



September 8, 2022

Ms. Rebecca LeMire
City of Fort Atkinson, Wisconsin
101 N. Main Street
Fort Atkinson, WI 53538
Sent via email: rlemire@fortatkinsonwi.gov

Re: Preliminary Market-Rate & Affordable Rental and For-Sale Housing Support (Fort Atkinson, WI)

Dear Ms. LeMire,

The purpose of this letter is to address the market support for a proposed rental housing and for-sale housing project for families (general-occupancy) in Fort Atkinson, Jefferson County, Wisconsin. To determine support for the proposed product types we have established a preliminary Primary Market Area (PMA), surveyed existing comparable rental properties to establish occupancies and rent levels, compiled recently sold and currently available for-sale data, and analyzed the demographic trends that impact the preliminary PMA. We conclude our analysis by providing preliminary demand estimates for your project and comment on the market's ability to support the proposed product types. The following summarize the key findings of this report and our recommendations as necessary:

Although the number of renter households is projected to decline between 2022 and 2027, such households will continue to comprise more than 30.0% of all households in the market through 2027. Further, household growth among renter households is projected to occur among households earning \$75,000 or more, despite the projected decline in the total number of renter households over the next five years. This is a good indication of ongoing demand for unrestricted market-rate rental product such as that proposed for the subject development. In addition, the subject's 60% of AMHI units are also expected to be well supported demographically, as those earning between \$25,000 and \$75,000 (incomes similar to those targeted for these units) are projected to comprise more than half (50.4%) of all renter households in 2027.

The seven selected market-rate projects have a combined total of 428 units with an overall occupancy rate of 100.0%. The one affordable project is currently 100.0% occupied. Thus, there is clearly strong and likely pent-up demand for unrestricted market-rate product in the market. It is also important to reiterate that the Fort Atkinson Site PMA and immediately surrounding area lacks modern market-rate product which is evident by the fact that only one of the selected comparable market-rate properties was built within the last 10 years. Thus, a new market-rate development such as that being considered for the subject site would provide a modern market-rate rental alternative that is not currently available within the area. The newness of the subject project is expected to create a

competitive advantage and contribute to the subject's ability to command premium rents within the market.

The subject's proposed collected market-rate rents are the highest when compared with the collected rents reported among the market-rate properties surveyed. The price per square foot at the site is also the highest among the comparable properties. However, it is important to note that considering the high occupancy rates and waiting lists maintained among the comparable properties, these properties could likely charge higher rents without adversely impacting their occupancy levels. It is also important to reiterate that the subject project will be nearly 20 years newer than most of the comparable market-rate properties included in this analysis.

However, considering the proposed market-rate rents are the highest in the market, it is recommended that the subject project includes premium finishes such as stainless steel appliances, premium countertops, cabinetry and fixtures. This will ensure that the subject project is successful achieving the higher proposed rents. A slight increase in unit sizes would also significantly enhance the marketability of the subject project, as this would position the subject's unit size in line with the comparable market-rate properties and reduce the price per square foot of the subject project. As proposed, the smaller unit sizes with the highest rents in the market could leave the market-rate units vulnerable to higher than typical tenant turnover.

The Fort Atkinson market appears to be conducive to higher-priced for-sale housing product such as that proposed at the site. Based on data contained in this analysis, nearly two-thirds (63.6%) of the available homes for-sale within the area are priced \$300,000 or more. In addition, nearly half (48.1%) of recently sold homes reported sales of \$300,000 or more. These factors, as well as our demand estimates, indicate a development opportunity for higher-priced single-family home product such as that proposed at the site.

Demand estimates indicate that sufficient support and a development opportunity exists for each of the proposed product types for the subject site. Based on our demand estimates summarized later in this report, the Fort Atkinson Site PMA is capable of supporting the proposed market-rate and affordable units, as well as the for-sale homes proposed at the site. This is illustrated by the low capture rates for all three housing products proposed at the subject project.

The demand estimates and overall findings of this report are based on the assumptions outlined in our demand estimates and additional information contained within this report and may vary depending up on the final price point(s) and/or product types offered at the subject site. The findings of a full market feasibility report which would include an in-person evaluation of the subject site/market could also impact (positively or negatively) the findings of this analysis. *Nonetheless, it is our opinion a development opportunity exists for the subject site, although the developer should consider implementing high-end finishes and larger unit sizes in the market-rate rental units in order to achieve the higher proposed rents.*

Subject Development

The subject project will involve the new construction of a rental housing project on an 8.0-acre site between Banker Road and Fort Atkinson High School in Fort Atkinson, Wisconsin. The project will include 112 market-rate rental units with 28 units targeting households earning up to 60% of Area Median Household Income (AMHI). In addition, the subject project will offer 144 for-sale two- and three-bedroom attached homes. The development is anticipated to be complete in March 2024. The purpose of this analysis is to assess the proposed project and assist the developer in determining their final project concept based on the findings included in this report. Additional information on the proposed development is summarized as follows:

Rental Housing									
Total Units	Bedroom Type	Baths	Style	Target	Square Feet	Collected Rent	Utility Allowance	Gross Rent	Collected Rent Per Square Foot
14	One-Br.	1.0	Garden	60%	680	\$556	\$85	\$641	\$0.82
36	One-Br.	1.0	Garden	Market	680	\$1,210	-	\$1,210	\$1.78
14	Two-Br.	1.0	Garden	60%	905	\$767	\$100	\$867	\$0.85
28	Two-Br.	1.0	Garden	Market	905	\$1,445	-	\$1,445	\$1.60
28	Two-Br.	2.0	Garden	Market	1,090	\$1,845	-	\$1,845	\$1.69
20	Three-Br.	2.0	Garden	Market	1,152	\$2,080	-	\$2,080	\$1.81
140	Total								

For-Sale Housing					
Total Units	Bedrooms	Baths	Style	Square Feet	Base Price
7	Two-Br.	1.0	Attached Home	1,200	\$250,000
14	Two-Br.	2.0	Attached Home	1,600	\$250,000 - \$300,000
60	Two-Br.	2.0	Attached Home	2,000	\$350,000 - \$425,000
44	Three-Br.	2.0	Attached Home	2,200	\$400,000 - \$450,000
19	Three-Br.	3.0	Attached Home	2,600	\$500,000 - \$600,000
144	Total				

Building/Site Information	
Residential Buildings:	Four (4) two-story buildings
Building Style:	Walk-up
Community Space:	Stand-alone building

Construction Timeline	
Construction Start:	June 2023
Begin Preleasing:	February 2024
Construction End:	March 2024

Unit Amenities		
<ul style="list-style-type: none"> Electric Range Refrigerator Garbage Disposal Dishwasher 	<ul style="list-style-type: none"> Microwave Washer/Dryer Machines Window/Wall Air Conditioning Walk-In Closet 	<ul style="list-style-type: none"> Carpet & Composite Flooring Window Blinds Ceiling Fans Patio/Balcony

Community Amenities		
<ul style="list-style-type: none"> Bike Racks/Storage On-Site Management Tuck Under Garages (140 Spaces) 	<ul style="list-style-type: none"> Common Area Wi-Fi Playground Surface Parking Lot (125 Spaces) 	<ul style="list-style-type: none"> Gazebo/Pavilion Walking Path

Utility Responsibility							
Paid By Source	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
	Landlord	Landlord	Tenant	Tenant	Landlord	Landlord	Landlord
	Gas	Gas	Electric				

Preliminary Primary Market Area (PMA) (Apartments)

For the purposes of this Snapshot Analysis, we have defined a preliminary Primary Market Area (PMA), the smallest geographic region from which we believe the majority of support for the subject project will originate for the apartments proposed at the site.

The preliminary Fort Atkinson Site PMA includes Fort Atkinson, Cambridge, Lake Ripley, Lake Mills, Johnson Creek, Jefferson, Hebron and Whitewater. The boundaries of the Fort Atkinson Site PMA generally consist of Interstate 94 to the north; Farmington limits, Jefferson limits, Sullivan limits and Hebron limits to the east; Jefferson County and Whitewater limits to the south; and Jefferson County and Cambridge limits to the west. Note that this PMA applies to the apartments portion of this analysis.

