



**Vogt Strategic
Insights**

Preliminary Market Assessment Letter of:

Village North Apartments

East Road 2 North

Chino Valley, Arizona 86301

For:

Mr. John deJong

Primary Builders, LLC

3575 North Meadowlark Drive

Prescott Valley, Arizona 86314

Effective Date: October 4, 2021

Job Reference Number: 17881TM



Vogt Strategic Insights

October 4, 2021

Mr. John deJong
Primary Builders, LLC
3575 North Meadowlark Drive
Prescott Valley, Arizona 86314

Sent via email: paul.aslanian@gmail.com (care of Paul Aslanian)

RE: Proposed Market-rate apartment property, Village North, in Chino Valley, Arizona

Dear Mr. deJong:

Vogt Strategic Insights (VSI) has completed this preliminary market assessment for a proposed 156-unit general occupancy market-rate apartment development, Village North, planned for a site in Chino Valley, Arizona. Chino Valley is approximately 17 miles north of Prescott (via State Route 89) and 108 miles north of Phoenix. Located in Yavapai County, Chino Valley is a relatively small town with an estimated population of 12,375 in 2019. Although small, it is rapidly growing. The town's estimated 2019 population is nearly 58% larger than the population of 10,817 that was recorded in 2010.

Our evaluation includes the establishment of a preliminary Site Primary Market Area (PMA), which is the geographic area where most of the support for the project will originate. For this preliminary review, we have conducted a telephone survey of area apartment properties in September 2021. This survey is used to evaluate area occupancies and rent levels within the market and evaluate how the proposed project compares. An analysis of the demographic and economic trends that influence the preliminary Site PMA is included as well. We conclude this preliminary analysis by commenting on the proposed project's achievable rent levels and market's ability to support the proposed project.

Summary Conclusion

The conclusion discussion and recommendations within this analysis are *preliminary* in scope and may change when a full market study is conducted. Critical elements to the success of the proposed subject project, such as an in-depth analysis of the location, competitiveness of floor plans and economic trends, are beyond the scope of this preliminary market assessment and have not been fully considered in this analysis.

However, based on the findings contained in this report, it is our preliminary opinion that a market does exist for the subject, Village North, consisting of 156 units with one-, two- and three-bedroom unit types.

Market-rate apartment development is limited to a 14-unit property in Chino Valley, and these units are fully-occupied.

Renter household growth is high in the region and we anticipate the subject drawing support from renters in Prescott and Prescott Valley who would prefer a less expensive, yet quality rental housing alternative and consider the additional commuting distance from the site to employment in Prescott and Prescott Valley to be an acceptable trade off.

Occupancy rates among market-rate properties in the area are very high and there is a good based of recently opened properties in Prescott and Prescott Valley that have experienced relatively rapid absorption rates.

Based on a basic rent comparability analysis, which compares the assumed unit amenities and features at the proposed subject to the selected comparable properties, the estimated *present-day* achievable market rents for the proposed subject are \$1,285 per month for one-bedroom units, \$1,495 for two-bedroom units and \$1,750 for three-bedroom units. These estimated achievable rents yield average per-square-foot rents of \$2.02 for the proposed one-bedroom units, \$1.69 for the proposed two-bedroom units and \$1.54 for the proposed three-bedroom units. As part of this analysis, a 10% downward adjustment has been applied to the rents among the comparable properties located in Prescott and Prescott Valley to account for the locational differences with respect to proximity to major employment and shopping opportunities. Based on a conservative 2.0% annual rent growth, the achievable rents are projected to be \$1,310, \$1,525 and \$1,785 at project opening in late 2022.

There is an adequate demographic support base for the subject project.

Project Concept

The subject project involves the new construction of a 156-unit general occupancy apartment development that includes one-, two- and three-bedroom units. The 156 units are to be contained within 18 two-story, walk-up style buildings. The current development plan for the subject includes a mix of one-, two- and three-bedroom units, summarized as follows.

Total Units	Bedroom Type	Baths	Style	Square Feet
28	One-Bedroom	1.0	Garden	637
100	Two-Bedroom	2.0	Garden	883
28	Three-Bedroom	2.0	Garden	1,135
156				

The unit amenities at the subject site are anticipated to be comprehensive and include a range, refrigerator, dishwasher, garbage disposal, washer/dryer, central air conditioning, ceiling fan, window blinds, vinyl flooring and a patio or balcony.

The project amenities are anticipated to include an on-site manager, playground and picnic/barbeque areas.

The cost of water, sewer and trash collection will be included in the rent, as will the cost of natural gas heat and water heating. The tenants will be responsible for all utilities, including gas heat and water heating and electricity, as well as water/sewer and trash collection.

The subject site will offer open, surface parking spaces for residents and guests at no additional cost to tenants. The subject site will also offer a number of carports for an additional monthly fee. (Most comparable market-rate properties include a carport space with each unit and none of the properties offer carports as an option. They do offer detached garages as an option at monthly fees ranging from \$100 to \$175. Among all properties surveyed, we identified only one offering carports as an option. Prescott Lakes Senior charges a monthly fee of \$50 for each carport.)

It is anticipated that the subject project will have units available in 2022.

Subject Site

The site is on the north side of East Road 2 North, approximately 1,100 feet east of its intersection with State Route 89 in Chino Valley, Arizona. Chino Valley is approximately 17 miles north of Prescott (by way of State Route 89) and 108 miles north of Phoenix.

State Route 89 is the main roadway through Chino Valley with nearly all commercial development located within this corridor. The only major grocery store in Chino Valley, Safeway, is located directly west of the subject site. Additional retail and service providers near the State Route 89/East Road 2 North intersection include Dollar General, Walgreens, Pet Club, Domino's Pizza, Sonic, and Taco Bell.

An aerial view of the subject site follows.



Preliminary Primary Market Area (PMA)

We have established a preliminary Primary Market Area (PMA) from which most of support for the proposed project is expected to originate.

Many residents commute to nearby Prescott and Prescott Valley for employment, and we anticipate that much of the proposed development will originate from these two communities.

The preliminary Site PMA includes all of Chino Valley, Prescott and Prescott Valley, and unincorporated areas of central Yavapai County.

Significant boundaries of the preliminary Site PMA include the following:

North: Road 5 North

East: N. Prescott Ridge Road and Fain Road

South: Prescott National Forest

West: Prescott National Forest and Williamson Valley Road









This preliminary Site PMA is very large as it encompasses approximately 352.4 square miles. The preliminary Site PMA is large due to the relatively rural nature of Chino Valley and its reliance on the two communities to its south and southeast. As noted previously, the population of Chino Valley was estimated at 12,375 in 2019. Prescott and Prescott Valley's estimated 2019 populations were 42,785 and 44,311, respectively. Chino Valley's 2019 population represent 9.8% of the 126,368 people residing within the Site PMA at the time, whereas, Prescott and Prescott Valley's populations represented shares of 33.9% and 35.1%, respectively.

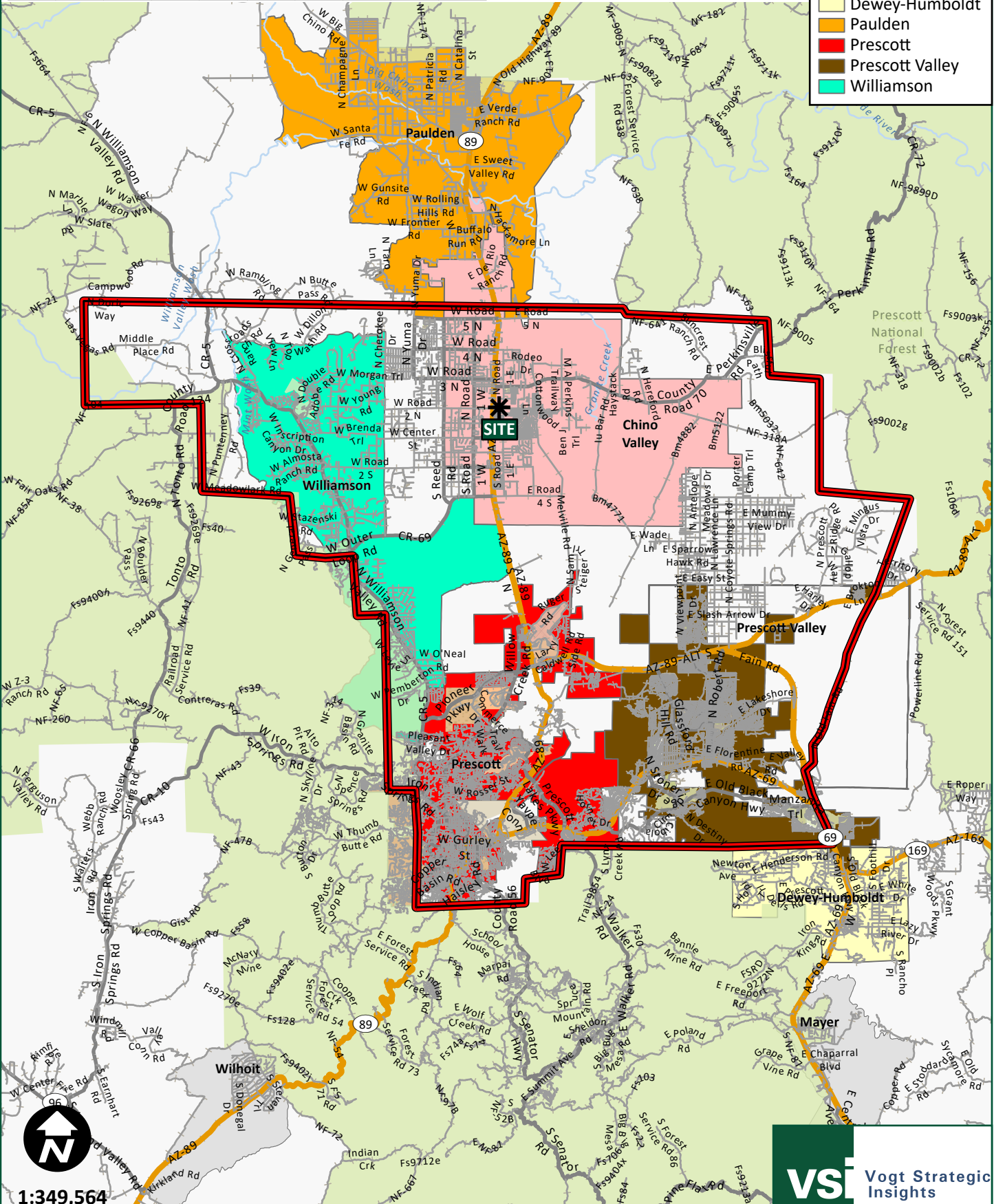
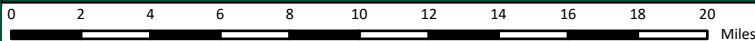
A map of the preliminary market area is on the following page.

