

MEMORANDUM

Date: June 24, 2024

To: Sandy City

From: Hales Engineering

Subject: Sandy Wasatch Shadows Compass Parking Study

UT24-2725

Introduction

This memorandum discusses the parking study completed for the proposed Wasatch Shadows Compass development located in Sandy, Utah. The study identifies the City parking supply rates and parking demand rates identified by the Institute of Transportation Engineers (ITE). The proposed development is located on the east side of Monroe Street, north of 9400 South in Sandy, Utah. A vicinity map of the project site is shown in Figure 1.



Figure 1: Site vicinity map of the project in Sandy, Utah

Project Description

The development consists of residential apartment units and some commercial/retail area. A supply of 472 stalls is currently planned for the project. A site plan is provided in Appendix A.

City Parking Code

The Sandy City code specifies parking rates for various land use types. The required parking rates found in Section 21-24-8 in the City code for the study land uses are shown in Table 1. The calculations for the parking required by the City are shown in Table 2. As shown, it is anticipated that the City would require 555 stalls for the proposed development.

Table 1: City Parking Rates

Land Use	Unit Type	Rate (stalls per unit)
One-bedroom Unit	Dwelling Unit	1.5
Two-bedroom Unit	Dwelling Unit	2.0
Three-bedroom Unit	Dwelling Unit	2.5
Guest Parking Base	Dwelling Unit (first 5)	1.0
Guest Parking (After Base)	Dwelling Unit	0.25
Retail	1,000 sq. ft.	5.0

Source: Sandy City code, 2024

Table 2: City Parking Calculations

City Parking Calculations Sandy - Wasatch Shadows Compass				
Land Use	# of Units	Unit Type	Rate (stalls per unit)	Total Stalls
One-bedroom Unit	215	DU	1.50	323
Two-bedroom Unit	53	DU	2.00	106
Three-bedroom Unit	10	DU	2.50	25
Guest Parking Base	5	DU	1.00	5
Guest Parking	273	DU	0.25	68
Retail	5.5	KSF	5.00	28
TOTAL				555

Source: Sandy City code, 2024.

ITE Parking Demand

Hales Engineering referred to the Institute of Transportation Engineers (ITE) *Parking Generation* (6th Edition, 2023) to identify parking demand rates for the study land uses. ITE has gathered actual parking demand counts at various land uses and identified average, 85th percentile, and maximum rates. The 85th percentile rate represents a demand that is higher than 85 percent of study sites. The industry standard is to apply this rate. It is worth noting that residential apartment developments with more stories tend to have lower parking demand than 2- or 3-story developments, which provides some justification to using these rates over standard City rates.

Hales Engineering calculated the anticipated parking demand based on the 85th percentile rates. It is worth noting that ITE has limited data for 1-bedroom units in mid-rise complexes and no 85th percentile rate. To estimate this number, the ratio of mid-rise to low-rise rates for 2+ bedroom units was applied to the 1-bedroom low-rise rate. The number of stalls needed based on these rates is shown in Table 3. As shown, ITE would suggest that the parking demand for the proposed project will be 364 stalls.

Table 3: ITE Parking Generation

ITE Parking Demand and Supply Sandy - Wasatch Shadows Compass					
Land Use	# of Units	Unit Type	85th %-tile Rate	Demand	Supply (+5/10%)
Multifamily Housing 1 BR (Mid-Rise)	215	DU	1.16	249	261
Multifamily Housing 2+ BR (Mid-Rise)	63	DU	1.45	91	96
Strip Retail Plaza (< 40k)	5.5	KSF	4.44	24	26
TOTAL				364	383

Source: ITE Parking Generation, 6th Edition, 2023

Since the ITE rates represent actual parking demand, it is common to provide a parking supply beyond what the anticipated demand is to accommodate occasional surges in demand and to reduce the need for drivers to circle the parking lot to find an open stall. Hales Engineering recommends providing 5% additional stalls beyond the anticipated demand for the residential use and 10% for the retail use. Based on this, a supply of 383 stalls should be provided for the project based on ITE data.

Shared Parking Analysis

Time-of-day reductions were made based on percentages outlined in the Institute of Transportation Engineers' (ITE) *Parking Generation*. The mixed-use nature of the site means that peak parking demand for the different uses will occur at different times of the day.

Graphs showing parking demand at different times of the day based on City rates and ITE rates are shown in Figure 2 and Figure 3, respectively. ITE publishes time-of-day demand data for

different land use types which were used to determine the peak demand. Based on the data, it is anticipated that peak demand will occur during the night because the development is primarily residential.

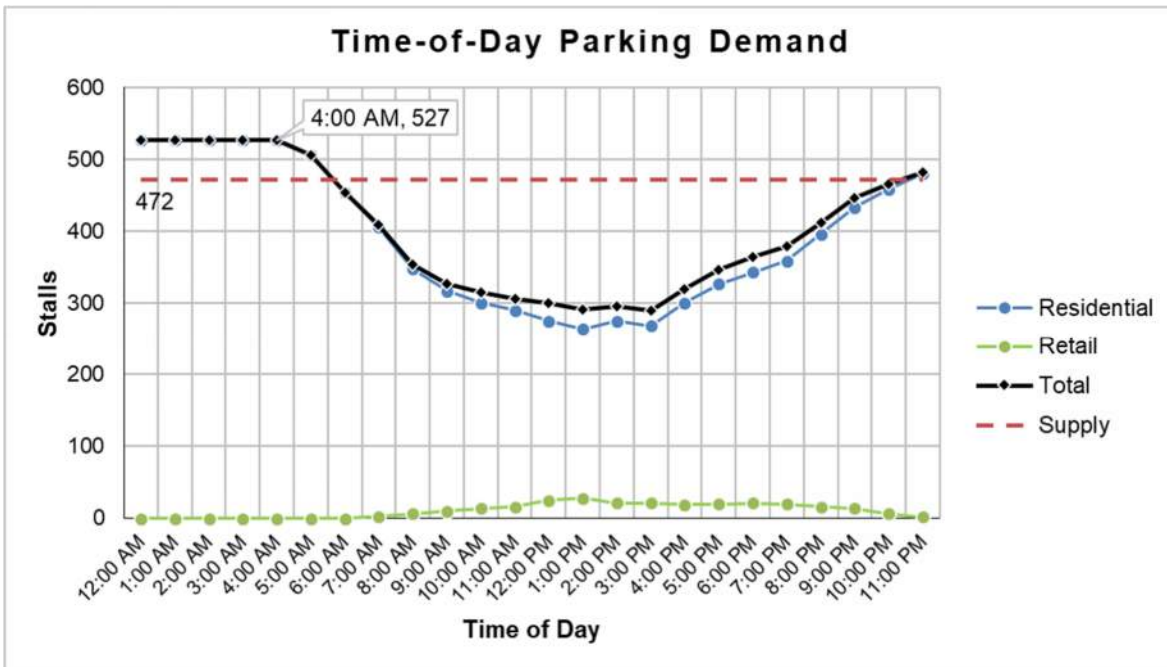


Figure 2: Shared parking (City rates)



Figure 3: Shared parking (ITE rates)

Based on the shared parking reduction, it is anticipated that 527 stalls would be needed using City rates and that 357 stalls would be needed using ITE rates.

Comparison and Recommendation

A comparison of the proposed supply, the city’s parking requirement, the supply based on the ITE Parking Generation rates, and supplies accounting from shared-use reductions is shown in Table 4. Based on the provided information, it is anticipated that the proposed parking supply will be adequate for the project.

Table 4: Parking Comparison

Source	# of Stalls
Proposed Site Plan	472
City Requirement	555
ITE Parking Generation + 5/10%	383
Shared Parking (City Rates)	527
Shared Parking (ITE Rates)	357

Conclusions

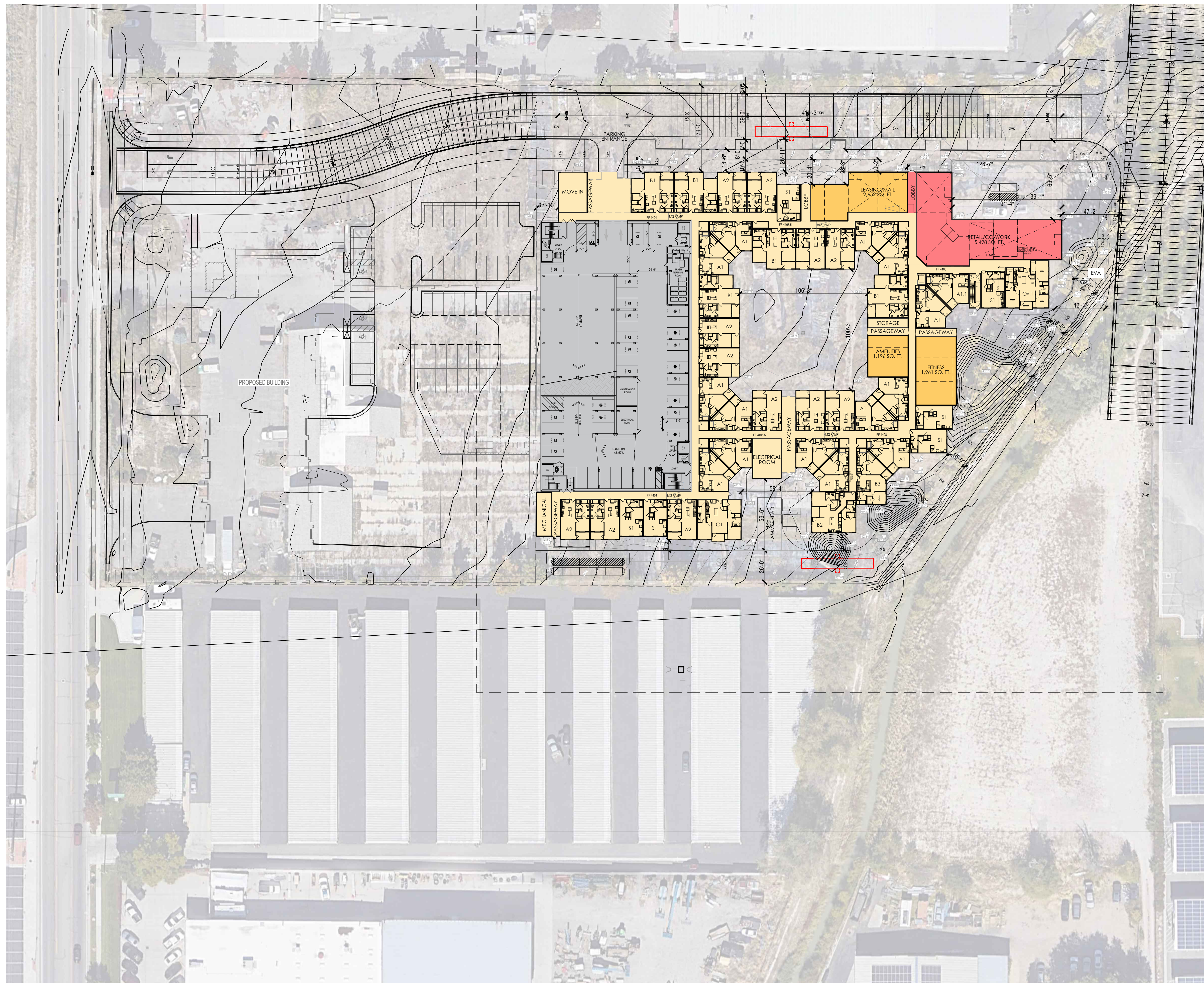
The key findings of this study are as follows:

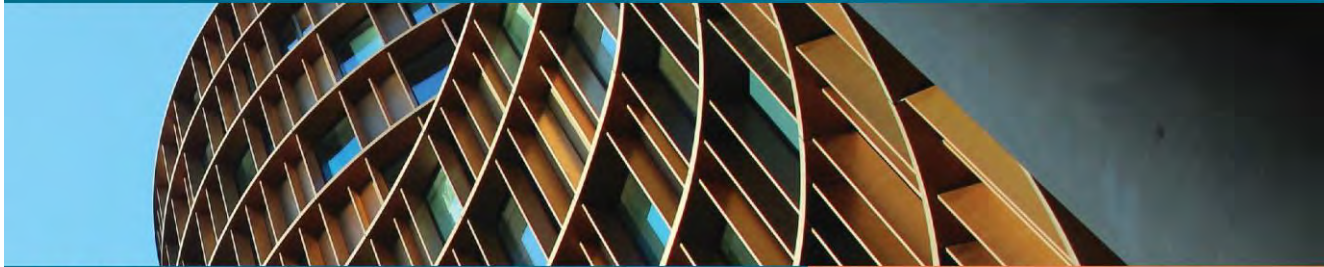
- Based on City code, 555 parking stalls are required for the development.
- Based on ITE rates, a total of 383 stalls would be needed
- Because the various uses are unlikely to experience peak parking demand at the same time, shared parking reductions were made based on ITE time-of-day data.
 - Based on these reductions, and using ITE rates, it is anticipated that the proposed supply of 472 stalls will be sufficient.

If you have any questions regarding this memorandum, please contact us at 801.766.4343.

APPENDIX A

Site Plan





The insight you need. The independence you trust.

Proposed Apartment (Market Demand Study)

9295 South 255 West
Sandy, Utah 84070-2650

Market Study Report
BBG File #0124010930

Prepared For

Mr. Cole Peterson
Gardner
201 South Main Street, Suite 2000
Salt Lake City, UT 84111-2215

Report Date

June 14, 2024

Prepared By

BBG, Inc., Salt Lake City Office
6965 South Union Park Center, Suite 460
Cottonwood Heights, UT 84047

Client Manager: John Blaser, MAI
Email: jblaser@bbgres.com
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June 14, 2024

Mr. Cole Peterson
Gardner
201 South Main Street, Suite 2000
Salt Lake City, UT 84111-2215

Re: Market Study Report
Proposed Apartment (Market Demand Study)
9295 South 255 West
Sandy, Utah 84070-2650
BBG File No. 0124010930

Dear Mr. Peterson:

In this Market Study (real property consulting assignment), we have analyzed the existing and proposed supply and demand of multifamily units in the subject Primary Market Area (PMA) defined as a 5-mile radius from the subject. This analysis is not a feasibility study. Specifically, we have addressed and concluded the relationship of demand and supply, considering the proposed pipeline of units in the market and the demographic growth present in the defined primary market area. Demand generators were used to estimate future demand for products within the PMA. Future demand, based on household and employment growth figures, were reconciled for the PMA. The reconciled demand figures indicate continued demand for additional apartment products in the immediate area. Existing, well-maintained product typically maintain occupancy rates over 95% with rental rates increasing. At the request of the client, we have also provided a land value.

Additionally, we have derived a market rental rate for the retail space planned for the subject as well. More information can be found in the improvement description and rental analysis sections of this report.

Upon completion, the subject will be a 5-story multifamily and commercial development located along the east side of 255 West in Sandy, Utah. The subject site is currently a part of a 9.44-acre parcel of land; however, according to a provided site plan the subject site will be 1.37-acre, resulting in a density of 202.92 DU/AC. The proposed improvements will include 222,569 SF of NRA. Additionally, the improvements will consist of 5,498 SF of retail/co-workspace, 2,652 SF of leasing/main office, and 3,157 SF of amenity space. Other amenities include an outdoor pool, deck, outdoor Firepit, BBQ/picnic area, bike storage, and fitness center. The residential units will wrap around a 6-story garage. Of the 473 parking stalls, 431 will be for residential parking, 25 for guest parking, 17 for retail parking, 11 of the spaces will be ADA compliant and 78 will be EV parking spaces.

After completion of this Market Study, the subject's proposed mix of units is recommended. The unit and project amenities will be reasonable compared to the direct competition in the market area and will be similar or superior to most of the existing product in the area. The unit mix will be conducive to the tenant profile in this area, which will facilitate strong leasing activity. The surveyed rental comparables have similar occupancy figures to those indicated by published sources.

Additionally, the utilization survey suggests parking can be reduced by 59 spaces as shown in the following table (1.428 utilized parking spaces per unit x 278 units = 397 parking spaces attributed to the multi-family component + 17 commercial parking spaces = 414 total parking spaces; 473 initially planned parking spaces - 414 revised/analyzed total parking spaces = a reduction of 59 parking spaces supported by the market).

PARKING COMPARABLE UTILIZATION SURVEY				
Property	Number of Units	Number of Stalls	Parking Stalls Per Unit	Utilized Parking Per Management
Jordan Station	536	740	1.38	1.38
The Park at City Center	330	616	1.87	1.62
Rockledge at Quarry Bend	416	730	1.75	1.60
Seasons at Murray Crossing	293	405	1.38	1.30
Odessa at the District	120	211	1.76	--
ICO Vista Station	308	465	1.51	--
Moda Union	206	291	1.41	1.41
Novi at Jordan Valley Station	267	349	1.31	--
Hills at Sandy Station*	146	224	1.53	1.47
Seven Skies*	305	420	1.38	1.18
The Calo (Phase 1 Ratio applied)*	336	507	1.51	--
Canyon Vista	448	766	1.71	--
Point of View	324	564	1.74	--
Weighted Average	300	484	1.558	1.428
Subject**	278	456	1.640	--
<i>Subject Recommended (less 17 commercial spaces)</i>	<i>278</i>	<i>397</i>	<i>1.428</i>	<i>1.428</i>
Subject Recommended Total Parking Spaces	278	414	1.489	

*Adjacent to Light Rail Station **Excludes parking for retail spaces

This report was prepared for Gardner (client) and is intended only for its specified use. It may not be distributed to or relied upon by other persons or entities without written permission of BBG, Inc. This is an appraisal consulting report, which is intended to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), as well as our client’s guidelines and requirements.

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

Extraordinary Assumption(s)	We are analyzing the subject under the extraordinary assumption that information provided by the Client and from public resources is accurate. If the actual size of the land or building is significantly different than that utilized within this report, the conclusions could be impacted.
Hypothetical Condition(s)	This appraisal employs no hypothetical conditions.

This letter must remain attached to the report, plus related exhibits, in order for the value opinion set forth to be considered valid.

Our firm appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Sincerely,
BBG, Inc.



John Blaser, MAI
 UT Certified General Appraiser
 License #: 8739330 CG00
 801-321-0050
 jblaser@bbgres.com

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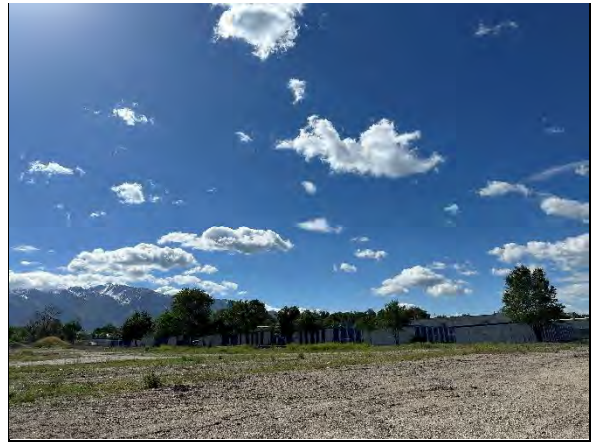
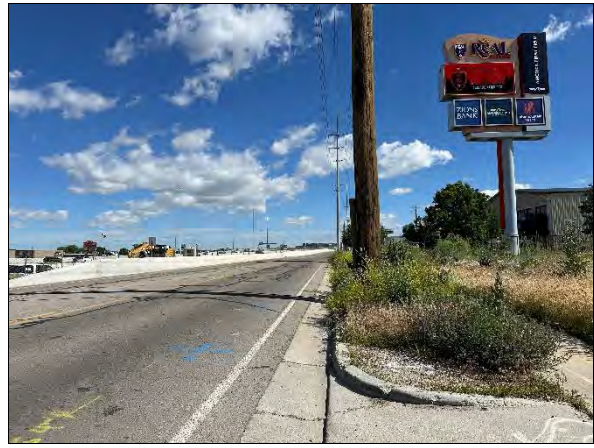
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SUBJECT PROPERTY



SUMMARY OF SALIENT FACTS

MARKET STUDY INFORMATION

Client	Gardner 201 South Main Street, Suite 2000 Salt Lake City, UT 84111-2215
Intended User(s)	Cole Peterson Gardner & The Boyer Company
Intended Use	This market study is to be used for Internal Business Decisions and City Approval purposes.
Date of Inspection	June 4, 2024
Marketing Time (Months)	9
Exposure Time (Months)	9
Owner of Record	SANDY CITY
Property Contact(s)	Cole Peterson / 801-448-4486 / cole.peterson@gardnergroupp.com

PROPERTY DATA

Property Name	Proposed Apartment (Market Demand Study)		
Address	9295 South 255 West Sandy, Utah 84070-2650		
Location	The subject is located along the east side of 255 West.		
Property Description	Apartments		
Parcel Number	27-01-451-021-0000 (portion)		
Census Tract No.	1126.21		
Legal Description	Portion of larger Legal: "LOT 1, WASATCH REAL SUB. LESS & EXCEPT BEG N 1005.58 FT & E 429.81 FT & S 00°04'57" E 31.18 FT & S 89°58'48" E 34.42 FT FR S 1/4 COR SEC 1, T3S, R1W, SLM; N 45°03'59" E 15.69 FT; N89°54'59" E 14.13 FT; S 0°01'12" W 11.11 FT; N 89°58'48" W 25.23 FT TO BEG."		
Site Area			
Primary Site	59,677 square feet	(1.37 acres)	
Zoning	RC; Regional Commercial District		
Flood Zone/Map Number/Date	Zone X (Unshaded)	49035C0434G	September 25, 2009
Flood Zone Comments	Zone X (Unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.		
Year Built	2025		
Type of Construction	Steel, concrete and wood		
Number of Buildings	1		
Net Rentable Area (Residential)	222,659 square feet		
Total Number of Units	278		
Occupancy	0.0%		
Overall Condition	Excellent		
Overall Quality	Excellent		

RISK SUMMARY

Advantages	"Upon Completion and Stabilization" the subject will be in new/excellent condition. The subject will feature a good mix of unit types that will appeal to a wide variety of potential tenants.
Challenges	Rising interest rates are a concern for real estate investors as it may compress returns and impact financing alternatives. Inflation remains a chief concern among investors and lenders. Should inflation not come in line with Federal Reserve targets quickly the risk of additional prime interest rate hikes will remain elevated.

MARKET RATE SUPPLY/DEMAND

Noted Proposed/New Units in PMA

SUMMARY OF PROPOSED MULTIFAMILY UNITS - NEW SUPPLY			
Property/Name	Type	Total # Units	Units to Stabilize*
Corner & 6th	Apartment	28	26
ICO Fort Union	Apartment	204	193
Academy Village	Apartment	216	204
South Hills	Apartment	116	110
Volta Taylorsville	Apartment	651	615
Sole at Rockwell Pointe	Apartment	508	480
The Current	Apartment	305	288
Subject	Market	<u>278</u>	<u>264</u>
Net Proposed Additions/Removals from Market		2,306	2,181

*Units to stabilize at 95% stabilized occupancy

Indicated Remaining Demand

SUMMARY OF DEMAND/SUPPLY RELATIONSHIP	
	PMA
Previously Estimated Future Demand (3 years)*	2,718
Net Proposed Additions/Removals from Market (3 years)*	2,181
Remaining Demand at End of 3 Years from Current	<u>537</u>

*20% Household Growth; 80% Job Growth at 3.00% Growth Rate

Indicated Capture Rate 0.3%

Indicated Penetration Rate 19.9%

PROPERTY HISTORY

There have been no known transactions of the subject property within the three years prior to the effective date of this appraisal.

INTRODUCTION

SCOPE OF THE INVESTIGATION

Purpose

The purpose of a market study is to measure supply and demand for a particular real estate product at a particular point in time. A market study differs from a feasibility analysis in that a market study does not attempt to quantify whether current conditions justify development. It follows that this report is not intended to address the feasibility of this proposed development. A significant amount of data is required to analyze a market. However, a well-founded market study will address all of these relevant statistics in a connected fashion that leads the readers to the conclusions they are seeking. In this analysis, we have attempted to provide a usable tool by including analyses and conclusions in the body of the report, with supplemental data in the Exhibits. In addition to the company's direct market research, a variety of sources have been analyzed in preparing this report: U.S. Census Bureau data, local apartment data, state employment commission, the U.S. Department of Labor, and current 2023 Environics Analytics, Inc. data.

The fundamental elements of the market analysis are "supply" and "demand." Supply is generally a self-explanatory element of the market study. Demand is the more difficult variable to quantify. Demand is a function of numerous variables. The project's forecast absorption is a function of area growth (population, households, employment, income), demand parameters (home ownership vs. rent ratios, interest rates, housing costs, availability of inventory).

These variables are difficult to translate into quantifiable statistics. However, we will attempt to address each of these elements as they relate to the potential success of the subject.

Forces Driving Multifamily Demand

As addressed above, a variety of forces drive demand for multifamily housing:

- Population, household and job growth
- Income levels
- Housing costs and interest rates
- Availability of single and multifamily units
- Apartment rents, locational characteristics, and physical characteristics

In this analysis, we will analyze the growth in the defined PMA in terms of households and jobs, as well as the forecasts for future growth. We will examine the building permit activity and the inventory of multifamily units in the market. The availability of land for future multifamily development will be addressed, coupled with the probability that these sites will be developed in the near term. Site-specific issues will be addressed, such as zoning restrictions and the characteristics of the site. Rental rates and occupancy levels will be discussed, relative to both age and floor plan. We will conclude our analysis by providing an overview of historical absorption trends and the probable absorption scenario for the subject.

DEFINITIONS

Pertinent definitions, including the definition of market value, are included in the glossary, located in the Addenda to this report. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.^[1]

LEVEL OF REPORTING DETAIL

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

This report is prepared as an **Appraisal Report**. An Appraisal Report must at a minimum summarize the appraiser's analysis and the rationale for the conclusions. This format is considered most similar to what was formerly known as a Self-Contained Appraisal Report in prior versions of USPAP.

