



## APPRAISAL REPORT

### Subject Property:

Howard Street Mixed-Use  
817 N. Howard Street  
Baltimore, MD 21201

### Prepared For:

M&T Bank  
277 Park Avenue  
New York, NY 10172

Client ID: 24-002317-01

### Date of Report:

November 12, 2024

### Prepared By:

Cushman & Wakefield of Maryland, LLC  
Valuation & Advisory  
One East Pratt Street, Suite 700  
Baltimore, MD 21202  
Cushman & Wakefield File ID: 24-26007-900261-020



**Howard Street Mixed-Use**  
**817 N. Howard Street**  
**Baltimore, MD 21201**



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November 12, 2024

Ms. Lisa Vazquez  
Regional Chief Appraiser  
**M&T Bank**  
277 Park Avenue  
New York, NY 10172

Re: Appraisal Report

**Howard Street Mixed-Use**  
817 N. Howard Street  
Baltimore, MD 21201

Cushman & Wakefield File ID: 24-26007-900261-020  
Client ID: 24-002317-01

Dear Ms. Vazquez:

In fulfillment of our engagement, we are pleased to transmit our appraisal of the referenced property in the attached appraisal report. The report, in its entirety, including all hypothetical conditions, extraordinary assumptions, limiting conditions and the Addendum is an integral part of, and inseparable from, this letter.

Client, Intended Users and Intended Use: We understand and acknowledge that M&T Bank, alone, is the client in connection with this Engagement. The intended use of the Appraisal is for underwriting of loans and other credit accommodations, M&T Bank, its affiliates other lenders (lenders, including prospective, current and future loan participants) involved or considering involvement in a participation or syndication, and their respective successors and assigns (collectively, "Intended Users") are intended users of the Appraisal. The Appraisal Consultant further agrees to cooperate in answering questions by any of the above parties in connection with any syndication. No person or entity other than M&T Bank and the other Intended Users may use or rely on the information, opinions, and conclusions contained in the Appraisal.

The subject property, Howard Street Mixed-Use, is a low-rise mixed-use building containing 3,250 square feet of rentable area within 1 residential apartment unit and one retail unit. The building is fully vacant. The owner has reportedly moved out of the area and has not actively marketed the vacant units for lease. The residential unit contains three bedrooms and two bathrooms. The retail unit contains approximately 1,200 square feet and also contains a bathroom. The front portion of the building contains three levels while the rear of the building contains two.

This Appraisal Report has been prepared in accordance with our interpretation of your institution's guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Uniform Standards of Professional Appraisal Practice (USPAP).

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinions, inclusive of personal property:

<b>Value Conclusions</b>			
<b>Appraisal Premise</b>	<b>Real Property Interest</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
Market Value As-Is	Fee Simple	November 7, 2024	\$350,000
Prospective Market Value Upon Stabilization	Fee Simple	June 1, 2025	\$400,000
Insurable Value	N/A	November 7, 2024	\$350,000

*Compiled by Cushman & Wakefield of Maryland, LLC*

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Thank you for the opportunity to be of service. Please contact us with any questions relating to this assignment or if Cushman & Wakefield can be of further service.

Respectfully submitted,

**CUSHMAN & WAKEFIELD OF MARYLAND, LLC**



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## Summary of Salient Facts and Conclusions

### BASIC INFORMATION

<b>Common Property Name:</b>	Howard Street Mixed-Use
<b>Address:</b>	817 N. Howard Street Baltimore, Maryland 21201
<b>Jurisdiction:</b>	Baltimore City
<b>Property Ownership Entity:</b>	817 N Howard, LLC & 808 Tyson, LLC

### SITE INFORMATION

<b>Land Area:</b>	3,150 Square Feet	0.07 Acres
<b>Site Shape:</b>	Rectangular	
<b>Site Topography:</b>	Level at street grade	
<b>Frontage:</b>	Average	
<b>Site Utility:</b>	Average	
<b>Flood Zone Status:</b>		
<b>Flood Zone:</b>	X	
<b>Flood Map Number:</b>	2400870018G	
<b>Flood Map Date:</b>	June 16, 2021	

### BUILDING INFORMATION

<b>Type of Property:</b>	Multi-Family
<b>Sub Type:</b>	Mixed-Use (Retail, Residential)
<b>Building Area:</b>	
<b>Number of Apartment Units:</b>	1 Units
<b>Gross Building Area:</b>	3,250 SF
<b>Net Rentable Area:</b>	3,250 SF
<b>Land-to-Building Ratio:</b>	0.97:1
<b>Number of Buildings:</b>	One
<b>Number of Stories:</b>	Three
<b>Quality:</b>	Good
<b>Year Built:</b>	1920
<b>Condition:</b>	Fair
<b>Actual Age:</b>	104 Years
<b>Effective Age:</b>	25 Years
<b>Remaining Economic Life:</b>	20 Years
<b>Parking:</b>	
<b>Number of Parking Spaces:</b>	4

**MUNICIPAL INFORMATION**

**Assessment Information:**

<b>Assessing Authority:</b>	Baltimore City
<b>Assessor's Parcel Identification:</b>	Ward 11, Section 09, Block 0509, Lots 33 & 14
<b>Fiscal Tax Year:</b>	2024
<b>Taxable Assessment:</b>	\$219,100
<b>Current Tax Liability:</b>	\$5,075
<b>Taxes per square foot:</b>	\$1.56
<b>Are taxes current?</b>	Taxes are current
<b>Is a grievance underway?</b>	Not to our knowledge

**Zoning Information:**

<b>Municipality Governing Zoning:</b>	Baltimore City
<b>Current Zoning:</b>	C-1 (Neighborhood Business District) & R-8 (Rowhouse Residential District)
<b>Is current use permitted?</b>	Yes
<b>Current Use Compliance:</b>	Complying use

**HIGHEST & BEST USE**

**As Though Vacant:**

An apartment or other form of multi-family building built to its maximum feasible building area, as demand warrants.

**As Improved:**

A mixed-use building as it is currently improved

VALUATION INDICES	Market Value As-Is	Prospective Market Value Upon Stabilization
VALUE DATE	November 7, 2024	June 1, 2025
<b>SALES COMPARISON APPROACH</b>		
Indicated Value:	\$350,000	\$400,000
Per Square Foot:	\$107.69	\$123.08
<b>INCOME CAPITALIZATION APPROACH</b>		
<b>Direct Capitalization</b>		
Net Operating Income (stabilized):	\$36,118	\$36,118
Capitalization Rate:	9.00%	9.00%
Indicated Value:	\$340,969	\$401,315
Indicated Value Rounded:	\$350,000	\$400,000
Per Square Foot:	\$107.69	\$123.08
<b>FINAL VALUE CONCLUSION</b>		
Real Property Interest:	Fee Simple	Fee Simple
Concluded Value:	\$350,000	\$400,000
Per Square Foot:	\$107.69	\$123.08
Implied Capitalization Rate:	N/A	9.03%
<b>EXPOSURE AND MARKETING TIMES</b>		
Exposure Time:	9 Months	
Marketing Time:	9 Months	
<b>INSURABLE VALUE</b>		
Total:	\$350,000	N/A

## Summary of Critical Observations

### SUMMARY OF CRITICAL OBSERVATIONS

The strengths and weaknesses analysis applies both specifically (attributes internal or specific to the subject) and generally (external or economic considerations that influence the subject).

#### Strengths

- The subject is located within the densely developed urban community of Baltimore City and is proximate to the downtown employment center, colleges and healthcare facilities. Primary demand generators for apartments include local workers, college students and empty nesters.
- The subject has a relatively larger residential unit that would likely appeal to tenants in the market.
- Parking at the rear of the property is available to support both the commercial and residential tenants.

#### Weaknesses

- The subject is currently vacant and requires lease-up.
- Neither the retail or residential unit have undergone major renovations within recent years.

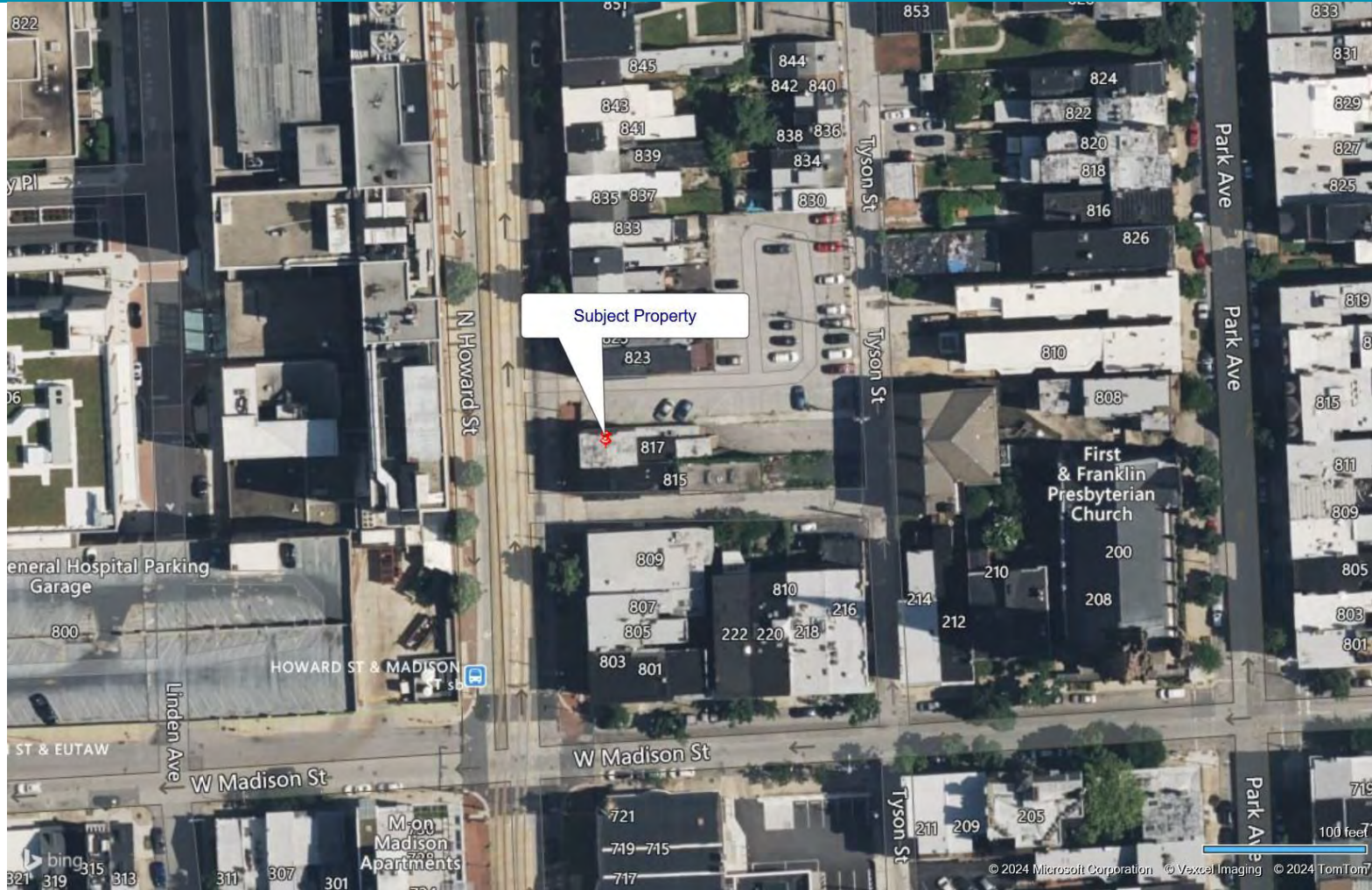
#### Conclusions

Based on the preceding strengths and weaknesses, the subject property's specific outlook is considered to be cautionary while the general outlook for the overall market is concluded to be stable.



# Property Photographs

## AERIAL PHOTOGRAPH





SIDE VIEW



SIDE VIEW



FRONT VIEW



REAR VIEW



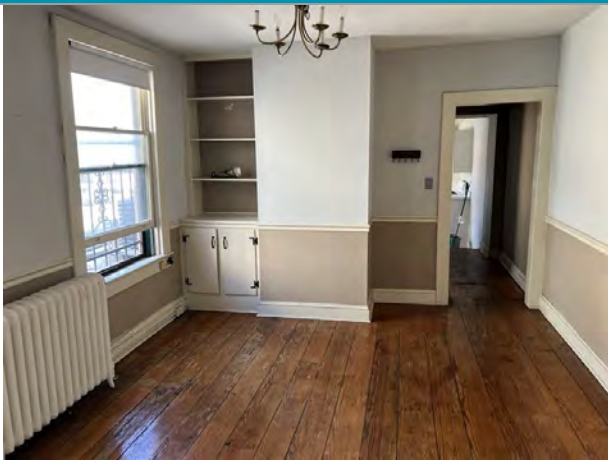
RETAIL SPACE



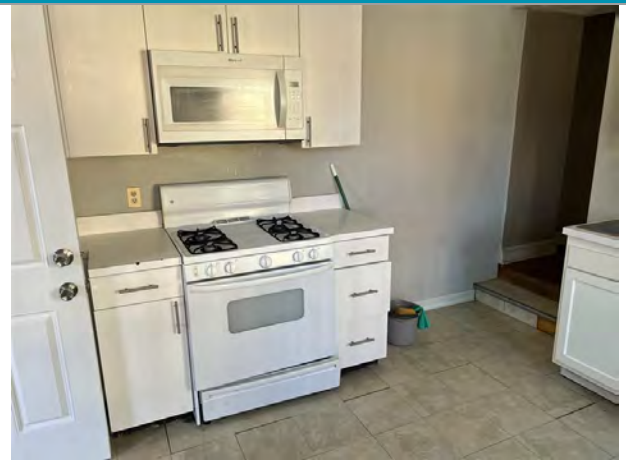
RETAIL SPACE



RESIDENTIAL UNIT



RESIDENTIAL UNIT



RESIDENTIAL UNIT



RESIDENTIAL UNIT





# Scope of Work

## Overview

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

## Research

- We inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

## Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

This Appraisal Report has been prepared in accordance with our interpretation of your institution's guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Uniform Standards of Professional Appraisal Practice (USPAP).

Cushman & Wakefield of Maryland, LLC has an internal Quality Control Oversight Program. This Program mandates a "second read" of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

## Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms “describe,” “summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion

## Identification of Property

Common Property Name:	Howard Street Mixed-Use
Address:	817 N. Howard Street, Baltimore, MD 21201
Location:	The subject property is located on the east side of N. Howard Street, just north of W. Madison Street, within the Mount Vernon neighborhood in central Baltimore.
Tax Parcel Identification:	Ward 11, Section 09, Block 0509, Lots 33 & 14
Legal Description:	The legal description, provided by the client, is presented in the Addenda of the report.
Property Overview:	The subject property, Howard Street Mixed-Use, is a low-rise mixed-use building containing 3,250 square feet of rentable area within 1 residential apartment unit and one retail unit. The building is fully vacant. The owner has reportedly moved out of the area and has not actively marketed the vacant units for lease. The residential unit contains three bedrooms and two bathrooms. The retail unit contains approximately 1,200 square feet and also contains a bathroom. The front portion of the building contains three levels while the rear of the building contains two.

## Property Ownership and Recent History

Current Ownership:	817 N Howard, LLC & 808 Tyson, LLC
Sale History:	To our knowledge, the property has not sold or transferred within three years of the effective date of the appraisal.
Current Disposition:	To the best of our knowledge, the property is not under contract of sale nor is it being marketed for sale.

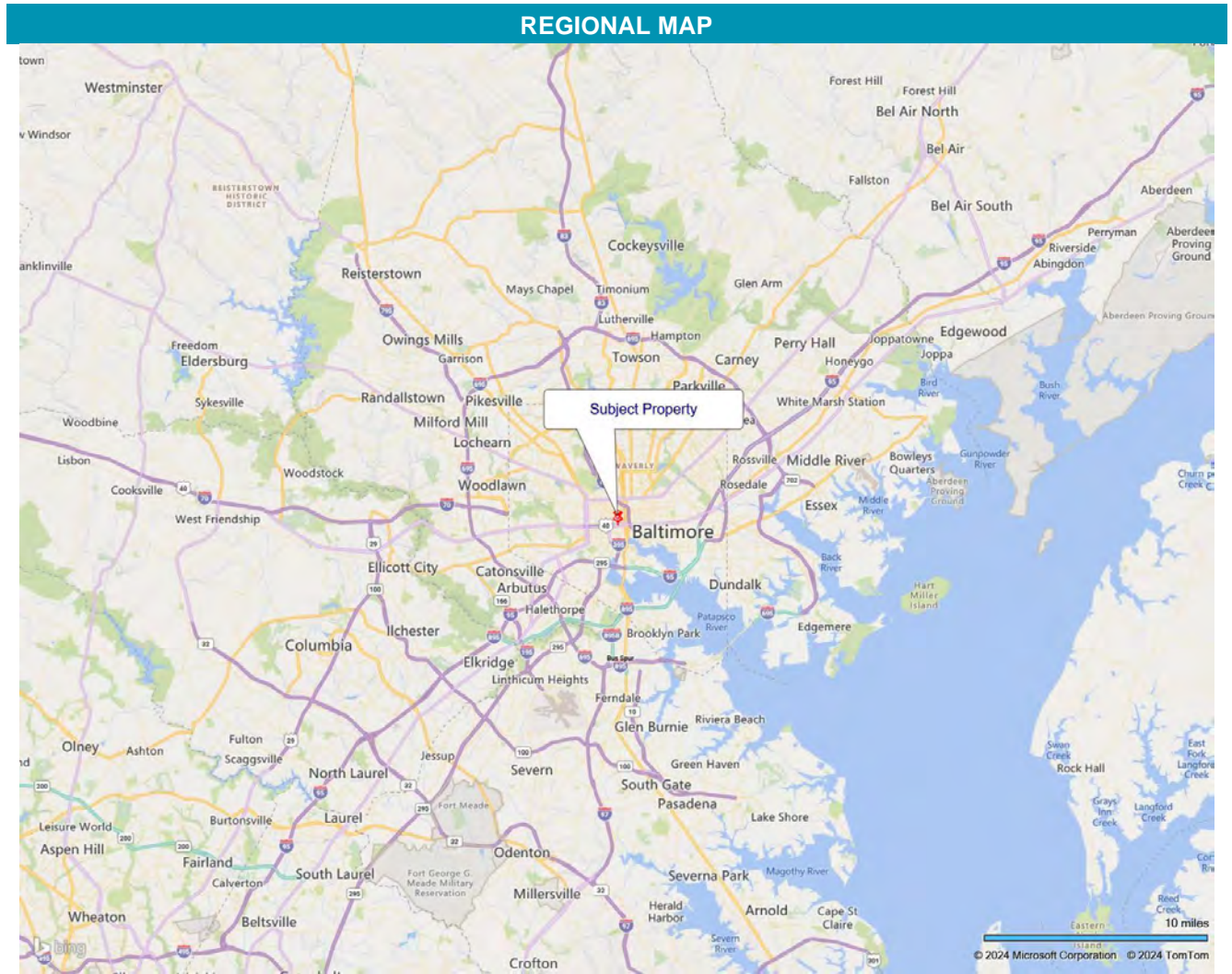
## Dates of Inspection and Valuation

Effective Date(s) of Valuation:	
As Is:	November 7, 2024
Date of Report:	November 12, 2024
Date of Inspection:	November 7, 2024
Property Inspected by:	Kenneth Steven Hutton, MAI did make a personal inspection of the subject property. Thomas E. Rowley, CCIM, MRICS did not make a personal inspection of the subject property.

## Client, Intended Use and Users of the Appraisal

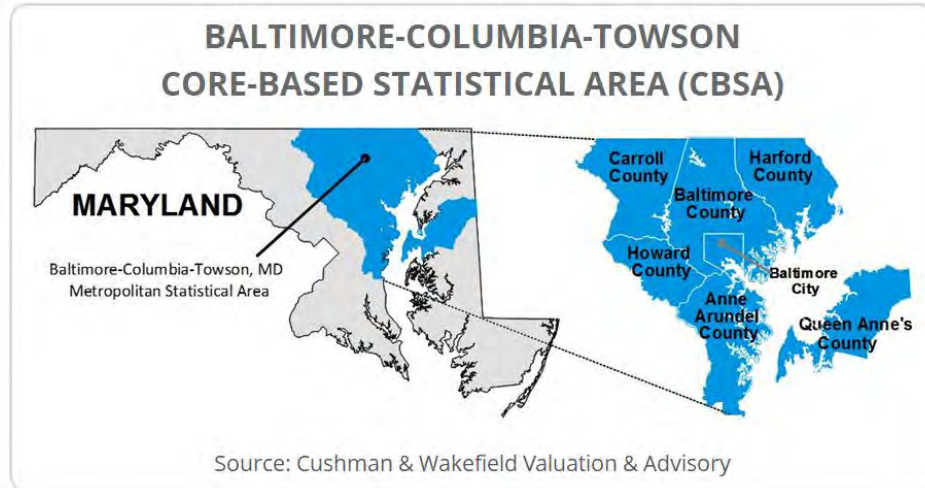
Client:	M&T Bank
Intended Use & Intended User:	Client, Intended Users and Intended Use: We understand and acknowledge that M&T Bank, alone, is the client in connection with this Engagement. The intended use of the Appraisal is for underwriting of loans and other credit accommodations, M&T Bank, its affiliates other lenders (lenders, including prospective, current and future loan participants) involved or considering involvement in a participation or syndication, and their respective successors and assigns (collectively, "Intended Users") are intended users of the Appraisal. The Appraisal Consultant further agrees to cooperate in answering questions by any of the above parties in connection with any syndication. No person or entity other than M&T Bank and the other Intended Users may use or rely on the information, opinions, and conclusions contained in the Appraisal.

# Baltimore CBSA Regional Overview



## Introduction

The subject is located in the Baltimore-Columbia-Towson Core Based Statistical Area (CBSA), which is commonly known as the Baltimore CBSA. The U.S. Census Bureau defines the Baltimore CBSA by the following map:



The Baltimore CBSA encompasses approximately 2,600 square miles and consists of Baltimore City and the six surrounding counties of Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne's. The Baltimore region benefits from its proximity to Washington, D.C., the nation's capital, which is located about 39 miles southwest of downtown Baltimore City. The Baltimore CBSA is part of the U.S. Census Bureau's Washington-Baltimore-Arlington Combined Statistical Area (CSA). This megalopolis is the nation's fourth-largest consumer market, with an estimated population of approximately 9.3 million.

Baltimore has historically been an important port and rail transportation hub for the Mid-Atlantic region, as its central location along the eastern seaboard, with access to all major distribution routes along the East Coast, makes it highly appealing to distribution and manufacturing companies. The region also benefits from its proximity and convenient access to the Chesapeake Bay and the Atlantic Ocean. The Port of Baltimore is one of the busiest deep-water ports along the East Coast.

The presence of three major Federal government military installations, as well as its proximity to Washington, D.C., are demand generators for Federal government agencies and government contractors to locate in the region. In addition, major universities and healthcare systems provide a stable employment base in the greater Baltimore Region. Recently, the Baltimore region was designated a federal tech hub, putting it in line to receive a portion of \$10 billion in government funding aimed at creating new epicenters for various technological fields including biotech and artificial intelligence. This federal government designation may provide an additional demand generator for future employment in the region.

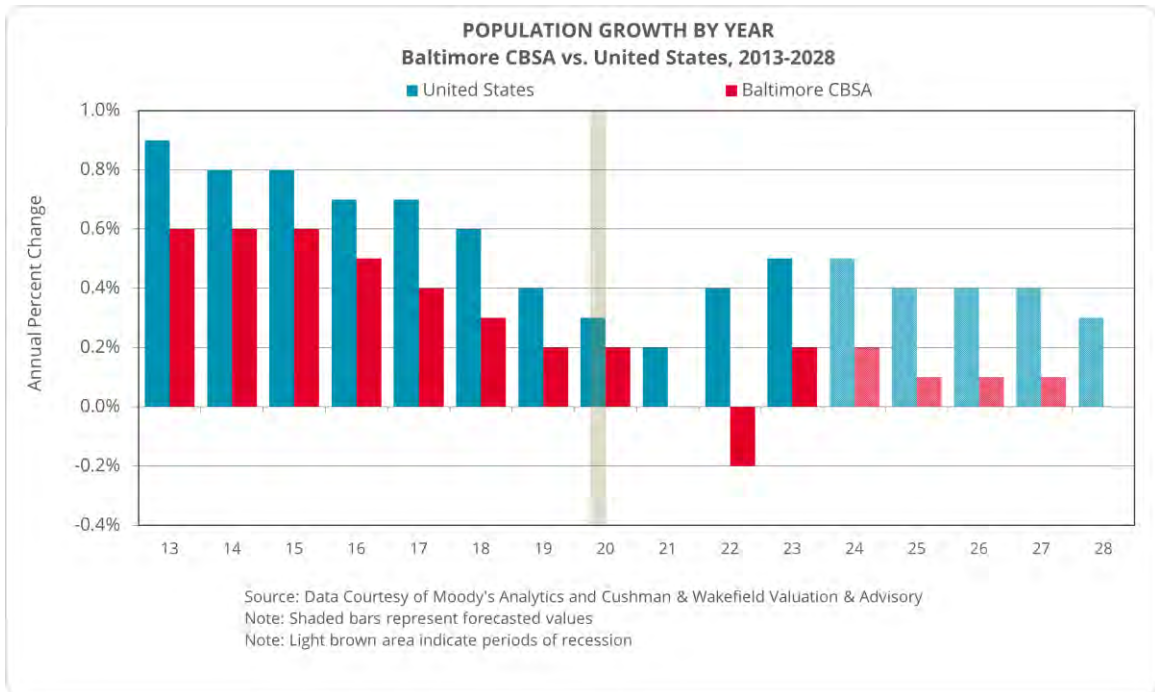
The private and public sectors have directed significant investment into Baltimore City over the past three decades, which has spurred revitalization of the region's urban core. As a result, Baltimore City has become the financial, legal, corporate, and political center of Maryland, while maintaining its status as an important port, educational and cultural center. The revitalization of Baltimore City has stabilized the out-migration of population and households from Baltimore City to surrounding suburban communities, which has encouraged new multifamily housing and retail development in downtown Baltimore.



## Demographic Trends

### Population

The Baltimore CBSA is the twentieth largest region in the United States with an estimated population of more than 2.8 million. From 2013 through 2023, the region’s compound annual population growth rate was 0.3%, trailing the national annual growth rate of 0.5% over the same time. The region’s population growth is projected to decelerate slightly through the near term, to a compound annual growth rate of 0.1% through 2028. The following table and graph illustrate the population trends in the Baltimore region:



Population Trends						
	Year-End 2013	Year-End 2023	Forecast Year-End 2024	Forecast Year-End 2028	Compound Annual Growth Rate	
					2013-2023	2024-2028
<b>United States</b>	<b>317,418,548</b>	<b>334,914,895</b>	<b>336,438,247</b>	<b>341,397,358</b>	<b>0.5%</b>	<b>0.4%</b>
<b>Maryland</b>	<b>5,930,943</b>	<b>6,195,503</b>	<b>6,219,381</b>	<b>6,280,619</b>	<b>0.4%</b>	<b>0.2%</b>
<b>Baltimore-Towson CBSA</b>	<b>2,766,776</b>	<b>2,842,898</b>	<b>2,848,334</b>	<b>2,855,821</b>	<b>0.3%</b>	<b>0.1%</b>
Anne Arundel County	554,575	597,108	601,192	613,858	0.7%	0.5%
Baltimore County	826,704	850,592	851,794	850,716	0.3%	0.0%
Carroll County	167,492	175,002	175,913	178,746	0.4%	0.4%
Harford County	248,841	265,962	268,003	274,859	0.7%	0.6%
Howard County	303,368	340,929	344,361	355,712	1.2%	0.8%
Queen Anne's County	47,884	51,447	51,922	53,709	0.7%	0.8%
Baltimore City	617,913	561,858	555,148	528,221	-0.9%	-1.2%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Suburban counties including Howard, Harford, Queen Anne’s, and Anne Arundel Counties have led the region’s population growth for the past decade due in part to an outmigration of population from Baltimore City. Baltimore City’s population decreased slightly over this timeframe, falling by an annual average of 0.9%, and is forecast to decline by 1.2% annually over the next five years.

## Household Formation

The Baltimore CBSA has about 1.1 million households. Howard, Harford, and Queen Anne’s Counties have displayed the healthiest household formation rates for the region over the past ten years, and Howard, Harford, and Queen Anne’s are projected to have the strongest household formation rates over the next five years. Overall household formation in the region is projected to decelerate marginally from the last decade’s growth levels through 2028, increasing 0.4% annually. Increased demand for housing has been driven by positive household formation from empty nesters and young professionals who want a live-work-play environment, which has spurred new apartment development in urban centers throughout the region. Furthermore, the median price of a detached single-family home in the Baltimore-Columbia-Towson CBSA was \$428,600 in second quarter 2024, according to the most recent data from the National Association of Realtors. Home prices appreciated by 7.2% in a year-over-year comparison. Household formation trends are illustrated below:

Household Formation Trends						
	Year-End 2013	Year-End 2023	Forecast	Forecast	Compound Annual Growth Rate	
			Year-End 2024	Year-End 2028	2013-2023	2024-2028
<b>United States</b>	120,835,581	129,605,172	130,516,660	134,567,162	0.7%	0.8%
<b>Maryland</b>	2,208,672	2,346,595	2,358,234	2,413,595	0.6%	0.6%
<b>Baltimore-Columbia-Towson CBSA</b>	1,058,614	1,108,221	1,110,960	1,127,228	0.5%	0.4%
Anne Arundel County	205,170	225,191	226,961	234,988	0.9%	0.9%
Baltimore County	321,848	330,816	331,614	335,707	0.3%	0.3%
Carroll County	59,968	64,503	64,906	66,894	0.7%	0.8%
Harford County	91,852	101,230	102,110	106,176	1.0%	1.0%
Howard County	109,472	122,805	124,171	130,135	1.2%	1.2%
Queen Anne’s County	18,086	20,009	20,214	21,195	1.0%	1.2%
Baltimore City	252,218	243,666	240,983	232,133	-0.3%	-0.9%

Source: Data Courtesy of Moody’s Analytics, Cushman & Wakefield Valuation & Advisory

## Household Income

The growth rate for the Baltimore CBSA’s median household income slightly underperformed the national average for the past ten years. According to Moody’s Analytics, the median income for households in the Baltimore CBSA was \$94,036 at year-end 2023, which is \$14,200, or about 15%, higher than the national median. Over the next five years, the region’s median household income is projected to increase by a compound annual rate of 3.2%, continuing to trend slightly below the state and national rates. The table on the following page illustrates the latest data for historical and projected median household income trends.

