



Market Feasibility Analysis

Corn Palace | Sunnyvale, CA

for Trumark Homes

December 12, 2018



Table of Contents

3

Introduction

4

Executive Summary

6

Pricing and Absorption
Recommendations

12

Location & Property
Analysis

19

New Home Analysis

28

Resale Analysis

32

MSA Economic and
Housing Market Trends

39

Demographic Trends

43

Appendix

48

Limiting Conditions



Introduction

Background

Client	Trumark Homes (“Client”)
Subject	Corn Palace (“Subject”)
Location	Sunnyvale, Santa Clara County, CA
Setting	Residential community - 58 lots
Objective	Recommend pricing, forecast absorption, and appropriate standard specifications in this market. Provide guidance regarding the new home market and relevant economic and demographic trends.

Methodology

Subject	Review Subject information and visit site
Market	Collect and analyze information on actively selling new-home projects and resale transactions in the Competitive Market Area (CMA) Compile and analyze macro-economic, housing market, and demographic data and trends
Survey Period	December 2018

Authors and Contact

Authors	Dean Wehrli, Kristin Matthews
Contact	Dean Wehrli 916-647-3263 dean@jbrec.com Kristin Matthews 858-281-7215 kmatthews@realestateconsulting.com

Assumptions

Home Specifications and Execution

We assume that the Builder will construct homes:

- of the same sizes and types described for the Subject in this study; and
- of slightly superior quality than key comparables (e.g. Radius Villas by Pulte, Estancia by Lennar).

Project or Community Specifications and Execution

We assume that the developer and Builder will:

- execute their work in a “market-appropriate” manner;
- have advertising and marketing efforts generating qualified shopper traffic commensurate with communities achieving sales rates similar to those projected for the Subject;
- have an on-site sales office open at least 7 days a week;
- have fully decorated model homes for most floor plans;
- have experienced sales agent(s) familiar with the local market; and
- come to market within 12 months.

Failure to meet these conditions could adversely impact achievable prices and/or sales rates.

Level of Competition

Our pricing and absorption recommendations assume competition during the Subject’s sell-out will be similar to today’s competition.

See appendix for [Limiting Conditions](#)

EXECUTIVE SUMMARY





Recommendations

Price

Average base price	\$2,497,069
• Average incentive	(\$10,000)
• Average options	\$62,447
• Average premiums	\$2,000
Average total net price	\$2,551,516

Price Change

Remainder

2018	2019	2020	2021
0.3%	2.0%	-1.5%	-4.0%

Sales Per Month and Sell-Out

Remainder

2018	2019	2020	2021
2.50	2.50	2.50	2.50

Sell Out 23 Months

Project

Corn Palace

Sunnyvale, Santa Clara County, CA

Homes 58

Product Type SFD

Average Lot 3,750 SqFt

Lot Dimensions 50 ' x 75'

Home Size Range 2,618 - 2,897 SqFt

Average Home Size 2,773 SqFt

Eff. Tax Rate 1.25%

HOA/Month \$0

Amenities:

None

Target Market:

Young and mature families, dual income professionals.



Resales in the Subject Area
Excellent accessibility
Strong elementary/middle schools
Surrounded by tech jobs



Slowing new home market
Lower priced alternative product
Home sizes pushing prices
Adjacent to busy expressway

PRICING AND ABSORPTION RECOMMENDATIONS





Recommendations Detail

JBREC Pricing Detail

- Based on the locational and competitive market factors outlined in this analysis, we recommend the price points detailed in the table below for the product types at the Subject property. We have assumed an **incentive** in line with the CMA. However, incentives have been increasing in the CMA and the wider market, so incentives so should be closely monitored going forward.
- We estimate average **option/upgrade spending** of +/- 2.5% of base pricing or \$62,447 given CMA norms and experience at key comparables.
- We estimate average **premium revenue** of +/- \$2,000 per home given product type and pricing levels and a review of the site plan. Premiums will be garnered by oversized lots, end units, and any favorable adjacencies such as against the planned park at the southern end of the site. This may be mitigated by the potential for discounting for lots located along busy Lawrence Expressway (though there will be a 13' sound wall along the eastern side of the Subject, this will be a less desirable adjacency).

				MIX	PRODUCT				TAX & HOA		JBREC RECOMMENDED											
				Sq. Ft.					Tax Rate	HOA	Monthly Pace	Base Price		Net Base Price	Net Base Price/ Sq. Ft.			Total Price	Total Price/ Sq. Ft.	80% 4.90% Net Pmt.	31% Income to Qualify*	
Project Name	Builder				Bed	Bath	Levels	Pkg														
CORN PALACE																						
Corn Palace		TBD	12	2,618	4	4.5	2	2	1.25%	\$0	2.50	\$2,420,000	(\$10,000)	\$2,410,000	\$921	\$60,500	\$2,000	\$2,472,500	\$944	\$13,073	\$506,000	
			4	2,662	4	4.0	2	2	1.25%	\$0		\$2,435,000	(\$10,000)	\$2,425,000	\$911	\$60,900	\$2,000	\$2,487,900	\$935	\$13,155	\$509,000	
Product:	SFD	Total Units:	58	21	2,758	4	4.5	2	2	1.25%	\$0		\$2,490,000	(\$10,000)	\$2,480,000	\$899	\$62,300	\$2,000	\$2,544,300	\$923	\$13,453	\$521,000
Configuration:	3,750	Units Sold:	0	21	2,897	4	4.5	2	2	1.25%	\$0		\$2,560,000	(\$10,000)	\$2,550,000	\$880	\$64,000	\$2,000	\$2,616,000	\$903	\$13,832	\$535,000
Lot Dimensions:	50' x 75'	3 Mon. Sold:	0																			
% Remaining:	100%	Units Remaining:	58																			
Totals/Averages:				58	2,773						\$2,497,069 (\$10,000) \$2,487,069 \$897 \$62,447 \$2,000 \$2,551,516 \$920 \$13,491 \$522,138											



Positioning & Absorption

Price Positioning

The Subject is positioned at the top of the CMA against key comparables. Specifically, the Subject is positioned (per net base pricing unless otherwise noted):

- Above **Radius – Villas** given the Subject's detached product. However, based on our adjustment analysis, recommended prices are generally in-line with Radius – Villas after adjusting for product, lot size, home sizes, location, etc. The Villas also sold out in April 2018, thus pricing is substantially out of date. While Mountain View still carries a substantial premium against Sunnyvale, Radius is in a comparatively slightly less desirable (but still highly desirable) part of Mountain View compared to the city, while the Subject is within an appealing neighborhood within Sunnyvale with very strong schools.
- For similar reasons, the Subject is priced similarly above **Estancia** SFD. While this comparable is within a somewhat superior location within Mountain View than Radius, it has sold without models or any on-site sales presence and is essentially a construction zone.
- Above townhome product at **The Vale** by Landsea and Taylor Morrison based on location (the Subject is within a superior part of Sunnyvale) and far less dense product. Detached homes with conventional (or nearly conventional) lot sizes in the CMA and throughout the core Bay Area are very rare and extremely valued. Further, though the Landsea comparables (Echo and Nexus) have experienced slower sales of late, all three of the townhome communities at The Vale have sold briskly, indicating they may have been priced under market until conditions slowed this summer.
- Competitively with Sunnyvale and Subject Area **resales** based on the premium for new construction mitigated by generally smaller lots than the bulk of detached resales. Critically, the Subject is positioned roughly in-line with the one relatively recent transaction from the neighborhood located immediately west of the Subject. This neighborhood, built in 2013, provides the best comparison to the Subject, but, unfortunately, this transaction is the only sale in the last two years and there are no currently actively listed homes nor pending or contingent sales in this neighborhood.
- Appropriately below the Mountain View resale trend line. Mountain View commands a premium over Sunnyvale, thus newly built product in this area should be priced appropriately. Like Sunnyvale, however, the vast majority of resales in Mountain are comparatively small and old (typically built in the late 1950s to early 1960s). This, along with limited competition regionally for detached new homes with lots of about 3,000 SF or larger, should accentuate the appeal of the Subject.



Positioning & Absorption

Absorption

- Since the Subject is price positioned at the top of the market, our targeted pace is slower than what the surveyed comparables have achieved in terms of overall sales paces. Moreover, absorption has slowed dramatically in recent months in the region. Although overall absorptions are higher, the average sales pace for comparables over the last three months is only 2.3 sales per month. While the Subject's size and location warrant its pricing and given that we expect some normalization in the CMA with the spring selling season next year, we believe a pace of 2.5 sales per month for the Subject is achievable. The Subject's high absolute price points, however, strongly indicate that Client should not expect a higher sales pace than this given market normalization (i.e., the CMA will no longer support rapid sales pace of four per month or higher for top of the market new home communities).
- The table below shows Sunnyvale sales over the last year segmented by price niches. The figures to the right show the Subject's necessary capture rate for various monthly sales rates at the price category relevant to Subject pricing. Even at 2.5 sales per month, the Subject would need to capture about half the Sunnyvale market. However, an offering like the Subject – new homes larger than most resales in Sunnyvale – will expand this market niche. Low inventory (0.4 months at the \$2.5-3.0M price range) indicate limited options at these price points in a market characterized by relatively smaller, older homes. Further, low days on market (average 20 days all Sunnyvale and 30 days at the \$2.5-3.0M niche) indicates latent demand. Still, the top of the market pricing of the Subject, slower recent new home sales, and expectation of a more normalized market sales going forward indicate our absorption estimate is appropriate.

Sunnyvale Sales and Closings by Price Range over Last Year							Capture	Capture	Capture
Price Categories	Sales	%	Sales / Mth	Closings	%	Sales / Mth	3.0/mo.	2.5/mo.	2.0/mth
<\$500,000	0	0.0%	0.0	0	0.0%	0.0			
\$500k-\$1M	60	6.8%	5.0	64	6.9%	5.3			
\$1.0-1.5M	289	32.8%	24.1	301	32.4%	25.1			
\$1.5-2.0M	286	32.5%	23.8	300	32.3%	25.0			
\$2.0-\$2.5M	182	20.7%	15.2	198	21.3%	16.5			
\$2.5-3.0M	61	6.9%	5.1	63	6.8%	5.3	57%	48%	38%
\$3.0M+	3	0.3%	0.3	3	0.3%	0.3			
	881	100%	73	929	100%	77			

Notes: Sales and closings over last year (12/11/17-12/1-18). Months of supply are per closing data.
Listings as of 12/11/18. All data per MLS.



Basements

- All Subject floor plans have basement options that would add between 677 and 1,136 SF to home sizes. Since there are no resale or new home transactions in the CMA (or even the wider region) upon which to base pricing, we are not able to formally price the value of basement space at the Subject. Clearly, basements would increase the price of Subject homes solely given the added space. However, our experience in other markets is that basement space is priced far lower on a per square foot basis than normal house space. In the CMA, this is likely to be exaggerated given the complete unfamiliarity with basements among buyers.
- The one recent new home community in California that offered a basement of which we are aware is Lumiere by Lennar. This is a smaller lot detached community with pricing averaging about \$2M, so is reasonably comparable to the Subject from the standpoint of product and pricing if not in terms of location. This community had a basement option on one plan that sold for about \$250,000 for an additional 2,000 SF. That is, its value ratio was \$125 per square foot. This compares to a value ratio of roughly \$400 to \$425/SF for normal home space, or less than 1/3rd of above-ground home pricing. The sales agent at Lumiere told us that the basement was desirable, but few buyers wanted to pay for it. When selling (the relevant plan is sold out) buyers chose the basement option on five of 23 purchases. This may offer some guidance to pricing and demand for an optional basement at the Subject but should not be considered conclusive.
- While Subject basements could be offered as options, this would likely lead to logistical problems. Basements would have to be laid prior to foundation slabs and thus buyers would have to purchase the basements very early in the development process. If that buyer should cancel prior to closing, Client could be left with a home that is difficult to sell. Pre-plotting basements would also be perilous given the uncertainty of the market for basements.
- Beyond the market unfamiliarity and uncertain pricing of basements is the fact that any substantial increase in pricing at the Subject will push the Subject into very high absolute price points for Sunnyvale. Currently, most homes will be priced in the \$2.5-3.0M range, and mainly toward the bottom half of that range (and some slightly below that threshold). At 30% of the Subject's average value ratio, the typical basement value at the Subject would be about \$250,000. This would increase Subject pricing into a thin part of the market (see table previous page for lack of \$3.0M+ sales) even allowing for the Subject to expand the size of this niche.
- Given this absolute price factor, pre-plotting basements could thus diminish absorption and necessitate price discounting should basements prove difficult to sell. Given the lack of transactions, basements may also be difficult to appraise.



Basements

- We thus strongly recommend the Subject is planned without basements. The following summarize the key factors:
 - Total unfamiliarity in the market with basements.
 - No data with which to price or appraise basements.
 - Would likely slow absorption if pre-plotted (or if a buyer option and then canceled).
 - Basements would push Subject pricing into market niche with very limited activity in Sunnyvale.
 - Basements would increase home sizes which are already large for the CMA.
 - Basements are often poorly lit in terms of natural lighting (one planned basement has no natural lighting conduits) and could add a security concern given the alternative exits, which would provide another ingress into the house.
 - Basements are not favorable from a multi-generational standpoint since grandparents residing in the basement would necessitate climbing stairs to join the family.

LOCATION AND PROPERTY ANALYSIS

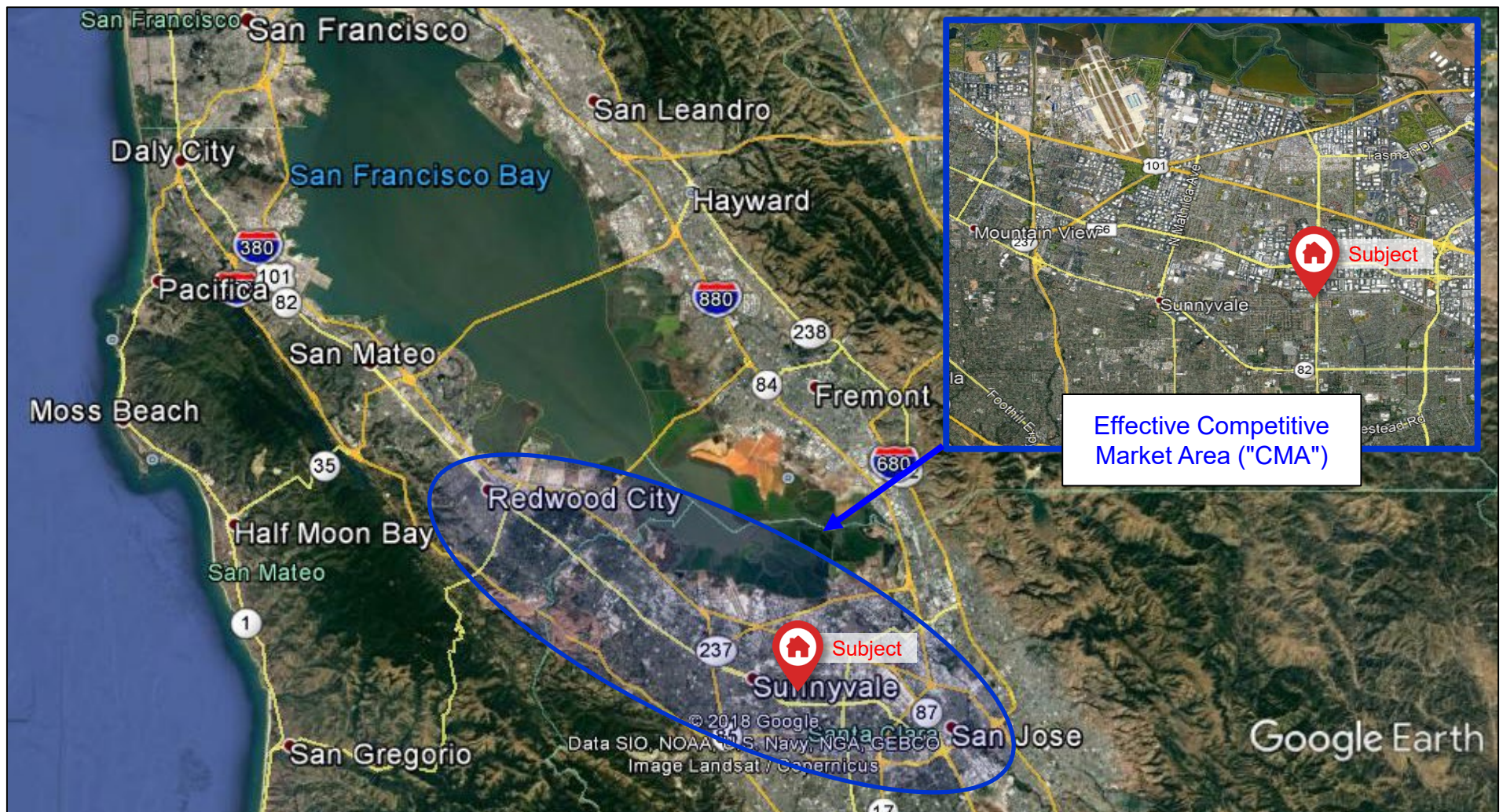




Regional Location

MSA	San Jose-Sunnyvale-Santa Clara
County	Santa Clara
City	Sunnyvale
Distances	Subject is along the eastern boundary of Sunnyvale, which is about five miles southeast of Mountain View and five miles west of Santa Clara.

