

Low-Income Housing Tax Credit Market Study

The Coolidge at Sudbury-

Phase II

189 Boston Post Road

Sudbury, Massachusetts

Prepared for:

Covenant Commonwealth Corporation
c/o B'nai B'rith Housing New England

Date of Inspection

March 4, 2016

Date of Report:

May 11, 2016

BONZ AND COMPANY, INC.

| *Real Estate Advisors*

May 11, 2016

Ms. Holly Grace
Covenant Commonwealth Corporation
c/o B'nai B'rith Housing New England
34 Washington Street
Brighton, MA 02135

RE: The Coolidge at Sudbury-Phase II
189 Boston Post Road
Sudbury, MA

Dear Ms. Grace:

In accordance with your request, we respectfully submit our market study of the above referenced property. The Coolidge at Sudbury-Phase II will be a newly constructed development with 56 units of affordable senior housing. The affordable units at the subject property will be tax credit eligible with 56 of the units restricted to households that earn no more than 60% of the area median household income (AMI) and 12 units restricted to households earning less than 30% of AMI. All of the units will be one-bedroom units. All of the units will be restricted to seniors aged 55 and over.

The developer anticipates that all of the 30% units will receive project based rent assistance. We have assumed that rent assistance will not be available for the 60% units, and these tenants must, therefore, meet minimum income requirements as well as the maximum income limits associated with the units.

The purpose of the market study section of the report is to estimate the likely demand for the age restricted low-income housing units in the subject's market area. The study includes a complete economic and demographic analysis of the local, regional and metropolitan area, as well as a neighborhood, site and property analysis and an evaluation of the competitive rental complexes in the area. The market study section concludes with a quantified analysis of the likely demand for the tax credit at the subject property.

The subject property will be located at 189 Boston Post Road (Route 20) in Sudbury, mid-way between Interstate 95 and Interstate 495, and just four miles north of Interstate 90. We believe that the subject should be able to attract tenants from much of Middlesex and Worcester County. However, it is our experience that senior households tend to move infrequently and when they do they tend to prefer locations that are familiar and close to family. Therefore we concentrated our analysis of demand projections and demographic trends associated with a focused primary market area within an approximate 8 to 10 mile radius of the subject site, which includes the Town of Sudbury and the surrounding communities of Wayland, Weston, Maynard, Marlborough, Southborough, Hudson, Stow, Boxborough, West Concord and Lincoln.

Based on our analysis of the market, we estimate that demand exists for the proposed 56 units of age-restricted affordable rental housing. Our study indicates demand as evidenced by the subject's rent advantage and as evidenced by the number of age and income-qualified households likely to be attracted to the subject property. Senior households will need to possess household incomes below \$47,500 in order to be income-qualified for the subject's tax credit units. We estimate that the primary market contains more than 6,000 households who are age and income-qualified for the tax credit units. Of these qualified households, approximately 2,051 are renter households.

In addition to local senior renter households, the property will likely attract a number of senior owner-occupied households. According to the leasing agents at both the local market rate developments and the local area age-restricted market rate developments, a number of senior tenants are previous homeowners who have transitioned to renting for a variety of reasons (empty-nesters downsizing from a single-family home, aging seniors who are no longer willing or able to keep up with the maintenance of owning a home). As outlined later in this report, based on our review and considering the lack of available affordable rental housing in the local market area, for our demand analysis we have estimated that approximately 20% of the local income-qualified senior home-owners may be attracted to the units at the subject property. By applying this ratio to the total number of income-eligible owner households in the primary market we have estimated that there are 798 income qualified senior home-owner households in the primary market area that may be attracted to the tax credit units at the subject property. In aggregate, we estimate that the primary market contains approximately 2,850 income-qualified senior households and indicates a capture rate of 2.6%. The market analysis and capture rate review provide an indication of the likely demand the subject's units. Investors typically consider any capture rate less than 10% to indicate a competitive market. The subject's capture rate points to the strong local demand for affordable tax credit housing.

The Town of Sudbury and the surrounding market area has a very limited supply of market rate or affordable rental housing. The subject development will represent some of the best rental housing available in the area, with units offered at rents substantially below market. The proposed tax credit rents are generally less than comparable rents at the properties reviewed. One-bedroom rents in the market range from \$1,200 to \$2,005 per month.

Local market data indicate that the tax credit rent levels will be competitive in the local rental market. Based on our analysis of the market, it is our opinion that the proposed 60% rent for the subject's one-bedroom units is approximately 61% less than its market potential, which we estimate at \$1,600. Thus, the tax credit rent provides an advantage for local households. All of the 30% one units at the subject property will be occupied by voucher holders. Tenants will pay no more than 30% of their income toward their rent and do not factor in the face value of the unit rents into their demand analysis. The market data indicate no market advantage for future residents at the subject property to acquire cheaper competitive housing at facilities that will be in similar condition as the subject. The subject's unit rents represent a clear market advantage available to households compared to leasing units in local competitive properties.

The Massachusetts Department of Housing and Community Development, which is one of the governmental entities that will review this report, issued reporting standards for market studies as detailed in the Massachusetts LIHTC 2016 Qualified Allocation Plan. The Qualified Action Plan requires that market studies incorporate Model Content Standards for Market Studies for Rental Housing as promulgated by the National Council of Housing Market Analysts. We have considered the content and standards in this document as a model for market studies for rental housing and have considered all of the standards detailed in this document. Given the status of this project, we have used all the pertinent information that is appropriate for this analysis, which is to analyze the viability of affordable housing in the subject's market given the information, plans and/or approvals in place at the time this market study was commissioned.

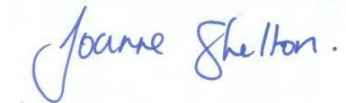
This transmittal letter is considered a part of the report, the body of which contains 102 pages. This report, including all analyses contained within, is based on estimates, assumptions and other information developed from our research of the market, knowledge of the industry and meetings during which the property contact provided us with certain information. The sources of information developed and bases of estimates and assumptions are stated in the body of this report. We have no responsibility to update this report for events and circumstances occurring after the date of our report.

Ms. Holly Grace
May 11, 2016
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We have enjoyed the opportunity to conduct this assignment. If you should have any questions regarding this appraisal report, please do not hesitate to contact us.

Respectfully submitted,

Bonz and Company, Inc.



Joanne F. Shelton
Director
MA Certified General
Real Estate Appraiser, Lic. #75113

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CERTIFICATION

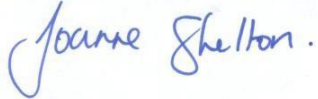
The undersigned certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraisers personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The undersigned have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- The undersigned have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction of value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The appraiser or other members of Bonz and Company have undertaken previous market studies of the property within the past three years.
- Joanne F. Shelton made a personal inspection of the property that is the subject of this report on March 4, 2016.
- No one provided significant real property appraisal assistance to the persons signing this certification.

- As of the date of this report, Joanne F. Shelton has completed the continuing education requirements for Certificated General Real Estate Appraisers mandated by the Commonwealth of Massachusetts.

Prepared by:

BONZ AND COMPANY, INC.



Joanne F. Shelton

Director

MA Certified General

Real Estate Appraiser, Lic. #75113

General Assumptions and Limiting Conditions

Contributions of Other Professionals

- Bonz and Company, Inc. relied on information and representations provided by brokers, lenders, city officials, and written documentation such as surveys, plot plans, assessor's records and maps, and recorded deeds to establish sizes of land, buildings and parking lots, as well as the condition of the structure, of the subject property and comparable properties used in this report. Information furnished by others for use in this appraisal is believed to be reliable, but cannot be guaranteed by the appraisers.
- The appraisers do not assume responsibility for legal matters. Where discussed with local officials, interpretation of codes and ordinances should be considered preliminary and not binding. It is assumed that the utilization of the land and improvements is within the property lines of the subject property, and that no encroachment or trespass exists unless otherwise noted in this report. It is also assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure that would render the property more or less valuable.
- All information furnished regarding property for sale or rent, financing, or projections of income and expenses is from sources deemed reliable. No warranty or representation is made regarding the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease, financing, or withdrawal without notice.
- Engineering analyses of the subject property were not provided by the client or available from the property owner's representative. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on an investigation by the appraisers, and the value conclusions are subject to said limitations.

Facts and Forecasts Under Conditions of Uncertainty

- Forecasts are based upon market and demographic data provided by established, professional sources; however the specific projections for future years may not be realized due to national and regional economic and other conditions. The report, including all analyses contained within, is based on estimates, assumptions and other information developed from our research of the market, knowledge of the industry and meetings during which the property contact(s) provided us with certain information.

Both the economy and housing markets remain susceptible to downward pressures from a variety of factors including national and international factors that can be difficult, if not impossible, to correctly forecast. Therefore it is possible that some

market assumptions contained in this appraisal may not materialize and unanticipated events and circumstances may occur. We have no responsibility to update this report for events and circumstances occurring after the date of our report.

Controls on the Use of this Report

- Possession of this report or any copy or portion thereof does not carry with it the right of publication nor may the same be used for any other purpose by anyone without the previous written consent of the appraisers, and, in any event, only in its entirety.
- Neither all nor any part of the contents of the report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the authors, particularly regarding the value conclusions and the identity of the appraisers, of the firms with which they are connected, or any of its associates.
- Neither all nor any part of this report shall be used in the client's reports or financial statements or in a prospectus or securities offering
- The appraisers shall not be required to give testimony or to attend any governmental hearing regarding the subject matter of this appraisal without agreement as to additional compensation and without sufficient notice to allow adequate preparation.

Site Specific Assumptions

1. Rent Assistance: The developer has applied to DHCD for Project Based Rental Assistance vouchers. Considering the developer's history is obtaining such vouchers, we have assumed that all of the 30% units at the subject property will receive Project Based Rent Assistance.
2. Capital Improvements: The appraisers reviewed the construction scope of work and budget completed by the owners. Our analysis assumes the completion of this work. We have also assumed that the work will be completed in a professional manner.

EXECUTIVE SUMMARY

Covenant Commonwealth Corporation (“the developer”) is planning to construct a new three-story building located at 189 Boston Post Road in Sudbury, Massachusetts and create 56 units of affordable senior housing. The development is considered to be Phase II of the Coolidge at Sudbury development. Phase I, which contains 64 units of affordable senior housing was completed in 2014.

All of the units at the subject property will be tax credit eligible with 56 units restricted to households that earn no more than 60% of the area median household income (“AMI”) and 12 units restricted to households earning less than 30% AMI. As noted in the Site Specific Assumptions, we have assumed that all of the 30% units will receive project based rent assistance. We have not assumed that rent assistance will be available for the 60% units, and these tenants must, therefore, meet minimum income requirements as well as the maximum income limits associated with the units. The units will also be restricted to seniors aged 55 and over. The developer requested that Bonz and Company complete a market study that analyzes the likely demand for the affordable senior rental units at the proposed residential development. Based on our analysis of the market, we estimate that demand exists for the proposed affordable senior rental units.

Our market assessment focused on the demand for affordable age-restricted one- and two-bedroom units in the market. The assessment evaluated the impact of national and regional economic and demographic trends on local demand for housing and analyzed local demographic indicators in light of these broader trends. The report also examined market-rate, mixed-income, and fully affordable rental properties to understand the local rental market. Finally, the report examined specific demographic indicators of demand for affordable senior rental housing.

The Massachusetts Department of Housing and Community Development, which is one of the governmental entities that will review this report, issued reporting standards for market studies as detailed in the Massachusetts LIHTC 2016 Qualified Allocation Plan. The Qualified Action Plan requires that market studies incorporate Model Content Standards for Market Studies for Rental Housing as promulgated by the National Council of Housing Market Analysts. We have considered the content and standards in this document as a model for market studies for rental housing and have considered all of the standards

detailed in this document. Given the status of this project, we have used all the pertinent information that is appropriate for this analysis, which is to analyze market area demand for affordable age-restricted housing.

General Data

Subject Property:

The subject property, known as The Coolidge at Sudbury-Phase II, will be a newly constructed low-rise residential development located along Boston Post Road (Route 20). The subject property will contain 56 one-bedroom one bathroom units with 700 square feet.

The 56 one-bedroom apartments will be targeted to senior households aged 55 and over. The units will be income and rent-restricted with eight of the units reserved for households with incomes that do not exceed 30% of the area median household income. The developer has assumed that all of these units will receive rental assistance. The balance of the units (56) will be reserved for households with incomes that do not exceed 60% of the area median household income.

Unit Type	BA	PBV 30% Units	60% Units	Total No. of Units	Average SF	Total SF
One-BR	1	12	44	56	675	37,800

Access:

The subject property is located along Boston Post Road (Route 20) in Sudbury, mid-way between Interstate 95 and Interstate 495, and just four miles north of Interstate 90. Sudbury is approximately eight miles east of Marlborough, six miles north of Framingham and 18 miles west of Boston. Commuter rail transportation to North Station, Boston, is available on the Fitchburg Line at Lincoln Station approximately five miles northeast of the site and the Kendall Green Station in Weston. Sudbury is a member of the Massachusetts Bay Transportation Authority commuter bus service is available to Boston.

Proximity to Services:

Boston Post Road (Route 20) provides access to commercial uses as well as retail, dining, and entertainment services. Downtown Sudbury is located just two miles north of the subject property and offers a variety of services, including the Sudbury Town Hall. The Goodnow Library is located less than a mile west. The subject also has access to shopping, transportation, and health care. It is located approximately four miles from the Sudbury Senior

Center and four miles north of the shopping centers of Framingham and Natick that are concentrated along Route 9. Emerson Hospital is approximately six miles north in Concord, MA. The site characteristics are considered very good for a senior-multi-family development.

Market Strength and Weaknesses

The subject has access to shopping, health care, local area highways and public transportation, which is considered a strength relative to its attractiveness to potential renters. The site characteristics are considered strong for senior multi-family development. The site plan appears functional and traffic flow is acceptable with sufficient parking. The proposed unit sizes are competitive in the market and the quality of construction and unit finishes will be superior to most of the local rental product. In our opinion the subject development will provide units that will compete with other affordable and market-rate rental properties in the market area. There appear to be no negative attributes that would affect the marketability of the subject property as proposed.

Market Area Data

Market Areas:

The subject property will be located at 189 Boston Post Road (Route 20) in Sudbury, mid-way between Interstate 95 and Interstate 495, and just four miles north of Interstate 90. We believe that the subject should be able to attract tenants from much of Middlesex and Worcester County.

The Town of Sudbury and the immediate surrounding area has a very limited supply of market rate and available affordable rental housing. The subject development will represent some of the best rental housing available in the area, with units offered at rents below market. However, it is our experience that senior households tend to move infrequently and when they do they tend to prefer locations that are familiar and close to family. Therefore we concentrated our analysis of demand projections and demographic trends associated with a focused primary market area within an approximate 8 to 10 mile radius of the subject site, which includes the Town of Sudbury and the surrounding communities of Wayland, Weston, Maynard, Marlborough, Southborough, Hudson, Stow, Boxborough, West Concord and Lincoln.

One component of demand for senior rental housing is seniors moving to be closer to working age children and grandchildren. In many cases these households come from beyond the primary market area and the region. According to the National Council of Affordable Housing Market Analysts, demand from this component is greater in affluent suburban areas with a large percentage of young and middle-aged residents, which are characteristics of the primary and secondary market. In addition, we spoke to representatives at the Council on Aging in Sudbury as well as the property managers at two senior housing developments in Weston, who said they had several senior residents who had moved to be closer to family and that they also had a number of such people on their waitlists. The marketing manager at Shillman House in Framingham reported that at least 25% of the tenants are from out-of-state or out-of-area.

Therefore in order to reflect the development's ability to attract a broader section of renters, we defined the secondary market as within an approximate 10-12 mile radius of the subject site, from Chelmsford down to Medfield. For discussion purposes we also examined data for all of the Boston MSA.

**Housing Market:
Rental:**

The Town of Sudbury has no market rate rental developments, therefore we broadened our search to include the neighboring communities of Concord, Marlborough and Hudson. We also reviewed the rents at two market rate age restricted developments in Wellesley and Westwood. The six rental developments with more than 590 units. The comparables exhibit an aggregate occupancy of approximately 97.9%.

The proposed 60% monthly rent for one-bedroom units is \$995 (excluding utility allowance). Tenants in the 30% units will have rent assistance and will pay rent based on a percentage of their income, and the tax credit rent limits do not pose any hindrance to these households

Based on our analysis, we estimate the subject's one-bedroom units could command around \$1,690 per month for the 675 square foot units. The current market rate rent estimates are 61% greater than the proposed tax credit rents

at the subject property and demonstrate the subject's market rent advantage.

Housing Market:

The national for-sale housing market continues to show improvements with home starts and sales of existing homes increasing in recent months across a broader range of locales. The Greater Boston area rental market has been very strong for the last couple of years, with rents increasing with very limited availability. Affordability remains the big issue in metro Boston, taking the place of the collapse of the housing bubble as a source of concern.

There is little vacancy within the Greater Boston rental market. The subject's rent assistance for 12 of the affordable units enables it to attract households from a broad geographic base, which expands the subject's potential competitive base. Exclusive of any rent assistance, however, it is our opinion, that the subject's likely competitive properties are local rental developments.

We also examined several affordable housing developments located in the surrounding area, all of which reported 100% occupancy, with many maintaining a waitlist. Demand for this housing as well as that proposed at the subject property is driven by households facing rental hardship, households in sub-standard housing, new households entering the market existing, and from new households resulting from population growth.

Level of Demand:

The increased demand for rental apartments increase pressures on lower-income households seeking affordable housing. Our analysis of the primary market indicates demand for the subject property's units. The demand will be generated from households facing rental hardship, households living in substandard housing, from households moving and from newly formed households.

The subject's units will be targeted to senior households with annual incomes that are less than 60% of the area median. The minimum income levels required to afford the unit housing costs and the income ceilings designated by the funding programs create income ranges for each of the development's unit types.

Based on the proposed rent levels and income restrictions at the subject property senior households will need to

possess household incomes of between \$0 and \$24,000 for the 30% units and between \$39,500 and \$47,500 for the 60% units. The developer anticipates having 12 project based vouchers provided for the subject's units that are reserved for households earning less than 30% of the area median income.

Within the primary market area there are over 6,000 income-qualified senior households. Of these income qualified senior households, approximately 2,051 are renter households. In addition to local senior renter households, the property will likely attract a number of senior owner-occupied households. According to the leasing agents at both the local market rate developments and the local area age-restricted market rate developments, a number of senior tenants are previous homeowners who have transitioned to renting for a variety of reasons (empty-nesters downsizing from a single-family home, aging seniors who are no longer willing or able to keep up with the maintenance of owning a home). As outlined later in the report, based on our review and considering the lack of available affordable rental housing in the local market area, for our demand analysis we have estimated that approximately 20% of the local income-qualified senior home-owners may be attracted to the units at the subject property. By applying this ratio to the total number of income-eligible owner households in the primary market we have estimated that there are 798 income qualified senior home-owner households in the primary market area that may be attracted to the tax credit units at the subject property. In aggregate, we estimate that the primary market contains approximately 2,850 income-qualified senior households and indicates a capture rate of 2.6%. The subject's capture rate points to the strong local demand for affordable tax credit housing.

We carried out a more focused analysis to determine the demand generated from income-qualified senior renter households facing rental hardship, from households living in substandard housing and from households moving. Our analysis, relative to this focused group, indicates that 1,052 age and income-qualified renter households in the primary and secondary market will be attracted to the subject's 56 units.

Of these, 747 would be income qualified for the 30% units and 305 would be income qualified for the 60% units. These numbers should be adjusted to reflect the specific income cohorts for each unit and income type, however because nearly all senior households likely to be income qualified are either one or two-person households, we have not adjusted the demand estimates by household size.

Summary of Demand for Affordable Units

Unit Type		Income Parameters		Demand Pool					Number of Units
Income	Bedrooms	Minimum	Maximum	Rent Burden	Hsg Cond	New HHs	Mobility	Total	
30% of AMI-PBV	1-BR	\$0	\$24,000	457	191	40	59	747	12
60% of AMI	1-BR	\$39,500	\$47,500	240	37	11	16	305	44

The focused demand estimate illustrated above is solely based on primary market *renter* households and does not take into account the additional demand that may come from local senior households who are currently homeowners but who are seeking to move to a small, more affordable and maintenance free rental apartment and the estimate likely understates local demand. However it is our opinion that the demand associated with renter households in the primary and secondary market indicates a sufficiently strong market to support the subject’s low-income housing tax credit units.

Absorption Conclusion:

Our analysis of the housing market indicates demand for the subject property’s units. Local affordable senior properties exhibit vacancy rates of less than 1.0% with most having waiting lists. The property location close to local area highways and public transportation is considered a strength in its overall marketability and the quality of the units is superior to most of the local rental product.

Our demand analysis and tenure trends within local affordable senior housing indicate a rapid lease up for the subject. The lack of affordable senior rental housing makes it somewhat difficult to revise recent comparable absorption trends. There are no new affordable senior rental developments in the primary market area, however we were able to obtain lease-up data from three comparable senior developments, located outside of the primary market that have opened within the last few years.

The Coolidge at Sudbury – Phase I is a 64 units tax credit development that is age restricted to seniors 55 and older. This property opened September 2014 and was fully occupied by the end of December 2014. The property manager currently maintains a waitlist of 60 households for the 30% units and 20 households for the 60% units.

Cheriton Heights in West Roxbury, has 70 units that are age restricted (tax-credit and market rate). This property opened in October 2013 and all of the units were leased within three months

Bowers Brooks Apartments is located in Harvard, Massachusetts. This 42 unit property opened in April 2012 and contains 42 affordable one and two bedroom tax credit units that are age restricted to seniors aged 55 and over. Three of the units have rental assistance and the balance are rent and income restricted to 60% AMI. All of the units were fully occupied within 3 months of opening, which equates to approximately 14 units per month.

The Shillman House in Framingham opened in June 2011 and contains 150 independent living units that are restricted in seniors aged 62 and over. Sixty of the units are market rate units and 90 are affordable to low and moderate income households. According to the marketing manager marketing commenced February 2011 and all of the affordable units were leased as of July, which equates to a lease-up rate of 15 affordable units per month. This property maintains a waitlist for its affordable units.

There are two affordable senior housing developments in neighboring Weston, The Brook School Apartments and Merriam Village. Both of these developments have a waitlist of over 70 seniors seeking affordable rental housing the subject's market area.

Based on this information we would expect the 12 rent assisted units to be occupied upon construction completion and that the remaining 44 units could be leased within three to four months of completion, assuming that marketing and lease-up commence two to three months prior to construction completion.

PROPERTY DESCRIPTION

Site Description

The subject property will be developed on a portion of a 5.95 acre parcel of land located at 189 Boston Post Road in Sudbury, Massachusetts. The site is currently improved with The Coolidge at Sudbury-Phase I, a three-story 64-unit senior affordable apartment complex that was completed on 2014. Soil reports were not provided to the analyst, however based upon the presence of the existing development it is assumed that the ground is of sufficient load bearing capacity to support the proposed improvements.

The property benefits from a corner location and has excellent frontage and visibility frontage along Boston Post Road (Route 20) to the north and Landham Road to the west. It is located midway between I-95 and I-495. It is also accessible to I-90 and Route 9, which are located approximately four miles south.

Exhibit 1 – Aerial Location Map



The analyst was not provided any information related to environmental issues. We observed no evidence of toxic or hazardous substances during our inspection of the sites and none were disclosed to us during our inspection. The subject site does not appear on the Massachusetts Department of Environmental Protection's list of Reportable Releases and Waste Sites as of the date of this report we have assumed that there are no environmental issues that pose any adverse impact on value and on the potential development of the site.

The site appears well suited for multi-family residential use due to its location along Route 20 in Sudbury, surrounded by residential and commercial uses, as well as its proximity to local area highways. There are no physical factors that are noted that would negatively impact the potential development of the site. A review of the external factors relating to the subject site's (i.e. economic, social, physical, environmental attributes) indicates that the existing land uses in the neighborhood continue to function coherently.

Proposed Improvements

The developer proposes to develop 56 affordable senior rental-housing units. Detailed construction specifications were not provided, however we informed that the property will consist of a new, three-story, wood-frame elevator building. The units will have kitchens with modern appliances (stove, refrigerator, dishwasher, disposal and microwave). All of the units will have central air-conditioning. There will be ground floor community space to include a library and fitness room and a community room with small kitchen for parties and meals. The property will also provide a common laundry room and resident service coordinator. Heat and hot water will be included with tenants responsible for unit electric. The property will provide 70 parking spaces and include extensive landscaping. If upgraded finishes and appliances are included, such as granite countertops and in-unit washers and dryers, then the potential market rent for the subject units could be higher.

