



A MARKET STUDY OF
EDEN PARK - ESPERANZA NEIGHBORHOOD SINGLE FAMILY,
A HYPOTHETICAL DEVELOPMENT TO BE LOCATED
IN THE NORTHEAST AREA OF UNINCORPORATED
IMMOKALEE, FLORIDA 34142

PREPARED FOR
RURAL NEIGHBORHOODS
19308 SW 380TH STREET
FLORIDA CITY, FLORIDA 33034

ATTN: MR. STEVEN KIRK

LOCATION COORDINATES
FOR THE APPROXIMATE CENTER OF THE STUDY AREA
LONGITUDE: -81.4501 LATITUDE: 26.4328

DATE OF REPORT
JUNE 18, 2015

PREPARED BY
MERIDIAN APPRAISAL GROUP, INC.

ROBERT VON, PRESIDENT
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER RZ 1604

CONNIE L. JENNINGS, MAI, SENIOR APPRAISER
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1331 SUNDIAL POINT
WINTER SPRINGS, FLORIDA 32708
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June 18, 2015

Mr. Steven Kirk
Rural Neighborhoods
19308 SW 380th Street
Florida City, Florida 33034

Re: A market study of affordable single family housing to be located in the northeast portion of Immokalee, Collier County, Florida 34142.

Meridian File No: 15-SFN

Dear Mr. Kirk:

As requested, we have prepared a market study for the proposed Eden Park - Esperanza Neighborhood Single family. The improvements will consist of an assumed 50 unit subdivision situated on a site that is yet to be determined, located in the northeast portion of Immokalee.

The property is assumed to be vacant land. The subject's defined study area is further described within the text of the following report.

The intended use of this report is for internal decision making. The intended user of this report is Rural Neighborhoods. No other use or users are intended.

The purpose of this market study is to provide:

1. A site analysis;
2. An improvement analysis;
3. A regional analysis;
4. A neighborhood analysis;
5. An Single family Housing Market Overview for the subject market area;
6. A determination of Primary Market Area (PMA) for the purposes of demographic analysis
7. A demographic analysis, including an Income Band Analysis and Capture Rate Analysis of the likely draw area;
8. Sale price estimates for the subject;
9. Conclusions and recommendations concerning the subject's lot sizes, unit types, living area, amenities and unit features relative to its competition;
10. Estimate an average absorption rate for the subject property.

MR. STEVEN KIRK
JUNE 18, 2015
PAGE TWO

In order to accomplish the previous objectives, we have conducted the following research and analysis:

- 1) Examination of the subject site, surrounding development patterns, demographics and other relevant factors that influence development potential.
- 2) Review of neighborhood, regional, sub-regional and competitive market area owner-occupied housing market trends.
- 3) Identification and examination of specific competitive projects located within the subject market area.
- 4) Review and evaluation of the development concept for the subject to include: features, amenities, unit types, unit sizes and estimated sale prices.

This market study is the result of this evaluation, together with supporting data and documentation, as of the date of this report, June 18, 2015.

Summary of Conclusions and Recommendations

- 1) The subject site has not yet been determined.
- 2) The recommendations for the subject product are based on the newest competitive project located near the subject, in addition to newer projects in similar areas. As described, the subject improvements would be expected to effectively compete with the existing product and achieve the sale prices concluded. They are detailed below.
- 3) The subject property is located in Collier County within the Naples-Fort Myers-Punta Gorda Metropolitan Statistical Area. The MSA had a total population of about 1,195,098 in 2015; it is expected to increase by 7.60% between 2015 and 2020. The unemployment rate in the MSA was 5.3% as of February 2015, which is slightly lower than the statewide rate of 5.5% and the national rate of 5.8%. Unemployment rates have been generally decreasing in all of the counties within the MSA since 2010; the current employment rates in all of the counties in the MSA are close to the pre-recession levels. Multi-family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2012, with 2014 levels about the same as 2007 levels. Single family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2009, with 2014 levels slightly better than 2008 levels.
- 4) The subject neighborhood is a predominantly agricultural area located northeast of Naples. The area is moderate income, with about 56% of the occupations being in the service and farm industries. The population is projected to grow over the next five years, as are the median and average household incomes, both of which are well below the county. Most housing consists of moderately priced single family homes and mobile homes. Habitat for Humanity has a significant presence in the area. Apartment housing is limited to small projects operating under a variety of programs such as the Housing Credit, HOME, Rural Development, Tax-Exempt Bond and HUD programs. Several of the Housing Credit properties in the Immokalee area have tenant requirements that stipulate some or all of their units are set-aside for farmworkers, although this requirement has been temporarily waived or reduced in most of these communities.

- 5) Collier County is widely known as an affluent area, which is applicable to the coastal areas; Immokalee has a rural influence. Only about 12% of the owner-occupied housing units in the county are valued below \$100,000; within the subject's three-mile ring, this figure is about 60%. The median housing value in the county is \$279,664, compared to \$80,040 for the 1.2-mile ring. Another stark contrast is the fact that the dominant housing type in the county is single family detached, while in the 1.2-mile ring it is mobile homes. As a result, countwide data has little relevance to the subject area. The newest single family subdivision in the Immokalee area is Arrowhead Reserve, which has an inventory of about 349 vacant lots. Current listings for three-bedroom/two bath/two car garage and four-bedroom/two bath/two car garage homes are \$159,900 and \$169,900. Habitat for Humanity is very active in the area. Its most recent development is Faith Landing, which will consist of 164 duplexes (three-bedroom/two bath/no garage) and three single family homes (four-bedroom/two bath/no garage); recent sales range from \$110,000 to \$120,000.
- 6) The Primary Market Area (PMA) is defined as a 10-mile ring centered on the subject property.
- 7) Demographic analysis indicates a surplus of owner-occupied units only in the 0% to 60% AMI band. The households earning 60.1% to 120% AMI are underserved in this market; these households could afford homes in the \$147,300 to \$294,000 range. Future supply is expected to increase, with a total of 164 duplex units and three single family homes offered by Habitat for Humanity in Faith Landing; about 42 of these are already occupied. Also, Arrowhead Reserve has about 349 vacant developed lots; current listings for new homes start at \$159,900 (three-bedroom/two bath/two car garage) and \$169,900 (four-bedroom/two bath/two car garage); these prices are within the 60.1% to 80% AMI income band. Moderate income renters are also considered potential buyers for affordable homes. Again, the largest number of renter households are in the lowest band (1,666 households, or 76.6% of the total), earning less than 60% of the AMI. The households in the upper bands, earning between 60.1% and 120% of the AMI, would be the most likely purchasers of affordable homes; there are a total of 391 such households, and there is a shortage of rental units for these households, which may lead them to seek home ownership. A Capture Rate analysis of 50 assumed units indicates a relatively low penetration of 7.2% of households earning 60% to 120% of the AMI in the subject's 1.2-mile ring, with additional demand expected from household growth over the next five years, estimated at 16 households annually.
- 8) Assuming development of homes that target the underserved portion of the market, we estimate a sale price range of \$130,000 to \$160,000.
- 9) Based on the data from the comparables and due to the large average household size in the area, we recommend that the subject offer three- and four-bedroom units. Three-bedroom homes should have 1,050 to 1,300 square feet of living area, while four-bedrooms are recommended to have 1,150 to 1,400 square feet. At least one garage is recommended. Single family detached product would be optimal (or necessary based on zoning), but Faith Landing and Liberty Landing's duplexes were well-accepted. Lot sizes of 50' to 60' are recommended. Although some of the sales and listings analyzed are within subdivisions with homeowner's associations and some community amenities, this is not typical of affordable development and is not recommended for the subject. The homes should be concrete block or wood frame construction with painted stucco exterior and shingle roofs, which is consistent with other moderately- priced new product. Interior finishes should be average quality, including laminate counters and laminate or fair quality wood cabinetry. Carpet and vinyl flooring are also recommended. Regarding unit features, in order to maintain affordability we suggest that the subject include dishwasher, stove, refrigerator, ceiling fan connections, and washer/dryer hookups.

MR. STEVEN KIRK
JUNE 18, 2015
PAGE FOUR

10) We estimate absorption for the subject of two units per month.

The analyses, opinions and conclusions were developed and this report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

This letter of transmittal precedes the consultation report, further describing the property and containing the reasoning and most pertinent data leading to the final conclusions. Your attention is directed to the "Extraordinary Assumptions/Extraordinary Limiting Conditions," "General Assumptions," "General Limiting Conditions" and "Certification," which have been included within the text of this report.

Respectfully submitted,
Meridian Appraisal Group, Inc.

A handwritten signature in blue ink, appearing to read "Robert Von".

Robert Von, President
State-Certified General Real Estate Appraiser RZ 1604

A handwritten signature in blue ink, appearing to read "Connie L. Jennings".

Connie L. Jennings, MAI, Senior Appraiser
State-Certified General Real Estate Appraiser RZ 2053

RV:CLJ:dmh

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ADDENDA

APPRAISERS' QUALIFICATIONS
ENGAGEMENT LETTER

CERTIFICATION

As the undersigned consultants, we hereby certify that to the best of our knowledge and belief:

- the statements of fact contained in this report (upon which the analyses, opinion and conclusions expressed herein are based) are true and correct.
- the analysis, opinions and conclusion in the report are limited only by the assumptions and limiting conditions and special assumptions, if any, set forth and are the personal, unbiased professional analyses, opinions and conclusions of the consultant.
- we have no present or prospective interest in the subject property and have no personal bias with respect to the parties involved.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation is not contingent upon the development or the reporting of a predetermined conclusion or conclusions that favor the cause of the client, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this report.
- our analyses and opinions were developed and this report has been prepared in conformity with (and the use of this report is subject to) all regulations issued by the appropriate regulatory entities regarding the enactment of Title XI of the Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA) and any subsequent updates, the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation, and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- we have personally inspected the subject property and every comparable project included within this report.
- no one, other than the undersigned, prepared the personal unbiased professional analyses, conclusions and opinions concerning real estate that are set forth in this report unless and except as acknowledged in this report.
- we have performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.
- the Appraisal Institute conducts a mandatory program of continuing education for its designated members. MAI's who meet the minimum standards of this program are awarded periodic educational certification and the undersigned MAI has completed all continuing education requirements.
- Robert Von, President and Connie L. Jennings, MAI, Senior Appraiser, have not performed other real estate related services involving the subject property of this report within the three year period immediately preceding the acceptance of this assignment

Also, we certify to the following:

- We have made a physical inspection of the market area and that information has been used in the study.
- We have followed the requirements of the market study engagement.
- We have no interest in the subject property or relationship with the developer, ownership entity, or application preparer.

CERTIFICATION (CONT'D)

Property Location

The subject study area consists of a specified area in the Eden Park - Esperanza neighborhood in northeast Immokalee.

Date of Report

June 18, 2015

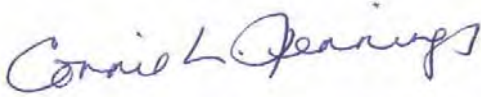
Certified by

Meridian Appraisal Group, Inc.



Robert Von, President

State-Certified General Real Estate Appraiser RZ 1604



Connie L. Jennings, MAI, Senior Appraiser

State-Certified General Real Estate Appraiser RZ 2053

EXECUTIVE SUMMARY

Location

The subject study area consists of a specified area in the Eden Park - Esperanza neighborhood in northeast Immokalee.

Site Description

The subject site has not yet been determined.

Qualified Census Tract (QCT): No (12021011301 and 12021011302)

Difficult to Develop Area (DDA): No (Naples-Marco Island MSA)

Improvement Analysis

Based on the data from the comparables and due to the large average household size in the area, we recommend that the subject offer three- and four-bedroom units. Three-bedroom homes should have 1,050 to 1,300 square feet of living area, while four-bedrooms are recommended to have 1,150 to 1,400 square feet. At least one garage is recommended. Single family detached product would be optimal (or necessary based on zoning), but Faith Landing and Liberty Landing's duplexes were well-accepted. Lot sizes of 50' to 60' are recommended. The homes should be concrete block or wood frame construction with painted stucco exterior and shingle roofs, which is consistent with other moderately- priced new product. Interior finishes should be average quality, including laminate counters and laminate or fair quality wood cabinetry. Carpet and vinyl flooring are also recommended. Regarding unit features, in order to maintain affordability we suggest that the subject include dishwasher, stove, refrigerator, ceiling fan connections, and washer/dryer hookups. Although some of the sales and listings analyzed are within subdivisions with homeowner's associations and some community amenities, this is not typical of affordable development and is not recommended for the subject.

Regional Analysis

The subject property is located in Collier County within the Naples-Fort Myers-Punta Gorda Metropolitan Statistical Area. The MSA had a total population of about 1,195,098 in 2015; it is expected to increase by 7.60% between 2015 and 2020. The unemployment rate in the MSA was 5.3% as of February 2015, which is slightly lower than the statewide rate of 5.5% and the national rate of 5.8%. Unemployment rates have been generally decreasing in all of the counties within the MSA since 2010; the current employment rates in all of the counties in the MSA are close to the pre-recession levels. Multi-family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2012, with 2014 levels about the same as 2007 levels. Single family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2009, with 2014 levels slightly better than 2008 levels.

Neighborhood Analysis

The subject neighborhood is a predominantly agricultural area located northeast of Naples. The area is moderate income, with about 56% of the occupations being in the service and farm industries. The population is projected to grow over the next five years, as are the median and average household incomes, both of which are well below the county. Most housing consists of moderately priced single family homes and mobile homes. Habitat for Humanity has a significant presence in the area. Apartment housing is limited to small projects operating under a variety of programs such as the Housing Credit, HOME, Rural Development, Tax-Exempt Bond and HUD programs. Several of the Housing Credit properties in the Immokalee area have tenant requirements that stipulate some or all of their units are set-aside for farmworkers, although this requirement has been temporarily waived or reduced in most of these communities.

Single family Housing Market Overview

Collier County is widely known as an affluent area, which is applicable to the coastal areas; Immokalee has a rural influence. Only about 12% of the owner-occupied housing units in the county are valued below \$100,000; within the subject's three-mile ring, this figure is about 60%. The median housing value in the county is \$279,664, compared to \$80,040 for the 1.2-mile ring. Another stark contrast is the fact that the dominant

housing type in the county is single family detached, while in the 1.2-mile ring it is mobile homes. As a result, countywide data has little relevance to the subject area. The newest single family subdivision in the Immokalee area is Arrowhead Reserve, which has an inventory of about 349 vacant lots. Current listings for three-bedroom/two bath/two car garage and four-bedroom/two bath/two car garage homes are \$159,900 and \$169,900. Habitat for Humanity is very active in the area. Its most recent development is Faith Landing, which will consist of 164 duplexes (three-bedroom/two bath/no garage) and three single family homes (four-bedroom/two bath/no garage); recent sales range from \$110,000 to \$120,000.

Definition of Primary Market Area

The Primary Market Area (PMA) is defined as a 10-mile ring centered on the subject property. The area determination is based on data gathered in the Small Area Data (SAD) Case Study that can be found on the FHFC website. The study indicated that most affordable family projects receive about 2/3 to 3/4 of their tenants from within ten miles.

Demographic/Supply and Demand Analysis

Demographic analysis indicates a surplus of owner-occupied units only in the 0% to 60% AMI band. The households earning 60.1% to 120% AMI are underserved in this market; these households could afford homes in the \$147,300 to \$294,000 range. Future supply is expected to increase, with a total of 164 duplex units and three single family homes offered by Habitat for Humanity in Faith Landing; about 42 of these are already occupied. Also, Arrowhead Reserve has about 349 vacant developed lots; current listings for new homes start at \$159,900 (three-bedroom/two bath/two car garage) and \$169,900 (four-bedroom/two bath/two car garage); these prices are within the 60.1% to 80% AMI income band. Moderate income renters are also considered potential buyers for affordable homes. Again, the largest number of renter households are in the lowest band (1,666 households, or 76.6% of the total), earning less than 60% of the AMI. The households in the upper bands, earning between 60.1% and 120% of the AMI, would be the most likely purchasers of affordable homes; there are a total of 391 such households, and there is a shortage of rental units for these households, which may lead them to seek home ownership. A Capture Rate analysis of 50 assumed units indicates a relatively low penetration of 7.2% of households earning 60% to 120% of the AMI in the subject's 1.2-mile ring, with additional demand expected from household growth over the next five years, estimated at 16 households annually.

Recommended Product Pricing

Assuming development of homes that target the underserved portion of the market, we estimate a sale price range of \$130,000 to \$160,000.

Conclusion and Recommendations Regarding Amenities, Lot Sizes, Unit Features, Unit Sizes and Unit Mix

Detailed above.

Absorption Rate

We estimate absorption for the subject of two units per month.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following **general assumptions**:

1. The legal description used in this report is assumed to be correct.
2. The appraisers have made no survey of the property and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information and data furnished by others is usually assumed to be true, correct and reliable. When such information and data appears to be dubious and when it is critical to the appraisal, a reasonable effort has been made to verify all such information; however, the appraiser assumes no responsibility for its accuracy.
5. All mortgages, liens, encumbrances, leases and servitude have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures rendering it more or less valuable. No responsibility is assumed for such conditions or for engineering that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements will be within the boundaries or property lines or the property described and that there will be no encroachments or trespass unless noted within the report.
11. The dates of value to which the opinions in this report apply are reported herein. The appraiser assumes no responsibility for economic or physical factors occurring at some later dates that may affect the opinions stated herein.
12. Unless otherwise stated in the report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The reader is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following **general limiting conditions**:

1. The appraisers will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made thereof.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

2. Possession of the report, or copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for the land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. No environmental impact studies were requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraisers. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraisers.
6. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.

This report has been made with the following **Extraordinary Assumptions and Limiting Conditions**:

None

DEFINITION OF IMPORTANT TERMS

Highest and Best Use¹

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Fee Simple Estate²

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Leased Fee Estate³

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Leasehold Estate⁴

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

Cost-Burden (CB) is the percent of income spent on housing which includes rent plus utilities. A common CB target for affordable housing is 30%.

Level of Effort (LOE) is Supply divided by Demand. If the supply of affordable housing within a defined geographic area is equal to 500 and the potential demand within that same defined geographic area equals 2,000, then the Level of Effort is $500/2,000$ or 25%. Level of Effort defines how much of the potential demand has already been satisfied.

Capture Rate (CR) is just the individual subject units divided by Demand. If the subject contains 100 units and the potential demand is 2,000 then the Capture Rate is $100/2,000$ or 5%. Capture Rate helps to define the size of the subject relative to the size of the market.

Remaining Potential Demand (RPD) is equal to Demand minus Supply. If the potential demand is 2,000 and the supply is 500 then the RPD is 2,000 minus 500 or 1,500. RPD helps to define how deep the remaining market is.

Growth of Income-Qualified Renter Households (Δ IQRH). Potential demand currently is 2,000; however, five years from now the potential demand will grow to 2,500, indicating growth of 500 over the five-year period or an annual growth of potential demand of 100.

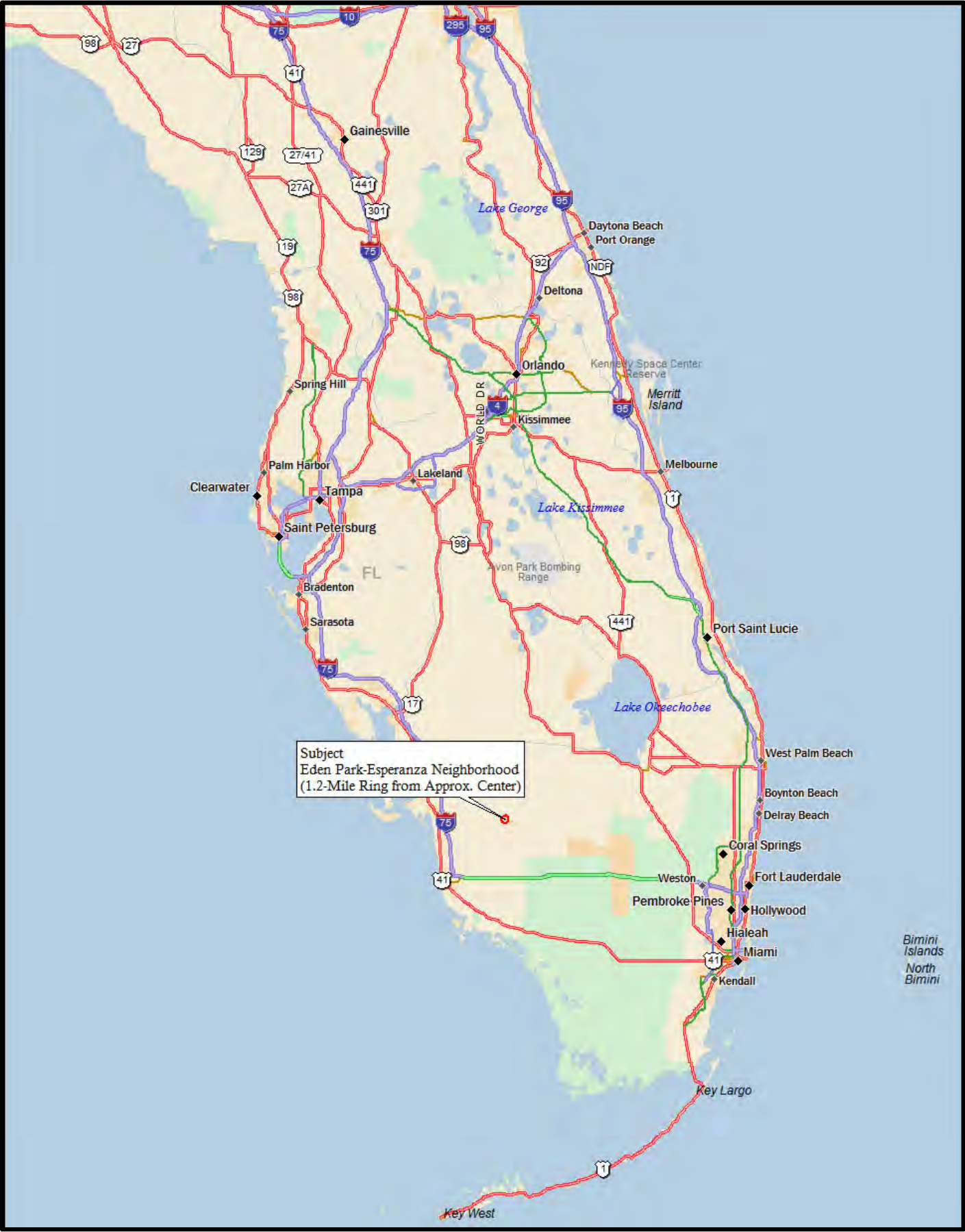
Definition Sources

¹ The Appraisal of Real Estate, Appraisal Institute, 14th Edition, 2013, Pages 333

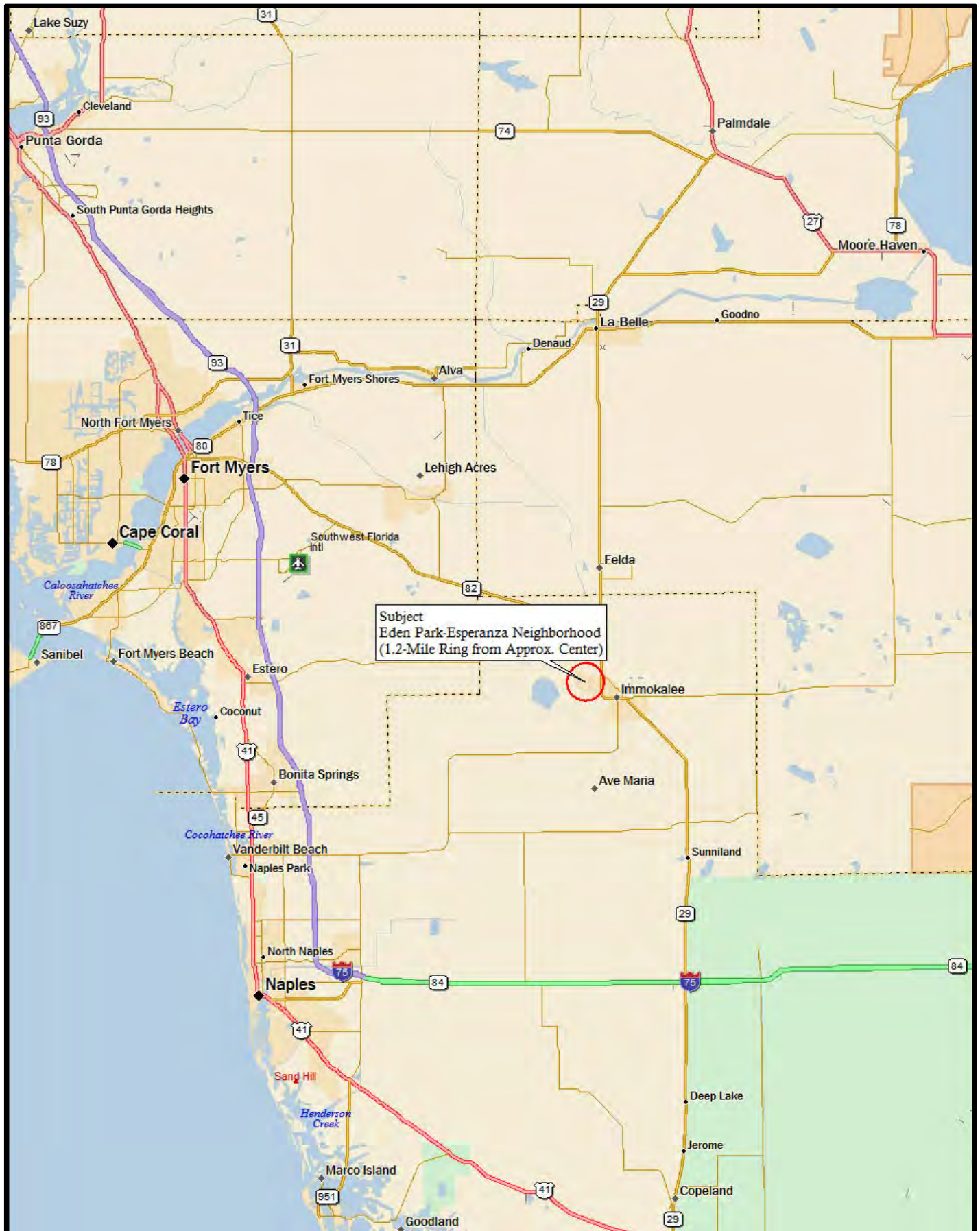
² The Dictionary of Real Estate Appraisal, Appraisal Institute, 5th Edition, 2010, Page 78

³ The Dictionary of Real Estate Appraisal, Appraisal Institute, 4th Edition, 2002, Page 161. The Dictionary's 5th Edition definition of leased fee interest (Page 111) is "A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a landlord-tenant relationship (i.e. a lease)." While both are accurate, we consider the Dictionary's 4th Edition definition to be more descriptive and easily understood.

STATE LOCATION MAP



LOCATION MAP



AERIAL MAP



[illegible]

SUBJECT PHOTOGRAPHS



VIEW NORTH ALONG NORTH 15TH STREET IN
NORTHERN PORTION OF SUBJECT STUDY
AREA



VIEW SOUTH ALONG NORTH 15TH STREET



FSU COLLEGE OF MEDICINE IN N. PORTION
OF SUBJECT AREA



VIEW ALONG WESTCLOY ROAD



HATCHER'S PRESERVE SUBDIVISION



JUBILATION ENTRANCE

SUBJECT PHOTOGRAPHS



TYPICAL MULTI-FAMILY IN JUBILATION



ARROWHEAD RESERVE SUBDIVISION



FAITH LANDING STREET SCENE



IMMOKALEE DRIVE STREET SCENE



OLD DOWNTOWN IMMOKALEE STREET
SCENE (SOUTH OF SUBJECT AREA)



ONE OF MANY MOBILE HOME AREAS

SUBJECT PHOTOGRAPHS



GARDEN LAKE - RENT-ASSISTED
APARTMENTS



OLDER APARTMENTS



CRESTVIEW - NEWEST HOUSING CREDIT
APARTMENTS



TIMBER RIDGE SINGLE FAMILY HOUSING
CREDIT DEVELOPMENT

SUBJECT PROPERTY DATA

Type

We have assumed that the Eden Park - Esperanza Neighborhood Single family will consist of 50 units.