^[1] (Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

SITE DESCRIPTION

GENERAL SITE DESCRIPTION OVERVIEW							
Location	The subject is located along the east side of 255 West.						
Parcel Number	27-01-451-021-0000 (portion)						
Legal Description	Portion of larger Legal: "LOT 1, WASATCH REAL SUB. LESS & EXCEPT BEG N 1005.58 FT & E 429.81 FT & S 00°04'57" E 31.18 FT & S 89°58'48" E 34.42 FT FR S 1/4 COR SEC 1, T3S, R1W, SLM; N 45°03'59" E 15.69 FT; N89°54'59" E 14.13 FT; S 0°01'12" W 11.11 FT; N 89°58'48" W 25.23 FT TO BEG."						
Census Tract No.	1126.21						
Latitude, Longitude	40.582279, -111.898641						
Site Area							
Primary Site	59,677 square feet (1.37 acres)						
Configuration	Irregular						
Topography	Generally level						
Drainage	Appears adequate						
Utilities/Municipal Services	All available to site.						
Flood Zone(s)	<table border="1"> <thead> <tr> <th><u>Zone</u></th> <th><u>Map</u></th> <th><u>Date</u></th> </tr> </thead> <tbody> <tr> <td>Zone X (Unshaded)</td> <td>49035C0434G</td> <td>September 25, 2009</td> </tr> </tbody> </table> <p>Zone X (Unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.</p>	<u>Zone</u>	<u>Map</u>	<u>Date</u>	Zone X (Unshaded)	49035C0434G	September 25, 2009
<u>Zone</u>	<u>Map</u>	<u>Date</u>					
Zone X (Unshaded)	49035C0434G	September 25, 2009					
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.						
Environmental Concerns	During inspection, we did not observe any environmental issues and for the purpose of this appraisal, it is specifically assumed that none exist. No independent environmental studies were provided. This appraisal assignment was engaged to determine the market value of the property, independent of any potential environmental issues. In the event the property is determined to be impacted by environmental concerns, it could affect our appraisal conclusions.						
Off-Site Improvements	Completed						
Easements/Restrictions	There are no known detrimental easements, encroachments or other restrictions that would adversely affect the site's use or marketability.						
Hazards/Nuisances	None Detrimental Known						
Frontage	The site will be setback from 255 West, and will have frontage along 9720 South (a future roadway).						
Access	Via 9270 South (a future roadway)						
Visibility	Average/Fair						
Surrounding Land Uses	Surrounding uses include industrial with America First Field directly to the east.						
Opportunity Zone	No						
Traffic Counts	255 West has an annual average daily traffic count of 8,300; however, the site will have limited exposure to said street.						
Transportation Facilities	In Proximity						
Comments	The site is currently a part of a 9.44-acre parcel of land; however, according to a provided site plan the subject site will be 1.37-acres, resulting in a density of 202.92 DU/AC.						

IMPROVEMENT DESCRIPTION

PROPOSED SUBJECT DEVELOPMENT

The proposed subject’s amenities, location and features will be similar to the other Class A market-rate, conventional apartment communities in the market area; however, based on a provided site plan the subject will have an above average density. The subject will include the following mixture of units:

- 55 or 20% of the units will be studio units
- 160 or 58% of the units will be 1BR units
- 53 or 19% of the units will be 2BR units
- 10 or 4% of the units will be 3BR units

The subject development and unit mix will appeal to singles and families who desire easy access to I-15, major employment centers, and other areas of Salt Lake County. Subject amenities include On-Site Retail, Outdoor Pool, Deck, Outdoor Firepit, BBQ/Picnic Area, Bike Storage, and a Fitness Center. Additionally, the subject will have 5,498 SF of retail space.

UNIT SUMMARY			
Type	No.	Size (SF)	NRA (SF)
Studio	55	610	33,550
1BR-1BA	83	726	60,258
1BR-1BA	77	759	58,443
2BR-2BA	5	1,002	5,010
2BR-2BA	37	1,086	40,182
2BR-2BA	11	1,206	13,266
3BR-2BA	10	1,195	11,950
Total/Avg	278	801	222,659

COMMERCIAL UNIT SUMMARY			
Type	No.	Size (SF)	NRA (SF)
Retail/Co-Work	1	5,498	5,498
Total/Avg	1	5,498	5,498

LEGAL USES AND RATIOS

The net rentable area of the apartment space is planned to be 222,659 SF, which indicates an average unit size of 801 SF. The subject will be developed to a density of 202.9 UPA, based on the site size of 1.37 acres. The following chart summarizes the densities of the comparable properties surveyed along with the subject’s proposed density for comparison. The subject’s proposed density is above the noted comparables; however, is not unreasonable given the subject will be 5-stories on a 1.37-acre site, while most of the comparables are on larger parcels. According to a representative of the Sandy Zoning department, the subject is in the approval process with the City of Sandy.

DENSITY SUMMARY				
No.	Property Name	Units	Acreage	Density
1	Seven Skies Apartments	305	8.23	37.06
2	The Calo Apartments	336	6.04	55.63
3	The Park at City Center Apartments	330	4.46	73.99
4	Axio 8400	332	9.50	34.95
5	Upper West	207	2.43	85.19
6	Canyon Vista	448	6.87	65.21
7	North Union Apartments	223	3.42	65.20
	Minimum	207	2.43	34.95
	Maximum	448	9.50	85.19
	Average	312	5.85	57.36
	Subject	278	1.37	202.92

APARTMENT MARKET ANALYSIS

SALT LAKE CITY MULTI-FAMILY MARKET

Costar is the source for the following data. The data reflects conditions of 2024 Q1, the most recent data available. The initial discussion provides information on the overall Salt Lake City Multi-Family market, followed by the subject's submarket. The subject is located within the Sandy/Cottonwood Heights submarket, which will be discussed later in this report.

CoStar introduced its Houseview Base Case in 2023. This comes in addition to several algorithmic forecast scenarios that are based entirely on modeling results using CoStar's internal econometric property sector models based on inputs from Oxford Economics' macroeconomic models in its North American Cities and Regions service published in December 2023.

The Houseview Base Case forecast scenario is based on the Algorithmic Base Case below, where additional interventions are made to the property sector forecasts to account for structural and cyclical impacts in the commercial real estate markets that are not adequately reflected in macroeconomic forecasts. For example, tighter financial conditions have resulted in higher cap rates and steeper valuation losses, while low office utilization rates caused by the adoption of hybrid work arrangements have weakened fundamentals beyond what headline job gains or losses encapsulate. These interventions result in forecasts that are better aligned with the professional views of CoStar's property sector specialists.

Algorithmic Base Case forecast is based on the Oxford Economics baseline forecast, which reflects low, but positive economic growth throughout 2024. Whereas prior forecasts included a mild contraction, momentum is now expected to carry the economy forward, leading to below-trend growth into 2025. Yet the impact of Federal Reserve rate hikes and more restrictive fiscal policy will still lead consumers to cut back on spending and firms will reduce investment and hiring. In this scenario, the economy grows by 1.2% in 2024 and 1.3% in 2025.

Job gains have been solid, with 2.7 million positions added in 2023 based on pre-benchmark figures. But growth rates slowed towards the end of the year and the forecast calls for continued moderation. Firms are projected to add 1.5 million positions in 2024. The unemployment rate, which ticked higher in 2023 to 3.8%, rises about 70 basis points higher by the of 2024, before falling in the following years but remaining above 4% through the forecast period.

Headline and core inflation are expected to continue to ease through the next four quarters but remain above the Federal Reserve's 2% target rate throughout 2024. Capital markets remain calm. Spreads between BBB corporate bonds and the 10-year Treasury stay between 1.5% and 2% through the end of the forecast period.

Costar rates multi-family properties using a star rating, in which 1 and 2-star properties generally equate to the more traditional Class C rating; 3-star properties generally equate to Class B; and 4 and 5-star properties generally equate to Class A.

Class A – They are characterized by high quality construction and finishes, high occupancy levels, sophisticated amenities, and top rental rates. A+ properties would suggest "trophy" properties with the characteristics noted above.

Class B – These apartment properties are regarded as modern (although not necessarily new) buildings, or old (i.e., Class C) structures recently renovated to modern standards. Good locations, reasonably high occupancy levels, and competitive rental rates characterize these buildings.

Class C – The lowest quality apartments available in the market are found in Class C buildings. These buildings are generally old, but in fair condition. Rental rates are the lowest within the market and amenities are minimal.

KEY INDICATORS AT A GLANCE

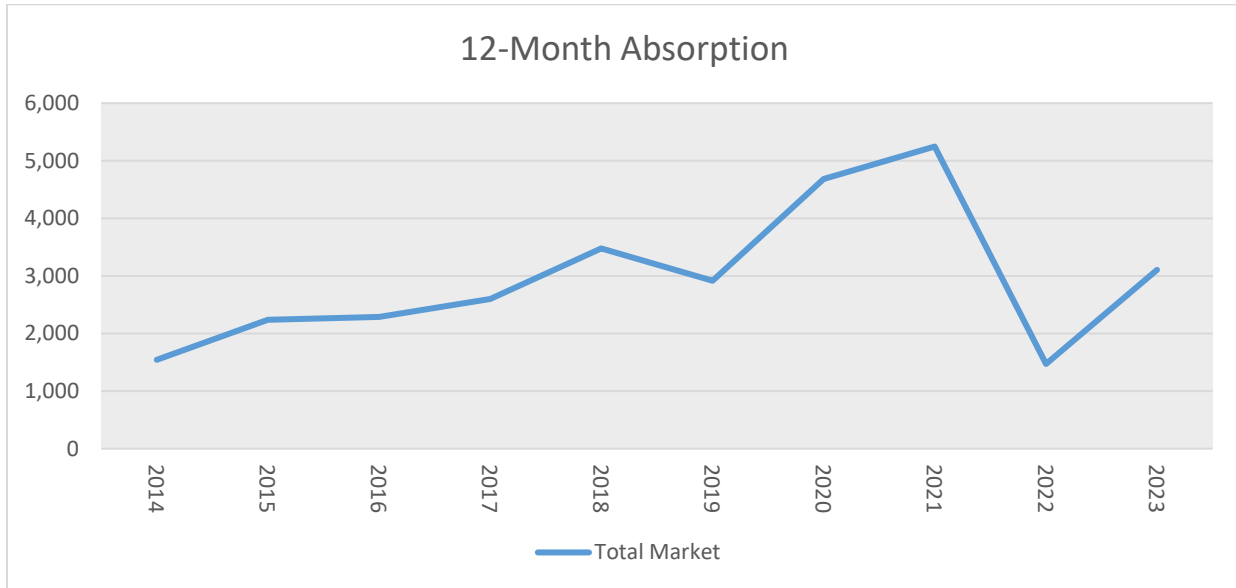
	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Stabilized Vacancy (%)	6.8%	7.2%	increased 40 Basis Points
Absorption (Units)	717	1,243	increased 526 Units
Quoted Rental Rates (\$/Unit/Month)	\$1,573	\$1,587	increased \$14 Per Unit
Inventory (Units)	91,834	92,947	increased 1,113 Units
Net Deliveries (Units)	1,088	1,113	increased 25 Units
Under Construction (Units)	8,364	7,251	decreased 1,113 Units
Overall Comparison	<i>Stabilized vacancy increased 40 basis points, while inventory increased 1,113 units.</i>		

SALT LAKE CITY MULTI-FAMILY MARKET STATISTICS

PERIOD	EXISTING	VACANCY %	NET	NET	UNDER	QUOTED RATES
	INVENTORY		ABSORPTION	COMPLETIONS	CONST.	(\$/UNIT/MONTH)
	(UNITS)		(UNITS)	(UNITS)	(UNITS)	
2024 Q1	92,947	10.73%	1,243	1,113	7,251	\$1,587
2023 Q4	91,834	11.00%	717	1,088	8,364	\$1,573
2023 Q3	90,746	10.72%	707	1,185	9,104	\$1,596
2023 Q2	89,561	10.33%	802	2,048	10,206	\$1,602
2023	91,834	11.00%	3,107	5,230	8,364	\$1,573
2022	86,604	9.20%	1,472	4,437	10,519	\$1,594
2021	82,167	6.08%	5,247	4,659	8,541	\$1,530
2020	77,508	7.19%	4,682	3,593	7,908	\$1,337
2019	73,915	8.98%	2,917	3,886	6,986	\$1,310
2018	70,029	8.08%	3,478	4,182	7,373	\$1,283
2017	65,847	7.51%	2,599	3,525	6,222	\$1,240
2016	62,322	6.44%	2,291	1,484	5,482	\$1,202
2015	60,838	7.92%	2,240	3,241	3,746	\$1,163

The Salt Lake City Multi-Family market ended the first quarter with a vacancy rate of 10.73%. The vacancy rate decreased over the previous quarter, with net absorption totaling 1,243 units in the first quarter. Rental rates increased compared to the previous quarter, ending first quarter at \$1,587. A total of 1,113 units was delivered to the market, with 7,251 units still under construction at the end of the quarter.

ABSORPTION



Net absorption for the overall Salt Lake City Multi-Family market was 1,243 units in the first quarter 2024. That compares to 717 units in the fourth quarter 2023, 707 units in the third quarter 2023, and 802 units in the second quarter 2023. Net absorption in the market over the prior 12 months totaled 3,469 units.

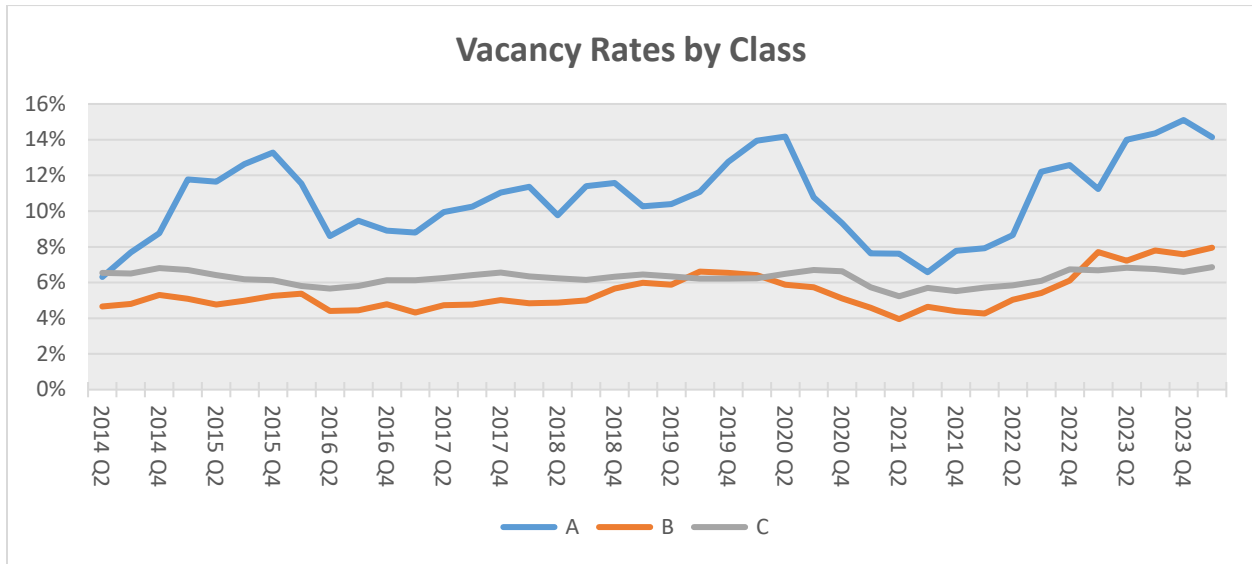
The Class A (4 & 5 Star) Multi-Family market recorded net absorption of 1,035 units in the first quarter 2024, compared to 439 units in the fourth quarter 2023, 593 units in the third quarter 2023, and 556 units in the second quarter 2023.

The Class B (3 Star) Multi-Family market recorded net absorption of 249 units in the first quarter 2024, compared to 251 units in the fourth quarter 2023, 112 units in the third quarter 2023, and 265 units in the second quarter 2023.

The Class C (1 & 2 Star) Multi-Family market recorded net absorption of -41 units in the first quarter 2024, compared to 27 units in the fourth quarter 2023, 3 units in the third quarter 2023, and -19 units in the second quarter 2023.

Net absorption for the Sandy/Cottonwood Heights submarket was 6 units in the first quarter 2024. That compares to 65 units in the fourth quarter 2023, 66 units in the third quarter 2023, and 25 units in the second quarter 2023.

VACANCY



Vacancy for the overall Salt Lake City Multi-Family market decreased to 10.73% in the first quarter 2024. That compares to 11.00% in the fourth quarter 2023, 10.72% in the third quarter 2023, and 10.33% in the second quarter 2023.

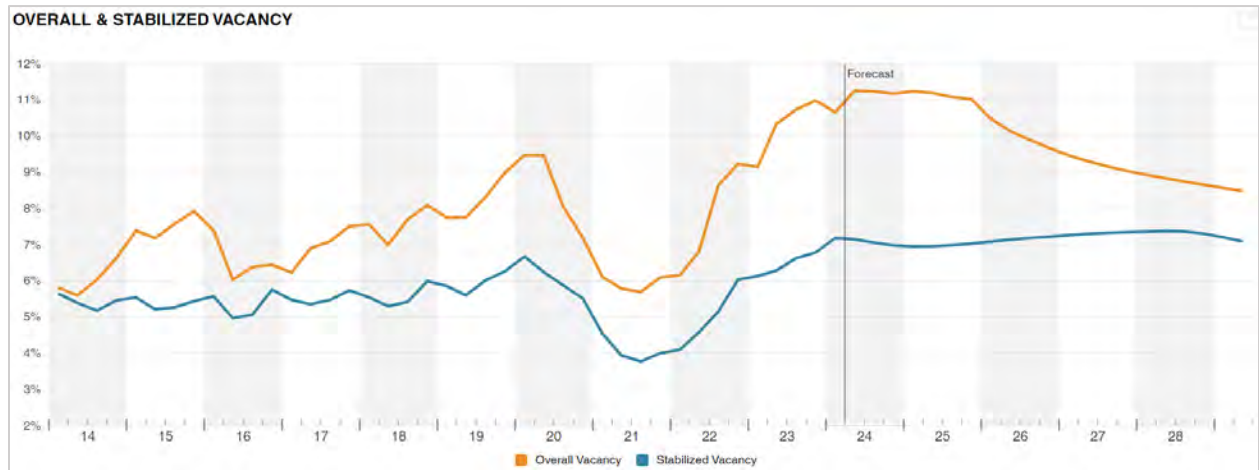
Class A (4 & 5 Star) projects reported a vacancy rate of 14.14% at the end of the first quarter 2024, 15.10% at the end of the fourth quarter 2023, 14.35% at the end of the third quarter 2023, and 13.99% at the end of the second quarter 2023.

Class B (3 Star) projects reported a vacancy rate of 7.95% at the end of the first quarter 2024, 7.58% at the end of the fourth quarter 2023, 7.80% at the end of the third quarter 2023, and 7.22% at the end of the second quarter 2023.

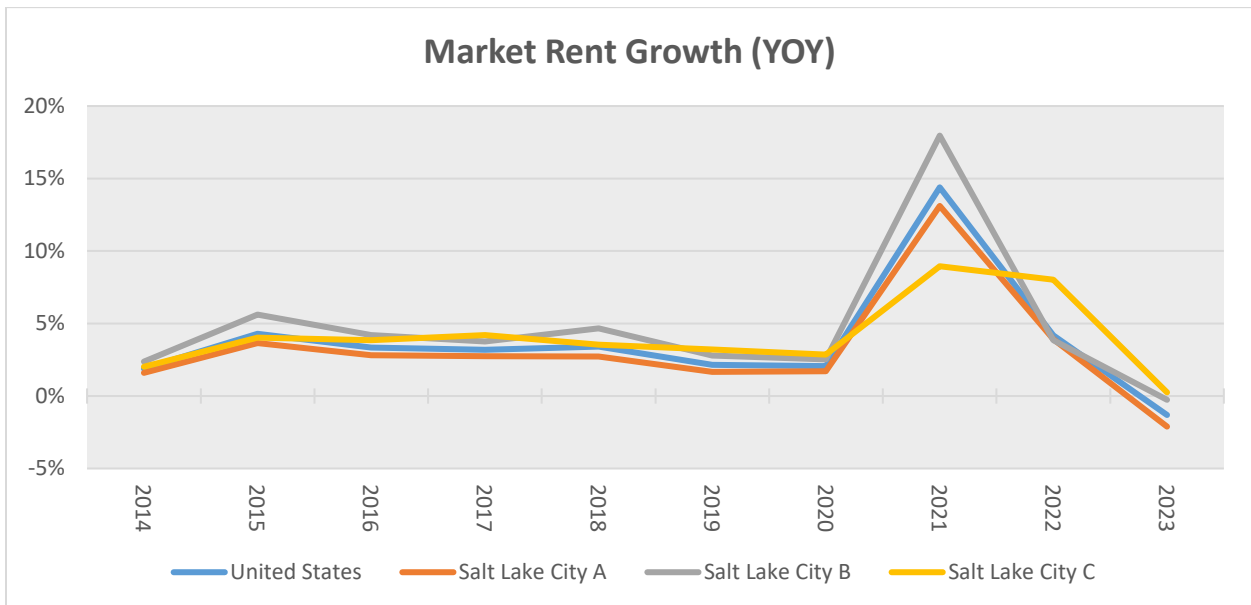
Class C (1 & 2 Star) projects reported a vacancy rate of 6.86% at the end of the first quarter 2024, 6.59% at the end of the fourth quarter 2023, 6.76% at the end of the third quarter 2023, and 6.82% at the end of the second quarter 2023.

The overall vacancy rate in the Salt Lake City Sandy/Cottonwood Heights submarket at the end of the first quarter 2024 was 5.61%. The vacancy rate was 5.70% at the end of the fourth quarter 2023, 6.71% at the end of the third quarter 2023 and 7.74% at the end of the second quarter 2023.

STABILIZED VACANCY



RENTAL RATES



The average asking rental rate for available Multi-Family space, all classes, was \$1,587 per unit per month at the end of the first quarter 2024 in the Salt Lake City market area. This represented a 0.9% increase in quoted rental rates from the end of the fourth quarter 2023, when rents were reported at \$1,573 per unit.

The average quoted rate within the Class A (4 & 5 Star) sector was \$1,743 at the end of the first quarter 2024, while Class B (3 Star) rates stood at \$1,476, and Class C (1 & 2 Star) rates at \$1,180. At the end of the fourth quarter 2023, Class A (4 & 5 Star) rates were \$1,724 per unit, Class-B (3 Star) rates were \$1,466, and Class C (1 & 2 Star) rates were \$1,178.

The average quoted asking rental rate in Salt Lake City’s Sandy/Cottonwood Heights district was \$1,599 per unit per month at the end of the first quarter 2024. In the fourth quarter 2023, quoted rates were \$1,568.

INVENTORY & CONSTRUCTION

During the first quarter 2024, a total of 1,113 units was completed in the Salt Lake City market area. This compares to a total of 1,088 units completed in the fourth quarter 2023, a total of 1,185 units completed in the third quarter 2023, and 2,048 units completed in the second quarter 2023.

There were 7,251 units of Multi-Family space under construction at the end of the first quarter 2024.

SUBTYPE	EXISTING INVENTORY (UNITS)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (UNITS)
Class A (4 & 5 Star)	44,489	4,411	5,466
Class B (3 Star)	32,770	1,029	1,785
Class C (1 & 2 Star)	15,688	-6	0
Total	92,947	5,434	7,251

MARKET OUTLOOK

The Salt Lake City Multi-Family market ended the first quarter 2024 with an overall vacancy rate of 10.73%. The vacancy rate decreased over the previous quarter, with net absorption totaling 1,243 units in the first quarter 2024. Rental rates increased \$13.79 per unit per month over the previous quarter and ended at \$1,587 per unit per month. A total of 1,113 units was delivered in the quarter, with 7,251 units still under construction at the end of the quarter.

