



DOWNTOWN FAYETTEVILLE RESIDENTIAL AND COMMERCIAL MIXED USE MARKET ANALYSIS



CITY OF FAYETTEVILLE
June 2016

Exhibit 1 Executive Summary of Findings

Demographic Shifts and Market Evolution

- ▣ Fayette County's population growth rate has gone from 1.6% in the 2000s to 1.0% in 2010-2015.
- ▣ Much of the slow down in growth is a result of a lack of new housing product, combined with growing attraction to surrounding markets such as Coweta County.
- ▣ Much of the historic growth that has been lost is the conventional family market, while a strong concentration of empty nester households have remained.
- ▣ The Atlanta Metro is projected to witness an average of 55,000 new jobs per year for the next 5 years, and job cores on the Southside, anchored by the airport, will get an increasing share of these jobs up from a historic capture of 5%, to potentially as high as 8%.
- ▣ **Housing affordability and convenient access to these growing Southside job cores will help Fayette County attract young professionals, mostly pre-kids, and many of which likely grew up in the area and still have family/friends, but the appropriate housing product will need to be provided to fit their different lifestyle.**

Downtown Fayetteville

- ▣ Fayetteville is centrally located, with state highways connecting it to every corner of Fayette County and in to the Airport employment core. It therefore is well-positioned to capture local spending if a unique retail experience can be created.
- ▣ **The historic square has a burgeoning restaurant scene, and is an asset that can be expanded upon. Infrastructure improvements emphasizing walkability and connectivity around the square can leverage this asset and catalyze new development sites.**

For-Sale Housing Market

- ▣ The Atlanta Metro housing market was hard hit by the financial recession with new home sales dropping from an average of 53,000 pre-recession, to more recent recent levels averaging only 16,000. With values largely recovered and strong job growth projections the market is poised for a strong rebound that will get back to an average of 29,000 new sales by 2018-2019.
- ▣ Eastern Fayette County has seen an increase in its capture of metro new home sales the last several years, capturing 1.7% of new SFD sales the last five years.
- ▣ With Peachtree City largely built out, the majority of new homes in Fayette County will be in ZIP Codes 30214 and 30215. The Downtown area has historically captured around 20% of these sales, a trend we expect to continue.
- ▣ New home communities near Downtown are seeing prices from \$78 to \$101/SF, with the small-lot TND development at Lafayette Square achieving the highest \$/SF. Sales are averaging approximately 1.0 sale per month.
- ▣ Traditional SFD developments in the area are seeing a mix of family and empty nester audiences, while TND developments are attracting young couples, single parents, and empty nesters.
- ▣ The townhome market in Fayette County has historically been driven by either extremely affordable units for first-time buyers, or a move-up product at lower prices than new single-family detached homes as a means for families to get into good school districts under \$300,000. Values average \$99/SF with sales at <1/mo.

Rental Housing Market

- ▣ Fayette County has seen strong rent growth in its class A and B apartments as the result of Pinewood Studios activity and limited new supply over the last decade.
- ▣ **The current Fayette County communities average \$1.14/SF and cater to a mix of working professional singles and couples. Their older models do not have what the two largest growing segments of the renter market, Young Professionals and Empty Nesters, are looking for.**

Commercial Market

- ▣ Like many suburban Atlanta counties, Fayette County's commercial market, both retail and office, was largely over built pre-recession.
- ▣ Multi-tenant retail space has seen a steady recovery and now has vacancies at 9.4%, although rent levels are still below recession peaks.
- ▣ The local office market is much softer, with nearby properties exhibiting only 76% occupancy and limited demand for new space.
- ▣ **While our retail and office supply demand analyses both indicate the market is over supplied in general, there are specific categories of opportunity.**

Overall Conclusion

- ▣ Downtown Fayetteville has an opportunity to leverage its central location in Fayette County and its existing historic assets to create a **regional restaurant/shopping environment** that provides a **walkable, authentic community in contrast to traditional suburban character** of most retail in the area. This environment will appeal to empty nesters and Gen. Ys, the two largest residential audiences today. **Infrastructure improvements should enhance this historic core with increased walkability and connectivity**, with mid-rise development close to the square and small-lot neighborhoods on the edges of Downtown.

SOURCE: Noell Consulting Group

DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 2
Development Product Matrix

Land Use	Estimated Total Demand 2016-2020		Pricing	Notes/Comments
For-Sale Attached Townhomes	34 townhomes (8.5/year starting in 2017)		\$100,000 to \$200,000 \$85/SF	Provide both entry level product for younger buyers as well as higher-end townhomes with elevator options for empty nesters. Clustered near dense, active area - near restaurant, retail, new attraction.
For Sale Detached Single Family	209 homes (41.8/year)		\$150,000 to \$300,000 \$90-\$100/SF	Mid-high level product for families, as well as smaller "jewel box" master-on-main homes for empty nesters. Room for innovative/denser formats such as patio/terrace homes and zero lot line homes in addition to traditional family-oriented plans.
Rental Apartments	342 new units (Likely in two smaller developments)		\$1.30 to \$1.45/SF, depending on size and target audience	Class A/B product - surface parked, garden-style with in an walkable urban format that is built to the street. Should target diversified audience including large-unit empty nester product and smaller product targeting singles.
Neighborhood Retail	110,000 SF		\$12-\$15/SF Mod. Gross	Bring in diverse tenant base, including home furnishing stores, small hardware stores, craft beer/spirits stores, an adventure retailer (i.e. - local outdoors store), a music store, and various other small operations
Neighborhood Commercial	35,000 SF		\$14-\$16/SF Mod. Gross	Services-oriented businesses will be in high-demand. Currently, there is a lack of childcare services, and "other" personal services. Lure successful local brands Downtown to synergize foot traffic with new tenants
Restaurants	35,000 SF		\$12-\$15/SF Mod. Gross	Create the "place" people want to be by bringing high-quality local restaurants to the area. Nothing that feels chain-y, and nothing worse, brand-wise, than Chipotle (or Moe's). No drive through, full-service only. Emphasize patios, rooftops, and other community gathering areas

* new development totals are excluding projects already under construction or announced publicly

SOURCE: Noell Consulting Group.

DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 3 Strengths, Weaknesses, Opportunities and Threats

STRENGTHS | The DMPA is in an area of town that will allow it to take advantage of all the strengths Fayetteville has to offer. Chief among those strengths is Fayetteville's appeal as a quaint, small, Southern town. At the heart of the DMPA is Courthouse Square, home of Fayetteville's renaissance-themed historic courthouse; a gathering place for events, and focal point of Fayetteville's redevelopment ambitions. Fayetteville's authentic square is difficult to replicate and is an important competitive advantage that should be emphasized as much as possible. Many other historic downtowns in Georgia feature railroads bisecting the downtown, and Fayetteville's square is one of only a few true squares in the metro Atlanta area.

OPPORTUNITIES | Downtown Fayetteville is well-located to serve as a regional lifestyle destination, focusing on South Atlanta suburban residents within a 30 to 45 minute drive on account of the multiple state highways converging at the town square and on retail merchandisers that do not fit in traditional big-box anchored shopping centers. Early phases should focus on the square, but long-term growth may be dependent on creating a stronger local street grid and walkable neighborhood character. These features will give visitors more to explore and discover.

CHALLENGES | The DMPA faces several challenges. First, it sits on a busy 4-lane highway. While it provides a solid traffic count for retail product, it also disrupts the otherwise idyllic scene of Downtown Fayetteville with noise, rapidly moving cars, and the general chill on walkability that fast-moving traffic creates. Additionally, Courthouse Square is currently only buildable on 2 sides, with that going to 3 sides as soon as a current motel tenant moves out. To be effective, the DMPA needs developable land. Finally, because Fayetteville does not have strong access to the interstate system, the audience that will be drawn to Fayetteville may be somewhat limited - there is less potential for metro-scale tourism or employment because of this challenge.



<p>1 SMALL-TOWN FEEL</p>	<p>2 COURTHOUSE SQUARE</p>
<p>3 SINGLE FAMILY DENSITY</p>	<p>4 HIGHWAY ACCESS</p>
<p>5 SCHOOLS</p> <p>America's Most Challenging High Schools <i>List compiled by The Washington Post</i></p> <ul style="list-style-type: none"> McIntosh High rank 975 top 4% Starr's Mill High rank 1,186 top 5% Whitewater High rank 1,348 top 6% Fayette County High rank 1,516 top 7% <p><small>Only 2,300 of the approximately 22,000 U.S. public high schools made the national list that looks at the number of Advanced Placement tests given in a year divided by the number of seniors who graduated in May 2010.</small></p>	<p>6 LOCAL RESTAURANTS</p>

SOURCE: "MAPS Impact Study," "HARP Authority," Atlanta Beltline



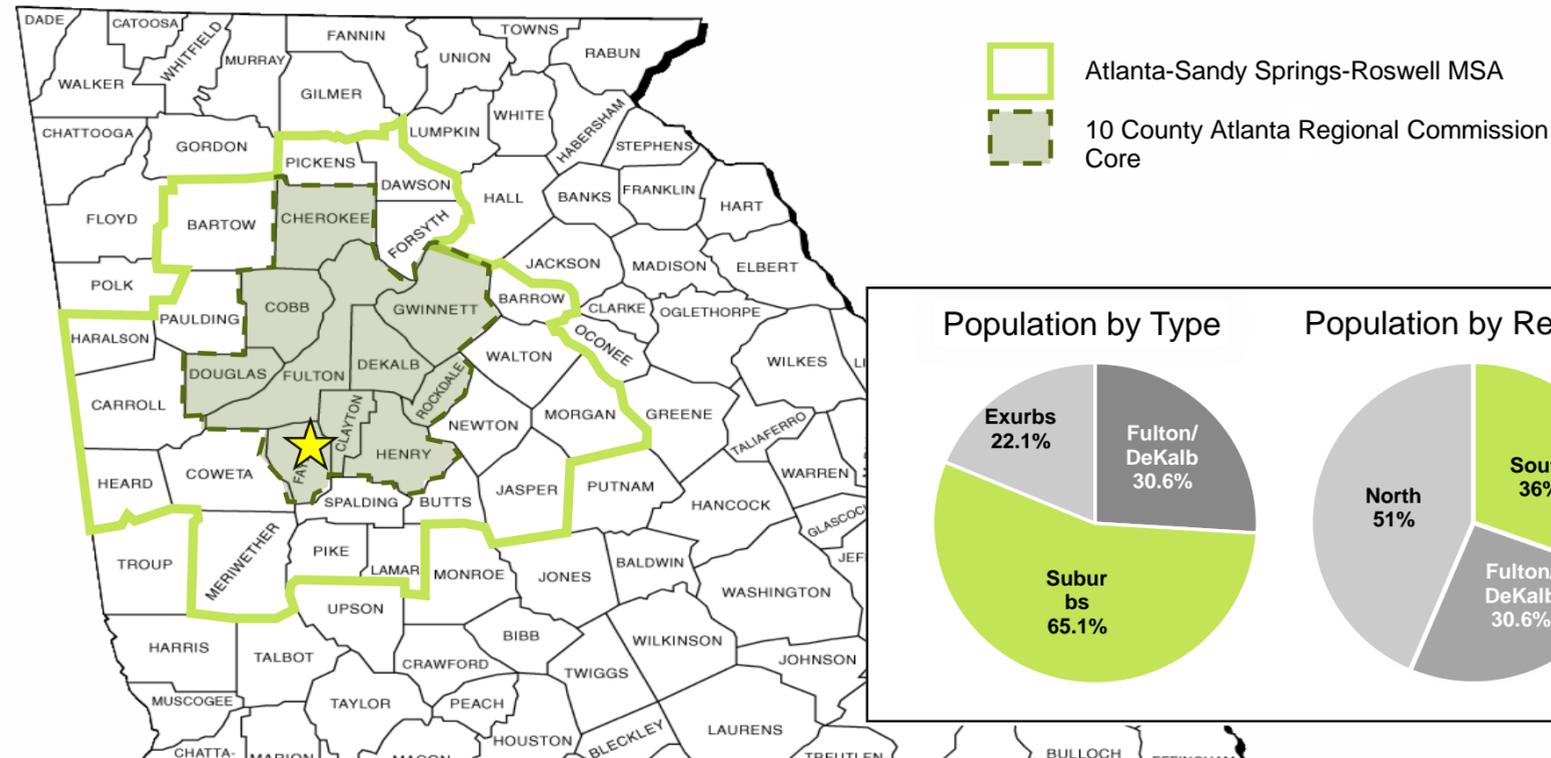
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Exhibit 4
Overview of Atlanta Metro Area Population Trends

The Downtown Master Plan Area ("DMPA") comprises the entirety of Downtown Fayetteville, a part of the Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area. The Atlanta MSA includes 29 counties, although just the ten central counties are members of the Atlanta Regional Commission, forming the core of the MSA. Almost 80% of the population in the Atlanta MSA lives within this ten county core.

Atlanta's core counties have seen stronger growth in the last four years than in the decade prior, capturing 77% of all MSA population growth since 2010 (compared to just 66% from 2000-2010).

Fayette County's population growth has slowed to 1% per year, **largely the result of limited levels of new housing supply.** Fayette is one of the least developed core counties, with a large amount of developable land still available.



COUNTY/PLACE	LAND AREA		POPULATION			ANNUAL GROWTH		ANNUAL % GROWTH		CAPTURE OF MSA GROWTH	
	SQ MILES	% MSA	2015	% MSA	Pop./Sq Mi	2000-10	2010-15	2000-10	2010-15	2000-10	2010-15
Cherokee County	422	4.8%	235,900	4.1%	559	7,244	4,311	4.2%	2.4%	7.1%	4.9%
Clayton County	142	1.6%	273,955	4.8%	1,935	2,291	2,906	0.9%	1.4%	2.2%	3.3%
Cobb County	339	3.9%	741,334	13.0%	2,185	8,033	10,651	1.2%	1.9%	7.9%	12.0%
DeKalb County	268	3.1%	734,871	12.9%	2,746	2,603	8,596	0.4%	1.5%	2.6%	9.7%
Douglas County	200	2.3%	140,733	2.5%	703	4,023	1,666	3.7%	1.5%	3.9%	1.9%
Fayette County	194	2.2%	110,714	1.9%	570	1,530	829	1.6%	1.0%	1.5%	0.9%
Fulton County	527	6.0%	1,010,562	17.7%	1,919	10,105	101,997	2.3%	19.2%	9.9%	114.8%
Gwinnett County	430	4.9%	895,823	15.7%	2,081	21,687	18,100	3.2%	2.7%	21.3%	20.4%
Henry County	322	3.7%	217,739	3.8%	676	8,458	2,763	5.5%	1.7%	8.3%	3.1%
Rockdale County	130	1.5%	88,856	1.6%	685	1,510	728	2.0%	1.1%	1.5%	0.8%
10-COUNTY ARC CORE	2,974	34%	4,450,487	78%	1,497	67,484	68,547	1.8%	2.0%	66%	77%
EXURBAN COUNTIES	5,740	66%	1,260,308	22.1%	220	34,492	20,333	3.5%	1.7%	34%	23%
MSA TOTAL	8,714	100%	5,710,795	100%	655	101,976	88,880	2.2%	1.9%	100%	100%

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

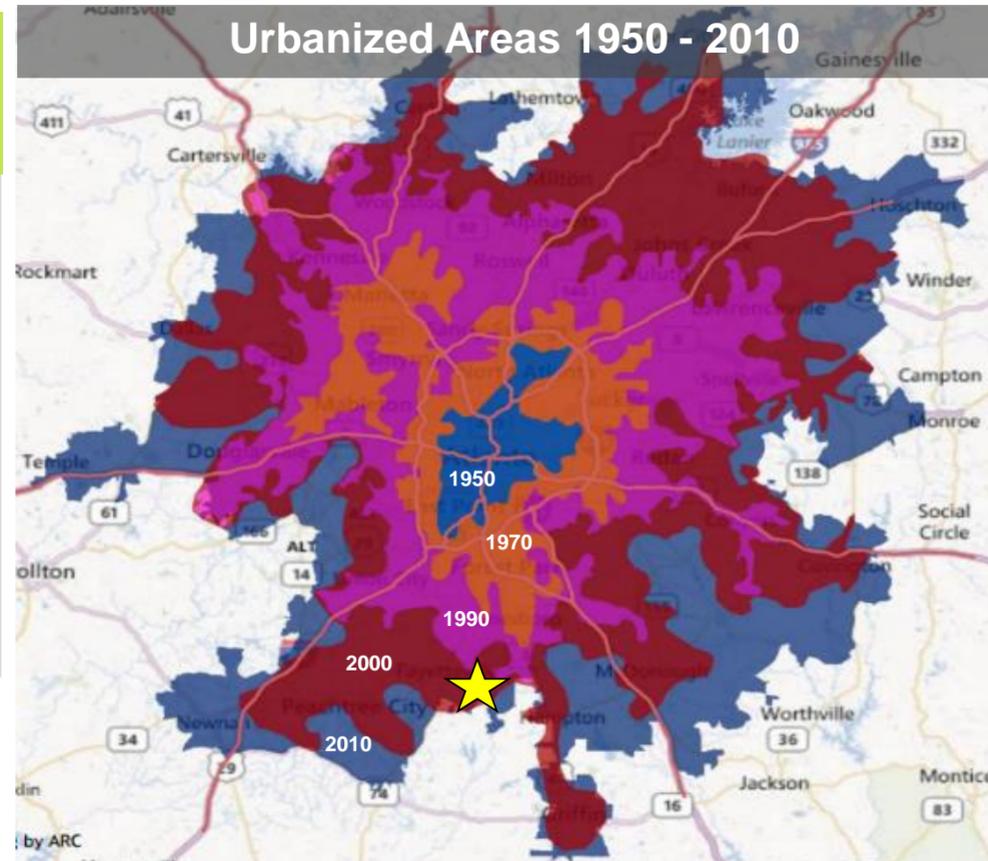


Exhibit 5
Metro Atlanta Development Timeline

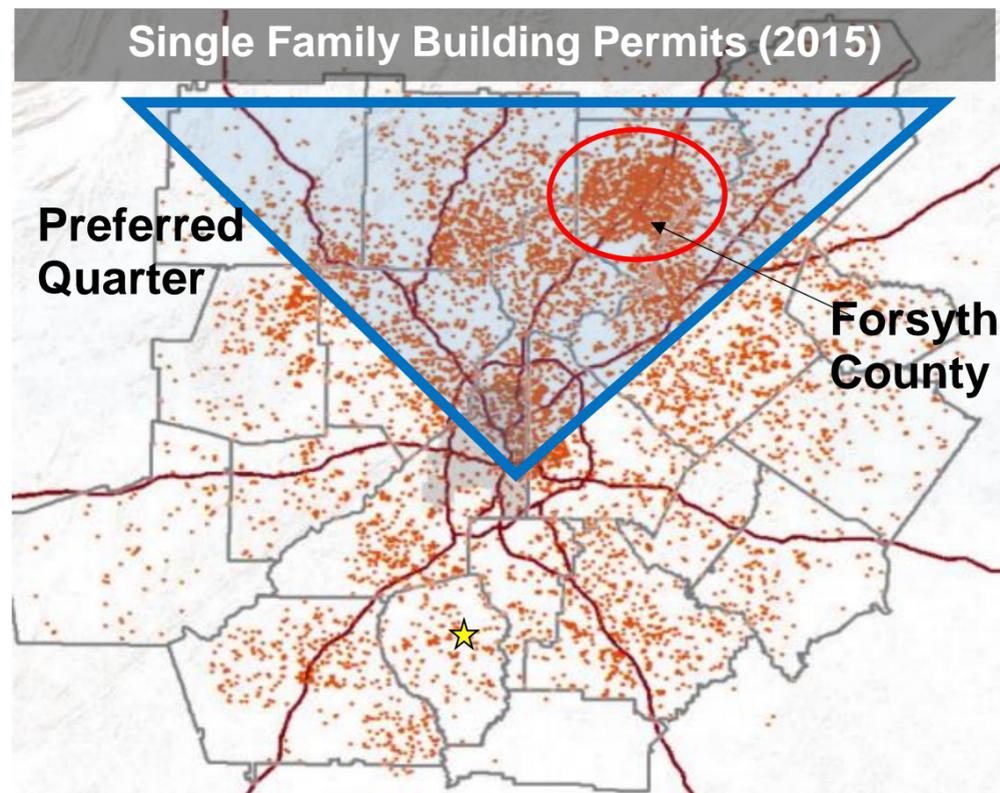
Urban Development Cycles

The map to the right shows the urbanized areas of the Atlanta metropolitan area since 1950, based on housing density. While Fayette County saw the highest levels of growth with the development of Peachtree City in the 1970s through the 1990's, the northern half of Fayette County did not reach urban densities until the late 90's.

The map also shows a clear pattern of metro Atlanta development in two ways - the northern side of the metro typically develops sooner, and development follows the interstate system. Downtown Fayetteville sits on the south side of the metro in between I-85 and I-75, and as a result the outer boundary of urbanization has remained unchanged since 2000, with GA Hwy 54 and Downtown Fayetteville at the cusp. Development has followed US Hwy 41 through Hampton to Griffin, down I-75 into McDonough County, and down I-85 into Newnan and Coweta County.



Single Family Building Permits (2015)



Single Family Dwelling Building Permit Issuances

The map to the left shows a dot-density representation of all the single family building permits that were issued in the Atlanta metro area in 2015. As the map shows, the bulk of the density was congregated in the northeastern suburbs/exurbs, specifically in Forsyth County. However, large amounts of permits were issued in Woodstock and Buckhead, as well as the Eastern Intown Neighborhoods within the perimeter.

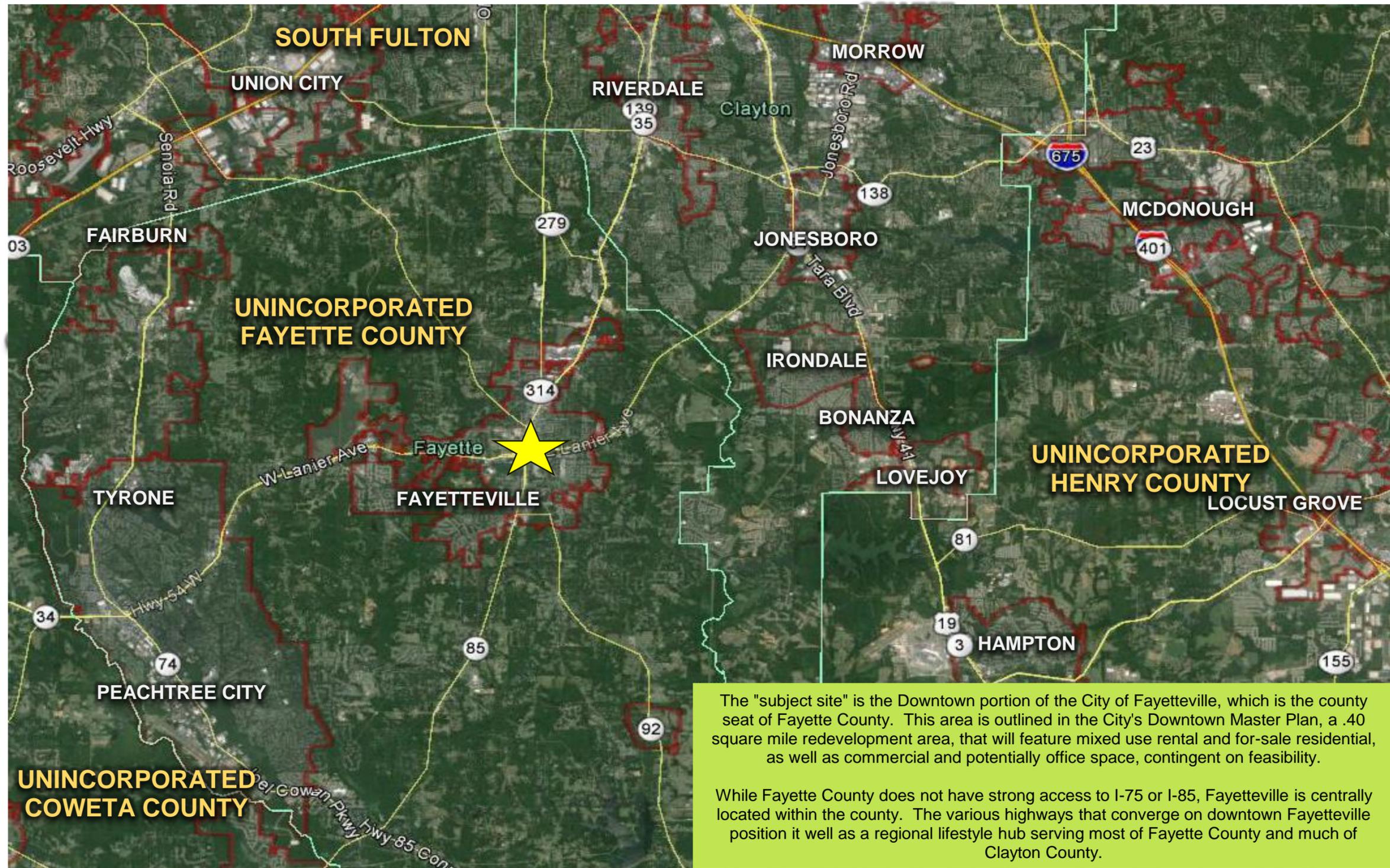
By contrast, Fayette County saw far fewer single family permits issued than did the northern suburbs. **While the northern suburbs' have taken on the status of the preferred suburbs**, there may be another issue at play, specifically, infrastructure. Fayette County is the only core county of the Atlanta metro with no interstate running through it. **The interstates have proven to be development catalysts, especially in Atlanta's convenience-driven, commuter culture. To that end, Fayette County is unable to offer such convenience to residents, which has slowed growth.**

SOURCE: Noell Consulting Group, Atlanta Regional Commission



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Exhibit 6
Fayette County and Surrounding Area



SOURCE: Noell Consulting Group, Google Maps, US Census

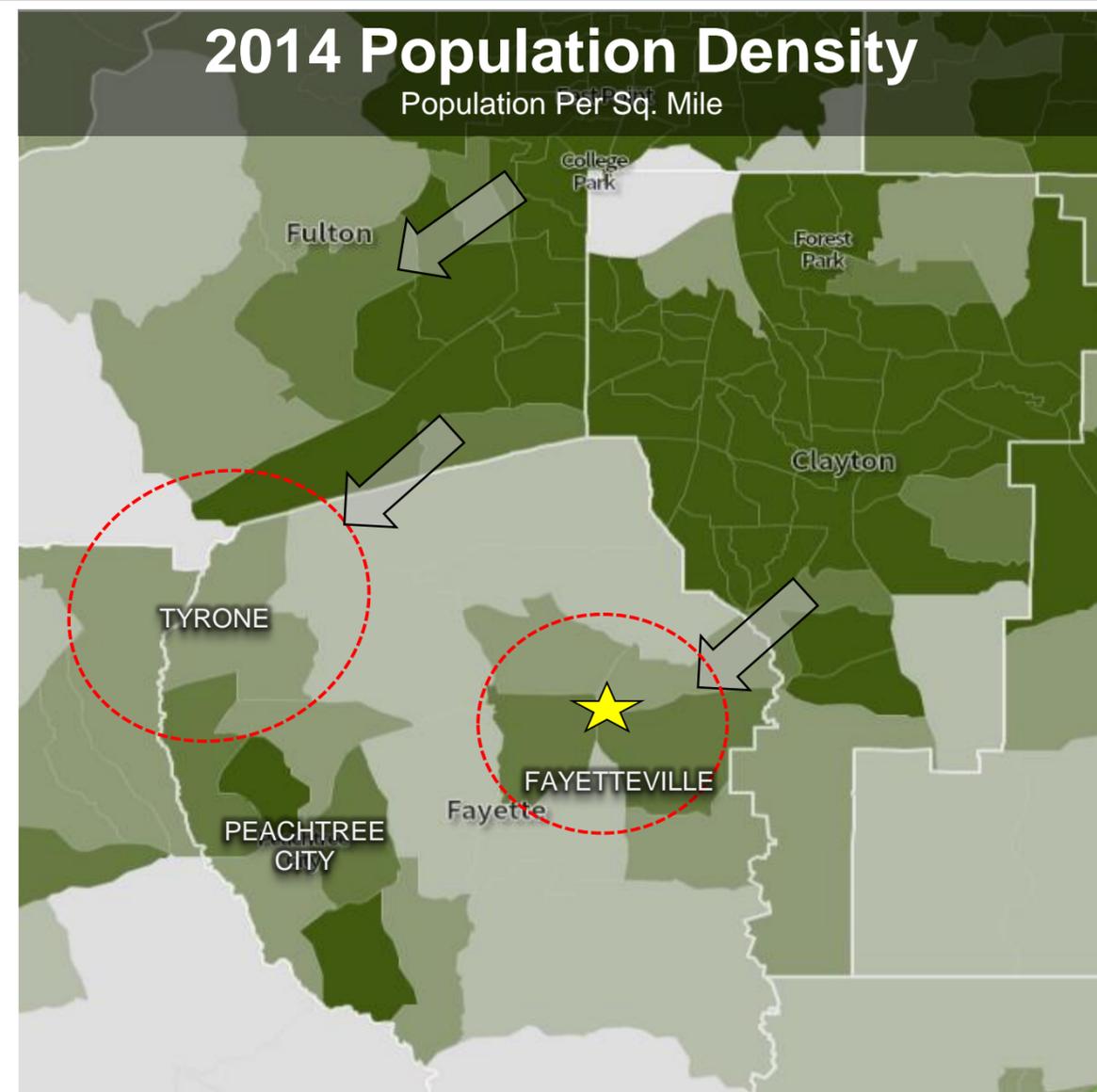
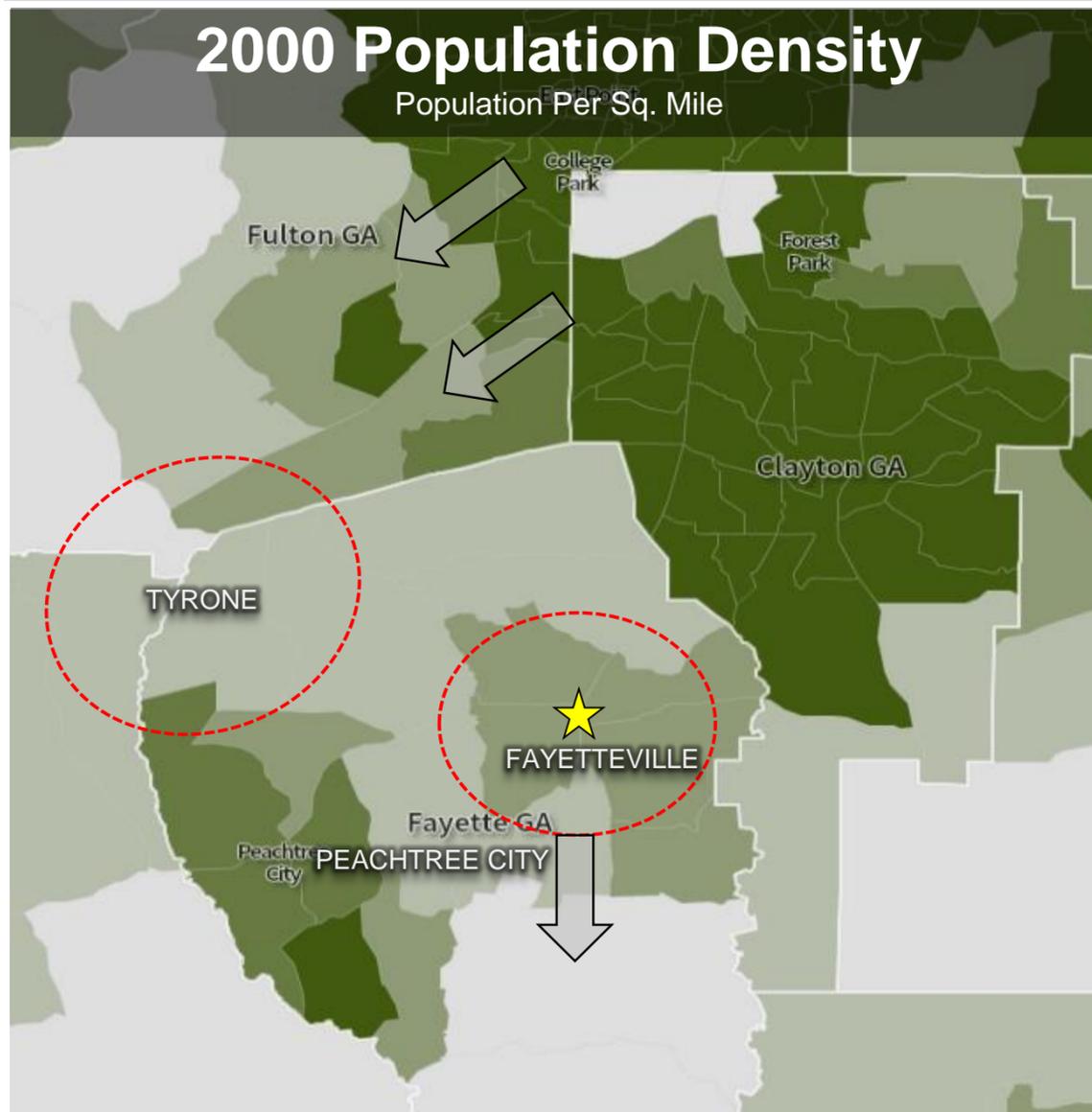


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Exhibit 7
Population Density and Development Activity



Development activity can be seen in the map below, as increased development activity raises the population density of an area. Development has followed I-85 south and west, with the largest increases in density occurring in Fulton County just north of the Fayette County boundary and in northeast Coweta County. Within Fayette County, Fayetteville has seen an increase in density, as has Tyrone. Peachtree City is overall at a similar level of density, with difference in the map below resulting from changes in Census Tract boundaries rather than actual changes in densities. The Downtown Master Plan Area ("DMPA") is in the heart of Fayetteville and comprises a primary historic commercial core. The DMPA has seen a marked increase in density over the last 15 years, with this trend showing no sign of



