

***MARKET STUDY FOR THE POTENTIAL
DEVELOPMENT PROJECT LOCATED AT
N156W11124 PILGRIM ROAD, IN THE VILLAGE OF
GERMANTOWN, WASHINGTON COUNTY, WISCONSIN***

Effective Date: June 1, 2023

Prepared For:

*Germantown Warhawks, LLC
Ms. Bailey Copeland
Vice President of Development
c/o Greywolf Partners, Inc.
9000 West Chester Street, Suite 200
Milwaukee, WI 53214*

Date Issued: June 8, 2023

Prepared By:

***MOEGENBURG RESEARCH, INC.
REAL ESTATE APPRAISAL AND CONSULTING
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MRI File #23.152

MOEGENBURG RESEARCH, INC.
REAL ESTATE APPRAISAL AND CONSULTING

June 8, 2023

Germantown Warhawks, LLC
Ms. Bailey Copeland
Vice President of Development
c/o Greywolf Partners, Inc.
9000 West Chester Street, Suite 200
Milwaukee, WI 53214

**Re: Market Study
Proposed Market-Rate Apartments
W156N11124 Pilgrim Road
Germantown, WI 53022**

Dear Ms. Copeland:

In accordance with your request, we are pleased to submit this *Market Study* addressing the multifamily development potential of the site located at W156N11124 Pilgrim Road, in the Village of Germantown, Washington County, Wisconsin. We understand there are no firm development plans in-place at this time and the purpose of this study is to provide information that will assist with the formulation of development plans. For purposes of this analysis, the identified property is referred to as the "subject property."

Purpose and Function of the Report

Moegenburg Research, Inc. has been engaged to provide a *Market Study* for the referenced potential development project. The *purpose* of this study is to analyze unit mixes, unit sizes, project amenities, market rental rates, demand, and other pertinent data as it relates to the market-rate apartment market. The *function* of this report is to assist Germantown Warhawks, LLC, Greywolf Partners, Inc., and/or their assigns (our client / the intended user(s)) with their internal strategic decision-making regarding development opportunities which may exist on the subject site (the intended use). No other uses or users are intended by Moegenburg Research, Inc.

Appraisal Standards and Reporting Guidelines

The report is subject to the Code of Ethics and the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

Limitations of Use and Applicability of Conclusions

Neither the report, the materials submitted, nor our firm name may be used in any prospectus or printed materials prepared in connection with the sale of securities of participation interests to the public. The report is made subject to the Statement of Assumptions and Limiting Conditions. Due to the nature of real estate investments and the variety of economic factors that influence value, the value conclusion(s) presented in this report is/are valid only for the date(s) of value stated herein. We have provided no previous valuation services regarding the subject property within the three-year period prior to our acceptance of this assignment.

General Conclusions

A summary of our general conclusions and recommendations are included on the following pages.

We have enjoyed serving you in this matter.

Sincerely,



Peter A. Moegenburg, MAI, ASA
Wisconsin Certified General Appraiser No. 296



Kyle L. Bjerke, Associate
Wisconsin Certified General Appraiser No. 2040

EXECUTIVE SUMMARY

- Property Location:** The subject is located along the east side of Pilgrim Road, just south of Mequon Road / Highway 167, in the central portion of the Village of Germantown, Washington County, Wisconsin. More specifically, the subject is identified by the common street address of W156N11124 Pilgrim Road, though tax records utilize the common street address of W156N11116 Pilgrim Road.
- Site Characteristics:** The site characteristics (i.e. land area of 14.95 acres, topography, accessibility, access to utilities, etc.) appear supportive of multifamily development.
- Proposed Improvements:** There are no development plans in place. The purpose of this market study is to provide information that will assist the developer with the formulation of development plans.

DEVELOPMENT ANALYSIS

Development Style: Within the market, the vast majority of new construction multifamily projects are three-to-four-story, elevator-served developments over underground parking, or two-story, walk-up developments with units featuring private entrances and attached garages for most or all units. As it pertains specifically to the subject, we feel that either development style would be successful given that each development style has been proven to be successful in the immediate market area in recent years. Several of the recently completed developments in the market include a mix of building styles, such as one or two mid-rise buildings and several townhome-style or two-story walk-up buildings, which may be advantageous at the subject depending on the target density.

Unit Mix: Our recommended unit mix for the subject is as follows:

- Studio Units: 5.0 – 15.0%
- 1 BR Units: 45.0 – 55.0%
- 2 BR Units: 35.0 – 45.0%
- 3 BR Units: 0.0 – 10.0%

Unit Sizes: Our recommended *average* unit size ranges are as follows. It is recognized that there will likely be floor plans for each unit type that fall outside of these ranges. The ranges below represent the ranges the average unit size for each unit type should fall within.

- Studio Units: 525 – 575 SF
- 1 BR Units: 750 – 800 SF
- 2 BR Units: 1,050 – 1,150 SF
- 3 BR Units: 1,275 – 1,375 SF

of Bathrooms: We recommend studio and one-bedroom units feature 1.0 bathroom while two-bedroom and three-bedroom units feature 2.0 bathrooms.

Unit Finishes / Amenities: Over the last 10-15 years, the inclusion of luxury finishes has become the norm and is expected for market-rate developments in thriving markets such as the subject's. Many developments, however, tend to provide these "luxury" finishes at a lower grade. These such projects tend to command relatively significant rent discounts when compared to the projects that offer truly high-end, luxury finishes and amenities.

EXECUTIVE SUMMARY

(Continued)

Unit Finishes / Amenities (Cont.):

We recommend the subject units feature a full stainless-steel appliance package; granite or quartz countertops and vanity tops; tiled kitchen backsplashes; quality cabinetry and cabinet hardware; quality light and plumbing fixtures; fiberglass tub/shower surrounds (glass shower doors in the primary bathroom and shower curtain rods in secondary bathrooms); wood-look luxury vinyl plank flooring throughout, with the exception of carpeted bedrooms; walk-in closets; nine-foot ceilings; in-unit laundry; a private patio / balcony; central air / forced air heat; and other typical features. While certainly not necessary, many developments in other similar markets are incorporating “smart home” / tech features, such as smart thermostats, lighting, outlets, and USB outlets.

Common Area Amenities:

Common area amenities vary from development to development. The smaller developments tend feature limited common area space or amenities as it simply isn't feasible to include an array of common area amenities in smaller developments. Assuming the subject contains 100-150+ apartment units, we recommend the subject includes an on-site management office; a package management system (if a mid-rise development is constructed); a community room with kitchenette and lounge area; a quality fitness center; a community patio area with seating, pergola, fire pit, and grill; a fenced-in pet play area; and a pet washing station. Given the characteristics of the site, incorporating walking paths on the site would also be well-accepted. In the event the subject development contains 200-300+ apartment units, additional amenities to be incorporated could include a swimming pool; a game room (billiards, darts, ping pong, etc.); a golf simulator; and/or a bocce ball court.

Parking:

If the ultimate subject development style is a two-story, walk-up development, we recommend including one attached garage stall in the rent at no additional charge for most or all units, with free surface parking also available. If the ultimate development style features underground parking, we recommend including one space per unit free of charge given that the majority of the properties with underground parking do not charge for underground parking. Additional free surface parking should also be available. Our market rent conclusions are based on these assumptions.

Utility Responsibility:

It is recommended that tenants be responsible for all individual unit utilities, either by paying them directly or via a reimbursement to the landlord.

Pet Fees:

While monthly pet fees of \$25 per month were seemingly the standard pet fee for the last 10-15 years, many developments began increasing pet fees in recent years to \$35 to \$50 per month. Additionally, many developments charge more for dogs and less for cats (i.e. \$30 per month for cats and \$50 per month for dogs). If pet-friendly amenities are incorporated, such as a pet washing station and pet play area, we project achievable pet fees of \$30 per month per cat and \$50 per month per dog (the pet-friendly amenities are typically geared towards dogs). If pet amenities are not incorporated, the monthly fee for dogs should be reduced to \$40 per month. Based on the comparable market data, it is also common in the market to charge a \$200 to \$300 refundable pet deposit.

Storage Fees:

The availability of storage units is not a critical factor for tenants. We have found that only around 30% of tenants are willing to pay an additional fee for storage when storage fees are in-line with market norms. If storage units are incorporated, we project an achievable monthly fee of \$25 per month.

EXECUTIVE SUMMARY

(Continued)

Concluded Market Rents: Our market rent conclusions based on our average recommended unit sizes are presented below. The rents shown are in *current dollars*.

- Studio Units: 550 SF / \$1,200 per month / \$2.18 PSF
- 1 BR Units: 775 SF / \$1,500 per month / \$1.94 PSF
- 2 BR Units: 1,100 SF / \$1,950 per month / \$1.77 PSF
- 3 BR Units: 1,325 SF / \$2,250 per month / \$1.70 PSF

Effective Demand Analysis: Summarized below are effective demand analyses for 100, 200, and 300 subject units. The results of all scenarios produce capture rates and penetration rates that suggest ample demand for additional rental units, though penetration rates are on the higher side of the range typically considered acceptable.

Capture Rates & Penetration Rates						
Current Inventory (Market-Rate Built in 1990+)	3,777		3,777		3,777	
Number of Pipeline Units (Market-Rate)	567		567		567	
Subject Units	<u>100</u>		<u>200</u>		<u>300</u>	
Total Market Supply at 100% Occupancy	<u>4,444</u>		<u>4,544</u>		<u>4,644</u>	
Market Supply at 95% (5% vacancy)*	4,222		4,317		4,412	
	<u>2022</u>	<u>2027</u>	<u>2022</u>	<u>2027</u>	<u>2022</u>	<u>2027</u>
# Income-Eligible Renter-Occupied Households	10,455	11,992	10,455	11,992	10,455	11,992
Subject Units (Stabilized at 95%)	95	95	190	190	285	285
Capture Rate	0.91%	0.79%	1.82%	1.58%	2.73%	2.38%
Supply / Competition (incl. subject) @ 95%	3,683	4,222	3,778	4,317	3,873	4,412
Penetration Rate	35.23%	35.21%	36.14%	36.00%	37.04%	36.79%

Net Demand Analysis: As additional support, we also conducted an income-based net demand analysis and a not income-based net demand analysis. The not income-based analysis is presented below and shows a net demand of positive 105 units over the next five years assuming all developments known to be in the pipeline are constructed and absorbed to a stabilized occupancy level.

Net Demand Analysis - Not Income-Based	
a	Renter-Occupied Households 2022 14,547
b	Renter-Occupied Households 2027 15,095
c	Increase in Renter-Occupied Households (b - a) 548
d	# of Units in Pipeline 567
e	Subject Units 0
f	Total New Supply (d + e) 567
g	New Units at Balanced Market (95% X f) 539
h	Net Demand Before Current Inventory (c - g) 9
i	Total Current Inventory 11,934
j	Avg. Occupancy Rate of Current Inventory (Per CoStar) 95.8%
k	Balanced Market Occupancy Rate 95.0%
l	Spread Between Current & Balanced (j - k) 0.8%
m	Indicated Change in Vacant Units for Balanced Market (i X l) 95
n	Net Demand (m + h) 105

EXECUTIVE SUMMARY

(Continued)

Net Demand Analysis (Cont.):

The net demand analysis shown on the preceding page was reflective of the entire rental market (market-rate and affordable). As additional support, we also conducted an income-based net demand analysis, which is summarized within the table below. This analysis is an income-based analysis and focuses on market-rate housing only.

Net Demand Analysis - Income-Based		
a	Income-Eligible Renter-Occupied Households 2022	10,455
b	Income-Eligible Renter-Occupied Households 2027	11,992
c	Increase in Income-Eligible Renter-Occupied Households (b - a)	1,537
d	# of Units in Pipeline (Market-Rate)	567
e	Subject Units	0
f	Total New Supply (d + e)	567
g	New Units at Balanced Market (95% X f)	539
h	Net Demand Before Current Inventory (c - g)	998
i	Total Current Inventory (Market-Rate, Constructed 1990+)	3,777
j	Avg. Occupancy Rate of Current Inventory (Per CoStar)	96.3%
k	<u>Balanced Market Occupancy Rate</u>	<u>95.0%</u>
l	Spread Between Current & Balanced (j - k)	1.3%
m	Indicated Change in Vacant Units for Balanced Market (i X l)	49
n	Net Demand (m + h)	1,047

As shown, if all units in the pipeline are constructed and absorbed at a stabilized occupancy level and the existing market supply stabilizes, there is a net demand of **positive 1,047 units** in the defined PMA over the next five years, indicating all market-rate developments in the pipeline could be constructed and absorbed to a stabilized occupancy level and there would still be demand for 1,047 additional market-rate units. Any subject units or additional developments brought to the market over the next five years would detract from this number.

Net Demand Conclusion:

With the non-income-based analysis suggesting positive demand of 105 units and the income-based analysis suggesting positive demand of 1,047 market-rate units over the next five years, it is evident that the subject's market area is more capable of supporting market-rate housing than affordable (income-restricted) housing. Further supporting this claim is the fact that, per ESRI, households with annual incomes of less than \$50,000 are projected to decline by 3,579 over the next five years while households with annual incomes of \$50,000 and above are projected to increase by 3,910 over the next five years (within the PMA). Based on the foregoing, we feel confident in concluding that there is ample demand within the PMA for additional market-rate housing.

Vacancy Rates:

Market conditions are supportive of the market standard deduction of 5.0%.

Rent Growth:

We forecast rents to grow 2.0% to 3.0% per year over the next three to five years.

Absorption:

Common absorption projections for projects similar to the subject show 20 to 30% of units pre-leased (depending on the size of the development), with an *average* absorption rate of around 12 units per month realized thereafter (higher in the first few months and lower in the latter months).

TABLE OF CONTENTS

SECTION I: INTRODUCTION

	<u>Page</u>
INTRODUCTION	1
PROPERTY DESCRIPTION	5
NEIGHBORHOOD OVERVIEW	8
REGIONAL OVERVIEW	22

SECTION II: MARKET ANALYSIS

NATIONAL APARTMENT MARKET OVERVIEW	28
LOCAL APARTMENT MARKET OVERVIEW	35
COMPETITIVE RENTAL OVERVIEW	48
UNIT MIX ANALYSIS	68
UNIT SIZE ANALYSIS	70
PROPERTY ATTRIBUTE ANALYSIS	71
MARKET RENT ANALYSIS	72
VACANCY RATE INFORMATION	76
RENT GROWTH TRENDS	78
PRIMARY MARKET AREA OVERVIEW	80
EFFECTIVE DEMAND ANALYSIS	85
NET DEMAND ANALYSIS	89
CERTIFICATION	91

SECTION III: APPENDIX

SECTION I: INTRODUCTION

INTRODUCTION

We are pleased to submit this *Market Study* addressing the multifamily development potential of the site located at W156N11124 Pilgrim Road, in the Village of Germantown, Washington County, Wisconsin. We understand there are no firm development plans in-place at this time and the purpose of this study is to provide information that will assist with the formulation of development plans. For purposes of this analysis, the identified property is referred to as the “subject property.”

Purpose and Function of the Report

Moegenburg Research, Inc. has been engaged to provide a *Market Study* for the referenced potential development project. The *purpose* of this study is to analyze unit mixes, unit sizes, project amenities, market rental rates, demand, and other pertinent data as it relates to the market-rate apartment market. The *function* of this report is to assist Germantown Warhawks, LLC, Greywolf Partners, Inc., and/or their assigns (our client / the intended user(s)) with their internal strategic decision-making regarding development opportunities which may exist on the subject site (the intended use). No other uses or users are intended by Moegenburg Research, Inc.

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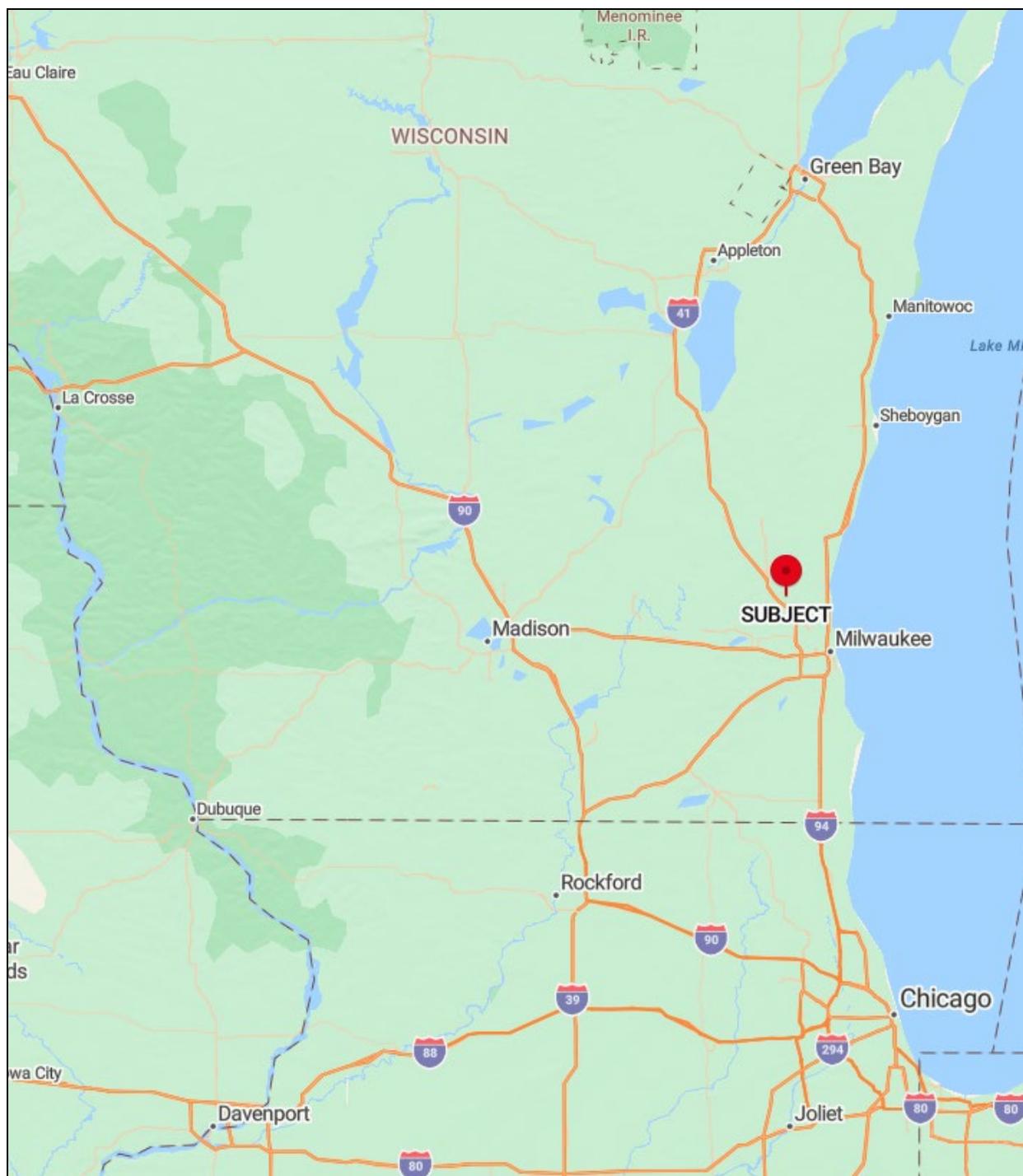
Neither the report, the materials submitted, nor our firm name may be used in any prospectus or printed materials prepared in connection with the sale of securities of participation interests to the public. The report is made subject to the Statement of Assumptions and Limiting Conditions. Due to the nature of real estate investments and the variety of economic factors that influence value, the value conclusion(s) presented in this report is/are valid only for the date(s) of value stated herein. We (Moegenburg Research, Inc.) have provided no previous valuation services regarding the subject property within the three-year period prior to our acceptance of this assignment.

Scope of Work

The scope of the market study consisted of conducting a physical inspection of the property, obtaining demographic and economic information about the immediate neighborhood and municipality, collecting and analyzing comparable data, developing the appropriate analyses, and developing a final opinion as to the feasibility of the current development. The scope of this analysis included providing an analysis of suggested rents, lease-up schedule, competition, demand, product offerings, amenity offerings, as well as area and market analytics. The scope did not include a highest and best use analysis, analysis of construction costs, or financial

feasibility analysis. Both primary and secondary research is included in this report. Secondary data consists of U.S. Census data and related projections, and was obtained from multiple government sources. Peter A. Moegenburg, MAI and Kyle L. Bjerke were each fully qualified at the time of engagement to provide an analysis of the referenced property. No additional steps were needed after this date to satisfy the Competency Rule under USPAP. Please refer to the appraiser qualifications that are included within the **Appendix**.

The property's location is identified within the **Regional Map** contained below for reference.



Date of Inspection

The property was inspected most recently by Kyle L. Bjerke on June 1, 2023. Peter A. Moegenburg, MAI has previously inspected the market but did not personally inspect the subject site for purposes of this analysis.

Effective Date of Report

The conclusions within this report are effective as of June 1, 2023 (the date coinciding with our most recent site inspection).

Statement of Assumptions and Limiting Conditions

This appraisal report has been made with the following general assumptions:

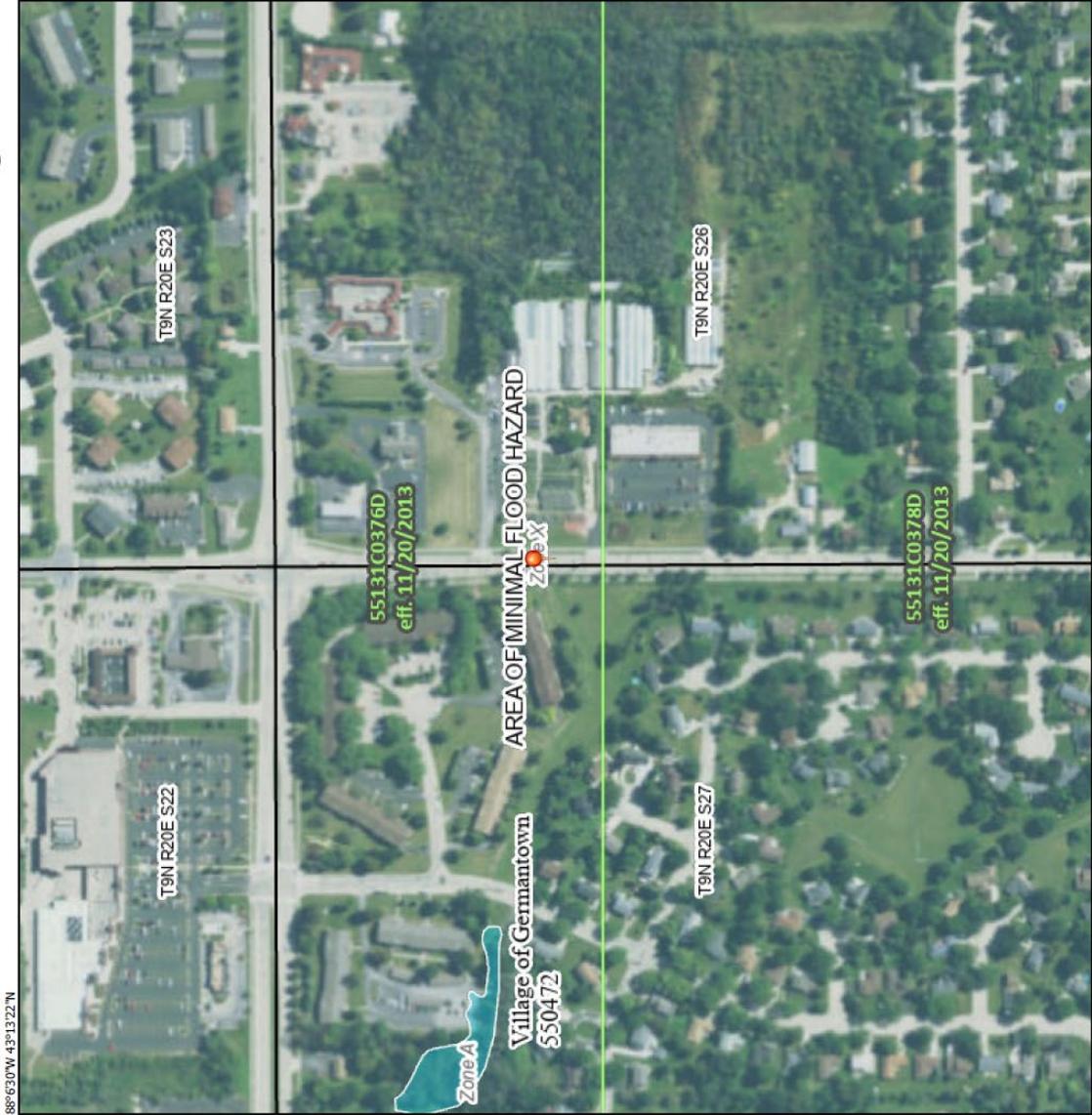
- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- All engineering studies are assumed to be correct. The plat plans and illustrative material in this report are included only to help the reader visualize the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
- It is assumed that the property conforms to all applicable zoning and use regulation and restrictions unless a non-conformity has been identified, described, and considered in this appraisal.
- It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
- It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- The signatories shall not be required to give further consultation or testimony, or appear in court or at any public hearing with reference to the property appraised, unless prior arrangements have been made with the client.
- The report was prepared for the purpose stated and should not be used for any other purpose.
- Possession of this report, or a copy thereof, or any part thereof, does not carry with it the right of publication, nor may it be used by anyone but the party for whom it has been prepared without the prior written consent and approval of Moegenburg Research, Inc.

- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The opinion of value is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.
- This report is intended to be read and used as a whole and not in parts. Separation of any section or page from the main body of the report is expressly forbidden and invalidates the report.
- None of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which he is connected or any references to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, news media, sales media, or any other public means of communication without the prior written consent and approval of Moegenburg Research, Inc.
- Where the property being considered is part of a larger parcel or tract, any values reported relate only to the portion being considered and should not be construed as applying with equal validity to other portions of the larger portion or tract.
- Any projections of future rents, expenses, net operating income, mortgage debt service, capital outlays, cash flows, inflation, capitalization rates, discount rates or interest rates are intended solely for analytical purposes and are not to be construed as predictions of Moegenburg Research, Inc. They represent only the judgment of the authors as to the assumptions likely to be used by purchasers and sellers active in the marketplace, and their accuracy is in no way guaranteed.

- Soils:** A Phase I Environmental Site Assessment was not provided for purposes of completing this market study. This report assumes that the site is not adversely impacted by any environmental conditions. ***It should be emphasized that Moegenburg Research, Inc. is not an expert in this area, and is not responsible for any problems should they exist. Further, MRI suggests that the matter and the appropriate documents, if so needed, be discussed/ reviewed by competent legal counsel. The analyses rendered in this report are predicated on the assumption that there is no hazardous material on or in the property that would substantially affect the subject property's current and future use. Please see the Statement of Assumptions and Limiting Conditions.***
- Topography & Drainage:** The topography of the site appears to be mostly level and at-grade with surrounding roadways and land uses. It is assumed the site will be properly graded to promote adequate drainage.
- Utilities:** The subject site is assumed to have access to all necessary utilities in adequate quality and quantity to support multifamily development.
- Access & Visibility:** The subject is located within close proximity to several major local and regional thoroughfares, including Pilgrim Road (which the subject is located along), Mequon Road / Highway 167 (located less than one-tenth of one mile to the north), and Interstate Highway 41 (located approximately 2.3 miles to the west). These linkages, and others, are exhibited within the **Neighborhood Map** contained within the **Neighborhood Overview** section of this report. Access to the site is provided via Pilgrim Road. The subject has a midblock location but is clearly visible. Overall, access and visibility are considered to be good for a multifamily development site.
- Flood Zone:** According to FEMA Flood Insurance Rate Map (FIRM) with the community panel numbers 55131C0376D & 55131C0378D, dated November 20, 2013, and the FEMA National Flood Hazard Layer (NFHL), the subject property is located in Zone X (an area of minimal flood hazard). A copy of this **Flood Plain Map** is contained later in this section.
- Easements, Restrictions, Covenants:** A title insurance report was not reviewed. Based on the available information, it does not appear that the subject property is encumbered with any easements or covenants that significantly adversely impact the subject site. The site is assumed to be encumbered with typical easements for utilities and other infrastructure amenities. This analysis assumes there are no deed restrictions or covenants that would hinder the development potential of the site. Nonetheless, Moegenburg Research, Inc. is not an expert in this area and we suggest the appropriate materials be reviewed by the appropriate professionals.
- Proposed Improvements:** There are no firm development plans in-place at this time. This Market Study is intended to assist the developer with formulating development plans.

FLOOD PLAIN MAP

National Flood Hazard Layer FIRMette



Legend

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

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) (Zone AE, AH, VE, AP)
- With BFE or Depth (Zone A, AE, AO, AH, VE, AP)
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile (Zone X)
- Future Conditions, 1% Annual Chance Flood Hazard (Zone X)
- Area with Reduced Flood Risk due to Levees, See Notes, (Zone X)
- Area with Flood Risk due to Levees (Zone D)

OTHER AREAS

- NO SCREEN (Zone X)
- Effective LOMRS (Zone X)
- Area of Undetermined Flood Hazard (Zone D)

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- 202 Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

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

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 6/1/2023 at 2:42 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

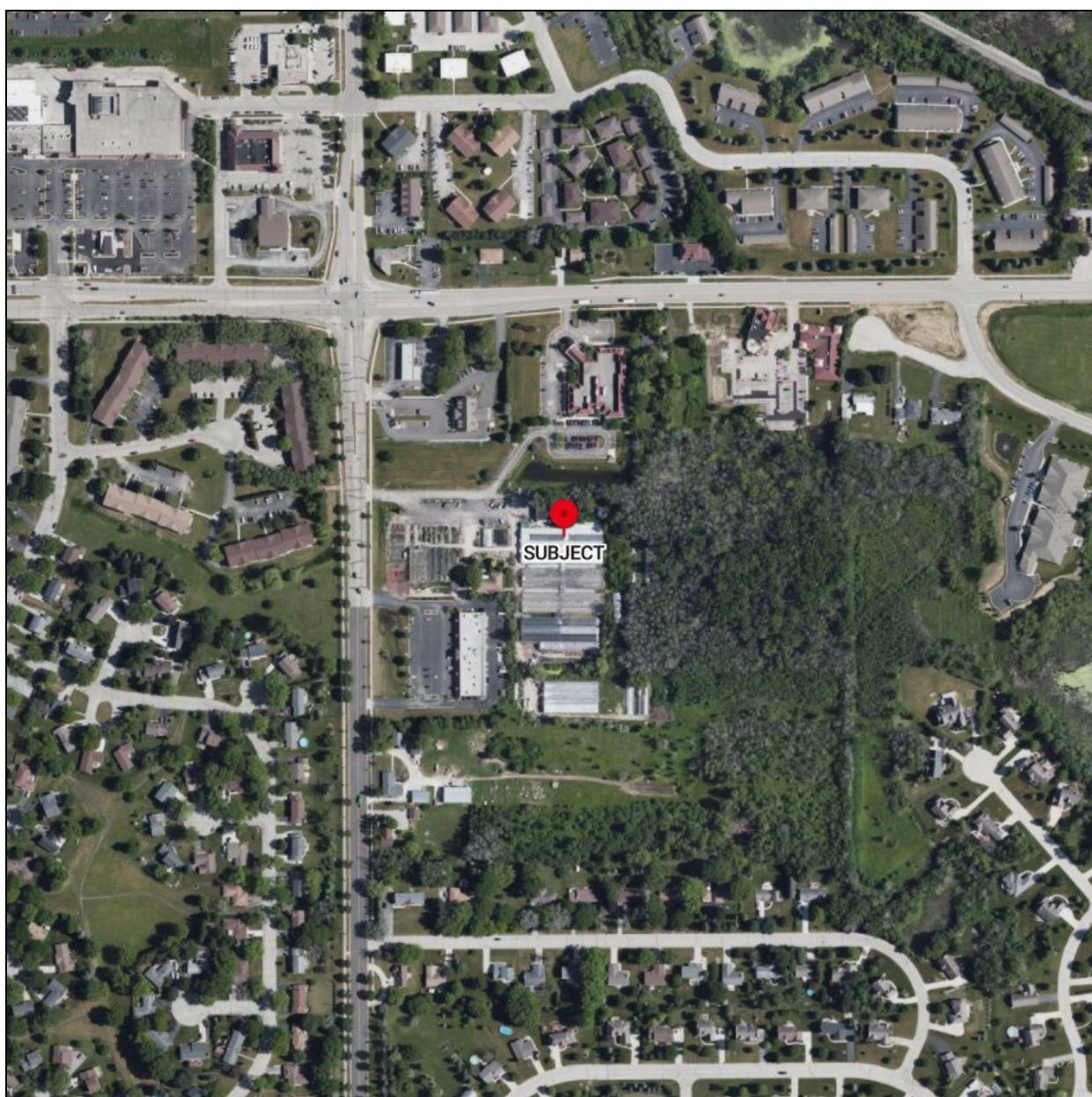
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and nonmodernized areas cannot be used for regulatory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

