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# MARKET STUDY REPORT

*Saint Christopher's Property  
Proposed Multi-Family Development  
Hamlet of North White Plains  
Town of North Castle  
Westchester County, New York*



## PREPARED FOR

*Joseph M. Forgione  
JMF Properties  
80 South Jefferson Road, Suite 202  
Whippany, New Jersey 07981*



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February 9, 2016

Joseph M. Forgione  
JMF Properties  
80 South Jefferson Road, Suite 202  
Whippany, New Jersey 07981

**RE: Saint Christopher's Property  
Proposed Multi-Family Development  
Hamlet of North White Plains  
Town of North Castle  
Westchester County, New York**

Dear Mr. Forgione:

In accordance with your request, I submit our market study report for the proposed development of the above referenced property with luxury residential apartments. This market study report summarizes the various processes employed in developing our conclusions, the relevant data which formed the basis of our analyses, various exhibit documents upon which we have relied and any assumptions upon which our study has been based.

I have inspected the subject site and investigated relevant economic, demographic and real estate market factors within the context of the regional and local market area. Based upon our investigation and analysis we conclude that rezoning a portion of the property to allow for luxury apartment development with a set-aside for affordable housing is beneficial and viable use of the property which will fill an unmet need in the local community.

Respectfully submitted,

Jeffrey G. Otteau, President,  
New Jersey Certified General Real Estate Appraiser, #42RG00094100  
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JGO/td

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# PART I - INTRODUCTION

## *Executive Summary*

Date of Study Report:	February 9, 2016
Effective Date of Study:	November 30, 2015
Location:	1700 Old Orchard Street Hamlet of North White Plain Town of North Castle Westchester County, New York
Current Zoning:	R-1A, One Family Residence District (1-acre) R-2A, One Family Residence District (2-acre)
Present Use:	Jennie Clarkson campus & excess land
Proposed Use:	Luxury Rental Apartments (Market & Affordable-Rate)

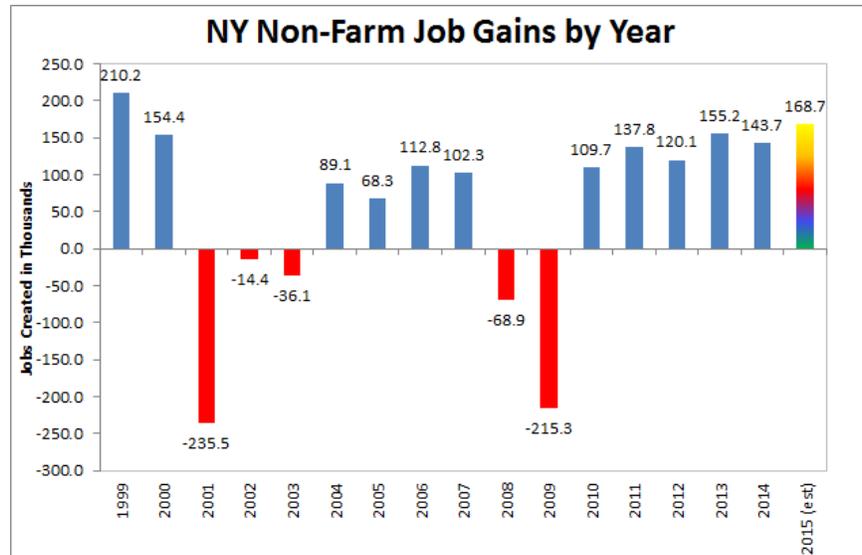
**Synopsis:** The subject of this market study is a 35.99-acre parcel identified as Section 118.01, Block 1, Lot 2 (1700 Old Orchard Street) on the Tax Map of the Hamlet of North White Plains, Town of North Castle in Westchester County. The northwestern portion of the site is presently improved with the Jennie Clarkson Campus, an adolescent developmental facility for children with special needs and their families.

A proposed subdivision of the overall site would create the following parcels:

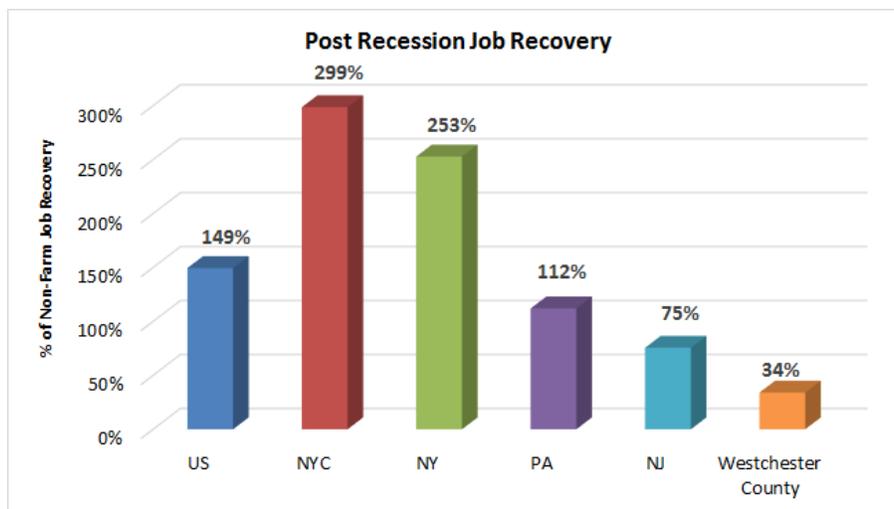
- St. Christopher Property – A 13.60-acre parcel, upon which the existing Jennie Clarkson Campus is located, for the continued operation of that facility.
- Subdivision Parcel – A 22.39-acre parcel which would be subdivided from the existing property to facilitate the development of luxury apartments. The proposed development would be located on a 12.18-acre portion of this parcel which is situated at the extreme southwestern corner of the overall property. The remaining 10.21-acres of the site would be designated as a ‘conservation parcel’ wherein no development activity is permitted.

The purpose of this market study is to determine whether the proposed development of a portion of the above referenced property with luxury apartments is a beneficial and viable use which will fill an unmet need in the community.

**Economic & Demographic Conditions:** There is strong evidence of continuing economic expansion and job creation in New York State. Based upon year-to-date job creation the state is on pace to gain 168,700 jobs in 2015 which would be its second strongest year for job growth in over a decade.



Economic growth and job creation in New York State have however have been largely concentrated in New York City while outlying suburban areas have experienced much weaker conditions. As shown in the figure below, the state recovered 253% of the jobs that were lost during 2007-2009. A more localized analysis however indicates that New York City is outpacing that recovery (299%) while Westchester County has recovered only 34%. The weaker job creation and resulting slower pace of economic growth has caused fundamental changes in housing demand which are increasingly shifting from single family detached homes to multi-family forms of housing as are proposed for the subject redevelopment area.

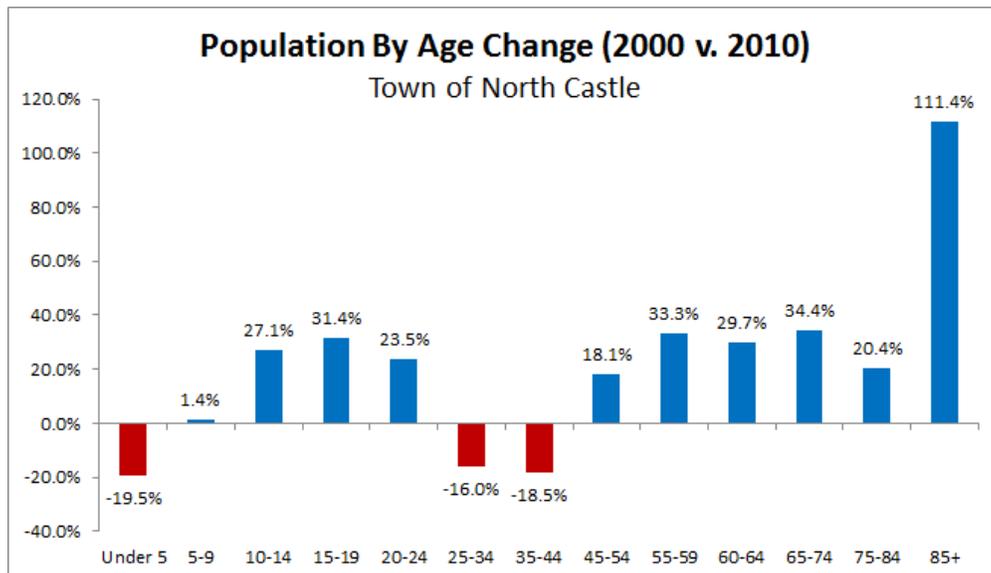


We have identified a series of demographic trends which are instructive in determining a viable use of the subject property.

- The largest household type, as measured by the household size, living within 10 miles of the site have either "1-person" or "2-persons" (113,955 or 56%) which corresponds directly to the typical occupant of rental apartments.

- The largest household type, as measured by the presence of children, living within 10 miles of the site is "Households no People under Age 18" (132,637 or 65%) which corresponds directly to the typical occupant of rental apartments.
- People ages 25-34, who account for the largest share of rental demand, account for 10% (56,745) of the population living within 10-miles of the project. Additionally, those between the ages of 55-64 (77,318 or 14%) and 65-74 (49,235 or 9%) have a large presence in the submarket area, who will further contribute to rental demand as 'empty-nester' households transitioning from homeownership to rentership.
- People who have "Never Married" account for 31% (142,501) of the population living within 10 miles which corresponds to occupancy in smaller and mid-sized apartments. Also of note are that Married-Spouse Absent, Widowed and Divorced households account for 85,592 or 19%.

A significant local demographic trend is the declining population of certain age cohorts in the Town of North Castle. As shown in the chart below, the municipality is experiencing population declines in a number of age cohorts. Of particular concern is the decline in the 25-34 (-16%) and 35-44 (-19%) age cohorts over the 10-year period from the 2000 to 2010 Census. These cohorts represent the leading edge of the 'Millennial' generation which is an essential component of a viable economy and real estate market. We also note sharp declines in the 0-5 age cohort which translates directly to present and future school enrollment trends (see table below).



The decline in the 'Millennial' population has significant long-term implications for residential and commercial real estate demand in the Town of North Castle, including its effect on local employment. Because employers universally understand that proximity to Millennials is an essential ingredient of a successful business, employers will logically choose to locate in, or relocate to, places that are able to attract and retain this key talent pool. That the Town of North Castle is experiencing a loss of this demographic cohort implies long term weakness in office demand as well as other real estate sectors including retail and home purchase demand.

Evidence of this effect is already evident in the local commercial real estate market, most notably in office buildings. As show in the table below, the current vacancy rate for North

Castle's office buildings stands at 24.5%, compared to only 14% for Westchester County. Based upon the slow pace at which vacant space in North Castle is becoming occupied in North Castle, the current vacancy of 335,000 Ft<sup>2</sup> reflects a 26-year supply.

		Office Market Analysis				
		Town of North Castle	Radius (miles) 5	Radius (miles) 10	Radius (miles) 15	Westchester County
Existing Office Space	Ft <sup>2</sup>	1,365,635	23,854,043	40,279,963	54,345,296	50,556,351
Area (miles <sup>2</sup> )	Miles <sup>2</sup>	27	66	270	580	500
Office Space per-square-mile	Ft <sup>2</sup>	50,579	363,131	149,207	93,747	101,113
Existing Households - 2015	#	4,118	47,971	184,101	349,186	358,975
Office Space per-household	Ft <sup>2</sup>	332	497	219	156	141
Vacant Office Space	Ft <sup>2</sup>	334,581	3,649,669	5,639,195	7,282,270	7,077,889
Current Occupancy Rate	%	75.5%	84.7%	86.0%	86.6%	86.0%
Current Vacancy Rate	%	24.5%	15.3%	14.0%	13.4%	14.0%
Available Office Space	Ft <sup>2</sup>	353,326	4,966,123	7,674,179	10,584,235	9,932,894
Current Availability Rate	%	25.9%	20.8%	19.1%	19.5%	19.6%
Net Absorption (past-4-qrtrs)	Ft <sup>2</sup>	13,055	618,977	572,326	521,107	507,639
Monthly Net Absorption	Ft <sup>2</sup>	1,088	51,581	47,694	43,426	42,303
Absorption Period	100%	27.1	8.0	13.4	20.3	19.6
Projected Years to Stabilized Occupancy @	96%	26.0	7.7	12.9	19.5	18.8

Note: analysis excludes portions of Fairfield County, CT that fall within the radii

One of the key drivers for occupancy in commercial real estate, such as offices, is the availability of higher density 'amenitized' housing near to transportation infrastructure, employment centers and retail services. Places that promote this form of housing are able to attract Millennials, and as a by-product a more vibrant economy and commercial real estate landscape. Conversely, a failure to provide more open and diversified forms of zoning leads to a declining millennial population and economy. This has broad implications on employment/unemployment, personal/household income, real estate values and the sustainability of the municipal tax base. As employers and the jobs they provide leave an area, the commercial tax base shrinks thereby shifting the cost of local government increasingly to residential property owners. And then, a negative-feedback-loop occurs whereby the effect of this cycle circle back into all facets of the local economy and real estate markets. From this perspective, increasing housing opportunities for younger age households in multi-use settings will increase demand for commercial real estate demand and employment.

When considered collectively, these trends indicate that economic and real estate demand growth will be concentrated in those suburbs and cities offering proximity to employment, transportation and lifestyle amenities. This description is perfectly aligned with the proposed construction of luxury apartments within close proximity to major highways, employment centers, retail services and commuter rail stations in Valhalla, North White Plains and White Plains.

**Multi-Family Rental Market Findings:** Demand for apartments remains strong four years after the recovery began, even though construction activity has been increasing. In the Westchester Metro Area, apartment vacancy rates increased slightly to 3.0% in the 3<sup>rd</sup> quarter. The metro's current vacancy rate remains down 220 basis points (bp) from the 5.2% cyclical peak recorded back in 2010, and 130 bp less than the national rate. As a result of these strong market fundamentals in the Westchester Metro Area, asking rents in the state continue to rise on the strength of reduced vacancy and rising net positive absorption.

Focusing specifically on the Central Westchester County submarket, which includes the City of Rye, Town of North Castle, Town of Harrison, Town of Greenburgh, Town of Mount Pleasant and Village of Scarsdale, the market is reporting a median vacancy rate of 4.1% with asking rents having increased at an annualized pace of 0.7% over the past year, 2.3% over 3 years and 2.4% over 5 years. At the same time, effective rents have increased at an annualized pace of 1.6% over the past year and 13.0% over 5 years. The larger increase in effective rents indicates that landlords are pulling back on rental concessions offered to prospective tenants in response to rising demand levels. Of particular note is that the existing stock of apartments in the submarket is relatively old with a mean property age of 24 years (built in 1991) and median age of 19 years (built in 1996).

Our investigation has indicated strong demand growth for modern apartments will occur in the local area. An alternate measurement of demand growth for multi-family apartments comes from projections of household formation. The number of households within a 5-mile radius of the subject project is projected to increase over the next 5 years from 52,721 to 54,688. Based upon these figures, and factoring in a modest 1% annualized increase in the rentership rate, indicates a demand increase equivalent to 1,631 rental units over the next 5 years or 3,261 over 10 years (see table below).

Rental Demand Projection (5-Mile Radius of Subject Property)			
	Households	Ratio	Rental Demand
2015 (existing)	52,721	34.69%	18,287
2020 (projected)	54,688	36.42%	19,918
Projected 5-Year Demand Increase (units)			1,631
Projected 10-Year Demand Increase (units)			3,261

We also note our prior analysis of the existing housing stock within North Castle which indicates that only 2.4% of the Town's housing stock is in multi-family structures with 5 or more units while 17% of its population is between the ages of 18-34 and an additional 15% of the population is ages 65 and older. Also, 45% of its households are either 1-person or 2-persons in size and 55% have no children living at home. These facts support the introduction of additional housing in the form of multi-family rental apartments for those younger age, older age, and small-size 'childless' households.

Based upon this analysis, coupled with our prior market analysis of the local submarket, the development multi-family rental apartments on the subject site is supported by local economic, demographic and real estate market conditions and will fill a need in the local community.

**Project Description:** The characteristics of the neighborhood area and site are favorable to multi-family development, which enjoys a strategic location off State Route 22 and within 1.4 miles of the Taconic State Parkway and the Bronx River Parkway, 3.4 miles of Interstate 684 (exit 2), 3 miles of Interstate 287 (exit 6), 3.9 miles to the Sprain Brook Parkway, and 5.1 miles to the Saw Mill River Parkway (exit 23) and 1.8 miles to the Valhalla train station with connecting service to Grand Central Terminal in Manhattan. It is also noted that the North White Plains and White Plains train stations are located within close proximity to the subject property, 2.7 and 4.5 miles, respectively. From an employment perspective, the local professional office market contains 23.4-Million Ft<sup>2</sup> and 39.7-Million Ft<sup>2</sup> of office building space within a 5-mile &

10-mile radius of the subject property, respectively. This equates to 298,000 Ft<sup>2</sup> per Mile<sup>2</sup> & 126,000 Ft<sup>2</sup> per Mile<sup>2</sup>, which is above the county average. Therefore, employment opportunities exist within the local market area to support residential development

The developer is proposing to construct 200 luxury multi-family apartments on the site as an inclusionary project with 10% set-aside for affordable housing. The apartments would be a mix of one and two bedroom units. The residences would be situated in two 3-4 story wings. The parking is located in the basement and completely hidden from view. Parking for the residents would be provided at a ratio of 2.0 spaces per dwelling unit.

The two wings will be situated in the center of the densely wooded site, which will render it virtually invisible from the surrounding properties and adjacent roadways. The two wings of the project are organized around a common outdoor recreation area angled toward views of the Kensico Reservoir. Private terraces and balconies with views of the Kensico Reservoir and Cranberry Lake Preserve are also important design elements which provide architectural articulation and style. Additionally the project is envisioned to include a generous compliment of luxury indoor amenities including a fitness center, bike share program, virtual golf simulator, theater, dog park, Wi-Fi bar/business center, clubroom, and virtual doorman. The scale of the amenities will be determined however, by the overall size of the project.

The residential apartments in the project are envisioned to have luxury kitchens and large living areas for entertaining. Many of the residences will have large windows, balconies and/or private terraces with expansive views of the Kensico Reservoir and Cranberry Lake Preserve. Great care will be taken on locating the wings of the buildings on the site to allow for as many apartments as possible to have views of the surrounding area.



Marchetto Higgins Stieve Architects P.C.

Our investigation of modern competitive properties in the local submarket area indicates the most popular apartment design to include a mix predominated by both 1-bedroom and 2-bedroom apartments while Studio type and 3-bedroom apartments represent a minority share. Based upon the characteristics of competing apartment properties coupled with demographic

trends toward smaller size households we recommend that the mix of apartments within the proposed subject project be limited to 1-bedroom and 2-bedroom units. We further recommend that a portion of the 1-Bedroom units should feature a Den area to maximize rental pace by appealing to multiple tenant profiles. The developer's conceptual program for the project is well aligned with our recommendations as shown in the table below.

<b>Recommended Program Mix Market-Rate Apartment Units</b>					
Configuration	Recommended		Developer's Concept		
	Avg. Ft <sup>2</sup>	Mix	Avg. Ft <sup>2</sup>	# of Units	Mix
Studio	n/a	0%	n/a	0	0%
1-Bedroom	825	40%	820	72	40%
2-Bedroom	1,250	60%	1,250	108	60%
3-Bedroom	n/a	0%	n/a	0	0%

Our projections for achievable rental pricing for the Market-Rate Luxury Apartments is summarized in the following table:

<b>Saint Christopher's Property Proposed Multi-Family Development</b>								
Preliminary Projection of Average Market Rent for Market-Rate Units								
Apartment Type	Baths	Projected Unit Mix		Apt. Size (avg. SF)	Base Area (Median Deviation)	Base Rent (\$ per SF)	Base Monthly Rent	
							2015	2017
1-Bedroom	1	40%	72	820	-24%	\$2.79	\$2,285	\$2,354
2-Bedroom	2.5	60%	108	1,250	16%	\$2.48	\$3,094	\$3,188
Total Apartments							180	
Average Unit Size (weighted)							1,078	
Average Base Monthly Rent (weighted)							\$2,770	\$2,854
Average Base Rent-Per-Square Foot (weighted)							\$2.57	\$2.65

Our affordability analysis indicates that the projected rental pricing for the market-rate apartments is well aligned to local area income levels. Overall, there are more than 100,000 households presently living within 10 miles of the site, representing more than half (51%) of all households within that same radius, earning more than the minimum \$95,000 annual income necessary to afford the projected market pricing of the proposed apartments. Of particular significance is that 42% of 25-34 year olds, 59% of 35-44 year olds, 61% of 55-64 year olds and 44% of 65-74 year olds, which were previously identified as primary or secondary target renter cohorts, have sufficient income to afford the projected rental pricing. Therefore, adequate earning and purchasing power exists within the local submarket area to support the projected pricing for the subject project.

<b>AFFORDABILITY BY AGE MATRIX - Market-Rate Rental Apartments</b>									
<b>Household Income by Age of Householder 2015 - 10 Mile Radius of Subject Property</b>									
<b>2015 Estimate Age/Income</b>	<b>Age 15 - 24</b>	<b>Age 25 - 34</b>	<b>Age 35 - 44</b>	<b>Age 45 - 54</b>	<b>Age 55 - 64</b>	<b>Age 65 - 74</b>	<b>Age 75 - 84</b>	<b>Age 85+</b>	<b>Total</b>
Total Households	4,472	19,227	33,485	46,181	43,835	29,590	18,071	9,818	204,679
% of Total Households	2.18%	9.39%	16.36%	22.56%	21.42%	14.46%	8.83%	4.80%	
Median Household Income	\$37,283	\$78,501	\$118,545	\$131,065	\$123,131	\$84,443	\$53,097	\$35,698	
Income \$95,000 - \$99,999	110	461	677	927	873	793	388	160	4,389
% Across Age Ranges	2.51%	10.51%	15.42%	21.13%	19.90%	18.07%	8.83%	3.64%	
% Within Age Range	2.46%	2.40%	2.02%	2.01%	1.99%	2.68%	2.14%	1.63%	
Income \$100,000 - \$124,999	142	1,857	3,318	4,668	4,111	2,706	983	596	18,381
% Across Age Ranges	0.77%	10.10%	18.05%	25.40%	22.37%	14.72%	5.35%	3.24%	
% Within Age Range	3.18%	9.66%	9.91%	10.11%	9.38%	9.14%	5.44%	6.07%	
Income \$125,000 - \$149,999	100	1,336	2,436	3,751	3,485	2,026	846	447	14,427
% Across Age Ranges	0.69%	9.26%	16.89%	26.00%	24.16%	14.04%	5.86%	3.10%	
% Within Age Range	2.24%	6.95%	7.27%	8.12%	7.95%	6.85%	4.68%	4.55%	
Income \$150,000 - \$199,999	64	1,670	4,240	5,718	5,049	2,609	1,076	293	20,719
% Across Age Ranges	0.31%	8.06%	20.46%	27.60%	24.37%	12.59%	5.19%	1.41%	
% Within Age Range	1.43%	8.69%	12.66%	12.38%	11.52%	8.82%	5.95%	2.98%	
Income \$200,000+	82	2,767	9,210	14,531	13,076	4,986	1,894	447	46,993
% Across Age Ranges	0.17%	5.89%	19.60%	30.92%	27.83%	10.61%	4.03%	0.95%	
% Within Age Range	1.83%	14.39%	27.50%	31.47%	29.83%	16.85%	10.48%	4.55%	
<b>Total Households &gt; \$95,000</b>	<b>498</b>	<b>8,091</b>	<b>19,881</b>	<b>29,595</b>	<b>26,594</b>	<b>13,120</b>	<b>5,187</b>	<b>1,943</b>	<b>104,909</b>
<b>% Households &gt; \$95,000</b>	<b>11%</b>	<b>42%</b>	<b>59%</b>	<b>64%</b>	<b>61%</b>	<b>44%</b>	<b>29%</b>	<b>20%</b>	<b>51%</b>

**Affordable Housing:** Also to be considered, is that apartment development as an inclusionary project will create much needed affordable housing units in North Castle, for which we have determined a large unmet need to exist. Our analysis of household income levels indicates that there are approximately 93,000 households presently living within 10 miles of the site, representing 45% of all households within that same radius, with insufficient income to afford the average cost of market-rate rental housing.

<b>LACK OF AFFORDABILITY BY AGE MATRIX - Average Rental Pricing</b>									
<b>Household Income by Age of Householder 2015 - 10 Mile Radius of Subject Property</b>									
<b>2015 Estimate Age/Income</b>	<b>Age 15 - 24</b>	<b>Age 25 - 34</b>	<b>Age 35 - 44</b>	<b>Age 45 - 54</b>	<b>Age 55 - 64</b>	<b>Age 65 - 74</b>	<b>Age 75 - 84</b>	<b>Age 85+</b>	<b>Total</b>
Total Households	4,472	19,227	33,485	46,181	43,835	29,590	18,071	9,818	204,679
% of Total Households	2.18%	9.39%	16.36%	22.56%	21.42%	14.46%	8.83%	4.80%	
Median Household Income	\$37,283	\$78,501	\$118,545	\$131,065	\$123,131	\$84,443	\$53,097	\$35,698	
Income Less than \$15,000	1,082	1,029	1,065	1,804	2,133	1,813	2,088	1,839	12,853
% Across Age Ranges	8.42%	8.01%	8.29%	14.04%	16.60%	14.11%	16.25%	14.31%	
% Within Age Range	24.19%	5.35%	3.18%	3.91%	4.87%	6.13%	11.55%	18.73%	
Income \$15,000 - \$24,999	558	1,271	1,296	1,565	1,869	2,084	2,548	1,856	13,047
% Across Age Ranges	4.28%	9.74%	9.93%	12.00%	14.33%	15.97%	19.53%	14.23%	
% Within Age Range	12.48%	6.61%	3.87%	3.39%	4.26%	7.04%	14.10%	18.90%	
Income \$25,000 - \$34,999	475	1,263	1,448	1,728	1,883	1,823	1,740	1,159	11,519
% Across Age Ranges	4.12%	10.96%	12.57%	15.00%	16.35%	15.83%	15.11%	10.06%	
% Within Age Range	10.62%	6.57%	4.32%	3.74%	4.30%	6.16%	9.63%	11.80%	
Income \$35,000 - \$49,999	795	2,020	2,369	2,547	2,716	2,965	2,334	1,171	16,917
% Across Age Ranges	4.70%	11.94%	14.00%	15.06%	16.05%	17.53%	13.80%	6.92%	
% Within Age Range	17.78%	10.51%	7.07%	5.52%	6.20%	10.02%	12.92%	11.93%	
Income \$50,000 - \$74,999	624	3,707	4,720	5,232	5,147	4,613	2,624	1,212	27,879
% Across Age Ranges	2.24%	13.30%	16.93%	18.77%	18.46%	16.55%	9.41%	4.35%	
% Within Age Range	13.95%	19.28%	14.10%	11.33%	11.74%	15.59%	14.52%	12.34%	
Income \$75,000 - \$87,000	264	1,107	1,624	2,226	2,096	1,903	930	383	10,533
% Across Age Ranges	2.51%	10.51%	15.42%	21.13%	19.90%	18.07%	8.83%	3.64%	
% Within Age Range	5.90%	5.76%	4.85%	4.82%	4.78%	6.43%	5.15%	3.90%	
<b>Total Households &lt;\$87,000</b>	<b>3,798</b>	<b>10,397</b>	<b>12,522</b>	<b>15,102</b>	<b>15,844</b>	<b>15,201</b>	<b>12,264</b>	<b>7,620</b>	<b>92,748</b>
<b>% Households &lt;\$87,000</b>	<b>85%</b>	<b>54%</b>	<b>37%</b>	<b>33%</b>	<b>36%</b>	<b>51%</b>	<b>68%</b>	<b>78%</b>	<b>45%</b>

Based upon Westchester County guidelines, we project an average rental price of \$1,138 per month for the affordable rental units.

Saint Christopher's Subdivision						
AFFORDABLE-RATE PROJECT MIX & BASE RENTAL PRICES						
Unit Type	Apartment Type	Share		Rent Limit	Utility Allowance	2015 Base Rent
Low Home - Rental Apartment	1 Bedroom	20%	4	\$1,012	\$112.00	\$900
High Home - Rental Apartment	1 Bedroom	20%	4	\$1,250	\$112.00	\$1,138
Low Home - Rental Apartment	2 Bedroom	30%	6	\$1,215	\$141.00	\$1,074
High Home - Rental Apartment	2 Bedroom	30%	6	\$1,502	\$141.00	\$1,361
Average Base Monthly Rent (weighted)						\$1,138

We therefore conclude that redeveloping the subject property as an inclusionary development with a 10% set-aside of affordable housing, or with off-site contributions to an affordable housing fund, is a viable and beneficial use of the property that will fill a need in the local and regional submarket area.

**Property Taxes:** Another beneficial effect of the proposed luxury apartment development is that it will generate a significant increase in property taxes. Based upon current market indicators, the development of luxury apartments on the site will result in annual property taxes of approximately \$1,278,000. This compares to no taxes currently being paid due to the tax exempt status of the present use or \$295,570 for the 'as of right development of 11 single family homes. Therefore, the proposed development with 200 luxury apartments will generate increased property taxes of \$982,367, representing an increase of 332%, compared to developing 11 single family homes on the property.

