

REGIONAL AREA ANALYSIS

INTRODUCTION

In order to understand the subject’s position in the area or region, we have undertaken a brief analysis in order to determine how trends—both historical and projected—in population, employment, personal income, consumer spending, and housing impact supply and demand and influence the subject’s area directly and indirectly. This analysis first begins on a broader spectrum, and without respect to the subject itself, and is highlighted in the Regional Area Analysis. Secondly, we undertake a more narrowly focused study of the aforementioned attributes as they relate directly to the subject and the subject’s neighborhood. This discussion is presented in the forthcoming Local Area Analysis.

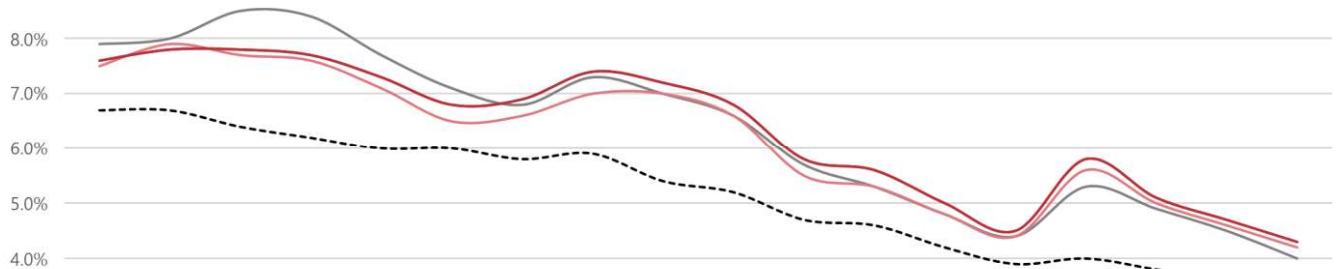
REGIONAL AREA ANALYSIS

The subject property is located in Temple, Pennsylvania. The map presented on the previous page illustrates the subject property location relative to the Reading, PA MSA metropolitan area.

UNEMPLOYMENT

The following graphs charts the trailing 18 months and trailing 10 years unemployment rate for the United States, Middle Atlantic Division, Pennsylvania, Reading, PA MSA, and Berks County.

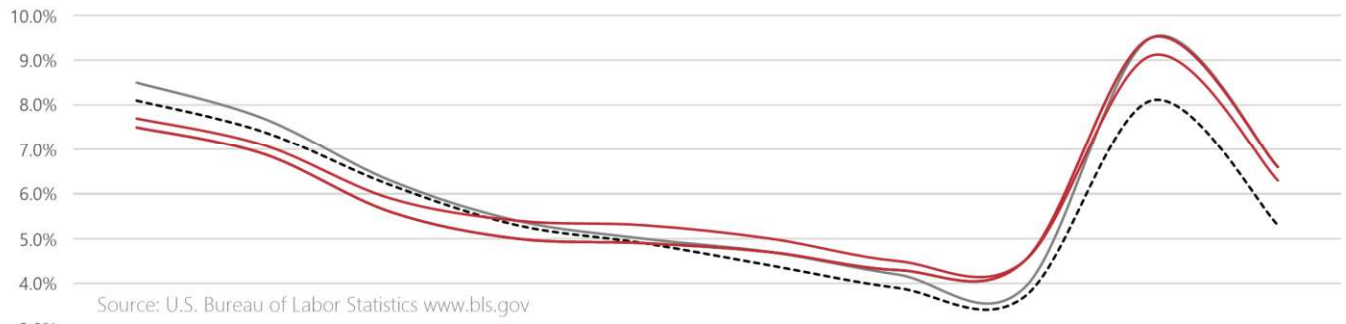
MONTHLY UNEMPLOYMENT RATE (18 MONTHS)



Source: U.S. Bureau of Labor Statistics

	Nov	Dec	Jan	Feb	Mar	2021 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	2022 Apr
-----Nation	6.7%	6.7%	6.4%	6.2%	6.0%	6.0%	5.8%	5.9%	5.4%	5.2%	4.7%	4.6%	4.2%	3.9%	4.0%	3.8%	3.6%	3.6%
-----Region	7.9%	8.0%	8.5%	8.4%	7.7%	7.1%	6.8%	7.3%	7.0%	6.6%	5.7%	5.3%	4.8%	4.4%	5.3%	4.9%	4.5%	4.0%
-----State	7.5%	7.9%	7.7%	7.6%	7.1%	6.5%	6.6%	7.0%	7.0%	6.6%	5.5%	5.3%	4.8%	4.4%	5.6%	5.0%	4.6%	4.2%
-----Area	7.6%	7.8%	7.8%	7.7%	7.3%	6.8%	6.9%	7.4%	7.2%	6.8%	5.8%	5.6%	5.0%	4.5%	5.8%	5.1%	4.7%	4.3%
-----County	7.6%	7.8%	7.8%	7.7%	7.3%	6.8%	6.9%	7.4%	7.2%	6.8%	5.8%	5.6%	5.0%	4.5%	5.8%	5.1%	4.7%	4.3%

