

A MARKET STUDY OF:

**FORT POINTE
BUILD TO RENT
(BTR)**

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FORT POINTE BUILD TO

RENT (BTR)

600 NW Ridge Road
Warrenton, Clatsop County, Oregon 97146

Effective Date: June 29, 2023
Report Date: July 14, 2023

Prepared for:
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July 14, 2023

David Richardson
MissionDG
454 Soledad St., Suite 200
San Antonio, TX 78205

Re: Market Study of Fort Pointe Proposed BTR
600 NW Ridge Road
Warrenton, Clatsop County, Oregon 97146

Dear David Richardson:

At your request, Novogradac Consulting LLP, doing business under the brand name Novogradac Consulting (Novogradac) has performed a study of the multifamily rental market in the Warrenton, Clatsop County, Oregon area relative to the above-referenced proposed market rate rental development.

The purpose of this market study is to assess the viability of Fort Pointe BTR (Subject), a new construction Build to Rent market rate development. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report includes the following:

- Inspecting the site of the Subject and the general location
- Project Description
- Market Area Analysis
- Supply Analysis
- Rent, Vacancy, and other Market Characteristic Analysis
- Demand Analysis
- Absorption Analysis
- Conclusion and Recommendations

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client. The report and the conclusions are subject to the *Assumptions and Limiting Conditions* attached.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

Sydney Saenz personally inspected the Subject property and comparable market data incorporated in this report and is competent to perform such analyses. The date of inspection was June 29, 2023, which is the effective date of this report.

MissionDG is the client in this engagement and intended user of this report. The Stated Purpose of this assignment is for underwriting purposes. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages, or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering. As our client, MissionDG owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners. Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac



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PROJECT DESCRIPTION

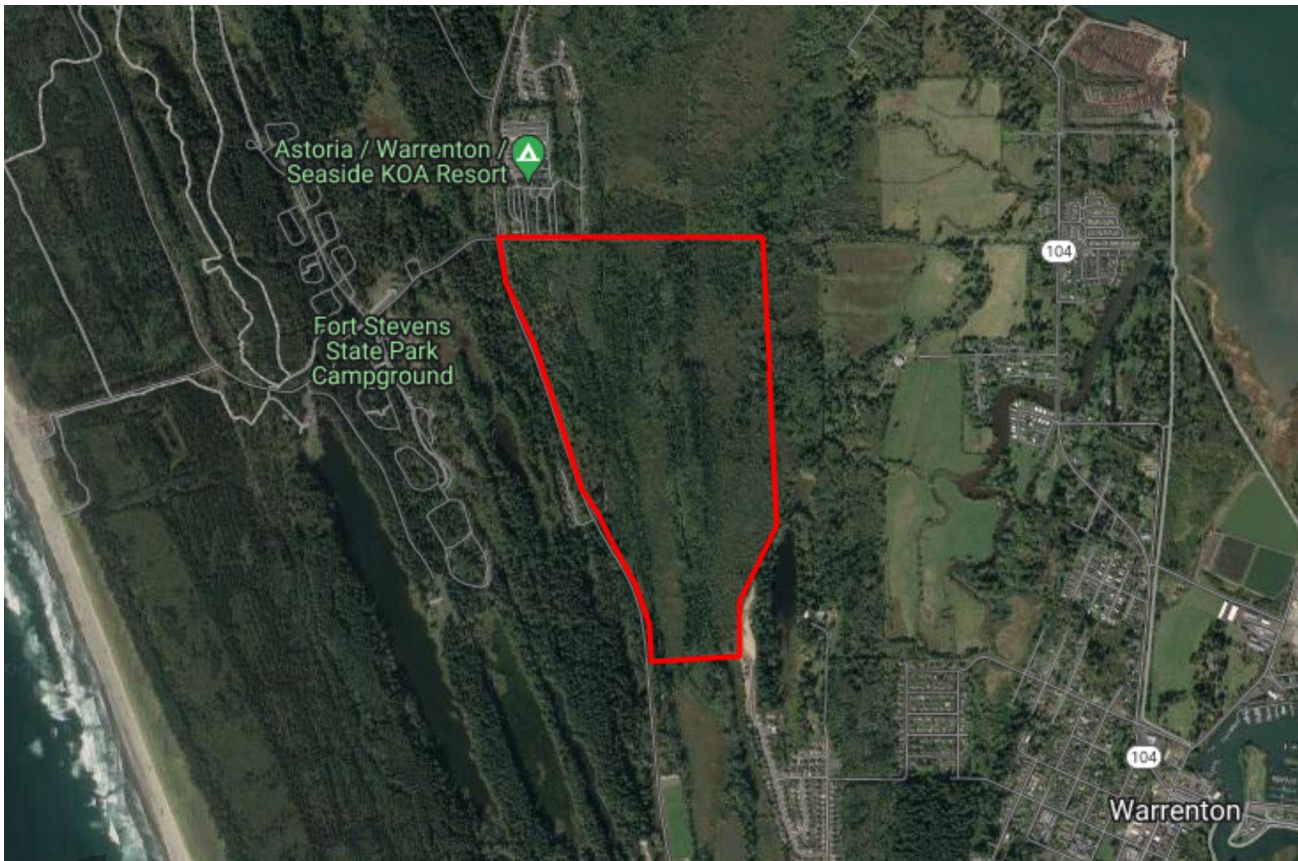
PROJECT DESCRIPTION

DESCRIPTION OF THE SITE

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow.

General:

The Subject property is a proposed new construction market rate BTR development located 0.6 miles northeast of the intersection of NW Ridge Road and SW 9th Street in Warrenton, Oregon. According to the developer, the Subject is proposed to be a Build to Rent (BTR) development improved with a combination of modular wood-frame residential buildings, along with a single-story clubhouse. We provided specifics on in-unit and community amenities later in this report. The Subject's overall development will consist of 210 multifamily rental units contained in garden-style buildings, 200 single-family rental homes, and 30 for-sale townhomes. It should be noted that we have only analyzed the rental units in the development and an analysis of the for sale units is beyond the scope of this report. An aerial image of the site and the preliminary site plan are included below. It should be noted that the development will occur on the western portion of the site and the eastern portion of the site will remain green space with a mountain bike/hiking trail below.



Source: Google Earth, July 2023

- Shape:** The Subject is Irregular in shape.
- Size:** The Subject site is 270.00 acres or 11,761,200 square feet.
- Zoning:** The Subject site is located in Warrenton, Oregon and is identified as a portion of tax map number 810170001300. The Subject site consists of vacant, wooded land. According to the Warrenton zoning map, the Subject site is zoned R10 (Intermediate Density Residential).
- Frontage:** The Subject site has frontage along the east side of NW Ridge Road.
- Adjoining Land Uses:** The Subject site is located in a relatively undeveloped neighborhood northwest of Warrenton City located within city limits, with limited commercial and residential development; however, is adjacent to recreational uses including Fort Stevens State Park. According to Zillow, the current median home value in the Subject's zip code is approximately \$464,614.
- North:** Land use adjacent to the north of the Subject site consists of KOA campground with vacant, wooded land beyond, followed by the Hammond neighborhood consisting of residential and commercial/retail uses.
- South:** Land use adjacent to the south of the Subject site consists of vacant undeveloped wooded land.
- East:** Land use adjacent to the east of the Subject site consists primarily of vacant undeveloped wooded land. Further to the northeast, uses consist of single-family homes ranging from average to good condition, followed by the Colombia River.
- West:** Land use adjacent to the west of the Subject site consists of NW Ridge Road and Parkview Apartments (excluded due to affordable restrictions), and vacant wooded land, followed by Fort Stevens State Park.
- Overall, development in the Subject's neighborhood (residential, recreational, and commercial) is currently limited, with the majority of retail and service amenities located more than 2.5 miles to the east of the Subject site, west of U.S Route 101 (US-101). These amenities and services include Post Office, CMH Primary Care Clinic, bank, Costco, Walmart, Fred Meyers, among others. Walk Score defines the Subject as "Car Dependent" with a score of a one indicating errands require a car. The nearest public transit (bus stop) is located 2.6 miles west of the Subject site at the intersection of Ensign Street and US-101.
- Topography:** The site is sloping and hilly.
- Utilities:** Upon completion all utilities will be available at the Subject.
- Access and Traffic Flow:** The Subject site will be accessible via NW Ridge Road. NW Ridge Road,

a lightly trafficked two-lane roadway that traverses north/south, and provides access to County Highway 104, which is accessed via Pacific Drive, located north of the Subject in Hammond. County Highway 104 provides access to central Warrenton to the southeast, approximately 4.5 miles from the Subject. Beyond Warrenton is U.S. Highway 101, which provides access to Astoria further east. Overall, access is considered average, while traffic flow in the Subject's neighborhood is considered light.

- Visibility/Views:** Views surrounding the Subject site consist of vacant undeveloped wooded land. Overall visibility is considered average, and views are considered good.
- Layout/Curb Appeal:** Upon completion, the Subject development will offer a functional property layout and will have excellent curb appeal.
- Existing Improvements:** The site is currently unimproved vacant, wooded land.
- Drainage:** Appears adequate, however, no specific tests were performed.
- Soil and Subsoil Conditions:** We were not provided with soil surveys; we assume that the soils are adequate for the proposed development.
- Flood Plain:** According to Flood Insights and Flood Insurance Rate Map Community Panel Number 41007C0212F, dated June 19, 2018, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the 0.2 percent annual chance floodplains.
- Environmental:** No environmental concerns were visible upon site inspection. We were not provided with an environmental assessment report. We did not observe any obvious environmental hazards during site inspection; however, we are not environmental experts.
- Detrimental Influences:** At the time of the site inspection, there were no detrimental influences observed that would adversely impact the marketability of the Subject.
- Conclusion:** The site is physically capable of supporting a variety of legally permissible uses. Currently, the Subject's neighborhood provides average access to highways and employment centers. However, the Subject site's location in western Warrenton positions the Subject in an area of limited recent economic investment. However, construction of the Subject will improve the immediate neighborhood by providing excellent quality rental housing in an area that currently lacks significant residential development, including both multifamily and single-family for sale homes within relative close proximity to State Park and private recreational uses.

DESCRIPTION OF PROPOSED IMPROVEMENTS

Our description of the improvements is based upon information provided by the developer. We assume that this information is accurate.

The Subject is a proposed new construction rental development which will offer one, two, and three-bedroom market rate units contained in garden-style buildings and single-family homes with attached garages. The Subject is located within Warrenton city limits, approximately 3.0 miles west of Downtown Warrenton. The quality of the Subject will be consistent with a mid-range to luxury development, offering high-quality furnishings such as stone countertops, and stainless-steel appliances, clubhouse with cabanas, jacuzzi, fire pit, dog park, and exercise facility, among others.

The condition, quality of finish, amenities, and unit sizes will be similar to superior to the existing housing supply in the immediate area.

Construction Type: According to the developer, the Subject is proposed to be a Build to Rent (BTR) development improved with a combination of garden-style apartment units and single-family wood-frame residential buildings, along with a single-story clubhouse. It will represent Class A product, but will be a step below top of the line luxury development.

Unit Mix, Size, & Rents: The Subject will offer 132 one-bedroom units, 78 two-bedroom units (garden-style), 140 two-bedroom units (single-family), and 60 three-bedroom units (single-family), totaling 410 rental units, and 30 townhomes units to be sold. The unit mix is detailed in the following table, with proposed unit sizes provided by the developer.

PROPOSED RENTS

Unit Type	Unit Size (SF)	# Units	Structure	Asking Rent	Rent/SF
Market					
1BR/1BA	625	72	Garden	\$1,100	\$1.76
1BR/1BA	764	60	Garden	\$1,195	\$1.56
2BR/2BA	929	78	Garden	\$1,450	\$1.56
2BR/2BA	1,350	140	Single-family	\$2,500	\$1.85
3BR/2BA	1,400	60	Single-family	\$2,800	\$2.00
Total		410			

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR/1BA	72	625	45,000
1BR/1BA	60	764	45,840
2BR/2BA	78	929	72,462
2BR/2BA	140	1,350	189,000
3BR/2BA	60	1,400	84,000
Total	410		436,302

Net Leasable Area (NLA): 436,302 square feet.

Number of Stories: One and Two.

Community Amenities: The proposed community amenities include a fully furnished clubhouse, courtyard, exercise facility, on-site management,

playground, picnic area, recreation area, hot tub, fire pit, dog park, hiking trail, and common area Wi-Fi. Further analysis of community amenities can be found later within the *Supply* section of this report.

Unit Amenities:

The proposed in-unit amenities include balconies/patios, blinds, carpeting, central air conditioning, ceiling fans, coat closets, granite countertops, exterior storage, walk-in closets, and washer/dryer hookups. Further analysis of in-unit amenities can be found later within the *Supply* section of this report.

Security Features:

The proposed security features include video surveillance near community areas and upon entrance with vehicle license plate readers, which is a slight competitive advantage compared to comparables. Further analysis of security features can be found later within the *Supply* section of this report.

Utility Structure:

The tenants will be responsible for all utilities including general electricity, cooking, heating and cooling, and water heating, as well as cold water, sewer, and trash expenses. The landlord will be responsible for all a common area utilities. Valet trash will be available for an additional \$20 per month and \$50 for basic cable. Further analysis of utility structure can be found later within the *Supply* section of this report.

Parking:

The Subject property will offer 281 off-street surface parking spaces, and 44 carports are available for an additional monthly fee of \$25, or a total of 0.79 spaces per unit for multifamily garden-style units. Single-family units will have attached garages and driveway surface parking. Further analysis of parking can be found later within the *Supply* section of this report.

Americans with Disabilities Act 1990:

We assume the property will not have any violations of the Americans with Disabilities Act of 1990.

**Quality of Construction/
Deferred Maintenance:**

We anticipate the Subject will be constructed in a timely manner consistent with the information provided, using excellent/high architectural quality materials in a professional workmanlike manner.

Condition:

The Subject will be in excellent condition upon completion.

Functional Utility:

We assume the units will provide good functionality.

Conclusion:

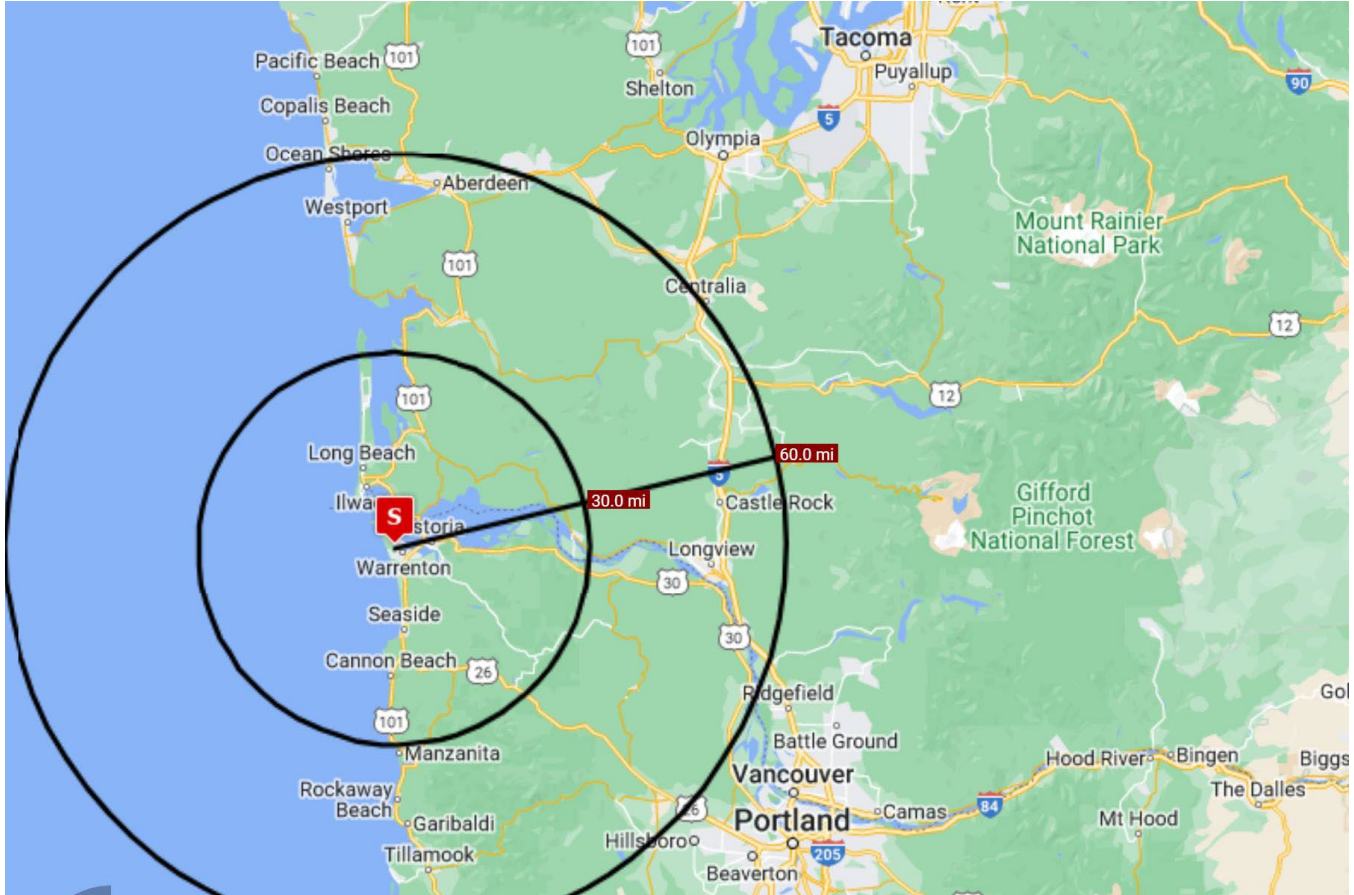
The newly constructed Subject will be an excellent quality rental community in a developing neighborhood that currently offers limited residential development of all types. The Subject will offer a competitive amenity package that will be similar to superior to the comparable properties utilized in this report. The Subject will offer a superior product relative to the existing multifamily supply in the immediate area.

REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL AND LOCAL AREA ANALYSIS

Regional and Local Area Description

The Subject is located in the city of Warrenton, within Clatsop County. The Subject site is located in the Astoria, Oregon Micropolitan Statistical Area (MSA), which consists of Clatsop County and which will serve as the Secondary Market Area (SMA) in our analysis. A map of the region is shown following.



Location and Proximity to Metropolitan Areas

The following table illustrates distances from Warrenton to surrounding cities and metropolitan areas.

PROXIMITY TO NEAREST MAJOR CITIES

City	Distance
Hillsboro, OR	66 miles
Beaverton, OR	73 miles
Vancouver, WA	75 miles
Tigard, OR	77 miles
Portland, OR	77 miles
Olympia, WA	78 miles

Transportation

Bus: Sunset Empire Transportation District provides fixed-route bus transportation throughout Warrenton and Astoria area. The nearest public transit (bus stop) is located 3.63 miles southeast of the Subject site at the intersection of Ensign and OR-101. The bus stop is serviced by the Sunset Empire Transportation District which

provides service to other bus routes including Lincoln County Transit, Tillamook County Transportation District, Columbia River County Rider, and Benton Area Transit. One-way fares start at \$1.00.

Air: The nearest passenger airport is Portland International Airport (PDX), which is located approximately 101 miles southeast of the Subject site. PDX is serviced by major airlines and served approximately 5.7 million passengers in 2021.

Healthcare

The closest general hospital to the Subject is Columbia Memorial Hospital, which is located approximately 8.5 miles to the east. Columbia Memorial Hospital is a 25-bed hospital that offers a comprehensive scope of services which includes emergency services, cardiology and heart care, cancer care, women's health, and wound care.

In addition, the Subject is located approximately 3.3 miles northwest of CMH Primary Care Clinic. CMH Primary Care Clinic in Warrenton offers behavioral health and primary care services.

Schools

The Subject is located within the Warrenton-Hammond School District, which consists of six schools including one high school, one recently built middle school, one elementary school, and one preschool, as well as a Warrior Academy for grades six – 12 and Warrenton Academy of Virtual Education (WAVE) offering online education. As of the 2022-2023 school year, the district had an enrollment of approximately 949 students.

Higher Education

Clatsop Community College – Astoria is located approximately 8.9 miles east of the Subject site. The university is a public college, with many undergraduate level Associate level degree programs and certificates offered. The current enrollment is approximately 754 students.