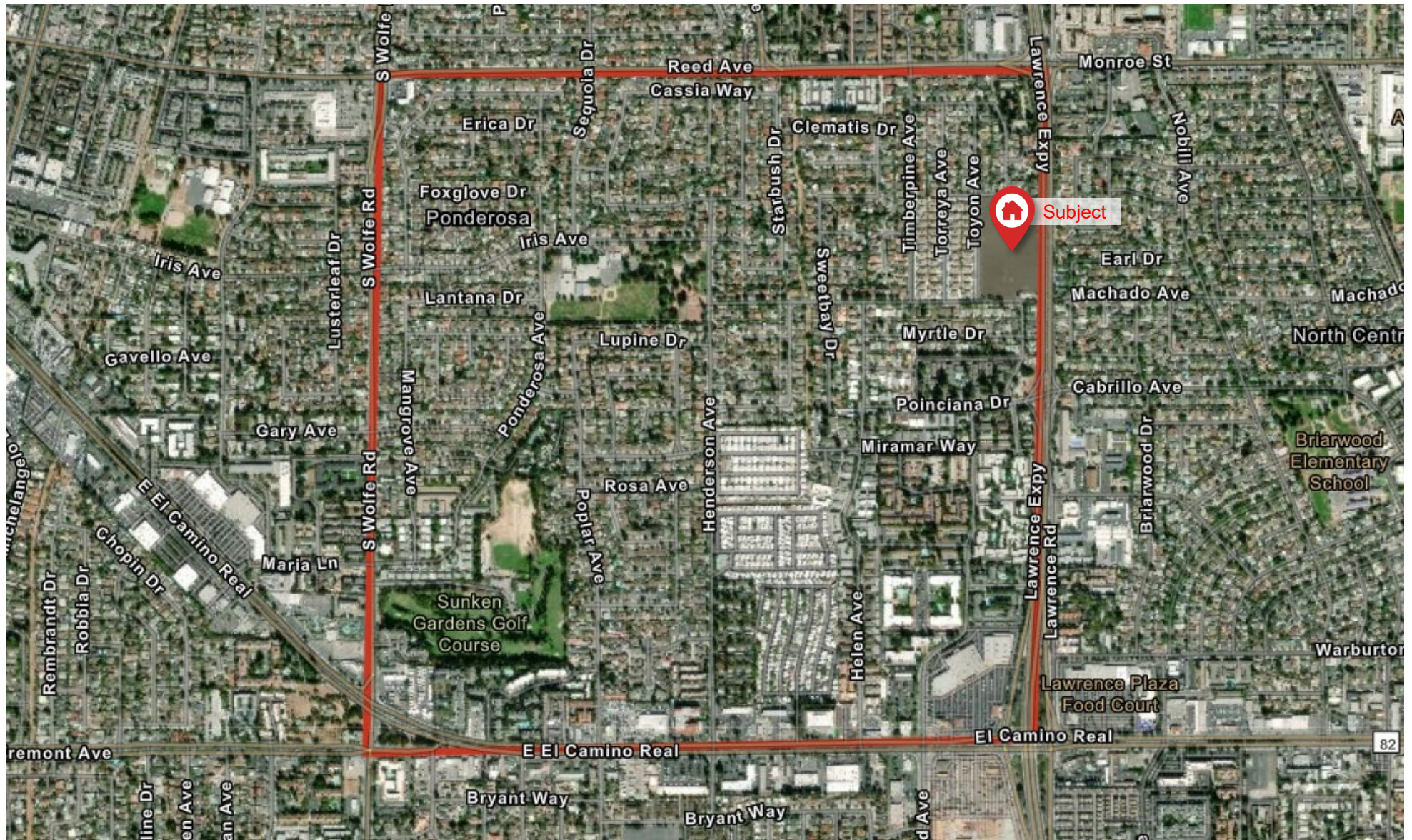
Sunnyvale is a bedroom community with excellent accessibility both regionally and immediately. With Highway 101 so close, employment hubs in San Francisco, San Jose, and the entire Silicon Valley are easily accessible.



Subject Area



The red polygon capturing the Subject was used to gather Subject Area key resale transactions that are examined later in the report. The Subject area is defined by the area bounded by Reed Avenue, Lawrence Expressway, El Camino Real, and Wolfe Road.



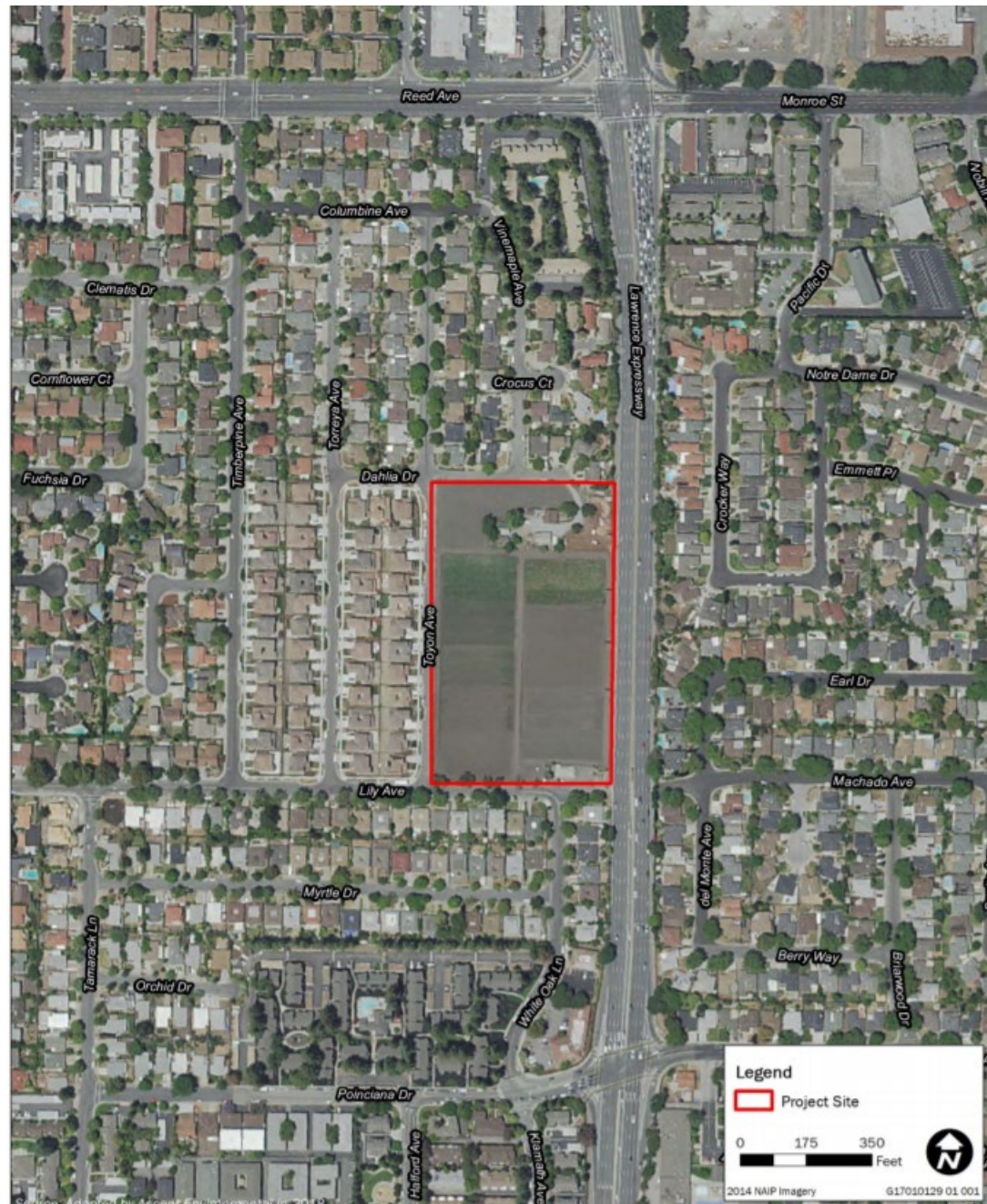


Subject Vicinity

The Subject site is located west of Lawrence Expressway and is bounded by Lily, Toyon and Dahlia avenues. The 8.8 acre-project site, commonly known as the “Corn Palace,” is a former cornfield that has a closed produce stand, farm structures and a house on site.

The Subject is surrounded by existing residential, which includes most conventional lot single-family detached homes, some townhomes, and apartments toward El Camino Real to the south of the Subject site. The best resale comparables are homes adjacent west of the Subject built in 2013 on lots roughly 6,000 SF.

The proposed project by Trumark Homes includes developing the land with 58 single-family homes (9.5 dwelling units per acre) and a 2-acre public park on the southern edge of the site (against Lily).



Subject Site Plan

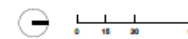


Architecture + Planning
The Learning Building
1914 Franklin St., Ste. 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRUMARK HOMES

CORN PALACE

DECEMBER 11, 2018



HOME LAYOUT PLAN

Source: Client

John Burns Real Estate Consulting



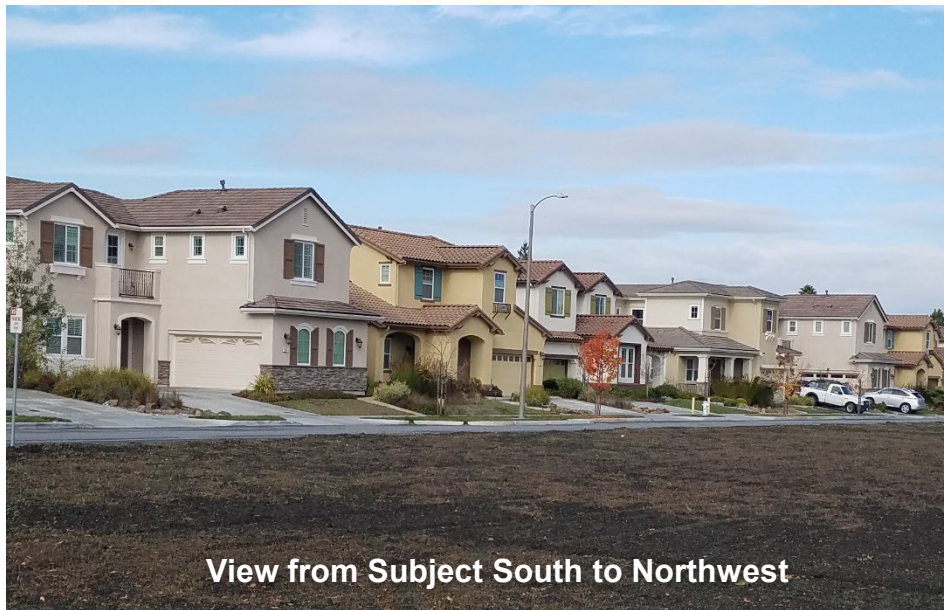
Site Photography



View from Subject South to Northeast



View from Subject South to North



View from Subject South to Northwest



Radius Villas



School Rankings – Subject & Key Comps

The Subject will be within the Santa Clara Unified School District. The district scores average on the School Digger metric (School Digger illustrates test scores on a 1-100 scoring index with 50 as the approximate average). However, Santa Clara County is known for strong school districts.. The Subject's elementary and middle schools will be perceived as higher performing against most comparable schools. The Subject high school is strong, though comparable high schools are equally as strong, if not better. Overall, Subject schools will be a strong plus.

School Digger Rating by District Major Santa Clara County School Districts

2017 Rank	District	2017 Score	2016 Score	2016-17 Growth
1	Los Altos Elementary	98.1	97.9	0.2
2	Saratoga Union Elementary	98.1	99.2	-1.1
3	Cupertino Union	96.5	96.5	-0.1
4	Los Gatos-Saratoga Joint Union High	95.6	98.0	-2.4
5	Union Elementary	94.8	94.4	0.4
6	Palo Alto Unified	94.5	96.2	-1.7
7	Fremont Union High	93.4	94.8	-1.4
8	Los Gatos Union Elementary	92.4	94.4	-2.0
9	Moreland	81.2	82.0	-0.9
10	Mountain View Whisman	78.5	78.4	0.1
11	Campbell Union High	77.7	78.6	-0.9
12	Milpitas Unified	77.4	75.6	1.8
13	Mountain View-Los Altos Union High	74.7	71.2	3.5
14	Cambrian	74.6	79.2	-4.7
15	Berryessa Union Elementary	73.0	73.7	-0.7
16	Evergreen Elementary	71.3	72.1	-0.8
17	Orchard Elementary	68.5	64.4	4.1
18	Santa Clara Unified	66.7	66.8	-0.1
19	Sunnyvale	64.4	66.6	-2.2
20	Campbell Union	63.3	62.4	0.9
21	Santa Clara County Office Of Educati	61.7	57.9	3.8
22	Gilroy Unified	61.0	59.7	1.3
23	Morgan Hill Unified	60.0	63.7	-3.7
24	Franklin-McKinley Elementary	58.6	60.3	-1.7
25	Oak Grove Elementary	56.9	53.9	3.1
26	San Jose Unified	54.1	50.6	3.6
	CALIFORNIA STATE AVERAGE	52.0	52.7	-0.7
27	East Side Union High	50.3	47.4	2.9
28	Alum Rock Union Elementary	44.3	42.2	2.1
29	Mount Pleasant Elementary	41.1	49.3	-8.3
30	Luther Burbank	34.8	43.9	-9.0
31	Ravenswood City Elementary	9.9	15.1	-5.2

Assigned Schools of Subject and Key Competitors

Elementary Schools - Ranked by School Digger Score

Project	City	District	Elementary	School Digger (1-100)	Great Schools (1-10)
Subject	Sunnyvale	Santa Clara Unified	Ponderosa	85	6
Radius	Mountain View	Mountain View Whisman	Edith Landels	74	6
Palmero	Mountain View	Mountain View Whisman	Theuerkauf	62	5
Classics at Permanente	Mountain View	Mountain View Whisman	Monta Loma	60	6
Estancia	Mountain View	Mountain View Whisman	Castro	47	6
The Vale	Sunnyvale	Sunnyvale	San Miguel	34	4

Middle Schools - Ranked by School Digger Score

Project	City	District	Middle	School Digger (1-100)	Great Schools (1-10)
Estancia	Mountain View	Mountain View Whisman	Graham	89	7
Subject	Sunnyvale	Santa Clara Unified	Marian A. Peterson	87	7
Palmero	Mountain View	Mountain View Whisman	Crittenden	82	7
Classics at Permanente	Mountain View	Mountain View Whisman	Crittenden	82	7
Radius	Mountain View	Mountain View Whisman	Crittenden	82	7
The Vale	Sunnyvale	Sunnyvale	Columbia	32	3

High Schools - Ranked by School Digger Score

Project	City	District	High	School Digger (1-100)	Great Schools (1-10)
Radius	Mountain View	MV-Los Altos Union High	Mountain View	95	9
Classics at Permanente	Mountain View	MV-Los Altos Union High	Los Altos	94	9
Palmero	Mountain View	MV-Los Altos Union High	Los Altos	94	9
Estancia	Mountain View	MV-Los Altos Union High	Los Altos	94	9
Subject	Sunnyvale	Santa Clara Unified	Adrian Wilcox	80	8
The Vale	Sunnyvale	Fremont Union	Fremont	75	7

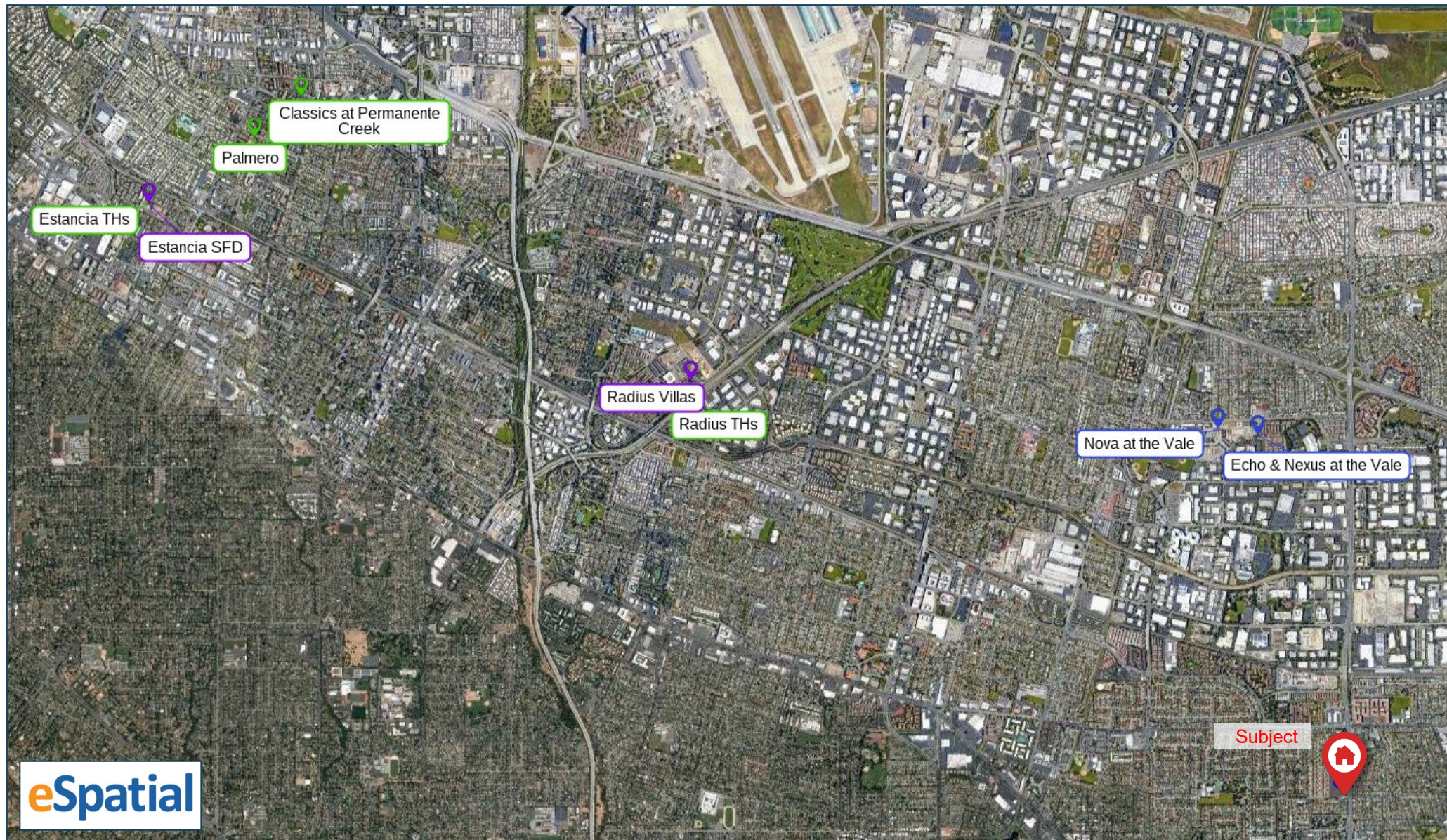
Source: School Digger, Great Schools, JBREC