PROPERTY TAX COMPARISON				
No. of Dwelling Units	Single Family Homes		Luxury Apartments	
	11		200	
	Market Rate	Affordable	Market Rate	Affordable
	11	0	180	20
<b>Projected Values</b>	\$1,000,000	\$0	\$255,000	\$83,000
<b>Taxes - per dwelling</b>	\$26,870	\$0	\$6,852	\$2,230
<b>Taxes - Subtotal</b>	\$295,570	\$0	\$1,233,333	\$44,604
<b>Total Property Taxes</b>	\$295,570		\$1,277,937	
<b>Property Tax Increase</b>	n/a - base case		\$982,367	
			332%	
Note: property taxes based upon mill rate of \$1,133.58 and assesment ratio of 2.37% for an effective tax rate of 2.687%				

We note however the following limitations of the 'base case' scenario for 'as of right' development of 11 single family homes.

- Achieving 11 single family homes would require development of the northwestern portion of the site that is presently contemplated to be set aside as a 10.21-acre conservation parcel, thus negating that public benefit.
- The calculations above for 11 single-family homes presumes that no affordable housing units are required. Providing affordable housing within the project would reduce the

number of market-rate dwellings which would in turn reduce the property taxes to be paid.

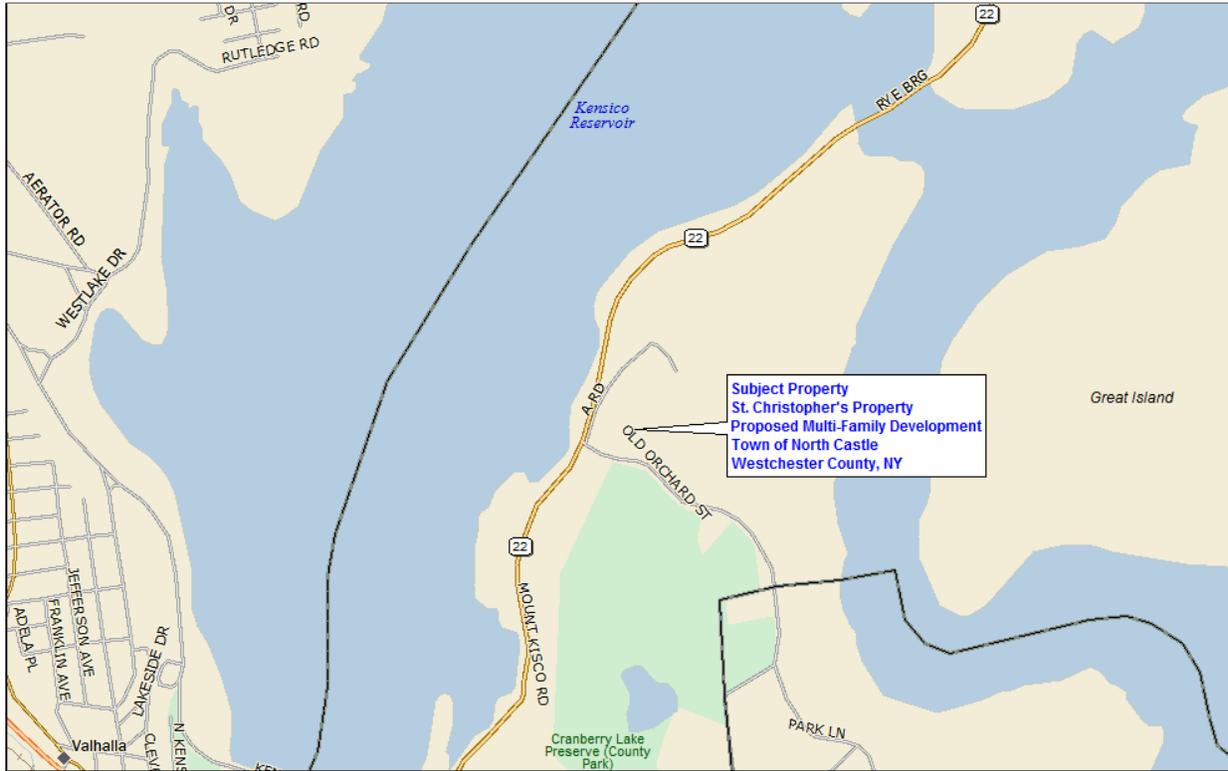
- Given economic and real estate market conditions coupled with the site's topography and the presence of wetlands within the proposed conservation area, there is a possibility that the development of 11 \$1-Million homes is not physically possible or financially feasible.

**Study Conclusions:** The combined effects of the economic and demographic changes detailed in this report have resulted in increased demand for multi-family rental apartments throughout the regional and local submarket areas. These favorable market conditions are evidenced by rising demand, a shortage of availability housing, increasing rental pricing and plans for future construction activity.

We also note that the proposed development plan provides for the designation of a 10.21-acre portion of the site as a conservation area. This area, which includes wetlands areas, will provide an additional benefit to the public by being preserved in its natural state.

We therefore conclude based upon our investigation and analysis that rezoning a portion of the property to allow for luxury apartment development with a set-aside for affordable housing is beneficial and viable use of the property which will fill an unmet need in the local community.

### Subject Property Location



### ***Date of the Study***

The effective date of the market study is **November 30, 2015**, which establishes the context for the analysis in terms of economic, demographic and real estate market conditions. The date of this market study report is **February 9, 2016**, which identifies when the analyses and report were prepared.

### ***Identification of Property***

The subject property is a 35.99-acre parcel identified as Section 118.01, Block 1, Lot 2 (1700 Old Orchard Street) on the Tax Map of the Hamlet of North White Plains, Town of North Castle in Westchester County, New York. The northwestern portion of the site is presently improved with the Jennie Clarkson Campus, an adolescent developmental facility for children with special needs and their families.

A proposed subdivision of the overall site would create the following parcels:

- St. Christopher Property – A 13.60-acre parcel, upon which the existing Jennie Clarkson Campus is located, for the continued operation of that facility.
- Subdivision Parcel – A 22.39-acre parcel which would be subdivided from the existing property to facilitate the development of luxury apartments. The proposed development would be located on a 12.18-acre portion of this parcel which is situated at the extreme southwestern corner of the overall property. The remaining 10.21-acres of the site would be designated as a ‘conservation parcel’ wherein no development activity is permitted.

### ***Purpose & Intended Use of the Study***

The purpose of this market study is to determine whether the proposed development of a portion of the above referenced property beneficial and viable use which will fill an unmet need in the community.

The intended use of this study is to facilitate the formulation of a viable development plan for the property within the context of the local economy and real estate market.

### ***Intended User of the Study***

The intended user of the study is the client, **JMF Properties**. It is also anticipated that the governing body of Town of North Castle may rely upon this report in considering an application

to subdivide and develop a portion of the property with luxury multi-family apartments. Any reliance upon this report by anyone other than those named above is unintended.

### ***Scope of Work***

The scope of work employed in developing this analysis included:

1. Identification of the subject property, the effective date of study, and the specific estates applicable to the property.
2. Jeffrey G. Otteau inspected the subject property and surrounding neighborhood area. During the inspection photographs were taken of the subject property as well as of the surrounding neighborhood area.
3. Reviewed various documents provided by the client for the subject property including but not limited to legal descriptions, site plans, building plans and operating performance (existing office building).
4. Reviewed the land use laws affecting subject property with regard to permitted uses and bulk and area requirements.
5. Regional and local area data was gathered from various public and private information sources including but not limited to US Census Bureau, Bureau of Labor Statistics, Federal Reserve Bank(s), GIS and geographical mapping, Real Estate Market Data Databases and records maintained in the files of Otteau Valuation Group, Inc. Other data sources include public records, recorded deeds, municipal zoning information, real estate brokers, various national, local and regional subscribed services and the Internet. This gather of this information was related to:
  - a. Research and analysis of economic factors and trends.
  - b. Research and analysis of demographic factors and trends.
  - c. Research and analysis of comparable properties and projects having similar characteristics to the existing property and proposed development.
6. The application of various analysis techniques employed in developing our conclusions including formulations of real estate demand, development viability, property values and property taxes. A reconciliation of the analysis techniques employed to arrive at our conclusions.

The results of our study analysis are presented in an MARKET STUDY REPORT format which “summarizes” the study process, methodology and conclusions. Additional supporting documentation has therefore been retained in our work file.

### ***Ownership & History of Property***

The current owner of record for the property is Jennie Clarkson Home/St. Christopher’s Child Car Services Inc. Our investigation has not discovered any additional transfers of title, leases,

options or listing agreements for the subject property within the past five years. According to the client, JMF Properties is the contract purchaser of a 22.39-acre portion of the subject property contingent upon securing all municipal approvals for the development of luxury apartments on a 12.18-acre portion of the parcel. Details of this contract have not been provided. There are currently no approvals in place for the redevelopment of the property.

### ***Tax and Assessment Analysis***

According to the official records of the Westchester County Board of Taxation, the subject property is legally described as a portion of Section 118.01, Block 1, Lot 2 (1700 Old Orchard Street) on the Tax Map of the Hamlet of North White Plains, Town of North Castle in Westchester County, New York.

Given the subject property's present use as the Jennie Clarkson campus, the Receiver of Taxes for the Town of North Castle has advised that the property has a tax exemption on file. Therefore, the property is only responsible for the payment of sewer tax, which is summarized as follows:

#### **2015 Assessments:**

Land:	\$ 36,400.00
Improvements:	<u>\$ 174,600.00</u>
Total:	\$ 211,000.00
Tax Rate:	\$ 19.4192 (sewer tax rate)
Taxes	\$ 4,097.45

Note: The subject of this report is a 22.39 +/- acre portion of the existing parcel, which has not yet been subdivided. Therefore, separate tax assessments and taxes have not been designated for the portion of the property being proposed for development.

Applying the 2.37% Equalization Ratio for the 2015 Tax Year, which was certified as of October 1, 2014 for use in tax year 2015, the indicated "True Value" for tax purposes of the subject property is \$10,092,210.13. Given the scope of work in this assignment does not include developing an estimate of market value for the larger parcel, no analysis or opinion as to the reasonableness of the assessed valuations has been developed.

## PART II – FACTUAL DESCRIPTIONS

### ***Area Analysis***

Westchester County - Westchester County is located north of New York City, covering an area of 500 square miles and consisting of 48 municipalities. It is geographically adjacent to the borough of the Bronx to the south and Putnam County to the north. The county seat is the City of White Plains. In terms of household income, Westchester is the fifth-wealthiest county in New York and the forty-seventh wealthiest nationally.



Interstate highways and parkways are located throughout the county. These include Interstate 87 (the New York State Thruway), Interstate 95, Interstate 287, Interstate 684, the Bronx River Parkway, the Cross County Parkway, the Hutchinson River Parkway, the Saw Mill River Parkway, the Sprain Brook Parkway and the Taconic State Parkway. The Tappan Zee Bridge, located in Tarrytown connects Westchester County with Rockland County. The Bear Mountain Bridge, located in Cortlandt connects to Orange County.

Commuter rail service in Westchester is provided by Metro-North Railroad (operated by the Metropolitan Transportation Authority) which operates three lines in the county; west to east they are the Hudson, the Harlem and the New Haven lines. Each of these lines provide daily service into Manhattan. Bus service is provided by the Bee-Line Bus System (owned by the Westchester County Department of Public Works and Transportation) within Westchester and to/from the Bronx, Manhattan and Putnam County. Westchester County Airport in White Plains Aircraft serves an average of 1.75 million airline passengers a year with 6 airlines operating approximately 55 flights per day.

Recent population growth in Westchester County has been faster than the statewide rate of growth over the past decade. Looking forward over the 5-year period from 2015 – 2020, projected population growth is expected to increase by 3.09%, exceeding project statewide growth of 1.99%. It is also significant to note that the median age of county residents (40.5

years) is older than for the state (38.6 years), suggesting increasing demand associated with empty-nest households seeking smaller living spaces.

<b>POPULATION FACTS &amp; TRENDS</b>				
	Westchester County		New York	
<b>Population</b>		%		%
2020 Projection	1,008,120		20,178,676	
2015 Estimate	978,473		19,763,565	
2010 Census	949,113		19,378,102	
2000 Census	923,460		18,976,447	
Growth 2015-2020	3.03%		2.10%	
Growth 2010-2015	3.09%		1.99%	
Growth 2000-2010	2.78%		2.12%	
<b>2015 Est. Median Age</b>	40.50		38.60	
<b>2015 Est. Average Age</b>	40.10		39.40	

Consistent with the faster pace of population growth, household formation in the county has also occurred at a faster pace than for the state overall. Of particular note is that a majority (65%) of local area households have no children under the age of 18 living at home. This finding is favorable for multi-family housing construction, as is proposed for the subject site. Also significant is that a majority of county households (56%) are either 1 or 2 person in size. Taken together, these demographic findings are conducive to the development of multi-family housing as is proposed for the subject property. Westchester County residents also have a greater number of vehicles per household, which will be discussed later in the “Education & Employment” section of our demographic analysis.

<b>HOUSEHOLD FACTS &amp; TRENDS</b>				
	Westchester County		New York	
<b>Households</b>		%		%
2020 Projection	370,686		7,685,515	
2015 Estimate	358,975		7,502,148	
2010 Census	347,232		7,317,755	
2000 Census	337,137		7,056,878	
Growth 2015-2020	3.26%		2.44%	
Growth 2010-2015	3.38%		2.52%	
Growth 2000-2010	2.99%		3.70%	
<b>2015 Est. Households by Presence of People</b>	358,975		7,502,148	
<b>Households with 1 or more People under Age 18:</b>	126,463	35.23	2,376,473	31.68
<b>Households no People under Age 18:</b>	232,512	64.77	5,125,675	68.32
<b>2015 Est. Average Household Size</b>	2.64		2.56	
<b>2015 Est. Households by Number of Vehicles</b>	358,975		7,502,148	
No Vehicles	53,606	14.93	2,252,436	30.02
<b>2015 Est. Average Number of Vehicles</b>	1.50		1.23	
<b>2015 Est. Households by Household Size</b>	358,975		7,502,148	
1-person household	98,650	27.48	2,221,489	29.61
2-person household	101,994	28.41	2,251,476	30.01
3-person household	59,765	16.65	1,212,899	16.17
4-person household	55,387	15.43	973,940	12.98
5-person household	26,492	7.38	477,172	6.36
6-person household	10,043	2.80	202,815	2.70
7 or more person household	6,644	1.85	162,357	2.16

County residents are highly educated, with 45% holding a college degree compared to 33% statewide. Major employers in Westchester County include IBM Corporation, Pepsico Incorporated, Nokia, Inc., Snapple Beverage Group/Motts, Inc., ITT Corporation, Pepsi Bottling Group, Fuji Photo Film SA Incorporated, Pernod Ricard, USA, Consolidated Edison, MBIA, Inc.

With regard to vehicle usage, Westchester County residents drive greater distances to work and have a greater number of vehicles per household than is true for the state overall. This is indicative of a 'commuter oriented' population that is sensitized to accessibility aspects of housing selection. The subject property is located just off State Route 22 and within 1.4 miles of the Taconic State Parkway and the Bronx River Parkway, 3.4 miles of Interstate 684 (exit 2), 3 miles of Interstate 287 (exit 6), 3.9 miles to the Sprain Brook Parkway, and 5.1 miles to the Saw Mill River Parkway (exit 23). Approximately 21% of residents use public transportation to commute to work each day which makes the subject property's proximity (1.8 miles) to the Valhalla train station, (2.7 miles) to the North White Plains train station and (4.5 miles) to the White Plains train station (with connecting service to Grand Central station) a significant

locational attribute. As a result of these locational attributes, and the resulting accessibility to employment centers, the subject site is well suited to its proposed residential development.

<b>EDUCATION &amp; EMPLOYMENT</b>				
	Westchester County		New York	
<b>2015 Est. Pop. Age 25+ by Edu. Attainment</b>	664,967	%	13,569,136	%
Bachelor's Degree	155,579	23.40	2,564,474	18.90
Master's Degree	95,484	14.36	1,388,659	10.23
Professional School Degree	35,958	5.41	365,493	2.69
Doctorate Degree	14,327	2.15	184,518	1.36
<b>2015 Est. Pop 16+ by Occupation Classification</b>	474,969		9,323,853	
Blue Collar	63,358	13.34	1,563,933	16.77
White Collar	319,422	67.25	5,846,379	62.70
Service and Farm	92,189	19.41	1,913,541	20.52
<b>2015 Est. Workers Age 16+, Transp. To Work</b>	464,443		9,122,709	
Drove Alone	278,515	59.97	4,909,943	53.82
Car Pooled	32,024	6.90	625,104	6.85
Public Transportation	96,566	20.79	2,474,079	27.12
Walked	25,018	5.39	582,117	6.38
Bicycle	583	0.13	51,036	0.56
Other Means	9,214	1.98	122,524	1.34
Worked at Home	22,523	4.85	357,906	3.92
<b>2015 Est. Avg Travel Time to Work in Minutes</b>	35.27		34.72	

Consistent with the aforementioned educational accomplishments of county residents, household income is significantly greater than statewide income, both in terms of average and median measures.

INCOME				
	Westchester County		New York	
<b>2015 Est. HHs by HH Income</b>	358,975		7,502,148	
Income Less than \$15,000	30,416	8.47	979,605	13.06
Income \$15,000 - \$24,999	29,113	8.11	743,862	9.92
Income \$25,000 - \$34,999	25,009	6.97	663,662	8.85
Income \$35,000 - \$49,999	35,422	9.87	888,883	11.85
Income \$50,000 - \$74,999	53,284	14.84	1,241,288	16.55
Income \$75,000 - \$99,999	40,231	11.21	892,714	11.90
Income \$100,000 - \$124,999	31,590	8.80	650,953	8.68
Income \$125,000 - \$149,999	23,161	6.45	428,144	5.71
Income \$150,000 - \$199,999	31,722	8.84	465,189	6.20
Income \$200,000 - \$249,999	13,307	3.71	178,788	2.38
Income \$200,000 - \$499,999	25,780	7.18	234,731	3.13
Income \$500,000 and more	19,940	5.55	134,329	1.79
<b>2015 Est. Average Household Income</b>	\$122,643		\$84,769	
<b>2015 Est. Median Household Income</b>	\$78,880		\$59,568	
<b>2015 Est. Families by Poverty Status</b>	244,011		4,759,102	
2015 Families at or Above Poverty	226,701	92.91	4,184,034	87.92
2015 Families at or Above Poverty with Children	111,078	45.52	1,881,260	39.53
2015 Families Below Poverty	17,310	7.09	575,068	12.08
2015 Families Below Poverty with Children	13,161	5.39	433,297	9.10

As a result of the higher education and income levels for Westchester County households, 62% are homeowners which exceed the statewide average of 53%. The percentage of renter households in Westchester County (38%) is well below the statewide average (47%). The majority of housing in the county is single family attached (45%), and relatively old with a median age of 59 years. Therefore, new residential construction enjoys competitive market advantages over the relatively old stock of the county's existing housing.

HOUSING				
	Westchester County		New York	
<b>2015 Est. Tenure of Occupied Housing Units</b>	358,975		7,502,148	
Owner Occupied	220,954	61.55	3,964,277	52.84
Renter Occupied	138,021	38.45	3,537,871	47.16
<b>2015 Owner Occ. HUs: Avg. Length of Residence</b>	19		19	
<b>2015 Renter Occ. HUs: Avg. Length of Residence</b>	10		11	
<b>2015 Est. Median All Owner-Occupied Housing Value</b>	\$538,617		\$297,946	
<b>2015 Est. Housing Units by Units in Structure</b>	383,477		8,328,650	
1 Unit Detached	20,603	5.37	410,134	4.92
1 Unit Attached	174,337	45.46	3,475,309	41.73
<b>2015 Est. Median Year Structure Built **</b>	1956		1957	

Town of North Castle – North Castle is a Town within Westchester County with a total area of 26.5 square miles, of which, 24.1 square miles is land and 2.4 square miles (9.06%) is water.

North Castle has three distinct geographical areas, each taking the form of a hamlet:

- Armonk – a hamlet located in the central part of the town. It is the seat of town government and the main town library.
- Banksville – a hamlet, also known as the "Eastern District of North Castle", located in the eastern part of the town, close to Connecticut.
- North White Plains – a hamlet located in the southern part of the town. It is south of the Kensico Reservoir Dam, west of the White Plains Reservoirs, and east of the Bronx River, although the name generally refers to any portion of North Castle south of the Kensico Reservoir. The Elijah Miller House was added to the National Register of Historic Places in 1976.



Demographic Characteristics – As of the census of 2010, there were 11,841 people, 3,913 households, and 3,276 families residing in North Castle, with a population density was 491.3 people per square mile. There were 3,706 housing units at an average density of 153.9 per square mile. Household characteristics in North Castle indicated that 45.2% had children under the age of 18 living with them, 74.0% were married couples living together, 7.2% had a female householder with no husband present, and 16.3% were non-families. Also, 13.0% of all households were made up of individuals and 6.2% had someone living alone who was 65 years of age or older. The average household size was 3.02 and the average family size was 3.31. The median age was 42 years. The median income for a household in the town was \$159,031, and the median income for a family was \$185,417. The per capita income for the town was \$96,096. About 2.7% of families and 3.7% of the population were below the poverty line, including 2.7% of those under age 18 and 3.1% of those age 65 or over.

### ***Neighborhood Analysis***

The subject property is located at the southern portion of North Castle, north of White Plains, northwest of Harrison and east of Mount Pleasant. The neighborhood area is bounded Rye Lake to the north, Interstate 684 to the east, White Plains to the south and Kensico Reservoir to the west. The neighborhood area is given over to a range of uses which primarily include single family homes and public uses. The Jennie Clarkson Campus, of which the subject property is a part, is an adolescent developmental facility for children with special needs and their families. Situated immediately east of the subject property is the Boces of Southern Westchester Rye Lake campus of the Boards of Cooperative Educational Services, a school for children with

special needs (ages 6-21) with approximately 100 students. Also located on the BOCE site is a garage facility for transportation buses that is no longer used.

The neighborhood benefits from proximity and accessibility to a wide range of highways including State Route 22, the Taconic State Parkway, Bronx River Parkway, Interstate 684, Interstate 287, the Sprain Brook Parkway, and the Saw Mill River Parkway. Also nearby is the Valhalla train station with connecting service to Grand Central station. It is also noted that the North White Plains and White Plains train stations are located within close proximity to the subject property. As a result of these locational attributes, and the resulting accessibility to employment centers, the subject site is well suited to its proposed residential development.

From an employment perspective, the local professional office market contains 23.4-Million Ft<sup>2</sup> and 39.7-Million Ft<sup>2</sup> of office building space within a 5-mile & 10-mile radius of the subject property, respectively. This equates to 298,000 Ft<sup>2</sup> per Mile<sup>2</sup> & 126,000 Ft<sup>2</sup> per Mile<sup>2</sup>, which are well above the county average. Therefore, an abundance of employment opportunities exist within the local market area which is highly supportive of residential development.

<b>OFFICE SPACE (5-Yr Avg.)</b>			
	<b>5-Miles</b>	<b>10-Miles</b>	<b>Westchester County</b>
<b>Existing Buildings</b>	473	1,101	1,694
<b>Existing SF</b>	23,365,988	39,709,336	49,957,346
<b>Total # HH's</b>	52,721	204,674	358,975
<b>Office Space per HH Square Miles</b>	443	194	139
<b>Office Space per Sq. Mile</b>	298,000	126,000	100,000



Properties within the subject's neighborhood area are serviced by the availability of electricity, telephones, municipal water, municipal sewerage and natural gas lines. The costs to residents for these utilities are competitive with those of surrounding communities. The neighborhood area exhibits good property compatibility with individual properties being generally well maintained.

The four stages of a neighborhood area's life cycle when analyzing its growth rate include:

- Growth – period during which the market gains public favor and acceptance
- Stability – period of equilibrium without marked gains or losses
- Decline – period of diminishing demand

- Revitalization – period of renewal, redevelopment, modernization, and increasing demand

The subject property's neighborhood is presently in the stability stage of its life cycle as indicated by the stagnant pace of land development.

Based upon these neighborhood characteristics it is well suited to its proposed multi-family development due to the accessibility and convenience of this location. Also favorable is that the introduction of multi-family housing on the subject site will create an appropriate transitional use between the existing Jenny Clarkson Campus and nearby residential properties.

### ***Land Use Regulation***

From a zoning perspective, portions of the subject property are located within the **R-1A, One Family Residence District (1-acre)** and the **R-2A, One Family Residence District (2-acre)** within the Town of North Castle. Generally, the southernmost portion of the area proposed for luxury apartment development is in the R-1A district, while the northerly portion of the development area, and the conservation area, are in the R-2A district. The standards for these districts are summarized below:

#### Principal Uses

- Single-family dwellings, not to exceed 1 on any lot.
- Temporary storage of contractor's equipment, provided that the equipment has been in use on the property on which it is stored during the last 30 days.
- Governmental uses, parks, playgrounds, parkways, firehouses, police stations or other municipal uses; not including incinerators or dumps, garages or public works yards.
- Farm uses, provided that:
  - None are located in a multifamily district.
  - No building pertinent to such use shall occupy an area in excess of 2% of the lot area or be located within 50 feet of any residence on an adjoining property.
  - No storage of manure or any other odor- or dirt-producing substance shall be permitted within 100 feet of a property line, watercourse or wetland area.
- Churches or other places of worship, including parish houses, church school rooms, convents or rectories.
- Public elementary or high schools.
- Private or parochial elementary or high schools which meet the same site standards of the State Department of Education for a public school.
- Public libraries.
- Religious or charitable institutions, other than a hospital, sanatorium, camp, correctional institution or institution for the insane, drug addicted or retarded.
- Membership clubs, not operated for grain.
- Nurseries or greenhouses.
- Public telephone booths.

- Public utility transmission lines, exchanges or substations.
- Watershed or water supply facilities not part of the Town's water system.
- Convalescent or nursing homes.
- Scientific research centers, not operated for gain or owned by any profit-making entity with incidental educational activities.
- Private stables.

### Accessory Uses

- Offices or studios of a professional person, when conducted in a dwelling by the inhabitant thereof, provided that there are no more than 2 nonresident employees in such office or studio. If lot is at least 4 acres, the office or studio may be in an accessory building.
- Customary home occupations, as defined in this chapter, employing only a person or persons resident on the premises. Such use shall not be carried on in an accessory building and shall not occupy more than ½ the area of 1 floor.
- Boardinghouses, provided that:
  - Rented quarters shall not exceed 1/3 of the total floor area of the dwelling.
  - The rented quarters shall not have cooking facilities, such as a stove or refrigerator.
  - Where renting of rooms is to 2 persons, at least 1 additional off- street parking space must be provided.
  - There is no advertising thereof on the premises.
  - None are located in the R-2F or multifamily districts.
  - The owner of the home in which the boardinghouse is located shall live and continue to live in that home.
- The keeping of dogs, cats and other animals which may be considered household pets, provided that not more than 12 head of poultry and not more than 4 other animals exceeding 6 months of age are kept.
- Private garden houses, tool houses, greenhouses, gatehouses, garages or similar private accessory uses not over 1 story and 15 feet in height and limited to 800 square feet in area, except that the Planning Board may, by special permit, authorize the construction of accessory buildings not over 2 stories or 22 feet in height, provided that any such individual accessory building does not exceed 25% of the floor area of the main building, and further provided that all such accessory buildings meet all required setbacks for main buildings in the district in which they are located and are not located within any front yard.
- Private tennis courts, swimming pools, cabanas or similar recreation facilities, provided that such facilities conform to the same yard requirements as for the main building and subject, where such facilities are accessory to multifamily uses, to site plan approval.
- Private garage or carport for housing noncommercial passenger vehicles of residents, not exceeding 4 spaces. There shall be no living quarters in a private garage.
- Commercial vehicles may be stored, parked or maintained on a lot subject to the following:
  - On any lot, 1 commercial vehicle used by the occupant, exceeding 7,500 pounds, as shown on the registration certificate, provided that the same be housed in a fully enclosed structure.
  - On any lot of less than ½ acre, 1 commercial vehicle used by the occupant, having a gross weight not exceeding 7,500 pounds, as shown on the registration certificate.

- On any lot of ½ acre or more, 1 commercial vehicle, used by the occupant, having a gross weight not exceeding 7,500 pounds, as shown on the registration certificate, provided that such vehicle be garaged or suitably screened by a wall, fence or evergreen planting from the view of persons standing on adjoining lots.
- Commercial vehicles having more than 2 axles shall not be parked, maintained, garaged or stored on any lot.
- Notwithstanding the foregoing, no more than 1 commercial vehicle may be stored, parked or maintained on any lot.
- Commercial vehicles actually used for agriculture or horticulture purposes on the premises shall be exempt from the provisions of this section.
- Off-street parking, as regulated in Article IX on the same lot as a principal use permitted in this district.
- Individual or joint private water supply and sewerage facilities.
- Storage of auto trailers and boats; unoccupied travel trailers, motor homes and pickup coaches; and other such recreational vehicles, provided that:
  - On any lot of less than ½ acres, any such vehicle in excess of 1 shall be garaged or suitably screened by a wall, fence or evergreen planting from view of persons standing on adjoining lots.
  - On any lot of ½ acre or more, any such vehicle shall be garaged or suitably screened by a wall, fence or evergreen planting from the view of persons standing on adjoining lots.
- Such storage shall conform to all yard and size requirements for accessory buildings.
- Signs, as regulated in § 213-15.
- On any lot having a minimum area of 1 acre, 2 horses may be maintained. Additional horses may be maintained by special permit pursuant to Article VII.
- Temporary offices in connection with construction on a lot, which offices must be removed before a certificate of occupancy is issued for the new construction.
- Noncommercial radio transmitting towers.
- Storage of building materials outside of a building, provided that a building permit has issued and such materials are stored for the purposes set forth in such building permit.
- Solar energy collectors.
- Servants' quarters, subject to the requirements of § 213-13B.
- Accessory apartments, in single-family residence districts, subject to the requirements of § 213-33K.
- Dish antennas subject to the requirements of § 213-14.
- Outdoor display and sales where accessory to a permitted principal nonresidential use.
- Outdoor dining pursuant to Chapter 142 where accessory to a principal nonresidential use.