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

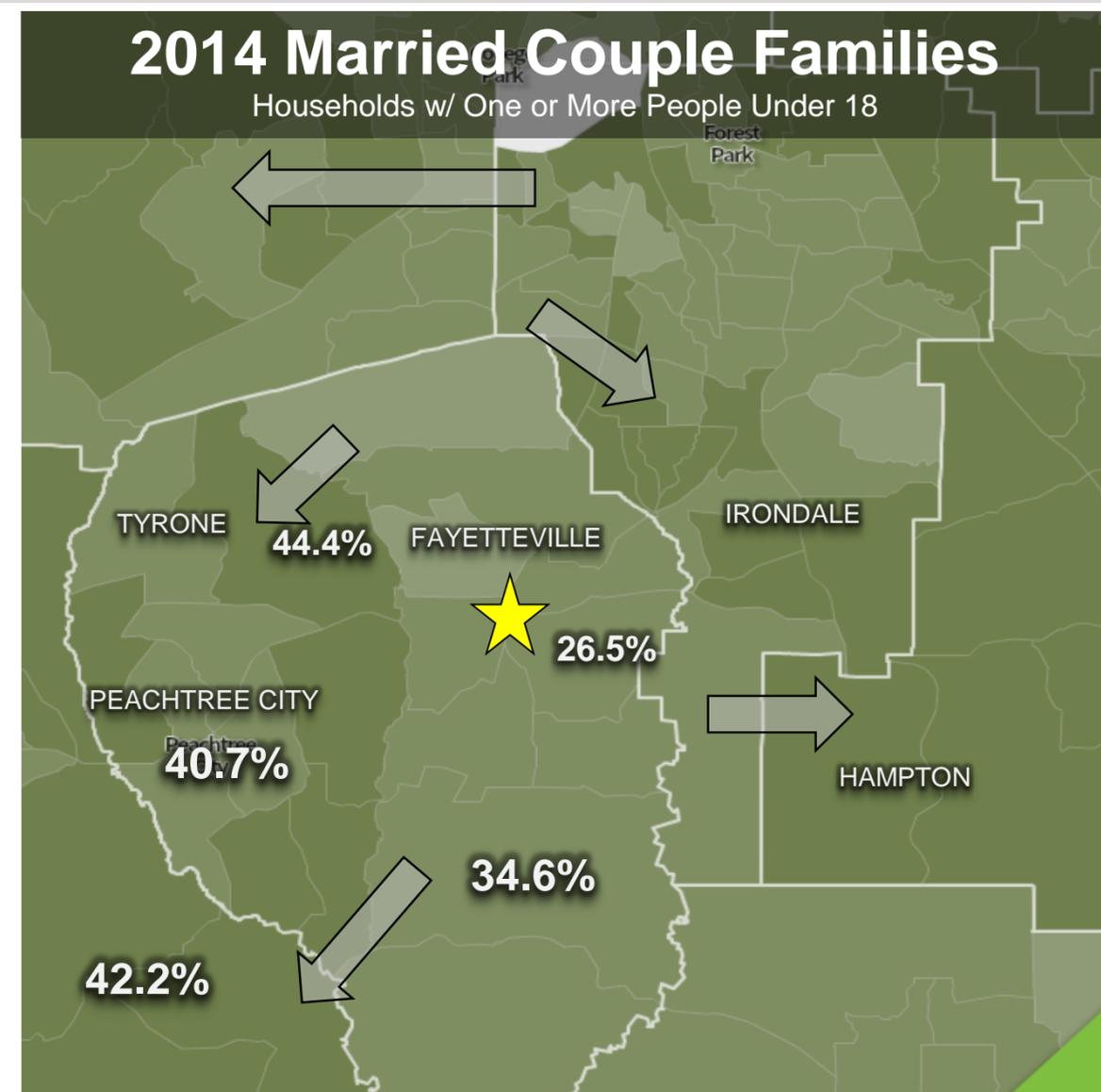
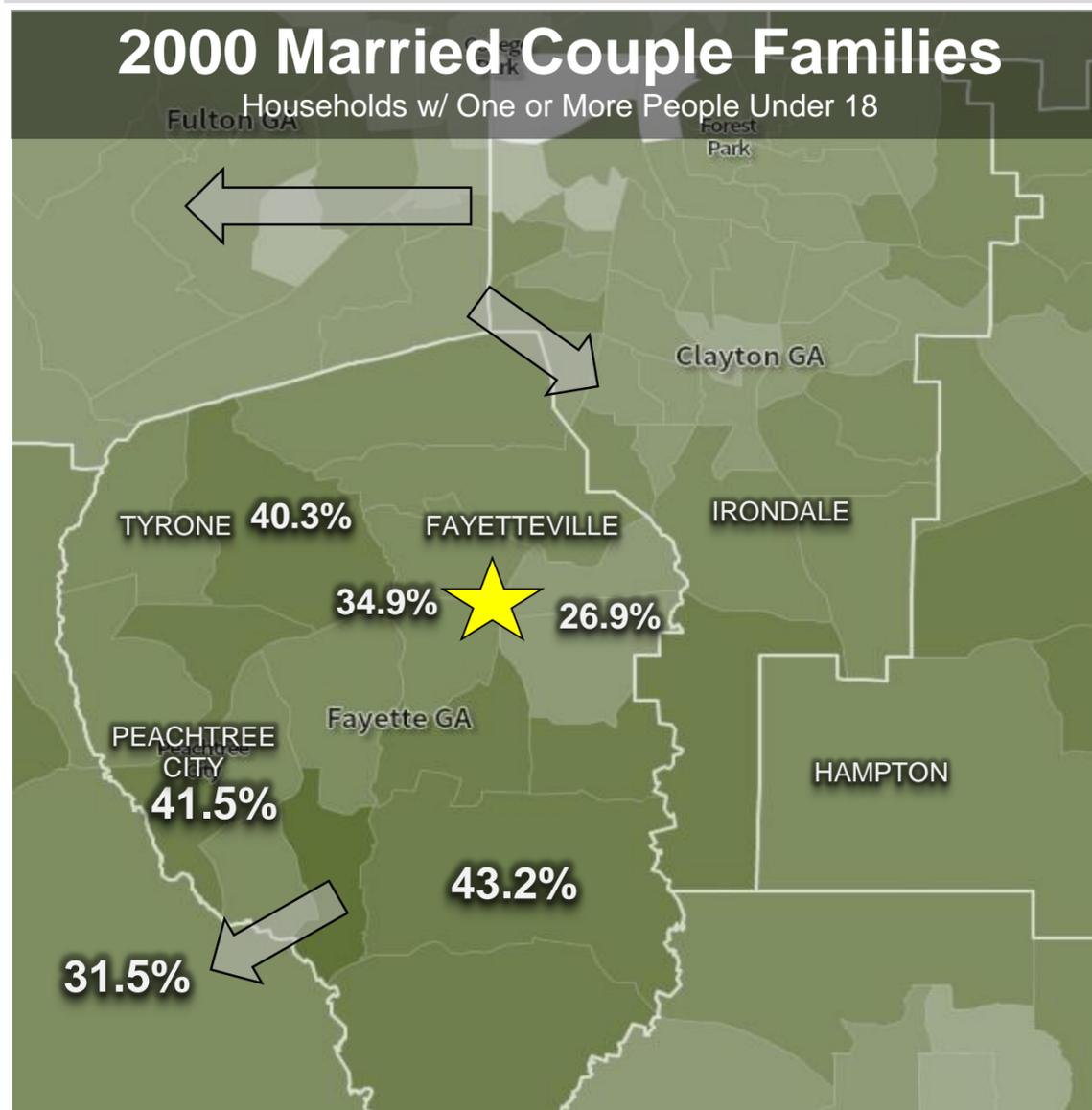


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Exhibit 8
Married Couple Households



Married couple households with school-aged children have been gravitating to eastern Coweta County and Peachtree City. By comparison, southeast Fayette County has declined from 43.2% families to 34.6% families. Peachtree City's family population has increased 1.1% per year and eastern Coweta's family population has increased by 6% per year since 2000. **The DMPA's percentage of families with kids has decreased from around 35% in 2000, to around 24% today. Downtown Fayetteville will likely be most attractive for empty nester households, as well as singles and non-traditional households seeking an affordable, convenient lifestyle.**



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

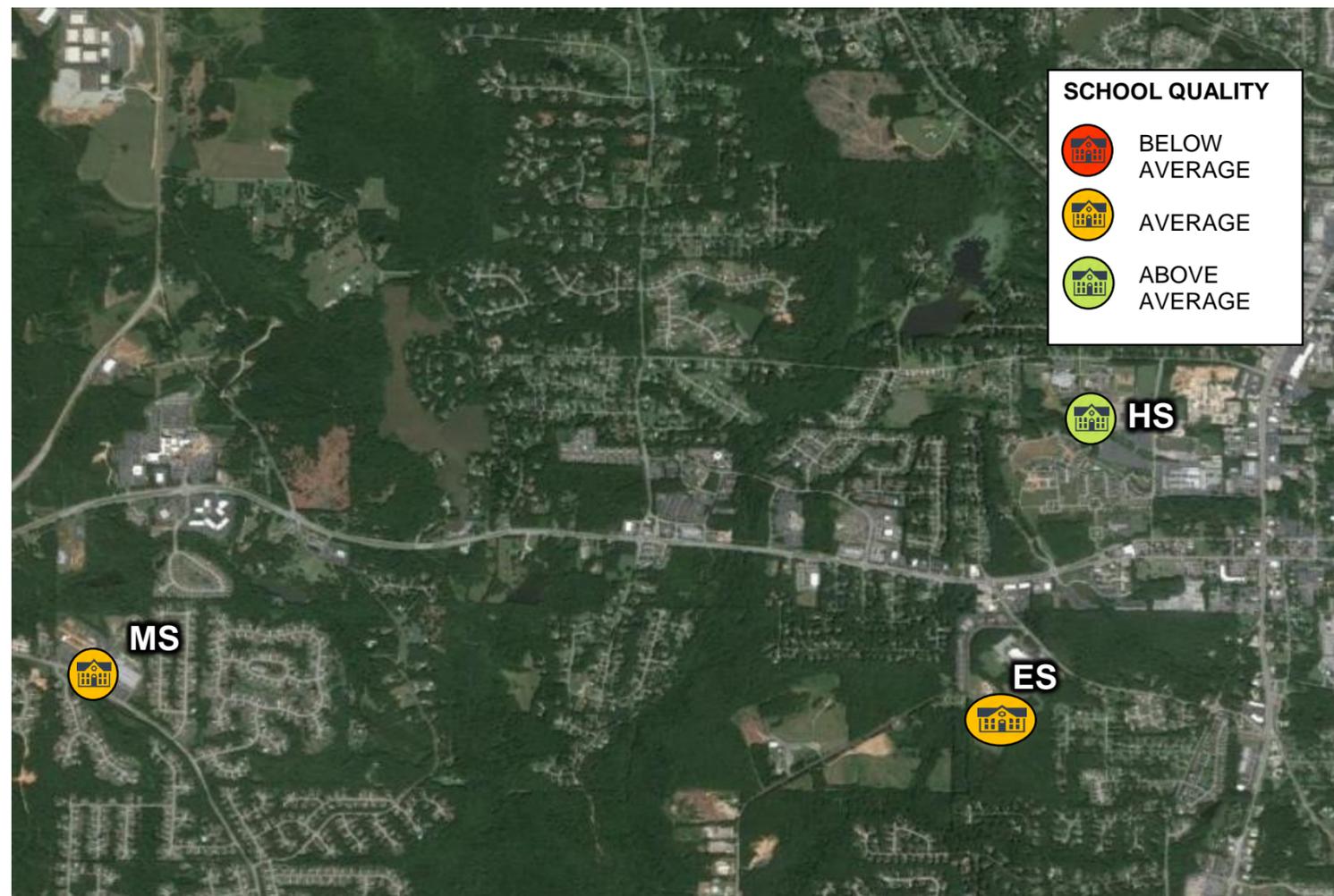


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Exhibit 9
Subject Site School Districts



Fayette County Schools are generally well-regarded, with the study area's local schools being average-to-above-average relative to the Atlanta metro. While all of the schools are rated at Average or better according to GreatSchools.com, only Fayette County High School is rated Above Average. **Thus, while the DMPA should get some families with school aged kids, it is less likely to get families who can afford homes in stronger districts in Peachtree City, where elementary through high school quality is roundly better.**

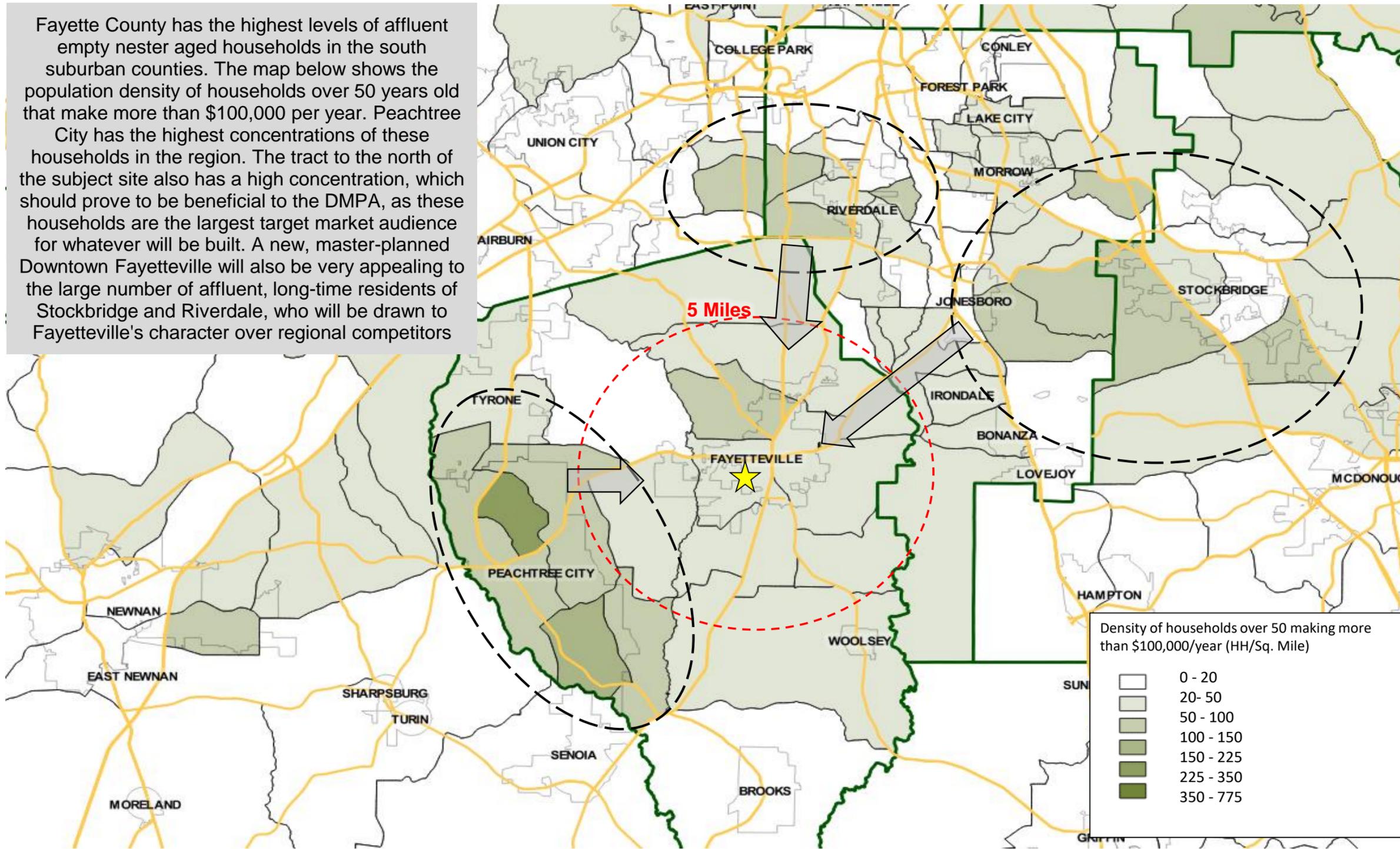


SOURCE: Noell Consulting Group, The Washington Post (The District's New School Boundaries for 2015) and Great Schools



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Exhibit 10
Empty Nester Households Near the Subject Site



SOURCE: Noell Consulting Group, US Census

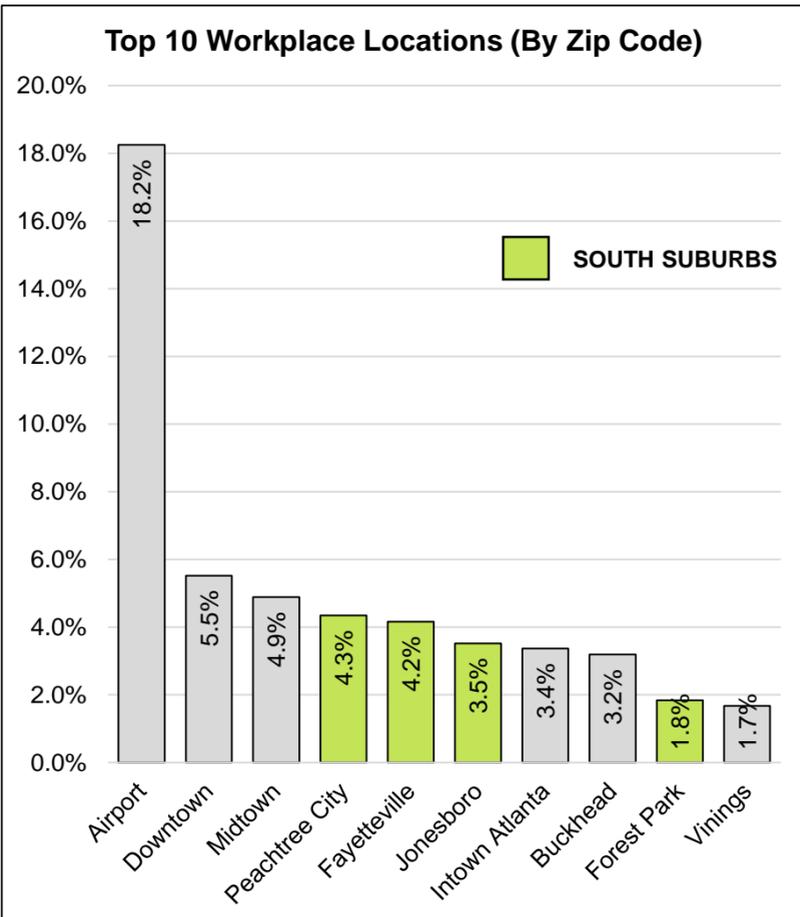


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Exhibit 11
Subject Site Resident Work Destinations, Residents Earning Over \$40,000/Year

Commuting patterns of residents near the subject site can help identify target audiences for residential development. While residents within a 10-mile radius work all over the metro Atlanta area, 39% work on the south side of the Metro. Only 15% of residents work in traditional central business districts (Downtown, Midtown, Buckhead), with most of those workers commuting to Downtown or Midtown. The industries in these job cores are more likely to be government and transportation related, leading south side residents to be more middle income.

Fayetteville's residential prospects, therefore, are strongly connected with increasing employment around the airport and on the south side generally. Fayette County housing will also benefit from an increase in employment in Downtown and Midtown, as these job cores have much shorter commutes than Buckhead or Central Perimeter where many high-paying jobs are located.



SOURCE: Noell Consulting Group, Google Maps, US Census

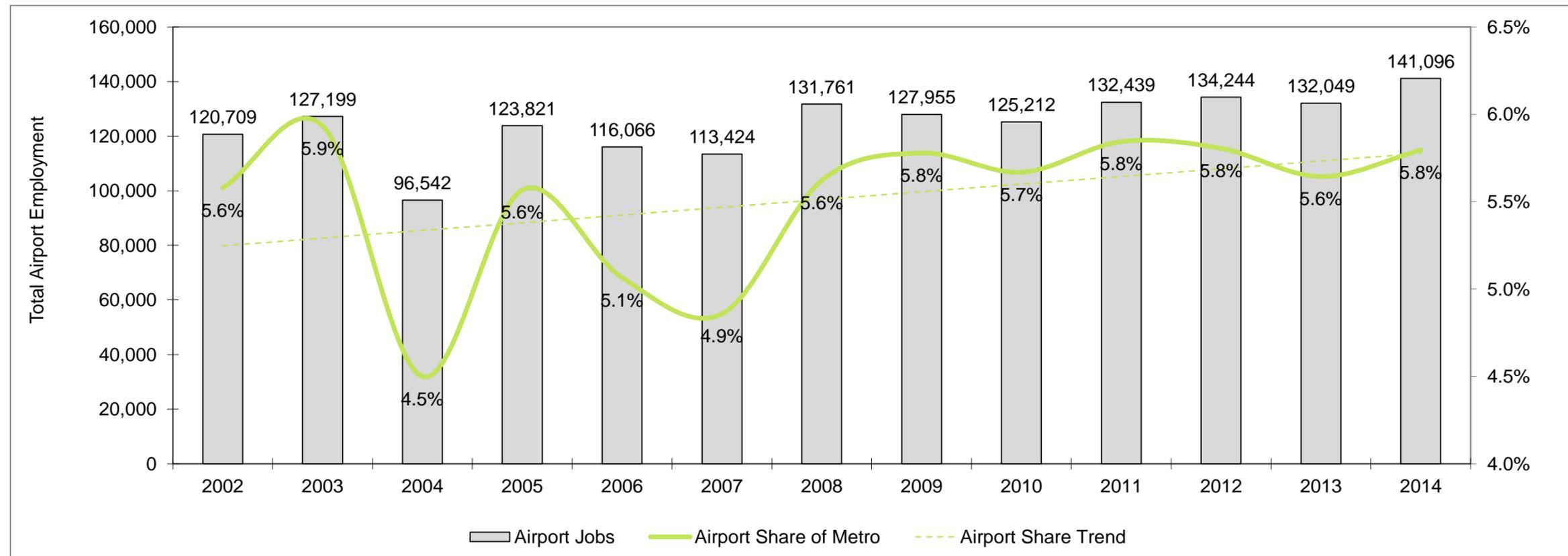
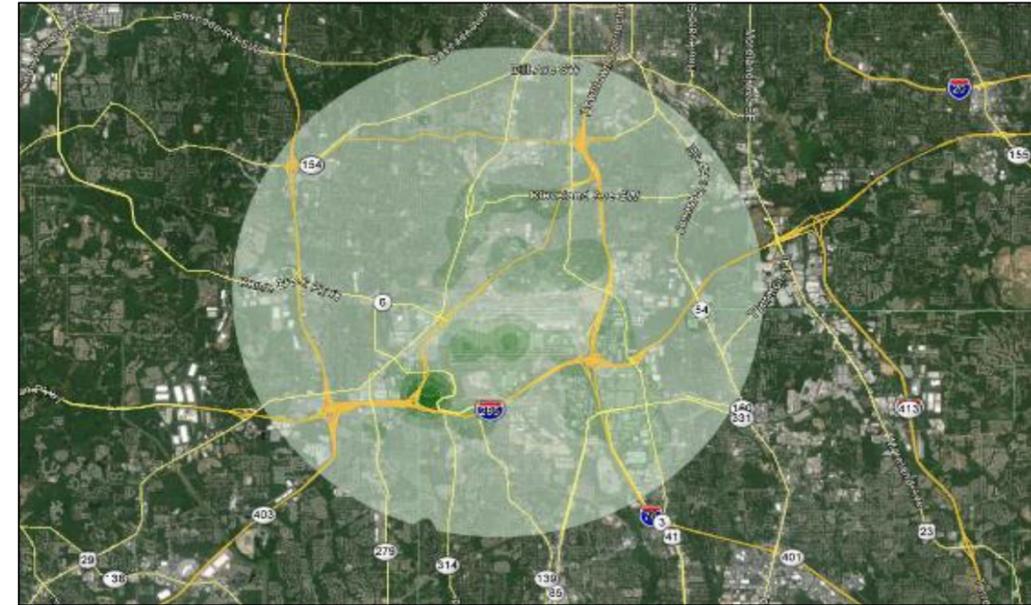


DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 12
Jobs Within Five Miles of Hartsfield-Jackson International Airport

Airport-related jobs are an important driver of residential demand in Fayette County. While airport area employment fluctuates with the economy, it has been growing both in overall terms and as a share of overall metro. The area around the airport has added jobs at a 1.3% rate since 2002, while the metro area has grown at a 1.0% rate. Since the end of the recession in 2010, the airport area has added jobs at a 3.0% annual rate, while the metro has grown at a 2.5% rate.

Major Airport Expansions
 2006: Fifth runway opens
 2012: International Terminal and Concourse F open
 Proposed through 2021: Nine new gates, sixth runway



SOURCE: Noell Consulting Group, US Census, OntheMap Atlanta Business Chronicle



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 13 Airport Area Developments

Hartsfield Jackson International Airport's "Airport City"



Carter, Majestic Realty Co. and GPM Investments LLC selected to develop mixed-use development at the Airport MARTA station on city-owned land, including:

- Intercontinental Hotel w/300 to 400 room hotel
- 200,000 midrise office space
- Travel Plaza

Main Street Partner Group/Downtown Hapeville



Main Street Partners Group, LLC is planning a 30-acre master planned development. Currently in discussions with a master developer.

- Phase I: 17-acre mixed-use town center, with 50,000 SF of retail (boutique grocer, restaurant space)
- Future phase include at least one office building and 600 apartments/townhomes

Previously known as Asbury Park, with greater emphasis on residential (1,300 units).

Porsche North American Headquarters/Aerotropolis



First phase of the Jacoby Development's Aerotropolis project

Employs 400 in the Atlanta area (100 new to Georgia)
220,000 square foot office space Site

Includes:

- Porsche North America Headquarters
- Porsche Technical Training Center
- Porsche Customer and Driving Experience Center
- 1.6 Mile Test Track and Handling Circuit

Porsche site expected to generate about 30,000 more visitors to the area annually

Phase II: 214-key Solis Hotel w/ 6,500 square feet of event space, including a 3,600-square-foot ballroom.

Future Phases: 50 acres based on demand (initial plans called for 6.5MM SF mixed-use development)

Exhibit 14 Proximity and Connection of the Study Area to Jobs Over \$40,000/Year

There are just under 25,500 jobs paying more than \$40,000 per year within a 10 mile radius of the study area. Many of these jobs are in the Educational Services sector, mostly the Clayton and Fayette County school systems. However, US Census data geocodes teachers at the site of the county school board's address; there are two separate county school boards (Fayette and Henry County) pictured in this map. Thus, the employment of educational sector employees may be more distributed across the county than shown. However, there are other sectors with large concentrations of jobs nearby, such as the Wholesale Trade and Manufacturing sectors (near I-85) and the Health Care and Social Assistance jobs at nearby Piedmont Fayette Hospital. Notably, the top 7 sectors for employment all provide primarily middle income positions, with a lower ceiling on compensation than sectors like professional services and finance/insurance. This income distribution will naturally influence the type of housing and commercial product that will be demanded in the local market.



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



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 15
Access to Restaurants



The map below shows the density of restaurants recommended for "Dinner" on the social media site Yelp, as well restaurants that are rated three or more stars (out of five).

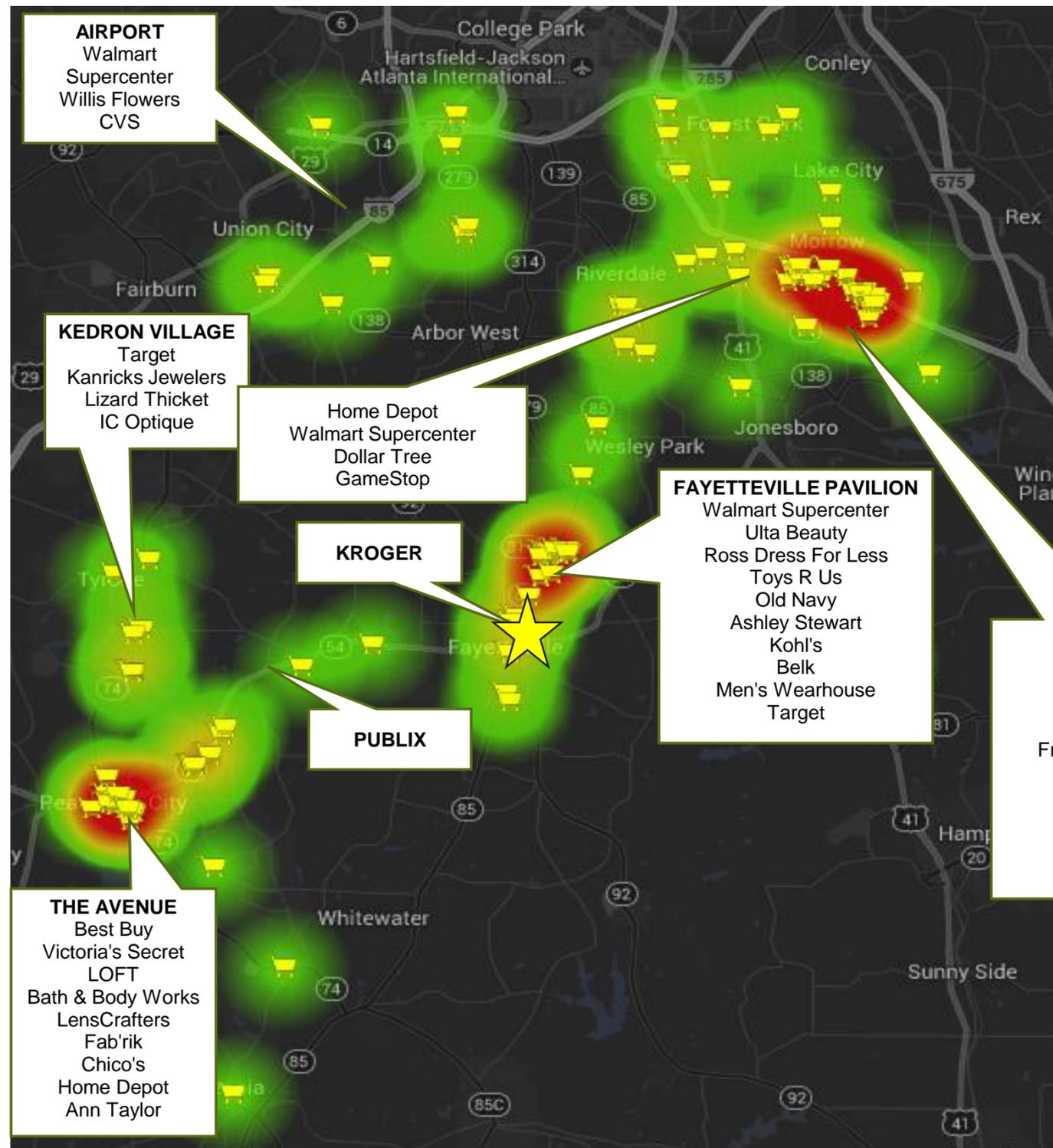
The DMPA, being located in Downtown Fayetteville, offers numerous casual dining options. Many of the highly-rated restaurants in the region are ethnic restaurants (Indian, Mexican) or pizza places. There are no real chef-driven restaurants in the area, and few high-end restaurants in a walkable setting; however that is changing, especially with the success of Twisted Taco and Oz Pizza in Downtown Fayetteville.

SOURCE: Noell Consulting Group, Yelp



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 16
Access to Shopping



The subject site is near the Fayetteville Pavilion power center, and between two other regional malls, The Avenue Peachtree City to the west and Southlake Mall to the northeast. The Avenue has higher-end retailers such as Ann Taylor and LOFT, while Fayetteville Pavilion has lower priced retailers such as Ross Dress For Less and Old Navy.

There is another retail corridor approximately eight miles from the subject site. Kedron Village and The Fresh Market, which feature popular small retailers such as Lizard Thicket and Bicycles Unlimited are just a 20 minute drive from the DMPA. There are also several Target and Walmart Centers within a 30 minute drive of the site, as well as three grocery stores (The Fresh Market, Kroger, and Publix).

- SOUTHLAKE MALL**
- Macy's
 - Sear's
 - Ashley Stewart
 - Express
 - Frederick's of Hollywood
 - Claire's Boutique
 - Aeropostale
 - Bath & Body Works
 - Lids
 - Hot Topic

- FAYETTEVILLE PAVILION**
- Walmart Supercenter
 - Ulta Beauty
 - Ross Dress For Less
 - Toys R Us
 - Old Navy
 - Ashley Stewart
 - Kohl's
 - Belk
 - Men's Wearhouse
 - Target

- Home Depot
Walmart Supercenter
Dollar Tree
GameStop

- KEDRON VILLAGE**
- Target
 - Kanricks Jewelers
 - Lizard Thicket
 - IC Optique

- AIRPORT**
- Walmart Supercenter
 - Willis Flowers
 - CVS

- THE AVENUE**
- Best Buy
 - Victoria's Secret
 - LOFT
 - Bath & Body Works
 - LensCrafters
 - Fab'rik
 - Chico's
 - Home Depot
 - Ann Taylor

- KROGER**
- PUBLIX**

 Retail reviewed more than 2 times on Yelp

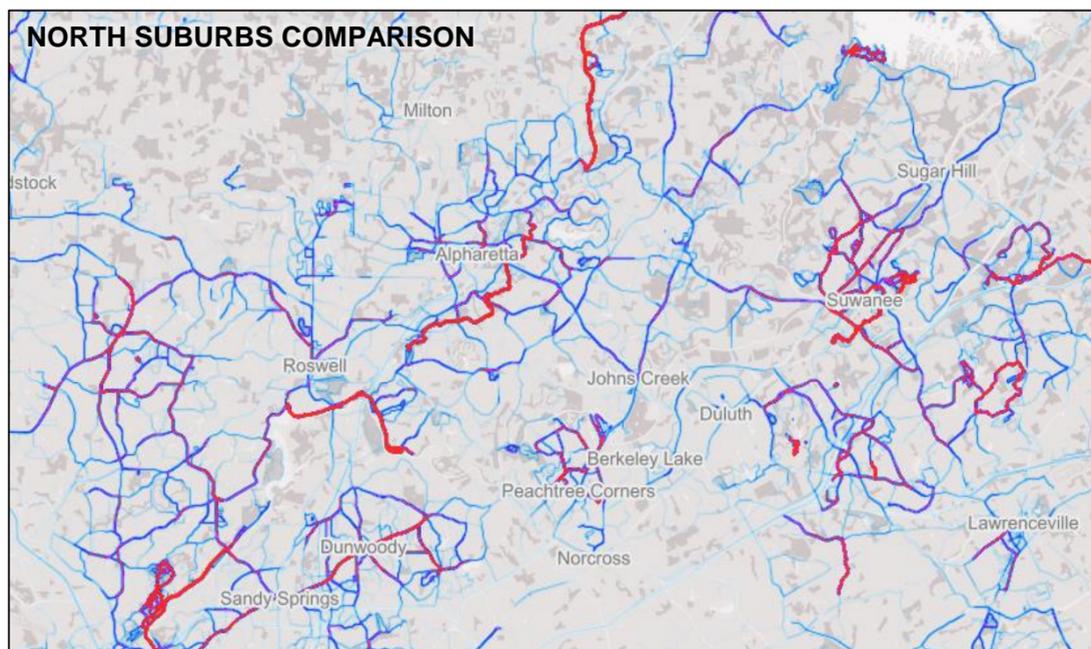
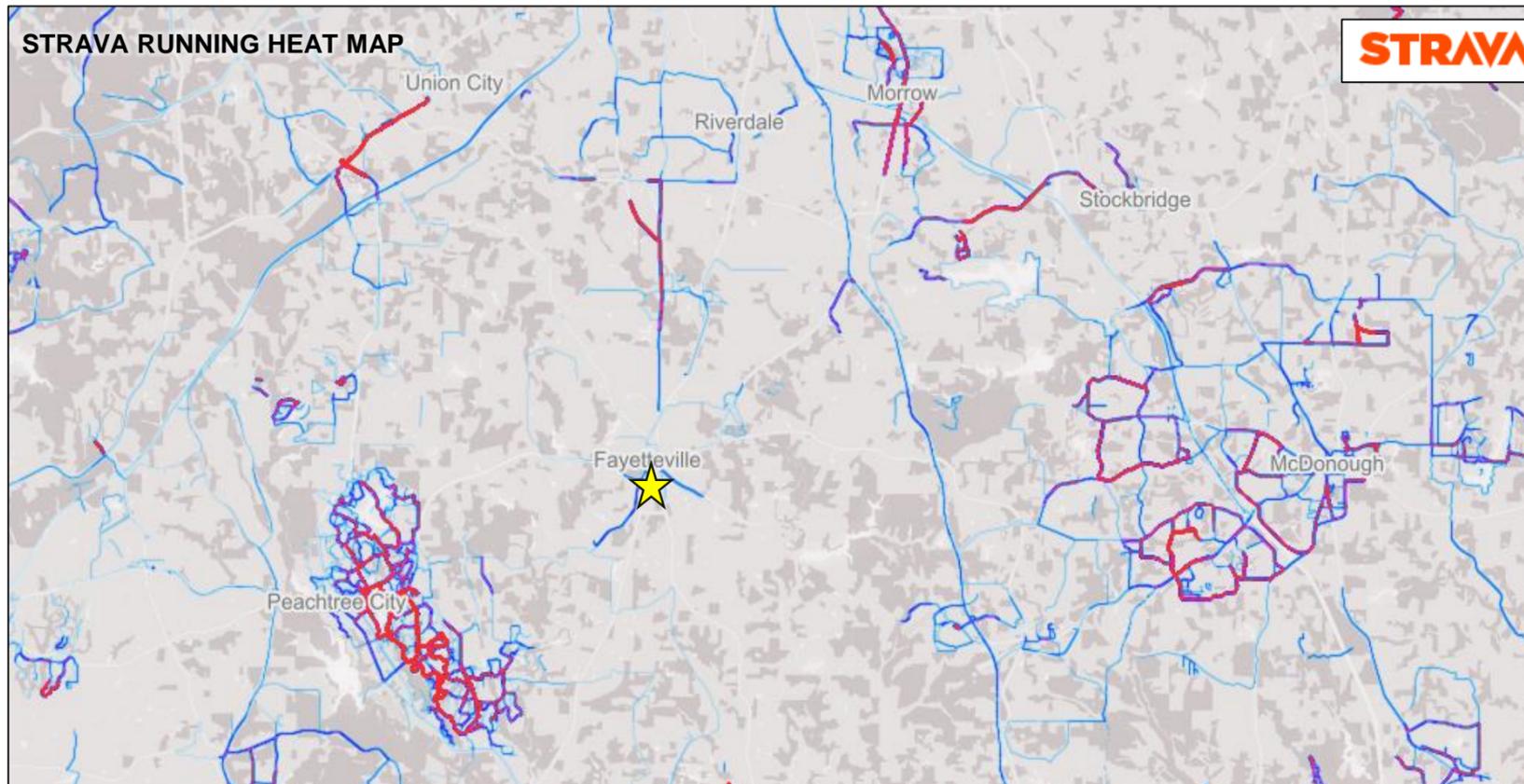
 Density of retail reviewed on 

SOURCE: Noell Consulting Group, Yelp



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 17 Lifestyle Indicators



The maps at left use Geocoded user data from Strava Labs to help assess the relative strengths of trails, paths and active lifestyle amenities in areas surrounding the subject site. Millions of people upload their bike rides and runs to Strava every week via their smartphone or GPS device. Strava Labs has anonymized and aggregated over 170 million rides and runs from 2015 to provide departments of transportation and city planning groups insights to improve infrastructure for bicyclists and pedestrians. The maps at left show heat maps for runners only in the Fayette County and surrounding area.