Chino Valley, AZ Primary Market Area

Primary Market Area Information
 2021 Estimated Population: 130,485
 2021 Estimated Households: 55,941
 Area: 352.39 Square Miles
 County in PMA: Yavapai County

Legend

-  Project Site
-  PMA
-  Chino Valley
-  Dewey-Humboldt
-  Paulden
-  Prescott
-  Prescott Valley
-  Williamson



Demographic Characteristics

Population and household trends for the preliminary Chino Valley Site PMA are as follows:

	Population	Households
2000 Census	81,492	33,683
2010 Census	107,845	45,933
Change 2000-2010	26,353	12,250
Percent Change 2000-2010	32.3%	36.4%
2021 Estimated	130,485	55,941
Change 2010-2021	22,640	10,008
Percent Change 2010-2021	21.0%	21.8%
2026 Projected	143,084	61,538
Change 2021-2026	12,599	5,597
Percent Change 2021-2026	9.7%	10.0%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; VSI

As illustrated in the preceding table, the population and number of households within the Chino Valley Site PMA increased by about one-third between 2000 and 2010. Between 2010 and 2021, the population increased by 22,640, or 21.0%. During the same period, households increased by 10,008, or 21.8%. Projections through 2026 indicate there will be 143,084 people in 61,538 households within the Site PMA. This represents a population increase of 12,599 (9.7%) and a household increase of 5,597 (10.0%). The positive population and household growth indicates the need for additional housing in the area.

The summary of the Site PMA population bases by age follow:

Population by Age	2010 (Census)		2021 (Estimated)		2026 (Projected)		Change 2021-2026	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	23,706	22.0%	25,121	19.3%	27,163	19.0%	2,042	8.1%
20 to 24	6,094	5.7%	6,770	5.2%	7,053	4.9%	283	4.2%
25 to 34	9,897	9.2%	13,245	10.2%	13,786	9.6%	541	4.1%
35 to 44	10,408	9.7%	12,045	9.2%	14,269	10.0%	2,224	18.5%
45 to 54	14,511	13.5%	13,429	10.3%	14,172	9.9%	743	5.5%
55 to 64	17,434	16.2%	20,451	15.7%	20,028	14.0%	-423	-2.1%
65 to 74	14,300	13.3%	22,192	17.0%	24,831	17.4%	2,639	11.9%
75 & Over	11,495	10.7%	17,232	13.2%	21,782	15.2%	4,550	26.4%
Total	107,845	100.0%	130,485	100.0%	143,084	100.0%	12,599	9.7%

Source: 2010 Census; ESRI; Urban Decision Group; VSI

All age groups within the preliminary Site PMA, with the exception of those between age 55 and 64, are projected to increase over the next few years. Between 2021 and 2026, the greatest percentage growth among population age groups is projected to be among those over the age of 75, followed by those age 35 to 44. The preliminary Site PMA, and Prescott/Prescott Valley more so than Chino Valley, is a retirement destination. Chino Valley could easily become a retirement destination as well, if additional housing alternatives were made available targeting this demographic.

The following table illustrates the Site PMA household bases by age.

Households by Age	2010 (Census)		2021 (Estimated)		2026 (Projected)		Change 2021-2026	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	1,836	4.0%	1,838	3.3%	1,970	3.2%	132	7.2%
25 to 34	4,391	9.6%	5,776	10.3%	5,995	9.7%	219	3.8%
35 to 44	5,284	11.5%	6,019	10.8%	7,116	11.6%	1,097	18.2%
45 to 54	7,792	17.0%	6,932	12.4%	7,267	11.8%	335	4.8%
55 to 64	10,053	21.9%	11,275	20.2%	10,927	17.8%	-348	-3.1%
65 to 74	8,806	19.2%	13,144	23.5%	14,575	23.7%	1,431	10.9%
75 to 84	5,691	12.4%	7,998	14.3%	9,992	16.2%	1,994	24.9%
85 & Over	2,080	4.5%	2,959	5.3%	3,696	6.0%	737	24.9%
Total	45,933	100.0%	55,941	100.0%	61,538	100.0%	5,597	10.0%
Median	58.6 Years		61.6 Years		62.7 Years		+1.1 Years	

Source: 2010 Census; ESRI; Urban Decision Group; VSI

All age groups within the preliminary Site PMA, with the exception of those between age 55 and 64, are projected to increase over the next few years. Household groups that project the largest percentage increases are those headed by a person age 75 to 84 and 85 and older, which indicates a growing need for senior-specific housing in the market. While the subject development as proposed will not be senior-restricted, it will appeal to seniors, especially its ground floor units.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2021 (Estimated)		2026 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	32,085	69.9%	41,237	73.7%	46,421	75.4%
Renter-Occupied	13,848	30.1%	14,704	26.3%	15,117	24.6%
Total	45,933	100.0%	55,941	100.0%	61,538	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; VSI

Homeowner households account for 73.7% and renter households account for 26.3% of all occupied housing in 2021. The share of renter households is fairly typical for a non-urban market and represents a broad base of potential support in the market for the subject development.

The household sizes among renter households within the preliminary Site PMA, based on the 2021 estimates and 2026 projections, are distributed as follows:

Persons Per Renter Household	2021 (Estimated)		2026 (Projected)		Change 2021-2026	
	Households	Percent	Households	Percent	Households	Percent
1 Person	5,970	40.6%	6,229	41.2%	260	4.3%
2 Persons	3,788	25.8%	3,707	24.5%	-81	-2.1%
3 Persons	2,225	15.1%	2,401	15.9%	176	7.9%
4 Persons	1,282	8.7%	1,264	8.4%	-18	-1.4%
5 Persons+	1,440	9.8%	1,516	10.0%	77	5.3%
Total	14,704	100.0%	15,117	100.0%	413	2.8%

Source: 2010 Census; ESRI; Urban Decision Group; VSI

With one-, two- and three-bedroom units, the subject development will generally target one- to five-person households, which comprise over 95% of the preliminary Site PMA's renter households.

The distribution of households by income and the median income by tenure within the preliminary Chino Valley Site PMA are summarized as follows:

Household Income Range	2010 (Census)		2021 (Estimated)		2026 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less than \$10,000	3,413	7.4%	3,065	5.5%	2,724	4.4%
\$10,000 to \$19,999	6,460	14.1%	5,025	9.0%	4,549	7.4%
\$20,000 to \$29,999	5,907	12.9%	5,254	9.4%	4,723	7.7%
\$30,000 to \$39,999	6,123	13.3%	5,311	9.5%	5,040	8.2%
\$40,000 to \$49,999	5,398	11.8%	6,940	12.4%	6,576	10.7%
\$50,000 to \$59,999	3,761	8.2%	6,355	11.4%	6,375	10.4%
\$60,000 to \$74,999	4,272	9.3%	7,644	13.7%	8,469	13.8%
\$75,000 to \$99,999	4,638	10.1%	5,669	10.1%	7,792	12.7%
\$100,000 to \$124,999	2,696	5.9%	3,416	6.1%	4,588	7.5%
\$125,000 to \$149,999	1,360	3.0%	2,320	4.1%	3,563	5.8%
\$150,000 to \$199,999	985	2.1%	2,577	4.6%	3,811	6.2%
\$200,000+	920	2.0%	2,367	4.2%	3,336	5.4%
Total	45,933	100.0%	55,943	100.0%	61,546	100.0%
PMA Median Income	\$41,970		\$53,740		\$61,392	
PMA Median Owner Income	\$48,649		\$58,409		\$66,207	
PMA Median Renter Income	\$29,512		\$40,230		\$47,623	
Yavapai County Median Income	\$43,290		\$51,749		\$57,211	
Prescott MSA Median Income	\$43,290		\$51,749		\$57,211	
Arizona State Median Income	\$50,448		\$61,580		\$67,769	
U.S. Median Income	\$47,185		\$64,599		\$70,208	

Source: 2010 Census; ESRI; Detailed Tenure Crosstab by Urban Decision Group; VSI

The median household income in 2010 was \$41,970. By 2021, it increased by 28.0% to \$53,740. Projections indicate the median household income will be \$61,392 by 2026, an increase of 14.2% over 2021.

The median income among all households is projected to grow over the next five years. Still, the median Site PMA renter income will remain well below the median owner income. At \$47,623, the projected median income among renter households in 2026 is 28.1% lower than the \$66,207 median income among homeowner households.

The following tables illustrate renter household income by household size for 2010, 2021 and 2026 for the preliminary Chino Valley Site PMA:

Household Income Range	Renter Households 2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less than \$10,000	669	531	210	161	193	1,764
\$10,000 to \$19,999	1,255	839	332	254	304	2,984
\$20,000 to \$29,999	850	697	276	211	253	2,288
\$30,000 to \$39,999	705	661	261	200	240	2,067
\$40,000 to \$49,999	571	523	207	158	190	1,649
\$50,000 to \$59,999	233	256	101	78	93	761
\$60,000 to \$74,999	285	281	111	85	102	864
\$75,000 to \$99,999	220	214	85	65	78	662
\$100,000 to \$124,999	122	123	49	37	45	376
\$125,000 to \$149,999	65	60	24	18	22	190
\$150,000 to \$199,999	42	41	16	12	15	126
\$200,000 & Over	40	37	15	11	14	118
Total	5,057	4,265	1,687	1,292	1,547	13,848

Source: 2010 Census; ESRI; Detailed Tenure Crosstab by Urban Decision Group; VSI

Household Income Range	Renter Households 2021 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less than \$10,000	499	348	204	118	132	1,301
\$10,000 to \$19,999	1,091	464	273	157	176	2,161
\$20,000 to \$29,999	968	510	300	173	194	2,144
\$30,000 to \$39,999	702	435	255	147	165	1,705
\$40,000 to \$49,999	686	477	280	162	181	1,786
\$50,000 to \$59,999	534	399	234	135	152	1,454
\$60,000 to \$74,999	623	489	287	165	186	1,749
\$75,000 to \$99,999	415	326	191	110	124	1,166
\$100,000 to \$124,999	185	141	83	48	54	510
\$125,000 to \$149,999	125	96	56	32	36	346
\$150,000 to \$199,999	73	55	32	18	21	199
\$200,000 & Over	70	49	29	17	19	183
Total	5,970	3,788	2,225	1,282	1,440	14,704

Source: 2010 Census; ESRI; Detailed Tenure Crosstab by Urban Decision Group; VSI

Household Income Range	Renter Households 2026 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less than \$10,000	386	254	165	87	104	995
\$10,000 to \$19,999	979	363	235	124	148	1,848
\$20,000 to \$29,999	936	429	278	146	176	1,966
\$30,000 to \$39,999	702	369	239	126	151	1,588
\$40,000 to \$49,999	596	387	251	132	158	1,524
\$50,000 to \$59,999	586	390	253	133	160	1,521
\$60,000 to \$74,999	750	530	343	181	217	2,020
\$75,000 to \$99,999	602	468	303	160	192	1,725
\$100,000 to \$124,999	274	201	130	69	82	757
\$125,000 to \$149,999	204	160	104	55	65	588
\$150,000 to \$199,999	113	83	54	28	34	313
\$200,000 & Over	102	72	46	24	29	274
Total	6,229	3,707	2,401	1,264	1,516	15,117

Source: 2010 Census; ESRI; Detailed Tenure Crosstab by Urban Decision Group; VSI

Most of the new renter households within the Site PMA are making \$60,000 or more per year, and demand from higher income renter households for quality rental alternatives will increase significantly.

Between 2016 and 2021, the number of renter households with income above \$60,000 is projected to increase by 1,524 (36.7%) from 4,153 to 5,677.

These demographic statistics, projected to the project opening in 2022, have been used in our demand calculation found later in this analysis.