SANDY/COTTONWOOD HEIGHTS MULTI-FAMILY MARKET

KEY INDICATORS AT A GLANCE

	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Stabilized Vacancy (%)	5.8%	5.7%	decreased 10 Basis Points
Absorption (Units)	65	6	decreased 59 Units
Quoted Rental Rates (\$/Unit/Month)	\$1,568	\$1,599	increased \$31 Per Unit
Inventory (Units)	6,401	6,401	no change Units
Net Deliveries (Units)	0	0	no change Units
Under Construction (Units)	204	204	no change Units
Overall Comparison	<i>Stabilized vacancy decreased 10 basis points, while Inventory saw no change.</i>		

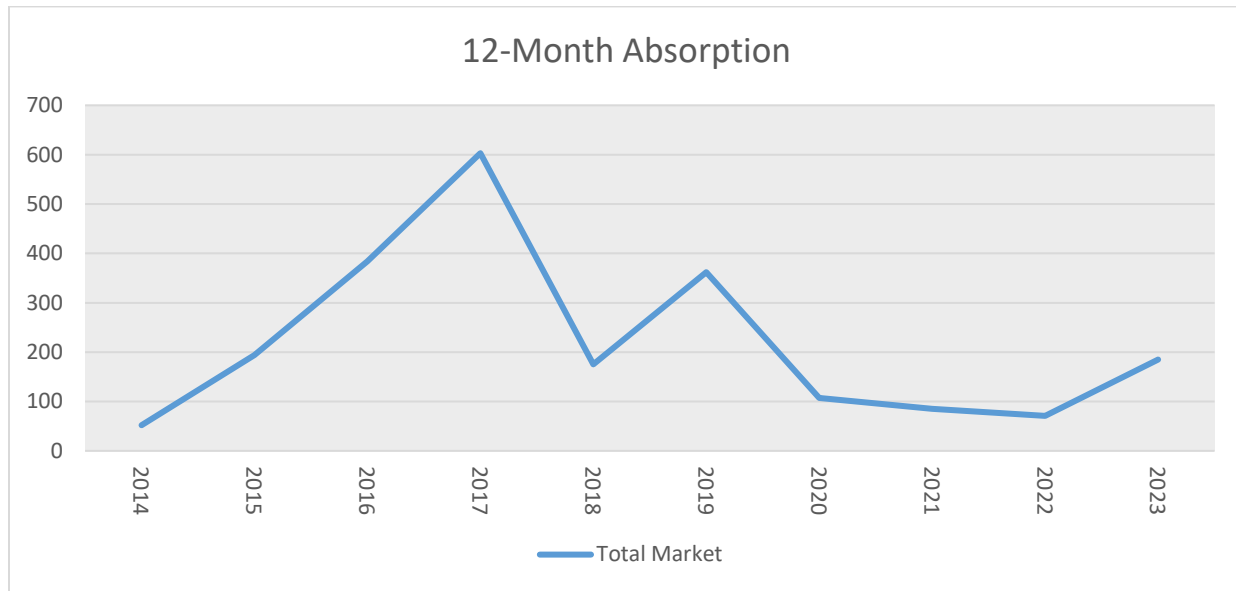
SANDY/COTTONWOOD HEIGHTS MULTI-FAMILY MARKET STATISTICS

PERIOD	EXISTING INVENTORY (UNITS)	VACANCY %	NET ABSORPTION (UNITS)	NET COMPLETIONS (UNITS)	UNDER CONST. (UNITS)	QUOTED RATES (\$/UNIT/MONTH)
2024 Q1	6,401	5.61%	6	0	204	\$1,599
2023 Q4	6,401	5.70%	65	0	204	\$1,568
2023 Q3	6,401	6.71%	66	0	204	\$1,609
2023 Q2	6,401	7.74%	25	96	204	\$1,606
2023	6,401	5.70%	185	96	204	\$1,568
2022	6,305	7.20%	71	328	300	\$1,596
2021	5,977	3.31%	85	0	328	\$1,531
2020	5,977	4.72%	107	0	305	\$1,336

2019	5,977	6.51%	362	50	305	\$1,287
2018	5,927	11.82%	175	0	50	\$1,251
2017	5,927	14.77%	603	855	0	\$1,212
2016	5,072	12.30%	384	336	591	\$1,177
2015	4,736	14.18%	194	698	927	\$1,153

The Sandy/Cottonwood Heights Multi-Family market ended the first quarter with a vacancy rate of 5.61%. The vacancy rate decreased over the previous quarter, with net absorption totaling 6 units in the first quarter. Rental rates increased compared to the previous quarter, ending first quarter at \$1,599. A total of 0 units was delivered to the market, with 204 units still under construction at the end of the quarter.

ABSORPTION



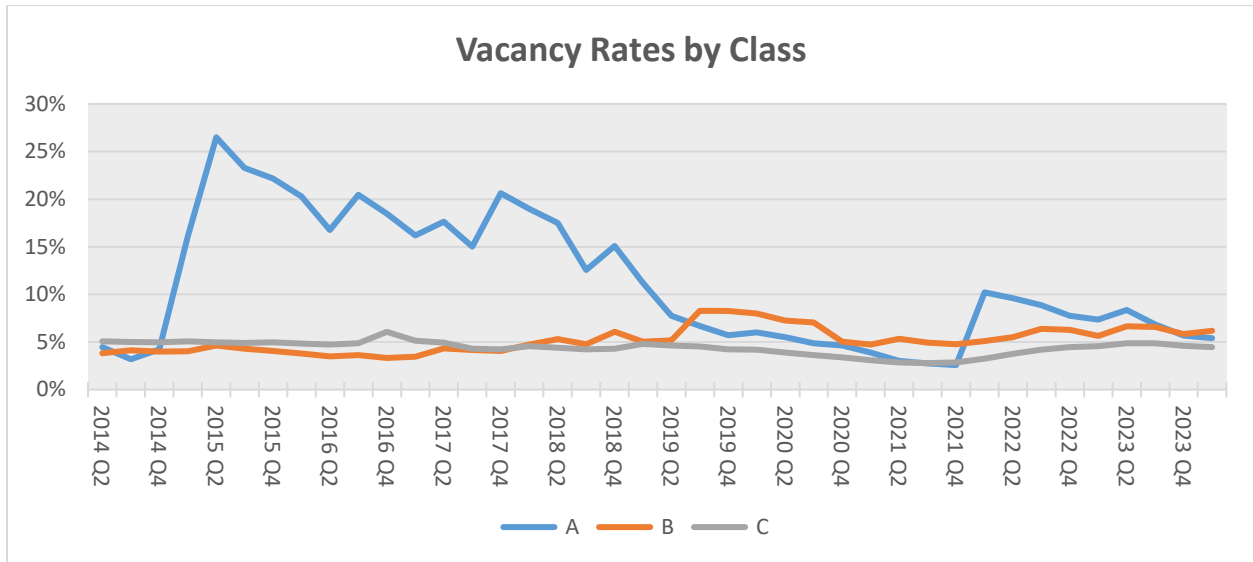
Net absorption for the overall Sandy/Cottonwood Heights Multi-Family market was 6 units in first quarter 2024. That compares to 65 units in fourth quarter 2023, 66 units in third quarter 2023, and 25 units in second quarter 2023. Net absorption in the market over the prior 12 months totaled 162 units.

The Class A (4 & 5 Star) Multi-Family market recorded net absorption of 12 units in the first quarter 2024, compared to 50 units in the fourth quarter 2023, 65 units in the third quarter 2023, and 46 units in the second quarter 2023.

The Class B (3 Star) Multi-Family market recorded net absorption of -6 units in the first quarter 2024, compared to 14 units in the fourth quarter 2023, 1 units in the third quarter 2023, and -20 units in the second quarter 2023.

The Class C (1 & 2 Star) Multi-Family market recorded net absorption of 0 units in the first quarter 2024, compared to 1 units in the fourth quarter 2023, 0 units in the third quarter 2023, and -1 units in the second quarter 2023.

VACANCY



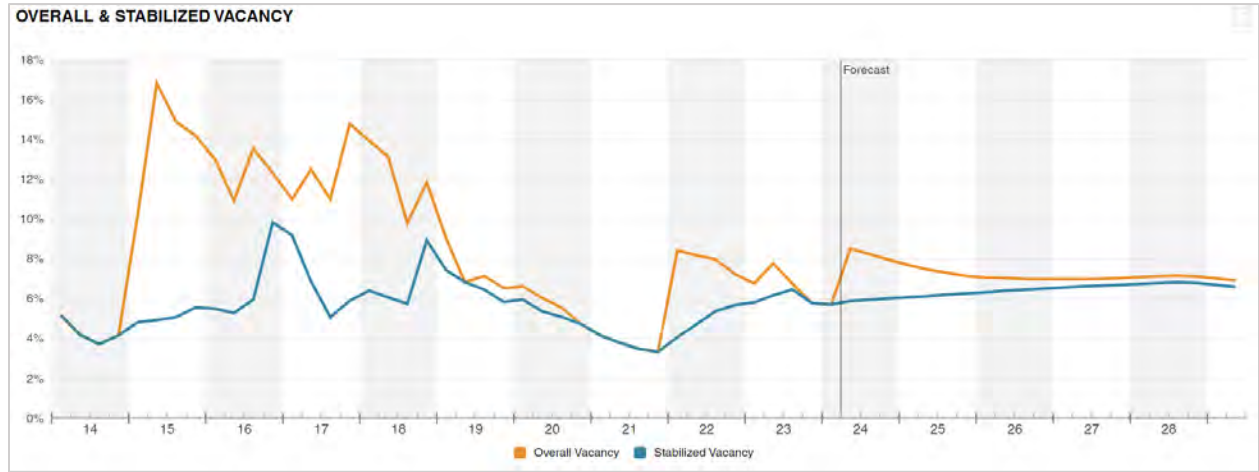
Vacancy for the overall Sandy/Cottonwood Heights Multi-Family market decreased to 5.61% in the first quarter 2024. That compares to 5.70% in the fourth quarter 2023, 6.71% in the third quarter 2023, and 7.74% in the second quarter 2023.

Class A (4 & 5 Star) projects reported a vacancy rate of 5.40% at the end of the first quarter 2024, 5.68% at the end of the fourth quarter 2023, 6.86% at the end of the third quarter 2023, and 8.38% at the end of the second quarter 2023.

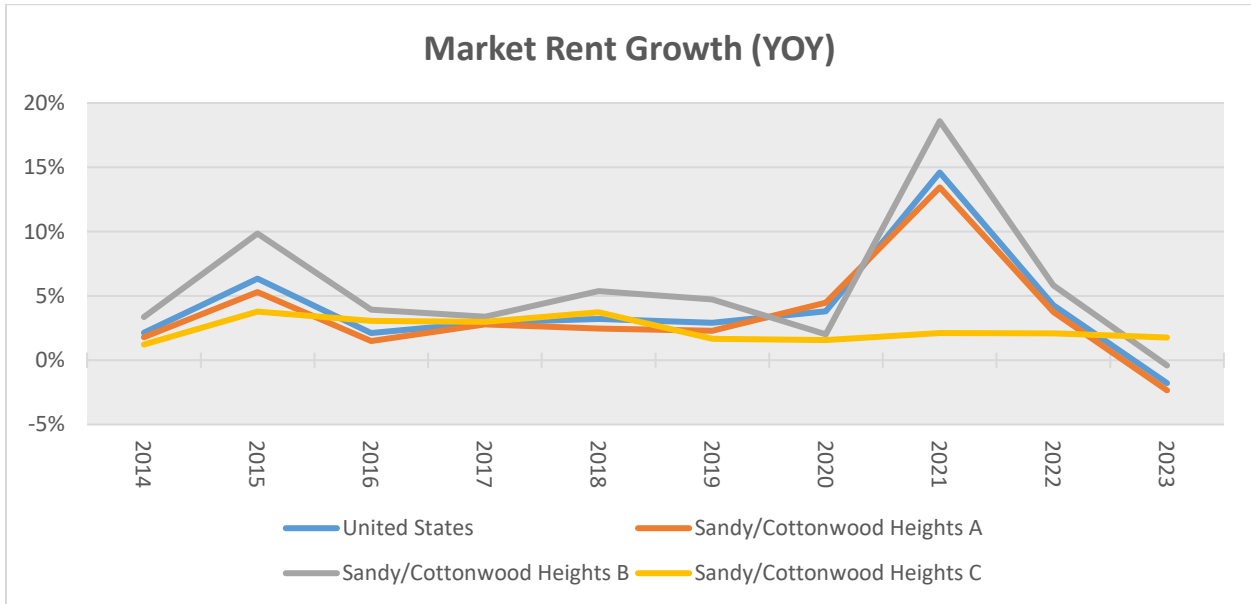
Class B (3 Star) projects reported a vacancy rate of 6.17% at the end of the first quarter 2024, 5.84% at the end of the fourth quarter 2023, 6.58% at the end of the third quarter 2023, and 6.64% at the end of the second quarter 2023.

Class C (1 & 2 Star) projects reported a vacancy rate of 4.46% at the end of the first quarter 2024, 4.59% at the end of the fourth quarter 2023, 4.88% at the end of the third quarter 2023, and 4.86% at the end of the second quarter 2023.

STABILIZED VACANCY



RENTAL RATES



The average asking rental rate for available Multi-Family space, all classes, was \$1,599 per unit per month at the end of the first quarter 2024 in the Sandy/Cottonwood Heights market area. This represented a 2.0% increase in quoted rental rates from the end of the fourth quarter 2023, when rents were reported at \$1,568 per unit.

The average quoted rate within the Class A (4 & 5 Star) sector was \$1,683 at the end of the first quarter 2024, while Class B (3 Star) rates stood at \$1,450, and Class C (1 & 2 Star) rates at \$962. At the end of the fourth quarter 2023, Class A (4 & 5 Star) rates were \$1,651 per unit, Class-B (3 Star) rates were \$1,418, and Class C (1 & 2 Star) rates were \$959.

INVENTORY & CONSTRUCTION

During the first quarter 2024, a total of 0 units was completed in the Sandy/Cottonwood Heights market area. This compares to a total of 0 units completed in the fourth quarter 2023, a total of 0 units completed in the third quarter 2023, and 96 units completed in the second quarter 2023.

There were 204 units of Multi-Family space under construction at the end of the first quarter 2024.

SUBTYPE	EXISTING INVENTORY (UNITS)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (UNITS)
Class A (4 & 5 Star)	4,247	96	204
Class B (3 Star)	1,959	0	0
Class C (1 & 2 Star)	195	0	0
Total	6,401	96	204

SANDY/COTTONWOOD HEIGHTS MARKET OUTLOOK

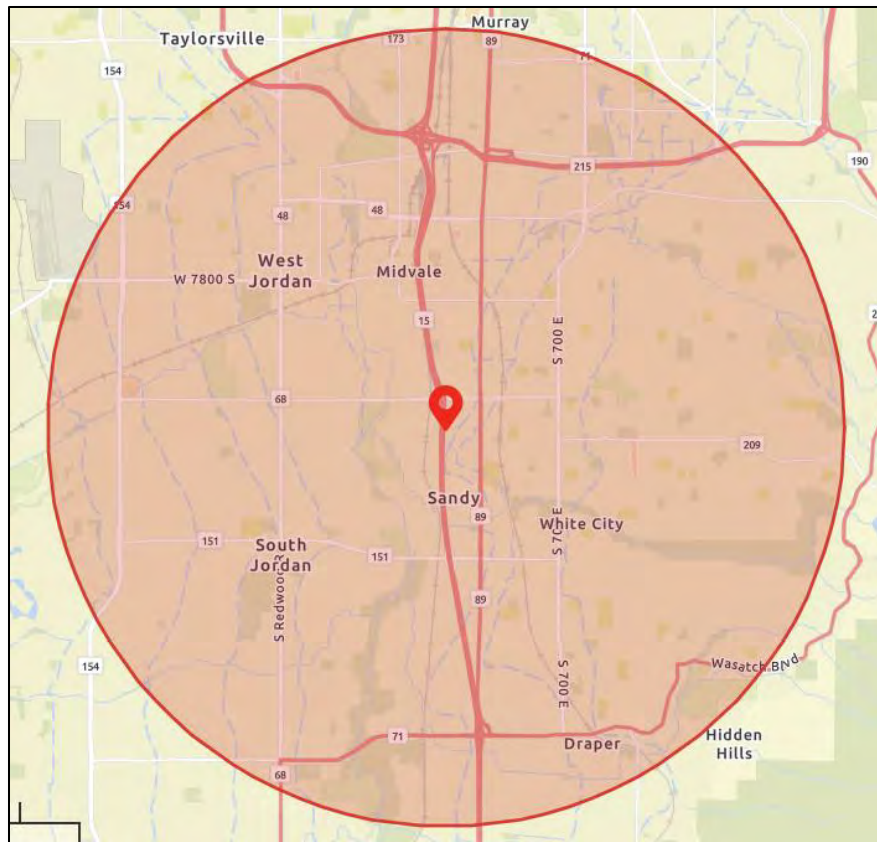
The Sandy/Cottonwood Heights Multi-Family market ended the first quarter 2024 with an overall vacancy rate of 5.61%. The vacancy rate decreased over the previous quarter, with net absorption totaling 6 units in the first quarter 2024. Rental rates increased \$31.45 per unit per month over the previous quarter and ended at \$1,599 per unit per month. A total of 0 units was delivered in the quarter, with 204 units still under construction at the end of the quarter.

PRIMARY MARKET AREA OVERVIEW

GENERAL DESCRIPTION

The subject property is located in Sandy, Utah just east of Interstate 15. The Primary Market Area is defined as the 5-mile radius from the subject property.

MARKET AREA MAP



SUPPLY AND DEMAND ANALYSIS

SUPPLY

The following table details the competitive new supply that will compete with the subject, being similar in terms of type and located in the subject's primary market area.

SUMMARY OF NEW MULTIFAMILY DEVELOPMENTS					
No.	Name/Project	Type	Year Complete	Location	Units
1	Skyline Peaks	Apartment	2024	Draper	423
2	Momentum	Apartment	2023	West Jordan	243
3	Copper 87	Apartment	2023	West Jordan	240
4	The Orchard	Townhome	2023	Sandy	96
5	North Union	Apartment	2022	Midvale	223
6	Copper Flats	Apartment	2022	Midvale	37
7	Seven Skies	Apartment	2022	Sandy	305
8	23 Views	Townhome	2022	Cottonwood Heights	23
9	Canyon Vista	Apartment	2021	Draper	448
10	Onyx	Apartment	2021	Midvale	48
11	The Lofts at Fort Union	Apartment	2021	Midvale	33
12	Upper West	Apartment	2021	West Jordan	207
Subject		Apartment	2025	Sandy	278
Total (Less Vacancy)					2,461

*Units to stabilize at 95% stabilized occupancy

DEMAND/OCCUPANCY

The competitive data set that was surveyed indicated the following occupancy figures. These projects are reporting an overall weighted average of 92%.

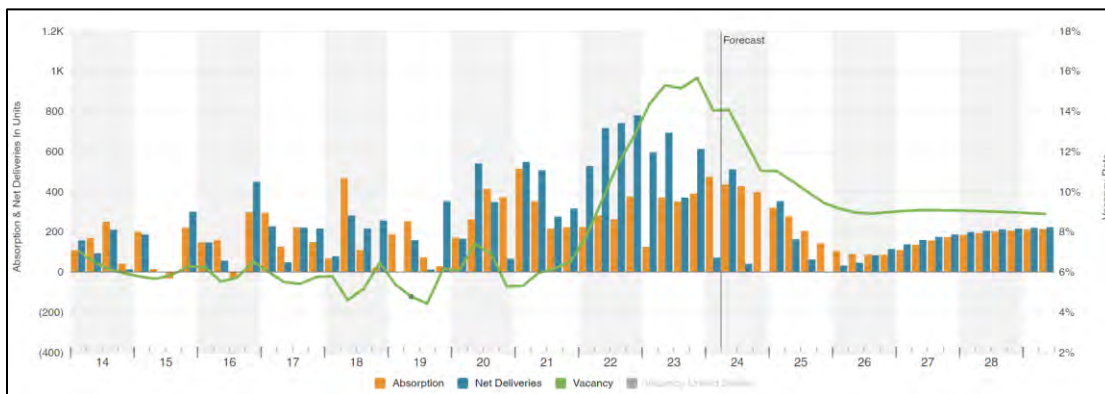
OCCUPANCY SUMMARY		
No.	Property Name	Occup. Rate
1	Seven Skies Apartments	95%
2	The Calo Apartments	93%
3	The Park at City Center Apartments	90%
4	Axio 8400	92%
5	Upper West	95%
6	Canyon Vista	92%
7	North Union Apartments	90%
Range		90.0%–95.0%
Average (Stabilized)		92%
Subject's Actual Occupancy		0.0%
Subject's Forecast Occupancy		94.5%

ABSORPTION ANALYSIS

Absorption rates for several new properties in the PMA, or similar markets, are detailed in the following table:

COMPARABLE ABSORPTION RATE				
Property	Location	Subtype	Stabilized	Absorption (Units/Mo.)
The Charles	Salt Lake	Apartment	2023	18
The Kelton	American Fork	Apartment	2023	19
Northshore Apartments	Saratoga Springs	Apartment	2023	17
Hilltop Towers	Ogden	Apartment	2023	31
Patriot Point	North Ogden	Townhomes	2023	9
Bravada	Clearfield	Apartment	2023	25
Current by Lotus	Ogden	Townhomes	2022	7
400 Element	Provo	Apartment	2022	15
Season on Millcreek	Logan	Apartment	2022	19
Strata	Logan	Apartment	2022	16
The Hudson	South Salt Lake	Townhomes	2022	13
theBEVERLEY	Salt Lake	Apartment	2022	5
Soleil Lofts	Herriman	Apartment	2021	23
The Marq	Salt Lake	Townhomes	2021	8
Lofts Apartments	Ogden	Townhomes	2021	19
Quattro	Salt Lake	Apartment	2020	14
The Morton	Salt Lake	Apartment	2020	14
Orchards at Nineteenth	Roy	Townhomes	2020	9
Average				16

Overall, absorption of the market-rate properties ranged from 5 to 31 units/month, with an average of 16 units/month. For townhomes specifically, the properties ranged from 7 to 19 units/month with an average of 11 units/month. For apartments, specifically, the properties ranged from 5 to 31 units/month with an average of 18 units/month. Townhomes and apartments should have different absorptions based on demand difference for unit sizes, price, and amenities offered varying between the two. This absorption data reflects an average over the time which the property has been leasing. These comparables cover a wide span of time and some are in more central locations with superior access and supportive development. We have reconciled, for the subject units, a 16 units per month absorption rate, a reasonable figure, after completion of the subject. This figure is reasonable as the subject will appeal with attractive design, good finishes and nearby supportive services which will attract residents; however, there are multiple projects in the pipeline which will increase competition.



DEMOGRAPHIC ANALYSIS

The Primary Market Area was previously defined as being a five-mile radius of the subject. The 2024 Environics data was utilized for this analysis and the demographics for the PMA are summarized in the following table, as compared to the overall MSA.

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY MARKET AREA		
Description	PMA (5-Mile Radius)	Salt Lake City, UT MSA
	Totals	Totals
Population		
2029 Projection	335,453	1,324,106
2024 Estimate	329,801	1,284,372
2020 Census	327,816	1,257,936
2010 Census	291,505	1,087,744
2024 Est. Median Age	36.36	34.19
2024 Est. Average Age	37.85	36.10
Households		
2029 Projection	116,779	456,199
2024 Estimate	114,098	439,919
2020 Census	112,559	427,316
2010 Census	95,927	360,564
2024 Est. Average Household Size	2.87	2.88
2024 Est. Households by Household Income		
Income Less than \$15,000	4.5%	5.9%
Income \$15,000 - \$24,999	3.8%	4.6%
Income \$25,000 - \$34,999	4.5%	5.1%
Income \$35,000 - \$49,999	8.0%	9.4%
Income \$50,000 - \$74,999	15.1%	16.4%
Income \$75,000 - \$99,999	15.2%	14.9%
Income \$100,000 - \$124,999	12.3%	11.8%
Income \$125,000 - \$149,999	9.7%	9.1%
Income \$150,000 - \$199,999	11.9%	10.2%
Income \$200,000 - \$249,999	6.2%	5.0%
Income \$250,000 - \$499,999	6.2%	5.2%
Income \$500,000 and more	2.6%	2.5%
2024 Est. Average Household Income	\$126,502	\$117,032
2024 Est. Median Household Income	\$98,167	\$88,998
2024 Est. Tenure of Occupied Housing Units		
Owner Occupied	68.98%	64.66%
Renter Occupied	31.02%	35.34%
2024 Est. Median All Owner-Occupied Housing Value	\$559,419	\$517,577

Source: 2024 Environics Analytics, Inc.

According to Claritas, the PMA is expected to grow by 2,681 households over the next five years. This figure represents a growth of 2.3%, above the historical growth rate of 1.4% that occurred between 2020 and 2024 (estimates). The total population within the PMA is expected to grow 5,652 people over the next five years, nearly three times the amount of population growth which occurred from 2020 to 2024.

HOUSEHOLDS/INCOME

The following summarizes the household income data for the PMA (as provided by 2024 Envirionics Analytics, Inc. Report.)

INCOME QUALIFIED HOUSEHOLDS		
Category	PRIMARY MARKET AREA	
	% of Total HH	% Inc. Qualified
Less than \$15,000	4.47%	0.00%
\$15,000 - \$24,999	3.83%	0.00%
\$25,000 - \$34,999	4.48%	0.00%
\$35,000 - \$49,999	7.99%	0.00%
\$50,000 - \$74,999	15.08%	7.04%
\$75,000 - \$99,999	15.18%	15.18%
\$100,000 - \$124,999	12.34%	12.34%
\$125,000 - \$149,999	9.68%	9.68%
\$150,000 - \$199,999	11.94%	11.94%
\$200,000 - \$249,999	6.21%	0.00%
\$250,000 - \$499,999	6.24%	0.00%
Over \$500,000	2.55%	0.00%
Total Income Qualified	100.0%	56.18%

Based on minimum required income of \$57,000 (30% rent burden)

We have summarized the income segments found in the PMA as they apply to the subject development. The management will require a minimum income of 3.0 times the minimum rent for occupancy (typical rent to income ratio employed by management companies for leasing); therefore, we have calculated a minimum income of \$48,857 based on the lowest projected rent of \$1,425 per month for a Studio unit. We have included 87.5% of the \$57,000 to \$199,999 income segment to approximate the required income levels for occupancy. Noteworthy, the appraisers excluded qualified income above \$199,999 in order to be conservative relative to the income levels of residents. However, data has shown that higher income households are opting to rent as a lifestyle choice rather than a necessity, to obtain access to higher quality finishes and amenities as well as for more desired locations. This is a reasonable figure given the tenant mix of most residents in the area.

FORECAST DEMAND CALCULATION (HOUSEHOLDS)

As previously detailed, Environics, notes the PMA is expected to grow by 2,681 households over the next five years, or 0.5% annually.

FUTURE DEMAND CALCULATION (HOUSEHOLDS)	
PRIMARY MARKET AREA	
Current Year Households	114,098 HH
5 Year Future Households	116,779 HH
Total Household Growth (5 Years)	2,681 HH
Annual Household Growth (5 Years)	536 HH/Yr
% Renter Households	31.02%
% Income Qualified	56.18%
Calculated Future Demand	93 Units/Yr

Source: Environics Analytics, Inc., Current Year Estimates

Therefore, future demand, based on household growth, over the next five years is calculated at 93 units per year in the PMA.