ECONOMIC ANALYSIS

Employment Growth

The following table details employment and unemployment trends for the SMA from 2007 to April 2023.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

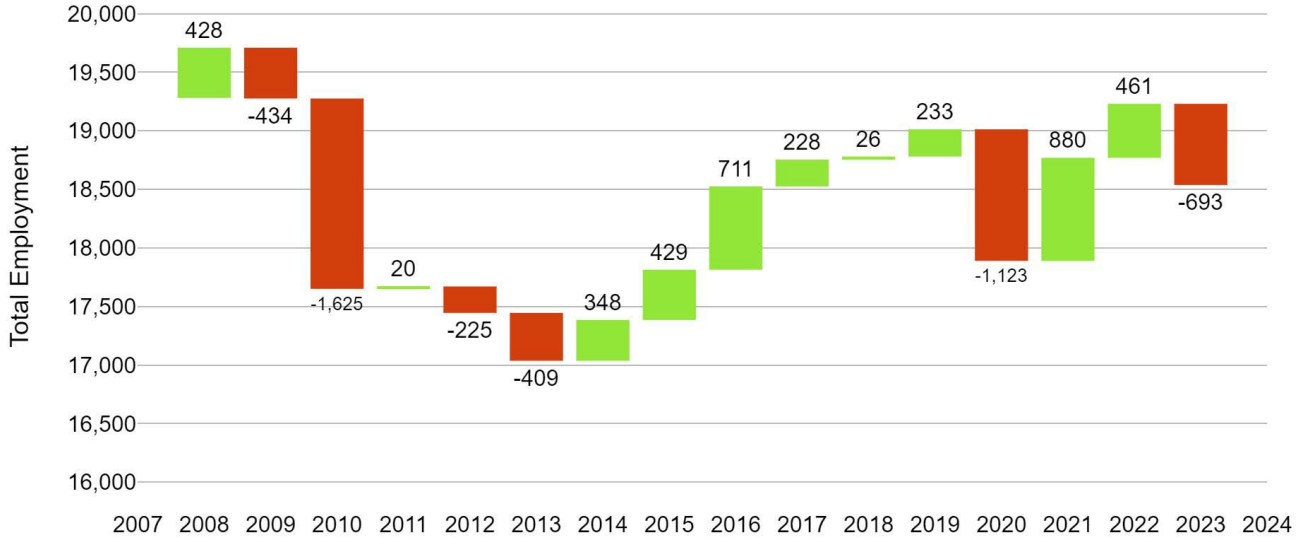
Year	SMA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2007	18,852	-	4.7%	-	146,046,667	-	4.6%	-
2008	19,281	2.3%	5.0%	0.3%	145,362,500	-0.5%	5.8%	1.2%
2009	18,847	-2.2%	8.8%	3.8%	139,877,500	-3.8%	9.3%	3.5%
2010	17,222	-8.6%	10.1%	1.3%	139,063,917	-0.6%	9.6%	0.3%
2011	17,242	0.1%	9.5%	-0.6%	139,869,250	0.6%	9.0%	-0.7%
2012	17,017	-1.3%	8.7%	-0.8%	142,469,083	1.9%	8.1%	-0.9%
2013	16,608	-2.4%	7.7%	-1.0%	143,929,333	1.0%	7.4%	-0.7%
2014	16,956	2.1%	6.5%	-1.2%	146,305,333	1.7%	6.2%	-1.2%
2015	17,385	2.5%	5.3%	-1.2%	148,833,417	1.7%	5.3%	-0.9%
2016	18,097	4.1%	4.6%	-0.7%	151,435,833	1.7%	4.9%	-0.4%
2017	18,325	1.3%	4.0%	-0.6%	153,337,417	1.3%	4.3%	-0.5%
2018	18,351	0.1%	4.0%	-0.1%	155,761,000	1.6%	3.9%	-0.4%
2019	18,584	1.3%	3.7%	-0.3%	157,538,083	1.1%	3.7%	-0.2%
2020	17,461	-6.0%	9.5%	5.8%	147,794,750	-6.2%	8.1%	4.4%
2021	18,341	5.0%	5.9%	-3.6%	152,580,667	3.2%	5.4%	-2.7%
2022	18,802	2.5%	4.3%	-1.7%	158,291,083	3.7%	3.6%	-1.7%
2023 YTD Average*	18,109	-3.7%	4.2%	-0.0%	160,055,250	1.1%	3.6%	-0.0%
Apr-2022	18,701	-	3.7%	-	157,991,000	-	3.3%	-
Apr-2023	18,288	-2.2%	2.8%	-0.9%	161,075,000	2.0%	3.1%	-0.2%

Source: U.S. Bureau of Labor Statistics, June 2023
 *2023 YTD Average is through April

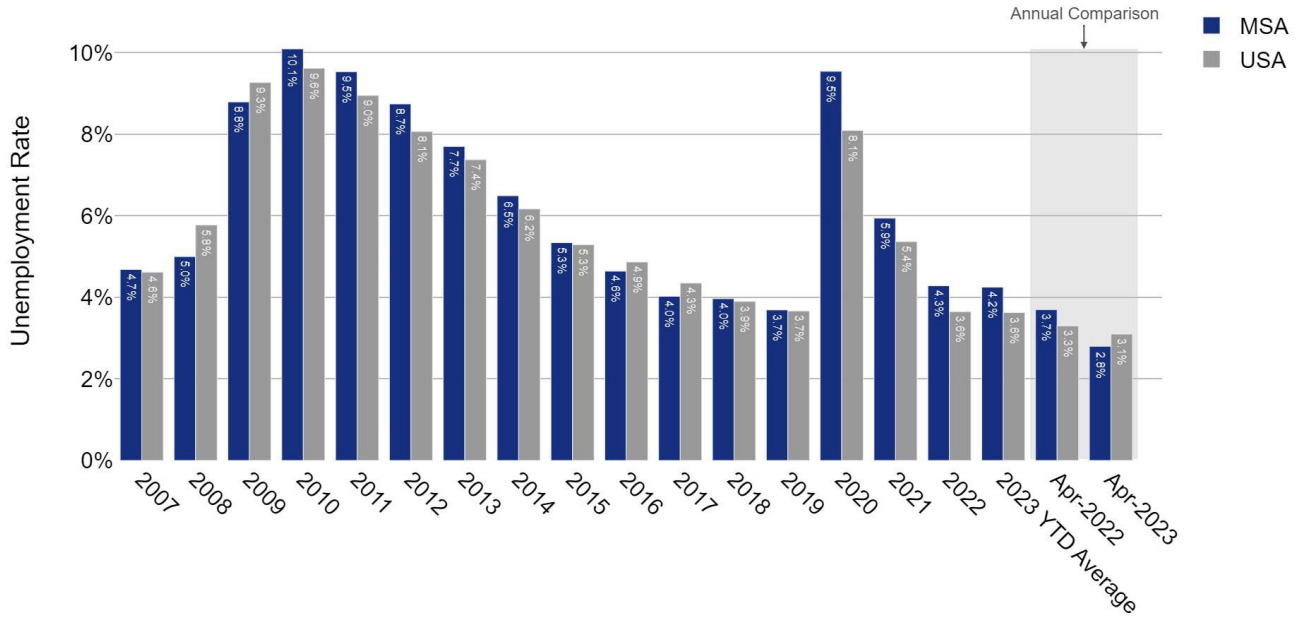
The effects of the previous national recession (2008 - 2010) were exaggerated in the MSA, which experienced a 10.7 percent contraction in employment, compared to a 4.8 percent decline across the nation. Between 2012 and 2019, job growth in the MSA generally exceeded the nation. Employment in the MSA declined sharply by 6.0 percent in 2020 amid the pandemic, similar to the overall nation. Total employment in the MSA currently remains slightly below the pre-COVID level reached in 2019. As of April 2023, employment in the MSA is declining at an annualized rate of 2.2 percent, compared to positive 2.0 percent growth across the nation.

The local unemployment rate rose by 5.4 percent during the housing recession (2007 - 2010), which was similar to the rise experienced by the nation. During the period preceding the onset of COVID-19 (2012 - 2019), the MSA generally experienced a similar unemployment rate relative to the nation. The MSA unemployment rate increased substantially by 5.8 percentage points in 2020 amid the pandemic, reaching a high of 9.5 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated April 2023, the current MSA unemployment rate is 2.8 percent. This is well below the COVID highs of 2020, and slightly below the current national unemployment rate of 3.1 percent.

MSA Job Growth



Unemployment Rate



Major Employers

The table on the following page details the major employers in Clatsop County, Oregon.

**MAJOR EMPLOYERS
CLATSOP COUNTY**

Employer Name	Industry	# Of Employees
Georgia Pacific - Wauna Mill	Manufacturing	750+
Columbia Memorial Hospital	Healthcare	630+
Providence Seaside Hospital	Healthcare	350+
U.S. Coast Guard	Military	250+
Clatsop County	Government	200+
Clatsop Community College	Education	175+
City of Astoria	Government	150+
Fort George Brewery & Public House	Food & Beverage	150+
Toungue Point Job Corps Center	Career Center	150+
Bornstein Seafoods	Food & Beverage	150+
Hampton Lumber Mills	Manufacturing	145+
Pacific Coast Seafoods	Food & Beverage	125+
City of Seaside	Government	100+
U.S. Coast Guard		250+

Source: Clatsop Economic Development Resources, July 2023

Clatsop County’s major employers are primarily concentrated within the manufacturing, healthcare, and government sectors. The healthcare and government sectors are historically stable and less prone to contraction during economic recessions. We believe the diverse mix of industries in typically stable sectors bodes well for the local area economy.

Employment by Industry

The following table illustrates employment by industry for the Primary Market Area (PMA), which will be defined later in this report, and nation as of 2022.

2022 - EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	2,842	16.3%	23,506,187	14.5%
Retail Trade	2,659	15.2%	17,507,949	10.8%
Accommodation/Food Services	2,082	11.9%	10,606,051	6.5%
Educational Services	1,405	8.0%	14,659,582	9.0%
Manufacturing	1,290	7.4%	15,599,642	9.6%
Construction	1,210	6.9%	11,547,924	7.1%
Public Administration	911	5.2%	7,945,669	4.9%
Transportation/Warehousing	684	3.9%	8,951,774	5.5%
Admin/Support/Waste Mgmt Svcs	679	3.9%	6,232,373	3.8%
Prof/Scientific/Tech Services	670	3.8%	13,016,941	8.0%
Other Services	538	3.1%	7,599,442	4.7%
Real Estate/Rental/Leasing	471	2.7%	3,251,994	2.0%
Finance/Insurance	434	2.5%	7,841,074	4.8%
Arts/Entertainment/Recreation	411	2.4%	2,872,222	1.8%
Agric/Forestry/Fishing/Hunting	383	2.2%	1,885,413	1.2%
Information	310	1.8%	3,018,466	1.9%
Wholesale Trade	285	1.6%	4,005,422	2.5%
Mining	121	0.7%	581,692	0.4%
Utilities	70	0.4%	1,362,753	0.8%
Mgmt of Companies/Enterprises	0	0.0%	97,694	0.1%
Total Employment	17,455	100.0%	162,090,264	100.0%

Source: Esri Demographics 2022, Novogradac, July 2023

Employment in the PMA is concentrated in healthcare/social assistance, retail trade, and accommodation/food services sectors, which collectively comprise 43.4 percent of local employment. . The large share of retail trade and accommodation/food services sectors are attributed to the areas reliance on tourism. The larger share of healthcare and social assistance is a positive as this sector exhibits greater stability during economic recessions.

Wages by Occupation

The following table illustrates the wages by occupation for the Coast Oregon nonmetropolitan area.

MSA - 2ND QTR 2021 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	109,930	\$23.09	\$48,020
Healthcare Practitioners and Technical Management	6,040	\$48.15	\$100,160
Legal	5,610	\$41.42	\$86,140
Architecture and Engineering	410	\$39.29	\$81,730
Computer and Mathematical	750	\$37.22	\$77,410
Business and Financial Operations	960	\$35.22	\$73,260
Life Physical and Social Science	3,540	\$32.59	\$67,790
Protective Service	1,380	\$30.11	\$62,620
Educational Instruction and Library	2,500	\$26.24	\$54,580
Construction and Extraction	5,650	\$26.22	\$54,540
Community and Social Service	5,240	\$25.74	\$53,530
Installation Maintenance and Repair	2,630	\$25.19	\$52,400
Arts Design Entertainment Sports and Media	4,940	\$24.22	\$50,380
Farming Fishing and Forestry	780	\$23.55	\$48,980
Production	1,470	\$23.17	\$48,190
Office and Administrative Support	6,670	\$20.78	\$43,210
Transportation and Material Moving	13,870	\$19.02	\$39,560
Sales and Related	10,820	\$18.87	\$39,260
Healthcare Support	10,590	\$17.19	\$35,750
Building and Grounds Cleaning and Maintenance	4,930	\$16.97	\$35,290
Personal Care and Service	4,920	\$16.01	\$33,300
Food Preparation and Serving Related	3,200	\$15.54	\$32,310
	13,050	\$14.80	\$30,780

Source: Department of Labor, Occupational Employment Statistics, May 2021, retrieved June 2023

The preceding table shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$14.80 per hour. The highest average hourly wage, of \$48.15, is for those in the healthcare practitioners and technical occupations. This encompasses a significant amount of the employment based on wages in the area. Although there are no regulatory restrictions associated, the estimated income levels for the Subject’s tenants will range from approximately \$37,714 to \$250,000, which encompasses a significant portion of the employment in the area.

Commuting Patterns

The chart below shows the travel time to work for the PMA according to U.S. Census data.

COMMUTING PATTERNS

ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,392	9.4%
Travel Time 5-9 min	3,439	23.3%
Travel Time 10-14 min	2,894	19.6%
Travel Time 15-19 min	2,221	15.1%
Travel Time 20-24 min	1,645	11.2%
Travel Time 25-29 min	605	4.1%
Travel Time 30-34 min	1,089	7.4%
Travel Time 35-39 min	149	1.0%
Travel Time 40-44 min	202	1.4%
Travel Time 45-59 min	458	3.1%
Travel Time 60-89 min	313	2.1%
Travel Time 90+ min	345	2.3%
Weighted Average	19 minutes	

Source: US Census 2022, Novogradac, July 2023

As shown in the preceding table, the weighted average commute time in the PMA is approximately 19 minutes. More than 77 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Employment Contraction/Expansion

We reviewed publications by the State of Oregon Workforce Investments listing Worker Adjustment and Retraining Notification (WARN) Act notices in the state of Oregon to determine the reported contractions within Clatsop County since 2018. We did not identify any WARN notices for Clatsop County since 2018.

We attempted to contact the Astoria Warrenton Chamber of Commerce to inquire about recent employment expansions and contractions. However, as of the date of this report’s completion, our calls have not been returned. Further, no based on our internet research, no recent business expansions in Clatsop County were identified.

Clatsop County is a tourist destination, particularly its communities along the Pacific coast to the southwest of Warrenton, including Seaside and Cannon Beach. Astoria is the largest city and business hub of Clatsop County. Many residents who work in the coastal communities live in Warrenton and Astoria, which is more affordable by local standards.

Conclusion

Employment in the PMA is concentrated in healthcare/social assistance, retail trade, and accommodation/food services, which collectively comprise 43.4 percent of local employment. The large share of PMA employment in accommodation/food services and retail trade is notable as these industries are historically volatile, and prone to contraction during economic recessions. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during recessionary periods. Relative to the nation, the PMA features comparatively greater employment in the accommodation/food services, retail trade, and healthcare/social assistance industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, finance/insurance, and manufacturing sectors. Employment in the MSA declined sharply by 6.0 percent in 2020 amid the pandemic, similar to the overall nation. Total employment in the MSA currently remains slightly below the pre-COVID level reached in 2019. As of April 2023, employment in the MSA is declining at an annualized rate of 2.2 percent, compared to positive 2.0 percent growth across the nation; however, according to recent market specific

studies conducted by Kari Fleisher, MBA, a local appraiser and an economic development expert, reported that in the North Oregon Coast communities of Clatsop, Columbia, Lincoln, and Tillamook Counties, “employers are reporting numerous employees accepting jobs, discover no housing options can be found, and then decline the job offer.” The result of the “lack of workforce housing impacts employers by being unable to recruit employees.” Real estate in the market has shown strong growth, as from “June 2020 to June 2021, home prices have increased 28% in Clatsop County”. Overall, Kari Fleisher concludes that this “loss of middle-income housing is detrimental not only to the service industry but local government, schools, and manufacturing. The lack of housing options does allow for the natural flow of housing. With over 17,344 homes needed in the region, incentives require additional research to encourage growth.” As such, we acknowledge the declining employment is in part a result of limited housing options in the market.

NEIGHBORHOOD DESCRIPTION AND ANALYSIS

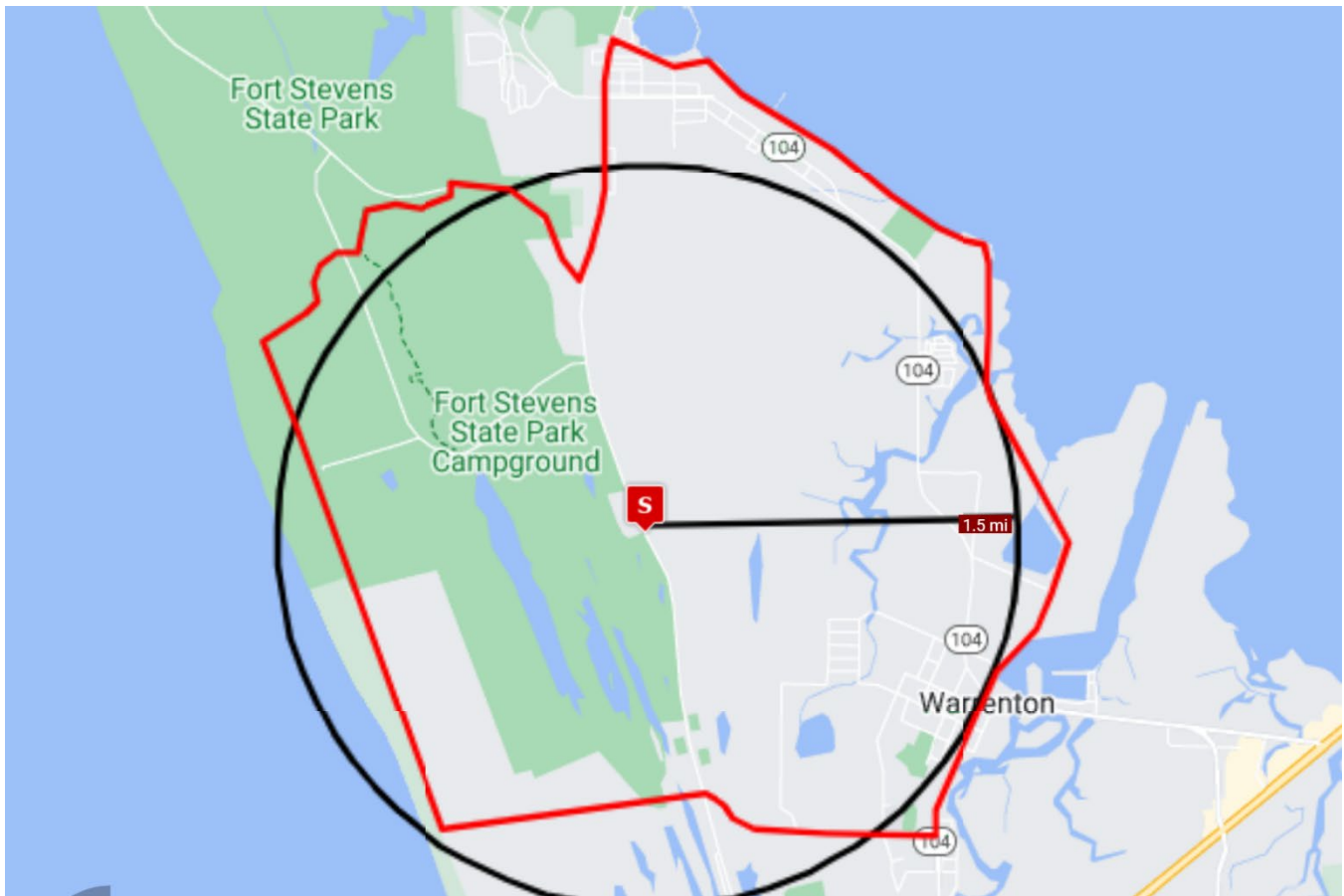
Introduction

The neighborhood surrounding a rental property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

Description and Boundaries

The Subject is located within Warrenton city limits, in a largely undeveloped area near state parks and camp grounds.

General neighborhood boundaries include Fort Stevens State Park to the north, Columbia River to the east, SW 9th Street to the south, and Pacific Ocean to the west. A map of the Subject's neighborhood follows.



Source: Google Maps, July 2023

Accessibility

The Subject site will be accessible via NW Ridge Road. NW Ridge Road, a lightly trafficked two-lane roadway that traverses north/south, and provides access to County Highway 104, which is accessed via Pacific Drive, located north of the Subject in Hammond. County Highway 104 provides access to central Warrenton to the southeast, approximately 4.5 miles from the Subject. Beyond Warrenton is U.S. Highway 101, which provides access to Astoria further east. Overall, access is considered average, while traffic flow in the Subject's neighborhood is considered light.

Visibility/Views

Views surrounding the Subject site consist of vacant undeveloped wooded land. Overall visibility is considered average, and views are considered good.

Adequacy/Availability of Utilities

Upon completion all utilities will be available at the Subject.

Predominant Land Usage

The Subject is located in a relatively undeveloped neighborhood west of Warrenton located within city limits, with limited commercial and residential development; however, is adjacent to recreational uses including Fort Stevens State Park. According to Zillow, the current median home value in the Subject's zip code is approximately \$464,614.

North: Land use adjacent to the north of the Subject site consists of KOA campground with vacant, wooded land beyond, followed by the Hammond neighborhood consisting of residential and commercial/retail uses.

South: Land use adjacent to the south of the Subject site consists of vacant undeveloped wooded land.