Conventional Apartments

Chino Valley

Within Chino Valley we identified three conventional apartment properties. Of these, one is a market-rate property, one is government-subsidized and one is an affordable property, financed by and operating within the Low-Income Housing Tax Credit (LIHTC) program. These three properties are summarized as follows:

Project Name	Projects Type	Year Opened	Total Units	Vacant Units	Occupancy Rate
Granite Creek Apts.	Government-subsidized	1991	32	0	100.0%
Manneken Plaza Apts.	Market-Rate	2005	14	0	100.0%
Antelope Valley	LIHTC	2003	64	0	100.0%

Source: VSI Telephone Survey

As noted, all three properties are fully-occupied.

- Granite Creek includes one- and two-bedroom units that are subsidized through the Rural Development Section 515 program. Most of the units at this development include a project-based subsidy that allows tenants to pay just 30% of their incomes toward rent.
- Mannekin Plaza Apartments is the only modern market-rate property in Chino Valley. It offers 14 two-bedroom units with asking rent of \$1,450. We surveyed this property in July 2017 and, at that time, its asking rents ranged from \$1,000 to \$1,050. Based on this previous survey, rent at Mannekin Plaza Apartments has increased at an average annual rate of about 10.4% since 2017. Rents at Antelope Valley include owner-paid water/sewer and trash removal. Using the utility allowances provided by the local housing authority, this property’s current rent is adjusted to \$1,583 to provide an “apples-to-apples” comparison with rents at the proposed subject site, which will include no owner-paid utilities.
- Antelope Valley includes two- and three-bedroom units with occupancy restricted to households with incomes ranging from 20% to 60% of Area Median Household Income. Asking rents range from \$175 to \$884. Rent growth at these properties is controlled by the government and asking rents at this property have increased at an average annual rate of just 3.3% since 2017. Rents at Antelope Valley include owner-paid water/sewer and trash removal.

Preliminary Site PMA

Within the preliminary Site PMA, we surveyed by telephone 16 conventional apartment projects containing 1,853 units, including the three properties in Chino Valley. Of the 1,853 total units, 1,685 (90.9%) are market-rate units and the remaining 168 units are subsidized or affordable/LIHTC units.

The following table summarizes the breakdown of conventional housing units surveyed within the preliminary Site PMA.

Summary of Conventional Apartments Survey					
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate	Under Construction
Market-rate	13	1,685	5	99.7%	125
Tax Credit	2	136	0	100.0%	0
Tax Credit/Government-Subsidized	1	32	0	100.0%	0
Total	16	1,853	5	99.4%	125

Source: VSI Telephone Survey

As the preceding table illustrates, all project types identified within the Site PMA are reporting high occupancy rates ranging from 99.7% to 100.0%. This is indicative of a rental housing market that is limited by supply rather than demand.

One of the properties identified is under construction. The 125-unit 2051 Apartments, a market-rate project in Prescott, approximately 12.5 miles south of the subject site, will be opening soon in October 2021.

The following table summarizes the breakdown of market-rate units by unit type surveyed within the preliminary Site PMA.

Market-rate						
Bedrooms	Baths	Units	Distribution	Vacant Units	Vacancy Rate	Median Adjusted Rent
Studio	1.0	76	4.5%	1	1.3%	\$1,348
One-Bedroom	1.0	725	43.0%	2	0.3%	\$1,520
Two-Bedroom	1.0	96	5.7%	0	0.0%	\$1,142
Two-Bedroom	2.0	612	36.3%	2	0.3%	\$1,757
Two-Bedroom	2.5	12	0.7%	0	0.0%	\$1,334
Three-Bedroom	2.0	164	9.7%	0	0.0%	\$1,920
Total Market-rate		1,685	100%	5	0.3%	-
Overall Median Market-rate Rent						\$1,614

Source: VSI Telephone Survey

Note that the median rents displayed in the table above are adjusted rents, which are the collected rents adjusted to reflect the proposed utility responsibility at the subject site. As proposed, tenants at the subject site will be responsible for all utilities. This is common among the most recently constructed properties in the market. The asking/collected rents at those properties that include some owner-paid utilities have been adjusted upward to reflect the cost of the owner-paid utilities, based on utility allowances provided by the local housing authority.

Most two- and three-bedroom units within the preliminary Site PMA include two full baths. (The proposed two- and three-bedroom units at the subject development include two full baths as well.)

The distribution of unit types is typical for a well-developed rental market as indicated by the above table, with 4.5% studio, 43.0% one-bedroom, 42.8% two-bedroom and 9.7% three-bedroom units. (The proposed mix of units at the subject site is 18% one-bedroom, 64% two-bedroom and 18% three-bedroom, which provides a heavier weighting toward two- and three-bedroom units.)

The average median adjusted two-bedroom/2.0-bath market-rate rent of rent of \$1,775, which is 12.1% higher than the \$1,583 adjusted rent being charged for two-bedroom/2.0-bath units at Manneken Plaza Apartments in Chino Valley.

The following is a distribution of market-rate units surveyed by year opened for the preliminary Site PMA.

Year Opened	Projects	Units	Vacancies	Vacancy Rate
Before 1970	0	0	0	-
1970 to 1979	0	0	0	-
1980 to 1989	3	335	0	0.0%
1990 to 1999	0	0	0	-
2000 to 2009	5	731	1	0.1%
2010 to 2014	0	0	0	-
2015	0	0	0	-
2016	0	0	0	-
2017	0	0	0	-
2018	1	214	0	0.0%
2019	0	0	0	-
2020	2	260	1	0.4%
2021*	2	145	3	2.1%
Total	13	1,685	5	0.3%

Source: VSI Telephone Survey

*As of September

Of the 1,685 market-rate apartments surveyed within the preliminary Site PMA, 619 (36.7%) have opened since 2018 and since our previous survey was completed in 2017. There is a good base of modern, market-rate rental housing product within the preliminary Site PMA. As noted previously, another 125 market-rate units are about to open at 2051 Apartments.

The market-rate property in Chino Valley, Manneken Plaza Apartments, opened in 1982.

We rated each market-rate property surveyed on a scale of A through F. Our rating system is described as follows, with + and - variations assigned according to variances from the following general descriptions:

- A – Upscale/high quality property
- B – Good condition and quality
- C – Fair condition, in need of minor improvements
- D – Poor condition
- F – Serious disrepair, dilapidated

Market-rate Properties				Median Adjusted Rent*			
Quality Rating	Projects	Total Units	Vacancy Rate	Studio	One-Br.	Two-Br.	Three-Br.
A	6	892	0.6%	\$1,442	\$1,542	\$1,720	\$1,820
A-	1	218	0.0%	-	\$1,267	\$1,097	-
B+	4	440	0.0%	\$661	\$857	\$1,968	\$2,200
B	1	135	0.0%	-	\$1,180	\$1,263	-

Source: VSI Telephone Survey

*Adjusted to reflect proposed project's utility structure

Vacancy rates are low among all properties regardless of quality rating.

Manneken Plaza Apartments in Chino Valley has a B+ quality rating and a median adjusted two-bedroom rent of \$1,583.

We anticipate the subject site having an A quality rating. The weighted average rents among market-rate properties in the preliminary Site PMA that have an A quality rating are \$1,542 for one-bedroom units, \$1,720 for two-bedroom units and \$1,820 for three-bedroom units.

Detailed analysis of the most comparable properties to the proposed subject site and our estimated achievable rents for the subject units is presented later in this report. As will be noted, the subject site as proposed will offer fewer amenities than the comparable properties, particularly those with an A quality rating. Further, a downward adjustment is required to the rents being achieved in Prescott and Prescott Valley due to their superior location compared to the subject site in Chino Valley in terms of proximity to employment and resident services.

The Telephone Survey of Conventional Rentals is included as Addendum A to this preliminary review.

Area planning and building officials having jurisdiction within the Site PMA did not respond to our telephone enquiries regarding additional rental housing projects being planned within the area. We anticipate any new market-rate rental housing development being planned would have rents similar to those at the most recently completed properties in the area.

Market-rate Comparables

Among the surveyed rental alternatives in the market, we selected eight area projects within the preliminary Chino Valley PMA as comparable to the proposed subject development. Among those selected as comparables, Manneken Plaza Apartments is considered the least comparable, but is included as it is the only market-rate property in Chino Valley. These projects are summarized as follows:

Project Name	Quality Rating	Total Units	Year Opened	Percent Occupied	Unit Mix/Distribution (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Village North	A	156	2022	100.0%	-	28/17.9% (100.0%)	100/64.1% (100.0%)	28/17.9% (100.0%)
Manneken Plaza Apts.	B+	14	2005	100.0%	-	-	14/100.0% (100.0%)	-
Willow Creek Apts.	A	160	May 2020	99.4%	30/18.8% (96.7%)	90/56.3% (100.0%)	40/25.0% (100.0%)	-
Legacy at Prescott Lakes	A-	150	2001	100.0%	10/6.7% (100.0%)	19/12.7% (100.0%)	85/56.7% (100.0%)	36/24.0% (100.0%)
2051 Apts.	A	200 U/C	October 2021	-	38/19.0% (U/C)	91/45.5% (U/C)	71/35.5% (U/C)	-
The Terraces at Glassford Hills	B+	226	2003	100.0%	-	50/22.1% (100.0%)	120/53.1% (100.0%)	56/24.8% (100.0%)
Parke Place	A	145	March 2021	97.9%	-	44/30.3% (97.7%)	78/53.8% (97.4%)	23/15.9% (100.0%)
Homestead Talking Glass Apts.	A	214	2018	100.0%	-	89/41.6% (100.0%)	76/35.5% (100.0%)	49/22.9% (100.0%)
Winfield at the Ranch	A	100	June 2020	100.0%	-	48/48.0% (100.0%)	52/52.0% (100.0%)	-
Total					78/6.5% (94.9%)	431/35.6% (99.3%)	536/44.3% (99.4%)	164/13.6% (100.0%)

Source: VSI Telephone Survey
U/C – Under Construction

The 200-unit 2051 Apartments is about to open later in October 2021. The seven existing comparable market-rate projects have a combined total of 1,064 units with an overall occupancy rate of 99.6%. Four of the seven existing comparables are fully-occupied and the three remaining properties are 97.0% to 99.4% occupied.

Three of the seven existing comparables, including Manneken Plaza Apartments, opened between 2001 and 2005. The four remaining properties have opened since 2018. Manneken Plaza Apartments offers just 14 units, while the remaining comparables offer from 100 to 226 units. 2051 Apartments has an additional 96 units under construction.

Manneken Plaza Apartments and The Terraces at Glassford Hills are well-kept properties and have a B+ quality rating. Legacy at Prescott Lakes has an A- quality rating. The five remaining comparables have quality ratings of A.

Initial absorption rates are available for just two of the recently completed properties.





- The 145-unit Parke Place opened in March 2021 and reportedly first reached stabilized occupancy in June 2021, which represents an initial absorption rate of approximately 45 units per month. Management attributes the rapid absorption to the property being nearly 100% preleased prior to opening.
- The 100-unit Winfield at the Ranch opened in June 2020 and reportedly first reached stabilized occupancy in January 2021. This represents an initial absorption rate of approximately 14 units per month. The manager notes that she is the property's only manager/leasing agent and absorption could have been much faster with additional help despite COVID-19 restrictions.

The initial absorption rate of at Willow Creek Apartments, which opened in May 2020 is not known. Management at the soon to open 2051 Apartments would not disclose any information regarding its preleasing activity.