FUTURE DEMAND CALCULATION (EMPLOYMENT)

Based on the previously presented data, we have projected the total household growth within the PMA over the next five years will be 2,681 households in the entire PMA and that approximately 31.0% will be renters. Environics Analytics, Inc. estimates the household size as 2.87 persons within the PMA. Typically, the population will increase 1.5 to 2.0 persons with every job increase. The following chart shows the employment estimates and annual growth rates for Salt Lake County, as indicated by the U.S. Bureau of Labor Statistics.

JOB ESTIMATES SUMMARY TABLE			
Year	MSA		
	No. of Jobs	New Jobs	% Growth
2013	574,333	-	-
2014	583,560	9,227	1.61%
2015	600,318	16,758	2.87%
2016	619,043	18,725	3.12%
2017	634,983	15,940	2.57%
2018	647,637	12,654	1.99%
2019	665,902	18,265	2.82%
2020	658,540	-7,362	-1.11%
2021	686,781	28,241	4.29%
2022	703,705	16,924	2.46%
2023	716,861	13,156	1.87%
Average Prior 5 years excluding 2020			2.86%
Average since 2013			2.25%

Source: Federal Reserve Economic Data from St. Louis Fed

Notably, 2020 data show the decrease in employment caused by COVID-19. The county reached a low point in Spring 2020; however, the workforce has since recovered to 716,861 jobs as of June 2023 and surpassed pre-pandemic employment in early 2021. As such, growth in 2021 may be partially overstated as the market had been in recovery. Since 2013, the Annual Average growth rate in Salt Lake County was 2.25% while the job growth since 2019, excluding 2020, averaged 2.86% per year.

Calculating future demand based on future job growth over a five-year period, we have used a conservative (2.50%), moderate (3.00%) and an aggressive (3.50%) percentage compounded annually, as shown by the charts below:

PMA ESTIMATED APT UNIT DEMAND (BASED ON (25.68%) OF MSA & PMA GROWTH)			
	2.50%	3.00%	3.50%
	Job Growth	Job Growth	Job Growth
Estimated Area Employment Growth (5 yrs)	24,189	29,318	34,548
1.75 persons per job	42,331	51,307	60,460
% renters - PMA	31.02%	31.02%	31.02%
# of renters (5 yrs) - PMA	13,131	15,916	18,755
Persons per HH	2.87	2.87	2.87
# of HH (5 yrs) - PMA	4,575	5,545	6,535
Average Annual Unit Demand	915	1,109	1,307

The estimated annual demand for apartments over the next five years, based on the job growth calculation, is shown in the previous table.

SUMMARY OF DEMAND ESTIMATES (WEIGHTED AVERAGE)

Combining both the estimated household growth and the estimated employment growth calculations, equal weight was given to employment growth and household growth. The PMA is located within the larger Salt Lake City, UT MSA providing access to employment centers via I-15.

Summary of Apartment Demand Estimates (using 2.50% Annual Job Growth)						
	Total Apt Demand Next 5 Years	Est. Avg. Annual Apt. Demand		Times Weighting	=	Weighted Annual Apt. Demand
Est. Household Growth	467	93	X	20%	=	19
Est. Employment Growth	4,575	915	X	80%	=	732
Combined Annual Apartment Demand						751

Summary of Apartment Demand Estimates (using 3.00% Annual Job Growth)						
	Total Apt Demand Next 5 Years	Est. Avg. Annual Apt. Demand		Times Weighting	=	Weighted Annual Apt. Demand
Est. Household Growth	467	93	X	20%	=	19
Est. Employment Growth	5,545	1,109	X	80%	=	887
Combined Annual Apartment Demand						906

Summary of Apartment Demand Estimates (using 3.50% Annual Job Growth)						
	Total Apt Demand Next 5 Years	Est. Avg. Annual Apt. Demand		Times Weighting	=	Weighted Annual Apt. Demand
Est. Household Growth	467	93	X	20%	=	19
Est. Employment Growth	6,535	1,307	X	80%	=	1,046
Combined Annual Apartment Demand						1,065

The weighted annual demand for apartments is shown, using 2.50%, 3.00% and 3.50% annual job growth. The 3.00% job growth rate was most reasonable as it is not overly aggressive but recognizes the potential changes in employment over the next five years, supported by recent job growth in the market area and is more forward looking than the demographic data. This growth rate and the resulting demand figure is used in the summary of demand/supply in a following section.

SUMMARY OF DEMAND

The following table summarizes the proposed construction projects in the defined PMA (as identified by the analysts).

SUMMARY OF PROPOSED MULTIFAMILY UNITS - NEW SUPPLY			
Property/Name	Type	Total # Units	Units to Stabilize*
Corner & 6th	Apartment	28	26
ICO Fort Union	Apartment	204	193
Academy Village	Apartment	216	204
South Hills	Apartment	116	110
Volta Taylorsville	Apartment	651	615
Sole at Rockwell Pointe	Apartment	508	480
The Current	Apartment	305	288
Subject	Market	278	264
Net Proposed Additions/Removals from Market		2,306	2,181

*Units to stabilize at 95% stabilized occupancy

We have calculated the new inventory of market-rate units multiplying the total number of planned, proposed, under construction, or lease-up units and utilizing a market occupancy rate of 95%. In this analysis, we have utilized a 3-year projection period as the subject is not expected to be completed and stabilized until 2025, approximately 1.5 years from current. Additionally, some of the proposed developments noted in the pipeline are expected to be completed and stabilized within a similar timeframe. In summary, the following table equates the projected future demand based on a blended calculation of household and employment growth and the net additions to the market (based on BBG, Inc. survey of the market).

SUMMARY OF DEMAND/SUPPLY RELATIONSHIP	
	PMA
Previously Estimated Future Demand (3 years)*	2,718
Net Proposed Additions/Removals from Market (3 years)*	2,181
Remaining Demand at End of 3 Years from Current	537

*20% Household Growth; 80% Job Growth at 3.00% Growth Rate

Based on these figures, the defined PMA indicates strong demand for multifamily units. This analysis indicates that approximately 537 additional units of housing could be added to the market area and absorbed to stabilized occupancy during this time frame.

CAPTURE RATE

The capture rate is defined as the percentage of income-qualified households required to reach a stabilized occupancy at the subject, which is calculated by dividing the number of units at the subject by the income-qualified households in the PMA.

CAPTURE RATE CALCULATION	
Number of Existing Households in PMA (CY)	439,919
% of Renter Households*	31.0%
% of Income-Qualified Households*	56.2%
Estimated Current Income, Renter Qualified HH	76,662
Projected Income, Renter Qualified HH Demand (3 yrs)*	2,718
Total Current/Projected Income/Renter Qualified HH	79,380
# Subject Market Rate Units (Stabilized)	263
Capture Rate	0.3%

*calculated with most recent reconciled rents

PENETRATION RATE

The penetration rate is defined as the percentage of income qualified households required to achieve stabilized occupancy at all existing and proposed projects, which is calculated by dividing the existing and proposed units that are comparable to the subject by the total income-qualified households.

PENETRATION RATE CALCULATION	
Total Market Rate Units in PMA	25,006
Less pre-1970s, 1970s, 1980s, 1990s Units (Class B/C)	(11,389)
Approximate Existing Competitive Units in PMA	13,617
Plus New Units in PMA - (Inclusive of Subject Units)	2,181
Approximate Existing/New Units in PMA	15,798
Total Current/Projected Income/Renter Qualified HH (CY)	79,380
Penetration Rate	19.9%

At stabilized occupancy of 95%

The overall market will need quality units in the future to meet the demand generated by middle and upper-income residents, especially those desiring to live in the defined PMA. The Penetration Rate demonstrates that the current/future demand is sufficient to absorb the new units and the existing units in the market.

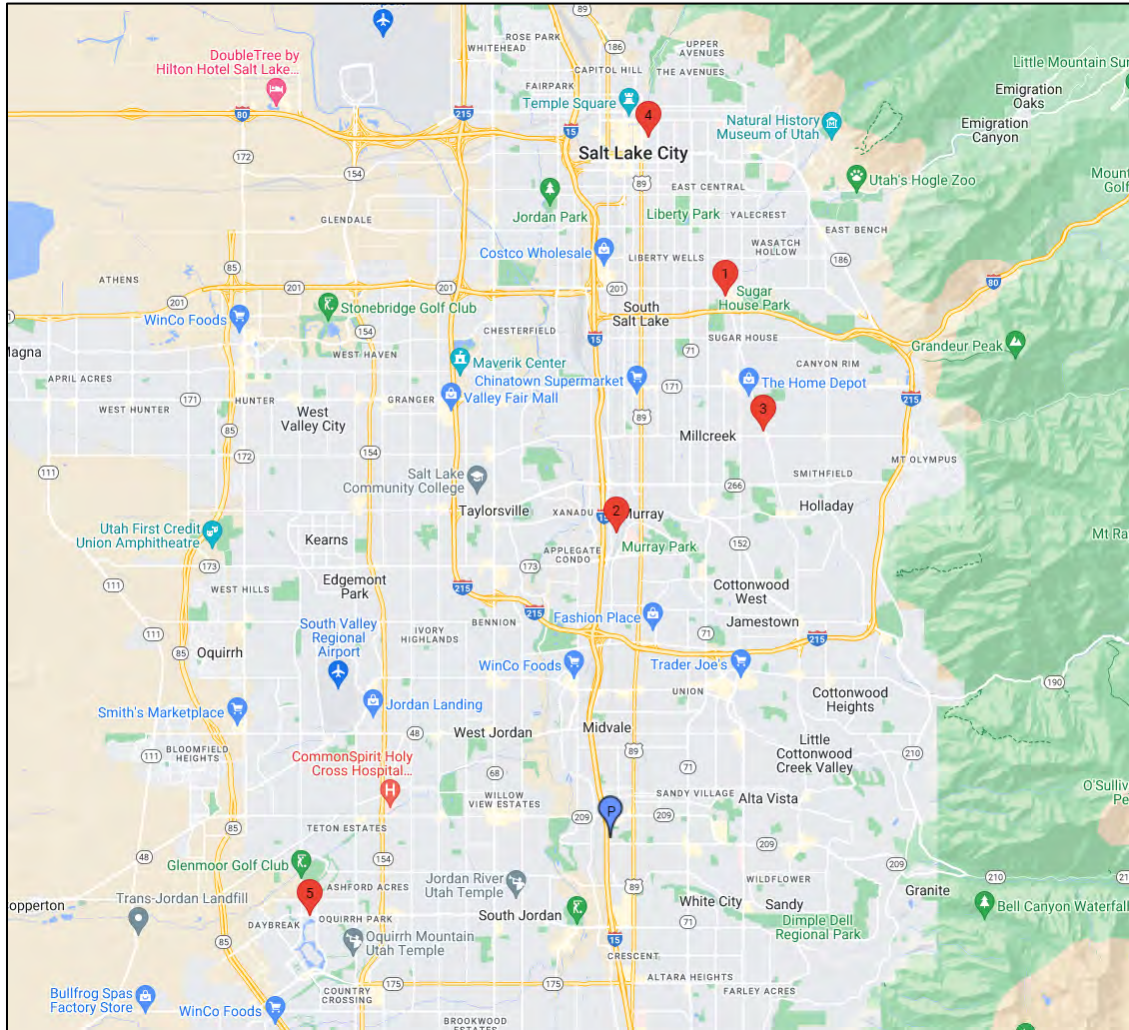
RENTAL ANALYSIS

RETAIL MARKET RENT

As previously discussed, the subject will have 5,498 SF of retail space on the first floor. To estimate the market rental rate of the retail space in the subject, the rental rates of similar buildings in the subject and surrounding areas have been analyzed. These rental rates are summarized below.

COMPARABLE LEASE SURVEY										
Comp No.	Property Name / Location	Bldg. Size (SF Net)	Year Built	Tenant	Lease Start	Lease End Date	Lease Term	Unit Size (SF)	Lease Rate (\$/SF/Yr)	Expense Structure
Lease 1	The Residences at Sugar Alley 2188 South Highland Drive Salt Lake City, UT	163,464	2024	Hill's Kitchen	Jan-2025	Jan-2035	120 mos.	3,080	\$36.00	NNN
Lease 2	Seasons at Murray Crossing 196 West Vine Street Murray, UT	249,859	2020	Geraldine's Coffee	Dec-2023	Mar-2030	75 mos.	1,386	\$24.96	Gross
Lease 3	The Highland 3816 South Highland Drive Millcreek, UT	35,307	2023	J-Development	Nov-2023	Jan-2029	62 mos.	2,214	\$16.32	NNN
Lease 4	theRANDI 218 South 200 East Salt Lake City, UT	48,245	2022	The Block Barbershop	Jul-2023	Jul-2026	36 mos.	1,204	\$26.00	NNN
Lease 5	thePEARL 4647 South Jordan Parkway South Jordan, UT	223,758	2022	Chip Cookie	Jul-2022	Jul-2027	60 mos.	793	\$35.00	NNN
	Minimum		2020						\$16.32	
	Maximum		2024						\$36.00	
	Average		2022						\$27.66	
	Subject	222,659	2025					5,498		

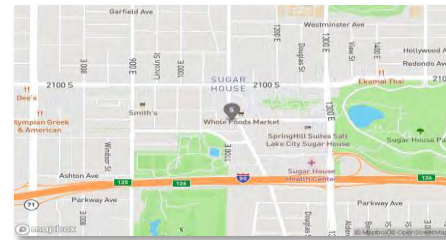
MULTI-FAMILY RETAIL COMPARABLE LEASE MAP



MULTI-FAMILY RETAIL LEASE COMPARABLE DATA SHEETS



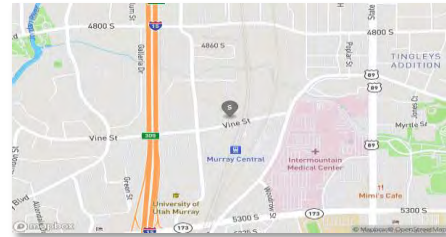
Lease Comparable #1
The Residences at Sugar Alley
 2188 South Highland Drive
 Salt Lake City, UT 84106
 Salt Lake County
 BBG Property #891096



Property Data							
Improvement Details							
Property Type/Use	Multifamily - Apartments			Lat/Long	40.723252 / -111.8595		
Parcel ID #	16-20-206-051			Number of Buildings	1		
Year Built	2024						
Gross Building Area	- SF			Rentable Area	163,464 SF		
Multifamily Units	186						
Number of Stories	6			Floor Area Ratio	0.00		
HAP Contract	No HAP in place			Income Restricted	Property is not income restricted		
Opportunity Zone	No			Census Tract	1141.00		
Site Size (Gross)	92,783 SF (2.13 acres)			Site Size (Net)	92,783 SF (2.13 acres)		
Comments	The property is located along the west side of Highland Drive. The site benefits from an annual average daily traffic count of 11,000. The improvements of three ground floor retail units.						
Leases							
Commence	Suite	Tenant	Leased Area	Term (Mos)	Free Rent (Mos)		Verification
			Rent \$/SF/Year	TI (PSF)	Escalations	Occupancy	
1/1/2025	N/A	Hill's Kitchen	3,080 SF \$36.00 NNN	120 N/A	3 N/A	100%	6/7/2024 CompStak/Costar



Lease Comparable #2
Seasons at Murray Crossing
 196 West Vine Street
 Murray, UT 84107
 Salt Lake County
 BBG Property #688966



Property Data							
Improvement Details							
Property Type/Use	Multifamily - Apartments			Lat/Long	40.661749 / -111.8968		
Parcel ID #	21-12-255-034-0000, 21-12-255-033-0000			Number of Buildings	2		
Year Built	2020						
Gross Building Area	- SF			Rentable Area	249,859 SF		
Multifamily Units	293						
Number of Stories	6			Floor Area Ratio	0.00		
HAP Contract	No HAP in place			Income Restricted	Property is not income restricted		
Opportunity Zone	No			Census Tract	1121.01		
Site Size (Gross)	196,020 SF (4.50 acres)			Site Size (Net)	196,020 SF (4.50 acres)		
Project Amenities	BBQ/Picnic Area, Clubhouse, Dog Park/Dog Run, Elevator, Fiber-Optic Internet, Fitness Center, Game/Media Room, Outdoor Pool, Hot Tub, On-Site Maintenance, On-Site Management, Sprinkler System, Surface Parking, Valet Trash, Movie Theater, Parking Garage						
Unit Amenities	Quartz Countertops, Kitchen Island, Built-In Pantry, Stainless Steel Appliances, Stainless Steel Sink, Designer Cabinets, Disposal, Dishwasher, Microwave, In-Unit Washer/Dryer, Patio/Balcony, 9-Foot Ceilings, Air Conditioning, Carpet, Luxury Vinyl Tile/Plank Flooring, Smart Thermostat, Walk-In Closets, Pendant Lighting						
Leases							
Commence	Suite	Tenant	Leased Area Rent \$/SF/Year	Term (Mos) TI (PSF)	Free Rent (Mos) Escalations	Occupancy	Verification
12/1/2023	N/A	Geraldine's Coffee	1,386 SF \$24.96 Gross	75 N/A	3 N/A	100%	6/7/2024 CompStak/Costar

Lease Comparable #3
The Highland
 3816 South Highland Drive
 Millcreek, UT 84106
 Salt Lake County
 BBG Property #891102



Property Data

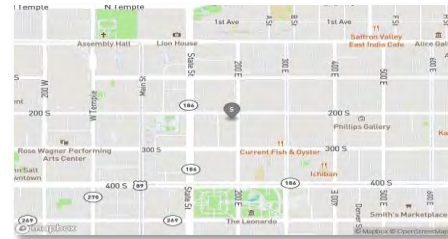
Improvement Details			
Property Type/Use	Multifamily - Apartments	Lat/Long	40.688113 / -111.8463
Parcel ID #	16-33-326-009	Number of Buildings	1
Year Built	2023		
Gross Building Area	- SF	Rentable Area	35,307 SF
Multifamily Units	50		
Number of Stories	4	Floor Area Ratio	0.00
HAP Contract	No HAP in place	Income Restricted	Property is not income restricted
Opportunity Zone	No	Census Tract	1104.01
Site Size (Gross)	30,492 SF (0.70 acres)	Site Size (Net)	30,492 SF (0.70 acres)
Project Amenities	Parking Garage, Outdoor Lounge, Sports Court, Clubhouse, Dog Park/Dog Run, Elevator, Valet Trash, Car Charging Station		
Unit Amenities	Quartz Countertops, Stainless Steel Appliances, Patio/Balcony, Views Available, Disposal, In-Unit Washer/Dryer, Walk-In Closets		
Comments	The subject is located along the west side of Highland Drive. The site benefits form an annual average daily traffic count of 23,000.		

Leases

Commence	Suite	Tenant	Leased Area	Term (Mos)	Free Rent (Mos)		Verification
			Rent \$/SF/Year	TI (PSF)	Escalations	Occupancy	
11/1/2023	N/A	J-Development	2,214 SF \$16.32 NNN	62 N/A	2 N/A	100%	6/7/2024 CompStak/Costar



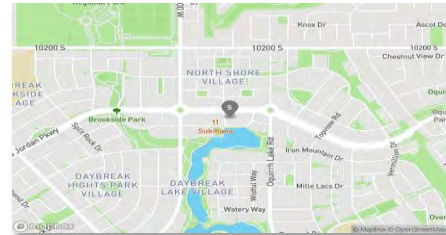
Lease Comparable #4
theRANDI
 218 South 200 East
 Salt Lake City, UT 84111
 Salt Lake County
 BBG Property #580388



Property Data							
Improvement Details							
Property Type/Use	Multifamily - Apartments			Lat/Long	40.764588 / -111.8858		
Parcel ID #	16-06-176-026-0000			Number of Buildings	1		
Year Built	2022						
Gross Building Area	79,440 SF			Rentable Area	48,245 SF		
Multifamily Units	61						
Number of Stories	6			Floor Area Ratio	5.36		
HAP Contract	No HAP in place			Income Restricted	Property is not income restricted		
Opportunity Zone	No			Census Tract	1140.00		
Parking	Other: 61 Total: 61			Parking Ratio	1.20:1,000 SF of Rentable Area 1.00 Spaces per Unit		
Site Size (Gross)	14,810 SF (0.34 acres)			Site Size (Net)	14,810 SF (0.34 acres)		
Flood Zone	Zone X (Unshaded)						
Project Amenities	BBQ/Picnic Area, Car Charging Station, City Views, Mountain Views, On-Site Maintenance, On-Site Management, Structured Parking						
Unit Amenities	Air Conditioning, Carpet, Ceiling Fans, Clawfoot Tub, Den, Dishwasher, High Ceilings, In-Unit Washer/Dryer, Luxury Vinyl Tile/Plank Flooring, Microwave, Quartz Countertops, Stainless Steel Appliances, Walk-In Shower, Walk-In Closets						
Leases							
Commence	Suite	Tenant	Leased Area Rent \$/SF/Year	Term (Mos) TI (PSF)	Free Rent (Mos) Escalations Occupancy		Verification
7/6/2023	N/A	The Block Barbershop	1,204 SF \$26.00 NNN	36 \$74.75	N/A 2.50%	100%	6/7/2024 CompStak/Costar



Lease Comparable #5
thePEARL
 4647 South Jordan Parkway
 South Jordan, UT 84095
 Salt Lake County
 BBG Property #716480



Property Data							
Improvement Details							
Property Type/Use	Multifamily - Apartments			Lat/Long	40.561699 / -112.0022		
Parcel ID #	27-18-151-030-0000 27-18-151-031-0000 27-18-151-032-0000			Number of Buildings	7		
Year Built	2022						
Gross Building Area	275,000 SF			Rentable Area	223,758 SF		
Multifamily Units	209						
Number of Stories	3			Floor Area Ratio	1.32		
HAP Contract	No HAP in place			Income Restricted	Property is not income restricted		
Opportunity Zone	No			Census Tract	1130.22		
Site Size (Gross)	208,652 SF (4.79 acres)			Site Size (Net)	208,652 SF (4.79 acres)		
Project Amenities	Attached Garage Parking, Clubhouse, Fiber-Optic Internet, Fitness Center, Furnished Units Available, Lake Views, On-Site Maintenance, On-Site Management, Playground						
Unit Amenities	Air Conditioning, Carpet, Dishwasher, Disposal, In-Unit Washer/Dryer, Luxury Vinyl Tile/Plank Flooring, Microwave, Patio/Balcony, Quartz Countertops, Smart Thermostat, Stainless Steel Appliances, Stainless Steel Sink, Tile Backsplash, Tile Tub/Shower Surround, Walk-In Closets						
Leases							
Commence	Suite	Tenant	Leased Area Rent \$/SF/Year	Term (Mos) TI (PSF)	Free Rent (Mos) Escalations Occupancy		Verification
7/11/2022	N/A	Chip Cookie	793 SF \$35.00 NNN	60 N/A	N/A 100%		6/7/2024 CompStak/Costar

RETAIL LEASE COMPARABLE ADJUSTMENT GRIDS

LEASE ADJUSTMENT GRID - INDUSTRIAL						
	Subject	Lease 1	Lease 2	Lease 3	Lease 4	Lease 5
Property Name	Proposed Apartment (Market Demand Study)	The Residences at Sugar Alley	Seasons at Murray Crossing	The Highland	theRANDI	thePEARL
Property Address	9295 South 255 West Sandy, Utah 2025	2188 South Highland Drive Salt Lake City, 84106 2024	196 West Vine Street Murray, 84107 2020	3816 South Highland Drive Millcreek, 84106 2023	218 South 200 East Salt Lake City, 84111 2022	4647 South Jordan Parkway South Jordan, 84095 2022
Year Built / Renovated						
Representative Lease Tenant		Hill's Kitchen	Geraldine's Coffee	J-Development	The Block Barbershop	Chip Cookie
Unit Size (SF)	5,498	3,080	1,386	2,214	1,204	793
Lease Start Date		Jan-25	Dec-23	Nov-23	Jul-23	Jul-22
Lease Term (mos)		120	75	62	36	60
Lease Rate (\$/SF/Yr)		\$36.00	\$24.96	\$16.32	\$26.00	\$35.00
Expense Structure		NNN	Gross	NNN	NNN	NNN
\$ Adjustment		\$0.00	-\$5.00	\$0.00	\$0.00	\$0.00
Conditions of Lease						
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions		Jan-25	Dec-23	Nov-23	Jul-23	Jul-22
% Adjustment		0.0%	1.5%	1.8%	2.8%	5.8%
Cumulative Adjusted Rent		\$36.00	\$20.26	\$16.61	\$26.72	\$37.01
Location		-5%	0%	0%	-10%	5%
Unit Size (SF)	5,498	-5%	-10%	-10%	-10%	-15%
Condition / Effective Age	Excellent	0%	0%	0%	0%	0%
Quality / Appeal	Good/Excellent	0%	0%	0%	0%	5%
Exposure / Access	Average	-5%	-10%	-5%	-10%	-5%
Subtotal Gross Adjustments		15%	20%	15%	30%	30%
Subtotal Net Adjustments		-15%	-20%	-15%	-30%	-10%
Adjusted Lease Rate per Sq.Ft.		\$30.60	\$16.21	\$14.11	\$18.70	\$33.31
Overall Comparison		Primary	Primary	Primary	Primary	Primary

Lease Summary - Industrial	Adjusted
Minimum	\$14.11
Maximum	\$33.31
Average	\$22.59
Median	\$18.70
Concluded Market Rent	\$22.50
Concluded Expense Structure	NNN

The lease comparables indicated an adjusted lease range from \$14.11 PSF up to \$33.31 PSF, with a median of \$18.70 PSF and an average of \$22.59 PSF. The range of gross adjustments applied to the comparables was 15% to 30%, with an average gross adjustment of 20%. The total adjustments are considered reasonable, increasing the overall reliability of the data to derive a market rental rate. Based on the results of the preceding analysis, all of the comparables are given primary consideration. A market rent of \$22.50 PSF NNN is concluded.

