APPRAISAL REPORT

{report.exportMixedUse.propertyTypeTitlecase} {report.property\_information.address}

{report.export\_vars.borough\_city} {report.property\_information.zip}

REQUESTED BY

{report.export\_vars.client.prefix} {report.export\_vars.client.first\_name} {report.export\_vars.client.last\_name}

{report.export\_vars.client.title}

{report.export\_vars.client.client}

{report.export\_vars.client.street\_address}

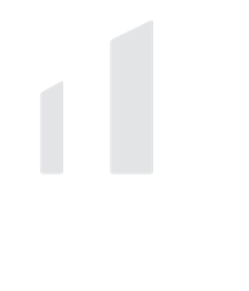
{report.export\_vars.client.city}, {report.export\_vars.client.state.abbr} {report.export\_vars.client.zip}

PREPARED BY

Bowery Valuation

522 East 5th Street, Floor 1

New York, NY 10009



Date of Value

{report.export\_vars.inspection\_date}

{report.export\_vars.reportDate}

{report.export\_vars.client.prefix} {report.export\_vars.client.first\_name} {report.export\_vars.client.last\_name}

{report.export\_vars.client.title}

{report.export\_vars.client.client}

{report.export\_vars.client.street\_address}  
{report.export\_vars.client.city}, {report.export\_vars.client.state.abbr} {report.export\_vars.client.zip}

Re: Appraisal File No. {report.report\_number}

{report.exportMixedUse.propertyTypeTitlecase} Building

{report.property\_information.address}

{report.export\_vars.borough\_city}

{report.export\_vars.introduction.salutation}

{report.export\_vars.introduction.purpose}

{report.export\_vars.introduction.subject}

{report.export\_vars.introduction.conclusion}

{report.export\_vars.introduction.standards}

{report.export\_vars.introduction.guidelines}

{report.export\_vars.client.prefix} {report.export\_vars.client.first\_name} {report.export\_vars.client.last\_name}

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{report.export\_vars.reportDate}

After carefully considering all available information and factors affecting value, our opinion is:

|  |  |  |
| --- | --- | --- |
| **Value** | **Date** | **Conclusion** |
| Market Value "As Is" | {report.export\_tables.final\_value.date} | {report.export\_tables.final\_value.conclusion} |

The opinions of value expressed herein are subject to the certification, assumptions and limiting conditions, and all other information contained in the following written appraisal report.

Thank you for the opportunity to serve you.

Sincerely,

{%report.export\_vars.appraiserInfo.leadAppraiser.signature.cdnUrl}

{report.export\_vars.appraiserInfo.leadAppraiser.name.first} {report.export\_vars.appraiserInfo.leadAppraiser.name.last}

{report.export\_vars.appraiserInfo.leadAppraiser.position}

{report.export\_vars.appraiserInfo.leadAppraiser.username}

{report.export\_vars.appraiserInfo.leadAppraiser.phone}

{#report.export\_vars.appraiserInfo.associateAppraisers}

{%signature.cdnUrl}

{name.first} {name.last}

{position}

{username}

{phone}

{/report.export\_vars.appraiserInfo.associateAppraisers}

{#report.export\_vars.appraiserInfo.inspectors}

{%signature.cdnUrl}

{name.first} {name.last}

{position}

{username}

{phone}

{/report.export\_vars.appraiserInfo.inspectors}

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

|  |  |
| --- | --- |
| **Subject Property:** | {report.exportMixedUse.propertyTypeTitlecase} Building  {report.property\_information.address}  {report.export\_vars.borough\_city}  {report.property\_information.zip} |
| **Building Description:** | {report.exportSalient.subjectOverview} |
| **Location:** | The subject is located {report.export\_vars.location\_fragment} in the {report.property\_information.neighborhood} neighborhood of {report.export\_vars.borough\_city}. |
| **Block/Lot:** | Block {report.property\_information.block}, Lot {report.property\_information.lot}. |
| **Year Built:**  **Census Tract:** | {report.property\_information.yearBuilt}  {report.export\_vars.censusTract} |
| **Site Area:** | {report.export\_vars.lotArea} |
| **Zoning:** | {report.export\_vars.zoningSentence} |
| **Flood Hazard Status:** | {report.export\_vars.floodWriteup} |
| **Marketing Time:** | Between six months and one year. |
| **Exposure Time:** | Between six months and one year. |
| **Property Rights Appraised:** | Leased Fee Interest. |
| **Date of Inspection:** | {report.export\_vars.inspection\_date} |
| **Market Value Opinion:** |  |

|  |  |  |
| --- | --- | --- |
| **Value** | **Date** | **Conclusion** |
| Market Value "As Is" | {report.export\_tables.final\_value.date} | {report.export\_tables.final\_value.conclusion} |

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# Introduction

## Property Identification

{report.export\_vars.introduction.subject}

## Date of Value Opinion

{report.export\_vars.date\_of\_value\_opinion\_sentences}

## Purpose

The purpose of the appraisal is to advance an opinion of the Leased Fee Interest “As Is” as of {report.export\_vars.inspection\_date}.

## Competency

We have experience appraising similar properties, and possess the knowledge and competency to produce a credible value opinion.

**Identification of the Client**

{report.export\_vars.client.client} has engaged us and is our client for this assignment.

## Intended User/ Use

The Intended User is {report.export\_vars.client.client} with its successors, assigns, and affiliates. The Intended Use is for loan collateral valuation, loan underwriting, asset management, and or asset sale purposes.

## {#report.export\_vars.client.reliance\_language.show}Reliance Language

{report.export\_vars.client.reliance\_language.language}

{/report.export\_vars.client.reliance\_language.show}

## Property Rights Appraised

For our analysis of the subject property as a rental apartment building, the property interest being appraised is the leased fee estate. A leased fee estate is created by a lease (or several leases) on a property, and it reflects the lessor's (landlord's) ownership interest in the real estate. The lessor's interest consists of the right to receive contract rental payments during the term of the lease and the ultimate return of the rights of use and possession of the property at lease expiration. According to the Dictionary of Real Estate Appraisal, "A leased fee estate is an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of the lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease."

## Property History

{report.export\_vars.propertyHistory.beforeTable}

{#report.export\_vars.propertyHistory.includeTable}

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Address** | **Block/Lot** | **Sale Date** | **Sale Price** | **Grantee** |
| {report.export\_tables.property\_history.address} | {report.export\_tables.property\_history.blockLot} | {report.export\_tables.property\_history.saleDate} | {report.export\_tables.property\_history.salePrice} | {report.export\_tables.property\_history.grantee} |

{/report.export\_vars.propertyHistory.includeTable}

{report.export\_vars.propertyHistory.afterTable}

{report.export\_vars.propertyHistory.appreciatedPercentage}

## Exposure Time

Exposure time has been defined, as the estimated length of time the real property interest appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Exposure time is always presumed to precede the effective date of appraisal. It is our opinion that a normal exposure time for the subject property is between six months and one year. This conclusion is predicated on interviews with brokers and other real estate industry sources and on information obtained in the verification process. The value reported herein presumes such an exposure time.

## Estimate of Reasonable Marketing Time

Given the subject's present condition and location and the marketing times for similar assets in New York City, we estimate the marketing time for the subject to be between six months and one year.

**General Assumptions**

Information, estimates and opinions furnished to us and contained in the report were obtained from sources considered reliable and believed to be accurate. The opinions of value stated herein are based on this assumption.

Various estimates of gross building area, number of apartments and total livable area were furnished by the owner, client and/or their agents. This opinions of value reported herein are based on the assumption that the data provided are the most recent and accurate. It has been verified to the best of our ability based on our inspection of the property, use of client and/or borrower provided data, and publicly available data.

**Extraordinary Assumptions**

According to The Dictionary of Real Estate Appraisal (4th Edition), an Extraordinary Assumption is "An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis." In the development of our opinions of value, we have applied the following extraordinary assumptions: {report.export\_vars.assumptionsConditions.assumptions.writeup}

**Hypothetical Condition**

According to The Dictionary of Real Estate Appraisal (4th Edition), a Hypothetical Condition is "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis." In the development of our opinions of value, we have applied the following Hypothetical Condition: {report.export\_vars.assumptionsConditions.conditions.writeup}

## Definition of Market Value[[1]](#footnote-1)

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 condition 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.

## Definition of Real Estate‑Related Financial Transaction[[2]](#footnote-2)

Any transaction involving:

The sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof; or

The refinancing of real property or interests in real property; or

The use of real property or interests in property as security for a loan or investment, including mortgage‑backed securities.

## Scope of the Appraisal

Bowery Real Estate Systems, has been retained by {report.export\_vars.client.prefix} {report.export\_vars.client.first\_name} {report.export\_vars.client.last\_name} c/o {report.export\_vars.client.client} to prepare a market valuation of the subject property. Within the course of this assignment, we have:

Inspected the full exterior, common areas, mechanical systems, and roof of the subject property.

Researched and investigated the location in terms of its economic activity, development patterns, and future trends and related their impact on the market.

Determined the Highest and Best Use of the subject property based on an analysis of all relevant factors.

Conducted a market survey of rent and vacancy levels of similar buildings.

Requested three years of historical income and operating expenses for the subject property. If supplied with this information, we have analyzed this data in order to accurately project the stabilized cash flow.

Projected the net operating income under stabilized operation and applied a market-derived income capitalization rate to develop an opinion of value by the income approach.

Researched and analyzed sales of competitive assets and applied the techniques of the sales comparison approach in advancing an opinion of value.

Advanced an opinion of the market value of the identified interest, as of {report.export\_vars.inspection\_date}.

## 

## Data Sources

The data contained within this appraisal was compiled from market analysis utilizing the following sources (unless otherwise noted): NYC Department of Finance, NYC Department of Buildings, NYC Department of Planning Zoning & Land Use, Claritas, CoStar, Genesis GenPAD, Federal Reserve, FEMA, and Reis. When possible, we have confirmed the reported data with parties to the transactions or those who are intimately familiar with their critical details.

|  |  |
| --- | --- |
| **Resource Verification** | |
| **Site Data** | **Source/Verification**: |
| GBA: | {report.export\_tables.resource\_verification.siteData.gba} |
| Excess/Surplus: | {report.export\_tables.resource\_verification.siteData.excessSurplus} |
| Residential SF: | {report.export\_tables.resource\_verification.siteData.residentialSf} |
| Commercial SF: | {report.export\_tables.resource\_verification.siteData.commercialSf} |
| **Improved Data** | **Source/Verification:** |
| Gross Size/Units | {report.export\_tables.resource\_verification.improvedData.grossSizeUnits} |
| Net Size/Units: | {report.export\_tables.resource\_verification.improvedData.netSizeUnits} |
| No. Bldgs.: | {report.export\_tables.resource\_verification.improvedData.noBldgs} |
| Amenities: | {report.export\_tables.resource\_verification.improvedData.amenities} |
| **Economic Data** | **Source/Verification:** |
| Deferred Maintenance: | {report.export\_tables.resource\_verification.economicData.deferredMaintenence} |
| Income Data: | {report.export\_tables.resource\_verification.economicData.incomeData} |
| Expense Data: | {report.export\_tables.resource\_verification.economicData.expenseData} |

# CURRENT ECONOMIC CONDITIONS

**[current\_economic\_conditions]**

# {report.export\_vars.boroughName} REGIONAL ANALYSIS

## {report.property\_information.submarket} Submarket

**[submarketDescription]**

# Neighborhood Description

**[neighborhoodDescription]**

## Location Identification

## Demographic Overview

**[demographicDescription]**

# Zoning Summary

{%report.propertyMaps.zoningMapUrl}

{report.export\_vars.zoningSentence}

{#report.export\_vars.zoning.zone1.is}**{report.export\_vars.zoning.zone1.zone} Zoning Breakdown**

**[zone1\_tag]**

{/report.export\_vars.zoning.zone1.is}{#report.export\_vars.zoning.zone2.is}**{report.export\_vars.zoning.zone2.zone} Zoning Breakdown**

**[zone2\_tag]**

{/report.export\_vars.zoning.zone2.is}{#report.export\_vars.zoning.zone3.is}**{report.export\_vars.zoning.zone3.zone} Zoning Breakdown**

**[zone3\_tag]**

{/report.export\_vars.zoning.zone3.is}{#report.export\_vars.zoning.zone4.is}**{report.export\_vars.zoning.zone4.zone} Zoning Breakdown**