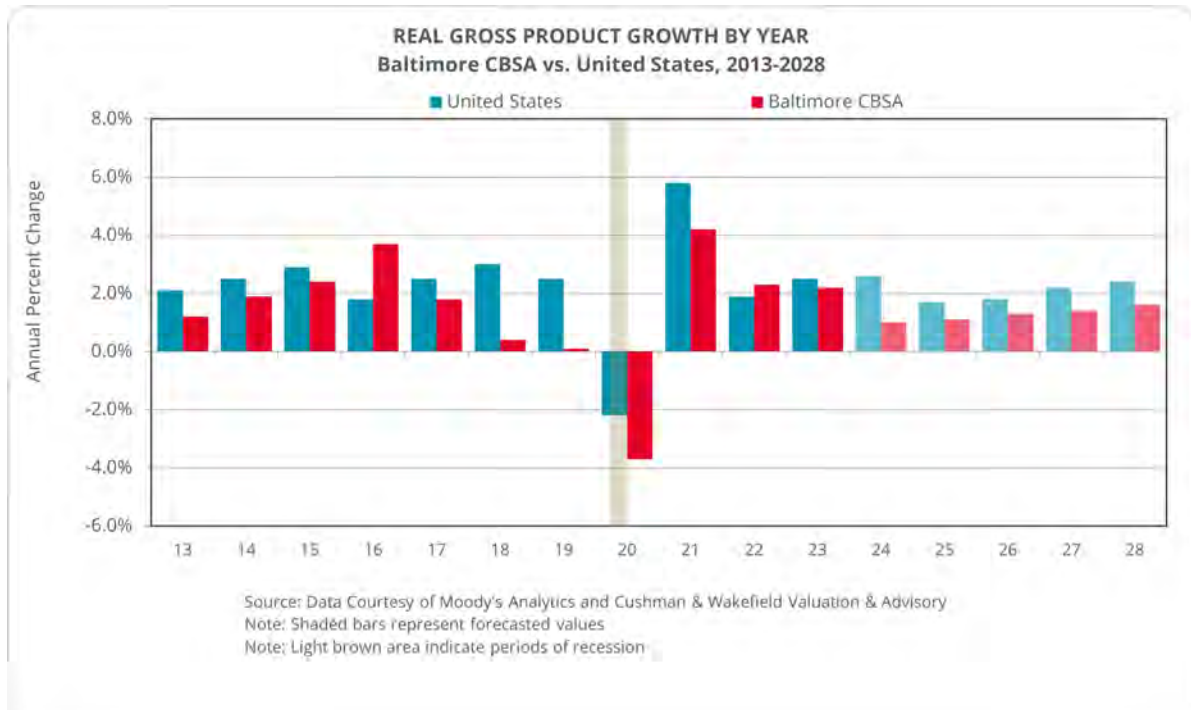
Median Household Income Trends						
	Year-End 2013	Year-End 2023	Forecast Year-End 2024	Forecast Year-End 2028	Compound Annual Growth Rate	
					2013-2023	2024-2028
<b>United States</b>	\$52,250	\$79,824	\$82,744	\$94,665	4.3%	3.4%
<b>Maryland</b>	\$72,483	\$100,114	\$103,853	\$119,763	3.3%	3.6%
<b>Baltimore-Columbia-Towson CBSA</b>	\$68,974	\$94,036	\$97,586	\$110,904	3.1%	3.2%
Anne Arundel County	\$88,388	\$119,969	\$121,487	\$137,098	3.1%	3.1%
Baltimore County	\$66,538	\$87,837	\$92,414	\$103,737	2.8%	2.9%
Carroll County	\$82,768	\$110,457	\$113,696	\$126,333	2.9%	2.7%
Harford County	\$78,539	\$105,606	\$109,040	\$122,545	3.0%	3.0%
Howard County	\$108,672	\$134,446	\$140,485	\$156,092	2.2%	2.7%
Queen Anne's County	\$80,314	\$122,077	\$125,383	\$139,888	4.3%	2.8%
Baltimore City	\$41,702	\$58,766	\$61,485	\$73,676	3.5%	4.6%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

## Economic Trends

### Gross Metro Product

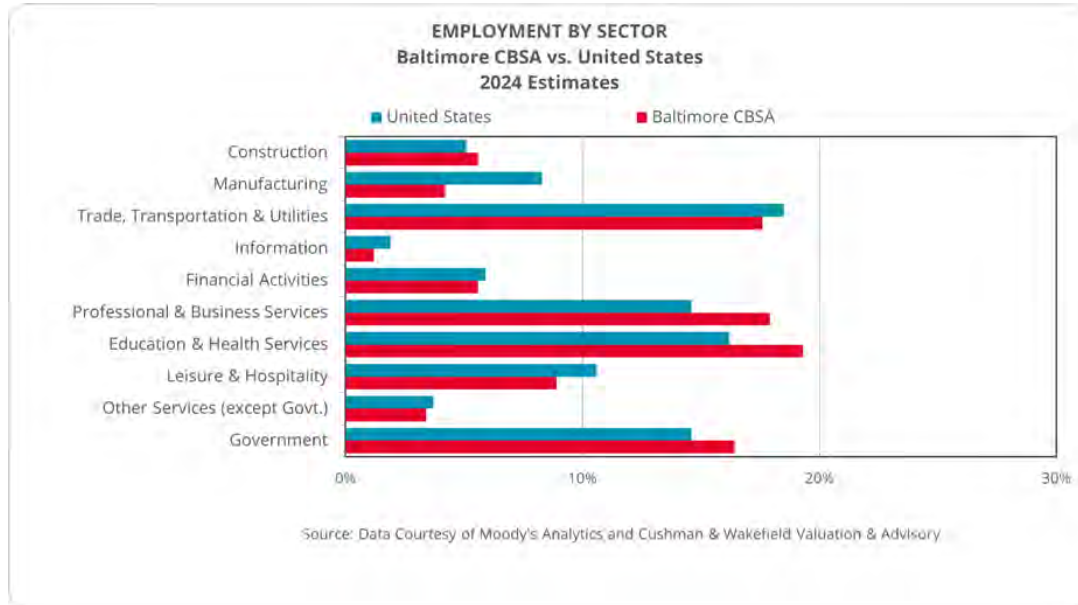
Gross Metro Product (GMP) is defined as the market value of all final goods and services produced within a metropolitan area, and when compared to the nation's Gross Domestic Product (GDP), can determine shifting economic trends in a given region. Economic growth in Baltimore has trailed national economic expansion over the decade, averaging 1.5% annually from 2013 through 2023. Over the decade, Baltimore GMP has trailed national expansion by an average of 80 basis points and is forecast to decrease to an average annual growth rate of 1.4% through 2028, 60 basis points below growth in the U.S. over the five-year period. The following graph compares historical and projected annual GMP growth for the Baltimore CBSA and United States:



## Employment Distribution

The Baltimore region has transformed from being a historically manufacturing-based economy to one centered on service-providing industries. Today, the economy is comprised of multiple industries, which make up an extensive employment base across sectors such as construction, education, health care, utilities, and professional services. The industries with the largest share of employment are the education & health services, professional & business services industries, and trade, transportation, & utilities industries, which represent a combined employment share of 54.8%. The Baltimore CBSA has an above average share of employment over the United States in construction, professional & business services, education & health services, and government. Given the number of higher learning institutions as well as medical and research centers, education & health services make up nearly one-fifth of all employment in the CBSA.

The following graph compares non-farm employment sectors for the Baltimore CBSA and the U.S.:



The following table reflects recent non-farm employment trends by industry group in the Baltimore CBSA:

Employment Trends By Industry Group - Baltimore CBSA						
Averages During Period:	Forecast Year-End 2024		Year-End 2023		Year-End 2022	
Employment Sector	Nos.	%Total	Nos.	% Total	Nos.	% Total
Natural Resources and Mining, & Construction	77,130	5.5%	79,861	5.7%	80,699	4.0%
Manufacturing	60,147	4.3%	59,164	4.2%	58,964	4.2%
<b>Total Goods Producing Employment:</b>	<b>137,277</b>	<b>9.7%</b>	<b>139,025</b>	<b>9.8%</b>	<b>139,663</b>	<b>10.0%</b>
Trade, Transportation and Utilities	243,913	17.2%	248,505	17.6%	253,252	18.1%
Information and Telecommunications	15,550	1.1%	16,273	1.2%	16,955	1.2%
Financial Activities	77,131	5.5%	79,030	5.6%	80,136	5.7%
Professional and Business Services	252,997	17.9%	252,993	17.9%	254,634	18.2%
Educational and Health Services	278,873	19.7%	271,964	19.3%	264,065	18.9%
Leisure and Hospitality	128,367	9.1%	125,681	8.9%	120,681	8.6%
Other Services	47,777	3.4%	47,592	3.4%	46,493	3.3%
Government Sector	232,411	16.4%	231,072	16.4%	224,187	16.0%
<b>Total Service-Providing Employment:</b>	<b>1,277,018</b>	<b>90.3%</b>	<b>1,273,109</b>	<b>90.2%</b>	<b>1,260,404</b>	<b>90.0%</b>
<b>Total Non-Agricultural Employment:</b>	<b>1,414,295</b>	<b>100.0%</b>	<b>1,412,133</b>	<b>100.0%</b>	<b>1,400,067</b>	<b>100%</b>

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Manufacturing, led by shipping and steel production located proximate to the Port of Baltimore, was a leading industry, accounting for 20% of the region's employment, as recently as 1975. However, redirection of the national economy caused many manufacturing companies in Baltimore, such as Bethlehem Steel, General Motors, and Maryland Dry Dock, to reduce employment. By 1995, manufacturing employment represented less than 10% of the region's workforce. At year-end 2023, manufacturing employment represented only 4.2% of the region's employment and is forecast to contract by 0.5% annually over the next five years.

Today, Baltimore's regional economy is wide-ranging across multiple employment sectors. The private sector has shifted towards service, trade, and technology-based employment. While the manufacturing industry still exists in the region, high-tech contractors, educational institutions, public utilities, retailers, and financial institutions have become the main economic drivers. With proximity to Washington, D.C., the government sector plays a significant role in the local economy, accounting for 16.4% of the region's total employment through year-end 2023. Additionally, government employment aides the private sector through government contractors and services that assist government agencies. The heavy presence of the federal government is positive for the region, as it helps stabilize employment and economic growth, but government employment growth may decline in the future due to budgetary constraints from continued high federal government debt levels. Government Sector employment is forecast to hold steady through year-end 2024.

**Educational & Health Services:** The Baltimore CBSA is known for its research universities and medical institutions as it is home to twenty-two four-year and seven two-year enrollment colleges, such as Johns Hopkins University and University of Maryland-Baltimore. In 2023, the education and health services industry represented 19.3% of the region's total employment. Johns Hopkins University, MedStar Health, the University of Maryland Medical Center and LifeBridge Health make up some of the largest private employers in the region. Educational & Health Services employment is forecast to grow by 2.5% through year-end 2024.

**Recreation & Tourism Industries:** The Baltimore region is a vibrant tourist center with many attractions including the Inner Harbor, National Aquarium, Maryland Science Center, Arundel Mills Mall, Baltimore Zoo, Baltimore Ravens (NFL), Baltimore Orioles (MLB), three casinos (Maryland Live! at Arundel Mills Mall, Horseshoe Casino in Baltimore City, and the Hollywood Casino in Perryville), passenger cruises at the Port of Baltimore, and historic communities in Baltimore City including Little Italy, Fells Point, Federal Hill, Canton and Mount Vernon. The leisure and hospitality industry is forecast to represent about 9.1% of the region's employment base by year-end 2024.

## Major Employers

There are three major Federal Government military installations in the Baltimore region – Fort George G. Meade in Anne Arundel County, the U.S. Army Aberdeen Proving Ground in Harford County, and the U.S. Naval Academy in the City of Annapolis. The Fort Meade Military Base is a 13,000-acre Army post and is the largest employer in the State of Maryland and home to the U.S. Cyber Command, the National Security Agency (NSA) and Defense Information Systems Agency. Fort Meade is centrally located in the Baltimore-Washington Corridor and is bordered by MD Route 175 to the north and east, MD Route 32 to the south and MD Route 295 to the west. Fort Meade is one of the largest joint service centers in the U.S. and has the third-largest workforce of Army installations in the United States. In 2005, the Base Realignment and Closure (BRAC) process relocated about 5,400 military, Department of Defense (DoD) civilian, and contract employees to Fort Meade, as well as 4,900 family members. This, coupled with the expansion of the NSA and the establishment of the United States Cyber Command, significantly increased the military and civilian personnel. Combined, Fort Meade, including NSA and other embedded agencies, generate about 36%, or \$22.3 billion, of the total \$61.4 billion in economic impact from all the military installations, according to the Maryland Military Installation Council's 2023 Annual Report. The direct Fort Meade and NSA employment of 64,000 accounts for 4.5% of all employment in Maryland and, when multiplier impacts are included, the 190,000 jobs created, or supported, by Fort Meade and the NSA account for about 13.5% of all employment in Maryland.



Defense-related government contractors are required to locate within ten miles of the contracted federal agency, or military installation. According to local county government economic development officials, every U.S. government job added at the region’s military bases typically creates two new private sector contractor jobs. The U.S. government recently spent \$4.0 billion on development of the U.S. Cyber Command at Fort Meade, as well as expansions at NSA; further, an additional \$4.0 billion in expansions and improvements are on-going or planned, with an estimated 17,000 employees migrating from off-site locations to the east cyber campus on the base. The elevation of U.S. Cyber Command to the status of an independent Unified Combatant Command will continue to spur new contracting opportunities outside of Fort Meade by defense contractors. Companies like Northrup Grumman, Booz Allen and Boeing have expanded in the area as a result of the growing U.S. Cyber Command. Federal government agencies and expanding companies located nearby the military base are primary demand generators for office, flex and research and development space in the Baltimore region. Employees of these companies and government agencies also drive demand for housing and shopping in the local area, which has driven increased demand for apartments and retail development in the market. The following table reflects the top-15 largest employers in the Baltimore region:

Largest Employers Baltimore-Columbia-Towson CBSA		
Company	Employment Sector	No. of Employees
Fort George G. Meade	Fed. Govt. – Military Installation	64,000
Johns Hopkins Health System	Education and Health Services	23,393
University of Maryland Medical System	Education and Health Services	22,538
Johns Hopkins University	Education	22,196
Aberdeen Proving Ground (U.S. Army)	Fed. Govt. – Military Installation	21,000
U.S. Social Security Administration	Federal Government Agency	15,415
State of Maryland	State Government	12,256
Northrup Grumman Corp.	Defense and Technology	12,000
MedStar Health	Health Services	11,699
Exelon Corp.	Energy & Utilities	11,459
LifeBridge Health	Health Services	11,294
BWI Thurgood Marshall Airport	Transportation Services	9,717
University of Maryland, Baltimore	Education	8,042
Mercy Health Services	Health Services	5,393
T. Rowe Price Group	Financial Services	5,275

Sources: *Baltimore Business Journal*, Book of Lists 2023, Employer Websites, Baltimore County Government, Anne Arundel Economic Development Corporation, and Cushman & Wakefield Valuation & Advisory

## Employment Trends

The following table reflects employment trends in the Baltimore region (most recent data available):

Employment Trends - Baltimore-Towson CBSA							
Year:	2018*	2019*	2020*	2021*	2022*	2023*	2024
Labor Force	1,523,568	1,554,745	1,506,481	1,472,856	1,477,494	1,488,081	1,493,281
Employed Residents	1,467,282	1,500,835	1,412,390	1,399,730	1,433,718	1,456,409	1,451,368
Unemployment	56,286	53,910	94,091	73,126	43,776	31,672	41,914
% Unemployed	3.7%	3.5%	6.2%	5.0%	3.0%	2.1%	2.8%
Average Jobs By Place of Work**	1,421,375	1,431,050	1,333,458	1,365,450	1,399,717	1,411,617	1,404,086
Average No. of Jobs Change**	16,550	9,675	-97,592	31,992	34,267	11,900	-7,531
Average % of Jobs Change**	1.2%	0.7%	-6.8%	2.4%	2.5%	0.9%	-0.5%

Source: Bureau of Labor Statistics - \*Data reflects average annual rates - not seasonally adjusted, \*\*Nonfarm Jobs - not seasonally adjusted  
2024 YTD-Average year-to-date through June 2024

The Bureau of Labor Statistics (BLS) produces monthly estimates of total employment and unemployment of residents of a given area, commonly known as the Local Area Unemployment Statistics (LAUS). The overall number of employed residents in the Baltimore CBSA increased by 11,900 in December 2023 in a year-over-year comparison. Through June 2024, the region has lost 7,531 jobs. The health crisis drove down the average annual unemployment rate starting in March 2020 and peaked in May 2020 at 10.4% as the economy began to shut down for the health and safety of the Baltimore CBSA. The June 2024 unemployment rate was 2.8% and total labor force totaled nearly 1.5 million for the Baltimore CBSA. The June 2024 unemployment rate of 2.8% increased from year-end 2023, but it still well below the 10-year pre-pandemic annual average of 5.5%. The following table reflects a summary of the total number of employers, labor force and businesses with one hundred or more employees by jurisdiction in the Baltimore region as of second quarter 2024:

Number of Businesses - Baltimore-Towson CBSA			
	No. of Employers	Labor Force	No. of Businesses with 100+ employees
<b>Baltimore-Towson CBSA</b>	<b>114,104</b>	<b>1,512,079</b>	<b>1,572</b>
Anne Arundel County	23,002	319,588	307
Baltimore City	24,497	290,544	393
Baltimore County	34,645	456,487	425
Carroll County	6,021	93,427	52
Harford County	8,467	141,464	111
Howard County	15,137	182,916	275
Queen Anne's County	2,335	27,653	9

Source: Maryland Department of Commerce, 2024

## Environmental Influences - Transportation System

**Roads:** The Baltimore region benefits from a comprehensive transportation system that includes interstate highways, an international airport, a seaport and distribution and commuter railways. Interstate 95 (I-95) is the primary north-south highway connecting the Baltimore region to major metropolitan areas throughout the Northeast. I-95 and the Baltimore/Washington Parkway (MD-295) provide linkage between the Baltimore and Washington, D.C. beltways. Interstate 83 provides access to New York and Canada, while Interstate 70 is the primary east-west highway that links Baltimore with Pittsburgh and Midwest markets. All major arterials are accessible from I-695 (the Baltimore Beltway), which is a 52-mile circumferential highway that encircles Baltimore City. Employment centers have been created in the region by the mobility from major roadways and accessibility by commuters. Additionally, the trucking and distribution service industry benefits from the highway system as more than 100 freight lines service the region. Interstate 695 has been impacted by the container ship striking the Francis Scott Key Bridge in March 2024, in which the bridge collapsed, shutting off a part of this major thoroughfare. The state plans to rebuild the bridge at an estimated cost of up to \$1.9 billion, which may require up to four years to complete.

**Rail:** CSX Transportation, Conrail, Norfolk Southern Railroad, and the Canton Railroad Company provide freight service throughout the region. AMTRAK provides commuter rail service along the Northeast corridor between Washington, D.C., and Boston. Two commuter lines operated by MARC/CSX connect Baltimore's Camden Yards and Pennsylvania Station to Union Station in Washington, D.C. A 14-mile commuter subway system links downtown Baltimore City to Owings Mills in northwest Baltimore County. In addition, a 27-mile *Light-Rail* system connects Hunt Valley in northern Baltimore County through downtown Baltimore to Glen Burnie in Anne Arundel County to the south, with a spur connecting to the Baltimore-Washington Thurgood Marshall International Airport ("BWI"). Rail stations along the commuter rail lines have spurred transit-oriented development. Amtrak is investing \$150 million in station and track improvements in the redevelopment of the historic Penn Station located in downtown Baltimore. Amtrak, in partnership with a local development team, plan to create a transit-oriented hub with apartments, and retail and office space. Amtrak began work in 2020 on adding a high-speed rail platform to Penn Station to support its Acela fleet and in January of 2024, Amtrak started to test the new trains, which are scheduled to enter service in the Northeast Corridor by year-end 2024, but Amtrak has not yet announced a specific date.

**Air:** The Baltimore/Washington International Thurgood Marshall Airport (BWI), located about ten miles south of downtown Baltimore, provides domestic and international air transportation to the region. BWI is busiest airport in the National Capital Region. Recent investments included a \$125 million connector between Concourses D and E and a \$60 million upgrade to Concourse A to better serve the airport's largest carrier, Southwest Airlines. Currently, the largest capital project in the airport's history is underway: a \$425 million project to construct the A/B Connector and an innovative baggage handling system. BWI has spurred development of business and industrial parks close to the airport. The statewide economic impact of BWI estimated by the State of Maryland for Fiscal Year 2023 totaled \$11.3 billion, including 107,000 regional jobs, with nearly 28,000 of those generated directly by airport operations. BWI is also a major resource for national and international cargo, freight, and mail distribution. In 2023, 26.2 million passengers used BWI, which has nearly fully recovered to pre-COVID levels of 27 million passengers. The BWI airport set a new record in 2021 with 618.81 million pounds of cargo transported, which was a result of increased demand during the COVID-19 pandemic. Annual cargo volume for 2023 was 538.7 million pounds.

**Water:** The Port of Baltimore stretches over 45 miles of developed waterfront and is one of only four Eastern U.S. ports with a channel depth of 50 feet. The Port utilizes nineteen terminals, over six million square feet of warehouse space and five million square feet of cold storage. These extensive facilities mostly accommodate ships carrying general, container, bulk, and break-bulk cargo, making it the second busiest containerized cargo port in the Mid-Atlantic and Gulf coast regions. The Port is the national leader in handling cars, farm and construction machinery, as well as imported forest products, sugar, and aluminum. A \$22 million auto berth opened in 2014 to better position the Port to accommodate rising automobile shipments. The Port of Baltimore is one of only three East Coast ports that can accommodate larger cargo ships that utilize the expanded Panama Canal. The port's economic impact is



vital to the Baltimore region. According to the Maryland Port Authority, in 2018 the Port generated about 15,330 direct jobs, a payroll of nearly \$3.3 billion, and roughly \$395 million in state and local taxes. The Port also features a cruise passenger terminal, which accommodates three cruise lines with about one hundred cruises annually. The Howard Street Tunnel received \$125 million in federal grant funding to reconstruct the tunnel and improve the Port's container business by about 100,000 containers annually. Additionally, a new 50-foot deep berth that allows the Port to serve two supersized ships at the same time was completed in May 2022. Further, the Maryland Port Authority has indicated a third berth will be constructed and operational by early 2025, and a fourth berth will be completed in the future.

While container tons handled at the port declined 3.2% between 2019 and 2021, data for 2022 from the Department of Transportation/Port Administration showed a 3.7% increase in container tons handled on a year-over-year basis, finishing 2022 with 8.3 million container tons handled. In 2023, the port handled over 8.7 million container tons, up 4.7% from 2022. Through June 2024 the port has handled approximately 2.1 million tons, half of what was reported through mid-year 2023. This significant decline was driven by collision of the container ship *Dali* into the Francis Scott Key Bridge on March 26, 2024. After the bridge debris was removed in late April, the port was reopened with limited access, shallow channels. The full 700-foot wide channel reopened in early June 2024, with cleanup of the remaining bridge debris completed at the same time.

**Impact of Bridge Collapse:** Cushman & Wakefield surveyed market participants regarding the real estate market impact from the collapse of the Francis Scott Key Bridge, which occurred on March 26, 2024 as the result of a cargo ship ramming the bridge. There is no consensus from market participants regarding the near-term and future impacts of the bridge collapse. The Port of Baltimore had been partially closed after the collapse for nearly three months resulting in an economic loss to Baltimore City and the State of Maryland. The port was reopened on June 11, 2024 after the waterway was cleared of debris to allow for shipping. Federal and State agencies are planning to rebuild the bridge, which is estimated to be completed by 2028. This section of highway is an alternative bypass around Baltimore City, which averaged about 30,000 vehicles per day. In the near term, this additional traffic will need to use I-95 and I-695, which has increased commuter travel time and impacted some trucking routes.

## Governmental Influences

Government forces that affect real estate values include tax structure, zoning authority, public services and fiscal and regulatory policies that affect development. Maryland levies an 8.25% corporate income tax on net income attributable to business transacted within the state. The state sales and use tax is 6% on tangible personal property sold at retail outlets. This tax does not apply to a manufacturer's purchase of raw materials, or to the purchases of machinery and equipment. Local jurisdictions offer complete or partial exemptions on machinery, equipment, and inventories. All jurisdictions exempt inventory at warehouse facilities. The state also has a graduated personal income tax of 2.00% to 5.75% on federal adjusted gross income. Real estate taxes in the state are based on triennial state assessments. Local property taxes fund public education. Zoning authority is vested in the local jurisdictions, which regulate land use and development density. The Baltimore region is adequately served by necessary public utilities, including electricity, natural gas, water, storm water and sanitary sewers, telecommunication, and cable services. As the region has expanded from the urban core, outlying municipalities continue to expand public facilities to meet growing demand.

The State of Maryland has started relocating 12 agencies into the Central Business District in downtown Baltimore from their State Center Complex. Downtown Partnership of Baltimore has indicated that the Maryland Department of General Services has signed leases for all of the state agencies relocating to Baltimore. Additionally, the *Baltimore Business Journal* reported in May that the state has three more agencies—General Services, Budget and Management, and the Maryland Tax Court located in the city—are looking to move to the CBD. With these three additional moves, approximately 6,000 new workers will be moving to new space in the CBD. This relocation is expected to help stabilize the office market in Baltimore's Central Business District.

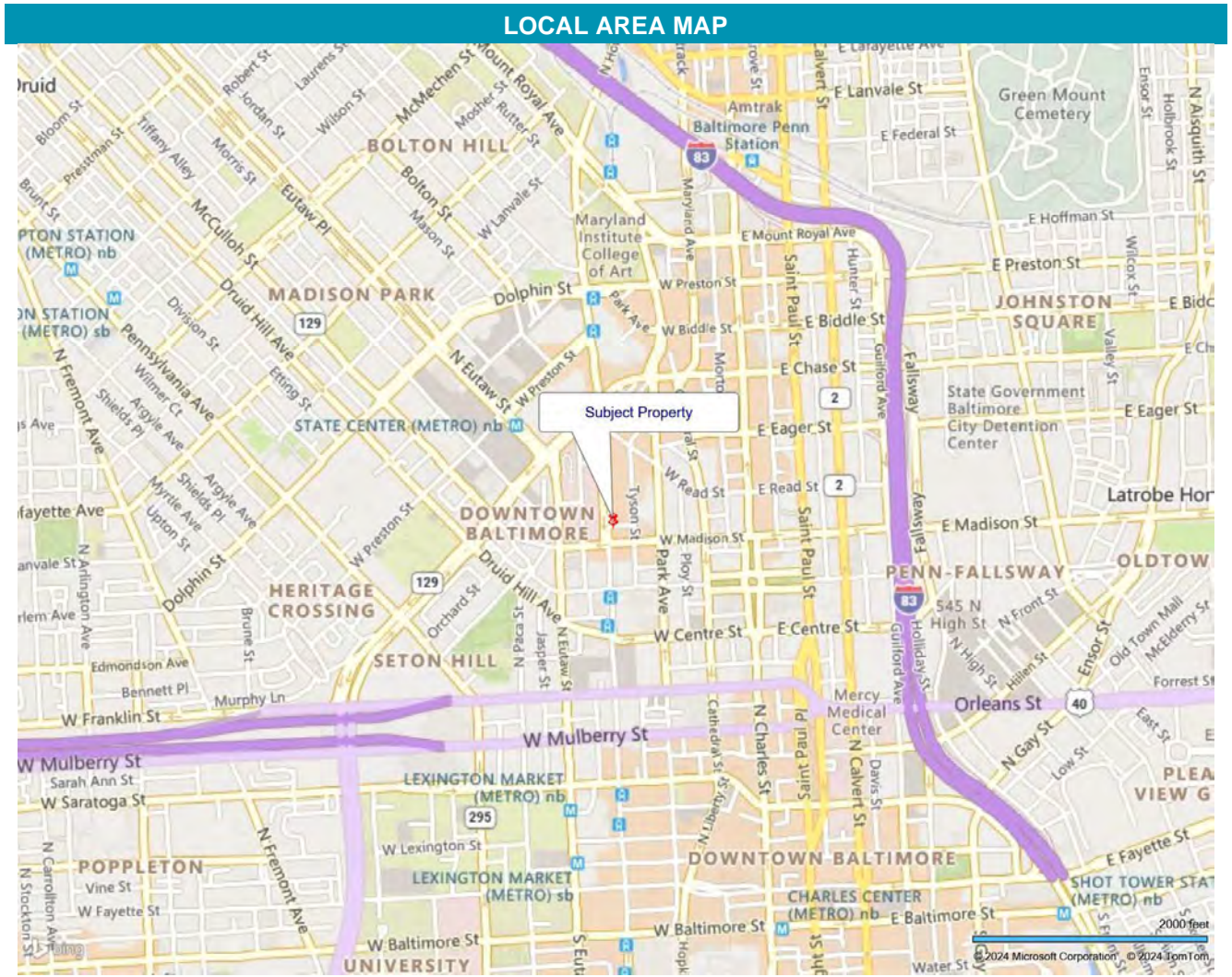
## Regional Analysis Conclusions

**Regional Strengths:** Strengths of the Baltimore region include an efficient transportation network with connections to major national markets. This includes the Port of Baltimore, which has reflected continued growth in the handling of general cargo and containers attributed in part to the completion of the Panama Canal expansion in 2016. Despite a downturn in cargo handling in April 2024 as a result of the bridge collapse, complete port operations resumed in June, with container volume likely stabilizing to monthly 2023 levels by the end of the year. The Baltimore region also benefits from its proximity to Washington, D.C. and its Federal government employment base. The region is a hub in the growing cybersecurity sector and was recently designated a federal tech hub. The presence of Federal government agencies, military installations and major educational, medical and research centers, such as Johns Hopkins University, and recreational and tourist attractions, help stabilize the region's employment and generate demand for real estate. Market participants refer to these primary demand generators of commercial real estate, which also support the resilience of the regional economy, as "Feds, Eds, Meds and Beds." Furthermore, the region's low cost of living (when compared to nearby metropolitan areas) and the well-educated labor force should continue to promote economic growth over the long term in the region.

**Regional Weaknesses:** Although the Federal government provides a stable economic and employment base, its presence makes the region vulnerable to the risks associated with federal budget cuts. The effects of Sequestration in 2013 underscore these risks as consumer services within the region are also susceptible to budget cuts, as government employees and funding generate a sizable portion of demand and economic activity. In addition, the region's moderate population and household growth could pressure economic growth over the long term.

**Summary:** Baltimore's mature economy continued its expansion path as strong port activity, coupled with healthy wage gains, continue to spark economic growth and recovery from the recent impact of the COVID-19 pandemic. The Baltimore CBSA's Gross Metro Product is projected to increase at a compound annual growth rate of 1.4% over the next five years. Rising industries like cyber security, medical research and distribution have shown success in economic and private sector growth recently. As a large distribution hub due to its central location along the Eastern Seaboard, the Baltimore region is likely to see continued stable economic output driven by warehousing and consumer activity in the eCommerce sector.

# Local Area Analysis



## Location Overview

The subject property is located on the east side of N. Howard Street, just north of W. Madison Street, within the Mount Vernon neighborhood in central Baltimore. The local area is less than a mile north of the City Center District and the Inner Harbor.

### Nearby and Adjacent Land Uses

**Mount Vernon / Mid-Town Belvedere:** The subject is located within the historic cultural district of Mid-Town Belvedere. Mid-Town Belvedere, and the adjacent Mount Vernon neighborhood, combined encompass forty city blocks just north of Baltimore's downtown Central Business District. The neighborhood is centered by Mount Vernon Place, a registered historic National landmark collectively made up of four public city park areas. Mount Vernon Place is improved with the first national monument dedicated to President Washington in the United States. The park area is surrounded by historic churches, residential and commercial buildings dating back to the mid-1800's. Cultural attractions in the neighborhood include the Walter's Art Gallery, Maryland Institute- College of Art, the Peabody Conservatory of Music, The Meyerhoff Symphony Hall, The Lyric Theater, Centre Stage, the Maryland Historic Society and six historic churches. Local area cultural institutions are visited annually by ±1.5 million visitors according to city planners.