Area & Yard - The following are the area and yard requirements within these zoning districts:

	R-1A	R-2A
<b>Minimum Lot Area</b>	1 acre	2 acres
<b>Minimum Lot Width</b>	125 feet	150 feet
<b>Minimum Lot Frontage</b>	125 feet	150 feet
<b>Minimum Lot Depth</b>	200 feet	150 feet
<b>Front Yard Setback</b>	50 feet	50 feet
<b>Side Yard Setback</b>	25 feet	30 feet
<b>Rear Yard Setback</b>	40 feet	50 feet
<b>Maximum Lot Coverage</b>	12%	8%
<b>Maximum Building Height</b>	30 feet	30 feet
<b>Minimum Dwelling Unit Size</b>	1,200 feet	1,400 square feet

For a detailed description of the requirements affecting the subject property, the reader is referred to the Zoning Ordinance of the Town of North Castle.

There are no approvals in place for the proposed redevelopment of the site. Because the proposed use is not permitted within the **R-1A** or **R-2A** zoning districts, the proposed redevelopment of the site with multi-family apartments will require a rezoning of the property.

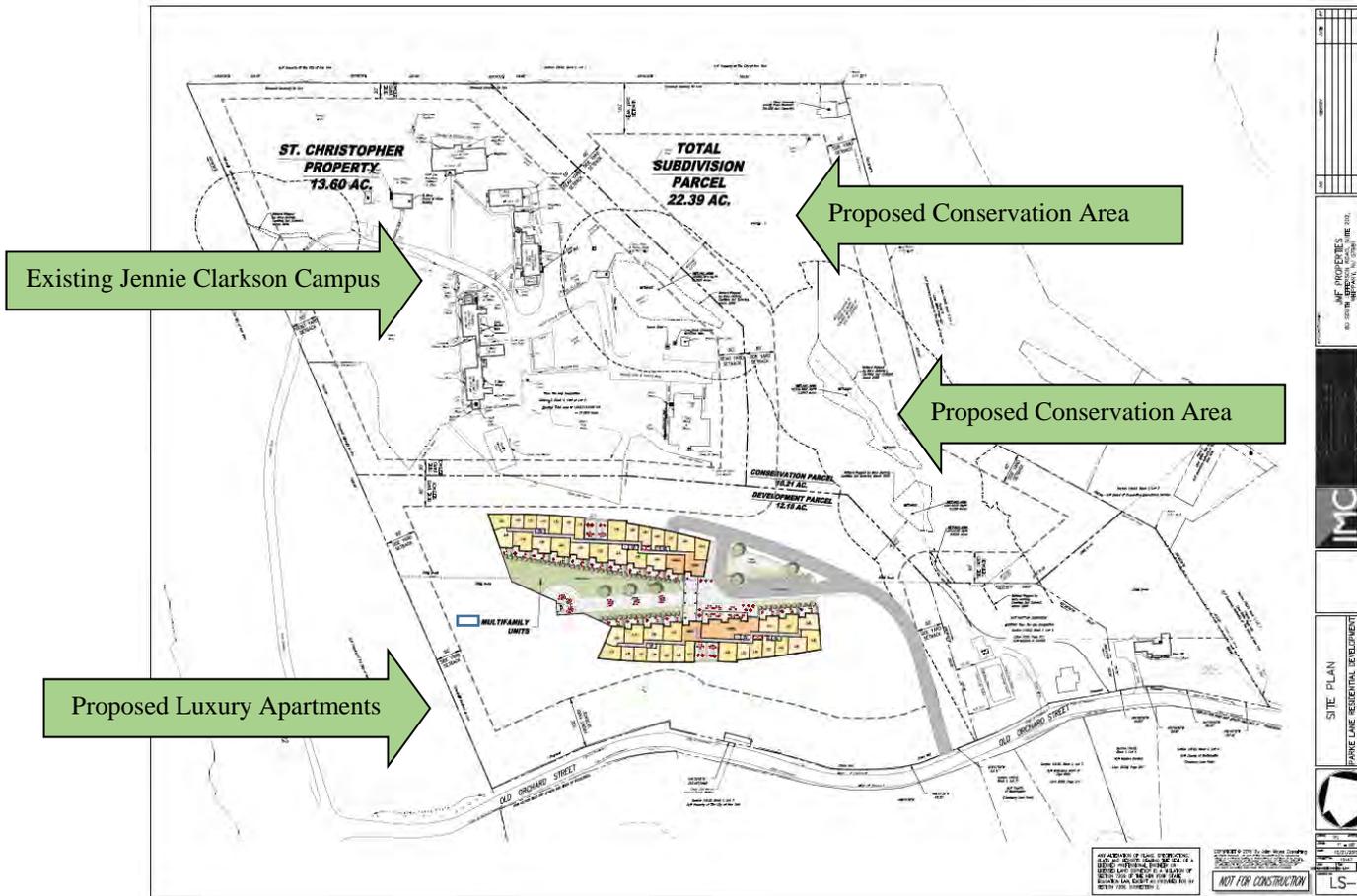
### **Site Analysis**

The subject of this market study consists of an irregular shaped with an address of 1700 Old Orchard Street in the Hamlet of North White Plains in the town of North Castle. The overall site displaces approximately 35.99-acres and is identified as Section 118.01, Block 1, Lot 2. The northwestern portion of the site is presently improved with the Jennie Clarkson Campus, an adolescent developmental facility for children with special needs and their families.

A proposed subdivision of the overall site would create the following parcels:

- St. Christopher Property – A 13.60-acre parcel, upon which the existing Jennie Clarkson Campus is located, for the continued operation of that facility.
- Subdivision Parcel – A 22.39-acre parcel which would be subdivided from the existing property to facilitate the development of luxury apartments. The proposed development would be located on a 12.18-acre portion of this parcel that is situated at the extreme southwestern corner of the overall property. The remaining 10.21-acres of the site would be designated as a ‘conservation parcel’ wherein no development activity is permitted.

## Proposed Subdivision



The topography of the site slopes upward from Old Orchard Street to the north, and is mostly wooded. The portion of the site being utilized by the Jenny Clarkson Campus is cleared however where its buildings are situated. The site is serviced by the availability of electricity, public water, public sewerage, natural, telephone and cable television lines. The costs to residents for these utilities are considered to be competitive with surrounding competing submarket areas.

The subject property is located just off State Route 22 and within 1.4 miles of the Taconic State Parkway and the Bronx River Parkway, 3.4 miles of Interstate 684 (exit 2), 3 miles of Interstate 287 (exit 6), 3.9 miles to the Sprain Brook Parkway, and 5.1 miles to the Saw Mill River Parkway (exit 23). Also, the Valhalla train station with connecting service to Grand Central station is located 1.8 miles from the site. It is also noted that the North White Plains and White Plains train stations are located within close proximity to the subject property, 2.7 and 4.5 miles,

respectively. As a result of these locational attributes, and the resulting accessibility to employment centers, the subject site is well suited to its proposed residential development.

The locational and physical characteristics of the site are well suited to the proposed luxury apartment development subject to necessary grading and clearing within the construction area.

### ***Improvement Analysis***

The northwestern portion of the site is presently improved with the Jennie Clarkson Campus, an adolescent developmental facility for children with special needs and their families. The proposed development of luxury apartments would be situated on a 12.18-acre portion of the property situated at the extreme southwestern corner of the property.

The developer is proposing to construct 200 luxury multi-family apartments on the site as an inclusionary project with 10% set-aside for affordable housing. The apartments would be a mix of one and two bedroom units. The residences would be situated in two 3-4 story wings. The parking is located in the basement and completely hidden from view. Parking for the residents would be provided at a ratio of 2.0 spaces per dwelling unit.

The two wings will be situated in the center of the densely wooded site, which will render it virtually invisible from the surrounding properties and adjacent roadways. The two wings of the project are organized around a common outdoor recreation area angled toward views of the Kensico Reservoir. Private terraces and balconies with views of the Kensico Reservoir and Cranberry Lake Preserve are also important design elements which provide architectural articulation and style. Additionally the project is envisioned to include a generous compliment of luxury indoor amenities including a fitness center, bike share program, virtual golf simulator, theater, dog park, Wi-Fi bar/business center, clubroom, and virtual doorman. The scale of the amenities will be determined however, by the overall size of the project.

The residential apartments in the project are envisioned to have luxury kitchens and large living areas for entertaining. Many of the residences will have large windows, balconies and/or private terraces with expansive views of the Kensico Reservoir and Cranberry Lake Preserve. Great care will be taken on locating the wings of the buildings on the site to allow for as many apartments as possible to have views of the surrounding area.

Construction plans and architectural specifications have not been prepared for the project as the purpose of this market study is to provide early reconnaissance to assess market demand and development viability. Therefore, the analysis and conclusions set forth herein are based upon the extraordinary assumption that the eventual construction of the project would reflect construction designs, materials and finishing commensurate with standards for modern multi-family apartments in the general submarket area. Conceptual plans for the project are depicted below.

### Conceptual Site Plan



### Conceptual Elevation



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Elevation Sketch

December 21, 2015  
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Planning  
Urban Design

### Conceptual Rendering



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**Conceptual Rendering**



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**Conceptual Rendering**



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Planning  
Urban Design

Conceptual Rendering



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Conceptual Rendering of Interior Living with Views



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Interior Living Area with Views

December 21, 2015  
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Higgins  
Sieve  
Architecture  
Planning  
Urban Design

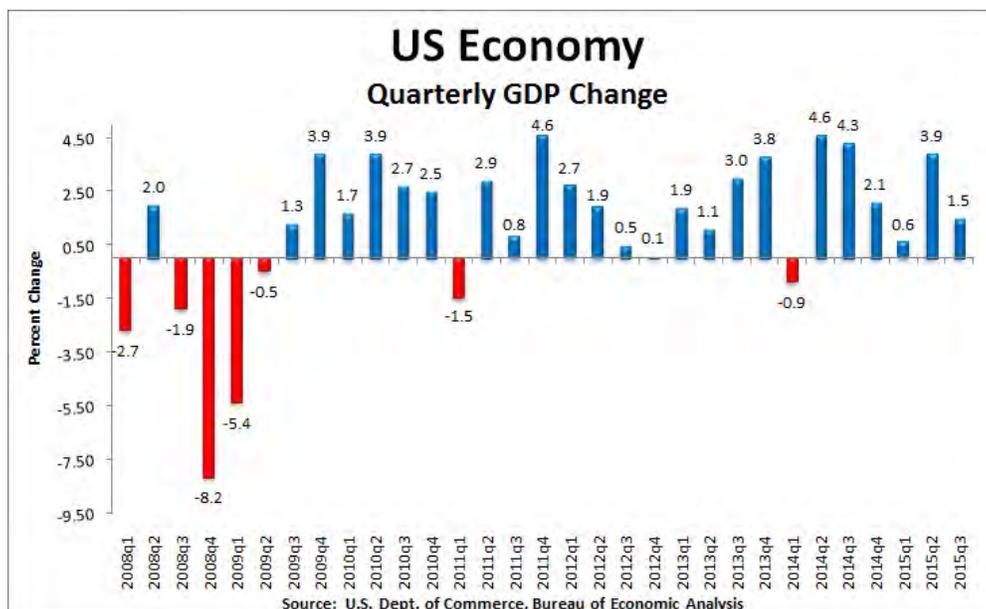
## PART III – ECONOMICS & DEMOGRAPHICS

Demand for real estate is directly affected at the macro and micro levels by a wide range of key economic and demographic drivers. The severity of the recent economic recession coupled with the slow pace of recovery since it ended in June 2009 created a more complex context for real estate development. As a result of ‘changed circumstances’, real estate development must be appropriately tuned to these present day and future realities.

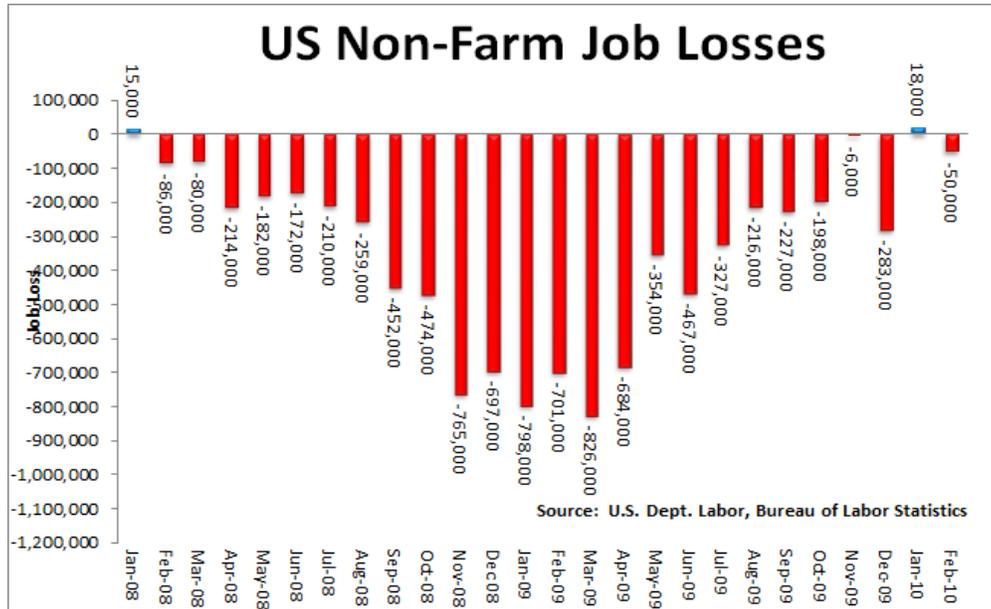
This section of the report will explore relevant economic, demographic and real estate sector trends and their correlation to real estate demand.

### ***Economic Factors***

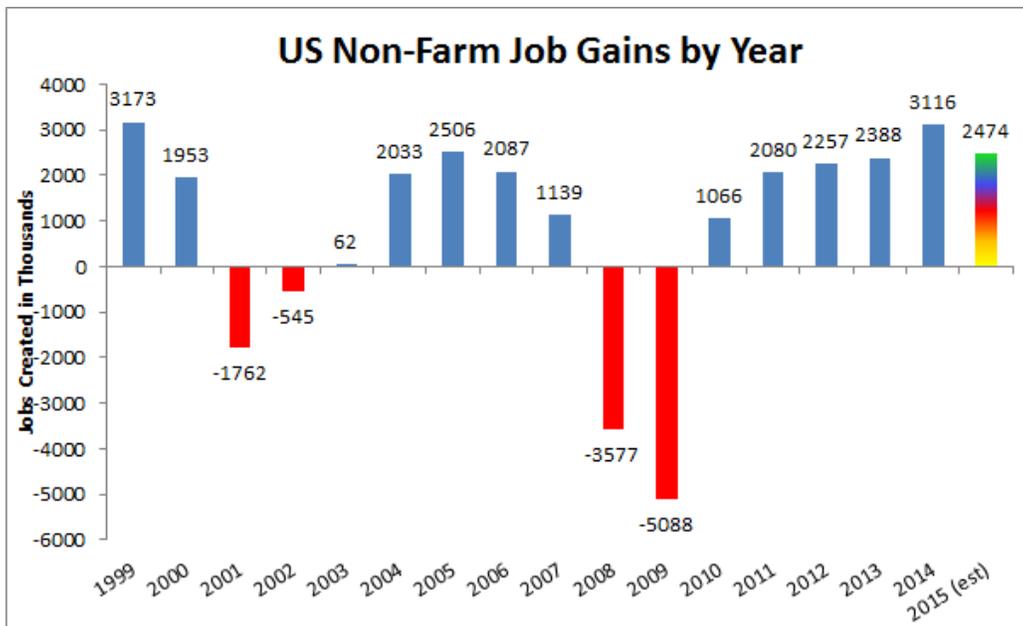
Gross Domestic Product (GDP) - Beginning with the US economy, GDP first began to decline in Q1 2008 coincident with the start of the recent economic recession in December 2007. Over the course of the recession GDP contracted in 5 out of 6 quarters with the deepest declines occurring in late 2008 and early 2009 contemporaneous with the collapse of the financial markets in 2008. Since the recession’s end in June 2009, GDP has increased for 22 out of 24 quarters. GDP increased at an average of 2.5% in 2014, and has increased by an average of 2.0% through Q3-2015. The more recent slowdown in economic growth is likely due to the effects of severe winter weather that occurred in Q1.



**Employment** - Focusing next on job growth, total US non-farm employment declined precipitously during the recession with net Non-Farm job losses of 8,736,000 over the 25-month time period from February 2008 through February 2010.



Beginning in 2010, the national economy began to slowly claw-back those lost jobs at a modest pace. More recently, job creation increased by 3,116,000, in 2014, which is the strongest increase in more than a decade.



As a result of the job gains since 2010, the US economy 'technically' achieved full recovery in May 2014 of the nearly 9-million jobs lost as a result of the recession. These job totals are misleading however as the Bureau of Labor Statistics (BLS) counts full-time and part-time jobs equally. Further evidence comes from the following analysis which shows the component factors that comprise national unemployment. As shown below, the national unemployment rate of 5.0% excludes workers who have accepted part-time positions because they couldn't find a full-time job ('*P/T-Econ. Reasons*') as well as those who have given up on finding employment ('*Marginally Attached*'). Taking these into account indicates a real unemployment rate of 9.9% and an increase of 3-Million workers from the start of the recession who have been unable to find full-time employment.

<b>Real US Employment Situation</b>					
	<b>Pre-Recession</b>		<b>Today</b>		<b>Change</b>
Labor Force	-	153,870,000	-	157,028,000	-
Unemployed	4.7%	7,167,000	5.0%	7,908,000	741,000
P/T - Econ. Reasons	2.6%	4,054,000	3.7%	5,767,000	1,713,000
Marginally Attached	0.9%	1,365,000	1.2%	1,916,000	551,000
<b>Totals</b>	<b>8.2%</b>	<b>12,586,000</b>	<b>9.9%</b>	<b>15,591,000</b>	<b>3,005,000</b>

The severity of the economic recession coupled with the slow pace of economic growth since it ended in June 2009 have changed the dynamics for housing development which must now be appropriately tuned to present day and future realities. These factors, which include weak job creation, elevated unemployment and constrained income, have resulted in lower homeownership rates in the outlying suburban areas of New York.

Shifting our focus to New York State, the US Census Bureau an estimated population of 19,378,102 reflecting 2.1% growth from 2000, and it is the 7<sup>th</sup> most densely populated state within the entire U.S. The state is comprised of 62 counties, 932 towns, and 62 cities, all of which are situated on 54,556 square miles of land area. New York's 62 counties are divided into 12 Metropolitan Statistical Areas (listed below and grouped by population).<sup>1</sup>

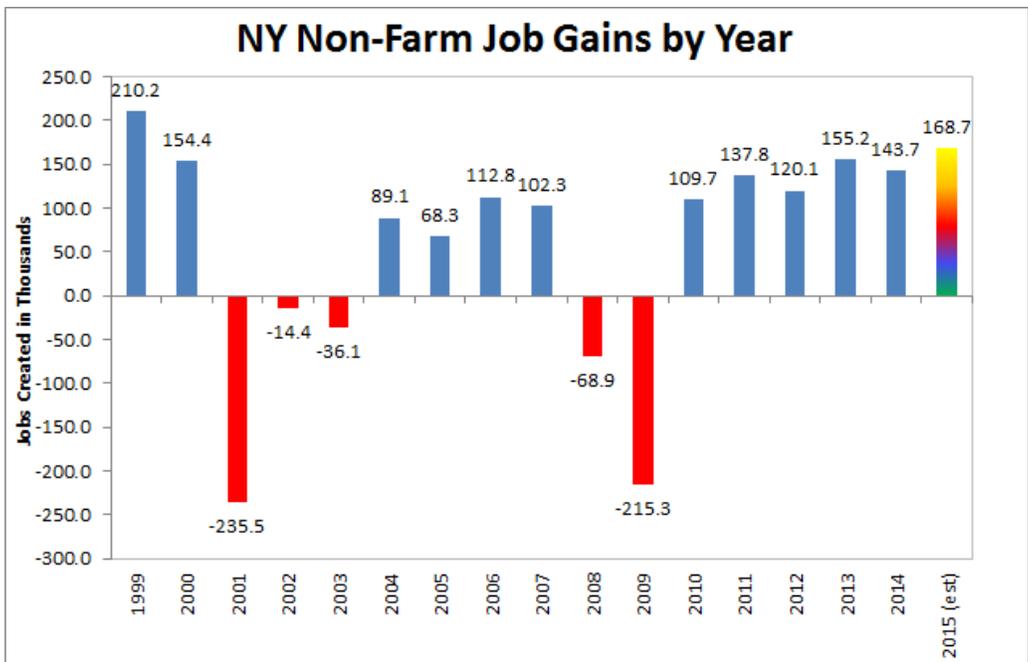
<sup>1</sup> The subject property is located in Westchester County in the New York City MSA

- New York City (18,815,988 in NY/NJ/PA, 12,381,586 in NY)
- Buffalo-Niagara Falls (1,128,183)
- Rochester (1,030,495)
- Albany and the Capital District (853,358)
- Poughkeepsie and the Hudson Valley (669,915)
- Syracuse (645,293)
- Utica-Rome (294,862)
- Binghamton (246,426)
- Kingston (181,860)
- Glens Falls (128,886)
- Ithaca (101,055)
- Elmira (88,015)

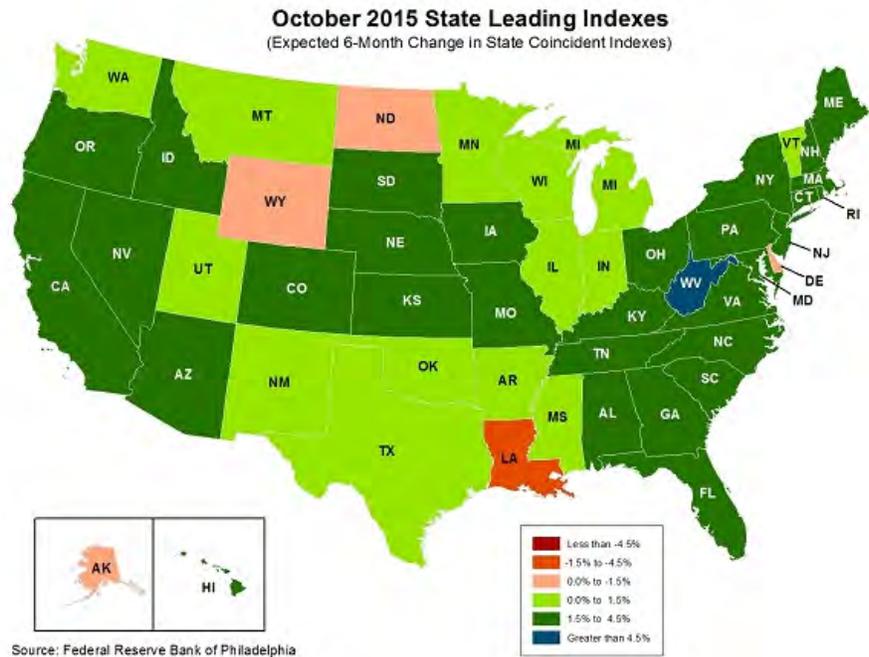
The state's population density of approximately 412 people per square mile is almost 5 times greater than that for the US as a whole (86 / sq. mile). Similarly, the state is highly urbanized with 92 percent of its residing in urban areas which are defined as places with a population density of 1,000 people per square mile or greater. Also noteworthy is that New York City is the largest city in the entire United States.

With regard to the state's economy, New York's per-capita Gross State Income (as calculated by Gross State Product) of approximately \$57,000 exceeds the US figure of approximately \$47,000 and would rank the state as the 7<sup>th</sup> highest in the world if New York State were a country. New York's economic strength is evident in looking at the state's job recovery following the 2007-2009 economic recession which ended 6 ½ years ago

There is mounting evidence of accelerating economic growth in New York. Based upon year-to-date job creation the state is on pace to gain 168,700 jobs in 2015 which would be the strongest year for job growth in over a decade.

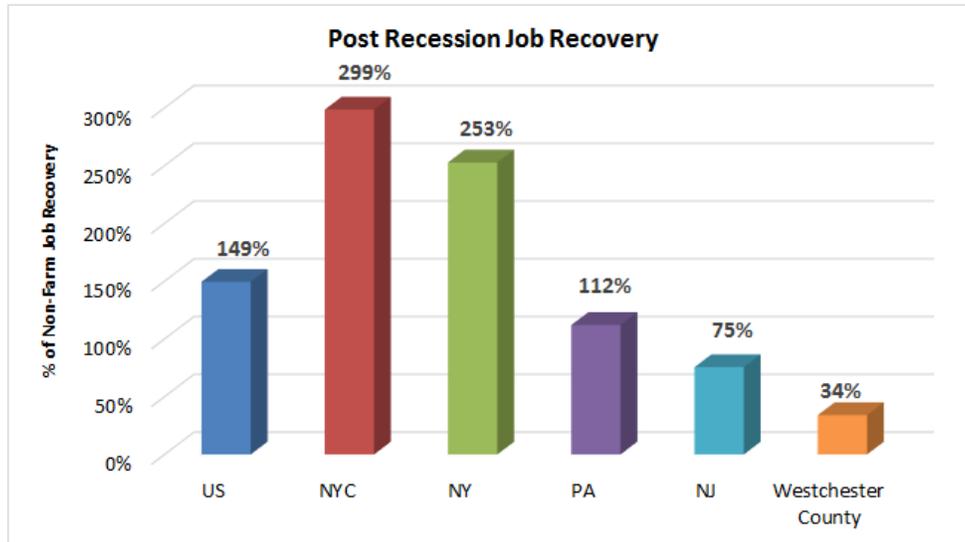


Supporting this trend is a recent analysis by the Federal Reserve Bank of Philadelphia indicating that the pace of economic growth in New York State is one of the fastest in the nation.

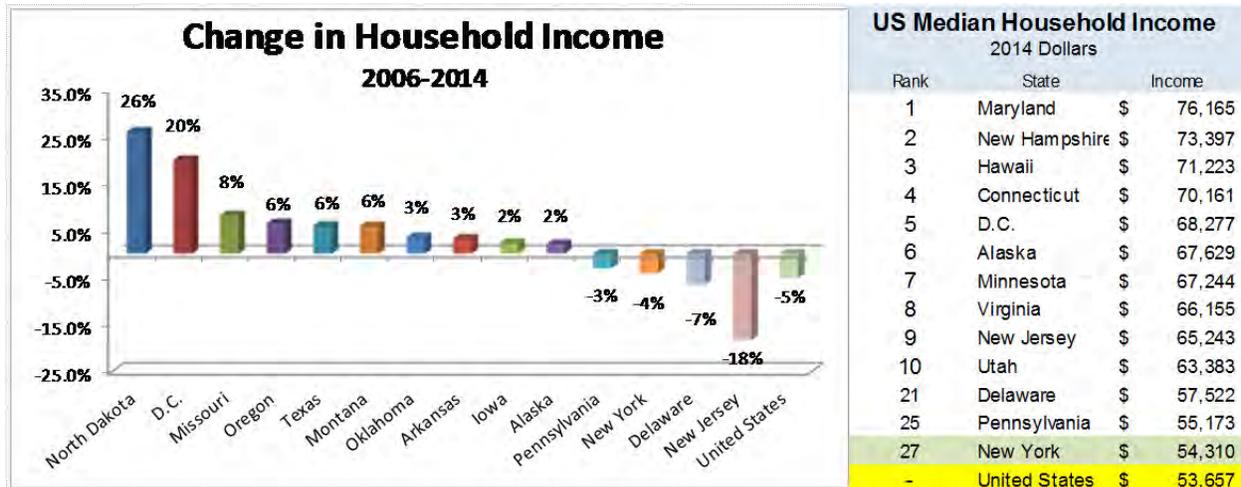


Economic growth and job creation in New York State have however have been largely concentrated in New York City while outlying suburban areas have experienced much weaker conditions. As shown in the figure below, the state recovered 253% of the jobs that were lost

during 2007-2009. A more localized analysis however indicates that New York City is outpacing that recovery (299%) while Westchester County has recovered only 34%. The weaker job creation and resulting slower pace of economic growth has caused fundamental changes in housing demand which are increasingly shifting from single family detached homes to multi-family forms of housing.



Personal & Household Income – According to the US Census Bureau, median household income in New York State was 4% less in 2014 compared to the pre-recession level in 2006. While this is slightly better than the 5% decline for the nation overall, lower income levels translate into reduced purchasing power for home buyers and a corresponding increase in demand for multi-family apartments which offer a less expensive housing alternative.



SOURCE: US Census Bureau, Otteau Group, Inc.