NEIGHBORHOOD OVERVIEW

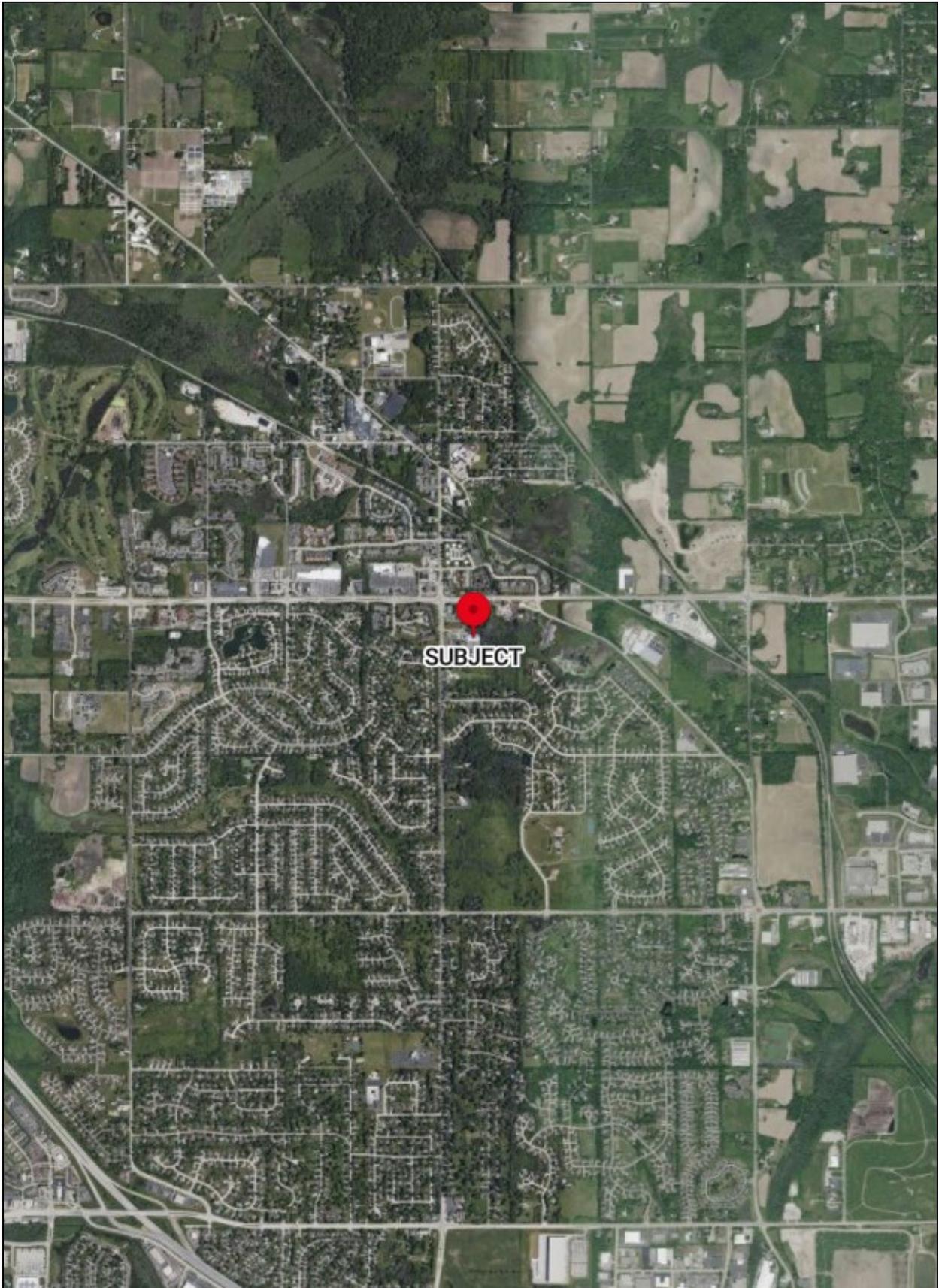
A “Neighborhood” is defined in The Dictionary of Real Estate Appraisal, Seventh Edition (sponsored by the Appraisal Institute, 2022) as:

- “1. A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.*
- 2. A developed residential super pad within a master planned community usually having a distinguishing name and entrance.”*

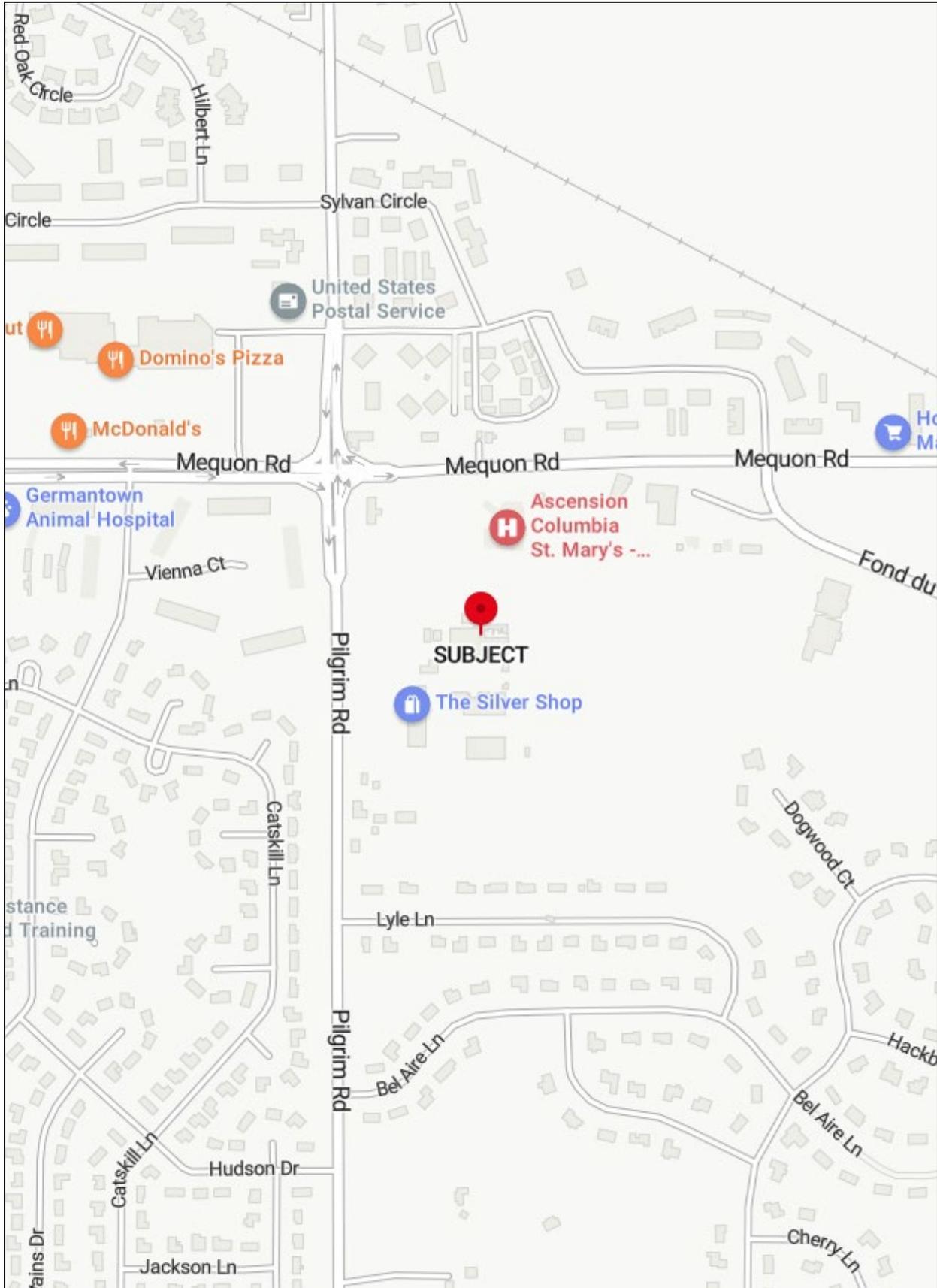
An **Aerial Photograph** of the subject’s neighborhood is included below while an **Expanded Aerial Photograph** and **Neighborhood Maps** are included on the following pages.



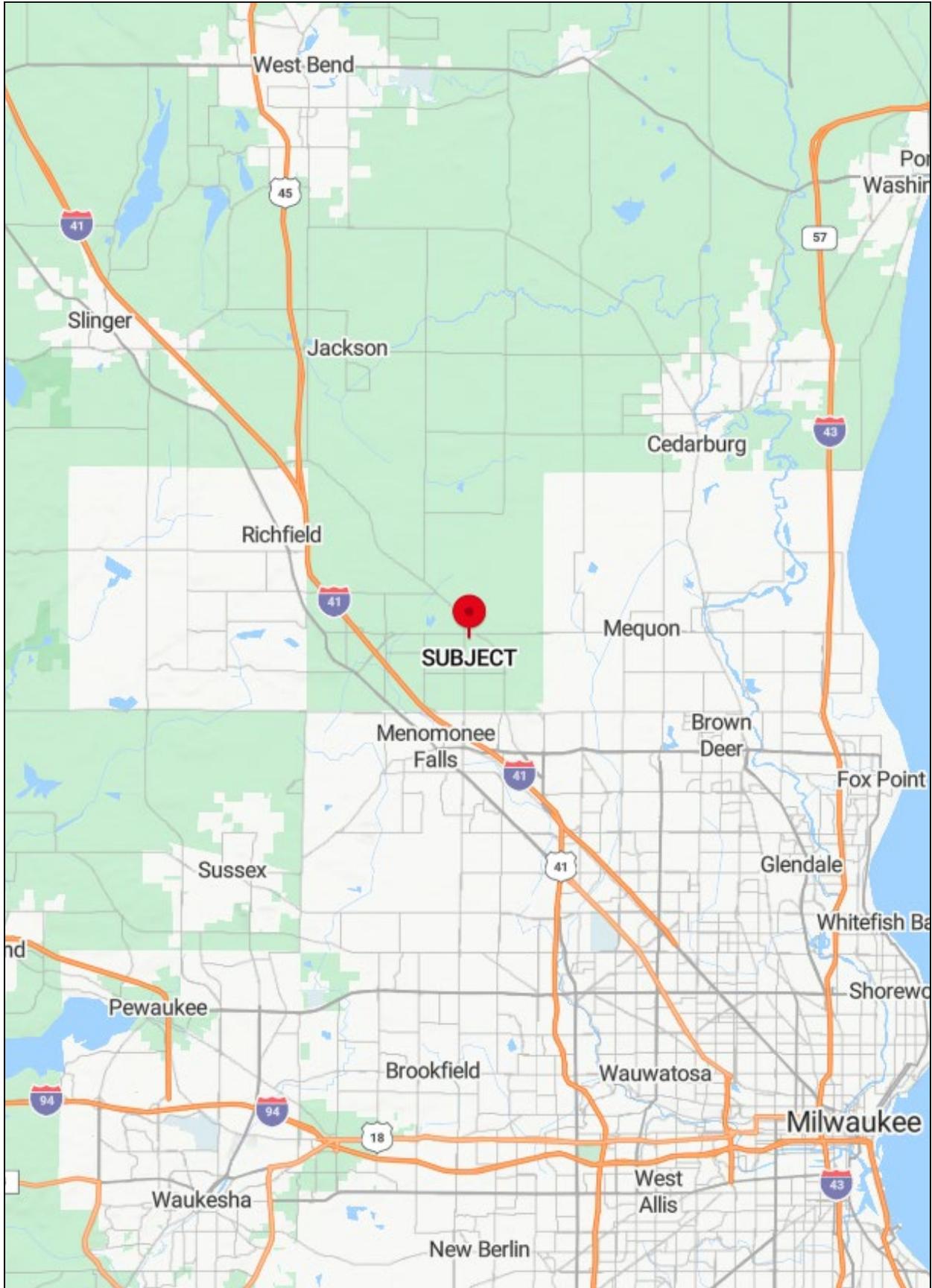
EXPANDED AERIAL PHOTOGRAPH



NEIGHBORHOOD MAP



EXPANDED NEIGHBORHOOD / REGIONAL MAP



Demographic Summary Report

W156-N11124 Pilgrim Rd, Germantown, WI 53022						
Radius	1 Mile		3 Mile		5 Mile	
Population						
2028 Projection	8,096		25,886		59,509	
2023 Estimate	7,987		25,412		58,688	
2010 Census	7,547		23,411		55,047	
Growth 2023 - 2028	1.36%		1.87%		1.40%	
Growth 2010 - 2023	5.83%		8.55%		6.61%	
2023 Population by Hispanic Origin	258		793		2,998	
2023 Population	7,987		25,412		58,688	
White	7,110	89.02%	22,745	89.50%	47,394	80.76%
Black	345	4.32%	987	3.88%	7,369	12.56%
Am. Indian & Alaskan	21	0.26%	66	0.26%	237	0.40%
Asian	351	4.39%	1,101	4.33%	2,407	4.10%
Hawaiian & Pacific Island	0	0.00%	0	0.00%	5	0.01%
Other	160	2.00%	512	2.01%	1,276	2.17%
U.S. Armed Forces	0		10		23	
Households						
2028 Projection	3,351		10,560		24,134	
2023 Estimate	3,303		10,358		23,807	
2010 Census	3,099		9,492		22,349	
Growth 2023 - 2028	1.45%		1.95%		1.37%	
Growth 2010 - 2023	6.58%		9.12%		6.52%	
Owner Occupied	2,239	67.79%	7,422	71.65%	16,119	67.71%
Renter Occupied	1,064	32.21%	2,937	28.35%	7,688	32.29%
2023 Households by HH Income	3,305		10,359		23,806	
Income: <\$25,000	287	8.68%	1,011	9.76%	2,794	11.74%
Income: \$25,000 - \$50,000	738	22.33%	1,799	17.37%	4,372	18.37%
Income: \$50,000 - \$75,000	581	17.58%	1,743	16.83%	3,933	16.52%
Income: \$75,000 - \$100,000	542	16.40%	1,328	12.82%	3,081	12.94%
Income: \$100,000 - \$125,000	429	12.98%	1,619	15.63%	3,484	14.63%
Income: \$125,000 - \$150,000	202	6.11%	1,068	10.31%	2,055	8.63%
Income: \$150,000 - \$200,000	281	8.50%	1,054	10.17%	2,394	10.06%
Income: \$200,000+	245	7.41%	737	7.11%	1,693	7.11%
2023 Avg Household Income	\$96,407		\$101,502		\$98,269	
2023 Med Household Income	\$77,145		\$86,794		\$81,524	

Demographic Trend Report

3 Mile Radius

W156-N11124 Pilgrim Rd, Germantown, WI 53022

Description	2010		2023		2028	
Population	23,411		25,412		25,886	
Age 0 - 4	1,381	5.90%	1,264	4.97%	1,300	5.02%
Age 5 - 9	1,563	6.68%	1,381	5.43%	1,333	5.15%
Age 10 - 14	1,807	7.72%	1,562	6.15%	1,442	5.57%
Age 15 - 19	1,532	6.54%	1,608	6.33%	1,558	6.02%
Age 20 - 24	1,080	4.61%	1,430	5.63%	1,558	6.02%
Age 25 - 29	1,290	5.51%	1,327	5.22%	1,466	5.66%
Age 30 - 34	1,306	5.58%	1,383	5.44%	1,407	5.44%
Age 35 - 39	1,419	6.06%	1,568	6.17%	1,464	5.66%
Age 40 - 44	1,851	7.91%	1,644	6.47%	1,568	6.06%
Age 45 - 49	2,158	9.22%	1,564	6.15%	1,608	6.21%
Age 50 - 54	1,944	8.30%	1,704	6.71%	1,633	6.31%
Age 55 - 59	1,613	6.89%	1,931	7.60%	1,734	6.70%
Age 60 - 64	1,233	5.27%	1,931	7.60%	1,819	7.03%
Age 65 - 69	937	4.00%	1,649	6.49%	1,753	6.77%
Age 70 - 74	693	2.96%	1,334	5.25%	1,508	5.83%
Age 75 - 79	643	2.75%	933	3.67%	1,157	4.47%
Age 80 - 84	506	2.16%	600	2.36%	780	3.01%
Age 85+	455	1.94%	597	2.35%	797	3.08%
Age 15+	18,660	79.71%	21,203	83.44%	21,810	84.25%
Age 20+	17,128	73.16%	19,595	77.11%	20,252	78.24%
Age 65+	3,234	13.81%	5,113	20.12%	5,995	23.16%
Median Age	41		44		45	
Average Age	38.80		42.10		43.10	
Population By Race	23,411		25,412		25,886	
White	21,808	93.15%	22,745	89.50%	23,184	89.56%
Black	531	2.27%	987	3.88%	997	3.85%
Am. Indian & Alaskan	50	0.21%	66	0.26%	68	0.26%
Asian	700	2.99%	1,101	4.33%	1,114	4.30%
Hawaiian & Pacific Islander	0	0.00%	0	0.00%	0	0.00%
Other	318	1.36%	512	2.01%	523	2.02%

Demographic Trend Report

3 Mile Radius

W156-N11124 Pilgrim Rd, Germantown, WI 53022						
Description	2010		2023		2028	
Population by Race (Hispanic)	533		793		807	
White	488	91.56%	681	85.88%	696	86.25%
Black	12	2.25%	35	4.41%	35	4.34%
Am. Indian & Alaskan	10	1.88%	20	2.52%	20	2.48%
Asian	4	0.75%	14	1.77%	14	1.73%
Hawaiian & Pacific Islander	0	0.00%	0	0.00%	0	0.00%
Other	19	3.56%	43	5.42%	43	5.33%
Household by Household Income	9,492		10,359		10,560	
<\$25,000	1,471	15.50%	1,011	9.76%	996	9.43%
\$25,000 - \$50,000	2,178	22.95%	1,799	17.37%	1,805	17.09%
\$50,000 - \$75,000	1,912	20.14%	1,743	16.83%	1,759	16.66%
\$75,000 - \$100,000	1,468	15.47%	1,328	12.82%	1,324	12.54%
\$100,000 - \$125,000	959	10.10%	1,619	15.63%	1,686	15.97%
\$125,000 - \$150,000	583	6.14%	1,068	10.31%	1,115	10.56%
\$150,000 - \$200,000	556	5.86%	1,054	10.17%	1,103	10.45%
\$200,000+	365	3.85%	737	7.11%	772	7.31%
Average Household Income	\$79,305		\$101,502		\$102,779	
Median Household Income	\$64,200		\$86,794		\$88,595	

Daytime Employment Report

3 Mile Radius

W156-N11124 Pilgrim Rd, Germantown, WI 53022

Business Employment by Type	# of Businesses	# Employees	#Emp/Bus
Total Businesses	1,518	23,214	15
Retail & Wholesale Trade	263	5,603	21
Hospitality & Food Service	81	1,865	23
Real Estate, Renting, Leasing	67	299	4
Finance & Insurance	113	500	4
Information	16	141	9
Scientific & Technology Services	146	865	6
Management of Companies	2	6	3
Health Care & Social Assistance	297	1,548	5
Educational Services	28	854	31
Public Administration & Sales	23	359	16
Arts, Entertainment, Recreation	19	157	8
Utilities & Waste Management	54	713	13
Construction	104	1,086	10
Manufacturing	163	8,407	52
Agriculture, Mining, Fishing	4	16	4
Other Services	138	795	6

Consumer Spending Report

W156-N11124 Pilgrim Rd, Germantown, WI 53022			
2023 Annual Spending (\$000s)	1 Mile	3 Mile	5 Mile
Total Specified Consumer Spending	\$107,961	\$354,653	\$785,297
Total Apparel	\$5,364	\$17,745	\$40,205
Women's Apparel	2,127	7,046	15,876
Men's Apparel	1,122	3,734	8,359
Girl's Apparel	367	1,220	2,799
Boy's Apparel	266	887	2,068
Infant Apparel	237	763	1,793
Footwear	1,244	4,096	9,309
Total Entertainment & Hobbies	\$16,734	\$54,082	\$119,317
Entertainment	1,976	5,745	12,209
Audio & Visual Equipment/Service	3,524	11,414	25,552
Reading Materials	287	941	2,030
Pets, Toys, & Hobbies	2,964	9,839	21,295
Personal Items	7,983	26,143	58,230
Total Food and Alcohol	\$29,341	\$95,618	\$212,742
Food At Home	15,195	49,019	109,957
Food Away From Home	12,010	39,546	87,375
Alcoholic Beverages	2,136	7,053	15,410
Total Household	\$17,654	\$59,183	\$131,213
House Maintenance & Repair	4,014	13,405	29,201
Household Equip & Furnishings	6,781	22,676	50,155
Household Operations	4,885	16,367	36,878
Housing Costs	1,975	6,736	14,979

Consumer Spending Report

W156-N11124 Pilgrim Rd, Germantown, WI 53022			
2023 Annual Spending (000s)	1 Mile	3 Mile	5 Mile
Total Transportation/Maint.	\$26,470	\$86,367	\$190,272
Vehicle Purchases	13,121	42,982	93,566
Gasoline	6,871	22,055	49,069
Vehicle Expenses	633	2,096	4,860
Transportation	2,582	8,615	19,331
Automotive Repair & Maintenance	3,263	10,618	23,445
Total Health Care	\$5,808	\$18,907	\$41,389
Medical Services	3,387	11,094	24,279
Prescription Drugs	1,803	5,796	12,647
Medical Supplies	618	2,018	4,464
Total Education/Day Care	\$6,591	\$22,751	\$50,160
Education	4,137	14,413	31,818
Fees & Admissions	2,454	8,337	18,342

Traffic Count Report

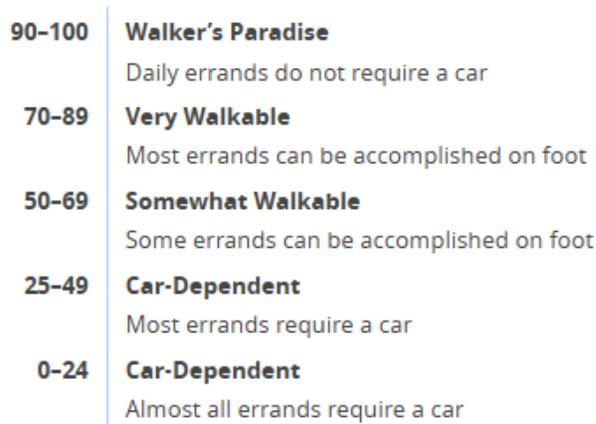


Street	Cross Street	Cross Str Dist	Count Year	Avg Daily Volume	Volume Type	Miles from Subject Prop
1 Mequon Rd	Pilgrim Rd	0.10 W	2021	10,608	MPSI	.12
2 Mequon Rd	Pilgrim Rd	0.10 W	2022	10,530	MPSI	.12
3 Mequon Rd	Pilgrim Rd	0.10 W	2018	12,352	MPSI	.12
4 Mequon Road	Fond du Lac Ave	0.08 NE	2022	12,383	MPSI	.13
5 Mequon Road	Fond du Lac Ave	0.08 NE	2020	12,775	MPSI	.13
6 Pilgrim Rd	Lyle Ln	0.09 S	2022	10,410	MPSI	.14
7 Pilgrim Rd	Lyle Ln	0.09 S	2021	10,474	MPSI	.14
8 Mequon Road	Legend Ave	0.04 W	2020	15,171	MPSI	.23
9 Mequon Road	Legend Ave	0.04 W	2022	14,715	MPSI	.23
10 Mequon Rd	Legend Ave	0.10 E	2022	15,342	MPSI	.36

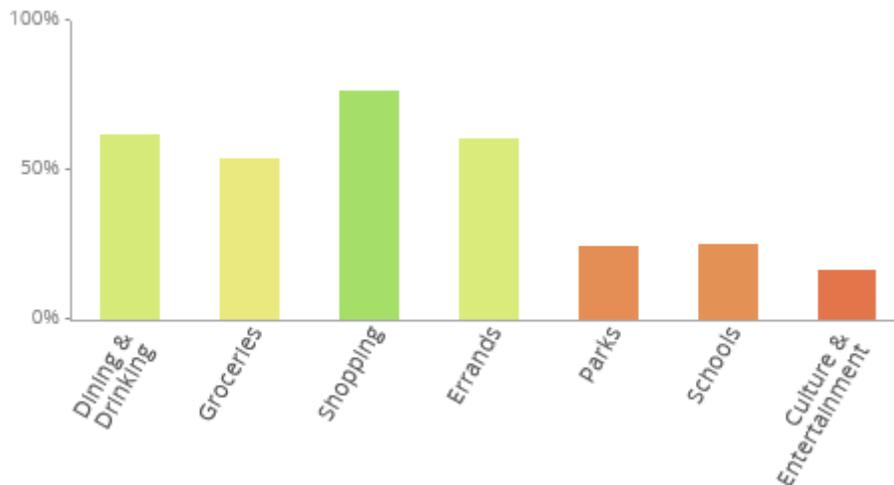
Walk Score

Walk Score is a company that provides insight (in the form of a Walk Score ranging from 0 to 100) into any given property’s proximity to dining / drinking establishments, groceries, shopping, errands, parks, schools, and entertainment. This is a tool that has become very popular in recent years as a means of advertising, predominantly for apartment developments. Many property managers include their property’s walk score within their marketing materials.

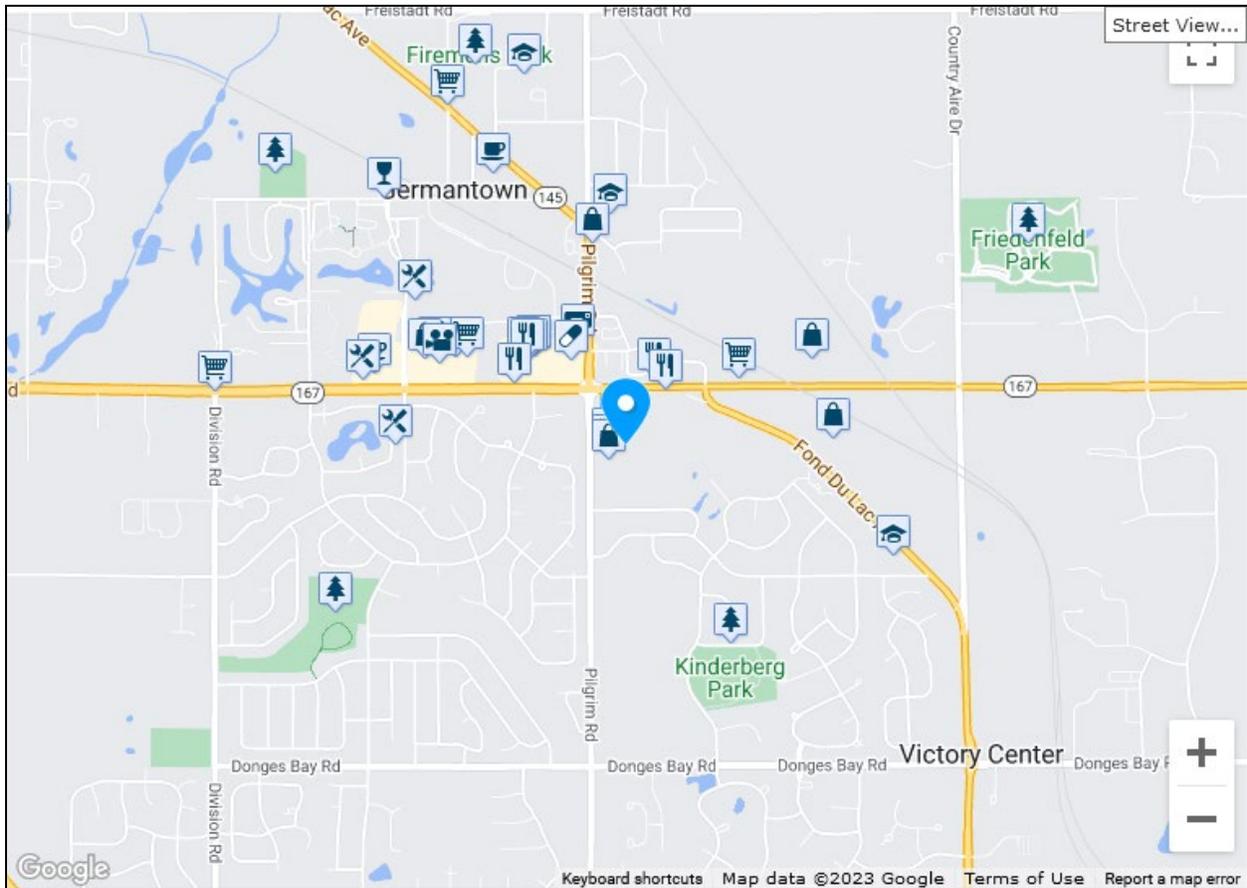
The subject’s Walk Score is 46 / 100, which gets the classification of “Car-Dependent,” meaning most errands require a car. Based on the foregoing, it is critical ample on-site parking is provided. The Walk Score Scale is included below.



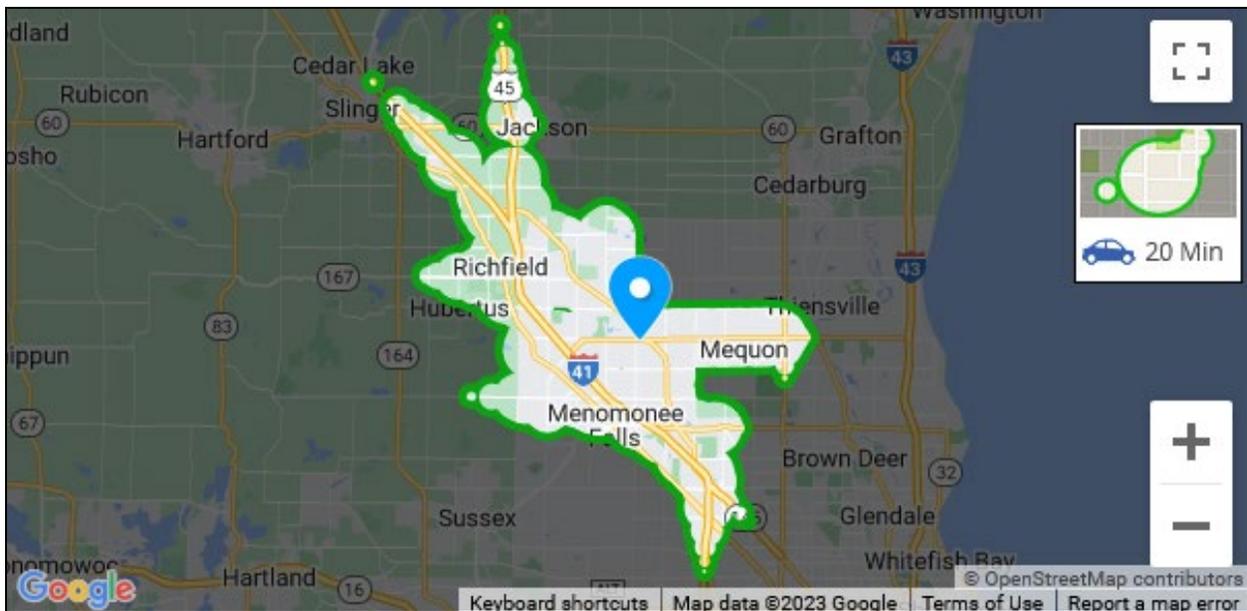
The subject’s Walk Score is broken down as follows.



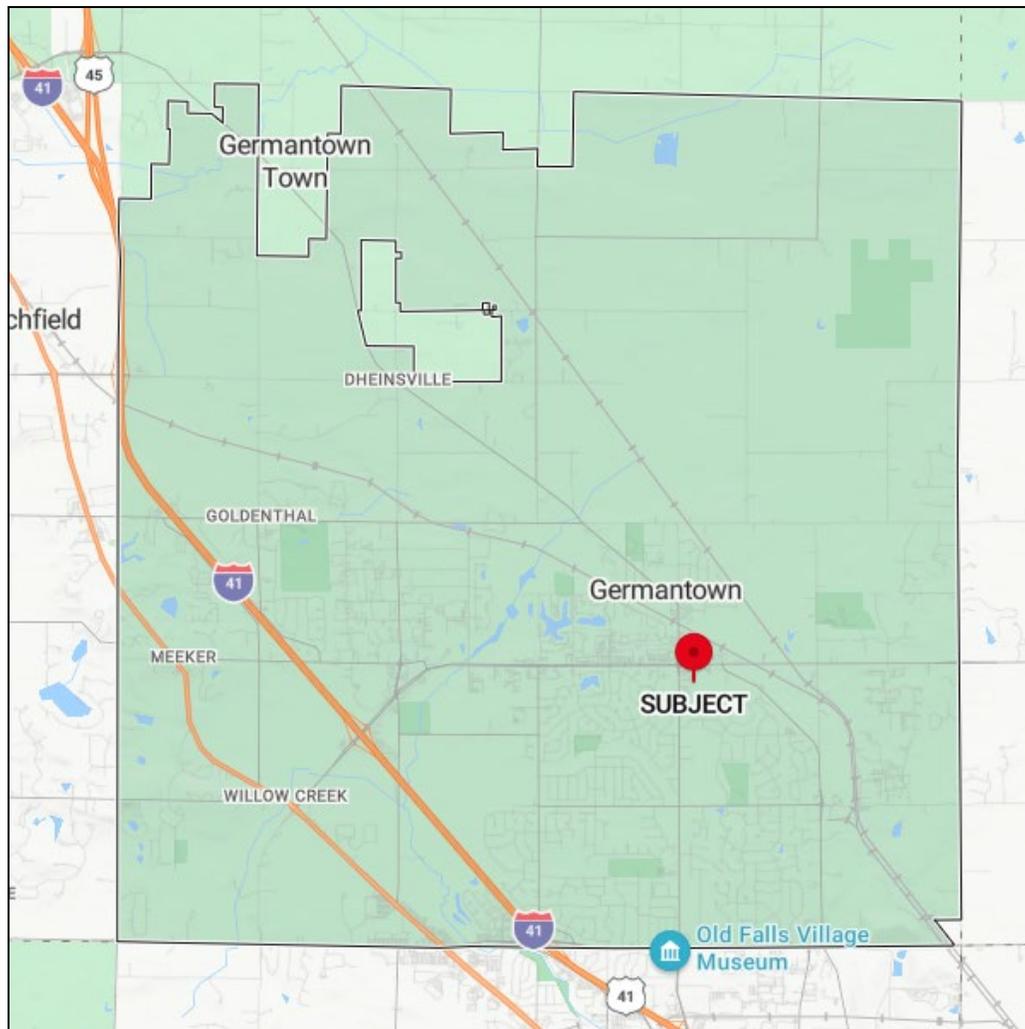
The subject's linkages to various points of interest are displayed below.



The following shows the areas that can be driven to within approximately 20 minutes, per Walk Score.



The subject is located within the central portion of the Village of Germantown, which is a suburban community located approximately 15 miles northwest of downtown Milwaukee. The Germantown municipal boundaries are included below, for reference.



Surrounding Land Uses

Land uses in proximity to the subject are summarized as follows.

- **North:** A mix of commercial development and older multifamily development.
- **South:** Some commercial uses followed primarily by single-family residential development.
- **East:** An assisted living facility, single-family residential development, and some undevelopable land.
- **West:** Pilgrim Road followed by a mix of single-family residential development and older multifamily development.

REGIONAL OVERVIEW

An analysis of the regional attributes helps analyze the positioning of the subject property as it compares to the region as a whole. Washington County is part of the defined Milwaukee-Waukesha-West Allis Metropolitan Statistical Area (MSA). The most recent unemployment rates for the State of Wisconsin on a County-by-County basis are included on the following page (provided by the Wisconsin Department of Workforce Development), followed by an excerpt from a Washington County Workforce Profile (from the same source) and a Milwaukee Area Economic Summary provided by the U.S. Bureau of Labor Statistics.