MULTIFAMILY RENTAL ANALYSIS

SUBJECT UNIT MIX

The subject property is proposed to have the following unit mix, as provided by the client. The following units will be compared to the market comparables in the next section to determine their reasonableness.

UNIT SUMMARY			
Type	No.	Size (SF)	NRA (SF)
Studio	55	610	33,550
1BR-1BA	83	726	60,258
1BR-1BA	77	759	58,443
2BR-2BA	5	1,002	5,010
2BR-2BA	37	1,086	40,182
2BR-2BA	11	1,206	13,266
3BR-2BA	10	1,195	11,950
Total/Avg	278	801	222,659

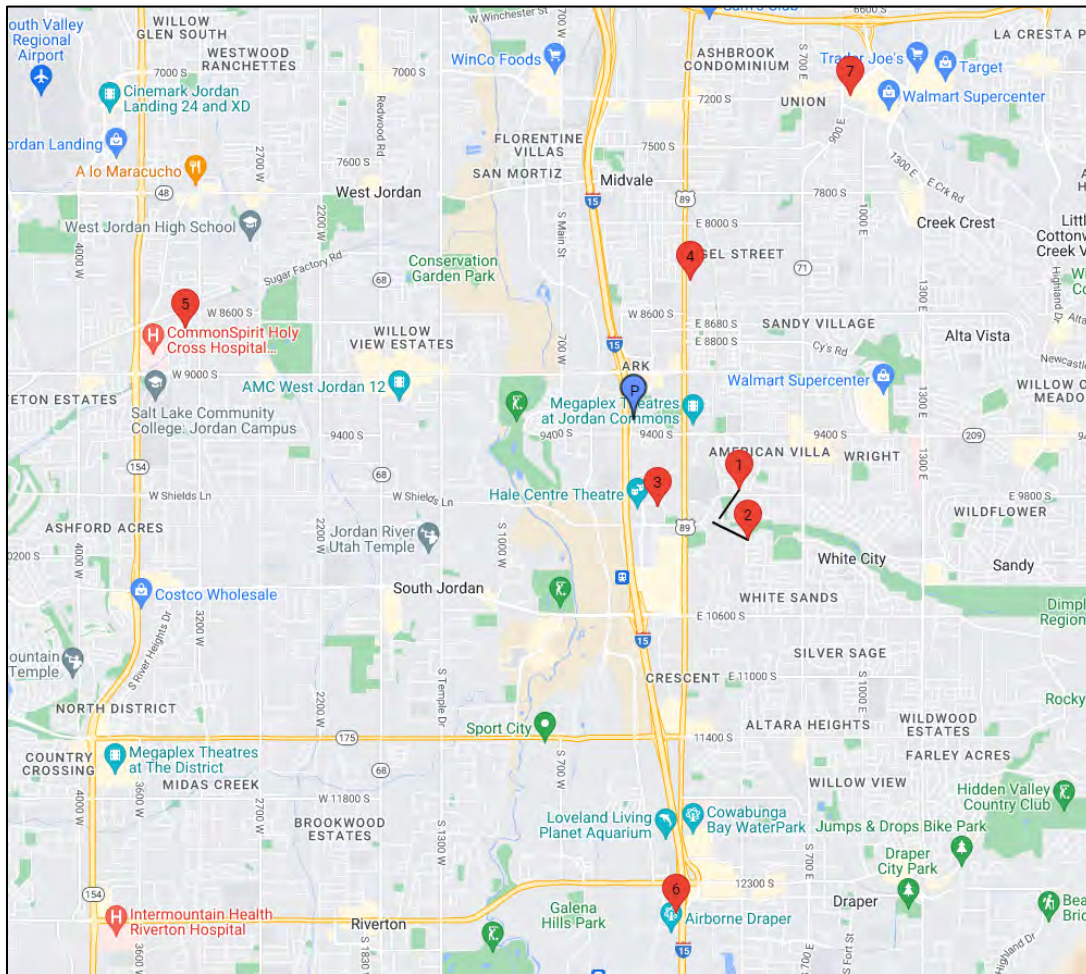
We have used the Market Net Square Footage for the comparable and subject units, versus the “paint to paint” Square Footage for the units. The Market Net Square Foot is based on the quoted square footage and the market measurement of the unit size, rather than the exact interior dimensions of each unit type.

MARKET RENTS

We have surveyed several types of competitive properties in our analysis of the subject market rent. We have analyzed units in the market which are similar in design and appeal. These comparables are the most similar to the subject in terms of quality, amenities, and finishes.

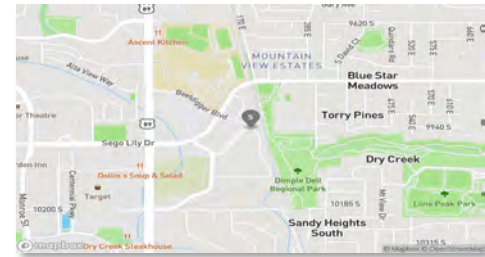
COMPARABLE RENTAL SURVEY									
No.	Property Name	No. Units	Year Built / Renovated	Avg Unit Size (SF)	Avg Asking Rent (\$/mo.)	Avg Asking Rent (\$/SF)	Avg Effective Rent (\$/mo.)	Avg Effective Rent (\$/SF)	Occup.
1	Seven Skies Apartments	305	2022	828	\$1,681	\$2.03	\$1,681	\$2.03	95%
2	The Calo Apartments	336	2017	859	\$1,547	\$1.80	\$1,547	\$1.80	93%
3	The Park at City Center Apartments	330	2016	890	\$1,690	\$1.90	\$1,690	\$1.90	90%
4	Axio 8400	332	2017	1,056	\$1,626	\$1.54	\$1,626	\$1.54	92%
5	Upper West	207	2021	852	\$1,586	\$1.86	\$1,586	\$1.86	95%
6	Canyon Vista	448	2021	816	\$1,929	\$1.84	\$1,929	\$1.84	92%
7	North Union Apartments	223	2022	891	\$1,712	\$1.92	\$1,712	\$1.92	90%
	Minimum	207	2016	816	\$1,547	\$1.54	\$1,547	\$1.54	90%
	Maximum	448	2022	1,056	\$1,929	\$2.03	\$1,929	\$2.03	95%
	Average	312	2019	885	\$1,682	\$1.84	\$1,682	\$1.84	92.4%
	Subject	278	2025	801	\$0	\$0.00	\$0	\$0.00	0.0%

COMPARABLE MARKET RENT MAP



The following tables display the comparable data with the subject’s floor plans and show the comparables’ quoted rents as compared to the concluded market rent for the subject units.

Multifamily Rent #1
Seven Skies Apartments
 168 East Midvillage Boulevard
 Sandy, UT 84070-1389
 Salt Lake County
 BBG Property #890429

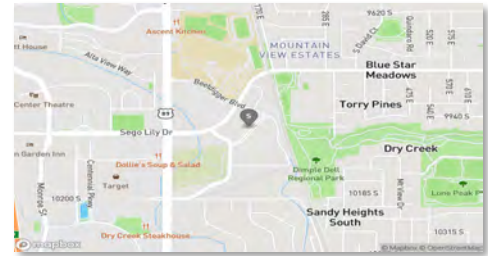


Property Data			
Improvement Details			
Property Type/Use	Multifamily Apartments	Lat/Long	40.570576 / -111.8852
Parcel ID #	28-07-331-002-0000, 28-07-331-003-0000	Number of Buildings	5
Year Built	2022	Year Renovated	N/A
Quality	Good	Condition	Good
Class	Class A	Construction Details	
Gross Building Area	359,951 SF	Rentable Area	252,793 SF
Multifamily Units	305		
Number of Stories	5	Floor Area Ratio	1.00
HAP Contract	No HAP in place	Income Restricted	Property is not income restricted
Opportunity Zone	No	Census Tract	1126.21
Parking	Garage: 280 Total: 280	Parking Ratio	1.11:1,000 SF of Rentable Area 0.92 Spaces per Unit
Site Size (Gross)	358,499 SF (8.23 acres)	Site Size (Net)	358,499 SF (8.23 acres)
Project Amenities	Rooftop Terrace/Deck, On-Site Retail, Conference Room, Common/Demonstration Kitchen, Game/Media Room, Fitness Center, Outdoor Pool, Car Charging Station, Elevator, Covered Parking, Parking Garage, Clubhouse, Bike Storage, Bike/Ski Repair Station		
Unit Amenities	Stainless Steel Appliances, Ceiling Fans, Vinyl Flooring, Granite Countertops, Pendant Lighting		
Comments	The property is located along the east side of Midvillage Boulevard and the west side of Beedigger Boulevard. The buildings consists of 7,508 SF of retail space and 1,796 SF of office space.		

Multifamily Rental Survey Details	
Leasing Incentives	4 weeks free.
Utilities Paid By	Tenant pays Cable, Electric, Insurance, Sewer, Trash, Water Landlord pays CAM, Management, Taxes
Occupancy Rate	95%
Comments	The property has approximately 280 covered parking spaces shared with UDOT and 35 garage spaces for each of the 4 residential buildings. The spaces are rented for \$115 per month. Approximately 60 garage spaces are not rented as of the date of survey. Additionally, the property shares a public parking garage with the City of Sandy. The parking spaces shared with the City of Sandy are rented for \$40 per month. Other charges: \$125 media fee which includes internet and SmartHome. \$35 per month pet rent. \$12 per month renters insurance. The tenants also pay a percentage of common area gas and electric which is determined based on the size of the unit, number of occupants, etc. These fee ranges from \$10 to \$35 per month.
Confirmation	6/5/2024 Property Management/Website

Rental Unit Detail								
# Units	Unit Plan	Unit Size (SF)	% AMI	Quoted Rent		Effective Rent		Comments
				Per Month	Per Square Foot	Per Month	Per Square Foot	
3	Studio	450	MKT	\$1,224	\$2.72	\$1,224	\$2.72	n/a
13	Studio	510	MKT	\$1,275	\$2.50	\$1,275	\$2.50	n/a
22	Studio	553	MKT	\$1,363	\$2.46	\$1,363	\$2.46	n/a
2	Studio	567	MKT	\$1,353	\$2.39	\$1,353	\$2.39	n/a
13	1BR-1BA	580	MKT	\$1,317	\$2.27	\$1,317	\$2.27	n/a
14	1BR-1BA	723	MKT	\$1,575	\$2.18	\$1,575	\$2.18	n/a
31	1BR-1BA	724	MKT	\$1,579	\$2.18	\$1,579	\$2.18	n/a
35	1BR-1BA	740	MKT	\$1,589	\$2.15	\$1,589	\$2.15	n/a
14	1BR-1BA	745	MKT	\$1,678	\$2.25	\$1,678	\$2.25	n/a
14	1BR-1BA	745	MKT	\$1,571	\$2.11	\$1,571	\$2.11	n/a
20	1BR-1BA	785	MKT	\$1,565	\$1.99	\$1,565	\$1.99	n/a
14	1BR-1BA	792	MKT	\$1,626	\$2.05	\$1,626	\$2.05	n/a
19	1BR-1BA	900	MKT	\$1,692	\$1.88	\$1,692	\$1.88	n/a
18	2BR-2BA	1,025	MKT	\$1,901	\$1.85	\$1,901	\$1.85	n/a
4	2BR-2BA	1,073	MKT	\$1,874	\$1.75	\$1,874	\$1.75	n/a
17	2BR-2BA	1,080	MKT	\$2,023	\$1.87	\$2,023	\$1.87	n/a
16	2BR-2BA	1,125	MKT	\$2,030	\$1.80	\$2,030	\$1.80	n/a
24	2BR-2BA	1,133	MKT	\$2,015 - \$2,066	\$1.78 - \$1.82	\$2,015 - \$2,066	\$1.78 - \$1.82	n/a
5	3BR-2BA	1,115	MKT	\$2,058	\$1.85	\$2,058	\$1.85	n/a
7	3BR-2BA	1,270	MKT	\$2,346	\$1.85	\$2,346	\$1.85	n/a
305		829 SF Avg.		\$1,681 Average per Unit		\$1,681 Average per Unit		
				\$2.03 Average PSF		\$2.03 Average PSF		

Multifamily Rent #2
The Calo Apartments
 159 East Midvillage Boulevard
 Sandy, UT 84070
 Salt Lake County
 BBG Property #890448



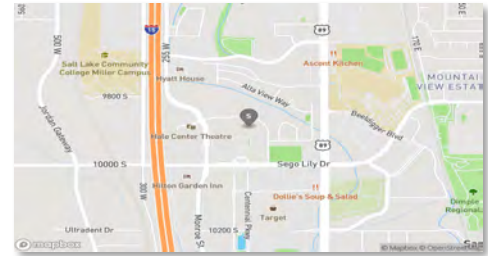
Property Data			
Improvement Details			
Property Type/Use	Multifamily Apartments	Lat/Long	40.570028 / -111.8864
Parcel ID #	28-07-303-001-0000, 28-07-330-001-0000	Number of Buildings	5
Year Built	2017	Year Renovated	N/A
Quality	Good	Condition	Good
Class	Class A	Construction Details	
Gross Building Area	0 SF	Rentable Area	288,647 SF
Multifamily Units	336		
Number of Stories	5	Floor Area Ratio	0.00
HAP Contract	No HAP in place	Income Restricted	Property is not income restricted
Opportunity Zone	No	Census Tract	1126.21
Parking	Surface: 204 Garage: 100 Covered: 204 Total: 508	Parking Ratio	1.76:1,000 SF of Rentable Area 1.51 Spaces per Unit
Site Size (Gross)	263,102 SF (6.04 acres)	Site Size (Net)	263,102 SF (6.04 acres)
Project Amenities	Fitness Center, Elevator, Package Service, Bike Storage, Dog Park/Dog Run, Dog Wash, Rooftop Terrace/Deck, Outdoor Pool, Spa, BBQ/Picnic Area, Parking Garage		
Unit Amenities	Vinyl Flooring, In-Unit Washer/Dryer, Quartz Countertops, Granite Countertops, Tile Backsplash, Dishwasher		
Comments	The property is located along Midvillage Boulevard to the east, Creek Runway to the south, Ego Lily Drive to the west and Beetdigger Boulevard to the north.		

Multifamily Rental Survey Details	
Leasing Incentives	6 weeks free on one-bedroom units and 8 weeks on two bedroom units.
Utilities Paid By	Tenant pays Cable, Electric, Gas, Insurance, Sewer, Trash, Water Landlord pays CAM, Management, Taxes
Occupancy Rate	93%
Comments	According to property management, 100% of the properties rentable spaces are rented as of the date of survey. The property charges \$50 per month for standard covered spaces, \$75 climate-controlled parking garage spaces and the top floor of garage is first come first serve. Other charges: Media package \$90 per month and includes google fiber 1 Gig internet. \$25 per month trash valet. \$2 per month pest control. \$45 per month pet rent. Renters insurance not provided.
Confirmation	6/5/2024 Property Management/Website

Rental Unit Detail								
# Units	Unit Plan	Unit Size (SF)	% AMI	Quoted Rent		Effective Rent		Comments
				Per Month	Per Square Foot	Per Month	Per Square Foot	
11	Studio	440	MKT	\$1,281	\$2.91	\$1,281	\$2.91	n/a
26	Studio	525	MKT	\$1,295 - \$1,366	\$2.47 - \$2.60	\$1,295 - \$1,366	\$2.47 - \$2.60	n/a
2	Studio	635	MKT	\$1,376	\$2.17	\$1,376	\$2.17	n/a
2	Studio	685	MKT	\$1,446	\$2.11	\$1,446	\$2.11	n/a
3	1BR-1BA	690	MKT	\$1,456	\$2.11	\$1,456	\$2.11	n/a
2	1BR-1BA	730	MKT	\$1,496	\$2.05	\$1,496	\$2.05	n/a
62	1BR-1BA	740	MKT	\$1,546 - \$1,600	\$2.09 - \$2.16	\$1,546 - \$1,600	\$2.09 - \$2.16	n/a
3	1BR-1BA	745	MKT	\$1,476	\$1.98	\$1,476	\$1.98	n/a
7	1BR-1BA	755	MKT	\$1,511	\$2.00	\$1,511	\$2.00	n/a
1	1BR-1BA	760	MKT	\$1,511	\$1.99	\$1,511	\$1.99	n/a
9	1BR-1BA	770	MKT	\$1,511	\$1.96	\$1,511	\$1.96	n/a
13	1BR-1BA	795	MKT	\$1,526	\$1.92	\$1,526	\$1.92	n/a
37	1BR-1BA	810	MKT	\$1,341 - \$1,354	\$1.66 - \$1.67	\$1,341 - \$1,354	\$1.66 - \$1.67	n/a
4	1BR-1BA	820	MKT	\$1,351	\$1.65	\$1,351	\$1.65	n/a
17	1BR-1BA	825	MKT	\$1,356 - \$1,359	\$1.64 - \$1.65	\$1,356 - \$1,359	\$1.64 - \$1.65	n/a
16	1BR-1BA	830	MKT	\$1,401	\$1.69	\$1,401	\$1.69	n/a
3	1BR-1BA	845	MKT	\$1,453	\$1.72	\$1,453	\$1.72	n/a
10	1BR-1BA	860	MKT	\$1,416	\$1.65	\$1,416	\$1.65	n/a
6	1BR-1BA	900	MKT	\$1,449	\$1.61	\$1,449	\$1.61	n/a
4	1BR-1BA	925	MKT	\$1,456	\$1.57	\$1,456	\$1.57	n/a
1	1BR-1BA	1,060	MKT	\$1,606	\$1.52	\$1,606	\$1.52	n/a
4	2BR-2BA	920	MKT	\$1,589	\$1.73	\$1,589	\$1.73	n/a
10	2BR-2BA	1,005	MKT	\$1,649	\$1.64	\$1,649	\$1.64	n/a
2	2BR-2BA	1,040	MKT	\$1,734	\$1.67	\$1,734	\$1.67	n/a
18	2BR-2BA	1,080	MKT	\$1,634	\$1.51	\$1,634	\$1.51	n/a
6	2BR-2BA	1,120	MKT	\$1,774	\$1.58	\$1,774	\$1.58	n/a
21	2BR-2BA	1,130	MKT	\$1,824	\$1.61	\$1,824	\$1.61	n/a
7	2BR-2BA	1,160	MKT	\$1,862 - \$1,905	\$1.61 - \$1.64	\$1,862 - \$1,905	\$1.61 - \$1.64	n/a
2	2BR-2BA	1,190	MKT	\$1,844	\$1.55	\$1,844	\$1.55	n/a
3	2BR-2BA	1,220	MKT	\$1,849	\$1.52	\$1,849	\$1.52	n/a
3	2BR-2BA	1,244	MKT	\$1,874	\$1.51	\$1,874	\$1.51	n/a
7	2BR-2BA	1,260	MKT	\$1,939	\$1.54	\$1,939	\$1.54	n/a
5	2BR-2BA	1,295	MKT	\$1,939	\$1.50	\$1,939	\$1.50	n/a
1	2BR-2BA	1,300	MKT	\$1,919	\$1.48	\$1,919	\$1.48	n/a
3	2BR-2BA	1,325	MKT	\$1,954	\$1.47	\$1,954	\$1.47	n/a
5	3BR-2BA	1,310	MKT	\$2,316	\$1.77	\$2,316	\$1.77	n/a
336		859 SF Avg.		\$1,547 Average per Unit		\$1,547 Average per Unit		
				\$1.80 Average PSF		\$1.80 Average PSF		



Multifamily Rent #3
The Park at City Center Apartments
 213 West Civic Center Drive
 Sandy, UT 84070-1220
 Salt Lake County
 BBG Property #890466



Property Data			
Improvement Details			
Property Type/Use	Multifamily Apartments	Lat/Long	40.571821 / -111.8950
Parcel ID #	27-12-433-004-0000	Number of Buildings	1
Year Built	2016	Year Renovated	N/A
Quality	Good	Condition	Good
Class	Class A	Construction Details	
Gross Building Area	0 SF	Rentable Area	293,806 SF
Multifamily Units	330		
Number of Stories	5	Floor Area Ratio	0.00
HAP Contract	No HAP in place	Income Restricted	Property is not income restricted
Opportunity Zone	No	Census Tract	1126.21
Parking	Surface: 80 Garage: 536 Total: 616	Parking Ratio	2.10:1,000 SF of Rentable Area 1.87 Spaces per Unit
Site Size (Gross)	194,278 SF (4.46 acres)	Site Size (Net)	194,278 SF (4.46 acres)
Project Amenities	Game/Media Room, Sundeck, Clubhouse, Common/Demonstration Kitchen, Outdoor Firepit, BBQ/Picnic Area, Golf Simulator, Bike Storage, Fitness Center, Valet Trash, Dog Park/Dog Run, Hot Tub, Parking Garage, Car Charging Station, Package Service, Conference Room, On-Site Retail, Elevator, Lounge, Outdoor Pool		
Unit Amenities	Stainless Steel Appliances, Vinyl Flooring, Walk-In Closets, Patio/Balcony, Ceramic Tile Flooring, Designer Cabinets, Tile Backsplash, Ceiling Fans, Double Vanity, Built-In Pantry, Kitchen Island, Storage, Built-In Desk, In-Unit Washer/Dryer, Granite Countertops		
Comments	The property is located along the south side of Civic Center Drive.		

Multifamily Rental Survey Details	
Leasing Incentives	None
Utilities Paid By	Tenant pays Cable, Electric, Gas, Insurance, Sewer, Trash, Water Landlord pays CAM, Management, Taxes
Occupancy Rate	90%
Comments	Approximately 400 garage parking spaces. One garage space included in media package. \$35 per month for an additional garage space. Media package of \$195 and includes garage parking, internet, valet trash, property taxes and amenity fees. Pet rent \$50 per month. Utility range from \$80 to \$112 per month.
Confirmation	6/5/2024 Property Management/Website

Rental Unit Detail								
# Units	Unit Plan	Unit Size (SF)	% AMI	Quoted Rent		Effective Rent		Comments
				Per Month	Per Square Foot	Per Month	Per Square Foot	
18	Studio	589	MKT	\$1,355	\$2.30	\$1,355	\$2.30	n/a
47	1BR-1BA	654	MKT	\$1,457	\$2.23	\$1,457	\$2.23	n/a
57	1BR-1BA	755	MKT	\$1,548	\$2.05	\$1,548	\$2.05	n/a
58	1BR-1BA	767	MKT	\$1,457	\$1.90	\$1,457	\$1.90	n/a
25	1BR-1BA	841	MKT	\$1,518	\$1.80	\$1,518	\$1.80	n/a
50	2BR-2BA	982	MKT	\$1,806	\$1.84	\$1,806	\$1.84	n/a
5	2BR-2BA	1,116	MKT	\$2,070	\$1.85	\$2,070	\$1.85	n/a
30	2BR-2BA	1,135	MKT	\$2,094	\$1.84	\$2,094	\$1.84	n/a
5	2BR-2BA	1,256	MKT	\$2,139	\$1.70	\$2,139	\$1.70	n/a
15	2BR-2BA	1,294	MKT	\$2,239	\$1.73	\$2,239	\$1.73	n/a
20	3BR-2BA	1,475	MKT	\$2,327	\$1.58	\$2,327	\$1.58	n/a
330		890 SF Avg.		\$1,690 Average per Unit \$1.90 Average PSF		\$1,690 Average per Unit \$1.90 Average PSF		

Multifamily Rent #4
Axio 8400
 32 East Princeton Drive
 Sandy, UT 84070
 Salt Lake County
 BBG Property #286703



Property Data			
Improvement Details			
Property Type/Use	Multifamily Apartments	Lat/Long	40.598990 / -111.8900
Legal	LOT 4, 5, 6, EAST TOWN VILLAGE - SANDY. (LESS THAT PORTION OUTSIDE JORDAN VALLEY WATER CONSERVANCY DISTRICT)		
Parcel ID #	22313050034001, 22313021034001, 22313021034002, 22313050034002, 22313510504002, 22313510504001	Number of Buildings	7
Year Built	2017	Year Renovated	N/A
Quality	Good	Condition	Good
Class		Construction Details	Wood frame, brick veneer, fiber cement, and stucco siding, with flat roofs.
Gross Building Area	350,798 SF	Rentable Area	350,798 SF
Multifamily Units	332		
Number of Stories	4	Floor Area Ratio	0.85
HAP Contract	No HAP in place	Income Restricted	Property is not income restricted
Opportunity Zone	No	Census Tract	
Site Size (Gross)	413,820 SF (9.50 acres)	Site Size (Net)	413,820 SF (9.50 acres)
Project Amenities	Billiards, Business Center, Carport Parking, Detached Garage Parking, Fitness Center, Game/Media Room, Hot Tub, On-Site Office, Playground, Pool		
Unit Amenities	Carpet, Dishwasher, Laundry Appliances, Wood Flooring		
Comments	Located on the N/S and S/S of East Princeton Drive, E of State Street.		

