



# WILLIAMS CORNER, CHATHAM COUNTY RENTAL MARKET ANALYSIS

BOLD DEVELOPMENT GROUP  
JANUARY 2020

# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

## Exhibit 1 Rental Apartment Executive Summary

### SUMMARY

Bold Development Group retained Noell Consulting Group (NCG) to conduct an independent market analysis for the rental portion of its planned mixed-use community at Williams Corner in Chatham County. The site represents one of the few mixed-use projects in the county today. The rental apartment piece calls for around 550 rental units along with a retail component, office, and storage. The following summarizes the key conclusions from our analyses relative to this endeavor.

#### Target Market Audiences

We believe the target market audiences for the subject site will trend somewhat more mature than projects in Orange County, with the site seeing its greatest support from couples, including some relocatee families with children, mature singles, and empty nester/retiree move-downs or relocatees. Indeed retirees compose a solid component of Chatham's for-sale market and represent a strong target for the subject site. Based on these target market audiences,

#### Development Program

Based on the target market audiences we believe the subject property will attract, their demonstrated unit preferences, and our positioning analyses, we estimate the subject property could achieve rents averaging around \$1,429, or \$1.37/SF. As can be seen at right, around 54% of the unit mix should be one-bedroom and one-bedroom w/ den units while the balance, 46%, should be comprised of 2BR & 3BR units, including some townhouse-style units for dog owners and families with children.

#### Lease-Up Pace and Exposure

NCG conducted a demand-supply analysis for Orange and Chatham Counties (two counties being used given the historic lack of product in Chatham County). This demand incorporated regional job growth and captures of demand for Orange & Chatham, along with planned supply in the coming five years. Based on this demand analysis, we believe the subject site can achieve absorption paces of around 14 to 17 units per month (depending on the application of concessions during lease-up), resulting in a lease-up period of around 33 to 40 months. This timeframe would necessitate phasing the project, something the site plan accommodates well.

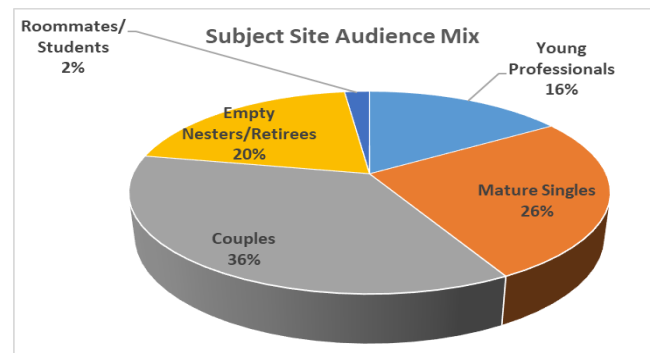
#### Unit Finishes and Amenities

Amenities should be significant, given the high unit count of the project and should focus on the outdoors and fitness. They should include a pool and well-designed pool deck, dog park, outdoor recreation areas, as well as indoor amenities including a resident lounge with coworking areas and a well-executed fitness center with yoga room.

Finishes throughout the property should be modern and attractive and should include engineered wood flooring in all living areas, quality carpet or wood flooring in bedrooms, tile in bathrooms, and ceilings should be 9'. Master baths should feature dual vanities in the 1BR+Den and 2BR unit types and 2BR units should include a walk-in shower. Kitchens should include flat-panel cabinets, quartz countertops, islands and stainless steel appliances.

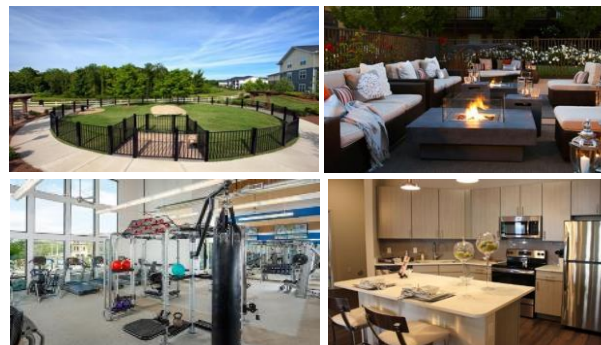
SOURCE: Noell Consulting Group

### TARGET MARKET AUDIENCES



### DEVELOPMENT PROGRAM

Unit Type	Unit Count	Unit Mix	Effective Rent Range	Avg. Rent	Unit Size Range	Avg. Size	Effective \$/SF	Straight Average \$/SF
1B/1b	231	42%	\$1,145 \$1,310	\$1,228	700 900	800	\$1.46 - \$1.64	\$1.53
1B/1b/D	66	12%	\$1,375 \$1,450	\$1,413	950 1,025	988	\$1.41 - \$1.45	\$1.43
2B/2b	187	34%	\$1,495 \$1,650	\$1,573	1,100 1,325	1,213	\$1.25 - \$1.36	\$1.30
2B/2.5b/TH	17	3%	\$1,600 \$1,715	\$1,658	1,300 1,450	1,375	\$1.18 - \$1.23	\$1.21
3B/2b	39	7%	\$1,710 \$1,800	\$1,755	1,375 1,500	1,438	\$1.20 \$1.24	\$1.22
3B/2.5b/TH	11	2%	\$1,775 \$1,900	\$1,838	1,500 1,650	1,575	\$1.15 \$1.18	\$1.17
<b>Totals/Avg</b>	<b>550</b>	<b>100%</b>	<b>\$1,145 \$1,900</b>	<b>\$1,429</b>	<b>700 1,650</b>	<b>1,040</b>	<b>\$1.15 - \$1.64</b>	<b>\$1.37</b>



# Location Analysis

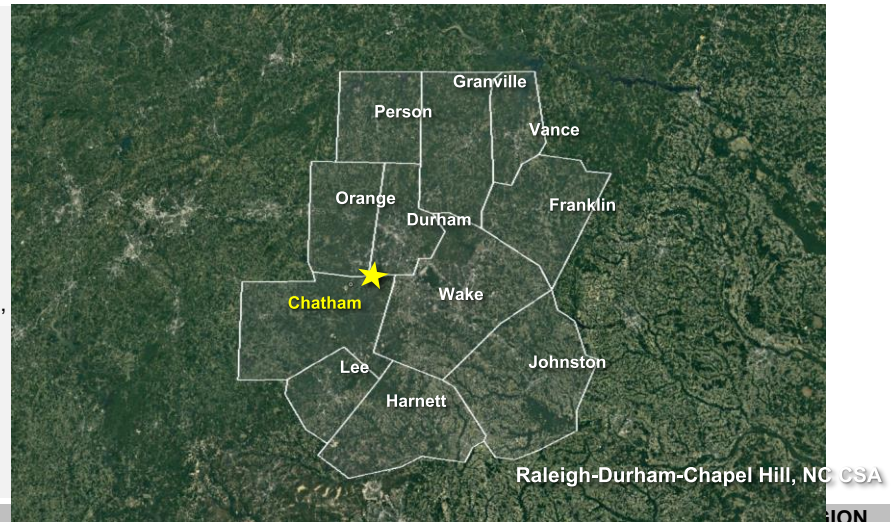
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## WILLIAMS CORNER RENTAL MARKET ANALYSIS

### Exhibit 2 Overview of Metro Area Population Trends

The subject area is located in Chatham County - a component of the Raleigh-Durham-Chapel Hill Combined Statistical Area (CSA). This CSA includes both the Raleigh, NC Metropolitan Statistical Area (MSA) and Durham-Chapel Hill, NC MSA, forming a regional home to over two million people and a key Southeastern employment center.

The CSA has seen steady growth since 2000, growing at an annual rate of 2.0% to 2.8% since 2000. The vast majority of this growth has occurred in Wake County, home to Raleigh, which has captured roughly 60% of all growth since 2000, with Chatham County, where the subject site is located, capturing almost 3%.



GEOGRAPHY	LAND AREA		POPULATION		2000-10		2010-17		ANNUAL GROWTH RATE (%)	
	SQ MILES	% MSA	2017	% of MSA	2000-10	2010-17	2000-10	2010-17	2000-10	2010-17
Chatham County	682	12.4%	71,472	3.2%	1,418	1,138	2.6%	1.7%	3.1%	2.8%
Durham County	286	5.2%	311,640	14.2%	4,427	6,293	1.8%	2.2%	9.7%	15.4%
Franklin County	492	8.9%	66,168	3.0%	1,336	793	2.5%	1.3%	2.9%	1.9%
Granville County	532	9.7%	59,557	2.7%	1,142	-51	2.1%	-0.1%	2.5%	-0.1%
Harnett County	595	10.8%	132,754	6.0%	2,365	2,582	2.3%	2.1%	5.2%	6.3%
Johnston County	791	14.4%	196,708	8.9%	4,691	3,976	3.3%	2.2%	10.3%	9.7%
Lee County	255	4.6%	60,430	2.7%	883	366	1.7%	0.6%	1.9%	0.9%
Orange County	398	7.2%	144,946	6.6%	1,557	1,592	1.2%	1.1%	3.4%	3.9%
Person County	392	7.1%	39,370	1.8%	384	-13	1.0%	0.0%	0.8%	0.0%
Vance County	254	4.6%	44,211	2.0%	247	-173	0.6%	-0.4%	0.5%	-0.4%
Wake County	834	15.1%	1,072,203	48.7%	27,315	24,459	3.7%	2.5%	59.7%	59.7%
<b>Competitive City Comparison</b>										
Cary	54	1.0%	159,715	7.3%	4,070	3,497	3.6%	2.4%	8.9%	8.5%
Chapel Hill	21	0.4%	59,234	2.7%	852	286	1.6%	0.5%	1.9%	0.7%
Durham	106	1.9%	257,232	11.7%	4,130	4,129	2.0%	1.7%	9.0%	10.1%
Raleigh	142	2.6%	449,477	20.4%	12,780	6,512	3.9%	1.5%	27.9%	15.9%
<b>CSA Total</b>	<b>5,511</b>	<b>100.0%</b>	<b>2,199,459</b>	<b>100.0%</b>	<b>45,765</b>	<b>40,961</b>	<b>2.8%</b>	<b>2.0%</b>	<b>100.0%</b>	<b>100.0%</b>

SOURCE: Noell Consulting Group, U.S. Census Bureau



Exhibit 3  
Population Density

The map below shows the population density for the 2018 5-Year American Community Survey. The area outlined is the census tract containing the subject site. This area's population density was 423 people per square mile, higher than Chatham County's density and consistent with the community's suburban physical characteristics. There is potential for density growth with the delivery of additional housing inventory.

### 2018 Population Density

Population Per Sq. Mile



Exhibit 4  
Educational Attainment

The map in this exhibit shows the change in the population, per census tract, aged 25+ that has obtained a bachelor's degree or more. Educational attainment is a strong indicator for higher incomes and is a common feat in the Raleigh-Durham-Chapel Hill region, a national hub for higher education. In 2018, 59% of people were holders of bachelor's degrees in the census tract containing the subject site - 18% higher than Chatham County.

**2018 Population 25+ w/ Bachelor's Degree or More**

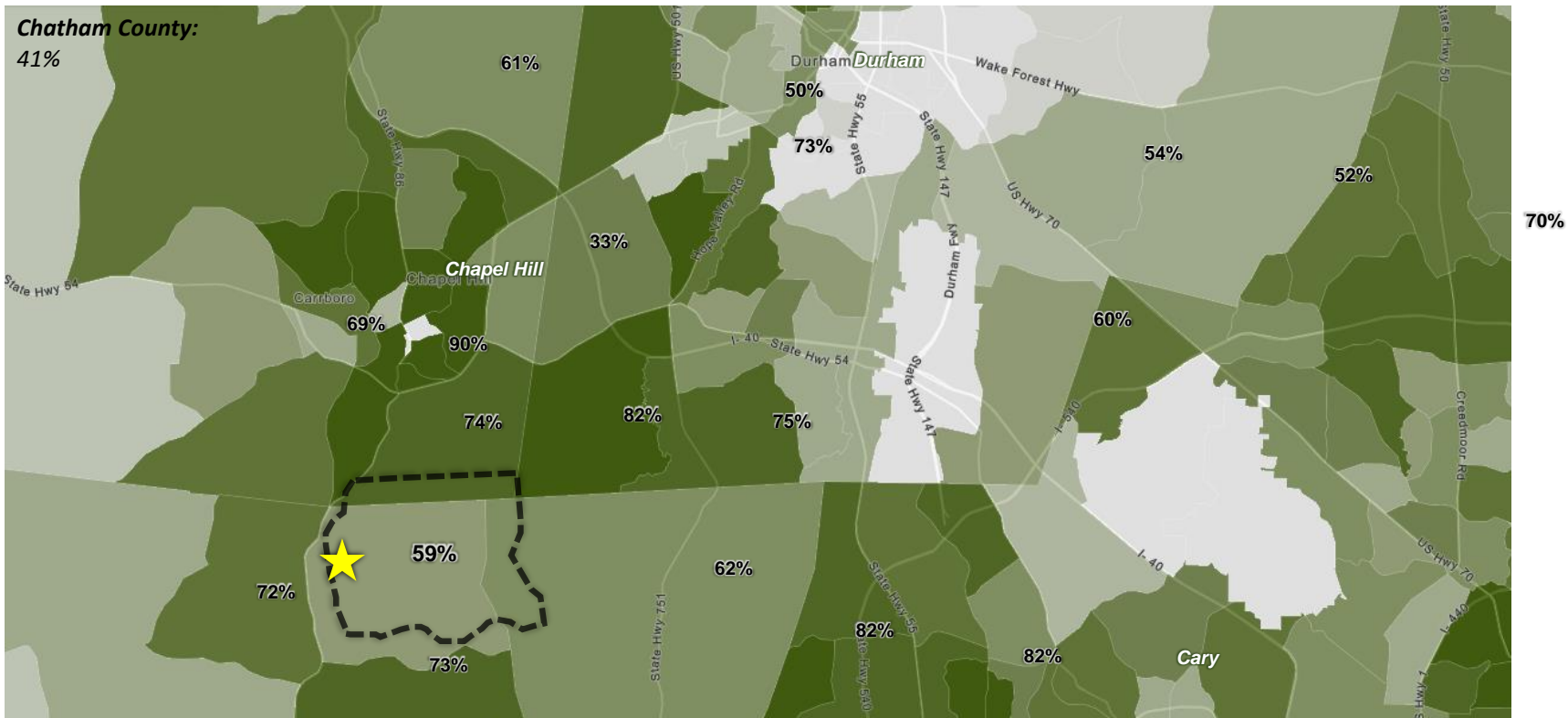
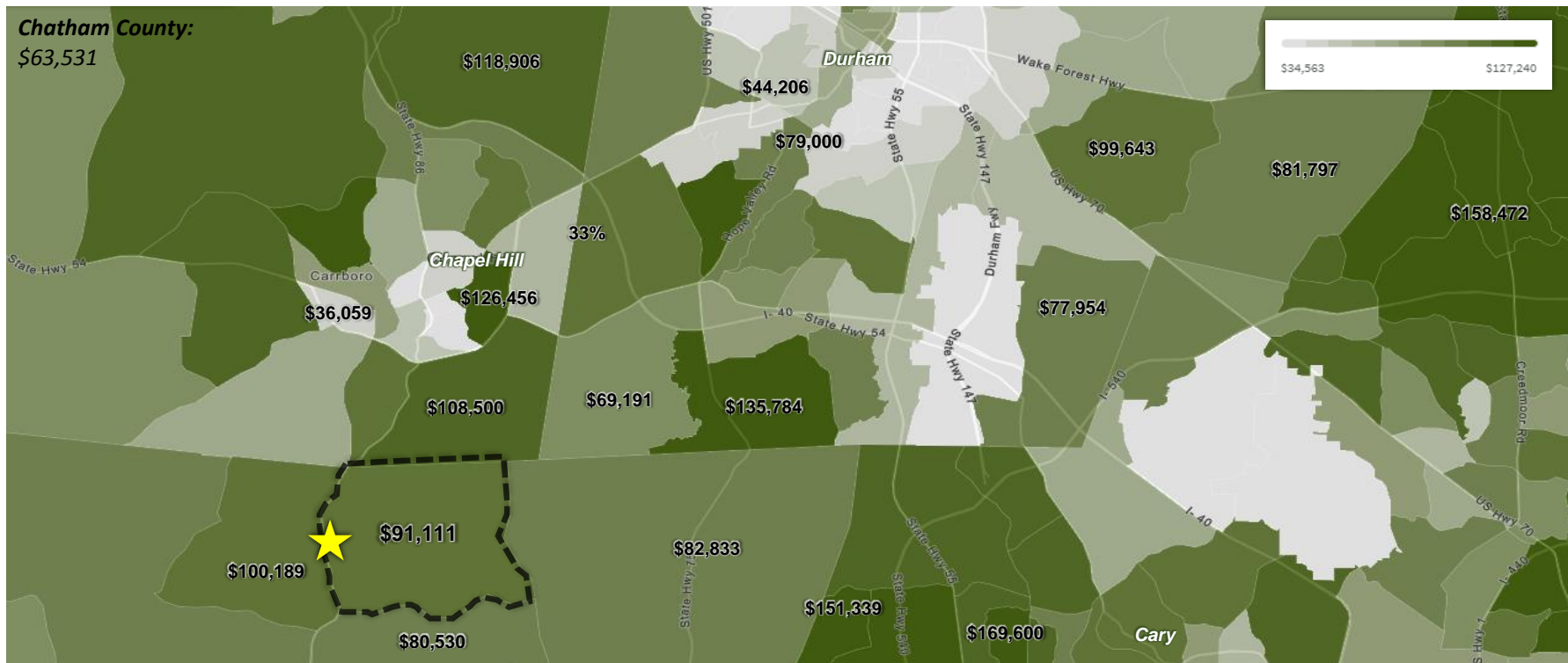


Exhibit 5  
 Median Income

The map below shows the median household income, per census tract, in the area around the subject site in 2018 dollars. This community demonstrated fairly strong median incomes. The census tract containing the subject site showed a median of \$91,111 per year - 43% higher than Chatham County with \$63,531 per year. Surrounding tracts showed median household incomes that reached over \$100,000 per year. This establishes the subject site's neighborhood as a place people with strong earnings desire to live.