ANNUAL UNEMPLOYMENT RATE (10 YEARS)



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
-----Nation	8.1%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%	8.1%	5.3%
-----Region	8.5%	7.7%	6.3%	5.4%	5.0%	4.7%	4.2%	3.9%	9.5%	6.6%
-----State	7.7%	7.1%	5.9%	5.4%	5.3%	5.0%	4.5%	4.5%	9.1%	6.3%
-----Area	7.5%	6.9%	5.6%	5.0%	4.9%	4.7%	4.3%	4.5%	9.5%	6.6%
-----County	7.5%	6.9%	5.6%	5.0%	4.9%	4.7%	4.3%	4.5%	9.5%	6.6%

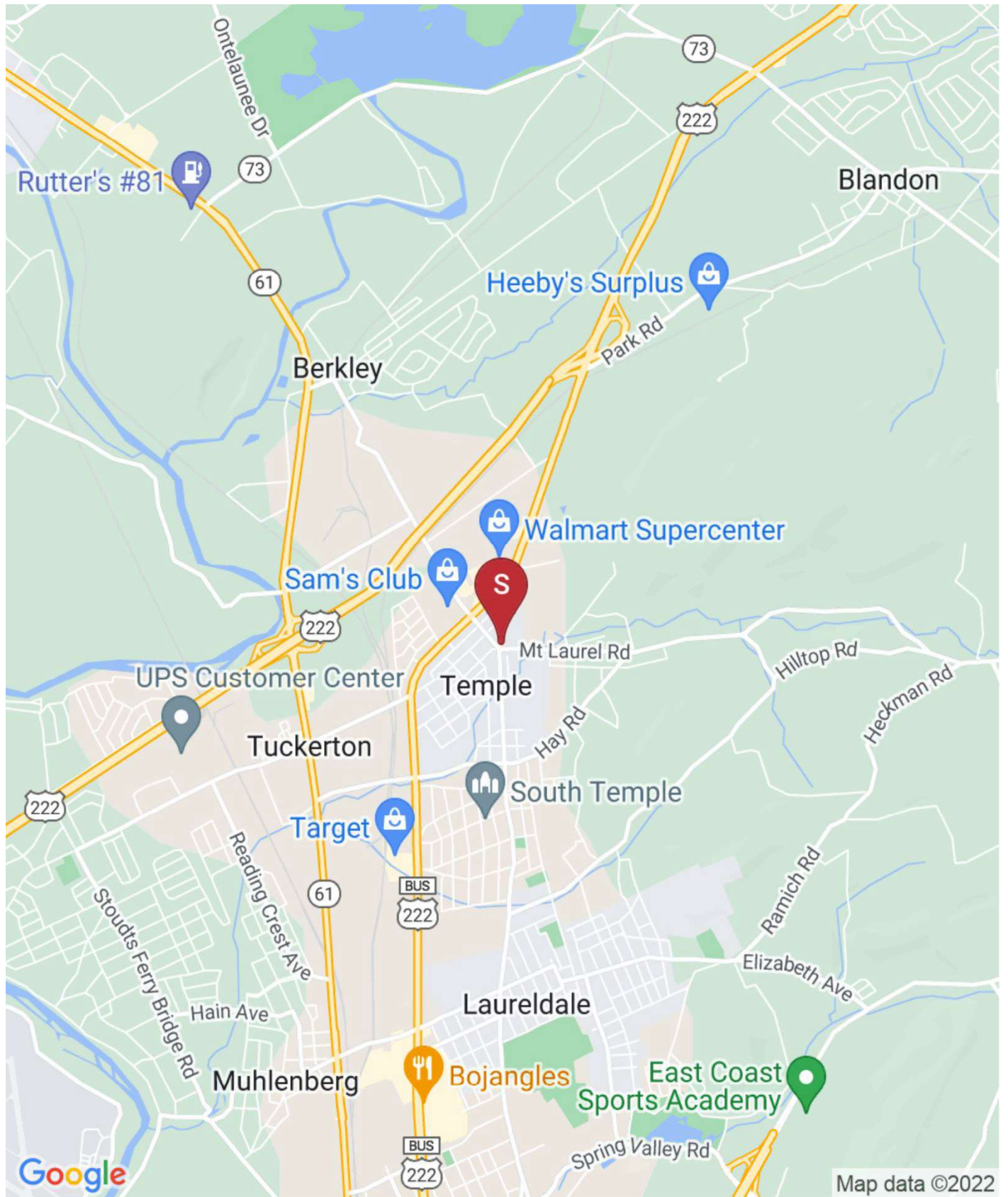
EMPLOYMENT

The following chart shows the trailing 10 years employment for the state of Pennsylvania, Reading, PA MSA, and Berks County.