NEW-HOME ANALYSIS





Comparable New Home Communities Map





Comparable New Home Communities Summary

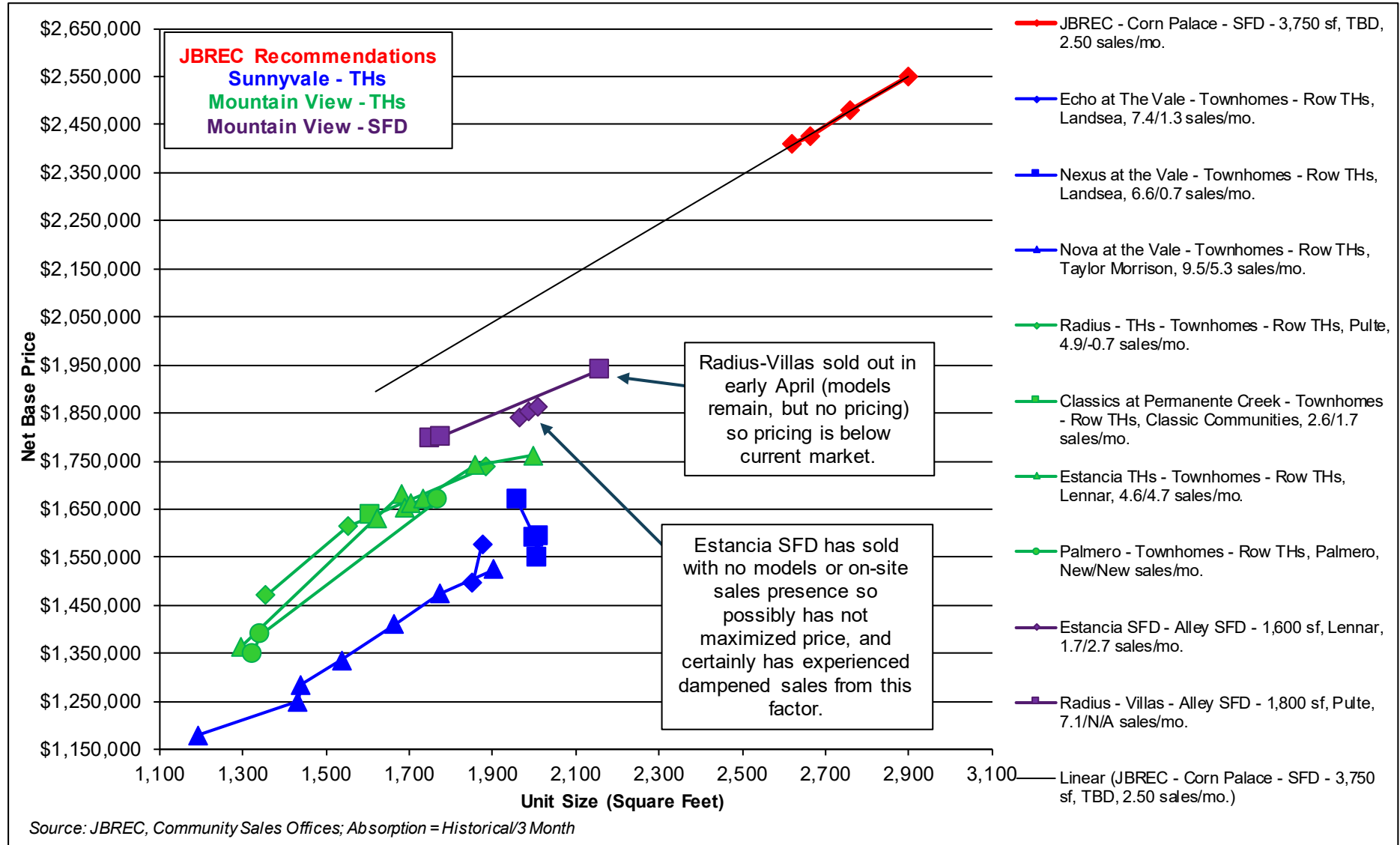
Due to the lack of direct comparables in the area, we surveyed actively selling townhomes and small lot detached projects in the CMA. The comparable set includes nine actively selling and recently sold out new home projects, including three neighborhoods in Sunnyvale and six in Mountain View.

Community	Builder	Location	SIZE (SF)		ABSORPTION		AVG. INCENTIVE		AVG. OPTION EXP.		AVG. PREM.		PRICING SUMMARY		
			Min. Lot	Avg. Unit	Overall	L3M	Total	% Base	Total	% Base	Total	% Base	Base Price	Total Price	Total \$/SF
Corn Palace	TBD	Carson City	3,750	2,773	2.5	N/A	(\$10,000)	-0.4%	\$62,447	2.5%	\$2,000	0.1%	\$2,497,069	\$2,551,516	\$920
Echo at The Vale	Landsea Homes	Sunnyvale	Row THs	1,859	7.4	1.3	(\$2,500)	-0.2%	\$40,000	2.6%	\$10,000	0.7%	\$1,526,833	\$1,574,333	\$847
Nexus at the Vale	Landsea	Sunnyvale	Row THs	1,996	6.6	0.7	(\$2,500)	-0.2%	\$40,000	2.5%	\$10,000	0.6%	\$1,602,000	\$1,649,500	\$827
Nova at the Vale	Taylor Morrison	Sunnyvale	Row THs	1,563	9.5	5.3	(\$10,000)	-0.7%	\$40,856	3.0%	\$5,000	0.4%	\$1,361,857	\$1,397,713	\$894
Radius - THs	Pulte	Mountain View	Row THs	1,597	4.9	(0.7)	(\$10,000)	-0.6%	\$50,000	3.1%	\$5,000	0.3%	\$1,618,323	\$1,663,323	\$1,042
Palmero	Palmero	Mountain View	Row THs	1,479	New	New	\$0	0.0%	\$35,000	2.4%	\$0	0.0%	\$1,468,000	\$1,503,000	\$1,016
Estancia THs	Lennar	Mountain View	Row THs	1,697	4.6	4.7	(\$7,500)	-0.5%	\$16,536	1.0%	\$25,000	1.5%	\$1,653,630	\$1,687,666	\$994
Classics at Permanente Creek	Classic Communities	Mountain View	Row THs	1,609	2.6	1.7	\$0	0.0%	\$22,000	1.3%	\$0	0.0%	\$1,638,000	\$1,660,000	\$1,032
Estancia SFD	Lennar	Mountain View	1,600	1,987	1.7	2.7	(\$7,500)	-0.4%	\$18,599	1.0%	\$25,000	1.3%	\$1,859,880	\$1,895,979	\$954
Radius - Villas	Pulte	Mountain View	1,800	1,896	7.1	N/A	(\$10,000)	-0.5%	\$64,925	3.5%	\$5,000	0.3%	\$1,854,990	\$1,914,915	\$1,010
COMPARABLE AVERAGE				1,743	5.6	2.2	(\$5,556)	-0.3%	\$36,435	2.3%	\$9,444	0.6%	\$1,620,390	\$1,660,714	\$953
COMPARABLE MEDIAN				1,697	5.8	1.7	(\$7,500)	-0.4%	\$40,000	2.5%	\$5,000	0.4%	\$1,618,323	\$1,660,000	\$978



Net Base Price Comparison

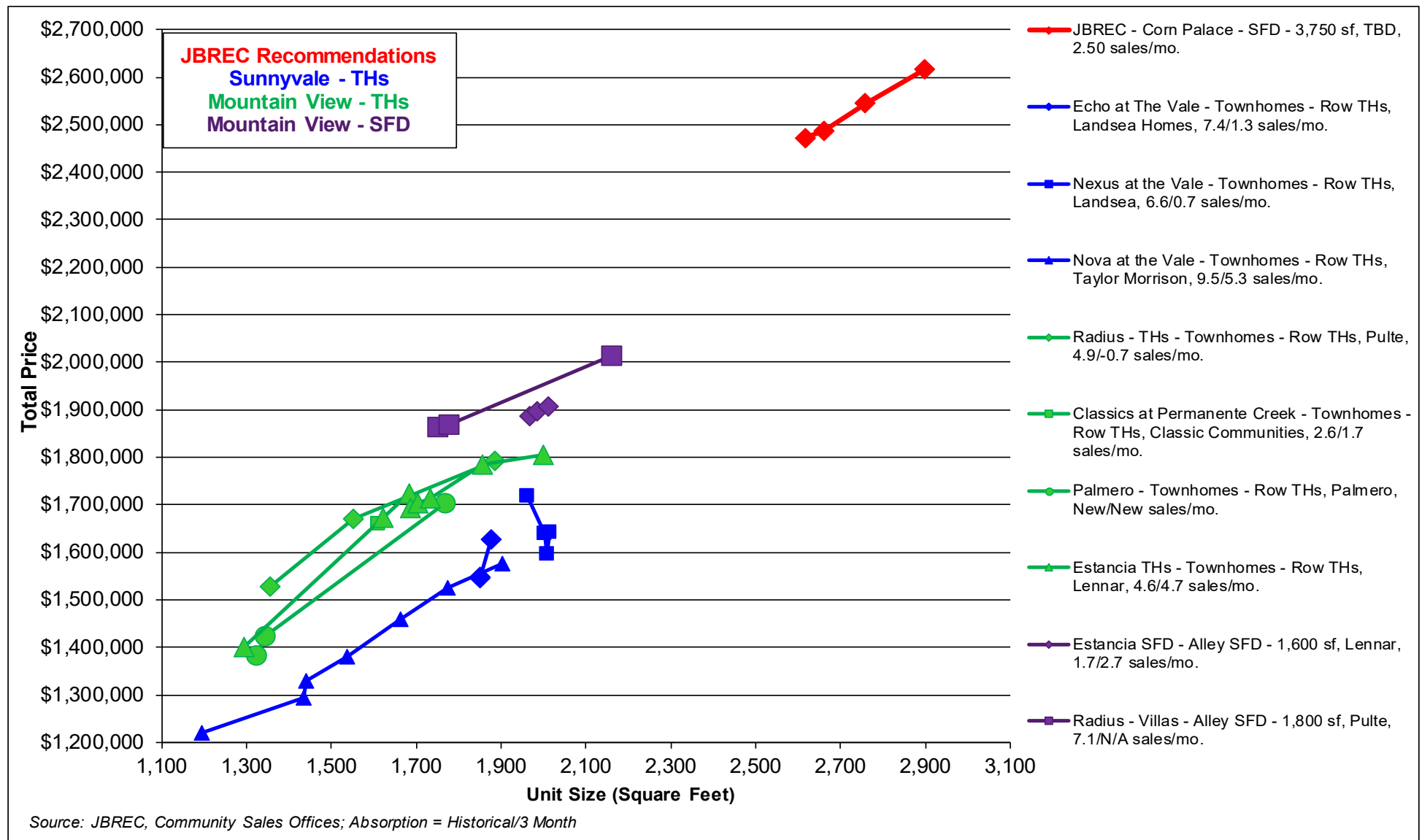
The Subject is positioned above Radius – Villas and Estancia SFD based on net base pricing. Both of those key comparables are very small lot alley loaded detached offerings in Mountain View (the black trend line helps to illustrate this relationship). However, Radius – Villas pricing is dated (from April when all but the models sold out) and Estancia has never had models or an on-site sales presence. The chart below also illustrates the Subject's very large home sizes compared to even detached competition.





Total Net Price Comparison

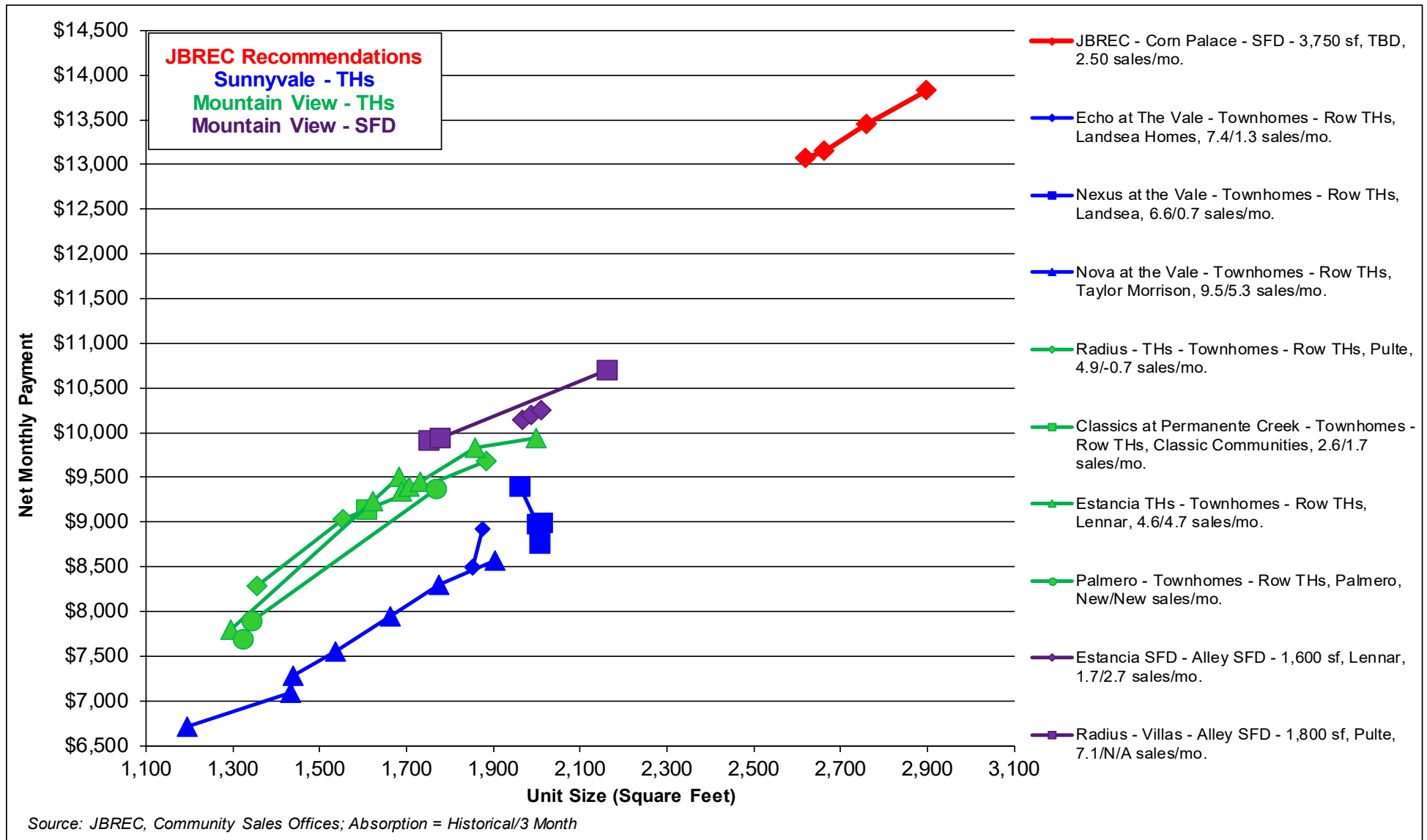
On a total price comparison (base price + options + premiums - incentives), JBREC recommendations position the Subject similarly to net base price positioning, with highly comparable option and premium expectations.





Total Monthly Cost-to-Own Comparison

Converting total prices to monthly payments again shows very similar Subject positioning against comparables given similar tax and HOA profiles.





