LISA PRICE
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Research and Strategy for the Real Estate Industry

HIGHEST & BEST USE MARKET FEASIBILITY ANALYSIS
PENNBROOK TOD RESIDENTIAL COMMUNITY
LANSDALE BOROUGH & UPPER GWYNEDD TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA

Prepared For:

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Revised August 19, 2019

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TABLE OF CONTENTS

	PAGE
PREFACE	1
SITE ANALYSIS	2
DEMOGRAPHIC OVERVIEW	17
MILLENNIAL TARGET MARKET PSYCHOGRAPHICS & CONSUMER PREFERENCES	24
RENTAL HOUSING	28
APARTMENT RENTER SURVEY	30
OVERVIEW OF THE HOUSING MARKET	39
ANALYSIS OF MARKET OPPORTUNITY	64
RECOMMENDATIONS	69
LISA S. PRICE - QUALIFICATIONS AND EXPERIENCE	
APPENDIX	

PREFACE

The following highest and best use market feasibility analysis conducted by Lisa Price & Associates, LLC, is for a 42.5+/-acre commercial redevelopment site located at Church Road and Pennbrook Parkway in Lansdale Borough and Upper Gwynedd Township, Montgomery County, Pennsylvania. The site is located adjacent to the Pennbrook SEPTA regional rail station creating the opportunity for a Transit-Oriented Development (TOD). You are contemplating a mix of rental and for sale townhomes as well as assisted living and retail.

Our recommendations include the highest and best use for the residential portion of the community including the feasibility of rentals versus for sale townhomes and the potential for shared amenities between the for sale and rental uses. Additionally, this report provides third party research on the competitive landscape and climate including this consultant's opinion on the sustainability of the market and the optimal positioning as either rental, for sale or a mixture of both uses. Positioning is based on a comparison to the competition and the overall feasibility of a residential community at this location and potential voids in the marketplace. Recommendations have been provided including optimal product types, mix, for sale/rent prices and pace as compared to the competition. Also provided is an opinion of the depth of the market including drivers of demand, as well as key risks including supply of active communities. Prospective target market migration patterns and psychographics have been analyzed.

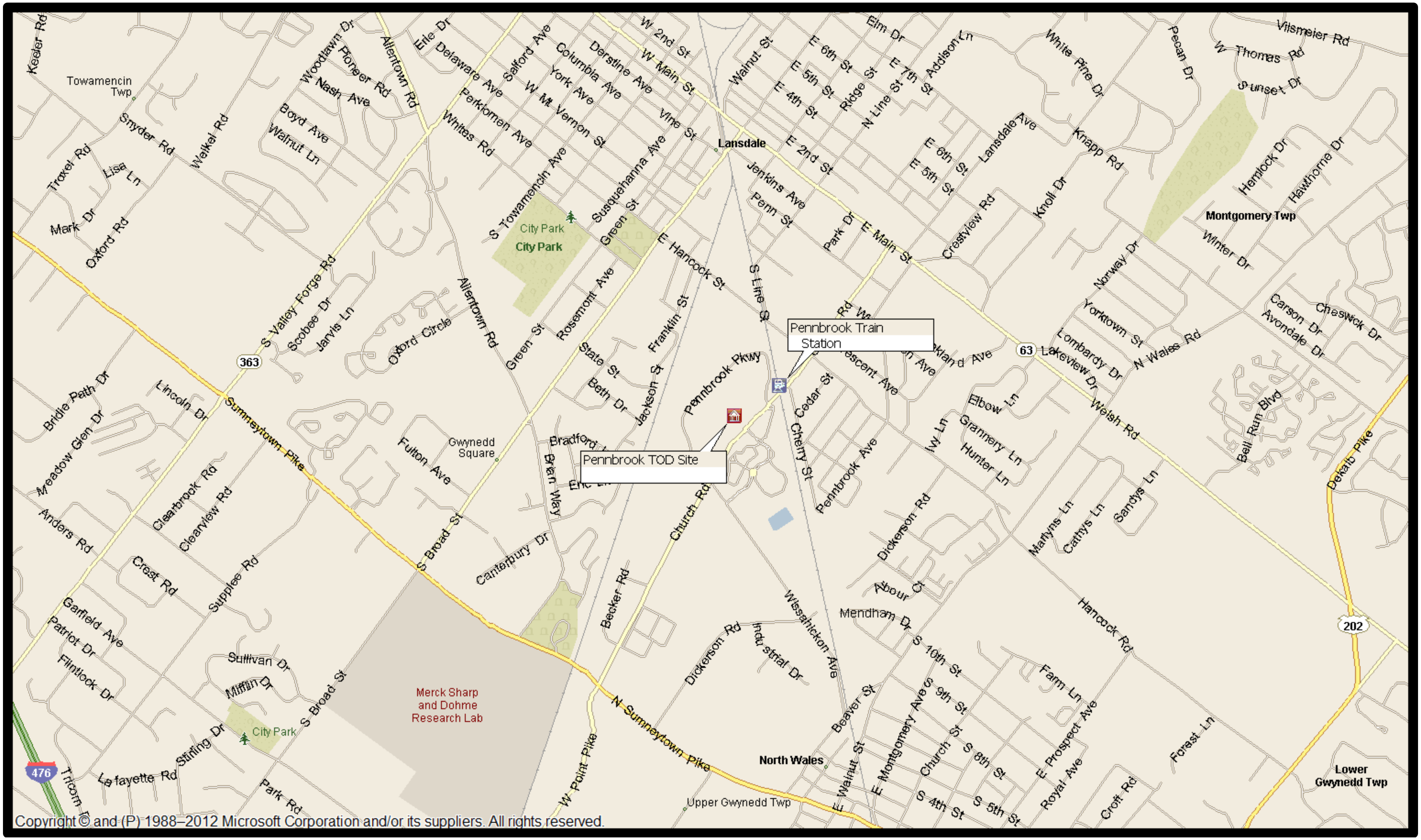
This work has been conducted for the use of DeSanto Realty Group. The conclusions reached are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace and thus this analysis is not a substitute for management's ultimate decision-making responsibilities. Further, the conclusions expressed in this report are as of the date of this report. An analysis conducted at another date may lead to different conclusions. This report does not constitute an appraisal. A more detailed list of Underlying Assumptions and Limiting Conditions can be found at the end of the Appendix.

Lisa Price & Associates, LLC

Lisa S. Price

Lisa S. Price
President

SITE ANALYSIS



A. SITE LOCATION & DESCRIPTION

The proposed rental community is located in both Upper Gwynedd Township and Lansdale Borough, Montgomery County, Pennsylvania. Montgomery County is comprised of 487 square miles and includes 24 boroughs and 38 townships. It is located in the south-central portion of Pennsylvania and is bounded by Lehigh County to the north, Bucks County to the northeast, Philadelphia County to the southeast, Delaware County to the southwest, Chester County to the west and Berks County to the northwest. The county is part of the Delaware Valley and is its northernmost border neighboring the Lehigh Valley region of the state. According to the 2010 Census, Montgomery County is the third most populous county within Pennsylvania (behind Philadelphia and Allegheny Counties).

Upper Gwynedd Township lies southwest of Lansdale Borough and also borders the following municipalities: L. Gwynedd Township, Montgomery Township, North Wales Boro (located inside Upper Gwynedd Township), Towamencin Township, Whitpain Township and Worcester Township. The total land area consists of 8.13 square miles. Upper Gwynedd has been experiencing substantial growth since the 1950s. As of the 2010 Census the population totaled 15,552 residents, a 9.2% increase from the 2000 Census (14,243 residents) and estimates for 2019 indicate that the population will grow by nearly an additional 4%. The population breakout as of the 2010 Census was: 81.1% White, 4.2% Black or African American, 12.3% Asian and the balance were two or more races. Just 2.2% of the population were of Hispanic or Latino ancestry.

The Borough of Lansdale is situated near the eastern border of Montgomery County. The borough has a total area of just under three square miles and is bordered by the following municipalities (all in Montgomery County): Hatfield Borough (located inside Hatfield Township), Hatfield Township, Montgomery Township, North Wales Boro (located inside U. Gwynedd Township), Towamencin Township and U. Gwynedd Township. While population figures had been declining in recent decades, the borough experienced a 1.2% increase between the 2000 and the 2010 Census and estimates for 2019 show a nearly 3% increase from 2010. As of the last Census in 2010, the county's racial makeup was as follows: 75.9% White, 5.9% Black or African American, 13.3% Asian, and the balance were from other races or two or more races. Approximately 35% consider themselves Hispanic or Latino.

Lansdale has been undergoing a renaissance in recent years with a focus on Transit-Oriented Development (TOD). The borough has been working with both SEPTA and developers over the past 10 years to create a more walkable downtown. During this time, Lansdale has completed 5 TODs near the station including more than 500 residential units including townhomes and apartments making it one of the most active regions outside of Philly for TOD development. The fact that the Lansdale Station is the 8th busiest regional rail station along SEPTA's regional rail lines with over 2,000 riders every workday (plus an additional 300 that take a bus from the station) has helped to drive this growth. Additionally, approximately 4 years ago, the Lansdale train station was refurbished and since that time, a number of new businesses have opened in the borough including coffee shops, an upscale pub, a farmers market, a bookstore and others. SEPTA also opened a new train station at the end of 2015 at 9th Street in anticipation of additional ridership.

The Pennbrook community is a 42.5+/--acre commercial redevelopment site located at Church Road and Pennbrook Parkway and will have a Lansdale (19446) zip code. A mix of rental and for sale townhomes as well as assisted living, retail and shared amenities between the for sale and rental uses is currently under consideration for the site. The site is located adjacent to the Pennbrook SEPTA regional rail station creating the opportunity for a TOD. The Pennbrook station is part of SEPTA's Lansdale/Doylestown Line which connects the site with Philadelphia and is one of three train stations located in Lansdale.

The site is located next to both Hancock Street Park (11.5 acre park consisting of open space) and the Liberty Bell Trail. Hancock Street Park does not include any amenities and there are no plans to develop it; however, it does run contiguous with the 21.5 acre Stony Creek Park which can be entered from East Hancock Street (¾ mile from the site) and includes a pond, tot lot, nature trail, labyrinth & gazebo. The Liberty Bell Trail is a planned multi-use trail which will extend for 25 miles when complete. Within Lansdale Borough, work is currently being done on the central portion of the trail which stops at the SEPTA tracks where they intersect with East Hancock Street around the corner from the site. The portion of the trail that will extend past the site is currently in the design phase and will be completed upon approval and once funding has been obtained.

Additional surrounding land uses include: The Point at Pennbrook Station Apartments; Station Square Shops offering a selection of dining establishments and services; Lansdale District Court; a law office; and slightly further south an ICON Clinical Research. To the north of the train station parking lot lies the headquarters of a fire protection manufacturer and a Hilton Homewood Suites.

Across Pennbrook Parkway northwest of the site lies rail tracks for SEPTA's Stony Creek Line, an 11-mile former Reading Company line that extends from Lansdale (just below the Lansdale train station near the intersection of South Broad Street and West Main Street/Route 63) to SEPTA's Norristown station. The Stony Creek Line was abandoned in 1936 due to limited ridership. Numerous studies have been performed over the years to restore passenger rail service along this line and SEPTA's former Bethlehem Line which would connect Norristown, Lansdale, Quakertown and Bethlehem (Lehigh Valley). While the portion between Lansdale and Quakertown is still under review (the last feasibility study was completed by the DVRPC in 2015), the Stony Creek portion between Lansdale and Norristown has not had any momentum for over a decade. The Stony Creek Line is not even electrified, so the prospects of finding funding for this portion of the line would not be presently feasible.

In the past year, there have been 5 sales within a ¼ mile of the site, all twins & townhomes, ranging in price from $190k (3/1/1; 1,430 sf split level twin home at the Penn Brooke Gardens community built in the 60s) to $225k (3/1/1 end unit; 1,360 sf townhome at the Stony Creek Village townhome community built in the late 70s to early 80s). The closest single family detached sales in the past 12 months were located within Lansdale Borough (approximately 1/3-1/2 mile from the site); the 4 sales ranged in price from $235k (2/1/1; 1,164 sf; Cape Cod built in 1935) to $298k (4/2/0; 1,666 sf; 1950s Cape Cod).

CONCEPT PLAN

B. ACCESS

The Pennbrook TOD community enjoys very good proximity to the highway network due to its location between I-476, SR-309 and U.S. Route 202. The Pennsylvania Turnpike/I-76/I-276 is also easily accessible from the site.

The site is approximately 11 miles/20 minutes from one of the most heavily-used highway interchanges in Pennsylvania: the Pennsylvania Turnpike (I-276/I-76) and the 'Blue Route' (I-476) that provides access to the Schuylkill Expressway (I-76) that links the area to Center City Philadelphia. The Pennsylvania Turnpike runs west to east all the way through Pennsylvania from the Ohio state line and into New Jersey and can be accessed at Exit 20. Near Valley Forge, the road name changes from I-276 to I-76.

I-476 runs north to south through Montgomery County and is the major artery that circles the outskirts of Philadelphia and connects many of its suburban towns. I-476 northbound connects with I-78 which runs east to west and connects the site with the Allentown/Bethlehem/Easton area (also known as the Lehigh Valley), the western portion of the Pocono's and the Wilkes Barre/Scranton area. I-476 is also referred to as the Northeast Extension north of the Mid-County Interchange (where I-476 intersects with the Pennsylvania Turnpike) and as the 'Blue Route' south of the Mid-County Interchange.

Those commuting from the site to Philadelphia would most likely take Sumneytown Pike/State Route 63 (1 mile southwest of the site) west to I-476 at Exit 31 (while this entrance/exit is northwest of the site it is the closest entrance at 4.5 miles/7-minute drive). From there commuters would drive southbound on I-476 and then I-76 Eastbound (also known as the Schuylkill Expressway) into the city. The Schuylkill Expressway is approximately 14 miles/22 minutes away.

I-476 also connects with I-95 to the south (30-mile/35-minute drive). I-95 runs north to south along the entire eastern edge of the country from Canada to Florida. Interstate 95 provides access to I-495 that runs parallel to I-95 (to the east) through Wilmington, easing congestion along I-95.

U.S. Route 202, stretches for nearly 630 miles from Maine to Delaware. Route 202 provides direct access to King of Prussia where the road intersects with the Pennsylvania Turnpike, Schuylkill Expressway and U.S. Route 422. Route 202 can be reached 3 miles/6 minutes away.

Major employment centers including King of Prussia, Valley Forge and Philadelphia are all accessible from the site. While Philadelphia is the largest employment locale in the region, Montgomery County is also a major employment center in its own right with large business parks in Lansdale, Horsham, Blue Bell, Fort Washington and Plymouth Meeting. Additionally, the pharmaceutical industry is a major employer throughout the Philly area; **Merck & Co, the largest employer in Montgomery County, is located just 1.5 miles from the site**.

Distances to major employment corridors and cities from the site are as follows:

- North Wales, PA is 2 miles, 5 minutes
- Montgomeryville, PA is 3.5 miles, 9 minutes
- Fort Washington, PA is 9 miles, 18 minutes
- Conshohocken, PA is 13 miles, 26 minutes
- King of Prussia, PA is 13 miles, 28 minutes
- Valley Forge, PA is 16 miles, 30 minutes
- Philadelphia, PA is 25 miles, 35 minutes
- Allentown (Lehigh Valley), PA is 31 miles, 45 minutes
- Trenton, NJ is 35 miles, 45 minutes
- Princeton, NJ is 41 miles, 60 minutes
- Wilmington, DE is 43 miles, 55 minutes
- Harrisburg, PA is 98 miles, 1 hour 40 minutes
- New Jersey Shore Points – Spring Lake 85 minutes, Atlantic City 1 hour 30 minutes, Long Beach Island 1 hour 50 minutes

C. MASS TRANSIT

According to the American Community Survey 5-Year Estimates (2013-2017), 5% of the commuting population in Lansdale Borough used public transportation to commute to work (data was not published for Upper Gwynedd Township). Mean travel time to work was 26 minutes for Lansdale commuters. Approximately 77% of workers residing in Lansdale and 70% in Upper Gwynedd Township were employed within Montgomery County, with 21.3% from Lansdale and 26.8% from Upper Gwynedd working in another county in Pennsylvania.

Train: Since the early 90s, ridership on SEPTA's Lansdale/Doylestown line has increased by 51%; 2015 ridership estimates show an average daily ridership of over 16,000 passengers (the 2nd most popular SEPTA Regional Rail Line). Lansdale has 3 separate train stations along the Lansdale/Doylestown line: the Lansdale Station in the downtown area with the highest ridership of the three stations (average 2,100/day as of 2015); the Pennbrook Station (adjacent to the site) in the southern portion of the borough (average 638 daily passengers as of 2015); and the newest station completed in 2015, 9th Street, which was built in 2017 in the northern section of the borough. **The Pennbrook Station is the closest station to Philadelphia of the 3 within the borough. Service to Suburban Station in Center City Philadelphia from the Pennbrook Station during rush hour is just 49 to 76 minutes (from the Lansdale Station its 3 to 5 minutes longer and from the 9th Street Station its 8 to 14 minutes longer).** There are 3 express trains during both the a.m. and p.m. rush hours; it should be noted that the 9th Street Station has reduced service compared to the other two stops due to lower ridership (there are at least 3 trains that don't stop during rush hour).

Bus: Lansdale also has 3 separate SEPTA bus routes. Route 94 travels between the southern portion of the borough to Montgomery Mall and Chestnut Hill with additional stops at the Fort Washington, Ambler and Pennlyn SEPTA trains stations as well as Montgomery County Community College and the Merck offices in West Point. Route 94 can be accessed just a 2- to 3-minute walk from the site off Church Road (10-41 minutes to Montgomery Mall and 53-56 minutes to Chestnut Hill). Route 96 provides service to the Transportation Center in Norristown in addition to the Montgomery County Community College and Mercy Suburban Hospital in Norristown and can be accessed a little over a mile from the site at the intersection of Hancock Road & North Wales Road. Telford as well as the Montgomery Mall can be reached via Route 132 from the Lansdale Train Station. A new SEPTA bus hub near the Lansdale train station was built in 2018.

D. EMPLOYMENT

Employment and population is projected to increase in Montgomery County as well as Lansdale and Upper Gwynedd.

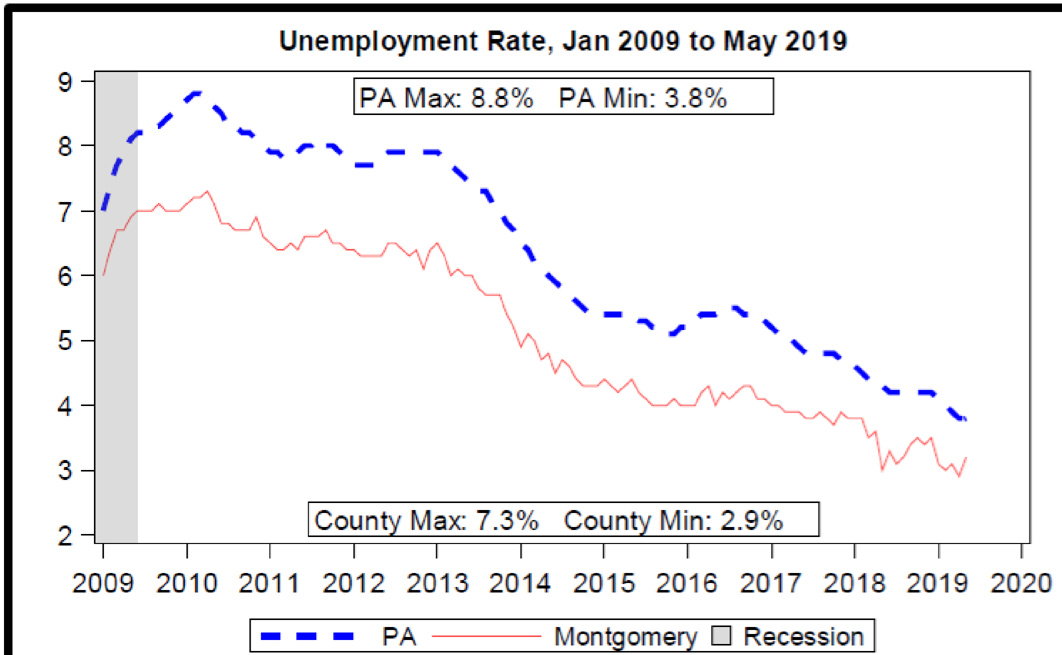
EMPLOYMENT & POPULATION FORECAST
MONTGOMERY COUNTY, LANSDALE BOROUGH AND UPPER GWYNEDD TOWNSHIP, STATE OF PENNSYLVANIA

	2015	2020	2025	2030	2035	2040	2045	Pct Chg 2015 To 2020	Pct Chg 2015 To 2025	Pct Chg 2015 To 2045
Montgomery County										
Employment	582,443	598,434	614,469	629,563	642,996	654,966	664,385	2.7%	5.5%	14.1%
Population	819,264	840,934	863,327	884,387	903,114	918,918	932,820	2.6%	5.4%	13.9%
Lansdale Borough										
Employment	7,772	7,952	8,045	8,126	8,254	8,372	8,384	2.3%	3.5%	7.9%
Population	16,512	17,019	17,523	18,035	18,479	18,843	19,152	3.1%	6.1%	16.0%
Upper Gwynedd Twp										
Employment	25,099	25,428	25,751	26,036	26,324	26,607	26,599	1.3%	2.6%	6.0%
Population	15,928	16,116	16,304	16,492	16,679	16,866	17,053	1.2%	2.4%	7.1%

Source: Delaware Valley Regional Planning Commission

Compiled By: Lisa Price & Associates, LLC

Unemployment rates continues to drop YOY throughout Montgomery County (3.2% unemployment) and the state (3.9% unemployment). The labor market is so tight that a July 2019 Philadelphia Inquirer article reported that hundreds of health care jobs in the county are going unfilled; the health care market alone makes up 24% of job openings in the county. Within the county, three out of the 5 largest employers are in the health care industry with Merck leading the pack (1st place), followed by Abington Hospital-Jefferson Health (2nd place) and Main Line Health (4th place).



Local Area Unemployment Statistics

May 2019	County	PA
Unemployment Rate	3.2%	3.8%
Labor Force	452,500	6,471,000
Employed	438,200	6,223,000
Unemployed	14,300	248,000

Notes: Current month's data are preliminary. Data are Seasonally Adjusted.

Source: DLI Center for Workforce Information & Analysis

LEADING EMPLOYERS IN GREATER PHILLY REGION

Company Name	Line of Business	Est. Local Employment
University of Pennsylvania and Health System	Colleges & Universities	33,000
Comcast Corporation	Information Technology	22,000
Thomas Jefferson University and Jefferson Health	Colleges & Universities	20,000
Temple University and Health System	Colleges & Universities	17,000
Trinity Health Corporation	Health Care	13,600
Merck and Co. Inc.	Pharmaceutical Manufacturing	12,500
The Children'S Hospital Of Philadelphia	Health Care	10,000
Drexel University	Colleges & Universities	10,000
The Vanguard Group Inc.	Financial Services	9,500
Virtua Health System	Health Care	8,000
Cooper University Health Care	Health Care	7,000
Berkshire Hathaway Inc.	Business Services	7,000
Independence Health Group, Inc.	Health Insurance Carriers	7,000
BAYADA Home Health Care, Inc.	Health Care	7,000
Wells Fargo	Financial Services	7,000
DowDuPont Inc.	Chemical Manufacturing	6,000
Princeton University	Colleges & Universities	6,000
Crozer-Keystone Health System	Health Care	6,000
Albert Einstein Healthcare Network	Health Care	5,600
Lockheed Martin Corporation	Aerospace Products & Parts Manufacturing	5,000
Glaxosmithkline Plc	Pharmaceutical Manufacturing	5,000
Bank Of America Corporation	Financial Services	5,000
Bristol-Myers Squibb Company	Business Services	5,000
Thomas Jefferson University Hospitals, Inc.	Health Care	4,700
Johnson & Johnson	Pharmaceutical Manufacturing	4,600
Kennedy Health System, Inc.	Health Care	4,000
Abington Memorial Hospital Inc	Health Care	3,900
Verizon Communications Inc.	Information Technology	3,800
University Of Delaware	Colleges & Universities	3,600
SunGard AS	Information Technology	3,000
Aramark	Food Service Contractors	3,000
Rowan University	Colleges & Universities	3,000
SAP America	Information Technology	3,000
PNC Financial Services Group	Financial Services	3,000
Aetna	Health Insurance Carriers	3,000

Source: Select Greater Philadelphia & Hoover's Inc.; 01/2018

LARGEST EMPLOYERS MONTGOMERY COUNTY	
Rank & Employer	**Rank & Employer**
1 Merck Sharp & Dohme Corporation	26 Prudential Insurance Co of America
2 Abington Memorial Hospital	27 Comcast Cablevision Corp (PA)
3 State Government	28 Wegmans Food Markets Inc
4 Main Line Hospitals Inc	29 Quest Diagnostics Incorporated
5 Giant Food Stores LLC	30 Aveanna Healthcare LLC
6 SEI Investments Company	31 Janssen Research & Development LLC
7 United Parcel Service Inc	32 McNeil-PPC Inc
8 SmithKline Beecham Corporation	33 Susquehanna International Group LLP
9 Montgomery County	34 Abington School District
10 Federal Government	35 Universal Protection Service LLC
11 North Penn School District	36 Pharmaceutical Research Association Inc
12 Lockheed Martin Corp	37 ADP Inc
13 Wal-Mart Associates Inc	38 Acts Retirement-Life Communities
14 Hatfield Quality Meats Inc	39 Montgomery County Community College
15 Wawa Inc	40 GMRI Inc
16 Albert Einstein Medical Center	41 PeopleShare Professional LLC
17 Wyeth Holdings LLC	42 Home Depot USA Inc
18 Holy Redeemer Health System	43 Moss Rehab Hospital
19 SarahCare Home Health Agency	44 Souderton Area School District
20 Target Corporation	45 Bayada Home Health Care Inc
21 Lower Merion School District	46 Whole Foods Market Group Inc
22 Philadelphia Freedom Valley YMCA	47 Aetna Resources LLC
23 JBS Souderton Inc	48 Pottstown Hospital LLC
24 PeopleShare Industrial LLC	49 Spring Ford Area School District
25 IQVIA Inc	50 ABM Industry Groups LLC

Source: PA Department of Labor & Industry, Center for Workforce Information & Analysis, Q4 2018

Compiled By: Lisa Price & Associates, LLC

E. SUPPORT SERVICES

Options for grocery shopping within a 10-12 minute drive of the site abound. The closest grocery stores to the site are a Weis Market outside of Lansdale on Valley Forge Road and a Redner's Warehouse in North Wales, both 2.5 miles away (less than a 5-minute drive). Next to Redner's is a large international food market called ASSI Plaza catering to the area's growing Asian population. A Wegmans, a Giant Food Store and a Costco are located off Route 9 in Montgomeryville, 3 to 4 miles from the site, while a Trader Joe's and ALDI (discount grocer) are all located a little further south on Route 309 (5 miles from the site). Whole Foods moved its store last year from North Wales to a new location in Spring House (also 5 miles away). Approximately 5 miles north of the site is a Walmart Supercenter that also offers a food market. Upscale grocer, McCaffrey's is located in Center Square/Blue Bell (5.5-mile/12-minute drive). In addition to ASSI, there are a number of additional ethnic grocers in the area including other Asian stores, Indian, Hispanic and even Halal butchers/delis.

The closest mall to the site is the Montgomery Mall in North Wales on SR-309, just 3 miles/8 minutes west of the site offering anchor stores Macy's, JCPenney, Sears, Dick's Sporting Goods, as well as the previously mentioned Wegmans. A large assortment of national retailers can also be found in the vicinity of the mall along Route 309 including Target, Best Buy, Old Navy, Marshalls, Home Goods, Barnes & Noble, and a PetSmart, to name a few. The King of Prussia Mall, located just over 13 miles from the site or 25 minutes away, is one of the largest malls on the East Coast and offers an abundance of upscale shopping opportunities.

The Plymouth Meeting Mall, off of Germantown Pike, is 20 minutes away. The mall was revitalized from 2008 to early 2010 and includes a Macy's, Boscov's and an AMC Theater plus a Whole Foods Market (the largest in the Philly region) and over 100 specialty stores.

F. SCHOOLS

The site is located in the North Penn School District serving approximately 12,800 students in kindergarten through high school. The district is comprised of eleven elementary schools, three middle schools and one high school. Residents of Lansdale Borough, Upper Gwynedd Township, North Wales Borough, Hatfield Township, Montgomery Township and Towamencin Township all attend the school district. *Schooldigger*.com, a school comparison website, ranks the school district 122nd out of 603 districts in the state.

High school students grades 10^{th}-12th will attend North Penn High School with approximately 3,100 students attending. The high school is comprised of 63.1% Whites, 20.8% Asians, 9.2% African Americans and 5.4% Hispanics. As of 2017, 26.4% of all students participated in the free lunch/discounted lunch program. Based on SAT scores alone, North Penn H.S. is ranked 10th in the county. *Schooldigger*, ranks the high school 50th of 673 high schools in the state. It should be noted that *Schooldigger* only uses state proficiency exam scores in their ranking calculations.

Greatschools.com provides an overall rating for each school but also rates a variety of other components. Students at the community would attend Gwynedd Square Elementary School which received an 8 out of 10 overall including a 9 (above average) in Test Scores and a 6 (average) in Student Progress. Penndale Middle School is rated 6 overall including an 8 for Test Scores, but only a 4 for Student Progress. North Penn Senior High is rated 9 overall with a 10 for College Readiness, Test Scores and Student Progress. Both the middle school and high school ratings overall were pulled down slightly because of lower scores in equity overview and low-income students (6 and 7 out of 10, respectively). While both of these are important factors, we believe residents of the site will be most concerned with student progress, text scores and in the case of the high school, also college readiness.

Following is a list of all high schools within Montgomery County and their ranking within the county based on the average combined SAT scores. The data is provided by the Pennsylvania Department of Education.

