

# **NARRATIVE APPRAISAL REPORT**

of the Real Property known as

**678-690 South 17<sup>th</sup> Street  
Newark, Essex County, New Jersey  
Block: 358 | Lot: 33**



Prepared for

**INVEST NEWARK**

as of January 19, 2021

Submitted by

**THEODORE J. LAMICELLA, JR., SCGRE, CTA**



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Associated Appraisal Group*



# ASSOCIATED APPRAISAL GROUP

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March 24, 2021

**ROGER JOHNSON**

Senior Vice President

Newark Community EDC

111 Mulberry Street

Lower Lobby

Newark, New Jersey 07102

**Re:     Block/Lot:             358 / 33**  
**Property Address:   678-690 South 17<sup>th</sup> Street, Newark, NJ**

Dear Mr. Johnson:

In conformity with your request, we have completed an appraisal report of the captioned real property, presented in a narrative format. This appraisal has been developed and this report has been prepared in conformity with the Uniform Standards of Professional Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.

The purpose of this appraisal is to estimate the market value of the subject property as of the effective date of this report. It is our understanding that the intended use of this appraisal is to assist the client in establishing an acceptable offering price.

This appraisal may not be used or relied upon by anyone other than the client, for any purpose whatsoever, without the express written consent of the Appraisers. Please refer to the Scope of Assignment and Function/Purpose section of this report for a further discussion of its specific limitations.

The accompanying report contains a summary of data considered and the basis for the value conclusion(s). Based thereon, we are of the opinion the market value, of the fee simple estate, of the property in question and in conformity with the definition and limiting conditions set forth hereafter, as of January 19, 2021 was in the amount of:

**\$1,700,000**

***(One Million Seven Hundred Thousand Dollars)***



**ROGER JOHNSON**

Senior Vice President

Re: 678-690 South 17<sup>th</sup> Street, Newark, NJ

March 24, 2021

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Employment in, and compensation for, the preparation of this report is in no way contingent upon the value reported and we hereby certify that we have no financial interest in the subject property.

Our report is attached and made part of this letter of transmittal.

Respectfully,

**ASSOCIATED APPRAISAL GROUP**

**THEODORE J. LAMICELLA, JR., SCGRE, CTA**

*State Certified General Real Estate Appraiser*

*NJ License 42RG00189200*

*Valid through 12/31/2021*

TJL, Jr./s

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Property Address: 678-690 South 17<sup>th</sup> Street  
Newark, Essex County, NJ

Block/Lot: 358 / 33

Size of Property: 0.4247± acres / 18,500± square feet

Property Description: Warehouse and Manufacturing

Zoning: RDV “Redevelopment Zone” zoning district

Assessed Valuation:

Land:	222,000
Improvement:	<u>160,200</u>
Total:	\$382,200

Owner of Record: City of Newark

Highest and Best Use: Continued use as a warehouse / industrial facility

Purpose of Appraisal: To estimate the Market Value of the Fee Simple Estate

Function of Appraisal: To assist the client in establishing an acceptable offering price

Interest Appraised: Fee Simple

Inspection Date: January 19, 2021

Value Indication as of: January 19, 2021

Final Value Estimate: **\$1,700,000**

**PURPOSE OF APPRAISAL**

The appraisal was made for the purpose of estimating the market value of the subject property as of January 19, 2021.

**FUNCTION OF APPRAISAL**

This report is being prepared to assist the client in establishing an acceptable offering price.

**PROPERTY RIGHTS APPRAISED**

The property rights appraised are all rights existing in fee simple estate as of the appraisal date. These are the legal and economic interests that may rightfully be exchanged for money or equivalent goods. Property rights inherent in the ownership of tangible personal property and intangible benefits of the property itself are not the subject of this report.

**DELINEATION OF TITLE**

The subject property is owned by City of Newark. There has not been a transfer of ownership in the past five years.

**SITE INSPECTION**

Keith Sansone conducted an exterior site inspection of the subject property on January 19, 2021.