The affordable rental apartment complex will consist of 56 one-bedroom one bathroom units with 675 square feet. Twelve of the units will be restricted to households that earn no more than 30% of the area median income ("AMI") and the developer has assumed that all of these units will receive rental assistance. The balance, 44 units, will be affordable to households that earn no more than 60% of the AMI.

Exhibit 2 – Unit Mix

Unit Type	BA	PBV 30% Units	60% Units	Total No. of Units	Average SF
One-BR	1	12	44	56	675

The proposed unit rents and utility allowances for each unit type are shown in the next exhibit. Heat and hot water will be included in the rent with tenants responsible for unit electric.

Exhibit 3 – Proposed Rents and Utility Allowance

One-Bedroom Units			
Unit Housing Costs			
	Gross	Util Allow	Net
30% of AMI-PBV	\$1,293	\$54	\$1,239
60% of AMI	\$1,049	\$54	\$995

The subject’s units will provide an attractive affordable housing alternative for seniors and we believe that there will be adequate demand for the proposed units. The level of demand will reflect the attractiveness of the building and its units and the strength of the subject’s housing market.

If funding is awarded construction is expected to commence March 2017 and be completed by March 2018. The appraisers assume there will be no deficiencies in design or construction quality that would affect the marketability of the building and that upon completion the units are expected to be competitive with other local rental developments in the market area.

The following pages shows photographs of the subject site, as well as the exterior and interior of The Coolidge-Phase I development.

Exhibit 4 - Subject Photographs



View of the subject site from along Boston Post Road



View of the subject site from the Coolidge -Phase I parking lot

LIHTC Market Study
The Coolidge at Sudbury-Phase II
Sudbury, Massachusetts



Westerly view of Boston Post Road from the entrance to The Coolidge-Phase I



View of The Coolidge – Phase I

LIHTC Market Study
The Coolidge at Sudbury-Phase II
Sudbury, Massachusetts



View of community room in The Coolidge-Phase I



View of typical kitchen in The Coolidge-Phase I



View of typical bathroom in The Coolidge-Phase I

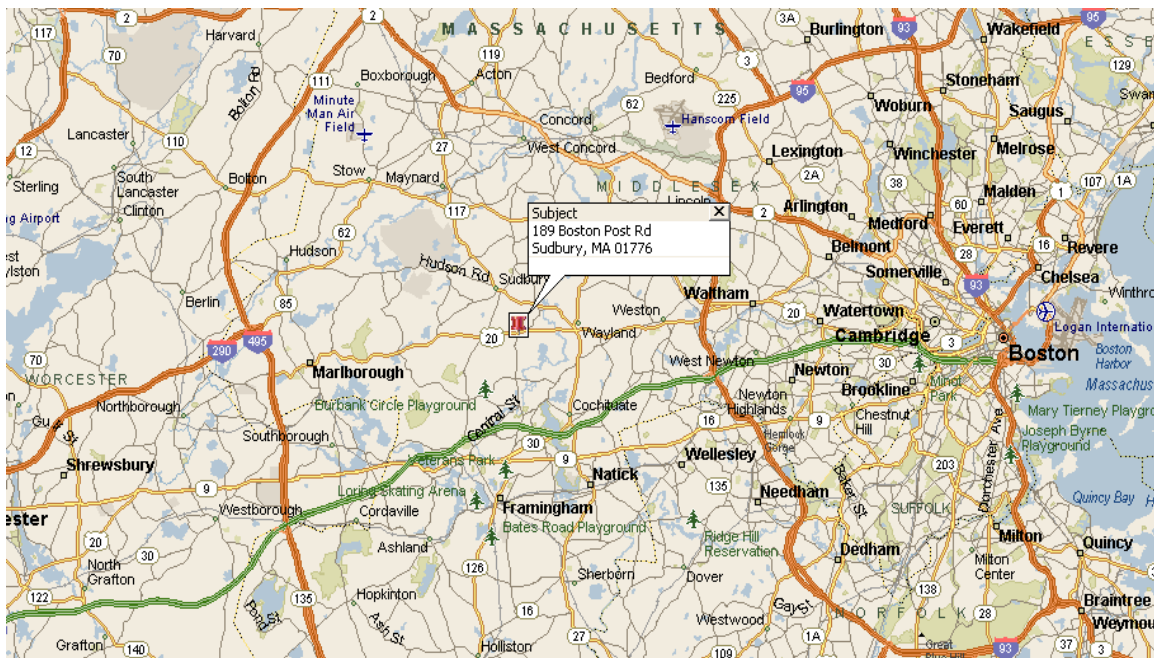


View of fitness center in The Coolidge – Phase I

CHARACTERISTICS OF MARKET AREA

The subject property is located along Boston Post Road in Sudbury, Massachusetts. It is easily accessible to Route 9, Interstate I-495, I-95 and I-90. We have defined the primary market area - that area from which it will attract the majority of its residents – as the surrounding cities and towns with an approximate eight to ten mile radius. Demand for the subject’s units will be influenced by the perceived attractiveness of the area as a residential location. Demand is also influenced by trends experienced in the greater market area. As a result, trends experienced in the balance of county as well as the Boston labor market area directly influence the strength of the local housing market. Additionally, trends evidenced in the national and regional arenas affect metropolitan indicators and, by extension, affect the local housing market. Therefore, the market analysis section of this report begins with an analysis of national, regional, and metropolitan trends and indicators. A more focused market analysis follows this regional review.

Exhibit 5 – Regional Location Map for Subject Property



Description of the Data Collection Process

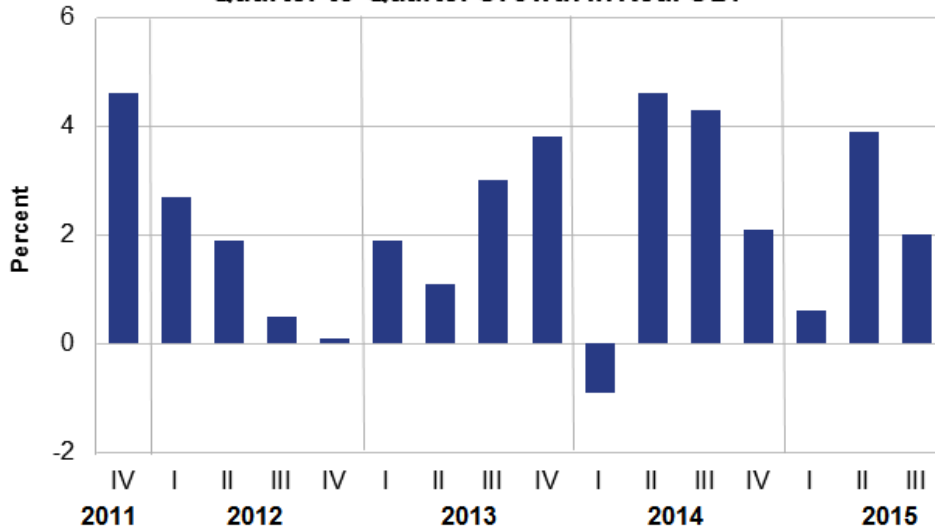
In completing our analysis of the subject and the subject's market area, we inspected the subject property and the surrounding area as well as the entire City of Boston (which includes the primary market). We inspected and analyzed comparable rental developments and collected data related to new rental developments under construction and proposed in the market area. As part of the analysis of general market conditions, several sources were used and are noted in the report. These sources include the Bureau of Economic Analysis of the US Commerce Department, U.S. Census of Population and Housing, the Bureau of Labor Statistics, The Federal Reserve Bank of Boston, the New England Economic Project, data provided by STDB OnLine, a nationally recognized data gathering firm, the Massachusetts Department of Workforce Development, Standard and Poor's Case-Shiller price index, Deloitte Touche Tohmatsu, the National Association of Home Builders and the Warren Group.

Economic Overview

National— According to David Payne, staff economist for the Kiplinger Letter, U.S. GDP growth is anticipated to be 2.5% in 2016, up slightly from 2.4% in 2015 despite continuing export and mining sector troubles. Strong consumer spending, which makes up more than two-thirds of U.S. GDP, will be the main engine of growth. The housing market will continue to strengthen too, courtesy of built-up demand and an increase in household formations. Moreover, many buyers will rush to beat coming increases in mortgage rates. Business investment will also show a pick up from last year.

Though fourth-quarter 2015 growth slowed to 0.7% from the third-quarter rate of 2.0%, the slowdown is mainly attributable to a lack of growth in exports, and to inventory cutbacks by manufacturers in light of the weak outlook for exports. It can also be attributed to a slowdown in the energy sector and we note that growth outside of exports, inventories, and energy was at a much higher 2.3%. Growth should pick up to 2.7% in the first quarter of 2016 as inventory cutbacks diminish, exports stabilize and housing construction benefits from the expected warm winter.

**Exhibit 6 – National Real GDP Growth/Decline
 Quarter-to-Quarter Growth in Real GDP**

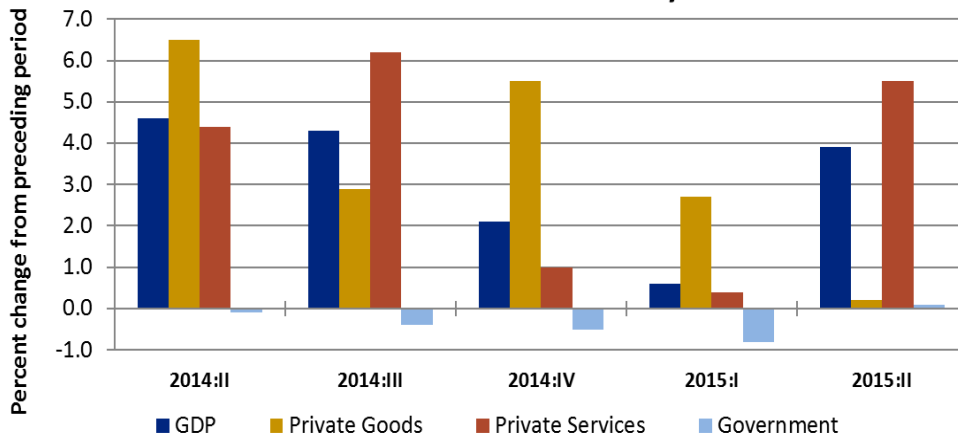


Real GDP growth is measured at seasonally adjusted annual rates.

U.S. Bureau of Economic Analysis

Finance and insurance; professional, scientific, and technical services; and wholesale trade were the leading contributors to the increase in U.S. economic growth in the second quarter of 2015, the most recent data available, according to statistics on the breakout of gross domestic product by industry released by the Bureau of Economic Analysis (BEA). Overall, 18 of 22 industry groups contributed to the 3.9 percent increase in the real GDP in the second quarter.

**Exhibit 2: Gross Domestic Product by Industry
 Real GDP and Real Value Added by Sector**



U.S. Bureau of Economic Analysis

The most recent Employment Situation Summary released by the U.S. Bureau of Labor Statistics (BLS) appears to support this pattern of improvement. In December, the total nonfarm payroll employment rose by 292,000. The number of unemployed persons, at 7.9 million, was essentially unchanged in December, and the unemployment rate was 5.0 percent for the third month in a row. Over the past 12 months, the unemployment rate and the number of unemployed persons were down by 0.6 percentage point and 800,000, respectively. In December, job gains occurred in several industries, led by professional and business services, health care, and food services and drinking places. Mining employment has continued to decline. Also on the decline is the U-6 rate, a rate defined by the BLS as the “total unemployed, plus all marginally attached workers plus total employed part time for economic reasons, as a percent of all civilian labor force”. This rate is now at 9.9%, slightly higher than the annual low of 9.8% seen in October 2015, but lower than any other month since May 2008.

Exhibit 3 – National Unemployment Rate (U-6) Since 2000



The unemployment rate is likely to dip further as the labor market continues to tighten. As slack is removed from the market, the number of jobs added each month should decline a bit to an average of 200,000, a little less than 2015’s average of 221,000. According to Kiplinger, a tighter labor market is causing wage pressures to pick up, though slowly. Average hourly earnings growth has been hovering around 2% for a while, but should accelerate gradually to 2.5% by the end of 2016.

According to the Surveys of Consumers by the University of Michigan, while the preliminary December reading for the Sentiment Index was largely unchanged from last month (+.5%), consumers evaluated current economic conditions more favorable (+2.6%) and expected future prospects less favorably (-1.1%). In a repeat of last month's findings, all of the early December gains was recorded among households with incomes in the bottom two-thirds (+2.7%), while the Sentiment Index among consumers with incomes in the top third declined (-4.4%). Importantly, the survey recorded persistent strength in personal finances and buying plans, while the largest loss was in how consumers anticipated somewhat lower wage gains and were less optimistic about continued declines in the national unemployment rate. Overall, the Sentiment Index has averaged 92.6 during 2015, the highest since 2004, with only 10 higher yearly averages in the past half century. The data continue to indicate that real consumer expenditures will grow by 2.8% in 2016 over 2015.

The Surveys of Consumers' chief economist, Richard Curtin, in his December 23, 2015 report, commented that, "just as consumer optimism became dependent on very low inflation, the Fed has begun to take steps to accommodate a higher inflation rate. Since wages are never first to incorporate inflationary adjustments, consumers will make their purchases even more contingent on low prices." Furthermore, buying plans for household durables reached their highest level in a decade due to the availability of price discounts. There have been only three surveys in more than the past half century in which a higher proportion mentioned the availability of price discounts for durables. Home buying plans recorded a significant jump in the number that made purchases contingent on the availability of reduced home prices in the latest survey, and nearly half of all consumers continued to cite the availability of low mortgage interest rates. .

The Federal Reserve raised short-term interest rates a quarter-point on December 16, 2015 to 0.25%-0.5%. While the Fed said it is "reasonably confident that inflation will rise, over the medium term, to its 2 percent objective," Fed Governors were also careful to point that "economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate." It was the first hike since June 2006 when the benchmark rate increased from 5 to 5.25 percent. From 1971 until 2015, Interest Rate in the United States averaged 5.93 percent, reaching an all-time high of 20 percent in March of 1980 and a record low of 0.25 percent in December of 2008.

Local– Massachusetts unemployment was 4.7 percent on December 2015, roughly the same as in September and October according to the Executive Office of Labor and Workforce Development. The job estimates from the Bureau of Labor Statistics indicate Massachusetts gained 7,100 jobs from November to December. Year-to-date Massachusetts has added 73,000 jobs, seasonally adjusted.

Over the year, the state's seasonally adjusted unemployment rate fell from 5.3 percent in December 2014 to 4.7 in December 2015. The unemployment rate in Massachusetts peaked in September 2009 at 8.8 percent. The December state unemployment rate is 0.3 of a percentage point lower than the national rate of 5.0 percent reported by the Bureau of Labor Statistics. December 2015 estimates show that 3,390,500 residents were employed and 168,500 were unemployed. From December 2014 to December 2015, the labor force decreased by 27,600 and 4,100 fewer residents were employed. At the same time, the number of unemployed residents declined by 22,900 people. "The Commonwealth's strong job gains in 2015 reflect the strength and diversity of our economy. The preliminary over the year job gain estimates indicate the strongest over the year job gains since 2000," Labor and Workforce Development Secretary Ronald Walker, II said.

The largest private sector percentage job gains over the year were in Professional, Scientific and Business Services; Construction; Other Services; Leisure and Hospitality; and Education and Health Services.

The unemployment rates in Massachusetts and the Boston NECTA were 4.7% and 4.5%, respectively, in December 2015. The rate remained steady in both Massachusetts and in the immediate Boston area. The employment rates in New England and the United States at 4.7% and 5.0% respectively exceed the more local rates, but also reflect improvement over the last six months.

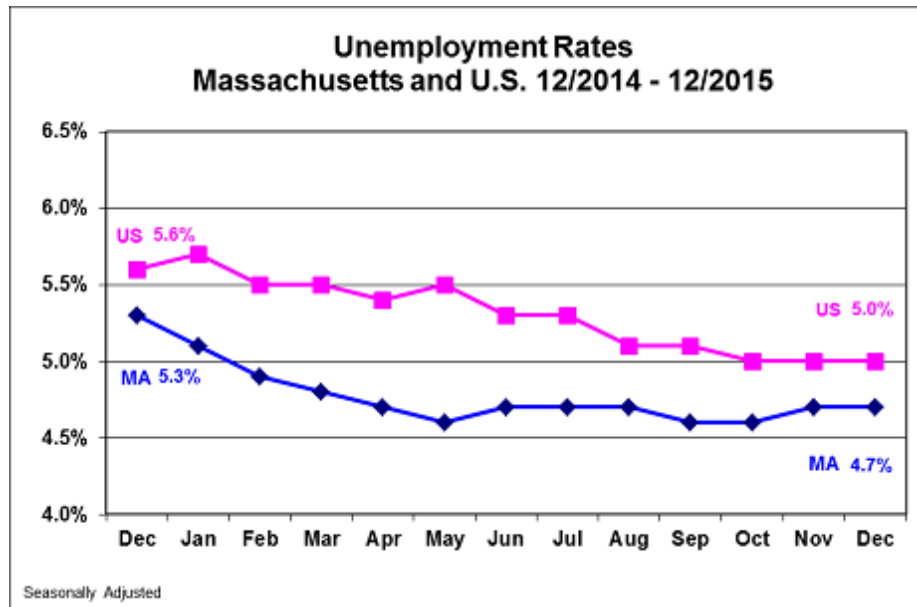
Exhibit 4- Employment Statistics In 000's

Nonagricultural Employment		Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Six Month Change
Boston-Cambridge-Quincy NECTA	Total Employed	2,653.2	2,648.3	2,652.0	2,688.8	2,672.7	2,655.3	2,647.9	2,671.3	2,675.5	2,675.6	-0.49%
	Unemployment Rate	4.4%	3.8%	4.0%	4.5%	4.5%	4.1%	4.1%	4.1%	4.1%	4.1%	-0.4%
Massachusetts	Total Employed	3,459.2	3,470.4	3,475.6	3,484.9	3,495.2	3,499.9	3,497.7	3,507.7	3,512.6	3,519.7	1.00%
	Unemployment Rate	4.8%	4.7%	4.6%	4.7%	4.7%	4.7%	4.6%	4.6%	4.7%	4.7%	0.0%
New England	Total Employed	7,199.9	7,212.8	7,231.2	7,238.6	7,258.3	7,264.4	7,255.2	7,270.2	7,285.5	7,292.1	0.74%
	Unemployment Rate	5.2%	5.0%	4.9%	4.8%	4.7%	4.6%	4.6%	4.6%	4.6%	4.7%	-0.1%
United States	Total Employed	141,178	141,365	141,625	141,870	142,093	142,246	142,391	142,698	142,950	143,242	0.97%
	Unemployment Rate	5.5%	5.4%	5.5%	5.3%	5.3%	5.1%	5.1%	5.0%	5.0%	5.0%	-0.3%

Source: "New England Economic Indicator," Federal Reserve Bank of Boston and Department of Labor and Workforce Development
 State, Regional, and National data are seasonal adjusted. NECTA data is not

The state economy has largely outperformed the national economy since the 2008 recession. This trend remained the same for the last couple months with the separation between the two now at 0.3% in December 2015. The changes in performance are illustrated in the next table that compares the state trends with the national trends shown in the next exhibit.

Exhibit 5– Unemployment Rate Trends



Source: MA Department of Labor and Workforce Development

Local – According to the Massachusetts Workforce Development the Metro South/West Workforce Area, which includes Sudbury, is dominated by small employers. Among the 33,083 establishments reporting employment, 86.7% had fewer than 20 employees. These

firms, however, accounted for just 22.4% (113,805) of the jobs located in Metro South/West. In contrast to the small business employers, 866 establishments (2.6%) reported having at least 100 employees. These firms, however, were responsible for 49.6% (252,210) of all jobs located in Metro South/West. The share of employment among large employers in the Metro South/West region was nearly identical to the statewide share of 49.4%.

Exhibit 7 – Map of Metro South/West Workforce Area



The largest employers in Sudbury and in the Metro South/West Workforce Investment Area are shown in the next exhibit. Some of the major employers are in the Education and Health sectors.

Exhibit 8 – Largest Area Employers

Sudbury		Metro South/West WIA		
Name	No. of Employees	Name	Location	No. of Employees
Sudbury Farms	250-499	EMC Corp	Hopkinton	5,000-9,999
APC Pest & Termite Control	100-249	Staples, Inc.	Framingham	5,000-9,999
Bosse Sports	100-249	Bentley University	Waltham	1,000-4,999
Cavicchio Greenhouses	100-249	Bose Corp	Framingham	1,000-4,999
Curtis Middle School	100-249	Boston Scientific Corp	Natick	1,000-4,999
Lincoln Sudbury Regional HS	100-249	Framingham Union Hospital	Framingham	1,000-4,999
MA State Police Crime Lab	100-249	Harvard Oligrim Healthcare	Wellesley	1,000-4,999
Shaw's Supermarket	100-249	Fresenius Medical Care	Framingham	1,000-4,999

Source: MA Dept. of Labor and Workforce Development

A review of employment statistics for the Metro South/West Workforce Investment Area reflects that Professional and Technical Services is the largest employment sector in the region in terms of the number of employees, with over 73,000 employees on average in the second quarter of 2015, the most recent data of this nature available. This category is closely followed by Healthcare and Social Assistance with 72,890 employees on average then Education with over 59,000 employees on average. These statistics provide a better understanding of both the employment opportunities within the workforce area as well as in which sectors local residents are employed.

Exhibit 9 – Metro North Workforce Investment Area-Employment Statistics

Description	Number of Employees-2015			Average Monthly Employment
	April	May	June	
Total, All Industries	568,488	575,612	582,129	575,410
11 - Agriculture, Forestry, Fishing & Hunting	1,121	1,351	1,423	1,298
21 - Mining	151	159	162	157
23 - Construction	22,956	24,402	25,159	24,172
31-33 - Manufacturing	50,913	51,036	51,338	51,096
DUR - Durable Goods Manufacturing	34,679	34,636	35,024	34,780
NONDUR - Non-Durable Goods Manufacturing	16,234	16,400	16,314	16,316
22 - Utilities	1,089	1,089	1,087	1,088
42 - Wholesale Trade	25,250	25,350	25,580	25,393
44-45 - Retail Trade	56,924	57,548	58,312	57,595
48-49 - Transportation and Warehousing	10,079	10,100	10,208	10,129
51 - Information	27,874	28,042	28,706	28,207
52 - Finance and Insurance	20,590	20,631	20,841	20,687
53 - Real Estate and Rental and Leasing	7,443	7,550	7,822	7,605
54 - Professional and Technical Services	72,889	72,755	73,413	73,019
55 - Management of Companies and Enterprises	23,455	23,452	23,833	23,580
56 - Administrative and Waste Services	33,461	34,927	35,582	34,657
61 - Educational Services	60,513	60,237	57,536	59,429
62 - Health Care and Social Assistance	72,096	72,943	73,651	72,897
71 - Arts, Entertainment, and Recreation	10,175	11,511	13,796	11,827
72 - Accommodation and Food Services	38,275	39,337	39,647	39,086
81 - Other Services, Ex. Public Admin	16,628	16,630	17,113	16,790
92 - Public Administration	16,606	16,562	16,920	16,696

Source: MA. Department of Labor and Workforce Development

The following table outlines the 2015 annual average wage by industry for the Metro North region and represents the most recent data available from the Massachusetts Department of Workforce Development. As shown, there are a number of employment sectors with wages sufficient to cover the costs of housing in Sudbury and the surrounding market, however, for a number of employees, especially in the employment sectors such as Retail Trade, Accommodation and Food Services and Administrative and Waste Services - the cost of local housing is out of reach given their wages, which are from \$436 to \$872 on average per week.