**2018 Median Household Income**



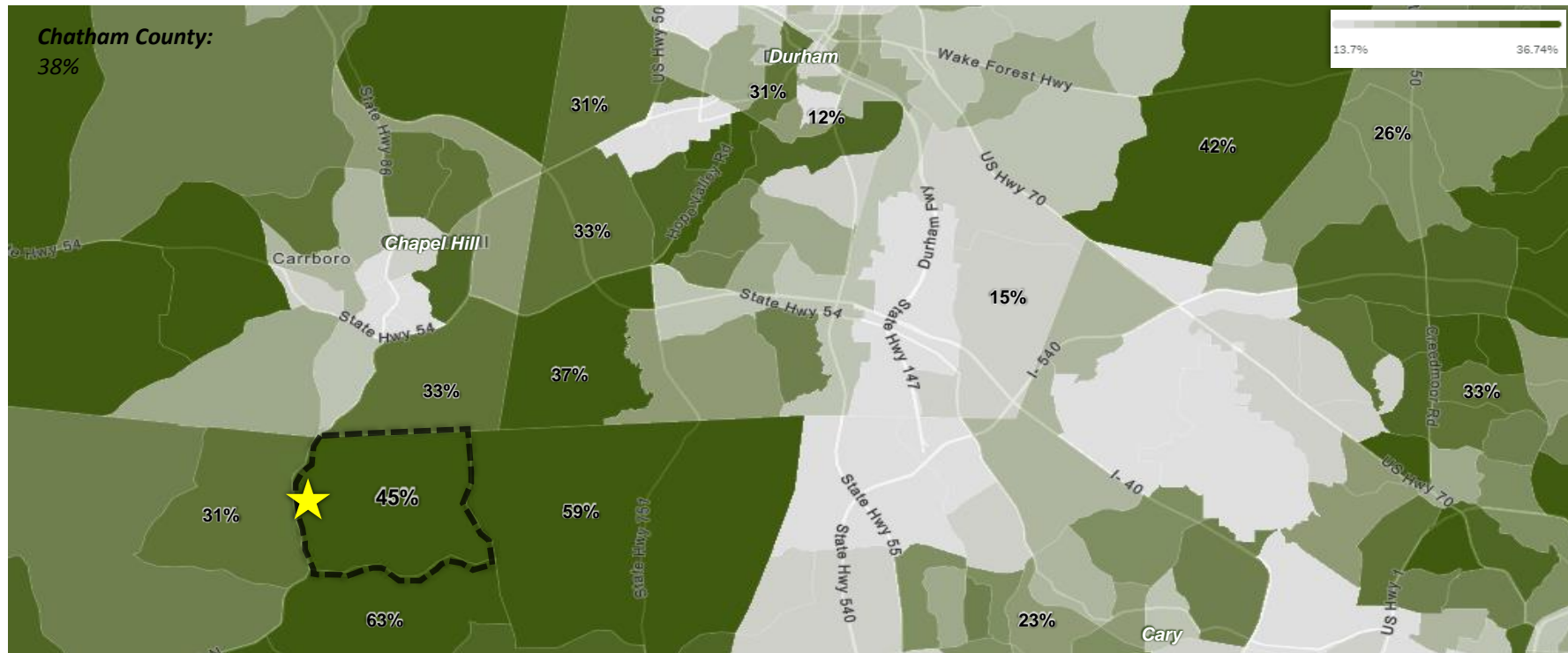
SOURCE: Noell Consulting Group, US Census Bureau, Social Explorer



Exhibit 6  
 Population 55+

The map below shows the concentration of the population, per census tract, aged 55+. The northeastern corner of Chatham County has a strong share of people of at least 55 years old. Within the census tract containing the subject site, 45% of the population is 55 and over, and adjacent tracks show even larger proportions around or over 60%. This also speaks to the presence of retirement communities in the neighborhood. In addition, field research with apartment managers revealed a heavy occupancy of retirees in rental product. This may have implications for the subject site's marketing and design.

**2018 Population 55+**



SOURCE: Noell Consulting Group, US Census Bureau, Social Explorer

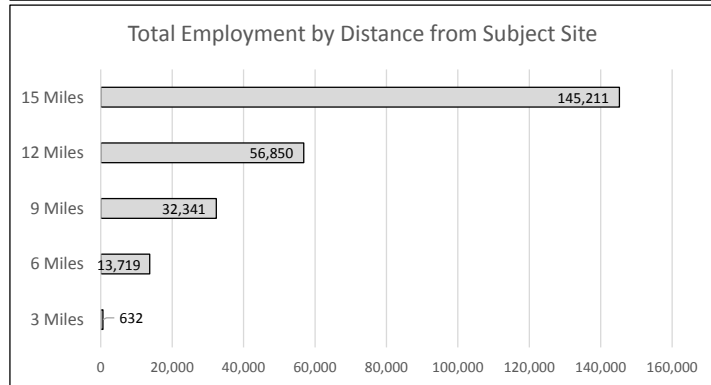
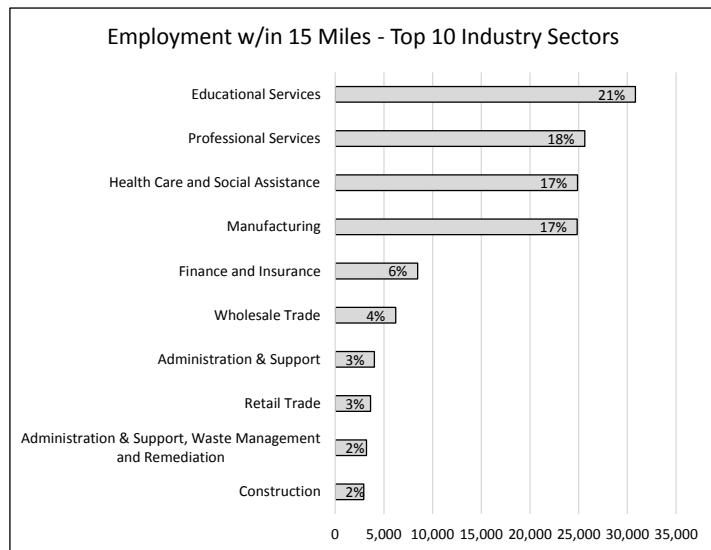




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## Exhibit 7 Proximity and Connection of the Subject Site to Jobs

Proximity to work is a key factor renters, and the subject site is well positioned to accommodate them. There are more than 145,000 jobs within a 15-mile radius of the subject site paying over \$40,000 per year, and 60,000 jobs in high paying "white collar" industry sectors (Finance and Insurance, Healthcare, Professional Services.) As the home of several large research universities and public school districts, Educational Services stands as the largest industry sector within the defined area. The subject site's convenient access to U S 501 will provide easy commutes for residents to these institutions and various job cores in the region.



SOURCE: Noell Consulting Group, Google Maps, US Census, OntheMap

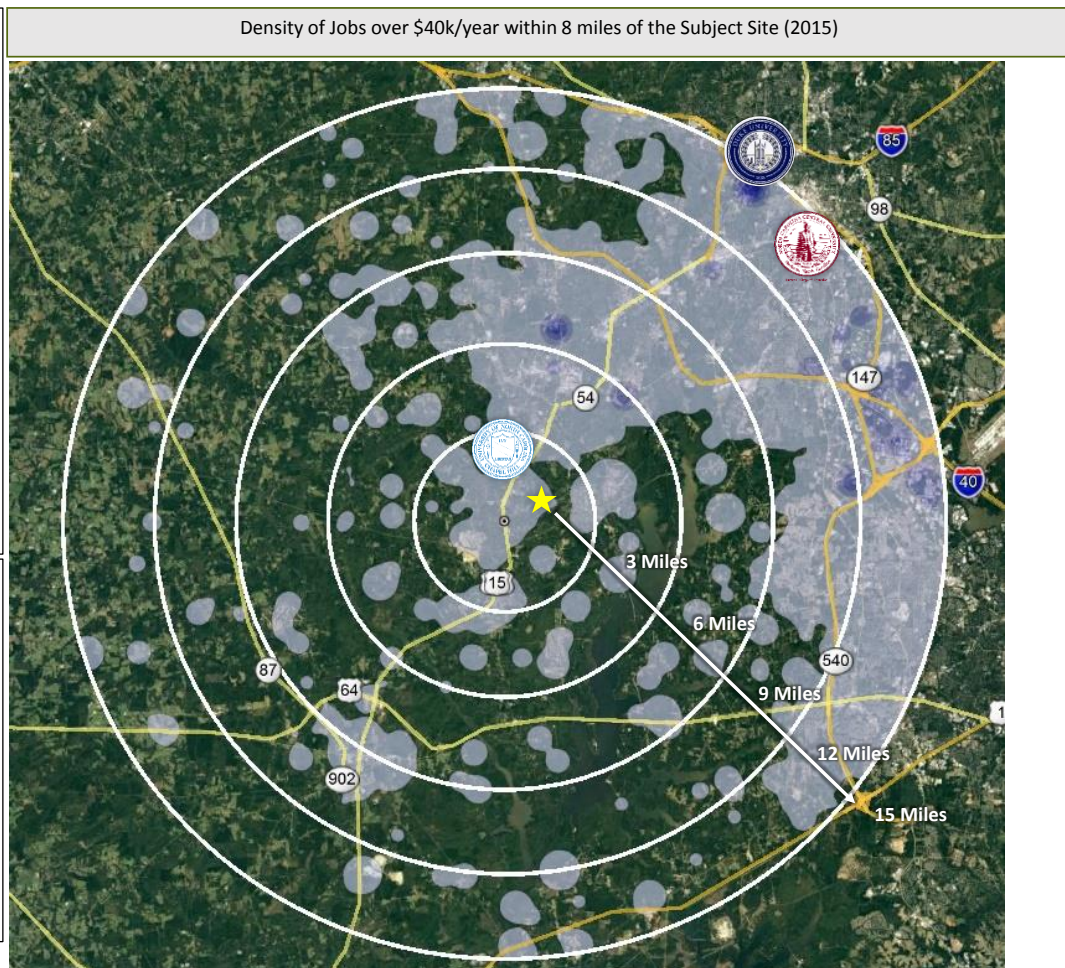


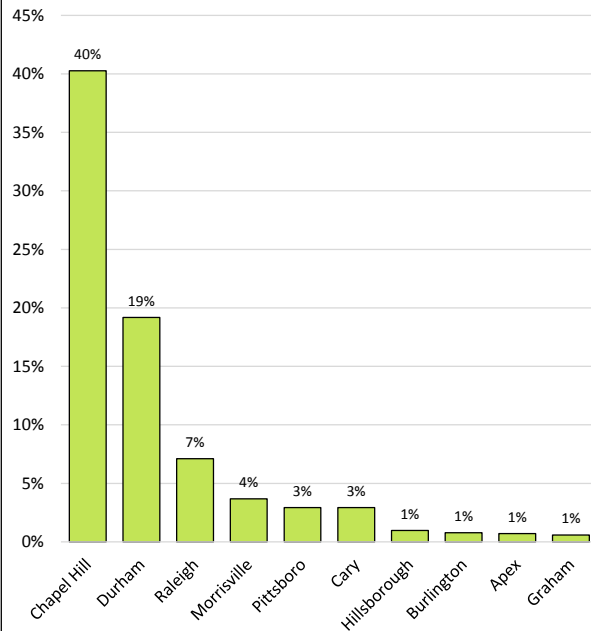
Exhibit 8

Subject Site Resident Work Destinations, Residents Earning Over \$40,000/Year

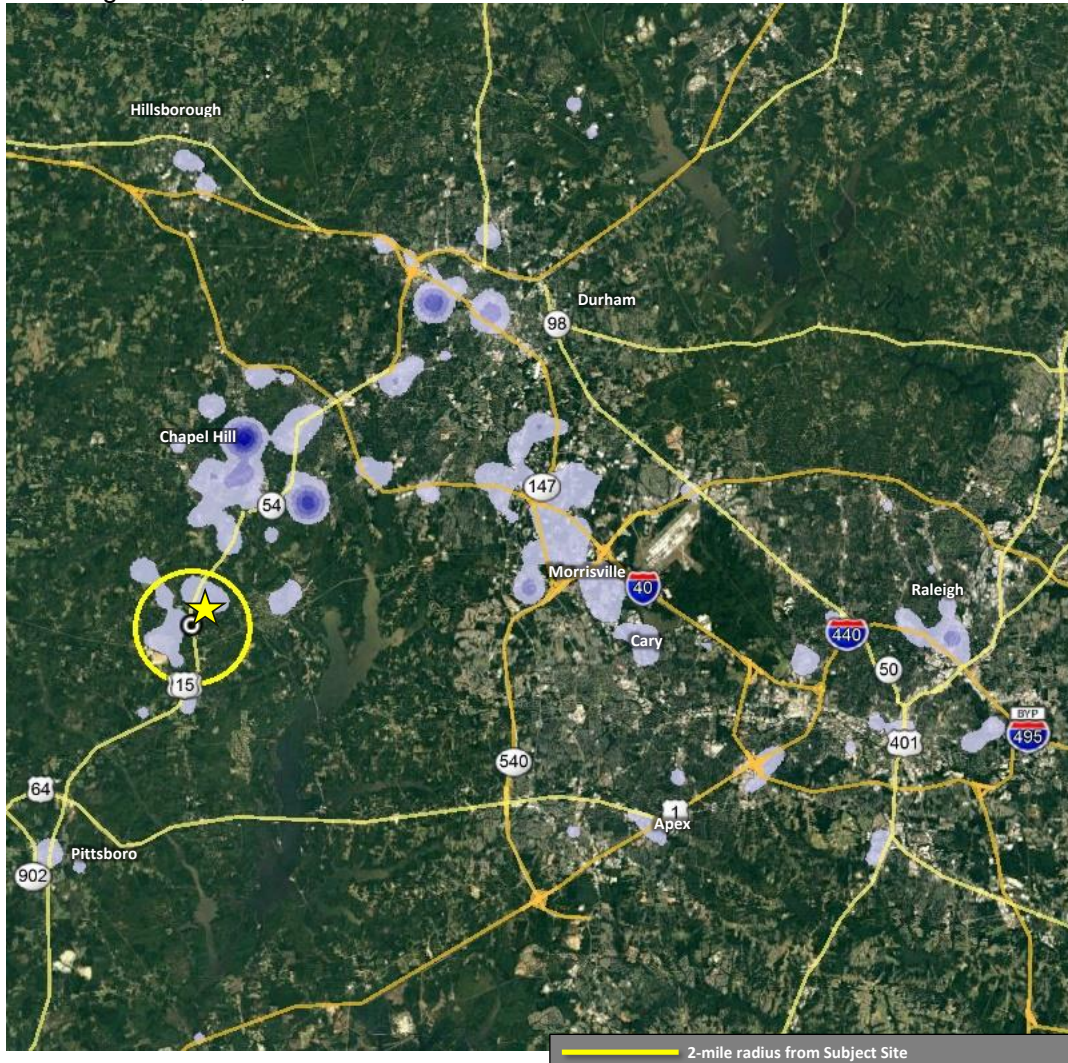
Commuting patterns of residents near the subject site can help identify target audiences for residential development. While residents within a 2-mile radius of the subject site work all over the metro Raleigh-Durham area, 40% work in nearby Chapel Hill.

In addition, 19% of area residents commute northeast to Durham, and the heat shows strong concentrations of their employment near the city's universities and urban core. Raleigh is the third most popular workplace destination drawing 7% of residents.

Top 10 Workplace Locations (By Zip Code)



SOURCE: Noell Consulting Group, Google Maps, US Census



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## Exhibit 9 School Zone of Subject Site

6/10

Above Average

**Perry W Harrison Elementary School**  
2655 Hamlets Chapel Rd, Pittsboro, NC  
Public / Grades PK-5  
775 Students



6/10

Above Average

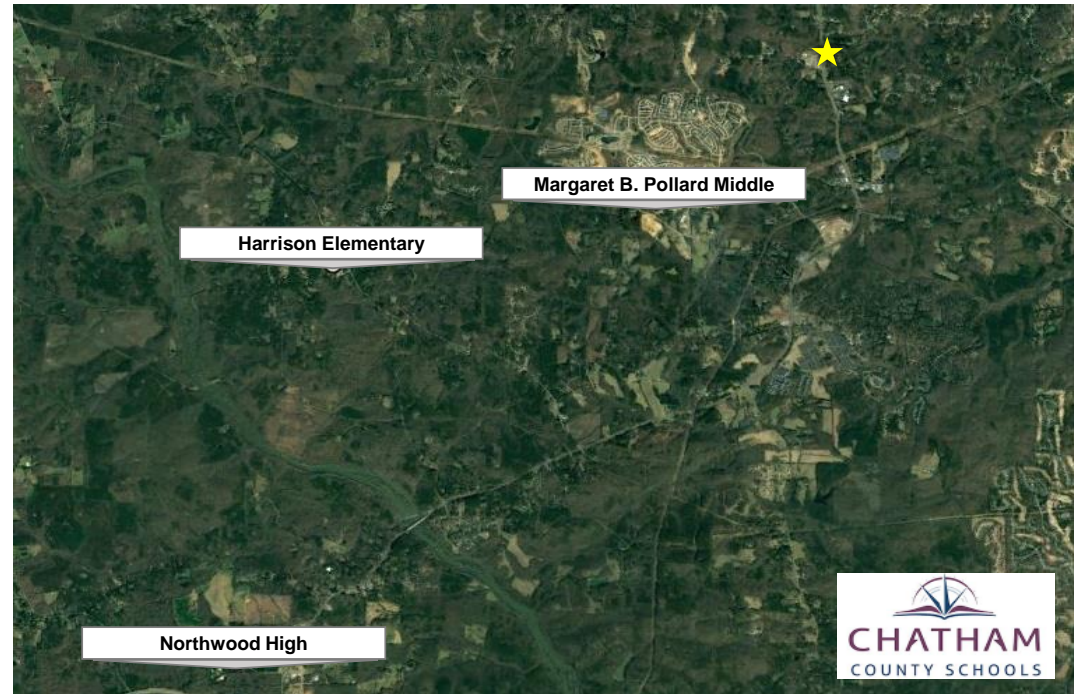
**Margaret B. Pollard Middle School**  
185 Granite Mill Blvd, Chapel Hill, NC  
Public / Grades 6-8  
649 Students



5/10

Average

**Northwood High School**  
310 Northwood High School Rd, Pittsboro, NC  
Public / Grades 9-12  
1,367 Students



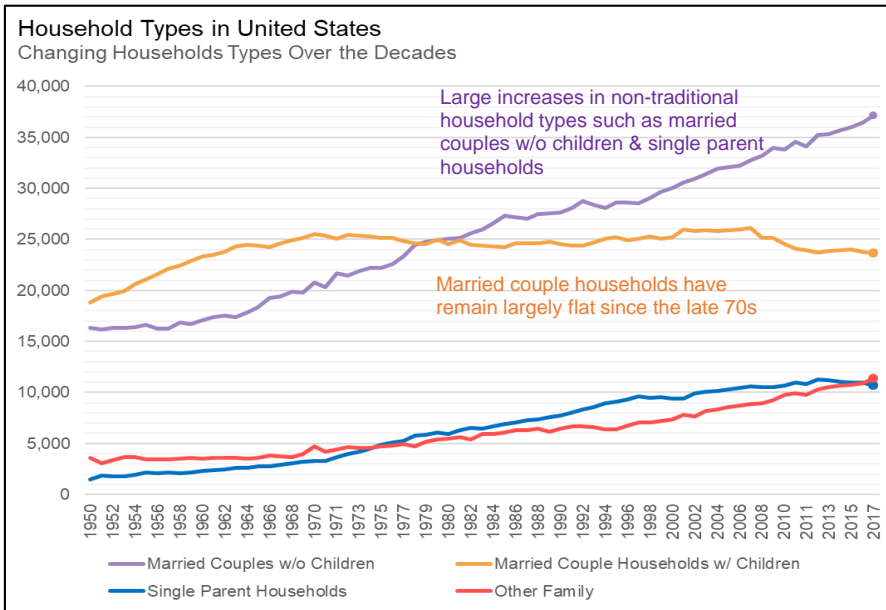
Quality public schools are important to not only draw future residents, but to recruit and retain employers. Low quality schools make it difficult for companies to recruit talent, so prospective companies might choose to locate elsewhere or existing companies might relocate.

Chatham County Public Schools, with roughly 8,700 students enrolled, is a generally well-regarded school district by current residents. The schools currently zoned for the subject site are listed in this exhibit - all scored as average and above average, according to GreatSchools.org. While not an official ranking, GreatSchool is a national nonprofit organization that provides parents with information about local schools and is heavily relied upon by parents making decisions and has strong influence. Above-average elementary and middle schools will be an advantage when leasing to families with children - a positive attribute for the subject site.

SOURCE: Noell Consulting Group, Google Maps, Chatham County Public Schools, GreatSchools.org

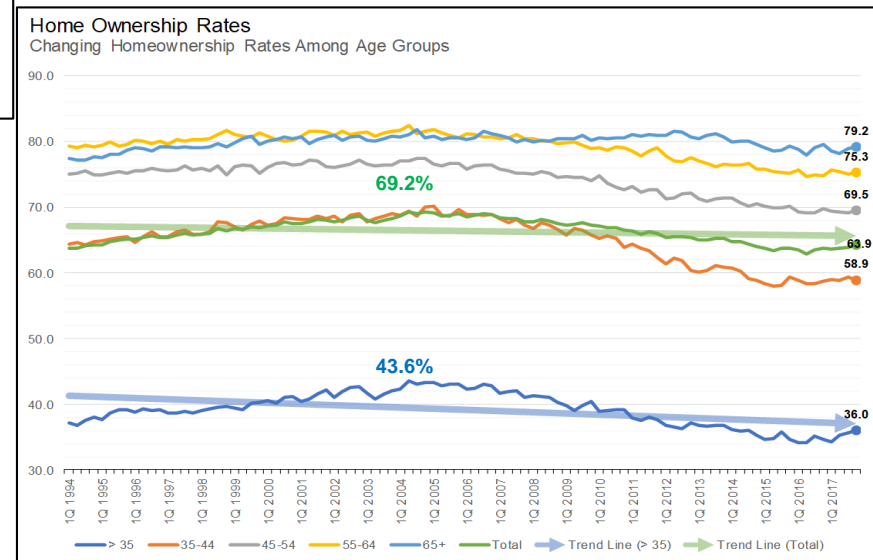
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## Exhibit 10 Summary of Renter Demographic Trends in the United States



- American family structure has changed dramatically over the decades.
- Many more are living alone, are single parents, or are unmarried couples. This changes how and where people want to live.
- Non-traditional household types are less likely to want or need a large single family home w/ a yard.
- This creates more demand for apartment living (as well as townhomes and small-lot single family homes).
- These changes also mean that existing home inventory and renter / owner ratios are mismatched for today's households.