STATE & REGIONAL EMPLOYMENT						
YEAR	STATE	% CHG.	AREA	% CHG.	COUNTY	% CHG.
2012	5,955,409	1.2%	195,497	1.0%	195,497	1.0%
2013	5,962,130	0.1%	196,083	0.3%	196,083	0.3%
2014	6,010,075	0.8%	199,054	1.5%	199,054	1.5%
2015	6,076,402	1.1%	201,893	1.4%	201,893	1.4%
2016	6,114,644	0.6%	203,031	0.6%	203,031	0.6%
2017	6,161,913	0.8%	204,385	0.7%	204,385	0.7%
2018	6,210,098	0.8%	205,903	0.7%	205,903	0.7%
2019	6,266,508	0.9%	208,196	1.1%	208,196	1.1%
2020	5,893,583	(6.3%)	194,595	(7.0%)	194,595	(7.0%)
2021	5,999,442	1.8%	197,487	1.5%	197,487	1.5%
CAGR	0.1%	-	0.1%	-	0.1%	-

Source: U.S. Bureau of Labor Statistics www.bls.gov

LOCAL AREA MAP



LOCAL AREA ANALYSIS

LOCAL AREA ANALYSIS INTRODUCTION

The subject property is located along Kutztown Road in the Temple area of Muhlenberg Township. Temple is a census-designated place in Muhlenberg Township. Based upon available data from Berks County, the subject property is the Solomon's Temple Inn that opened in 1853. The subject market area was named after the inn, when it was originally incorporated. Temple was an independent borough until it was unincorporated on January 1, 1999. The immediate area of the subject is characterized by commercial uses with residential and industrial uses in the surrounding area.

DEMOGRAPHICS

The following information reflects the demographics for the subject's area.

LOCAL AREA & MSA DEMOGRAPHICS									
DESCRIPTION	1 MILE	3 MILE	5 MILE	MSA	DESCRIPTION	1 MILE	3 MILE	5 MILE	MSA
POPULATION TOTAL					HOUSEHOLDS				
2000 Census	4,248	24,175	90,236	373,638	2000 Census	1,847	9,848	33,476	141,570
2010 Census	4,867	28,434	102,409	411,442	2010 Census	1,968	11,193	35,870	154,356
2021 Estimate	5,160	30,179	108,111	426,737	2021 Estimate	2,051	11,859	37,416	160,311
2026 Projection	5,248	30,886	110,127	432,801	2026 Projection	2,082	12,121	38,060	162,638
Δ 2000-2010	14.57%	17.62%	13.49%	10.12%	Δ 2000-2010	6.55%	13.66%	7.15%	9.03%
Δ 2010-2021	6.02%	6.14%	5.57%	3.72%	Δ 2010-2021	4.22%	5.95%	4.31%	3.86%
Δ 2021-2026	1.71%	2.34%	1.86%	1.42%	Δ 2021-2026	1.51%	2.21%	1.72%	1.45%
Total Daytime Population	4,822	13,739	57,305	210,365	HOUSEHOLDS BY INCOME (2021 ESTIMATE)				
HOUSING UNITS					<\$15,000				
Total (2021 Estimate)	2,160	12,401	40,751	171,374	\$15,000 - \$24,999	6.2%	5.9%	11.7%	8.1%
Owner Occupied	70.6%	76.4%	58.5%	65.9%	\$25,000 - \$34,999	5.9%	5.1%	10.1%	7.7%
Renter Occupied	24.3%	19.3%	33.3%	27.7%	\$35,000 - \$49,999	7.5%	7.0%	9.1%	7.5%
Vacant Housing Units	5.0%	4.4%	8.2%	6.5%	\$50,000 - \$74,999	15.7%	12.5%	14.1%	13.5%
Total (2026 Projection)	2,200	12,716	41,592	174,427	\$75,000 - \$99,999	20.9%	22.3%	19.8%	17.8%
Owner Occupied	71.0%	76.7%	59.0%	66.3%	\$100,000 - \$149,999	24.0%	17.3%	13.1%	13.9%
Renter Occupied	23.6%	18.6%	32.5%	27.0%	\$150,000 - \$199,999	15.2%	21.3%	15.1%	19.7%
Vacant Housing Units	5.4%	4.7%	8.5%	6.8%	\$200,000+	3.2%	6.0%	4.4%	6.6%
AVERAGE HOUSEHOLD INCOME					AVERAGE HOUSEHOLD SIZE				
2021 Estimate	\$72,800	\$81,289	\$69,022	\$85,046	2021 Estimate Estimate	2.48	2.52	2.83	2.59
2026 Projection	\$78,420	\$89,546	\$76,284	\$94,605	2026 Projection Projection	2.49	2.53	2.84	2.59
Δ 2021-2026	7.72%	10.16%	10.52%	11.24%	Δ 2021-2026	0.40%	0.40%	0.35%	0.00%
MEDIAN HOUSEHOLD INCOME					MEDIAN HOME VALUE				
2021 Estimate	\$65,527	\$70,586	\$54,457	\$66,647	2021 Estimate	\$147,487	\$171,828	\$158,025	\$203,662
2026 Projection Projection	\$70,267	\$76,264	\$58,007	\$74,561	2026 Projection	\$158,394	\$188,993	\$179,059	\$233,734
Δ 2021-2026	7.23%	8.04%	6.52%	11.87%	Δ 2021-2026	7.40%	9.99%	13.31%	14.77%
PER CAPITA INCOME					AVERAGE HOME VALUE				
2021 Estimate	\$28,507	\$31,680	\$23,948	\$31,999	2021 Estimate	\$151,278	\$189,398	\$181,439	\$238,597
2026 Projection	\$30,639	\$34,847	\$26,422	\$35,600	2026 Projection	\$164,821	\$215,931	\$211,033	\$272,681
Δ 2021-2026	7.48%	10.00%	10.33%	11.25%	Δ 2021-2026	8.95%	14.01%	16.31%	14.29%