Location

The subject study area consists of a specified area in the Eden Park - Esperanza neighborhood in northeast Immokalee.

Legal Description

Not applicable.

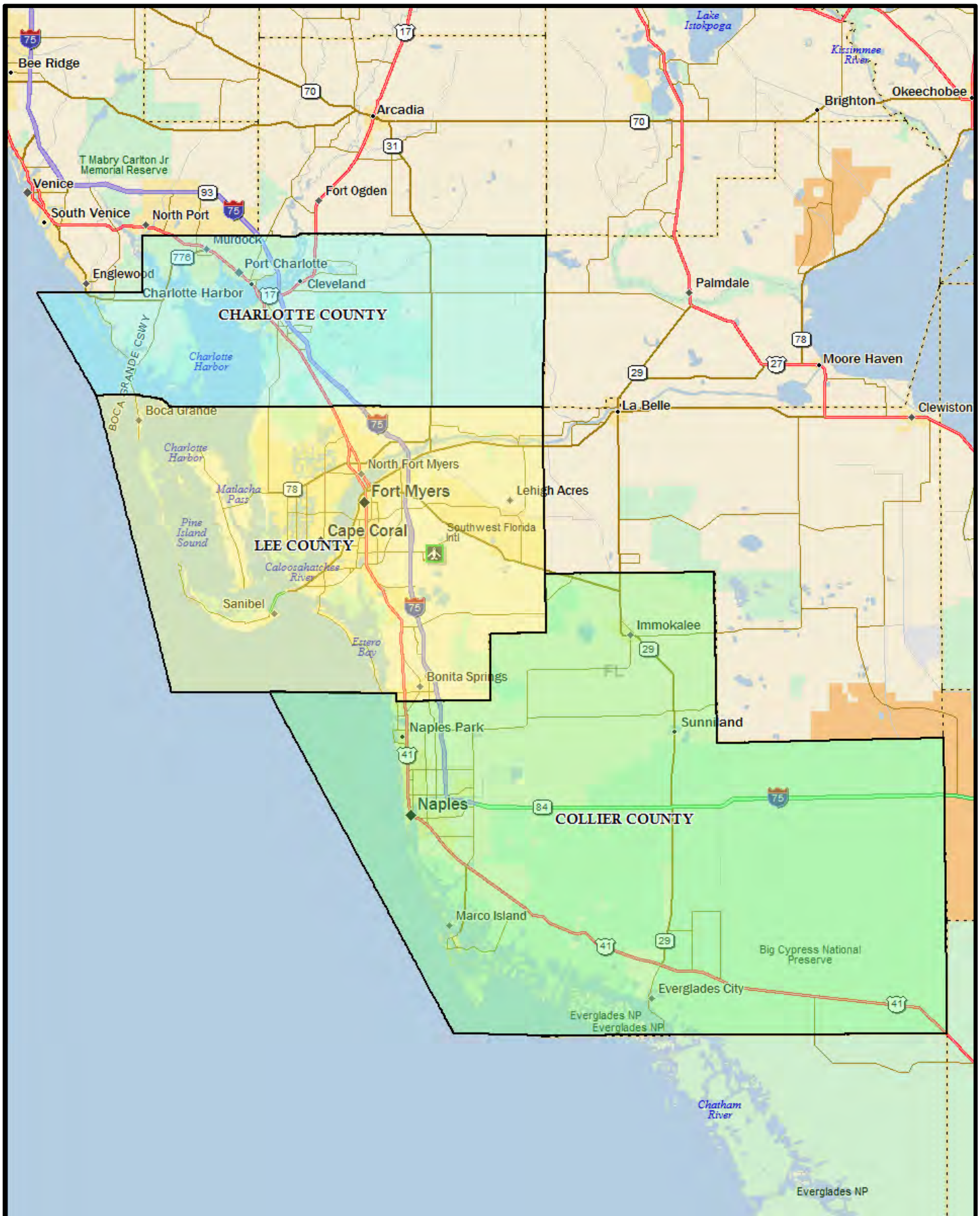
Ownership and Three-Year History of Subject

The subject study area covers approximately 4.5 square miles, with properties under many different ownerships.

Flood Zone

The defined study area covers multiple flood panels.

REGIONAL MAP



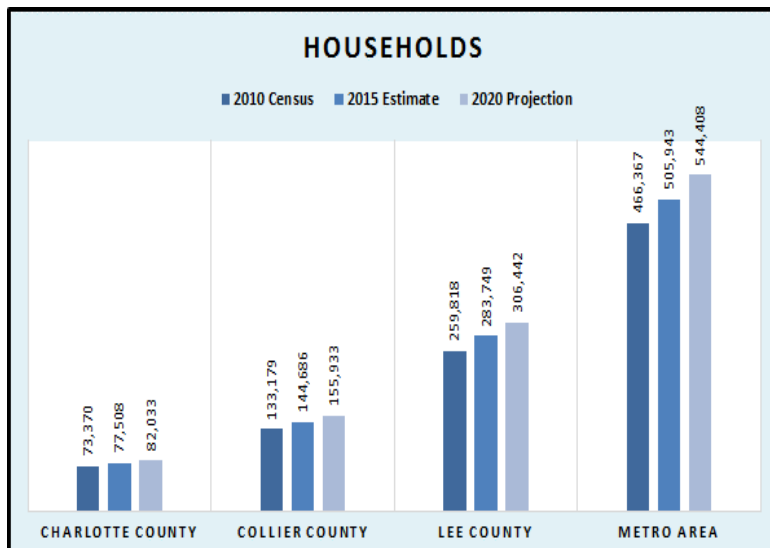
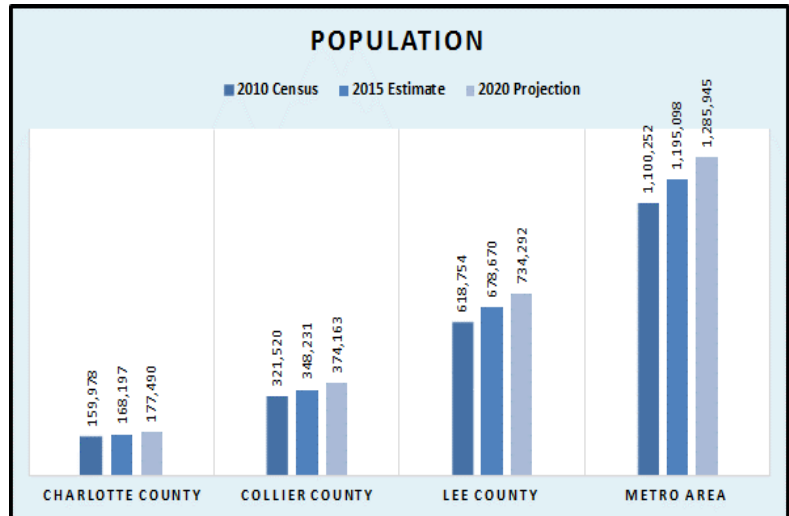
NAPLES-FORT MYERS-PUNTA GORDA REGIONAL OVERVIEW

The subject property is located in Collier County within the Naples-Fort Myers-Punta Gorda Metropolitan Statistical Area. For purposes of our discussions, the Naples-Fort Myers-Punta Gorda MSA is comprised of the Cape Coral-Fort Myers CBSA, the Naples-Immokalee-Marco Island CBSA and the Punta Gorda CBSA, as defined by the US Census Bureau. Lee County was created in 1887 and was named after famous Confederate General Robert E. Lee. Charlotte County was created in 1921 and was named after the Bay of Charlotte Harbor. Collier County was created from Lee County in 1923 and was named after Barron Collier, a New York City advertising mogul. These three counties encompass about 4,377 square miles, of which 854 square miles are water (19.5%) and 3,523 square miles are land area (80.5%). Lee County encompasses 1,212 total square miles with 408 square miles of water (33.7%); Collier County encompasses 2,305 square miles with 280 square miles of water (12.1%); and Charlotte County encompasses 860 square miles with 166 square miles of water (19.3%).

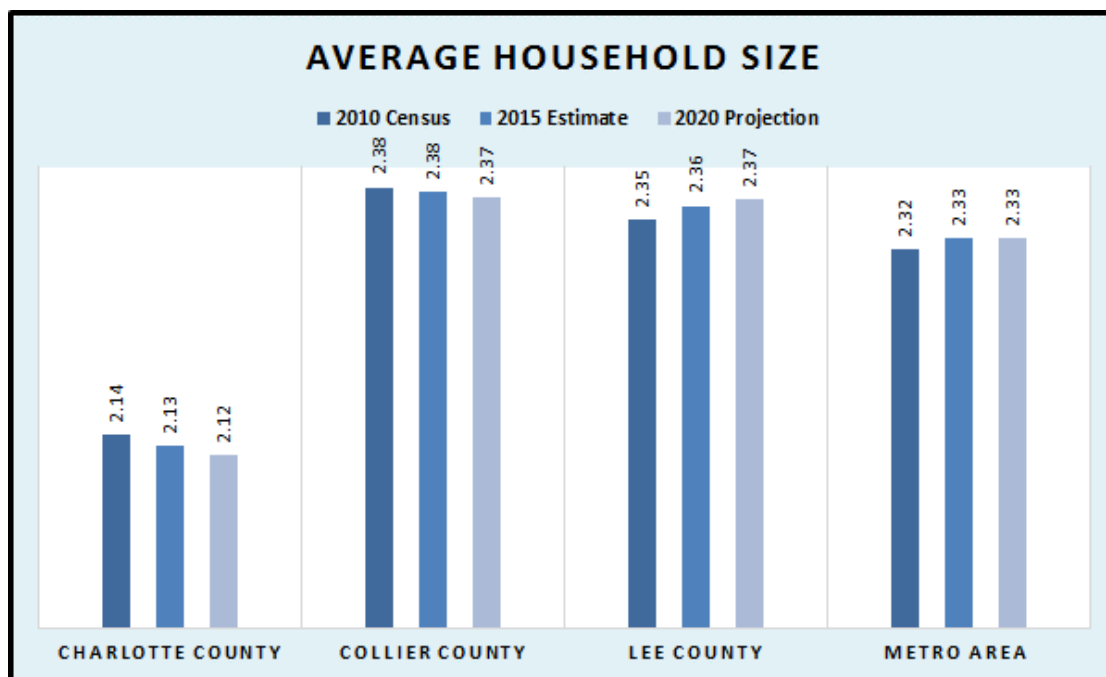
DEMOGRAPHICS

The Naples-Fort Myers-Punta Gorda MSA has a total population of 1,195,098 and grew 8.62% over the last five years. It is expected to reach 1,285,945 people by 2020 which is an anticipated increase of 7.60% over this five year period. Collier County comprises about 29% of the population of the MSA; its population is expected to grow by 7.45% over the next five years.

The Naples-Fort Myers-Punta Gorda MSA has a total of 505,943 households and grew 8.49% over the last five years. It is expected to reach 544,408 households by 2020 which is an anticipated increase of 7.60% over this five year period. Collier County comprises 29% of the total households.

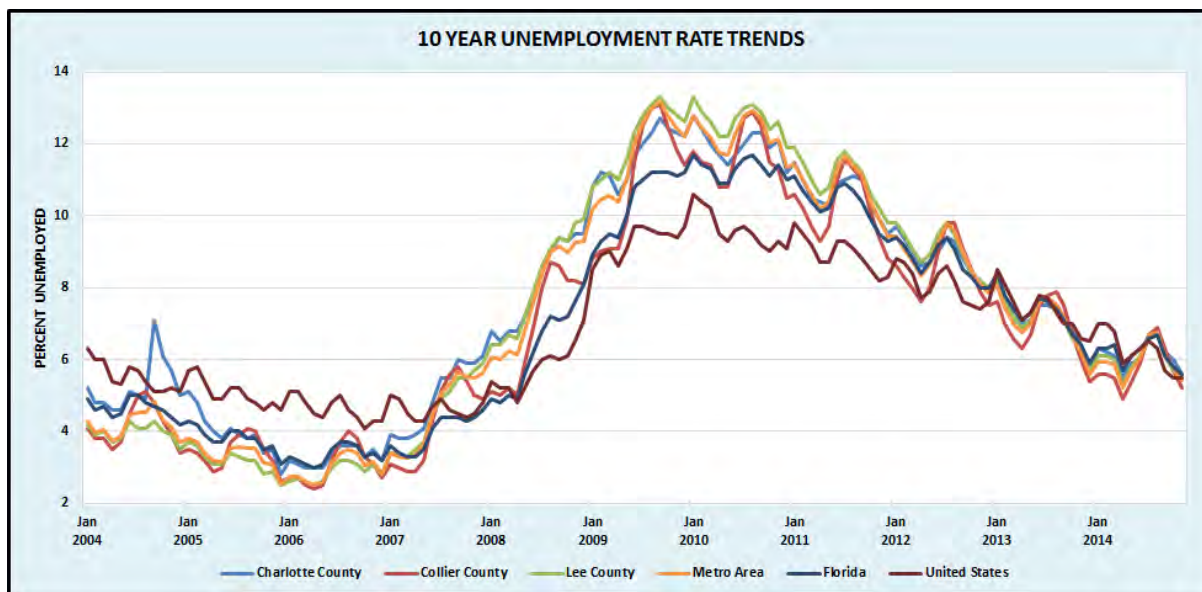


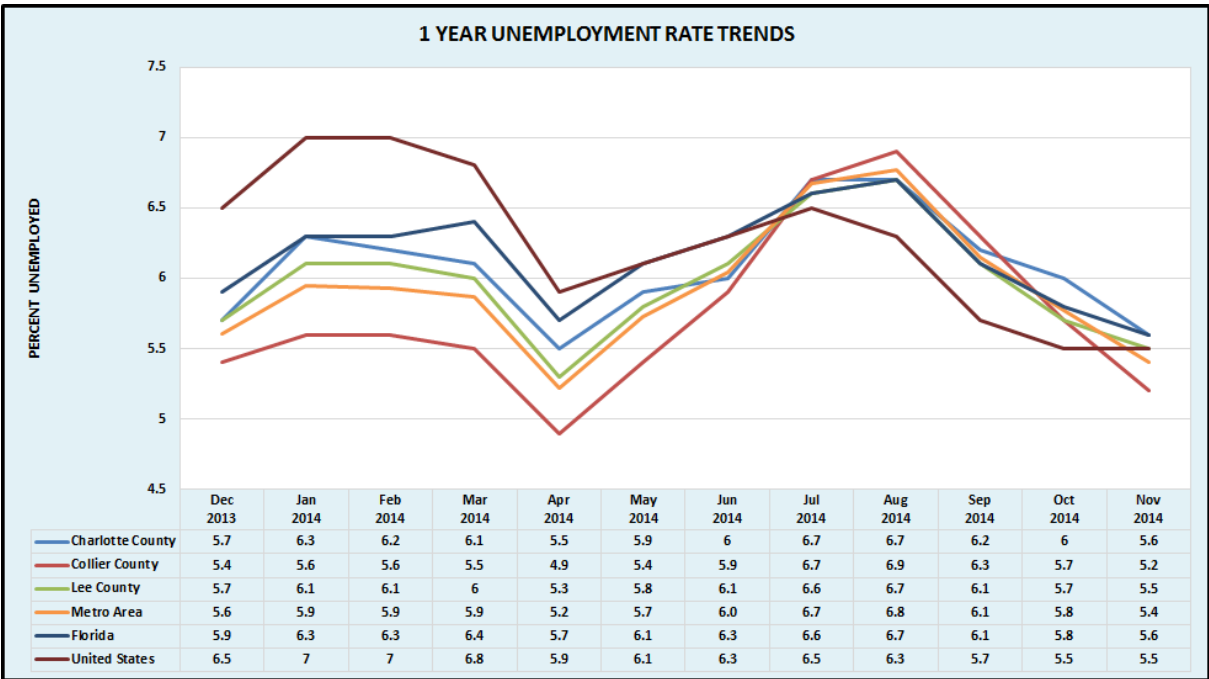
The Naples-Fort Myers-Punta Gorda MSA has an average household size of 2.33 people and grew 0.22% over the last five years from 2.32 people in 2010. The metro area average household size is expected to increase 0.07% to 2.33 persons per household over the next five years in the MSA, compared to the state (0.08%) and the nation (-0.14%).



EMPLOYMENT

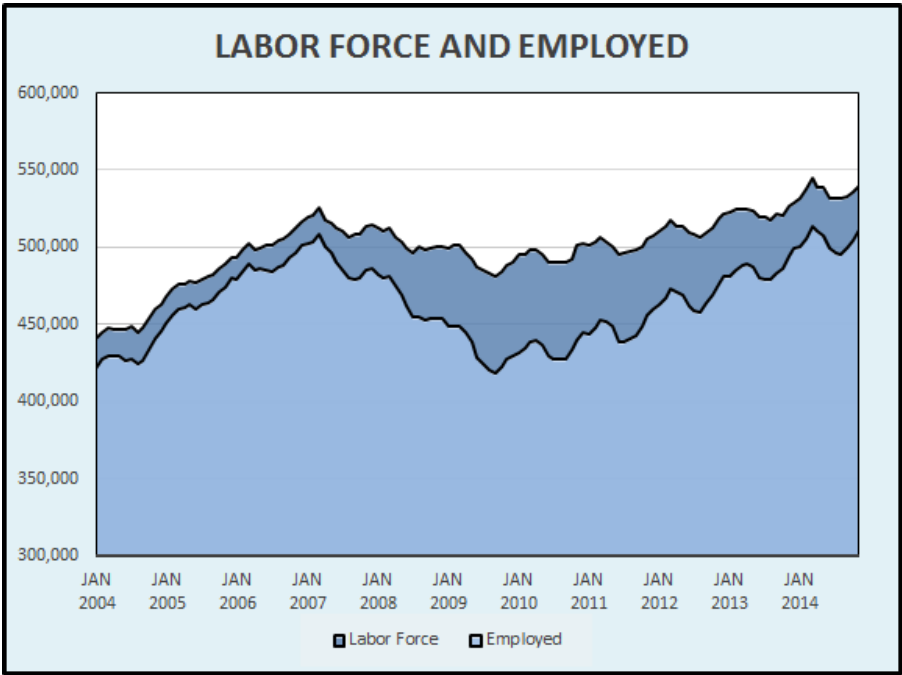
The unemployment rate for the Naples-Fort Myers-Punta Gorda metro area as of February 2015 was 5.3%. The statewide unemployment rate is 5.5%, while the national unemployment rate is 5.8%. The tables below summarize unemployment rate trends. The current employment rates in all of the counties in the MSA are close to the pre-recession levels.





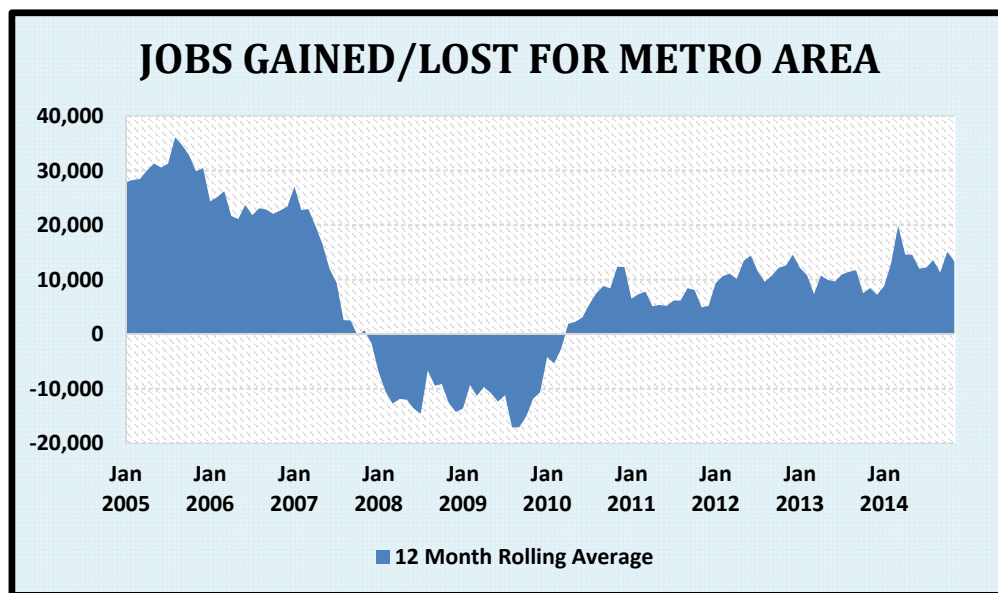
As illustrated by the graphics above and below, employment had generally kept pace with population (labor force) growth from January 2004 to April 2007, gradually bringing the unemployment rate down to around 3%. Concurrent with the nationwide Great Recession commencing 4Q2007, however, the local unemployment rate rapidly increased to 9.3% by the end of 2008; it reached a 10 year high of 13.2% in September 2009 and was 12.2% by year-end 2009. The unemployment rate has since been gradually declining: to 11.4% by the end of 2010; 9.4% by the end of 2011; 7.8% by the end of 2012; 5.6% by the end of 2013 and 5.0% by year-end 2014.

The following table compares the total labor force (the darker blue background) and employment/total number of employed people (light blue area in foreground).



The U.S. Bureau of Labor Statistics shows that the Naples-Fort Myers-Punta Gorda MSA employment had grown from 421,631 jobs (1/2004) to 508,315 jobs (3/2007), for an average of 27,374 new jobs per year over

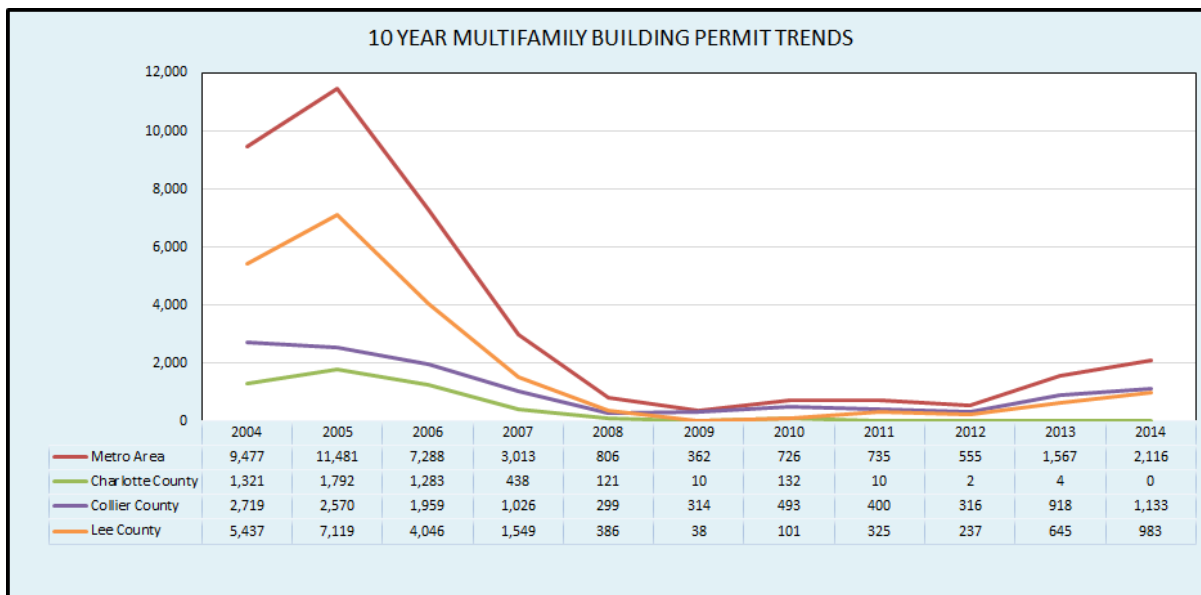
the three plus year period. During the following two and one half years, from March 2007 to September 2009, almost 88,000 jobs were lost. It then took about four and one half years (to March 2014) to recover the number of jobs lost during the recession. Year-over-year job growth for the past 10 years has averaged 13,785 jobs annually. Comparing the February 2015 labor force reflects 10,914 more jobs than February 2014.



BUILDING PERMITS

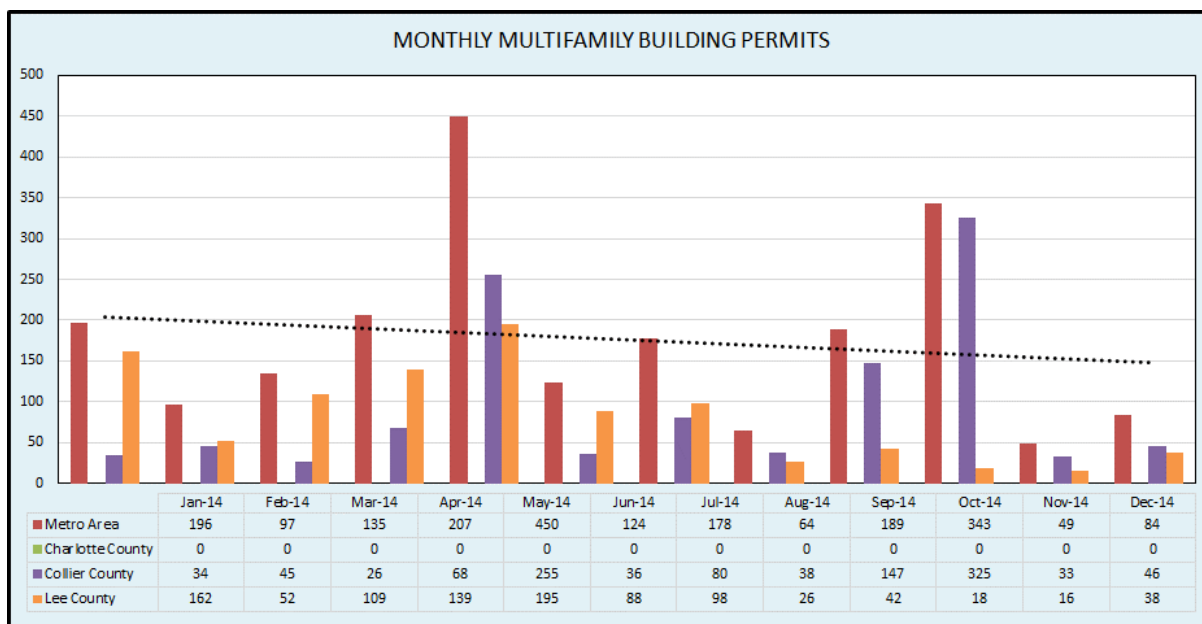
Multi-family Permits

The table below summarizes multi-family building permits issued by county for the Naples-Fort Myers-Punta Gorda MSA for the last 10 years. Multi-family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2009 with 2014 levels somewhere between 2007 and 2008 levels.



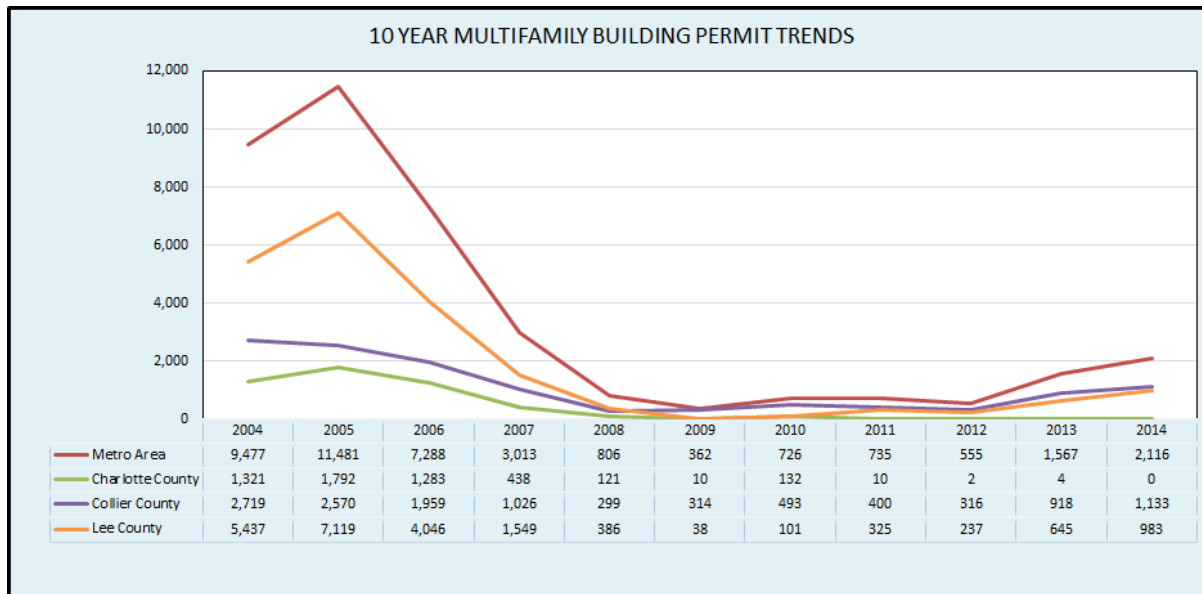
The following table summarizes multi-family building permits pulled for the Naples-Fort Myers-Punta Gorda metro area and for each county over the last 12 months. Note the trend line in black showing a downward trend for the metro area in terms of multi-family building permits over the last 12 months. Lee County multi-family permits pulled have been on the decline over the last 12 months and Lee County has the second highest total

for the metro area.