This preliminary Site PMA was determined through our knowledge of the market and a demographic analysis of the area. While some additional support will undoubtedly come from outside of this area, we have not considered any secondary market area in this preliminary analysis. Note that this PMA is in fact preliminary and should be considered as such. A full market feasibility analysis with an on-site evaluation would enable us to better determine the specific Site PMA boundaries.

A map delineating the boundaries of the preliminary Site PMA is illustrated on the following page.



Site



PMA

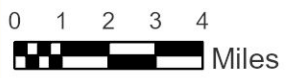
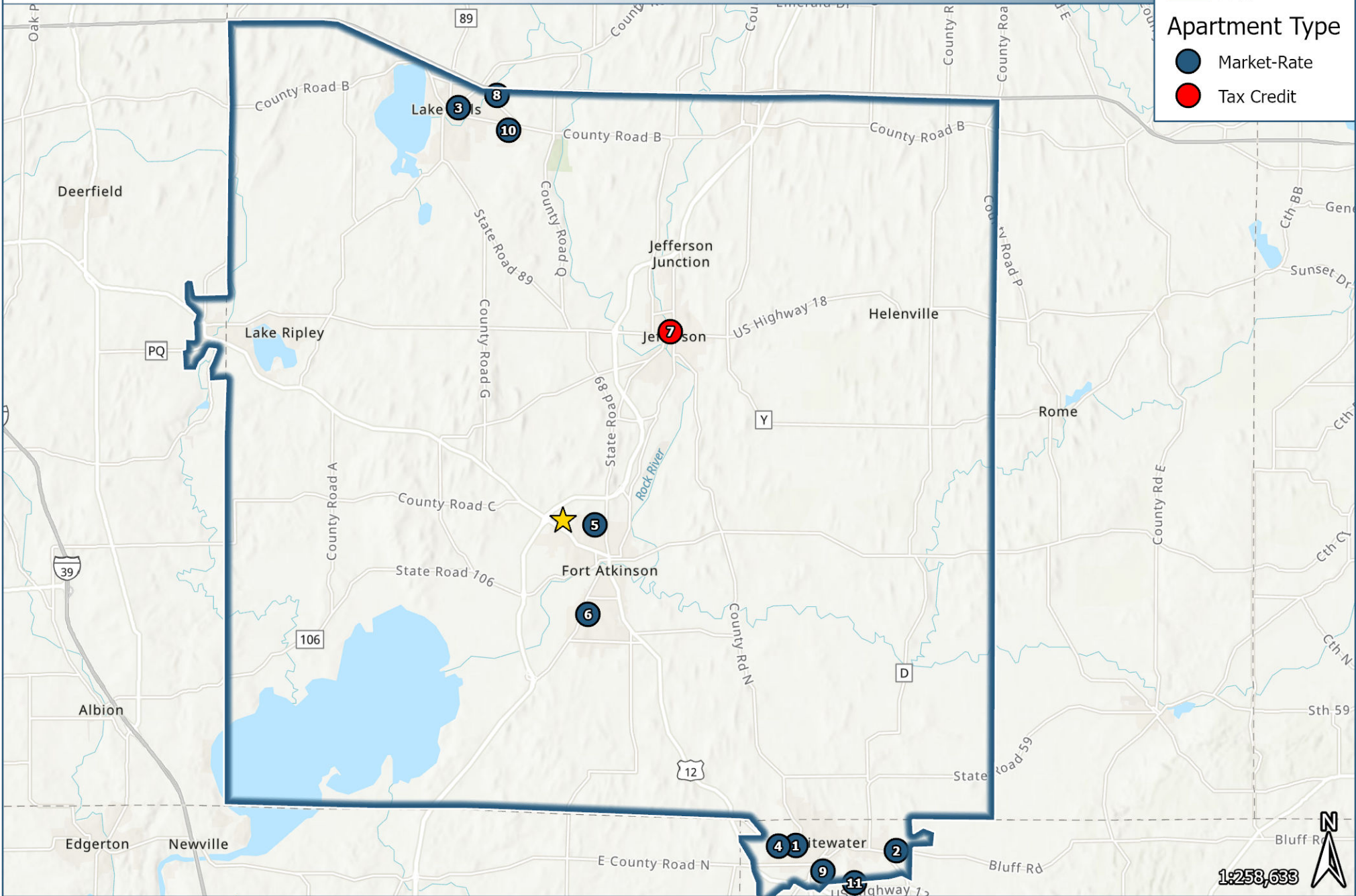
Apartment Type



Market-Rate



Tax Credit



Area Demographics (Apartments PMA)

The following demographic data relates to the Site PMA. It is important to note that not all estimates/projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the estimates/projections do not vary more than 1.0%.

Population and household trends for the preliminary Fort Atkinson Site PMA are as follows:

	Population	Households
2010 Census	60,550	23,260
2020 Census	62,208	24,362
Change 2010-2020	1,658	1,102
Percent Change 2010-2020	2.7%	4.7%
2022 Estimated	62,508	24,604
Change 2020-2022	300	242
Percent Change 2010-2022	0.5%	1.0%
2027 Projected	62,681	24,862
Change 2022-2027	173	258
Percent Change 2022-2027	0.3%	1.0%

Source: 2010 & 2020 Census; ESRI; Bowen National Research

The Fort Atkinson Site PMA population base increased by 1,658 between 2010 and 2020. This represents a 2.7% increase over the 2020 population, or an annual rate of 0.3%. Between 2020 and 2022, the population increased by 300, or 0.5%. It is projected that the population will increase by 173, or 0.3%, between 2022 and 2027. These trends are indicative of a generally stable population and household base.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	2,447	10.5%	2,208	9.0%	2,150	8.6%	-58	-2.6%
25 to 34	3,237	13.9%	3,324	13.5%	3,224	13.0%	-100	-3.0%
35 to 44	3,831	16.5%	3,786	15.4%	3,921	15.8%	135	3.6%
45 to 54	4,641	20.0%	3,997	16.2%	3,883	15.6%	-114	-2.9%
55 to 64	3,970	17.1%	4,443	18.1%	4,116	16.6%	-327	-7.4%
65 to 74	2,478	10.7%	3,802	15.5%	4,075	16.4%	273	7.2%
75 & Older	2,655	11.4%	3,043	12.4%	3,494	14.1%	451	14.8%
Total	23,260	100.0%	24,604	100.0%	24,862	100.0%	258	1.0%

Source: Bowen National Research, ESRI, Census

While the overall household base is projected to generally remain stable between 2022 and 2027, growth is projected among senior (age 65 and older) households. Further, households between the ages of 35 and 44 are also projected to experience growth during the same time period and the primary age cohort targeted at the site (25 to 64) is projected to comprise 61.0% of all households in the market through 2027. This is a good indication of ongoing demand for general-occupancy (family-oriented) rental housing product in this market. However, the expanding senior demographic also suggests that demand for senior-oriented housing product may increase more rapidly during the projection period (2022 to 2027).

The distribution of households by income within the Fort Atkinson Site PMA is summarized as follows:

Household Income	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$15,000	3,466	14.9%	1,597	6.5%	1,272	5.1%
\$15,000 - \$24,999	2,333	10.0%	1,495	6.1%	1,165	4.7%
\$25,000 - \$34,999	2,522	10.8%	2,521	10.2%	2,301	9.3%
\$35,000 - \$49,999	3,106	13.4%	2,464	10.0%	2,050	8.2%
\$50,000 - \$74,999	5,070	21.8%	4,127	16.8%	3,661	14.7%
\$75,000 - \$99,999	3,079	13.2%	3,177	12.9%	3,134	12.6%
\$100,000 - \$149,999	2,638	11.3%	5,413	22.0%	6,421	25.8%
\$150,000 & Higher	1,045	4.5%	3,810	15.5%	4,858	19.5%
Total	23,260	100.0%	24,604	100.0%	24,862	100.0%
Median Income	\$50,998		\$75,581		\$89,216	

Source: Bowen National Research, ESRI, Census

In 2022, the median household income is estimated to be \$75,581. By 2027, it is projected that the median household income will be \$89,216, an increase of 18.0% over 2022. This projected increase will likely increase the need for unrestricted market-rate rental housing, as well as for-sale housing product.