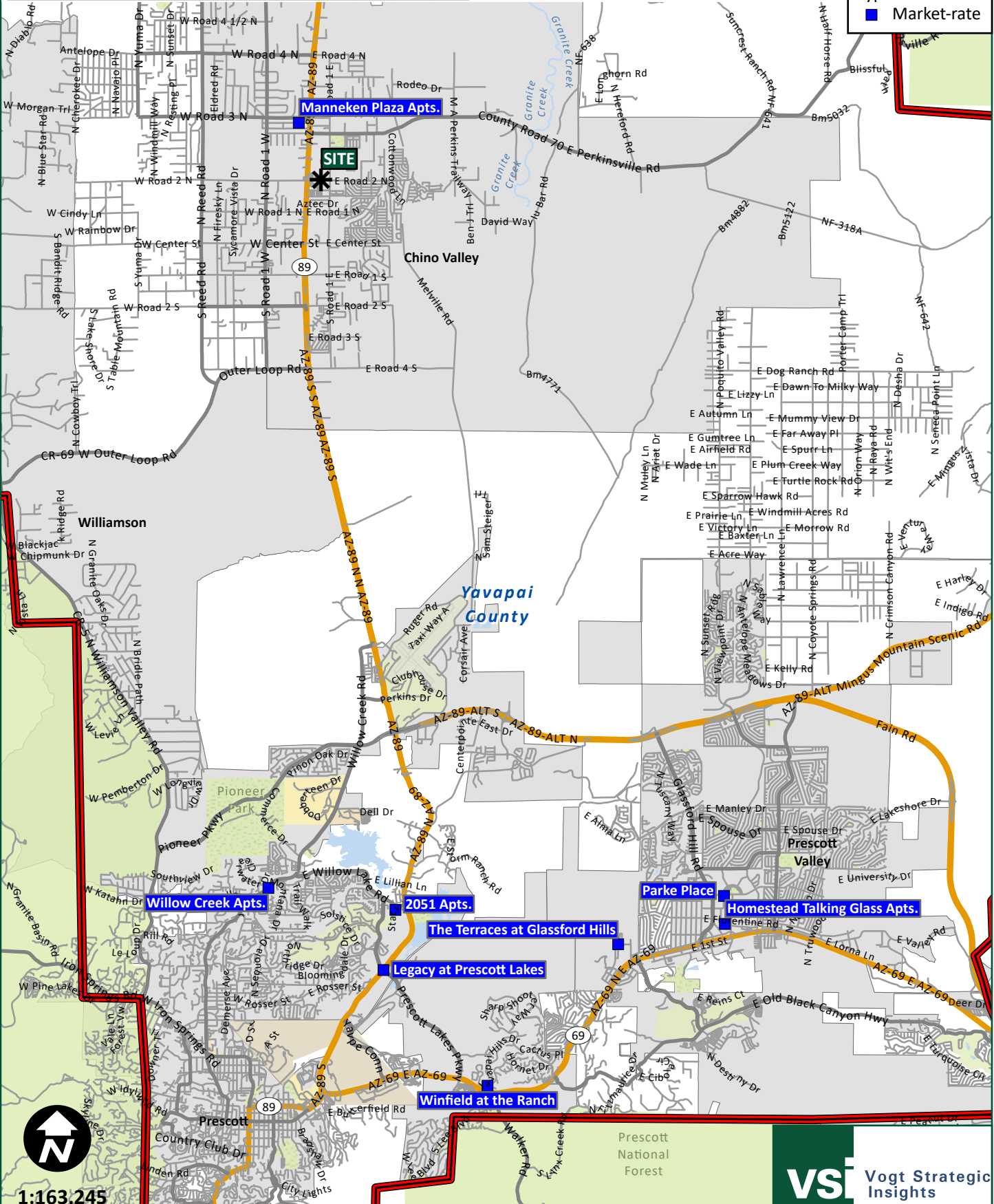
The map on the following page illustrates the location of the subject site and the most comparable area properties.

Chino Valley, AZ

Comparable Market-rate Property Locations

- Legend**
-  Project Site
 -  PMA
 -  Apartments
 -  Type

0 0.75 1.5 2.25 3 3.75 4.5 5.25 6 6.75 7.5 8.25 9 Miles



1:163,245

As 2051 Apartments is about to open, its rents, unit sizes and amenities are being marketed. The following is a summary of adjusted rents by floor plan for all eight selected comparable properties:

Map ID	Project Name	Adjusted Rent (Units)			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	Village North	-	TBD (28)	TBD (100)	TBD (28)
2	Manneken Plaza Apts.	-	-	\$1,334 (14)	-
6	Willow Creek Apts.	\$1,442 (30)	\$1,542-\$1,742 (90)	\$1,952-\$2,252 (40)	-
7	Legacy at Prescott Lakes	\$1,348 (10)	\$1,533 (19)	\$1,554-\$1,669 (85)	\$1,816 (36)
8	2051 Apts.	\$1,350-\$1,455 (20)	\$1,450-\$1,655 (47)	\$1,875-\$1,975 (37)	-
11	The Terraces at Glassford Hills	-	\$1,737-\$1,967 (50)	\$1,968-\$2,008 (120)	\$2,200 (56)
12	Parke Place	-	\$1,550 (44)	\$1,775-\$1,975 (78)	\$2,175 (23)
13	Homestead Talking Glass Apts.	-	\$1,320-\$1,520 (89)	\$1,520-\$1,720 (76)	\$1,820-\$1,920 (49)
15	Winfield at the Ranch	-	\$1,600 (48)	\$1,985-\$2,750 (52)	-
Weighted Average		\$1,413	\$1,586	\$1,876	\$2,014

Source: VSI Telephone Survey
TBD – To Be Determined

The weighted average one-, two- and three-bedroom adjusted rents among the comparable properties are \$1,586, \$1,876 and \$2,014, respectively. (Adjusted rents include no owner-paid utilities.)

Based on a previous market study conducted by VSI, median gross rents among these comparable properties that were also surveyed in 2017 have increased at an average annual rate of 8.9% over the past four years. This is considered a very rapid rate of increase.

The unit sizes (square footage) included in each of the different comparable market-rate unit types offered in the market are compared with the subject development in the following table:

Map ID	Project Name	Square Footage			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	Village North	-	637	883	1,135
2	Manneken Plaza Apts.	-	-	1,200 - 1,400	-
6	Willow Creek Apts.	671	671 - 841	1,084 - 1,188	-
7	Legacy at Prescott Lakes	803	743	911 - 1,005	1,128
8	2051 Apts.	531 - 606	706 - 739	1,068 - 1,163	-
11	The Terraces at Glassford Hills	-	746 - 926	1,005 - 1,038	1,126
12	Parke Place	-	686	994	1,271
13	Homestead Talking Glass Apts.	-	673 - 734	981 - 985	1,180 - 1,197
15	Winfield at the Ranch	-	720	1,070 - 1,240	-
Weighted Average		659	737	1,038	1,165

Source: VSI Telephone Survey

In terms of square footage, the subject project will offer smaller one- and two-bedroom units than the weighted averages among the comparable projects, while the three-bedroom units will be very similar in size to the weighted average among the comps.

The rent per square foot for each competitive unit is compared within the following tables:

One-Bedroom Per Square Foot					
Map ID	Project Name	Number of Baths	Adjusted Rent	Square Feet	Rent Per Square Foot
12	Parke Place	1.0	\$1,550	686	\$2.26
15	Winfield at the Ranch	1.0	\$1,600	720	\$2.22
11	The Terraces at Glassford Hills	1.0	\$1,737 - \$1,967	746 - 926	\$2.12 - \$2.33
13	Homestead Talking Glass Apts.	1.0	\$1,320 - \$1,520	673 - 734	\$1.96 - \$2.07
6	Willow Creek Apts.	1.0	\$1,542 - \$1,742	671 - 841	\$2.07 - \$2.30
7	Legacy at Prescott Lakes	1.0	\$1,533	743	\$2.06
8	2051 Apts.	1.0	\$1,450 - \$1,655	706 - 739	\$2.05 - \$2.24
Weighted Average			\$1,583	736	\$2.15

Source: VSI Telephone Survey

Two-Bedroom Per Square Foot					
Map ID	Project Name	Number of Baths	Adjusted Rent	Square Feet	Rent Per Square Foot
11	The Terraces at Glassford Hills	2.0	\$1,968 - \$2,008	1,005 - 1,038	\$1.93 - \$1.96
15	Winfield at the Ranch	2.0	\$1,985 - \$2,750	1,070 - 1,240	\$1.86 - \$2.22
6	Willow Creek Apts.	2.0	\$1,952 - \$2,252	1,084 - 1,188	\$1.80 - \$1.90
12	Parke Place	2.0	\$1,775 - \$1,975	994	\$1.79 - \$1.99
8	2051 Apts.	2.0	\$1,875 - \$1,975	1,068 - 1,163	\$1.70 - \$1.76
7	Legacy at Prescott Lakes	1.0 - 2.0	\$1,554 - \$1,669	911 - 1,005	\$1.66 - \$1.71
13	Homestead Talking Glass Apts.	2.0	\$1,520 - \$1,720	981 - 985	\$1.55 - \$1.75
2	Manneken Plaza Apts.	2.0 - 2.5	\$1,334	1,200 - 1,400	\$0.95 - \$1.11
Weighted Average			\$1,841	1,038	\$1.77

Source: VSI Telephone Survey

Three-Bedroom Per Square Foot					
Map ID	Project Name	Number of Baths	Adjusted Rent	Square Feet	Rent Per Square Foot
11	The Terraces at Glassford Hills	2.0	\$2,200	1,126	\$1.95
12	Parke Place	2.0	\$2,175	1,271	\$1.71
7	Legacy at Prescott Lakes	2.0	\$1,816	1,128	\$1.61
13	Homestead Talking Glass Apts.	2.0	\$1,820 - \$1,920	1,180 - 1,197	\$1.54 - \$1.60
Weighted Average			\$2,014	1,165	\$1.73

Source: VSI Telephone Survey

Among the selected comparable properties, weighted average rents per square foot for one-, two- and three-bedroom units are \$2.15, \$1.77 and \$1.73, respectively.

The proposed two- and three-bedroom units will include two full baths, which is common among these units types at the comparable properties.

The following tables compare the appliances and the unit and project amenities of the subject site with the comparable properties in the market.

