

# Draft



## Project Opportunity Analysis

JOHN BURNS  
REAL ESTATE CONSULTING

[REDACTED]  
Waxahachie, TX

Prepared For [REDACTED]

February 1, 2023

# Table of Contents



3	Introduction	43	Future Rental Supply
4	Executive Summary	47	Rental Market Trends
7	Subject Recommendations	59	Demographics
14	Competitive Positioning	68	Economic and Housing Market Trends
32	Single-Family Rental Comparison	81	Appendix
35	Location and Property Analysis	82	Limiting Conditions

# Introduction



## Background

Subject	Proposed 114-unit single-family Build-to-Rent (“BTR”) community in paired-home configuration on approximately 12.3 net developable acres.
Location	Waxahachie, Ellis County, TX (Dallas Metropolitan Division “Dallas MDiv”, Dallas-Fort Worth-Arlington MSA, Ellis County submarket) at [REDACTED]
Setting	Residential, neighborhood services, retail, commercial, and undeveloped land.
Objective	Analyze and recommend unit mix, rents, and lease-up rates for the Subject.

## Methodology

Subject / Mkt.	Review Subject information and visit the site. Identify and survey actively leasing nearby BTR and apartment comps and “stand-alone” single-family rental leases near the Subject in Waxahachie and the surrounding area. Compile and analyze macro-economic, housing market, and demographic data and trends.
Survey Period	January 2023

## Authors and Contact

Bryan Lawrence 214-808-4831  
[blawrence@jbrec.com](mailto:blawrence@jbrec.com)

Jay Creighton 806-282-8682  
[jcreighton@jbrec.com](mailto:jcreighton@jbrec.com)

## Assumptions

We assume that the Subject will have:

- market-rate homes with sizes, types and features provided by the Client and as analyzed by JBREC;
- exterior materials and design elements of the same general quality and appeal as new market-rate Class A apartments, townhomes, and for-sale homes in the area;
- community amenities provided by the Client and described in this report, substantially completed prior to first move-in;
- advertising and marketing efforts with a strong internet presence generating qualified shopper traffic;
- a virtual leasing program with internet site that allows renters to tour floorplans and dialogue with a leasing agent on-line;
- an on-site leasing office open seven days a week at the start of pre-lease (projected 3Q24) with experienced leasing agent(s) familiar with the local market and at least one model home;
- 24/7 professional on-site property management and onsite maintenance; and
- move-in ready homes by 3Q24.

Failure to meet these conditions could adversely impact achievable rental rates and/or lease-up rates.

*This assignment's scope did not include a detailed examination of proposed supply. Our pricing and lease-up recommendations assume competition during the Subject's lease-up will be similar to today's competition. Limiting Conditions*

**Market Risk.** Rapid inflation, higher mortgage rates, volatility in the stock market, and declining consumer confidence has slowed the housing markets across the country. The for-sale market has experienced slow demand, falling home prices and less traffic. While the rental market remains healthy, we note a slowing trend in some locations – lower occupancy rates, a drop in asking rents, and the re-introduction of concessions including in some stabilized communities. A snapshot of the rental market today is strong, but we do forecast slowing demand as a result of a US economic downturn.

# Executive Summary



# Executive Summary - Overview

Based on the Subject's location, multifamily and single-family rental home demand, and favorable demographic trends, JBREC believes that the Subject offers a good opportunity for a community of single-family rental paired homes. The Subject community is in Waxahachie, TX, at [REDACTED]

The Subject is a ±30-minute drive to downtown Dallas.

Bessie Coleman BTR		Subject BTR	
Product	Units	114	
	Product Type	SF Paired-Homes	
	Parking	AG, Open	
	Unit SqFt Range	828-1,311	
	Average Unit SqFt	1,118	
Rates	Avg Base Rent	\$2,220	10' ceilings Hardwood-style LVT flooring
	Avg Base Rent/SF	\$1.99	Stainless steel appliances Refrigerator with icemaker
	● Avg Premium	\$22	Full-size washer/dryer Rear/side yards
	● Avg Concession	(\$185)	Granite/Quartz countertops
	Avg Total Eff. Rent	\$2,057	
	Avg Total Eff. Rent/SF	\$1.84	
	● Avg Mandatory Fees	\$53	
	Avg Total Eff. Rent + Mand. Fees	\$2,110	
Lease-up	Leases/Mo.	10	Resort-style pool Leasing & amenity center
	Lease Up (Mos)	11	Clubhouse w/ fitness center Package locker system
	Stabilization	95%	Dog park Walking trail
	Stabilization Date	May-25	
	Rent Δ	Remainder 2023 2024 2025 2026	
		0.9% 3.0% 4.6% 0.0%	
Best Support	High occupancy in Submarket		
Biggest Risk	Future supply of rental units relative to growth of renters in the Subject's submarket		

**Product.** A 114-unit rental community with single-family BTR paired homes. The homes will be in attached configuration with five floor plans ranging from 828 to 1,311 square feet. The one-bedroom homes will be one story and the two- and three-bedroom homes will be two story.

**Features.** We assumed in our rents and lease-up rates, that the BTR homes will include the following features and finishes, many of which are typical of market-rate Class A apartments:

10' ceilings	Hardwood-style LVT flooring
Stainless steel appliances	Refrigerator with icemaker
Full-size washer/dryer	Rear/side yards
Granite/Quartz countertops	

**Amenities.** We assumed in our rents and target lease-up that the following amenities for the Subject community will be substantially completed prior to first move-in (Q3 2024):

Resort-style pool	Leasing & amenity center
Clubhouse w/ fitness center	Package locker system
Dog park	Walking trail

**Service levels,** including property management and on-site maintenance, have a significant impact on achievable rents and lease-up rates. Our recommended base rental rates and lease-up projections are based on a "full-service" BTR model, including on-site management and 24-hour on-call maintenance, along with yard maintenance (included in base rent). Valet trash, pest control, and package delivery will be included in renter-paid mandatory monthly fees. Fiber infrastructure will also be installed, and tenants will be billed for internet.

Our recommendations assume **concessions** equal to one month's rent will be offered throughout the lease-up period to drive traffic and achieve our target lease-up rate. Concessions are typically removed after stabilization.

# Executive Summary – Key Project Conclusions



We believe the Subject currently represents a good opportunity for the development of a BTR community.

The Subject is in a desirable area, approximately 24 miles outside of downtown Dallas (a ±30-minute drive). The Subject site is at [REDACTED] with easy access to conveniences in Waxahachie.

To serve the local market, we recommend a unit mix of 25% one-bedroom, 39% two-bedroom, and 36% three-bedroom. We note that two of the most proximate comparable communities (Park Place and The Mark on Solon, both multifamily communities) offer only one- and two-bedroom units. The Mark on Conquest, a third proximate comparable that is also viewed as a primary comp, offered only one- and two-bedroom units in Phase I but has 13% three-bedroom units in Phase II (93% occupied). The Townhomes at Bluebonnet Trails (a primary comp), offers larger three- and four-bedroom units. While Townhomes at Bluebonnet Trails reported 74% leased, we believe the Subject's smaller sized three-bedroom unit (1,311 SqFt vs. 1,788 SqFt at The Townhomes at Bluebonnet Trails) is more appropriate for the local market. Therefore, we believe the subject's recommended-unit mix of one-, two-, and three-bedroom units is appropriate.

Of the apartment communities (Class A) within the Dallas Submarket, occupancy is 93.8%. While still high, demand has fallen off slightly in the submarket. We expect the Subject to attract renters from nearby Class A apartments given the BTR nature of the Subject that will offer amenities on par with new Class A apartments. Occupancy among SFR units in Ellis County is 95.1%

JBREC estimates an average lease-up rate of 10 homes per month for the Subject when homes are available for move-in, assuming a competitive supply level similar to today. Our lease-up is predicated on the planned product and rent recommendations, the continued availability of homes ready for occupancy, effective pre-leasing and promotion to drive traffic, and professional on-site leasing agents trained to demonstrate the advantages of living in this rental community vs. stand-alone rental homes. Furthermore, we recommend at least one fully decorated and furnished home open seven days per week.

## Opportunities

- Limited new supply of competitive single-family BTR product in the area.
- Nearby apartments are currently showing strong occupancy, indicating a sizable renter pool for the Subject to target.
- The Subject is in a relatively affordable part of the Dallas MDiv along I-35. The area should continue to attract renters with DFW forecasted to see job growth in 2024 and 2025.

## Challenges

- Household formations surged during and after the COVID-19 pandemic. An economic recession in 2023-2024 could lead to lower rental demand if there is a meaningful reversal in household formations.
- Future competing rental supply could come to market in the area which could negatively impact rent positioning or lease-up rates for the Subject.

# Subject Recommendations



# Detailed Recommendations: Single-Family homes

**Base Rental Rates:** Base rents are a representative “starting point” intended to represent a unit without a premium for location or proximity to amenities and excluding mandatory fees. We relied on comparable proximate recently-leased apartments and BTR communities near the Subject as the primary basis for recommended base rents. Our primary comps include Park Place, The Mark on Solon, The Mark on Conquest, and Townhomes at Bluebonnet Trails. We compared the Subject to these and six other market comps, adjusted for differences in product type, location, setting, accessibility, age, home sizes, home features, spec levels, parking, and community amenities.

**Concessions:** Our base rents and lease-up projections assume concessions equal to one month’s rent during lease-up. Most comparable projects cease or reduce concessions upon reaching stabilization. Our recommended concessions are in line with nearby communities as well as those observed across the MSA. We believe our recommendation of one month’s rent is appropriate given current concessions offered at five of the competitive communities, as well as to help drive our target lease-up rate. *Concessions should be reevaluated routinely.*

**Premiums:** We estimate that location premiums (e.g., amenities proximate, sites that back to green space, sites with oversized yards) will equal about 1.0% of the base monthly rent. *Premiums should be re-evaluated based on the final site plan and location of amenities throughout the community.*

**Renter Paid Fees:** The total rent (including mandatory fees) in the table below reflects the all-in tenant payment including yard maintenance, amenity, trash valet, pest control, and package delivery. Total rent does not include monthly utilities or internet that would typically be paid for by the tenant. Extra rents for optional items or additional fees may include:

- Non-refundable pet fee of \$300 and pet rent of \$25/pet/mo.
- Fiber internet for \$75/mo.

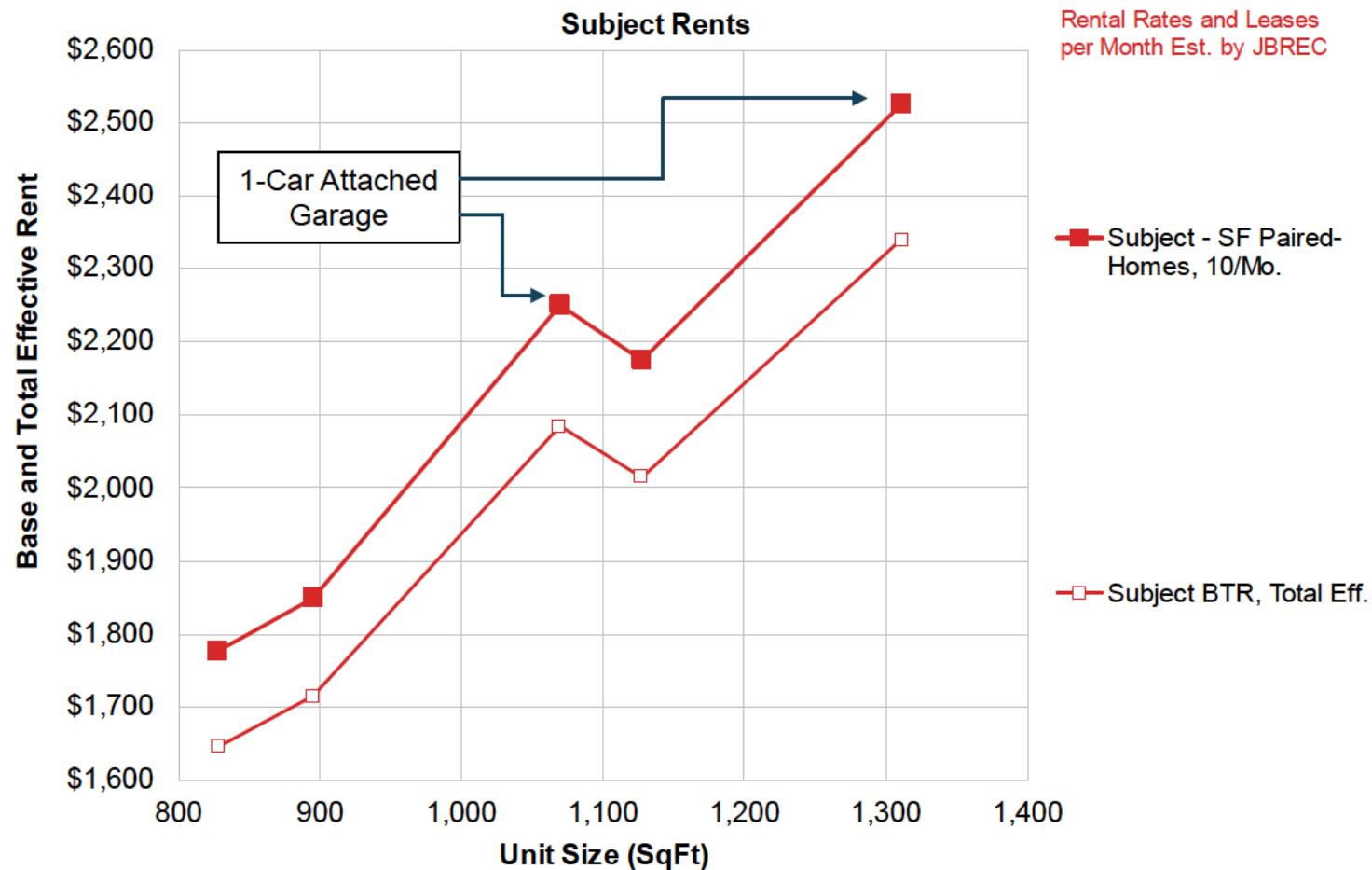
**Lease-up:** Trends observable as of January 2023 suggest lease-up of 10 units per month on average is reasonable for the Subject single-family homes at our recommended (with concession) rents, assuming continued availability of move-in ready units and a competitive supply level similar to today.

BTR				Floor Plan							Rental Recommendations (Monthly)									
				Mix	Size Plan (SqFt)	Bed	Bath	Level	Pkg	Base	\$/SF	Avg Prem	Total Stabilized	Total Concess.	Total Eff. Rent	Mand. Fees	Total Eff. Rent + M. Fees	\$/SF		
<b>Subject BTR</b>																				
Product	SF Paired-Homes	Leasing Starts	Jul-24	11%	13	R	828	1	1.5	1	Open	\$1,775	\$2.14	\$18	\$1,793	(\$148)	\$1,645	\$53	\$1,698	\$2.05
Min Lot/Density	9.3 DU/Ac	Total Units	114	14%	16	C1	895	1	1.5	1	Open	\$1,850	\$2.07	\$19	\$1,869	(\$154)	\$1,714	\$53	\$1,767	\$1.97
Floors	1 & 2	Target Abs. Rate	10.0/mo	14%	16	S2	1,069	2	2.5	2	1-AG	\$2,250	\$2.10	\$23	\$2,273	(\$188)	\$2,085	\$53	\$2,138	\$2.00
Parking	AG-57,Tandem-57, OU-108,Parallel-63	Stabilization	95%	25%	28	C2	1,127	2	2.5	2	Open	\$2,175	\$1.93	\$22	\$2,197	(\$181)	\$2,016	\$53	\$2,069	\$1.84
		Projected	May-25	36%	41	S3	1,311	3	2.5	2	1-AG	\$2,525	\$1.93	\$25	\$2,550	(\$210)	\$2,340	\$53	\$2,393	\$1.83
Utilities in Rent	None																			
Services in Rent	Yard maintenance																			
Appliances in Rent	R/W/D																			
Mandatory Fees	Val Tr (\$30), Pest (\$3), Pkg Delivery (\$20)																			
Other Services	Internet (\$75)																			
		Total/Avg		114		1,118						\$2,220	\$1.99	\$22	\$2,242	(\$185)	\$2,057	\$53	\$2,110	\$1.89

# Subject Positioning



Shown below are the Subject's recommended base rents both with and without recommended premiums and concessions.





# Rent Appreciation

Below we show our rent forecasts for the Dallas MDiv and believe rent growth for Waxahachie, TX will trend similarly. We forecast additional rent growth of 0.9% for the remainder of 2023. We forecast a gradual acceleration in rent growth in 2024 (+3.0%) and 2025 (+4.6%) in the Dallas MDiv. JBREC is not yet forecasting rent change for 2026.

The table below provides JBREC's rent trend forecast for traditional multifamily and single-family rentals in the Dallas MDiv. JBREC believes it is reasonable for BTR community forecasts to be represented as a hybrid of the two based on product and an institutional approach to management. The blended appreciation forecast weights our single-family rental forecast (75%) and our traditional multifamily rent appreciation forecast (25%). Each property features its own unique elements that will influence its performance relative to the market. This analysis should be used for perspective on the direction of market trends.

			Remainder 2023	2024	2025
SFR Rent Appreciation			1.8%	4.0%	5.0%
Apartment Rent Appreciation			-1.8%	0.0%	3.5%
Blended Rent Appreciation			0.9%	3.0%	4.6%
	Units	Avg. Rent	Dec-23	Dec-24	Dec-25
Subject BTR	114	\$2,220	\$2,241	\$2,308	\$2,414
Base/SF	Subject BTR	\$1.99	\$2.00	\$2.06	\$2.16
Premium	Subject BTR	\$22	\$22	\$23	\$24
Concess.	Subject BTR	(\$185)	(\$187)	(\$192)	(\$201)
Total Eff.	Subject BTR	\$2,057	\$2,076	\$2,139	\$2,237
Total Eff./SF	Subject BTR	\$1.84	\$1.86	\$1.91	\$2.00
Monthly Absorption Change			0%	0%	0%
	Units	Leases/Month	2023	2024	2025
Subject BTR	114	10	10.0	10.0	10.0
Potential Lease-Up	Stabilized	Lease-Up Starts			
Subject BTR	108	07/01/24	0	60	48

# Recommendations – Design and Construction



## Interior Features and Finishes

Focus on durable, low-maintenance products throughout the home. We recommend attractive, durable interior finishes that provide long-term cost savings, including granite countertops, hardwood-style LVP flooring, and stainless-steel appliances. We note that most comparable communities in the Subject's submarket do not include washer and dryer in base rent. We have adjusted for this in our grid analysis found later in this report.



## Community Amenities

The community amenities represented by the Client and assumed in our rents are appropriate for the Subject.

Resort-style pool  
Clubhouse w/ fitness center  
Dog park

Leasing & amenity center  
Walking trail  
Package locker system



## Home Design

JBREC believes the Client-provided average unit sizes and bed/bath configurations are appropriate for a BTR program in the Subject's market. Home design elements should consider renters of all ages. The Subject should attract a broad range of renters including singles, young couples, families, and some empty-nesters and retirees.

# Recommendations – Operations



## On-Site Management and On-Site or On-Call Service

While various service models have proven successful, our research indicates that communities with high levels of service, including on-site management and 24-hour maintenance, generally perform the best in terms of lease-up, rental rates, and occupancy. We have assumed these services in our rents and recommend that management implement an online system that allows tenants to pay rent, schedule service, etc.



## Marketing Strategy

Marketing strategy can also impact achievable rents and lease-up rates. We recommend marketing efforts consistent with Class A multifamily strategies, where the Subject is marketed as a community with a leasing office rather than as individual listed units. We assume an aggressive pre-leasing campaign with professional leasing agents on-site seven days a week. Many operators of large rental projects use decorated model homes. They showcase unit fixtures and finishes and help prospective tenants visualize how space can be used. Production units can always be staged with a vignette treatment if needed.



## Allow Pets

We recommend and assume in our rent and lease-up recommendations, that pets will be welcome at the Subject. All the comparable apartment and townhome communities surveyed allow pets. We recommend pet rent of \$25 per month per pet (noting that comparable communities charge between \$20 and \$35 per month). Non-refundable pet fees range from \$300 to \$400 at comparable communities. We recommend a non-refundable pet fee of \$300, though we believe a fee up to \$350 is reasonable. *It is becoming common in some markets to incorporate a Pet DNA database to ensure owners clean up after their pets. We recommend this service be implemented at the Subject.*



## Security Deposit

To reduce upfront out of pocket expenses for tenants and help drive lease-up, we recommend a security deposit of no more than an amount equal to one month's rent (less if possible). JBREC believes that a security deposit requirement of \$500 is appropriate. Many BTR communities check tenant debt-to-income ratio and perform a criminal background check in addition to the standard credit check. A minimum income requirement of 3X monthly rent is typical in the market.



# Other Revenue

JBREC surveyed comparable communities' one-time and monthly fees in order to determine attainable additional fees for the Subject. Comparable optional rents, one-time fees, and deposits are detailed in the Competitive Positioning section later in this report.

- Parking:** JBREC recommends open parking and attached garages (select units) be included in base rents. We recommend charging \$60/mo. for carports.
- Pet Rent:** We recommend charging \$25 per month per pet. The comparables reported pet rent ranging from \$20 to \$35 per month per pet.
- Additional Fees:** We recommend a \$115 application fee and a \$150 administration fee. We also recommend a non-refundable \$300 pet fee (based on most proximate comps). Pet fees range from \$250 to \$400. Note that this is not refundable.
- Deposits:** We recommend a security deposit of \$500. (The amount shown is an average.)

Other Revenue Recommendations		Deposit Recs*	
Optional Rent	One-Time Fees	Deposits	
<b>Subject BTR</b>			
Priv Gar	N/A	App Fee	\$115
Carport	\$60	Admin Fee	\$150
Open Storage	N/A	Pet Fee	\$300
Pet Rent	N/A		
Internet	\$25		
	\$75		

\* Deposits are gross numbers, not net forfeited deposits. Some portion may go back to tenants. Refunded amounts and accounting methods vary. Therefore, "Other Revenue" does not include deposits.

## Optional Additional Rent and One-Time Fee Summary

Community	Product Type	Location	Optional Parking		Other Optional Charges			One-Time Fees			Deposits	
			Priv Gar	Carport	Storage	Pet Rent	Internet	App Fee	Admin Fee	Pet Fee	Security	Pet
Subject BTR	SF Paired-Homes	Waxahachie	N/A	\$60	N/A	\$25	\$75	\$115	\$150	\$300	\$500	
1 Townhomes at Bluebonnet Trails	Townhomes	Waxahachie				\$30		\$50	\$150	\$300		
2 Avilla Traditions	Horizontal Apartments	Grand Prairie	\$165			\$25		\$75	\$300	\$400	\$500-1000	
3 Avilla Heritage	Horizontal Apartments	Grand Prairie	\$165	\$65		\$25		\$75	\$300	\$400	\$500-1000	
4 Avilla Lakeridge	Horizontal Apartments	Arlington	\$150	\$50		\$25		\$75	\$300	\$400	\$500-1000	
5 Wexford Townhomes	Townhomes	Duncanville				\$35		\$75	\$300		\$400	
6 Park Place	Garden-Style Apartments	Waxahachie			\$25-85	\$25		\$100	\$150	\$250	\$200-300	\$250
7 The Mark on Solon	Garden-Style Apartments	Waxahachie	\$150		\$25+	\$20		\$75	\$150	\$300	\$150-\$250	
8 The Mark on Conquest Phase 1	Garden-Style Apartments	Waxahachie	\$175	\$60	\$25-75	\$20		\$75	\$150	\$300	\$150-250	
9 The Mark on Conquest Phase 2	Garden-Style Apartments	Waxahachie	\$150	\$60		\$20		\$75	\$150	\$300	\$150-350	
10 The Ovilla at Legacy Square	Garden-Style Apartments	Red Oak				\$25		\$50	\$150	\$350	\$250	
			Median	\$158	\$60	\$25		\$75	\$150	\$300	\$250	\$325
			Average	\$159	\$59	\$25		\$73	\$210	\$333	\$250	\$325

The background of the slide is a grayscale aerial photograph of a city street. The street is lined with various buildings, including residential houses, larger apartment complexes, and commercial structures. There are several cars parked along the sides of the street and some moving traffic. The overall scene is a typical urban environment.

# Competitive Positioning



# Comparable Communities

We analyzed two townhome communities, three horizontal apartment communities, and four apartment communities within 22 miles of the Subject, outlined and shown below. Our primary comps (map detail on right) consist of The Townhomes at Bluebonnet Trails, Park Place, The Mark on Solon, and The Mark on Conquest, [REDACTED]



# Comparable Communities – Summary



Below we summarize our recommended rents relative to nearby BTR and apartment communities. The primary comps were used in our detailed price adjustment found later in this section. We assume that the Subject will attract renters from nearby apartment communities, so we analyzed nearby Class A, garden-style apartments as comps. Primary apartment comps include Park Place, The Mark on Solon, and the Mark on Conquest. Our primary BTR/Horizontal Apartment comp is Avilla Lakeridge by NexMetro. The Townhomes at Bluebonnet Trails is a primary comp for three-bedroom floor plans. Our average rent recommendation of \$2,220 (base price) is above the competitive set's average of \$1,933 due to the Subject's average unit size and product.

## Project Summary

Community	Product Type	Location	Year		Size (SqFt)	Leased		Avg Base	\$/SF	Avg Prem	Total Concess.	% of Base	Total Eff. Rent	\$/SF	Mand. Fees	Rent		
			Built	Units		/Mo	Leased									+ M. Fees	\$/SF	
Subject BTR	SF Paired-Homes	Waxahachie	2021	114	1,118	10		\$2,220	\$1.99	\$22	(\$185)	(8.3%)	\$2,057	\$1.84	\$53	\$2,110	\$1.89	
1 Townhomes at Bluebonnet Trails	Townhomes	Waxahachie	2021	114	1,811	6	74%	74%	\$2,692	\$1.49	\$0	\$0	0.0%	\$2,692	\$1.49	\$51	\$2,743	\$1.51
2 Avilla Traditions	Horizontal Apartments	Grand Prairie	2023	218	944	17	61%	57%	\$2,234	\$2.37	\$25	(\$343)	(15.3%)	\$1,916	\$2.03	\$115	\$2,031	\$2.15
3 Avilla Heritage	Horizontal Apartments	Grand Prairie	2020	140	950	12	90%	86%	\$2,044	\$2.15	\$25	(\$208)	(10.2%)	\$1,861	\$1.96	\$115	\$1,976	\$2.08
4 Avilla Lakeridge	Horizontal Apartments	Arlington	2022	170	811	15	86%	85%	\$2,367	\$2.92	\$13	(\$363)	(15.3%)	\$2,016	\$2.49	\$115	\$2,131	\$2.63
5 Wexford Townhomes	Townhomes	Duncanville	1985	122	1,081	N/Av	87%	87%	\$1,853	\$1.71	\$0	\$0	0.0%	\$1,853	\$1.71	\$40	\$1,893	\$1.75
6 Park Place	Garden-Style Apartments	Waxahachie	2019	213	889	17	96%	95%	\$1,520	\$1.71	\$50	(\$21)	(1.4%)	\$1,548	\$1.74	\$25	\$1,573	\$1.77
7 The Mark on Solon	Garden-Style Apartments	Waxahachie	2019	112	848	18	98%	98%	\$1,580	\$1.86	\$50	\$0	0.0%	\$1,630	\$1.92	\$35	\$1,665	\$1.96
8 The Mark on Conquest Phase 1	Garden-Style Apartments	Waxahachie	2020	140	847	22	94%	94%	\$1,572	\$1.86	\$50	(\$60)	(3.8%)	\$1,561	\$1.84	\$35	\$1,596	\$1.88
9 The Mark on Conquest Phase 2	Garden-Style Apartments	Waxahachie	2022	188	903	20	90%	93%	\$1,759	\$1.95	\$50	(\$60)	(3.4%)	\$1,748	\$1.93	\$35	\$1,783	\$1.97
10 The Ovilla at Legacy Square	Garden-Style Apartments	Red Oak	2023	288	901	28	55%	33%	\$1,705	\$1.89	\$17	\$0	0.0%	\$1,722	\$1.91	\$68	\$1,790	\$1.99
			Competitor Median		902	17	89%	87%	\$1,806	\$1.88	\$25	(\$41)	(2.4%)	\$1,801	\$1.92	\$46	\$1,842	\$1.97
			Competitor Average		999	17	83%	80%	\$1,933	\$1.99	\$28	(\$106)	(5.0%)	\$1,855	\$1.90	\$63	\$1,918	\$1.97
			Median (Stabilized)				94%	94%	\$1,580	\$1.86		(\$60)		\$1,630	\$1.92		\$1,665	\$1.96
			Average (Stabilized)				94%	93%	\$1,695	\$1.91		(\$70)		\$1,670	\$1.88		\$1,719	\$1.93

BTR and apartment base rents shown above represent advertised or reported rents (with no additional premiums assumed for the comps) and concessions for a typical lease term of 12 months. When no base-priced unit is available, we seek to obtain the most recent rent for such a unit or the hypothetical rent for one if it were available. The use of lease optimization software can cause prices to change daily.

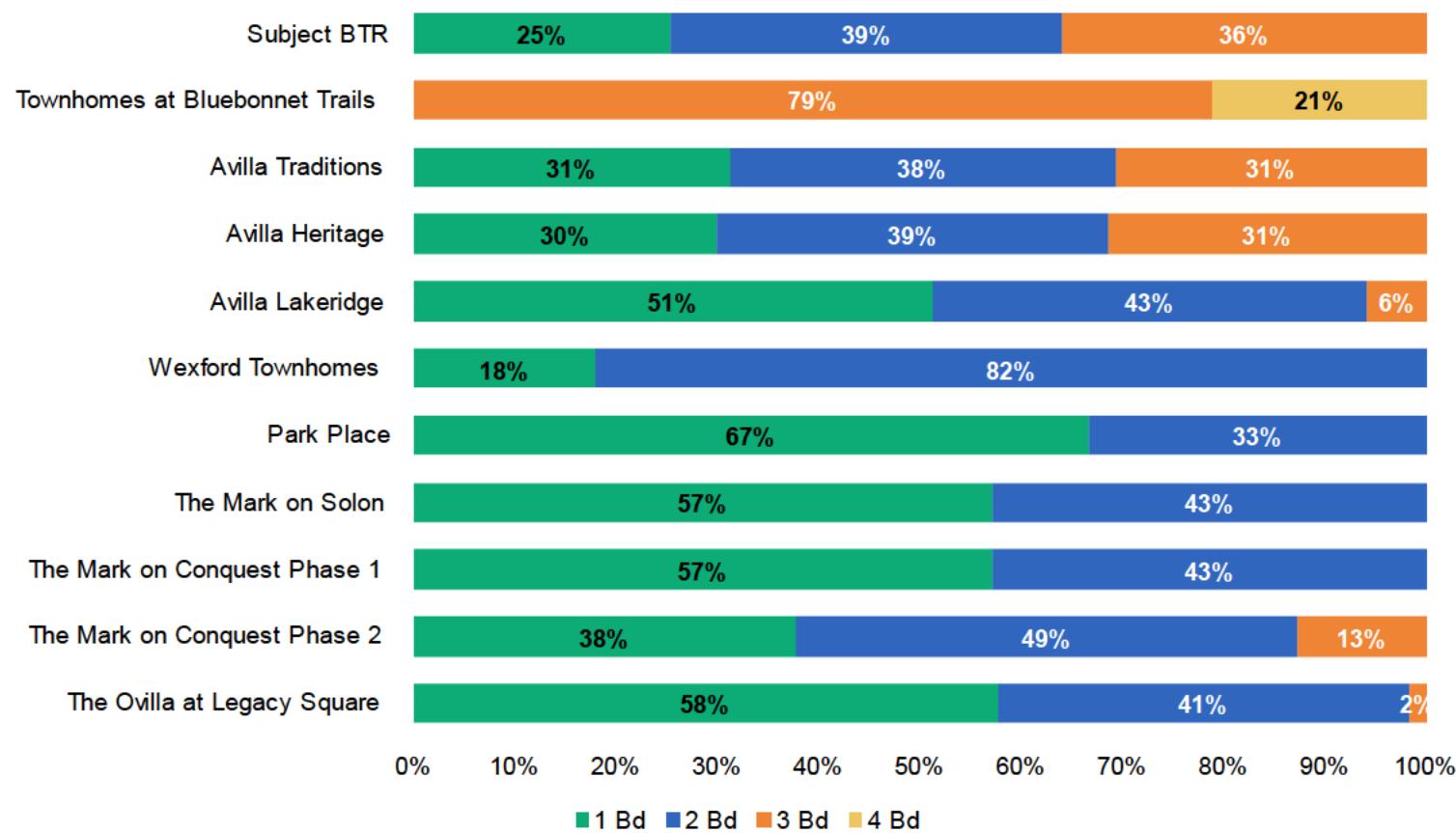
Concessions are assumed to be amortized over the term (typically 12 months).



# BTR and Apartment Comps – Unit Mix

Below is a summary of our recommended bedroom count mix for the Subject relative to nearby BTR and apartment comps. Based on comments from leasing agents and occupancy levels, we believe that two-bedroom units are the sweet spot for a BTR community in the Subject's submarket. We recommend limiting to 25% one-bedroom units due to the planned larger sizes relative to other one-bedroom units in the competitive set. Multiple leasing agents reported unmet demand for two- and three-bedroom units in the area surrounding the Subject. However, we believe that the Subject's three-bedroom units may have to compete against The Townhomes at Bluebonnet Trails' larger three-bedroom units, which have struggled to maintain occupancy. Furthermore, the leasing agent at The Townhomes at Bluebonnet Trails (which offers only three- and four-bedroom units), indicated unmet demand for two-bedroom homes. Therefore, we recommend a unit mix heavier on two-bedroom than one-bedroom units.