Multifamily Rental Survey Details	
Leasing Incentives	One month free.
Utilities Paid By	Tenant pays Cable, Electric, Gas, Insurance, Sewer, Trash, Water Landlord pays CAM, Management, Taxes
Occupancy Rate	93%
Comments	\$160 - Internet, smart home, valet trash \$16 - renters insurance \$25-\$85 depending on unit size - utilities free first come first serve open parking. Optional parking charges of \$25 uncovered, \$30 carport, \$130 garage, \$150 tandem Pet fees - \$45/month
Confirmation	6/13/2024 Property Website/Diana

Rental Unit Detail									
# Units	Unit Plan	Unit Size (SF)	% AMI	Quoted Rent		Effective Rent		Comments	
				Per Month	Per Square Foot	Per Month	Per Square Foot		
28	1BR-1BA	767	MKT	\$1,399	\$1.82	\$1,399	\$1.82	n/a	
65	1BR-1BA	773	MKT	\$1,399	\$1.81	\$1,399	\$1.81	n/a	
20	1BR-1BA	873	MKT	\$1,399	\$1.60	\$1,399	\$1.60	n/a	
3	1BR-1BA	900	MKT	\$1,486	\$1.65	\$1,486	\$1.65	n/a	
27	2BR-2BA	1,034	MKT	\$1,699	\$1.64	\$1,699	\$1.64	n/a	
136	2BR-2BA	1,158	MKT	\$1,599	\$1.38	\$1,599	\$1.38	n/a	
53	3BR-2BA	1,387	MKT	\$2,150	\$1.55	\$2,150	\$1.55	n/a	
332		1,057 SF Avg.		\$1,626 Average per Unit		\$1,626 Average per Unit			
				\$1.54 Average PSF		\$1.54 Average PSF			

Multifamily Rent #5

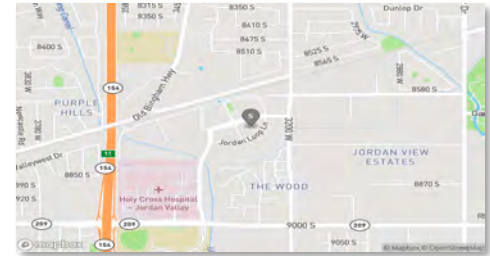
Upper West

3283 Jordan Line Parkway

West Jordan, UT 84088

Salt Lake County

BBG Property #558095

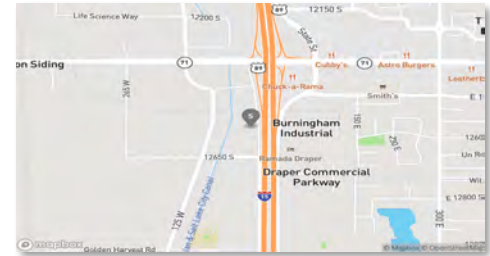


Property Data			
Improvement Details			
Property Type/Use	Multifamily Apartments	Lat/Long	40.593289 / -111.9696
Legal	LOT 6, SECOND AMENDMENT JORDAN VALLEY TOD SUBDIVISION PLAT A10589-2004		
Parcel ID #	27-05-232-001-0000	Number of Buildings	1
Year Built	2021	Year Renovated	N/A
Quality	Excellent	Condition	Excellent
Class	Class A	Construction Details	
Gross Building Area	0 SF	Rentable Area	176,426 SF
Multifamily Units	207		
Number of Stories	4	Floor Area Ratio	0.00
HAP Contract	No HAP in place	Income Restricted	Property is not income restricted
Opportunity Zone	No	Census Tract	1129.21
Site Size (Gross)	105,851 SF (2.43 acres)	Site Size (Net)	105,851 SF (2.43 acres)
Flood Zone	Zone X (Unshaded)		
Project Amenities	BBQ/Picnic Area, Bike Storage, Bike/Ski Repair Station, Bike Wash, Business Center, Cabana, Clubhouse, Common Area Wi-Fi, Conference Room, Courtyard, Coworking Space, Dog Wash, Elevator, Fiber-Optic Internet, Fitness Center, Furnished Units Available, On-Site Maintenance, On-Site Management, Outdoor Pool, Package Service, Rooftop Terrace/Deck, Secured Access		
Unit Amenities	Air Conditioning, Carpet, Ceiling Fans, Dishwasher, Disposal, In-Unit Washer/Dryer, Keyless Entry, Luxury Vinyl Tile/Plank Flooring, Microwave, Patio/Balcony, Quartz Countertops, Smart Thermostat, Stainless Steel Appliances, Stainless Steel Sink, Views Available, Walk-In Closets		

Multifamily Rental Survey Details	
Leasing Incentives	6 weeks free on move-in by June 15th.
Utilities Paid By	Tenant pays Cable, Electric, Gas, Insurance, Sewer, Trash, Water Landlord pays CAM, Management, Taxes
Occupancy Rate	95%
Comments	\$65 per month garage parking. Amenity fee of \$140 per month and includes internet, SmartHome system and valet trash. \$45 per month pet rent. Additional Common area electric, gas, water and trash charge; however, contact was unsure of amount during call.
Confirmation	6/5/2024 Property Management/Website

Rental Unit Detail								
# Units	Unit Plan	Unit Size (SF)	% AMI	Quoted Rent		Effective Rent		Comments
				Per Month	Per Square Foot	Per Month	Per Square Foot	
16	Studio	545	MKT	\$1,439	\$2.64	\$1,439	\$2.64	n/a
35	Studio	697	MKT	\$1,400	\$2.01	\$1,400	\$2.01	n/a
32	1BR-1BA	733	MKT	\$1,324	\$1.81	\$1,324	\$1.81	n/a
53	1BR-1BA	750	MKT	\$1,475	\$1.97	\$1,475	\$1.97	n/a
1	1BR-1BA	774	MKT	\$1,402	\$1.81	\$1,402	\$1.81	n/a
1	1BR-1BA	884	MKT	\$1,492	\$1.69	\$1,492	\$1.69	n/a
3	2BR-1BA	991	MKT	\$1,656	\$1.67	\$1,656	\$1.67	n/a
40	2BR-2BA	1,122	MKT	\$1,936	\$1.73	\$1,936	\$1.73	n/a
6	2BR-2BA	1,127	MKT	\$1,794	\$1.59	\$1,794	\$1.59	n/a
12	2BR-2BA	1,170	MKT	\$2,068	\$1.77	\$2,068	\$1.77	n/a
8	2BR-2BA	1,224	MKT	\$1,844	\$1.51	\$1,844	\$1.51	n/a
207		852 SF Avg.		\$1,586 Average per Unit \$1.86 Average PSF		\$1,586 Average per Unit \$1.86 Average PSF		

Multifamily Rent #6
Canyon Vista
 12558 Pony Express Road
 Draper, UT 84020
 Salt Lake County
 BBG Property #623999



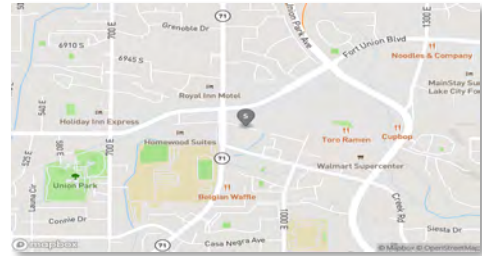
Property Data			
Improvement Details			
Property Type/Use	Multifamily Apartments	Lat/Long	40.523040 / -111.8922
Legal	BEG S 89°21'25" W 148.65 FT FR SE COR SEC 25, T3S, R1W, SLM; S 0°11'40" E 376.00 FT; S 89°21'42" W 548.98 FT; N 14°43'18" E 674.18 FT; E 370.07 FT; SE'LY ALG A 5,689.58 FT RADIUS CURVE TO R 122.29 FT (CHD S 2°42'20" E 122.29 FT); S 0°11'40" E 147.78 FT TO BEG. 6.87 AC M OR L. 3906-139 3916-129,130 5697-2268 7377-1298,1300 10302-1444 10347-999,1002,1005 10487-1215 10642-1094 10650-6735 10772-8527		
Parcel ID #	27-36-229-003-0000	Number of Buildings	1
Year Built	2021	Year Renovated	N/A
Quality	Excellent	Condition	Excellent
Class	Class A	Construction Details	
Gross Building Area	0 SF	Rentable Area	365,582 SF
Multifamily Units	448		
Number of Stories	6	Floor Area Ratio	0.00
HAP Contract	No HAP in place	Income Restricted	Property is not income restricted
Opportunity Zone	No	Census Tract	1128.25
Site Size (Gross)	299,257 SF (6.87 acres)	Site Size (Net)	299,257 SF (6.87 acres)
Flood Zone	Zone X (Unshaded)		
Project Amenities	Clubhouse, Sports Court, Pool, Spa, Yoga Room, Courtyard, Sundeck, Outdoor Firepit, Lounge, Dog Wash, Playground, Bike Storage, Car Charging Station		
Unit Amenities	Stainless Steel Appliances, Quartz Countertops, Pendant Lighting, Designer Cabinets, In-Unit Washer/Dryer, Walk-In Closets, Wood Flooring, Carpet, 9-Foot Ceilings, High Ceilings, Patio/Balcony		

Multifamily Rental Survey Details	
Leasing Incentives	4 weeks free on move-in before June 14th.
Utilities Paid By	Tenant pays Cable, Electric, Gas, Insurance, Sewer, Trash, Water Landlord pays CAM, Management, Taxes
Occupancy Rate	92%
Comments	Amenity package of \$180 which includes one garage parking stall, trash valet, internet and access to amenities. Tenants can pay \$60 per month for additional garage parking space. \$14 per month renters insurance. \$50 pet month pet rent. Surface spaces are first come first serve.
Confirmation	6/5/2024 Property Management/Website

Rental Unit Detail								
# Units	Unit Plan	Unit Size (SF)	% AMI	Quoted Rent		Effective Rent		Comments
				Per Month	Per Square Foot	Per Month	Per Square Foot	
20	Studio	492	MKT	\$1,199 - \$1,259	\$2.44 - \$2.56	\$1,199 - \$1,259	\$2.44 - \$2.56	n/a
15	1BR-1BA	603	MKT	\$1,239 - \$1,299	\$2.05 - \$2.15	\$1,239 - \$1,299	\$2.05 - \$2.15	n/a
150	1BR-1BA	648	MKT	\$1,259 - \$1,309	\$1.94 - \$2.02	\$1,259 - \$1,309	\$1.94 - \$2.02	n/a
4	1BR-1BA	719	MKT	\$1,420	\$1.97	\$1,420	\$1.97	n/a
5	1BR-1BA	737	MKT	\$1,493	\$2.03	\$1,493	\$2.03	n/a
5	1BR-1BA	792	MKT	\$1,626	\$2.05	\$1,626	\$2.05	n/a
80	2BR-1BA	876	MKT	\$1,499 - \$1,549	\$1.71 - \$1.77	\$1,499 - \$1,549	\$1.71 - \$1.77	n/a
110	2BR-2BA	926	MKT	\$1,565 - \$1,615	\$1.69 - \$1.74	\$1,565 - \$1,615	\$1.69 - \$1.74	n/a
5	2BR-2BA	1,004	MKT	\$1,878 - \$1,928	\$1.87 - \$1.92	\$1,878 - \$1,928	\$1.87 - \$1.92	n/a
5	2BR-2BA	1,246	MKT	\$1,908	\$1.53	\$1,908	\$1.53	n/a
5	2BR-2BA	1,282	MKT	\$2,285	\$1.78	\$2,285	\$1.78	n/a
20	3BR-2BA	1,120	MKT	\$1,999 - \$2,099	\$1.78 - \$1.87	\$1,999 - \$2,099	\$1.78 - \$1.87	n/a
24	3BR-2BA	1,124	MKT	\$1,959 - \$2,009	\$1.74 - \$1.79	\$1,959 - \$2,009	\$1.74 - \$1.79	n/a
349		785 SF Avg.		\$1,929 Average per Unit \$1.84 Average PSF		\$1,929 Average per Unit \$1.84 Average PSF		



Multifamily Rent #7
North Union Apartments
 942 North Union Avenue
 Midvale, UT 84047
 Salt Lake County
 BBG Property #588390



Property Data			
Improvement Details			
Property Type/Use	Multifamily Apartments	Lat/Long	40.621080 / -111.8647
Legal	BEG S 66°14'47" E 64.71 FT & N 23°45'13" E 33 FT FR MONUMENT AT INTERSECTION OF SOUTH UNION AVE & 900 EAST ST. SD POINT OF BEG ALSO BEING E 1771.37 FT & S 1436.43 FT FR NW COR SEC 29, T2S, R1E, SLM; N 0°10'59" E 226.80 FT; S 88°19'41" E 87.69 FT; S 1°00'00" W 87.21 FT; S 81°31'53" E 53.47 FT; N 18°00'46" E 6.83 FT; N 10°53'16" E 215.28 FT; S 71°59'14" E 392.38 FT; SW'LY ALG A 444.80 FT RADIUS CURVE TO R 157.13 FT (CHD S 32°24'51" W); S 42°32'03" W 279.41 FT; N 70°03'40" W 65.71 FT; N 66°14'48" W 90.89 FT; S 6°30'39" W 7.33 FT; N 66°14'47" W 149.89 FT TO BEG.		
Parcel ID #	22-29-130-025-0000	Number of Buildings	1
Year Built	2022	Year Renovated	N/A
Quality	Excellent	Condition	Excellent
Class		Construction Details	Brick
Gross Building Area	198,753 SF	Rentable Area	198,753 SF
Multifamily Units	223		
Number of Stories	7	Floor Area Ratio	1.33
HAP Contract	No HAP in place	Income Restricted	Property is not income restricted
Opportunity Zone	No	Census Tract	1125.05
Site Size (Gross)	148,975 SF (3.42 acres)	Site Size (Net)	148,975 SF (3.42 acres)
Project Amenities	Fitness Center, Pool, Parking Garage, BBQ/Picnic Area, Bike/Ski Repair Station, Game/Media Room, Dog Park/Dog Run, Dog Wash, Package Lockers, Elevator		
Unit Amenities	Granite Countertops, Built-In Pantry, Kitchen Island, Stainless Steel Appliances, Designer Cabinets, Undermount Sink, Tile Backsplash, Microwave, Dishwasher, Disposal, In-Unit Washer/Dryer, Patio/Balcony, Vaulted Ceiling, Vinyl Flooring, Carpet, Walk-In Closets, Built-In Shelving		

Multifamily Rental Survey Details

Leasing Incentives	\$500 off June rent and \$250 July rent on move-in before June 14th.
Utilities Paid By	Tenant pays Cable, Electric, Gas, Insurance, Sewer, Trash, Water Landlord pays CAM, Management, Taxes
Occupancy Rate	90%
Comments	The property has over 700 garage parking spaces. One garage space is included in the Amenity package. \$50 per month for additional garage space. Amenity package of \$160 per month and includes garage parking, Amazon locker, internet, amenities, and valet trash. Pet rent \$55 per month. Utility fee ranges, typically \$69 for studio, \$83 for one bedroom, \$97 for two bedroom and \$111 for three bedroom.
Confirmation	6/5/2024 Property Management/Website

Rental Unit Detail

# Units	Unit Plan	Unit Size (SF)	% AMI	Quoted Rent		Effective Rent		Comments
				Per Month	Per Square Foot	Per Month	Per Square Foot	
5	Studio	525	MKT	\$1,275	\$2.43	\$1,275	\$2.43	n/a
3	Studio	648	MKT	\$1,340	\$2.07	\$1,340	\$2.07	n/a
93	1BR-1BA	752	MKT	\$1,517	\$2.02	\$1,517	\$2.02	n/a
40	1BR-1BA	781	MKT	\$1,524	\$1.95	\$1,524	\$1.95	n/a
16	1BR-1.5BA	1,258	MKT	\$1,850	\$1.47	\$1,850	\$1.47	n/a
44	2BR-2BA	988	MKT	\$1,981 - \$2,032	\$2.01 - \$2.06	\$1,981 - \$2,032	\$2.01 - \$2.06	n/a
8	2BR-2BA	1,158	MKT	\$2,190	\$1.89	\$2,190	\$1.89	n/a
4	2BR-2BA	1,207	MKT	\$2,206	\$1.83	\$2,206	\$1.83	n/a
8	2BR-2BA	1,292	MKT	\$2,338	\$1.81	\$2,338	\$1.81	n/a
2	3BR-3.5BA	2,490	MKT	\$3,200	\$1.29	\$3,200	\$1.29	n/a
223		891 SF Avg.		\$1,712 Average per Unit \$1.92 Average PSF		\$1,712 Average per Unit \$1.92 Average PSF		

UNIT BY UNIT ANALYSIS – STUDIO

UNIT-BY-UNIT ANALYSIS – Studio/Efficiency							
Comp No.	Property Name	Year Built / Renovated	Unit Type	Size (SF)	Rental Rate		
					(\$/Mo.)	(\$/SF)	
2	The Calo Apartments	2017	Studio	440	\$1,281	\$2.91	
1	Seven Skies Apartments	2022	Studio	450	\$1,224	\$2.72	
6	Canyon Vista	2021	Studio	492	\$1,199	\$2.44	
6	Canyon Vista	2021	Studio	492	\$1,259	\$2.56	
1	Seven Skies Apartments	2022	Studio	510	\$1,275	\$2.50	
7	North Union Apartments	2022	Studio	525	\$1,275	\$2.43	
2	The Calo Apartments	2017	Studio	525	\$1,295	\$2.47	
2	The Calo Apartments	2017	Studio	525	\$1,366	\$2.60	
5	Upper West	2021	Studio	545	\$1,439	\$2.64	
1	Seven Skies Apartments	2022	Studio	553	\$1,363	\$2.46	
1	Seven Skies Apartments	2022	Studio	567	\$1,353	\$2.39	
3	The Park at Park City Apartments	2016	Studio	589	\$1,355	\$2.30	
Subject	Proposed Apartment (Market Demand Study)	2025	Studio	610	\$1,425	\$2.34	
2	The Calo Apartments	2017	Studio	635	\$1,376	\$2.17	
7	North Union Apartments	2022	Studio	648	\$1,340	\$2.07	
2	The Calo Apartments	2017	Studio	685	\$1,446	\$2.11	
5	Upper West	2021	Studio	697	\$1,400	\$2.01	
COMPARABLE SUMMARY		SF Min	SF Max	SF Avg	\$ Min	\$ Max	\$ Avg
		440	697	555	Per Month: \$1,199	\$1,446	\$1,334
					Per SF: \$2.01	\$2.91	\$2.42

The subject has one 610 SF studio unit type, with a total of 55 units. The studio comparables’ rents range from \$1,199 to \$1,446 . Excluding the subject unit, the studio comparables’ unit sizes range from 440 SF to 697 SF. Market rent is concluded at \$1,425 per month based on the comparables. The subject’s 610 SF studio unit is bracketed by the comparables in terms of size, rental rate per month and rent per square foot. As such, the projected rental rates appear reasonable.

UNIT BY UNIT ANALYSIS – 1BR FLOORPLANS

UNIT-BY-UNIT ANALYSIS – One-Bedroom							
Comp No.	Property Name	Year Built / Renovated	Unit Type	Size (SF)	Rental Rate (\$/Mo.)	Rental Rate (\$/SF)	
1	Seven Skies Apartments	2022	1BR-1BA	580	\$1,317	\$2.27	
6	Canyon Vista	2021	1BR-1BA	603	\$1,239	\$2.05	
6	Canyon Vista	2021	1BR-1BA	603	\$1,299	\$2.15	
6	Canyon Vista	2021	1BR-1BA	648	\$1,259	\$1.94	
6	Canyon Vista	2021	1BR-1BA	648	\$1,309	\$2.02	
3	The Park at Park City Apartments	2016	1BR-1BA	654	\$1,457	\$2.23	
2	The Calo Apartments	2017	1BR-1BA	690	\$1,456	\$2.11	
6	Canyon Vista	2021	1BR-1BA	719	\$1,420	\$1.98	
1	Seven Skies Apartments	2022	1BR-1BA	723	\$1,575	\$2.18	
1	Seven Skies Apartments	2022	1BR-1BA	724	\$1,579	\$2.18	
Subject	Proposed Apartment (Market Demand Study)	2025	1BR-1BA	726	\$1,600	\$2.20	
2	The Calo Apartments	2017	1BR-1BA	730	\$1,496	\$2.05	
5	Upper West	2021	1BR-1BA	733	\$1,324	\$1.81	
6	Canyon Vista	2021	1BR-1BA	737	\$1,493	\$2.03	
2	The Calo Apartments	2017	1BR-1BA	740	\$1,546	\$2.09	
1	Seven Skies Apartments	2022	1BR-1BA	740	\$1,589	\$2.15	
2	The Calo Apartments	2017	1BR-1BA	740	\$1,600	\$2.16	
2	The Calo Apartments	2017	1BR-1BA	745	\$1,476	\$1.98	
1	Seven Skies Apartments	2022	1BR-1BA	745	\$1,571	\$2.11	
1	Seven Skies Apartments	2022	1BR-1BA	745	\$1,678	\$2.25	
5	Upper West	2021	1BR-1BA	750	\$1,475	\$1.97	
7	North Union Apartments	2022	1BR-1BA	752	\$1,517	\$2.02	
2	The Calo Apartments	2017	1BR-1BA	755	\$1,511	\$2.00	
3	The Park at Park City Apartments	2016	1BR-1BA	755	\$1,548	\$2.05	
Subject	Proposed Apartment (Market Demand Study)	2025	1BR-1BA	759	\$1,650	\$2.17	
2	The Calo Apartments	2017	1BR-1BA	760	\$1,511	\$1.99	
4	Axio 8400	2017	1BR-1BA	767	\$1,399	\$1.82	
3	The Park at Park City Apartments	2016	1BR-1BA	767	\$1,457	\$1.90	
2	The Calo Apartments	2017	1BR-1BA	770	\$1,511	\$1.96	
4	Axio 8400	2017	1BR-1BA	773	\$1,399	\$1.81	
5	Upper West	2021	1BR-1BA	774	\$1,402	\$1.81	
7	North Union Apartments	2022	1BR-1BA	781	\$1,524	\$1.95	
1	Seven Skies Apartments	2022	1BR-1BA	785	\$1,565	\$1.99	
1	Seven Skies Apartments	2022	1BR-1BA	792	\$1,626	\$2.05	
6	Canyon Vista	2021	1BR-1BA	792	\$1,626	\$2.05	
2	The Calo Apartments	2017	1BR-1BA	795	\$1,526	\$1.92	
2	The Calo Apartments	2017	1BR-1BA	810	\$1,341	\$1.66	
2	The Calo Apartments	2017	1BR-1BA	810	\$1,354	\$1.67	
2	The Calo Apartments	2017	1BR-1BA	820	\$1,351	\$1.65	
2	The Calo Apartments	2017	1BR-1BA	825	\$1,356	\$1.64	
2	The Calo Apartments	2017	1BR-1BA	825	\$1,359	\$1.65	
2	The Calo Apartments	2017	1BR-1BA	830	\$1,401	\$1.69	
3	The Park at Park City Apartments	2016	1BR-1BA	841	\$1,518	\$1.81	
2	The Calo Apartments	2017	1BR-1BA	845	\$1,453	\$1.72	
2	The Calo Apartments	2017	1BR-1BA	860	\$1,416	\$1.65	
4	Axio 8400	2017	1BR-1BA	873	\$1,399	\$1.60	
5	Upper West	2021	1BR-1BA	884	\$1,492	\$1.69	
2	The Calo Apartments	2017	1BR-1BA	900	\$1,449	\$1.61	
4	Axio 8400	2017	1BR-1BA	900	\$1,486	\$1.65	
1	Seven Skies Apartments	2022	1BR-1BA	900	\$1,692	\$1.88	
2	The Calo Apartments	2017	1BR-1BA	925	\$1,456	\$1.57	
2	The Calo Apartments	2017	1BR-1BA	1,060	\$1,606	\$1.52	
7	North Union Apartments	2022	1BR-1.5BA	1,258	\$1,850	\$1.47	
COMPARABLE SUMMARY		SF Min	SF Max	SF Avg	\$ Min	\$ Max	\$ Avg
		580	1,258	784	Per Month: \$1,239	\$1,850	\$1,481
					Per SF: \$1.47	\$2.27	\$1.92

The subject has two 1BR-1BA unit types, with a total of 160 units. Excluding the subject floor plans, the 1BR comparables' rents range from \$1,239 to \$1,850 with unit sizes ranging from 580 SF to 1,258 SF. Market rent for the 726 SF unit type is concluded at \$1,600 per month, and \$1,650 per month for the 759 SF unit type based on the comparables. Both unit types are bracketed by the comparables in size, rental rate per month and rent per square foot. Based on the comparable data, the projected rental rates appear reasonable.