**[zone4\_tag]**

{/report.export\_vars.zoning.zone4.is}

Conformity

{report.export\_vars.conformity}

{report.export\_vars.parkingConformity}

# Assessed Value And Real Estate Taxes

{%report.propertyMaps.taxMapUrl}

Assessments

{report.property\_information.address} is designated on the {report.export\_vars.borough\_county} County tax maps as Block {report.property\_information.block}, Lot {report.property\_information.lot}. The assessed value is as follows:

Assessed Value {#report.export\_tables.assessed\_value.showActualTransitional}

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **{report.export\_tables.assessed\_value.title}** | | | | | | |
|  |  | Actual |  |  | | Transitional |
| Land |  | {report.export\_tables.assessed\_value.landActual} |  |  | | {report.export\_tables.assessed\_value.landTransitional} |
| Building | + | {report.export\_tables.assessed\_value.buildingActual} |  | | + | {report.export\_tables.assessed\_value.buildingTransitional} |
| Total |  | {report.export\_tables.assessed\_value.totalActual} |  | |  | {report.export\_tables.assessed\_value.totalTransitional} |

{/report.export\_tables.assessed\_value.showActualTransitional} {#report.export\_tables.assessed\_value.showTransitional}

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **{report.export\_tables.assessed\_value.title}** | | | | |
|  | Actual | | | |
| Land | {report.export\_tables.assessed\_value.landActual} | | | |
| Building | | | + | {report.export\_tables.assessed\_value.buildingActual} |
| Total |  | {report.export\_tables.assessed\_value.totalActual} | | |

{/report.export\_tables.assessed\_value.showTransitional}

{report.export\_vars.limitation\_discussion}

Tax Rates

The City of New York has four tax categories for real properties, of which the subject is Class {report.tax\_info.tax\_class}. The following is a historical analysis of tax rates:

Real Estate Tax Rates

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **Class 1** | Class 2 | **Class 3** | **Class 4** |
| 2005/2006 | 15.746 | 12.396 | 12.309 | 11.306 |
| 2006/2007 | 16.118 | 12.737 | 12.007 | 10.997 |
| 2007/2008 | 15.434 | 11.928 | 11.577 | 10.059 |
| 2008/2009 | 16.196 | 12.596 | 12.137 | 10.241 |
| 2009/2010 | 17.088 | 13.241 | 12.743 | 10.426 |
| 2010/2011 | 17.364 | 13.353 | 12.631 | 10.312 |
| 2011/2012 | 18.205 | 13.433 | 12.473 | 10.152 |
| 2012/2013 | 18.569 | 13.181 | 12.477 | 10.288 |
| 2013/2014 | 19.191 | 13.145 | 11.902 | 10.323 |
| 2014/2015 | 19.157 | 12.855 | 11.125 | 10.684 |
| 2015/2016 | 19.554 | 12.883 | 10.813 | 10.656 |
| 2016/2017 | 19.991 | 12.892 | 10.934 | 10.574 |

Source: New York City Department of Finance

The applicable rate is applied to the assessment:

Tax Liability Forecast

|  |  |  |
| --- | --- | --- |
| Taxable Assessed Value |  | {report.export\_tables.tax\_liability\_forecast.taxableAssessedValue} |
| Tax Rate | x | {report.export\_tables.tax\_liability\_forecast.taxRate} |
| Tax Liability |  | {report.export\_tables.tax\_liability\_forecast.taxLiability} |
| Per Square Foot |  | {report.export\_tables.tax\_liability\_forecast.perSquareFoot} |

In order to support the forecasted real estate tax liability, we surveyed those of comparable buildings in the area:

Competitive RE Tax Liabilities

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Address** | | **Year Built** | **Square Feet** | **Taxes/SF** |
| {-w:tr report.export\_tables.tax\_comps.rows}{number} | {address} | {yearBuilt} | {squareFeet} | {taxesPerSf} {/report.export\_tables.tax\_comps.rows} |
|  |  |  | **Min:** | **{report.export\_tables.tax\_comps.min}** |
|  |  |  | **Average:** | **{report.export\_tables.tax\_comps.aver}** |
|  |  |  | **Max:** | **{report.export\_tables.tax\_comps.max}** |
|  |  |  | **Subject:** | **{report.export\_tables.tax\_comps.subject}** |

The comparables range from {report.export\_vars.tax\_comparison.min} to {report.export\_vars.tax\_comparison.max} per square foot and average {report.export\_vars.tax\_comparison.avg} per square foot. {report.export\_vars.tax\_comparison.gap\_sentence}

## {#report.tax\_benefits.hasJ51}J-51 Tax Exemption/Abatements

J-51 tax exemptions/abatements are granted to HPD or privately-financed moderate/gut rehabilitation or major capital improvements of existing multiple dwellings or conversion to residential use. 34-year (30-years full + 4-years phase out) or 14-year (10-years full + 4-years phase out) exemption from the increase in real estate taxes resulting from the work. Affordable housing projects generally get the 34-year exemption while other projects get the 14-year exemption;

Abatement of existing real estate taxes by up to 8 1/3% or 12 1/2% of the cost of the work each year for up to 20 years. Affordable housing projects generally receive the 6% abatement while other projects get the 4% abatement. Privately-financed projects in Manhattan south of 110th Street and co-ops and condominiums generally receive some limited benefits.

All rental units become subject to rent stabilization or rent control for the duration of the benefits. In rental buildings, the landlord must also waive 50% of the rent increase that would otherwise be allowed under rent stabilization as a result of the work.

Existing J-51 Tax Exemption

Based on prior renovations, this asset was granted tax exemption/abatement under the J-51 Program. The following assumptions were made in our calculation:

* Annual Tax Rate Growth: {report.tax\_benefits.j51\_annual\_tax\_growth}%
* Annual Assessment Growth: {report.tax\_benefits.j51\_annual\_assessment\_growth}%
* Discount Rate: {report.tax\_benefits.j51\_discount\_rate}%

The current year assessments and exemptions per Block/Lot are summarized:



The NPV of the benefit is calculated as follows:

NPV of Tax Benefit

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **YEAR** | **PROJECTED A.V.** | **BASE A.V.** | **MAXIMUM EXEMPTION** | **% OF EXEMPTION ALLOWED (PHASE OUT)** | **ALLOWABLE EXEMPTION** | **TAXABLE A.V.** | **TAX RATE** | **FULL TAXES** | **NET TAXES** | **TAX SAVINGS** |
| {#report.export\_tables.npv\_of\_tax\_benefit.rows}{year} | {projectedAv} | {baseAv} | {maximumExemption} | {percentOfExemptionAllowed} | {allowableExemption} | {taxableAv} | {taxRate} | {fullTaxes} | {netTaxes} | {taxSavings}{/report.export\_tables.npv\_of\_tax\_benefit.rows} |
|  |  |  |  | **NPV:** | | | | | | **{report.export\_tables.npv\_of\_tax\_benefit.npv}** |
|  | | | |  |  |  |  | **ROUNDED:** | | **{report.export\_tables.npv\_of\_tax\_benefit.rounded}** |

# {/report.tax\_benefits.hasJ51}SITE DESCRIPTION

{%report.propertyMaps.subjectMapUrl}

|  |  |
| --- | --- |
| **Location:** | {report.property\_information.address} is located in the {report.property\_information.neighborhood} neighborhood of {report.export\_vars.borough\_city}.  The subject is located on a primarily {report.export\_vars.highestAndBestUse.location} block. {report.export\_vars.transitSentence} |
| **Site Area:** | {report.export\_vars.lotArea} |
| **Shape:** | {report.property\_information.lotType}. |
| **Frontage:** | |  |  | | --- | --- | | **Street** | **Frontage** | | {-w:tr report.export\_tables.frontage}{street} | {frontage}{/report.export\_tables.frontage} | |
| **Topography:** | Generally level at street grade. |
| **Drainage:** | Assumed adequate. |
| **Access:** | {report.export\_vars.access} |
| **Paving:** | All roads are paved with asphalt and are in satisfactory condition. |
| **Street Drainage:** | Street drainage is collected with the utilization of recessed catch basins. The catch basins empty by gravity into the local sewer storm system mains. |
| **Street Lighting:** | Adequate. |
| **Utilities + Services:** | Water/Sewer and Refuse - City |
|  | Police & Fire Protection - City |
|  | Gas & Electric – Con Ed |
| **Hazardous Substances:** | We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the services of a professional engineer for this purpose. |
| **Flood Hazard Status:** | Located in "Zone {report.flood\_data.zone}" on the National Flood Insurance Program Rate Map dated September 5, 2007 Community Panel {report.flood\_data.panel}. Zone {report.flood\_data.zone} is an area of minimal flooding. Flood insurance is not required for properties in this zone. |
| **Conclusion:** | The site is similar to others in the vicinity, and there are no negative external factors. Based on its current use, it is functionally adequate. |

# **FLOOD MAP**

{%report.propertyMaps.floodMapUrl}

# **ASSET PHOTOS**

# 

{#report.export\_vars.asset\_photos}{#isEven}

{/isEven}**{title}**

{%url}

{#isBuildingFacade}

{/isBuildingFacade}{/report.export\_vars.asset\_photos}

BUILDING DESCRIPTION

The subject consists of a {report.property\_information.floors}-story, {report.export\_vars.elevator}, {report.exportMixedUse.propertyTypeLowercase} building totaling {report.property\_information.resUnits} residential units. It contains {report.export\_vars.buildingArea}± square feet of gross building area and was built in {report.property\_information.yearBuilt}. The following is a summary of the construction characteristics of the improvements.

Structural

|  |  |
| --- | --- |
| **Foundation:** | {report.buildingDescription.foundation}. |
| **Structural System:** | {report.buildingDescription.structuralSystem}. |
| **Exterior Walls:** | {report.export\_vars.buildingDescription.exterior\_walls} |
| **Roof:** | {report.buildingDescription.roofType}. |
| **Windows:** | {report.buildingDescription.windows}. |

Mechanicals

|  |  |
| --- | --- |
| **Heating/Cooling Systems/Hot water:** | {report.export\_vars.summarized\_utilities\_sentence} |
| **Electric:** | {report.export\_vars.buildingDescription.electric} |
| **Elevators:** | {report.export\_vars.buildingDescription.elevators} |
| **Plumbing:** | PVC, copper, and black iron. |
| **Sprinklers:** | {report.export\_vars.buildingDescription.sprinklers} |

Interior Layout and Finish

|  |  |
| --- | --- |
| **Basement:** | {report.export\_vars.buildingDescription.basement} |
| **Lobby/Common Areas:** | {report.export\_vars.buildingDescription.lobbyCommon} |
| **Laundry:** | {report.export\_vars.buildingDescription.laundry} |
| **Stairwells:** | {report.export\_vars.buildingDescription.stairwells} |
| **Security:** | {report.export\_vars.buildingDescription.security} |
| **Amenities:** | {report.export\_vars.buildingDescription.buildingAmenities} |
| **Parking:** | {report.export\_vars.buildingDescription.parking} |
| **Commercial Space:** | None. |

Unit Finishes

|  |  |
| --- | --- |
| **Baths:** | {report.export\_vars.buildingDescription.unitFinishes.bathroom} |
| **Kitchens:** | {report.export\_vars.buildingDescription.unitFinishes.kitchen} |
| **Living area/bedrooms:** | {report.export\_vars.buildingDescription.unitFinishes.living} |
| **{#report.export\_vars.buildingDescription.showUnitAmenities}Outdoor Space:** | {report.export\_vars.buildingDescription.unitAmenities}{/report.export\_vars.buildingDescription.showUnitAmenities} |

Residential Unit Distribution Summary {#report.export\_tables.rentRollSummary}

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Unit Type** | **No. of Units** | **Average Rooms / Unit** | **Total Rooms** | **Avg SF / Unit {#isEstimated}(Est.){/isEstimated}** | **Total Leasable SF** |
| {-w:tr rows} {unitType} | {noOfUnits} | {roomsUnit} | {totalRooms} | {avgSFUnit} | {totalLeasableSF} {/rows} |
| **Totals/Average:** | **{total.averageNoOfUnits}** |  | **{total.averageTotalRooms}** | **{total.averageAvgSF}** | **{total.averageTotalLeasableSF}** |

{report.export\_vars.leasableAreaSentence}{/report.export\_tables.rentRollSummary}

Condition

{report.export\_vars.generalBuildingConditionWriteup}

While {report.property\_information.address} was originally constructed in {report.property\_information.yearBuilt}, we estimate the effective age to be {report.buildingDescription.effectiveAge} years (given the site improvements), and given a usable life of {report.buildingDescription.totalLife} years, the remaining economic life of the building is {report.export\_vars.remainingEconomicLife} years.