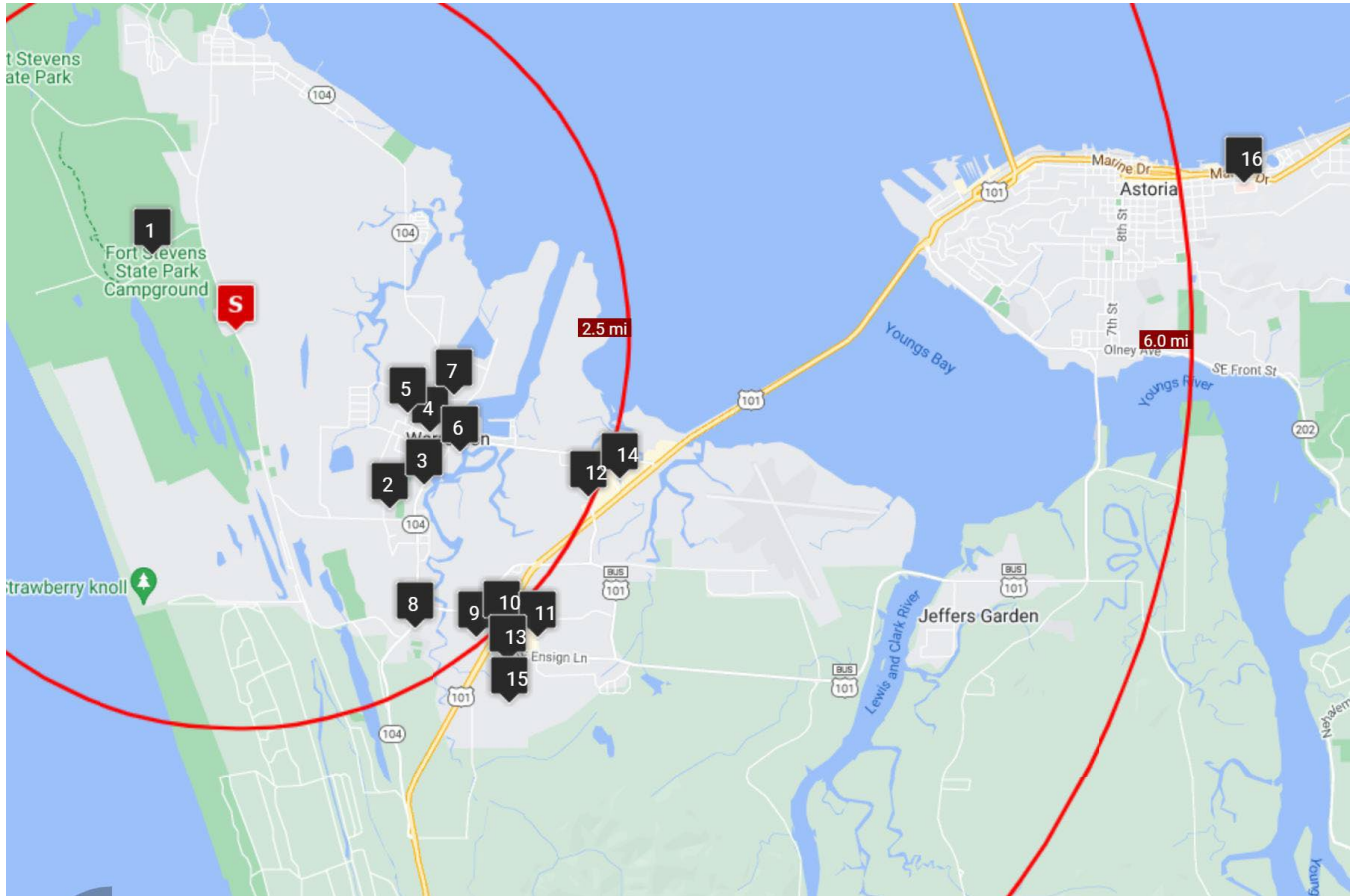
East: Land use adjacent to the east of the Subject site consists primarily of vacant undeveloped wooded land. Further to the northeast, uses consist of single-family homes ranging from average to good condition.

West: Land use adjacent to the west of the Subject site consists of NW Ridge Road and beyond vacant, wooded land, followed by Fort Stevens State Park.

Overall, development in the Subject's neighborhood (residential, recreational, and commercial) is currently limited, with the majority of retail and service amenities located more than 2.5 miles to the east of the Subject, west of U.S Route 101 (US-101). These amenities and services include Post Office, CMH Primary Care Clinic, bank, Costco, Walmart, Fred Meyers, among others. Walk Score defines the Subject as "Car Dependent" with a score of a one indicating errands require a car. The nearest public transit (bus stop) is located 2.6 miles west of the Subject site at the intersection of Ensign Street and US-101.

Locational Amenities

The following map and table illustrate the Subject’s proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below.



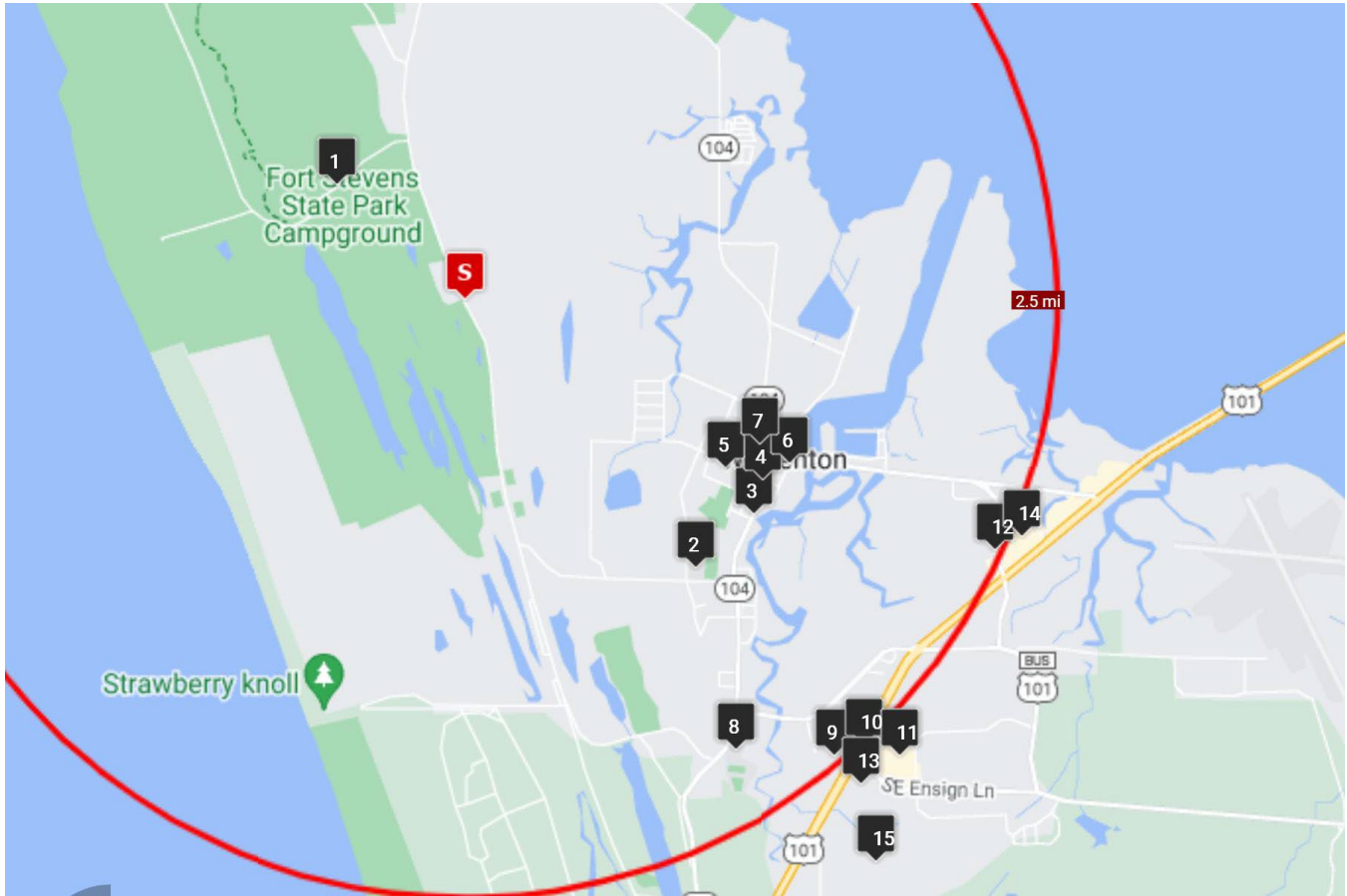
Source: Google Earth, July 2023

LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	Drive Time	#	Service or Amenity	Distance to Subject	Drive Time
1	Fort Stevens State Park campground	1.1 miles	2 min	9	CMH Primary Care Clinic	3.3 miles	6 min
2	Warrenton Grade School	1.9 miles	3 min	10	Ensign & OR-101 bus stop	3.6 miles	8 min
3	Supermart gas station	2.4 miles	5 min	11	Costco & Pharmacy	3.7 miles	8 min
4	Police Department	2.5 miles	5 min	12	Umpqua Bank	3.8 miles	7 min
5	Fire Department	2.5 miles	5 min	13	Walmart Supercenter	3.8 miles	8 min
6	Warrenton Community Library	2.5 miles	5 min	14	Fred Meyer grocer	3.9 miles	8 min
7	United States Postal Service	2.6 miles	5 min	15	Warrenton Middle School	4.2 miles	8 min
8	Warrenton High School	2.7 miles	4 min	16	Colombia Memorial Hospital	8.5 miles	17 min

Locational Amenities (II)

The following map and table further detail locational services in the Subject's area.



LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	Drive Time	#	Service or Amenity	Distance to Subject	Drive Time
1	Fort Stevens State Park campground	1.1 miles	2 min	9	CMH Primary Care Clinic	3.3 miles	6 min
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8	Warrenton High School	2.7 miles	4 min	16	Colombia Memorial Hospital	8.5 miles	17 min

Source: Google Earth, July 2023

Conclusion

The Subject site is located western portion of Warrenton city limits, in a developing neighborhood with limited commercial and residential developments, which primarily consists of recreational uses, single-family homes. Overall, development in the Subject’s neighborhood (residential, recreational, and commercial) is currently limited, with the majority of retail and service amenities located more than 2.5 miles to the east of the Subject, west of U.S Route 101 (US-101). These amenities and services include Post Office, CMH Primary Care Clinic, bank, Costco, Walmart, Fred Meyers, among others. Walk Score defines the Subject as “Car Dependent” with a score of a one indicating errands require a car. The nearest public transit (bus stop) is located 2.6 miles west of the Subject site at the intersection of Ensign Street and US-101. Further, construction of the Subject

will improve the immediate neighborhood by providing excellent quality rental housing in an area that currently lacks significant residential development, including both multifamily and single-family for sale homes.

PRIMARY MARKET AREA

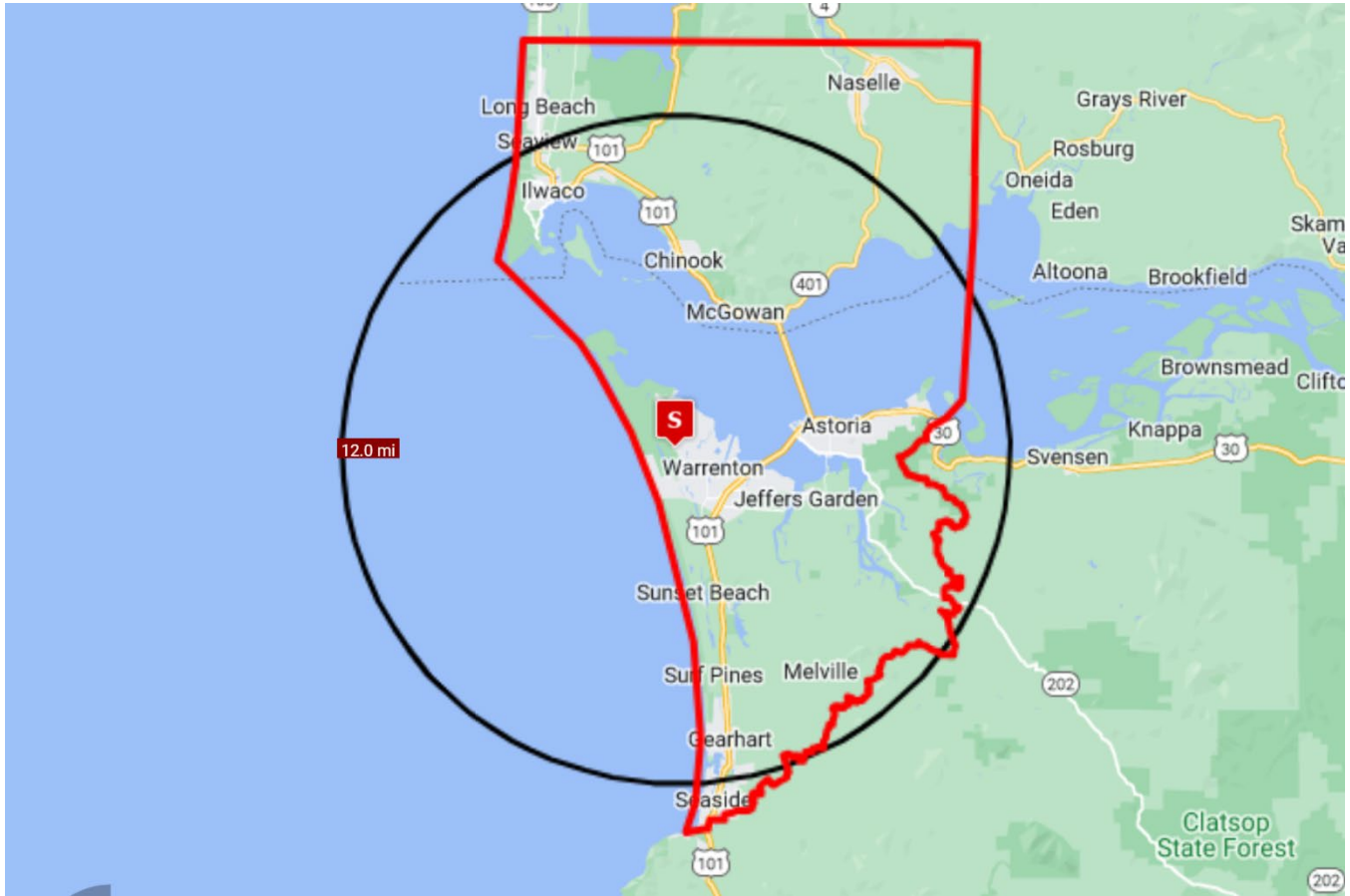
For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are “neighborhood oriented” and are generally reluctant to move from the area where they grew up. In other areas, residents are more mobile and are willing to relocate to a new area. As such, it is necessary to define a primary market area (PMA), or the area from which we expect most of the Subject’s potential tenants to originate. The PMA is generally defined as the communities of Astoria, Warrenton, Seaside, Olney, and Navy Heights in Clatsop County, Oregon, and the communities of Long Beach, Iiwaco, Chinook, and Naselle in Pacific County, Washington. The PMA boundaries are as follows:

North:	Wahkiakum County, Washington.
East:	Scandinavian Cannery Road, Pipeline Road, Labiske Road, and Saddle Mountain Road
South:	U.S. Route 101, Lewis and Clark River, and South Wahanna Road
West:	Pacific Ocean

The PMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. Given the opportunity to locate good quality housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, there is currently a significant housing shortage both in the PMA and the region as a whole and we expect a moderate amount of leakage from outside of the PMA given the Subject’s proximity to Fort Stevens State Park/recreational uses, which is one of the city’s largest tourist attractions. According to the reports from Portland State University, population in Portland fell by 2,321 in 2022, and noted migration “out” or urban Portland to outlying rural communities such as Astoria (and Warrenton), which offer greater affordability and access to recreational amenities. As such, it appears the Subject could draw a significant amount of leakage outside of the PMA and even outside the Portland metro and Seattle metropolitan areas, and from out-of-state tenants; however, we have conservatively anticipated a leakage percentage of 10 percent in our *Demand Analysis*.

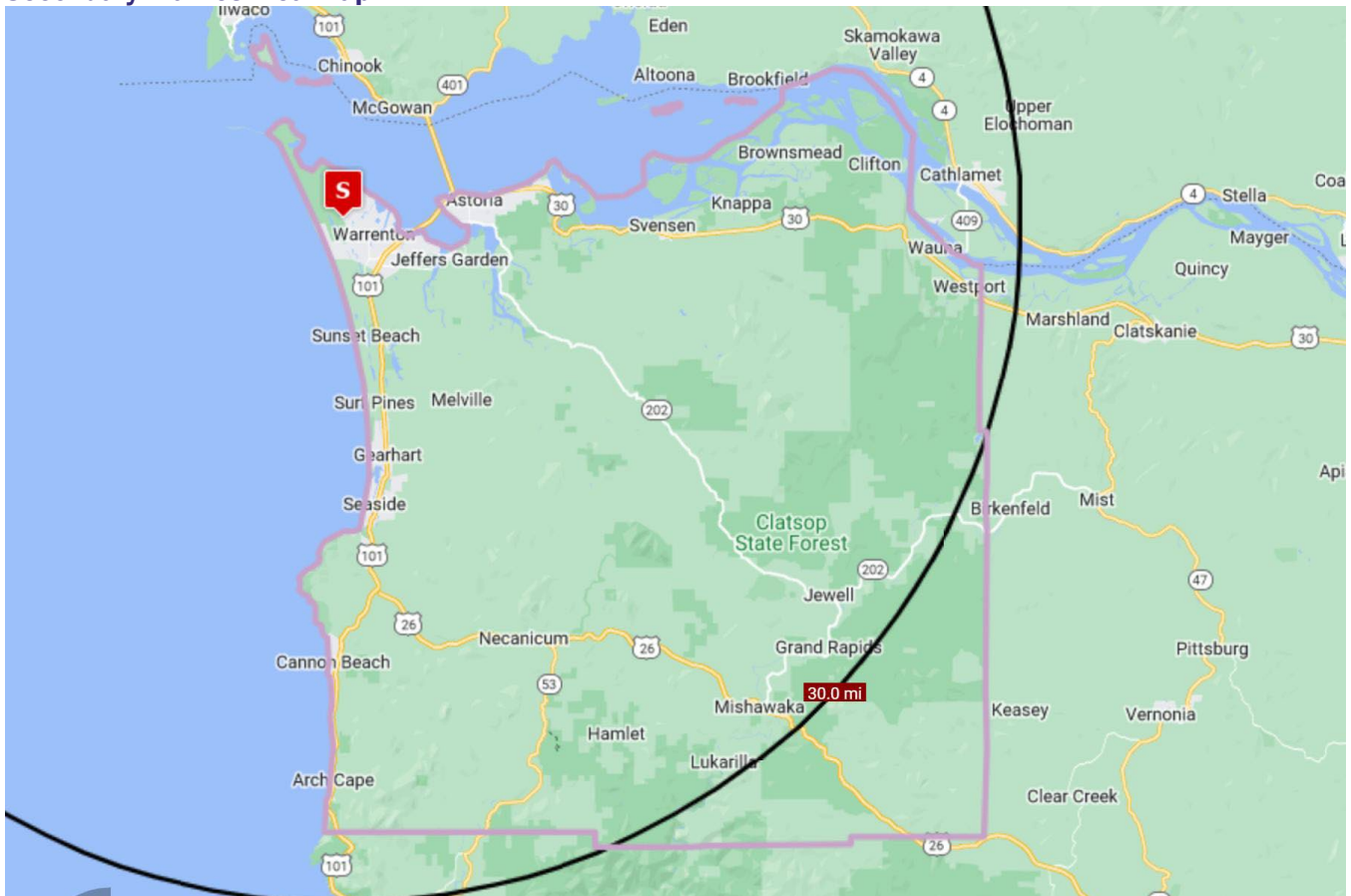
To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The SMA is defined as the Astoria, OR Micropolitan Statistical Area, which consists of Clatsop County. We include economic indicators for the SMA regarding employment and unemployment trends. In addition, our demographic analysis utilizes the SMA as an additional area of comparison for population and household trends. Maps outlining these areas can be found following.

Primary Market Area Map



Source: Google Earth, July 2023

Secondary Market Area Map



Source: Google Earth, July 2023

DEMOGRAPHIC ANALYSIS

The following section provides an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns are studied to determine if the PMA demonstrates growth or contraction. All information is provided to us by ESRI and Ribbon Demographics, both of which are national proprietary data providers. Some tables reflect rounding from the data provided; however, it is nominal. The data is presented for both the PMA and the SMA, as well as the nation, where available.

Population and Households

The following tables illustrate population and household trends in the PMA, SMA, and nation from 2000 through 2022, as well as the projections through 2027.

POPULATION

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	35,391	-	38,548	-	281,250,431	-
2010	33,325	-0.6%	37,039	-0.4%	308,738,557	1.0%
2022	38,316	1.2%	41,930	1.1%	335,707,629	0.7%
2027	39,405	0.6%	43,054	0.5%	339,902,535	0.2%

Source: Esri Demographics 2022, Novogradac, July 2023

HOUSEHOLDS

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	14,198	-	15,393	-	105,409,443	-
2010	14,518	0.2%	15,749	0.2%	116,713,945	1.1%
2022	16,754	1.3%	17,826	1.1%	128,657,502	0.9%
2027	17,240	0.6%	18,360	0.6%	130,651,704	0.3%

Source: Esri Demographics 2022, Novogradac, July 2023

The PMA experienced declining population growth between 2000 and 2010 and lagged behind the surrounding MSA, which also reported declining growth over the same time period. Both geographic areas experienced growth rates below the overall nation. Growth in the PMA returned to positive territory between 2010 and 2022, and outpaced growth in the MSA and the nation. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.6 percent through 2027, which is similar to growth expectations for the MSA and above the nation.

Both geographic areas experienced growth rates below the nation during the same time period. Growth in the PMA accelerated between 2010 and 2022, and outpaced growth in the MSA and the nation. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.6 percent through 2027, which is similar to growth expectations for the MSA and above the nation.

Median Household Income Levels

The following table illustrates the median household income in the Subject’s PMA, SMA and nation.

MEDIAN HOUSEHOLD INCOME

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$37,189	-	\$40,016	-	\$44,290	-
2022	\$63,856	3.3%	\$68,270	3.2%	\$72,414	2.9%
2027	\$75,426	3.6%	\$79,055	3.2%	\$84,445	3.3%

Source: Esri Demographics 2022, Novogradac, July 2023

As of 2022, the median income in the PMA is similar to the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2022. Growth in both geographic areas exceeded the nation during the same time period. Relative to the nation, household income in the PMA increased slightly from 84.0 percent of the national median income in 2000 to 88.2 in 2022. According to ESRI demographic projections, annualized PMA growth is expected to accelerate to 3.6 percent through 2027, which is slightly above projected growth in surrounding the MSA and similar to the overall nation.

Household Income Distribution

The following tables illustrate household income distribution in 2022 and 2027 in the PMA and MSA.

