



COURTHOUSE SHADOWS RENTAL APARTMENTS

Rental Apartment Needs Analysis

Kite Development

Naples, FL

January 2019

Meyers
RESEARCH
a Kennedy Wilson Company

CONTACT INFORMATION

This analysis was prepared by Meyers Research, a market research and consulting firm specializing in the real estate industry. It was commissioned by Kite Realty Group. during the due diligence stage of the project.

Michael Timmerman served as Project Director and managed the day-to-day aspects of the assignment. Follow-up questions should be directed to him at 239-269-0769 or mtimmerman@meyersllc.com.

OBJECTIVE

The objective of the engagement is to provide a needs analysis of market rate rental apartments in Collier County, Florida in order to satisfy the market study requirement for a growth management plan amendment. The site is located on Tamiami Trail East in South Naples and consists of 18.35 +/- acres of land. The client is proposing the development of up to 300 multi-family dwelling units that will be rented based on current market conditions.

LIMITING CONDITIONS

Kite Realty Group. is responsible for representations about its development plans, marketing expectations and for disclosure of any significant information that might affect the ultimate realization of the projected results.

There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

Payment of any and all of our fees and expenses is not in any way contingent upon any factor other than our providing services related to this report.

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Key Findings

Courthouse Shadows Apartments

COURTHOUSE SHADOWS SUPPLY WILL SATISFY FUTURE DEMAND

- Collier County has ample demand for new market based rental apartments due to the anticipated growth in population and employment. Based on our analysis, we estimate the cumulative demand for market rate rental by the of 2022 to be over 3,741 units. The annual need starting in 2018 is 118 units, growing to 1,002 units by the end of 2022. The net demand is the cumulative demand less the approved future units. As of Year End 2018, the net demand is 881 units growing to 1,019 units by the end of 2022. Located below is a summary of the net demand calculation and the list of additional planned units, with the anticipated delivery date.

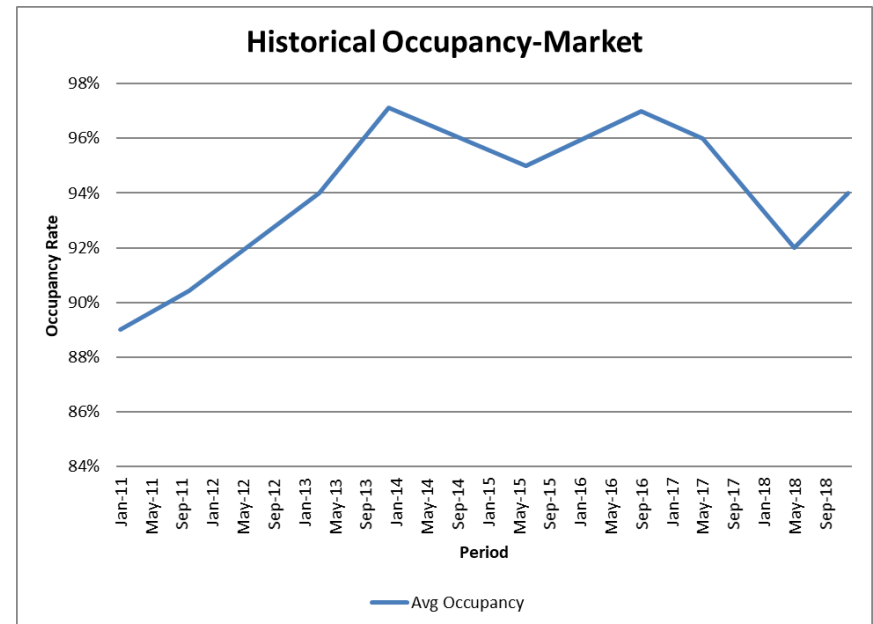
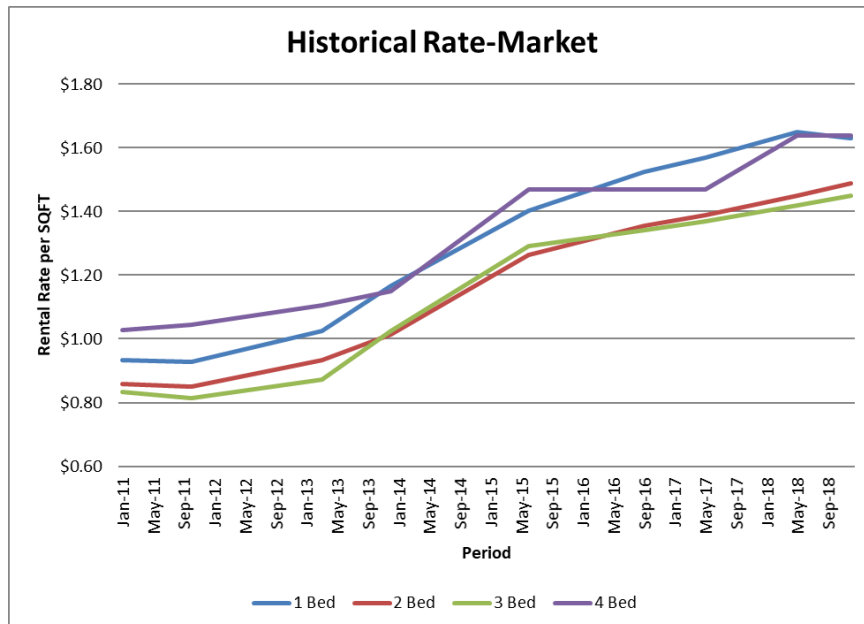
Year	Current Supply	Annual Need	Cumulative Demand	Approved Units	Net Demand
2012					
2015	5648	134	134		134
2016	5648	236	371		371
2017	5944	392	763		763
2018	6488	118	881		881
2019	6488	362	1243	304	939
2020	6488	567	1810	910	596
2021	6488	929	2739	1183	342
2022	6488	1002	3741	725	619

Apartment	Est Delivery	
	Year	Total Units
Legacy Naples New Hope Ministries	2019	304
Briarwood Apartments	2020	320
Ave Maria Apts	2020	250
Springs at Sabal Bay	2020	340
Journey's End	2021	483
Courthouse Shadows	2021	300
Pelican Nursery	2021	400
Pine Ridge Commons	2022	375
Allura	2022	350
Total Units		3122

- Including the additional 300 units proposed at Courthouse Shadows, there are a total of 3,122 units in eight projects that are in varying stages of development or planning. The projects are located throughout the county, with location and community amenities influencing rental rates. Newer communities located closer to employment centers in the South Naples planning district tend to have higher rental rates and higher demand.

COLLIER APARTMENT MARKET IS HEALTHY

- The rental rates for market based apartments steadily increased from the beginning of 2011. Annual growth rates increased at a sustainable pace through mid 2013, where the demand exceeded supply resulting in rates and occupancies increased dramatically. The additional supply that became available starting in 2015, temporarily lowered the annual rate increases to more sustainable levels, with occupancy once again growing. The demand for market based apartments is forecasted to continue, with the currently approved supply helping to satisfy the demand.
- Occupancy of existing units **and** completed units in those projects currently under construction is estimated at 94%. Stabilized occupancy of existing projects is closer to 96%, indicating additional supply is needed to satisfy the demand. Population growth, along with an increasing demand from semi-retirees and seasonal residents supports the need for additional supply.