This data helps provide information about the lifestyle of local residents. Strava users are not indicative of all household types - they are typically highly educated and skew male. However, these heat maps are indicative of where affluent, fitness-oriented residents are active. Heavy-use areas are indicative of where infrastructure exists, but there are many areas without many parks or running trails that nevertheless have strong indicators for outdoor activity.

Fayetteville has a very low level of outdoor activity. Nearby Peachtree City has a high level of activity, likely on account of their extensive trail networks. However, McDonough and Morrow both have a higher level of activity than Fayetteville, and northern Atlanta suburbs like Suwanee also have much higher activity levels.

We believe that outdoor activity is beneficial for a community's sense of safety, vibrancy, and sense of place. Fayetteville can help foster these qualities by focusing on improving infrastructure that facilitates this activity.

SOURCE: Noell Consulting Group, Yelp

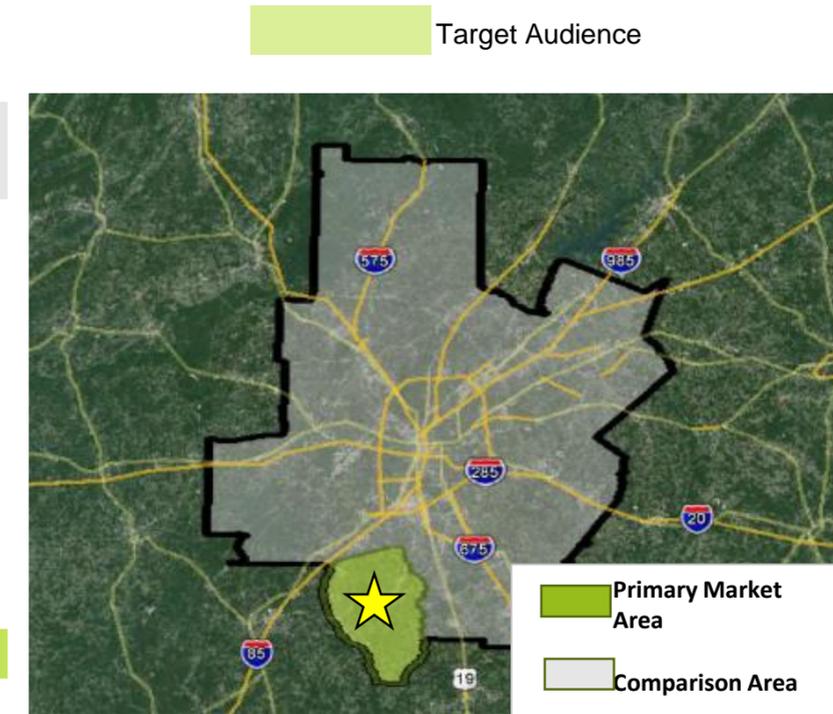


FOR SALE ANALYSIS

DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

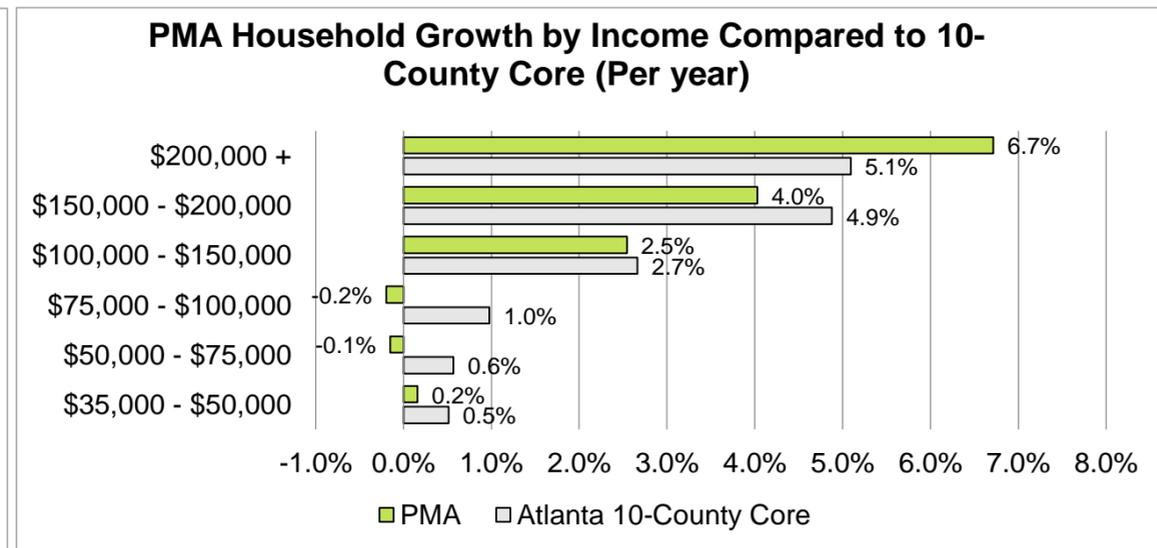
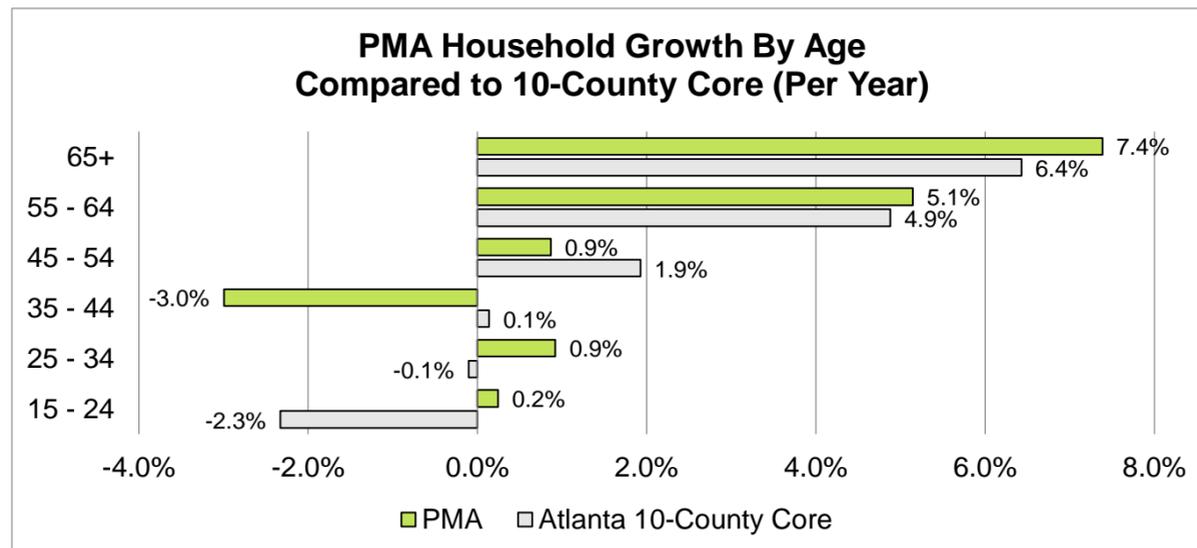
Exhibit 18
Age and Income Analysis of the PMA and Comparison to 10-County Core
2000 - 2015 (estimates)

PMA Total Household Growth							
2000 - 2015	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+	Total
\$0 - \$25,000	222	14	16	135	374	781	1,542
\$25,000 - \$35,000	0	-254	-264	136	28	681	327
\$35,000 - \$50,000	-3	-309	-373	-146	167	765	101
\$50,000 - \$75,000	22	-284	-1,357	-258	572	1,152	-153
\$75,000 - \$100,000	-28	-120	-945	-508	479	957	-165
\$100,000 - \$150,000	6	554	-190	149	982	1,104	2,605
\$150,000 - \$200,000	1	104	-35	541	873	152	1,636
\$200,000 +	3	26	-45	1,076	1,125	57	2,242
Total	223	-269	-3,193	1,125	4,600	5,649	8,135
Target Audience	0	280	-2,572	1,000	4,031	3,422	6,161



The PMA has added 6,161 household within the target age and income ranges since 2000, or 410 HH/yr.

Fayette County is growing fastest among affluent households over 55, mostly baby boomers aging in place. The county is losing core family and renter-aged households from 25 to 44. The county is outpacing the metro area as a whole among households making more than \$200,000 - it has grown by 6.7% per year since 2000, 30% faster than the metro. However, most of the \$200,000+ growth has come in Peachtree City, not the DMPA area of Fayetteville.



Source: Noell Consulting Group based on data obtained from Claritas, Inc.

DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 19

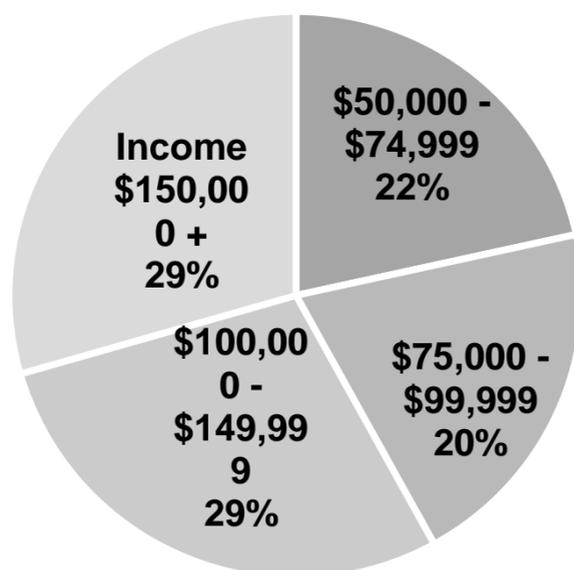
Summary of Owner Households in the Fayette County PMA, 2015

Target Audience Target Audience

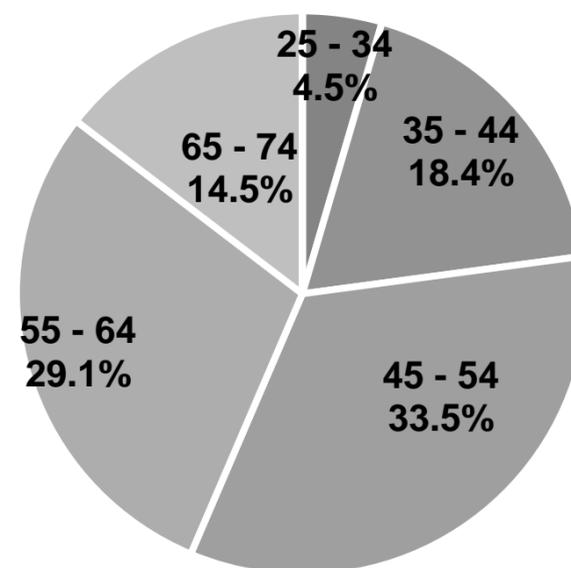
Income/Age	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85+	Total
Less than \$15,000	30	68	167	227	273	227	170	95	1,256
\$15,000 - \$24,999	3	75	183	152	176	463	361	166	1,580
\$25,000 - \$34,999	11	62	174	384	414	593	356	142	2,136
\$35,000 - \$49,999	11	135	401	519	531	770	369	110	2,847
\$50,000 - \$74,999	14	226	699	1,447	1,385	1,274	419	120	5,584
\$75,000 - \$99,999	0	289	1,030	1,324	1,206	925	262	64	5,100
\$100,000 - \$149,999	1	393	1,672	2,029	1,705	864	193	63	6,919
Income \$150,000 +	1	142	885	3,028	2,492	330	75	16	6,969
Total	71	1,390	5,211	9,110	8,181	5,445	2,206	776	32,391
Target Audience	0	1,050	4,286	7,828	6,788	3,393	0	0	23,345

New single family homes in Fayette County will draw from a target audience that includes households ranging from 25 (first time buyers) to 74 (retirees), and making \$75,000/year and up. The typical target household is a married couple over 45 years old, making more than \$100,000 per year. Approximately 55% of the target market is over 50 years old and qualifies as an "empty nester" household, while only a quarter of the market is under 45.

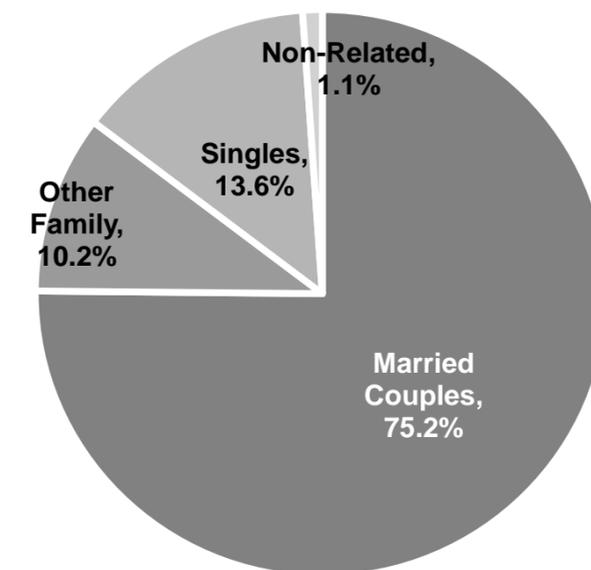
Target Market Income Distribution



Target Market Age Distribution



Target Market HH Type Distribution

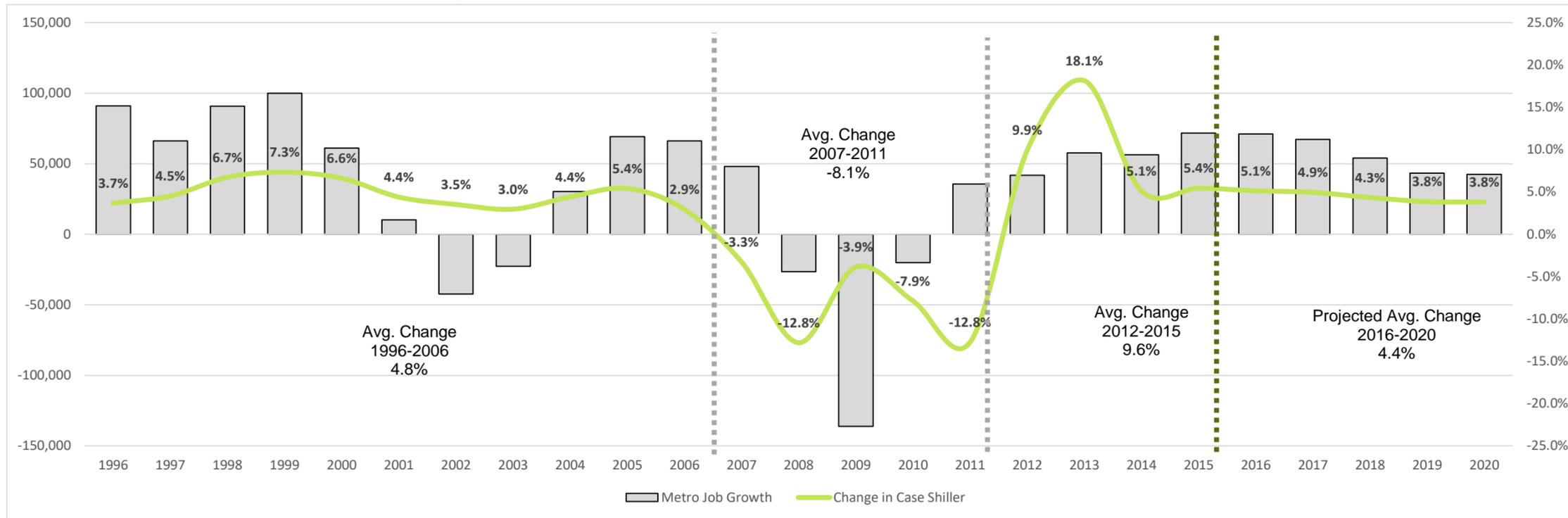


SOURCE: Noell Consulting projections based on data obtained from the US Census and Claritas, Inc.

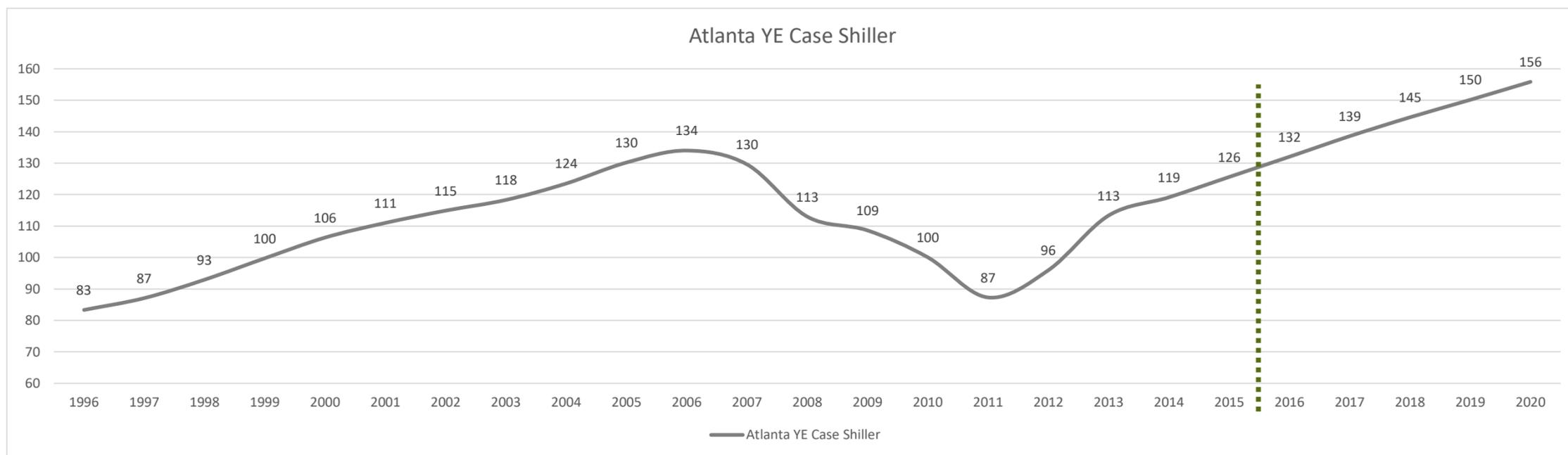


DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 20
Historical Home Price Trends - Case Shiller



Based on projected job growth and development patterns, we expect metro home prices to continue to see steady appreciation, although at levels considerably below the last four years as the market rebounded from the recession. We project a stabilized annual appreciation of around 3.8%/year by 2019, below the average 4.8%/year seen in metro Atlanta from 1996 to 2006, prior to the recession and housing collapse.



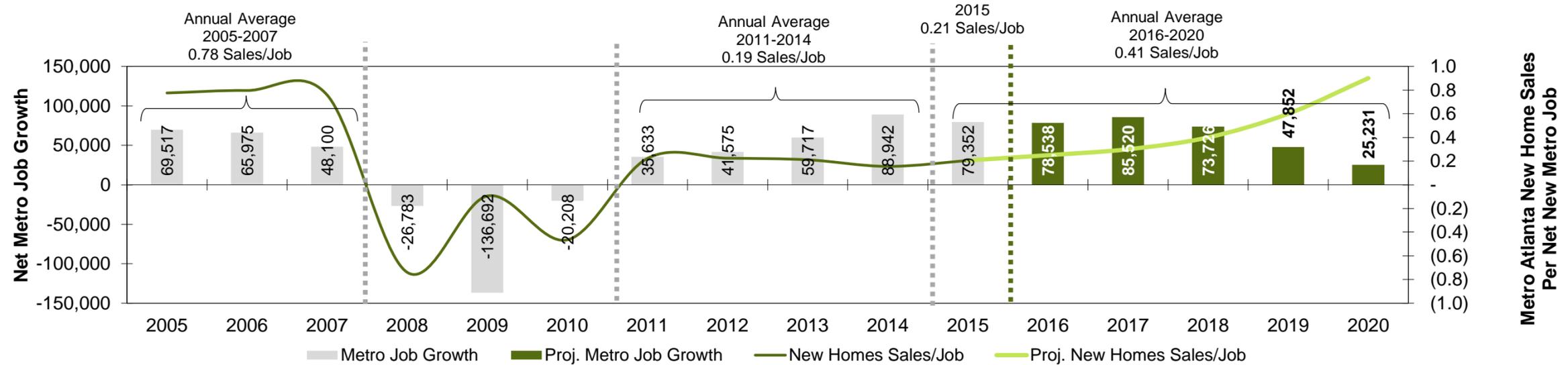
SOURCE: Noell Consulting Group, US Census Building Permits Survey, Moody's/Economy.com



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

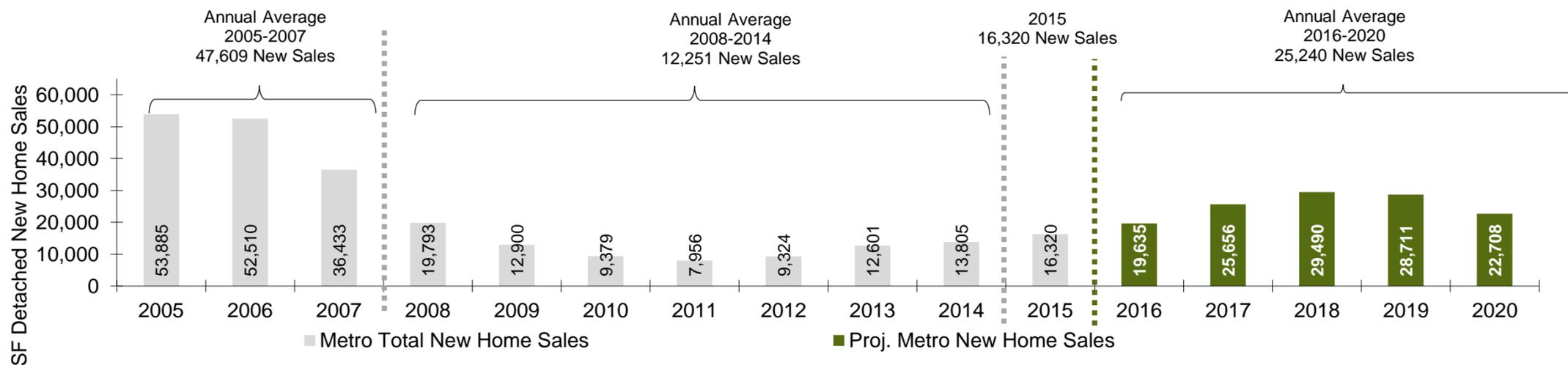
Exhibit 21
Historical and Projected Metro Atlanta Job Growth to Single Family New Home Sales

METRO ATLANTA JOB GROWTH AND NEW HOME SALES/NET NEW JOB



Like much of the country, the metro Atlanta new homes market is slowly recovering from the housing crash. Metro new home sales volume (including single family detached, townhomes, and condominium sales) in 2015 was up 22% from 2014 and have averaged 27% yearly increases in volume since bottoming out in 2011. Based on employment projections from Moody's Analytics, we expect this trend to continue over the next five years.

METRO ATLANTA NEW HOME SALES, SFD AND ATTACHED



We project an average of more than 20,000 new single family homes sold over the next five years. This is a higher volume than Atlanta has seen since 2007, although we do not think that sales will reach pre-recession levels.

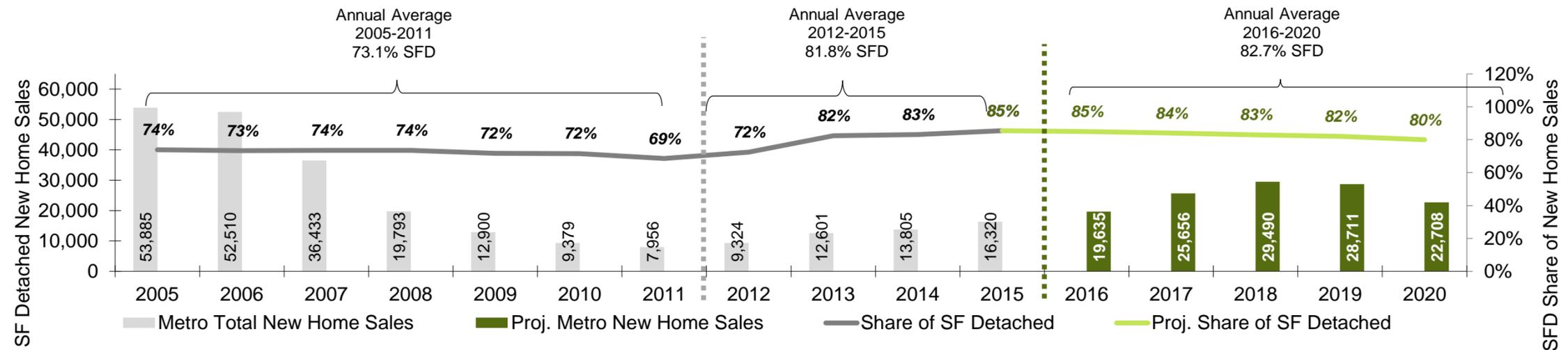
SOURCE: Noell Consulting Group, SmartNumbers, Moody's/Economy.com



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

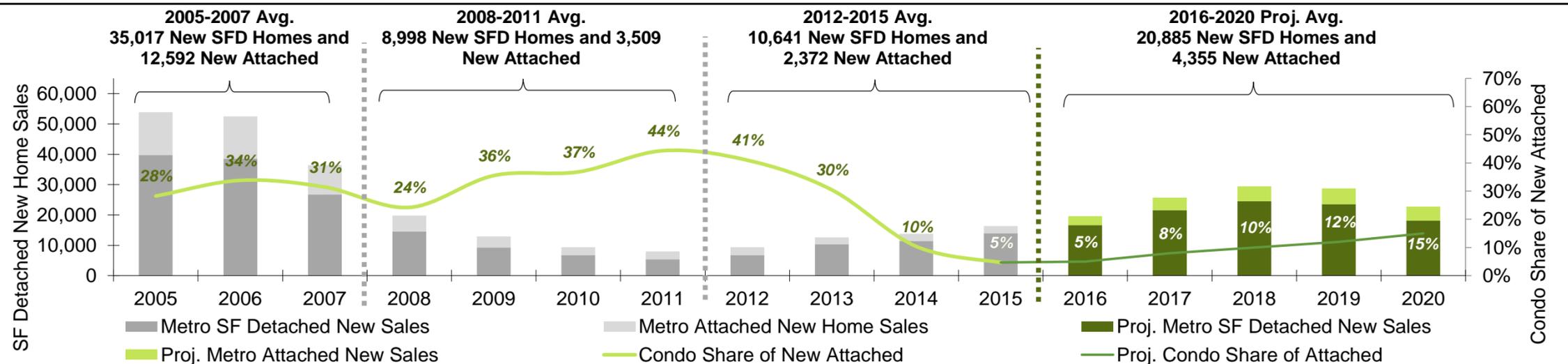
Exhibit 22
Historical and Projected Metro Atlanta Job Growth to Single Family New Home Sales

METRO ATLANTA NEW HOME SALES



The metro Atlanta for-sale residential market is slowly recovering from the Great Recession, with single-family home sales in 2015 approaching 2008 levels. Home prices have recovered from the recession, but have not kept pace with construction pricing and so new home sales have lagged. We expect single family sales to continue to improve over the next few years as job growth remains high and home prices continue to increase. Moody's Analytics projects an economic slowdown in 2019-2020, although we believe single-family demand will remain strong through these years due to pent up demand.

METRO ATLANTA SFD AND ATTACHED SALES



We project an average of more than 20,000 new single family homes sold over the next five years. This is a higher volume than Atlanta has seen since 2007, although we do not think that sales will reach pre-recession levels. We expect condo development to slowly return as prices appreciate and multifamily properties begin to be converted, but attached sales will remain well below 2005-2007 levels.

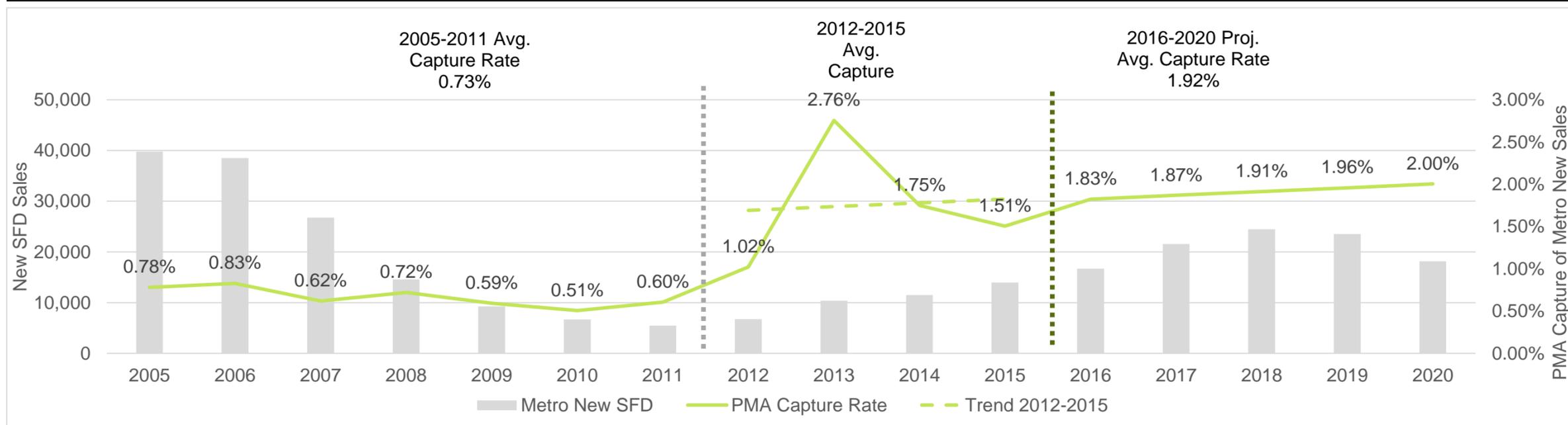
SOURCE: Noell Consulting Group, SmartNumbers, Moody's/Economy.com



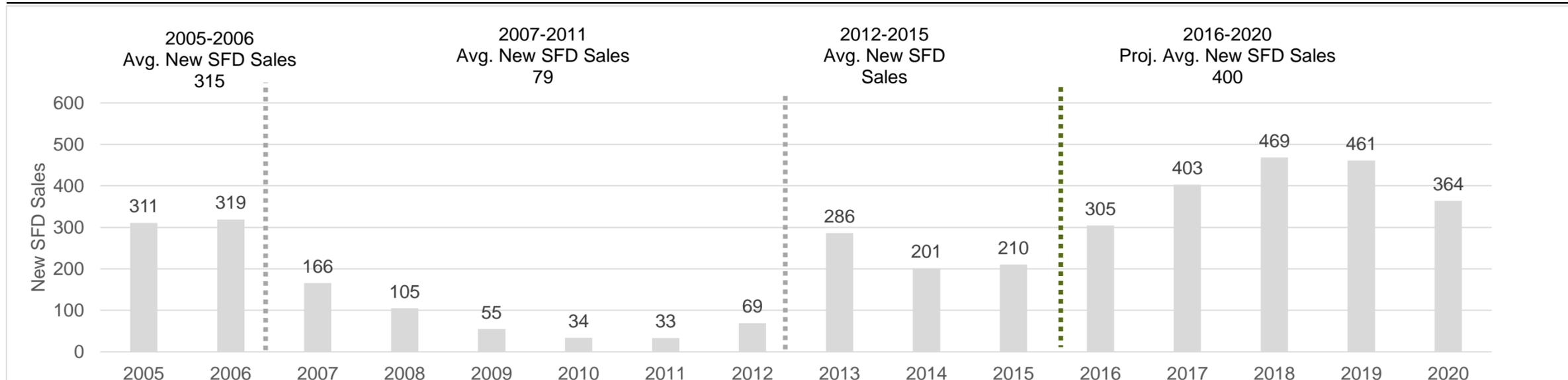
DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 23
PMA New SFD Capture Rate and Sales

METRO ATLANTA NEW SFD AND PMA CAPTURE



PMA NEW SFD HOME SALES



New single family home sales in the PMA declined from 2006 to 2011, and the PMA's capture rate of metro sales also declined. Starting in 2012, however, the PMA has captured a much higher share of new metro homes and has capture 1.8% of new metro sales through April 2016. The ongoing development at Pinewood Studios and new county infrastructure through the center of the county should also help increase single family activity. We project a continuation of the trend that started in 2012, which would lead to a sustained level of new single family construction that exceeds 2005-2006 levels.