HIGH SCHOOL COMPARISON
MONTGOMERY COUNTY, PENNSYLVANIA

School District	School	County Ranking by SAT score	2017 SAT Average Score*	2016-17 Keystone Math Exams Pct Proficient+	2016-17 Keystone Reading Pct Proficient+
Lower Merion	Lower Merion	1st	1230	81.07	90.17
Lower Merion	Harriton Of Lower Merion	2nd	1223	81.03	92.61
Methacton	Methacton	3rd	1214	79.85	84.46
Lower Moreland Township	Lower Moreland	4th	1203	84.86	90.76
Wissahickon	Wissahickon	5th	1197	91.39	94.63
Upper Dublin	Upper Dublin	6th	1182	82.93	86.68
Springfield Township	Springfield Township	7th	1166	72.79	82.22
Spring-Ford Area	Spring-Ford Senior	8th	1162	91.45	93.68
Jenkintown	Jenkintown Junior-Senior	9th	1161	54.37	80.75
North Penn	North Penn	10th	1160	84.35	87.42
Hatboro-Horsham	Hatboro-Horsham	11th	1155	76.53	68.97
Perkiomen Valley	Perkiomen Valley	12th	1153	85.99	90.56
Souderton Area	Souderton Area	13th	1133	81.7	87.76
Colonial	Plymouth-Whitemarsh	14th	1126	88.17	89.41
Upper Merion Area	Upper Merion Area	15th	1107	80.88	79.92
Abington	Abington	16th	1107	84.67	90.73
Pottsgrove	Pottsgrove	17th	1100	59.76	73.17
Upper Perkiomen	Upper Perkiomen	18th	1096	72.97	81.22
Cheltenham Township	Cheltenham	19th	1095	64.53	74.23
Upper Moreland Township	Upper Moreland	20th	1088	81.25	87.39
Pottstown	Pottstown	21st	954	38.82	54.39
Norristown Area	Norristown Area	22nd	936	58.64	65.09

* combined math, reading & writing score
+ percent scoring proficient or above on state assessment tests

Source: PA Department of Education

Compiled By: Lisa Price & Associates, LLC

G. TAXES

MONTGOMERY COUNTY PROPERTY TAX RATES

Municipality	2019 County Millage	2019 MCCC Millage	2019 Municipality Millage	2018-School Millage	Total Millage
Ambler	3.459	0.39	7.36	20.02	31.229
Bridgeport	3.459	0.39	12.23	19.89	35.969
Bryn Athyn	3.459	0.39	10.876	0	14.725
Collegeville	3.459	0.39	4.9	33.23	41.979
Conshohocken	3.459	0.39	3.5	21.917	29.266
East Greenville	3.459	0.39	6.25	24.5407	34.6397
Green Lane	3.459	0.39	2	24.5407	30.3897
Hatboro Borough	3.459	0.39	9.239	28.802	41.89
Hatfield Borough	3.459	0.39	2	25.509	31.358
Jenkintown	3.459	0.39	8.153	41.2672	53.2692
Lansdale	3.459	0.39	5.5	25.509	34.858
Narberth	3.459	0.39	9.71	28.7477	42.3067
Norristown	3.459	0.39	14.7	36.919	55.468
North Wales	3.459	0.39	5.001	25.509	34.359
Pennsburg	3.459	0.39	7.225	24.5407	35.6147
Pottstown	3.459	0.39	12.675	40.626	57.15
Red Hill	3.459	0.39	2.7	24.5407	31.0897
Rockledge	3.459	0.39	7.35	31.77	42.969
Royersford	3.459	0.39	9.45	26.8599	40.1589
Schwenksville	3.459	0.39	5.94	33.23	43.019
Souderton	3.459	0.39	5.78	29.6201	39.2491
Telford	3.459	0.39	6.64	29.6201	40.1091
Trappe	3.459	0.39	0.47	33.23	37.549
West	3.459	0.39	1.18	19.89	24.919
Abington	3.459	0.39	4.443	31.77	40.062
Cheltenham	3.459	0.39	9.1785	47.0539	60.0814
Douglass	3.459	0.39	2.3	26.37	32.519
East Norriton	3.459	0.39	2.727	36.919	43.495
Franconia	3.459	0.39	1.979	29.6201	35.4481
Hatfield	3.459	0.39	5.221	25.509	34.579
Horsham	3.459	0.39	1.2	28.802	33.851

Municipality	2019 County Millage	2019 MCCC Millage	2019 Municipa Millage	2018-School Millage	Total Millage
Limerick	3.459	0.39	2.593	26.8599	33.3019
Lower Frederick	3.459	0.39	2.415	33.23	39.494
Lower Gwynedd	3.459	0.39	1.223	20.02	25.092
Lower Merion	3.459	0.39	4.19	28.7477	36.7867
Lower Moreland	3.459	0.39	4.803	35.1906	43.8426
Lower Pottsgrove	3.459	0.39	3.618	37.863	45.33
Lower Providence	3.459	0.39	2.087	30.0431	35.9791
Salford	3.459	0.39	1.4	29.6201	34.8691
Marlborough	3.459	0.39	2.25	24.5407	30.6397
Montgomery	3.459	0.39	1.49	25.509	30.848
New Hanover	3.459	0.39	1.587	26.37	31.806
Perkiomen	3.459	0.39	0.62	33.23	37.699
Plymouth	3.459	0.39	2.16	21.917	27.926
Lower Salford	3.459	0.39	2.689	29.6201	36.1581
Skippack	3.459	0.39	0.32	33.23	37.399
Springfield	3.459	0.39	4.441	33.0654	41.3554
Towamencin	3.459	0.39	3.808	25.509	33.166
Upper Dublin	3.459	0.39	5.846	33.6826	43.3776
Upper Frederick	3.459	0.39	1.62	26.37	31.839
Upper Gwynedd	3.459	0.39	2.041	25.509	31.399
Upper Hanover	3.459	0.39	1.45	24.5407	29.8397
Upper Merion	3.459	0.39	2.159	19.89	25.898
Upper Moreland	3.459	0.39	5.269	30.8598	39.9778
Upper Pottsgrove	3.459	0.39	4	37.863	45.712
Upper Providence	3.459	0.39	1.2	26.8599	31.9089
Upper Salford	3.459	0.39	1.5	29.6201	34.9691
West Norriton	3.459	0.39	4.475	36.919	45.243
West Pottsgrove	3.459	0.39	2.5	37.863	44.212
Whitemarsh	3.459	0.39	2.0379	21.917	27.8039
Whitpain	3.459	0.39	3.2	20.02	27.069
Worcester	3.459	0.39	0.05	30.0431	33.9421

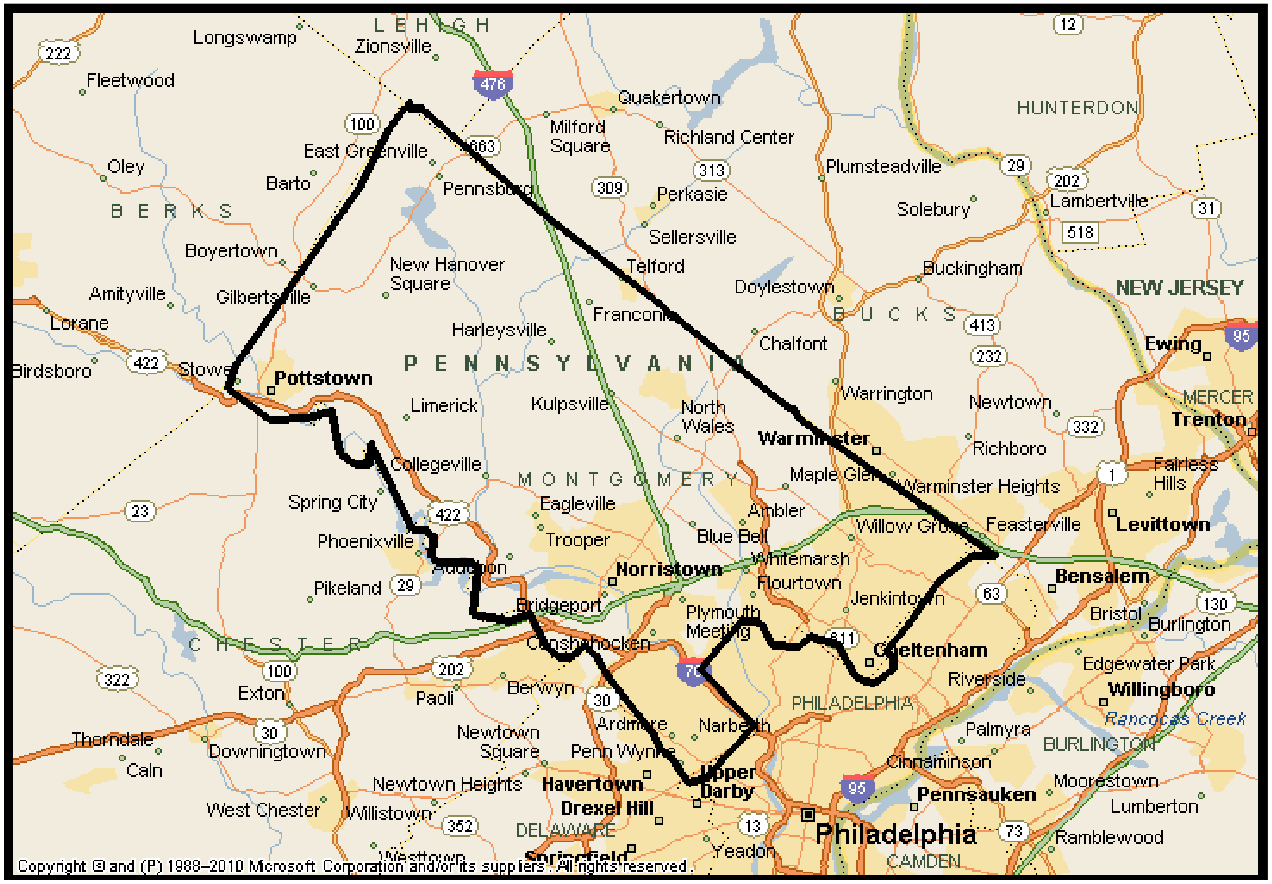
Source: Bright MLS

DEMOGRAPHIC OVERVIEW

A. MARKET AREA

This section presents an analysis of demographic trends for the defined market area consisting of all of Montgomery County, Pennsylvania. Data on Lansdale Borough & Upper Gwynedd Township has also been provided for comparison purposes. The analysis of the general population and household trends is based on data provided by Environics Analytics.

MONTGOMERY COUNTY, PENNSYLVANIA



B. POPLATION & HOUSEHOLDS

DEMOGRAPHIC TRENDS
POPULATION & HOUSEHOLDS
MONTGOMERY COUNTY, LANSDALE BOROUGH & UPPER GWYNEDD TOWNSHIP, PENNSYLVANIA

Montgomery County	2010 Census	2019 Estimate	%Change 2010-2019	2024 Projection	%Change 2019-2024
Population	799,874	831,796	3.99%	847,922	1.94%
Households	307,750	320,727	4.22%	327,161	2.01%
Median Age of Population	40.5	41.8	3.26%	42.6	1.79%
Median Age of Householder	51.9	54.9	5.76%	56.5	2.80%

Lansdale Borough	2010 Census	2019 Estimate	%Change 2010-2019	2024 Projection	%Change 2019-2024
Population	16,269	16,709	2.70%	16,954	1.47%
Households	6,655	6,921	4.00%	7,056	1.95%
Median Age of Population	37.8	40.1	6.08%	41.8	4.19%
Median Age of Householder	49.2	50.8	3.13%	52.2	2.88%

Upper Gwynedd Township	2010 Census	2019 Estimate	%Change 2010-2019	2024 Projection	%Change 2019-2024
Population	31,821	33,040	3.83%	33,683	1.95%
Households	12,892	13,520	4.87%	13,834	2.32%
Median Age of Population	41.1	42.7	3.89%	44.0	3.02%
Median Age of Householder	51.7	4.0	-92.20%	55.3	1272.21%

Source: Environics Analytics

Compiled By: Lisa Price & Associates, LLC

C. INCOME

DEMOGRAPHIC TRENDS
MEDIAN HOUSEHOLD INCOME
MONTGOMERY COUNTY AND LANSDALE BOROUGH, PENNSYLVANIA

	2000 Census	2019 Estimate	%Change 2000-2019	2024 Projection	%Change 2019-2024
Montgomery County	$60,851	$90,314	48.42%	$96,874	7.26%
Lansdale Borough	$45,755	$66,612	45.58%	$72,463	8.78%
Difference	28.32%	30.21%		28.83%	

Source: Environics Analytics

Compiled By: Lisa Price & Associates, LLC

DEMOGRAPHIC TRENDS
MEDIAN HOUSEHOLD INCOME
MONTGOMERY COUNTY AND UPPER GWYNEDD TOWNSHIP, PENNSYLVANIA

	2000 Census	2019 Estimate	%Change 2000-2019	2024 Projection	%Change 2019-2024
Montgomery County	$60,851	$90,314	48.42%	$96,874	7.26%
Upper Gwynedd Township	$56,463	$79,152	40.18%	$85,261	7.72%
Difference	7.48%	13.17%		12.75%	

Source: Environics Analytics

Compiled By: Lisa Price & Associates, LLC

DEMOGRAPHIC TRENDS
AVERAGE HOUSEHOLD INCOME
MONTGOMERY COUNTY AND LANSDALE BOROUGH, PENNSYLVANIA

	2000 Census	2019 Estimate	%Change 2000-2019	2024 Projection	%Change 2019-2024
Montgomery County	$80,875	$123,968	53.28%	$133,522	7.71%
Lansdale Borough	$53,715	$80,846	50.51%	$88,128	9.01%
Difference	40.36%	42.11%		40.96%	

Source: Environics Analytics

Compiled By: Lisa Price & Associates, LLC

DEMOGRAPHIC TRENDS
AVERAGE HOUSEHOLD INCOME
MONTGOMERY COUNTY AND UPPER GWYNEDD TOWNSHIP, PENNSYLVANIA

	2000 Census	2019 Estimate	%Change 2000-2019	2024 Projection	%Change 2019-2024
Montgomery County	$80,875	$123,968	53.28%	$133,522	7.71%
Upper Gwynedd Township	$69,558	$102,489	47.34%	$110,509	7.83%
Difference	15.05%	18.97%		18.86%	

Source: Environics Analytics

Compiled By: Lisa Price & Associates, LLC

The following charts provide a detailed breakdown for both 2019 (estimated) and 2024 (projected) household population and income by age group for the 25-54 market and the 55+ market (the target age groups for the community) in the Montgomery County market area.

2019 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER*
MONTGOMERY COUNTY, PENNSYLVANIA

Income	Total Hslds All Ages	Total Hslds 25-54	Age Breakdown: Age 25-34 HHs	Age 25-34 %	Age 35-44 HHs	Age 35-44 %	Age 45-54 HHs	Age 45-54 %
Household Totals	320,727	153,603	39,169	12.21	53,598	16.71	60,836	18.97
Median HH Income	$90,314	--	--	$89,587	--	$110,115	--	$119,722
Less Than $15,000	17,608	5,415	1,787	4.56	1,831	3.42	1,797	2.95
$15,000 - $24,999	18,705	4,624	1,640	4.19	1,506	2.81	1,478	2.43
$25,000 - $34,999	19,745	6,101	2,107	5.38	2,043	3.81	1,951	3.21
$35,000 - $49,999	32,216	11,896	3,866	9.87	3,885	7.25	4,145	6.81
$50,000 - $74,999	45,633	20,245	6,278	16.03	6,614	12.34	7,353	12.09
$75,000 - $99,999	42,141	22,276	6,591	16.83	7,827	14.60	7,858	12.92
$100,000 - $124,999	35,482	20,210	5,503	14.05	7,380	13.77	7,327	12.04
$125,000 - $149,999	27,859	16,383	3,873	9.89	5,918	11.04	6,592	10.84
$150,000 - $199,999	33,187	20,086	4,128	10.54	7,719	14.40	8,239	13.54
$200,000+	48,151	26,367	3,396	8.67	8,875	16.56	14,096	23.17

2024 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER*
MONTGOMERY COUNTY, PENNSYLVANIA

Income	Total Hslds All Ages	Total Hslds 25-54	Age Breakdown: Age 25-34 HHs	Age 25-34 %	Age 35-44 HHs	Age 35-44 %	Age 45-54 HHs	Age 45-54 %
Household Totals	327,161	146,301	36,232	11.07	53,455	16.34	56,614	17.30
Median HH Income	$96,874	--	--	$95,418	--	$118,464	--	$130,494
Less Than $15,000	16,426	4,437	1,463	4.04	1,568	2.93	1,406	2.48
$15,000 - $24,999	17,493	3,688	1,303	3.60	1,249	2.34	1,136	2.01
$25,000 - $34,999	18,637	5,029	1,752	4.84	1,739	3.25	1,538	2.72
$35,000 - $49,999	30,650	9,967	3,236	8.93	3,412	6.38	3,319	5.86
$50,000 - $74,999	44,283	17,715	5,498	15.17	6,052	11.32	6,165	10.89
$75,000 - $99,999	40,950	19,988	5,918	16.33	7,317	13.69	6,753	11.93
$100,000 - $124,999	35,609	18,917	5,159	14.24	7,195	13.46	6,563	11.59
$125,000 - $149,999	29,095	16,088	3,793	10.47	6,078	11.37	6,217	10.98
$150,000 - $199,999	36,127	20,676	4,250	11.73	8,288	15.51	8,138	14.38
$200,000+	57,891	29,796	3,860	10.65	10,557	19.75	15,379	27.16

* 2019 data is estimated; 2024 data is projected

Source: Environics Analytics

Compiled By: Lisa Price & Associates, LLC

2019 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER*
MONTGOMERY COUNTY, PENNSYLVANIA

Income	Total Hslds All Ages	Total Hslds 55+	Age Breakdown: Age 55-64 HHs	%	Age 65-74 HHs	%	Age 75-84 HHs	%	Age 85+ HHs	%
Household Totals	320,727	159,940	67,136	20.93	50,559	15.76	27,108	8.45	15,137	4.72
Median HH Income	$90,314	--	--	$107,535	--	$70,990	--	$46,590	--	$37,600
Less Than $15,000	17,608	10,339	2,992	4.46	3,067	6.07	2,371	8.75	1,909	12.61
$15,000 - $24,999	18,705	13,299	2,577	3.84	3,876	7.67	3,796	14.00	3,050	20.15
$25,000 - $34,999	19,745	12,596	2,799	4.17	4,137	8.18	3,511	12.95	2,149	14.20
$35,000 - $49,999	32,216	19,286	5,024	7.48	7,138	14.12	4,877	17.99	2,247	14.84
$50,000 - $74,999	45,633	24,109	8,931	13.30	8,205	16.23	4,711	17.38	2,262	14.94
$75,000 - $99,999	42,141	19,306	8,894	13.25	6,358	12.57	2,809	10.36	1,245	8.22
$100,000 - $124,999	35,482	14,850	7,356	10.96	5,092	10.07	1,563	5.77	839	5.54
$125,000 - $149,999	27,859	11,410	6,520	9.71	3,481	6.88	929	3.43	480	3.17
$150,000 - $199,999	33,187	12,981	7,858	11.71	3,619	7.16	1,271	4.69	233	1.54
$200,000+	48,151	21,764	14,185	21.13	5,586	11.05	1,270	4.68	723	4.78

2024 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER*
MONTGOMERY COUNTY, PENNSYLVANIA

Income	Total Hslds All Ages	Total Hslds 55+	Age Breakdown: Age 55-64 HHs	%	Age 65-74 HHs	%	Age 75-84 HHs	%	Age 85+ HHs	%
Household Totals	327,161	173,087	67,397	20.60	61,011	18.65	28,712	8.78	15,967	4.88
Median HH Income	$96,874	--	--	$119,156	--	$78,489	--	$49,667	--	$40,493
Less Than $15,000	16,426	10,064	2,557	3.79	3,292	5.40	2,326	8.10	1,889	11.83
$15,000 - $24,999	17,493	13,015	2,189	3.25	4,129	6.77	3,700	12.89	2,997	18.77
$25,000 - $34,999	18,637	12,515	2,412	3.58	4,487	7.35	3,468	12.08	2,148	13.45
$35,000 - $49,999	30,650	19,567	4,383	6.50	7,916	12.97	4,959	17.27	2,309	14.46
$50,000 - $74,999	44,283	25,147	8,198	12.16	9,524	15.61	5,009	17.45	2,416	15.13
$75,000 - $99,999	40,950	20,319	8,374	12.43	7,540	12.36	3,039	10.58	1,366	8.55
$100,000 - $124,999	35,609	16,198	7,207	10.69	6,281	10.29	1,764	6.14	946	5.92
$125,000 - $149,999	29,095	12,919	6,712	9.96	4,522	7.41	1,104	3.85	581	3.64
$150,000 - $199,999	36,127	15,278	8,474	12.57	4,921	8.07	1,581	5.51	302	1.89
$200,000+	57,891	28,065	16,891	25.06	8,399	13.77	1,762	6.14	1,013	6.34

* 2019 data is estimated; 2024 data is projected

Source: Environics Analytics

Compiled By: Lisa Price & Associates, LLC

D. RENTERS VS. BUYERS

The 2013-2017 American Community Survey 5-Year Estimate for Montgomery County reveals a higher proportion of owners vs. renters, 72.2% vs. 27.8%, respectively. This translates into 225,724 owner-occupied households and 87,081 renter-occupied households. The higher mix of owners compared to renter-occupied housing is typical for the State of Pennsylvania and the U.S. The American Community Survey indicates for the same 5-year period that Pennsylvania had 69% owner-occupied households and the U.S. had 63.8% owner-occupied households.

While data for Upper Gwynedd Township is very similar to the county as a whole (71.7% owner-occupied vs 28.3% renter-occupied), Lansdale Borough has a much higher proportion of renters at 47.2% vs 52.8% owners translating into 3,064 rental units and 3,434 owner-occupied units; this is compared with 1,809 rental units and 4,575 owner-occupied units in Upper Gwynedd Township.

E. MIGRATION

Migration into Montgomery County from its surrounding counties within the top 10 (including Philadelphia, Bucks, Chester, Delaware, Berks & Lehigh) totaled 11,975 households or nearly 62% of total in-migration (19,419 households) into Montgomery County. Neighboring Philadelphia County accounted for the highest concentration of in-migration with 4,968 households. The high concentration of in-migration from surrounding counties (62%) reflects a very strong availability from the local market for the subject property (see chart on following page).

While overall migration was at a deficit (-485 households), net migration for the surrounding counties increased by 1,233 households.

It should be noted that AGI income (on the following chart) reflects income of those migrating into Montgomery County, not average income of all households within the stated county.

IRS MIGRATION DATA 2015 - 2016
TOP 10 COUNTIES FOR MIGRATION
MONTGOMERY COUNTY, STATE OF PENNSYLVANIA

INTO MONTGOMERY COUNTY FROM STATE/COUNTY		NUMBER MIGRATING	PERCENT OF TOTAL	APPROX.* HOUSEHOLD AGI	OUT OF MONTGOMERY COUNTY FROM STATE/COUNTY		NUMBER MIGRATING	PERCENT OF TOTAL
PA	Philadelphia County	4,968	25.58%	$78,583	PA	Philadelphia County	3,754	18.86%
PA	Bucks County	2,688	13.84%	$70,296	PA	Bucks County	2,647	13.30%
PA	Chester County	1,842	9.49%	$86,622	PA	Chester County	2,013	10.11%
PA	Delaware County	1,330	6.85%	$92,262	PA	Delaware County	1,156	5.81%
PA	Berks County	803	4.14%	$47,442	PA	Berks County	896	4.50%
PA	Lehigh County	344	1.77%	$67,026	PA	Lehigh County	276	1.39%
NJ	Camden County	201	1.04%	$76,821	NY	New York County	210	1.06%
NJ	Burlington County	177	0.91%	$136,034	PA	Lancaster County	199	1.00%
DE	New Castle County	160	0.82%	$84,631	CA	Los Angeles County	194	0.97%
PA	Lancaster County	157	0.81%	$73,707	FR	Foreign - Overseas	171	0.86%
Montgomery Cty Tot Mig - Top 10 Counties		**12,670**	**65.25%**		**Montgomery Cty Tot Mig - Top 10 Counties**		**11,516**	**57.86%**
Montgomery Cty Tot Mig - Pennsylvania Counties in Top 10		**12,132**	**62.47%**		**Montgomery Cty Tot Mig - Pennsylvania Counties in Top 10**		**10,941**	**54.97%**
Montgomery Cty Tot Mig - Surrounding Counties in Top 10		**11,975**	**61.67%**		**Montgomery Cty Tot Mig - Surrounding Counties in Top 10**		**10,742**	**53.97%**
Montgomery Cty Tot Mig - U.S. & Foreign		**19,419**	**100.00%**	**$96,674**	**Montgomery Cty Tot Mig - U.S. & Foreign**		**19,904**	**100.00%**
Montgomery Cty Tot Mig - U.S.		**19,308**	**99.43%**	**$96,450**	**Montgomery Cty Tot Mig - U.S.**		**19,705**	**99.00%**
Montgomery Cty Tot Mig - Same State		**13,187**	**67.91%**	**$96,790**	**Montgomery Cty Tot Mig - Same State**		**11,930**	**59.94%**
Montgomery Cty Tot Mig - Different State		**6,121**	**31.70%**	**$95,717**	**Montgomery Cty Tot Mig - Different State**		**7,775**	**39.06%**
Montgomery Cty Tot Mig - Foreign		**111**	**0.57%**	**$135,622**	**Montgomery Cty Tot Mig - Foreign**		**199**	**1.00%**
NET MIGRATION SURROUNDING COUNTIES		**1,233**						
NET MIGRATION TOTAL		**-485**						

* Household AGI is calculated from Aggregate AGI captured by the IRS

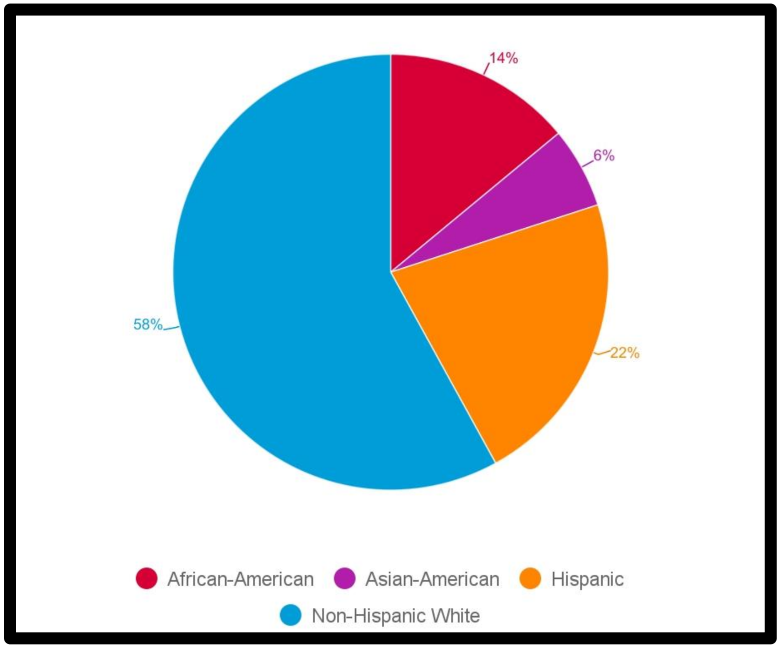
Source: IRS

Compiled By: Lisa Price & Associates, LLC

MILLENNIAL TARGET MARKET PSYCHOGRAPHICS & CONSUMER PREFERENCES

For the purposes of the following sections, the term "Millennial" refers to the young adult population encompassing the broadest definition possible including ages 18 to 37 in 2018 or born between 1981 and 2000. Different sources use different age ranges: The Pew Research Center considers Millennials to be those born between 1981 and 1996 (ages 22 to 37 in 2018), while others define Millennials as born between 1981 and 2000. The Census often bases data on "Young Adults" (referencing ages 18-34) instead of Millennials and The Pew Research Center has also used this terminology at times, so for simplicity sake the term Millennial will be used to cover all ages between 18 and 37. Where possible, we have noted the age range the data is based on for each of the following charts.

U.S. MILLENNIAL COMPOSITION BY ETHNICITY

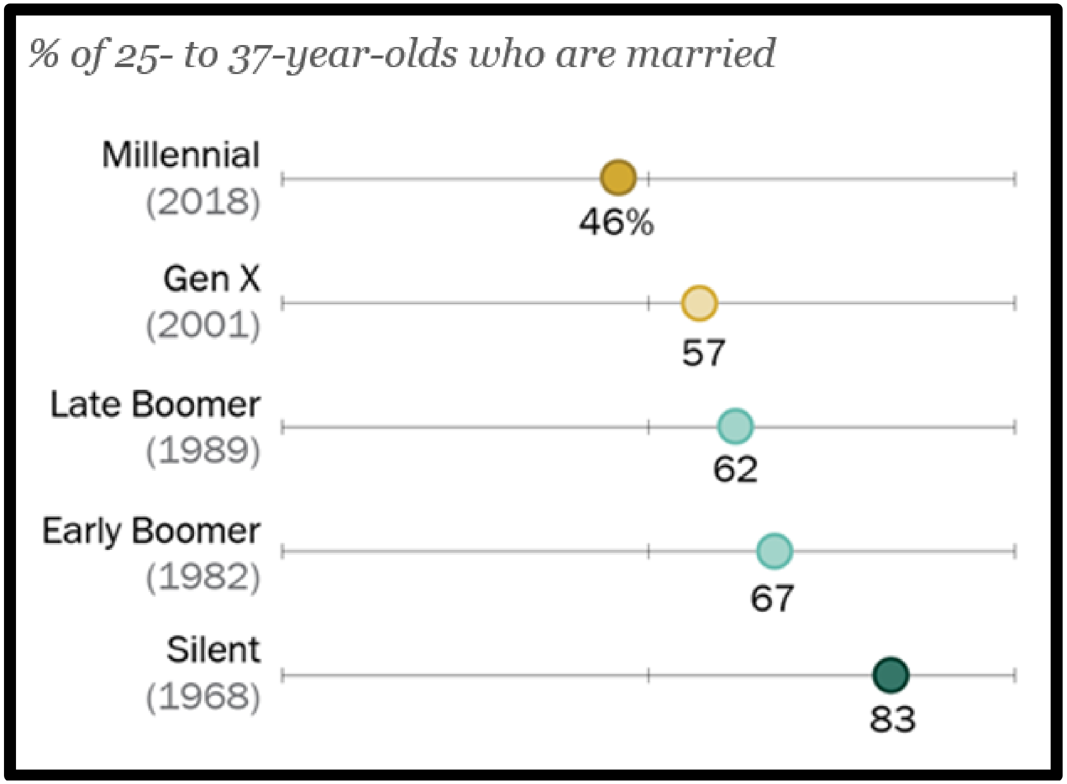


Source: The Nielsen Company

Based on data published by The Nielsen Company in January 2017, Millennials make up nearly a quarter of the total U.S. population. Of the 75+ million Millennials living in the U.S., 42% are multicultural, the most diverse adult generation in U.S. history, including 22% Hispanics, 14% African-Americans, and 6% Asian-Americans.