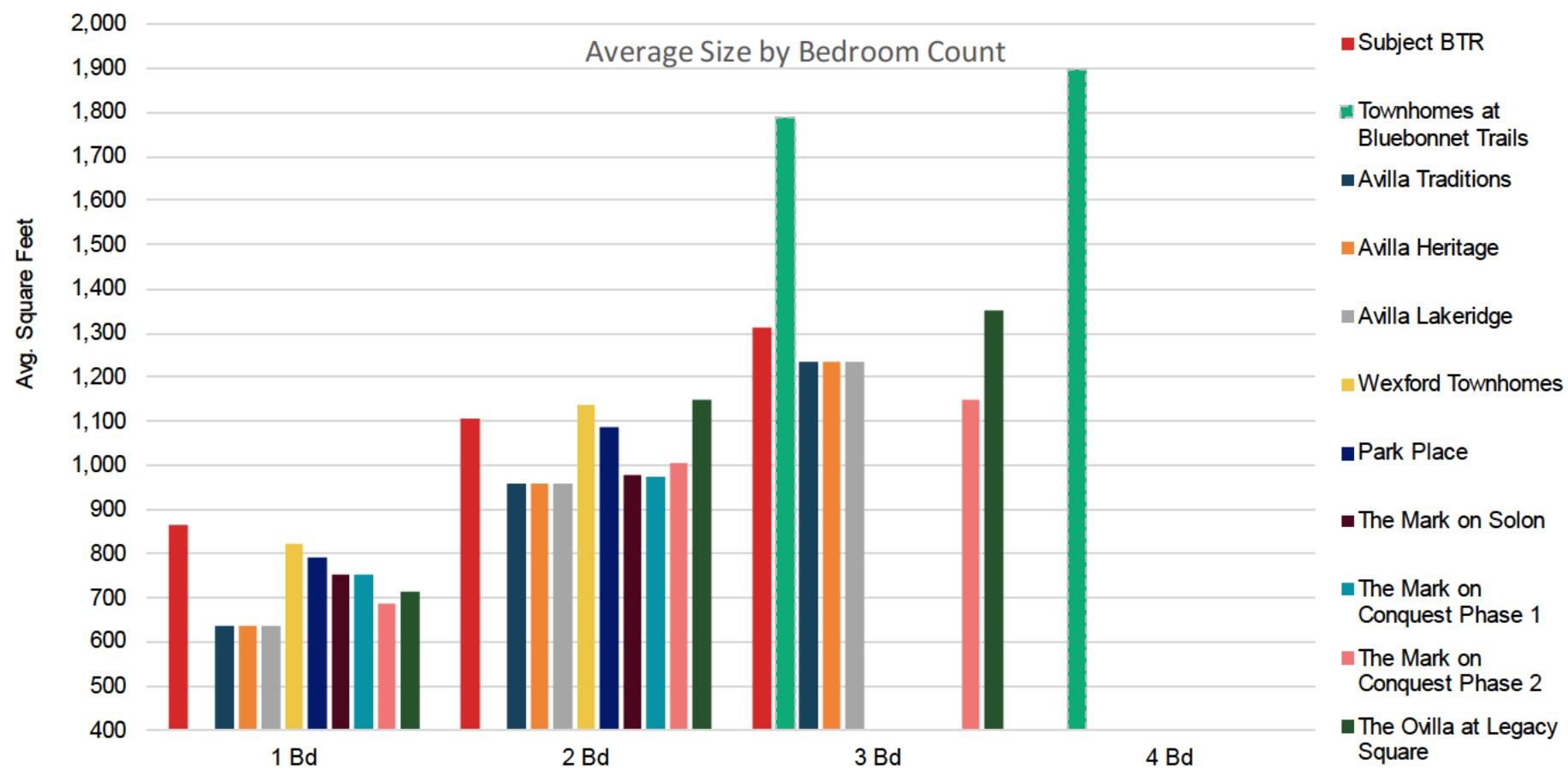
Mix by Bedroom Count



# BTR and Apartment Comps – Avg. Unit Size by Bed Count



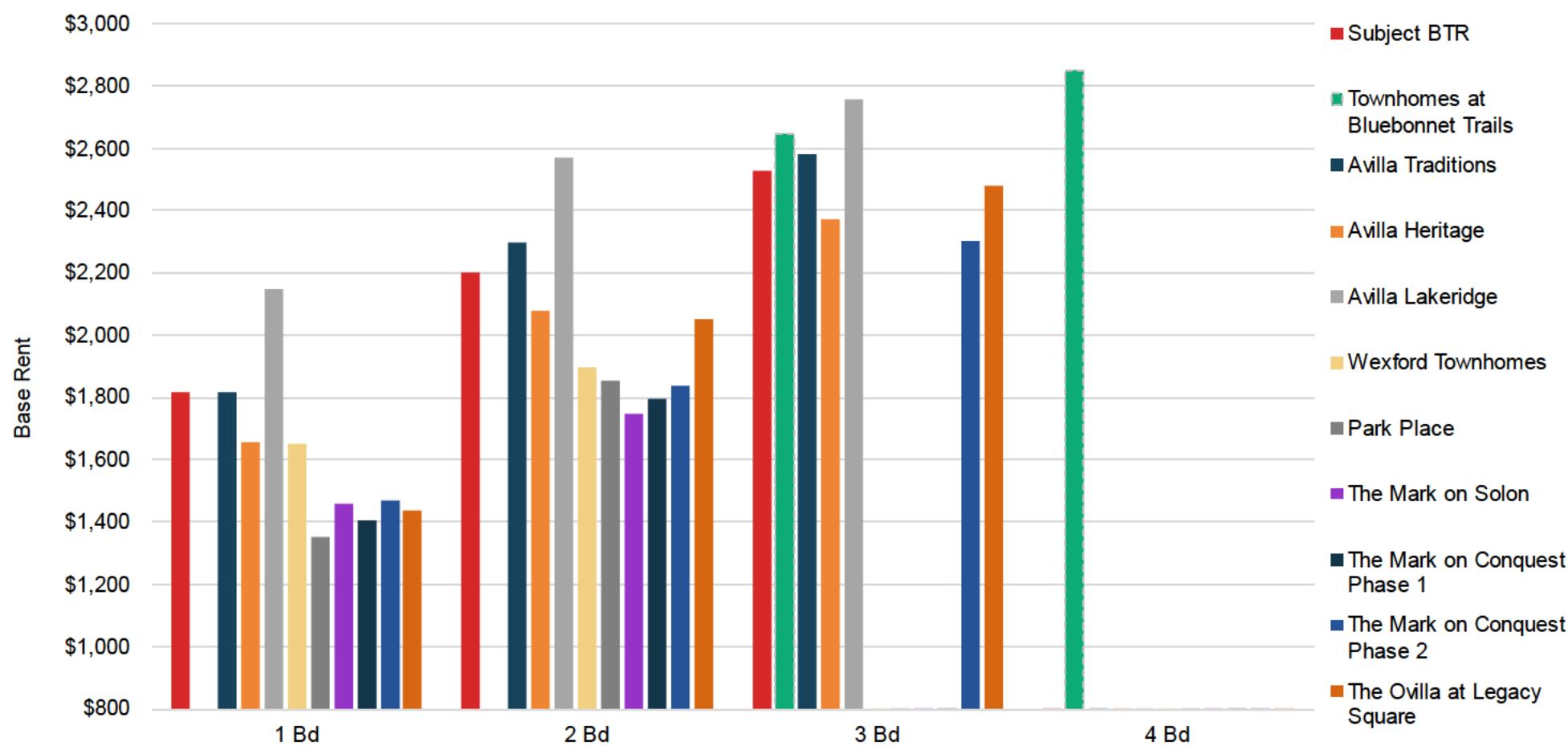
The following reflects average unit size by bedroom count for the BTR and apartment comps as well as the Subject. The Subject's one-bedroom units are larger than any of the competitive set's units on average. The two- and three-bedroom unit sizes are near the top of the competitive set's range, and behind only The Townhomes at Bluebonnet Trails' three-bedroom units. JBREC believes that the Subject's average size and unit count are appropriate to attract the target renters, including couples, young professionals, and small families.





# BTR and Apartment Comps – Avg. Base Rents by Bedroom

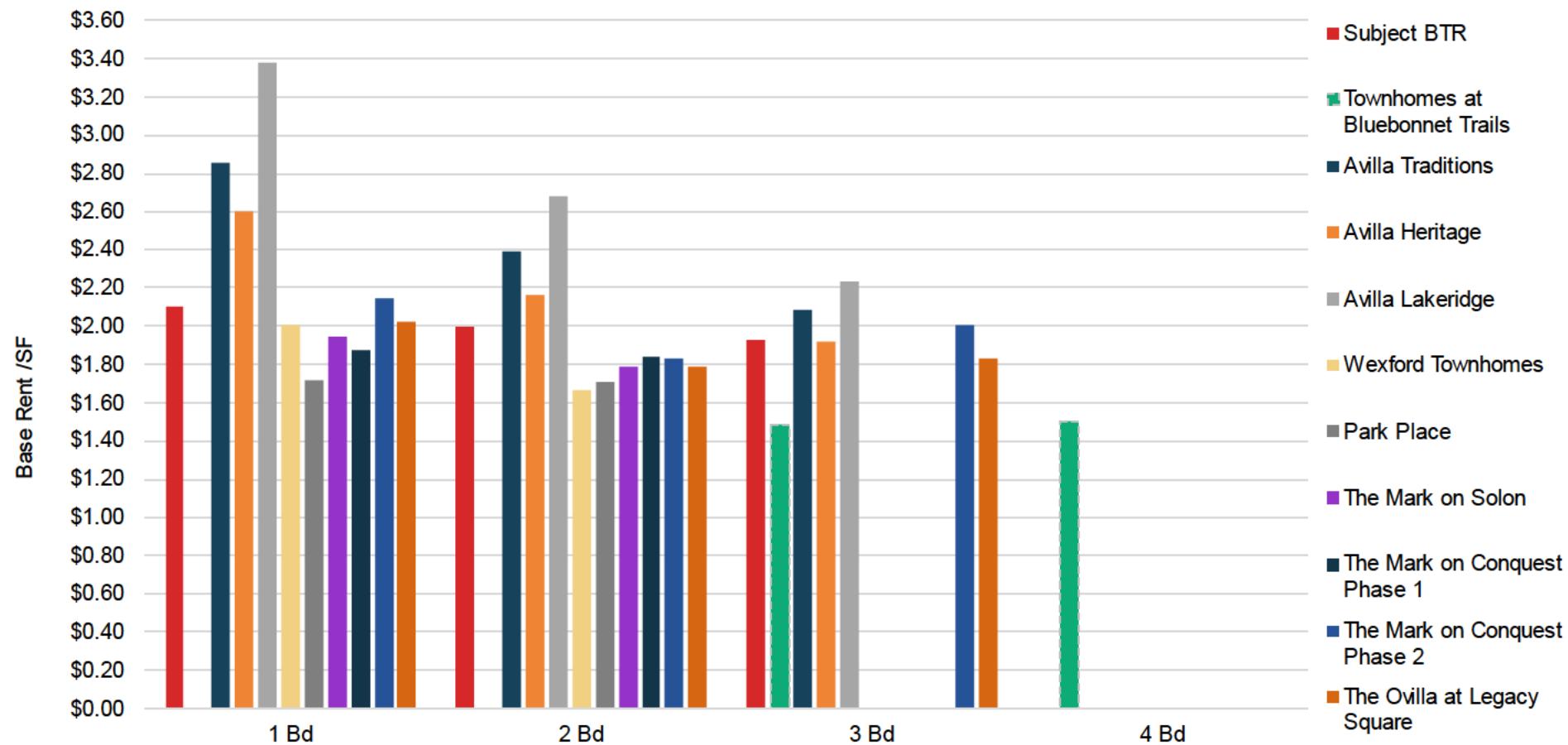
For all bedroom counts, the Subject is priced most similarly to the Avilla NexMetro communities. The Subject is priced behind Avilla Lakeridge, in line with or behind Avilla Traditions, and ahead of Avilla Heritage (the oldest of the three). The Subject is priced below the larger three-bedroom units at The Townhomes at Bluebonnet Trails. The Subject is priced above of Wexford Townhomes (a TH community built in 1985 that has been renovated) and each of the apartment comps, due to the single-family product type the Subject will offer.



# BTR and Apartment Comps – Avg. Base Rent Per SqFt by Bed



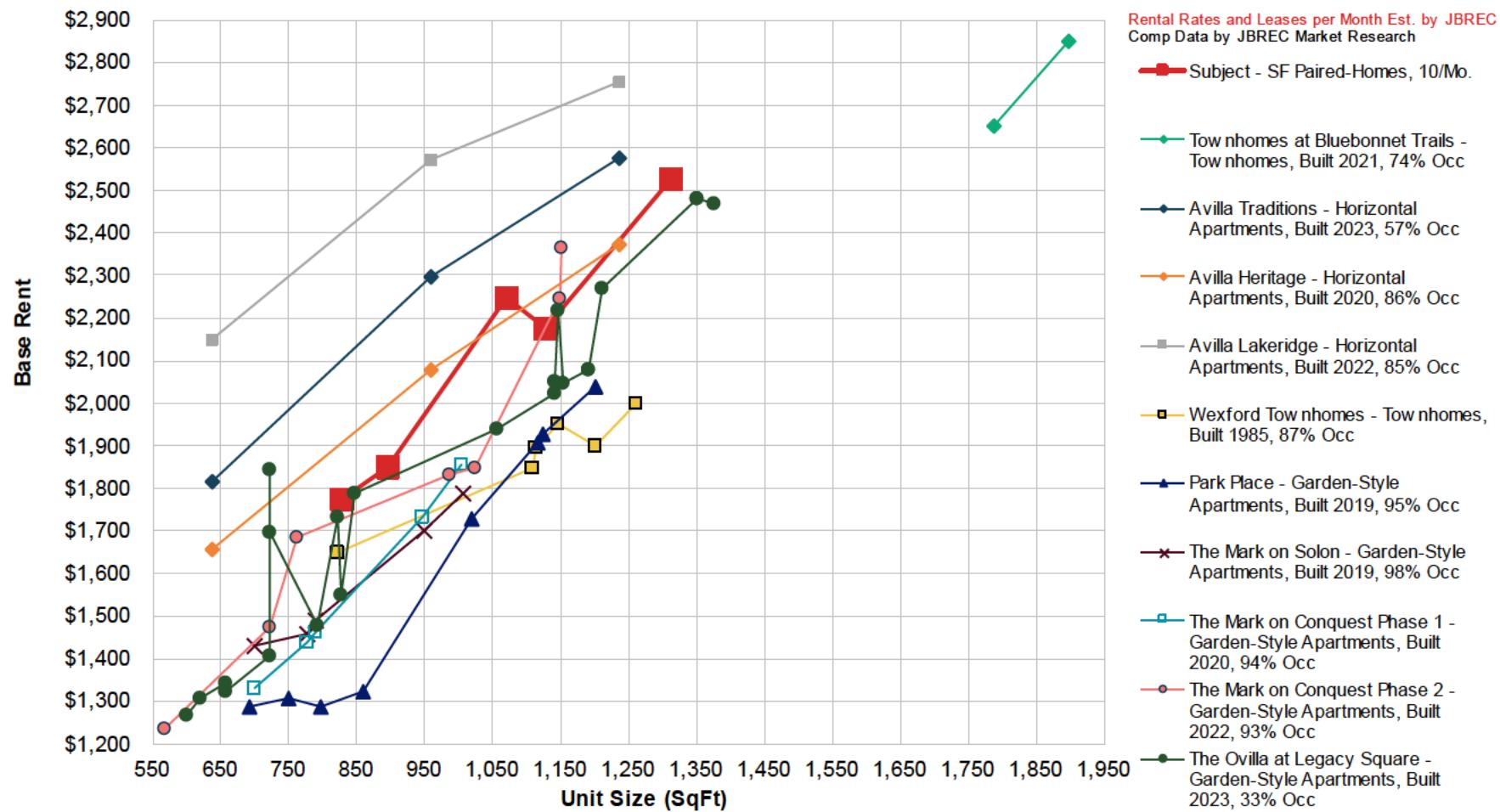
On a rent per square foot basis, the Subject is positioned below the Avilla NexMetro communities for all other bedroom counts due primarily to location. The Subject is similarly positioned above most of the competitive apartment communities' floor plans due primarily to product type. The competitive one-bedroom units range from \$1.72-\$3.38 psf compared to the Subject's \$2.10 psf. The competitive two-bedroom units range from \$1.67-\$2.68 psf, compared to the Subject's \$1.99 psf. The competitive three-bedroom units range from \$1.48-\$2.23 psf, compared to the Subject's \$1.93 psf.



# Base Rent Comparison



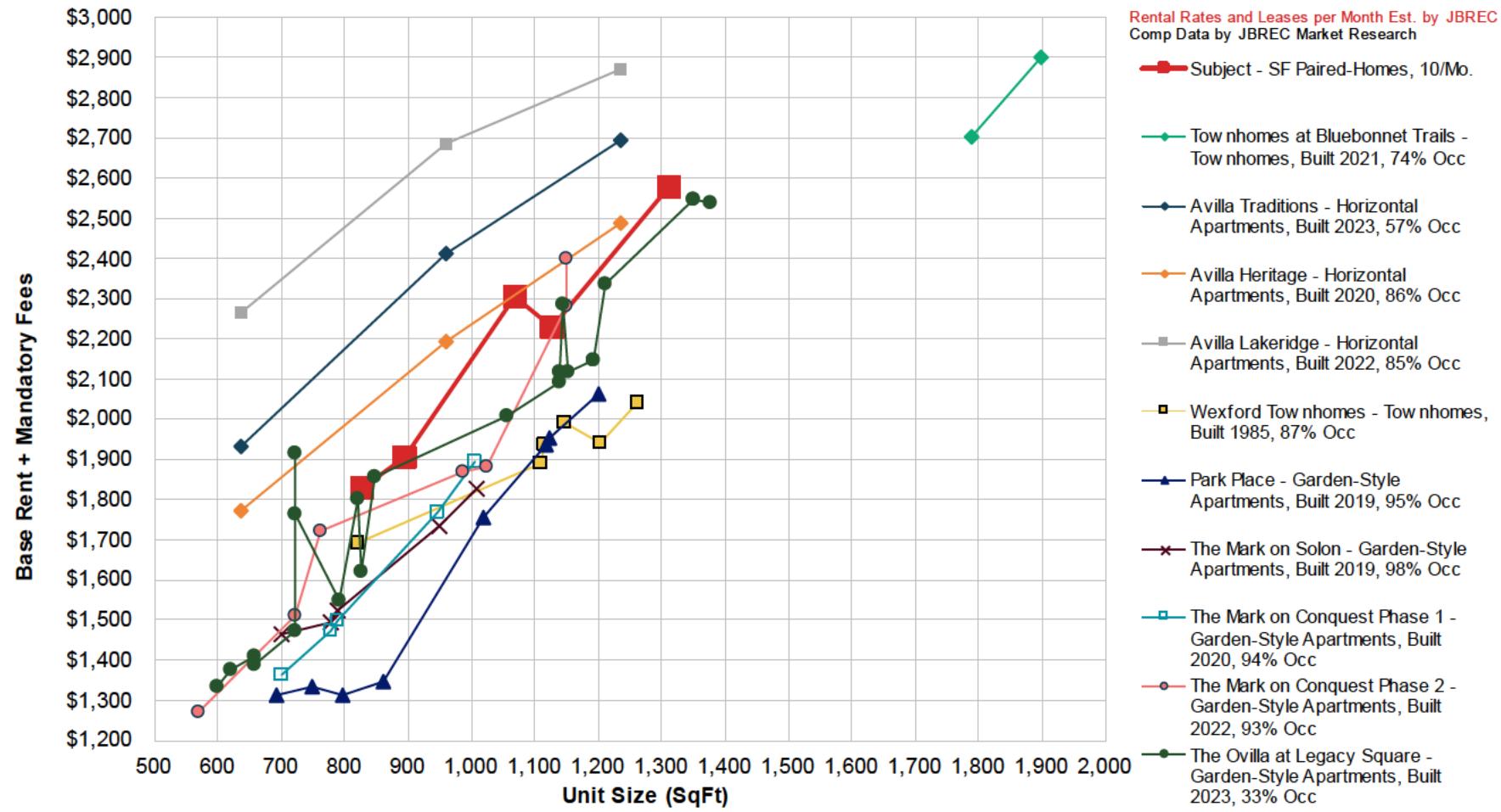
We recommend rents for the Subject that are slightly above the competitive apartments (due to product type) and below the competitive BTR communities (due primarily to location). We analyzed base rents (before premiums and concessions), as many competitors charge a premium for first floor and third floor units, end units, and units near amenities, which bring up average rents. We positioned the Subject with an average base rent of \$2,220 which is above the competitive set's average of \$1,933 per month.



# Base Rent + Mandatory Monthly Fees Comparison



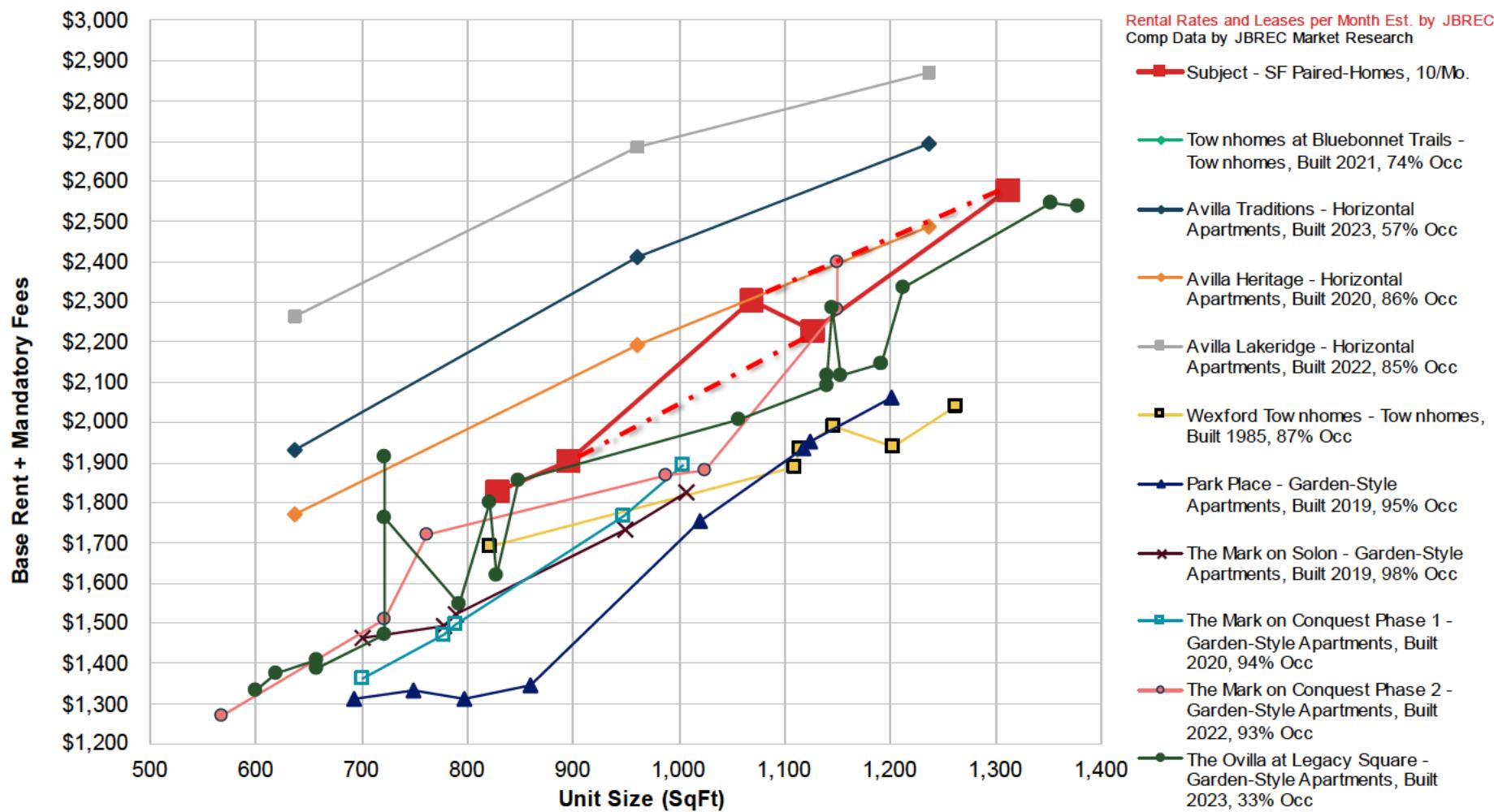
The following reflects the Subject's position (base rents plus mandatory monthly fees, excluding lease-up concessions) relative to nearby BTR and apartment communities. With the mandatory fees of \$53 per month at the Subject (compared with an average of \$63 for the comps), the positioning is similar to that of base rents.





# Subject Slopes by Parking Type

This detail of the preceding graph illustrates the slopes formed by the Subject's recommended rents by parking type. The lower dot-dash line connects surface parking plans while the upper one connects garage plans. The slopes are consistent with those of the Avilla BTR projects.



# Rental Rate Adjustment Analysis – 828 SqFt (1 / 1.5)



Our adjustment analyses on this and following pages compare each of the Subject's floor plans to comparable floor plans at nearby communities. Comparable communities include Avilla Lakeridge, a BTR community composed of attached and detached cottage-style homes, the Townhomes at Bluebonnet Trails, along with four garden-style apartment communities, [REDACTED].

## Price Adjustment Analysis

(Subject is 828 SqFt, 1/ 1.5)

Comps adjusted to estimate Subject's Base Rent

## Subject is...

Superior

Similar

Inferior

Direct Distance from Subject		Avilla Lakeridge		Park Place		The Mark on Solon		The Mark on Conquest Phase 2		The Ovilla at Legacy Square	
Base Rent/Mo.		\$2,150		\$1,323		\$1,490		\$1,685		\$1,550	
<b>Property Adjustments</b>											
Yr Blt or Remodeled (vs. 2023)		2022	Sup	2019	Sup	2019	Sup	2022	Sup	2023	Sim
Adjustment (.20% per Year)		\$4		\$11		\$12		\$3		0	
Location (vs. Waxahachie)	Arlington	Inf		Waxahachie	Sim	Waxahachie	Sim	Waxahachie	Sim	Red Oak	Inf
Adjustment	(\$269)	(12.5%)		\$0	0.0%	\$0	0.0%	\$0	0.0%	(\$62)	(4.0%)
Unit Size (vs. 828 SqFt)	637	Sup		860	Inf	789	Sup	762	Sup	827	Sup
Adjustment (\$1.10/SqFt)	\$210			(\$35)		\$43		\$73		\$1	
Beds/Baths (vs. 1/ 1.5)	1/1.0	Sup		1/1.0	Sup	1/1.0	Sup	1/1.0	Sup	1/1.0	Sup
Adjustment	\$35			\$35		\$35		\$35		\$35	
Levels (vs. 1)	1	Sim		1	Sim	1	Sim	1	Sim	1	Sim
Adjustment	\$0	0.0%		\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Parking (vs. Open)	Surface	Sim		Open	Sim	Open	Sim	Open	Sim	Open	Sim
Adjustment	\$0			\$0		\$0		\$0		\$0	
Amenities (vs. clubhouse w/ fitness center and pool, package locker system, dog park, walking trail, integration with 3 retail pad sites)	Gated, resort-style pool, BBQ, hot tub, dog park	Sup	Gated, resident lounge, fitness center, resort-style pool, BBQ, dog park, pet spa, business center	Sim	Gated, resort-style pool, fitness center, clubhouse, business center, two dog parks, walking trail	Sim	Gated, resort-style pool w/ lounge island, putting green, automated parcel lockers, fitness center, clubhouse, cabana grill house, business center, large dog park, courtyard and walking trail	Inf	Clubhouse & lounge, fitness center, resort-style pool, starbucks coffee bar, Paw Spa dog wash & park, clubhouse	Sim	
Adjustment	\$22	1.0%		\$0	0.0%	\$0	0.0%	(\$17)	(1.0%)	\$0	0.0%
Type (vs. Single-Family Paired Home)	SF Attached	Sim	Apartment	Sup	Apartment	Sup	Apartment	Sup	Apartment	Sup	
Adjustment	\$0	0.0%		\$132	10.0%	\$149	10.0%	\$169	10.0%	\$155	10.0%
Outdoor Living (vs. small yard)	small yard, patio	Sim	Private patio	Sim	patio,balcony,priv yard 1st flr	Sim	patio,balcony,priv yard 1st flr	Sim	patio, balcony (select homes)	Sup	
Adjustment	\$0			\$0		\$0		\$0		\$31	2.0%
Finish (vs. 10' ceilings, granite/quartz counters, SS appliances, LVT flooring)	LVP, stainless steel appliances, granite, ceiling fans	Sim	9' ceilings, granite counters, LVP, walk-in closets, ceiling fans, kitchen islands, SS appliances	Sim	9' ceilings, granite or quartz counters, SS appliances, LVP, tile backsplash, under-cabinet lighting	Sim	10' ceilings, granite counters, SS appl, built-in home office, backsplash, lux vinyl plank wood flr, tub and shower, under-cabinet lighting	Sim	Granite counters, SS appliances, hardwood style flr, smart apartment features	Sim	
Adjustment	\$0	0.0%		\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Appl. Included* (vs. R/W/D)	R/W/D	Sim	W/D hookups	Sup	W/D hookups	Sup	W/D hookups	Sup	W/D hookups	Sup	
Adjustment	\$0			\$45		\$45		\$45		\$45	
On-Site Mgt. & Maint. (vs. Yes/Yes)	Yes/Yes	Sim	Yes/Yes	Sim	Yes/Yes	Sim	Yes/Yes	Sim	Yes/Yes	Sim	
Adjustment	\$0	0.0%		\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Property Adjustments	\$2			\$188		\$284		\$308		\$205	
* incl. in basis defined at top											
Adjusted Rent (rounded)	\$2,150			\$1,510		\$1,770		\$1,990		\$1,760	

# Rental Rate Adjustment Analysis – 1,069 SqFt (2 / 2.5)



## Price Adjustment Analysis

Recommended rent of \$2,250/mo.

(Subject is 1,069 SqFt, 2/2.5)

Comps adjusted to estimate Subject's Base Rent

Subject is...	Superior
	Similar
	Inferior

Direct Distance from Subject	Avilla Lakeridge	Park Place	The Mark on Solon	The Mark on Conquest Phase 2	The Ovilla at Legacy Square					
Base Rent/Mo.	\$2,572	\$1,729	\$1,790	\$1,848	\$1,939					
<strong>Property Adjustments</strong>										
Yr Blt or Remodeled (vs. 2023)	2022	Sup	2019	Sup	2022	Sup	2023	Sim		
Adjustment (.20% per Year)	\$5		\$14		\$4		\$0			
Location (vs. Waxahachie)	Arlington	Inf	Waxahachie, TX	Sim	Waxahachie	Sim	Waxahachie	Sim		
Adjustment	(\$322)	(12.5%)	\$0	0.0%	\$0	0.0%	\$0	0.0%		
Unit Size (vs. 1,069 SqFt)	960	Sup	1,019	Sup	1,007	Sup	1,025	Sup		
Adjustment (\$1.10/SqFt)	\$120		\$55		\$68		\$48			
Beds/Baths (vs. 2/2.5)	2/2.0	Sup	2/2.0	Sup	2/2.0	Sup	2/2.0	Sup		
Adjustment	\$35		\$35		\$35		\$35			
Levels (vs. 2)	1	Inf	1	Inf	1	Inf	1	Inf		
Adjustment	(\$64)	(2.5%)	(\$43)	(2.5%)	(\$45)	(2.5%)	(\$46)	(2.5%)		
Parking (vs. 1-AG)	Surface	Sup	Open	Sup	Open	Sup	Open	Sup		
Adjustment	\$150		\$150		\$150		\$150			
Amenities (vs. clubhouse w/ fitness center and pool, package locker system, dog park, walking trail, integration with 3 retail pad sites)	Gated, resort-style pool, BBQ, hot tub, dog park	Sup	Gated, resident lounge, fitness center, resort-style pool, BBQ, dog park, pet spa, business center	Sim	Gated, resort-style pool, fitness center, clubhouse, business center, two dog parks, walking trail	Sim	Gated, resort-style pool w/ lounge island, putting green, automated parcel lockers, fitness center, clubhouse, cabana grill house, business center, large dog park, courtyard and walking trail	Inf	Clubhouse & lounge, fitness center, resort-style pool, starbucks coffee bar, Paw Spa dog wash & park, clubhouse	
Adjustment	\$26	1.0%	\$0	0.0%	\$0	0.0%	(\$18)	(1.0%)	\$0	0.0%
Type (vs. Single-Family Paired Home)	SF Detached	Inf	Apartment	Sup	Apartment	Sup	Apartment	Sup	Apartment	Sup
Adjustment	(\$129)	(5.0%)	\$173	10.0%	\$179	10.0%	\$185	10.0%	\$155	10.0%
Outdoor Living (vs. small yard)	small yard, patio	Sim	Private patio	Sim	patio,balcony,priv yard 1st flr	Sim	patio,balcony,priv yard 1st flr	Sim	patio, balcony (select homes)	Sup
Adjustment	\$0		\$0		\$0		\$0		\$31	2.0%
Finish (vs. 10' ceilings, granite/quartz counters, SS appliances, LVT flooring)	LVP, stainless steel appliances, granite, ceiling fans	Sim	9' ceilings, granite counters, LVP, walk-in closets, ceiling fans, kitchen islands, SS appliances	Sim	9' ceilings, granite or quartz counters, SS appliances, LVP, tile backsplash, under-cabinet lighting	Sim	10' ceilings, granite counters, SS appl, built-in home office, backsplash, lux vinyl plank wood flr, tub and shower, under-cabinet lighting	Sim	Granite counters, SS appliances, hardwood style flr, smart apartment features	Sim
Adjustment	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Appl. Included* (vs. R/W/D)	R/W/D	Sim	W/D hookups	Sup	W/D hookups	Sup	W/D hookups	Sup	W/D hookups	Sup
Adjustment	\$0		\$45		\$45		\$45		\$45	
On-Site Mgt. & Maint. (vs. Yes/Yes)	Yes/Yes	Sim	Yes/Yes	Sim	Yes/Yes	Sim	Yes/Yes	Sim	Yes/Yes	Sim
Adjustment	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
<strong>Total Property Adjustments</strong>	<strong>(\$179)</strong>		<strong>\$429</strong>		<strong>\$447</strong>		<strong>\$402</strong>		<strong>\$304</strong>	
* incl. in basis defined at top										
Adjusted Rent (rounded)	\$2,390		\$2,160		\$2,240		\$2,250		\$2,240	

# Rental Rate Adjustment Analysis – 1,127 SqFt (2 / 2.5)



## Price Adjustment Analysis

Recommended rent of \$2,175/mo.