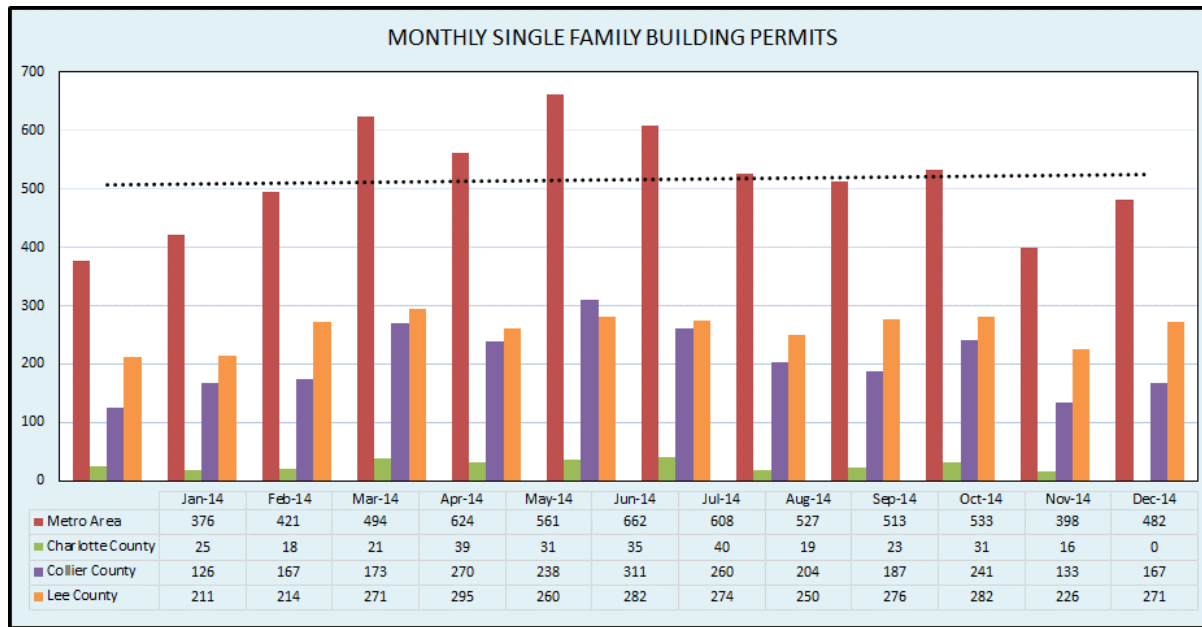


Single Family Permits

The table below summarizes single family building permits issued by county for the Naples-Fort Myers-Punta Gorda MSA for the last 10 years. Single family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2009 with 2014 levels in between 2007 and 2008 levels.



The following table summarizes single family building permits pulled for the Naples-Fort Myers-Punta Gorda metro area and for each county over the last 12 months. Note the trend line in black showing a very slight upward trend for the metro area in terms of single family building permits over the last 12 months. Lee County had the largest number of single family permits pulled in the metro area as of December 2014 and they have been on a slight upward trend.



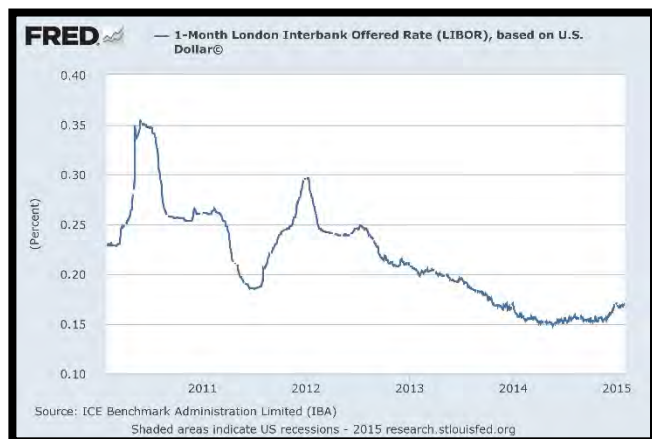
FINANCIAL INDICES

The tables on the following page summarize trends in certain national tracked financial indices which tend to impact real estate and real estate investments. Many commercial lending institutions look at LIBOR and 10 Year Treasury Constant Maturity Rate returns in their underwriting. CPI trends can be important for commercial properties and lease structures. The 15 year and 30 year fixed rate mortgage rates have significant impact on residential development. And the health of the stock market also has significant impact on investments of all types. All of these factors can influence real estate investors, owners and lenders.

The current 15 year fixed mortgage rate is 2.93%; the 30 year fixed mortgage rate is 3.77%; LIBOR is 0.17975%; the current 10 Year Treasury Constant is 2.04%; Current CPI is -0.07223% lower than the rate one year ago; and the Dow Jones Industrial Average is currently at 17,903.



NAPLES-FORT MYERS-PUNTA GORDA REGIONAL OVERVIEW (CONT'D)



TRANSPORTATION

Major transportation arterials serving the Naples-Fort Myers-Punta Gorda MSA include Interstate 75, U.S. Highway 41, State Road 80 and State Road 29. These four roadways connect the Naples-Fort Myers-Punta Gorda MSA to other portions of Florida. The Naples-Fort Myers-Punta Gorda MSA is also served by one international airport, the Southwest Florida International Airport in Lee County, and one municipal airport, the Naples Municipal Airport in Collier County.

Interstate 75 is the major interstate highway that runs north/south through the metro area starting northwest of Miami, running into the Naples area and then turning northward and continuing through Georgia, Tennessee, Kentucky, Ohio and into Michigan eventually ending in Sault Sainte Marie at the Canadian border. There are several construction projects within the Metro Area including two projects in Collier County, one in Charlotte County, and seven in Lee County. The first project in Collier County is a rest area expansion on mile marker 63. This will increase the restroom facilities from 30 to 44 and will also build a public safety center, which will decrease the response time of emergency vehicles. It is expected to cost \$8.8 million and is scheduled to be complete August 2014. The interchange at Interstate 75 and State Road 951 was recently improved by widening the ramp shoulders and resurfacing the interchange ramps. Charlotte County finished a project in April 2013 that widened Interstate 75 from the Tuckers Grade interchange to south of the North Jones Loop interchange at a cost of \$12.2 million.

Lee County completed construction on the Interstate 75 and Bonita Beach Road interchange in February 2011. This project added additional turn lanes. A new direct connection to the Southwest Florida International Airport was created at a cost of \$54.1 million and is currently open to traffic. This will directly connect Interstate 75 and the International Airport in an effort to reduce traffic around the area. Interstate 75 was also expanded to six lanes from south of Colonial Boulevard to Lockett Road in the north. This was completed in September 2011 for a total cost of \$9.7 million. Construction was finished in August 2014 on widening Interstate 75 to six lanes from Lockett Road north to State Road 80 at a cost of \$29.2 million. The bridge over the Calooshatchee

River is also being expanded to six lanes. This will cost \$72 million and is scheduled to be complete in fall 2015. Interstate 75 was recently expanded to six lanes from State Road 78 to the Charlotte/Lee County line and this was completed in October 2014 at a cost of \$17.3 million.

U.S. Highway 41 is a north/south highway that runs 2,000 miles from Miami to the upper peninsula of Michigan. It runs roughly parallel to Interstate 75 from Naples to Chattanooga, Tennessee and was the originally north/south highway before the Interstate was developed. Construction is currently ongoing in Charlotte County making the highway six lanes from Enterprise Drive to the Sarasota/Charlotte County line. This approximately 3.6 mile stretch is scheduled to be completed in spring 2017 at a cost of \$31 million. Collier County is also widening the highway from State Road 951 to Greenway Road from two lanes to a minimum of four. This project is projected to be complete in December 2016 at a cost of \$38 million.

State Route 80 is a 123.5 mile highway linking U.S. Highway 41 in Fort Myers with State Road A1A in Palm Beach County. This is one of three roads to link the southeastern portion of Florida with the southwest portion of Florida. The Florida Department of Transportation considers State Route 80 a priority thoroughfare as it connects Lee, Hendry and Palm Beach Counties and is the only other east/west arterial connecting the two coasts beside Interstate 75 and U.S. Highway 41 which run through the Everglades National Park. The current construction projects are located within Hendry and Palm Beach exclusively and include widening of the road to four lanes in congested areas and repaving sections of the road that have not been improved for more than 20 years.

State Route 29 is a state highway linking State Route 80 with Interstate 75 and U.S. Highway 41 to the south. This road connects the city of LaBelle in Hendry County with the Immokalee area of Collier County and it continues southward to Everglades City. It is a two lane undivided roadway that it the only other north/south arterial in southwestern Florida, east of Interstate 75.

Southwest Florida International Airport (KRSW) is a 15,600 acre facility with one 12,000 foot grooved asphalt runway capable of handling any type of aircraft. A new 798,000 square foot, two story terminal building was completed in September of 2005 at a cost of \$438,000,000. This facility has expansion potential for up to 65 aircraft gates and two additional concourses. There is on-site parking for about 2,500 vehicles at the facility and shuttled parking for 9,800 vehicles and employee parking for 1,300 vehicles. KRSW has approximately 130 daily flights with 35 daily non-stop flights to US destinations and two non-stop International destinations. The facility has 28 total gates and serves domestic and international passengers as well as domestic and international cargo and mail services. There are currently four passenger and charter carriers and one cargo carrier operating out of the Southwest Florida International Airport. The airport creates more than 64,800 direct and indirect jobs for the local economy and has an economic impact in excess of \$3.6 billion dollars annually. Total passenger counts for 2014 were 7,970,493 people with 2013 passenger counts of about 7,637,801, an increase of 4.2%. Total freight handled for 2014 was 33,469,950 pounds with 2013 numbers showing 32,156,880 tons, an increase of 4%.

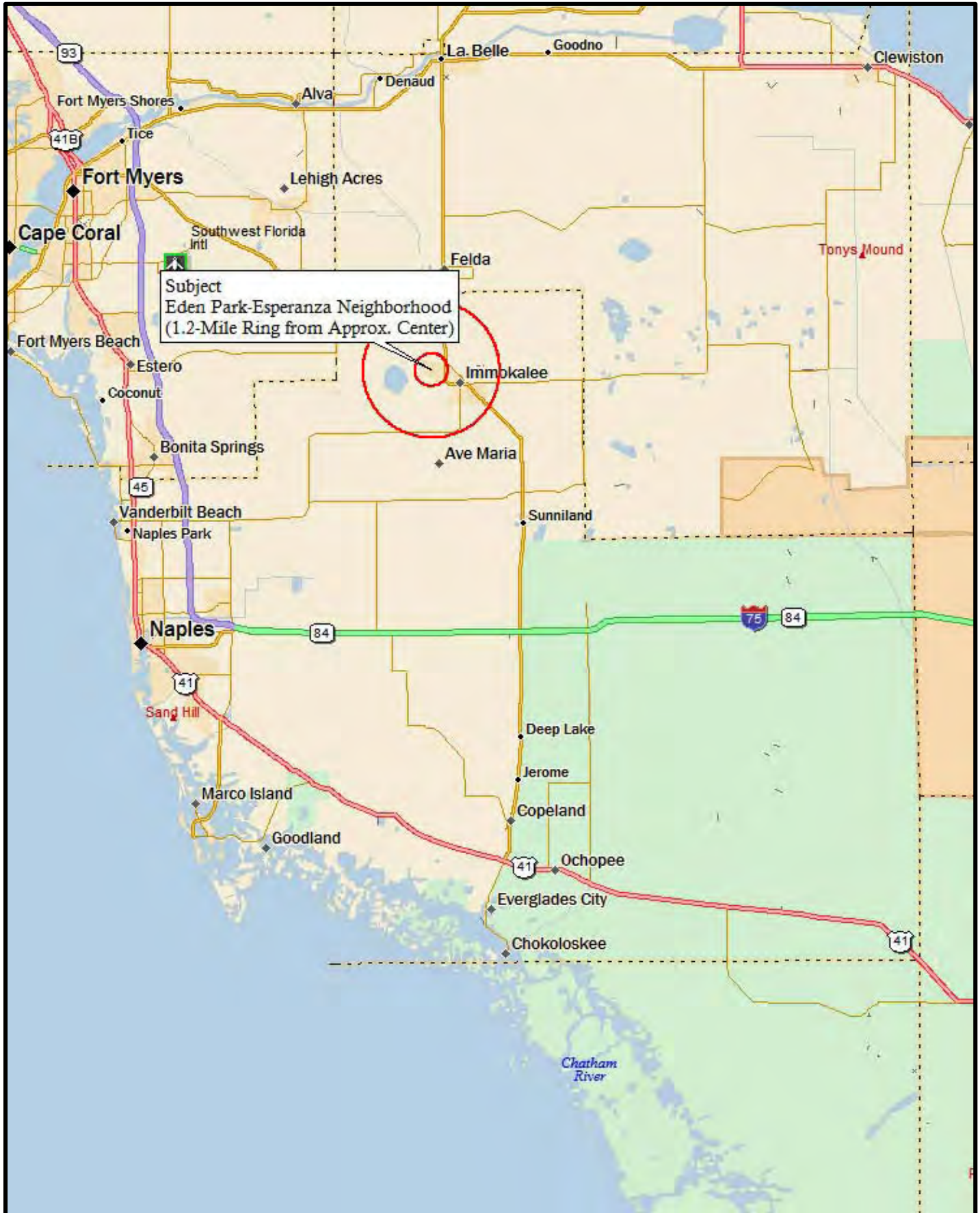
Naples Municipal Airport is a 732 acre facility (670 acres leased from the City of Naples on a 99 year ground lease and 92 acres owned outright) serving the Naples-Fort Myers metro area. The facility has one air carrier terminal totaling 21,190 square feet of area with five gates and parking for about 540 vehicles and a general aviation terminal having 11,650 square feet of area under roof. The facility has three main runways, a 5,290 foot grooved asphalt runway, a 5,000 foot grooved asphalt runway and a 1,850 foot grass runway. The airport handles about 54,015 passengers per year and more than 226,000 tons of cargo per year. The airport creates 51 direct jobs and about 800 indirect jobs and creates more than \$20,000,000 in annual revenue.

Conclusion

The subject property is located in Collier County within the Naples-Fort Myers-Punta Gorda Metropolitan Statistical Area. The MSA had a total population of about 1,195,098 in 2015; it is expected to increase by 7.60% between 2015 and 2020. The unemployment rate in the MSA was 5.3% as of February 2015, which is slightly lower than the statewide rate of 5.5% and the national rate of 5.8%. Unemployment rates have been generally decreasing in all of the counties within the MSA since 2010; the current employment rates in all of

the counties in the MSA are close to the pre-recession levels. Multi-family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2012, with 2014 levels about the same as 2007 levels. Single family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2009, with 2014 levels slightly better than 2008 levels.

SINGLE FAMILY HOUSING MARKET OVERVIEW MAP WITH COLLIER COUNTY
AND 1.2- AND FIVE-MILE RINGS



SINGLE FAMILY HOUSING OVERVIEW

Most of the housing in the single family and multi-family components of the market caters to low to middle income households. There are many rental properties in the neighborhood, particularly manufacturing housing catering to farmworkers, most of which are rented on a seasonal basis. Since almost all of the apartment projects in the Immokalee area have maximum income restrictions, households seeking rental housing at market rates without maximum income restrictions must choose from single family homes, duplexes and mobile homes.

Housing Characteristics

The following discussion is based on data from Claritas iXPRESS, showing the distribution of housing types in the county, contrasted with the subject's 1.2-mile ring.

There are 209,060 housing units in Collier County; the housing stock in the 1.2-mile ring is only 1.6% of the total in the county. In the county, the majority of homes (72.19%) are owner-occupied, compared to only 45.04% in the 1.2-mile ring. The largest proportion of housing units in the county is one-unit, detached (40.87%); in contrast, the predominant housing type in the subject's 1.2-mile ring is mobile homes (40.32%).

	Collier County, FL		1.2 Mile Ring	
2015 Est. Housing Units by Units in Structure	209,060		3,365	
1 Unit Attached	11,521	5.51%	87	2.58%
1 Unit Detached	85,447	40.87%	1,170	34.78%
2 Units	5,938	2.84%	139	4.13%
3 or 4 Units	15,656	7.49%	195	5.80%
5 to 19 Units	42,065	20.12%	336	9.97%
20 to 49 Units	18,912	9.05%	34	1.00%
50 or More Units	17,309	8.28%	48	1.43%
Mobile Home or Trailer	11,952	5.72%	1,357	40.32%
Boat, RV, Van, etc.	260	0.12%	0	0.00%
Dominant structure type	1 Unit Detached		Mobile Home or Trailer	

Collier County is widely known as an affluent area, which is applicable to the coastal areas; Immokalee has a rural influence. Only about 12% of the owner-occupied housing units in the county are valued below \$100,000; within the subject's three-mile ring, this figure is about 60%. The median housing value in the county is \$279,664, compared to \$80,040 for the 1.2-mile ring.

	Collier County, FL		1.2 Mile Ring	
2015 Est. Owner Occupied Housing Units by Value	104,443		1,356	
Value Less than \$20,000	1,388	1.33%	119	8.74%
Value \$20,000 to \$39,999	1,626	1.56%	98	7.24%
Value \$40,000 to \$59,999	1,487	1.42%	222	16.40%
Value \$60,000 to \$79,999	3,061	2.93%	239	17.60%
Value \$80,000 to \$99,999	4,703	4.50%	136	10.06%
Value \$100,000 to \$149,999	12,566	12.03%	222	16.36%
Value \$150,000 to \$199,999	13,294	12.73%	175	12.87%
Value \$200,000 to \$299,999	17,695	16.94%	86	6.35%
Value \$300,000 to \$399,999	12,264	11.74%	30	2.22%
Value \$400,000 to \$499,999	9,488	9.08%	10	0.72%
Value \$500,000 to \$749,999	10,988	10.52%	6	0.48%
Value \$750,000 to \$999,999	6,246	5.98%	11	0.81%
Value \$1,000,000 or more	9,637	9.23%	2	0.14%
2015 Est. Median All Owner-Occupied Housing Unit Value	\$279,664		\$80,040	

SINGLE FAMILY HOUSING OVERVIEW (CONT'D)

Most of the housing stock in both areas have been built since 1970 (about 85% in the county and 77% in the 1.2-mile ring). About 30% of the housing in the county has been built since 2000, compared to about 37% in the 1.2-mile ring.

	Collier County, FL		1.2 Mile Ring	
2015 Est. Housing Units by Year Structure Built	209,060		3,365	
Housing Units Built 2010 or later	12,547	6.00%	320	9.51%
Housing Units Built 2000 to 2009	50,334	24.08%	926	27.51%
Housing Units Built 1990 to 1999	62,520	29.91%	829	24.64%
Housing Units Built 1980 to 1989	51,798	24.78%	499	14.84%
Housing Units Built 1970 to 1979	22,156	10.60%	600	17.83%
Housing Units Built 1960 to 1969	6,613	3.16%	116	3.43%
Housing Units Built 1950 to 1959	2,214	1.06%	35	1.04%
Housing Units Built 1940 to 1949	369	0.18%	3	0.09%
Housing Units Built 1939 or Earlier	509	0.24%	37	1.09%
2015 Est. Median Year Structure Built**	1993		1995	
Dominant Year Structure Built	1990 to 1999		2000 to 2009	

Collier County Market Overview

For the county-level analysis, we also considered recent market reports by Zillow and Florida Realtors.

According to the April 2015 Zillow Market Overview for the Naples Metropolitan area (Collier County), the current average home *value* is \$297,100, compared to the national average of \$178,400. The monthly change in home values is +0.7%, with an annual change of +11.4%, outpacing the nation at +0.2% and +3%, respectively. Zillow forecasts an increase in home values of 3% over the next 12 months in Collier County, compared to 2% for the nation.

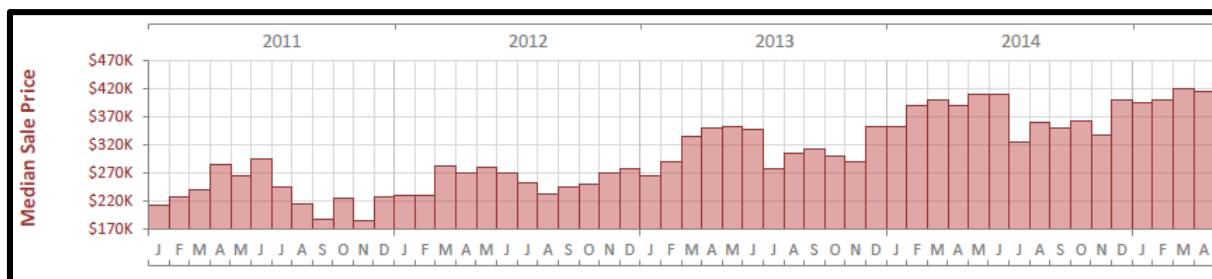
Zillow indicates a median *sale price* in Collier County in April 2015 of \$291,100 (\$182 per square foot), which is 1.7% higher than the previous month and 9.8% higher than last year.

Florida Realtors indicates a median sale price of \$415,000, or 6.4% higher than the April 2014 amount of \$390,000; the range of monthly median sale prices over the last year was \$325,000 to \$419,000.

SINGLE FAMILY HOUSING OVERVIEW (CONT'D)

Month	Median Sale Price	Percent Change Year-over-Year
April 2015	\$415,000	6.4%
March 2015	\$419,500	4.9%
February 2015	\$400,000	2.6%
January 2015	\$395,000	12.4%
December 2014	\$398,750	13.3%
November 2014	\$338,000	16.6%
October 2014	\$361,250	20.0%
September 2014	\$350,000	12.0%
August 2014	\$359,000	17.7%
July 2014	\$325,000	17.1%
June 2014	\$410,000	17.9%
May 2014	\$410,000	16.2%
April 2014	\$390,000	11.1%

The trend since 2011 has been a general increase in median sale prices.



The average sale price was much higher at \$716,211, due to the affluent nature of the western portion of the county.

Most sales in the county were between \$150,000 to \$599,000. There were more sales at \$600,000 or higher (185) than less than \$200,000 (64).

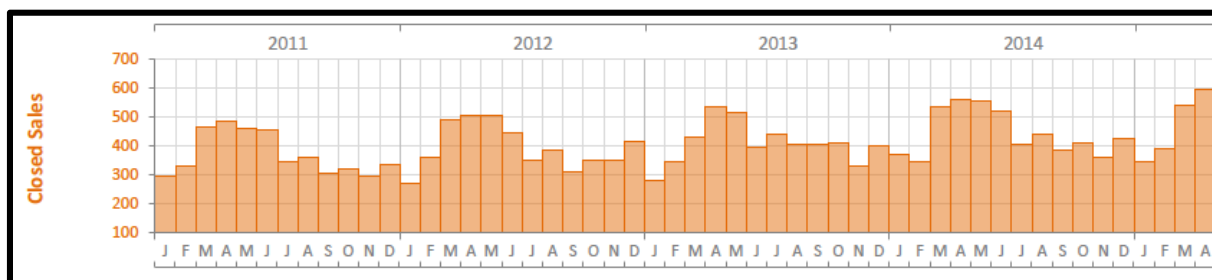
Sale Price	Closed Sales	Percent Change Year-over-Year
Less than \$50,000	2	0.0%
\$50,000 - \$99,999	3	-57.1%
\$100,000 - \$149,999	14	-53.3%
\$150,000 - \$199,999	45	-25.0%
\$200,000 - \$249,999	60	5.3%
\$250,000 - \$299,999	62	34.8%
\$300,000 - \$399,999	103	27.2%
\$400,000 - \$599,999	118	5.4%
\$600,000 - \$999,999	89	36.9%
\$1,000,000 or more	96	-2.0%

SINGLE FAMILY HOUSING OVERVIEW (CONT'D)

In terms of market activity, Florida Realtor indicates that the number of monthly closings between April 2014 and 2015 ranged from 345 to 592.

Month	Closed Sales	Percent Change Year-over-Year
April 2015	592	6.1%
March 2015	538	0.6%
February 2015	391	13.7%
January 2015	345	-6.3%
December 2014	424	6.5%
November 2014	361	9.1%
October 2014	408	0.2%
September 2014	383	-4.7%
August 2014	438	8.1%
July 2014	406	-7.9%
June 2014	519	31.7%
May 2014	556	8.4%
April 2014	558	4.5%

The number of closed sales tends to vary throughout the year, but recent levels have been higher than previously.



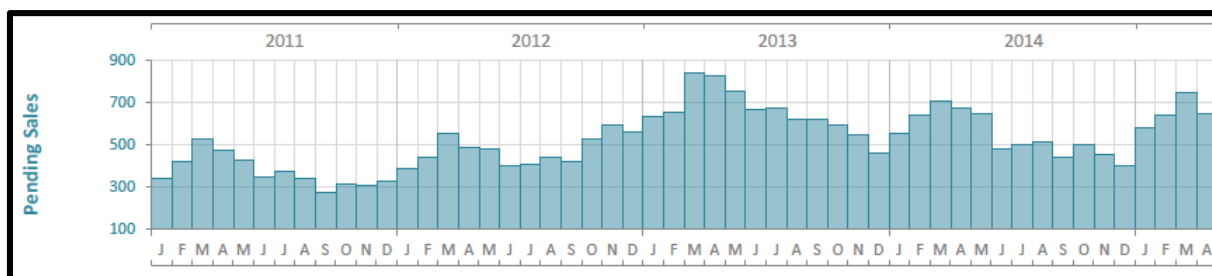
Of the total closings over the past year, about 47% to 57% were cash sales, which typically indicates sales to investors.

The number of new pending sales in the last year range from 403 to 744 per month, which suggests that closings will continue to be strong, although this indication is subject to changing financial conditions and the inventory of distressed properties for sale.

SINGLE FAMILY HOUSING OVERVIEW (CONT'D)

Month	New Pending Sales	Percent Change Year-over-Year
April 2015	649	-4.0%
March 2015	744	5.1%
February 2015	640	0.0%
January 2015	581	4.9%
December 2014	403	-12.8%
November 2014	452	-17.8%
October 2014	499	-16.1%
September 2014	442	-28.6%
August 2014	514	-16.8%
July 2014	503	-25.6%
June 2014	480	-27.8%
May 2014	643	-14.8%
April 2014	676	-18.3%

The longer-term trend for pending sales closely tracks closed sales.

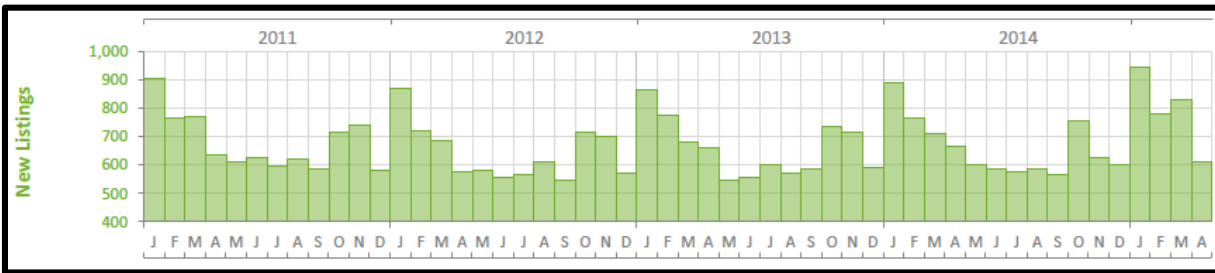


The number of new listings has ranged from 565 to 945 per month between April 2014 and April 2015. In a recovering market, this is typically a sign that sellers perceive increasing values, making it beneficial to put properties on the market.