Exhibit 10 – Metro North Average Weekly Wage by Industry

Description	Average Weekly
Total, All Industries	\$1,466
11 - Agriculture, Forestry, Fishing & Hunting	\$652
21 - Mining	\$1,237
23 - Construction	\$1,385
31-33 - Manufacturing	\$2,117
DUR - Durable Goods Manufacturing	\$2,232
NONDUR - Non-Durable Goods Manufacturing	\$1,873
22 - Utilities	\$2,075
42 - Wholesale Trade	\$1,974
44-45 - Retail Trade	\$632
48-49 - Transportation and Warehousing	\$940
51 - Information	\$2,163
52 - Finance and Insurance	\$1,955
53 - Real Estate and Rental and Leasing	\$1,249
54 - Professional and Technical Services	\$2,317
55 - Management of Companies and Enterprises	\$3,836
56 - Administrative and Waste Services	\$872
61 - Educational Services	\$1,161
62 - Health Care and Social Assistance	\$1,030
71 - Arts, Entertainment, and Recreation	\$545
72 - Accommodation and Food Services	\$436
81 - Other Services, Ex. Public Admin	\$724
92 - Public Administration	\$1,304

Commuting Patterns

The subject property is located along Route 20 in Sudbury, mid-way between I-95 and I-495 which are an approximate 10-15 minute drive in either direction. Commuter rail transportation to North Station, Boston, is available on the Fitchburg Line at Lincoln Station (travel time 28-36 min) and Kendall Green Station in Weston (travel time 28-29 min). Sudbury is a member of the Massachusetts Bay Transportation Authority (MBTA) and commuter bus service is available to Boston.

To better understand both the locations of the primary regional employment opportunities for potential subject property tenants as well as the advantage to the subject property due to its public transportation and highway access, we reviewed commuting data from the 2014 U.S. Census American Community Survey (ACS) for Sudbury and Middlesex County. The majority, over 72% of Sudbury workers work in the same county in which

they reside. This is slightly higher than the number of Middlesex County workers who work within the county (67.3%).

Exhibit 11 –Residents by Place of Work

Residents Place of Work	Sudbury		Middlesex County	
	Number	%	Number	%
Worked in State of Residence	8,158	97.6%	780,299	97.4%
Worked in County of Residence	6,094	72.9%	256,496	67.3%
Worked outside County of Residence	2,056	24.6%	113,083	30.2%
Worked outside State of Residence	201	2.4%	4,868	2.6%

Source: 2014 American Community Survey 5-Year Estimates

Data from the 2014 ACS Census also provides a sense of typical commuter travel times. The average commute for Sudbury residents is 33.1 minutes. The data indicates that the subject’s location is well-positioned with work opportunities for the majority of residents within a comfortable commuting distance from home. Most of the largest employers in the Metro South/West Workforce Investment Area are located within a 30 minute commute.

Exhibit 12 – Travel Time to Work

Travel Time to Work	Sudbury		Middlesex County	
	Number	%	Number	%
Workers who did not work at home	7,389	88.4%	761,072	95.0%
Less than 10 minutes	613	8.3%	72,302	9.5%
10 to 14 minutes	736	8.8%	87,523	11.5%
15 to 19 minutes	777	9.3%	93,612	12.3%
20 to 24 minutes	819	9.8%	100,461	13.2%
25 to 29 minutes	443	5.3%	46,425	6.1%
30 to 34 minutes	1,296	15.5%	121,771	16.0%
35 to 44 minutes	1,371	16.4%	73,824	9.7%
45 to 59 minutes	1,037	12.4%	89,045	11.7%
60 or more minutes	1,195	14.3%	76,107	10.0%
Mean travel time to work (minutes)	33.1 mins		28.8 mins	

Source: 2014 American Community Survey 5-Year Estimates

Finally, we reviewed the primary means of transportation for local commuters. The data show that the majority for Sudbury and Middlesex County 76.6% and 69.5% commute by car.

Exhibit 13 – Means of Transportation to Work

Means of Transportation	Sudbury		Middlesex County	
	Number	%	Number	%
No. of Workers	8,359	100.0%	801,128	100.0%
Car, truck, or van-drove alone	6,654	79.6%	556,784	69.5%
Car, truck, or van-car pooled	368	4.4%	60,085	7.5%
Public Transportation	234	2.8%	88,124	11.0%
Walked	125	1.5%	39,255	4.9%
Other means	8	0.1%	11,056	1.38%
Worked at Home	970	11.6%	40,056	5.0%

Source: 2014 American Community Survey 5-Year Estimates

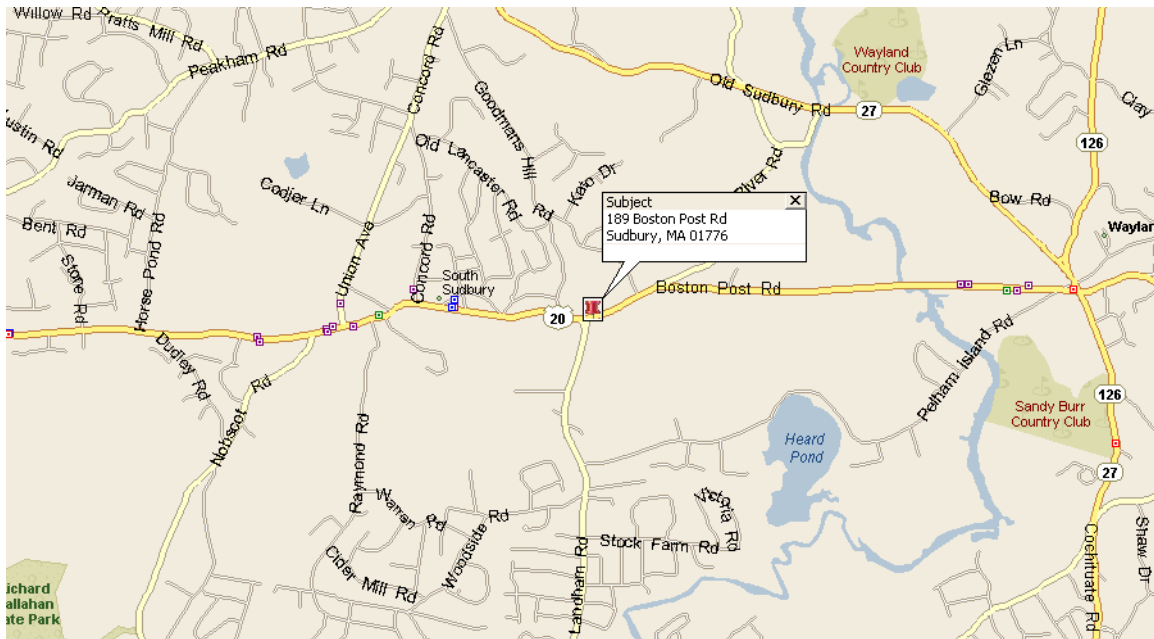
In our opinion, senior households who work in the area and who are seeking housing have a lack of market rate and affordable rental housing options. The subject’s location in Sudbury, mid-way between I-95 and I-495, and just four miles from Route 9 and I-90 facilitates commuting to and from the area. Senior households who work in the Metro South/West area and who are seeking housing will consider the subject’s location a premium in terms of employment and commuting requirements.

Town and Neighborhood Overview

Sudbury is located in Eastern Massachusetts, bordered by Wayland on the east; Framingham on the south; Hudson, Maynard, Marlborough, and Stow on the west; Concord on the northeast; and Acton on the north. Sudbury is 20 miles west of Boston, and 26 miles east of Worcester. Sudbury is one of the older towns in the New England area, being incorporated in 1639, and it has one of the oldest and longest-running open meeting forms of government.

Sudbury is situated in the Greater Boston Area, which has excellent rail, air, and highway facilities. State Route 128 and Interstate Route 495 divide the region into inner and outer zones, which are connected by numerous "spokes" providing direct access to the airport, port, and intermodal facilities of Boston. The principal highways are U.S. Route 20 and State Routes 27 and 117. Commuter rail transportation to North Station, Boston, is available on the Fitchburg Line at Lincoln Station (travel time 28-36 min) and Kendall Green Station in Weston (travel time 28-29 min). Sudbury is a member of the Massachusetts Bay Transportation Authority (MBTA) and commuter bus service is available to Boston.

Exhibit 14 – Neighborhood Location Map



The subject property is located at 189 Boston Post Road in Sudbury, mid-way between I-95 and I-495 and is easily accessible to shopping, transportation, and health care. Boston Post Road (Route 20) is the main commercial thoroughfare and is lined with a mix of retail stores, gas stations, professional offices and single family homes. There is a Shaw’s supermarket 1.5 miles west along Route 20 and a Whole Foods 1.6 mile east in Wayland. Pharmacy options include Sudbury Pharmacy, CVS and Brooks Pharmacy all within 1.5 miles. The site is located two miles from downtown Sudbury, approximately four miles from the Sudbury Senior Center, and four miles north of the shopping centers of Framingham and Natick that are concentrated along Route 9. Emerson Hospital is approximately six miles north in Concord, MA. The subject’s proximity to these services is considered a strength relative to its attractiveness to potential renters.

Crime Statistics

As required by reporting standards for market studies as detailed in Massachusetts LIHTC 2016 Qualified Allocation Plan, the following table provides information regarding crime statistics for the Town of Sudbury, the neighboring town of Lincoln and for the State of Massachusetts. Sudbury’s crime rates are relatively low, compared to the balance of the State.

Exhibit 15 – Crime Statistics

Region	Population	Murder	Rape	Robbery	Aggravated Assault	Burglary	Larceny-Theft	Motor Vehicle Theft	Total
Sudbury	17,659	0	0	0	0	12	80	2	94
<i>Rate per 100,000 inhabitants</i>		<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>68</i>	<i>453</i>	<i>11</i>	<i>532</i>
Lincoln	6,362	1	1	1	3	8	29	0	43
<i>Rate per 100,000 inhabitants</i>		<i>16</i>	<i>16</i>	<i>16</i>	<i>47</i>	<i>126</i>	<i>456</i>	<i>0</i>	<i>676</i>
Massachusetts	6,191,919	119	1,526	6,363	17,798	32,257	90,700	8892	157,655
<i>Rate per 100,000 inhabitants</i>		<i>2</i>	<i>25</i>	<i>103</i>	<i>287</i>	<i>521</i>	<i>1,465</i>	<i>144</i>	<i>2,546</i>

Source: City-Data.com 2013

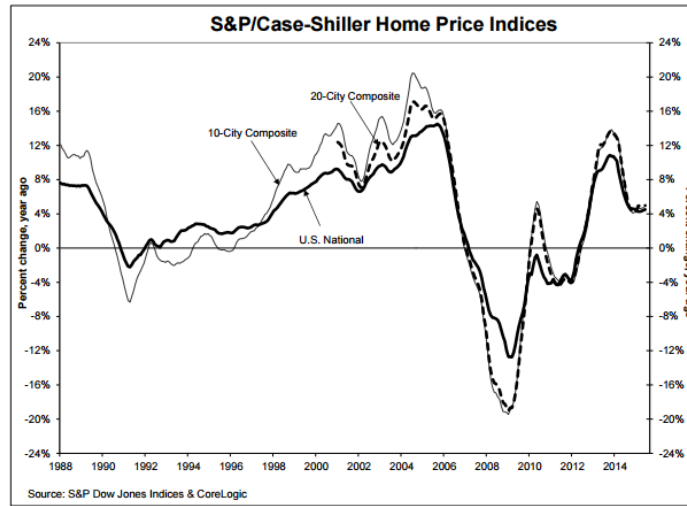
Housing Market Overview

National – Housing market trends reflect the recent improvements in the economy. Data released on January 26, 2016 for November 2015 show that home prices continued their rise across the country over the last 12 months. The S&P/Case-Shiller U.S. National Home Price Index, covering all nine U.S. census divisions, recorded a slightly higher year-over-year gain with a 5.3% annual increase in November 2015 versus a 5.1% increase in October 2015. The 10-City Composite increased 5.3% in the year to November compared to 5.0% previously. The 20-City Composite’s year-over-year gain was 5.8% versus 5.5% reported in October.

“Home prices extended their gains, supported by continued low mortgage rates, tight supplies and an improving labor market,” says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. “Sales of existing homes were up 6.5% in 2015 vs. 2014, and the number of homes on the market averaged about a 4.8 months’ supply during the year; both numbers suggest a seller’s market. The consumer portion of the economy is doing well; like housing, automobile sales were quite strong last year. Other parts of the economy are not faring as well. Businesses in the oil and energy sectors are suffering from the 75% drop in oil prices in the last 18 months. Moreover, the strong U.S. dollar is slowing exports. Housing is not large enough to offset all of these weak spots.

The following chart depicts the annual returns of the U.S. National, the 10-City Composite and the 20-City Composite Home Price Indices. The S&P/Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, recorded a 5.3% annual gain in November 2015. The 10-City and 20-City Composites reported year over-year increases of 5.3% and 5.8%.

Exhibit 10 – S&P/Case-Shiller Price Indices



Source: S&P Dow Jones Indices & CoreLogic

“Home prices extended their gains, supported by continued low mortgage rates, tight supplies and an improving labor market,” said David M. Blitzer, managing director and chairman of the index committee at S&P Dow Jones Indices. Prices rose 0.9 percent in November from October on a seasonally adjusted basis, the survey showed, topping expectations for a rise of 0.8 percent. That was the fastest monthly gain since March. Still, home prices nationally remain 4.8 percent below their record level from July 2006 before the housing market crash, although they have climbed 29.2 percent from their post-recession bottom in January 2012.

Local—The Massachusetts real estate market continued its prolonged rally into December, recording 4,913 single-family home sales last month. The mark represented a 16.6 percent increase over December 2014, when there were 4,214 single-family home sales, according to a new report from The Warren Group, publisher of Banker & Tradesman.

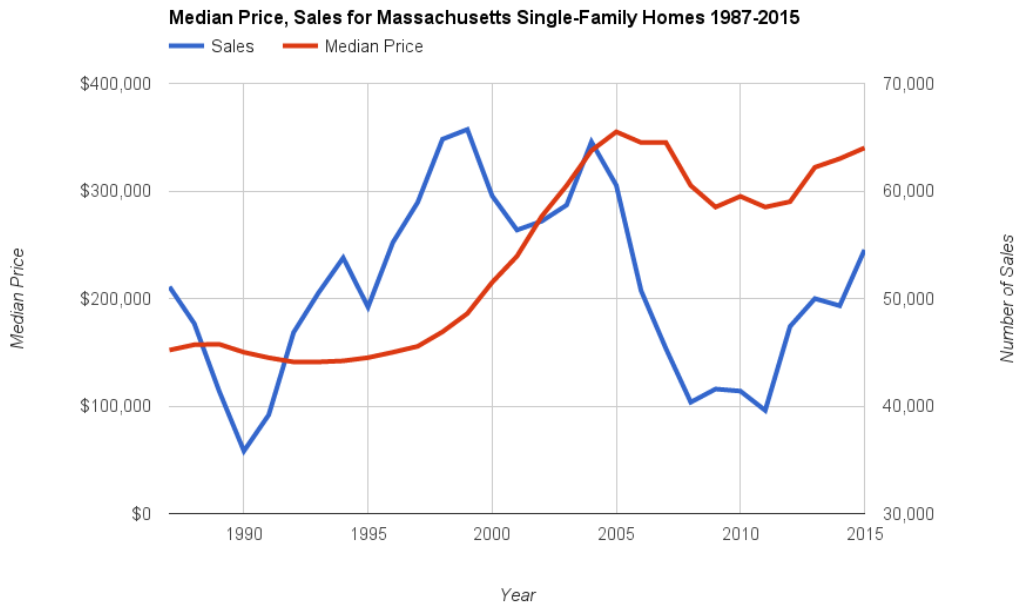
The strong month put a cap on a very strong second half for 2015. Overall, single-family home sales grew 10.5 percent in 2015, reaching 54,523 sales compared with 49,327. But through May 2015, there were only 15,238 sales, a 1.7 percent decrease from the first five months of 2014. In the last seven months of the year there were 17.2 percent more single-family home sales than the same June through December stretch in 2014. The

trend holds true for condos as well. There were 1,948 condo sales in December 2015, a 22.67 percent increase from the 1,588 condos sold in December 2014.

Once people were able to get outside, they started buying homes at a remarkable rate. This year starting in June, the market took off like a rocket, posting seven straight months of double-digit sales growth. From June through December, there were 39,274 sales, a 17.2 percent increase over the same stretch in 2014, when there were 33,501 single-family homes sold. “The weather played a major part in delaying the market early in the year,” said Tim Warren, Jr., CEO of The Warren Group. “But the market stayed strong all the way through December because the region’s economy is very strong. Buyers felt confident in their futures, and sellers finally saw the value of their homes return to near-peak levels in many parts of the state.”

The median sale price for single-family homes in December 2015 was \$335,000, a 4.69 percent increase from December 2014’s median of \$320,000. The median sale price for a condo in December 2015 was \$314,110, a 1.49% increase from October 2014’s median of \$309,500. In December 2015, Massachusetts has had 4,913 single-family home sales, a 16.59 percent increase from the December 2014 total of 4,214. There have been 1,948 condo sales in December 2015, a 22.67 percent increase over the December 2014 total of 1,588

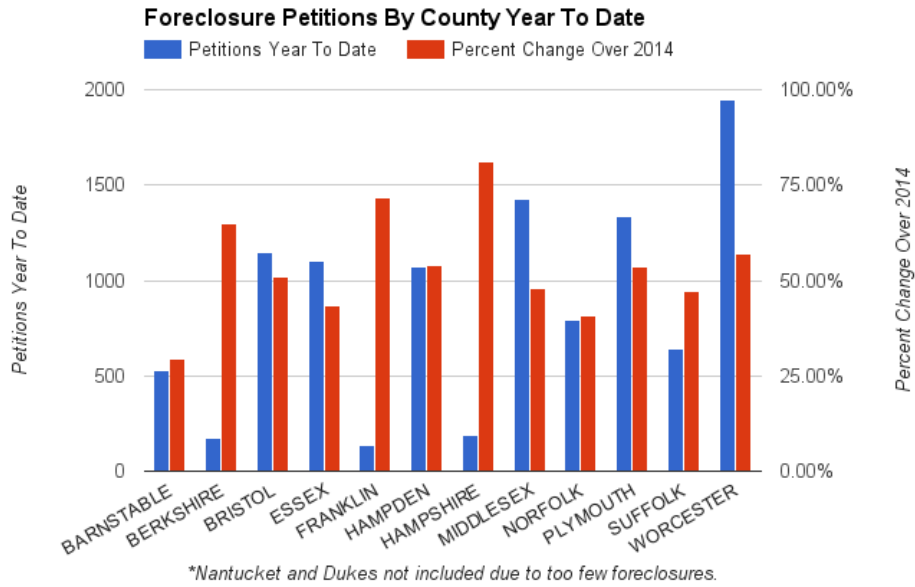
Exhibit 11 – Massachusetts Single Family Sales



Foreclosures have increased significantly in the State of Massachusetts. Lenders filed 910 foreclosure petitions in Massachusetts in November, a 41.5 percent increase compared with the 643 filed in November 2014, according to a January 5, 2016 report from The Warren Group, publisher of Banker & Tradesman. It was the 21th consecutive month of year-over-year double-digit increases in petitions filings. Year to date there have been 10,543 petitions filed, a 50.0 percent increase over the 7,027 filed in the first 11 months of 2014. Petitions are the first entry in the public record in the foreclosure process, when lenders file a notice of intention to foreclose with the Land Court.

While an increase in foreclosures of this scale would be worrisome in many areas potentially indicating that many homeowners have recently become unable to make their housing payments, Timothy Warren Jr. CEO of The Warren Group believes that this is not the case in Massachusetts. “We’ve been tracking this steady increase in foreclosures for some time. It represents many of the larger lenders finally coming to grips with Massachusetts’ regulatory changes, and moving delinquent mortgages into the foreclosure process. I don’t believe these are new mortgages or that the homeowners have recently failed into default. For the most part these are problem loans that have been on the books as delinquent for months or years.”

Exhibit 12 – Massachusetts Foreclosure Petitions by County



Local Residential For Sale Trends - The local effect of the housing crisis can be seen in the number of units sold and their median price in the last few years in the subject’s market area. To provide a background of the current residential market in the subjects immediate area, we examined single-family and condominium sales for Sudbury over the past 15 years. As can be seen in the following exhibit, the sales prices for single-family homes increased steadily between 2000 and 2005, peaking at \$737,000, and then started to decrease in 2006 – a trend that continued through to 2009. Sale prices the increased through to 2014, to \$685,000, but then fell again in 2015 to \$675,000.

Exhibit 16 – Trends in Residential Sales Prices

Year	Period	1-Fam	Condo	All
2015	Jan - Dec	\$675,000	\$719,900	\$680,000
2014	Jan - Dec	\$685,000	\$638,750	\$675,000
2013	Jan - Dec	\$675,000	\$627,000	\$669,450
2012	Jan - Dec	\$605,500	\$635,000	\$606,000
2011	Jan - Dec	\$632,500	\$597,000	\$617,450
2010	Jan - Dec	\$619,600	\$503,950	\$585,000
2009	Jan - Dec	\$577,000	\$519,900	\$554,750
2008	Jan - Dec	\$600,000	\$519,900	\$572,500
2007	Jan - Dec	\$657,750	\$818,100	\$652,500
2006	Jan - Dec	\$654,250	\$500,000	\$642,500
2005	Jan - Dec	\$737,000	\$182,000	\$724,900
2004	Jan - Dec	\$645,000	\$389,900	\$602,500
2003	Jan - Dec	\$614,650	\$195,000	\$579,999
2002	Jan - Dec	\$549,900	\$629,100	\$559,750
2001	Jan - Dec	\$605,506	\$650,612	\$595,000
2000	Jan - Dec	\$527,450		\$523,250

Source: The Warren Group

The number of sales has fluctuated over the past 15 years, although after peaking in 2004 with 309 single-family sales, the number of sales continued to fall through 2009 to their lowest point in 10 years, but rebounded in 2010 to 200 single-family sales, up 18% from the previous year. After a slight dip in 2011, sales have continued to increase with 261 sales in 2015.

Exhibit 17 – Trends in Total Sales

Year	Period	1-Fam	Condo	All
2015	Jan - Dec	261	27	317
2014	Jan - Dec	247	36	303
2013	Jan - Dec	256	35	321
2012	Jan - Dec	250	19	285
2011	Jan - Dec	196	34	244
2010	Jan - Dec	200	38	256
2009	Jan - Dec	169	24	210
2008	Jan - Dec	183	25	228
2007	Jan - Dec	228	12	272
2006	Jan - Dec	220	7	249
2005	Jan - Dec	234	7	267
2004	Jan - Dec	309	24	360
2003	Jan - Dec	290	44	359
2002	Jan - Dec	335	24	400
2001	Jan - Dec	237	11	281
2000	Jan - Dec	324	2	366

Source: The Warren Group

Rental Market Overview

In the Boston metro area, the rental market has been one of the strongest market sectors for several quarters; this strength is manifested in local cap rates as well as rent and vacancy trends. Reis, Inc. is a national real estate data gathering firm. Reis reports a vacancy rate of 5.3% for the third quarter of 2015, the most recent data available, up 10 basis points from the prior quarter and up 80 basis points from a year earlier. The 3.6% rate recorded in the fourth quarter of 2013 now stands as the low for the cycle; the prior cyclical high, and the highest Reis has ever recorded here in a database going back to 1980, was the 6.5% in the first quarter of 2010. The vacancy rate had been as low as 0.7% in the boom leading up to the year 2000.

Despite all of these indicators showing the rental market’s strength up through 2015, current vacancies in the Class A market and projected future vacancies show that the market is beginning to soften. The addition of new apartments has primarily affected the Class A segment, while affordable housing remains in short supply. The Class A vacancy rate is 7.9%, up 10 basis points for the quarter and 140 basis points year-over-year. The Class B/C rate is 3.2%, up 10 basis points from the prior quarter and up 30 basis points from a year earlier. For many decades, the metro Boston vacancy rate reflected its status as a highly-regulated, land scarce market with exclusionary zoning discouraging

development in the suburbs and rent regulations discouraging development in the cities. The vacancy rate was below 1.0% 15 years ago. Since then, the repeal of rent regulations, the use of state law Chapter 40B that allows developers to override suburban zoning to build multifamily housing in some cases, and the growing preference of young adults for multifamily living in central, pedestrian-oriented locations, have transformed the market. The metro Boston vacancy rate of 4.3% currently exceeds the U.S average by 100 basis points, a stunning reversal that is expected to hold throughout the forecast period. Reis predicts the vacancy rate will end 2015 at 5.4% and rise to a record high of 6.8% in 2019.

Exhibit 18 – Apartment Vacancy Trends



These increasing vacancies have only begun to affect rent growth; however, with Boston area rents still among the highest in the country. Besides a constant influx of students to the area's colleges and universities, the growing tech and biotech sectors have attracted a lot of well-paid workers to the region.