(Subject is 1,127 SqFt, 2/2.5)

Comps adjusted to estimate Subject's Base Rent

Subject is...	Superior
	Similar
	Inferior

Direct Distance from Subject	Avilla Lakeside	Park Place	The Mark on Solon	The Mark on Conquest Phase 2	The Ovilla at Legacy Square					
Base Rent/Mo.	\$2,572	\$1,929	\$1,790	\$1,848	\$2,025					
<b>Property Adjustments</b>										
Yr Blt or Remodeled (vs. 2023)	2022	Sup	2019	Sup	2019	Sup	2022	Sup	2023	Sim
Adjustment (.20% per Year)	\$5		\$15		\$14		\$4		\$0	
Location (vs. Waxahachie)	Arlington	Inf	Waxahachie, TX	Sim	Waxahachie	Sim	Waxahachie	Sim	Red Oak	Inf
Adjustment	(\$322)	(12.5%)	\$0	0.0%	\$0	0.0%	\$0	0.0%	(\$81)	(4.0%)
Unit Size (vs. 1,127 SqFt)	960	Sup	1,124	Sup	1,007	Sup	1,025	Sup	1,140	Inf
Adjustment (\$1.10/SqFt)	\$184		\$3		\$132		\$112		(\$14)	
Beds/Baths (vs. 2/ 2.5)	2/2.0	Sup	2/2.0	Sup	2/2.0	Sup	2/2.0	Sup	2/2.0	Sup
Adjustment	\$35		\$35		\$35		\$35		\$35	
Levels (vs. 2)	1	Inf	1	Inf	1	Inf	1	Inf	1	Inf
Adjustment	(\$64)	(2.5%)	(\$48)	(2.5%)	(\$45)	(2.5%)	(\$46)	(2.5%)	(\$51)	(2.5%)
Parking (vs. Open)	Surface	Sim	Open	Sim	Open	Sim	Open	Sim	Open	Sim
Adjustment	\$0		\$0		\$0		\$0		\$0	
Amenities (vs. clubhouse w/ fitness center and pool, package locker system, dog park, walking trail, integration with 3 retail pad sites)	Gated, resort-style pool, BBQ, hot tub, dog park	Sup	Gated, resident lounge, fitness center, resort-style pool, BBQ, dog park, pet spa, business center	Sim	Gated, resort-style pool, fitness center, clubhouse, business center, two dog parks, walking trail	Sim	Gated, resort-style pool w/ lounge island, putting green, automated parcel lockers, fitness center, clubhouse, cabana grill house, business center, large dog park, courtyard and walking trail	Inf	Clubhouse & lounge, fitness center, resort-style pool, starbucks coffee bar, Paw Spa dog wash & park, clubhouse	Sim
Adjustment	\$26	1.0%	\$0	0.0%	\$0	0.0%	(\$18)	(1.0%)	\$0	0.0%
Type (vs. Single-Family Paired Home)	SF Detached	Inf	Apartment	Sup	Apartment	Sup	Apartment	Sup	Apartment	Sup
Adjustment	(\$129)	(5.0%)	\$193	10.0%	\$179	10.0%	\$185	10.0%	\$155	10.0%
Outdoor Living (vs. small yard)	small yard, patio	Sim	Private patio	Sim	patio,balcony,priv yard 1st flr	Sim	patio,balcony,priv yard 1st flr	Sim	patio, balcony (select homes)	Sup
Adjustment	\$0		\$0		\$0		\$0		\$31	2.0%
Finish (vs. 10' ceilings, granite/quartz counters, SS appliances, LVT flooring)	LVP, stainless steel appliances, granite, ceiling fans	Sim	9' ceilings, granite counters, LVP, walk-in closets, ceiling fans, kitchen islands, SS appliances	Sim	9' ceilings, granite or quartz counters, SS appliances, LVP, tile backsplash, under-cabinet lighting	Sim	10' ceilings, granite counters, SS appl, built-in home office, backsplash, lux vinyl plank wood fir, tub and shower, under-cabinet lighting	Sim	Granite counters, SS appliances, hardwood style fir, smart apartment features	Sim
Adjustment	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Appl. Included* (vs. R/W/D)	R/W/D	Sim	W/D hookups	Sup	W/D hookups	Sup	W/D hookups	Sup	W/D hookups	Sup
Adjustment	\$0		\$45		\$45		\$45		\$45	
On-Site Mgt. & Maint. (vs. Yes/Yes)	Yes/Yes	Sim	Yes/Yes	Sim	Yes/Yes	Sim	Yes/Yes	Sim	Yes/Yes	Sim
Adjustment	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
<b>Total Property Adjustments</b>	<b>(\$265)</b>		<b>\$243</b>		<b>\$361</b>		<b>\$316</b>		<b>\$120</b>	
* incl. in basis defined at top										
<b>Adjusted Rent (rounded)</b>	<b>\$2,310</b>		<b>\$2,170</b>		<b>\$2,150</b>		<b>\$2,160</b>		<b>\$2,150</b>	

# Rental Rate Adjustment Analysis – 1,311 SqFt (3 / 2.5)



## Price Adjustment Analysis

Recommended rent of \$2,525/mo.

(Subject is 1,311 SqFt, 3/ 2.5)

Comps adjusted to estimate Subject's Base Rent

Subject is...	Superior
	Similar
	Inferior

Direct Distance from Subject	Avilla Lakeridge	Townhomes at Bluebonnet Trails	The Mark on Conquest Phase 2	The Ovilla at Legacy Square
Base Rent/Mo.	\$2,757	\$2,650	\$2,245	\$2,479
<b>Property Adjustments</b>				
Yr Blt or Remodeled (vs. 2023)	2022	Sup	2021	Sup
Adjustment (.20% per Year)	\$6		\$11	Sup
Location (vs. Waxahachie)	Arlington	Inf	Waxahachie	Sim
Adjustment	(\$345)	(12.5%)	\$0	0.0%
Unit Size (vs. 1,311 SqFt)	1,236	Sup	1,788	Inf
Adjustment (\$1.00/SqFt)	\$75		(\$477)	
Beds/Baths (vs. 3/ 2.5)	3/2.0	Sup	3/2.5	Sim
Adjustment	\$35		\$0	
Levels (vs. 2)	1	Inf	2	Sim
Adjustment	(\$69)	(2.5%)	\$0	0.0%
Parking (vs. 1-AG)	Surface	Sup	2-AG	Inf
Adjustment	\$150		(\$50)	
Amenities (vs. clubhouse w/ fitness center and pool, package locker system, dog park, walking trail, integration with 3 retail pad sites)	Gated, resort-style pool, BBQ, hot tub, dog park	Sup	Pavilion w/ picnic table, open space	Sup
			Gated, resort-style pool w/ lounge island, putting green, automated parcel lockers, fitness center, clubhouse, cabana grill house, business center, large dog park, courtyard and walking trail	Inf
Adjustment	\$28	1.0%	\$133	5.0%
Type (vs. Single-Family Paired Home)	SF Detached	Inf	Townhome	Sup
Adjustment	(\$138)	(5.0%)	\$66	2.5%
Outdoor Living (vs. small yard)	small yard, patio	Sim	small yard	Sim
Adjustment	\$0		\$0	
Finish (vs. 10' ceilings, granite/quartz counters, SS appliances, LVT flooring)	LVP, stainless steel appliances, granite, ceiling fans	Sim	High Ceilings, patio/balcony, efficient appliances, ceiling fan, large closets, dishwasher, cable ready	Sim
			10' ceilings, granite counters, SS appl, built-in home office, backsplash, lux vinyl plank wood fir, tub and shower, under-cabinet lighting	Sim
Adjustment	\$0	0.0%	\$0	0.0%
Appl. Included* (vs. R/W/D)	R/W/D	Sim	W/D hookups	Sup
Adjustment	\$0		\$45	
On-Site Mgt. & Maint. (vs. Yes/Yes)	Yes/Yes	Sim	Yes/Yes	Sim
Adjustment	\$0	0.0%	\$0	0.0%
<b>Total Property Adjustments</b>	<b>(\$258)</b>	<b>(\$273)</b>	<b>\$542</b>	<b>\$145</b>
* incl. in basis defined at top				
Adjusted Rent (rounded)	\$2,500	\$2,380	\$2,790	\$2,620

# Comparables



Community				Floor Plan							Market Rents and Fees (Monthly)							
Surveyed	January-23	Mix	Plan	Size (SqFt)	Bed	Bath	Level	Pkg Sp	Base	\$/SF	Avg. Prem.	Total Concess.	Total Eff. Rent	Mand. Fees	Total Eff. Rent + M. Fees	\$/SF		
<b>1 Townhomes at Bluebonnet Trails</b>		<b>Infinity</b>																
Product	Townhomes	Began Lease-Up	Jul-20	90	TH1	1,788	3	2.5	2	2-AG	\$2,650	\$1.48	\$0	\$0	\$2,650	\$51	\$2,701	\$1.51
Floors	2	Finished Lease-Up	Jan-22	24	TH2	1,897	4	2.5	2	2-AG	\$2,850	\$1.50	\$0	\$0	\$2,850	\$51	\$2,901	\$1.53
Parking	2-AG	Total Units	114															
Year Built	2021	Leased	84	74%														
Location	Waxahachie	Occupied	84	74%														
		Available	30															
		Leased/Mo.	6.0															
Mandatory Fees	Landscaping (\$15), Pest (\$8), Typical Premium		\$0															
Utilities in Rent	None	% w/ Premiums	0%															
Services in Rent	None	Avg. Premium	0.0%															
Appliances in Rent	Refrig, W/D Rentals (\$40)																	
Estimated		Total/Avg	114															
				1,811														
					\$2,692	\$1.49	\$0	\$0	\$2,692	\$51	\$2,743	\$1.51						
<b>2 Avilla Traditions</b>		<b>Portico</b>																
Product	Horizontal Apartments	Began Lease-Up	Jun-22	68	Alcove	637	1	1.0	1		\$1,817	\$2.85	\$20	(\$279)	\$1,559	\$115	\$1,674	\$2.63
Floors	1	Finished Lease-Up	Leasing	83	Retreat	960	2	2.0	1		\$2,297	\$2.39	\$26	(\$352)	\$1,970	\$115	\$2,085	\$2.17
Parking		Total Units	218	67	Haven	1,236	3	2.0	1		\$2,578	\$2.09	\$29	(\$396)	\$2,211	\$115	\$2,326	\$1.88
Year Built	2023	Leased	133	61%														
Location	Grand Prairie	Occupied	124	57%														
		Available	85															
		Leased/Mo.	17.4															
Mandatory Fees	\$115 (Trash, Pest, Tech, Amc)		Typical Premium	\$100														
Utilities in Rent	None	% w/ Premiums	25%															
Services in Rent	None	Avg. Premium	1.1%															
Appliances in Rent	R/W/D	Total/Avg	218															
				944														
					\$2,234	\$2.37	\$25	(\$343)	\$1,916	\$115	\$2,031	\$2.15						
<b>3 Avilla Heritage</b>		<b>Portico</b>																
Product	Horizontal Apartments	Began Lease-Up	Aug-19	42	Alcove	637	1	1.0	1		\$1,657	\$2.60	\$20	(\$208)	\$1,469	\$115	\$1,584	\$2.49
Floors	1	Finished Lease-Up	Jul-20	54	Retreat	960	2	2.0	1		\$2,078	\$2.16	\$25	(\$208)	\$1,895	\$115	\$2,010	\$2.09
Parking		Total Units	140	44	Haven	1,236	3	2.0	1		\$2,372	\$1.92	\$29	(\$208)	\$2,193	\$115	\$2,308	\$1.87
Year Built	2020	Leased	126	90%														
Location	Grand Prairie	Occupied	120	86%														
		Available	14															
		Leased/Mo.	12.1															
Mandatory Fees	\$115 (Trash, Pest, Tech, Amc)		Typical Premium	\$100														
Utilities in Rent	None	% w/ Premiums	25%															
Services in Rent	None	Avg. Premium	1.2%															
Appliances in Rent	R/W/D	Total/Avg	140															
				950														
					\$2,044	\$2.15	\$25	(\$208)	\$1,861	\$115	\$1,976	\$2.08						

# Comparables



Community				Floor Plan							Market Rents and Fees (Monthly)								
Surveyed	January-23	Mix	Plan	Size (SqFt)	Bed	Bath	Level	Pkg Sp	Base	\$/SF	Avg. Prem.	Total Concess.	Total Eff. Rent	Mand. Fees	Total Eff. Rent + M. Fees	\$/SF			
<b>4 Avilla Lakeridge</b>																			
Product	Horizontal Apartments	Began Lease-Up	Apr-22	87	Alcove	637	1	1.0	1		\$2,150	\$3.38	\$11	(\$330)	\$1,831	\$115	\$1,946	\$3.06	
Floors	1	Finished Lease-Up	Leasing	73	Retreat	960	2	2.0	1		\$2,572	\$2.68	\$14	(\$395)	\$2,191	\$115	\$2,306	\$2.40	
Parking	Ou, Carport (\$50), DG, (\$150)	Total Units	Leased	146	86%						\$2,757	\$2.23	\$15	(\$423)	\$2,349	\$115	\$2,464	\$1.99	
Year Built	2022	Occupied	145	85%															
Location	Arlington	Available		24															
Mandatory Fees	\$115 (Tr, Pest, Tech, Amenity)	Leased/Mo.	15.1																
Utilities in Rent	None	Typical Premium	\$50																
Services in Rent	None	% w/ Premiums	25%																
Appliances in Rent	R/W/D	Avg. Premium	0.5%																
		Total/Avg	170			811					\$2,367	\$2.92	\$13	(\$363)	\$2,016	\$115	\$2,131	\$2.63	
<b>5 Wexford Townhomes</b>																			
Product	Townhomes	Began Lease-Up	N/Av	22	Londonberry	821	1	1.0	1	1-AG	\$1,650	\$2.01	\$0	\$0	\$1,650	\$40	\$1,690	\$2.06	
Floors	2	Finished Lease-Up	N/Av	37	Waterford	1,110	2	1.5	2	1-AG	\$1,850	\$1.67	\$0	\$0	\$1,850	\$40	\$1,890	\$1.70	
Parking	Attached Garages	Total Units	Leased	122	21	Gateway	1,115	2	2.5	2	1-AG	\$1,895	\$1.70	\$0	\$0	\$1,895	\$40	\$1,935	\$1.74
Year Built	1985, Renovation in progress	Occupied	106	87%	25	Lisburn	1,146	2	2.5	2	1-AG	\$1,950	\$1.70	\$0	\$0	\$1,950	\$40	\$1,990	\$1.74
Location	Duncanville	Available	106	87%	12	Wicklow	1,202	2	2.0	2	1-AG	\$1,900	\$1.58	\$0	\$0	\$1,900	\$40	\$1,940	\$1.61
Mandatory Fees	TrVal(\$10), Pest(\$10), Am(\$20)	Leased/Mo.	N/Av			Monaghan	1,262	2	2.5	2	1-AG	\$2,000	\$1.58	\$0	\$0	\$2,000	\$40	\$2,040	\$1.62
Utilities in Rent	Flat rate for Water, Sewer (\$1 % w/ Premiums	Typical Premium	\$0																
Services in Rent	None	Avg. Premium	0.0%																
Appliances in Rent	Refrig, W/D Hookups	Total/Avg	122			1,081					\$1,853	\$1.71	\$0	\$0	\$1,853	\$40	\$1,893	\$1.75	
<b>6 Park Place</b>																			
Product	Garden-Style Apartments	Began Lease-Up	Jul-19	29	A1	693	1	1.0	1		\$1,288	\$1.86	\$42	(\$21)	\$1,309	\$25	\$1,334	\$1.93	
Floors	3	Finished Lease-Up	Jul-20	56	A2	749	1	1.0	1		\$1,309	\$1.75	\$43	(\$21)	\$1,331	\$25	\$1,356	\$1.81	
Parking	OU, DG (\$125-225)	Total Units	Leased	213	29	A3	796	1	1.0	1		\$1,286	\$1.62	\$42	(\$21)	\$1,307	\$25	\$1,332	\$1.67
Elevator		Occupied	204	96%	16	A4	860	1	1.0	1		\$1,323	\$1.54	\$43	(\$21)	\$1,345	\$25	\$1,370	\$1.59
Year Built	2019	Available	202	95%	31	B1	1,019	2	2.0	1		\$1,729	\$1.70	\$56	(\$21)	\$1,764	\$25	\$1,789	\$1.76
Location	Waxahachie	Leased/Mo.	9		12	A5	1,117	1	1.0	1		\$1,909	\$1.71	\$62	(\$21)	\$1,950	\$25	\$1,975	\$1.77
Mandatory Fees		Typical Premium	\$150																
Utilities in Rent	None	% w/ Premiums	33%																
Services in Rent	None	Avg. Premium	3.3%																
Appliances in Rent	Refrig, W/D Hookups	Total/Avg	213			889					\$1,520	\$1.71	\$50	(\$21)	\$1,548	\$25	\$1,573	\$1.77	
Estimated																			

# Comparables



Community				Floor Plan						Market Rents and Fees (Monthly)												
Surveyed	January-23	Mix	Plan	Size (SqFt)	Bed	Bath	Level	Pkg Sp	Base	\$/SF	Avg. Prem.	Total Concess.	Total Eff. Rent	Mand. Fees	Total Eff. Rent + M. Fees	\$/SF						
<b>7 The Mark on Solon</b>		<b>ZRS</b>																				
Product	Garden-Style Apartments	Began Lease-Up	Sep-18	24	A1	700	1	1.0	1	\$1,430	\$2.04	\$45	\$0	\$1,475	\$35	\$1,510	\$2.16					
Floors	3	Finished Lease-Up	Mar-19	24	A2	777	1	1.0	1	\$1,460	\$1.88	\$46	\$0	\$1,506	\$35	\$1,541	\$1.98					
Parking	OU, DG (\$150)	Total Units		112	16	A3	789	1	1.0	1	\$1,490	\$1.89	\$47	\$0	\$1,537	\$35	\$1,572	\$1.99				
Elevator	None	Leased	110	98%	24	B1	949	2	2.0	1	\$1,700	\$1.79	\$53	\$0	\$1,753	\$35	\$1,788	\$1.88				
Year Built	2019	Occupied	110	98%	24	B2	1,007	2	2.0	1	\$1,790	\$1.78	\$56	\$0	\$1,846	\$35	\$1,881	\$1.87				
Location	Waxahachie	Available		2																		
Mandatory Fees	Trash (\$25), Pest (\$10)	Leased/Mo.	17.9																			
Utilities in Rent	None	Typical Premium	\$150																			
Services in Rent	None	% w/ Premiums	33%																			
Appliances in Rent	Refrig, W/D Rentals (\$50)	Avg. Premium	3.1%																			
Estimated per leasing agent				Total/Avg	112				848				\$1,580	\$1.86	\$50	\$0	\$1,630	\$35	\$1,665	\$1.96		
<b>8 The Mark on Conquest Phase 1</b>		<b>ZRS</b>																				
Product	Garden-Style Apartments	Began Lease-Up	Apr-20	30	A1	700	1	1.0	1	\$1,329	\$1.90	\$42	(\$60)	\$1,310	\$35	\$1,345	\$1.92					
Floors	3	Finished Lease-Up	Oct-20	30	A2	777	1	1.0	1	\$1,439	\$1.85	\$45	(\$60)	\$1,424	\$35	\$1,459	\$1.88					
Parking	OU, Carport (\$60), DG (\$175)	Total Units		140	20	A3	789	1	1.0	1	\$1,464	\$1.86	\$46	(\$60)	\$1,450	\$35	\$1,485	\$1.88				
Elevator	No	Leased	131	94%	30	B1	947	2	2.0	1	\$1,734	\$1.83	\$55	(\$60)	\$1,728	\$35	\$1,763	\$1.86				
Year Built	2020	Occupied	131	94%	30	B2	1,004	2	2.0	1	\$1,858	\$1.85	\$59	(\$60)	\$1,856	\$35	\$1,891	\$1.88				
Location	Waxahachie	Available		9																		
Mandatory Fees	V. Trash (\$25), Pest (\$10)	Leased/Mo.	22.1																			
Utilities in Rent	None	Typical Premium	\$150																			
Services in Rent	None	% w/ Premiums	33%																			
Appliances in Rent	Refrig, W/D Rentals (\$50)	Avg. Premium	3.1%																			
Estimated per leasing agent				Total/Avg	140				847				\$1,572	\$1.86	\$50	(\$60)	\$1,561	\$35	\$1,596	\$1.88		
<b>9 The Mark on Conquest Phase 2</b>		<b>ZRS</b>																				
Product	Garden-Style Apartments	Began Lease-Up	Jan-22	23	A1	568	1	1.0	1	\$1,235	\$2.17	\$35	(\$60)	\$1,209	\$35	\$1,244	\$2.19					
Floors	3	Finished Lease-Up	Oct-22	24	A2	722	1	1.0	1	\$1,475	\$2.04	\$42	(\$60)	\$1,456	\$35	\$1,491	\$2.07					
Parking	OU, Carport (\$60), DG (\$150)	Total Units		188	24	A3	762	1	1.0	1	\$1,685	\$2.21	\$47	(\$60)	\$1,672	\$35	\$1,707	\$2.24				
Elevator	No	Leased	170	90%	46	B1	987	2	2.0	1	\$1,832	\$1.86	\$52	(\$60)	\$1,823	\$35	\$1,858	\$1.88				
Year Built	2022	Occupied	174	93%	47	B2	1,025	2	2.0	1	\$1,848	\$1.80	\$52	(\$60)	\$1,840	\$35	\$1,875	\$1.83				
Location	Waxahachie	Available		18					12	C1	1,149	3	2.0	1	\$2,245	\$1.95	\$63	(\$60)	\$2,248	\$35	\$2,283	\$1.99
Mandatory Fees	V. Trash (\$25), Pest (\$10)	Leased/Mo.	19.9							C2	1,150	3	2.0	1	\$2,365	\$2.06	\$67	(\$60)	\$2,371	\$35	\$2,406	\$2.09
Utilities in Rent	None	Typical Premium	\$150																			
Services in Rent	None	% w/ Premiums	33%																			
Appliances in Rent	Refrig, W/D Rentals (\$50)	Avg. Premium	2.8%																			
Estimated per leasing agent				Total/Avg	188				903				\$1,759	\$1.95	\$50	(\$60)	\$1,748	\$35	\$1,783	\$1.97		

# Comparables



Community		Floor Plan							Market Rents and Fees (Monthly)										
Surveyed	January-23	Mix	Plan	Size (SqFt)	Bed	Bath	Level	Pkg Sp	Base	\$/SF	Avg. Prem.	Total Concess.	Total Eff. Rent	Mand. Fees	Total Eff. Rent + M. Fees	\$/SF			
<b>10   The Ovilla at Legacy Square</b>																			
Product	Garden-Style Apartments	Began Lease-Up	Aug-22	3	A1-S	600	1	1.0	1	\$1,266	\$2.11	\$12	\$0	\$1,278	\$68	\$1,346	\$2.24		
		Finished Lease-Up	Leasing	12	A2	619	1	1.0	1	\$1,306	\$2.11	\$13	\$0	\$1,319	\$68	\$1,387	\$2.24		
Floors	3	Total Units		288	36	A3-S	657	1	1.0	1	\$1,341	\$2.04	\$13	\$0	\$1,354	\$68	\$1,422	\$2.16	
Parking	OU, DG (\$125), Breezeway Garages (\$175-200)	Leased	157	55%	32	A4	721	1	1.0	1	\$1,405	\$1.95	\$14	\$0	\$1,419	\$68	\$1,487	\$2.06	
Year Built	2023	Occupied	95	33%	4	A4-G	721	1	1.0	1	1-AG	\$1,845	\$2.56	\$18	\$0	\$1,863	\$68	\$1,931	\$2.68
Location	Red Oak	Available		131	4	A4-G-ALT-S	721	1	1.0	1	1-AG	\$1,695	\$2.35	\$16	\$0	\$1,711	\$68	\$1,779	\$2.47
Elevator	Yes				12	A5-S	792	1	1.0	1		\$1,480	\$1.87	\$14	\$0	\$1,494	\$68	\$1,562	\$1.97
Mandatory Fees	68 resident services fee (trash Leased/Mo.)		27.8		6	A6-S	821	1	1.0	1		\$1,732	\$2.11	\$17	\$0	\$1,749	\$68	\$1,817	\$2.21
Utilities in Rent	None	Typical Premium		\$50	12	A7	827	1	1.0	1		\$1,550	\$1.87	\$15	\$0	\$1,565	\$68	\$1,633	\$1.97
Services in Rent	None	% w/ Premiums		33%	6	A7-1-G	848	1	1.0	1	1-AG	\$1,789	\$2.11	\$17	\$0	\$1,806	\$68	\$1,874	\$2.21
		Avg. Premium		1.0%	22	B1-S	1,056	2	2.0	1		\$1,939	\$1.84	\$19	\$0	\$1,958	\$68	\$2,026	\$1.92
Appliances in Rent	Refrig, W/D Rentals (\$40)				24	B2	1,140	2	2.0	1		\$2,025	\$1.78	\$20	\$0	\$2,045	\$68	\$2,113	\$1.85
Per RealPage					24	B2-S	1,140	2	2.0	1		\$2,050	\$1.80	\$20	\$0	\$2,070	\$68	\$2,138	\$1.88
					3	A8-S	1,145	1	1.0	1		\$2,219	\$1.94	\$21	\$0	\$2,240	\$68	\$2,308	\$2.02
					3	B1 1-S	1,153	2	2.0	1		\$2,048	\$1.78	\$20	\$0	\$2,068	\$68	\$2,136	\$1.85
					34	B3-S	1,192	2	2.0	1		\$2,079	\$1.74	\$20	\$0	\$2,099	\$68	\$2,167	\$1.82
					2	B3-Alt-S	1,192	2	2.0	1		\$2,079	\$1.74	\$20	\$0	\$2,099	\$68	\$2,167	\$1.82
					5	B4	1,212	2	2.0	1		\$2,270	\$1.87	\$22	\$0	\$2,292	\$68	\$2,360	\$1.95
					4	C1-S	1,351	3	3.0	1		\$2,479	\$1.83	\$24	\$0	\$2,503	\$68	\$2,571	\$1.90
					1	C1-Alt-S	1,351	3	3.0	1		\$2,479	\$1.83	\$24	\$0	\$2,503	\$68	\$2,571	\$1.90
					3	B4.1	1,377	2	2.0	1		\$2,469	\$1.79	\$24	\$0	\$2,493	\$68	\$2,561	\$1.86
		Total/Avg	288				901					\$1,705	\$1.89	\$17	\$0	\$1,722	\$68	\$1,790	\$1.99

The background image is a high-angle aerial photograph of a tropical residential area. In the foreground, there are several large, rectangular rice fields with distinct terracing. To the left, a row of modern, single-story townhouses or villas is built along a road. The surrounding area is densely packed with smaller houses and lush green trees under a clear blue sky.

# Single Family Rental Comparison



# Recent Single Family Lease Transactions - Summary

We evaluated recently leased (past 12 months) single-family homes (built 2010+) within a 3-mile radius of the Subject.

Because the Subject's floor plans (avg. 1,118 SqFt on average) are significantly smaller than the nearby SFR units (2,028 SqFt), the Subject's weighted average rents are lower as well. The weighted average base rent for the Subject is \$2,220 compared to \$2,532 for the SFR transactions we analyzed. On a per-square-foot basis, however, the Subject's rents are higher (\$1.99/SF for the Subject vs. \$1.26 for the SFR). JBREC believes the Subject's homes are positioned appropriately relative to recently leased single-family homes in the area given the Subject's paired configuration, new-build nature, community amenities, and on-site management and maintenance.

Of the 85 lease transactions we analyzed, 46 (54%) have three bedrooms, 37 (44%) have four bedrooms, and two have five bedrooms.

**Within a 3-mile radius of the Subject**, single-family rentals are (average shown):

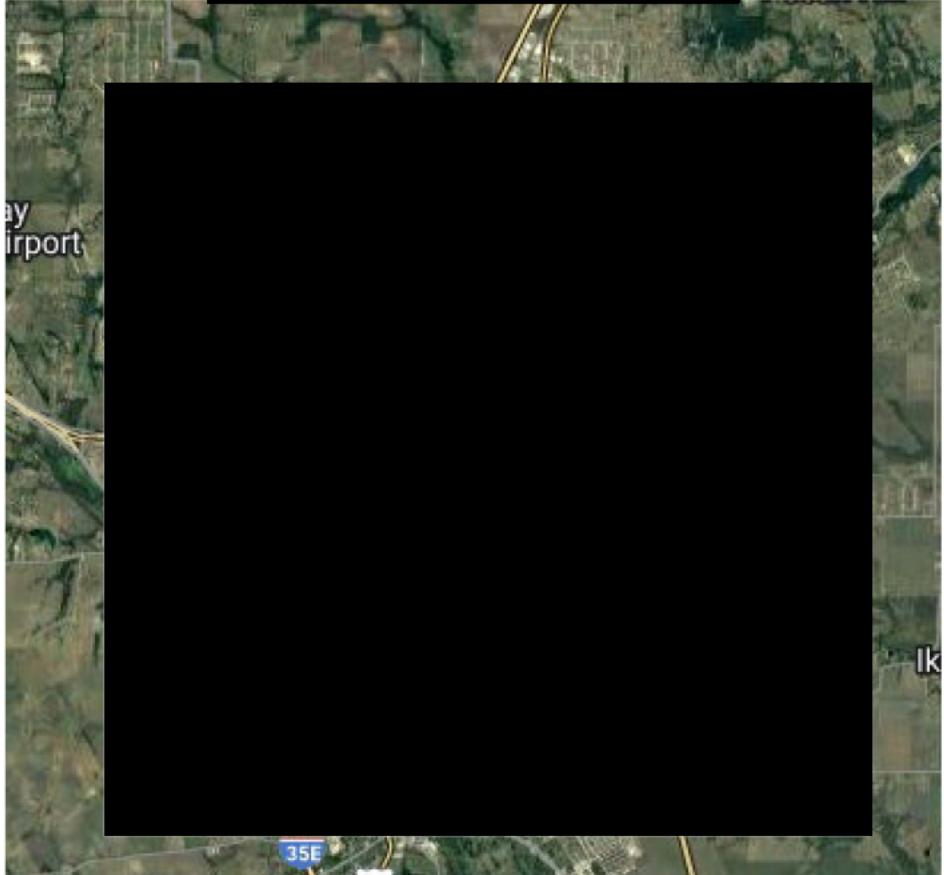
- 2,028 SqFt with 3.5 bedrooms and 2.3 bathrooms;
- around five years old; and
- Leased for \$2,532, or \$1.26 per SqFt.

**Average days on market for leased homes within a 3-mile radius of the Subject is 20, which indicates strong demand.**

**Primary Comps** Asking Rent, Waxahachie, SFDs, Built 2018 (avg)

	Yr Blt	Living Area					Gar Sp	Asking Rent Total	Days Listed
		Bd	Ba	Levels		/SF			
Median	2018	1,993	3.0	2.0	1.0	2.0	\$2,500	\$1.27	15
Average	2018	2,028	3.5	2.3	1.1	2.0	\$2,532	\$1.26	20
Minimum	2010	1,457	3.0	2.0	1.0	1.0	\$1,900	\$0.94	0
Maximum	2022	2,937	5.0	4.0	2.0	3.0	\$3,395	\$1.52	91

SFR Leased Transactions (3-mile radius of Subject)

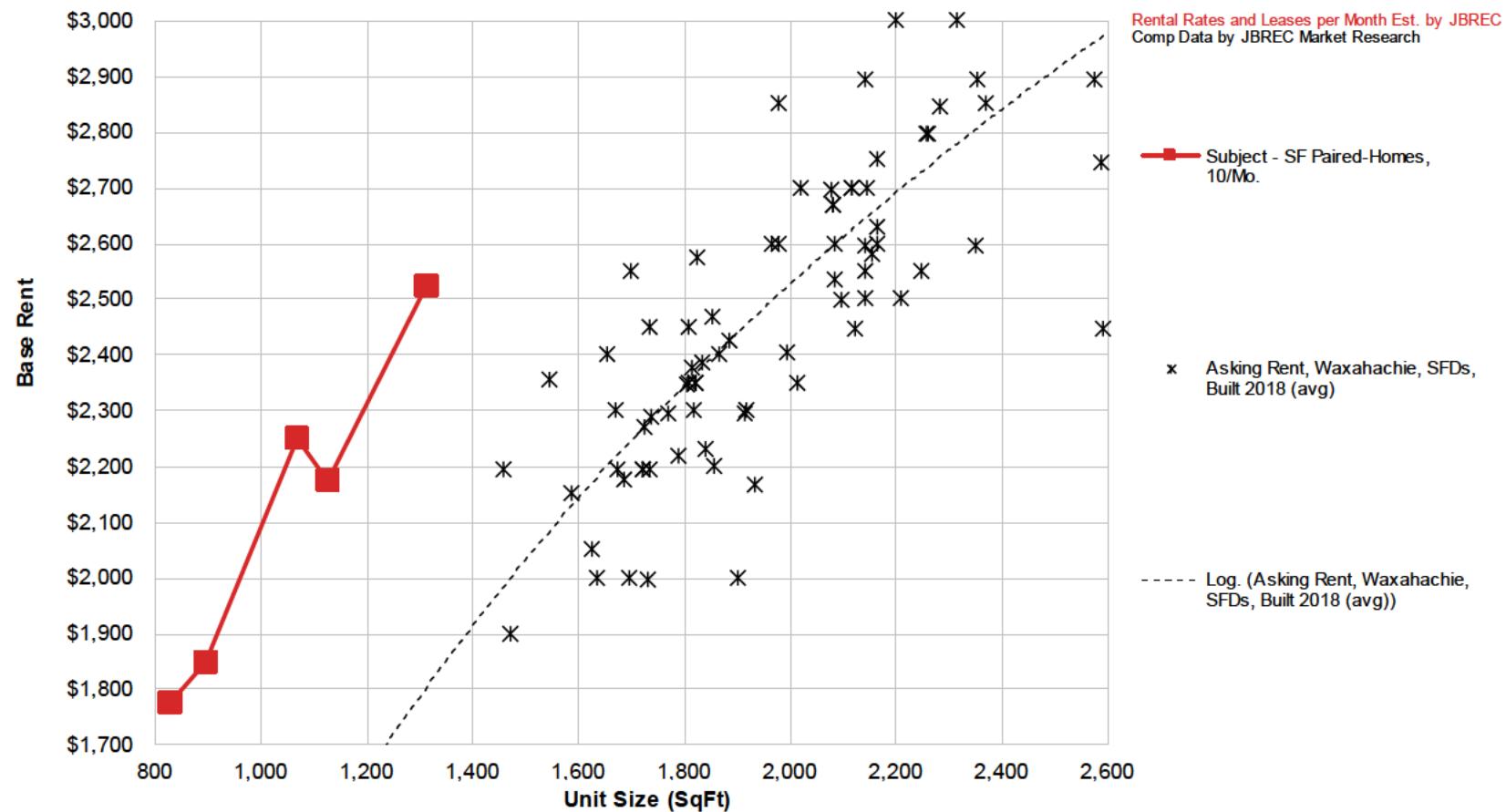


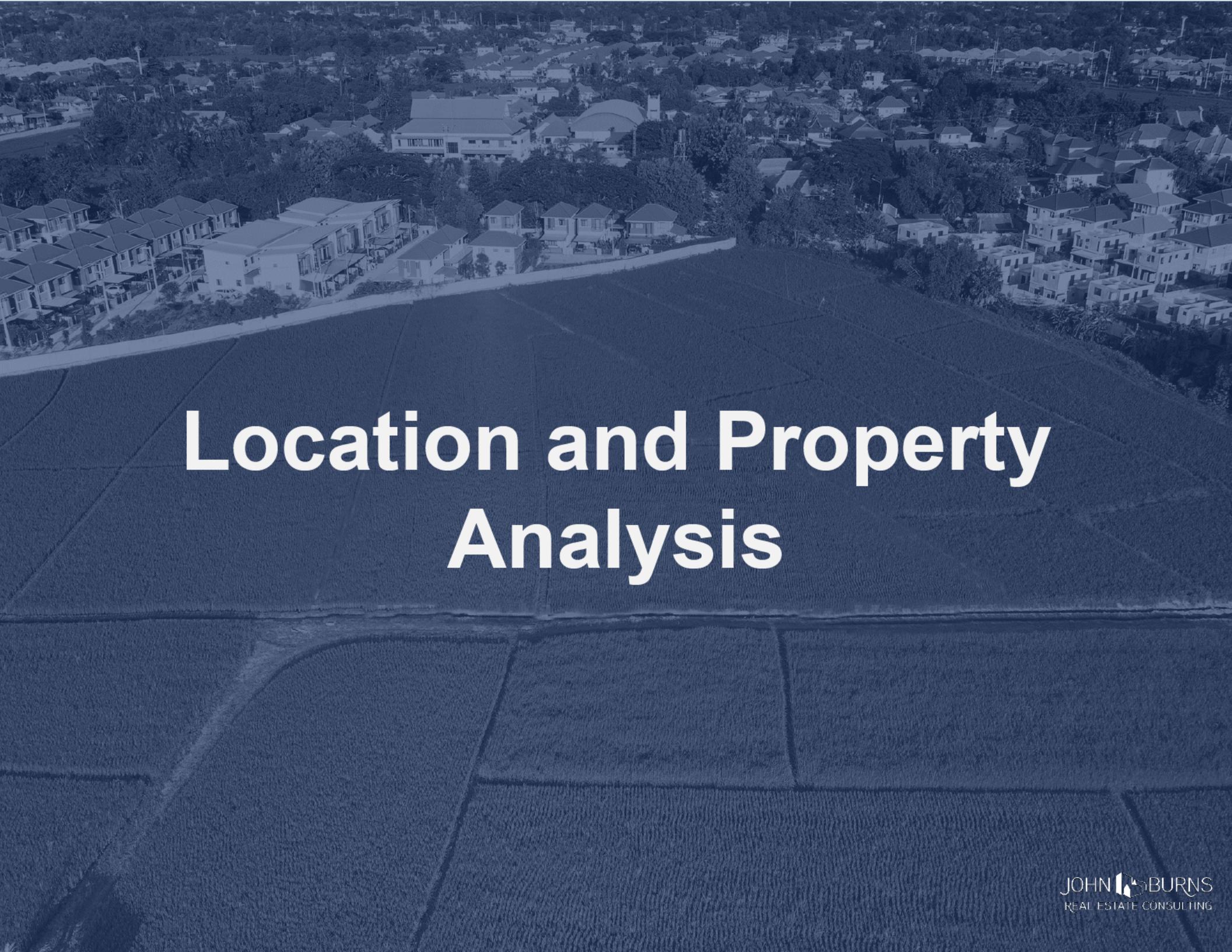
# Recent Lease Transactions - Graph



JBREC's recommended rent positioning for the Subject is above the trendline for recently leased homes in the submarket based on the Subject's new-build nature, amenities and on-site management and maintenance.