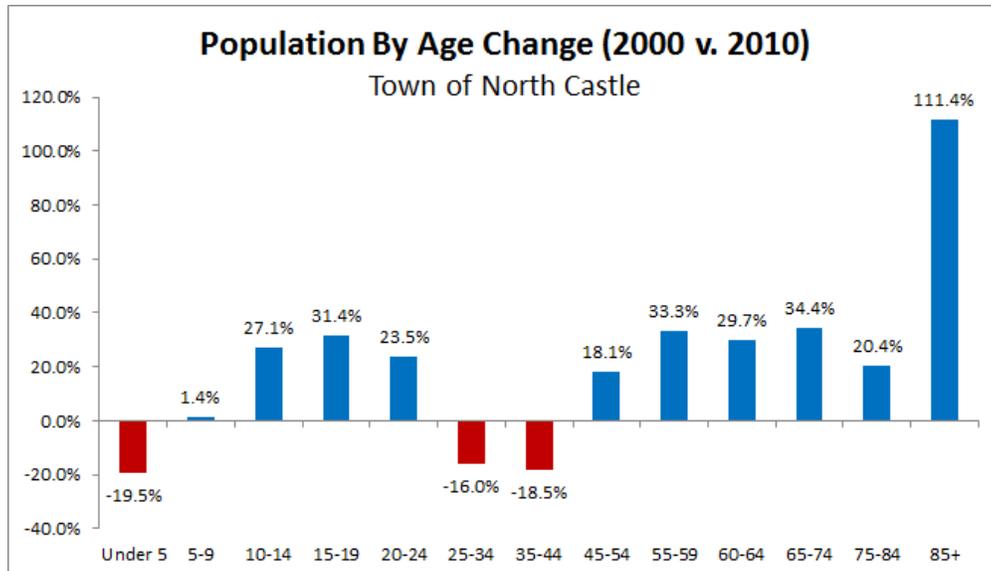
## Demographic Factors

New York has experienced sweeping demographic changes over the past decade which has significant implications for real estate development. These trends, which include shrinking household sizes and increasing numbers of childless households, have reduced demand for construction of for-sale housing while increasing demand for multi-family rental housing.

Smaller Size Households – As previously detailed in the Area Analysis section of this report, the size of households has been declining in New York, and is occurring locally as well. As shown in the table below, households which are either 1-person or 2-persons in size account for a majority of total households in the regional area. Within the Town of North Castle, smaller size (1-2 person) households account for about half (45%) of total households.

	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>2015 Est. Households by Household Size</b>	4,118		52,721		204,674		546,991	
1-person	552	13.40	15,278	28.98	53,316	26.05	147,727	27.01
2-person	1,287	31.25	15,535	29.47	60,639	29.63	154,953	28.33
3-person	707	17.17	8,396	15.93	33,621	16.43	91,790	16.78
4-person	909	22.07	7,589	14.39	32,996	16.12	83,725	15.31
5-person	477	11.58	3,526	6.69	15,380	7.51	41,424	7.57
6-person	144	3.50	1,373	2.60	5,407	2.64	16,183	2.96
7-or-more-person	42	1.02	1,022	1.94	3,314	1.62	11,188	2.05

Declining Population in Key Age Groups – A significant local demographic trend is the declining population of certain age cohorts in Town of North Castle. As shown in the chart below, the municipality is experiencing population declines in a number of age cohorts. Of particular concern is the decline in the 25-34 (-16%) and 35-44 (-19%) age cohorts over the 10-year period from the 2000 to 2010 Census. These cohorts represent the leading edge of the 'Millennial' generation which is an essential component of a viable economy and real estate market. We also note sharp declines in the 0-5 age cohort which translates directly to present and future school enrollment trends (see table below).



The decline in the 'Millennial' population has significant long-term implications for residential and commercial real estate demand in North Castle, including its effect on local employment. Because employers universally understand that recruiting Millennials is an essential ingredient for a successful business, employers will logically choose to locate in, or relocate to, places that are able to attract and retain this key talent pool. That North Castle is experiencing a loss of this demographic cohort implies progressive weakness in its economy and real estate markets.

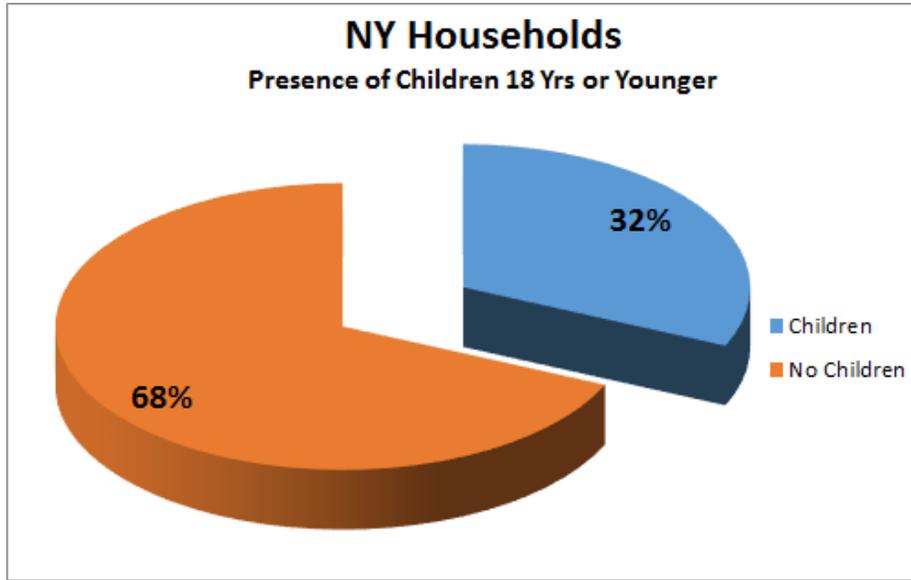
Evidence of this effect is already evident in the local commercial real estate market, most notably in office buildings. As show in the table below, the current vacancy rate for North Castle's office buildings stands at 24.5%, compared to only 14% for Westchester County. Based upon the slow pace at which vacant space in North Castle is becoming occupied in North Castle, the current vacancy of 335,000 Ft<sup>2</sup> reflects a 26-year supply.

Office Market Analysis						
		Town of North Castle	Radius (miles) 5	Radius (miles) 10	Radius (miles) 15	Westchester County
Existing Office Space	Ft <sup>2</sup>	1,365,635	23,854,043	40,279,963	54,345,296	50,556,351
Area (miles <sup>2</sup> )	Miles <sup>2</sup>	27	66	270	580	500
Office Space per-square-mile	Ft <sup>2</sup>	50,579	363,131	149,207	93,747	101,113
Existing Households - 2015	#	4,118	47,971	184,101	349,186	358,975
Office Space per-household	Ft <sup>2</sup>	332	497	219	156	141
Vacant Office Space	Ft <sup>2</sup>	334,581	3,649,669	5,639,195	7,282,270	7,077,889
Current Occupancy Rate	%	75.5%	84.7%	86.0%	86.6%	86.0%
Current Vacancy Rate	%	24.5%	15.3%	14.0%	13.4%	14.0%
Available Office Space	Ft <sup>2</sup>	353,326	4,966,123	7,674,179	10,584,235	9,932,894
Current Availability Rate	%	25.9%	20.8%	19.1%	19.5%	19.6%
Net Absorption (past-4-qrtrs)	Ft <sup>2</sup>	13,055	618,977	572,326	521,107	507,639
Monthly Net Absorption	Ft <sup>2</sup>	1,088	51,581	47,694	43,426	42,303
Absorption Period	100%	27.1	8.0	13.4	20.3	19.6
Projected Years to Stabilized Occupancy @	96%	26.0	7.7	12.9	19.5	18.8

Note: analysis excludes portions of Fairfield County, CT that fall within the radii

One of the key drivers for occupancy in commercial real estate, such as offices, is the availability of higher density ‘amenitized’ housing near to transportation infrastructure, employment centers and retail services. Places that promote this form of housing are able to attract Millennials, and as a by-product a more vibrant economy and commercial real estate landscape. Conversely, a failure to provide more open and diversified forms of zoning leads to a declining millennial population and economy. This has broad implications on employment/unemployment, personal/household income, real estate values and the sustainability of the municipal tax base. As employers and the jobs they provide leave an area, the commercial tax base shrinks thereby shifting the cost of local government increasingly to residential property owners. And then, a negative-feedback-loop occurs whereby the effect of this cycle circle back into all facets of the local economy and real estate markets. From this perspective, increasing housing opportunities for younger age households in multi-use settings will increase demand for commercial real estate demand and employment.

Fewer Households with Children Living at Home & Declining School Enrollment - Since peaking in the 1980’s, the percentage of New York households with children living at home has declined to 32% with continued decline likely over the next decade. This trend, which is based in the composition of New York’s demographic cohorts, is anticipated to drive future housing demand increasingly toward smaller homes including multi-family housing in more urban locations. The table below shows that 68% of households within the state of New York have no children under the age of 18 living at home.



Source: The Nielsen Company

This is also true in the local submarket area with ratios of 55% within the Town of North Castle, 68% within the 5-mile radius, 65% within the 10-mile radius and 64% within the 15-mile radius.

	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>Households with No People under Age 18:</b>	2,269	55.10	35,874	68.04	132,637	64.80	352,336	64.41
Married-Couple Family	1,396	61.52	13,938	38.85	56,899	42.90	136,191	38.65
Other Family, Male Householder	62	2.73	1,090	3.04	3,921	2.96	12,463	3.54
Other Family, Female Householder	132	5.82	2,647	7.38	9,200	6.94	31,011	8.80
Nonfamily, Male Householder	310	13.66	7,408	20.65	24,480	18.46	70,597	20.04
Nonfamily, Female Householder	369	16.26	10,791	30.08	38,137	28.75	102,075	28.97

These trends have already affected school enrollments in New York which after decades of increasing have recently begun to decline. According to data published by the New York Department of Education, statewide public school enrollment declined from a peak of 2,783,800 for the 2004-2005 school year to 2,593,020 for the 2014-2015 school year. This reflects a decline of 190,780 students.

New York Public School Enrollment Totals	
2004-2005	2,783,800
2014-2015	2,593,020
<b>Decline (# students)</b>	<b>-190,780</b>

Source: NY Dept. of Education

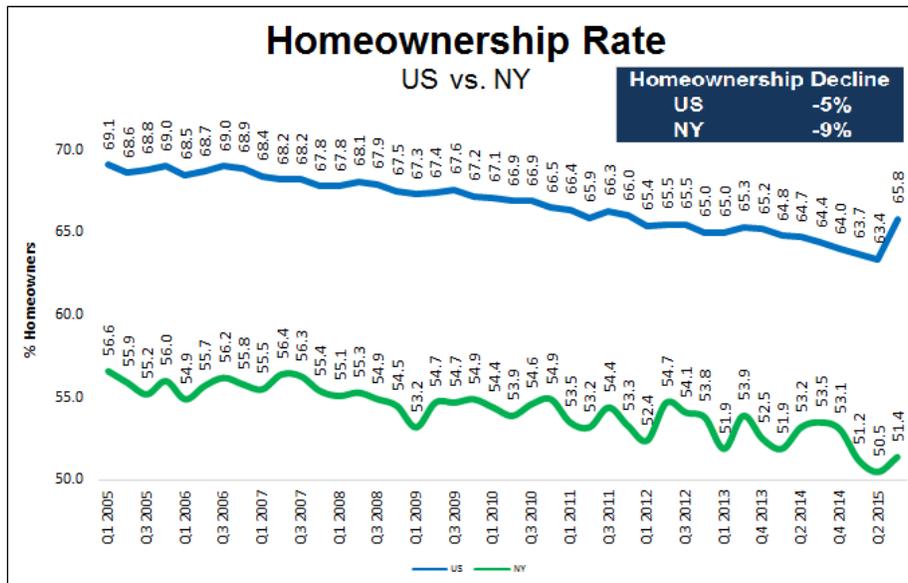
Similar to what's occurring at the state level, the New York Department of Education indicated that public school enrollment within the Mount Pleasant Central Public School District declined from 2,014 in the 2008-2009 school year to 1,913 for the 2014-2015 school year. This reflects a

decline of 101 students (grades Pre K -12<sup>th</sup>). Given the previously identified trend toward fewer households with children living at home coupled with a significant population decline for those less than 5-years of age, this trend will likely continue into the future.

Mount Pleasant Central School District Enrollment Totals	
2008-2009	2,014
2014-2015	1,913
<b>Decline (# students)</b>	<b>-101</b>

Source: NY Dept. of Education

Lower Homeownership Rates – Consistent with national trends, the homeownership rate in New York declined precipitously with the onset of the Great Recession. The homeownership rate in the state has declined from 56.6% in 2005.Q1 to 51.4% in 2015.Q3. This equates to a 9% drop in the homeownership rate, compared to a decline of only 5% nationwide, indicating relatively weak demand for home sales and expanding demand for rental housing.



While the homeownership rate has declined for the local submarket area as well, it is higher than for the state overall at 86% within the Town of North Castle, 65% within 5-miles, 68% within 10 miles and 60% within 15 miles.

	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>2015 Est. Occupied Housing Units by Tenure</b>	4,118		52,721		204,674		546,991	
Owner Occupied	3,536	85.87	34,433	65.31	139,528	68.17	327,603	59.89
Renter Occupied	582	14.13	18,287	34.69	65,145	31.83	219,387	40.11

The higher local homeownership rates are however attributable to the supply of multi-family housing being undersupplied in North Castle. According to the 2014 American Community Survey by the US Census Bureau, only 2.4% of the Town's housing stock is in multi-family structures with 5 or more units while 17% of its population is between the ages of 18-34 and an additional 15% of the population is aged 65 and older. Also, 45% of its households are either 1-person or 2-persons in size and 55% have no children living at home. These conditions are highly supportive of constructing modern multi-family apartments in the local submarket area to provide relevant housing options for those younger age, older age, and small-size 'childless' households.

Economic & Demographic Trend Conclusions: When considered collectively, these trends indicate that economic and real estate demand growth will be concentrated in those communities which offer relevant housing choices in multi-family neighborhoods that are situated within close proximity to employment opportunities, public transportation services and retail services. While this poses challenges for New York State's rural sections, it creates significant opportunities for real estate development in inner-ring suburbs and urban centers in the southern part of the state. These factors align perfectly with the subject neighborhood area and site based upon its locational characteristics. We therefore conclude that economic and demographic conditions in the regional and local submarket areas support the proposed development of luxury apartments.

## PART IV – MULTI-FAMILY APARTMENT SECTOR ANALYSIS

### ***National Apartment Trends***

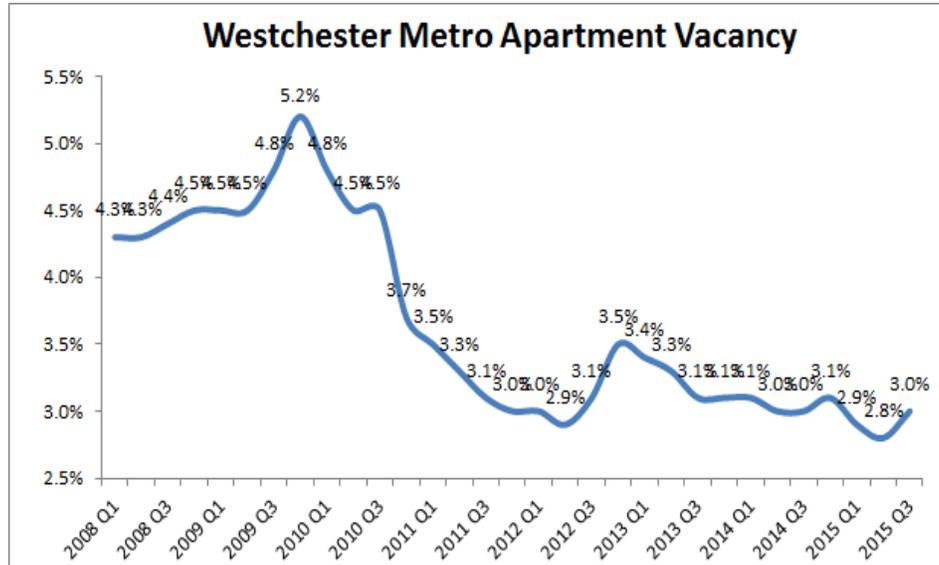
Over 40,000 new construction apartment units were delivered in the US in 2015.Q3, which is one of the highest amounts since data has been available since 1999. The absorption of these newly constructed units experienced a slowdown in leasing activity however. National net absorption for the third quarter was only slightly over 33,000 units, a large decline over second quarter figures of close to 49,000 units. As a result, the national vacancy rose by 10 basis points to 4.3%.



National rental price growth predictably strengthened in the third quarter given the expected seasonality. Asking and effective rents both rose by 1.4% and 1.5% in the third quarter, respectively. On a year-over-year basis, asking rents rose by 4.2% and effective rents rose by 4.3%. For perspective, apartment rent growth has not been this strong (on a year-over-year basis) since 2007.

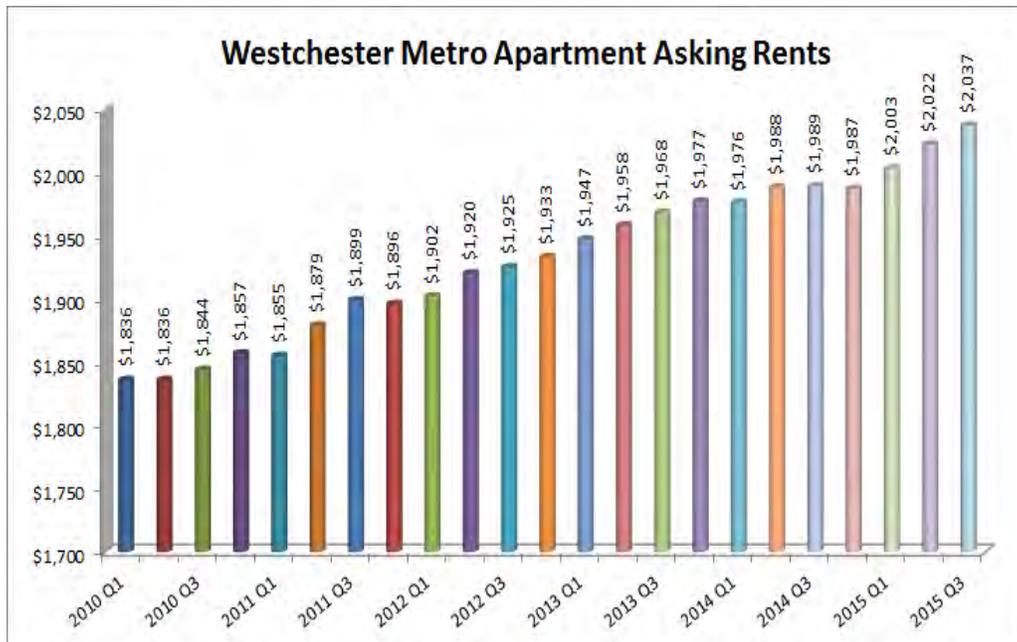
### ***Westchester Metro Apartment Trends***

Apartment vacancy rates increased slightly in the Westchester metro area to 3.0% in the 3<sup>rd</sup> quarter, which is 130 basis points (bp) less than the national rate. Still, the Q3 vacancy level is 220 bp below the cyclical peak of 5.2% recorded back in 2009.

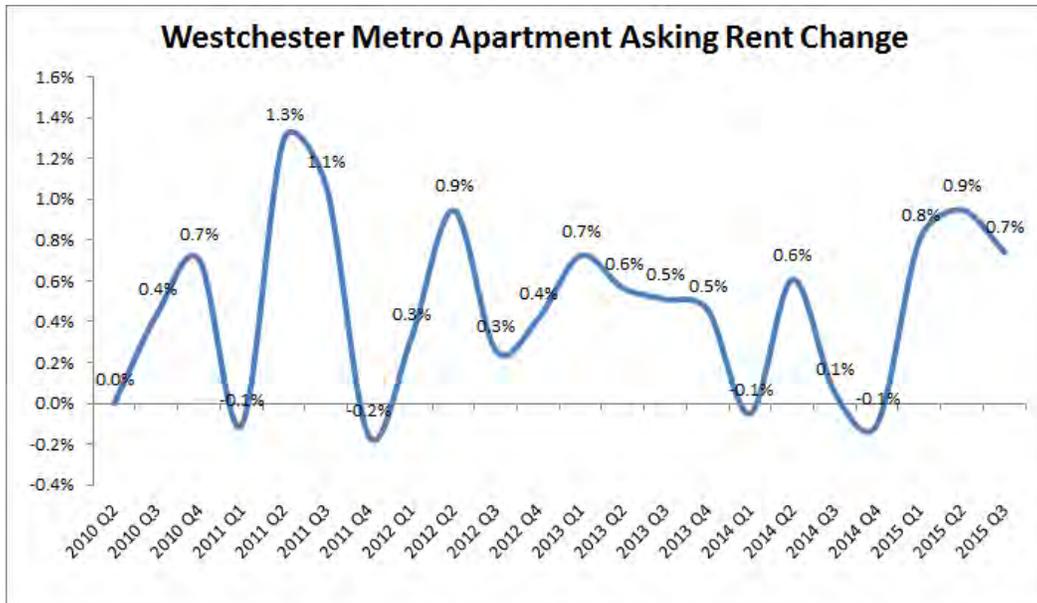


SOURCE: REIS, Otteau Group

As a result of these strong market fundamentals, asking rents in the Westchester metro area continue to rise on the strength of low vacancy and rising demand. Asking rents in the metro broke another record averaging \$2,037 in 2015.Q3, reflecting a 2.4% increase over the past year, and a 0.7% increase from the prior quarter.



SOURCE: REIS, Otteau Group



**SOURCE: REIS, Otteau Group**

### ***Local Apartment Trends***

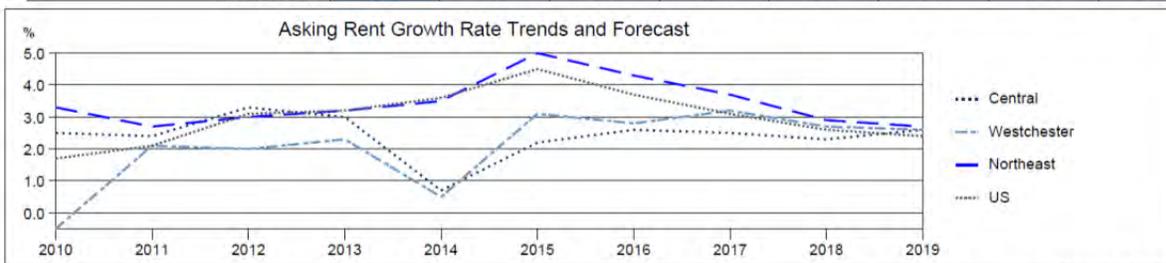
The strong market dynamics for the multi-family apartment sector coupled with the previously discussed economic and demographic factors, elevated foreclosure rates and strict mortgage lending standards indicate that demand for multi-family rental apartments is likely to remain strong for the foreseeable future.

Shifting to the submarket level, the subject property is located within the Central Westchester submarket area, which includes the City of Rye, Town of North Castle, Town of Harrison, Town of Greenburgh, Town of Mount Pleasant and Village of Scarsdale. Asking rents in this submarket area have increased at an annualized pace of 0.7% over the past year, 2.3% over 3 years and 2.4% over 5 years (see table below). At the same time, effective rents have increased by 1.6% over the past year and 13.0% over 5 years. The increase in effective rents indicates that landlords are pulling back on rental concessions offered to prospective tenants due to a shortage of existing apartments in this submarket.



		Asking Rent Growth						
		Quarterly			Annualized			
		3Q15	2Q15	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Central	0.2%	1.1%	0.6%	0.7%	2.3%	2.4%	2.5%	
Westchester	0.7%	0.9%	0.8%	0.5%	1.6%	1.3%	2.9%	
Northeast	1.6%	1.6%	1.3%	3.5%	3.2%	3.1%	3.7%	
United States	1.4%	1.2%	1.2%	3.6%	3.3%	2.7%	3.3%	
Period Ending:		09/30/15	06/30/15	09/30/15	12/31/14	12/31/14	12/31/14	12/31/19

Submarket Rank Compared to:	Total Subs	Submarket Ranks						
		3Q15	2Q15	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
Westchester	3	3	2	3	2	1	1	2
Northeast	103	93	35	66	86	51	32	44
United States	835	753	244	591	757	511	322	448

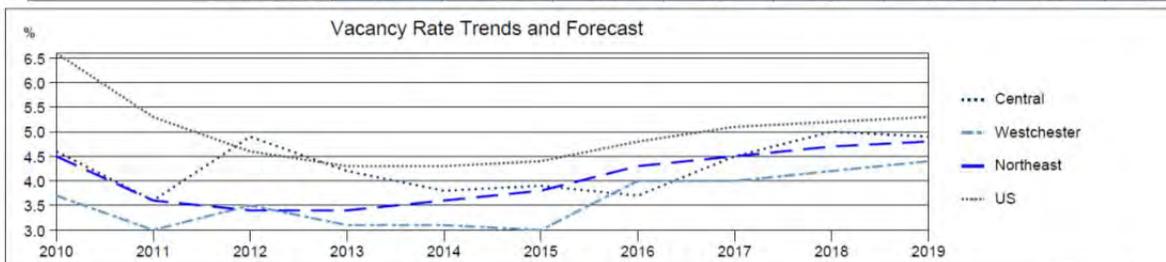


Period ending 12/31/19

As shown in the chart below, the mean vacancy rate in this submarket area increased slightly from 4.0% one year ago to 4.1% presently despite the delivery of 564 new apartments over the past 4.75 years. Over the same period, the number of occupied apartments in the submarket area increased by 610 units indicating that absorption is outpacing deliveries.

		Vacancy Rates						
		Quarterly			Annualized			
		3Q15	2Q15	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Central	4.1%	3.7%	3.8%	4.0%	4.1%	4.6%	4.4%	
Westchester	3.0%	2.8%	2.9%	3.1%	3.2%	3.6%	3.9%	
Northeast	3.6%	3.5%	3.5%	3.5%	3.5%	3.9%	4.4%	
United States	4.3%	4.2%	4.2%	4.3%	4.6%	5.5%	5.0%	
Period Ending:		09/30/15	06/30/15	09/30/15	12/31/14	12/31/14	12/31/14	12/31/19

Submarket Rank Compared to:	Total Subs	Submarket Ranks						
		3Q15	2Q15	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
Westchester	3	3	3	3	3	3	3	2
Northeast	103	80	74	80	76	79	76	71
United States	835	459	400	421	421	375	307	438



Period ending 12/31/19

A closer look at the local submarket area indicates that the existing stock of apartments is also relatively old with a mean property age of 24 years (built in 1991) and median age of 19 years (built in 1996). This creates significant opportunities for recently constructed apartment properties due to the competitive advantages of new construction.

**Apartment Stock Traits**

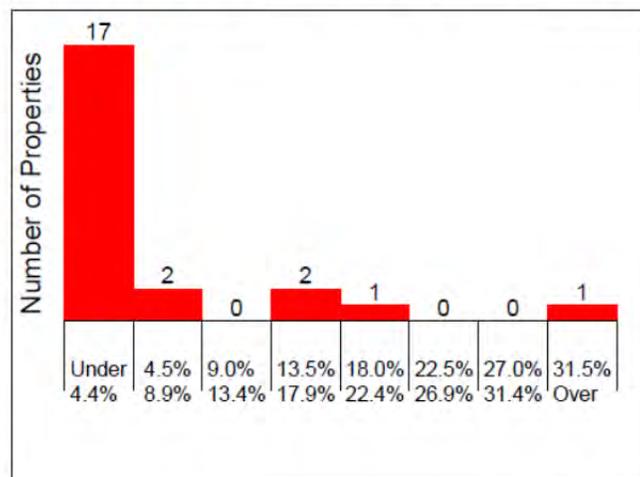
	Submarket			
	Low	Mean	Median	High
Year Built	1923	1991	1996	2015
Size (units)	40	177	144	416
Distance to Highway (miles)	0	0.3	0.2	0.7
Distance to CBD (miles)	4.6	7.9	8.1	11.1
Distance to Landmark (miles)	0.7	3.6	3.7	5.9

As of 09/30/15

The following analysis indicates a median vacancy rate of 1.1% for multi-family apartments in the submarket area which is lower than the mean vacancy of 4.1%. A closer look at this data indicates that newer apartment properties with a full range of amenities are outperforming older properties with inferior market appeal. Given the subject project would be new construction with a robust package of amenities, it is anticipated to outperform the overall mean vacancy rate due to the competitive advantages of new construction.

**Vacancy Rate Distribution**

Low	25%	Mean	Median	75%	High
0.0%	0.6%	4.1%	1.1%	5.8%	35.0%



As of 09/30/15

## Apartment Supply & Demand

Apartment Supply Analysis - The subject apartment development project will primarily compete with existing apartment projects located within the Central Westchester submarket area. Using data provided by REIS, a leading provider of commercial real estate trend analysis, the supply of competing apartment projects within this submarket area has seen an increase of 564 apartments (average of 119 units per year) or 4.1% over the entire 4 ¾ year period from 2010 – 2015ytd, or 0.9% annually (see table below).