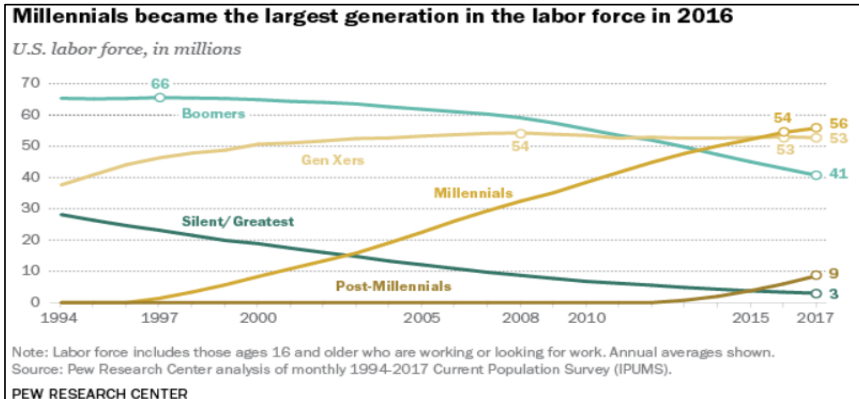
- Home ownership is down among age groups, having peaked in 2004-2005.
- Limiting rentals to 32% would severely limit ability to attract households under 44 whose renter households rates range from 41% to 64%.
- These groups are driving where businesses choose to locate (want to be near workers).
- Not providing appropriate and varied housing types will limit ability to attract future educated workers and in turn desirable employers.



Source: Noell Consulting Group



Exhibit 11  
 Why Are Walkable Mixed-Use Environments Important?



- Office historically driven by where bosses lived—followed executive housing
- Today office is increasingly following the young talent -- Millennials--who value walkable locations, mixed-use and transit-oriented locales
- Why is this important? Millennials are now the largest share of the workforce and are becoming decision-makers.
- Chatham County has a couple of mixed-use locations, but would benefit from more.

**In addition to changes in the types of households and home ownership trends, mixed-use development and multifamily rental products contribute to walkability.**



**Why focus on rental vs for-sale multifamily (condo)?**

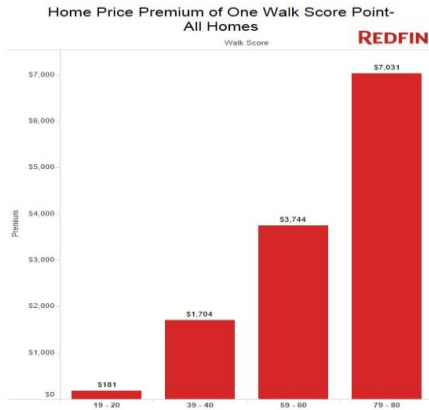
- Multifamily rental is more accessible to key target demographics (Millennials) and follows household trends
- Condos are difficult to finance at a large-scale
- Price point of new construction limits condo owners typically to older, extremely affluent audience

**Why Walkable Environments?**

- Walkable environments are key to economic competitiveness and creating healthy communities, all while increasing property tax value per acre
- Increasingly, Millennials and seniors are looking for walkable environments.
  - 80% of 18-34 years want to live in walkable neighborhoods
  - 60% of those over 50 want to live within one mile of daily goods & services per AARP surveys
- Office, retail, and rental housing in walkable places achieve 30%, 144%, and 12% premiums respectively over drivable suburban counterparts
- Premiums for home prices in walkable areas show demand for walkable environments in the Southeast.

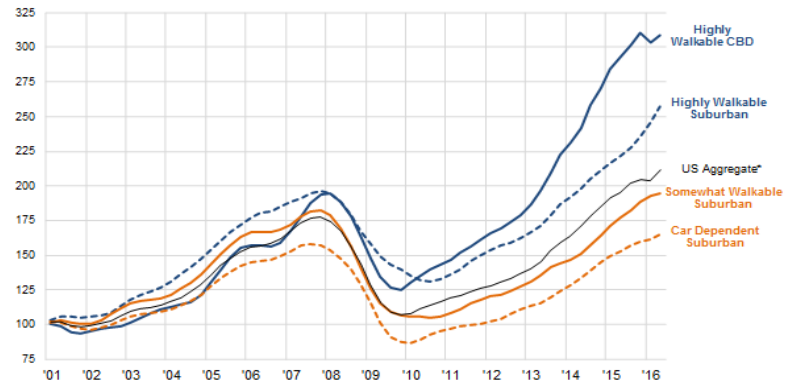
Source: Noell Consulting Group

**Exhibit 12**  
**Value Enhanced by Walkable Environments**



- Increases in walkability increase value to nearby land uses, particularly residential, exponentially.
- For example, in a national study of 14 key metros, an increase of walk score from 19 to 20 resulted in an average home increase of \$181. However, moving from a walk score of 79 to 80 resulted in a premium of \$7,031.

**RCA & Walk Score® Commercial Property Price Indices**

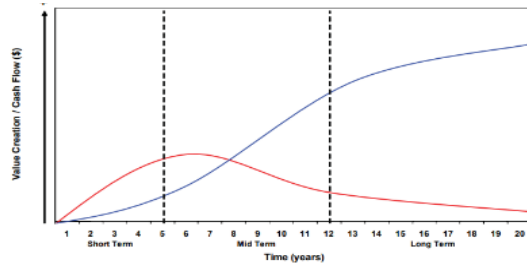


Walkability premiums are not just for residential. Commercial property found in walkable business districts and suburban locations have far out perform their non-walkable counterparts.

The subject site's combination of residential, retail, office and other uses allows for the creation of a walkable core in the county and the opportunity to create a string of walkable nodes along the 15/501 corridor.

Additionally, these employers seek to be located near their younger force and in areas where their workforce want to live.

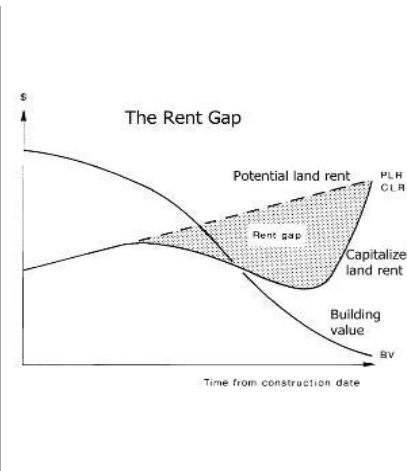
**Financial Characteristics of Walkable (Blue) Versus Drivable Suburban (Red) Development**



Source: Christopher B. Leinberger

- Where development occurs (walkable vs traditional drivable suburban) is important when seeking long term value
- There are large increases in value as the critical mass of walkable areas are achieved and enhanced
- This increases rents and sale prices resulting in land and building values going up
- When values go down (see red) there is less incentive to invest in the property
  - These properties often see minimal reinvestment until entire property is redeveloped into higher and better land use

Source: Noell Consulting Group



- The chart to the left shows potential land rent ("value") and building value. The red line indicates land value that does not increase over time
- Building value naturally decreases over time through depreciation
- If land rent / land value does not increase over time, there is little incentive to reinvest
- Mixed-use, walkable communities contribute to higher land values, which encourages reinvestment in buildings

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## Exhibit 13 Site Strengths, Challenges and Opportunities



### Strengths

- Bucolic environment close to Chapel Hill jobs, including medical and university;
- Lower home prices and rents relative to Chapel Hill and fewer students;
- Easy access to Walmart, Harris Teeter and Lowes Foods for convenience shopping;
- High visibility on Highway 15/501
- Several major communities nearby attracting new families to the area, affluent owners and matures--creates solid marketing window;
- Lack of new product, with only one new competitor several miles to the south.
- Additional proposed uses on-site, including retail and potential

### Challenges

- Generally an exurban location in a county with growth controls--tempers overall growth potential.
- Chatham County lacks a significant job base and is reliant on Chapel Hill and Orange County for growth to drive new renters to the market.
- Most shopping and services require a drive north to Chapel Hill and other potential intervening competitors.

### Opportunities

- Appeal to non-conventional audiences such as matures and relocatee families to the area--both of whom are present in Chatham County and both of whom will appreciate the site's location.
- Offer a leasing position below that found in Chapel Hill, Durham and other more urbanized areas to the north and northeast.
- Create a strong sense of location and destination within the community and create stronger sense of lifestyle.
- Incorporate elevators, children's amenities and pet amenities to maximize appeal to matures and

SOURCE: Noell Consulting Group, Google Maps

# Demographic Analysis



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## WILLIAMS CORNER RENTAL MARKET ANALYSIS

### Exhibit 14

Age and Income Analysis of the Williams Corner PMA and Comparison to Orange/Chatham County  
2000 - 2020 (estimates)

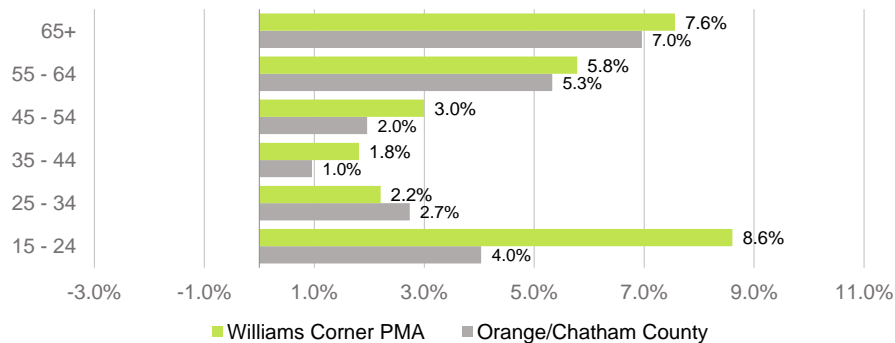
PMA Total Household Growth							
2000 - 2020	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+	Total
\$0 - \$25,000	-502	-299	-165	-11	244	319	-414
\$25,000 - \$35,000	-58	-123	-47	-18	56	256	66
\$35,000 - \$50,000	40	-61	-44	-81	149	229	232
\$50,000 - \$75,000	135	-123	-160	-44	87	656	551
\$75,000 - \$100,000	141	-52	-159	-14	148	275	339
\$100,000 - \$150,000	-1	246	231	-23	131	667	1,251
\$150,000 - \$200,000	1	113	123	276	368	277	1,158
\$200,000 +	2	263	489	771	771	680	2,976
<b>Total</b>	<b>-242</b>	<b>-36</b>	<b>268</b>	<b>856</b>	<b>1,954</b>	<b>3,359</b>	<b>6,159</b>
<b>Target Audience</b>	<b>0</b>	<b>447</b>	<b>524</b>	<b>966</b>	<b>1,505</b>	<b>2,555</b>	<b>5,997</b>



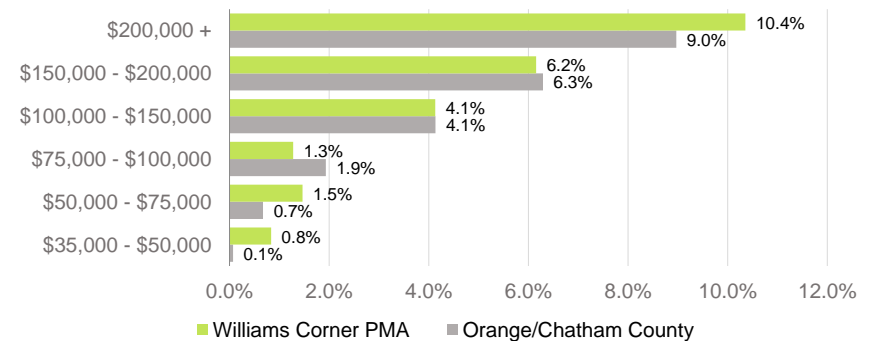
The PMA has added 5,997 household within the target age & income ranges since 2000, or 300 HH/yr.

The Primary Market Area (PMA) for demographic analysis spans seven census tracts - stretching from southern Orange County and Chapel Hill southward into exurban Chatham County, an emerging market currently attracting matures, affluents, and a growing number of families. From 2000 to 2020, the PMA experienced very clear age and income growth trends. The table above shows limited and net negative growth in lower income households with a dramatic expansion of higher income households. Regarding age, there was a surge in 65+ households, with growth slowly tapering with each younger age cohort. The bulk of household growth was demonstrated in the 45 to 54 & 55 to 64 age cohorts earning \$200,000+ per year. Compared to Chatham and Orange counties combined, the PMA grew substantially more in almost every age cohort aside from the 25-34 group. Finally, the target demographic for the subject site has been defined as households ages 25 to 64 earning \$50,000 to over \$200,000 annually. These households are growing within the PMA and have the earnings to support new market rate product.

### Household Growth By Age (HHs \$50k+ Only)



### Household Growth by Income

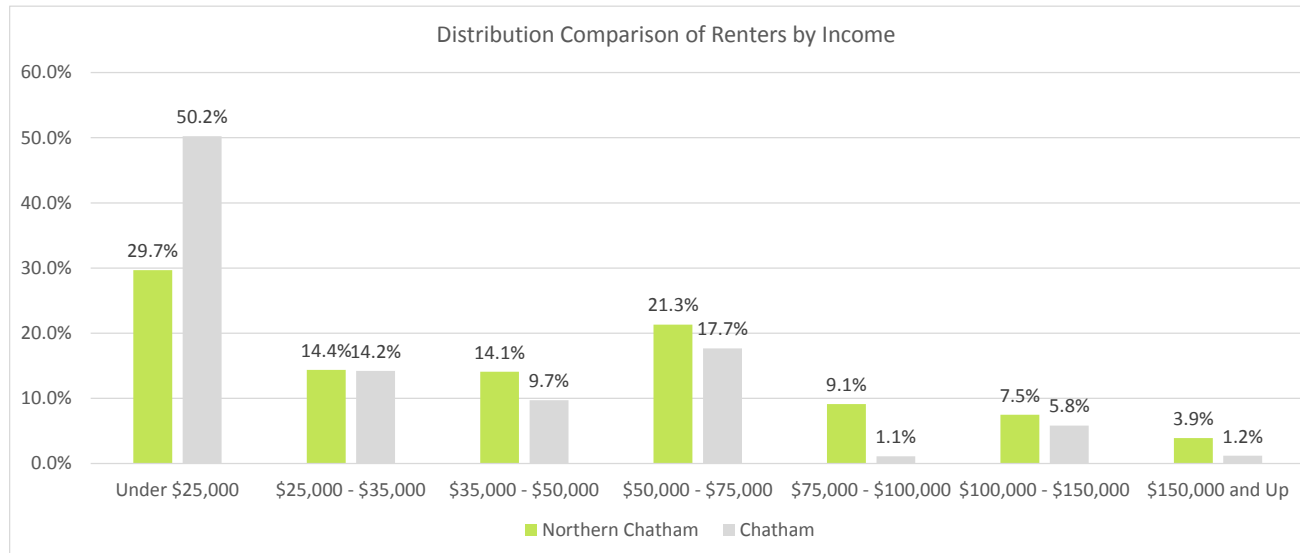


Source: NCG, US Census Bureau, Spotlight by Envirionics Analytics

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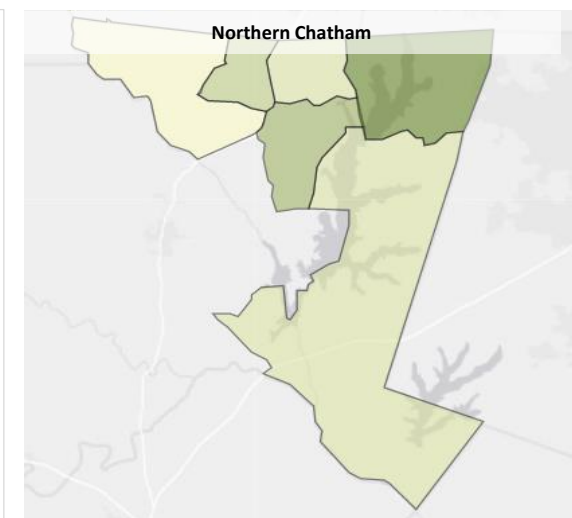
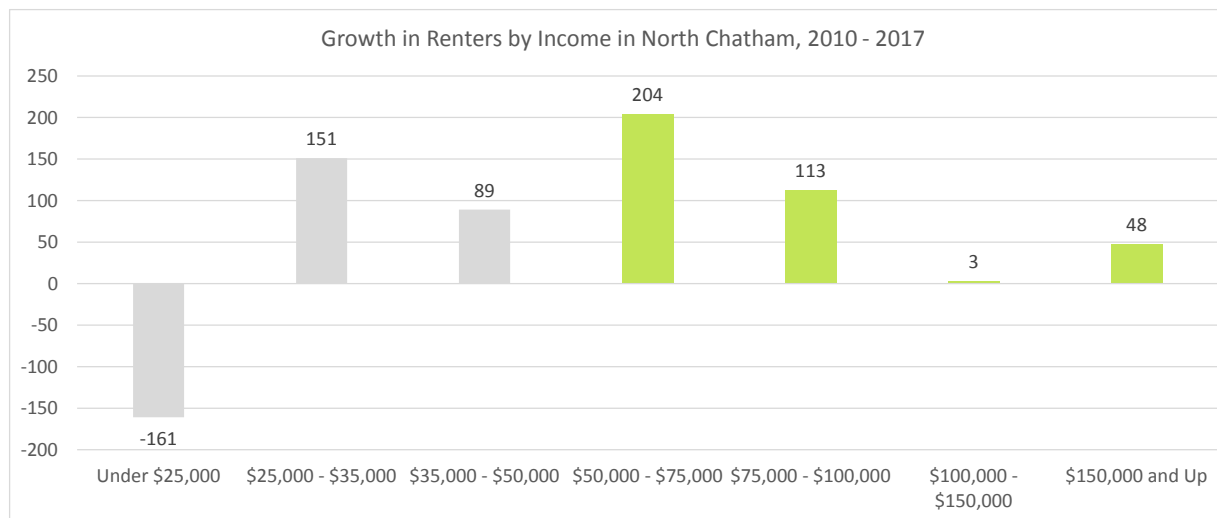
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Exhibit 15  
 Renter Growth in Northern Chatham County and Renters by Income in 2017



Renters in Northern Chatham (shown in the map below), tend to be more affluent than those of Chatham County overall. More than 41% of Northern Chatham renters have incomes north of \$50,000/year (a level needed to afford new rental product). When looking at renter growth by income, this trend becomes more clear, with the large share of growth occurring in renter cohorts earning rents sufficient to afford new rental product.

While total growth numbers appear smaller overall, it is important to note no significant new rental product has been provided in this area in more than two decades, factoring out independent and assisted living units.