The following table illustrates household income by tenure (owner/renter) in 2022 (estimated) and 2027 (projected) for the Fort Atkinson Site PMA:

Household Income	Owner		Renter	
	2022	2027	2022	2027
Less Than \$15,000	458	304	1,139	968
\$15,000 - \$24,999	631	447	864	718
\$25,000 - \$34,999	1,034	853	1,487	1,448
\$35,000 - \$49,999	1,281	1,001	1,183	1,049
\$50,000 - \$74,999	2,746	2,354	1,381	1,307
\$75,000 - \$99,999	2,454	2,373	723	761
\$100,000 - \$149,999	4,585	5,373	828	1,048
\$150,000 & Higher	3,623	4,605	187	253
Total	16,812	17,310	7,792	7,552

Source: ESRI; Bowen National Research

As indicated by the preceding table, renter households comprise nearly one-third (31.7%) of the overall household base within the Fort Atkinson Site PMA. Although the number of renter households is projected to decline between 2022 and 2027, such households will continue to comprise more than 30.0% of all households in the market through 2027. Further, household growth among renter households is projected to occur among households earning \$75,000 or more, despite the projected decline in the total number of renter households over the next five years. This is a good indication of ongoing demand for unrestricted market-rate product such as that proposed for the subject development. In addition, the subject's 60% of AMHI units are also expected to be well supported demographically, as those earning between \$25,000 and \$75,000 (incomes similar to those targeted for these units) are projected to comprise more than half (50.4%) of all renter households in 2027. In addition, the total number of owner-occupied households is projected to experience modest growth between 2022 and 2027.

Comparable Market-Rate Analysis

Although not finalized at the time of this analysis, the subject project is expected to offer some rental units which will operate as unrestricted market-rate units, as well as some units that will be kept affordable to those earning up to 60% of Area Median Household Income (AMHI). As such, we identified, and telephone surveyed various market-rate rental communities within the Fort Atkinson Site PMA. We also attempted to identify and survey rental properties offering 60% of AMHI units, similar to those offered at the site, however, we only identified and surveyed one within the Site PMA.

It should be noted, however, that based on our research and knowledge of the Fort Atkinson Site PMA rental housing market, there is a very limited supply of *modern* market-rate rental product. This is further evident by the fact that only one of the properties selected for this comparable analysis was built in the last 10 years. These following properties, however, are considered some of the most comparable properties to the subject project in terms of product type, age, and location. Further, while these properties may not be directly competitive within the proposed subject project in the event the property is developed, they will likely be the most competitive given the general lack of modern market-rate product in this market.

Considering the preceding factors, the most comparable unrestricted market-rate properties and affordable property selected for this analysis are summarized in the following table:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List
Site	TBD	2024	140[^]	-	-	-
2	Bluff Ridge Apts.	2002	120	100.0%	14.9 Miles	None
5	Prairie View Apartment Homes	1989	80	100.0%	1.0 Miles	5 HH
6	Ridgeview Apts.	2000	12	100.0%	3.0 Miles	None
7*	<i>Riverside Lofts</i>	<i>1913 / 2020</i>	<i>36</i>	<i>100.0%</i>	<i>6.9 Miles</i>	<i>30 HH</i>
8	Rock Creek	2019	88	100.0%	12.4 Miles	None
9	Springbrook Apts.	2009	44	100.0%	12.1 Miles	5 HH
10	Tamarack Apts.	2005	36	100.0%	11.7 Miles	None
11	Waters Edge	2008	48	100.0%	12.8 Miles	6 Months

TBD – To be determined

*Tax Credit property

[^]Site includes 28 affordable units and 112 market-rate units

The seven selected market-rate projects have a combined total of 428 units with an overall occupancy rate of 100.0% and three of these properties maintain a waiting list for their next available units. The one LIHTC project offers 36 units and is currently 100.0% occupied with a 30-household waiting list. Thus, there is clearly strong and likely pent-up demand for unrestricted market-rate product and affordable product in the market. It is also important to reiterate that the Fort Atkinson Site PMA and immediately surrounding area lacks modern market-rate product which is evident by the fact that only one of the selected comparable market-rate properties was built within the last 10 years. Thus, a new market-rate development such as that being considered for the subject site would provide a modern market-rate rental alternative that is not currently available within the area. The newness of the subject project is expected to create a competitive advantage and contribute to the subject's ability to command premium rents within the market.

Although only one Tax Credit property was identified and surveyed within the market, the 100.0% occupancy rate reported at this property is a good indication that such product is in high demand in the market. In addition, considering there is a limited supply of comparable affordable product such as that proposed at the site currently offered in the market, there is likely a development opportunity for such product in this market.

The collected rents for the comparable market-rate projects (gross rents at comparable Tax Credit property), as well as their rent per square foot, unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Collected Rent/Per Sq. Ft. (Number of Units/Vacancies)			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	TBD	-	\$641/\$0.82-60% (14) \$1,210/\$1.78 (36)	\$867/\$0.85-60% (14) \$1,445/\$1.60 (28) \$1,845/\$1.69 (28)	\$2,080/\$1.81 (20)
2	Bluff Ridge Apts.	-	-	\$1,179-\$1,199/ \$0.92-\$1.07 (84/0)	\$1,349-\$1,549/ \$0.96-\$1.03 (36/0)
5	Prairie View Apartment Homes	-	\$850/\$1.42 (21/0)	\$950/\$1.12 (59/0)	-
6	Ridgeview Apts.	-	-	\$1,000/\$0.91 (6/0)	\$1,100/\$0.85 (6/0)
7	Riverside Lofts	-	\$562/\$0.64-30% (4/0) \$893/\$1.02-50% (4/0) \$1,058/\$1.21-60% (4/0)	\$1,283/\$1.17-60% (20/0)	\$1,265/ \$0.76-\$1.05-50% (2/0) \$1,494/ \$0.89-\$1.25-60% (2/0)
8	Rock Creek	-	\$1,299/ \$1.44 (38/0)	\$1,599-\$1,699/ \$1.32-\$1.40 (50/0)	-
9	Springbrook Apts.	\$899/\$1.95 (5/0)	\$949/\$1.99 (17/0)	\$1,349/\$1.42 (17/0)	\$1,499/\$1.17 (5/0)
10	Tamarack Apts.	-	\$1,175/\$1.31 (16/0)	\$1,265/\$1.27 (20/0)	-
11	Waters Edge	-	\$1,080/\$1.25 (12/0)	\$1,215-\$1,280/ \$1.14-\$1.18 (24/0)	\$1,425-\$1,445/ \$1.15-\$1.18 (12/0)
Collected Rent Range		\$899/\$1.95	\$850-1,299/\$1.25-\$1.99	\$950-\$1,699/\$0.91-\$1.42	\$1,100-\$1,549/ \$0.85-\$1.18
Median Collected Rent		\$899/\$1.95	\$1,080/\$1.42	\$1,240/\$1.16	\$1,435/\$1.09

TBD – To be determined

*Tax Credit units (Gross Rents & AMHI levels shown; not included in range/median)

The subject's proposed rents restricted to those earning up to 60% of AMHI are significantly lower than the rents being achieved at the only property surveyed offering Tax Credit units. This is a good indication that the subject's proposed rents will be attainable in this market and will be perceived as a significant value to low-income renters.

The subject's proposed collected market-rate rents are the highest when compared with the collected rents reported among the market-rate properties surveyed. The price per square foot at the site is also the highest among the comparable properties. However, it is important to note that considering the high occupancy rates and waiting lists maintained among the comparable properties, these properties could likely charge higher rents without adversely impacting their occupancy levels. It is also important to reiterate that the subject project will be nearly 20 years newer than most of the comparable market-rate properties included in this analysis. As such, it is anticipated that the subject project will be successful achieving rents higher than those currently being achieved in the market. However, incorporating premium fixtures, appliances, countertops etc. would contribute to the project's ability to achieve rent premiums and it is recommended that the developer include such features in the market-rate units to achieve these higher rents.