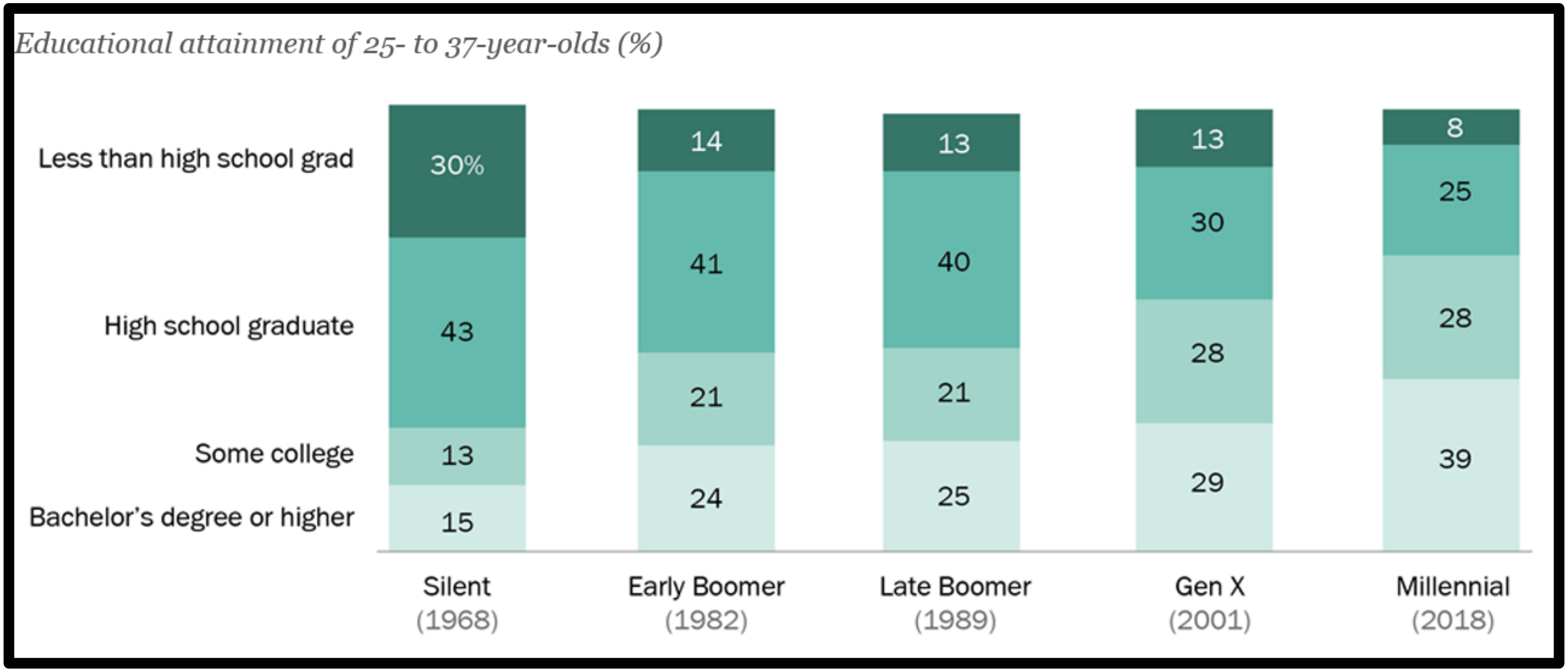
A number of factors have contributed to the rising age of marriage among Millennials (ages 25-37) including economic and social issues. As of 2018, the median age for marriage among this age group was 28 for women and 30 for men compared with 21 for women and 23 for men in 1968.

MARITAL STATUS AGES 25-37 BY GENERATION



Source: Pew Research Center

EDUCATIONAL ATTAINMENT OF 25-37 YEAR OLDS BY GENERATION

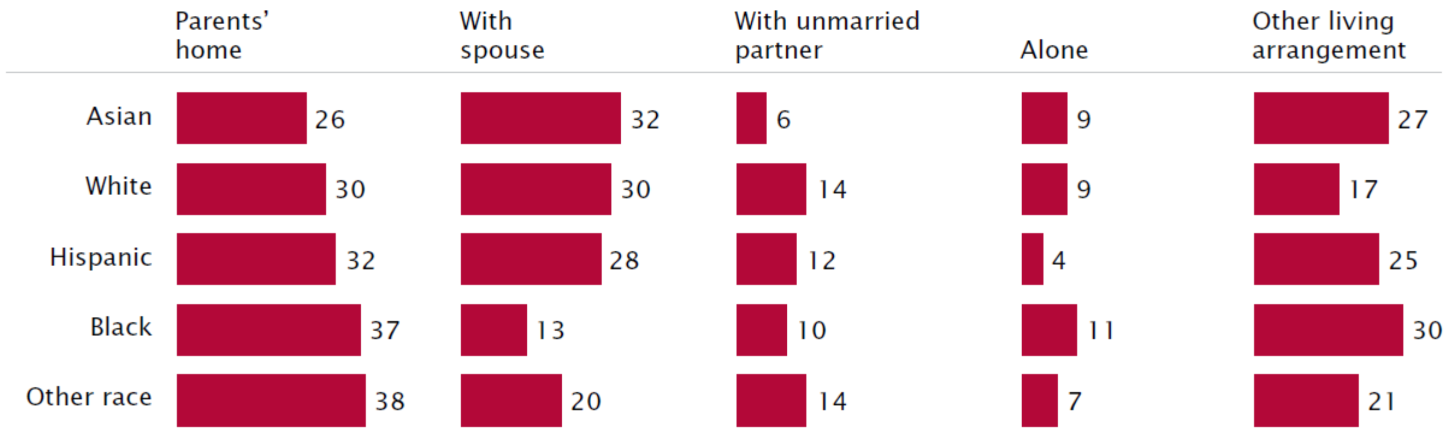


Source: Pew Research Center

The millennial generation has attained the highest level of education compared to older generations at the same time in their young adult life. Based on 2018 data, 39% of millennials in the age group 25-37 have a bachelor's degree or higher which is tied to higher future earnings, especially when compared with older generations.

According to Census data gathered since the 1880's, there were more young adult's ages 25-34 living at home in 2014 (38%) than during any other time period since the data was captured due to slow income growth and high housing costs; while 2015 data shows that this number dropped slightly (to 35%), it is still close to the previous all-time high of 36% in the 1940s. Data for the 18-24 age group (50% living at home) is also near historic highs which peaked in 1940. This trend is stymying growth for Millennial household formation.

LIVING ARRANGMENTS OF YOUNG ADULTS AGED 18-34



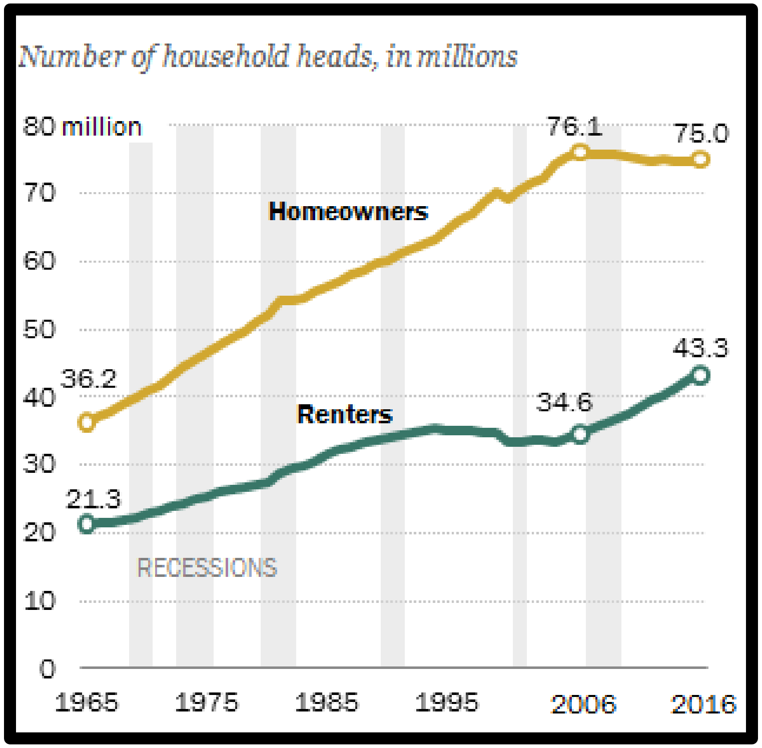
Note: Asian, White, and Black include young adults who reported only that race and were not Hispanic. Other race includes young adults who were not Hispanic, and reported multiple race groups, or were American Indian or Alaska Native alone or Native Hawaiian or Other Pacific Islander alone.

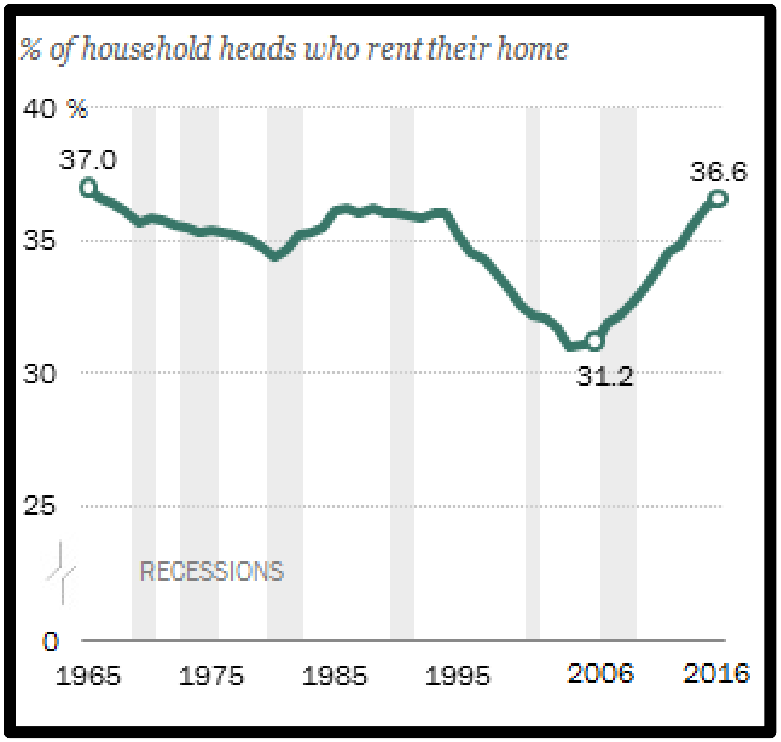
Source: U.S. Census Bureau, 2016 Current Population Survey Annual Social and Economic Supplement.

When comparing living arrangements by race, a greater share of Hispanics, Blacks and other race groups live at home, while Whites are evenly divided between living with their parents and with a spouse, and for Asians, living with a spouse is more prevalent.

RENTAL HOUSING

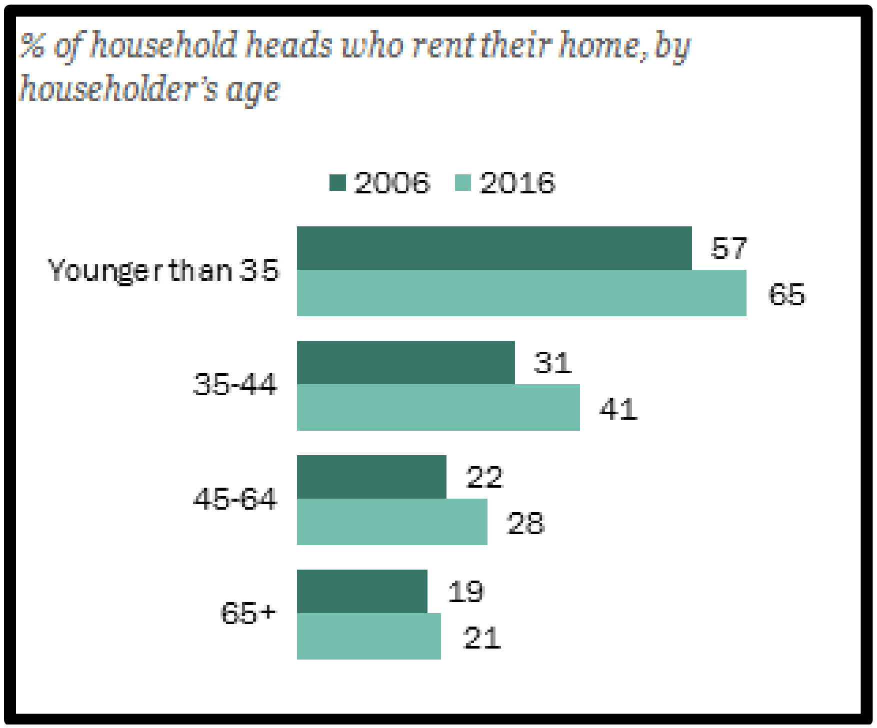
According to the Census Bureau, since 2011, the number of people residing in rental housing has increased by an average of just under 1.7 million per year. Furthermore, there are now more U.S. households renting than at any other point in the past 50 years according to a Pew report based on Census data; renters are also a larger share of total households. The after effects of the Great Recession continue to have a grip on the housing market as illustrated in the chart below.





Source: Pew Research Center (based on U.S. Census data)

When looking at households broken down by age group, it comes as no surprise that young adults lead the pack in number of renters vs owners with almost two-thirds renting (up 8% since 2016). A sizeable portion of the 35-44 age group also were reported as renters, 41% in 2016 vs 31% in 2006.

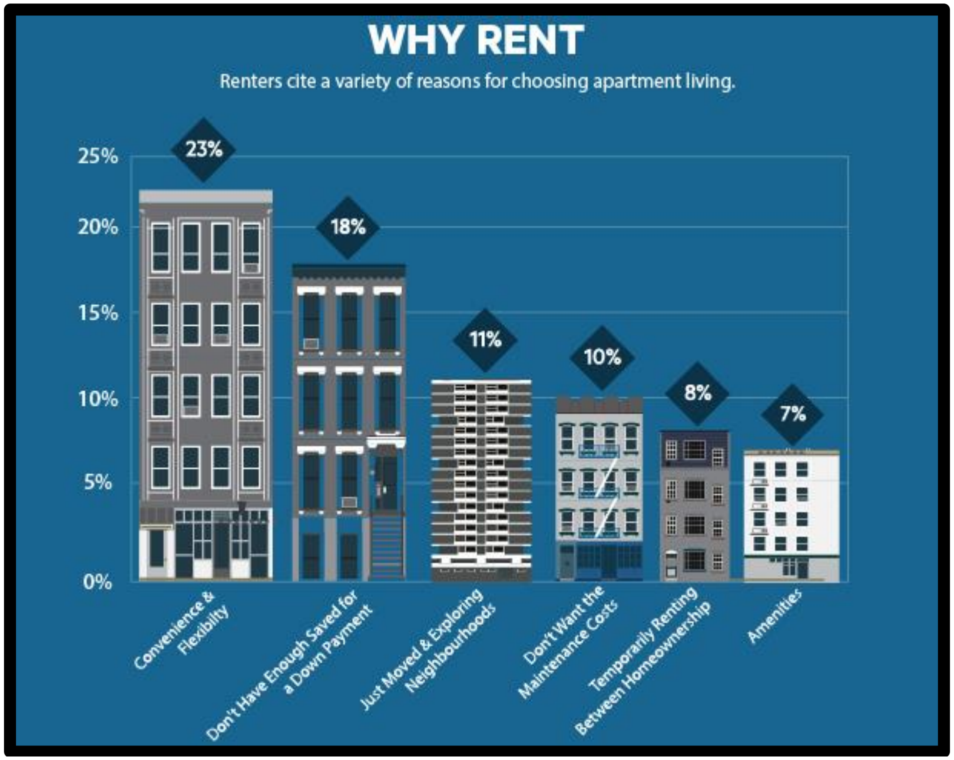


Source: Pew Research Center (based on U.S. Census revised data)

APARTMENT RENTAL SURVEY RESULTS

In 2017, the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA) released data from a study they commissioned that revealed that 4.6 million new apartments will be needed in the U.S. by the year 2030 to keep up with demand. Last year, the NMHC also published survey results from 272,000 current apartment dwellers living in 4,795 communities (the largest study ever on renter preferences) across the U.S. regarding their priorities on a host of issues affecting renters. Highlights from this poll are provided on the following pages to provide insight into the how, where and why of apartment renting.

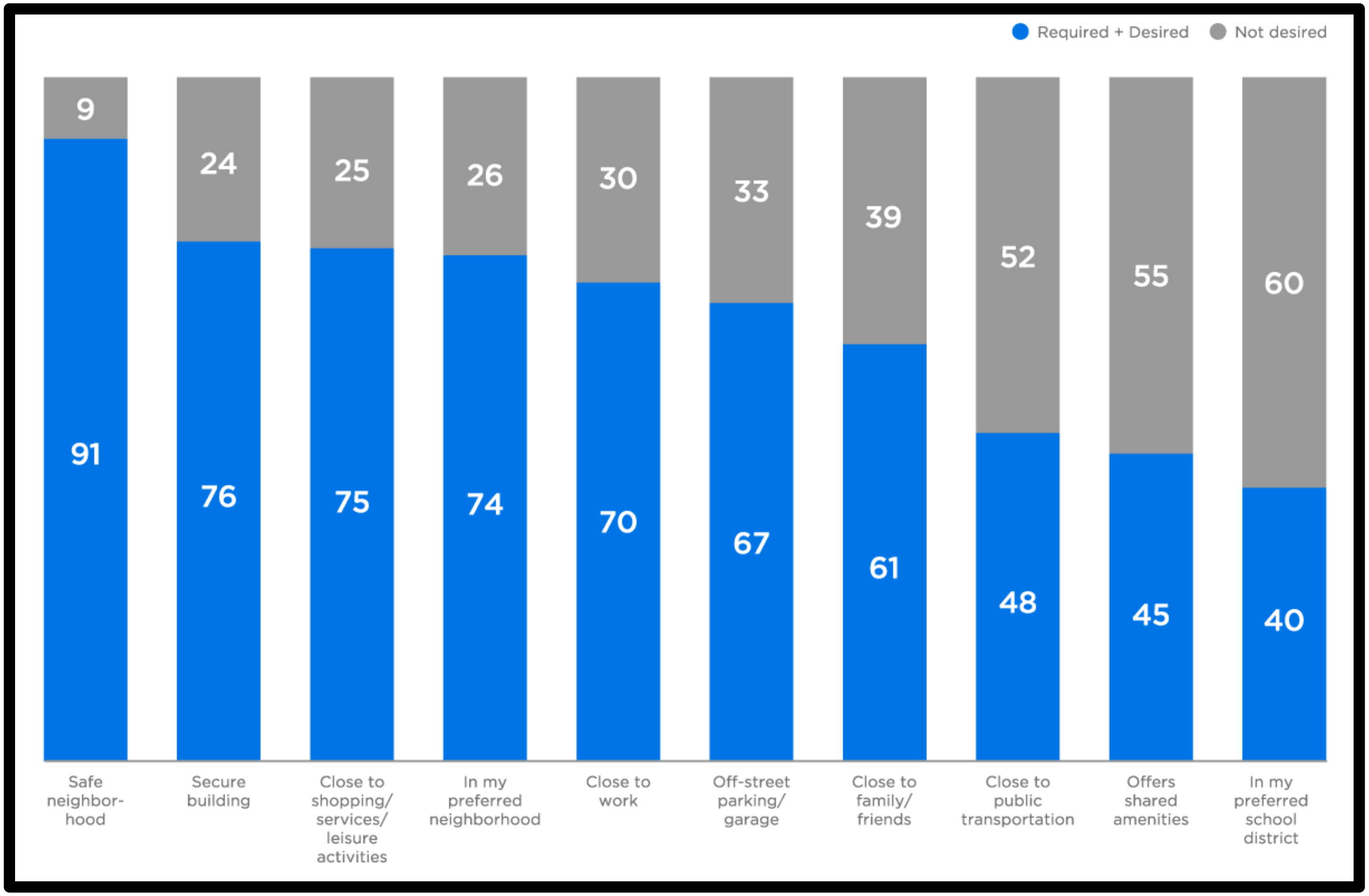
Furthermore, we have supplemented this information with data published by the Zillow Group in their Consumer Housing Trends Report 2017. The Zillow Group partnered with Liberman Research Worldwide, an independent market research firm, to do a national survey in 2017 which gathered information from 13,125 households including the following consumer groups (group size is in parentheses): renters that moved in the past 12 months (3,047); long-term renters (1,153); home buyers in the past 12 months (2,965); home sellers in the past 12 months (2,920); and homeowners (3,040).



Source: National Multifamily Housing Council & Kingsley Associates

Among all respondents, safety ranked 1st (91% of respondents) for most important community characteristic and a secure building ranked 2nd (76%). Also, near the top of the list was proximity to shopping & services, located in their preferred neighborhood and proximity to work. While proximity to work was an important factor to working adults across income ranges, it was less important to those earning under $25k per year as being close to work typically means higher housing costs. Respondents were nearly evenly divided on those that placed importance on proximity to public transportation and the offer of shared amenities.

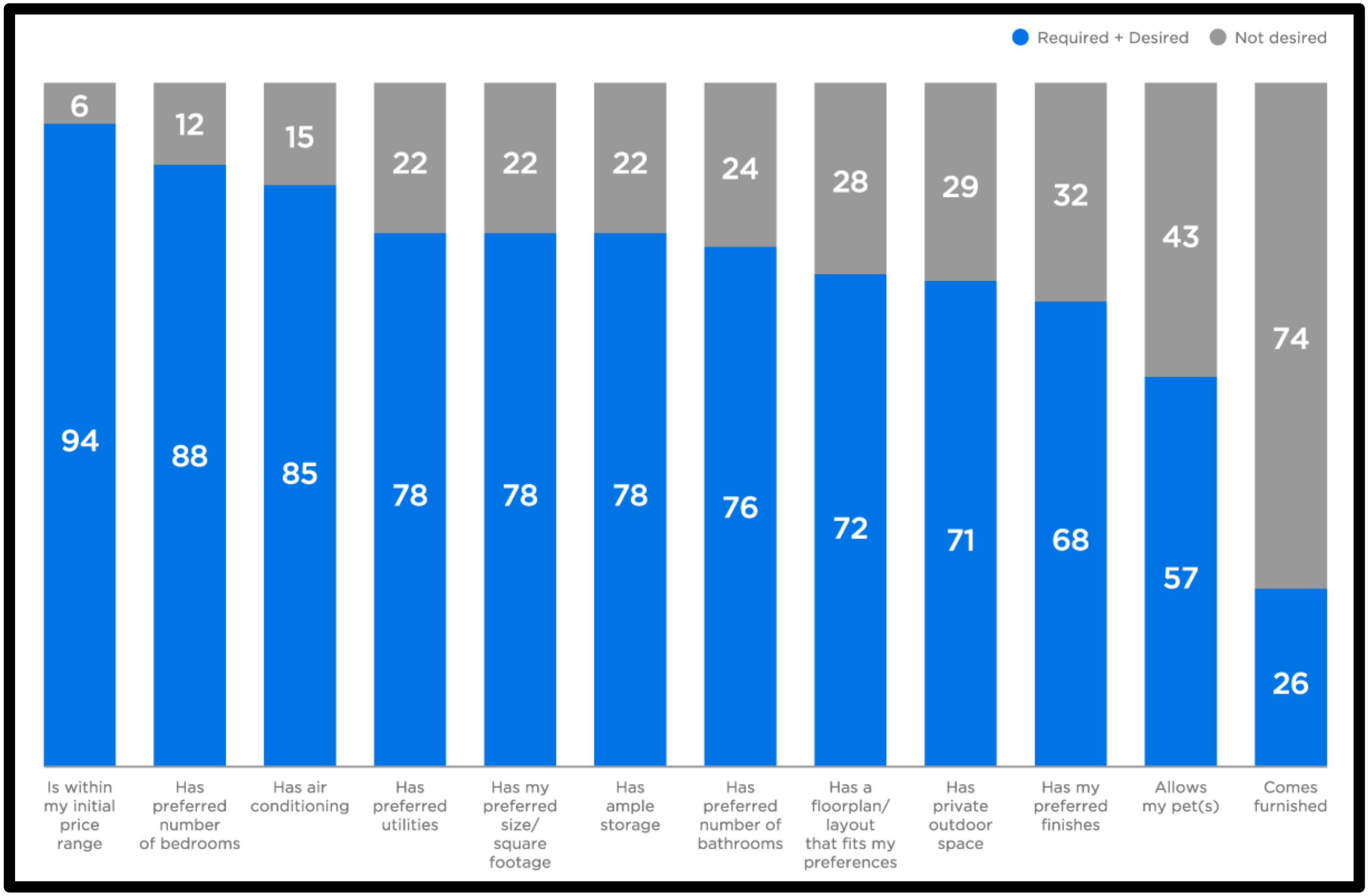
BUILDING & NEIGHBORHOOD CHARACTERISTICS OF RENTAL COMMUNITIES



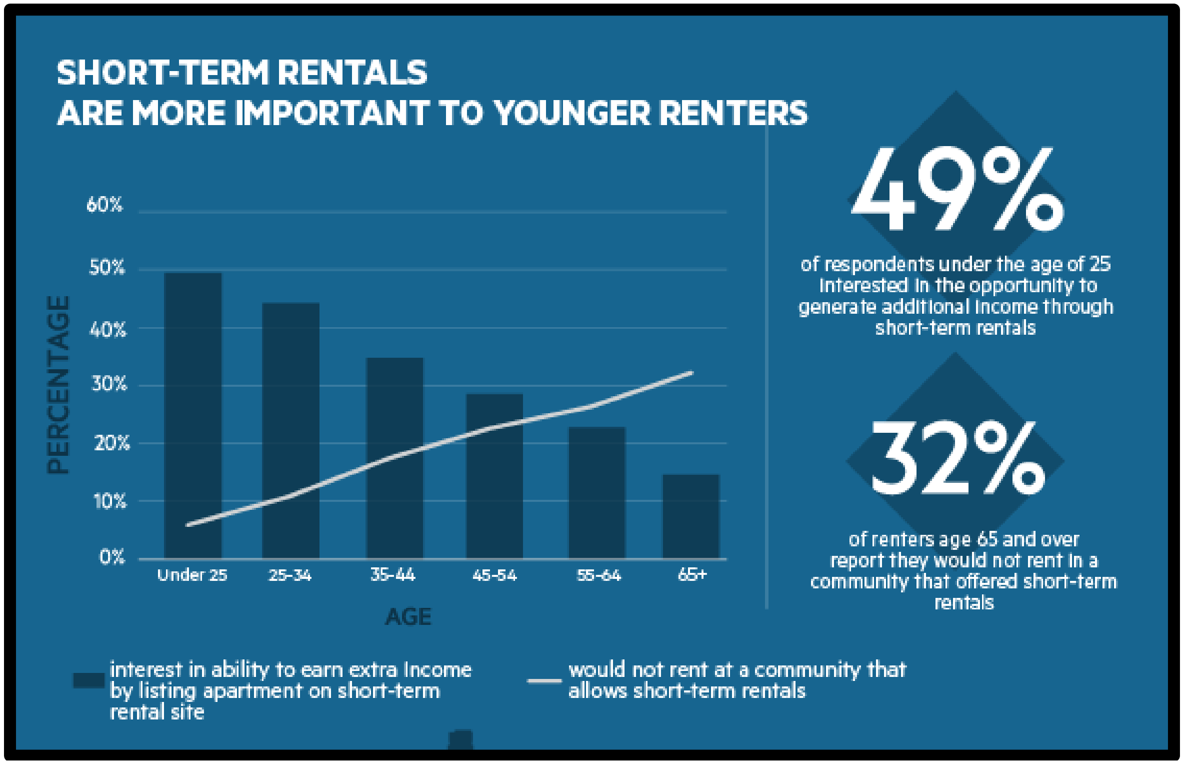
Source: Zillow Group (based on renters that moved in the past 12 months)

As rents continue to rise across the nation, the #1 response for the top requirement when searching for an apartment unit was affordability. Most of the other top 10 most required/desired characteristics had to do with the physical layout of the apartment: number of bedrooms, square footage, storage, number of bathrooms, floor layout and outdoor space. Air conditioning and preferred utilities placed 3rd and 4th, respectively.

HOME CHARACTERISTICS OF RENTAL UNITS



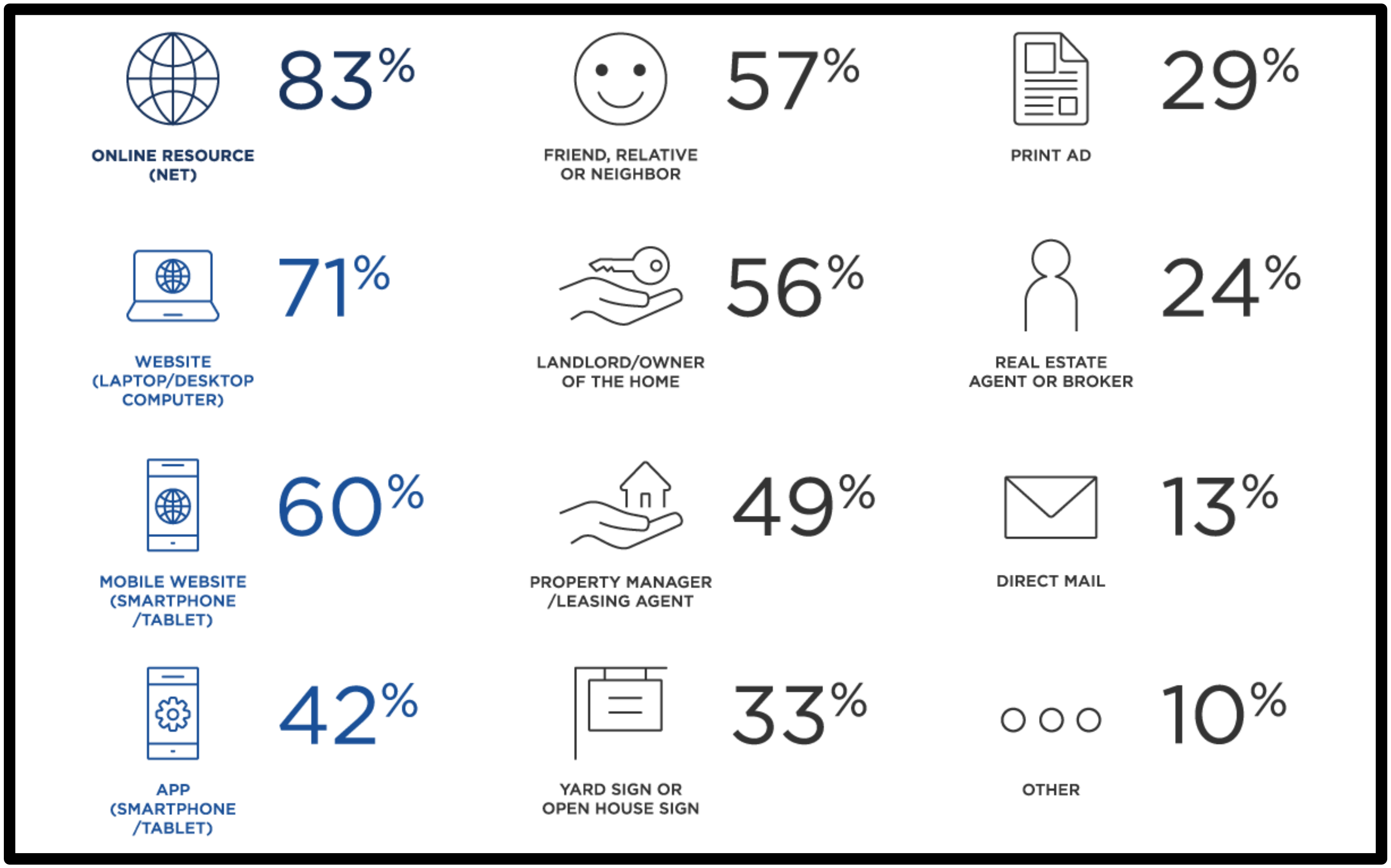
Source: Zillow Group (based on renters that moved in the past 12 months)



Source: National Multifamily Housing Council & Kingsley Associates

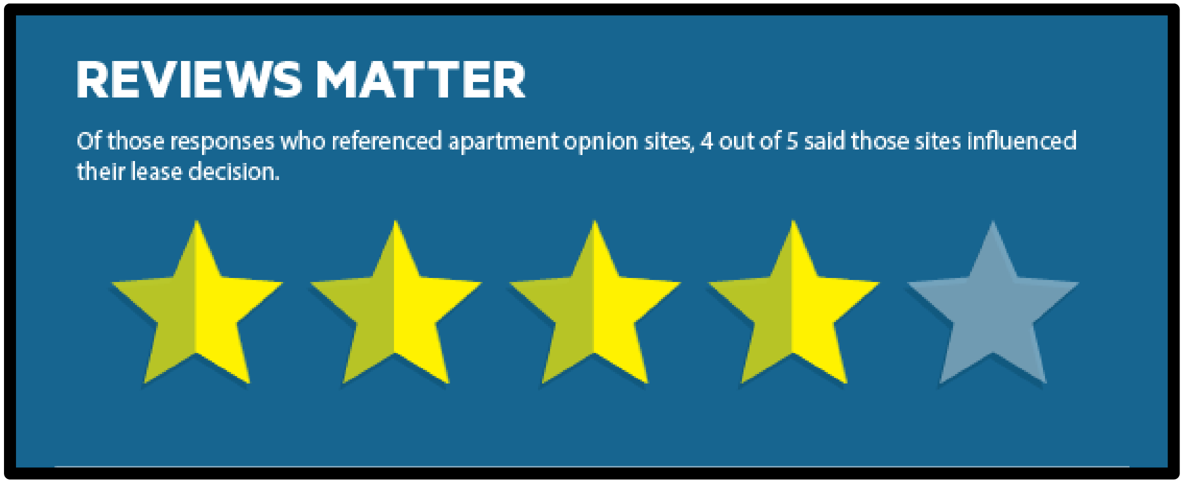
Also rising in importance as a reason to choose or not choose a particular community is the potential for short-term rentals. While nearly half of those that responded under 25 years of age and over 40% of those ages 25-34 were interested in generating additional income by offering short term rentals via sites such as Airbnb, 32% of those age 65+ said they would not live in a community where short-term rentals were allowed.

