

CHESTNUT PARK ON I44B IN SPRINGFIELD, MO

GREENE COUNTY MULTI-FAMILY MARKET OVERVIEW

- (62) **Source document.** Greene County Apartment Survey dated February 10, 2010 prepared by Southwest Valuation, LLC (the "Report"). Link to the report in Links section.
- (63) **Location of Chestnut Park.** Straddles the northwest and southwest market segments defined in the study as the Chestnut Expressway is the boundary.
- (64) **Report observations.**
 - (a) The number of new permits in 2009 increased by 65% from their low in 2008 (396 units permitted in 2009 vs. 240 in 2008).
 - (b) 2009 new unit permits were still 56% under the average annual permits during the 4-year period of 2004-2007 (1- (396 / [539+777+1,120+1,192])).
 - (c) County-wide occupancy year-end 2009 compared to year-end 2008 declined by 0.5% to 89.5% or a net increase of 75 unoccupied units.
 - (d) With 396 new permits in 2009, the market essentially regained its annual growth rate of 2003 with 397 units.
 - (e) 2008 new permits were the 2nd lowest annual # in the past 10 year period exceeding only 2001 when 202 new permits were issued.
 - (f) Southwest sub-market occupancy dropped by 1.6% from 2008 to 2009 to 88.4% occupancy, while northwest sub-market occupancy dropped 3% to 80% occupancy.
 - (g) Southwest sub-market effective monthly rent rates dropped 1.38% from \$0.65 to \$0.641 per SF per month while northwest sub-market rates increased by 2.857% from \$0.70 to \$0.72 per SF per month.
 - (h) Southwest sub-market surpassed the southeast sub-market in total # of units due to continued population and housing growth".
 - (i) Northwest sub-market appears to be underperforming, but this sub-market is influenced by only one complex in that that market that qualifies for the survey criteria.
 - (j) The Center City sub-market continues to achieve the higher rental levels on a square foot basis due to the presence of universities, and the generally smaller living units that influence the rent per square foot comparison.

CHESTNUT PARK ON I44B IN SPRINGFIELD, MO

- (k) The Center City sub-market does not include loft apartments, while a substantial component of the market are not routinely counted as many do not have the 40 unit minimum for the Report.
- (65) **Our additional observations.**
- (a) **Easy access to Center City sub-market.** Chestnut Park is immediately off of the Chestnut Expressway and less than 3 miles and 5 minutes from Center City.
 - (b) **Just one major competitor.** The entire northwest market is currently served by only one major complex.
 - (c) **Low existing home values.** The existing home inventory within a 5-minute drive-time has the lowest average and median values of all Benchmarks we analyzed. This may increase local demand for new affordable apartments.
 - (d) **High projected demographic and economic growth.** Within a 5-minute drive-time, the area has the highest projected annual % growth in: population, households, families, \$100K and higher households and \$250K and higher household of all Benchmarks we analyzed for this offering*.
 - (e) **Limited undeveloped land competition.** Within the core Springfield market area (roughly bounded on the north by I 44, on the west by US 160, to the south by US 60 and to the east by US 65, there are very limited undeveloped locations for new housing or industrial development.
 - (f) **Expected growth in multi-family unit new permits.** Assuming the economy continues to improve, short term regression models project 700-850 new permits in 2011 and 800-1,200 in 2012.
 - (g) **By 2013, annual permitting may set a record.** If this model is accurate, 2012 or 2013 could set new records for new unit permits.
 - (h) **Acceleration from PICW and the Airport.** As the Partnership Industrial Center West and the Springfield-Branson Regional Airport add jobs in the northwest sub-market, with only one large multi-family complex in the sub-market, we expect Chestnut Park multi-family units to be perfectly positioned to capture the market share due to proximity and desired proximity closer to Center City.
 - (i) **Acceleration from job creation.** As Chestnut Park develops, the need for multi-family housing in the immediate area will further accelerate due to new job creation.

CHESTNUT PARK ON I44B IN SPRINGFIELD, MO

DISCLOSURES & COPYRIGHTS

Coldwell Banker Commercial Vanguard in Springfield, Missouri has been retained as the exclusive advisor for the sale of Chestnut Park on I44B inside the loop in the Springfield City Limits. Coldwell Banker Commercial Southwest Partners through a collaborative brokerage agreement with Coldwell Banker Commercial Vanguard is managing this listing.

Coldwell Banker Commercial Southwest Partners is a wholly owned franchise of Alexander Tiffany Southwest, LLC. Analysis is preliminary, based on proprietary systems and models, is time sensitive and based on assumptions-stated and unstated. Graphics are only renderings. Measurements are only estimates. No warranties are expressed or implied. All content is protected by copyright laws, is only for prospects or legal representatives, and should not replace buyers own due diligence and analysis. Any other use is prohibited.