Central Westchester Submarket													
Submarket	Sector	Year	Inventory (SF/Units)	Inventory Growth	New Construct	Conversions	Vac %	Vacant Stock	Occupied Stock	Occupied Growth	Net Absorption	Asking Rent % Chg	Eff Rent % Chg
Central Westchester	Apt	2010	13,728	0.0%	0	0	4.6%	631	13,097	n/a	275	2.5%	5.0%
Central Westchester	Apt	2011	13,728	0.0%	0	0	3.6%	494	13,234	1.0%	137	2.4%	2.7%
Central Westchester	Apt	2012	14,116	2.8%	388	0	4.9%	692	13,424	1.4%	190	3.3%	3.4%
Central Westchester	Apt	2013	14,116	0.0%	0	0	4.2%	593	13,523	0.7%	99	3.0%	3.6%
Central Westchester	Apt	2014	14,172	0.4%	56	0	3.8%	539	13,633	0.8%	110	0.7%	0.9%
Central Westchester	Apt	2015.Q3	14,292	0.8%	120	0	4.1%	586	13,706	0.7%	51	0.2%	0.2%

Pipeline Supply Analysis - In quantifying apartment supply growth it is necessary to account for future construction activity in the submarket area. Quantifying future apartment projects that may be developed at some later date is however a speculative process due to the uncertainty of such projections. Some projects in the planning and pre-planning stage may never be constructed due to economic conditions or financial considerations while others may see changes to their initial plans that affect a project's design, apartment competitive market segment, and amenities. In developing our forecast, we note that supply has increased in this submarket at an annualized pace of only 0.9% since 2010. We therefore project a higher annualized construction pace equivalent to 1.5% of existing supply beginning the current year, then declining to 1.0% in 2020 as the current demand and construction cycle begins to normalize.

Competitive Apartment Supply Projection											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Existing Supply	14,292	14,506	14,724	14,945	15,169	15,397	15,551	15,706	15,863	16,022	16,182
Pipeline Supply Growth (%)	1.50%	1.50%	1.50%	1.50%	1.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Pipeline Supply Growth (Apts)	214	218	221	224	228	154	156	157	159	160	162
Total Supply *	14,506	14,724	14,945	15,169	15,397	15,551	15,706	15,863	16,022	16,182	16,344

As presented in the above table, total supply is projected to increase from 14,292 apartments in 2015 to 16,344 by year-end 2025, representing an increase of 2,052 apartments over the 9 ¼ year forecast period. On an annual basis, this equates to an average increase of 222 new construction units per year from 2015 through 2024, compared to an historical increase of 119 new apartments being constructed per year since 2010.

Demand Analysis – Demand for apartments in any given area is measured by occupancy levels and average rental rates. Although these statistics vary between properties due to age, condition, location and marketing efforts, a review of area occupancy levels and rental pricing is useful in preparing an estimate of future market performance.

In developing our demand projection, we have considered the following component factors:

1. “Demonstrated Demand” or that demand which can be quantified by examining occupancy levels at existing apartment projects.
2. “Induced Demand”, defined as that demand which does not currently seek apartments in the market area but could be persuaded to do so through proper sales efforts, new demand generators or the availability of additional rooms supply.
3. “Unsatisfied Demand” is existing demand that cannot be satisfied within the immediate area due to fully occupancy. Each source of demand is discussed as follows.

Demonstrated Demand - The proposed subject apartment project will primarily compete with competing properties within the submarket area. Present day demonstrated demand (apartments rented) for competitive apartment projects in the area was calculated to be 13,706 units as shown in the table below:

<b>Demonstrated Demand</b>						
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015ytd</b>
<b>Total Units</b>	13,728	13,728	14,116	14,116	14,172	14,292
<b>Vacant %</b>	4.6%	3.6%	4.9%	4.2%	3.8%	4.1%
<b>Vacant Stock</b>	631	494	692	593	539	586
<b>Occupied Stock</b>	13,097	13,234	13,424	13,523	13,633	13,706
<b>Demand Growth</b>	n/a	1.0%	1.4%	0.7%	0.8%	0.7%

*Note: 2015 ytd Demand Growth reflects annualized pace over a full year*

The table above indicates average demand growth over the past 5 years of 0.9% annually. We note however that demand growth has been constrained over that time period by supply growth of only 0.9% per year. Therefore, a higher pace of supply growth would result in a corresponding increase in demand. Based upon our demographic and market analysis we project an annualized demand increase of 1.5% in the current year, then declining to 1.0% in 2020 and beyond due to the anticipated slower pace of new apartment construction discussed above.

Induced Demand - Induced demand represents apartment rentals that are attracted in a market. These rentals can be induced through the opening of a new demand generator such as a major

employer or transportation service. Induced demand can also result from the placement of a project near to a significant demand generator such as an employment center or train station. In the case of the subject project, we do not project any induced demand to occur.

**Unsatisfied Demand** - Unsatisfied demand refers to individuals who are unable to secure rental housing in a market either because all of the local apartment projects are fully occupied or that housing type is in short supply. These renters end up settling for inferior apartment projects, or leasing apartments outside the market area. As discussed previously, rental housing North Castle is significantly undersupplied, with only 2.4% of its housing stock being in multi-family structures with 5 or more units. Therefore, unsatisfied demand exists within the local submarket area which will contribute to the long term viability and sustainability of the proposed luxury apartments.

**Overall Demand Projection** - Overall demand equates to the base year demonstrated demand, inflated at the growth rates previously developed, plus any induced demand or unsatisfied demand. The following tables summarize our forecast for the local competitive market area which projects a rental demand increase from 13,706 apartments in the current year to 15,674 apartments by the end of 2025. This results in apartment demand being increased by 1,968 apartments over the 9 ¼ year forecast through year-end 2025.

Market Demand											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Demand Demonstrated	13,706	13,912	14,120	14,332	14,547	14,765	14,913	15,062	15,213	15,365	15,518
Market Occupancy (year begi	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%
Demand Growth (%)	1.50%	1.50%	1.50%	1.50%	1.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Demand Growth (Apts)	206	209	212	215	218	148	149	151	152	154	155
Total Demand	13,912	14,120	14,332	14,547	14,765	14,913	15,062	15,213	15,365	15,518	15,674
Market Occupancy (year end)	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%

An alternate measurement of demand growth for multi-family apartments comes from projections of household formation. The Nielsen Company has projected that the number of households within a 5-mile radius of the subject project will increase over the next 5 years from 52,721 to 54,688. Based upon these figures, and factoring in a modest 1% annualized increase in the rentership rate, indicates a demand increase equivalent to 1,631 rental units over the next 5 years or 3,261 over 10 years (see table below).

<b>Rental Demand Projection</b> (5-Mile Radius of Subject Property)			
	Households	Ratio	Rental Demand
2015 (existing)	52,721	34.69%	18,287
2020 (projected)	54,688	36.42%	19,918
Projected 5-Year Demand Increase (units)			1,631
Projected 10-Year Demand Increase (units)			3,261

We also note our prior analysis of the existing housing stock within North Castle which indicates that only 2.4% of the Town's housing stock is in multi-family structures with 5 or more units while 17% of its population is between the ages of 18-34 and an additional 15% of the population is ages 65 and older. Also, 45% of its households are either 1-person or 2-persons in size and 55% have no children living at home. These facts support the introduction of additional housing in the form of multi-family rental apartments for those younger age, older age, and small-size 'childless' households.

Based upon this analysis, coupled with our prior market analysis of the local submarket, the development multi-family rental apartments on the subject site is supported by local economic, demographic and real estate market conditions and will fill a need in the local community.

Market wide Occupancy – By combining the projected supply and demand data presented in the preceding analyses, we can forecast the occupancy level for the local submarket area. The following table projects that market-wide occupancy will remain stable at 95.9% through year-end 2025 despite the projected construction of more than 2,000 apartment units over that time period.

<b>Projection of Market Occupancy</b>											
<b>Supply</b>											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Existing Supply	14,292	14,506	14,724	14,945	15,169	15,397	15,551	15,706	15,863	16,022	16,182
Pipeline Supply (%)	1.50%	1.50%	1.50%	1.50%	1.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Pipeline Supply (Apts)	214	218	221	224	228	154	156	157	159	160	162
Total Supply	14,506	14,724	14,945	15,169	15,397	15,551	15,706	15,863	16,022	16,182	16,344
<b>Market Demand</b>											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Demand Demonstrated	13,706	13,912	14,120	14,332	14,547	14,765	14,913	15,062	15,213	15,365	15,518
Market Occupancy (year begi	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%
Demand Growth (%)	1.50%	1.50%	1.50%	1.50%	1.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Demand Growth (Apts)	206	209	212	215	218	148	149	151	152	154	155
Total Demand	13,912	14,120	14,332	14,547	14,765	14,913	15,062	15,213	15,365	15,518	15,674
Market Occupancy (year end)	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%

**Market Penetration** - The performance of an individual apartment property is influenced by market-wide performance as well as a range of property-specific factors such as location, design, amenities, age and condition. If the characteristics of a particular apartment property are typical and consistent with normal standards in its submarket, it will achieve its fair-share of demand which equates to 100% market penetration and realize an occupancy rate that matches the market rate. Properties that are superior will achieve greater than 100% penetration due to competitive advantages and therefore achieve occupancy rates that are higher than the market rate. Conversely, if a property captures less than its fair share, then its occupancy rate will be below the market-wide average. Therefore, property strengths can result in higher occupancy rates than the overall market, while property weakness is associated with lower occupancy rates.

We project that the subject project will achieve market penetration at a rate that exceeds its 100% fair share for the due to the following factors:

- The competitive advantage of a new construction project
- The luxury design, construction quality and amenities of the project.
- Proximity to major roadways, major employment centers and a commuter rail station in Valhalla. It is also noted that the North White Plains and White Plains train stations are located within close proximity to the subject property.

Given these competitive advantages, we project that the subject property will achieve a market penetration of 103% upon project completion and stabilization in 2017, and then declining to 102% in 2022 and beyond as the project ages and the potential for additional new construction projects to enter the market. As a result, the subject project's occupancy is forecasted to range from a high of 99% in 2017 to 98% in 2025.

Year Ending	Projection of Subject Penetration Rate										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Market Occupancy (year end)	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%	95.9%
Subjects Market Penetration	n/a	n/a	103.0%	103.0%	103.0%	103.0%	103.0%	102.0%	102.0%	102.0%	102.0%
<b>Subject Occupancy (year end)</b>	n/a	n/a	<b>98.8%</b>	<b>98.8%</b>	<b>98.8%</b>	<b>98.8%</b>	<b>98.8%</b>	<b>97.8%</b>	<b>97.8%</b>	<b>97.8%</b>	<b>97.8%</b>

The projected high occupancy performance of the project over the 9 ¼ year forecast period indicates longer term viability for the project. Therefore, the ability of the project to have a sustainable positive fiscal impact on the municipality over the long term.

Based upon the preceding analyses, the development multi-family rental apartments within the study area is supported by local economic, demographic and real estate market conditions and will fill a need in the local community.

## ***Competitive Set***

We have identified the following competitive set of multi-family rental projects offering luxury type apartments as a basis for developing design recommendations and to forecast project performance. These projections are based upon the Principle of Substitution which holds that an informed purchaser would pay no more for a property than the cost of acquiring an alternative existing property offering the same utility.

In applying this approach, we have investigated competing projects within the local and regional submarket area which would represent direct competition to the subject study area.

Accordingly, they are not all-inclusive listing of competing properties but rather reflect a subset that are relevant to the projection of market positioning for any housing product to be developed within the subject project.

**COMPETITIVE APARTMENT COMPLEX**  
**WINDSOR AT THE GRAMERCY APARTMENTS**  
 City of White Plains - Westchester County, NY

<b>Proximity to Subject</b>	3.23 miles
<b>Apartment Type</b>	Md-Rise Apartments
<b>Approx. Complex Age</b>	13 years
<b>Total Units</b>	<b>256</b>
<b>Current Vacancy (units)</b>	4
<b>Current Vacancy (%)</b>	1.6%
<b>Marketing Period</b>	Not available
<b>Lease-Up Period (Months)</b>	Not available
<b>Leases / Month</b>	Not available
<b>Weighted Avg. Apt Size (SF)</b>	895
<b>Weighted Avg. Base Rent</b>	\$2,438
<b>Weighted Avg. Rent/SF</b>	\$2.73
<b>Minimum Lease Term</b>	2 months (subject to short term fees)
<b>On-Site Management</b>	On-site
<b>On-Site Maintenance</b>	On-site
<b>Utilities Included in Rent</b>	Gas & Heat
<b>Elevator</b>	Yes
<b>Air Conditioning</b>	Yes
<b>Dishwasher</b>	Yes
<b>Extra Storage</b>	Additional storage available
<b>Laundry Facilities</b>	Washer & dryer in each unit
<b>Parking Type</b>	Garage & Surface Parking
<b>Parking Fee</b>	Surface Parking: Included; Garage Parking \$150/monthly
<b>Current Incentives</b>	1/2 off security deposit & waived application fee
<b>Proximity to Public Transportation</b>	1.03 miles to White Plains Station; Shuttle Service

**RECREATIONAL AMENITIES:** Outdoor heated swimming pool with cabanas, resident lounge with fireplace, billiard room with catering kitchen, media room, fitness center, courtyard with BBQ grills, playground, dog park & concierge

**AMENITIES FEE:** \$600 per lease term

**PRICING MATRIX**

Apartment Type	1 Bedroom	2 Bedroom
Unit Mix	125	131
Sq. Ft.	735	1,047
Monthly Rent	\$2,075	\$2,785
Annual Rent / SF	\$2.82	\$2.66

Weighted Avg. Base Rent	\$2,438
Weighted Avg. Apt. Size	895
Weighted Avg. Rent/SF	\$2.73



**COMPETITIVE APARTMENT COMPLEX  
THE CHURCHILL**

City of White Plains - Westchester County, NY

<b>Proximity to Subject</b>	3.33 miles
<b>Apartment Type</b>	Md-Rise Apartments
<b>Approx. Complex Age</b>	49 years
<b>Total Units</b>	80
<b>Current Vacancy (units)</b>	0
<b>Current Vacancy (%)</b>	0.0%
<b>Marketing Period</b>	Not available
<b>Lease-Up Period (Months)</b>	Not available
<b>Leases / Month</b>	Not available
<b>Weighted Avg. Apt Size (SF)</b>	748
<b>Weighted Avg. Base Rent</b>	\$2,528
<b>Weighted Avg. Rent/SF</b>	\$3.38
<b>Minimum Lease Term</b>	Annual
<b>On-Site Management</b>	On-site
<b>On-Site Maintenance</b>	On-site
<b>Utilities Included in Rent</b>	Gas, Heat & Hot Water
<b>Elevator</b>	Yes
<b>Air Conditioning</b>	Yes
<b>Dishwasher</b>	Yes
<b>Extra Storage</b>	None available
<b>Laundry Facilities</b>	On-site laundry facility
<b>Parking Type</b>	Garage & Surface Parking
<b>Parking Fee</b>	\$100/monthly
<b>Current Incentives</b>	None
<b>Proximity to Public Transportation</b>	0.94 miles to White Plains Station

**RECREATIONAL AMENITIES:** Playground

**AMENITIES FEE:** Included in rent

**PRICING MATRIX**

Apartment Type	Studio	1 Bedroom	2 Bedroom
Unit Mix	6	44	30
Sq. Ft.	500	650	942
Monthly Rent	\$1,650	\$2,422	\$2,858
Annual Rent / SF	\$3.30	\$3.73	\$3.03

Weighted Avg. Base Rent	\$2,528
Weighted Avg. Apt. Size	748
Weighted Avg. Rent/SF	\$3.38



**COMPETITIVE APARTMENT COMPLEX  
AVALON WHITE PLAINS**

City of White Plains - Westchester County, NY

<b>Proximity to Subject</b>	3.39 miles
<b>Apartment Type</b>	High-Rise & Duplex-Style Apartments
<b>Approx. Complex Age</b>	6 years
<b>Total Units</b>	<b>272</b>
<b>Current Vacancy (units)</b>	15
<b>Current Vacancy (%)</b>	5.5%
<b>Marketing Period</b>	Not available
<b>Lease-Up Period (Months)</b>	Not available
<b>Leases / Month</b>	Not available
<b>Weighted Avg. Apt Size (SF)</b>	1,019
<b>Weighted Avg. Base Rent</b>	\$3,822
<b>Weighted Avg. Rent/SF</b>	\$3.75
<b>Minimum Lease Term</b>	Flexible lease terms available
<b>On-Site Management</b>	On-site
<b>On-Site Maintenance</b>	On-site
<b>Utilities Included in Rent</b>	None
<b>Elevator</b>	Yes
<b>Air Conditioning</b>	Yes
<b>Dishwasher</b>	Yes
<b>Extra Storage</b>	Additional storage available (\$85-\$125/monthly)
<b>Laundry Facilities</b>	Washer & dryer in each unit
<b>Parking Type</b>	Garage Parking
<b>Parking Fee</b>	<b>\$115-\$206/monthly</b>
<b>Current Incentives</b>	None
<b>Proximity to Public Transportation</b>	0.58 miles to White Plains Station
<b>RECREATIONAL AMENITIES:</b>	resident lounge & gameroom, concierge, package receiving, indoor/outdoor kid's play areas
<b>AMENITIES FEE:</b>	\$780/annually



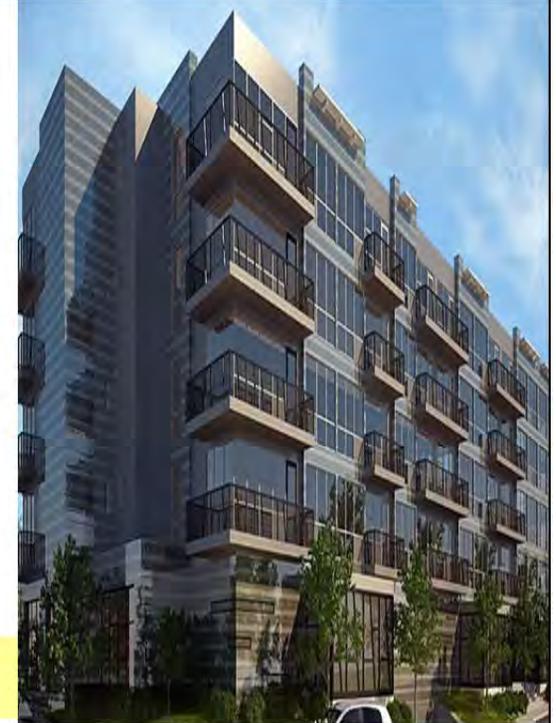
Apartment Type	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Unit Mx	68	76	90	38
Sq. Ft.	623	771	1,247	1,688
Monthly Rent	\$2,703	\$3,050	\$4,470	\$5,838
Annual Rent / SF	\$4.34	\$3.96	\$3.58	\$3.46

Weighted Avg. Base Rent	\$3,822
Weighted Avg. Apt. Size	1,019
Weighted Avg. Rent/SF	\$3.75

**COMPETITIVE APARTMENT COMPLEX  
LA GIANNA**

City of White Plains - Westchester County, NY

<b>Proximity to Subject</b>	3.78 miles
<b>Apartment Type</b>	Mid-Rise Apartments
<b>Approx. Complex Age</b>	1 year
<b>Total Units</b>	56
<b>Current Vacancy (units)</b>	5
<b>Current Vacancy (%)</b>	8.9%
<b>Marketing Period</b>	August 2014 - September 2015
<b>Lease-Up Period (Months)</b>	13
<b>Leases / Month</b>	4.3
<b>Weighted Avg. Apt Size (SF)</b>	953
<b>Weighted Avg. Base Rent</b>	\$3,075
<b>Weighted Avg. Rent/SF</b>	\$3.23
<b>Minimum Lease Term</b>	Annual
<b>On-Site Management</b>	On-site
<b>On-Site Maintenance</b>	On-site
<b>Utilities Included in Rent</b>	None
<b>Elevator</b>	Yes
<b>Air Conditioning</b>	Yes
<b>Dishwasher</b>	Yes
<b>Extra Storage</b>	None available
<b>Laundry Facilities</b>	Washer & dryer in each unit
<b>Parking Type</b>	Garage Parking
<b>Parking Fee</b>	\$125/monthly
<b>Current Incentives</b>	1 month rent-free with one-year lease signing
<b>Proximity to Public Transportation</b>	1.1 miles to White Plains Station; Shuttle Service
<b>RECREATIONAL AMENITIES:</b>	Fitness center, children's playroom, billiard room, BBQ area, courtyard, putting green, doorman & concierge
<b>AMENITIES FEE:</b>	\$500/annually



Apartment Type	Studio	1 Bedroom	2 Bedroom
Unit Mix	4	28	24
Sq. Ft.	600	800	1,190
Monthly Rent	\$2,150	\$2,800	\$3,550
Annual Rent / SF	\$3.58	\$3.50	\$2.98

Weighted Avg. Base Rent	\$3,075
Weighted Avg. Apt. Size	953
Weighted Avg. Rent/SF	\$3.23

**COMPETITIVE APARTMENT COMPLEX  
THE DYLAN**

City of White Plains - Westchester County, NY

<b>Proximity to Subject</b>	3.91 miles
<b>Apartment Type</b>	Mid-Rise Apartments
<b>Approx. Complex Age</b>	1 year
<b>Total Units</b>	24
<b>Current Vacancy (units)</b>	0
<b>Current Vacancy (%)</b>	0.0%
<b>Marketing Period</b>	December 2014 - September 2015
<b>Lease-Up Period (Months)</b>	9
<b>Leases / Month</b>	2.7
<b>Weighted Avg. Apt Size (SF)</b>	965
<b>Weighted Avg. Base Rent</b>	\$2,560
<b>Weighted Avg. Rent/SF</b>	\$2.65
<b>Minimum Lease Term</b>	Annual
<b>On-Site Management</b>	On-site
<b>On-Site Maintenance</b>	On-site
<b>Utilities Included in Rent</b>	None
<b>Elevator</b>	Yes
<b>Air Conditioning</b>	Yes
<b>Dishwasher</b>	Yes
<b>Extra Storage</b>	None available
<b>Laundry Facilities</b>	Washer & dryer in each unit
<b>Parking Type</b>	Garage Parking
<b>Parking Fee</b>	\$125/monthly
<b>Current Incentives</b>	1 month rent-free with one-year lease signing
<b>Proximity to Public Transportation</b>	1.1 miles to White Plains Station; Shuttle Service
<b>RECREATIONAL AMENITIES:</b>	Shared amenities with La Gianna located approx. 3 block away - Fitness center, children's playroom, billiard room, BBQ area, courtyard, putting green, doorman & concierge
<b>AMENITIES FEE:</b>	\$500/annually

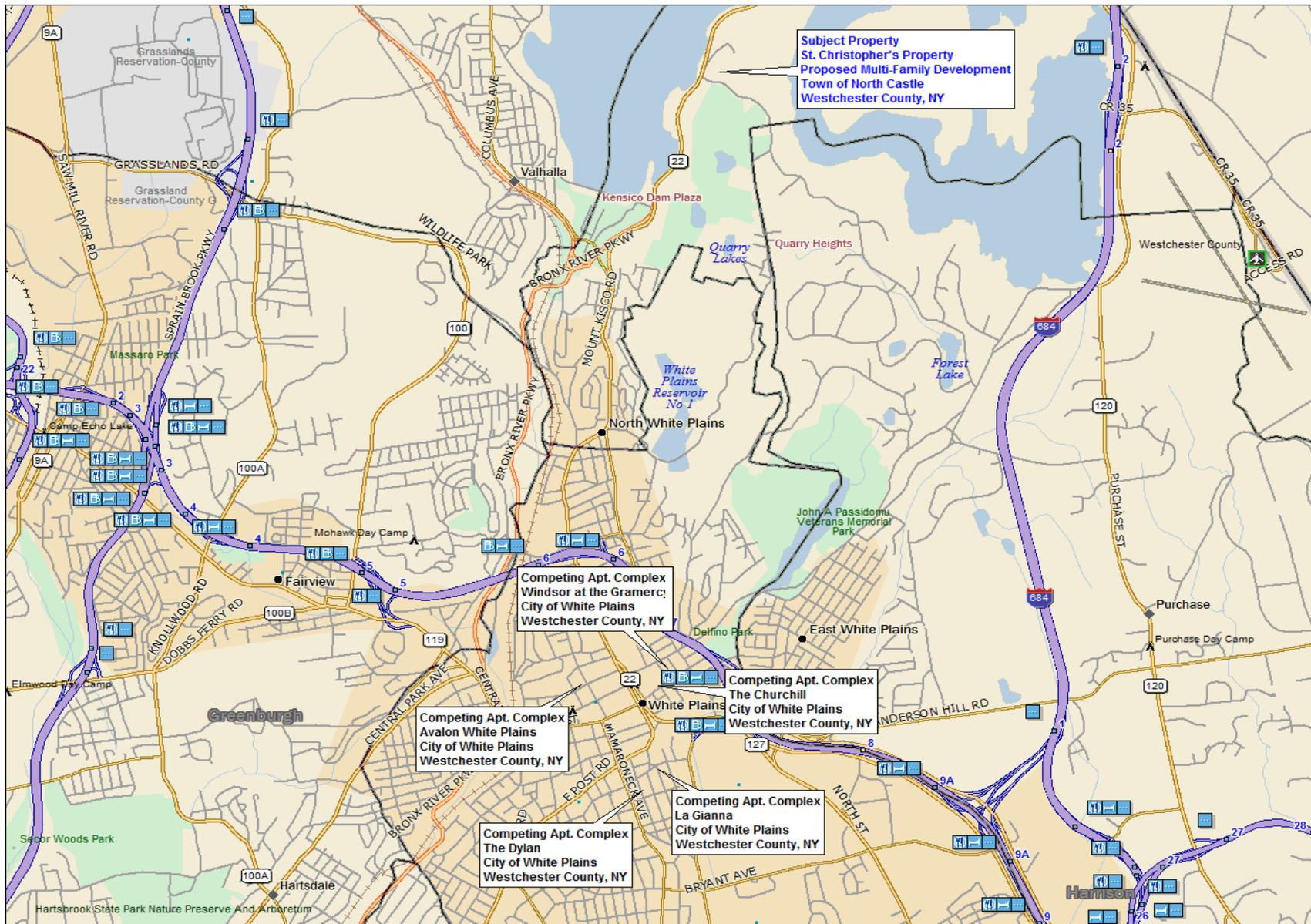
**PRICING MATRIX**

Apartment Type	1 Bedroom	2 Bedroom
Unit Mix	12	12
Sq. Ft.	780	1,150
Monthly Rent	\$2,320	\$2,799
Annual Rent / SF	\$2.97	\$2.43

Weighted Avg. Base Rent	\$2,560
Weighted Avg. Apt. Size	965
Weighted Avg. Rent/SF	\$2.65



### COMPETITIVE APARTMENT COMPLEXES LOCATION MAP



## Apartment Design Recommendations

Our investigation of modern competitive properties in the local submarket area indicates the most popular apartment design to include a mix predominated by both 1-bedroom and 2-bedroom apartments while Studio type and 3-bedroom apartments represent a minority share (see table below).

PROJECT MIX ANALYSIS - Market-Rate Rental Apartments																				
ITEM	PROJECT 1			PROJECT 2			PROJECT 3			PROJECT 4			PROJECT 5							
<b>Project Name</b>	Windsor at the			The Churchill			Avalon White Plains			La Gianna			The Dylan							
<b>Municipality</b>	City of White Plains			City of White Plains			City of White Plains			City of White Plains			City of White Plains							
<b>County</b>	Westchester County,			Westchester County, NY			Westchester County,			Westchester County,			Westchester County,							
<b>Proximity to Subject</b>	3.23 miles			3.33 miles			3.39 miles			3.78 miles			3.91 miles							
<b>Total Apartment Units</b>	256			80			272			56			24							
<b>Average Monthly Rent</b>	\$2,438			\$2,528			\$3,822			\$3,075			\$2,560							
<b>Average Apt. Size (Ft<sup>2</sup>)</b>	895			748			1,019			953			965							
<b>Current Vacancy (#)</b>	4			0			15			5			0							
<b>Current Vacancy (%)</b>	1.6%			0.0%			5.5%			8.9%			0.0%							
<b>Base Price Per Sq. Foot</b>	\$2.72			\$3.38			\$3.75			\$3.23			\$2.65							
	DESCRIPTION			DESCRIPTION			DESCRIPTION			DESCRIPTION			DESCRIPTION							
<b>Rail Station Proximity</b>	1.0 miles to White Plains Station; Shuttle Service			0.9 miles to White Plains Station			0.6 miles to White Plains Station			1.1 miles to White Plains Station; Shuttle Service			1.1 miles to White Plains Station; Shuttle Service							
<b>Unit Design</b>	Mid-Rise Apartments			Mid-Rise Apartments			High-Rise & Duplex Style Apartments			Mid-Rise Apartments			Mid-Rise Apartments							
<b>Age of Buildings</b>	13 years			49 years			6 years			New			New							
<b>Amenities</b>	Outdoor heated swimming pool with cabanas, resident lounge with fireplace, billiard room with catering kitchen, media room, fitness center, courtyard with BBQ grills, playground, dog park & concierge			Playground			Fitness center, outdoor swimming pool w/ sundeck, BBQ & picnic areas, library, resident lounge & gameroom, concierge, package receiving, indoor/outdoor kid's play areas			Fitness center, children's playroom, billiard room, BBQ area, courtyard, putting green, doorman & concierge			Fitness center, children's playroom, billiard room, BBQ area, courtyard, putting green, doorman & concierge (Shared with La Gianna 3 blocks away)							
<b>Parking</b>	Mixture of Garage & Surface Parking			Mixture of Garage & Surface Parking			Garage Parking			Garage Parking			Garage Parking							
<b>Mix Analysis</b>	Ft <sup>2</sup> / #			Ft <sup>2</sup> / # %			Ft <sup>2</sup> / # %			Ft <sup>2</sup> / # %			Ft <sup>2</sup> / # %							
<b>Studio</b>	n/a	/	n/a	n/a	500	/	6	8%	623	/	68	25%	600	/	4	8%	n/a	/	n/a	n/a
<b>1 Bedroom</b>	735	/	125	49%	650	/	44	55%	771	/	76	28%	800	/	28	54%	780	/	12	50%
<b>2 Bedroom</b>	1,047	/	131	51%	942	/	30	38%	1,247	/	90	33%	1,190	/	24	46%	1,150	/	12	50%
<b>3 Bedroom</b>	n/a	/	n/a	n/a	n/a	/	n/a	n/a	1,688	/	38	14%	n/a	/	n/a	n/a	n/a	/	n/a	n/a

The competitive set identified below indicates an average program mix of 11% Studio, 41% 1-Bedroom, 42% 2-Bedroom and 6% 3-Bedroom apartments.