THE APARTMENT SEARCH



Source: Zillow Group (based on renters that moved in the past 12 months)

Online resources are the most widely used resource for finding an apartment, a trend which has continued to grow over the years. While this trend is still more prevalent in younger generations, 70% of Baby Boomers and 41% of the Silent Generation turned to the internet to help them.



Source: National Multifamily Housing Council & Kingsley Associates

The influence of online reviews is of great significance with 79% replying that they reviewed opinions online of potential apartment communities and 72% stated that something they read stopped them from visiting a community. Additionally, 82% of those that responded said they expect to see apartment managers respond to at least negative reviews, if not all online reviews.

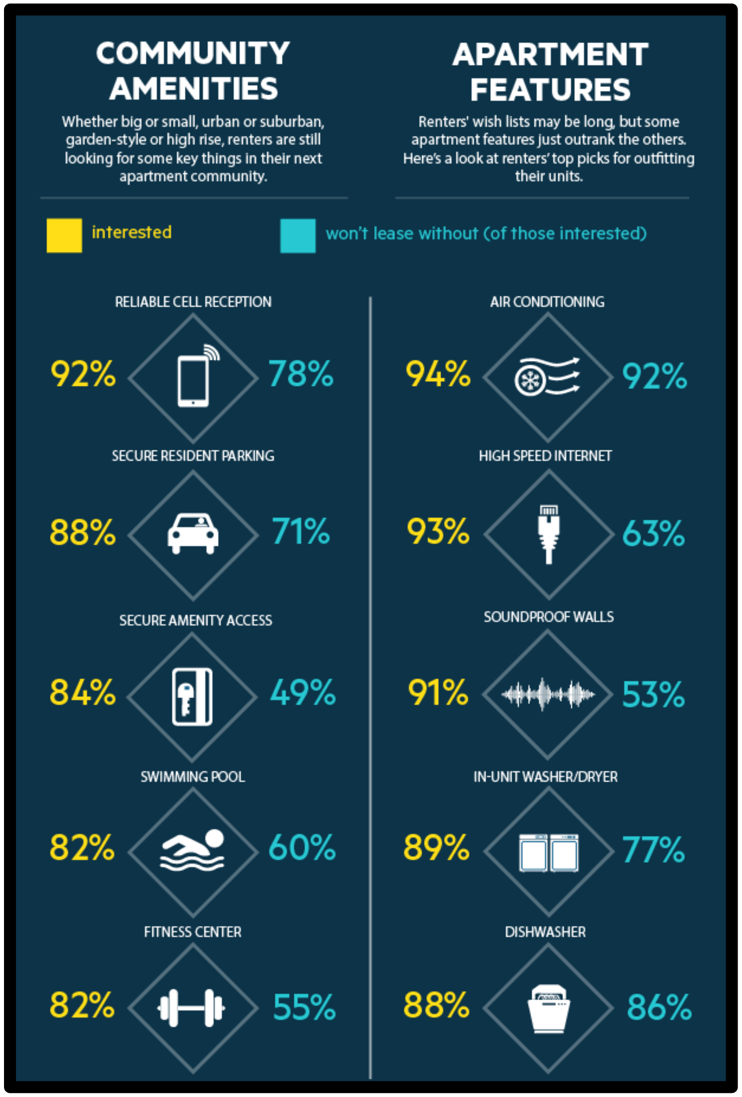
Source: National Multifamily Housing Council & Kingsley Associates

While there were numerous reasons for apartment renters to move from their current rental community, the top 5 included lower rent, property management, apartment features, amenities and issues with the layout of the floorplan.

We have also noticed over the years that noise between apartments and floors is a major complaint by tenants (including in online reviews of communities) and often propels residents to move.

COMMUNITY AMENITIES & APARTMENT FEATURES

Connectivity remains an important amenity/apartment feature for renters especially among Millennials and is part of their decision-making process in choosing a place to live. Parking is near the top of the list once again although it is noted that residents desire secure parking.



Source: National Multifamily Housing Council & Kingsley Associates

As indicated on the chart on the previous page, while soundproof walls are much desired, it doesn't rank as high for a must have; that is not the case with air conditioning, in-unit washer & dryers and dishwashers which are all pretty high on the list for deal breakers.

While not making the top amenity list, other amenities which ranked high included pet washing stations (61% desired this feature) and smart home technology (smart thermostats 66%, USB ports 60%, smart lighting 59%, smart locks 54% and video door bells 49%). Package storage/lockers were also desirable features with 57% of respondents stating they were interested or highlight interested.

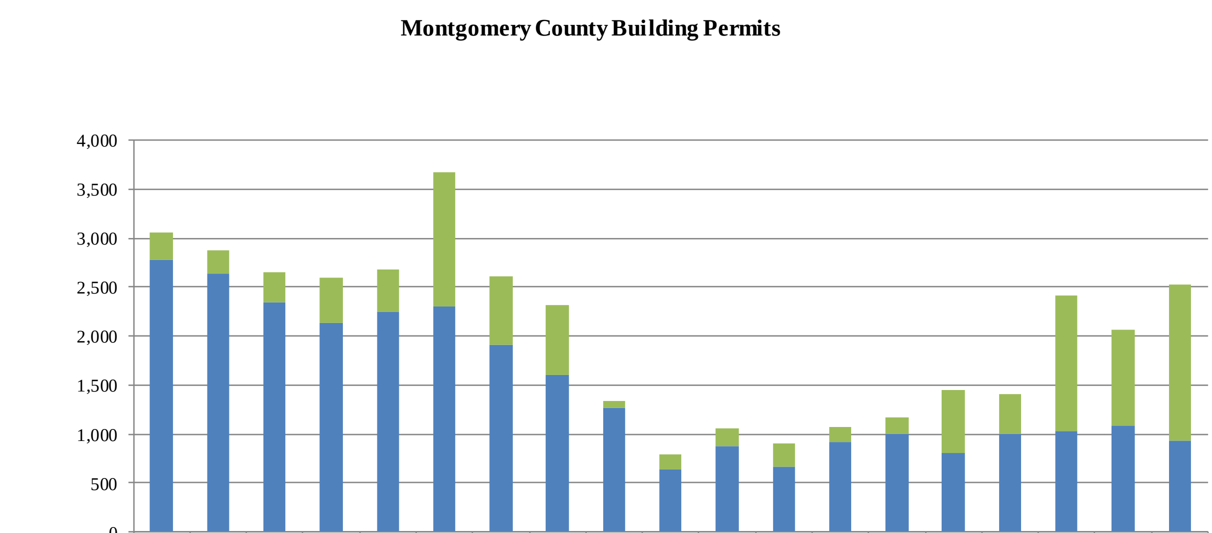
Source: National Multifamily Housing Council & Kingsley Associates

OVERVIEW OF THE HOUSING MARKET

A. BUILDING PERMITS

Montgomery County's permit activity has shown improvement since the aftermath of the Great Recession when the market bottomed out in 2009 with just 800 permits approved. While the market has shown improvement since then, both 2016 and 2018 showed sizeable increases from 2009 more than doubling from 2009 in 800 to 2,409 units in 2016 and 2,530 units in 2018 approaching the highs the market experienced pre-recession. Data for 2017 was also strong.

Historically, single family detached units have been the predominant product type in Montgomery County; however, multi-family market share rose substantially in recent years including to 63% in 2018 (934 single family and 1,596 multi-family).



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Multi-family	278	230	301	466	433	1,368	701	724	60	157	182	241	155	164	648	396	1,373	978	1,596
Single Family	2,780	2,644	2,352	2,132	2,254	2,300	1,911	1,599	1,274	643	879	668	917	1,000	802	1,006	1,036	1,089	934

Source: U.S. Department of Housing and Urban Development
Compiled By: Lisa Price & Associates, LLC

B. MLS

MLS STATISTICS
2018 YEAREND COMPARISON
PHILADELPHIA REGION

MLS Area	Number of Properties Sold					Median Price of Properties Sold					Average Price of Properties Sold				
	Year End 2018	Year End 2017	Year End 2016	% Change 17-18	% Change 16-18	Year End 2018	Year End 2017	Year End 2016	% Change 17-18	% Change 16-18	Year End 2018	Year End 2017	Year End 2016	% Change 17-18	% Change 16-18
Bucks	7,890	8,243	8,050	-4.3%	-2.0%	$310,000	$295,000	$280,000	5.1%	10.7%	$366,165	$345,864	$329,885	5.9%	11.0%
Burlington	7,437	7,320	6,325	1.6%	17.6%	$200,000	$190,000	$195,000	5.3%	2.6%	$231,367	$226,853	$230,886	2.0%	0.2%
Camden	7,633	7,736	6,589	-1.3%	15.8%	$161,900	$157,000	$158,000	3.1%	2.5%	$182,594	$177,911	$179,471	2.6%	1.7%
Chester	7,297	7,437	7,098	-1.9%	2.8%	$340,000	$332,106	$315,000	2.4%	7.9%	$387,859	$377,311	$360,605	2.8%	7.6%
Delaware	7,012	7,114	6,754	-1.4%	3.8%	$209,000	$205,000	$200,000	2.0%	4.5%	$271,724	$268,332	$259,844	1.3%	4.6%
Gloucester	4,694	4,502	3,878	4.3%	21.0%	$176,950	$176,000	$185,000	0.5%	-4.4%	$190,534	$189,158	$196,525	0.7%	-3.0%
Kent	2,527	2,451	2,090	3.1%	20.9%	$210,000	$200,000	$198,250	5.0%	5.9%	$213,003	$200,917	$199,413	6.0%	6.8%
Mercer	4,303	4,434	4,035	-3.0%	6.6%	$240,000	$235,000	$240,000	2.1%	0.0%	$313,232	$322,194	$332,734	-2.8%	-5.9%
Montgomery	11,111	11,364	11,076	-2.2%	0.3%	$287,625	$279,994	$269,000	2.7%	6.9%	$333,053	$329,627	$315,887	1.0%	5.4%
New Castle	7,249	7,291	6,624	-0.6%	9.4%	$226,000	$219,500	$220,000	3.0%	2.7%	$247,973	$244,021	$243,220	1.6%	2.0%
Philadelphia	16,854	17,159	16,157	-1.8%	4.3%	$200,000	$185,000	$169,900	8.1%	17.7%	$255,101	$250,670	$227,876	1.8%	11.9%
Salem	984	855	715	15.1%	37.6%	$106,150	$111,000	$124,900	-4.4%	-15.0%	$124,742	$127,933	$136,975	-2.5%	-8.9%
PA	50,164	51,317	49,135	-2.2%	2.1%	$260,000	$250,000	$239,900	4.0%	8.4%	$311,470	$304,247	$287,996	2.4%	8.2%
NJ	25,051	24,847	21,542	0.8%	16.3%	$184,000	$179,900	$182,500	2.3%	0.8%	$218,728	$218,394	$224,934	0.2%	-2.8%
DE	9,776	9,742	8,714	0.3%	12.2%	$221,450	$215,000	$214,000	3.0%	3.5%	$238,934	$233,176	$232,713	2.5%	2.7%
8 County	**69,928**	**70,875**	**65,927**	**-1.3%**	**6.1%**	**$232,500**	**$225,000**	**$220,000**	**3.3%**	**5.7%**	**$280,766**	**$275,154**	**$266,290**	**2.0%**	**5.4%**
12 County	**84,991**	**85,906**	**79,391**	**-1.1%**	**7.1%**	**$230,000**	**$224,900**	**$220,000**	**2.3%**	**4.5%**	**$275,791**	**$271,356**	**$264,817**	**1.6%**	**4.1%**

^ 8 County totals include Bucks, Chester, Delaware, Montgomery, Philadelphia, Burlington, Camden and Gloucester Counties

Source: HomExpert Market Report

MLS STATISTICS
2018 YEAREND COMPARISON
PHILADELPHIA REGION

MLS Area	Average Days on Market Year End 2018	Year End 2017	Year End 2016	% Change 17-18	% Change 16-18	Monthly Average Inventory Year End 2018	Year End 2017	Year End 2016	% Change 17-18	% Change 16-18
Bucks	48	57	68	-15.8%	-29.4%	2,065	2,452	3,022	-15.8%	-31.7%
Burlington	61	69	81	-11.6%	-24.7%	2,554	2,957	3,144	-13.6%	-18.8%
Camden	61	67	79	-9.0%	-22.8%	2,780	3,188	3,656	-12.8%	-24.0%
Chester	49	50	63	-2.0%	-22.2%	2,040	2,349	2,629	-13.2%	-22.4%
Delaware	51	58	71	-12.1%	-28.2%	1,749	2,279	2,768	-23.3%	-36.8%
Gloucester	71	74	84	-4.1%	-15.5%	1,978	2,131	2,150	-7.2%	-8.0%
Kent	64	80	84	-20.0%	-23.8%	1,009	1,158	1,255	-12.9%	-19.6%
Mercer	58	65	73	-10.8%	-20.5%	1,493	1,633	1,910	-8.6%	-21.8%
Montgomery	45	52	68	-13.5%	-33.8%	2,827	3,238	3,858	-12.7%	-26.7%
New Castle	47	57	65	-17.5%	-27.7%	1,822	2,221	2,491	-18.0%	-26.9%
Philadelphia	44	49	58	-10.2%	-24.1%	4,805	5,514	6,135	-12.9%	-21.7%
Salem	98	92	116	6.5%	-15.5%	639	632	621	1.1%	2.9%
PA	46	52	64	-11.5%	-28.1%	13,486	15,832	18,410	-14.8%	-26.7%
NJ	64	69	80	-7.2%	-20.0%	11,217	12,509	13,902	-10.3%	-19.3%
DE	51	62	70	-17.7%	-27.1%	2,831	3,379	3,746	-16.2%	-24.4%
8 County	**51**	**57**	**69**	**-10.5%**	**-26.1%**	**20,797**	**24,108**	**27,361**	**-13.7%**	**-24.0%**
12 County	**52**	**58**	**69**	**-10.3%**	**-24.6%**	**25,760**	**29,752**	**33,638**	**-13.4%**	**-23.4%**

^ 8 County totals include Bucks, Chester, Delaware, Montgomery, Philadelphia, Burlington, Camden and Gloucester Counties

Source: HomExpert Market Report

JUNE COMPARISON
PHILADELPHIA REGION

	Number of Properties Sold					Median Price of Properties Sold					Average Price of Properties Sold				
	Jun-19	Jun-18	Jun-17	% Change 18-19	% Change 17-19	Jun-19	Jun-18	Jun-17	% Change 18-19	% Change 17-19	Jun-19	Jun-18	Jun-17	% Change 18-19	% Change 17-19
Bucks	874	981	1,024	-10.9%	-14.6%	$346,750	$335,000	$323,885	3.5%	7.1%	$380,750	$384,417	$364,005	-1.0%	4.6%
Burlington	647	842	826	-23.2%	-21.7%	$231,500	$215,000	$206,250	7.7%	12.2%	$256,203	$245,245	$239,355	4.5%	7.0%
Camden	633	801	824	-21.0%	-23.2%	$186,900	$174,900	$175,000	6.9%	6.8%	$223,032	$196,242	$207,124	13.7%	7.7%
Chester	839	927	915	-9.5%	-8.3%	$375,000	$355,000	$355,000	5.6%	5.6%	$414,527	$411,490	$401,534	0.7%	3.2%
Delaware	793	894	896	-11.3%	-11.5%	$263,000	$226,500	$230,000	16.1%	14.3%	$334,431	$300,257	$287,968	11.4%	16.1%
Gloucester	473	564	510	-16.1%	-7.3%	$196,900	$189,450	$188,000	3.9%	4.7%	$215,751	$203,353	$196,281	6.1%	9.9%
Kent	224	234	255	-4.3%	-12.2%	$229,950	$223,525	$198,500	2.9%	15.8%	$236,408	$225,185	$204,147	5.0%	15.8%
Mercer	468	499	549	-6.2%	-14.8%	$295,000	$280,000	$250,000	5.4%	18.0%	$383,646	$355,882	$352,522	7.8%	8.8%
Montgomery	1,280	1,384	1,388	-7.5%	-7.8%	$324,950	$294,585	$295,000	10.3%	10.2%	$368,518	$345,521	$352,935	6.7%	4.4%
New Castle	710	855	834	-17.0%	-14.9%	$240,500	$235,000	$231,000	2.3%	4.1%	$273,577	$270,799	$257,023	1.0%	6.4%
Philadelphia	1,479	2,021	2,113	-26.8%	-30.0%	$245,000	$215,000	$204,900	14.0%	19.6%	$298,878	$271,962	$284,030	9.9%	5.2%
Salem	86	99	84	-13.1%	2.4%	$132,000	$125,000	$115,500	5.6%	14.3%	$146,198	$138,624	$146,928	5.5%	-0.5%
PA	5,265	6,207	6,336	-15.2%	-16.9%	$303,000	$276,000	$270,000	9.8%	12.2%	$353,217	$331,050	$329,548	6.7%	7.2%
NJ	2,307	2,805	2,793	-17.8%	-17.4%	$215,000	$197,000	$197,000	9.1%	9.1%	$260,224	$238,649	$241,153	9.0%	7.9%
DE	934	1,089	1,089	-14.2%	-14.2%	$240,000	$230,000	$220,750	4.3%	8.7%	$264,775	$260,637	$244,367	1.6%	8.4%
8 County^	**7,038**	**8,426**	**8,518**	**-16.5%**	**-17.4%**	**$275,000**	**$249,900**	**$247,000**	**10.0%**	**11.3%**	**$323,003**	**$300,949**	**$300,645**	**7.3%**	**7.4%**
12 County	**8,528**	**10,117**	**10,249**	**-15.7%**	**-16.8%**	**$268,150**	**$245,000**	**$240,865**	**9.4%**	**11.3%**	**$318,157**	**$297,715**	**$296,135**	**6.9%**	**7.4%**

^ 8 County totals include Bucks, Chester, Delaware, Montgomery, Philadelphia, Burlington, Camden and Gloucester Counties

Source: HomExpert Market Report

JUNE COMPARISON
PHILADELPHIA REGION

	Average Days on Market					Monthly Average Inventory					Months Supply of Inventory				
	Jun-19	Jun-18	Jun-17	% Change 18-19	% Change 17-19	Jun-19	Jun-18	Jun-17	% Change 18-19	% Change 17-19	Jun-19	Jun-18	Jun-17	% Change 18-19	% Change 17-19
Bucks	48	45	45	7%	6.7%	3,153	3,433	3,719	-8.2%	-15.2%	2.2	2.7	3.4	-18.5%	-35.3%
Burlington	62	55	59	12.7%	5.1%	3,316	3,875	4,248	-14.4%	-21.9%	2.9	3.6	4.6	-19.4%	-37.0%
Camden	61	52	58	17.3%	5.2%	3,491	4,111	4,506	-15.1%	-22.5%	3.0	4.2	4.8	-28.6%	-37.5%
Chester	55	42	45	31%	22.2%	2,962	3,322	3,668	-10.8%	-19.2%	2.3	3.1	3.7	-25.8%	-37.8%
Delaware	52	45	48	16%	8.3%	2,489	3,060	3,604	-18.7%	-30.9%	2.0	2.8	3.8	-28.6%	-47.4%
Gloucester	68	63	64	7.9%	6.3%	2,452	2,802	2,929	-12.5%	-16.3%	2.9	4.5	5.7	-35.6%	-49.1%
Kent	64	55	71	16.4%	-9.9%	1,165	1,426	1,590	-18.3%	-26.7%	3.1	4.6	5.5	-32.6%	-43.6%
Mercer	68	48	57	41.7%	19.3%	2,089	2,416	2,442	-13.5%	-14.5%	2.8	4.3	4.3	-34.9%	-34.9%
Montgomery	46	39	42	18%	9.5%	4,361	4,734	5,169	-7.9%	-15.6%	2.4	2.9	3.0	-17.2%	-20.0%
New Castle	48	43	48	11.6%	0.0%	2,605	2,968	3,404	-12.2%	-23.5%	2.1	2.6	3.6	-19.2%	-41.7%
Philadelphia	53	38	41	39%	29.3%	8,054	8,046	8,752	0.1%	-8.0%	2.9	3.2	3.7	-9.4%	-21.6%
Salem	83	70	99	18.6%	-16.2%	756	915	837	-17.4%	-9.7%	6.1	8.0	6.7	-23.8%	-9.0%
PA	51	41	43	24.4%	18.6%	21,024	22,594	24,915	-6.9%	-15.6%	2.4	3.0	3.5	-20.0%	-31.4%
NJ	65	55	61	18.2%	6.6%	12,178	14,200	15,033	-14.2%	-19.0%	3.0	4.2	4.9	-28.6%	-38.8%
DE	52	46	55	13.0%	-5.5%	3,800	4,447	5,133	-14.5%	-26.0%	2.3	3.1	4.1	-25.8%	-43.9%
8 County^	**54**	**45**	**48**	**20.0%**	**12.5%**	**30,357**	**33,463**	**36,669**	**-9.3%**	**-17.2%**	**2.6**	**3.3**	**3.9**	**-21.2%**	**-33.3%**
12 County	**55**	**45**	**49**	**22.2%**	**12.2%**	**37,002**	**41,241**	**45,081**	**-10.3%**	**-17.9%**	**2.6**	**3.4**	**4.0**	**-23.5%**	**-35.0%**

^ 8 County totals include Bucks, Chester, Delaware, Montgomery, Philadelphia, Burlington, Camden and Gloucester Counties

Source: HomExpert Market Report

MLS STATISTICS
2018 YEAREND COMPARISON
SURROUNDING, COMPETITIVE, PIPELINE & NEW CONSTRUCTION MUNICIPALITIES, MONTGOMERY COUNTY, PENNSYLVANIA

Municipality	Number of Properties Sold: Year End 2018	Year End 2017	Year End 2016	% Change 17-18	% Change 16-18	Average Price of Properties Sold: Year End 2018	Year End 2017	Year End 2016	% Change 17-18	% Change 16-18	Average Days on Market: Year End 2018	Year End 2017	Year End 2016	% Change 17-18	% Change 16-18
Conshohocken Bor+	164	151	186	8.6%	-11.8%	$312,065	$317,786	$315,094	-1.8%	-1.0%	40	32	59	25.0%	25.0%
Hatboro Bor +	104	92	78	13.0%	33.3%	$266,286	$255,207	$239,397	4.3%	11.2%	38	74	56	-48.6%	-48.6%
Hatfield Bor*	35	71	59	-50.7%	-40.7%	$256,387	$285,551	$274,720	-10.2%	-6.7%	43	32	46	34.4%	34.4%
Hatfield Twp*	203	174	156	16.7%	30.1%	$308,206	$320,614	$296,242	-3.9%	4.0%	35	45	42	-22.2%	-22.2%
Lansdale Bor^	224	220	209	1.8%	7.2%	$250,858	$235,199	$219,833	6.7%	14.1%	37	32	50	15.6%	15.6%
Lower Gwynedd Twp*+	145	142	140	2.1%	3.6%	$589,027	$610,730	$510,707	-3.6%	15.3%	49	67	66	-26.9%	-26.9%
Montgomery Twp*+	374	436	397	-14.2%	-5.8%	$316,899	$310,927	$295,296	1.9%	7.3%	32	40	52	-20.0%	-20.0%
North Wales Bor*	51	55	50	-7.3%	2.0%	$287,948	$244,316	$218,608	17.9%	31.7%	31	54	36	-42.6%	-42.6%
Towamencin Twp*	220	267	237	-17.6%	-7.2%	$273,766	$273,853	$265,071	0.0%	3.3%	28	41	56	-31.7%	-31.7%
Upper Dublin Twp~	370	352	353	5.1%	4.8%	$431,812	$416,298	$402,079	3.7%	7.4%	49	52	76	-5.8%	-5.8%
Upper Gwynedd Twp+^	223	239	218	-6.7%	2.3%	$333,143	$321,429	$306,391	3.6%	8.7%	35	42	53	-16.7%	-16.7%
Upper Merion Twp+	374	380	377	-1.6%	-0.8%	$370,270	$334,764	$325,599	10.6%	13.7%	34	40	60	-15.0%	-15.0%
Whitemarsh Twp+	237	235	234	0.9%	1.3%	$458,648	$511,368	$449,145	-10.3%	2.1%	46	42	49	9.5%	9.5%
Whitpain Twp*	256	249	303	2.8%	-15.5%	$446,781	$446,226	$447,240	0.1%	-0.1%	45	55	61	-18.2%	-18.2%
Worcester Twp*	122	129	125	-5.4%	-2.4%	$464,857	$461,936	$433,789	0.6%	7.2%	72	68	106	5.9%	5.9%

* surrounding municipality
\+ competitive municipality
~ pipeline community
^ competitive new construction municipality

Source: HomExpert Market Report

MLS STATISTICS
JUNE COMPARISON
SURROUNDING, COMPETITIVE, PIPELINE & NEW CONSTRUCTION MUNICIPALITIES, MONTGOMERY COUNTY, PENNSYLVANIA

	Number of Properties Sold			Median Price of Properties Sold			Average Days on Market		
Municipality	June-19	June-18	% Change 18-19	June-19	June-18	% Change 18-19	June-19	June-18	% Change 18-19
Conshohocken Bor+	19	19	0.0%	$351,000	$325,500	7.8%	50	35	42.9%
Hatboro Bor +	14	12	16.7%	$324,998	$264,450	22.9%	84	55	52.7%
Hatfield Bor*	4	7	-42.9%	$295,000	$270,000	9.3%	88	61	44.3%
Hatfield Twp*	7	17	-58.8%	$252,000	$292,000	-13.7%	38	12	216.7%
Lansdale Bor^	29	30	-3.3%	$265,000	$238,500	11.1%	47	41	14.6%
Lower Gwynedd Twp*+	7	22	-68.2%	$512,000	$543,500	-5.8%	45	48	-6.3%
Montgomery Twp*+	36	45	-20.0%	$349,748	$310,000	12.8%	33	33	0.0%
North Wales Bor*	4	10	-60.0%	$228,000	$238,450	-4.4%	67	12	458.3%
Towamencin Twp*	23	23	0.0%	$203,000	$265,000	-23.4%	26	14	85.7%
Upper Dublin Twp~	51	49	4.1%	$399,900	$415,000	-3.6%	50	34	47.1%
Upper Gwynedd Twp+^	29	11	163.6%	$364,900	$334,500	9.1%	20	10	100.0%
Upper Merion Twp+	44	47	-6.4%	$346,400	$339,900	1.9%	38	34	11.8%
Whitemarsh Twp+	22	31	-29.0%	$455,000	$435,000	4.6%	38	33	15.2%
Whitpain Twp*	35	45	-22.2%	$442,000	$415,000	6.5%	35	37	-5.4%
Worcester Twp*	12	11	9.1%	$392,450	$375,000	4.7%	109	52	109.6%

* surrounding municipality
\+ competitive municipality
~ pipeline community
^ competitive new construction municipality

Source: HomExpert Market Report

ACTIVE, PENDING & SETTLED RESIDENTIAL LISTINGS*
LANSDALE BOROUGH, MONTGOMERY COUNTY, PENNSYLVANIA

ACTIVE LISTINGS					PENDING LISTINGS					SETTLED LISTINGS				
Price Class	No. of SFD Units	SFD % of Total	No. of Attached/ Stacked Flat Units	Attached/ Stacked Flats % of Total	Price Class	No. of SFD Units	SFD % of Total	No. of Attached/ Stacked Flat Units	Attached/ Stacked Flats % of Total	Price Class	No. of SFD Units	SFD % of Total	No. of Attached/ Stacked Flat Units	Attached/ Stacked Flats % of Total
under $300,000	2	25.0%	16	88.9%	under $300,000	5	38.5%	11	91.7%	under $300,000	47	61.0%	88	88.0%
$300,000-$349,999	3	37.5%	2	11.1%	$300,000-$349,999	4	30.8%	1	8.3%	$300,000-$349,999	20	26.0%	11	11.0%
$350,000-$399,999	2	25.0%		0.0%	$350,000-$399,999	4	30.8%		0.0%	$350,000-$399,999	10	13.0%	1	1.0%
$400,000-$449,999		0.0%		0.0%	$400,000-$449,999		0.0%		0.0%	$400,000-$449,999		0.0%		0.0%
$450,000-$499,999		0.0%		0.0%	$450,000-$499,999		0.0%		0.0%	$450,000-$499,999		0.0%		0.0%
$500,000-$549,999	1	12.5%		0.0%	$500,000-$549,999		0.0%		0.0%	$500,000-$549,999		0.0%		0.0%
$550,000-$599,999		0.0%		0.0%	$550,000-$599,999		0.0%		0.0%	$550,000-$599,999		0.0%		0.0%
$600,000-$649,999		0.0%		0.0%	$600,000-$649,999		0.0%		0.0%	$600,000-$649,999		0.0%		0.0%
$650,000-$699,999		0.0%		0.0%	$650,000-$699,999		0.0%		0.0%	$650,000-$699,999		0.0%		0.0%
$700,000+		0.0%		0.0%	$700,000+		0.0%		0.0%	$700,000+		0.0%		0.0%
Total Active Units	**8**	**100.0%**	**18**	**100.0%**	**Total Pending Units**	**13**	**100.0%**	**12**	**100.0%**	**Total Settled Units**	**77**	**100.0%**	**100**	**100.0%**

* active and pending as of 08/05/19, settled prior 12 months as of 08/05/19; all ages; excluding new construction and active adult

Source: Bright MLS

Compiled By: Lisa Price & Associates, LLC

ACTIVE, PENDING & SETTLED RESIDENTIAL LISTINGS*
UPPER GWYNEDD TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA

ACTIVE LISTINGS					PENDING LISTINGS					SETTLED LISTINGS				
Price Class	No. of SFD Units	SFD % of Total	No. of Attached/ Stacked Flat Units	Attached/ Stacked Flats % of Total	Price Class	No. of SFD Units	SFD % of Total	No. of Attached/ Stacked Flat Units	Attached/ Stacked Flats % of Total	Price Class	No. of SFD Units	SFD % of Total	No. of Attached/ Stacked Flat Units	Attached/ Stacked Flats % of Total
under $300,000	1	5.6%	4	44.4%	under $300,000	2	11.8%	5	45.5%	under $300,000	20	25.0%	56	74.7%
$300,000-$349,999	2	11.1%	2	22.2%	$300,000-$349,999	1	5.9%	5	45.5%	$300,000-$349,999	14	17.5%	9	12.0%
$350,000-$399,999	2	11.1%	1	11.1%	$350,000-$399,999	4	23.5%		0.0%	$350,000-$399,999	20	25.0%	7	9.3%
$400,000-$449,999	1	5.6%	1	11.1%	$400,000-$449,999	2	11.8%		0.0%	$400,000-$449,999	10	12.5%		0.0%
$450,000-$499,999	4	22.2%		0.0%	$450,000-$499,999	2	11.8%		0.0%	$450,000-$499,999	4	5.0%		0.0%
$500,000-$549,999	2	11.1%	1	11.1%	$500,000-$549,999	3	17.6%	1	9.1%	$500,000-$549,999	8	10.0%	2	2.7%
$550,000-$599,999	2	11.1%		0.0%	$550,000-$599,999	1	5.9%		0.0%	$550,000-$599,999	2	2.5%	1	1.3%
$600,000-$649,999	1	5.6%		0.0%	$600,000-$649,999	1	5.9%		0.0%	$600,000-$649,999	2	2.5%		0.0%
$650,000-$699,999	2	11.1%		0.0%	$650,000-$699,999	1	5.9%		0.0%	$650,000-$699,999		0.0%		0.0%
$700,000+	1	5.6%		0.0%	$700,000+		0.0%		0.0%	$700,000+		0.0%		0.0%
Total Active Units	**18**	**100.0%**	**9**	**100.0%**	**Total Pending Units**	**17**	**100.0%**	**11**	**100.0%**	**Total Settled Units**	**80**	**100.0%**	**75**	**100.0%**

* active and pending as of 08/05/19, settled prior 12 months as of 08/05/19; all ages; excluding new construction and active adult

Source: Bright MLS

Compiled By: Lisa Price & Associates, LLC

Two new construction townhome communities recently sold out in Lansdale Borough and Upper Gwynedd Township: W.B. Home's Penn Square in Lansdale and Preserve at Gwynedd by Better Living Homes in Upper Gwynedd (see detailed MLS charts on pages 49 & 50).