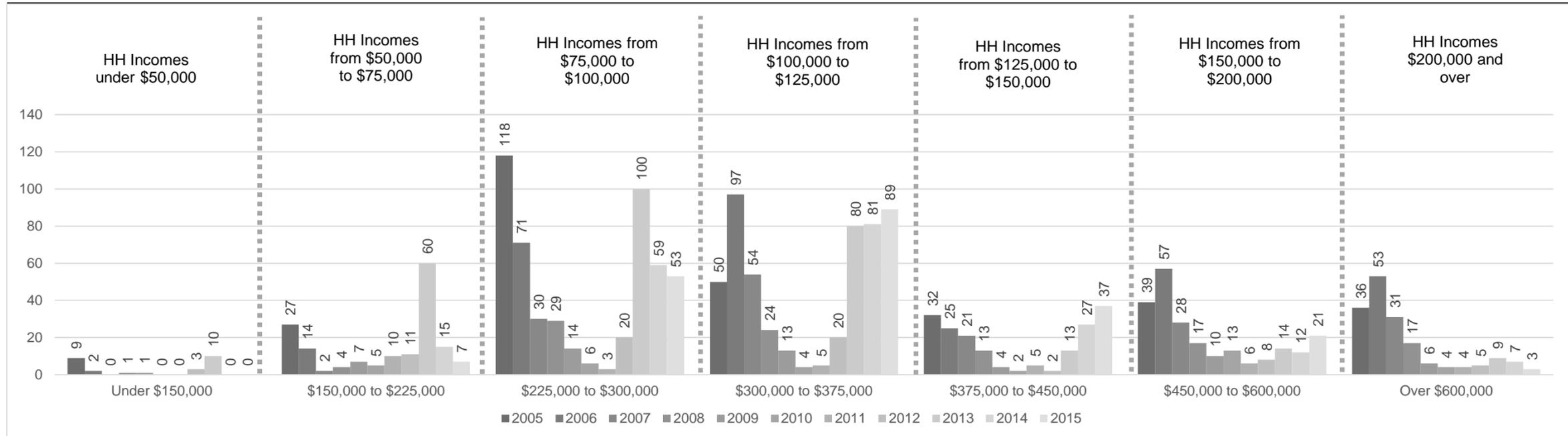
SOURCE: Noell Consulting Group, SmartNumbers for Zip codes 30214 & 30215.



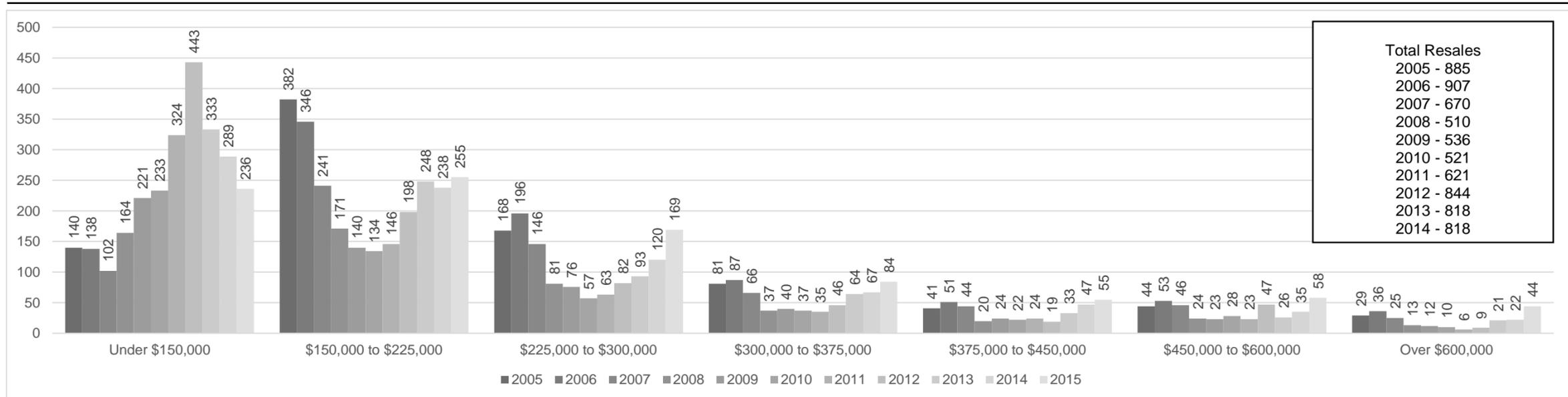
DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 24
PMA Single Family Sales by Price Point

PMA SFD NEW SALES BY PRICE



PMA SFD RESALES BY PRICE



New single family home sales in the PMA are strongest for homes priced between \$225,000 and \$450,000. Fayetteville has seen very little construction under the \$225,000 price point aside from a wave of sales in 2013, and is back to 2006 sales volumes for new construction below \$450,000. Sales between \$450,000 and \$600,000 are slowly returning, while high end sales above \$600,000 are still well below peak levels. The resale market is healthy, however, with sales volume back to 2006 peak levels and sales over \$450,000 exceeding previous peaks.

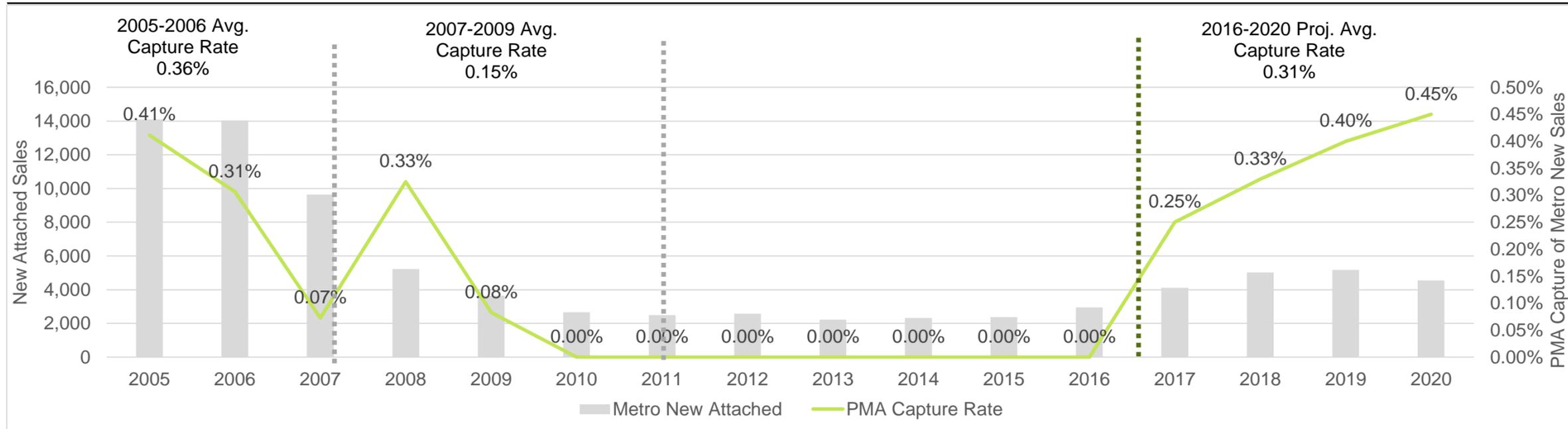
SOURCE: Noell Consulting Group, SmartNumbers, Moody's/Economy.com



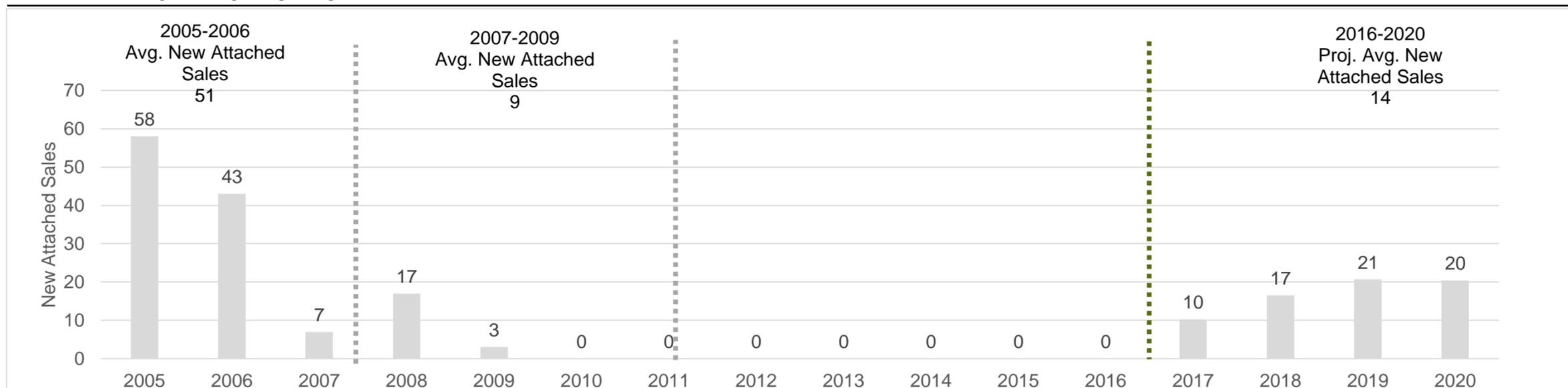
DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 25
PMA New Attached Capture Rate and Sales

METRO ATLANTA NEW ATTACHED HOME SALES AND PMA CAPTURE



PMA NEW ATTACHED HOME SALES



The PMA has historically seen very little new attached development, with very little new development since 2006. However, if new product were offered, we expect the PMA to capture a similar level of the metro attached market as it did in 2005-2006, reaching a level of 20 units/year by 2019-2020.

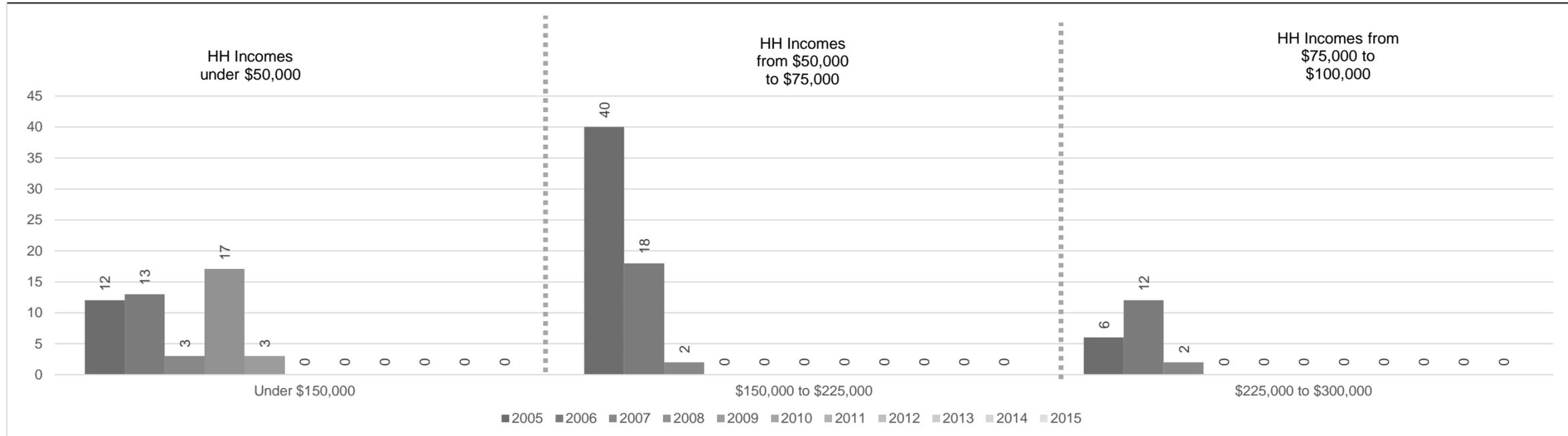
SOURCE: Noell Consulting Group, SmartNumbers for Zip codes 30214 & 30215.



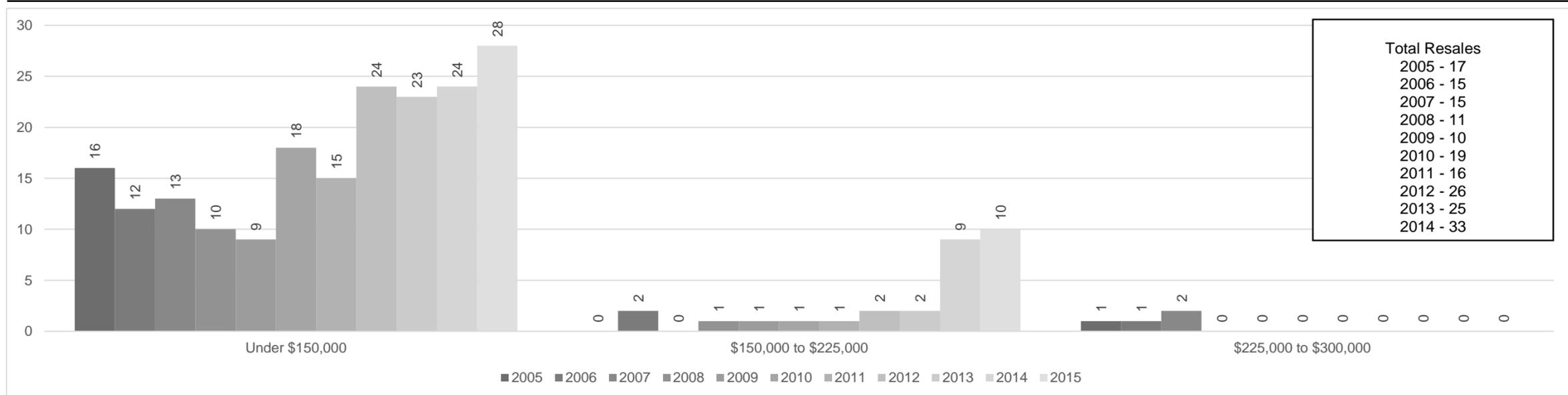
DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 26
PMA Attached Sales by Price Point

PMA ATTACHED NEW SALES BY PRICE



PMA ATTACHED RESALES BY PRICE



New attached sales are non-existent in the Fayetteville, although the area saw a small level of new attached sales from 2005-2008. Resale activity at price levels above \$150,000 picked up in 2014, and total resale volume continues to increase.

SOURCE: Noell Consulting Group, SmartNumbers, Moody's/Economy.com



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 27

Estimated Demand Potential for New For-Sale Residential Products in the Subject Site PMA
2016-2020

	2011	2012	2013	2014	2015	Averages '11-'15	2016	2017	Estimated		2019	2020	Averages '16-'20
Metro Employment Growth /1 Ratio,Sales/Job	35,633 0.22	41,575 0.22	59,717 0.21	88,942 0.16	79,352 0.21	61,044 0.20	78,538 0.25	85,520 0.30	73,726 0.40	47,852 0.60	25,231 0.90		62,173 0.41
Metro New Home Sales /2	7,956	9,324	12,601	13,805	16,320	12,001	19,635	25,656	29,490	28,711	22,708		25,240
Metro SFD Sales	5,457	6,755	10,377	11,478	13,952	9,604	16,689	21,551	24,477	23,543	18,166		20,885
Metro SFD Share	69%	72%	82%	83%	85%	80%	85%	84%	83%	82%	80%		83%
Metro Attached Sales	2,499	2,569	2,224	2,327	2,368	2,397	2,945	4,105	5,013	5,168	4,542		4,355
Metro Attached Share	31%	28%	18%	17%	15%	20%	15%	16%	17%	18%	20%		17%
PMA SFD Capture of Metro	0.6%	1.0%	2.8%	1.8%	1.5%	1.7%	1.8%	1.9%	1.9%	2.0%	2.0%		1.9%
PMA SF Sales /2	33	69	286	201	210	160	305	403	469	461	364		400
PMA Attached Capture of Metro	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.25%	0.33%	0.40%	0.45%		0.31%
PMA Attached Sales /2	0.00	0.00	0.00	0.00	0.00	0	0.0	10.3	16.5	20.7	20.4		14

Downtown Fayetteville Capture

SFD Capture Based on New SFD Home Sales 2005-2015

PMA Zip Codes	1,789
2-Mile Radius of Downtown Fayetteville	377
Capture Rate Near Downtown Fayetteville	21%
Share of Downtown Fayetteville Market	50%
Capture Rate of PMA	10.5%

SFD Capture Based on Preference for TND Communities

Preference for TND Communities	25%		
TND Communities in PMA (incl DMPA)	3	33%	*includes Lafayette Park
DMPA TND Sales as Share of All SFD Sales	8.3%		

SFD Capture Based on Share of Actively Selling New Home Communities

Average Number of Actively Selling New SFD Communities	8
Fair Share Capture	12.5%



	2016	2017	Estimated		2019	2020	Averages '16-'20
	32	42	49	49	38		42
	25	34	39	38	30		33
	38	50	59	58	46		50
Average of Capture Methods	32	42	49	48	38		42

Attached Capture Based on Share of Actively Selling New Home Communities

Average Number of Actively Selling New SFD Communities	2	*includes Lafayette Park
Fair Share Capture	50%	

We have estimated the potential capture rate for new for sale product in Downtown Fayetteville based on the average of several methods, including historical capture rate for communities near Downtown, consumer research on preferences for Traditional Neighborhood Developments, and the average number of competing new home communities in the PMA. Based on these estimates, we project that the DMPA can support more than 200 new SFD sales over five years, and more than 30 townhomes. These estimates factor out Lafayette Park as an existing competitor to new development in the DMPA.

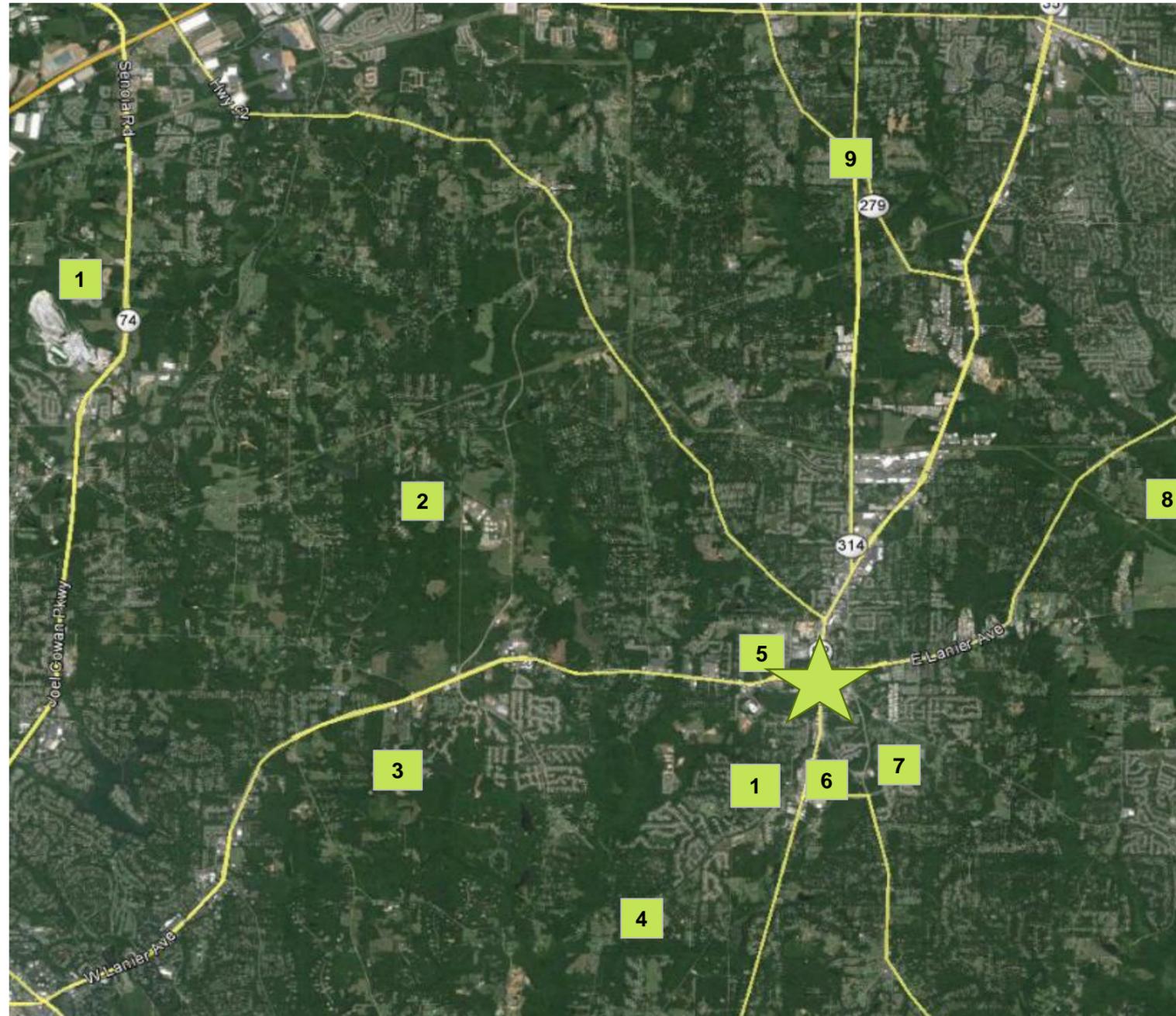
5-year Total Sales

SFD	209
Attached	34

SOURCE: Noell Consulting Group

DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 28
Competitive New Single Family Community Map



	Competitive Communit	Units/ Month	Avg Price	Avg. Size	\$/SF
1	River Crest	1.30	\$441,033	3,702	\$133
2	Annelise Park	0.50	\$458,333	4,421	\$115
3	Canoe Club	1.67	\$402,479	3,465	\$116
4	Haddonstone	1.61	\$422,102	3,676	\$128
5	Village at Lafayette Park	1.24	\$281,523	2,711	\$108
6	Summit Point	0.83	\$234,489	2,998	\$78
7	Logan Park	0.89	\$307,295	3,717	\$84
8	Patriots Pointe	1.15	\$205,097	2,968	\$69
9	Stillbrook Estates	0.33	\$320,414	3,741	\$86
10	Oakleigh Manor	TBD	\$347,730	3,108	\$112
Average All		1.06	\$342,049	3,451	\$103
Downtown Average		0.99	\$292,759	3,134	\$95

★ Study Area

The average of the DMPA's single family \$/SF sale price competitive set is \$103, with the four projects near Downtown Fayetteville averaging slightly less, at \$95/SF. However, both Oakleigh manor and the Village at Lafayette are both outperforming these levels. Lafayette Park in particular is seeing sales prices for later 2016 significantly outpace prices from 2015 and early 2016 - the four most recent sales there have averaged \$139/SF.

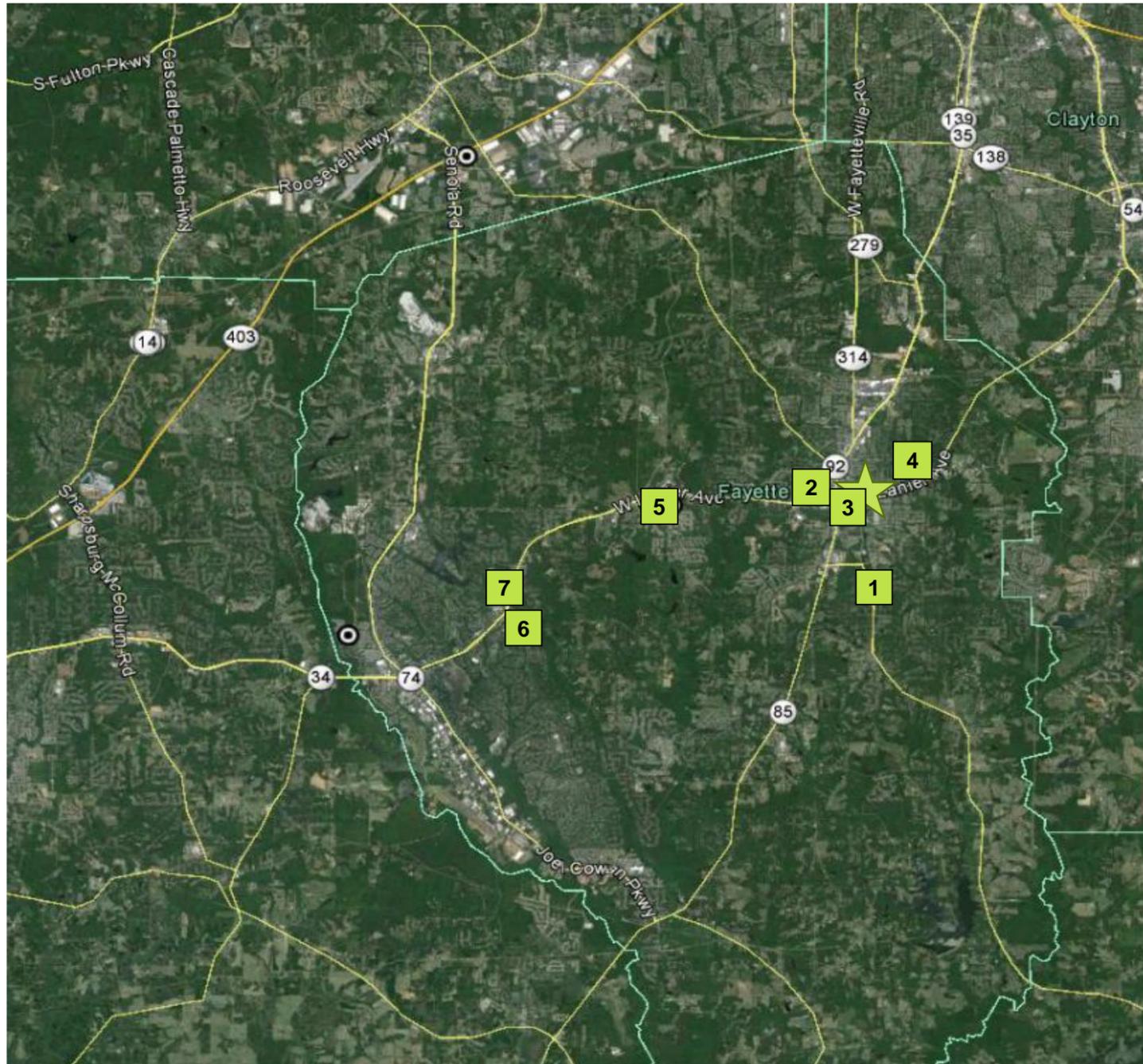
Based on these data points, we would target a \$110-130SF overall

SOURCE: Noell Consulting Group, Google Earth, Google Maps



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 29
Competitive Resales Map



	Competitive Community	Resales			
		2014-2015		\$/SF	
1	Summit Point	\$229,515	2,594	5.00	\$88
2	Villages at Lafayette (SFD)	\$292,500	3,116	8.00	\$95
3	Villages at Lafayette (TH)	\$182,256	2,135	9.00	\$86
4	Farrer Woods	\$205,960	2,504	5.00	\$82
5	Emory Springs	\$240,900	2,025	5.00	\$120
6	Lexington Village (TH)	\$238,667	1,955	15.00	\$122
7	Lexington Village (SFD)	\$404,126	3,189	18.00	\$128
	Average All	\$256,275	2,503	9.29	\$103
	Downtown Average	\$227,558	2,587	6.75	\$88

★ Study Area

In order to achieve our estimated sales potential, the DMPA will need to appeal to as many different household types as possible through a diverse product offering.

The attached villas at Emory Springs, for example, appeal to seniors seeking a one-level lifestyle with little home maintenance. The Townhomes at Lafayette Park appeal to first-time buyers seeking an affordable option. Frequently these townhome buyers are young couples without kids, or single parents. Larger single family product with yards will be necessary to appeal to traditional families. Younger Baby Boomers will be attracted to larger townhomes with a high level of finishes.

Each of these household types can find something appealing about Downtown Fayetteville and the DMPA should ensure that each product line has representation.

SOURCE: Noell Consulting Group, Google Earth, Google Maps



Exhibit 30
Attached For Sale Development Model Comparison



EMPTY NESTER

Width: 24' to 28'
Configuration: 3 bedroom/3 bath and larger
Square Footage: 2,500 to 3,500 SF
Finish Level: High (quartz counters, coffered ceilings, wide plank hardwoods, five-fixture master bath, wet bar, outdoor deck or roof terrace)

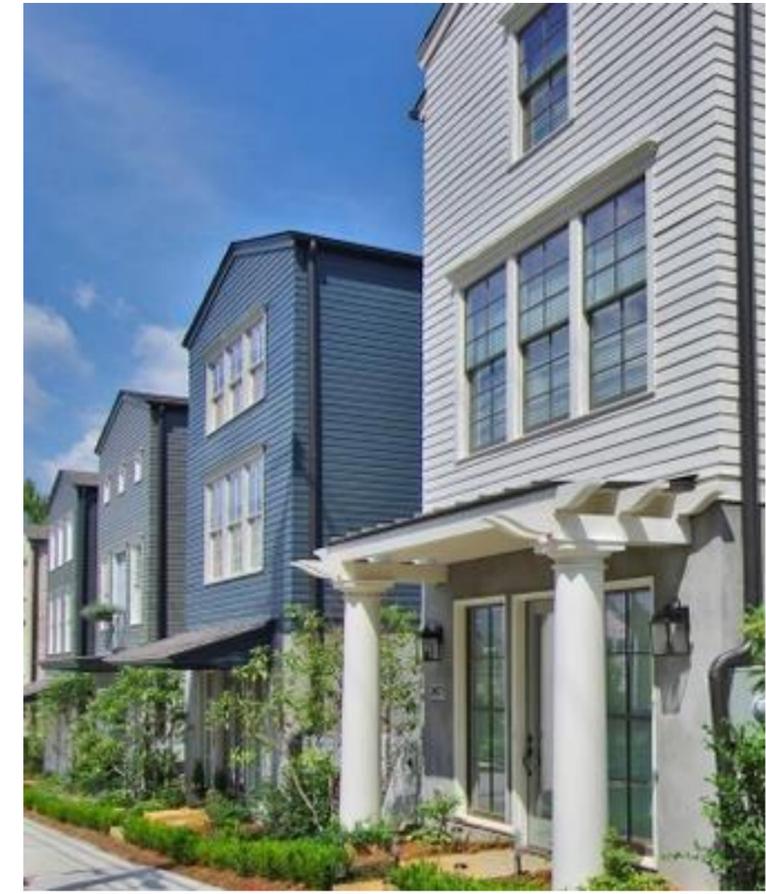
This product is targeting affluent empty nesters in the 50 to 65 age range who are seeking a low-maintenance lifestyle after years in a single family home. Often will have an elevator shaft to allow the home to meet the needs of an aging homeowner. Many times the buyer is trading down in size from a much larger house, but is also trading up in finish level. Buyers in this category are often seeking to stay in their existing community or to move into a more walkable urban area. Downtown Fayetteville can offer a unique opportunity for south suburban homeowners to do both. We also believe this is an underserved product in Fayette County.



MOVE UP

Width: 20' to 24"
Configuration: 3 bedroom/2.5 bath and larger
Square Footage: 2,000 to 2,500 SF
Finish Level: High (quartz counters, coffered ceilings, wide plank hardwoods, five-fixture master bath, outdoor deck or roof terrace)

This product is designed for the 35+ year old professional couple or older single buyer moving out of a smaller townhome or apartment, with high earning capacity. Often this buyer does not have children, or they have very young children that are not school age. This buyer typically is looking for a higher finish level without needing to maintain a yard, at a lower price point than a new construction single family home. They are often looking to live near a major employment core to limit their commute. Downtown Fayetteville may pick up some of this buyer, although it will be a more limited piece of the market.



FIRST TIME

Width: 18' to 22'
Configuration: 2 bedroom/2 bath up to 3 bedroom/3 bath
Square Footage: 1,600 to 2,200 SF
Finish Level: Mid-level (granite counters in kitchens only, some hardwoods, carpet in bedrooms, five-fixture master bath)

This product is designed for a home buyer who cannot yet afford or need a single family home. Finishes are typically more modest and sizes are smaller. The buyer profile for this product ranges can include young couples, single parents, and older single homeowners that prefer a lower maintenance lifestyle. The first phase of Lafayette Park has attracted some of this market audience, and we believe that Downtown Fayetteville can attract more of this audience.

SOURCE: Noell Consulting Group



RENTAL ANALYSIS

DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

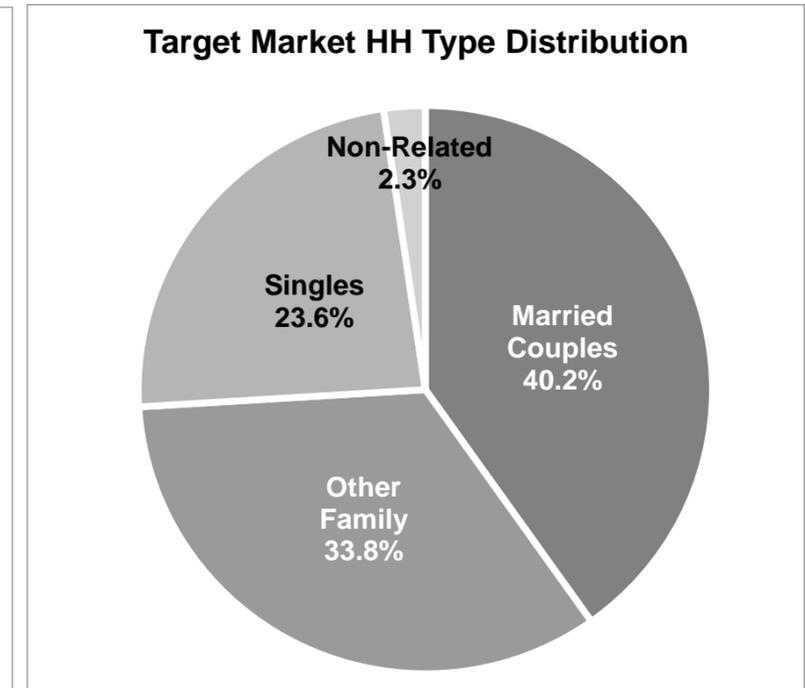
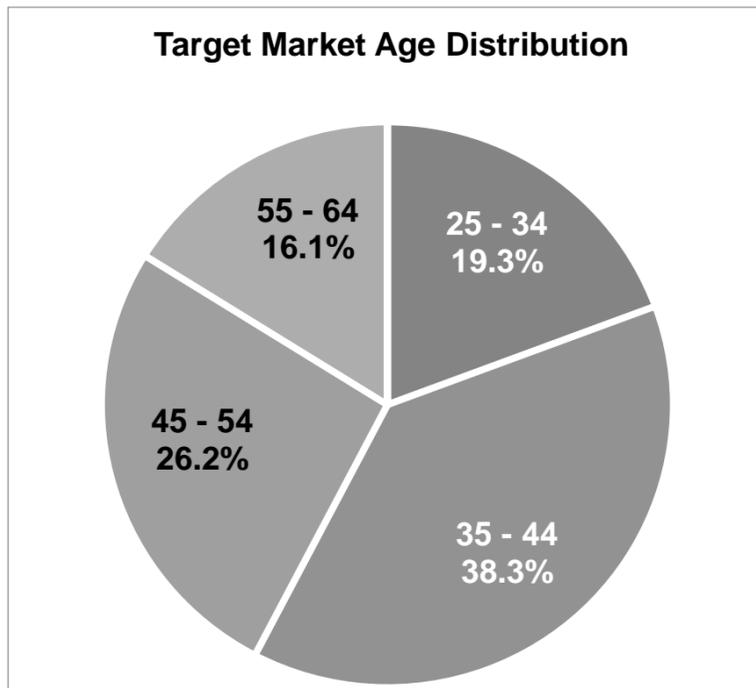
Exhibit 31

Summary of Renter Households in the Fayette County PMA, 2015

Target Audience

Income/Age	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85+	Total
Less than \$15,000	386	174	237	138	112	58	90	109	1,305
\$15,000 - \$24,999	28	123	166	59	46	76	121	122	742
\$25,000 - \$34,999	58	63	98	93	67	60	74	65	579
\$35,000 - \$49,999	82	197	326	180	124	113	111	72	1,206
\$50,000 - \$74,999	57	184	314	279	180	103	70	44	1,230
\$75,000 - \$99,999	1	137	272	149	92	44	26	14	734
\$100,000 - \$149,999	2	182	431	224	127	40	18	13	1,037
Income \$150,000 +	1	32	109	159	88	7	3	2	401
Total	615	1,092	1,953	1,281	837	501	514	440	7,234
Target Audience	0	732	1,452	991	611	0	0	0	3,786

The rental market in Fayette is much smaller than the single family market - only 28% of all households in Fayette are renters, and half of these renters make less than \$50,000. Rental units at the subject site will draw from a targeted subset of this market that ranges from 25 to 64 years old, making more than \$50,000 per year. Roughly 40% of this market is composed of married couples, with singles making up close to a quarter of the market. Roughly a third of the market is composed of "Other Family" households, which are mostly single-parent households, although these households are concentrated at the lower income brackets. Almost half (46%) of renters in Fayette County make more than \$100,000 per year, and 44% are over age 45. At a metro level, the highest growth rates are seen among two key demographics at either end of the demographic spectrum - under 30-year olds and over 60-year olds. Fayetteville will need to diversify its rental product offering to attract this 'barbell' of demand. Higher finish levels and communities that target these households lifestyles are important as the metro Atlanta market becomes increasingly competitive.