While the addition of a large amount of high-end units is lifting average rents, a rent gains slowdown has begun to emerge. Average rents increased modestly in the third quarter, leveling off slightly from the increases seen in the prior quarter as a result of pricey new supply construction completions being placed on the market. In the third quarter, the average asking rent increased 1.5% to \$2,064 per month, and the average effective rent rose 1.4% to \$1,977 per month. The year-over-year gains are large at 4.6%

asking and 4.4% effective with both exceeding the 3.9% increase in household average income, according to Moody's Economy.com. In the prior quarter, the Class A asking average increased 2.8% with the Class B asking average increasing just 0.4%. Rent increases in the two building classes have become more similar in the third quarter with the Class A asking average increased a modest 1.5% to \$2,558 per month and the Class B/C asking average edged up 1.2% to \$1,664 per month.

Boston remains an expensive market. According to the apartment listing site Zumper, it has the third-highest median one-bedroom rent in the nation at \$2,230 per month, behind San Francisco and New York. Reis, as cited in the *Business Journal*, ranks Boston fourth in effective rents, also behind San Jose. But the pace at which it is becoming more expensive may be about to slow. In 2014, rents increased by about 5.0%, according to Reis. In 2009, after the end of the 2000s development boom coincided with a recession, rents fell by 2.5% asking and 3.2% effective.

No recession is expected for the next five years, and with so many expensive units coming on the market, Reis predicts average rents will rise 5.3% by both measures in 2015. Higher rents for Class A apartments, however, may be balanced by an increasing competitive situation for Class B/C which we are already beginning to see in this quarter. Overall gains are forecast to rise by just under 4.0% in 2016, just under 3.0% in 2017, and between 2.2% and 2.4% thereafter. Metro Boston's asking average is forecast to rise by less than the U.S. average each year starting in 2017. With vacancy high, older existing buildings may not be seeing much rent growth at all over the next few years.

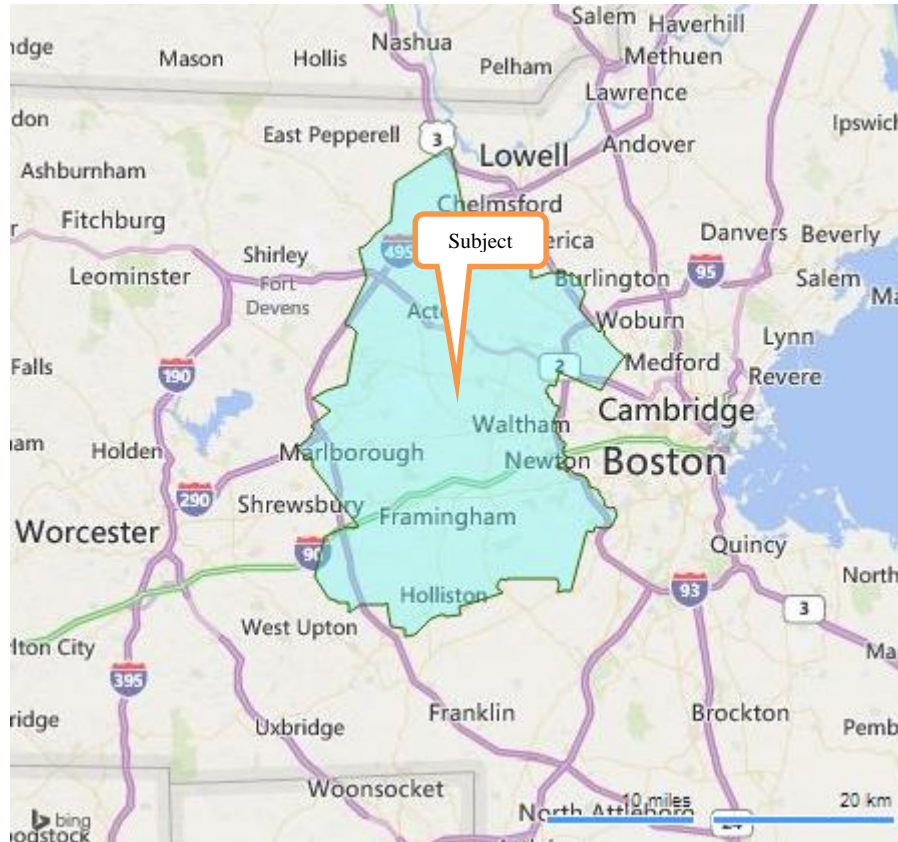
Exhibit 19 - Apartment Rent Trends



Source: Reis, Inc.

As discussed, the subject's rent potential is tied to trends in the greater Boston area, but is most directly tied to its local area. The subject is located in the Town of Sudbury, which Reis considers to be part of the West/NW Suburban sub-market and distinguishes it from the balance of the metro market.

Exhibit 20 - Rental Submarket

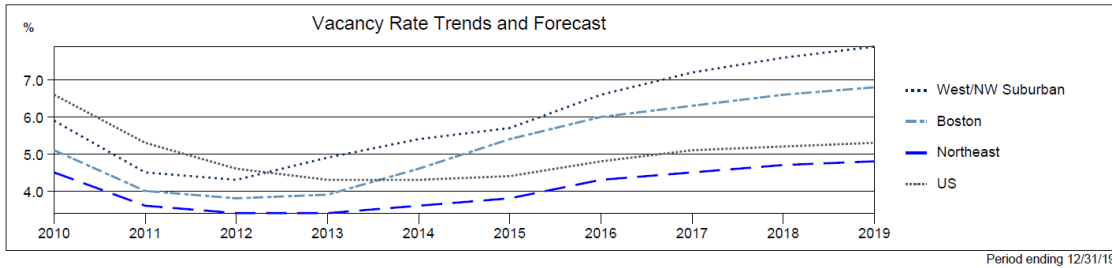


Reis reports a third quarter 2015 vacancy rate of 5.5% for the West/Northwest Suburban submarket. The 5.5% rate is 10 basis points lower than the prior quarter and 50 basis points higher than one year earlier. Reis predicts that the vacancy rate for the submarket will average 5.7% for 2015, increase to 6.6% in 2016, then further increase to 7.2% in 2017. Vacancy trends by building class in the submarket mirror the trends seen in the metro area as a whole with Class A vacancies at 6.4% and Class B vacancies lower at 4.8%.

Exhibit 21 – Vacancy Rate Trends

	Vacancy Rates						
	Quarterly			Annualized			
	3Q15	2Q15	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
West/NW Suburban	5.5%	5.6%	5.6%	5.2%	4.8%	5.1%	7.0%
Boston	5.3%	5.2%	5.1%	4.2%	4.1%	4.6%	6.2%
Northeast	3.6%	3.5%	3.5%	3.5%	3.5%	3.9%	4.4%
United States	4.3%	4.2%	4.2%	4.3%	4.6%	5.5%	5.0%
Period Ending:	09/30/15	06/30/15	09/30/15	12/31/14	12/31/14	12/31/14	12/31/19

Submarket Rank Compared to:	Total Subs	Submarket Ranks						
		3Q15	2Q15	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
Boston	9	5	5	5	9	8	7	6
Northeast	103	89	93	93	97	90	85	93
United States	835	617	618	622	580	488	385	677



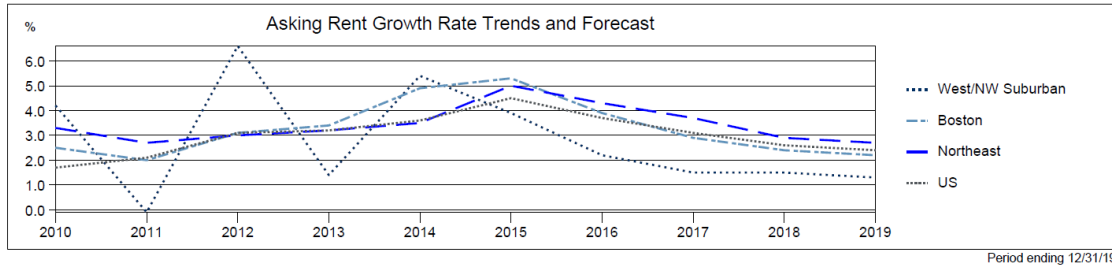
Source: REIS, Inc.

In the 20,238-unit South Shore submarket, Reis reports an average asking rent of \$1,763 per month. The average asking and effective rents increased 1.5% and 1.4% during the third quarter to \$1,763 and \$1,669 per month respectively. The second quarter had been stronger indicating growth at 0.8% for asking rents and 1.0% for effective rents; the year-over-year gains are 3.9% and 4.0% respectively. The report maintains that landlords will be able to continue to raise asking rents. The submarket average asking rents are projected to increase by 2.2% in 2016, and then by between 1.3% and 1.5% for the following three years.

Exhibit 22 – Comparative Rent Trends

	Asking Rent Growth						
	Quarterly			Annualized			
	3Q15	2Q15	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
West/NW Suburban	1.5%	0.8%	1.0%	5.4%	4.4%	3.5%	2.1%
Boston	1.5%	1.9%	1.4%	4.9%	3.8%	3.2%	3.3%
Northeast	1.6%	1.6%	1.3%	3.5%	3.2%	3.1%	3.7%
United States	1.4%	1.2%	1.2%	3.6%	3.3%	2.7%	3.3%
Period Ending:	09/30/15	06/30/15	09/30/15	12/31/14	12/31/14	12/31/14	12/31/19

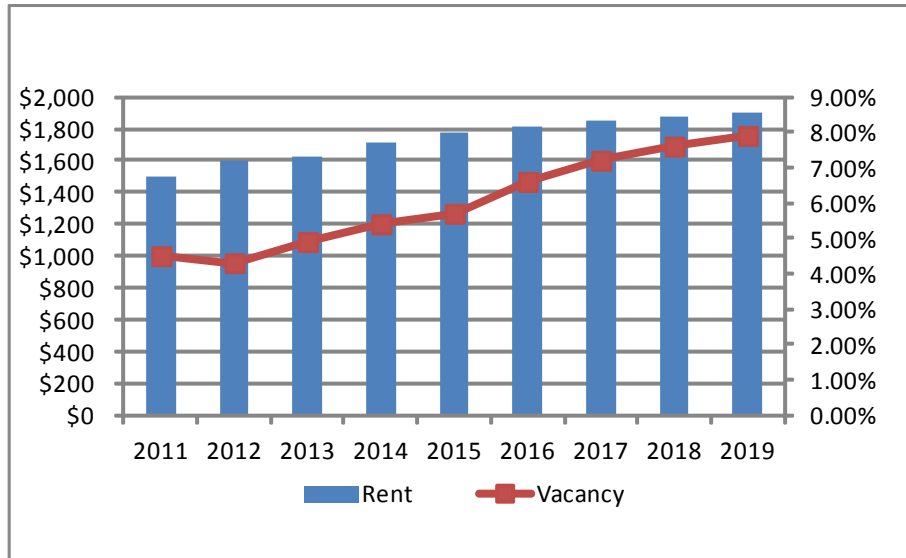
Submarket Rank Compared to:	Total Subs	Submarket Ranks						
		3Q15	2Q15	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
Boston	9	3	7	6	2	2	2	8
Northeast	103	22	45	28	7	6	7	63
United States	835	229	347	317	105	90	102	579



Source: REIS, Inc.

Current and projected vacancy rates as well as rent growth indicate the continued strength of the market. The valuation of the subject property must incorporate the strength of the South Shore rental housing market and its immediate neighborhood. The next table juxtaposes the submarket’s average asking rents and aggregate vacancy rates for the period 2010 projected through 2018. As shown, asking rents in the submarket are projected to increase from \$1,779 a month in 2015 to \$1,897 a month in 2019. As a result of the forecasted increase of supply in the market, this rent growth is accompanied with an increase in vacancies that will continue through to 2019 when the rate is expected to reach 7.9%. We note that this increase in supply is smaller than the increase anticipated in Boston’s urban core, primarily in Class A properties located close to the city center, where vacancies are expected to exceed 10% in the period reviewed.

Exhibit 23 – Submarket Rent and Vacancy Trends



Year	Asking Rent	Vacancy Rate
2011	\$1,504	4.50%
2012	\$1,603	4.30%
2013	\$1,625	4.90%
2014	\$1,712	5.40%
2015	\$1,779	5.70%
2016	\$1,819	6.60%
2017	\$1,845	7.20%
2018	\$1,872	7.60%
2019	\$1,897	7.90%

Source: Reis, Inc

The strength of the rental housing market is evidenced by occupancy rates in surrounding rental developments. Market occupancies above 95% are generally considered effectively “fully occupied”, since most property owners assume approximately 5% vacancy and credit loss for market rate apartments in their pro forma analysis and projections. Based on a review of comparable properties in the subject’s market area, the market has a vacancy rate of less than 3%. The subject units’ rent potential benefits from recent increases in demand for rental housing in Greater Boston in general, the subject’s submarket, and more specifically the value tenants place on the subject’s Sudbury location as a rental destination.

Local affordable rental housing surveyed reports 100% occupancy. As in the more macro discussion of rental trends, the greater Boston rental market is experiencing a resurgence and the local rental market has exhibited increasing rents for the last few years. As noted by several local housing groups, the strength of the local rental market is causing hardships for lower-income households. Families are finding it increasingly difficult to pay their rents and cover other household expenses as federal assistance dollars shrink. These concerns are evidenced in the focused demand analysis contained in this report.

Availability of Affordable Rental Housing

A study released December 2015 by Harvard University's Joint Center for Housing Studies reported that by mid-2015, 43 million families and individuals lived in rental housing, up nearly 9 million from 2005—the largest gain in any 10-year period on record. In addition, the share of all US households that rent rose from 31 percent to 37 percent, its highest level since the mid-1960s.

For the roughly one in five renters earning less than \$15,000 annually, rents would have to be under \$400 to be affordable. Between 2003 and 2013, new construction added only 5 percent to the stock of housing renting at these levels, while conversions from owner-occupancy added just under 2 percent. Downward filtering of higher-cost units contributed 11 percent of the growth in the lowest-cost stock over the decade. But because housing units with such low rents are vulnerable to deterioration and demolition, 11 percent of these rentals were permanently lost from the stock by 2013, offsetting the additions from filtering. On net, the number of low-cost rental units increased just 10 percent in 2003–2013 while the number of low-income renter households competing for that housing rose by 40 percent. Similarly, the net gain in moderately priced units (with rents of \$400–799) was 12 percent, while the increase in renter households that could afford only these units was 31 percent.

The report also stated that between 2001 and 2014, real rents rose 7 percent while household incomes fell by 9 percent. In combination, these trends pushed the number of cost-burdened renters (paying more than 30 percent of income for housing) up from 14.8 million to a new high of 21.3 million. Even worse, the number of these households with severe burdens (paying more than half of income for housing) jumped from 7.5 million to 11.4 million, also setting a record.

Although most common among lowest-income households, cost burdens are an increasing concern for moderate-income renters. Some 84 percent of renters earning under \$15,000 a year were cost burdened in 2014, up slightly from 80 percent in 2001. Of these lowest-income households, 72 percent had severe burdens. Among those earning \$15,000–29,999, however, the cost-burdened share rose from 69 percent in 2001 to 77 percent in 2014, with a 10 percentage-point increase in the incidence of severe burdens accounting for all of the change. The increase in cost-burdened shares among households earning \$30,000–44,999 was even larger, from 37 percent to 48 percent, although only 10 percent of these households had severe burdens in 2014.

The Town of Sudbury has a relatively high-priced for-sale housing market compared other parts of the state and it struggles to meet the housing needs of its low and moderate income residents. The median sales price of a single family home in Sudbury is currently \$675,000 compared to, for example, neighboring Framingham which has a median sales price of \$336,000. The Massachusetts Department of Housing and Community Development's Chapter 40B Subsidized Housing Inventory shows that only 6.0% or 354 units of the town's total housing stock are subsidized to assist low-income residents, which is far below the State's goal of 10 percent affordability. Limited household income and an aged housing stock create a strong demand for safe, affordable housing. There are no market rate rental developments and only few affordable rental developments in Sudbury, including one age-restricted development; however all of them are fully subsidized with all of the tenants receiving some sort of rent assistance.

The Coolidge at Sudbury – Phase I has 64 tax credit units. According to the property manager, the property opened September 2014 and was fully occupied by the end of December 2014. They currently maintain a waitlist of 60 households for the 30% units and 20 households for the 60% units. The manager also reported that over half the residents were previous homeowners.

The Longfellow Glen apartments, located at 655 Boston Post Road in Sudbury, consist of 120 rental units. All of 50 one-bedroom units at the property are occupied by low income senior households and all of which are rent assisted. All of these units are currently occupied and they have maintained very high occupancy over the past five years. Management currently maintains a waitlist for these units.

The Sudbury Housing Authority (SHA) owns and manages 21 single family and duplex rental houses for low income families that are scattered throughout town, and 64 apartments for people over 60 and disabled people at Musketahquid Village on Hudson Road. All of the units are one-bedroom with 495 square feet. The property contains 32 ground floor units and 32 second floor units, with no elevator. According to the Executive Director at the SHA, there is a much higher demand for the ground floor units. Preference is given to people who live or work in Sudbury. Applicants must meet state income eligibility standards and rents are 27% or 30% of income. The family waiting lists are currently closed to new applicants because vacancies occur so seldom and the existing lists are so long, however, the waitlist is open for the senior apartment complex and there are currently 20 seniors seeking affordable housing in the Town of Sudbury.

There is an age-restricted, non-rent assisted affordable housing development located in neighboring Weston, MA. The property, Merriam Village, is owned and operated by a private, non-profit corporation and is restricted to Massachusetts residents aged 60 and over, with incomes of less than \$54,900 for a one-person household and less than \$62,775 for a two-person household (which is approximately 80% of the Area Median Income). Preference is given to persons who are 65 and older, who have the greatest financial housing need, are Weston residents, parents of Weston residents, or who have a past or present relationship with Weston. As of February 2016, the rents for the one-bedroom units are between \$802 and \$927 per month. Tenants are responsible for payment of heat, electricity and cooking fuel. The property has reportedly maintained very high occupancy rates over the past several years.

The Brook School Apartments are also located in Weston and include 75 apartments that are restricted to seniors aged 62 and over. Forty-two are HUD-subsidized and thirteen are subsidized by Weston's Community Preservation Act. According to the property manager rental housing is very limited in Weston and the units are in very high demand. For the subsidized units at this property the wait can be 3-6 years, due to the number of applicants on the waitlist and the minimal turnover each year. The property manager reported that there are currently over 70 people on the waitlist for the affordable units and 12 people on the waitlist for the market rate units. The manager also reported that most of the tenants came from Weston, or the immediate surrounding communities of Sudbury, Wayland and Waltham. In addition there were a number of tenants (including several on the waitlist) who were from further afield but wanted to move to Weston to be closer to

children. In addition she reported that almost all of the tenants are previous homeowners who wanted to downsize and move to a maintenance-free community.

The Shillman House in Framingham opened in June 2011 and contains 150 independent living units that are restricted in seniors aged 62 and over. Sixty of the units are market rate units and 90 are affordable to low and moderate income households. According to the marketing manager marketing commenced February 2011 and all of the affordable units were leased within one month of opening and they currently maintain a waitlist for all of the affordable units. Approximately 25% of the current tenants are from out-of-state or out-of-area, and moved to the property to be closer to family and 75% are from Framingham and the immediate surrounding communities. The manager reported that more than half of the residents were previous homeowners.

Local rental housing market trends in Eastern Massachusetts have increased pressures on households seeking affordable rental housing. The Greater Boston area rental market has tightened in recent months resulting in falling vacancy rates and rising rents. Tenancy indicators in local affordable housing developments provide strong indication of the demand for affordable housing in Sudbury. We reviewed several Low-Income Housing Tax Credit developments in the primary market area with a total of 246 low-income units, most of which provide rental assistance, and all reported 100% occupancy.

Exhibit 24 – Occupancy Levels at Local LIHTC Properties

LIHTC Property	Address	Town	Total Units	Total Low Income	% Vacant
Orchard Hill	761 Boston Post Rd	Sudbury	45	9	0%
Christopher Heights	99 Pleasant St	Marlborough	83	50	0%
Countryside Village	450 Boston Post Road	Marlborough	118	115	0%
Plantation Apartments	22 Johnston Way	Stow	50	50	0%
Pilot Grove	1 Warren Road	Stow	60	<u>22</u>	0%
				246	

Source: HUD LIHTC Database

The occupancy and waitlist data at the affordable rental developments in Weston, which is similarly affluent suburban community, the occupancy and lease-up data for the Shillman House, the public housing and LIHTC housing occupancy rates and tenant-based Section 8 certificate waiting lists is indicative of the strong demand for affordable senior rental housing in the subject primary market area.

Characteristics of Housing Projects Under Construction or in Planning

Demographic trends indicate a demand base for the subject’s housing, which has not been met by supply increases and the subject’s market contains a very limited number of units affordable to households that do not earn more than 60% of the area median household income. According to information provided by the Sudbury Planning Department, there are number of new residential (for sale) developments which have recently completed construction however there are two large rental developments which have submitted applications, both of which would be developed as 40B developments, which are enabled under the MGL c. 40B to encourage the construction of affordable housing. They enable a developer to bypass certain local laws (primarily zoning restrictions) if, in return, they build 25% of the units in the development for sale or rent to low and moderate income households.

Exhibit 25 – Proposed Residential Developments

Name	Location	No.of Units	Type	Status
Avalon Sudbury 40B	526-528 Boston Post Rd	250 units	Rental	Application submitted
Village at Sudbury Station 40B	Concord Road	250 units	Rental	Application submitted
Pine Grove	293 Old Lancaster Rd	5 lot subdivision (40B)	Homeownership	Under Construction

Source: Sudbury Planning Department

As shown, in addition to the subject property, there are 500 residential units that are currently in the permitting process, of these approximately 25% or 125 units would be affordable to households with incomes less than 80% of the Area Median Income. These units will include one, two and three-bedroom units.

Our analysis of demand associated with the Sudbury and surrounding market area indicates that the local demand pool is sufficient to support the proposed 59 affordable units at the Coolidge at Sudbury-Phase II development. The demand associated with the balance of the secondary market provides further support for the development.

Market Area Conclusions – The proposed development is located in an area well suited for residential development. The site is convenient to Route 9, I-95, I-495 and I-90. It is also convenient to a wide variety of local service (shopping, medical facilities, recreational facilities). The number of senior households in the primary market area is expected to increase for the balance of the decade. A variety of demographic indicators suggest continued demand for housing, however this increasing demand is not being met

with sufficient increases in supply. The next section of the report reviews and analyzes comparable rental data in the context of the market data discussed.

Market Rate Rental Housing Analysis

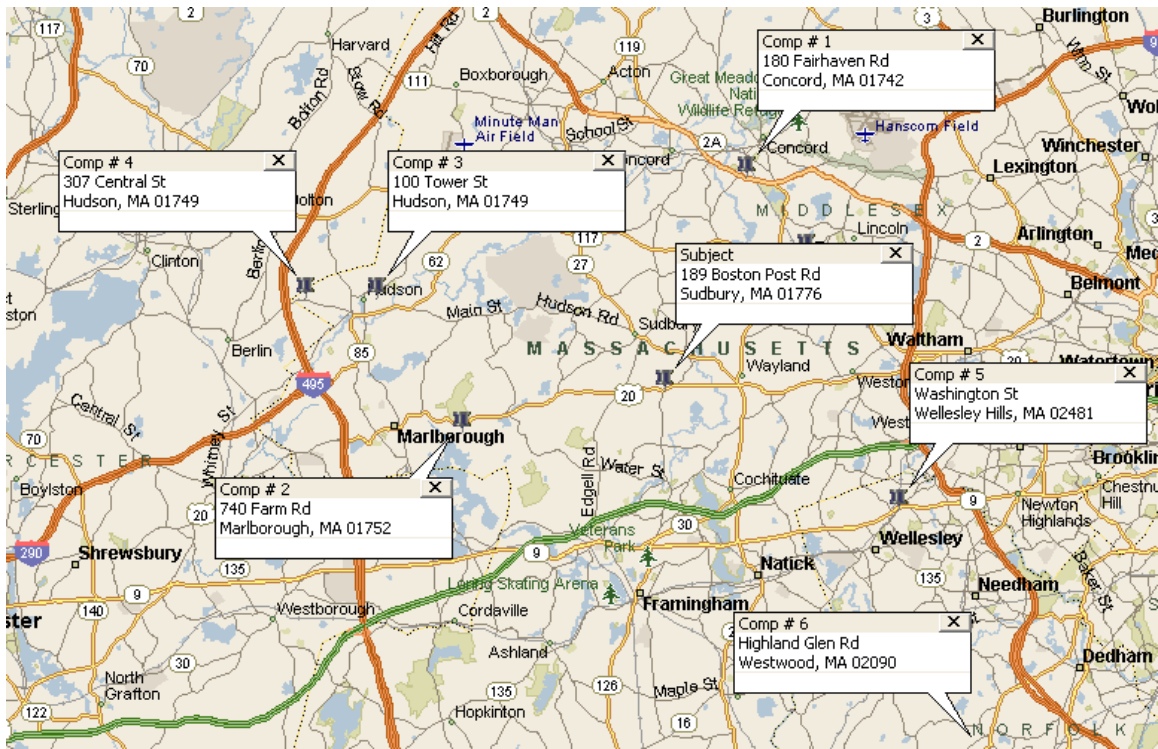
The greater market area exhibits several indicators of rental housing demand, including increasing numbers of households, increases in households likely to rent as determined by income cohort and employment projections for the region in the near and long term.