**EXPOSURE TIME**

Exposure Time is a reasonable estimate of the length of time the property interest being appraised would have been offered on the market prior to a hypothetical consummation of a sale at market value on the effective date of this appraisal. Exposure Time for the subject property would be six to twelve months.

**SCOPE OF ASSIGNMENT**

This is an Appraisal reported in a narrative format, prepared for the exclusive purpose of assisting the client in establishing the fair market value of the property in question as of January 19, 2021.

In performing the appraisal, we have inspected the subject property and researched, verified, and analyzed all available data which pertain to the value estimates to be made. The property in question is warehouse/industrial facility. Accordingly, and in conformity with market forces primary reliance has been placed upon the income and sales comparison approaches to value.

Market Value is commonly defined as:

“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”<sup>1</sup>

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and Seller are typically motivated.
2. Both parties are well informed or well advised and each are acting in what they consider their best interests.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto.
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>2</sup>

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<sup>1</sup> “The Dictionary of Real Estate Appraisal,” Fifth Edition. Chicago Appraisal Institute, 2010, Page 122.

<sup>2</sup> “The Appraisal of Real Estate”, Fifteenth Edition. Chicago Appraisal Institute, 2020, Page 49.

**ASSESSED VALUATION, TAX RATE & TAXES**

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The subject is assessed by the City of Newark, Essex County, New Jersey and is designated as Block: 358, Lot: 33.

Land	222,000
Improvement	<u>160,200</u>
Total	\$382,200

The New Jersey Division of Taxation has advised that the following tax rate (per \$100 of assessed valuation) and equalization ratio apply to the subject municipality.

<u>YEAR</u>	<u>EQUALIZATION RATIO (%)</u>	<u>TAX RATE/\$100</u>	<u>EFFECTIVE TAX RATE (\$)</u>
2020	84.18%	\$3.81	\$3.20

**TAXES FOR THE SUBJECT PROPERTY**

<u>ASSESSED VALUE</u>	X	<u>TAX RATE</u>	=	<u>TAXES</u>
\$382,200	x	\$3.81	=	\$14,561.82

The subject parcel is located on South 17<sup>th</sup> Street in the City of Newark. Vehicular access to the property is provided from South 17<sup>th</sup> Street.

Size:	0.4247± acres / 18,500± square feet
Shape:	Rectangular
Topography:	Generally Level
Drainage:	Appears to be adequate. City storm water drains handle site drainage.
Flood Hazard:	The U.S. Department of Housing and Urban Development, Community 340189, Panel # 0152F, dated June 4, 2007, indicates that the subject is located in Zone “X”, which is defined as an area determined to be outside 500-year floodplain determined to be outside the 1% and 0.2% annual chance floodplain.
Environmental Hazards:	None observed or reported
Easements:	None observed or reported
Soil Conditions:	We are unaware of any unusual or adverse soil conditions.
Frontage:	185± feet along South 17 <sup>th</sup> Street
Access:	Vehicular access is supplied from South 17 <sup>th</sup> Street
Utilities:	Electricity, public water and sewer, natural gas and telephone services are all available with adequate capacity.
Parking:	On-site parking