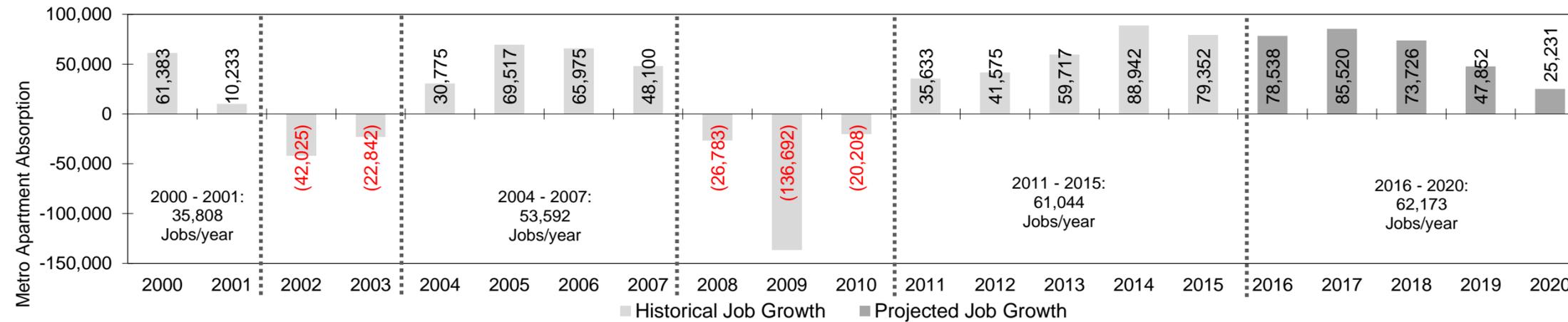
SOURCE: Noell Consulting projections based on data obtained from the US Census and Claritas, Inc.



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

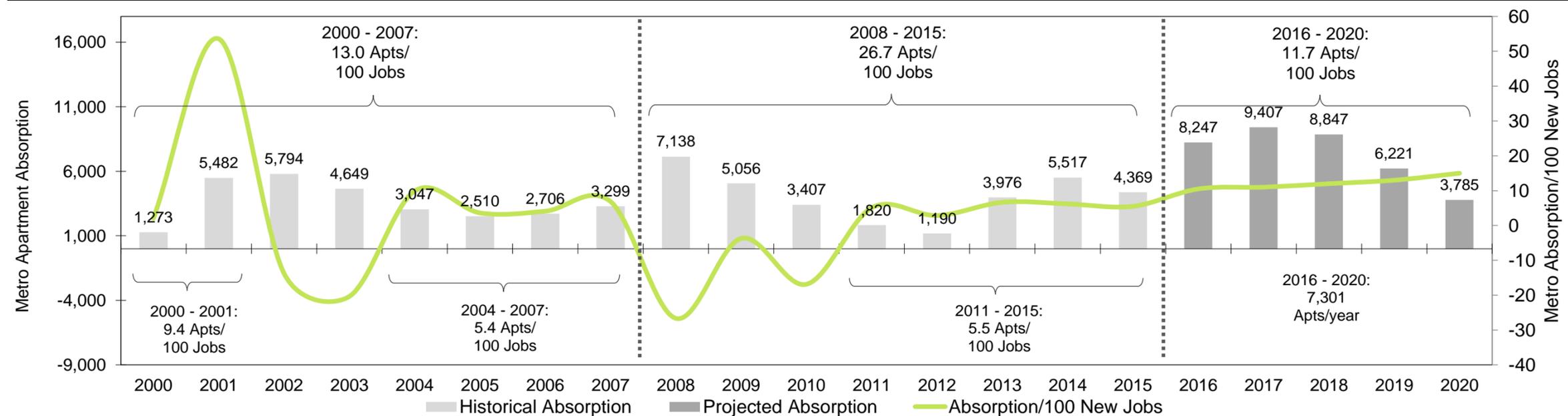
Exhibit 32
Historical and Projected Job Growth to Apartment Absorption Relationship in Atlanta

METRO JOB GROWTH



The Atlanta metro area has seen very strong job growth the last five years, with Moody's Analytics projecting equally strong job growth the next four years. This job growth has fueled demand for Class A rental units, as seen on the graph below. The metro area has absorbed an average of 4,621 units/year since 2013, however average rent growth over that same span (9%/year) suggests the market is capable of supporting more. The green line in the below graph tracks the relationship between Class A apartment absorption and job growth. Since 2000, the metro area has supported 17.9 units of absorption per 100 new jobs, although since 2011 the metro has only been able to absorb 5.5 units/100 new jobs. We expect the next five years to support apartment absorption moving back towards a historical average of about 11.7 units/100 new jobs. The metro area has absorbed 1,999 units year to date in 2016, putting it on pace to absorb more than 8,000 units this year.

METRO CLASS A & B APARTMENT ABSORPTION



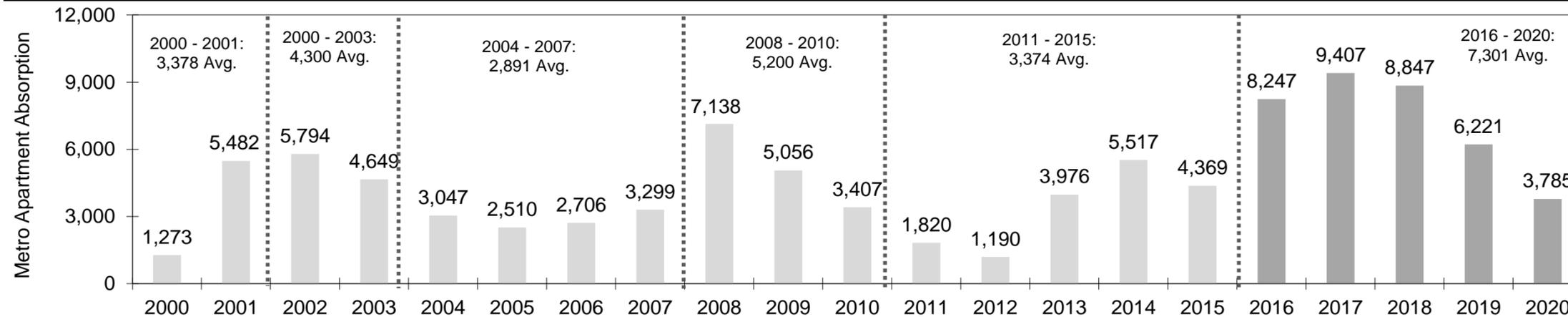
SOURCE: Noell Consulting Group, Costar and Economy.com | Moody's Analytics



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

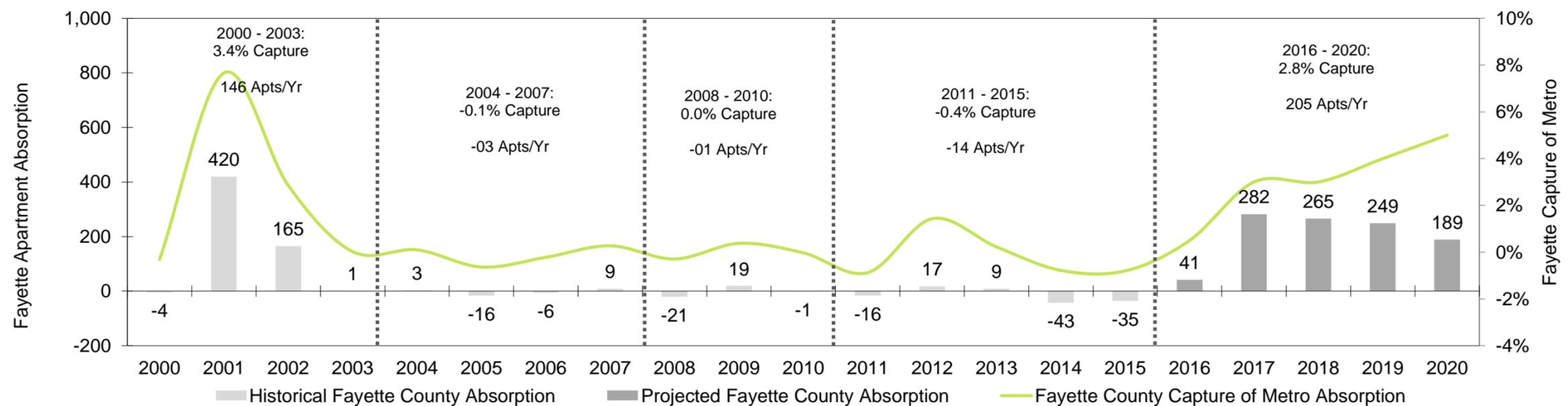
Exhibit 33
Fayette County Class A & B Apartment Absorption

METRO CLASS A & B APARTMENT ABSORPTION



This exhibit shows metro Atlanta apartment absorption (top) along with absorption for the Fayette County multifamily submarket. The data indicates that metro Atlanta renters been moving closer to employment, with the Fayette County capture rate clearly decreasing over the last fifteen years, from a high of around 8% in 2001. This is likely due to Fayette County's trouble holding onto Gen. Ys as they choose walkable, urban areas that are closer to employment over more rural, car-centric places. However, this trend will abate, as Intown multifamily developers and renters alike are forced outside the perimeter due to land and development costs. Moreover, the presence of Pinewood Studios, and the expansion of major southside employers (Delta, Panasonic, etc.) will pay dividends for those people developing affordable, quality apartment stock.

FAYETTE COUNTY CLASS A & B APARTMENT ABSORPTION



SOURCE: Noell Consulting Group and Costar



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 34 (Page 1 of 2)

Fayetteville County Submarket Apartment Supply and Demand Analysis

	'00-'15 Average	11-'15 Average	2015	2016	2017	Projected 2018	2019	2020	2016- 2020 Average
Employment Growth in the Metro ¹	21,416	61,044	79,352	78,538	85,520	73,726	47,852	25,231	62,173
Projected Jobs to New Apt. Absorption In Metro	17.9	5.5	5.5	10.5	11.0	12.0	13.0	15.0	11.7
Est. Supportable New Apt Absorption in Metro²	3,827	3,374	4,369	8,247	9,407	8,847	6,221	3,785	7,301
Fayette County Capture of Metro	1%	0%	-1%	0.5%	3.0%	3.0%	4.0%	5.0%	2.8%
Supportable New Apt Absorption Fayette County²	31	-14	-35	41	282	265	249	189	205

Income Range:	\$35,000	\$50,000	\$75,000	\$100,000	\$150,000	\$200,000	Total:	Total w/in Rent Range
	\$50,000	\$75,000	\$100,000	\$150,000	\$200,000	Above		
Rent Range (Avg. 18-30% of Gross Income) ⁴ :	Under \$1,250	\$1,250 \$1,500	\$1,500 \$1,833	\$1,833 \$2,500	\$2,500 \$3,000	\$3,000 Above		
Annual Demand Dist. By Rent Range⁵:	28.4%	28.5%	20.3%	16.5%	3.7%	2.5%		
2016 Demand By Rent Range	12	12	8	7	2	1	41	41
2017 Demand By Rent Range	80	81	57	47	11	7	282	282
2018 Demand By Rent Range	75	76	54	44	10	7	265	265
2019 Demand By Rent Range	71	71	51	41	9	6	249	249
2020 Demand By Rent Range	54	54	38	31	7	5	189	189
% Available for New Product Delivery	100%	100%	100%	100%	100%	100%	100%	→

1/ Employment growth from Economy.com

2/ Noell Consulting Group analysis based on larger analysis and trends of the market.

3/ The submarket includes all of Fayette County

4/ Noell Consulting Group based on US Census data for renter HH growth.

5/ Based on data from Claritas, Inc. and the Census for renter HHs within the submarket. Redistributed for HHs above \$35k.

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



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 34 (Page 2 of 2) Fayetteville County Submarket Apartment Supply and Demand Analysis

NOTES:

1. The numbers indicate the percentage of the year that the projects are expected to be in lease-up. Unit counts are market rate only (where # of affordable units are known).
2. Projects that are currently under construction are designated in **GREEN**.
3. There are 210 units currently under construction in the Fayette County submarket and 510 proposed, for a total of 740 units in the pipeline.
4. After factoring in matriculation rates for those projects that may delay, drop out, or convert to condominiums in 2018-2020, we estimate that 628 units will actually come to market in this time frame - including the study area.
5. If the study area were to have projects actively leasing through 2019 and 2020, we believe it could capture 325 units of absorption, which at 95% leased stabilization level translates into a 342 new Class A/B rental units.

2016	2017	2018	2019	2020	Total
41	282	265	249	189	1,027

*estimates for projects with units TBD indicated with **

5 Year Pipeline*						Total
Lafayette Square (Charter Development)		1.00	0.50			210
Abingdon Square (Unknown)		0.25	0.25			80
Pinewood Forest (TBD)			0.75	0.25		200
Hospital Site (Unknown)			0.25	1.00		250

Total, Projects Known	0.00	1.25	1.75	1.25	0.00	740
Matriculation Factor	100%	100%	75%	67%	67%	628
Subject Site				1.00	1.00	342
Total, All Projects w/Matriculation	0.0	1.3	1.3	1.8	1.0	969

Subject Site	2017	2018	2019	2020	Totals
Fair Share Capture:			54%	100%	
Annual Capture:			135	189	325
Fair Share Monthly Abs:			11.3	15.8	13.5

w/ 1-Month Free Concession (Above Market Average) on a 12-Mo. Lease During Lease-Up: **16.2**

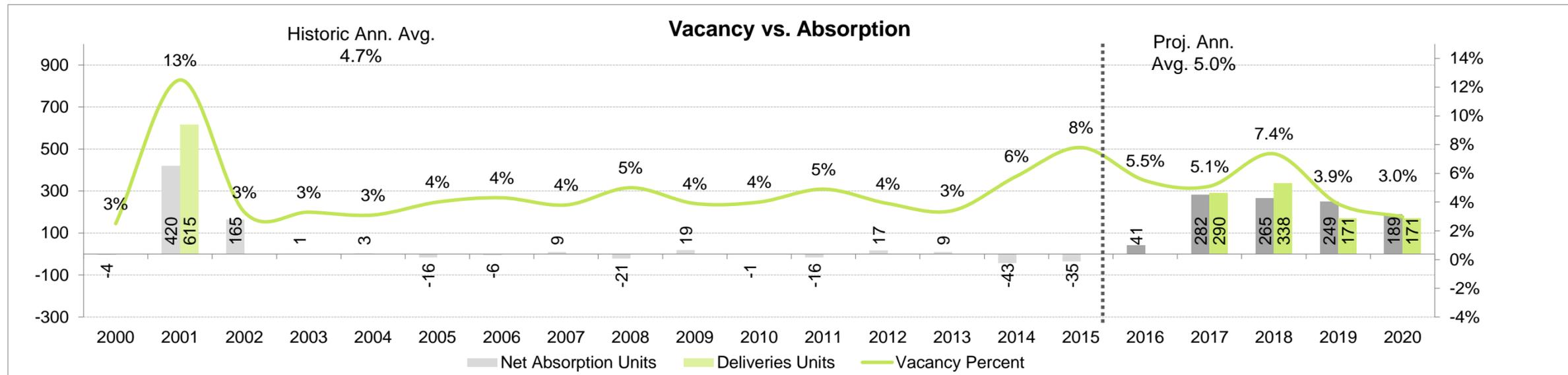
*All projects are in Fayette County unless otherwise noted

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

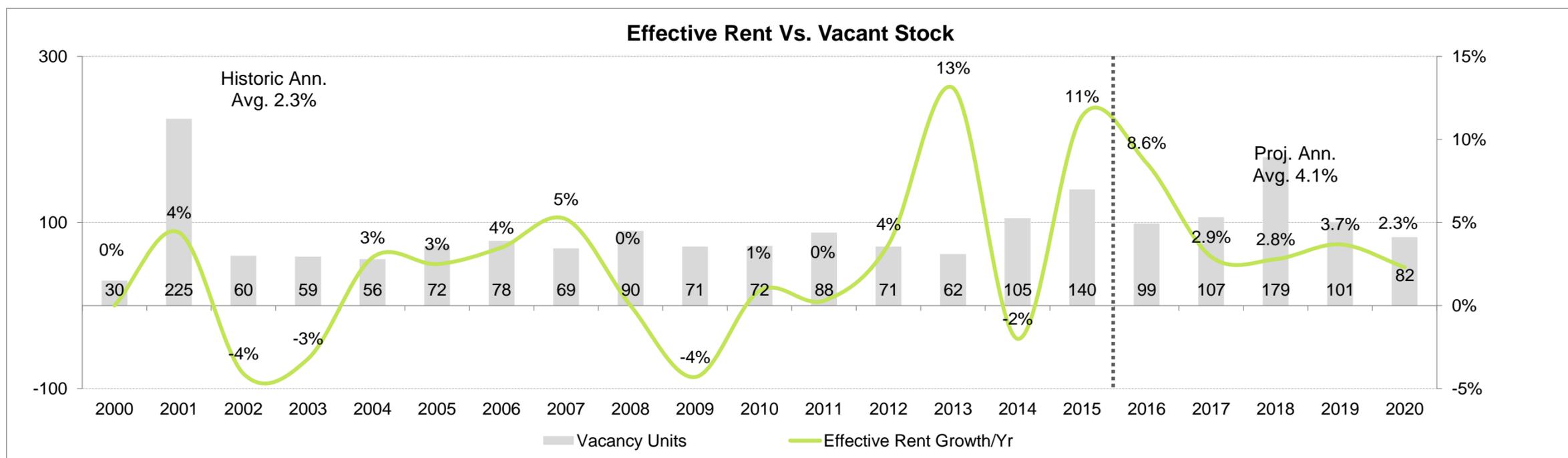


DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 35
Historic and Projected Vacancy and Rent Growth of Class A and B Properties in Fayette County



Fayette County class A and B properties have seen strong rental rate growth since 2013, and have seen 8.8% growth so far in 2016. We project that the new deliveries in 2017 will moderate this rent growth, and that the county should see healthy 4.0% rent growth through 2020 even with additional units within the DMPA delivering beyond what is currently in the pipeline.

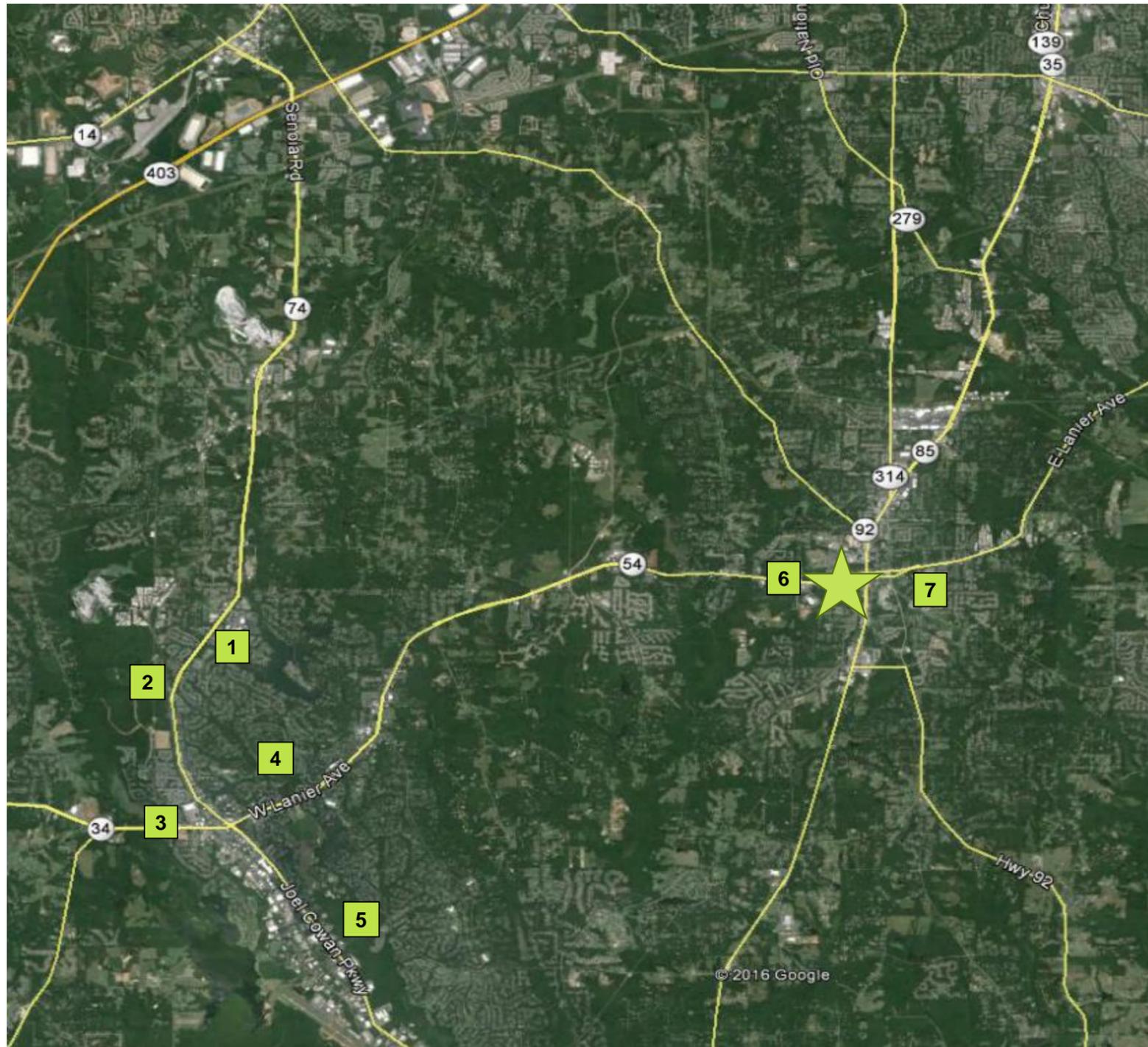


SOURCE: Noell Consulting Group and Costar



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 36
Competitive Apartment Community Map



Competitive Community	UNITS	\$/SF
1 Retreat at Peachtree City	312	\$1.49
2 Retreat at Kedron Village	216	\$1.07
3 Camden Peachtree City	399	\$1.36
4 Gables Court	198	\$1.13
5 Balmoral Village	312	\$1.12
6 Brandywine at Lafayette	113	\$0.92
7 Cobblestone Fayetteville	255	\$0.89
Average All	258	\$1.14
Downtown Average	184	\$0.91

★ Subject Site

The highest rents in the area are in Peachtree City, although there has not been a new multifamily project constructed in Fayetteville since 1995.

Rental development in Downtown Fayetteville offers a unique living experience, however, and the Meridian at Lafayette under construction should set a new bar for what Fayetteville rents can achieve. Rents have increased 7.7% per year since 2012 in Fayette County, indicating pent up demand.

We estimate a target \$/SF for new Fayetteville apartments at around \$1.20/SF to \$1.30/SF on average - larger floorplan units targeting empty nesters may see some dilution of this \$/SF as pricing per square foot tends to decline as apartment sizes increase, and smaller units can achieve very efficient \$/SF rates

SOURCE: Noell Consulting Group, Google Earth, Google Maps



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 37

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

Indicates Downtown Comp

Area/ Community Name	Total Units	\$/SF	Avg. Unit Size	Abs. Rent Range	Avg Rent	Percent Less than 2B/2b	Notes
Peachtree City							
1 Retreat at Peachtree City	312	\$1.49	983	\$1,220 - \$1,885	\$1,463	55%	Proximity to Southside employers adds a premium to product in Peachtree City. Renter activity from Panasonic, Delta (airport), and Pinewood Studios make this product the most attractive in the local area.
2 Retreat at Kedron Village	216	\$1.07	1,188	\$915 - \$1,755	\$1,269	31%	
3 Camden Peachtree City	399	\$1.36	1,027	\$1,029 - \$1,790	\$1,396	33%	
4 Gables Court	198	\$1.13	1,070	\$1,025 - \$1,465	\$1,214	26%	
5 Balmoral Village	312	\$1.12	1,069	\$1,009 - \$1,899	\$1,197	27%	
Avg Peachtree City	287	\$1.23	1,067	\$1,040 - \$1,759	\$1,308	34%	
Fayetteville							
6 Brandywine at Lafayette	113	\$0.92	886	\$750 - \$875	\$813	50%	Older product in Fayetteville with lower finish levels and rents.
7 Cobblestone Fayetteville	255	\$0.89	916	\$799 - \$1,089	\$818	98%	
Average Fayetteville	184	\$0.91	901	\$775 - \$982	\$816	74%	
Average All	258	\$1.14	1,020	\$750 - \$1,899	\$1,167	46%	
Downtown Average	184	\$0.91	901	750 - 1,089	\$816	74%	

Parking Ratios:
Pet Fees:

N/A
\$300-\$350 up front, \$0-\$20/month

Parking Fees: Free, garages \$75-\$100/month

There are no new apartments in the PMA, and those that were built last cycle are dated. However, there are over 700+ units in the pipeline (only 210 currently under construction), thus suggesting that there is an opportunity for product in line with modern renter expectations. This would likely be a luxury product with a granite countertops, vinyl hardwood floors, and stainless steel appliances.

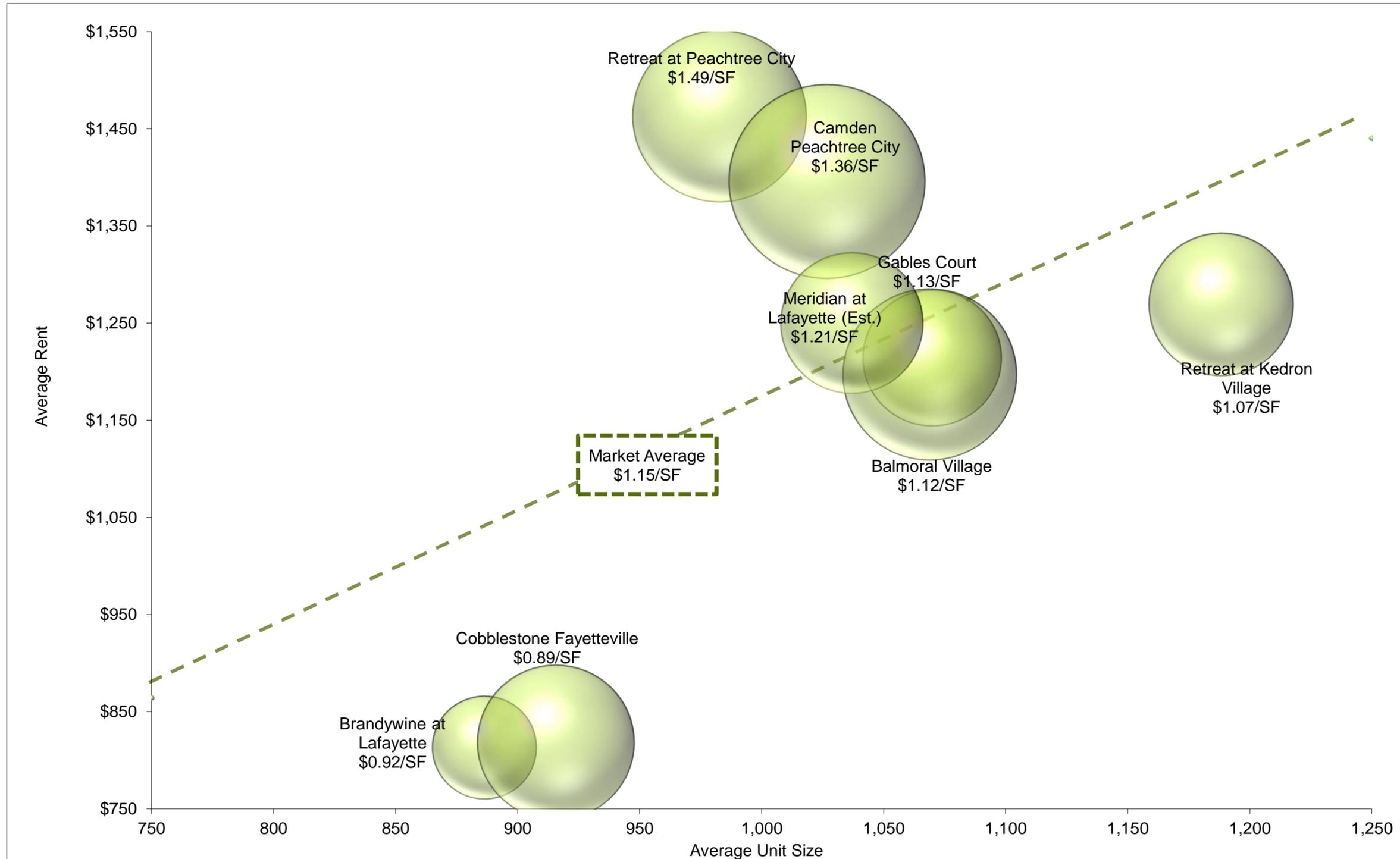
SOURCE: Noell Consulting Group



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 38

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



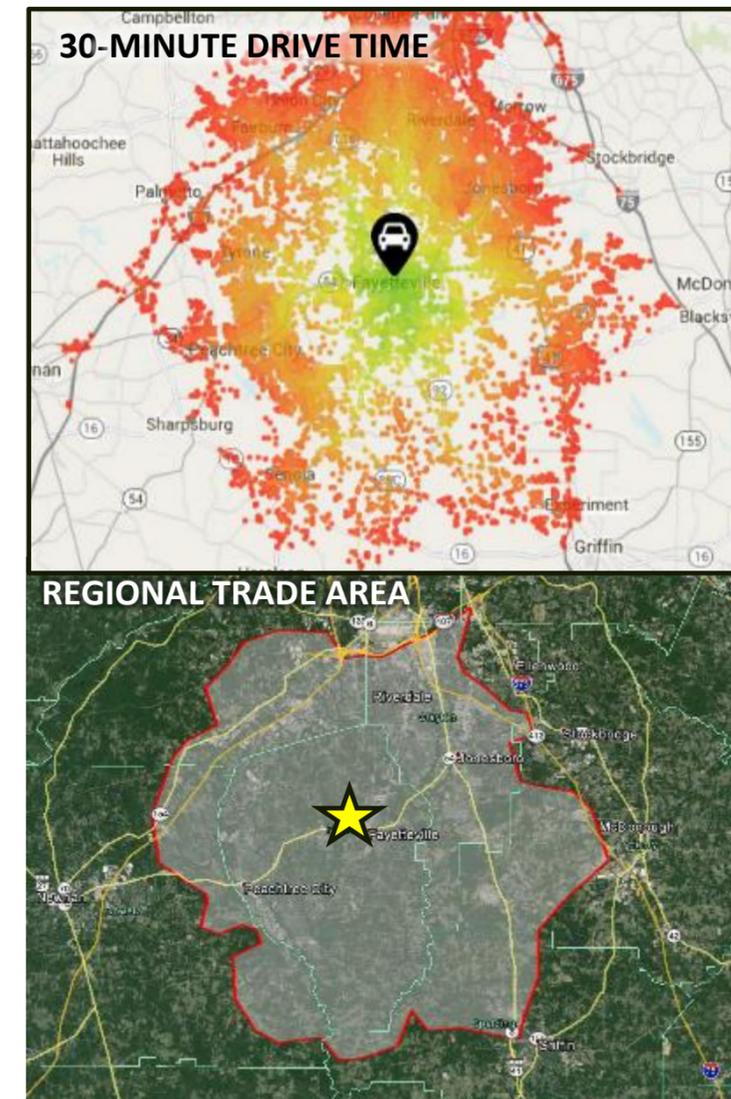
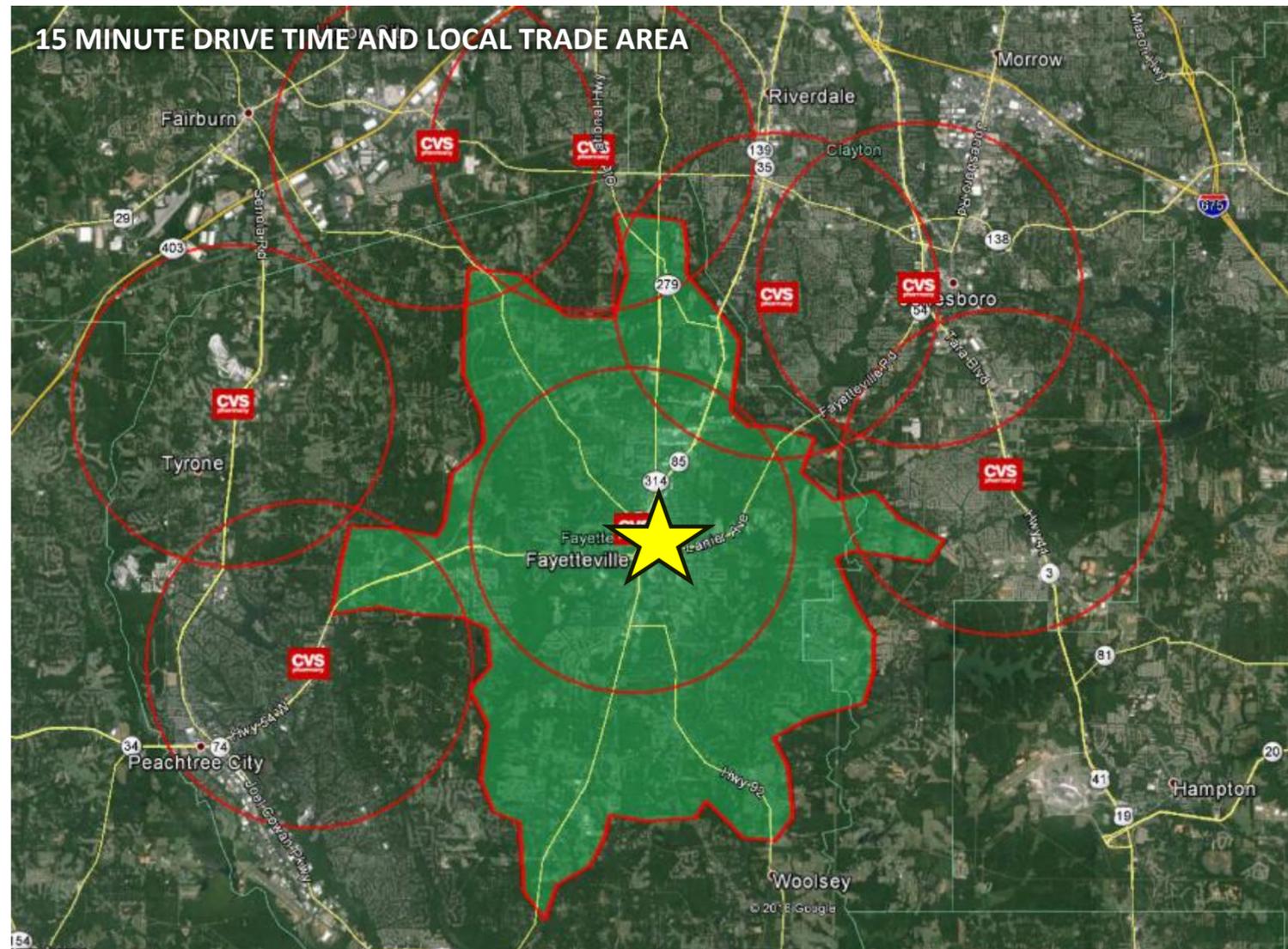
SOURCE: Noell Consulting Group based on surveys of properties.