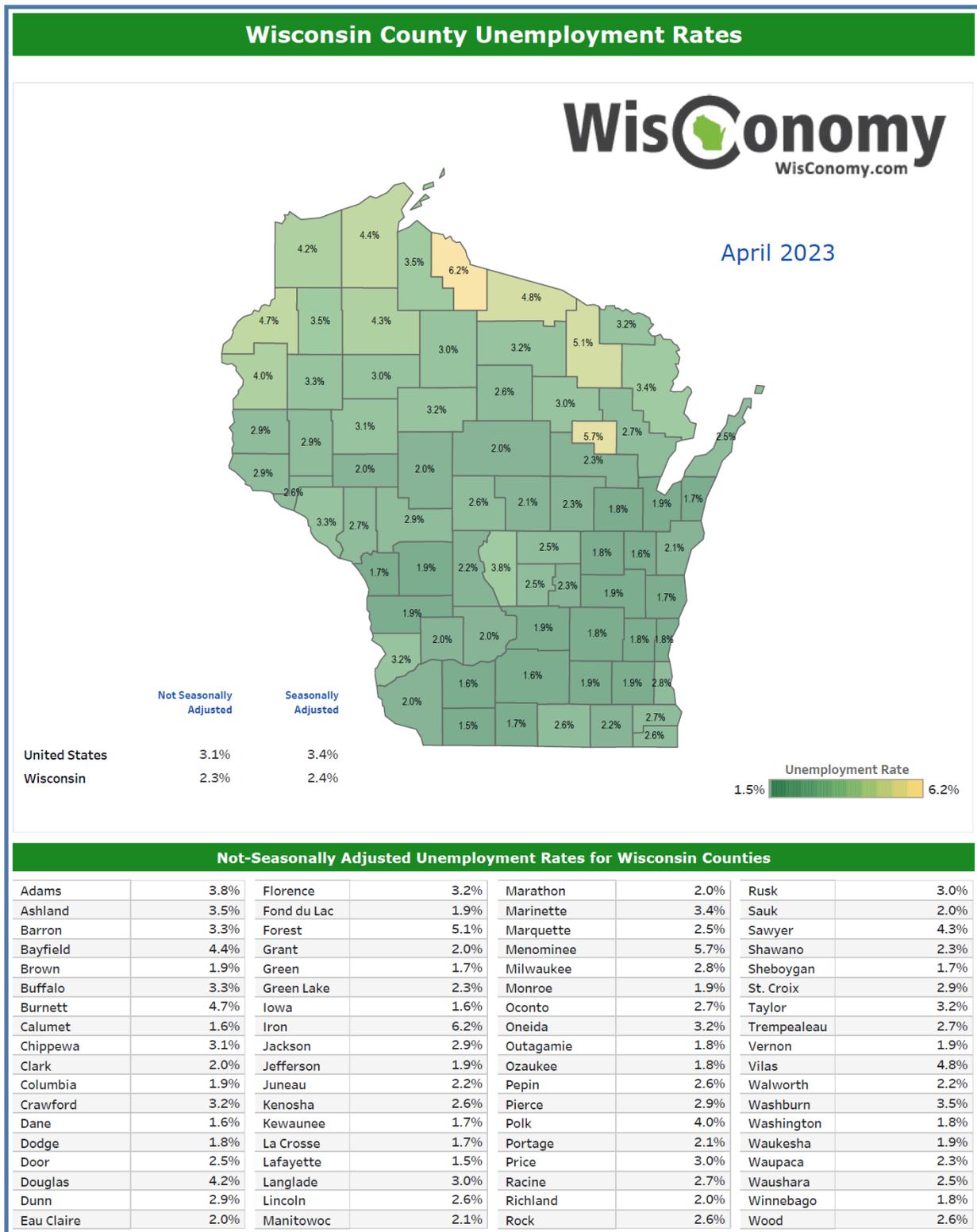
Beginning March / April 2020, the economy showed very high unemployment; however, much of the unemployment was relatively short-term in nature. Nationally, the unemployment rate increased from 3.5% in February 2020, to 4.4% in March 2020, to 14.7% in April 2020 before gradually declining to sub-4.0% by year-end 2021. The unemployment rate was 3.4% as of April 2023, per the U.S. Bureau of Labor Statistics, as outlined below.

Civilian unemployment rate, seasonally adjusted

Click and drag within the chart to zoom in on time periods



Unemployment rates by county are summarized below.


Not-Seasonally Adjusted Unemployment Rates for Wisconsin Counties

DETI-17241-P (R. 05/2023) WI Dept. of Workforce Development, Labor Market Information 05/24/2023

Washington County

Population and Demographics

A little over 138,000 people reside in Washington County, which ranks as the 10th most populated county in the state. The county gained 6,381 residents, or 4.8%, over the course of the 2010's. Population growth outpaced the state (3.0%) but was slower than the national rate (6.7%). Nine of the county's 10 most populated municipalities gained residents. Hartford had the largest numeric gain with its addition of 1,640 residents, (11.8%) over the decade.

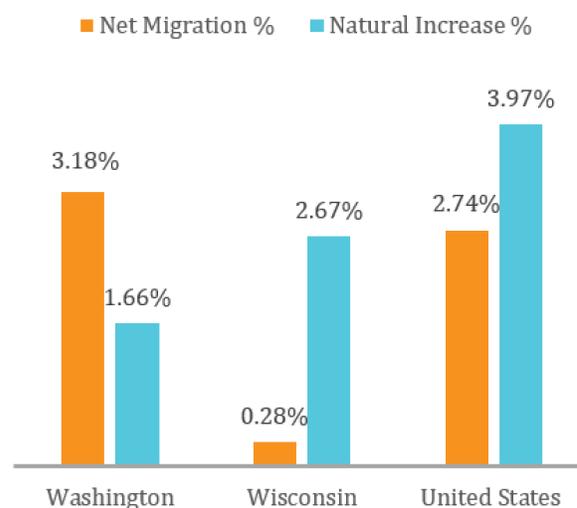
Graphic 3: 10 Most Populous Municipalities in County

	2010 Census	2020 Final Estimate	Numeric Change	Percent Change
West Bend, City	31,078	32,058	980	3.15%
Germantown, Village	19,749	20,686	937	4.74%
Hartford, City	14,223	15,863	1,640	11.53%
Richfield, Village	11,300	11,948	648	5.73%
Jackson, Village	6,753	7,199	446	6.60%
Slinger, Village	5,068	5,845	777	15.33%
Trenton, Town	4,732	4,800	68	1.44%
West Bend, Town	4,774	4,667	-107	-2.24%
Jackson, Town	4,134	4,564	430	10.40%
Kewaskum, Village	4,004	4,177	173	4.32%
Washington County	131,887	138,268	6,381	4.84%
Wisconsin	5,686,986	5,854,594	167,608	2.95%
United States	308,745,538	329,484,123	20,738,585	6.72%

Source: Demographic Services Center, Wisconsin Department of Administration

Population change can be broken into net migration and natural increase. Net migration accounted for 3.2% of Washington County's population growth. This is the more actionable of the two components and has an immediate impact on the county's labor force. Improving net migration could help to mitigate long-run workforce challenges that will continue to compound as the Baby Boomer population ages out of the workforce. Alternatively, natural increase is largely a function of age. While the measure does not show immediate labor market availability, it provides some insight into the long-term workforce pipeline. In Washington County, there was a population gain through natural increase, but it was at a relatively low rate when compared to the state (1.7% vs 2.7%). Natural increase is expected to decline in the coming decades.

Graphic 4: Components of Population Change

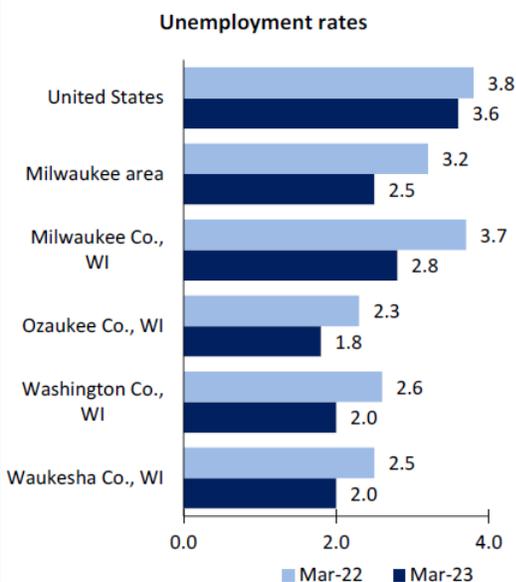


Milwaukee Area Economic Summary

Updated May 04, 2023

This summary presents a sampling of economic information for the area; supplemental data are provided for regions and the nation. Subjects include **unemployment, employment, wages, prices, spending, and benefits**. All data are not seasonally adjusted and some may be subject to revision. Area definitions may differ by subject. For more area summaries and geographic definitions, see www.bls.gov/regions/economic-summaries.htm.

Unemployment rates for the nation and selected areas

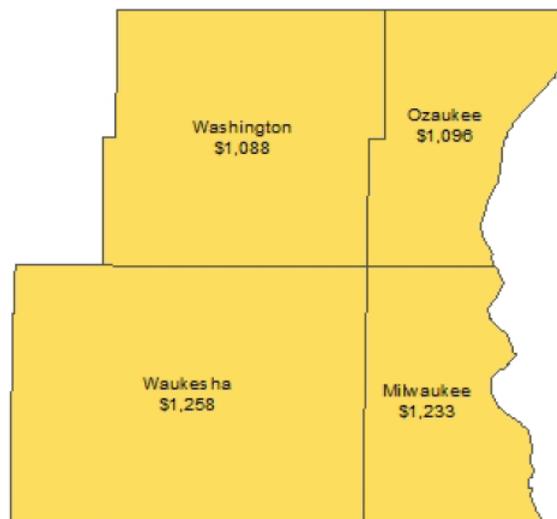


Source: U.S. BLS, Local Area Unemployment Statistics.

Average weekly wages for all industries by county

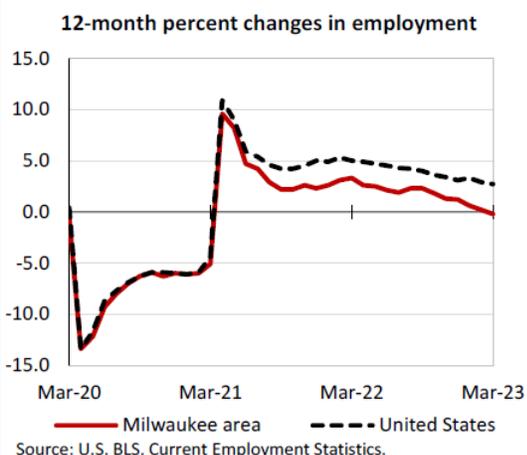
Milwaukee area, third quarter 2022

(U.S. = \$1,334; Area = \$1,223)



Source: U.S. BLS, Quarterly Census of Employment and Wages.

Over-the-year changes in **employment on nonfarm payrolls** and employment by major industry sector



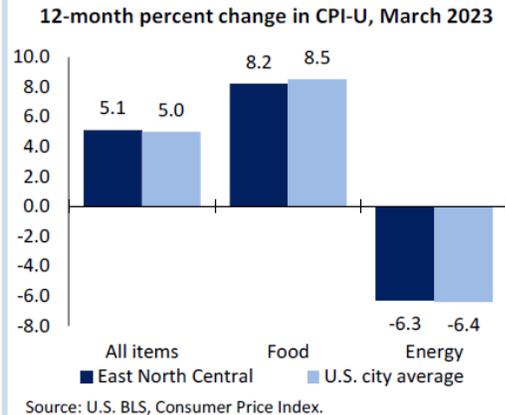
Source: U.S. BLS, Current Employment Statistics.

Milwaukee area employment (number in thousands)	Mar. 2023	Change from Mar. 2022 to Mar. 2023	
		Number	Percent
Total nonfarm	842.0	-2.1	-0.2
Mining and logging	0.5	0.0	0.0
Construction	32.4	0.5	1.6
Manufacturing	115.4	1.7	1.5
Trade, transportation, and utilities	147.1	0.8	0.5
Information	12.0	-0.4	-3.2
Financial activities	49.1	-1.2	-2.4
Professional and business services	115.0	-8.4	-6.8
Education and health services	172.0	2.3	1.4
Leisure and hospitality	70.8	-0.9	-1.3
Other services	44.4	1.0	2.3
Government	83.3	2.5	3.1

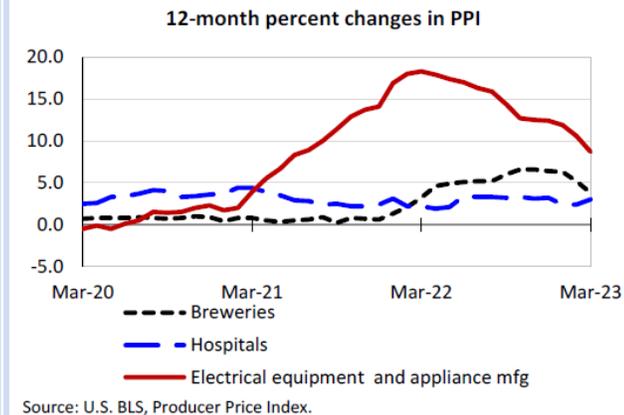
Source: U.S. BLS, Current Employment Statistics.



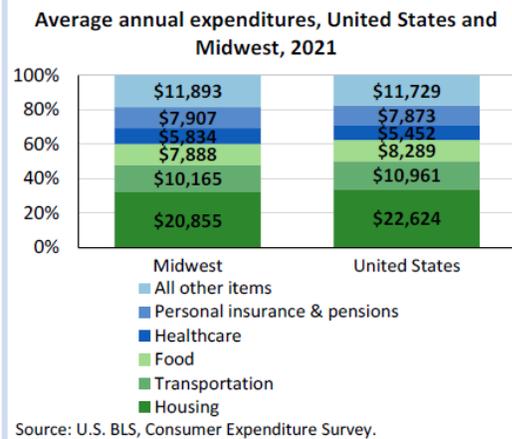
Over-the-year change in the prices paid by urban consumers for selected categories



Over-the-year changes in the selling prices received by producers for selected industries nationwide



Average annual spending and percent distribution for selected categories



Average hourly wages for selected occupations

Occupation	Milwaukee area	United States
All occupations	\$28.52	\$29.76
Physical therapists	45.40	47.10
Machinists	22.53	24.72
Laborers and freight, stock, and material movers, hand	19.55	18.03
Retail salespersons	16.36	16.70
Stockers and order fillers	16.21	17.09
Bartenders	14.97	16.58

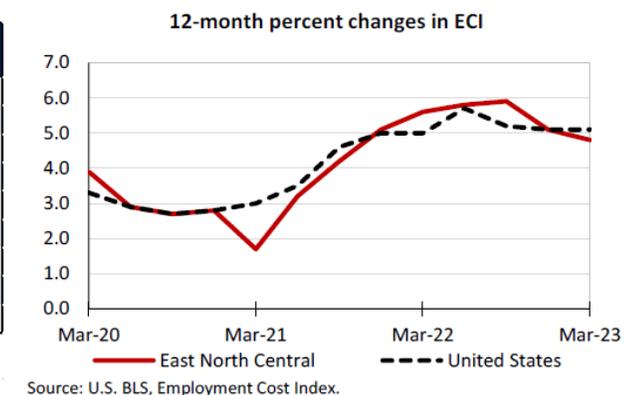
Source: U.S. BLS, Occupational Employment and Wage Statistics, May 2022.

Employer costs per hour worked for wages and selected employee benefits by geographic division

Private industry, December 2022	East North Central (1)	United States
Total compensation	\$40.82	\$40.23
Wages and salaries	28.08	28.37
Total benefits	12.75	11.86
Paid leave	3.03	3.01
Vacation	1.60	1.54
Supplemental pay	1.81	1.49
Insurance	3.35	3.00
Retirement and savings	1.64	1.36
Legally required benefits	2.92	3.01

(1) The states that compose the East North Central census division are: IL, IN, MI, OH, and WI.
Source: U.S. BLS, Employer Costs for Employee Compensation.

Over-the-year changes in wages and salaries



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SECTION II: MARKET ANALYSIS

APARTMENT MARKET ANALYSIS

This section provides details on the condition of the apartment market and its impact on the subject property from both a national and local perspective. After a review of the apartment market conditions nationally (Subsection I), we will take a more local look at the apartment market (Subsection II).

Subsection I: National Apartment Market Overview

The information contained on the following page was excerpted from the PwC National Apartment Market Survey – First Quarter 2023 (the most recent publication available). Excerpts from a 2023 U.S. Multifamily Investment Forecast report provided by Marcus & Millichap then follow.

National Apartment Market

While some investors are being more patient in 2023, others plan to target new markets. “We will shift our focus from some southern cities with softening fundamentals to gateway cities this year,” remarks an investor.

- “It is a buyers’ market so we are still looking for value-added acquisition opportunities,” adds an investor.
- Investors cite primary metros like Chicago and Washington, DC as prospects, as well as cities with strong demographics like Austin, Raleigh-Durham, and Salt Lake City.
- The outlook for year-one market rent growth dips from 3.89% to 3.72% this quarter, but it still exceeds this market’s five-year average of 2.36% and ten-year average of 2.59%.

FORECAST VALUE CHANGE [NEXT 12 MONTHS]:

Range: (10.0%) – 5.0%

Average: (0.9%)

KEY 1Q23 SURVEY STATS*

Total Vacancy Assumption:	
Average	4.7% ▼
Range	1.0% to 12.0%
Months of Free Rent(1):	
Average	0.9 =
Range	Up to 2
% of participants using	50.0% ▼
Market Conditions Favor:	
Buyers	25.0% ▲
Sellers	0.0% ▼
Neither	75.0% ▼

* ▼, ▲, = change from prior quarter (1) on a ten-year lease

Table 29

NATIONAL APARTMENT MARKET

First Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	5.50% – 9.00%	4.75% – 10.00%	5.00% – 10.00%	5.25% – 10.00%	5.25% – 10.00%
Average	6.71%	6.86%	6.62%	7.04%	7.23%
Change (Basis Points)		- 15	+ 9	- 33	- 52
OVERALL CAP RATE (OAR)^a					
Range	3.50% – 8.00%	3.25% – 8.00%	3.00% – 7.00%	3.50% – 7.00%	3.75% – 8.50%
Average	5.01%	4.89%	4.40%	5.14%	5.33%
Change (Basis Points)		+ 12	+ 61	- 13	- 32
RESIDUAL CAP RATE					
Range	4.00% – 8.00%	4.00% – 8.00%	3.50% – 7.00%	4.25% – 7.00%	4.00% – 8.50%
Average	5.38%	5.28%	4.81%	5.51%	5.66%
Change (Basis Points)		+ 10	+ 57	- 13	- 28
MARKET RENT CHANGE^b					
Range	0.00% – 10.00%	0.00% – 10.00%	0.00% – 15.00%	0.00% – 5.00%	(2.00%) – 5.00%
Average	3.72%	3.89%	3.84%	2.41%	2.42%
Change (Basis Points)		- 17	- 12	+ 131	+ 130
EXPENSE CHANGE^b					
Range	0.00% – 8.00%	0.00% – 8.00%	0.00% – 6.00%	0.00% – 3.00%	2.00% – 3.00%
Average	3.42%	3.42%	3.00%	2.60%	2.71%
Change (Basis Points)		0	+ 42	+ 82	+ 71
MARKETING TIME^c					
Range	1 – 12	1 – 12	1 – 12	1 – 9	1 – 9
Average	4.8	4.6	4.3	3.9	3.6
Change (▼, ▲, =)		▲	▲	▲	▲

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months

National Multifamily Index (NMI)

- Major markets in the Sun Belt dominate the top ranks of the National Multifamily Index for 2023. Net in-migration to Florida metros is on an upward bend, helping Fort Lauderdale, Orlando, Miami-Dade and Tampa-St. Petersburg all place in the top five of the Index. Similarly, three major Texas markets hold a spot in the top 10, headlined by Dallas-Fort Worth as the second-highest rated overall.
- Due to substantial new construction, some Sun Belt markets like Phoenix, Salt Lake City and Raleigh fall outside of the top 10 this year. Meanwhile, the middle portion of the Index includes primary metros that have improved their outlooks since last year as delayed pandemic recoveries took force. The bottom of the ranking house several Northeast and Midwest markets with lagging household gains, but low construction.

National Economy

- The economy has made a resounding recovery over the past two years following the impacts of COVID-19, although those gains have not come without costs. The Federal Reserve has been raising interest rates in the hopes of tempering elevated inflation, hindering growth. Consumers will be highly circumspect this year, while businesses have already responded to the anticipated drop in spending by re-evaluating staff levels.
- This year will likely feature a period of net job loss and a period of new hiring, resulting in overall muted employment creation that fails to keep pace with the growth of the labor pool, translating into higher unemployment. The labor market could also contract more meaningfully if high inflation is protracted, the war in Ukraine escalates, financial markets become more volatile, or another black swan event occurs.

National Apartment Overview

- Historic performance during the pandemic and production delays in 2022 led to an all-time high delivery slate for the apartment sector this year, creating a confluence amid waning apartment demand. This combination will push vacancy up and slow rent growth, but the longer-term outlook is bolstered by demographics and barriers to homeownership.
- The national affordability gap, the difference between the monthly payment on a median-priced house and average apartment rent, doubled last year as decade-high mortgage rates compounded elevated single-family home prices. Once economic headwinds abate, these barriers to homeownership will direct more residents to apartments and encourage tenants to rent longer into their lives.

Capital Markets

- After being exceedingly accommodative during the pandemic, the Federal Reserve rapidly tightened monetary policy last year in order to combat elevated inflation. The sheer speed and magnitude of these changes have placed financial markets in a place of discontent as financial organizations, regulators and investors are working to adapt to the new environment.
- Lenders are taking a more cautious approach overall, with a heavy emphasis on debt service coverage, ensuring that operating incomes can cover debt costs. Conditions should improve over the course of the year, however, and once the Fed settles on rates, the bid-ask spread among investors should start to narrow, allowing lenders to more accurately determine valuations.

Investment Outlook

- While elevated rent growth helped deals close last year, those projections are slowing now, and the expectations gap between buyers and sellers has widened to a point that many transactions have not been able to move forward. More stable interest rates closer in line with historical levels should help to narrow that gulf moving forward, as investors gain confidence in the new landscape.
- Many multifamily investors have entered 2023 in a defensive posture, with a selective mindset toward potential transactions. Those that feel interest rates could climb further may wish to execute on deals in the short term, while others may be willing to incur the expenses now, with an eye toward refinancing down the line. Nonetheless, there continues to be compelling motivations to buy or sell apartment assets.

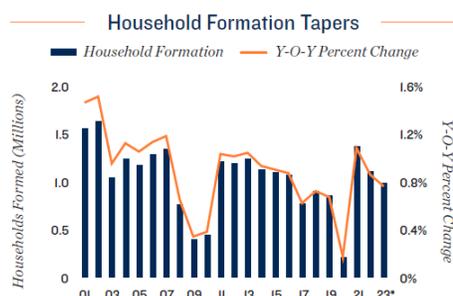
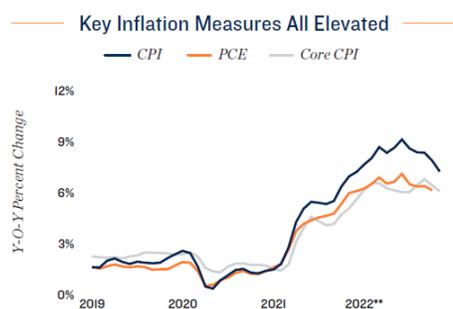
After a Rapid Recovery, Future Economic Growth Clouded as Several Potential Challenges Lie Ahead

Businesses and consumers assume defensive postures. The economy has made a resounding recovery over the past two years following the impacts of COVID-19, although those gains have not come without costs. Robust fiscal and monetary policy support during the pandemic allowed business and consumer demand to return well ahead of supply, leading to a prolonged period of elevated inflation that is still lingering. As prices have climbed, spending by organizations and households in real terms has faltered. While some inflationary pressures are abating, such as shortages of certain materials, other more structural factors persist. The costs for key necessities, such as food, housing and medical care, are all going up. While some households are pulling from additional savings accumulated during the pandemic, not all individuals were able to set aside funds and are now borrowing more. Those debt service costs have hiked up as well, with the Federal Reserve raising interest rates in the hopes of tempering price jumps. As such, consumers will be highly circumspect this year, and businesses have already responded to the anticipated drop in spending by re-evaluating staff levels.

Employee-employer dynamics are inverting. Since May 2021, the number of open positions has exceeded the number of people looking for work, but this dynamic is changing course. Employers across a range of fields have pulled back on hiring or reduced staff amid the subdued outlook, while more Americans are looking for second jobs to help shore up household budgets. This year will likely feature a period of net job loss and a period of new hiring, resulting in overall muted employment creation that fails to keep pace with the growth of the labor pool, translating into higher unemployment. This will have a corresponding cooling effect on wage growth, which climbed by an above-average rate of nearly 5 percent last year. Less upward movement on pay should help balance out real income over time by reducing inflation pressure. The labor market could also contract more meaningfully if high inflation is protracted, the war in Ukraine escalates, financial markets become more volatile, or another black swan event occurs.

2023 National Economic Outlook

- **Household formation slows.** Economic uncertainty, paired with higher expenses, is tempering household formation after a surge in 2021 that carried into 2022. Given the rapid rise in mortgage rates, this downshift will trim the single-family buyer pool and curtail upward movement in home prices beyond what are already historical levels.
- **Infrastructure improvements a partial jobs counterbalance.** Amid a general hiring slowdown, new construction and engineering roles may propagate. The Infrastructure Investment and Jobs Act has boosted U.S. construction spending that will put an emphasis on both talent retention and new training, although the process will take time.
- **Fuel cost increases could resurface.** While the cost of oil and gas in the U.S. trended downward late last year, that trajectory could change. Strategic reserves are finite, and global supplies remain threatened by the war in Ukraine and OPEC production cutbacks. An escalation in either area could have substantial, widespread implications.
- **Climbing mortgage rates put housing market in new lane.** Rising interest rates, while instigated by the Federal Reserve to cool inflation, pose other risks. The prolonged period of low borrowing costs, both before and during the pandemic, aided asset value appreciation that may need to be reconciled this year. This is especially evident in the single-family home market, where mortgage rates reached multi-decade highs in 2022.



* Forecast

** CPI and Core CPI through November; PCE through October

Multifamily Cools From White-Hot Stretch; Long-Term Tailwinds Materializing, Despite Choppy Waters Ahead

Meteoric momentum transitions to a recalibration. The U.S. apartment sector has been among the most resilient CRE segments throughout the past several business cycles, due in part to the essential nature of housing. Doubts at the onset of the pandemic quickly gave way to one of the strongest stretches of rental demand on record, with net absorption matching the 2017-2019 total in a span of just 21 months. The magnitude and speed of this momentum was never sustainable long term, but inflation and higher interest rates ushered in by the Federal Reserve in response have led to a demand normalization faster than many anticipated. Broad-based uncertainty will moderate hiring activity this year, further weighing on household formation, particularly young adults looking to start their careers. Meanwhile, the sector's historic performance and production delays in 2022 led to an all-time high delivery slate for this year, creating a confluence amid waning apartment demand. This combination will push vacancy up and slow rent growth, but the longer-term outlook is bolstered by demographics and barriers to homeownership.

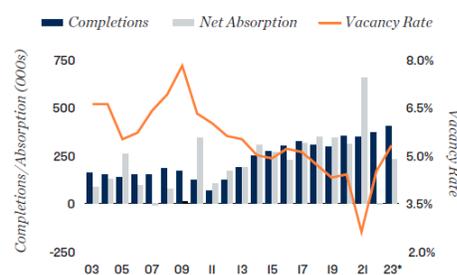
Benefits of renting, challenges to buying a home will structurally reorient demand.

Homebuying activity slowed abruptly last year as decade-high mortgage rates compounded elevated prices. This resulted in a slight softening in single-family sale prices, but relief for buyers has been offset by rising borrowing costs. The national affordability gap, the difference between the monthly payment on a median-priced house versus average apartment rent, doubled year-over-year to \$904 in the third quarter of 2022. This much wider difference in costs serves as a renter attractant at a time when inflation has eroded household budgets. Another factor underscoring the long-term outlook for apartment demand is demographics. The largest segment of the millennial generation has just surpassed the median age of marriage, and is now approaching the median age for a first home purchase. Given elevated barriers to homeownership, demand that would have gone toward single-family dwellings will now be directed toward multifamily options. Even when economic headwinds abate, these considerations will direct more residents to apartments and encourage tenants to rent longer into their lives.

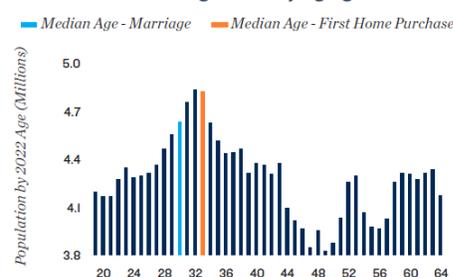
2023 National Apartment Outlook

- **Hottest pandemic markets see notable inflections.** In response to historic demand during the health crisis, locations like Austin, Charlotte, Nashville, Raleigh and Salt Lake City will register local inventory expansions exceeding 6 percent this year. The new rentals are warranted over the medium- to long-term, as these markets remain favored migration destinations with foundations for robust economic growth. In the near term, however, it may create supply and demand imbalances in certain areas.
- **Cost-of-living factors could impact migration trends.** As households adapt to higher prices amid persistent inflation, including rental costs, it may influence living preferences. Relatively affordable tertiary metros in the Sun Belt and Midwest could be beneficiaries of this trend in 2023, though job availability in these markets remains a major factor.
- **Affordable housing moves to center stage as rent control proves ineffective.** President Biden's Housing Supply Action Plan aims to reduce the nation's affordability concerns created by an ongoing housing shortage. If developers utilize the program's incentives, it may help fill some gaps in lower-income segments, especially in less-populated areas. The plan could be more practical than local rent control measures, which have largely discouraged development and created challenges, as seen in St. Paul last year.

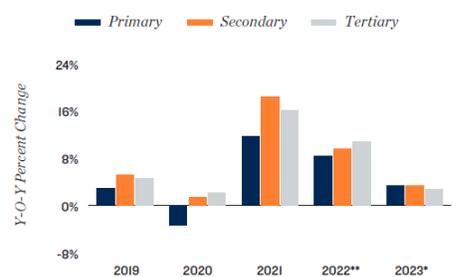
Supply and Demand Trends Normalize



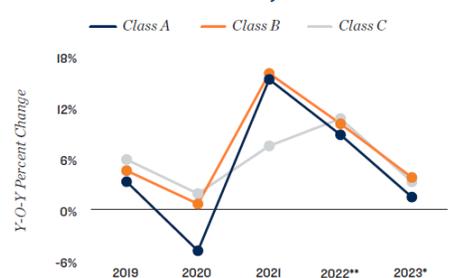
Millennials Entering Homebuying Age Deterred



Rent Growth by Market Type

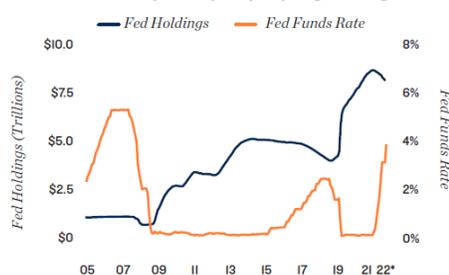


Rent Growth by Class

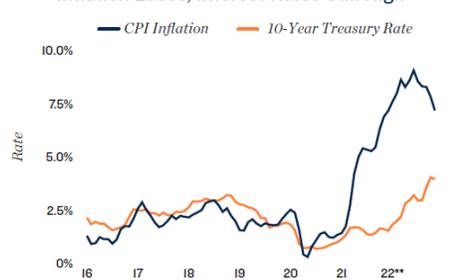


* Forecast
** Estimate

Monetary Policy Rapidly Tightening



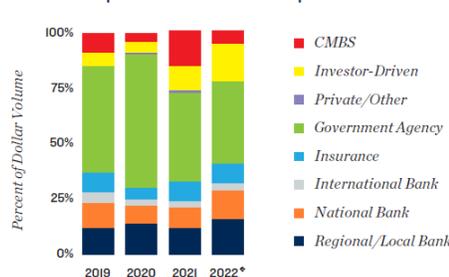
Inflation Eases, Interest Rates Still High



Treasury Yields All Elevated



Apartment Lender Composition



* Through Dec. 14

** Through November

♦ Estimate

Throwback to Higher Interest Rate Eras Puts Capital Markets on Back Foot Until Conditions Stabilize

Fed seeking soft landing to its disinflation trek. After being exceedingly accommodative during the pandemic, the Federal Reserve rapidly tightened monetary policy last year in order to combat elevated inflation. The Federal Open Market Committee began reducing the Fed's balance sheet in a quantitative tightening process and raised the target range on the federal funds rate from a lower bound of 0 at the start of 2022 to above 4 percent by year-end — the fastest pace of rate hikes since the early 1980s. The sheer speed and magnitude of these changes have placed financial markets in a place of discontent as financial organizations, regulators and investors are working to adapt to the new environment. The central bank has stated its intention to hike rates further this year in order to drive down inflation. Downward movement is not expected in the near future unless the economy rapidly deteriorates. Instead, the goal is to bring interest rates to a level that sufficiently softens the labor market and steers general consumer demand closer in line with supply, then hold there without engendering a broader recession.

Despite available capital, several hurdles must be cleared to close deals. The Fed's aggressive monetary policy has created a challenging near-term capital markets environment for the multifamily sector. The main hindrance is not a lack of capital available to lend, but rather the greater cost now required to borrow. Closing out last year, lending rates for apartments were in the high-5 percent zone or above, which aligns closely with where cap rates have been in recent years. Given these narrower margins, lenders are taking a more cautious approach overall, with a heavy emphasis on debt service coverage, ensuring that operating incomes can cover debt costs. This has brought loan-to-value ratios down by roughly 10 percentage points from what they would have been in early 2022. Amid these tighter lending conditions, investors are having to take on less leverage. Buyers and sellers are also having trouble seeing eye-to-eye on transactions under the new financing requirements. Conditions are expected to improve over the course of the year, however, and once the Fed settles on rates, the bid-ask spread among investors should start to narrow, allowing lenders to more accurately determine valuations.

2023 Capital Markets Outlook

- **Agencies less active at present.** Agency lenders Freddie Mac and Fannie Mae have historically been major capital sources for multifamily properties. Neither agency lent out its full allotment last year, however, as both focused on their mission of providing financing to housing with an affordability component. As the share of agency lending among trades has dipped, banks and investor-driven funds have taken on larger portions of an overall tempered volume of recent sales.
- **Construction lending constrained.** Capital available for multifamily construction has retracted more than for investment sales of existing assets. Combined with rising material and labor costs as well as an uncertain near-term economic outlook, and the result will be fewer multifamily construction starts this year. While the current active pipeline is sizable, the pace of delivers will likely begin to drop off in the latter half of 2024.
- **Dual factors spotlight multifamily appeal.** While starting to trend down, high inflation continues to underscore the advantages of the typical one-year apartment lease term. Beyond the short-term ability to adjust rents more frequently, a structural housing shortage continues to highlight the long-term value proposition of apartments.