### COMPETITIVE SET MIX SUMMARY

Unit Type	Avg Size	# Units	Share
Studio	574	78	11%
1 Bedroom	747	285	41%
2 Bedroom	1,115	287	42%
3 Bedroom	1,688	38	6%

Based upon the characteristics of the competitive set coupled with demographic trends toward smaller size households we recommend that the mix of apartments within the proposed subject project be limited to 1-bedroom and 2-bedroom units. We further recommend that a portion of the 1-Bedroom units should feature a Den area to maximize rental pace by appealing to multiple tenant profiles. We also recommend that some of the 2-Bedroom apartments feature a 'split-bedroom-floor-plan' to appeal to unrelated adult tenants cohabitating inside of the same apartment. Our recommended mix for the subject project is summarized in the table below. Also shown below is the developer's conceptual program for the project which is well aligned to our recommended plan.

Recommended Program Mix Market-Rate Apartment Units					
Configuration	Recommended		Developer's Concept		
	Avg. Ft <sup>2</sup>	Mix	Avg. Ft <sup>2</sup>	# of Units	Mix
Studio	n/a	0%	n/a	0	0%
1-Bedroom	825	40%	820	72	40%
2-Bedroom	1,250	60%	1,250	108	60%
3-Bedroom	n/a	0%	n/a	0	0%

We recommend that the apartments should be constructed with the lower end of Class-A quality materials and finishing and feature fully equipped kitchens including a stove, refrigerator, dishwasher, microwave oven and solid surface counters. Given the rental design of the project we electric ranges, ovens and clothes dryers due to their lower acquisition and installation costs. Individual gas-fired HVAC systems should be provided for each apartment. Additional recommendations for design standard in the project include the following:

- 9 foot ceilings
- Upscale kitchens featuring solid-surface countertops, upscale cabinetry, and stainless steel appliances
- Stackable washer/dryer inside of each apartment
- Hardwood, ceramic tile and carpeted floor surfaces
- Mini-blinds on all windows
- Faux-marble vanities in bathrooms
- Walk-in closets
- High-speed Ethernet wiring
- Personal storage cubicles

We recommend that the parking for residents be primarily provided in the form of garages at grade level. Additional surface parking spaces should also be provided as needed. This recommendation is based upon enhancing the convenience for residents and the perceived security aspects of the garage parking. Based upon current parking demand factors for modern apartment properties we recommend a parking ratio in the range of 1.5 – 2.0 spaces per dwelling unit. Based upon our analysis of competing rental projects we recommend that garage parking will generate supplemental revenue of \$125.00 per month while surface parking should be offered at no cost to residents.

Our market analysis indicates that recently constructed apartment properties typically offer a generous compliment of recreational and social amenities such as club rooms, fitness centers, resident lounges and swimming pools. Our design and amenity recommendations for the subject project are indicated in the table below:

<b>DESIGN ELEMENTS</b>	
✓	Sleek and modern contemporary designs in apartment units and common areas
✓	Parking stall(s) designated for car washing with hot and cold water
	Direct gas connection for grills on balconies, if permitted by code
✓	Cameras in common areas
✓	High-speed passenger elevator(s) plus larger move-in/out freight elevator
✓	Adequate trash and recycling facilities
✓	Upgraded HVAC in common areas to eliminate odors from cooking, etc.
✓	Push-button, key card or fob entry system in lobbies with manual back-up key

DESIGN ELEMENTS	
✓	Pet-friendly community design with designated areas for dog walking
✓	Personal Storage Lockers – overflow storage
	Personal Valet Lockers – package delivery, dry cleaning, etc.

*Features Recommended for Inclusion Denoted by ✓-Mark*

AMENITY FEATURES	
✓	Club house or Club room with Resident's lounge
✓	Catering Kitchen (inside of lounge)
✓	Business Center / Conference Room
	Media / Screening Room
	Billiards Room
✓	Fitness center
	Roof Top Terrace
	Outdoor Pool
	Roof Top Pool

*Features Recommended for Inclusion Denoted by ✓-Mark*

### ***Rental Price & Pace Projections***

The next step in our analysis is to develop a projection of market positioning for any multi-family apartments to be constructed within the study area. These analyses are based upon the Principle of Substitution which holds that an informed purchaser would pay no more for a property than the cost of acquiring alternative existing properties offering the same utility.

## BASE RENT ANALYSIS - Market-Rate Rental Apartments

METHODOLOGY: If a significant item in the Competing Project is superior to, or better than, the Subject Property, a minus (-) adjustment is made, thus reducing the indicated rental price for the subject. If a significant item in the Competing Project is not as good as, or is inferior to, the Subject Project, a plus (+) adjustment is made, thus increasing the indicated rental price of the Subject.

ITEM	SUBJECT	PROJECT 1		PROJECT 2		PROJECT 3		PROJECT 4		PROJECT 5	
<b>Project Name</b>	Saint Christopher's Site	Windsor at the Gramercy		The Churchill		Avalon White Plains		La Gianna		The Dylan	
<b>Municipality</b>	Town of North Castle	City of White Plains		City of White Plains		City of White Plains		City of White Plains		City of White Plains	
<b>Submarket</b>	Central Westchester	Central Westchester		Central Westchester		Central Westchester		Central Westchester		Central Westchester	
<b>Proximity to Subject</b>		3.23 miles		3.33 miles		3.39 miles		3.78 miles		3.91 miles	
<b>Total Apartment Units</b>			256		80		272		56		24
<b>Average Monthly Rent</b>			\$2,438		\$2,528		\$3,822		\$3,075		\$2,560
<b>Avg. Apt. Size (SF)</b>			895		748		1,019		953		965
<b>Current Vacancy (#)</b>			4		0		15		5		0
<b>Current Vacancy (%)</b>			1.6%		0.0%		5.5%		8.9%		0.0%
<b>Base Price Per Sq. Foot</b>			\$2.72		\$3.38		\$3.75		\$3.23		\$2.65
	DESCRIPTION	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment	DESCRIPTION	+(-) adjustment
<b>Locational Appeal</b>	Town of North Castle	City of White Plains		City of White Plains		City of White Plains		City of White Plains		City of White Plains	
<b>Neighborhood Appeal</b>	Drivable Suburban	Walkable Urban		Walkable Urban		Walkable Urban		Walkable Urban		Walkable Urban	
	Walk Score - 0	Walk Score = 94		Walk Score = 94		Walk Score = 94		Walk Score = 89		Walk Score = 93	
	1.8 miles to Valhalla Station; 2.7 miles to North White Plains Station; 4.5 miles to White Plains Station	1.0 miles to White Plains Station; Shuttle Service	-	0.9 miles to White Plains Station	-	0.6 miles to White Plains Station	-	1.1 miles to White Plains Station; Shuttle Service	-	1.1 miles to White Plains Station; Shuttle Service	-
<b>Site Appeal</b>	Rolling & Wooded	Typical Urban	+	Typical Urban	+	Typical Urban	+	Typical Urban	+	Typical Urban	+
<b>Market Segment</b>	All-Age/Market-Rate	All-Age/Market-Rate		All-Age/Market-Rate		All-Age/Market-Rate		All-Age/Market-Rate		All-Age/Market-Rate	
<b>Unit Design</b>	Low-Rise Apartments	Mid-Rise Apartments		Mid-Rise Apartments		High-Rise & Duplex Style Apartments	-	Mid-Rise Apartments		Mid-Rise Apartments	
<b>Construction Quality</b>	Good	Average	+	Average	+	Good		Good		Good	
<b>Age of Buildings</b>	New Construction	13 years	+	49 years	+	6 years	+	New		New	
<b>Amenities</b>	Fitness center, bike share, virtual fitness, dog park, wifi bar/business center, clubroom, virtual doorman and landscaped courtyard	Outdoor heated swimming pool with cabanas, resident lounge with fireplace, billiard room with catering kitchen, media room, fitness center, courtyard with BBQ grills, playground, dog park & concierge	-	Playground	+	Fitness center, outdoor swimming pool w/ sundeck, BBQ & picnic areas, library, resident lounge & gameroom, concierge, package receiving, indoor/outdoor kid's play areas	-	Fitness center, children's playroom, billiard room, BBQ area, courtyard, putting green, doorman & concierge		Fitness center, children's playroom, billiard room, BBQ area, courtyard, putting green, doorman & concierge (Shared with La Gianna 3 blocks away)	+
<b>Amenities Fee</b>	Projected: \$300 per lease term	\$600 per lease term		Included in rent		\$780/annually		\$500/annually		\$500/annually	
<b>Parking</b>	Garage Parking	Mixture of Garage & Surface Parking		Mixture of Garage & Surface Parking		Garage Parking		Garage Parking		Garage Parking	
<b>Car Storage Fee</b>	Project: \$125/monthly	Surface: Included; Garage: \$150/monthly	+	Surface: Included; Garage: \$100/monthly	+	\$115-\$206/monthly		\$125/monthly		\$125/monthly	
<b>Current Incentives</b>	Recommended: 1st month free on 13-month lease during initial rent-up	50% off security deposit & waived application fee		None		None		1 month rent-free with annual lease signing		1 month rent-free with annual lease signing	
<b>Marketing Period</b>	Current Rents	Current Rents		Current Rents		Current Rents		Current Rents		Current Rents	
<b>Avg. \$Rent / Apt. Size</b>	Solve For // 1,078	\$2,438 // 895	-	\$2,528 // 748	-	\$3,822 // 1,019	-	\$3,075 // 953	-	\$2,560 // 965	-
<b>Net Adj. (Total)</b>			-8%		-3%		-24%		-13%		-10%
<b>Adjusted Base Rent</b>			\$2.51		\$3.28		\$2.85		\$2.81		\$2.39
<b>PROJECTED AVERAGE MONTHLY RENTAL PRICE FOR SUBJECT PROJECT:</b>				<b>\$2.60 per-square-foot</b>							

Otteau Group, Inc.

Applying the results of the Base Rent Analysis to the recommended program mix for the subject project results in the following rental price projections:

<b>Saint Christopher's Property Proposed Multi-Family Development</b>								
Preliminary Projection of Average Market Rent for Market-Rate Units								
Apartment Type	Baths	Projected Unit Mix		Apt. Size (avg. SF)	Base Area (Median Deviation)	Base Rent (\$ per SF)	Base Monthly Rent	
							2015	2017
1-Bedroom	1	40%	72	820	-24%	\$2.79	\$2,285	\$2,354
2-Bedroom	2.5	60%	108	1,250	16%	\$2.48	\$3,094	\$3,188
Total Apartments							180	
Average Unit Size (weighted)							1,078	
Average Base Monthly Rent (weighted)							\$2,770	\$2,854
Average Base Rent-Per-Square Foot (weighted)							\$2.57	\$2.65

*NOTE: 2017 rental prices based upon 1.5% annual compounded price increases*

In addition to base rental prices, apartment operators can achieve supplemental income attributable to a range of factors including amenity use fees, parking fees, pet surcharges, additional bathrooms and superior placement within a building. Our projections for supplemental income are as follows:

- Rental premiums for smaller size apartments, and discounts for larger ones, have been factored into the projected rental pricing based upon the principle of diminishing returns.
- Rental premiums for units with a 2<sup>nd</sup> full bathroom in the 2-Bedroom and 3-Bedroom units have been factored into the projected rental pricing.
- Based upon our market analysis we project supplemental monthly revenue of \$125.00 for garage parking while surface parking should be offered at no additional cost to residents.<sup>2</sup>
- Based upon our market analysis, we project supplemental revenues of \$300.00 per lease term for the use of the common amenities.
- Supplemental charges for pets and corner units have not been reflected in the above rent projections as they are typically offset by increased maintenance expenses.
- Supplemental charges for select units with higher floor elevations and corner locations have not been reflected in the above rent projections.

### **Demand Segmentation Analysis**

Our demographic analysis of the local submarket area has revealed the following household characteristics which are instructive in forecasting housing demand for the subject project:

<sup>2</sup> All parking projected to be garage spaces at this time.

- The largest household type, as measured by the household size, living within 10 miles of the site have either "1-person" or "2-persons" (113,955 or 56%) which corresponds directly to the typical occupant of rental apartments.

	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>2015 Est. Households by Household Size</b>	4,118		52,721		204,674		546,991	
1-person	552	13.40	15,278	28.98	53,316	26.05	147,727	27.01
2-person	1,287	31.25	15,535	29.47	60,639	29.63	154,953	28.33
3-person	707	17.17	8,396	15.93	33,621	16.43	91,790	16.78
4-person	909	22.07	7,589	14.39	32,996	16.12	83,725	15.31
5-person	477	11.58	3,526	6.69	15,380	7.51	41,424	7.57
6-person	144	3.50	1,373	2.60	5,407	2.64	16,183	2.96
7-or-more-person	42	1.02	1,022	1.94	3,314	1.62	11,188	2.05

- The largest household type, as measured by the presence of children, living within 10 miles of the site is "Households no People under Age 18" (132,637 or 65%) which corresponds directly to the typical occupant of rental apartments.

	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>Households with No People under Age 18:</b>	2,269	55.10	35,874	68.04	132,637	64.80	352,336	64.41
Married-Couple Family	1,396	61.52	13,938	38.85	56,899	42.90	136,191	38.65
Other Family, Male Householder	62	2.73	1,090	3.04	3,921	2.96	12,463	3.54
Other Family, Female Householder	132	5.82	2,647	7.38	9,200	6.94	31,011	8.80
Nonfamily, Male Householder	310	13.66	7,408	20.65	24,480	18.46	70,597	20.04
Nonfamily, Female Householder	369	16.26	10,791	30.08	38,137	28.75	102,075	28.97

- People ages 25-34, who account for the largest share of rental demand, account for 10% (56,745) of the population living within 10-miles of the project. Additionally, those between the ages of 55-64 (77,318 or 14%) and 65-74 (49,235 or 9%) have a large presence in the submarket area, who will further contribute to rental demand as 'empty-nester' households transitioning from homeownership to rentership.

	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>2015 Est. Population by Age</b>	12,456		146,666		563,752		1,502,647	
Age 0 - 4	681	5.47	7,631	5.20	31,069	5.51	88,612	5.90
Age 5 - 9	750	6.02	8,190	5.58	33,619	5.96	93,531	6.22
Age 10 - 14	1,168	9.38	8,829	6.02	38,683	6.86	100,679	6.70
Age 15 - 17	667	5.35	5,755	3.92	24,080	4.27	63,317	4.21
Age 18 - 20	565	4.54	8,578	5.85	25,692	4.56	63,881	4.25
Age 21 - 24	649	5.21	7,963	5.43	27,815	4.93	75,845	5.05
Age 25 - 34	862	6.92	17,684	12.06	56,745	10.07	170,423	11.34
Age 35 - 44	1,200	9.63	18,900	12.89	68,895	12.22	187,434	12.47
Age 45 - 54	2,144	17.21	21,247	14.49	86,634	15.37	224,074	14.91
Age 55 - 64	1,932	15.51	18,957	12.93	77,318	13.71	196,393	13.07
Age 65 - 74	1,113	8.94	12,255	8.36	49,235	8.73	127,717	8.50
Age 75 - 84	523	4.20	6,891	4.70	28,318	5.02	72,084	4.80
Age 85 and over	202	1.62	3,787	2.58	15,649	2.78	38,658	2.57

- People who have "Never Married" account for 31% (142,501) of the population living within 10 miles which corresponds to occupancy in smaller and mid-sized apartments. Also of note are that Married-Spouse Absent, Widowed and Divorced households account for 85,592 or 19%.

	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>2015 Est. Pop Age 15+ by Marital Status</b>	9,857		122,017		460,381		1,219,826	
Total, Never Married	2,553	25.90	43,177	35.39	142,501	30.95	420,555	34.48
Married, Spouse present	5,933	60.19	55,603	45.57	232,287	50.46	557,737	45.72
Married, Spouse absent	340	3.45	6,278	5.15	22,850	4.96	71,570	5.87
Widowed	405	4.11	7,651	6.27	28,163	6.12	74,675	6.12
Divorced	626	6.35	9,309	7.63	34,579	7.51	95,288	7.81

Apartment demand can be generated from a range of demographic cohorts which typically include the following:

1. Low Income/Net worth Households: attributable to those who are unable to afford homeownership
2. New Household Formation: attributable to young people beginning their working careers who have not yet attained sufficient income/net worth to qualify for homeownership.
3. Family Households – typically consisting of married couples with school-age children as well as single parents or unmarried couples with children.
4. Renters-By-Choice: households with income/personal wealth that is sufficient to qualify for homeownership but have opted for rentership due to familial status (i.e. childless), lifestyle (i.e. don't want maintenance responsibilities) or financial considerations (lack faith in long-term financial benefits of homeownership)
5. Older Age Households: primarily includes retirees or those approaching retirement who are selling their present homes and transitioning to rental housing. Also included in this group are 'snow birds' who own a home in a Sun-Belt state while retaining a rental residence in the local submarket area near to family and friends.
6. Relocated Employees: individuals and families who have accepted a job assignment far from their present place of residence who are renting an apartment or home. Included in this group are transferred employees.
7. Transitional Households: includes those who are transitioning from homeownership to rental occupancy due to 'changed personal circumstances' attributable to divorce, financial circumstances or the death of a spouse.

In the case of the proposed subject project, demand is unlikely to be generated by Low Income/Net Worth or Transitional Households these cohorts tend to locate in older garden apartment properties offering lower rental pricing. It is also unlikely that Family Households will reside in the apartment units as they typically seek out single family homes or rental apartments which are older in age, larger in unit size and generally less expensive than is being projected for the subject project.

We do however project rental demand from all of the remaining tenant types including New Household Formation, Renters by Choice and Older Age 'Empty-Nesters'. Because some demand will be associated with unrelated single individuals living within a single 2-bedroom apartment unit, we recommend that some of the 2-bedroom apartment units feature a split-

bedroom floor plan. We also anticipate rental demand associated with Relocated Employees, as the subject property is located within a major corporate employment center.

We therefore anticipate the following demand cohorts for the proposed rental apartments, in decreasing order of tendency:

- Primary Renter Cohorts
  - New Household Formation – consisting primarily of 25-34-year-old households, single or married, who are either employed locally, and/or presently reside locally. Based upon the previously discussed trend whereby a declining share of local households have children living at home, this buyer subtype is anticipated to be primarily without children living at home.
  - Renters by Choice – consisting primarily of 35-44-year-old households, single or married, who are either employed locally, and/or presently, reside locally. Based upon the previously discussed trend whereby a declining share of local households have children living at home, this buyer subtype is anticipated to be primarily without children living at home.
- Secondary Renter Cohorts
  - Relocated Employees – who are being transferred from areas with lower housing costs and are either on temporary assignment or are unable to afford the local cost of home ownership.
  - Older-Age Households – consisting households ages 55 or older, who are desirous of downsizing their housing situation and remaining in, or relocating to, the local area. This buyer subtype is anticipated to be overwhelmingly ‘empty nester’ households whose children are living elsewhere.
  - Widows & Divorcees - who presently reside locally or are employed locally, who would be selling their primary residence and transitioning to luxury rental housing. The ‘widows’ and ‘widowers’ included in this buyer subtype are anticipated to be largely without children living at home as they will tend to be older in age. The ‘divorcees’ in this subtype are anticipated to primarily comprise households without children living at home as those with children are likely to seek more traditional single family detached housing or lower priced garden apartments...

The final step in our demand analysis is to determine the affordability of the proposed rental apartments to the local target tenant population. Our prior analysis projected average overall monthly rental prices averaging \$2,770.00 in 2015 dollars. Using an affordable housing expense ratio equivalent to 35% of gross income, we project an average annual income requirement of \$95,000.00 (see chart below).

<b>Affordability Matrix - Market-Rate Apartments</b>				
		1-Bedroom	2-Bedroom	Weighted Average
Projected Average Rent - 2015		\$2,285	\$3,094	\$2,770
Annual Income Requirement @	35%	<b>\$78,000</b>	<b>\$106,000</b>	<b>\$95,000</b>

*Note: rents reflect projected base rental pricing without premiums for higher floor elevations, corner locations or exceptional views*

Comparing these income requirements to median household income within a 10-mile radius of the project indicates that the projected rental pricing is well aligned to local area income levels. Overall, there are more than 100,000 households presently living within 10 miles of the site, representing more than half (51%) of all households within that same radius, earning more than the minimum \$95,000 annual income necessary to afford the projected market pricing of the proposed apartments. Of particular significance is that 42% of 25-34 year olds, 59% of 35-44 year olds, 61% of 55-64 year olds and 44% of 65-74 year olds, which were previously identified as primary or secondary target renter cohorts, have sufficient income to afford the projected rental pricing. Therefore, adequate earning and purchasing power exists within the local submarket area to support the projected pricing for the subject project.

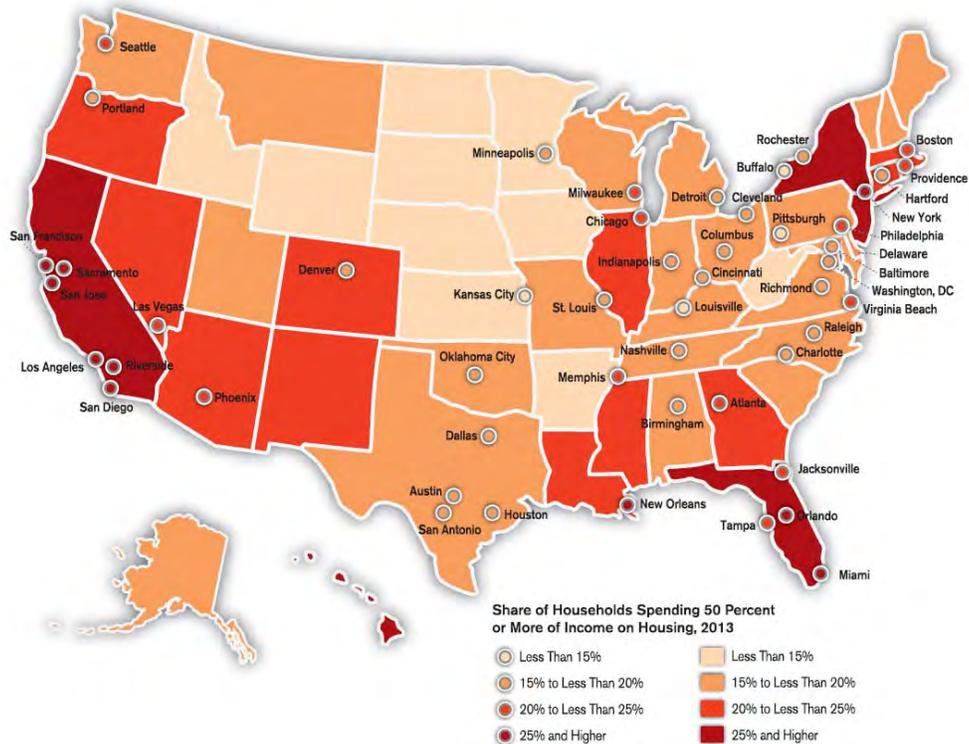
<b>AFFORDABILITY BY AGE MATRIX - Market-Rate Rental Apartments</b>									
<b>Household Income by Age of Householder 2015 - 10 Mile Radius of Subject Property</b>									
2015 Estimate Age/Income	Age 15 - 24	Age 25 - 34	Age 35 - 44	Age 45 - 54	Age 55 - 64	Age 65 - 74	Age 75 - 84	Age 85+	Total
Total Households	4,472	19,227	33,485	46,181	43,835	29,590	18,071	9,818	204,679
% of Total Households	2.18%	9.39%	16.36%	22.56%	21.42%	14.46%	8.83%	4.80%	
Median Household Income	\$37,283	\$78,501	\$118,545	\$131,065	\$123,131	\$84,443	\$53,097	\$35,698	
Income \$95,000 - \$99,999	110	461	677	927	873	793	388	160	4,389
% Across Age Ranges	2.51%	10.51%	15.42%	21.13%	19.90%	18.07%	8.83%	3.64%	
% Within Age Range	2.46%	2.40%	2.02%	2.01%	1.99%	2.68%	2.14%	1.63%	
Income \$100,000 - \$124,999	142	1,857	3,318	4,668	4,111	2,706	983	596	18,381
% Across Age Ranges	0.77%	10.10%	18.05%	25.40%	22.37%	14.72%	5.35%	3.24%	
% Within Age Range	3.18%	9.66%	9.91%	10.11%	9.38%	9.14%	5.44%	6.07%	
Income \$125,000 - \$149,999	100	1,336	2,436	3,751	3,485	2,026	846	447	14,427
% Across Age Ranges	0.69%	9.26%	16.89%	26.00%	24.16%	14.04%	5.86%	3.10%	
% Within Age Range	2.24%	6.95%	7.27%	8.12%	7.95%	6.85%	4.68%	4.55%	
Income \$150,000 - \$199,999	64	1,670	4,240	5,718	5,049	2,609	1,076	293	20,719
% Across Age Ranges	0.31%	8.06%	20.46%	27.60%	24.37%	12.59%	5.19%	1.41%	
% Within Age Range	1.43%	8.69%	12.66%	12.38%	11.52%	8.82%	5.95%	2.98%	
Income \$200,000+	82	2,767	9,210	14,531	13,076	4,986	1,894	447	46,993
% Across Age Ranges	0.17%	5.89%	19.60%	30.92%	27.83%	10.61%	4.03%	0.95%	
% Within Age Range	1.83%	14.39%	27.50%	31.47%	29.83%	16.85%	10.48%	4.55%	
Total Households > \$95,000	498	8,091	19,881	29,595	26,594	13,120	5,187	1,943	104,909
% Households > \$95,000	11%	42%	59%	64%	61%	44%	29%	20%	51%

### **Affordable Housing Analysis**

The Center for Housing Policy indicated in their [Housing Landscape 2015](#) report that 28% of working households in New York have a “severe housing burden” which is defined as spending

more than 50% of its income on housing costs, including utilities. New York's ranking in this report was the 3<sup>rd</sup> Worst in the nation.

### Share of Working Households with a Severe Housing Cost Burden



Source: **Housing Landscape 2015; Center for Housing Policy**

The next step in our analysis is to determine whether adequate demand exists within the submarket area to absorb affordable rate dwelling units to be constructed within the subject project. Our analysis of the local rental submarket area indicates an average apartment rental price of \$2,524 per month for an apartment with a median building age of 19 years. Using an affordable housing expense ratio equivalent to 35% of gross income, we project an average minimum required income of \$87,000 to afford the average apartment rental pricing.

Comparing these income requirements to median household income within a 10-mile radius of the project indicates that there are nearly 93,000 households presently living within 10 miles of the site, representing 45% of all households within that same radius, earning less than the \$87,000 annual income necessary to afford the average apartment rent of \$2,524 per month in the local submarket area.

<b>LACK OF AFFORDABILITY BY AGE MATRIX - Average Rental Pricing</b>									
<b>Household Income by Age of Householder 2015 - 10 Mile Radius of Subject Property</b>									
<b>2015 Estimate Age/Income</b>	<b>Age 15 - 24</b>	<b>Age 25 - 34</b>	<b>Age 35 - 44</b>	<b>Age 45 - 54</b>	<b>Age 55 - 64</b>	<b>Age 65 - 74</b>	<b>Age 75 - 84</b>	<b>Age 85+</b>	<b>Total</b>
Total Households	4,472	19,227	33,485	46,181	43,835	29,590	18,071	9,818	204,679
% of Total Households	2.18%	9.39%	16.36%	22.56%	21.42%	14.46%	8.83%	4.80%	
Median Household Income	\$37,283	\$78,501	\$118,545	\$131,065	\$123,131	\$84,443	\$53,097	\$35,698	
Income Less than \$15,000	1,082	1,029	1,065	1,804	2,133	1,813	2,088	1,839	12,853
% Across Age Ranges	8.42%	8.01%	8.29%	14.04%	16.60%	14.11%	16.25%	14.31%	
% Within Age Range	24.19%	5.35%	3.18%	3.91%	4.87%	6.13%	11.55%	18.73%	
Income \$15,000 - \$24,999	558	1,271	1,296	1,565	1,869	2,084	2,548	1,856	13,047
% Across Age Ranges	4.28%	9.74%	9.93%	12.00%	14.33%	15.97%	19.53%	14.23%	
% Within Age Range	12.48%	6.61%	3.87%	3.39%	4.26%	7.04%	14.10%	18.90%	
Income \$25,000 - \$34,999	475	1,263	1,448	1,728	1,883	1,823	1,740	1,159	11,519
% Across Age Ranges	4.12%	10.96%	12.57%	15.00%	16.35%	15.83%	15.11%	10.06%	
% Within Age Range	10.62%	6.57%	4.32%	3.74%	4.30%	6.16%	9.63%	11.80%	
Income \$35,000 - \$49,999	795	2,020	2,369	2,547	2,716	2,965	2,334	1,171	16,917
% Across Age Ranges	4.70%	11.94%	14.00%	15.06%	16.05%	17.53%	13.80%	6.92%	
% Within Age Range	17.78%	10.51%	7.07%	5.52%	6.20%	10.02%	12.92%	11.93%	
Income \$50,000 - \$74,999	624	3,707	4,720	5,232	5,147	4,613	2,624	1,212	27,879
% Across Age Ranges	2.24%	13.30%	16.93%	18.77%	18.46%	16.55%	9.41%	4.35%	
% Within Age Range	13.95%	19.28%	14.10%	11.33%	11.74%	15.59%	14.52%	12.34%	
Income \$75,000 - \$87,000	264	1,107	1,624	2,226	2,096	1,903	930	383	10,533
% Across Age Ranges	2.51%	10.51%	15.42%	21.13%	19.90%	18.07%	8.83%	3.64%	
% Within Age Range	5.90%	5.76%	4.85%	4.82%	4.78%	6.43%	5.15%	3.90%	
Total Households <\$87,000	3,798	10,397	12,522	15,102	15,844	15,201	12,264	7,620	92,748
% Households <\$87,000	85%	54%	37%	33%	36%	51%	68%	78%	45%

To qualify for housing programs, households or individuals must meet the U.S. Department of Housing and Urban Development's (HUD) Income Limits. These income limits, expressed as a percentage of the County's area median income (AMI), are used in calculating the rents and sales prices of affordable housing. Each year Westchester County prepares and updates a fact sheet providing general information on the source of the Income Limits and setting of Sales Prices and Rent Limits. These are included in the Westchester County (WC) 2015 Area Median Income, Sales and Rent Limits Guide. In addition, the utility allowances which are used to calculate maximum tenant net rent have been updated for 2015.