COMMERCIAL ANALYSIS

DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 39
Defining the Trade Area



Chains that are active locally have trade areas that range from a one to three miles, as evidenced by the CVS locations shown above. We have used a fifteen minute drive time as a local trade area, shown in green above. This trade area is where the majority of local resident and employee spending will come from.

Because the trade area also includes the Fayetteville Pavilion retail center, we have analyzed a regional trade area of approximately thirty minutes in order to effectively estimate regional spending in the area. **This regional trade area will also be utilized for assessing the potential for a downtown shopping district serving weekend and evening shoppers and diners.**

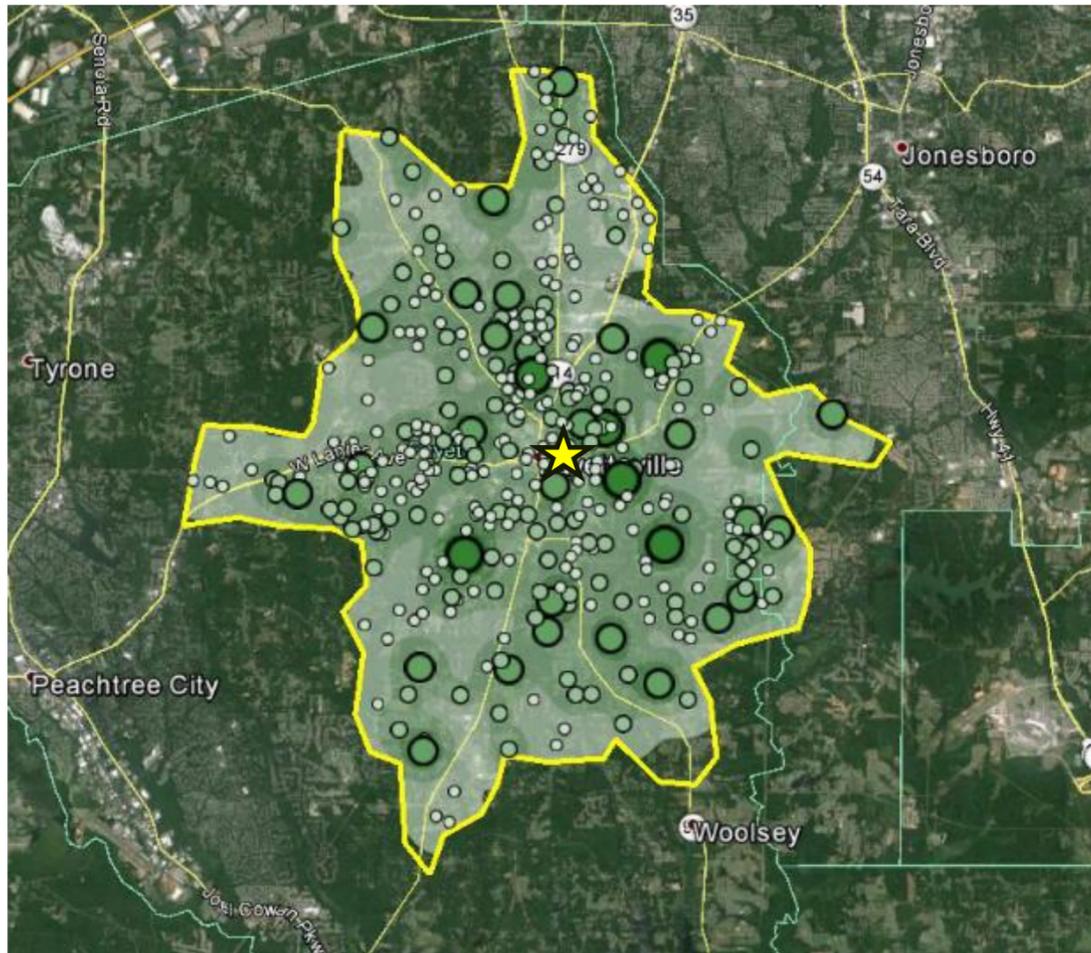
SOURCE: Noell Consulting Group, Google Earth, Trulia



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

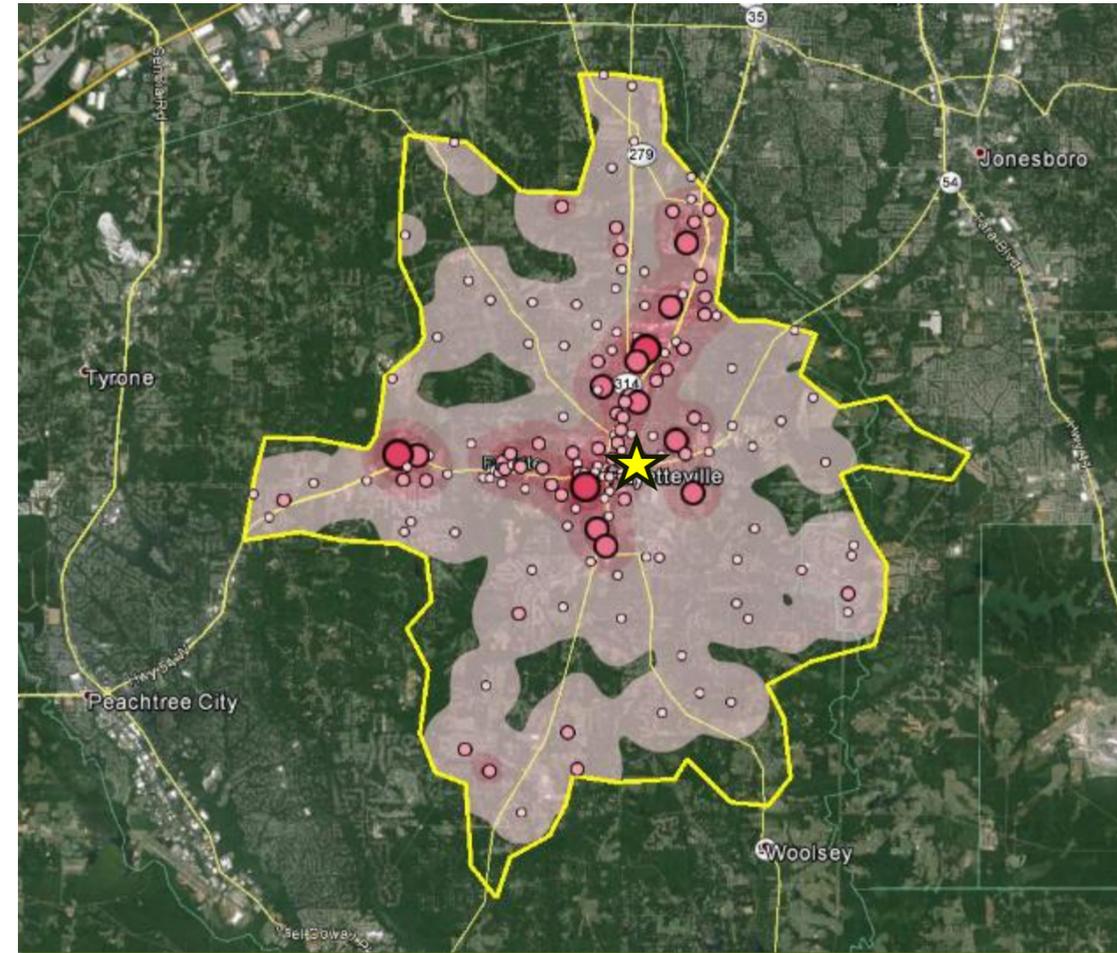
Exhibit 40 Retail Demand Drivers - Nearby Housing and Jobs

Density of Housing Near the Subject Site (2014)



There are 47,987 people living within the local trade area, with a median annual income of \$77,895. Most of these households have direct access to downtown Fayetteville due to the existing road network.

Density of Employment Near the Subject Site (2014)



According to the US Census, there are 18,420 workers within the local trade area. Approximately 30% of these workers make more than \$40,000 per year, and US Census estimates for the zip codes surrounding the study area the average annual income is \$35,000/year per worker.

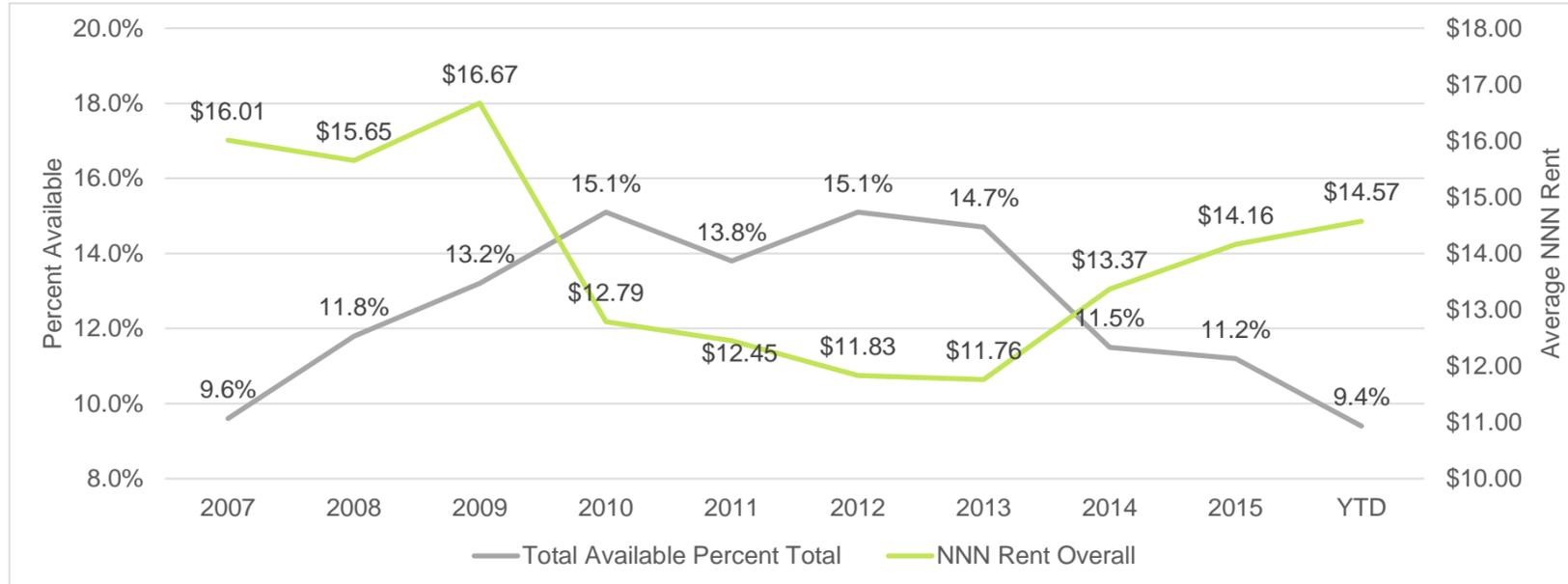
SOURCE: Noell Consulting Group, Yelp



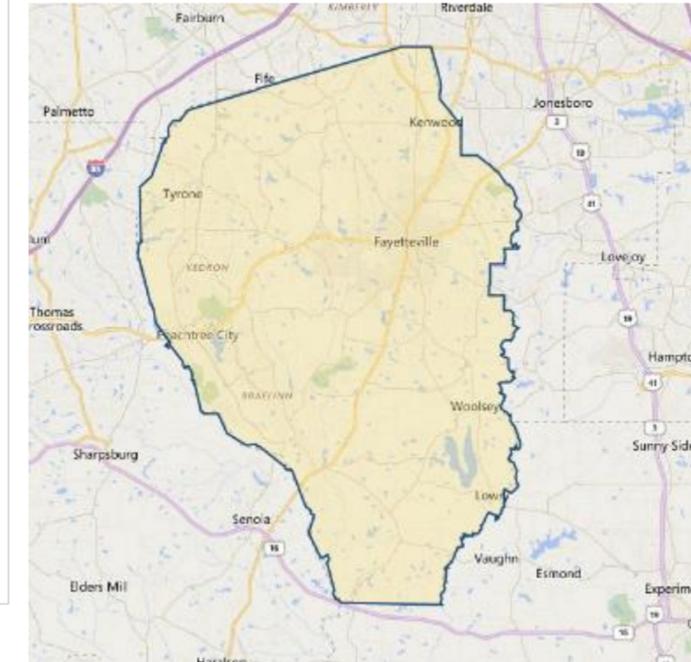
DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 41 Retail Market Trends

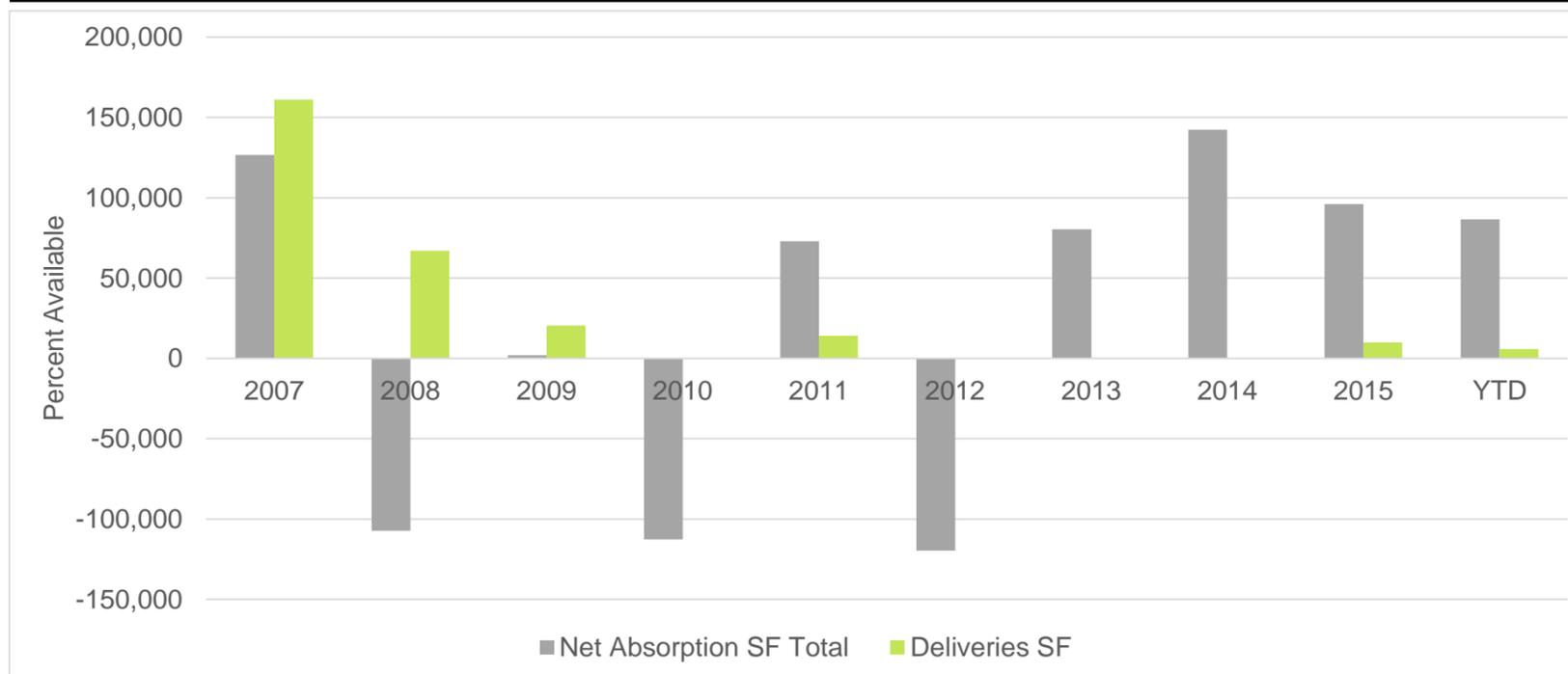
RETAIL AVAILABILITY AND RENTAL RATE TRENDS - MULTI-TENANT PROPERTIES



FAYETTE COUNTY COSTAR SUBMARKET



ABSORPTION AND CONSTRUCTION



The Fayette County multi-tenant retail market has been strong the last three years, **with available space steadily dropping from 15.1% to 9.4% today**. Rents have correspondingly increased 24% since 2013. There have been no major deliveries since 2007, and year to date rent growth and absorption are strong.

SOURCE: Costar



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 42
Estimated Retail Demand from the Local Trade Area Today

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% in Non-Regional Ctrs ²	Sales in Non-Reg Ctrs	% Local Sales ²	Local Sales in Non-Reg Ctrs	Est. Sales/SF	Capture Rate of Subject Core ³	Subject Core Capture in SF	Mix By Store Categories
	2016 Population	47,987		Median HH Income		\$77,895				
Furniture and Home Furnishings	\$18,062,729	\$376	35%	\$6,236,085	78%	\$4,840,517			19,081	4%
Furniture Stores	\$9,890,063	\$206	30%	\$2,967,019	75%	\$2,225,264	\$156	75%	10,698	
Home Furnishing Stores	\$8,172,665	\$170	40%	\$3,269,066	80%	\$2,615,253	\$234	75%	8,382	
Electronics & Appliance Stores	\$15,959,973	\$333	20%	\$3,191,995	20%	\$638,399	\$370	75%	1,294	0%
Bldg Mats., Garden Equip & Supply	\$99,867,124	\$2,081	30%	\$29,960,137	83%	\$24,820,255			53,295	10%
Bldg Materials & Supply Stores	\$85,664,705	\$1,785	30%	\$25,699,412	80%	\$20,559,529	\$389	75%	39,639	
Lawn & Garden Equipment	\$14,202,419	\$296	30%	\$4,260,726	100%	\$4,260,726	\$234	75%	13,656	
Food & Beverage Stores	\$107,372,714	\$2,238	88%	\$100,289,336	83%	\$82,933,964			183,566	34%
Grocery Stores	\$70,351,693	\$1,466	95%	\$66,834,108	80%	\$53,467,287	\$455	100%	117,511	
Specialty Food Stores	\$8,573,708	\$179	75%	\$6,430,281	80%	\$5,144,225	\$193	75%	19,991	
Beer, Wine & Liquor Stores	\$28,447,313	\$593	95%	\$27,024,948	90%	\$24,322,453	\$396	75%	46,065	
Health & Personal Care	\$56,782,980	\$1,183	90%	\$51,104,682	80%	\$40,883,746	\$458	75%	66,949	12%
Clothing & Clothing Accessories	\$40,716,402	\$848	20%	\$8,143,280	60%	\$4,885,968			11,393	2%
Clothing Stores	\$21,888,888	\$456	20%	\$4,377,778	60%	\$2,626,667	\$287	75%	6,864	
Shoe Stores	\$3,222,885	\$67	20%	\$644,577	60%	\$386,746	\$205	75%	1,415	
Jewelry, Luggage & Leather Goods	\$15,604,628	\$325	20%	\$3,120,926	60%	\$1,872,555	\$451	75%	3,114	
Sporting Gds, Hobby, Book & Music	\$15,390,147	\$321	25%	\$3,297,726	60%	\$1,978,636			7,572	1%
Sporting Goods, Hobby, Musical Inst	\$13,193,181	\$275	20%	\$2,638,636	60%	\$1,583,182	\$195	75%	6,089	
Book & Music Stores	\$2,196,966	\$46	30%	\$659,090	60%	\$395,454	\$200	75%	1,483	
General Merchandise Stores	\$101,428,009	\$2,114	0%	\$0	95%	\$0	\$300	75%	0	
Miscellaneous Store Retailers	\$23,136,707	\$482	70%	\$10,711,369	87%	\$9,299,762			38,610	7%
Florists	\$961,749	\$20	100%	\$961,749	100%	\$961,749	\$226	75%	3,192	
Office Supplies, Stationery & Gifts	\$11,149,582	\$232	30%	\$3,344,875	95%	\$3,177,631	\$202	75%	11,798	
Used Merchandise Stores	\$1,784,114	\$37	100%	\$1,784,114	95%	\$1,694,908	\$202	75%	6,293	
Other Miscellaneous Store Retailers	\$9,241,261	\$193	50%	\$4,620,631	75%	\$3,465,473	\$150	75%	17,327	
Food Service & Drinking Places	\$95,412,132	\$1,988	95%	\$87,298,853	57%	\$49,523,442			156,145	29%
Full-Service Restaurants	\$43,348,557	\$903	90%	\$39,013,701	50%	\$19,506,850	\$308	75%	47,500	
Limited-Service Eating Places	\$37,784,232	\$787	90%	\$34,005,809	60%	\$20,403,485	\$199	75%	76,898	
Special Food Services	\$10,454,997	\$218	100%	\$10,454,997	70%	\$7,318,498	\$200	75%	27,444	
Drinking Places	\$3,824,346	\$80	100%	\$3,824,346	60%	\$2,294,608	\$400	75%	4,302	
TOTAL	\$574,128,916	\$11,964	52%	\$300,233,464	73%	\$219,804,687			537,906	

1 Based on data obtained from Claritas.

2 Estimates via NCG based on ICSC data. Excludes shopping at local establishments outside the area while on destination trips/vacations/near workplace.

3 Based on a fair share capture analysis of competing cores within local trade area.

SOURCE: Noell Consulting Group, Claritas, Inc.



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 43

Estimated Retail Demand from the New Population Growth in the Trade Area 2016-2021

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% in Non-Regional Ctrs ²	Sales in Non-Reg Ctrs	% Local Sales ²	Local Sales in Non-Reg Ctrs	Est. Sales/SF	Capture Rate of Subject Core ³	Subject Core Capture in SF	Mix By Store Categories
<i>2016-2021 Population Growth:</i>		<i>2,604</i>		<i>Median HH Income</i>		<i>\$84,536</i>				
Furniture and Home Furnishings	\$1,063,781	\$408	35%	\$367,266	78%	\$285,076			1,124	4%
Furniture Stores	\$582,462	\$224	30%	\$174,739	75%	\$131,054	\$156	75%	630	
Home Furnishing Stores	\$481,318	\$185	40%	\$192,527	80%	\$154,022	\$234	75%	494	
Electronics & Appliance Stores	\$939,942	\$361	20%	\$187,988	20%	\$37,598	\$370	75%	76	0%
Bldg Mats., Garden Equip & Supply	\$5,881,542	\$2,259	30%	\$1,764,463	83%	\$1,461,756			3,139	10%
Bldg Materials & Supply Stores	\$5,045,110	\$1,937	30%	\$1,513,533	80%	\$1,210,826	\$389	75%	2,334	
Lawn & Garden Equipment	\$836,433	\$321	30%	\$250,930	100%	\$250,930	\$234	75%	804	
Food & Beverage Stores	\$6,323,574	\$2,428	88%	\$5,906,408	83%	\$4,884,286			10,811	34%
Grocery Stores	\$4,143,270	\$1,591	95%	\$3,936,107	80%	\$3,148,885	\$455	100%	6,921	
Specialty Food Stores	\$504,937	\$194	75%	\$378,703	80%	\$302,962	\$193	75%	1,177	
Beer, Wine & Liquor Stores	\$1,675,367	\$643	95%	\$1,591,599	90%	\$1,432,439	\$396	75%	2,713	
Health & Personal Care	\$3,344,159	\$1,284	90%	\$3,009,743	80%	\$2,407,794	\$458	75%	3,943	12%
Clothing & Clothing Accessories	\$2,397,939	\$921	20%	\$479,588	60%	\$287,753			671	2%
Clothing Stores	\$1,289,117	\$495	20%	\$257,823	60%	\$154,694	\$287	75%	404	
Shoe Stores	\$189,808	\$73	20%	\$37,962	60%	\$22,777	\$205	75%	83	
Jewelry, Luggage & Leather Goods	\$919,014	\$353	20%	\$183,803	60%	\$110,282	\$451	75%	183	
Sporting Gds, Hobby, Book & Music	\$906,382	\$348	25%	\$194,215	60%	\$116,529			446	1%
Sporting Goods, Hobby, Musical Inst	\$776,995	\$298	20%	\$155,399	60%	\$93,239	\$195	75%	359	
Book & Music Stores	\$129,387	\$50	30%	\$38,816	60%	\$23,290	\$200	75%	87	
General Merchandise Stores	\$5,973,469	\$2,294	0%	\$0	95%	\$0	\$300	75%	0	
Miscellaneous Store Retailers	\$1,362,606	\$523	70%	\$630,832	87%	\$547,697			2,274	7%
Florists	\$56,641	\$22	100%	\$56,641	100%	\$56,641	\$226	75%	188	
Office Supplies, Stationery & Gifts	\$656,640	\$252	30%	\$196,992	95%	\$187,142	\$202	75%	695	
Used Merchandise Stores	\$105,073	\$40	100%	\$105,073	95%	\$99,819	\$202	75%	371	
Other Miscellaneous Store Retailers	\$544,252	\$209	50%	\$272,126	75%	\$204,094	\$150	75%	1,020	
Food Service & Drinking Places	\$5,619,172	\$2,158	95%	\$5,141,351	57%	\$2,916,618			9,196	29%
Full-Service Restaurants	\$2,552,956	\$980	90%	\$2,297,660	50%	\$1,148,830	\$308	75%	2,797	
Limited-Service Eating Places	\$2,225,252	\$855	90%	\$2,002,727	60%	\$1,201,636	\$199	75%	4,529	
Special Food Services	\$615,733	\$236	100%	\$615,733	70%	\$431,013	\$200	75%	1,616	
Drinking Places	\$225,230	\$86	100%	\$225,230	60%	\$135,138	\$400	75%	253	
TOTAL	\$33,812,565	\$12,984	52%	\$17,681,854	73%	\$12,945,107			31,679	

1 Based on data obtained from Claritas.

2 Estimates via NCG based on ICSC data. Excludes shopping at local establishments outside the area while on destination trips/vacations/near workplace.

3 Based on a fair share capture analysis of competing cores within local trade area.

SOURCE: Noell Consulting Group, Claritas, Inc.



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 44
Estimated Retail Demand from the Regional Trade Area Today

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% in Regional Ctrs ²	Sales in Reg Ctrs	% Regional Sales ²	Regional Sales in Reg Ctrs	Est. Sales/ SF	Capture Rate of Subject Core ³	Subject Core Capture in SF	Mix By Store Categories
	2016 Population	507,768	Median HH Income	\$51,895						
Furniture and Home Furnishings	\$147,968,699	\$291	65%	\$96,916,387	78%	\$74,685,801			135,442	8%
Furniture Stores	\$81,351,672	\$160	70%	\$56,946,171	75%	\$42,709,628	\$156	33%	90,347	
Home Furnishing Stores	\$66,617,027	\$131	60%	\$39,970,216	80%	\$31,976,173	\$234	33%	45,095	
Electronics & Appliance Stores	\$136,445,416	\$269	80%	\$109,156,333	20%	\$21,831,267	\$370	33%	19,471	1%
Bldg Mats., Garden Equip & Supply	\$820,655,639	\$1,616	70%	\$574,458,947	83%	\$476,792,933			452,875	25%
Bldg Materials & Supply Stores	\$697,614,383	\$1,374	70%	\$488,330,068	80%	\$390,664,054	\$389	33%	331,412	
Lawn & Garden Equipment	\$123,041,256	\$242	70%	\$86,128,879	100%	\$86,128,879	\$234	33%	121,464	
Food & Beverage Stores	\$983,328,184	\$1,937	12%	\$65,099,789	83%	\$53,370,543			55,651	3%
Grocery Stores	\$645,518,930	\$1,271	5%	\$32,275,946	80%	\$25,820,757	\$455	33%	18,727	
Specialty Food Stores	\$79,666,897	\$157	25%	\$19,916,724	80%	\$15,933,379	\$193	33%	27,244	
Beer, Wine & Liquor Stores	\$258,142,358	\$508	5%	\$12,907,118	90%	\$11,616,406	\$396	33%	9,680	
Health & Personal Care	\$465,761,785	\$917	10%	\$46,576,179	80%	\$37,260,943	\$458	33%	26,847	2%
Clothing & Clothing Accessories	\$361,796,881	\$713	80%	\$289,437,505	60%	\$173,662,503			180,930	10%
Clothing Stores	\$201,267,357	\$396	80%	\$161,013,885	60%	\$96,608,331	\$287	33%	111,083	
Shoe Stores	\$31,951,960	\$63	80%	\$25,561,568	60%	\$15,336,941	\$205	33%	24,689	
Jewelry, Luggage & Leather Goods	\$128,577,565	\$253	80%	\$102,862,052	60%	\$61,717,231	\$451	33%	45,159	
Sporting Gds, Hobby, Book & Music	\$137,038,128	\$270	75%	\$107,772,847	60%	\$64,663,708			109,101	6%
Sporting Goods, Hobby, Musical Inst	\$118,461,576	\$233	80%	\$94,769,261	60%	\$56,861,557	\$195	33%	96,227	
Book & Music Stores	\$18,576,552	\$37	70%	\$13,003,586	60%	\$7,802,152	\$200	33%	12,874	
General Merchandise Stores	\$904,439,278	\$1,781	100%	\$904,439,278	95%	\$859,217,314	\$300	20%	572,812	
Miscellaneous Store Retailers	\$209,455,576	\$413	30%	\$112,596,313	87%	\$98,364,360			178,963	10%
Florists	\$7,889,201	\$16	0%	\$0	100%	\$0	\$226	33%	0	
Office Supplies, Stationery & Gifts	\$99,408,040	\$196	70%	\$69,585,628	95%	\$66,106,346	\$202	33%	107,996	
Used Merchandise Stores	\$16,136,965	\$32	0%	\$0	95%	\$0	\$202	33%	0	
Other Miscellaneous Store Retailers	\$86,021,370	\$169	50%	\$43,010,685	75%	\$32,258,014	\$150	33%	70,968	
Food Service & Drinking Places	\$827,385,644	\$1,629	5%	\$70,318,003	57%	\$38,450,262			52,786	3%
Full-Service Restaurants	\$374,053,978	\$737	10%	\$37,405,398	50%	\$18,702,699	\$308	33%	20,039	
Limited-Service Eating Places	\$329,126,053	\$648	10%	\$32,912,605	60%	\$19,747,563	\$199	33%	32,747	
Special Food Services	\$91,131,145	\$179	0%	\$0	70%	\$0	\$200	33%	0	
Drinking Places	\$33,074,468	\$65	0%	\$0	60%	\$0	\$400	33%	0	
TOTAL	\$4,994,275,230	\$9,836	48%	\$2,376,771,579	80%	\$1,898,299,634			1,784,879	

1 Based on data obtained from Claritas.

2 Estimates via NCG based on ICSC data. Excludes shopping at local establishments outside the area while on destination trips/vacations/near workplace.

3 Based on a fair share capture analysis of competing cores within local trade area.

SOURCE: Noell Consulting Group, Claritas, Inc.



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 45

Estimated Retail Demand from New Population Growth in Regional Trade Area 2016-2021

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% in Regional Ctrs ²	Sales in Reg Ctrs	% Regional Sales ²	Regional Sales in Reg Ctrs	Est. Sales/ SF	Capture Rate of Subject Core ³	Subject Core Capture in SF	Mix By Store Categories
<i>2016 - 2021 Population Growth:</i>		27,826	Median HH Income	\$55,332						
Furniture and Home Furnishings	\$8,645,866	\$311	65%	\$5,662,861	78%	\$4,363,919			7,914	8%
Furniture Stores	\$4,753,409	\$171	70%	\$3,327,386	75%	\$2,495,539	\$156	33%	5,279	
Home Furnishing Stores	\$3,892,458	\$140	60%	\$2,335,475	80%	\$1,868,380	\$234	33%	2,635	
Electronics & Appliance Stores	\$7,972,556	\$287	80%	\$6,378,045	20%	\$1,275,609	\$370	33%	1,138	1%
Bldg Mats., Garden Equip & Supply	\$47,951,215	\$1,723	70%	\$33,565,850	83%	\$27,859,189			26,462	25%
Bldg Materials & Supply Stores	\$40,761,868	\$1,465	70%	\$28,533,308	80%	\$22,826,646	\$389	33%	19,365	
Lawn & Garden Equipment	\$7,189,346	\$258	70%	\$5,032,542	100%	\$5,032,542	\$234	33%	7,097	
Food & Beverage Stores	\$57,456,232	\$2,065	12%	\$3,803,805	83%	\$3,118,461			3,252	3%
Grocery Stores	\$37,717,912	\$1,355	5%	\$1,885,896	80%	\$1,508,716	\$455	33%	1,094	
Specialty Food Stores	\$4,654,966	\$167	25%	\$1,163,742	80%	\$930,993	\$193	33%	1,592	
Beer, Wine & Liquor Stores	\$15,083,354	\$542	5%	\$754,168	90%	\$678,751	\$396	33%	566	
Health & Personal Care	\$27,214,635	\$978	10%	\$2,721,463	80%	\$2,177,171	\$458	33%	1,569	2%
Clothing & Clothing Accessories	\$21,139,927	\$760	80%	\$16,911,941	60%	\$10,147,165			10,572	10%
Clothing Stores	\$11,760,127	\$423	80%	\$9,408,101	60%	\$5,644,861	\$287	33%	6,491	
Shoe Stores	\$1,866,965	\$67	80%	\$1,493,572	60%	\$896,143	\$205	33%	1,443	
Jewelry, Luggage & Leather Goods	\$7,512,835	\$270	80%	\$6,010,268	60%	\$3,606,161	\$451	33%	2,639	
Sporting Gds, Hobby, Book & Music	\$8,007,189	\$288	75%	\$6,297,208	60%	\$3,778,325			6,375	6%
Sporting Goods, Hobby, Musical Inst	\$6,921,754	\$249	80%	\$5,537,403	60%	\$3,322,442	\$195	33%	5,623	
Book & Music Stores	\$1,085,435	\$39	70%	\$759,804	60%	\$455,883	\$200	33%	752	
General Merchandise Stores	\$52,846,724	\$1,899	100%	\$52,846,724	95%	\$50,204,388	\$300	20%	33,470	
Miscellaneous Store Retailers	\$12,238,567	\$440	30%	\$6,579,045	87%	\$5,747,466			10,457	10%
Florists	\$460,969	\$17	0%	\$0	100%	\$0	\$226	33%	0	
Office Supplies, Stationery & Gifts	\$5,808,449	\$209	70%	\$4,065,914	95%	\$3,862,618	\$202	33%	6,310	
Used Merchandise Stores	\$942,889	\$34	0%	\$0	95%	\$0	\$202	33%	0	
Other Miscellaneous Store Retailers	\$5,026,261	\$181	50%	\$2,513,130	75%	\$1,884,848	\$150	33%	4,147	
Food Service & Drinking Places	\$48,344,451	\$1,737	5%	\$4,108,707	57%	\$2,246,663			3,084	3%
Full-Service Restaurants	\$21,856,113	\$785	10%	\$2,185,611	50%	\$1,092,806	\$308	33%	1,171	
Limited-Service Eating Places	\$19,230,958	\$691	10%	\$1,923,096	60%	\$1,153,857	\$199	33%	1,913	
Special Food Services	\$5,324,827	\$191	0%	\$0	70%	\$0	\$200	33%	0	
Drinking Places	\$1,932,553	\$69	0%	\$0	60%	\$0	\$400	33%	0	
TOTAL	\$291,817,362	\$10,487	48%	\$138,875,649	80%	\$110,918,355			104,291	

1 Based on data obtained from Claritas.

2 Estimates via NCG based on ICSC data. Excludes shopping at local establishments outside the area while on destination trips/vacations/near workplace.