The unit sizes (square footage) and number of bathrooms included in each of the different comparable market-rate and Tax Credit unit types offered in the market are summarized in the following tables:

Map I.D.	Project Name	Square Footage			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	TBD	-	680	905 – 1,090	1,152
2	Bluff Ridge Apts.	-	-	1,100 - 1,300	1,400 - 1,500
5	Prairie View Apartment Homes	-	600	850	-
6	Ridgeview Apts.	-	-	1,100	1,300
7*	Riverside Lofts	-	875	1,100	1,200 - 1,675
8	Rock Creek	-	900	1,145 - 1,290	-
9	Springbrook Apts.	460	477	950	1,280
10	Tamarack Apts.	-	900	1,000	-
11	Waters Edge	-	864	1,032 - 1,122	1,211 - 1,256
Square Footage Range		460	477 – 900	850 – 1,300	1,211 – 1,500
Median Square Footage		460	864	1,100	1,290

TBD – To be determined

*Tax Credit property (not included in range/median)

Map I.D.	Project Name	Number of Baths			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	TBD	-	1.0	1.0 – 2.0	2.0
2	Bluff Ridge Apts.	-	-	1.0 - 2.0	2.0
5	Prairie View Apartment Homes	-	1.0	1.0	-
6	Ridgeview Apts.	-	-	1.0	1.5
7*	Riverside Lofts	-	1.0	1.0	2.0
8	Rock Creek	-	1.0	2.0	-
9	Springbrook Apts.	1.0	1.0	1.0	2.0
10	Tamarack Apts.	-	1.0	1.0	-
11	Waters Edge	-	1.0	1.0 - 2.0	2.0
Bath Range		1.0	1.0	1.0 – 2.0	1.5 – 2.0

TBD – To be determined

*Tax Credit property (not included in range)

The proposed unit sizes (square feet) at the site are among the smallest when compared with the unit sizes reported among the comparable properties in the market. Although the newness of the subject project will enable it to achieve higher rents, it is recommended that the developer considers incorporating larger unit sizes in the market-rate units to ensure that the higher proposed rents are achievable.

In addition, the number of bathrooms is very similar to the number of bathrooms offered among the comparable properties. The inclusion of a second bathroom in some of the two-bedroom units is expected to allow this unit type to achieve rent premiums, although larger unit sizes (square feet) will further contribute to the subject's ability to achieve higher rents.

The tables on the following pages compare the amenities proposed for the subject project with those offered among the existing comparable market-rate and Tax Credit properties surveyed.

All Unit Amenities by Map ID										
	Site*	2	5	6	7 *	8	9	10	11	
Appliances	Dishwasher	X	X	X	X		X	X	X	X
	Disposal	X	X			X		X	X	X
	Microwave	X					X	X		
	Range	X	X	X	X	X	X	X	X	X
	Refrigerator	X	X	X	X	X	X	X	X	X
	W/D Hookup	X	X		X	X	X	S	X	X
	W/D	X	X			X	X	S	X	X
	No Appliances									
Unit Amenities	AC-Central		X	X	X		X		X	X
	AC-Other	X								
	Balcony/ Patio/ Sunroom	X	X		X			X	X	X
	Basement				X					
	Ceiling Fan	X	X	X			X		X	X
	Controlled Access							X		
	E-Call System									
	Furnished									
	Walk-In Closet	X		X			X	X	X	X
	Window Treatments	X	X	X	X	X	X	X	X	X
Flooring	Carpet	X	X	X	X		X	X	X	X
	Ceramic Tile				X					
	Hardwood					X				
	Finished Concrete					X				
	Composite/Vinyl/Laminate	X	X	X	X	X	X	X	X	X
Upgraded	Premium Appliances			X						
	Premium Countertops			X						
	Premium Cabinetry									
	Premium Fixtures									
	High/Vaulted Ceilings								X	X
	Oversized Windows									
Parking	Attached Garage		S				S			
	Detached Garage						O		X	
	Street Parking									
	Surface Lot	X	X	X	X		X	X	X	X
	Carport				X					
	Property Parking Garage					X		X		O
	No Provided Parking									

*Affordable Property

◆ - Senior Property

* Proposed Site(s): TBD

X = All Units, S = Some Units, O = Optional with Fee

** Details in Comparable Property Profile Report

Continued on Next Page

All Property Amenities by Map ID									
	Site*	2	5	6	7 *	8	9	10	11
	Bike Racks / Storage	X	X						
	Computer/Business Center								
	Car Care **								
	Community Garden								
Community	Multipurpose Room		X		X	X			
	Chapel								
	Community Kitchen								
	Dining Room - Private								
	Dining Room - Public								
	Rooftop Terrace								
	Concierge Service **								
	Convenience Amenities **								
	Covered Outdoor Area **	X	X	X					
	Elevator							X	
Laundry Room			X				X		
On-Site Management	X	X	X	X	X	X	X	X	
Pet Care **							X		
Recreation	Basketball		X						
	Bocce Ball								
	Firepit								
	Fitness Center		X			X	X	X	
	Grilling Area		X						
	Game Room - Billiards								
	Walking Path	X							
	Hot Tub								
	Library								
	Media Room / Theater								
	Playground	X	X	X					X
	Putting Green								
	Racquetball								
	Shuffleboard								
	Swimming Pool - Indoor								
	Swimming Pool - Outdoor								
Tennis									
Volleyball									
Security	CCTV								
	Courtesy Officer								
	Security Gate								
	Social Services **								
	Storage - Extra			O				X	X
Common Space WiFi	X								

*Affordable Property

◆ - Senior Property

* Proposed Site(s): TBD

X = All Units, S = Some Units, O = Optional with Fee

** Details in Comparable Property Profile Report

The subject project will offer a unit and project amenity package that is considered competitive with those offered among the comparable rental properties. The inclusion of premium amenities such as microwaves, in-unit washer/dryer appliances, walk-in closets and community WiFi are expected to contribute to the marketability of the subject development and its ability to achieve higher rents. However, considering the proposed market-rate rents are the highest in the market, as previously stated, it is recommended that the subject project includes premium finishes such as stainless steel appliances, premium countertops, cabinetry and fixtures. This will contribute to the subject's ability to achieve higher rents.

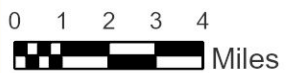
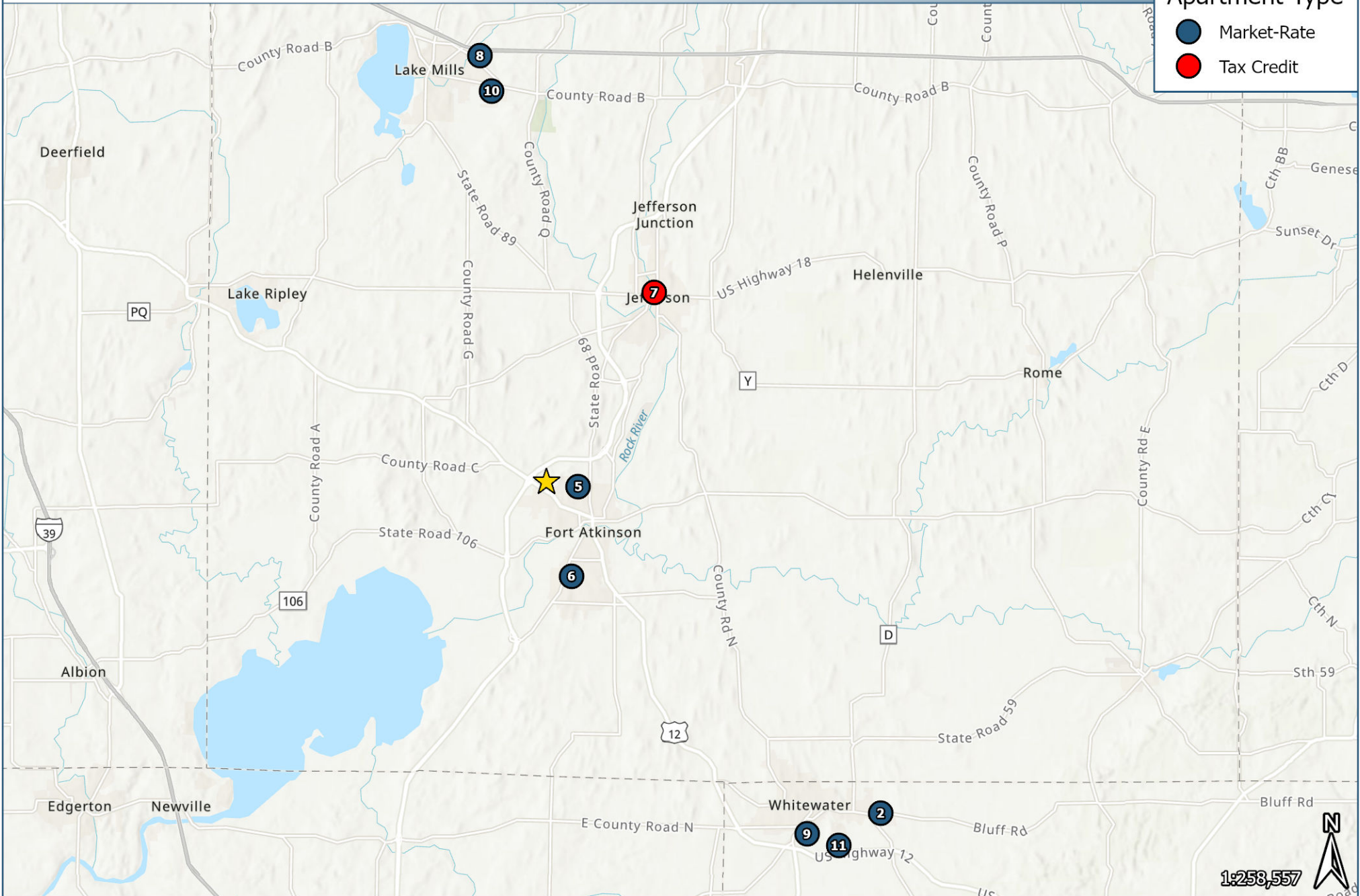
A map depicting the location of the comparable market-rate and Tax Credit properties surveyed at the time of this analysis in relation to the proposed subject site is included on the following page.