Development Assessment

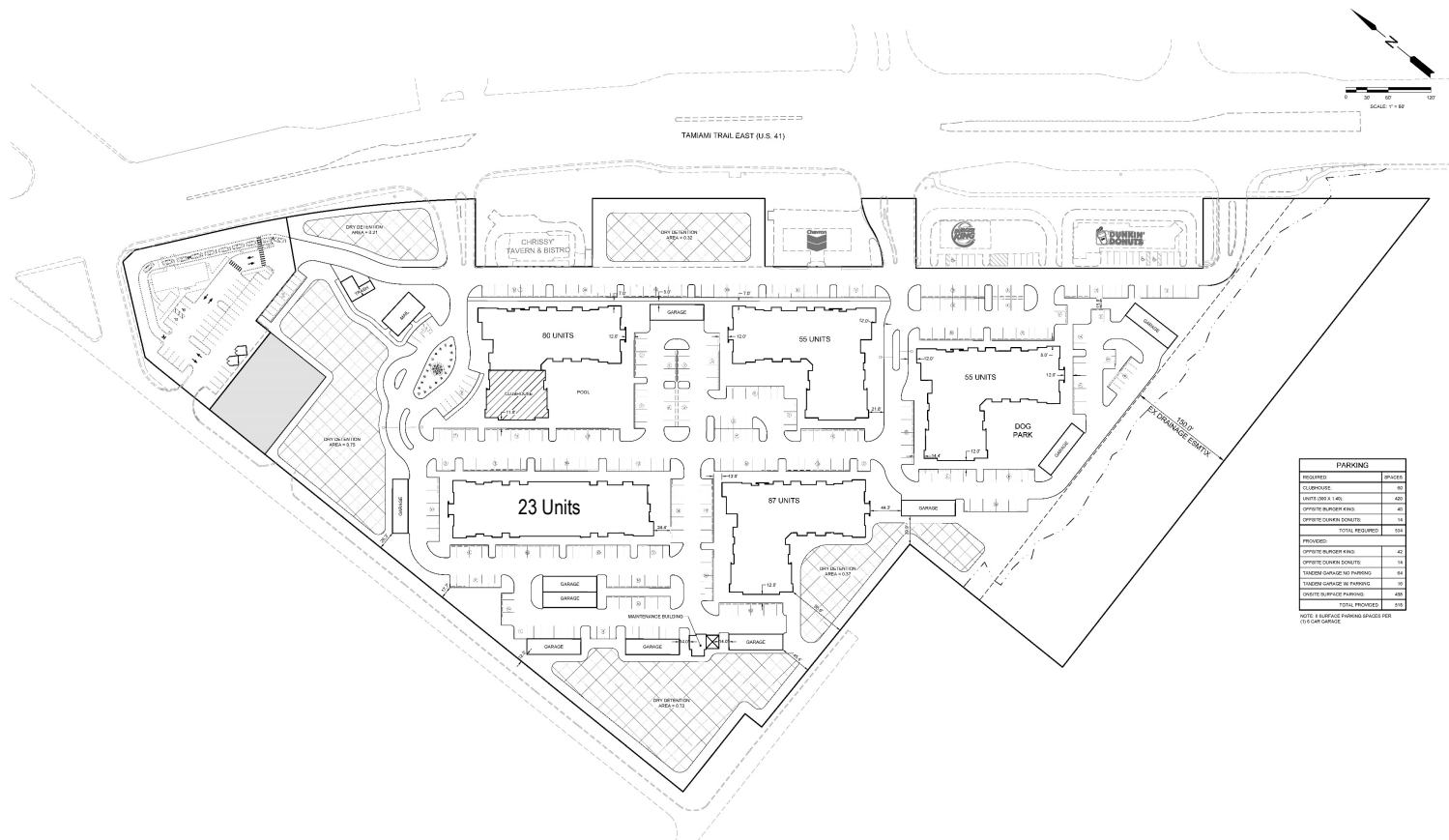
Courthouse Shadows Apartments

PROJECT SUMMARY

- Courthouse Shadows Apartments is a proposed market rate rental community located on a site on the south side of Tamiami Trail east just east of the intersection with Airport Road in Naples, Collier County, FL. The site is currently improved with an older vacated community shopping center. Several outparcels of the shopping center are improved with newer facilities that will remain as support for the proposed rental community and the surrounding area. Transportation infrastructure in the area is very good and allows for easy access north and west to the greater Naples area and east toward Marco Island and south Naples.
- Based on the Collier County Property Appraiser's office, the site consists of 2 parcels owned by KRG Courthouse Shadows, LLC. , that is approximately 18.35 +/- acres. The site is proposed for a market rate rental apartment community not to exceed 300 units.
- The site is located within the Bayshore/Gateway Triangle Redevelopment (CRA) Community Redevelopment Agency. *The purpose of this CRA is to provide higher densities in an area with fewer natural resource constraints and where existing and planned public facilities are concentrated. The site is also located in the Mixed Use Activity Center which typically encourages higher density residential and commercial uses.*
- The site is currently zoned as the Courthouse Shadows/Collier PUD, which was adopted in 1992 and allows for the development of 165,000 SF of commercial development on the entire site, including outparcels. Currently, 149,862 SF of commercial space has been developed.
- The client is seeking an amendment to the FLUE to create the Subdistrict that will consist of the rezoned aforementioned parcel. The Subdistrict will allow for up to 300 residential multi-family dwelling units, reflecting a density of 16 units per gross acre, which is consistent with recently developed rental apartments. The objective of this study is to determine if there is market support for high density residential need to satisfy the needs analysis requirement of the Land Use Amendment process.
- Located below are maps showing the site's location, aerial surroundings, future land use and proposed FLUE Subdistrict boundary.

PROPOSED SITE PLAN

The proposed site plan below provides a general concept of the building layouts for the site. Parking and access to amenity centers will be focused internal to the property to provide privacy and security. Walkability to the Collier County Government center and convenience to existing retail outparcels will enhance the marketability and property acceptance.

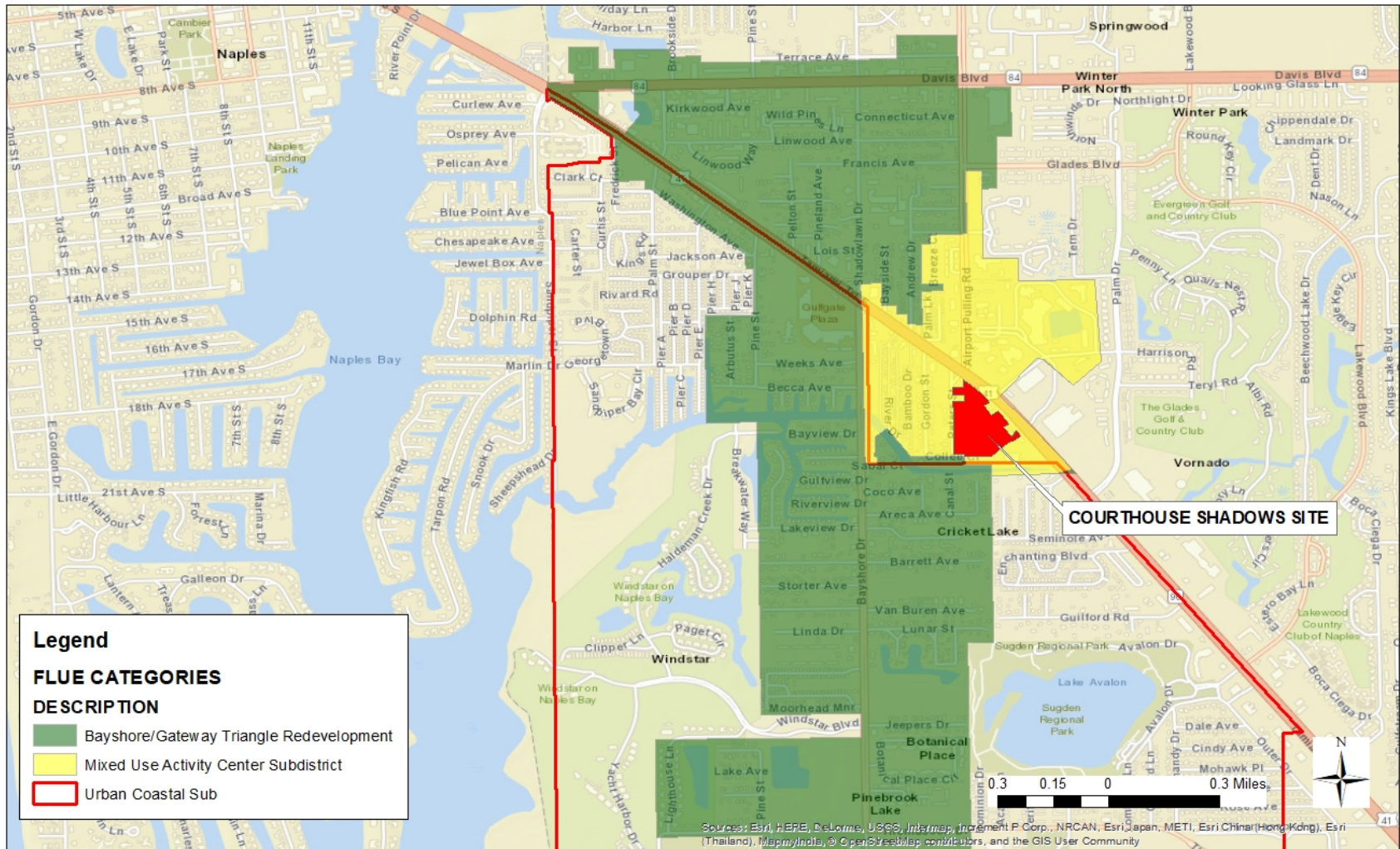


PARKING	
REQUIRED:	SPACES
OVERALL:	200
LOBBY (SEE 1.40):	400
OPPOSITE BUILDING #10:	40
OPPOSITE OLIVIA DONUTS:	40
TOTAL REQUIRED:	124
PROVIDED:	
OPPOSITE BUILDING #10:	40
OPPOSITE OLIVIA DONUTS:	40
TAMAMI DONUTS NO PARKING:	34
TAMAMI DONUTS NO PARKING:	18
OPPOSITE DONUTS PARKING:	400
TOTAL PROVIDED:	524

NOTE: 1 SURFACE PARKING SPACES PER 100 CAR GARAGE

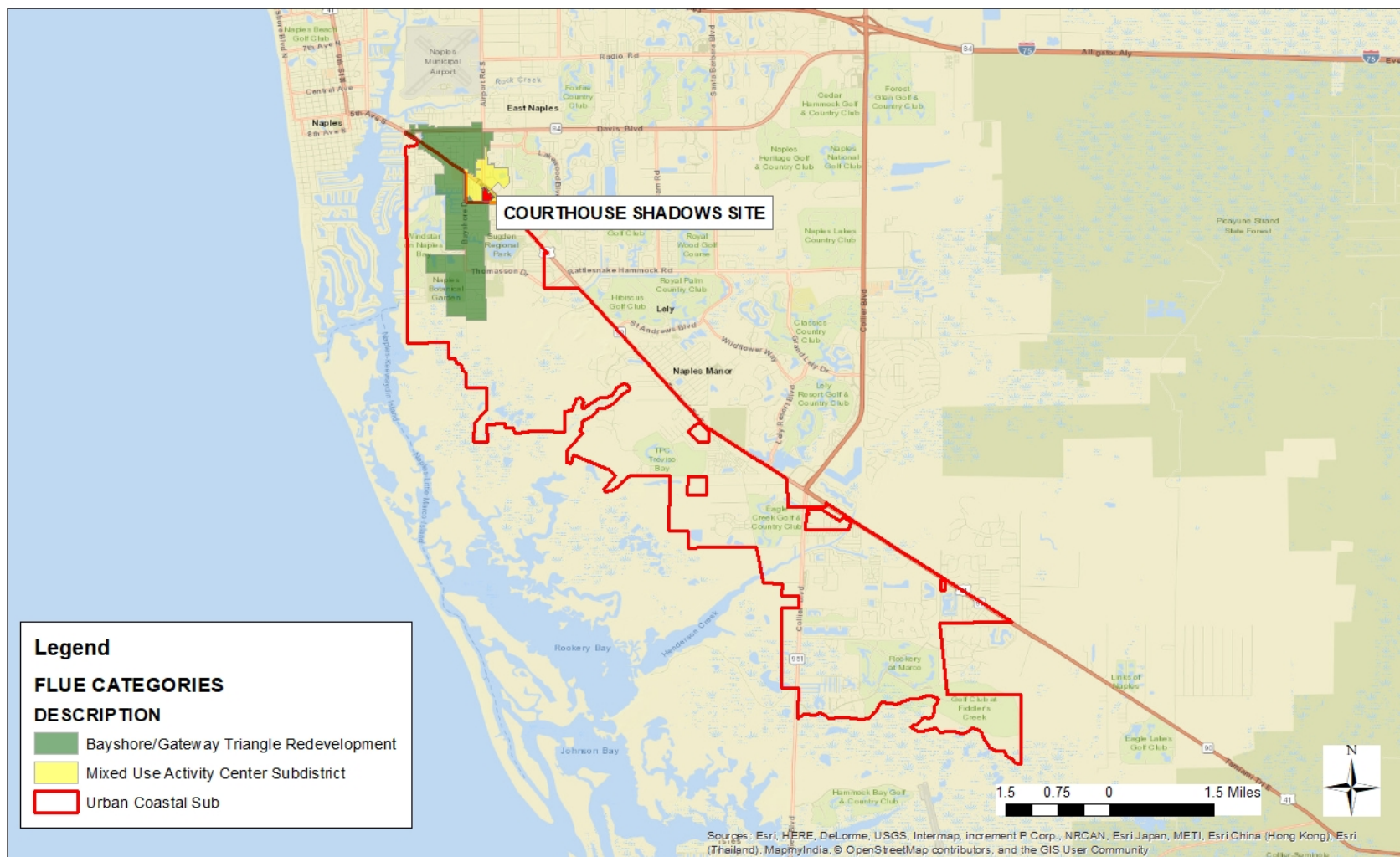
PLANNING COMMUNITY AND SUBJECT SITE MAP

The subject site is located within the East Naples Planning Community and is serviced by local fire and EMS district. The East Naples Planning district has a 2018 estimated population of 23,500 according to the Collier County Planning Department. This district is located between the City of Naples and South Naples, making it one of the most established in the County.