HOUSEHOLD INCOME PMA

Income Cohort	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	779	4.6%	721	4.2%	-12	-1.5%
\$10,000-19,999	1,564	9.3%	1,348	7.8%	-43	-2.8%
\$20,000-29,999	1,981	11.8%	1,736	10.1%	-49	-2.5%
\$30,000-39,999	1,907	11.4%	1,835	10.6%	-14	-0.8%
\$40,000-49,999	1,630	9.7%	1,773	10.3%	29	1.8%
\$50,000-59,999	1,259	7.5%	1,185	6.9%	-15	-1.2%
\$60,000-74,999	1,510	9.0%	1,560	9.0%	10	0.7%
\$75,000-99,999	2,067	12.3%	2,068	12.0%	0	0.0%
\$100,000-124,999	1,605	9.6%	1,667	9.7%	12	0.8%
\$125,000-149,999	1,058	6.3%	1,269	7.4%	42	4.0%
\$150,000-199,999	735	4.4%	1,097	6.4%	72	9.9%
\$200,000+	659	3.9%	981	5.7%	64	9.8%
Total	16,754	100.0%	17,240	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, July 2023

HOUSEHOLD INCOME MSA

Income Cohort	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	762	4.3%	703	3.8%	-12	-1.5%
\$10,000-19,999	1,475	8.3%	1,263	6.9%	-42	-2.9%
\$20,000-29,999	1,988	11.2%	1,714	9.3%	-55	-2.8%
\$30,000-39,999	1,815	10.2%	1,766	9.6%	-10	-0.5%
\$40,000-49,999	1,862	10.4%	1,868	10.2%	1	0.1%
\$50,000-59,999	1,345	7.5%	1,344	7.3%	0	-0.0%
\$60,000-74,999	1,684	9.4%	1,695	9.2%	2	0.1%
\$75,000-99,999	2,312	13.0%	2,299	12.5%	-3	-0.1%
\$100,000-124,999	1,840	10.3%	1,904	10.4%	13	0.7%
\$125,000-149,999	1,222	6.9%	1,462	8.0%	48	3.9%
\$150,000-199,999	751	4.2%	1,232	6.7%	96	12.8%
\$200,000+	770	4.3%	1,110	6.0%	68	8.8%
Total	17,826	100.0%	18,360	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, July 2023

As of 2022, the largest income cohort in the PMA is the \$75,000 to \$99,999 cohort, followed by the \$20,000 to \$29,999 cohort. Overall, the highest concentration of households in the PMA are in middle income brackets, with approximately 59.5 percent of households earning between \$30,000 and 124,999 annually. This compares to 60.8 percent of households earning between \$30,000 and 124,999 annually in the MSA.

Renter Household Income Distribution

The following tables illustrate renter household income distribution for the PMA and the MSA.

RENTER HOUSEHOLD INCOME PMA

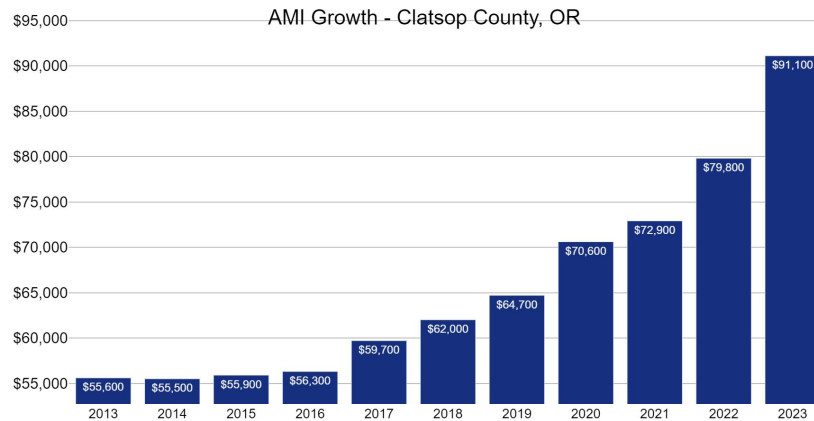
Income Cohort	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	475	7.1%	453	6.7%	-4	-0.9%
\$10,000-19,999	938	14.1%	838	12.5%	-20	-2.1%
\$20,000-29,999	1,172	17.6%	1,018	15.2%	-31	-2.6%
\$30,000-39,999	935	14.0%	886	13.2%	-10	-1.0%
\$40,000-49,999	751	11.3%	802	11.9%	10	1.4%
\$50,000-59,999	486	7.3%	483	7.2%	-1	-0.1%
\$60,000-74,999	532	8.0%	580	8.6%	10	1.8%
\$75,000-99,999	495	7.4%	518	7.7%	5	0.9%
\$100,000-124,999	437	6.6%	482	7.2%	9	2.1%
\$125,000-149,999	195	2.9%	282	4.2%	17	8.9%
\$150,000-199,999	101	1.5%	157	2.3%	11	11.1%
\$200,000+	142	2.1%	217	3.2%	15	10.6%
Total	6,659	100.0%	6,716	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, July 2023

In the previous table, the percentage of renter-occupied households was applied to the total number of households in each income level. As illustrated, the income cohorts with the largest concentrations of renter households are concentrated in the \$20,000-29,999, \$10,000-19,999, and \$30,000-39,999 income cohorts. As of 2022, approximately 64 percent of renter households in the PMA earn less than \$50,000 annually. The large percentage of low-income renter households is a positive indicator of demand for the Subject’s proposed low-income units.

Area Median Income

The following chart illustrates the HUD-published area median income in Clatsop County, OR. Clatsop County is part of the Clatsop County, OR MSA.



AMI GROWTH

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
AMI	\$56,600	\$55,900	\$56,700	\$55,600	\$55,500	\$55,900	\$56,300	\$59,700	\$62,000	\$64,700	\$70,600	\$72,900	\$79,800	\$91,100
% Growth	-	(1.24%)	1.43%	(1.94%)	(0.18%)	0.72%	0.72%	6.04%	3.85%	4.35%	9.12%	3.26%	9.47%	14.16%

Overall, the AMI increased at an annual rate of 5.80 percent between 2013 and 2023. Rising AMI levels bode well for future rent growth at rental developments, such as the proposed Subject.

Conclusion

Population in the PMA increased at an annualized rate of 1.2 percent between 2010 and 2022, compared to growth of 1.1 percent in the MSA and 0.7 percent across the nation. The percentage of renter households in the PMA declined between 2010 and 2022 and is estimated to be 40 percent as of 2022. This is more than the estimated 33 percent renter households across the overall nation. The median income in the PMA as of 2022 is similar to the MSA and overall nation. According to ESRI demographic projections, population, household, and median income levels are all expected to rise through 2027. Overall, the combination of rising population and median household income bodes well for future demand for multifamily housing.

SUPPLY ANALYSIS

SUPPLY ANALYSIS

Housing Units – Total Population

The table below illustrates the breakdown of households by tenure within the PMA.

TENURE PATTERNS PMA				
Year	Owner-Occupied	Percentage Owner-Occupied	Renter-Occupied	Percentage Renter-Occupied
2010	8,542	58.8%	5,976	41.2%
2022	10,095	60.3%	6,659	39.7%
2027	10,524	61.0%	6,716	39.0%

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, July 2023

The percentage of renter households in the PMA declined between 2010 and 2022, and is estimated to be 39.7 percent as of 2022. In nominal terms, the absolute number of renter households in the PMA still increased during this time period. The current percentage of renter households in the PMA is slightly above the estimated 35 percent of renter households across the overall nation. According to the ESRI demographic projections, the percentage of renter households in the PMA is expected to decline further through 2027. Nonetheless, the absolute number of renter households in the PMA is still expected to increase over this time period, driven by overall population growth.

Age of Housing Stock

The age of the housing stock within the PMA is presented in the following chart.

	HOUSING STOCK BY YEAR BUILT					
	PMA		MSA		USA	
Built 2005 or later	340	1.7%	387	1.8%	3,772,330	2.8%
Built 2000 to 2004	2,229	11.2%	2,446	11.2%	18,872,283	14.1%
Built 1990 to 1999	2,822	14.1%	3,400	15.5%	19,229,676	14.4%
Built 1980 to 1989	1,781	8.9%	2,436	11.1%	18,484,475	13.8%
Built 1970 to 1979	2,820	14.1%	3,179	14.5%	20,811,073	15.6%
Built 1960 to 1969	1,476	7.4%	1,345	6.1%	14,506,264	10.9%
Built 1950 to 1959	1,536	7.7%	1,680	7.7%	14,087,506	10.5%
Built 1940 to 1949	1,658	8.3%	1,842	8.4%	6,658,408	5.0%
Built 1939 or earlier	5,318	26.6%	5,204	23.7%	17,184,482	12.9%
Total Housing Units	19,980	100.0%	21,919	100.0%	133,606,497	100.0%

Source: Esri Demographics 2022, Novogradac, July 2023

As illustrated in the previous table, a majority of the housing stock in the PMA was built prior to 1979. As new construction, the Subject will have a significant advantage over the existing housing stock.

Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard. According to HUD, substandard housing includes: dilapidated unit, unit lacks operable indoor plumbing, unit lacks a usable flush toilet for the exclusive use of a family, unit lacks a usable bathtub or shower for the exclusive use of the a family, unit lacks electricity or has inadequate or unsafe electrical services, unit lacks a safe or adequate source of heat, unit should, but lacks a kitchen, and unit has been declared inhabitable by an agency or government entity.

SUBSTANDARD HOUSING			
Year	PMA	MSA	USA
	Percentage	Percentage	Percentage
2022	3.08%	2.97%	1.70%

Source: US Census 2022, Novogradac, July 2023

The percentage of residents living in substandard housing in the PMA and MSA is above the nation.

INTERVIEWS

Recent and Proposed Construction

We attempted to contact the Warrenton Planning Department in order to obtain information regarding planned, proposed, and under construction multifamily developments in the Subject’s PMA. However, as of the date of this report, our calls have yet to be returned. The following table summarizes pipeline supply in the PMA, as identified by CoStar.

RECENT AND PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	LIHTC Allocation Year	
Trillium House	LIHTC		42	0	Under Construction	2021	-
Totals			42	0			

- Trillium House is a under construction 42-unit LIHTC development. Upon completion, the property will target low income households, which will be competitive with the Subject.

Conclusion

The percentage of renter households in the PMA declined between 2010 and 2022, and is estimated to be 39.7 percent as of 2022; however, the absolute number of renter households in the PMA still increased during this time period and the current percentage of renter households in the PMA is slightly above the estimated 35 percent of renter households across the overall nation. Additionally, a majority of the housing stock in the PMA was built prior to 1979, with over a quart of the housing stock built prior to 1940. The Subject as a new construction will have a significant advantage over the existing housing stock.

SURVEY OF COMPARABLE PROJECTS

Description of Property Types Surveyed

To evaluate the competitive position of the Subject, we surveyed a total of 657 units in nine rental properties. The availability of the market rate data is considered good. We included nine market rate properties located between 1.3 and 13.0 miles from the Subject site, one of which is located outside the PMA (Emerald Heights Apartments). Overall, we believe the availability of data is adequate to support our conclusions.

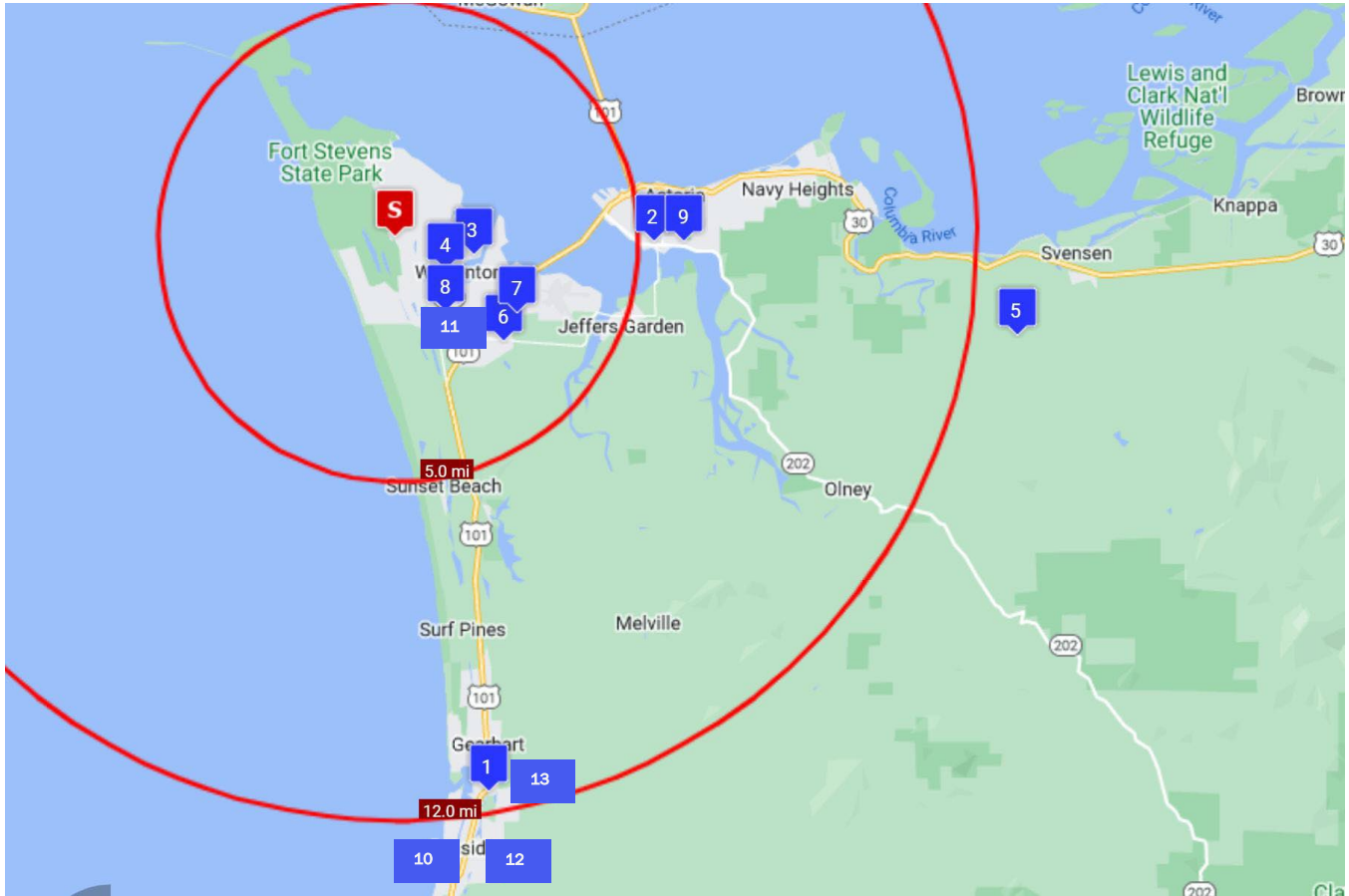
It should be noted that there is not comparable build to rent comparables in the market. As such, we have chosen the market rate comparables based on providing a survey of adequately maintained market rate family properties existing in the market. All the comparable properties are smaller in terms of total units offered; however, the garden-style portion of the proposed subject is within the range comparables properties. Additionally, we have included several duplex and small garden-style developments, which represent the most recently constructed rental developments in the market. Overall, five of the comparable properties are located in Warrenton, two in Astoria, one in Navy Heights, and one in Seaside, and all properties target the general population.

To further supplement our analysis, we included five single-family/townhome classifieds, ranging from 2.0 to 27.4 miles from the Subject, originally built between 2000 and 2023. The Subject and all of the comparable properties target the general population and are more than adequate to provide the level of analysis needed.

The following pages include a summary table, individual property profiles, and other comparison matrices, illustrating the Subject's competitive position relative to the comparables. Maps of the comparables in relation to the Subject are included on the following pages as well.

Comparable Rental Property Map

The following map illustrates the location of the Subject in relation to the comparable properties.



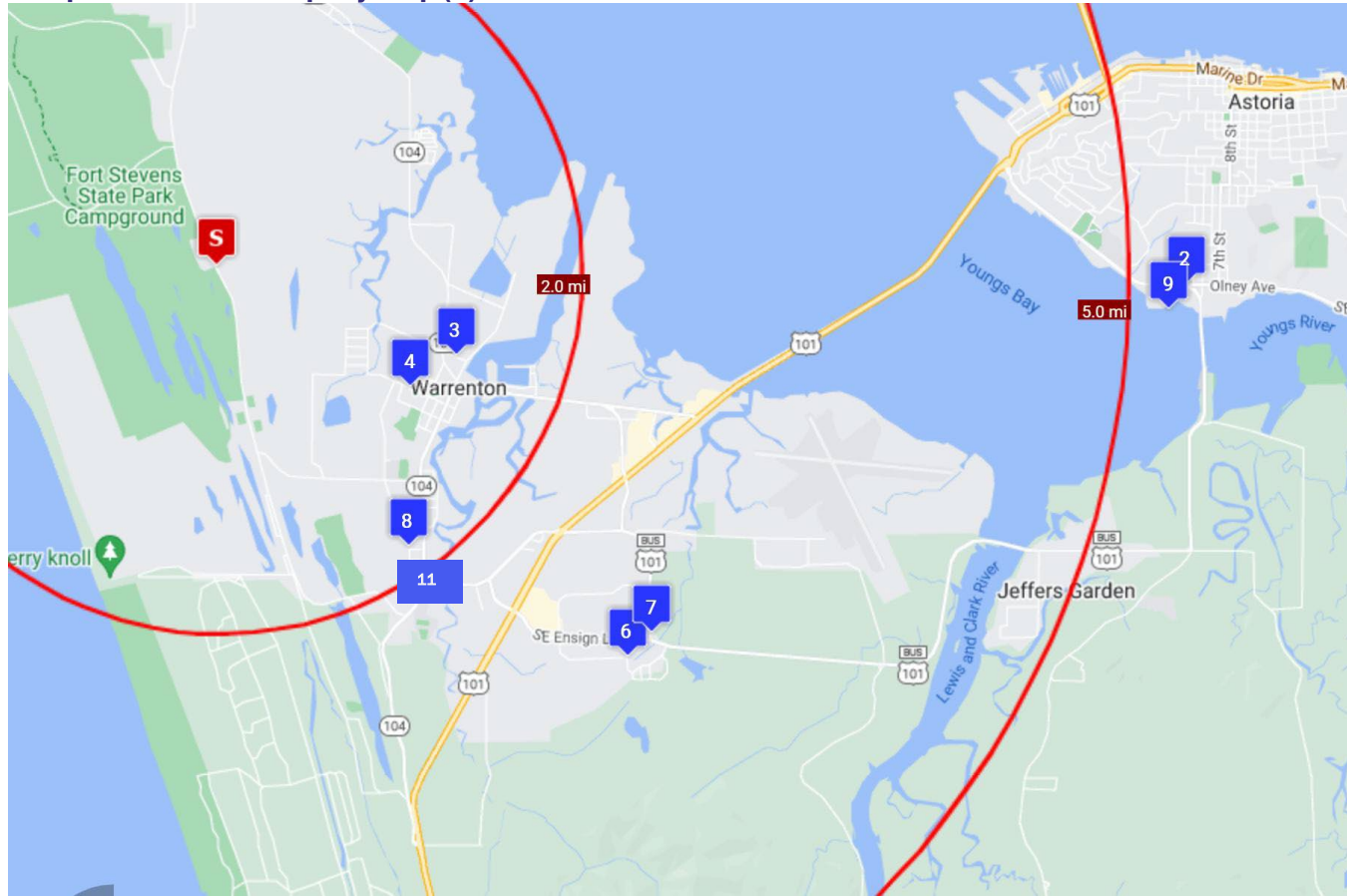
Source: Google Maps, July 2023

COMPARABLE PROPERTIES

#	Property Name	City	Rent Structure	Distance to Subject
S	Fort Pointe	Warrenton	Market, Non-Rental	-
1	2155 N Wahanna Rd	Seaside	Market	11.6 miles
2	Bayshore Apartments	Astoria	Market	5.4 miles
3	Bay View By The Sea	Warrenton	Market	1.4 miles
4	Birch Court Apartments	Warrenton	Market	1.3 miles
5	Emerald Heights Apartments*	Astoria	Market	13.0 miles
6	Forest Rim	Warrenton	Market	3.1 miles
7	Pacific Rim Apartments	Warrenton	Market	3.1 miles
8	Rock Creek Commons	Warrenton	Market	1.9 miles
9	Yacht Club Apartments	Astoria	Market	5.3 miles
10	1345 Seabright Way	Seaside	Market	15.0 miles
11	1435 SE Anchor Ave	Warrenton	Market	3.3 miles
12	708 Indian Way	Seaside	Market	12.8 miles
13	1310 Lamont Lane	Seaside	Market	10.8 miles

*Located outside PMA

Comparable Rental Property Map (II)



Source: Google Maps, July 2023


COMPARABLE PROPERTIES


#	Property Name	City	Rent Structure	Distance to Subject
S	Fort Point	Warrenton	Market, Non-Rental	-
1	2155 N Wahanna Rd	Seaside	Market	11.6 miles
2	Bayshore Apartments	Astoria	Market	5.4 miles
3	Bay View By The Sea	Warrenton	Market	1.4 miles
4	Birch Court Apartments	Warrenton	Market	1.3 miles
5	Emerald Heights Apartments*	Astoria	Market	13.0 miles
6	Forest Rim	Warrenton	Market	3.1 miles
7	Pacific Rim Apartments	Warrenton	Market	3.1 miles
8	Rock Creek Commons	Warrenton	Market	1.9 miles
9	Yacht Club Apartments	Astoria	Market	5.3 miles
10	1345 Seabright Way	Seaside	Market	15.0 miles
11	1435 SE Anchor Ave	Warrenton	Market	3.3 miles
12	708 Indian Way	Seaside	Market	12.8 miles
13	1310 Lamont Lane	Seaside	Market	10.8 miles