★ Site

Apartment Type

● Market-Rate

● Tax Credit



For-Sale Housing Analysis

As part of this analysis, we collected and evaluated housing information regarding prices, number of bedrooms and bathrooms, square footages, days on market, year built, and other data for for-sale housing. For the purposes of this analysis, we have relied primarily on housing data from the U.S. Census, the American Community Survey, published aggregate data of for-sale housing transactions, and the Multiple Listing Service (MLS) data.

Preliminary Primary Market Area (PMA) (For-Sale Housing)

Similar to the PMA for the apartments portion of the proposed project, we have considered a market area for the for-sale housing portion of this analysis. This market area generally includes homes in the Fort Atkinson area, as well as the immediate surrounding area.

Owner-Occupied Housing Overview

Based on the 2016-2020 American Community Survey 5-Year Estimates for Fort Atkinson, the percentage of owner-occupied housing units by year built is illustrated in the following table.

Year	Owner
	Percent
2014 or Later	17.3%
2010 to 2013	14.8%
2000 to 2009	12.4%
1990 to 1999	11.6%
1980 to 1989	9.5%
1970 to 1979	9.6%
1950 to 1969	8.9%
1949 or Earlier	15.9%
Total	100.0%

Source: American Community Survey (2016-2020); ESRI

As the preceding illustrates, nearly half (44.5%) of owner-occupied housing units within Fort Atkinson have been built since 2000 and approximately 17.0% have been built within the past eight years. This is a relatively high share of modern owner-occupied homes and the new construction for-sale homes are expected to be competitive with the existing housing stock in terms of age and overall quality.

The estimated distribution of owner-occupied housing by units in a structure in the Fort Atkinson area is detailed within the following table.

Units in a Structure	Owner-Occupied
	Percent
1, detached	90.0%
1, attached	3.7%
2 to 4	0.6%
5 to 9	0.2%
10 to 19	0.2%
20 to 49	0.0%
50+	0.0%
Mobile Home	5.2%
Boat, RV, Van, etc.	0.1%
Total	100.0%

Source: American Community Survey (2016-2020); ESRI; Urban Decision Group; Bowen National Research

As detailed earlier in this analysis, the subject property is expected to offer some attached single-family home units. Thus, the property will offer a product type which is currently limited within the Fort Atkinson market, as evident by the preceding table which indicates that only 3.7% of all owner-occupied housing units are comprised of single-family attached units.

The following table illustrates estimated housing values based on 2022 ESRI estimates for owner-occupied units within Fort Atkinson.

Estimated Home Values	2022 (Estimated)	
	Number	Percent
Less Than \$50,000	59	1.7%
\$50,000 to \$99,999	64	1.8%
\$100,000 to \$149,999	765	21.6%
\$150,000 to \$199,999	1,040	29.3%
\$200,000 to \$249,999	776	21.9%
\$250,000 to \$299,999	422	11.9%
\$300,000 to \$399,999	260	7.3%
\$400,000 to \$499,999	124	3.5%
\$500,000 to \$749,999	35	1.0%
\$750,000 to \$999,999	2	< 0.1%
\$1,000,000 +	0	0.0%
Total	3,547	100.0%
Median Home Value	\$192,572	

Source: ESRI

The median home value within Fort Atkinson is \$192,572 in 2022. In addition, although not illustrated in the preceding table, five-year projections estimate that the median home value in Fort Atkinson will be \$219,141, an increase of 13.8% from 2022 estimates. The proposed base price point of \$250,000 is above these median home values. However, considering the newness of the subject project, these units are expected to command a premium given the newness and overall anticipated quality. Therefore, it is expected that the subject project will be successful achieving the price points that are well above area median home values.

Multiple Listings Service (MLS) Data

As detailed throughout this report, the subject property is proposed to include attached single-family home units which will be offered as for-sale units. Therefore, Bowen National Research obtained aggregate home sales data since February 2022 for the Fort Atkinson area. In addition to the historical sales data, we have also compiled a list of homes currently available for purchase within the area.

Based on the preceding criteria, we identified and evaluated 77 individual homes that have sold since February 2022 within the Fort Atkinson area and 22 such homes currently available for sale within the area. However, it is important to consider that MLS sales data does not reflect homes sold without the assistance of a realtor. Given the propensity for investment activity and auctions, it is possible that some real estate transfers are not reflected in the following MLS data. Regardless, it is believed that the MLS data used in this report will provide an accurate sample of the recent sales trends that will help to establish the strength and potential of the current market.

The following table summarizes recently sold (February 2022 to August 2022) and currently available (as of August 2022) homes for the Fort Atkinson area:

Sold/Currently Available For-Sale Housing Supply – Fort Atkinson, WI		
Status	Listings	Median Price
Sold*	77	\$285,000
Available**	22	\$335,000

Source: Realtor.com and Bowen National Research, LLC

*Sales from February 2022 to August 2022

**As of August 2022

Homes sold in recent years had a median sales price of \$285,000. Comparatively, the 22 homes currently available for sale have a median list price of \$335,000. Historic and currently available home sales data is evaluated in further detail as follows.

Historical Homes Sales

The distribution of homes sold since February 2022 by price within the Fort Atkinson area is summarized in the following table.

Fort Atkinson, WI		
Sales History by Price		
(February 2022 to August 2022)		
Sale Price	Number Sold	Percent of Supply
\$150,000 to \$199,999	9	11.7%
\$200,000 to \$249,999	14	18.2%
\$250,000 to \$299,999	17	22.1%
\$300,000+	37	48.1%
Total	77	100.0%

Source: Realtor.com and Bowen National Research, LLC

Based on the recent sales of homes in the Fort Atkinson area, homes sold at the price range of \$300,000 and higher represent the largest share (48.1%) of such homes sold since February 2022. More than 70.0% of all homes sold during this time period sold for more than \$250,000. This is a good indication that moderate to higher priced product is supportable and present within this market. Notably, all of the proposed price points for the proposed project’s for-sale product are positioned equal to or above \$250,000, a price segment that appears to have the highest demand in the market. This coincides with our findings previously that illustrated that there is a significant base of modern homes for-sale and recently sold in the area.