New Home Comps Detail

Project Name		Builder		MIX	PRODUCT						TAX & HOA			MARKET PRICE											
					Sq. Ft.	Plan Configuration					Tax Rate	Add'l Taxes	HOA	Absorption		Base Price	Incent's	Net Base Price	Net Base Price/ Sq. Ft.	Options	Premiums	Total Price	Total Price/ Sq. Ft.	80% 4.90% Net Pmt.	31% Income to Qualify*
						Bed	Extra	Bath	Level	Pkg				Overall	L3M										
ECHO AT THE VALE																									
Echo at The Vale		Landsea Homes		1	1,851	3		3.5	3	2	1.20%	\$0	\$380	7.4	1.3	\$1,501,500	(\$2,500)	\$1,499,000	\$810	\$40,000	\$10,000	\$1,549,000	\$837	\$8,506	\$329,000
City:	Sunnyvale		1	1,851	3	Den	4.0	4	2	1.20%	\$0	\$380			\$1,499,000	(\$2,500)	\$1,496,500	\$808	\$40,000	\$10,000	\$1,546,500	\$835	\$8,493	\$329,000	
Product:	Townhomes	Total Units:	171	1	1,875	4		3.5	3	2	1.20%	\$0	\$380			\$1,580,000	(\$2,500)	\$1,577,500	\$841	\$40,000	\$10,000	\$1,627,500	\$868	\$8,918	\$345,000
Configuration:	Row THs	Units Sold:	120																						
Lot Dimensions:	Attached	3 Mon. Sold:	4																						
% Remaining	30%	Units Remaining:	51																						
Sales Open Date:		Aug-17	Overall Sales Rate:	7.4																					
			3 Mon. Sales Rate:	1.3																					
Totals/Averages:					1,859									\$1,526,833 (\$2,500) \$1,524,333 \$820 \$40,000 \$10,000 \$1,574,333 \$847 \$8,639 \$334,333											
NEXUS AT THE VALE																									
Nexus at the Vale		Landsea		1	1,960	4		3.5	3	2+	1.20%	\$0	\$380	6.6	0.7	\$1,671,000	(\$2,500)	\$1,668,500	\$851	\$40,000	\$10,000	\$1,718,500	\$877	\$9,395	\$364,000
City:	Sunnyvale		1	2,002	4		3.5	3	2	1.20%	\$0	\$380			\$1,592,000	(\$2,500)	\$1,589,500	\$794	\$40,000	\$10,000	\$1,639,500	\$819	\$8,981	\$348,000	
Product:	Townhomes	Total Units:	143	1	2,007	3		3.5	3	2	1.20%	\$0	\$380			\$1,550,000	(\$2,500)	\$1,547,500	\$771	\$40,000	\$10,000	\$1,597,500	\$796	\$8,760	\$339,000
Configuration:	Row THs	Units Sold:	107	1	2,014	4		3.5	3	2	1.20%	\$0	\$380			\$1,595,000	(\$2,500)	\$1,592,500	\$791	\$40,000	\$10,000	\$1,642,500	\$816	\$8,996	\$348,000
Lot Dimensions:	Attached	3 Mon. Sold:	2																						
% Remaining	25%	Units Remaining:	36																						
Sales Open Date:		Aug-17	Overall Sales Rate:	6.6																					
			3 Mon. Sales Rate:	0.7																					
Totals/Averages:					1,996									\$1,602,000 (\$2,500) \$1,599,500 \$801 \$40,000 \$10,000 \$1,649,500 \$827 \$9,033 \$349,750											
NOVA AT THE VALE																									
Nova at the Vale		Taylor Morrison		1	1,194	2		2.5	3	1	1.18%	\$0	\$324	9.5	5.3	\$1,190,000	(\$10,000)	\$1,180,000	\$988	\$35,700	\$5,000	\$1,220,700	\$1,022	\$6,707	\$260,000
City:	Sunnyvale		1	1,433	2		2.5	3	1	1.18%	\$0	\$324			\$1,260,000	(\$10,000)	\$1,250,000	\$872	\$37,800	\$5,000	\$1,292,800	\$902	\$7,084	\$274,000	
Product:	Townhomes	Total Units:	136	1	1,439	2	Tech	2.5	3	2	1.18%	\$0	\$324			\$1,296,000	(\$10,000)	\$1,286,000	\$894	\$38,880	\$5,000	\$1,329,880	\$924	\$7,278	\$282,000
Configuration:	Row THs	Units Sold:	87	1	1,537	3		3.5	3	2	1.18%	\$0	\$324			\$1,346,000	(\$10,000)	\$1,336,000	\$869	\$40,380	\$5,000	\$1,381,380	\$899	\$7,547	\$292,000
Lot Dimensions:	Attached	3 Mon. Sold:	16	1	1,663	3		3.5	3	2T	1.18%	\$0	\$324			\$1,421,000	(\$10,000)	\$1,411,000	\$848	\$42,630	\$5,000	\$1,458,630	\$877	\$7,951	\$308,000
% Remaining	36%	Units Remaining:	49	1	1,773	3		3.5	3	2T	1.18%	\$0	\$324			\$1,485,000	(\$10,000)	\$1,475,000	\$832	\$44,550	\$5,000	\$1,524,550	\$860	\$8,296	\$321,000
				1	1,903	4		3.5	3	2	1.18%	\$0	\$324			\$1,535,000	(\$10,000)	\$1,525,000	\$801	\$46,050	\$5,000	\$1,576,050	\$828	\$8,565	\$332,000
Sales Open Date:		Mar-18	Overall Sales Rate:	9.5																					
			3 Mon. Sales Rate:	5.3																					
Totals/Averages:					1,563									\$1,361,857 (\$10,000) \$1,351,857 \$865 \$40,856 \$5,000 \$1,397,713 \$894 \$7,633 \$295,571											



New Home Comps Detail

Project Name		Builder		MIX	PRODUCT						TAX & HOA			MARKET PRICE											
					Sq. Ft.	Plan Configuration					Tax Rate	Add'l Taxes	HOA	Absorption		Base Price	Incent's	Net Base Price	Net Base Price/ Sq. Ft.	Options	Premiums	Total Price	Total Price/ Sq. Ft.	80% 4.90% Net Pmt.	31% Income to Qualify*
						Bed	Extra	Bath	Level	Pkg				Overall	L3M										
RADIUS - THS																									
Radius - THs		Pulte		1	1,355	2	Den	2.5	3	2	1.20%	\$0	\$271	4.9	-0.7	\$1,481,990	(\$10,000)	\$1,471,990	\$1,086	\$50,000	\$5,000	\$1,526,990	\$1,127	\$8,281	\$321,000
City: Mountain View				1	1,552	3		3.5	3	2	1.20%	\$0	\$271			\$1,624,990	(\$10,000)	\$1,614,990	\$1,041	\$50,000	\$5,000	\$1,669,990	\$1,076	\$9,031	\$350,000
Product: Townhomes		Total Units: 113		1	1,884	4		3.5	3	2	1.20%	\$0	\$271			\$1,747,990	(\$10,000)	\$1,737,990	\$923	\$50,000	\$5,000	\$1,792,990	\$952	\$9,677	\$375,000
Configuration: Row THs		Units Sold: 97																							
Lot Dimensions: Attached		3 Mon. Sold: -2																							
% Remaining 14%		Units Remaining: 16																							
Sales Open Date: May-17		Overall Sales Rate: 4.9																							
		3 Mon. Sales Rate: -0.7																							
Totals/Averages:					1,597									\$1,618,323 (\$10,000) \$1,608,323 \$1,007 \$50,000 \$5,000 \$1,663,323 \$1,042 \$8,996 \$348,667											
CLASSICS AT PERMANENTE CREEK																									
Classics at Permanente Creek		Classic Communities		1	1,609	3	Den	2.5	3	2	1.22%	\$0	\$400	2.6	1.7	\$1,638,000	\$0	\$1,638,000	\$1,018	\$22,000	\$0	\$1,660,000	\$1,032	\$9,136	\$354,000
City: Mountain View																									
Product: Townhomes		Total Units: 29																							
Configuration: Row THs		Units Sold: 29																							
Lot Dimensions: Attached		3 Mon. Sold: 5																							
% Remaining 0%		Units Remaining: 0																							
Sales Open Date: Jan-18		Overall Sales Rate: 2.6																							
Sold Out Date: Dec-18		3 Mon. Sales Rate: 1.7																							
Sold out approximately 12/5/2018																									
Totals/Averages:					1,609									\$1,638,000 \$0 \$1,638,000 \$1,018 \$22,000 \$0 \$1,660,000 \$1,032 \$9,136 \$354,000											
ESTANCIA THS																									
Estancia THs		Lennar		1	1,295	2		2.5	3	1T	1.25%	\$0	\$391	4.6	4.7	\$1,369,880	(\$7,500)	\$1,362,380	\$1,052	\$13,699	\$25,000	\$1,401,079	\$1,082	\$7,799	\$302,000
City: Mountain View				1	1,621	3		3.5	3	2	1.25%	\$0	\$391			\$1,639,880	(\$7,500)	\$1,632,380	\$1,007	\$16,399	\$25,000	\$1,673,779	\$1,033	\$9,241	\$358,000
Product: Townhomes		Total Units: 61		1	1,682	3		3.5	3	2	1.25%	\$0	\$391			\$1,689,880	(\$7,500)	\$1,682,380	\$1,000	\$16,899	\$25,000	\$1,724,279	\$1,025	\$9,508	\$368,000
Configuration: Row THs		Units Sold: 32		1	1,687	3		3.5	3	2	1.25%	\$0	\$391			\$1,659,880	(\$7,500)	\$1,652,380	\$979	\$16,599	\$25,000	\$1,693,979	\$1,004	\$9,348	\$362,000
Lot Dimensions: Attached		3 Mon. Sold: 14		1	1,705	3		3.5	3	2	1.25%	\$0	\$391			\$1,669,880	(\$7,500)	\$1,662,380	\$975	\$16,699	\$25,000	\$1,704,079	\$999	\$9,401	\$364,000
% Remaining 48%		Units Remaining: 29		1	1,732	3		3.5	3	2	1.25%	\$0	\$391			\$1,679,880	(\$7,500)	\$1,672,380	\$966	\$16,799	\$25,000	\$1,714,179	\$990	\$9,455	\$366,000
				1	1,857	3		3.5	3	2	1.25%	\$0	\$391			\$1,749,880	(\$7,500)	\$1,742,380	\$938	\$17,499	\$25,000	\$1,784,879	\$961	\$9,829	\$380,000
Sales Open Date: May-18		Overall Sales Rate: 4.6		1	1,998	3		3.5	3	2	1.25%	\$0	\$391			\$1,769,880	(\$7,500)	\$1,762,380	\$882	\$17,699	\$25,000	\$1,805,079	\$903	\$9,935	\$385,000
		3 Mon. Sales Rate: 4.7																							
*Options estimated based on EI program.																									
Totals/Averages:					1,697									\$1,653,630 (\$7,500) \$1,646,130 \$970 \$16,536 \$25,000 \$1,687,666 \$994 \$9,315 \$360,625											
PALMERO																									
Palmero		Palmero		1	1,324	2		2.5	3	2T	1.25%	\$0	\$372	New	New	\$1,348,000	\$0	\$1,348,000	\$1,018	\$35,000	\$0	\$1,383,000	\$1,045	\$7,685	\$297,000
City: Mountain View				1	1,343	2		2.5	3	2T	1.25%	\$0	\$372			\$1,388,000	\$0	\$1,388,000	\$1,034	\$35,000	\$0	\$1,423,000	\$1,060	\$7,896	\$306,000
Product: Townhomes		Total Units: 33		1	1,769	3		3.5	3	2	1.25%	\$0	\$372			\$1,668,000	\$0	\$1,668,000	\$943	\$35,000	\$0	\$1,703,000	\$963	\$9,377	\$363,000
Configuration: Row THs		Units Sold: 11																							
Lot Dimensions: Attached		3 Mon. Sold: 11																							
% Remaining 67%		Units Remaining: 22																							
Sales Open Date: Nov-18		Overall Sales Rate: New																							
		3 Mon. Sales Rate: New																							
Note: Community temporarily sold out as of Dec. 8, 2018.																									
Totals/Averages:					1,479									\$1,468,000 \$0 \$1,468,000 \$993 \$35,000 \$0 \$1,503,000 \$1,016 \$8,319 \$322,000											



New Home Comps Detail

		MIX	PRODUCT						TAX & HOA			MARKET PRICE											
		Sq. Ft.	Plan Configuration				Tax Rate	Add'l Taxes	HOA	Absorption		Base Price	Incent's	Net Base Price	Net Base Price/Sq. Ft.	Options	Premiums	Total Price	Total Price/Sq. Ft.	80% 4.90% Net Pmt.	31% Income to Qualify*		
Project Name	Builder		Bed	Extra	Bath	Level	Pkg				Overall	L3M											
ESTANCIA SFD																							
Estancia SFD	Lennar	1	1,966	3		3.5	3	2	1.25%	\$0	\$175	1.7	2.7	\$1,849,880	(\$7,500)	\$1,842,380	\$937	\$18,499	\$25,000	\$1,885,879	\$959	\$10,147	\$393,000
City: Mountain View		1	1,986	3		3.5	3	2	1.25%	\$0	\$175			\$1,859,880	(\$7,500)	\$1,852,380	\$933	\$18,599	\$25,000	\$1,895,979	\$955	\$10,200	\$395,000
Product: Alley SFD	Total Units: 14	1	2,010	3		3.5	3	2	1.25%	\$0	\$175			\$1,869,880	(\$7,500)	\$1,862,380	\$927	\$18,699	\$25,000	\$1,906,079	\$948	\$10,253	\$397,000
Configuration: 1,600	Units Sold: 12																						
Lot Dimensions: 30' x 52'	3 Mon. Sold: 8																						
% Remaining 14%	Units Remaining: 2																						
Sales Open Date: May-18	Overall Sales Rate: 1.7																						
	3 Mon. Sales Rate: 2.7																						
*Options estimated based on EI program. Lot size estimated.																							
Totals/Averages:			1,987									\$1,859,880 (\$7,500) \$1,852,380 \$932 \$18,599 \$25,000 \$1,895,979 \$954 \$10,200 \$395,000											
RADIUS - VILLAS																							
Radius - Villas	Pulte	1	1,751	3	Den	2.5	3	2	1.20%	\$0	\$144	7.1	N/A	\$1,804,990	(\$10,000)	\$1,794,990	\$1,025	\$63,175	\$5,000	\$1,863,165	\$1,064	\$9,918	\$384,000
City: Mountain View		1	1,776	3		3.0	3	2	1.20%	\$0	\$144			\$1,809,990	(\$10,000)	\$1,799,990	\$1,014	\$63,350	\$5,000	\$1,868,340	\$1,052	\$9,945	\$385,000
Product: Alley SFD	Total Units: 85	1	2,161	3	Den	2.5	3	2	1.20%	\$0	\$144			\$1,949,990	(\$10,000)	\$1,939,990	\$898	\$68,250	\$5,000	\$2,013,240	\$932	\$10,705	\$414,000
Configuration: 1,800	Units Sold: 82																						
Lot Dimensions: 31' x 58'	3 Mon. Sold: N/A																						
% Remaining 4%	Units Remaining: 3																						
Sales Open Date: May-17	Overall Sales Rate: 7.1																						
Sold out Date: Apr-18	3 Mon. Sales Rate: N/A																						
*Sold out April 2018, 3 models left. Pricing is last base pricing in April.																							
Totals/Averages:			1,896									\$1,854,990 (\$10,000) \$1,844,990 \$973 \$64,925 \$5,000 \$1,914,915 \$1,010 \$10,189 \$394,333											

