

Polo Club at Farmington Hills

Mortgage Loan Information

Mortgage Loan Seller:	Barclays
Original Principal Balance:	\$18,250,000
Cut-off Date Principal Balance:	\$18,250,000
% of Pool by IPB:	2.4%
Loan Purpose:	Refinance
Borrower:	Polo Club Limited Partnership
Sponsor:	Richard T. Fenton
Interest Rate:	4.46000%
Note Date:	10/1/2015
Maturity Date:	10/6/2025
Interest-only Period:	36 months
Original Term:	120 months
Original Amortization:	360 months
Amortization Type:	IO-Balloon
Call Protection:	L(25),Def(91),O(4)
Lockbox:	Springing
Additional Debt:	N/A
Additional Debt Balance:	N/A
Additional Debt Type:	N/A

Property Information

Single Asset / Portfolio:	Single Asset
Title:	Fee
Property Type - Subtype:	Multifamily - Garden
Net Rentable Area (Units):	281
Location:	Farmington Hills, MI
Year Built / Renovated:	1986 / N/A
Occupancy⁽¹⁾:	98.2%
Occupancy Date:	8/30/2015
Number of Tenants:	N/A
2012 NOI:	\$1,532,898
2013 NOI:	\$1,528,148
2014 NOI⁽²⁾:	\$1,632,736
TTM NOI (as of 7/2015)⁽²⁾:	\$1,832,552
UW Economic Occupancy:	94.8%
UW Revenues:	\$3,238,594
UW Expenses:	\$1,424,630
UW NOI:	\$1,813,965
UW NCF:	\$1,729,665
Appraised Value / Per Unit:	\$25,900,000 / \$92,171
Appraisal Date:	9/1/2015

Escrows and Reserves

	Initial	Monthly	Initial Cap
Taxes:	\$81,168	\$27,056	N/A
Insurance:	\$28,330	\$5,666	N/A
Replacement Reserves:	\$250,000	\$7,025	N/A
TI/LC:	\$0	\$0	N/A
Other⁽²⁾:	\$91,000	\$0	N/A

Financial Information

Cut-off Date Loan / Unit:	\$64,947
Maturity Date Loan / Unit:	\$56,801
Cut-off Date LTV:	70.5%
Maturity Date LTV:	61.6%
UW NCF DSCR:	1.57x
UW NOI Debt Yield:	9.9%

Sources and Uses

Sources	Proceeds	% of Total	Uses	Proceeds	% of Total
Mortgage Loan	\$18,250,000	100.0%	Payoff Existing Debt	\$14,929,352	81.8%
			Return of Equity	2,579,575	14.1
			Upfront Reserves	450,498	2.5
			Closing Costs	290,575	1.6
Total Sources	\$18,250,000	100.0%	Total Uses	\$18,250,000	100.0%

(1) Occupancy calculates administrative units as vacant.

(2) Initial Other Escrows and Reserves consist of a \$91,000 environmental reserve for radon testing and potential remediation costs.

The Loan. The Polo Club at Farmington Hills loan has an outstanding principal balance as of the Cut-off Date of approximately \$18.3 million and is secured by a first mortgage lien on the borrower's fee interest in a 281-unit, garden-style multifamily property located in Farmington Hills, Michigan. The loan has a 10-year term and, subsequent to a three-year interest-only period, will amortize on a 30-year schedule. The borrowing entity for the loan is Polo Club Limited Partnership, a Delaware limited partnership and special purpose entity. The loan sponsor and nonrecourse carve-out guarantor is Richard T. Fenton, the president and owner of Fenton Management Company. The loan sponsor has been involved in the development and acquisition of 13 multifamily properties totaling 2,365 units and the development of a 700,000 square foot office plaza. The previously existing debt was securitized in 2005 as part of the CSFB 2005-C5 transaction.

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The Property. The Polo Club at Farmington Hills property is a 281-unit, Class B multifamily property located in Farmington Hills, Michigan. Developed in 1986, the property is situated on 29.9 acres and consists of 28 two-story garden-style apartment buildings and one single-story clubhouse. As of August 30, 2015, the property was 98.2% occupied. Historically, the property has averaged an occupancy of 96.8% since 2010 and 95.1% since 2005. The property unit features include fully equipped kitchens, in-unit washer/dryers, private balconies/patios and cathedral ceilings in second floor units. Fifteen units have been renovated within the last 24 months with new appliances and re-faced cabinets. Property amenities include a clubhouse that has leasing offices, a fitness center, a swimming pool, two tennis courts and carports. The property also has 562 parking spaces, comprised of 281 open surface spaces and 281 carports, resulting in a parking ratio of 2.0 spaces per unit.

The Polo Club at Farmington Hills property is located in Farmington Hills, a western suburb of Detroit, approximately 20 miles northwest of the Detroit central business district. The property is located off of 9 Mile Road and less than a mile away from Interstate-96/Interstate-275, both of which provide access to the property. There are more than 3,500 businesses and more than 75 Fortune 500 companies in Farmington Hills, with more than 57,000 people employed in Farmington Hills including a highly-skilled technical workforce. There are more than 12 nationally-acclaimed colleges and universities nearby. According to the appraisal, Farmington Hills is considered an affluent area.