LOCATION ALLOWS FOR HIGHER DENSITY

The subject site is within a Mixed Use Activity Center that part of the Bayshore Gateway Triangle CRA district. This location offers incentives for higher density residential product and is a key contributor to the redevelopment efforts in the area. The recent enhancement land uses in the CRA will benefit the site and its future residence.

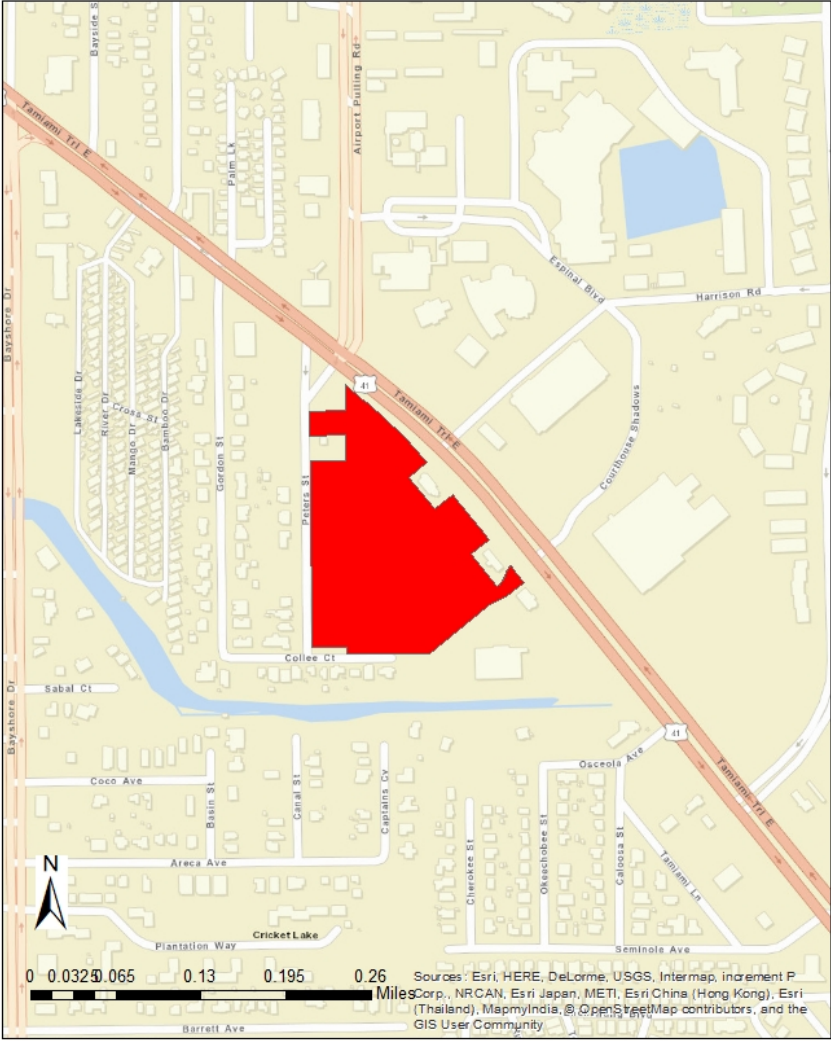
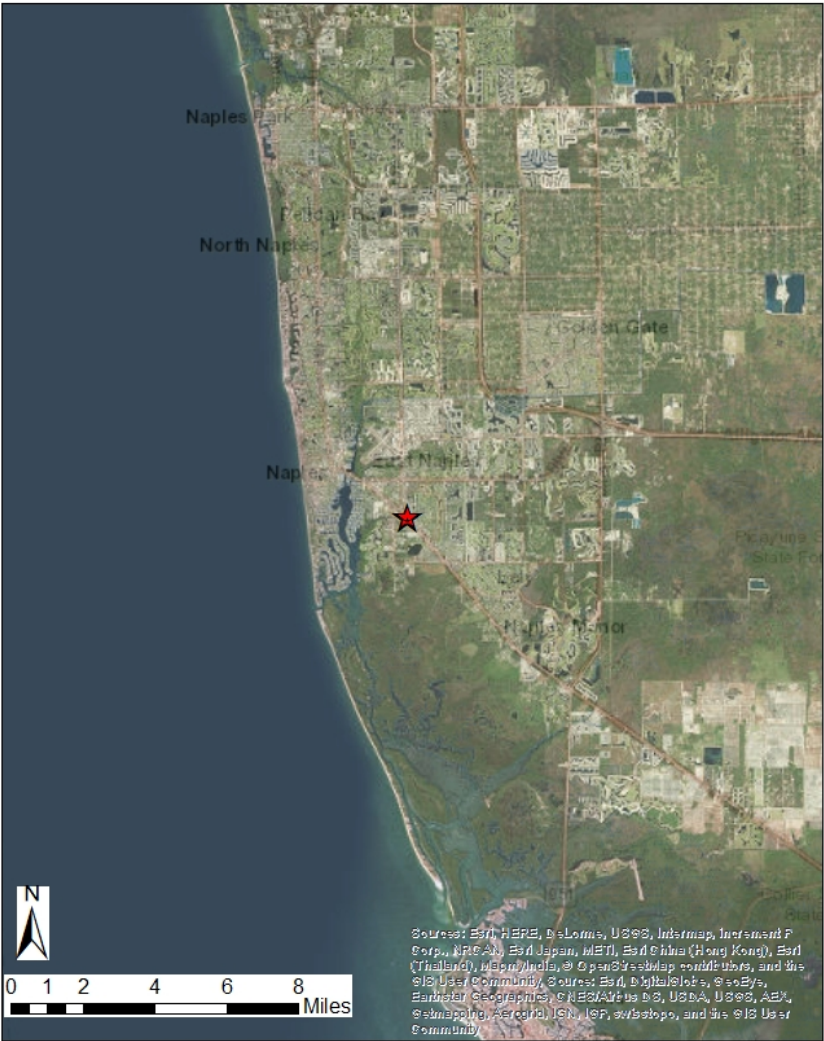