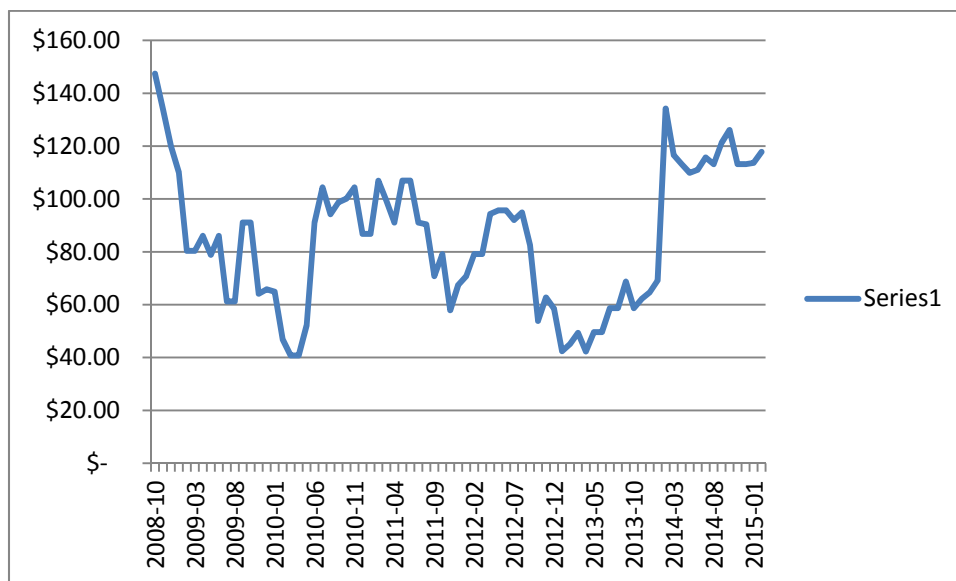
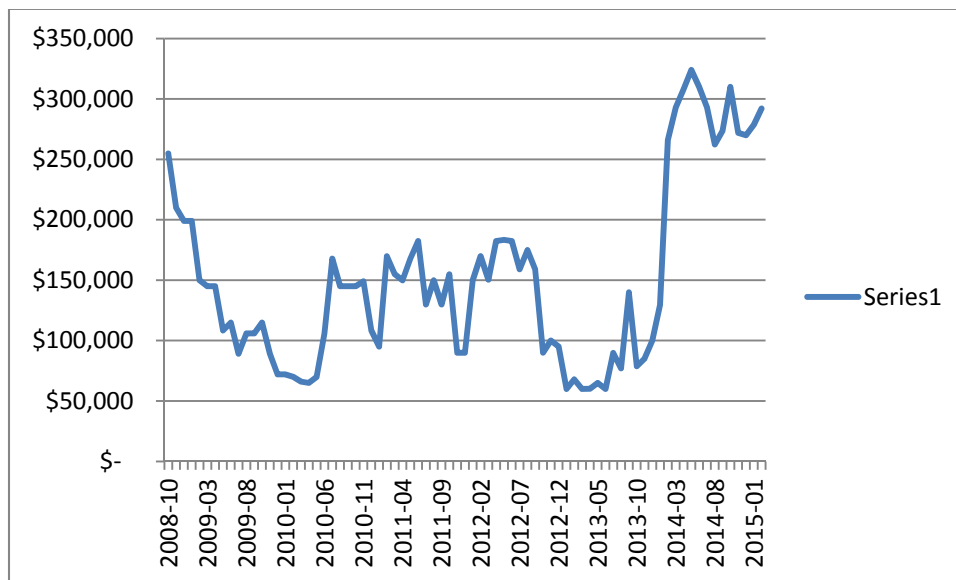
Month	New Listings	Percent Change Year-over-Year
April 2015	610	-8.4%
March 2015	831	16.7%
February 2015	782	1.8%
January 2015	945	6.3%
December 2014	604	2.0%
November 2014	627	-12.3%
October 2014	758	2.7%
September 2014	565	-3.9%
August 2014	587	2.4%
July 2014	576	-4.5%
June 2014	585	4.8%
May 2014	601	10.1%
April 2014	666	0.5%

The number of new listings in recent months has been consistently higher than in the same months in previous years.

SINGLE FAMILY HOUSING OVERVIEW (CONT'D)



Zillow indicates the following trend in median list prices for Collier County. As of February 2015, the median list price was \$292,062, or \$117.85 per square foot. Median list prices had been trending upward, but spiked in 2013 and have since hovered around \$300,000.



Again, due to the affluent nature of properties in the western portion of the county, most of the current inventory is priced above \$400,000.

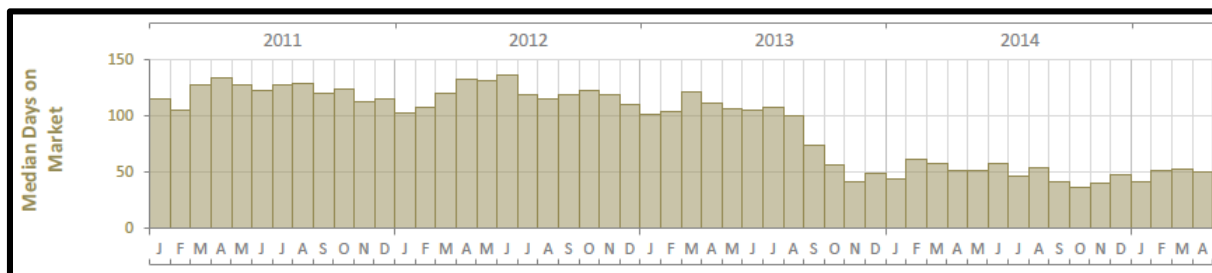
SINGLE FAMILY HOUSING OVERVIEW (CONT'D)

Current Listing Price	Inventory	Percent Change Year-over-Year
Less than \$50,000	3	50.0%
\$50,000 - \$99,999	5	-72.2%
\$100,000 - \$149,999	25	-60.9%
\$150,000 - \$199,999	62	-56.9%
\$200,000 - \$249,999	103	-22.6%
\$250,000 - \$299,999	173	2.4%
\$300,000 - \$399,999	361	3.4%
\$400,000 - \$599,999	662	27.6%
\$600,000 - \$999,999	591	12.4%
\$1,000,000 or more	1,013	15.2%

Florida Realtor indicates that the number of days on the market have ranged from 37 to 58 in each month of the past year.

Month	Median Days on Market	Percent Change Year-over-Year
April 2015	50	-2.0%
March 2015	53	-8.6%
February 2015	51	-16.4%
January 2015	42	-4.5%
December 2014	48	-2.0%
November 2014	40	-4.8%
October 2014	37	-35.1%
September 2014	42	-43.2%
August 2014	54	-46.0%
July 2014	46	-57.0%
June 2014	58	-44.8%
May 2014	51	-51.9%
April 2014	51	-54.1%

The long-term trend clearly shows that properties now stay on the market for less time than they did in 2011-2013.

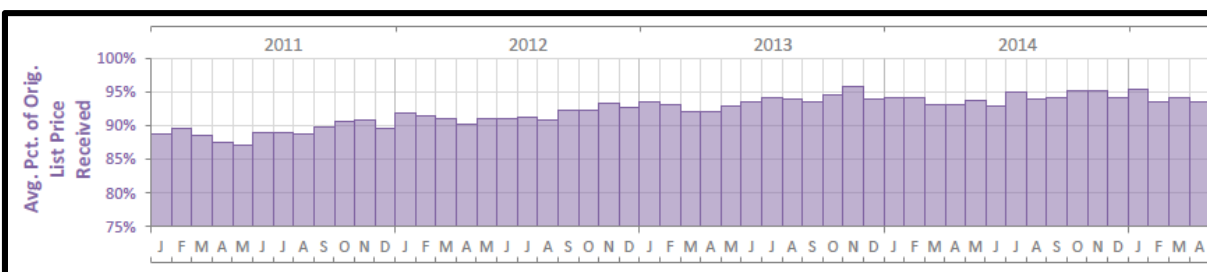


The ratio of the sale price to original list price has been in the mid-90% range in recent months.

SINGLE FAMILY HOUSING OVERVIEW (CONT'D)

Month	Avg. Pct. of Orig. List Price Received	Percent Change Year-over-Year
April 2015	93.6%	0.4%
March 2015	94.3%	1.2%
February 2015	93.6%	-0.6%
January 2015	95.4%	1.4%
December 2014	94.2%	0.2%
November 2014	95.2%	-0.6%
October 2014	95.2%	0.6%
September 2014	94.3%	0.7%
August 2014	94.0%	0.0%
July 2014	95.0%	0.7%
June 2014	93.0%	-0.5%
May 2014	93.9%	1.0%
April 2014	93.2%	1.1%

This ratio increased from 2011 to 2013, but has mostly leveled.

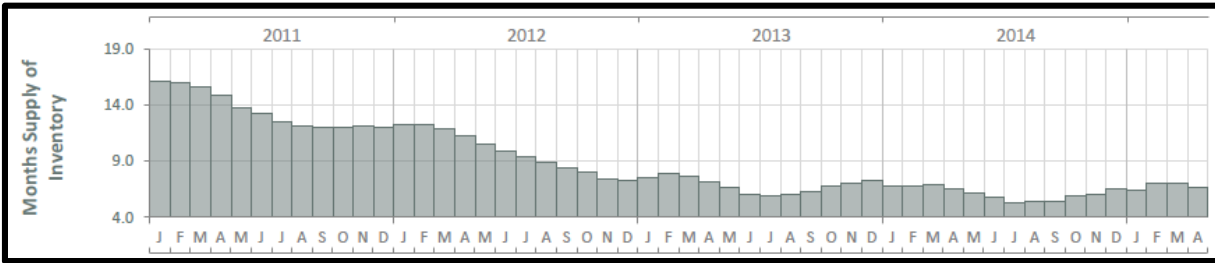


There is currently about a seven-month supply of available housing, based on available inventory and recent sale rates. The benchmark for a balanced market is 5.5 months, so the recent indications favor buyers.

Month	Months Supply	Percent Change Year-over-Year
April 2015	6.7	1.7%
March 2015	7.0	1.4%
February 2015	7.0	2.6%
January 2015	6.5	-5.7%
December 2014	6.5	-10.4%
November 2014	6.1	-14.0%
October 2014	5.9	-12.5%
September 2014	5.4	-13.8%
August 2014	5.4	-9.5%
July 2014	5.4	-9.1%
June 2014	5.8	-5.6%
May 2014	6.1	-7.5%
April 2014	6.6	-7.4%

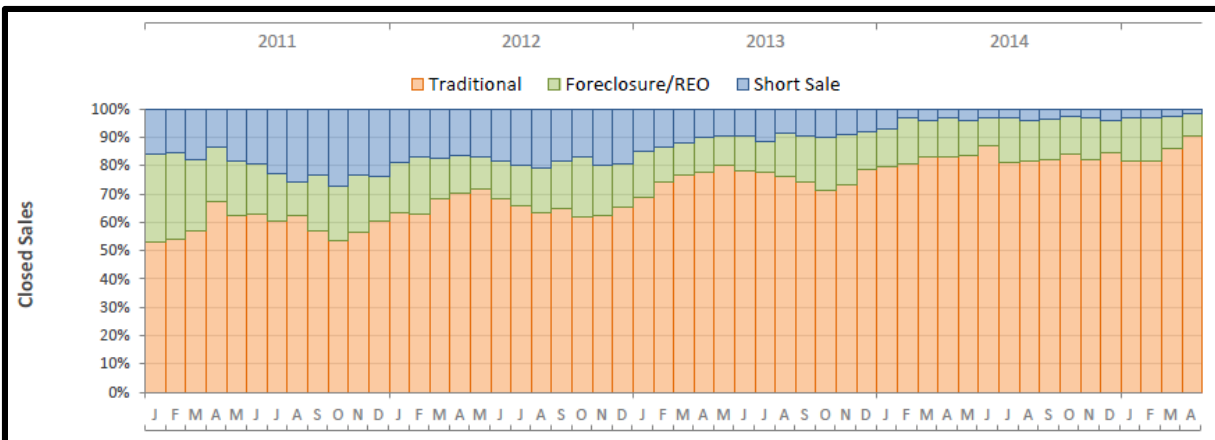
The inventory had been steadily declining from 2011 to 2013, but has since leveled.

SINGLE FAMILY HOUSING OVERVIEW (CONT'D)



Statistics for the distressed market indicates that the market segment affected is generally the lower-priced homes, and that the number of short sales and foreclosure are constituting less of total sales.

		April 2015	April 2014	Percent Change Year-over-Year
Traditional	Closed Sales	537	463	16.0%
	Median Sale Price	\$430,000	\$438,000	-1.8%
Foreclosure/REO	Closed Sales	47	79	-40.5%
	Median Sale Price	\$219,000	\$199,900	9.6%
Short Sale	Closed Sales	8	16	-50.0%
	Median Sale Price	\$222,000	\$235,000	-5.5%



Two recent announcements could affect the supply and demand dynamics in the county, particularly the eastern portion.

Collier County now has a SHIP Owner-Occupied Rehabilitation Program, which would “lend” qualified owners (with incomes at or below 80% AMI) up to \$30,000 for rehabilitation or repair work. The rehabilitation items are to address health or safety issues and may include: new roof, electrical, plumbing, foundation, windows, doors, septic, and flooring (if there is a mold/mildew or structural issue associated with it); the funding may not be used to update finishes. A promissory note would be secured by a second mortgage payable

SINGLE FAMILY HOUSING OVERVIEW (CONT'D)

to the county when the home is sold, refinanced, or the homestead exemption is lost. Mobile homes do not qualify for this program, and homes must be assessed at \$300,000 or less, following the rehabilitation. Mandy Moody with the Collier County Community and Housing Services Department indicates that they are still accepting applications for the program, as there is still funding available, but would not disclose the total amount of funding to the program. She indicated that most applicants have been households with incomes near 80% AMI, with some applicants in the 30% to 50% AMI range.

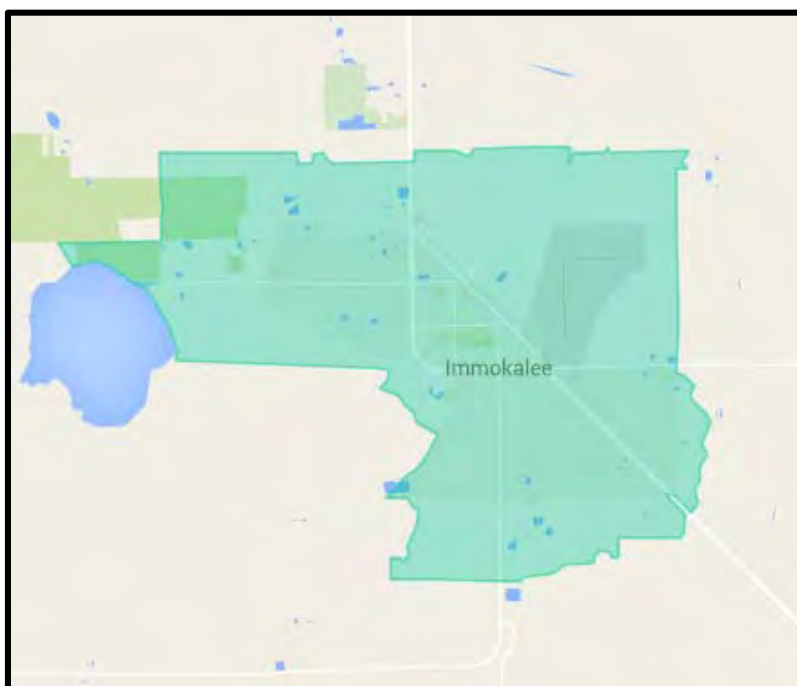
Also, a huge future project in eastern Collier County may impact development in Immokalee. Collier Enterprises announced in June 2015 that it plans to move forward with a major residential and commercial development southwest of Immokalee in the area formerly known as the town of Big Cypress, a 4,000-acre property. The initial phase will include 4,000 homes, and a 150,000-square foot town center, with the first homes available in 2018. Additional commercial development will include office, manufacturing, retail, dining, recreation, entertainment, healthcare, schools, civic and cultural facilities. At build-out, the community will have 10,000 homes and 1.9 million square feet of commercial space. It will be geared toward sustainability and environmental awareness.



Immokalee Market Overview

For the Immokalee area as depicted below, Realtor.com indicates the following data as of May 2015.

SINGLE FAMILY HOUSING OVERVIEW (CONT'D)



		For Sale: 46	New: 1
\$211,276	\$74,137	Recently Sold: 93	Reduced: 8
Average Home Price	Average Sold Price	Property Records: 4,258	Foreclosed: N/A

The following chart compares Immokalee's market characteristics to the state and the nation. It indicates that the average sale price is less than the average home price. The sale rate is about 2% of all homes have sold within the last six months.

	Immokalee	Florida	United States
Average Home Price	\$211,276	\$209,644	\$205,124
Average Home Price/sqft	\$116	\$117	\$114
% New Listings	2%	11%	10%
% Reduced Listings	17%	37%	30%
% Foreclosed Listings	N/A	4%	1%
% of All Homes For Sale	1%	3%	3%
% of All Homes Recently Sold (last 6 months)	2%	3%	1%
Average Sale Price	\$74,137	\$253,574	\$301,107
Average Sale Price/sqft	\$61	\$149	\$159

Zillow indicates a current average home value for Immokalee of \$121,000 (compared to \$297,100 for the county), down 2.3% since the previous month but up 12.3% for the year. The current average home *price* for Immokalee of \$121,000 (compared to \$297,100 for the county), down 2.3% since the previous month but up 12.3% for the year.

SINGLE FAMILY HOUSING OVERVIEW (CONT'D)

Comparisons of the Immokalee area to Collier County overall indicates that Immokalee is a distinct, lower-income segment of the county's market.

Florida Realtors indicates the following sales activity in April 2015 for the subject's 34142 zip code.

Single Family Homes, Townhouses, and Condos		Single Family Homes Only		Townhouses and Condos Only		Manufactured Homes	
Closed Sales	Median Sale Price	Closed Sales	Median Sale Price	Closed Sales	Median Sale Price	Closed Sales	Median Sale Price
13	\$280,000	12	\$280,128	1	\$280,000	0	(No Sales)

The following summarizes the inventory of active single family subdivisions within the subject's 1.2-mile ring. There are only three such projects, and there has been very little activity in any.

Subdivision Name		Status										Ann.
Price Range	Lot Size		1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	Rates/Inv.
Arrowhead Reserve/SF \$175-\$249k	52'-65'	Act 1Q06	Starts	0	0	0	0	0	0	0	0	0
			Closings	0	0	1	0	0	0	0	0	0
			Housing Inv	1	1	0	0	0	0	0	0	0.0
			VDL Inv	349	349	349	349	349	349	349	349	n/a
Arrowhead Reserve/Tr \$85-\$85k	0'	Act 3Q07	Starts	0	0	0	0	0	0	0	0	0
			Closings	0	0	0	0	0	0	0	0	0
			Housing Inv	0	0	0	0	0	0	0	0	0.0
			VDL Inv	40	40	40	40	40	40	40	40	n/a
Hatchers Preserve \$0-\$0	60'	Act 3Q12	Starts	0	0	0	0	0	0	0	0	0
			Closings	0	0	0	0	0	0	0	0	0
			Housing Inv	0	0	0	0	0	0	0	0	0.0
			VDL Inv	18	18	18	18	18	18	18	18	n/a
			Starts	0	0	0	0	0	0	0	0	0
Totals			Closings	0	0	1	0	0	0	0	0	0
			Housing Inv	1	1	0	0	0	0	0	0	0.0
			VDL Inv	407	407	407	407	407	407	407	407	n/a

Arrowhead Reserve is located on Lake Trafford Road just west of Carson Road. This 307 acre PUD is one of the largest housing communities in Collier County. It is planned for 436 single family units, 809 multi-family units, and 130,680 square feet of commercial space. The three multi-family parcels include Tract 1, designated for condominium development, Tract 2, developed with 304 apartments (Crestview Park I and II), and Tract 3, 28.14 acres designated for up to 317 units. The table above indicates 349 vacant developed single family lots, which is a significant inventory in this shallow market area. In March 2014, 232 vacant lots were sold to Arrowhead 229 LLC for \$625,000, or \$2,694 per lot. There have been 18 home sales since January 2013, ranging from \$67,900 to \$130,000. Two spec homes are currently listed for sale (pre-construction): three-bedroom/two bath/two car garage with 1,375 square feet at \$159,900 and a four-bedroom/two bath/two car garage model with 1,473 square feet for \$169,900. The concrete block homes will include microwave, washer/dryer hookups, range, refrigerator, single-hung windows, carpet and vinyl flooring, shingle roof, and central HVAC.

Hatcher's Preserve may be developed with rental homes.

Habitat for Humanity is active in the Immokalee area. Although potential buyers are required to contribute 500 hours of sweat equity and a \$1,000 down payment, Habitat supplies the mortgage, at 0% interest. The organization targets households below 60% AMI, but will go up to 80% AMI.

The most recent Habitat development is **Faith Landing**, which is planned for 164 duplexes and three single family homes. The duplexes are similar to sister property Liberty Landing, three-bedroom/two bath with 1,064 square feet, with no garage; sales have been at \$110,000 to \$114,900. The three single family homes will be four-bedroom/two bath with no garages, containing 1,400 square feet of living area for \$118,000 to \$120,000. The homes are wood frame and include washer/dryer, dishwasher (some), refrigerator, stove and ceiling fans. The first 50 units are complete and 42 are occupied. Sales of 25 to 35 units per year are anticipated by Habitat.

Faith Landing follows the development of 28 acre **Liberty Landing**, with 150 duplexes ("attached villa model") built at a cost of \$19,255,000 (\$128,367 per unit, including land). It is the first of Habitat's neighborhoods to bear the cost of Florida panther mitigation, which adds \$5,000 to the cost of each home. It is adjacent to another Habitat development, Independence. Each duplex is a three-bedroom/two bath/one garage on a 35.5' lot. Units have 1,064 square feet of living area and include a one-car garage and open front porch. Sales began in January 2008, with the most recent in March 2015, indicating an average absorption rate of about two units per month. The most recent history indicates were nine closings in 2013, eleven in 2014, and two in 2015. Sale prices generally ranged from \$109,900 to \$135,000, or \$103.28 to \$126.88 per square foot.

Other existing Habitat developments include Hope Circle, Carson Lakes, and Independence.

Hope Circle consists of 28 homes built on land donated by the Collier family in the early 1980s in the south side of Immokalee. There do not appear to be any recent arm's length sales in this subdivision. Most of the homes sold in 1996 and 1997 for \$32,500 to \$42,000.

Carson Lakes was Habitat's first complete subdivision built in Collier County. It is located at the end of Carson Road, off Lake Trafford Road. Construction began in 2000 and all 83 homes were completed in 2004; the total project cost was \$5,690,000, or \$68,554 per unit. The majority of homes are on oversized waterfront lots on two natural lakes. Most of the sale prices were between \$52,500 and \$72,500; most of the homes have 1,064 square feet of living area, with some at 1,130 and 1,232 square feet. Most of the sales near the end of sellout (October 2004) were at \$76,000 for 1,130 square foot units.

Independence consists of 157 homes on 50 acres on Lake Trafford Road, just west of Lake Trafford Elementary School. Built in two phases, construction started in 2005, with final completion at the end of 2007 (indicating absorption of about 6.5 units per month, assuming a 24 month build-out). The total cost for this project was \$17,700,000, or \$112,739 per unit. Most homes sold for \$95,200 for 1,160 square feet on 60' lots. Recent re-sales (between 2009 and 2012, with none more recent) were between \$120,000 and \$125,000.

Finally **Jubilation**, located on the northeast corner of Lake Trafford Road and Carson Drive, is a gated, affordable subdivision was started by Mr. and Mrs. Nogaj and developed with 89 homes, including 40 condominiums. The development includes a blueberry farm in which some residents work, community amenities and an education center. It was developed by private, non-profit Jubilation Development Corporation, which is part of Harvest for Humanity's (also started by the Nogaj's) effort to improve housing opportunities for permanent residents and Immokalee's agricultural workers. Of the 49 single family homes, eight have sold since the beginning of 2013 (some to investors) for \$29,500 to \$131,000; excluding the one sale at \$29,500, the range is \$56,500 to \$131,000. Homes are either approximately 1,350 square foot three-bedroom/two bath or 1,470 square foot four-bedroom/two bath, on 53' lots. There are also 40 condominiums, with 1,030 or 1,120 square feet; there appears to be five arm's length sales since January 2013, for \$28,000 to \$39,700.

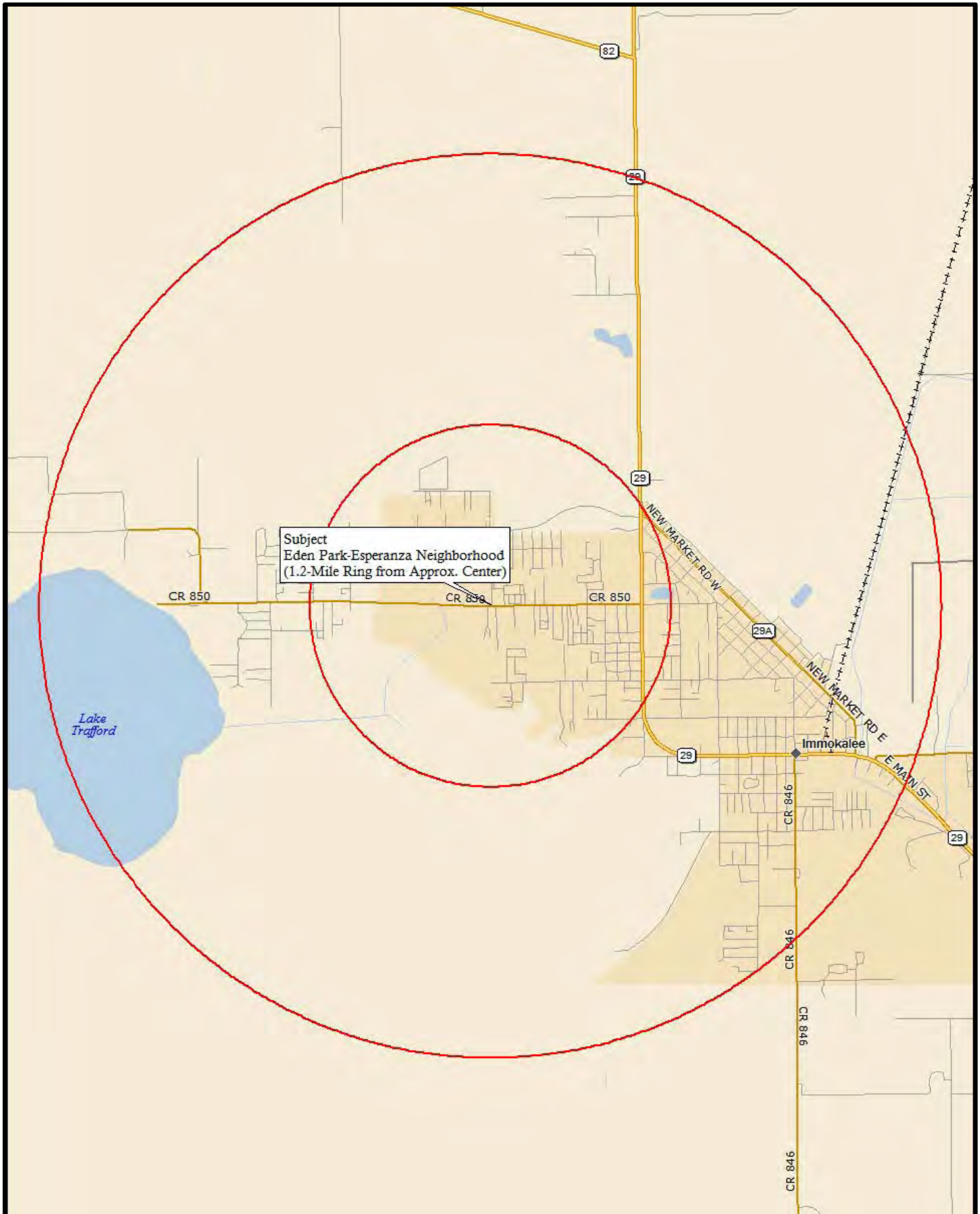
Conclusion

Collier County is widely known as an affluent area, which is applicable to the coastal areas; Immokalee has a rural influence. Only about 12% of the owner-occupied housing units in the county are valued below \$100,000; within the subject's three-mile ring, this figure is about 60%. The median housing value in the county is \$279,664, compared to \$80,040 for the 1.2-mile ring. Another stark contrast is the fact that the dominant housing type in the county is single family detached, while in the 1.2-mile ring it is mobile homes. As a result, countwide data has little relevance to the subject area. The newest single family subdivision in the Immokalee

SINGLE FAMILY HOUSING OVERVIEW (CONT'D)

area is Arrowhead Reserve, which has an inventory of about 349 vacant lots. Current listings for three-bedroom/two bath/two car garage and four-bedroom/two bath/two car garage homes are \$159,900 and \$169,900. Habitat for Humanity is very active in the area. Its most recent development is Faith Landing, which will consist of 164 duplexes (three-bedroom/two bath/no garage) and three single family homes (four-bedroom/two bath/no garage); recent sales range from \$110,000 to \$120,000.