Source: Sites To Do Business Online

Population

Esri estimates the current 2021 population of the neighborhood 3 mile radius of the subject property to be 30,179 representing a 6.14% change since 2010. The total trade area 5 mile radius of the subject is estimated to have a population of 108,111, which represents a 5.57% change since 2010.

Looking forward, the population of the neighborhood 3 MILE radius is forecasted to change to 6.14% by the year 2026. The population within the total trade area 5 mile radius is forecasted to change to 110,127 over the next five years. Overall, total trade area 5 mile radius population is expected to change by 110,127 over the next five years.

Households

Esri estimates that the number of households in the neighborhood 3 mile radius of the subject is 11,859, which is a 5.95% change since 2010. Within the total trade area 5 mile radius, the number of households is estimated to be 37,416, a 4.31% change over the same period of time.

By the year 2026, Esri estimates that the number of households in the neighborhood 3 mile radius will change by 2.21% to 12,121, households. Additionally, households in the entire trade area are expected to change by 1.72% to 38,060 households over the next five years.

The number of households in the neighborhood 3 mile radius of the subject changed 13.66% from 2000 to 2010; and since then it has changed by 5.95%.

Income

According to Esri, the neighborhood 3 mile radius of the subject property has an estimated median household income of \$70,586 and an average household income of \$81,289. Esri reports that the total trade area 5 mile radius has a median household income of \$54,457, and an average household income of \$69,022. With 37,416 households currently in the total trade area 5 mile radius of the subject property, local effective buying income is estimated to be about \$2,582,527,152.