The distribution of home sales between February 2022 and August 2022 by bedroom type for the Fort Atkinson area is summarized in the following table:

Fort Atkinson, WI							
Home Sales History by Bedrooms (February 2022 to August 2022)							
Bedrooms	Number Sold	Average Baths	Average Square Feet	Average Year Built	Price Range (Price per Sq. Ft. Range)	Median Sales Price	Median Price per Sq. Ft.
Two-Br.	20	1.75	1,314	1983	\$160,000 - \$335,000 (\$107.97 - \$384.62)	\$217,950	\$172.08
Three-Br.	33	2.0	1,780	1975	\$185,000 - \$654,000 (\$84.89 - \$406.72)	\$270,000	\$161.40
Four-Br.	18	3.0	3,037	1985	\$255,000 - \$1,275,000 (\$87.93 - \$231.42)	\$368,750	\$138.51
Five+-Br.	6	3.0	3,071	1996	\$265,000 - \$855,000 (\$73.78 - \$245.79)	\$384,950	\$153.15
Total	77	2.25	2,054	1981	\$160,000 - \$1,275,000 (\$73.78 - \$406.72)	\$285,000	\$160.98

Source: Realtor.com and Bowen National Research, LLC

As illustrated in the preceding table, the majority of homes recently sold are two- and three-bedroom homes which is typical of for-sale home product. These home types reported median sale prices of \$217,950 and \$270,000, with median price per-square-foot levels of approximately \$170 and \$160, respectively. It is anticipated that a new for-sale home project within the Fort Atkinson area could command and achieve premium sale prices given its newness and anticipated quality, as well as the generally limited supply of comparable existing product in this market.

The distribution of for-sale homes by year built for Fort Atkinson is illustrated in the table below:

Fort Atkinson, WI						
Home Sales History by Year Built (February 2022 to August 2022)						
Year Built	Number Sold	Average Beds/Baths	Average Square Feet	Price Range	Median Sales Price	Median Price per Sq. Ft.
Before 1950	9	3/1.75	1,831	\$160,000 - \$495,000	\$260,000	\$168.07
1950 to 1959	14	3/1.75	1,961	\$170,000 - \$389,900	\$262,500	\$141.35
1960 to 1969	6	3/1.75	1,742	\$185,000 - \$448,410	\$272,500	\$181.78
1970 to 1979	9	3/2.0	2,002	\$204,900 - \$654,000	\$279,000	\$150.00
1980 to 1989	2	4/3.0	2,368	\$205,000 - \$359,000	\$282,000	\$119.81
1990 to 1999	12	3/2.0	1,706	\$199,000 - \$425,000	\$290,000	\$190.50
2000 to 2009	16	3/3.0	2,678	\$180,500 - \$1,275,000	\$355,000	\$145.45
2010 to present	9	3/2.5	1,964	\$197,000 - \$411,000	\$335,000	\$171.25
Total	77	3/2.25	2,054	\$160,000 - \$1,275,000	\$285,000	\$160.98

Source: Realtor.com and Bowen National Research, LLC

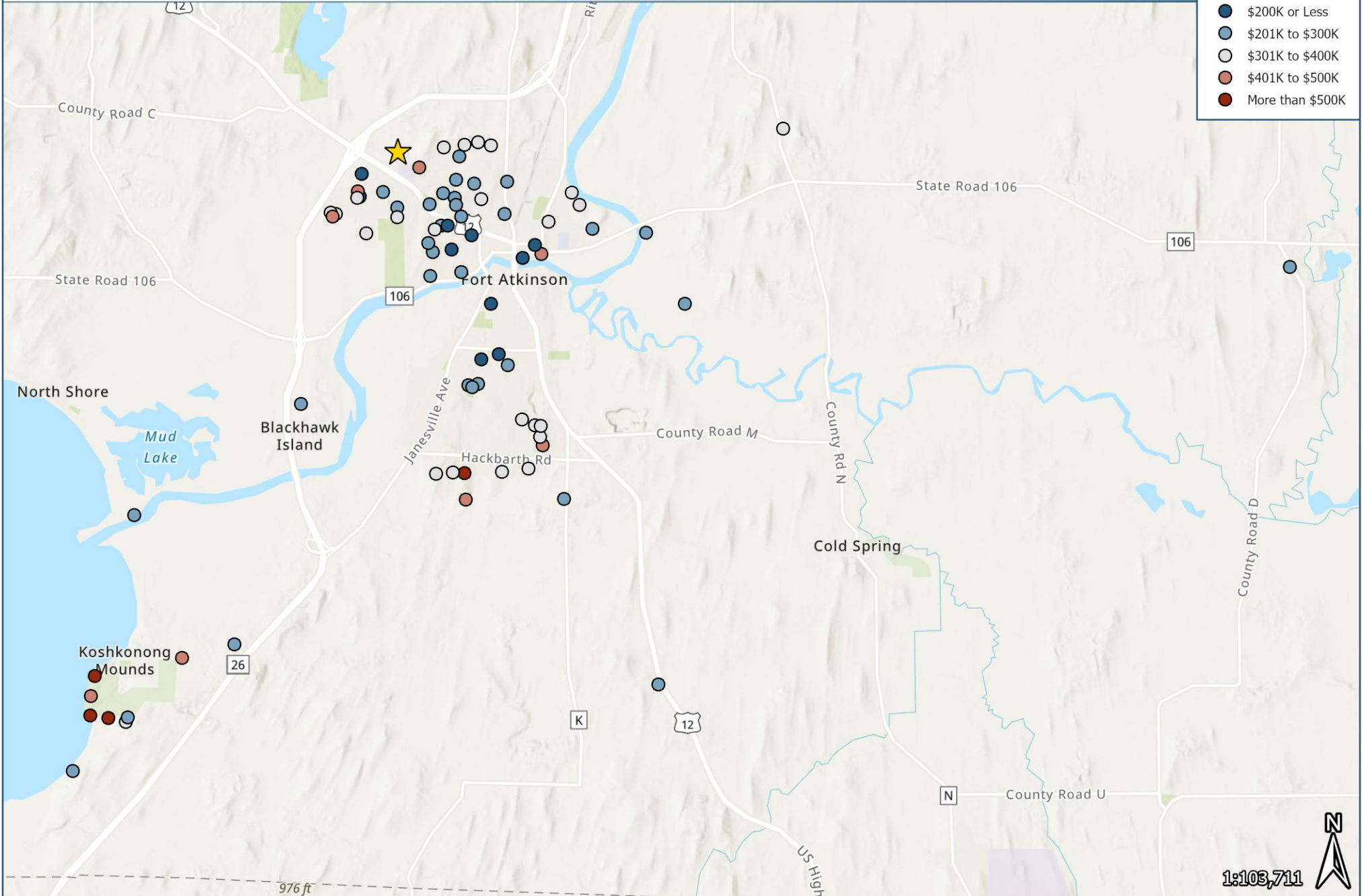
As the preceding illustrates, nearly half (48.1%) of the homes sold since August 2022 were built since 1990. Notably, product built after 1990 has a median sales price of approximately \$300,000, though the newest product sold (built since 2010) had a median sales price of \$335,000. These are good indications that modern single-family home product is commanding a premium price point within the Fort Atkinson area, as the overall median sales price reported for all homes sold since August 2022 is \$285,000. Although the subject project will offer some significantly higher price points, it is anticipated that the large home sizes and overall newness/quality will contribute to the project's ability to sell homes at these higher price points.

The maps on the following pages illustrate the location of recently sold homes within the Fort Atkinson area, by unit/home price and age.