Base Rent Graph w/ Stand-Alone SFR Comps



The background image is a high-angle aerial photograph of a tropical residential neighborhood. In the foreground, there are several large, modern, two-story houses with light-colored roofs, arranged in a row. Behind them, the landscape transitions into a patchwork of green agricultural fields, likely rice paddies, with distinct geometric patterns. Further back, more houses and buildings are visible, creating a dense urban sprawl. The overall scene suggests a mix of rural and urban living in a warm climate.

# Location and Property Analysis



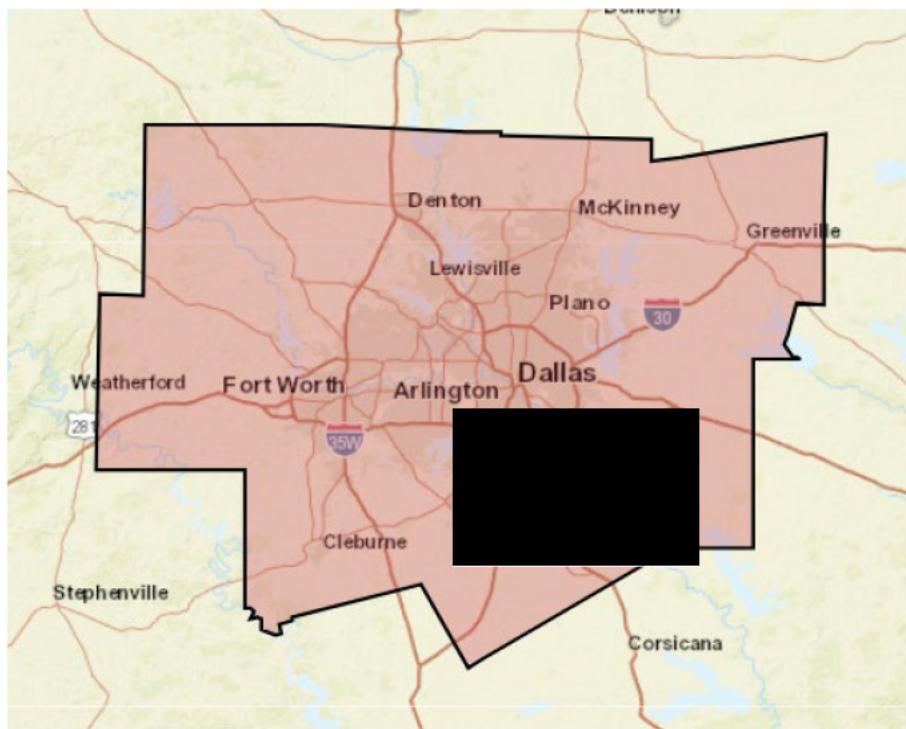
# Regional Location and Attributes

<b>MSA</b>	Dallas-Fort Worth-Arlington, TX
<b>MDiv</b>	Dallas Metropolitan Division
<b>County</b>	Ellis
<b>City</b>	Waxahachie, TX
<b>Distances</b>	The Subject [REDACTED]

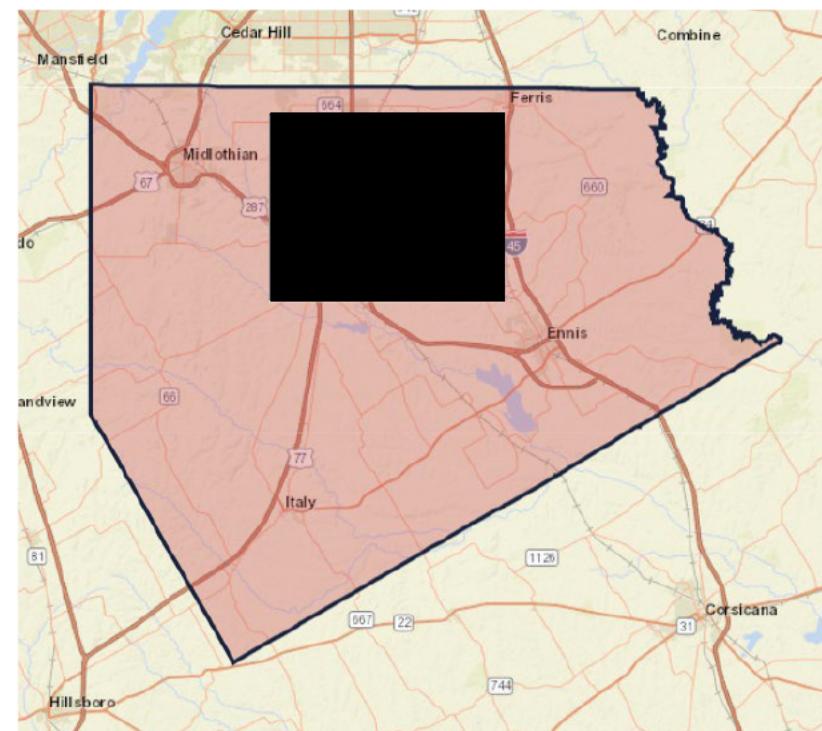
[REDACTED] The Subject's location allows for convenient access to grocery and neighborhood services in Waxahachie.

The Subject is in the expanding Ellis County. The population of Ellis County is expected to grow by approximately 20,623 people by 2027.

The Subject is served by the Waxahachie Independent School District, with schools rated below average to average, according to GreatSchools.org.



Dallas-Fort Worth-Arlington, TX

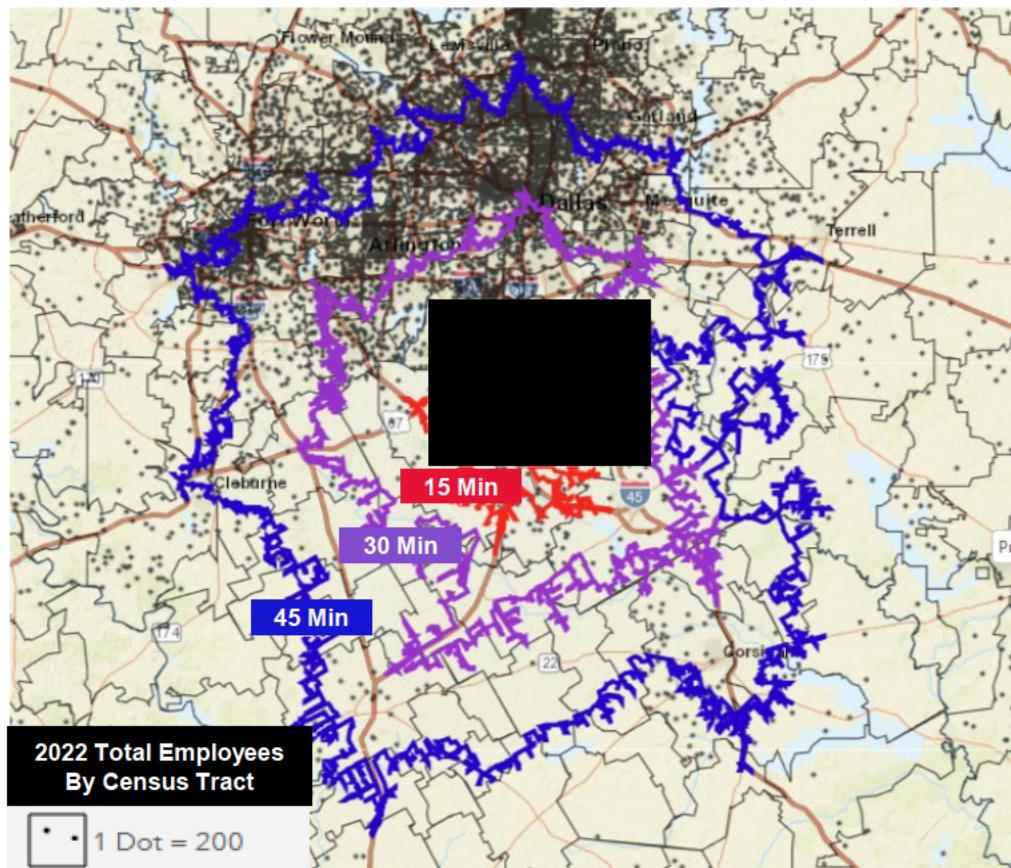


Ellis County



# Drive Time & Proximity to Employment

Most of the employment near the Subject is located to the north and northwest towards Dallas and Fort Worth. The Subject is in Ellis County [REDACTED] a major regional throughfare that provides access to Dallas and Fort Worth. The Subject will appeal to prospective renters who work locally and to those who commute to employment in downtown Dallas and other employment hubs within the Dallas-Fort Worth MSA. Major employment concentrations range from a sub-30-minute drive to a 45-minute drive from the Subject.



## TOP 10 DALLAS\* EMPLOYERS

Rank	Employer	Employees
1	Wal-Mart	34,698
2	American Airlines Group	24,700
3	Bank of America	20,000
4	Texas Health Resources	19,230
5	Dallas Independent School District	18,314
6	Baylor Health Care System	17,097
7	AT&T	15,800
8	Lockheed Martin	14,126
9	JP Morgan Chase	13,500
10	UT Southwestern Medical Center	13,122

Source: Dallas County Texas Comprehensive Annual Financial Report, Principal Employers (Date: 09/30/2020)

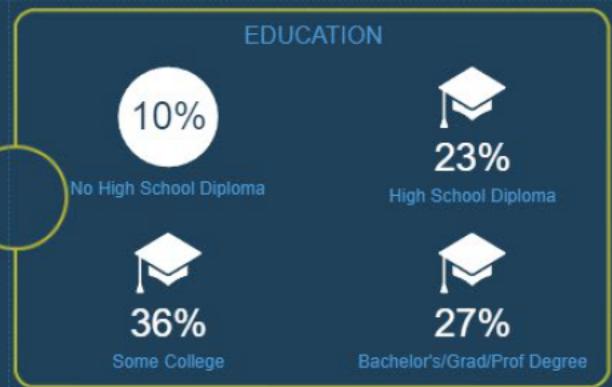
Source: Fort Worth Comprehensive Annual Financial Report, Principal Employers Fort Worth Metropolitan Area (Date: 09/30/2020)

# Employment – Waxahachie, TX



## Employment Overview

Waxahachie City, TX  
Geography: Place



This infographic contains data provided by Esri, Esri-Data Axle, Esri-MRI-Simmons, ACS. The vintage of the data is 2022, 2027, 2016-2020.

© 2023 Esri



# Subject Location

The Subject is [REDACTED]

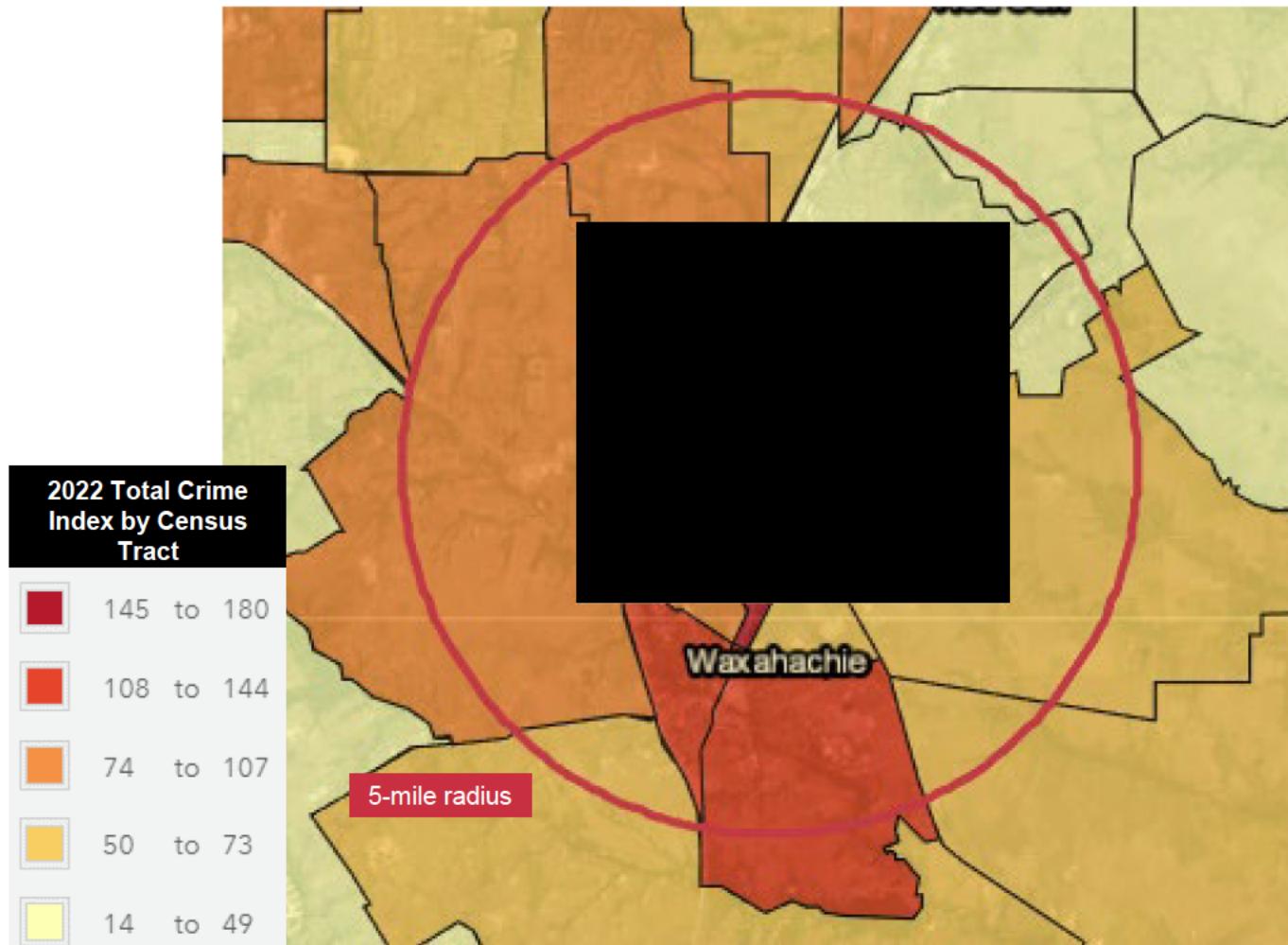
The Subject's location allows for convenient access to grocery and neighborhood services in Waxahachie. The location allows future residents to reach assigned schools in under a 5-minute drive. In the area immediately surrounding the Subject, there are mostly commercial, retail, quick-service restaurants, and single-family residential.



# Crime Index



The map illustrates the Total Crime Index for 2022 by Census Tract. The Subject's census tract has a crime rate of 78, which is lower than the national average (100). Areas near the subject range from 19 to 151, indicating higher crime surrounding the Subject relative to the national average, particularly to the south. Because safety is an important consideration for renters, a gate at the Subject can provide an increased sense of safety for tenants. However, we did not assume a gate in our rents and do not foresee the Subject area's current crime rating hindering demand. We note the Townhomes at Bluebonnet Trails does not have a gate.

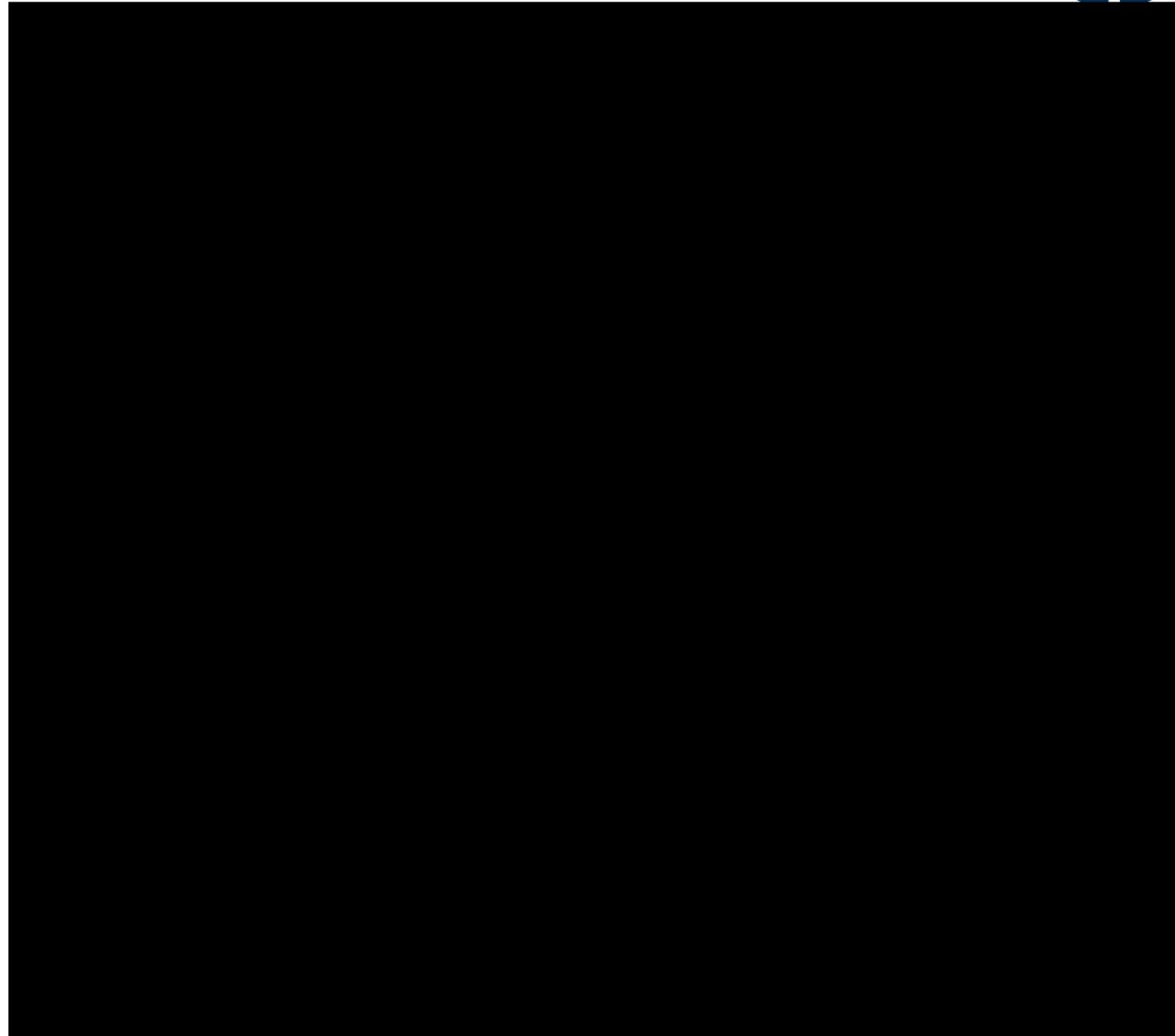




# Site Plan

The site plan was provided by the Client. Access points to the Subject are circled in red. The detail chart is based off JBREC's recommended unit mix of the Client's planned floor plans.

The Subject is currently undeveloped land



# School Rankings – Key Comparables



Renters focused on school quality often visit a rating website like GreatSchools.org. This table shows ratings for the public schools assigned to the Subject and surveyed comps. Ratings at the lower end of the scale (1-4) signal that the school is “below average,” 5-6 indicate “average,” and 7-10 are “above average.”

The Subject is within the attendance boundary of Waxahachie ISD and is zoned to Simpson Elementary (4/10), Finley Junior High (6/10), and Waxahachie High School (4/10).

The Subject's schools are rated similarly to most of the comps' schools, including those nearest to the Subject. While renters are interested in schools, we have observed that smaller BTR homes have far fewer kids (typically 15% or less) compared with larger traditional-style detached homes.

	Community Name	Address	Elementary School	Rating	Middle School	Rating	High School	Rating	Avg	Subject Ad/ (Disad)
1	Subject	[REDACTED]	Simpson	4	Finley	6	Waxahachie	4	4.7	-
1	Townhomes at Bluebonnet Trails	989 Farley St, Waxahachie, TX 75165	Northside	5	Finley	6	Waxahachie	4	5.0	(0.3)
2	Avilla Traditions	3500 S Great SW Pkwy, Grand Prairie, TX 75052	Farrell	6	Barnett	4	Bowie	3	4.3	0.3
3	Avilla Heritage	2030 Forum Dr, Grand Prairie, TX 75052	Moore	5	Jackson	5	South Grand Prairie	5	5.0	(0.3)
4	Avilla Lakeridge	1121 Debbie Ln, Arlington, TX 76002	Jones	7	Coble	7	Timberview	6	6.7	(2.0)
5	Wexford Townhomes	600 Wembley Cir, Duncanville, TX 75137	Merrifield	4	Reed	2	Duncanville	3	3.0	1.7
6	Park Place	240 Park Pl Blvd, Waxahachie, TX 75165	Felty	7	Howard	6	Waxahachie	4	5.7	(1.0)
7	The Mark on Solon	630 Solon Rd, Waxahachie, TX 75165	Wedgeworth	4	Finley	6	Waxahachie	4	4.7	0.0
8	The Mark on Conquest Phase 1	2050 Conquest Blvd, Waxahachie, TX 75167	Wedgeworth	4	Finley	6	Waxahachie	4	4.7	0.0
10	The Ovilla at Legacy Square	241 N Overlook Dr, Red Oak, TX 75154	Shields	5	Red Oak	7	Red Oak	4	5.3	(0.7)
Averages by Level				5.1	5.5	4.2				

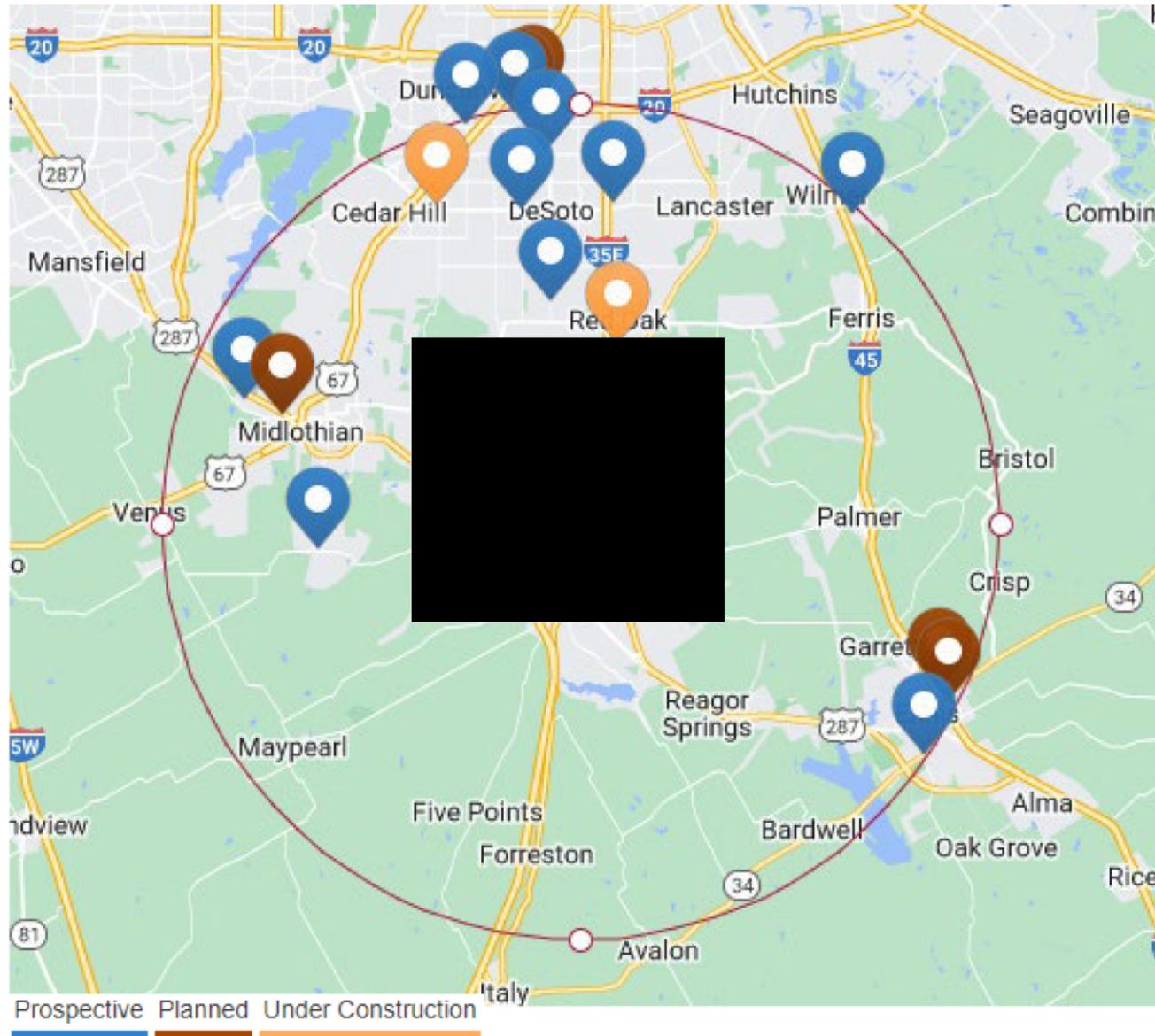


# Future Rental Supply



# Future Rental Supply

The map below shows future rental supply in a 15-mile radius of the Subject. Single-family rentals (SFR) total 158 units.

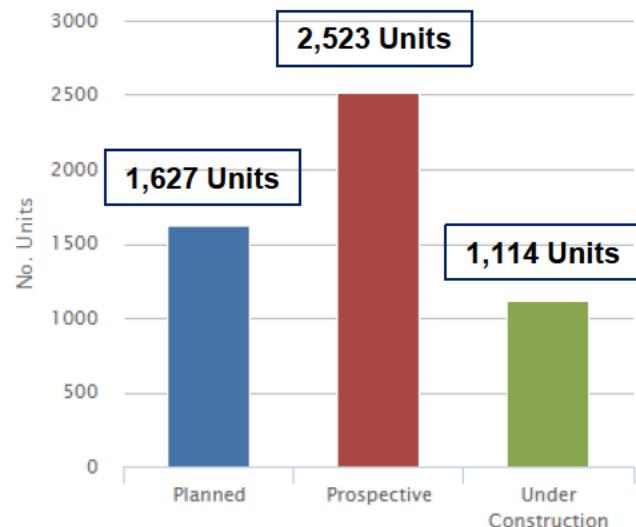




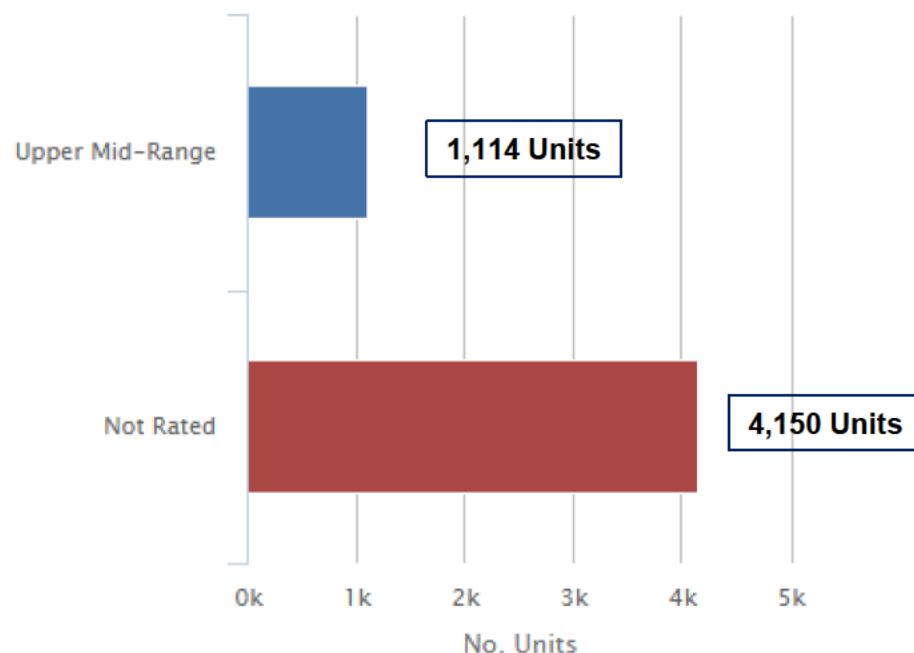
# Future Rental Supply

Future rental supply in a 15-mile radius from the Subject.

Construction Activity



Inventory





# Future Rental Supply

Future rental supply in a 15-mile radius from the Subject. 158 units are identified as SFR.