Widened Expectations Gap Restraining Activity, but Clarity to Emerge as Fed Stabilizes Policy

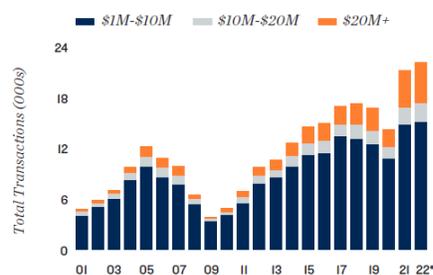
Tight cap rates act as constraint on a resilient sector. The vital role that apartments play in the nation's housing continuum has translated into substantial price appreciation over the past two decades. The resulting compression to cap rates placed yields in an unfavorable position as the Fed began to radically lift lending rates last year. Despite this complication, sales activity was still above historical norms in 2022, even while marking a notable step down from the record set in 2021. The complexities that began to appear last year are unlikely to go away in 2023, however. Unless a buyer is pursuing a cash-only deal, the margin between implied returns and debt service costs has become unfavorable. While elevated rent growth helped deals close last year, those projections are slowing now, and the expectations gap between buyers and sellers has widened to a point that many transactions have not been able to move forward. Once rate hikes from the Fed subside, however, investors and financiers will be better positioned to calibrate the market and stabilize pricing expectations. This would narrow the buyer-seller pricing gap, allowing transaction flow to revive.

Investors shift to case-by-case approach, structural factors to keep market moving. Many multifamily investors have entered 2023 in a defensive posture, with a selective mindset toward potential transactions. Despite the uncertainty surrounding global events and a subdued economic outlook, there continues to be compelling motivations to buy or sell. Recently formed investor-driven funds, in particular, are seeking opportunities for acquisitions, which may come from owners interested in exiting the market. Apartment holders could look to the price appreciation that has occurred in just the past five years, at roughly 37 percent nationally, and opt to realize that value. For investors with financial obligations coming due, higher interest rates may also prompt them to transition out of the asset instead of incurring additional debt costs. Those that feel interest rates could climb further may wish to execute on deals in the short term, while others may be willing to incur the expenses now, with an eye toward refinancing down the line.

2023 Investment Outlook

- **Focus on U.S. dollar may benefit apartment investment.** Less aggressive actions by the European Central Bank have contributed to a slide in the value of the euro against the dollar. This relationship may spark more investment by Europeans in dollar-denominated assets, including commercial real estate. In general, European investment in U.S. CRE is about 15 percent higher when the euro is falling against the dollar.
- **Tertiary markets continue to capture more attention.** Over the past 20 years a larger share of investment activity has taken place in tertiary metros, climbing from 12 percent of transaction volume in 2000 to 33 percent in 2019. That trend accelerated during the pandemic. In 2022, about 39 percent of trades were in these smaller cities. The higher living costs and compressed cap rates of primary markets have spurred both renters and investors to target these smaller cities.
- **While overall rent growth trajectory is slowing, investors hunt for outlier scenarios.** Sales activity has improved across central business districts, returning to pre-pandemic levels last year. Amid tight financing margins and a softer overall outlook, investors are looking for dynamic options, such as those near stadium developments, neighborhood revitalizations, or new transit hubs that could spark strong localized rent growth.

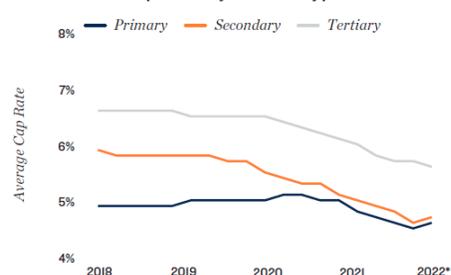
Apartment Transaction Activity



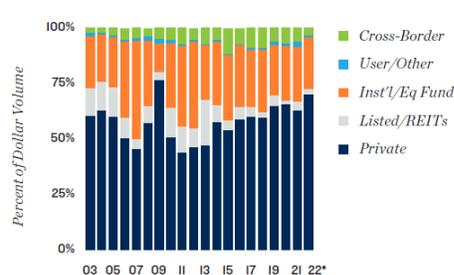
Price vs. Cap Rate



Cap Rate by Market Type



Apartment Buyer Composition



* Trailing 12-months through 3Q

** Estimate

Subsection II: Metropolitan Milwaukee Apartment Market Overview

The local apartment market, defined as metropolitan Milwaukee and various submarket clusters as delineated by the various report providers, is studied on a regular basis by several industry concerns. Several reports regarding this market are published on a monthly, quarterly, or annual basis. Contained below and on the following pages is local apartment market data as provided by CoStar (report extracted in June 2023).

Overview

Milwaukee Multi-Family			
12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
2,125	1,671	3.8%	2.8%

Through the end of the first quarter, Milwaukee's multifamily market continues to outperform. Of the 50 largest markets in the U.S., Milwaukee's vacancy rate of 4.1% remained the lowest in the Midwest and fourth-lowest nationwide. Record construction activity is set to test the market in the coming quarters, but this supply wave still falls short of the relative inventory expansions underway in peer markets. As a result, Milwaukee is forecast to maintain its position as one of the tightest markets in the country, despite the ongoing rise in vacancies.

Low vacancies, in addition to the general stability of Midwestern cities compared to more volatile fast-growing cities in the South and West, have also created a rental environment that has been advantageous to property owners in the area. Annual rent growth in Milwaukee closed out 23Q1 at 3.2%, outpacing the national average of 2.6%. Milwaukee has experienced a much softer landing with regard to rent growth deceleration, falling just 390 basis points since its peak in 22Q1, compared to a sharp 840-basis-point drop at the national level during this time.

Digging deeper into rent trends, 3 Star inventory in Milwaukee has been outperforming the 4 & 5 Star segment thanks to tighter vacancies and significantly less pressure from new supply. That trend has carried on in the second quarter, with 3 Star annual rent growth of 3.9% outpacing the 4 & 5 Star segment average of 1.8%. Looking ahead, over 75% of units under construction are being built in the higher end 4 & 5 Star segment, which will continue to place additional downward pressure on rents here as vacancies climb.

The proliferation of higher-end 4 & 5 Star developments being observed today comes as developers contend with elevated material prices, increased financing costs, and a local construction labor pool that is being stretched thin with record construction in the multifamily and industrial sectors. As a result, developers are increasingly targeting the more luxury segment, where higher rents better support the increased costs of development today, and are leaning on economies of scale, with the average size of developments delivered in 2022 coming in 34% larger than those delivered in 2020. These changes have been most evident in Downtown Milwaukee, where several new apartment towers are redefining the city's skyline.

While rising interest rates and a growing delta between buyer and seller pricing expectations are contributing to 15-year lows in for-sale listings, Milwaukee remains an active off-market matchmaking marketplace for buyers and sellers looking to come to the table and negotiate deals. Already in 2023, high-occupancy, off-market portfolio trades have resulted in record sales in the first quarter of nearly \$150 million.

So far in the second quarter, however, slowing deal flow and the declining frequency of out of state and institutional investment in the market are noticeably impacting overall sales volume. As a result, 2023 is anticipated to see a sharp contraction in total sales compared to 2021 and 2022. But with strong fundamentals, higher average yields, and the increased willingness of local build-and-hold developers to sell newer, performing assets in the area could remain a source of capital attraction, despite murky capital market conditions.

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.4%	5.3%	4.6%	8.0%	2003 Q3	3.3%	2021 Q3
Absorption Units	1,671	1,158	2,127	3,401	2021 Q3	(1,135)	2003 Q3
Delivered Units	2,125	1,174	2,388	3,354	2017 Q1	0	2004 Q2
Demolished Units	0	21	12	126	2020 Q3	0	2023 Q1
Asking Rent Growth (YOY)	2.8%	1.7%	2.8%	7.1%	2022 Q1	-3.2%	2009 Q4
Effective Rent Growth (YOY)	2.7%	1.7%	2.8%	7.5%	2022 Q1	-3.3%	2009 Q3
Sales Volume	\$364M	\$193.1M	N/A	\$489.8M	2022 Q1	\$69.9M	2011 Q1

Vacancy

Milwaukee Multi-Family

Vacancies are on the rise in Milwaukee as a record wave of new inventory begins to trickle into the supply pool. In total, just over 3,200 units are forecast to deliver in 2023, a record for the market. Highlighting current construction trends, nearly 75% of this new supply is rated 4 & 5 Star quality, placing significant upward pressure on vacancies in that segment. This supply surge comes amid a seemingly softened demand environment that saw absorption lag new supply by nearly 900 units in 2022, the first time demand has trailed supply since 2017.

At surface level, record construction levels during what appears to be a period of muted demand could point to future problems for the market, especially in the higher-end 4 & 5 Star segment. However, in many ways the market is playing catch-up. On top of being a market that has historically underbuilt, the pandemic saw new supply dip to six-year lows in 2021 as groundbreakings halted and projects were put on pause. Notably, 4 & 5 Star vacancies stood at a record low of just 3.9% at the beginning of 2022, slightly above the market average of 3.3% at that time.

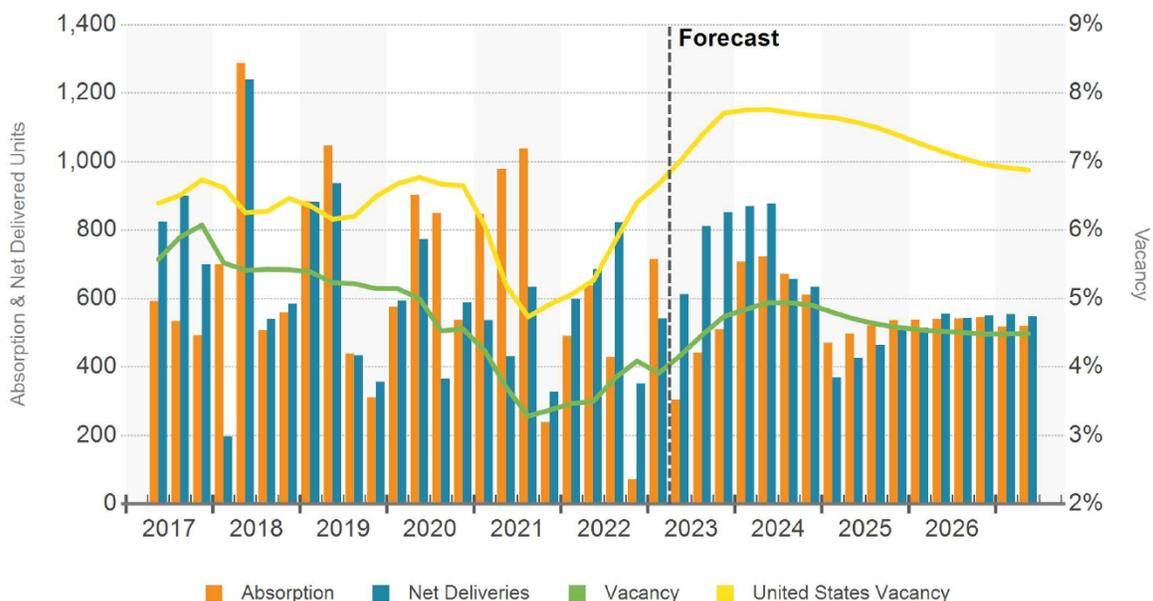
While critically low vacancies and limited new inventory available for lease were primary drivers of muted demand levels seen last year, a robust inventory expansion is projected to see a significant uptick in both

vacancies and demand formation in the coming quarters. Current vacancies in the market of 3.9% already represent a significant departure from record lows seen in 21Q3, a figure that has been driven by a sharp rise in the supply-heavy 4 & 5 Star segment, which has grown to 5.8%.

While renters haven't quite been able to keep up with the rapid pace of new supply additions, the availability of new units on the market has shown that demand remains strong and is closely tied to new supply in this low-vacancy market. Net absorption nearly matched supply levels in the first quarter and is set to continue improving in the coming months as leasing picks up with warmer weather.

One of the more notable 4 & 5 Star developments to deliver in the Milwaukee market, the 259-unit Ascent opened in 22Q3. Located in downtown Milwaukee, the 25-story, 284-foot tower has garnered worldwide recognition thanks to its status as the world's tallest mass timber tower. Despite per-SF rental rates being nearly 80% above the average for 4 & 5 Star properties in the market, demand has been strong for this luxury product type. Ascent preleased over 100 units and was over 70% occupied at the end of 23Q1.

ABSORPTION, NET DELIVERIES & VACANCY



Rent

Milwaukee Multi-Family

Milwaukee's lower cost of living and historically modest supply of new units have helped prevent some of the higher fluctuations experienced elsewhere in the country in recent years, limiting rent growth declines during economic downturns but inhibiting more pronounced growth during upswings. With the rapid deceleration of rent growth seen across the country in recent quarters, Milwaukee is again displaying its resiliency and experiencing a much softer landing compared to the national average.

On a quarter-over-quarter basis, asking rents in Milwaukee rose 1.4% in the first quarter, compared to a 1.0% increase in rents at the national level, an outperformance of 40 basis points. That outperformance becomes more notable on a year-over-year basis, with current annual rent growth of 2.8% trending well above the national average of 1.7%. Looking ahead, rent growth in Milwaukee is projected to outpace the national average through the end of 2023.

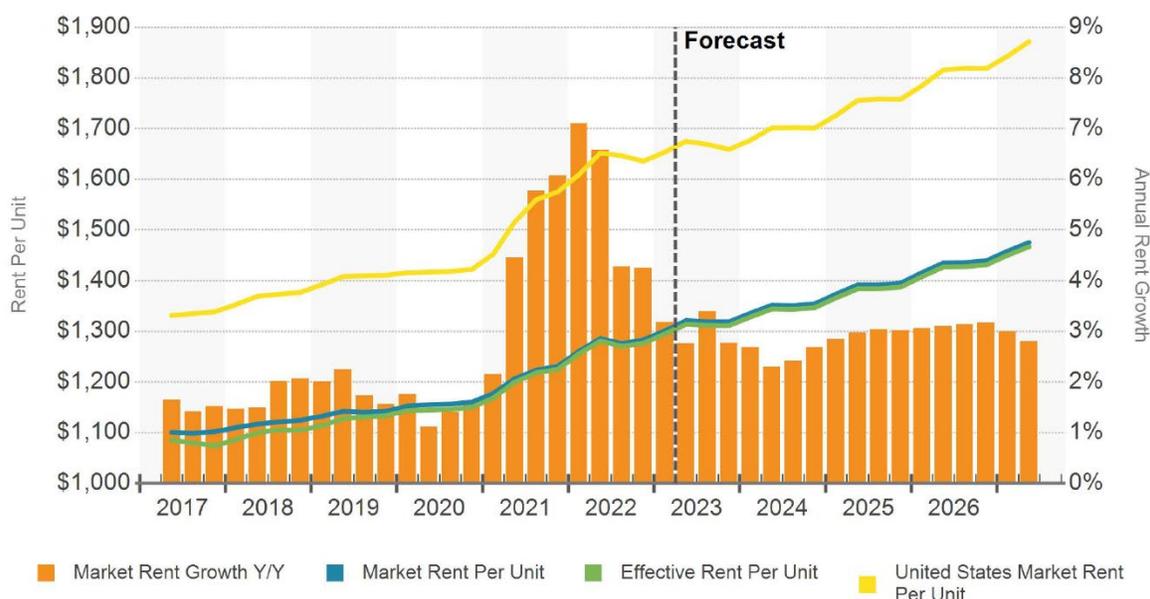
The surge in higher-end construction is having a pronounced impact on rent growth in the market, as new supply increases vacancies in the 4 & 5 Star property segment at a brisk pace, reducing the pricing power of property owners in setting rents. While 3 Star and 4 & 5 Star rent growth have historically trended within 100 basis points of each other, the recent spike in 4 & 5 Star vacancies as a result of new construction is leading to one of the largest deltas in rent growth performance on record. After being separated by just 20 basis points in 22Q1, that gap has widened considerably in recent quarters, with current 4 & 5 Star annual rent growth of 1.8% significantly trailing 3 Star growth of 3.9%.

These effects are also being felt geographically, as the high concentration of new units in the urban core is resulting in higher, supply-induced vacancies and ultimately weaker rent growth. At the end of the first quarter, annual asking rent growth in Downtown Milwaukee softened to 2.3%, below the market average of 3.2% and well below the performance of several suburban submarkets that have seen weaker inventory growth. In Outlying Waukesha County, asking rents grew 5.2% on an annual basis in the first quarter as vacancies sharply contracted amid a shrinking construction pipeline.

Given the limited construction activity seen in the market between the 1970s and 2000s, Milwaukee's multifamily inventory is, on average, substantially older than many peer cities. Because of this, newer 4 & 5 Star developments often capture significant premiums in rent compared to the market average of \$1,310/month. Stabilized properties in this higher-end segment built between 2015 and 2021 not only average around \$1,830/month, a 40% premium over the market average, but also have low overall vacancies of just 4.4%, indicating renters in the market are not averse to these higher prices.

Recent 5 Star developments like 7Seventy7 and the Ascent command the highest rents in the metro on a per-SF basis. Average asking rents across these two properties represent a more than 20% premium compared to Milwaukee's third-priciest apartment building and are a staggering 2.3 times higher than the overall market average. Currently underway, the 44-story, 322-unit Couture and the 31-story, 333-unit 333 North Water look to add to this concentration of luxury high-rises.

MARKET RENT PER UNIT & RENT GROWTH



Construction

Milwaukee Multi-Family

Milwaukee is currently in the midst of its largest supply wave on record as developers push to counter record low vacancies. A record of nearly 5,200 units were under construction at the end of the 22Q4, besting the previous quarterly high of around 4,500 units in 2016. While developers have been easing off on new groundbreakings early in the year, resulting in 23Q1 being one of the lowest quarters over the past decade for construction starts, current construction levels remain in elevated territory with roughly 4,900 units under construction in the second quarter.

This push to bring much needed inventory to the market comes as elevated financing and construction costs and a tight labor supply in the construction sector impact project costs and timelines. As a result, average new multifamily developments have become noticeably larger and have increasingly gravitated toward higher-end, amenity-rich apartment communities as developers adapt to economic conditions.

Highlighting this shift, average development sizes grew from just 100 units per development in 2020 to 134 units per development in 2022. While an increase in smaller urban infill developments was largely responsible for the lower average development sizes seen in 2020, those same projects have become increasingly difficult to pencil out. With no short-term solution in sight, average development sizes are projected to climb even higher in 2023 to an average of 152 units per development, the highest figure in over a decade.

In addition to smaller developments being harder to bring to market currently, affordable and workforce housing efforts are falling short of current demand levels. Despite 1 & 2 Star and 3 Star vacancies coming in at just 3.2% and 3.6%, respectively, the needed increase in construction in these segments has not materialized. Average quarterly construction levels across these two segments has historically trended between 1,000-1,500 units, and the current rate of 1,300 units under construction is in line with this range.

Meanwhile, construction has surged in the 4 & 5 Star segment. While these types of higher-end, amenity-rich developments have traditionally been built in Milwaukee's suburbs, notable population growth in Milwaukee's

downtown of 23% between 2010 and 2020, especially among its fast-growing white-collar segment, has generated pent-up demand for higher-end and luxury living. This pent-up demand is behind the construction of several luxury 5 Star towers that are driving up construction totals and redefining downtown Milwaukee's skyline.

At over 500 feet tall, the 44-story, 322-unit lakefront tower dubbed "The Couture" will be the tallest apartment building in Milwaukee and only the third 5 Star luxury offering downtown when completed later this year. Nearby, Houston-based Hines is building a 31-story, 333-unit tower in Milwaukee's trendy Historic Third Ward. Known as 333 North Water, that 342-foot luxury development is expected to deliver in 24Q2 and will be the tallest building in the state not located in Milwaukee's CBD when complete. Other notable luxury towers include the 34-story, 310-unit 7Seventy7 built in 18Q2 and the 25-story, 259-unit Ascent built in 22Q3—currently the tallest mass timber building in the world. While that title won't last long globally due to other major mass timber projects under construction around the world, it may not last locally either.

Recently, Madison-based Neutral Project revised plans for a mass timber apartment building on Milwaukee's downtown riverfront. Noting rising construction and financing costs and clear demand for higher-end inventory in Milwaukee's downtown, the developer increased the scope of the project from 15 stories and 211 units to 28 stories and 296 units. The project could break ground as early as this fall, following demolition of an existing warehouse on site.

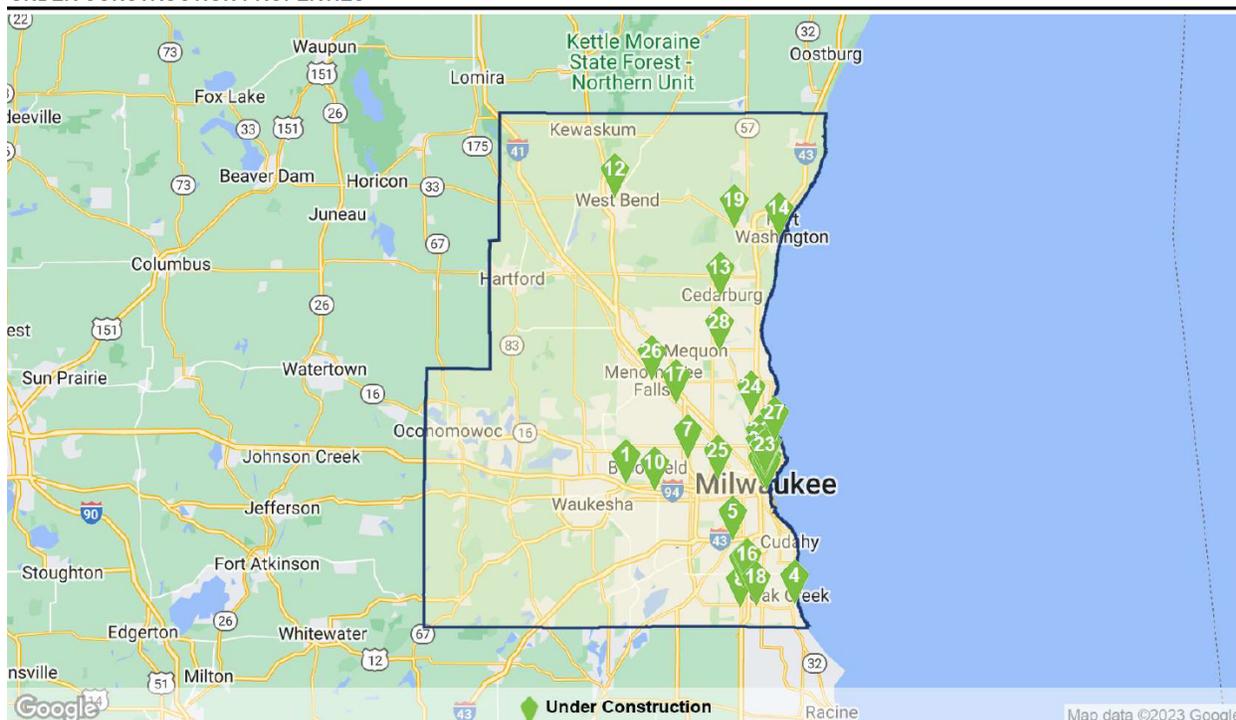
As construction activity builds in Downtown Milwaukee, development remains strong in Milwaukee's suburbs, especially in the fast-growing South Milwaukee and Southern Milwaukee County submarkets. Additional development is anticipated in this area, thanks to continued growth along the I-94 corridor linking Milwaukee to Chicago. Recent commitments to the corridor by companies such as Amazon, Foxconn, Uline, Haribo, IKEA, and Saputo are expected to generate thousands of new jobs and increased demand for newer housing south of the city.

Under Construction Properties

Milwaukee Multi-Family

Properties	Units	Percent of Inventory	Avg. No. Units
31	4,907	4.4%	158

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 Poplar Creek TownCenter 20150 W Bluemound Rd	★★★★★	435	4	Apr 2022	Apr 2024	- Wimmer Communities
2 333 North Water 333 N Water St	★★★★★	333	31	Dec 2022	May 2024	Hines JEROME P. DEHLER
3 Couture 909 E Michigan St	★★★★★	322	44	Jul 2021	Aug 2023	Barrett Visionary County Of Milwaukee
4 Lakeshore Commons 4500 E Ryan Rd	★★★★☆	318	5	Jul 2022	Nov 2023	- F Street Group
5 Loomis Crossing Apart... 3910 W Layton Ave	★★★★☆	267	3	Jun 2022	Nov 2023	Cobalt Partners, LLC -
6 132 N Jackson St	★★★★☆	260	5	May 2023	Sep 2024	Kaeding Management Group -
7 2929 on Mayfair 2911 N Mayfair Rd	★★★☆☆	258	5	May 2022	Aug 2023	M & R Development Business Products Ctr Inc

Under Construction Properties

Milwaukee Multi-Family

UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
8 Seasons at Franklin 9797 S 27th St	★★★★★	252	2	Dec 2022	Nov 2023	Fiduciary Real Estate Developme... -
9 Nova 1237 N Van Buren St	★★★★★	251	8	Apr 2022	Oct 2023	New Land Enterprises Mo's...A Place for Steaks
10 The Ruby at Brookfield S... 355 S Moorland Rd	★★★★★	231	4	Oct 2021	Jul 2023	Wingspan Development Group Nicholas & Associates, Inc.
11 The Oaks at 8100 8100 S 27th St	★★★★★	210	2	Apr 2022	Jul 2023	Decker Properties Shane M Murphy
12 The District 433 N Main St	★★★★★	177	4	Oct 2021	Jul 2023	HKS HOLDINGS, LLC HKS HOLDINGS, LLC
13 Fox Run N49W6337 Western Rd	★★★★★	150	3	Jan 2023	Jan 2024	P2 Property Management LLC Jackson Western Llc
14 Prairie's Edge S Wisconsin Road & County	★★★★★	149	2	Jun 2022	Jan 2024	Black Cap Halcyon City Of Port Washington
15 Prado 1957 W Creekside Crossin...	★★★★★	142	4	Jun 2021	Jul 2023	- Northwestern Investment Manag...
16 Creekside Crossing 7700 S Ikea Way	★★★★★	142	5	Feb 2022	Jul 2023	Catalyst Construction Northwestern Mutual Life Insuran...
17 N71W12980 Appleton Ave	★★★★★	141	2	Jun 2022	Feb 2024	Weas Development -
18 The Broadacre 441 W Ryan Rd	★★★★★	118	3	Jun 2022	Aug 2023	Altius Building Co Parkside Land Group Llc A Wi Llc
19 701 W Dekora St	★★★★★	108	2	Apr 2023	May 2024	PRE / 3 -
20 310 W Locust St	★★★★★	93	4	May 2023	Mar 2024	Emem Group Redevelopment Authority of The...
21 ThriveOn King 2153 N Martin Luther King...	★★★★★	89	6	Jun 2022	Nov 2023	Royal Capital Group LLC -
22 Eighteen87 On Water 1887 N Water St	★★★★★	79	5	Jun 2022	Oct 2023	Rule Enterprises LLC Movin' Out Inc
23 Elevation 1659 1659 N Jackson St	★★★★★	76	5	Dec 2022	Sep 2023	Ogden & Company, Inc. Ogden & Company, Inc.
24 River Park Apartments 1616 W Bender Rd	★★★★★	51	2	Jan 2022	Jul 2023	- All Star Health Center
25 River Parkway II 6400 River Pky	★★★★★	50	2	Jan 2022	Sep 2023	- -
26 RiverWalk on the Falls -... N88W16554 Main St	★★★★★	46	3	May 2022	Oct 2023	Wimmer Brothers Realty, Inc. Wimmer Brothers Realty, Inc.
27 The Signature 4414 N Oakland Ave	★★★★★	43	4	Jun 2022	Mar 2024	Wimmer Communities North Shore Bank, FSB
28 Foxtown Townhomes 11080 N Buntrock	★★★★★	42	2	Jul 2022	Sep 2023	- -

Sales

Milwaukee Multi-Family

Deal flow is trending downward in Milwaukee, as elevated interest rates and uncertainty over the timing of future rate cuts are increasingly driving a wedge between buyer and seller pricing expectations. Notably, this has led to 15-year lows in for-sale listings and a significant pullback in investor appetite for top-tier assets in the market, particularly from institutional investment groups that were the driving force behind record-setting investment volumes between 2021 and 2022.

Highlighting this trend, out of the \$356 million in transactions that have taken place over the past 12 months, only \$61.1 million of that total is attributable to transactions occurring in the higher-end 4 & 5 Star property segment.

Despite the ongoing slowdown in deal volume, total sales volume in Milwaukee roared to \$150 million in the first quarter, a quarterly record for the market. Taking this strong sales volume at face value, however, can give a rosier impression of investor appetite than what actually exists, as just one portfolio sale accounted for close to \$84 million of this first quarter total. Katz Properties, one of the largest multifamily landlords in Milwaukee, acquired the 14-property, 784-unit portfolio from another local investor in February for \$83.95 million (\$107,000/unit). The portfolio consisted primarily of 2 and 3 Star properties built in the early and mid-1900s and was 97% occupied at the time of sale.

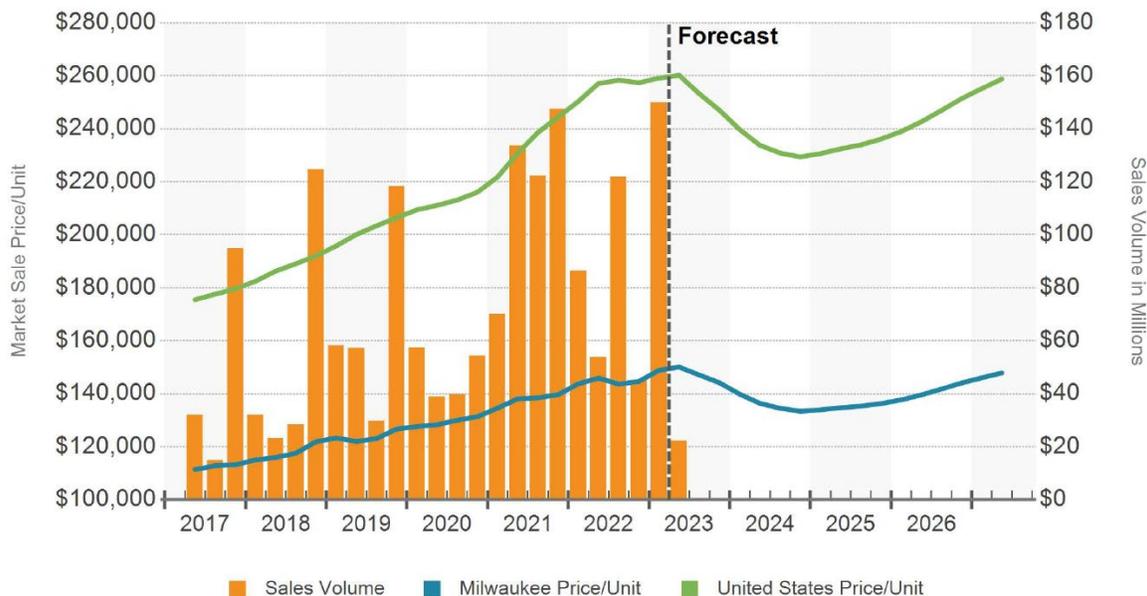
Private, local investors like Katz have been propping up the local investment market in recent months, closing on smaller, stabilized assets in the 1 to 3 Star property segment. On the higher end of the pricing spectrum, Cudahy Tower in downtown Milwaukee sold in February for \$16.5 million (\$204,000/unit) to Milwaukee-based

Shoreline Real Estate. Built in 1928, the historic 81-unit, 15-story apartment tower is notable for its white-glazed terra-cotta facade and unobstructed views of Lake Michigan. The pricing of this 3 Star property reflects the building's premium location, historic finishes, and full occupancy at the time of sale, despite its lack of more modern furnishings and amenities.

More closely aligned with the current annual transactional pricing average of \$110,000/unit in the 3 Star segment, the 36-unit Mercantile Lofts in Walker's Point sold for \$6.7 million (\$186,000/unit) in April. The historic four-story building was originally built as an office building in 1900 and was converted to multifamily in mid-2016. Through project financing terms with the Wisconsin Housing and Economic Development Authority (WHEDA), the redevelopment features eight affordable units and houses WHEDA's Milwaukee office on the ground floor. Acquiring the property was Chicago-based Greenwood Beach Partners, one of the few out-of-state buyers to invest in the market in recent months.

With a primarily local development scene that tends to build and hold, few major developments that have been constructed during the recent building boom have gone to market. While the sale of some of these assets helped boost total sales volume over the past few years, current market conditions have seen national investor activity taper off significantly in 2023. Still, with a high quantity of newer properties that have never traded before and strong demand for new inventory, local developers looking to offload their stabilized, institutional-grade assets to pursue new developments may still find interested parties given Milwaukee's more favorable returns compared to larger and pricier markets.

SALES VOLUME & MARKET SALE PRICE PER UNIT



Economy

Milwaukee Multi-Family

According to the latest metro-level data from the U.S. Bureau of Labor Statistics, Milwaukee's unemployment rate fell to 3.1% in February, above Wisconsin's unemployment rate of 2.7% but below the national rate of 3.6%. Unemployment here has now been trending below 4% since the end of 21Q3, marking one of the lowest stretches for the metropolitan area in over 30 years.

Despite unemployment trending near 30-year lows, the overall job recovery picture is muddled as many workers remain on the sidelines, especially in some of the more heavily impacted job sectors such as leisure & hospitality. In nominal terms, total nonfarm employment in Milwaukee currently sits roughly 24,000 jobs, or 2.8%, below pre-pandemic levels.

Once dubbed the "Machine Shop of the World," Milwaukee retains a strong manufacturing history, but automation and offshoring have replaced many of the manufacturing positions that once were the backbone of the market. After accounting for over 55% of the workforce in the early 1950s, manufacturing currently accounts for just over 13% of the total workforce today. Still, this concentration places Milwaukee near the top for manufacturing employment among the largest 50 metros.

Although the manufacturing sector plays a less prominent role today, Milwaukee's economic base has strengthened and diversified. Local manufacturers have even done well at pivoting, developing footholds in a variety of growing industries such as water technologies.