The Town of Sudbury has no market rate rental developments. Therefore we broadened our search to include the neighboring communities of Concord, Marlborough and Hudson and which are all located within the subject's primary market area. We reviewed several multi-family developments that we consider comparable and competitive with the proposed subject property and we consider that the market properties selected provide reasonable benchmark data related to the subject's rental market. There are no age-restricted market-rate rental developments in the primary market area. The closest senior market-rate developments are located in Wellesley and Westwood, almost 10 to 12 miles southeast of the subject and we have considered these properties in our rental analysis. Tenants will be attracted to the proposed development's location, but they will also be attracted based their ability to secure affordable rental housing. As evidenced by our review of the market, affordable rental housing is in limited supply.

We examined six market-rate rental developments that contain 597 units. A location map and description of each of the comparables review is shown in the addenda of this report. The comparables exhibited occupancy rates of between 98% and 100% with an overall average occupancy of over 99%, indicating a very strong and healthy rental market. The two market-rate senior developments, Phillips Park and Highland Glen, had occupancy rates of 100% and 98% respectively. The most comparable property considered to be Highland Glen, which was constructed in 2007 and is restricted to seniors age 55 and over.

The comparable locations as well as the subject property are illustrated in the next exhibit. More detailed property descriptions are provided following the location map.

Exhibit 26 - Location Map of Comparable Rental Developments



**Exhibit 27 – Comparable Rental Properties
 Comparable Apartment No. 1**

COMP. PROPERTY:	Fairhaven Residential Gardens	DATE: 2/4/2016
PROPERTY ADDRESS:	6 Abbott Lane Concord, MA	
KEY CROSS STREET:	Fairhaven Road	
CONTACT NAME:	Sylvia	DEVELOPER:
PHONE NUMBER:	781-933-1823	MANAGEMENT CO.: Taymill Partners



UNIT TYPE	BATH	# UNITS	RENT RANGE		SQ. FT. RANGE		\$/ SQ. FT. RANGE		% LEASED
Studio			\$1,530	\$1,850	596	755			
1 BR	1 or 2		\$1,840	\$2,005	799	930	\$2.16	\$2.30	
2 BR	2		\$2,275	\$2,695	1,088	1,534	\$1.76	\$2.09	
TOTAL		42							96.0%

Fairhaven Residential Gardens

YEAR BUILT:	2009	SECURITY DEPOSIT:	\$1,500
BUILDING TYPE	Garden & TH	OTHER FEES:	
NUMBER OF BUILDINGS	6	LEASE TERMS:	6, 9 and 12 Month
NUMBER OF FLOORS:	2	FURNISHED UNITS:	Available
CONCESSIONS/SPECIALS:			
None			
BUILDING COMMENTS:			
Mixed-Income rental development. Townhouse units include a private garage			
INTERIOR AMENITIES			
MICROWAVE:	X	SECURITY:	
F/F REFRIGERATOR:	X	alarm:	
WASHER/DRYER:	X	gate:	
conn:		patrol:	
full size:		CEILING FAN:	
stacked:		FIREPLACE:	Some
DISHWASHER:	X	VAULTED CEILING:	
GARBAGE DISPOSAL:	X	VIEWS:	X
CABLE READY:	X	INTERNET ACCESS:	X
COUNTERTOP TYPE:	Mixed	AIR CONDITIONING	X
		WINDOW COVERING:	
		blinds:	X
		shades:	
		CARPET	X
		HARDWOOD:	X
		VINYL:	
		OUTSIDE STORAGE:	
		PATIO/BALCONIES:	X
		ELEVATOR:	
EXTERIOR AMENITIES			
LAUNDRY ROOM:		FITNESS:	
POOL:		CLUBHOUSE:	
JACUZZI/SAUNA:		BUSINESS CENTER:	
TENNIS:		PARKING:	X
BASKETBALL:		off street:	X
PLAYGROUND:		carport:	
COMMUNITY SPACE:		garage:	\$100
ON SITE OFFICE	X	zip car:	
OTHER:		SERVICE COORDINATOR:	
OTHER			
PETS:	Cats and Dogs OK	UTILITIES (type):	
deposit:		resident pays:	Heat, hot water, unit electric
pet rent:	\$20.00	included:	Cold water, sewer, trash
OTHER FEES:		CLASS:	
PROPERTY CONDITION:			
Excellent			

Comparable Apartment No. 2

COMP. PROPERTY:	Princeton Green Apartments	DATE: 2/4/2016
PROPERTY ADDRESS:	740 Farm Road Marlborough, MA	
KEY CROSS STREET:	Boston Post Road	
CONTACT NAME:	Crystal	DEVELOPER:
PHONE NUMBER:	508.261.5001	MANAGEMENT CO.: Princeton Properties



	BATH	# UNITS	RENT RANGE		SQ. FT. RANGE		\$/ SQ. FT. RANGE		% LEASED
Studio	1		\$1,009	\$1,049	379	379	\$2.66	\$2.77	
1 BR	1		\$1,239	\$1,309	658	658	\$1.88	\$1.99	
2 BR	1		\$1,389	\$1,459	860	876	\$1.62	\$1.67	
TOTAL		151							98.0%

Princeton Green

YEAR BUILT:	1980	SECURITY DEPOSIT:	\$500
BUILDING TYPE	Garden style	OTHER FEES:	
NUMBER OF BUILDINGS		LEASE TERMS:	Flexible
NUMBER OF FLOORS:	3	FURNISHED UNITS:	No
CONCESSIONS/SPECIALS:			
None			
BUILDING COMMENTS:			
INTERIOR AMENITIES			
MICROWAVE:		SECURITY:	Intercom
F/F REFRIGERATOR:	X	alarm:	
WASHER/DRYER:		gate:	
conn:		patrol:	
full size:		CEILING FAN:	
stacked:		FIREPLACE:	
DISHWASHER:	X	VAULTED CEILING:	
GARBAGE DISPOSAL:		VIEWS:	
CABLE READY:	X	INTERNET ACCESS:	X
COUNTERTOP TYPE:		AIR CONDITIONING	Wall
WINDOW COVERING:		blinds:	X
		shades:	
		CARPET	X
		HARDWOOD:	
		VINYL:	
		OUTSIDE STORAGE:	X
		PATIO/BALCONIES:	X
		ELEVATOR:	
EXTERIOR AMENITIES			
LAUNDRY ROOM:	X	FITNESS:	X
POOL:	X	CLUBHOUSE:	
JACUZZI/SAUNA:		BUSINESS CENTER:	
TENNIS:		PARKING:	X
BASKETBALL:		off street:	x (w/rent)
PLAYGROUND:		carport:	
COMMUNITY SPACE:		garage:	
ON SITE OFFICE	X	zip car:	
OTHER:		SERVICE COORDINATOR:	
OTHER			
PETS:	Cats Only	UTILITIES (type):	
deposit:		resident pays:	Electric, heat, cooking
pet rent:	\$20/mth		
OTHER FEES:		included:	Hot Water
		CLASS:	
PROPERTY CONDITION:			
Average to Good			

Comparable Apartment No. 3

COMP. PROPERTY:	Littlebrook of Hudson	DATE: 2/4/2016
PROPERTY ADDRESS:	100 Tower Street Hudson, MA	
KEY CROSS STREET:	Cox Street	
CONTACT NAME:	jessica	DEVELOPER:
PHONE NUMBER:	978-562-6265	MANAGEMENT CO.: State Street Dev.



UNIT TYPE	BATH	# UNITS	RENT RANGE		SQ. FT. RANGE		\$/ SQ. FT. RANGE		% LEASED
1 BR	1	48	\$1,350	\$1,350	657	657	\$2.05	\$2.05	
2 BR	1-2	40	\$1,425	\$1,550	829	921	\$1.72	\$1.68	
3 BR	2	8	\$1,850	\$1,850	1,185	1,185	\$1.56	\$1.56	
TOTAL		96							97.9%

Littlebrook of Hudson

YEAR BUILT:	1989(Rmdld)	SECURITY DEPOSIT:	1 Months Rent
BUILDING TYPE	Garden	OTHER FEES:	
NUMBER OF BUILDINGS	8	LEASE TERMS:	12 Month
NUMBER OF FLOORS:	3	FURNISHED UNITS:	
CONCESSIONS/SPECIALS:			
None			
BUILDING COMMENTS:			
INTERIOR AMENITIES			
MICROWAVE:	X	SECURITY:	
F/F REFRIGERATOR:	X	alarm:	X
WASHER/DRYER:		gate:	
conn:		patrol:	
full size:		CEILING FAN:	
stacked:		FIREPLACE:	
DISHWASHER:	X	VAULTED CEILING:	
GARBAGE DISPOSAL:	X	VIEWS:	
CABLE READY:	X	INTERNET ACCESS:	X
COUNTERTOP TYPE:	Formica	AIR CONDITIONING:	Wall Unit
		WINDOW COVERING:	
		blinds:	X
		shades:	
		CARPET	X
		HARDWOOD:	
		VINYL:	X
		OUTSIDE STORAGE:	
		PATIO/BALCONIES:	X
		ELEVATOR:	Walk-Up
EXTERIOR AMENITIES			
LAUNDRY ROOM:	X	FITNESS:	
POOL:	X	CLUBHOUSE:	X
JACUZZI/SAUNA:		BUSINESS CENTER:	
TENNIS:	X	PARKING:	Free
BASKETBALL:		off street:	X
PLAYGROUND:	X	carport:	
COMMUNITY SPACE:	X	garage:	
ON SITE OFFICE:	X	zip car:	
OTHER:		SERVICE COORDINATOR:	
OTHER			
PETS:	Cats OK	UTILITIES (type):	
deposit:		resident pays:	Cooking, unit electric
pet rent:	Free	included:	Heat, Hot Water, Trash, Water & Sewer
OTHER FEES:		CLASS:	
PROPERTY CONDITION:			
Good			
COMMENTS:			
Property is a mixed-income developemnt w ith 24 affordable units and 72 market rate units			

Comparable Apartment No. 4

COMP. PROPERTY:	Simrah Gardens	DATE: 2/4/2016
PROPERTY ADDRESS:	307 Central Street Hudson, MA	
KEY CROSS STREET:		
CONTACT NAME:	Lisa	DEVELOPER:
PHONE NUMBER:	978-567-0701	MANAGEMENT CO.: Zain Realty



UNIT TYPE	BATH	# UNITS	RENT RANGE		SQ. FT. RANGE		\$/ SQ. FT. RANGE		% LEASED
1 BR	1	27	\$1,200	\$1,275	717	760	\$1.67	\$1.68	
2 BR	1-2	119	\$1,350	\$1,550	912	922	\$1.48	\$1.68	
3 BR	2	12	\$1,600	\$1,695	1,060	1,060	\$1.51	\$1.60	
TOTAL		154							98.0%

LIHTC Market Study
 The Coolidge at Sudbury-Phase II
 Sudbury, Massachusetts

YEAR BUILT:	2005	SECURITY DEPOSIT:	1 Months Rent
BUILDING TYPE	Low Rise	OTHER FEES:	
NUMBER OF BUILDINGS	2	LEASE TERMS:	12 Month
NUMBER OF FLOORS:	3 & 4	FURNISHED UNITS:	No
CONCESSIONS/SPECIALS:			
None			
BUILDING COMMENTS:			
INTERIOR AMENITIES			
MICROWAVE:	X	SECURITY:	X
F/F REFRIGERATOR:	X	alarm:	X
WASHER/DRYER:	X	gate:	
conn:		patrol:	
full size:		CEILING FAN:	
stacked:		FIREPLACE:	
DISHWASHER:	X	VAULTED CEILING:	Some
GARBAGE DISPOSAL:	X	VIEWS:	
CABLE READY:	X	INTERNET ACCESS:	X
COUNTERTOP TYPE:	Granite	AIR CONDITIONING:	Central
		WINDOW COVERING:	
		blinds:	X
		shades:	
		CARPET	X
		HARDWOOD:	
		VINYL:	Granite Tile
		OUTSIDE STORAGE:	
		PATIO/BALCONIES:	X
		ELEVATOR:	X
EXTERIOR AMENITIES			
LAUNDRY ROOM:		FITNESS:	X
POOL:	X	CLUBHOUSE:	
JACUZZI/SAUNA:		BUSINESS CENTER:	
TENNIS:		PARKING:	Free
BASKETBALL:	X	off street:	X
PLAYGROUND:	X	carport:	\$50
COMMUNITY SPACE:		garage:	
ON SITE OFFICE	X	zip car:	
OTHER:		SERVICE COORDINATOR:	
OTHER			
PETS:	Cats OK	UTILITIES (type):	
deposit:		resident pays:	Heat, cooking, unit electric, hot water
pet rent:	\$50.00	included:	Water, sewer, trash
OTHER FEES:		CLASS:	
PROPERTY CONDITION:			
Excellent			
COMMENTS:			
Property is a mixed-income developemnt w ith 40 moderate-income units and 117 market rate units			

Comparable Apartment No. 5

COMP. PROPERTY:	Phillips Park	DATE:	2/4/2016
PROPERTY ADDRESS:	324 Washington Street Wellesley, MA		
KEY CROSS STREET:	Worcester Street		
CONTACT NAME:		DEVELOPER:	
PHONE NUMBER:	781-444-5800	MANAGEMENT CO.:	Equity Residential



UNIT TYPE	BATH	# UNITS	RENT RANGE		SQ. FT. RANGE		\$/ SQ. FT. RANGE		% LEASED
1 BR	1	6	\$1,850	\$1,850	600	600	\$3.08	\$3.08	
2 BR	1	22	\$2,050	\$2,050	850	850	\$2.41	\$2.41	
2 BR	2	21	\$2,345	\$2,345	1,150	1,150	\$2.04	\$2.04	
TOTAL		49							99.0%

LIHTC Market Study
 The Coolidge at Sudbury-Phase II
 Sudbury, Massachusetts

YEAR BUILT:	Ren. 1985	SECURITY DEPOSIT:	\$99
BUILDING TYPE	Garden	OTHER FEES:	
NUMBER OF BUILDINGS	1	LEASE TERMS:	Flexible
NUMBER OF FLOORS:	3	FURNISHED UNITS:	
CONCESSIONS/SPECIALS:			
BUILDING COMMENTS:			
55+community			
INTERIOR AMENITIES			
MICROWAVE:		SECURITY:	Intercom
F/F REFRIGERATOR:	X	alarm:	
WASHER/DRYER:		gate:	
conn:		patrol:	
full size:		CEILING FAN:	X
stacked:		FIREPLACE:	
DISHWASHER:	X	VAULTED CEILING:	
GARBAGE DISPOSAL:		VIEWS:	
CABLE READY:	X	INTERNET ACCESS:	X
COUNTERTOP TYPE:	Laminate	AIR CONDITIONING:	X
WINDOW COVERING:		blinds:	X
		shades:	
		CARPET	X
		HARDWOOD:	
		VINYL:	X
		OUTSIDE STORAGE:	X
		PATIO/BALCONIES:	X
		ELEVATOR:	X
EXTERIOR AMENITIES			
LAUNDRY ROOM:	X	FITNESS:	
POOL:		CLUBHOUSE:	X
JACUZZI/SAUNA:		BUSINESS CENTER:	
TENNIS:		PARKING:	X
BASKETBALL:	X	off street:	x (w/rent)
PLAYGROUND:		carport:	
COMMUNITY SPACE:		garage:	
ON SITE OFFICE		zip car:	
OTHER:		SERVICE COORDINATOR:	
OTHER			
PETS:	Cats only	UTILITIES (type):	
deposit:		resident pays:	Electric
pet rent:	\$15/month	included:	Heat, Hot water
OTHER FEES:		CLASS:	
PROPERTY CONDITION:			
Good			

Comparable Apartment No. 6

COMP. PROPERTY:	Highland Glen	DATE:	2/4/2016
PROPERTY ADDRESS:	1055 Highland Glen Road Westwood, MA		
KEY CROSS STREET:	High St.		
CONTACT NAME:	Garrett	DEVELOPER:	
PHONE NUMBER:	844-296-7948	MANAGEMENT CO.:	Equity Residential



UNIT TYPE	BATH	# UNITS	RENT RANGE		SQ. FT. RANGE		\$/SQ. FT. RANGE		% LEASED
1 BR	1	77	\$1,850	\$1,850	750	750	\$2.47	\$2.47	
2 BR	2	25	\$2,400	\$2,400	1,114	1,114	\$2.15	\$2.15	
TOTAL		102							98.0%

LIHTC Market Study
 The Coolidge at Sudbury-Phase II
 Sudbury, Massachusetts

YEAR BUILT:	2007	SECURITY DEPOSIT:	\$99
BUILDING TYPE	Mid-rise	OTHER FEES:	
NUMBER OF BUILDINGS	2	LEASE TERMS:	Flexible
NUMBER OF FLOORS:	4	FURNISHED UNITS:	
CONCESSIONS/SPECIALS:			
\$99security deposit			
BUILDING COMMENTS:			
INTERIOR AMENITIES			
MICROWAVE:	X	SECURITY:	Intercom
F/F REFRIGERATOR:	X	alarm:	
WASHER/DRYER:	X	gate:	
conn:		patrol:	
full size:		CEILING FAN:	
stacked:		FIREPLACE:	
DISHWASHER:	X	VAULTED CEILING:	
GARBAGE DISPOSAL:	X	VIEWS:	
CABLE READY:	X	INTERNET ACCESS:	X
COUNTERTOP TYPE:	Formica	AIR CONDITIONING:	X
WINDOW COVERING:		blinds:	X
		shades:	
		CARPET	X
		HARDWOOD:	
		VINYL:	X
		OUTSIDE STORAGE:	X
		PATIO/BALCONIES:	X
		ELEVATOR:	X
EXTERIOR AMENITIES			
LAUNDRY ROOM:	X	FITNESS:	X
POOL:		CLUBHOUSE:	
JACUZZI/SAUNA:		BUSINESS CENTER:	X
TENNIS:		PARKING:	X
BASKETBALL:		off street:	x (w/rent)
PLAYGROUND:		carport:	
COMMUNITY SPACE:		garage:	
ON SITE OFFICE	X	zip car:	
OTHER:		SERVICE COORDINATOR:	
OTHER			
PETS:		UTILITIES (type):	
deposit:		resident pays:	Heat, hot water, electric, water and sewer
pet rent:			
OTHER FEES:		included:	None
		CLASS:	
PROPERTY CONDITION:			
Excellent			
COMMENTS:			
Age restricted, 55+			

Discussion of Market-Rate Rent Comparables

Unit Rents

The next table illustrates the range of rents observed at the comparables examined as part of this report. The table illustrates the unit rents and the rent adjusted to reflect the fact that the subject’s apartments will provide heat, and hot water, with the tenants paying electric only. We have displayed the rents as a monthly rent and as a rent per foot of living space. As shown, the one-bedroom units in the market lease for between \$1,200 and \$2,005.

Exhibit 28– Summary of Rent Comparables

				MARKET DATA			
BEDROOMS	BATHS	SQ. FT. RANGE		RENT RANGE		\$/SQ. FT. RANGE	
1 BR	1	600	930	\$1,200	\$2,005	\$1.67	\$3.08

Vacancy Discussion

Vacancy rates of less than 5.0% typically signify a strong rental market. The six properties surveyed exhibit an aggregate vacancy rate of 2.1%. Of the 594 units survey only 12 units are available for rent – indicating a very strong rental market.

Exhibit 29 – Comparable Occupancy

Comparable	Units		%
	Total	Vacant	Vacant
Fairhaven	42	2	4.0%
Princeton Green	151	3	2.0%
Littlebrook of Hudson	96	2	2.1%
Simrah Gardens	154	3	2.0%
Phillps Park	49	0	1.0%
Highland Glen	<u>102</u>	<u>2</u>	<u>2.0%</u>
	594	12	2.1%

Estimate of Market Rent By Comparison:

The occupancy levels and rental rates at the local comparable properties provide indications of the subject's market rate rent potential. In order to estimate the appropriate unit rents for the subject's units we developed rent grids based on the comparable rental developments reviewed. The comparable developments are a mix of family and senior rental housing and are representative of the rental housing options available to seniors in the local market area. We developed estimates for the subject's one-bedroom units. Estimated adjustments to the Comparables have been made for each relevant line item on the grids. We evaluated each comparable development based on their level of occupancy, any concessions offered, size, unit and site amenities, and utilities provided. The next several pages provide a narrative description of the adjustments that are followed by the rent grid.

Line 1. Last Rented / Restricted All of the units are currently rented at the rates shown on the grid. No unit used in the analysis has any rent restrictions.

Line 2. Date Last Leased. The property representatives informed us that the rental rates quoted reflect current rates as of February 2016. No adjustments were required.

Line 3. Rent Concessions. None of the properties are offering rent concessions.

Line 4. Occupancy for Unit Type. According to data collected, the market area has experienced an occupancy rate of around 98%. The rents shown in the grid are asking rents for each unit and no further adjustment was made.

Line 6. Structures / Stories. The subject's units will be contained in a single three story elevated building. The comparables' units are contained in similar low to mid-rise buildings. Based on the market data examined, the appraisers do not believe that the comparables' unit rents are affected by any differences between the subject and the comparables due to the type of structure or the number of stories.

Line 7. Yr. Built/Yr. Renovated - The subject property will be a newly built development; however, we have incorporated any adjustments related to vintage into the adjustments related to building condition as reflected in line 8.

Line 8. Condition / Street Appeal. The subject property will be a newly built property in very good to excellent condition with very good street appeal upon its completion. Comparable 1 and Comparable 4 are recently constructed developments that have a much superior level of finishes compared to the subject property (granite countertops, stainless steel appliances' etc.) and these comparables were adjusted downwards. Comparables 2, 3 and 5 are of older construction and were considered to be in an inferior condition and were adjusted upwards.

Line 9. Neighborhood. The subject is located in Sudbury, along Route 20. Comparables 2, 3 and 4 were considered inferior locations in terms of rent potential and adjusted upwards. Comparable 5 is located in downtown Wellesley, within walking distance to public transportation (both rail and bus), as well as shops, restaurants and other services and was considered a superior location in terms of rent potential. This comparable was adjusted downward. Comparable 6 is located in Westwood and is considered similar in terms of location and not adjusted.

Line 10. Same Market? Miles to Subject. We do not believe that these distances are significant and any adjustment related to distance has been considered in the adjustment for neighborhood.

Lines 11 and 12. Bedroom and Baths. The subject property will contain one bedroom one bathroom units. All of the comparables contain one-bedroom one bathroom units.

Line 13. Unit Square Footage. In order to estimate the premium associated with additional space, we compared additional rent paid at local developments for additional bedrooms and adjusted this difference for the premium associated with the added space. The difference in rents does not, necessarily, reflect how much more a tenant is willing to pay for the added space. Additionally, in our opinion, renters do not value all size differences equally. To value the size differences between the subject and these comparables, the appraiser reviewed the rental rates in the market after adjustments for all characteristics except size. The appraiser concluded that there is a value of approximately \$0.25 per foot of space related to size. No adjustment was considered for a size difference of less than 50 feet.

Line 14. Balcony / Patio. We found no evidence that the existence or lack of a patio or balcony warranted an adjustment in the market, based on the rental rates observed at comparable developments.

Line 15. Air Conditioning: The subject property will provide central air conditioning. Comparable 2 does not provide central air conditioning, but only a wall-unit in the living room. This property was adjusted upwards by \$10 based on conversations with local leasing agents.