Sale Price

- \$200K or Less
- \$201K to \$300K
- \$301K to \$400K
- \$401K to \$500K
- More than \$500K



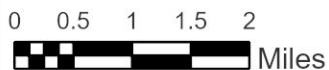
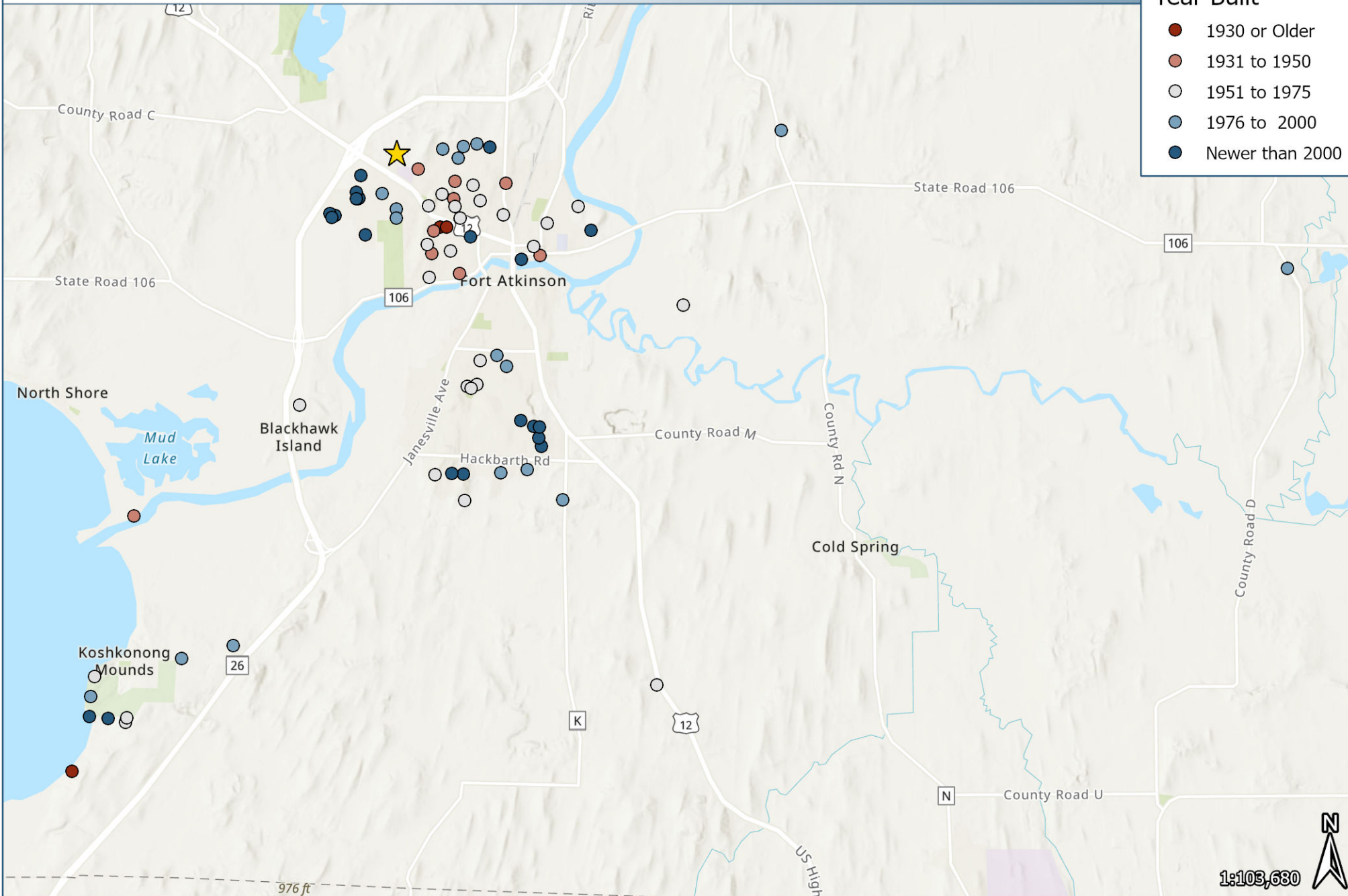
Esri, NASA, NGA, USGS, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA
Additional Source(s): Bowen National Research

1:103,711

★ Site

Year Built

- 1930 or Older
- 1931 to 1950
- 1951 to 1975
- 1976 to 2000
- Newer than 2000



Esri, NASA, NGA, USGS, FEMA, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA
Additional Source(s): Bowen National Research

1:103,630



Available For-Sale Analysis

In addition to the recorded sales history of for-sale housing units since February 2022, we have also compiled a list of currently available for-sale homes within the Fort Atkinson, Wisconsin area. The tables included in this section have been generated from the available homes listed on MLS through Realtor.com as of February 2022, and illustrate market expectations regarding price, bedrooms and age, among other features.

The distribution of available home supply by price point is summarized as follows.

Fort Atkinson, WI			
Available For-Sale Housing by Price (As of August 2022)			
List Price	Number Available	Percent of Supply	Average Days on Market*
\$150,000 to \$199,999	4	18.2%	6
\$200,000 to \$249,999	2	9.1%	15
\$250,000 to \$299,999	2	9.1%	29
\$300,000+	14	63.6%	26
Total	22	100.0%	21

*Four homes with days on market of more than 1,000 days excluded from averages
Source: Realtor.com and Bowen National Research, LLC

A total of just 22 homes were identified as for-sale within the area at the time of this analysis. The majority of these homes are priced above \$300,000 (63.6%), and just four (22.2%) are priced below \$200,000. As such, the proposed price points of the subject project (\$250,000+) are similar to the largest share of active listings in the market.

The distribution of the available for-sale housing supply by bedroom type is summarized as follows.

Fort Atkinson, WI								
Available For-Sale Housing by Bedrooms (As of August 2022)								
Bedrooms	Number Available	Average Baths	Average Square Feet	Average Year Built	Price Range (Price per Sq. Ft. Range)	Median List Price	Median Price per Sq. Ft.	Average Days on Market*
Two-Br.	9	1.5	1,275	1987	\$179,900 - \$430,000 (\$131.00 - \$536.16)	\$335,000	\$216.41	20
Three-Br.	10	1.5	1,677	1963	\$185,000 - \$625,000 (\$135.64 - \$364.48)	\$324,900	\$195.43	16
Four-Br.	2	3.0	2,301	1996	\$305,000 - \$600,000 (\$148.20 - \$235.94)	\$452,500	\$192.07	39
Five Br. +	1	4.5	3,760	1990	\$459,900 (\$122.31)	\$459,900	\$122.31	37
Total	22	1.75	1,664	1977	\$179,900 - \$625,000 (\$122.31 - \$536.16)	\$335,000	\$215.70	21

*Four homes with days on market of more than 1,000 days excluded from averages
Source: Realtor.com and Bowen National Research, LLC

Similar to homes sold in recent years, those that are currently available are primarily comprised of two- and three-bedroom homes, as we did not identify any one-bedroom homes for sale at the time of this analysis. On average, these homes contain 1.5 bathrooms, with an average square footage of 1,275 for a two-bedroom home and 1,677 for a three-bedroom home. The single-family homes proposed at the site will be significantly larger than the averages in the preceding table, which is expected to contribute to the marketability of the subject project’s for-sale homes.

The distribution of the available for-sale homes by year built for the Fort Atkinson area is illustrated in the following table.

Fort Atkinson, WI							
Available For-Sale Housing by Year Built (As of August 2022)							
Year Built	Number Available	Average Beds/Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market*
Before 1950	5	3/1.0	1,086	\$179,900 - \$389,000	\$189,900	\$203.43	12
1950 to 1959	3	3/1.25	1,592	\$199,900 - \$299,900	\$234,900	\$142.36	5
1960 to 1969	0	-	-	-	-	-	-
1970 to 1979	0	-	-	-	-	-	-
1980 to 1989	2	3/1.5	1,768	\$349,900 - \$625,000	\$487,450	\$303.55	2
1990 to 1999	6	4/3.0	2,364	\$269,000 - \$600,000	\$407,400	\$191.59	36
2000 to 2009	0	-	-	-	-	-	-
2010 to present	6	2/1.75	1,447	\$335,000 - \$430,000	\$335,000	\$216.41	40
Total	22	3/1.75	1,664	\$179,900 - \$625,000	\$335,000	\$215.70	21

*Four homes with days on market of more than 1,000 days excluded from averages
 Source: Realtor.com and Bowen National Research, LLC

The active listings identified in the area have a wide range of ages, as approximately one-quarter were built before 1950, and approximately one-quarter were built since 2010. The newness and anticipated quality of the subject project is expected to contribute to the subject’s ability to command premium pricing within the Fort Atkinson area considering the newest homes are generally commanding higher prices, with the exception of two homes built between 1980 and 1989.

Pipeline Development

Based on our interviews with planning representatives who responded to our inquiries and from extensive online research, it was determined that there is one rental housing project in the development pipeline within the Site PMA, which is summarized as follows. Note that no additional rental or for-sale housing developments were identified in the development pipeline within the Site PMA, with the exception of the subject development.