**Charles North:** The Charles North neighborhood is located just north of Mount Vernon and Mid-Town Belvedere. Charles North is a community that has undergone redevelopment since Baltimore City designated the neighborhood as part of the Station North arts and entertainment district in 2002. Several former industrial and multi-story warehouse buildings in the local area have been converted for commercial and mixed-use including office, housing and retail. The commercial district is mostly improved along North Charles Street, which is the primary north-south connecting thoroughfare in the local area, and North Avenue, which is the primary east-west connecting thoroughfare. The commercial district is anchored by Charles Theater, which is a popular art house multiplex that also serves as the venue for the annual Maryland Film Festival. Charles Theater is located along North Charles Street. Other theaters, clubs, restaurants and art galleries are located within the neighborhood.

**Penn Station:** Penn Station is located in the Charles North neighborhood, which houses Amtrak and MARC trains and is a major transportation hub for Baltimore City and region. The train station is located about one-half mile north of the subject. Penn Station is one of the busiest Amtrak rail stations in the U.S. with more than 1 million riders originating from the station in 2014. The local area has become an urban bedroom community for workers commuting from Penn Station to Washington, D.C. (50-minute train ride). In 2019, Amtrak announced plans to invest \$50 million in improvements in the historic station as part of a phased \$90 million redevelopment project. Amtrak is also partnering with a local developer to expand the project to include a \$140 million new development on an adjacent surface parking lot including residential, retail and office space. The project was awarded \$3 million in Maryland Historic Revitalization Tax Credits.

**Medical Facilities:** The University of Maryland Medical Center (UMMC) is a primary employer and demand generator of medical and healthcare-related office tenants within Westside, City Center and Midtown districts, as well as for apartments by medical staff. The UMMC Midtown Campus is located is bounded by W. Madison Street, N. Eutaw Street, Martin Luther King Jr. Boulevard and N. Howard Street. The medical campus is anchored by a 179-bed hospital with more than 500 doctors and 1,000 employees. The Mercy Medical Center, which is a 196-bed hospital, is located at 345 St. Paul Place, just south of the local area within downtown Baltimore. The Mercy Medical Center completed a \$400 million expansion in 2010, which included an 18-story, 688,000 square foot hospital facility. This medical complex is a primary demand generator for apartments from medical staff, as well as medical office tenants.



**Universities:** College students are primary demand generators for apartments in the subject's market. There are five educational facilities within Baltimore with more than 35,000 students and employees including Johns Hopkins University in located in northern Baltimore City, the University of Maryland, Baltimore located along the western fringe of the CBD, and the University of Baltimore in Midtown. The University of Baltimore is located in the immediate area and has an enrollment of approximate 5,000 students with 900 employees. The UB enrollment includes about 2,600 undergraduate students, 1,800 graduate students and 720 law students. The Johns Hopkins University-Homewood Campus is located about 1.5 miles north of the subject within the Charles Village neighborhood. The schools of Arts and Sciences and Engineering (the Homewood Schools) are located on the 140-acre wooded campus in a residential area of North Baltimore. The 140-acre JHU Homewood Campus is bordered by North Charles Street to the east, University Parkway to the north, Wyman Park Drive and Art Museum Drive to the south and San Martin Drive to the west. The JHU Homewood Campus is "home" to about 5,200 undergraduate students and about 2,300 graduate students with faculty numbering about 600 for both schools. Full-time freshman and sophomore students are required live within university-owned student housing dormitories or apartment facilities.

The Maryland Institute College of Art (MICA) is located within the subject's Charles North District. MICA is the oldest continuously degree-granting college of art and design in the nation and is a leading contributor to the creative regional economy and a top producer of nationally and internationally recognized professional artists and designers. MICA has an annual average enrollment of 3,500 students, with approximately 2,200 that live proximate to the college within area apartment buildings. MICA includes a building located 131 W. North Avenue known as the Fred Lazarus IV Center, which is a 120,000 square foot, 5-story facility that includes instructional space supporting painting, photographic and electronic media programs. It also includes 177 studios, digital, computer and photo labs, a fabrication workshop and spray booths.

**Government Facilities:** Other institutional facilities in the local area include Federal, State of Maryland and Baltimore City government facilities. The government-related employment base is a significant demand generator for apartments by their employees and office space for government contractors and professional service firms such as law firms and title companies.

## Public Utilities and Services

All necessary utilities, including water and sewer, are available to the local area. These utilities are provided at a quality and cost considered consistent with nearby competing areas.

## Access

**Regional Access:** The neighborhood is easily accessible from regional markets by the various major thoroughfares including Interstates 83, I-70, I-95 and I-695. Interstate 83 transverses the southern border of the subject's local area. The local area is also well served by public transportation including the Light Rail system, the MARC (Maryland Rail Commuter), Amtrak and local buses.

**Local Area/ Direct Access:** The local area is served by a good network of primary roads and public transportation services. Primary east-west thoroughfares include W. Franklin Street (U.S. Route 40), Centre Street, Madison Street and Eager Street. Primary north-south thoroughfares in the neighborhood include Howard Street, Park Avenue, Cathedral Street, Charles Street, St. Paul Street and Calvert Street. Most primary roadways in the neighborhood are asphalt-paved, with one-way directional traffic. The one-way directional traffic provides effective traffic flow through the neighborhood.

## Local Area Analysis Conclusions

Baltimore City has undergone significant redevelopment over the last two decades. Most of this activity has been spurred by local industries including health care, educational, cultural and entertainment/tourist related projects. As the revitalization of Baltimore City continues, the long-term outlook for the local area appears positive. There has been a notable amount of new apartment development in the local area driven by demand by empty-nesters, college students and young professionals moving back into Baltimore City from the suburbs to be closer to their employment. Overall, the subject's location proximate to universities and other cultural and institutional centers, as well as good accessibility by roadway and public transportation, are positive locational factors for multi-family use. Overall, the local area is supportive of the subject's project as a market-rate apartment complex with street retail.

# Apartment Market Analysis

## Overview

A variety of factors influence the performance of a property in the market. In this section we provide an in-depth analysis of both the market in which the subject property competes and its position within that market.

- We begin our analysis with a discussion of current market statistics such as supply, absorption, vacancy, effective rental rates and new and proposed construction.
- Next we provide analysis of competing local properties to determine the competitive inventory, occupancy rates, rent levels and concessions that might impact the market.
- We finish our analysis with an examination of the underlying demographic indices. Comparisons are made to larger study areas such as the CBSA, state and U.S. as a whole in order to place the historical and prospective performance of the subject trade area in context.

## Baltimore Apartment Market Overview

### Introduction

Data for the analysis of the Baltimore Apartment market is provided by Reis, Inc., a leading provider of multifamily and commercial real estate market information since 1980. Reis' proprietary database includes trends, forecasts, news and analyses for approximately 200,000 multifamily and commercial properties in 232 metropolitan markets (4 property types multiplied by 58 metropolitan areas) and roughly 2,500 submarkets.

Current and historical figures are compiled by highly qualified industry analysts. Surveyors, as they are called, are responsible for gathering information on property availabilities, rents and lease terms, etc. by directly contacting owners, managers and leasing agents. Projected data is calculated using a suite of economic forecasting models developed by The Economic Research Group, a team led by Ph.D. economists.

Reis' data is released on a quarterly basis, and is widely recognized as a fundamental tool for appraisers throughout the country.

### Submarket Snapshot

As of second quarter 2024 the Baltimore Apartment market contains 177,911 rental units in 713 buildings, located in ten submarkets. Pikesville/Randallstown/Owings Mills is the largest submarket, with 16.8 percent of the region's total inventory. Harford County is the smallest submarket, comprising 4.0 percent of total inventory.

The following table presents the geographic distribution of inventory in the area, along with other statistical information for the most recent quarter.

<b>Geographic Distribution of Inventory</b>						
<b>Submarket</b>	<b>No. Bldgs</b>	<b>Inventory (Units)</b>	<b>% Total</b>	<b>Vacancy Rate (%)</b>	<b>Free Rent (Months)</b>	<b>Asking Rent (\$/Month)</b>
<b>Central Baltimore City</b>	<b>134</b>	<b>24,849</b>	<b>14.0%</b>	<b>8.5</b>	<b>1.1</b>	<b>\$1,747</b>
Dundalk/Essex/Rosedale	61	18,847	10.6%	2.3	0.3	\$1,107
Parkville/Carney/White Marsh	52	15,995	9.0%	1.9	0.2	\$1,245
Towson/Timonium/Hunt Valley	60	15,090	8.5%	2.3	0.2	\$1,589
Harford County	36	7,151	4.0%	5.5	0.5	\$1,320
Pikesville/Randallstown/Owings Mills	116	29,838	16.8%	3.6	0.3	\$1,486
Woodlawn/Catonsville	66	16,441	9.2%	2.1	0.2	\$1,236
Columbia/Howard County	86	21,820	12.3%	5.2	0.8	\$1,782
Glen Burnie/Harundale/Odenton	71	20,597	11.6%	3.0	0.3	\$1,647
Annapolis/Crofton	31	7,283	4.1%	6.1	0.5	\$2,043
<b>Market Total</b>	<b>713</b>	<b>177,911</b>	<b>100.0%</b>	<b>4.1</b>	<b>0.4</b>	<b>\$1,517</b>

Source:

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As of second quarter 2024, the overall vacancy rate for the region was 4.1 percent. Central Baltimore City has the highest vacancy rate of 8.5 percent, while Parkville/Carney/White Marsh has the lowest vacancy rate of 1.9 percent. The subject's Central Baltimore City submarket has a current vacancy rate of 8.5 percent.

The quoted average asking rental rate for all types of space within the region is \$1,517 per month. Annapolis/Crofton has the highest average asking rent of \$2,043 per month. Conversely, the lowest average asking rent is achieved in Dundalk/Essex/Rosedale at \$1,107 per month. The subject's Central Baltimore City submarket has an average asking rental rate of \$1,747 per month. In addition, free rent concessions are prevalent within the market and range from 0.2 to 1.1 months.

## Construction Completions

The Baltimore Apartment market experienced new construction of 7,636 units between 2019 and 2023 or an average of 1,527 units per year. Over the next five years, Reis projects that an additional 6,290 units will be added to the Baltimore market.

Between 2019 and 2023, the Central Baltimore City submarket experienced new construction of 3,833 units, or an average of 767 units per year. This accounts for approximately 50.2 percent of the region's total completions. Over the next five years, Reis projects that an additional 3,174 units will be added to the Baltimore submarket.



The following table presents historical inventory for the region and subject submarket, as well as future projections.

Historical & Projected Inventory (Units)					
Year	Baltimore		Central Baltimore City		
	Inventory	Completions	Inventory	Completions	% Total
2019	171,238	1,366	21,648	632	46.3%
2020	173,017	1,779	22,142	494	27.8%
2021	174,607	1,590	22,542	400	25.2%
2022	174,964	357	22,857	315	88.2%
2023	177,508	2,544	24,849	1,992	78.3%
2Q24	177,911	0	24,849	0	0.0%
2024	178,898	1,390	25,313	464	33.4%
2025	180,998	2,100	26,627	1,314	62.6%
2026	181,890	892	26,943	316	35.4%
2027	182,888	998	27,502	559	56.0%
2028	183,798	910	28,023	521	57.3%
<b>2019-2023</b>					
<b>Total Completions</b>		<b>7,636</b>		<b>3,833</b>	<b>50.2%</b>
<b>Annual Average</b>		<b>1,527</b>		<b>767</b>	

Source: Reis, Inc.

### Vacancy Rates

As indicated, the vacancy rate for the Baltimore region currently stands at 4.1 percent for second quarter 2024, which indicate no change from the year-end 2023. Reis projects that vacancy rates will remain stable over the near term.

The subject submarket is underperforming the market as a whole, with a current vacancy rate of 8.5 percent. Vacancy rates are projected to remain stable over the next few years.

The following table presents historical and projected vacancy for the region and subject submarket.

Historical and Projected Vacancy Rates						
Year	Baltimore			Central Baltimore City		
	Class A	Class B/C	Total	Class A	Class B/C	Total
2019	6.0	2.8	4.2	14.0	5.3	11.0
2020	5.5	2.9	4.1	11.2	6.1	9.5
2021	4.2	3.0	3.6	8.8	7.8	8.5
2022	3.9	3.0	3.5	8.7	8.3	8.6
2023	4.9	3.4	4.1	9.3	9.4	9.3
2Q24	4.9	3.3	4.1	8.1	9.4	8.5
2024	---	---	4.1	---	---	8.7
2025	---	---	4.2	---	---	9.5
2026	---	---	4.1	---	---	9.3
2027	---	---	4.2	---	---	8.9
2028	---	---	4.1	---	---	8.7

Source: Reis, Inc.

Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, Class A properties within the region are experiencing higher vacancies than the market as a whole at 4.9 percent, and Class B/C properties are experiencing lower vacancies of 3.3 percent. Within the Central Baltimore City submarket, Class A properties are experiencing lower vacancies than Class B/C properties.

## Absorption

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction within the region has trailed absorption levels. As shown in the following table, 7,636 new units were completed in the Baltimore region between 2019 and 2023, while 7,734 new units were absorbed. As of second quarter 2024, no new units were completed, while 32 new units were absorbed. This resulted in a decline in vacancy from 4.1 percent in 2023 to the current vacancy rate of 4.1 percent. Over the next five years, Reis projects that construction figures will outpace absorption (new construction will total 6,290 units, and absorption will total 6,041 units).

New construction within the Central Baltimore City submarket has outpaced absorption levels, resulting in increased vacancy rates. Between 2019 and 2023, 3,833 new units were completed, while 3,596 new units were absorbed. Over the next five years, Reis projects that 3,174 units will be added to the market, while 3,036 will be absorbed.

The following table presents historical and projected absorption levels for the region and subject submarket.

Historical and Projected Net Absorption (units)								
Year	Baltimore				Central Baltimore City			
	Class A	Class B/C	Total	Completions	Class A	Class B/C	Total	Completions
2019	1,282	230	1,512	1,366	231	81	312	632
2020	1,904	14	1,918	1,779	722	58	780	494
2021	2,451	(28)	2,423	1,590	720	(124)	596	400
2022	588	(12)	576	357	298	(39)	259	315
2023	1,601	(296)	1,305	2,544	1,681	(32)	1,649	1,992
2Q24	15	17	32	0	111	5	116	0
2024	---	---	1,422	1,390	---	---	577	464
2025	---	---	1,709	2,100	---	---	971	1,314
2026	---	---	1,105	892	---	---	340	316
2027	---	---	745	998	---	---	634	559
2028	---	---	1,060	910	---	---	514	521
<b>2019-2023</b>								
<b>Total Absorption</b>	<b>7,826</b>	<b>-92</b>	<b>7,734</b>	<b>7,636</b>	<b>3,652</b>	<b>-56</b>	<b>3,596</b>	<b>3,833</b>
<b>Annual Average</b>	<b>1,565</b>	<b>-18</b>	<b>1,547</b>	<b>1,527</b>	<b>730</b>	<b>-11</b>	<b>719</b>	<b>767</b>

Source: Reis, Inc.

## Average Asking Rental Rates

As shown in the following chart, average asking rents for the region have been trending upward, from an average of \$1,321 per month in 2019 to an average of \$1,507 per month in 2023, indicating a compound annual growth rate (CAGR) of 3.3 percent. As of second quarter 2024, average asking rents increased to \$1,517 per month. Over the past few years, concessions have been rising and currently stand at 4.0 percent of face rents. Over the next five years, average asking rents are expected to increase from \$1,522 per month in 2024 to \$1,662 per month in 2028.

Average asking rental rates in the Central Baltimore City submarket ranged from an average of \$1,599 per month in 2019 to an average of \$1,693 per month in 2023, demonstrating a CAGR of 1.4 percent. As of second quarter 2024, average asking rents increased to \$1,747 per month. Over the next five years, average asking rents are projected to increase from \$1,729 per month in 2024 to \$1,976 per month in 2028. Concessions currently stand at 9.0 percent of face rents.

The following table presents historical and projected average asking rental rates for the region and submarket.

Historical and Projected Average Asking Rental Rates												
Year	Baltimore						Central Baltimore City					
	Asking Rent \$/Month			Eff Rent	% Change	Concessions % Face Rent	Asking Rent \$/Month			Eff Rent	% Change	Concessions % Face Rent
	Class A	Class B/C	Total				Class A	Class B/C	Total			
2019	\$1,555	\$1,126	\$1,321	\$1,268	2.2	4.0	\$1,781	\$1,248	\$1,599	\$1,481	2.8	7.4
2020	\$1,503	\$1,136	\$1,304	\$1,256	-0.9	3.7	\$1,552	\$1,300	\$1,467	\$1,359	-8.2	7.4
2021	\$1,732	\$1,263	\$1,480	\$1,429	13.7	3.4	\$1,893	\$1,483	\$1,757	\$1,633	20.2	7.1
2022	\$1,771	\$1,272	\$1,503	\$1,452	1.6	3.4	\$1,923	\$1,509	\$1,787	\$1,660	1.7	7.1
2023	\$1,774	\$1,269	\$1,507	\$1,446	-0.4	4.0	\$1,927	\$1,156	\$1,693	\$1,528	-7.9	9.7
2Q24	\$1,787	\$1,276	\$1,517	\$1,457	0.6	4.0	\$1,980	\$1,214	\$1,747	\$1,590	2.3	9.0
2024	---	---	\$1,522	\$1,470	1.7	3.4	---	---	\$1,729	\$1,620	6.0	6.3
2025	---	---	\$1,549	\$1,495	1.7	3.5	---	---	\$1,790	\$1,674	3.3	6.5
2026	---	---	\$1,585	\$1,529	2.3	3.5	---	---	\$1,847	\$1,727	3.2	6.5
2027	---	---	\$1,623	\$1,566	2.4	3.5	---	---	\$1,914	\$1,790	3.6	6.5
2028	---	---	\$1,662	\$1,603	2.4	3.5	---	---	\$1,976	\$1,848	3.2	6.5
CAGR	3.35%	3.03%	3.35%	3.34%			1.99%	-1.90%	1.44%	0.78%		

### New Construction Activity

According to Reis, 3,042 units were completed within the Baltimore region over the past few years in a total of 18 projects. 5,287 units are currently under construction within 23 projects. An additional 15 units are planned within 1 project for potential delivery in the next few years, along with 142 proposed buildings which would add another 24,603 units.

### Baltimore Conclusion

Vacancy levels for the Baltimore Apartment market are down over last year and are expected to remain stable through 2028. Reis forecasts that construction will outpace absorption in the near future, and that average asking rental rates should increase over the same period. In Central Baltimore City vacancy levels are expected to decrease to 8.7 percent by 2028, and average asking rental rates are forecast to increase from \$1,729 per month in 2024 to \$1,976 per month during the same period.

### Competitive Properties Overview

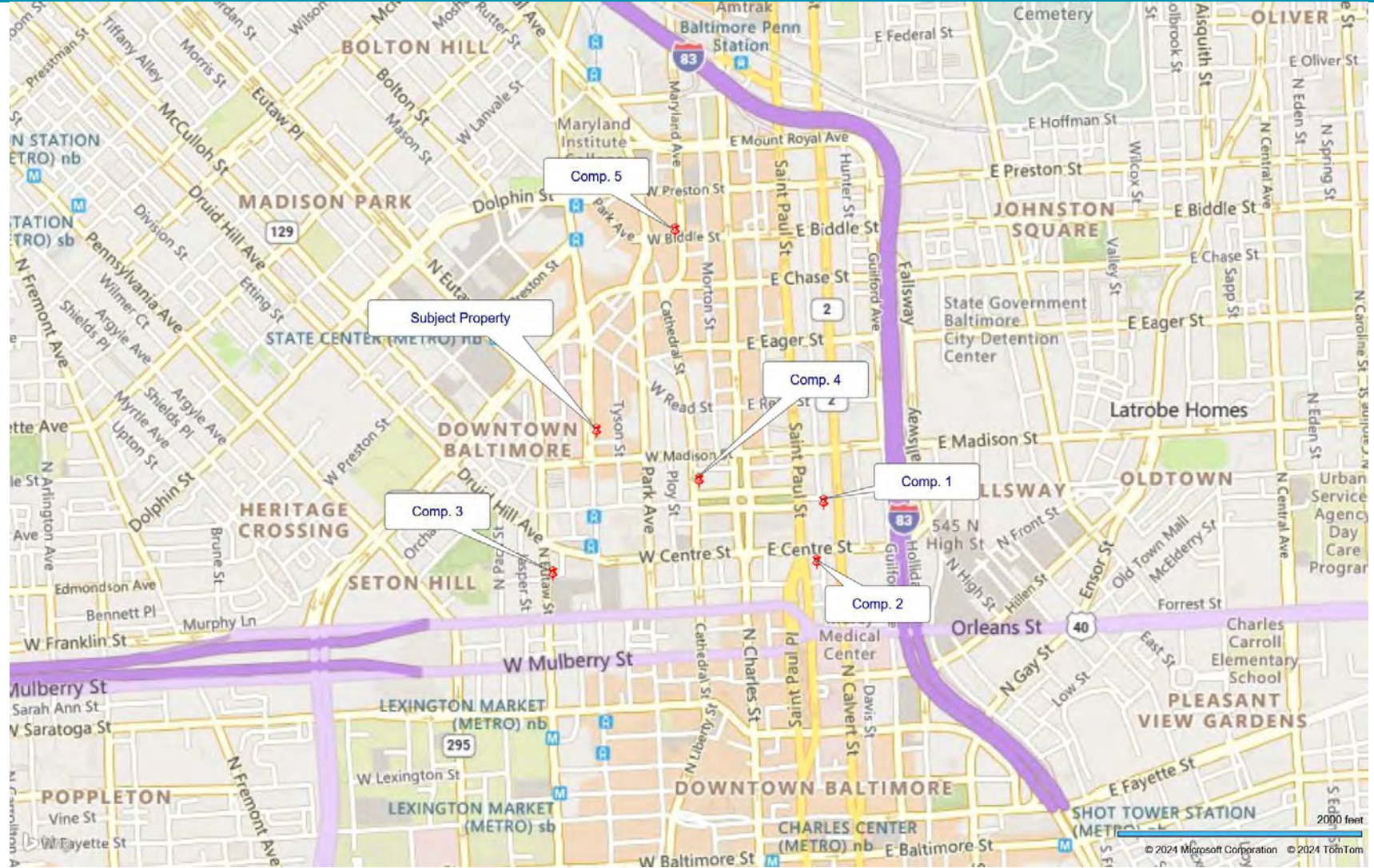
In order to examine the subject property in its proper context, an examination of the subject's most direct competition is necessary. The competitive properties are presented on the following table.

COMPETITIVE APARTMENT PROJECTS										
PROPERTY INFORMATION										
No.	PROPERTY NAME ADDRESS, CITY, STATE	NO. OF UNITS	NET BLDG AREA	AVG. UNIT SIZE	YEAR BUILT	OCC. RATE (%)	BEDS/BATHS	UNIT SIZE (SF) AVG.	QUOTED RENT PER MONTH AVG.	QUOTED RENT \$/SF/ MONTH AVG.
S	Subject Property	1	2,050	2,050	1920					
1	Waterloo Place Apartments 690 North Calvert Street Baltimore, MD	197	200,349	1,017	1991	96.9%	1 BR / 1 BA 2 BR / 2 BA 3 BR / 2 BA	889 1,083 1,367	\$1,518 \$1,747 \$2,227	\$1.71 \$1.61 \$1.63
2	521 St. Paul Apartments 521 Saint Paul Street Baltimore, MD	69	60,789	881	2014	92.0%	1 BR / 1 BA 2 BR / 1 BA 3 BR / 2 BA 4 BR / 2 BA	800 953 1,238 1,412	\$1,270 \$1,638 \$2,141 \$2,603	\$1.59 \$1.72 \$1.73 \$1.84
3	Chesapeake Commons 601 North Eutaw Street Baltimore, MD	99	126,027	1,273	1893	97.1%	Studio 1 BR / 1 BA 2 BR / 2 BA 3 BR / 2 BA	804 1,047 1,517 1,788	\$1,295 \$1,613 \$2,005 \$2,219	\$1.61 \$1.54 \$1.32 \$1.24
4	The Severn 701 Cathedral Street Baltimore, MD	30	32,610	1,087	1900	96.6%	Studio 1 BR / 1 BA 2 BR / 1 BA 3 BR / 2 BA 4 BR / 2 BA	315 620 1,040 1,643 1,850	\$999 \$1,136 \$1,519 \$1,946 \$2,370	\$3.17 \$1.83 \$1.46 \$1.18 \$1.28
5	Apartments at 38 W Biddle St 38 W Biddle St Baltimore, MD	17	10,574	622	1900	100.0%	Studio 1 BR / 1 BA 2 BR / 1 BA	525 600 700	\$652 \$736 \$736	\$1.24 \$1.23 \$1.05
<b>STATISTICS (Excluding Subject)</b>										
	<b>Low:</b>	17	10,574	622	1893	92.0%				
	<b>High:</b>	197	200,349	1,273	2014	100.0%				
	<b>Average:</b>	82	86,070	976	1940	96.5%				
	<b>Totals:</b>	412	430,349	4,880						

Compiled by Cushman & Wakefield of Maryland, LLC



COMPARABLE APARTMENT RENTAL LOCATION MAP



These properties will be more fully discussed in the Income Approach section of this report. To summarize, the comparable projects were constructed between 1893 and 2014 and number of units range from 17 to 197 units. Individual unit sizes range from 622 to 1,273 square feet. The comparable apartment projects revealed occupancy levels ranging from 92.0 percent to 100.0 percent, with an average of 96.5 percent. The table below is a summary of rental rates by unit type:

SUMMARY OF COMPARABLE RENTAL PROPERTIES			
	UNIT SIZE (SF)	QUOTED RENT PER MONTH	QUOTED RENT \$/SF/MONTH
	AVG.	AVG.	AVG.
<b>Studio Units</b>	548	\$982	\$2.01
<b>One Bedroom Units</b>	791	\$1,255	\$1.58
<b>Two Bedroom Units</b>	1,059	\$1,529	\$1.43
<b>Three Bedroom Units</b>	1,509	\$2,133	\$1.45

### Competition Summary

The subject is well located within the desirable Mount Vernon neighborhood. Project amenities are limited due to the small size of the subject.

### Demographic Profile

Understanding the demographics of a region helps to ascertain the underlying fundamentals of real estate supply and demand. The foundation of our analysis in the delineation of the subject's profile area may be summarized as follows:

- Highway accessibility, including area traffic patterns, and geographical constraints;
- The position and nature of the area's residential structure, including its location within a heavily developed apartment area, which adds competition for the subject and at the same time adds strength and composition to the appeal for tenants; and
- The project and unit amenity composition of the subject property as compared to its competition

Given all of the above, we believe that a primary market for the subject property would likely span an area encompassing about one miles. The subject's secondary market might span up to three miles from the site given its regional accessibility and location of competitive properties.

Based on these observations, we analyzed a primary demographic profile for the subject based upon a radius of approximately one miles from the property. To add perspective to this analysis, we segregated our survey into 0.5, one, and three mile concentric circles with a comparison to the CBSA, state, and the United States. The report on the following page presents this data.

### Population

Having established the subject's trade area, our analysis focuses on the trade area's population. Experian Marketing Solutions, Inc., provides historical, current and forecasted population estimates for the total area. Patterns of development density and migration are reflected in the current levels of population estimates.

Between 2010 and 2023, Experian Marketing Solutions, Inc., reports that the population within the primary trade area (1.0-mile radius) declined at a compound annual rate of 0 percent. This is characteristic of urban areas in this market. This trend is expected to continue into the near future albeit at a slightly slower pace. Expanding to the total trade area (3.0-mile radius), population is expected to increase 0.16 percent per annum over the next five years.

The following page contains a graphic representation of the current population distribution within the subject's region.

The graphic on the second following page illustrates projected population growth within the trade area over the next five years (2023 - 2028). The trade area is clearly characterized by various levels of growth.

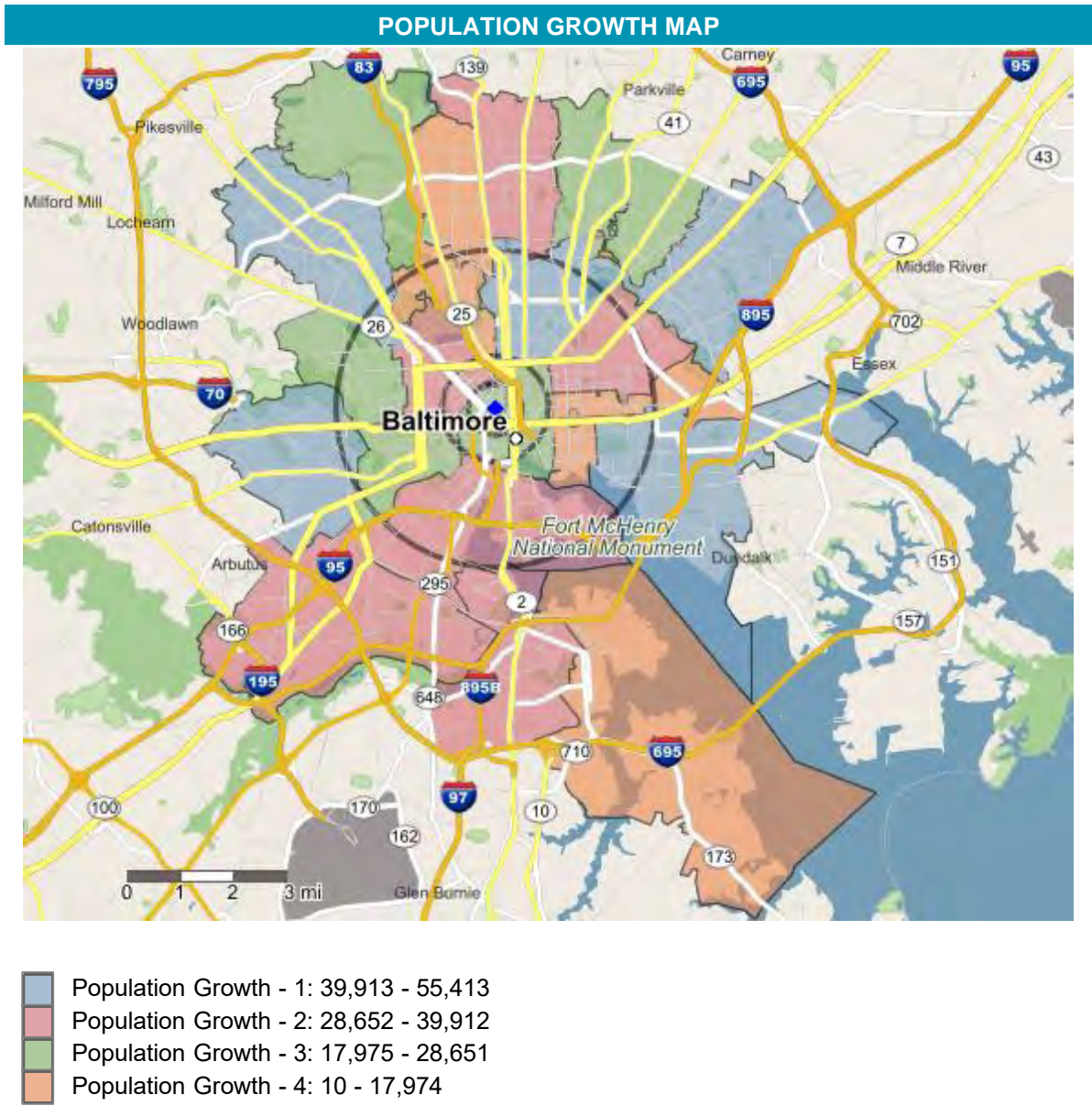
<b>DEMOGRAPHIC SUMMARY</b>						
	<b>0.5-Mile Radius</b>	<b>1.0-Mile Radius</b>	<b>3.0-Mile Radius</b>	<b>Baltimore CBSA</b>	<b>State of Maryland</b>	<b>United States</b>
<b>POPULATION STATISTICS</b>						
2010	13,713	47,582	293,105	2,710,494	5,773,547	308,743,293
2023	15,231	47,564	280,802	2,822,315	6,106,093	333,382,130
2028	15,235	48,076	283,041	2,862,029	6,212,451	344,485,885
<b>Compound Annual Change</b>						
2010 - 2023	0.81%	0.00%	-0.33%	0.31%	0.43%	0.59%
2023 - 2028	0.01%	0.21%	0.16%	0.28%	0.35%	0.66%
<b>HOUSEHOLD STATISTICS</b>						
2010	8,430	21,378	121,288	1,038,765	2,156,404	116,715,242
2023	9,836	24,983	125,715	1,111,533	2,348,772	129,613,080
2028	9,833	25,225	127,125	1,129,528	2,395,621	134,356,413
<b>Compound Annual Change</b>						
2010 - 2023	1.19%	1.21%	0.28%	0.52%	0.66%	0.81%
2023 - 2028	-0.01%	0.19%	0.22%	0.32%	0.40%	0.72%
<b>AVERAGE HOUSEHOLD INCOME</b>						
2010	\$46,864	\$46,578	\$55,479	\$89,764	\$95,510	\$73,387
2023	\$76,850	\$78,985	\$88,168	\$119,863	\$125,315	\$100,106
2028	\$92,334	\$94,815	\$103,713	\$141,506	\$142,412	\$115,083
<b>Compound Annual Change</b>						
2010 - 2023	3.88%	4.15%	3.63%	2.25%	2.11%	2.42%
2023 - 2028	3.74%	3.72%	3.30%	3.38%	2.59%	2.83%
<b>OCCUPANCY</b>						
Owner Occupied	11.79%	15.90%	39.77%	66.49%	66.86%	64.27%
Renter Occupied	88.21%	84.10%	60.23%	33.51%	33.14%	35.73%

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### Households

A household consists of a person or group of people occupying a single housing unit, and is not necessarily a family unit. When an individual purchases goods and services, these purchases are a reflection of the entire household's needs and decisions, making the household a critical unit to be considered when reviewing market data and forming conclusions about the trade area as it impacts the subject property.