One such example, A.O. Smith was once one of the largest manufacturers of bicycle and automobile frames

in the country but has since evolved to become one of the world's largest residential and commercial water heater manufacturers. In addition to A.O. Smith, more than 200 water-related companies are located in the region such as Badger Meter, Kohler, and Pentair.

Additionally, the University of Wisconsin-Milwaukee's School of Freshwater Science is the only graduate school of its kind in the country and recently expanded with an undergraduate degree program. The school frequently collaborates with local firms on groundbreaking water-related research and helps position Milwaukee, the Freshwater Capital of the World, at the forefront of an increasingly important industry.

Overall, Milwaukee's diversified economic base helped the market outperform the national average throughout most of the pandemic. Milwaukee's high concentration of education- and healthcare-related employment, due in part to local institutions such as Marquette University, the University of Wisconsin-Milwaukee, and the Milwaukee Regional Medical Center, provides a solid foundation for the region. GE Healthcare, which has around 6,000 local employees, also adds to this concentration of healthcare-related employment.

Several Fortune 500 companies headquartered in the Milwaukee area round out the economic picture. These companies include Northwestern Mutual, ManpowerGroup, Kohl's, WEC Energy Group, Rockwell Automation, Fiserv, and Harley-Davidson. Other notable companies with local headquarters include Johnson Controls, Milwaukee Tool, Koss Corporation, Master Lock, Harken, Red Star Yeast, Quad, and Snap-On.

DEMOGRAPHIC TRENDS

Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,563,201	334,256,188	0%	0.4%	-0.1%	0.6%	-0.1%	0.5%
Households	654,531	129,741,961	0.4%	0.8%	0.3%	0.9%	0%	0.6%
Median Household Income	\$73,881	\$75,273	4.5%	5.0%	3.5%	3.8%	2.7%	2.6%
Labor Force	809,860	165,311,844	-1.0%	0.8%	-0.2%	0.6%	0.5%	0.4%
Unemployment	3.4%	3.5%	-0.2%	-0.1%	-0.4%	-0.4%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH

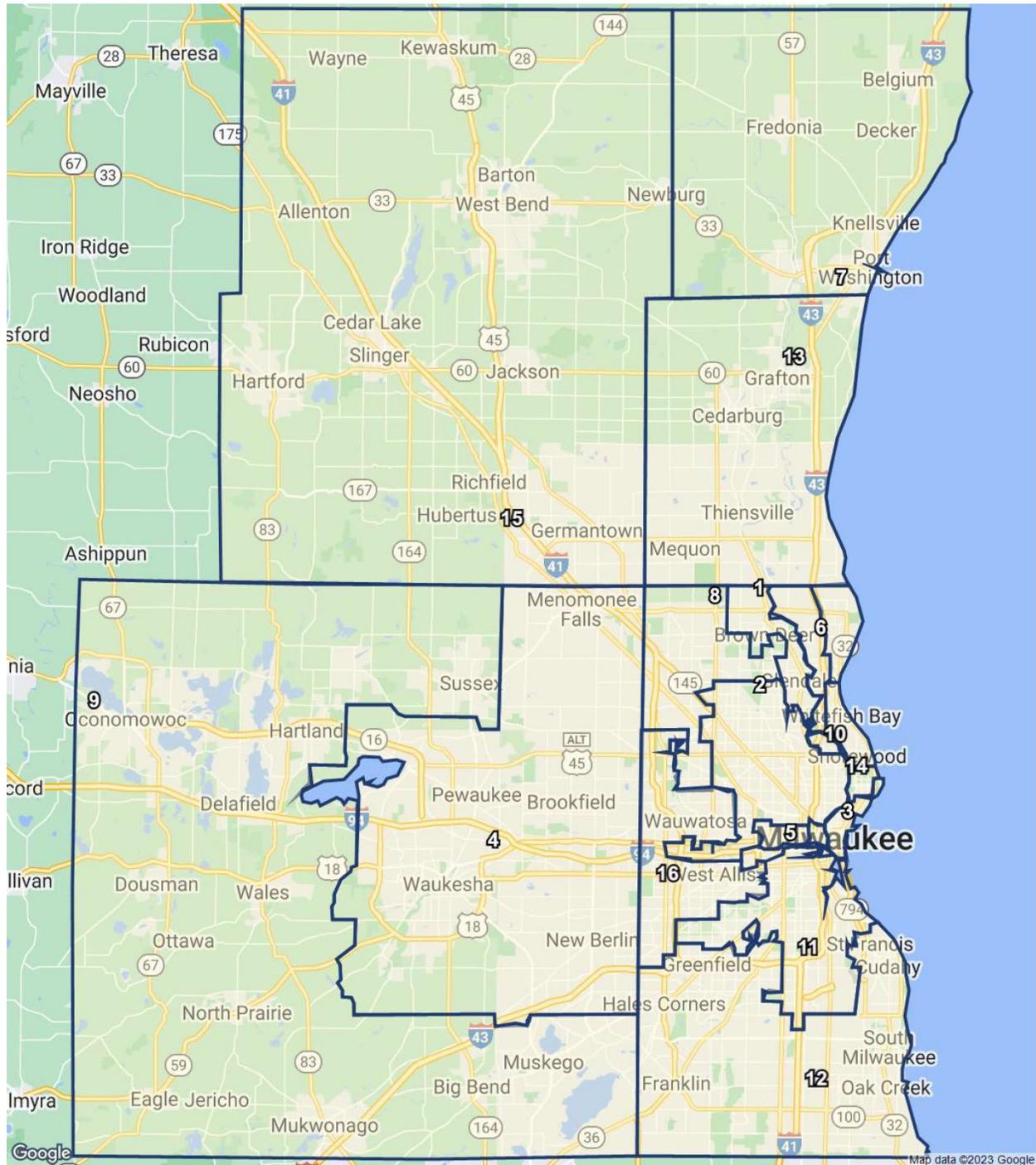


Source: Oxford Economics

Submarkets

Milwaukee Multi-Family

MILWAUKEE SUBMARKETS



Submarkets

Milwaukee Multi-Family

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Units	% Market	Rank	Bldgs	Units	Percent	Rank	Bldgs	Units	Percent	Rank
1	Brown Deer	23	2,879	2.6%	12	1	311	10.8%	3	1	51	1.8%	10
2	Central Milwaukee	365	7,112	6.4%	7	1	82	1.2%	8	2	182	2.6%	7
3	Downtown Milwaukee	338	16,425	14.9%	3	4	515	3.1%	1	7	1,338	8.1%	2
4	Eastern Waukesha County	259	16,609	15.0%	2	3	410	2.5%	2	4	853	5.1%	3
5	Marquette/Miller Valley	213	5,158	4.7%	9	0	0	0%	-	0	0	0%	-
6	North Shore	5	688	0.6%	16	0	0	0%	-	0	0	0%	-
7	Northern Ozaukee County	30	868	0.8%	15	1	70	8.1%	9	2	257	29.6%	5
8	Northwest Milwaukee	288	8,040	7.3%	6	0	0	0%	-	0	0	0%	-
9	Outlying Waukesha County	103	5,400	4.9%	8	1	168	3.1%	6	0	0	0%	-
10	Shorewood/Whitefish Bay	87	2,259	2.0%	14	0	0	0%	-	2	82	3.6%	9
11	South Milwaukee	318	8,132	7.4%	5	2	193	2.4%	5	0	0	0%	-
12	Southern Milwaukee Cou...	203	17,851	16.2%	1	0	0	0%	-	7	1,449	8.1%	1
13	Southern Ozaukee County	59	2,742	2.5%	13	0	0	0%	-	3	210	7.7%	6
14	UW-M	171	2,991	2.7%	11	0	0	0%	-	0	0	0%	-
15	Washington County	142	3,824	3.5%	10	1	120	3.1%	7	1	177	4.6%	8
16	Wauwatosa/West Allis	225	9,485	8.6%	4	2	257	2.7%	4	2	308	3.2%	4

SUBMARKET RENT

No.	Market	Asking Rents				Effective Rents					
		Per Unit	Per SF	Rank	Yr. Growth	Per Unit	Per SF	Rank	Yr. Growth	Concession	Rank
1	Brown Deer	\$1,417	\$1.50	4	5.2%	\$1,401	\$1.49	4	4.4%	1.1%	1
2	Central Milwaukee	\$976	\$1.18	12	1.2%	\$970	\$1.17	12	1.0%	0.6%	3
3	Downtown Milwaukee	\$1,491	\$1.88	1	1.9%	\$1,484	\$1.87	1	1.8%	0.5%	6
4	Eastern Waukesha County	\$1,447	\$1.46	5	2.4%	\$1,441	\$1.45	5	2.4%	0.4%	11
5	Marquette/Miller Valley	\$682	\$1	16	1.4%	\$679	\$1	16	1.4%	0.5%	8
6	North Shore	\$1,697	\$1.59	2	2.6%	\$1,689	\$1.59	2	2.5%	0.5%	5
7	Northern Ozaukee County	\$941	\$1.12	14	2.2%	\$938	\$1.12	14	2.1%	0.4%	13
8	Northwest Milwaukee	\$1,017	\$1.10	15	3.0%	\$1,013	\$1.09	15	2.9%	0.5%	9
9	Outlying Waukesha County	\$1,413	\$1.41	9	5.6%	\$1,409	\$1.41	9	5.9%	0.3%	16
10	Shorewood/Whitefish Bay	\$1,320	\$1.42	8	2.3%	\$1,314	\$1.41	8	2.2%	0.4%	12
11	South Milwaukee	\$1,123	\$1.39	10	3.9%	\$1,117	\$1.38	10	3.7%	0.5%	4
12	Southern Milwaukee Cou...	\$1,353	\$1.42	7	3.4%	\$1,349	\$1.41	7	3.4%	0.3%	15
13	Southern Ozaukee County	\$1,638	\$1.45	6	1.2%	\$1,628	\$1.44	6	0.9%	0.6%	2
14	UW-M	\$1,039	\$1.29	11	2.2%	\$1,035	\$1.29	11	2.3%	0.4%	14
15	Washington County	\$1,167	\$1.13	13	2.2%	\$1,162	\$1.13	13	2.1%	0.4%	10
16	Wauwatosa/West Allis	\$1,377	\$1.52	3	3.3%	\$1,371	\$1.51	3	3.2%	0.5%	7

Submarkets

Milwaukee Multi-Family

SUBMARKET VACANCY & ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		Units	Percent	Rank	Units	% of Inv	Rank	Construc. Ratio
1	Brown Deer	315	10.9%	16	172	6.0%	4	1.8
2	Central Milwaukee	300	4.2%	12	8	0.1%	12	10.0
3	Downtown Milwaukee	857	5.2%	14	311	1.9%	2	1.7
4	Eastern Waukesha County	624	3.8%	11	287	1.7%	3	1.4
5	Marquette/Miller Valley	189	3.7%	10	1	0%	13	-
6	North Shore	24	3.5%	8	(9)	-1.3%	14	-
7	Northern Ozaukee County	66	7.6%	15	15	1.7%	11	4.7
8	Northwest Milwaukee	227	2.8%	5	57	0.7%	9	-
9	Outlying Waukesha County	138	2.6%	3	346	6.4%	1	-
10	Shorewood/Whitefish Bay	74	3.3%	7	(23)	-1.0%	15	-
11	South Milwaukee	384	4.7%	13	148	1.8%	6	1.0
12	Southern Milwaukee Cou...	434	2.4%	1	126	0.7%	7	-
13	Southern Ozaukee County	70	2.5%	2	(46)	-1.7%	16	-
14	UW-M	90	3.0%	6	32	1.1%	10	-
15	Washington County	103	2.7%	4	114	3.0%	8	1.1
16	Wauwatosa/West Allis	336	3.5%	9	153	1.6%	5	1.7

OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	121,634	2,171	1.8%	2,068	1.7%	1.0
2026	119,463	2,149	1.8%	2,161	1.8%	1.0
2025	117,314	1,721	1.5%	2,022	1.7%	0.9
2024	115,593	3,047	2.7%	2,711	2.3%	1.1
2023	112,546	2,815	2.6%	1,968	1.7%	1.4
YTD	110,463	732	0.7%	990	0.9%	0.7
2022	109,731	2,458	2.3%	1,627	1.5%	1.5
2021	107,273	1,913	1.8%	3,102	2.9%	0.6
2020	105,360	2,320	2.3%	2,865	2.7%	0.8
2019	103,040	2,482	2.5%	2,681	2.6%	0.9
2018	100,558	2,523	2.6%	3,051	3.0%	0.8
2017	98,035	3,175	3.3%	2,299	2.3%	1.4
2016	94,860	2,562	2.8%	2,262	2.4%	1.1
2015	92,298	1,739	1.9%	1,574	1.7%	1.1
2014	90,559	1,090	1.2%	1,016	1.1%	1.1
2013	89,469	216	0.2%	(16)	0%	-
2012	89,253	888	1.0%	1,055	1.2%	0.8
2011	88,365	610	0.7%	947	1.1%	0.6

MARKET REPORT

Marcus & Millichap

MULTIFAMILY
Milwaukee Metro Area

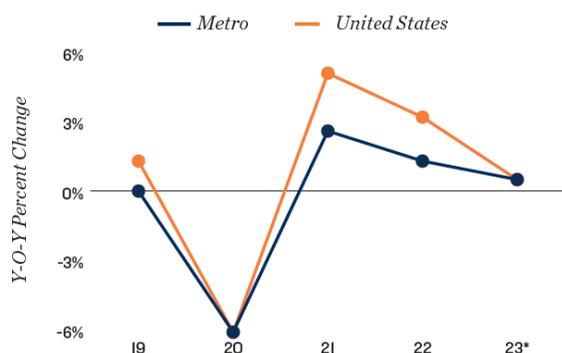
2Q/23

Historic Delivery Slate Enters High-Demand Areas, While Suburban Assets Remain Well-Positioned

Urban inventory growth builds on resumed renter demand. Following minimal deliveries in 2021, Milwaukee is welcoming expanded construction after last year's uptick. Two consecutive years of positive absorption in the CBD helped hold vacancy here below the pre-pandemic mark entering the year. This historically low availability is a boon for 2023's sizable construction pipeline, of which more than 500 units are added downtown. Increasing use of lower-tier office space in the city center should also benefit the multifamily sector as employers continue to promote hybrid and in-person schedules. Another large portion of the metro's record delivery pipeline comes in Waukesha County, welcoming more than one-quarter of new units. Despite holding the market's largest inventory, demand here continues to pressure availability as the rate opened this year at 2 percent.

Suburban rentals benefiting from ownership challenges. After a sub-2 percent suburban vacancy rate in early 2022, continued construction efforts helped ease availability. Nevertheless, the rate entered this year 80 basis points below its historical average, resulting in rent growth above 10 percent for the second straight year. This strong suburban demand continues to be supported by homeownership affordability challenges, with the metro recording the highest median home price to income ratio among all Midwestern markets. A notable lift in single-family construction permits this year, however, could lighten suburban renter demand down the line.

Employment Trends



* Forecast
Sources: BLS; CoStar Group, Inc.; RealPage, Inc.

Multifamily 2023 Outlook



4,000

JOB
will be created

EMPLOYMENT:

Metro employers expand the total job count 0.5 percent in 2023, inching within 2 percent of the pre-pandemic mark. A tightening economic outlook contributes to the slowed growth, though the pace remains slightly faster than the metro's long-term average.



2,800

UNITS
will be completed

CONSTRUCTION:

Historically tight vacancy experienced in 2021 and early 2022 helped spark an expanding construction pipeline. Inventory growth of 1.8 percent in 2023 will be the metro's fastest annual pace since 2017.



100

BASIS POINT
increase in vacancy

VACANCY:

Availability continues to expand from all-time lows experienced last year, reaching 4.2 percent in 2023. A second consecutive triple-digit hike brings the rate 40 basis points above the decade-long average.



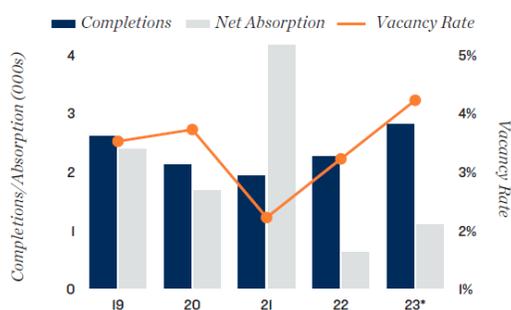
3.2%

INCREASE
in effective rent

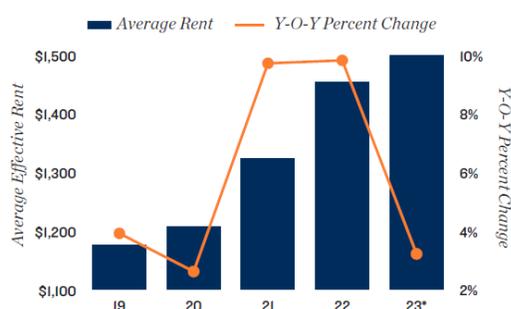
RENT:

Expanding vacancy contributes to a rent growth rate well below the metro's 4.8 percent decade mean. This eased pace pushes the average effective rate to \$1,499 per month by the end of the year.

Supply and Demand



Rent Trends



Sales Trends



* Forecast ** Through 1Q

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

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Price: \$250

The information contained in this report was obtained from sources deemed to be reliable. Every effort was made to obtain accurate and complete information; however, no representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. Metro-level employment growth is calculated based on the last month of the quarter/year. Sales data includes transactions sold for \$1 million or greater unless otherwise noted. This is not intended to be a forecast of future events and this is not a guaranty regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice. Sources: Marcus & Millichap Research Services; Bureau of Labor Statistics; CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

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IQ 2023 - 12-Month Period

CONSTRUCTION

2,727 units completed

- Delivery volume rose 50 percent during the four-quarter period ending in March compared to the prior yearlong span. The Downtown and Waukesha County submarkets welcomed more than half of these additions.
- Milwaukee's 1.7 percent inventory increase was the quickest year-over-year pace registered since prior to the pandemic.

VACANCY

140 basis point increase in vacancy Y-O-Y

- An influx of multifamily supply contributed to loosening vacancy during the yearlong period ending in the first quarter of 2023. This resulted in the largest spike in availability since 2012, bringing the rate to 3.4 percent.
- Class B and C demand is anchoring metro vacancy, as availability in both sectors was below the 3.5 percent mark at the onset of the second quarter.

RENT

8.5% increase in the average effective rent Y-O-Y

- Milwaukee's average effective rent lifted less than 1 percent during the first quarter of 2023, contributing to an eased year-over-year pace of growth. The metro's rate now sits at \$1,467 per month.
- Demand shifting back to the CBD resulted in rent growth here outpacing suburban gains for the first time since 2018.

Investment Highlights

- Minimal advancement in the metro's average price per unit, combined with notable rent gains, helped Milwaukee's average cap rate decompress during the previous yearlong period. Rebounding 30 basis points, this was the first time the metro registered a cap rate increase since the aftermath of the Great Recession. Deal flow receded more than 10 percent as elevated lending rates impacted buyers' ability to achieve desired returns, while an influx of supply pressures renter demand for existing assets.
- Active investors are targeting the Marquette-Miller Valley neighborhood of downtown Milwaukee. Multi-property trades here accounted for more than 15 percent of all deal flow during the four-quarter period ending in March. Favorable pricing well below \$100,000 per unit, robust rent growth and a vacancy rate under the historical average drive activity in the area.
- Out-of-state buyers appear to be slowing their acquisition efforts in the Milwaukee metro. During the first quarter of 2023, less than 10 percent of all deals involved a non-local purchaser. Partially contributing to lowered overall deal flow, this may present an opportunity for local investors.

COMPETITIVE RENTAL OVERVIEW

In this section, we will analyze the most relevant comparable rentals in order to assist with our market rent projections as well as assist with our analysis of unit mixes, unit sizes, and project amenities, among other items.

We understand the developer is considering a market-rate apartment development. As such, we focused on recently constructed market-rate apartment developments located within Germantown and the surrounding market area given that there has been limited new multifamily construction within Germantown.

Rent Comp Data Sheets for the selected properties are included on the following pages.

RENT COMP DATA SHEET



Name:	Saxony Village	Year Built:	2018
Address:	N115W16170 Saxony Vil. Blvd, Germantown, WI	Total # of Units:	148
Contact:	262-345-5444	Property Type	Family

Unit Mix	#	%	Utilities Paid By:	Heat	Water	Elect
Studio	13	8.8%	Tenant:	X	X	X
1 BR	106	71.6%	Landlord:			
2 BR	24	16.2%	Trash removal included.			
3 BR	5	3.4%	*Unit mix per CoStar.			

Current Occupancy:	100%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
Studio	446 – 556	\$1,069 - \$1,149	\$2.07 - \$2.40
1 BR / 1 BA	754 – 778	\$1,249 - \$1,329	\$1.66 - \$1.71
1 BR / 1 BA	916 - 974	\$1,289 - \$1,329	\$1.36 - \$1.41
2 BR / 1 BA	912	\$1,524	\$1.67
2 BR / 2 BA	1,117 – 1,153	\$1,655 - \$1,674	\$1.45 - \$1.48
2 BR / 2 BA	1,266	\$1,635	\$1.29
2 BR / 2 BA	1,355	\$1,749	\$1.29
2 BR / 2 BA	1,409	\$1,869	\$1.33
3 BR / 2 BA	1,325	\$1,974 - \$2,049	\$1.49 - \$1.55

Amenities:			Community Features:			
	W/D Hookups	X	Microwave	X	Outdoor Area(s)	Attached Gar. \$0
X	W/D In-Unit	X	Dishwasher	X	Pet Amenities	Detached Gar. \$
X	A/C—Central	X	Garbage Disposal		Rooftop Lounge	X UG/Struct Pkg. \$
	A/C—Sleeve/Wall	X	Refrigerator	X	Fitness Center	X Surface Parking \$0
X	Private Patio/Balcony	X	Range/Oven		Swimming Pool	X Elevator
	Fireplace	X	Luxury Flooring	X	Community Room	X Controlled Access
X	Window Blinds	X	Stainless Appliances	X	Business Center	X Pets \$20
	Private Entrances	X	Solid Surface Counters		Laundry Facilities	Cable/Internet Incl.

Additional Comments:

Units have free underground parking, granite countertops, stainless-steel appliances, hard surface floors with carpeted bedrooms, in-unit laundry, private patio/balcony, and other typical features. The development has on-site management a clubhouse, pet play area, pet washing station, elevator service, business center, storage space, grilling area, fitness center, playground, bike storage, a game room, and more.

Concessions Offered: None offered at this time.

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	The Junction at White Stone Station	Year Built:	2016
Address:	N91W16028 Junction Way, Menomonee Falls, WI	Total # of Units:	318
Contact:	262-287-0377		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
Studio	26	8.2%	Tenant:	X	X	X
1 BR	107	33.6%	Landlord:			
2 BR	159	50.0%	Trash Removal Included			
3 BR	26	8.2%	Unit mix per CoStar			

Current Occupancy:	99.4%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
Studio	524	\$1,275 - \$1,305	\$2.43 - \$2.49
1 BR / 1 BA	731 - 784	\$1,470 - \$1,550	\$1.98 - \$2.01
1 BR / 1 BA	811	\$1,570	\$1.94
2 BR / 1 BA	913 - 955	\$1,795 - \$1,830	\$1.92 - \$1.97
2 BR / 2 BA	1,021	\$1,840 - \$1,850	\$1.80 - \$1.81
2 BR / 2 BA	1,147 - 1,187	\$1,925 - \$2,050	\$1.68 - \$1.73
3 BR / 2 BA	1,265	\$2,395 - \$2,405	\$1.89 - \$1.90

Amenities:				Community Features:			
	W/D Hookups Only	X	Stainless Steel Appl.		Laundry Facilities		Attached Gar
X	W/D in Units	X	Granite/Quartz	X	Outdoor Amenities		Detached Garage
X	Refrigerator/Freezer	X	Luxury Flooring	X	Pet Amenities	X	Struct. Pkg. \$0
X	Range/Oven	X	A/C—Central	X	Fitness Center	X	Surface Pkg.
X	Microwave		A/C—Sleeve/Wall	X	Storage	X	Swimming Pool
X	Dishwasher		Fireplace	X	Controlled Access	X	Community Room
X	Garbage Disposal		Private Entrances	X	Pets \$40	X	Business Office
X	Window Blinds	X	Patio/Balcony	X	Elevator		Cable/Internet Incl

Additional Comments:

The units have a mid-grade level of luxury finishes. Common area amenities include an amenity rich clubhouse, fitness center, outdoor swimming pool with sundeck, dog spa, dog park, grilling and picnic areas, and more.

Concessions Offered: None

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET

Name:	Jade at North Hills	Year Built:	2018
Address:	N72 W12727 Good Hope Road, Menomonee Falls, WI	Total # of Units:	139
Contact:	262-458-0436		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
Studio	11	7.9%	Tenant:	X	X	X
1 BR	93	66.9%	Landlord:			
2 BR	35	25.2%	Trash Removal Included			
3 BR	0	0.0%	Unit mix per CoStar			

Current Occupancy:	95.0%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
Studio	616	\$1,275 - \$1,365	\$2.07 - \$2.22
1 BR / 1 BA	747 - 823	\$1,395 - \$1,525	\$1.85 - \$1.87
2 BR / 1 BA	918 - 1,019	\$1,725	\$1.69 - \$1.88
2 BR / 2 BA	1,174 - 1,308	\$1,850 - \$1,995	\$1.53 - \$1.58

Amenities:				Community Features:			
	W/D Hookups Only	X	Stainless Steel Appl.		Laundry Facilities		Attached Gar
X	W/D in Units	X	Granite/Quartz	X	Outdoor Amenities		Detached Garage
X	Refrigerator/Freezer	X	Luxury Flooring		Pet Amenities	X	Struct. Pkg. \$60
X	Range/Oven	X	A/C—Central	X	Fitness Center	X	Surface Pkg.
X	Microwave		A/C—Sleeve/Wall	X	Storage \$10		Swimming Pool
X	Dishwasher		Fireplace	X	Controlled Access	X	Community Room
X	Garbage Disposal		Private Entrances	X	Pets \$40		Business Office
X	Window Blinds	X	Patio/Balcony	X	Elevator		Cable/Internet Incl

Additional Comments:

The units have a private balcony, in-unit laundry, stainless-steel appliances, quartz countertops, kitchen backsplashes, and other luxury finishes. The development has heated garage parking, storage for \$10 per month, fitness center, community room, fire pit, gas grill, and more.

Concessions Offered: None

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	The Woodlands at North Hills	Year Built:	2015
Address:	W134N7249 Nelson Lane, Menomonee Falls, WI	Total # of Units:	153
Contact:	262-456-3583		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
1 BR	64	41.8%	Tenant:	X	X	X
2 BR	89	58.2%	Landlord:			
3 BR	-	-	Trash Removal Included			

Current Occupancy:	98.0%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
1 BR / 1 BA	710 – 760	\$1,380 - \$1,575	\$1.94 - \$2.07
1 BR / 1 BA	825 – 836	\$1,325 - \$1,410	\$1.61 - \$1.69
1 BR / 1 BA	900 – 959	\$1,555 - \$1,655	\$1.73 - \$1.73
2 BR / 2 BA	1,075 – 1,180	\$1,760 - \$1,770	\$1.50 - \$1.64
2 BR / 2 BA	1,400	\$1,825 - \$1,835	\$1.30 - \$1.31
2 BR / 2 BA - Townhome	1,836	\$2,580	\$1.41

Amenities:				Community Features:			
	W/D Hookups Only	X	Stainless Steel Appl.		Laundry Facilities	X	Attached Gar TH
X	W/D in Units	-	Granite/Quartz	X	Outdoor Amenities		Detached Garage
X	Refrigerator/Freezer	X	Luxury Flooring	X	Pet Amenities	X	Struct. Pkg. \$0
X	Range/Oven	X	A/C—Central	X	Fitness Center	X	Surface Pkg.
X	Microwave		A/C—Sleeve/Wall	X	Storage		Swimming Pool
X	Dishwasher		Fireplace	X	Controlled Access	X	Community Room
X	Garbage Disposal		Private Entrances	X	Pets \$20-40		Business Office
X	Window Blinds	X	Patio/Balcony	X	Elevator		Cable/Internet Incl

Additional Comments:

The units have a lower-grade of luxury finishes. Some units have a mix of laminate and granite countertops. The development has grilling and picnic areas, a dog park, pet spa and pet play areas, clubhouse with kitchen, fitness center, fire pit, gas grills, and patio lounge. Townhome units have two-car attached garages.

Concessions Offered: None

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET

Name:	Tamarack Springs	Year Built:	2021/2022
Address:	W177N7920 Tamarack Springs Cir, Menomonee Falls, WI	# of Units:	170
Contact:	262-218-2345		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
1 BR	-	-	Tenant:	X	X	X
2 BR	85	50.0%	Landlord:			
3 BR	85	50.0%	Trash Removal Included			

Current Occupancy:	86.5% - Lease-Up
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
2 BR / 2 BA	1,279	\$1,949 - \$2,015	\$1.52 - \$1.58
2 BR / 2 BA	1,519	\$2,467	\$1.62
3 BR / 2 BA	1,529	\$2,366 - \$2,417	\$1.55 - \$1.58
3 BR / 2 BA	1,793	\$2,609	\$1.46

Amenities:			Community Features:				
	W/D Hookups Only	X	Stainless Steel Appl.		Laundry Facilities	X	Attached Gar \$0
X	W/D in Units		Granite/Quartz	X	Outdoor Amenities		Detached Gar
X	Refrigerator/Freezer	-	Luxury Flooring	X	Pet Amenities		Struct. Pkg.
X	Range/Oven	X	A/C—Central	X	Fitness Center	X	Surface Pkg.
X	Microwave		A/C—Sleeve/Wall		Storage	X	Swimming Pool
X	Dishwasher	X	Fireplace		Controlled Access	X	Community Room
X	Garbage Disposal	X	Private Entrances	X	Pets \$30	X	Business Office
X	Window Blinds	X	Patio/Balcony		Elevator		Cable/Internet Incl

Additional Comments:

All units have a one-car attached garage included and free surface parking. Units have a lesser degree of luxury finishes with wood-look LVP flooring in the kitchens, carpeting in the living areas and bedrooms, sheet vinyl flooring in the bathrooms, quality wood cabinetry with laminate tops, cultured marble vanity tops, and other typical features. The development has a large clubhouse, community room with kitchen, fitness center, pet spa, maker's space, swimming pool with sundeck, service desk, and more.

Concessions Offered: None

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	High Bluff at Creekwood Crossing	Year Built:	2023
Address:	N55W17626 High Bluff Drive, Menomonee Falls, WI	# of Units:	120
Contact:	262-205-5034		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
1 BR	20	16.7%	Tenant:	X	X	X
2 BR	100	83.3%	Landlord:			
3 BR	-	-	Trash Removal Included			

Current Occupancy:	Lease-Up
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
1 BR / 1 BA	1,074	\$1,795	\$1.67
2 BR / 2 BA	1,262	\$2,095	\$1.66
3 BR / 2 BA	1,367 – 1,389	\$1,975 - \$2,025	\$1.44 - \$1.46
3 BR / 2 BA	1,681	\$2,395	\$1.42

Amenities:			Community Features:				
	W/D Hookups Only	X	Stainless Steel Appl.		Laundry Facilities	X	Attached Gar \$0
X	W/D in Units	X	Granite/Quartz		Outdoor Amenities		Detached Gar
X	Refrigerator/Freezer	X	Luxury Flooring		Pet Amenities		Struct. Pkg.
X	Range/Oven	X	A/C—Central	X	Fitness Center	X	Surface Pkg.
X	Microwave		A/C—Sleeve/Wall		Storage		Swimming Pool
X	Dishwasher	-	Fireplace - Some		Controlled Access	X	Community Room
X	Garbage Disposal	X	Private Entrances	X	Pets \$40		Business Office
X	Window Blinds	X	Patio/Balcony		Elevator		Cable/Internet Incl

Additional Comments:

All units have a one-car attached garage included and free surface parking. Units have private entrances, central air/heat, private patio / balcony, in-unit laundry, stainless-steel appliances, quartz countertops, gas fireplaces in some units, 9-10 foot ceilings, and more. The development has a clubhouse with fitness center and on-site management.

Concessions Offered: None

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	RiverWalk on the Falls	Year Built:	2018
Address:	W165N8910 Grand Avenue, Menomonee Falls, WI	Total # of Units:	112
Contact:	262-383-4262		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
1 BR	54	47.4%	Tenant:	X	X	X
2 BR	56	49.1%	Landlord:			
3 BR	4	3.5%	Trash Removal Included			

Current Occupancy:	98.2%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
1 BR / 1 BA	734 – 771	\$1,435 - \$1,547	\$1.96 - \$2.01
1 BR / 1 BA	862 – 876	\$1,579 - \$1,610	\$1.83 - \$1.84
1 BR / 1 BA	1,003	\$1,845	\$1.84
2 BR / 2 BA	1,167 – 1,325	\$2,137 - \$2,535	\$1.83 - \$1.91
3 BR / 2 BA	1,474 – 1,480	\$2,831	\$1.91 - \$1.92

Amenities:			Community Features:			
	W/D Hookups Only	X	Stainless Steel Appl.		Laundry Facilities	Attached Gar
X	W/D in Units		Granite/Quartz	X	Outdoor Amenities	Detached Garage
X	Refrigerator/Freezer	-	Luxury Flooring	X	Pet Amenities	X Struct. Pkg. \$0
X	Range/Oven	X	A/C—Central	X	Fitness Center	X Surface Pkg.
X	Microwave		A/C—Sleeve/Wall	X	Storage	X Swimming Pool
X	Dishwasher	X	Fireplace	X	Controlled Access	X Community Room
X	Garbage Disposal		Private Entrances	X	Pets \$35	X Business Office
X	Window Blinds	X	Patio/Balcony	X	Elevator	Cable/Internet Incl

Additional Comments:

The units have a lesser degree of luxury finishes, with wood-look LVP flooring in the kitchens, sheet vinyl in the flooring, carpeting in the living areas and bedrooms, quality wood cabinetry with stainless-steel appliances, laminate countertops, cultured marble vanity tops, and other typical features. Common amenities include a lobby art gallery, community room with kitchen, fitness center with pilates/yoga studio, pet grooming spa, maker's space, swimming pool, BBQ station, fire pit, car wash station, EV charging stations, Amazon Hub apartment locker, and more.