Map ID	Site	2	6	7	8	11
Project Name	Village North (Subject)	Manneken Plaza Apts.	Willow Creek Apts.	Legacy at Prescott Lakes	2051 Apts.	The Terraces at Glassford Hills
Appliances						
Refrigerator	X	X	X	X	X	X
Icemaker				X		X
Dishwasher	X	X	X	X	X	X
Disposal	X	X	X	X	X	X
Range	X	X	X	X	X	X
Microwave		X	X	X	X	X
Pantry						
Granite Counters			X			X
Appliance Type					Stainless	White
Unit Amenities						
AC - Central	X	X	X	X	X	X
Floor Coverings	Vinyl Plank	Carpet	Carpet	Carpet	Vinyl Plank	Wood
Window Treatments	Blinds	Blinds	Blinds	Blinds		Blinds
Washer/Dryer	X		X	X	X	X
Washer/Dryer Hookups	X	X	X	X	X	X
Patio/Deck/Balcony	X	X	X	X	X	X
Ceiling Fan	X		X		X	X
Fireplace		X		X		S
Storage						X
Walk-in Closets			S	X	X	
Vaulted Ceilings						X
Parking Options						
Attached Garage				S		
Detached Garage			O/\$125	O/\$125		O/\$100
Surface Parking	X	X	X	X	X	X
Carport	O	X	X	X		X

Continued:

Map ID	Site	2	6	7	8	11
Project Name	Village North (Subject)	Manneken Plaza Apts.	Willow Creek Apts.	Legacy at Prescott Lakes	2051 Apts.	The Terraces at Glassford Hills
Project Amenities						
Swimming Pool				X	X	X
On-site Management	X		X	X	X	X
Clubhouse			X	X	X	X
Community Space			Activity Room Lounge Game Room Kitchen	Lounge	Activity Room Game Room	Lounge Billiards
Fitness Center			X	X	X	X
Hot Tub					X	X
Playground	X	X				X
Computer/Business Center			X	X	X	X
Storage						X
Water Feature(s)						X
Elevator						X
Project Security			Security Gate Controlled Access			Security Gate Controlled Access
Outdoor Areas	BBQ Area Picnic Area		BBQ Area Dog Park/ Pet Area Walking/Bike	BBQ Area Picnic Area Walking/ Bike Trail	BBQ Area Picnic Area Walking/ Bike Trail	BBQ Area Dog Park/ Pet Area Gazebo
Services						Activities/ Events
Community Features			Wi-Fi			Wi-Fi
Movie Theater						
Dog Wash Station					X	
Fire Pits						
Movie Rentals						X

Map ID	Site	12	13	15
Project Name	Village North (Subject)	Parke Place	Homestead Talking Glass Apts.	Winfield at the Ranch
Appliances				
Refrigerator	X	X	X	X
Icemaker		X		X
Dishwasher	X	X	X	X
Disposal	X	X	X	X
Range	X	X	X	X
Microwave		X	X	X
Pantry			X	X
Granite Counters				
Appliance Type		Stainless		Stainless
Unit Amenities				
AC - Central	X	X	X	X
Floor Coverings	Vinyl Plank	Vinyl Plank	Wood	Vinyl Plank
Window Treatments	Blinds	Blinds	Blinds	
Washer/Dryer	X	X	X	X
Washer/Dryer Hookups	X	X	X	X
Patio/Deck/Balcony	X	X	X	X
Ceiling Fan	X	X	X	X
Fireplace				
Storage		X	X	X
Walk-in Closets		X	X	
Vaulted Ceilings				
Parking Options				
Attached Garage				S
Detached Garage				O/\$175
Surface Parking	X	X	X	X
Carport	O		X	

Continued:

Map ID	Site	12	13	15
Project Name	Village North (Subject)	Parke Place	Homestead Talking Glass Apts.	Winfield at the Ranch
Project Amenities				
Swimming Pool		X	X	X
On-site Management	X		X	X
Clubhouse		X	X	
Community Space		Lounge	Lounge	
Fitness Center			X	
Hot Tub		X	X	X
Playground	X			
Computer/Business Center			X	
Storage				
Water Feature(s)				
Elevator				
Project Security		Security Gate Controlled Access	Security Gate Controlled Access	
Outdoor Areas	BBQ Area Picnic Area	BBQ Area Dog Park/Pet Area	BBQ Area Picnic Area	BBQ Area Dog Park/Pet Area
Services		Activities/ Events		
Community Features			Concierge/Doorman Wi-Fi	Wi-Fi
Movie Theater			X	
Dog Wash Station				
Fire Pits				X
Movie Rentals				

The proposed unit amenities at Village North will compete well with those offered at the comparable properties. The only amenities not proposed that are common among the comparable properties is a built-in microwave oven, refrigerator **with icemaker**. Three of the comparable properties offer stainless-steel appliances and two offer granite countertops. Walk-in closets are fairly common within master bedrooms and some second and third bedrooms at the comparables.

The subject site is expected to offer few project amenities; only an on-site manager, playground and barbeque/picnic areas. Most comparable properties offer a clubhouse with fitness center and computer/business center, as well as a swimming pool. Dog parks are a fairly common amenity among the comparables. Half of the comparables offer gated access and controlled access buildings.

The subject site will offer open, surface parking spaces for residents and guests at no additional cost to tenants. The subject site will also offer a number of carports for an additional monthly fee. Most comparable market-rate properties include a carport space with each unit and none of the properties offer carports as an option. They do offer detached garages as an option at monthly fees ranging from \$100 to \$175. Among all properties surveyed, we identified only one offering carports as an option. Prescott Lakes Senior charges a monthly fee of \$50 for each carport.

Based on our analysis of the unit sizes (square feet), amenities, location, quality, and occupancy rates of the most comparable properties within the preliminary Site PMA, a market does exist for the proposed project provided that it is priced accordingly.

Preliminary Achievable Rent Evaluation

The selected comparable properties are used to derive a preliminary current achievable market rent for the units at the proposed subject development. Naturally, rent growth will increase these estimates by the time the subject opens.

Based on a basic rent comparability analysis, which compares the assumed unit amenities and features at the proposed subject to the selected comparable properties, the estimated present-day achievable market rents for the proposed subject are \$1,285 per month for one-bedroom units, \$1,495 for two-bedroom units and \$1,750 for three-bedroom units. These estimated achievable rents yield average per-square-foot rents of \$2.02 for the proposed one-bedroom units, \$1.69 for the proposed two-bedroom units and \$1.54 for the proposed three-bedroom units. As part of this analysis, a 10% downward adjustment has been applied to the rents among the comparable properties located in Prescott and Prescott Valley to account for the locational differences with respect to proximity to major employment and shopping opportunities.

It is important to keep in mind that the estimated achievable market rents do not factor in the potential rent growth in the market. Therefore, the achievable market rents should be considered conservative.

Rent growth, as well as pent-up market demand, improves the potential to achieve higher rents at the site. The subject project will likely open within 12 to 18 months from now and the rent growth expected through that time will enhance the value of the subject rents within the area. Based on a conservative 2.0% annual rent growth, the achievable rents are projected to be \$1,310, \$1,525 and \$1,785 with a 2022 opening.

The following table compares the proposed collected rents at the subject site with current and projected date of opening achievable market rents for comparable units:

Unit Type	Proposed Subject Units	Square Feet	Estimated Achievable Market Rent	
			Present	At 2022 Opening*
One-Bedroom/1.0 Bath	28	637	\$1,285	\$1,310
Two-Bedroom/2.0 Baths	100	883	\$1,495	\$1,525
Three-Bedroom/2.0 Baths	28	1,135	\$1,750	\$1,785

*Projected with 2.0% annual rent increase

The rent per square foot comparison tables provided earlier are again shown below, but this time with the subject site and its current achievable rents.

		One-Bedroom Per Square Foot			
Map ID	Project Name	Number of Baths	Adjusted Rent	Square Feet	Rent Per Square Foot
12	Parke Place	1.0	\$1,550	686	\$2.26
15	Winfield at the Ranch	1.0	\$1,600	720	\$2.22
11	The Terraces at Glassford Hills	1.0	\$1,737 - \$1,967	746 - 926	\$2.12 - \$2.33
13	Homestead Talking Glass Apts.	1.0	\$1,320 - \$1,520	673 - 734	\$1.96 - \$2.07
6	Willow Creek Apts.	1.0	\$1,542 - \$1,742	671 - 841	\$2.07 - \$2.30
7	Legacy at Prescott Lakes	1.0	\$1,533	743	\$2.06
8	2051 Apts.	1.0	\$1,450 - \$1,655	706 - 739	\$2.05 - \$2.24
Site	Village North	1.0	\$1,285	637	\$2.02
Weighted Average Among Comps			\$1,583	736	\$2.15

Source: VSI Telephone Survey

		Two-Bedroom Per Square Foot			
Map ID	Project Name	Number of Baths	Adjusted Rent	Square Feet	Rent Per Square Foot
11	The Terraces at Glassford Hills	2.0	\$1,968 - \$2,008	1,005 - 1,038	\$1.93 - \$1.96
15	Winfield at the Ranch	2.0	\$1,985 - \$2,750	1,070 - 1,240	\$1.86 - \$2.22
6	Willow Creek Apts.	2.0	\$1,952 - \$2,252	1,084 - 1,188	\$1.80 - \$1.90
12	Parke Place	2.0	\$1,775 - \$1,975	994	\$1.79 - \$1.99
8	2051 Apts.	2.0	\$1,875 - \$1,975	1,068 - 1,163	\$1.70 - \$1.76
Site	Village North	2.0	\$1,495	883	\$1.69
7	Legacy at Prescott Lakes	1.0 - 2.0	\$1,554 - \$1,669	911 - 1,005	\$1.66 - \$1.71
13	Homestead Talking Glass Apts.	2.0	\$1,520 - \$1,720	981 - 985	\$1.55 - \$1.75
2	Manneken Plaza Apts.	2.0 - 2.5	\$1,334	1,200 - 1,400	\$0.95 - \$1.11
Weighted Average Among Comps			\$1,841	1,038	\$1.77

Source: VSI Telephone Survey

		Three-Bedroom Per Square Foot			
Map ID	Project Name	Number of Baths	Adjusted Rent	Square Feet	Rent Per Square Foot
11	The Terraces at Glassford Hills	2.0	\$2,200	1,126	\$1.95
12	Parke Place	2.0	\$2,175	1,271	\$1.71
7	Legacy at Prescott Lakes	2.0	\$1,816	1,128	\$1.61
13	Homestead Talking Glass Apts.	2.0	\$1,820 - \$1,920	1,180 - 1,197	\$1.54 - \$1.60
Site	Village North	2.0	\$1,350	1,750	\$1.54
Weighted Average Among Comps			\$2,014	1,165	\$1.73

Source: VSI Telephone Survey

The achievable rents per square foot for one-, two- and three-bedroom units approximately 4.5%, 6.0% and 11.0% lower than the weighted average adjusted rents among the comparable properties.

The achievable one- and two-bedroom rents per square foot are lower than those at all of the comparables. While the achievable two-bedroom rent per square foot is higher than that for two-bedroom units at three of the eight comparables, the achievable rent is higher than that of just one property, Manneken Plaza Apartments.

Support Analysis

In order to evaluate demand potential for a new market-rate apartment property, we have assumed unit rents starting at the proposed achievable collected rent of \$1,310 for a one-bedroom unit when the subject opens in 2022.

Assuming management will qualify households using a 27% to 30% rent-to-income ratio for the market-rate units, the general occupancy units yield a minimum income requirement of approximately \$55,000 based on the market rents at the proposed subject and a 28.5% rent-to-income ratio.

The following table summarizes the potential renter household support for the proposed Village North apartment development:

Income Range	2021 Site PMA Renter Households	
	Number	Targeted Renters \$55,000 and Higher
Up to \$40,000	7,278	-
\$40,000 to \$50,000	1,676	-
\$50,000 to \$60,000	1,370	685
\$60,000 to \$75,000	1,705	1,705
\$75,000 to \$100,000	1,277	1,277
\$100,000 to \$125,000	573	573
\$125,000 to \$150,000	404	404
\$150,000 to \$200,000	226	226
\$200,000 and Higher	204	204
Total	55,943	5,074
Income-Appropriate Renters		5,074
Basic Capture Rate		= 3.1% (= 156 Units / 5,074 Households)

A projected 5,074 renter households with household incomes over \$55,000 will be in the preliminary Site PMA in 2022.