*Subject Property Indicated by **Blue-encircled** White Star*



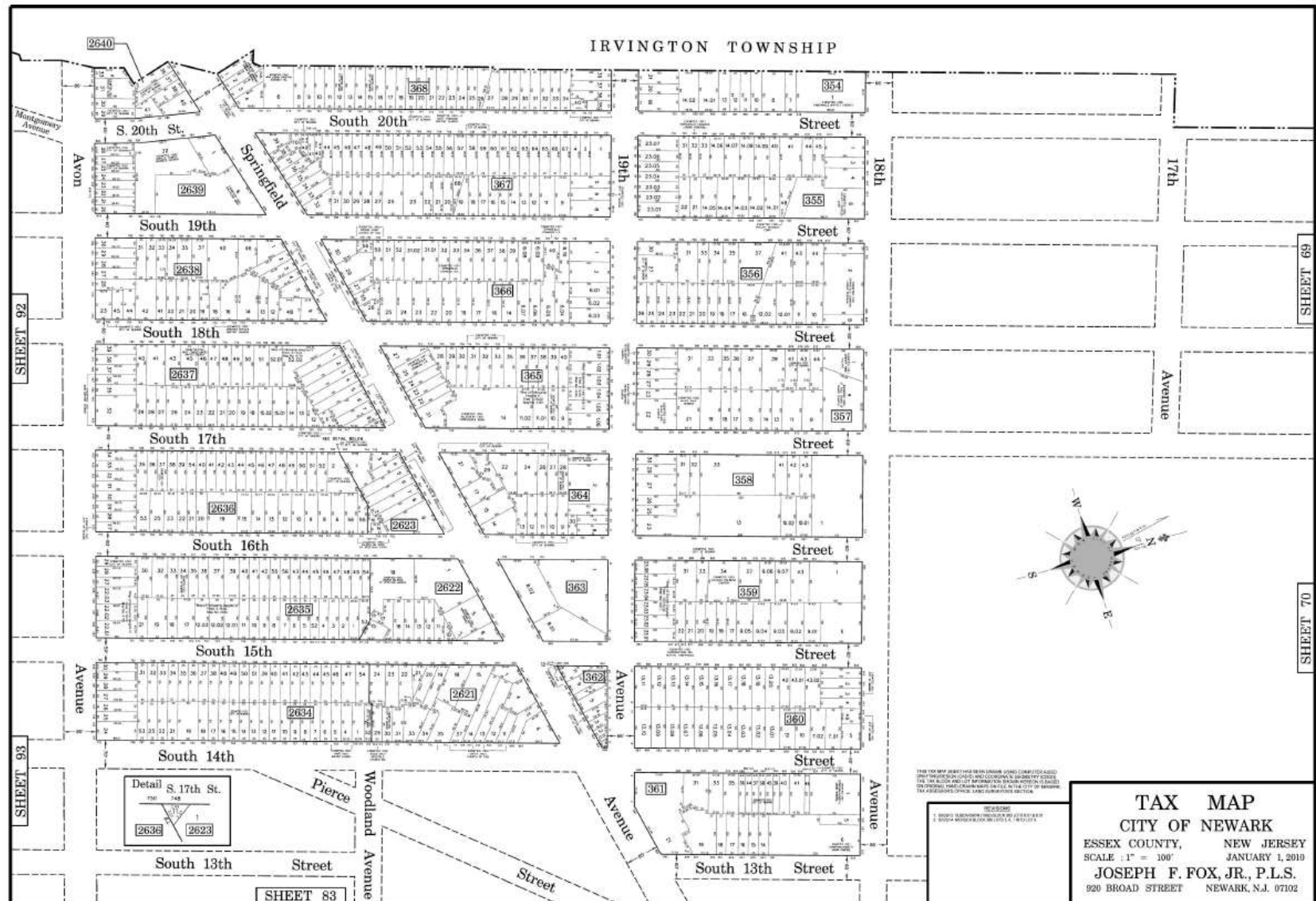
## AERIAL VIEW OF SUBJECT PROPERTY AND SURROUNDING NEIGHBORHOOD

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*Subject Property*

# TAX MAP



82

82

The subject property is located in the R “Residential” section of the Kent/Brenner/Springfield Redevelopment zone. Permitted uses in the R zoning district include the following:

1. Single-family dwellings
2. Two-family dwellings
3. Three-family dwellings (on lots 3,500 square feet and greater)
4. Townhouses (on presubdivided lots 7,500 square feet of greater)
5. Childcare centers
6. Adult day care centers
7. Schools
8. Parks/playgrounds/open spaces
9. Places of worship

Permitted accessory uses in the R zoning district include the following:

1. Residential detached parking garages
2. Parking lots for childcare centers, schools, and places of worship

Bulk requirements can be found in attached addenda.