Property Name	Address	City	Property Special Status	Units	Completion Date	Owner
Hamilton at Garden Valley, The	880 Garden Valley Pkwy	Waxahachie	Under Construction, Age Restricted	175	03/31/2023	Kalterra Capital Partners
Place at North Grove, The	North Grove Blvd & Washington Avenue	Waxahachie	Under Construction	252	03/31/2023	Sterling Development Co.
Emerson At Red Oak	351 Hickory Creek Drive	Red Oak	Under Construction	304	08/31/2023	CESM Real Estate
Highlands Cottages	211 North Joe Wilson Road	Cedar Hill	Under Construction, Single-Family Rental	158	12/31/2023	Republic Property Group
Village, The	NWC Brown Street & Dean Box Drive	Waxahachie	Under Construction	225	12/31/2023	Sterling Multifamily Company
Ennis Trails	Golden Spike Drive & South Sonoma Trail	Ennis	Planned, Partially Affordable	72	Unavailable	Four Corners Development
Grace at Creekside, The	9101 Old Hickory Trail	Dallas	Planned	270	Unavailable	Corsair Ventures
Kirnwood Estates	804 Kirnwood Drive	Desoto	Planned	171	Unavailable	Sibley, Gary W.
2121 Murphy Court	2121 Murphy Court	Waxahachie	Planned	76	Unavailable	Vien, Ladd
Fitzgerald, The	Garden Valley Pkwy & Park Place Blvd	Waxahachie	Planned	184	Unavailable	Rowan Properties
Westside Preserve	Highway 287 & Old Fort Worth Road	Midlothian	Planned	614	Unavailable	Alluvium Development
Reserve at Sonoma Trail, The	Hill Lane & N Sonoma Trail	Ennis	Planned	240	Unavailable	LDG Development
Palladium Waxahachie	Butcher Road & North Highway 77	Waxahachie	Prospective, Partially Affordable, Age Restricted	120	Unavailable	Palladium USA
DeSoto Ridge	800 West Belt Line Road	Desoto	Prospective, Partially Affordable	220	Unavailable	Holleman, Leslie
Reserves at Cedar Elm, The	East Danieldale Road & South Main Street	Duncanville	Prospective	110	Unavailable	Overland Property Group
Patriot Pointe	1541 North Hampton Road	Desoto	Prospective	265	Unavailable	Franco, Ronald V.
Marketplace at Liberty Crossing, The	311 South Goode Road	Wilmer	Prospective	100	Unavailable	Liberty Multifamily
Reserves at Riverbend, The	405 Hana Lane	Lancaster	Prospective	105	Unavailable	Overland Property Group
Parc at Daniel Farms	2492 Bolton Boone Drive	DeSoto	Prospective	240	Unavailable	NE Construction
Highland Lakes	FM 663 & FM 875	Midlothian	Prospective	430	Unavailable	RREAF Holdings
Montclair Heights	Graden Valley Pkwy & Park Place Blvd	Waxahachie	Prospective	184	Unavailable	Alluvium Development
Palladium Glenn Heights Phase II	2400 South Hampton Road	Glenn Heights	Prospective	240	Unavailable	Palladium USA
Park Westside	Miller Road & Old Fort Worth Road	Midlothian	Prospective	312	Unavailable	HighPark Capital
Ensign, The	1101 Biloxi Drive	Ennis	Prospective	96	Unavailable	Summa Terra Ventures
Gibson Crossing	801 M.L.K. Jr Blvd	Waxahachie	Prospective	101	Unavailable	Gibson & Gibson
<b>All Units</b>						
Under Construction				1,114		
Planned				1,627		
Prospective				2,523		
<b>Total</b>				<b>5,264</b>		



# Rental Market Trends

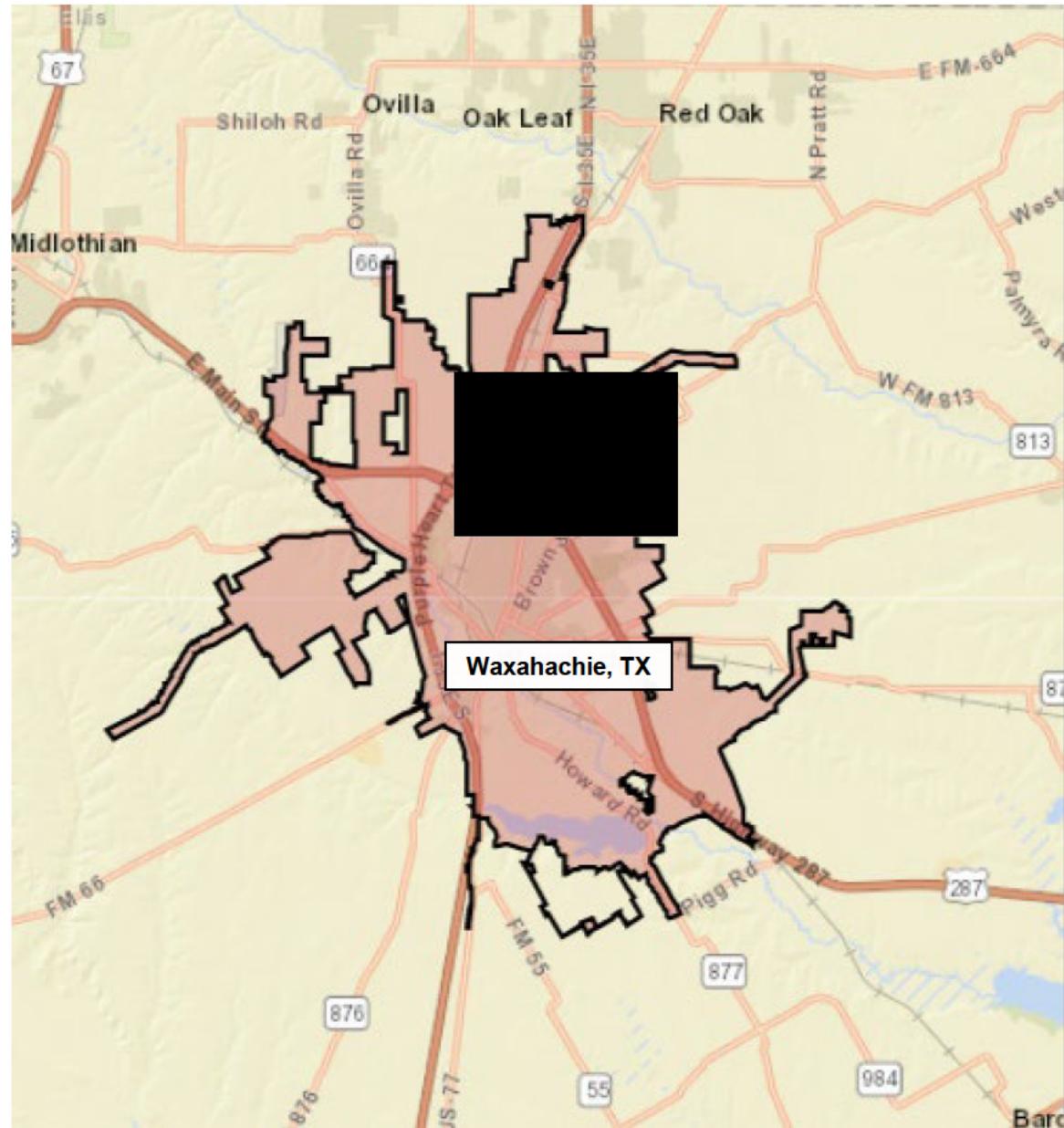
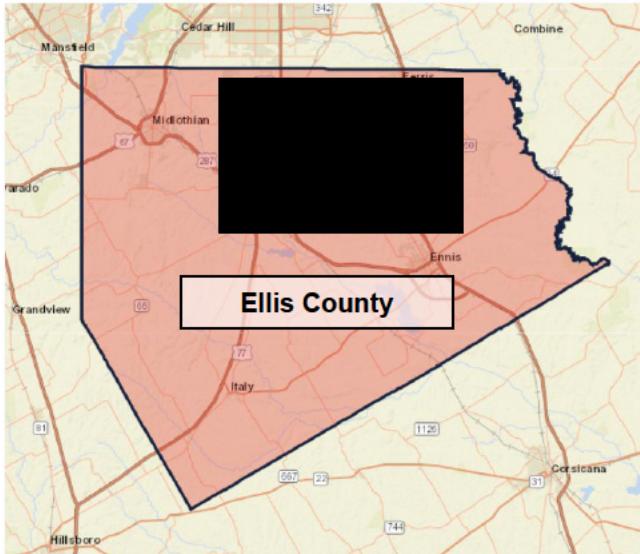
# Single-Family Rent Trends



We analyzed a reasonable submarket for single-family rental trends which includes the city of Waxahachie and Ellis County.

Single-family rental trends for these areas are summarized on the following pages.

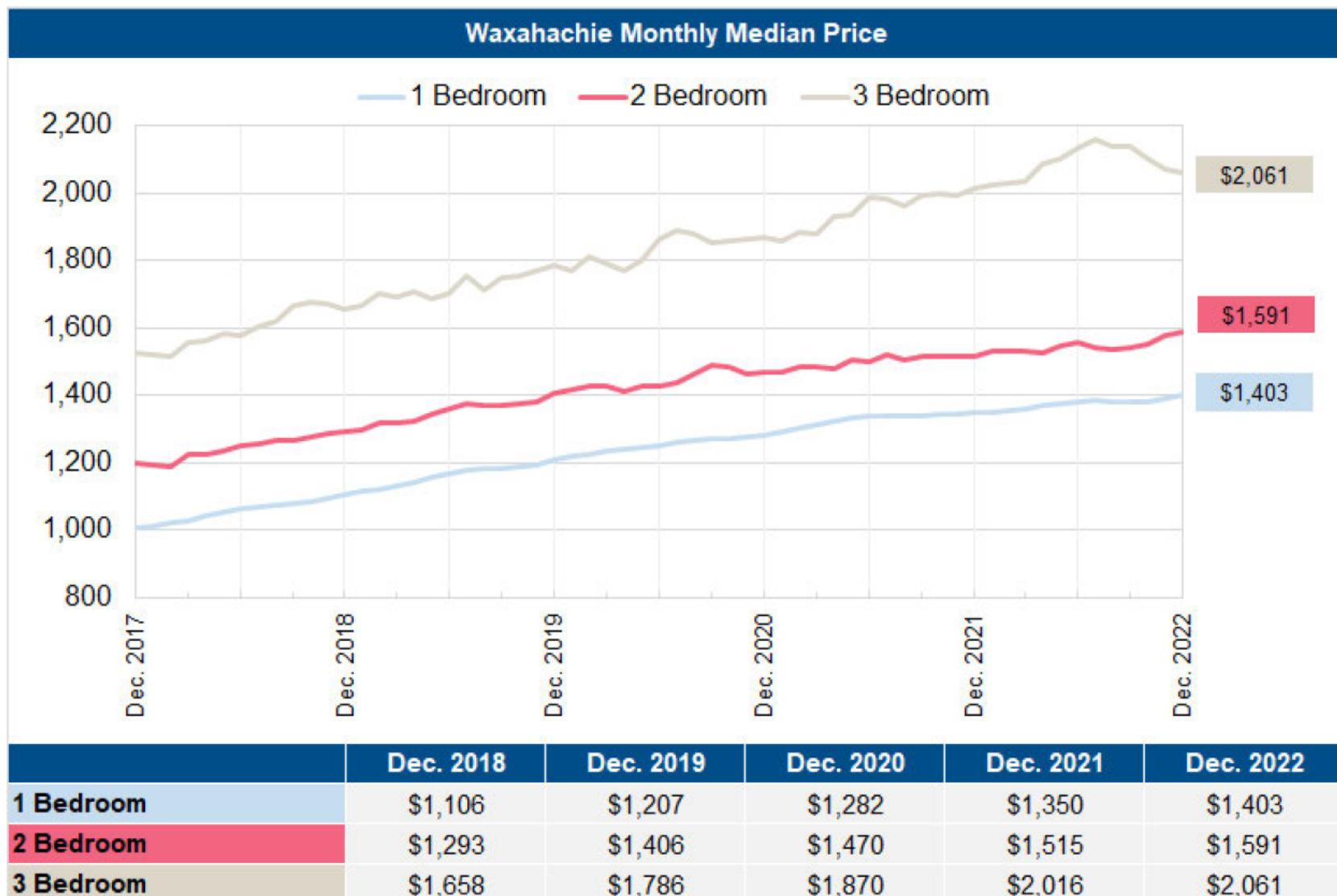
Estimates of single-family rental occupancy levels are for Ellis County.





# SFR Rent Trends – Waxahachie

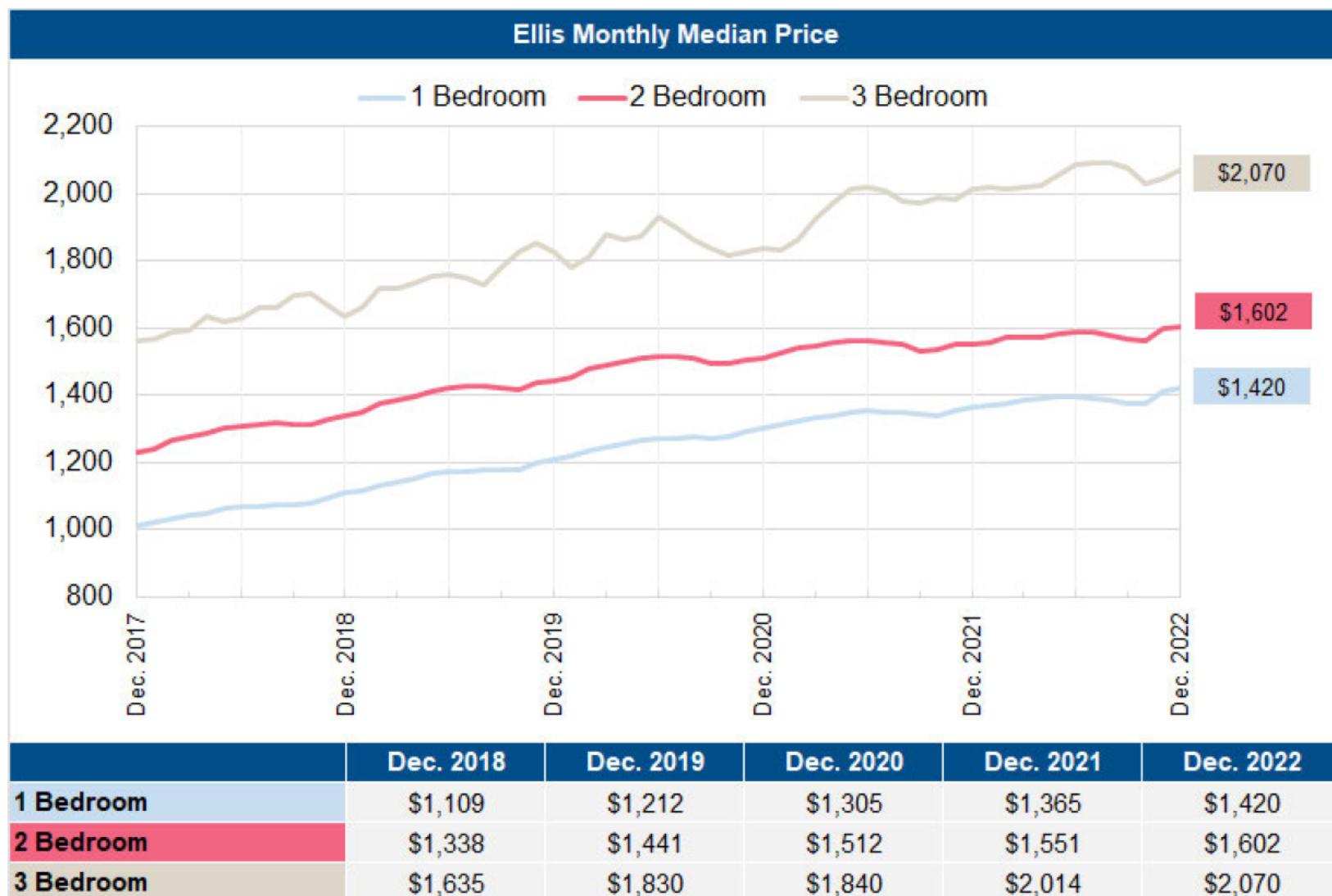
Rents among Waxahachie SFR units have mostly trended upward since 2017. One- and two-bedroom units saw a small dip from August-October 2022 before rebounding to their highest levels ever at \$1,403 and \$1,591, respectively. Three-bedroom rents reached a peak of \$2,161 in July 2022 before dropping to \$2,061 in December.





# SFR Rent Trends – Ellis County

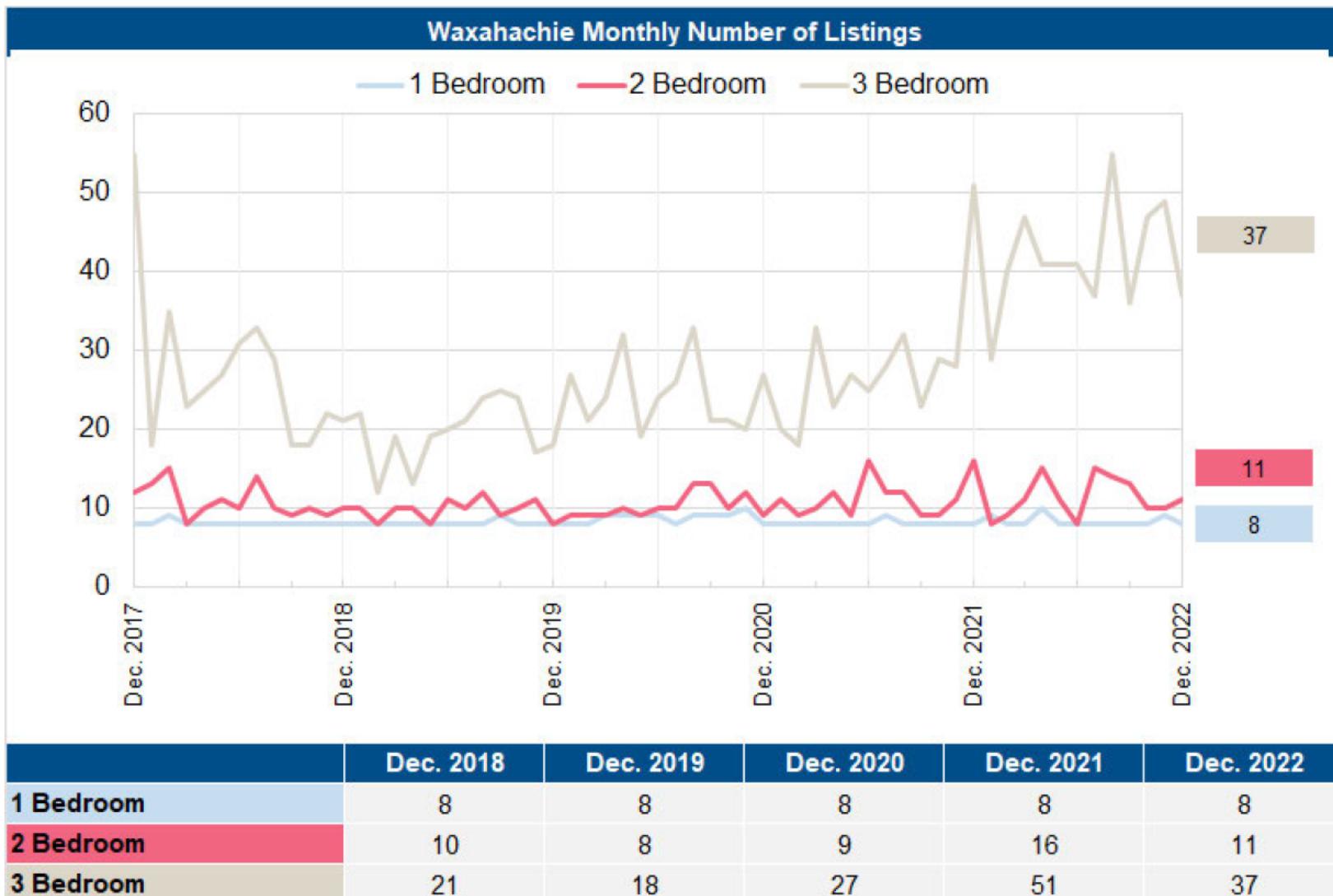
In Ellis county, median rents of one-, two-, and three-bedroom SFR units each dipped slightly around October 2022 but have rebounded since. Despite the dip earlier in the year, all three configurations finished 2022 with their highest respective year-end total to date.





# SFR Listings – Waxahachie

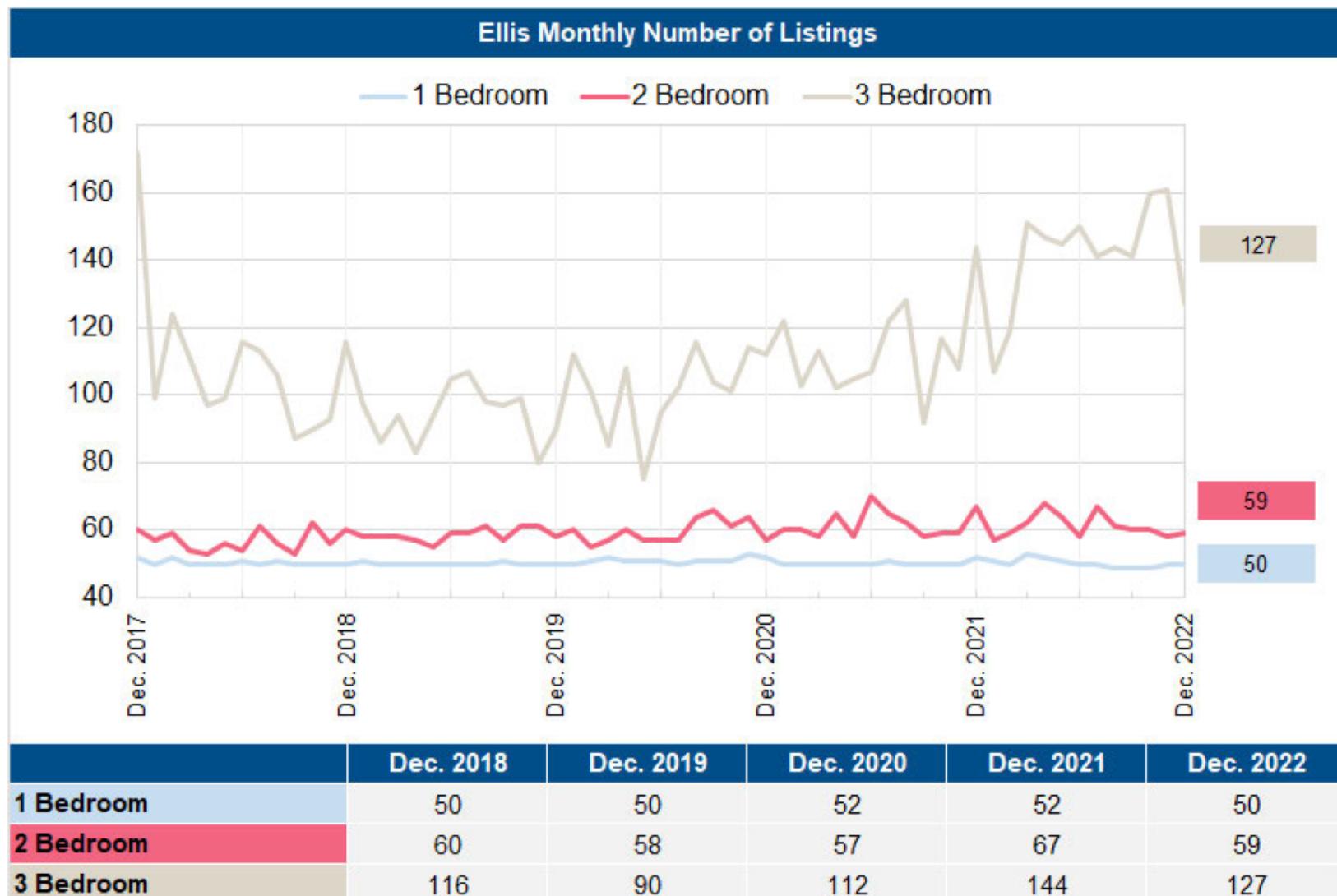
Three-bedroom SFR listings are significantly more prevalent in Waxahachie than one- and two-bedroom listings. One- and two-bedroom listings have fluctuated in a narrow range but largely remained steady in recent years. Three-bedroom listings have trended upward in recent years, indicating increased supply relative to demand.





# SFR Listings – Ellis County

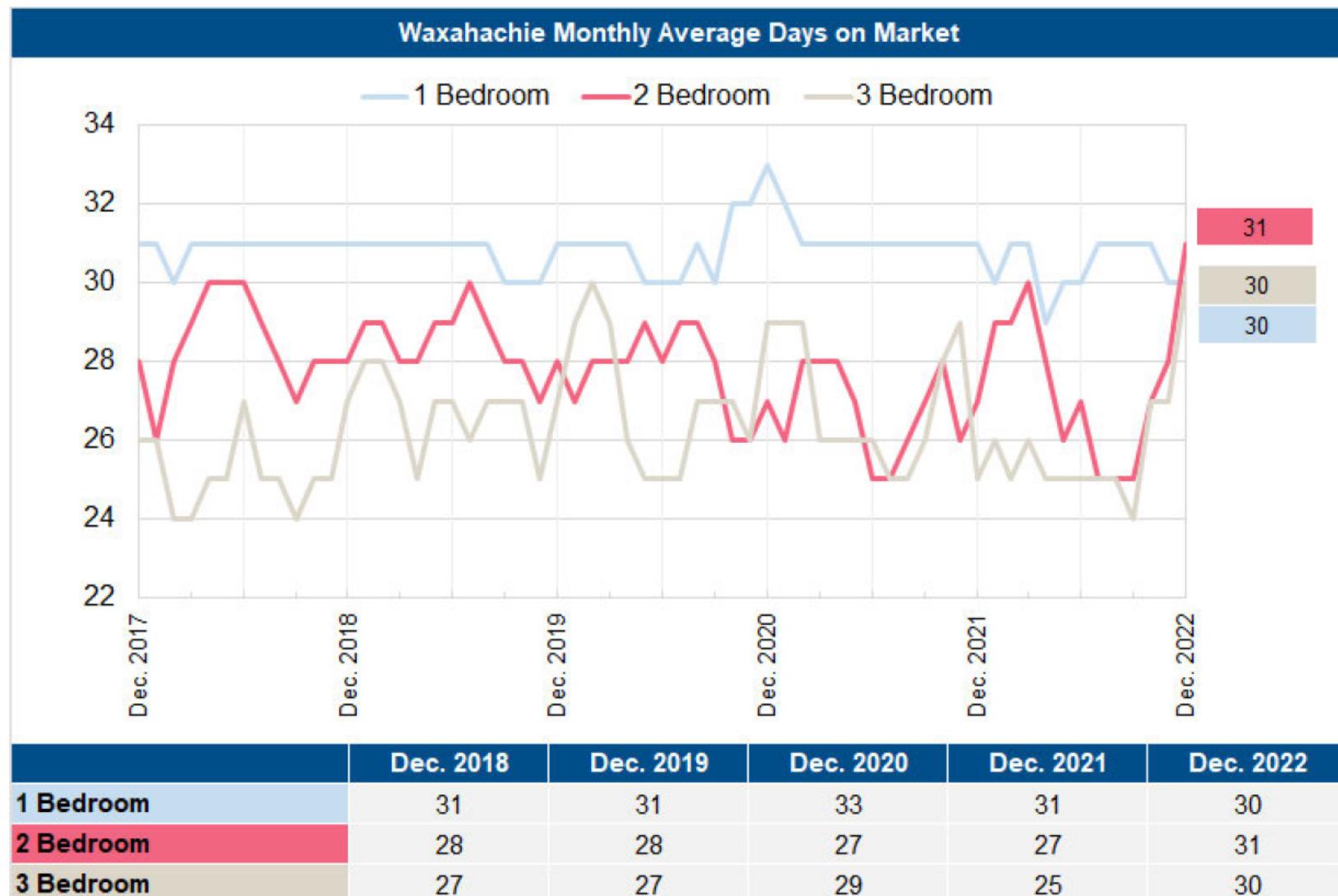
Ellis County has far more monthly three-bedroom SFR listings than one- and two-bedroom listings. Like Waxahachie, one- and two-bedroom listings have mostly stayed steady in recent years while three-bedroom listings have trended upward, indicating that supply has outpaced demand for three-bedroom units.





# SFR Days on Market – Waxahachie

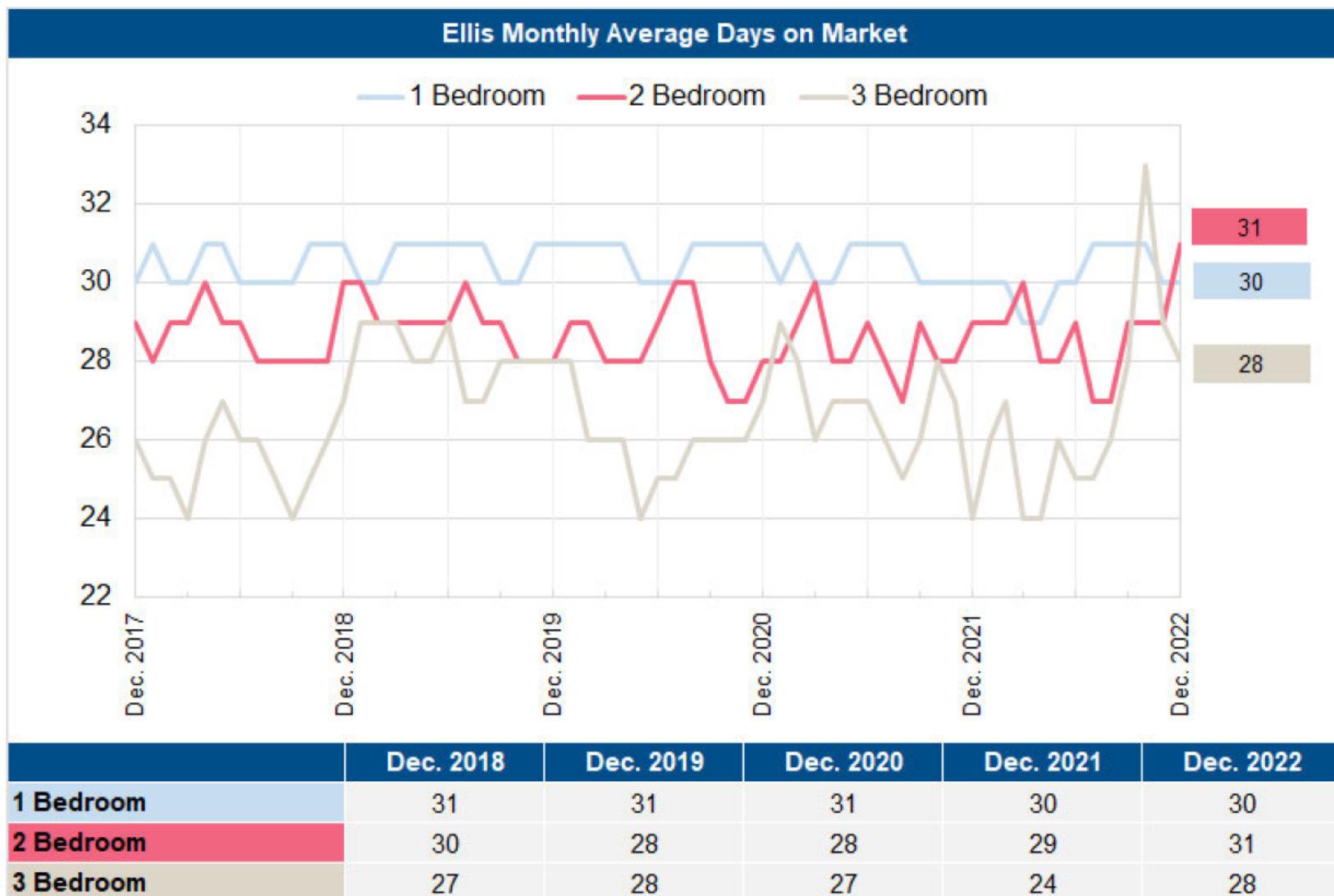
One-bedroom SFR units in Waxahachie averaged 31 days on market over the past five years while two- and three- bedroom units averaged 28 days each. Despite the lower average, two- and three-bedroom units have each seen a sharp increase in time spent on market in recent months.





# SFR Days on Market – Waxahachie

Over the past five years, one-bedroom SFR units have averaged 31 days on market, two-bedroom units have averaged 29, and three-bedroom units 27. The average for two-bedroom units has fluctuated between 27 and 30 before reaching a high in December 2022 of 31. The average for three-bedroom units increased quickly from 25 days in July 2022 to a peak of 33 in October before dropping back to 28 in December.

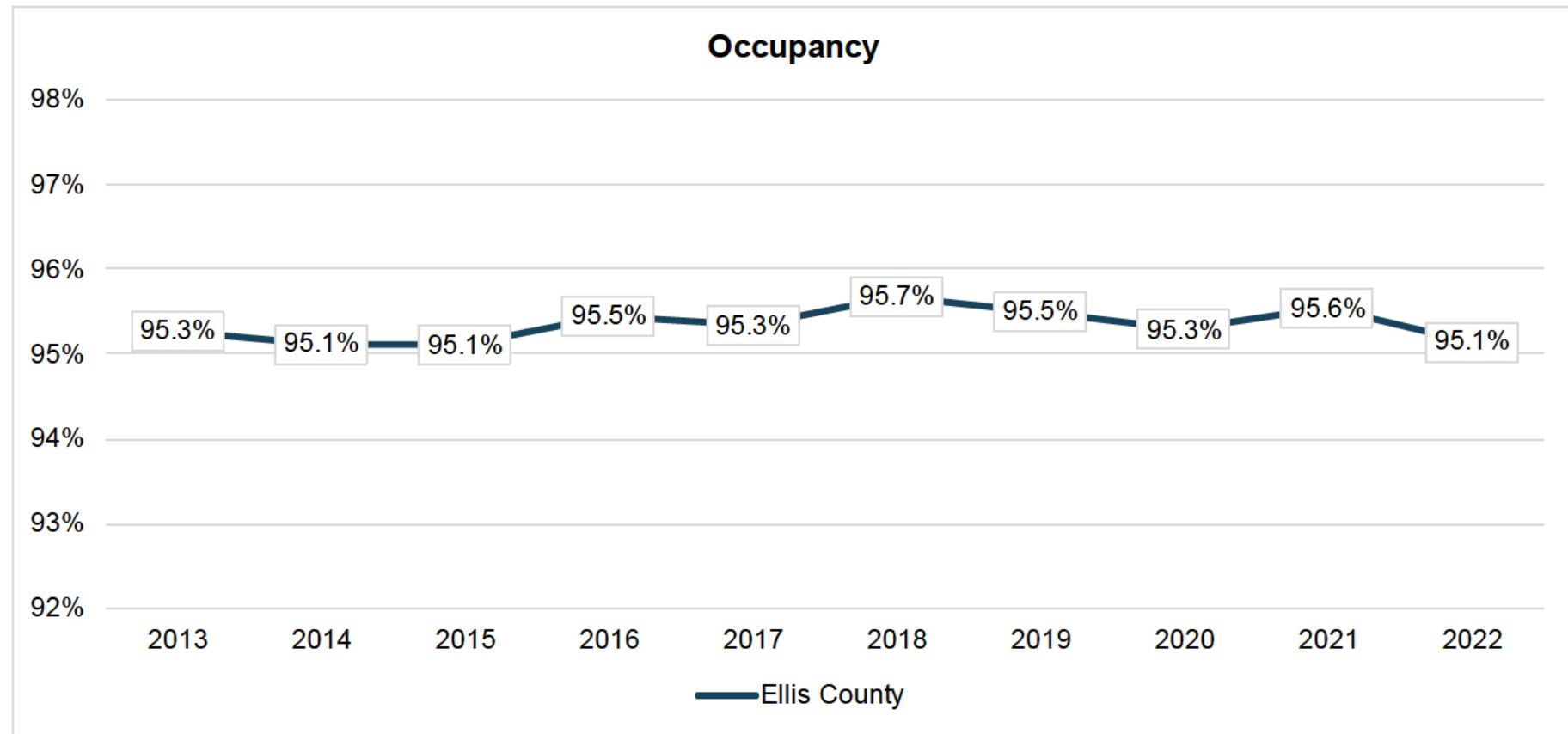




# SFR Occupancy – Ellis County

RentRange indicates that the single-family rental home occupancy rate in Ellis County is currently 95.1% and has remained above 95% over the past 10+ years.