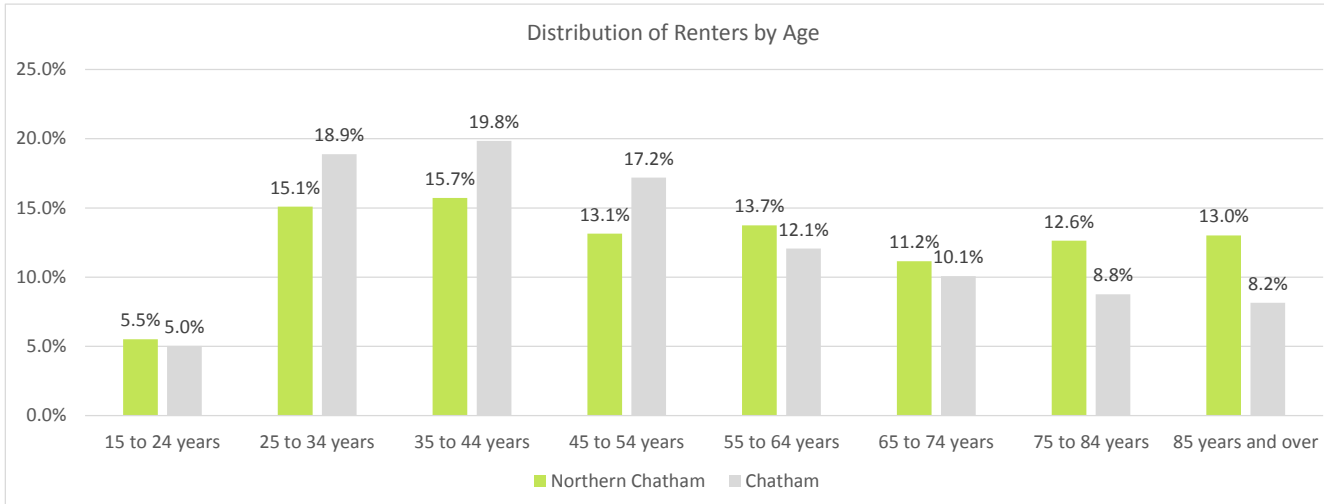


Source: Noell Consulting Group based on data obtained from the US Census.



# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

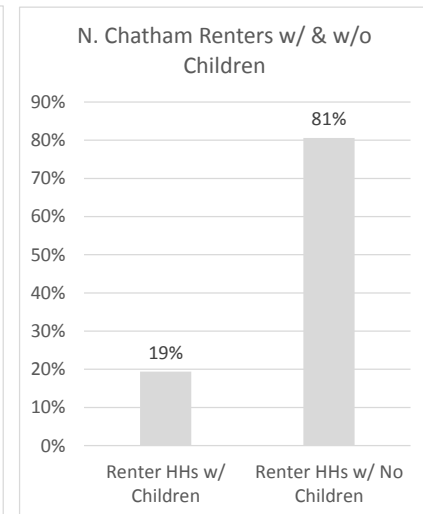
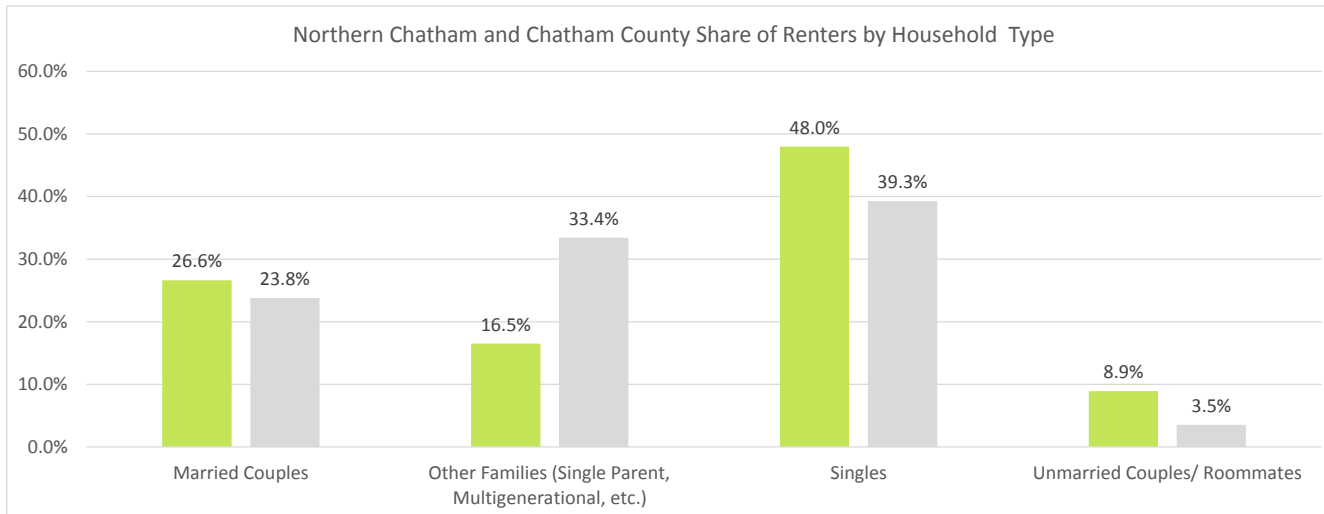
Exhibit 16  
Demographic Characteristics of Northern Chatham Renters vs. Chatham Renters Overall



In terms of renter ages, more than half of renters in Northern Chatham are more than 55 years of age, whereas the county overall sees 39% of its renters over the age of 55.

Northern Chatham renters are also more likely to live alone than renters in the county overall, with 48% living alone. Other Families, including single-parent households and multigenerational households, comprise a far lower share of Northern Chatham renters relative to Chatham as a whole, with only 16.5% of N. Chatham renters falling into this group (compared to 33.4% in the county overall).

Finally, only 19% of Northern Chatham renters have children, a reflection both of their higher propensity to be older and single.



Source: Noell Consulting Group based on data obtained from the US Census.



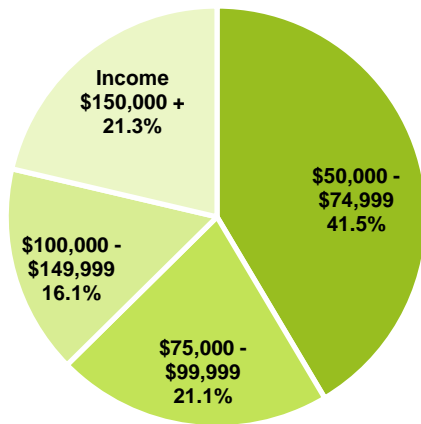
# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

Exhibit 17  
Summary of Renter Households in the Williams Corner PMA, 2020

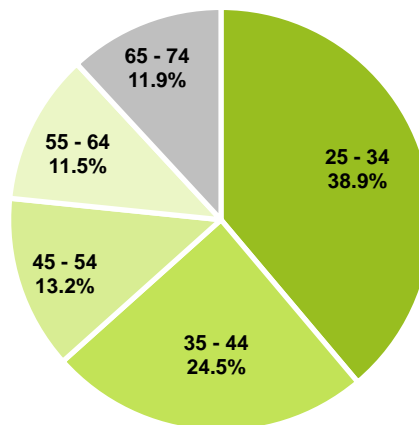
Income/Age	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85+	Total
Less than \$15,000	197	177	83	45	68	55	68	107	799
\$15,000 - \$24,999	47	55	34	22	34	25	41	53	311
\$25,000 - \$34,999	111	109	46	30	32	32	50	43	453
\$35,000 - \$49,999	122	345	170	69	74	43	50	51	925
\$50,000 - \$74,999	182	272	122	62	55	88	79	60	918
\$75,000 - \$99,999	89	126	67	41	38	32	22	14	430
\$100,000 - \$149,999	1	86	76	23	20	27	18	9	260
Income \$150,000 +	1	76	89	65	53	25	12	6	326
<b>Total</b>	<b>750</b>	<b>1,245</b>	<b>687</b>	<b>358</b>	<b>374</b>	<b>326</b>	<b>340</b>	<b>342</b>	<b>4,422</b>
<b>Target Audience</b>	<b>0</b>	<b>560</b>	<b>354</b>	<b>191</b>	<b>166</b>	<b>171</b>	<b>0</b>	<b>0</b>	<b>1,442</b>

Within the Chapel Hill PMA, there are over 4,400 renter households. Once we eliminate age and income cohorts that NCG believes will not be attracted to the property, primarily due to location and affordability, we're left with more than 1,400 renter households that make up our target audience. These households are primarily singles (42.5%) and couples (31.9% married, 10.0% unmarried), aged 25-34 (50.7%) with nearly one-fourth being over 55, and earn between \$50,000 - \$75,000 annually (41.5%). Given the site's more exurban location in Chatham County, we believe it will likely trend somewhat more mature, with students primarily locating in the Orange County portion of the PMA.

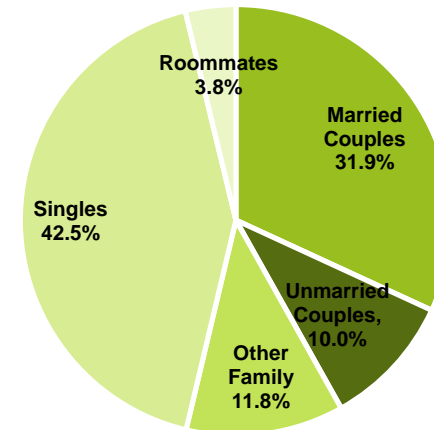
Target Market Income Distribution



Target Market Age Distribution



Target Market HH Type Distribution








SOURCE: Noell Consulting projections based on data obtained from the US Census and Claritas, Inc.



# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

Exhibit 18  
Recommended Unit Mix and Layout Based On Target Audiences

	Young Professionals	Mature Singles	Couples	Empty Nesters/Retirees	Roommates/Students			
								
Description	Young professionals and graduates based in Chapel Hill and seeking a location away from students.	Singles over 35 seeking convenience in quieter setting. Includes relocates to the market and area employees staying away from students.	A mix of married & dating couples, may be recent relocates or graduates. Range in age and many have children	Mature couples & empty nesters looking to downsize or between homes. Many seek to stay local, others locating near children.	Young professionals, undergraduate, and graduate / med students rooming primarily to save money as they are early in their career.			
How They Use Their Units	Typically use unit as crash pad, often more active/out & about. Will trade space for less rent and appreciate well-executed building amenities.	Tend to stay in more than younger counterparts. More likely to cook and host. Value space & quality.	Eat-in more often, but still enjoy going out. Tend to stay local. Value amenities, and have friends over on a frequently.	A true home. Eat-in most nights, seek spacious kitchen and living areas. Often downsizing and need extra storage.	Similar to young professionals, will trade space for money & value amenities due to sharing living space.			
Typical Income	\$50,000-\$75,000	\$50,000-\$125,000	\$75,000-\$150,000	\$100,000-\$200,000+	< \$100,000 (Combined)			
Typical Rent	\$1,100 - \$1,750	\$1,100 - \$2,400	\$1,450 - \$2,750	\$2,000+	<\$2,500			
Age Range	22 - 35	35 - 55	25-54	55-74	22 - 35			
Market Mix	22%	20%	31%	22%	5%			
Level of Opportunity	LIMITED	SOLID	STRONG	STRONG	LIMITED			
	Site's exurban location will temper demand from young singles more driven by walkability.	Site's bucolic location, yet easy drive into Chapel Hill provides for a solid escape for maturing singles	Strong location for relocatee families maturing couples. Good split commute via back roads.	Matures have a strong presence in the area, yet with little quality rental product.	Very few in the Chatham County side of the market-- limited due to longer drive.			
Subject Mix	16%	26%	36%	20%	2%			
Distribution by Unit Type								
Studio / Jr.1B	15%	5%	-	-	-	4%	10%	0%
1B/1b	80%	70%	20%	-	-	38%	43%	42%
1B/1b/Den	5%	15%	15%	15%	-	13%	2%	12%
2B/2b	-	10%	50%	70%	90%	36%	31%	37%
3B/2b	-	-	15%	15%	10%	9%	9%	9%
Summary:	We anticipate the market audiences for the subject site being a blend of couples (many with children) maturing singles and retirees/empty nesters and recommend a unit mix that is fairly well split between units with one bedroom (including 1/Dens) and those with two or three bedrooms.							

SOURCE: Noell Consulting Group

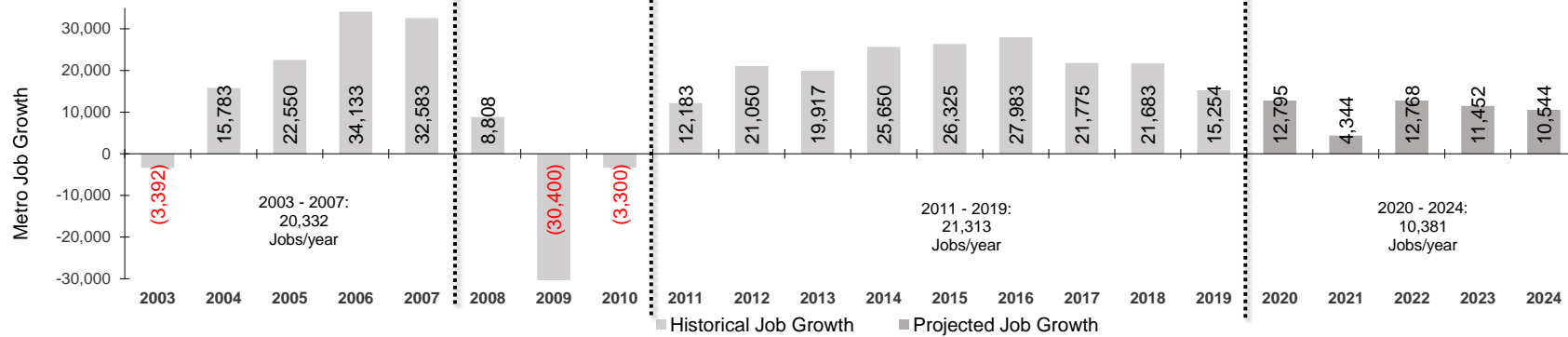


# Demand Analysis

Exhibit 19

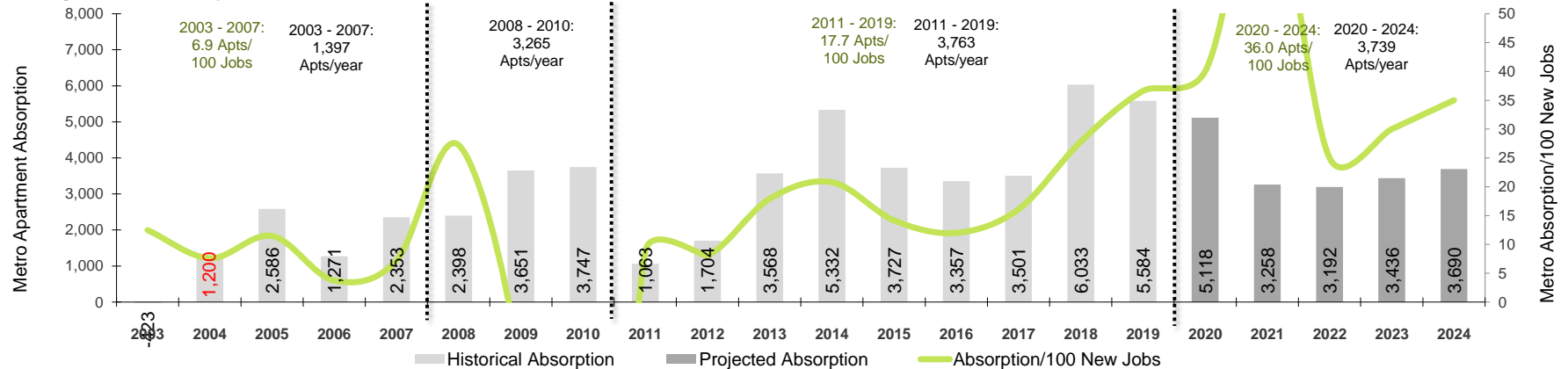
Historical and Projected Job Growth to Apartment Absorption Relationship in Raleigh-Durham-Cary Metro

**Raleigh-Durham-Cary Metro Job Growth**



The Raleigh-Durham-Cary Metro has seen strong employment growth in the wake of the great recession, averaging more than 21,000 jobs annually since 2011. Moving forward, national employment forecasts are calling for a cyclical economic slowdown beginning in 2020 with more moderate growth in the coming years as "demographic headwinds" (Boomers retiring, slowing immigration) temper the amount of growth the economy can sustain. However, this small downturn should have limited impact on apartment absorption given a robust pipeline, which was demonstrated during the previous recession where, despite significant job losses, absorption averaged more than 3,700 units annually. Additionally, demand should remain strong as home ownership remains unattainable and/or undesirable for many young adults and many retirees / empty-nesters seek to take advantage of recovering home prices as they prepare for retirement.

**Raleigh-Durham-Cary Metro Class A Apartment Absorption**



SOURCE: Noell Consulting Group, Costar and Economy.com | Moody's Analytics

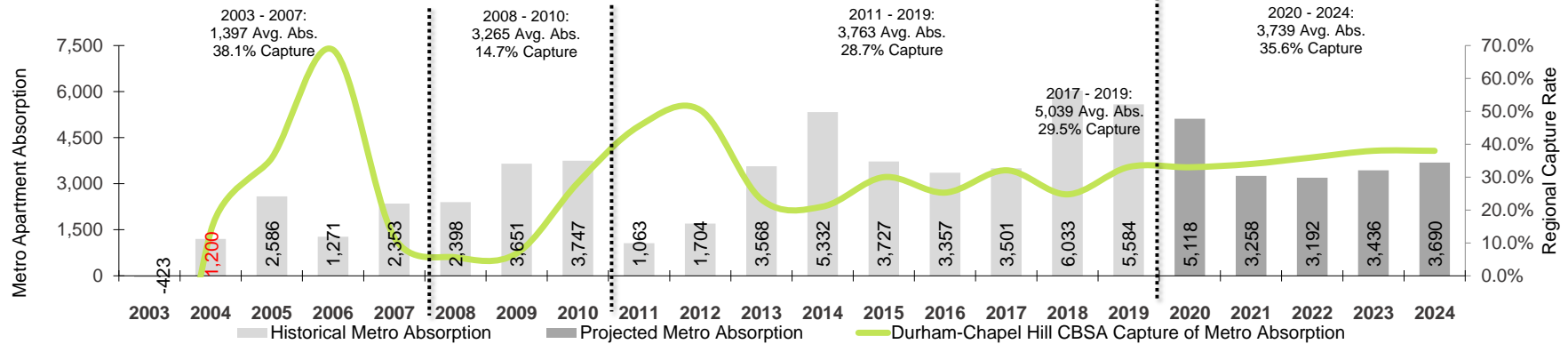


# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

## Exhibit 20

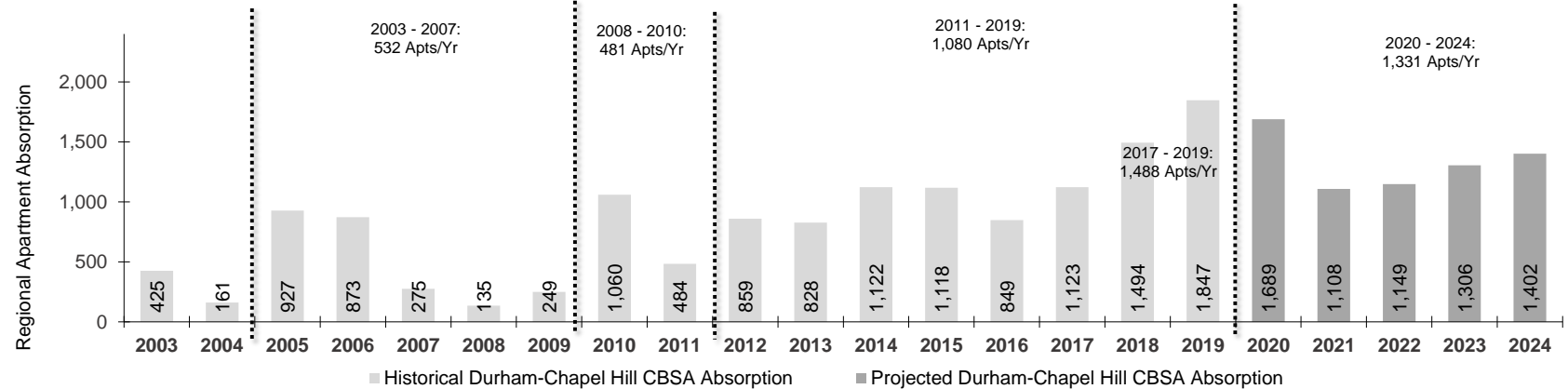
### Durham-Chapel Hill CBSA Capture of Raleigh-Durham-Cary Metro Class A Apartment Absorption

#### Raleigh-Durham-Cary Class A Apartment Absorption & Durham-Chapel Hill CBSA Capture



Overall, the Durham-Chapel Hill metro has seen a moderately increasing capture of the greater Raleigh's Class A apartment absorption since 2011. From 2017 to 2019 the Durham-Chapel Hill metro captured roughly 30% of all absorption equating to nearly 1,500 apartments absorbed annually. As Durham continues to surge as an office and residential development location, we believe captures will continue to increase, averaging around 35.6% over the next four years, or roughly 1,331 net new supportable units annually.

