

### MARKET STUDY EXECUTIVE SUMMARY

The Market Study completed by Byrne McKinney & Associates, Inc. (BM&A) substantiates significant rental housing demand for River's Edge Wayland site. Specifically:

- If this site were to be fully NON-age restricted, a 216-unit apartment project could be filled 2-4 times over, based on very strong demand -- as verbally described, the project would be a "home run".
- Given the depth of demand, BM&A confirmed that even a 216-unit project at 100% 55+ is on the cusp of feasibility – but ultimately is too ambitious and just beyond typical market thresholds
- In order to temper the risk of a fully age-restricted project, BM&A recommended three options:
  - Option A: Reducing the threshold age from 55+ to 50+ for a 216 unit development
  - Option B: Reducing the number of units to 160 for a 100% 55+ development
  - Option C: Setting 75% of a 216 unit project for 55+, and the remaining 25% non-age restricted

Option C was clearly the preferred option based purely on market demand data. (See attached)

If non-age restricted apartments are added to the mix, BM&A recommended that there is at minimum a 25% share so there is a critical mass and identity for these units, and further, that these units are clustered together. Say if there are four buildings on site, perhaps one full building would be non-age restricted, so that similar populations are able to habitate together. Overall site amenities can be shared, such as pool, health facilities, parking.

[As a point of reference, EDC recommends *as a maximum no more than 25-30%* non-age restricted units, for the simple reason that higher levels would push traffic counts high enough to trigger a longer and more arduous state MEPA permitting process for the project.]

Smaller unit sizes generate the highest per square foot rents as well as specifically target the market looking for lower costs vs. home ownership. Therefore even with non-age restricted units, smaller unit sizes (maximum 2 BR) are recommended for the site.

The market study was based on 2010 census and forecasts for 2015. The largest population growth in coming years is the 24-34 and the 50+ age brackets. Since these are also the most typical renter age brackets, it results in strong market demand currently seen and projected throughout the greater Boston area as well as at this site. River's Edge Wayland's demand is especially heightened due to lack of current and future projected competing properties in the immediate area.

In the market study, demand is conservatively estimated at 70-90% coming from within just a 10-minute drive radius: Wayland, Weston, Sudbury. For a non-age-restricted project, the percentage is lower at 70% as people will travel further and may not have ties to the community; as the analysis focuses on predominantly/fully 55+, the demand factor is increased to 90% to be generated by the immediate surrounding area. The remaining demand of 10-30% is calculated within a 15-minute drive range, including parts of Marlborough, Lincoln, Concord, Natick, Framingham, etc.

Conservatively, and to meet market lending analysis standards, no weight was given to potential residents moving to the site from beyond a 15-minute drive time. In reality there will be some capture as some future River's Edge tenants may have ties to Wayland (grandchildren etc.) but do not currently live nearby, but these are not counted nor quantified in the market study.

All models were run with 25% of the units designated as affordable, so that all units, affordable and market, will qualify toward Wayland's 40B affordability count. The market demand for affordable units far outstrips supply, so capture rates for affordable vs. market rates are comparatively very low.

The Market Study recommends unit sizes and monthly rents for the proposed project, based on market data for competing projects:

0-10%	Studio/Junior 1 BR units	Average 600 sf	\$1300 (smaller) - \$1800 (larger)
40%-50%	1 BR units	Average 750 sf	\$1600 (smaller) - \$2200 (larger)
40%-50%	2 BR units	Average 1000 sf	\$1800 (smaller) - \$2600 (larger)
0-5%	Larger 2BR units	Average 1250 sf	\$2100 (smaller) - \$3000 (larger)

BM&A estimates absorption of 10-15 units per month, typically starting 2-4 months before occupancy, and therefore lease-up of 216 units could be achieved in 18 months from the start of leasing. This time window meets market criteria and represents a financially feasible timetable.

EDC Recommendation:

Based upon the market study and upon Wayland goals of:

- Achieving 10% affordability to preclude future 40B projects
- Maximizing the land value up front and the tax base in perpetuity
- Meeting independent housing needs for Wayland's seniors

EDC concurs with BM&A for Option C, which is for 216 units, designated at 25% affordable so that all units count toward our affordability threshold; and further, designated with a strong majority (75%) as age-restricted to those 55+, paired with a minority 25% designated as non-age restricted. All units would be generally smaller unit sizes (2BR and less) in order to promote affordability across the board.

## Wayland Senior Housing Market Study

Subject Capture Summary	Market Area	Affordable	Market Rate	Total
<b>Base Case Scenarios</b>				
<b>1 100% Unrestricted (216 Units)</b>	Combined Mkt	1.0%	5.4%	2.6%
	PMA	4.6%	8.3%	7.1%
	SMA	0.4%	2.3%	0.8%
<b>2 100% 55+ Age-Restricted (216 units)</b>	Combined Mkt	2.1%	12.2%	5.6%
	PMA	8.6%	19.3%	15.0%
	SMA	0.5%	2.8%	1.0%
<b>Risk Mitigation Strategies/Age-Restricted Program Variations</b>				
<b>A 100% - 50+ Age-Restricted Program Size - 216 Units</b>	Combined Mkt	1.8%	10.1%	4.7%
	PMA	7.3%	16.8%	12.9%
	SMA	0.5%	2.2%	0.9%
<b>B 100% - 55+ Age Restricted Program Size - 160 Units</b>	Combined Mkt	1.8%	9.4%	4.4%
	PMA	7.4%	14.5%	11.9%
	SMA	0.5%	2.2%	0.8%
<b>C 25% - Unrestricted Program Size - 54 Units</b>	Combined Mkt	0.2%	0.3%	0.3%
	PMA	2.3%	5.1%	4.0%
	SMA	0.1%	0.1%	0.1%
<b>75% - 55+ Age Restricted Program Size - 162 Units</b>	Combined Mkt	1.8%	9.4%	4.5%
	PMA	7.4%	14.6%	12.0%
	SMA	0.5%	2.3%	0.8%
<b>D 25% - 50-54 Age-Restricted Program Size - 54 Units</b>	Combined Mkt	5.9%	15.5%	11.1%
	PMA	22.3%	40.3%	34.1%
	SMA	2.2%	4.5%	3.3%
<b>75% - 55+ Age Restricted Program Size - 162 Units</b>	Combined Mkt	1.8%	9.4%	4.5%
	PMA	7.4%	14.6%	12.0%
	SMA	0.5%	2.3%	0.8%

Feasibility Metrics - PMA	Market Rate	Total
Strong	<10%	<10%
Good	10%-15%	10%-12%
Moderate-Weak	>15%	>12%