Figures provided by Experian Marketing Solutions, Inc., indicate that the number of households is increasing at a faster rate than the growth of the population. Several changes in the way households are being formed have caused this acceleration, specifically:

- The population is living longer on average. This results in an increase of single- and two-person households;
- Higher divorce rates have resulted in an increase in single-person households; and
- Many individuals have postponed marriage, also resulting in more single-person households.

According to Experian Marketing Solutions, Inc., the Primary Trade Area grew at a compound annual rate of 1.21 percent between 2010 and 2023. Consistent with national trends the trade area is experiencing household changes at a rate that varies from population changes. That pace is expected to continue through 2028, and is estimated at 0.19 percent.

Correspondingly, a greater number of smaller households with fewer children generally indicates more disposable income. In 2010, there were 1.81 persons per household in the Primary Trade Area and by 2023, this number is estimated to have decreased to 1.73 persons. Through 2028, the average number of persons per household is forecasted to remain at 1.73 persons.

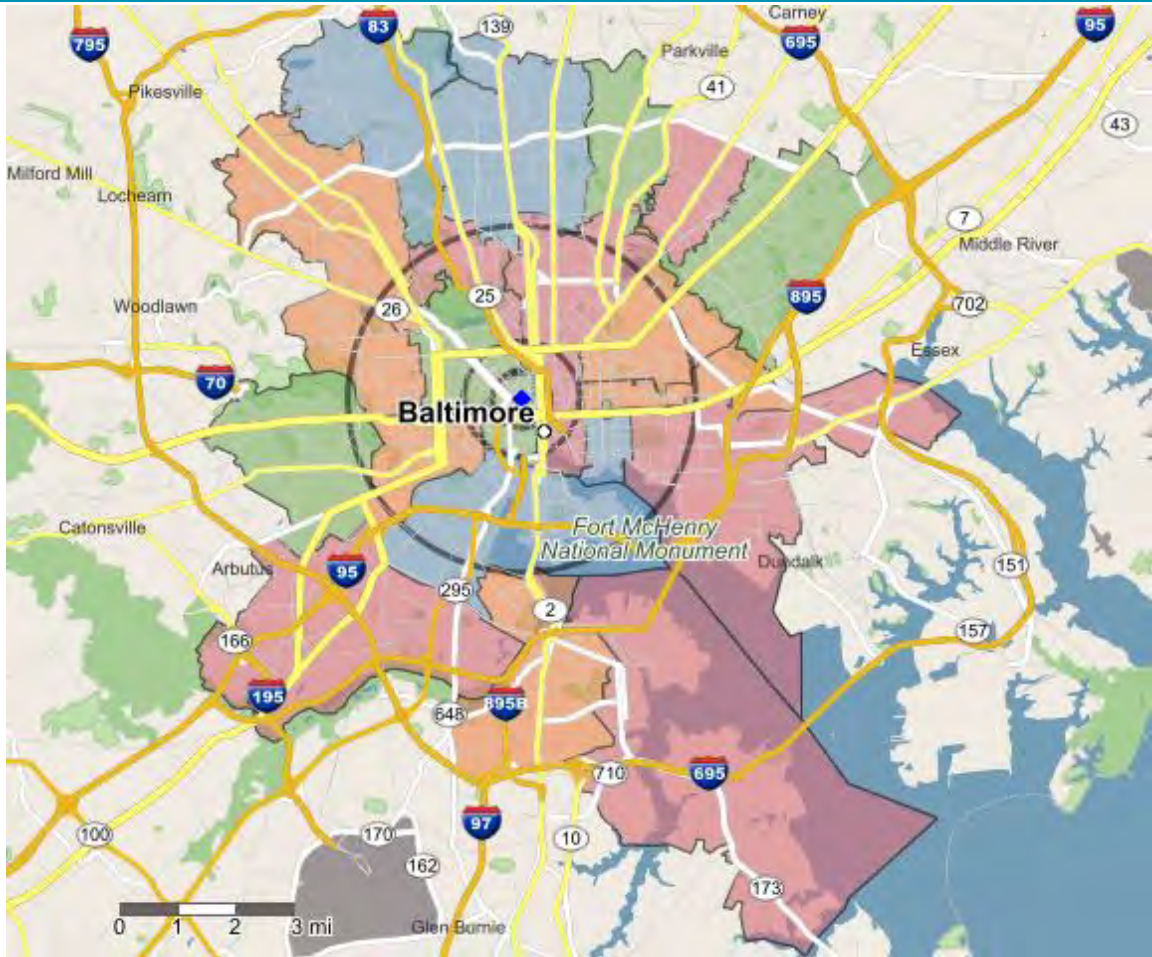
### **Average Household Income**

A significant statistic driving the success of an apartment market is the income potential of the area's population. Income levels, either on a per capita, per family or household basis, indicate the economic level of the residents of the market area and form an important component of this total analysis.

Trade area income figures for the subject support the profile of a broad middle-income market. According to Experian Marketing Solutions, Inc., average household income within the primary trade area in 2023 was approximately \$78,985, 65.90 percent of the CBSA average (\$119,863) and 63.03 percent of the state average (\$125,315).

The following is a graphic presentation of the household income distribution throughout the trade area that clearly shows the area surrounding the subject to be characterized by middle income households. Higher income areas are located in surrounding suburban communities.

### HOUSEHOLD INCOME MAP



- Household Income - 1: \$96,200 - 204,860
- Household Income - 2: \$82,174 - 96,199
- Household Income - 3: \$63,948 - 82,173
- Household Income - 4: \$0 - 63,947

## Housing Occupancy

As illustrated on the Demographic Summary Table presented earlier, there are 9,836 occupied housing units in the subject’s 0.5-mile radius, 24,983 occupied housing units in the primary trade area (1.0-mile), and 125,715 in the total three-mile trade area.

The depth of the rental housing market can be measured by these demographic statistics. The percentage of occupied housing units that are renter occupied is an indicator of demand within an area. Markets that have a high percentage of renter units are indicative of a more transient population. For reference, we note that the United States has 35.73 percent of its occupied housing stock occupied by renters, while the subject’s State and CBSA have 33.14 and 33.51 percent of this same stock occupied by renters. This compares to the local statistics, which reflect renter occupied ratios of 88.21 percent, 84.10 percent and 60.23 percent in the 0.5-, 1.0- and 3.0-mile trade areas, respectively.

## Local Area Housing

Baltimore is a well-established community. Residential development comprises mostly older single-family detached and multi-family residences and apartment complexes within planned communities throughout the local area. Residential growth is mostly located in outlying areas of the community with greater land area available for development.

According to Experian Marketing Solutions, Inc., there are 29,877 housing units within a one-mile radius of the subject property. The median year built of the existing housing stock is 1968. The median home value within a one-mile radius of the subject property as of 2023 was \$246,185. There is a large proportion of owner-occupied housing, comprising about 16 percent of total occupied housing units within a one-mile radius of the subject. The following table reflects a housing summary including the total number of housing units, median housing value and median year built in the local area, as well as the Baltimore region, State of Maryland and U.S. for comparative analysis.

<b>HOUSING SUMMARY</b>						
	<b>0.5-Mile Radius</b>	<b>1.0-Mile Radius</b>	<b>3.0-Mile Radius</b>	<b>Baltimore CBSA</b>	<b>State of Maryland</b>	<b>United States</b>
<b>HOUSING STATISTICS</b>						
2023 Est. Total Housing Units	11,415	29,877	152,587	1,201,643	2,560,484	143,579,053
2023 Est. Median Housing Value	\$270,005	\$246,185	\$210,107	\$353,438	\$384,196	\$268,796
2023 Est. Median Year Built	1968	1968	1941	1978	1982	1984

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## Apartment Market Analysis Summary

We analyzed the profile of the subject's region in order to make reasonable assumptions as to the continued performance of the property.

A regional and local overview was presented which highlighted important points about the study area. Demographic and economic data specific to the residential market were also presented. Demographic information relating to these sectors was presented and analyzed in order to determine patterns of change and growth as it impacts the subject property. The data quantifies the dimensions of the total trade area, while our comments provide qualitative insight into this market. A compilation of this data forms the basis for our projections and forecasts for the subject property. The following are our key conclusions.

- Vacancy levels for the Baltimore Apartment market are up over last year and are expected to increase from 4.7 percent next year to 5.0 percent in 2022. Reis forecasts that construction will outpace absorption in the near future, and that rental rates should increase over the same period. In Central Baltimore City vacancy levels are expected to increase to 9.6 percent by 2022, and rental rates are forecast to increase from \$1,462 per month in 2018 to \$1,549 per month during the same period.
- Continued demand for apartment units by young families and workers, college students, empty nesters and retirees are expected to drive absorption and stabilization of new projects as they come to fruition.
- The subject most directly competes with the other apartment complexes in the vicinity. These properties are generally well maintained and have stabilized occupancy rates.
- The subject is located within a well-established housing market that has a significant, stable population and household base with lower-to-middle level household incomes. The near-term outlook for the local area is for continued stability in population, households and employment.
- The subject has very good accessibility via the regional Interstate network and local arterials that provide linkages throughout the Baltimore CBSA.
- Based on our analysis we concluded that the subject is well positioned within its market area and the prospect for net appreciation in real estate values is expected to be good.



# Retail Market Analysis

## Overview

A variety of factors influence the performance of a property in the market. In this section we provide an in-depth analysis of both the market in which the subject property competes and its position within that market:

- Our analysis begins by defining the subject's property type so that it can be understood in the context of the local retail structure. This competitive set is then analyzed in more detail.
- Next, we thoroughly review current market statistics such as supply, absorption, vacancy, effective rental rates and new and proposed construction.
- Having quantified these components, we then determine a reasonable trading area for the subject based on highway accessibility, geographic constraints and area growth patterns including planned infrastructure improvements.
- We finish our Retail Market Analysis by examining the underlying demographic indices that define the trade area such as population, household income and retail sales potential. Comparisons are made to larger study areas such as the CBSA, state and U.S. as a whole in order to place the historical and prospective performance of the subject trade area in context.

The subject is a retail building designed for use by one occupant. In accordance with the Appraisal Institute, this property is classified as a mixed-use, retail / residential.

## Local Market Overview

### Introduction

Data for the analysis of the Baltimore Retail market was provided by Reis, Inc., a leading provider of multifamily and commercial real estate performance information since 1980. Their proprietary database includes trends, forecasts, news and analyses for approximately 200,000 multifamily and commercial properties in 232 metropolitan markets (4 property types multiplied by 58 metropolitan areas) and roughly 2,500 submarkets.

Current and historical figures are compiled by highly qualified industry analysts. Surveyors, as they are called, are responsible for gathering information on property availabilities, rents and lease terms, etc. by directly contacting owners, managers and leasing agents. Projected data is calculated using a suite of economic forecasting models developed by The Economic Research Group, a team led by Ph.D. economists.

Reis' data are released on a quarterly basis and is widely recognized as a fundamental tool for appraisers throughout the country.

### Baltimore Retail Market

Reis, Inc. classifies the Baltimore Retail market into six submarkets, and segregates inventory by type of space (community versus neighborhood shopping centers). The subject lies in the Central/Eastern Baltimore County submarket of Baltimore.

### Submarket Snapshot

The Baltimore Retail market contains 38,229,000 square feet of space. Anne Arundel County is the largest submarket, comprising 25.6 percent of the area's total inventory. Central Harford County is the smallest submarket with 6.6 percent of total inventory. The subject submarket contains 7,568,000 square feet, or 19.8 percent of the region's inventory.

The following table presents the geographic distribution of inventory, along with other statistical information for the most recent quarter.

<b>GEOGRAPHIC DISTRIBUTION OF INVENTORY</b>						
<b>Submarket</b>	<b>Community Neighborhood</b>	<b>Inventory (SF)</b>	<b>% Total</b>	<b>Vacancy Rate (%)</b>	<b>Net Absorption</b>	<b>Asking Rent (\$/SF)</b>
Anne Arundel County	C	5,737,000	15.0	7.9	-20,000	\$28.10
Anne Arundel County	N	4,048,000	10.6	4.9	0	\$23.60
<b>Anne Arundel County</b>	<b>NC</b>	<b>9,785,000</b>	<b>25.6</b>	<b>6.7</b>	<b>-20,000</b>	<b>\$26.24</b>
Central Harford County	C	1,425,000	3.7	7.2	-3,000	\$22.76
Central Harford County	N	1,096,000	2.9	15.7	-1,000	\$22.98
<b>Central Harford County</b>	<b>NC</b>	<b>2,521,000</b>	<b>6.6</b>	<b>10.9</b>	<b>-4,000</b>	<b>\$22.86</b>
Central/Eastern Baltimore County	C	4,478,000	11.7	12.3	7,000	\$24.43
Central/Eastern Baltimore County	N	3,090,000	8.1	8.8	1,000	\$16.89
<b>Central/Eastern Baltimore County</b>	<b>NC</b>	<b>7,568,000</b>	<b>19.8</b>	<b>10.9</b>	<b>8,000</b>	<b>\$21.35</b>
Howard/Carroll Counties	C	2,221,000	5.8	3.2	6,000	\$30.42
Howard/Carroll Counties	N	3,228,000	8.4	5.9	58,000	\$27.26
<b>Howard/Carroll Counties</b>	<b>NC</b>	<b>5,449,000</b>	<b>14.3</b>	<b>4.8</b>	<b>64,000</b>	<b>\$28.55</b>
Northern Baltimore County	C	1,992,000	5.2	14.0	-12,000	\$31.45
Northern Baltimore County	N	2,389,000	6.2	1.1	21,000	\$28.71
<b>Northern Baltimore County</b>	<b>NC</b>	<b>4,381,000</b>	<b>11.5</b>	<b>6.9</b>	<b>9,000</b>	<b>\$29.96</b>
West/Southwest Baltimore County	C	4,507,000	11.8	9.4	38,000	\$25.10
West/Southwest Baltimore County	N	4,018,000	10.5	6.9	104,000	\$22.74
<b>West/Southwest Baltimore County</b>	<b>NC</b>	<b>8,525,000</b>	<b>22.3</b>	<b>8.2</b>	<b>142,000</b>	<b>\$23.99</b>
<b>Total Community</b>	<b>C</b>	<b>20,360,000</b>	<b>53.3</b>	<b>9.2</b>	<b>16,000</b>	<b>\$26.84</b>
<b>Total Neighborhood</b>	<b>N</b>	<b>17,869,000</b>	<b>46.7</b>	<b>6.4</b>	<b>183,000</b>	<b>\$23.55</b>
<b>Total/Average</b>	<b>NC</b>	<b>38,229,000</b>	<b>100.0</b>	<b>7.9</b>	<b>199,000</b>	<b>\$25.30</b>

Source:

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As of third quarter 2024, the overall vacancy rate for the region was 7.9 percent. Central Harford County has the highest overall vacancy rate of 10.9 percent, while Howard/Carroll Counties has the lowest vacancy of 4.8 percent. The subject's Central/Eastern Baltimore County submarket has a vacancy rate of 10.9 percent.

The average asking rental rate for all types of space in the region is \$25.30 per square foot. The highest average asking rent of \$29.96 per square foot is being achieved in Northern Baltimore County. Conversely, the lowest rent is being achieved in Central/Eastern Baltimore County at \$21.35 per square foot.

Community shopping centers constitute 53.3 percent of existing inventory and are exhibiting a higher vacancy rate (9.2 percent) than Neighborhood centers (6.4 percent) and higher average asking rents of \$26.84 versus \$23.55 per square foot.

## Supply Analysis

### Vacancy Rates

The third quarter 2024 overall vacancy rate for the Baltimore region is 7.9 percent. As shown in the following chart, vacancy rates increased from 8.0 percent in 2019 to 8.6 percent in 2023. Over the near term, Reis projects a decline in vacancy levels for Baltimore, with vacancy varying between 7.9 percent in 2024 and 7.3 percent in 2028.

The Third Quarter 2024 overall vacancy for the Central/Eastern Baltimore County submarket is higher than the region at 10.9 percent. Between 2019 and third quarter 2024, vacancy rates increased from 10.4 percent to 11.1 percent. Over the near term, Reis is projecting a decline in vacancy for the subject submarket, with vacancy levels ranging from 10.8 percent in 2024 to 8.1 percent in 2028.

The following table presents historical and projected vacancy for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)						
Year	Baltimore			Central/Eastern Baltimore County		
	Community	Neighborhood	Total	Community	Neighborhood	Total
2019	9.0	6.9	8.0	11.8	8.5	10.4
2020	9.3	7.4	8.4	11.7	9.8	10.9
2021	8.9	7.3	8.2	11.6	9.4	10.7
2022	8.9	7.6	8.3	11.8	9.5	10.9
2023	9.4	7.7	8.6	12.7	8.9	11.1
3Q24	9.2	6.4	7.9	12.3	8.8	10.9
2024	---	---	7.9	---	---	10.8
2025	---	---	7.8	---	---	9.2
2026	---	---	7.6	---	---	7.8
2027	---	---	7.5	---	---	8.5
2028	---	---	7.3	---	---	8.1

Source: Reis, Inc.

Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, community shopping centers within the region are exhibiting a higher vacancy rate (9.2 percent) than neighborhood centers (6.4 percent). Within the subject submarket, community centers are exhibiting higher vacancies than neighborhood centers (12.3 percent versus 8.8 percent).

**Construction Completions**

Between 2019 and 2023 a total of 556,000 square feet of space was completed, or an average of 111,200 square feet per year. No new space was completed as of third quarter 2024. Over the next five years, Reis projects that an additional 431,000 square feet will completed the Baltimore market.

In the Central/Eastern Baltimore County submarket, a total of 94,000 square feet of space was completed between 2019 and 2023, or an average of 18,800 square feet per year. This equates to 16.9 percent of new construction for the region. Over the next five years, Reis projects that an additional 242,000 square feet of new space will be completed in the Central/Eastern Baltimore County submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)											
Year	Baltimore					Central/Eastern Baltimore County					% of Region
	Inventory Community	Completions	Inventory Neighborhood	Completions	Total Completions	Inventory Community	Completions	Inventory Neighborhood	Completions	Total Completions	
2019	20,074,000	0	17,624,000	25,000	25,000	4,384,000	0	3,090,000	0	0	0.0%
2020	20,074,000	0	17,624,000	0	0	4,384,000	0	3,090,000	0	0	0.0%
2021	20,261,000	187,000	17,665,000	41,000	228,000	4,398,000	14,000	3,090,000	0	14,000	6.1%
2022	20,280,000	19,000	17,810,000	145,000	164,000	4,398,000	0	3,090,000	0	0	0.0%
2023	20,360,000	80,000	17,869,000	59,000	139,000	4,478,000	80,000	3,090,000	0	80,000	57.6%
3Q24	20,360,000	0	17,869,000	0	0	4,478,000	0	3,090,000	0	0	0.0%
2024	---	---	---	---	50,000	---	---	---	---	20,000	40.0%
2025	---	---	---	---	56,000	---	---	---	---	46,000	82.1%
2026	---	---	---	---	96,000	---	---	---	---	18,000	18.8%
2027	---	---	---	---	198,000	---	---	---	---	158,000	79.8%
2028	---	---	---	---	31,000	---	---	---	---	0	0.0%
<b>2019-2023</b>											
<b>Total Completions</b>		<b>286,000</b>		<b>270,000</b>	<b>556,000</b>				<b>0</b>	<b>94,000</b>	
<b>Annual Average</b>		<b>57,200</b>		<b>54,000</b>	<b>111,200</b>				<b>18,800</b>	<b>18,800</b>	<b>16.9%</b>

Source: Reis, Inc.

## Demand Analysis

### Rental Rates

As shown in the following chart, average asking rents in the region have increased from \$22.44 per square foot in 2019 to \$22.58 per square in 2023, indicating a compound annual growth rate (CAGR) of 0.2 percent. Over the next five years, average asking rents are expected to increase between \$22.82 per square foot in 2024 and \$24.92 per square foot in 2028, indicating a CAGR of 2.3 percent.

Average asking rental rates in the subject submarket have increased, ranging from \$18.53 per square foot in 2019 to \$18.77 per square foot in 2023, demonstrating a CAGR of 0.3 percent. Currently, the average rent in the subject submarket is \$18.83. Over the next five years, average asking rents are expected to increase between \$18.90 per square foot in 2024 to \$21.39 per square foot in 2028, indicating a CAGR of 3.2 percent.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates (\$/SF)										
Year	Baltimore					Central/Eastern Baltimore County				
	Community	Neighborhood	Total	% Change	Effective Rent	Community	Neighborhood	Total	% Change	Effective Rent
2019	\$26.43	\$23.24	\$24.94	1.7	\$22.44	\$24.16	\$16.73	\$21.09	1.8	\$18.53
2020	\$26.35	\$23.21	\$24.88	-0.2	\$22.29	\$24.05	\$16.66	\$20.99	-0.5	\$18.41
2021	\$26.57	\$23.33	\$25.06	0.7	\$22.44	\$24.14	\$16.75	\$21.09	0.5	\$18.46
2022	\$26.62	\$23.42	\$25.12	0.2	\$22.50	\$24.16	\$16.80	\$21.12	0.1	\$18.49
2023	\$26.75	\$23.50	\$25.23	0.4	\$22.58	\$24.38	\$16.86	\$21.31	0.9	\$18.77
3Q24	\$26.84	\$23.55	\$25.30	0.2	\$22.74	\$24.43	\$16.89	\$21.35	0.2	\$18.83
2024	---	---	\$25.36	0.5	\$22.82	---	---	\$21.44	0.6	\$18.90
2025	---	---	\$25.85	1.9	\$23.28	---	---	\$22.13	3.2	\$19.44
2026	---	---	\$26.47	2.4	\$23.78	---	---	\$22.92	3.6	\$20.04
2027	---	---	\$27.15	2.6	\$24.33	---	---	\$23.78	3.8	\$20.70
2028	---	---	\$27.91	2.8	\$24.92	---	---	\$24.73	4.0	\$21.39
<b>2019-2023</b>										
<b>CAGR</b>	<b>0.30%</b>	<b>0.28%</b>	<b>0.29%</b>		<b>0.16%</b>	<b>0.23%</b>	<b>0.19%</b>	<b>0.26%</b>		<b>0.32%</b>
<b>3Q24-2028</b>										
<b>CAGR</b>			<b>2.48%</b>		<b>2.32%</b>			<b>3.74%</b>		<b>3.24%</b>

Source: Reis, Inc.

Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Retail rents on a Triple Net (NNN) basis.

As shown, community shopping centers within the region are exhibiting higher average asking rents (\$26.84 per square foot) than neighborhood centers (\$23.55 per square foot). Within the subject submarket, neighborhood centers have lower asking rents than community centers (\$16.89 per square foot versus \$24.43 per square foot). Over the next five years, average effective rent growth will outperform the broader region.

### Absorption

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity in the Baltimore region has exceeded absorption. As shown in the following chart, an annual average of 111,200 square feet of space was completed in the region between 2019 and 2023, while 28,400 square feet was absorbed. Over the next five years, Reis projects that construction will trail absorption with new construction totaling 431,000 square feet, and absorption totaling 884,000 square feet.

Between 2019 and 2023, new construction in the Central/Eastern Baltimore County submarket outpaced absorption, with an annual average of 18,800 square feet completed and 9,200 square feet absorbed. Over the next five years, Reis projects that new construction will trail absorption (new construction will total 242,000 square feet, and 453,000 square feet is expected to be absorbed).

The following table presents historical absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)								
Year	Baltimore				Central/Eastern Baltimore County			
	Community	Neighborhood	Total Absorption	Total Completions	Community	Neighborhood	Total Absorption	Total Completions
2019	-84,000	-31,000	-115,000	25,000	18,000	-3,000	15,000	0
2020	-68,000	-86,000	-154,000	0	4,000	-41,000	-37,000	0
2021	255,000	44,000	299,000	228,000	19,000	12,000	31,000	14,000
2022	13,000	89,000	102,000	164,000	-13,000	-2,000	-15,000	0
2023	-28,000	38,000	10,000	139,000	34,000	18,000	52,000	80,000
3Q24	16,000	183,000	199,000	0	7,000	1,000	8,000	0
2024	---	---	319,000	50,000	---	---	47,000	20,000
2025	---	---	99,000	56,000	---	---	160,000	46,000
2026	---	---	141,000	96,000	---	---	126,000	18,000
2027	---	---	228,000	198,000	---	---	88,000	158,000
2028	---	---	97,000	31,000	---	---	32,000	0
<b>2019-2023</b>								
<b>Total Absorption</b>	<b>88,000</b>	<b>54,000</b>	<b>142,000</b>	<b>556,000</b>	<b>62,000</b>	<b>-16,000</b>	<b>46,000</b>	<b>94,000</b>
<b>Annual Average</b>	<b>17,600</b>	<b>10,800</b>	<b>28,400</b>	<b>111,200</b>	<b>12,400</b>	<b>-3,200</b>	<b>9,200</b>	<b>18,800</b>

Source: Reis, Inc.

### Baltimore Conclusion

The Baltimore Retail market has experienced increased vacancy levels since 2019. Over the near term, new construction activity is expected to trail absorption. However, in the next five years vacancy should decline from 7.9 to 7.3 percent, while average asking rental rates are expected to increase from \$22.82 per square foot to \$24.92 per square foot.



# Property Analysis

## Site Description

### GENERAL

**Location:** 817 N. Howard Street  
 Baltimore, MD 21201  
 The subject property is located on the east side of N. Howard Street, just north of W. Madison Street, within the Mount Vernon neighborhood in central Baltimore.

**Shape:** Rectangular

**Topography:** Level at street grade

**Land Area:** 0.07 acres, or 3,150 square feet

**Access, Visibility and Frontage:** The subject property has average access and average visibility. The frontage is rated as average.  
 The frontage dimensions are listed below:  
 N. Howard Street: 16 feet  
 Tyson Street: 16 feet

**Utilities:** All public utilities are available and deemed adequate.

**Site Improvements:** Site improvements contains a small concrete pad at the rear of the property. There are no other site improvements.

### SITE CONDITIONS

**Soil Conditions:** We were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing structures. We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.

**Land Use Restrictions:** We were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.

**Wetlands:** We were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.

**Hazardous Substances:** We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.

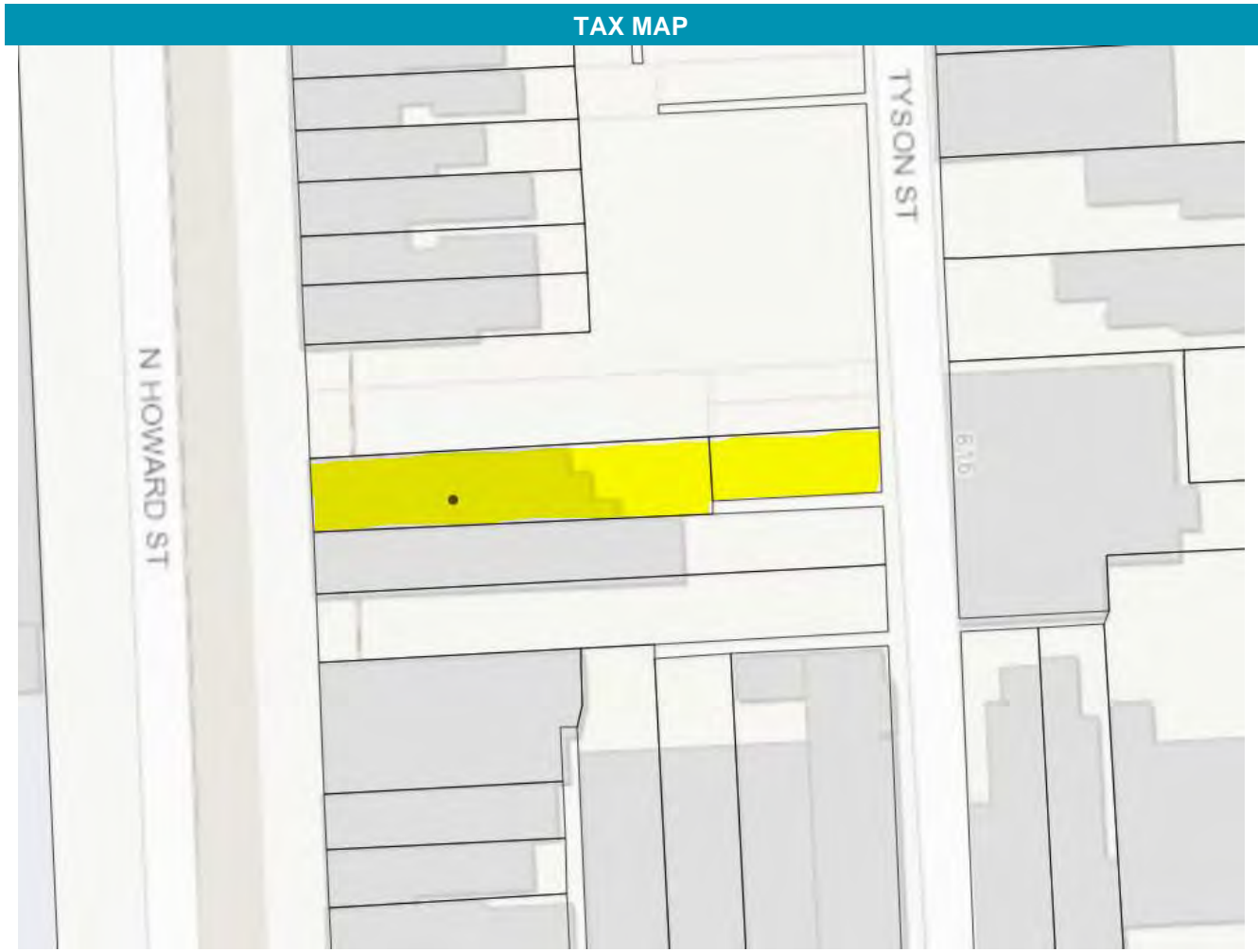
**Flood Zone Description:** The subject property is located in flood zone X (Areas determined to be outside the 500-year flood plain) as indicated by FEMA Map 2400870018G, dated June 16, 2021.