#### Durham-Chapel Hill CBSA Class A Apartment Absorption



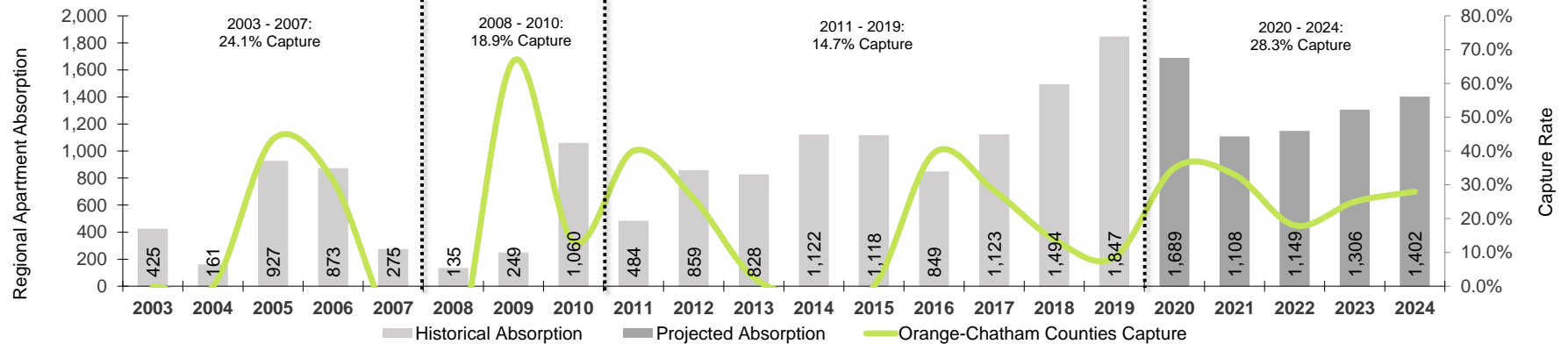
SOURCE: Noell Consulting Group and Costar





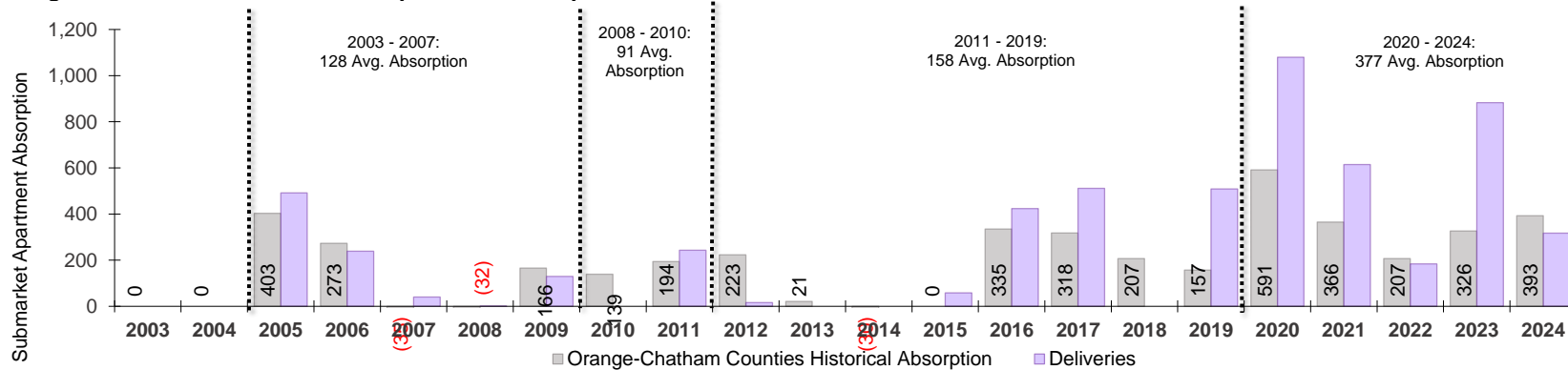
Exhibit 21  
 Orange-Chatham Counties Capture of Durham-Chapel Hill CBSA Apartment Absorption

**Durham-Chapel Hill CBSA Class A Apartment Absorption & Orange-Chatham Counties Capture**



The Orange-Chatham Counties market is becoming increasingly active, with significant development and redevelopment efforts occurring around Hillsborough, 15-501 in Chapel Hill, and to the south around Pittsboro (connect to southwest Wake via Highway 64). This increased development activity will allow the two-county area to capture a greater share of Durham-Chapel Hill MSA demand. Indeed, when more significant deliveries of apartment product have occurred in Orange County, captures of the larger metro area have averaged close to 30%. A solid upcoming pipeline will allow this two-county area to maintain a high level of capture and average around 377 net new supportable units annually.

**Orange-Chatham Counties Class A Apartment Absorption**



SOURCE: Noell Consulting Group and Costar



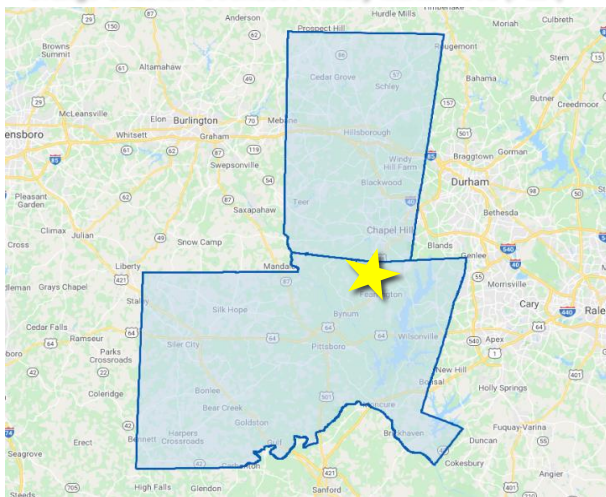
# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

## Exhibit 22

### Orange-Chatham Counties Apartment Supply and Demand Analysis

	'03-'19	11-'19	2019	FORECAST					2020 - 2024
	Average	Average		2020	2021	2022	2023	2024	Average
Employment Growth in the Metro <sup>1</sup>	15,799	21,313	15,254	12,795	4,344	12,768	11,452	10,544	10,381
Projected Jobs to New Apt. Absorption In Metro	18.9	17.7	36.6	40.0	75.0	25.0	30.0	35.0	36.0
<b>Est. Supportable New Apt Absorption in Metro</b>	<b>2,980</b>	<b>3,763</b>	<b>5,584</b>	<b>5,118</b>	<b>3,258</b>	<b>3,192</b>	<b>3,436</b>	<b>3,690</b>	<b>3,739</b>
Durham-Chapel Hill CBSA Capture of Metro	27%	29%	33%	33.0%	34.0%	36.0%	38.0%	38.0%	35.6%
Est. Supportable New Apt Absorption Durham-Chapel Hill CBSA	813	1,080	1,847	1,689	1,108	1,149	1,306	1,402	1,331
Orange-Chatham Counties Capture of New Apt. Abs. w/in Durham-Chapel Hill CBSA	16.9%	14.7%	8.5%	35.0%	33.0%	18.0%	25.0%	28.0%	28.3%
<b>Orange-Chatham Counties New Apartment Absorption</b>	<b>138</b>	<b>158</b>	<b>157</b>	<b>591</b>	<b>366</b>	<b>207</b>	<b>326</b>	<b>393</b>	<b>377</b>

#### Orange-Chatham Counties Primary Market Area (PMA)



- 1/ Employment growth from Economy.com
- 2/ Noell Consulting Group analysis based on larger analysis and trends of the market.
- 3/ Orange-Chatham Counties area shown above

SOURCE: Noell Consulting Group, CoStar, Economy.com

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## WILLIAMS CORNER RENTAL MARKET ANALYSIS

### Exhibit 22 (Page 2 of 2) Orange-Chatham Counties Apartment Supply and Demand Analysis

Orange-Chatham Counties New Apartment Absorption	2020	2021	2022	2023	2024	Total
Note: Absorption includes 10% bump during years of high delivery to account for stealing from Class B / C properties	650	402	228	359	393	2,032

#### NOTES:

- The numbers found beneath the year columns for each project indicate the percentage of the year the projects are expected to be in lease-up. Unit counts are market rate only.
- Projects that delivered in 2018-2019, but were/are in lease up in 2019 are designated in **PURPLE**. Projects that are currently under construction are designated in **GREEN**.
- There are currently 1,080 units under construction in the submarket. There are an additional 2,161 units planned in the submarket, bringing total pipeline to 3,241 units including communities in lease up, but not including the subject site.
- Based on the expected delivery of the subject site and the number of competitive projects in the market at that time, we project the project to average 13.9 units per month through the life of its lease-up. At that lease up pace, we project the project to reach stabilization in around 39 months assuming two phases of a 550 unit project.
- If a one-month concession over and above the market average is provided, we project this lease up pace would increase by 20%, for a pace 16.7 units per month. We project a lease up exposure of 36 months if the concession is offered.

5 Year Pipeline	Percentage of Year in Lease-Up					# of Units
Shelton Station-Balance (Legacy Real Property)	0.25					47
Carraway Village--Balance (Northwood Ravin)	1.00					202
Sanctuary at Powell Place (Wade Barber)	1.00	0.25				264
Trilogy Chapel Hill (Leon Capital Group)	1.00	0.50				328
The Elliott (RAM Realty)	0.75	0.50				273
Link Apartments / Glen Lennox (Grubb Properties)	0.50	0.50				215
Hanover Chapel Hill (The Hanover Company)	0.50		1.00			303
The Park at Chapel Hill Ph. 1 (Woodfield Investments)	0.25		1.00	0.25		312
Glen Lennox Phase 1B (Grubb Properties)			1.00	0.25		245
Tarheel Lodging Redevelopment (Atma Hotel Group)				1.00		234
The Park at Chapel Hill Ph. 2 (Woodfield Investments)				0.50		106
Obey Creek Site Ph I (East-West Partners)					1.00	300
Chatham Park Mosaic Ph I (Eco Group)					0.50	335
Collins Ridge (Collins Ridge Landco)				0.50	1.00	326
<b>Total, Projects Known</b>	4.5	2.5	3.0	2.5	2.5	<b>3,490</b>
<b>Matriculation Factor</b>	100%	100%	75%	50%	50%	<b>2,529</b>
<b>Subject Site</b>				1.0	1.0	<b>550</b>
<b>Total, All Projects w/Matriculation</b>	4.5	2.5	2.3	2.3	2.3	
<b>Total Deliveries (in units)</b>	1,080	615	184	883	318	<b>3,079</b>
<b>Subject Site</b>		<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Totals</b>
<b>Fair Share Capture:</b>			0%	44%	44%	
<b>Annual Capture:</b>			0	160	175	<b>334</b>
<b>Fair Share Monthly Abs:</b>				13.3	14.5	<b>13.9</b>

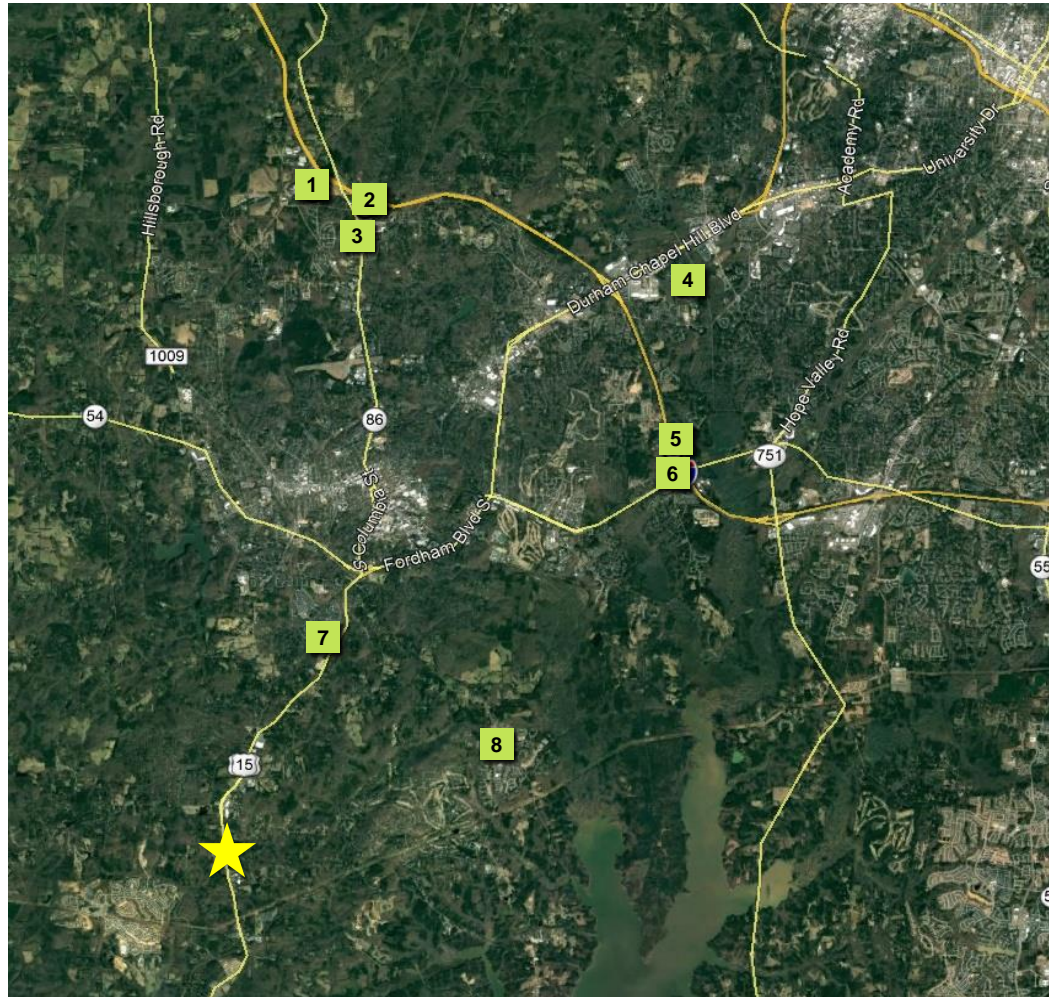
w/ 1-Month Free Concession (Above Market Average) on a 12-Mo. Lease During Lease-Up: **16.7**

SOURCE: Noell Consulting Group, CoStar, Economy.com



# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

Exhibit 23  
Competitive Apartment Community Map



SOURCE: Noell Consulting Group, Google Earth, Google Maps

Chapel Hill North		Units	\$/SF
1	Carroway Village	401	\$1.53
2	Chapel Hill North	123	\$1.41
3	1701 North	154	\$1.73
<b>Chapel Hill North Average</b>		<b>226</b>	<b>\$1.56</b>

South Durham		Units	\$/SF
4	Solis Patterson Place	345	\$1.41
5	Palladian Place	298	\$1.51
6	Blu on Farrington	298	\$1.58
<b>South Durham Average</b>		<b>314</b>	<b>\$1.50</b>

Chapel Hill South		Units	\$/SF
7	Southern Village	250	\$1.34
8	Camden Governors Village	242	\$1.16
<b>Chapel Hill South Average</b>		<b>246</b>	<b>\$1.25</b>

<b>Chapel Hill North Average</b>	<b>226</b>	<b>\$1.56</b>
<b>South Durham Average</b>	<b>314</b>	<b>\$1.50</b>
<b>Chapel Hill South Average</b>	<b>246</b>	<b>\$1.25</b>

<b>Average All</b>	<b>264</b>	<b>\$1.46</b>
<b>Primary Comp Average</b>	<b>274</b>	<b>\$1.47</b>



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### WILLIAMS CORNER RENTAL MARKET ANALYSIS

Exhibit 24  
Summary of the Competitive Market by Area and Implication to the Subject Property

ID	Community Name	Submarket	Year Built	% Leased	Total Units	Unit Size Range	Weighted Average Unit Size	Absolute Effective Rent Range	Weighted Average Rent	Weighted Average \$/SF	Percent Less than 2B/2b
1	Carraway Village	Chapel Hill North	2019	63%	401	484 1,489	953	\$978 \$1,977	\$1,454	\$1.53	60%
2	Chapel Hill North	Chapel Hill North	2017	93%	123	562 2,027	1,096	\$1,207 \$2,208	\$1,547	\$1.41	59%
3	1701 North	Chapel Hill North	2016	92%	154	524 1,489	794	\$1,100 \$2,154	\$1,373	\$1.73	77%
4	Solis Patterson Place	South Durham	2019	30%	345	615 1,726	932	\$1,025 \$2,479	\$1,315	\$1.41	71%
5	Palladian Place	South Durham	2014	94%	298	669 1,499	1,016	\$1,072 \$2,183	\$1,537	\$1.51	65%
6	Blu on Farrington	South Durham	2019	90%	298	626 1,392	952	\$1,149 \$2,049	\$1,505	\$1.58	52%
7	Southern Village	Chapel Hill South	1997	99%	250	856 1,221	1,006	\$1,082 \$1,806	\$1,345	\$1.34	32%
8	Camden Governors Village	Chapel Hill South	1998	98%	242	779 1,534	1,046	\$1,030 \$1,769	\$1,211	\$1.16	32%
Market Average			2012	82%	264	639 1,547	974	1,080 2,078	1,411	\$1.46	56%
Primary Comp Average			2011	89%	274	656 1,437	961	1,068 1,990	1,404	\$1.47	53%
Chapel Hill North Average			2017	83%	226	523 1,668	948	1,095 2,113	1,458	\$1.56	65%
South Durham Average			2017	71%	314	637 1,539	967	1,082 2,237	1,453	\$1.50	63%
Chapel Hill South Average			1998	98%	246	818 1,378	1,026	1,056 1,788	1,278	\$1.25	32%

Market Overview Statistics		
Application Fees:	Largely \$75 - \$100 on average	
Administration Fee:	Most around \$200+/-	
Pet Fees:	\$300 - \$400, \$20/mo. Typical	
Parking Fees:	Free surface, \$25 - \$35 structured	
Parking Ratio (Per Bed):	Average around 1.1 per bed	
Garage & Storage Units:	\$150 - \$175/\$30 - \$40 for storage	