CONCLUSION

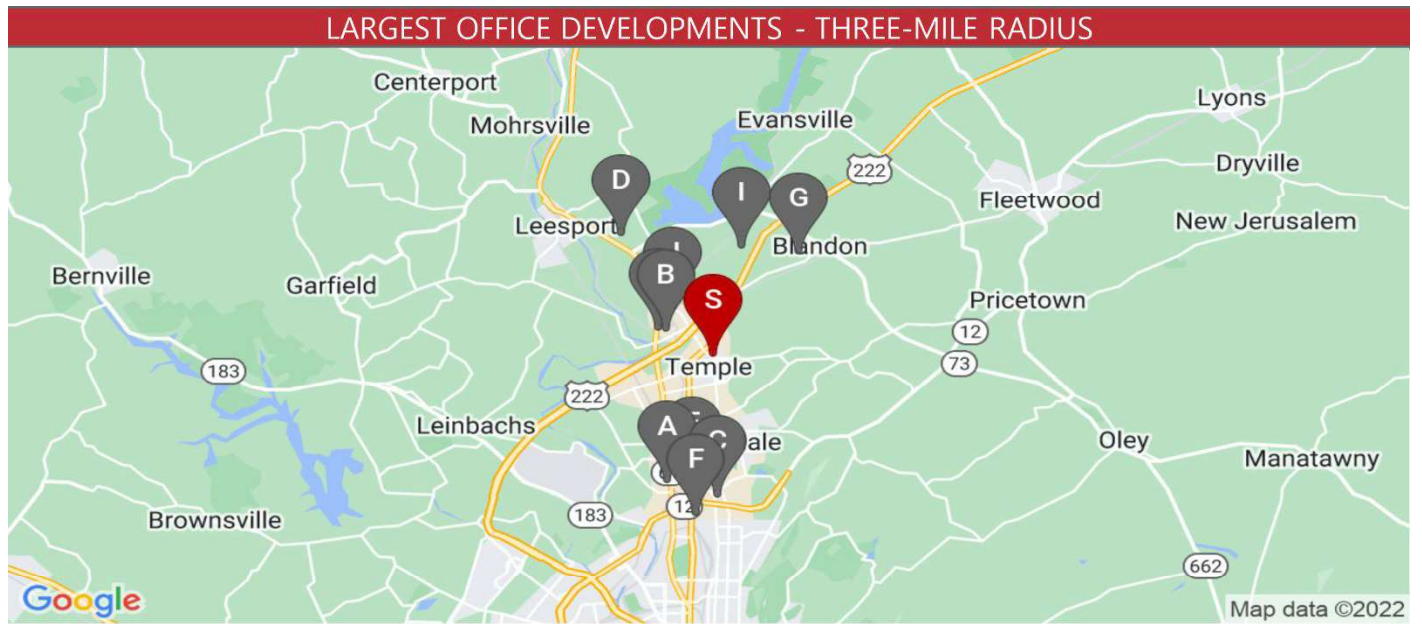
Based on the Esri data presented above, the demographics in the subject neighborhood are average, with upside potential. Population growth has increased by 6.14% since 2010 and is expected to increase 2.34% over the next 5 years in the 3 mile radius neighborhood. Average household incomes are above average at nearly \$81,289, and the area is populated with 11,859 households in a 3 mile radius around the subject property. Population growth and strong income levels are a good signal for potential office locations.

SURROUNDING LAND USES

The following tables and maps highlight the development in and around the subject.

LOCAL AREA OFFICE - THREE-MILE RADIUS				
CLASS	RBA	YEAR BUILT	PERCENT LEASED	PROPERTIES
A	502,205 SF	1955	100.0	1
B	286,363 SF	1978	90.7	21
C	532,697 SF	1967	97.2	36
TOTAL	1,321,265 SF	1965	96.8	58

Source: CoStar



PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	CLASS	%LEASED
A		2800 Centre Ave, Reading	2.5 mi	502,205	1955	A	100
B		81 W Huller Ln, Reading	0.9 mi	256,308	1972	C	100
C		2503 Kutztown Rd, Reading	2.7 mi	83,142	1942	C	100
D	Redner's Way	121 Redners Way, Leesport	2.7 mi	45,000	2018	B	94.28
E		210 George St, Reading	2.3 mi	42,000	1920	B	100
F		2312 Fairmont Ave, Reading	3.0 mi	38,001	1979	B	100
G		307 June Ave, Blandon	2.4 mi	30,778	1988	C	100
H	Brenntag North America	5083 Pottsville Pike, Reading	1.0 mi	25,200	1972	C	100
I		253 Snyder Rd, Reading	2.1 mi	24,168	2003	B	100
J	B	5662 Leesport Ave, Reading	1.1 mi	18,000	1984	C	100

Source: CoStar

LOCAL AREA INDUSTRIAL - THREE-MILE RADIUS				
TYPE	RBA	YEAR BUILT	PERCENT LEASED	PROPERTIES
Flex	696,489 SF	1987	99	24
Gen-Ind <25,000 FT	716,636 SF	1969	99	60
Gen-Ind >25,000 FT	9,651,192 SF	1984	91	62
TOTAL	11,064,317 SF	1983	91.7	147