Overall, the 156 market-rate units planned for the proposed subject Village North development in Chino Valley will require a 3.1% basic capture rate. A capture rate below 5% is considered excellent and highly achievable assuming reasonable rent levels.

Considering the high occupancy of the existing comparable units, and growth among income-appropriate renters, the income-eligible renter household base can support additional apartment development without affecting existing rental alternatives in the area. We do not anticipate any new market-rate product significantly impacting the market at the achievable rent levels identified for the subject development.

Conclusions/Summary

The most recently developed and higher quality properties in the market are very well-occupied and have experienced fairly rapid absorption. We do not anticipate any new market-rate apartment development in Prescott and Prescott Valley to be price competitive with the subject Village North.

Income-appropriate demographic trends are positive and overall household growth is steady through at least 2026, thereby increasing the demand for additional multifamily housing alternatives.

The subject site will draw support from existing renters in Prescott and Prescott Valley who would prefer a less expensive, yet quality rental housing alternative and consider the additional commuting distance to be an acceptable trade off.

The current achievable rents of \$1,285 per month for one-bedroom units, \$1,495 for two-bedroom units and \$1,750 for three-bedroom units are well below those among the comparable properties in Prescott and Prescott Valley and reflect the fewer amenities proposed at the site as well as the site's location in Chino Valley.

It is important to stress that this is a preliminary market assessment. Critical elements to the success of the proposed subject project, such as an in-depth analysis of the location, competitiveness of floor plans and economic trends, are beyond the scope of this preliminary market assessment and have not been fully considered in this analysis. It is recommended that the developer consider a full feasibility study before finalizing a project concept.

Following this letter is the rental housing survey of competitive and other area rental alternatives and apartment location map for your review.

Please feel free to call me if you have questions or need additional information regarding this matter.

Respectfully,



Tom Mowery

A. Telephone Update of a Field Survey of Conventional Rentals






The following section is a telephone update of a previously conducted field survey of conventional rental properties. These properties were identified through a variety of sources, including area apartment guides, government agencies and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends impacting future development and to identify those properties considered most comparable to the subject site. The field survey has been organized by project type; properties are color coded to reflect this and designated as market-rate, Tax Credit, government-subsidized or a combination of these three property types. The field survey is assembled as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Properties surveyed by name, address, telephone number, project type, key amenities, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here.
- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type and bedroom.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- The distribution of market-rate and non-subsidized Tax Credit units are provided by quality rating, unit type and number of bedrooms. The median rent by quality ratings and bedrooms is also reported. Note that rents are adjusted to reflect common utility responsibility.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

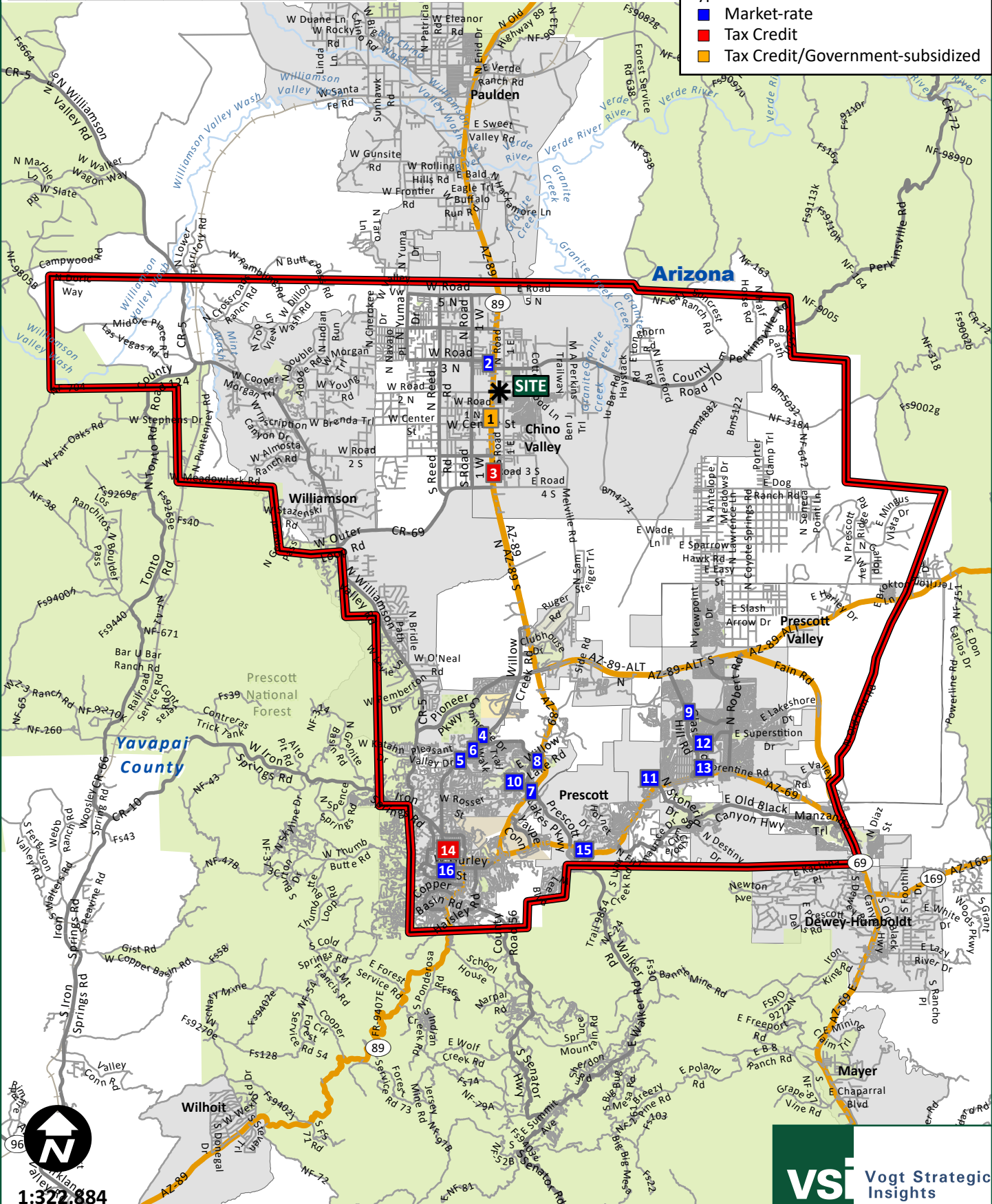
Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

Chino Valley, AZ Apartment Locations

Legend

-  Project Site
-  PMA
- Apartments Type
 -  Market-rate
 -  Tax Credit
 -  Tax Credit/Government-subsidized

0 1.5 3 4.5 6 7.5 9 10.5 12 13.5 15 Miles



Map Identification List

Map ID	Project Name	Project Type	QR	Year Built/ Renovated	Total Units	Vacant	Occupancy Rate	DTS
1	Granite Creek Apts.	TGS	B	1991	32	0	100.0%	1.1
2	Manneken Plaza Apts.	MRR	B+	2005	14	0	100.0%	1.3
3	Antelope Valley	TAX	B	2003	64	0	100.0%	2.8
4	Willow Ridge Apts.	MRR	B	1989 / 2014	135	0	100.0%	11.9
5	Lakeview Apts.	MRR	B+	1989 / 2002	72	0	100.0%	12.9
6	Willow Creek Apts.	MRR	A	2020	160	1	99.4%	12.4
7	Legacy at Prescott Lakes	MRR	A	2001	150	0	100.0%	13.5
8	2051 Apts.	MRR	A	2021	0	0	U/C	12.5
9	Tapestry at Granville	MRR	A-	2005	218	0	100.0%	15.3
10	Prescott Lakes Senior	MRR	A	2003	123	1	99.2%	13.7
11	The Terraces at Glassford Hills	MRR	B+	2003	226	0	100.0%	18.5
12	Parke Place	MRR	A	2021	145	3	97.9%	16.6
13	Homestead Talking Glass Apts.	MRR	A	2018	214	0	100.0%	17.0
14	Creekview Village Apts.	TAX	A	2018	72	0	100.0%	16.1
15	Winfield at the Ranch	MRR	A	2020	100	0	100.0%	16.3
16	Woodlands of Prescott	MRR	B+	1985	128	0	100.0%	16.7

Project Type	Projects Surveyed	Total Units	Vacant	Occupancy Rate	U/C
MRR	13	1,685	5	99.7%	200
TAX	2	136	0	100.0%	0
TGS	1	32	0	100.0%	0

Total units do not include units under construction.

Project Type

Market-rate	Market-rate/Tax Credit/Government-subsidized
Market-rate/Tax Credit	Tax Credit
Market-rate/Government-subsidized	Tax Credit/Government-subsidized
Senior Restricted	Government-subsidized

QR - Quality Rating

DTS - Drive Distance To Site (Miles)

Distribution of Units

Market-Rate						
Bedrooms	Baths	Units	Distribution	Vacant	Vacancy Rate	Median Adjusted Rent*
0	1	76	4.5%	1	1.3%	\$1,348
1	1	725	43.0%	2	0.3%	\$1,520
2	1	96	5.7%	0	0.0%	\$1,142
2	2	612	36.3%	2	0.3%	\$1,757
2	2.5	12	0.7%	0	0.0%	\$1,334
3	2	164	9.7%	0	0.0%	\$1,920
TOTAL		1,685	100.0%	5	0.3%	
200 Units Under Construction						
Tax Credit, Non-Subsidized						
Bedrooms	Baths	Units	Distribution	Vacant	Vacancy Rate	Median Adjusted Rent*
2	1	28	20.6%	0	0.0%	\$595
2	2	28	20.6%	0	0.0%	\$743
3	2	80	58.8%	0	0.0%	\$859
TOTAL		136	100.0%	0	0.0%	
Tax Credit, Government-Subsidized						
Bedrooms	Baths	Units	Distribution	Vacant	Vacancy Rate	Median Adjusted Rent*
1	1	12	37.5%	0	0.0%	N.A.
2	1	20	62.5%	0	0.0%	N.A.
TOTAL		32	100.0%	0	0.0%	
Grand Total		1,853	-	5	0.3%	

Survey of Properties

1 Granite Creek Apts.



160 N. U.S. Hwy. 89	Total Units	32
Chino Valley, AZ 86323	Vacancies	0
Phone (928) 636-1331	Occupancy	100.0%
Contact Debbie(by phone)	Floors	1,2
Waitlist 12-36 months	Quality	B
	Year Built	1991

Comments
60% AMI & RD 515; RA available (30 units); Waitlist: 1-br/18-36 months & 2-br/12-24 months; 38% senior or disabled, not designated; Accepts HCV (1 unit)

2 Manneken Plaza Apts.



1870-1890 Horizon Way	Total Units	14
Chino Valley, AZ 86323	Vacancies	0
Phone (928) 830-2738	Occupancy	100.0%
Contact Clint(by phone)	Floors	2
Waitlist 3 households	Quality	B+
	Year Built	2005

Comments


3 Antelope Valley



1555 U.S. Hwy. 89	Total Units	64
Chino Valley, AZ 86323	Vacancies	0
Phone (928) 636-5979	Occupancy	100.0%
Contact Michelle(by phone)	Floors	2
Waitlist 30 households	Quality	B
	Year Built	2003

Comments
20%, 30%, 40%, 50% & 60% AMI; Unit mix estimated; UA: 2-br/\$122 & 3-br/\$147