Locational Analysis

Courthouse Shadows Apartments

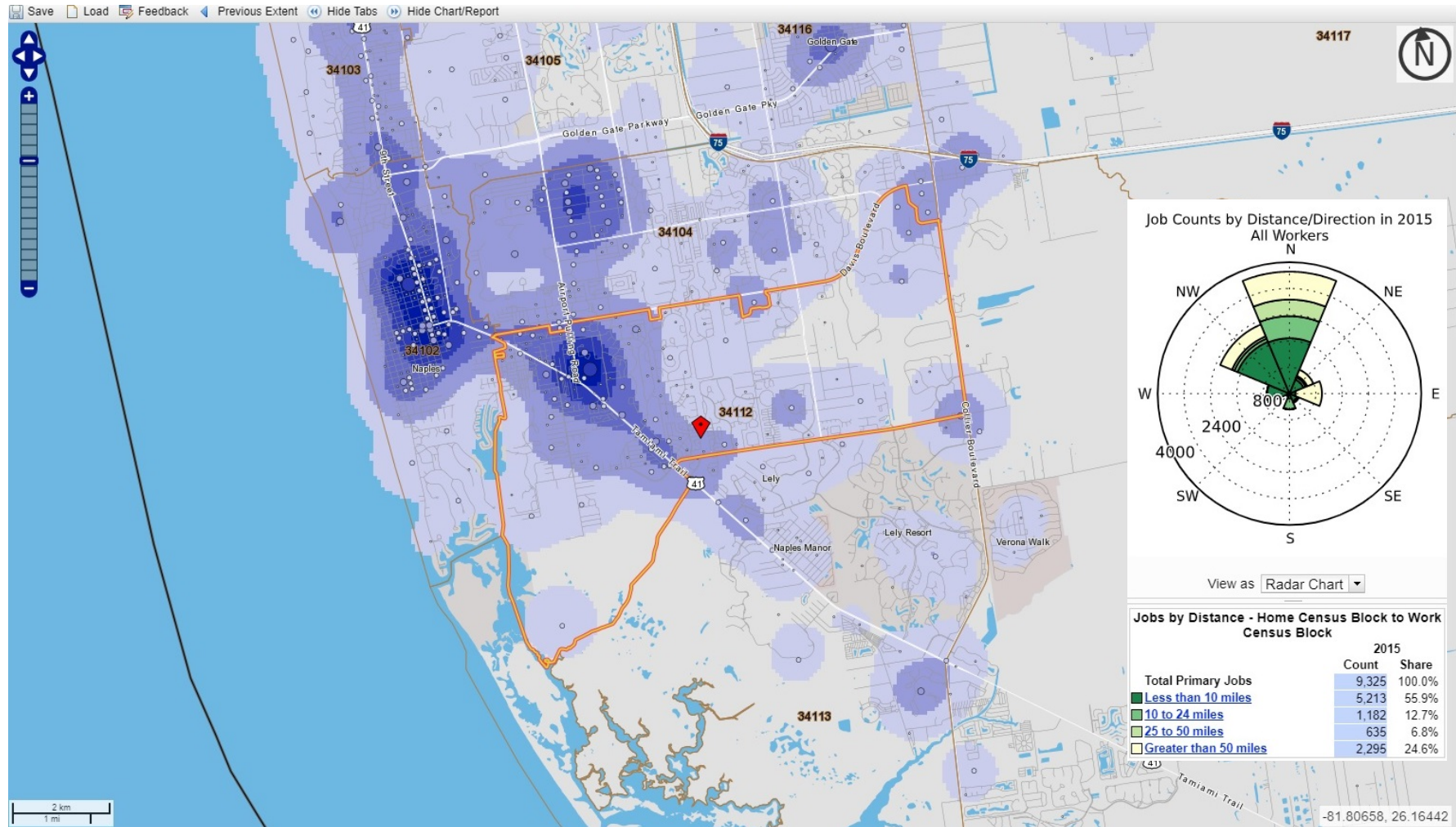
COURTHOUSE SHADOWS HAS GOOD ACCESS TO SUPPORT FACILITES

The site is located in a desirable area of Collier County proximate to schools, shopping and employment centers. The immediate area surrounding the site is well established and is currently undergoing a resurgence to redevelop sites in which the improvements no longer represent the highest and best use. The subject site is a perfect example of the a change in uses that will benefit the market by providing rental housing near employment centers and provide an increase in fiscal benefit to Collier County.



EMPLOYMENT IS LOCATED NORTH AND WEST OF THE SITE

The darker areas of the map show the concentration of major employment centers where residents in the subject area travel to work. Residents in this zip code generally work the north and west of the subject site at employment centers in the City of Naples and along Airport Road. A significant portion of the residents in this area are retired, therefore employment location are not a major factor, however access to these centers in important for all residents.



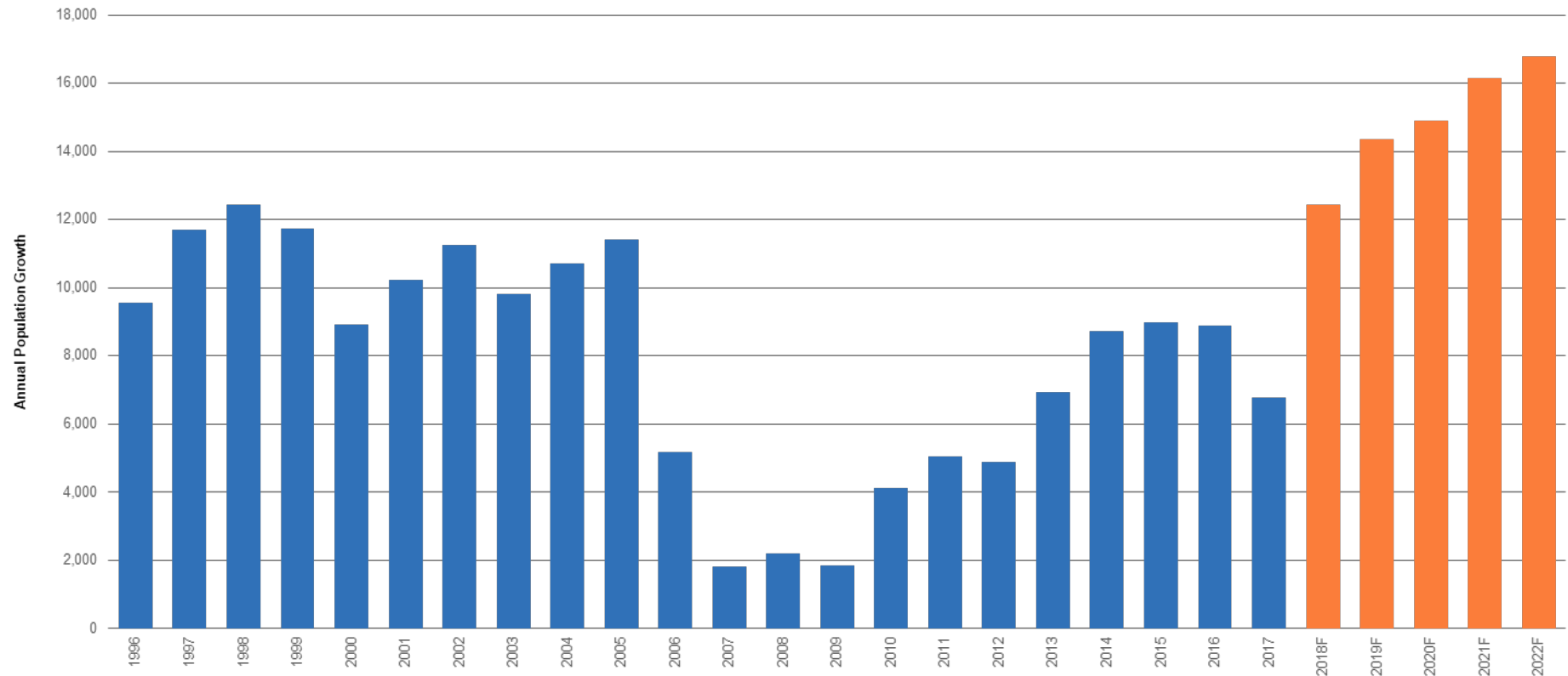
Economic and Demographic Profile

Courthouse Shadows Apartments

POPULATION GROWTH WILL CONTINUE IN THE COLLIER

The Collier County area has seen significant population growth since 2009, with one of the highest percentage change in the population noted in the state in 2015. Annual population growth in 2017 was temporarily suppressed due to the Hurricane Irma which directly hit Collier County. Population growth forecast are significantly higher in the next few year based on the Economy.com analysis. The consultant has adjusted the population forecast in the analysis to account for future market risk.

Population History & Forecasts	Collier County , FL - Ten Year History										Economy.com Five-Year Forecast				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
Total Population	316,641	318,485	322,601	327,667	332,556	339,483	348,216	357,194	366,095	372,880	385,335	399,691	414,603	430,755	447,538
Prior Year Change	2,204	1,844	4,116	5,066	4,889	6,927	8,733	8,978	8,901	6,785	12,455	14,356	14,913	16,151	16,783
Annual % Change	0.7%	0.6%	1.3%	1.6%	1.5%	2.1%	2.6%	2.6%	2.5%	1.9%	3.3%	3.7%	3.7%	3.9%	3.9%

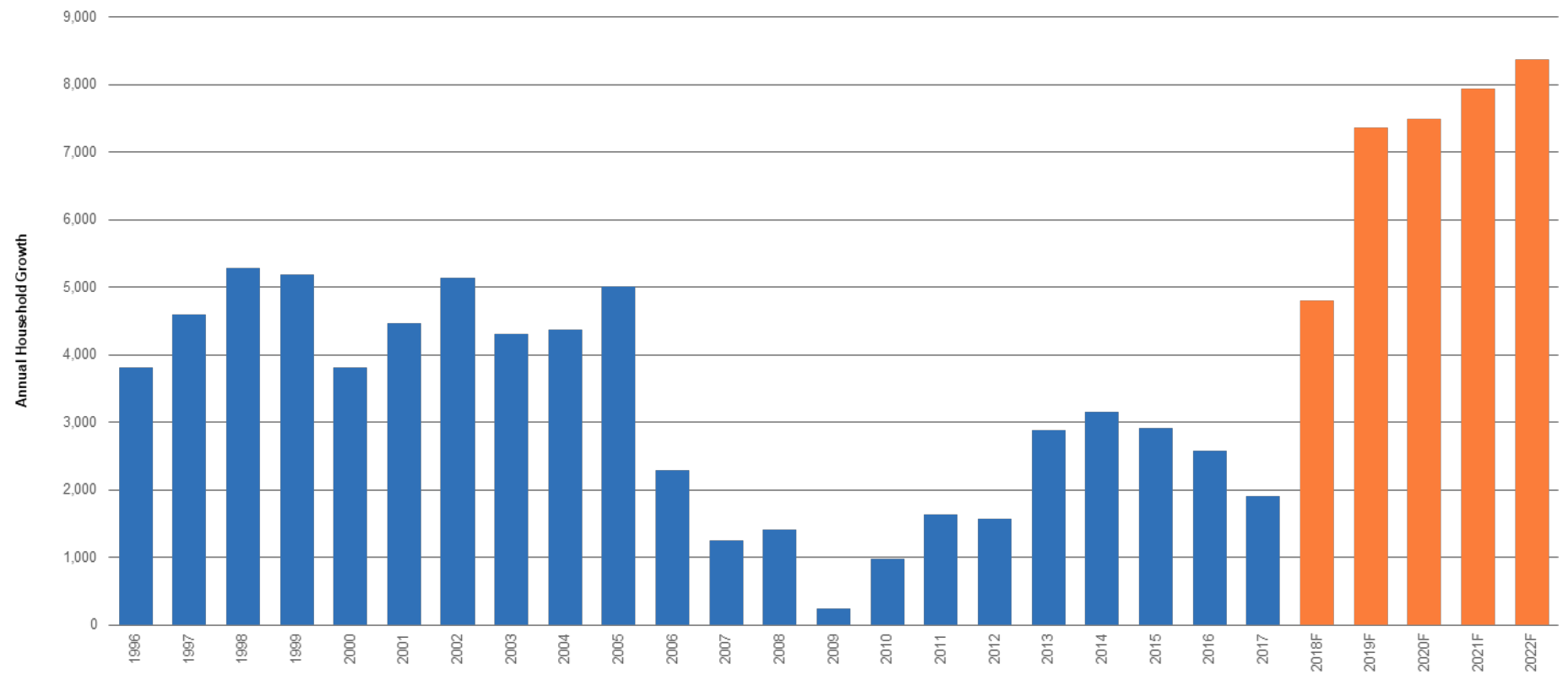


Source: Economy.com

HOUSEHOLD FORMATIONS CONTINUE IN COLLIER

Household formations in the Collier County area have expanded significantly since 2009 due to price reductions as a result of the Great Depression and the migration of Baby Boomers from the northeast and Midwest. Projections call for accelerated levels of household formations between 2018 and 2022. The consultant made more conservative estimates of the household formation growth in the demand analysis. This was correlated with the consultants population adjustments.