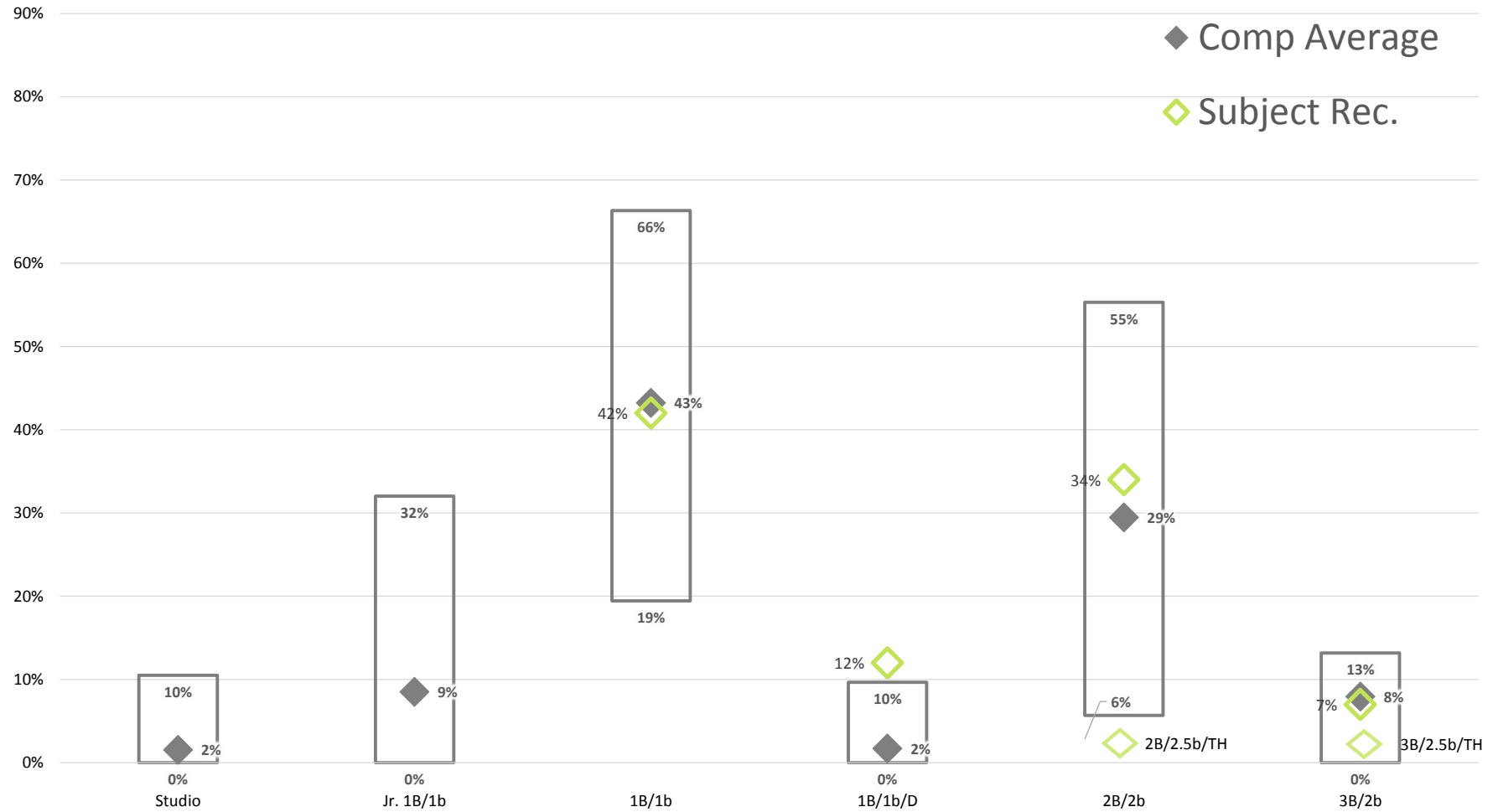
To understand the competitive market, NCG examined key comps in or along the border between Orange and Chatham Counties (Southern Village, Camden Governors Village) as well as other newer rental communities outside of the core of Chapel Hill, focusing on more garden and urban garden product to understand renter preferences, demonstrated performance, product offerings, etc.

SOURCE: Noell Consulting Group



# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

Exhibit 25  
Market Summary Unit Mix with Subject Property Recommendations



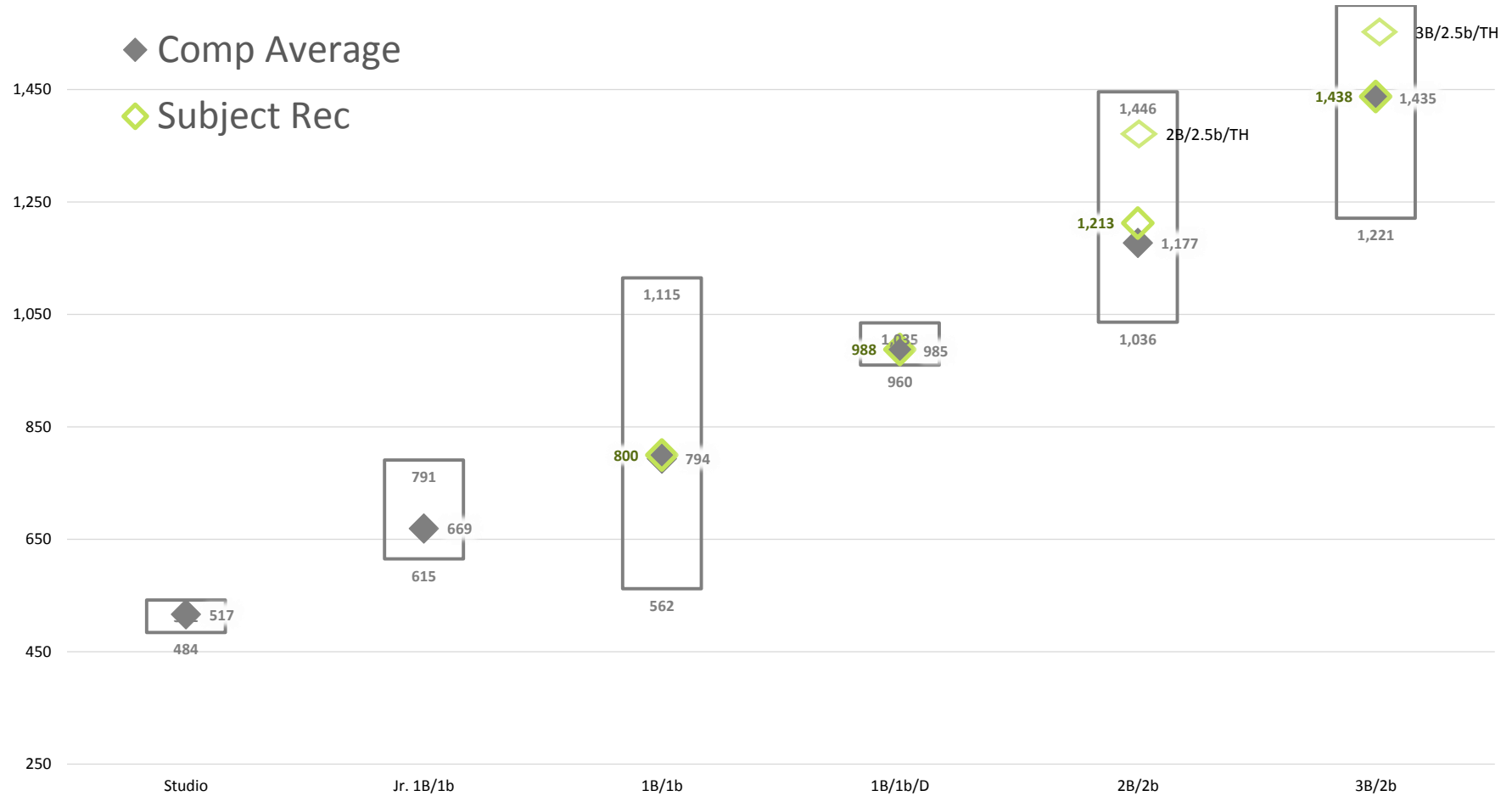
As can be seen above, our targeted mix for the subject property is heavier on larger unit types, with nearly half of all recommended units having two or more bedrooms (note: percentages for townhouse units aren't shown). This unit mix will effectively target matures, including retirees, as well as families with children relocating to the area.

SOURCE: Noell Consulting Group



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**WILLIAMS CORNER RENTAL MARKET ANALYSIS**

Exhibit 26  
 Market Summary Unit Size with Subject Property Recommendations



Recommended unit sizes are inline or slightly larger than the averages in the competitive market. We believe this approach is appropriate given the site's exurban location (renters expecting more space for the money) and the more mature audiences being targeted.

SOURCE: Noell Consulting Group



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## WILLIAMS CORNER RENTAL MARKET ANALYSIS

### Exhibit 27

#### Estimated Absolute Rent Premiums By Community and Characteristics for One-Bedroom Units

Characteristic	Weight	Carraway Village	Blu on Farrington	Palladian Place	Southern Village	Chapel Hill North	Camden Governors Village	Market Average	Market Average Desc.
Community Amenities	15.0%	5.0	3.0	4.0	2.5	3.5	3.0	3.5	Standard amenities with mixed execution
Premium Finishes	15.0%	4.5	3.5	4.0	1.5	3.0	2.0	3.1	Best have quartz, SS apps, wood floors
Unit Size	15.0%	3.0	2.0	4.0	3.5	2.5	2.5	2.9	Avg 814 sf
Access to Entertainment/Retail	12.5%	3.5	3.0	3.0	3.0	3.5	1.5	2.9	Generally limited overall--best in Chapel Hill
Highway & Jobs Access	17.5%	4.0	4.5	4.5	3.0	4.0	2.0	3.7	Best are along I-40
Neighborhood Perception	5.0%	4.0	3.5	3.5	4.5	4.0	4.0	3.9	All affluent areas with barriers to entry
Access to Greenspace/Trails	2.5%	2.0	1.5	1.5	4.0	2.0	2.0	2.2	Best have trails and small parks
Age	2.5%	5.0	5.0	4.0	1.5	4.5	1.5	3.6	Varies from 1990s to 2019
Access to Grocery/Brand	7.5%	4.0	3.5	3.5	3.5	4.5	3.0	3.7	Most have strong access to Harris Teeter
Concessions (Inverse Rel.)	7.5%	1.0	5.0	5.0	1.0	5.0	5.0	3.7	Two offering one month off
<b>Weighted Average Score</b>		<b>3.8</b>	<b>3.4</b>	<b>3.9</b>	<b>2.7</b>	<b>3.6</b>	<b>2.6</b>	<b>3.3</b>	<b>Market Avg. Rent \$1,258</b>
Estimated Premium/Discount:		13.3%	2.8%	17.8%	-17.9%	7.3%	-23.2%	0.0%	Communities ranked on a 1 - 5 scale, with 1 being poor and 5 being strong, relative to all projects in the market.
Estimated Rent:		\$1,365	\$1,280	\$1,401	\$1,114	\$1,316	\$1,071	\$1,258	
One Bedroom Actual Average Rents:		\$1,335	\$1,292	\$1,368	\$1,082	\$1,392	\$1,079	\$1,258	
Margin of Error:		2%	-1%	2%	3%	-5%	-1%	0%	

Characteristic	Market Average	Subject Site	Subject Site Prm. To Avg.	Description
Community Amenities	3.5	4.0	14%	Large unit count allows for strong offering--trails, dog park, playgd.
Premium Finishes	3.1	3.5	14%	Vinyl HW, punch windows, granite, SS appliances
Unit Size	2.9	3.0	3%	Avg 800 sf
Access to Entertainment/Retail	2.9	2.0	-31%	Modest options nearby, most in Chapel Hill
Highway & Jobs Access	3.7	2.0	-45%	Along 15/501 to Chapel Hill--more limited regionally
Neighborhood Perception	3.9	3.5	-11%	Bucolic with solid home prices
Access to Greenspace/Trails	2.2	2.0	-8%	Limited, Mary Moore park is nearby
Age	3.6	5.0	40%	Assumes new
Access to Grocery/Brand	3.7	4.0	9%	Assumes on-site grocery--Harris Teeter nearby
Concessions (Inverse Rel.)	3.7	5.0	36%	Assumes no concession*
	3.32	3.20		*Equates to a -2.3% discount to the market average
Estimated Rent (2020 \$):	\$1,258	\$1,229		Forecasted based on demonstrated rents & scores (+/- 2%)
	\$1.55	\$1.54		*Assuming avg. unit size of approx. 800 sf

The results of the best competitor positioning analysis indicates that the subject site can support rents of \$1,229 for an average one-bedroom unit (assuming an average unit size of approximately 800). This pricing equates to an approximate **1% discount** to the market average in terms of \$/SF.

NCG believes this pricing is achievable through strong execution of amenities and unit finishes, adding elevators and other amenities to the site (storage, garages, etc.) as well as offering an on-site grocer.

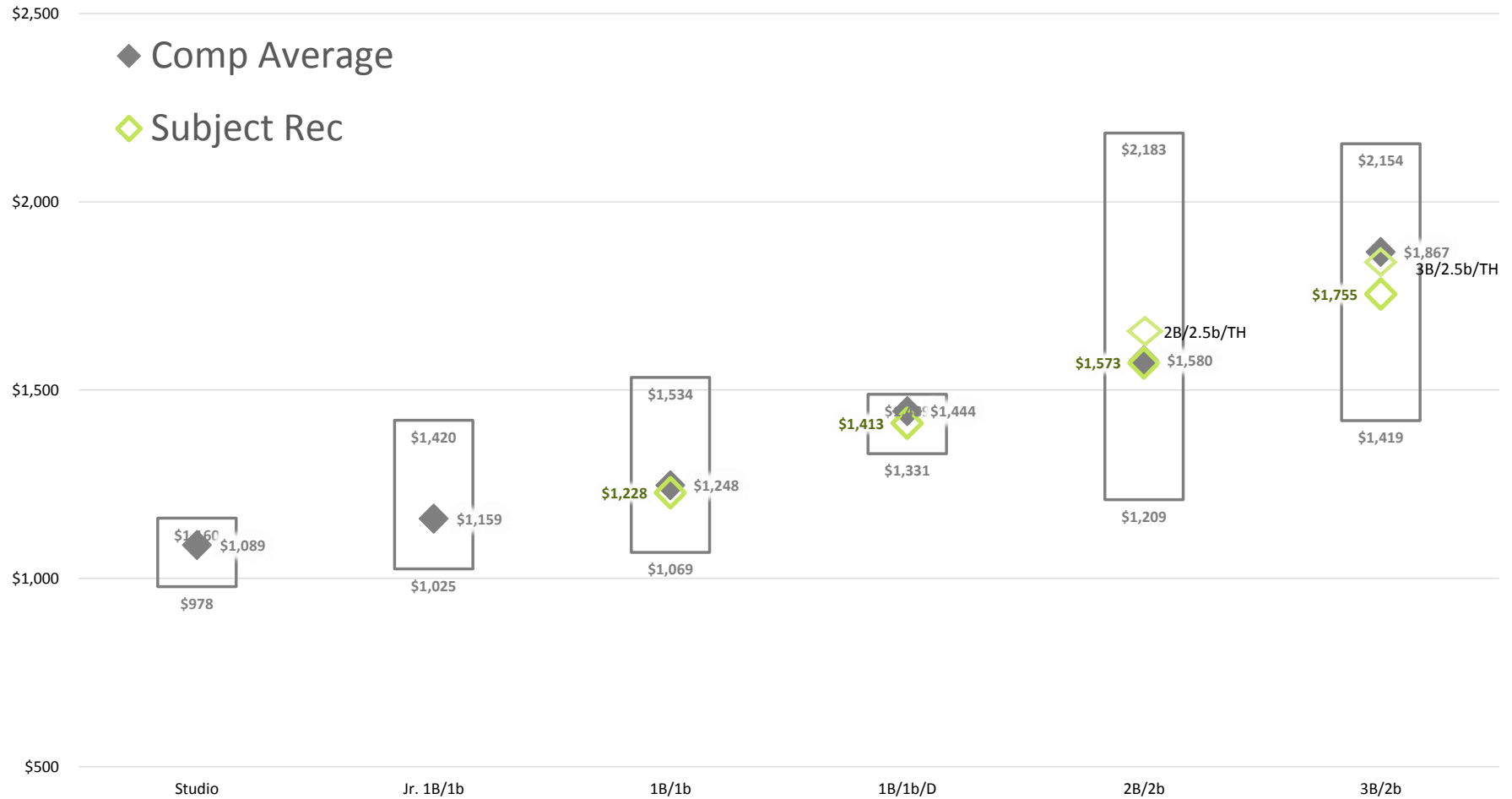
These rents assume no concessions (e.g. property at stabilization).

SOURCE: Noell Consulting Group



# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

Exhibit 28  
Market Summary Unit Rent with Subject Property Recommendations



Our positioning places rents largely in-line with those of the averages of the competitive market, with only 2BR/2.5b/TH units being larger (very few exists in the market today). This strategy allows Bold NC to offer superior product at a consistent size with other projects in the market, while maintaining a solid absolute dollar price point.

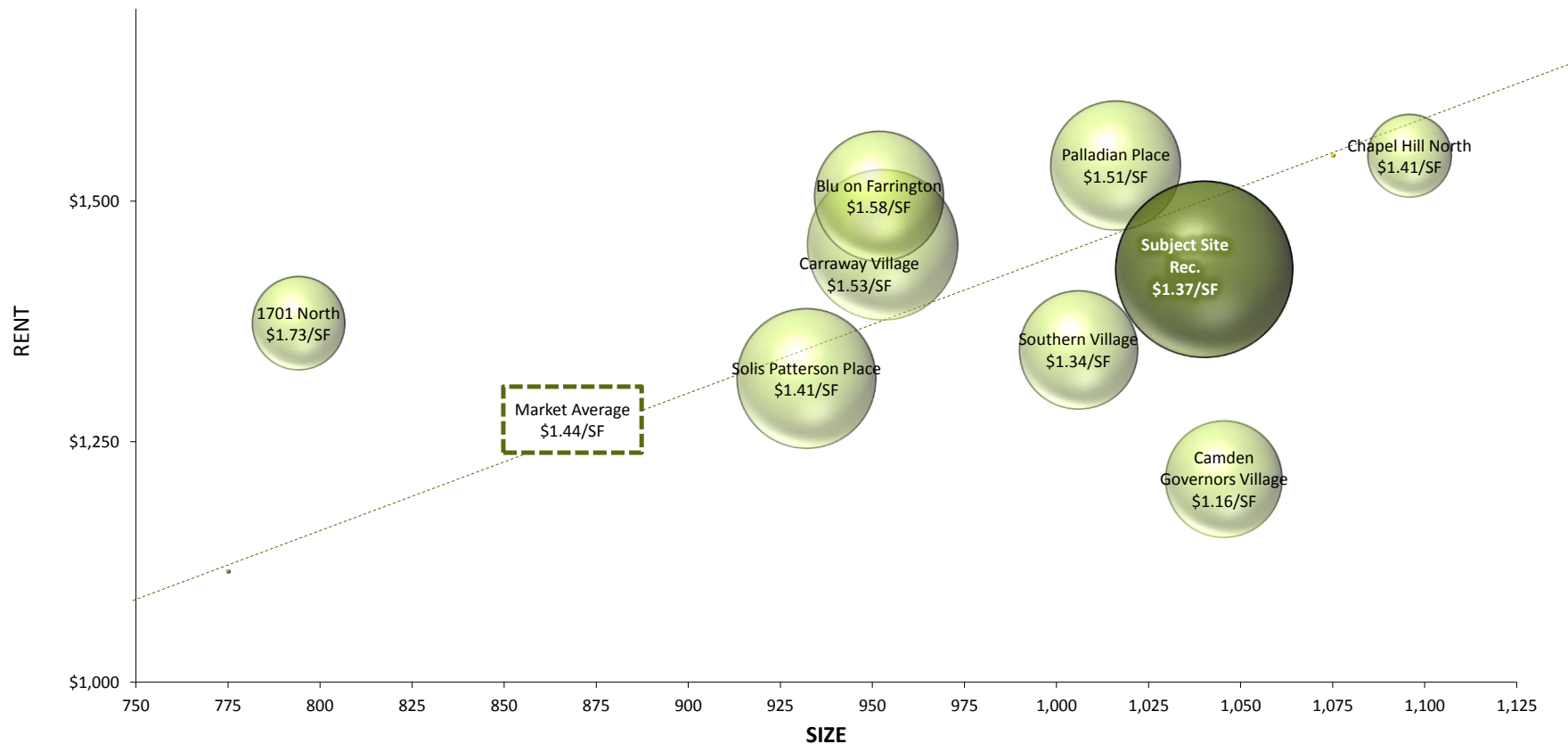
SOURCE: Noell Consulting Group



**BOLD DEVELOPMENT GROUP**  
**WILLIAMS CORNER RENTAL MARKET ANALYSIS**

Exhibit 29

Comparison of Recommended Positioning for the Subject Site Relative to Key Competitors in the Market - Weighted Average



As can be seen, the results of our analysis place the subject property at approximately \$1.37/SF, slightly below the average \$/SF for the competitive set overall. This lower \$/SF rent level is largely attributable to the reduced number of smaller unit types, with the subject site have no studios or Jr. 1BR units, and a lower share of conventional 1B/1b units relative to projects more central to Chapel Hill and Durham.