Line 16. Range/refrigerator. All of the properties contain a range and refrigerator.

Line 17. Microwave/Dishwasher. The subject units will contain a microwave and a dishwasher. Most of the properties contain a microwave and a dishwasher. Comparables 2 and 5 contain a dishwasher only and were adjusted upwards by \$10 based on conversations with local leasing agents.

Line 18. Washer/Dryer. Comparables 1, 4 and 6 have laundry equipment in their units and these rents were adjusted by \$50.

Line 19. Floor Covering. The comparables and the subject provide a mix of flooring types. Based on conversations with local rental agents, we do not believe that an adjustment was warranted for floor covering.

Line 20. Window Coverings. Based on our experience, the market does not recognize a premium for window treatment, no adjustment was made.

Line 21. Cable / Satellite / Internet. The subject property and all of the comparables provide cable access. None of the properties provide Internet access.

Line 22. Site Office. According to local rental personnel, the market does not recognize a premium for a site office.

Line 23. Laundry Facility. The subject and the comparables provide a laundry facility.

Line 24. Parking. The subject and the comparables provide free off-street surface parking.

Line 25. Extra Storage. Not considered a significant item.

Line 26. Security. All of the properties provide secured entrances.

Line 27. Clubhouse / Meeting Rooms. The subject contains a lounge and resident services area. Comparables 1 and 4 do not provide any such common areas and these rents were adjusted by \$5.

Line 28. Pool / Site Amenities. The subject will provide a fitness center. Comparables 2, 3 and 4 provides a fitness center and a pool and these properties were adjusted by \$10 based on conversations with local rental personnel. Comparable 1 does not have any recreational facilities and was adjusted upwards.

Line 29. Business Ctr./Nbhd Netwk. Not applicable.

Lines 30 and 31. Service Coordinator and Non-Shelter Services. The subject will provide a service coordinator who will assist tenants with accessing services and benefits from a broad range of agencies and coordinates social activities at the subject. None of the comparables offer a similar level of service. Based on our analysis of the market, we estimate the premium associated with these services and amenities at \$30.00.

Lines 33-39. Utilities. Adjusted according to local data

The next exhibits illustrate the adjustments completed and the estimated market-rate rent applicable to the subject property's units.

Line 46. Correlated Subject Rent (One-Bedroom) The gross adjustments range from \$181 to \$525 per unit. The adjusted rents range from \$1,438 to \$1,889, a range of 31.4%. The unadjusted rents have a range of 50% indicating support of the adjustments made. The adjusted rents exhibit central tendencies (mean and median) of approximately \$1,686 to \$1,692. Based on the analysis of the comparable properties, the range of adjusted rents, the central tendencies of the data, and the rents at the most comparable properties, we concluded at a market rent for the 700 square foot one-bedroom units to be \$1,690.

LIHTC Market Study
 The Coolidge at Sudbury-Phase II
 Sudbury, Massachusetts

Exhibit 30 – Rent Grid One-Bedroom Units

<i>Subject</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>		<i>Comp #6</i>	
The Coolidge at Sudbury-II 189 Boston Post Road Sudbury, MA		Fairhaven 6 Abott Lane Concord, MA		Princeton Green 740 Farm Road Marlborough, MA		Littlebrook 100 Tower St Hudson, MA		Sinrah Gardens 307 Central St Hudson, MA		Phillips Park 324 Washington St Wellesley, MA		Highland Glen 1055 Highland Glen Rd Westwood, MA	
<i>Subject</i>		<i>Data</i>		<i>Data</i>		<i>Data</i>		<i>Data</i>		<i>Data</i>		<i>Data</i>	
<i>Subject</i>		<i>Subject</i>		<i>Subject</i>		<i>Subject</i>		<i>Subject</i>		<i>Subject</i>		<i>Subject</i>	
<i>Subject</i>		<i>Data</i>		<i>Data</i>		<i>Data</i>		<i>Data</i>		<i>Data</i>		<i>Data</i>	
<i>Subject</i>		<i>\$ Adj</i>		<i>\$ Adj</i>		<i>\$ Adj</i>		<i>\$ Adj</i>		<i>\$ Adj</i>		<i>\$ Adj</i>	
A. Rents Charged													
1 \$ Last Rent / Restricted?		\$1,840		\$1,274		\$1,350		\$1,238		\$1,850		\$1,850	
2 Date Last Leased (mo/yr)		Feb-16		Feb-16		Feb-16		Feb-16		Feb-16		Feb-16	
3 Rent Concessions		No		No		No		No		No		No	
4 Occupancy for Unit Type		96%		98.0%	\$20	98%		98%		99%		98%	
5 Effective Rent & Rent/ sq. ft		\$1,840	\$2.30	\$1,274	\$1.94	\$1,350	\$2.05	\$1,238	\$1.68	\$1,850	\$3.08	\$1,850	\$2.36
B. Design, Location, Condition													
6 Structure / Stories	3	2		3		3		3		3		3	
7 Yr. Built/Yr. Renovated	2016	2009		1980s		1989		2005		1980s		2007	
8 Condition/Street Appeal	VG/VG	Excel/Excel	(\$140)	Gd/Avg	\$100	Gd/Gd	\$70	Excel/Excel	(\$90)	Gd/Gd	\$90	VG/VG	
9 Neighborhood	Subject	Similar		Inferior	\$190	Inferior	\$270	Inferior	\$250	Superior	(\$370)	Similar	
10 Same Market? Miles to Subj		6.4		6.2		8.3		10		7.0		12.0	
C. Unit Equipment/ Amenities													
11 # Bedrooms	1	1		1		1		1		1		1	
12 # Baths	1	1		1		1		1		1		1	
13 Unit Interior Sq. Ft.	700	799	(\$25)	658	\$0	657	\$0	739	\$0	600	\$25	785	(\$21)
14 Balcony/ Patio	No	No		Yes		Yes		Yes		Yes		Yes	
15 AC: Central/ Wall	Central	Central		Wall	\$5	Central		Central		Central		Central	
16 Range/ refrigerator	Y/Y	Y/Y		Y/Y		Y/Y		Y/Y		Yes/Yes		Yes/Yes	
17 Microwave/ Dishwasher	N/Y	Y/Y		N/Y	\$10	Y/Y		Y/Y		N/Y	\$10	Y/Y	
18 Washer/Dryer	No	Yes	(\$50)	No		No		Yes	(\$50)	No		Yes	(\$50)
19 Floor Coverings	Carpet	Mixed		Mixed		Mixed		Mixed		Mixed		Mixed	
20 Window Coverings	Yes	Yes		Yes		Yes		Yes		Yes		Yes	
21 Cable/ Satellite/Internet	C. Ready	C. Ready		C. Ready		C. Ready		C. Ready		C. Ready		C. Ready	
22 Site Office	Yes	Yes		Yes		No		Yes		Yes		Yes	
23 Laundry Facility	Yes	No		Yes		Yes		Yes		Yes		Yes	
D. Site Equipment/ Amenities													
24 Parking (\$ Fee)	Yes	Surface		Surface		Surface		Surface		Surface		Surface	
25 Extra Storage	No	No		No	(\$10)	No		No		No		No	
26 Security	Intercom	Intercom		Intercom		Intercom		Intercom		Intercom		Intercom	
27 Clubhouse/ Meeting Rooms	No/Yes	No	\$5	Yes		Yes		No	\$5	Yes		Yes	
28 Pool/ Recreation Areas	No/Yes	No/No	\$10	Pool/Fitness	(\$10)	Pool/Tennis	(\$10)	Pool/Fitness	(\$10)	No/Yes		No/Yes	
29 Business Ctr / Nhd Netwk	No	No		No		No		No		No		No	
30 Service Coordination	Yes	No	\$30	No	\$30	No	\$30	No	\$30	No	\$30	No	\$30
31 Non-shelter Services	No	No		No		No		No		No		No	
32													
E. Utilities													
33 Heat (in rent?/ type)	Yes	No	\$50	No	\$50	No	\$50	No	\$50	Yes		No	\$50
34 Cooling (in rent?/ type)	No	No		No		No		No		No		No	
35 Cooking (in rent?/ type)	No	No	\$10	No		No	\$10	No		No		No	
36 Hot Water (in rent?/ type)	Yes	Yes	\$15	Yes		Yes		No	\$15	Yes		No	\$15
37 Other Electric	No	No		No		No		No		No		No	
38 Cold Water/ Sewer	Yes	Yes		Yes		Yes		Yes		Yes		No	\$15
39 Trash/Recycling	Yes	Yes		Yes		Yes		Yes		Yes		Yes	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		3	3	5	2	3	1	3	3	4	1	1	2
41 Sum Adjustments B to D		\$45	(\$215)	\$335	(\$20)	\$370	(\$10)	\$285	(\$150)	\$155	(\$370)	\$30	(\$71)
42 Sum Utility Adjustments		\$75	\$0	\$50	\$0	\$60	\$0	\$65	\$0	\$0	\$0	\$80	\$0
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		(\$95)	\$335	\$365	\$405	\$420	\$440	\$200	\$500	(\$215)	\$525	\$39	\$181
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$1,745		\$1,639		\$1,770		\$1,438		\$1,635		\$1,889	
45 Adj Rent/Last rent			95%		129%		131%		116%		88%		102%
46 Estimated Market Rent	\$1,690	\$2.41	Estimated Market Rent/ Sq. Ft										

Our analysis indicates a rent of \$1,690 for the subject’s units and demonstrates a rent advantage for the subject property of 61%. The tenants in the 12 30% units will receive project based rent assistance. These tenants will pay no more than 30% of their income toward their rent and do not factor in the face value of the unit rents into their demand analysis. The estimated rents are bracketed by the market data and are supported by the comparable analyses just described.

Exhibit 31 – Estimated Market Advantage

Unit Type	Rent Comparison		
	Proposed Rent	Bonz Rent Est.	Rent Advantage
	60%		60%
One-BR	\$995	\$1,600	61%

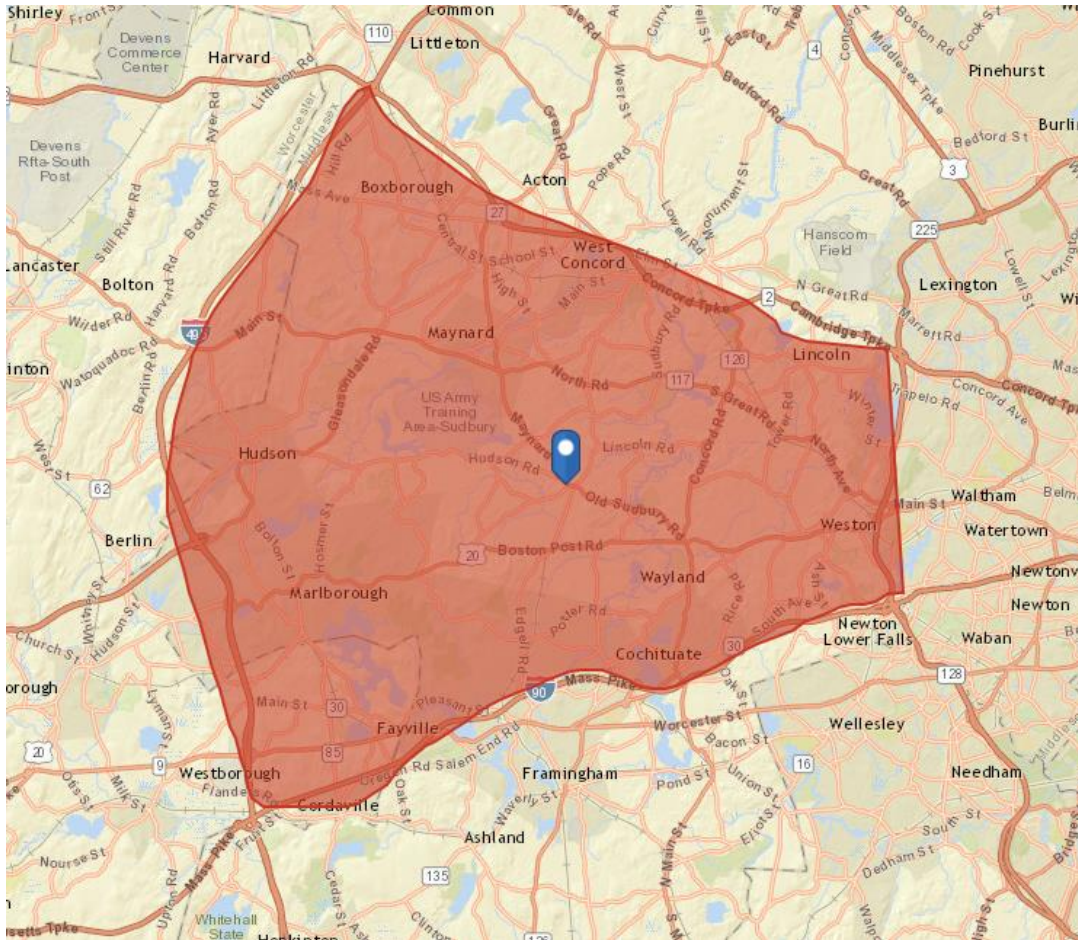
Our review of general market indicators and the comparable rental data indicate support for new rental product such as the subject property’s proposed units at the rent levels described. The next section of the report examines the specific market area support and level of demand for new rental units at the proposed rental rates

MARKET AREA DEFINITIONS AND DEMAND ANALYSIS

The subject property will be located at 189 Boston Post Road (Route 20) in Sudbury, Middlesex County, Massachusetts, mid-way between Interstate 95 and Interstate 495, and just four miles north of Interstate 90. Sudbury is approximately eight miles east of Marlborough, six miles north of Framingham and 18 miles west of Boston. The site is convenient to local area shopping, downtown Sudbury and to local area highways. As a result, we believe that the subject should be able to attract tenants from much of Middlesex and Worcester County. However, it is our experience that senior households tend to move infrequently and when they do they tend to prefer locations that are familiar and close to family. We spoke to the property managers at two-senior housing projects in neighboring Weston who reported that most of their tenants were from Weston, or from the immediately surrounding communities.

Therefore we concentrated our analysis of demand projections and demographic trends associated with a focused primary market area within an approximate 8 to 10 mile radius of the subject site, bound by the major area highways, which includes the Town of Sudbury and the surrounding communities of Wayland, Weston, Maynard, Marlborough, Southborough, Hudson, Stow, Boxborough, West Concord and Lincoln.

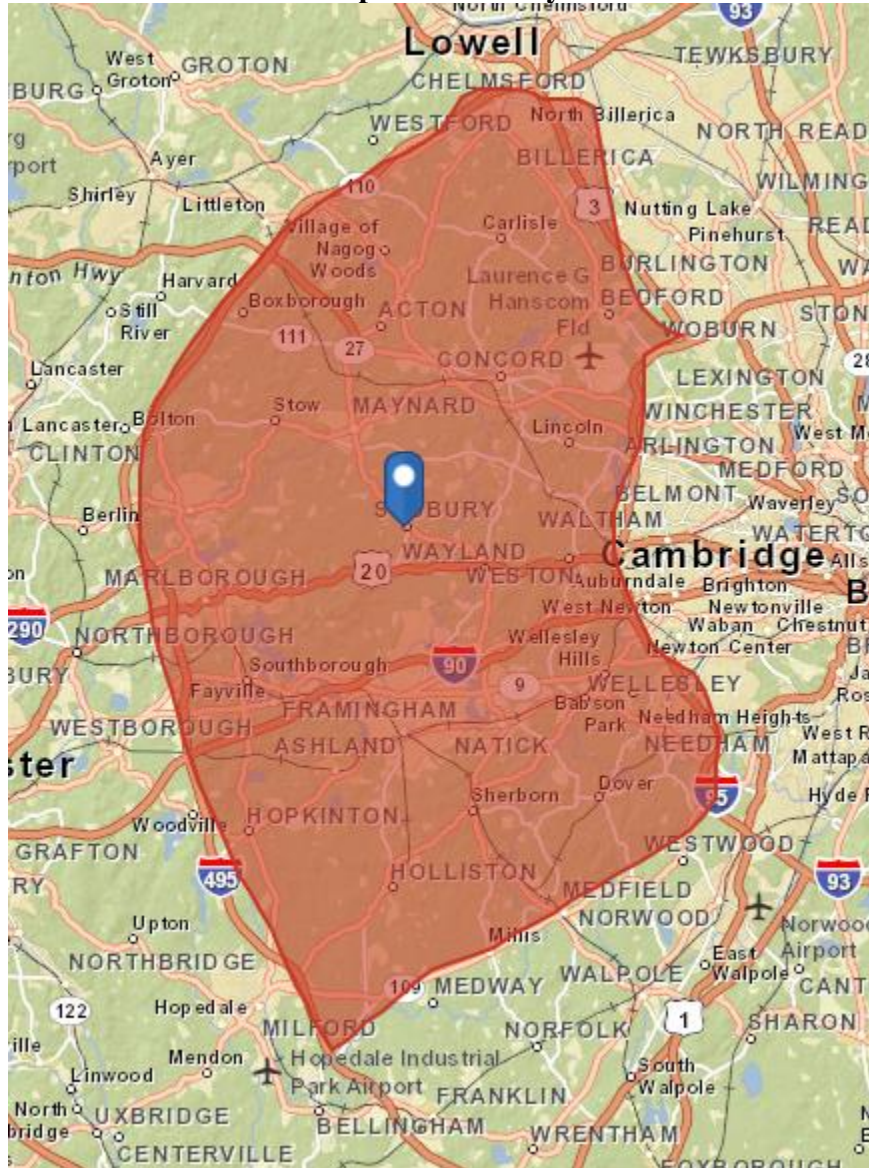
Exhibit 32 – Map of Primary Market



The Town of Sudbury and the surrounding market area has a very limited supply of available market rate or affordable rental housing. The subject development will represent some of the best rental housing available in the area, with units offered at rents below market. One component of demand for senior rental housing is seniors moving to be closer to working age children and grandchildren. In many cases these households come from beyond the primary market area and the region. According to the National Council of Affordable Housing Market Analysts, demand from this component is greater

in affluent suburban areas with a large percentage of young and middle-aged residents, which are characteristics of the primary and secondary market. In addition, we spoke to representatives at the Council on Aging in Sudbury as well as the property managers at two senior housing developments in Weston, who said they had several senior residents who had moved to be closer to family and that they also had a number of such people on their waitlists. Therefore in order to reflect the development's ability to attract a broader section of renters, we defined the secondary market as within an approximate 10-12 mile radius of the subject site (exclusive of the primary market), from Chelmsford down to Medfield. We believe that an analysis of these markets enables us to understand the subject's market area.

Exhibit 33 – Map of Secondary Market Area



In our opinion, the primary market is focused geographically and the subject should be able to compete strongly within these areas as well as attract households from beyond these base areas. The focused analysis enables us to better speak to specific trends associated with the subject’s location. While the focused area enables us to provide a detailed analysis of demand, demand will result from the broader geographic area. In recognition of the subject’s potential to attract residents from much of northeastern Massachusetts, we also examined data for the Boston MSA. We believe that an analysis of these markets enables us to understand the subject’s market area. A more detailed senior market analysis follows this primary market overview.

Population - The primary market area population increased between 2000 and 2010 by 6,416 residents, or by 0.37% per year. Between 2010 and 2015 the population increased even faster, by 4,473 residents or by 0.49% per year. Population trends in the market areas indicate an increasing population through 2020, increasing at an average rate of 0.75% per year in the primary market. Analysts project that the 2020 population will be 193,384, an additional increase of 6,967 people. Trends in the secondary market reflect those seen in the primary market.

Exhibit 34 - Aggregate Demographic Trends

	Demographic Comparison				Avg. Ann. Change		
	2000	2010	2015	2020	2000-2010	2010-2015	2015-2020
Primary Market for Demand							
Population	175,528	181,944	186,417	193,384	0.37%	0.49%	0.75%
Households	64,422	67,906	69,943	72,718	0.54%	0.60%	0.79%
Median Household Income			\$106,449	\$117,268			2.03%
Secondary Market							
Population	273,554	282,074	290,657	301,916	0.31%	0.61%	0.77%
Households	99,808	103,358	106,749	111,032	0.36%	0.66%	0.80%
Median Household Income			\$104,913	\$115,816			2.08%
Boston MSA							
Population	4,391,344	4,552,402	4,665,265	4,825,949	0.37%	0.50%	0.69%
Households	1,679,659	1,760,584	1,813,395	1,881,436	0.48%	0.60%	0.75%
Median Household Income			\$75,060	\$84,306			2.46%

Source: STDB Online

These increases in population are indicative of the perceived attractiveness of the area and will put significant pressures on the local housing market.

Households – The aggregate population increases experienced in the primary and secondary market areas indicate an increasing pool of potential tenants; however, household population trends are considered more important than aggregate population trends in evaluating demand for housing. All of the market areas reviewed exhibited increases in the number of households from 2000 to 2010 with estimates and projections through 2020 projecting additional growth. The primary market experienced an annual average growth rate of 0.60% from 2010 to 2015, with 69,943 households living in the primary market in 2015. Analysts estimate that the will gain another 2,775 households between 2015 and 2020.

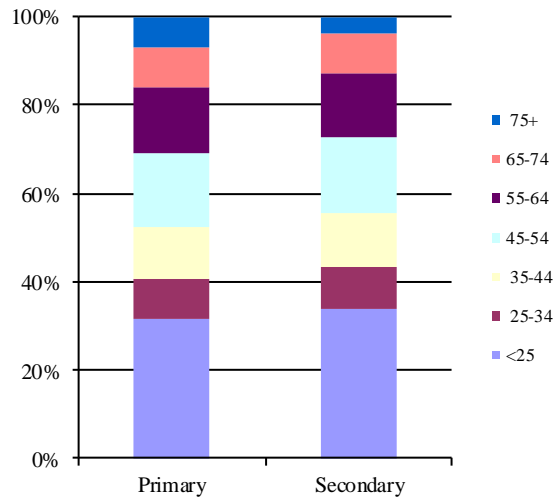
Income – The current median household income of the primary market area is \$106,449, which is approximately \$31,390 more that the Boston MSA. The median household income in the primary market is projected to increase by 2.03% per year over the next five years to \$117,268. The rate of growth in the primary market is slightly lower than all of the other areas reviewed. Increasing income levels, in concert with a growth in population is likely to additional pressures on the ability of households at the subject’s targeted income levels to secure affordable housing, either as tax credit rental housing, below market for-sale housing or market-rate housing. The median household income levels in the primary market are below the income levels seen in the surrounding area and the primary market contains a number of households that would be income-eligible for tax credit rental housing at below 30% and below 60% of the area median household income.

The next section of the report focuses on the demographic characteristics of senior households in the primary market area. Our analysis provides a detailed breakdown of households by age, population trends for seniors as well as income levels for seniors living in the primary market area.

Households by Age

As shown in the next exhibit, there are over 57,600 residents in the primary market area aged 55 or over, with an additional 76,000 residents aged 55 or over in the secondary market area.

Exhibit 35 - Distribution of Households by Age



2015 Age of Householder	Market Areas	
	Primary	Secondary
<25	58,930	95,634
25-34	16,781	26,457
35-44	22,110	34,472
45-54	30,986	47,636
55-64	27,608	41,430
65-74	17,061	24,666
75+	12,940	10,807

Source: STDB Online

Population Trends for Seniors

Increases in the number of market area seniors are outpacing the total population for the primary market area. The number of seniors aged 65 to 69 increased at an average annual rate of 5.94% from 2010 to 2015 and are expected to increase by 3.14% per year over the next five years. The number of seniors in the 70-74 age cohort is expected to increase by 6.32% per year over the next five years and by 5.52% in the 75-79 age cohort..

Exhibit 36 - Aggregate Population Trends for Market Area Seniors

	Year			Ave. Ann. Change	
	2010	2015	2020	2010-2015	2015-2020
Age 50-54	15,700	16,714	14,987	1.29%	-2.07%
Age 55-59	13,080	15,345	16,564	3.46%	1.59%
Age 60-64	10,860	12,263	14,452	2.58%	3.57%
Age 65-69	7,686	9,970	11,535	5.94%	3.14%
Age 70-74	5,590	7,091	9,333	5.37%	6.32%
Age 75-79	4,744	4,906	6,259	0.68%	5.52%
Age 80-84	3,699	3,851	3,999	0.82%	0.77%
Age 85+	3,736	4,183	4,545	2.39%	1.73%
Total 55+	49,395	57,609	66,687	3.33%	3.15%
Total 75+	12,179	12,940	14,803	1.25%	2.88%
Total Population	181,944	186,417	193,384	0.61%	0.75%

Source: STDB

The total number of market area seniors is projected to increase at an average annual rate of 3.15% in the next five years compared to the overall primary market population which is projected to increase at a rate of 0.75% per year, on average. The projected increase in the number of seniors primarily represents residents aging in place. None-the-less, analysts project that the primary market area will include 9,078 new senior residents in 2020 compared to 2015.