HUD's income limits must be used for any program involving federal funding, and was adopted by Westchester County for its housing programs. The income limits are a widely accepted national standard for professionals working with fair and affordable housing issues. These limits are also used by New York State and other financiers of housing, such as charitable organizations and banks, when providing funds for housing developments in Westchester. The County also encourages municipalities, local housing agencies and others to utilize HUD's AMI standards and prepares and annually updates a fact sheet providing general information on the Westchester County Area Median Income, Sales and Rent Limits.

**Income Limits & Housing Costs:** In determining affordability for housing, the housing costs must be calculated residents. Housing costs include rent and any tenant paid utilities in rental housing; and includes the mortgage payment (Principal and Interest) property taxes, homeowner's insurance and, in condominiums and cooperatives, any common charges and Home Owners Association (HOA) fees for ownership.

The U.S. Department of Housing and Urban Development (HUD) bases its income limits for a variety of housing programs on a standard called Area Median Income (AMI), for each metropolitan statistical area. The base AMI is estimated to be for an average family of 4 persons (highlighted in red on below chart). The maximum income by family size is then adjusted by a percentage determined by HUD:

# of Persons Adjustment	Family Size Percentage							
	1	2	3	4	5	6	7	8
	70%	80%	90%	100%	108%	116%	124%	132%

The below Income Limits are published by HUD in accordance with federal guidelines, including the limits to be applied to Multifamily Tax Subsidy Projects (MTSP). HUD also publishes income limits for the Neighborhood Stabilization Program (NSP) which are higher than those which apply to other Westchester County Housing Programs, at 120% AMI. Those limits are presented in the below chart, but only apply to ownership of 1-4 family homes assisted with NSP.

INCOME LIMITS	2015 Maximum Income Guidelines					
	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household	6 Person Household
120% AMI	\$88,800	\$101,500	\$114,200	\$126,840	\$137,000	\$147,150
100% AMI	\$74,000	\$ 84,600	\$ 95,200	<b>\$105,700</b>	\$114,200	\$122,700
80% AMI	\$59,200	\$ 67,650	\$ 76,100	\$ 84,550	\$ 91,350	\$ 98,100
*60% AMI	\$44,400	\$ 50,760	\$ 57,120	\$ 63,420	\$ 68,520	\$ 73,620
*50% AMI	\$37,000	\$ 42,300	\$ 47,600	\$ 52,850	\$ 57,100	\$ 61,350
30% AMI	\$22,200	\$ 25,400	\$ 28,550	\$ 31,700	\$ 34,250	\$ 36,800
EFFECTIVE DATE	* MSTP, Section 8 & NSP Income Limits, March 6, 2015 * HOME Income Limits and 80% Uncapped Income Limits, June 1, 2015					

**Housing Costs:** Westchester County uses the AMI Standard to set eligibility requirements for its funding programs for both rental and ownership housing. In addition, affordability is broadly defined as a household paying no more than 30% of their monthly gross income towards their housing costs. Based on the AMI for Westchester County, the following table calculates 30% of each income group's total monthly gross income—the maximum that should be dedicated towards housing costs. Please note that in practice, affordability is calculated by the bedroom size of the unit assuming 1½ persons per bedroom. The below schedule is intended to provide a quick estimate of affordability for a given household.

FAMILY SIZE	Estimated Monthly Housing Cost Limits Based on 30% of Income					
	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household	6 Person Household
120% AMI	\$2,200	\$2,538	\$2,855	\$3,171	\$3,425	\$3,679
100% AMI	\$1,850	\$2,115	\$2,380	\$2,643	\$2,855	\$3,068
80% AMI	\$1,479	\$1,690	\$1,901	\$2,114	\$2,283	\$2,451
60% AMI	\$1,110	\$1,269	\$1,428	\$1,586	\$1,713	\$1,841
50% AMI	\$ 925	\$1,058	\$1,190	\$1,321	\$1,428	\$1,534
30% AMI	\$ 555	\$ 635	\$ 714	\$ 793	\$ 856	\$ 920

The above Housing Costs calculation are based on family size. To estimate costs by unit size, typically HUD and New York State uses a general rule of 1½ persons per bedroom to determine rent and sale price limits based on the unit size. Please note, however, that municipalities may have their own occupancy requirements based on square footage of each bedroom. In some cases, the size of a bedroom may only accommodate 1 person and the rent must be proportioned accordingly. It is best to verify the municipality's occupancy requirements before finalizing rents or sale prices. Westchester County has adopted the standard of 1½ persons per bedroom in its underwriting for new housing development, and will apply that standard to its underwriting for its funding of Fair and Affordable housing developments.

**Rent Limit:** HUD publishes HOME Program Rent Limits for each metropolitan statistical area based on affordability for households with incomes at or below 60% AMI or 50% AMI. The published High HOME Rent is for units targeted to 60% AMI households; and the Low HOME Rent is for units targeted to 50% AMI households. To assure that a broad range of families can afford to rent any unit, the County encourages that rents be set to be affordable to families with

incomes below the maximum income limits. Westchester County has adopted the HOME rent limits for all its funding programs.

The rent levels are to include all housing costs associated with the apartment. If there are any tenant paid utilities, an amount based on the utility allowance is deducted from the maximum rent allowed to arrive at the Net Rent that may be charged the tenant under a lease. The utility allowance used by Westchester County is provided by New York State Homes and Community Renewal.

Please note that the Housing and Economic Recovery Act of 2008 requires that income and rent limits be calculated separately for Multifamily Tax Subsidy Projects (MTSP) funded under Section 42 of the Internal Revenue Code. Rent calculation information is provided by New York State. To check for this information, go to <http://www.nyshcr.org>.

HOME Program 2015 Rent Limits						
UNIT SIZE	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
HIGH HOME	\$1,062	\$1,250	\$1,502	\$1,727	\$1,906	\$2,085
LOW HOME	\$ 945	\$1,012	\$1,215	\$1,403	\$1,565	\$1,726
EFFECTIVE DATE	June 1, 2015					

Calculating Net Rent: To calculate the maximum Net Rent, any tenant paid utilities based on the utility allowance above must be subtracted from the rent limits. Based upon the above guidelines, we have calculated the required mix of apartments and allowable rents to be as follows:

Saint Christopher's Subdivision						
AFFORDABLE-RATE PROJECT MIX & BASE RENTAL PRICES						
Unit Type	Apartment Type	Share		Rent Limit	Utility Allowance	2015 Base Rent
Low Home - Rental Apartment	1 Bedroom	20%	4	\$1,012	\$112.00	\$900
High Home - Rental Apartment	1 Bedroom	20%	4	\$1,250	\$112.00	\$1,138
Low Home - Rental Apartment	2 Bedroom	30%	6	\$1,215	\$141.00	\$1,074
High Home - Rental Apartment	2 Bedroom	30%	6	\$1,502	\$141.00	\$1,361
Average Base Monthly Rent (weighted)						\$1,138

We therefore conclude that redeveloping the subject property as an inclusionary development with a set-aside or off-site contribution towards affordable housing is a beneficial use of the property that will fill a need in the local and regional submarket area.

## PART V - PROPERTY TAX PROJECTION

In developing a project of real estate taxes for the proposed development we will begin by developing an indication of stabilized market value for the property after construction is completed and it has been rented to a stabilized level of market occupancy. Then, the municipal tax rate will be applied to that value to develop an estimate of property taxes.

### ***Income Approach***

Representing the most relevant valuation technique for income producing properties, the Income Approach is based on the understanding that discounted future income is the logical basis of value. Specifically, net income before recapture and debt service, known as Net Operating Income, provides the basis for capitalization based upon the perceived risk associated with an investment.

In following this approach, the first step is to estimate Potential Gross Income from the property which is the total income attributable to real property at a full occupancy before vacancy and operating expense are deducted. The Potential Gross Income has been predicated on comparison with comparable properties in the subject's market and supplied projected information. From this, the Effective Gross Income can be determined. Effective Gross Income (EGI) is defined as "the anticipated income from all operations of the real property after an allowance is made for vacancy and collection losses and an addition is made for any other income". Lastly the Net Operating Income (NOI, or  $I_o$ ) is developed. Net Operating Income is defined as "the actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted"<sup>3</sup>.

Conversion of Net Operating Income (NOI, or  $I_o$ ) into an indication of value is achieved through a set of procedures in which an appraiser derives a value indication for an income-producing property by converting anticipated benefits into property value. This conversion is accomplished by capitalizing a single year's stabilized income expectancy (Direct Capitalization Approach), or anticipated future net income streams over several years and a reversion or resale value are discounted to the present value at a chosen yield rate to determine an overall value estimate

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<sup>3</sup> Source: The Appraisal of Real Estate, Fourteenth Edition, published by the Appraisal Institute 2013, pages 148, 65 & 134.

(Discounted Cash Flow Approach).

### **Property Tax Rates**

In applying the 2<sup>nd</sup> part of this analysis, we note that the following relevant tax rates:

Tax Mill Rate <sup>4</sup>	\$1,133.58 per \$1,000
Assessment Equalization Ratio	2.37%

Based upon the preceding tax ratios, the effective tax rate for the subject project is calculated to be 2.687% of market value, as follows:

Effective Tax Rate	
<b>Tax Mill Rate (per \$1,000)</b>	<b>\$1,133.58</b>
<b>Assessment EQ Ratio</b>	<b>2.370%</b>
<b>Effective Tax Rate</b>	<b>2.687%</b>

### **Property Tax Projections**

In developing our valuation for the project, we have considered the following development scenarios for the property:

1. Base Scenario: The 'as of right' development of 11 single family homes with an estimated value of \$1,000,000 based upon a median home value in North Castle of \$965,483.
  - Note 1 - Achieving 11 single family homes would require development of the northwestern portion of the site that is presently contemplated to be set aside as a 10.21-acre conservation parcel.
  - Note 2 – The analysis below assumes that all 11 dwellings would be market-rate, with no affordable housing units being set-aside. Providing affordable housing within the project would reduce the number of market-rate dwellings which would in turn reduce the property taxes to be paid.
  - Note 3 – given economic and real estate market conditions coupled with the topography and wetlands on the site, there is a likelihood that development of 11 \$1-Million homes is not financially feasible.
2. Rezoning Scenario: The proposed development of luxury apartments on the site based upon 200 units.

<sup>4</sup> Tax Mill Rate includes town, county, sewer and school taxes

The table below summarizes the property taxes which would be generated by the above described development scenarios.

PROPERTY TAX COMPARISON				
No. of Dwelling Units	Single Family Homes		Luxury Apartments	
	11		200	
	Market Rate	Affordable	Market Rate	Affordable
	11	0	180	20
<b>Projected Values</b>	\$1,000,000	\$0	\$255,000	\$83,000
<b>Taxes - per dwelling</b>	\$26,870	\$0	\$6,852	\$2,230
<b>Taxes - Subtotal</b>	\$295,570	\$0	\$1,233,333	\$44,604
<b>Total Property Taxes</b>	\$295,570		\$1,277,937	
<b>Property Tax Increase</b>	n/a - base case		\$982,367	
			332%	
Note: property taxes based upon mill rate of \$1,133.58 and assesment ratio of 2.37% for an effective tax rate of 2.687%				

The preceding analysis indicates that the property taxes resulting from luxury apartment development is significantly greater than the 'as of right' development of 11 single family homes. This increase is project to be \$982,367 (332%). We note however that the property is currently not paying any property taxes due to the tax exempt status of the present use.

## **PART VI - Conclusion of Study**

The combined effects of the economic and demographic changes detailed in this report have resulted in increased demand for multi-family rental apartments throughout the regional and local submarket areas. These favorable market conditions are evidenced by rising demand, a shortage of availability housing, increasing rental pricing and plans for future construction activity.

Our investigation of the local submarket area has also revealed an undersupply of existing multi-family rental housing in North Castle. According to the 2014 American Community Survey by the US Census Bureau, only 2.4% of the Town's housing stock is in multi-family structures with 5 or more units while 17% of its population is between the ages of 18-34 and an additional 15% of the population is aged 65 and older. Also, 45% of its households are either 1-person or 2-persons in size and 55% have no children living at home. As a result of these factors, smaller size households seeking rental housing are being forced to leave the area in search of relevant housing options.

Evidence of this effect can be found in population trends for North Castle whereby the municipality is experiencing population declines in a number of age cohorts. Of particular concern is the decline in the 25-34 (-16%) and 35-44 (-19%) age cohorts over the 10-year period from the 2000 to 2010 Census. These cohorts represent the leading edge of the 'Millennial' generation which is an essential component of a viable economy and real estate market. We also note sharp declines in the 0-5 age cohort which translates directly to present and future school enrollment trends.

The decline in the 'Millennial' population has significant long-term implications for residential and commercial real estate demand in North Castle, including its effect on local employment. Because employers universally understand that recruiting Millennials is an essential ingredient for a successful business, employers will logically choose to locate in, or relocate to, places that are able to attract and retain this key talent pool. That North Castle is experiencing a loss of this demographic cohort implies progressive weakness in its economy and real estate markets.

Evidence of this effect is already evident in the local commercial real estate market, most notably in office buildings. As shown in the table below, the current vacancy rate for North Castle's office buildings stands at 24.5%, compared to only 14% for Westchester County. Based upon the slow pace at which vacant space in North Castle is becoming occupied in North Castle, the current vacancy of 335,000 Ft<sup>2</sup> reflects a 26-year supply.

		Office Market Analysis				
		Town of North Castle	Radius (miles) 5	Radius (miles) 10	Radius (miles) 15	Westchester County
Existing Office Space	Ft <sup>2</sup>	1,365,635	23,854,043	40,279,963	54,345,296	50,556,351
Area (miles <sup>2</sup> )	Miles <sup>2</sup>	27	66	270	580	500
Office Space per-square-mile	Ft <sup>2</sup>	50,579	363,131	149,207	93,747	101,113
Existing Households - 2015	#	4,118	47,971	184,101	349,186	358,975
Office Space per-household	Ft <sup>2</sup>	332	497	219	156	141
Vacant Office Space	Ft <sup>2</sup>	334,581	3,649,669	5,639,195	7,282,270	7,077,889
Current Occupancy Rate	%	75.5%	84.7%	86.0%	86.6%	86.0%
Current Vacancy Rate	%	24.5%	15.3%	14.0%	13.4%	14.0%
Available Office Space	Ft <sup>2</sup>	353,326	4,966,123	7,674,179	10,584,235	9,932,894
Current Availability Rate	%	25.9%	20.8%	19.1%	19.5%	19.6%
Net Absorption (past-4-qtrs)	Ft <sup>2</sup>	13,055	618,977	572,326	521,107	507,639
Monthly Net Absorption	Ft <sup>2</sup>	1,088	51,581	47,694	43,426	42,303
Absorption Period	100%	27.1	8.0	13.4	20.3	19.6
Projected Years to Stabilized Occupancy @	96%	26.0	7.7	12.9	19.5	18.8

Note: analysis excludes portions of Fairfield County, CT that fall within the radii

One of the key drivers for occupancy in commercial real estate, such as offices, is the availability of higher density 'amenitized' housing near to transportation infrastructure, employment centers and retail services. Places that promote this form of housing are able to attract Millennials, and as a by-product a more vibrant economy and commercial real estate landscape. Conversely, a failure to provide more open and diversified forms of zoning leads to a declining millennial population and economy. This has broad implications on employment/unemployment, personal/household income, real estate values and the sustainability of the municipal tax base. As employers and the jobs they provide leave an area, the commercial tax base shrinks thereby shifting the cost of local government increasingly to residential property owners. And then, a negative-feedback-loop occurs whereby the effect of this cycle circle back into all facets of the local economy and real estate markets. From this perspective, increasing housing opportunities for younger age households in multi-use settings will increase demand for commercial real estate demand and employment.

Another beneficial effect of luxury apartment development is that it will generate a significant increase in property taxes. Based upon current market indicators, the development of luxury

apartments on the site will result in annual property taxes of approximately \$1,278,000. This compares to no taxes currently being paid due to the tax exempt status of the present use or \$295,570 for the 'as of right development of 11 single family homes. Therefore, the proposed development with 200 luxury apartments will generate increased property taxes of \$982,367, representing an increase of 332%, compared to developing 11 single family homes on the property.

Also to be considered, is that apartment development as an inclusionary project will create much needed affordable housing units in North Castle, for which we have determined a large unmet need to exist. Our analysis of household income levels indicates that there are approximately 93,000 households presently living within 10 miles of the site, representing 45% of all households within that same radius, with insufficient income to afford the average cost of market-rate rental housing.

Finally, we note that the proposed development plan includes the designation of a 10.21-acre portion of the site as a conservation area. This area, which includes wetlands areas, will provide an additional benefit to the public by being preserved in its natural state.

We therefore conclude based upon our investigation and analysis that rezoning a portion of the property to allow for luxury apartment development with a set-aside for affordable housing is beneficial and viable use of the property which will fill an unmet need in the local community.

## PART VII -ADDENDUM

### *Limiting Conditions and Assumptions*

This study is subject to the following Limiting Conditions

- All statements in this market study that are not historical facts should be considered as forward-looking projections. Although we believe that the expectations reflected in or suggested by such forward-looking projections are reasonable, we can give no assurance that they will be achieved. Known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements expressed or implied by these forward-looking projections to be different from these projections. Such risks, uncertainties and other factors include, but are not limited to, changes in general and local economic and industry and business conditions; adverse weather and other environmental conditions and natural disasters; changes in market conditions; changes in market pricing; government regulation, including regulations concerning development of land, tax laws and the environment; fluctuations in interest rates and the availability of mortgage financing; shortages in and price fluctuations of raw materials and labor; levels of competition; utility shortages and outages or rate fluctuations; changes in tax laws; and geopolitical risks, terrorist acts and other acts of war. We undertake no obligation to update or revise any forward-looking projections, whether as a result of new information, future events, changed circumstances or any other reason.
- The legal description furnished to us is assumed to be correct. I assume no responsibility for the matters legal in character nor do I render any opinion as to the title, which is assumed to be held in fee simple. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear under responsible ownership and competent management.
- Title is assumed to be held in fee simple, unless otherwise noted, and no liens or encumbrances, except those noted, were considered.
- Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the client and then only with proper qualification. Neither all nor any part of the contents of this report (especially conclusions as to value, identity of the appraisers or the firm) shall be used for any purposes by anyone but the client specified in the report nor shall it, or any part, be disseminated to the public through advertising media, public relations consent or approval of the appraisers. Further, the appraisers, or the firm, assume no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, the client shall make such party aware of all of the assumptions and limiting conditions of the assignment.
- I have made no survey of the property and any sketches in this report are for illustrative purposes only.
- I believe to be reliable the information which was furnished to us by others, but I assume no responsibility for its accuracy.
- Unless otherwise noted herein, it is assumed that there are no detrimental encroachments, easements, zoning violations, use restrictions, or other conditions not evident upon surface inspection of the property. Description of the physical condition of the improvements is based on a visual inspection only. No liability is assumed for the soundness of structural members since no engineering tests were made by the appraiser.
- Testimony and court appearances in connection with this appraisal are limited to those

situations for which prior arrangements have been made.

- I reserve the right to recall this report and make any amendments, corrections, or changes that I deem necessary.
- This report must not be used in conjunction with any other valuation analysis or report.
- On January 26, 1992, federal legislation entitled, The Americans with Disabilities Act (ADA) became effective. The appraiser has not been provided with a compliance survey nor has any analysis been made to determine whether or not the subject is in conformity with the requirements of the ADA. It is possible that compliance with the act will require expenditures for barrier removal construction. Such expense, if required, could have a negative impact on the value of the subject. This study is expressly made under the assumption that the subject is in compliance with ADA, or that there are no significant measurable required expenditures for compliance with ADA that would have a negative impact on the value or marketability of the subject.
- The appraiser is not qualified to test for the presence of Hazardous substances. The presence of such hazardous substances or environmental conditions may affect the value of the property. The valuation contained in this appraisal assumed that the property is not polluted or otherwise contaminated and does not reflect any diminution of value as a result of environmental conditions. This study is subject to change depending on the availability of information concerning the environmental condition of the property in question.
- The Freshwater Wetlands Protection Act restricts the use and development of freshwater wetlands. Effective July 1, 1988 the DEP was established as the reviewing and approving authority for all development within or adjacent to freshwater wetlands. This legislation established certain development criteria including, but not limited to, variable buffers around authorized development adjacent to freshwater wetlands. The identification and delineation of freshwater wetlands on the subject property, if any, has not been brought to our attention nor did we become aware of any such delineations during our inspection of the subject nor during our investigations for this report; however, the appraisers are not qualified to render a professional opinion as to the presence or extent of freshwater wetlands. The reader is advised to seek competent, professional advice in identifying any such potential freshwater wetlands since identification and delineation of any freshwater wetlands within the subject boundaries could have significant impact upon values thereby requiring study revision.
- The subject site may have underground fuel storage tank(s). The underground tank(s) could be a liability. Neither the composition nor the conditions of such tanks, to the extent they exist, are known to the appraiser. The typical life expectancy of an underground tank is 15 to 20 years, (federal guidelines suggest a 10 year life span). Soil contamination could occur if a tank leaks and would be costly to clean up. Without a detailed physical inspection of the tanks and the surrounding soil, it is impossible to estimate potential clean-up costs. Therefore this analysis does not cover such contingencies.

Extraordinary Assumptions reflect an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. This study is subject to the following Extraordinary Assumptions:

- The performance projections for multi-family apartments are based upon the assumption that municipal approvals for the project can be obtained by rezoning, use variance approval or a redevelopment designation for the subject property.
- At the present time, construction plans and architectural specifications for the project have not been prepared as the purpose of this market study is to provide early reconnaissance to assess market demand. Therefore, the analysis and conclusions set forth herein are based upon the extraordinary assumption that the eventual construction of the project would reflect construction designs, materials and finishing commensurate with standards for modern luxury apartments and retail buildings in the general submarket area. We have included recommendations for these design standards in this report for reference.

Hypothetical Conditions reflect an assumption that is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

- Our study has not been based upon any hypothetical conditions.

## **Certification**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this study.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice which also govern real estate appraisal and consulting assignments.
- I have made a personal inspection of the property that is the subject of this report.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- Jessica L. Petraccoro has provided research, analysis and report writing assistance to Jeffrey G. Otteau.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.



Jeffrey G. Otteau, President,  
 New Jersey Certified General Real Estate Appraiser, #42RG00094100  
 New York Certified General Real Estate Appraiser, #46000045325  
 Pennsylvania Certified General Real Estate Appraiser, #GA003481  
 Delaware Certified General Real Estate Appraiser, #X1-0000419  
 National Association of Independent Fee Appraisers, IFA Designation #2377

## ***Glossary of Definitions***

The following definitions apply to the terminology utilized in this report:

**Availability Rate:** The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

**Available Space:** The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

**Average Rental Rate is defined as:** “the calculated average rental rate for the proposed dwellings based upon the consultants recommended unit sizes.

**Average Unit Size is defined as:** “the calculated average size of a real estate space based upon market data or developer projections.

**Class A:** A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

**Class B & C:** A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. These buildings typically have lesser maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including location, site appeal, or physical factors. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

**Developer:** The company, entity or individual that transforms raw land to improved property, or converts an existing building to an alternative use, by use of labor, capital and entrepreneurial efforts.

**Economic Feasibility is defined as:** “the ability of a project or an enterprise to meet defined investment objectives; an investment’s ability to produce sufficient revenue to pay all expenses and charges and to provide a reasonable return on and recapture of the money invested. In reference to a service or residential property where revenue is not a fundamental consideration, economic soundness is based on the need for and desirability of the particular purpose. An investment property is economically feasible if its prospective earning power is sufficient to pay a fair rate of return on its complete cost (including indirect costs) i.e., the estimated value at completion equals or exceeds the estimated cost.”

**Existing Inventory:** The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

**Flex Building:** A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

**Industrial Building:** A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

**Leased Space:** All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

**Leasing Activity:** The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

**Market:** Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets).

**Multi-Tenant:** Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

**Net Absorption:** The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

**Occupied Space:** Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

**Office Building:** A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

**Planned/Proposed:** The status of a building that has been announced for future development but not yet started construction.

**Preleased Space:** The amount of space in a building that has been leased prior to its construction completion date or certificate of occupancy date.

**Price/SF:** Calculated by dividing the price of a building (either sales price, asking sales price, rental price, or asking rental price) by the Rentable Building Area (RBA) or Gross Building Area (GBA).

**Quoted Rental Rate:** The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease. RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area).

**Region:** Core areas containing a large population nucleus that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

**Relet Space:** Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

**Rentable Building Area:** (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

**Rental Rates:** The annual costs of occupancy for a particular space quoted on a per square foot basis.

**Rent-Up Velocity is defined as:** "the projected pace at which prospective renters will enter into a contract-of-lease for individual apartment units within a project. This is also referred to as Absorption Pace or Rent-Up Velocity.

**Sales Price:** The total dollar amount paid for a particular property at a particular point in time.

**Sales Volume:** The sum of sales prices for a given group of buildings in a given time period.

**Seller:** The individual, group, company, or entity that sells a particular commercial real estate asset.

**SF or Ft<sup>2</sup>:** Abbreviation for Square Feet.

**Single-Tenant:** Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy) **Sublease Space:** Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

**Submarkets:** Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

**Suburban:** The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

**Tenancy:** A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

**Time On Market:** A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

**Under Construction:** The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

**Vacancy Rate:** A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

**Vacant Space:** Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done would also be considered vacant space.

**Weighted Average Rental Rate:** Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

**Year Built:** The year in which a building completed construction and was issued a certificate of occupancy.

**YTD:** Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

## **Professional Qualifications**

### **Curriculum Vitae for Jeffrey G. Otteau, SCGREA**

#### **PROFESSIONAL EXPERIENCE & LICENSING**

Actively engaged in real estate valuation and consultation since 1974 with broad based experience in all property types including residential, commercial, industrial, land, subdivision development analysis and special purpose properties.