Summary

The information contained in the sections entitled "Site Description" and "Building Description" was obtained from our field inspection on {report.export\_vars.inspection\_date}, information provided by ownership, and NYC planning, zoning and assessment records.

# Highest And Best Use

The following definition of Highest and Best Use is set forth in Real Estate Appraisal Terminology sponsored by the American Institute of Real Estate Appraisers. Highest and Best Use is:

"That reasonable and probable use that will support highest present value, as defined, as of the effective date of the appraisal.

Alternately, that use, from among reasonable, probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value."

In determining highest and best use, we have considered the following:

The current trends of supply and demand on the market.

Current zoning regulations and other possible restrictions.

Neighboring land uses.

It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

In estimating highest and best use, alternative uses are considered and tested for the subject site.

Possible Use ‑ An analysis to determine those uses of the subject which can be deemed physically possible;

Permissible Use ‑ An investigation into existing zoning regulations, lease terms, and deed restrictions on the site to determine which uses are legally permitted;

Feasibility ‑ An analysis to determine which of those uses deemed possible and legal can provide a net return to the owner of the site;

Highest and Best Use ‑ Among the feasible uses, which use will provide the highest net return or highest present worth.

As Vacant

|  |  |
| --- | --- |
| **Legally Permissible** | {report.export\_vars.highestAndBestUse.asVacantLegallyPermissible} |
| **Physically Possible** | {report.export\_vars.highestAndBestUse.physicallyPossible} |
| **Financially Feasible** | {report.export\_vars.feasibility.p1}  {report.export\_vars.feasibility.p2} |
| **Maximally Productive/ Highest and Best Use** | {report.export\_vars.highestAndBestUse.maximallyProductive} |

As Improved

|  |  |
| --- | --- |
| **Legally Permissible** | {report.export\_vars.highestAndBestUse.allowableDevelopment} No known zoning change is currently being considered or anticipated. We are not aware of any public or private deed restrictions that preclude development on the site. |
| **Physically Possible** | {report.export\_vars.highestAndBestUse.physicallyPossible} |
| **Financially Feasible** | The subject's block is characterized as residential and there is no other use which is feasible. As improved, the subject is generating net cash flow, and an adequate return to the owners. Therefore, the current use is financially feasible. |
| **Maximally Productive/ Highest and Best Use** | All legally permissible, physically possible and financially feasible uses of {report.property\_information.address} “as is” have been presented and examined. In summary, our opinion is that the highest and best use of the subject property, as improved, is continued use as a {report.exportMixedUse.propertyTypeLowercase} building. |

# Appraisal Valuation Process

In advancing an opinion of the value of the subject, we considered the two primary approaches to real estate valuation: Income and Sales Comparison.

The Cost Approach is traditionally a good indicator of value when properties being appraised are new or close to new. {report.property\_information.address} was constructed in {report.property\_information.yearBuilt} and has notable physical and economic depreciation. The difficulty in credibly isolating the influence of these factors on value affects the reliability of this approach. Along this line, investors typically give nominal weight to this analysis since the asset is operating on a stabilized basis and its cost bears little relationship to the value. Therefore, as a result of the limited use of this approach, it has not been applied.

The Income Approach is a strong indicator of value when market rents, vacancy rates, stabilized expenses, capitalization/discount rates are based on reliable market data. In this case, given the depth of the market, there are numerous transactions from which to glean points of analysis, lending credibility to the results of the approach. Further, given {report.exportMixedUse.propertyTypeLowercase} assets are generally acquired for their capacity to generate a return on and of capital, this is the methodology primarily applied by investors.

The Sales Comparison Approach is reliable when few differences exist between the comparable sales and the subject, and the sales data collected is credible and accurate. Similar property types in competitive locations tend to sell within a consistent range, and this factor makes valuation on a {report.export\_vars.salesReconciliation.basis} basis a strong predictor of value.

Finally, the relative strengths and weaknesses of each approach are discussed, and a final value opinion is offered.

# Income Approach

In the Income Capitalization Approach, a property's capacity to generate future benefits is analyzed; the forecasted income is capitalized into an indication of present value. Commonly used measures of anticipated benefits are:

* ***Potential Gross Income:*** the total potential income attributable to the real property at full occupancy before operating expenses is deducted. It may refer to the level of rental income prevailing in the market or that contractually determined by existing leases.
* ***Effective Gross Income:*** the anticipated income from all operations of real property adjusted for vacancy and collection losses.
* ***Net Operating Income:*** the anticipated net income remaining after all operating expenses are deducted from effective gross income.
* ***Equity Dividend:*** the portion of net income that remains after debt service is paid; this is returned to the equity position.
* ***Reversion***: A lump-sum benefit an investor expects to receive upon the termination of the investment.

Direct vs. Yield Capitalization

The income capitalization approach supports two methodologies: direct and yield capitalization.

* ***Direct capitalization***: A method used to convert an estimate of a single year's net operating income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor. This technique employs capitalization rates and multipliers extracted from sales. Only the first year's income is considered. Yield and value change are implied, but not identified overall. This method is most useful when the property is already operating on a stabilized basis.[[3]](#footnote-3)
* ***Yield Capitalization:*** The capitalization method used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate. This method explicitly considers a series of cash flows (net income over a holding period) over time together with any reversion value or resale proceeds. Since this technique explicitly reflects the investment's income pattern, it is especially suited to multi-tenant properties with varying leasing schedules as well as properties that are not operating at stabilized occupancy.[[4]](#footnote-4)

Conclusion

As a {report.exportMixedUse.propertyTypeLowercase} rental property, this asset is encumbered by short-term leases at or below market rents. Given that rent stabilization guidelines reflect a level stream of income, it is appropriate to apply the income capitalization method which converts a single year's income into an indication of value.

## **Base Residential Income**

{report.property\_information.address} contains {report.rentRoll.units.length} units; the residential rent roll[[5]](#footnote-5) is summarized by unit type and rent regulation status:

Rent Roll Summary by Unit Type

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Unit** | **No. of Units** | **Rental Range Per Month** | | | **Total Annual Rent** | **Avg. Rent Per Month** |
| {-w:tr report.export\_tables.rentRollSummaryByType.rows}{unitType} | {noOfUnits} | {minRentalRangePerMonth} | to | {maxRentalRangePerMonth} | {totalAnnualRent} | {avgRentPerMonth}{/report.export\_tables.rentRollSummaryByType.rows} |
| **Totals/Average:** | **{report.export\_tables.rentRollSummaryByType.total.averageNoOfUnits}** |  |  |  | **{report.export\_tables.rentRollSummaryByType.total.averageTotalAnualRent}** | **{report.export\_tables.rentRollSummaryByType.total.averageAvgRentPerMonth}** |

The above chart excludes any vacant units from the Rental Range Per Month and Avg. Rent Per Month calculations.

Rent Roll Summary by Rent Regulation Status

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Income Type** | **No. of Units** | **Rental Range Per Month** | | | **Total Annual Rent** | **Avg. Rent Per Month** |
| {-w:tr report.export\_tables.rentRollSummaryByRentType.rows}{incomeTypeType} | {noOfUnits} | {minRent} | to | {maxRent} | {totalAnnualRent} | {avgRentPerMonth}{/report.export\_tables.rentRollSummaryByRentType.rows} |
| **Totals/Average:** | **{report.export\_tables.rentRollSummaryByRentType.total.averageNoOfUnits}** |  |  |  | **{report.export\_tables.rentRollSummaryByRentType.total.averageTotalAnualRent}** | **{report.export\_tables.rentRollSummaryByRentType.total.averageAvgRentPerMonth}** |

The above chart imputes market rent to any vacant units this the difference in Averages between the two above charts.

The average in-place monthly rent is {report.export\_vars.avg\_in\_place\_monthly\_rent}. The contract rents are based on the following expense structure:

|  |  |
| --- | --- |
| Landlord's Obligations: | {report.export\_vars.landlordObligation} |
| Tenant Obligations: | {report.export\_vars.tenantObligation} |

Comparable Rentals

{report.export\_vars.rentCompSentence}

{#report.export\_tables.rent\_comps.rentalTypes}

{title}

{%imageUrl}

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Address** | **Rooms** | **Bedrooms** | **Monthly Rent** | **Rent / Room** |
| {#rentals}{address} | {rooms} | {bedrooms} | {monthlyRent} | {rentRoom}{/rentals} |
|  |  | **Min:** | **{monthlyRent.min}** | **{rentRoom.min}** |
|  |  | **Average:** | **{monthlyRent.avg}** | **{rentRoom.avg}** |
|  |  | **Max:** | **{monthlyRent.max}** | **{rentRoom.max}** |

{/report.export\_tables.rent\_comps.rentalTypes}

Reconciliation

Important considerations in determining potential rental value include location, access to transportation and neighborhood amenities, and building design and condition. The subject is in a desirable section of {report.property\_information.neighborhood}, a neighborhood that has seen significant investment in the past 5 to 10 years. The site has good access to mass transportation, and the block is appealing. The comparables are similar in their physical and locational appeal and are good indicators of value. Thus, our analysis of the in-place rents and forecast of market rents (if applicable) is presented:

{report.export\_vars.rentReconciliation.rentTypes}

{@report.export\_vars.rentReconciliation.reconForBedrooms}

Market Rent Comparison

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Market Survey** | | | **Subject Units** | | | **Market Rent Forecast** |
| {-w:tr report.export\_tables.market\_rent\_comparison}{title} {subtitle} | {marketSurvey.min} | {marketSurvey.avg} | {marketSurvey.max} | {subjectUnit.min} | {subjectUnit.avg} | {subjectUnit.max} | {marketRentForecast}{/report.export\_tables.market\_rent\_comparison} |

{#report.export\_vars.hasStabilized}

## Summary of Rent Stabilization Laws

The following categories of rental housing are covered by rent stabilization laws:

* All housing in buildings containing six or more dwelling units completed prior to January 1, 1974 and not subject to rent control.
* All vacancy decontrolled apartments in buildings containing six or more dwelling units.
* Buildings built on or after January 1, 1974 receiving tax benefits under Section 421 and 423 of the Real Property Tax Law, or J-51-2.5 (now section 11-243) of the Administrative Code of the City of New York plus certain housing rehabilitated under governmental loan programs.
* All housing subject to the Rent Stabilization Law of 1969 continues to be subject to such law, except that tenants who enter into occupancy after June 30, 1971 become subject to the ETPA.

The New York State Division of Housing and Community Renewal (DHCR) administers both rent control and rent stabilization within the City of New York and is authorized to promulgate amendments to the Rent Stabilization Code.

Deregulation

The Rent Reform act of 1993, the Rent Regulation Reform Act of 1997, Rent Law of 2003 and the Rent Act of 2011 allow for deregulation of certain apartments. There are two “high rent exclusions” which are in buildings that are not receiving tax benefits or are not lofts, as described:

* **High-Income Deregulation** will occur if an apartment has a monthly rent of $2,500 or more per month and the tenants and all persons occupying the apartment as their primary residence have a household income in excess of $200,000 for each of the two preceding calendar years
* **Vacancy Deregulation** will occur if a vacated rent stabilized apartment has a legal monthly rent of $2,500

Buildings receiving tax benefits are subject to rent stabilization guidelines until the benefits expire.

Vacancy Decontrol

Rent controlled apartments, which become vacant are not subject to rent control but thereafter are subject to rent stabilization at the “Initial Legal Regulated Rent.” The Initial Legal Regulated Rent is the rent agreed to by the owner and new tenant, subject to a fair market rent adjustment if the tenant files a complaint with the DHCR.

Rent Registration

Owners are required to annually register with the DHCR all rent stabilized apartments. The registration statement lists the rent charged on the registration date, the number of rooms, the services provided on the base date and various building-wide information. A copy of the registration statement must be mailed to the tenant occupying a stabilized unit. Unless an apartment has been properly registered, no rent increase may be charged.

The maximum lease term is two years. Both vacancy and renewal tenants are to be given the option of a one or two-year lease. The Rent Regulation Reform Act of 1997 provides for special increases in vacancy leases over and above the vacancy increases authorized by the Rent Guidelines Board based on whether (a) the new lease is a one or two year lease and (b) there was a vacancy lease within the prior eight years and (c) the amount of the prior rent.

The Code promulgated by the DHCR provides that the tenant has the right to add his/her spouse as a named tenant on the lease. The Code also gives certain “family members” a right, known as succession, to a renewal lease if the tenant of record vacates the housing accommodation or dies.

The Rent Regulation Reform Act of 1997 limited the types of family members who could claim succession and limits the right to succession at a renewal lease rate to one generation. Upon the second claim of succession, the family member must pay rent according to the vacancy formula described above.