NEIGHBORHOOD MAP



NEIGHBORHOOD ANALYSIS

A neighborhood is defined in terms of common characteristics, trends and groupings of similar or complementary land uses. The subject is located in the Immokalee area in the northeast part of Collier County, Florida. For purposes of this report, the boundaries of the subject's immediate neighborhood are described as follows:

Northern Boundary	Heritage Boulevard
Southern Boundary	Stockade Road/Seminole Indian Reservation
Eastern Boundary	Immokalee Airport
Western Boundary	Lake Trafford

In general, the subject neighborhood lies in the northeast portion of the Immokalee area. The unincorporated community of Immokalee was first settled in 1873 and is Collier County's largest non-coastal community. The area is primarily influenced by the agricultural industry. Due to the seasonality of many of the agricultural products, the Immokalee area has a seasonal population predominantly among farmworkers. The harvest season is generally November to April. The community is also influenced by nearby Indian reservations and the Seminole Gaming Palace and Casino. The subject area is in the northeast portion of the neighborhood.

Demographics

According to Claritas iXPRESS demographics, within a three-mile ring of the intersection of Carson Road and Lake Trafford Road, the population is 22,294 persons; it is expected to increase by 7.34% between 2015 and 2020. The average household size in the three-mile ring is 3.9 persons, compared to 2.38 for the county. About 25% of the population is 55 and older. The average household income is \$33,383, while the median is \$26,438; both are expected to increase over the next five years, by 15% and 3%, respectively. Collier County has an average household income of \$73,151 and a median household income of \$48,636, so the subject area is considered lower-income. About 81% of the households in the three-mile ring earn less than \$50,000 annually.

Demographics for the area indicate a growing population but low income levels.

Employment

The following summarizes employment within the defined three-mile ring. It indicates an unemployment rate for civilians of 9.09% and a large proportion (39.15%) of persons over 16 that are not in the workforce.

2015 Est. Pop Age 16+ by Employment Status	17,068	
In Armed Forces	0	0.00%
Civilian - Employed	8,833	51.75%
Civilian - Unemployed	1,552	9.09%
Not in Labor Force	6,682	39.15%

The following summarizes the distribution of workers by type in the three-mile ring; most are private employees working at for-profit companies.

2015 Est. Civ. Employed Pop 16+ by Class of Worker	8,823	
For-Profit Private Workers	7,192	81.52%
Non-Profit Private Workers	333	3.77%
Local Government Workers	582	6.60%
State Government Workers	189	2.14%
Federal Government Workers	31	0.35%
Self-Employed Workers	496	5.62%
Unpaid Family Workers	0	0.00%

Most employment is in farming, building grounds maintenance, and transportation, with these employment sectors comprised of about 54% of the civilian employees.

2015 Est. Civ. Employed Pop 16+ by Occupation	8,823	
Architect/Engineer	21	0.23%
Arts/Entertainment/Sports	72	0.82%
Building Grounds Maintenance	1,467	16.63%
Business/Financial Operations	57	0.65%
Community/Social Services	69	0.78%
Computer/Mathematical	38	0.43%
Construction/Extraction	582	6.59%
Education/Training/Library	387	4.39%
Farming/Fishing/Forestry	2,398	27.18%
Food Prep/Serving	439	4.98%
Healthcare Practitioner/Technician	183	2.08%
Healthcare Support	223	2.53%
Maintenance Repair	114	1.29%
Legal	21	0.24%
Life/Physical/Social Science	3	0.03%
Management	367	4.16%
Office/Admin. Support	592	6.70%
Production	125	1.41%
Protective Service	113	1.28%
Sales/Related	401	4.55%
Personal Care/Service	266	3.01%
Transportation/Moving	884	10.02%

The workforce is predominantly service and farm-oriented.

2015 Est. Pop 16+ by Occupation Classification	8,823	
Blue Collar	1,705	19.32%
White Collar	2,211	25.06%
Service & Farm	4,907	55.62%

Development/Enterprise Incentives and Resources

The Immokalee area benefits from several incentive programs, including the designation as a Historically Underutilized Business (HUB) Zone, the Immokalee Rural Enterprise Zone, and the Free Foreign Trade Zone at the airport.

The Immokalee area has been designated as an Enterprise Zone, a specific geographic area targeted for economic revitalizing; however, this is to sunset at the end of 2015. In Immokalee, this program provided over \$200,000 in tax incentives and other incentives to nearly 20 businesses over the past decade.

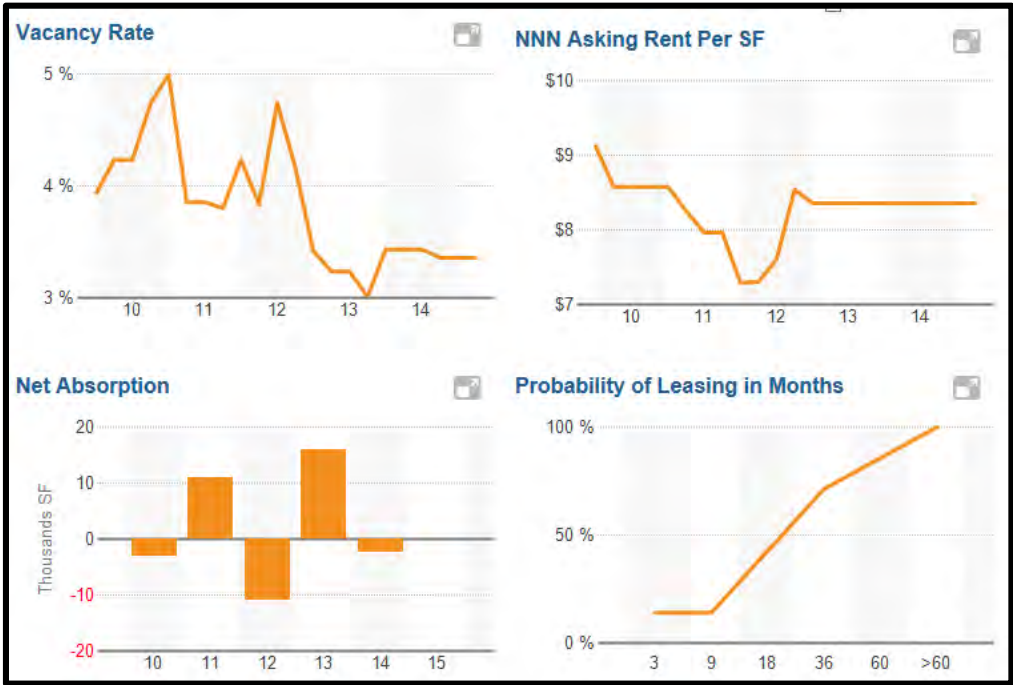
Retail Development

The following summarizes retail development within a three-mile ring of the intersection of Carson Road and Lake Trafford Road.

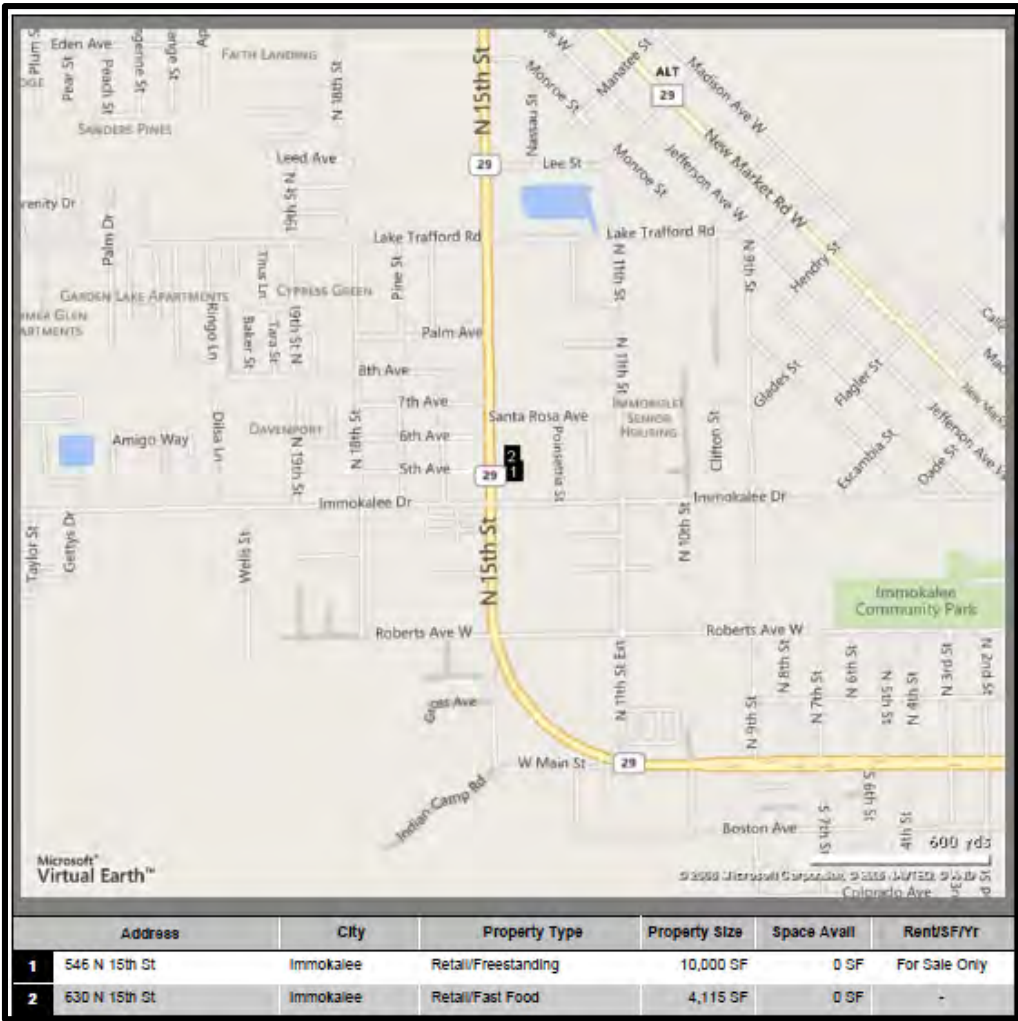
Availability	Survey	5-Year Avg	Inventory	Survey	5-Year Avg
NNN Rent Per SF	\$8.36	\$8.23	Existing Buildings	121	120
Vacancy Rate	3.4%	3.8%	Existing SF	664,169	656,711
Vacant SF	22,322	24,697	12 Mo. Const. Starts	0	4,424
Availability Rate	3.4%	3.9%	Under Construction	0	2,411
Available SF	22,322	25,652	12 Mo. Deliveries	0	5,056
Sublet SF	0	0			
Months on Market	44.0	27.4			
			Sales	Past Year	5-Year Avg
Demand	Survey	5-Year Avg	Sale Price Per SF	\$170	\$158
12 Mo. Absorption SF	500	4,270	Asking Price Per SF	\$276	\$273
12 Mo. Leasing SF	7,360	3,630	Sales Volume (Mil.)	\$5.0	\$2.9
			Cap Rate	-	7.2%

Of the 121 existing buildings, only 14 have 10,000 square feet or more. Immokalee Plaza is by far the largest development with about 95,000 square feet. It was built in 1988 and is anchored by Family Dollar; other tenants include Dunkin Donuts, Metro PCS, H & R Block and China Gourmet V Buffet. An approximate 14,000-square foot anchor space is vacant.

Vacancy is relatively low in the three-mile ring and has been generally decreasing; net rents have been stable recently, but relatively low.



The following summarizes proposed and under construction retail in the three-mile ring.



NEIGHBORHOOD ANALYSIS (CONT'D)

Bradley Muckel with Collier County indicated several new and planned commercial developments. Recently completed projects include a four-story hotel on the Seminole Casino property, a Subway, and a Suncoast credit union. A Taco Bell is nearing completion. A 150,000-square foot Walmart SuperCenter with full-service grocery and pharmacy is planned at the northwest corner of Westclox Drive and North 15th Street. Planned development also includes a First Bank, three Family Dollar stores, and a frozen yogurt shop.

Office Development

There are 29 office properties within a three-mile radius of the intersection of Carson Road and Lake Trafford Road, consisting of only Class B and C product, summarized below.

Availability	Survey	5-Year Avg	Inventory	Survey	5-Year Avg
Gross Rent Per SF	\$9.42	\$9.63	Existing Buildings	29	29
Vacancy Rate	3.5%	6.3%	Existing SF	123,735	123,735
Vacant SF	4,300	7,777	12 Mo. Const. Starts	0	0
Availability Rate	3.5%	6.6%	Under Construction	0	0
Available SF	4,300	8,200	12 Mo. Deliveries	0	0
Sublet SF	0	0			
Months on Market	60.6	29.4			
			Sales	Past Year	5-Year Avg
			Sale Price Per SF	-	\$84
Demand	Survey	5-Year Avg	Asking Price Per SF	\$66	\$66
12 Mo. Absorption SF	4,168	1,295	Sales Volume (Mil.)	\$1.9	\$2.4
12 Mo. Leasing SF	4,168	1,757	Cap Rate	6.7%	6.7%

Vacancy has decreased substantially since 2010; while gross asking rents have varied and recently declined significantly, the current level is above 2011.



Only two properties are larger than 10,000 square feet. One is the Immokalee Government Center and the other is occupied by state and local government offices, in addition to Avow Hospice.

There are no offices proposed or under construction in the three-mile ring.

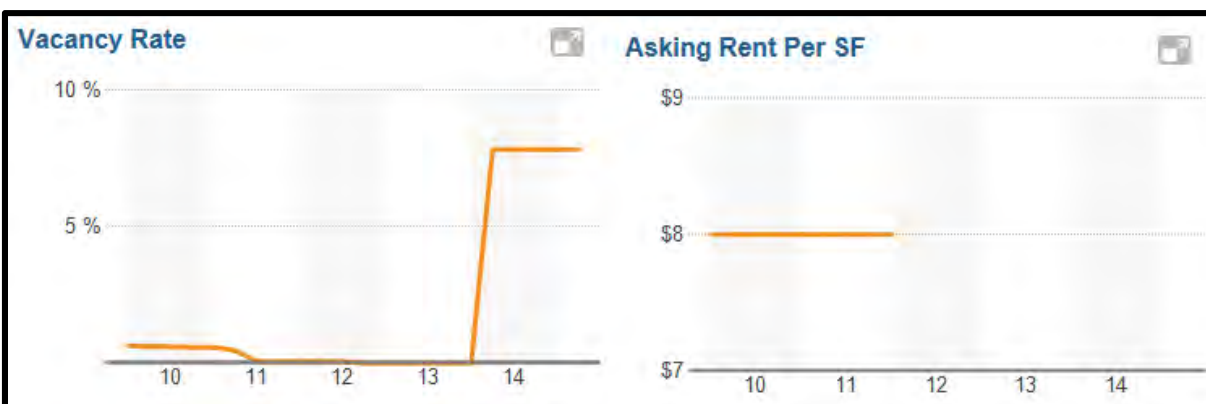
Industrial Development

According to CoStar, there are 53 industrial properties within a three-mile radius of the intersection of Carson Road and Lake Trafford Road, summarized below.

NEIGHBORHOOD ANALYSIS (CONT'D)

Availability	Survey	5-Year Avg	Inventory	Survey	5-Year Avg
Rent Per SF	-	\$8.00	Existing Buildings	53	53
Vacancy Rate	7.8%	1.7%	Existing SF	1,313,367	1,313,367
Vacant SF	102,584	22,527	12 Mo. Const. Starts	0	0
Availability Rate	7.8%	2.0%	Under Construction	0	0
Available SF	102,584	26,127	12 Mo. Deliveries	0	0
Sublet SF	0	0			
Months on Market	-	8.5			
Demand	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
12 Mo. Absorption SF	-102,584	-18,857	Sale Price Per SF	\$69	\$53
12 Mo. Leasing SF	0	-	Asking Price Per SF	\$42	\$44
			Sales Volume (Mil.)	\$2.1	\$1.6
			Cap Rate	-	-

Vacancy recently spiked, but asking rents have remained flat.



There are only four properties with 100,000 square feet or more. One, a packing plant with refrigeration, has 102,584 square feet available for lease, contributing to the recent spike in vacancy. The entire 134,416-square foot facility is for sale for \$34.34 per square foot.

There are no industrial or flex space properties proposed or under construction in the subject's three-mile ring.

Residential Development

Most of the housing in the single family and multi-family components of the market caters to low to middle income households. There are many rental properties in the neighborhood, particularly manufacturing housing catering to farmworkers, most of which are rented on a seasonal basis. Since almost all of the apartment projects in the Immokalee area have maximum income restrictions, households seeking rental housing at market rates without maximum income restrictions must choose from single family homes, duplexes and mobile homes.

The following discussion is based on data from Claritas iXPRESS. There are 6,623 housing units within the three-mile ring, of which 41.90% are owner-occupied. Most of the housing units are one-unit, detached, followed by mobile homes. Mobile homes constitute a relatively large proportion of the housing in the area.

NEIGHBORHOOD ANALYSIS (CONT'D)

2015 Est. Housing Units by Units in Structure	6,623	
1 Unit Attached	151	2.28%
1 Unit Detached	2,758	41.65%
2 Units	293	4.42%
3 or 4 Units	400	6.03%
5 to 19 Units	735	11.10%
20 to 49 Units	194	2.93%
50 or More Units	93	1.41%
Mobile Home or Trailer	1,999	30.18%
Boat, RV, Van, etc.	0	0.00%
Dominant structure type	1 Unit Detached	

About 73% of the owner-occupied housing units are valued at \$40,000 to \$199,999. The median housing value in the three-mile ring is \$91,859, compared to \$279,664 for the county.

2015 Est. Owner Occupied Housing Units by Value	2,442	
Value Less than \$20,000	147	6.02%
Value \$20,000 to \$39,999	147	6.02%
Value \$40,000 to \$59,999	345	14.11%
Value \$60,000 to \$79,999	416	17.03%
Value \$80,000 to \$99,999	280	11.49%
Value \$100,000 to \$149,999	432	17.70%
Value \$150,000 to \$199,999	321	13.16%
Value \$200,000 to \$299,999	205	8.40%
Value \$300,000 to \$399,999	80	3.26%
Value \$400,000 to \$499,999	25	1.04%
Value \$500,000 to \$749,999	20	0.82%
Value \$750,000 to \$999,999	20	0.83%
Value \$1,000,000 or more	3	0.12%
2015 Est. Median All Owner-Occupied Housing Unit Value	\$91,859	

About 88% of the housing stock in the three-mile ring has been built since 1970; about 32% has been built since 2000.

2015 Est. Housing Units by Year Structure Built	6,623	
Housing Units Built 2010 or later	544	8.22%
Housing Units Built 2000 to 2009	1,591	24.02%
Housing Units Built 1990 to 1999	1,276	19.27%
Housing Units Built 1980 to 1989	1,034	15.60%
Housing Units Built 1970 to 1979	1,380	20.83%
Housing Units Built 1960 to 1969	527	7.95%
Housing Units Built 1950 to 1959	198	2.99%
Housing Units Built 1940 to 1949	21	0.31%
Housing Units Built 1939 or Earlier	53	0.80%
2015 Est. Median Year Structure Built**	1991	
Dominant Year Structure Built	2000 to 2009	

The development with the largest impact on the neighborhood is the Ave Maria University and community located south of Immokalee Road; the site plan follows. This Catholic development contains about 5,000 acres, 20% of which has been designated as the university campus, which includes a law school. Florida Today named the university one of the top 10 in the state in an April 2015 article. When completed, the town will have approximately 11,000 residential dwellings in a wide range of prices, and including rental apartments and condominiums to estate homes; asking prices start in the mid-\$100s and range to about \$400,000. The first homes were completed in 2008. This mixed-use development also features a town center with a Publix grocery store, Arthrex Commerce Park (anchored by a medical company), Collier Family Farms, and the 80-acre Ave Maria Park of Commerce.



The Arrowhead Reserve at Lake Trafford Planned Unit Development is located on Lake Trafford Road just west of Carson Road. This 307-acre PUD is one of the largest housing communities in Collier County. It is planned for 436 single family units, 809 multi-family units, and 130,680-square feet of commercial space. The three multi-family parcels include Tract 1, designated for condominium development, Tract 2, developed with 304 apartments, and Tract 3, 28.14 acres designated for up to 317 units. There are about 350 vacant developed lots in this PUD.

NEIGHBORHOOD ANALYSIS (CONT'D)

Jubilation is located on the northeast corner of Lake Trafford Road and Carson Drive and is a gated, middle-income subdivision which will have 105 homes at completion, in addition to condominiums. It is being developed by private, non-profit Jubilation Development Corporation, which is part of Harvest for Humanity's effort to improve housing opportunities for permanent residents and Immokalee's agricultural workers.

Habitat for Humanity is active in the Immokalee area. Construction is underway in Faith Landing, which is planned for 164 duplexes and 3 single family homes. Sales of 25 to 35 units per year are anticipated by Habitat.

The most recent previous development was the 28 acre neighborhood of Liberty Landing, with 150 duplexes built at a cost of \$19,255,000. Through a partnership with Barron Collier Corporation and as a part of the construction of Ave Maria, this property was made available to Habitat for Humanity at no cost. It is the first of Habitat's neighborhoods to bear the cost of Florida panther mitigation, which adds \$5,000 to the cost of each home. Other existing developments include 28 home Hope Circle, 83 home Carson Lakes, and 157 home Independence.

Apartment Development

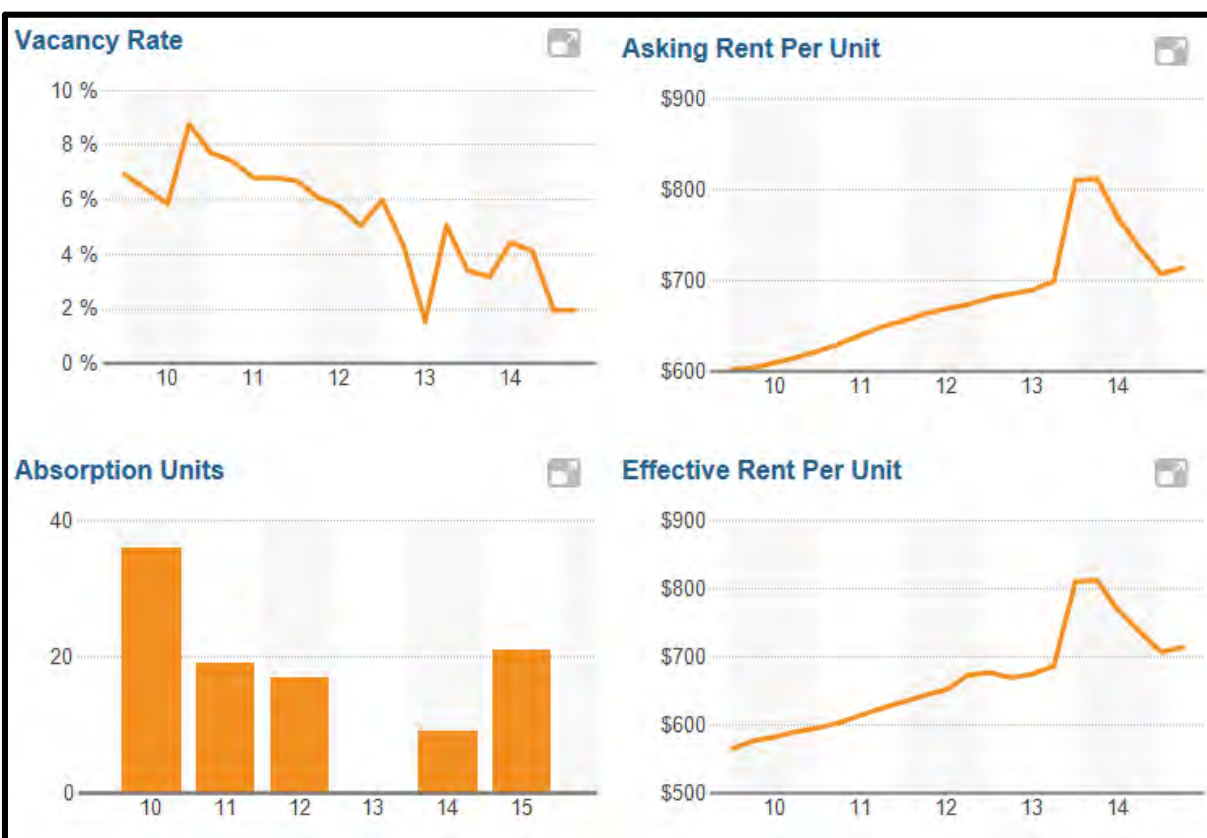
Most of the multi-family developments within the defined neighborhood are small, older properties with income restrictions imposed by the Housing Credit, Tax-Exempt Bond, Rural Development, HOME and HUD programs; many are rent-assisted, with tenants paying rent based on income. The largest is the 40 year old Farm Worker Village, a Housing Authority property with 641 units.

Several of the Housing Credit properties in the Immokalee area have tenant requirements that stipulate some or all of their units are set-aside for farmworkers, although this requirement has been temporarily waived or reduced in most of these communities.

The following summarizes all multi-family development within a three-mile radius of the intersection of Carson Road and Lake Trafford Road according to CoStar; note that CoStar includes apartments, dormitories and mobile homes in this category.

Leasing Units	Survey	5-Year Avg	Inventory in Units	Survey	5-Year Avg
Vacant Units	19	52	Existing Units	1,213	964
Vacancy Rate	2.0%	5.4%	12 Mo. Const. Starts	0	0
12 Mo. Absorption Units	14	18	Under Construction	0	5
			12 Mo. Deliveries	0	10
Rents	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
Studio Asking Rent	-	-	Sale Price Per Unit	\$34,042	\$34,042
1 Bed Asking Rent	\$810	\$782	Asking Price Per Unit	\$54,104	\$44,642
2 Bed Asking Rent	\$711	\$647	Sales Volume (Mil.)	\$6.4	\$6.4
3+ Bed Asking Rent	\$698	\$692	Cap Rate	5.7%	5.7%
Concessions	0.0%	2.1%			

Vacancy spiked in 2010 in the three-mile ring, but has been below 6% since 2012. Asking and effective rents have been increasing since 2010, and absorption has been positive, albeit low, in recent years.



The Bromelia Place apartments are for sale for \$66,667 per unit. This 30 unit Housing Credit property has an elderly demographic commitment and set asides of 5% at 40% and 95% at 50% AMI.

There are no apartments either planned, under construction, or under renovation within a five-mile radius of the subject, according to CoStar. Also the Florida Housing Finance Corporation list of recently funded properties shows none in Collier County.

The infrastructure appears to be complete and building pads begun for the 18 unit Hatchers Preserve single family rental community, located on Westclox Road, east of Carson Road. An article in the November 12, 2014 *Naples Daily News* indicates that tents for the three-bedroom/two bath homes are expected to be in the \$600 to \$650 range and will be funded with a \$2.3 million grant from Collier County. It will be the first new community to be developed in four years in the area. The development is part of an initiative by Rural Neighborhoods to revitalize the area, potentially drawing tenants from aging mobile homes; mobile homes constitute about a quarter of the housing.