Source: CoStar



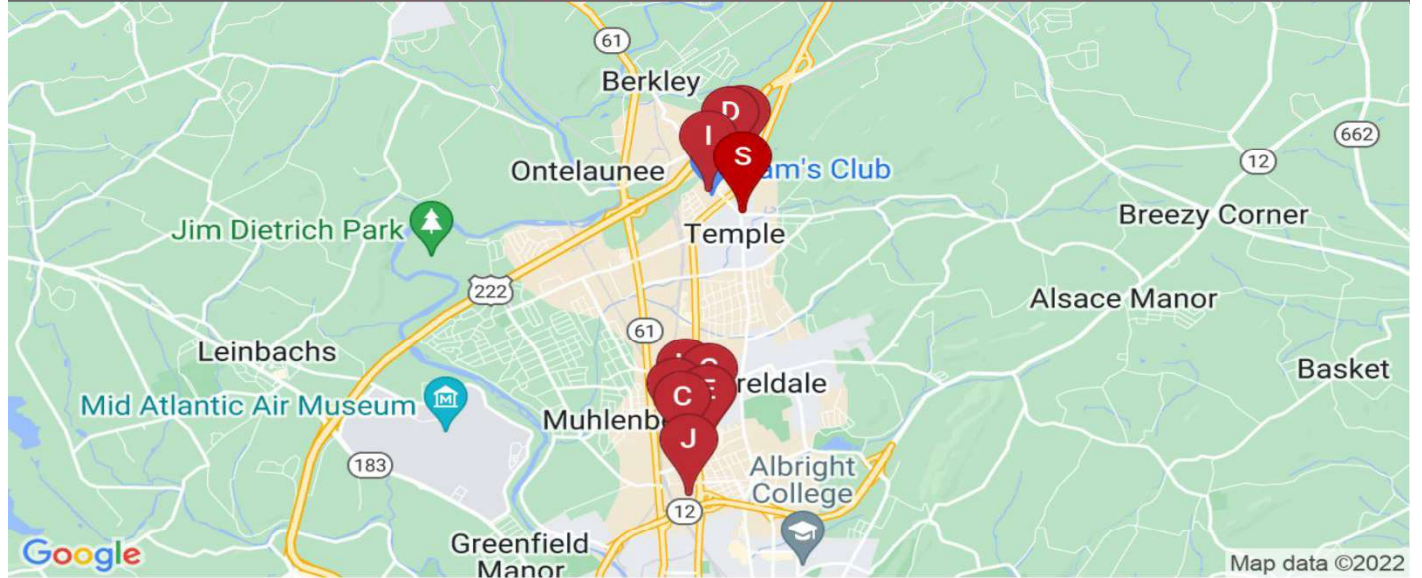
PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	TYPE	%LEASED
A		2525 N 12th St, Reading	2.6 mi	1,077,000	1972	Industrial	81.35
B		1002 Patriot Pky, Reading	2.9 mi	708,960	2004	Industrial	100
C	Route 61 Logistics Center	5291 Pottsville Pike, Reading	1.8 mi	652,080	2022	Industrial	0
D		3000 Montrose Ave, Reading	2.0 mi	557,000	1978	Industrial	100
E		86 Tube Dr, Reading	1.4 mi	487,458	1969	Industrial	100
F		171-173 Tuckerton Rd, Muhlenberg Townshi	1.3 mi	392,107	1966	Industrial	100
G	Route 61 Distribution Center	184 Tuckerton Rd, Reading	1.3 mi	392,030	1966	Industrial	100
H	BlueStar Appliances	318 June Ave, Blandon	2.5 mi	338,301	1973	Industrial	100
I		1055-1101 Crossroads Blvd, Reading	0.7 mi	324,132	1993	Industrial	100
J	Novipax - Plant	4275 Reading Crest Ave, Reading	1.4 mi	298,130	1968	Industrial	100

Source: CoStar

LOCAL AREA RETAIL - THREE-MILE RADIUS				
SIZE	RBA	YEAR BUILT	PERCENT LEASED	PROPERTIES
<5,000 FT	276,222 SF	1959	97.8	99
>5,000 FT-<20,000 FT	672,132 SF	1965	98.8	67
>20,000 FT	3,125,861 SF	1984	84.3	35
TOTAL	4,074,215 SF	1979	87.6	207