Rent Adjustments

HARDSHIP

An owner may apply for a rent increase based on hardship under one of two formulas:

* **Comparative Hardship** - The owner must show that he has not maintained the same average net income in a current three-year period compared to the average net income during a three-year base period, generally defined as 1968 through 1970. Experience has shown that this formula is virtually worthless.
* **Alternative Hardship -** The owner must establish that an increase is necessary because the annual operating expenses are not less than 95% of the annual gross rent income arising out of the operation and ownership of the property. Only certain expenses, including interest on institutional mortgages, are allowed to be deducted from the actual income received.

Whenever the increase is based on “comparative hardship” or “alternative hardship,” the maximum increase is 6% each year and the maximum frequency of application is once every three years.

MAJOR CAPITAL IMPROVEMENTS

An owner may apply for rent increases based upon the actual cost of Major Capital Improvements (specified in the Code) completed within two years prior to the date of application. Rent increases are computed on a seven-year amortization of the actual cost for work commenced after June 28, 1990 with the increase being no more than 6% each year. The DHCR will provide a prior opinion concerning the eligibility of improvements not specified on the list contained in the Code. Recent legislation passed by the New York City Council limits the amount MCI benefits if the owner receives tax benefits under Section J-51 (now 11-243) of the New York City Administrative Code.

Rents for individual apartments may be increased, including installation, of new services and equipment, by 1/40th for buildings with 35 units or less and by 1/60th for buildings with 36 units or more. If the new service or equipment is installed in or provided to an occupied apartment, written consent by the tenant to the rent increase is required. In the case of a vacant apartment, tenant consent is not required.

Non-Renewal of Leases

Other than the regulation of rent, the primary protection afforded to a “rent-stabilized” tenant is the right to a renewal lease.

History of Rent Increases

The following is a brief history of the New York City Rent Stabilization Increases:

Rent Stabilization Increases

|  |  |  |
| --- | --- | --- |
| **Year** | **1-year lease** | **2-year lease** |
| {-w:tr report.export\_tables.rent\_stabilization.rows}{year} | {oneYearLease} | {twoYearLease}{/report.export\_tables.rent\_stabilization.rows} |
| Average: | {report.export\_tables.rent\_stabilization.average.oneYearLease} | {report.export\_tables.rent\_stabilization.average.twoYearLease} |

Source: NYC Rent Stabilization Guidelines Board

Over the past five years, allowable increases for units subject to rent stabilization averaged 1.40% on a one-year lease and 3.70% on a two-year contract. Given the fact most rent stabilized units will turnover during our forecast period, it is necessarily to reflect such in our pro forma. After applying the average allowable rent growth to the assumption 50% of tenants sign one-year leases and 50% of tenants sign two-year leases, the adjusted weighted average increase for rent stabilized units amounts to 1.63%.

Projected Rent Stabilized Rent Growth

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Allowable Increase** |  | **Tenancy** |  | **12-Month Adj Factor** |  | **Blended Increase** |
| 1-Year | 1.40% | x | 50% | x | 100% | = | 0.70% |
| 2-Year | 3.70% | x | 50% | x | 50% | = | 0.93% |
| Weighted Average Increase |  |  |  |  |  |  | 1.63% |

Rent Controlled Increases

Landlords can increase Rent Controlled units 7.5% annually until the Maximum Collectible Rent exceeds the Maximum Base Rent, as determined by DHCR.

{/report.export\_vars.hasStabilized}{#report.export\_vars.hasVacant}

Vacant Units

Market rent is forecasted for the vacant units (as applicable):

**{#report.export\_tables.vacant\_unit\_forecast.notGrouped}Vacant Unit Forecast**

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit Number** | **Unit Type** | **Market Rent** | **Annual Total** |
| {-w:tr report.export\_tables.vacant\_unit\_forecast.rows}{unitNumber} | {unitType} | {marketRent} | {annualTotal} {/report.export\_tables.vacant\_unit\_forecast.rows} |
| Total |  | {report.export\_tables.vacant\_unit\_forecast.total.marketRent} | {report.export\_tables.vacant\_unit\_forecast.total.annualTotal} |

**{/report.export\_tables.vacant\_unit\_forecast.notGrouped}{#report.export\_tables.vacant\_unit\_forecast.grouped}Vacant Unit Forecast**

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit Type** | **Vacant Units** | **Market Rent** | **Annual Total** |
| {-w:tr report.export\_tables.vacant\_unit\_forecast.rows}{unitType} | {vacantUnits} | {marketRent} | {annualTotal} {/report.export\_tables.vacant\_unit\_forecast.rows} |
| Total | {report.export\_tables.vacant\_unit\_forecast.total.vacantUnits} | {report.export\_tables.vacant\_unit\_forecast.total.marketRent} | {report.export\_tables.vacant\_unit\_forecast.total.annualTotal} |

{/report.export\_tables.vacant\_unit\_forecast.grouped}{/report.export\_vars.hasVacant}

Below is our summary of potential gross income.

Potential Gross Residential Income

Potential gross residential income is summarized by income type:

Potential Gross Residential Income

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Income Type** | **Annual Rent** |  | **Increase** |  | **PGI** |
| {-w:tr report.export\_tables.rent\_increase\_table.rows}{incomeType} | {annualRent} | x | {increase} | = | {pgi} {/report.export\_tables.rent\_increase\_table.rows} |
| Total | {report.export\_tables.rent\_increase\_table.totalAnnualRent} |  |  |  | {report.export\_tables.rent\_increase\_table.totalPGI} |

{report.export\_vars.percentOfMarketSentence}{#report.export\_vars.miscIncomeWriteup.laundry.key}

**Laundry Income**

{report.export\_vars.miscIncomeWriteup.laundry.value}{/report.export\_vars.miscIncomeWriteup.laundry.key}{#report.export\_vars.miscIncomeWriteup.storage.key}

**Storage Income**

{report.export\_vars.miscIncomeWriteup.storage.value}{/report.export\_vars.miscIncomeWriteup.storage.key}{#report.export\_vars.miscIncomeWriteup.parkingTable.key}

**Parking Income**

|  |  |  |  |
| --- | --- | --- | --- |
| **Address** | | **Parking Type** | **Rent** |
| {-w:tr report.export\_vars.miscIncomeWriteup.parkingTable.value.comps}{address} | | {parking\_type} | {rent} {/report.export\_vars.miscIncomeWriteup.parkingTable.value.comps} |
|  |  | **Min:** | **{report.export\_vars.miscIncomeWriteup.parkingTable.value.min}** |
|  |  | **Average:** | **{report.export\_vars.miscIncomeWriteup.parkingTable.value.avg}** |
|  |  | **Max:** | **{report.export\_vars.miscIncomeWriteup.parkingTable.value.max}** |

{/report.export\_vars.miscIncomeWriteup.parkingTable.key}{#report.export\_vars.miscIncomeWriteup.antenna.key}

**Antenna Income**

{report.export\_vars.miscIncomeWriteup.antenna.value}

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Projected Income** | **Projected Income** | **Projected Income** |
| {-w:tr report.export\_tables.antenna\_income\_array.income\_array} {year} | {projected\_income} | {weighted\_income} | {discounted\_income} {/report.export\_tables.antenna\_income\_array.income\_array} |
|  |  | **NPV:** | **{report.export\_tables.antenna\_income\_array.npv}** |

{/report.export\_vars.miscIncomeWriteup.antenna.key}

## Vacancy and Collection Loss

Our review of occupancy rates of comparable sites (including our comparable sales) indicates an occupancy rate range between 96% and 100%, while Reis reports the local rate near 97% to 98%. The subject is currently {report.export\_vars.occupancy\_rate} occupied. Based on {report.property\_information.address}’s current and historical operating results, macro market conditions, and investor expectations, a {report.export\_vars.residentialVCRate} residential vacancy and collection loss will be applied. {#report.export\_vars.miscIncomeWriteup.vcWriteup.key}

{report.export\_vars.miscIncomeWriteup.vcWriteup.value}{/report.export\_vars.miscIncomeWriteup.vcWriteup.key}

## 

## Effective Gross Income Summary

Effective Gross Income

|  |  |
| --- | --- |
| {-w:tr report.export\_tables.pgi.income}{title} | {value}{/report.export\_tables.pgi.income} |
| **Potential Gross Income** | **{report.export\_tables.pgi.potentialGrossIncome}** |
| {-w:tr report.export\_tables.pgi.vcLoss}{title} | {value}{/report.export\_tables.pgi.vcLoss} |
| **Effective Gross Income** | **{report.export\_tables.pgi.effectiveGrossIncome}** |

## Operating Expense Analysis

{report.export\_vars.operatingExpenseAnalysisWriteup}

**{#report.export\_tables.expense\_history.show}{report.export\_tables.expense\_history.title}**

|  |  |
| --- | --- |
|  | **{-w:tc report.export\_tables.expense\_history.columns}{title}{/report.export\_tables.expense\_history.columns}** |
| **Gross Revenue** | **{-w:tc report.export\_tables.expense\_history.columns}{expense.grossRevenue}{/report.export\_tables.expense\_history.columns}** |
| Total Operating Expenses | {-w:tc report.export\_tables.expense\_history.columns}{/report.export\_tables.expense\_history.columns} |
| Real Estate Taxes | {-w:tc report.export\_tables.expense\_history.columns}{expense.realEstateTaxes}{/report.export\_tables.expense\_history.columns} |
| Insurance | {-w:tc report.export\_tables.expense\_history.columns}{expense.insurance}{/report.export\_tables.expense\_history.columns} |
| Electric | {-w:tc report.export\_tables.expense\_history.columns}{expense.electric}{/report.export\_tables.expense\_history.columns} |
| Fuel | {-w:tc report.export\_tables.expense\_history.columns}{expense.fuel}{/report.export\_tables.expense\_history.columns} |
| Water and Sewer | {-w:tc report.export\_tables.expense\_history.columns}{expense.waterAndSewer}{/report.export\_tables.expense\_history.columns} |
| Repairs and Maintenance | {-w:tc report.export\_tables.expense\_history.columns}{expense.repairsAndMaintenance}{/report.export\_tables.expense\_history.columns} |
| Payroll | {-w:tc report.export\_tables.expense\_history.columns}{expense.payroll}{/report.export\_tables.expense\_history.columns} |
| Replacement Reserves | {-w:tc report.export\_tables.expense\_history.columns}{expense.replacementReserves}{/report.export\_tables.expense\_history.columns} |
| Management & Administration Fees | {-w:tc report.export\_tables.expense\_history.columns}{expense.managementAdministrationFees}{/report.export\_tables.expense\_history.columns} |
| **Total Operating Expenses (Excl. Taxes)** | **{-w:tc report.export\_tables.expense\_history.columns}{expense.totalOperatingExpenses}{/report.export\_tables.expense\_history.columns}** |
|  | **{-w:tc report.export\_tables.expense\_history.columns}{title}{/report.export\_tables.expense\_history.columns}** |
| Operating Expenses PSF | {-w:tc report.export\_tables.expense\_history.columns}{/report.export\_tables.expense\_history.columns} |
| Real Estate Taxes | {-w:tc report.export\_tables.expense\_history.columns}{expensePSF.realEstateTaxes}{/report.export\_tables.expense\_history.columns} |
| Insurance | {-w:tc report.export\_tables.expense\_history.columns}{expensePSF.insurance}{/report.export\_tables.expense\_history.columns} |
| Electric | {-w:tc report.export\_tables.expense\_history.columns}{expensePSF.electric}{/report.export\_tables.expense\_history.columns} |
| Fuel | {-w:tc report.export\_tables.expense\_history.columns}{expensePSF.fuel}{/report.export\_tables.expense\_history.columns} |
| Water and Sewer | {-w:tc report.export\_tables.expense\_history.columns}{expensePSF.waterAndSewer}{/report.export\_tables.expense\_history.columns} |
| Repairs and Maintenance | {-w:tc report.export\_tables.expense\_history.columns}{expensePSF.repairsAndMaintenance}{/report.export\_tables.expense\_history.columns} |
| Payroll | {-w:tc report.export\_tables.expense\_history.columns}{expensePSF.payroll}{/report.export\_tables.expense\_history.columns} |
| Replacement Reserves | {-w:tc report.export\_tables.expense\_history.columns}{expensePSF.replacementReserves}{/report.export\_tables.expense\_history.columns} |
| Management & Administration Fees | {-w:tc report.export\_tables.expense\_history.columns}{expensePSF.managementAdministrationFees}{/report.export\_tables.expense\_history.columns} |
| **Total Operating Expenses PSF (Excl. Taxes)** | **{-w:tc report.export\_tables.expense\_history.columns}{ expensePSF.totalOperatingExpenses }{/report.export\_tables.expense\_history.columns}** |
|  | **{-w:tc report.export\_tables.expense\_history.columns}{title}{/report.export\_tables.expense\_history.columns}** |
| Operating Expenses Per Unit | {-w:tc report.export\_tables.expense\_history.columns}{/report.export\_tables.expense\_history.columns} |
| Real Estate Taxes | {-w:tc report.export\_tables.expense\_history.columns}{expensePerUnit.realEstateTaxes}{/report.export\_tables.expense\_history.columns} |
| Insurance | {-w:tc report.export\_tables.expense\_history.columns}{expensePerUnit.insurance}{/report.export\_tables.expense\_history.columns} |
| Electric | {-w:tc report.export\_tables.expense\_history.columns}{expensePerUnit.electric}{/report.export\_tables.expense\_history.columns} |
| Fuel | {-w:tc report.export\_tables.expense\_history.columns}{expensePerUnit.fuel}{/report.export\_tables.expense\_history.columns} |
| Water and Sewer | {-w:tc report.export\_tables.expense\_history.columns}{expensePerUnit.waterAndSewer}{/report.export\_tables.expense\_history.columns} |
| Repairs and Maintenance | {-w:tc report.export\_tables.expense\_history.columns}{expensePerUnit.repairsAndMaintenance}{/report.export\_tables.expense\_history.columns} |
| Payroll | {-w:tc report.export\_tables.expense\_history.columns}{expensePerUnit.payroll}{/report.export\_tables.expense\_history.columns} |
| Replacement Reserves | {-w:tc report.export\_tables.expense\_history.columns}{expensePerUnit.replacementReserves}{/report.export\_tables.expense\_history.columns} |
| Management & Administration Fees | {-w:tc report.export\_tables.expense\_history.columns}{expensePerUnit.managementAdministrationFees}{/report.export\_tables.expense\_history.columns} |
| **Total Operating Expenses Per Unit (Excl. Taxes)** | **{-w:tc report.export\_tables.expense\_history.columns}{ expensePerUnit.totalOperatingExpenses }{/report.export\_tables.expense\_history.columns}** |