Household History & Forecasts	Collier County , FL - Ten Year History										Economy.com Five-Year Forecast				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
Total Households	132,536	132,787	133,775	135,422	136,996	139,882	143,037	145,957	148,533	150,447	155,253	162,623	170,112	178,051	186,419
Prior Year Change	1,411	251	988	1,647	1,574	2,886	3,155	2,921	2,575	1,915	4,806	7,370	7,489	7,938	8,369
Annual % Change	1.1%	0.2%	0.7%	1.2%	1.2%	2.1%	2.3%	2.0%	1.8%	1.3%	3.2%	4.7%	4.6%	4.7%	4.7%

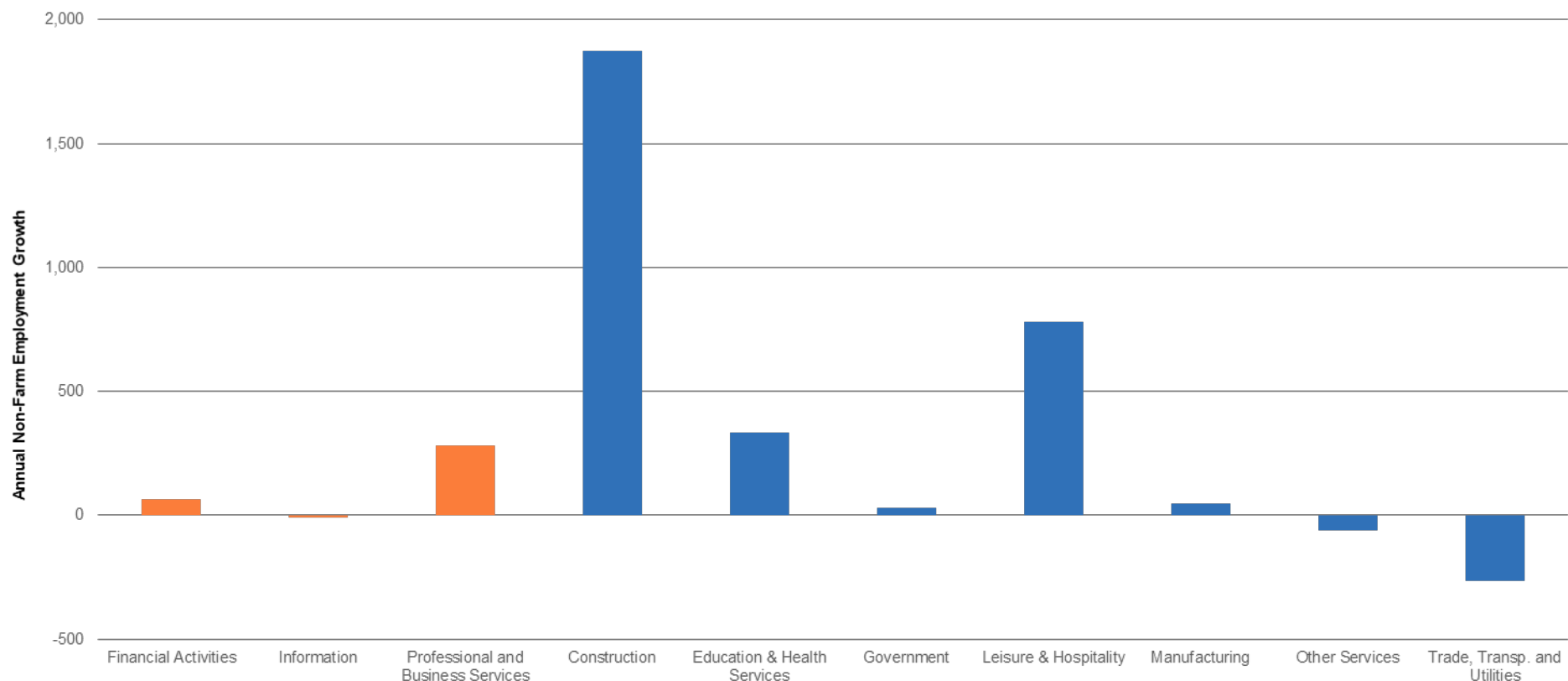


Source: Economy.com

PROFESSIONAL BUSINESS SERVICES AND CONSTRUCTION ARE DOMINANT

Construction has been the fastest growing employment sector in the past year due to the rebuilding of homes and businesses after Hurricane Irma, and the natural population growth of the area. The prior rebuilding, has influenced the supporting Professional and Business Services and has improved the Leisure and Hospitality sectors which were severely impacted after the hurricane.

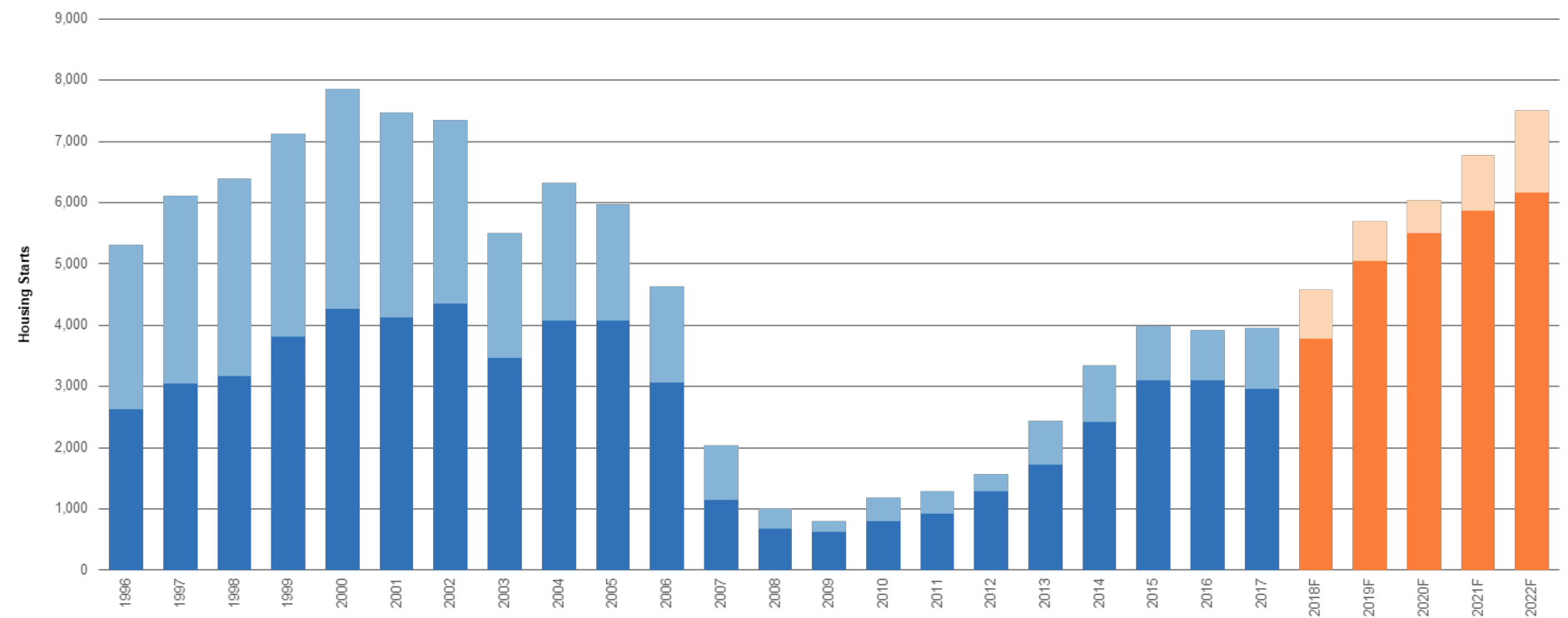
Employment by Sector	High Income Sectors			Other Sectors						
	Financial Activities	Information	Professional and Business Services	Construction	Education & Health Services	Government	Leisure & Hospitality	Manufacturing	Other Services	Trade, Transp. and Utilities
Current Month	8,409	1,445	16,437	17,439	21,736	13,761	28,599	3,913	8,140	26,436
Same Month Previous Year	8,344	1,455	16,155	15,568	21,404	13,731	27,817	3,864	8,201	26,700
12-Month Growth	64	-10	282	1,872	332	30	782	49	-60	-263



HOUSING STARTS WILL CONTINUE TO EXPAND

Housing starts have grown steadily since 2010, with the annual change in Multifamily Starts expected to continue as pricing of single family homes rise. The increase in Multifamily starts includes both fee simple condominiums and rental apartments. Growth of both designs will satisfy the population increases and employment changes.