Source: CoStar

LARGEST RETAIL DEVELOPMENTS - THREE-MILE RADIUS



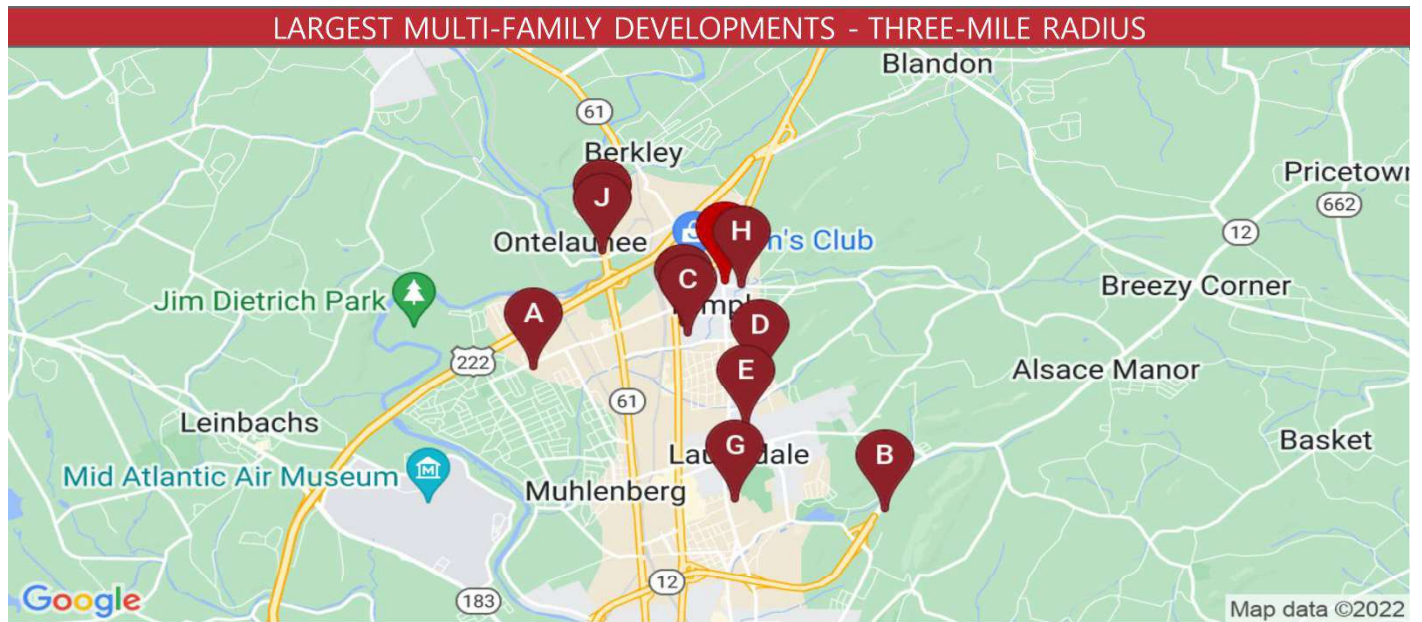
PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	CLASS	%LEASED
A	Fairgrounds Square Mall	3050 N 5th Street Hwy, Reading	2.2 mi	323,513	1980	B	0
B	Walmart Supercenter	5370 Allentown Pike, Temple	0.4 mi	205,667	1999	A	100
C	Bosco's	2910 N 5th Street Hwy, Reading	2.3 mi	202,897	1965	B	100
D	North Reading Plaza	5370 Allentown Pike, Temple	0.4 mi	199,500	1999	B	74.22
E	Penn Plaza	3039-3045 N 5th Street Hwy, Reading	2.2 mi	178,389	1972	B	100
F	Penn Plaza	3039-3045 N 5th Street Hwy, Reading	2.2 mi	178,389	1972	B	100
G	Madeira Plaza	3205-3215 N 5th St, Reading	2.0 mi	150,617	1969	A	100
H	Muhlenberg Shopping Plaza	3240-3316 N 5th Street Hwy, Reading	2.0 mi	145,000	1965	B	99.38
I	Sam's Club	5314 Allentown Pike, Temple	0.3 mi	138,078	1990	B	100
J		500 Madison Ave, Reading	2.7 mi	128,467	0	B	100

Source: CoStar

LOCAL AREA MULTI-FAMILY - THREE-MILE RADIUS

CLASS	RBA	YEAR BUILT	UNITS	PROPERTIES
A	250,664 SF	2003	243	1
B	225,539 SF	2010	230	3
C	248,239 SF	1957	228	14
TOTAL	724,442 SF	1986	713	21

Source: CoStar



PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	CLASS	STORIES
A	Reed Farm	200 Elmer Cir, Reading	1.8 mi	250,664	2003	A	2
B	Reserve at Spring Point	100 Reserve Way, Temple	2.5 mi	195,052	2014	B	2
C	Orchard Apartments	500 Shalter Ave, Temple	0.6 mi	53,000	1973	C	2
D	Jefferson Heights	1600 Buchanan Dr, Laureldale	1.0 mi	46,706	1982	C	2
E	The Cloverleaf	3541-3571 Ridgeway St, Reading	1.4 mi	42,264	1970	C	2
F	Township Village Apartments	412 Euclid Ave, Temple	0.5 mi	41,236	1965	C	2
G	Queens of Angels Apartments	22 Rothermel St, Laureldale	2.1 mi	27,552	1987	B	4
H		1114 Mount Laurel Ave, Reading	0.1 mi	24,394	1901	C	3
I		5058-5083 Pottsville Pike, Reading	1.1 mi	8,530	1928	C	0
J		6 Riverside Dr, Muhlenberg Township	1.0 mi	8,200	1760	F	2

Source: CoStar



Source: CoStar

The Temple market area is generally a residential area that is mostly improved with single family detached housing units that appear to have been developed between 1960's-1980's. Older residential uses are scattered throughout the neighborhood. Residential uses in the market area appear to be generally well maintained overall with limited vacancy.