The flood zone determination and other related data are provided by a third-party vendor deemed to be reliable. If further details are required, additional research is required that is beyond the scope of this analysis.

**CONCLUSIONS**

**Overall Site Utility:** The subject site is functional for its current use.

**Location Rating:** Average



# FLOOD MAP

## National Flood Hazard Layer FIRMette



76°37'30"W 39°18'10"N



0 250 500 1,000 1,500 2,000 Feet 1:6,000

Basemap Imagery Source: USGS National Map 2023

### Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

- SPECIAL FLOOD HAZARD AREAS**
    - Without Base Flood Elevation (BFE) Zone A, V, A99
    - With BFE or Depth Zone AE, AH, VE, AR
    - Regulatory Floodway
  - OTHER AREAS OF FLOOD HAZARD**
    - 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
    - Future Conditions 1% Annual Chance Flood Hazard Zone X
    - Area with Reduced Flood Risk due to Levee. See Notes, Zone X
    - Area with Flood Risk due to Levee Zone D
  - OTHER AREAS**
    - NO SCREEN Area of Minimal Flood Hazard Zone X
    - Effective LOMRs
    - Area of Undetermined Flood Hazard Zone D
  - GENERAL STRUCTURES**
    - Channel, Culvert, or Storm Sewer
    - Levee, Dike, or Floodwall
  - OTHER FEATURES**
    - 20.2 Water Surface Elevation
    - 17.8 Coastal Transect
    - Base Flood Elevation Line (BFE)
    - Limit of Study
    - Jurisdiction Boundary
    - Coastal Transect Baseline
    - Profile Baseline
    - Hydrographic Feature
  - MAP PANELS**
    - Digital Data Available
    - No Digital Data Available
    - Unmapped
- The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/11/2024 at 4:03 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

## Improvements Description

The subject property, Howard Street Mixed-Use, is a low-rise mixed-use building containing 3,250 square feet of rentable area within one residential apartment unit and one retail unit. The subject’s residential unit mix is presented in the following table:

UNIT MIX						
Unit Description						
No.	Plan	BR	BA	Total Units	Average Unit Size (SF)	Total (SF)
1	3 BR / 2 BA	3	2.0	1	2,050	2,050
<b>MINIMUM</b>					<b>2,050</b>	<b>2,050</b>
<b>MAXIMUM</b>					<b>2,050</b>	<b>2,050</b>
<b>TOTAL/AVG.</b>				<b>1</b>	<b>2,050</b>	<b>2,050</b>

The following description of improvements is based on our physical inspection of the improvements and our discussions with the subject property owner’s representative.

### GENERAL DESCRIPTION

Property Type:	Multi-Family (Garden/Low-Rise)
Year Built:	1920
Number of Apartment Units:	1
Number of Retail Units:	1 – Total of 1,200 square feet of rentable building area.
Number of Buildings:	1
Number of Stories:	3
Land To Building Ratio:	0.97 to 1
Gross Building Area:	3,250 square feet
Net Rentable Area:	3,250 square feet

### CONSTRUCTION DETAIL

Basic Construction:	Masonry
Foundation:	Poured concrete slab
Framing:	Wood post and beam
Floors:	Reinforced concrete
Exterior Walls:	Masonry
Roof Type:	Flat with parapet walls
Roof Cover:	Sealed membrane

Windows: Thermal windows in aluminum frames  
 Pedestrian Doors: Glass and metal

**MECHANICAL DETAIL**

Heat Source: Gas  
 Heating System: Forced Air  
 Cooling: Forced Air  
 Cooling Equipment: The cooling equipment is located in the basement of the building.  
 Plumbing: The plumbing system is assumed to be adequate for the existing use and in compliance with local law and building codes.  
 Electrical Service: The electrical system is assumed to be adequate for the existing use and in compliance with local law and building codes.  
 Electrical Metering: Each unit is separately metered.  
 Emergency Power: None  
 Fire Protection: Not sprinklered  
 Security: Secured key access

**INTERIOR DETAIL**

Floor Covering: Hardwood, carpet and tile  
 Walls: Drywall  
 Ceilings: Drywall  
 Lighting: Fluorescent

**AMENITIES**

Project Amenities: Controlled entry and deck  
 Unit Amenities: Washer/Dryer in unit

**OTHER IMPROVEMENTS**

Parking: There is a parking pad located at the rear of the property that can accommodate approximately four vehicles.  
 On-site Landscaping: The site is not landscaped.  
 Other: Site improvements contains a small concrete pad at the rear of the property. There are no other site improvements.



**Personal Property:** The subject has typical personal property associated with an apartment including kitchen appliances and washers and dryers. While we recognize that there are various items of personal property associated with the operation of an apartment, buyers in the subject’s market do not typically allocate a separate value for these items in their purchase decisions. Therefore, we have not allocated a separate value for these items but do recognize that they are an integral part of an apartment operation.

**ANALYSIS AND CONCLUSIONS**

**Condition:** Fair

**Quality:** Good

**Actual Age:** 104 years

**Effective Age:** 25 years

**Expected Economic Life:** 45 years – To estimate life expectancy, we relied upon Marshall Valuation Service estimates for similar product.

**Remaining Economic Life:** 20 years

**Property Rating:** After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is fair, when measured against other properties in this marketplace.

**Roof & Mechanical Inspections:** We did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.

**Curable Physical Deterioration:** We have not been provided with a capital expenditure plan or an engineering report that would identify specific costs required to repair deficiencies at the subject property.  
During our inspection, we did not notice any apparent physical deterioration that would require immediate repair.

**Functional Obsolescence:** There is no apparent functional obsolescence present at the subject property.

**Summary:** After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is fair, when measured against other properties in this marketplace.

## Real Property Taxes and Assessments

### Real Estate Assessment

The subject is located in the taxing jurisdictions of Baltimore City and the State of Maryland. The Maryland Department of Assessment and Taxation is responsible for real estate assessments throughout the state. Maryland established a triennial assessment system in 1979, which requires all taxable real estate to be inspected and assessed every three years. There is a phase-in provision that limits the impact of an assessment increase to one-third of the total increase phased-in annually over three years. Decreased assessments are reflected in the first year of the three-year assessment cycle. The property owner may appeal the new assessment within 45 days of receipt of the assessment notice. The property owner may also appeal the assessment annually during the assessment cycle, as well as upon purchase of the property if the sale occurs between January 1 and June 30. A sale of a property between assessment periods does not trigger a reassessment; however, the assessor may consider the recorded sale price at the time of the next assessment. Property owners receive an assessment notice once every three years, in December of the year in which the assessor last valued the property. The notice shows the proposed assessment as of January 1 of the following year. The fiscal tax year runs from July 1 through June 30, with taxes due by September 30. Local jurisdictions offer a discount for paying the tax bill early.

#### PROPERTY ASSESSMENT INFORMATION

<b>Assessor Property Address:</b>	<b>817 N. Howard Street</b>
<b>Assessor Parcel Number:</b>	<b>Ward 11, Section 09, Block 0509, Lots 33 &amp; 14</b>
Taxing Authority:	Baltimore City
Current Tax Year (as of analysis start date):	2024
Phase-In Year (as of analysis start date):	First
Assessment Ratio (% of Assessed Value):	100%
Are taxes current?	Taxes are current
Is there a grievance/appeal underway?	Not to our knowledge
The subject's current assessment is:	Below market levels
Date of Last Assessment:	January 2023
Date of Next Assessment:	January 2026

#### ASSESSMENT INFORMATION

<b>Last Assessment:</b>	January 2023
Land:	\$139,600
Improvements:	79,500
<b>Total Assessment:</b>	<b>\$219,100</b>
Percent Change Since Prior Assessment:	2.86%
<b>Base Year Assessment:</b>	January 2020
Land:	\$139,600
Improvements:	73,400
<b>Total Assessment:</b>	<b>\$213,000</b>

The subject is within the first year of the three-year phase-in period based on the prior assessment as of January 2020. The subject's last assessment in January 2023 totaled \$219,100 reflecting an increase of 2.86 percent from the prior January 2020 assessment of \$213,000. The subject will be reassessed in January 2026 for the following three-year phase-in period starting July 1, 2026.

### Real Estate Tax Rates

The total real estate tax rate is a combination of state and local municipal tax rates. Maryland imposes no restrictions or limitations on real estate tax rates enabling cities and counties to set tax rates at the level required to fund local governmental services. Each taxing district gives advance notice and holds public meetings prior to the rate setting if they are considering a tax rate higher than the Constant Yield Tax Rate, or a tax rate resulting in greater tax revenue than generated from increased assessments. Tax rates are set by July 1, which is the beginning of the tax year. The subject’s total real estate tax rate for the current fiscal year is \$2.3600 per \$100 of Assessed Value.

Historical property tax rates for the subject are presented as follows:

<b>REAL ESTATE TAX RATE HISTORY</b>				
<b>Property Tax Rates In Effect As Of:</b>	<b>July-2021</b>	<b>July-2022</b>	<b>July-2023</b>	<b>July-2024</b>
Tax Rate 1 (State of Maryland):	0.1120	0.1120	0.1120	0.1120
Tax Rate 2 (Baltimore City):	2.2480	2.2480	2.2480	2.2480
<b>Total Tax Rate (Per \$100 of Assessed Value):</b>	<b>2.3600</b>	<b>2.3600</b>	<b>2.3600</b>	<b>2.3600</b>

### Current Property Taxes

The subject’s historical and forecast real estate taxes for the current phase-in cycle are presented as follows:

<b>REAL ESTATE TAXES - MARYLAND THREE-YEAR TRIENNIAL PHASE-IN</b>				
<b>817 N. Howard Street- (APN-Ward 11, Section 09, Block 0509, Lots 33 &amp; 14)</b>				
<b>Phased-In Assessed Value As Of:</b>	<b>7/1/2022</b>	<b>7/1/2023</b>	<b>7/1/2024</b>	<b>7/1/2025</b>
Total Taxable Assessment:	\$213,000	\$215,033	\$217,067	\$219,100
Tax Rate (\$2.3600/\$100 Assmt.):	2.36000	2.36000	2.36000	2.36000
<b>Total Property Taxes:</b>	<b>\$5,027</b>	<b>\$5,075</b>	<b>\$5,123</b>	<b>\$5,171</b>
<b>\$ PSF Net Rentable Area:</b>	<b>3,250 SF</b>	<b>\$1.55</b>	<b>\$1.56</b>	<b>\$1.58</b>
			<b>\$1.58</b>	<b>\$1.59</b>

### Real Property Tax Conclusions

Investors acquiring similar properties are currently relying on in-place taxes in their acquisition pro forma, particularly if the property was recently assessed, or is assessed within the range of comparable properties as is reflective of the subject. According to market participants surveyed, they consider risks of potential future tax increases over the holding period in their selection of investment rates (overall capitalization rate). Risks associated with future real estate tax increases is also considered in the selection of the overall capitalization rate indicated in the Income Capitalization Approach presented in this report. It should be noted, we have relied on the fully phased-in real estate tax expense of \$5,171 within our pro forma.

## Zoning

### General Information

The property is zoned C-1 (Neighborhood Business District) & R-8 (Rowhouse Residential District) by Baltimore City. A summary of the subject’s zoning is presented in the following table:

ZONING	
<b>Municipality Governing Zoning:</b>	Baltimore City
<b>Current Zoning:</b>	C-1 (Neighborhood Business District) & R-8 (Rowhouse Residential District)
<b>Current Use:</b>	Mixed-Use (Retail, Residential)
<b>Is Current Use Permitted?</b>	Yes
<b>Change in Zone Likely:</b>	No
<b>Zoning Change Applied for:</b>	No
<b>Zoning Variance Applied for:</b>	Not applicable
<b>Permitted Uses:</b>	The C-1 Neighborhood Business Zoning District is intended for areas of commercial clusters or pedestrian-oriented corridors of commercial uses that serve the immediate neighborhood. The C-1 District standards are crafted to ensure compatibility between neighboring residential and commercial uses; maintain the proper scale of commercial use; and address the unique issues related to smaller commercial sites.
<b>R-8 (Rowhouse Residential District):</b>	The R-8 Rowhouse Residential Zoning District is intended to accommodate and maintain the traditional form of urban rowhouse development typical of many of the City’s inner neighborhoods, which contain continuous, block-long rowhouse development built to or only modestly set back from the street.

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### Zoning Compliance

Property value is affected by whether or not an existing or proposed improvement complies with zoning regulations, as discussed below.

#### Complying Uses

An existing or proposed use that complies with zoning regulations implies that there is no legal risk and that the existing improvements could be replaced “as-of-right.”

#### Pre-Existing, Non-Complying Uses

In many areas, existing buildings pre-date the current zoning regulations. When this is the case, it is possible for an existing building that represents a non-complying use to still be considered a legal use of the property. Whether or not the rights of continued use of the building exist depends on local laws. Local laws will also determine if the existing building may be replicated in the event of loss or damage.

#### Non-Complying Uses

A proposed non-complying use to an existing building might remain legal via variance or special use permit. When appraising a property that has such a non-complying use, it is important to understand the local laws governing this use.

## Other Restrictions

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. We recommend a title examination to determine if any such restrictions exist.

## Zoning Conclusions

We analyzed the zoning requirements in relation to the subject property, and considered the compliance of the existing or proposed use. We are not experts in the interpretation of complex zoning ordinances but based on our review of public information, the subject property appears to be a complying use.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence.

We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.



# Valuation

## Highest and Best Use

To determine the highest and best use we typically evaluate the subject site under two scenarios: as though vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described above.

### Highest and Best Use of Site as though Vacant

#### Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. As described in the Zoning section, the subject site is zoned C-1 (Neighborhood Business District) & R-8 (Rowhouse Residential District) by Baltimore City. The C-1 Neighborhood Business Zoning District is intended for areas of commercial clusters or pedestrian-oriented corridors of commercial uses that serve the immediate neighborhood. The C-1 District standards are crafted to ensure compatibility between neighboring residential and commercial uses; maintain the proper scale of commercial use; and address the unique issues related to smaller commercial sites. We are not aware of any further legal restrictions that limit the potential uses of the subject. In addition, rezoning of the site is not likely due to the character of the area.

#### Physically Possible

The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject site contains 0.07 acres, or 3,150 square feet. The site is rectangular and level at street grade. It has average frontage, average access, and average visibility. The overall utility of the site is considered to be average. All public utilities are available to the site. Overall, the site is considered adequate to accommodate most permitted development possibilities.

#### Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

### Conclusion

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible, and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as though vacant is for development with an apartment or other form of multi-family building built to its maximum feasible building area, as demand warrants.

## Highest and Best Use of Property as Improved

In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

### Legally Permissible

As described in the Zoning Analysis section of this report, the subject site is zoned C-1 (Neighborhood Business District) & R-8 (Rowhouse Residential District). The site is improved with a multi-family use containing 3,250 square feet of gross building area. In the Zoning section of this appraisal, we determined that the existing improvements represent a complying use. We also determined that the existing use is a permitted use in this zone.

### Physically Possible

The subject improvements were constructed in 1920. The improvements are in fair condition. We know of no current or pending municipal actions or covenants that would require a change to the current improvements.

### Financially Feasible and Maximally Productive

In the Reconciliation section, we estimate a market value for the subject property, as improved, of \$350,000. In our opinion, the improvements contribute significantly to the value of the site. It is likely that no alternative use would result in a higher value.

## Conclusion

It is our opinion that the existing improvements add value to the site as though vacant, dictating a continuation of its current use. It is our opinion that the Highest and Best Use of the subject property as improved is a mixed-use building as it is currently improved.

## Most Likely Buyer

The subject's size, type, and configuration make it ideally suited for multiple-tenant occupancy. An examination of recent rental activity in the area suggests that there is demand for similar space in such properties by tenants within the market, and recent comparable sales indicate such properties are typically purchased by real estate investors. As a result, we conclude that the most likely purchaser of the subject is an investor, who would typically rely on the income approach to value the property.

## Valuation Process

### Methodology

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

We considered each approach in developing our opinion of the market value of the subject property. We discuss each approach below and conclude with a summary of their applicability to the subject property.

### Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the Highest and Best Use of the land; or when relatively unique or specialized improvements are located on the site for which there are few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and external causes. Land value, entrepreneurial incentive and depreciated improvement costs are then added, resulting in an opinion of value for the subject property.

### Sales Comparison Approach

In the Sales Comparison Approach, sales of comparable properties are adjusted for differences to estimate a value for the subject property. A unit of comparison such as price per square foot of building area or effective gross income multiplier is typically used to value the property. When developing an opinion of land value the analysis is based on recent sales of sites of comparable zoning and utility, and the typical units of comparison are price per square foot of land, price per acre, price per unit, or price per square foot of potential building area. In each case, adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive an opinion of value for the subject property.

### Income Capitalization Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization. Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

## Summary

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

## Sales Comparison Approach

### Methodology

Using the Sales Comparison Approach, we developed an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings in the competitive area;
- Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison such as price per square foot or effective gross income multiplier;
- Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property; and
- Interpret the adjusted sales data and draw a logical value conclusion.

The most widely used and market-oriented unit of comparison for properties such as the subject is the sales price per building area. All comparable sales were analyzed on this basis. The following contain a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process.



SUMMARY OF IMPROVED SALES												
PROPERTY INFORMATION					TRANSACTION INFORMATION							
No.	Property Name Address, City, State	Building NRA	Year Built	Year Renovated	Grantor	Grantee	Value Interest	Sale Date	Sale Price	\$/Sqft	OAR	Comments
S	Subject Property	3,250	1920									
1	4017 Eastern Avenue Baltimore, MD	6,459	1900	2020	4017 Eastern, LLC	Confidential	Leased Fee	Nov-24	\$925,000	\$143.21	9.47%	This is the sale of a mixed-use building that contains three commercial units and four, two-bedroom, one-bathroom units. The cap rate is based on the listing broker's pro forma.
2	Apartments at 919 St Paul St 919 Saint Paul Street Baltimore, MD	4,221	1866	-	Bonita J. Mampe	Confidential	Leased Fee	Sep-24	\$589,000	\$139.54	8.35%	This comparable represents the sale of the apartments at 919 St. Paul Street, a 4-unit low-rise apartment community located in Baltimore, Maryland. The property was built in 1867 and consists of brick exterior. The unit interiors include white kitchen appliances and hardwood floors. The capitalization rate of 8.35 percent is based on the listing broker's pro forma.
3	28 E. 25th Street Baltimore, MD	3,135	1900	-	John Cupp	Confidential	Leased Fee	Aug-24	\$385,000	\$122.81	9.19%	This is the sale of a mixed-use, commercial/residential property located on the north side of 25th Street across from Safeway. The property recently fell out of contract, as is back on the market for sale with an asking price of \$300,000. We have, however, used the most recent contact price which was accepted by the seller. The property has a parking pad at the rear. No basement space is included within the rentable building area.
4	2414 Saint Paul Street Baltimore, MD	2,544	1900	-	2414 St Paul OG, LLC	2414 St Paul BH, LLC	Leased Fee	Jul-24	\$429,000	\$168.63	9.83%	This is the sale of a mixed-use building. The property contains four apartment units and one commercial unit. The apartments consist of three studio units and one, one-bedroom unit.
5	324 Park Avenue Baltimore, MD	3,528	1920	2018	UK Construction	Sharnese Hall	Leased Fee	Oct-23	\$595,000	\$168.68	8.16%	This is the sale of a three-story, mixed-use retail/apartment property located Park Avenue in Baltimore City. The property is located in the Bromo Arts District neighborhood of Baltimore. The property was listed at \$600,000 for 2 months prior to settlement. The building was fully renovated and in good condition at the time of sale.
STATISTICS												
<b>Low</b>		2,544	1866					Oct-23	\$385,000	\$122.81	8.16%	
<b>High</b>		6,459	1920					Nov-24	\$595,000	\$168.68	9.83%	
<b>Average</b>		3,528	1897					Jun-24	\$584,600	\$148.57	9.00%	

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**IMPROVED SALE ADJUSTMENT GRID**

ECONOMIC ADJUSTMENTS (CUMULATIVE)							PROPERTY CHARACTERISTIC ADJUSTMENTS						
No.	\$/Sqft & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market <sup>(1)</sup> Conditions	Per Sqft Subtotal	Location	Size	Age, Quality & Condition	Utility	Economics	Other	Adj. \$/Sqft
1	\$143.21 11/24	Leased Fee 0.0%	Listing -5.0%	None 0.0%	Similar 0.0%	\$136.05 -5.0%	Similar 0.0%	Larger 10.0%	Superior -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$122.44 -10.0%
2	\$139.54 9/24	Leased Fee 0.0%	Listing -5.0%	None 0.0%	Similar 0.0%	\$132.56 -5.0%	Similar 0.0%	Similar 0.0%	Superior -10.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$119.31 -10.0%
3	\$122.81 8/24	Leased Fee 0.0%	Arm's-Length 0.0%	None 0.0%	Similar 0.0%	\$122.81 0.0%	Similar 0.0%	Similar 0.0%	Superior -10.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$110.53 -10.0%
4	\$168.63 7/24	Leased Fee 0.0%	Arm's-Length 0.0%	None 0.0%	Similar 0.0%	\$168.63 0.0%	Similar 0.0%	Similar 0.0%	Superior -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$134.90 -20.0%
5	\$168.68 10/23	Leased Fee 0.0%	Arm's-Length 0.0%	None 0.0%	Similar 0.0%	\$168.68 0.0%	Similar 0.0%	Similar 0.0%	Superior -20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	\$134.94 -20.0%

**STATISTICS**

\$122.81	- Low	Low -	\$110.53
\$168.68	- High	High -	\$134.94
\$148.57	- Average	Average -	\$124.43

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**(1) Market Conditions Adjustment**

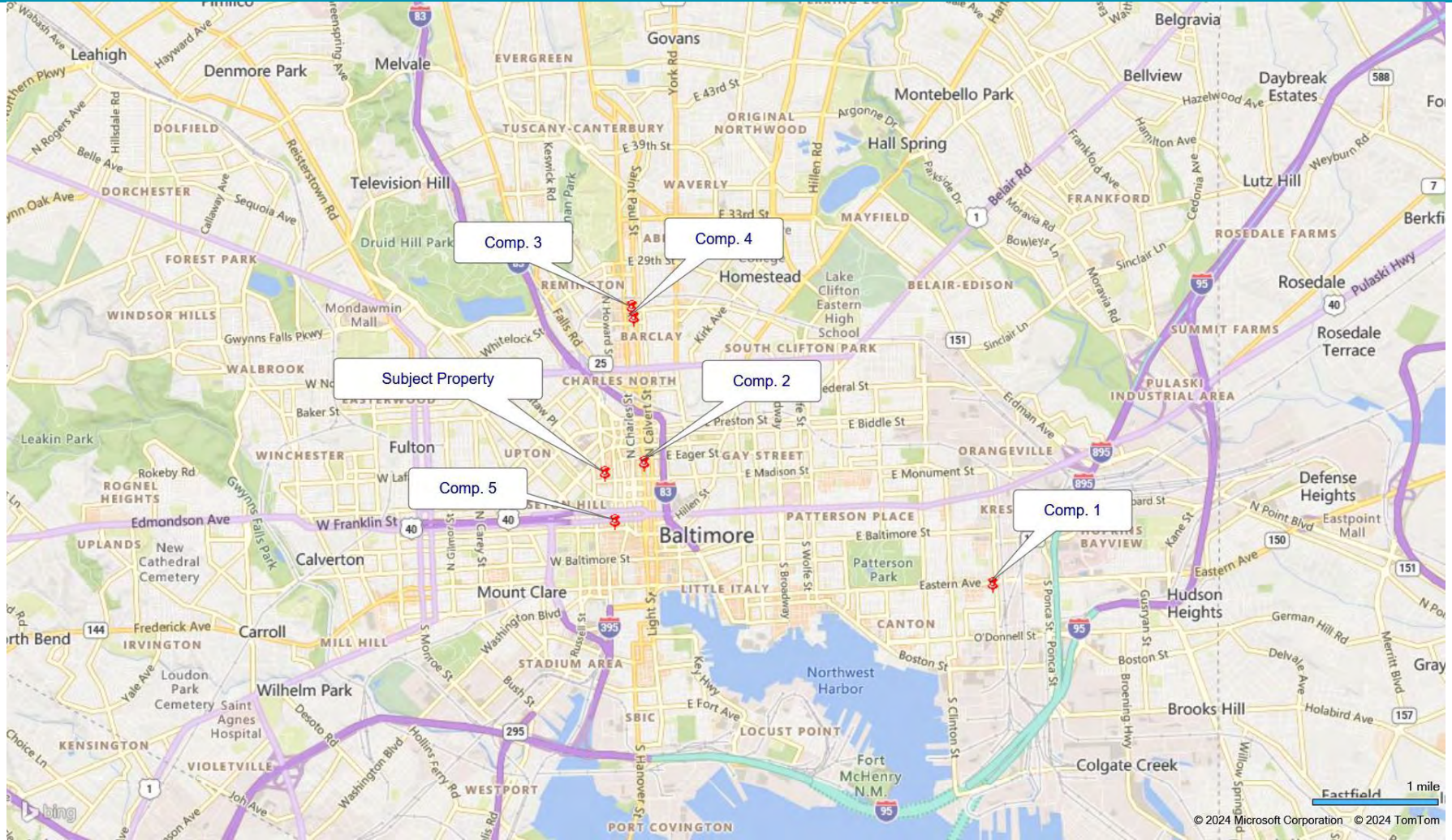
See Variable Growth Rate Assumptions Table

Date of Value (for adjustment calculations): 6/1/25

**Variable Growth Rate Assumptions**

Starting Growth Rate:	3.0%
Inflection Point 1 (IP1):	<b>5/1/2022</b>
Change After IP1:	-5.0%
Inflection Point 2 (IP2):	<b>8/1/2023</b>
Change After IP2:	0.0%

IMPROVED SALE LOCATION MAP



## Percentage Adjustment Method

### Adjustment Process

The sales that we used were the best available comparables to the subject property. The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or atypical conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market conditions must be accounted for, thereby creating a time adjusted price. Lastly, adjustments for location, physical traits and the economic characteristics of the market data are made in order to generate the final adjusted unit rate for the subject property.

We made a downward adjustment to those comparables considered superior to the subject and an upward adjustment to those comparables considered inferior. Where expenditures upon sale exist, we included them in the sales price.

### Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. While we are valuing the fee simple interest of the subject, no adjustment for property rights is not required. Rather we have accounted for lease-up costs at the end of this section of the report.

### Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. All purchase contracts and recorded sales used in this analysis are considered to be "arm's-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments are required.

### Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments are required.



## Market Conditions

The sales that are included in this analysis occurred between October 2023 and November 2024, which were adjusted to the date of value using inflection points. Please refer to the adjustment grid for details on these assumptions.

## Location

An adjustment for location is required when the location characteristics of a comparable property differ from those of the subject. We made downward adjustments to those comparables considered superior in location when compared to the subject. Conversely, upward adjustments were made to those comparables considered inferior. No adjustments were required.

## Physical Traits

Each property has various physical traits that determine its appeal. These traits include size, age, condition, quality, parking ratio and utility. Each comparable is adjusted accordingly, if applicable.

- **Size:** Comparables that are larger in size than the subject typically sell at a lower price per square foot. Conversely, comparables that are smaller than the subject typically sell at a higher price per square foot. In this instance, Comparable 1 warranted an upward size adjustment.
- **Effective Age, Quality & Condition:** The subject was built in 1920, was recently renovated and is currently a good quality property that is in fair condition. The sales, which were built between 1866 and 1920, were adjusted where there are material differences in age, quality and condition when compared to the subject. The subject has not been recently updated. In this instance, each comparable warranted a downward age, quality and condition adjustment.
- **Utility:** The subject is a three story, walk-up apartment building. In this instance, no adjustment for utility was warranted.

## Economic Characteristics

This adjustment is used to reflect differences in net operating income per unit (NOI/SF), occupancy levels, operating expense ratios, commercial space and other non-apartment revenue sources, and other economic factors not covered under prior adjustments that would have an economic impact on the transaction. The sales were adjusted for economic characteristics when they were materially different than the subject. In this instance, no adjustment was warranted.

## Other

This category accounts for any other adjustments not previously discussed. Based on our analysis of these sales, none require any additional adjustment.

## Summary of Percentage Adjustment Method

After adjustments the comparable improved sales reflect unit prices ranging from \$110.53 to \$134.94 per square foot with an average adjusted price of \$124.43 per square foot. Primary consideration was given to the adjusted average of the comparables.



Therefore, we conclude that the indicated value by the Percentage Adjustment Method is:

<b>PERCENT ADJUSTMENT METHOD SUMMARY</b>	
<b>Prospective Market Value Upon Stabilization</b>	<b>Per SF</b>
Indicated Value per SF	\$125.00
Net Rentable Area in Square Feet	x 3,250
Preliminary Value	\$406,250
<b>Rounded to Nearest \$25,000</b>	<b>\$400,000</b>
Per Square Foot	\$123.08

<b>APPLICATION TO SUBJECT</b>	
<b>Market Value As-Is</b>	
<b>Prospective Market Value Upon Stabilization</b>	<b>\$400,000</b>
<b>LESS</b> Lease-Up Costs	<b>-\$60,346</b>
Adjusted Value	\$345,904
<b>Rounded to Nearest \$25,000</b>	<b>\$350,000</b>
Per Square Foot	\$107.69

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**Deductions for Lease-Up Costs**

The subject property is not stabilized, hence we made deductions for lease-up costs. These include rent loss, expense carry, leasing commissions, free rent and tenant improvements. We also incorporated a provision for entrepreneurial incentive to mirror investor behavior related to risks of investing in a property with significant vacancy. A table summarizing these deductions is presented in the following table:

<b>LEASE-UP COSTS</b>	<b>Market Value As-Is Assumptions</b>
Average Lease-Up Period (years)	0.50
Vacant Space (SF)	3,250
Leasing Commissions (\$ or %)	6.00%
Tenant Improvements	\$10.00
Entrepreneurial Incentive (% of lease-up)	10.00%
<b>Lease-Up Costs</b>	<b>Value</b>
Rent Loss	\$26,700
Expense Carry	6,160
Tenant Improvements	12,000
Total Lease-Up Costs	54,860
Plus Entrepreneurial Incentive	\$5,486
<b>Total Lease-Up Costs (With Profit)</b>	<b>\$60,346</b>

## Income Capitalization Approach

### Methodology

The Income Capitalization Approach is based on the principle that the value of a property is indicated by the net return to the property, or what is also known as the present worth of future benefits. The future benefits of income-producing multifamily properties is net income before debt service and depreciation, derived by a projection of income and expense, along with any expected reversionary proceeds from a sale.