FORT POINTE - WARRENTON, OREGON – MARKET STUDY


SUMMARY MATRIX

#	Property Name	Distance	Type/Built/Renovated	AMI	Unit Type	#	%	SF	Restriction	Rent (Adj)	Max Rent?	Waiting List	Vacant Units	Vacancy Rate
S	Fort Pointe 600 NW Ridge Road Warrenton, OR Clatsop County		Various 2-stories 2025 Family	Market	1BR/1BA	72	16.4%	625	Market	\$1,100	N/A		N/A	N/A
					1BR/1BA	60	13.6%	764	Market	\$1,195	N/A		N/A	N/A
					2BR/2BA	78	17.7%	929	Market	\$1,450	N/A		N/A	N/A
					2BR/2BA	140	31.8%	1,350	Market	\$2,500	N/A		N/A	N/A
					3BR/2BA	60	13.6%	1,400	Market	\$2,800	N/A		N/A	N/A
					410							N/A	N/A	
1	2155 N Wahanna Rd 2155 N Wahanna Rd Seaside, OR Clatsop County	11.6 miles	Duplex 2-stories 2023 Family	Market	2BR/1BA	16	100.0%	1,040	Market	\$1,795	N/A	No	N/A	N/A
						16							N/A	N/A
2	Bayshore Apartments 1400 W Marine Drive Astoria, OR Clatsop County	5.4 miles	Garden 3-stories 1971 Family	Market	1BR/1BA	47	47.5%	510	Market	\$1,320	N/A	Yes	0	0%
					2BR/1BA	48	48.5%	620	Market	\$1,430	N/A	Yes	0	0%
					3BR/1BA	4	4.0%	740	Market	\$1,640	N/A	Yes	0	0%
						99						0	0.0%	
3	Bay View By The Sea 50 NE 1st Street Warrenton, OR Clatsop County	1.4 miles	Garden 2-stories 1994 Family	Market	1BR/1BA	6	27.3%	514	Market	\$1,325	N/A	No	0	0%
					2BR/1BA	12	54.5%	714	Market	\$1,480	N/A	No	0	0%
					3BR/1BA	4	18.2%	996	Market	\$1,690	N/A	No	0	0%
						22						0	0.0%	
4	Birch Court Apartments 216 SW 2nd Street Warrenton, OR Clatsop County	1.3 miles	Garden 2-stories 1993 Family	Market	2BR/2BA	24	66.7%	1,000	Market	\$1,475	N/A	Yes	0	0%
					3BR/2BA	12	33.3%	1,100	Market	\$1,675	N/A	Yes	0	0%
						36						0	0.0%	
5	Emerald Heights Apartments 1 Emerald Drive Astoria, OR Clatsop County	13.0 miles	Various 2-stories 1942 / 1990 Family	Market	2BR/1BA	N/A	N/A	850	Market	\$1,390	N/A	No	0	0%
					2BR/1BA	N/A	N/A	1,150	Market	\$1,490	N/A	No	0	0%
					3BR/1BA	N/A	N/A	1,024	Market	\$1,625	N/A	No	0	0%
					3BR/1BA	N/A	N/A	1,400	Market	\$1,800	N/A	No	0	0%
						300					0	0.0%		
6	Forest Rim 1493 SE Honeysuckle Loop Warrenton, OR Clatsop County	3.1 miles	Garden 2-stories 2008 Family	Market	2BR/1BA	44	100.0%	975	Market	\$1,395	N/A	No	0	0%
7	Pacific Rim Apartments 1484-1487 Snowberry Lane SE Warrenton, OR Clatsop County	3.1 miles	Midrise 4-stories 2019 Family	Market	1BR/1BA	N/A	N/A	633	Market	\$1,350	N/A	Yes	0	0%
					1BR/1BA	N/A	N/A	633	Market	\$1,225	N/A	Yes	0	0%
					2BR/1BA	N/A	N/A	872	Market	\$1,425	N/A	Yes	0	0%
					2BR/1BA	N/A	N/A	872	Market	\$1,550	N/A	Yes	0	0%
						68					0	0.0%		
8	Rock Creek Commons 115 SW 14th Street Warrenton, OR Clatsop County	1.9 miles	Garden 2-stories 2007 Family	Market	2BR/1BA	6	50.0%	900	Market	\$1,400	N/A	No	0	0%
					2BR/1BA	6	50.0%	900	Market	\$1,100	N/A	No	0	0%
						12						0	0.0%	
9	Yacht Club Apartments 1310 W Marine Drive Astoria, OR Clatsop County	5.3 miles	Lowrise 3-stories 2013 Family	Market	1BR/1BA	N/A	N/A	630	Market	\$1,350	N/A	Yes	0	N/A
					1BR/1BA	16	26.7%	652	Market	\$1,200	N/A	Yes	0	0%
					2BR/2BA	44	73.3%	920	Market	\$1,425	N/A	No	1	2.3%
						60						1	1.7%	

CLASSIFIED LISTING -1345 Seabright Way☐					
Address: 1345 Seabright Way Seaside, OR 97138				Distance: 15.0 miles	
	Bedrooms	Baths	Square Footage	Age	Rent
	4	2	1,850	2020	\$2,750
	Tenant Paid Utilities: Gas, Electric, Water, sewer/trash			Amenities: Fenced yard, stove, refrigerator, dishwasher, microwave, garbage disposal, blinds, laminate wood floor, coat closet, central heating and A/C, washer/dryer hookups, attached two-car garage, ceiling fan	
	Comments: None				

CLASSIFIED LISTING - 1435 SE Anchor Ave					
Address: 1435 SE Anchor Ave, Warrenton, OR 97146				Distance: 3.3 miles	
	Bedrooms	Baths	Square Footage	Age	Rent
	3	2	1,324	2019	\$1,995
	Tenant Paid Utilities: Gas, Electric, Water, sewer/trash			Amenities: Stove, refrigerator, microwave, garbage disposal, dishwasher, laminate wood floor, coat closet, central heating, in-unit washer/dryer hookup, attached one-car garage,	
	Comments: None				

CLASSIFIED LISTING - 708 Indian Way					
Address: 708 Indian Way, Seaside, OR 97138				Distance: 12.8 miles	
	Bedrooms	Baths	Square Footage	Age	Rent
	3	2	1,520	2000	\$2,450
	Tenant Paid Utilities: Gas, Electric, Water, sewer/trash			Amenities: Stove, microwave, refrigerator, laminate wood floor, coat closet, ceiling fans, granite countertops, central heating, microwave, dishwasher, two car attached garage, walk-in-closet	
	Comments: None				

CLASSIFIED LISTING - 1310 Lamont Ln					
Address: 1310 Lamont Ln Seaside, OR 97138				Distance: 10.8 miles	
	Bedrooms	Baths	Square Footage	Age	Rent
	3	2.5	1,400	2023	\$2,200
	Tenant Paid Utilities: Gas, Electric, Water, sewer/trash			Amenities: Stove, refrigerator, dishwasher, microwave, blinds, garbage disposal, ceiling fan, coat closet, central heating, dishwasher, in-unit washer/dryer, attached one-car garage	
	Comments: None				

FORT POINTE - WARRENTON, OREGON – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed	657	Weighted Occupancy	99.8%		
	Market Rate	657	Market Rate	99.8%		
	Tax Credit	N/A	Tax Credit	N/A		
	1.0 Bed x 1.0 Bath		2.0 Bed x 2.0 Bath		3.0 Bed x 2.0 Bath	
RENT	Pacific Rim Apartments (Market)	\$1,350	Fort Pointe (Market)	\$2,500	Fort Pointe (Market)	\$2,800
	Yacht Club Apartments (Market)	\$1,350	2155 N Wahanna Rd (Market)(1.0BA)	\$1,795	Emerald Heights Apartments (Market)(1.0BA)	\$1,800
	Bay View By The Sea (Market)	\$1,325	Pacific Rim Apartments (Market)(1.0BA)	\$1,550	Bay View By The Sea (Market)(1.0BA)	\$1,690
	Bayshore Apartments (Market)	\$1,320	Emerald Heights Apartments (Market)(1.0BA)	\$1,490	Birch Court Apartments (Market)	\$1,675
	Pacific Rim Apartments (Market)	\$1,225	Bay View By The Sea (Market)(1.0BA)	\$1,480	Bayshore Apartments (Market)(1.0BA)	\$1,640
	Yacht Club Apartments (Market)	\$1,200	Birch Court Apartments (Market)	\$1,475	Emerald Heights Apartments (Market)(1.0BA)	\$1,625
	Fort Pointe (Market)	\$1,195	Fort Pointe (Market)	\$1,450		
	Fort Pointe (Market)	\$1,100	Bayshore Apartments (Market)(1.0BA)	\$1,430		
			Pacific Rim Apartments (Market)(1.0BA)	\$1,425		
			Yacht Club Apartments (Market)	\$1,425		
			Rock Creek Commons (Market)(1.0BA)	\$1,400		
			Forest Rim (Market)(1.0BA)	\$1,395		
			Emerald Heights Apartments (Market)(1.0BA)	\$1,390		
			Rock Creek Commons (Market)(1.0BA)	\$1,100		
SQUARE FOOTAGE	Fort Pointe (Market)	764	Fort Pointe (Market)	1,350	Fort Pointe (Non-Rental)	2,493
	Yacht Club Apartments (Market)	652	Emerald Heights Apartments (Market)(1.0BA)	1,150	Emerald Heights Apartments (Market)(1.0BA)	1,400
	Pacific Rim Apartments (Market)	633	2155 N Wahanna Rd (Market)(1.0BA)	1,040	Fort Pointe (Market)	1,400
	Pacific Rim Apartments (Market)	633	Birch Court Apartments (Market)	1,000	Birch Court Apartments (Market)	1,100
	Yacht Club Apartments (Market)	630	Forest Rim (Market)(1.0BA)	975	Emerald Heights Apartments (Market)(1.0BA)	1,024
	Fort Pointe (Market)	625	Fort Pointe (Market)	929	Bay View By The Sea (Market)(1.0BA)	996
	Bay View By The Sea (Market)	514	Yacht Club Apartments (Market)	920	Bayshore Apartments (Market)(1.0BA)	740
	Bayshore Apartments (Market)	510	Rock Creek Commons (Market)(1.0BA)	900		
			Rock Creek Commons (Market)(1.0BA)	900		
			Pacific Rim Apartments (Market)(1.0BA)	872		
			Pacific Rim Apartments (Market)(1.0BA)	872		
			Emerald Heights Apartments (Market)(1.0BA)	850		
			Bay View By The Sea (Market)(1.0BA)	714		
			Bayshore Apartments (Market)(1.0BA)	620		
RENT PER SQUARE FOOT	Bayshore Apartments (Market)	\$2.59	Bayshore Apartments (Market)(1.0BA)	\$2.31	Bayshore Apartments (Market)(1.0BA)	\$2.22
	Bay View By The Sea (Market)	\$2.58	Bay View By The Sea (Market)(1.0BA)	\$2.07	Fort Pointe (Market)	\$2.00
	Yacht Club Apartments (Market)	\$2.14	Fort Pointe (Market)	\$1.85	Bay View By The Sea (Market)(1.0BA)	\$1.70
	Pacific Rim Apartments (Market)	\$2.13	Pacific Rim Apartments (Market)(1.0BA)	\$1.78	Emerald Heights Apartments (Market)(1.0BA)	\$1.59
	Pacific Rim Apartments (Market)	\$1.94	2155 N Wahanna Rd (Market)(1.0BA)	\$1.73	Birch Court Apartments (Market)	\$1.52
	Yacht Club Apartments (Market)	\$1.84	Emerald Heights Apartments (Market)(1.0BA)	\$1.64	Emerald Heights Apartments (Market)(1.0BA)	\$1.29
	Fort Pointe (Market)	\$1.76	Pacific Rim Apartments (Market)(1.0BA)	\$1.63		
	Fort Pointe (Market)	\$1.56	Fort Pointe (Market)	\$1.56		
			Rock Creek Commons (Market)(1.0BA)	\$1.56		
			Yacht Club Apartments (Market)	\$1.55		
			Birch Court Apartments (Market)	\$1.48		
			Forest Rim (Market)(1.0BA)	\$1.43		
			Emerald Heights Apartments (Market)(1.0BA)	\$1.30		
			Rock Creek Commons (Market)(1.0BA)	\$1.22		

Photos



PROPERTY PROFILE REPORT

Bay View By The Sea

Effective Rent Date	6/06/2023
Location	50 NE 1st Street Warrenton, OR 97146 Clatsop County
Distance	1.4 miles
Units	22
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1994 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Birch Court
Tenant Characteristics	80% from the area; 20% military
Contact Name	Loralee
Phone	503-861-3721



Market Information

Program	Market
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within two days
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	6	514	\$1,325	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	12	714	\$1,480	\$0	Market	No	0	0.0%	N/A	None
3	1	Garden (2 stories)	4	996	\$1,690	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,325	\$0	\$1,325	-\$133	\$1,192
2BR / 1BA	\$1,480	\$0	\$1,480	-\$203	\$1,277
3BR / 1BA	\$1,690	\$0	\$1,690	-\$307	\$1,383

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Dishwasher		
Refrigerator		
Property	Premium	Other
Central Laundry	None	None
On-Site Management		

Comments

The contact had no additional comments.

Trend Report

Vacancy Rates

1Q09	4Q10	4Q20	2Q23
4.5%	4.5%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$600	\$0	\$600	\$467
2010	4	0.0%	\$600	\$0	\$600	\$467
2020	4	0.0%	\$985	\$0	\$985	\$852
2023	2	0.0%	\$1,325	\$0	\$1,325	\$1,192

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	8.3%	\$705	\$0	\$705	\$502
2010	4	8.3%	\$705	\$0	\$705	\$502
2020	4	0.0%	\$1,100	\$0	\$1,100	\$897
2023	2	0.0%	\$1,480	\$0	\$1,480	\$1,277

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$825	\$0	\$825	\$518
2010	4	0.0%	\$825	\$0	\$825	\$518
2020	4	0.0%	\$1,275	\$0	\$1,275	\$968
2023	2	0.0%	\$1,690	\$0	\$1,690	\$1,383

Trend: Comments

1Q09	The property typically stays 100 percent occupied. This property does not usually maintain a waiting list.
4Q10	N/A
4Q20	The contact reported that the property typically maintains full or close to full occupancy throughout the year noting strong demand in the area for rental housing. The contact reported that vacancies and rent collections have not changed due to the COVID-19 pandemic.
2Q23	The contact had no additional comments.

Photos



PROPERTY PROFILE REPORT

Bayshore Apartments

Effective Rent Date	6/06/2023
Location	1400 W Marine Drive Astoria, OR 97103 Clatsop County
Distance	5.3 miles
Units	99
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1971 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Nancy
Phone	503-325-1749



Market Information

Program	Market
Annual Turnover Rate	18%
Units/Month Absorbed	N/A
HCV Tenants	8%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Incr. up to 18% annually since 4Q2020
Concession	None
Waiting List	Yes; 12 households

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	47	510	\$1,320	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	48	620	\$1,430	\$0	Market	Yes	0	0.0%	N/A	None
3	1	Garden (3 stories)	4	740	\$1,640	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,320	\$0	\$1,320	-\$133	\$1,187
2BR / 1BA	\$1,430	\$0	\$1,430	-\$203	\$1,227
3BR / 1BA	\$1,640	\$0	\$1,640	-\$307	\$1,333

Amenities

In-Unit	Security	Services
Blinds	None	None
Coat Closet		
Ceiling Fan		
Refrigerator		
Carpeting		
Dishwasher		
Oven		
Property	Premium	Other
Basketball Court	None	None
Off-Street Parking		
Central Laundry		
On-Site Management		

Bayshore Apartments, continued

Comments

The contact had no additional comments.

Bayshore Apartments, continued

Trend Report

Vacancy Rates

4Q10	3Q19	4Q20	2Q23
4.0%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	4.3%	\$590	\$41	\$549	\$416
2019	3	0.0%	\$900	\$0	\$900	\$767
2020	4	0.0%	\$827	\$0	\$827	\$694
2023	2	0.0%	\$1,320	\$0	\$1,320	\$1,187

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	4.2%	\$735	\$86	\$649	\$446
2019	3	0.0%	\$990	\$0	\$990	\$787
2020	4	0.0%	\$902	\$0	\$902	\$699
2023	2	0.0%	\$1,430	\$0	\$1,430	\$1,227

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$785	\$63	\$722	\$415
2019	3	0.0%	\$1,300	\$0	\$1,300	\$993
2020	4	0.0%	\$1,203	\$0	\$1,203	\$896
2023	2	0.0%	\$1,640	\$0	\$1,640	\$1,333

Trend: Comments

4Q10	The contact reported the property has performed better in 2010 than it did in 2009 when the occupancy rate was closer to 90 percent.
3Q19	The contact reported a strong demand for multifamily housing in the area.
4Q20	The contact reported a strong demand for multifamily housing in the area. The contact would not provide updated information on this property; therefore, rents and vacancy were provided by CoStar.
2Q23	The contact had no additional comments.

Photos



PROPERTY PROFILE REPORT

Birch Court Apartments

Effective Rent Date	6/14/2023
Location	216 SW 2nd Street Warrenton, OR 97146 Clatsop County
Distance	1.3 miles
Units	36
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1993 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Bayview by the Sea
Tenant Characteristics	Primarily families from the area; 40% are military families
Contact Name	Paul
Phone	503-861-1296



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	10% to 12.5% annual since 2020
Concession	None
Waiting List	Yes, undetermined length

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	24	1,000	\$1,475	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	12	1,100	\$1,675	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,475	\$0	\$1,475	-\$203	\$1,272
3BR / 2BA	\$1,675	\$0	\$1,675	-\$307	\$1,368

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Cable/Satellite/Internet		
Dishwasher		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Carport	None	None
Off-Street Parking		
Playground		

Comments

The property contact confirmed details in this profile. The property does maintain a waitlist; however, the contact did not disclose length.

Trend Report

Vacancy Rates

1Q09	4Q10	4Q20	2Q23
2.8%	2.8%	0.0%	0.0%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	4.2%	\$775	\$0	\$775	\$572
2010	4	4.2%	\$775	\$0	\$775	\$572
2020	4	0.0%	\$1,073	\$0	\$1,073	\$870
2023	2	0.0%	\$1,475	\$0	\$1,475	\$1,272

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$875	\$0	\$875	\$568
2010	4	0.0%	\$875	\$0	\$875	\$568
2020	4	0.0%	\$1,273	\$0	\$1,273	\$966
2023	2	0.0%	\$1,675	\$0	\$1,675	\$1,368

Trend: Comments

1Q09	There are currently two households on the waiting list for three-bedroom units.
4Q10	The contact reported overall occupancy has been stable during the past year after fluctuating up and down for most of 2009. Some of the instability was caused by the economics and military deployments last year.
4Q20	We were unable to reach this property for an updated interview. Therefore, rent and vacancy information is provided by CoStar.
2Q23	The property contact confirmed details in this profile. The property does maintain a waitlist; however, the contact did not disclose length.

Photos



PROPERTY PROFILE REPORT

Emerald Heights Apartments

Effective Rent Date	6/06/2023
Location	1 Emerald Drive Astoria, OR 97103 Clatsop County
Distance	13 miles
Units	300
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1942 / 1990
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Several tenants are employed in healthcare jobs and some work or attend the nearby community college
Contact Name	Pemi
Phone	503-325-8221



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Incr. up to 22% annually since 4Q2020
Concession	None
Waiting List	None

Utilities

A/C	included -- none
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	N/A	850	\$1,390	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (2 stories)	N/A	1,150	\$1,490	\$0	Market	No	0	N/A	N/A	None
3	1	Garden (2 stories)	N/A	1,024	\$1,625	\$0	Market	No	0	N/A	N/A	None
3	1	Garden (2 stories)	N/A	1,400	\$1,800	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$1,390 - \$1,490	\$0	\$1,390 - \$1,490	-\$303	\$1,087 - \$1,187
3BR / 1BA	\$1,625 - \$1,800	\$0	\$1,625 - \$1,800	-\$428	\$1,197 - \$1,372

Emerald Heights Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Coat Closet		
Fireplace	Oven		
Refrigerator			
Property		Premium	Other
Central Laundry	Off-Street Parking	View	None
On-Site Management	Playground		

Comments

The property accepts Housing Choice Vouchers; however, the contact does not know how many are currently being utilized.

Emerald Heights Apartments, continued

Trend Report

Vacancy Rates

1Q09	4Q10	4Q20	2Q23
4.0%	4.0%	0.0%	0.0%

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$650 - \$785	\$0	\$650 - \$785	\$347 - \$482
2010	4	N/A	\$650 - \$785	\$0	\$650 - \$785	\$347 - \$482
2020	4	N/A	\$800 - \$925	\$0	\$800 - \$925	\$497 - \$622
2023	2	N/A	\$1,390 - \$1,490	\$0	\$1,390 - \$1,490	\$1,087 - \$1,187

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$775 - \$900	\$0	\$775 - \$900	\$347 - \$472
2010	4	N/A	\$775 - \$900	\$0	\$775 - \$900	\$347 - \$472
2020	4	N/A	\$950 - \$1,100	\$0	\$950 - \$1,100	\$522 - \$672
2023	2	N/A	\$1,625 - \$1,800	\$0	\$1,625 - \$1,800	\$1,197 - \$1,372

Trend: Comments

1Q09	The contact stated that there is a waiting list currently; however, the contact was unaware of how many households are on the waiting list. The contact stated that the number of vacant units is spread evenly among the unit types. The contact stated that the property is currently 96 percent occupied, which equates to 12 vacant units. Applications from the waiting list are currently being processed to fill the vacant units. The contact stated that approximately two to four units turnover per month. The profile reflects the high end of four units per month, which equates to 16 percent.
4Q10	The contact reported occupancy and potential renter traffic is improved over the same time last year. Occupancy declined last year but was still stable due to a high number of households employed in stable industries such as healthcare and education.
4Q20	The contact reported that the property typically maintains full or close to full occupancy throughout the year noting strong demand in the area for rental housing. The contact reported that vacancies and rent collections have not changed due to the COVID-19 pandemic.
2Q23	The property accepts Housing Choice Vouchers; however, the contact does not know how many are currently being utilized.

Photos



PROPERTY PROFILE REPORT

Forest Rim

Effective Rent Date	6/06/2023
Location	1493 SE Honeysuckle Loop Warrenton, OR 97146 Clatsop County
Distance	3.1 miles
Units	44
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	8/01/2008
Last Unit Leased	2/17/2009
Major Competitors	Rock Creek Commons
Tenant Characteristics	Couples and roommates mostly from the Warrenton/Astoria area
Contact Name	Stacey
Phone	503-804-3205



Market Information

Program	Market
Annual Turnover Rate	11%
Units/Month Absorbed	5
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	Incr. 22% annually since 4Q2020
Concession	None
Waiting List	None

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	44	975	\$1,395	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$1,395	\$0	\$1,395	-\$203	\$1,192

Amenities

In-Unit	Security	Services
Blinds	None	None
Coat Closet		
Garbage Disposal		
Refrigerator		
Property	Premium	Other
Off-Street Parking	None	None

Comments

There are a total of 44 units but all but 12 are managed by JVB Management. The remaining units are independently owned and managed.