Kutztown Road is a primary thoroughfare that connects Route 222 and 5th Street Highway to Downtown Reading. Based upon information provided by the Pennsylvania Department of Transportation, Kutztown Road has an average daily traffic count of 7,500 cars per day. The intersection of Kutztown Road and 5th Street Highway, which is to the north of the subject has an average vehicle count of 17,000 vehicles per day.

Kutztown Road is mostly improved with smaller commercial properties that vary in age and design. Commercial uses along this corridor appear to be locally owned establishments. Larger corporate owned commercial uses are typically located along 5th Street Pike, which is a primary commercial corridor for the market area. Over the last fifteen years, the intersection of 5th Street Highway and Kutztown Road has developed into a primary commercial area that includes larger shopping centers that are anchored by Walmart, Target and Sam's Club.

The subject property is located at a three-point intersection of Kutztown Road, Mt. Laurel Avenue and Leesport Avenue, which is a lighted intersection. The area surrounding this intersection is the core of the neighborhood commercial corridor. The intersection is improved with buildings that appear to have been developed in the late 1800's to the early 1900's. Buildings on the western side of the intersection appear to be older residential structures that have been converted into apartment uses. Buildings on the southern side of the intersection and corridor are mostly mixed-use properties that have first floor commercial uses and apartments above. This portion of the corridor also includes a regional financial institution and a fire station. The subject property is located at the northeast corner of this intersection with frontage along Kutztown Road and Mt. Laurel Avenue. Mount Laurel Avenue adjacent to the subject includes an auto repair facility, as well as several mixed use and single-family properties. Retail vacancy in the market area appears to be minimal, less than 5%

ECONOMIC INFLUENCES

The local area economic status is important to recognize as the measurement of income levels provides an indication of the ability of the area population to buy, rent and maintain property. The economic status of an area also provides an indication of the population's appetite for goods and services. Relevant economic information includes income levels, property ownership vs. rent, property rent levels, rent level trends, property vacancy and new construction.

The vast majority of the housing units within the area are owner occupied, which contrasts with relative similarity to other parts of Temple.

GOVERNMENT INFLUENCE

Governmental considerations relate to zoning, building codes, regulations, flood plain restrictions, special assessment, property tax and empowerment zones.

Zoning in the area is mixed, including commercial, residential and industrial designations. Zoning code is enforced by the municipality and enforcement in all areas of Muhlenberg Township is considered to be strong. Rezoning is typically discouraged and requires public input in all municipalities. Building codes are in force and require a certain standard of construction quality and design. This is a typical influence on properties similar to the subject and falls in line with the zoning classification.

Property taxes in the area are established by Muhlenberg Township and are assessed based on valuation. Considering broad authority of the county administration, the assessments in the neighborhood are similar to other neighborhoods in the metropolitan area. There are no known special assessments that affect property in the neighborhood.

ACCESS/PUBLIC TRANSPORTATION

The streets within the neighborhood are laid out in a grid pattern with major streets generally along the section and ½ section lines. The major north/south streets in the neighborhood include Pottsville Pike, Route 222, Kutztown Road. The major east/west streets include Route 222, Route 12. With the existing transportation system, most areas of metropolitan Temple are accessible from the subject neighborhood and access is considered for the metropolitan area. Public bus service is available throughout the area operated by the Berks Area Regional Transportation Authority. Overall, access within the neighborhood is average for the area.

ENVIRONMENTAL INFLUENCES

The subject area is considered to be a typical neighborhood with average building size and density. There are no extraordinary topographical features, nuisances or hazards. Public utilities are available in most all areas in quantities from public and private sources. The area has both public and private schools in adequate supply and quality.

LOCAL AREA SUMMARY

The market benefits from a diverse blend of residential, commercial, and community uses and close proximity to many recreational activities. Although the area suffered during the recession of the late 2000's and into the 2010's, the market has been strengthening since roughly 2011-2012, due to the good livability factors associated with the region. The outlook for this market area is good into the foreseeable future.