- Tamike Investments, LLC is developing a 10-unit housing project at 601 Handeyside Lane in Fort Atkinson. This project is currently under construction and is expected to offer housing units restricted to seniors.

Considering the subject project is not expected to offer any units that are restricted to seniors, it is not believed that the development of the project in the development pipeline will adversely impact the marketability of the subject project's product types offered.

For-Rent Market-Rate Housing Demand Estimates

Although not finalized at the time of this analysis, we have provided demand estimates using the two base price points provided by the developer for the subject's 60% of AMHI and unrestricted market-rate units.

We estimated the number of income-eligible renter households in the Fort Atkinson Site PMA that could support the product type being considered for development within the subject project. As detailed throughout this report, the subject property is expected to offer 140 rental units (28 affordable 60% of AMHI units and 112 unrestricted market-rate units).

Leasing industry standards among market-rate projects typically require households to have rent-to-income ratios of no more than 27% to 30%. Thus, we have considered a rent-to-income ratio of 30% for the subject's market-rate units. Affordable rental housing units typically operate with a higher rent-to-income ratio. As such, we have used a rent-to-income ratio of 35% for the subject's affordable units.

Our preliminary demand estimates assume the subject property will offer one- and two-bedroom affordable units; one-, two- and three-bedroom market-rate units, and will open in 2024. Considering the subject project will only offer one- and two-bedroom affordable units, the following demand estimates only consider household sizes of one-, two- and three-person households for the affordable units. It is also important to that the market-rate units will not have a maximum income restriction, however, the 60% of AMHI units will have a maximum allowable income of \$47,580, which is the three-person maximum allowable income for households earning up to 60% of AMHI in the Jefferson County, WI MSA.

Our demand estimates consider demand from three sources: 1.) New renter household growth from 2022 to 2024, 2.) Turnover from existing renter households, assuming a 42.2% annual turnover rate based on data obtained from the Institute of Real Estate Management (IREM) and 3.) External market support assumed not to exceed 20%. We then apply an acceptable capture rate to determine the number of supportable affordable and market-rate units within the Fort Atkinson Site PMA. The following table summarizes our demand estimates for conventional affordable and market-rate rental units within the Fort Atkinson Site PMA.

Demand Component	Market-Rate Units	
	Base 60% of AMHI Rent	Base Market-Rate Rent
<i>Base Rent</i>	\$641	\$1,210
<i>Minimum Income Requirement</i>	\$21,977	\$48,400
<i>Maximum Allowable Income</i>	\$47,580	No Limit
Demand from New Renter Household Growth	2,379 - 2,440 = -61	3,338 - 3,245 = 93
+		
Turnover from Existing Renter Households	2,440 x 42.2% = 1,030	3,245 x 42.2% = 1,369
+		
External Market Support (20%)	242	365
-		
Competitive Supply in the Pipeline	0	0
=		
Total Net Demand	1,211	1,827
Proposed Units / Total Net Demand	28 / 1,211	112 / 1,827
=		
Capture Rate	2.3%	6.1%

Typically, capture rates under 12% are considered ideal and achievable for new rental product in most markets when utilizing the methodology detailed in the preceding table. However, in some cases, a slightly higher capture rate may be achievable given specific market conditions. Regardless, the capture rates of 2.3% for the affordable units and 6.1% for the market-rate units are considered low and easily achievable for the Fort Atkinson market.

The following demand estimates include a “simple capture rate”, which is the typical methodology used for affordable rental housing demand estimates. The following table illustrates the depth of support for the affordable units at the subject project, based on the income range included earlier in this section of the report.

	Capture Rate
Number of Proposed Units	28
Size- & Income-Eligible Renter Households (2024)	/ 2,440
Capture Rate	= 1.1%

As illustrated in the preceding table, when only considering the income-qualified renters expected in the year opening (2024) of the subject project, the affordable capture rate is just 1.1%, which is considered a very low and achievable capture rate when utilizing this methodology.

For-Sale Housing Demand Estimates

As detailed earlier in this letter, part of this development will include the development of for-sale homes. We have based our demand estimates on the following assumptions:

- Subject project will offer two- and three-bedroom attached single-family home units
- Base pricing of between \$250,000 and \$425,000 for the two-bedroom homes and \$400,000 to \$600,000 for the three-bedroom single-family homes
- Opening year of 2024
- Lending institutions use a 3-to-1 income to purchase price ratio and homebuyers pay a 20% down payment

Our demand estimates assume support for the proposed subject units will *primarily* originate from the following sources:

- Turnover from Existing Households
- New Household Growth
- External Market Support

The following table summarizes the base of potential support for the proposed subject units at the base price points detailed earlier in this analysis:

Potential For-Sale Demand		
Bedroom Type	Two-Bedroom	Three-Bedroom
Base Purchase Price	\$250,000	\$400,000
Targeted Income Level	\$66,600+	\$106,560+
Turnover Support (6.0%)	699	456
+ New Household Growth (2022-2024)	557	667
= <i>Subtotal Demand</i>	<i>1,256</i>	<i>1,123</i>
+ External Market Support (20.0%)	314	281
- <i>Comparable/Competitive Pipeline Units</i>	<i>0</i>	<i>0</i>
= <i>Total Demand</i>	<i>1,570</i>	<i>1,404</i>
Proposed Units / Total Demand	81 / 1,570	63 / 1,404
= Capture Rate	5.2%	4.5%

Typically, when utilizing this methodology, capture rates below 5.0% are considered ideal for higher priced product such as that anticipated for the subject development. However, higher capture rates up to around 10.0% are sometimes acceptable given specific market conditions. As detailed in the preceding table, capture rates (market share) for the subject's for-sale homes are 5.2% for the two-bedroom homes and 4.5%, for the three-bedroom homes. Notably, the majority of support for units similar to those proposed for the subject development is expected to derive from new household growth during the projection period (2022 to 2024), as well as anticipated turnover from current homeowners. This suggests that sufficient support exists for the subject homes for both of the bedroom types considered in our analysis, despite the subject's two-bedroom capture rate slightly exceeding 5.0%.

Conclusions

Based on the findings of this report, it is our opinion a development opportunity exists for both product types proposed at the subject site (for-rent market-rate and affordable product, and for-sale home product). The subject's proposed price points for the market-rate rental units are the highest when compared with the market-rate properties surveyed. However, given the high occupancy rates and waiting lists maintained at some of the comparable properties, it is anticipated that these properties could likely charge higher rents without adversely impacting their occupancy levels. Most of the existing market-rate properties are older and the overall newness and quality of the subject development is expected to allow it to achieve rent premiums.

However, considering the subject's market-rate rents are the highest in the market, incorporating premium appliances, fixtures and countertops would further enhance the marketability of the subject's market-rate units and enable these units to achieve the higher rents proposed at the site. In addition, these market-rate units will generally be the smallest in size in terms of square footage and incorporating larger unit sizes is recommended to ensure that the subject project is not vulnerable to higher than typical tenant turnover should modern rental alternatives with larger units become available in the area.

The subject's affordable (60% of AMHI) units are priced well below the only comparable affordable property identified and surveyed within the Site PMA. This is expected to ensure that these units are perceived as a significant value to area low- to moderate-income renters.

The subject's for-sale component appears to be very marketable based on the prices of the active and historical sales in the Fort Atkinson area. The limited number of available homes on the market is also expected to contribute to the marketability of this portion of the proposed development. Although some of the proposed prices for the subject's for-sale component are among the highest priced homes in the market, this is to be expected given the newness of these homes, as well as the competitive overall design and larger home sizes. Although detailed homes designs were unavailable at the time of this report, similar to the market-rate rental recommendation, incorporating premium finishes, appliances and fixtures throughout the homes would contribute to their ability to achieve these higher price points.

It is important to note that because this is a preliminary analysis, we have not conducted an on-site evaluation to determine the appropriateness/marketability of the proposed subject site. Further, we conducted a telephone survey of only a portion of the entire housing and market, and as such, the findings of the market may not be conclusive. However, we believe that sufficient evidence exists to conclude that a development opportunity exists within the Fort Atkinson Site PMA, assuming that market conditions remain stable.

We hope you find this information useful. Please contact us if you have questions or need additional information regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Peters", with a long horizontal flourish extending to the right.

Jeff Peters
Bowen National Research