**{/report.export\_tables.expense\_history.show}Comparable Operating Expenses**

|  |  |  |
| --- | --- | --- |
| **Address** | **{-w:tc report.export\_tables.expense\_comps.properties}{title}{/report.export\_tables.expense\_comps.properties}** | **Average** |
| SF: | {-w:tc report.export\_tables.expense\_comps.properties}{sqft}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.sqft} |
| Units: | {-w:tc report.export\_tables.expense\_comps.properties}{units}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.units} |
| **Operating Expenses** | {-w:tc report.export\_tables.expense\_comps.properties} {/report.export\_tables.expense\_comps.properties} |  |
| Insurance | {-w:tc report.export\_tables.expense\_comps.properties}{insurance}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.insurance} |
| Electric | {-w:tc report.export\_tables.expense\_comps.properties}{electric}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.electric} |
| Fuel | {-w:tc report.export\_tables.expense\_comps.properties}{fuel}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.fuel} |
| Water & Sewer | {-w:tc report.export\_tables.expense\_comps.properties}{waterSewer}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.waterSewer} |
| Repairs & Maintenance | {-w:tc report.export\_tables.expense\_comps.properties}{repairsMaintenance}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.repairsMaintenance} |
| Payroll | {-w:tc report.export\_tables.expense\_comps.properties}{payroll}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.payroll} |
| Miscellaneous | {-w:tc report.export\_tables.expense\_comps.properties}{misc}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.misc} |
| Management & Administration | {-w:tc report.export\_tables.expense\_comps.properties}{mgmt}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.mgmt} |
| Total Operating Expenses | {-w:tc report.export\_tables.expense\_comps.properties}{total}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.total} |
| **Operating Expenses PSF** | {-w:tc report.export\_tables.expense\_comps.properties} {/report.export\_tables.expense\_comps.properties} |  |
| Insurance | {-w:tc report.export\_tables.expense\_comps.properties}{insuranceSf}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.insuranceSf} |
| Electric | {-w:tc report.export\_tables.expense\_comps.properties}{electricSf}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.electricSf} |
| Fuel | {-w:tc report.export\_tables.expense\_comps.properties}{fuelSf}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.fuelSf} |
| Water & Sewer | {-w:tc report.export\_tables.expense\_comps.properties}{waterSewerSf}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.waterSewerSf} |
| Repairs & Maintenance | {-w:tc report.export\_tables.expense\_comps.properties}{repairsMaintenanceSf}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.repairsMaintenanceSf} |
| Payroll | {-w:tc report.export\_tables.expense\_comps.properties}{payrollSf}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.payrollSf} |
| Miscellaneous | {-w:tc report.export\_tables.expense\_comps.properties}{miscSf}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.miscSf} |
| Management & Administration | {-w:tc report.export\_tables.expense\_comps.properties}{mgmtSf}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.mgmtSf} |
| Total Operating Expenses | {-w:tc report.export\_tables.expense\_comps.properties}{totalSf}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.totalSf} |
| **Operating Expenses Per Unit** | {-w:tc report.export\_tables.expense\_comps.properties} {/report.export\_tables.expense\_comps.properties} |  |
| Insurance | {-w:tc report.export\_tables.expense\_comps.properties}{insuranceUnit}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.insuranceUnit} |
| Electric | {-w:tc report.export\_tables.expense\_comps.properties}{electricUnit}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.electricUnit} |
| Fuel | {-w:tc report.export\_tables.expense\_comps.properties}{fuelUnit}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.fuelUnit} |
| Water & Sewer | {-w:tc report.export\_tables.expense\_comps.properties}{waterSewerUnit}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.waterSewerUnit} |
| Repairs & Maintenance | {-w:tc report.export\_tables.expense\_comps.properties}{repairsMaintenanceUnit}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.repairsMaintenanceUnit} |
| Payroll | {-w:tc report.export\_tables.expense\_comps.properties}{payrollUnit}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.payrollUnit} |
| Miscellaneous | {-w:tc report.export\_tables.expense\_comps.properties}{miscUnit}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.miscUnit} |
| Management & Administration | {-w:tc report.export\_tables.expense\_comps.properties}{mgmtUnit}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.mgmtUnit} |
| Total Operating Expenses | {-w:tc report.export\_tables.expense\_comps.properties}{totalUnit}{/report.export\_tables.expense\_comps.properties} | {report.export\_tables.expense\_comps.average.totalUnit } |

Estimated Operating Expenses

Our stabilized annual expense forecast is presented:

**Real Estate Taxes**

{report.export\_vars.forecastedExpenses.realEstate}

**Insurance**

{report.export\_vars.forecastedExpenses.insurance}

Insurance

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **{report.export\_tables.estimated\_operating\_expenses.insurance.heading}** |  | **Low** | **Average** | **High** |
| {-w:tr report.export\_tables.estimated\_operating\_expenses.insurance.hasLatest}{report.export\_tables.estimated\_operating\_expenses.insurance.latest} | {report.export\_tables.estimated\_operating\_expenses.insurance.projected} |  |  | {/report.export\_tables.estimated\_operating\_expenses.insurance.hasLatest} |
| Comparable |  | {report.export\_tables.estimated\_operating\_expenses.insurance.comparables.low} | {report.export\_tables.estimated\_operating\_expenses.insurance.comparables.avg} | {report.export\_tables.estimated\_operating\_expenses.insurance.comparables.max} |
| Appraiser | {report.export\_tables.estimated\_operating\_expenses.insurance.appraiser} |  |  |  |

**Utilities – Electricity and Fuel**

{report.export\_vars.forecastedExpenses.electricityFuel}

Electricity

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **{report.export\_tables.estimated\_operating\_expenses.electric.heading}** |  | **Low** | **Average** | **High** |
| {-w:tr report.export\_tables.estimated\_operating\_expenses.electric.hasLatest}{report.export\_tables.estimated\_operating\_expenses.electric.latest} | {report.export\_tables.estimated\_operating\_expenses.electric.projected} |  |  | {/report.export\_tables.estimated\_operating\_expenses.electric.hasLatest} |
| Comparable |  | {report.export\_tables.estimated\_operating\_expenses.electric.comparables.low} | {report.export\_tables.estimated\_operating\_expenses.electric.comparables.avg} | {report.export\_tables.estimated\_operating\_expenses.electric.comparables.max} |
| Appraiser | {report.export\_tables.estimated\_operating\_expenses.electric.appraiser} |  |  |  |

{report.export\_vars.forecastedExpenses.electricity}

{#report.export\_vars.forecastedExpenses.showFuel}Fuel

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **{report.export\_tables.estimated\_operating\_expenses.fuel.heading}** |  | **Low** | **Average** | **High** |
| {-w:tr report.export\_tables.estimated\_operating\_expenses.fuel.hasLatest}{report.export\_tables.estimated\_operating\_expenses.fuel.latest} | {report.export\_tables.estimated\_operating\_expenses.fuel.projected} |  |  | {/report.export\_tables.estimated\_operating\_expenses.fuel.hasLatest} |
| Comparable |  | {report.export\_tables.estimated\_operating\_expenses.fuel.comparables.low} | {report.export\_tables.estimated\_operating\_expenses.fuel.comparables.avg} | {report.export\_tables.estimated\_operating\_expenses.fuel.comparables.max} |
| Appraiser | {report.export\_tables.estimated\_operating\_expenses.fuel.appraiser} |  |  |  |

{report.export\_vars.forecastedExpenses.fuel}

{report.export\_vars.forecastedExpenses.electricityGas}

Utilities - Electricity and Fuel

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PSF Summary** |  | **Low** | **Average** | **High** |
| {-w:tr report.export\_tables.estimated\_operating\_expenses.electricityAndFuel.hasLatest}{report.export\_tables.estimated\_operating\_expenses.electricityAndFuel.latest} | {report.export\_tables.estimated\_operating\_expenses.electricityAndFuel.projected} |  |  | {/report.export\_tables.estimated\_operating\_expenses.electricityAndFuel.hasLatest} |
| Comparable |  | {report.export\_tables.estimated\_operating\_expenses.electricityAndFuel.comparables.low} | {report.export\_tables.estimated\_operating\_expenses.electricityAndFuel.comparables.avg} | {report.export\_tables.estimated\_operating\_expenses.electricityAndFuel.comparables.max} |
| Appraiser | {report.export\_tables.estimated\_operating\_expenses.electricityAndFuel.appraiser} |  |  |  |

**{/report.export\_vars.forecastedExpenses.showFuel}Water and Sewer**

{report.export\_vars.forecastedExpenses.waterSewer}

Water and Sewer

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **{report.export\_tables.estimated\_operating\_expenses.water\_sewer.heading}** |  | **Low** | **Average** | **High** |
| {-w:tr report.export\_tables.estimated\_operating\_expenses.water\_sewer.hasLatest}{report.export\_tables.estimated\_operating\_expenses.water\_sewer.latest} | {report.export\_tables.estimated\_operating\_expenses.water\_sewer.projected} |  |  | {/report.export\_tables.estimated\_operating\_expenses.water\_sewer.hasLatest} |
| Comparable |  | {report.export\_tables.estimated\_operating\_expenses.water\_sewer.comparables.low} | {report.export\_tables.estimated\_operating\_expenses.water\_sewer.comparables.avg} | {report.export\_tables.estimated\_operating\_expenses.water\_sewer.comparables.max} |
| Appraiser | {report.export\_tables.estimated\_operating\_expenses.water\_sewer.appraiser} |  |  |  |

**Repairs and Maintenance**

{report.export\_vars.forecastedExpenses.repairsMaintenance}

Repairs and Maintenance

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **{report.export\_tables.estimated\_operating\_expenses.repairs\_maintenance.heading}** |  | **Low** | **Average** | **High** |
| {-w:tr report.export\_tables.estimated\_operating\_expenses.repairs\_maintenance.hasLatest}{report.export\_tables.estimated\_operating\_expenses.repairs\_maintenance.latest} | {report.export\_tables.estimated\_operating\_expenses.repairs\_maintenance.projected} |  |  | {/report.export\_tables.estimated\_operating\_expenses.repairs\_maintenance.hasLatest} |
| Comparable |  | {report.export\_tables.estimated\_operating\_expenses.repairs\_maintenance.comparables.low} | {report.export\_tables.estimated\_operating\_expenses.repairs\_maintenance.comparables.avg} | {report.export\_tables.estimated\_operating\_expenses.repairs\_maintenance.comparables.max} |
| Appraiser | {report.export\_tables.estimated\_operating\_expenses.repairs\_maintenance.appraiser} |  |  |  |