Additionally, Ryan's Andale Green (located ¾ mile from the site in the borough), a 174-unit 3-story townhome community, recently completed its first phase. Sales prices for the Composer series homes over the course of last year ranged from $316k (3/1/0; 1,577 sf) to $370k (3/2/1; 2,034 sf) with an average sales price of $339k or $181/sf. The homes featured 1- or 2-car rear entry garages. The Pennbrook train station is a ½-mile walk from the community. There are 2 more phases of this community that are to be built which the Borough believes Ryan will also build.

NEW SOLD UNITS*+
ANDALE GREEN/NEW CONSTRUCTION - 3-STORY TOWNHOME PRODUCT
LANSDALE BOROUGH, MONTGOMERY COUNTY, PENNSYLVANIA

Municipality & HOA No.	Street	Year Built	Model	Int./ End	Bed/ Bath	SF	Garage	Basement	Under Contract Date	Sold Price	Revised List Price	Original List Price	Original LP/SP Ratio	$/ SF	DOM
Sold															
271	Compass Drive	2018	Beethoven		3/1/0	1,577	1 R	None	07/25/18	$316,250	$304,990	$304,990	104%	$200.54	3
261	Compass Drive	2018	Mozart		3/2/1	1,765	1 R	None	08/14/18	$319,175	$314,990	$314,990	101%	$180.84	3
276	Almond Drive	2018	Mozart		3/2/1	1,765	2 R	None	08/01/18	$320,090	$319,990	$319,990	100%	$181.35	3
126	Dragon Drive	2018	Strauss		3/2/1	2,034	2 R	None	09/19/18	$325,785	$324,990	$324,990	100%	$160.17	3
123	Dragon Drive	2018	Strauss		3/2/1	2,034	2 R	None	09/19/18	$325,875	$319,990	$319,990	102%	$160.21	3
125	Dragon Drive	2018	Mozart		3/2/1	1,765	1 R	None	08/26/18	$333,425	$309,990	$309,990	108%	$188.91	3
267	Compass Drive	2018	Mozart		3/2/1	1,765	1 R	None	09/15/18	$337,185	$314,990	$319,990	105%	$191.04	59
251	Compass Drive	2018	Mozart		3/2/1	1,765	1 R	None	08/13/18	$340,490	$329,990	$333,485	102%	$192.91	26
129	Dragon Drive	2018	Strauss	End	3/2/1	2,034	2 R	None	08/30/18	$352,675	$319,990	$319,990	110%	$173.39	3
121	Dragon Drive	2018	Strauss	End	3/2/1	2,034	2 R	None	09/23/18	$363,745	$319,990	$319,990	114%	$178.83	3
259	Compass Drive	2018	Strauss	End	3/2/1	2,034	1 R	None	09/04/18	$364,285	$324,990	$324,990	112%	$179.10	3
243	Compass Drive	2018	Strauss	End	3/2/1	2,034	2 R	None	11/14/18	$369,990	$369,990	$369,990	100%	$181.90	3
Sold - Total/Averages		**12 units**				**1,884**				**$339,081**	**$322,907**	**$323,615**	**105%**	**$180.77**	**10**

* sold prior 12 months as of 07/16/19; there are no pending sales or active listings
\+ monthly HOA $99

Source: Bright MLS

Compiled By: Lisa Price & Associates, LLC

Also located in Lansdale Borough just 2 miles from the Pennbrook TOD site is W. B. Home's Penn Square townhome community. The 40-unit 3-story townhome community offered 3 bedrooms homes with 2-3 baths and 2-car rear-entry garages in the heart of the borough. The community is a 1/2-mile walk from the Lansdale train station and even closer to conveniences. Over the past year, 11 units have sold averaging $322,510 or $174.26/sf including 1 resale. DOM averaged just over 3 months. An additional 2 units are pending.

NEW SOLD, PENDING & ACTIVE UNITS*
PENN SQUARE/NEW CONSTRUCTION - TOWNHOME PRODUCT
LANSDALE BOROUGH, MONTGOMERY COUNTY, PENNSYLVANIA

Municipality & HOA		Year		Int./	Bed/				Under Contract	Sold	Revised List	Original List	Original LP/SP	$/		
No.	Street	Built	Model	End	Bath	SF	Garage	Basement	Date	Price	Price	Price	Ratio	SF	DOM	Taxes
Sold																
758	W 2nd St	2018	Hayden II Ext.	Int.	3/2/1	1,848	2	None	10/12/18	$289,900	$289,900	$292,475	99%	$156.87	212	
782	W 2nd St	2018	Hayden III	Int.	3/3/1	1,822	2	None	12/07/18	$299,900	$299,900	$299,900	100%	$164.60	49	
766	W 2nd St	2018	Hayden II End	End	3/2/1	1,867	2	None	09/24/18	$299,900	$299,900	$325,870	92%	$160.63	110	
772	W 2nd St	2018	Hayden I	Int.	3/3/1	1,867	2	None	12/19/18	$312,300	$312,300	$312,300	100%	$167.27	12	
786	W 2nd St	2018	Hayden I	Int.	3/3/1	1,867	2	None	09/28/18	$315,590	$315,590	$318,490	99%	$169.04	51	
784	W 2nd St	2018	Avery IV	Int.	3/2/1	1,796	2	None	09/11/18	$316,715	$318,165	$294,135	108%	$176.34	77	
788	W 2nd St^	2018	Avery I	End	3/3/1	1,955	2	None	03/03/19	$319,000	$329,900	$329,900	97%	$163.17	58	$4,891
776	W 2nd St	2018	Avery II	Int.	3/2/1	1,796	2	None	08/26/18	$321,605	$321,980	$296,315	109%	$179.07	61	
32	N Cannon Ave	2018	Hayden III	Int.	3/3/1	1,822	2	None	01/31/19	$334,900	$334,900	$334,900	100%	$183.81	27	
21	N Mitchell Ave	2018	Avery I	Int.	3/2/1	1,863	2	None	10/15/18	$367,900	$364,900	$364,900	101%	$197.48	291	
38	N Cannon Ave	2018	Avery I End	Int.	3/3/1	1,863	2	None	04/22/19	$369,900	$369,900	$369,900	100%	$198.55	103	
Sold - Total/Averages		**11 units**				**1,851**				**$322,510**	**$323,394**	**$321,735**	**100%**	**$174.26**	**96**	**$4,891**
Pending																
29	N Mitchell	2019	Avery	Int.	3/3/1	1,863	2	None	03/01/19		$317,965	$317,965			49	
39	N Mitchell	2019	Avery I	Int.	3/3/1	1,898	2	None	03/20/19		$317,965	$317,965			68	
Pending - Total/Averages		**2 units**				**1,881**					**$317,965**	**$317,965**			**59**	

* sold prior 12 months as of 07/16/19; pending sales as of 07/16/19; there are no active listings
\+ monthly HOA $100
^ resale

Source: Bright MLS

Compiled By: Lisa Price & Associates, LLC

Preserve at Gwynedd, located on a cul de sac in Upper Gwynedd Township 2 miles from the site, featured both twin and townhome product (19 units) as well as 4 single family detached homes. Both 1- and 2-car garages were offered in the 2-story twins & townhomes as well as unfinished basements. Sales prices in the past year ranged from $342,500 (1,900 sf twin) to $374,000 (1,825 sf end unit) averaging $185/sf. DOM was protracted averaging just under 1 year for the remaining units.

NEW SOLD, PENDING & ACTIVE UNITS*
PRESERVE AT GWYNEDD/NEW CONSTRUCTION - TWIN & TOWNHOME PRODUCT
UPPER GWYNEDD TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA

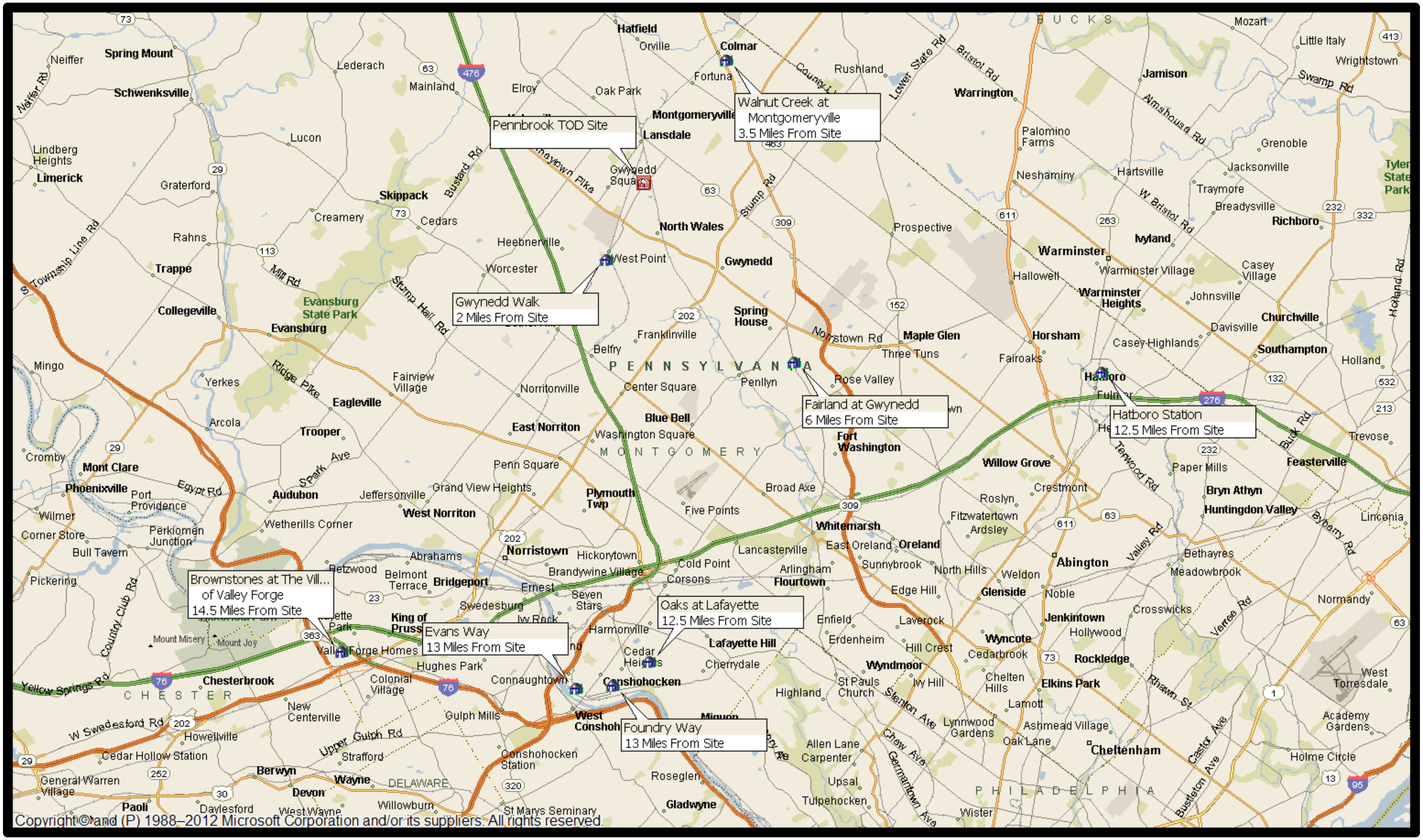
Municipality & HOA No.	Street	Year Built	Model	Int./ End	Bed/ Bath	SF	Garage	Basement	Under Contract Date	Sold Price	Revised List Price	Original List Price	Original LP/SP Ratio	$/ SF	DOM
Sold															
1603	Samantha Court	2018		Twin	3/2/1	1,900	1	Unfin.	02/08/19	$342,500	$349,900	$365,000	94%	$180.26	321
1602	Samantha Court	2018		Twin	3/2/1	2,100	1	Unfin.	11/21/18	$357,000	$357,100	$365,000	98%	$170.00	219
1617	Samantha Court	2018		TH-End	3/2/1	1,825	1	Unfin.	03/22/19	$374,000	$378,000	$359,700	104%	$204.93	336
Sold - Total/Averages		**3 units**				**1,942**				**$357,833**	**$361,667**	**$363,233**	**99%**	**$185.06**	**292**
Pending															
1605	Samantha Court	2018		Twin	3/2/1	2,100	2	Unfin.	07/06/19		$379,900	$398,000			452
Pending - Total/Averages		**1 unit**				**2,100**					**$379,900**	**$398,000**			**452**

* sold prior 12 months as of 07/16/19; pending sales as of 07/16/19; there are no active listings
\+ monthly HOA $88

Source: Bright MLS

Compiled By: Lisa Price & Associates, LLC

C. COMPETITIVE FOR SALE HIGHLIGHTS



There is just over 1 years' worth of supply at the active communities with 87% of the stacked townhome product sold and 55% of the townhome product sold. Of the total 568 total units planned, 63% have sold (359 sold) and 73% of the sold units have closed. The stacked townhomes average based price per sf is $244 vs $213 for townhome product. 2019 YTD sales pace has increased YOY from 15.5/mo. in 2018 to 20.9/mo. in 2019 (overall pace is 19.3). More detailed information on the 'for sale' competition can be found on the competitive charts on the following pages; summary data is below.

COMPETITIVE HIGHLIGHTS SUMMARY
AUGUST 2019

Community/Builder	Total Planned	2019 YTD Sold	2018 YTD Sold	Total Sold	Overall Sales Pace	2019 Sales Pace	2018 Sales Pace	Units Left	Closed	Avg Base Price	Avg Sq Ft	Avg $/ Sq Ft	Avg Annual Closed Price
Stacked Townhomes													
Evans Way/Thomas Andrew Homes	16	6	n.a.	6	0.9	0.9	n.a.	10	4	$378,675	1,650	$230.95	$375k
Brownstones at The Village of Valley Forge/Toll	132	28	33	122	3.6	4.0	2.8	10	84	$494,495	2,191	$257.17	$525k
Stacked Townhomes - Total/Averages	**148**	**34**	**33**	**128**	**4.5**	**4.9**	**2.8**	**20**	**88**	**$436,585**	**1,921**	**$244.06**	
Twins/Townhomes													
Gwynedd Walk/Fox Lane Homes	22	11	11	22	4.4	3.7	4.4	0	14	$399,990	2,078	$192.80	$438,651*
Walnut Creek at Montgomeryville/Toll	128	17	30	47	2.9	2.4	3.3	81	32	$401,852	2,057	$196.11	$430k
Fairland at Gwynedd/W.B. Homes	23	3	n.a.	3	1.2	1.2	n.a.	20	0	$669,990	2,738	$246.18	
Hatboro Station/Toll	72	20	28	49	2.1	2.9	2.3	23	44	$351,245	2,057	$171.17	$365k
Oaks at Lafayette Hill/Toll	159	33	32	107	3.0	4.7	2.7	52	85	$503,995	2,029	$250.43	$565k
Foundry Way	16	3	n.a.	3	1.2	1.2	n.a.	13	0	$535,000	2,400	$222.92	
Twins/Townhomes - Total/Averages	**420**	**87**	**101**	**231**	**14.8**	**16.1**	**12.7**	**189**	**175**	**$477,012**	**2,227**	**$213.27**	
Grand Total/Averages	**568**	**121**	**134**	**359**	**19.3**	**20.9**	**15.5**	**209**	**263**	**$466,905**	**2,150**	**$220.97**	

* average closed

Compiled By: Lisa Price & Associates, LLC

COMPETITIVE HIGHLIGHTS - PENNBROOK TOD MARKET AREA 08/2019

COMMUNITY/BUILDER LOCATION MILEAGE FROM SITE/SCHOOL DISTRICT	PICTURE/ ADD'L COMMENTS	PRODUCT Model	Width/ Type/ Int or End	BR/BA Den/Flex/ Loft/Bsmt	Garage Rear, Side Front	Sq Ft	PRICING Base Price	Incentives	Price/ Sq Ft	ADDITIONAL $ Lot Premiums	Avg Options	HOA	Monthly Taxes
Gwynedd Walk/Fox Lane Homes		Cambridge I+	24' E	3/2/1 F B	1 F	2,008	$389,990	$10,000	$194.22	$7,000	$45,000	$195	$520
19446 Lansdale/U. Gwynedd Twp/Montgomery Cty		Cambridge II	E	3/2/1 B	2 F	2,000	$399,990		$200.00				$533
2 Miles From Site/North Penn S.D.		Cambridge 3	28' E	3/2/1 B	2 F	2,226	$409,990		$184.18	$30,000			$547
Product: Twins YTD Sales: 11													
Units: 22 2018 Sales: 11													
Date Opened: Oct-18 Sales: 22													
Model Opened: Oct-18 Sales Pace: 4.4	last contract signed 03/25/19;												
QD: Remaining: 0	8 final pend. sales due to close												
Inferior to Site Closed: 14	end of Aug-end of Sept.												
Community Averages:						**2,078**	**$399,990**		**$192.80**	**Avg Closed:**			**$438,651**
Walnut Creek at Montgomeryville/Toll Brothers		Newville	24' I	3/2/1	2 F	1,744	$368,995	$24,500	$211.58	$10,000	$38,000	$150	$517
18915 Colmar/Montgomery Twp./Montgomery Cty		Brookville+	24' I	3/2/1 F	1 F	2,133	$383,995		$180.03				$538
3.5 Miles From Site/North Penn S.D.		Lynford I	24' I	3/2/1	2 F	2,044	$388,995		$190.31				$545
		Brookville II	24' E	3/2/1 F	1 F	2,133	$403,995		$189.40				$566
Product: 2 Sty TH YTD Sales: 17	3/4 mile to Colmar train	Lynford II	24' E	3/2/1	2 F	2,044	$408,995		$200.10				$573
Units: 128 2018 Sales: 30	station	Marbury^	28' E	3/2/1 L	2 F	1,951	$413,995		$212.20				$580
Date Opened: Apr-18 Sales: 47	Ryan completed 56 of	Northbrook+	28' E	3/2/1 F L	2 F	2,347	$443,995	$27,500	$189.18				$622
Model Opened: Apr-18 Sales Pace: 2.9	184 total												
QD: 5 Remaining: 81	TBB June 2020						free finished basement						
Inferior to Site Closed: 32							price increase August 2019						
Community Averages:						**2,057**	**$401,852**		**$196.11**	**Avg. Annual Closed**			**$430k**
Avg Percent Increase Since Q2 '18 / Feb. '19:							**Q2 '18 +2.6% / Feb. '19 +0.05%**						

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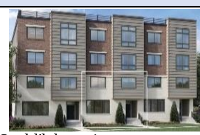
COMPETITIVE HIGHLIGHTS - PENNBROOK TOD MARKET AREA 08/2019

		PRODUCT					PRICING			ADDITIONAL $			
COMMUNITY/BUILDER LOCATION MILEAGE FROM SITE/SCHOOL DISTRICT	PICTURE/ ADD'L COMMENTS	Model	Width/ Type/ Int or End	BR/BA Den/Flex/ Loft/Bsmt	Garage Rear, Side Front	Sq Ft	Base Price	Incentives	Price/ Sq Ft	Lot Premiums	Avg Options	HOA	Monthly Taxes
Fairland at Gwynedd/W.B. Homes		Allendale+	28' I	3/2/1 B	2 F	2,692	$639,990	negotiable	$237.74	$3,000	$90,000	$166	$750
19002 Ambler/L. Gwynedd Twp./Montgomery Cty		Berkeley	30' E	3/2/1 B	2 F	2,900	$669,990		$231.03				
6 Miles From Site/Wissahickon S.D.		Dorchester^	35' E	3/2/1 B	2 F	2,417	$679,990		$281.34				
		Charleston	35' E	3/2/1 B	2 F	2,941	$689,990		$234.61	$13,000			$1,000
Product: 2 Sty TH													
Units: 23 YTD Sales: 3		unfin. bsmts are standard											
Date Opened: May-19 Sales: 3	4 & 5 packs												
Model Opened: May-19 Sales Pace: 1.2	optional elevators on master up												
QD: 4 Remaining: 20	QD 30-day close												
Superior to Site Closed: 0	TBB closings Q1 2020												
Community Averages:						**2,738**	**$669,990**		**$246.18**				
Hatboro Station/Toll Brothers		Dixon*	20' I	3/2/1 F	2 R	1,880	$339,995	$10,000	$180.85	$20,000	$30,000	$225	$510
19040 Hatboro/Montgomery Cty		Dawson+	20' I	3/2/1 F	2 R	2,000	$344,995		$172.50				$517
12.5 Miles From Site/Hatboro-Horsham S.D.		Whitman+	22' E	3/2/1 F	2 R	2,108	$354,995		$168.40				$532
		Wanamaker*	22' E	3/2/1 F	2 R	2,240	$364,995		$162.94				$547
Product: 3 Sty TH YTD Sales: 20													
Units: 72 2018 Sales: 28													
Date Opened: Aug '17 Sales: 49	1/2 mile walk to Hatboro train												
Model Opened: Apr-18 Sales Pace: 2.1	station												
QD: 6 Remaining: 23													
Inferior to Site Closed: 44													
Community Averages:						**2,057**	**$351,245**		**$171.17**	**Avg. Annual Closed**			**$365k**
Oaks at Lafayette Hill/Toll Brothers		Cadence^	24' I	2/2/1 L	1 F	1,604	$459,995	$20,000	$286.78	$2,500	$50,000	$230	$560
19428 Conshohocken/Whitemarsh Twp/Montgomery Cty		Alderman+	24' I	3/2/1	1 F	1,822	$469,995		$257.96				$573
12.5 Miles From Site/Colonial S.D.		Barbour+	24' I	3/2/1	1 F	1,925	$479,995		$249.35				$585
		Cresheim	24' E	3/2/1 F	1 F	2,055	$519,995		$253.04				$634
Product: 2 Sty TH YTD Sales: 33		Freyhurst (new)	24' I	3/2/1	2 F	2,308	$519,995		$225.30				$634
Units: 159 2018 Sales: 32	3/4 mile walk to Spring Mill	Freyhurst Elite	24' E	3/2/1	2 F	2,310	$537,995		$232.90				$655
Date Opened: Jul-16 Sales: 107	train station	Alcott+	24' E	3/2/1	1 F	2,180	$539,995	$28,000	$247.70	$25,000			$658
Model Opened: Apr-17 Sales Pace: 3.0	3rd floor loft +$19k												
QD: 12 Remaining: 52	finished LL w/rough-in +$28k						incentives: finished basement						
Superior to Site Closed: 85													
Community Averages:						**2,029**	**$503,995**		**$250.43**	**Avg. Annual Closed**			**$565k**
Avg Percent Increase Since Q2 '18 / Feb. '19:							**Q2 '18 +2.4% / Feb. '19 +1.4%**						

continued . . .

COMPETITIVE HIGHLIGHTS - PENNBROOK TOD MARKET AREA 08/2019

COMMUNITY/BUILDER LOCATION MILEAGE FROM SITE/SCHOOL DISTRICT			PICTURE/ ADD'L COMMENTS	PRODUCT Model	Width/ Type/ Int or End	BR/BA Den/Flex/ Loft/Bsmt	Garage Rear, Side Front	Sq Ft	PRICING Base Price	Incentives	Price/ Sq Ft	ADDITIONAL $ Lot Premiums	Avg Options	HOA	Monthly Taxes
Evans Way/Thomas Andrew Homes				Lower	I	2/2/0	1	1,400	$349,900	*	$249.93			$150	$308
Conshohocken 19428/Conshie Boro/Montgomery Cty				Lower	E	2/2/0	1	1,600	$365,900		$228.69				
13 Miles From Site/Colonial S.D.				Upper	I	3/2/0	1	1,700	$399,000		$234.71				
				Upper	E	3/2/0	1	1,900	$399,900		$210.47				
Product:	ST TH		2 bldgs; 8 units each												
Units:	16	YTD Sales: 6							* frig + waive 12 mo. HOA + waive $750 1x cap.						
Date Opened:	Jan-19	Sales: 6	1.5 mile to Spring Mill train						contribution fee if contract by 07/31/19						
Model Opened:		Sales Pace: 0.9	station												
QD:	6	Remaining: 10										Everything Included			
		Closed: 4													
Community Averages:								**1,650**	**$378,675**		**$230.95**	**Avg. Annual Closed**			**$375k**
Foundry Way				Twin	20' 3 sty	3/2/1 L	R Det.	2,400	$535,000		$222.92	$10,000		$0	$542
Conshohocken 19428/Conshie Boro/Montgomery Cty															
13 Miles From Site/Colonial S.D.															
Product:	Twins														
Units:	16	YTD Sales: 3	+ 15 SFD												
Date Opened:	May-19	Sales: 3	unfin. bsmt standard												
Model Opened:		Sales Pace: 1.2	3/4 mile to Spring Mill train												
QD:		Remaining: 13	station												
		Closed: 0	closings November '19												
Community Averages:								**2,400**	**$535,000**		**$222.92**				
Brownstones at The Village of Valley Forge/Toll Brothers				Hansen+	24' I or E	3/2/1	1 R	1,561	$456,995	$24,900	$292.76		$50,000	$342	$526
King of Prussia 19406/U. Merion Twp./Montgomery Cty				Harlow+	24' I	3/2/1 F	1 R	2,063	sold out						
14.5 Miles From Site/Upper Merion S.D.				Dennison	24' I or E	3/2/1	1 R	2,401	$531,995	$15,000	$221.57				$612
				Dalbar	24' I	3/2/1 F	1 R	2,739	sold out						
Product:	ST TH	YTD Sales: 28							end units +$20k						
Units:	132	2018 Sales: 33	2 add'l deposits	Hansen - Lower 2 Levels											
Date Opened:	Oct-16	Sales: 122	mixed use site - LA fitness,	Harlow, Dennison & Dalbar - Upper 2 Levels					**incentives:**						
Model Opened	May-17	Sales Pace: 3.6	restaurants & retail						lower: fin bsmt & refrigerator $25k value						
QD:	0	Remaining: 10	roof deck std on upper						upper: $15k towards options						
Superior to Site		Closed: 84	fin bsmt on lower +$25k												
Community Averages:								**2,191**	**$494,495**		**$257.17**	**Avg. Annual Closed**			**$525k**
Avg Percent Increase Since Feb. '19:									**Feb. '19 +0.5%**						

* Best Seller + Model Home ^ 1st Floor Master Bedroom

Source: Lisa Price & Associates, LLC 08/2019

Fox Lane Homes recently completed sales for **Gwynedd Walk** https://foxlanehomes.com/gwynedd-walk/ in Upper Gwynedd with an average closed price of $439k. The 22 twin homes ranged from 24' to 28' wide and attracted a broad cross section of buyers including multicultural buyers.