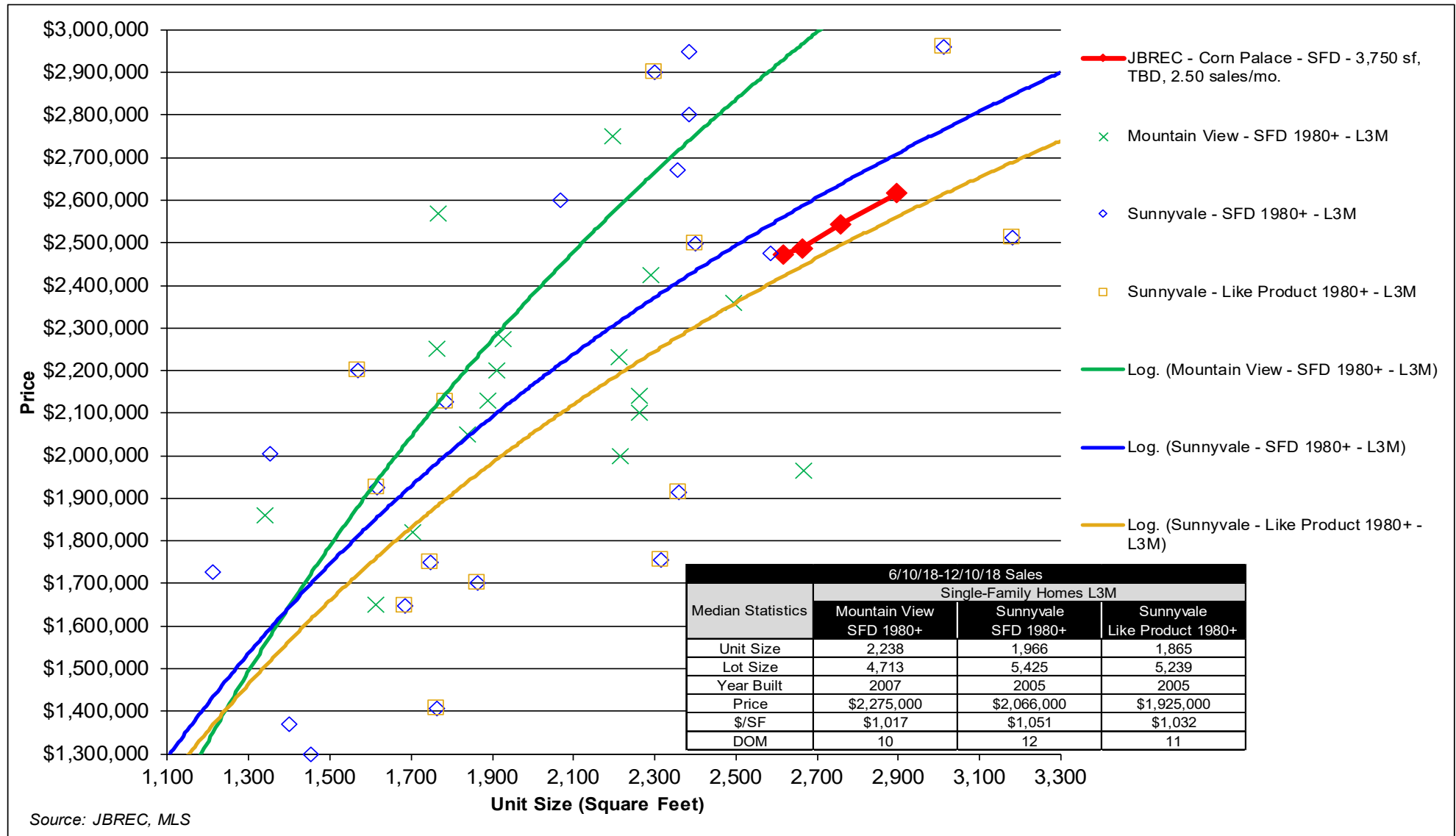
RESALE ANALYSIS



Resales Graph



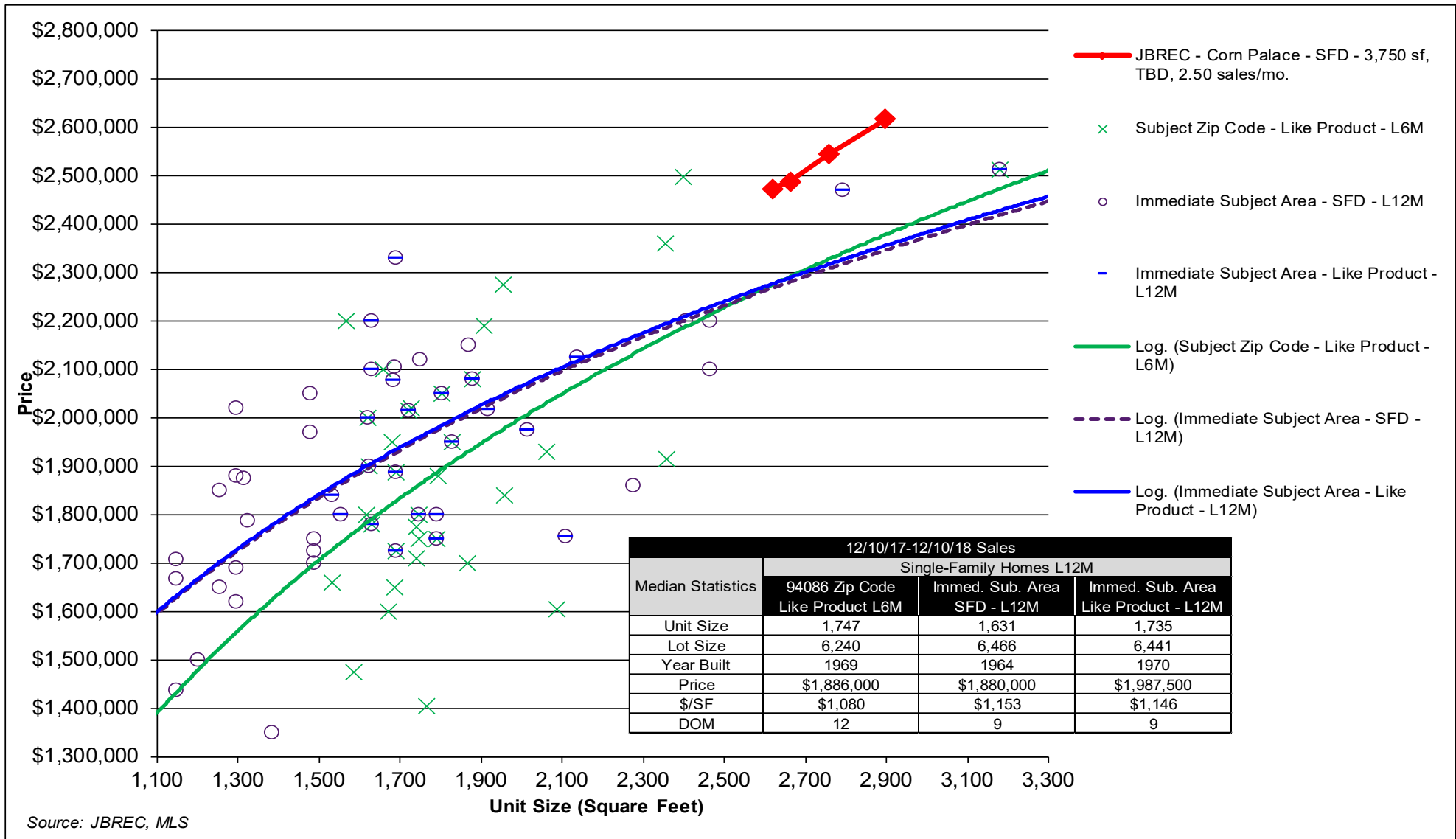
We positioned the Subject homes in-line with the resale trends for Sunnyvale and below the Mountain View trend. Mountain View commands a premium over Sunnyvale, thus newly built product in this area should be priced appropriately. Subject home sizes are far larger than the CMA norm, which increases absolute price points, and this has impacted our recommendations. (Note that "Like Product" includes transactions with comparatively similar lot and home sizes to the Subject.)





Resales Graph

The Subject homes are positioned about \$200K to \$250K above the pricing trend line for recent resale transactions in the Subject zip code and the immediate Subject area (polygon shown in locational section). As mentioned previously, the existing home market generally consists of relatively older homes and smaller homes than the Subject - about 1,600 to 1,700 SF compared to 2,773 SF at the Subject.





Resale Price Adjustment Grid

The table below takes average values for the Subject and compares it to key variables derived from recent resale data. "1980+" = minimum year built. The Adjusted Price figures at the bottom of the page indicate the implied average total price for the Subject. These figures average somewhat above our weighted average total recommended price. However, a similar analyses using new home data showed implied pricing below our recommendations. Adjustments for the best comparable, Radius Villas, are very close to Subject pricing, as is the value implied by the single transaction at the key neighborhood just west of the Subject.

Subject Price Adjustments from Key Resale Comparables							
	Sunnyvale SFD L3M	Sunnyvale 1990+ L3M	Sunnyvale Like Prod. 1980+ L3M	Subject Zip Code SFD 1990+ L3M	Subject Area SFD L12M	Subject Area Like Prod. L12M	726 Torreya
Avg. Total Price	\$1,800,000	\$2,066,000	\$1,925,000	\$1,832,500	\$1,880,000	\$1,987,500	\$2,512,000
Sale Date	↑ \$38,268	↑ \$41,660	↑ \$49,364	↑ \$49,804	↑ \$79,527	↑ \$81,025	↑ \$100,205
Year Built	↑ \$432,000	↑ \$241,722	↑ \$225,225	↑ \$233,644	↑ \$406,080	↑ \$429,300	↑ \$125,600
Lot Size	↓ -\$101,925	↓ -\$64,245	↓ -\$56,805	↓ -\$22,405	↓ -\$105,885	↓ -\$104,885	↓ -\$87,245
Unit Size	↑ \$457,545	↑ \$403,500	↑ \$454,000	↑ \$457,545	↑ \$457,545	↑ \$457,545	↓ -\$203,500
Location	↑ \$36,000	↑ \$41,320	↑ \$38,500	↑ \$18,325	⇒ \$0	⇒ \$0	⇒ \$0
Product	↓ -\$54,000	↓ -\$61,980	↓ -\$57,750	↓ -\$54,975	↓ -\$56,400	↓ -\$39,750	⇒ \$0
Tax Rate	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0
HOA	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0
Adj. Price	\$2,607,889	\$2,667,977	\$2,577,535	\$2,514,438	\$2,660,867	\$2,810,735	\$2,447,060

**Avg. Implied
Subject Price**

\$2,612,357

The price figures seen at the bottom of the table indicate the Subject's imputed value derived from key variable adjustments. Adjustments on median values are from empirically based rules of thumb and observed data. The sale date adjustment is based on continued (annualized) appreciation from the median sale date. Location and product adjustments are based on an assessment of superiority / inferiority of Subject vs. comparison (positive figures indicate Subject superiority). Tax rate and HOA calculated at 50% of present value difference. Note that year built, lot size, and unit size adjustments are capped to prevent extreme adjustments.

MSA ECONOMIC AND HOUSING MARKET TRENDS





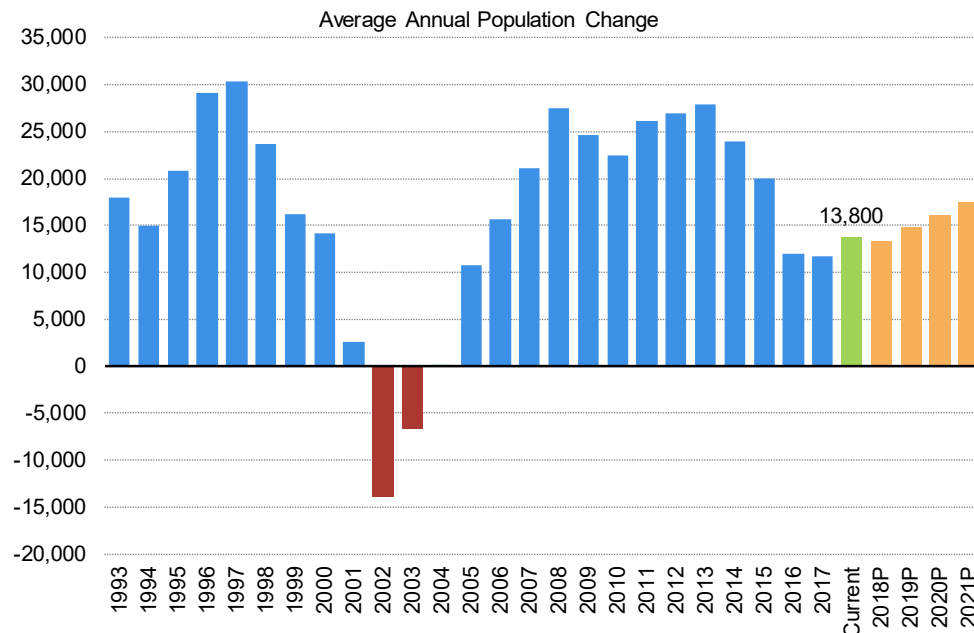
Population and Employment Change

From the mid-2000s, the San Jose MSA population experienced significant growth. Since 2013, population growth has eased, but remains strong and growth is projected to be positive over the next four years.

Total household formations resemble overall population growth changes in the San Jose MSA and households are also projected to increase through 2021.

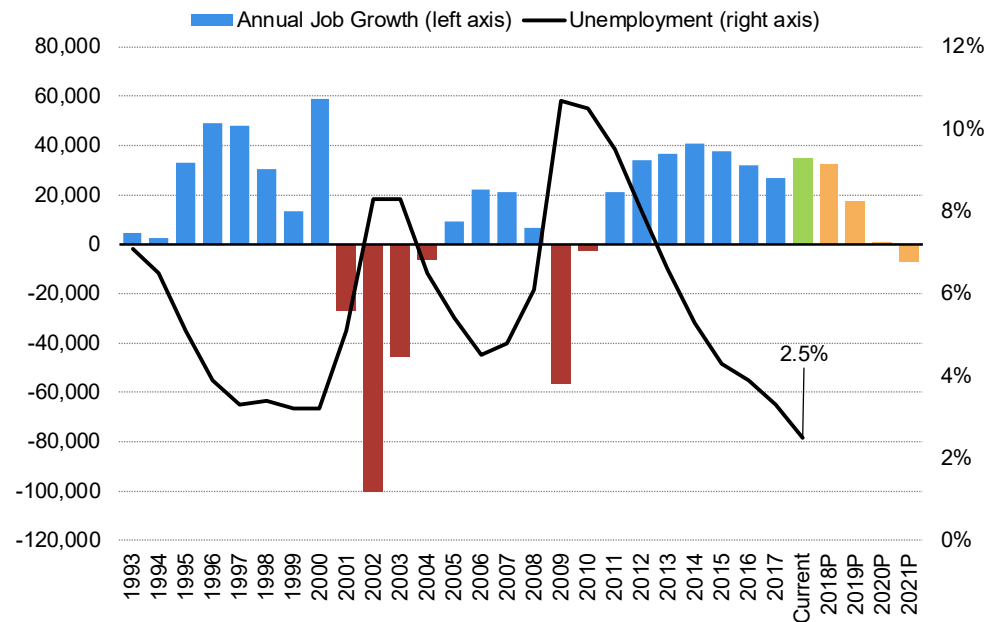
Population Change

2018P	2019P	2020P	2021P
13,400	14,800	16,100	17,400
0.7%	0.7%	0.8%	0.9%



Employment Change

2018P	2019P	2020P	2021P
32,500	17,500	1,200	-7,200
3.0%	1.5%	0.1%	-0.6%



Sources: U.S. Bureau of Labor Statistics (BLS); Moody's Economics; JBREC (Data as of October 2018, projections as of December 2018)



Permits and Employment Relationship

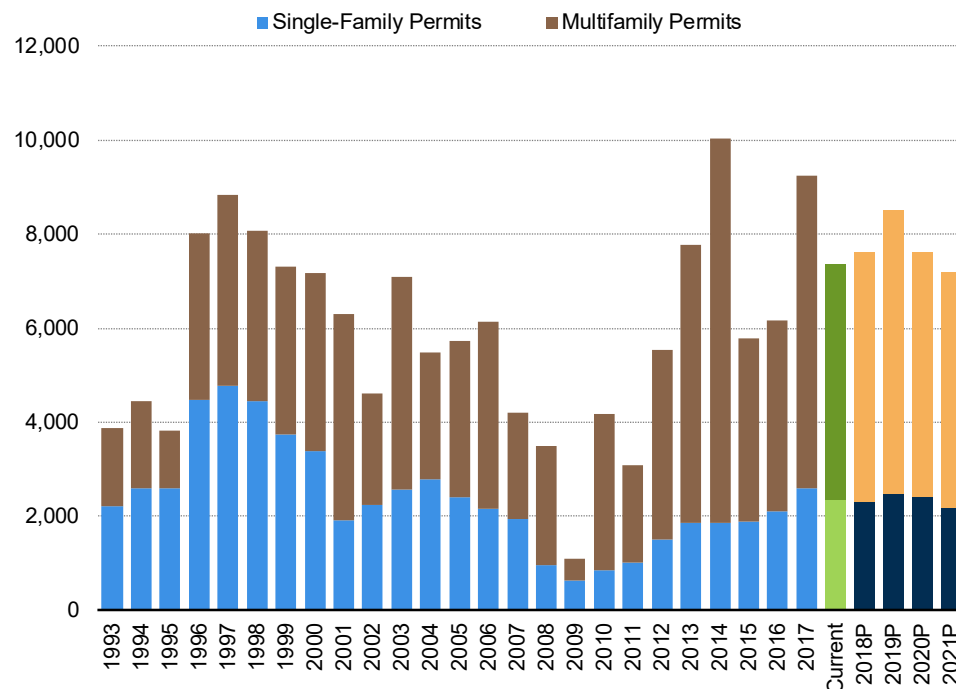
Permit levels in San Jose troughed with 2009's low of 1,094 permits and have risen since. We forecast 7,800 total permits pulled in 2018 then decrease incrementally primarily due to a lesser proportion of multifamily homes.

The E/P Ratio (new jobs divided by permitted dwelling units) can be a leading indicator as permits respond to job-based migration.

- >1.0 generally means healthy housing demand
- The San Jose MSA ratio is 3.9 but is projected to go negative in 2021.

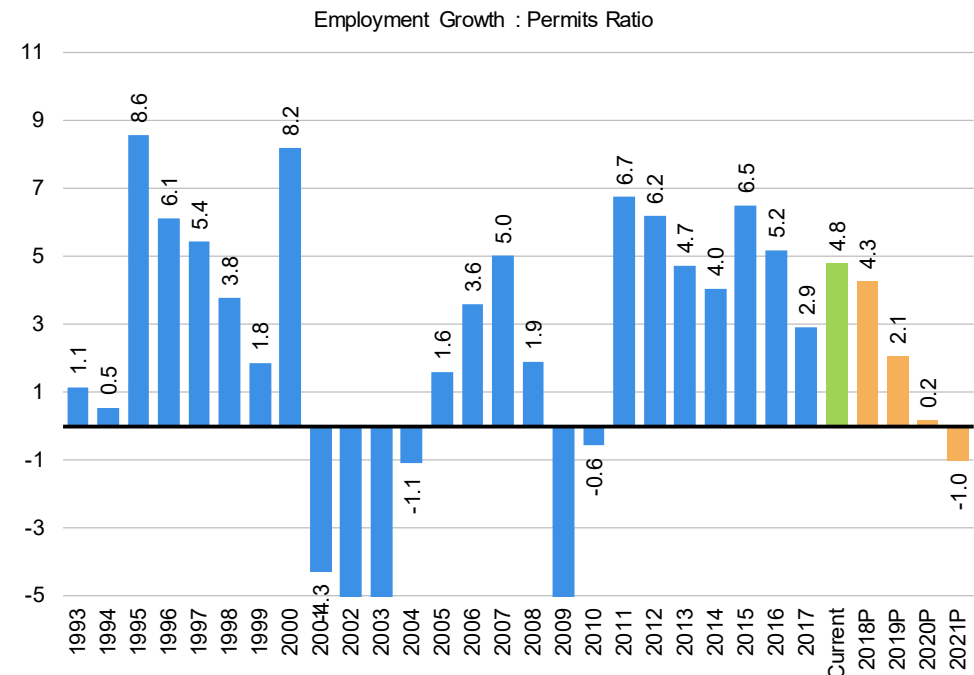
Total Permits

2018P	2019P	2020P	2021P
7,600	8,500	7,600	7,200



Employment Growth : Permits Ratio

2018P	2019P	2020P	2021P
4.3	2.1	0.2	-1.0



Note: Chart cropped at -5 to better illustrate variations between years

Sources: U.S. Bureau of Labor Statistics (BLS); U.S. Census Bureau; JBREC (Data as of October 2018, projections as of December 2018)



Resale Market

Months of supply (ratio of homes listed for sale to average monthly sales) depicts housing surpluses or shortages.