Senior Income Levels

As a group senior residents are distinguished by increasing presence in the area and by their lower level of income. Senior households are typically substantially poorer than the balance of the market area population, with income levels decreasing with age. The next exhibit illustrates median household income levels of market area seniors by age group and compares these income levels with those for the entire market area. In 2015 the median household income level for market area seniors aged 55 to 64 was \$132,917 however the level for seniors aged 65 to 74 drops significantly to \$82,112 and drops further to \$50,414 for seniors aged 75+. The median household income level for the entire market area was \$106,449, approximately 17% more than the level of all senior residents. The age-based income discrepancy is projected to continue through 2020.

Exhibit 37 - Median Household Income Trends for Senior Households

Median HH Income	Year	
	2015	2020
<i>Primary Market</i>		
Age 55-64	\$132,917	\$151,090
Age-65-74	\$82,112	\$97,042
Age 75+	\$50,414	\$55,413
All Seniors	\$90,802	\$106,995
Total Pop	\$106,449	\$117,268

Source: STDB

The tax credit rental units will be occupied by senior households that have household incomes of no more than 30% and 60% of the area median income. Households in the one- bedroom units, assumed to be one to two person households could have annual incomes of up to \$23,550 and \$47,100.

Exhibit 38 – Middlesex County HUD Income Limits

Percent of Median Income	Household Size			
	1 Person	2 Person	3 Person	4 Person
15% of Median	\$10,305	\$11,775	\$13,245	\$14,715
30% of Median	\$20,610	\$23,550	\$26,490	\$29,430
50% of Median	\$34,350	\$39,250	\$44,150	\$49,050
60% of Median	\$41,220	\$47,100	\$52,980	\$58,860

Source: Novogradac & Company
 Boston-Cambridge-Quincy HUD Metro-Middlesex County 2016

In our analysis of need for the affordable rental units and based on the proposed unit rents, we have assumed an overall household income range of between \$39,500 and \$47,500 for the 60% units and between \$0 and \$24,000 for the 30% units. As illustrated in the next table, the market area currently contains a reasonable number of such households, with decreases projected in the key income cohorts. There are an estimated 4,445, senior households in the primary market with incomes between \$0 and \$24,000 and 1,600 senior households with incomes between \$39,500 and \$47,500.

Exhibit 39 - Senior Household Trends by Income Level

Household Income Households 55+	Primary Market		Secondary Market	
	2015	2020	2015	2020
<\$15,000	2,609	2,446	6,860	6,475
\$15,000 - \$24,999	2,040	1,618	4,971	3,934
\$25,000 - \$34,999	2,057	1,740	5,117	4,381
\$35,000 - \$49,999	2,999	2,952	7,342	7,260
\$50,000 - \$74,999	5,038	5,006	12,842	12,943
\$75,000 - \$99,999	3,641	4,243	9,186	10,654
\$100,000 - \$149,999	5,653	7,076	13,801	17,298
\$150,000 - \$199,999	3,806	5,010	9,064	11,950
\$200,000+	<u>6,646</u>	<u>8,706</u>	<u>16,732</u>	<u>21,773</u>
Total	34,489	38,797	85,915	96,668

Source: STDB 2015

Age of Housing Stock

The next table examines data provided by the US Census and STDBOnline related to the age of the housing stock in the primary and secondary market area. As shown, more than 56% of all housing units in the primary market area were built before 1970 and are more than 40 years old. These units exhibit many of the deficiencies and indicators of depreciation typical of their vintage. The subject development will provide newly constructed product that should appeal to senior households seeking housing in the market area.

Exhibit 40 - Age of Housing Stock

Year Built	Year Structure Built			
	Primary Market		Secondary Market	
	Total	Percent	Total	Percent
Built 2010 or later	455	0.6%	708	0.7%
Built 2000 to 2009	6,253	8.7%	8,583	7.9%
Built 1990 to 1999	7,310	10.2%	10,355	9.5%
Built 1980 to 1989	8,092	11.2%	11,065	10.2%
Built 1970 to 1979	9,426	13.1%	13,907	12.8%
Built 1960 to 1969	13,434	18.7%	16,362	15.0%
Built 1950 to 1959	11,060	15.4%	17,887	16.4%
Built 1940 to 1949	2,631	3.7%	6,750	6.2%
Built 1939 or earlier	<u>13,274</u>	<u>18.5%</u>	<u>23,205</u>	<u>21.3%</u>
Total	71,935	100.0%	108,822	100.0%
Median Year Structure Built	1967		1965	

Source: STDBOnline

Housing Tenure

The housing stock in the primary market area is predominantly owner-occupied, with limited options for households seeking market rate or affordable rental housing. As of 2010, the primary market contained 29,597 housing units that were occupied by seniors. Of these 82.3% were owner occupied and 17.7% were renter-occupied. The secondary market area contains a slightly larger share of rental housing with 20.4% of units renter occupied by seniors.

Exhibit 41 – Housing Tenure in Market Areas

Tenure by Age of HH	Primary Market		Secondary Market	
	Number	Percent	Number	Percent
Owner Occupied				
Age 55-64	11,756	39.7%	17,251	39.1%
Age 65-74	6,836	23.1%	9,419	21.4%
Age 75-84	4,306	14.5%	6,077	13.8%
Age 85+	<u>1,463</u>	<u>4.9%</u>	<u>2,354</u>	<u>5.3%</u>
Subtotal	24,361	82.3%	35,101	79.6%
Renter Occupied				
Age 55-64	2,016	6.8%	3,276	7.4%
Age 65-74	1,170	4.0%	2,089	4.7%
Age 75-84	1,110	3.8%	2,001	4.5%
Age 85+	<u>940</u>	<u>3.2%</u>	<u>1,613</u>	<u>3.7%</u>
Subtotal	5,236	17.7%	8,979	20.4%
Total	29,597	100.0%	44,080	100.0%

Source: STDB-Census 2010

The analysis associated with this section of the report focuses on the income-eligible market-area *renter* senior households. As noted, of the 29,597 housing units in the primary market area occupied by residents aged 55 and over, approximately 17.7% are renter households. However, according to data from the American Housing Survey Report for the Boston Metropolitan Area: 2007, the ratio of renter households is typically greater for lower income households and as household incomes increase, the number of owner-occupied housing units also increases.

The following table illustrates the housing tenure of occupied housing units in the Boston Metropolitan area by income group. As shown, in the Boston Metropolitan area, approximately 38% of all households are renters, however for households earning less

than \$60,000, the ratio of renter households ranges from 42% to 71%. For households earning more than \$60,000 the ratio of renter households decreases dramatically to 22%.

Exhibit 42 – Housing Tenure by Income Group

Household Income	Boston Metropolitan Area				
	Total Occ. Units	Tenure		Tenure	
		Owner	Renter	Owner %	Renter %
	1,057.1	656.7	400.4	62%	38%
Less than \$15k	169.7	48.4	121.3	29%	71%
\$15k - \$19.9k	32.2	10.1	22.1	31%	69%
\$20k - \$24.9k	31.6	16.7	14.9	53%	47%
\$25k - \$29.9k	54.9	27.2	27.7	50%	50%
\$30k - \$34.9k	47.1	22.8	24.3	48%	52%
\$35k - \$39.9k	36.9	17.8	19.1	48%	52%
\$40k - \$49.9k	69.9	34.9	35	50%	50%
\$50k - \$59.9k	67.5	38.9	28.6	58%	42%
Greater than \$60k	579.5	450	129.5	78%	22%

Source: AHS for Boston, MA:2007 Table 2-12

Based on the specifics of housing tenure for market area seniors, we adjusted the metropolitan-wide data to estimate the number of market area senior renter households by income group. The adjustment reflects the fact that market area seniors comprise a lower percentage of renter households than that evidenced in the greater Boston area for all households. Thus, we adjusted the percentages for each income group.

The next table illustrates the distribution of all senior households, aged 55 and over, in the primary market area by income group and compares their distribution with the primary market area renter senior households.

Exhibit 43 - Comparison of Area Senior Households by Income Level

Income Level	Primary Market Senior HH		Renter Sr HH		Owner Sr. HH	
	Total	Percent	Number	Percent	Number	Percent
< \$15,000	2,609	7.6%	997	16%	1,612	5.7%
\$15,000 - \$24,999	2,040	5.9%	664	11%	1,376	4.8%
\$25,000 - \$34,999	2,057	6.0%	570	9%	1,487	5.2%
\$35,000 - \$49,999	2,999	8.7%	858	14%	2,141	7.5%
\$50,000 - \$74,999	5,038	14.6%	1,172	19%	3,866	13.6%
\$75,000 - \$99,999	3,641	10.6%	770	13%	2,871	10.1%
\$100,000 - \$149,999	5,653	16.4%	394	6%	5,259	18.5%
\$150,000 - \$199,999	3,806	11.0%	247	4%	3,559	12.5%
\$200,000+	6,646	19.3%	431	7%	6,215	21.9%
TOTAL	34,489	100.0%	6,101	100%	28,388	100.0%

Source: STDBOnline and AHS

Based on this, we have estimated that there are approximately 6,045 income qualified senior households in the primary market area. Of these, 2,051 are renter households and 3,993 are owner households.

In addition to local senior renter households, the property may also attract a number of senior owner-occupied households. According to the leasing agents at both the local market rate developments and the local area age-restricted market rate developments, a number of senior tenants are previous homeowners who have transitioned to renting for a variety of reasons (empty-nesters downsizing from a single-family home, aging seniors who are no longer willing or able to keep up with the maintenance of owning a home). The manager at The Coolidge-Phase 1 reported that over half the residents were former home owners. The property manager at the Brook School apartments in neighboring Weston, a mixed-income age restricted rental development reported that almost all of the tenants at the property were previous homeowners and that currently most of the people on the waitlist are current homeowners who want to sell their home to move into rental housing. The marketing manager at the Shillman House also reported that more than half of the tenants were previous homeowners. We also found data from a study prepared for the Bipartisan Policy Center released in March 2012 indicating that 10.6 million to 11.3 million seniors over the age of 65 are projected to move out of their housing units between 2010 and 2020 and that about 80% of these seniors are homeowners. Applying

these numbers to the total population of seniors, we found that approximately 40% of senior homeowners will move within the next 10 years, or approximately 4% annually.

Based on this information, and considering the lack of available affordable rental housing in the local market area, for our demand analysis we have estimated that approximately 20% of the local income-qualified senior home-owners may be attracted to the units at the subject property. By applying this ratio to the total number of income-eligible owner households in the primary market we have estimated that there are 798 income qualified senior home-owner households in the primary market area that may be attracted to the tax credit units at the subject property.

Our analysis, which is based on the revised distribution of senior households by income group and household, indicates that there are from 686 to 2,164 income-eligible senior households in the primary market for each unit type.

Exhibit 44 - Capture Rates by Unit and Income Type

Unit Type			Income Parameters		Income Qualified Senior HH			Capture Rate
Income	Number	Bedrooms	Minimum	Maximum	Owner	Renter	Total	
30% of AMI-PBV	12	1-BR	\$0	\$24,000	570	1,594	2,164	0.6%
60% of AMI	44	1-BR	\$39,500	\$47,500	228	458	686	6.4%
	56				799	2,052	2,850	2.6%

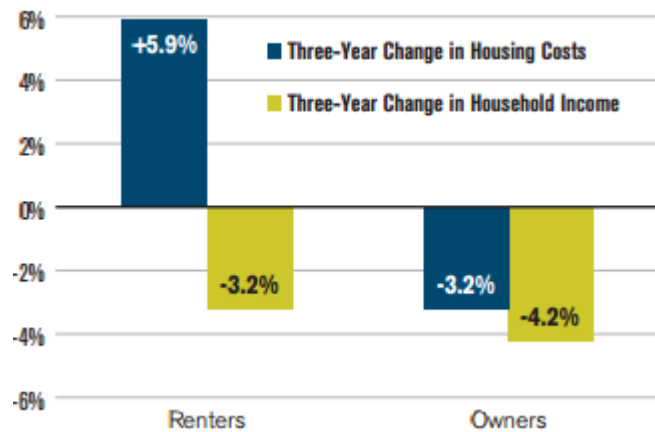
In the primary market number of income-eligible senior households indicates capture rates that range from less than 1.0% for the 30% units and 6.4% for the 60% units. In aggregate, the primary market contains approximately 2,850 income-qualified senior households and indicates a capture rate of 2.6%. The market analysis and capture rate review provide an indication of the likely demand the subject’s units.

The next section of the report presents a more focused demand analysis, based on demand generated from households facing rental hardship, from senior renter households living in substandard housing and from senior renter households moving within the market area. The focused demand indicates that they are potentially more than 1,052 income-qualified renter households in the market area that may be attracted to the subject’s units.

FOCUSED DEMAND ANALYSIS FOR AFFORDABLE UNITS

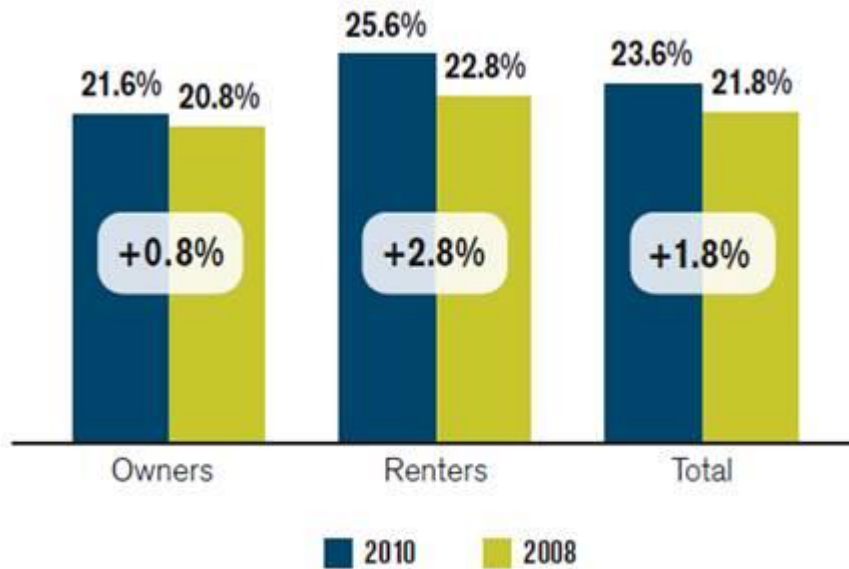
The subject’s primary market area is distinguished by its limited amount of modern available affordable rental housing. As noted in the Housing Landscape 2013 published by the Center for Housing Policy, nearly one in four working households spends more than half of its income on housing costs. Moreover, despite falling home values, housing affordability worsened significantly for working owners and renters between 2008 and 2010 before leveling off in 2011. As indicated in the next chart, incomes declined even as rents increased making housing substantially less affordable for working renters.

Exhibit 45 – Trends in Income and Housing Costs



The report goes on to state that the overall share of working households with a severe housing cost burden increased significantly between 2008 and 2011, rising from 21.8 percent to 23.7 percent. The increase was also significant over the one-year period from 2009 to 2010 but held roughly steady between then and 2011. The increase in the share of working households paying more than half of their income for housing was driven largely by eroding affordability for working renters.

Exhibit 46 - Trends in Rental Burden



Market area occupancy levels and the age of the area’s housing stock evidence demand for the new affordable rental units. Our detailed analysis of the market area indicates that sufficient demand exists for the units as tax credit apartments. Despite the best efforts of housing groups to address this issue, the share of households—both owners and renters—in Massachusetts facing housing cost burdens remains at 24%. The percentage had declined to 22% in 2009 but increased back to 24% in 2010 and 2011.

The subject’s market area requires new affordable housing to address these issues. The subject’s primary and secondary markets are distinguished by their lack of modern available rental housing. The lack of such housing is most pronounced when rental affordability is considered. The subject will provide 56 affordable rental units for households that earn no more than 30% and 60% of the AMI.

Exhibit 47 – Unit Mix by Category

Unit Type	BA	PBV 30% Units	60% Units	Total No. of Units
One-BR	1	12	44	56

For the 30% units the developer has assumed that all of the tenants will have rental assistance, thus reducing their minimum income requirement to zero. The balance of the tenants will need households’ incomes sufficient to afford the units’ housing costs (rent

and utilities). We have assumed that the seniors at the subject property will pay up to 35% of their income towards housing costs. The minimum income requirements and the LIHTC income limits create income cohorts for each unit type. These are illustrated in the next table.

Exhibit 48 - Income Parameters

	One-Bedroom Units				
	Unit Housing Costs			Income Range ⁽¹⁾	
	Gross	Util Allow	Net	Minimum	Maximum
30% of AMI-PBV	\$1,293	\$54	\$1,239	\$0	\$23,550
60% of AMI	\$1,049	\$54	\$995	\$35,966	\$47,100

The minimum income levels required to afford unit housing costs and the income ceilings designated by the funding programs create income ranges for each of the development’s unit types. In order to achieve a sustainable occupancy the property needs to attract a sufficient number of income-qualified households. With the rent assistance, households occupying the units restricted to 30% of the area median income approximately will need to possess household incomes that range from \$0 to \$24,000. Households occupying the 60% units will need incomes of approximately \$39,500 to \$47,500.

As noted earlier in the report, and based on data from the American Housing Survey Report for the Boston Metropolitan Area: 2007, The next table illustrates the distribution of all households in the primary market area by income group and compares their distribution with the primary market area senior households and renter senior households.

Exhibit 49 - Comparison of Area Senior Households by Income Level

Income Level	Primary Market Senior HH		Renter Sr HH		Owner Sr. HH	
	Total	Percent	Number	Percent	Number	Percent
< \$15,000	2,609	7.6%	997	16%	1,612	5.7%
\$15,000 - \$24,999	2,040	5.9%	664	11%	1,376	4.8%
\$25,000 - \$34,999	2,057	6.0%	570	9%	1,487	5.2%
\$35,000 - \$49,999	2,999	8.7%	858	14%	2,141	7.5%
\$50,000 - \$74,999	5,038	14.6%	1,172	19%	3,866	13.6%
\$75,000 - \$99,999	3,641	10.6%	770	13%	2,871	10.1%
\$100,000 - \$149,999	5,653	16.4%	394	6%	5,259	18.5%
\$150,000 - \$199,999	3,806	11.0%	247	4%	3,559	12.5%
\$200,000+	6,646	19.3%	431	7%	6,215	21.9%
TOTAL	34,489	100.0%	6,101	100%	28,388	100.0%

Source: STDBOnline and AHS

The analysis associated with this section of the report focuses on the income -eligible market-area *senior-renter* households that are likely to be attracted to the subject property. The balance of this section evaluates the level of demand in the subject’s market area for units with the income restrictions and rental rates associated with the subject property.

Demand Analysis

In order to quantify that general demand, we examined several specific variables associated with the demand for these units. We evaluated demand for the subject’s units due to existing housing burdens resulting from onerous rental payments and demand resulting from tenancy in sub-standard housing. We also evaluated demand related to mobility.

The U.S. Department of Housing and Urban Development conducts quadrennial housing surveys of the country’s major metropolitan areas through its American Housing Survey (“AHS”). The study surveys households to determine, among other items, monthly housing payments as a percentage of household income and the number of households living in substandard housing. We have employed the AHS data relative to the Boston metropolitan areas as of 2007, the most recent data available and extrapolated the data in order to apply it to our demand market.

Based on the data reviewed, local trends in housing costs, and our experience with the local housing market, we believe that it is reasonable to predicate our analysis on two key assumptions:

- 1) Trends evident in the market area related to housing burdens and housing conditions are, at least, reflective of the AHS survey data for the metropolitan area; and,
- 2) Current housing costs and housing conditions are either similar to the conditions illustrated in the housing survey or have worsened with a comparatively larger segment of the metropolitan and market area population suffering from housing cost and housing condition burdens.

As evidence, we compared the AHS survey data with 2007 census data for the Town of Sudbury and for Middlesex County. The 2007 AHS data indicate that 28% of area households dedicated more than 35% of their income toward housing costs. As shown in the next table, data from 2014 indicate higher levels of rent hardship in Middlesex County.

Exhibit 50 – Area Rent Hardship Data

	Rent as Percent of HH Income			
	Sudbury		Middlesex County	
	Total	Percent	Total	Percent
Less than 15.0%	78	27.0%	27,125	13.0%
15.0% to 19.9%	16	5.5%	29,518	14.1%
20.0% to 24.9%	14	4.8%	28,339	13.6%
25.0% to 29.9%	114	39.4%	26,141	12.5%
30.0% to 34.9%	16	5.5%	19,972	9.6%
35.0% or more	51	17.6%	77,810	37.2%
Total	289	100.0%	208,905	100.0%

Source: ACS, 2010-2014 5-Year Estimates

In our opinion, the AHS data provides a reasonable, if not conservative assessment of current conditions in primary market area. Based on these assumptions, we have examined the AHS data and estimated housing demand for the subject’s affordable units based on indicators outlined in the survey. The AHS data has been extrapolated to reflect current demographic estimates.

We have assumed that the percentage of households in the area that suffer housing burdens, by income level, are similar to the percentage of households in metropolitan area that suffer housing burdens, by income. In terms of methodology, we have examined the number of households that suffer a housing burden by income group and applied these percentage indicators to the specified market.

For our estimate of demand, we have eliminated those households that would not be considered age or income-qualified. Based on indicators associated with the local housing market, we believe that the AHS data related to housing burden is relevant for the market area.

Indicators of Rental Hardship

Based on our experience with affordable housing developments in New England, we believe households that currently suffer from a rental hardship will be attracted to the subject property. We have defined two types of rental hardship:

- 1) Rental hardship due to a household devoting more than 35% of their income to housing costs; and,
- 2) Rental hardship due to households living in sub-standard housing, which includes deficiencies in electricity, plumbing and living conditions. Items include housing with signs of rats, holes in floors and cracked plaster.

The subject property's proposed apartments will provide quality housing at rental rates that are affordable to lower-income households. Households facing rental hardships that move to the subject's units will either reduce their monthly housing costs, improve their living conditions, or both.

Rent Burden

The AHS provides data detailing the percentage of housing that devote differing percentages of their income toward housing. The data indicates that 28% of all households in the metropolitan area devote more than 35% of their income to housing costs. The next exhibit illustrates the AHS survey data.

Exhibit 51 - Rental Burden in AHS Data

Income to Housing Costs	Percent	By Income Bracket (in \$1,000s)					
		< \$15.0	\$15.0-\$19.9	\$20.0-\$29.9	\$30.0-\$39.9	\$40.0-\$59.9	\$60.0+
< 30.0%	43.7%	14.8%	39.7%	21.1%	20.7%	57.3%	87.3%
30% -34%	7.8%	5.6%	5.5%	10.5%	8.0%	13.9%	6.2%
35% -39%	6.6%	4.6%	8.4%	5.4%	14.6%	13.8%	1.5%
40% -49%	7.9%	4.2%	4.6%	11.2%	22.4%	11.6%	1.7%
50% -59%	5.0%	2.3%	11.4%	15.7%	10.8%	1.1%	0.9%
60% -69%	3.7%	2.1%	4.6%	13.3%	9.7%	0.0%	0.0%
70% -99%	4.8%	5.7%	11.8%	14.2%	5.9%	0.0%	0.5%
100%+	14.1%	45.2%	13.9%	5.8%	1.1%	0.0%	0.0%
Other	<u>6.3%</u>	<u>15.6%</u>	<u>0.0%</u>	<u>2.8%</u>	<u>6.8%</u>	<u>2.3%</u>	<u>1.7%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
35% -99%	28.0%	18.8%	40.9%	59.8%	63.4%	26.4%	4.7%

Source: American Housing Survey 2007

Based on the distribution of rent burden by income level and the number of market area senior households that rent, we estimate that approximately 1,718 market area senior households devote 35% to 99% of their household income to housing costs.