Toll Brothers is the dominate builder in the central and eastern portion of Montgomery County, their corporate headquarters' backyard. **Walnut Creek** https://www.tollbrothers.com/luxury-homes-for-sale/Pennsylvania/Walnut-Creek-at-Montgomeryville, also located in the North Penn School District, is considered a more peripheral location compared to the subject property. This community attracts first time, empty nesters and multicultural buyers. Toll's average closed price is trending in the $430ks.

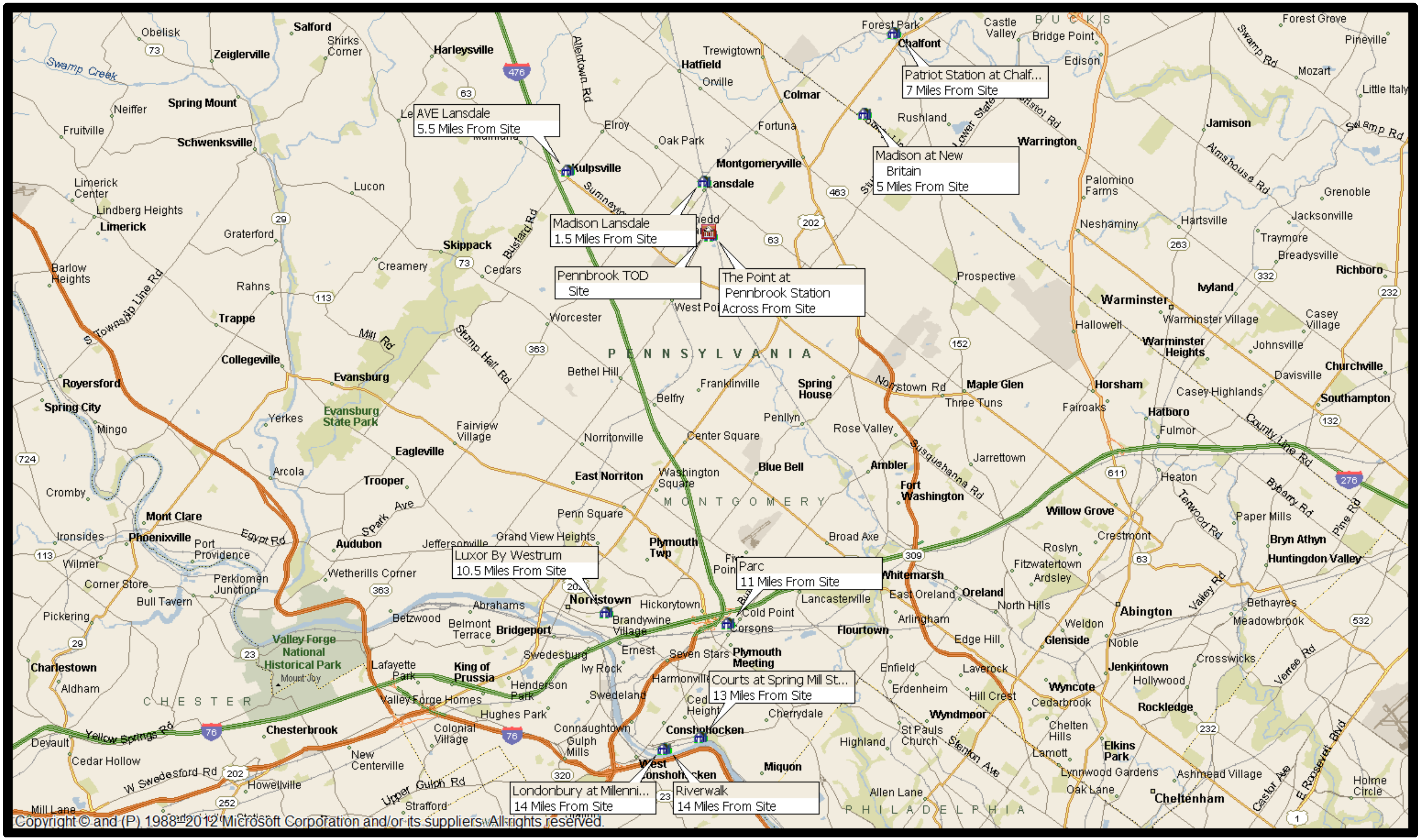
Fairland at Gwynedd http://www.wbhomesinc.com/neighborhoods/fairland-at-gwynedd/ in superior Lower Gwynedd by W.B. Homes opened for sale in May from finished models. Three homes have sold with base prices for the 28' interior carriage home ranging from $640k (2,692 sf) to $690k (2,941 sf) for the 35' end unit.   W.B. Homes branding, product and customization at this community is superior to a potential offering at the subject property.

Hatboro Station https://www.tollbrothers.com/luxury-homes-for-sale/Pennsylvania/Hatboro-Station by Toll is located in inferior Hatboro, ½ mile from the train station. Prices for the three-story townhomes range from $340k (1,880 sf 20' wide interior unit) to $365k (2,240 22' wide end unit) with average closed price trending at $365k. Buyers include locals as well as those migrating from Philadelphia (and commuting to Philly) and are split evenly between renters, investors and empty nesters.

Oaks at Lafayette https://www.tollbrothers.com/luxury-homes-for-sale/Pennsylvania/Oaks-at-Lafayette-Hill by Toll is located in superior Whitemarsh Township (inferior Colonial SD). The community began sales in July 2016 and has sold 107 of the 159 24' wide 2-story townhomes with unfinished basements. Buyers are a mix of first time (local and Philly) and empty nesters. Base prices for the 2-story master-up product ranges from $470k (1,822 sf) to $540k (2,180 sf) with average annual closed trending at $565k. The optional finished 3rd floor loft is $19k with an optional finished lower level (including rough-in) of $28k.

Brownstones at The Village of Valley Forge, also by Toll, https://www.tollbrothers.com/luxury-homes-for-sale/Pennsylvania/Brownstones-at-The-Village-at-Valley-Forge is a unique mixed-use environment that includes an LA Fitness (adjacent), other experiential retail and restaurants. Toll began sales for the two over two-story stacked townhomes in October of 2016 and has sold 122 (3.6 per month) of the 132 homes to a wide cross section of buyers including investors, multicultural and local first time and empty nesters. The community has excellent access to the turnpike (less than ½ mile) as well as commuter corridors. Base prices currently range from $457k (1,561 sf lower) to $532k (2,401 sf) upper. Roof decks are standard on the upper stacks and unfinished basements are standard on the lower stacks (+$25k to finish). Toll offers an included features platform with three palette upgrades (beyond the standard traditional palette) ranging from $26k to $39k with the lower priced palette the top seller. Other upgrades include wood tread stairs and iron handrails (+$40k for the upper stack).

D. COMPETITIVE RENTAL HIGHLIGHTS



It should be noted that rental communities and management companies use a wide variety of methods for calculating lease (prices) rates. Some operators use market rate rents which are calculated by price optimization management software. The software recalculates pricing on a daily basis based on actual market conditions. Other rental operators may update their rents by month or season. A number of rental communities will offer lower rents on shorter lease terms depending on when the lease is projected to end; e.g., leases which are to expire at the end of February on a 10-month lease (right before the high season of rentals starts) may have a lower rate than a 12-month lease because it's easier for them to re-rent in March rather than after the high season when the 12-month lease expired. Conversely, longer lease terms may be offered at a reduced rate, so that the lease ends before the height of the market.

LPA surveyed 9 Class A and 1 Class B+ rental communities in Montgomery County. Our analysis reveals that while vacancies are below 5% for stabilized communities, the new Madison Lansdale Station community which is still in initial lease-up is artificially increasing vacancy to over 10%.

The chart below and on the following pages provide summary data for the Class A/B+ rental communities. More detailed information can be found on the competitive profiles in the Appendix.

SUMMARY STATUS OF PRIMARY RENTAL COMPETITION
AUGUST 2019

Community	No. of Units	Total Leased	Percent Leased	Total Occupied	Percent Occupied	Units Available	Monthly Lease Pace
Point at Pennbrook Station	360	347	96.5%	339	94.2%	13	13.0
Madison Lansdale Station*	182	43	23.9%	24	13.1%	139	14.0
Madison at New Britain	232	232	100%	226	97.5%	0	13.5 to 15
AVE Lansdale	180	175	97.0%	180	100%	5	
Patriot Station at Chalfont	69	69	100%	69	100%	0	8.0
Luxor	195	174	89.0%	164	84.0%	21	16.5
Parc	398	391	98.2%	385	96.7%	7	21.5
Courts at Spring Mill Station	385	368	95.6%	365	94.8%	17	19.0
Londonbury at Millennium	309	306	99.0%	304	98.4%	3	25.0
Riverwalk at Millennium	375	364	97.1%	358	95.5%	11	
Total/Average	**2,685**	**2,469**	**89.6%**	**2,414**	**87.4%**	**216**	

* initial lease up

Compiled By: Lisa Price & Associates, LLC

SUMMARY OF PRIMARY RENTAL COMPETITION
PENNBROOK TOD MARKET AREA
AUGUST 2019

Community	MONTHLY RENT Studio		Small 1BR < 800 Sq. Ft.		Large 1BR ≥ 800 Sq. Ft.		1BR + Den or Loft		Small 2BR < 1,200 Sq. Ft.		Large 2BR ≥ 1,200 Sq. Ft.		2BR + Den or Loft or TH		3BR or 3BR+ Den or Loft or TH		Overall Average	
	From	To	From	To	From	To	From	To	From	To	From	To	From	To	From	To	From	To
Point at Pennbrook Station			$1,631	$1,840	$1,560	$1,758			$1,934	$2,350	$2,009	$2,581					$1,922	$2,191
Madison Lansdale Station	$1,375	$1,475	$1,450	$1,650			$1,800		$1,895	$2,018			$1,945				$1,748	$1,738
Madison at New Britain					$1,470	$1,570	$1,570	$1,680	$1,700	$1,825	$1,860	$1,860	$1,965	$2,175			$1,728	
AVE Lansdale			$1,688	$1,728	$1,638				$1,861	$1,871	$2,033		$3,334				$2,042	$1,800
Patriot Station at Chalfont			$1,370	$1,475	$1,505				$1,760	$1,850							$1,542	
Luxor	$1,381	$1,431	$1,436	$1,606			$1,454	$1,606	$1,722	$2,001							$1,565	$1,656
Parc			$1,636	$1,691	$1,656		$1,603		$1,891	$2,403	$2,513	$2,547	$2,473				$1,987	
Courts at Spring Mill Station			$1,485	$2,137	$1,994	$2,155	$2,213	$2,250	$2,418	$2,668	$2,704		$3,241				$2,282	$2,345
Londonbury at Millennium			$1,528	$1,872			$1,798	$1,873	$2,151	$2,341	$2,256		$2,316				$1,936	$1,945
Riverwalk at Millennium			$1,600	$1,825	$1,925		$1,940	$1,990	$2,000	$2,140	$2,215	$2,265	$2,310				$1,944	$1,968

Community	UNIT SQUARE FOOTAGE Studio		Small 1BR < 800 Sq. Ft.		Large 1BR ≥ 800 Sq. Ft.		1BR + Den or Loft		Small 2BR < 1,200 Sq. Ft.		Large 2BR ≥ 1,200 Sq. Ft.		2BR + Den or Loft or TH		3BR or 3BR+ Den or Loft or TH		Overall Average
	From	To	From	To	From	To	From	To	From	To	From	To	From	To	From	To	
Point at Pennbrook Station			755	755	852	852			1,027	989	1,206	1,330					1,150
Madison Lansdale Station	637	637	763	749			855		1,136	1,127			1,078				907
Madison at New Britain					837	964	968	1,160	1,114	1,199	1,253	1,254	1,308	1,540			1,105
AVE Lansdale			758	758	820				1,082	1,082	1,202		1,843				1,346
Patriot Station at Chalfont			690	745	810				1,054	1,110							838
Luxor	608	507	664	562			763	760	940	1,144							772
Parc			772	682	800		779		1,036	1,185	1,275	1,275	1,307				954
Courts at Spring Mill Station			533	718	805	895	908	908	1,083	1,089	1,242		1,306				1,020
Londonbury at Millennium			600	686			912	912	1,011	1,157	1,202		1,204				1,039
Riverwalk at Millennium			716	792	986		986	905	1,083	184	1,218	1,296	1,207				963

Community	LEASE PRICE/SQ. FT. Studio		Small 1BR < 800 Sq. Ft.		Large 1BR ≥ 800 Sq. Ft.		1BR + Den or Loft		Small 2BR < 1,200 Sq. Ft.		Large 2BR ≥ 1,200 Sq. Ft.		2BR + Den or Loft or TH		3BR or 3BR+ Den or Loft or TH		Overall Average	
	From	To	From	To	From	To	From	To	From	To	From	To	From	To	From	To	From	To
Point at Pennbrook Station			$2.16	$2.44	$1.83	$2.06			$1.88	$2.38	$1.67	$1.94					$1.90	$2.16
Madison Lansdale Station	$2.16	$2.32	$1.90	$2.20			$2.11		$1.67	$1.79			$1.80				$1.94	$2.02
Madison at New Britain					$1.76	$1.63	$1.62	$1.45	$1.53	$1.52	$1.48	$1.48	$1.50	$1.41			$1.56	
AVE Lansdale			$2.23	$2.28	$2.00				$1.72	$1.73	$1.69		$1.81				$1.94	$2.00
Patriot Station at Chalfont			$1.99	$1.98	$1.86				$1.67	$1.67							$1.86	
Luxor	$2.27	$2.82	$2.16	$2.86			$1.91	$2.11	$1.83	$1.75							$2.21	$2.21
Parc			$2.12	$2.48	$2.07		$2.06		$1.83	$2.03	$1.97	$2.00	$1.89				$2.06	
Courts at Spring Mill Station			$2.79	$2.98	$2.48	$2.41	$2.44	$2.48	$2.23	$2.45	$2.18		$2.48				$2.44	$2.50
Londonbury at Millennium			$2.55	$2.73			$1.97	$2.05	$2.13	$2.02	$1.88		$1.92				$2.11	$2.46
Riverwalk at Millennium			$2.23	$2.30	$1.95		$1.97	$2.20	$1.85	$1.97	$1.82	$1.75	$1.91				$2.05	$2.07

* initial lease up

Compiled: Lisa Price & Associates, LLC

Point at Pennbrook Station (formerly Station Square Apartments) https://thepointatpennbrookstation.com/, built in 2006, is also located adjacent to the Pennbrook SEPTA Station. The community offers 360 units in 3-story walk-up buildings and is 97% leased and 94% occupied. Approximately 60% of the units have been renovated with a $150 (1BR) to $200 (2BR) premium. The renovated units include stainless steel appliances, granite counters, wood-style plank flooring in the foyer and in some dining rooms; the units that have been most recently renovated include wood-style plank flooring throughout the units. Base rents currently average $1.90/sf with 1BR ranging from $1,560 (852 sf) to $1,631 (755 sf) and 2BR units from $1,934 (1,027 sf) to $2,351 (1,330 sf). This community is considered inferior to the subject site.

Madison Lansdale https://www.madisonlansdalestation.com/ is the most significant new competitor for the subject property. The community is located adjacent to the Lansdale train station and has an in-town walkable location. Pre-leasing began in January with initial occupancy in May for the 36-unit elevator-serviced building. The remaining 146 units are configured in 3-story walk-up buildings. Lease pace is 3-4 units per week with the predominant tenant base coming from Merck preferred employer. Target market is diverse including young millennials and empty nesters. The finishes and layouts are superior to the majority of the local rental stock. Average base price/sf for walk-up product is $1.94 with a $100 premium for elevator-serviced units. Surface parking is available with garage parking located across a walking bridge connected to the SEPTA station for $2 a day.

AVE Lansdale/Korman https://www.aveliving.com/locations/pennsylvania/lansdale/apartments is a suburban rental community with excellent access to Route 476. The community, built in 2013, consists of seven 4-story elevator-serviced buildings with optional private garages. Approximately 55 of the 180 units are short-term furnished units. Average base price/sf is $1.94. The community is 97% leased and 100% occupied.

Located in neighboring Bucks County, **Madison at New Britain** www.madisonnewbritain.com owned and managed by Hilton Realty was built by BPG and successfully leased 232 units at a pace of 13.5 to 15 per month from November 2012 through early 2014. The community is configured as 5 buildings (80 units) of 2-story individual entry product and 7 buildings (152 units) of 3-story walk-up product. The leasing manager noted one bedroom units were more difficult to pre-lease since this renter profile is more transient with more immediate housing needs. One bedroom units leased quickly once they became physically available. The most popular plan is the private entry first floor 1BR + Den Jefferson at $1,680 (1,160 sf) due to the layout and solid surface floor throughout. Affluent singles and empty nesters choose the larger plans. Early demand was heavily empty nesters and divorcees wanting to stay in the Central Bucks School District. More than 60% of the original tenant mix were previously owners with the balance being renters or those moving out of shared living arrangements. The renter profile is affluent with an average household income above $100k with many downsizers leasing prior to selling their existing homes. Employment is primarily within 15 miles of the community with a few commuting to Philadelphia via SEPTA rail. Employment is heavily concentrated in healthcare and education. Most tenants are drawn from Doylestown, New Britain and North Wales. Others are migrating from surrounding Montgomery County drawn to the superior Central Bucks School District.

Patriot Station at Chalfont https://www.patriotstationatchalfont.com/, a TOD also in Bucks County, opened in May 2017 and is within walking distance (one block) of the Chalfont SEPTA station. The community offers a high concentration of 1BR units (74%) and is 100% leased and occupied. Lease-up incentive was one month free with a 13-month lease. Very few amenities are provided, and the community lacks sufficient parking with only 1 assigned surface included and additional parking located across the street from the community. The community also doesn't offer any storage options for its residents. While residents can quickly walk to both the train and town, these unique features are considered meager compared with the site due to the lack of a true downtown in Chalfont. While some residents utilize the train to Philadelphia and Doylestown for entertainment, only 10-15% commute via train for employment. Tenants are primarily professionals including legal support staff in Doylestown and teachers.

Luxor http://www.luxorapartments.com/ by Westrum, located on Sandy Hill Road in Norristown (at the Plymouth Meeting border), began occupancy in December 2016 and is currently 89% leased. The four-story building (195 units) is built around a courtyard with a pool and other amenities. Westrum received approval for a $2.16M tax abatement over 10 years. Units are small with base prices ranging from $1,381 (608 sf) for studio units to $1,986 (1,144 sf) for 2BRs; with average $/sf of $2.21. This community is considered inferior to the subject property.

Parc www.tollbrothersapartmentliving.com/parc by Toll Brothers in Plymouth Meeting completed construction of 398 units in January 2016 with a lease-pace of 21.5 per month. The community is currently 98% leased. Initial interest was from local empty nesters. The relocation market and Gen Y increased once deliveries began and product was immediately available. Incentives during lease-up ranged from free parking to 1st month free and 1.5 months free on 1BR + Den units which are difficult to move due to the sf being so close to the 1BR units. The building is bounded by the I-276/I-476 interchange and has excellent visibility. The community offers 121 garages of which 104 are connected to a building (+$150 to $250 for tandem 2 car) and 17 are freestanding (+$125/month). Prices for parking have increased since leasing began when they ranged from $100 to $150 and were originally offered as an incentive. Base rents average $2.06/sf with rents escalating up to 10% on renewals; new leases are market rate (YieldStar pricing). The leasing manager reveals untapped demand for JR 1BR apartments with Toll having only 18 of these units. Toll is oversupplied for 1BR+ Den units with 44 units. While this location has superior visibility and access to the highway network, the subject site will have the unique advantage of the regional rail station. Although Parc's amenities are not directly connected to the residential buildings, they are extensive including an outdoor pool. Major employers include GSK, Einstein IMS health, J&J, Aetna, QVC (Plymouth Meeting), First Niagara Bank, Lockheed Martin and Comcast.

Courts at Spring Mill Station www.courtatspringmill.com built by Home Properties has a Conshohocken mailing address and is located adjacent to the Spring Mill SEPTA rail station providing a 31- to 39-minute superior commute to Philadelphia. This community attracts a young urban tenant who is looking for a new rental at a better value than Center City Philadelphia and relief from the city wage tax. Initial occupancies began in November 2014 for building 1 that had a higher mix of 2BR units which they had to offer with incentives to lease. The developer built a higher concentration of the more desirable 1BR units in the second building. During initial lease up, the lease pace averaged 19 per month. The community is currently 95.6% leased and 94.8% occupied. Rent increases are capped at 7% with $/sf averaging $2.44. The amenity space is dark and lacks a cohesive flow. This location is considered superior to the subject property in terms of access to rail and commute time to Philadelphia. Covered parking (first spot is free – additional space is $45/month), outdoor pool and access to Conshohocken are superior features compared to the subject site.

In 2010, O'Neill Properties experienced pent-up demand at **Londonbury at Millennium** www.londonburyapartments.com, in Conshohocken, including the migration of Main Line buyers into what was historically considered a "blue collar" town. This community successfully combined superior resort-style amenities and smaller unit square footage to successfully achieve a higher price per square foot than the competition at unprecedented lease rates (in excess of 25 units per month). The community, managed by Lincoln, is currently 99% leased with 98.4% occupied. Renovations began in 2017 as units became available and include lighter granite countertops, stainless steel appliances (instead of the current black), a tile backsplash; new washer/dryer and wood-look laminate flooring to replace the carpeting. Rents currently range from $1,528 (600 sf 1BR unit) to $2,316 (1,204 sf 2BR + Den unit) averaging $2.11/sf for base rents. Units in buildings 200 & 300 may have river views which includes a premium set by YieldStar. YOY rent escalation is 2.8% on renewals and market rate on new leases.

Riverwalk http://www.scullycompany.com/riverwalk-at-millennium-34.html, also in Conshohocken, was purchased by Relative Properties in January 2015 and went through a renovation of the units built in 2005 that were not rebuilt after a fire. Relative Properties will be completing additional renovations of amenities, lobbies and hallways in the fall. Relative is also renovating units that will include granite counters, stainless steel appliances, plank flooring and updated bathrooms. The community is currently 97% leased and 95.5% occupied. Turnover has increased to 42% compared with just 28% at the end of 2017. Base rents currently average $2.05/sf.

Profiles for each community can be found in the Appendix of this report.

E. PROPOSED COMMUNITIES – FOR SALE

As previously mentioned, Ryan's Andale Green in Lansdale Borough has 2 additional phases planned totaling 87 20' wide 3-story units. Sales for the next phase is projected by Q1 '20.

The Goldenberg Group & Guidi Homes has begun construction of Madison Estates on 35 acres in Upper Dublin Township, Montgomery County. The community will be located on 50 acres of land that had been used for St. Mary's Villa for Children and Families since 1930. Locally, it is referred to "The Villa". Mattison will total 102 lots consisting of 30 carriage homes (2,600 to 3,400 sf) and 72 villa homes (2,600 to 2,800 sf) plus an existing lake. Construction of the new houses is expected to be completed by 2020. An existing residence, Lindenwold Castle, is not part of the development. See below for the proposed rental portion of the community. This community is considered superior to the subject site.

F. PROPOSED COMMUNITIES – RENTAL

Madison Estates will also include a CCRC portion by Sage Life https://www.sagelife.com/mattison. The community broke ground in February and will be preleasing beginning in Spring 2020 for Spring 2021 deliveries. The 4-story rental community will be located on just under 8 acres and include 156 independent living units, 62 assisted living units and 32 memory care units plus secure, structured parking. Amenities are also planned and are to include: multiple indoor and outdoor dining venues, an indoor pool, fitness center, yoga studio, bar and lounge areas, two theaters, art studio, courtyard areas with barbeque grills, fire pits, seating areas, a putting green, outdoor garden, dog wash, dog run.

A Harleysville Orthodontist, Ron Ziegler, controls Walnut Crossing Apartments in Lansdale which received conditional use approval in April. The 6-story building located at Third & Walnut, near Madison Lansdale Station, will include 204 units. The community had initially received conditional use approval in late 2017 for 144 apartments, but Ziegler purchased 2 adjacent properties from the property owners that were concerned about being located next to the new community. The community will include an automated parking system with a lift system below the building for approximately 260 of the planned 310 parking spaces.

ANALYSIS OF MARKET OPPORTUNITY

The subject property with immediate access to SEPTA regional rail creating a desirable Transpiration Oriented Development (TOD) provides an excellent opportunity for a residential community. New for sale and rental communities are absorbing at a quick pace in this portion of Montgomery County. The presence of the Merck campus, a top employer, provides an organic market for the subject site. Population and household growth is projected to increase through 2024.

Close to half of the Montgomery County's households are over 55. Over 65% of the 55+ population earn in excess of $50k, 50% earn $75k+ and 38% earn $100k+. When analyzing the 25-54 age households, 82% earn in excess of $50k, 68.5% earn $75k+ and 54% earn greater than $100k.

A. FOR SALE

As previously mentioned, the supply for stacked townhomes and townhomes is low with only 20 units of stacked townhomes and less than 12 months of townhome inventory. Ryan will introduce 87 additional 20' wide 3-story townhomes at their Andale Green community located approximately 1 mile from the subject property.

Stacked townhomes and townhome communities are experiencing consumer acceptance with a year-to-date sales velocity of 20+ per month.

The pull factors for the subject site include the following:

- Projected increases in household growth and employment
- Moderately-priced new homes
- Adjacent rail station providing a TOD element

- Proximity to highway network and employment corridors including locally and Philadelphia
- The high concentration of owner-occupied households in Montgomery County (72%) indicating a strong preference towards for sale housing
- Out-migration from Philadelphia, especially from family-formation starter households
- Low supply of active resale inventory (2+/- months); creating price stabilization and the ability for move-down buyers and retirees to sell their existing homes
- Price escalation for new townhomes and stacked townhomes in superior locales creating affordability issues
- Proximity to shopping and healthcare in the immediate area
- A marketplace that is attractive to young households and empty nesters/retirees
- Ability to offer maintenance-free living
- The ability to offer on-site amenities that will provide instant lifestyle for the community
- Opportunities for socialization and recreation provided by a lifestyle community
- The preference for new homes over existing; especially with the international target market

B. RENTAL

Our analysis reveals low vacancies and strong effective rents within the suburban portion of the Philadelphia Region. **Madison Lansdale Station's** lease pace is averaging 14 unit per month and is 24% leased. Average base rent at **Madison Lansdale Station** is $1.94 for walk-up product and $2.10 for elevator-serviced units. Vacancies are low for established communities and initial lease-up activity for new rentals has been brisk. New Class "A" Rental communities reveal increased interest from young professionals including those working in Philadelphia who are spurring demand for well-located luxury suburban rentals that provide ease of commute. Local empty nesters who are attracted to "commitment light" housing alternatives have increased demand for new luxury rentals. Many leasing agents reveal an increase in relocation tenants. Turnover in most existing rentals is low demonstrating a high concentration of "rent by choice" tenants and "terminal renters". Typical rent escalation is ranging from 2 to 3%. New rental stock in superior Plymouth Meeting and Conshohocken is achieving over $2/sf creating affordability issues where price escalation on renewals is often higher.

Demand for new apartments has been spurred by the following drivers:

- The region's large population that are college age and recent college graduates that will remain in the area seeking local employment.

- Accelerated hiring in degreed fields that will help to retain a larger share of graduates from local colleges and universities, creating new rental housing demand and exerting downward pressure on vacancy in the Philadelphia Metro Area.

- Favorable demographics and steady increases in employment supporting household formation.

- The average age of new home buyers has increased to 33 as people are renting an average of 6 years before purchasing a new home. This is up from 2.6 years in 1970.

- The high concentration of "renters by choice" and "terminal renters"

- The trend of empty nester target markets selling their existing home and renting.

- The "Great Delay" that is occurring in the aftermath of the "Great Recession" where Millennials are postponing purchasing homes due to job polarization, student loans and a strong desire for technology and travel.

- Demographic and lifestyle changes including delay of marriage and postponing children that creates more demand for rentals.

- The household “de-bundling” effect, spurred by the prime renter age cohort of 20 to 34 who continue to capture a high percentage of the increase in job gains.

- The oldest echo boomers (Generation “Y”) are now in their 30s and will continue to create additional demand for new rentals as they become employed and move away from their parent’s homes or shared living arrangements in search of “commitment-light” housing.

- Tighter lending criteria creating barriers to entry for would be buyers, many of whom are forced to rent including terminal renters who are plagued with bad credit issues.

- Vacancy decreased during the first half of 2019 in the Philadelphia Metro Area to 3.9 percent on the heels of a 40 basis point decline in 2018.

- Despite the increased supply throughout the Philadelphia Region, effective rents increased 3% YOY in 2019 continuing the momentum from the 5.2% increase that occurred in 2018.

- Escalating rents and low vacancies in Philadelphia due to increased demand is creating out-migration to more affordable suburban Philadelphia locations that are considered commutable. A study by *Apartment List* released in September 2018 found that overall nearly 54% of Philadelphia renters are cost burdened in that they pay more than 30% of their monthly income on rent. Additionally, the survey broke down the data further and found that 22% are moderately cost burdened spending between 30% and 50% on rent while another nearly 32% of Philly renters are severely cost burdened, spending more than 50% of their salaries on rent.

While there has been an increase in supply in Center City Philadelphia, some suburban markets such as Bucks County had no new supply in 2018. Montgomery County has experienced a steady supply with a balanced supply/demand ratio

The following trends are creating barriers to entry for the supply of new rental communities:

- Rising construction costs
- Increased land prices
- Shortage of skilled labor
- Tightening of lending reducing access to financial resources for apartment developers

C. ASSISTED LIVING

An assisted living component provides an attractive use for the Pennbrook site. The pull factors include:

- Close proximity to well-regarded health care including the many teaching hospitals and medical schools in the Philly area
- Quiet residential setting but near urban amenities for cultural opportunities
- Organic local growth where close to a third of all households are over 65 (50% are 55+)
- Mixed-product community where residents of an assisted living facilities can reside next to their children in the market rate housing portion
- Mixed product community allowing residents options as their needs change from independent living
- Proximity to regional rail providing staff easy access

RECOMMENDATIONS

The portion of the Liberty Bell Trail that will run from Hancock Street (near Ryan's Andale Green & the SEPTA tracks) to Pennbrook Parkway near the site and is currently in the design process will provide a sought after amenity. Conversations with the borough reveal that funding has not yet been obtained to complete this portion of the trail. We strongly recommend pursuing this amenity (that will run 25 miles when completed) that will create a unique feature for the community.

A. FOR SALE RECOMMENDATIONS

A variety of "for sale" products are well suited to the Pennbrook site ranging from townhomes to stacked townhomes. While carriage homes would gain market acceptance, we are concerned that they will not provide a high return due to lower density and absorption.