Housing Starts History & Forecasts	Collier County, FL - Ten Year History										Economy.com Five-Year Forecast				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
Total Housing Starts	1,007	801	1,190	1,279	1,571	2,441	3,348	3,986	3,910	3,948	4,574	5,703	6,045	6,773	7,501
Annual % Change	-50.4%	-20.5%	48.5%	7.5%	22.8%	55.4%	37.2%	19.1%	-1.9%	1.0%	15.9%	24.7%	6.0%	12.0%	10.8%
SFD Housing Starts	676	622	807	929	1,284	1,726	2,418	3,091	3,098	2,961	3,772	5,047	5,495	5,864	6,170
Annual % Change	-41.5%	-8.1%	29.7%	15.2%	38.3%	34.4%	40.0%	27.9%	0.2%	-4.4%	27.4%	33.8%	8.9%	6.7%	5.2%
MF Housing Starts	331	179	383	350	286	714	931	895	812	987	802	656	549	909	1,331
Annual % Change	-62.2%	-45.8%	113.7%	-8.7%	-18.2%	149.5%	30.3%	-3.8%	-9.3%	--	-18.7%	-18.2%	-16.2%	65.4%	46.5%



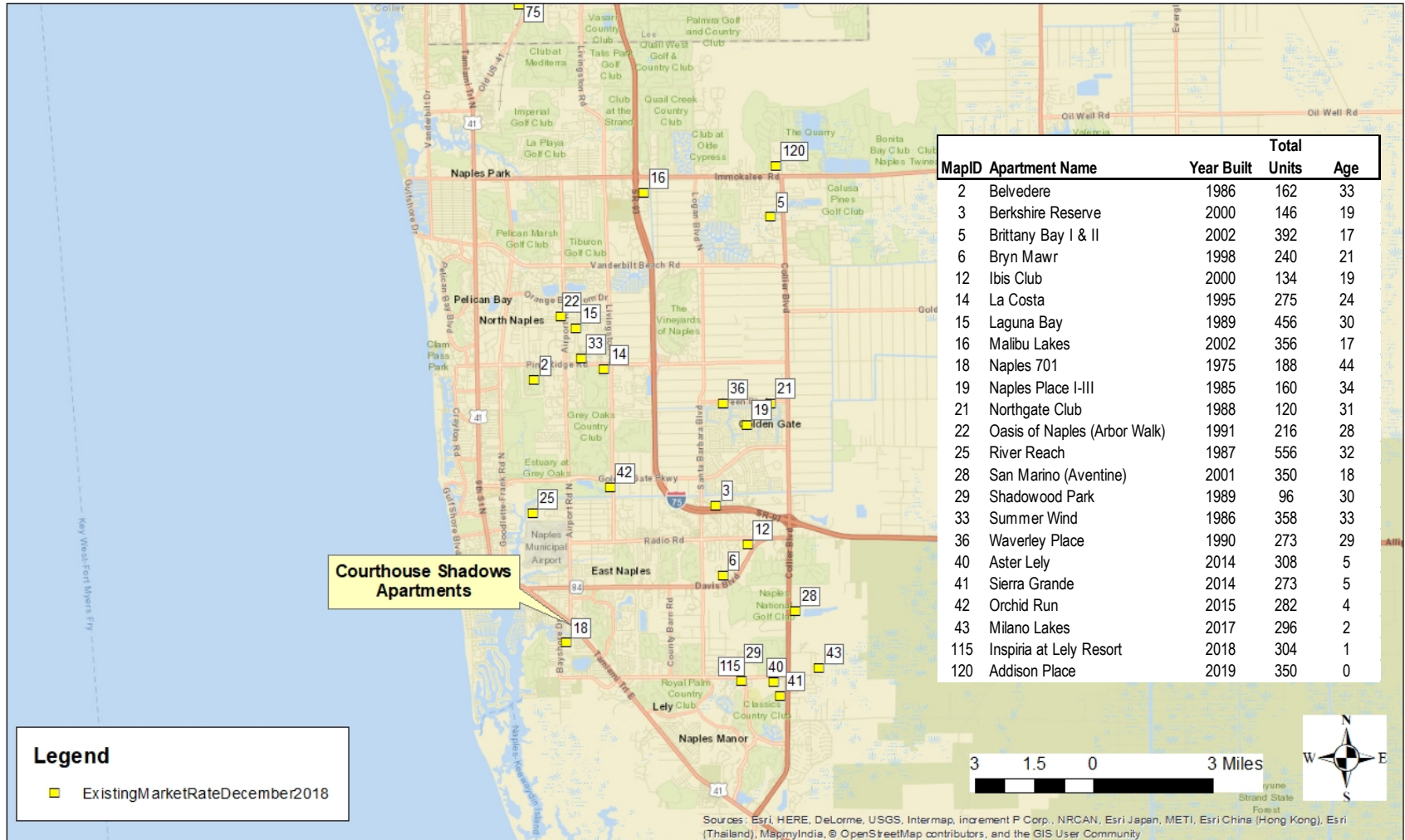
Source: Economy.com

Market Rate Apartment Analysis

Courthouse Shadows Apartments

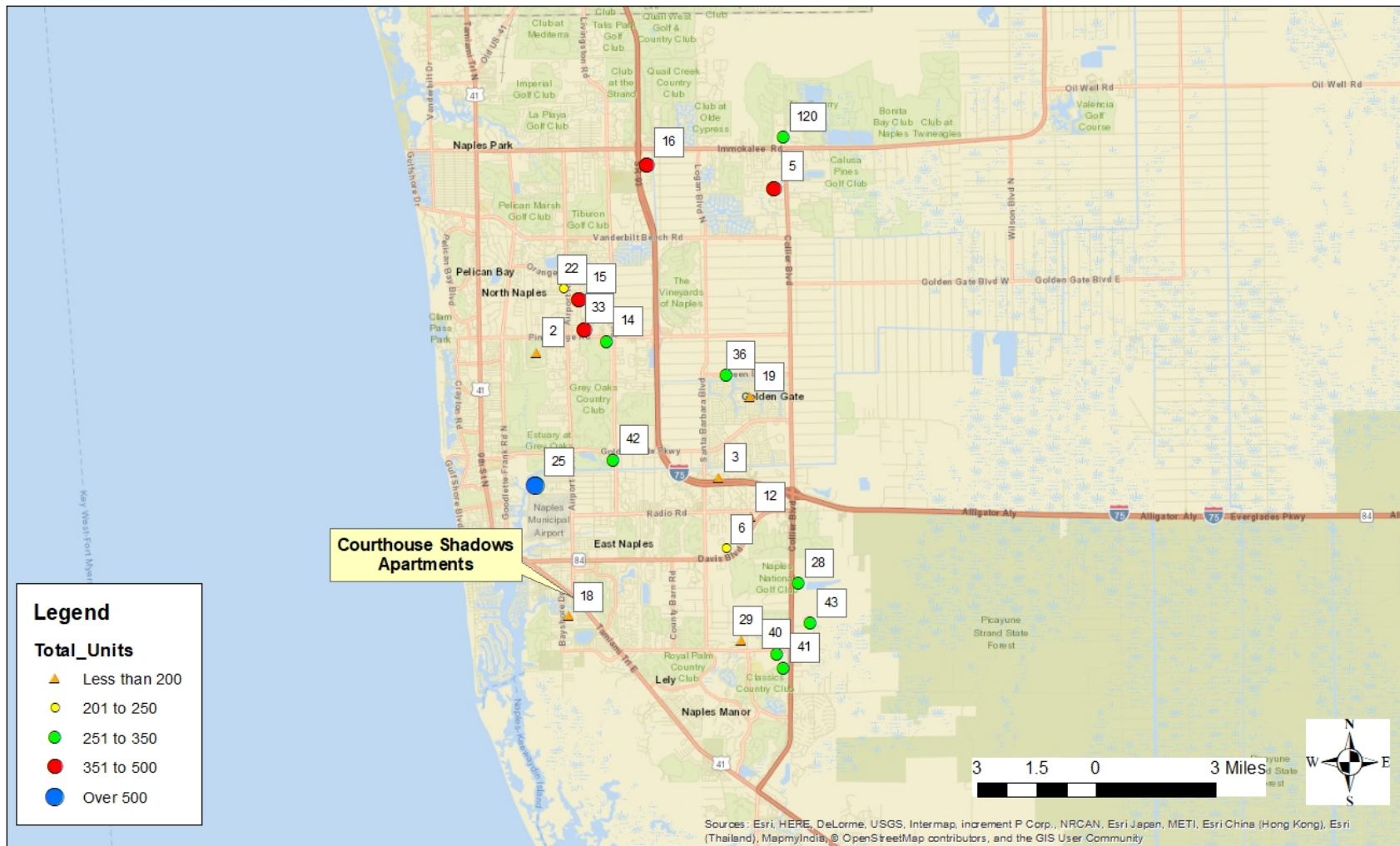
EXISTING PROJECTS ARE LOCATED THROUGHOUT THE COUNTY

Existing Rental Apartment Communities are located east and south of the beaches and the City of Naples. Access to employment centers, support facilities and recreation amenities of the county are easily accessible from all the rental communities.