SOURCE: Noell Consulting Group based on surveys of properties.

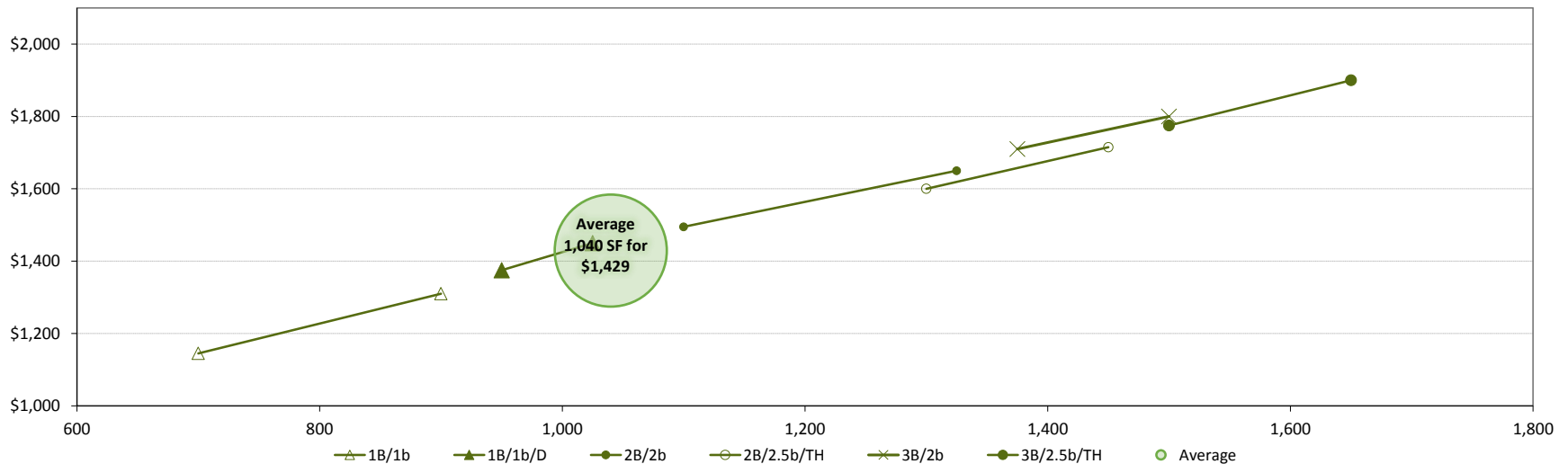


# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

Exhibit 30  
Recommended Product Programs for the Subject Site

Unit Type	Target Audience	Unit Count	Unit Mix	Effective Rent Range	Avg. Rent	Unit Size Range	Avg. Size	Effective \$/SF	Straight Average \$/SF	Est. Lease Up Pace	Lease-Up Exposure
1B/1b	Young Prof., Couples	231	42%	\$1,145 \$1,310	\$1,228	700 900	800	\$1.46 - \$1.64	\$1.53	Assumes fully staffed, on-site leasing center and no concessions. Every free month above market average offered results in an average 20% increase in pace.	39.5 Months
1B/1b/D	Couple, one works from home*	66	12%	\$1,375 \$1,450	\$1,413	950 1,025	988	\$1.41 - \$1.45	\$1.43		
2B/2b	Couples, Roommates, some ENS	187	34%	\$1,495 \$1,650	\$1,573	1,100 1,325	1,213	\$1.25 - \$1.36	\$1.30		
2B/2.5b/TH	Couples, Roommates, some ENS	17	3%	\$1,600 \$1,715	\$1,658	1,300 1,450	1,375	\$1.18 - \$1.23	\$1.21		
3B/2b	Roommates, ENS and Families	39	7%	\$1,710 \$1,800	\$1,755	1,375 1,500	1,438	\$1.20 \$1.24	\$1.22		
3B/2.5b/TH	Roommates, ENS and Families	11	2%	\$1,775 \$1,900	\$1,838	1,500 1,650	1,575	\$1.15 \$1.18	\$1.17		
<b>Totals/Avgs</b>		<b>550</b>	<b>100%</b>	<b>\$1,145 \$1,900</b>	<b>\$1,429</b>	<b>700 1,650</b>	<b>1,040</b>	<b>\$1.15 - \$1.64</b>	<b>\$1.37</b>		
<b>With 1-month concession:</b>										<b>16.7/mo.</b>	<b>32.9 Months</b>

- Base rent range includes anticipated floor, view, and corner premiums
- 1.10 Recommended Residential Parking Ratio/Bedroom (Based on demonstrated occupancy at comp. communities)
- 1010 Recommended Residential Parking Spaces
- 25 Additional Recommended Residential Guest/Leasing Spaces
- 1.13 Total Parking Ratio/Bedroom Including Guest/Leasing



SOURCE: Noell Consulting Group



# Recommended Finishes & Amenities

Exhibit 31  
Potential Unit Design Concept and Features

**Key Design Elements**

- Keep kitchens open, light and current to maximize light and the sense of space. Counters should be granite or quartz with an undermount sink and quality backsplash
- Stainless appliances should be provided and the fridge should offer water in the door.
- Showcase modern pendant light fixtures in kitchen as a distinguishing yet affordable feature.
- Vinyl wood plank flooring in kitchen and living areas, carpet (or wood) in bedroom, moderate-priced porcelain tile in bathroom.
- Consider some type of basic closet systems to maximize storage and efficient use of space.
- Consider dual vanities in traditional two bedroom unit types and large one bedrooms or one-and-dens to appeal to couples.
- For many 1B/1b & 1/Den units, provide walk-in showers as opposed to tubs to appeal to more mature renters. All units w/ 2 baths should feature both.
- Consider built-ins throughout the unit, such as an "urban mud room" at the entry way for residents to drop jackets, bags, and shoes.
- Consider fob access control door and USB outlet in kitchen.

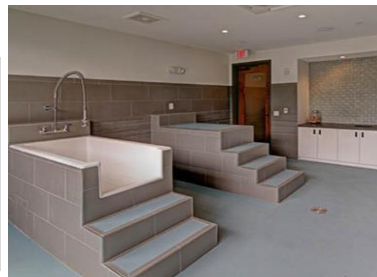


SOURCE: Noell Consulting Group

# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

## Exhibit 32 Recommended Indoor Amenities

Amenities will be a critical distinguishing feature for NRP. Included in this should be a fitness center superior to most in the market and including a Pilates or yoga studio, resident lounge with a variety of areas and uses, including work nooks or coworking type areas. Finally, consider some type of dog washing station to minimize residents washing dogs in their own tubs or showers.



SOURCE: Noell Consulting Group



# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

## Exhibit 33 Recommended Outdoor Amenities

The courtyard and pool amenities should serve as innovative areas that highlight the community's execution level, allow residents to unwind and spend time, encourage residents to socialize and be a key selling feature for the property during leasing tours.

Emphasize quality over quantity, with the functionality and execution of the space trumping bigger amenities or just "more". Design for social interaction or use by a single person, a couple, or a small group of friends. Potential outdoor amenities including a pool with a sitting area in the water, small courtyards, shaded seating areas with access to USB ports or outlets, a small rooftop, a dog park, or dog run, etc.



SOURCE: Noell Consulting Group

# Appendix



# BOLD DEVELOPMENT GROUP

## WILLIAMS CORNER RENTAL MARKET ANALYSIS

### Appendix 34

#### Competitive Rental Community - Solis Patterson Place (3705 SW Durham Dr)

OVERVIEW	Developer Name		Terwilliger Pappas		App. / Admin. Fee:		\$200 / \$75								
	Owner Name		Terwilliger Pappas		Pet Fees:		\$350 upfront, \$20 / mo								
	Property Manager Name		Greystar		Other Fees:		\$35 / mo storage (16)								
	Year Built		2019		Parking Fees:		\$150 / mo for garage (20)								
	Number Of Stories		4		Parking Type:		Surface, garages								
	Lease Up Pace:		30 units per month		Total Spaces		-								
	Walk Score®:		15 - Car-Dependent		Spaces/Bed:		-								
SUMMARY	Market Audience:		Leasing is still early, but estimated audience is roughly 5-10% graduate / med students (mix of Duke / UNC), primarily young, single professionals, and some empty nester / move down audiences.												
	Building Summary:		Newest project in the Patterson Place area, building located just off 15-501 offering connectivity to both Durham and Chapel Hill as well as RTP. Large amenity package, well executed, w/ modern finishes.												
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range		Avg. Rent	Unit Size Range		Weighted Avg. Size	Current Conc.	Effective \$/SF Range		Avg. \$/SF
	Jr. 1B/1b	44	13%	19	57%	\$1,025	\$1,130	\$1,079	615	638	630		\$1.67	\$1.77	\$1.71
	1B/1b	168	49%	125	26%	\$1,096	\$1,253	\$1,159	735	852	765	1 month	\$1.47	\$1.49	\$1.52
	1B/1b/D	33	10%	24	27%	\$1,331	\$1,454	\$1,399	960	1,035	984	free on 14-	\$1.39	\$1.41	\$1.42
	2B/2b	84	24%	60	29%	\$1,457	\$1,643	\$1,563	1,260	1,337	1,277	15 month	\$1.16	\$1.23	\$1.22
	3B/2b	8	2%	7	13%	\$1,811	\$1,895	\$1,849	1,471	1,486	1,484	leases	\$1.23	\$1.28	\$1.25
	3B/2b/Garage	8	2%	5	38%	\$2,382	\$2,479	\$2,430	1,726	1,726	1,726		\$1.38	\$1.44	\$1.41
<b>SUMMARY:</b>		<b>345</b>	<b>100%</b>	<b>240</b>	<b>30%</b>	<b>\$1,025</b>	<b>\$2,479</b>	<b>\$1,315</b>	<b>615</b>	<b>1,726</b>	<b>932</b>		<b>\$1.16</b>	<b>\$1.77</b>	<b>\$1.41</b>
FINISHES AND AMENITIES	Ceiling Height and Finish:		9'-11' ceilings, finished												
	Lighting and Fixtures:		Modern / trendy pendants, recessed can lighting												
	Flooring:		LVT flooring in kitchen, living, bath; carpet in bed												
	Cabinets and Hardware:		Flat-slab wood cabinetry w/ beveled edges, full-overlay, black bar pulls												
	Countertops:		White quartz counters w/ undermount sinks												
	Appliance Package:		Higher-end stainless steel appliances w' side-by-side refrigerator & freestanding range												
	Laundry and Bath Detail:		Full-size washer & dryer												
	Windows and Balconies:		Ganged punch windows, almost all units w/ balconies / patio												
Additional Features:		Black water fixtures													
Community Features and Amenities:		Resident lounge w/ billiard room, clubroom w/ fireplace lounge, outdoor firepit & lounge, dog park, playground, 24-hour fitness center w/ yoga room, pool w/ hammock lounge, outdoor grills, conference room w/ cyber café													


Source: Noell Consulting Group, CoStar



# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

## Appendix 35

### Competitive Rental Community - Apartments at Palladian Place (260 Leigh Farm Rd)

OVERVIEW	Developer Name		Northwood Ravin		App. / Admin.		\$75 / \$150								
	Owner Name		Northwood Ravin		Pet Fees:		\$375 upfront, \$30 / mo								
	Property Manager Name		Northwood Ravin		Other Fees:		Valet trash \$30/mo								
	Year Built		2014		Parking Fees:		Free, garages \$175								
	Number Of Stories		4		Parking Type:		Surface and detached garage								
	Lease Up Pace:		-		Total Spaces		N/A								
	Walk Score®:		10 - Car-dependent		Spaces/Bed:		N/A								
SUMMARY	Market Audience:		60% UNC, 40% RTP. Residents tend to be grad students in professional schools (dental, medical, law), however, there is a healthy amount of faculty as well. 60% of residents have dogs.												
	Building Summary:		Very well executed multifamily property with high level of finish. Close to several office tenants -- built as part of master development) -- however does not attract much traffic from there. Largely driven by educational institutions. Finish levels perhaps too high -- may not yield return via rents.												
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range		Avg. Rent	Unit Size Range		Weighted Avg. Size	Current Conc.	Effective \$/SF Range		Avg. \$/SF
	Jr. 1B/1b	50	17%	3	94%	\$1,072	\$1,297	\$1,156	669	791	718		\$1.60	\$1.64	\$1.61
	1B/1b	132	44%	9	93%	\$1,256	\$1,459	\$1,368	755	957	867		\$1.52	\$1.66	\$1.58
	1B/1b/D	12	4%	0	100%	\$1,489	\$1,489	\$1,489	987	987	987	None	\$1.51	\$1.51	\$1.51
	2B/2b	65	22%	6	91%	\$1,426	\$2,183	\$1,910	1,123	1,370	1,265		\$1.27	\$1.59	\$1.51
	3B/2b	39	13%	0	100%	\$1,992	\$1,992	\$1,992	1,499	1,499	1,499		\$1.33	\$1.33	\$1.33
	<b>SUMMARY:</b>		<b>298</b>	<b>100%</b>	<b>18</b>	<b>94%</b>	<b>\$1,072</b>	<b>\$2,183</b>	<b>\$1,537</b>	<b>669</b>	<b>1,499</b>	<b>1,016</b>		<b>\$1.27</b>	<b>\$1.66</b>
FINISHES AND AMENITIES	Ceiling Height and Finish:		10' ceilings throughout												
	Lighting and Fixtures:		Pendant above bar, track in kitchen												
	Flooring:		Vinyl hws in main living areas and bathrooms. Carpet in beds.												
	Cabinets and Hardware:		42" shaker style cabinets w/ SS pulls												
	Countertops:		Granite throughout												
	Appliance Package:		SS apps w/ water dispenser in fridge and flat top stove												
	Laundry and Bath Detail:		Stackable w/d in every unit												
	Windows and Balconies:		Storefront windows												
Additional Features:		Sunshades included in select units													
Community Features and Amenities:		Pool, grilling area, fitness center, dog park, club room, private office for residents, meeting room													

Source: Noell Consulting Group, CoStar



# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

## Appendix 36

### Competitive Rental Community - Chapel Hill North Apartments (200 Perkins Dr)

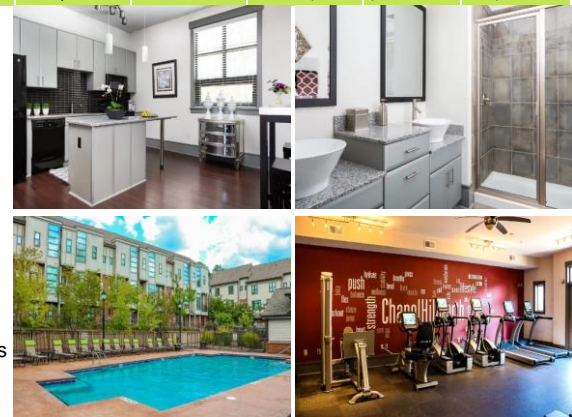
OVERVIEW	Developer Name	Trammell Crow	App. / Admin.	\$120 / \$200
	Owner Name	Berkshire Communities	Pet Fees:	\$450 upfront, \$25 / mo
	Property Manager Name	Berkshire Communities	Other Fees:	N/A
	Year Built	2017	Parking Fees:	Free
	Number Of Stories	3	Parking Type:	Surface / Garage
	Lease Up Pace:	-	Total Spaces	216
	Walk Score®:	39 - Car Dependent	Spaces/Bed:	1.08



SUMMARY	Market Audience:	Residents include some grad/medical students and young professionals, some families with kids - all seeking convenience with proximity to retail and entertainment
	Building Summary:	Mid-rise product within walking distance to Harris Teeter, retail, shopping dining, and easy access to regional job cores

PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
		1B/1b	71	58%	4	94%	\$1,228 \$1,534	\$1,392	562 970	781	None	\$1.58 \$2.19
	1B/1b/TH	2	2%	0	100%	\$1,207 \$1,207	\$1,207	850 980	915	\$1.23 \$1.42		\$1.32
	2B/2b	7	6%	1	86%	\$1,429 \$1,645	\$1,583	1,145 1,446	1,295	\$1.14 \$1.25		\$1.22
	2B/2.5b/TH	15	12%	2	87%	\$1,756 \$1,764	\$1,760	1,516 1,525	1,521	\$1.16 \$1.16		\$1.16
	2B/3b	1	1%	0	100%	\$2,208 \$2,208	\$2,208	2,027 2,027	2,027	\$1.09 \$1.09		\$1.09
	3B/2b	14	11%	2	86%	\$1,830 \$1,830	\$1,830	1,580 1,600	1,590	\$1.14 \$1.16		\$1.15
	<b>SUMMARY:</b>	<b>123</b>	<b>100%</b>	<b>9</b>	<b>93%</b>	<b>\$1,207 \$2,208</b>	<b>\$1,547</b>	<b>562 2,027</b>	<b>1,096</b>		<b>\$1.09 \$2.19</b>	<b>\$1.41</b>

FINISHES AND AMENITIES	Ceiling Height and Finish:	10-14' ceilings throughout
	Lighting and Fixtures:	Pendant above bar, track in K, dome in foyer
	Flooring:	Vinyl HW in bath, LR, and K, carpet in bed
	Cabinets and Hardware:	42" flat slab laminate cabinets w/ SS pulls
	Countertops:	Granite in the kitchen and bathroom
	Appliance Package:	SS appliances with flat-top stove
	Laundry and Bath Detail:	W/d in every unit
	Windows and Balconies:	Storefront windows, balconies on select units
	Additional Features:	Glass stand up shower with full backsplash in select units
	Community Features and Amenities:	Basketball Court, 1/6 mile walking loop, solar heated swimming pool, outdoor living area with gas grills, outdoor patio lounge with firepit, dog park, community garden



Source: Noell Consulting Group, CoStar



# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

## Appendix 37

### Competitive Rental Community - Blu on Farrington (5840 Farrington Rd)

OVERVIEW	Developer Name	Wood Partners		App. / Admin. Fee	\$75 / \$200							
	Owner Name	Zaremba Management Company		Pet Fees:	\$350 upfront, \$20 / mo							
	Property Manager Name	Wood Partners		Other Fees:	\$30 / mo storage							
	Year Built	2019		Parking Fees:	None							
	Number Of Stories	3-4 stories		Parking Type:	Surface							
	Lease Up Pace:	21.6 units / month		Total Spaces	500							
	Walk Score®:	22 - Car-Dependent		Spaces/Bed:	1.07							
SUMMARY	Market Audience:	The community is 21+ with most residents young / maturing professionals working locally and in RTP.										
	Building Summary:	Community is located just off 54 adjacent to I-40 offering convenient highway / regional access. The finish level is market average, with well designed amenity spaces.										
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	Jr. 1B/1b	20	7%	0	100%	\$1,149 \$1,149	\$1,149	626 626	626	1 mo. free	\$1.84 \$1.84	\$1.84
	1B/1b	136	46%	2	99%	\$1,249 \$1,439	\$1,292	723 880	757	on 12 mo.	\$1.64 \$1.73	\$1.71
	2B/2b	116	39%	22	81%	\$1,639 \$2,049	\$1,713	1,084 1,392	1,158	leases for	\$1.47 \$1.51	\$1.48
	3B/2b	26	9%	6	77%	\$1,859 \$2,034	\$1,969	1,300 1,303	1,300	2B units	\$1.43 \$1.56	\$1.51
	<b>SUMMARY:</b>	<b>298</b>	<b>100%</b>	<b>30</b>	<b>90%</b>	<b>\$1,149 \$2,049</b>	<b>\$1,505</b>	<b>626 1,392</b>	<b>952</b>		<b>\$1.43 \$1.84</b>	<b>\$1.58</b>
FINISHES AND AMENITIES	Ceiling Height and Finish:	9' ceilings, finished										
	Lighting and Fixtures:	Modern pendants, recessed cans										
	Flooring:	LVT in living, bath, & kitchen; carpet in bed										
	Cabinets and Hardware:	White shaker cabinets, full overlay, bar pulls										
	Countertops:	Granite counters w/ undermount sinks										
	Appliance Package:	Stainless steel appliances, mid-level, freestanding smooth top electric range										
	Laundry and Bath Detail:	W/D included, tile bath surround										
	Windows and Balconies:	Standard punch windows, all units w/ patio or balcony										
Additional Features:												
Community Features and Amenities:	Pool w/ lap lane, wet deck, and green space with games. Courtyard w/ outdoor theatre, resident lounge, business center, bike share, gym											