- We recommend 24' wide 2 or 3-story stacked townhomes and 24' wide 3-story traditional townhomes

- We strongly recommend packaging lawn maintenance and snow removal into the HOA. The target buyer(s) are highly motivated by a maintenance-free lifestyle and this will protect your streetscape and curb appeal.

- Shared amenities with the rental community will enhance the appeal and add a lifestyle element. This could be offered as an option for an additional monthly fee to help keep HOA costs down for price-sensitive buyers.

PRICE RECOMMENDATIONS
PENNBROOK TOD
LANSDALE BORO/UPPER GWYNEDD TWP., MONTGOMERY COUNTY, PENNSYLVANIA
AUGUST 2019

Product/Model	No. of Units	Square Footage	Base Price	$ Per Sq. Ft.
3-Story 24' x 60' Stacked Townhomes 1 Car Garage				
Lower 2BR/2.5BA Interior		1,216	$279,990	$230.25
Lower 2BR/2.5BA - End		1,216	$289,990	$238.48
Upper 3BR/2.5BA - Interior		1,933	$339,990	$175.89
Upper 3BR/2.5BA - End		1,933	$340,990	$176.40
Total/Averages	**120**	**1,575**	**$312,740**	**$205.26**
3-Story 24' x 40' Townhomes 2 Car Garage				
3BR/2.5BA Interior		2,395	$384,990	$160.75
3BR/2.5BA End		2,395	$399,990	$167.01
Total/Averages	**60**	**2,395**	**$392,490**	**$163.88**

Source: Lisa Price & Associates, LLC 08/14/19

Stacked townhome prices reflect an everything include platform. Traditional townhome optional expenditures are projected to add 5% to 10%.

B. RENTAL RECOMMENDATIONS

Rental communities offering smaller unit count (250 or less) experience lower vacancy and higher effective rents. Larger communities are impacted with competing renewals, higher vacancy and the need for incentives. We strongly recommend introducing rental uses with 250 units at a time. Community concepts should vary similar to what has occurred in Conshohocken and Valley Forge Town Center.

We anticipate a high concentration of renters who are rent by choice as well as rent by necessity. We envision a wide cross section of tenants spanning from millennials to empty nesters/retirees. Elevator-serviced product will attract a wider tenant mix and provide better longevity. While walk-up product may enhance affordability, we have clients who are building solely elevator product, including in affordable markets. Outlined below is a first phase of rentals at Pennbrook.

RENTAL RECOMMENDATIONS
PENNBROOK TOD
LANSDALE BORO/UPPER GWYNEDD TWP., MONTGOMERY COUNTY, PENNSYLVANIA
AUGUST 2019

Unit/ Model	# of Units	Sq. Ft.	Rent $	$ Per Sq. Ft.
Flats				
Studio		630	$1,375	$2.18
1BR/1BA		750	$1,550	$2.07
1BR/1BA		775	$1,625	$2.10
1BR/1BA+Den		875	$1,825	$2.09
2BR/2BA-split BR		1,025	$1,945	$1.90
2BR/2BA-split BR		1,100	$2,025	$1.84
2BR/2BA+Den		1,200	$2,220	$1.85
Total/Averages	**250**	**908**	**$1,795**	**$2.00**

Source: Lisa Price & Associates, LLC 08/13/19

Premiums:

FLOOR PREMIUMS
PENNBROOK TOD
AUGUST 2019

Floor	Premium
1st Floor	$10 to $15
2nd Floor	$0
3rd Floor	$20 to $30

Source: Lisa Price & Associates, LLC 08/13/19

Typical fees among the competition are as follows:

- Parking fees vary greatly from $0 for surface spaces to up to as much as $250/mo. for a 2 car tandem attached garage space
- Storage from $35 to $100 depending on size
- Amenity fee ranges from 0 to $30 per month; or $199 to $400 one time fee; 1 community charges $100/year
- Non-refundable pet fees range from $250 to $350/pet; or $300 to $400/apt; and another charging no fee at all
- Monthly pet fee rent ranges from $25 to $50.
- Application fees range from $0 to $65/applicant.

Product Mix:

APARTMENT PRODUCT MIX
PENNBROOK TOD
AUGUST 2019

Unit Type	Sq Ft	# of Units	Product Mix
Studio	630	26	10.4%
1BR/1BA	750 to 775	94	37.6%
1BR/1BA+ Den	875	22	8.8%
2BR/2BA	1,025 to1,100	100	40.0%
2BR/2BA + Den	1,200	8	3.2%
Total		**250**	**100.0%**

Source: Lisa Price & Associates, LLC 08/13/19

C. APARTMENT FEATURES & AMENITIES

- Surveys of apartment renters indicated that one of the most desired community amenities is reliable cell phone reception. Amenities that place a priority on health and wellness are highly desirable.

- Technology driven features and amenities that simplify residents' lives including thermostats, keyless door locks and package lockers should be included.

- The survey of renters also specified that the top features for apartments include air conditioning, high speed internet and walk-in closets/closet space.

- Kitchens with soft-close drawers, granite countertops, solid-surface flooring, stainless steel appliances and a kitchen island that are open to the living area. An open great room design creating the perception of a larger kitchen is desirable and a unique "selling" proposition (USP) over older product. Galley kitchens are passé and considered antiquated.

While apartment developers across the country have been outdoing each other with respect to the "amenities arms race". Many amenities have proven to be popular including **fitness, dog washes and dog parks.**

The charts on the following pages provide our recommendations for apartment features and amenities.

APARTMENT INTERIORS			
Recommended	**Feature**	**Recommended**	**Feature**
	Security		**Kitchen**
Y	keyless entry	Y	solid surface countertops
		Y	soft-close drawers
	Architectural	Y	kitchen island - larger units / breakfast bars - smaller units
Y	balcony / patio	Y	stainless steel appliances
P	Juliette balconies	Y	dishwasher
Y	9' ceilings; 10'+ on amentity floor	Y	microwave
Y	open floor plan	Y	disposal
Y	kitchen open to living space		
Y	2BR units - split bedrooms		**Master Bath**
Y	laundry rooms/closets with storage space	Y	solid surface counters
Y	built-ins/furnished smaller units	Y	linen storage
O	walk-in or through closets in master bedroom - organization system	Y	double bowl vanities in baths of 2BR Units
P	walk-in closets in secondary bedroom/standard doors (not sliders)		
			Flooring
		Y	LVT "hardwood" in main living areas & kitchen
		Y	LVT "hardwood" in bedrooms 1st floor/carpet upper floors
	Technology		
Y	prep for wall mounted flat screen TVs		**Misc.**
Y	USB ports kitchen and bedrooms	Y	full-size stacked front loading washer and dryer
Y	NEST Thermostats	Y	mini-blinds
Recommended:	**Y**es **N**o **O**ptional **P**artial		

COMMUNITY FEATURES		
Recommended	**Feature**	**Comments**
	Security	
N	doorman	
Y	controlled access	
	Design Features	
Y	entry impact feature	
Y	'statement' lobby incorporated into amenities	
Y	green features	
	Parking/Storage	
O	garage parking	$125/ individual detached garage
O	storage units	$50-$75/month depending on size
O	bike storage	assume .6 bikes/apt & 8 sf/bike
O	bike repair area	include in bike storage room
	Technology	
Y	virtual concierge (Buildinglink or compatible feature)[1]	see footnote below
Y	Wifi through the buildings & amenity space	
Y	Smart phone/I-Pad/TV compatible applications[2]	see footnote below
SUPPORT SERVICES		
N	concierge	
Y	virtual concierge[1]	see footnote below
Y	Amazon Locker, Package Concierge, Luxer One or comparable locker storage built in	
Y	valet closet with racks for dry cleaning	
Y	community Zipcar car or Car2Go sharing program (at reduced membership fee)	
Y	electric car charging stations	
Y	tool share (including bike repair tools)	
Y	coffee/tea service	

continued . . .

RECREATION/SOCIAL AREAS/AMENITIES		
Recommended	**Feature**	**Comments**
Y	separate clubhouse building or clubhouse within residential building	
Y	lounge with wet bar, fireplace & TVs	
O	separate game room	
Y	fitness center	
Y	yoga/pilates/aerobics studio	
Y	men's & women's bathrooms	
Y	24 hr business center with conference room(s), iPads, printer/copier/scanner & WiFi	
Y	catering kitchen	
O	dining area attached to kitchen	
Y	media theater & movies on demand	
N	playroom	
N	arts & crafts area	
Y	pool	
N	indoor pool	
Y	outdoor area seating and fire pit	
Y	grills	
Y	picnic area next to grills	
Y	playground	
O	supporting retail including daycare needs[3]	see footnote below
Y	dog run or dog park with bag station for pet clean-up (33% of renters own pets) - or tie into park and provide bags	
Y	doggie spa grooming area (67% of pet owners who rent want this feature) - access from dog walk area	

FOOTNOTES

[1] buildinglink.com or other communication system w/notices, emails, calendar, lobby display services (package notifications, dry cleaning notices, building and tenant announcements, maintenance requests, shuttle and NJ Transit/Amtrak train schedules, weather forecasts, etc., all available online and also available via phone app

[2] compatible applications to allow tenants to monitor activities such as visits from guests compatible phone app

[3] as demand increases from starter households

Recommended: **Y**es **N**o **O**ptional **P**artial

D. TARGET BUYER/RENTER PROFILE & PSYCHOGRAPHICS

Young couples and starter households, divorcees as well as empty nesters/move-down buyers will be captive target markets for the "for sale" component.

We anticipate the following demographic target markets for the Pennbrook rental community:

- Rent by necessity/terminal renters and rent by choice including young singles, couples, empty nester (Boomers) and downsizers/retirees who prefer commitment-light housing. During the pre-leasing period, empty nesters are a dominant source of tenants as they have discretionary income, and therefore, have the ability to commit even before selling an existing home.

- Divorcees including single-parent households.

- Transient renters, including corporate relocation, will be present. Those renting by choice that prefer a "commitment-light" living arrangement.

E. DEMAND

For Sale

As demonstrated in the following charts, the subject site will need to capture less than 1 percent of the target market for those earning greater than $50,000, as well as those earning greater than $75,000 in the market area. The estimates below are based on conservative projections with the market area supplying up to 60% of the purchasers for the subject site.

MARKET DEPTH ANALYSIS
TARGET MARKET HOUSEHOLDS WITH INCOME OF $50,000+

	2019	2024
Total Households Age 25-54	153,603	146,301
Total Income Qualified Households Age 25-54	125,567	123,180
Propensity to Own	90,659	88,936
Pennbrook For Sale	180	180
Potential Buyers from Outside the Market Area	72	72
Buyers from Market Area	108	108
Capture Rate	0.12%	0.12%

MARKET DEPTH ANALYSIS
TARGET MARKET HOUSEHOLDS WITH INCOME OF $75,000+

	2019	2024
Total Households Age 25-54	153,603	146,301
Total Income Qualified Households Age 25-54	105,322	105,465
Propensity to Own	76,042	76,146
Pennbrook For Sale	180	180
Potential Buyers from Outside the Market Area	72	72
Buyers from Market Area	108	108
Capture Rate	0.14%	0.14%

* based on 2019 estimates and 2024 projections

Source: Lisa Price & Associates, LLC 08/12/19

Rental

As demonstrated on the chart below and the following page, the subject site will need to capture less than 1 percent of the target market between the ages of 25 to 54 as well as those aged 55+ for those earning greater than $50,000, as well as those earning greater than $75,000 in the market area. Most operators use gross income requirements of 3 times the annual rent for qualifying purposes.

The estimates on the following charts are based on conservative projections with the market area supplying 50% to 60% of the renters for the subject site.

MARKET DEPTH ANALYSIS
TARGET MARKET HOUSEHOLDS WITH INCOME OF $50,000+

	2019	2024
Total Households Age 25-54	153,603	146,301
Total Income Qualified Households Age 25-54	125,567	123,180
Propensity to Rent	34,908	34,244
Pennbrook	250	250
Potential Renters from Outside the Market Area	100	100
Renters from Market Area	150	150
Capture Rate	0.43%	0.44%

MARKET DEPTH ANALYSIS
TARGET MARKET HOUSEHOLDS WITH INCOME OF $75,000+

	2019	2024
Total Households Age 25-54	153,603	146,301
Total Income Qualified Households Age 25-54	105,322	105,465
Propensity to Rent	29,280	29,319
Pennbrook	250	250
Potential Renters from Outside the Market Area	100	100
Renters from Market Area	150	150
Capture Rate	0.51%	0.51%

* based on 2019 estimates and 2024 projections

Source: Lisa Price & Associates, LLC 08/12/19

MARKET DEPTH ANALYSIS
TARGET MARKET HOUSEHOLDS WITH INCOME OF $50,000+

	2019	2024
Total Households Age 55+	159,940	173,087
Total Income Qualified Households Age 55+	104,420	117,926
Propensity to Rent	29,029	32,783
Pennbrook - 55+ Rental/Assisted Living	250	250
Potential Renters from Outside the Market Area	125	125
Renters from Market Area	125	125
Capture Rate	0.43%	0.38%

MARKET DEPTH ANALYSIS
TARGET MARKET HOUSEHOLDS WITH INCOME OF $75,000+

	2019	2024
Total Households Age 55+	159,940	173,087
Total Income Qualified Households Age 55+	80,311	92,779
Propensity to Rent	22,326	25,793
Pennbrook - 55+ Rental/Assisted Living	250	250
Potential Renters from Outside the Market Area	125	125
Renters from Market Area	125	125
Capture Rate	0.56%	0.48%

* based on 2019 estimates and 2024 projections

Source: Lisa Price & Associates, LLC 08/12/19

F. ABSORPTION

For Sale

Stacked townhomes are projected to sell 3 to 4 homes per month.

Traditional townhomes are projected to sell 2 to 3 homes per month.

Rental

We project absorption for the rental component to range from 14 to 16 units per month.

G. INCENTIVES

For Sale

Incentives for new attached homes are typically in the form of allowances towards options and upgrades and not a direct discount off the purchase price. We recommend budgeting the following:

- Stacked townhomes: $5k to $10k towards options or closing costs
- Townhomes: $10k to $20k towards options or closings costs

Rentals

Incentives for new rentals are expected and offered by the competition. We recommend one month free with a 13-month lease. The discount should be applied to the first full month on a 13-month lease in an effort to stabilize the rent roll and avoid affordability issues with renewals. We discourage prorating the incentive into the lease-term as this will create affordability issues with renewals or the ability to re-coup if a lease-break occurs.

Additional successful strategies include:

- Reduced security deposit
- Waived amenity fees
- Gift cards that can help tenants with expenses associated with a new rental apartment or an allowance towards moving expenses. These types of incentives also help stabilize rent roll as they are a marketing expense.

If an incentive is given, the amount should be decreased as leasing activity meets projected occupancy goals and economic vacancy.

QUALIFICATIONS & EXPERIENCE

Lisa Price has over 25 years of experience in providing market information and strategic research to builders, development companies, financial institutions and investment firms. Prior to starting her own consulting practice in 1996, Lisa was a Vice President for Legg Mason Realty Group, Inc. During her ten years with Legg Mason, Lisa managed the residential consulting practice and Housing Market Profiles (now Hanley Wood MetroStudy) in the Philadelphia office. At Legg Mason clients including Pulte Homes, Orleans, Ryland and NVR/Ryan relied on Lisa's knowledge of the market for product positioning and strategic planning of proposed communities.

Market studies have been conducted for: D.R. Horton, K. Hovnanian Homes, Lennar, NVR, Toll Brothers - including Toll Brothers Apartment Living and Trammel Crow Residential/Mill Creek Residential Trust. Analyses have also been conducted for a number of private companies including: Altman Companies, American Properties, ARC Properties, Cappelli Industries, Davis Enterprises, DELCO Development, DEVCO, GDC, Hampshire Companies, Handler Corporation, Hoboken Brownstone, Jefferson Apartment Group, Kaplan Companies, Keating Urban Partners, Liberty Lutheran Services, Lincoln Equities Group, Matrix Development, The McKee Group, O'Neill Properties, Orleans Homes, Pennrose Properties, The Pinnacle Companies, Pohlig Builders, Procacci Development Company (PDC), Roseland Properties, Russo Development, SJP Properties, Somerset Development, Sterling Properties, Tornetta Realty and Woodmont Properties. Financial Institutions such as Arsenal Real Estate Fund, BlackRock, City National Bank, Estein Associates (US Truehand), Gibraltar Capital, Hearthstone, Investcorp, JP Morgan, Landsea Holding Corporation, Morgan Stanley, Mountain Real Estate Capital, Prudential, Resmark Equity Partners, Sherman Financial Group, UBS, and Värde Partners have sought Lisa's opinion before investing funds in residential opportunities.

Additional assignments have included expert witness testimony, analyses of raw land, opportunity assessments and strategic corporate plans. Lisa has consulted on active adult lifestyle, traditional neighborhood design (TND), transportation oriented developments (TOD), urban renewal and market rate (for sale and rental) communities.

Lisa is recognized as an expert in strategic marketing and has addressed the National Association of Home Builders, as well as, the Urban Land Institute.

APPENDIX

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

- This report and its contents are intended only for the use of DeSanto Realty Group in connection with their evaluation of the site location. The report cannot be used by any party who does not take responsibility for and acknowledge understanding of the forgoing assumptions and procedures. The report and its contents are not to be referred to in the registration, purchase, or sale of securities or real estate, nor is it to be filed or referred to in whole or in part in a prospectus or other financial offering document. Should our report be required for distribution, you agree to notify us in writing in advance, and modifications to the report may be necessary. At that time, we would discuss with you requirements in this regard.

- The scope of our work does not include an accountant's audit or examination of either historical or prospective financial data, whether in accordance with standards established by the American Institute of Certified Public Accountants ("AICPA") or otherwise. The scope of our work does not include a property appraisal or valuation of any kind, including without limitation as performed in accordance with standards established by the Uniform Standards of Professional Appraisal Practice ("USPAP") as developed by the Appraisal Standards Board of the Appraisal Foundation.

- Our work does not include ascertaining the legal and other state and local government regulations, permits, licenses, American with Disabilities Act ("ADA") regulations, or any other legal analysis pertaining to the properties and sites. Furthermore, no effort was or is made to determine the possible effect on the proposed development of present or future federal, state, or local legislation, including environmental or ecological matters or interpretations thereof.

- No architectural or engineering study, soil, or subsoil study, property survey, or environmental investigation was considered in this analysis and no liability is assumed in connection with such matters.

- With respect to the market analyses, our work does not include an analysis of or account for the potential sharp rise or decline in local or general economic conditions. The conclusions reached will be based upon our present knowledge of the markets for each property use in the competitive areas as of completion of our fieldwork. The assumptions disclosed in the report were gathered from market sources during the course of our fieldwork. We have no obligation to update our findings regarding changes in market conditions that occur subsequent to the completion of our fieldwork. Furthermore, our analyses was based upon material and information provided by third parties; unless noted otherwise in writing, Lisa Price & Associates ("LSP") made no effort to verify the accuracy of data provided by third parties, which are assumed to be reliable and accurate.

- As our analyses were based on estimates and assumptions and are inherently subject to uncertainty and variation, depending on evolving events, and we do not represent or guarantee them as results to be achieved. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, the actual results achieved may vary materially from the estimated results.

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS (continued)

- Any financial analyses contained in our work product are not considered a "forecast" or "projection" as technically defined by the American Institute of Certified Public Accountants otherwise. The use of the words "project," "projection," or "forecast" within our report will relate to broad expectations of future events or market conditions and quantification of the potential results of operations under those conditions.

- As presentations to the public regarding our report are beyond the scope of this engagement, additional fees will be billed for time incurred in attending public meetings or associated with the project (e.g., town meetings, approval hearings, testimony, etc.). If any portion of the report, our engagement letter, Schedule 1 to our engagement letter, or these Underlying Assumptions and Limiting Conditions is held to be void, invalid, or otherwise unenforceable, in whole or in part, the remaining portions of this report shall remain in effect.

- DeSanto Realty Group shall indemnify and hold harmless LSP and/or their individual staff members or subcontractors from and against all claims, demands, suits, or other actions against, and costs, legal fees, and other expenses of any kind incurred by, LSP as a result or in connection with the engagement or the report.

- In no event will LSP, their subcontractors, or, DeSanto Realty Group be liable for punitive, consequential, or special damages (including but not limited to loss of profits, data, business, or goodwill), regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose or otherwise, and even if advised of the likelihood of such damages, DeSanto Realty Group shall have no recourse against, and shall bring no claim against, LSP and/or their individual staff members or subcontractors or any of their respective assets. In any event, the maximum damages recoverable from LSP or their staff members or subcontractors relative to this engagement shall be the amount of the money actually collected by LSP for this assignment and under no circumstances. No third party other than DeSanto Realty Group may rely on or be considered a beneficiary of the terms and provision of the engagement or report.

- Finally, our engagement does not include reporting on events and transactions that occur subsequent to the date of this report. Accordingly, we will not be responsible to update or revise our report for events and transactions that occur subsequent to the date of this report absent an additional written and fully executed engagement letter for any such update or revision.

POPULATION DEMOGRAPHICS
MONTGOMERY COUNTY, PENNSYLVANIA

	2010 Census		2019 Estimate		2024 Projection	
Description	#	%	#	%	#	%
Population by Age						
Age 0 - 4	47,305	5.91	45,882	5.52	46,186	5.45
Age 5 - 9	50,313	6.29	47,750	5.74	46,392	5.47
Age 10 - 14	52,570	6.57	50,948	6.13	48,507	5.72
Age 15 - 17	33,311	4.17	31,787	3.82	32,586	3.84
Age 18 - 20	26,386	3.30	31,995	3.85	33,453	3.94
Age 21 - 24	35,474	4.43	39,492	4.75	43,010	5.07
Age 25 - 34	96,641	12.08	98,441	11.84	95,483	11.26
Age 35 - 44	108,884	13.61	103,238	12.41	103,853	12.25
Age 45 - 54	128,311	16.04	111,999	13.46	103,988	12.26
Age 55 - 64	99,952	12.50	117,611	14.14	118,982	14.03
Age 65 - 74	58,492	7.31	85,632	10.29	104,141	12.28
Age 75 - 84	41,620	5.20	42,483	5.11	45,447	5.36
Age 85 and over	20,615	2.58	24,538	2.95	25,894	3.05
Median Age	--	40.50	--	41.82	--	42.57
Population by Sex						
Male	387,964	48.50	404,504	48.63	412,714	48.67
Female	411,910	51.50	427,292	51.37	435,208	51.33

Source: Environics Analytics

Compiled By: Lisa Price & Associates, LLC

HOUSEHOLD DEMOGRAPHICS
MONTGOMERY COUNTY, PENNSYLVANIA

	2010 Census		2019 Estimate		2024 Projection	
Description	#	%	#	%	#	%
Households by Age of Householder						
Householder Under 25 Years	7,245	2.35	7,184	2.24	7,773	2.38
Householder 25 to 34 Years	41,248	13.40	39,169	12.21	36,232	11.07
Householder 35 to 44 Years	56,223	18.27	53,598	16.71	53,455	16.34
Householder 45 to 54 Years	70,426	22.88	60,836	18.97	56,614	17.30
Householder 55 to 64 Years	57,926	18.82	67,136	20.93	67,397	20.60
Householder 65 to 74 Years	35,016	11.38	50,559	15.76	61,011	18.65
Householder 75 to 84 Years	26,857	8.73	27,108	8.45	28,712	8.78
Householder 85 Years and over	12,809	4.16	15,137	4.72	15,967	4.88
Median Age of Householder	--	51.94	--	54.93	--	56.47

	2000 Census		2019 Estimate		2024 Projection	
Description	#	%	#	%	#	%
Households by Household Income						
Income Less than $15,000	22,764	7.96	17,608	5.49	16,426	5.02
Income $15,000 - $24,999	23,194	8.11	18,705	5.83	17,493	5.35
Income $25,000 - $34,999	27,259	9.53	19,745	6.16	18,637	5.70
Income $35,000 - $49,999	41,420	14.48	32,216	10.04	30,650	9.37
Income $50,000 - $74,999	61,758	21.59	45,633	14.23	44,283	13.54
Income $75,000 - $99,999	42,695	14.92	42,141	13.14	40,950	12.52
Income $100,000 - $124,999	25,287	8.84	35,482	11.06	35,609	10.88
Income $125,000 - $149,999	13,435	4.70	27,859	8.69	29,095	8.89
Income $150,000 - $199,999	13,082	4.57	33,187	10.35	36,127	11.04
Income $200,000 - $249,999	6,145	2.15	16,303	5.08	20,016	6.12
Income $250,000 - $499,999	5,796	2.03	20,468	6.38	23,561	7.20
Income $500,000 or more	3,434	1.20	11,380	3.55	14,314	4.38
Median Household Income	--	$60,851	--	$90,314	--	$96,874
Average Household Income	--	$80,875	--	$123,968	--	$133,522

Source: Environics Analytics

Compiled By: Lisa Price & Associates, LLC

PROPERTY PROFILE: POINT AT PENNBROOK STATION (previously Station Square)

Mailing Address/Municipality: 100 Reading Circle, Lansdale, PA 19446/Lansdale Borough & Upper Gwynedd Twp/Montgomery Cty
Distance From Site: Across From Site
Commute to Suburban Station Philly: 49-66 Min Train Ride (No Trans. Req.; 3 AM & 3 PM Exp. Trains)
Residents That Commute Via Train: 10 to 20%
Website Address: https://thepointatpennbrookstation.com/
Date Built: 2006

Developer/Owner/Management: PANCO Management Corporation

Phone/Contact: 215-412-8960 or 844-869-7474

Number of Units: 360

Type of Building: 3-Story Walk-up (25 Buildings)

UNIT NAME	UNIT TYPE	RENT RANGE*		SQ.FT.	$ SQ. FT. RANGE	
Bryn Mawr	1BR	$1,560	$1,758	852	$1.83	$2.06
Ardmore		$1,631	$1,840	755	$2.16	$2.44
Merion	2BR	$1,934	$2,264	1,027	$1.88	$2.20
Overbrook		$2,009	$2,351	1,206	$1.67	$1.95
Gladwyne (att. garage)		$2,049	$2,350	989	$2.07	$2.38
Rosemont Terrace (att. garage)				1,256		
Rosemont (att. garage)		$2,351	$2,581	1,330	$1.77	$1.94
Rosemont Terrace				1,256		
Villanova (att. garage)				1,284		
Wynnewood	3BR			1,541		
Averages		**$1,922**	**$2,191**	**1,150**	**$1.90**	**$2.16**

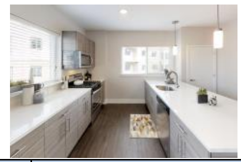
* pricing through Yieldstar

COMMUNITY AMENITIES		APARTMENT AMENITIES
renov. clubhouse w/free WiFi	pkg acceptance	patio or terrace
outdoor pool w/hot tub	24-hr maintenance	unrenovated units: carpet in living areas, kitchens w/oak cabinets, Formica counters, vinyl tile flring
fitness center		renovated: SS applncs, granite counters, wood style plank flring in foyer & some dining rooms in some -- newer renovations incl. wood plank flooring throughout
catering kitchen		full-size washer & dryer
workspaces, iMacs & free printing		
game room w/pool		
grill area		
adjacent to Pennbrook Station		

ADDITIONAL INFORMATION

Utilities Incl:	valet trash $25/mo.	**Pct Leased:**	96.5%
Utilities Not Incl & Approx $*:	gas heat & elect.	**Pct Occupiec**	94.2%
	sewer & water 1BR $45	**Lease Pace:**	13/mo.
	sewer & water 2BR $50	**Unit Mix:**	69% 1BR / 27% 2BR / 4% 3BR
		Turnover:	32%
Parking:	unassign. sur. sp. incl.	**Incentives:**	none
numerous carport bldgs avail.	$50/mo carport	**$ Escalation:**	3.2% avg on renewals / 3.1% avg. on new
att. direct access gar. incl. in rent	select 2BR & 3BR units	**Income:**	3x
Storage:	no storage units	**Schools-District/High School:**	North Penn SD
		S -	walk to train
Additional Fees:		**W** -	older, dated walk-up product; dated amenities; no storage units
Pet Fee	$350 (non-refund.)/apt	**O** -	poach tenants
Pet Mo. Rent	$35/mo./pet	**T** -	
Amenities	$400 one time	**Additional Comments:**	previously Station Square Apartments; renovated units +$150 1BR/ +$200 2BR; approx. 60% of units are renovated
Application Fee	$50/app.		
Security Deposit	$500		

PROPERTY PROFILE: MADISON LANSDALE STATION



Mailing Address/Municipality:	325 Madison Street, Lansdale, PA 19446/Montgomery Cty
Distance From Site:	1.5 Miles
Commute to Suburban Station Philly:	52-69 Min Train Ride (No Trans. Req.; 3 AM & 3 PM Exp. Trains)
Website Address:	https://www.madisonlansdalestation.com
Date Built:	2018/19; Initial Lease-up; Began Pre-leasing 01/2019; Occupancy Began: 1st Bldg (Elev. Bldg.) 05/19; 2nd Bldg 07/19
Developer/Owner/Management:	Madison Apartment Group
Phone/Contact:	267-436-0360
Number of Units:	182
Type of Building:	1 Bldg. 5-Story Elevator (36 Units); 5 Bldgs. 3-Story Walk-up

UNIT NAME	UNIT TYPE	RENT RANGE*		SQ.FT.	$ SQ. FT. RANGE	
Acorn	Studio			636		
Birch*		$1,375	$1,475	637	$2.16	$2.32
Fairview	1BR/1BA	$1,450		763	$1.90	
Delaware*		$1,550	$1,650	749	$2.07	$2.20
Hudson		$1,550	$1,600	775	$2.00	$2.06
Courtland		$1,625		725	$2.24	
Linden	1BR/1BA + Den	$1,800		855	$2.11	
York	2BR/2BA	$1,895	$1,945	1,136	$1.67	$1.71
Walnut*		$1,918	$2,018	1,127	$1.70	$1.79
Penn		$1,925		1,024	$1.88	
Madison		$1,950		1,020	$1.91	
Ridge		$1,995		1,071	$1.86	
Vine				1,106		
Shaw	2BR/2BA + Den	$1,945		1,078	$1.80	
Averages		**$1,748**	**$1,738**	**907**	**$1.94**	**$2.02**

* higher range $ on these units is for elevator bldg ($100 more than same unit in walk-up bldg.)