- 4-5 months generally means equilibrium
- The San Jose MSA supply has risen throughout 2018 but has averaged around 1 month since 2014.

Existing home sales in the San Jose MSA have generally been decreasing since 2012 as distressed properties that once fueled activity have dramatically declined. Price appreciation in the existing home market has remained stronger than the new home market with an increase of 15% in 2017. .

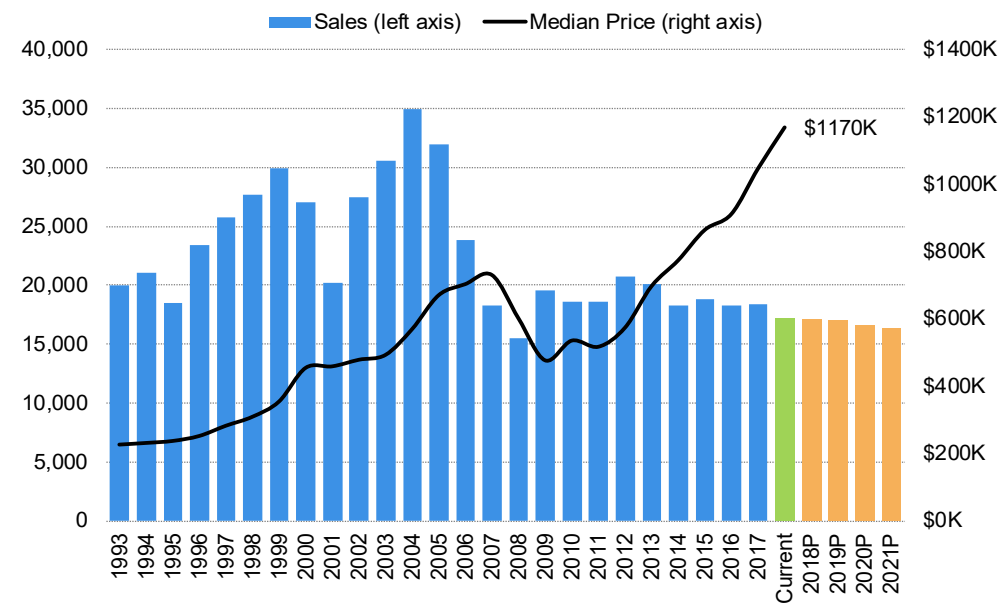
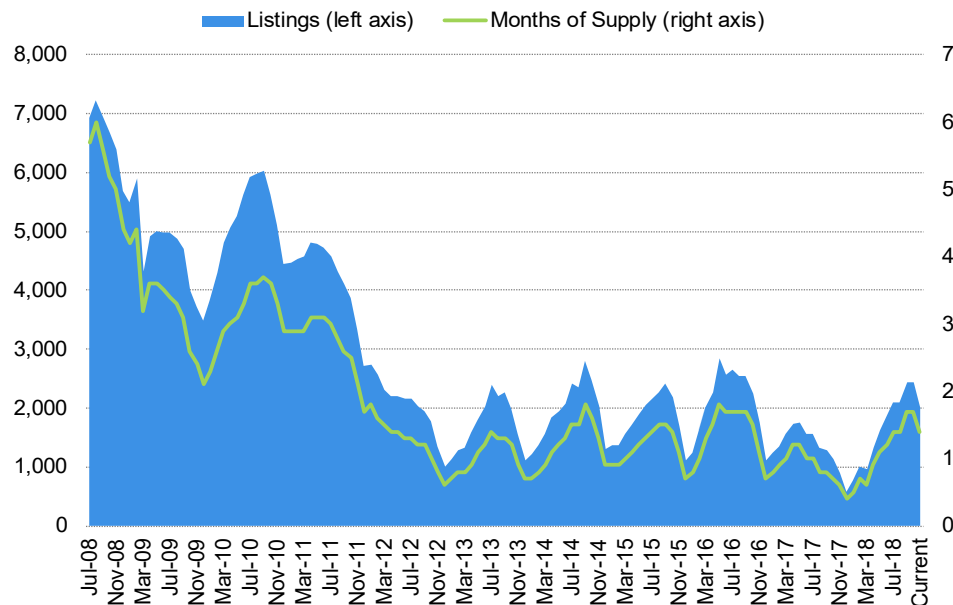
Resale Listings

Months of Supply

Current	Year-Ago	Current	Year-Ago
2,005	899	1.4	0.6

Resale Volume & Price

2018P	2019P	2020P	2021P
17,100	17,000	16,550	16,400
-7.2%	-0.6%	-2.6%	-0.9%



Sources: CoreLogic, Texas Real Estate Center, M.O.R.E, RB Intel, NAR, Various MLS's; John Burns Real Estate Consulting, LLC (Data as of October 2018, projections as of December 2018)



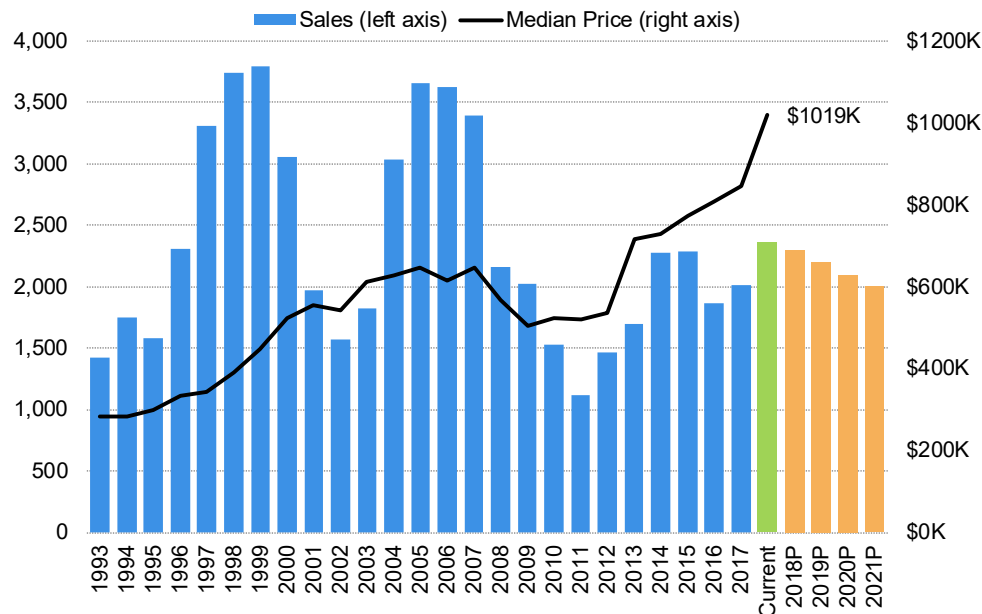
New Home Market

New home sales troughed in 2011, though have increased gradually since with a slight downturn in 2016. We project 2,250 annual sales from 2018 to 2021.

The new home median price appreciated swiftly from 2012 – 2017 and is currently just over \$1M. Note, the current figure represents year-over-year growth and can fluctuate considerably due to new home supply..

New Home Volume and Price

2018P	2019P	2020P	2021P
2,300	2,200	2,100	2,000
14.5%	-4.3%	-4.5%	-4.8%

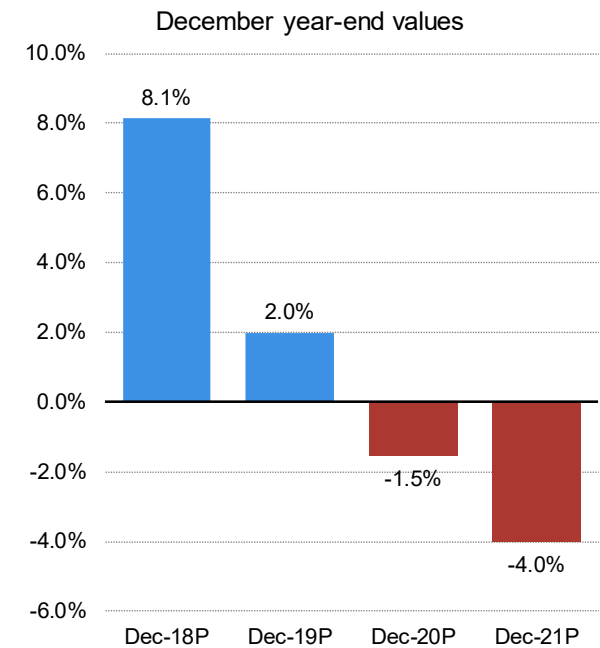


New Home Prices

Historical Prices

Year	Med. Price	YOY%
1998	\$391,700	13.8%
1999	\$448,600	14.5%
2000	\$523,400	16.7%
2001	\$556,600	6.3%
2002	\$543,000	-2.4%
2003	\$610,600	12.4%
2004	\$628,900	3.0%
2005	\$646,400	2.8%
2006	\$616,600	-4.6%
2007	\$645,400	4.7%
2008	\$568,900	-11.9%
2009	\$503,100	-11.6%
2010	\$523,800	4.1%
2011	\$521,900	-0.4%
2012	\$536,800	2.9%
2013	\$716,700	33.5%
2014	\$728,400	1.6%
2015	\$773,100	6.1%
2016	\$807,700	4.5%
2017	\$846,000	4.7%

Forecasted Appreciation¹



Sources: CoreLogic, Texas Real Estate Center, M.O.R.E, RB Intel, NAR, Various MLS's; John Burns Real Estate Consulting, LLC (Data as of October 2018, projections as of December 2018)



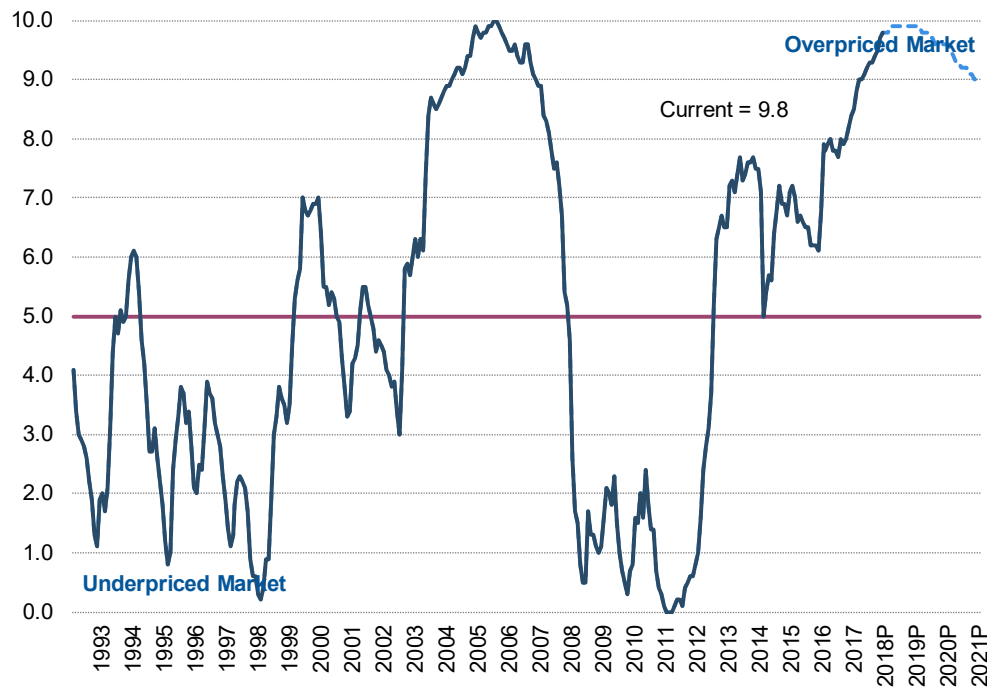
Affordability and Value

The Burns Affordability Index™ grades on a scale of 0–10 using the annual housing cost to income ratio as its basis. A value of 0–1 represents the 10% most affordable months in a market's history; 9–10 represents the 10% most expensive months; 5 is the median.

[BAI Methodology](#)

Burns Affordability Index™

2018P	2019P	2020P	2021P
9.8	9.9	9.6	9.0

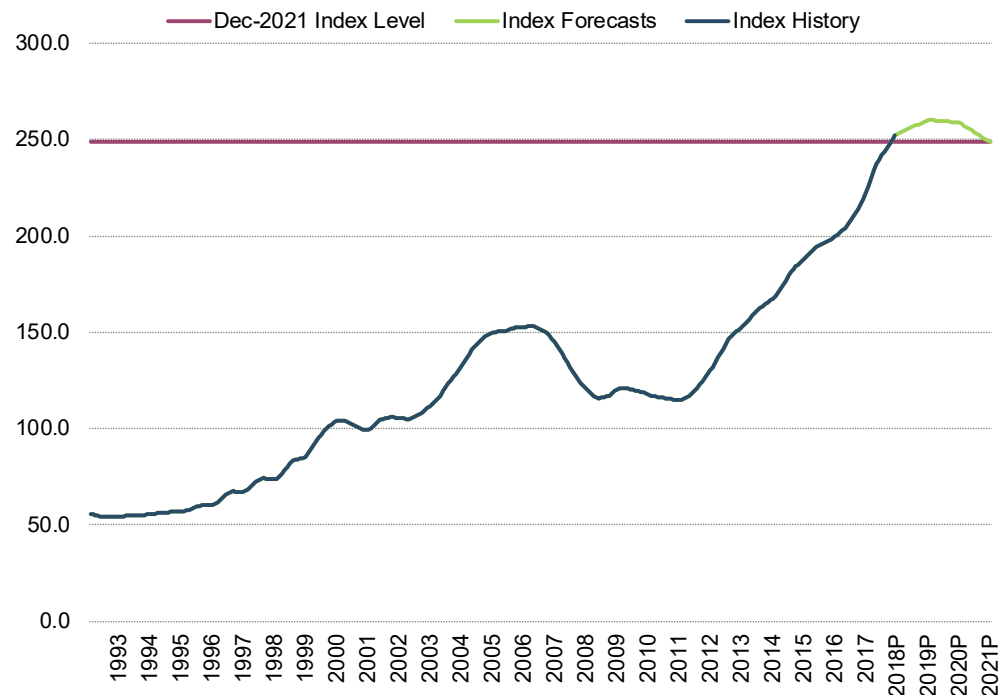


The Burns Home Value Index™ (BHVI) provides our view of home value trends in existing single-family homes. Each month's BHVI is based on an "electronic appraisal" of every home in the market, rather than just actual transactions, removing the influence of shifts in mix of home sales.

[BHVI Methodology](#)

Burns Home Value Index™

2018P	2019P	2020P	2021P
13.6%	2.8%	-0.5%	-4.0%



Sources: John Burns Real Estate Consulting, LLC (Data as of November 2018, projections as of December 2018)

John Burns Real Estate Consulting

San Jose

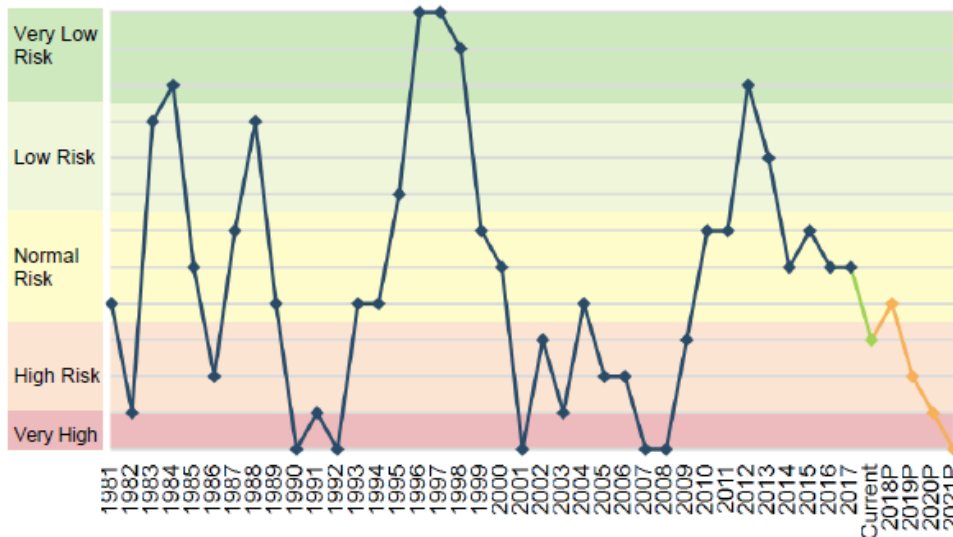
Housing Cycle Risk Index™ San Jose MSA



Our Housing Cycle Risk Index™ score for this market is currently **High Risk**. We forecast that the risk level will trend to **Very High Risk** by 2021.