4 Willow Ridge Apts.



1205 Sandretto Dr.	Total Units	135
Prescott, AZ 86305	Vacancies	0
Phone (928) 445-6646	Occupancy	100.0%
Contact Chris(by phone)	Floors	2
Waitlist 20-30 households	Quality	B
	Year Built	1989
	Renovated	2014

Comments
Accepts HCV (currently none)

Project Type

Market-rate	Market-rate/Tax Credit/Government-subsidized
Market-rate/Tax Credit	Tax Credit
Market-rate/Government-subsidized	Tax Credit/Government-subsidized
	Government-subsidized

5 Lakeview Apts.



3161 Willow Creek Rd.
 Prescott, AZ 86301
Phone (928) 776-1825
Contact Paula(by phone)
Waitlist 3 months

Total Units 72
Vacancies 0
Occupancy 100.0%
Floors 2
Quality B+
Year Built 1989
Renovated 2002

Comments

6 Willow Creek Apts.



3147 Willow Creek Rd.
 Prescott, AZ 86301
Phone (602) 474-3555
Contact Allie(by phone)
Waitlist None

Total Units 160
Vacancies 1
Occupancy 99.4%
Floors 3
Quality A
Year Built 2020

Comments

Select 1- & 2-br floor plans have walk-in closet; Flat fee for valet trash included in reported rents: studio & 1-br/\$65 & 2-br/\$95; Opened 5/2020; Preleasing began 12/2019

7 Legacy at Prescott Lakes



1998 Prescott Lakes Pkwy.
 Prescott, AZ 86301
Phone (928) 776-8900
Contact Lorrie(by phone)
Waitlist 3 households

Total Units 150
Vacancies 0
Occupancy 100.0%
Floors 2
Quality A
Year Built 2001

Comments

Rents change daily

8 2051 Apts.



2051 Willow Lake Rd.
 Prescott, AZ 86301
Phone (928) 919-6687
Contact Name not given(by phone)
Waitlist None

Total Units 0
Vacancies 0
Occupancy 0
Floors 3
Quality A
Year Built 2021

Comments

All 200 units under construction; Anticipated opened 10/2021; unit mix estimated

Project Type

Market-rate	Market-rate/Tax Credit/Government-subsidized
Market-rate/Tax Credit	Tax Credit
Market-rate/Government-subsidized	Tax Credit/Government-subsidized
	Government-subsidized

9 Tapestry at Granville



6810 Spouse Dr.	Total Units	218
Prescott Valley, AZ 86314	Vacancies	0
Phone (928) 772-6543	Occupancy	100.0%
Contact Nancy(by phone)	Floors	2
Waitlist None	Quality	A-
	Year Built	2005

Comments
 Select 1-br units have attached garage; Smallest 1-br units do not have balcony or extra storage; Flat fee for water, sewer & trash included in reported rents: \$55

10 Prescott Lakes Senior



2105 Blooming Hills Dr.	Total Units	123
Prescott, AZ 86301	Vacancies	1
Phone (928) 777-0414	Occupancy	99.2%
Contact Tammy(by phone)	Floors	3
Waitlist None	Quality	A
	Year Built	2003

Comments **Senior Restricted (55+)**
 Flat fee for gas, electric, water, sewer & trash included in reported rents: \$76.50

11 The Terraces at Glassford Hills



5700 E. Market St.	Total Units	226
Prescott Valley, AZ 86314	Vacancies	0
Phone (928) 443-9200	Occupancy	100.0%
Contact Lisa(by phone)	Floors	2,3
Waitlist 1 month	Quality	B+
	Year Built	2003

Comments
 Does not accept HCV; 3-br units have fireplace & vaulted ceilings

12 Parke Place



3901 N. Main St.	Total Units	145
Prescott Valley, AZ 86314	Vacancies	3
Phone (928) 237-9997	Occupancy	97.9%
Contact Levi(by phone)	Floors	1
Waitlist None	Quality	A
	Year Built	2021

Comments
 Preleasing began 12/2020; Opened 3/2021; Reached stabilized occupancy 6/2021; Higher priced 2-br & 3-br units are single-family homes

Project Type

■ Market-rate	■ Market-rate/Tax Credit/Government-subsidized
■ Market-rate/Tax Credit	■ Tax Credit
■ Market-rate/Government-subsidized	■ Tax Credit/Government-subsidized
	■ Government-subsidized

13 Homestead Talking Glass Apts.



3131 N. Main St.	Total Units	214
Prescott Valley, AZ 86314	Vacancies	0
Phone (928) 277-0184	Occupancy	100.0%
Contact Lori(by phone)	Floors	3
Waitlist None	Quality	A
	Year Built	2018

Comments

14 Creekview Village Apts.



519 Miller Valley Rd.	Total Units	72
Prescott, AZ 86301	Vacancies	0
Phone (928) 541-9960	Occupancy	100.0%
Contact Brianna(by phone)	Floors	3
Waitlist None	Quality	A
	Year Built	2018

Comments

40%, 50% & 60% AMI; UA: 2-br/\$69 & 3-br/\$77

15 Winfield at the Ranch



3470 Lee Cir.	Total Units	100
Prescott, AZ 86303	Vacancies	0
Phone (928) 499-3085	Occupancy	100.0%
Contact Name not given(by phone)	Floors	2,3
Waitlist None	Quality	A
	Year Built	2020

Comments

Preleasing began 1/2020; Opened 6/2020; Stabilized occupancy reached 1/2021;Townhomes have attached garage

16 Woodlands of Prescott



824 W. Gurley St.	Total Units	128
Prescott, AZ 86305	Vacancies	0
Phone (928) 445-5090	Occupancy	100.0%
Contact Katie(by phone)	Floors	2,3
Waitlist None	Quality	B+
	Year Built	1985

Comments

Project Type

Market-rate	Market-rate/Tax Credit/Government-subsidized
Market-rate/Tax Credit	Tax Credit
Market-rate/Government-subsidized	Tax Credit/Government-subsidized
	Government-subsidized

Collected Rents

Map ID	Garden Units					Townhouse Units			
	Studio	1-Br	2-Br	3-Br	4 Br+	1-Br	2-Br	3-Br	4 Br+
2			\$1,450				\$1,450		
3			\$175 - \$621	\$712 - \$884					
4		\$1,287	\$1,379						
5		\$847	\$937						
6	\$1,460	\$1,560 - \$1,760	\$1,970 - \$2,270						
7	\$1,455	\$1,640	\$1,670 - \$1,785	\$1,940					
8	\$1,350 - \$1,455	\$1,450 - \$1,655	\$1,875 - \$1,975						
9		\$1,027 - \$1,632	\$1,213 - \$1,873						
10		\$1,782 - \$2,271	\$2,177 - \$2,477						
11		\$1,844 - \$2,074	\$2,084 - \$2,124	\$2,324					
12		\$1,550	\$1,775				\$1,975	\$2,175	
13		\$1,320 - \$1,520	\$1,520 - \$1,720	\$1,820 - \$1,920					
14			\$526 - \$823	\$610 - \$954					
15		\$1,600	\$1,985				\$2,750		
16	\$799	\$999	\$1,299						

Project Type

■ Market-rate	■ Market-rate/Tax Credit/Government-subsidized
■ Market-rate/Tax Credit	■ Tax Credit
■ Market-rate/Government-subsidized	■ Tax Credit/Government-subsidized
◆ Senior Restricted	■ Government-subsidized

Price Per Square Foot

Studio Units					
Map ID	Project Name	Baths	Unit Size	Adjusted Rent	\$ / Square Foot
6	Willow Creek Apts.	1	671	\$1,442	\$2.15
7	Legacy at Prescott Lakes	1	803	\$1,348	\$1.68
8	2051 Apts.	1	531 - 606	\$1,350 - \$1,455	\$2.40 - \$2.54
16	Woodlands of Prescott	1	320	\$661	\$2.07
One-Bedroom Units					
Map ID	Project Name	Baths	Unit Size	Adjusted Rent	\$ / Square Foot
4	Willow Ridge Apts.	1	550	\$1,180	\$2.15
5	Lakeview Apts.	1	615	\$740	\$1.20
6	Willow Creek Apts.	1	671 - 841	\$1,542 - \$1,742	\$2.07 - \$2.30
7	Legacy at Prescott Lakes	1	743	\$1,533	\$2.06
8	2051 Apts.	1	706 - 739	\$1,450 - \$1,655	\$2.05 - \$2.24
9	Tapestry at Granville	1	665 - 965	\$920 - \$1,525	\$1.38 - \$1.58
10	Prescott Lakes Senior	1	490 - 672	\$1,539 - \$2,028	\$3.02 - \$3.14
11	The Terraces at Glassford Hills	1	746 - 926	\$1,737 - \$1,967	\$2.12 - \$2.33
12	Parke Place	1	686	\$1,550	\$2.26
13	Homestead Talking Glass Apts.	1	673 - 734	\$1,320 - \$1,520	\$1.96 - \$2.07
15	Winfield at the Ranch	1	720	\$1,600	\$2.22
16	Woodlands of Prescott	1	576	\$857	\$1.49
Two-Bedroom Units					
Map ID	Project Name	Baths	Unit Size	Adjusted Rent	\$ / Square Foot
2	Manneken Plaza Apts.	2	1,200	\$1,334	\$1.11
		2.5	1,400	\$1,334	\$0.95
3	Antelope Valley	1	900	\$297 - \$743	\$0.33 - \$0.83
4	Willow Ridge Apts.	2	825	\$1,263	\$1.53
5	Lakeview Apts.	1	821	\$821	\$1.00
6	Willow Creek Apts.	2	1,084 - 1,188	\$1,952 - \$2,252	\$1.80 - \$1.90
7	Legacy at Prescott Lakes	1	926	\$1,554	\$1.68
		2	911 - 1,005	\$1,604 - \$1,669	\$1.66 - \$1.76
8	2051 Apts.	2	1,068 - 1,163	\$1,875 - \$1,975	\$1.70 - \$1.76
9	Tapestry at Granville	2	968 - 1,153	\$1,097 - \$1,757	\$1.13 - \$1.52
10	Prescott Lakes Senior	1	775 - 805	\$1,899 - \$1,999	\$2.45 - \$2.48
		2	901	\$2,199	\$2.44
11	The Terraces at Glassford Hills	2	1,005 - 1,038	\$1,968 - \$2,008	\$1.93 - \$1.96
12	Parke Place	2	994	\$1,775 - \$1,975	\$1.79 - \$1.99
13	Homestead Talking Glass Apts.	2	981 - 985	\$1,520 - \$1,720	\$1.55 - \$1.75
14	Creekview Village Apts.	2	1,067	\$595 - \$892	\$0.56 - \$0.84

* - All rents have been adjusted to reflect utilities provided at the subject site based upon local housing authorities utility allowances.