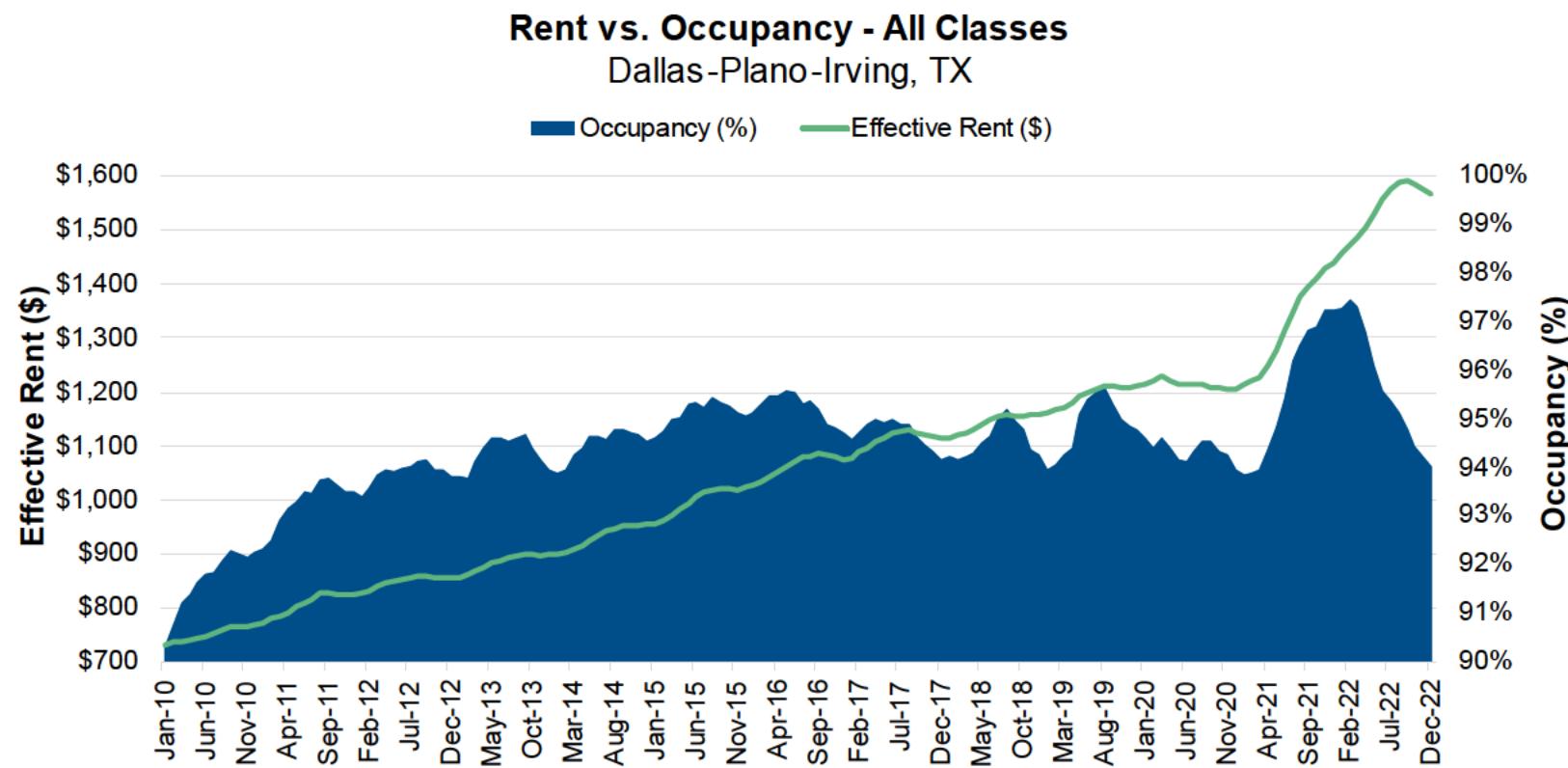
\*Occupancy data is available only for county level – ZIP level data is not available.



# Apartment Trends – Dallas-Plano-Irving Market (All Classes)



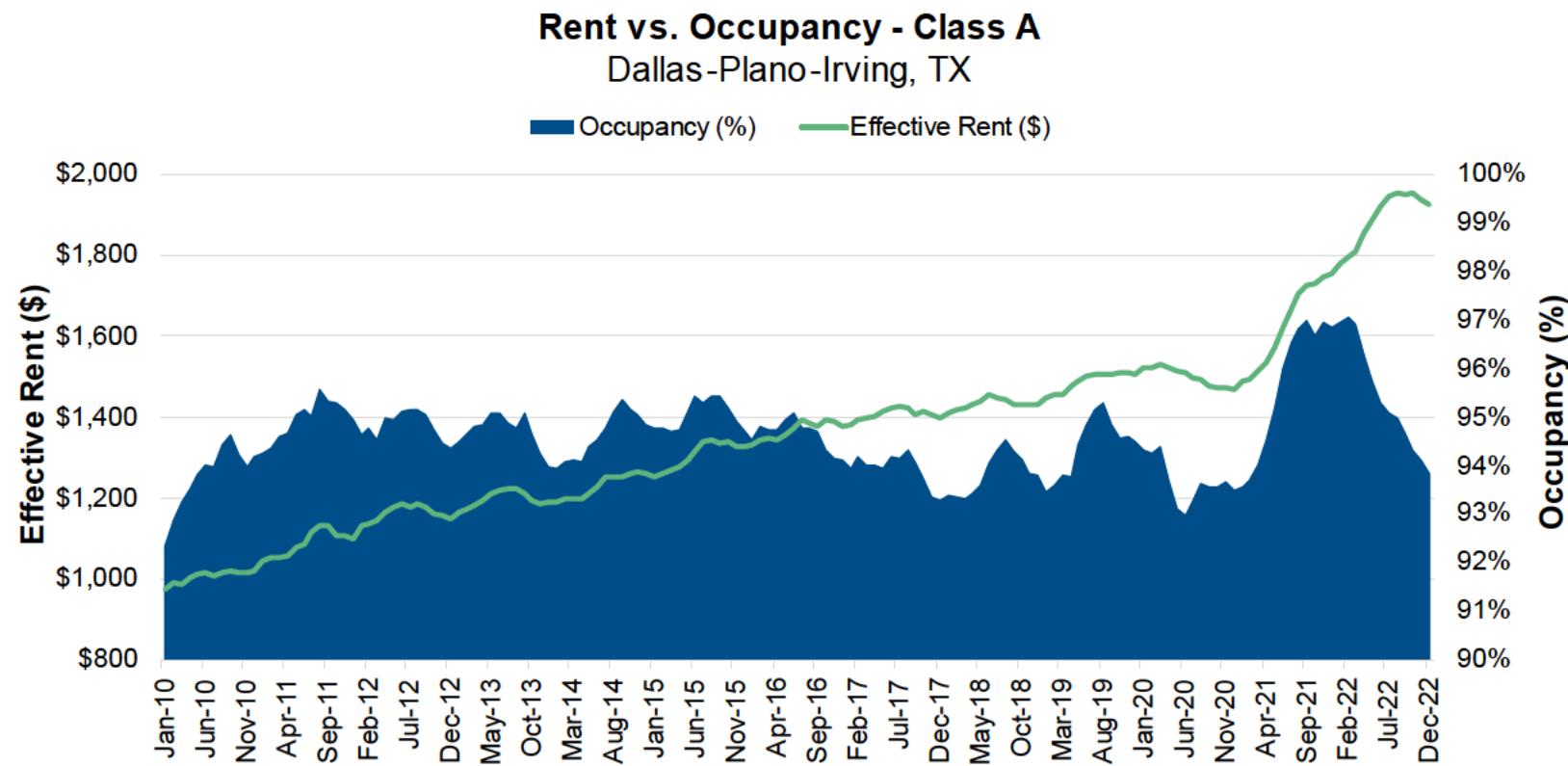
Apartment occupancy is currently 94% among all apartments within the Dallas-Plano-Irving, TX market. From 2014-2021 occupancy fluctuated in a range from ~94%-95% percent before jumping to over 97% in 2021. Occupancy has dropped from the peak but is still within the normal range from recent years. Effective rent has increased steadily since 2010 and skyrocketed to a peak of \$1,593 in September 2022. Rents have cooled slightly in recent months to \$1,568.



# Apartment Trends – Dallas-Plano-Irving Market (Class A)



Occupancy among Class A apartments in the Dallas-Plano-Irving Market is currently 93.8%. Class A occupancy had fluctuated between ~93%-95% from 2015-2020 before jumping to nearly 97% in 2021. After increasing steadily from 2010 to 2021, effective rents have risen sharply coming out of the COVID-19 pandemic and peaked at an all time high of \$1,955 in October 2022. Effective rents have cooled slightly to \$1,927 but are up 10% YOY as of December 2022.

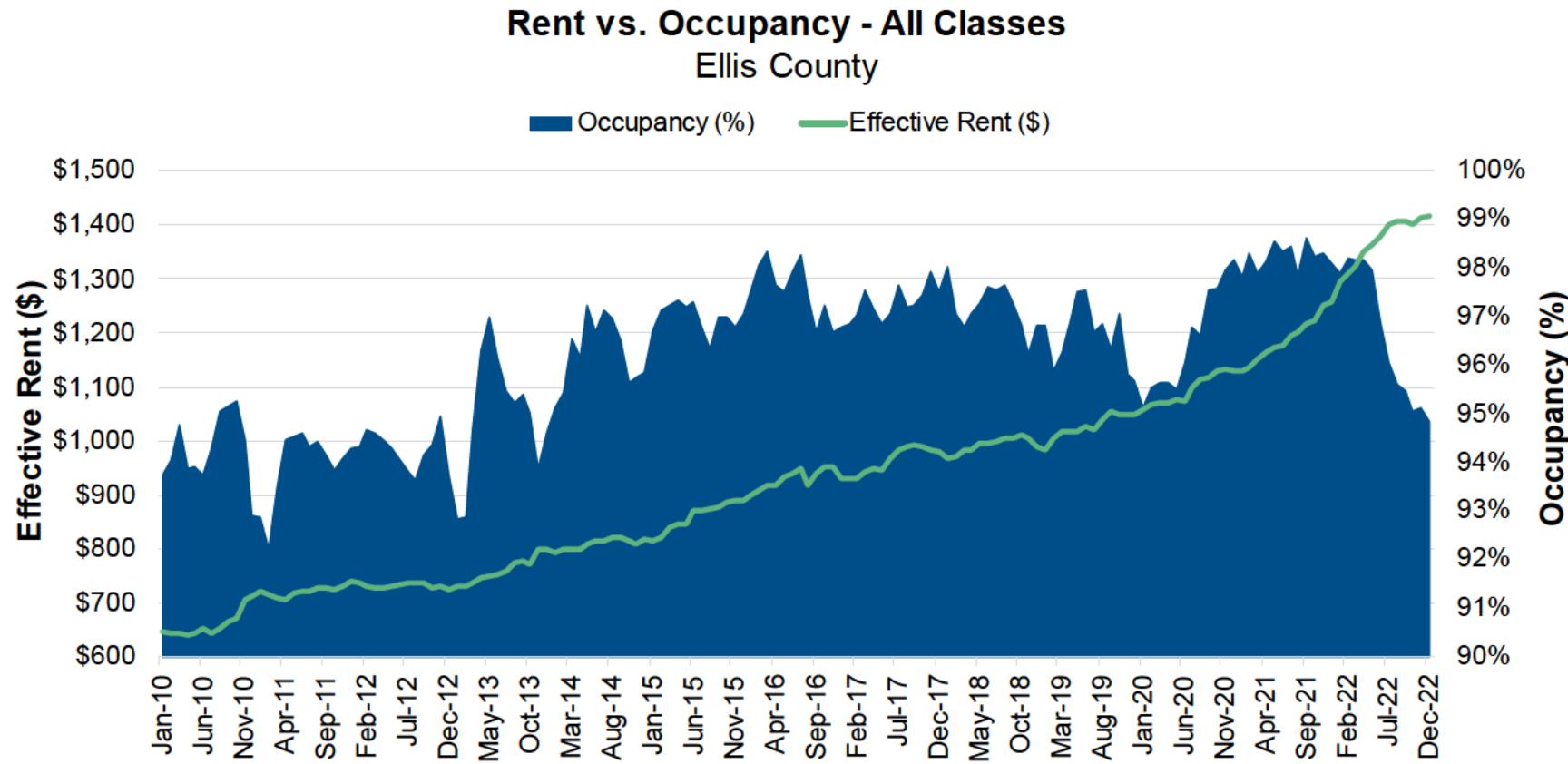


# Apartment Trends – Submarket (All Classes)



Occupancy is currently 94.9% among apartments (all classes) within the Ellis County submarket, down -3.2 points YOY. Effective rent has trended steadily upward from \$645 in 2010 to \$1,416 as of December 2022. Effective rents are up 12.6% YOY as of December 2022.

Note that RealPage does not provide sufficient data for Class A apartments alone in Ellis County.





# Demographic Trends

# Demographic Snapshot



We analyzed demographic trends at three levels: the Dallas Metropolitan Division (MDiv), Ellis County, and the town of Waxahachie, TX. Waxahachie is projected to grow at 2.2% annually, slightly faster than the MDiv and the county. The median age in Waxahachie is lower than the MDiv and county. Waxahachie has a higher percentage of households who rent (37.4%) than Ellis County (21.3%), but behind the MDiv (42.1%). Waxahachie has lower median household income, net worth, and home value than the MDiv or county.



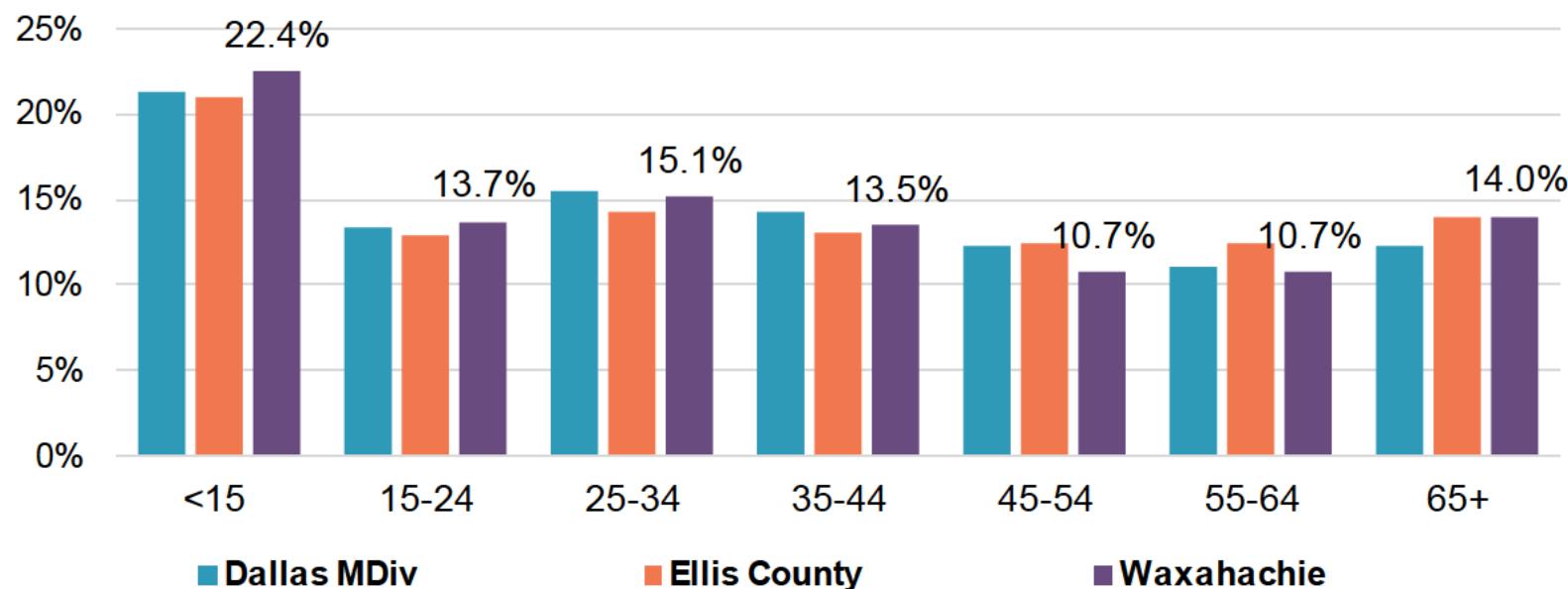
	Dallas MDiv	Ellis County	Waxahachie
<b>2022 Population</b>	5,370,454	204,906	44,733
<b>Proj. Annual % Increase (2022 to 2027)</b>	1.20%	2.01%	2.20%
<b>2022 Households</b>	1,947,938	69,160	15,628
<b>Proj. Annual % Increase (2022 to 2027)</b>	1.19%	1.99%	2.05%
<b>2022 Median Age</b>	35.1	36.4	34.2
<b>2022 Median HH Income</b>	\$81,071	\$84,737	\$73,626
<b>2022 Median Net Worth</b>	\$146,706	\$231,032	\$132,823
<b>2022 Median Home Value</b>	\$304,131	\$267,468	\$255,458
<b>2022 Avg. Household Size</b>	2.73	2.94	2.79
<b>2022 Households Who Rent</b>	42.1%	21.3%	37.4%



# Population Distribution by Age – 2022

People living within Waxahachie form our demographic focus. Nearly 40% of Waxahachie's population is between 25 and 54; we view these as the primary renters for a BTR community. Over 22% of the population is under the age of 15, and some renter households with children will be attracted to the Subject due to the privacy and space that a build-to-rent product provides compared to a traditional apartment setting. We expect a small amount of demand empty-nesters given the Subject's low maintenance and low-density appeal, counterbalanced by the fact that the Subject's only single-level plans are one-bedroom units.

**Population Distribution by Age (2022)**

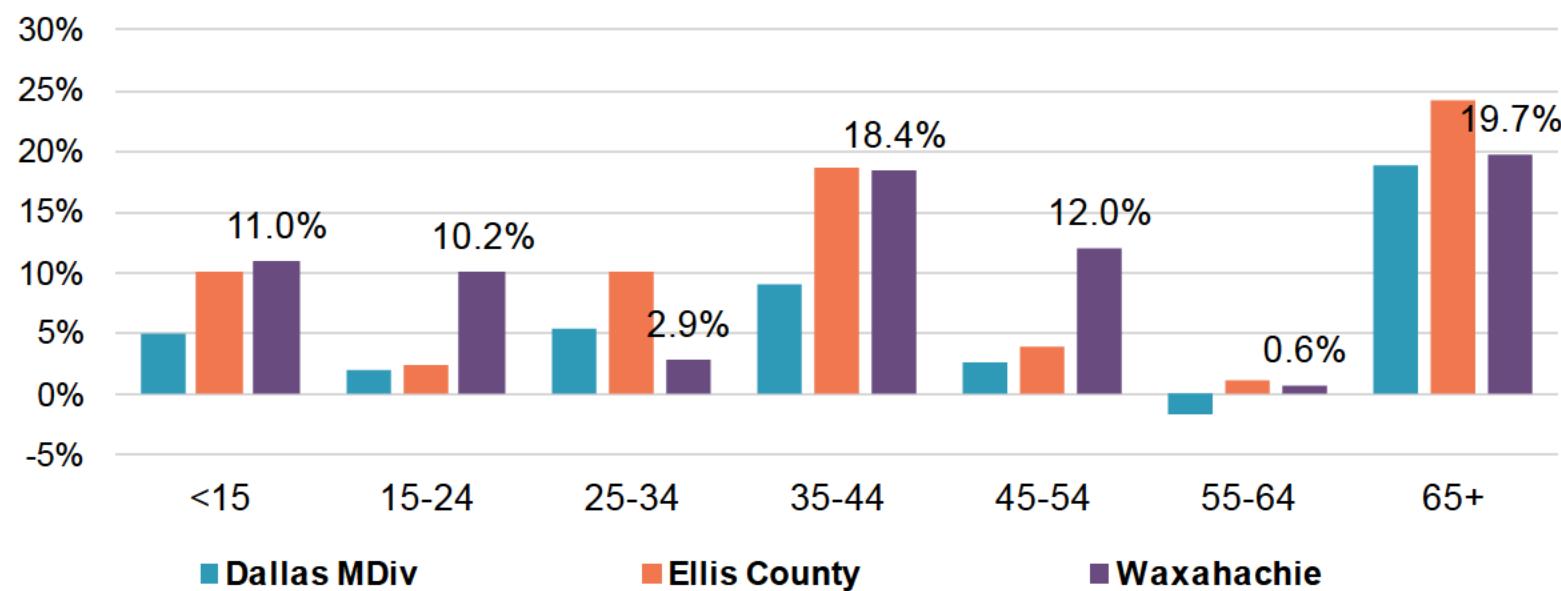




# Population Growth by Age – 2027 Projection

The population in Waxahachie is projected to increase across all age groups over the next 5 years. The most substantial growth is projected from the 35-44 age group (3.7% annually), the 45-64 age group (2.4% annually), and the 65+ age group (3.9% annually). We primarily expect demand from young singles, couples, and families. The Subject's three-bedroom units will appeal to young families. The Subject's one-story homes, which are larger on average compared with nearby one-bedroom apartments, should attract some retirees and empty nesters.

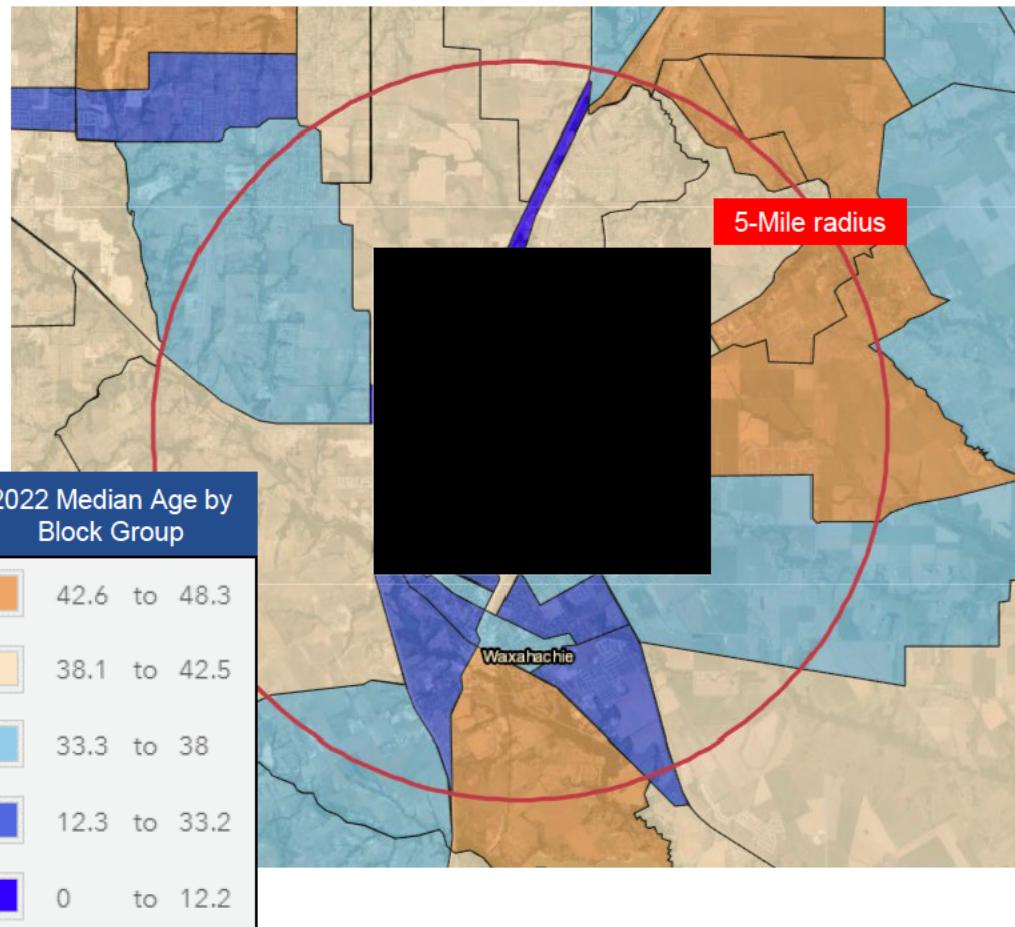
**Population Growth by Age (2022-2027)**



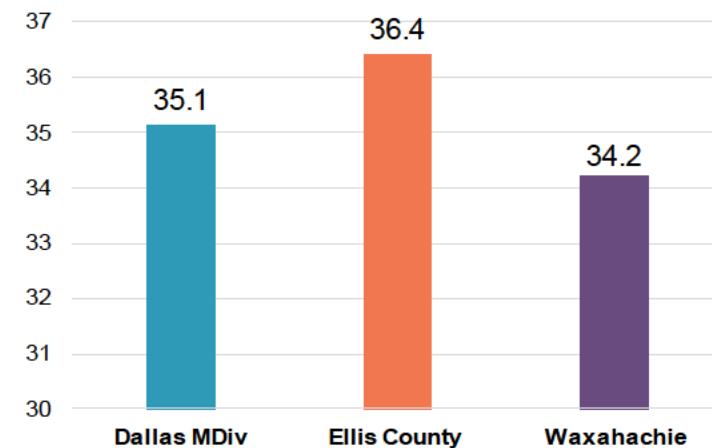


# Median Age and Distribution by Age

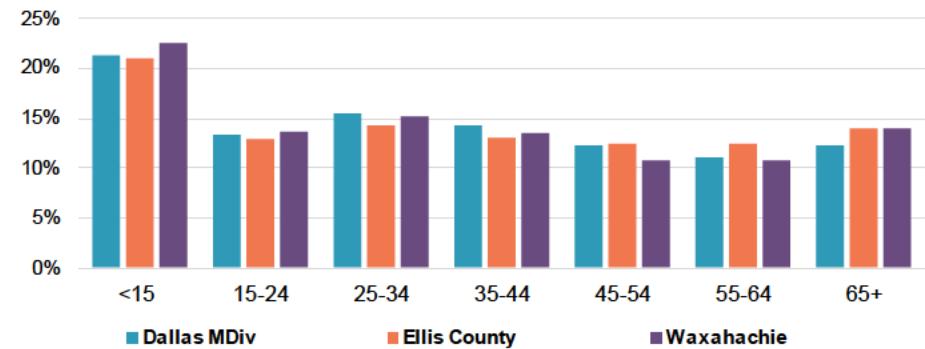
The median age in Waxahachie (34.2) is slightly lower than the median age in the Dallas MDiv (35.1) and Ellis County (36.4). The Subject should offer floorplans that cater to singles, young couples and families, and empty nesters wanting space and privacy. The Subject's planned amenities should be those enjoyed and valued by these groups (i.e., resort-style pool, fitness center, dog park, and walking trail).



Median Age (2022)



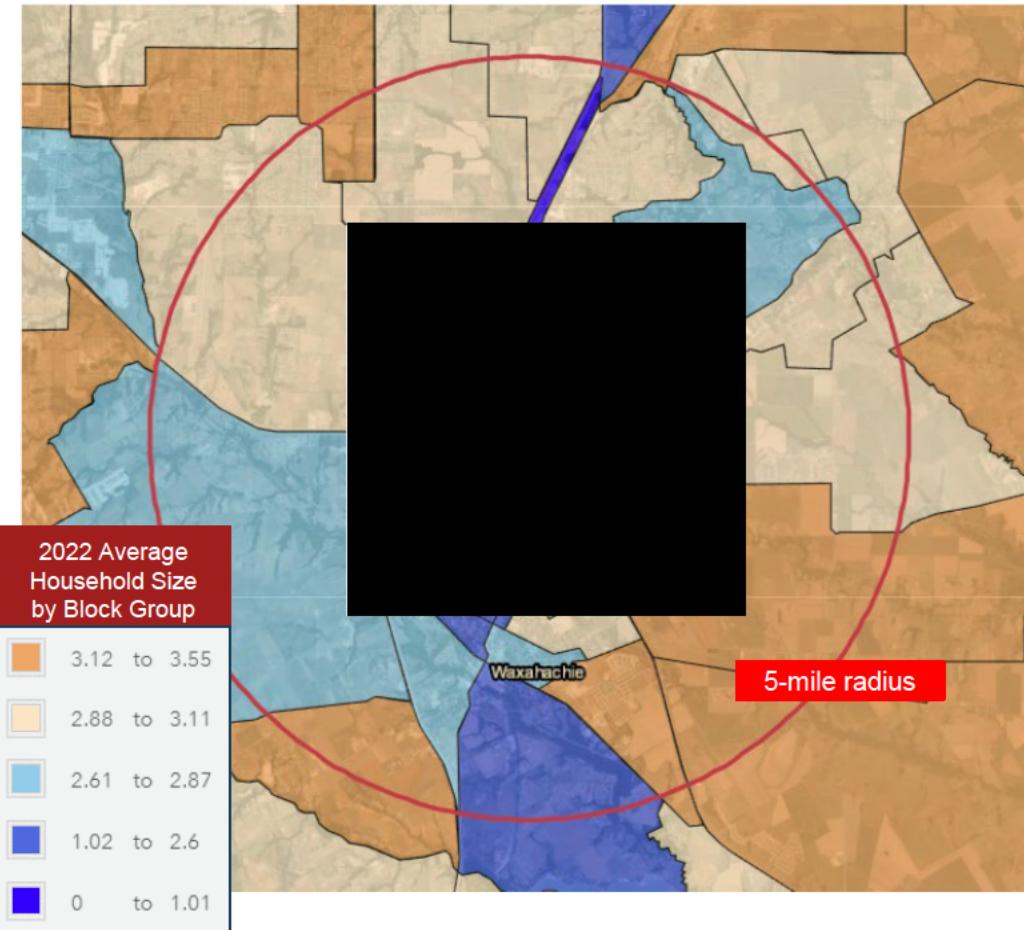
Population Distribution by Age (2022)



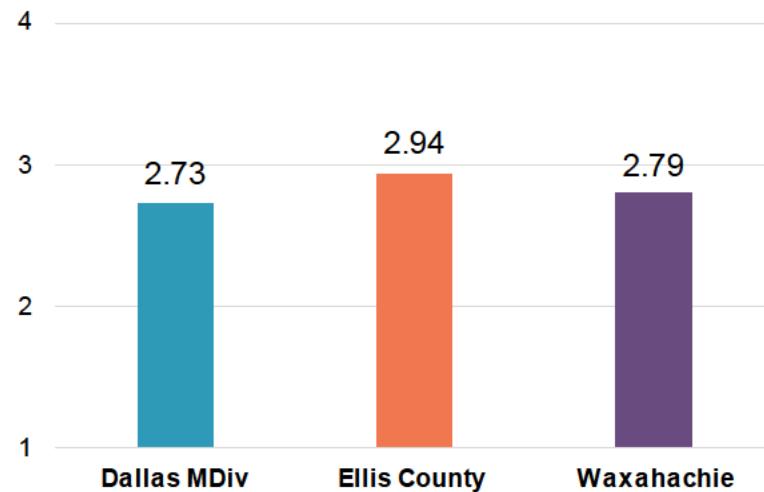


# Presence of Family

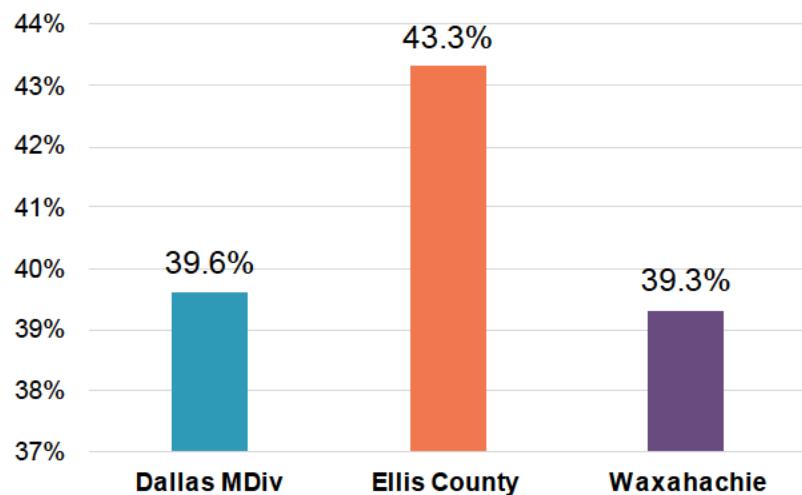
Waxahachie shows a similar average household size and percentage of households with children to the Dallas MDiv, but slightly behind Ellis County in both measures. The Subject rentals will attract some small families with one to two children. Small families will be looking for plans with two to three bedrooms. Couples and retirees without children will prefer 1+ bedroom options. Singles or couples may want more space for in-house offices with the hybrid work-from-home option many companies offer employees.