Concessions Offered: None

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	Mammoth Springs	Year Built:	2014-2017
Address:	N63W23217 Main Street, Sussex, WI	# of Units:	260
Contact:	262-297-4444		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
1 BR	105	40.4%	Tenant:	X	X	X
2 BR	133	51.2%	Landlord:			
3 BR	22	8.5%				

Current Occupancy:	97.7%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
Studio	428	\$1,059	\$2.47
1 BR / 1 BA	732 - 954	\$1,365 - \$1,545	\$1.62 - \$1.86
2 BR / 1 BA	987	\$1,628	\$1.65
2 BR / 2 BA	1,102 - 1,182	\$1,615 - \$2,040	\$1.47 - \$1.73
2 BR / 2 BA	1,312 - 1,571	\$2,062 - \$2,205	\$1.40 - \$1.57
3 BR / 2 BA	1,229	\$2,008 - \$2,074	\$1.63 - \$1.69
3 BR / 2 BA	1,941	\$2,799	\$1.44

Amenities:				Community Features:			
	W/D Hookups Only	X	Stainless Steel Appl.		Laundry Facilities	X	Attached Gar \$0
X	W/D in Units	X	Granite/Quartz	X	Outdoor Amenities		Detached Gar
X	Refrigerator/Freezer	X	Luxury Flooring	X	Pet Amenities		Struct. Pkg.
X	Range/Oven	X	A/C—Central	X	Fitness Center	X	Surface Pkg.
X	Microwave		A/C—Sleeve/Wall	X	Storage	X	Swimming Pool
X	Dishwasher	-	Fireplace - Some		Controlled Access	X	Community Room
X	Garbage Disposal	X	Private Entrances	X	Pets	X	Business Office
X	Window Blinds	X	Patio/Balcony		Elevator		Cable/Internet Incl

Additional Comments:

The mid-rise apartment units are accessed via common hallway entrances while the townhome-style units have private entrances. Individual unit amenities and finishes consist of a stainless-steel appliance package; granite countertops; undermount stainless-steel sinks; wood-look luxury vinyl plank (LVP) flooring; carpeting in the bedrooms; fiberglass tub/shower surrounds; wood vanities with cultured marble tops in the mid-rise apartment units and granite tops in the townhome units; in-unit laundry; central air conditioning; forced air heat; fireplaces in some of the townhome units; a private patio / balcony; quality light and plumbing fixtures; and other typical features.

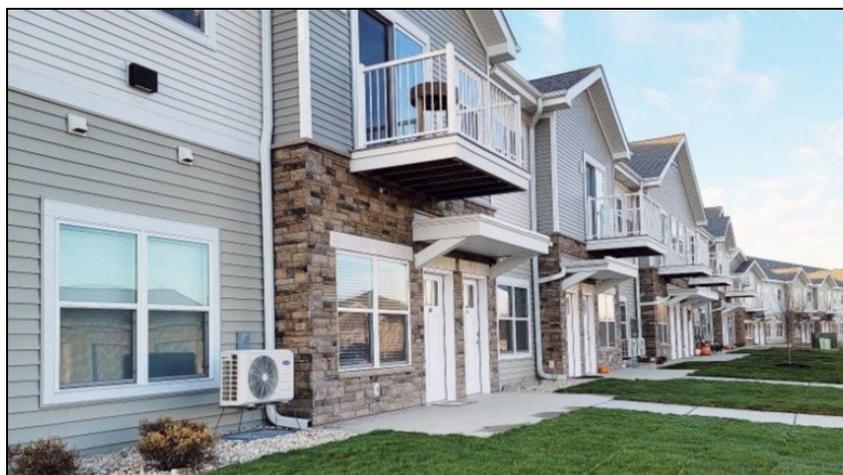
Common area amenities include on-site management; controlled access entry with elevator service in the mid-rise apartment buildings; a community room with kitchen, TV, lounge areas, and fireplace; fitness center; yoga studio; a freestanding clubhouse with kitchen, TV, lounge areas, fireplace, outdoor patio with grills, and an outdoor swimming pool; a three-acre quarry pond with docks for fishing and sunbathing; walking paths; a fenced in dog park; pet spa; playground.

The majority of the townhome style units have an attached garage stall or detached garage stall included in the rent (there are 92 attached garage stalls and 13 detached garage stalls for the 107 units). Within the mid-rise apartment buildings, there are a total of 150 underground garage parking spaces (30 per building), which are available free of charge. Ample free surface parking is also available.

Concessions Offered: None

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	Rock Pointe Village	Year Built:	2021-2023
Address:	19400 Rock Pointe Way, Lannon, WI	# of Units:	264
Contact:	262-502-5005		

Utilities Paid By:	Heat	Water	Elect
Tenant:	X	X	X
Landlord:			
Trash Removal Included			

Current Occupancy:	Lease-Up
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
Studio	510 – 622	\$1,020 - \$1,100	\$1.77 - \$2.00
1 BR / 1 BA	740 – 848	\$1,400 - \$1,495	\$1.76 - \$1.89
2 BR / 2 BA	1,079 – 1,179	\$1,525 - \$1,795	\$1.41 - \$1.52
3 BR / 2 BA	1,278 – 1,380	\$1,925 - \$2,100	\$1.51 - \$1.52

Amenities:				Community Features:		
	W/D Hookups Only		Stainless Steel Appl.		Laundry Facilities	X Attached Gar \$0
X	W/D in Units	X	Granite/Quartz	X	Outdoor Amenities	Detached Gar
X	Refrigerator/Freezer	X	Luxury Flooring		Pet Amenities	Struct. Pkg.
X	Range/Oven	X	A/C—Central	X	Fitness Center	X Surface Pkg.
X	Microwave		A/C—Sleeve/Wall		Storage	Swimming Pool
X	Dishwasher		Fireplace		Controlled Access	X Community Room
X	Garbage Disposal	X	Private Entrances	X	Pets \$40	Business Office
X	Window Blinds	X	Patio/Balcony		Elevator	Cable/Internet Incl

Additional Comments:

“Each unit comes with a private entrance to the unit, private garage, and private patio or balcony. The appliances included are a refrigerator, microwave, garbage disposal, stove, dishwasher, and in-unit washer and dryer. Granite countertops and plank flooring are also resident favorites! Calling Rock Pointe Village your home gives you the best of both worlds. You have your own personal space in your unit, but have the option to host get-togethers at the community room. You live in a rural village, but it is a short drive away from Menomonee Falls' shopping and restaurants. You have your version of your big backyard in our Yard Games Area, but you don't have the upkeep and maintenance that owning a house would require. You have access to amenities like the 24-Hour Fitness Center, Community Garden, Playground, and Grill Area, but don't have to save up to purchase them for yourself.” – Advertisement.

Concessions Offered: None

Source: *Compiled by Moegenburg Research (June 2023)*

RENT COMP DATA SHEET

Name:	Greenlink Residences	Year Built:	2022
Address:	8725 North 43 rd Street, Brown Deer, WI	Total # of Units:	134
Contact:	414-260-0660		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
Studio	0	0.0%	Tenant:	X	X	X
1 BR	88	65.7%	Landlord:			
2 BR	36	26.9%	Trash Removal Included			
3 BR	10	7.5%	Unit mix per CoStar			

Current Occupancy:	97.0%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
1 BR / 1 BA	744 – 863	\$1,475 - \$1,625	\$1.88 - \$1.98
2 BR / 1 BA	993 – 1,056	\$1,750 - \$1,850	\$1.75 - \$1.76
2 BR / 2 BA	1,142 - 1,293	\$1,850 - \$2,200	\$1.62 - \$1.70
3 BR / 2 BA	1,350	\$2,400	\$1.78
3 BR / 3 BA	1,577	\$2,825	\$1.79
3 BR / 3 BA	1,807	\$3,100	\$1.72

Amenities:			Community Features:			
	W/D Hookups Only	X	Stainless Steel Appl.		Laundry Facilities	Attached Gar
X	W/D in Units	X	Granite/Quartz	X	Outdoor Amenities	Detached Garage
X	Refrigerator/Freezer	X	Luxury Flooring		Pet Amenities	Struct. Pkg. \$
X	Range/Oven	X	A/C—Central	X	Fitness Center	X Surface Pkg. \$25
X	Microwave		A/C—Sleeve/Wall		Storage	X Swimming Pool
X	Dishwasher		Fireplace	X	Controlled Access	X Community Room
X	Garbage Disposal	-	Private Entrances-Some	X	Pets \$30	Business Office
X	Window Blinds	X	Patio/Balcony	X	Elevator	Cable/Internet Incl

Additional Comments:

The units have a private balcony, in-unit laundry, stainless-steel appliances, quartz countertops, wood-look LVP flooring, and other quality finishes. The development has on-site retail, a swimming pool with deck lounge, BBQ area, clubhouse with kitchen and lounge areas, fitness center, community wide Wi-Fi, key fob entry, on-site management/maintenance, and package service.

Concessions Offered: None

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET

Name:	The Bevy	Year Built:	2020
Address:	8600 North Deerwood Parkway, Brown Deer, WI	Total # of Units:	175
Contact:	833-784-2687		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
Studio	15	8.6%	Tenant:	X	X	X
1 BR	100	57.1%	Landlord:			
2 BR	53	30.3%	Trash Removal Included			
3 BR	7	4.0%	Unit mix per CoStar			

Current Occupancy:	98.3%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
Studio	482	\$1,115	\$2.31
Studio	562 - 622	\$1,220 - \$1,285	\$2.07 - \$2.17
1 BR / 1 BA	795 - 900	\$1,390 - \$1,415	\$1.57 - \$1.75
2 BR / 2 BA	1,114 - 1,270	\$2,237 - \$2,430	\$1.91 - \$2.01
2 BR / 2.5 BA	1,205	\$2,314	\$1.92
2 BR / 2.5 BA	1,724	\$2,614	\$1.52
3 BR / 2 BA	1,340	\$2,561	\$1.91
3 BR / 2.5 BA	1,745	\$3,462	\$1.98

Amenities:			Community Features:				
	W/D Hookups Only	X	Stainless Steel Appl.		Laundry Facilities		Attached Gar
X	W/D in Units	X	Granite/Quartz	X	Outdoor Amenities	X	Detached Gar \$
X	Refrigerator/Freezer	X	Luxury Flooring	X	Pet Amenities	X	Struct. Pkg. \$
X	Range/Oven	X	A/C—Central	X	Fitness Center	X	Surface Pkg.
X	Microwave		A/C—Sleeve/Wall		Storage	X	Swimming Pool
X	Dishwasher		Fireplace	X	Controlled Access	X	Community Room
X	Garbage Disposal	-	Private Entrances-Some	X	Pets \$30		Business Office
X	Window Blinds	X	Patio/Balcony	X	Elevator		Cable/Internet Incl

Additional Comments:

The units have walk-in closets, oversized windows, quartz countertops, balconies, some townhomes with private entry, LVT flooring, in-unit laundry, and other quality features and finishes. The development has a fitness studio, FX gaming system, outdoor dog park, pet spa, resident grill, luxury clubhouse, community deck, and more.

Concessions Offered: None

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	West House at Foxtown	Year Built:	2020
Address:	11127 North Industrial Drive, Mequon, WI	Total # of Units:	96
Contact:	262-369-8696		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
1 BR	36	37.5%	Tenant:	X	X	X
2 BR	27	28.1%	Landlord:			
3 BR	33	34.4%	Trash Removal Included			

Current Occupancy:	99.0%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
1 BR / 1 BA	900 - 902	\$1,650 - \$1,825	\$1.83 - \$2.02
2 BR / 2 BA	1,150 - 1,154	\$2,095 - \$2,270	\$1.82 - \$1.97
3 BR / 2 BA	1,524 - 1,591	\$2,465 - \$2,920	\$1.62 - \$1.84

Amenities:				Community Features:			
	W/D Hookups	X	W/D in Units	X	UG/Struct. Pkg. \$0	X	Attached Garage
X	A/C—Central	X	Dishwasher		Gated Entrance		Detached Garage
	A/C—Sleeve/Wall	X	Wheelchair Access.	X	Public Trans.		Laundry Facilities
X	Microwave	X	Garbage Disposal	X	Fitness Center	X	Cable TV/Sat. TV
X	Controlled Access	X	Fireplace - Some	X	Spa/Hot Tub	X	Swim Pool
X	Private Patio/Balcony	X	Luxury Flooring	X	Concierge	X	Clubhouse
X	Window Blinds	X	Luxury Finishes	X	Pets Allowed \$25-55	X	Business Office
	Crown Moldings	X	Elevator		Private Entrances	X	Internet Included

Additional Comments:

“With spacious rooms, upgraded appliances and finishes, each apartment home has been designed to meet the needs of today's sophisticated apartment renter. West House at Foxtown presents effortless living in one of Wisconsin's premier neighborhoods. The development offers one to three-bedroom spacious layouts. Enjoy the comfort and conveniences of apartment amenities while preserving and enjoying the North Shore way of living. Conveniently located next to Foxtown Brewery and Interurban Bike Trail, across the street from Mequon Public Market. In close proximity to Café Hollander and many other shops & restaurants.” – Advertisement.

One-bedroom units have one underground garage stall included in the rent while two- and three-bedroom units have two spaces. Cats are \$25, dogs are \$55. Storage is \$35. The units have very high-end finishes, including luxury vinyl plank (wood look) flooring, granite countertops, stainless-steel appliances, 10-foot ceilings, and other higher-end finishes. The development has a 24 hour fitness center, two community rooms with a kitchen and TVs, a game room, YOGA and water aerobics classes, a coffee bar, community events, a golf simulator, smart home tech in every unit, an indoor pool with sauna and hot tub, pet washing station, rooftop fireplace lounge with grilling stations and dining terrace, and other amenities. The development opened May 1, 2020 and was nearly 50% pre-leased at opening.

Concessions: None.

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	The Reserve Mequon	Year Built:	2017
Address:	6835 West Mequon Road, Mequon, WI	Total # of Units:	81
Contact:	262-685-2293		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
1 BR	15	18%	Tenant:	X	X	X
2 BR	55	68%	Landlord:			
3 BR	11	14%	Trash Removal Included			

Current Occupancy:	100%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
1 BR / 1 BA	882	\$1,600	\$1.81
1 BR / 1.5 BA	1,143	\$2,125	\$1.86
2 BR / 2 BA	1,088 – 1,185	\$1,960 - \$2,390	\$1.80 - \$2.02
2 BR / 2 BA	1,218 – 1,318	\$2,415 - \$2,590	\$1.97 - \$1.98
2 BR / 1 BA	1,233	2,415	\$1.96
3 BR / 2 BA	1,208 – 1,390	\$2,300 - \$2,805	\$1.90 - \$2.02
3 BR / 2.5 BA	1,571	\$2,400 - \$2,855	\$1.53 - \$1.82

Amenities:			Community Features:				
	W/D Hookups	X	W/D in Units	X	UG/Struct. Pkg. \$0	X	Attached Garage
X	A/C—Central	X	Dishwasher		Gated Entrance		Detached Garage
	A/C—Sleeve/Wall	X	Wheelchair Access.	X	Public Trans.		Laundry Facilities
X	Microwave	X	Garbage Disposal	X	Fitness Center	X	Cable TV/Sat. TV
X	Controlled Access		Fireplace		Spa/Hot Tub	X	Swim Pool
X	Private Patio/Balcony	X	Luxury Flooring	X	Concierge	X	Clubhouse
X	Window Blinds	X	Luxury Finishes	X	Pets Allowed \$25-45	X	Business Office
	Crown Moldings	X	Elevator	X	Private Ent.- Some	X	Internet

Additional Comments:

The units are very high end in nature and feature granite/quartz countertops, stainless-steel appliances, quality wood cabinets, quality flooring such as hardwood or luxury vinyl plank flooring, private patios / balconies, central air conditioning, in-unit laundry, 9.5-foot ceilings, and high-end light fixtures and plumbing fixtures. Common area amenities include a community room, a fitness center, a swimming pool (with sauna and showers), and a rooftop lounge. The development initially charged \$100 per month for underground parking and \$50 per month for surface parking; however, the policy was changed to include one stall for one-bedroom units and 2 stalls for two- and three-bedroom units. Large storage units are \$60 per month while small storage units are \$35 per month.

Concessions: None.

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	Spur 16	Year Built:	2019
Address:	6300 West Mequon Road, Mequon, WI	Total # of Units:	156
Contact:	262-665-7787		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
1 BR	38	24%	Tenant:	X	X	X
2 BR	90	58%	Landlord:			
3 BR	28	18%	Trash Removal Included			

Current Occupancy:	97.4%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
1 BR / 1 BA	801 - 899	\$1,695 - \$1,750	\$1.95 - \$2.12
1 BR / 1 BA	954 - 1,018	\$1,750 - \$1,895	\$1.83 - \$1.86
1 BR / 1 BA	1,153	\$1,895	\$1.64
2 BR / 2 BA	1,117 - 1,175	\$1,995 - \$2,295	\$1.79 - \$1.95
2 BR / 2 BA	1,202 - 1,301	\$2,395	\$1.84 - \$1.99
3 BR / 2 BA	1,345 - 1,356	\$2,495 - \$2,895	\$1.86 - \$2.13
3 BR / 2.5 BA – Townhome	2,287 - 2,604	\$3,995 - \$4,995	\$1.75 - \$1.92

Amenities:				Community Features:			
	W/D Hookups	X	W/D in Units	X	UG/Struct. Pkg. \$100	X	Attached Garage
X	A/C—Central	X	Dishwasher		Gated Entrance		Detached Garage
	A/C—Sleeve/Wall	X	Wheelchair Access.	X	Public Trans.		Laundry Facilities
X	Microwave	X	Garbage Disposal	X	Fitness Center	X	Cable TV/Sat. TV
X	Controlled Access	X	Fireplace - Some		Spa/Hot Tub	X	Swim Pool
X	Private Patio/Balcony	X	Luxury Flooring	X	Concierge	X	Clubhouse
X	Window Blinds	X	Luxury Finishes	X	Pets Allowed \$45	X	Business Office
	Crown Moldings	X	Elevator	X	Private Ent.- Some	X	Internet

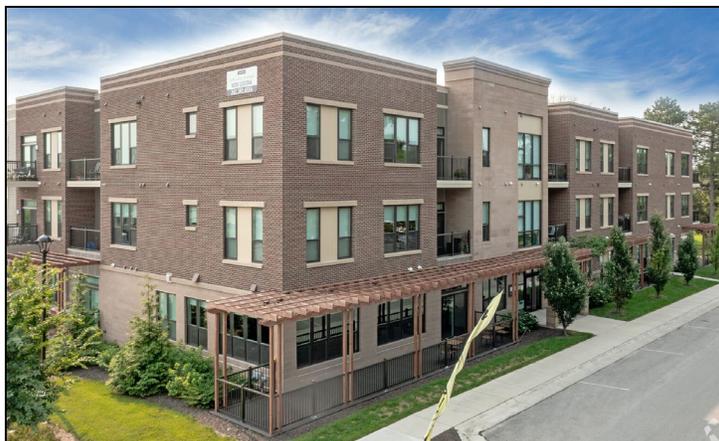
Additional Comments:

“Come experience Mequon’s newest unique residence for yourself at Spur 16. From the moment you move into one of our stylish apartments homes, you will discover the exceptional convenience of this mixed-use community. The apartment homes, as well as, the townhomes, showcase a host of high end finishes including open floor plans, gourmet kitchens with quartz counter tops, energy efficient appliances, in-home full size washer and dryer, high speed internet included, upgraded flooring and private patios/balconies. Our amenities are designed to provide the ultimate in style, convenience and comfort for our residents. You will enjoy the resort style private courtyard, outdoor pool, grilling area, state of the art fitness center and resident lounges with internet, professional onsite management and shopping truly in walking distance.” – Advertisement. The development opened March of 2019; the last building opened July 2019. Storage is \$35.

Concessions: None

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	Artesa Apartments	Year Built:	2017
Address:	11130 North Buntrock Avenue, Mequon, WI	Total # of Units:	33
Contact:	414-688-2292		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
1 BR	17	51.5%	Tenant:	X	X	X
2 BR	12	36.4%	Landlord:			
3 BR	4	12.1%	Trash removal included.			

Current Occupancy:	93.9%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
1 BR / 1 BA	795	\$1,470	\$1.85
1 BR / 1 BA	848 – 859	\$1,450 - \$1,500	\$1.71 - \$1.75
1 BR / 1 BA	994 – 1,054	\$1,700 - \$1,810	\$1.71 - \$1.72
1 BR / 1 BA	1,379	\$1,925	\$1.40
2 BR / 2 BA	1,260 – 1,282	\$1,975 - \$2,255	\$1.57 - \$1.76
2 BR / 2 BA	1,403 – 1,466	\$2,035 - \$2,300	\$1.45 - \$1.57
2 BR / 2 BA	1,510 – 1,523	\$2,545 - \$2,650	\$1.69 - \$1.74
3 BR / 3 BA	1,711	\$3,025	\$1.77
3 BR / 2.5 BA	1,804	\$3,025	\$1.68

Amenities:			Community Features:			
	W/D Hookups	X	W/D in Units	X	Covered Parking	Attached Garage
X	A/C—Central	X	Dishwasher		Gated Entrance	Detached Garage
	A/C—Sleeve/Wall	X	Wheelchair Access.	X	Public Trans.	Laundry Facilities
X	Microwave	X	Garbage Disposal	X	Fitness Center	X Cable TV/Sat. TV
X	Controlled Access		Fireplace		Spa/Hot Tub	Swimming Pool
X	Private Patio/Balcony	X	Luxury Finishes		Concierge	X Comm. Room
X	Window Blinds	X	UG/Struct. Pkg. \$0 / \$100	X	Pets Allowed \$30	X Business Office
	Crown Moldings	X	Elevator		Private Entrances	X Internet

Additional Comments:

“Artesa boasts a suburban charm only Mequon could offer. Brunch at nearby local favorites, Colectivo Coffee and Cafe Hollander and get your fill of nature on nearby Ozaukee Interurban Trail and the Milwaukee River. Only a short drive away from Downtown Milwaukee, making Artesa the ultimate location for modern suburban living. Artesa's wide variety of floor plans featuring one, two and three bedrooms. Along with an extensive outdoor living and entertainment space, your new home is waiting!” – Advertisement. Parking is included, or \$100 per month for a second spot.

Concessions: None.

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET

Name:	Arrabelle	Year Built:	2019
Address:	N44W6033 Hamilton Road, Cedarburg, WI	Total # of Units:	70
Contact:	262-287-0256		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
1 BR	16	22.9%	Tenant:	X	X	X
2 BR	48	68.6%	Landlord:			
3 BR	6	8.6%	Trash removal included.			

Current Occupancy:	100%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
1 BR / 1 BA	797	\$1,815 - \$1,825	\$2.28 - \$2.29
1 BR / 1 BA	884 - 942	\$1,935 - \$2,190	\$2.19 - \$2.32
2 BR / 2 BA	1,145 - 1,180	\$2,470 - \$2,855	\$2.16 - \$2.42
2 BR / 2 BA	1,279 - 1,351	\$2,670 - \$2,775	\$2.05 - \$2.09
2 BR / 2 BA	1,484 - 1,487	\$3,020 - \$3,185	\$2.04 - \$2.14
2 BR / 2 BA Townhome	1,504	\$3,065	\$2.04
3 BR / 2 BA Townhome	1,612	\$4,005	\$2.48

Amenities:				Community Features:			
	W/D Hookups	X	W/D in Units	X	Covered Parking		Attached Garage
X	A/C—Central	X	Dishwasher		Gated Entrance		Detached Garage
	A/C—Sleeve/Wall	X	Wheelchair Access.	X	Public Trans.		Laundry Facilities
X	Microwave	X	Garbage Disposal	X	Fitness Center	X	Cable TV/Sat. TV
X	Controlled Access		Fireplace		Spa/Hot Tub		Swimming Pool
X	Private Patio/Balcony	X	Luxury Finishes		Concierge	X	Comm. Room
X	Window Blinds	X	UG/Struct. Pkg. \$0 / \$100	X	Pets Allowed \$40	X	Business Office
	Crown Moldings	X	Elevator		Private Entrances	X	Internet

Additional Comments:

“Arrabelle Apartments invites you to Cedarburg, one of Wisconsin’s most desirable communities, known for its specialty shopping, restaurants, seasonal festivals and year-round family-friendly activities. These amenities and more are conveniently located within walking distance of your new home! Arrabelle luxury apartment homes are designed to impress, featuring spacious floor plans and attention to detail around every corner.” – Advertisement. Underground parking included, second is \$100 per month. Pets are \$40 per month for one pet or \$60 per month for two. Townhome units have two-car attached garages included in the rent and are two-story units. Storage is \$40.

Concessions Offered: None offered at this time.

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	Cedar Place Apartments	Year Built:	2019-2020
Address:	W5970 Sheboygan Road, Cedarburg, WI	Total # of Units:	192
Contact:	262-377-7277		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
Studio	12	6.3%	Tenant:	X	X	X
1 BR	48	25.0%	Landlord:			
2 BR	120	62.5%	Trash removal included.			
3 BR	12	6.3%				

Current Occupancy:	100%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
Studio – Detached Garage	587 – 624	\$1,130	\$1.64 - \$1.81
1 BR / 1 BA – Detached Garage	778 - 850	\$1,380 - \$1,430	\$1.68 - \$1.77
1 BR / 1 BA – Attached Garage	839	\$1,580	\$1.88
1 BR / 1 BA – Attached Garage	913	\$1,430	\$1.57
1 BR / 1 BA – Detached Garage	944	\$1,430	\$1.51
1 BR / 1 BA – Attached Garage	963	\$1,680	\$1.74
2 BR / 2 BA – Attached Garage	1,096	\$1,880	\$1.72
2 BR / 2 BA – Detached Garage	1,158	\$1,730	\$1.49
2 BR / 2 BA – Attached Garage	1,188	\$1,880	\$1.58
2 BR / 2 BA – Attached Garage	1,237 – 1,258	\$1,880 - \$1,930	\$1.52 - \$1.53
2 BR / 2 BA – Detached Garage	1,266	\$1,730	\$1.37
3 BR / 2 BA – Attached Garage	1,696 – 1,697	\$2,630	\$1.55 - \$1.55

Amenities:				Community Features:			
	W/D Hookups	X	W/D in Units	X	Covered Parking	X	Attached Garage
X	A/C—Central	X	Dishwasher		Gated Entrance	X	Detached Garage
	A/C—Sleeve/Wall	X	Wheelchair Access.	X	Public Trans.		Laundry Facilities
X	Microwave	X	Garbage Disposal	X	Fitness Center	X	Cable TV/Sat. TV
X	Controlled Access		Fireplace		Spa/Hot Tub		Swimming Pool
X	Private Patio/Balcony	X	Luxury Finishes		Concierge	X	Comm. Room
X	Window Blinds		UG/Struct. Pkg.	X	Pets Allowed \$25	X	Business Office
	Crown Moldings	X	Elevator	X	Private Entrances	X	Internet

Additional Comments:

“Designed with safety and efficiency in mind, our Cedarburg apartments will mesmerize you with their impressive list of high-end fixtures. Keyless entries with smartphone video and audio connected doorbells, nine- and ten-foot ceilings, kitchen islands, breakfast bars, abundant storage space, and high-end designer plank and tile flooring are just some of our highlights. Select apartments feature vaulted ceilings and a fireplace, as well. Fully furnished options are also available. Looking for more? Our highly-enticing collection of upscale amenities answers your request. Our community features a lavish clubhouse with a fully-equipped fitness center, Cyber Café, and full kitchen, a heated swimming pool with an expansive sundeck, as well as an outdoor gathering area with a fire pit.” – Advertisement. Units have either an attached or detached garage included (one stall).

Concessions Offered: None.

Source: Compiled by Moegenburg Research (June 2023)

RENT COMP DATA SHEET



Name:	1505 Apartments	Year Built:	2017-2019
Address:	1505 Wisconsin Avenue, Grafton, WI	Total # of Units:	124
Contact:	262-671-3820		

Unit Mix	# Units	% of Total	Utilities Paid By:	Heat	Water	Elect
1 BR	66	53.2%	Tenant:	X	X	X
2 BR	52	41.9%	Landlord:			
3 BR	6	4.8%	Trash removal included.			

Current Occupancy:	98.4%
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Unit Type	Unit Size/S.F.	Monthly Rent	\$ Sq. Ft. Rent
1 BR / 1 BA	525 - 596	\$1,025 - \$1,095	\$1.84 - \$1.95
1 BR / 1 BA	665	\$1,125	\$1.69
1 BR / 1 BA	725 - 794	\$1,125 - \$1,510	\$1.55 - \$1.90
1 BR / 1 BA	802 - 891	\$1,250 - \$1,395	\$1.56 - \$1.57
1 BR / 1 BA	905	\$1,295	\$1.43
2 BR / 1 BA	891 - 941	\$1,395 - \$1,425	\$1.51 - \$1.57
2 BR / 2 BA	1,051 - 1,197	\$1,525 - \$1,845	\$1.45 - \$1.54
2 BR / 2.5 BA	1,145 - 1,252	\$2,170 - \$2,370	\$1.89 - \$1.90
2 BR / 2.5 BA	1,470	\$2,030	\$1.38
2 BR / 2 BA	1,408	\$1,850	\$1.31
3 BR / 2 BA	1,360 - 1,390	\$2,110	\$1.52 - \$1.55

Amenities:			Community Features:			
	W/D Hookups	X	W/D in Units		Covered Parking	Attached Garage
X	A/C—Central	X	Dishwasher		Gated Entrance	Detached Garage
	A/C—Sleeve/Wall	X	Wheelchair Access.	X	Public Trans.	Laundry Facilities
X	Microwave	X	Garbage Disposal	X	Fitness Center	X Cable TV/Sat. TV
X	Controlled Access		Fireplace		Spa/Hot Tub	Swimming Pool
X	Private Patio/Balcony	X	Luxury Finishes		Concierge	X Clubhouse
X	Window Blinds	X	Underground Pkg. \$0	X	Pets Allowed \$40	X Business Office
	Crown Moldings	X	Elevator	X	Private Entrances	X Internet

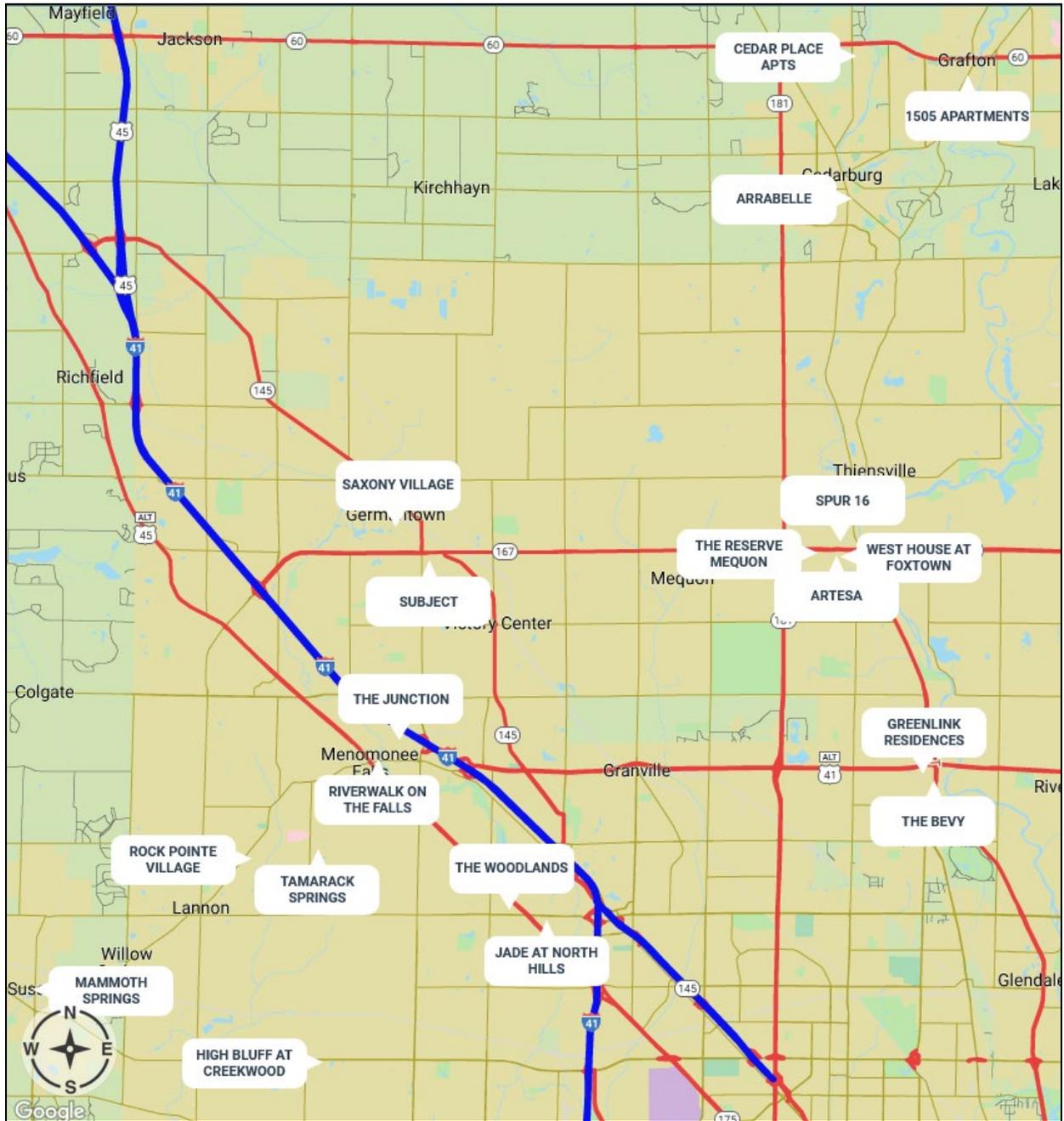
Additional Comments:

Units have granite countertops, stainless-steel appliances, and other high-end finishes. Phase I (77 units) was completed in June 2017 and was approximately 80 percent leased (62 units) within three months of opening, indicating an absorption rate of 20.7 units per month, or 10.3 units per month assuming a three-month pre-marketing period. Phase II (47 units) was completed in 2019. There is one underground space per unit with no extra spaces available.

Concessions Offered: None.

Source: Compiled by Moegenburg Research (June 2023)

COMPARABLE RENTAL MAP



Development Style

Within the market, the vast majority of new construction multifamily projects are three-to-four-story, elevator-served developments over underground parking, or two-story, walk-up developments with units featuring private entrances and attached garages for most or all units. As it pertains specifically to the subject, we feel that either development style would be successful given that each development style has been proven to be successful in the immediate market area in recent years. Several of the recently completed developments in the market include a mix of building styles, such as one or two mid-rise buildings and several townhome-style or two-story walk-up buildings, which may be advantageous at the subject depending on the target density.

Unit Mixes

Unit mixes for the comparable rentals analyzed in our report are summarized below.