Forest Rim, continued

Trend Report

Vacancy Rates

1Q09	4Q10	4Q20	2Q23
6.2%	3.1%	3.1%	0.0%

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	6.2%	\$745 - \$795	\$0	\$745 - \$795	\$542 - \$592
2010	4	3.1%	\$795 - \$825	\$0	\$795 - \$825	\$592 - \$622
2020	4	3.1%	\$795 - \$825	\$0	\$795 - \$825	\$592 - \$622
2023	2	0.0%	\$1,395	\$0	\$1,395	\$1,192

Trend: Comments

1Q09	There will be future four-plex buildings constructed in this development. The number of units reported represents what is currently available to rent. The contact did not know the total number of future units to be constructed. The difference between the two rents is that the units with the higher rents are located on the bottom floor of each building.
4Q10	The contact reported overall occupancy has remained strong largely due to several members of the U.S. Coast Guard residing at the property. There are a total of 44 units but all but 12 are managed by McNeely Real Estate. The remaining units are independently owned and managed.
4Q20	The contact reported overall occupancy has remained strong largely due to several members of the U.S. Coast Guard residing at the property. The higher rents are for units on the first floor. There are a total of 44 units but all but 12 are managed by McNeely Real Estate. The remaining units are independently owned and managed. This property was updated via CoStar as we were unable to speak directly with the management company.
2Q23	There are a total of 44 units but all but 12 are managed by JVB Management. The remaining units are independently owned and managed.

Photos



PROPERTY PROFILE REPORT

Pacific Rim Apartments

Effective Rent Date	6/14/2023
Location	1484-1487 Snowberry Lane SE Warrenton, OR 97146 Clatsop County
Distance	3.1 miles
Units	68
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (4 stories)
Year Built/Renovated	2019 / N/A
Marketing Began	1/01/2020
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Not disclosed
Contact Name	Property manager
Phone	530-741-3110



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	34
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	Incr. 2.2 to 5.9% annually since Q32020
Concession	None
Waiting List	Yes, 50 households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	N/A	633	\$1,350	\$0	Market	Yes	0	N/A	N/A	HIGH
1	1	Midrise (4 stories)	N/A	633	\$1,225	\$0	Market	Yes	0	N/A	N/A	LOW
2	1	Midrise (4 stories)	N/A	872	\$1,550	\$0	Market	Yes	0	N/A	N/A	HIGH
2	1	Midrise (4 stories)	N/A	872	\$1,425	\$0	Market	Yes	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,225 - \$1,350	\$0	\$1,225 - \$1,350	-\$172	\$1,053 - \$1,178
2BR / 1BA	\$1,425 - \$1,550	\$0	\$1,425 - \$1,550	-\$247	\$1,178 - \$1,303

Pacific Rim Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpet/Hardwood	Carpeting	Limited Access	
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Property		Premium	Other
Elevators	Off-Street Parking	None	None
On-Site Management			

Comments

The property was reportedly completed in March 2019 and was fully leased in April 2019, for an absorption period of approximately two months.

Pacific Rim Apartments, continued

Trend Report

Vacancy Rates

4Q20	2Q23
0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	4	N/A	\$1,075 - \$1,150	\$0	\$1,075 - \$1,150	\$903 - \$978
2023	2	N/A	\$1,225 - \$1,350	\$0	\$1,225 - \$1,350	\$1,053 - \$1,178

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	4	N/A	\$1,275 - \$1,350	\$0	\$1,275 - \$1,350	\$1,028 - \$1,103
2023	2	N/A	\$1,425 - \$1,550	\$0	\$1,425 - \$1,550	\$1,178 - \$1,303

Trend: Comments

4Q20	This is the newest known market rate property in the area. The property was reportedly complete in March 2019 and was fully leased in April 2019, for an absorption period of approximately two months. The contact reported that vacancies and rent collections have not changed due to the COVID-19 pandemic.
2Q23	The property was reportedly completed in March 2019 and was fully leased in April 2019, for an absorption period of approximately two months.

Photos



PROPERTY PROFILE REPORT

Rock Creek Commons

Effective Rent Date	6/15/2023
Location	115 SW 14th Street Warrenton, OR 97146 Clatsop County
Distance	1.9 miles
Units	12
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Forest Rim
Tenant Characteristics	Mixed tenancy from the NW U.S.
Contact Name	Sowins
Phone	503-861-1717



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1 to 3 weeks
Annual Chg. in Rent	Incr. 3.5 to 5.8% annually since 2010
Concession	None
Waiting List	None

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	6	900	\$1,100	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	6	900	\$1,400	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$1,100 - \$1,400	\$0	\$1,100 - \$1,400	-\$203	\$897 - \$1,197

Amenities

In-Unit	Security	Services
Blinds	None	None
Cable/Satellite/Internet		
Carpeting		
Dishwasher		
Microwave		
Refrigerator		
Property	Premium	Other
Off-Street Parking	None	None

Comments

The higher priced units are ground floor units. There are a total of 12 units managed by this management company. The contact reported strong demand and they do not maintain a waitlist because of administrative burden, as said, "it would take a month to call everyone that is interested back."

Trend Report

Vacancy Rates

1Q09	4Q10	2Q23
18.8%	0.0%	0.0%

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	18.8%	\$745 - \$795	\$0	\$745 - \$795	\$542 - \$592
2010	4	0.0%	\$775 - \$825	\$0	\$775 - \$825	\$572 - \$622
2023	2	0.0%	\$1,100 - \$1,400	\$0	\$1,100 - \$1,400	\$897 - \$1,197

Trend: Comments

- 1Q09 The difference between the two rents is that the units with the higher rents are located on the bottom floor of the buildings. This property does not accept Housing Choice vouchers.
- 4Q10 The higher priced units are ground floor units. There are a total of 12 units managed by this management company.
- 2Q23 The higher priced units are ground floor units. There are a total of 12 units managed by this management company. The contact reported strong demand and they do not maintain a waitlist because of administrative burden, as said, "it would take a month to call everyone that is interested back."

Photos



PROPERTY PROFILE REPORT

Yacht Club Apartments

Effective Rent Date	6/14/2023
Location	1310 W Marine Drive Astoria, OR 97103 Clatsop County
Distance	5.3 miles
Units	60
Vacant Units	1
Vacancy Rate	1.7%
Type	Lowrise (3 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Illahee
Tenant Characteristics	Not disclosed
Contact Name	Laurie
Phone	503-325-4669



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to within two weeks
Annual Chg. in Rent	Increased 3%-9.4% annually since Q32020
Concession	None
Waiting List	Yes, one-bedroom units

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	N/A	630	\$1,350	\$0	Market	Yes	0	N/A	N/A	None
1	1	Lowrise (3 stories)	16	652	\$1,200	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	44	920	\$1,425	\$0	Market	No	1	2.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,200 - \$1,350	\$0	\$1,200 - \$1,350	\$0	\$1,200 - \$1,350
2BR / 2BA	\$1,425	\$0	\$1,425	\$0	\$1,425

Yacht Club Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Coat Closet	Limited Access	
Dishwasher	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Elevators	Off-Street Parking	None	None
On-Site Management			

Comments

According to the contact, turnover is generally low and the current occupancy is typical. The smaller one-bedroom unit has a higher rent due to view. The contact provided no additional comments.

Yacht Club Apartments, continued

Trend Report

Vacancy Rates

3Q19	4Q20	2Q23
0.0%	0.0%	1.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,050	\$0	\$1,050	\$1,050
2020	4	0.0%	\$1,100	\$0	\$1,100	\$1,100
2023	2	N/A	\$1,200 - \$1,350	\$0	\$1,200 - \$1,350	\$1,200 - \$1,350

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,175	\$0	\$1,175	\$1,175
2020	4	0.0%	\$1,200	\$0	\$1,200	\$1,200
2023	2	2.3%	\$1,425	\$0	\$1,425	\$1,425

Trend: Comments

3Q19	This property does not accept Housing Choice Vouchers. The contact reported that the property is always typically fully occupied.
4Q20	According to the contact, turnover is generally low and the current occupancy is typical. The contact reported that vacancies and rent collections have not changed due to the COVID-19 pandemic.
2Q23	According to the contact, turnover is generally low and the current occupancy is typical. The smaller one-bedroom unit has a higher rent due to view. The contact provided no additional comments.

Photos



PROPERTY CHARACTERISTICS

Following are relevant characteristics of the comparable properties surveyed.

Location

The Subject site is located on the eastern portion of Warrenton, Oregon. Overall, development in the Subject’s neighborhood (residential, recreational, and commercial) is currently limited, with the majority of retail and service amenities located more than 2.5 miles to the east of the Subject, west of U.S Route 101 (US-101). These amenities and services include Post Office, CMH Primary Care Clinic, bank, Costco, Walmart, Fred Meyers, among others. Walk Score defines the Subject as “Car Dependent” with a score of a one indicating errands require a car. The nearest public transit (bus stop) is located 2.6 miles west of the Subject site at the intersection of Ensign Street and US-101. However, the Subject is located adjacent to a state park and in relatively close proximity to the Pacific Ocean.

The comparables are located between 1.3 and 13.0 miles from the Subject, one of which are located outside of the PMA. The locational comparisons are detailed in the following table.

LOCATIONAL COMPARISON SUMMARY

#	Property Name	Program	Distance Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Fort Pointe	Market		\$78,660	\$464,614	\$1,101	91	0	3.9%	36.5%
1	2155 N Wahanna Rd	Market	11.6 miles	\$67,185	\$482,221	\$951	142	27	15.1%	39.2%
2	Bayshore Apartments	Market	5.4 miles	\$59,779	\$450,730	\$927	110	42	6.4%	51.1%
3	Bay View By The Sea	Market	1.4 miles	\$76,829	\$464,614	\$1,101	91	52	7.9%	32.9%
4	Birch Court Apartments	Market	1.3 miles	\$77,167	\$464,614	\$1,101	91	51	8.9%	32.9%
5	Emerald Heights Apartments*	Market	13.0 miles	\$59,779	\$450,730	\$927	38	0	0.0%	0.0%
6	Forest Rim	Market	3.1 miles	\$81,075	\$464,614	\$1,101	75	9	3.5%	24.2%
7	Pacific Rim Apartments	Market	3.1 miles	\$80,860	\$464,614	\$1,101	75	7	5.1%	23.9%
8	Rock Creek Commons	Market	1.9 miles	\$73,655	\$464,614	\$1,101	66	24	8.3%	29.8%
9	Yacht Club Apartments	Market	5.3 miles	\$59,779	\$450,730	\$927	110	42	6.4%	51.1%

*Located outside PMA

As shown, the comparables vary widely in terms of demographics. The vast majority of the comparables are located in areas with similar to inferior median household income relative to the Subject, as well the majority of the comparables also similar to inferior median home value relative to the Subject. Additionally, all comparables are located in areas with similar or inferior median rent relative to the Subject. Overall, in terms of demographics data the Subject is similar to slightly superior to a majority of the comparables.

Of the comparables, several (Bayshore Apartments, Bay View By The Sea, Birch Court Apartments, and Yacht Club Apartments) are located in neighborhoods with a wider variety of amenities and services. As such, we consider the neighborhoods surrounding these developments as slightly superior to the Subject. The remaining comparables are located outside of central Warrenton and Astoria, one of which are in the city of Seaside to the south. These comparables generally offer similar access to highways, amenities, and services relative to the Subject. However, these comparables are located further from the Fort Stevens State Park; therefore, we consider these neighborhoods as slightly inferior to the Subject.

Condition, Design, & Development Size

The following table illustrates the Subject’s design and condition in comparison to the comparable properties.

	Fort Pointe	2155 N Wahanna Rd	Bayshore Apartments	Bay View By The Sea	Birch Court Apartments	Emerald Heights Apartments	Forest Rim	Pacific Rim Apartments	Rock Creek Commons	Yacht Club Apartments
Program	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Building										
Property Type	Various	Duplex	Garden	Garden	Garden	Various	Garden	Midrise	Garden	Lowrise
# Stories	2	2	3	2	2	2	2	4	2	3
Year Built	2025	2023	1971	1994	1993	1942	2008	2019	2007	2013
Year Renovated	N/A	N/A	N/A	N/A	N/A	1990	N/A	N/A	N/A	N/A
Courtyard	yes	no	no	no	no	no	no	no	no	no
Elevators	no	no	no	no	no	no	no	yes	no	yes

The Subject will be new construction and in excellent condition upon completion. The traditional multifamily comparables were constructed between 1971 and 2023, and exhibit average to excellent condition. The multifamily comparables are either contained in two to three-story garden, lowrise, duplex, or midrise residential buildings. The traditional multifamily comparables range in development size between 12 to 300 units, with an average development size of 80 units.

In comparison, the Classified comparables were constructed between 2000 and 2023, and exhibit good to excellent condition. The Classified comparables are contained in one to two-story detached single-family homes or duplex/townhome buildings. The Classified multifamily comparables range in development size between one to six units, with an average development size of 2.5 units.

The developer has indicated that the Subject’s buildings will be a combination of garden-style apartments, and single-family detached homes with attached garages, small front, and rear yards. We believe the proposed design will be a marketing advantage, especially for the single-family homes, as there are limited single-family, duplexes and townhome rentals in the Subject’s market. The Subject, with 410 units, is considered relatively large; however, there is a significant housing shortage in the area, the indications of demand are strong, and our demand analysis indicates there is demand for this number of units.

Unit Size

The following tables summarize unit sizes in the market area.

UNIT SIZE COMPARISON			
Bedroom Type	1BR	2BR	3BR
Subject	625 - 764	929 - 1,350	1,400
Average	595	901	1,052
Min	510	620	740
Max	652	1,150	1,400
Advantage/Disadvantage	5.0% - 28.3%	3.1% - 49.8%	33.1%

The Subject's smaller one-bedroom units are within the range of the comparables, and the Subject’s larger one-bedroom units are above the range of the surveyed comparable unit sizes. The Subject's two and three-bedroom units are above the comparables average square footage. We have considered the Subject's unit sizes in our determination of achievable rents.

UNIT SIZE COMPARISON – CLASSIED COMPARABLES ONLY

Bedroom Type	1BR	2BR	3BR	4BR
Subject	-	-	1,400	-
Average	-	-	1,415	-
Min	-	-	1,324	-
Max	-	-	1,520	-
Advantage/Disadvantage	-	-	-1%	-

The Subject’s three-bedroom (single-family) units are within the range and provides a marginal disadvantage of one percent. The following table ranks the unit sizes at the comparable properties.

SQUARE FOOT RANKING

1.0BR x 1.0BA		2.0BR x 2.0BA		3.0BR x 2.0BA	
Property Name	Square Feet	Property Name	Square Feet	Property Name	Square Feet
Fort Pointe (Market)	764	Fort Pointe (Market)	1,350	Fort Pointe (Non-Rental)	2,493
Yacht Club Apartments (Market)	652	Emerald Heights Apartments (Market)(1.0BA)	1,150	Emerald Heights Apartments (Market)(1.0BA)	1,400
Pacific Rim Apartments (Market)	633	2155 N Wahanna Rd (Market)(1.0BA)	1,040	Fort Pointe (Market)	1,400
Pacific Rim Apartments (Market)	633	Birch Court Apartments (Market)	1,000	Birch Court Apartments (Market)	1,100
Yacht Club Apartments (Market)	630	Forest Rim (Market)(1.0BA)	975	Emerald Heights Apartments (Market)(1.0BA)	1,024
Fort Pointe (Market)	625	Fort Pointe (Market)	929	Bay View By The Sea (Market)(1.0BA)	996
Bay View By The Sea (Market)	514	Yacht Club Apartments (Market)	920	Bayshore Apartments (Market)(1.0BA)	740
Bayshore Apartments (Market)	510	Rock Creek Commons (Market)(1.0BA)	900		
		Rock Creek Commons (Market)(1.0BA)	900		
		Pacific Rim Apartments (Market)(1.0BA)	872		
		Pacific Rim Apartments (Market)(1.0BA)	872		
		Emerald Heights Apartments (Market)(1.0BA)	850		
		Bay View By The Sea (Market)(1.0BA)	714		
		Bayshore Apartments (Market)(1.0BA)	620		

Overall, we believe the Subject’s unit sizes will be well-accepted and provide a marketing advantage.

Number of Bathrooms

Similar to the competition, the Subject will offer one bathroom in its one-bedroom units. The Subject is proposed to offer two bathrooms in the two and three-bedroom units. Two of the comparables, offer two bathrooms in their two and three-bedroom units, similar to the Subject. The remaining comparables only offer one bathroom in their one and two-bedroom units, slightly inferior to the Subject. Overall, we believe the number of bathrooms per unit is appropriate for the market, and the two and three-bedroom units will offer a slight advantage compared to the comparables as they offer a similar or few number of bathrooms.

Utility Structure

The following table details the Subject’s utility structure in comparison to the comparable properties. The utility conventions differ at the comparable properties; therefore, we have adjusted “base” or “asking” rents of the comparable properties to “net” rents, reflecting the Subject’s utility convention.

	Fort Pointe	2155 N Wahanna Rd	Bayshore Apartments	Bay View By The Sea	Birch Court Apartments	Emerald Heights Apartments	Forest Rim	Pacific Rim Apartments	Rock Creek Commons	Yacht Club Apartments
Program Tenancy	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family
Utility Structure										
Heat	no	no	no	no	no	yes	no	yes	no	no
Cooking	no	no	no	no	no	yes	no	no	no	no
Other Electric	no	no	no	no	no	yes	no	no	no	no
Air Conditioning	no	no	no	no	no	yes	no	no	no	no
Water Heat	no	no	no	no	no	yes	no	no	no	no
Water	no	yes	yes	yes	yes	yes	yes	yes	yes	no
Sewer	no	yes	yes	yes	yes	yes	yes	yes	yes	no
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Tenants will be responsible for all utilities including general electricity, cooking, heating and cooling, and water heating, as well as cold water, sewer. The landlord will be responsible for all a common area utilities and trash expenses. The Subject is proposed to offer valet trash to tenants for \$20 per month. This is a similar utility structure to one of the comparables, and slightly inferior to the remaining comparables.

Unit Amenities

The following table compares the Subject’s in-unit amenities with comparable properties.

	Fort Pointe	2155 N Wahanna Rd	Bayshore Apartments	Bay View By The Sea	Birch Court Apartments	Emerald Heights Apartments	Forest Rim	Pacific Rim Apartments	Rock Creek Commons	Yacht Club Apartments
Program Tenancy	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family
Unit										
Balcony	yes	yes	no	yes	yes	yes	no	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	yes	no	no	no	yes	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	no	yes	no	no	no	no	yes	no	no
Central/AC	yes	no	no	no	no	no	no	no	no	no
Coat Closet	yes	yes	yes	yes	no	yes	yes	no	yes	yes
Exterior Storage	yes	no	no	no	no	no	no	yes	no	no
Fireplace	no	yes	no	no	no	yes	no	no	no	no
Hardwood Floors	no	yes	no	no	no	no	no	yes	no	no
Vinyl Plank Flooring	yes	no	no	no	no	no	no	no	no	no
Walk-In-Closet	yes	yes	no	no	no	no	no	yes	no	yes
Washer / Dryer	no	yes	no	no	no	no	no	yes	no	yes
W/D Hookups	yes	no	no	yes	yes	no	yes	no	no	yes
Kitchen										
Dishwasher	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Disposal	yes	yes	no	no	yes	no	yes	yes	yes	yes
Microwave	yes	yes	no	no	no	no	no	no	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notable amenities offered by the proposed Subject will include balconies/patios, ceiling fans, central air conditioning, dishwashers, disposals, exterior storage, microwaves, vinyl plank flooring, walk-in closets, and washer/dryer hook-ups. The majority of the comparables offer unit amenities considered inferior relative to the proposed Subject. These properties lack features such as balconies/patios, central air conditioning, disposals, exterior storage, microwaves, vinyl plank flooring, walk-in closets, washer/dryer hook-ups, and ceiling fans, all of which are offered by the proposed Subject. The amenities offered by Pacific Rim Apartments are considered similar to the proposed Subject. Overall, we believe the Subject's unit amenities will be competitive in the market.

Community Amenities

The following chart details proposed common area amenities offered at the comparable properties.

	Fort Pointe	2155 N Wahanna Rd	Bayshore Apartments	Bay View By The Sea	Birch Court Apartments	Emerald Heights Apartments	Forest Rim	Pacific Rim Apartments	Rock Creek Commons	Yacht Club Apartments
Program	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Community										
Central Laundry	no	no	yes	yes	yes	yes	no	no	no	no
Clubhouse	yes	no	no	no	no	no	no	no	no	no
On-Site Mgmt	yes	no	yes	yes	yes	yes	no	yes	no	yes
Pet Park	yes	no	no	no	no	no	no	no	no	no
Recreation										
Basketball Court	no	no	yes	no	no	no	no	no	no	no
Exercise Facility	yes	no	no	no	no	no	no	no	no	no
Hot Tub	yes	no	no	no	no	no	no	no	no	no
Picnic Area	yes	no	no	no	no	no	no	no	no	no
Playground	yes	no	no	no	yes	yes	no	no	no	no
Recreational Areas	yes	no	no	no	no	no	no	no	no	no
Fire pit	yes	no	no	no	no	no	no	no	no	no

Notable amenities offered by the proposed Subject will include a clubhouse, a fitness center, hot tub, on-site management, a pet park, picnic areas, a playground, recreational areas, and fire pits. The majority of the comparables offer property amenities considered inferior relative to the proposed Subject. These properties lack features such as a clubhouse, a fitness center, hot tub, on-site management, a pet park, picnic areas, a playground, recreational areas, and fire pits, all of which are offered by the proposed Subject. Overall, we believe the Subject’s proposed community amenities are appropriate and will offer a competitive advantage in the market.

Security Features

The following chart details the security features offered at the comparable properties.

	Fort Pointe	2155 N Wahanna Rd	Bayshore Apartments	Bay View By The Sea	Birch Court Apartments	Emerald Heights Apartments	Forest Rim	Pacific Rim Apartments	Rock Creek Commons	Yacht Club Apartments
Program	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Crime Index	91	142	110	91	91	38	75	75	66	110
Security										
Intercom (Buzzer)	no	no	no	no	no	no	no	yes	no	yes
Limited Access	yes	no	no	no	no	no	no	yes	no	yes
Perimeter Fencing	yes	no	no	no	no	no	no	no	no	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	no

According to ESRI Demographic data, crime indices in the proposed Subject's location are similar to the national average. The proposed Subject will offer limited access, perimeter fencing, and video surveillance. All of the comparables offer fewer security features than the proposed Subject. Overall, the comparables security features range from inferior to slightly inferior compared to the proposed Subject. As such, we believe the proposed Subject's security amenities are market oriented.