UNIT BY UNIT ANALYSIS – 2BR FLOORPLANS

UNIT-BY-UNIT ANALYSIS – Two-Bedroom							
Comp No.	Property Name	Year Built / Renovated	Unit Type	Size (SF)	Rental Rate (\$/Mo.)	Rental Rate (\$/SF)	
6	Canyon Vista	2021	2BR-1BA	876	\$1,499	\$1.71	
6	Canyon Vista	2021	2BR-1BA	876	\$1,549	\$1.77	
2	The Calo Apartments	2017	2BR-2BA	920	\$1,589	\$1.73	
6	Canyon Vista	2021	2BR-2BA	926	\$1,565	\$1.69	
6	Canyon Vista	2021	2BR-2BA	926	\$1,615	\$1.74	
3	The Park at Park City Apartments	2016	2BR-2BA	982	\$1,806	\$1.84	
7	North Union Apartments	2022	2BR-2BA	988	\$1,981	\$2.01	
7	North Union Apartments	2022	2BR-2BA	988	\$2,032	\$2.06	
5	Upper West	2021	2BR-1BA	991	\$1,656	\$1.67	
Subject	Proposed Apartment (Market Demand Study)	2025	2BR-2BA	1,002	\$1,900	\$1.90	
6	Canyon Vista	2021	2BR-2BA	1,004	\$1,878	\$1.87	
6	Canyon Vista	2021	2BR-2BA	1,004	\$1,928	\$1.92	
2	The Calo Apartments	2017	2BR-2BA	1,005	\$1,649	\$1.64	
1	Seven Skies Apartments	2022	2BR-2BA	1,025	\$1,901	\$1.85	
4	Axio 8400	2017	2BR-2BA	1,034	\$1,699	\$1.64	
2	The Calo Apartments	2017	2BR-2BA	1,040	\$1,734	\$1.67	
1	Seven Skies Apartments	2022	2BR-2BA	1,073	\$1,874	\$1.75	
2	The Calo Apartments	2017	2BR-2BA	1,080	\$1,634	\$1.51	
1	Seven Skies Apartments	2022	2BR-2BA	1,080	\$2,023	\$1.87	
Subject	Proposed Apartment (Market Demand Study)	2025	2BR-2BA	1,086	\$2,000	\$1.84	
3	The Park at Park City Apartments	2016	2BR-2BA	1,116	\$2,070	\$1.85	
2	The Calo Apartments	2017	2BR-2BA	1,120	\$1,774	\$1.58	
5	Upper West	2021	2BR-2BA	1,122	\$1,936	\$1.73	
1	Seven Skies Apartments	2022	2BR-2BA	1,125	\$2,030	\$1.80	
5	Upper West	2021	2BR-2BA	1,127	\$1,794	\$1.59	
2	The Calo Apartments	2017	2BR-2BA	1,130	\$1,824	\$1.61	
1	Seven Skies Apartments	2022	2BR-2BA	1,133	\$2,015	\$1.78	
1	Seven Skies Apartments	2022	2BR-2BA	1,133	\$2,066	\$1.82	
3	The Park at Park City Apartments	2016	2BR-2BA	1,135	\$2,094	\$1.84	
4	Axio 8400	2017	2BR-2BA	1,158	\$1,599	\$1.38	
7	North Union Apartments	2022	2BR-2BA	1,158	\$2,190	\$1.89	
2	The Calo Apartments	2017	2BR-2BA	1,160	\$1,862	\$1.61	
2	The Calo Apartments	2017	2BR-2BA	1,160	\$1,905	\$1.64	
5	Upper West	2021	2BR-2BA	1,170	\$2,068	\$1.77	
2	The Calo Apartments	2017	2BR-2BA	1,190	\$1,844	\$1.55	
Subject	Proposed Apartment (Market Demand Study)	2025	2BR-2BA	1,206	\$2,100	\$1.74	
7	North Union Apartments	2022	2BR-2BA	1,207	\$2,206	\$1.83	
2	The Calo Apartments	2017	2BR-2BA	1,220	\$1,849	\$1.52	
5	Upper West	2021	2BR-2BA	1,224	\$1,844	\$1.51	
2	The Calo Apartments	2017	2BR-2BA	1,244	\$1,874	\$1.51	
6	Canyon Vista	2021	2BR-2BA	1,246	\$1,908	\$1.53	
3	The Park at Park City Apartments	2016	2BR-2BA	1,256	\$2,139	\$1.70	
2	The Calo Apartments	2017	2BR-2BA	1,260	\$1,939	\$1.54	
6	Canyon Vista	2021	2BR-2BA	1,282	\$2,285	\$1.78	
7	North Union Apartments	2022	2BR-2BA	1,292	\$2,338	\$1.81	
3	The Park at Park City Apartments	2016	2BR-2BA	1,294	\$2,239	\$1.73	
2	The Calo Apartments	2017	2BR-2BA	1,295	\$1,939	\$1.50	
2	The Calo Apartments	2017	2BR-2BA	1,300	\$1,919	\$1.48	
2	The Calo Apartments	2017	2BR-2BA	1,325	\$1,954	\$1.47	
COMPARABLE SUMMARY		SF Min	SF Max	SF Avg	\$ Min	\$ Max	\$ Avg
		876	1,325	1,117	Per Month: \$1,499	\$2,338	\$1,900
					Per SF: \$1.38	\$2.06	\$1.71

The subject has three 2BR-2BA unit types, with a total of 53 units. Excluding the subject floor plans, the 2BR comparables' rents range from \$1,499 to \$2,338 with unit sizes ranging from 876 SF to 1,325 SF. Market rent for the 1,002 SF unit type is concluded at \$1,900 per month, \$2,000 per month for the 1,086 SF unit type and \$2,100 per month for the 1,206 SF unit type based on the comparables. All unit types are bracketed by the comparables in size, rental rate per month and rent per square foot. Based on the comparable data, the projected rental rates appear reasonable.

UNIT BY UNIT ANALYSIS – 3BR FLOORPLANS

UNIT-BY-UNIT ANALYSIS – Three-Bedroom									
Comp No.	Property Name	Year Built / Renovated	Unit Type	Size (SF)	Rental Rate (\$/Mo.)	Rental Rate (\$/SF)			
1	Seven Skies Apartments	2022	3BR-2BA	1,115	\$2,058	\$1.85			
6	Canyon Vista	2021	3BR-2BA	1,120	\$1,999	\$1.78			
6	Canyon Vista	2021	3BR-2BA	1,120	\$2,099	\$1.87			
6	Canyon Vista	2021	3BR-2BA	1,124	\$1,959	\$1.74			
6	Canyon Vista	2021	3BR-2BA	1,124	\$2,009	\$1.79			
Subject	Proposed Apartment (Market Demand Study)	2025	3BR-2BA	1,195	\$2,225	\$1.86			
1	Seven Skies Apartments	2022	3BR-2BA	1,270	\$2,346	\$1.85			
2	The Calo Apartments	2017	3BR-2BA	1,310	\$2,316	\$1.77			
4	Axio 8400	2017	3BR-2BA	1,387	\$2,150	\$1.55			
3	The Park at Park City Apartments	2016	3BR-2BA	1,475	\$2,327	\$1.58			
7	North Union Apartments	2022	3BR-3.5BA	2,490	\$3,200	\$1.29			
COMPARABLE SUMMARY				SF Min	SF Max	SF Avg	\$ Min	\$ Max	\$ Avg
				1,115	2,490	1,354	Per Month: \$1,959	\$3,200	\$2,244
							Per SF: \$1.29	\$1.87	\$1.72

The subject has one 1,195 SF studio unit type, with a total of 10 units. The three-bedroom comparables' rents range from \$1,959 to \$3,200. Excluding the subject unit, the studio comparables' unit sizes range from 1,115 SF to 2,490 SF. Market rent is concluded at \$2,225 per month based on the comparables. The subject's 1,195 SF unit is bracketed by the comparables in terms of size, rental rate per month and rent per square foot. As such, the projected rental rates appear reasonable.

FINAL CORRELATION OF MARKET RENT

The projected rental rates appear to be supported by the comparables within the defined PMA.

MARKET RENTAL RATES					
Type	No.	Size (SF)	Rent/Mo.	Rent/SF	Total
Studio	55	610	\$1,425	\$2.34	\$78,375
1BR-1BA	83	726	\$1,600	\$2.20	\$132,800
1BR-1BA	77	759	\$1,650	\$2.17	\$127,050
2BR-2BA	5	1,002	\$1,900	\$1.90	\$9,500
2BR-2BA	37	1,086	\$2,000	\$1.84	\$74,000
2BR-2BA	11	1,206	\$2,100	\$1.74	\$23,100
3BR-2BA	10	1,195	\$2,225	\$1.86	\$22,250
Total/Avg	278	801	\$1,680	\$2.10	\$467,075

Shown below is the concluded market rent to arrive at potential gross income:

TOTAL POTENTIAL GROSS INCOME		
	Monthly	Annual
Contract Rent	\$0	\$0
Vacancies	\$467,075	\$5,604,900
Total	\$467,075	\$5,604,900

VACANCY AND COLLECTION LOSS

As discussed previously in the report, the overall vacancy in the subject's area has remained strong. We surveyed 7 competitive market-rate rent comparables in the general vicinity, which comprised a total of 2,181 units- of which 2,181 units reported occupancy levels. A 5.50% vacancy is deducted from base rental income in the income capitalization. Vacancy is deducted from all other income categories at the same rate.

OCCUPANCY SUMMARY		
No.	Property Name	Occup. Rate
1	Seven Skies Apartments	95%
2	The Calo Apartments	93%
3	The Park at City Center Apartments	90%
4	Axio 8400	92%
5	Upper West	95%
6	Canyon Vista	92%
7	North Union Apartments	90%
	Range	90.0%–95.0%
	Average (Stabilized)	92%
	Subject's Actual Occupancy	0.0%
	Subject's Forecast Occupancy	94.5%

BAD DEBT / COLLECTION LOSS

In addition to physical vacancy loss and losses attributable to concessions, Loss to lease, the subject will also suffer losses due to rental write offs, bad debt, etc. Typically, discounted employee-occupied units are included as a payroll expense, and model units are accounted for in administrative expenses. Investors typically expect credit losses of 0.15% to 3.00% for apartment projects with the lower end of the range representative of Class A communities. This category is included in the vacancy and concessions deduction.

CONCESSIONS

The comparable properties in the vicinity of the subject are offering some concessions at this time, as detailed below:

RENT COMPARABLE CONCESSIONS
Rent Comp 1 - 4 weeks free.
Rent Comp 2 - 6 weeks free on one bedroom units and 8 weeks on two bedroom units.
Rent Comp 3 - None
Rent Comp 4 - One month free.
Rent Comp 5 - 6 weeks free on move-in by June 15th.
Rent Comp 6 - 4 weeks free on move-in before June 14th.
Rent Comp 7 - \$500 off June rent and \$250 July rent on move-in before June 14th.

Concessions are usually used in the process of leasing up, to boost occupancy after stabilization, and are used seasonally for slower leasing parts of the year. Thus, a concluded amount of 0.50% was deducted for the subject.

TOTAL VACANCY AND COLLECTION LOSS

Based on the above conclusions, we have made a total -6.00% deduction for vacancy and collection loss. Vacancy, bad debt, loss to lease, and concessions are deducted from base rental income and attributed to individual other income categories separately. Percentage deductions for these categories are from the base rental income, and thus will display a different percentage of EGI.

OTHER INCOME

This income category includes services such as RUBS reimbursements, parking, amenity/media, commercial income, rent premiums, late charges, damage, and cleaning fees. This income category can fluctuate due to any number of reasons including rental market, the economy, or increased turnover. The subject's ancillary income is shown in the following table.

ANCILLARY INCOME (PER UNIT)			
Income Item	Expense Comps		
	Range	Average	BBG Pro-Forma
Reimbursements	252–932	744	789
Parking	100–2,101	1,101	1,492
Amenity/Media	939–1,652	1,288	1,701
Commercial Income	0–1,490	745	555
Miscellaneous Income	1,038–3,418	1,764	1,100
Total Ancillary Income	2,919–7,213	4,137	5,637

RUBS Reimbursements

The subject tenants will reimburse the landlord for common area gas and electric, as well as in-unit and common area water, sewer, and trash via the system of RUBS aka Ratio Utility Billing System. A concluded amount for this category is based on concluded gas/electric/water/sewer/trash expense less vacancy (\$370 per unit for Gas/Electricity, \$305 per unit for Water/Sewer, \$160 per unit for Trash Removal x 95% for occupancy = \$789 per unit or \$219,363 per year as of today).

RUBS REIMBURSEMENTS		
Expense	Amount/Unit	Reimbursement w/ Vacancy
Gas/Electricity	\$370	\$97,203
Water/Sewer	\$305	\$80,127
Trash Removal	\$160	\$42,034
Total/Unit		\$789
Total/Year		\$219,363

Subject Parking Projection

Based on a provided site plan and parking mix show below, the subject will have a total of 473 parking stalls. The residential units will wrap around a 6-story garage. Of the 473 parking stalls, 431 will be for residential parking, 25 for guest parking, and 17 for retail parking (11 of the spaces will be ADA compliant and 78 will be EV parking spaces). The 473 parking stalls result in a parking ratio of 1.70 per multifamily unit and 2.12 per 1,000 SF of net rentable area as detailed below:

PARKING SUMMARY			
RESIDENTIAL PARKING PROVIDED			
UNIT TYPE	NO. OF UNITS	PROVIDED RATIO	STALLS PROVIDED
STUDIO	55	1.00	55
1 BEDROOM	160	1.50	240
2 BEDROOM	53	2.00	106
3 BEDROOM	10	3.00	30
TOTAL	278	1.55 S/DU	431
GUEST PARKING PROVIDED			
GUEST PARKING			25
TOTAL STALLS PROVIDED		1.64 S/DU	456
COMMERCIAL PARKING PROVIDED			
RETAIL PARKING (3 STALLS PER 1000 SF)		5,498 SF	17
TOTAL STALLS PROVIDED			17
TOTAL PARKING PROVIDED			
TOTAL STALLS PROVIDED			473
TOTAL STALLS PROVIDED			473
ACCESSIBLE STALLS PROVIDED			
	PROVIDED STALLS	REQUIRED RATIO	STALLS PROVIDED
RESIDENTIAL	431	1 PER 50	9
GUEST	25	1 PER 50	1
RETAIL	17	1 PER 50	1
TOTAL ACCESSIBLE PARKING PROVIDED			11
NOTE: THE FIRST ADA STALL IS VAN ACCESSIBLE			
EVCS PARKING PROVIDED			
	PROVIDED STALLS	REQUIRED RATIO	EV STALLS PROVIDED
RESIDENTIAL	431	EVSE: 1PER 25	13
		EV-READY: 20 %	64
RETAIL	17	EVSE: 1PER 25	1
		EV-READY: 20 %	
TOTAL EVCS PARKING REQUIRED			78
TOTAL EVCS PARKING PROVIDED			78
NOTE: THE REQUIRED EVCS ARE INCLUDED IN THE PROVIDED PARKING COUNT			

The following table shows number of parking stalls and parking stalls per unit of comparable properties near the subject and are summarized in the table below. The parking utilization is also presented based on a current survey from property management.

PARKING COMPARABLE UTILIZATION SURVEY				
Property	Number of Units	Number of Stalls	Parking Stalls Per Unit	Utilized Parking Per Management
Jordan Station	536	740	1.38	1.38
The Park at City Center	330	616	1.87	1.62
Rockledge at Quarry Bend	416	730	1.75	1.60
Seasons at Murray Crossing	293	405	1.38	1.30
Odessa at the District	120	211	1.76	--
ICO Vista Station	308	465	1.51	--
Moda Union	206	291	1.41	1.41
Novi at Jordan Valley Station	267	349	1.31	--
Hills at Sandy Station*	146	224	1.53	1.47
Seven Skies*	305	420	1.38	1.18
The Calo (Phase 1 Ratio applied)*	336	507	1.51	--
Canyon Vista	448	766	1.71	--
Point of View	324	564	1.74	--
Weighted Average	300	484	1.558	1.428
Subject**	278	456	1.640	--
<i>Subject Recommended (less 17 commercial spaces)</i>	<i>278</i>	<i>397</i>	<i>1.428</i>	<i>1.428</i>
Subject Recommended Total Parking Spaces	278	414	1.489	

*Adjacent to Light Rail Station **Excludes parking for retail spaces

The parking stalls per unit of the comparables range from 1.31 to 1.87, with an average of 1.558. The subject has a proposed parking ratio of 1.640 spaces per unit (after excluding the 17 spaces designated for the commercial space). Additionally, several comparable properties were surveyed to understand what percentage of their rentable parking spaces were being utilized by their tenants. The reported parking utilization indicate complexes in the area are only utilizing 1.428 spaces per unit, suggesting the subject parking ratio could be reduced to 397 spaces (456 x 1.428 market utilization = 397 parking spaces for the multi-family component). It is assumed there would not be charges for the 17 retail/commercial parking spaces at the subject, or the 12 open spaces for guest parking.

The following parking charges are noted in the market:

PARKING SURVEY		
Property	Parking Type	Charge/Month
Seven Skies Apartments	Garage	\$115
The Calo Apartments	Garage	\$75
The Park at City Center Apartments	Garage	\$35*
Upper West	Garage	\$65
Canyon Vista	Garage	\$60*
North Union Apartments	Garage	\$50*
Hills at Sandy Station	Garage	\$50
Novel Daybreak	Garage	\$200
Momentum	Garage	\$65
Average		\$81

*One stall included in amenity/media package. Charge above is for additional stall.

Excluding the charges for parking that are for additional stalls for properties that already include a stall in the amenity/media charge, the comparables average \$95/month for parking. A concluded parking charge similar to this average, or \$95 per month is reasonable and supported. The total concluded parking income is shown below and includes consideration of market vacancy:

PARKING CALCULATION - PROJECTED			
Parking Type	Spaces	Charge/Month	Total/Year after Vacancy
Surface	12	\$0	\$0
Covered	0	\$0	\$0
Garage (397 less 12 surface)	385	\$95	\$414,761
Total/Unit			\$1,492
Total/Year			\$414,761

Amenity / Media

Based on the comparables, the subject should charge for an amenity/media package. The following comparable charges are noted in the market area:

AMENITY/MEDIA CHARGE SURVEY		
Property	Included	Monthly Charge
Seven Skies Apartments	Internet, SmartHome	\$125
The Calo Apartments	Fiber (1 GB) Internet, Valet Trash, Pest Control	\$117
The Park at City Center Apartments*	Internet, Valet Trash, Property Taxes, Amenities, 1 parking stall	\$195
Axio 8400	Internet, SmartHome, Valet Trash	\$160
Upper West	Internet, SmartHome, Valet Trash	\$140
Canyon Vista*	Internet, Valet Trash, Amenities, 1 parking stall	\$180
North Union Apartments*	Internet, Valet Trash, Amenities, 1 parking stall	\$160
Average		\$153

*includes one parking stall in charge

As noted, three of the comparables include one parking stall in their amenity/media charge. These three properties show the highest charges. Excluding these three comparables, the amenity media charges range from \$117 to \$160/month, with an average of \$136/month. It is likely the subject could provide Internet, SmartHome, and Valet Trash similar the Axio 8400 and Upper West, which show charges from \$140 to \$160/month. A concluded amenity/media charge of \$150 is reasonable and bracketed by these comparables.

Commercial Income

As previously analyzed, the subject has 5,498 SF of commercial space for which a market rent was previously concluded at \$22.50 on a NNN lease basis, or \$115,046 per year (after 7.0% vacancy). Additionally, reimbursements for this category are based on property taxes and CAMS attributed to this space. Tax Comparables are presented below for the commercial space to determine NNN reimbursements:

REAL ESTATE TAX COMPARABLES - COMMERCIAL SPACE					
No.	Property Name	Square Footage	Year Built	Taxes	per SF
	Subject Property - Projected	5,498	2025	\$25,841	\$4.70
1	Jordan Village Center	7,554	2018	\$33,068	\$4.38
2	9698 S. State St., Pad #2, Sandy, UT	8,031	2022	\$34,733	\$4.32
3	View 72 Retail, Midvale, UT	5,364	2018	\$20,399	\$3.80
4	Oquirrh Mountain Marketplace - Shops K	5,000	2016	\$22,736	\$4.55
5	3352 S Jordan Pky, South Jordan, Lot 7	3,853	2015	\$24,302	\$6.31
	Low	3,853		\$20,399	\$3.80
	High	8,031		\$34,733	\$6.31
	Average	5,960		\$27,047	\$4.67

Retail CAM (Common Area Maintenance) Charges for retail space typically range from \$2.00 to \$4.00/SF for similar properties. A concluded CAM charge of \$3.00 is reasonable for the subject then including a retail vacancy of 7.0%:

COMMERCIAL REIMBURSEMENTS			
Category	Per SF Rate	Total SF	Total Less Vacancy
Taxes	\$4.70	5,498	\$24,032
CAMS	\$3.00	5,498	\$15,339
Total/Unit			\$142
Total/Year (after 7.0% vacancy)			\$39,371

The market rent and NNN reimbursement charges are detailed below after factoring in a retail vacancy of 7.0%:

TOTAL COMMERCIAL INCOME		
Category	Concluded Market Rent	Total
Lease Income	\$22.50	\$115,046
Reimbursements Income		\$39,371
Total/Unit		\$555
Total/Year		\$154,417

Miscellaneous Income

Miscellaneous income includes pet fees, late fees, pest control and various application fees. The expense comparables range from \$1,038–3,418 per unit, with an average of \$1,764 per unit; however, one of the comparables does not include a breakdown of Total Other Income charges. As such, a conclusion closer to Expense Comparables 2 and 3 (\$1,038/unit to \$1,148/unit for Miscellaneous Income) is reasonable. A projected total of \$1,100 per unit/year is anticipated for the subject. This projects miscellaneous income at \$305,800 per year. Total other/ ancillary income projected for the subject is \$5,637 per unit with the comparables ranging from \$2,919–7,213 per unit with an average of \$4,137 per unit.

A breakdown of the conclusions 'As of Today,' as well as our projections and expense comparables for total income per unit is shown below:

TOTAL OTHER INCOME PER UNIT						
Income Item	BBG Pro-Forma	Exp Comp 1	Exp Comp 2	Exp Comp 3	Exp Comp 4	Exp Comp 5
Reimbursements	789	252	932	915	0	877
Parking	1,492	100	2,101	0	0	0
Amenity/Media	1,701	939	1,652	955	0	1,606
Commercial Income	555	0	1,490	0	0	0
Miscellaneous Income	1,100	1,586	1,038	1,148	3,418	1,631
Total Other Income	5,637	2,919	7,213	3,018	3,418	4,114

Additionally, a breakdown of every category by percentage of EGI is shown below:

Income Item	BBG Pro-Forma	Exp Comp 1	Exp Comp 2	Exp Comp 3	Exp Comp 4	Exp Comp 5
Reimbursements	3.21%	2.08%	3.39%	4.04%	0.00%	4.59%
Parking	6.07%	0.83%	7.63%	0.00%	0.00%	0.00%
Amenity/Media	6.92%	7.73%	6.00%	4.21%	0.00%	8.41%
Commercial Income	2.26%	0.00%	5.41%	0.00%	0.00%	0.00%
Miscellaneous Income	4.47%	13.05%	3.77%	5.06%	19.17%	8.54%
Total Other Income	22.93%	24.02%	26.21%	13.31%	19.17%	21.55%

As noted above, the subject concluded Other Income as a percentage of EGI is bracketed by the comparables. Excluding Comparable 3, the subject conclusion (22.93%) is near the average of the range (22.74%).

EFFECTIVE GROSS INCOME

The summation of the preceding income analysis results in what is commonly referred to as the effective gross income (EGI). We have estimated the market rents and ancillary income based on historical operations, which is confirmed by market operations of similar properties. Following is a comparison of historical performance of the property.

EGI COMPARISON		
Year	Amount	Change
BBG Pro-Forma	\$6,835,823	0.0%

In the following table, vacancy, bad debt, loss to lease, and concessions are deducted from base rental income and attributed to individual other income categories separately. Percentage deductions for these categories are from the base rental income, and thus will display a different percentage of EGI.

OPERATING EXPENSE ANALYSIS

A summary of operations for the subject, as well as our projections, are found on the preceding page. Each of the respective expense items is estimated in the following analysis with consideration given to comparable expense data from the local market.

COMPARABLE EXPENSE DATA

Each of the respective expense items is projected in consideration of market data only, as no budgeted operations were provided. The following table summarizes the expenses from other multifamily properties in the market area. Although an attempt was made to categorize expenses on a similar basis to the subject, the nature of the raw data prevented such in some categories, especially with regard to the level of detail. The management fee for a property is typically based upon a percentage of the EGI, which is denoted separately.

COMPARABLE EXPENSES															
No. Units Year Built Actual / Budget	Comp #1			Comp #2			Comp #3			Comp #4			Comp #5		
	141 2022 Actual	per Unit	% EGI	183 2018 Actual	per Unit		215 2018 Actual	per Unit		86 2019 Actual	per Unit		416 2016 Actual	per Unit	
INCOME															
Base Rental Income	1,301,794	9,233	75.98%	3,717,013	20,312	73.79%	4,224,535	19,649	86.69%	1,239,922	14,418	80.83%	6,231,680	14,980	78.45%
Reimbursements	35,572	252	2.08%	170,527	932	3.39%	196,725	915	4.04%	-	-	0.00%	364,832	877	4.59%
Parking	14,165	100	0.83%	384,546	2,101	7.63%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Amenity/Media	132,448	939	7.73%	302,374	1,652	6.00%	205,325	955	4.21%	-	-	0.00%	668,096	1,606	8.41%
Commercial Income	0	0	0.00%	272,680	1,490	5.41%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Storage Income	5,802	41	0.34%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Miscellaneous Income	223,620	1,586	13.05%	189,889	1,038	3.77%	246,820	1,148	5.06%	293,974	3,418	19.17%	678,496	1,631	8.54%
Total Other Income	411,607	2,919	24.02%	1,320,016	7,213	26.21%	648,870	3,018	13.31%	293,974	3,418	19.17%	1,711,424	4,114	21.55%
Effective Gross Income	1,713,401	12,152	100.00%	5,037,029	27,525	100.00%	4,873,405	22,667	100.00%	1,533,896	17,836	100.00%	7,943,104	19,094	100.00%
EXPENSES															
Real Estate Taxes	114,572	813	6.69%	407,024	2,224	8.08%	407,425	1,895	8.36%	113,614	1,321	7.41%	730,912	1,757	9.20%
Insurance	11,045	78	0.64%	80,373	439	1.60%	55,255	257	1.13%	17,669	205	1.15%	137,280	330	1.73%
Gas/Electric	21,025	149	1.23%	62,264	340	1.24%	118,465	551	2.43%	44,253	515	2.89%	124,800	300	1.57%
Water/Sewer	37,917	269	2.21%	65,574	358	1.30%	43,860	204	0.90%	Incl. G&E	-	0.00%	165,568	398	2.08%
Trash Removal	19,928	141	1.16%	32,444	177	0.64%	19,135	89	0.39%	Incl. G&E	-	0.00%	97,760	235	1.23%
Amenity/Media	65,018	461	3.79%	143,203	783	2.84%	161,895	753	3.32%	Incl. G&E	-	0.00%	234,208	563	2.95%
Repairs & Maintenance	49,217	349	2.87%	128,901	704	2.56%	116,530	542	2.39%	33,883	394	2.21%	133,120	320	1.68%
Turnover	8,775	62	0.51%	26,626	145	0.53%	21,930	102	0.45%	Incl. R&M	-	0.00%	72,384	174	0.91%
Landscaping	27,083	192	1.58%	12,184	67	0.24%	29,670	138	0.61%	Incl. R&M	-	0.00%	63,232	152	0.80%
Management	51,402	365	3.00%	118,313	647	2.35%	133,085	619	2.73%	42,901	499	2.80%	179,296	431	2.26%
Payroll	72,918	517	4.26%	317,660	1,736	6.31%	336,475	1,565	6.90%	134,826	1,568	8.79%	577,824	1,389	7.27%
Model	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Advertising	20,935	148	1.22%	64,595	353	1.28%	83,635	389	1.72%	20,742	241	1.35%	74,048	178	0.93%
General Administration	30,677	218	1.79%	51,864	283	1.03%	57,190	266	1.17%	60,392	702	3.94%	182,624	439	2.30%
Replacement Reserves	35,250	250	2.06%	45,750	250	0.91%	53,750	250	1.10%	21,500	250	1.40%	104,000	250	1.31%
Total Expenses	565,762	4,012	33.02%	1,556,775	8,507	30.91%	1,638,300	7,620	33.62%	489,780	5,695	31.93%	2,877,056	6,916	36.22%
NET OPERATING INCOME	1,147,639	8,139		3,480,254	19,018		3,235,105	15,047		1,044,116	12,141		5,066,048	12,178	

EXPENSE PROJECTIONS

Real Estate Taxes

This item covers the cost of ad valorem taxes and special assessments collected by the various taxing authorities.