The two most common methods of converting net income into value are direct capitalization and discounted cash flow analysis. In direct capitalization, net operating income is divided by an overall rate extracted from the market to indicate a value. In the discounted cash flow method, anticipated future net income streams and a reversionary value are discounted to provide an opinion of net present value at a chosen yield rate (internal rate of return or discount rate). In this section of the report, we have utilized the Direct Capitalization method to value the subject property and considered the implied historical, first year, stabilized year and deflated stabilized direct capitalization rates.

The Direct Capitalization Method is the only Income Approach method used in the analysis. Direct Capitalization is the primary income capitalization technique used by market participants in evaluating properties with similar economic characteristics as the subject property.

### Apartment Unit Rental Income Analysis

Earlier in the report we discussed the competitive market for apartment properties in the local area. Before we analyze the competitive properties, we will discuss certain aspects of the subject property, namely its occupancy, in-place rents and the quoted rent levels of its various unit types.

#### Occupancy – Apartment Units

The subject property contains 1 apartment unit which is currently vacant.

UNIT MIX									
Unit Description									
No.	Plan	BR	BA	Total Units	Average Unit Size (SF)	Total (SF)	Occupied Units	Unit Occupancy	
1	3 BR / 2 BA	3	2.0	1	2,050	2,050	0	0.0%	
<b>MINIMUM</b>					<b>2,050</b>	<b>2,050</b>			
<b>MAXIMUM</b>					<b>2,050</b>	<b>2,050</b>			
<b>TOTAL/AVG.</b>				<b>1</b>	<b>2,050</b>	<b>2,050</b>	<b>0</b>	<b>0.0%</b>	

Based on rent roll dated: November 7, 2024

### Establishing Market Rental Rates

In an effort to estimate the current market rent achievable for the subject's unit, we surveyed several competitive apartment complexes. The competitive properties are presented on the following table.

COMPETITIVE APARTMENT PROJECTS										
PROPERTY INFORMATION										
No.	PROPERTY NAME ADDRESS, CITY, STATE	NO. OF UNITS	NET BLDG AREA	AVG. UNIT SIZE	YEAR BUILT	OCC. RATE (%)	BEDS/BATHS	UNIT SIZE (SF) AVG.	QUOTED RENT PER MONTH AVG.	QUOTED RENT \$/SF/ MONTH AVG.
S	Subject Property	1	2,050	2,050	1920					
1	Waterloo Place Apartments 690 North Calvert Street Baltimore, MD	197	200,349	1,017	1991	96.9%	1 BR / 1 BA 2 BR / 2 BA 3 BR / 2 BA	889 1,083 1,367	\$1,518 \$1,747 \$2,227	\$1.71 \$1.61 \$1.63
2	521 St. Paul Apartments 521 Saint Paul Street Baltimore, MD	69	60,789	881	2014	92.0%	1 BR / 1 BA 2 BR / 1 BA 3 BR / 2 BA 4 BR / 2 BA	800 953 1,238 1,412	\$1,270 \$1,638 \$2,141 \$2,603	\$1.59 \$1.72 \$1.73 \$1.84
3	Chesapeake Commons 601 North Eutaw Street Baltimore, MD	99	126,027	1,273	1893	97.1%	Studio 1 BR / 1 BA 2 BR / 2 BA 3 BR / 2 BA	804 1,047 1,517 1,788	\$1,295 \$1,613 \$2,005 \$2,219	\$1.61 \$1.54 \$1.32 \$1.24
4	The Severn 701 Cathedral Street Baltimore, MD	30	32,610	1,087	1900	96.6%	Studio 1 BR / 1 BA 2 BR / 1 BA 3 BR / 2 BA 4 BR / 2 BA	315 620 1,040 1,643 1,850	\$999 \$1,136 \$1,519 \$1,946 \$2,370	\$3.17 \$1.83 \$1.46 \$1.18 \$1.28
5	Apartments at 38 W Biddle St 38 W Biddle St Baltimore, MD	17	10,574	622	1900	100.0%	Studio 1 BR / 1 BA 2 BR / 1 BA	525 600 700	\$652 \$736 \$736	\$1.24 \$1.23 \$1.05
<b>STATISTICS (Excluding Subject)</b>										
	<b>Low:</b>	17	10,574	622	1893	92.0%				
	<b>High:</b>	197	200,349	1,273	2014	100.0%				
	<b>Average:</b>	82	86,070	976	1940	96.5%				
	<b>Totals:</b>	412	430,349	4,880						

Compiled by Cushman & Wakefield of Maryland, LLC

Including the subject property, the competitive market contains 412 units. The comparable projects were constructed between 1893 and 2014 and range in size from 17 to 197 units. The comparables exhibit occupancy levels ranging from 92.0 percent to 100.0 percent, with an unweighted average of 96.5 percent.

**Analysis by Unit Type**

In order to estimate the market rents for the various floor plans, the subject unit types have been compared with similar units in the comparable projects. The following is a discussion of each unit type.

**Analysis of Three Bedroom Units**

The quoted rents, concessions and effective rents for three bedroom units in the marketplace are depicted in the following table:

<b>COMPETITIVE RENTAL SUMMARY</b>				
<b>Three Bedroom Units</b>				
<b>Name</b>	<b>Beds/ Baths</b>	<b>Avg. Unit Size</b>	<b>Quoted Rents</b>	
			<b>Avg. Quoted Rent (Month)</b>	<b>Avg. Quoted Rent Per SF/Month</b>
Waterloo Place Apartments	3 BR / 2 BA	1,367	\$2,227	\$1.63
521 St. Paul Apartments	3 BR / 2 BA	1,238	\$2,141	\$1.73
Chesapeake Commons	3 BR / 2 BA	1,788	\$2,219	\$1.24
The Severn	3 BR / 2 BA	1,643	\$1,946	\$1.18
<b>Low</b>		1,238	\$1,946	\$1.18
<b>High</b>		1,788	\$2,227	\$1.73
<b>Average</b>		1,509	\$2,133	\$1.45

The comparable three bedroom units range in size from 1,238 to 1,788 square feet. Quoted asking rents range from \$1,946 to \$2,227 per month. Concessions are not typical at this time. Effective rents range from \$1.18 to \$1.73 per square foot per month, with an average of \$1.45 per square foot per month. Based upon our review of the comparables, a rent per square foot at the low end of the comparable range is reasonable given the large size of the subject's unit.

**Potential Gross Income Estimate**

Our gross potential income conclusion is summarized below:

Potential Gross Income Estimate							
Unit Description		In-Place Rents		Rent from Vacant Units			C&W Potential Gross Income
Plan	Average Unit Size (SF)	Average Monthly Rent	Total Annual Income	Vacant Units	Average Monthly Income	Annual Income	Potential Gross Income
3 BR / 2 BA	2,050	\$0	\$0	1	\$2,450	\$29,400	\$29,400
<b>TOTAL/AVG.</b>	<b>2,050</b>	<b>\$0</b>	<b>\$0</b>	<b>1</b>	<b>\$2,450</b>	<b>\$29,400</b>	<b>\$29,400</b>

The potential gross rental revenue for the entire property at market rent levels is projected to be \$29,400, which equates to an average monthly rent of \$2,450 per unit or \$1.20 per square foot per month.

**Concessions**

Rental concessions are defined as a discount or other benefit offered by a landlord to induce a prospective tenant to enter into a lease. Rental concessions are typically features of slow rental markets and tend to disappear as the market tightens. As indicated in the analysis of quoted rents and concessions for the subject and comparable properties above, where concessions exist it is necessary to deduct the concessions from the full market rents to arrive at an effective market rent. Concessions are minimal within this market at this time. Therefore, concessions have not been modeled in our analysis.

**Forecast Rental Revenue – Apartment Units**

The following table summarizes the potential gross income anticipated in year one for the apartment units at the subject property.

FORECAST RENTAL REVENUE - APARTMENT UNITS	
Rental Revenue and Adjustments	Annual Rent
Occupied Units (Actual)	\$0
Plus: Vacant Units (at Market)	\$29,400
Potential Gross Rental Revenue	\$29,400

*Compiled by Cushman & Wakefield of Maryland, LLC*



## Forecast Rental Revenue – Commercial Unit

The subject also obtains revenue from a commercial unit located on the ground floor. The unit is currently vacant. We have projected a market rent for the subject’s commercial unit in order to determine the income potential.

## Comparable Retail Leases

The following table summarizes comparable retail leases:

RETAIL RENT COMPARABLES											
PROPERTY INFORMATION						LEASE INFORMATION					
NO.	Property Name Address, City, State	YEAR BUILT	YEAR RENOVATED	TENANT NAME	LEASE DATE	SIZE (NRA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE	COMMENTS
S	Subject Property	1920				3,250					
1	The Congress Apartments 306 W. Franklin Street Baltimore, MD	2000	2016	Listing	11/24	1,400	5	\$19.00	3.0%	Modified	Listing of vacant ground-floor retail space.
2	Mount Vernon Business Center 10 W. Eager Street Baltimore, MD	1900	1997	Listing	11/24	2,250	5	\$25.00	3.0%	Modified	Listing of vacant ground-floor retail space.
3	518 N. Charles Street Baltimore, MD	1920	1995	Listing	11/24	4,380	5	\$21.37	3.0%	Modified	Listing of vacant ground-floor retail space.
4	1007 N. Charles Street Baltimore, MD	1900	-	Art Gallery	8/24	1,678	N/Av	\$19.31	N/Av	Net	Recent lease of ground-floor retail space within a mixed-use building.
STATISTICS											
Low		1900	1995		8/24	1,400	5	\$19.00			
High		2000	2016		11/24	4,380	5	\$25.00			
Average		1930	2003		10/24	2,427	5	\$21.17			

Compiled by Cushman & Wakefield of Maryland, LLC

## Vacancy and Collection Loss

Vacancy and collection loss is a function of the interrelationship between absorption, lease expiration, renewal probability, estimated downtime between leases, and a collection loss factor based on the relative stability and credit of the subject’s tenant base. The following table compares the subject’s current and historical occupancy rates to the subject’s broader market, the submarket and directly competing properties.

VACANCY ANALYSIS		
Vacancy Statistics	Rate	Building Class and Market
Regional Vacancy Statistics - Retail	10.9%	All Retail Properties - Baltimore Region
Local Vacancy Statistics - Retail	7.9%	All Retail Properties - Central/Eastern Baltimore County
Regional Vacancy Statistics - Apartment	4.1%	All Apartment Classes - Baltimore Region
Local Vacancy Statistics - Apartment	8.5%	All Apartment Classes - Central Baltimore City
Competitive Property Vacancy Statistics - Apartment	4.5%	Competitive Set

Compiled by Cushman & Wakefield of Maryland, LLC

Based on the historical occupancy of the subject, the current vacancy in the market, and our perception of future market vacancy, we projected a global stabilized vacancy rate of 5.00 percent. We deducted a collection loss of 1.00 percent. After accounting for all factors, the total vacancy and collection loss is calculated as 6.00 percent. For the subject property vacancy and collection loss are applied against all income sources. In the forecast year, vacancy and collection loss is projected to be \$3,204.

### **Revenue & Expense Analysis**

We developed an opinion of the property's annual income and operating expenses after reviewing the operating performance of similar buildings. We analyzed each item of expense and developed an opinion regarding what an informed investor would consider typical.

Cushman & Wakefield, Inc. recognizes the standards defined by the CRE Finance Council as the definitive standards by which operating expense data should be analyzed. All operating statements provided by ownership have been recast to reflect these categories. In forecasting expenses, we relied on the owner's historical statements and budgets and analyzed expense levels at comparable properties we have appraised in the subject's market. Our expense forecast is presented in the following table, followed by a discussion of each expense line item.

### Operating Expense Comparables

The following table illustrates detailed expense levels for the buildings that have varying degrees of similarity with the subject property in terms of age, size, tenancy and quality. In our judgment, a reconciled expense figure of \$2.74 per square foot (excluding real estate taxes) is reasonable for the subject property considering its age, size and budgeted expense figures.

SUBJECT PROPERTY		COMPARABLES REVENUE AND EXPENSE ANALYSIS													
Year of Record		2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024
Actual/Budget/Annualized		Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Cushman & Wakefield Forecast (1)		Comp1		Comp2		Comp3		Comp 4		Comp 5		Min	Max	Average
	PSF	% EGI	PSF	% EGI	PSF	% EGI	PSF	% EGI	PSF	% EGI	PSF	% EGI	PSF	PSF	PSF
<b>EFFECTIVE GROSS REVENUE</b>	\$15.44	100.00%	\$19.85	100.00%	\$16.77	100.00%	\$15.52	100.00%	\$19.93	100.00%	\$27.65	100.00%	\$15.52	\$27.65	\$19.94
<b>OPERATING EXPENSES</b>															
Property Insurance	\$0.60	3.88%	\$0.54	2.73%	\$0.57	3.39%	\$0.64	4.11%	\$1.18	5.92%	\$0.63	2.26%	\$0.54	\$1.18	\$0.71
Utilities	\$0.50	3.24%	\$0.61	3.10%	\$1.42	8.47%	\$1.38	8.88%	\$2.51	12.58%	\$0.08	0.27%	\$0.08	\$2.51	\$1.20
Repairs & Maintenance	\$1.00	6.47%	\$1.12	5.66%	\$0.95	5.65%	\$1.28	8.22%	\$1.47	7.40%	\$0.99	3.57%	\$0.95	\$1.47	\$1.16
Management Fees	\$0.54	3.50%	\$0.99	5.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$1.38	5.00%	\$0.00	\$1.38	\$0.47
General & Administrative	\$0.10	0.65%	\$0.09	0.44%	\$0.13	0.79%	\$0.06	0.37%	\$0.14	0.71%	\$0.05	0.16%	\$0.05	\$0.14	\$0.09
<b>Total Operating Expenses</b>	<b>\$2.74</b>	<b>17.74%</b>	<b>\$3.36</b>	<b>16.92%</b>	<b>\$3.07</b>	<b>18.31%</b>	<b>\$3.35</b>	<b>21.58%</b>	<b>\$5.30</b>	<b>26.61%</b>	<b>\$3.11</b>	<b>11.27%</b>	<b>\$3.07</b>	<b>\$5.30</b>	<b>\$3.64</b>
Real Estate Taxes	\$1.59	10.30%	\$2.06	10.36%	\$1.94	11.59%	\$2.01	12.93%	\$3.24	16.26%	\$1.47	5.31%	\$1.47	\$3.24	\$2.14
<b>TOTAL EXPENSES</b>	<b>\$4.33</b>	<b>28.05%</b>	<b>\$5.42</b>	<b>27.28%</b>	<b>\$5.01</b>	<b>29.90%</b>	<b>\$5.36</b>	<b>34.51%</b>	<b>\$8.54</b>	<b>42.87%</b>	<b>\$4.58</b>	<b>16.57%</b>	<b>\$4.58</b>	<b>\$8.54</b>	<b>\$5.78</b>
<b>NET OPERATING INCOME</b>	<b>\$11.11</b>		<b>\$14.44</b>		<b>\$11.76</b>		<b>\$10.17</b>		<b>\$11.39</b>		<b>\$23.06</b>		<b>\$10.17</b>	<b>\$23.06</b>	<b>\$14.16</b>

(1) Stabilized Year Begins: 11/7/2024  
 Compiled by Cushman & Wakefield of Maryland, LLC

The five expense comparables reflect operating expenses (excluding real estate taxes) ranging from \$3.07 to \$5.30 with an average of \$3.64 per square foot.

## Income and Expense Pro Forma

The following chart summarizes our opinion of income and expenses for year one, which is the first stabilized year in this analysis.

<b>SUMMARY OF REVENUE AND EXPENSES</b>				
<b>Stabilized Year For Direct Capitalization:</b>		<b>Year One</b>		
<b>REVENUE</b>	<b>Adjustments</b>	<b>Annual</b>	<b>\$/SF</b>	<b>% of EGI</b>
Apartment Income		\$29,400	\$9.05	
Commercial Income		\$24,000	\$7.38	
<b>POTENTIAL GROSS REVENUE</b>		<b>\$53,400</b>	<b>\$16.43</b>	
Vacancy (Total Income)	5.00%	(\$2,670)	(\$0.82)	
Collection Loss (Total Income)	1.00%	(\$534)	(\$0.16)	
<b>EFFECTIVE GROSS REVENUE</b>		<b>\$50,196</b>	<b>\$15.44</b>	<b>100.00%</b>
<b>OPERATING EXPENSES</b>				
Property Insurance		\$1,950	\$0.60	3.88%
Utilities		\$1,625	\$0.50	3.24%
Repairs & Maintenance		\$3,250	\$1.00	6.47%
Management Fees		\$1,757	\$0.54	3.50%
General & Administrative		\$325	\$0.10	0.65%
<b>Total Operating Expenses</b>		<b>\$8,907</b>	<b>\$2.74</b>	<b>17.74%</b>
Real Estate Taxes		\$5,171	\$1.59	10.30%
<b>TOTAL EXPENSES</b>		<b>\$14,078</b>	<b>\$4.33</b>	<b>28.05%</b>
<b>NET OPERATING INCOME</b>		<b>\$36,118</b>	<b>\$11.11</b>	<b>71.95%</b>

*Compiled by Cushman & Wakefield of Maryland, LLC*

## Investment Considerations

Before determining the appropriate risk rate(s) to apply to the subject, a review of recent market conditions, particularly in the financial markets, is warranted. The following subsection provides review of these trends, ending with a summary of the investment considerations impacting the subject property. The trends are based upon the appraiser's market research, discussions with participants in the market, and the relative position of the subject property within its market.

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. We are monitoring the impacts on both factors as they relate to the Federal Reserve's historical and projected interest rate changes, inflation, and other macroeconomic factors, which have increased uncertainty in the financial and CRE markets. Furthermore, Cushman & Wakefield is closely examining all latest economic developments, and their effects on the subject and its market.

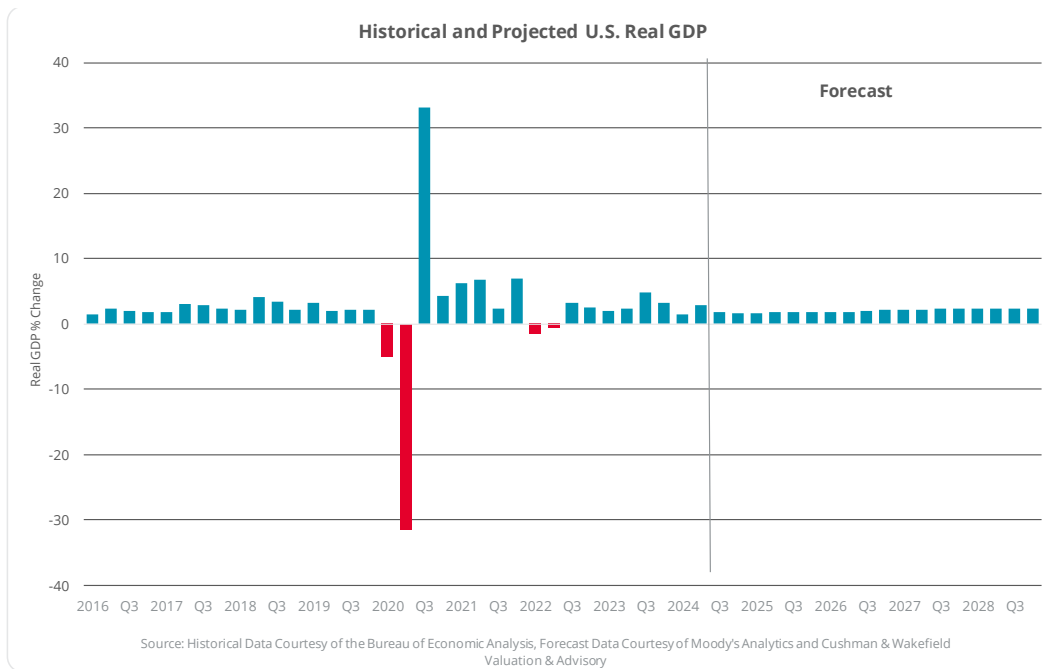
## Current Trends and Economic Conditions

Economic growth picked up more than anticipated in the second quarter of 2024. This is primarily due to inflation beginning to cool, coupled with a strong labor market that has allowed consumers to keep spending, despite lingering high interest rates. Gross Domestic Product (GDP), adjusted for inflation, increased by 2.8% at an annual rate, a pace much faster than the 1.4% recorded in the first quarter. While GDP data is preliminary and will need to be revised at least twice, the Federal Reserve (Feds) believe the economy is on track for a "soft-landing," which happens when inflation eases without triggering a recession. Here at Cushman & Wakefield, however, our view differs a bit, and we see the current economic conditions as more of what we would call a "slow-cession." This is unlike a soft-landing in the sense that the former involves more deceleration in the labor markets, and in growth,

whereas a soft-landing scenario would imply slightly stronger growth, and likely fewer and more delayed rate cuts in the second half of the year. Regardless, both outcomes are good for the commercial real estate market.

It has taken the Federal Reserve upwards of two years to slow the economy with restrictive policy rates, because much of the private sector (including households and corporates) had locked-in low interest rates. The upcoming interest cutting cycle will help loosen financial conditions, improve sentiment and confidence, as well as alter the buyer/seller psychology more than it will in measurably changing the foundations of what the CRE market is really facing, which is the one-off adjustment to normalized, higher, longer-dated costs of capital. The adjustment process will happen regardless of the cutting cycle as invested capital needs to face and contend with this reset. Fresh capital is positioned to do very well, but even invested capital is going to be relatively insulated because there were many years of strong NOI growth, existing cash flows, and appreciation to build enough equity. From an acquisition and capital deployment sense, we have essentially passed through the worst of the vintage years and the coming years are going to be a great time for acquisitions, not only due to higher yields, but also due to relatively robust income growth potential.

The following graph displays historical and projected U.S. real GDP percentage change (annualized on a quarterly basis) from first quarter 2016 through fourth quarter 2028:



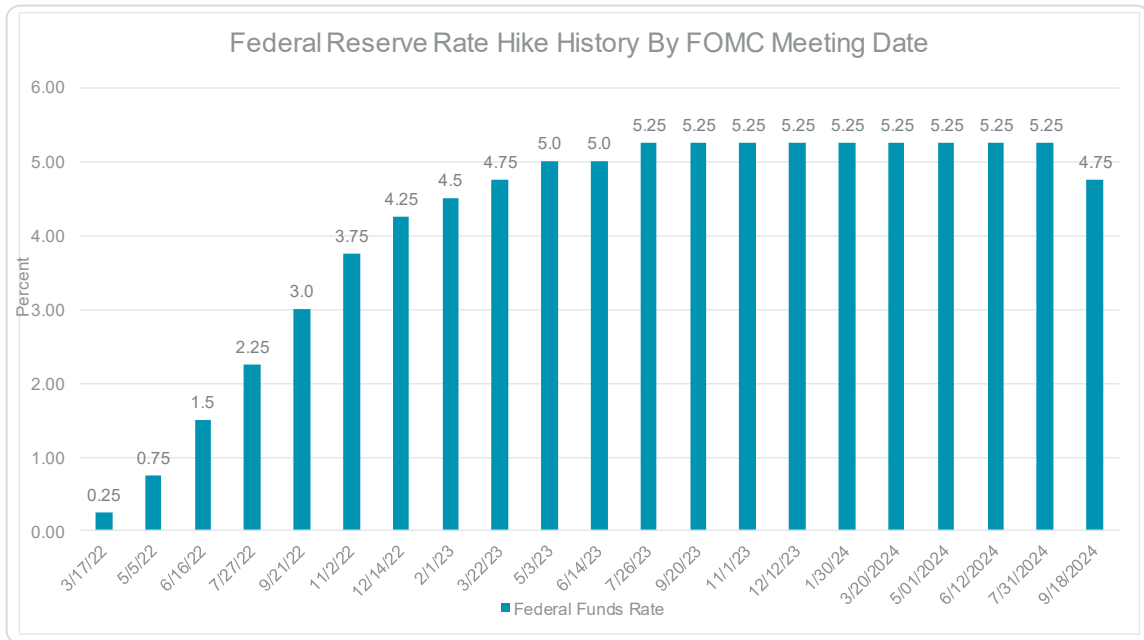
The current wave of inflation began in 2021, immediately following the pandemic in 2020. Its rise has been largely attributed to various causes, including pandemic-related fiscal and monetary stimulus, shortages in the global supply chain, price gouging, and more recently, the Russian-Ukraine and the Israel-Hamas wars. While inflation has slowed significantly in the past year, it still hasn't loosened its grip entirely. In August 2024 the Bureau of Labor Statistics (BLS) reported that overall inflation was 2.5%, down 0.4 percentage points from July and its lowest level in three and a half years. Core CPI, which excludes volatile food and energy prices, held at 3.2%, in line with forecasts.

In early 2022, the Federal Reserve was holding the federal funds rate at around zero. They were buying billions of dollars of bonds every month to stimulate the economy, but various measures of inflation kept inching up and reaching 40-year highs. To combat inflation, the Federal Reserve employed multiple increases to the effective federal funds rate in 2022 and into the first half of 2023. The rate then held steady for over a year until the September



18, 2024, meeting when rates were finally cut by half a percentage point to 4.75%, a move that has been long and eagerly anticipated throughout the economy. This was also the first interest rate cut since the early days of the Covid pandemic, slicing half a percentage point off benchmark rates to head off a slowdown in the labor market. Furthermore, the committee indicates expectations pointed to another full percentage point in cuts by the end of 2025 and a half-point in 2026. We have yet to see any material impact on risk metrics and would not expect shifts until closer to YE 2024 or 1H 2025 at the earliest. Yet the 10-year treasury rate has fallen 131 basis points since its peak in Q4 2023 while the 10-year annual SOFR Swap has fallen 124 basis points in the same timeframe, easing the cost of borrowing and spurring additional economic growth.

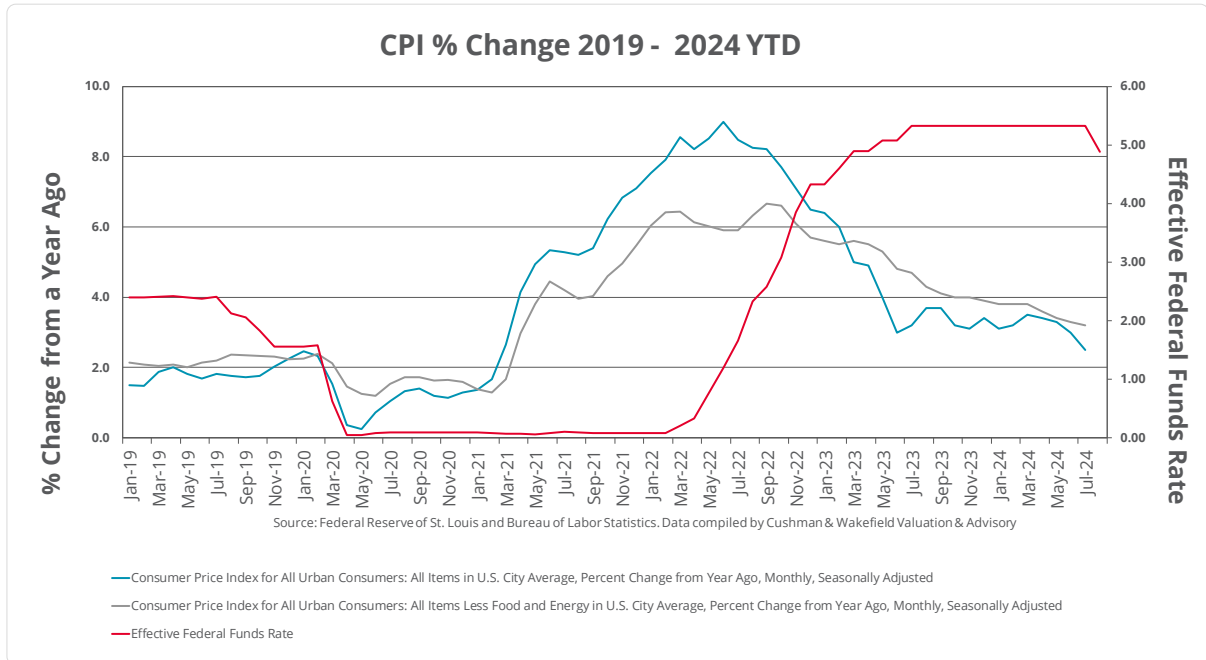
The following chart displays when the Federal Open Market Committee met, their federal funds rate changes, and their basis point increases:



The Effective Federal Funds Rate (EFFR) is an interest rate that calculates the effective median interest rate of overnight federal funds transactions from the previous day and is published daily by the Federal Reserve Bank of New York. The current EFFR is now targeted between 4.75% and 5.00%. This rate, and all interest rates, tend to move in the same direction as inflation, however they typically lag because they are also the primary tool used by central banks to manage inflation. Conversely, when inflation is falling and economic growth is slowing, central banks may lower interest rates to stimulate the economy.

The Federal Reserve generally strives for the dual objective of maximum employment and stable inflation near 2%. While inflation has fallen from its peak of 9.1% in June 2022 to 2.5%, close to its target, core CPI remains elevated at 3.3%. Despite the elevated interest rate environment and declining inflation, August 2024's job numbers remained stable with 142,000 new jobs added, however that was lower than forecast, and July's job were revised downward by 89,000 jobs. The unemployment rate dropped to 4.2% from 4.3% in July.

The following graph compares CPI and Core CPI data (January 2019 – July 2024) with the EFFR from (January 2019 – August 2024):

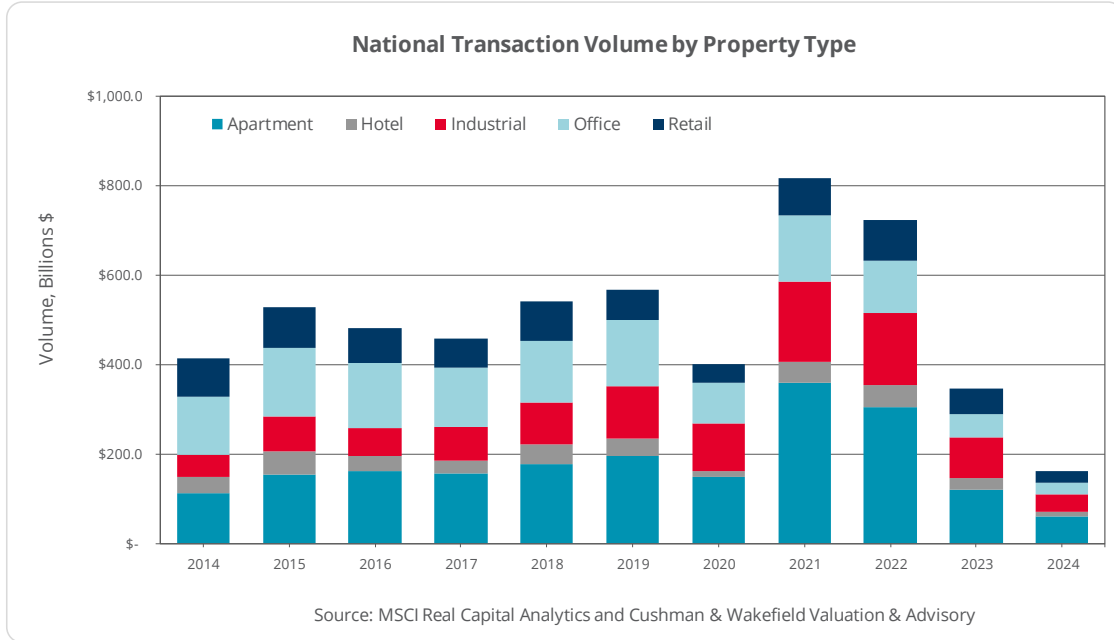


### U.S. Real Estate Market Implications

Last year, deal volume fell at a pace that was reminiscent of the Global Financial Crisis. For second quarter 2024, that slide appears to be waning. Sales were effectively flat at mid-year, however, if one major deal had fallen through, volume would have tumbled miserably again. So, we are not out of the woods quiet yet, but there is light at the end of the tunnel.