COMMUNITY AMENITIES		APARTMENT AMENITIES
outdoor lounges, grills & firepits	pet spa	patio or balcony - select units
fitness center	on-site mgmt & maint.	9' ceilings
business center	pkg concierge system	kitchen w/Quartz counter, ceramic bcksplsh, frameless cab. w/soft-close, SS appli. (frig w/water in door, range, dw & micro. hood)
lounge w/complimentary coffee	retail discount program	pendant lighting, pantry & brkfst bar (gas range in select apts)
billiards room	renewal reward program	bath w/Quartz counter, tub/shower combo (studio & 1BR), sep. tub and shower in 2BR
demo kitchen	30-day refund guarantee	full size washer & dryer
outdoor lounges, grills & firepits	on-site retail	hardwood in living areas; carpet in BRs (studios are all hw)
adj. to future Libery Bell trail	7-10 social activities/mo.	mini-blinds
adj. to Lansdale train station connected by bridge to SEPTA garage		

ADDITIONAL INFORMATION

Utilities Incl:	none	**Pct Leased:**	23.9%
		Pct Occupied:	13.1%
Utilities Not Incl:	elect., water & sewer plus gas (only 2 bldg - range only) and trash $10	**Lease Pace:**	14/mo.
		Unit Mix:	11% Std / 37.4% 1BR / 4.4% 1BR+D / 45.6% 2BR / 1.6% 2BR+D
		Turnover:	
Parking:	surface incl. $2/day SEPTA garage	**Incentives:**	welcome basket (value $500) w/retailer disc. etc.; pref. empl. (app. & reserv. fee applied to rent + $500 off 1st mo. rent)
Storage:	none	**$ Escalation:**	
		Income:	3x
Additional Fees:		**Schools-District/High School:**	North Penn S.D.
Pet Fee	none	**S**	- finishes; layouts; connector to train; in-town location
Pet Mo. Rent	$40/1 or $60/2 (limit 2)	**W**	- only 1 elevator-serviced bldg 36 Units; no storage units
Amenities	none	**O**	- poach tenants; superior proximity to Merck
Application Fee	$50/applicant	**T**	-
Security Deposit	1 mo. (refundable) or $350 (non-refundable)	**Additional Comments:**	smoke free community; heavy Merck tenant base; connected bridge to train and parking;
Reserve Fee (Non-Refundable)	$250 (not applied to rent)		SEPTA garage ($2/day for parking)

PROPERTY PROFILE: MADISON AT NEW BRITAIN



Mailing Address/Municipality:	1500 Manor Dr. Chalfont 18914/New Britain Twp/Bucks Cty
Distance From Site:	5 Miles
Commute to Suburban Station Philly:	65-74 Min Train Ride (No Trans. Req.; 3 AM & 1 PM Exp. Trains)
Website Address:	https://www.madisonnewbritain-hilton.com/
Date Built:	2013/Pre-lease Nov '12
Developer/Owner/Management:	Hilton Realty (Owner & Mgmt) / Built by BPG
Phone/Contact:	215-716-7101
Number of Units:	232
Type of Building:	2-Story Direct-Entry Units (5 Buildings/80 Units) 3-Story Garden-Style (7 Buildings/152 Units)

UNIT NAME	UNIT TYPE/MIX	RENT RANGE	SQ.FT.	$ SQ. FT. RANGE
Walton	1BR		847	
Livingston		$1,470	837	$1.76
Middleton		$1,480	901	$1.64
Penn		$1,480	901	$1.64
Ross		$1,480	902	$1.64
Rutledge		$1,570	964	$1.63
Harrison	1BR + Den	$1,570	968	$1.62
Hancock		$1,625	1,033	$1.57
Jefferson*		$1,680	1,160	$1.45
Stone			1,112	
Morris	2BR	$1,700	1,114	$1.53
Franklin		$1,710	1,099	$1.56
Braxton		$1,770	1,191	$1.49
Wolcott		$1,825	1,199	$1.52
Bartlett		$1,860	1,253	$1.48
McKean		$1,860	1,254	$1.48
Adams	2BR + Den	$1,965	1,308	$1.50
Stockton		$2,155	1,412	$1.53
Witherspoon		$2,175	1,540	$1.41
Averages		**$1,728**	**1,105**	**$1.56**

* most desired floorplan - 1st flr Jefferson due to layout of rooms and hardwood throughout

COMMUNITY AMENITIES		APARTMENT AMENITIES
clubhouse w/WiFi	outdoor kitchen & grilling	private patio or balcony = 72 sq ft
outdoor pool	daycare (1/4 mile away)	9' ceilings
fitness club	electric car charging station	kitchens w/ maple cabinetry
billiards room w/plasma TV	on-site management	granite countertops
cyber café	business center	breakfast bar w/pendant lighting
clubroom w/full kitchen & bar	outdoor fireplace	full size washer/dryer
dog park & agility dog run	school bus stop added	carpet in all 2nd & 3rd flr apts; some 1st flr apts have hw floors
adjacent to shopping center	LEED certified	
1.5 miles to Link Belt train station in Hatfield Twp		

ADDITIONAL INFORMATION

Utilities Incl:	none	**Pct Leased:**	100%
		Pct Occupied:	97.5%
Utilities Not Incl & Approx $*:	electric (heat) 1BR $120 avg/	**Lease Pace:**	13.5 to 15/mo.
	2BR $140-$160; wat. & sew.	**Unit Mix:**	50% 1BR / 50% 2BR
	1BR $35 avg; 2BR $40-50		37% 1BR / 13% 1BR+D / 38% 2BR / 12% 2BR+D
	$25 valet trash added	**Turnover:**	35%
Parking:	surface parking incl.	**Incentives:**	none
	$185/mo att. or det. avail.		
	att. access is thru corridor	**$ Escalation:**	renewal 2-2.5%; $30 on new since 01/19
Storage:	$35-$55/mo	**School District/High School:**	Central Bucks S.D. / CB South H.S.
Additional Fees:		**S -**	Route 202 bypass access
Pet Fee (Non-Refundable)	$250/1 or $300/2	**W -**	walk up product; dated plans and amenities; no buffer from ofc use
Pet Mo. Rent	$25/mo/pet (limit 2)	**O -**	pent-up demand from divorcees and empty nesters
Amenities	$199 one-time fee	**T -**	
Application Fee	$45/app; $30 (over 18 bkgrd)	**Additional Comments:**	well-heeled tenant with avg income +$100k;
Administrative Fee	$100		pre-leasing began 11/12; move-in 05/13; offer short term leases (furn.
Holding Deposit (Refundable)	$200 (refund. if not approved)		3 mo. or longer - incl. all utilities & cable; approx add'l $1,100+/mo.);
Security Deposit	1 mo. rent		month-to-month leases $250+

PROPERTY PROFIL AVE LANSDALE (previously Bridgeview At Towamencin)

Address	1001 Towamencin Avenue, Lansdale, PA 19446 / Towamencin Twp./Montgomery Cty
Distance From Site:	5.5 Miles
Website Address	https://www.aveliving.com/locations/pennsylvania/lansdale/apartments
Date Built	June 2013
Owner/Mgmt Company:	Korman
Phone/Contact:	267-647-9600
Number of Units	180
Type of Building	4-Story Elevator Bldgs Manor House With Amenities and 60 Units/7 Total Buildings/ 55 Furnished Units

NAME	UNIT TYPE	RENT RANGE		SQ.FT.	$ SQ. FT. RANGE	
A6-C	1BR	$1,638		820	$2.00	
A6		$1,688	$1,728	758	$2.23	$2.28
A4-M		$1,698		783	$2.17	
A5-M	1BR + Den			863		
B4	2BR (split BR)	$1,861	$1,871	1,082	$1.72	$1.73
				1,200		
B5		$2,033		1,202	$1.69	
B6				1,177		
B1-M				1,208		
C2-M	2BR + Den (split BR)			1,232		
C1-M				1,262		
C6-M (2 terraces)		$3,334		1,843	$1.81	
C7-M (2 terraces)				1,965		
C8-M (2 terraces)				2,032		
C9-M (2 terraces & library)				2,160		
n.a.	3BR			1,950		
Total/Avg		**$2,042**	**$1,800**	**1,346**	**$1.94**	**$2.00**

COMMUNITY AMENITIES		APARTMENT AMENITIES
10,000 sf clubhouse	media room	patio/balcony
pool	yoga room	9' ceilings
clubroom	dog stations	kitchen w/granite counter, SS appl. (frig, range, dw, & micro. hood),
theater room	concierge	breakfast bar & pantry (select units)
fitness center	gated	tile in foyer, kitchen & baths
billiards room	gazebo	carpet in living areas & bedrooms
small business center	outdoor fireplace	full-size washer & dryer
conference room		
4 miles to Lansdale train station		

ADDITIONAL INFORMATION

Utilities Incl:	none	**Pct Leased:** 97.0%
		Pct Occupied: 100%
Utilities Not Incl :	elect., gas (range), water &	**Lease Pace:**
	sewer; valet trash $25	**Unit Mix:** 55% 1BR / 35% 2BR / 10% 3BR
		Turnover: very low - lots of terminal renters
Parking:	surface - unassigned incl.	**Incentives:** none
84 garages (12 in ea. bldg)	$150 indiv entry garage	**$ Escalation:** 4-8% on renewals; market rents on new
Storage:	none	**Schools-District/High School:** North Penn S.D.
		S - furnished short term; access to Turnpike**;** opt. indiv. garages
Additional Fees:		**W** - inferior location; availability of cov. parking & fee; no storage
Pet Fee (Non-Refundable)	$350/pet (limit 2)	**O** - poach tenants
Pet Mo. Rent	$35/cat; $50 per dog	**T** -
Amenities	none	**Additional Comments:** town sq. complex w/Marriott Courtyard
Application Fee	none	hotel, Culinary Arts Institute of Montgomery Cty Community College
Move-In Fee (Non-Refundable)	$625 1BR / $750 2BR	& a conference center; 55 furn. apts daily $125 1BR/$145 2BR

PROPERTY PROFILE: PATRIOT STATION AT CHALFONT

Mailing Address/Municipality: 131 N. Main St., Chalfont 18914/Chalfont Borough/Bucks Cty
Distance From Site: 7 Miles
Commute to Suburban Station Philly: 68-77 Min Train Ride (No Trans. Req.; 3 AM & 2 PM Exp. Trains)
Residents That Commute Via Train: 10 to 15%
Website Address: https://www.patriotstationatchalfont.com/
Date Built: 2017 (Opened May 2017)/Stabilized Summer 2018

Developer/Owner/Management: Petrucci Residential

Phone/Contact: 215-515-2815

Number of Units: 69

Type of Building: 3-Story Elevator Building

UNIT NAME	UNIT TYPE	RENT RANGE	SQ.FT.	$ SQ. FT. RANGE
Providence	1BR	$1,370	690	$1.99
Saratoga		$1,390	718	$1.94
Brighton		$1,390	748	$1.86
Pacific		$1,395	720	$1.94
Darlington		$1,435	740	$1.94
Keystone		$1,435	743	$1.93
Hudson		$1,440	718	$2.01
Mohawk		$1,450	760	$1.91
Dominion		$1,475	745	$1.98
Stockton		$1,505	810	$1.86
Mercury	2BR (all split BRs)	$1,760	1,054	$1.67
Lincoln		$1,845	1,063	$1.74
Mayflower		$1,845	1,115	$1.65
Liberty Bell		$1,850	1,110	$1.67
Averages		**$1,542**	**838**	**$1.86**

COMMUNITY AMENITIES		APARTMENT AMENITIES
lounge	secure access	private patio or balcony (select units)
fitness center	24/7 maintenance	9' ceilings
WiFi in lounge and fitness center	on-site mgmt	kitchen w/maple espresso cabinets, granite counters, SS applncs
complimentary coffee station		(frig, range, dishwasher & micro.), wood-style vinyl plank flring
grills		walk in closets
		full-size HE washer & dryer
1/10th mile to Chalfont train station		1" mini blinds

ADDITIONAL INFORMATION

Utilities Incl: trash

Utilities Not Incl: elect., water & sewer (metered)

Parking: 1 assign. surface incl.; add'l prkg across street

Storage: no storage spaces

Additional Fees:

Pet Fee (Non-Refundable)	$400/apt
Pet Mo. Rent	$50 1st / $25 2nd
Amenities	$100/year
Application Fee	$60/applicant
Security Deposit	1 mo.

Pct Leased: 100%
Pct Occupied: 100%
Lease Pace: 8/mo.
Unit Mix: 73.9% 1BR / 26.1% 2BR
Turnover: 35% (down from 52% annualy as of 10/18)
Incentives: none
$ Escalation: usually $50 on renewals and new leases
Schools-District/High School: Central Bucks SD / CB West HS
S - walk to train and town
W - no storage spaces for rent; limited amenities & parking
O - poach tenants
T -
Additional Comments: smoke free; leasing & occupancy May '17; income 3 x rent; stabilized summer 2018

PROPERTY PROFILE: LUXOR

Mailing Address/Municipality: 900 Luxor Lane, Norristown 19401/Norristown Borough/Montgomery Cty

Distance From Site: 10.5 Miles
Commute to Suburban Station Philly: 57-89 Minute Train Ride (Trans. Req.; No Exp. Trains)
Website Address: www.luxorapartments.com

Date Built: 2016-2017/Occupancy Began 12/2016

Developer/Owner/Management: Westrum Development Company/Berger Leasing Company

Phone/Contact: 844-551-8066

Number of Units: 195

Type of Building: 4-Story Elevator Building

UNIT NAME	UNIT TYPE	RENT RANGE		SQ.FT.	$ SQ. FT. RANGE	
Deluxe	Studio	$1,381		608	$2.27	
Premier		$1,431		507	$2.82	
Deluxe	1BR	$1,436	$1,520	664	$2.16	$2.29
Grande		$1,538		681	$2.26	
Premier		$1,591	$1,606	562	$2.83	$2.86
Deluxe	1BR+Den	$1,454	$1,549	763	$1.91	$2.03
Premier- model +		$1,549	$1,606	760	$2.04	$2.11
Grande				860		
Deluxe	2BR			1,002		
Premier		$1,722		940	$1.83	
Grande		$1,986	$2,001	1,144	$1.74	$1.75
Averages		**$1,565**	**$1,656**	**772**	**$2.21**	**$2.21**

+popular plan

COMMUNITY AMENITIES		APARTMENT AMENITIES
infinity pool	courtyard	kitchens w/granite counter, SS appliances (electric range, frig w/
fitness center & yoga studio	firepit & grilling areas	ice maker, dishwasher & above range micro.) & island/bar counter
lounge with bar & TV	bocce court	all in one washer & dryer
gaming area (billiards, shuffle brd, TV)	concierge & on-site mgmt	soft-close cabinets and drawers
cyber lounge	pkg receiving & cold storage	electric heat
business center	controlled access	
complimentary bev. & snack station	bike racks	
dog walking area	pet washing area	
1 mile to Norristown Transportation Center train station		

ADDITIONAL INFORMATION

Utilities Incl:	none	**Pct Leased:** 89.0%
		Pct Occupied: 84.0%
Utilities Not Incl & Approx $*:	elect., water & sewer	**Lease Pace:** 16.5/mo.
***1 Bedroom/1 Occupant**	$20 valet trash	**Unit Mix:** 5% studios / 72% 1BR / 23% 2BR
		Turnover:
Parking:	1st spot included	**Incentives:** none
89 surface/127 garage spots	add'l covered spot +$75	**$ Escalation:**
Storage:	$40/mo (cage)	**Schools-District/High School:** Norristown Area SD & HS
Additional Fees:		**S** - amenity flow; outdoor pool
Pet Fee (Non-Refundable)	$300/apt (breed restrictions)	**W** - small units
Pet Mo. Rent	$35/pet (limit 2)	**O** - access to rail; poach tenants
Amenities	$25/mo.	**T** -
Application Fee	$50/applicant	**Additional Comments:** occupancy 12/16; 2BR Deluxe & Grande
Security Deposit	$500 (w/good credit) or	are split bedrooms; non-smoking building; bldg has 10-yr tax
	$299 non-ref. Credit Protect	abatement; construction completed Q4 '17 on final bldg (38 units)

PROPERTY PROFILE: PARC



Mailing Address/Municipality: 134 Plymouth Rd, Plymouth Meeting 19462/Plymouth Twp/ Montgomery Cty

Distance From Site: 11 Miles

Website Address: www.parcplymouthmeeting.com

Date Built: 2014/15

Developer/Owner/Management: Toll Brothers

Phone/Contact: 844-856-3402

Number of Units: 398

Type of Building: 7 4-Story Elevator Bldgs (centered around 11,000 sq ft clubhouse on 20 acres)

UNIT NAME	UNIT TYPE	RENT RANGE*		SQ.FT.	$ SQ. FT. RANGE	
A2	1BR/1BA			676		
A1+				622		
B2		$1,636		772	$2.12	
B1X		$1,645		780	$2.11	
BHA				763		
B3		$1,656		800	$2.07	
A1X		$1,691		682	$2.48	
B1				767		
B2X				800		
B4+				829		
C1	1BR/1BA + Den	$1,603		779	$2.06	
C2				889		
C2X				918		
C3				943		
C4				984		
D1 - corner+	2BR/2BA			987		
FHA - corner+				1,176		
E1X		$1,891		1,036	$1.83	
D2 - corner+				1,114		
E1				1,027		
E2				1,058		
F2 - corner+		$2,358		1,176	$2.01	
F1X -corner+		$2,403		1,185	$2.03	
G1				1,166		
F3 - corner+				1,245		
F2X-corner/model (18)		$2,513	$2,547	1,275	$1.97	$2.00
G (14)	2BR/2BA + Den	$2,473		1,307	$1.89	
Averages		**$1,987**		**954**	**$2.06**	

* pricing by YieldStar
+ popular plans

COMMUNITY AMENITIES		APARTMENT AMENITIES
pool & club room	bocce court	9' ceilings
fitness center & yoga room	beach volleyball court	kitchens w/ granite, SS appliances, ice maker in freezer, electric range,
steam room & massage room	fire pit and lounge area	tile backsplash; baths w/granite and ceramic tile floors
dining room with kitchen	grilling areas	plank flooring in living areas and kitchen
conference meeting room	pet salon	patio or balcony
game room	rain gardens	washer & dryer
walking trails	electric car charging station	gas heat
bike storage	WiFi at clubhouse & pool	
5 miles to Chestnut Hill East & West train stations		

ADDITIONAL INFORMATION

Utilities Incl:		**Pct Leased:** 98.2%
Utilities Not Incl & Approx $*:	$100/mo. +$15 valet trash	**Pct Occupied** 96.7%
		Lease Pace: 21.5/mo.
Floor Premiums:	2nd +$10/3rd +$20/4th +$30	**Unit Mix:** 50% 1BR / 50% 2BR
Parking:	1 surf. space incl. / 2nd +$50	**Turnover:**
104 attached garage spaces	$150/mo att. gar. or	**Incentives:** none
	$250/mo. 2 car tandem	**$ Escalation:** 0-10% on renewals; market rates for new
17 detached spaces	$125/mo. det. space	**Schools-District/High School:** Colonial SD/Plymouth-Whitemarsh HS
Storage:	$50-$100	**S** - access to hwy network; balconies; rent escalation; outdoor pool
Additional Fees:		**W** - amenity flow; surrounding area lacks placemaking; ltd supply JR 1
Pet Fee (Non-Refundable)	$350/pet	**O** - access to rail and in-town living; poach tenants
Pet Mo. Rent	$35/pet (max 80 lbs total)	**T** -
Amenities	$30/mo.	**Additional Comments:** early interest from local empty nesters and
Application Fee	$60/applicant	those employed locally; 6-8 mo. lease +$200/mo; 9-11 mo +$100/mo;
Security Deposit	$300	leasing 9/14; occupancy 12/14; construction completed Jan. 2016

PROPERTY PROFILE: COURTS AT SPRING MILL STATION

Mailing Address/Municipality: 1101 E. Hector St., Conshohocken 19428/Whitemarsh Twp/ Montgomery Cty
Distance From Site: 13 Miles
Commute to Suburban Station Philly: 31-39 Min Train Ride (No Trans. Req.; No Exp. Trains)
Residents That Commute Via Train: 40%
Website Address: www.courtsatspringmill.com
Date Built: 2014/2015

Developer/Owner/Management: GMH/ built by Home Properties Inc.

Phone/Contact: 610-825-3523

Number of Units: 385

Type of Building: 2 Bldgs; 4-Story Over 1-Story Garage & 4-Story Over Basement Surrounding 6-Story Garage; 40k Sq Ft Amenity Space On 7.8 Acres

UNIT NAME	UNIT TYPE	RENT RANGE*		SQ.FT.	$ SQ. FT. RANGE	
	1BR	$1,485		533	$2.79	
		$1,932	$2,137	718	$2.69	$2.98
		$1,939	$2,034	766	$2.53	$2.66
		$1,964		716	$2.74	
		$1,994		721	$2.77	
		$1,994		805	$2.48	
		$2,155		895	$2.41	
	1BR + Den			850		
				920		
				1,009		
				1,041		
				947		
	1BR + Loft			1,070		
		$2,213	$2,250	908	$2.44	$2.48
	1BR + Den + Loft			1,151		
	2BR			997		
				1,040		
				1,058		
		$2,418	$2,443	1,083	$2.23	$2.26
				1,085		
		$2,458		1,120	$2.19	
		$2,468		1,067	$2.31	
		$2,493	$2,535	1,151	$2.17	$2.20
		$2,510		1,113	$2.26	
		$2,543	$2,668	1,089	$2.34	$2.45
				1,217		
		$2,704		1,242	$2.18	
	2BR + Den			1,282		
		$3,241		1,306	$2.48	
	2BR + Loft			1,372		
				1,359		
Total/Avg		**$2,282**	**$2,345**	**1,020**	**$2.44**	**$2.50**

* pricing optimization software

COMMUNITY AMENITIES	APARTMENT AMENITIES
outdoor pool w/picnic area & bbq	9' ceilings with track lighting
clubroom w/TVs, billiards, shuffleboard, video gaming, frpl	patio/balcony+
fitness center with cardio theater & weight training equipment	kitchens w/granite, SS appliances+ icemaker, island/brkfst bar+, pantry+
indoor basketball & volleyball court with bleachers	bathrooms w/granite, glass enclosed shower & soaking tub+
yoga & pilates studio / high def. theater	stacked full-size washer/dryer
WiFi café & business center plus dining area for conf. room	ceramic tile floors in kitchen & bathroom
bicycle storage & dog wash area	Schuylkill River views+
controlled access bldg / 24-hr emergency maintenance	individually-controlled HVAC
working toward LEED Silver certification / smoke-free bldgs	
adjacent to Spring Mill train station and Schuylkill River Trail	+ select units

ADDITIONAL INFORMATION

Utilities Incl.: none
Utilities Not Incl.: $80 gas (range & heat), elect. (water), sewer & water; $10 trash (chute)

Parking: 1st covered space incl.
630 total spots/35 guest — 2nd space +$45
595 are covered
Storage: $50-$75/mo. (4' x 5')
120 units
Additional Fees:
Pet Fee (Non-refundable): $350/pet
Pet Mo. Rent: $35/mo.
Amenities: $350
Application Fee: $50 + Reservation Fee $500
Security Deposit: $1k+ (income/credit based)

Pct Leased: 95.6%
Pct Occupied: 94.8%
Lease Pace: 19/mo.
Unit Mix: 52% 1BR / 48% 2BR
Turnover: 20-25% this year (down from 30% last year)
Incentives: none
$ Escalation: market rents on new leases & renewals but capped at 7%
Schools-District/High School: Colonial SD/Plymouth-Whitemarsh HS
S - adjacent to rail - shorter commute to Philly; 1 parking space included; expansive amenities including pool; abundant closet space
W - amenity flow; dark corridors; dated product
O -
T -
Renter Profile: professionals commuting to Philly via rail
Additional Comments: add'l flrplns avail; preleasing began 08/14; occupancy Bldg 1 11/14; Bldg 2 occup 6/15 - all units completed

PROPERTY PROFILE: LONDONBURY AT MILLENNIUM

Mailing Address/Municipality:	301 Washington St., Conshocken, PA 19428/Conshohocken Boro/ Montgomery Cty
Distance From Site:	14 Miles
Commute to Suburban Station Philly:	35-42 Min. Train Ride (No Trans. Req.; No Exp. Trains)
Website Address:	www.londonburyapartments.com
Date Built:	2010
Developer/Owner/Management:	Lincoln BP Management
Phone/Contact:	610-881-6246
Number of Units:	309
Type of Building:	4-Story Elevator Over Parking

UNIT NAME	UNIT TYPE	RENT RANGE*		SQ.FT.	$ SQ. FT. RANGE	
Abbey	1BR/1BA	$1,528	$1,791	600	$2.55	$2.99
Cambridge		$1,568	$1,872	686	$2.29	$2.73
Canterbury		$1,658	$1,848	737	$2.25	$2.51
Manchester	1BR/1BA + Den			940		
Chelsea	1BR/1BA + Loft	$1,798	$1,873	912	$1.97	$2.05
Notting Hill	2BR/2BA			1,011		
Notting Hill		$2,151		1,011	$2.13	
Soho		$2,211	$2,341	1,157	$1.91	$2.02
Soho				1,157		
Windsor				1,286		
South Bank		$2,256		1,202	$1.88	
South Bank				1,202		
Windsor				1,286		
Oxford	2BR/2BA + Den			1,107		
Sherwood				1,131		
Westminster		$2,316		1,204	$1.92	
Averages		**$1,936**	**$1,945**	**1,039**	**$2.11**	**$2.46**

* pricing By YieldStar
(some units in bldgs 200 & 300 have river views which includes a premium set by YieldStar)

COMMUNITY AMENITIES		APARTMENT AMENITIES
Fitness Center	Barbecue Area	9' Ceilings
Clubhouse w/Great Room (renovated)	Dog Stations	Private Balconies
Pool	Monthly Activities	Kitchens w/ Granite Countertops & Black Appliances
Billiards/Card Room	Package Acceptance	Dishwasher
Business Center	Corporate Suites	Washer & Dryer
Complimentary Coffee/Tea/Cookies	Furnished Apts	Renovated units: lighter granite counters, SS applncs, tile backsplash,
24-Hr Emergency Maintenance		wood-look laminate floors replace carpet; upgraded washer & dryer
1/2 mile to Conshohocken train station		
3/4 mile to Spring Mill train station		

ADDITIONAL INFORMATION

Utilities Incl:		**Pct Leased:** 99.0%
		Pct Occupied: 98.4%
		Lease Pace: 25/mo.
Utilities Not Incl:	gas (heat/cooking);	**Unit Mix:** 60% 1BR / 40% 2BR
	elect, water, sewer, trash	**Turnover:** 20%
		Incentives: none
Parking:	unreserved space no chg.	**$ Escalation:** avg 2.8% on renewals; market rate on new leases
covered parking	reserved space $75	**Schools-District/High School:** Colonial SD/Plymouth-Whitemarsh HS
		S - Conshie locale offers walkable lifestyle; river views (bldg 200+300);
Storage: (wait list)	storage $50-$100	walk to train; outdoor pool
		W - wasted space in baths; lack of closet space; Greystone (previous
Additional Fees:		owner) removed the concierge services
Pet Fee	$350/apartment	**O** -
Pet Mo. Rent	$35/pet/mo. (2 max)	**T** -
Amenities	$300/one time	**Additional Comments:** short term leases avail.; started renovating
Application Fee	$50/app.	units 07/17; only 21% renovated as of 07/19; have halted renovations
Security Deposit	$300 or 1 month's rent	due to low vacancy - units are re-rented before they are vacated

PROPERTY PROFILE: RIVERWALK APARTMENT HOMES



Mailing Address/Municipality: 309 Washington St., Conshocken, PA 19428/Conshohocken Boro/ Montgomery Cty
Distance From Site: 14 Miles
Commute to Suburban Station Philly: 35-42 Min. Train Ride (No Trans. Req.; No Exp. Trains)
Website Address: https://www.riverwalkapts.com/

Date Built: 2005

Developer/Owner/Management: Relative Properties LLC

Phone/Contact: 833-274-1996

Number of Units: 375

Type of Building: 4-Story Over Parking - 4 Buildings

NAME	UNIT TYPE	RENT RANGE*		SQ.FT.	$ SQ. FT. RANGE	
Baldwin	1BR/1BA	$1,600	$1,625	716	$2.23	$2.27
Berwyn		$1,615		756	$2.14	
Ardmore		$1,632		684	$2.39	
Colonial		$1,715		761	$2.25	
Chesterbrook		$1,725		759	$2.27	
Cabrini		$1,740		758	$2.30	
Darby				783		
Devon		$1,825		792	$2.30	
Haverford		$1,925		986	$1.95	
	1BR/1BA + Den			963		
				982		
		$1,940		986	$1.97	
Merion				1,018		
				1,110		
	1BR/1BA + Loft			902		
Darby Loft				873		
Devon Loft		$1,990		905	$2.20	
Overbrook	2BR/2BA	$2,000	$2,140	1,083	$1.85	$1.98
Radnor		$2,055	$2,140	1,084	$1.90	$1.97
Strafford		$2,215		1,218	$1.82	
Rosemont		$2,225		1,202	$1.85	
Wynnewood		$2,265		1,285	$1.76	
Wayne		$2,265		1,296	$1.75	
Overbrook Loft	2BR/2BA + Loft	$2,310		1,207	$1.91	
Total/Avg		**$1,944**	**$1,968**	**963**	**$2.05**	**$2.07**

1st digit in unit # is bldg; 2nd digit is flr

COMMUNITY AMENITIES		APARTMENT AMENITIES
Clubhouse	Business Center & Conf. Rm	9' Ceilings
Pool With Sundeck	Coffee/Tea Service	French Balconies
Billiards & Pub Room	Package Acceptance	Track Lighting
Controlled Access Entrance	Loaner Tools	Full Size Washer & Dryer
Fit. Cntr w/Precor & Cardio Vision	24/7 Maintenance	Gas Fireplaces (select units)
renovating amenities, lobbies & hallways - Fall 2019		LEED Certified (select units)
SEPTA train stations: 1/2 mi. to Conshie and 3/4 mi. to Spring Mill		renovating units: granite, SS appl., plank flring, bathrooms

ADDITIONAL INFORMATION

Utilities Incl:		**Pct Leased:**	97.1%
		Pct Occupied:	95.5%
Utilities Not Incl & Approx $*:	approx. $170 gas, water,	**Unit Mix:**	65% 1BR / 35% 2BR
***1 Bedroom/1 Occupant**	electric, sewer & trash	**Turnover:**	42%
		Incentives:	
Parking:	surface included	**$ Escalation:**	3.5% renewals; market rents new leases
assigned/under ea. bldg	$35 cov. & controlled		
Storage:		**School District/High School:**	Colonial SD/Plymouth-Whitemarsh HS
Additional Fees:		**S**	- Conshie locale offers walkable lifestyle, retail & commercial; walk to train; outdoor pool
Pet Fee (Non-Refundable)	$300/apt		
Pet Mo. Rent	$40/pet (2 max)	**W**	- covered parking fee; older design and amenities
Amenities	$400/one time	**O**	-
Application Fee	$65/applicant	**T**	- older stabilized property - potential to discount rents
Admin. Fee	$100 (one time at move-in)	**Additional Comments:**	previous owners include-O'Neill, Bozutto and Scully; renovations scheduled for Fall 2019
Holding Deposit	$300 (becomes Security Dep.)		