3 Based on a fair share capture analysis of competing cores within local trade area.

SOURCE: Noell Consulting Group, Claritas, Inc.



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 46 Estimated Retail Demand from Additional Non-Local Sources

Southern Ground Amphitheater Related Spending

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Potential Gross Per Capita	% Eating Out	Demand for Eating Out	% Eating Near Venue	Demand Near Venue	Est. Sales/ SF	Capture Rate of study area ³	Local Capture
		14,400	*Annual Attendance at Amphitheater (assuming avg. 1 events/month at 80% capacity)						
Full-Service Restaurants	\$432,000	\$30	25%	\$108,000	75%	\$81,000	\$308	100%	263
Limited-Service Eating Places	\$216,000	\$15	25%	\$54,000	75%	\$40,500	\$199	100%	204
Drinking Places	\$72,000	\$5	25%	\$18,000	75%	\$13,500	\$200	100%	68

TOTAL 534

Employees within Local Trade Area

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% Sales To/From or While at Work ²	Est. Sales Near Work	Est. Sales/ SF	Capture Rate of Core ⁴	Local Capture
		18,420	*Local Employees, working in within local trade area, assumes avg. salary \$35k				
Grocery Stores	\$16,391,976	\$890	11%	\$1,803,117	\$455	50%	1,981
Specialty Food Stores	\$2,023,020	\$110	5%	\$101,151	\$193	50%	262
Health & Personal Care	\$11,827,316	\$642	13%	\$1,537,551	\$458	50%	1,679
Florists	\$200,334	\$11	5%	\$10,017	\$226	50%	22
Office Supplies, Stationery & Gifts	\$2,524,317	\$137	5%	\$126,216	\$202	50%	312
Full-Service Restaurants	\$9,498,535	\$516	13%	\$1,234,810	\$308	50%	2,005
Limited-Service Eating Places	\$8,357,658	\$454	15%	\$1,253,649	\$199	50%	3,150
Drinking Places	\$839,876	\$46	5%	\$41,994	\$200	50%	105
TOTAL	\$51,663,032	\$2,805		\$6,108,504	\$2,241		9,516

1. Based on data obtained from Claritas.
2. Estimates via NCG based on ICSC data.
3. Assumes the subject site can capture 50% of venue-related dining due to its proximity to the venue.
4. Assumes study area is one of two primary retail cores for shopping/dining/drinking among local employees within local trade area.

SOURCE: Noell Consulting Group, ICSC, Claritas



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 47 Estimated Retail Demand from Additional Non-Local Sources

Evening & Weekend Destination Demand

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% in Non-Regional Ctrs ²	Sales in Non-Reg Ctrs	% Dest. Sales ²	Dest. Sales in Non-Reg Ctrs	Est. Sales/ SF	Capture Rate of Core ³	Subject Core Capture
		289,290	*Population 25 - 65 w/ HH Incomes \$50k+, living in regional trade area. From Claritas, Inc.						
Home Furnishing Stores	\$37,953,693	\$131	40%	\$15,181,477	20%	\$3,036,295	\$234	33%	4,282
Specialty Food Stores	\$45,388,590	\$157	75%	\$34,041,443	20%	\$6,808,289	\$193	33%	11,641
Clothing Stores	\$114,667,973	\$396	20%	\$22,933,595	40%	\$9,173,438	\$287	33%	10,548
Shoe Stores	\$18,203,978	\$63	20%	\$3,640,796	40%	\$1,456,318	\$205	33%	2,344
Office Supplies, Stationery & Gifts	\$56,635,704	\$196	30%	\$16,990,711	5%	\$849,536	\$202	33%	1,388
Used Merchandise Stores	\$9,193,707	\$32	100%	\$9,193,707	5%	\$459,685	\$202	33%	751
Other Miscellaneous Store Retailers	\$49,008,922	\$169	50%	\$24,504,461	25%	\$6,126,115	\$150	33%	13,477
Full-Service Restaurants	\$213,109,628	\$737	90%	\$191,798,665	50%	\$95,899,333	\$308	33%	102,749
Limited-Service Restaurants	\$187,512,858	\$648	90%	\$168,761,572	40%	\$67,504,629	\$199	33%	111,942
Drinking Places	\$18,843,504	\$65	100%	\$18,843,504	40%	\$7,537,402	\$400	33%	6,218
TOTAL									265,342

1. Based on data obtained from BLS for business travelers.
2. Estimates via NCG based on ICSC data.

SOURCE: Noell Consulting Group, ICSC, Claritas



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 48
Summary of Estimated Retail Demand (By Source) and Supply By Store Type

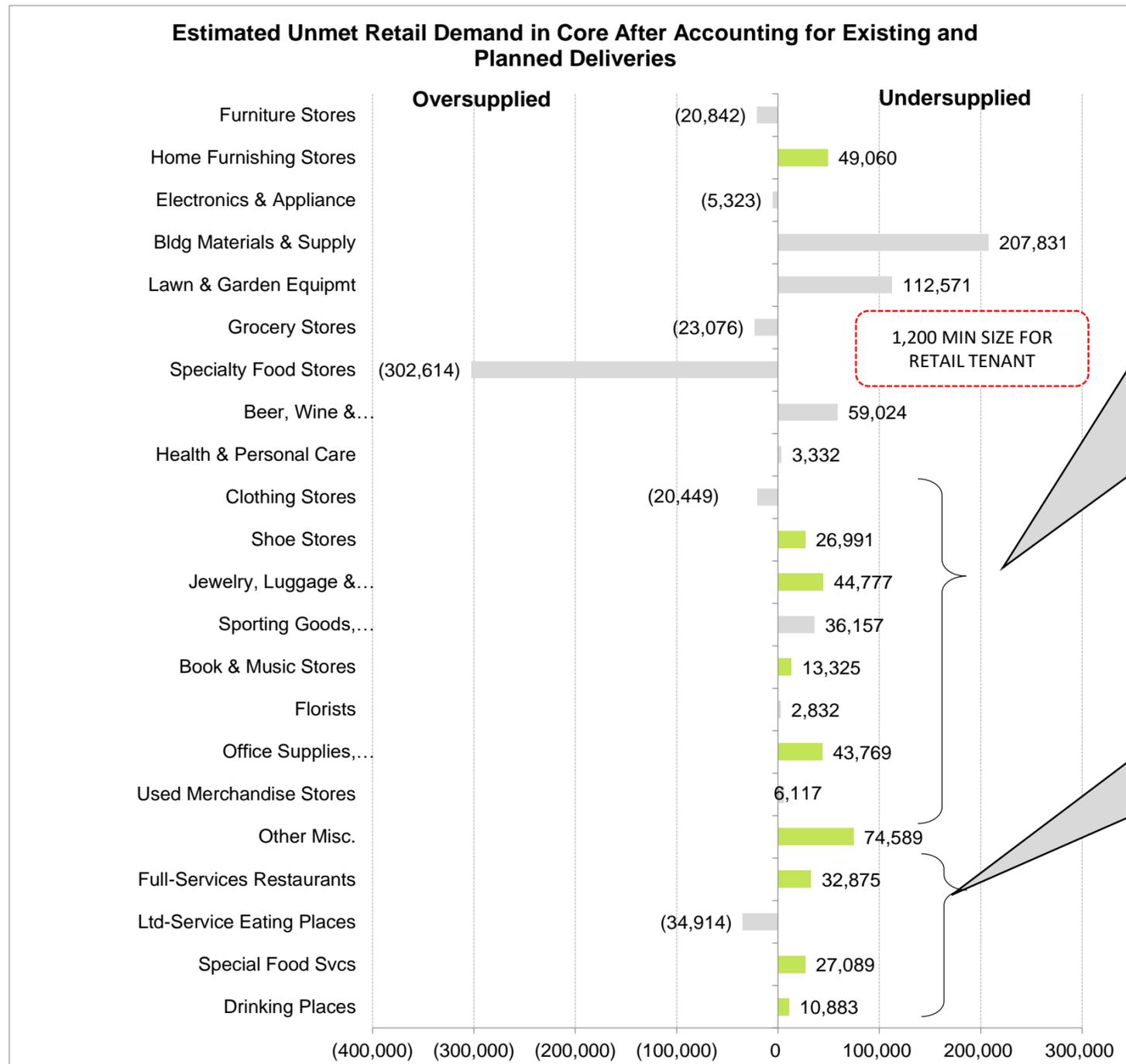
Store Type (Excl. General Merch. & Gas)	Existing Pop. In Regional Trade Area (RTA)	New Pop. Growth in RTA	Existing Pop. in Local Trade Area	New Pop. Growth in LTA (2020)	Weekend Shopping and Dining	Amphitheater	Employees in 5 Min Drive	Combined Demand From All Sources	Estimated Existing and Planned Supply	Net Excess Demand
Furniture and Home Furnishings	135,442	7,914	19,081	1,124	0	0	0	163,560	139,624	23,936
Furniture Stores	90,347	5,279	10,698	630	0	0	-	106,955	127,797	-20,842
Home Furnishing Stores	45,095	2,635	8,382	494	4,282	0	0	60,887	11,827	49,060
Electronics & Appliance Stores	19,471	1,138	1,294	76	0	0	0	21,979	27,302	-5,323
Bldg Mats., Garden Equip & Supply	452,875	26,462	53,295	3,139	0	0	0	535,771	215,369	320,402
Bldg Materials & Supply Stores	331,412	19,365	39,639	2,334	0	0	-	392,750	184,919	207,831
Lawn & Garden Equipment	121,464	7,097	13,656	804	0	0	-	143,021	30,450	112,571
Food & Beverage Stores	55,651	3,252	183,566	10,811	11,641	0	0	264,921	533,830	-268,909
Grocery Stores	18,727	1,094	117,511	6,921	0	0	1,981	146,234	169,310	-23,076
Specialty Food Stores	27,244	1,592	19,991	1,177	11,641	0	262	61,906	364,520	-302,614
Beer, Wine & Liquor Stores	9,680	566	46,065	2,713	0	0	-	59,024	0	59,024
Health & Personal Care	26,847	1,569	66,949	3,943	0	0	1,679	100,987	97,654	3,332
Clothing & Clothing Accessories	180,930	10,572	11,393	671	12,892	0	0	216,458	165,139	51,319
Clothing Stores	111,083	6,491	6,864	404	10,548	0	0	135,390	155,839	-20,449
Shoe Stores	24,689	1,443	1,415	83	2,344	0	0	29,974	2,982	26,991
Jewelry, Luggage & Leather Goods	45,159	2,639	3,114	183	0	0	-	51,095	6,318	44,777
Sporting Gds, Hobby, Book & Music	109,101	6,375	7,572	446	0	0	0	123,494	74,012	49,482
Sporting Goods, Hobby, Musical Inst	96,227	5,623	6,089	359	0	0	-	108,298	72,141	36,157
Book & Music Stores	12,874	752	1,483	87	0	0	-	15,196	1,871	13,325
General Merchandise Stores	572,812	33,470	0	0	0	0	0	606,281	586,964	19,317
Miscellaneous Store Retailers	178,963	10,457	38,610	2,274	15,616	0	335	246,255	118,948	127,307
Florists	0	0	3,192	188	0	0	22	3,402	570	2,832
Office Supplies, Stationery & Gifts	107,996	6,310	11,798	695	1,388	0	312	128,499	84,730	43,769
Used Merchandise Stores	0	0	6,293	371	751	0	0	7,415	1,297	6,117
Other Miscellaneous Store Retailers	70,968	4,147	17,327	1,020	13,477	0	0	106,940	32,351	74,589
Food Service & Drinking Places	52,786	3,084	156,145	9,196	108,968	534	5,259	335,972	300,039	35,933
Full-Service Restaurants	20,039	1,171	47,500	2,797	102,749	263	2,005	176,524	143,650	32,875
Limited-Service Eating Places	32,747	1,913	76,898	4,529	0	204	3,150	119,440	154,354	-34,914
Special Food Services	0	0	27,444	1,616	0	0	-	29,061	1,971	27,089
Drinking Places	0	0	4,302	253	6,218	68	105	10,947	63	10,883
TOTAL	1,784,879	104,291	537,906	31,679	149,117	534	7,273	2,615,679	2,258,881	356,797

SOURCE: Noell Consulting Group, Claritas, Inc.



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 49
Summary of Retail Demand



SOURCE: Claritas, Inc.

Our analysis indicates that there is strong demand for many types of dry good retailers that would fit in a traditional Downtown location with smaller store footprints (rather than big-box formats). These store types include home furnishing stores, shoe stores, jewelry luggage stores, book/music stores, stationary/gift stores, and miscellaneous store types. We estimate 217,000 square feet of unmet demand for these store types within the local trade area over the next five years.

Because this trade area includes the Pinewood Forrest TND development which will attempt to capture many of these same store types, **we estimate that Downtown Fayetteville can capture 50% of this demand if adequate retail space were available.**

Much of the demand for these store types come from the regional trade area and from weekend destination shoppers. Therefore, these store types must provide retail **options otherwise unmet in the Fayetteville market and that will appeal to the "destination shopper" who will be traveling 30+ minutes to**

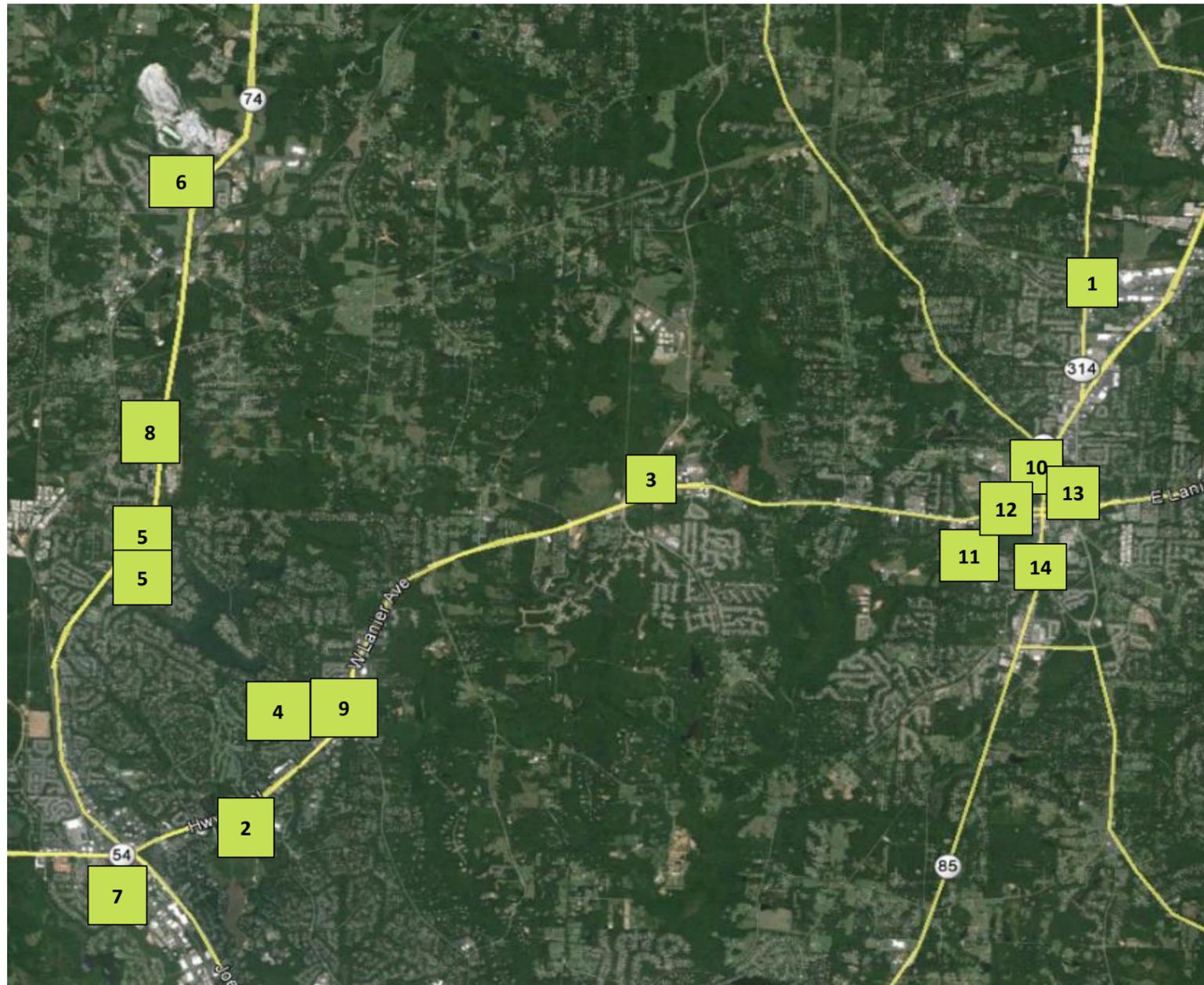
We estimate that there is more than 70,000 square feet of food-related demand in the local trade area, primarily for full service restaurants, special food services, and drinking places (including coffee shops and bars). As with the dry good categories above, we estimate a conservative 50% capture due to the Pinewood Forrest development, **leading to 35,000 square feet of demand potential for these types of retail in Downtown Fayetteville.**

We estimate that there is demand for approximately 144,000 square feet of retail in Downtown Fayetteville. Approximately 25% of this demand is for food-related establishments, and the remaining 75% is in dry good stores.



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 50
Map of Select Retail Comparables



<u>Subject Site</u>	<u>Sqft</u>	<u>\$/SF</u>
1 Fayetteville Pavilion	1,496,420	\$15.00
2 Peachtree Crossing	80,389	\$17.75
3 Togwatee Village	110,000	\$15.00
4 Lexington Commons	13,900	\$14.95
5 Kedron Village	226,000	\$22.50
6 Shops of Southampton	26,900	\$11.50
7 The Avenue Peachtree City	183,000	\$28.00
8 Shoppes at Glendalough	12,969	\$15.00
9 Peachtree East	146,602	NA
10 Main Street Promenade	8,500	\$16.00
11 Fayette Village South	30,000	\$20.70
12 Downtown Fayetteville	42,000	\$12.50
13 Shops at Autumn Glen	10,000	\$12.00
14 Teton Village	20,334	\$13.50
Average, All Comps	171,930	\$16.49
Downtown Fayetteville Average	22,167	\$14.94

SOURCE: Noell Consulting Group



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 51 (Page 1 of 2)
Summary of Comparable Retail Centers

Photo	Center Name	Built	Total Square Feet	Avail. Square feet	% Leased	Current Lease Rates (NNN)	Current Tenants / Typical Tenants	Comments
	Fayetteville Pavilion	1995-1996, 2002	1,496,420	108,609	93%	\$10.00 - \$20.00	Super Walmart, Target, Kohls, Cinemark, Home Depot, Publix, Ross, Belk, Dick's	Aging super center bounded by two state highways. CAM ranges from \$3.47 to \$5.28 by phase. Small space starts at \$16/sf NNN, anchor space at \$10/sf NNN.
	Peachtree Crossing	1978-1984	80,389	3,300	96%	\$16.00 - \$19.50	Fresh Market, local specialty shops	Landlord takes time finding long-term, local tenants. Rent typically negotiated to include participation, etc. Quoted \$20+ Gross, est. \$2.50 opex included, and \$1.50 tax
	Togwatee Village	2007	110,000	42,892	61%	\$12.50 - \$17.50	Village Café, small medical office practices	Marketed as "Village" style development. High vacancies in part due to poor market timing. Asking rents \$15-\$20 full service, est. \$2.50 CAM incld.
	Lexington Commons	2011	13,900	1,750	87%	\$14.95 - \$14.95	Karate studio	Part of larger Lexington Circle retail development
	Kedron Village	2006	226,000	2,900	99%	\$22.00 - \$23.00	Target, Bed Bath Beyond, Petco, Ross	Well executed power center with good diversity of fast casual and local retailers as well.
	Shops of Southampton	2005	26,900	6,218	77%	\$12.50 - \$14.00	Chapultec restaurant, Zesto, tanning salon, Sonic	\$12-14 Mod gross; not inc. elec; est. \$2.50 for CAM/tax, ins. Has been slow leasing lately.
	The Avenue Peachtree City	2001	183,000	0	100%	\$18.00 - \$38.00	Gap, American Eagle, Ann Taylor, Banana Republic, Jos. A. Bank, LOFT	Lifestyle center, Peachtree City's "Mall". Jr. Anchor space \$18-\$20, small space \$32-\$38. Total pass throughs \$12/sf.

DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 51 (Page 2 of 2)
Summary of Comparable Retail Centers

Photo	Center Name	Built	Total Square Feet	Avail. Square feet	% Leased	Current Lease Rates (NNN)	Current Tenants / Typical Tenants	Comments
	Shoppes at Glendalough	2006	12,969	1,032	92%	\$13.00 - \$13.00	Kids That Can!, Deja Vu home furnishings, Divine World Church, Edward Jones	Local retail with limited visibility off GA 74, adjacent to small office development
	Peachtree East	1995	146,602	4,930	97%	\$22.00 - \$22.00	Publix, Stein Mart Italian Oven	Grocery-anchored strip center on GA 54 just outside Peachtree City limits. CAM \$3.50
	Main Street Promenade	2009	8,500	3,400	60%	\$16.00 - \$16.00	Hertz Rent-A-Car, Capital Tax Services, Tech Service, Sunkiss Studios Tanning Salon	Retail space has decent rents, but struggling to stay fully leased.
	Fayette Village South	2005	30,000	2,700	91%	\$19.89 - \$21.50	Mattress & More, Dickey's Barbecue Pit	Small retail center seeing considerable success
	Downtown Fayetteville	Late 18th - Early 20th Century	42,000	1,500	96%	\$8.00 - \$15.00	Twisted Taco, local attorneys, jewelry shop, Oz Pizza	Downtown retail on the Square, but bisected by heavy traffic from Hwy 85. Significant potential that is as-of-yet unrealized
	Shops at Autumn Glen	2003	10,000	0	100%	\$10.00 - \$14.00	Pies on Pizza, B&B Nails	Shopping center close to downtown with smaller tenants getting decent rents due to visibility
	Teton Village	2009	20,334	4,944	76%	\$13.00 - \$14.00	Verizon Wireless	Shopping Center close to town is one of the newest retail offerings in the area. Recent leases in August and September have improved occupancy considerably.
Average:			198,057	14,936	87%	\$ 15.40 - \$ 19.54		

SOURCE: Noell Consulting Group, The Costar Group

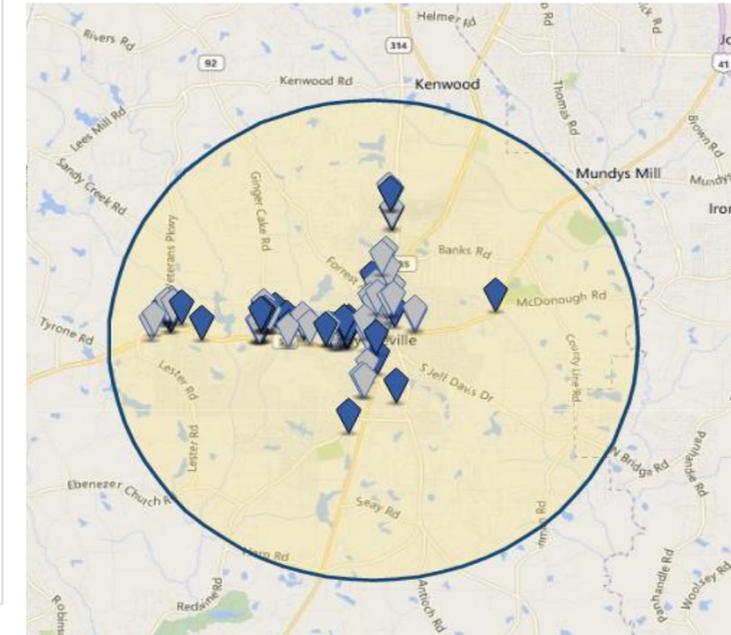
DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 52
Office Market Trends

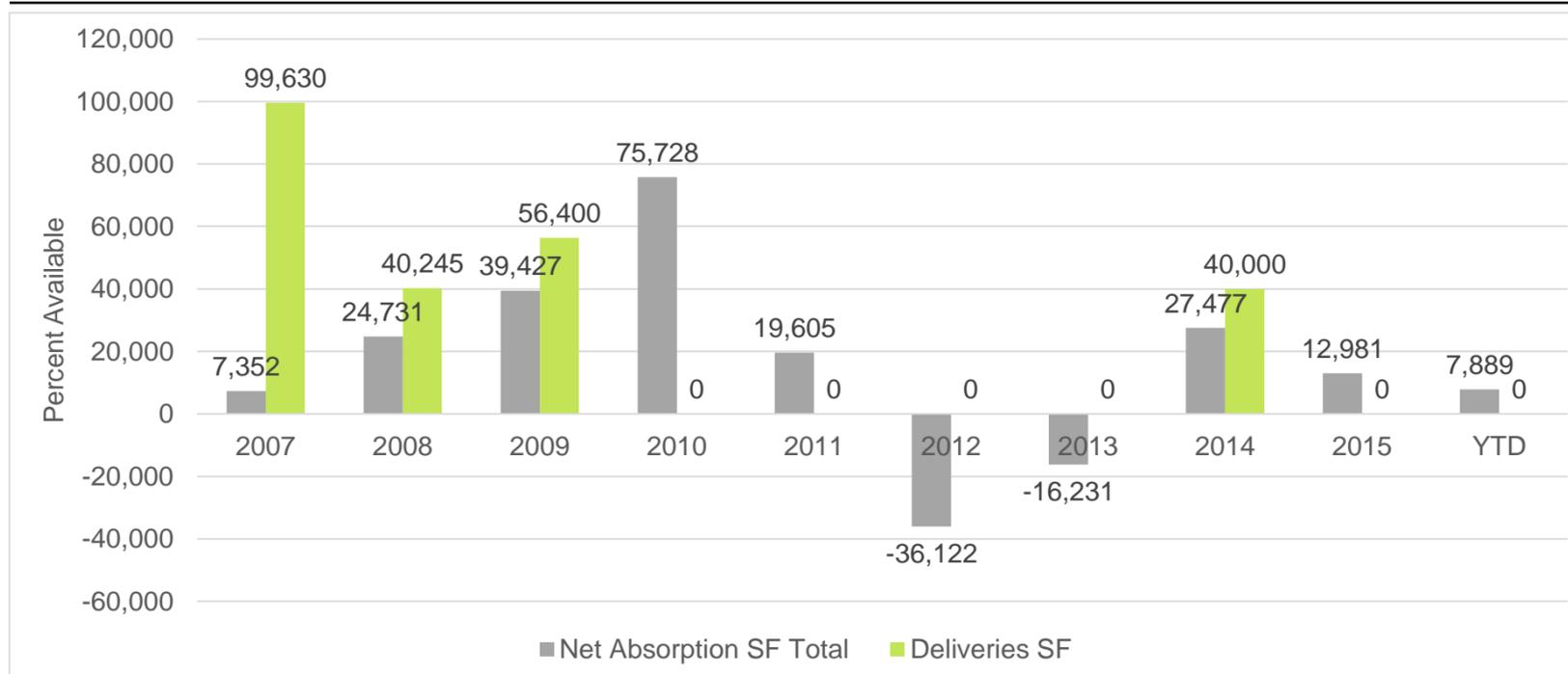
CLASS A AND B AVAILABILITY AND RENTAL RATE TRENDS



FAYETTEVILLE OFFICE SUBMARKET



ABSORPTION AND CONSTRUCTION



Office vacancies near Downtown remain elevated at 13.6%, with less than 13,000 SF absorbed in 2015 and less than 8,000 SF absorbed in the first half of 2016. Asking rates have been flat since 2013 and are still well below 2007--2008 rates.

SOURCE: Costar



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 53
Small Service-Oriented Office & Retail Space Demand, 2015

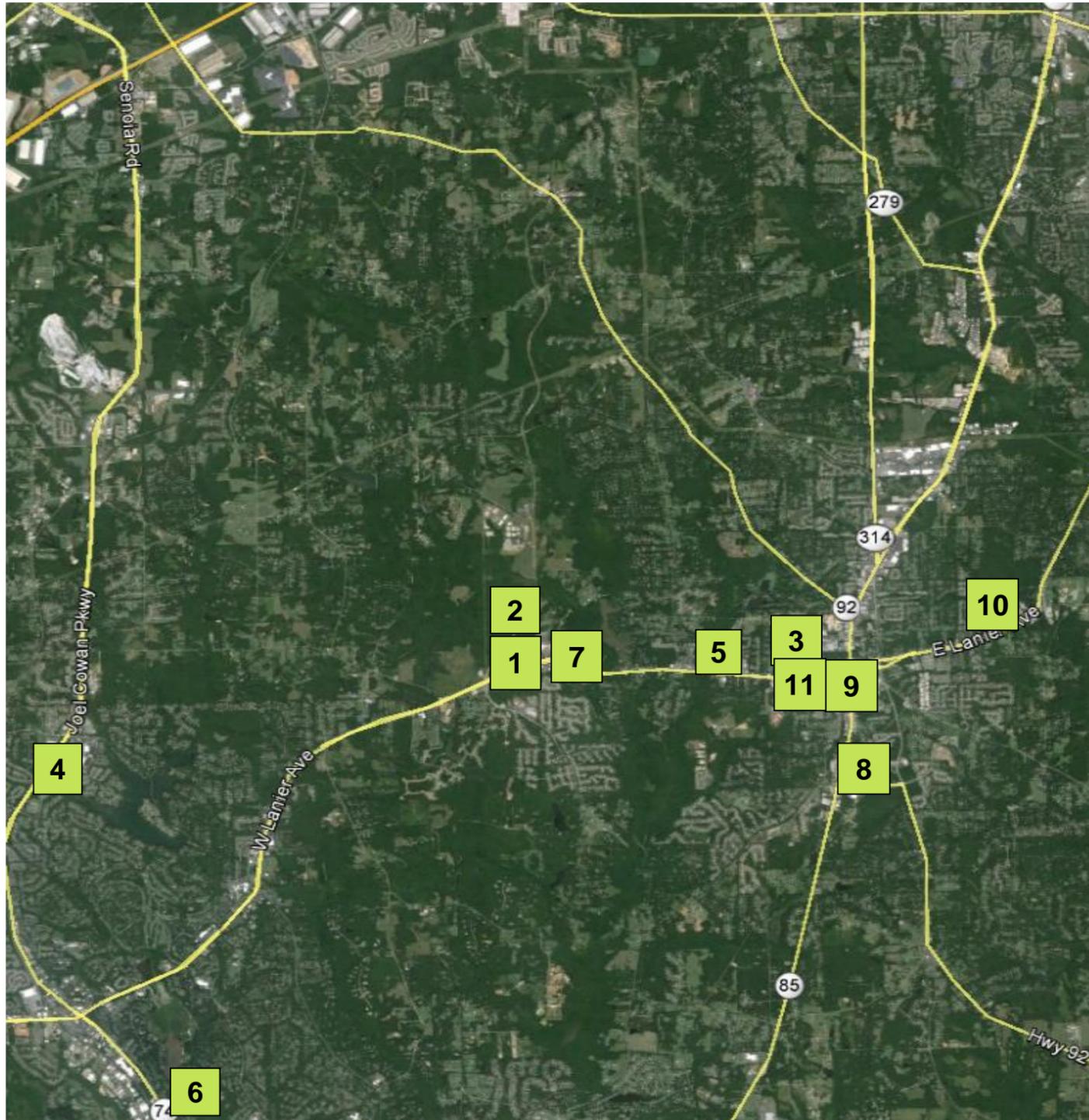
Industry Code	Industry Code Description	Metro Firms Less Than 19 Emps	Metrowide SF	Metrowide Approx. SF Per Capita	Local Firms Less Than 19 Emps	Approx. SF Per Capita	Potential Unmet Demand	Average Tenant Size	Estimated Tenants	Estimated Demand By SF	Capture, Subject Site
Typical Office Users										32,155	13,384
531	Real Estate	5,764	4,749,325	0.85	63	0.71	8,677	2,500	3	8,677	4,338
532	Rental and Leasing Services	944	1,515,413	0.27	10	0.20	4,646	2,250	2	4,646	2,323
523	Securities, Financial Investments	1,761	1,598,538	0.28	15	0.16	7,585	2,500	3	7,585	3,793
524	Insurance Carriers and Related Act.	3,189	3,524,325	0.63	45	0.75	0	2,500	0	0	0
5414	Specialized Design Services	871	641,200	0.06	6	0.04	949	2,500	0	0	0
6115	Technical and Trade Schools	107	198,975	0.04	1	0.01	1,781	3,500	1	1,781	0
6116	Other Schools and Instruction	995	1,196,388	0.21	10	0.38	0	3,500	0	0	0
6211	Office of Physicians	4,075	6,486,288	1.16	68	2.41	0	2,000	0	0	0
6212	Office of Dentists	2,196	3,216,763	0.57	34	0.88	0	2,000	0	0	0
6213	Office of Other Health Practitioners	2,577	2,127,125	0.38	47	0.68	0	2,000	0	0	0
6214	Outpatient Care Centers	547	1,233,050	0.22	13	0.40	0	2,000	0	0	0
6215	Medical and Diagnostic Laboratories	210	329,438	0.06	2	0.05	348	2,500	0	0	0
6216	Home Health Care Services	307	858,813	0.15	11	0.49	0	2,500	0	0	0
8122	Death Care Services	211	326,638	0.06	2	0.10	0	2,000	0	0	0
52231	Mortgage and Non Mortgage Loan Brokers	165	136,588	0.02	2	0.03	0	2,000	0	0	0
54111	Offices of Lawyers	3,448	2,975,175	0.13	30	0.32	0	2,500	0	0	0
54194	Veterinary Services	491	1,138,025	0.20	7	0.34	0	2,000	0	0	0
541211	Offices of CPAs	1,108	978,600	0.09	13	0.29	0	2,500	0	0	0
541213	Tax Preparation Services	513	604,100	0.11	2	0.01	5,860	2,000	3	5,860	2,930
541380	Testing Laboratories	100	149,100	0.03	1	0.01	1,225	2,000	1	1,225	0
541519	Computer Related Services	350	292,075	0.05	2	0.01	2,381	2,000	1	2,381	0
Typical Retail Users										40,940	21,799
5172	Wireless Telecommunication Carriers	231	1,309,500	0.23	5	0.58	0	1,500	0	0	0
6244	Child Day Care Facilities	1,249	10,163,925	1.81	11	1.38	26,921	4,900	5	26,921	13,461
8123	Dry Cleaning and Laundry Services	833	1,952,325	0.35	9	0.45	0	1,500	0	0	0
52211	Commercial Banking	1,512	8,141,850	1.45	17	1.70	0	3,000	0	0	0
52212	Savings Institutions	68	305,775	0.05	0	0.00	3,409	3,000	1	3,409	3,409
52213	Credit Unions	172	706,050	0.13	3	0.42	0	3,000	0	0	0
71394	Fitness and Other Rec. Centers	461	2,084,850	0.37	6	0.48	0	10,000	0	0	0
81211	Hair, Nail, and Skin Care Services	1,693	4,406,175	0.78	25	0.77	751	1,500	1	751	0
81219	Other Personal Services	410	1,287,900	0.23	4	0.07	9,859	1,500	7	9,859	4,930
Total, Office and Retail Users			64,634,288	10.97	464	14.12	74,393		28	73,096	35,183

SOURCE: Noell Consulting Group, US Census for Atlanta Metro and Zip Code 30214.