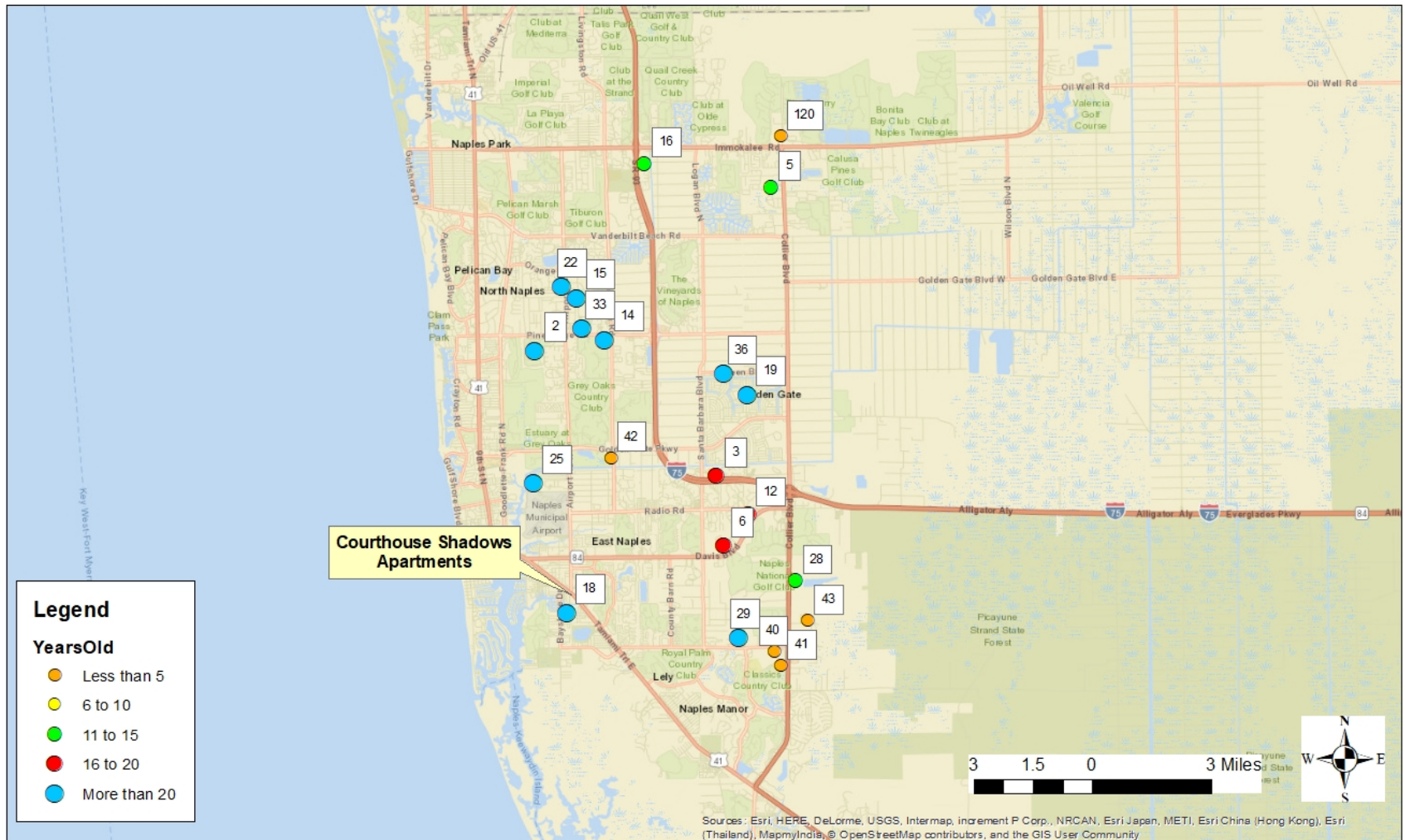
PROJECT SIZE IS TYPICAL TO OTHER MARKETS

The typical rental apartment project size in Collier County ranges from 250 to 500 units. This is considered an industry norm as it provides for increased property management efficiency and adequate resident amenity usage. Many of the larger projects located in the northern portion of the county are also some of the oldest.



NEWER PROJECTS ARE LOCATED SOUTH

The majority of the rental apartment housing stock is more than 20 years old, with the newer products located in southern Collier County. Southern Collier County has lower land cost which previously influenced rental rates. The expansion of the support facilities and the new development of higher priced residential real estate has increased the demand for this area, which has resulted in increased rental rates and occupancy.



Market Demand Analysis

Courthouse Shadows Apartments

DEMAND IS GROWING DUE TO INCREASED SF HOME COST

- The demand for market rate rental apartments is not isolated to a specific area of Collier County, however, the rental communities within the South Naples planning district are some of the oldest in the county. The demand for rental apartments is based in part on the lack of available supply, resulting in record occupancy of the existing facilities and an increase in new supply over the past 24 months. Rental apartment demand is a function of population and employment growth. Most of the occupants for rental apartments are single and/or couples, are employed, and vary in age from millennials to baby boomers or from 26 to 60 years of age.
- The forecast for rental apartment demand starts with a review of the current market status. Data used to support this forecast is based on the US Census Estimates, Economy.com, the American Community Survey (ACS) Housing Summary and the National Multifamily Housing Council. The supporting documentation is included in the addendum of this report. Located below is the calculation of demand for market rate rental apartments in Collier County, with an explanation and support of the forecast on the following slides.

A	B	C	D	E	F	G	H	I	J	K	L	M
Year	Population	Total Households	Persons per HH	Pct Annual Rental	Rental Households	Pct with Income between 35K and 99K	Annual Demand for Market Rate Units	Pct of Rental Units with rent between \$800 and \$2,500	Total Market Demand	Current Supply	Annual Need	Cumulative Demand
2012	332,556	138,755	2.40									
2015	357,194	145,194	2.46	15%	21,779	45.0%	9,801	59%	5,782	5,648	134	134
2016	366,095	147,758	2.48	15%	22,164	45.0%	9,974	59%	5,884	5,648	236	371
2017	372,880	151,401	2.46	15%	22,710	45.0%	10,220	62%	6,336	5,944	392	763
2018	379,555	152,924	2.48	15%	22,939	45.0%	10,322	64%	6,606	6,488	118	881
2019	389,699	158,557	2.46	15%	23,784	45.0%	10,703	64%	6,850	6,488	362	1,243
2020	398,019	163,308	2.44	15%	24,496	45.0%	11,023	64%	7,055	6,488	567	1,810
2021	413,563	171,697	2.41	15%	25,755	45.0%	11,590	64%	7,417	6,488	929	2,739
2022	416,210	173,370	2.40	15%	26,005	45.0%	11,702	64%	7,490	6,488	1,002	3,741

MARKET DEMAND CALCULATIONS

The estimate of market rate rental unit demand is based on the relationship between rental unit supply and population. **Column B** and **Column C** reflect Population and Household figures as reported by the US Census from 2012 to 2017. The 2018 through 2022 population and household estimates are from the Economy.com forecast, which is reported in the Economic and Demographic Profile section of this report. After a review of the Collier County population projections which are in based on BEBR projections, the consultant adjusted the 2018-2022 forecast of population and household formations down to account for potential future market risk. The adjustment calculations are located in the appendix of this report. **Column D** is the calculation of the persons per household, a calculation derived by dividing total population by the total households.

- **Column E** is the percentage of households in Collier County that are identified as reserved for rental. As of the 2018 Demographic and Income Profile, there are a total of 44,317 units in Collier County that are reserved for use as rentals, which represents 29% of the total units in the county, including seasonal rental units. We have estimated that approximately half of the total rental units or 15% of the total units in the county are rented on an annual basis.
- **Column F** is the estimated number of Rental Households. It is calculated by multiplying Column C (Total Households) by Column E, (the percentage of households that represent annual rentals)
- **Column G** reflects the percentage of households that have income between \$35,000 and \$99,000 within the County based on the 2018 Demographic and Income Profile. The households with income in this range are most likely to rent apartments in the county. The household income range represents 45% of the total within the county.
- **Column H** is the estimate of total market rate rental households based on the household income range and is calculated by multiplying Column F by Column G.
- **Column I** reflects the percentage of rental units that have month rental rates between \$800 and \$2,500 per month. This is obtained from page 2 of the ACS Housing Survey that provides support for the percent of units that have rental rates in this range. Based on the 2018 estimate, 64% of the rental units in Collier County have a monthly rental rate between \$800 and \$2,500 per month. Prior year estimates were 59% and 62%, which is reflected in the prior year calculations. Those units with rental rates below are considered subsidized housing, with those with monthly rates above, typically represent condominiums in superior locations.
- **Column J** is the estimate of total market rate rental households. It is calculated by multiplying Column H, (Annual Market Rate Demand) by Column I, (the percentage of rentals that have a rental rate consistent with market rates from the ACS Housing Survey).
- **Column K** reflects the total market number of market rate rental apartment units in Collier County as of December 31, 2018. This includes the recently completed Inspira Rental Community in Lely Resort and Addison Place in North Naples.
- **Column L** is the difference between the Column J, the total demand for market rate rental apartments, and Column K, the supply of market rate rental apartments as of December 31, 2018. This reflects the annual need for market rate rental apartment units.
- **Column M** is the cumulative number of annual market rate rental units needed until 2022. Based on this analysis, we estimate that at Year End 2018, there will be demand for an additional 881 market rate rental apartment units over the current supply of 6,488 units. The demand is anticipated to grow to a total of 3,741 over the current supply by the end of 2022.

NEW SUPPLY IS LOCATED THROUGHOUT THE COUNTY

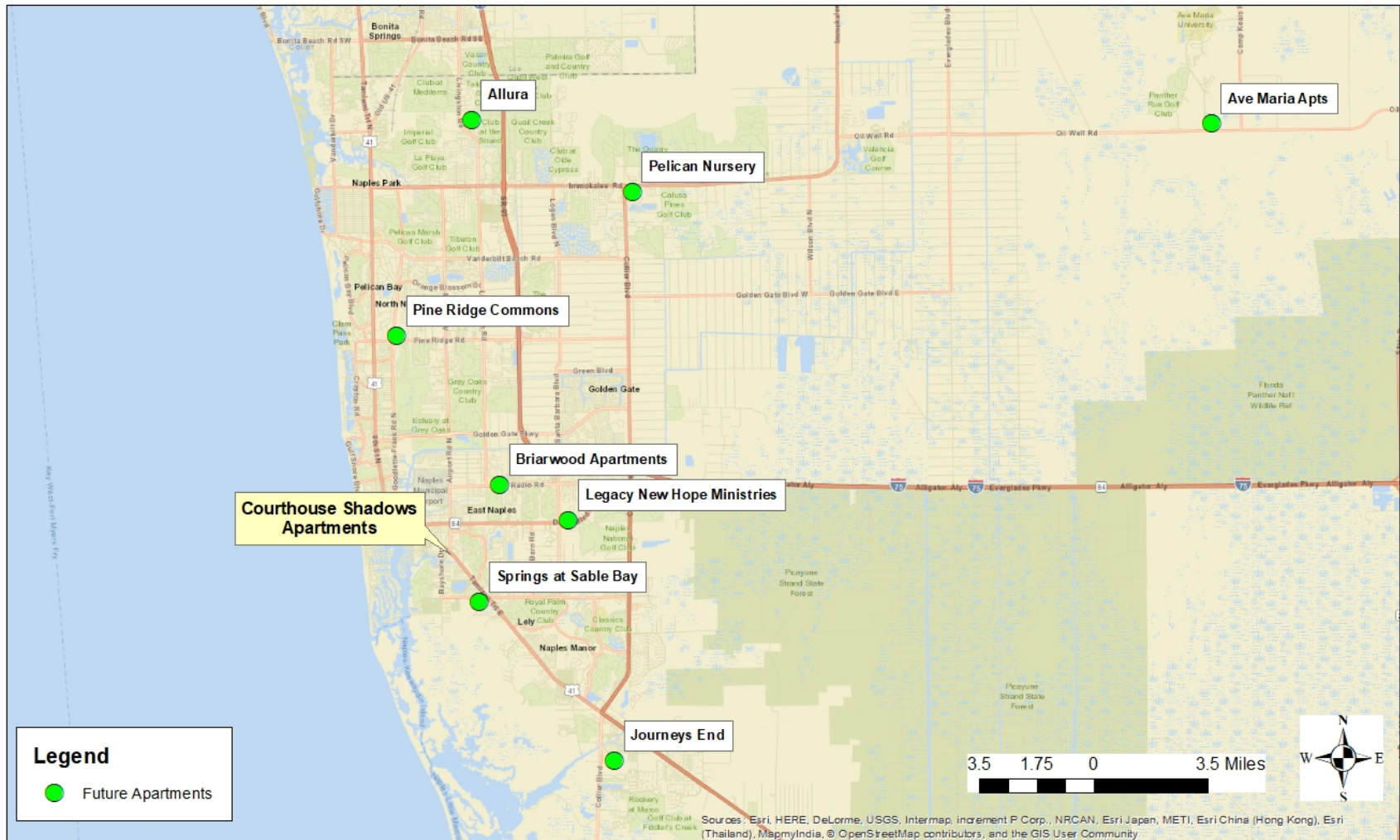
In addition to the existing 6,488 market rate rental apartment units, there are currently nine properties with a proposed total of 3,122 units that are in varying stages of completion, or pending approval in Collier County. Assuming all 3,122 units are delivered at their projected delivery year, these units must be subtracted from the estimated demand to reflect the net need for additional market rate apartments units. The nine projects and their estimated delivery dates are below.