Institutional and Other

Several schools are located in the Immokalee area, including Lake Trafford Elementary, Highlands Elementary, Pinecrest Elementary, Village Oaks Elementary, Immokalee Middle School, Immokalee High School and The Learning Center. A newer elementary school is located off Westclox Road.

Transportation

The subject neighborhood's primary arteries include State Road 29 (North 15th Street and Main Street), Lake Trafford Road (County Road 890) and Naples-Immokalee Road County Road 846.

State Road 29 runs in a north/south direction through the entire length of Collier County. The roadway runs from Hendry County to the north through Immokalee, past Interstate 75 (Alligator Alley) and through the communities of Rock Island, Deep Lake, Copeland, Carnestown, Everglades City, to its termination point to the south in Chokoloskee. State Road 29 is known as Main Street in the downtown area of Immokalee. Uses

along this roadway in the subject neighborhood include a mix of commercial, residential and industrial uses. Residential uses include manufactured housing and low to mid-priced single family housing. Commercial uses include banks, local and national retailers, offices, gas stations, restaurants and grocery stores. Within the downtown area, streetscaping projects have been undertaken to enhance the appeal of the area.

Lake Trafford Road (County Road 890) is the primary east/west roadway in the Immokalee area. It runs from the west side of State Road 29 to its termination point at Lake Trafford. Uses along this roadway include a mix of commercial and residential uses. A Winn-Dixie anchored strip shopping center is located on the northwest corner of Lake Trafford Road and State Road 29. A public park and marina are located at the western terminus of Lake Trafford Road at Lake Trafford. Lake Trafford Elementary school is located on this roadway. Residential uses include affordable multi-family apartments, manufactured homes, single family homes and new homes within the Jubilation planned development, which includes a mix of attached and detached homes and condominiums. Jubilation is a low to mid-priced housing development. The Arrowhead Reserve at Lake Trafford planned development is located on Lake Trafford Road; this development includes a mix of multi-family and single family uses.

County Road 846 (Naples-Immokalee Road) is a primarily east/west roadway that runs from its intersection with Vanderbilt Drive near the western boundary of the county past Interstate 75 through Naples then jogs northward and east into Immokalee and beyond into Hendry County. Land uses include a mix of industrial, commercial, single family residential, offices and the Immokalee Airport.

The Immokalee Airport serves a variety of small aircraft and crop-dusting airplanes.

Conclusion

The subject neighborhood is a predominantly agricultural area located northeast of Naples. The area is moderate income, with about 56% of the occupations being in the service and farm industries. The population is projected to grow over the next five years, as are the median and average household incomes, both of which are well below the county. Most housing consists of moderately priced single family homes and mobile homes. Habitat for Humanity has a significant presence in the area. Apartment housing is limited to small projects operating under a variety of programs such as the Housing Credit, HOME, Rural Development, Tax-Exempt Bond and HUD programs. Several of the Housing Credit properties in the Immokalee area have tenant requirements that stipulate some or all of their units are set-aside for farmworkers, although this requirement has been temporarily waived or reduced in most of these communities.

SITE ANALYSIS

The subject site has not yet been determined.

IMPROVEMENT ANALYSIS

The following data is based on the recommendations in the *Competitive Analysis* section of the report.

Type and Size

The subject is assumed to consist of 50 homes.

Based on the data from the comparables and due to the large average household size in the area, we recommend that the subject offer three- and four-bedroom units. Three-bedroom homes should have 1,050 to 1,300 square feet of living area, while four-bedrooms are recommended to have 1,150 to 1,400 square feet. At least one garage is recommended. Single family detached product would be optimal (or necessary based on zoning), but Faith Landing and Liberty Landing's duplexes were well-accepted. Lot sizes of 50' to 60' are recommended.

Although some of the sales and listings analyzed are within subdivisions with homeowner's associations and some community amenities, this is not typical of affordable development and is not recommended for the subject.

The homes should be concrete block or wood frame construction with painted stucco exterior and shingle roofs, which is consistent with other moderately priced new product. Interior finishes should be average quality, including laminate counters and laminate or fair quality wood cabinetry. Carpet and vinyl flooring are also recommended. Regarding unit features, in order to maintain affordability we suggest that the subject include dishwasher, stove, refrigerator, ceiling fan connections, and washer/dryer hookups.

Age and General Condition

The physical condition of the improvements will be new upon completion. The economic life of the improvements would be 40 to 50 years.

Construction Quality

We suggest that the subject homes would be average quality, Class C (concrete block) or Class D (wood frame) multi-family buildings per the *Marshall Valuation Service* definition. Interior finish would be average quality.

Conclusion

The recommendations for the subject product are based on the newest competitive listings in both Immokalee and similar, rural areas in southwest Florida. As described, the subject improvements would be expected to effectively compete with the existing product and achieve the sale prices concluded.

DEMOGRAPHICS AND SUPPLY AND DEMAND ANALYSES

Demographics of Market Areas

We have analyzed demographic information for 1.2, three and 10-mile rings centered on the approximate center of the subject's defined area, in addition to all of Collier County. The 1.2-mile ring most closely approximates the defined area provided by the client; the 10-mile ring is considered to be the subject's Primary Market Area (PMA).

The data used in this analysis is from a Household Trend Report performed by Claritas, Inc. We have profiled the population growth, household growth and income characteristics of the market areas. Claritas' data is considered some of the most accurate in the industry; it reflects 2010 Census data.

Population Growth					
Market Area	2000 Census	2015 Estimate	Change (00-15)	2020 Projection	Change (15-20)
1.2-mile ring	11,187	12,239	9.4%	13,252	8.3%
3-mile ring	22,294	23,931	7.3%	25,586	6.9%
10-mile ring	30,117	32,704	8.6%	35,183	7.6%
Collier County	321,520	348,231	8.3%	374,163	7.4%

The rate of population growth was highest between 2000 and 2015 in the 1.2-mile ring, followed by the 10-mile ring, a trend that is expected to continue through 2020.

Household Growth				
	1.2-mile ring	3-mile ring	10-mile ring	Collier County
Households 2000 Census	2,699	5,321	7,439	133,179
Households 2015 (est.)	3,011	5,827	8,190	144,686
% Change '00 - '15	11.6%	9.5%	10.1%	8.6%
Households 2020 (proj.)	3,290	6,289	8,866	155,933
% Change '15 - '20	9.3%	7.9%	8.3%	7.8%
Absolute Change '15 - '20	279	462	676	11,247
Average Change/Year	56	92	135	2,249

The household growth rate was highest in the 1.2-mile ring between 2000 and 2015 followed by the 10-mile ring. Projected household growth trends indicate the 1.2-mile ring will continue to show the strongest rate of growth between 2015 and 2020. The result will be positive household growth in all of the market areas. About 2.5% of the county's growth is projected to occur within three miles of the subject. About 6.0% of the county's growth is projected to occur within 10 miles of the subject.

The average household size for the market areas is as follows:

Average Household Size Trend		
Market Area	2015	2020
1.2-mile ring	3.96	3.93
3-mile ring	3.90	3.88
10-mile ring	3.80	3.79
Collier County	2.38	2.37

The average household size is largest in the 1.2-mile ring, followed by the three-mile ring; the average household sizes in the subject's immediate area are substantially larger (about 1.5 persons) than in the county as a whole. The trend is toward slightly smaller average household sizes between 2015 and 2020 in the three, five and 10-mile market areas and on the county level.

The income characteristics of the market areas are outlined in the following charts.

Average Household Income Trend					
Market Area	2000 Census	2015 Estimate	Change (00-15)	2020 Projection	Change (15-20)
1.2-mile ring	\$31,397	\$38,930	24.0%	\$40,971	5.2%
3-mile ring	\$33,383	\$38,455	15.2%	\$39,857	3.6%
10-mile ring	\$33,383	\$45,734	37.0%	\$48,175	5.3%
Collier County	\$73,151	\$82,310	12.5%	\$84,816	3.0%

Median Household Income Trend					
Market Area	2000 Census	2015 Estimate	Change (00-15)	2020 Projection	Change (15-20)
1.2-mile ring	\$24,707	\$28,909	17.0%	\$30,019	3.8%
3-mile ring	\$26,438	\$27,299	3.3%	\$28,060	2.8%
10-mile ring	\$26,536	\$31,527	18.8%	\$32,734	3.8%
Collier County	\$48,636	\$55,065	13.2%	\$56,681	2.9%

The average and median household incomes have been by far the highest on the county level, a trend that is expected to continue through 2020. Both median and average household incomes are projected to increase between 2015 and 2020 in all of the market areas.

Household Income Distribution

All of the ring market areas have a relatively high number of households in the lower income categories, as about 68% to 75% of households earn less than \$50,000 annually. The following chart summarizes the proportion of households in each annual household income level. Note that the income ranges over \$50,000 contains larger income increments than the lower categories.

Household Income Distribution 2015 1.2-, 3-, & 10-Mile Rings Centered On Site (-81.4501° E, 26.4328° N)									
Market Area	1.2-Mile Ring			3-Mile Ring			10-Mile Ring		
Total HH in Market Area	3,011			5,827			8,190		
Household Income	2015 Cum.			2015 Cum.			2015 Cum.		
Less than \$15,000	790	790	26.2%	1,735	1,735	29.8%	2,024	2,024	24.7%
\$15,000 to \$24,999	511	1,301	17.0%	962	2,697	16.5%	1,255	3,279	15.3%
\$25,000 to \$34,999	523	1,824	17.4%	943	3,640	16.2%	1,251	4,530	15.3%
\$35,000 to \$49,999	448	2,272	14.9%	728	4,368	12.5%	1,027	5,557	12.5%
\$50,000 to \$74,999	342	2,614	11.4%	726	5,094	12.5%	1,212	6,769	14.8%
\$75,000 to \$99,999	192	2,806	6.4%	381	5,475	6.5%	700	7,469	8.5%
\$100,000 to \$124,999	102	2,908	3.4%	142	5,617	2.4%	251	7,720	3.1%
\$125,000 to \$149,999	78	2,986	2.6%	120	5,737	2.1%	190	7,910	2.3%
\$150,000 to \$199,999	20	3,006	0.7%	64	5,801	1.1%	183	8,093	2.2%
\$200,000 or more	5	3,011	0.2%	26	5,827	0.4%	97	8,190	1.2%
	100.0%			100.0%			100.0%		

SUPPLY AND DEMAND ANALYSES

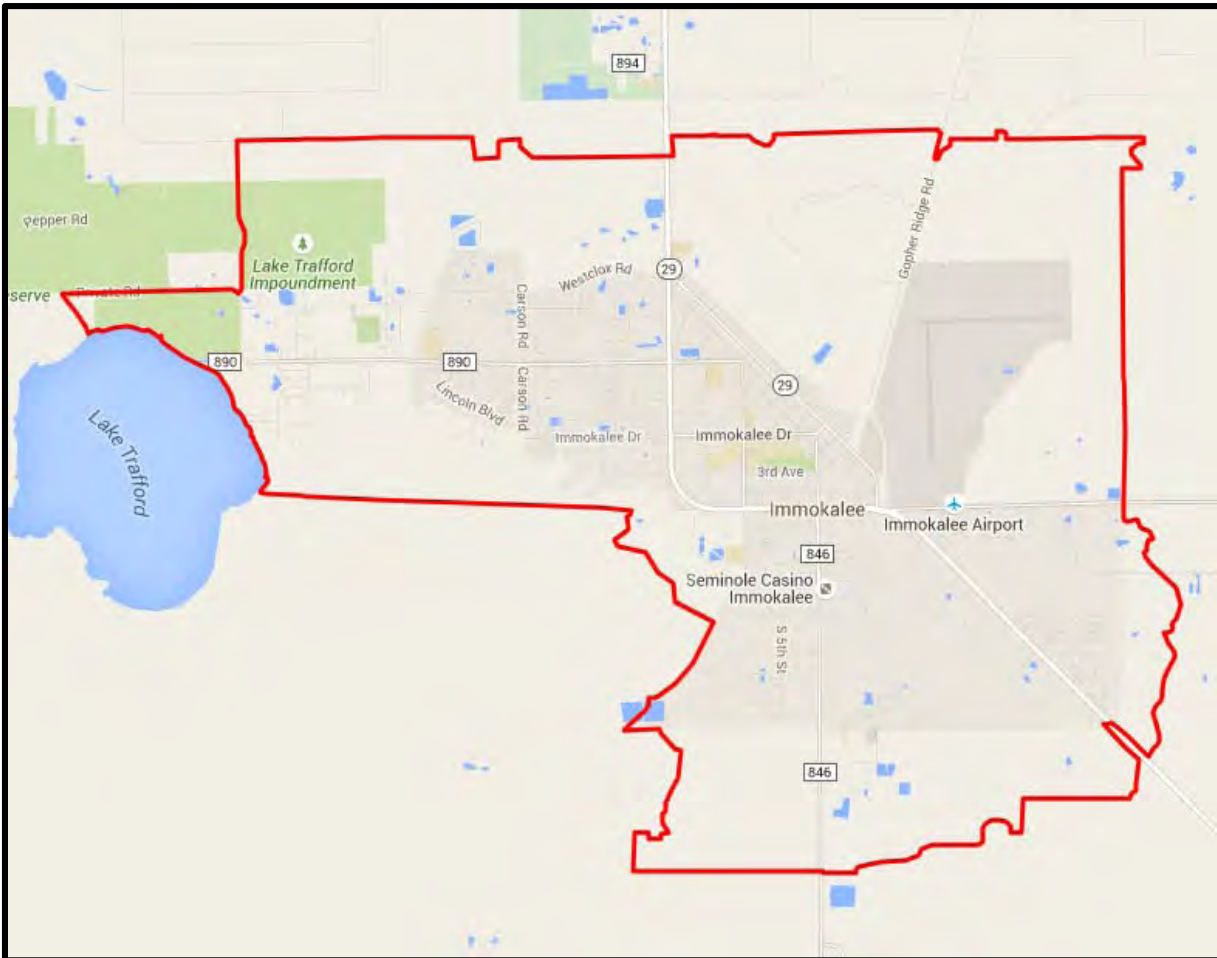
We have analyzed supply and demand for the affordable multi-family product using two methods. First we analyzed American Community Survey data. Next we estimated a capture rate for an assumed 50 units using Claritas iXPRESS data.

Using American Community Survey Data

Supply and Demand Based on Owner-Occupied Households

First considered supply versus demand using the 2009-2013 American Community Survey (ACS) Five-Year Estimates. The American Community Survey is from the United States Census Bureau. Specifically, the ACS five-year estimates which are released each year for communities across the United States were used. The most recent data available is for 2013 and is available only for specified geographic areas, such as CDPs, cities, etc. For the subject area, the Immokalee CDP is used, as it most closely approximates the defined study area. The CDP encompasses a larger area than the defined study area.

IMMOKALEE CDP BOUNDARY MAP



This analysis also uses a banded approach, comparing supply and demand within the applicable income band. It assumes that households can afford to pay no more than 22% of their income for principal and interest, which is the standard convention used for affordable housing analysis. A 22% ratio allows for the additional expenses of taxes, insurance and utilities in the overall housing expenditure.

We considered the data for moderate-income households, earning 0% to 120% of the Area Median Income (AMI) for Collier County. Since the ACS data uses 2013 figures, the income bands use the 2013 AMI for Collier County of \$65,700.

The following chart summarizes the distribution of existing households by income in owner-occupied housing. Notice that the income band is further segmented and shows the greatest concentration of owner-occupied housing units is in the 0% to 60% income band, at 56.09% of the total.

DEMOGRAPHICS AND SUPPLY AND DEMAND ANALYSES (CONT'D)

Subject City	Immokalee CDP								
	Occupied housing units		Households in Owner-Occupied Units						
	Estimate		Estimate	% in band	0-60%	% in band	60.1-80%	% in band	80.1-120%
Occupied housing units	4,163		1,987						
HOUSEHOLD INCOME IN THE PAST 12 MONTHS (IN 2013 INFLATION-ADJUSTED DOLLARS)									
Less than \$5,000	5.4%		5.4%	100.0%	5.40%	0.0%	0.0%	0.0%	0.0%
\$5,000 to \$9,999	9.4%		5.1%	100.0%	5.10%	0.0%	0.0%	0.0%	0.0%
\$10,000 to \$14,999	13.0%		8.9%	100.0%	8.90%	0.0%	0.0%	0.0%	0.0%
\$15,000 to \$19,999	10.5%		7.3%	100.0%	7.30%	0.0%	0.0%	0.0%	0.0%
\$20,000 to \$24,999	9.4%		7.8%	100.0%	7.80%	0.0%	0.0%	0.0%	0.0%
\$25,000 to \$34,999	14.5%		16.7%	100.0%	16.70%	0.0%	0.0%	0.0%	0.0%
\$35,000 to \$49,999	15.9%		16.6%	29.5%	4.89%	70.1%	11.6%	0.0%	0.0%
\$50,000 to \$74,999	12.2%		18.0%	0.0%	0.00%	10.2%	1.8%	89.5%	16.1%
\$75,000 to \$99,999	5.1%		8.2%	0.0%	0.00%	0.0%	0.0%	15.4%	1.3%
\$100,000 to \$149,999	3.7%		5.2%	0.0%	0.00%	0.0%	0.0%	0.0%	0.0%
\$150,000 or more	0.9%		0.9%	0.0%	0.00%	0.0%	0.0%	0.0%	0.0%
Median household income (dollars)	26,399		34,217		56.09%		13.48%		17.37%
	100.0%		100.1%		1,115		268		345

The data indicates a total of 1,987 households in owner-occupied housing units have annual incomes that fall within the overall defined income band (0% to 120% AMI), with the most households at 1,115 (65%) in the lowest band (0% to 60% AMI).

Next we considered the supply of owner-occupied units with housing values consistent with the income bands.

The following matrix shows the home prices that are considered affordable in each income band. For example, households at 60% AMI (\$39,420 annual income, or \$3,285 per month) should be able to afford a principal and interest payment of \$723 per month, which is 22% of their monthly income. Using loan parameters of 4.5% interest rate, 30-year amortization and 3% down payment, the resulting home price that this household could afford is \$147,100.

Income Band	0%	60.0%	60.1%	80.0%	80.1%	120.0%
Monthly Income	-	\$3,285	\$3,291	\$4,380	\$4,386	\$6,570
Payment (22% of Income)	-	\$723	\$724	\$964	\$965	\$1,445
Max. Loan Amount	\$0	\$142,692	\$142,889	\$190,256	\$190,454	\$285,187
Affordable Home Price w/3% Down	\$0	\$147,100	\$147,300	\$196,100	\$196,300	\$294,000

The existing owner-occupied units are distributed into bands by value as follows.

VALUE								
Owner-occupied units	1,987	1,987	% in band	0-60%	% in band	60.1-80%	% in band	80.1-120%
Less than \$50,000	550	27.7%	100.0%	27.7%	0.0%	0.0%	0.0%	0.0%
\$50,000 to \$99,999	829	41.7%	100.0%	41.7%	0.0%	0.0%	0.0%	0.0%
\$100,000 to \$149,999	307	15.5%	100.0%	15.5%	0.0%	0.0%	0.0%	0.0%
\$150,000 to \$199,999	129	6.5%	34.0%	2.2%	65.0%	4.2%	0.0%	0.0%
\$200,000 to \$299,999	95	4.8%	0.0%	0.0%	22.8%	1.1%	76.8%	3.7%
\$300,000 to \$499,999	69	3.5%	0.0%	0.0%	0.0%	0.0%	17.2%	0.6%
\$500,000 to \$999,999	8	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$1,000,000 or more	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Median (dollars)	73,600	(X)		87.1%		5.3%		4.3%
		100%		1,731		106		85

The data indicates that the largest supply of owner-occupied units is valued in the \$50,000 to \$99,999 range, although homes valued at less than \$50,000 also constitute a significant portion of the market. Combined, homes below \$99,999 comprise 69.4% of the owner-occupied units in the overall income band.

The following chart summarizes the data and compares supply to demand; it indicates that there is a surplus of owner-occupied units only in the 0% to 60% AMI band, of 616 units. The households earning 60.1% to 120% AMI are underserved in this market, with gaps of 162 units in the 60.1% to 80% AMI band and 260 units in the 80.1% to 120% AMI band.

Immokalee CDP			
Demand(D)		Supply(S)	No Gap/(Gap)
Band	Owner	Owner	S-D
0-60%	1,115	1,731	616
\$0			
\$39,420	56.1%	87.1%	
60.1-80%	268	106	(162)
\$39,486			
\$52,560	13.5%	5.3%	
80.1-120%	345	85	(260)
\$52,626			
\$78,840	17.4%	4.3%	

Future supply is expected to increase, with a total of 164 duplex units and three single family homes (about 42 of which are already occupied) to be offered by Habitat for Humanity in Faith Landing. Prices range from about \$110,000 to \$120,000, so this project would serve the 0% to 60% income band. Also, Arrowhead Reserve has about 350 vacant developed lots. Current listings start at \$159,900 and \$169,900; these prices are within the 60.1% to 80% income band.

Demand from Renter-Occupied Households

Moderate income renters are also considered potential buyers for affordable homes. The following summarizes the distribution of renter households based on household income, and assumes a 30% housing expense ratio.

Income Distribution of Renter Households							
	Estimate	% in band	0-60%	% in band	60.1-80%	% in band	80.1-120%
Renter-Occupied Housing Units	2,176						
HOUSEHOLD INCOME IN THE PAST 12 MONTHS (IN 2013 INFLATION-ADJUSTED)							
Less than \$5,000	5.3%	100.0%	5.3%	0.0%	0.0%	0.0%	0.0%
\$5,000 to \$9,999	13.3%	100.0%	13.3%	0.0%	0.0%	0.0%	0.0%
\$10,000 to \$14,999	16.7%	100.0%	16.7%	0.0%	0.0%	0.0%	0.0%
\$15,000 to \$19,999	13.4%	100.0%	13.4%	0.0%	0.0%	0.0%	0.0%
\$20,000 to \$24,999	10.9%	100.0%	10.9%	0.0%	0.0%	0.0%	0.0%
\$25,000 to \$34,999	12.5%	100.0%	12.5%	0.0%	0.0%	0.0%	0.0%
\$35,000 to \$49,999	15.2%	29.5%	4.5%	70.1%	10.7%	0.0%	0.0%
\$50,000 to \$74,999	7.0%	0.0%	0.0%	10.2%	0.7%	89.5%	6.3%
\$75,000 to \$99,999	2.3%	0.0%	0.0%	0.0%	0.0%	15.4%	0.4%
\$100,000 to \$149,999	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$150,000 or more	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Median household income (dollars)	20,519		76.6%		11.4%		6.6%
	99.9%		1,666		247		144

The data indicates that the largest number of renter households are in the lowest band (1,666 households, or 76.6% of the total), earning less than 60% of the AMI. The households in the upper bands, earning between 60.1% and 120% of the AMI, would be the most likely purchasers of affordable homes; there are a total of 391 such households.

The following chart compares supply and demand in the rental market.

Immokalee CDP			
	Demand(D)	Supply(S)	No Gap/(Gap)
Band	Renter	Renter	S-D
0.0-60.0%	1,666	1,867	200
\$0			
\$986	76.6%	89.2%	
60.1-80%	247	117	(130)
\$987			
\$1,314	11.4%	5.6%	
80.1-120%	144	71	(73)
\$1,316			
\$1,971	6.6%	3.4%	

Based on the rents for each income level, the supply of rental units for exceeds demand in only the lowest band. This suggests that households in the upper bands could turn to ownership due to a shortage of available rentals.

Conclusion of Supply and Demand Using ACS Data

In summary, there is a surplus of owner-occupied units only in the 0% to 60% AMI band. The households earning 60.1% to 120% AMI are underserved in this market; these households could afford homes in the \$147,300 to \$294,000 range. Future supply is expected to increase, with a total of 164 duplex units and three single family homes (about 42 of which are already occupied) offered by Habitat for Humanity in Faith Landing. Prices range from about \$110,000 to \$120,000, so this project would serve the 0% to 60% income band. Also, Arrowhead Reserve has about 350 vacant developed lots. Current listings start at \$159,900 and \$169,900 for three- and four-bedroom single family homes; these prices are within the 60.1% to 80% income band.

Moderate-income renters are also considered potential buyers for affordable homes. The largest number of renter households are in the lowest band (1,666 households, or 76.6% of the total), earning less than 60% of the AMI. The households in the upper bands, earning between 60.1% and 120% of the AMI, would be the most likely purchasers of affordable homes; there are a total of 391 such households, and there is a shortage of rental units for these households, which may lead them to seek home ownership.

Capture Rate Analysis Using Claritas Data

Next we performed a Capture Rate for the subject using Claritas data.

Income-Qualified Households

We have estimated the number of households within the income band from which most of the subject's buyers would be drawn, those earning 60% to 120% of the AMI of \$65,700; the resulting band is \$39,420 to \$78,840.

No current data is available for household income by household size. The aggregate of all households within the qualifying income band does over estimate demand to some degree. However, we have set the upper limit based on a six-person household, which underestimates demand from larger households to some extent.

Due to the increments of the available data, we estimated the proportionate number of households in the income bands. About 70.5% of the households in the \$35,000 to \$49,999 income category fall between \$39,420 and \$49,999. All of the \$50,000 to \$74,999 category is included in the income band. About 15.4% of households in the \$75,000 to \$99,999 category earn \$78,840, or less. The data indicates the number of income qualified households, regardless of whether they are currently renter- or owner-occupants.

The following chart summarizes our Capture Rate analysis for the subject property, assuming that the subject development would consist of 50 units.

DEMOGRAPHICS AND SUPPLY AND DEMAND ANALYSES (CONT'D)

Capture Rates 2015 1.2-, 3-, & 10-Mile Rings Centered On Site (-81.4501° E, 26.4328° N)										
Income Band										
Minimum - 60% AMI								\$39,420		
Maximum - 120% AMI								\$78,840		
Market Area		1.2-Mile Ring			3-Mile Ring			10-Mile Ring		
Total HH in Market Area 2015		3,011			5,827			8,190		
Household Income	% in Band	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.
Less than \$15,000	0.0%	26.2%	0.0%	0.0%	29.8%	0.0%	0.0%	24.7%	0.0%	0.0%
\$15,000 to \$24,999	0.0%	17.0%	0.0%	0.0%	16.5%	0.0%	0.0%	15.3%	0.0%	0.0%
\$25,000 to \$34,999	0.0%	17.4%	0.0%	0.0%	16.2%	0.0%	0.0%	15.3%	0.0%	0.0%
\$35,000 to \$49,999	70.5%	14.9%	10.5%	10.5%	12.5%	8.8%	8.8%	12.5%	8.8%	8.8%
\$50,000 to \$74,999	100.0%	11.4%	11.4%	21.9%	12.5%	12.5%	21.3%	14.8%	14.8%	23.6%
\$75,000 to \$99,999	15.4%	6.4%	1.0%	22.9%	6.5%	1.0%	22.3%	8.5%	1.3%	24.9%
\$100,000 to \$124,999	0.0%	3.4%	0.0%	22.9%	2.4%	0.0%	22.3%	3.1%	0.0%	24.9%
\$125,000 to \$149,999	0.0%	2.6%	0.0%	22.9%	2.1%	0.0%	22.3%	2.3%	0.0%	24.9%
\$150,000 to \$199,999	0.0%	0.7%	0.0%	22.9%	1.1%	0.0%	22.3%	2.2%	0.0%	24.9%
\$200,000 or more	0.0%	0.2%	0.0%	22.9%	0.4%	0.0%	22.3%	1.2%	0.0%	24.9%
		100.0%			100.0%			100.0%		
% of Households in Income Band				22.9%					22.3%	24.9%
Multiplied by Total Households				<u>3,011</u>					<u>5,827</u>	<u>8,190</u>
Income-Qualified Households				690					1,299	2,039
Subject's Units				50					50	50
Indicated Capture Rate (CR) (Subject Units/IQRH)				7.2%					3.8%	2.5%

The subject's 1.2-mile CR of 7.2% is reasonable, indicating that market penetration of only 7.2% of the existing households in the target income band. The three-mile CR of 3.8% is lower, and the 10-mile CR for the subject is more favorable, but less relevant based on the defined study area.