The Market. The property is located within the Detroit apartment market and the Farmington Hills multifamily submarket. The submarket had a 3.6% vacancy rate as of the second quarter of 2015. No new supply has been added to the submarket since 2005 and, as of the second quarter of 2015 absorption totaled 80 units. According to the appraisal, no new supply is expected to be added to the submarket for the next five years. As of the second quarter of 2015, the submarket contained 19,844 units with an average per unit asking rental rate of \$1,070 and an effective per unit rental rate of \$1,002. The 2015 estimated population within a one-, three- and five-mile radius of the property is 10,281, 70,096 and 190,821, respectively. The 2015 estimated average household income within a one-, three- and five-mile radius of the property is \$95,680, \$88,648 and \$96,295, respectively. The appraisal identified six comparable rentals proximate to Polo Club at Farmington Hills. The comparable properties range in average unit size from 1,074 to 1,188 square feet with an average of 1,136 square feet, and indicate an asking rental range of \$908 to \$1,340, with an average of \$1,106.

Multifamily Unit Mix ⁽¹⁾							
Unit Type	# of Units	% of Total	Occupied Units	Occupancy ⁽²⁾	Average Unit Size (SF)	Average Market Rent Per Unit	Average Monthly In-Place Rents
1 BR / 1 BA	29	10.3%	29	100.0%	789	\$853	\$853
1 BR / 1 BA	29	10.3	29	100.0%	845	\$851	\$851
2 BR / 1 BA	29	10.3	29	100.0%	930	\$906	\$906
2 BR / 1 BA	29	10.3	29	100.0%	970	\$927	\$927
2 BR / 2 BA	26	9.3	25	96.2%	1,125	\$1,001	\$997
2 BR / 2 BA	54	19.2	54	100.0%	1,158	\$1,017	\$1,018
2 BR / 2 BA	27	9.6	27	100.0%	1,170	\$1,040	\$1,038
2 BR / 2 BA	54	19.2	54	100.0%	1,202	\$1,059	\$1,073
Administrative Units ⁽³⁾	4	1.4	4	100.0%	1,153	\$1,020	\$1,020
Total / Wtd. Avg.	281	100.0%	276	98.2%	1,051	\$971	\$973

(1) Based on the rent roll dated August 30, 2015 provided by the borrower.

(2) Administrative Units are occupied by employees and as such have been underwritten as vacant.

(3) Administrative Units are comprised of two 1,125 square foot 2 BR / 2 BA units, one 1,158 square foot 2 BR / 2 BA unit and one 1,202 square foot 2 BR / 2 BA unit.

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Operating History and Underwritten Net Cash Flow							
	2012	2013	2014	TTM ⁽¹⁾	Underwritten	Per Unit	% ⁽²⁾
Rents in Place	\$2,669,764	\$2,760,183	\$2,954,720	\$3,097,457	\$3,221,056	\$11,463	98.1%
Vacant Income	0	0	0	0	60,948	217	1.9
Gross Potential Rent	\$2,669,764	\$2,760,183	\$2,954,720	\$3,097,457	\$3,282,005	\$11,680	100.0%
Total Reimbursements	0	0	0	0	0	0	0.0
Net Rental Income	\$2,669,764	\$2,760,183	\$2,954,720	\$3,097,457	\$3,282,005	\$11,680	100.0%
(Vacancy/Credit Loss)	0	0	0	0	(170,452)	(607)	(5.2)
Other Income ⁽³⁾	137,965	124,440	124,907	130,721	127,042	452	3.9
Effective Gross Income	\$2,807,730	\$2,884,623	\$3,079,627	\$3,228,178	\$3,238,594	\$11,525	98.7%
Total Expenses	\$1,274,831	\$1,356,475	\$1,446,891	\$1,395,626	\$1,424,630	\$5,070	44.0%
Net Operating Income	\$1,532,898	\$1,528,148	\$1,632,736	\$1,832,552	\$1,813,965	\$6,455	56.0%
Replacement Reserves	99,799	84,167	160,664	168,247	84,300	300	2.6
Net Cash Flow	\$1,433,099	\$1,443,981	\$1,472,072	\$1,664,305	\$1,729,665	\$6,155	53.4%
Occupancy⁽⁴⁾	96.1%	96.7%	98.4%	98.2%	94.8%		

(1) TTM column represents the trailing 12-month period ending on July 31, 2015.

(2) Percentage column represents percent of Net Rental Income for all revenue lines and represents percent of Effective Gross Income for the remainder of fields.

(3) Other Income represents application fees, admin fees, late fees and other miscellaneous fees.

(4) Historical Occupancies are as of December 31 of each respective year. TTM Occupancy is as of August 30, 2015. Underwritten Occupancy represents economic occupancy.