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 54
Map of Recently and Actively Selling Office Buildings



SOURCE: Noell Consulting Group, Google Earth

<u>Subject Site</u>	<u>Sqft</u>	<u>\$/SF</u>
1 Fayette Professional Center I	31,651	\$17.50
2 Piedmont Fayette Physicians Plaza	25,500	\$19.25
3 Grady Village	11,250	\$14.00
4 Georgian Parkway	18,800	\$19.50
5 Yorktown Medical Center	87,927	\$16.25
6 Starr's Mill Professional Center	15,000	\$19.00
7 132 Old Norton	23,000	\$18.00
8 Bradley Street Medical Building	10,000	\$16.00
9 The Busey House	3,600	\$14.00
10 1167 Hwy 54 East	16,800	\$10.00
11 Main Street Office Complex	28,000	\$16.00
Average, All Comps	24,684	\$16.32
Downtown Fayetteville Average	26,263	\$14.38



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 55 (Page 1 of 2) Office Comparables

Photo	Office Name	Year Built	Total Square Feet	Avail. Square feet	% Leased	Quoted Lease Rates	Lease Type	Key Tenants/ Tenant Types	Comments
	Fayette Professional Center I	1994-1996	31,651	4,486	86%	\$17.50 - \$17.50	NNN	Medical office space across the street from Piedmont Fayette hospital	Older medical office space with a premium due to proximity to hospital
	Piedmont Fayette Physicians Plaza	2006	101,088	0	100%	\$19.00 - \$19.50	NNN	Physicians with association to Piedmont healthcare system	Class A medical office with direct connections to hospital.
	Grady Village	2009	11,250	4,884	57%	\$14.00 - \$14.00	NNN	Truet Cathy's Luau, Fayette County Chamber of Commerce, local office and medical office	Office/retail opportunity off high-visibility GA 54 near downtown Fayetteville. Well executed center with strong restaurant anchor, struggled due to recession and site plan.
	Georgian Parkway	Prop. 2016	18,800	0	100%	\$19.50 - \$19.50	NNN	Not a lot of int	Build to suit opportunity located next to Target-anchored Kedron Village
	Yorktown Medical Center	1987/1993	87,927	39,846	55%	\$16.50 - \$16.50	NNN	Medical office, with Piedmont Hospital anchor.	Renovated 4-5 years ago. Availability due to Piedmont downsizing, relocation into on-campus. Recently lost several larger practices.
	Starr's Mill Professional Center	2007	15,000	6,901	54%	\$19.00 - \$19.00	NNN	Local office and medical office space	Ph II available build to suit opportunity. 25,000-30,000.
	132 Old Norton	2007	23,000	2,000	91%	\$18.00 - \$18.00	NNN	Pulmonary specialist, Cancer specialist and CPA.	First gen shell space. One passenger elevator along with open stair well. T.I. dependent on strength of group
	Bradley Street Medical Building	2007	10,000	5,000	50%	\$16.00 - \$16.00	NNN	Medical office	Relatively new medical office building close to Downtown having trouble leasing

DOWNTOWN FAYETTEVILLE

MARKET ANALYSIS

Exhibit 55 (Page 2 of 2)
Office Comparables

Photo	Office Name	Year Built	Total Square Feet	Avail. Square feet	% Leased	Quoted Lease Rates	Lease Type	Key Tenants/ Tenant Types	Comments
	The Busey House	1890	3,600	3,600	0%	\$14.00 - \$14.00	NNN	Small SFD converted to office right outside of Downtown core	Typically occupied by lawyer, small medical practice, this building has been unable to find a long-term tenant
	1167 Highway 54 E	2007	16,800	2,400	86%	\$10.00 - \$10.00	NNN	Mid-size, two-story office building east along Hwy 54	Houses Fayetteville Wrecker and other small businesses
	Main Street Office Complex	2008	28,000	5,000	82%	\$16.00 - \$16.00	NNN	Standard office featuring small businesses and a Regions Bank	Recent leases to several small firms have brought center from half-vacant to almost full through 2016. 5,000 SF vacant are sub-leases through Regus.
Summary:			347,116	74,117	79%	\$ 10.00 - \$19.50	Mod. Gross		

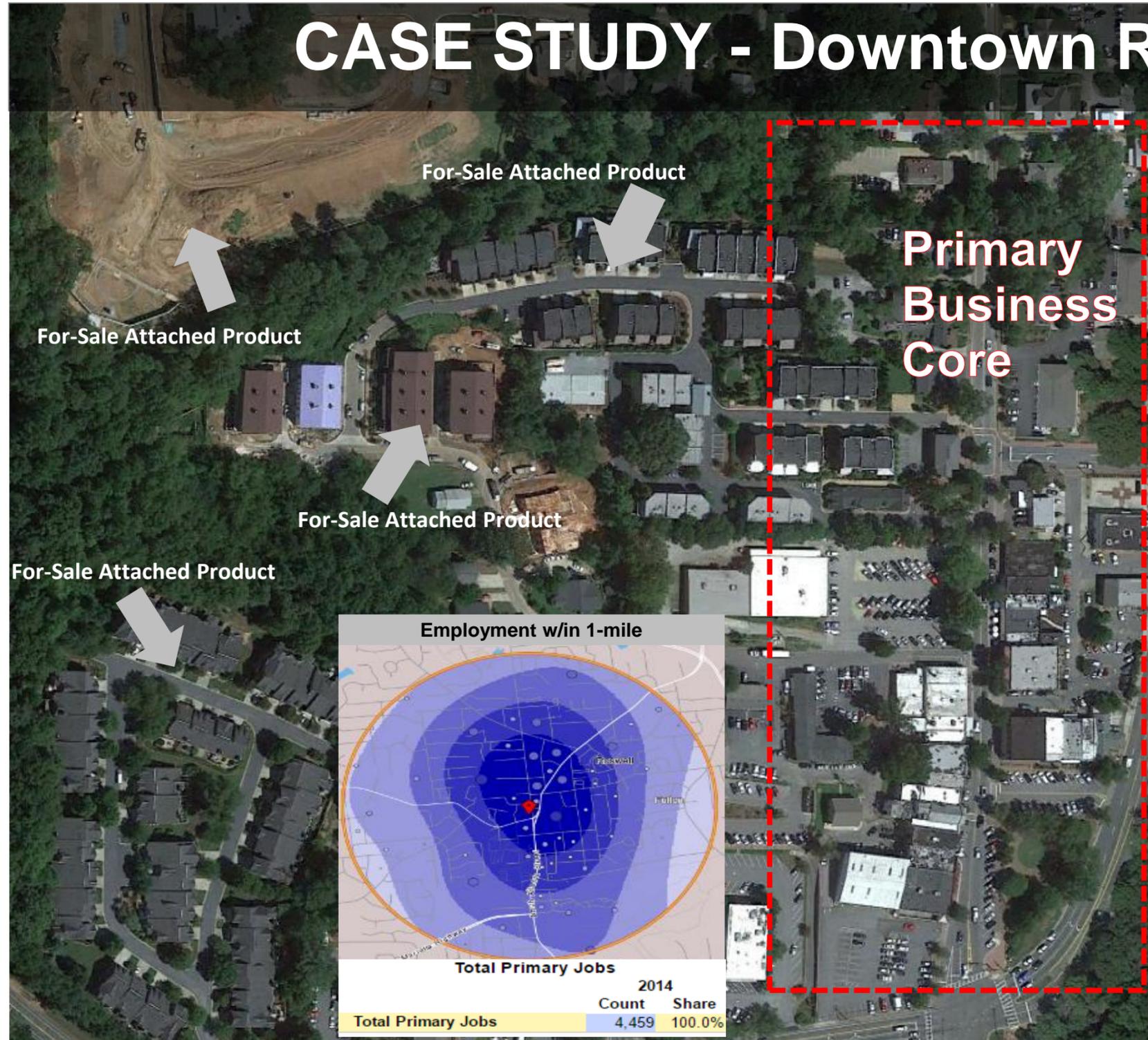
SOURCE: Noell Consulting Group, LoopNet, CoStar, Fayette County



**DOWNTOWN CASE STUDIES
AND LAND USE RECOMMENDATIONS**

Exhibit 56
Suburban Atlanta Downtown Case Study - Roswell

CASE STUDY - Downtown Roswell



Tenants

- 1920 Tavern
- Ale Yeah Craft Beer Market
- Amalfi
- Ceviche Taqueria
- Diesel Pub and Pizza
- It's So Fabulous! Boutique
- Greenwood's on Greet Street
- Le Bistro
- Little Alley Steak

Snapshot

Median Home Value (ACS) - \$292,748
 Median Income (3-mile radius) - \$76,849
 Total Pop. (3-mile radius) - 125,581
 Traffic Count on Canton St.- 15,104
 Office Rents - \$13/SF - \$24/SF
 Retail Rents - \$14.60/SF - \$17.14/SF

Overview

Downtown Roswell is the epicenter of the craft beer/fine dining scene for Roswell. It is a walkable, micro-urban setting full of desirable restaurants and bars which draw people to the area.

A well-managed residential development plan has played a key role in making Downtown Roswell a vibrant place. Increased residential density, led by townhome developments, has provided a proximate, affluent customer base.

SOURCE: Noell Consulting Group, Google Earth



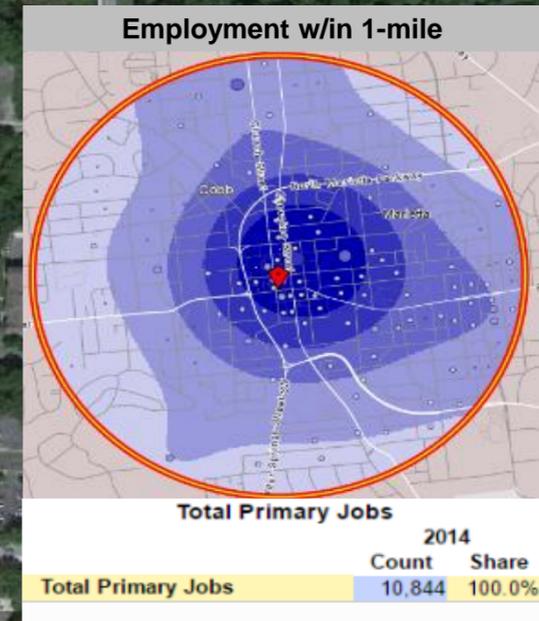
Exhibit 57
Suburban Atlanta Downtown Case Study - Marietta

CASE STUDY - Marietta Square

Snapshot

Median Home Value (ACS) - \$178,303
 Median Income (3-mile radius) - \$42,482
 Total Pop. (3-mile radius) - 100,459
 Traffic Count of the Square - 14,189
 Office Tenant Rents - \$12.15/SF - \$16.13/SF

**Primary
Business
Core**



Tenants

- Sugar Cakes Patisserie
- Cool Beans Coffee Roasters
- Marietta Pizza Co.
- The Lyric Studio Theatre
- Australian Bakery Cafe
- Sweetreats Marietta
- Hidden Treasures Antiques
- The Marietta Local
- Lucky Draw Tattoo
- Johnnie McCracken's Celtic Pub
- Jack's New York Deli
- Center Stage II Dancewear

**For-Sale Attached Product
and Small Lot Single Family**

Overview

Marietta Square is a historic commercial business district in downtown Marietta, GA. The Square is home to several local destinations including theaters, galleries, and a weekly farmer's market. The recent revitalization and redevelopment effort around the square has been successful in generating new commerce and increasing foot traffic in the downtown area.

SOURCE: Noell Consulting Group, Google Earth



Exhibit 58
Suburban Atlanta Downtown Case Study - Lawrenceville

CASE STUDY - Downtown Lawrenceville

Tenants

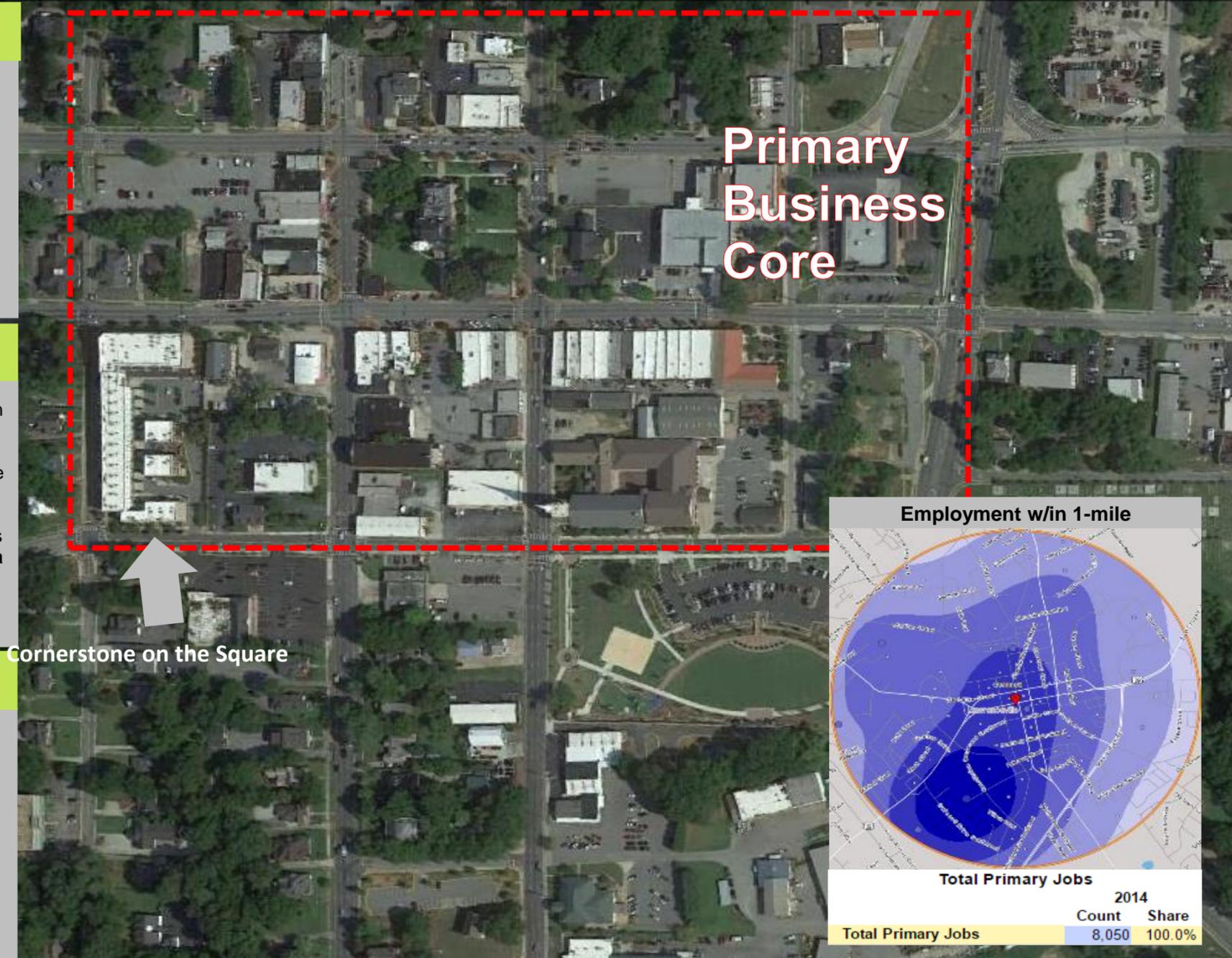
Aurora Theatre
McCray's Tavern
Local Republic
Blue Rooster
Universal Joint
Huff's Flowers
Bull's Eye Indoor Range and Gun Shop
Corner Stop Cafe
La Cazuela Mexican
Dominick's

Overview

Lawrenceville provides the best analog for Downtown Fayetteville, as it is a small, less-affluent submarket. Despite this, Downtown Lawrenceville is flush with shops, restaurants, and even a theater. Lawrenceville also stewarded its Downtown development to increase density. The 2008 delivery of Cornerstone on the Square brought 12 condos and 21 townhomes to Downtown. **Fayetteville could likely implement a plan similar to this, that creates a sense of place by increasing the density of residents living Downtown.**

Snapshot

Median Home Value (ACS) - \$158,743
Median Income (3-mile radius) - \$63,913
Total Pop. (3-mile radius) - 187,655
Traffic Count in CBD- 22,954
Office Rents - \$14.00/SF - \$15.00/SF
Retail Rents - \$12.00/SF - \$17.00/SF



Primary Business Core

Cornerstone on the Square

Employment w/in 1-mile



Total Primary Jobs

Total Primary Jobs	2014	
	Count	Share
Total Primary Jobs	8,050	100.0%

SOURCE: Noell Consulting Group, Google Earth



Exhibit 59
Suburban Atlanta Downtown Case Study - Fayetteville

CASE STUDY - Downtown Fayetteville

Tenants

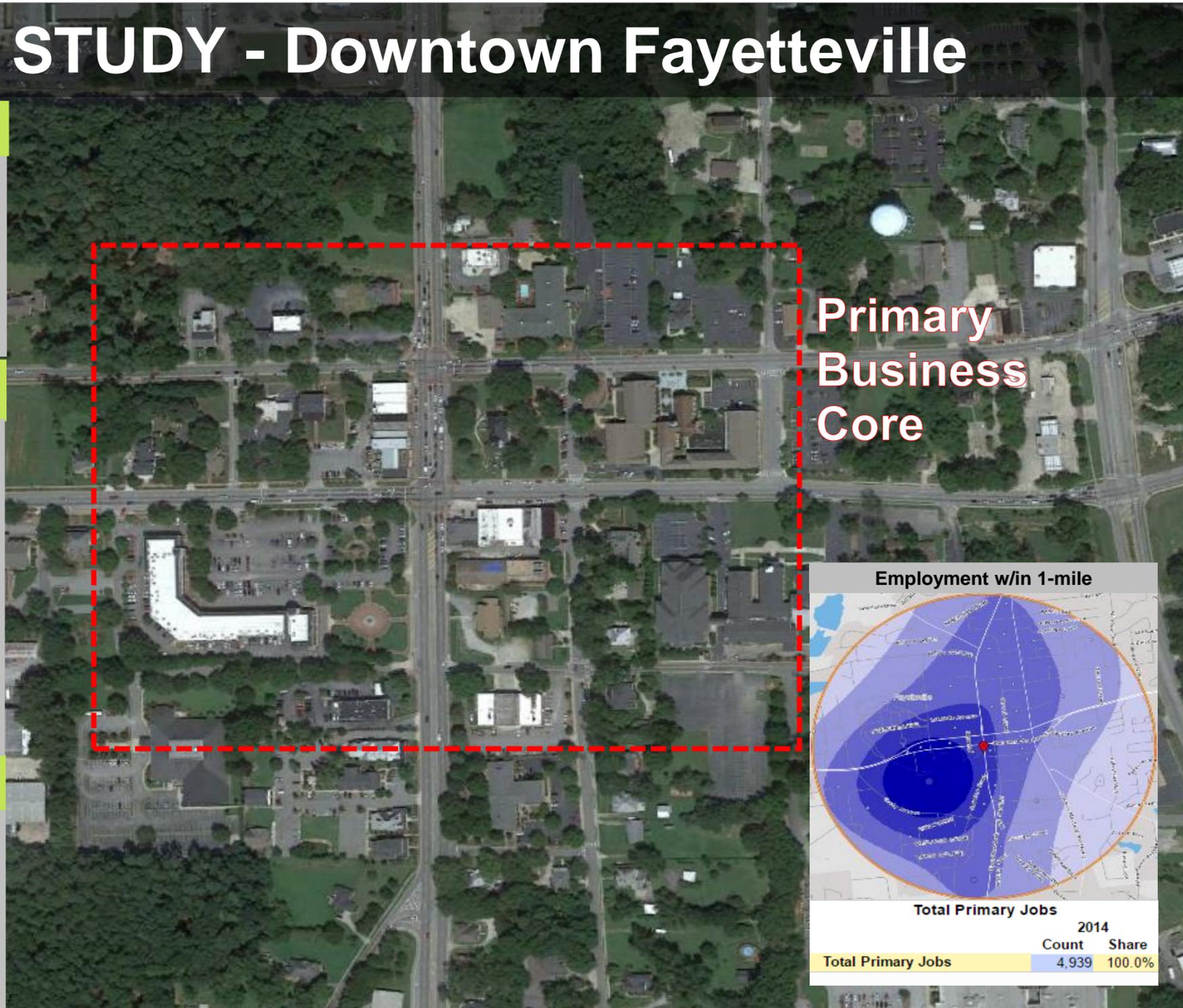
Dunkin' Donuts
Twisted Taco
Shearnigans Salon
Town Square Jewelers
Downtown Scoops
Oz Pizza
Olde Courthouse Tavern

Overview

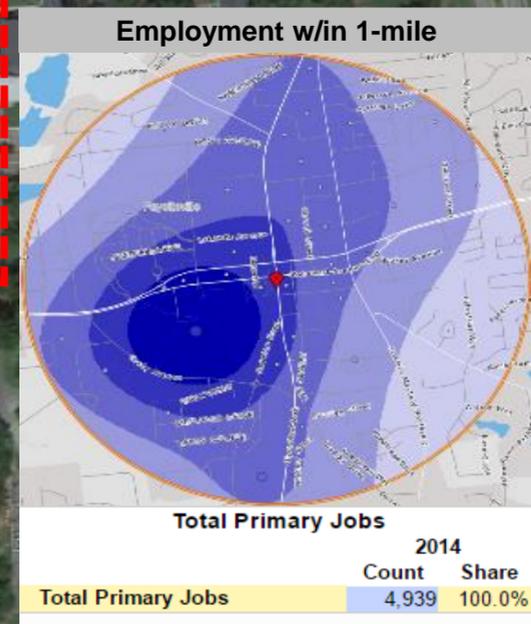
Downtown Fayetteville, the Subject Area, is a revitalizing core in Fayette County. Centered around the historic Fayetteville Courthouse, Downtown Fayetteville is home to a small, but growing number of restaurants, shops, and businesses. Notably lacking close to Downtown Fayetteville is the presence of any higher-density affluent multifamily housing. This may be a growth point to increase traffic in Fayetteville. Another growth point would be the activation of the western side of the square, currently bisected by a highway filled with high-speed traffic.

Snapshot

Median Home Value (ACS) - \$190,844
Median Income (3-mile radius) - \$72,811
Total Pop. (3-mile radius) - 47,734
Traffic Count on the Square - 17,941
Office Rents - \$14.00/SF
Retail Rents - \$15.30/SF



**Primary
Business
Core**



SOURCE: Noell Consulting Group, Google Earth



DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 60
Suburban Atlanta Downtown Case Study Summary

	Roswell	Marietta	Lawrenceville	Fayetteville
				
Retail	Vibrant restaurant scene on Canton Street, and more limited dry good shopping. Strong attraction for nearby residential development and draws regional North Fulton audience.	Strong restaurant scene (over 30 restaurants), and active family-oriented event programming on the square. Diverse other attractions (museums, theater) also aiming a family-friendly audience.	Small but growing restaurant scene with most restaurants orienting on the square. Lots of leasing effort focused on bringing high-quality operators and non-chains. Shopping options are still filling in.	Several restaurants taking hold, but has yet to hit critical mass. Shopping options very limited.
Residential	Seeing success with high end new construction townhomes within walking distance to restaurant core. Target audience mostly affluent empty nesters and single parents.	Limited historical new development, although new attached for sale development underway now targeting primarily local empty nester households. Large portion of development came from redeveloping public housing projects.	One new townhome/condo development at end of last cycle, has not seen new development this cycle.	Lafayette Park TND development recently ramped up sales/new construction. New market rate apartments under construction.
Employment	4,459 employed within one mile. Not a county seat, so smaller employment base.	10,844 employed within one mile. Almost 50% public admin.	8,050 employed within one mile	4,939 employed within one mile
Infrastructure/ Built Environment	Canton St. has good pedestrian scale, but otherwise very limited street grid/connectivity. 2 miles to GA 400.	Strong orientation around historic square, and reasonably connected street infrastructure within a half mile. 2 miles to I-75.	Four-sided square with retail activation on three sides, as well as on the square. Limited street grid within 1/4 mile of square, one-way streets. 1.5 miles to GA 316, 6 miles to I-85	Retail activation on two sides of historic square. Limited street grid within 1/4 mile of square. 9 miles to I-85, no other limited access highway nearby.
Take-aways	Have created a strong regional food scene by focusing on unmet need in the market, focusing effort on a single street, and emphasizing high-end attached housing that appeals to local demographic audience. Lack of square street grid may limit longer-term commercial opportunities.	Very successful programming efforts have created a diverse set of attractions for Cobb County families. Large county with lots of administrative jobs allows heavy concentration of downtown employment. Residential activity picking up, but has lagged retail/entertainment activity. Street grid has opened up more areas near square to development.	Restaurant scene has been very successful in drawing nearby families, but residential development has struggled to reach critical mass. Local employment not oriented to square, street design limits walkability.	Fewer regional assets to work with - lack of limited access highway nearby, smaller county with smaller downtown employment base. Good retail base and historic square to build upon, and residential activity is ramping up.

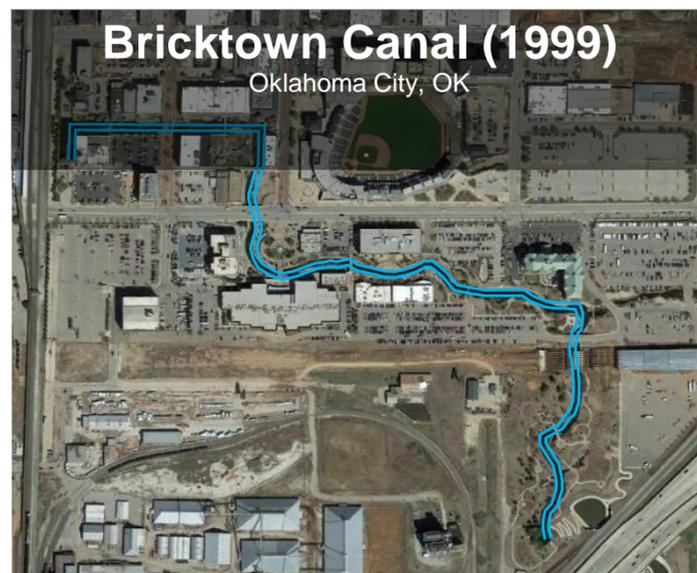
SOURCE: Noell Consulting Group



Exhibit 61 Trail vs. Canal Case Studies

We looked at three examples of urban infrastructure projects to assess the likelihood of success for a Downtown Fayetteville Canal - the Bricktown Canal in Downtown Oklahoma City, the Atlanta BeltLine Eastside Trail, and the Pueblo Riverwalk, in Downtown Pueblo, Colorado. Our analysis indicates that the most successful infrastructure projects build on existing assets and address infrastructure needs or barriers to development. When these projects address these fundamental issues, they can have large-scale impacts, as seen in Bricktown or the BeltLine. When they do not address underlying issues, as in Pueblo, they do not change the long-term trajectory of an area. Both Oklahoma City and Pueblo versus Fayetteville are the central city of their respective MSAs, with greater commercial tax bases over which to spread infrastructure costs.

We find that canal projects are far more expensive than other infrastructure projects, and that linear trail systems can provide a similar benefit for a lower cost per mile. We also believe that a linear park system which connects new infill neighborhoods surrounding downtown could be a focal point for new development and amenity for residents. A central trail system also provides an opportunity to potentially connect with other metro trail systems if the south suburbs choose to replicate the efforts of the Silver Comet Trail, Stone Mountain Path, Path400, and Atlanta BeltLine which will eventually all connect as part of a regional system.



Bricktown Canal (1999)
Oklahoma City, OK

Length: .78 miles
Cost (in 2016 Dollars): \$37,483,266
Cost Per Mile (in 2016 Dollars): \$48,055,469
City Population (at time construction): 506,132

Necessity: Lack of any real entertainment/bar district; Inability to lure major companies with young work force.

Under-utilized Infrastructure:
Existing warehouse district, prime for use as loft-building stock was vacant and blighted. Close to major employment.

Existing Asset: Old, historic building stock; Oklahoma River; Proximity to major universities; Status as state capital; \$2B public works investment prog.

Result: Part of successful entertainment/bar district, supporting nearby residential district. Most active development and entertainment site in Oklahoma City.



Atlanta Beltline Eastside Trail (2012)

Length: 2 miles
Cost (in 2016 Dollars): \$14,172,624
Cost Per Mile (in 2016 Dollars): \$6,800,000
City Population (at time construction): 443,768

Necessity: Atlanta's various neighborhoods were disconnected; there was also a lack of access to trails and walkable/bikeable urban spaces

Under-utilized Infrastructure:
Existing train tracks; close to employment; cheap Intown land

Existing Asset: Urbanizing population; Influx of Millennials; Presence of major employers; Proximity employment/major universities

Result: Focal point for growing intown residential market and bar/restaurant district. Residential property nearby sees premium for proximity/access.



Pueblo Riverwalk (1993)
Pueblo, CO

Length: .42 miles
Cost (in 2016 Dollars): \$33,943,602
Cost Per Mile (in 2016 Dollars): \$80,818,100
Population (at time construction): 100,762

Necessity: Pueblo's economy had collapsed and needed revitalization; was prone to catastrophic floods

Under-utilized Infrastructure:
Downtown was under-used after 10-year recession, close to central CBD

Existing Asset: Historic building stock; Arkansas River; Large, diverse, multi-ethnic population; Strong steel industry; Commercial tax base; Only major city in SE Colorado

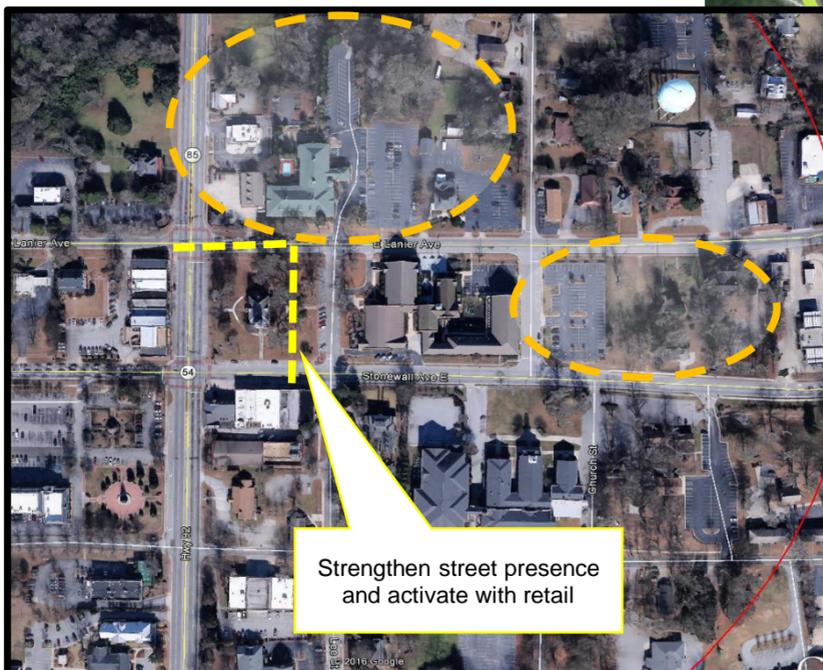
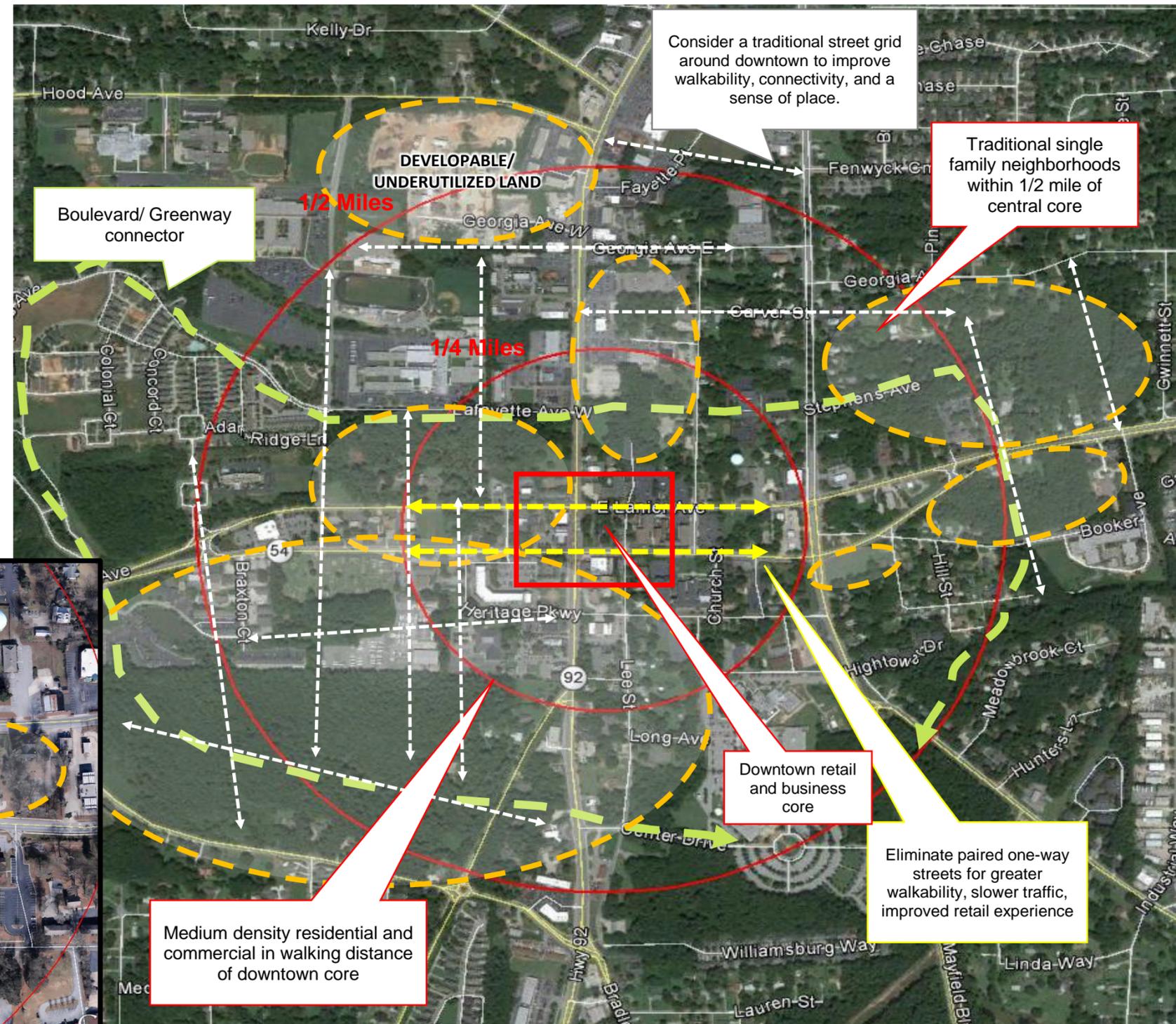
Result: Helped lead downtown out of decade-long development slump, but population growth since 2000 for downtown has been -0.2% per year, while the greater Pueblo area has grown at 0.7% per year over

SOURCE: "MAPS Impact Study," "HARP Authority," Atlanta Beltline Strategic Implementation Plan

DOWNTOWN FAYETTEVILLE MARKET ANALYSIS

Exhibit 62 Strategic Development In Downtown

There are large, underutilized parcels on every side of Downtown Fayetteville. We believe that new development will be most successful and impactful when it emphasizes the existing historic character of the square. **We therefore recommend prioritizing infrastructure plans that enhance the square, including eliminating the paired one-way streets on Lanier and Stonewall and streetscape enhancements on Lee Street to make it consistent with the other streets fronting the square.** Multifamily development and attached developments should be encouraged through zoning and entitlements with the areas most walkable to the square, with single family neighborhoods being more prominent closer as the master plan approaches 1/2 mile away from the square. **We also see potential for a greenway that runs through undeveloped land surrounding Downtown that can provide recreational space and serve as a connector through new residential developments.**



SOURCE: Noell Consulting Group