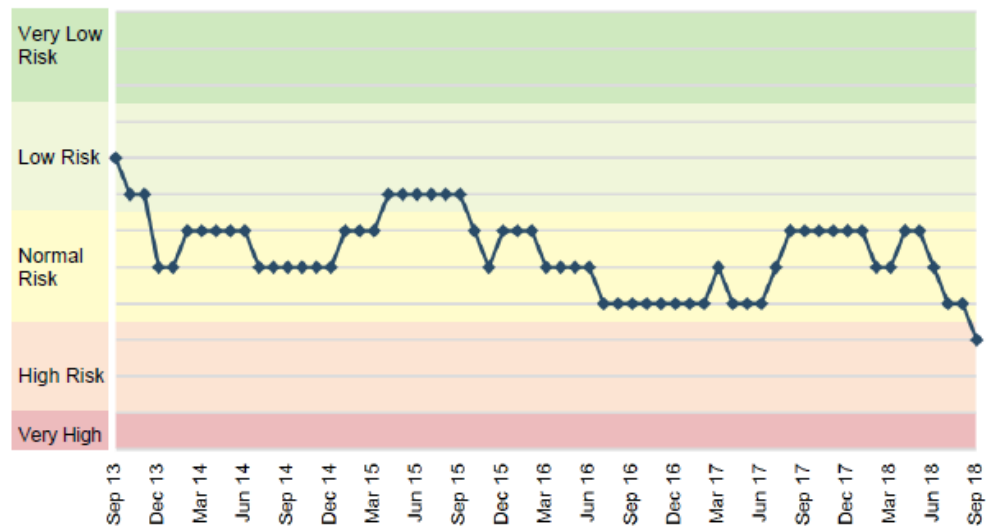
Annual

Housing Cycle Risk Index™

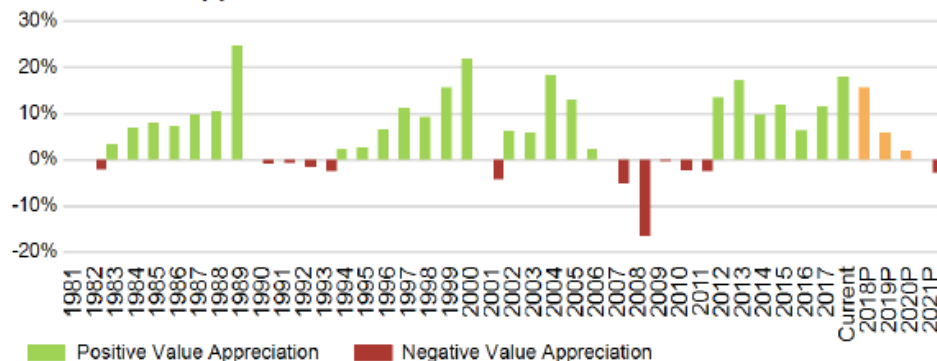


Monthly

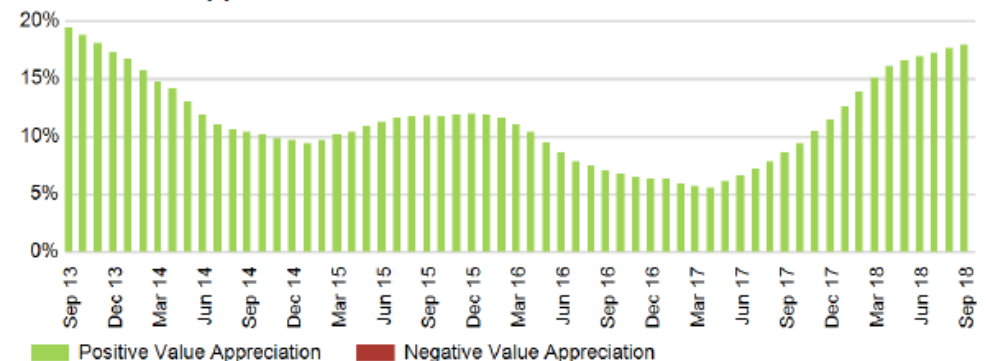
Housing Cycle Risk Index™



Home Value Appreciation YOY



Home Value Appreciation YOY



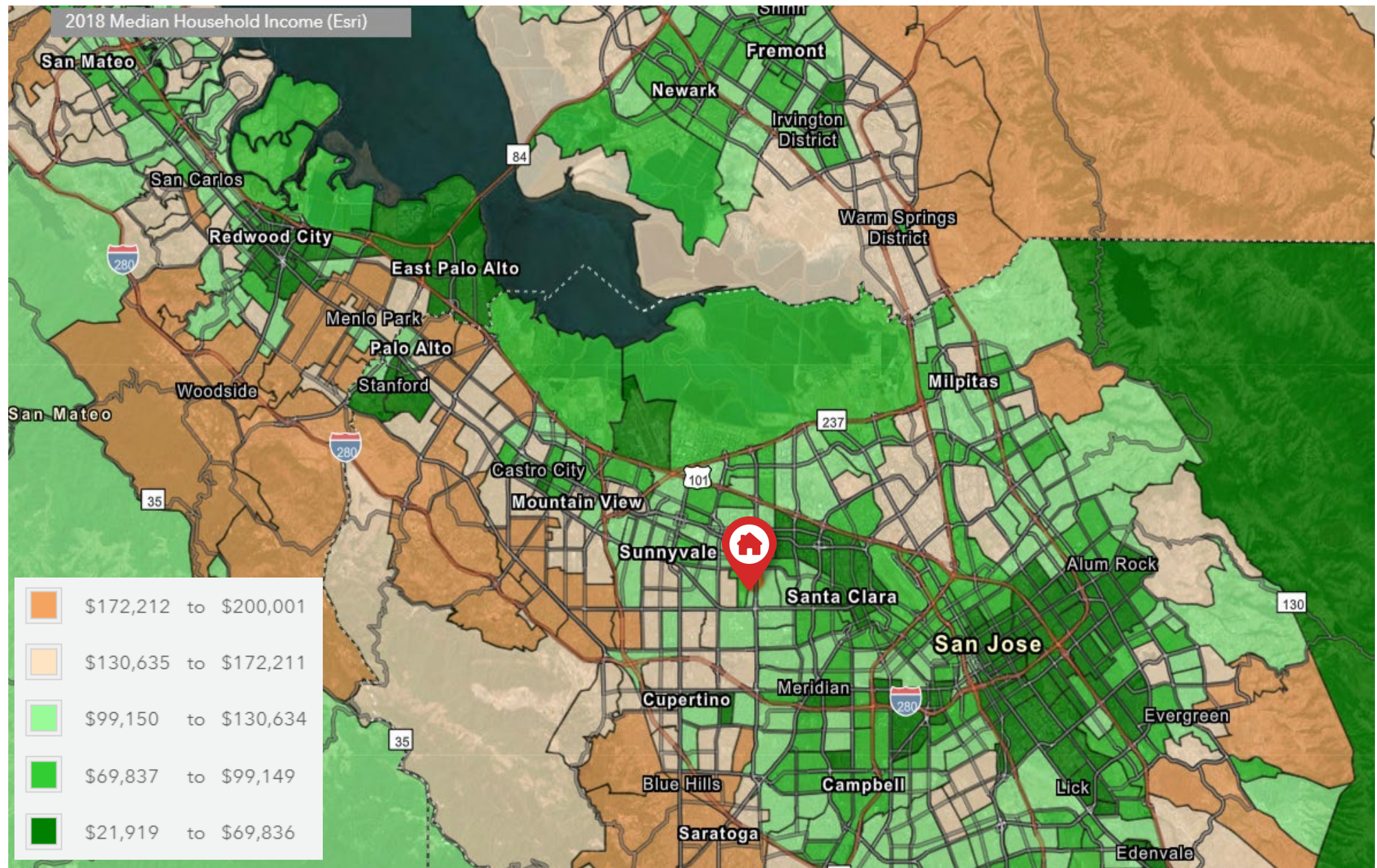
Housing is a cyclical business. Low-risk conditions occur when demand is strong and rising, supply is low and falling, and mortgage payments are lower than usual in relation to incomes. High-risk times happen when the opposite trends are occurring. Our Housing Cycle Risk Index (HCRI) evaluates, demand, supply, and affordability in each market to determine whether market risks are high or low compared to the market's history, providing a fuller perspective for our clients.

DEMOGRAPHIC TRENDS





Median Household Income

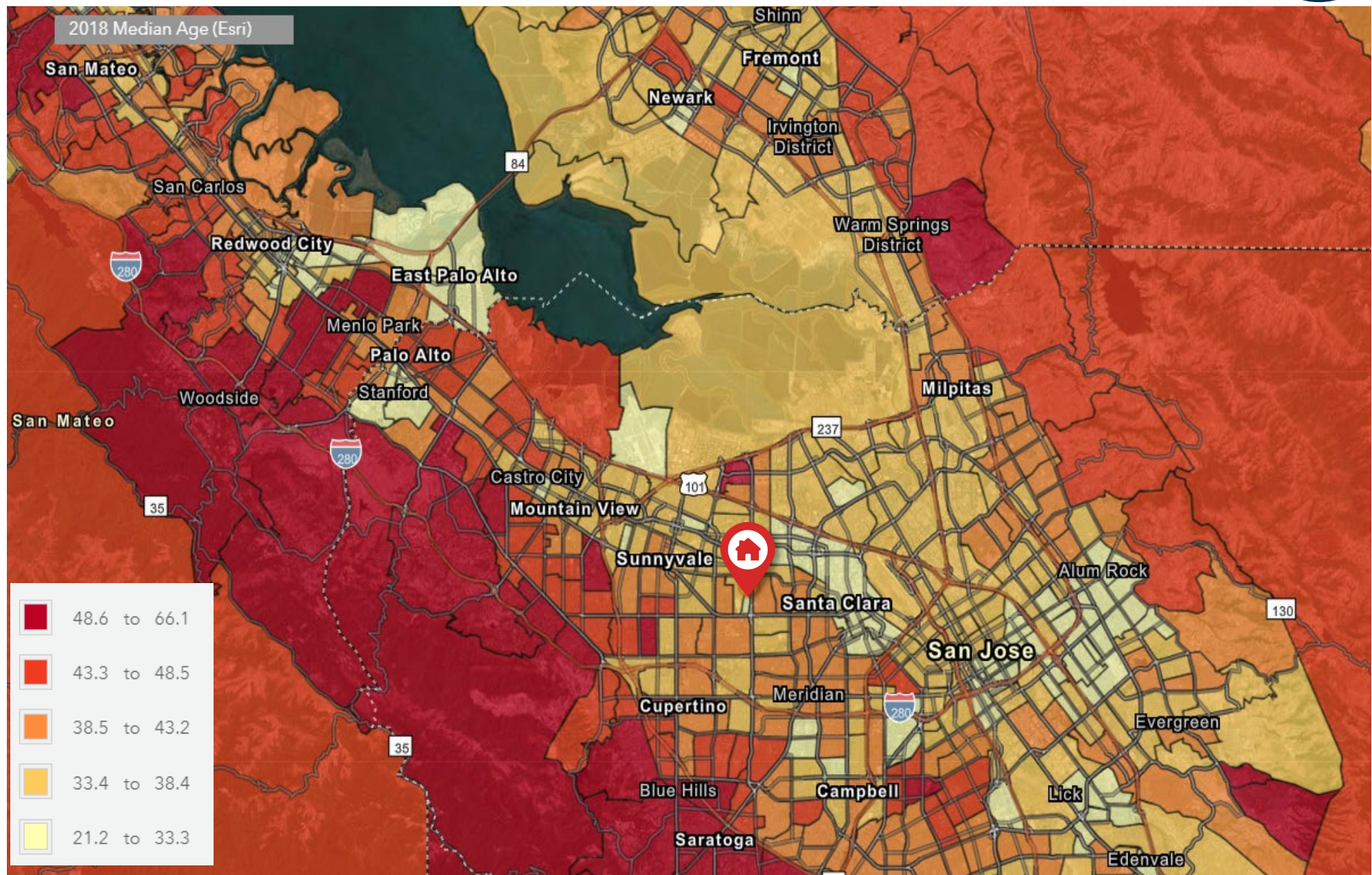


Source: ESRI

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Median Age

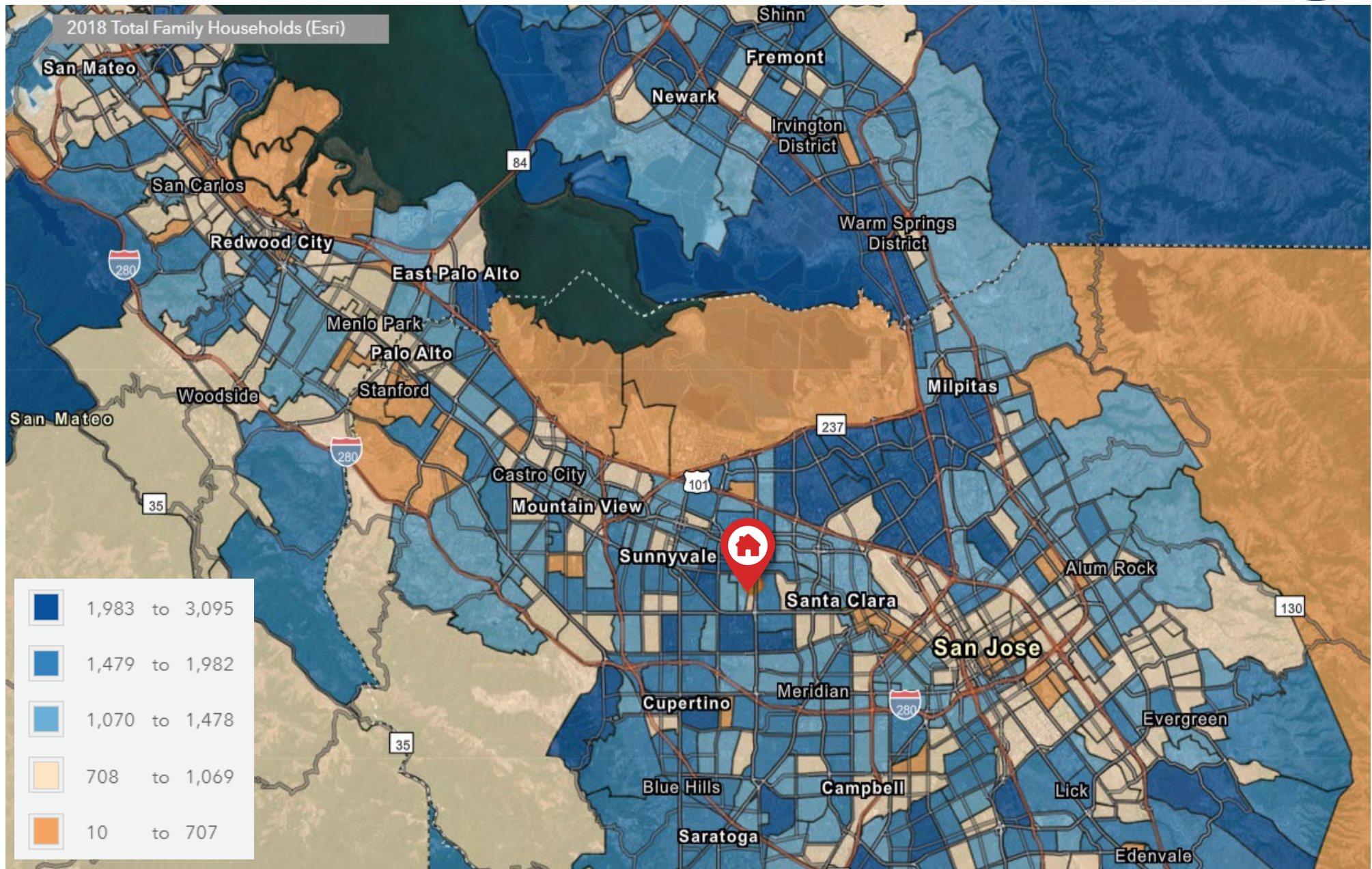


Source: ESRI

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Concentration of Family Households