Exhibit 52 – Rental Burden in the Market Area for Seniors

Income Group	Total Sr. Households	Senior Renters	
		Total	Burdened
< \$15,000	2,609	997	187
\$15,000 - \$24,999	2,040	664	300
\$25,000 - \$34,999	2,057	570	348
\$35,000 - \$49,999	2,999	858	451
\$50,000 - \$74,999	5,038	1,172	240
\$75,000 - \$99,999	3,641	770	80
\$100,000 - \$149,999	5,653	394	41
\$150,000 - \$199,999	3,806	247	26
\$200,000+	<u>6,646</u>	<u>431</u>	<u>45</u>
TOTAL	34,489	6,101	1,718

Of this group, households will need to possess household incomes of between \$0 and \$24,000 to be considered income-qualified for the subject’s 30% units and between \$39,500 and \$47,500 to be considered income qualified for the subject 60% units. Based on our analysis, we estimated that 457 senior renter households with rent burdens are likely to be attracted to the 30% units and 240 senior renter households with rent burdens likely to be attracted to the subjects 60% units. These numbers should be adjusted to

reflect the specific income cohorts for each unit and income type, however because nearly all senior households likely to be income qualified are either one or two-person households, we have not adjusted the demand estimates by household size.

The following table shows demand stemming from senior households facing housing cost burdens. These households are all renter households in the market area, adjusted for having a housing cost burden, and further refined to reflect the age and income characteristics appropriate for the subject property’s units.

Exhibit 53 – Qualified Senior Renter Households in the Market Area

Unit Type		Income Parameters		Qualified Households	
Income	Bedrooms	Minimum	Maximum	Total	Adj. HH Size
30% of AMI-PBV	1-BR	\$0	\$24,000	457	457
60% of AMI	1-BR	\$39,500	\$47,500	240	240

Sub-Standard Housing

The American Housing Survey also provides data on the number of households living in substandard housing. The 2007 survey data estimate nearly 53,000 households in the Boston metropolitan area live in sub-standard housing.

Exhibit 54 - Sub-Standard Housing in AHS Data

Household Income	Total (in 1,000s)	Physical Problems		
		Severe	Moderate	Total
Less than \$15,000	99.70	5	8.6	13.6
\$15,000 to \$19,999	22.10	0.6	5.7	6.3
\$20,000 to \$24,999	14.90	0.5	2.6	3.1
\$25,000 to \$29,999	27.60	1.4	5	6.4
\$30,000 to \$34,999	24.30	1.1	2.5	3.6
\$35,000 to \$39,999	19.20	1.9	2	3.9
\$40,000 to \$49,999	35.00	1	3.8	4.8
\$50,000 to \$59,999	28.60	0.6	1.3	1.9
\$60,000 Plus	129.40	3.10	6.2	9.3
Total	400.80	15.20	37.7	52.9

Source: American Housing Survey, 2007 Data Table 4-12

Based on AHS data and current demographic data for the subject’s market, we estimated the number of households in the area that face a rent burden. Senior renter households living in sub-standard housing will be highly motivated to relocate to quality housing, provided these households can afford the housing costs. In the market area we estimate that 492 senior households live in sub-standard housing and do not currently face a rent burden, illustrated in the next table. The estimate follows the same methodology used in the estimate of rent burden.

Exhibit 55 – Sub-Standard housing in Market Area

Household Income	Renter Household	Rent Burdened	W/O Rent Burden	
			Total	Inferior Housing
< \$15,000	997	187	810	111
\$15,000 - \$24,999	664	300	363	90
\$25,000 - \$34,999	570	348	222	42
\$35,000 - \$49,999	858	451	407	69
\$50,000 - \$74,999	1,172	240	931	62
\$75,000 - \$99,999	770	80	690	50
\$100,000 - \$149,999	394	41	353	25
\$150,000 - \$199,999	247	26	221	16
\$200,000+	<u>431</u>	<u>45</u>	<u>386</u>	<u>28</u>
TOTAL	6,101	1,718	4,384	492

Source: American Housing Survey, Bonz and Company, Inc

As with those households facing a rent burden, we must eliminate those households that are not income eligible. We have divided the households that do not face a rent burden but live in sub-standard housing based on the income distribution seen in the market area. A focus on income eligible senior households indicates that a total of 228 renter households that would be income-qualified for the subject units and live in sub-standard housing. Of these, approximately 191 are income qualified for the 30% units and 37 are income qualified for the 60% units. Again, these are households in substandard housing that do not also face a rent burden.

Exhibit 56 – Qualified Households in the Market Area

Unit Type		Income Parameters		Qualified Households	
Income	Bedrooms	Minimum	Maximum	Total	Adj. HH Size
30% of AMI-PBV	1-BR	\$0	\$24,000	191	191
60% of AMI	1-BR	\$39,500	\$47,500	37	37

Demand for the subject property will be from households that face a housing burden, i.e. households with a rent burden and households living in substandard housing. These households may not have planned to move, except for the availability of the subject’s units. A number of households move every year independent of any rent burden or to escape sub-standard housing. A percentage of these households will also be attracted to the subject property. We refer to demand generated from households that move as mobility demand.

Mobility/Turnover Demand

A number of households move every year. The number of households that move each year varies somewhat by the area of the country, by housing type, by age and by income. Households will move within their same county, outside of their county but within the same state, outside of the state, and outside of the country.

The development will represent newly constructed affordable rental housing. Households seeking housing due to mobility are likely to be attracted to the subject property. U.S. Census data indicates that renters move substantially more frequently than homeowners. According to the U.S. Census 8.10% of all households in the Northeast and 17.74% of all renter households moved during the period 2008 to 2009. Of the renter households that move households, 87% remain in the same state and 69.38% remain in the same county.

Exhibit 57 - Mobility Census Data

	Where Households Move			Total
	Same County	Same State	In U.S.	
Northeast				
All Households				
Percent of All Households	5.4%	6.8%	7.8%	8.1%
Percent of Movers	66.6%	84.4%	95.7%	100.0%
Renter Households				
Percent of All Households	12.1%	14.8%	16.7%	17.5%
Percent of Movers	69.2%	84.3%	95.2%	100.0%

Source: U.S. Census Bureau, Current Population Survey 2011

Because a percentage of these households will have moved as a result of their rent burden or housing condition, we winnowed the estimate to avoid double counting households already considered in this analysis. We deducted the number of income-qualified households with a rent burden and the number of additional income-qualified households in sub-standard housing from our base of rental households. Our adjusted base of households is equal to 3,892 and indicates that approximately 683 renter households living in the area that do not face either a rent burden or live in sub-standard housing are likely to move within the market area.

Exhibit 58 – Focused Mobility Analysis

Total Renter Households	6,101
HHs with Rent Burden	<u>1,718</u>
Adjusted HH Base	4,384
HHs in Substandard Housing	<u>492</u>
Adjusted HH Base	3,892
Mobility Cohort @	17.5% 683

The subject property can expect to attract a percentage of that part of this group that is income qualified. The next exhibit allocates the households by income group.

Exhibit 59 – Mobility Data for Primary Market

Primary Market By Income Group	Sr. Renter Popluation	Households Moving Annually			
		Same County	Same State	In U.S.	Total
< \$15,000	112	77	94	106	112
\$15,000 - \$24,999	74	51	63	71	74
\$25,000 - \$34,999	64	44	54	61	64
\$35,000 - \$49,999	96	66	81	91	96
\$50,000 - \$74,999	131	91	111	125	131
\$75,000 - \$99,999	86	60	73	82	86
\$100,000 - \$149,999	44	31	37	42	44
\$150,000 - \$199,999	28	19	23	26	28
\$200,000+	<u>48</u>	<u>33</u>	<u>41</u>	<u>46</u>	<u>48</u>
TOTAL	683	473	576	650	683

Because a percentage of these households will also face some rental burden, we have winnowed the estimate to avoid counting households already accounted for in this analysis. We deducted the number of households with a rent burden and the number of additional households in sub-standard housing from our base of rental households. Our adjusted base of senior rental households is equal to 3,388 and indicates that approximately 735 households living in the area that do not face either a rent burden or live in sub-standard housing are likely to move within the market area.

Exhibit 60 – Focused Mobility Analysis

Total Renter Households	4,719
HHs with rent burden	<u>1,069</u>
Adjusted Household Base	3,650
Additional HHs with sub-standard housing	<u>262</u>
Adjusted HH base	<u>3,388</u>
Likely to move in County @	21.7% 735

We assume that the development will attract a percentage of these renter households; however, for households that fit within the income parameters, the subject’s new units are likely to represent the one of area’s most attractive housing options. There are no other affordable senior housing developments either under construction or planned in the subject’s primary market area. Affordable and market rate rental apartments in the market are reporting occupancy levels of 99% to 100%, therefore we believe that it is reasonable to assume the development could attract up to 20% of local senior renter households that

are choosing to or are forced to move. The capture rate yields an additional pool of 95 senior households based on mobility trends.

Exhibit 61 – Mobility Data for Demand Area

Income Level	Adjusted Renter HHs	Moving in County	Capture @ 25.0%
< \$15,000	112	77	19
\$15,000 - \$24,999	74	51	13
\$25,000 - \$34,999	64	44	11
\$35,000 - \$49,999	96	66	17
\$50,000 - \$74,999	131	91	23
\$75,000 - \$99,999	86	60	15
\$100,000 - \$149,999	44	31	8
\$150,000 - \$199,999	28	19	5
\$200,000+	48	33	8
TOTAL	683	473	118

The property likely will also attract households from the balance of the county and that are not included in the demand market area that are likely to move. One component of demand for senior rental housing is seniors moving to be closer to working age children and grandchildren. In many cases these households come from beyond the primary market area and the region. According to the National Council of Affordable Housing Market Analysts, demand from this component is greater in affluent suburban areas with a large percentage of young and middle-aged residents, which are characteristics of the primary and secondary market. In addition, we spoke to representatives at the Council on Aging in Sudbury as well as the property managers at two senior housing developments in Weston, who said they had several senior residents who had moved to be closer to family and that they also had a number of such people on their waitlists. The marketing manager at Shillman House in Framingham reported that at least 25% of the tenants are from out-of-state or out-of-area.

These households have not been included in the demand pools associated with rent burden and housing condition; however, for the demand pool associated with mobility, we have specifically limited our analysis to households likely to move and remain within Middlesex County. Thus, for income qualified households already moving, the subject property will represent an attractive option. Given the impact of distance on the potential attractiveness of the property as a residential destination and the availability of other local affordable housing developments, we reduced the capture rate to 10%.

Exhibit 62 – Potential Tenants from Mobility Pool, Secondary Market

Income Level	Total Senior Renter HHs	Renter HHs Moving		Capture @ 10.0%
		Total	In County	
< \$15,000	1,849	324	225	22
\$15,000 - \$24,999	1,085	190	132	13
\$25,000 - \$34,999	964	169	117	12
\$35,000 - \$49,999	1,414	248	172	17
\$50,000 - \$74,999	2,066	362	251	25
\$75,000 - \$99,999	1,334	234	162	16
\$100,000 - \$149,999	647	113	79	8
\$150,000 - \$199,999	388	68	47	5
\$200,000+	<u>744</u>	<u>131</u>	<u>90</u>	<u>9</u>
TOTAL	10,491	1,840	1,274	127

The following table shows the total number of households from the primary and secondary market.

Exhibit 63 – Total Demand from Mobility

Income Level	Moving in County	Capture @ 12.7%
\$15,000 - \$24,999	183	23
\$25,000 - \$34,999	161	21
\$35,000 - \$49,999	238	30
\$50,000 - \$74,999	342	43
\$75,000 - \$99,999	222	28
\$100,000 - \$149,999	109	14
\$150,000 - \$199,999	66	9
\$200,000+	<u>124</u>	<u>16</u>
TOTAL	1,747	222

These numbers would then need to be adjusted to reflect household income. As shown there are an additional 75 income qualified senior renter households that may be attracted to the units at the subject property. These households constitute a third and independent pool of potential households for the housing units at the subject property.

Exhibit 64 – Qualified Households in the Market Area

Unit Type		Income Parameters		Qualified Households	
Income	Bedrooms	Minimum	Maximum	Total	Adj. HH Size
30% of AMI-PBV	1-BR	\$0	\$24,000	59	59
60% of AMI	1-BR	\$39,500	\$47,500	16	16

Demand from Growth

The households associated with mobility reflect movement within the market area and does not reflect total area population increases. Local demographic trends indicate substantial increases in the number of households age 55+ due to households aging in place. These new households provide a source of tenants for the subject property.

Exhibit 65 – New Market Area Households

	Year		Change
	2015	2020	
Primary Market			
Total Sr. HH	34,489	38,797	4,308
Owner Senior HH	28,388	31,933	3,546
Renter Senior HH	6,101	6,864	762
Secondary Market			
Total Sr. HH	51,426	57,871	6,445
Owner Senior HH	40,951	46,083	5,132
Renter Senior HH	10,475	11,788	1,313

Source: STDB Online

We have assumed specific income ranges for each unit type. In order to evaluate the impact of the area’s assumed population growth on the subject demand, we first must allocate the new households by income level. The distribution reflects the discussion of tenure by income contained in this section of the report.

Exhibit 66– New Households by Income Level

	Primary Market		
	2015	2020	Change
Renter Households			
Occupied Households	34,489	38,797	4,308
Owner Households	28,388	31,933	3,546
Renter Households	6,101	6,864	762
< \$15,000	368	414	46
\$15,000 - \$24,999	316	356	40
\$25,000 - \$34,999	319	359	40
\$35,000 - \$49,999	460	518	57
\$50,000 - \$74,999	749	842	93
\$75,000 - \$99,999	664	747	83
\$100,000 - \$149,999	1,129	1,270	141
\$150,000 - \$199,999	763	859	95
\$200,000+	<u>1,333</u>	<u>1,499</u>	<u>166</u>
TOTAL	6,101	6,864	762

	Secondary Market		
	2015	2020	Change
Renter Households			
Occupied Households	51,426	57,871	6,445
Owner Households	40,951	46,083	5,132
Renter Households	10,475	11,788	1,313
< \$15,000	2,055	2,312	258
\$15,000 - \$24,999	1,257	1,415	158
\$25,000 - \$34,999	1,013	1,140	127
\$35,000 - \$49,999	1,474	1,659	185
\$50,000 - \$74,999	1,914	2,154	240
\$75,000 - \$99,999	1,456	1,639	182
\$100,000 - \$149,999	649	730	81
\$150,000 - \$199,999	306	345	38
\$200,000+	<u>350</u>	<u>394</u>	<u>44</u>
TOTAL	10,475	11,788	1,313

Source: STDB Online

Within the market, the number of renter households with income of less than \$47,500 is projected to increase in the primary and secondary market area in the next five years. As with the mobility analysis the subject will likely capture a fraction of these households as they select housing. We applied the 20% rate and 10% rate as discussed in the analysis of mobility, based on the lack of available housing in the immediate market area.

Exhibit 67 – Capture of New Households

Income Level	Primary Market		Secondary Market	
	New Renter HHs	Capture @ 20.0%	New Renter HHs	Capture @ 10%
< \$15,000	46	9	258	26
\$15,000 - \$24,999	40	8	158	16
\$25,000 - \$34,999	40	8	127	13
\$35,000 - \$49,999	57	11	185	18
\$50,000 - \$74,999	93	19	240	24
\$75,000 - \$99,999	83	17	182	18
\$100,000 - \$149,999	141	28	81	8
\$150,000 - \$199,999	95	19	38	4
\$200,000+	<u>166</u>	<u>33</u>	<u>44</u>	<u>4</u>
TOTAL	762	152	1,313	131

The capture rate yields an additional pool of 40 potential households that become eligible for the 30% units affordable units at the property and 11 potential households for the 60% units. These households constitute a final pool of potential households for the age-restricted affordable housing units at the subject property.

Exhibit 68 - Qualified Households in the Market Area

Unit Type		Income Parameters		Qualified Households	
Income	Bedrooms	Minimum	Maximum	Total	Adj. HH Size
30% of AMI-PBV	1-BR	\$0	\$24,000	40	40
60% of AMI	1-BR	\$39,500	\$47,500	11	11

Focused Demand Conclusion

Our analysis of the housing market indicates sufficient demand for the subject property’s units. The demand will be generated from households facing rental hardship due to housing costs, from households facing hardship due to housing condition, and will result from existing households moving. The market assessment quantifies the level of demand discussed previously and segments the identified potential pool of tenants by unit type and by income type.

The analysis of housing indicators and mobility patterns indicates a substantial pool of income-qualified households for the subject’s affordable units. Our analysis indicates that some 1,052 income qualified senior households in the primary market are likely to be attracted to the subjects affordable units. The next exhibit summarized demand by unit type.

Exhibit 69 – Summary of Demand for Affordable Units

Unit Type		Income Parameters		Demand Pool					Number of Units
Income	Bedrooms	Minimum	Maximum	Rent Burden	Hsg Cond	New HHs	Mobility	Total	
30% of AMI-PBV	1-BR	\$0	\$24,000	457	191	40	59	747	12
60% of AMI	1-BR	\$39,500	\$47,500	240	37	11	16	305	44

Our analysis indicates that some 747 income qualified senior households in the primary market are likely to be attracted to the subjects 30% units and 305 senior households are likely to be attracted to the 60% units.

As noted earlier, in addition to local senior renter households, the property may also attract a number of senior owner-occupied households. According to the leasing agents at both the local market rate developments and Boston area age-restricted market rate developments, a number of senior tenants are previous homeowners who have transitioned to renting for a variety of reasons (empty-nesters downsizing from a single-family home or aging seniors who are no longer willing or able to keep up with the maintenance of owning a home). In addition demand may be generated from seniors located outside of the primary and secondary market areas who will move to Sudbury to be closer to their adult children and grandchildren. This focused analysis considered only demand from age and income eligible *renter* households in the primary and secondary market and likely understates local overall demand.

APPENDIX 1 – QUALIFICATIONS

Qualifications of Joanne Shelton

Ms. Shelton is a Director of Bonz and Company Inc. and has been at the Firm for more than 14 years, where she has been involved in commercial real estate appraisal, financial analysis, and market feasibility .Previously Ms. Shelton was employed by Plymouth Development Corporation, England, and Laganside Development Corporation in Belfast, Northern Ireland, two of the thirteen development corporations in the United Kingdom.

Education

Ms. Shelton holds Bachelor of Science in Estate Management (Real Estate Studies), University of Ulster, Jordanstown, Northern Ireland and has also completed extensive appraisal courses and seminars offered by the Appraisal Institute as well as real estate financial classes at Boston area universities. Ms Shelton is a Massachusetts and Rhode Island licensed Certified General Real Estate Appraiser and is MAP Certified and HUD Approved for appraisals and market studies completed as part of the financing requirements for HUD’s Multi-Family Accelerated Processing

Experience

- 1) *Housing and related development assignments:* Market-rate, low, moderate, and mixed income housing ranging from town-house development to high-rise condominiums and rental apartments
- 2) *Commercial properties:* Medical office building suburban office buildings, large office parks, and downtown high-rise office buildings, retail districts, shopping centers, box retail facilities, specialty retail facilities; mixed-use developments, and related properties:
- 3) *Industrial and related special purpose properties:* R&D facilities, research laboratories, industrial parks, distribution facilities, and manufacturing facilities;
- 4) *Special Purpose Properties* Institutional facilities, theaters and schools, and other such properties;

Among the institutional, public, and private clients whom Ms. Shelton has served are: Citizens Financial Group, Bank of America, PNC Bank Corporation, Wainwright Bank, Harvard Pilgrim Health Care, Beacon Companies, Boston Properties, Boston University and Northeastern University, Massachusetts Housing Investment Corporation, The Community Builders, Rockport Mortgage, Walker & Dunlop, East Boston CDC, Cambridge Housing Authority and Rhode Island Housing Authority

Appraisal Certification:

Massachusetts Certified General Real Estate Appraiser: License: #75113

Rhode Island Certified General Real Estate Appraiser: Certification No. A01373G

APPENDIX 2 - DHCD SUMMARY FORM

PRIMARY MARKET AREA ANALYSIS SUMMARY		
DEVELOPMENT NAME:	<u>The Coolidge at Sudbury-Phase II</u>	TOTAL UNITS 56
LOCATION:	<u>Sudbury, Massachusetts</u>	LIHTC UNITS 56
PMA BOUNDARY:	<u>8-10 mile radius</u>	

RENTAL HOUSING STOCK				
RENTAL TYPE	# PROPERTIES	TOTAL UNITS	VACANT UNITS	AVERAGE OCCUPANCY
ALL RENTAL HOUSING	12	944	5	99%
LIHTC	3	238	0	0%
MARKET RATE HOUSING	6	597	5	99%
OTHER ASSISTED/SUBSIDIZED	3	109	0	100%

How many applicant are on the local housing authority's public housing waiting list?	42 seniors
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LIHTC HOUSING						
PROPERTY	UNIT TYPE	SIZE (SF)	RENT (LESS UA)	UTILITY ALLOWANCE	PER ONE-STOP (LESS UA)	VACANCY RATE
The Coolidge at Sudbury-Phase 1 Sudbury, MA	Studio					0%
	1 BR	700	\$976			
	2 BR		30% Income			
	3 BR					

Countryside Village, 450 Boston Post Road, Marlborough, MA	Studio					0%
	1 BR	700	30% of Income			
	2 BR	800	30% of Income			
	3 BR	900	30% of Income			

Plantation Apartments, 22 Johnston Way, Stow, MA	0BR					0%
	1BR	500	30% of Income			
	2BR					
	3BR					
	4BR					

MARKET RATE HOUSING						
PROPERTY	UNIT TYPE	SIZE (SF)	RENT (LESS UA)	UTILITY ALLOWANCE	PROPOSED RENTS PER ONE-STOP	VACANCY RATE
Fairhaven Gardens, 6 Abbott Lane., Concord, MA	1 BR	799	\$1,840			4%
	2 BR	1088	\$2,275			
	3 BR					

Princeton Green 740 Farm Rd, Marlborough, MA	0BR	379	1009			2%
	1BR	658	\$1,239			
	2BR	860	\$1,389			
	3BR					
	4BR					

Highland Glen 1055 Highland Glen Rd, Westwood, MA	0BR					2%
	1BR	750	\$1,850			
	2BR	1114	\$2,400			
	3BR					
	4BR					

LIHTC Market Study
The Coolidge at Sudbury-Phase II
Sudbury, Massachusetts

OTHER ASSISTED/SUBSIDIZED HOUSING						
PROPERTY	UNIT TYPE	SIZE (SF)	RENT (LESS UA)	UTILITY ALLOWANCE	POPOSED RENTS PER ONE-STOP (LESS UA)	VACANCY RATE
Longfellow Glen 655 Boston Post Rd. Sudbury, MA	0BR					0%
	1BR	597	30% of Income			
	2BR					
	3BR					
	4BR					

Musketaquid Village Hudson Rd Sudbury, MA	0BR					0%
	1BR	495	30% of Income			
	2BR					
	3BR					
	4BR					

Brook School Apartments, 44 School Street, Weston, MA	0BR					0%
	1BR	800	30% of Income			
	2BR	850	30% of Income			
	3BR					
	4BR					

DEMOGRAPHIC DATA			
YEAR	2000	CURRENT YEAR (2015)	2020
AREA'S POPULATION	175,528	186,417	193,384
TOTAL HOUSEHOLDS	64,442	69,943	72,718
RENTER HOUSEHOLDS	11,406	12,380	12,871
INCOME QUALIFIED RENTER HH	N/Av	2,051	N/Av
MEDIAN INCOME FOR PMA	\$76,149	\$106,449	\$117,268

MARKET DATA					
PROJECT'S PROPOSED TARGET POPULATION	Within an approximate 8- 10 mile radius of the subject site				
LOCAL EMPLOYERS IN PMA	INDUSTRY		TYPE OF JOBS AVAILABLE		NUMBER OF EMPLOYEE JOBS
	Professional & Business Services		Admin		300,000
	Trade, Transportation, Utilities		Retail		240,000
	Education and Health		Nursing, medical		370,000
MINIMUM INCOME NEEDED TO LEASE UNIT BY INCOME %	UNIT TYPE	30%	50%	60%	MARKET RATE
	0BR				
	1BR	\$0	\$0	\$39,500	
	2BR	\$0			
	3BR	\$0			
4BR					
CAPTURE RATE BY INCOME %	2.6%				MARKET RATE
POTENTIAL ABSORPTION RATE	Sustainable occupancy within 3-4 months of construction completion				

YEAR	2000	CURRENT YEAR (2016)	2020
UNEMPLOYMENT RATE	2.20%	4.10%	N/Av

APPENDIX 3 – NCAHMA CERTIFICATE