Average Household Size (2022)



Households with Children (2022)



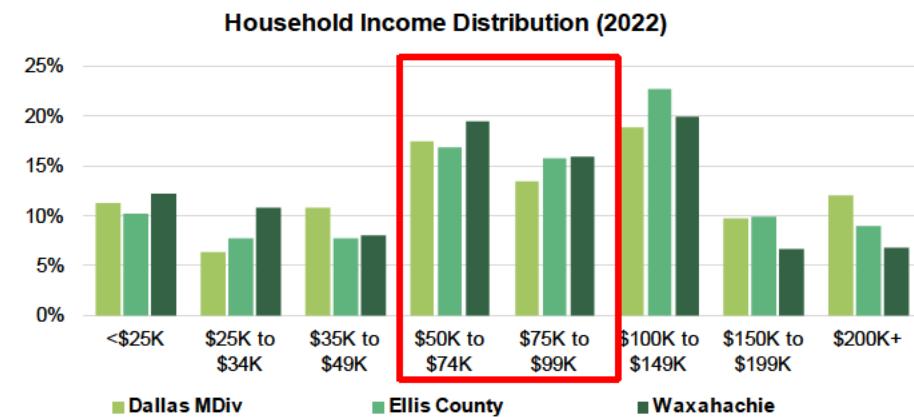
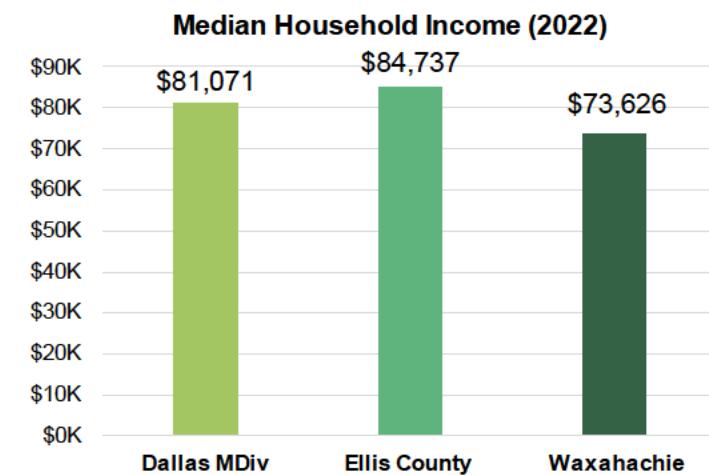
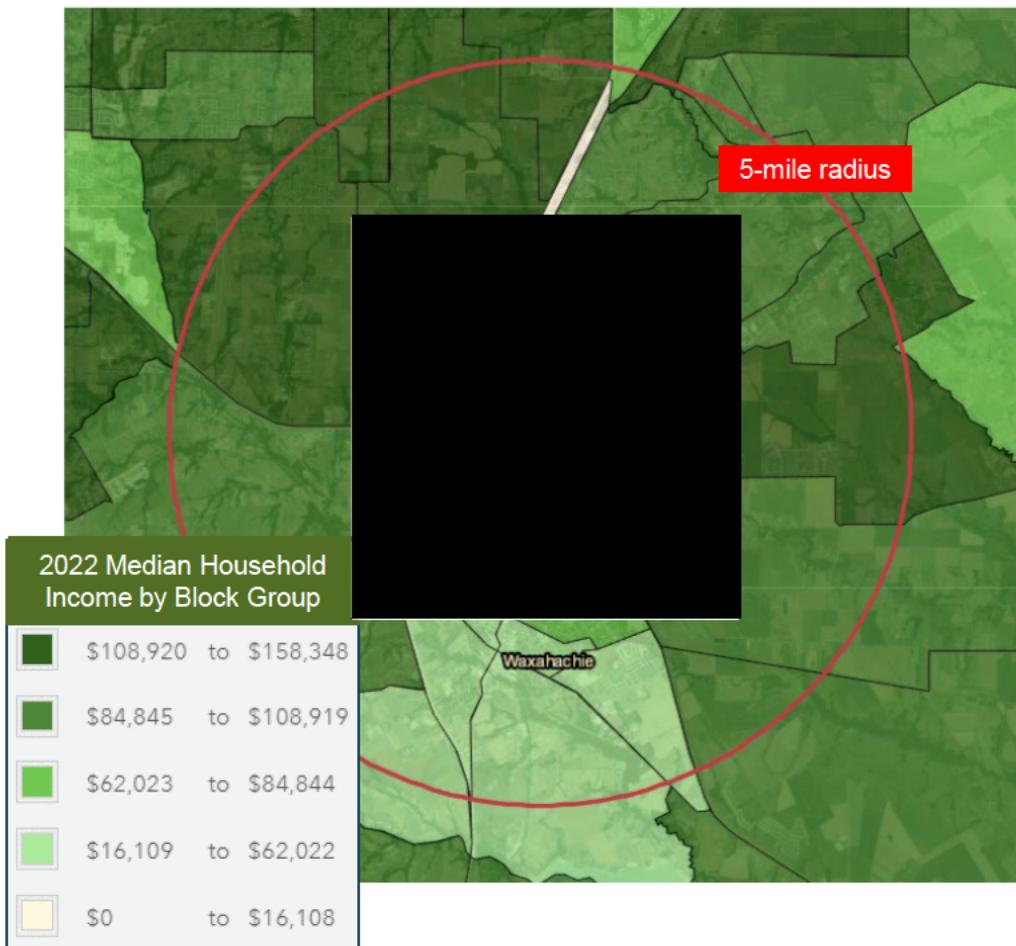
Source: ESRI

John Burns Real Estate Consulting



# Median Household Income

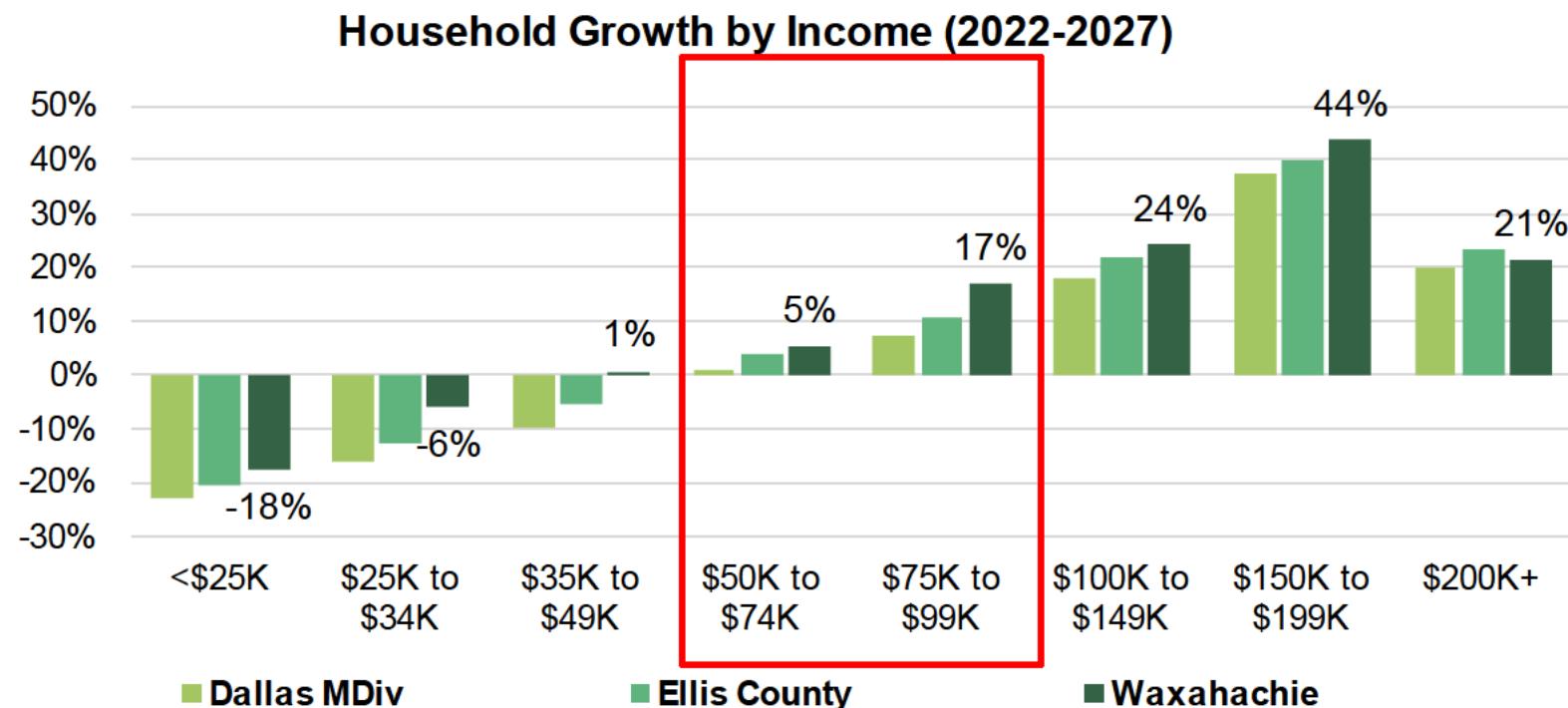
The median household income (roughly \$74K) in Waxahachie is lower than that of Ellis County (\$85K) and the Dallas MDiv (\$81K). This small income discrepancy is not expected to hinder demand at the Subject. Households with incomes between \$50K-\$100K will be the target market for the Subject. These represent 36% of households within Waxahachie.





# Household Growth by Income

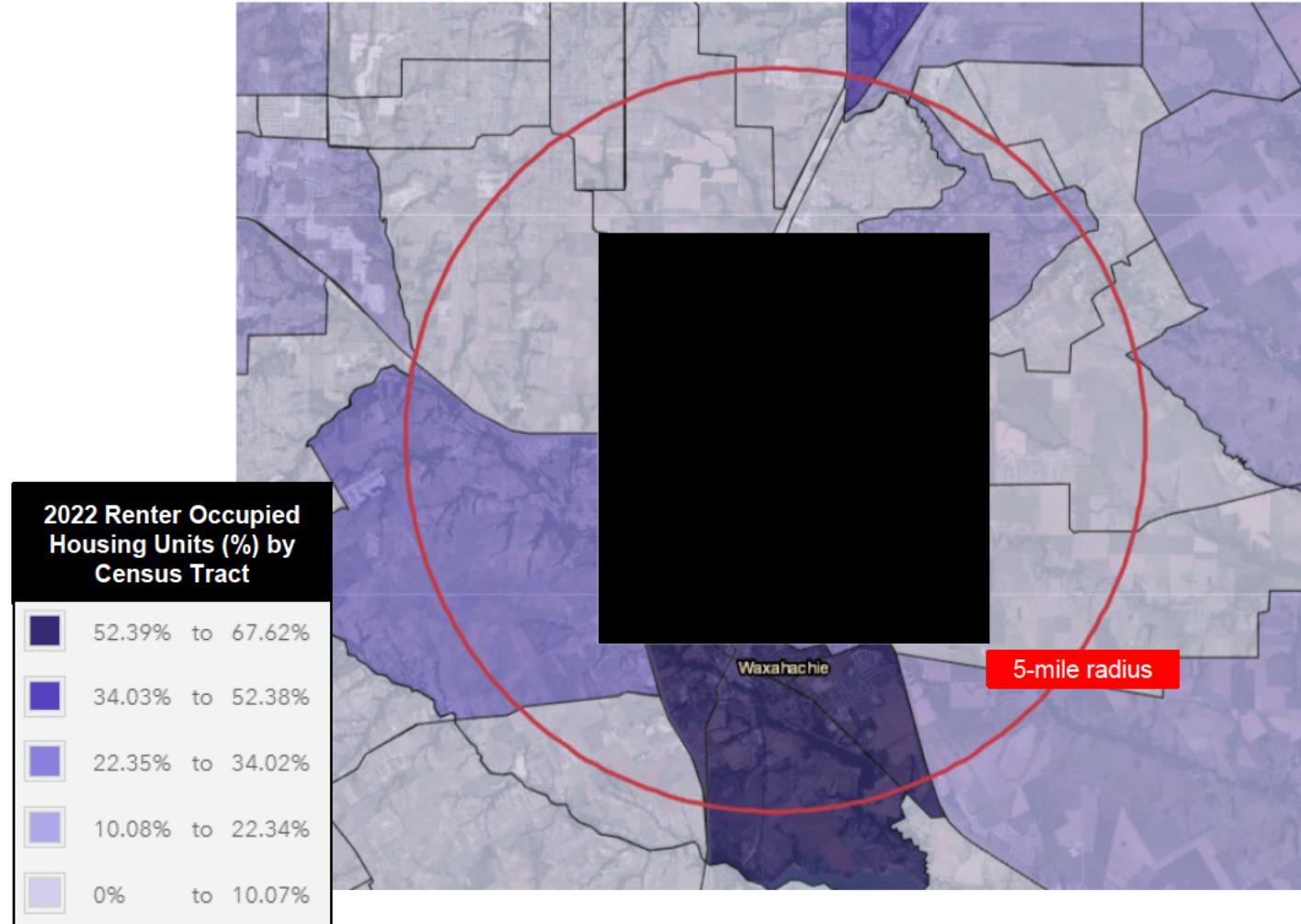
The number of households earning between \$50K-\$100K is projected to grow from 2022 to 2027. This typically indicates an area's increasing desirability (perhaps due to affordability), a positive for the Subject wanting to attract renters. Affluent households are more likely to purchase a single-family home, but some of them could elect to rent due to supply constraints, worsening affordability, or remain renters out of necessity, representing potential demand growth at the Subject.



# Rentership



Renter-occupied housing units are more prevalent towards the downtown area of Waxahachie just south of the Subject. We expect rentership to increase in Ellis County and the Subject's submarket as rental communities (like the Subject) are developed. An increasing number of households in the Dallas MDiv (young and old) are choosing to rent, similar to national trends. About 32% of the Subject's block group are renters.



Source: ESRI

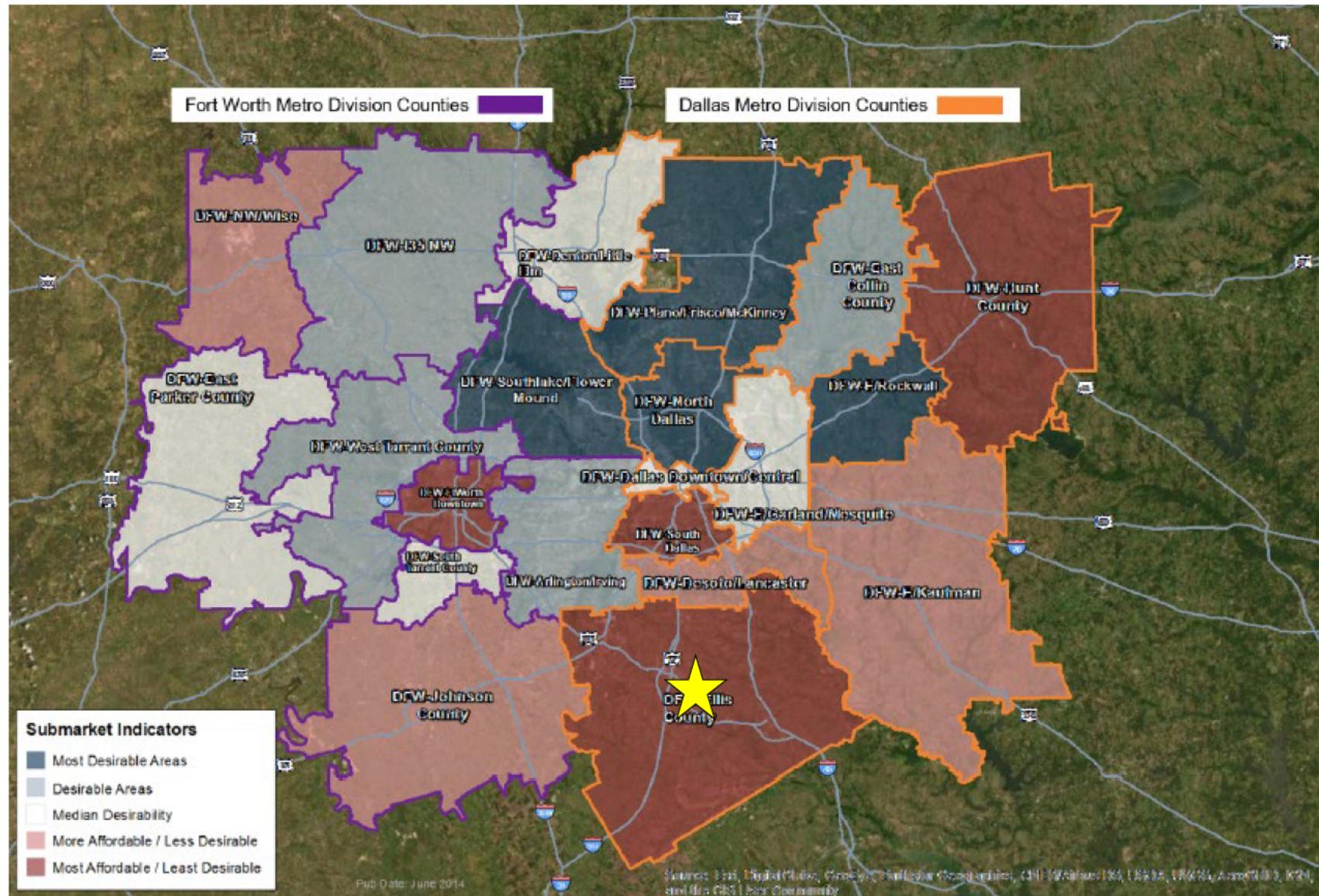
John Burns Real Estate Consulting

# Economic and Housing Trends

# DFW Submarket Map



The Subject is in the Dallas-Fort Worth MSA in Ellis County (within the Dallas MDiv).





# Market Overview

## Burns Current Conditions and Forecast

Dallas

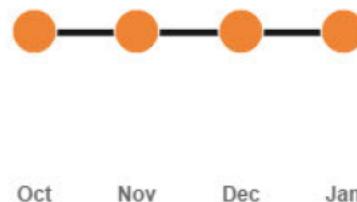
### Current New Home Sales / Prices

**Slow**

**Strong**

**Normal**

**Slow**



**Very Slow**

### Forecasts

#### Single-Family Permits

2022P	2023P	2024P	2025P
<b>31.7K</b>	<b>25.7K</b>	<b>24.5K</b>	<b>27.3K</b>
-17.8%	-18.9%	-4.7%	11.4%

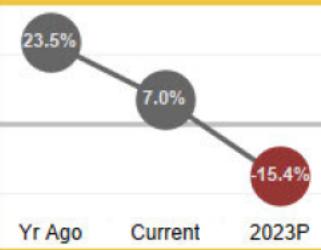
#### New Home Price Appreciation\*

2022P	2023P	2024P	2025P
<b>-3.1%</b>	<b>-17.4%</b>	<b>-7.0%</b>	<b>3.6%</b>

#### Existing Home Values Burns Home Value Index

**Normal**

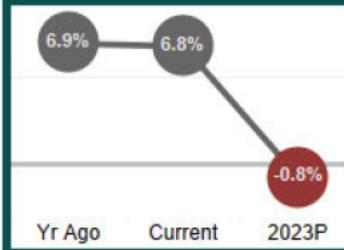
7.0% YOY



#### Employment YOY %

**Excellent**

6.8% YOY



#### New Home Supply Single-Family Permits

**High**

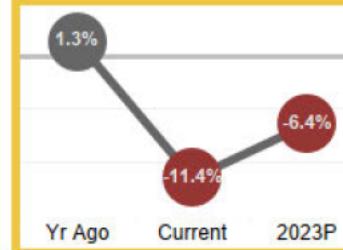
32.8K Permits



#### Existing Home Sale Closings

**Average**

-11.4% YOY



#### Months of Supply Resale

**Excellent**

2.1 months

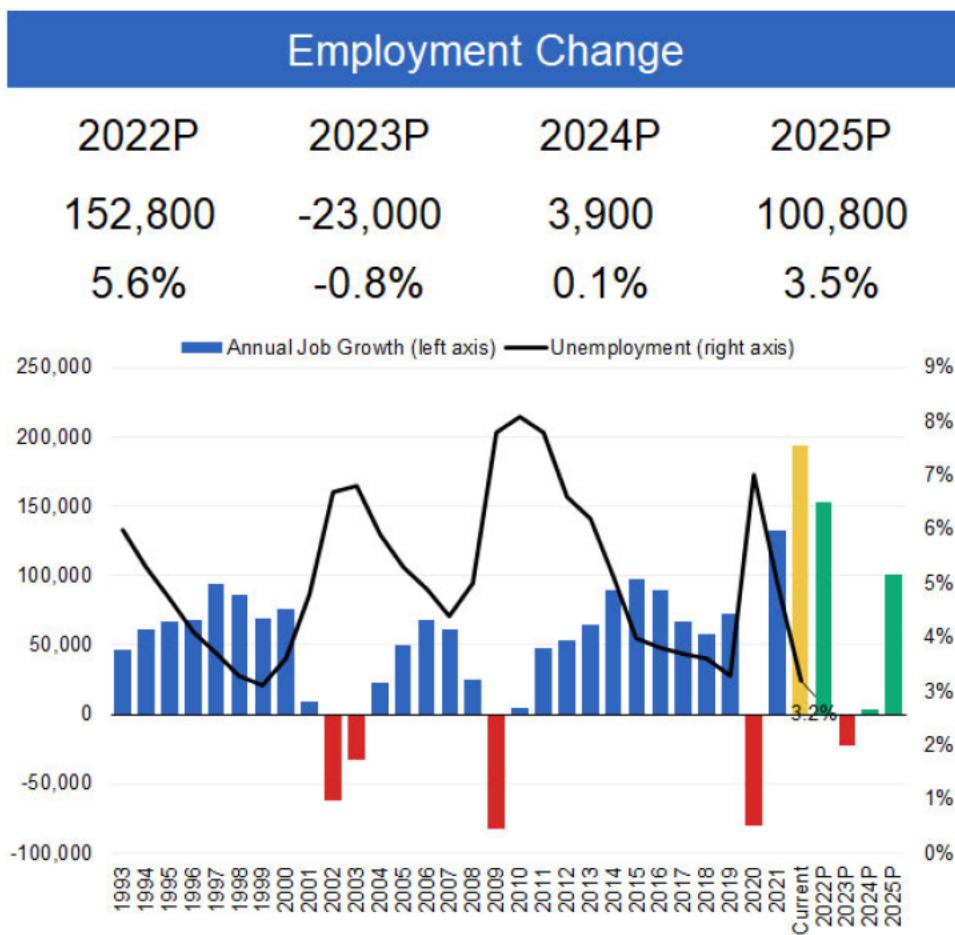
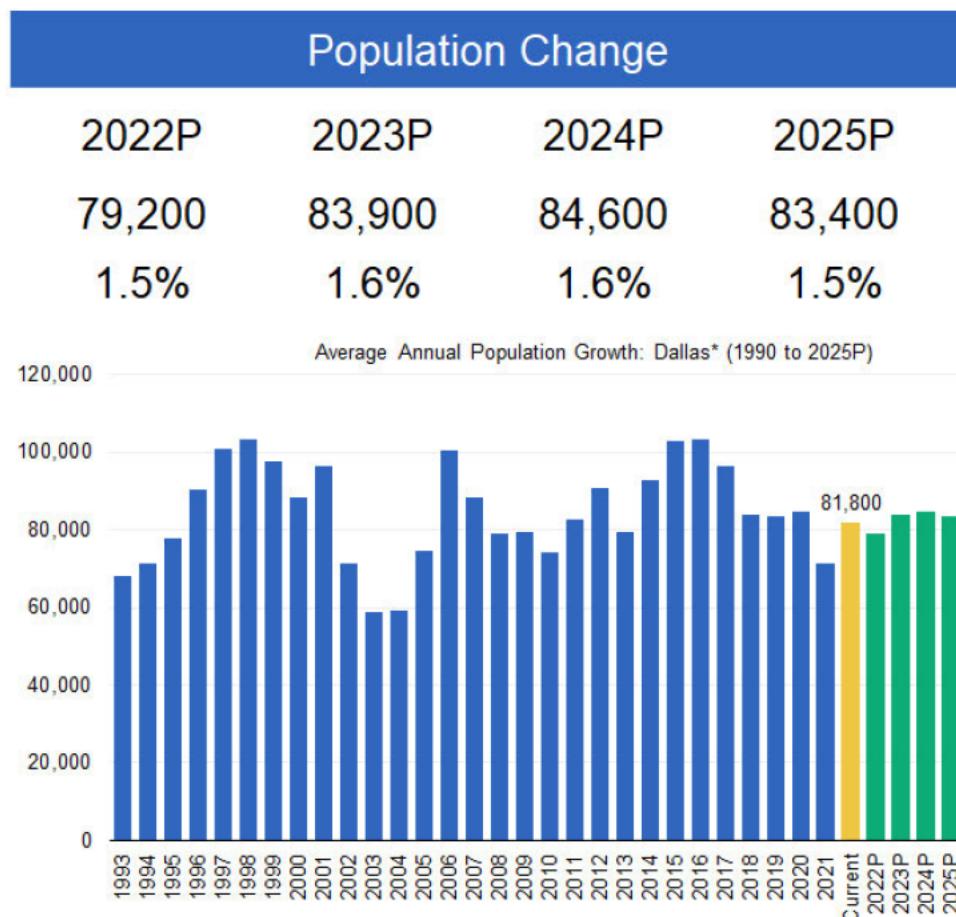




# Population and Employment Change

The Dallas MDiv's annual population growth averaged 99,000 annually from 2014-2017 before leveling off to 83,000 from 2018-2020. JBREC expects stable population increases of about 1.5% annually recovering to the pre-pandemic level in the foreseeable future.

As of November 2022, Dallas MDiv's current unemployment rate is 3.2%. We anticipate a decline in employment in 2023, a small increase in 2024, and significant growth in 2025.



Sources: U.S. Census Bureau, U.S. Bureau of Labor Statistics (BLS) with JBREC forecasts (Data as of November 2022, projections as of January 2023)

Dallas\*

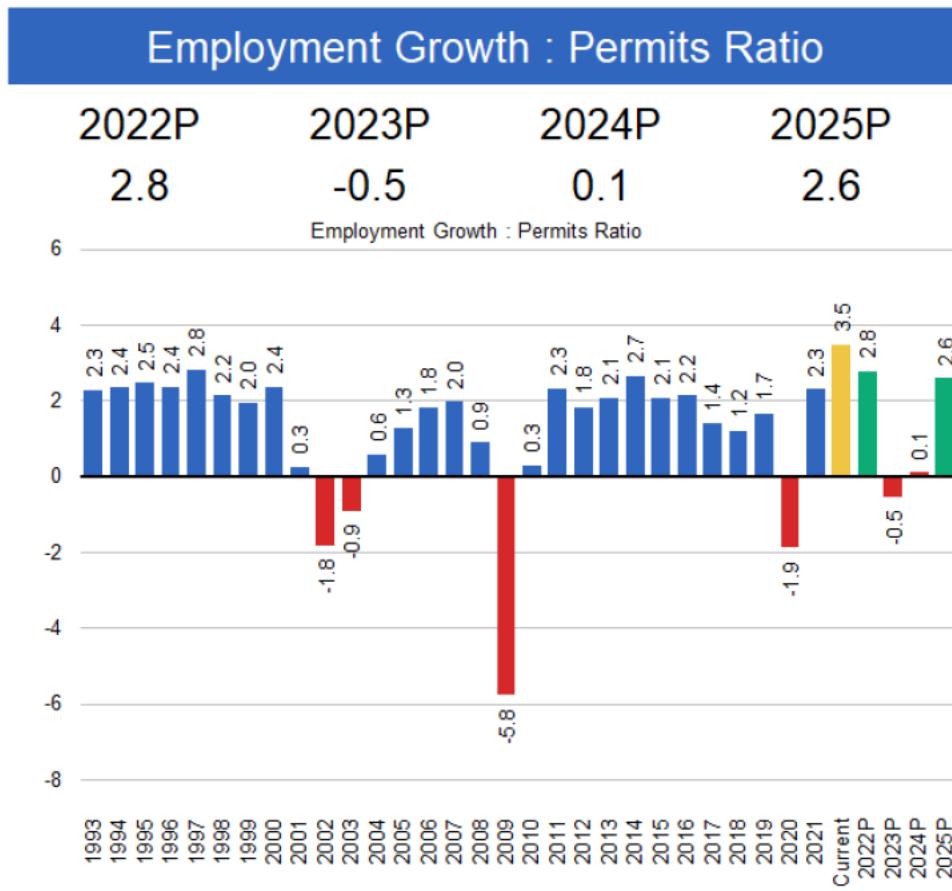
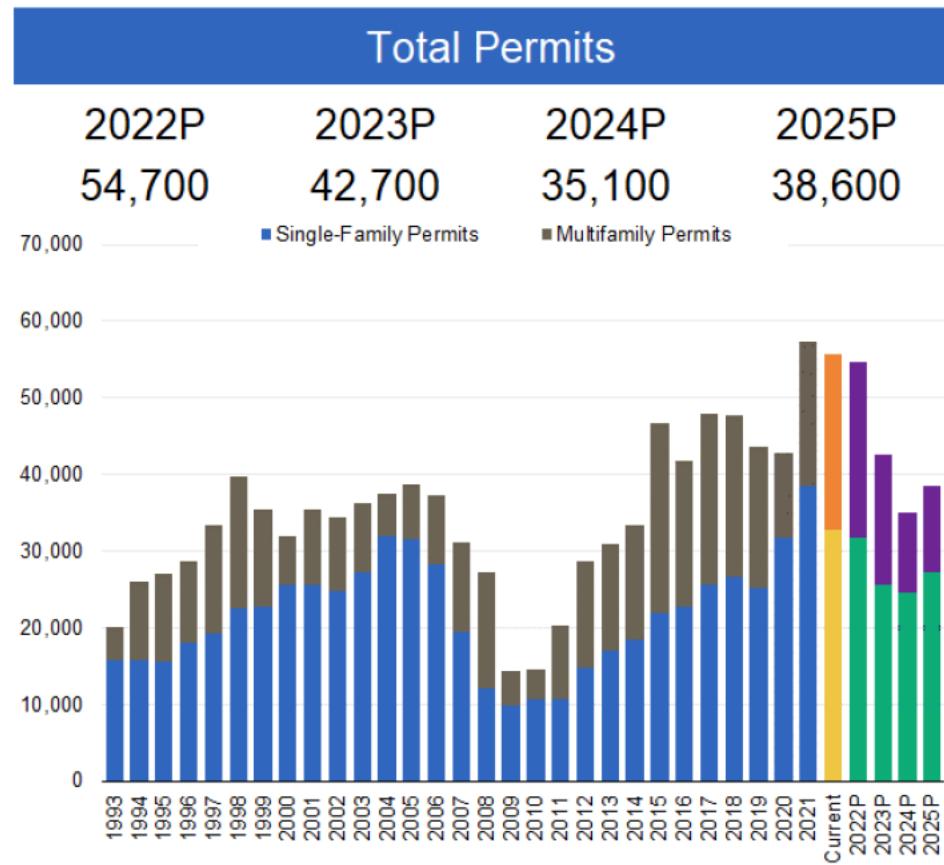


# Permits and Employment Relationship

Dallas MDiv's annual permit counts have increased over the last decade to record levels in 2021-2022. We project an average of nearly 39,000 total annual permits from 2022 through 2025.

The E/P Ratio (new jobs divided by permitted dwelling units) can be a leading indicator as permits respond to job-based migration.

- >1.2:1 generally means healthy housing demand
- Dallas's ratio is currently 3.5, meaning the pace of job growth is outpacing new housing permits. This could drive outsize pricing growth in the near-term, though job growth is expected to stabilize in the future.



Sources: U.S. Census Bureau with JBREC forecasts (Data as of November 2022, projections as of January 2023)

Dallas\*



# Resale Market

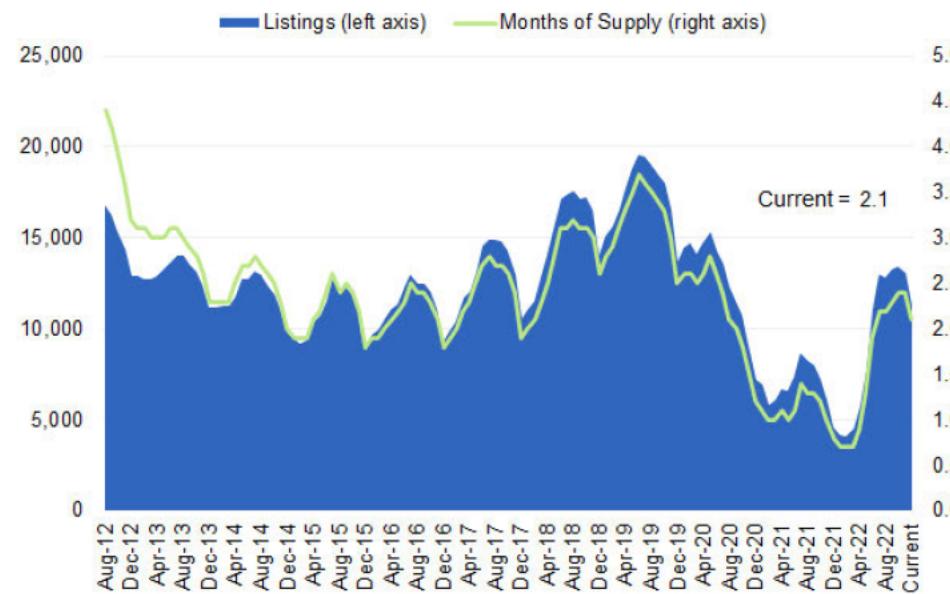
Months of supply (ratio of homes listed for sale to the most recent month's sales) depicts housing surpluses or shortages.

- 4-5 months generally means equilibrium
- Dallas's supply of 2.1 is below equilibrium, signaling a shortage of resale supply, but is nearing historical norms.

Annual resale volumes have steadily increased over the last ten years even during the pandemic. The median price of resales is up over the past year to \$415,000. A shortage of resale supply will likely keep prices elevated. We project annual resale volume to decrease for the remainder of 2023 before increasing again in 2024 and 2025.

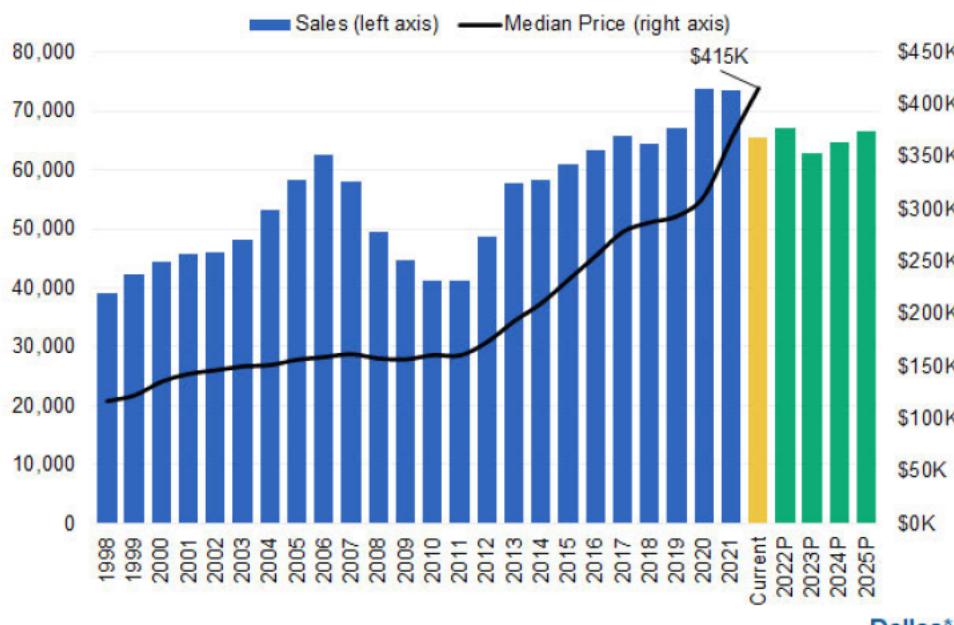
## Resale Listings      Months of Supply

Current	Year-Ago	Current	Year-Ago
11,233	4,594	2.1	0.8



## Resale Volume & Price

2022P	2023P	2024P	2025P
67,100	62,800	64,700	66,600
-8.7%	-6.4%	3.0%	2.9%



Sources: Real Estate Center at TAMU; Real Estate Center at TAMU (Data as of December 2022, projections as of January 2023)

Sources: Public Records; John Burns Real Estate Consulting, LLC (Data as of November 2022, projections as of January 2023)

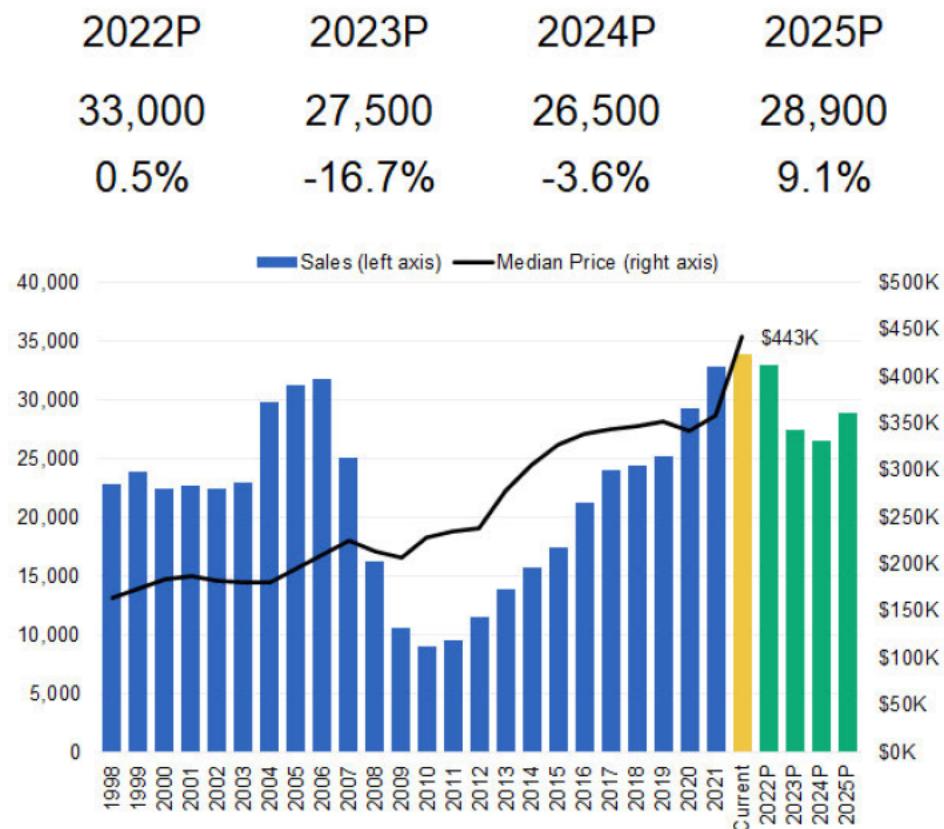


# New Home Market

Dallas's annual new home sales volume has been generally rising since 2010 and has recently matched 2004-2006 levels. Average prices are increasing rapidly and are at an all-time high of \$443,000. We anticipate growth to decline through 2024 before seeing an increase in 2025.

