



PARK VISTA MARKET FEASIBILITY STUDY

A. Marketing Strategy

Based on an analysis of the development's location and amenities, along with a comprehensive market rent analysis and input from property management and leasing managers, the Park Vista marketing strategy will emphasize and promote the advantages of renting a completely renovated, 2 bedroom/2 bath apartment unit in Southeast DC. This will be accomplished by showcasing a superior product compared to the local competition. An affirmative fair marketing strategy will be established and employed to outreach to all population groups, outreaching to the entire DC metro area and in particular attempting to attract those with accessibility needs.

B. Target Market Profile

Marketing efforts will focus on residents with incomes at or below 60 percent of AMI. While our marketing campaign will focus on the larger Metro area, many of the tenants will come from the Congress Heights community. The primary targeted prospect resides in Wards 7 or 8, and likely has family or business ties to the area. Experience with this renter shows that there is a strong motivation to remain close to friends, family, and other social and community amenities. Anacostia and Congress Heights are two communities located within the targeted area. The average household income for Anacostia and Congress Heights are \$44,885 and \$47,834, respectively. The prospect will have a familiarity with the area and aware of its current growth and improvement. The target prospect most likely has limited disposable income.

D. Apartment Rental Analysis

The Congress Heights neighborhood has a substantial supply of apartment rental projects. Park Vista compares favorably to several projects William C. Smith + Co. has developed and/or managed in the Congress Heights area. The one bedroom units at Park Vista are comparable in rent per square foot to Shipley Park and Washington View. Shipley Park was an in-place renovation, while Park Vista is a total gut renovation and will have a higher level of finishes. Washington View renovations took place more than a decade ago. In addition, Park Vista only possesses seven one bedroom units, so any advantages other tax credit properties such as Rockbourne Estates and Crescent Park may have over Park Vista by having rents that are \$100 per month lower, can be overcome by only having to lease up a small number of one bedrooms for a newly renovated project.

Park Vista is distinguishable from the majority of the comparables shown on the attached comparables spreadsheet, because it offers two bed/two bath units with a larger square footage than the competition's two bedroom/one bath units. While The Overlook at Oxon Run will have 135 units coming online in July 2009, the lease-up period should almost be complete by the time Park Vista obtains its first certificate of occupancy in the summer of 2010. Furthermore, The Overlook is a high rise project that will attract a different renter pool than a garden-style project. In addition, The Overlook does not possess any two bedroom/two bath units and the rents at Park Vista for the one bedrooms and all of the two bedroom/one baths are lower than at the Overlook. Park Vista's two-bedroom/two bath units will have higher rents than all but one of the comparables, Ridgecrest, and the unit size of 975 square feet is unmatched by the competition. Additionally, only The Overlook has washer/dryers in the units, and only on the upper floors of the building. WCS Property Management estimates that units with washers and dryers command \$35.00 per month more in rent when compared to the same unit type without washer/dryers. If the \$35.00 was removed from the rent of the two bedroom/two bath unit at Park Vista it would have a rent per square foot lower than all the comparables, except Shipley Park.