Project Type

Market-rate	Market-rate/Tax Credit/Government-subsidized
Market-rate/Tax Credit	Tax Credit
Market-rate/Government-subsidized	Tax Credit/Government-subsidized
Senior Restricted	Government-subsidized

Two-Bedroom Units					
Map ID	Project Name	Baths	Unit Size	Adjusted Rent	\$ / Square Foot
15	Winfield at the Ranch	2	1,070 - 1,240	\$1,985 - \$2,750	\$1.86 - \$2.22
16	Woodlands of Prescott	1	864	\$1,142	\$1.32
Three-Bedroom Units					
Map ID	Project Name	Baths	Unit Size	Adjusted Rent	\$ / Square Foot
3	Antelope Valley	2	1,000	\$859 - \$1,031	\$0.86 - \$1.03
7	Legacy at Prescott Lakes	2	1,128	\$1,816	\$1.61
11	The Terraces at Glassford Hills	2	1,126	\$2,200	\$1.95
12	Parke Place	2	1,271	\$2,175	\$1.71
13	Homestead Talking Glass Apts.	2	1,180 - 1,197	\$1,820 - \$1,920	\$1.54 - \$1.60
14	Creekview Village Apts.	2	1,303	\$687 - \$1,031	\$0.53 - \$0.79

* - All rents have been adjusted to reflect utilities provided at the subject site based upon local housing authorities utility allowances.

Project Type

Market-rate	Market-rate/Tax Credit/Government-subsidized
Market-rate/Tax Credit	Tax Credit
Market-rate/Government-subsidized	Tax Credit/Government-subsidized
Senior Restricted	Government-subsidized

Average Adjusted Rent Per Square Foot*

Market-Rate			
Unit Type	One-Br	Two-Br	Three-Br
Garden	\$2.02	\$1.67	\$1.73
Townhouse	\$0.00	\$1.58	\$1.71

Tax Credit (Non-Subsidized)			
Unit Type	One-Br	Two-Br	Three-Br
Garden	\$0.00	\$0.67	\$0.80
Townhouse	\$0.00	\$0.00	\$0.00

Combined			
Unit Type	One-Br	Two-Br	Three-Br
Garden	\$2.02	\$1.59	\$1.40
Townhouse	\$0.00	\$1.58	\$1.71

* - All rents have been adjusted to reflect utilities provided at the subject site based upon local housing authorities utility allowances.

Tax Credit Units

One-Bedroom Units						
Map ID	Project Name	Units	Square Feet	Baths	% AMI	Collected Rent
1	Granite Creek Apts.	12	700	1	60%	\$716 - \$922

Two-Bedroom Units						
Map ID	Project Name	Units	Square Feet	Baths	% AMI	Collected Rent
3	Antelope Valley	3	900	1	20%	\$175
3	Antelope Valley	3	900	1	30%	\$324
3	Antelope Valley	13	900	1	40%	\$473
14	Creekview Village Apts.	10	1,067	2	40%	\$526
3	Antelope Valley	9	900	1	50%	\$621
14	Creekview Village Apts.	13	1,067	2	50%	\$674
1	Granite Creek Apts.	20	850	1	60%	\$797 - \$956
14	Creekview Village Apts.	5	1,067	2	60%	\$823

Three-Bedroom						
Map ID	Project Name	Units	Square Feet	Baths	% AMI	Collected Rent
14	Creekview Village Apts.	16	1,303	2	40%	\$610
3	Antelope Valley	6	1,000	2	50%	\$712
14	Creekview Village Apts.	20	1,303	2	50%	\$782
3	Antelope Valley	30	1,000	2	60%	\$884
14	Creekview Village Apts.	8	1,303	2	60%	\$954

Summary of Occupancies By Bedroom Type and AMHI Level																			
AMHI Level	Studio			One-Bedroom			Two-Bedroom			Three-Bedroom			Four-Bedroom			Total			
	Units	Vacant	Occ Rate	Units	Vacant	Occ Rate	Units	Vacant	Occ Rate	Units	Vacant	Occ Rate	Units	Vacant	Occ Rate	Units	Vacant	Occ Rate	
20%							3	0	100.0%							3	0	100.0%	
30%							3	0	100.0%							3	0	100.0%	
40%							23	0	100.0%	16	0	100.0%				39	0	100.0%	
50%							22	0	100.0%	26	0	100.0%				48	0	100.0%	
60%							5	0	100.0%	38	0	100.0%				43	0	100.0%	
Total							56	0	100.0%	80	0	100.0%				136	0	100.0%	

Quality Rating

Market-Rate Projects and Units								
Quality Rating	Projects	Total Units	Vacancy Rate	Median Rent				
				Studios	One-Br	Two-Br	Three-Br	Four-Br
A	6	892	0.6%	\$1,442	\$1,542	\$1,775	\$1,820	
A-	1	218	0.0%		\$1,267	\$1,097		
B+	4	440	0.0%	\$661	\$857	\$1,968	\$2,200	
B	1	135	0.0%		\$1,180	\$1,263		

Market-Rate Units by Bedroom, Type and Quality Rating									
Quality Rating	Garden Style Units					Townhome Units			
	Studios	One-Br	Two-Br	Three-Br	Four-Br	One-Br	Two-Br	Three-Br	Four-Br
A	40	393	335	85			16	23	
A-		154	64						
B+	36	138	198	56			12		
B		40	95						

Quality Rating

Tax Credit Projects and Units								
Quality Rating	Projects	Total Units	Vacancy Rate	Median Adjusted Rent				
				Studios	One-Br	Two-Br	Three-Br	Four-Br
A	1	72	0.0%			\$743	\$859	
B	1	64	0.0%			\$595	\$1,031	

Tax Credit Units by Bedroom, Type and Quality Rating									
Quality Rating	Garden Style Units					Townhome Units			
	Studios	One-Br	Two-Br	Three-Br	Four-Br	One-Br	Two-Br	Three-Br	Four-Br
A			28	44					
B			28	36					

Year Built

Market-rate and Non-Subsidized Tax Credit						
Year Range	Projects	Units	Vacant	Vacancy Rate	Total Units	Distribution
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	3	335	0	0.0%	335	18.4%
1990 to 1999	0	0	0	0.0%	335	0.0%
2000 to 2009	6	795	1	0.1%	1,130	43.7%
2010 to 2014	0	0	0	0.0%	1,130	0.0%
2015	0	0	0	0.0%	1,130	0.0%
2016	0	0	0	0.0%	1,130	0.0%
2017	0	0	0	0.0%	1,130	0.0%
2018	2	286	0	0.0%	1,416	15.7%
2019	0	0	0	0.0%	1,416	0.0%
2020	2	260	1	0.4%	1,676	14.3%
2021*	2	145	3	2.1%	1,821	8.0%
Total	15	1,821	5	0.3%	1,821	100.0 %

Year Renovated

Market-rate and Non-Subsidized Tax Credit						
Year Range	Projects	Units	Vacant	Vacancy Rate	Total Units	Distribution
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2009	1	72	0	0.0%	72	34.8%
2010 to 2014	1	135	0	0.0%	207	65.2%
2015	0	0	0	0.0%	207	0.0%
2016	0	0	0	0.0%	207	0.0%
2017	0	0	0	0.0%	207	0.0%
2018	0	0	0	0.0%	207	0.0%
2019	0	0	0	0.0%	207	0.0%
2020	0	0	0	0.0%	207	0.0%
2021*	0	0	0	0.0%	207	0.0%
Total	2	207	0	0.0%	207	100.0 %

Note: The upper table (Year Built) includes all of the units included in the lower table.

* As of September 2021

Appliances and Unit Amenities

Appliances			
Appliance	Projects	Percent	Units*
Range	14	100.0%	1,821
Refrigerator	14	100.0%	1,821
Icemaker	5	35.7%	839
Dishwasher	13	92.9%	1,693
Disposal	12	85.7%	1,558
Microwave	10	71.4%	1,422
Pantry	4	28.6%	509
Unit Amenities			
Amenity	Projects	Percent	Units*
AC - Central	12	85.7%	1,621
AC - Window	1	7.1%	128
Floor Covering	14	100.0%	1,821
Washer/Dryer	8	57.1%	1,336
Washer/Dryer Hook-Up	10	71.4%	1,422
Patio/Deck/Balcony	14	100.0%	1,821
Ceiling Fan	8	57.1%	1,263
Fireplace	4	28.6%	462
Basement	0	0.0%	
Security	0	0.0%	
Window Treatments	13	92.9%	1,721
Furnished Units	0	0.0%	
Storage	8	57.1%	1,182
Walk-In Closets	7	50.0%	999

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

Project Amenities

Project Amenities			
Amenity	Projects	Percent	Units
Pool	8	57.1%	1,304
On-site Mangement	12	85.7%	1,662
Laundry	5	35.7%	530
Clubhouse	10	71.4%	1,515
Community Space	10	71.4%	1,515
Fitness Center	5	35.7%	873
Hot Tub/Sauna	5	35.7%	903
Playground	6	42.9%	634
Computer/Business Center	6	42.9%	1,091
Sports Court(s)	4	28.6%	477
Storage	1	7.1%	226
Water Features	1	7.1%	226
Elevator	2	14.3%	349
Security	5	35.7%	868
Car Wash Area	0	0.0%	
Outdoor Areas	11	78.6%	1,607
Services	4	28.6%	566
Community Features	6	42.9%	1,053
Library/DVD Library	0	0.0%	
Movie Theater	2	14.3%	337

Utility Distribution

Utility (Responsibility)	Number of Projects	Number of Units	Distribution of Units
Heat			
Landlord			
Gas	2	251	13.5%
Tenant			
Electric	8	772	41.7%
Gas	6	830	44.8%
			100.0%
Cooking Fuel			
Landlord			
Electric	1	123	6.6%
Gas	1	128	6.9%
Tenant			
Electric	11	1,316	71.0%
Gas	3	286	15.4%
			100.0%
Hot Water			
Landlord			
Gas	2	251	13.5%
Tenant			
Electric	8	772	41.7%
Gas	6	830	44.8%
			100.0%
Electric			
Landlord	1	123	6.6%
Tenant	15	1,730	93.4%
			100.0%
Water			
Landlord	11	1,234	66.6%
Tenant	5	619	33.4%
			100.0%
Sewer			
Landlord	11	1,234	66.6%
Tenant	5	619	33.4%
			100.0%
Trash Pick Up			
Landlord	12	1,394	75.2%
Tenant	4	459	24.8%
			100.0%

Utility Allowance

Br	Unit Type	Heating				Hot Water		Cooking		Electric	Water	Sewer	Trash	Cable
		Gas	Electric	Steam	Other	Gas	Electric	Gas	Electric					
0	Garden	\$25	\$16		\$77	\$4	\$13	\$2	\$5	\$54	\$27	\$62	\$18	\$35
1	Garden	\$27	\$19		\$88	\$6	\$15	\$2	\$6	\$62	\$27	\$62	\$18	\$35
1	Townhouse	\$27	\$19		\$88	\$6	\$15	\$2	\$6	\$62	\$27	\$62	\$18	\$35
2	Garden	\$29	\$24		\$98	\$8	\$19	\$4	\$9	\$81	\$36	\$62	\$18	\$35
2	Townhouse	\$29	\$24		\$98	\$8	\$19	\$4	\$9	\$81	\$36	\$62	\$18	\$35
3	Garden	\$31	\$30		\$113	\$10	\$23	\$4	\$11	\$102	\$44	\$62	\$18	\$35
3	Townhouse	\$31	\$30		\$113	\$10	\$23	\$4	\$11	\$102	\$44	\$62	\$18	\$35
4	Garden	\$33	\$36		\$124	\$13	\$27	\$6	\$14	\$121	\$53	\$62	\$18	\$35
4	Townhouse	\$33	\$36		\$124	\$13	\$27	\$6	\$14	\$121	\$53	\$62	\$18	\$35

AZ-Chino Valley (12/2020)