**Legend**

Green: Forest Parks

Yellow: General District

Orange: B1

Red: B2

Pink: B3

Light Purple: B4

Dark Purple: B5

Light Blue: B6

Dark Blue: B7

Light Green: B8

Dark Green: B9

Light Brown: B10

Dark Brown: B11

Light Grey: B12

Dark Grey: B13

Light Yellow: B14

Dark Yellow: B15

Light Orange: B16

Dark Orange: B17

Light Red: B18

Dark Red: B19

Light Pink: B20

Dark Pink: B21

Light Purple: B22

Dark Purple: B23

Light Blue: B24

Dark Blue: B25

Light Green: B26

Dark Green: B27

Light Brown: B28

Dark Brown: B29

Light Grey: B30

Dark Grey: B31

Light Yellow: B32

Dark Yellow: B33

Light Orange: B34

Dark Orange: B35

Light Red: B36

Dark Red: B37

Light Pink: B38

Dark Pink: B39

Light Purple: B40

Dark Purple: B41

Light Blue: B42

Dark Blue: B43

Light Green: B44

Dark Green: B45

Light Brown: B46

Dark Brown: B47

Light Grey: B48

Dark Grey: B49

Light Yellow: B50

Dark Yellow: B51

Light Orange: B52

Dark Orange: B53

Light Red: B54

Dark Red: B55

Light Pink: B56

Dark Pink: B57

Light Purple: B58

Dark Purple: B59

Light Blue: B60

Dark Blue: B61

Light Green: B62

Dark Green: B63

Light Brown: B64

Dark Brown: B65

Light Grey: B66

Dark Grey: B67

Light Yellow: B68

Dark Yellow: B69

Light Orange: B70

Dark Orange: B71

Light Red: B72

Dark Red: B73

Light Pink: B74

Dark Pink: B75

Light Purple: B76

Dark Purple: B77

Light Blue: B78

Dark Blue: B79

Light Green: B80

Dark Green: B81

Light Brown: B82

Dark Brown: B83

Light Grey: B84

Dark Grey: B85

Light Yellow: B86

Dark Yellow: B87

Light Orange: B88

Dark Orange: B89

Light Red: B90

Dark Red: B91

Light Pink: B92

Dark Pink: B93

Light Purple: B94

Dark Purple: B95

Light Blue: B96

Dark Blue: B97

Light Green: B98

Dark Green: B99

Light Brown: B100

Dark Brown: B101

Light Grey: B102

Dark Grey: B103

Light Yellow: B104

Dark Yellow: B105

Light Orange: B106

Dark Orange: B107

Light Red: B108

Dark Red: B109

Light Pink: B110

Dark Pink: B111

Light Purple: B112

Dark Purple: B113

Light Blue: B114

Dark Blue: B115

Light Green: B116

Dark Green: B117

Light Brown: B118

Dark Brown: B119

Light Grey: B120

Dark Grey: B121

Light Yellow: B122

Dark Yellow: B123

Light Orange: B124

Dark Orange: B125

Light Red: B126

Dark Red: B127

Light Pink: B128

Dark Pink: B129

Light Purple: B130

Dark Purple: B131

Light Blue: B132

Dark Blue: B133

Light Green: B134

Dark Green: B135

Light Brown: B136

Dark Brown: B137

Light Grey: B138

Dark Grey: B139

Light Yellow: B140

Dark Yellow: B141

Light Orange: B142

Dark Orange: B143

Light Red: B144

Dark Red: B145

Light Pink: B146

Dark Pink: B147

Light Purple: B148

Dark Purple: B149

Light Blue: B150

Dark Blue: B151

Light Green: B152

Dark Green: B153

Light Brown: B154

Dark Brown: B155

Light Grey: B156

Dark Grey: B157

Light Yellow: B158

Dark Yellow: B159

Light Orange: B160

Dark Orange: B161

Light Red: B162

Dark Red: B163

Light Pink: B164

Dark Pink: B165

Light Purple: B166

Dark Purple: B167

Light Blue: B168

Dark Blue: B169

Light Green: B170

Dark Green: B171

Light Brown: B172