Unit Mix Summary									
Property	# Studio Units	% of Total	# 1 BR Units	% of Total	# 2 BR Units	% of Total	# 3 BR Units	% of Total	Total # Units
Saxony Village	13	8.8%	106	71.6%	24	16.2%	5	3.4%	148
The Junction	26	8.2%	107	33.6%	159	50.0%	26	8.2%	318
Jade at North Hills	11	7.9%	93	66.9%	35	25.2%	0	0.0%	139
The Woodlands	0	0.0%	64	41.8%	89	58.2%	0	0.0%	153
Tamarack Springs	0	0.0%	0	0.0%	85	50.0%	85	50.0%	170
High Bluff at Creekwd	0	0.0%	20	16.7%	100	83.3%	0	0.0%	120
RiverWalk on the Falls	0	0.0%	54	47.4%	56	49.1%	4	3.5%	114
Mammoth Springs	0	0.0%	105	40.4%	133	51.2%	22	8.5%	260
Greenlink Residences	0	0.0%	88	65.7%	36	26.9%	10	7.5%	134
The Bevy	15	8.6%	100	57.1%	53	30.3%	7	4.0%	175
West House Foxtown	0	0.0%	36	37.5%	27	28.1%	33	34.4%	96
The Reserve Mequon	0	0.0%	15	18.5%	55	67.9%	11	13.6%	81
Spur 16	0	0.0%	38	24.4%	90	57.7%	28	17.9%	156
Artesa Apts	0	0.0%	17	51.5%	12	36.4%	4	12.1%	33
Arrabelle	0	0.0%	16	22.9%	48	68.6%	6	8.6%	70
Cedar Place Apts	12	6.3%	48	25.0%	120	62.5%	12	6.3%	192
1505 Apartments	0	0.0%	66	53.2%	52	41.9%	6	4.8%	124
Total	77	3.1%	973	39.2%	1174	47.3%	259	10.4%	2,483
min	0	0.0%	0	0.0%	12	16.2%	0	0.0%	33
max	26	8.8%	107	71.6%	159	83.3%	85	50.0%	318
average	5	2.3%	57	39.7%	69	47.3%	15	10.7%	146

As shown, two-bedroom units are the most common in the market, followed by one-bedroom units, three-bedroom units, and then studio units. The most recently constructed projects with the most comparable locational characteristics as the subject (Saxony Village, The Junction, Jade at North Hills, RiverWalk on the Falls, Greenlink Residences, The Bevy, West House at Foxtown, The Reserve Mequon, Spur 16, and Artesa Apartments) produced a higher proportion of one-bedroom units, with a mix of 46.9% one-bedroom units, 39.2% two-bedroom units, 9.2% three-bedroom units, and 4.7% studio units.

It is noted that based on our discussions with several of the developers and property managers that the one-bedroom units at several of these developments lease up quicker than the two-bedroom units. The developer of The Reserve Mequon, which includes 67.9% two-bedroom units, 18.5% one-bedroom units, and 13.6% three-bedroom units, noted that based on the results of this project, they adjusted their unit mix for the West House at Foxtown development to include a more balanced unit mix. The manager for Spur 16, which includes a mix of 57.7% two-bedroom units, 24.4% one-bedroom units, and 17.9% three-bedroom units, also noted that the two-bedroom units took longer than expected to lease-up. Similarly, the manager for Cedar Place Apartments noted that the one-bedroom units appeared to be in higher demand than the two-bedroom units.

While none of the properties are currently offering any concessions, we have surveyed the majority of the comparable rentals several times in recent years and when concessions have historically been offered, they were geared towards two-bedroom units. Further supporting a higher proportion of one-bedroom units is the fact that Saxony Village, which is the only other comparable rental within Germantown, experienced a very quick lease-up with a mix of 71.6% one-bedroom units, 16.2% two-bedroom units, 8.8% studio units, and 3.4% three-bedroom units.

A large proposed development within Germantown is known as The Seasons of Germantown. This development is proposed by Fiduciary Real Estate Development. Although there appears to have been little progress over the last 12 months and the Village of Germantown Planning Department does not foresee the development moving forward, it is worth noting that the proposed unit mix for this 320-unit project is 10% studio units, 40% one-bedroom units, 40% two-bedroom units, and 10% three-bedroom units.

Based on the foregoing, our recommended unit mix is as follows.

- Studio Units: 5.0 – 15.0%
- 1 BR Units: 45.0 – 55.0%
- 2 BR Units: 35.0 – 45.0%
- 3 BR Units: 0.0 – 10.0%

Unit Sizes

Unit sizes for the comparable rentals analyzed in our report are summarized below.

Unit Size Summary												
Property	Studio Units (SF)			1 BR Units (SF)			2 BR Units (SF)			3 BR Units (SF)		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Saxony Village	446	556	501	754	974	809	912	1,409	1,138	1,325	1,325	1,325
The Junction	532	532	524	733	1,021	776	918	1,188	1,061	1,265	1,265	1,265
Jade at North Hills	593	627	616	747	831	794	918	1,308	1,218	-	-	-
The Woodlands	-	-	-	710	959	793	1,075	1,963	1,230	-	-	-
Tamarack Springs	-	-	-	-	-	-	1,279	1,519	1,304	1,404	1,793	1,445
High Bluff at Creekwd	-	-	-	1,074	1,074	1,074	1,262	1,681	1,392	-	-	-
RiverWalk on the Falls	-	-	-	734	1,003	790	1,167	1,328	1,218	1,474	1,474	1,474
Mammoth Springs	-	-	-	800	954	848	1,150	1,571	1,227	1,941	1,941	1,941
Rock Pointe Village	510	622	515	740	848	758	1,079	1,179	1,118	1,278	1,380	1,301
Greenlink Residences	-	-	-	572	1,023	741	993	1,396	1,184	1,350	1,807	1,550
The Bevy	482	622	570	798	900	813	1,114	1,724	1,276	1,340	1,745	1,571
West House Foxtown	-	-	-	900	902	901	1,150	1,154	1,152	1,524	1,591	1,558
The Reserve Mequon	-	-	-	882	1,143	1,002	1,088	1,257	1,209	1,318	1,571	1,466
Spur 16	-	-	-	801	1,153	904	1,117	1,301	1,159	1,345	2,604	1,710
Artesa Apts	-	-	-	795	1,379	1,051	1,260	1,523	1,383	1,711	1,804	1,725
Arrabelle	-	-	-	797	942	855	1,145	1,504	1,313	1,612	1,612	1,612
Cedar Place Apts	587	624	606	778	963	881	1,096	1,266	1,201	1,696	1,697	1,697
1505 Apartments	-	-	-	525	941	625	891	1,408	1,116	1,360	1,390	1,375
Total	446	627	555	525	1,379	848	891	1,963	1,217	1,265	2,604	1,534
Average	525	597	555	773	1,001	848	1,090	1,427	1,217	1,463	1,667	1,534

*Unit sizes per CoStar and/or actual unit matrices obtained by Moegenburg Research, Inc.

As shown, average studio unit sizes are 555 square feet, average one-bedroom unit sizes are 848 square feet, average two-bedroom unit sizes are 1,217 square feet, and average three-bedroom unit sizes are 1,534 square feet. For all unit types with the exception of studio units, there are developments with unusually large unit sizes, which skew the averages high. Based on our discussions with local property managers and developers, there has been a clear trend in the market in recent years that tenants are becoming more cost-conscious and are willing to rent a smaller unit as long as it has a functional layout. This is beneficial from a developer's standpoint given that smaller units tend to command higher rents on a per-square-foot basis.

Based on the foregoing, our recommended *average* unit sizes for the subject are as follows. It is stressed that these represent *average* unit size recommendations. It is recognized that some floor plans for the various unit types may fall outside of these ranges.

- Studio Units: 525 – 575 SF
- 1 BR Units: 750 – 800 SF
- 2 BR Units: 1,050 – 1,150 SF
- 3 BR Units: 1,275 – 1,375 SF

Property Attributes

Recommendations for various development aspects are as follows:

- **Unit Finishes / Amenities.** Over the last 10-15 years, the inclusion of luxury finishes has become the norm and is expected for market-rate developments in thriving markets such as the subject's. Many developments, however, tend to provide these "luxury" finishes at a lower grade. These such projects tend to command relatively significant rent discounts when compared to the projects that offer truly high-end, luxury finishes and amenities.

We recommend the subject units feature a full stainless-steel appliance package; granite or quartz countertops and vanity tops; tiled kitchen backsplashes; quality cabinetry and cabinet hardware; quality light and plumbing fixtures; fiberglass tub/shower surrounds (glass shower doors in the primary bathroom and shower curtain rods in secondary bathrooms); wood-look luxury vinyl plank flooring throughout, with the exception of carpeted bedrooms; walk-in closets; nine-foot ceilings; in-unit laundry; a private patio / balcony; central air / forced air heat; and other typical features. While certainly not necessary, many developments in other similar markets are incorporating "smart home" / tech features, such as smart thermostats, lighting, outlets, and USB outlets.

- **Common Area Amenities.** Common area amenities vary from development to development. The smaller developments tend to not contain any significant common area space or amenities as it simply isn't feasible to include an array of common area amenities in smaller developments. Assuming the subject contains 100-150+ apartment units, we recommend the subject includes an on-site management office; a package management system (if a mid-rise development is constructed); a community room with kitchenette and lounge area; a quality fitness center; a community patio area with seating, pergola, fire pit, and grill; a fenced-in pet play area; and a pet washing station. Given the characteristics of the site, incorporating walking paths on the site would also be well-accepted. In the event the subject development contains 200-300+ apartment units, additional amenities to be incorporated could include a swimming pool; a game room (billiards, darts, ping pong, etc.); a golf simulator; and/or a bocce ball court.
- **Parking.** If the ultimate subject development style is a two-story, walk-up development, we recommend including one attached garage stall in the rent at no additional charge for most or all units, with free surface parking also available. If the ultimate development style features underground parking, we recommend including one space per unit free of charge given that the majority of the properties with underground parking do not charge for underground parking. Additional free surface parking should also be available. Our market rent conclusions are based on these assumptions.
- **Utility Responsibility.** It is recommended that tenants be responsible for all individual unit utilities, either by paying them directly or via a reimbursement to the landlord.

- **Pet Fees.** While monthly pet fees of \$25 per month were seemingly the standard pet fee for the last 10-15 years, many developments began increasing pet fees in recent years to \$35 to \$50 per month. Additionally, many developments charge more for dogs and less for cats (i.e. \$30 per month for cats and \$50 per month for dogs). If pet-friendly amenities are incorporated, such as a pet washing station and pet play area, we project achievable pet fees of \$30 per month per cat and \$50 per month per dog (the pet-friendly amenities are typically geared towards dogs). If pet amenities are not incorporated, the monthly fee for dogs should be reduced to \$40 per month. Based on the comparable market data, it is also common in the market to charge a \$200 to \$300 refundable pet deposit.
- **Storage Fees.** Based on our research, the availability of storage units is not a critical factor for tenants. We have found that only around 30% of tenants are willing to pay an additional fee for storage when storage fees are in-line with market norms. If storage units are incorporated, we project an achievable monthly fee of \$25 per month.

Rental Rates

From the comparable rentals included earlier, we have selected the units at each respective rental deemed most comparable in size to our recommended average unit sizes for the subject. These are summarized within the table on the following page. In many instances, we selected the average size and average rent of several floor plans, or selected an alternative unit type with sizes more comparable to the subject unit type / size being analyzed.

Comparable Rental Summary						
Property	Studio (550 SF)			1 BR (775 SF)		
	Unit Size (SF)	Monthly Rent	PSF Rent	Unit Size (SF)	Monthly Rent	PSF Rent
Saxony Village	556	\$1,149	\$2.07	778	\$1,329	\$1.71
The Junction	524	\$1,290	\$2.46	784	\$1,550	\$1.98
Jade at North Hills	616	\$1,320	\$2.14	785	\$1,460	\$1.86
The Woodlands	-	-	-	735	\$1,478	\$2.01
Tamarack Springs	-	-	-	-	-	-
High Bluff at Creekwd	-	-	-	-	-	-
RiverWalk on the Falls	-	-	-	771	\$1,547	\$2.01
Mammoth Springs	-	-	-	732	\$1,365	\$1.86
Rock Pointe Village	566	\$1,060	\$1.87	740	\$1,400	\$1.89
Greenlink Residences	-	-	-	804	\$1,550	\$1.93
The Bevy	562	\$1,220	\$2.17	795	\$1,390	\$1.75
West House Foxtown	-	-	-	-	-	-
The Reserve Mequon	-	-	-	-	-	-
Spur 16	-	-	-	801	\$1,695	\$2.12
Artesa Apts	-	-	-	795	\$1,470	\$1.85
Arrabelle	-	-	-	797	\$1,820	\$2.28
Cedar Place Apts	587	\$1,130	\$1.93	839	\$1,580	\$1.88
1505 Apartments	561	\$1,060	\$1.89	760	\$1,318	\$1.73
Minimum	524	\$1,060	\$1.87	732	\$1,318	\$1.71
Maximum	616	\$1,320	\$2.46	839	\$1,820	\$2.28
Average	567	\$1,176	\$2.08	780	\$1,497	\$1.92
Property	2 BR (1,100 SF)			3 BR (1,325 SF)		
	Unit Size (SF)	Monthly Rent	PSF Rent	Unit Size (SF)	Monthly Rent	PSF Rent
Saxony Village	1,117	\$1,655	\$1.48	1,325	\$2,012	\$1.52
The Junction	1,094	\$1,916	\$1.75	1,265	\$2,400	\$1.90
Jade at North Hills	1,174	\$1,850	\$1.58	1,308	\$1,995	\$1.53
The Woodlands	1,128	\$1,765	\$1.57	-	-	-
Tamarack Springs	-	-	-	1,279	\$1,982	\$1.55
High Bluff at Creekwd	1,074	\$1,795	\$1.67	1,367	\$1,975	\$1.44
RiverWalk on the Falls	1,167	\$2,137	\$1.83	1,325	\$2,535	\$1.91
Mammoth Springs	1,142	\$1,828	\$1.60	1,229	\$2,041	\$1.66
Rock Pointe Village	1,129	\$1,660	\$1.47	1,329	\$2,013	\$1.51
Greenlink Residences	1,121	\$1,913	\$1.71	1,350	\$2,400	\$1.78
The Bevy	1,114	\$2,237	\$2.01	1,340	\$2,561	\$1.91
West House Foxtown	1,152	\$2,183	\$1.89	-	-	-
The Reserve Mequon	1,137	\$2,175	\$1.91	1,299	\$2,553	\$1.96
Spur 16	1,146	\$2,145	\$1.87	1,351	\$2,695	\$1.99
Artesa Apts	-	-	-	1,353	\$2,141	\$1.58
Arrabelle	1,163	\$2,663	\$2.29	1,315	\$2,723	\$2.07
Cedar Place Apts	1,096	\$1,880	\$1.72	1,258	\$1,930	\$1.53
1505 Apartments	1,124	\$1,685	\$1.50	1,360	\$2,110	\$1.55
Minimum	1,074	\$1,655	\$1.47	1,229	\$1,930	\$1.44
Maximum	1,174	\$2,663	\$2.29	1,367	\$2,723	\$2.07
Average	1,130	\$1,968	\$1.74	1,316	\$2,254	\$1.71

Various adjustments to the competitive rentals must be considered to arrive at market rent conclusions for the subject, which are discussed below and on the following pages. For purposes of forecasting market rents, it is assumed that the subject development will be reflective of the recommendations outlined herein.

Type of Project / # of Stories

This adjustment will account for the fact that taller buildings are able to offer superior views (regardless of whether the view is of the city, river, lake, or other) when compared to shorter buildings. Tenants are typically willing to pay a premium to be in a taller building. Generally speaking, we have found that views are greatly enhanced each additional story over five stories. No adjustments are appropriate.

Views

This adjustment accounts for the type of views that each respective property has to offer. Generally speaking, views of water are considered to be superior to city views. None of the properties offer drastically different views than the subject.

Occupancy

A project with a low occupancy rate could suggest that the rents are too high and need to be adjusted downward. Additionally, a project that is consistently around 100 percent leased could be indicative that the rents are too low and need to be adjusted upward.

Age/Condition

A property that was more recently constructed is considered to be superior to an older property, all else held equal.

Location

This adjustment will consider the overall appeal and desirability of each property's neighborhood and their positioning within their neighborhoods as they compare to the subject property. The subject's location is considered to be superior to some comparable rentals and inferior to others.

of Rooms

Some units within the market feature dens / lofts. As opposed to making separate adjustments to account for this, the added space from any extra rooms will be reflected in our unit size adjustments.

of Bathrooms

Most often, studio and one-bedroom units feature one bathroom, while two-bedroom and three-bedroom units feature two bathrooms. This adjustment will account for differences in the number of bathrooms.

Patio / Balcony

Units with a private patio / balcony are superior to units without a private patio / balcony. This space is not included within the unit sizes (neither at the subject nor at the subject or the rent comps). The subject units are assumed to feature private patios / balconies. Adjustments were considered as needed.

In-Unit Amenities

This adjustment focuses on the amenities each individual unit offers, such as appliances included, ceiling height, type of heat / air conditioning, etc. The subject units are assumed to be comparable or slightly superior to the majority of the comparable rentals.

Quality of Finishes

This adjustment focuses on the quality of in-unit finishes, such as appliance type (stainless-steel vs. non-stainless-steel), countertop material, flooring materials, and other similar considerations. The subject units are assumed to be comparable or slightly superior to the majority of the comparable rentals.

Common Area Amenities

This adjustment will account for differences in common area amenities offered at the subject as compared to the competitive rentals. It is assumed the subject will offer an average level of common area amenities that will be superior to some properties and inferior to others.

Unit Sizes

Larger units will command higher monthly rental rates (on a total dollars per month basis), though smaller units tend to command higher rents on a monthly rent per square foot basis. Adjustments will be considered accordingly.

Utility Responsibility

At the subject, it is assumed subject tenants will be responsible for all individual unit utilities, which is the same manner the vast majority of the comparable rentals handle utilities. If a comparable property includes a certain utility in the rent that the subject does not, a downward adjustment is appropriate, and vice-versa.

Parking

At the subject, it is assumed one garage stall (either underground or attached garage) will be included in the rent. This adjustment accounts for differences in the type of parking offered, the quantity of parking available, and the charge for each respective type of parking. Most properties include garage parking in the rent while some charge for garage parking. Those that charge for parking require upward adjustments.

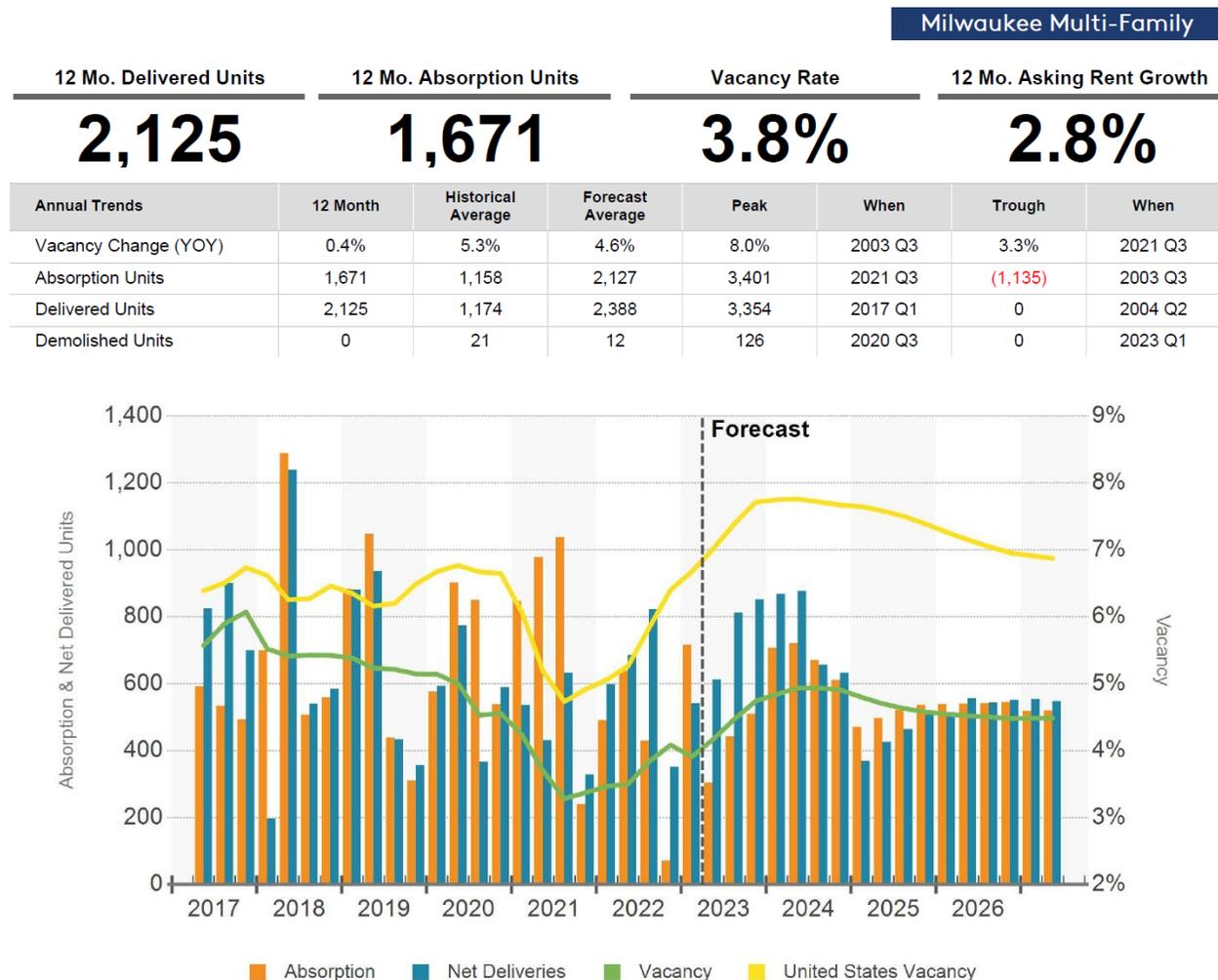
Market Rent Conclusions

Based on the foregoing, our concluded market rents for the *average* recommended subject unit sizes are below. Smaller units for a given unit type will command higher per-square-foot rents while larger units for a given unit type will command lower per-square-foot rents.

- Studio Units: 550 SF / \$1,200 per month / \$2.18 PSF
- 1 BR Units: 775 SF / \$1,500 per month / \$1.94 PSF
- 2 BR Units: 1,100 SF / \$1,950 per month / \$1.77 PSF
- 3 BR Units: 1,325 SF / \$2,250 per month / \$1.70 PSF

Vacancy Rates

As shown below, per the CoStar report, metro Milwaukee apartment vacancy rates currently sit around 3.8%. Metro vacancy rates have remained under 5.0% since early 2020.



The CoStar report noted a submarket vacancy rate of 2.7% for the Washington County submarket. When focusing specifically on the Germantown, Menomonee Falls, and Mequon markets, a current vacancy rate of 4.1% is indicated, as outlined below. The spikes in vacancy rates are due to deliveries of larger projects.

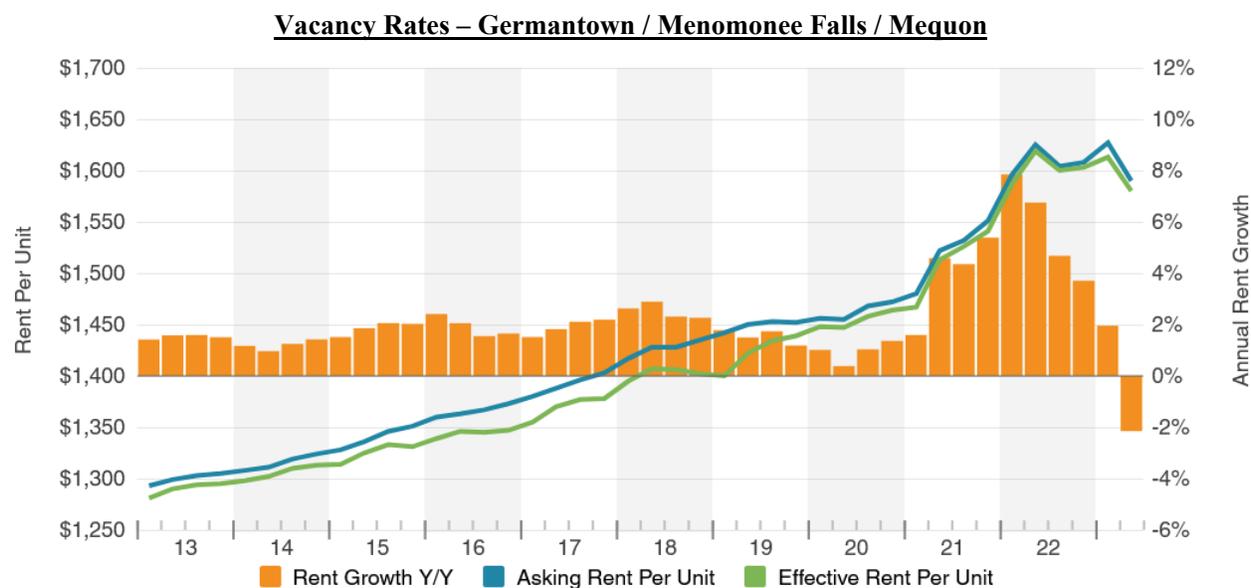
Vacancy Rates – Germantown / Menomonee Falls / Mequon



The comparable rentals analyzed earlier produced a weighted average occupancy rate of 98.4% for the 2,191 units. Overall, the market standard **5.0%** vacancy and collection loss is deemed appropriate, which is the market standard and the minimum deduction the market typically considers.

Rent Growth Trends

Within the subject's competitive submarket, rents have certainly shown growth over the past few years. The following graph depicts rent growth for the Germantown, Menomonee Falls, and Mequon markets. From 2013 to the start of the COVID-19 pandemic in early 2020, year-over-year rent growth had been consistently around 2.0% +/- . Rent growth slowed during the onset of the pandemic, but quickly rebounded in early 2021 to produce between 4.0 and 8.0% year-over-year rent growth through the end of 2022 before tapering down.



We have surveyed many of the comparable rentals over the course of the last several years. During the course of updating the comparable rental data, we have found that rents at the comparable properties have continued to show rent increases each time we update our data sheets.

In consideration of the foregoing, we would expect rents to increase by an *average 2.0 to 3.0 percent per year* over the next three-to-five years. Our market rent projections are in current dollars.

DEMAND ANALYSIS

PRIMARY MARKET AREA

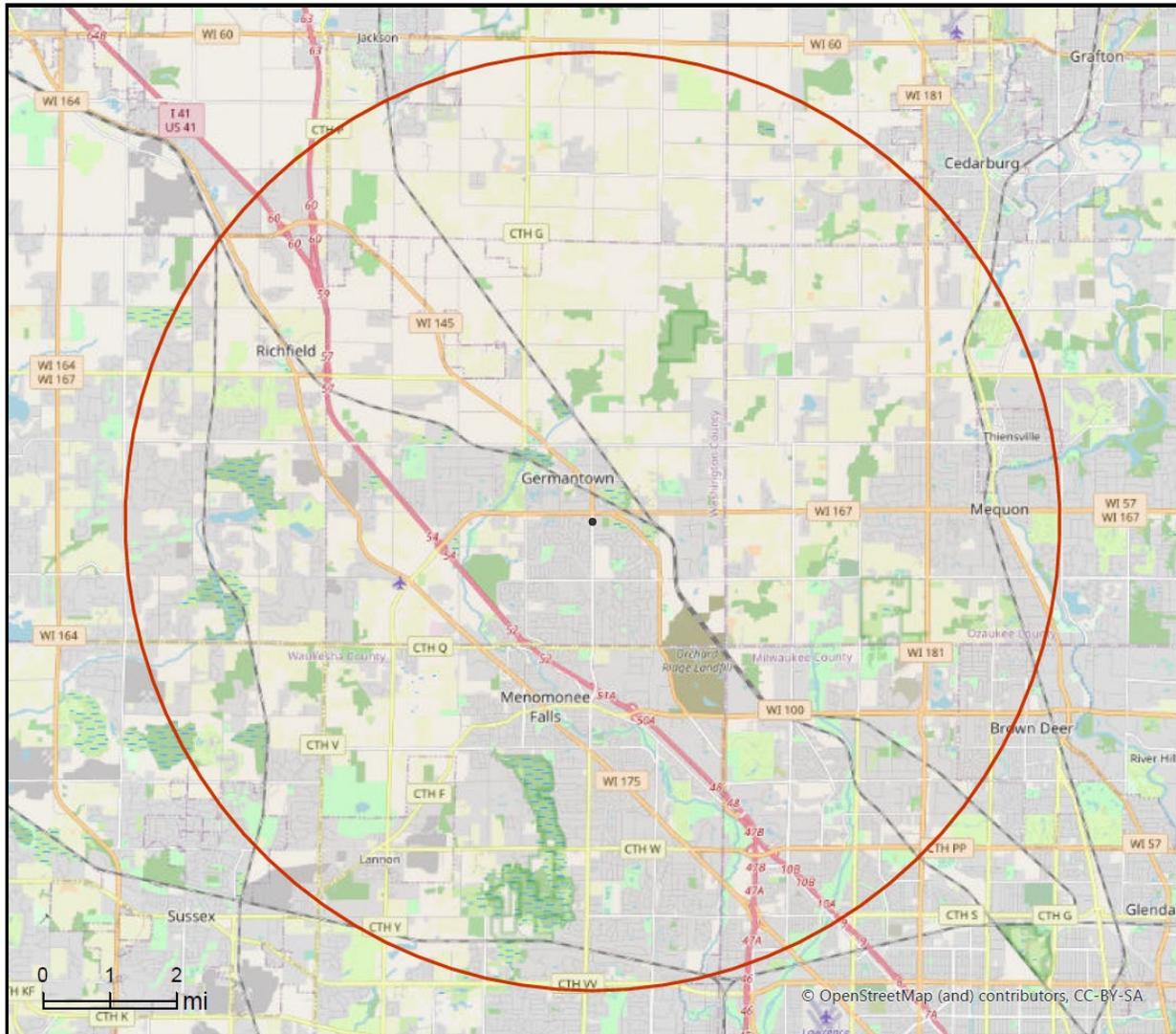
The subject's market area is defined as the geographic area from which the subject will attract most of its tenants, and is the area from which the subject will compete, at varying levels, with existing multi-family developments. In general, households within a particular geographic market area tend to retain their residence within that area, even when relocating from one specific property to another. For purposes of this analysis, we have defined the subject's PMA as a seven-mile radius of the subject. A **Map of the Primary Market Area (PMA)** is included below while demographic data for the area then follows.



Site Map

W156N1124 Pilgrim Rd, Germantown, Wisconsin, 53022
Rings: 7 mile radii

Prepared by Esri
Latitude: 43.21908
Longitude: -88.10307





Demographic and Income Profile

W156N11124 Pilgrim Rd, Germantown, Wisconsin, 53022
Ring: 7 mile radius

Prepared by Esri
Latitude: 43.21908
Longitude: -88.10307

Summary	Census 2010		Census 2020		2022	2027
Population	111,423		116,626		116,965	117,000
Households	44,633		47,756		48,181	48,513
Families	30,440		-		32,024	32,152
Average Household Size	2.47		2.42		2.40	2.39
Owner Occupied Housing Units	31,402		-		33,634	34,336
Renter Occupied Housing Units	13,232		-		14,547	14,177
Median Age	40.7		-		42.6	43.3
Trends: 2022-2027 Annual Rate	Area		State		National	
Population	0.01%		0.10%		0.25%	
Households	0.14%		0.21%		0.31%	
Families	0.08%		0.14%		0.28%	
Owner HHs	0.41%		0.46%		0.53%	
Median Household Income	3.08%		3.23%		3.12%	
Households by Income	Census 2010		Census 2020		2022	2027
			Number	Percent	Number	Percent
<\$15,000			2,413	5.0%	1,659	3.4%
\$15,000 - \$24,999			2,829	5.9%	2,061	4.2%
\$25,000 - \$34,999			3,116	6.5%	2,130	4.4%
\$35,000 - \$49,999			5,194	10.8%	4,123	8.5%
\$50,000 - \$74,999			7,842	16.3%	7,591	15.6%
\$75,000 - \$99,999			7,283	15.1%	7,627	15.7%
\$100,000 - \$149,999			9,904	20.6%	11,366	23.4%
\$150,000 - \$199,999			5,067	10.5%	6,810	14.0%
\$200,000+			4,533	9.4%	5,145	10.6%
Median Household Income			\$82,573		\$96,082	
Average Household Income			\$109,937		\$126,466	
Per Capita Income			\$45,172		\$52,292	
Population by Age	Census 2010		Census 2020		2022	2027
	Number	Percent	Number	Percent	Number	Percent
0 - 4	7,004	6.3%	6,457	5.5%	6,484	5.5%
5 - 9	7,649	6.9%	6,971	6.0%	6,784	5.8%
10 - 14	8,328	7.5%	7,622	6.5%	7,217	6.2%
15 - 19	7,464	6.7%	7,141	6.1%	6,745	5.8%
20 - 24	5,501	4.9%	6,320	5.4%	5,802	5.0%
25 - 34	12,122	10.9%	13,184	11.3%	13,456	11.5%
35 - 44	14,481	13.0%	14,205	12.1%	14,594	12.5%
45 - 54	18,152	16.3%	14,816	12.7%	13,821	11.8%
55 - 64	13,980	12.5%	16,794	14.4%	15,422	13.2%
65 - 74	8,230	7.4%	12,859	11.0%	14,249	12.2%
75 - 84	5,829	5.2%	7,284	6.2%	8,870	7.6%
85+	2,685	2.4%	3,310	2.8%	3,556	3.0%
Race and Ethnicity	Census 2010		Census 2020		2022	2027
	Number	Percent	Number	Percent	Number	Percent
White Alone	83,797	75.2%	79,740	68.4%	79,674	68.1%
Black Alone	20,251	18.2%	22,638	19.4%	22,547	19.3%
American Indian Alone	323	0.3%	329	0.3%	324	0.3%
Asian Alone	3,531	3.2%	6,141	5.3%	6,292	5.4%
Pacific Islander Alone	35	0.0%	30	0.0%	29	0.0%
Some Other Race Alone	1,244	1.1%	1,780	1.5%	1,829	1.6%
Two or More Races	2,242	2.0%	5,969	5.1%	6,270	5.4%
Hispanic Origin (Any Race)	3,560	3.2%	4,957	4.3%	5,005	4.3%

Data Note: Income is expressed in current dollars.