Demand from Household Growth

We have also considered projected household growth within the subject's income band. The analysis is generally the same as that for the current population. However, we have considered the future income band based on projections of income growth. The demographic data indicates that the median household income in Collier County is expected to increase by about 2.9% between 2015 and 2020. Accordingly, the subject's future income band is estimated to range from about \$40,577 to \$81,154 by 2020 (current income band increased by 2.9%). From the number of income-qualified households projected for 2020, we subtracted the income-qualified households in 2015 to indicate the number of potential buyers for the subject based on household growth. The following analysis summarizes our calculations of potential demand from household growth within the income band.

Household Growth Through 2020 1.2-, 3-, & 10-Mile Rings Centered On Site (-81.4501° E, 26.4328° N)										
Market Area		1.2-Mile Ring		3-Mile Ring			10-Mile Ring			
Total HH in Market Area 2020		3,290		6,289			8,866			
Household Income	% in Band	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.
Less than \$15,000	0.0%	24.7%	0.0%	0.0%	28.6%	0.0%	0.0%	23.5%	0.0%	0.0%
\$15,000 to \$24,999	0.0%	17.1%	0.0%	0.0%	16.6%	0.0%	0.0%	15.0%	0.0%	0.0%
\$25,000 to \$34,999	0.0%	16.5%	0.0%	0.0%	15.6%	0.0%	0.0%	14.9%	0.0%	0.0%
\$35,000 to \$49,999	62.8%	15.6%	9.8%	9.8%	12.9%	8.1%	8.1%	12.8%	8.0%	8.0%
\$50,000 to \$74,999	100.0%	12.1%	12.1%	21.9%	12.9%	12.9%	21.0%	14.9%	14.9%	22.9%
\$75,000 to \$99,999	24.6%	6.2%	1.5%	23.4%	6.5%	1.6%	22.6%	8.7%	2.1%	25.0%
\$100,000 to \$124,999	0.0%	3.7%	0.0%	23.4%	2.7%	0.0%	22.6%	3.7%	0.0%	25.0%
\$125,000 to \$149,999	0.0%	2.8%	0.0%	23.4%	2.2%	0.0%	22.6%	2.5%	0.0%	25.0%
\$150,000 to \$199,999	0.0%	1.2%	0.0%	23.4%	1.4%	0.0%	22.6%	2.4%	0.0%	25.0%
\$200,000 or more	0.0%	0.3%	0.0%	23.4%	0.6%	0.0%	22.6%	1.6%	0.0%	25.0%
		100.0%			100.0%			100.0%		
% of Households in Income Band				23.4%				22.6%	25.0%	
Multiplied by Total Households				<u>3,290</u>				<u>6,289</u>	<u>8,866</u>	
Income-Qualified Households in 2020				770				1,421	2,217	
Less: Income-Qual. HH in 2015				<u>-690</u>				<u>-1,299</u>	<u>-2,039</u>	
Potential Demand from HH Growth next 5 years				80				122	178	
Annual Potential Demand				16				24	36	
Income Band - Increased from Current Levels Based on Proj. Median HH Income Growth										
				Projected						
				2015 Inc. Band	Growth Rate		2020 Inc. Band			
Minimum				\$39,420	2.9%		\$40,577			
Maximum				\$78,840	2.9%		\$81,154			

This analysis indicates the following annual increases in the number of income-qualified households in the subject's income band in each of the market areas.

Market Area	1.2-Mile Ring	3-Mile Ring	10-Mile Ring
Annual Increase in Income-Qualified HH	16	24	36

The annual increase in the number of income-qualified households is positive, but very low, in all three areas.

Conclusion of Capture Rate Analysis

This analysis indicates a relatively low market penetration of 7.2% of households earning 60% to 120% of the AMI, with additional demand expected from household growth over the next five years, estimated at 16 households per year within the 1.2-mile ring.

Overall Conclusion of Supply and Demand Analysis

Demographic analysis indicates a surplus of owner-occupied units only in the 0% to 60% AMI band. The households earning 60.1% to 120% AMI are underserved in this market; these households could afford homes in the \$147,300 to \$294,000 range. Future supply is expected to increase, with a total of 164 duplex units and three single family homes offered by Habitat for Humanity in Faith Landing; about 42 of these are already occupied. Also, Arrowhead Reserve has about 349 vacant developed lots; current listings for new homes start at \$159,900 (three-bedroom/two bath/two car garage) and \$169,900 (four-bedroom/two bath/two car garage); these prices are within the 60.1% to 80% AMI income band. Moderate income renters are also considered potential buyers for affordable homes. Again, the largest number of renter households are in the lowest band (1,666 households, or 76.6% of the total), earning less than 60% of the AMI. The households in the upper bands, earning between 60.1% and 120% of the AMI, would be the most likely purchasers of affordable homes; there are a total of 391 such households, and there is a shortage of rental units for these households, which may

lead them to seek home ownership. A Capture Rate analysis of 50 assumed units indicates a relatively low penetration of 7.2% of households earning 60% to 120% of the AMI in the subject's 1.2-mile ring, with additional demand expected from household growth over the next five years, estimated at 16 households annually.

HOUSE PRICING ANALYSIS

In order to estimate the probable sale prices for the homes recommended, we considered sales and listings of existing and pre-construction properties. There is only one active subdivision with new homes, so we also considered sales and listings of newer existing properties and properties outside the area.

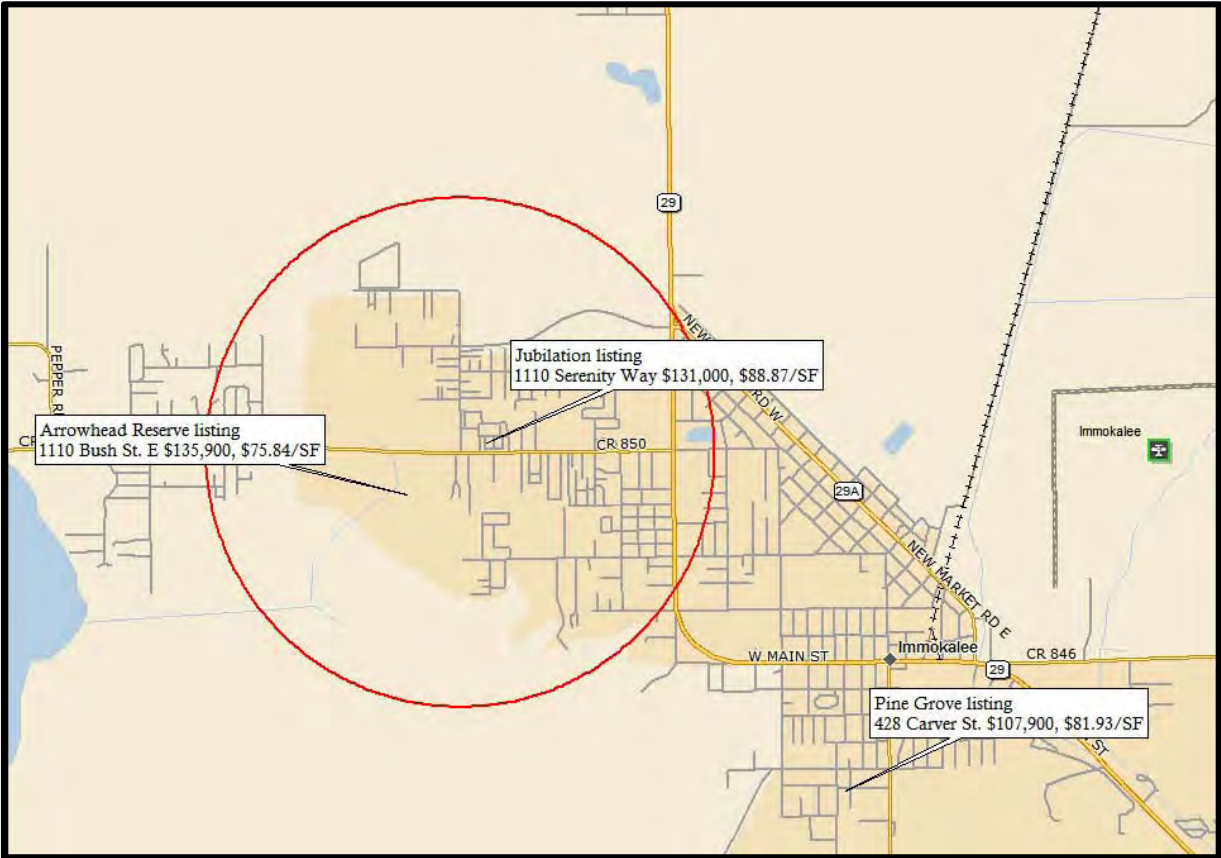
Based on the data from the comparables and due to the large average household size in the area, we recommend that the subject offer three and four-bedroom units. Three-bedroom homes should have 1,050 to 1,300 square feet of living area, while four-bedrooms are recommended to have 1,150 to 1,400 square feet. At least one garage is recommended. Single family detached product would be optimal (or necessary based on zoning), but Faith Landing and Liberty Landing's duplexes were well-accepted. Lot sizes of 50' to 60' are recommended.

First, we considered listings in the subject's area. Of the 46 properties listed for sale in Immokalee, the following have asking prices below \$200,000; the properties in red are the most recently built.

Single-Family Listings for Less than \$200,000 in Zip Code 34142 - Realtor.com (Excl. Ave Maria)							
Address	Asking Price	Type	Home SF	Price/SF	Lot SF	Yr. Blt.	Days on Realtor.com
1110 Bush Street E	\$135,900	3BR/2BA/2G	1,792	\$75.84	6,534	2006	35
1214 n. 18th Terrace	\$129,900	3BR/1BA/0	1,037	\$125.27	7,405	1977	45
1110 Serenity Way	\$131,000	3BR/2BA/2G	1,474	\$88.87	5,227	2003	90
428 Carver Street	\$107,900	3BR/2BA/1G	1,317	\$81.93	6,970	2003	140
1415 Garthie Road	\$99,000	2BR/1BA/0G	960	\$103.13	26,136	1980	147
Not Available	\$119,900	3BR/2BA/0G	1,104	\$108.61	11,326	1990	150
301 13th Street SE	\$149,900	3BR/1BA/0G	1,272	\$117.85	10,454	1984	171
5102 Perch Pl. N.	\$125,000	3BR/1BA/0G	1,118	\$111.81	12,632	1991	311
410 Jefferson Ave. W.	\$184,900	2BR/1BA	1,019	\$181.45	37,462	1961	158
1421 Dillon Lane	\$159,500	3BR/2BA/G	1,836	\$86.87	55,321	2001	72
603 Clifton Street	\$120,000	2BR/2BA/0G	764	\$157.07	N/A	1945	350
804 Palm Ridge Drive	\$90,525	3BR/1BA/0G	1,222	\$74.08	8,276	1971	354
Averages	\$129,452		1,243	\$109.40	17,068	1984.3333	169

Note that listings in the \$150,000 to \$200,000 range are in Arrowhead Reserve (discussed later) and Ave Maria, which is a market unto itself and is not competitive with the subject area.

Of these, only three have been built since 2003; they are in the Arrowhead Reserve, Pine Grove and Jubilation neighborhoods. They indicate prices of \$107,900 to \$135,900, or \$75.84 to \$88.87 per square foot. A map, photos and sales histories of these properties follow; note that the ring denotes the subject's 1.2-mile ring.



1110 Bush Street E listing – Arrowhead Reserve



Price History					
Date	Event	Price	Price/Sq.Ft.	Change	Source
04/23/2015	Listed	\$135,900	\$76	—	FtMyers
09/18/2009	Sold	\$65,000	\$36	—	
10/23/2006	Sold	\$255,170	\$142	—	

1110 Serenity Way listing – Jubilation



Price History

Date	Event	Price	Price/Sq.Ft.	Change	Source
05/28/2015	Price Changed	\$131,000	\$89	-7.74%	FtMyers
04/15/2015	Price Changed	\$141,990	\$96	-10.70%	FtMyers
02/27/2015	Listed	\$159,000	\$108	—	FtMyers
05/21/2003	Sold	\$107,500	\$73	—	

428 Carver Street listing – Pine Grove



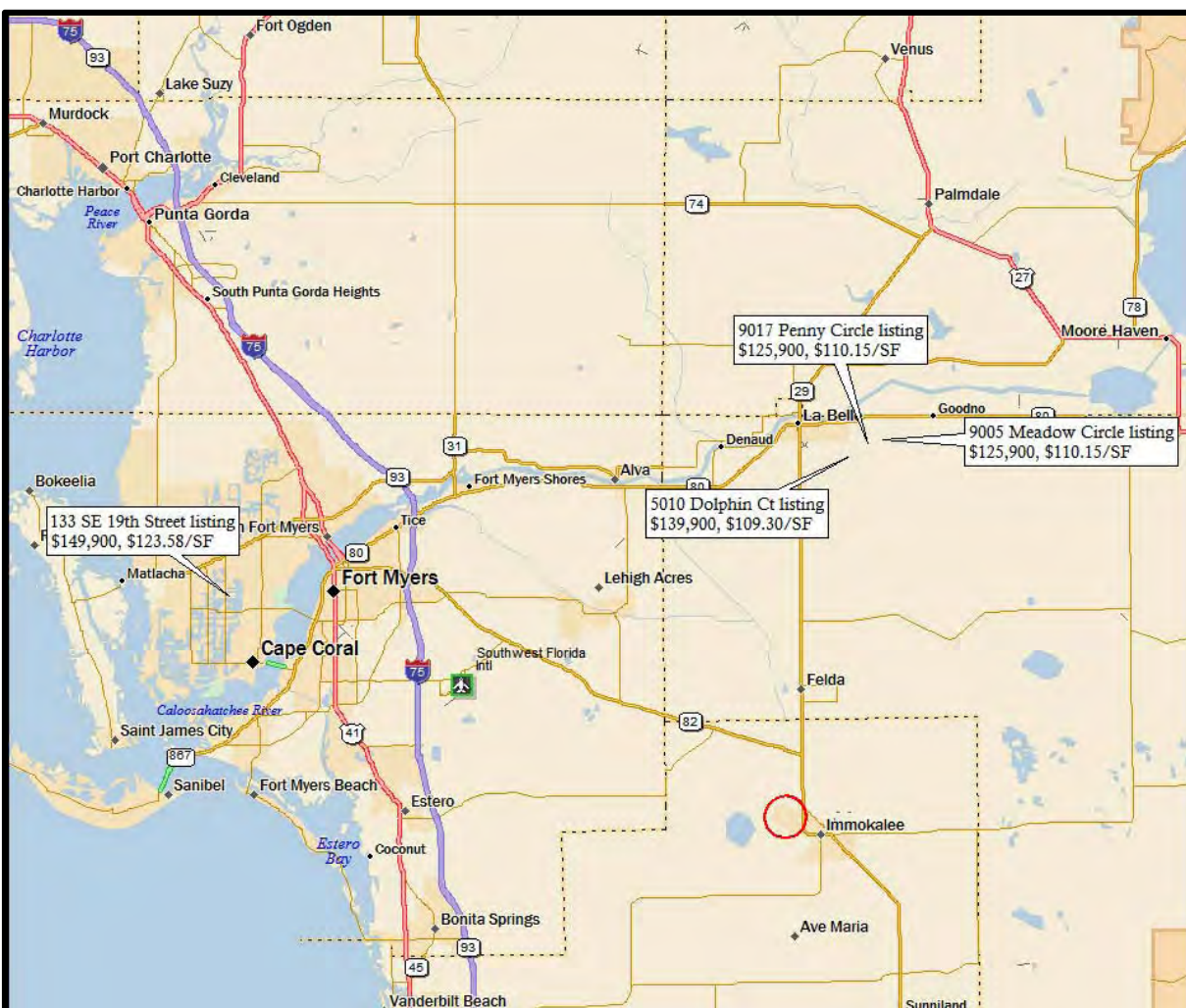
Price History

Date	Event	Price	Price/Sq.Ft.	Change	Source
01/08/2015	Listed	\$107,900	\$82	—	FtMyers
08/29/2003	Sold	\$111,000	\$84	—	

HOUSE PRICING ANALYSIS (CONT'D)

A search for new construction in or near Immokalee and priced under \$150,000 on Realtor.com revealed only four listings, all outside the subject area. Three are in Labelle and one is in Cape Coral; three are pending sales.

New Construction Single-Family Listings for Less than \$150,000 - Realtor.com							
Address	Asking Price	Type	Home SF	Price/SF	Lot SF	Yr. Blt.	Days on Realtor.com
5010 Dolphin Court Labelle, FL 33935	\$139,900	3BR/2BA/2G	1,280	\$109.30	14,810	2015	25
9017 Penny Circle La Belle, FL 33935	\$125,900	3BR/2BA/NA	1,143	\$110.15	11,761	2015	106
9005 Meadow Circle LaBelle, FL 33935	\$125,900	3BR/2BA/NA	1,143	\$110.15	11,761	2014	106
133 SE 19th Street E. Cape Coral, FL 33990	\$149,900	3BR/2BA/2G	1,213	\$123.58	8,712	2015	90
Averages	\$135,400		1,195	\$113.29	11,761	2015	82



5010 Dolphin Court, LaBelle



9017 Penny Circle, LaBelle



9005 Meadow Circle, LaBelle



133 SE 19th Street, Cape Coral

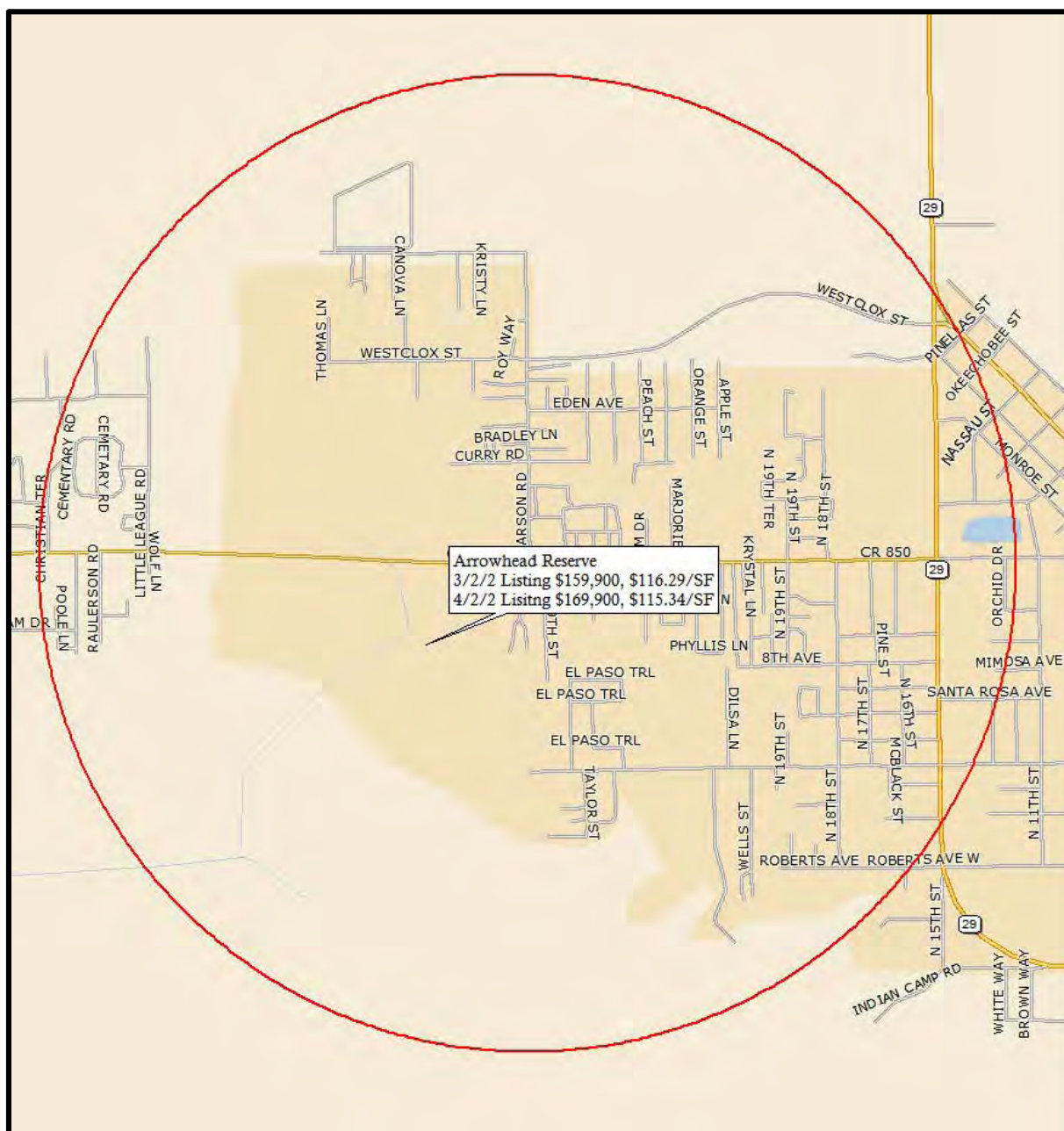


There are 31 listings for new construction in the \$150,000 to \$200,000 range; all but Arrowhead Reserve are outside the subject area or in Ave Maria.

The lowest-priced new, single family construction in the Immokalee area is in Arrowhead Reserve. A three-bedroom/two bath/two car garage proposed home is listed at \$159,900, or \$116.29 per square foot for the 1,375-square foot, single-story home. A four-bedroom/two bath/two car garage unit is being offered for \$169,900 for the 1,473 square foot home, or \$115.34 per square foot. Lots are about 50'x100', or 5,000 square feet.

Arrowhead Reserve New Construction listings

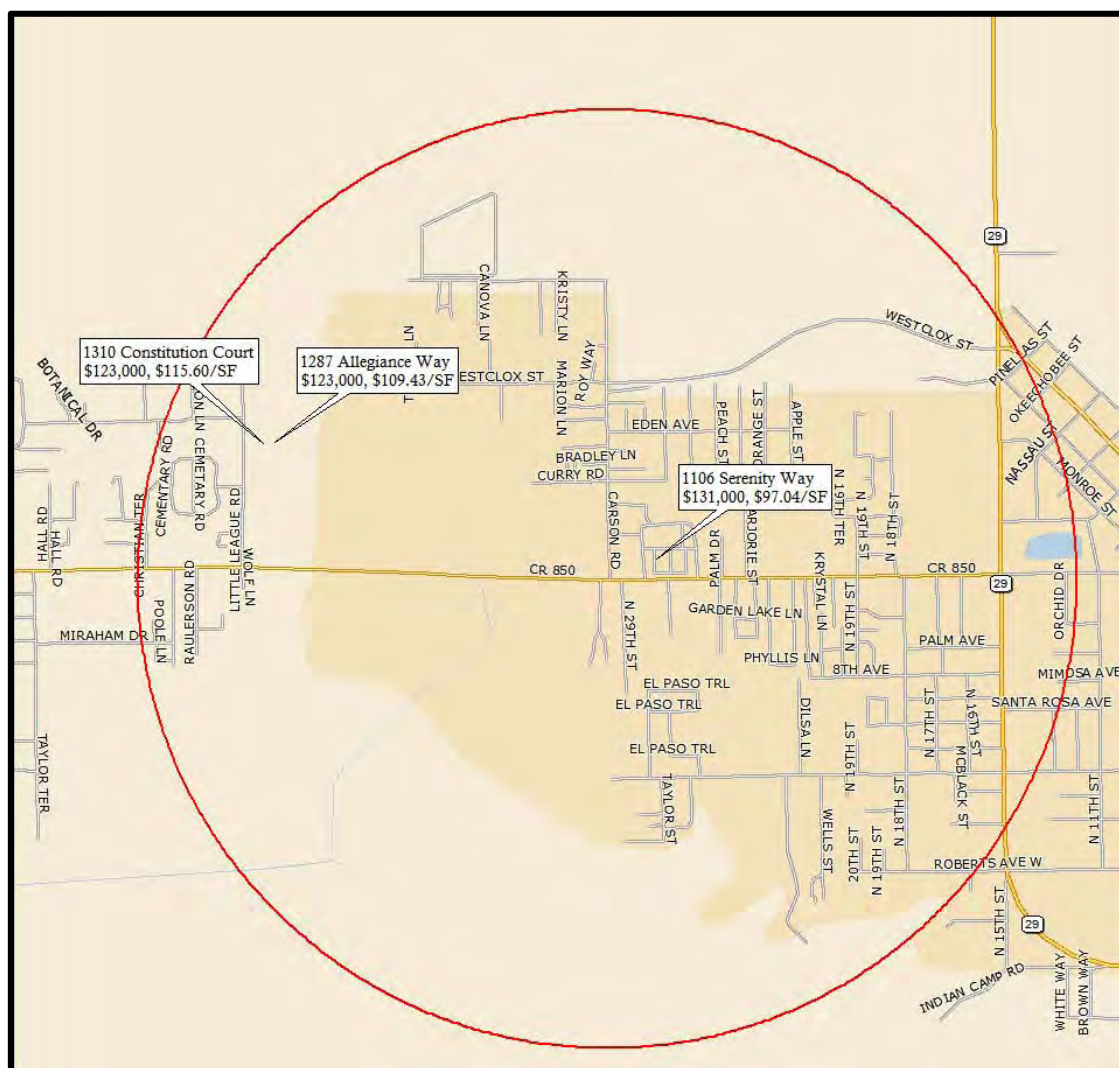




HOUSE PRICING ANALYSIS (CONT'D)

Sales in 34142 Area Code, 12/2/2014-6/2/2015, \$50,000 to \$200,000 - Collier County Property Appraiser								
Buyer	Street No.	Street Name	Subdivision	Year Blt.	Sale Date	Sale Price	Size	Price/Sq.
BENITEZ, LUCAS	1107	NEW MARKET RD W	Newmarket	1958	12/16/2014	\$75,000	1,612	\$46.53
1283 ADAMS CT TRUST	1286	ADAMS CT	Arrowhead Reserve	2007	2/16/2015	\$67,900	1,882	\$36.08
LOZANO, CYNTHIA	5111	PERCH PL	Lake Trafford Shores	1979	2/19/2015	\$55,000	1,092	\$50.37
LOPEZ, RAYMONDO PEREZ	1202	18TH TER	Trafford Pine Estates	1977	1/26/2015	\$54,000	1,050	\$51.43
HUAPILLA, GENARO	634	10TH ST	Habitat II Subdivision	1983	1/8/2015	\$55,000	1,039	\$52.94
AVE MARIA UNIVERSITY INC	4404	STEINBECK WAY	Ave Maria	2007	4/15/2015	\$87,000	1,558	\$55.84
RINCON, MIRANDA	1004	TAYLOR TER	Lake Trafford Shores	1994	1/15/2015	\$57,200	1,008	\$56.75
CWABS CERTIFICATE TRUST	1010	RAULERSON RD	None	1948	2/9/2015	\$70,100	1,208	\$58.03
IMMOKALEE PROPERTY INVESTMENTS	1159	SERENITY WAY	Jubilation	2003	1/29/2015	\$88,500	1,470	\$60.20
COVARRUBIAS, ISRAEL MONTES	1408	TANGERINE ST	Eden Park	1967	5/4/2015	\$110,000	1,747	\$62.97
GONZALEZ, JOSUE DANIEL	3418	WESTCLOX ST	None	2000	1/14/2015	\$70,000	1,104	\$63.41
HERNANDEZ, CARLOS R	600	BOSTON AVE	None	1951	4/22/2015	\$64,000	1,008	\$63.49
MEDRANO JR, MARTIN	1603	8TH AVE	Sunny Acres	1973	3/5/2015	\$90,900	1,246	\$72.95
AMBRIZ, ERNESTO	622	9TH ST	None	1974	3/11/2015	\$87,900	1,152	\$76.30
HERNANDEZ, JUAN ANGEL BENITEZ	1806	SHERMAN AVE	Trafford Pine Estates	1977	3/30/2015	\$82,000	1,050	\$78.10
TREJO JR, LUIS	4155	LANCASTER ST	Ave Maria	2008	3/3/2015	\$166,000	1,558	\$78.10
SOUTHSIDE AVE LLC	4134	OGDEN ST	Ave Maria	2007	4/13/2015	\$175,000	1,760	\$78.10
RODRIGUEZ, PATRICIA A	4130	OGDEN ST	Ave Maria	2007	4/20/2015	\$193,000	1,760	\$78.10
MORRIS, NATHAN	4151	LANCASTER ST	Ave Maria	2008	5/11/2015	\$190,000	1,760	\$78.10
HABITAT FOR HUMANITY OF COLLIER CO	5112	BASS RD	Lake Trafford Shores	2011	1/30/2015	\$113,500	1,400	\$81.07
THERESIAS, CHESLENE	1106	SERENITY WAY	Jubilation	2003	12/18/2014	\$131,000	1,350	\$97.04
PRECIADO JR, MANUEL VICTOR	1287	ALLEGIANCE WAY	Independence	2007	4/3/2015	\$123,000	1,124	\$109.43
QUEZADA, JAN CARLOS & TERESA	1310	CONSTITUTION CT	Independence	2007	12/22/2014	\$123,000	1,064	\$115.60
Averages				1986		\$84,474	1,272	\$67.82

