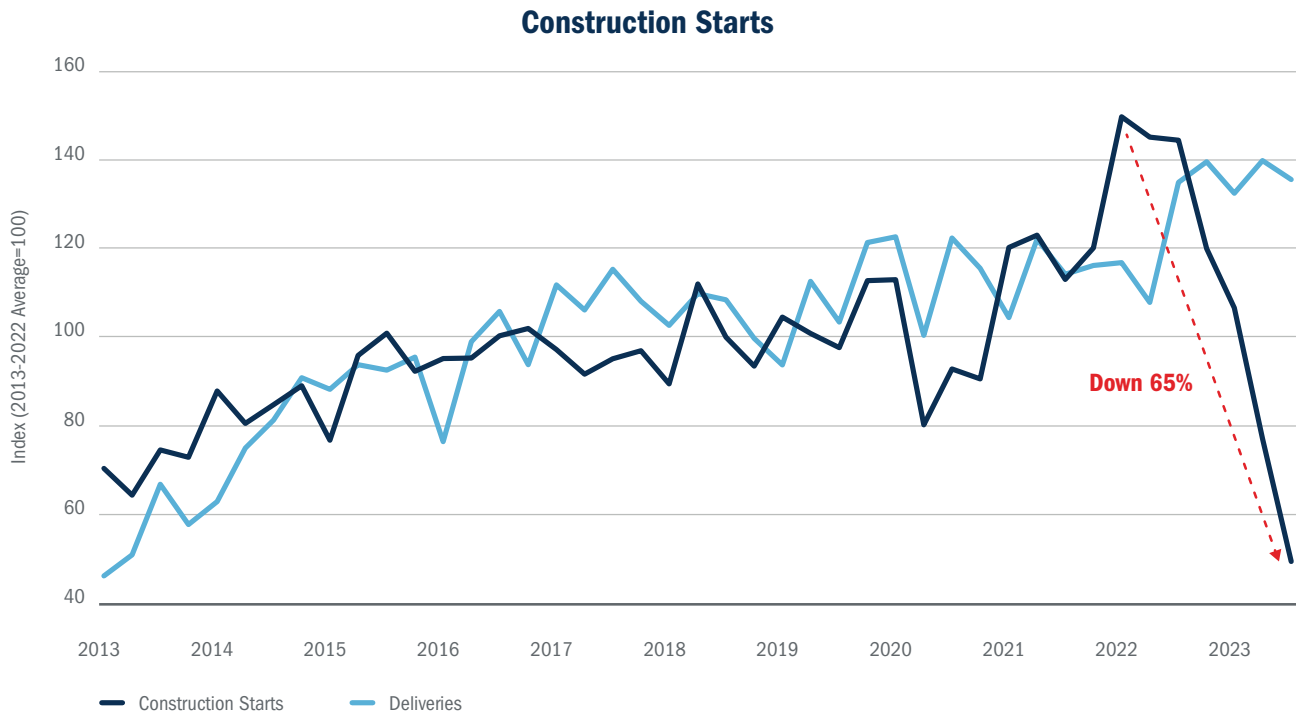


# New Real Estate Supply Set To Decline

## BLUEROCK CHART OF THE MONTH

Real estate starts (when construction begins) have collapsed in 2023 indicating that new construction deliveries in 2025 and 2026 are likely to be very low. Starts lead deliveries as the construction process may last 1-2 years. Starts have declined 65% in 2023 which could lead to very low levels of new real estate supply, largely residential and industrial products, which have been the sectors most developed in recent years. We believe the future lack of supply will further strengthen sectors currently in demand such as industrial and residential which have strong long-term structural tailwinds. With limited supply, the new demand is likely to boost occupancy rates and drive rental rates and thus, property values, higher.



Source: Original chart courtesy of DWS, Fourth Quarter 2023

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