**Payroll**

{report.export\_vars.forecastedExpenses.payroll}

Payroll

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **{report.export\_tables.estimated\_operating\_expenses.payroll.heading}** |  | **Low** | **Average** | **High** |
| {-w:tr report.export\_tables.estimated\_operating\_expenses.payroll.hasLatest}{report.export\_tables.estimated\_operating\_expenses.payroll.latest} | {report.export\_tables.estimated\_operating\_expenses.payroll.projected} |  |  | {/report.export\_tables.estimated\_operating\_expenses.payroll.hasLatest} |
| Comparable |  | {report.export\_tables.estimated\_operating\_expenses.payroll.comparables.low} | {report.export\_tables.estimated\_operating\_expenses.payroll.comparables.avg} | {report.export\_tables.estimated\_operating\_expenses.payroll.comparables.max} |
| Appraiser | {report.export\_tables.estimated\_operating\_expenses.payroll.appraiser} |  |  |  |

**Replacement Reserves**

{report.export\_vars.forecastedExpenses.reserves}

Replacement Reserves

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **{report.export\_tables.estimated\_operating\_expenses.reserves.heading}** |  | **Low** | **Average** | **High** |
| {-w:tr report.export\_tables.estimated\_operating\_expenses.reserves.hasLatest}{report.export\_tables.estimated\_operating\_expenses.reserves.latest} | {report.export\_tables.estimated\_operating\_expenses.reserves.projected} |  |  | {/report.export\_tables.estimated\_operating\_expenses.reserves.hasLatest} |
| Comparable |  | {report.export\_tables.estimated\_operating\_expenses.reserves.comparables.low} | {report.export\_tables.estimated\_operating\_expenses.reserves.comparables.avg} | {report.export\_tables.estimated\_operating\_expenses.reserves.comparables.max} |
| Appraiser | {report.export\_tables.estimated\_operating\_expenses.reserves.appraiser} |  |  |  |

**Miscellaneous and Administration**

{report.export\_vars.forecastedExpenses.misc}

Miscellaneous and Administration

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **{report.export\_tables.estimated\_operating\_expenses.misc.heading}** |  | **Low** | **Average** | **High** |
| {-w:tr report.export\_tables.estimated\_operating\_expenses.misc.hasLatest}{report.export\_tables.estimated\_operating\_expenses.misc.latest} | {report.export\_tables.estimated\_operating\_expenses.misc.projected} |  |  | {/report.export\_tables.estimated\_operating\_expenses.misc.hasLatest} |
| Comparable |  | {report.export\_tables.estimated\_operating\_expenses.misc.comparables.low} | {report.export\_tables.estimated\_operating\_expenses.misc.comparables.avg} | {report.export\_tables.estimated\_operating\_expenses.misc.comparables.max} |
| Appraiser | {report.export\_tables.estimated\_operating\_expenses.misc.appraiser} |  |  |  |

**Management Fee**

{report.export\_vars.forecastedExpenses.managementFees}

Management Fee

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **{report.export\_tables.estimated\_operating\_expenses.management\_fees.heading}** |  | **Low** | **Average** | **High** |
| {-w:tr report.export\_tables.estimated\_operating\_expenses.management\_fees.hasLatest}{report.export\_tables.estimated\_operating\_expenses.management\_fees.latest} | {report.export\_tables.estimated\_operating\_expenses.management\_fees.projected} |  |  | {/report.export\_tables.estimated\_operating\_expenses.management\_fees.hasLatest} |
| Comparable |  | {report.export\_tables.estimated\_operating\_expenses.management\_fees.comparables.low} | {report.export\_tables.estimated\_operating\_expenses.management\_fees.comparables.avg} | {report.export\_tables.estimated\_operating\_expenses.management\_fees.comparables.max} |
| Appraiser | {report.export\_tables.estimated\_operating\_expenses.management\_fees.appraiser} |  |  |  |

Stabilized Income and Expenses

|  |  |  |  |
| --- | --- | --- | --- |
| **Pro Forma** | **$** | **PSF** | **Per Unit** |
| **Income** |  |  |  |
| {-w:tr report.export\_tables.pro\_forma\_table.income.rows}{title} | {price} | {psf} | {perUnit}{/report.export\_tables.pro\_forma\_table.income.rows} |
| **Potential Gross Income** | {report.export\_tables.pro\_forma\_table.potentialGrossIncome.price} | {report.export\_tables.pro\_forma\_table.potentialGrossIncome.psf} | {report.export\_tables.pro\_forma\_table.potentialGrossIncome.perUnit} |
| {-w:tr report.export\_tables.pro\_forma\_table.loss.rows}{title} | {price} | {psf} | {perUnit}{/report.export\_tables.pro\_forma\_table.loss.rows} |
| **Effective Gross Income** | {report.export\_tables.pro\_forma\_table.effectiveGrossIncome.price} | {report.export\_tables.pro\_forma\_table.effectiveGrossIncome.psf} | {report.export\_tables.pro\_forma\_table.effectiveGrossIncome.perUnit} |
| **Operating Expenses** |  |  |  |
| {-w:tr report.export\_tables.pro\_forma\_table.operatingExpenses.rows}{title} | {price} | {psf} | {perUnit}{/report.export\_tables.pro\_forma\_table.operatingExpenses.rows} |
| **Total Operating Expenses** | {report.export\_tables.pro\_forma\_table.totalOperatingExpenses.price} | {report.export\_tables.pro\_forma\_table.totalOperatingExpenses.psf} | {report.export\_tables.pro\_forma\_table.totalOperatingExpenses.perUnit} |
|  |  |  |  |
| *Total Expenses Excluding RE Taxes* | *{report.export\_tables.pro\_forma\_table.totalExpensesExcludingRETaxes.price}* | *{report.export\_tables.pro\_forma\_table.totalExpensesExcludingRETaxes.psf}* | *{report.export\_tables.pro\_forma\_table.totalExpensesExcludingRETaxes.perUnit}* |
|  |  |  |  |
| **Net Operating Income** | **{report.export\_tables.pro\_forma\_table.netOperatingIncome.price}** | **{report.export\_tables.pro\_forma\_table.netOperatingIncome.psf}** | **{report.export\_tables.pro\_forma\_table.netOperatingIncome.perUnit}** |
| Operating Expense Ratio | {report.export\_tables.pro\_forma\_table.operatingExpenseRatio.value} |  |  |

**Total Operating Expenses**

{report.export\_vars.forecastedExpenses.total}

Income Capitalization

The method of capitalization employed in this report is the mortgage‑equity technique commonly referred to as the Akerson formula of the Ellwood method. This technique considers the return of equity including any potential appreciation or depreciation in property value over the income projection period as well as the effects of financing through mortgage amortization and equity benefits. The following criteria were used to determine the capitalization rate for the subject property.

As previously mentioned, yield capitalization measures a single year's anticipated income in order to determine its capital sum by means of an overall capitalization rate. This appropriate rate considers risk, debt, and equity goal requirements. This analysis relies on existing (or projected) income and market expenses in order to determine annual net operating income levels. The net operating income is capitalized to a present market value.

|  |  |
| --- | --- |
| **Financing** | Lending institutions typically lend at a 70% to 80% loan to value ratio. Interest rates, in a recent period of time, ranged from 4.5% to 5.5% with loan terms at five years and with twenty- to thirty-year payout schedules. We projected a {report.export\_vars.capRate.values.loanToValueRatio} loan to value ratio, a {report.export\_vars.capRate.values.interestRate} interest rate, and a 30-year payout. The mortgage constant is {report.export\_vars.capRate.values.annualConstant}. |
| **Holding Period** | Most investors/purchasers intend to hold a property for a period that typically ranges from five to twenty years. We have selected a period of {report.export\_vars.capRate.values.holdingPeriod} years. |
| **Equity Yield** | This is a competitive rate of return reflecting the inherent risks, illiquidity, potential benefits, and availability of tax shelter of property ownership relative to prospective rates of return for alternative investment opportunities. Typical investors require a rate of return for investment quality property such as the subject which is greater than the safe or "risk-less" rates offered for long-term treasury notes and bonds or high-grade corporate bonds. The difference between an investor's required rate of return and the safe rate is basically the premium necessary to compensate the investor for the added risks of lack of liquidity offered by a real estate investment.   |  |  | | --- | --- | | **Survey of Competitive Rates** |  | | {#report.export\_tables.competitiveRates}{name} | {value}{/report.export\_tables.competitiveRates} |   Source: Federal Reserve Statistical Release  The Federal Funds Rate is a foundational rate determining the cost of funds by Federal Reserve banks to depository institutions.  The Prime Rate is a base rate posted by large banks for loans to corporations. It is a rate for business loans to banks' most creditworthy customers. It is no longer a lending rate per se, but a base rate from which other rates are adjusted.  The 10- and the 30-year Treasury Bonds are long-term obligations that are guaranteed by the federal government.  Corporate Bonds with AAA credit exhibit a minimal amount of risk.  Municipal Bonds are free of tax liabilities and, therefore, the return is typically less than investment opportunities that are taxable.  In selecting an appropriate yield rate, we have considered the foregoing yields as well as the property's location, age, and condition relative to competing properties. In the development of the yield rate for the subject property, consideration was given to the risk, liquidity, and the time and expense of asset management inherent with income-producing property investment. The summation approach was utilized to account for yield expectations associated with these investment considerations as applied to a leased fee property. A 3% basic rate was used based on the return exhibited by the rates reflective of a “safe” alternative investment. The safe rate is adjusted for asset management, liquidity, and risk, resulting in a {report.export\_vars.capRate.values.equityYieldRate} equity yield rate.  Two other sources of anticipatory yield rates are provided by the PwC Real Estate and the Real Estate Research Corporations' (R.E.R.C.) investment surveys which summarize expected rates of return, including capitalization rates and income and expense growth rates, from a representative sample of institutional investors. The rates reflect acceptable expectations of yields desired by investors currently in the marketplace.   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Survey** | **Type of Product** | **IRR** | | | | PwC | National Apartment | {report.export\_vars.investorSurveys.surveys.pwc.irr\_min} | to | {report.export\_vars.investorSurveys.surveys.pwc.irr\_max} | | {report.export\_vars.investorSurveys.pwc.report\_date} | Market | {report.export\_vars.investorSurveys.surveys.pwc.irr\_avg} | average | | |  |  |  |  |  | | R.E.R.C. | National Apartment | {report.export\_vars.investorSurveys.surveys.rerc.irr\_min} | to | {report.export\_vars.investorSurveys.surveys.rerc.irr\_max} | | {report.export\_vars.investorSurveys.rerc.report\_date} | Market | {report.export\_vars.investorSurveys.surveys.rerc.irr\_avg} | average | |   For investment grade residential properties, the real estate investment surveys range from {report.export\_vars.investorSurveys.surveys.irr.min} to {report.export\_vars.investorSurveys.surveys.irr.max}, with an average discount rate between {report.export\_vars.investorSurveys.surveys.irr.minAvg} and {report.export\_vars.investorSurveys.surveys.irr.maxAvg}, which supports the built up method indicator. Our equity yield rate is marginally higher than average property yields due to the additional risk associated with the equity position. |
| **Change in Value** | The subject property is located in a {report.export\_vars.changeInValue} residential area. Therefore, we have concluded at an increase of {report.export\_vars.capRate.values.appreciationOverTerm} over the holding period. |

Using these components, calculation of the capitalization rate is presented:

Capitalization Rate Calculation

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **{report.export\_tables.ellwood.title}** | | | | | | | | | | | | | | | | | | | | | | |
| Loan to value ratio | | | | | | |  |  | | | | | | | | {report.export\_tables.ellwood.loanToValueRatio} | | |  |  | | |
| Interest Rate | |  | | | | |  |  | | | | | | | | {report.export\_tables.ellwood.interestRate} | | |  |  | | |
| Term (years payout) | | | | | | |  |  | | | | | | | | {report.export\_tables.ellwood.term} | | |  |  | | |
| Annual Constant | |  | | | | |  |  | | | | | | | | {report.export\_tables.ellwood.annualConstant} | | |  |  | | |
| Equity Yield Rate | |  | | | | |  |  | | | | | | | | {report.export\_tables.ellwood.equityYieldRate} | | |  |  | | |
| Holding Period | |  | | | | |  |  | | | | | | | | {report.export\_tables.ellwood.holdingPeriod} | | |  |  | | |
| Appreciation Over Term | | | | | | |  |  | | | | | | | | {report.export\_tables.ellwood.appreciationOverTime} | | |  |  | | |
|  |  | | | | | |  |  | | | | | | | |  | | |  |  | | |
| Development of Capitalization Rate | | | | | | | | | | | | | | | | | | | | | | |
| Mortgage Funds | | | {report.export\_tables.ellwood.developmentOfCapRate.mortgageFunds.ltv} | | | | | | | | | x | {report.export\_tables.ellwood.developmentOfCapRate.mortgageFunds.annualConstant} | | | |  | | = | | | {report.export\_tables.ellwood.developmentOfCapRate.mortgageFunds.total} |
| Equity Funds | | | {report.export\_tables.ellwood.developmentOfCapRate.equityFunds.equityFunds} | | | | | | | | | x | {report.export\_tables.ellwood.developmentOfCapRate.equityFunds.equityYieldRate} | | | |  | | = | | | {report.export\_tables.ellwood.developmentOfCapRate.equityFunds.total} |
|  | | |  | | | | | | | | |  |  | | | |  | |  | | |  |
| Weighted Rate | | |  | | | | | | | | |  |  | | | |  | |  | | | {report.export\_tables.ellwood.developmentOfCapRate.weightedRate} |
|  | | |  | | | | | | | | |  |  | | | |  | |  | | |  |
| Less Adjustment for Mortgage Amortization | | | | | | | | | | | | | |  |  | | |  | | |  | |
| {report.export\_tables.ellwood.developmentOfCapRate.lessAdjustmentForMortgageAmoritization.a} | | | | | | | | | x | | {report.export\_tables.ellwood.developmentOfCapRate.lessAdjustmentForMortgageAmoritization.ltv} | | | x | {report.export\_tables.ellwood.developmentOfCapRate.lessAdjustmentForMortgageAmoritization.b} | | | = | | | {report.export\_tables.ellwood.developmentOfCapRate.lessAdjustmentForMortgageAmoritization.total} | |
| Basic Rate | | | | | | | | |  | |  | | |  |  | | |  | | | {report.export\_tables.ellwood.developmentOfCapRate.basicRate} | |
| Less Adjustment for Appreciation | | | | | | | | | | |  | | |  |  | | |  | | |  | |
| {report.export\_tables.ellwood.developmentOfCapRate.lessAdjustmentForAppreciation.appreciation} | | | | | | | | | | x | {report.export\_tables.ellwood.developmentOfCapRate.lessAdjustmentForAppreciation.b} | | |  |  | | | = | | | {report.export\_tables.ellwood.developmentOfCapRate.lessAdjustmentForAppreciation.total } | |
|  | | | | | | | | | |  |  | | |  |  | | |  | | |  | |
| *Capitalization Rate* | | | | | | | | | | |  | | |  |  | | |  | | | *{report.export\_tables.ellwood.developmentOfCapRate.capitalizationRate}* | |
|  | | | |  |  |  | | | | | | | | |  | | |  | | |  | |
| **(Rounded To)** | | | |  |  |  | | | | | | | | |  | | |  | | | **{report.export\_tables.ellwood.developmentOfCapRate.roundedTo}** | |

The Ellwood method of developing an overall capitalization rate suggests a rate of {report.export\_vars.ellwoodCapRate}.

Comparable Overall Rates

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **#** | **Address** | **Property Type** | **Sale Date** | **Cap Rate** |
| {-w:tr report.export\_tables.comparable\_overall\_rate.rows}{number} | {address} | {propertyType} | {saleDate} | {capRate} {/report.export\_tables.comparable\_overall\_rate.rows} |
|  |  |  | Average: | {report.export\_tables.comparable\_overall\_rate.average.value} |

We analyzed sales of comparable {report.exportMixedUse.propertyTypeLowercase} assets within the subject’s periphery and they exhibit overall capitalization rates from {report.export\_vars.investorSurveys.comps.min} to {report.export\_vars.investorSurveys.comps.max} with an average of {report.export\_vars.investorSurveys.comps.avg}.

The PwC Real Estate and Real Estate Research Corporation's investment surveys summarize the expectations of institutional investors. As indicated, the going-in capitalization rates range from {report.export\_vars.investorSurveys.surveys.compared.min} to {report.export\_vars.investorSurveys.surveys.compared.max}, with an average between {report.export\_vars.investorSurveys.surveys.compared.minAvg} and {report.export\_vars.investorSurveys.surveys.compared.maxAvg}.

|  |  |  |  |
| --- | --- | --- | --- |
| **Survey** | **Overall Cap Rate** | | |
| PwC | {report.export\_tables.capRateSurvey.pwc.min} | to | {report.export\_tables.capRateSurvey.pwc.max} |
| {report.export\_tables.capRateSurvey.pwc.date} | {report.export\_tables.capRateSurvey.pwc.avg} | average | |
|  |  |  |  |
| R.E.R.C. | {report.export\_tables.capRateSurvey.rerc.min} | to | {report.export\_tables.capRateSurvey.rerc.max} |
| {report.export\_tables.capRateSurvey.rerc.date} | {report.export\_tables.capRateSurvey.rerc.avg} | average | |
|  |  |  |  |
| Comparable Sales | {report.export\_vars.investorSurveys.comps.min} | to | {report.export\_vars.investorSurveys.comps.max} |
|  | {report.export\_vars.investorSurveys.comps.avg} | average | |
|  |  |  |  |
| Developed Rate | {report.export\_tables.capRateSurvey.developedRate} |  |  |

The RERC survey shows a downward trend in going in capitalization rates since January 2010 as is illustrated in the chart below:

{report.exportMixedUse.propertyTypeTitlecase} Building Yield Trends



Source: RERC

**Capitalization Rate Conclusion**

{#report.export\_vars.capRate.cap\_rate\_writeups}

{paragraph}

{/report.export\_vars.capRate.cap\_rate\_writeups}

Calculation Of Value

|  |  |
| --- | --- |
| {#report.export\_tables.calculationOfValue.dataRows}{label} | {value}{/report.export\_tables.calculationOfValue.dataRows} |
| **Final Value Opinion (Rounded)** | **{report.export\_tables.calculationOfValue.finalValueRounded}** |

Value Via the Income Approach

"As Is"

{report.export\_vars.inspection\_date}

{report.export\_vars.incomeApproachConclusion}

# SALES COMPARISON APPROACH

In the Sales Comparison Approach, an opinion of market value is advanced by comparing the subject property to transactions of competitive assets. A major premise is the principle of substitution which holds market value is directly related to the prices of comparable properties as a knowledgeable investor will pay no more for a substitute.

The procedure involved in this Approach is to research the market for sales of improved properties which are comparable, select appropriate units of comparison, adjust the sale prices to the subject, and then reconcile the range of adjusted sale prices into an opinion of value.

Unit of Comparison

In order to analyze comparable sales, it is necessary to convert the sale prices to an appropriate unit of comparison, a process which facilitates price comparisons between properties of different sizes, and it also enables adjustment for qualitative differences. Since investors typically purchase apartment buildings in terms of value {report.export\_vars.salesConclusionUnit}, we have applied this unit of comparison.

Comparable Sales

{%report.sales\_comps.map\_url}

{#report.export\_tables.sales\_comps.columns}

Comparable Sale {saleNo}: {address}

{%url}

|  |  |
| --- | --- |
| **SALE NO:** | **{saleNo}** |
| **LOCATION:** | {address} |
|  | {city}, {state} |
| **BLOCK/LOT:** | {blockLot} |
| **SITE AREA (SF):** | {siteArea} |
| **GBA (ABOVE GRADE):** | {gbaAboveGrade} |
| **NUMBER OF UNITS:** | {numberOfUnits} |
| **PROPERTY DESCRIPTION:** | {propertyDescription} |
| **SALE DATE:** | {saleDate} |
| **YEAR BUILT:** | {yearBuilt} |
| **GRANTOR:** | {grantor} |
| **GRANTEE:** | {grantee} |
| **SALE PRICE:** | {salePrice} |
| **PRICE PER {perUnit}:** | {pricePerUnit} |
| **NOI:** | {noi} |
| **CAP RATE:** | {capRate} |

{/report.export\_tables.sales\_comps.columns}

Comparable Sales Summary{#report.export\_tables.sales\_summary\_table}{#perUnit}

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Address | Sale Date | Unit | Sale Price | Sale Price Per Unit | NOI Per Unit |
| {-w:tr rows} {number } | {address } | {date} | {units} | {salePrice} | {salePricePerUnit} | {noiPerUnit}{/rows} |

{/perUnit}{^perUnit}

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Address | Sale Date | SF | Sale Price | Sale Price Per SF | NOI Per SF |
| {-w:tr rows} {number } | {address } | {date} | {sf} | {salePrice} | {salePricePerSquareFoot} | {noiPerSquareFoot}{/rows} |

{/perUnit}{/report.export\_tables.sales\_summary\_table}

Adjustments for the comparable sales have been considered based on comparison to the subject for financing terms, conditions of sale, market conditions (time), income level (if applicable), location, size, utility, and age/condition.

|  |  |
| --- | --- |
| **Property Rights Appraised** | {report.sales\_comps.categoryWriteups.propertyRights} |
| **Financing Terms** | {report.sales\_comps.categoryWriteups.financingTerms} |
| **Conditions of Sale** | {report.sales\_comps.categoryWriteups.conditionsOfSale} |
| **Market Conditions (Time)** | {report.export\_vars.salesReconciliation.time} |
| **Location** | {report.export\_vars.salesReconciliation.location} |

|  |  |
| --- | --- |
| **Size** | {report.export\_vars.salesReconciliation.size} |
| {#report.sales\_comps.temper!==0}**Cash Flow Characteristics** | We have compared the subject’s NOI with the comparables, and then adjusted properties upward/downward based on a {report.sales\_comps.temper}% factor to account for the value-add nature of investing in higher/lower NOI buildings, and the possibility of net income spikes due to de-stabilization. The subject’s NOI was calculated to be {report.export\_vars.sales\_comps\_stats.noi} {report.export\_vars.salesConclusionUnit}. The adjustments were derived as follows:   |  |  |  | | --- | --- | --- | | **Sale** | **Implied NOI Per {report.export\_tables.noi\_adjustment.units}** | **Adjustment** | | {-w:tr report.export\_tables.noi\_adjustment.rows}{sale} | {impliedNOIPerUnit} | {adjustment}{/report.export\_tables.noi\_adjustment.rows} |   *\*Please note that the above adjustments are displayed in rounded form; all calculations are based on unrounded amounts.*  We emphasize that these adjustments are approximations and are not intended to represent exact dollar for dollar adjustments.{/report.sales\_comps.temper!==0} |
| **Utility** | {#report.export\_vars.salesReconciliation.utility}{intro}  {factors}  {#hasCorner}  **Corner:** {corner}{/hasCorner}{#hasFinishes}  **Finishes:** {finishes}{/hasFinishes}{#hasElevator}  **Elevator:** {elevator}{/hasElevator}{#hasAmenities}  **Amenities:** {amenities}{/hasAmenities}{#hasAirRights}  **AirRights:** {airRights}{/hasAirRights}{#hasNoAdjustment}  {noAdjustment}{/hasNoAdjustment}  {/report.export\_vars.salesReconciliation.utility}  No other utility adjustments were necessary and the net adjustments are presented in the adjustment grid below. |
| **Condition** | {report.export\_vars.salesReconciliation.condition} |

Comparable Sales Adjustment Grid{#report.export\_tables.sales\_adjustment\_table}

|  |  |
| --- | --- |
| **Sale #** | **{-w:tc columns}{saleNumber}{/columns}** |
| **Address:** | {-w:tc columns}{address}{/columns} |
| **Sale Date:** | {-w:tc columns}{saleDate}{/columns} |
| **No. Units** | {-w:tc columns}{noUnits}{/columns} |
| **Sale Price:** | {-w:tc columns}{salePrice}{/columns} |
| **Price {unit}:** | **{-w:tc columns}{pricePer}{/columns}** |
| **Property Rights:** | {-w:tc columns}{propertyRights}{/columns} |
| **Financing Terms:** | {-w:tc columns}{financingTerms}{/columns} |
| **Conditions of Sale:** | {-w:tc columns}{conditionsOfSale}{/columns} |
| **Market Conditions (Time):** | {-w:tc columns}{marketConditions}{/columns} |
| **Trended Price {unit}:** | **{-w:tc columns}{trendedPrice}{/columns}** |
| **Location:** | {-w:tc columns}{location}{/columns} |
| **Size:** | {-w:tc columns}{size}{/columns} |
| **Income Level:** | {-w:tc columns}{incomeLevel}{/columns} |
| **Utility:** | {-w:tc columns}{utility}{/columns} |
| **Condition:** | {-w:tc columns}{condition}{/columns} |
| **Total Adjustments:** | **{-w:tc columns}{totalAdjustments}{/columns}** |
| **Adjusted Price {unit}:** | **{-w:tc columns}{adjustedPrice}{/columns}** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **UNADJUSTED** | |  |  | **ADJUSTED** |
| **LOW:** | **{unadjusted.low}** |  | **LOW** | **{adjusted.low}** |
| **HIGH** | **{unadjusted.high}** |  | **HIGH** | **{adjusted.high}** |
| **AVERAGE** | **{unadjusted.average}** |  | **AVERAGE** | **{adjusted.average}** |
| **MEDIAN** | **{unadjusted.median}** |  | **MEDIAN** | **{adjusted.median}** |

{/report.export\_tables.sales\_adjustment\_table}

Reconciliation

All adjustments are percentages. A positive adjustment indicates an inferior characteristic to subject. A negative adjustment indicates a superior characteristic to subject.