State Certified General Real Estate Appraiser in the State of New Jersey (License #42RG00094100)  
 State Certified General Real Estate Appraiser in the State of Pennsylvania (License #GA003481)  
 State Certified General Real Estate Appraiser in the State of New York (License #46000045325)  
 State Certified General Real Estate Appraiser in the State of Delaware (License #X1-0000419)  
 President, Chief Appraiser, Otteau Valuation Group, East Brunswick, New Jersey  
 Member, National Association of Independent Fee Appraisers (IFA Designation)  
 FHA/HUD Approved Appraiser – NJ, PA, NY  
 FEMA Approved Appraiser & Consultant

#### **AFFILIATIONS & HONORS**

Member, National Association of Independent Fee Appraisers: IFA Designation  
 Licensed Real Estate Broker in the State of New Jersey  
 Member, Client Advisory Council, Homecomings Reverse Mortgage, Louisville, Kentucky - 1992,1993,1994  
 National Review Appraiser, United Parcel Service, Atlanta, Georgia 1989- 1999  
 President's Award, Employee Relocation Council (E-R-C), Washington, D.C. - 1992 & 1995  
 Co-Author, The Relocation Appraisal Guide, published by Employee Relocation Council – 1991, 1994 & 2001  
 Co-Designer, E-R-C Appraisal Report Form, 1991,1994 and 2001 versions  
 Past Member, Executive Board of Directors, The Relocation Appraisers Consortium (RAC), Washington, DC  
 Member, Editorial Advisory Committee, Mobility Magazine, 1992  
 Member, National Relocation Conference Planning Committee, 1991  
 Member, Appraisal Standards Council, Washington, D.C., 1991-2000  
 Member, Industry Practices Committee, Washington, D.C., 1990, 1991  
 Member, Appraisal Standards Advisory Council which consults with the Appraisal Foundation Washington, D.C. on its agenda of projects and major technical issues - 1992-1994

#### **EXPERT TESTIMONY**

Aberdeen Township Board of Adjustment  
 Absecon City Planning Board  
 Absecon City Zoning Board  
 Appraisal Standards Council, Washington DC  
 Berkeley Township Board of Adjustment  
 Clinton Township Planning Board  
 East Brunswick Township Board of Adjustment  
 East Brunswick Township Town Council  
 Elk Township Planning Board  
 Essex County Board of Taxation  
 Franklin Township Board of Adjustment  
 Franklin Twp. Planning Board (Warren)  
 Garfield City Redevelopment Agency  
 Hamiltown Township Zoning Board  
 Hightstown Planning Board  
 Jackson Township Planning Board  
 Lacey Township Board of Adjustment  
 Magnolia Borough Planning Board  
 Maplewood Township Town Council  
 Mercer County Superior Court  
 Monmouth County Superior Court  
 Morris County Superior Court

Middlesex County Board of Taxation  
 Middlesex County Condemnation Commission  
 Monmouth County Board of Taxation  
 Neptune City Town Council  
 Neptune Township Board of Adjustment  
 New Jersey State Tax Court  
 Old Bridge Township Planning Board  
 Pine Hill Borough Planning Board  
 Piscataway Township Planning Board  
 Plainfield City Council  
 Red Bank Borough Planning Board  
 Riverdale Borough Planning Board  
 Riverdale Borough Town Council  
 Robbinsville Township Planning Board  
 Roxbury Township Planning Board  
 Somerset County Board of Taxation  
 Somerset County Superior Court  
 Somerville Borough Town Council  
 South Brunswick Township Planning Board  
 Tinton Falls Borough Planning Board  
 Upper Deerfield Township Planning Board  
 Wall Township Planning Board  
 Wall Township Zoning Board

**OTTEAU VALUATION GROUP, INC.**

**PROFESSIONAL QUALIFICATIONS: JEFFREY G. OTTEAU, SCGRE, IFA**  
**Appraisal and Consulting Services Performed for the Following Clients:**

**THE FORTUNE 500**

Abbott Laboratories  
 Alcoa  
 American Home Products  
 Amoco Oil Co.  
 Anheuser Busch Companies  
 Armstrong World Industries  
 Bristol-Myers Squibb  
 Brown-Forman  
 Carter-Wallace  
 Circuit City Group  
 Digital Equipment Corporation  
 E. I. duPont de Nemours  
 Eastman Kodak Company  
 Eli Lilly Company  
 ExxonMobil  
 F.M.C. Corporation  
 Foster Wheeler  
 General Motors Corporation  
 Hercules Incorporated  
 Marriott Corporation  
 McGraw Hill  
 Merck  
 Nabisco  
 Pharmacia & Upjohn  
 Procter and Gamble  
 Prudential Insurance Co.  
 Raychem Corp.  
 Rhone-Poulenc Rorer  
 Sara Lee Bakery  
 Schering-Plough  
 State Farm Insurance  
 Time Warner  
 W.R. Grace  
 Westinghouse Electric Corporation

**FINANCIAL INSTITUTIONS**

Affinity Federal Credit Union  
 Amboy Bank  
 Bank of New York  
 Bank of Oklahoma  
 Bank of St. Louis  
 Barclay's Bank PLC  
 Broadway National Bank  
 Chase Home Mortgage Corporation  
 Citigroup  
 Columbia Bank  
 Community Investment Strategies  
 Connecticut National Bank  
 Countrywide Financial  
 Dun and Bradstreet Corporation  
 Fannie Mae  
 First Savings Bank  
 First Washington State Bank  
 Freddie Mac  
 General Electric Credit Corporation  
 General Motors Acceptance Corp  
 GMAC Model Home Finance  
 Goldman, Sachs  
 Hopewell Valley Community Bank  
 Investors Savings Bank  
 JP Morgan Chase  
 Lehman Re LTD.  
 Magyar Bank  
 Morgan Guaranty Trust Company  
 New Jersey Bankers Association  
 New Millennium Bank  
 Northfield Bank

North Fork Bank  
 Ocean First Bank  
 PNC Bank  
 Philadelphia National Bank  
 Pittsburgh National Bank  
 Procida Advisors LLC  
 Sovereign Bank  
 Texas Commerce Bank  
 The Bancorp Bank  
 The Bank of Princeton  
 Sun National Bank  
 Unity Bank  
 Valley National Bank  
 Washington Mutual  
 Wachovia  
 Wells Fargo Bank

**CONSTRUCTION INDUSTRY**

American Properties  
 Beazer Homes  
 Bob Meyer Communities  
 Building Contractors Assoc. of NJ  
 Canuso Communities  
 Capodagli Property Company  
 Centex Homes  
 CRC Communities  
 D'Anastasio Corp.  
 Diversified Properties, LLC  
 D.R. Horton  
 Edgewood Properties  
 Femmoor Homes  
 I Heller Constructions Co, Inc.  
 Jerald Development Group  
 J.S. Hovnanian & Sons  
 Kushner Companies  
 Kaplan Companies  
 K Hovnanian Homes  
 Kushner Real Estate Group  
 Lennar  
 M. Alfieri Company  
 M. Rieder Companies  
 Matrix Development Corp.  
 Matzel Development  
 Mill Creek Residential Trust, LLC  
 Millennium Homes  
 Mountain Funding, LLC  
 New Jersey Builders Association  
 Operating Engineers, Local No. 825  
 Paramount Homes  
 Pinnacle Companies  
 PRC Group  
 Pulte Homes  
 Renaissance Properties, Inc.  
 Richmond American Homes  
 Sharbell Building Company, LLC  
 Summit Materials – Blackstone Group  
 The Schultz Organization  
 Toll Brothers  
 Trammell Crow Residential  
 Tim Schaeffer Communities  
 Tucker Development, LLC  
 Woodmont Properties

**LAWYERS**

Ansell Zaro Grimm & Aaron  
 Bathgate, Wegener & Wolf  
 Carella, Byrne  
 Clemente Mueller, P.A.

Connell Foley  
 Copeland, Shimalla & Wechsler  
 Day Pitney  
 Epstein Becker & Green, P.C.  
 Flaster Greenberg, P.C.  
 Fox Rothschild LLP  
 Giordano Halleran & Ciesla  
 Greenbaum, Rowe, Smith & Davis  
 Heilbrunn, Pape & Goldstein  
 Herrick, Feinstein  
 Hill Wallack, LLP  
 Hoagland Longo Moran, et al  
 Kirkpatrick & Lockhart, Gates  
 Lum Danzis Drasco  
 Mandelbaum & Mandelbaum  
 Mandelbaum Salsburg  
 Norris McLaughlin & Marcus  
 Parker McCay  
 Porzio, Bromberg & Newman  
 Riker Danzig Scherer Hyland & Peretti  
 Saul Ewing  
 Stark & Stark  
 Stein McGuire Pantages Gigl LP  
 Sterns & Weinroth, P.C.  
 Tesser & Cohen  
 Wilentz, Goldman & Spitzer  
 Wolff & Samson

**MISCELLANEOUS**

ADP  
 Bausch & Lomb  
 CSX Transportation  
 Ciba-Geigy Corporation  
 Cigna Corporation  
 Fox Rothschild, LLP  
 Frito-Lay  
 Gulf Oil  
 Honeywell  
 Janssen Pharmaceuticals  
 JFK Health Systems, Inc.  
 Kemper Insurance Group  
 Kraft-General Foods  
 McDonald's Corporation  
 Nationwide Insurance Co.  
 Nestle USA  
 New Jersey Natural Gas  
 OneBeacon Professional Insurance  
 Princeton University  
 Public Service Electric & Gas  
 Salvation Army  
 Siemens Corporation  
 Sony Corporation of America

**GOVERNMENTAL**

Branchburg Township  
 East Brunswick Township  
 Linden City  
 Marlboro Township  
 Medford Township  
 Metuchen Borough  
 Metuchen Parking Authority  
 Middlesex County Improvement Auth.  
 Monroe Township  
 Montgomery Township  
 New Jersey Green Acres  
 NJ Transit  
 Washington Township  
 West Orange Township

**OTTEAU VALUATION GROUP, INC.**

## Demographic Analysis

POPULATION DEMOGRAPHICS								
	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>Population</b>								
2020 Projection	13,029		151,935		579,619		1,547,634	
2015 Estimate	12,456		146,666		563,752		1,502,647	
2010 Census	11,841		141,307		547,982		1,455,706	
2000 Census	10,806		131,588		531,125		1,417,036	
Growth 2015-2020	4.60%		3.59%		2.81%		2.99%	
Growth 2010-2015	5.19%		3.79%		2.88%		3.22%	
Growth 2000-2010	9.58%		7.39%		3.17%		2.73%	
<b>2015 Est. Population by Sex</b>	12,456		146,666		563,752		1,502,647	
Male	6,166	49.50	71,114	48.49	274,174	48.63	721,816	48.04
Female	6,290	50.50	75,552	51.51	289,578	51.37	780,831	51.96
Male/Female Ratio	0.98		0.94		0.95		0.92	
<b>2015 Est. Population by Age</b>	12,456		146,666		563,752		1,502,647	
Age 0 - 4	681	5.47	7,631	5.20	31,069	5.51	88,612	5.90
Age 5 - 9	750	6.02	8,190	5.58	33,619	5.96	93,531	6.22
Age 10 - 14	1,168	9.38	8,829	6.02	38,683	6.86	100,679	6.70
Age 15 - 17	667	5.35	5,755	3.92	24,080	4.27	63,317	4.21
Age 18 - 20	565	4.54	8,578	5.85	25,692	4.56	63,881	4.25
Age 21 - 24	649	5.21	7,963	5.43	27,815	4.93	75,845	5.05
Age 25 - 34	862	6.92	17,684	12.06	56,745	10.07	170,423	11.34
Age 35 - 44	1,200	9.63	18,900	12.89	68,895	12.22	187,434	12.47
Age 45 - 54	2,144	17.21	21,247	14.49	86,634	15.37	224,074	14.91
Age 55 - 64	1,932	15.51	18,957	12.93	77,318	13.71	196,393	13.07
Age 65 - 74	1,113	8.94	12,255	8.36	49,235	8.73	127,717	8.50
Age 75 - 84	523	4.20	6,891	4.70	28,318	5.02	72,084	4.80
Age 85 and over	202	1.62	3,787	2.58	15,649	2.78	38,658	2.57
Age 16 and over	9,639	77.38	120,134	81.91	452,491	80.26	1,199,056	79.80
Age 18 and over	9,190	73.78	116,262	79.27	436,301	77.39	1,156,509	76.96
Age 21 and over	8,625	69.24	107,684	73.42	410,608	72.83	1,092,628	72.71
Age 65 and over	1,838	14.76	22,932	15.64	93,202	16.53	238,459	15.87
<b>2015 Est. Median Age</b>	42.40		39.60		41.40		40.10	
<b>2015 Est. Average Age</b>	39.60		40.00		40.60		39.90	
<b>2015 Est. Median Age, Male</b>	41.10		37.80		39.30		38.00	
<b>2015 Est. Average Age, Male</b>	38.90		38.50		39.00		38.30	
<b>2015 Est. Median Age, Female</b>	43.40		41.40		43.40		42.00	
<b>2015 Est. Average Age, Female</b>	40.30		41.30		42.00		41.30	
<b>2015 Est. Pop Age 15+ by Marital Status</b>	9,857		122,017		460,381		1,219,826	
Total, Never Married	2,553	25.90	43,177	35.39	142,501	30.95	420,555	34.48
Males, Never Married	1,392	14.12	22,162	18.16	73,032	15.86	212,344	17.41
Females, Never Married	1,161	11.78	21,015	17.22	69,469	15.09	208,211	17.07
Married, Spouse present	5,933	60.19	55,603	45.57	232,287	50.46	557,737	45.72
Married, Spouse absent	340	3.45	6,278	5.15	22,850	4.96	71,570	5.87
Widowed	405	4.11	7,651	6.27	28,163	6.12	74,675	6.12
Males Widowed	44	0.45	1,648	1.35	5,765	1.25	14,234	1.17
Females Widowed	361	3.66	6,002	4.92	22,398	4.87	60,441	4.95
Divorced	626	6.35	9,309	7.63	34,579	7.51	95,288	7.81
Males Divorced	240	2.43	3,404	2.79	12,545	2.72	35,374	2.90
Females Divorced	386	3.92	5,905	4.84	22,034	4.79	59,914	4.91

## HOUSEHOLD DEMOGRAPHICS

	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>Households</b>								
2020 Projection	4,311		54,688		210,716		564,191	
2015 Estimate	4,118		52,721		204,674		546,991	
2010 Census	3,913		50,761		198,737		529,043	
2000 Census	3,570		47,528		194,218		515,760	
Growth 2015-2020	4.69%		3.73%		2.95%		3.14%	
Growth 2010-2015	5.24%		3.86%		2.99%		3.39%	
Growth 2000-2010	9.61%		6.80%		2.33%		2.58%	
<b>2015 Est. Households by Household Type</b>	4,118		52,721		204,674		546,991	
Family Households	3,437	83.46	34,449	65.34	141,729	69.25	373,388	68.26
Nonfamily Households	681	16.54	18,272	34.66	62,944	30.75	173,603	31.74
<b>2015 Est. Family HH Type, Presence Own Children</b>	3,437		34,449		141,729		373,388	
Married-Couple Family, own children	1,604	46.67	12,509	36.31	55,931	39.46	132,371	35.45
Married-Couple Family, no own children	1,424	41.43	14,437	41.91	58,501	41.28	141,721	37.96
Male Householder	105	0.03	2,004	0.06	7,314	0.05	23,656	0.06
Male Householder, own children	34	0.99	722	2.10	2,724	1.92	8,939	2.39
Male Householder, no own children	71	2.07	1,282	3.72	4,590	3.24	14,717	3.94
Female Householder	304	0.09	5,499	0.16	19,983	0.14	75,640	0.20
Female Householder, own children	148	4.31	2,378	6.90	9,351	6.60	37,736	10.11
Female Householder, no own children	156	4.54	3,121	9.06	10,632	7.50	37,904	10.15
<b>2015 Est. Households by Household Size</b>	4,118		52,721		204,674		546,991	
1-person	552	13.40	15,278	28.98	53,316	26.05	147,727	27.01
2-person	1,287	31.25	15,535	29.47	60,639	29.63	154,953	28.33
3-person	707	17.17	8,396	15.93	33,621	16.43	91,790	16.78
4-person	909	22.07	7,589	14.39	32,996	16.12	83,725	15.31
5-person	477	11.58	3,526	6.69	15,380	7.51	41,424	7.57
6-person	144	3.50	1,373	2.60	5,407	2.64	16,183	2.96
7-or-more-person	42	1.02	1,022	1.94	3,314	1.62	11,188	2.05
<b>2015 Est. Average Household Size</b>	3.02		2.58		2.66		2.67	
<b>2015 Est. Households by Presence of People</b>	4,118		52,721		204,674		546,991	
<b>Households with 1 or More People under Age 18:</b>	1,849	44.90	16,846	31.95	72,036	35.20	194,654	35.59
Married-Couple Family	1,632	88.26	13,010	77.23	57,532	79.87	137,853	70.82
Other Family, Male Householder	42	2.27	914	5.43	3,395	4.71	11,195	5.75
Other Family, Female Householder	171	9.25	2,849	16.91	10,776	14.96	44,649	22.94
Nonfamily, Male Householder	4	0.22	49	0.29	242	0.34	636	0.33
Nonfamily, Female Householder	0	0.00	24	0.14	92	0.13	320	0.16
<b>Households with No People under Age 18:</b>	2,269	55.10	35,874	68.04	132,637	64.80	352,336	64.41
Married-Couple Family	1,396	61.52	13,938	38.85	56,899	42.90	136,191	38.65
Other Family, Male Householder	62	2.73	1,090	3.04	3,921	2.96	12,463	3.54
Other Family, Female Householder	132	5.82	2,647	7.38	9,200	6.94	31,011	8.80
Nonfamily, Male Householder	310	13.66	7,408	20.65	24,480	18.46	70,597	20.04
Nonfamily, Female Householder	369	16.26	10,791	30.08	38,137	28.75	102,075	28.97
<b>2015 Est. Average Number of Vehicles</b>	2.21		1.62		1.70		1.52	
<b>Family Households</b>								
2020 Projection	3,587		35,668		145,748		384,485	
2015 Estimate	3,437		34,449		141,729		373,388	
2010 Census	3,276		33,243		137,803		361,951	
2000 Census	2,991		32,215		137,218		360,462	
Growth 2015-2020	4.36%		3.54%		2.84%		2.97%	
Growth 2010-2015	4.91%		3.63%		2.85%		3.16%	
Growth 2000-2010	9.53%		3.19%		0.43%		0.41%	

## EDUCATION & EMPLOYMENT DEMOGRAPHICS

	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>2015 Est. Pop Age 25+ by Edu. Attainment</b>	7,976		99,721		382,794		1,016,783	
Less than 9th grade	148	1.86	4,908	4.92	20,809	5.44	64,795	6.37
Some High School, no diploma	130	1.63	4,231	4.24	14,837	3.88	58,029	5.71
High School Graduate (or GED)	1,150	14.42	19,493	19.55	67,136	17.54	221,614	21.80
Some College, no degree	1,033	12.95	14,527	14.57	50,325	13.15	150,638	14.82
Associate Degree	413	5.18	6,349	6.37	20,055	5.24	61,577	6.06
Bachelor's Degree	2,670	33.48	25,720	25.79	103,934	27.15	246,985	24.29
Master's Degree	1,387	17.39	16,123	16.17	67,787	17.71	144,927	14.25
Professional School Degree	772	9.68	6,105	6.12	27,808	7.26	49,342	4.85
Doctorate Degree	273	3.42	2,265	2.27	10,104	2.64	18,875	1.86
<b>2015 Est. Civ. Employed Pop 16+ by Class of Worker</b>	6,034		75,185		278,853		719,835	
For-Profit Private Workers	3,758	62.28	47,853	63.65	173,647	62.27	459,502	63.83
Non-Profit Private Workers	497	8.24	7,951	10.58	31,002	11.12	75,444	10.48
Local Government Workers	390	6.46	6,986	9.29	23,808	8.54	67,643	9.40
State Government Workers	84	1.39	1,652	2.20	6,239	2.24	18,458	2.56
Federal Government Workers	67	1.11	902	1.20	3,188	1.14	9,476	1.32
Self-Employed Workers	1,221	20.24	9,757	12.98	40,619	14.57	88,426	12.28
Unpaid Family Workers	17	0.28	83	0.11	351	0.13	886	0.12
<b>2015 Est. Civ. Employed Pop 16+ by Occupation</b>	6,034		75,185		278,853		719,835	
Architect/Engineer	57	0.94	677	0.90	2,660	0.95	7,088	0.98
Arts/Entertainment/Sports	114	1.89	2,150	2.86	9,599	3.44	19,920	2.77
Building Grounds Maintenance	177	2.93	4,368	5.81	15,656	5.61	39,377	5.47
Business/Financial Operations	676	11.20	5,799	7.71	22,170	7.95	49,469	6.87
Community/Social Services	108	1.79	1,324	1.76	4,842	1.74	14,081	1.96
Computer/Mathematical	112	1.86	1,886	2.51	7,324	2.63	18,686	2.60
Construction/Extraction	88	1.46	2,776	3.69	10,711	3.84	32,467	4.51
Education/Training/Library	423	7.01	5,896	7.84	21,375	7.67	51,167	7.11
Farming/Fishing/Forestry	2	0.03	46	0.06	251	0.09	630	0.09
Food Prep/Serving	147	2.44	3,954	5.26	11,900	4.27	31,190	4.33
Health Practitioner/Technician	460	7.62	5,287	7.03	19,468	6.98	47,134	6.55
Healthcare Support	38	0.63	1,145	1.52	4,299	1.54	21,774	3.02
Maintenance Repair	59	0.98	1,100	1.46	4,022	1.44	13,947	1.94
Legal	301	4.99	2,779	3.70	10,578	3.79	18,884	2.62
Life/Physical/Social Science	51	0.85	803	1.07	3,838	1.38	7,691	1.07
Management	1,146	18.99	9,724	12.93	39,814	14.28	86,654	12.04
Office/Admin. Support	542	8.98	7,905	10.51	28,842	10.34	84,651	11.76
Production	71	1.18	1,566	2.08	5,944	2.13	17,119	2.38
Protective Services	69	1.14	2,084	2.77	5,528	1.98	18,490	2.57
Sales/Related	955	15.83	8,183	10.88	31,794	11.40	81,457	11.32
Personal Care/Service	256	4.24	3,015	4.01	10,336	3.71	29,293	4.07
Transportation/Moving	182	3.02	2,717	3.61	7,902	2.83	28,666	3.98
<b>2015 Est. Pop 16+ by Occupation Classification</b>	6,034		75,185		278,853		719,835	
Blue Collar	400	6.63	8,159	10.85	28,579	10.25	92,200	12.81
White Collar	4,945	81.95	52,413	69.71	202,303	72.55	486,881	67.64
Service and Farm	689	11.42	14,612	19.43	47,971	17.20	140,754	19.55
<b>2015 Est. Workers Age 16+ by Transp. to Work</b>	5,824		73,680		272,935		703,596	
Drove Alone	3,774	64.80	45,419	61.64	166,400	60.97	423,413	60.18
Car Pooled	288	4.95	4,338	5.89	16,997	6.23	50,841	7.23
Public Transportation	903	15.50	13,579	18.43	52,920	19.39	147,489	20.96
Walked	102	1.75	5,155	7.00	13,775	5.05	36,084	5.13
Bicycle	0	0.00	152	0.21	488	0.18	1,187	0.17
Other Means	92	1.58	1,385	1.88	6,167	2.26	11,149	1.58
Worked at Home	665	11.42	3,652	4.96	16,189	5.93	33,434	4.75
<b>2015 Est. Workers Age 16+ by Travel Time to Work *</b>								
Less than 15 Minutes	1,156		19,555		66,451		154,838	
15 - 29 Minutes	1,574		23,108		79,419		202,401	
30 - 44 Minutes	802		11,931		43,450		124,324	
45 - 59 Minutes	355		4,622		20,549		58,805	
60 or more Minutes	1,261		10,820		46,698		129,509	
<b>2015 Est. Avg. Travel Time to Work in Minutes</b>	37.28		31.40		33.69		35.39	

INCOME DEMOGRAPHICS								
	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>2015 Est. HHs by HH Income</b>	4,118		52,721		204,674		546,991	
CY HHs, Inc < \$15,000	152	3.69	3,522	6.68	12,852	6.28	49,210	9.00
CY HHs, Inc \$15,000 - \$24,999	108	2.62	3,496	6.63	13,047	6.37	43,551	7.96
CY HHs, Inc \$25,000 - \$34,999	180	4.37	3,243	6.15	11,518	5.63	39,235	7.17
CY HHs, Inc \$35,000 - \$49,999	276	6.70	4,709	8.93	16,918	8.27	53,201	9.73
CY HHs, Inc \$50,000 - \$74,999	366	8.89	7,516	14.26	27,879	13.62	80,584	14.73
CY HHs, Inc \$75,000 - \$99,999	316	7.67	5,925	11.24	21,944	10.72	61,853	11.31
CY HHs, Inc \$100,000 - \$124,999	406	9.86	4,942	9.37	18,380	8.98	48,812	8.92
CY HHs, Inc \$125,000 - \$149,999	332	8.06	3,915	7.43	14,426	7.05	35,643	6.52
CY HHs, Inc \$150,000 - \$199,999	467	11.34	5,650	10.72	20,718	10.12	47,538	8.69
CY HHs, Inc \$200,000 - \$249,999	232	5.63	2,426	4.60	9,344	4.57	19,698	3.60
CY HHs, Inc \$250,000 - \$499,999	591	14.35	4,386	8.32	20,024	9.78	38,146	6.97
CY HHs, Inc \$500,000+	692	16.8043	2,991	5.67326	17,625	8.61125	29,521	5.39698
<b>2015 Est. Average Household Income</b>	\$206,649		\$132,875		\$149,592		\$120,899	
<b>2015 Est. Median Household Income</b>	\$144,202		\$91,348		\$97,926		\$78,119	
<b>2015 Median HH Inc by Single Race Class. or Ethn</b>								
White Alone	153,918		101,082		106,699		93,174	
Black or African American Alone	93,750		59,087		57,200		48,698	
American Indian and Alaska Native Alone	48,125		65,436		51,037		47,764	
Asian Alone	115,761		126,432		127,936		113,133	
Native Hawaiian and Other Pacific Islander Alone	62,500		58,690		64,546		69,361	
Some Other Race Alone	24,559		45,847		48,495		44,951	
Two or More Races	68,269		63,805		74,431		67,834	
Hispanic or Latino	115,112		56,979		58,425		51,150	
Not Hispanic or Latino	149,867		101,490		108,995		87,009	
<b>2015 Est. Families by Poverty Status</b>	3,437		34,449		141,729		373,388	
2015 Families at or Above Poverty	3,338	97.12	32,940	95.62	135,195	95.39	344,560	92.28
2015 Families at or Above Poverty with Children	1,929	56.12	15,316	44.46	66,642	47.02	170,368	45.63
2015 Families Below Poverty	99	2.88	1,509	4.38	6,535	4.61	28,827	7.72
2015 Families Below Poverty with Children	45	1.31	1,030	2.99	4,686	3.31	22,164	5.94

## HOUSING DEMOGRAPHICS

	Town of North Castle		0 - 5 miles		0 - 10 miles		0 - 15 miles	
		%		%		%		%
<b>2015 Est. Occupied Housing Units by Tenure</b>	4,118		52,721		204,674		546,991	
Owner Occupied	3,536	85.87	34,433	65.31	139,528	68.17	327,603	59.89
Renter Occupied	582	14.13	18,287	34.69	65,145	31.83	219,387	40.11
<b>2015 Owner Occ. HUs: Avg. Length of Residence</b>	18.4		18.5		18.7		18.6	
<b>2015 Renter Occ. HUs: Avg. Length of Residence</b>	9.5		10.0		9.7		10.0	
<b>2015 Est. Owner-Occupied Housing Units by Value</b>	3,536		34,433		139,528		327,603	
Value Less than \$20,000	9	0.25	103	0.30	535	0.38	2,353	0.72
Value \$20,000 - \$39,999	0	0.00	110	0.32	516	0.37	2,060	0.63
Value \$40,000 - \$59,999	14	0.40	98	0.28	426	0.31	1,731	0.53
Value \$60,000 - \$79,999	24	0.68	246	0.71	738	0.53	2,351	0.72
Value \$80,000 - \$99,999	0	0.00	202	0.59	856	0.61	3,206	0.98
Value \$100,000 - \$149,999	16	0.45	695	2.02	2,258	1.62	7,902	2.41
Value \$150,000 - \$199,999	20	0.57	1,207	3.51	3,767	2.70	10,919	3.33
Value \$200,000 - \$299,999	100	2.83	3,088	8.97	9,705	6.96	26,586	8.12
Value \$300,000 - \$399,999	89	2.52	3,905	11.34	12,406	8.89	40,718	12.43
Value \$400,000 - \$499,999	155	4.38	4,727	13.73	15,885	11.38	49,244	15.03
Value \$500,000 - \$749,999	698	19.74	10,942	31.78	39,568	28.36	88,420	26.99
Value \$750,000 - \$999,999	746	21.10	4,415	12.82	22,604	16.20	41,772	12.75
Value \$1,000,000 or more	1,665	47.09	4,696	13.64	30,264	21.69	50,342	15.37
<b>2015 Est. Median All Owner-Occupied Housing Value</b>	\$965,483		\$564,809		\$643,242		\$547,308	
<b>2015 Est. Housing Units by Units in Structure</b>	4,343		55,809		217,873		582,679	
1 Unit Attached	234	5.39	2,657	4.76	12,427	5.70	31,435	5.39
1 Unit Detached	3,667	84.43	26,383	47.27	116,130	53.30	262,822	45.11
2 Units	263	6.06	4,030	7.22	18,744	8.60	53,989	9.27
3 or 4 Units	41	0.94	3,557	6.37	15,783	7.24	49,825	8.55
5 to 19 Units	54	1.24	4,800	8.60	17,167	7.88	52,454	9.00
20 to 49 Units	62	1.43	3,869	6.93	11,336	5.20	39,899	6.85
50 or More Units	22	0.51	10,481	18.78	26,009	11.94	91,304	15.67
Mobile Home or Trailer	0	0.00	32	0.06	252	0.12	908	0.16
Boat, RV, Van, etc.	0	0.00	0	0.00	26	0.01	43	0.01
<b>2015 Est. Housing Units by Year Structure Built</b>	4,343		55,809		217,873		582,679	
Housing Units Built 2010 or later	215	4.95	2,277	4.08	7,118	3.27	21,372	3.67
Housing Units Built 2000 to 2009	378	8.70	4,383	7.85	11,430	5.25	30,432	5.22
Housing Units Built 1990 to 1999	452	10.41	3,963	7.10	11,848	5.44	29,435	5.05
Housing Units Built 1980 to 1989	391	9.00	3,946	7.07	18,001	8.26	44,210	7.59
Housing Units Built 1970 to 1979	492	11.33	5,375	9.63	20,185	9.26	57,865	9.93
Housing Units Built 1960 to 1969	780	17.96	8,187	14.67	31,893	14.64	88,871	15.25
Housing Units Built 1950 to 1959	617	14.21	10,965	19.65	42,796	19.64	108,262	18.58
Housing Units Built 1940 to 1949	208	4.79	3,479	6.23	14,334	6.58	47,705	8.19
Housing Unit Built 1939 or Earlier	810	18.65	13,234	23.71	60,269	27.66	154,528	26.52
<b>2015 Est. Median Year Structure Built**</b>	1967		1960		1958		1958	