Source: Noell Consulting Group, CoStar

# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

## Appendix 38

### Competitive Rental Community - Carraway Village (600 Carraway Xing)

OVERVIEW	Developer Name		Northwood Ravin		App. / Admin. Fee:		\$100 / \$175								
	Owner Name		Northwood Raven		Pet Fees:		\$350 upfront, \$30 / month								
	Property Manager Name		Northwood Raven		Other Fees:		\$40 / mo storage								
	Year Built		2019		Parking Fees:		\$175 / mo for garage (19)								
	Number Of Stories		4		Parking Type:		Surface & garages								
	Lease Up Pace:		22 units / month		Total Spaces		-								
	Walk Score®:		34 - Car-Dependent		Spaces/Bed:		-								
SUMMARY	Market Audience:		Families new to market or between homes, some empty-nester / retiree move-downs, young professionals working regionally, and grad / med students from both UNC & Duke.							 					
	Building Summary:		This project is located in a mixed-use development of the same name located off I-40 at the north end of Chapel Hill. The project has a large amenity offering with top of market finishes.												
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range		Avg. Rent	Unit Size Range		Weighted Avg. Size	Current Conc.	Effective \$/SF Range		Avg. \$/SF
	Studio	8	2%	1	88%	\$978	\$1,160	\$1,065	484	516	500		\$2.02	\$2.25	\$2.13
	Jr. 1B/1b	128	32%	13	90%	\$1,205	\$1,420	\$1,252	630	782	702		\$1.82	\$1.91	\$1.78
	1B/1b	78	19%	33	58%	\$1,175	\$1,495	\$1,335	691	1,009	830	1 mo free / 13 mo lease select units	\$1.48	\$1.70	\$1.61
	1B/1b/Garage	28	7%	27	4%	\$1,481	\$1,700	\$1,569	884	965	912		\$1.68	\$1.76	\$1.72
	2B/2b	124	31%	55	56%	\$1,407	\$1,929	\$1,631	1,081	1,329	1,211		\$1.30	\$1.45	\$1.35
	2B/2b/Garage	12	3%	10	17%	\$1,667	\$1,676	\$1,672	1,143	1,143	1,143		\$1.46	\$1.47	\$1.46
	3B/2b	23	6%	10	57%	\$1,837	\$1,977	\$1,916	1,463	1,489	1,480		\$1.26	\$1.33	\$1.29
<b>SUMMARY:</b>		<b>401</b>	<b>100%</b>	<b>149</b>	<b>63%</b>	<b>\$978</b>	<b>\$1,977</b>	<b>\$1,454</b>	<b>484</b>	<b>1,489</b>	<b>953</b>		<b>\$1.26</b>	<b>\$2.25</b>	<b>\$1.53</b>
FINISHES AND AMENITIES	Ceiling Height and Finish:		10' ceilings standard, finished												
	Lighting and Fixtures:		Modern lighting package w/ pendants, recessed can, under cabinet lighting												
	Flooring:		LVT flooring in kitchen, living, tile in bath, carpet in bedroom												
	Cabinets and Hardware:		Shaker cabinets w/ 42" uppers (2nd row goes to ceiling), knob pulls												
	Countertops:		Quartz counters w/ undermount sinks												
	Appliance Package:		Stainless, higher-end appliances; side-by-side refrigerator, slide-in electric range												
	Laundry and Bath Detail:		W/D included, tile bath / shower surround												
	Windows and Balconies:		Oversized punch windows, ganged, almost all units w/ balconies												
Additional Features:		Rain shower-heads, unique tile backsplash													
Community Features and Amenities:		Clubhouse, game lounge w/ billiards, steam room, sauna, office / conference space, fitness center w/ yoga room, golf simulator, sky lounge, dog park w/ pet spa, pool, outdoor grills.													

Source: Noell Consulting Group, CoStar



# BOLD DEVELOPMENT GROUP

## WILLIAMS CORNER RENTAL MARKET ANALYSIS

### Appendix 39

#### Competitive Rental Community - 1701 North Apartments (1701 Martin Luther King Jr Blvd)

OVERVIEW	Developer Name		William Christian & Associates		App. / Admin. Fee:		\$75 / \$200								
	Owner Name		Environs LLC		Pet Fees:		\$300 upfront, \$20 / month								
	Property Manager Name		My Niche / Lat Purser		Other Fees:		\$35 / mo storage								
	Year Built		2016		Parking Fees:		\$35 assigned covered parking								
	Number Of Stories		3		Parking Type:		Assigned garage parking								
	Lease Up Pace:		-		Total Spaces		-								
	Walk Score®:		65 - Somewhat Walkable		Spaces/Bed:		-								
SUMMARY	Market Audience:		Audiences include young professionals and graduate / med students.												
	Building Summary:		Located in close proximity to I-40, the community has access to Chapel Hill bus transit and convenience to grocery and dining options. The building has a heavy and successful 1B mix.												
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range		Avg. Rent	Unit Size Range		Weighted Avg. Size	Current Conc.	Effective \$/SF Range		Avg. \$/SF
	Studio	16	10%	0	100.0%	\$1,100	\$1,125	\$1,113	524	542	533		\$2.08	\$2.10	\$2.09
	1B/1b	102	66%	8	92.2%	\$1,225	\$1,325	\$1,275	643	759	701	One month free on 3Bs	\$1.75	\$1.91	\$1.82
	2B/2b	27	18%	2	92.6%	\$1,625	\$1,650	\$1,638	1,036	1,140	1,088		\$1.45	\$1.57	\$1.51
	3B/2.5b	9	6%	2	77.8%	\$2,154	\$2,154	\$2,154	1,376	1,489	1,433		\$1.45	\$1.57	\$1.50
	<b>SUMMARY:</b>	<b>154</b>	<b>100%</b>	<b>12</b>	<b>92.2%</b>	<b>\$1,100</b>	<b>\$2,154</b>	<b>\$1,373</b>	<b>524</b>	<b>1,489</b>	<b>794</b>		<b>\$1.45</b>	<b>\$2.10</b>	<b>\$1.73</b>
FINISHES AND AMENITIES	Ceiling Height and Finish:		9' ceilings, finished												
	Lighting and Fixtures:		Pendants w/ ceiling fan lighting												
	Flooring:		LVT in kitchen, living, and bath, carpet in bed												
	Cabinets and Hardware:		Flat-slab, full-overlay cabinets w/ bar pulls												
	Countertops:		Quartz counters w/ undermount sinks												
	Appliance Package:		Stainless steel appliances w/ smooth-top range												
	Laundry and Bath Detail:		Full-size front-loaded w/d included												
	Windows and Balconies:		Punch windows, all units w/ balconies / patios												
	Additional Features:		Glass stand up showers select units												
Community Features and Amenities:		Fitness center, yoga studio, saltwater pool w/ sundeck, pet salon, pet park, clubroom													


Source: Noell Consulting Group, CoStar



# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

## Appendix 40

### Competitive Rental Community - Camden Governors Village (100 Durant St)

OVERVIEW	Developer Name		N/A		App. / Admin. Fee:		\$60 / \$250								
	Owner Name		Camden Property Trust		Pet Fees:		\$325 fee, \$15 rent								
	Property Manager Name		Camden - Governors Village		Other Fees:		N/A								
	Year Built		1998		Parking Fees:		Free, \$25 res, \$125 garage								
	Number Of Stories		3		Parking Type:		Surface								
	Lease Up Pace:		N/A		Total Spaces		460								
	Walk Score®:		31- Car-Dependent		Spaces/Bed:		1.03								
SUMMARY	Market Audience:		Mature singles and families with young children												
	Building Summary:		Older garden-style community in unincorporated Chatham County, adjacent to a retail development. Offers townhome and conventional units and is currently marketing renovated units with updated appliances												
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range		Avg. Rent	Unit Size Range		Weighted Avg. Size	Current Conc.	Effective \$/SF Range		Avg. \$/SF
	1B/1b	77	32%	2	97.4%	\$1,069	\$1,109	\$1,079	779	1,115	792	None	\$0.99	\$1.37	\$1.36
	2B/1b	24	10%	1	95.8%	\$1,030	\$1,030	\$1,030	938	938	938		\$1.10	\$1.10	\$1.10
	2B/2b	100	41%	1	99.0%	\$1,209	\$1,209	\$1,209	1,080	1,080	1,080		\$1.12	\$1.12	\$1.12
	3B/2b	23	10%	1	95.7%	\$1,419	\$1,419	\$1,419	1,474	1,474	1,474		\$0.96	\$0.96	\$0.96
	3B/2.5b/TH	18	7%	1	94.4%	\$1,769	\$1,769	\$1,769	1,534	1,534	1,534		\$1.15	\$1.15	\$1.15
	<b>SUMMARY:</b>		<b>242</b>	<b>100%</b>	<b>6</b>	<b>97.5%</b>	<b>\$1,030</b>	<b>\$1,769</b>	<b>\$1,211</b>	<b>779</b>	<b>1,534</b>	<b>1,046</b>		<b>\$0.96</b>	<b>\$1.37</b>
FINISHES AND AMENITIES	Ceiling Height and Finish:		9' finished ceilings with crown molding												
	Lighting and Fixtures:		Flushmount in kitchen, ceiling fan w/ light kit in living room and bedrooms												
	Flooring:		LVT in kitchen, living, and bath, carpet in bed												
	Cabinets and Hardware:		36" white cabinets - shaker in older units, modern in newer units												
	Countertops:		Quartz counters w/ undermount sinks												
	Appliance Package:		Stainless steel appliances w/ electric coil range, white in unrenovated units												
	Laundry and Bath Detail:		Full-size front-loaded w/d included, walk-in showers and tub/showers available												
	Windows and Balconies:		Punch windows, all units w/ balconies / patios												
	Additional Features:		Gas fireplaces												
Community Features and Amenities:		Resident lounge with kitchen and billiards, fitness center, cardio room, outdoor basketball court, swimming pool with sundeck, firepit, and gazebo													

Source: Noell Consulting Group, CoStar



# BOLD DEVELOPMENT GROUP WILLIAMS CORNER RENTAL MARKET ANALYSIS

## Appendix 41

### Competitive Rental Community - Southern Village Apartments (200 Copperline Dr)

OVERVIEW	Developer Name		N/A		App. / Admin. Fee:		\$150 application fee										
	Owner Name		Donathan Properties Inc		Pet Fees:		\$400-\$500 fee, \$0-\$10 rent										
	Property Manager Name		My Niche / Lat Purser		Other Fees:		N/A										
	Year Built		1997		Parking Fees:		Free										
	Number Of Stories		3		Parking Type:		Surface										
	Lease Up Pace:		N/A		Total Spaces		433										
	Walk Score®:		62 - Somewhat Walkable		Spaces/Bed:		0.96										
	Market Audience:		A mix of graduate students, young couples with children, working professionals, and retirees														
SUMMARY	Building Summary:		Late 90s garden style apartment community within a suburban small-town town center. The area includes concert venues, a summer farmer's market, restaurants. The project offers a heavy-2 bed mix with little floor plan variation.														
	PRODUCT PROGRAM		Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range		Avg. Rent	Unit Size Range		Weighted Avg. Size	Current Conc.	Effective \$/SF Range		Avg. \$/SF
		1B/1b	80	32%	0	100.0%	\$1,082	\$1,082	\$1,082	856	856	856			\$1.26	\$1.26	\$1.26
		2B/2b	138	55%	1	99.3%	\$1,391	\$1,391	\$1,391	1,043	1,043	1,043	1 month free with select 1B units, \$500 off select 2B units		\$1.33	\$1.33	\$1.33
		3B/2b	32	13%	1	96.9%	\$1,806	\$1,806	\$1,806	1,221	1,221	1,221			\$1.48	\$1.48	\$1.48
		<b>SUMMARY:</b>	<b>250</b>	<b>100%</b>	<b>2</b>	<b>99.2%</b>	<b>\$1,082</b>	<b>\$1,806</b>	<b>\$1,345</b>	<b>856</b>	<b>1,221</b>	<b>1,006</b>			<b>\$1.26</b>	<b>\$1.48</b>	<b>\$1.34</b>
FINISHES AND AMENITIES	Ceiling Height and Finish:		9' finished ceilings, vaulted in all 3rd floor homes														
	Lighting and Fixtures:		Track in kitchen, chandelier in dining area														
	Flooring:		Vinyl wood in kitchen, carpet in living room and bedroom, tile in bathroom														
	Cabinets and Hardware:		42" shaker cabinets with brushed nickel hardware														
	Countertops:		Faux granite countertops														
	Appliance Package:		GE faux stainless appliances														
	Laundry and Bath Detail:		Full size washer/dryer included, tub/shower included														
	Windows and Balconies:		Standard punch windows, balconies available														
	Additional Features:		Wood burning fireplace														
Community Features and Amenities:		Fitness center, pet walk areas, pool with sundeck, picnic area with grills															



Source: Noell Consulting Group, CoStar





Sent via e-mail

January 31, 2020

Mr. Chris Ehrenfeld  
Owner, Broker  
Bold Development Group  
50051 Governors Drive  
Chapel Hill, NC 27517

SUBJECT: Initial Assessment of Demand Potential for Retail, Office, and Storage in Chatham County and at the Williams Corner Site.

Chris,

In late January Noell Consulting Group (NCG) completed a market analysis for the development of new rental apartments. Building on this, Bold requested NCG opine on demand potential for retail, office, and storage space in the coming years within Chatham County and the subject property. The following summarizes our key thoughts and conclusions relative to demand potential for these uses in the county.

### **Retail**

The Chatham County retail market is still fairly limited in size and function, but is showing solid growth, adding around 35,000 square feet (SF) of occupied space annually since 2006. This consistent growth has resulted in very high occupancy rates of around 96% as of year-end 2019.

The market fills a local-needs role, with Chapel Hill and Durham largely capturing demand from Chatham for larger, destination-type retailers. Indeed, NCG ran a brief demand model for Chatham County and found a number of store type categories in which significant undersupply exists, many being larger big box destination-type stores, including home improvement stores (unmet demand for one larger store such as Home Depot), and general merchandise/superstores (again demand for something like a Target, Sam's etc.). When factoring in demand for these types of stores, total potential undersupply exceeds 800,000 SF of retail stores, nearly half of which is for bigger box users. Among other retail types, estimated demand exists for around 434,000 SF today. Some key sources of undersupply are included below.

<b>Store Type</b>	<b>Initial Estimated Undersupply</b>
Grocery Stores	38,500 SF
Clothing Stores	65,000 SF
Sporting Goods Stores	13,500 SF
Other Miscellaneous Stores (e.g. pet stores)	39,000 SF
Limited-Service Restaurants (e.g. Chipotle)	71,000 SF



Our estimated demand of 434,000 SF (excluding home improvements and department store/wholesale clubs) well exceeds the total potential 140,000 SF being pursued at Williams Corner which, given its NC 15-501 location and visibility, is well-positioned to capture this growth.

**Office**

Similar to the retail market, Chatham County’s office market serves a more local function, catering to the needs of county residents and workers, as opposed to office markets in Chapel Hill and Durham, which also have office tenants that serve audiences well beyond the local market, including technology firms and medical firms that are true export industries for those counties.

Since 2010 the county has averaged around 17,000 SF of net new absorption annually, not including 2019, when Strata Solar vacated its space in the market and relocated to Durham County. This growth has been highly related to the growth of residential markets in the county, with land uses such as medical offices, Realtors, tax services, lawyers, etc. relating directly to population growth.

To understand demand potential in the county, NCG compared it to the state of North Carolina in terms of its share of local-serving firms (those with less than 20 employees) in key categories. In areas where the ratios of small firms to population were below the state average, demand potentially exists and, conversely, where local ratios are above the state average per capita is an indication of limited to no demand potential. The following summarizes key office categories in which unmet demand exists in the county.

Category	Demand Potential
Realtors/Real Estate	23,500 SF
Insurance Carriers	14,800 SF
Dentists Offices	21,000 SF
Physician’s Offices	22,500 SF
Law Offices	13,000 SF
CPAs & Tax Services	8,500 SF

In total we estimated an undersupply of around 144,000 SF of office uses in Chatham County today. This is significantly higher than the 90,000 SF of office space being pursued at Williams Corner which, again, given its site attributes and visibility, as well as its mixed-use program, is well positioned to capture this demand.

**Storage**

The county’s population growth, estimated to add around 5,400 new residents by 2025 (according to Environics). According to SpareFoot Storage Beat, an entity tracking the storage industry, around 9.4% of all American households rent a storage unit, equating to around 5.4 SF per capita in the US. Given Chatham’s growing wealth, we believe this estimate is on target to potentially conservative relative to the US overall. NCG added up the square footage of all storage facilities in the county today via tax records and found approximately 322,000 SF of storage space exists in the county today, with the overwhelming majority of that space being non-conditioned. Using the county’s existing population and the estimated 5.4 SF of space per capita national, demand is estimated to be around 407,900 SF, resulting in an undersupply of around 86,000 SF. Utilizing growth projections for Chatham County in the coming five years, we estimate additional demand for around 30,000 SF of storage space by 2024, with a total net demand of around 116,000 SF of storage space.



Around 80,000 to 120,000 SF of storage space is planned for the Williams Corner site, which net demand appears to accommodate. Given the site's location in northern Chatham County and its adjacency to developing communities such as Briar Chapel, this site is well-positioned to capture this growth.

### **Mixed-Use**

As noted in the larger package, the marketplace is increasingly valuing more walkable locations and mixed-use environments. These environments not only include urban downtowns and cores, but increasingly apply to smaller downtowns and suburban mixed-use projects. Real Capital Analytics found walkability is directly tied into real estate values, with mixed-use locations and walkable cores having significantly higher values than conventional suburban patterns. In addition national analyses have found that more walkable locations hold and grow their value over time while stand-alone suburban product tends to see it's values decline. NCG has seen this in locations throughout the nation with stand-alone land uses having value beyond location and struggling to compete with newer product that delivers not far away.

Walkability is also high in demand from the market, with walkability driving not only residential decision-making, but commercial decision-making as well. Many office tenants are relocation to locations that can provide them with a more walkable and dynamic environments in which their employees can work. This includes the ability to walk or bike to work (or take transit), and the ability to access restaurants and other services while at work. In essence, reducing the need for auto trips has become a significant component in a company's decision in where to locate.

NCG completed a survey with nearly 1,000 Research Triangle Park employees in 2013 as part of a larger effort to create more mixed-use locations in the park and found that 74% of respondents wanted to live in a mixed-use location, a very similar number to more recent national studies that found that 80% of those under 35 wanted to live in a walkable neighborhood and 60% of matures over 50 wanting to live less than one mile to daily goods & services (source: AARP).

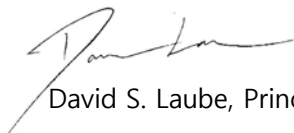
Finally, NCG has recently conducted premium analyses for eight larger suburban mixed-use projects and found these projects achieving premiums ranging from 8% to more than 37%, depending on execution, tenanting, competitive environments, etc.

As can be seen in this summary, demand appears to exist in the local market for these land uses and the Williams Corner site is strategically positioned to capture this demand. By creating a more dynamic, mixed-use location in the market, the subject site enhances its potential attractiveness to commercial tenants and residents alike, creating a location that not only is attractive but enhances the quality of life in Chatham County overall.

Sincerely,



Todd M. Noell, Principal



David S. Laube, Principal