The indicated unadjusted range of the comparable sales is from {report.export\_tables.sales\_adjustment\_table.unadjusted.low} {report.export\_vars.salesConclusionUnit} to {report.export\_tables.sales\_adjustment\_table.unadjusted.high} {report.export\_vars.salesConclusionUnit}, with an average of {report.export\_tables.sales\_adjustment\_table.unadjusted.average} {report.export\_vars.salesConclusionUnit} and a median of {report.export\_tables.sales\_adjustment\_table.unadjusted.median} {report.export\_vars.salesConclusionUnit}. After adjustments, the comparable sales exhibited a range between {report.export\_tables.sales\_adjustment\_table.adjusted.low} {report.export\_vars.salesConclusionUnit} and {report.export\_tables.sales\_adjustment\_table.adjusted.high} {report.export\_vars.salesConclusionUnit} with an average of {report.export\_tables.sales\_adjustment\_table.adjusted.average} {report.export\_vars.salesConclusionUnit} and a median of {report.export\_tables.sales\_adjustment\_table.adjusted.median} {report.export\_vars.salesConclusionUnit}. Thus, considering the elements of comparison noted above, our opinion of market value is {report.export\_tables.value\_per\_unit.saleValueConclusion} {report.export\_vars.salesConclusionUnit}; calculated:

**{#report.export\_tables.value\_per\_unit}{#perUnit}Value Per Unit**

|  |  |
| --- | --- |
| Concluded Value Per Unit | {saleValueConclusion} |
| Units | {units} |
| Value | {value} |
| {#antenna}Antenna NPV | {amount}{/antenna} |
| {#addReTaxBenefits}Add Tax Benefit | {amount}{/addReTaxBenefits} |
| **Final Value Opinion (RD)** | **{finalValueRounded}** |

**{/perUnit}{^perUnit}Value Per Square Foot**

|  |  |
| --- | --- |
| Concluded Value Per Square Foot | {saleValueConclusion} |
| Square Footage | {units} |
| Value | {value} |
| {#antenna}Antenna NPV | {amount}{/antenna} |
| {#addReTaxBenefits}Add Tax Benefit | {amount}{/addReTaxBenefits} |
| **{#finalIndicatedValue}Final Indicated Value** | **{amount}{/finalIndicatedValue}** |
| **Final Value Opinion (RD)** | **{finalValueRounded}** |

{/perUnit}{/report.export\_tables.value\_per\_unit}

**Sales Comparison Approach**

"As Is"

{report.export\_vars.inspection\_date}

{report.export\_tables.value\_per\_unit.finalValueRounded }

# RECONCILIATION AND FINAL VALUE opinion

The estimated values arrived at by the approaches to value used in this report are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Approach** | **Value** | **Date** | **Conclusion** |
| Cost Approach | Market Value "As Is" | {report.export\_tables.final\_values\_table.costApproach.date} | {report.export\_tables.final\_values\_table.costApproach.conclusion} |
| Income Approach | Market Value "As Is" | {report.export\_tables.final\_values\_table.incomeApproach.date } | {report.export\_vars.incomeApproachConclusion} |
| Sales Approach | Market Value "As Is" | {report.export\_tables.final\_values\_table.salesApproach.date} | {report.export\_tables.final\_values\_table.salesApproach.conclusion} |

The Cost Approach is traditionally a good indicator of value when properties being appraised are new or close to new. {report.property\_information.address} was constructed in {report.property\_information.yearBuilt} and has notable physical and economic depreciation. The difficulty in credibly isolating the influence of these factors on value affects the reliability of this approach. Along this line, investors typically give nominal weight to this analysis since the asset is operating on a stabilized basis and its cost bears little relationship to the value. Therefore, as a result of the limited use of this approach, it has not been applied.

The Income Approach is a strong indicator of value when market rents, vacancy rates, stabilized expenses, capitalization/discount rates are based on reliable market data. In this case, given the depth of the market, there are numerous transactions from which to glean points of analysis, lending credibility to the results of the approach. Further, given {report.exportMixedUse.propertyTypeLowercase} assets are generally acquired for their capacity to generate a return on and of capital, this is the methodology primarily applied by investors. Balancing these two factors, most weight is placed on the opinion developed by the Income Approach.

The Sales Comparison Approach is reliable when few differences exist between the comparable sales and the subject, and the sales data collected is credible and accurate. Similar property types in competitive locations tend to sell within a consistent range, and this factor makes valuation on a {report.export\_vars.salesReconciliation.basis} basis a strong predictor of value.

The sales used to advance an opinion of value of the subject property were comparable in most respects and were good indicators of value. However, given the physical and/or locational differences of the comparables, required adjustments were made accordingly. Thus, since the quantitative adjustments were largely drawn from elements of the income approach, investors give this analysis less weight. Therefore, the Sales Comparison Approach is largely used as secondary support for our opinion developed in the application of the Income Approach.

Our final value opinion is:

|  |  |  |
| --- | --- | --- |
| **Value** | **Date** | **Conclusion** |
| Market Value "As Is" | {report.export\_tables.final\_value.date} | {report.export\_tables.final\_value.conclusion} |

# ADDENDA

RENT ROLL

LETTER OF ENGAGEMENT

INSURABLE VALUE

CONTINGENT AND LIMITING CONDITIONS

CERTIFICATION

QUALIFICATIONS

LICENSES

## RENT ROLL

{#report.export\_tables.rentRollTable}

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **{title}** | |  | {-w:tc bathrooms}{/bathrooms} | {-w:tc unitSqft}{/unitSqft} | {-w:tc outdoorSpace==true}{/outdoorSpace==true} |  |  |  | {-w:tc unitSqft}{/unitSqft} |
| **#** | **Unit #** | **Rooms** | **Bedrooms** | **{-w:tc bathrooms}Baths{/bathrooms}** | **{-w:tc unitSqft}SF{/unitSqft}** | **{-w:tc outdoorSpace}Outdoor{/outdoorSpace}** | **Comment** | **Monthly Rent** | **Rent / Room** | **{-w:tc unitSqft}Rent / SF{/unitSqft}** |
| {-w:tr rows}{number} | {unit} | {rooms} | {bedrooms} | {-w:tc bathrooms!==false}{bathrooms}{/bathrooms!==false} | {-w:tc sf!==false}{sf}{/sf!==false} | {-w:tc outdoor!==false}{outdoor}{/outdoor!==false} | {comments} | {monthlyRent} | {rentRoom} | {-w:tc rentPsf!==false}{rentPsf} {/rentPsf!==false}{/rows} |
| Totals |  | {totals.rooms} | {totals.bedrooms} | {-w:tc bathrooms}{totals.bathrooms}{/bathrooms} | {-w:tc unitSqft}{totals.sf}{/unitSqft} | {-w:tc outdoorSpace}{/outdoorSpace} |  | {totals.monthlyRent} | {totals.rentPerRoom} | {-w:tc unitSqft}{totals.rentPsf}{/unitSqft} |
| Annual | |  |  | {-w:tc bathrooms}{/bathrooms} | {-w:tc unitSqft}{/unitSqft} | {-w:tc outdoorSpace}{/outdoorSpace} |  | {annual.monthlyRent} |  | {-w:tc unitSqft}{/unitSqft} |

{/report.export\_tables.rentRollTable}

## LETTER OF ENGAGEMENT

[engagement\_letter]

## INSURABLE VALUE

{#report.export\_tables.insurable\_value}

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **{apartments.title}** | | | | | | | | | | |
|  |  |  | | |  | | | |  | |
| Base Unit Cost New PSF |  |  | | |  | | | {apartments.baseUnitCostNewPSF} | | |
| Add Sprinklers |  |  | | | + | | {apartments.addSprinklers} | | | |
| Adjusted Base Unit Cost New PSF |  |  | | |  | | {apartments.adjustedBaseUnitCostNewPsf} | | | |
| Current Cost Multiplier |  | {apartments.currentCostMultiplier} | | |  | |  | | | |
| Height Multiplier |  | {apartments.heightMultiplier} | | |  | |  | | | |
| Local Multiplier | x | {apartments.localMultiplier} | | |  | |  | | | |
| Total Multiplier |  |  | | | x | | {apartments.totalMultiplier} | | | |
| Adjusted Replacement Cost New PSF |  |  | | |  | | {apartments.adjustedReplacementCostNewPsf} | | | |
| Area |  |  | | | x | | {apartments.area} | | | |
| **Replacement Cost New** |  |  | | |  | | **{apartments.replacementCostNew}** | | | |
|  |  |  | | |  | |  | | | |
| **{basements.title}** | | | | | | | | | | |
|  | | |  |  | |  | | | |  |
| Base Unit Cost New PSF | | |  |  | |  | | | | {basements.baseUnitCostNewPSF} |
| Add Sprinklers | | |  |  | | + | | | | {basements.addSprinklers} |
| Adjusted Base Unit Cost PSF | | |  |  | |  | | | | {basements.adjustedBaseUnitCostNewPsf} |
| Current Cost Multiplier | | |  | {basements.currentCostMultiplier} | |  | | | |  |
| Local Multiplier | | | x | {basements.localMultiplier} | |  | | | |  |
| Total Multiplier | | |  |  | | x | | | | {basements.totalMultiplier} |
| Adjusted Replacement Cost New PSF | | |  |  | |  | | | | {basements.adjustedReplacementCostNewPsf} |
| Area | | |  |  | | x | | | | {basements.area} |
| Replacement Cost New | | |  |  | |  | | | | {basements.replacementCostNew} |
|  | | |  |  | |  | | | |  |
| **Total Replacement Cost New** | | |  |  | |  | | | | **{totalReplacementCostNew}** |
|  | | |  |  | |  | | | |  |
| **Exclusions** | | |  |  | |  | | | |  |
| Excavation | | |  | {exclusions.excavation.multiplier} | |  | | | | {exclusions.excavation.value} |
| Foundations | | |  | {exclusions.foundations.multiplier} | |  | | | | {exclusions.foundations.value} |
| Site Work | | |  | {exclusions.siteWork.multiplier} | |  | | | | {exclusions.siteWork.value} |
| Site Improvements | | |  | {exclusions.siteImprovements.multiplier} | |  | | | | {exclusions.siteImprovements.value} |
| Architect’s Fees | | |  | {exclusions.architectFees.multiplier} | |  | | | | {exclusions.architectFees.value} |
| Underground Piping | | |  | {exclusions.undergroundPiping.multiplier} | |  | | | | {exclusions.undergroundPiping.value} |
| **TOTAL EXCLUSIONS** | | |  |  | | - | | | | {totalExclusions.value} |
| Indicated Insurable Value | | | |  | |  | | | | {indicatedInsurableValue} |
| **Rounded:** | | |  |  | |  | | | | **{rounded}** |

{/report.export\_tables.insurable\_value}

## CONTINGENT AND LIMITING CONDITIONS

## CERTIFICATION

## LICENSES

{%report.export\_vars.appraiserInfo.leadAppraiser.license.cdnUrl}

1. *The Appraisal of Real Estate, Appraisal Institute, Eleventh Edition 2000, page 23* [↑](#footnote-ref-1)
2. *12 U.S.C. 3350(5) (FIRREA section 1121(5)* [↑](#footnote-ref-2)
3. *The Appraisal of Real Estate,* 12th edition(Chicago, IL: Appraisal Institute 2005): 493 [↑](#footnote-ref-3)
4. *The Appraisal of Real Estate,* 12th edition(Chicago, IL: Appraisal Institute 2005): 493 [↑](#footnote-ref-4)
5. The detailed rent roll is attached in the addenda. [↑](#footnote-ref-5)