Individual assets fell 9% year-over-year, a much-improved pace from the 57% year-over-year decline that occurred the same time last year. It is important to note that this still a decline, however, and if activity for this deal structure does not pick up, third quarter 2024 volume could slide into negative territory again without a boost from megadeals.

In terms of price growth through the middle of 2024, the Industrial sector led the pack with an 8.0% jump year-over-year. Retail prices were only up 0.7% since the same time last year, but short-term movements were stronger with retail showing a 4.3% annualized pace of growth. All other sectors were slackers for the quarter with office showing the sharpest decline at 12.4% year-over-year.



The PricewaterhouseCoopers (PwC) Real Estate Investor Survey analyzes a total of 41 markets, including 22 different asset classes and 19 individual office markets. For second quarter 2024, the average overall cap rate increased in 20 surveyed markets, declined in 13 and held steady in eight. On a quarter-over-quarter basis, the average increase was 5 basis points, and on a year-over-year basis it was 73 basis points.

Although the average overall cap rate was lower for CBD submarkets than it was for their suburban counterparts, five of the 16 city-specific office markets, that contain both CBD and suburban components, bucked that trend this quarter. They were Dallas, Denver, Pacific Northwest, Phoenix, and Seattle. The spread between the average overall cap rates for CBDs versus the suburbs shrank by 43 basis points. The spread between these rates will continue to tighten as the office sector works through challenges stemming from work-from-home patterns, higher cost of capital, and general market uncertainty.

Overall, PwC reports that investors have widely varied opinions about the current state of the CRE market depending on what property type and what geographic location they are referring to. Brick-and-mortar retail is rebounding nicely, while office continues to struggle, and warehouse activity lags. With interest rates having just been cut, slower inflation, and a resilient, but cooler labor market, investors are hoping that momentum will now start to return.

The following table displays an overall cap rate analysis of six distinct property classes during third quarter 2024 and compares them to the previous year. The recent Fed interest rate reduction should create downward pressure on these rates in the near future.

Overall Cap Rate Analysis			
Third Quarter 2024			
Asset Class	Q3 2024	Q3 2023	Basis Point Change
National CBD Office	7.09%	6.19%	+90
National Suburban Office	7.34%	6.54%	+80
National Warehouse	5.55%	4.97%	+58
National Apartment	5.38%	5.28%	+10
National Regional Mall	8.22%	7.60%	+62
National Power Center	6.72%	6.47%	+25
National Strip Center	7.30%	7.16%	+14
National Net Lease	7.62%	7.13%	+38

Source: PwC Real Estate Investor Survey

### Conclusion

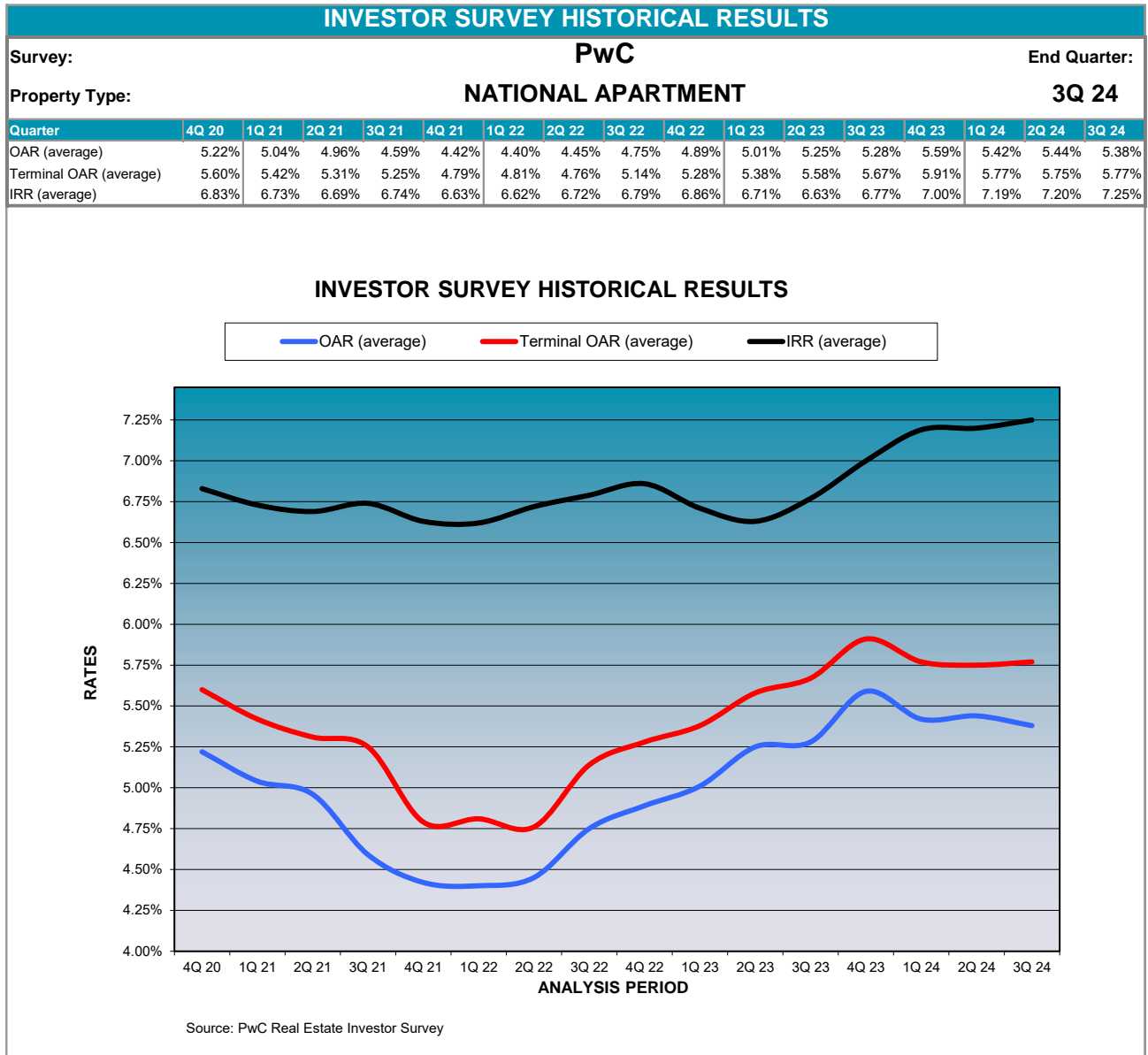
The U.S. economy continues to face, although easing, interest rate and inflationary challenges while other measures remain strong. The CRE market continues to adapt to the elevated interest rate environment, however, it appears that the worst is now behind us. Recent financial events have made investors a bit shaky and could cause some volatilities in equities. Its effect on CRE remains to be seen, but at this point we still anticipate a slow-cession/soft-landing scenario as opposed to a no-landing/recession.

The factors listed in the following table have been considered in our valuation of this property and will have an impact on our selection of all investor rates.

INVESTMENT CONSIDERATIONS	
<b>Real Estate Market Trends:</b>	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently improving.
<b>Property Rating:</b>	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is fair, when measured against other properties in this marketplace.
<b>Location Rating:</b>	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is average.
<b>Overall Investment Appeal:</b>	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

### Investor Survey Trends

Historic trends in real estate investment help us understand the current and future direction of the market. Investors’ return requirements are a benchmark by which real estate assets are bought and sold. The following graph shows the historic trends for the subject’s asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.



As the chart illustrates, the return requirements cited by investors increased since early 2022, in concert with interest rate increases by The Fed. Overall investment returns have stabilized in early 2024.



### Capitalization Rate Analysis

On the following pages we discuss the process of how we determine an appropriate overall capitalization rate to apply to the subject’s forecast net income.

### Capitalization Rate from Comparable Sales

<b>CAPITALIZATION RATE SUMMARY</b>			
<b>No.</b>	<b>Name and Location</b>	<b>Sale Date</b>	<b>Capitalization Rate</b>
1	4017 Eastern Avenue Baltimore, MD	11/2024	9.47%
2	Apartments at 919 St Paul St 919 Saint Paul Street Baltimore, MD	9/2024	8.35%
3	28 E. 25th Street Baltimore, MD	8/2024	9.19%
4	2414 Saint Paul Street Baltimore, MD	7/2024	9.83%
5	324 Park Avenue Baltimore, MD	10/2023	8.16%

<b>STATISTICS</b>		
Sample Size	5	5
Low	10/2023	8.16%
High	11/2024	9.83%
Median	8/2024	9.19%
Average	6/2024	9.00%

*Compiled by Cushman & Wakefield of Maryland, LLC*

### Capitalization Rate Conclusion

We considered OARs indicated by sales of comparable properties and national investor surveys. The indications from these various sources are:

<b>CAPITALIZATION RATE SUMMARY</b>		
<b>Data Source</b>	<b>Range</b>	<b>Average</b>
Comparable Sales	8.16% - 9.83%	9.00%
PwC Institutional	4.00% - 7.50%	5.38%
<b>Overall Rate Conclusion</b>		<b>9.00%</b>

*Compiled by Cushman & Wakefield of Maryland, LLC*

We believe that data derived from the comparable sales most clearly reflects current market parameters. Given the property attributes and prevailing market return rates, we conclude that a 9.00 percent OAR is applicable to the subject NOI forecast.

## Direct Capitalization Method Conclusion

In the Direct Capitalization Method, we developed an opinion of market value by dividing year one net operating income by our selected overall capitalization rate. Our conclusion using the Direct Capitalization Method is as follows:

<b>DIRECT CAPITALIZATION METHOD</b>		
<b>Prospective Market Value Upon Stabilization</b>		
<b>NET OPERATING INCOME</b>	<b>\$36,118</b>	<b>\$11.11</b>
<b>Sensitivity Analysis (0.25% OAR Spread)</b>	<b>Value</b>	<b>\$/SF</b>
Based on Low-Range of 8.75%	\$412,781	\$127.01
Based on Most Probable Range of 9.00%	\$401,315	\$123.48
Based on High-Range of 9.25%	\$390,469	\$120.14
<b>Preliminary Value</b>	<b>\$401,315</b>	<b>\$123.48</b>
<b>Rounded to nearest \$25,000</b>	<b>\$400,000</b>	<b>\$123.08</b>

<b>APPLICATION TO SUBJECT</b>		
<b>Market Value As-Is</b>		
<b>Prospective Market Value Upon Stabilization</b>	<b>\$401,315</b>	<b>\$123.48</b>
<b>LESS</b> Lease-Up Costs	(\$60,346)	(\$18.57)
Indicated Value	\$340,969	\$104.91
<b>Rounded to nearest \$25,000</b>	<b>\$350,000</b>	<b>\$107.69</b>

*Compiled by Cushman & Wakefield of Maryland, LLC*

## Reconciliation and Final Value Opinion

### Valuation Methodology Review and Reconciliation

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

The approaches indicated the following:

FINAL VALUE RECONCILIATION				
	Market Value As-Is	PSF	Prospective Market Value Upon Stabilization	PSF
Date of Value	November 7, 2024		June 1, 2025	
<b>Sales Comparison Approach</b>				
Percentage Adjustment Method	\$350,000	\$107.69	\$400,000	\$123.08
<b>Conclusion</b>	\$350,000	\$107.69	\$400,000	\$400,000.00
<b>Income Capitalization Approach</b>				
Direct Capitalization	\$350,000	\$107.69	\$400,000	\$123.08
<b>Conclusion</b>	\$350,000	\$107.69	\$400,000	\$123.08
<b>Final Value Conclusion</b>	<b>\$350,000</b>	<b>\$107.69</b>	<b>\$400,000</b>	<b>\$123.08</b>

*Compiled by Cushman & Wakefield of Maryland, LLC*

We gave most weight to the Income Capitalization Approach because this mirrors the methodology used by purchasers of this property type (i.e., an income-producing property).

Value Conclusions			
Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Market Value As-Is	Fee Simple	November 7, 2024	\$350,000
Prospective Market Value Upon Stabilization	Fee Simple	June 1, 2025	\$400,000
Insurable Value	N/A	November 7, 2024	\$350,000

*Compiled by Cushman & Wakefield of Maryland, LLC*

The implied “going in” capitalization rate is 9.03 percent. The overall capitalization rates derived from the improved property sales are between 8.16 percent and 9.83 percent, averaging 9.00 percent. The implied going-in cap rate is in line with going-in capitalization rates indicated by the sales and the most recent Investor Surveys.

### Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

This appraisal does not employ any extraordinary assumptions.

### Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

## **Exposure Time and Marketing Time**

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately nine (9) months. This assumes an active and professional marketing plan would have been employed by the current owner.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within nine (9) months.

## Insurable Replacement Cost/Insurable Value

At the Client's request, we provided an insurable value (commonly referred to as insurable replacement cost) estimate. The estimate is based on figures typically derived from the Marshall and Swift (M&S) Commercial Cost Explorer and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.

Insurable Replacement Cost and/or Insurable Value are directly related to the portion of the real estate that is covered under the asset's insurance policy. We based this opinion on the building's replacement cost new (RCN) which has no direct correlation with its actual market value.

There are many variations and requirements specified by various clients. Hence, we employed the Client's requirements as defined in their letter of engagement attached in the addenda hereto, unless of course the Client and/or engagement letter is silent, in which case we employed our typical method for estimating Insurable Value/Insurable Replacement Cost described below.

Unless overridden by the Client's letter of engagement/requirements, we developed an opinion of RCN using the Calculator Method developed by Marshall & Swift. The RCN is the total construction cost of a new building with the same specifications and utility as the building being appraised, but built using modern technology, materials, standards and design. For insurance purposes, RCN includes all direct and indirect costs necessary to construct the building improvements. Items that are not considered include land value, site improvements, depreciation and entrepreneurial profit. To develop an opinion of insurable value/insurable replacement cost, exclusions for below-grade foundations and architectural fees were deducted from RCN.

The Insurable Replacement Cost and/or Insurable Value summary is presented on the following page:

<b>INSURABLE REPLACEMENT COST SUMMARY</b>		
<b>IMPROVEMENTS (STRUCTURES)</b>		
<b>DESCRIPTION</b>	Retail	Multi-Family
Marshall & Swift - Improvement Type	Retail	Multiple Residences
Construction Class	C	C
Quality of Construction	Average	Average
Marshall & Swift - Section	Section 13	Section 12
Marshall & Swift - Page	Page 26	Page 16
Date	May-24	Aug-24
Number of Stories	1	3
<b>Base SF Cost</b>	<b>\$117.00</b>	<b>\$109.00</b>
<b>SQUARE FOOT REFINEMENTS</b>		
HVAC Refinements	\$0.00	\$0.00
Sprinklers	\$0.00	\$0.00
Elevators	\$0.00	\$0.00
<b>Adjusted Base Cost</b>	<b>\$117.00</b>	<b>\$109.00</b>
<b>HEIGHT AND SIZE REFINEMENTS</b>		
Number of Stories	1.000	1.000
Height per Story	1.000	1.000
Perimeter	1.000	1.000
<b>Adjusted Base Cost</b>	<b>\$117.00</b>	<b>\$109.00</b>
<b>FINAL CALCULATIONS</b>		
Current Cost Multiplier	1.030	1.010
Local Area Multiplier	1.000	1.000
Prospective Multiplier	1.000	1.000
<b>Adjusted SF Cost</b>	<b>\$120.51</b>	<b>\$110.09</b>
TIMES: SF for Replacement Cost Purposes	1,200	2,050
<b>Adjusted Cost</b>	<b>\$144,612</b>	<b>\$225,685</b>
<b>REPLACEMENT COST SUMMARY (STRUCTURES)</b>		
<b>Adjusted Base Costs</b>	<b>\$144,612</b>	<b>\$225,685</b>
PLUS: Indirect Costs	5.0%	
	<b>\$7,231</b>	<b>\$11,284</b>
	<b>\$151,843</b>	<b>\$236,969</b>
<i>Total includes all component / building costs as detailed above</i>		
<b>INSURABLE REPLACEMENT COST SUMMARY</b>		
<b>Insurable Value Type</b>	<b>Insurable Value As-Is</b>	
<b>Cost Source:</b>	Marshall Valuation Service	
<b>Replacement Cost New</b>	<b>\$151,843</b>	<b>\$236,969</b>
<b>Insurance Exclusions</b>		
Foundations Below Grade	(5.0%)	(5.0%)
Piping Below Grade (Negligible)	0.0%	0.0%
Architect Fees	(6.0%)	(6.0%)
<b>Total Insurance Exclusion Adjustment</b>	<b>-11.0%</b>	<b>-11.0%</b>
<b>Total Insurance Exclusion Amount</b>	<b>(\$16,703)</b>	<b>(\$26,067)</b>
<b>Adjusted Costs (Structures)</b>	<b>\$135,140</b>	<b>\$210,902</b>
<b>INDICATED INSURABLE REPLACEMENT COST</b>		<b>\$346,042</b>
<b>Rounded to the Nearest</b>	<b>\$25,000</b>	<b>\$350,000</b>
Total GBA (SF)		3,250
<b>Conclusion PSF of GBA</b>		<b>\$107.69</b>



## Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Cushman & Wakefield's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Cushman & Wakefield assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Cushman & Wakefield recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against Cushman & Wakefield or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Cushman & Wakefield or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Any estimate of insurable replacement cost/insurable value, if included within the agreed upon scope of work and presented within this report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

## Certification

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- C&W has undertaken to complete this report without regard to race, color, religion, national origin, sex, marital status, or any other prohibited basis, and it is not intended to contain references that could be regarded as discriminatory.
- Kenneth Steven Hutton, MAI did make a personal inspection of the property that is the subject of this report. Thomas E. Rowley, CCIM, MRICS did not make a personal inspection of the property that is the subject of this report.
- Kenneth Steven Hutton, MAI has performed no prior services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- Thomas E. Rowley, CCIM, MRICS has performed no prior services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- No one provided significant real property appraisal assistance to the persons signing this report.
- As of the date of this report, Kenneth Steven Hutton, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Thomas E. Rowley, CCIM, MRICS has completed all the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.




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## Addenda Contents

- Addendum A: Glossary of Terms & Definitions
- Addendum B: Engagement Letter
- Addendum C: Comparable Improved Sale Data Sheets
- Addendum D: Rent Comparable Data Sheets
- Addendum E: Qualifications of the Appraiser

# Addendum A:

## Glossary of Terms & Definitions

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal, Seventh Edition (2022)*, published by the Appraisal Institute, Chicago, IL, as well as other sources.

### Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment (i.e., debt and equity, land and improvements).

### Capital Expenditure

Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as *cap ex*.

### Cash Equivalency Analysis

An analytical process in which the sale price of a transaction with atypical financing or financing with unusual conditions or incentives is converted into a price equivalent or consistent with what a cash buyer would pay with all other factors the same.

### Depreciation

1. In appraisal, a loss in property value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.

### Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation.
- The buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interest.
- An adequate marketing effort will be made during the exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

### Entrepreneurial Incentive

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project.

### Equity Capitalization Rate

An income rate that reflects the relationship between one year's equity cash flow and the equity investment; also called the cash-on-cash rate, cash flow rate, cash throw-off rate, or equity dividend rate.

### Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

## Exposure Time

The time a property remains on the market. Per USPAP, 2024 ed., AO-35: An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

## External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational.

## Extraordinary Assumption

An assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions. Per USPAP, 2024 ed., Definitions-Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

## Fair Market Value

1. In nontechnical usage, a term that is generally synonymous with the contemporary usage of market value. 2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. In some situations, the interpretation of fair market value is more directly comparable to the concept of fair value than to market value in exchange.

## Fair Value

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

## Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

## Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards.

## Highest and Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

## Highest and Best Use as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

## Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. 2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Per USPAP, 2024 ed., Definitions-Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

## Insurable Replacement Cost

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted).

## Intended Use

1. The valuer's intent as to how the report will be used. 2. Per USPAP, 2024 ed., Definitions: The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.



## Intended User

1. The party or parties the valuer intends will use the report. 2. Per USPAP, 2024 ed., Definitions: The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser based on communication with the client at the time of the assignment.

## Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth).

## Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

## Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

## Liquidation Value

The most probable price that a specified interest in property is likely to bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller is acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interest.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

## Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus.

Implicit in this definition is the execution of a lease as of a specified date under conditions whereby

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs)

## Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

## Market Value As Is

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.

## Marketing Time

An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time.) See also exposure time.

## Mortgage-Equity Analysis

Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

## Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement.

## Physical Deterioration

The wear and tear that begins when a building is completed and placed into service.

## Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

For example, the value of a property as of a point in time when all improvements have been physically constructed (Upon Completion) and when the property has been leased to its optimum level of long-term occupancy (Upon Stabilization). At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

## Remaining Economic Life

The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.

## Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value.”

## Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

## Uniform Standards of Professional Appraisal Practice (USPAP)

In the United States, professional standards, developed for appraisers and users of appraisal services by the Appraisal Standards Board of The Appraisal Foundation, that are required for use in federally related transactions. Compliance with USPAP is also required in certain appraisals by state certification and licensing boards.

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<sup>1</sup> “Interagency Appraisal and Evaluation Guidelines.” Federal Register 75:237 (December 10, 2010) p. 77472.

# Addendum B: Engagement Letter



Commercial Appraisals Department  
277 Park Avenue  
New York, NY 10172

LISA E. VAZQUEZ  
REGIONAL APPRAISAL MANAGER  
607-725-2029  
LVAZQUEZ@mtb.com

10/22/2024

Tom Rowley  
Cushman & Wakefield, Inc.  
2101 L Street NW, Suite 700  
Washington, , DC 20037  
Email: tom.e.rowley@cushwake.com  
Phone: 8045141530

RE: 24-002317-01

Dear Tom Rowley,

This letter confirms we have engaged (the "Engagement") your services for an appraisal of the referenced property as indicated in the addendum to this letter (the "Addendum"). Your Engagement shall be governed by the terms set forth in this letter, which includes the attached Addendum and Appendix A - Terms and Conditions (the "Appendix"), each of which Addendum and Appendix are incorporated herein by reference as if set forth at length.

Your engagement is as an independent contractor and not as an employee or agent of M&T Bank. The appraisal assignment will be prepared in a Appraisal Report format, and in accordance with the requirements set forth herein. A qualified, appropriately licensed/certified staff appraiser may perform the appraisal and a qualified appropriately registered appraisal assistant may assist in the preparation of the appraisal. Unless previously agreed to otherwise, **you must review and sign the report**. Also, this appraisal assignment may not be subcontracted to an outside individual or firm without M&T Bank's prior written consent, which may be granted or withheld in M&T Bank's sole discretion.

**Property Contact / Information:** Within three calendar days of receipt of this letter, please make (a) arrangements for an inspection of the property and (b) your initial request for information, each of which should be made or confirmed in writing to the property contact listed in the Addendum, with a copy of the request to be sent to the **undersigned**. Any questions regarding this assignment should be e-mailed to LISA E. VAZQUEZ at LVAZQUEZ@mtb.com.

*A weekly status update of this appraisal assignment shall be provided by email correspondence to LISA E. VAZQUEZ at LVAZQUEZ@mtb.com until you complete the project and deliver your signed report and your signed report is accepted by M&T Bank in its sole discretion (such signed and accepted report, the "Appraisal").*

**Confidentiality:** You hereby agree to keep all information regarding M&T Bank, the borrower and the proposed transaction referenced herein strictly confidential and not to disclose any such information to any third party. **It is essential that M&T Bank's Confidential Information be maintained as confidential.** Please refer to the attached Appendix for additional confidentiality, security and cybersecurity provisions.

You also understand and agree that appraisal conclusions, value opinions and appraisal methodology are to be discussed ONLY with M&T's Appraisal Department staff, and specifically NOT with the borrower or the M&T Bank's lending staff. (The latter requirement is to ensure "Appraiser Independence" in accordance with regulatory requirements.)

**Client, Intended Users and Intended Use:** You understand and acknowledge that M&T Bank, alone, is your client in connection with this Engagement. The intended use of the Appraisal is for underwriting of loans and other credit accommodations, M&T Bank, its affiliates other lenders (lenders, including prospective, current and future loan participants) involved or considering involvement in a participation or syndication, and their respective successors and assigns (collectively, "Intended Users") are intended users of the Appraisal. The Appraisal Consultant further agrees to cooperate in answering questions by any of the above parties in connection with any syndication. No person or entity other than M&T Bank and the other Intended Users may use or rely on the information, opinions, and conclusions contained in the Appraisal.

**Standard References:** All references herein to "you" shall mean, individually and collectively, the appraisal consultant (the "Appraisal Consultant") and the appraisal firm to whom this letter is addressed.

## Engagement Letter (Continued)

**M&T Bank Project 24-002317-01**  
**817 N Howard St, Baltimore, MD 21201**

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**Qualifications:** You hereby represent that you are certified as a General Appraiser in the state where the subject Property is located, and that you are competent to meet all the requirements of this Engagement.

**Applicable Laws and Regulations - Scope of Work:** You understand that the scope, content and form of the Appraisal submitted in connection with this Engagement, and the work done in preparation of the appraisal, must be done in full compliance with all laws, regulations and guidelines applicable to the Appraisal Consultant, appraisal firm, and/or M&T Bank, including, without limitation, Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), Regulation Y, subpart G, the Interagency Appraisal and Evaluation Guidelines, the Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Standards Board of the Appraisal Foundation, and the current Appraisal Policy of M&T Bank.

**No Conflict of Interest:** You hereby represent that you have no interest in the subject property or the borrower or owner, if known, and that you have no bias or conflict of interest with respect to the proposed transaction for which M&T Bank is ordering the subject appraisal. You agree to notify M&T Bank's Appraisal Department immediately if you become aware that the property was previously appraised by you within the last three years.

*A copy of the following items must be included in the addenda of each of the final appraisal report:*

1. *Copy of the accepted engagement letter including the Addendum and Appendix*
2. *Valid state certification*
3. *Qualifications*

During the performance of this agreement, you agree that the Appraisal Consultant and the appraisal firm shall comply with all applicable federal, state, and local laws and regulations including, but not limited to, those relating to labor and employment.

**Delivery:** Please upload the final appraisal report including all addenda to RIMSCentral.com. The appraisal report shall reference the M&T Project number on the cover of the report and must include a copy of each appraiser's license/certification. In addition, should the appraisal report not be received by the due date, it is understood that M&T Bank reserves the right to reduce your fee by \$100 per day for each day thereafter, until the appraisal report is received; provided however, that this fee reduction may be waived or reduced, at the sole discretion of M&T Bank, should circumstances beyond your control preclude delivery by the due date, provided you obtain from M&T Bank prior to the due date written approval for your delay in delivering the final appraisal report. **All requests to extend the due date of an appraisal must be submitted in writing to M&T Bank and directed to LISA E. VAZQUEZ at [LVAZQUEZ@mtb.com](mailto:LVAZQUEZ@mtb.com).**

**Invoicing and Payment:** Your invoice related to the Engagement shall be uploaded via RimsCentral.com as a separate pdf file, simultaneously with uploading of your final appraisal report. If a bulk value report is to be completed related to this Engagement, upload your invoice into the same job as the bulk value report job. In addition to your contact information, please include on your invoice the Invoice number, Invoice Date, your Tax Identification number (or social security number), M&T Bank Project Number, Property Address and Service Type. Do not attach a copy of your invoice to the electronic copy of your final appraisal report. Attaching your invoice to your final appraisal report will delay the processing of your invoice. All invoices shall be payable per your terms after receipt of your invoice submitted in accordance with the process and requirements set forth in this letter, and satisfactory appraisal review by M&T Bank.

**Other Deliverables:** If software is utilized for discounted cash flow analyses, please provide a copy of the digital file when submitting your final appraisal report.

**Insurance and Liability:** You hereby represent that you and your firm have the levels/types of insurance coverage required by this letter, including the Addendum and Appendix hereto. You also affirm there are no pending claims against you. You further agree not to include any statement within the written appraisal report you submit to M&T Bank that would purport to limit, in any way, your liability or the amount of damages for which you may be held liable, and you hereby acknowledge that any such statements that do appear in your appraisal report or any other document are hereby waived, without effect and shall not be enforceable against M&T Bank.

**During the course of this assignment, if you determine that changes are necessary to or are requested by anyone other than the M&T Bank Appraisal Department to make changes to the terms of this agreement or requested scope of work, please contact the undersigned in writing. Any changes to this Engagement must be authorized by the M&T Bank Appraisal Department.**

**If you have any questions about your obligations as set forth above and in the attached Addendum and Appendix, or**

**Engagement Letter (Continued)**

**M&T Bank Project 24-002317-01  
817 N Howard St, Baltimore, MD 21201**

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**about how to meet your obligations, please call M&T Bank's Chief Appraiser immediately.**

If you have any valuation or appraisal-related questions, please contact LISA E. VAZQUEZ as soon as possible.

Sincerely,

***LISA E. VAZQUEZ***

LISA E. VAZQUEZ  
REGIONAL APPRAISAL MANAGER, M&T Bank

**ACCEPTANCE OF TERMS AND ENGAGEMENT**

The requested appraisal services will be performed in accordance with the terms and conditions of this Engagement Letter, including the Addendum and Appendix attached hereto. **By clicking "Accept" via RIMS, you acknowledge and have accepted the terms and conditions of this Engagement. Your acceptance of this Engagement constitutes a signed letter of engagement, and your agreement that the Appraisal and your services related thereto will be completed in conformity with this letter, including the attached Addendum and Appendix, and the following:**

The service(s) indicated by this contract will be developed and reported in conformity with and subject to the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

This document was generated using RIMS and was authenticated using the RIMS UserID for LISA E. VAZQUEZ. The original copy of this document will be kept on file. M&T Bank reserves the right to compare any returned documents with the original, with the understanding that any discrepancy between documents defaults to the original document unless we have agreed to the change in writing.



**Engagement Letter (Continued)**

**M&T Bank Project 24-002317-01**  
**817 N Howard St, Baltimore, MD 21201**

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**ADDENDUM TO ENGAGEMENT LETTER PROJECT NUMBER 24-002317-01**

This letter serves as an engagement of the above-noted appraiser to provide appraisal services in accordance with the all laws, regulations and guidelines applicable to the appraiser and/or M&T Bank, including, without limitation, Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), Regulation Y, subpart G, the Interagency Appraisal and Evaluation Guidelines, the Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Standards Board of the Appraisal Foundation, and the current Appraisal Policy of M&T Bank.