Apartment	Est Delivery Year	Total Units
Legacy Naples New Hope Ministries	2019	304
Briarwood Apartments	2020	320
Ave Maria Apts	2020	250
Springs at Sabal Bay	2020	340
Journey's End	2021	483
Courthouse Shadows	2021	300
Pelican Nursery	2021	400
Pine Ridge Commons	2022	375
Allura	2022	350
Total Units		3122

The ten properties are located throughout the county, providing the market with many designs and rental rate opportunities. The estimated delivery date reflects the delivery of units within the projects on a review of the construction status as of December of 2018. It should be noted that not all the projects will be completed on the estimated delivery date and that some of the projects listed may not delivery the expected units within the forecasted timeline of this report.

FUTURE PROJECTS ARE IN GOOD LOCATIONS

The geographic distribution of future rental apartments is more diverse as it includes more apartments in the North Naples area or near already established employment centers. The redevelopment of older improvements in well located sites is a trend we will continue to see as the market searches for housing alternatives to home purchase.



Demand Forecast assumes shift from SF to Rental Apartments

The analysis above indicates an increasing demand for market rate rental apartments in Collier County. Currently, nine facilities are proposed for a total of 3,122 additional market rate rental apartments that will be added to the current supply to help to satisfy the proposed future demand. Located below is a summary table showing the net demand for market rate rental apartments assuming the delivering of the eight proposed projects.


Year	Current Supply	Annual Need	Cumulative Demand	Approved Units	Net Demand
2012					
2015	5648	134	134		134
2016	5648	236	371		371
2017	5944	392	763		763
2018	6488	118	881		881
2019	6488	362	1243	304	939
2020	6488	567	1810	910	596
2021	6488	929	2739	1183	342
2022	6488	1002	3741	725	619

Assuming all of the proposed facilities are delivered to the market near the estimated delivery date, by the end of 2022 there will be a need for an additional 619 market rate rental units. The increased demand is driven by population growth and corresponding employment, along with an increasing number of semi-retiree and seasonal residents who are electing to rent properties vs buy. The lack of vacant sites with adequate size and functional utility will continue to limit the development of new facilities unless the repurposing of existing facilities are considered alternative sites to help satisfy the future demand.


Appendix

Courthouse Shadows Apartments

ACS Market Supply of Rental Units By Monthly Rate

 ACS Housing Summary				
Collier County, FL			Prepared by Esri	
Collier County, FL (12021)				
Geography: County				
	2012-2016 ACS Estimate	Percent	MOE(±)	Reliability
RENTER-OCCUPIED HOUSING UNITS BY CONTRACT RENT				
Total	37,288	100.0%	1,361	■ ■ ■
With cash rent	34,768	93.2%	1,263	■ ■ ■
Less than \$100	89	0.2%	51	■ ■
\$100 to \$149	119	0.3%	68	■ ■
\$150 to \$199	159	0.4%	89	■ ■
\$200 to \$249	287	0.8%	117	■ ■
\$250 to \$299	275	0.7%	103	■ ■
\$300 to \$349	574	1.5%	175	■ ■
\$350 to \$399	283	0.8%	150	■ ■
\$400 to \$449	293	0.8%	122	■ ■
\$450 to \$499	372	1.0%	125	■ ■
\$500 to \$549	827	2.2%	236	■ ■
\$550 to \$599	553	1.5%	204	■ ■
\$600 to \$649	887	2.4%	215	■ ■
\$650 to \$699	1,144	3.1%	269	■ ■
\$700 to \$749	1,639	4.4%	254	■ ■ ■
\$750 to \$799	1,837	4.9%	267	■ ■ ■
\$800 to \$899	4,640	12.4%	563	■ ■ ■
\$900 to \$999	4,526	12.1%	594	■ ■ ■
\$1,000 to \$1,249	5,879	15.8%	580	■ ■ ■
\$1,250 to \$1,499	4,371	11.7%	605	■ ■ ■
\$1,500 to \$1,999	3,527	9.5%	511	■ ■ ■
\$2,000 to \$2,499	1,151	3.1%	246	■ ■ ■
\$2,500 to \$2,999	394	1.1%	136	■ ■
\$3,000 to \$3,499	337	0.9%	143	■ ■
\$3,500 or more	605	1.6%	187	■ ■
No cash rent	2,520	6.8%	435	■ ■ ■
Median Contract Rent	\$975		\$15	■ ■ ■
Average Contract Rent	\$1,117		\$64	■ ■ ■

ESRI Demographic and Income Profile



Demographic and Income Profile

Collier County, FL

Collier County, FL (12021)

Geography: County

Prepared by Esri

Summary		Census 2010	2018	2023	
Population		321,520	366,709	401,866	
Households		133,179	152,265	167,090	
Families		89,276	101,247	110,734	
Average Household Size		2.38	2.38	2.38	
Owner Occupied Housing Units		96,159	107,948	122,128	
Renter Occupied Housing Units		37,020	44,317	44,962	
Median Age		46.9	50.2	51.9	
Trends: 2018 - 2023 Annual Rate		Area	State	National	
Population		1.85%	1.41%	0.83%	
Households		1.88%	1.36%	0.79%	
Families		1.81%	1.30%	0.71%	
Owner HHs		2.50%	1.91%	1.16%	
Median Household Income		3.35%	2.52%	2.50%	
Households by Income		2018		2023	
		Number	Percent	Number	Percent
<\$15,000		11,814	7.8%	9,588	5.7%
\$15,000 - \$24,999		12,289	8.1%	10,194	6.1%
\$25,000 - \$34,999		14,985	9.8%	13,361	8.0%
\$35,000 - \$49,999		20,684	13.6%	20,624	12.3%
\$50,000 - \$74,999		28,977	19.0%	31,824	19.0%
\$75,000 - \$99,999		18,833	12.4%	22,394	13.4%
\$100,000 - \$149,999		21,008	13.8%	26,715	16.0%
\$150,000 - \$199,999		8,490	5.6%	11,115	6.7%
\$200,000+		15,185	10.0%	21,275	12.7%
Median Household Income		\$61,684		\$72,747	
Average Household Income		\$97,081		\$116,367	
Per Capita Income		\$40,758		\$48,792	

CONSULTANT POPULATION AND HOUSEHOLD ADJUSTMENTS

Source	Actual						Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
US Census Population	332,556	339,483	348,216	357,194	366,095	372,880	385,335	399,691	414,603	430,795	447,538
Consultants Population Est						371,880	379,555	389,699	398,019	413,563	416,210
Census Forecast Annual Change							3.3%	3.7%	3.7%	3.9%	3.9%
Consultants Forecast Annual Change							2.1%	2.7%	2.1%	3.9%	0.6%
US Census Houshold Formations	138,755	139,563	142,636	145,194	147,758	151,401	155,253	162,623	170,112	178,851	186,419
Consultants Household Est						151,401	152,924	158,557	163,308	171,697	173,370
Census Forecasted Annual Change							2.5%	4.7%	4.6%	5.1%	4.2%
Consultants Forecased Annual Change							1.0%	3.7%	3.0%	5.1%	1.0%

APPENDIX

Company Experience

Meyers Research, a Kennedy Wilson Company, is a nation-wide research firm guiding real estate investors throughout the country. Our highly educated and experienced consulting staff believes in providing the highest quality service possible to our clients, which means completing the exact analysis they need. Based in Beverly Hills, we are home to over 140 experts in 10 offices across the country.

Our company offers a unique research tool known as Zonda that offers an edge to our research with easy access real-time data at a local level across the United States. Our local Zonda database provides our team with a history of new and resale housing information, maps, comprehensive data, and many other metrics we use in our analyses to begin the reporting process with greater accuracy -- quickly, accurately and cost-effectively -- with on the ground and in person research. Zonda provides access to over 275 metrics influencing the housing industry including monthly and annual historical trends, future projections and real-time narrative reported by seasoned analysts across the country.

Our senior executive team are thought leaders that individually have more than 30 years of experience in housing and real estate research. With our advisory services, we have navigated builders through different housing cycles and have a deep understanding of local markets. Our consulting team has a broad range of housing expertise and experience spanning the country including consumer research, feasibility studies, portfolio valuation, business planning, and custom research designed to make better decisions related to any real estate investment.

Zonda and Our Research

- Competitive Analysis throughout the Country
- Exclusive Access to our Research & Consulting Executives
- Metro Analysis & Housing Trends
- Apartment Analysis & Forecast
- Exclusive Client Events
- Presentations & Webinars
- Proprietary Surveys

Advisory

- For-Sale, Apartment, Commercial & Mixed Use
- Resort & International Development
- Strategic Direction & Planning
- Home Builder Operations Assessment
- Demand Analysis
- Consumer Research & Focus Groups
- Custom Economic Analysis & Forecasting
- Litigation Support & Expert Witness
- Financial Modeling
- Project & Product Positioning

Consumer and Product Strategy

- Consumer and Product Insights
- Tactical and Marketing Strategies
- Product Design Advisory
- Custom Consumer Research
- Customer Shop Research

Thank you!

This analysis was prepared by Meyers Research, LLC, a Kennedy Wilson company.