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2010 decennial Census data converted by Esri into 2020 geography.

June 05, 2023

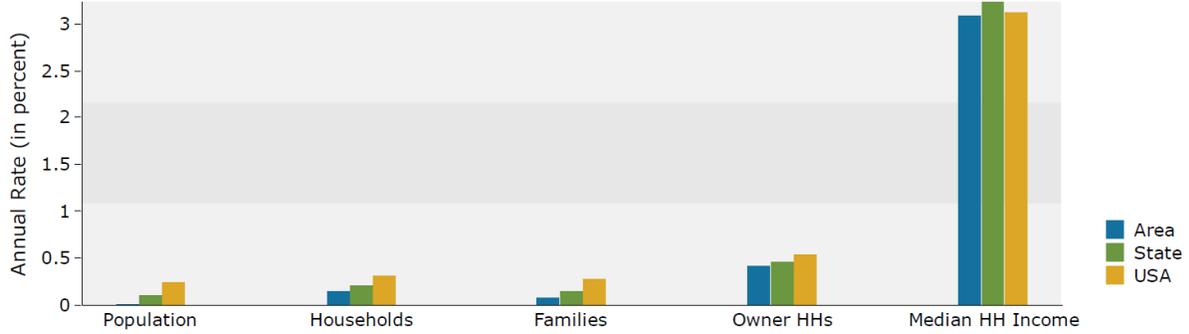


Demographic and Income Profile

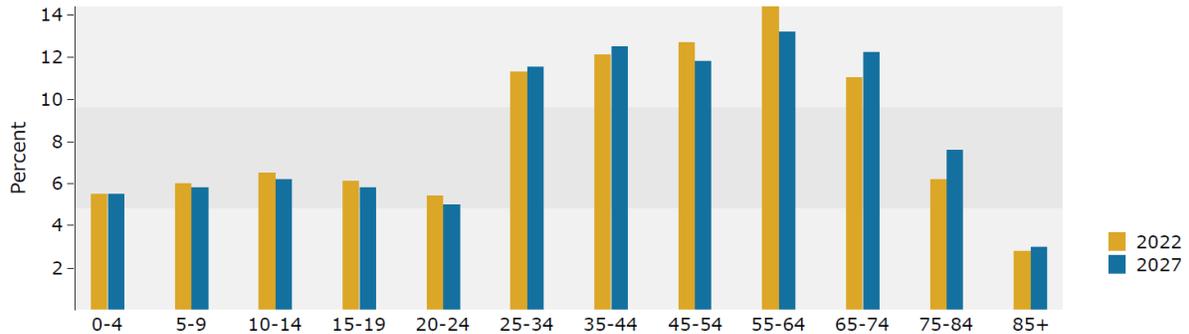
W156N11124 Pilgrim Rd, Germantown, Wisconsin, 53022
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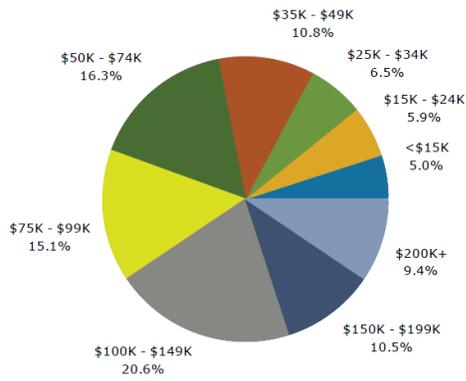
Trends 2022-2027



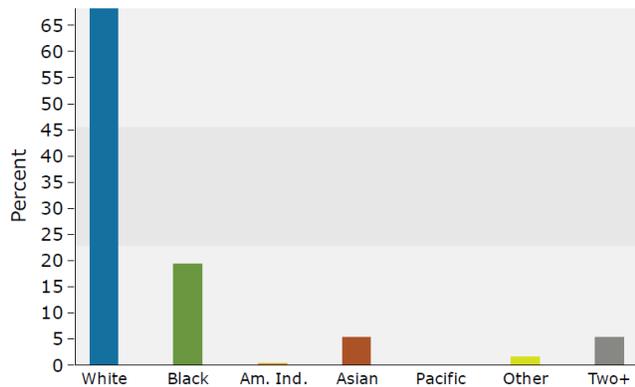
Population by Age



2022 Household Income



2022 Population by Race



2022 Percent Hispanic Origin: 4.3%

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2010 decennial Census data converted by Esri into 2020 geography.

June 05, 2023



Housing Profile

W156N11124 Pilgrim Rd, Germantown, Wisconsin, 53022
Ring: 7 mile radius

Prepared by Esri
Latitude: 43.21908
Longitude: -88.10307

Population		Households	
2010 Total Population	111,423	2022 Median Household Income	\$82,573
2020 Total Population	116,626	2027 Median Household Income	\$96,082
2022 Total Population	116,965	2022-2027 Annual Rate	3.08%
2027 Total Population	117,000		
2022-2027 Annual Rate	0.01%		

Housing Units by Occupancy Status and Tenure	Census 2010		2022		2027	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	47,307	100.0%	51,128	100.0%	51,742	100.0%
Occupied	44,634	94.3%	48,181	94.2%	48,513	93.8%
Owner	31,402	66.4%	33,634	65.8%	34,336	66.4%
Renter	13,232	28.0%	14,547	28.5%	14,177	27.4%
Vacant	2,674	5.7%	2,947	5.8%	3,229	6.2%

Owner Occupied Housing Units by Value	2022		2027	
	Number	Percent	Number	Percent
Total	33,635	100.0%	34,335	100.0%
<\$50,000	770	2.3%	326	0.9%
\$50,000-\$99,999	765	2.3%	266	0.8%
\$100,000-\$149,999	1,338	4.0%	402	1.2%
\$150,000-\$199,999	3,391	10.1%	1,810	5.3%
\$200,000-\$249,999	5,325	15.8%	3,819	11.1%
\$250,000-\$299,999	5,624	16.7%	5,545	16.1%
\$300,000-\$399,999	7,242	21.5%	8,975	26.1%
\$400,000-\$499,999	4,874	14.5%	7,241	21.1%
\$500,000-\$749,999	3,134	9.3%	4,576	13.3%
\$750,000-\$999,999	853	2.5%	1,106	3.2%
\$1,000,000-\$1,499,999	167	0.5%	156	0.5%
\$1,500,000-\$1,999,999	25	0.1%	23	0.1%
\$2,000,000+	127	0.4%	90	0.3%
Median Value		\$296,484		\$355,705
Average Value		\$343,493		\$391,567

Census 2010 Housing Units	Number	Percent
Total	47,307	100.0%
In Urbanized Areas	42,092	89.0%
In Urban Clusters	0	0.0%
Rural Housing Units	5,215	11.0%

Data Note: Persons of Hispanic Origin may be of any race.

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2010 decennial Census data converted by Esri into 2020 geography.

June 05, 2023



Housing Profile

W156N11124 Pilgrim Rd, Germantown, Wisconsin, 53022
Ring: 7 mile radius

Prepared by Esri
Latitude: 43.21908
Longitude: -88.10307

Census 2010 Owner Occupied Housing Units by Mortgage Status		
	Number	Percent
Total	31,401	100.0%
Owned with a Mortgage/Loan	22,879	72.9%
Owned Free and Clear	8,522	27.1%

Census 2010 Vacant Housing Units by Status		
	Number	Percent
Total	2,673	100.0%
For Rent	1,369	51.2%
Rented- Not Occupied	90	3.4%
For Sale Only	520	19.5%
Sold - Not Occupied	71	2.7%
Seasonal/Recreational/Occasional Use	236	8.8%
For Migrant Workers	1	0.0%
Other Vacant	386	14.4%

Census 2010 Occupied Housing Units by Age of Householder and Home Ownership			
	Occupied Units	Owner Occupied Units	
		Number	% of Occupied
Total	44,634	31,403	70.4%
15-24	1,391	192	13.8%
25-34	5,915	2,748	46.5%
35-44	7,802	5,624	72.1%
45-54	10,168	8,213	80.8%
55-64	8,365	6,844	81.8%
65-74	5,231	4,262	81.5%
75-84	4,001	2,771	69.3%
85+	1,761	749	42.5%

Census 2010 Occupied Housing Units by Race/Ethnicity of Householder and Home Ownership			
	Occupied Units	Owner Occupied Units	
		Number	% of Occupied
Total	44,631	31,400	70.4%
White Alone	35,381	27,594	78.0%
Black/African American Alone	7,411	2,805	37.8%
American Indian/Alaska Native	113	58	51.3%
Asian Alone	948	624	65.8%
Pacific Islander Alone	13	7	53.8%
Other Race Alone	328	100	30.5%
Two or More Races	437	212	48.5%
Hispanic Origin	922	438	47.5%

Census 2010 Occupied Housing Units by Size and Home Ownership			
	Occupied Units	Owner Occupied Units	
		Number	% of Occupied
Total	44,633	31,402	70.4%
1-Person	11,994	6,243	52.1%
2-Person	15,603	12,098	77.5%
3-Person	6,903	5,149	74.6%
4-Person	6,141	4,908	79.9%
5-Person	2,659	2,073	78.0%
6-Person	859	629	73.2%
7+ Person	474	302	63.7%

2022 Housing Affordability		
Housing Affordability Index		111
Percent of Income for Mortgage		18.9%

Data Note: Persons of Hispanic Origin may be of any race.

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2010 decennial Census data converted by Esri into 2020 geography.

June 05, 2023

EFFECTIVE DEMAND ANALYSIS

Data from the ESRI reports as well as CoStar and additional sources will be relied upon herein. Note that the most current population and household data available from ESRI is 2022 while the five-year forecast is 2027.

Current Inventory

In order to conduct a demand analysis, we must identify the number of existing apartment units in the PMA that are considered to represent competition (at varying levels) to the subject. Our search was limited to market-rate properties constructed in 1990 or more recently. The total current inventory is **3,777 units**. Additional support is contained within our workpapers.

Pending Supply

Developments within the PMA that are known to be planned or under construction are summarized below. As shown, all known developments are market-rate units, with 402 units under construction and 165 units proposed. We have excluded The Seasons of Germantown development (320 units) that was proposed by Fiduciary Real Estate Development given that there has been no activity since April 2022 and the Village of Germantown Planning Department stated that they do not foresee this development moving forward.

Pending Supply				
Project Identification	Project Status	# Mkt Rate Units	# Afford. Units	Total # Units
Riverwalk II Apts, Menomonee Falls, WI	Under Const.	45	0	45
Duet Apartments, Menomonee Falls, WI	Under Const.	86	0	86
N87W14614 Fond du Lac Ave, Menomonee Falls, WI	Proposed	79	0	79
Fussville Station, Menomonee Falls, WI	Under Const.	170	0	170
Highlands at Aero Park Phase III, Menomonee Falls, WI	Under Const.	61	0	61
Foxtown Townhomes, Mequon, WI	Under Const.	40	0	40
Hawthorn Square, Thiensville, WI	Proposed	86	0	86
Total	-	567	0	567

Total Occupied Households

A snapshot from the ESRI Housing Profile is below. As shown, the total occupied housing units are **48,181** as of the 2022 data and **48,513** as of the 2027 data.

Housing Units by Occupancy Status and Tenure	2022		2027	
	Number	Percent	Number	Percent
Total Housing Units	51,128	100.0%	51,742	100.0%
Occupied	48,181	94.2%	48,513	93.8%
Owner	33,634	65.8%	34,336	66.4%
Renter	14,547	28.5%	14,177	27.4%
Vacant	2,947	5.8%	3,229	6.2%

Renter-Occupied Households

A snapshot from the ESRI Housing Profile is included below. As shown, the total renter-occupied housing units are **14,547** as of the 2022 data and 14,177 as of the 2027 data. The 2027 data, however, is not supported based on actual market data and we will adjust this figure, as discussed next.

Housing Units by Occupancy Status and Tenure	2022		2027	
	Number	Percent	Number	Percent
Total Housing Units	51,128	100.0%	51,742	100.0%
Occupied	48,181	94.2%	48,513	93.8%
Owner	33,634	65.8%	34,336	66.4%
Renter	14,547	28.5%	14,177	27.4%
Vacant	2,947	5.8%	3,229	6.2%

ESRI projects the renter household growth in the market area to slow significantly over the next five years despite an increase in overall household growth, a significant departure from past census trends and ESRI's previous estimates/projections. Beginning in 2018 (upon the release of the 2018/2023 projections) ESRI changed its methodology for determining household tenure to include national multifamily property data from a complimentary database provided by Axiometrics, among other changes.

ESRI's new methodology is producing significant deviations from recent past trends that are inconsistent with verified construction and lease-up activity in many markets across the United States, including the subject's specific PMA. As detailed within the preceding table, ESRI projects renter households to decrease by 370 households over the next five years, for an average annual decrease of 74 renter households per year. This decrease in renter household growth is not supported by current and past development activity, which includes a mixture of for-sale and multifamily rental development.

Based on the foregoing, we will adjust the 2027 renter-occupied housing units based on the historical average increase in renter-occupied households, which is appropriate given that these projects have been well-accepted and have not oversaturated the market. When considering the 12-year historical increase in renter-occupied households of 1,315 – the annual historical increase equates to 109.6 renter-occupied households per year. Multiplying this by a standard five-year forecast period results in a projected increase of 548 renter-occupied households. Adding this figure to ESRI's 2022 renter-occupied households of 14,547 results in a 2027 projection of **15,095** renter-occupied households, which will be utilized within our projections.

Income-Eligible Households

Effective demand for the subject's units must be determined on the basis of income-qualifying households in the market area. The target market is the portion of renter households in the Primary Market Area that are able to afford the subject's proposed rents. Rents in excess of 35 percent of household income are generally not considered affordable for tenants. Therefore, the target market is limited to those households that earn above a

lower limit that would allow payment of the proposed rents without exceeding 35 percent of household income. Our market rent conclusions for the smallest subject units is \$1,200 per month, which would require a minimum annual income of \$41,143; however, this unit type (studios) is forecasted to represent a very small portion of the subject units. Our concluded one-bedroom unit market rent was \$1,500 per month, requiring a minimum annual income of \$51,429. As such, the income ranges analyzed for purposes of this report include all households with incomes of \$50,000 and above.

Below is a table summarizing the income-eligible renter population.

Income Eligible Renter Population Primary Market Area (PMA)		
Year	2022	2027 MRI Adjusted
Total Occupied Households	48,181	48,513
Renter-Occupied Households	14,547	15,095
Renter-Occupied %	30.19%	31.12%
Income Eligible Households	34,629	38,539
Renter & Income-Eligible	10,455	11,992

Source: MRI, Bureau of the Census, 2010 Census of Population and Housing, ESRI forecasts for 2022 and 2027.

Capture rates and penetration rates for the subject are shown below based on 100, 200, and 300 subject units.

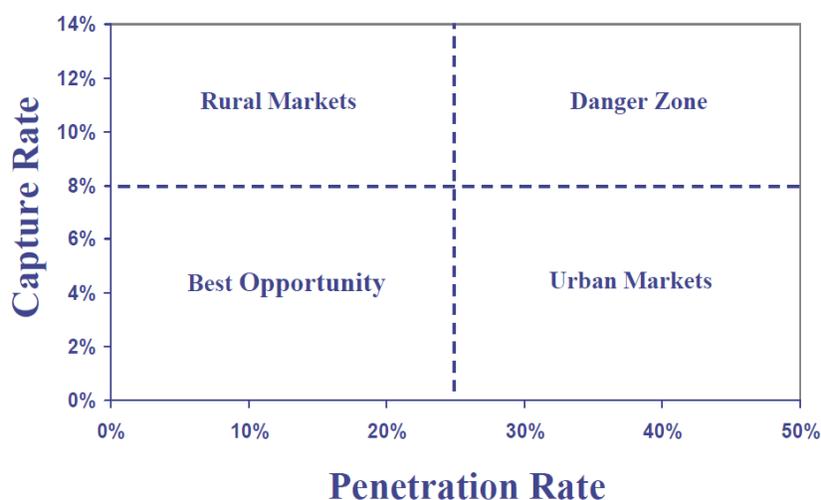
Capture Rates & Penetration Rates						
Current Inventory (Market-Rate Built in 1990+)	3,777		3,777		3,777	
Number of Pipeline Units (Market-Rate)	567		567		567	
Subject Units	100		200		300	
Total Market Supply at 100% Occupancy	4,444		4,544		4,644	
Market Supply at 95% (5% vacancy)*	4,222		4,317		4,412	
	<u>2022</u>	<u>2027</u>	<u>2022</u>	<u>2027</u>	<u>2022</u>	<u>2027</u>
# Income-Eligible Renter-Occupied Households	10,455	11,992	10,455	11,992	10,455	11,992
Subject Units (Stabilized at 95%)	95	95	190	190	285	285
Capture Rate	0.91%	0.79%	1.82%	1.58%	2.73%	2.38%
Supply / Competition (incl. subject) @ 95%	3,683	4,222	3,778	4,317	3,873	4,412
Penetration Rate	35.23%	35.21%	36.14%	36.00%	37.04%	36.79%

**Note: Only market-rate units are included for this analysis.*

The analysis included calculations to address the following:

- **Capture Rate:** The percentage of age, size, and income qualified renter Households in the PMA/SMA that the property must capture to achieve the stabilized level of occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the PMA/SMA.
- **Penetration Rate:** The percentage of age and income qualified renter households in the PMA/SMA that all existing and proposed properties to be completed within an established time period following completion of the subject, and which are competitively priced to the subject that must be captured to achieve the stabilized level of occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Penetration Rate is the number of subject units plus the number of competitive units divided by the number of income qualified households in the PMA/SMA, while taking frictional vacancy into consideration.

While acceptable capture rates and penetration rates are subjective in nature, capture rates below 5.00 percent and penetration rates below 25.00 percent are typically considered ideal. Below is a table extracted from a report published by VWB Research. The subject falls in the lower-middle portion of the Urban Markets category for all scenarios. Although the subject has a suburban location, it is most important that the subject falls outside of the Danger Zone category.



Based on these considerations, although the penetration rates are on the higher side of what is typically deemed acceptable, it appears that there is sufficient demand from income qualifying households within the PMA to support additional market-rate units as outlined herein.

NET DEMAND ANALYSIS – NOT INCOME-BASED

As additional support, we also conducted a net demand analysis, which is summarized within the table below. It should be stressed that this analysis captures the demand for additional rental units in general and is not income-based. In other words, this considers both market-rate and affordable housing units. Many of the inputs were derived based on the data presented in the Effective Demand Analysis section of this report, with supplemental information extracted from CoStar. Subject units were set to 0 units to show the true demand for additional rentals in the market.

Net Demand Analysis - Not Income-Based		
a	Renter-Occupied Households 2022	14,547
b	Renter-Occupied Households 2027	15,095
c	Increase in Renter-Occupied Households (b - a)	548
d	# of Units in Pipeline	567
e	Subject Units	0
f	Total New Supply (d + e)	567
g	New Units at Balanced Market (95% X f)	539
h	Net Demand Before Current Inventory (c - g)	9
i	Total Current Inventory	11,934
j	Avg. Occupancy Rate of Current Inventory (Per CoStar)	95.8%
k	Balanced Market Occupancy Rate	95.0%
l	Spread Between Current & Balanced (j - k)	0.8%
m	Indicated Change in Vacant Units for Balanced Market (i X l)	95
n	Net Demand (m + h)	105

As shown, if the 567 units in the pipeline are constructed and absorbed at a stabilized occupancy level and the existing market supply stabilizes, there is a net demand of **positive 105 units** in the defined PMA over the next five years, indicating additional demand for 105 new rental units in the PMA if all developments in the pipeline are constructed and absorbed to a stabilized occupancy level. Any subject units or additional developments brought to the market over the next five years would detract from this number.

NET DEMAND ANALYSIS – INCOME-BASED

As additional support, we also conducted an income-based net demand analysis, which is summarized within the table below. This analysis is an income-based analysis and focuses on market-rate housing only.

Net Demand Analysis - Income-Based		
a	Income-Eligible Renter-Occupied Households 2022	10,455
b	Income-Eligible Renter-Occupied Households 2027	11,992
c	Increase in Income-Eligible Renter-Occupied Households (b - a)	1,537
d	# of Units in Pipeline (Market-Rate)	567
e	Subject Units	0
f	Total New Supply (d + e)	567
g	New Units at Balanced Market (95% X f)	539
h	Net Demand Before Current Inventory (c - g)	998
i	Total Current Inventory (Market-Rate, Constructed 1990+)	3,777
j	Avg. Occupancy Rate of Current Inventory (Per CoStar)	96.3%
k	Balanced Market Occupancy Rate	95.0%
l	Spread Between Current & Balanced (j - k)	1.3%
m	Indicated Change in Vacant Units for Balanced Market (i X l)	49
n	Net Demand (m + h)	1,047

As shown, if the 567 units in the pipeline are constructed and absorbed at a stabilized occupancy level and the existing market supply stabilizes, there is a net demand of **positive 1,047 units** in the defined PMA over the next five years, indicating all market-rate developments in the pipeline could be constructed and absorbed to a stabilized occupancy level and there would still be demand for 1,047 additional market-rate units. Any subject units or additional developments brought to the market over the next five years would detract from this number. This, however, is likely overstated as it assumes an even disbursement of renter-occupied households within all income brackets. In reality, the proportion of renter-occupied households is likely higher in the lower-to-middle income brackets and lower in the upper income brackets. Still, this figure is large enough to provide a strong indication of the demand for additional market-rate housing in the PMA.

Net Demand Conclusion

With the non-income-based analysis suggesting positive demand of 105 units and the income-based analysis suggesting positive demand of 1,047 market-rate units over the next five years, it is evident that the subject's market area is more capable of supporting market-rate housing than affordable (income-restricted) housing. Further supporting this claim is the fact that, per ESRI, households with annual incomes of less than \$50,000 are projected to decline by 3,579 over the next five years while households with annual incomes of \$50,000 and above are projected to increase by 3,910 over the next five years (within the PMA). Based on the foregoing, we feel confident in concluding that there is ample demand within the PMA for additional market-rate housing.

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Peter A. Moegenburg, MAI and Kyle L. Bjerke have provided no previous valuation services regarding the property that is the subject of this report within the three-year period immediately preceding our acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- Kyle L. Bjerke most recently inspected the property that is the subject of this report on June 1, 2023. Peter A. Moegenburg, MAI has previously inspected the market area.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Peter A. Moegenburg, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Kyle L. Bjerke has completed the Standards and Ethics Education Requirement for Practicing Affiliates of the Appraisal Institute.



Peter A. Moegenburg, MAI, ASA
Wisconsin Certified General Appraiser No. 296



Kyle L. Bjerke, Associate
Wisconsin Certified General Appraiser No. 2040

SECTION III: APPENDIX

QUALIFICATIONS / LICENSES

PETER A. MOEGENBURG, MAI
MOEGENBURG RESEARCH, INC.
REAL ESTATE APPRAISAL AND CONSULTING
www.moegenburg.com

AREAS OF SPECIAL COMPETENCE

Valuation of institutional quality real estate including office buildings, hotels, shopping centers, industrial property, multi-family residential complexes, condominiums, vacant land, and commercial mixed-use complexes; feasibility, financial and valuation analysis for development properties and real estate counseling for financial institutions; analysis of portfolio assignments; financial planning and projection, and economic and demographic analysis for municipal clients; business plan creation with corporate and real estate finance application; computer applications to real estate research and valuation analysis.

PROFESSIONAL HISTORY

1994 - Present	President, Moegenburg Research, Inc., Milwaukee, WI
1988 - 1994	Managing Director, Gloodt Associates, Inc., Milwaukee, WI President, Moegenburg Holdings, Milwaukee, WI
1987	Administrator, Commercial Loan Administration Aetna Realty Investors, Hartford, CT
1986	Associate, Aldrich, Eastman & Waltch, Inc. Boston, MA
Prior	Acquisition management and disposition of commercial property in Wisconsin and selected sites nationally.

ACADEMIC BACKGROUND

University of Wisconsin - Madison 1985
MS, Real Estate Appraisal and Investment Analysis

University of Wisconsin - Madison 1982
BBA, Real Estate and Urban Land Economics

INSTRUCTION

"Real Property Appraisal Principles," United States Department of Veterans Affairs, 2011.
"The Valuation of Real Estate," School of Business, University of Wisconsin – Milwaukee, 1990.
"Appraisal Theory/Valuation Methodology," American Institute of Banking, 1994.
"Appraisal Methodology and the Valuation Process," Milwaukee Legal Bar Association, 1997.
"Appraisal Methodology and the Valuation Process," Metropolitan Builders Assoc. of Greater Milwaukee, 1997.

PUBLICATIONS

Peter A. Moegenburg, *"Distressed Real Estate: Returning to the Fundamentals Between the Source and Use of Funds," Real Estate Outlook*, Warren, Gorham and Lament, Inc., Volume 13, No. 1, Spring 1990.

CLIENTS SERVED

Commercial Banks/Trust Departments/Special Servicers

PNC Bank (Pittsburgh, Pennsylvania)
US Bank (Milwaukee, Wisconsin, Illinois and Minnesota systems)
MB Financial (Chicago, Illinois)
JPMorgan Chase Bank (Chicago, Illinois; Cleveland, Ohio)
BMO Harris Bank (Milwaukee, Wisconsin & Chicago, Illinois)
CIB Marine Bank (Milwaukee, Wisconsin)
Anchor Bank (Madison, Wisconsin)
Southport Bank (Kenosha, Wisconsin)
Johnson Bank (Milwaukee and Madison, Wisconsin)
Citigroup Real Estate, Inc. (Chicago, Illinois)
Bank of America (Chicago, Illinois and San Francisco, California)
Wells Fargo Bank (Milwaukee, Wisconsin, Minneapolis, Minnesota & Chicago, Illinois)
Bank First National (Sheboygan, Wisconsin)
Cole-Taylor Bank (Chicago, Illinois)
Waukesha State Bank (Waukesha, Wisconsin)
Associated Bank (Milwaukee, Wisconsin)
First Internet Bank (Indianapolis, Indiana)
Layton State Bank (Milwaukee, Wisconsin)
The Private Bank (Chicago, Illinois)
Hometown Bank (Fond du Lac, Wisconsin)
First Merit Bank (Chicago, Illinois)
Key Bank (Cleveland, Ohio)
First National Bank (Waupaca, Wisconsin)
Wintrust Financial (Chicago, Illinois)
Seaway Bank (Milwaukee, Wisconsin)
Cornerstone Community Bank (Milwaukee, Wisconsin)
First Bank Financial Center (Oconomowoc, Wisconsin)

Savings Banks

Waterstone Bank (Wauwatosa, California)
Bank Mutual Savings Bank (Milwaukee, Wisconsin)
TCF Banking and Savings (Minneapolis, Minnesota)

Insurance Companies

Allstate Insurance Company (Northbrook, Illinois)
Allianz Insurance Company of North America (Westport, Connecticut)
Nationwide Insurance Company (Columbus, Ohio)
Jackson National Life Insurance Company (Indianapolis, Indiana)
Sun Life Insurance Company (Los Angeles, California)
Thrivant Financial (Appleton, Wisconsin)
American United Life Insurance Company (Indianapolis, Indiana)
Lincoln National Life Insurance Company (Ft. Wayne, Indiana)
Lutheran Brotherhood Insurance Company (Minneapolis, Minnesota)
Northwestern Mutual Life Insurance Company (Milwaukee, Wisconsin)
Prudential Insurance Company (Newark, New Jersey)
American Family Insurance Company (Madison, Wisconsin)
Ohio National Life (Columbus, Ohio)

Credit Unions

Landmark Credit Union (Milwaukee, Wisconsin)
CoVantage Credit Union (Antigo, Wisconsin)
Business Lending Group (Appleton, Wisconsin)

Government Agencies

WHEDA (Madison, Wisconsin)
HUD (Milwaukee, Wisconsin & Washington, D.C.)
GSA (Chicago, Illinois & Washington, D.C.)
Numerous local Wisconsin, State of Wisconsin and Federal Agencies

Law Firms

Foley and Lardner (Milwaukee, Wisconsin)
Cannon & Dunphy, S.C. (Brookfield, WI)
Reinhart, Boerner, Van Deuren, Norris and Reiselbach, S.C. (Milwaukee, Wisconsin)
Godfrey & Kahn, S.C. (Milwaukee, Wisconsin)
Michael, Best & Friedrich (Milwaukee, Wisconsin)
Davis & Kuelthau (Milwaukee, Wisconsin)
von Briesen and Roper, S.C. (Milwaukee, Wisconsin)
Peckerman, Klein & Van Kirk S.C. (Milwaukee, Wisconsin)
Quarles and Brady (Milwaukee, Wisconsin)
Whyte, Hirschboeck, Dudek, S.C. (Milwaukee, WI)
Weiss, Berzowski (Milwaukee, Wisconsin)

Litigation Support and Expert Witness Testimony

United States Bankruptcy Court (Milwaukee, Wisconsin)
State of Wisconsin Circuit Court (Milwaukee, Milwaukee County, Wisconsin)
Various municipalities in Wisconsin, Illinois and Minnesota

Corporations

General Electric Company (Stamford, Connecticut)
Kohler Corporation (Kohler, Wisconsin)
Millard Refrigerated Services (Omaha, Nebraska)
WISPARK Corporation (Milwaukee, Wisconsin)
Target Stores, Inc. (Minneapolis, Minnesota)

Investment Advisors/Pension Fund Managers/Capital Corporations

AEW Capital Management, Inc. (Boston, Massachusetts)
Walker & Dunlop (Milwaukee & Madison, Wisconsin; Bethesda, Maryland)
Greystone Funding Corporation (New York, New York)
Grandbridge Real Estate Capital, LLC (Dallas, Texas)
RED Capital Group (Columbus, Ohio)
Love Funding Corporation (Washington, D.C.)
Northmarq Capital (Milwaukee, Wisconsin)
State of Wisconsin Investment Board (Madison, Wisconsin)
Oak Grove Capital (Minneapolis, MN)
Berkadia Capital Advisors (Chicago, Illinois)
Cohen Financial Corporation (Chicago, Illinois)
Cushman & Wakefield Advisors (Chicago, Illinois)
CBRE (Chicago, Illinois)
TIAA/CREF (New York, New York)
Fiduciary Partners (Appleton, Wisconsin)

Investment Banks/Merchant Banks/Conduit Facilitators

UBS Warburg (New York, New York)
Amalgamated Bank (New York, New York)
JP Morgan Chase (New York, New York)
Goldman Sachs Group (New York, New York)
Morgan Stanley Realty Group (New York, New York)
Credit Suisse First Boston (New York, New York)
PSAM (New York, New York)

PROFESSIONAL MEMBERSHIPS/AFFILIATIONS

- Appraisal Institute, MAI Member 1992-Present
- American Society of Appraisers, ASA Member 2015-Present
- University of Wisconsin Real Estate Alumni Association Board of Directors (1995 - 2001) 1982-Present
- Certified General Appraiser WI, IL, IN, MI, MN, OH, IA
- Real Estate Appraisers Application Advisory Committee (Wisconsin Department of Safety and Professional Services) 2014 - Present

The State of Wisconsin
Department of Safety and Professional Services

Hereby certifies that

PETER A MOEGENBURG

was granted a certificate to practice as a

CERTIFIED GENERAL APPRAISER ELIGIBLE TO APPRAISE FEDERALLY
RELATED TRANSACTIONS IS AQB COMPLIANT

in the State of Wisconsin in accordance with Wisconsin Law

on the 22nd day of September in the year 1992.

The authority granted herein must be renewed each biennium by the granting authority.

*In witness thereof, the State of Wisconsin
Department of Safety and Professional Services
has caused this certificate to be issued under
its official seal.*



Dawn B. Cini
DPS Secretary

This certificate was printed on the 26th day of October in the year 2021

KYLE L. BJERKE
MOEGENBURG RESEARCH
REAL ESTATE APPRAISAL AND CONSULTING

PREVIOUS EXPERIENCE

Valuation of real estate including:

- Industrial Properties
- Retail Properties
- Multi-Use and Special-Use Properties
- Vacant Land
- Office Properties
- Multi-Family/Residential Properties
- Various Market and Feasibility Studies
- HUD-Compliant Appraisal Reports & Market Studies

SPECIAL AREAS OF COMPETENCE

I have extensive experience with HUD Sections 223(f) and 221(d)(4) appraisal reports and market studies. I also have extensive experience with appraisal reports and market studies associated with Low Income Housing Tax Credit applications through WHEDA.

PROFESSIONAL HISTORY

Aug. 2010-Present	Associate; Moegenburg Research, Inc.: Brookfield, WI
Mar. 2010-Aug. 2011	Real Estate Sales; First Weber Group: Waukesha, WI

ACADEMIC BACKGROUND

University of Wisconsin – Whitewater

- Bachelor of Business Administration. Majored in Finance, emphasis in Real Estate & Personal Financial Planning. Graduated December 2009.
- Courses Included:
 - Real Estate Investments
 - Real Estate Development
 - Real Estate Basics
 - Corporate Financial Management Decisions
 - Financial Investments
 - Securities Analysis
 - Estates and Trusts
 - Individual Income Tax Accounting
 - Entrepreneurial Finance
 - Financial Planning
 - Financial Institutions
 - Business and Commercial Law
 - Numerous Other Business and Nonbusiness Courses
- Other Activities and Achievements Included:
 - Finance Association Member
 - Econ Society Member
 - Graduated Cum Laude

PROFESSIONAL DESIGNATIONS

Certified General Appraiser, State of Wisconsin (Credential #2040-010), 2014 to Present.
State of Wisconsin Real Estate Salesperson Licensee, March 2010-December 2012

CONTINUING EDUCATION

I have attended multiple elective Appraisal Institute sponsored courses / seminars in recent years.

CLIENTS SERVED

I have worked for many different types of clients including, commercial banks, savings banks, investment banks, merchant banks, credit unions, conduit facilitators, mortgage brokers, insurance companies, law firms, corporations, investment advisors, government bodies/agencies, school districts, non-profit organizations, and individuals.

The State of Wisconsin
Department of Safety and Professional Services

Hereby certifies that
KYLE L BJERKE

was granted a certificate to practice as a

CERTIFIED GENERAL APPRAISER ELIGIBLE TO APPRAISE FEDERALLY
RELATED TRANSACTIONS IS AQB COMPLIANT

in the State of Wisconsin in accordance with Wisconsin Law
on the 14th day of July in the year 2014.

The authority granted herein must be renewed each biennium by the granting authority.

In witness thereof, the State of Wisconsin
Department of Safety and Professional Services
has caused this certificate to be issued under
its official seal.



Dawn B. Cini
DPS Secretary