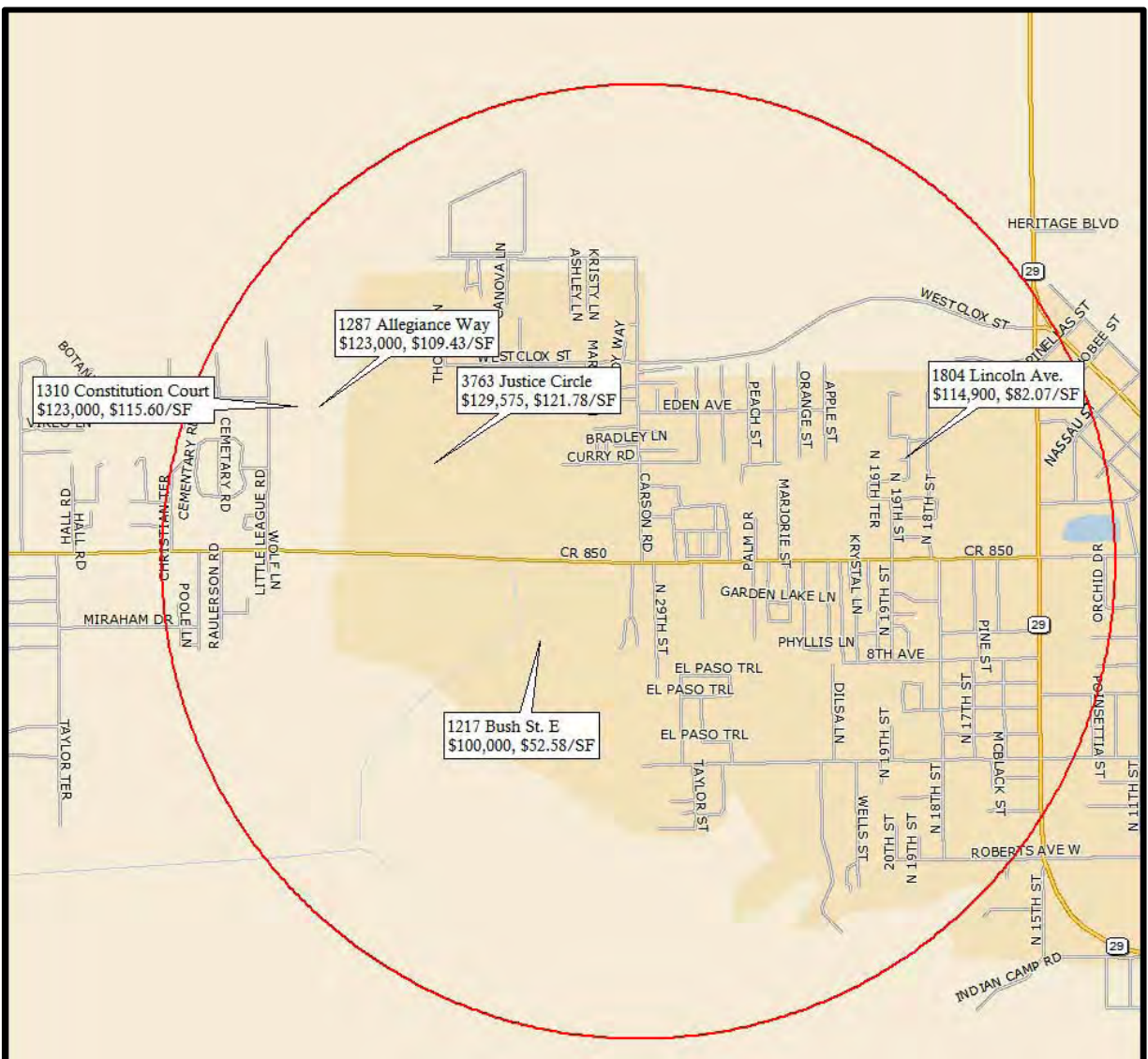
The properties built since 2003 indicate sale prices of \$67,900 to \$193,000. Excluding the sales that appear to involve investors and those in Ave Maria, the range is \$123,000 to \$131,000, or \$97.04 to \$115.60 per square foot. These three sales are in red above and mapped below.



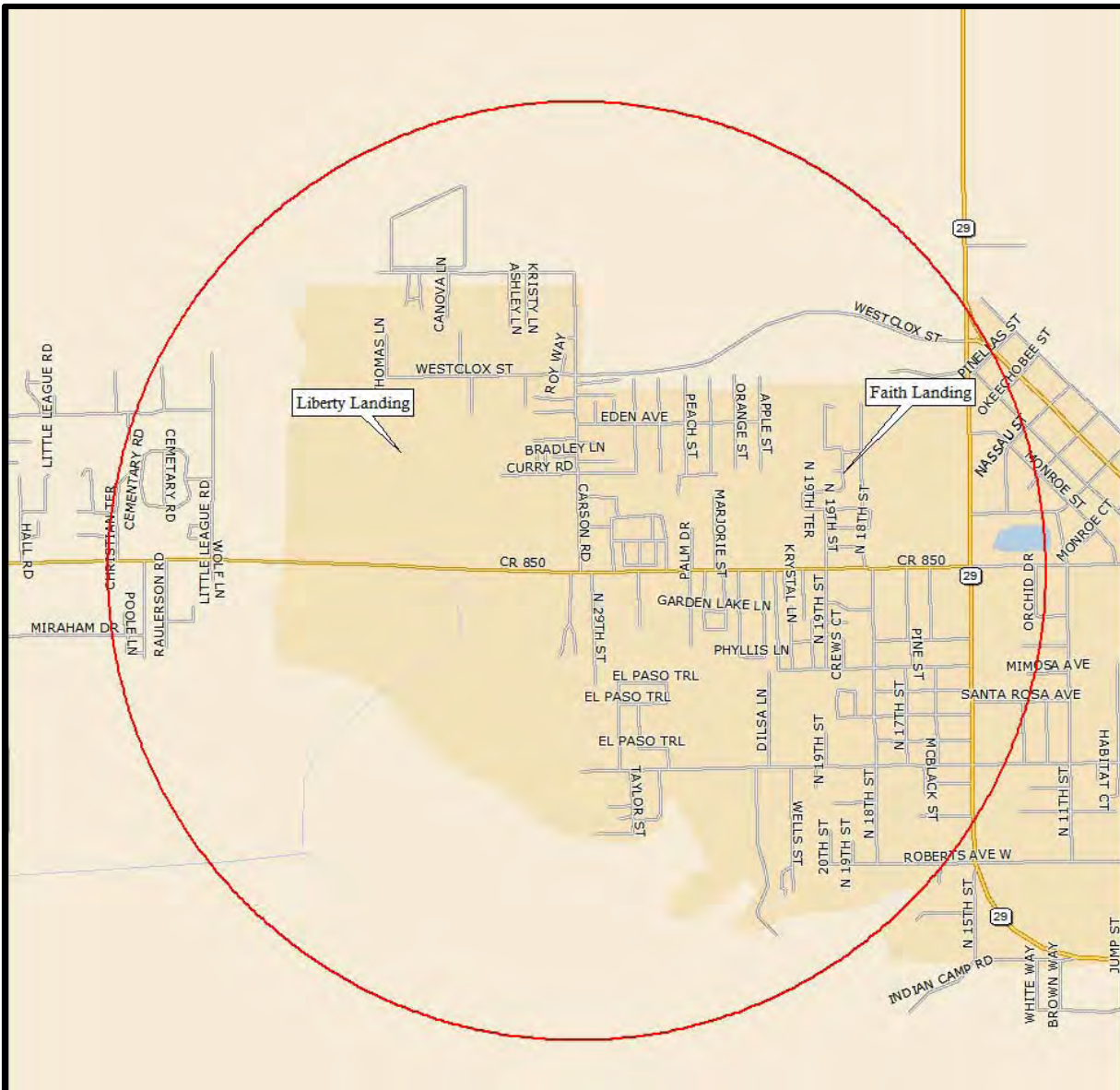
HOUSE PRICING ANALYSIS (CONT'D)

The sales at the lower end of the range are generally older properties. Of these 13 sales of homes built before 2003, the range is \$54,000 to \$110,000, or \$46.53 to \$78.10 per square foot. Again, this research does not include homes under \$50,000, which would not be in any way competitive with new construction. Realtor.com indicates the following recent sales in the subject's zip code.

Address	Sale Price	Type	Home SF	Price/SF	Lot SF	Yr. Blt.	Sale Date
1217 Bush Street E	\$100,000	Single-Family	1,902	\$52.58	12,197	2007	3/9/2015
1804 Lincoln Avenue	\$114,900	Single-Family	1,400	\$82.07	5,663	2013	12/29/2014
1310 Constitution Court	\$123,000	Single-Family	1,064	\$115.60	6,534	2007	12/29/2014
1287 Allegiance Way	\$123,000	Single-Family	1,124	\$109.43	6,098	2007	4/14/2015
3763 Justice Circle	\$129,575	Duplex	1,064	\$121.78	N/A	2009	12/4/2014
Averages	\$118,095		1,311	\$96.29	7,623	2008.6	42,032



The most affordable new product in the area is the Faith Landing and Liberty Landing and duplexes, both by Habitat for Humanity.



Faith Landing is planned for 164 duplexes and three single family homes. The duplexes are similar to sister property Liberty Landing, three-bedroom/two bath with 1,064 square feet, with no garage, for \$110,000 to \$114,900. The three single family homes will be four-bedroom/two bath with no garages, containing 1,400 square feet of living area for \$118,000 and \$120,000. The first 14 units sold in 2012, followed by 15 in 2013, six in 2014 and three in 2015.

In **Liberty Landing**, each duplex is a three-bedroom/two bath/one car garage on a 35.5' lot. Units have 1,064 square feet of living area and include a one-car garage and open front porch. Sales began in January 2008, with the most recent in March 2015, indicating an average absorption rate of about two units per month. The most recent history indicates were nine closings in 2013, eleven in 2014, and two in 2015. Sale prices generally ranged from \$109,900 to \$135,000, or \$103.28 to \$126.88 per square foot.

Habitat for Humanity sale prices reflect favorable financing, as Habitat provides the mortgages at 0% interest; therefore, the sale prices would have to be lower if conventional financing were used, in order to maintain the same affordability.

HOUSE PRICING ANALYSIS (CONT'D)

As discussed in the supply and demand analysis, the households earning 60.1% to 120% AMI are underserved in this market, with gaps of 162 units in the 60.1% to 80% AMI band (\$147,300 to \$196,100 home value range) and 260 units in the 80.1% to 120% AMI range (\$196,100 to \$294,000 home value range).

In summary, Faith Landing offers duplexes in the \$110,000 to \$120,000; the effective sale prices are higher considering the favorable financing provided by Habitat. Arrowhead Reserve offers single family homes starting at \$159,900 to \$169,900; therefore, the current offerings of new product do not cover the \$130,000 to \$160,000 range, which would target households around 60% AMI. We conclude that this would be a reasonable price range for homes in the subject area.

Assuming development of homes that target the underserved portion of the market, we estimate a sale price range of \$130,000 to \$160,000.

COMPETITIVE ANALYSIS

Location

The subject is located in the unincorporated Immokalee area of Collier County. This is a predominantly rural, moderate-income area. Most projects in close proximity to the subject are older homes, mobile homes, or affordable apartments operating under affordable housing programs, many with rental assistance. Surrounding uses and the demographics of the area suggest that the subject area is most suitable for affordable housing.

Lot Size

The three single family listings below \$150,000 and built in 2003 or later in Immokalee have lot sizes of about 5,200 to 7,000 square feet; recent home sales meeting these parameters indicate lot sizes of about 5,700 to 6,500 square feet, with one at 12,197 square feet. Independence has a typical lot size of 60' wide, and typical lot sizes in Jubilation are 53' wide. Hatcher's Preserve has 60' lots. Faith Landing and Liberty Landing have duplexes on 35.5' lots. Lots in the active portion of Arrowhead Reserve are about 50'x100', or 5,000 square feet.

A typical lot size of 50' to 60' should be well-accepted.

Unit Types and Sizes

We recommend development with three and four-bedroom homes with two baths. Larger units are typically prevalent and well-accepted in rural areas such as the subject, as the tenants are usually comprised of larger families. The subject's area has a large average household size of 3.9 persons in the three-mile ring.

Recent sales, listings, and other market data indicate the following living areas:

Address/Subdivision	Min. Unit Size	Max. Unit Size
Faith Landing	1,064 SF (3/2/0) (duplex)	1,400 SF (4/2/0) (SF)
Liberty Landing (Duplexes)	1,064 SF	
Jubilation - General	1,350 SF (3 BR)	1,474 SF (3/2/2)
Independence 1310 Constitution Court 1287 Allegiance Way	1,064 SF 1,124 SF	
Carson Lakes (Habitat)	1,064-1,232 SF	
Arrowhead Reserve Pre-Construction listings 1110 Bush Street E. 1286 Adams Ct. 1217 Bush Street E.	1,375 SF (3/2/2) 1,792 (3/2/2)	1,473 SF (4/2/2) 1,882 SF 1,902 SF
Lake Trafford Shores 5112 Bass Road	1,400 SF	
Pine Grove 428 Carver Street	1,317 SF (3/2/1)	
Faith Landing 1804 Lincoln Avenue	1,400 SF	
Labelle 5010 Dolphin Court 9017 Penny Circle 9005 Meadow Circle	1,280 SF (3/2/2) 1,143 SF (3/2/NA) 1,143 SF (3/2/NA)	
Cape Coral 133 SE 19 th Street E.	1,213 SF (3/2/2)	

The smallest homes are in the Habitat for Humanity projects, the newest being the Faith Landing and Liberty Landing duplexes with 1,064 square feet. In Immokalee, the only pre-construction listings are in Arrowhead Reserve, which indicate 1,375 square feet for a three-bedroom/two bath/two car garage; it is notable that the pre-construction listings in this development are smaller than the sizes of its existing homes. New product outside the subject area indicates living areas of 1,143 to 1,213 square feet for a three-bedroom home. We suggest a home size of 1,050 to 1,300 square feet for a three-bedroom/two bath home, with one or two garages as cost allows.

The larger homes indicate a range of about 1,232 to 1,902 square feet, though some of these may be three-bedroom homes. Faith Landing's four-bedroom/two bath single family homes have about 1,400 square feet. The pre-construction listing in Arrowhead Reserve indicates a living area of 1,473 square feet for a four-bedroom/two bath/two car garage; this is 98 square feet larger than the three-bedroom/two bath/two car garage. We recommend an offering at 1,150 to 1,400 square feet for a four-bedroom/two bath home, with one or two garages as cost allows.

Based on the data from the comparables and due to the large average household size in the area, we recommend that the subject offer three and four-bedroom units. Three-bedroom homes should have 1,050 to 1,300 square feet of living area, while four-bedrooms are recommended to have 1,150 to 1,400 square feet. At least one garage is recommended. Single family detached product would be optimal (or necessary based on zoning), but Faith Landing and Liberty Landing's duplexes were well-accepted. Lot sizes of 50' to 60' are recommended.

Age/Quality/Condition

We recommend development of average quality, further described below.

Amenities and Finishes/Unit Features

Although some of the sales and listings analyzed are within subdivisions with homeowner's associations and some community amenities, this is not typical of affordable development and is not recommended for the subject.

The homes should be concrete block or wood frame construction with painted stucco exterior and shingle roofs, which is consistent with other moderately- priced new product. Interior finishes should be average quality, including laminate counters and laminate or fair quality wood cabinetry. Carpet and vinyl flooring are also recommended. Regarding unit features, in order to maintain affordability we suggest that the subject include dishwasher, stove, refrigerator, ceiling fan connections, and washer/dryer hookups.

Product Conclusion

The recommendations for the subject product are based on the newest competitive listings in both Immokalee and similar, rural areas in southwest Florida. As described, the subject improvements would be expected to effectively compete with the existing product and achieve the sale prices concluded.

ABSORPTION ESTIMATE

We have estimated an absorption rate for the subject product, assuming sales of the recommended product at the prices estimated. We considered sale data in the immediate area.

In Arrowhead Reserve, there have been 18 home sales since January 2013, ranging from \$67,900 to \$130,000. There are two sales of pre-construction homes pending and reportedly a lot of interest from homebuyers.

The most recent indications of the sellout of a new development are from the Faith Landing and Liberty Landing duplex, both Habitat for Humanity projects. In Faith Landing, the first 14 units sold in 2012, followed by 15 in 2013, six in 2014 and three in 2015. In Liberty Landing, development took place in three phases. Sales began in January 2008, with the most recent in March 2015, indicating an average absorption rate of about two units per month. The most recent history indicates were nine closings in 2013, eleven in 2014, and two in 2015. However, early in the sellout, there were 44 closings in 2008, 35 in 2009, 20 in 2010, 21 in 2011 and two in 2012.

Realtor.com indicates five closings of product less than 10 years old with a sale price of \$150,000 or less between December 2014 and April 2015, or about one per month.

The Collier County property appraiser's site indicates a total of 20 closed sales of homes in the \$50,000 to \$150,000 range (regardless of age) since December 2, 2014 in the Immokalee 34142 zip code. This equates to 3.3 sales per month, although a few appear to be sales to investors, rather than end users.

We estimate absorption for the subject of two units per month.

ADDENDA

APPRAISERS' QUALIFICATIONS

QUALIFICATIONS OF ROBERT VON, PRESIDENT

BUSINESS ADDRESS	Meridian Appraisal Group, Inc. 1331 Sundial Point Winter Springs, Florida 32708 Phone: 407.637.8705 Fax: 407.875.1061 E-mail: rvon@meridianag.com
FORMAL EDUCATION	California State University, Northridge May 1986, Bachelor of Science in Business Administration, Real Estate Finance
REAL ESTATE EDUCATION	Has completed course work for admission to the Appraisal Institute and all necessary for State-Certification and continuing education. A partial list of course work is as follows: <i>Course/Seminars/Continuing Education</i> <ul style="list-style-type: none">• Real Estate Appraisal Principles• Basic Valuation Procedures• Standards of Professional Practice – Part A• Standards of Professional Practice – Part B• Capitalization Theory and Techniques – Part A• Capitalization Theory and Techniques – Part B• Highest and Best Use and Market Analysis• Appraising Troubled Properties• Advanced Applications• USPAP Update• MAP Valuation Training for Third Party Appraisers
EXPERIENCE	
2007 – Present	Meridian Appraisal Group, Inc. President and Principal Responsible for the acquisition, co-ordination and review of appraisal assignments on real property. Also responsible for the preparation of appraisal assignments on various real property with specialization in multi-family apartments and A&D projects throughout Florida.
January 2004 – 2007	Realvest Appraisal Services, Inc. President and Principal
June 1998 – 2003	Realvest Appraisal Services, Inc. Vice President and Principal Responsible for the acquisition, co-ordination and review of appraisal assignments on real property. Also responsible for the preparation of appraisal assignments on various real property with specialization in multi-family apartments and A&D projects throughout Florida.
1994 – 1998	Pardue, Heid, Church, Smith & Waller, Inc. Commercial Manager and Commercial Real Estate Analyst Responsible for the preparation and review of appraisal assignments on various real property including vacant land, subdivisions, retail centers, office buildings, apartments, industrial properties and special use properties.

QUALIFICATIONS OF ROBERT VON, PRESIDENT (CONT'D)

1993 – 1994

Barnett Banks, Inc.

Review Appraiser

Responsible for reviewing reports for Special Assets and Corporate and Commercial Real Estate Department. Performed all appraisal reviews for the CFCRC, a consortium of 12 lending institutions.

1986 – 1993

HomeFed Bank, FSB

Senior Review Appraiser

Responsible for the ordering and review of full narrative appraisal reports for the entire east coast portfolio. Assignments completed in 14 states and the District of Columbia

CERTIFICATIONS & LICENSES

State-Certified General Real Estate Appraiser RZ 1604

Orlando Chamber of Commerce – Member



Downtown Orlando Partnership – Member

PROFESSIONAL AFFILIATIONS

Board of Directors – Florida Housing Coalition

RICK SCOTT, GOVERNOR		KEN LAWSON, SECRETARY	
STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD			
LICENSE NUMBER			
RZ1604			
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2016			
VON WERDER, ROBERT 1331 SUNDIAL POINT WINTER SPRINGS FL 32708			
ISSUED 11/18/2014		SEQ # L1411180002357	

DISPLAY AS REQUIRED BY LAW



QUALIFICATIONS OF CONNIE L. JENNINGS, MAI, SENIOR APPRAISER

BUSINESS ADDRESS	Meridian Appraisal Group, Inc. 1331 Sundial Point Winter Springs, Florida 32708 Phone: 407.875.6933 Fax: 407.875.1061 Home Office: 321.459.0988 Home Office Fax: 501.640.4944 Email: c_l_jennings@yahoo.com
FORMAL EDUCATION	University of Central Florida Bachelor of Science in Business Administration – Finance Major Graduated First in Class Some graduate classes at University of Central Florida
REAL ESTATE EDUCATION	Has completed all necessary course work for State-Certification and continuing education. A partial list of course work is as follows: <i>Courses/Seminars/Continuing Education</i> <ul style="list-style-type: none">• Fundamentals of Real Estate• Real Estate Appraisal• Real Estate Investment Analysis• Standards of Professional Practice, Parts A & B• Capitalization Theory and Techniques, Part A• Advanced Income Capitalization• Case Studies in Real Estate Valuation• Highest and Best Use and Market Analysis• Advanced Sales Comparison and Cost Approaches• Non-Residential Demonstration Report Writing Seminar• MAP Valuation Training for Third Party Appraisers
EXPERIENCE	
2007 – Present	Meridian Appraisal Group, Inc. Senior Appraiser Responsible for the preparation of appraisal assignments on various real property including vacant land, subdivisions, retail centers, office buildings, apartments, industrial properties and special use properties.
2001 – 2007	Realvest Appraisal Services, Inc. Senior Appraiser Responsible for the preparation of appraisal assignments on various real property including vacant land, subdivisions, retail centers, office buildings, apartments, industrial properties and special use properties.
September 1998 – 2001	State-Certified General Appraiser Working as an independent subcontractor
September 1994 – September 1998	Pardue, Heid, Church, Smith & Waller, Inc. Senior Appraiser

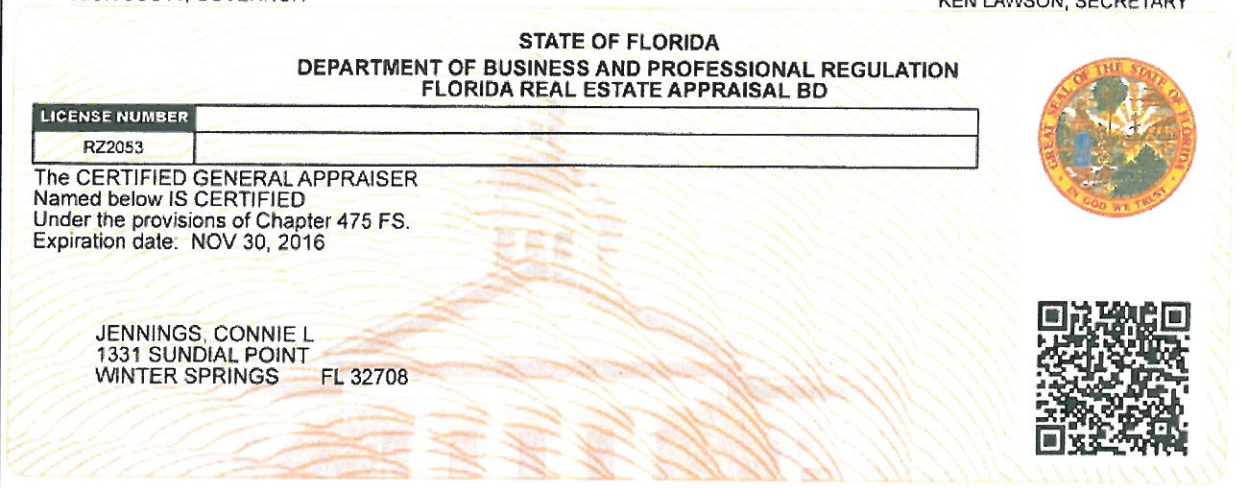


QUALIFICATIONS OF CONNIE L. JENNINGS, MAI, SENIOR APPRAISER (CONT'D)

February 1990 –
September 1994

Pardue, Heid, Church, Smith & Waller, Inc.
Associate Appraiser

CERTIFICATIONS AND LICENSES

Real Estate Salesman – 1990 through 1992
State-Certified General Real Estate Appraiser RZ 2053
Member of the Appraisal Institute (MAI), Certificate 11595

RICK SCOTT, GOVERNOR		KEN LAWSON, SECRETARY	
STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD			
LICENSE NUMBER			
RZ2053			
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2016			
			
JENNINGS, CONNIE L 1331 SUNDIAL POINT WINTER SPRINGS FL 32708		 	
ISSUED: 11/18/2014		SEQ # L1411180002336	
DISPLAY AS REQUIRED BY LAW			

ENGAGEMENT LETTER



1331 SUNDIAL POINT
WINTER SPRINGS, FLORIDA 32708
TEL 407.875.6933
FAX 407.875.1061

April 16, 2015

Mr. Steven, Kirk, President
Rural Neighborhoods
19308 SW 380th Street
Florida City, Florida 33034-3529

RE: Single Family Market Study for the Immokalee area of Collier County, Florida

Gentlemen:

Thank you for the opportunity to provide a market study on the above-referenced property. The following outlines the scope of services to be provided by Meridian Appraisal Group, Inc.

- The report will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- The market study will include a neighborhood and regional analysis, a single-family overview for the county and neighborhood. An inventory of affordable for-sale supply within the area depicted on the attached mapped area; a supply and demand analysis for the likely draw area, product pricing and absorption potential.

The total fee for the market study is \$5,500, with delivery of the report within 8 weeks of your authorization to proceed. Our fee estimate includes the cost of one original copy and one digital copy, with each additional original at \$125. Authorization to proceed with this assignment is considered confirmed upon receipt of a signed copy of this letter and receipt of a retainer in the amount of \$2,750.

Should you request that we abandon this assignment during the progress of our work, billings will be rendered up to the date of our receipt of a written request for such abandonment and shall immediately become due and payable. In the event of any dispute relative to this proposal, the prevailing party shall be entitled to the reimbursement of attorney's fees and costs. If the scope of services and the terms of this proposal are acceptable to you, please indicate acceptance of the terms by signature at the space provided and return one executed copy for our files along with the requested supporting documentation.

We appreciate the opportunity to work with you on this assignment. Please feel free to contact me if you have any questions.

Best regards,

Meridian Appraisal Group, Inc.

AGREED AND ACCEPTED

A handwritten signature in black ink, appearing to read "Robert Von", with a horizontal line extending to the right.

Robert Von, President
State-Certified General Appraiser RZ0001604

By:

Date:

A handwritten signature in blue ink, appearing to read "J. Kirk", with a horizontal line extending to the right. Below the signature, the date "4/20/15" is handwritten in blue ink.

PREFACE TO CONTRACT ADDENDUM

- A. The United States Department of Housing and Urban Development ("HUD") has awarded funds to Enterprise Community Partners, Inc. (the "Prime Grant"), using funds provided under Section 4 of the HUD Demonstration Act of 1993, pursuant to which Enterprise will distribute and administer certain Prime Grant funds ("Federal Funds") to eligible community development corporations and nonprofit organizations for the purpose of improving such organizations' capacity and stimulating the growth of low to moderate income housing production systems and other community activities; and
- B. Enterprise has selected Rural May, Inc. to be a sub recipient of a portion of the Federal Funds; and
- C. Rural May, Inc. has, in turn, selected Mandarin Appraisal Group to receive a portion of the Federal Funds for professional services.