**APPRAISAL PROJECT**

**Project** 24-002317-01

**Property Contact Details**

Name/Affiliation/Contact Information: Teddy Davidson, Borrower  
Phone: 443-223-6670

**Property Data**

Subject Property Address: 817 N Howard St, Baltimore, MD 21201  
Property Type: Retail-Commercial- Mixed Use-Retail-Residential  
Property Description: Multifamily or mixed use (residential and commercial) C-1, Neighborhood Business District

**Appraisal Assignment**

Appraisal Fee: \$3,400.00

Due Date: 11/12/2024

Award Notes: EFFECTIVE JUNE 10TH, 2020: M&T BANK APPRAISAL DEPARTMENT HAS UPDATED THE REAL ESTATE APPRAISAL TERMS AND CONDITIONS WHICH ARE FOUND UNDER YOUR REFERENCE DOCUMENTS. PLEASE TAKE TIME TO REVIEW AND ADDRESS ANY CONCERNS WITH THE APPRAISAL JOB MANAGER.

YOU MUST BE CERTIFIED IN THE STATE WHERE THE PROPERTY IS LOCATED IN ORDER TO ACCEPT THIS AWARD.

When completed, please upload an electronic copy of your report to <http://www.rimscentral.com>

**Engagement Letter (Continued)**

**M&T Bank Project 24-002317-01**  
**817 N Howard St, Baltimore, MD 21201**

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**VALUATION SCENARIO**

<u>Premise</u>	<u>Qualifier</u>	<u>Interest</u>	<u>Comment</u>
Market Value	As-Is	Leased Fee	

**SCOPE OF WORK**

- Intended Use:** Use - Asset Valuation  
Description: The intended use of this appraisal is for periodic valuation of the asset per policy, (Asset Valuation)
- Intended User:** User - M and T Bank  
Description: The intended users of this report are M and T Bank and-or affiliates. See Intended User Comments.
- Intended User Comments::** The paragraph titled Client, Intended Users and Intended Use that is presented on Page 1-2 of the engagement letter must be included in the intended user section of the appraisal report.
- Approaches to Value:** Approach - ALL  
Description: All applicable approaches
- Stabilization Value:** If you determine that the subject property is not at stabilization, please also provide the value upon stabilization. Call me to discuss if you have concerns about whether the correct values are being captured.
- Inspection Requirements:** Inspect - Full Subject  
Description: An interior and exterior inspection of the subject property in sufficient detail to determine marketability
- Additional Work Scope:** Please refer to the RFP regarding the detailed scope of work information in addition to the LOE. \*\*Report with sufficient description to qualify as what was formerly known as a Summary Report. Unless otherwise authorized, please inspect the interior and exterior of the property, provide exterior photographs and summarize any observed deferred maintenance or structural deficiencies. Analyze any recent transfers, current contracts or listings of the subject. Include a tax map or aerial to identify the property and identify if the subject is in a special flood zone. At least two approaches to value should be completed unless you have obtained prior authorization. Include quantified adjustment grids with a summary of the rationale for adjustment, a location map and photographs of the comparable properties (sale and rental). If leased fee, summarize and analyze any existing leases with conclusions relative to market rates. We always need a true "as is" value(s) of the interest existing at the subject, including fee simple values for owner occupied properties and non-arms-length leases and leased fee values if there are any existing arms-length leases. Call me to discuss if you have concerns about whether the correct values are being captured. Include copies of relevant contracts, leases or other documents. If income-modeling software is employed, ARGUS Enterprise should be used. Also, include any input assumptions used in income-modeling software. In each valuation scenario, please reflect the appropriate property interest as of the effective date. You must respond to review questions, comments and/or corrections within 24 hours. \*\*Contact me immediately, if unable to comply with this request.

**Engagement Letter (Continued)**

**M&T Bank Project 24-002317-01**  
**817 N Howard St, Baltimore, MD 21201**

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**Insurable Value/Replacement Costs:** Insurable Value of Vertical Improvements As-Is Upon-Completion  
Description: Within the appraisal or evaluation report or addenda, we request that you include the insurable value of all vertical improvements As-Is and also Upon Completion if applicable.

**Subject Property Strengths and Weaknesses:** Subject Propertys Strengths and Weaknesses  
Description: Please provide a list of the subject propertys strengths and weaknesses that impact marketability and or market value.

**Engagement Letter (Continued)**

**M&T Bank Project 24-002317-01  
817 N Howard St, Baltimore, MD 21201**

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**Final Report**

**Reports are to be prepared for and addressed to:**

**Intended User:**

M&T Bank  
Commercial Appraisals Department  
277 Park Avenue  
New York, NY 10172  
LISA E. VAZQUEZ  
REGIONAL APPRAISAL MANAGER

**Additional Addressees for Intended User:(If Applicable)**

M and T Bank  
Commercial Appraisals Department  
277 Park Avenue  
New York, NY 10172

**Delivery**

**Electronic Copy**

Upload a pdf of the Final Report via RimsCentral by contracted Due Date.

**Engagement Letter (Continued)**

**M&T Bank Project 24-002317-01  
817 N Howard St, Baltimore, MD 21201**

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**APPENDIX A - TERMS AND CONDITIONS**

**(Available in your RIMS Central Customer Attachments for M&T Bank)**

# Addendum C: Comparable Improved Sale Data Sheets



# IMPROVED SALE COMPARABLE 1



Property Name: N/A  
 Address: 4017 Eastern Avenue  
 City, State, Zip: Baltimore MD 21224  
 MSA: Baltimore  
 Jurisdiction: Baltimore City  
 Submarket:  
 Property Type: Multi-Family  
 Property Subtype: Mixed-Use  
 Classification: N/A  
 ID: 802641  
 Tax Number(s): N/A

## PROPERTY INFORMATION

Site Area (Acres):	0.08	Number of Units:	4
Site Area (Sq.Ft.):	3,360	Average Unit Size:	N/A
Gross Bldg Area:	6,459	Number of Buildings:	N/A
Net Bldg Area:	6,459	Number of Stories:	N/A
Year Built:	1900	Class:	C
Last Renovation:	2020	Number of Parking Spaces:	2
Quality:	Average	Parking Ratio:	0.50:1,000
Condition:	Good	Resident Type:	Market Rate
Density (Units/Acre):	50.00	Retail Space:	3

## COMMON AMENITIES

Common Amenities: N/A

## UNIT AMENITIES

Unit Amenities: N/A

## SALE INFORMATION

Status:	Closed Sale	OAR:	9.47%
Sale Date:	11/2024	Cap Rate Type:	Pro Forma
Sale Price:	\$925,000	NOI:	\$87,639
Price per Unit:	\$231,250	NOI per Sq.Ft.:	\$13.57
Value Interest:	Leased Fee	NOI per Unit:	\$21,910
Grantor:	4017 Eastern, LLC	Occupancy:	N/A
Grantee:	Undisclosed	Expense Ratio:	N/A
Financing:	N/A	EGIM:	7.21
Condition of Sale:	N/A		

## VERIFICATION COMMENTS

Listing Broker's Marketing Material

## COMMENTS

This is the sale of a mixed-use building that contains three commercial units and four, two-bedroom, one-bathroom units. The cap rate is based on the listing broker's pro forma.

# IMPROVED SALE COMPARABLE 2



**Property Name:** Apartments at 919 St Paul St  
**Address:** 919 Saint Paul Street  
**City, State, Zip:** Baltimore MD 21202  
**MSA:** Baltimore  
**Jurisdiction:** Baltimore City  
**Submarket:**  
**Property Type:** Multi-Family  
**Property Subtype:** Mid/ High-Rise  
**Classification:** N/A  
**ID:** 795342  
**Tax Number(s):** N/A

## PROPERTY INFORMATION

Site Area (Acres):	0.06	Number of Units:	4
Site Area (Sq.Ft.):	2,605	Average Unit Size:	760
Gross Bldg Area:	4,221	Number of Buildings:	1
Net Bldg Area:	4,221	Number of Stories:	3
Year Built:	1866	Class:	C
Last Renovation:	N/A	Number of Parking Spaces:	2
Quality:	Average	Parking Ratio:	0.50:1,000
Condition:	Average	Resident Type:	Market Rate
Density (Units/Acre):	66.67	Retail Space:	N/A

## COMMON AMENITIES

Common Amenities: N/A

## UNIT AMENITIES

Unit Amenities: White kitchen appliances and hardwood floors

## SALE INFORMATION

Status:	N/A	OAR:	8.35%
Sale Date:	9/2024	Cap Rate Type:	Trailing
Sale Price:	\$589,000	NOI:	\$49,181
Price per Unit	\$147,250	NOI per Sq.Ft.:	\$11.65
Value Interest:	Leased Fee	NOI per Unit:	\$12,295
Grantor:	Bonita J. Mampe	Occupancy:	94.50%
Grantee:	Confidential	Expense Ratio:	N/A
Financing:	N/A	EGIM:	8.31
Condition of Sale:	Arm's Length		

## VERIFICATION COMMENTS

Public Record, CoStar Group, Listing Broker's Marketing Material

## COMMENTS

This comparable represents the sale of the apartments at 919 St. Paul Street, a 4-unit low-rise apartment community located in Baltimore, Maryland. The property was built in 1867 and consists of brick exterior. The unit interiors include white kitchen appliances and hardwood floors. The capitalization rate of 8.35 percent is based on the listing broker's pro forma.

# IMPROVED SALE COMPARABLE 3



**Property Name:** N/A  
**Address:** 28 E. 25th Street  
**City, State, Zip:** Baltimore MD 21218  
**MSA:** Baltimore  
**Jurisdiction:** Baltimore City  
**Submarket:**  
**Property Type:** Multi-Family  
**Property Subtype:** Mixed-Use  
**Classification:** N/A  
**ID:** 802643  
**Tax Number(s):** N/A

## PROPERTY INFORMATION

Site Area (Acres):	0.05	Number of Units:	2
Site Area (Sq.Ft.):	2,178	Average Unit Size:	N/A
Gross Bldg Area:	3,135	Number of Buildings:	1
Net Bldg Area:	3,135	Number of Stories:	3
Year Built:	1900	Class:	C
Last Renovation:	N/A	Number of Parking Spaces:	2
Quality:	Average	Parking Ratio:	1.00:1,000
Condition:	Average	Resident Type:	Market Rate
Density (Units/Acre):	40.00	Retail Space:	N/A

## COMMON AMENITIES

Common Amenities: N/A

## UNIT AMENITIES

Unit Amenities: N/A

## SALE INFORMATION

Status:	Closed Sale	OAR:	9.19%
Sale Date:	8/2024	Cap Rate Type:	Pro Forma
Sale Price:	\$385,000	NOI:	\$35,394
Price per Unit:	\$192,500	NOI per Sq.Ft.:	\$11.29
Value Interest:	Leased Fee	NOI per Unit:	\$17,697
Grantor:	John Cupp	Occupancy:	N/A
Grantee:	Confidential	Expense Ratio:	N/A
Financing:	N/A	EGIM:	10.87
Condition of Sale:	N/A		

## VERIFICATION COMMENTS

Listing Broker

## COMMENTS

This is the sale of a mixed-use, commercial/residential property located on the north side of 25th Street across from Safeway. The property recently fell out of contract, as is back on the market for sale with an asking price of \$300,000. We have, however, used the most recent contact price which was accepted by the seller. The property has a parking pad at the rear. No basement space is included within the rentable building area.



Property Name: N/A  
 Address: 2414 Saint Paul Street  
 City, State, Zip: Baltimore MD 21218  
 MSA: Baltimore  
 Jurisdiction: Baltimore City  
 Submarket:  
 Property Type: Multi-Family  
 Property Subtype: Mixed-Use  
 Classification: N/A  
 ID: 802644  
 Tax Number(s): N/A

**PROPERTY INFORMATION**

Site Area (Acres):	0.03	Number of Units:	4
Site Area (Sq.Ft.):	1,507	Average Unit Size:	N/A
Gross Bldg Area:	2,544	Number of Buildings:	N/A
Net Bldg Area:	2,544	Number of Stories:	N/A
Year Built:	1900	Class:	C
Last Renovation:	N/A	Number of Parking Spaces:	N/A
Quality:	Average	Parking Ratio:	0.00:1,000
Condition:	Average	Resident Type:	N/A
Density (Units/Acre):	133.33	Retail Space	N/A

**COMMON AMENITIES**

Common Amenities: N/A

**UNIT AMENITIES**

Unit Amenities: N/A

**SALE INFORMATION**

Status:	Closed Sale	OAR:	9.83%
Sale Date:	7/2024	Cap Rate Type:	N/A
Sale Price:	\$429,000	NOI:	\$42,153
Price per Unit	\$107,250	NOI per Sq.Ft.:	\$16.57
Value Interest:	Leased Fee	NOI per Unit:	\$10,538
Grantor:	2414 St Paul OG, LLC	Occupancy:	100.00%
Grantee:	2414 St Paul BH, LLC	Expense Ratio:	N/A
Financing:	N/A	EGIM:	N/A
Condition of Sale:	N/A		

**VERIFICATION COMMENTS**

Listing Broker's Marketing Material, Public Record

**COMMENTS**

This is the sale of a mixed-use building. The property contains four apartment units and one commercial unit. The apartments consist of three studio units and one, one-bedroom unit.

# IMPROVED SALE COMPARABLE 5



**Address:** 324 Park Avenue  
**City, State, Zip:** Baltimore MD 21201  
**MSA:** Baltimore  
**County:** Baltimore City  
**Submarket:**  
**Property Type:** Retail-Commercial  
**Property Subtype:** Mixed Use - Retail/ Residential  
**Classification:** N/A  
**ID:** 782618  
**Tax Number(s):** 04-02-0578-037

## PROPERTY INFORMATION

Site Area (Acres):	0.03	Number of Buildings:	1
Site Area (Sq.Ft.):	1,442	Number of Stories:	3
Gross Bldg Area:	3,528	Number of Parking:	N/A
Gross Leasable Area:	3,528	Parking Ratio:	N/A
Year Built:	1920	L:B Ratio:	0.41:1
Last Renovation:	2018	Tenancy Type:	Multi-Tenant
Quality:	Average		
Condition:	Good		

## SALE INFORMATION

Status:	Recorded Sale	OAR:	8.16%
Deed Reference:	26355-00415	NOI:	\$48,559
Sale Date:	10/2023	NOI per Sq.Ft.:	\$13.76
Sale Price:	\$595,000	Occupancy:	N/A
Price per Sq.Ft.:	\$168.65	Buying Entity:	Investor
Value Interest:	Leased Fee	No. of Years Remaining on Primary Lease:	N/A
Grantor:	UK Construction	InvestmentGradeCredit:	No
Grantee:	Sharnese Hall	InvestmentGradeCreditRating:	N/A
Financing:	Cash		
Condition of Sale:	Arm's Length		

## VERIFICATION COMMENTS

Marketing Material, Public Record

## COMMENTS

This is the sale of a three-story, mixed-use retail/apartment property located Park Avenue in Baltimore City. The property is located the in Bromo Arts District neighborhood of Baltimore. The property was listed at \$600,000 for 2 months prior to settlement. The building was fully renovated and in good condition at the time of sale.

# Addendum D: Rent Comparable Data Sheets

# RENTAL SURVEY 1



**Property Name:** Waterloo Place Apartments  
**Address:** 690 North Calvert Street  
**City, State, Zip:** Baltimore, MD 21202  
**Submarket:** Baltimore-Midtown  
**Property Subtype:** Mid/ High-Rise  
**Survey Date:** 9/1/2024  
**ID:** 564546

## PROPERTY INFORMATION

Number of Units:	197	Density (Units/Acre):	85.96	Occupancy Rate:	96.9%	Year Built:	1991
Net Building Area:	200,349	Number of Buildings:	7	Class:	B	Year Renovated:	2008
Average Unit Size:	1,017	Number of Stories:	4	Quality:	Good	Condition:	Good
Site Area (Acres):	2.28	Parking Type:	Structure	Construction:	Steel and masonry		

## PROJECT AMENITIES

Swimming pool, fitness center, elevators, garage

## UNIT AMENITIES

White appliance package, hardwood flooring, in-unit washer/dryer

## QUOTED MONTHLY RENT & CONCESSIONS

UNIT TYPE	BEDROOMS	BATHROOMS	AVG. SIZE (Sq. Ft.)	AVG. QUOTED RENT PER MONTH	AVG. QUOTED RENT \$/Sq.Ft./MONTH	AVG. QUOTED RENT \$/Sq.Ft./YEAR
1 BR / 1 BA	1.0	1.0	889	\$1,518.00	\$1.71	\$20.49
2 BR / 2 BA	2.0	2.0	1,083	\$1,747.00	\$1.61	\$19.36
3 BR / 2 BA	3.0	2.0	1,367	\$2,227.00	\$1.63	\$19.55
--	--	--	1,017	\$1,684.14	\$1.66	\$19.93

## COMMENTS

**Rent Inclusions:** None  
**Concessions:** None  
**Management:** Westover  
**Verification:** Leasing Agent  
**Comments:** N/A



# RENTAL SURVEY 2

Property Name: 521 St. Paul Apartments  
 Address: 521 Saint Paul Street  
 City, State, Zip: Baltimore, MD 21202  
 Submarket:  
 Property Subtype: Mid/ High-Rise  
 Survey Date: 10/19/2024  
 ID: 734338



## PROPERTY INFORMATION

Number of Units:	69	Density (Units/Acre):	156.82	Occupancy Rate:	92.0%	Year Built:	2014
Net Building Area:	60,789	Number of Buildings:	1	Class:	B	Year Renovated:	N/A
Average Unit Size:	881	Number of Stories:	4	Quality:	Average	Condition:	Average
Site Area (Acres):	0.44	Parking Type:	Surface	Construction:	Steel and masonry		

## PROJECT AMENITIES

Roof deck with outdoor seating, fitness center, controlled access

## UNIT AMENITIES

Stainless steel appliances, granite countertops, hardwood flooring, in-unit washer/dryer

## QUOTED MONTHLY RENT & CONCESSIONS

UNIT TYPE	BEDROOMS	BATHROOMS	AVG. SIZE (Sq. Ft.)	AVG. QUOTED RENT PER MONTH	AVG. QUOTED RENT \$/Sq.Ft./MONTH	AVG. QUOTED RENT \$/Sq.Ft./YEAR
1 BR / 1 BA	1.0	1.0	800	\$1,270.00	\$1.59	\$19.05
2 BR / 1 BA	2.0	1.0	953	\$1,638.00	\$1.72	\$20.63
3 BR / 2 BA	3.0	2.0	1,238	\$2,141.00	\$1.73	\$20.75
4 BR / 2 BA	4.0	2.0	1,412	\$2,603.00	\$1.84	\$22.12
--	--	--	881	\$1,454.54	\$1.64	\$19.67

## COMMENTS

**Rent Inclusions:** Water, Sewer, Trash  
**Concessions:** 0.7% of face rent  
**Management:** PMC  
**Verification:** N/A  
**Comments:** N/A

# RENTAL SURVEY 3



**Property Name:** Chesapeake Commons  
**Address:** 601 North Eutaw Street  
**City, State, Zip:** Baltimore, MD 21201  
**Submarket:** Baltimore-Central Baltimore City MF  
**Property Subtype:** Mid/ High-Rise  
**Survey Date:** 11/11/2024  
**ID:** 451412

## PROPERTY INFORMATION

Number of Units:	99	Density (Units/Acre):	96.12	Occupancy Rate:	97.1%	Year Built:	1893
Net Building Area:	126,027	Number of Buildings:	1	Class:	B	Year Renovated:	N/A
Average Unit Size:	1,273	Number of Stories:	6	Quality:	Good	Condition:	Good
Site Area (Acres):	1.03	Parking Type:	Surface	Construction:	Brick		

## PROJECT AMENITIES

Fitness center, lounge, elevator, controlled access

## UNIT AMENITIES

Washer/dryer in unit, fully-equipped kitchens

## QUOTED MONTHLY RENT & CONCESSIONS

UNIT TYPE	BEDROOMS	BATHROOMS	AVG. SIZE (Sq. Ft.)	AVG. QUOTED RENT PER MONTH	AVG. QUOTED RENT \$/Sq.Ft./MONTH	AVG. QUOTED RENT \$/Sq.Ft./YEAR
Studio	0.0	1.0	804	\$1,295.00	\$1.61	\$19.33
1 BR / 1 BA	1.0	1.0	1,047	\$1,613.00	\$1.54	\$18.49
2 BR / 2 BA	2.0	2.0	1,517	\$2,005.00	\$1.32	\$15.86
3 BR / 2 BA	3.0	2.0	1,788	\$2,219.00	\$1.24	\$14.89
--	--	--	1,268	\$1,786.74	\$1.44	\$17.26

## COMMENTS

**Rent Inclusions:** None  
**Concessions:** 0.5% of face rent  
**Management:** Chesapeake Commons  
**Verification:** Management web site  
**Comments:** Mid-rise apartment complex with market rent tenants.

# RENTAL SURVEY 4



**Property Name:** The Severn  
**Address:** 701 Cathedral Street  
**City, State, Zip:** Baltimore, MD 21201  
**Submarket:**  
**Property Subtype:** Mid/ High-Rise  
**Survey Date:** 11/11/2024  
**ID:** 802625

## PROPERTY INFORMATION

Number of Units:	30	Density (Units/Acre):	272.73	Occupancy Rate:	96.6%	Year Built:	1900
Net Building Area:	32,610	Number of Buildings:	1	Class:	C	Year Renovated:	N/A
Average Unit Size:	1,087	Number of Stories:	10	Quality:	Average	Condition:	Average
Site Area (Acres):	0.11	Parking Type:	N/A	Construction:	Brick		

## PROJECT AMENITIES

Laundry facilities, elevator, property manager on site

## UNIT AMENITIES

Washer/dryer, fully-equipped kitchens

## QUOTED MONTHLY RENT & CONCESSIONS

UNIT TYPE	BEDROOMS	BATHROOMS	AVG. SIZE (Sq. Ft.)	AVG. QUOTED RENT PER MONTH	AVG. QUOTED RENT \$/Sq.Ft./MONTH	AVG. QUOTED RENT \$/Sq.Ft./YEAR
Studio	0.0	1.0	315	\$999.00	\$3.17	\$38.06
1 BR / 1 BA	1.0	1.0	620	\$1,136.00	\$1.83	\$21.99
2 BR / 1 BA	2.0	1.0	1,040	\$1,519.00	\$1.46	\$17.53
3 BR / 2 BA	3.0	2.0	1,643	\$1,946.00	\$1.18	\$14.21
4 BR / 2 BA	4.0	2.0	1,850	\$2,370.00	\$1.28	\$15.37
--	--	--	1,087	\$1,541.50	\$1.60	\$19.25

## COMMENTS

**Rent Inclusions:** N/A  
**Concessions:** N/A  
**Management:** N/A  
**Verification:** N/A  
**Comments:** N/A

# RENTAL SURVEY 5



**Property Name:** Apartments at 38 W Biddle St  
**Address:** 38 W Biddle St  
**City, State, Zip:** Baltimore, MD 21201-5550  
**Submarket:**  
**Property Subtype:** Mid/ High-Rise  
**Survey Date:** 9/20/2024  
**ID:** 794975

## PROPERTY INFORMATION

Number of Units:	17	Density (Units/Acre):	N/A	Occupancy Rate:	100.0%	Year Built:	1900
Net Building Area:	10,574	Number of Buildings:	1	Class:	N/A	Year Renovated:	N/A
Average Unit Size:	622	Number of Stories:	4	Quality:	Average	Condition:	Average
Site Area (Acres):	0.15	Parking Type:	On-Street	Construction:	Brick		

## PROJECT AMENITIES

N/A

## UNIT AMENITIES

White kitchen appliances

## QUOTED MONTHLY RENT & CONCESSIONS

UNIT TYPE	BEDROOMS	BATHROOMS	AVG. SIZE (Sq. Ft.)	AVG. QUOTED RENT PER MONTH	AVG. QUOTED RENT \$/Sq.Ft./MONTH	AVG. QUOTED RENT \$/Sq.Ft./YEAR
Studio	0.0	1.0	525	\$652.00	\$1.24	\$14.90
1 BR / 1 BA	1.0	1.0	600	\$736.00	\$1.23	\$14.72
2 BR / 1 BA	2.0	1.0	700	\$736.00	\$1.05	\$12.62
--	--	--	622	\$721.18	\$1.17	\$14.01

## COMMENTS

**Rent Inclusions:** N/A  
**Concessions:** 0.3%  
**Management:** N/A  
**Verification:** Property Management  
**Comments:** N/A

## Addendum E: Qualifications of the Appraiser



**Thomas E. Rowley IV, MRICS** Managing Director

Director of Valuation, Mid-Atlantic – MD / VA / DC  
Practice Group Member, Hospitality & Gaming  
Valuation & Advisory  
Cushman & Wakefield of Virginia, Inc.

### **Professional Expertise**

Mr. Rowley is a Managing Director and the Director of Valuation for the State of Maryland, Commonwealth of Virginia, and the District of Columbia. Mr. Rowley is also the primary appraiser for all Hospitality related assets, golf courses and marinas within the region. Prior to his current position, Mr. Rowley was a Senior Director within the Richmond, Virginia office of Cushman & Wakefield Valuation & Advisory.

Prior to joining Cushman & Wakefield in 2017, he was employed as an Associate Director for Joseph J. Blake and Associates from 2008 through 2017. From 2006 through 2008, he was an Associate with Cushman and Wakefield and a member of the Hospitality and Gaming Group. Prior to joining Cushman and Wakefield in 2008, Mr. Rowley was a commercial real estate broker for Thalhimer/Cushman and Wakefield in Richmond, Virginia.

His experience includes all hotel types and resorts, complex mixed-use developments, land development including large mixed-use properties and proposed subdivisions, golf courses, industrial buildings, retail properties and specialty waterfront use properties such as marinas and commercial ports, trophy office properties and all multifamily properties including LIHTC and market rate units.

### **Memberships, Licenses, Professional Affiliations and Education**

- Practicing Affiliate, Appraisal Institute
- Certified Commercial Investment Member 12183
- MRICS Member 6931615
- Washington D.C. Certified General Appraiser License GA2002060
- Virginia Certified General Appraiser License 4001018235
- Maryland Certified General Appraiser License 34565
- Bachelor of Arts, Duquesne University
- Appraisal Education:
  - Appraisal Institute - Real Estate Appraisal Principles
  - Appraisal Institute - Real Estate Appraisal Procedures
  - Appraisal Institute - USPAP 15-Hour
  - Appraisal Institute - Real Estate Finance, Statistics and Valuation Modeling
  - Appraisal Institute - General Appraiser Sales Comparison Approach

- Appraisal Institute - General Appraiser Site Valuation and Cost Approach
- Appraisal Institute - General Appraiser Income Capitalization Approach I
- Appraisal Institute - General Appraiser Income Capitalization Approach II
- Appraisal Institute - General Appraiser Report Writing and Case Studies
- Appraisal Institute - General Appraiser Site Valuation and Cost Approach
- Appraisal Institute - General Market Analysis and Highest and Best Use
- Appraisal Institute - Advanced Income Capitalization
- Appraisal Institute - Supervisory Appraiser/Trainee Appraiser Course
- Appraisal Institute - Business Practices and Ethics
- Appraisal Institute – Report Writing and Case Studies
- McKissock Learning – Expert Witness for Commercial Appraisers
- McKissock Learning – Commercial Appraiser Review



MARYLAND



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**STATE OF MARYLAND**  
**MARYLAND DEPARTMENT OF LABOR**

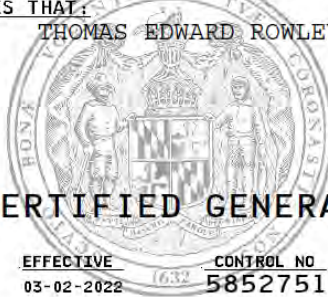
Lawrence J. Hogan, Jr.  
Governor

Boyd K. Rutherford  
Lt. Governor

Tiffany P. Robinson  
Secretary

COMMISSION OF RE APPRAISERS & HOME INSPECTORS  
CERTIFIES THAT:

THOMAS EDWARD ROWLEY



IS AN AUTHORIZED: **04 - CERTIFIED GENERAL**

LIC/REG/CERT	EXPIRATION	EFFECTIVE	CONTROL NO
34565	03-02-2025	03-02-2022	5852751

Signature of Bearer

Secretary

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES



**Kenneth S. Hutton, MAI** Senior Director

Valuation & Advisory  
Cushman & Wakefield of Maryland, Inc.

### Professional Expertise

Mr. Hutton joined Valuation & Advisory at Cushman & Wakefield of Georgia, Inc. in October 2011. Prior to joining Cushman & Wakefield, he worked as an analyst at Grubb & Ellis Landauer Valuation Advisory Services. Mr. Hutton began his career as a research associate with The Costar Group in Columbia, Maryland.

Experience includes providing appraisal services on a variety of commercial and investment properties, including flex/warehouse properties, industrial facilities, office developments, shopping centers, retail/service facilities, restaurants, automotive dealership and repair facilities, commercial, industrial and residential land and multifamily properties.

### Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute. As of the current date, Kenneth S. Hutton, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Certified General Real Estate Appraiser in the following states:
  - Maryland – 31835
  - Washington, D.C. – GA12373
- Whittier College
- Appraisal Education:
  - National USPAP Course
  - Site Valuation and Cost Approach
  - Sales Comparison Approach
  - Market Analysis and Highest & Best Use
  - Business Practices and Ethics
  - Basic Appraisal Principals and Basic
  - Appraisal Practices
  - General Appraiser Income Approach I and II
  - Residential Report Writing and Case Studies.

12/07/2023

6,184,612

COMMISSION OF RE APPRAISERS & HOME INSPECTORS

10 04 31835  
MESSAGE(S) :

KENNETH S HUTTON

6159 12-06-2023

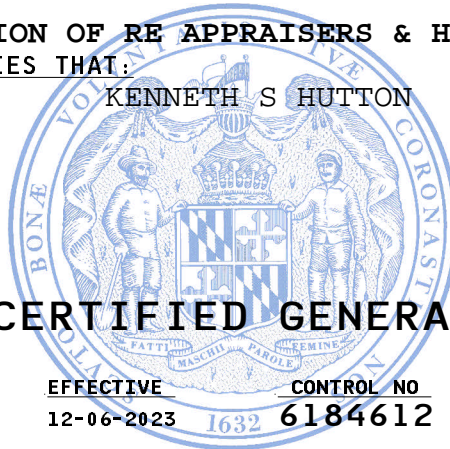


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STATE OF MARYLAND  
MARYLAND DEPARTMENT OF LABOR

Wes Moore  
Governor  
Aruna Miller  
Lt. Governor  
Portia Wu  
Secretary

COMMISSION OF RE APPRAISERS & HOME INSPECTORS  
CERTIFIES THAT:

KENNETH S HUTTON



IS AN AUTHORIZED: 04 - CERTIFIED GENERAL

LIC/REG/CERT	EXPIRATION	EFFECTIVE	CONTROL NO
31835	12-18-2026	12-06-2023	6184612

Signature of Bearer

Secretary

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

10 04 31835

6,184,612

10 04 31835

COMMISSION OF RE APPRAISERS & HOME INSPECTORS  
1100 N. EUTAW STREET  
BALTIMORE, MD 21201

KENNETH S HUTTON  
13965 ROVER MILL ROAD

WEST FRIENDSHIP

MD 21794

LIC/REG/CERT	EXPIRATION	EFFECTIVE	CONTROL NO
31835	12-18-2026	12-06-2023	6184612

Signature of Bearer \_\_\_\_\_ Secretary \_\_\_\_\_