In Utah, purchase prices are not disclosed to the Assessor’s office. The taxable value is calculated at 100% of the final concluded market value of the assessor for commercial properties and 55% for residential properties. All multi-family properties receive a 45% residential exemption to arrive at the indicated 55%. Taxes are calculated by multiplying the tax rate by the taxable value. A sale of the subject does not necessarily trigger a reassessment. A property is reappraised annually by the Assessor’s office and a review of property characteristics is required once every five years (inspection by the Assessor’s office). It is not uncommon for the assessed value of a property to be well below the actual market value of a property. There is no typical ‘rules of thumb’ percentage of market value ranges to estimate assessed values and anticipated property taxes. Rather, tax comparables are utilized to estimate the proposed taxes for the subject.

TAX COMPARABLES

We have examined the property taxes of similar market-rate properties in the area, summarized in the following table.

REAL ESTATE TAX COMPARABLES							
No.	Property Name	No. Units	Year Built / Renovated	Avg Unit Size (SF)	Taxes	per SF	per Unit
	Subject Property	278	2025	801	\$445,318	\$2.00	\$1,602
1	Seven Skies Apartments	305	2022	828	\$488,418	\$1.93	\$1,601
2	The Calo Apartments	336	2017	859	\$514,379	\$1.78	\$1,531
3	The Park at City Center Apartments	330	2016	890	\$547,762	\$1.87	\$1,660
4	Axio 8400	332	2017	1,056	\$550,156	\$1.57	\$1,657
5	Upper West	207	2021	852	\$461,382	\$2.62	\$2,229
6	Canyon Vista	448	2021	816	\$630,288	\$1.72	\$1,407
7	North Union Apartments	223	2022	891	\$393,921	\$1.98	\$1,766
	Low	207	2016	816	\$393,921	\$1.57	\$1,407
	High	448	2022	1,056	\$630,288	\$2.62	\$2,229
	Average	312	2019	885	\$512,329	\$1.92	\$1,693

The concluded amount of \$1,602 per unit, or \$445,318 per year for the multi-family component, for the subject is based on an amount slightly below the average of the range on a per unit basis due to the smaller average unit size than the average but results in a per SF indication that is above the average of the range due to the smaller average unit size. The above property tax conclusion for the multi-family component is added to the commercial space property tax conclusion of \$25,841 per year, to arrive at the total combined concluded taxes for the subject of \$471,159 per year, or \$1,695 per unit.

Insurance

This item covers the cost of fire and extended coverage premiums for the property. Insurance underwriting parameters are generally based upon square footage of building area, but we have concluded based on per unit basis similar to all other income and expense conclusions as this is typical of investors in the market.

INSURANCE		
Expense Comps		BBG
Range	Average	BBG Pro-Forma
78-439	262	260

The comparable expense data shows a slightly wider range. We have projected an insurance cost based on expense comparables operations.

Operating

OPERATING EXPENSES (PER UNIT)			
Expense Item	Expense Comps		BBG
	Range	Average	BBG Pro-Forma
Gas/Electric	149–551	371	370
Water/Sewer	204–398	307	305
Trash Removal	89–235	161	160
Amenity/Media	461–783	640	636
Repairs & Maintenance	320–704	462	460
Turnover	62–174	121	120
Landscaping	67–192	137	130
Total Operating	909–2,575	1,926	2,181

The subject is reimbursed by tenants for common area gas and electric along with water, sewer, and trash. While some will bundle all three of these categories into one utilities expense category, they have been projected separately from one another. A breakdown of these categories for historical / budgeted operations and expense comparables is shown below:

TOTAL UTILITIES EXPENSE PER UNIT						
Expense Item	BBG Pro-Forma	Exp Comp 1	Exp Comp 2	Exp Comp 3	Exp Comp 4	Exp Comp 5
Gas/Electric	370	149	340	551	515	300
Water/Sewer	305	269	358	204	0	398
Trash Removal	160	141	177	89	0	235
Total Expense	\$835	\$559	\$876	\$844	\$515	\$933

TOTAL UTILITIES EXPENSE AS PERCENTAGE OF EGI						
Expense Item	BBG Pro-Forma	Exp Comp 1	Exp Comp 2	Exp Comp 3	Exp Comp 4	Exp Comp 5
Gas/Electric	1.50%	1.23%	1.24%	2.43%	2.89%	1.57%
Water/Sewer	1.24%	2.21%	1.30%	0.90%	0.00%	2.08%
Trash Removal	0.65%	1.16%	0.64%	0.39%	0.00%	1.23%
Total Expense	3.40%	4.60%	3.18%	3.72%	2.89%	4.89%

For Amenity/Media, the conclusions were based on information of cost to property by the property contact and shown below. The Amenity/Media cost to the property are based on comparables in the market and are detailed below. The conclusion for the subject is similar to the average of the expense comparables on a per unit basis.

AMENITY / MEDIA COST TO PROPERTY		
Category	Cost/Unit/Mo.	Annual \$
Internet Cost	\$26.00	\$86,736
SmartHome Cost	\$15.00	\$50,040
Valet Trash Cost	\$12.00	\$40,032
Total/Unit		\$636
Total/Year		\$176,808

No vacancy is deducted from these expenses, as these costs are generally under contract service agreements and not impacted by occupancy. The projections for amenity / media are \$\$636 per unit and \$66,792 per year.

Repairs & Maintenance pertains to general upkeep of the property, whereas Turnover is specific to the normal costs of units as they are vacated. Landscaping include such items as snow removal, lawn care, etc. These categories are sometimes combined into one expense category. A breakdown of these categories for historical / budgeted operations and expense comparables is shown below:

TOTAL REPAIRS & MAINTENANCE EXPENSE PER UNIT						
Expense Item	BBG Pro-Forma	Exp Comp 1	Exp Comp 2	Exp Comp 3	Exp Comp 4	Exp Comp 5
Repairs & Maintenance	460	349	704	542	394	320
Turnover	120	62	145	102	0	174
Landscaping	130	192	67	138	0	152
Total Expense	\$710	\$603	\$916	\$782	\$394	\$646

TOTAL REPAIRS & MAINTENANCE EXPENSE AS PERCENTAGE OF EGI						
Expense Item	BBG Pro-Forma	Exp Comp 1	Exp Comp 2	Exp Comp 3	Exp Comp 4	Exp Comp 5
Repairs & Maintenance	1.87%	2.87%	2.56%	2.39%	2.21%	1.68%
Turnover	0.49%	0.51%	0.53%	0.45%	0.00%	0.91%
Landscaping	0.53%	1.58%	0.24%	0.61%	0.00%	0.80%
Total Expense	2.89%	4.97%	3.33%	3.45%	2.21%	3.38%

The BBG Forecast is in-line with the comparables and takes into account the expense comparables amounts provided as well as the comparables.

Administrative

Administrative expenses are subcategorized into five separate expense items, as shown in the following table.

ADMINISTRATIVE EXPENSES (PER UNIT)			
Expense Item	Expense Comps		BBG
	Range	Average	BBG Pro-Forma
Management	365–647	512	615
Payroll	517–1,736	1,355	1,500
Model	-	-	69
Advertising	148–389	262	200
General Administration	218–702	382	275
Total Administration	1,248–3,019	2,511	2,659

Management entails the cost of third-party management of the property. The market generally commands 2% to 5% of EGI for professional management of a property, depending upon the income levels of the property and the potential of the area. The expense sources are shown as a percentage of effective gross income.

MANAGEMENT FEE (% of EGI)		
Expense Comps		BBG
Range	Average	BBG Pro-Forma
2.3%–3.0%	2.6%	2.5%

Model is the expense associated with model or employee units. The subject size warrants the use of a model unit, and thus we must deduct the cost of the smaller 1 BD unit type (\$1,600 per month) x 12 for a total of \$19,200 per year, or \$69 per unit.

Payroll expenses include the cost of office and maintenance salaries and wages, payroll taxes, workmen's compensation, and employee insurance. The total payroll expense amounts to \$1,500 per unit, which reflects the on-site staff currently used to run a property such as the subject. The payroll cost is similar to expense comparables operations, and within the range of comparable data.

Management fee and Payroll can be bundled together as total compensation for operations of the property. A summary of total historical / budgeted management and payroll along with expense comparables is detailed below:

TOTAL MANAGEMENT & PAYROLL EXPENSE PER UNIT						
Expense Item	BBG Pro-Forma	Exp Comp 1	Exp Comp 2	Exp Comp 3	Exp Comp 4	Exp Comp 5
Management	615	365	647	619	499	431
Payroll	1,500	517	1,736	1,565	1,568	1,389
Total Expense	\$2,115	\$882	\$2,382	\$2,184	\$2,067	\$1,820

TOTAL MANAGEMENT & PAYROLL EXPENSE AS PERCENTAGE OF EGI						
Expense Item	BBG Pro-Forma	Exp Comp 1	Exp Comp 2	Exp Comp 3	Exp Comp 4	Exp Comp 5
Management	2.50%	3.00%	2.35%	2.73%	2.80%	2.26%
Payroll	6.10%	4.26%	6.31%	6.90%	8.79%	7.27%
Total Expense	8.60%	7.26%	8.66%	9.64%	11.59%	9.53%

Advertising is expenses related to marketing online, brochures, flyers, etc. used to market the property in order to increase vacancy and lease up. This is expense was concluded based on expense comparables operations and is concluded at \$200 per unit, or \$55,600 per year.

General Administration expenses include office costs, or other miscellaneous costs incurred by a property that do not fit other categories clearly. This expense was projected based on expense comparables operations.

Replacement Reserves

This expense accounts for the eventual required replacement of short-lived items such as carpeting and drapes, ranges and refrigerators, flooring, disposals, pavement, and roofs. The appraisers have had considerable experience with the review of engineering reports specifically designed at estimating the annual reserves for replacement for apartment complexes throughout the country. The subject property will be built in 2025 with an average unit size of 801 SF. Based on our experience relative to the quality, age and the necessary maintenance, reserves for replacement were estimated at \$250 per unit.

TOTAL EXPENSES & REPLACEMENT RESERVES

For all expenses, we relied upon the subject's budgeted financials and market data. In order to provide a more equitable basis of comparison, taxes and reserves are excluded from the comparable properties and the subject.

EXPENSE COMPARISON*				
Source	\$/Unit Including Taxes	\$/Unit Excluding Taxes	Expense Ratio Including Taxes	Expense Ratio Excluding Taxes
Expense Comps	\$4,012–\$8,507	\$3,200–\$6,283	30.9%–36.2%	22.8%–27.0%
Average	\$6,550	\$4,948	33.1%	25.2%
BBG Pro-Forma	\$7,045	\$5,350	28.6%	21.8%

The forecast figures are above the average of the range of the comparable operations on a per unit basis. The figures are also just slightly below the range of the comparable expense data on a percentage basis, but reasonable considering the per unit is above and the additional commercial income at the subject. The forecasted expense ratio is considered reasonable with regard to the expense comparables presented.

NET OPERATING INCOME

Following is a summary of the income and expense projections for the subject, which is a summation of the preceding analysis.

DIRECT CAPITALIZATION			
Income		\$/Unit	% EGI
Base Rental Income	\$5,604,900	\$20,162	81.99%
Reimbursements	219,363	789	3.21%
Parking	414,761	1,492	6.07%
Amenity/Media	472,878	1,701	6.92%
Commercial Income	154,417	555	2.26%
Miscellaneous Income	305,800	1,100	4.47%
Total Potential Gross Income	\$7,172,118	\$25,799	104.92%
Physical Vacancy (-5.5%)	(308,270)	(1,109)	-4.51%
Bad Debt / Collection Loss (0.0%)	-	0	0.00%
Concessions (-0.5%)	(28,025)	(101)	-0.41%
Vacancy & Collection Loss (-6.0%)	(336,295)	(1,210)	-4.92%
Effective Gross Income	\$6,835,823	\$24,589	100.00%
Operating Expenses			
Real Estate Taxes	\$471,159	\$1,695	6.89%
Insurance	\$72,280	\$260	1.06%
Gas/Electric	\$102,860	\$370	1.50%
Water/Sewer	\$84,790	\$305	1.24%
Trash Removal	\$44,480	\$160	0.65%
Amenity/Media	\$176,808	\$636	2.59%
Repairs & Maintenance	\$127,880	\$460	1.87%
Turnover	\$33,360	\$120	0.49%
Landscaping	\$36,140	\$130	0.53%
Management (2.5%)	\$170,896	\$615	2.50%
Payroll	\$417,000	\$1,500	6.10%
Model	\$19,200	\$69	0.28%
Advertising	\$55,600	\$200	0.81%
General Administration	\$76,450	\$275	1.12%
Replacement Reserves	\$69,500	\$250	1.02%
Total Expenses	\$1,958,402	\$7,045	28.65%
NET OPERATING INCOME (NOI)	\$4,877,421	\$17,545	71.35%

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- 1 The statements of fact contained in this report are true and correct.
 - 2 The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
 - 3 I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved with this assignment.
 - 4 I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
 - 5 My engagement in this assignment was not contingent upon developing or reporting predetermined results.
 - 6 My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
 - 7 This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
 - 8 My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the state of Utah.
 - 9 The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics, the Standards of Professional Practice of the Appraisal Institute.
 - 10 The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
 - 11 As of the date of this report, John Blaser, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
 - 12 John Blaser, MAI has made a personal inspection of the property that is the subject of this report.
 - 13 Cole Ducharme (license #13845928-TR00) provided significant real property appraisal assistance to the appraiser signing this certification. Assistance included gathering regional, neighborhood, confirming the comparable data and assisting in the valuation analysis and reconciliation analysis under guidance and review of the appraiser.
 - 14 John Blaser, MAI has not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
-



John Blaser, MAI

UT Certified General Appraiser

License #: 8739330 CG00

801-321-0050

jblaser@bbgres.com

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
 - f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity

- with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
 - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
 - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
 - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
 - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
 - l) BBG, Inc. is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraiser is not qualified to detect such substances. The Client is urged to retain an expert in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
 - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

- 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.

- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.

Company Overview

BBG OVERVIEW

BBG is one of the nation's largest real estate services firms with more than 45 offices across the country serving more than 4,500 clients. We deliver best-in-class valuation, advisory and assessment services with a singular focus of meeting our clients' needs.

Our professional team offers broad industry expertise and deep market knowledge to help clients meet their objectives throughout the real estate life cycle.

BBG clients include commercial real estate professionals, investors, lenders, attorneys, accountants and corporations.

THE BBG DIFFERENCE

National Footprint. BBG is one of only two national firms offering in-house valuation and environmental and property condition assessment services for all commercial property types.

Customer-focused Growth. BBG is one of the largest national due diligence firms because we deliver best-in-class work product and provide excellent customer care.

Qualified Team. Over 50 percent of BBG appraisers are MAI designated and offer deep industry expertise gained through real-world experience.

Unbiased Independence. By focusing exclusively on due diligence services, BBG guarantees an independent perspective free from potential conflicts of interest.

Innovative Technology. BBG has made significant analytics and IT investments to continually improve our data and report quality.

For more information, please visit www.bbgres.com

SERVICES

Valuation

- + Single Asset Valuation
- + Portfolio Valuation
- + Institutional Asset Valuation
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment analysis
- + Tax appeals
- + Litigation Support
- + Manufactured Housing and Campgrounds

Advisory

- + ASC 805 Business combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for reporting net asset values (NAV)
- + Public and non-traded REIT valuations
- + Valuations for litigation and litigation support
- + Sale-leaseback valuation analysis
- + Valuations for bankruptcy/fresh start accounting
- + Cost segregation analysis

Assessment

- + Environmental due diligence
- + Building Services
- + Construction Risk Management
- + HUD
- + Energy Efficiency Services
- + Land Surveying
- + Zoning

ADDENDA

GlossaryA

Letter of EngagementB

Appraiser QualificationsC

GLOSSARY

Appraisal: (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.⁷

Appraisal Practice: valuation services performed by an individual acting as an appraiser, including but not limited to appraisal and appraisal review.⁷

Appraisal Review: (noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e., a report, part of a report, a workfile, or some combination of these), that was performed as part of an appraisal or appraisal review assignment, (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.⁷

Appraiser: one who is expected to perform valuation services competently and in a manner that is independent, impartial and objective.⁷

Appraiser's Peers: other appraisers who have expertise and competency in a similar type of assignment.⁷

Assessed Value: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. ¹

Asset:

1. Any item, the rights to which may have economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real estate and personal property).
2. In general business usage, something owned by a business and reflected in the owner's business sheet.

Asset: A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity. ²

Assignment: a valuation service that is provided by an appraiser as a consequence of an agreement with a client.⁷

Assignment Conditions: Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulation, jurisdictional exceptions, and other conditions that affect the scope of work.⁷

Assignment Elements: Specific information needed to identify the appraisal or appraisal review problem: client and any other intended users, intended use of the appraiser's opinions and conclusions, type and definition of value; effective date of the appraiser's opinions and conclusions; subject of the assignment and its relevant characteristics; and assignment conditions.⁷

Assignment Results: An appraiser's opinions or conclusions, not limited to value, that were developed when performing an appraisal assignment, an appraisal review assignment, or a valuation service other than an appraisal or appraisal review.⁷

Bias: a preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment.⁷

Business Enterprise: an entity pursuing an economic activity.⁷

Business Equity: the interests, benefits, and rights inherent in the ownership of a business enterprise or a part thereof in any form (including, but not necessarily limited to, capital stock, partnership interests, cooperatives, sole proprietorships, options, and warrants).⁷

Capital Expenditure: Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as Cap Ex.¹

Cash Equivalency Analysis: An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.¹

Client: the party or parties (i.e., individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.⁷

Condominium Ownership: A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real estate.¹

Confidential Information:

1: information that is either:

- Identified by the client as confidential when providing it to a valuer and that is not available from any other source, or
- Classified as confidential or private by applicable law or regulation.

2: Information that is either

- Identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or
- Classified as confidential or private by applicable law or regulation *
- NOTICE: For example, pursuant to the passage of the Gramm-Leach-Bliley Act in November 1999, some public agencies have adopted privacy regulations that affect appraisers. The Federal Trade Commission (FTC) issued two rules. The first rule (16 CFR 313) focuses on the protection of "non-public personal information" provided by consumers to those involved in financial activities "found to be closely related to banking or usual in connection with the transaction of banking." These activities include "appraising real or personal property." The second rule (16 CFR 314) requires appraisers to safeguard customer non-public personal information. Significant liability exists for appraisers should they fail to comply with these FTC rules. ⁷

Cost: the actual or estimated amount required to create, reproduce, replace or obtain a property.⁷

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. ¹

Credible: worthy of belief.⁷

Deferred Maintenance: Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.¹

Disposition Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a specific time, which is short than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms. ¹

Economic Life: The period over which improvements to real estate contribute to property value. ¹

Effective Date: the date to which the appraiser's analysis, opinions and conclusions apply, also referred to as date of value.⁷

Effective Gross Income Multiplier (EGIM): The ratio between the sale price (or value) of a property and its effective gross income.¹

Effective Rent: Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. ¹

Exposure Time: an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effect date of the appraisal.⁷

Extraordinary Assumption: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.⁷

Fair Market Value:

1. In nontechnical usage, a term that is equivalent to the contemporary usage of market value.
2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. For example, one definition of *fair market value* provided by the Internal Revenue Service for certain purposes is as follows: The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. (IRS Regulation §20.2031-1) ¹

Fair Share:

1. A share of a fund or deposit that is divided or distributed proportionately.
2. A share of a burden or obligation that is divided proportionately; e.g., a tenant in a multitenant building or development may be required to pay a pro rata share of the building's operating expenses based on the number of square feet the tenant occupies. In a shopping center, the tenant's share of operating costs is often stated as a fraction, with the gross leasable area of the tenant's premises as the numerator and the gross leasable area or gross leased area of the entire shopping center as the denominator.
3. The share of a trade area that a retail facility is likely to capture; assumes that capture is a function of property size as a proportion of the overall inventory of competitive space in the trade area, i.e., that the facility captures a "fair share" of the trade area.¹

Fair Value:

1. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB)
2. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (This does not apply to valuations for financial reporting.) (IVS).¹
3. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.²

Feasibility Analysis: a study of the cost benefit relationship of an economic endeavor.¹

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.¹

Going Concern:

1. An established and operating business having an indefinite future life.
2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations [transforming resources from one form to a different, more valuable form] will be completed.¹

Gross Building Area (GBA):

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super structure and substructure basement; typically does not include garage space.¹

Highest and Best Use:

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS).
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) ¹

Hypothetical Condition: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.⁷

Income Capitalization Approach: Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.¹

Inspection: Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.¹

Insurable Value: A type of value for insurance purposes.¹

Intangible Property (intangible Assets): Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.⁷

Intended Use: the user(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.⁷

Intended User: the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.⁷

Internal Rate of Return ("IRR"): The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y).¹

Investment Value: 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS)¹

Jurisdictional Exception: an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.⁷

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.¹

Leased Fee Interest: The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.¹

Liquidation Value: The most probable price that a specified interest in real

property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.¹

Load Factor: A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of useable area from the rentable area and then dividing the difference by the useable area:¹

Load Factor =

$$\frac{(\text{Rentable Area} - \text{Useable Area})}{\text{Useable Area}}$$

Market Value: a type of value stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.⁷

Market Value "As If Complete" On The Appraisal Date: Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value "As Is" On The Appraisal Date: Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

Market Value of the Total Assets of the Business: The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future.⁴

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time.).³

Mass Appraisal: the process of valuing a universe of properties as of a given date using standard methodology, employing common data and allowing for statistical testing.⁷

Mass Appraisal Model: a mathematical expression of how supply and demand factors interact in a market.⁷

Misleading: intentionally or unintentionally misrepresenting, misstating or concealing relevant facts or conclusions.⁷

Net Lease: A lease in which the landlord passes on all expenses to the tenant. See also lease.¹

Net Rentable Area (NRA): 1) The area on which rent is computed. 2) The

Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.⁵

Penetration Ratio (Rate): The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor.¹

Personal Inspection: a physical observation performed to assist in identifying relevant property characteristics in a valuation service.⁷

Personal Property: any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being "personal", such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails or designs for digital tokens.⁷

Physical Characteristics: attributes of a property that are observable or measurable as a matter of fact, as distinguished from opinions and conclusions, which are the result of some level of analysis or judgement.⁷

Price: the amount asked, offered or paid for a property.⁷

Prospective opinion of value. A value opinion effective as of a specified future date. The term does not define a type of value. Instead it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.¹

Real Estate: an identified parcel or tract of land, including improvements, if any.⁷

Real Property: the interests, benefits and rights inherent in the ownership of real estate.⁷

Reconciliation: A phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value.¹

Relevant Characteristics: features that may affect a property's value or marketability such as legal, economic or physical characteristics.⁷

Reliable Measurement: [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably.²

Remaining Economic Life: The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.¹

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.¹

Report: any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.⁷

Retrospective Value Opinion: A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."¹

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.¹

Scope of Work: the type and extent of research and analyses in an appraisal or appraisal review assignment.⁷

Signature: personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses and the conclusions in the report.⁷

Stabilized value: A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

Substitution: The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.³

Total Assets of a Business: Total assets of a business is defined by the Appraisal Institute as “the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit).”

Use Value:

The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.¹

Valuation Service: a service pertaining to an aspect of property value, regardless of the type of service and whether it is performed by appraisers or by others.⁷

Value: the monetary relationship between properties and those who buy and sell, or use those properties, expressed as an opinion of the worth of a property at a given time.⁷

Workfile: data, information and documentation necessary to support the appraiser’s opinions and conclusions and to show compliance with USPAP.⁷

¹Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute 2010). ²Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser*, IFRS Website, www.ifrs-ebooks.com/index.html. ³Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute 2008). ⁴ This definition is taken from “Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon,” *Journal of Real Estate Appraisal*, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. ⁵Financial Publishing Company, *The Real Estate Dictionary*, 7 ed. ⁶ U.S. Treasury Regulations. ⁷USPAP 2020-2021