Parking

The following is an analysis of the residential parking spaces.

	Fort Pointe	2155 N Wahanna Rd	Bayshore Apartments	Bay View By The Sea	Birch Court Apartments	Emerald Heights Apartments	Forest Rim	Pacific Rim Apartments	Rock Creek Commons	Yacht Club Apartments
Program	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family
Tenancy	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family
Walk Score	0	27	42	52	51	0	9	7	24	42
Parking Ratio	0.74	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Parking										
Carport	yes	no	no	no	yes	no	no	no	no	no
Carport Fee	\$25	n/a	\$0	\$0	\$0	\$0	\$0	n/a	\$0	\$0
Garage	yes	yes	no	no	no	no	no	no	no	no
Garage Fee	n/a	n/a	\$0	\$0	\$0	\$0	\$0	n/a	\$0	\$0
Surface	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Surface Fee	n/a	n/a	\$0	\$0	\$0	\$0	\$0	n/a	\$0	\$0

All of the comparable properties offer free off-street parking, one offering carport parking and one offering garage parking. The Subject will offer free off-street parking similar to the comparables, and plans to offer carports for an additional fee of \$25 per month, slightly inferior to the two comparables that offer carports or garages included in rent; however, slightly superior to the comparables which only offer off-street surface parking. The Subject’s proposed single-family home units will offer attached garages and driveway surface parking similar to superior to the comparables.

Conclusion

We believe the proposed in-unit amenities community amenities are market oriented. Overall, the vast majority of the comparables will offer slightly inferior community amenities relative to the Subject, as the majority do not offer a clubhouse, hot tubs, dog park, fire pits, playground, or recreational areas. We believe by offering these property amenities it will help with leasing, as the other classified comparables do not offer playgrounds, hot tubs, recreational area, and community WiFi in the clubhouse. We believe video surveillance near community areas will be appropriate and offer a slight competitive advantage compared to other comparables. According to ESRI Demographic data, the total crime risk index in the Subject's area is slightly above the national average, and we believe video surveillance may help deter petty theft throughout the property.

There is one affordable multifamily development (Parkview Commons Apartments), in the Subject’s immediate area, and the majority of the housing supply consists of single-family homes ranging from average to good condition. Overall, the Subject’s recommended development scheme will be well received. The Subject’s unit sizes offer an advantage of all the comparables, including some classified comparables, and will offer a marketing advantage. We believe the Subject’s overall concept and layout will be well received, as the Subject will offer a superior condition, as well as competitive amenities and parking relative to the comparables, especially among the multifamily comparables. Overall, the Subject’s recommended development scheme is appropriate and will be well received as proposed.

MARKET CHARACTERISTICS

Following are relevant market characteristics for comparable properties surveyed.

Absorption

We obtained absorption data from two comparable properties.

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
2155 N Wahanna Rd*	Market	Family	Warrenton	2023	16	16	11.6 miles
Pacific Rim Apartments*	Market	Family	Warrenton	2019	68	34	3.1 miles
Forest Rim*	Market	Family	Warrenton	2008	44	5	3.1 miles
Average Affordable					N/A	N/A	
Average Market					56	18.3	
Overall Average					56	18.3	

*Comparable Property

We obtained absorption data from two properties, both located 3.1 miles from the Subject site. These properties reported absorption rates ranging from five to 34 units per month, with an overall average of 18.3 units per month. The most recently built property reported all units leased within one month, with two units pre-leased for them to be completed at the end of July 2023. The second most recently built property reported an absorption rate of 34 units per month and the market is severely supply constrained with few vacant units and waiting lists; as such, we expect absorption to be rapid. Overall, we expect the proposed Subject will experience an absorption rate of 22 to 30 units per month. This equates to an absorption period of approximately 13 to 18 months.

Turnover

We obtained annual turnover estimates from the comparables, as shown in the following table.

TURNOVER

Property Name	Program	Tenancy	Annual Turnover
2155 N Wahanna Rd**	Market	Family	N/A
Bayshore Apartments	Market	Family	18%
Bay View By The Sea	Market	Family	7%
Birch Court Apartments	Market	Family	25%
Emerald Heights Apartments*	Market	Family	10%
Forest Rim	Market	Family	11%
Pacific Rim Apartments	Market	Family	N/A
Rock Creek Commons	Market	Family	25%
Yacht Club Apartments	Market	Family	20%
Average Turnover			17%

*Located outside PMA

**This property is nearing completion

We were unable to obtain turnover data from two of the comparable properties, one of which is not yet completed. Turnover rates among the remaining comparables range from 10 to 25 percent, with an average of 17 percent. Turnover rates at the classified comparables was limited to an annual estimate. Based on the data (though limited), we believe the Subject will experience a turnover rate of 20 percent or less annually, in line with the comparables.

Vacancy Levels

The following table details vacancy levels at the comparable properties.

OVERALL VACANCY

Property Name	Program	Tenancy	Total Units	Vacant Units	Vacancy %
2155 N Wahanna Rd**	Market	Family	16	N/A	N/A
Bayshore Apartments	Market	Family	99	0	0.0%
Bay View By The Sea	Market	Family	22	0	0.0%
Birch Court Apartments	Market	Family	36	0	0.0%
Emerald Heights Apartments*	Market	Family	300	0	0.0%
Forest Rim	Market	Family	44	0	0.0%
Pacific Rim Apartments	Market	Family	68	0	0.0%
Rock Creek Commons	Market	Family	12	0	0.0%
Yacht Club Apartments	Market	Family	60	1	1.7%
Overall Total			657	1	0.2%

*Located outside PMA

**Not yet completed but all units are pre-leased

As shown, the majority of the comparables are fully occupied, with the exception of one property (Yacht Club Apartments), which reported one vacant unit. The comparables properties range from zero to 1.7 percent, with an average vacancy rate of 0.2 percent. It should be noted 2155 N Wahanna Road reported all units pre-leased. Overall, we believe the Subject will experience a vacancy rate of 5.0 percent or less. This estimate is above the range of the comparables, but reasonable given the size of the development relative to the comparable properties.

Concessions

CONCESSIONS

Property Name	Program	Tenancy	Concessions
2155 N Wahanna Rd	Market	Family	None
Bayshore Apartments	Market	Family	None
Bay View By The Sea	Market	Family	None
Birch Court Apartments	Market	Family	None
Emerald Heights Apartments*	Market	Family	None
Forest Rim	Market	Family	None
Pacific Rim Apartments	Market	Family	None
Rock Creek Commons	Market	Family	None
Yacht Club Apartments	Market	Family	None

*Located outside of PMA

As shown, none of the comparable properties reported offering concessions. Given the lack of concessions offered in the market, we do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate upon completion, provided that rents are appropriately positioned.

Rent Growth

The following table illustrates rent growth at the comparable properties.

RENT GROWTH			
Property Name	Program	Tenancy	Rent Growth
2155 N Wahanna Rd	Market	Family	N/A
Bayshore Apartments	Market	Family	Incr. up to 18% annually since 4Q2020
Bay View By The Sea	Market	Family	None
Birch Court Apartments	Market	Family	10% to 12.5% annual since 2020
Emerald Heights Apartments*	Market	Family	Incr. up to 22% annually since 4Q2020
Forest Rim	Market	Family	Incr. 22% annually since 4Q2020
Pacific Rim Apartments	Market	Family	Incr. 2.2 to 5.9% annually since Q32020
Rock Creek Commons	Market	Family	Incr. 3.5 to 5.8% annually since 2010
Yacht Club Apartments	Market	Family	Increased 3%-9.4% annually since Q32020

*Located outside PMA

As indicated above, all of the comparables reported strong rent growth of 2.2 to 22 percent since 2020. We expect the Subject will be able to achieve modest to high rent growth of three to five percent per year.

Achievable Market Rents

The achievable rents were determined by comparing the aesthetic quality, recommended amenities and unit sizes, etc. to that of projects in the area. Novogradac concluded that the Subject will be competitive with the market rate competition based on the unit mix, sizes, and amenities provided earlier in this report. The comparable rents have been adjusted for differences in utility structure, as well as concessions. Achievable rents represent net market rate rent levels that we anticipate a project of the Subject’s condition and quality could reasonably achieve.

SUBJECT COMPARISON TO MARKET RENTS							
Unit Type	Rent Level	Square Feet	Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent
1BR/1BA	Market	625	\$1,100	\$1,200	\$1,350	\$1,295	\$1,200
1BR/1BA	Market	764	\$1,195	\$1,200	\$1,350	\$1,295	\$1,400
2BR/2BA	Market	929	\$1,450	\$1,100	\$1,795	\$1,446	\$1,700
2BR/2BA	Market	1,350	\$2,500	\$1,100	\$1,795	\$1,446*	\$2,300
3BR/2BA	Market	1,400	\$2,800	\$1,625	\$1,800	\$1,686*	\$2,600

*Multifamily garden-style comparables

MARKET RENT COMPARISON

Property Name	1BR	2BR	3BR	4BR
Apartments				
2155 N Wahanna Rd*	-	\$1,795	-	-
	-	-	-	-
Bayshore Apartments	\$1,320	\$1,430	\$1,640	-
				-
Bay View By The Sea	\$1,325	\$1,480	\$1,690	-
	-	-	-	-
Birch Court Apartments	-	\$1,475	\$1,675	-
	-	-	-	-
Emerald Heights Apartments	-	\$1,390	\$1,625	-
	-	\$1,490	\$1,800	-
Forest Rim	-	\$1,395	-	-
	-	-	-	-
Pacific Rim Apartments	\$1,350	\$1,425	-	-
	\$1,225	\$1,550	-	-
Rock Creek Commons	-	\$1,400	-	-
	-	\$1,100	-	-
Yacht Club Apartments	\$1,350	\$1,425	-	-
	\$1,200	-	-	-
Single-family (classified)				
1435 SE Anchor Ave	-	-	\$1,995	-
708 Indian Way	-	-	\$2,450	-
1310 Lamont Ln	-	-	\$2,200	-
1345 Seabright Way	-	-	-	\$2,750
Average (Apartments)	\$1,295	\$1,445	\$1,686	-
Average (Single-family)			\$2,215	\$2,750
Achievable Market Rent (Apartments)	\$1,200-\$1,400	\$1,700		
Achievable Market Rent (Single-family)		\$2,300	\$2,600	

*Asking rents as this comparable is not yet completed but all units are pre-leased at these rents

Upon completion, the Subject will exhibit similar to superior condition relative to the market rate properties. Further, the Subject will offer competitive in-unit and slightly superior common area amenities relative to the majority of the market rate properties, as well as superior unit sizes. The Subject’s immediate area lacks access to amenities and services, and provides average access to area highways and employment centers; however, it does offer excellent access to recreational amenities, including a state park. The Subject’s proposed multifamily design will generally be similar to slightly superior to the multifamily comparables, while the single-family home design will be superior to the multifamily comparables and similar to the single-family rental comparables. Overall, we have placed the Subject’s achievable rents within the comparable range. The adjusted comparable rents are illustrated in the table below on a per square foot basis.

MARKET RENT COMPARISON (Rent/SF)

Property Name	1BR	2BR	3BR	4BR
Apartments				
2155 N Wahanna Rd*	-	\$1.73	-	-
Bayshore Apartments	\$2.57	\$2.31	\$2.22	-
Bay View By The Sea	\$2.58	\$2.07	\$1.70	-
Birch Court Apartments	-	\$1.48	\$1.52	-
Emerald Heights Apartments	-	\$1.64	\$1.59	-
Forest Rim	-	\$1.43	-	-
Pacific Rim Apartments	\$2.13	\$1.63	-	-
Rock Creek Commons	-	\$1.56	-	-
Yacht Club Apartments	\$2.14	\$1.55	-	-
Single-family (classified)				
1435 SE Anchor Ave			\$1.51	
708 Indian Way			\$1.61	
1310 Lamont Ln			\$1.57	
1345 Seabright Way				\$1.49
Average (Apartments)	\$2.20	\$1.63	\$1.66	-
Average (Single-family)			\$1.56	\$1.49
Achievable Market Rent (Apartments)	\$1.92-\$1.83	\$1.83		
Achievable Market Rent (Single-family)		\$1.70	\$1.86	

*Asking rents as this comparable is not yet completed

The Subject’s achievable rents per square foot are within to below the comparable ranges. To provide another level of analysis, we have compared our achievable rents with Emerald Heights Apartments, Bayshore Apartments, Forest Rim, Yacht Club Apartments, and 2155 N Wahanna Rd, which offer similar to inferior condition; however, are representative of the current multifamily rental building product. The following tables illustrate the Subject’s proposed rents compared to the adjusted rents at these comparables.

SUBJECT COMPARISON TO EMERALD HEIGHTS APARTMENTS

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
1BR/1BA	\$1,200	625	\$1.92	-	-	-
1BR/1BA	\$1,400	764	\$1.83	-	-	-
2BR/2BA	\$1,700	929	\$1.83	\$1,390	850	\$1.64
2BR/2BA	\$2,300	1,350	\$1.70	\$1,490	1,150	\$1.30
3BR/2BA	\$2,600	1,400	\$1.86	\$1,800	1,400	\$1.29

SUBJECT COMPARISON TO BAYSHORE APARTMENTS

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
1BR/1BA	\$1,200	625	\$1.92	\$1,320	510	\$2.59
1BR/1BA	\$1,400	764	\$1.83	\$1,320	510	\$2.59
2BR/2BA	\$1,700	929	\$1.83	\$1,430	620	\$2.31
2BR/2BA	\$2,300	1,350	\$1.70	\$1,430	620	\$2.31
3BR/2BA	\$2,600	1,400	\$1.86	\$1,640	740	\$2.22

SUBJECT COMPARISON TO FOREST RIM

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
1BR/1BA	\$1,200	625	\$1.92	-	-	-
1BR/1BA	\$1,400	764	\$1.83	-	-	-
2BR/2BA	\$1,700	929	\$1.83	\$1,395	975	\$1.43
2BR/2BA	\$2,300	1,350	\$1.70	\$1,395	975	\$1.43
3BR/2BA	\$2,600	1,400	\$1.86	-	-	-

SUBJECT COMPARISON TO YACHT CLUB APARTMENTS

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
1BR/1BA	\$1,200	625	\$1.92	\$1,350	630	\$2.14
1BR/1BA	\$1,400	764	\$1.83	\$1,350	630	\$2.14
2BR/2BA	\$1,700	929	\$1.83	\$1,425	920	\$1.55
2BR/2BA	\$2,300	1,350	\$1.70	\$1,425	920	\$1.55
3BR/2BA	\$2,600	1,400	\$1.86	-	-	-

SUBJECT COMPARISON TO 2155 N WAHANNA RD

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
1BR/1BA	\$1,200	625	\$1.92	-	-	-
1BR/1BA	\$1,400	764	\$1.83	-	-	-
2BR/2BA	\$1,700	929	\$1.83	\$1,795	1,040	\$1.73
2BR/2BA	\$2,300	1,350	\$1.70	\$1,795	1,040	\$1.73
3BR/2BA	\$2,600	1,400	\$1.86	-	-	-

As shown, our achievable rents are within the ranges of the most similar comparables. However, we believe this is reasonable given that our estimate of achievable rents per square foot are within the overall comparable ranges.

Conclusion

Overall, the Subject will offer superior condition relative to the market rate comparables, and will offer competitive in-unit amenities, superior common area amenities and unit sizes compared to the surveyed market rate product. The Subject will offer an immediate improvement to the neighborhood, as there are only a few scattered single-family houses, recreational, and limited commercial improvements in the area. Overall, we have concluded to achievable one, two, and three-bedroom rents of **\$1,200-\$1400 (garden)**, **\$1,700 (garden)** to **\$2,300 (single-family)**, and **\$2,600 (single-family)**, respectively. Our achievable rents per square

foot are within the comparable range, and slightly above the proposed rents for one and two-bedroom garden units, and slightly below proposed rents for two and three-bedroom single-family units.

DEMAND ANALYSIS

DEMAND ANALYSIS

Introduction

The Subject is a proposed market rate development. As such, we have calculated demand based upon our recommended development scheme. First, we have considered Net Demand for the Subject as a conventional market rate property. Second, we have calculated Effective Demand as a conventional market rate property. We calculated the number of income-appropriate residents for each scenario in this section of the analysis. To assess the likely number of tenants in the market area eligible to live in the Subject, we used Census information as provided by ESRI Demographics. We have considered both Net Demand and Effective Demand.

NET DEMAND ANALYSIS

Primary Market Area/Housing Market Area Defined

The PMA for the Subject is generally defined as the communities of Astoria, Warrenton, Seaside, Olney, and Navy Heights in Clatsop County, Oregon, and the communities of Long Beach, Iiwaco, Chinook, and Naselle in Pacific County, Washington.

Some of the major factors in determining the boundaries of the PMA include political boundaries, demographics and the type of the housing stock. The PMA boundaries and overall market health assessment are based upon analyses of physical boundaries, which include traffic and commute patterns within the area, surveys of existing and proposed projects undertaken by Novogradac, and insights gained from sales agents, area planning staff, others familiar with the multifamily market, and property managers.

We recognize several sub-markets exist within this PMA; however, market data demonstrates that a significant amount of the mid-range renter base considers housing opportunities within these boundaries, and given the opportunity to locate excellent quality multifamily housing will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, we expect a moderate amount of leakage from outside of the PMA given the Subject's proximity to Fort Stevens State Park/recreational uses, which is one of the city's largest tourist attractions. According to the reports from Portland State University, population in Portland fell by 2,321 in 2022, and noted migration "out" or urban Portland to outlying rural communities such as Astoria (and Warrenton), which offer greater affordability and access to recreational amenities. As such, it appears the Subject could draw a significant amount of leakage outside of the PMA and even outside the Austin metro from out-of-state tenants; however, we have conservatively anticipated a leakage percentage of 10 percent in our *Demand Analysis*.

Net Demand Analysis and Calculations

We have provided an estimate of future demand for the specific forecast period, which is estimated to be through 2027. This estimate of demand must be based on a calculation of incremental demand and must address the following five factors (identified here as A, B, C, D, E):

a. Household growth during the forecast period.

Overall, between 2022 and 2025 the number of households in the PMA is projected to increase from 16,754 to 17,240 households or by approximately 162 households annually.

b. Recent trends in tenure broken down by homeownership and rental that may increase/decrease the demand for rental units.

Regarding item B, we assume some shifts from owner to renter-occupied households, but none significantly. Therefore, this has not been accounted for in this analysis.

c. Replacement of existing rental units lost from the inventory due to demolition, conversion, shifting of owner units into the rental market and by other means.

Demand from the PMA will stem from several sources in addition to new growth, as discussed in *Item A*. These sources include demand from renter households that are forced from existing rental housing due to demolition or conversion of the housing units. Further, demand will stem from existing households that live in the area, but move to a new home because people are searching for better housing or housing in a desired location (frictional vacancy). The calculation begins by determining the year 2022 base level eligible demand. This is then adjusted by the percentage of renters in the PMA.

This figure is then adjusted for losses of inventory via conversion or demolition (which also accounts for frictional vacancy in the market). To determine an appropriate percentage within the market we utilized/analyzed various housing characteristics.

The following table illustrates age of housing stock within the PMA.

HOUSING STOCK BY YEAR BUILT						
	PMA		MSA		USA	
Built 2005 or later	340	1.7%	387	1.8%	3,772,330	2.8%
Built 2000 to 2004	2,229	11.2%	2,446	11.2%	18,872,283	14.1%
Built 1990 to 1999	2,822	14.1%	3,400	15.5%	19,229,676	14.4%
Built 1980 to 1989	1,781	8.9%	2,436	11.1%	18,484,475	13.8%
Built 1970 to 1979	2,820	14.1%	3,179	14.5%	20,811,073	15.6%
Built 1960 to 1969	1,476	7.4%	1,345	6.1%	14,506,264	10.9%
Built 1950 to 1959	1,536	7.7%	1,680	7.7%	14,087,506	10.5%
Built 1940 to 1949	1,658	8.3%	1,842	8.4%	6,658,408	5.0%
Built 1939 or earlier	5,318	26.6%	5,204	23.7%	17,184,482	12.9%
Total Housing Units	19,980	100.0%	21,919	100.0%	133,606,497	100.0%

Source: Esri Demographics 2022, Novogradac, July 2023

The data demonstrates that 98.3 percent of the existing housing stock was built before 2004, with the highest percentage of housing built between 1939 or earlier. Based on our observations of the Subject neighborhood, the majority of single-family homes in the Subject’s area exhibit average condition. Overall, the Warrenton market has undergone limited development over the past 10 years.

It is also important to recognize demand for new rental housing will come from the market from households in inadequate living situations. According to the most recent Census, approximately three percent of households in the Subject’s PMA live in substandard housing.

SUBSTANDARD HOUSING			
Year	PMA	MSA	USA
	Percentage	Percentage	Percentage
2022	3.08%	2.97%	1.70%

Source: US Census 2022, Novogradac, July 2023

We contacted the Warrenton Planning Department for information regarding demolished housing units in the Subject’s neighborhood; however, the contact was unable to provide that information. Further, we conducted a search on CoStar regarding demolished housing units in the Subject’s PMA; however, none were identified.

Based on the information, we estimate that conservatively, approximately 0.3 percent or less of the housing units (mostly aging single-family) are demolished or converted every year within the PMA.

We believe a reconciled estimate of demolition or conversion of 0.3 percent is appropriate for this market as many of these categories likely overlap.

For vacant units in the PMA, we have utilized the overall vacancy average of 5.0 percent of the comparables, excluding the properties in lease-up. This equates to 333 units.

d. The effect of any current excess vacant supply, based on an estimate of the balanced market vacancy rate.

As discussed previously in this report, the majority of the market rate comparables are experiencing limited to zero vacancies, with seven comparable properties reporting being fully occupied and one reporting one vacant unit or 1.7 percent vacant.

e. The study must reconcile the number of units in the proposed project with the demand estimate for the PMA, taking into consideration current housing market conditions, available vacancy, and forecast additions to the supply (planned and under construction).

We are aware of no unstabilized market rate properties in the PMA. We are aware of one development nearing completion with two units to be completed of a total 16 units, which all have been pre-leased. As such, the 2 vacant units have been deducted from our calculations.