We project new home prices to drop by -17.4% by the end of 2023 followed by a -7% decline in 2024 before rebounding in 2025. Our new-home appreciation forecast is net of incentives. Historical numbers are closing prices including upgrades. Local submarket conditions will heavily influence actual appreciation.

## New Home Volume and Price

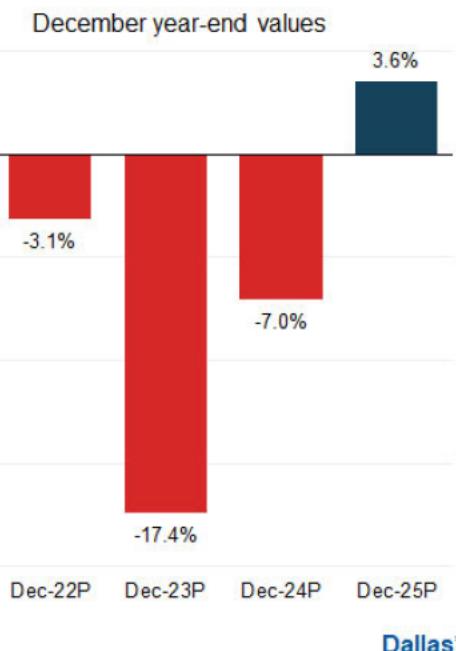


## New Home Prices

### Historical Prices

Year	Med. Price	YOY%
2002	\$182,100	-2.4%
2003	\$180,700	-0.8%
2004	\$181,300	0.3%
2005	\$196,300	8.3%
2006	\$209,900	6.9%
2007	\$224,400	6.9%
2008	\$213,700	-4.8%
2009	\$207,400	-2.9%
2010	\$229,200	10.5%
2011	\$235,200	2.6%
2012	\$239,100	1.7%
2013	\$277,500	16.1%
2014	\$306,100	10.3%
2015	\$327,400	7.0%
2016	\$338,300	3.3%
2017	\$344,000	1.7%
2018	\$347,300	1.0%
2019	\$351,400	1.2%
2020	\$342,800	-2.4%
2021	\$358,600	4.6%

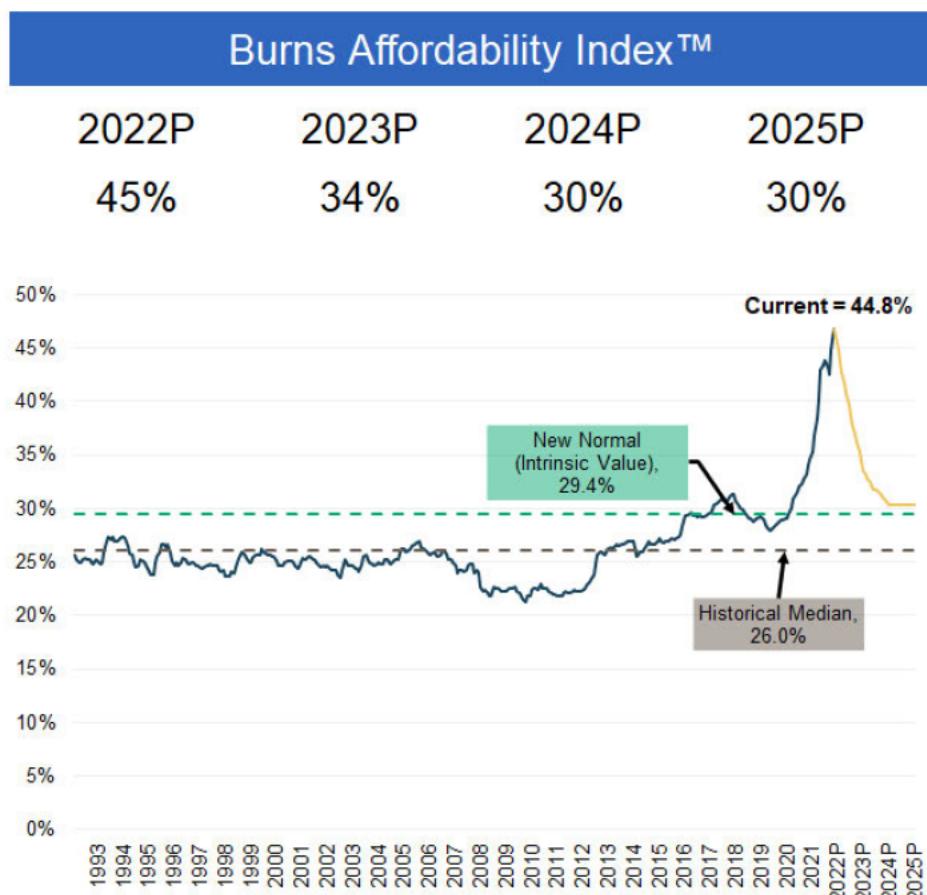
### Forecasted Appreciation<sup>1</sup>





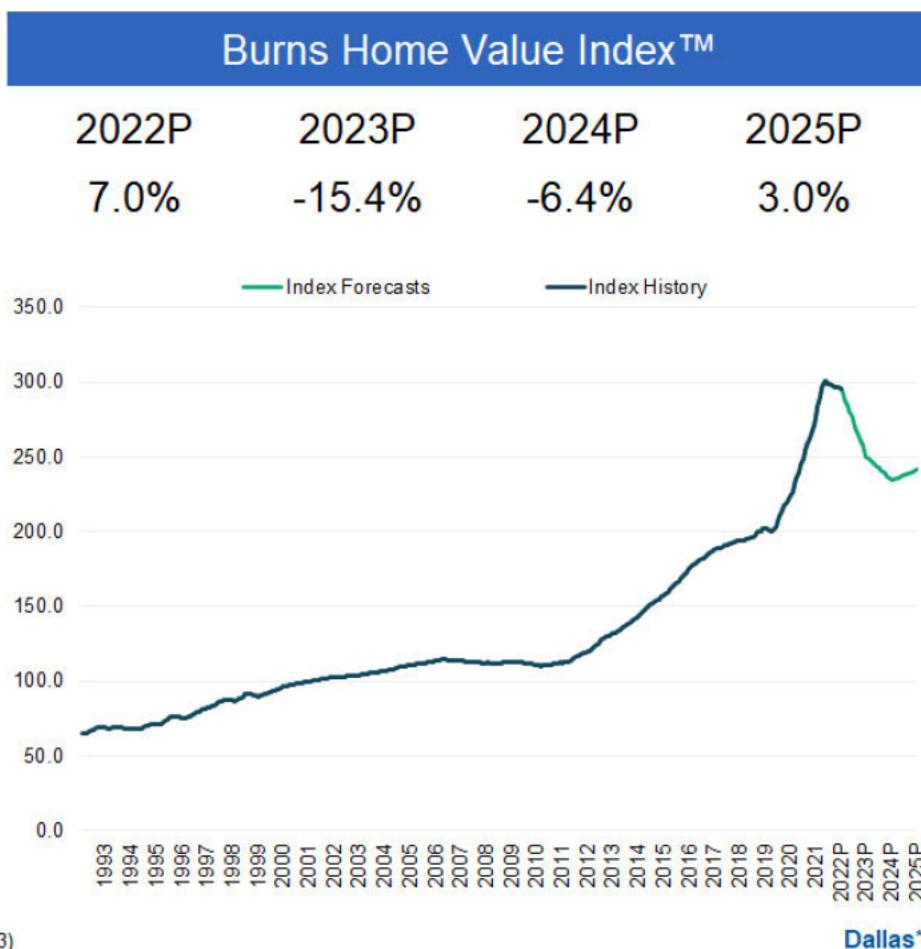
# Affordability and Value

We expect affordability in Dallas to improve over the next few years. The Burns Affordability Index™ represents the housing cost to income ratio. Historically, Dallas's median housing cost to income ratio was 26% and its new normal has increased to 29.4%. Dallas's current ratio (44.8%) is an all time high, but we project a return to normal levels in coming years.



Sources: John Burns Real Estate Consulting, LLC (Data as of December 2022, projections as of January 2023)

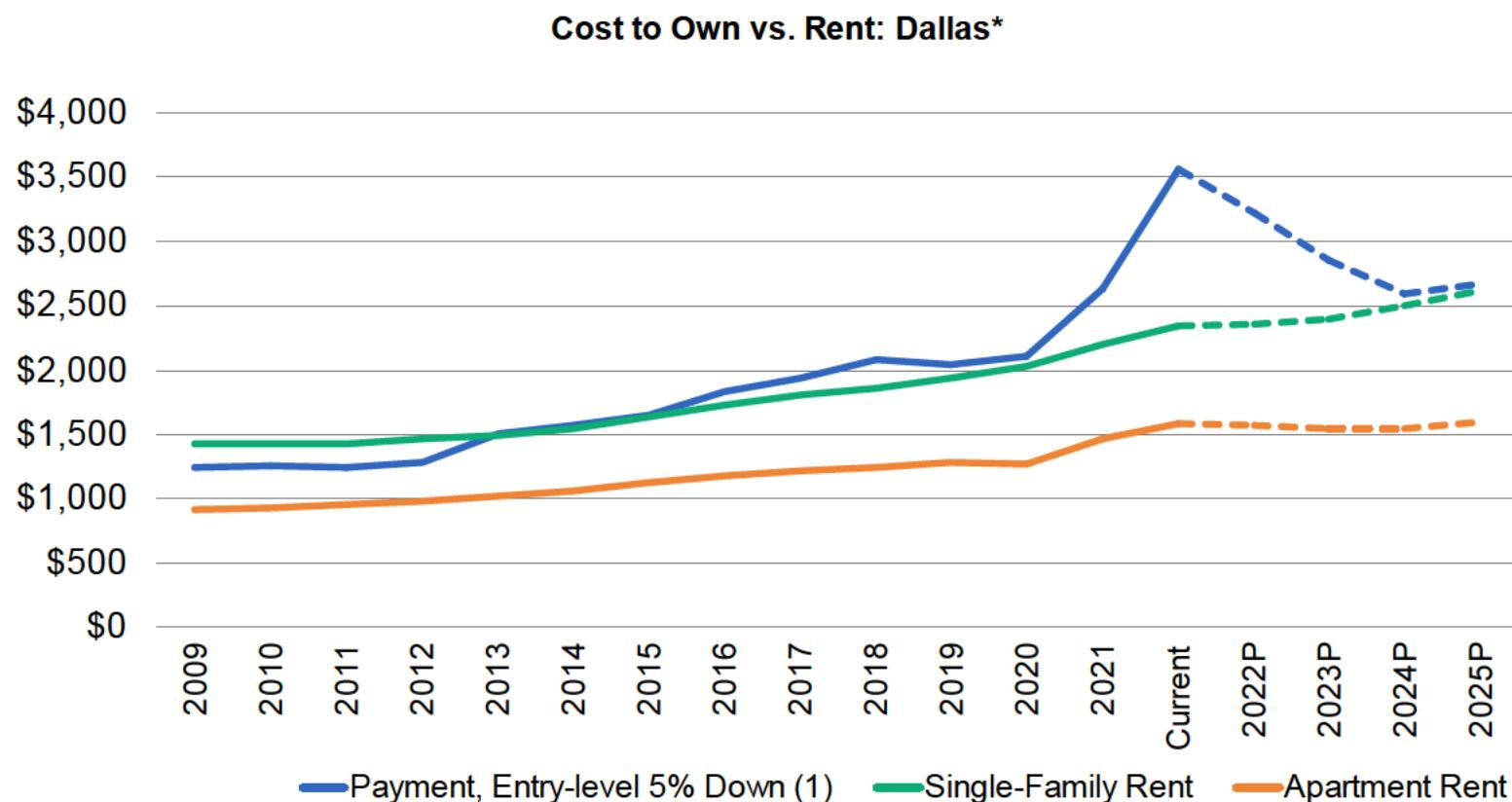
The Burns Home Value Index™(BHVI) indicates home values in Dallas have surpassed their pre-recession peak. We expect home values in the MDiv to decrease -15.4% and -6.3% in 2023 and 2024. While we believe this will add much needed relief to homebuyer affordability, we also anticipate fewer starts which will keep supply low.





# Renting vs. Entry-Level Housing Cost

JBREC tracks homeownership costs vs. single-family rents in Dallas. **The monthly payments are over \$1,200 less to rent a single-family home versus owning an entry-level home in Dallas, but we expect those levels to converge by 2024.**



Source: Burns Apartment Rent Index (BARI), John Burns Real Estate Consulting based on aggregated data from RealPage, Inc., JB REC forecasts  
(Data as of September 2022, projections as of January 2023)

(1) Home payment, entry-level home (mortgage): 5% down payment, 30-year fixed-rate mortgage, PITI payment plus mortgage insurance payment, plus annual maintenance costs ranging from 0.85% to 1.25% of the home price set in 2014 and historically adjusted for inflation, factored in monthly.

Instead of comparing the market medians of price and rent (which is not an apples-to-apples comparison), we analyzed what an entry-level home price would be in this market and determined what that home would rent for. We define entry-level home as one that sold for a price equal to 80% of the market's median sales price. Using this definition, we set a point-in-time home price and rent at September 2016. Assuming that the entry level home trends with market medians, we then trend the prices and rents with our Burns Home Value Index and our Burns Single-Family Rent Index appreciation rates throughout history.



## Change in Payment, Rents, and Income

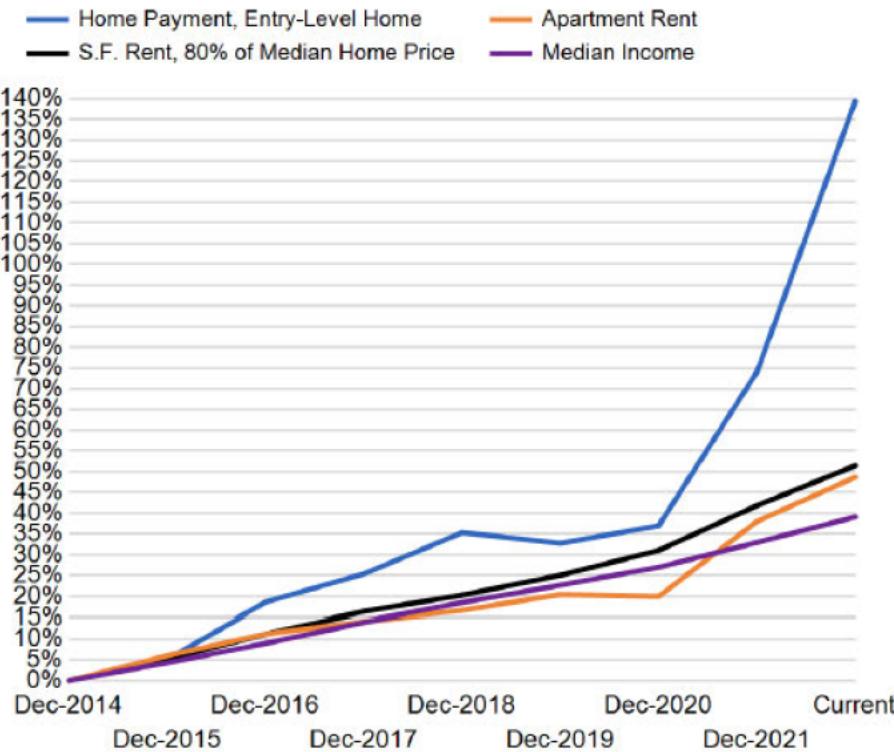
Dallas, TX (MDivision)  
January 2023

HISTORY: 2014 to Current Cumulative Growth	
Home Payment, Entry-Level Home	139%
S.F. Rent, 80% of Median Home Price	51%
Apartment Rent	49%
Median Income	39%

FORECAST: 2021 to 2025 Cumulative Growth	
Home Payment, Entry-Level Home	1%
S.F. Rent, 80% of Median Home Price	20%
Apartment Rent	9%
Median Income	17%

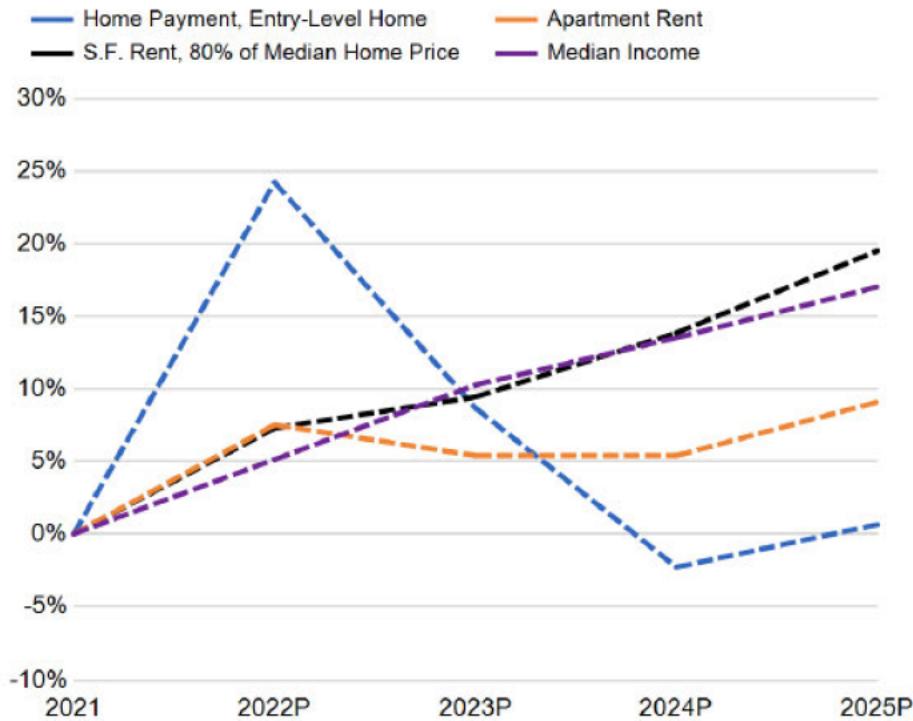
### Change in Payment, Rents and Income

(Cumulative Growth From 2014 to Current)



### Forecast Change in Payment, Rents and Income

(Cumulative Growth From 2021 to 2025)



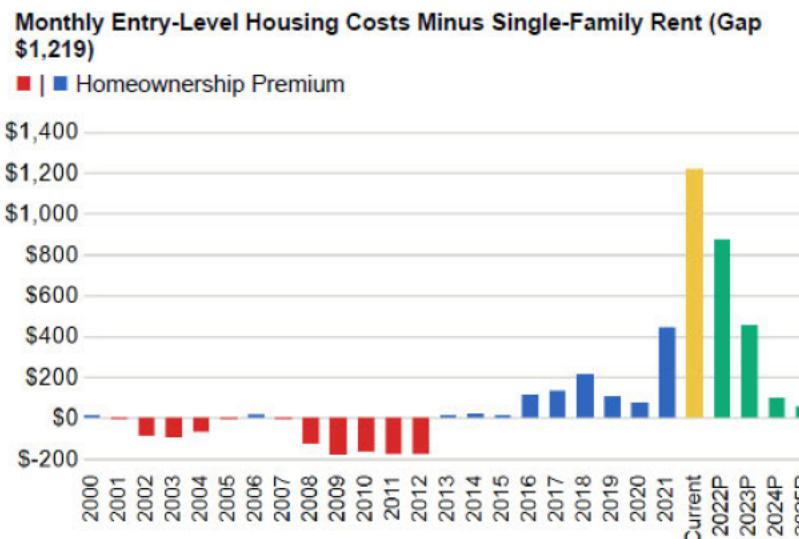
# Dallas MDiv: Homeownership v. Single Family Rental



## Homeownership Costs vs Single-Family Rental Entry-Level Home Comparison

Dallas, TX (MDivision)  
January 2023

Assuming the purchase of an entry-level home, valued at \$345K (approximately 80% of the market's median price), the monthly housing payment plus maintenance costs equal \$3,562. To rent a similar home with the same valuation would cost \$2,343. As a result, the **monthly payments are \$1,219 (52%) more to own an entry-level home in Dallas versus renting a similar home.** See methodology notes below for additional detail.



Note: A positive number means that it costs more to own and maintain a home than to rent an equivalently valued home.

### Housing Cost\* of Owning an Entry-Level Priced Home Versus Renting a Single-Family Home



\*Payment + Maintenance

Instead of comparing the market medians of price and rent (which is not an apples-to-apples comparison), we analyzed what an entry-level home price would be in this market and determined what that home would rent for. We define *entry-level home* as one that sold for a price equal to 80% of the market's median sales price. Using this definition, we set a point-in-time home price and rent at September 2019. Assuming that the entry level home trends with market medians, we then trend the prices and rents with our Burns Home Value Index and our Burns Single-Family Rent Index appreciation rates throughout history.

Home payment, entry-level home (mortgage): 5% down payment, 30-year fixed-rate mortgage, PITI (principal, interest, taxes and insurance) payment plus mortgage insurance payment.

Housing Costs: Monthly home payment plus annual maintenance costs ranging from 0.85% to 1.25% of the home price set in 2014 and historically adjusted for inflation, factored in monthly.

The annual values provided above are from December of each year.

# Dallas MDiv: Homeownership v. Apartments



## Homeownership Costs vs Apartment Rents Entry-Level Home Comparison

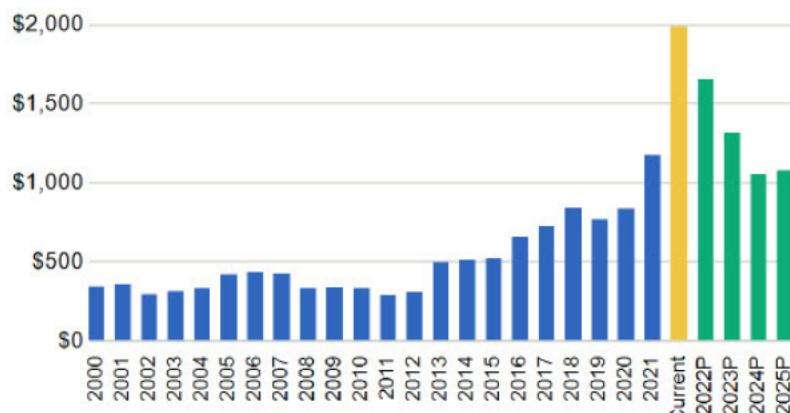
Dallas, TX (MDivision)  
January 2023

Assuming the purchase of an entry-level home, valued at \$345K (approximately 80% of the market's median price), the monthly housing payment plus maintenance costs equal \$3,562. The median apartment rent in Dallas is \$1,576. As a result, the **monthly payments are \$1,986 (126%) more to own an entry-level home in Dallas versus renting the typical apartment.** See methodology notes below for additional detail.

**Monthly Entry-Level Housing Costs Minus Apartment Rent (Gap \$1,986)**



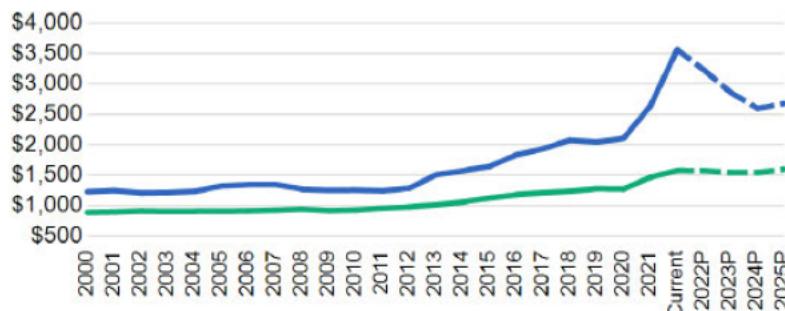
■ | □ Homeownership Premium



Note: A positive number means that it costs more to own and maintain a home than to rent the typical apartment.

### Housing Cost of Owning an Entry-Level Priced Home Versus Renting an Apartment

— Housing Costs — Apartment Rent



Home Value, Entry-Level Home	Housing Costs			Rental Costs		Own Premium
	Home Payment, Entry-Level Home	Home Payment YOY %	Housing Costs (Payment + Maintenance)	Apartment Rent	Apt. Rent YOY %	
2006	\$132K	\$1,195	1.5%	\$1,344	\$912	0.7%
2007	\$132K	\$1,193	-0.2%	\$1,347	\$923	1.2%
2008	\$131K	\$1,114	-6.6%	\$1,268	\$940	1.8%
2009	\$131K	\$1,092	-2.0%	\$1,251	\$915	-2.7%
2010	\$129K	\$1,094	0.2%	\$1,255	\$925	1.1%
2011	\$131K	\$1,077	-1.6%	\$1,243	\$957	3.5%
2012	\$139K	\$1,114	3.4%	\$1,283	\$977	2.1%
2013	\$154K	\$1,333	19.7%	\$1,505	\$1,011	3.5%
2014	\$167K	\$1,397	4.8%	\$1,570	\$1,060	4.9%
2015	\$183K	\$1,469	5.2%	\$1,643	\$1,124	6.0%
2016	\$203K	\$1,656	12.7%	\$1,834	\$1,179	4.9%
2017	\$219K	\$1,751	5.7%	\$1,932	\$1,210	2.6%
2018	\$225K	\$1,890	7.9%	\$2,075	\$1,236	2.2%
2019	\$235K	\$1,854	-1.9%	\$2,043	\$1,276	3.2%
2020	\$261K	\$1,913	3.2%	\$2,105	\$1,271	-0.4%
2021	\$322K	\$2,431	27.1%	\$2,636	\$1,463	15.1%
Current	\$345K	\$3,343	40.7%	\$3,562	\$1,576	8.3%
2022P	\$344K	\$3,020	24.2%	\$3,227	\$1,573	7.5%
2023P	\$291K	\$2,642	-12.5%	\$2,856	\$1,542	-2.0%
2024P	\$273K	\$2,376	-10.1%	\$2,597	\$1,542	0.0%
2025P	\$281K	\$2,447	3.0%	\$2,676	\$1,596	3.5%

See page 54 for a description on the entry-level home price, payment and maintenance.

Source: Burns Apartment Rent Index (BARI), John Burns Real Estate Consulting based on aggregated data from RealPage, Inc., JBREC forecasts

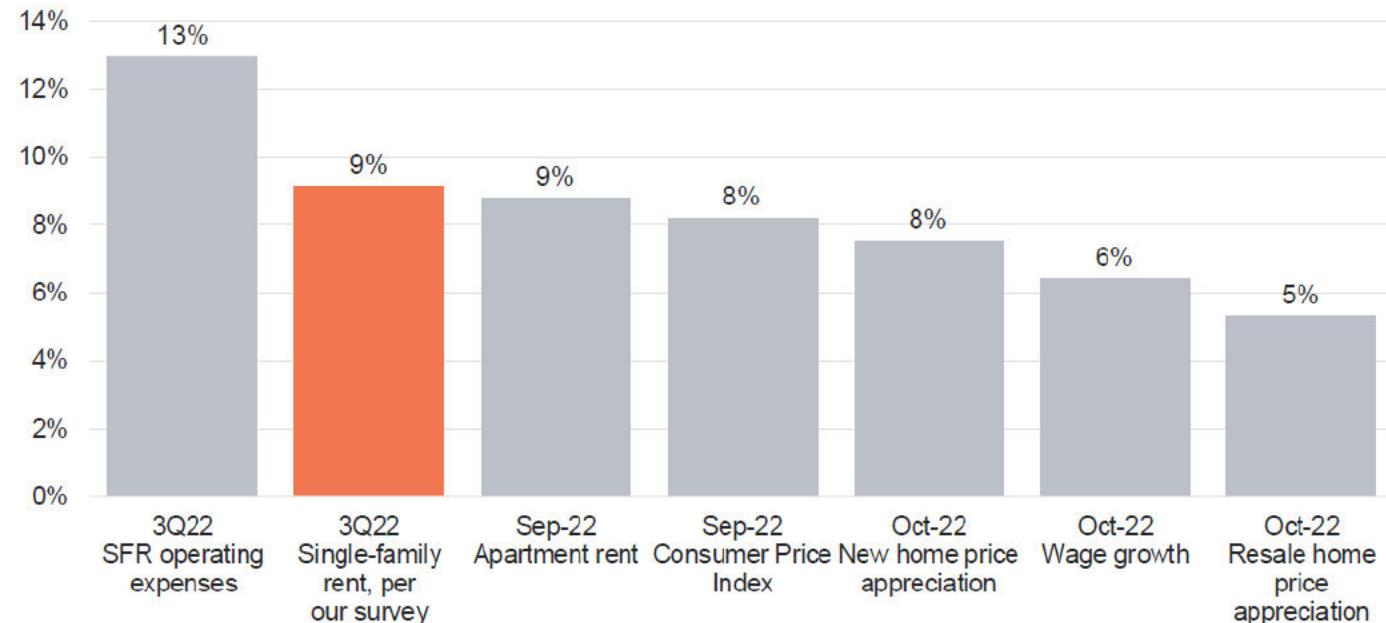
\*Note: apartment rent annual values are for December of each year. "Current" data above is the most recent monthly data. The annual values provided above for price and payments are from December of each year.

# Single-Family Rental Survey



**National blended SFR rent growth (9% YOY) and apartment rent growth (9% YOY) now exceed new and resale home price appreciation (5%-8% YOY).**

3Q 2022 YOY % Increase in Key Housing and Economic Metrics



Sources: Reis Services, LLC; Census Bureau; Moody's Analytics; Burns Home Value Index™ (BHVI); Atlanta Federal Reserve Board Wage Growth Tracker; Blended single-family rent growth as published in the Single-Family Rental Market Index Survey; New home price appreciation (net of incentives) as published in our Burns Housing Survey from the Front Lines; John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Dec-22)

# Appendix

# Limiting Conditions



This report's conclusions and recommendations are based on our analysis of the information available to us from our research and from the client as of the date of this report. We assume that the information is correct and reliable and that we have been informed about any issues that would affect project marketability or success potential.

Our conclusions and recommendations are based on current and expected performance of the national, and/or local economy and real estate market. Given that economic conditions can change and real estate markets are cyclical, it is critical to monitor the economy and real-estate market continuously and to revisit key project assumptions periodically to ensure that they are still justified.

Due to changes in market conditions, as well as changes in consumer psychology, projected and actual results will likely differ. Events and circumstances frequently do not occur as expected, and the differences may be material. We do not express any form of assurance on the achievability of any pricing or absorption estimates or reasonableness of the underlying assumptions.

In general, for projects out in the future, we are assuming "normal" real estate market conditions and not a condition of either prolonged "boom" or "bust" market conditions. We do assume that economic, employment, and household growth will occur more or less in accordance with current expectations. We are not taking into account major shifts in the level of consumer confidence; in the ability of developers to secure needed project entitlements; in the cost of development or construction; in tax laws that favor or disfavor real estate markets; or in the availability and/or cost of capital and mortgage financing for real estate developers, owners and buyers. Should there be such major shifts affecting real estate markets, this analysis should be updated, with the conclusions and recommendations summarized herein reviewed and reevaluated under a potential range of build-out scenarios reflecting changed market conditions.

We have no responsibility to update our analysis for events and circumstances occurring after the date of our report.



## Solving today to help you navigate tomorrow

JBREC is a national consulting & research firm designed to help real estate professionals make informed investment decisions.

### Consulting



- Project Opportunity Analysis
- Build-to-Rent and Single-Family Rental Feasibility
- Housing Demand Analysis
- Portfolio Valuations & Cash Flows
- Market Ranking
- Consumer Research
- Financial Modeling
- Work-out Plans / Capital Restructuring
- Home Builder Operations Assessment
- Economic Analysis & Forecasting
- Service Level & Marketing Recommendations
- Product & Project Amenity Recommendations

### Research



- Exclusive Access to our Research & Consulting Executives
- Exclusive Client Events & Webinars
- Burns Interactive Dashboards
- US Housing Analysis & Forecast
- Metro Analysis & Forecast
- Regional Analysis & Forecast
- Single-Family Rental Analysis & Forecast
- Home Builder Analysis & Forecast
- Apartment Analysis & Forecast
- Public Builder Earnings Summaries
- Proprietary Surveys

### Building Products



- Burns Building Products Analysis & Forecast
- Burns Building Products Dealer Survey
- US Remodeler Index
- Kitchen/Bath Market Index
- Structural Building Components Survey
- Summary of Company Earnings Calls
- Home Builder Survey
- Real Estate Agent Survey

#### *Consulting Services*

- Buy-side Diligence, Sell-side Support
- Competitive Landscape Mapping, SWOT Analysis
- Growth Strategies for Product, Customer, Geography, Channel

### New Home Trends Institute



- Consumer insight Reports
- Architect & Developer Surveys
- Exclusive Trend Councils (Home, Consumer, MPC, Build-to-Rent)
- DesignLens Database of Homes & Communities
- Quarterly Webinars
- Annual Summit Event
- Customized White-Glove Service & Support

#### *Consulting Services*

- Design Validation & Charette Advisory
- Surveys & Focus Groups (Consumer & Industry Professional)
- Community Visioning
- Custom Trend-Tracking Reports



## Bryan Lawrence

*Vice President, Consulting*

214-808-4831

[blawrence@jbrec.com](mailto:blawrence@jbrec.com)



## Jay Creighton

*Associate*

806-282-8682

[jcreighton@jbrec.com](mailto:jcreighton@jbrec.com)

## PEER REVIEW

**Dana Kuhn**

*Director of Quality Control*



## Our Experts

### AUSTIN

11215 Conroy Lane  
Manchaca, TX 78652  
214.400.2434

### COLORADO

1630-A 30th Street  
Suite 1475  
Boulder, CO 80301  
720.328.1530

### HOUSTON

5909 West Loop South  
Suite 590  
Bellaire, TX 77401  
713.906.3829

### SACRAMENTO

111 Woodmere Road  
Suite 250  
Folsom, CA 95630  
949.870.1227

### OTHER OFFICES

949.870.1200  
Atlanta GA  
New York  
Orlando FL  
Phoenix AZ  
Portland OR  
Salt Lake City UT  
Washington DC  
949.870.1200

### BOCA RATON

1900 NW Corporate Blvd.  
Suite 102E  
Boca Raton, FL 33431  
561.998.5814

### DALLAS

4514 Cole Avenue  
Suite 1220  
Dallas, TX 75205  
214.808.4831

### IRVINE

9140 Irvine Center Drive  
Suite 200  
Irvine, CA 92618  
949.870.1200

### SAN DIEGO

9909 Mira Mesa Blvd  
Suite 310  
San Diego, CA 92131  
858.281.7200