Source: ESRI

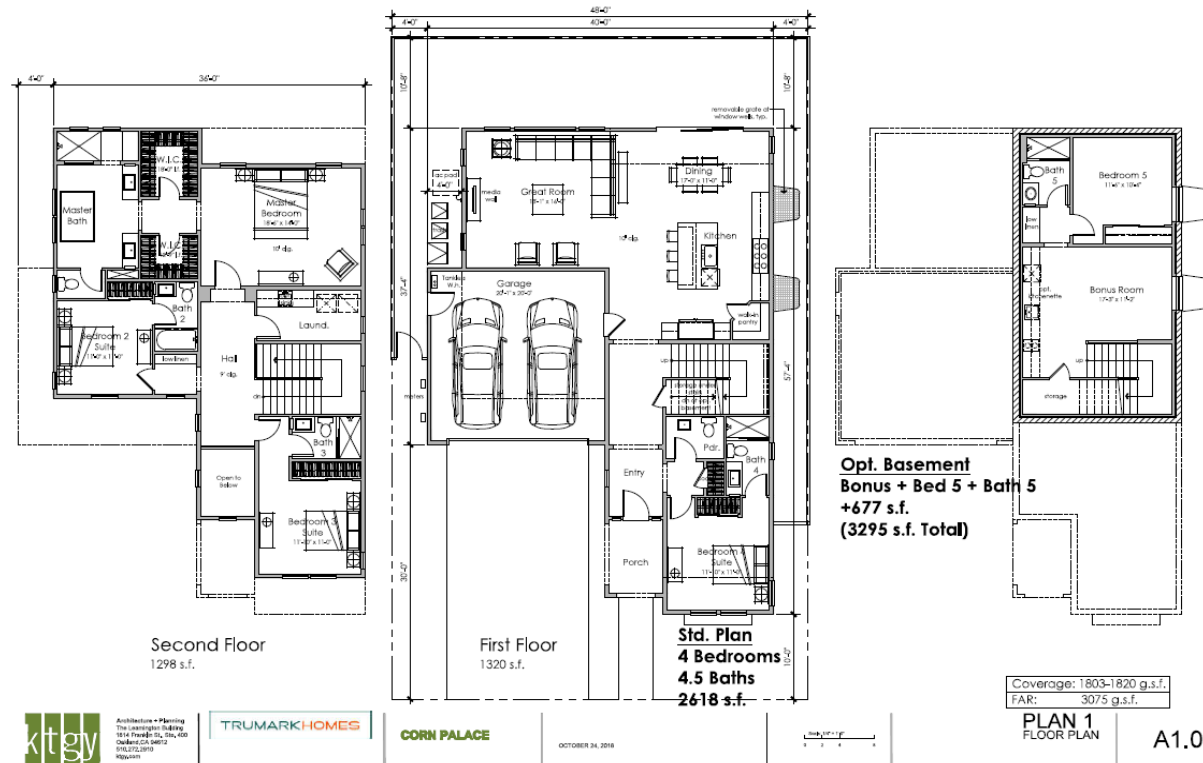
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APPENDIX



Floor Plans and Elevations

Subject Floor Plans – Plan 1 (2,618 sf)



Front Elevation-1-Agrarian A

- Agrarian A Material Legend:
- 1 Flat Concrete tile roofing / All Presidential Series Composition Shingle
 - 2 Stone Veneer
 - 3 Cementitious board and batten siding
 - 4 Decorative Kicker / Corbel
 - 5 2x Cementitious Trim / All 2x Wood Trim
 - 6 Enhanced Sills



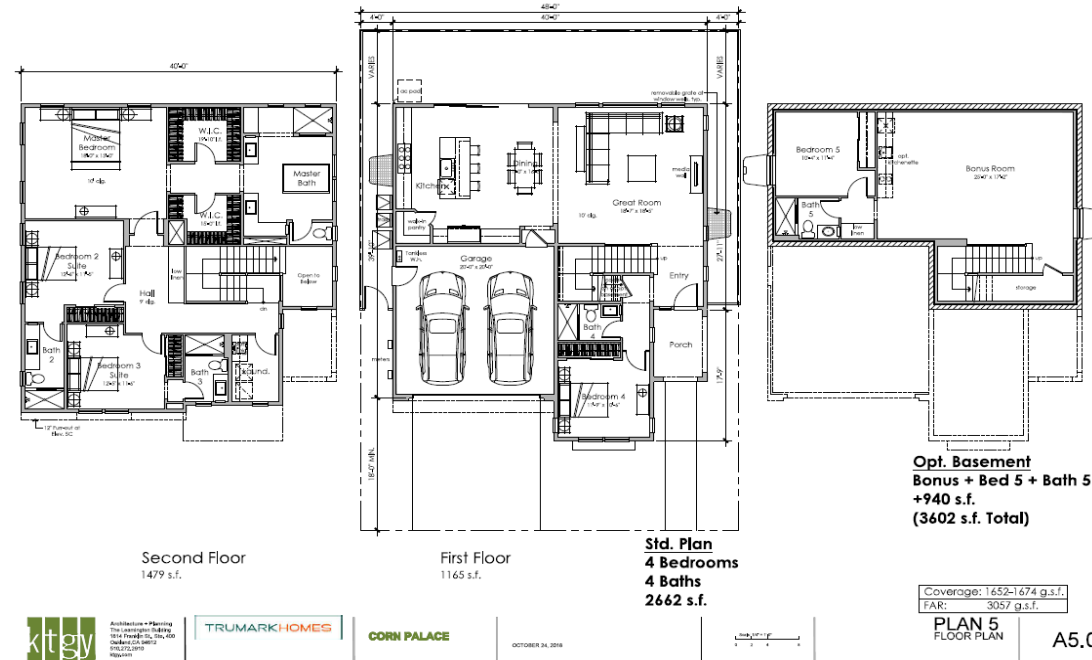
Front Elevation-1-Agrarian B

- Agrarian B Material Legend:
- 1 Flat Concrete tile roofing / All Presidential Series Composition Shingle
 - 2 Stone Veneer
 - 3 Cementitious board and batten siding
 - 4 Accent Metal Roofing
 - 5 Decorative Kicker / Corbel
 - 6 2x Cementitious Trim / All 2x Wood Trim
 - 7 Enhanced Sills

Source: Client

John Burns Real Estate Consulting

Subject Floor Plans – Plan 2 (2,662 sf)



Front Elevation - 5 - Agrarian A

Agrarian A - Material Legend

1. Flat Conc. Tile Roofing / Alt. Presidential Series Composition Shingle
2. Stone Veneer
3. Cementitious Board and Batten Siding
4. Decorative Kicker / Corbel
5. 2x Cementitious Trim / Alt 2x Wood Trim
6. Enhanced Sills
7. Wood Trellis



Front Elevation - 5 - Agrarian B

Agrarian B - Material Legend

1. Flat Conc. Tile Roofing / Alt. Presidential Series Composition Shingle
2. Stone Veneer
3. Cementitious Siding
4. Accent Metal Roofing
5. Decorative Kicker / Corbel
6. 2x Cementitious Trim / Alt 2x Wood Trim
7. Enhanced Sills

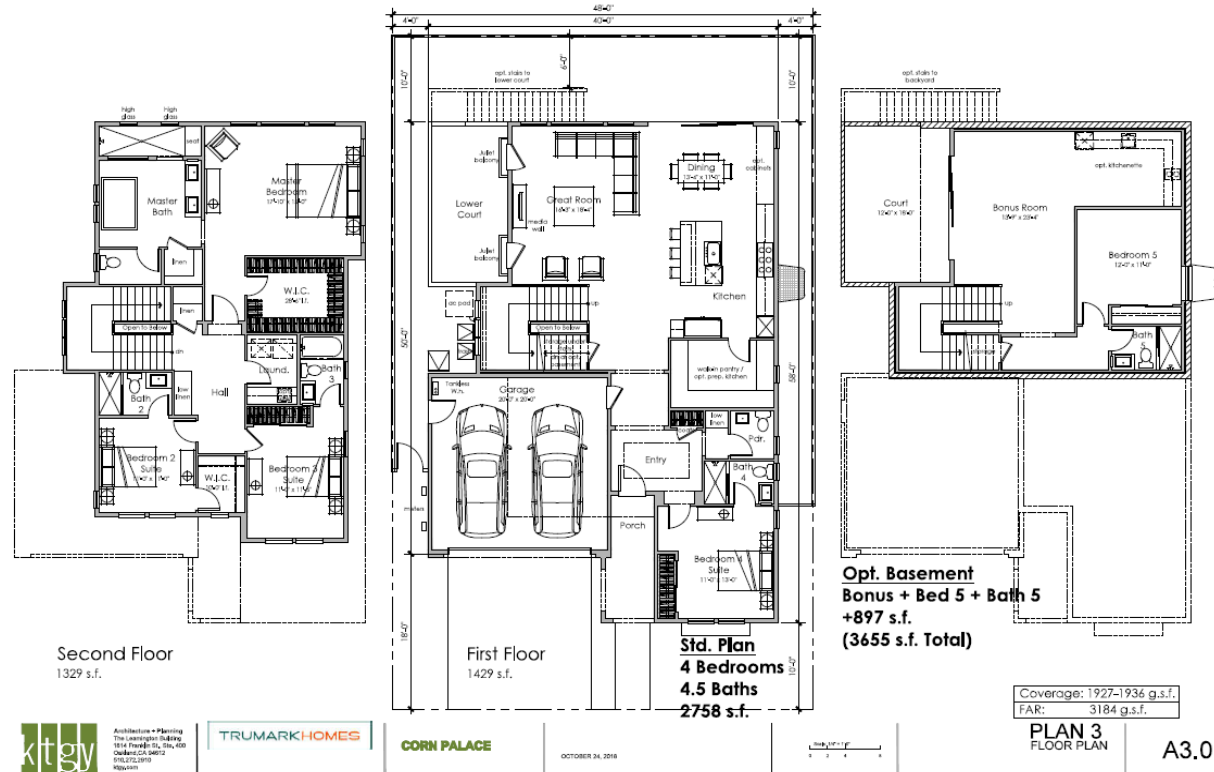


Front Elevation - 5 - Agrarian C

Agrarian C - Material Legend

1. Flat Conc. Tile Roofing / Alt. Presidential Series Composition Shingle
2. Stone Veneer
3. Cementitious Board and Batten Siding
4. Decorative Awning Shutter
5. 2x Cementitious Trim / Alt 2x Wood Trim
6. Enhanced Sills

Subject Floor Plans – Plan 3 (2,758 sf)



Front Elevation-3-Agrarian A

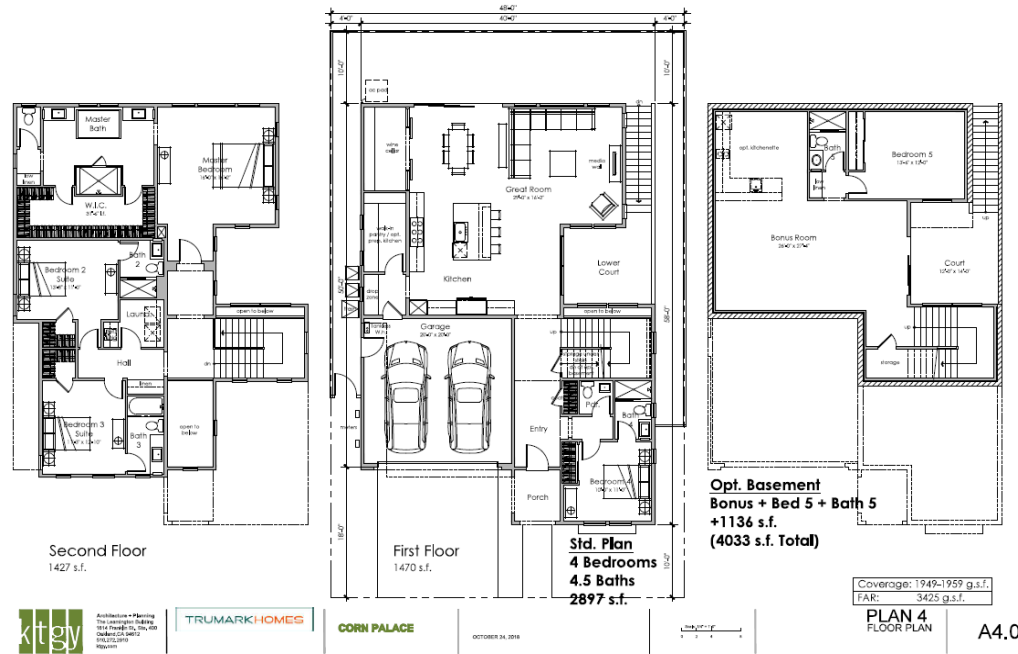
- Agrarian A**
Material Legend:
1. Flat Concrete Tile Roofing / All Presidential Series Composition Shingle
 2. Stone Veneer
 3. Cementitious Board and Battan Siding
 4. Decorative Kicker / Corbel
 5. 2x Cementitious Trim / All 2x Wood Trim
 6. Enhanced Sills
 7. Wood Posts
 8. Wood Trellis



Front Elevation-3-Agrarian B

- Agrarian B**
Material Legend:
1. Flat Concrete Tile Roofing / All Presidential Series Composition Shingle
 2. Stone Veneer
 3. Cementitious Siding
 4. Acrylic Metal Roofing
 5. Decorative Kicker / Corbel
 6. 2x Cementitious Trim / All 2x Wood Trim
 7. Enhanced Sills

Subject Floor Plans – Plan 4 (2,897 sf)



Front Elevation - 4 - Agrarian A
Agrarian A - Material Legend
1. Flat Conc. Tile Roofing / Alt.
Presidential Series Composition Shingle
2. Stone Veneer
3. Cementitious Board and Batten Siding
4. Decorative Kicker / Corbel
5. 2x Cementitious Trim / Alt 2x Wood Trim
6. Enhanced Sills



Front Elevation - 4 - Agrarian B
Agrarian B - Material Legend
1. Flat Conc. Tile Roofing / Alt.
Presidential Series Composition Shingle
2. Stone Veneer
3. Cementitious Siding
4. Accent Metal Roofing
5. Decorative Kicker / Corbel
6. 2x Cementitious Trim / Alt 2x Wood Trim
7. Enhanced Sills
8. Wood Posts and Corbels



Front Elevation - 4 - Agrarian C

Agrarian C - Material Legend
1. Flat Conc. Tile Roofing / Alt.
Presidential Series Composition Shingle
2. Stone Veneer
3. Cementitious Board and Batten Siding
4. Decorative Awning Shutter
5. 2x Cementitious Trim / Alt 2x Wood Trim
6. Enhanced Sills



Limiting Conditions

This report's conclusions and recommendations are based on our analysis of the information available to us from our research and from the client as of the date of this report. We assume that the information is correct and reliable and that we have been informed about any issues that would affect project marketability or success potential.

Our conclusions and recommendations are based on current and expected performance of the national, and/or local economy and real estate market. Given that economic conditions can change and real estate markets are cyclical, it is critical to monitor the economy and real-estate market continuously and to revisit key project assumptions periodically to ensure that they are still justified.

Due to changes in market conditions, as well as changes in consumer psychology, projected and actual results will likely differ. Events and circumstances frequently do not occur as expected, and the differences may be material. We do not express any form of assurance on the achievability of any pricing or absorption estimates or reasonableness of the underlying assumptions.

In general, for projects out in the future, we are assuming "normal" real estate market conditions and not a condition of either prolonged "boom" or "bust" market conditions. We do assume that economic, employment, and household growth will occur more or less in accordance with current expectations. We are not taking into account major shifts in the level of consumer confidence; in the ability of developers to secure needed project entitlements; in the cost of development or construction; in tax laws that favor or disfavor real estate markets; or in the availability and/or cost of capital and mortgage financing for real estate developers, owners and buyers. Should there be such major shifts affecting real estate markets, this analysis should be updated, with the conclusions and recommendations summarized herein reviewed and reevaluated under a potential range of build-out scenarios reflecting changed market conditions.

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



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Dean Wehrli
Senior Vice President

(916) 647-3263
 dean@jbrec.com



Kristin Matthews
Manager

(858) 281-7215
 kmatthews@realestateconsulting.com

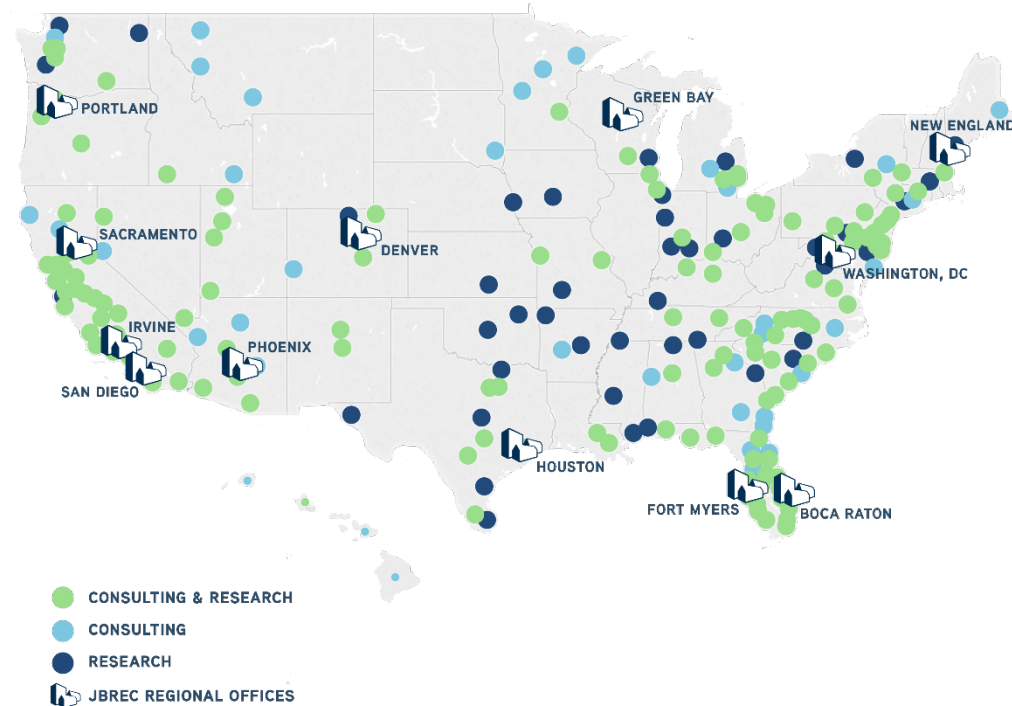


Michael Gladwill
Consultant

(949-870-1239
 mgladwill@realestateconsulting.com

PEER REVIEW

Dana Kuhn
Director of Quality Control
 (858) 281-7208
 dkuhn@realestateconsulting.com



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BOCA RATON

1900 Glades Road
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