We are also aware of no proposed and under construction competitive developments in the pipeline for the Subject's PMA. We have deducted these units from the analysis.

The table following summarizes these calculations and estimates the net demand over the forecast period.

HUD PMA NET DEMAND ANALYSIS

2022 Households			16,754
2027 Households			17,240
Net Change in Households			486
Net change in Households over Forecast Period (3 Years)			292
Percentage Renter			39.7%
Net change in Renter Households over Forecast Period (3 Years)			116
Units Removed from Housing Stock			
	Housing Stock	Removal Rate	Units Removed
2023 Housing Stock	17,239	0.3%	52
2024 Housing Stock	17,724	0.3%	53
2025 Housing Stock	18,208	0.3%	55
Total Units Removed from Housing Stock			160
Percentage Renter			39.7%
New Renter Housing Demand from Existing Stock			63
New Rental Housing Demand (Growth + Existing)			179
Multifamily Vacancy			
	Total Units	Vacant Units	
Stabilized Multifamily Units in PMA	6,659	13	
Multifamily Units in Initial Leasing	16	2	
Total Inventory	6,659	15	
Market Stabilized Vacancy Rate		5%	
Market Stabilized Vacant Units		333	
Less Current Vacant Units		15	
Vacant Units Required to Reach Market Stabilization			318
Total Demand For New Rental Units			497
Leakage from outside PMA			10.0%
Total Demand For New Rental Units			547
Planned Additions to Supply			
	Total Units	Stabilized	
Units Under Construction or in Planning	0	0	
Subject Units	410	390	
Total New Rental supply			390
Excess Demand for Rental Housing (Before accounting for Subject's units)			547
Excess Demand for Rental Housing			157

According to these calculations, there is a demand of approximately 547 units over the next three years, before accounting for future supply and the Subject's units. After accounting for the Subject's units, there is an excess demand of approximately 157 units over the next three years. Based upon the local market characteristics, we forecast a need for rental housing in the PMA going forward, especially given other indicators of demand such as very low vacancy in the market and long wait lists.

EFFECTIVE DEMAND

We have also provided an estimate of effective demand, which is the pool of households with sufficient incomes and/or applicable household size that would be expected to demand such housing during the forecast period.

To establish the number of income eligible potential tenants for the Subject, the calculations are as follows:

To determine the minimum income limits for the Subject’s market rate units, we interviewed comparable properties. According to the contacts, the general rule is the tenant must have an income of at least 2.5 to three times the monthly rental rate. As such, we have taken the market rate monthly rental rate (determined by the achievable market rent in the *Supply Section*), multiplied it by 3.0, and annualized it for our minimum income requirements. We have capped the maximum allowable income level at \$250,000. We believe this is reasonable. The following table summarizes the Subject’s income limits as a conventional market rate development and as a mixed-income property.

Secondly, we illustrate the renter household population segregated by income band in order to determine those who are income appropriate to reside in the Subject property.

Third, we combine the allowable income range with the income distribution analysis in order to determine the number of potential income-qualified households. In some cases the income-eligible band overlaps with more than one census income range. In those cases, the prorated share of more than one census range will be calculated. This provides an estimate of the total number of households that are income appropriate.

The minimum and maximum income limits for the Subject’s units are as follows.

INCOME LIMITS		
Unit Type	Minimum Allowable Income	Maximum Allowable Income
		<i>Market</i>
1BR	\$37,714	\$250,000
2BR	\$49,714	\$250,000
3BR	\$96,000	\$250,000

The number of eligible households by income cohort is illustrated in the table on the following page. As previously stated, this assumes an even distribution of persons within each Census income range.

RENTER INCOME DISTRIBUTION

Income Cohort	Total Renter Households	Market		
		cohort overlap	% in cohort	# in cohort
\$0-\$9,999	475			
\$10,000-\$19,999	938			
\$20,000-\$29,999	1,172			
\$30,000-\$39,999	935	\$2,285	22.9%	214
\$40,000-\$49,999	751	\$9,999	100.0%	751
\$50,000-\$59,999	486	\$9,999	100.0%	486
\$60,000-\$74,999	532	\$14,999	100.0%	532
\$75,000-\$99,999	495	\$24,999	100.0%	495
\$100,000-\$124,999	437	\$24,999	100.0%	437
\$125,000-\$149,999	195	\$24,999	100.0%	195
\$150,000-\$199,999	101	\$49,999	100.0%	101
\$200,000-\$250,000	142	\$50,000	100.0%	142
Total	6,659		50.3%	3,353

Second, we made assumptions based on the average household size in the market to estimate the distribution of households by unit type. The following table details our assumptions:

HOUSEHOLD DISTRIBUTION

HOUSEHOLD DISTRIBUTION		
1BR	80%	Of 1-person households in 1BR units
	20%	Of 2-person households in 1BR units
2BR	20%	Of 1-person households in 2BR units
	80%	Of 2-person households in 2BR units
	80%	Of 3-person households in 2BR units
	50%	Of 4-person households in 2BR units
3BR	20%	Of 3-person households in 3BR units
	50%	Of 4-person households in 3BR units
	100%	Of 5-person households in 3BR units

Third, we multiplied the percentage of renter households at each household size by the distribution of those households within each bedroom type. The sum of these percentages is the appropriate percentage of renter households for each bedroom type.

Demand Estimate – All Units

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	46.1%	3,071
2 person	24.6%	1,639
3 person	13.6%	905
4 person	8.5%	566
5 person	7.2%	478
Total	100.0%	6,659

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,071	x	50.3%	1,546
2 person	1,639	x	50.3%	825
3 person	905	x	50.3%	456
4 person	566	x	50.3%	285
5 person	478	x	50.3%	241
Total	6,659			3,353

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,402
2BR	1,476
3BR	474
Total	3,353

Capture Rate Analysis - All Units

	Developer's Unit Mix	Capture Rate
1BR	132	9.4%
2BR	218	14.8%
3BR	60	12.7%
Total/Overall	410	12.2%

Adjusted for Leakage from Outside of the PMA

			10.0%
1BR	132	8.5%	
2BR	218	13.3%	
3BR	60	11.4%	
Total/Overall	410	11.0%	

The above calculation derives an estimate of the capture rate, both overall and by bedroom type for the Subject assuming all units are market rate. The capture rates for the Subject's one, two, and three-bedroom units are 8.5, 13.3, and 11.4 percent, respectively. The Subject's overall capture rate is 11.0 percent, which is excellent.

Conclusion

Within the PMA there are zero competitive multifamily developments under construction or proposed. Based on our capture rate analysis, the Subject has an overall average capture rate of 11.0 percent as a conventional market rate development. Further, our net demand analysis totaled a demand of approximately 179 units over the next three years, before accounting for future supply and the Subject's units. After accounting for the known proposed and under construction projects in the PMA, there is an excess demand of approximately 320 units. Lastly, after accounting for the Subject's units, there is an excess demand of approximately 159

units over the next three years. However, the calculated figure above reflects growth and new construction solely within the PMA. Based upon the local market characteristics, we forecast a need for rental housing in the PMA going forward, despite the limited increase of population in the PMA, recent market activity of very low vacancy rates and limited new development resulting in the current “gap” of needed units, which is strong. Based on the Subject’s proposed unit mix and amenity package, the marketability of the Subject is strong in relation to the comparable properties.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS AND RECOMMENDATIONS

- The Subject property is a proposed new construction market rate development located 0.6 miles northeast of the intersection of NW Ridge Road and SW 9th Street in Warrenton, Oregon. According to the developer, the Subject is proposed to be a Build to Rent (BTR) development improved with a combination of modular wood-frame residential buildings, along with a single-story clubhouse. We provided specifics on in-unit and community amenities later in this report. The developer provided preliminary site plans, and the development will include one and two-bedroom units contained in garden-style residential buildings. In addition, the developer indicated that some two-bedroom and three-bedroom units will be detached single-family homes, while some will be attached townhomes, which are planned to be sold.
- Per the developer, we have concluded to the following recommendations in terms of unit mix and amenities:
 - The developer has indicated that the Subject's buildings will be a combination of garden-style apartments, and single-family attached garages with small front and rear yards. We believe a unique mix will be a marketing advantage as there are limited single-family, duplexes and townhome rentals in the Subject's market. Further, the developer indicated that they are proposing 410 units for the Subject's rental development size. Taking into account the Subject's current land area of 270 acres (or approximately 11,761,200 square feet) with the consideration of the developer's potential development scheme, we believe an 410-unit development would be competitive. This equates to approximately 0.7 units per acre.
 - Tenants will be responsible for all utilities including general electricity, cooking, heating and cooling, and water heating, as well as cold water, sewer, and trash expenses. The landlord will be responsible for all a common area utilities. This is a similar utility structure to one of the comparables, and slightly inferior to the remaining comparables.
 - The proposed in-unit amenities include balconies/patios, ceiling fans, central air conditioning, dishwashers, disposals, exterior storage, microwaves, vinyl plank flooring, walk-in closets, and washer/dryer hook-ups. Overall, we believe the Subject's unit amenities will be competitive in the market.
 - The proposed community amenities include a clubhouse, a fitness center, hot tub, on-site management, a pet park, picnic areas, a playground, and recreational areas. The majority of the comparables offer property amenities considered inferior relative to the proposed Subject. Overall, we believe the Subject's proposed community amenities are appropriate and will offer a competitive advantage in the market.
 - The proposed Subject will offer limited access, perimeter fencing, and video surveillance. All of the comparables offer fewer security features than the proposed Subject. Overall, the comparables security features range from inferior to slightly inferior compared to the proposed Subject. As such, we believe the proposed Subject's security amenities are market oriented.
 - All of the comparable properties offer free off-street parking, one offering carport parking and one offering garage parking. The Subject will offer free off-street parking similar to the comparables, and plans to offer carports for an additional fee of \$25 per month. The Subject's proposed single-family home units will offer attached garages and driveway surface parking similar to superior to the comparables.

- Employment in the PMA is concentrated in healthcare/social assistance, retail trade, and accommodation/food services, which collectively comprise 43.4 percent of local employment. The large share of PMA employment in accommodation/food services and retail trade is notable as these industries are historically volatile, and prone to contraction during economic recessions. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during recessionary periods. Relative to the nation, the PMA features comparatively greater employment in the accommodation/food services, retail trade, and healthcare/social assistance industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, finance/insurance, and manufacturing sectors. Employment in the MSA declined sharply by 6.0 percent in 2020 amid the pandemic, similar to the overall nation. Total employment in the MSA currently remains slightly below the pre-COVID level reached in 2019. As of April 2023, employment in the MSA is declining at an annualized rate of 2.2 percent, compared to positive 2.0 percent growth across the nation.
- The Subject site is located eastern portion of Warrenton city limits, in a developing neighborhood with limited commercial and residential developments, which primarily consists of recreational uses, single-family homes. Overall, development in the Subject’s neighborhood (residential, recreational, and commercial) is currently limited, with the majority of retail and service amenities located more than 2.5 miles to the east of the Subject, west of U.S Route 101 (US-101). These amenities and services include Post Office, CMH Primary Care Clinic, bank, Costco, Walmart, Fred Meyers, among others. Walk Score defines the Subject as “Car Dependent” with a score of a one indicating errands require a car. The nearest public transit (bus stop) is located 2.6 miles west of the Subject site at the intersection of Ensign Street and US-101. Further, construction of the Subject will improve the immediate neighborhood by providing excellent quality rental housing in an area that currently lacks significant residential development, including both multifamily and single-family for sale homes.
- Population in the PMA increased at an annualized rate of 1.2 percent between 2010 and 2022, compared to growth of 1.1 percent in the MSA and 0.7 percent across the nation. The percentage of renter households in the PMA declined between 2010 and 2022 and is estimated to be 40 percent as of 2022. This is more than the estimated 33 percent renter households across the overall nation. The median income in the PMA as of 2022 is similar to the MSA and overall nation. According to ESRI demographic projections, population, household, and median income levels are all expected to rise through 2027. Overall, the combination of rising population and median household income bodes well for future demand for multifamily housing.

Overall, the Subject will offer superior condition relative to the market rate comparables, and will offer competitive in-unit amenities, superior common area amenities and unit sizes compared to the surveyed market rate product. The Subject will offer an immediate improvement to the neighborhood, as there are only a few scattered single-family houses, recreational, and limited commercial improvements in the area. Overall, we have concluded to achievable one, two, and three-bedroom rents of **\$1,200-\$1400 (garden)**, **\$1,700 (garden) to \$2,300 (single-family)**, and **\$2,600 (single-family)**, respectively. Our achievable rents per square foot are within the comparable range, and slightly above the proposed rents for one and two-bedroom garden units, and slightly below proposed rents for two and three-bedroom single-family units.

- We obtained absorption data from two properties, located between 3.1 and 3.1 miles from the Subject site. These properties reported absorption rates ranging from five to 34 units per month, with an overall average of 20 units per month. Overall, we expect the proposed Subject will experience an absorption rate of 22 to 30 units per month. This equates to an absorption period of approximately 13 to 18 months.

- Collectively, we identify the following strengths of the proposed Subject.
 - A strength of the Subject includes its overall design, including the proposed structure type, proposed unit sizes and proposed in-unit and common area amenities, which will be competitive with the existing market rate multifamily properties in the area and offer a competitive advantage generally. The BTR design has not been tested in the local market; however, the most similar sized development (Emerald Heights Apartments) with a total of 300 units reported zero vacancies.
 - Overall, the market is experiencing very low vacancies, and the presence of waitlist indicating a constrained supply and strong demand.
 - PMA experienced declining population growth between 2000 and 2010; however, growth in the PMA returned to positive territory between 2010 and 2022, and outpaced growth in the MSA and the nation.
 - A major strength of the Subject is its proximity Fort Stevens State Park and other recreational trails for hiking and biking. The Subject will include an on-site trail, which will connect into the larger regional trails.
 - Recent migration from large urban areas such as Portland has brought new tenants to the Astoria-Warrenton market.
 - Recent construction of Warrenton Middle School, which will serve as the master site for the school district and is planned to include a new high school and elementary school, which is located 4.8 miles or an approximate eight minute drive from the Subject's location.
- In contrast, we identify the following weaknesses of the proposed Subject.
 - A weakness of the proposed Subject is the untested nature of this development in design and the proposed rents, which is set at the high end of the market; however, given the pent up demand in the market, we expect the project to be well received and in high demand.
 - The current economic indicators show a declining total employment and is heavily reliant on tourism, which is typically low wage jobs and somewhat volatile; however, we expect the work force housing trends to benefit the project due the natural benefits of the Subject's location.
- At present, market conditions are favorable for multifamily development in the short and long term. It should be noted that current “lack of workforce housing impacts employers by being unable to recruit employees.” Real estate in the market has shown strong growth, as from “June 2020 to June 2021, home prices have increased 28% in Clatsop County”. As reported by Kari Fleisher, this “loss of middle-income housing is detrimental not only to the service industry but local government, schools, and manufacturing. The lack of housing options does allow for the natural flow of housing. With over 17,344 homes needed in the region, incentives require additional research to encourage growth.” As such, we acknowledge the declining employment is in part a result of limited housing options in the market. Therefore, the Subject as proposed presents a positive impact to the community and surrounding area.

ADDENDUM A
Assumptions & Limiting Conditions

ASSUMPTIONS & LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.

11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

ADDENDUM B
Subject Photographs

Photographs of Site and Neighborhood



View from NW Ridge Road facing north



View from NW Ridge Road facing south



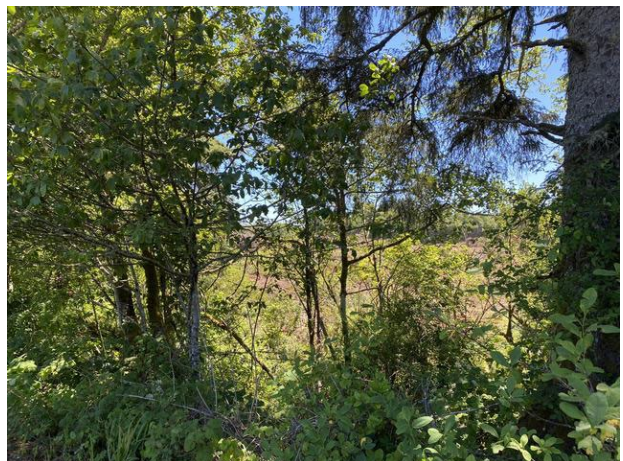
View from Peter Iredale Road facing east



View from Peter Iredale Road facing southwest



View of Subject site facing east



View of Subject site facing south



View of Subject site facing northeast



View of Subject site facing southeast



View of Subject site facing south



View of Subject site facing west



Koa Resort to the northwest



Shell gas station to the southeast



Market to the southeast



Post Office to the southeast



Library to the southeast



Municipal Center to the southeast



Post Office to the north



Restaurant to the north



Retail use to the north



Single-family home to the north



Single-family home to the north



Single-family home to the southeast



Single-family home to the southeast



Single-family home to the southeast

ADDENDUM C
Subject Site Plans/Elevations



FORT POINTE COMMUNITY

DRAFT MASTER PLAN

05.16.2023

ADDENDUM D
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI

I. Education

University of Nebraska, Lincoln, Nebraska
Bachelor of Science in Business Administration – Finance

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Member of Kansas Housing Association
Board of Directors; 2017 – Present
Vice President - Board of Directors; 2017 - 2021
Designated Member of the Appraisal Institute (MAI)
Kansas City Chapter of the Appraisal Institute Board of Directors: 2013 – 2014
National Council of Housing Market Analysts (NCHMA) – Member in Good Standing
Member of Texas Association of Affordable Housing Providers
Member of Women’s Affordable Housing Network (WAHN)

State of Arkansas Certified General Real Estate Appraiser No. CG2682
State of Arizona Certified General Real Estate Appraiser No. 31992
State of California Certified General Real Estate Appraiser No. AG041010
State of Georgia Certified General Real Estate Appraiser No. CG416465
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Indiana Certified General Real Estate Appraiser No. CG41300037
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Louisiana Certified General Real Estate Appraiser No. 4018
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of New York Certified General Real Estate Appraiser No. 46000053039
State of North Carolina Certified General Real Estate Appraiser No. A8713
State of Oklahoma Certified General Real Estate Appraiser No. 13563CGA
State of South Carolina Certified General Real Estate Appraiser No. 8417
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

III. Professional Experience

Partner, Novogradac & Company LLP
Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Corporate Financial Analyst, Deloitte & Touche LLP

IV. Professional Training

RAD and HUD related seminars
Various Continuing Education Classes as required by appraisal licensing, ongoing
NCHMA Seminars

Uniform Standards of Professional Appraisal Practice
Forecasting Revenue
Discounted Cash Flow Model
Business Practices and Ethics
Biases in Appraising
HUD MAP Training – Ongoing
The Appraiser as an Expert Witness: Preparation & Testimony
How to Analyze and Value Income Properties
Appraising Apartments – The Basics
HUD MAP Third Party Tune-Up Workshop
HUD MAP Third Party Valuation Training
HUD LEAN Third Party Training
National Uniform Standards of Professional Appraisal Practice
MAI Comprehensive Four Part Exam
Report Writing & Valuation Analysis
Advanced Applications
Highest and Best Use and Market Analysis
HUD MAP – Valuation Advance MAP Training
Advanced Sales Comparison and Cost Approaches
Advanced Income Capitalization
Basic Income Capitalization
Appraisal Procedures
Appraisal Principals

V. Real Estate Assignments

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Public Housing for RAD conversion, Section 18 disposition, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Completed numerous appraisals of public housing properties for RAD conversion, Section 18 disposition, and/or LIHTC application of housing authority owned properties.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.

- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

- Novogradac & Company LLP: RAD Conferences, LIHTC, Developer and Bond Conferences
- Institute for Professional Education and Development (IPED): LIHTC and Year 15 Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Western FHA Mortgage Lenders Conference: Annual Meetings
- Midwest FHA Mortgage Lenders Conference: Annual Meetings
- Southwest FHA Mortgage Association Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- National Council of State Housing Agencies: Housing Credit Connect Conferences
- National Leased Housing Association: Annual Meeting
- Nebraska's County Assessors: Annual Meeting
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Missouri Workforce Housing (MOWHA) Annual Conference
- Ohio Housing Council Symposium
- Kansas Housing Conference
- California Council for Affordable Housing (CCAH) Meetings

VII. Industry Engagements

- Novogradac & Company LLP – Chairperson of Annual RAD Conference
- Novogradac & Company LLP – Chairperson of Annual Affordable Housing Developer and Investor Conference

STATEMENT OF PROFESSIONAL QUALIFICATIONS

LAWSON SHORT

I. EDUCATION

St. Edward's University, Austin, Texas

Bachelor of Arts, English Writing and Rhetoric, 2010

II. PROFESSIONAL EXPERIENCE

Manager – Novogradac & Company LLP, *March 2018 to Present*

Real Estate Analyst – Novogradac & Company LLP, *March 2012 to March 2018*

Researcher – Novogradac & Company LLP, *March 2011 to March 2012*

III. PROFESSIONAL TRAINING, LICENSES, AND DESIGNATIONS

Market Disturbances-Appraisals in Atypical Markets and Cycles

2022-2023 7-hour National USPAP Update Course

Supervisor-Trainee Course

Basic Appraisal Procedures

Basic Appraisal Principles

General Appraiser Market Analysis Highest and Best Use

Statistics, Modeling, and Finance

Texas Appraiser Trainee

NCHMA Professional Designation 2022-2023

IV. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

- Assisted in various types of appraisals of proposed new construction, rehabilitation, and existing properties. Analysis includes property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Appraisals assisted on have included Freddie Mac, Fannie Mae, HUD Multifamily Accelerated Processing (MAP), among others.
- Conducted over 200 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation projects.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook to determine sufficient demand for specific projects through the United States.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

SEBASTIAN M. OSPINA

I. EDUCATION

California State University, Long Beach

Bachelor of Arts, Communication Studies, 2018

Master of Arts, Communication Studies, 2022

II. PROFESSIONAL EXPERIENCE

Novogradac

Analyst, January 2023 to *Present*

Junior Analyst, *May 2022 to Present*

Field Researcher Intern, *January 2022 to May 2022*

III. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, and supply analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.