Dark Brown: B173

Light Grey: B174

Dark Grey: B175

Light Yellow: B176

Dark Yellow: B177

Light Orange: B178

Dark Orange: B179

Light Red: B180

Dark Red: B181

Light Pink: B182

Dark Pink: B183

Light Purple: B184

Dark Purple: B185

Light Blue: B186

Dark Blue: B187

Light Green: B188

Dark Green: B189

Light Brown: B190

Dark Brown: B191

Light Grey: B192

Dark Grey: B193

Light Yellow: B194

Dark Yellow: B195

Light Orange: B196

Dark Orange: B197

Light Red: B198

Dark Red: B199

Light Pink: B200

Dark Pink: B201

Light Purple: B202

Dark Purple: B203

Light Blue: B204

Dark Blue: B205

Light Green: B206

Dark Green: B207

Light Brown: B208

Dark Brown: B209

Light Grey: B210

Dark Grey: B211

Light Yellow: B212

Dark Yellow: B213

Light Orange: B214

Dark Orange: B215

Light Red: B216

Dark Red: B217

Light Pink: B218

Dark Pink: B219

Light Purple: B220

Dark Purple: B221

Light Blue: B222

Dark Blue: B223

Light Green: B224

Dark Green: B225

Light Brown: B226

Dark Brown: B227

Light Grey: B228

Dark Grey: B229

Light Yellow: B230

Dark Yellow: B231

Light Orange: B232

Dark Orange: B233

Light Red: B234

Dark Red: B235

Light Pink: B236

Dark Pink: B237

Light Purple: B238

Dark Purple: B239

Light Blue: B240

Dark Blue: B241

Light Green: B242

Dark Green: B243

Light Brown: B244

Dark Brown: B245

Light Grey: B246

Dark Grey: B247

Light Yellow: B248

Dark Yellow: B249

Light Orange: B250

Dark Orange: B251

Light Red: B252

Dark Red: B253

Light Pink: B254

Dark Pink: B255

Light Purple: B256

Dark Purple: B257

Light Blue: B258

Dark Blue: B259

Light Green: B260

Dark Green: B261

Light Brown: B262

Dark Brown: B263

Light Grey: B264

Dark Grey: B265

Light Yellow: B266

Dark Yellow: B267

Light Orange: B268

Dark Orange: B269

Light Red: B270

Dark Red: B271

Light Pink: B272

Dark Pink: B273

Light Purple: B274

Dark Purple: B275

Light Blue: B276

Dark Blue: B277

Light Green: B278

Dark Green: B279

Light Brown: B280

Dark Brown: B281

Light Grey: B282

Dark Grey: B283

Light Yellow: B284

Dark Yellow: B285

Light Orange: B286

Dark Orange: B287

Light Red: B288

Dark Red: B289

Light Pink: B290

Dark Pink: B291

Light Purple: B292

Dark Purple: B293

Light Blue: B294

Dark Blue: B295

Light Green: B296

Dark Green: B297

Light Brown: B298

Dark Brown: B299

Light Grey: B300

Dark Grey: B301

Light Yellow: B302

Dark Yellow: B303

Light Orange: B304

Dark Orange: B305

Light Red: B306

Dark Red: B307

Light Pink: B308

Dark Pink: B309

Light Purple: B310

Dark Purple: B311

Light Blue: B312

Dark Blue: B313

Light Green: B314

Dark Green: B315

Light Brown: B316

Dark Brown: B317



The subject property is improved with an industrial facility containing a total of 37,433 square feet. We were unable to gain access to the interior of the property. As a result, interior information was estimated after a review of the Tax Assessor's property record card.

Building Use:	Light industrial
Year Built:	1940±
Number of Stories:	Part One (1) and Part Two (2) and Part three (3)
Quality/Condition:	Average / Fair
Story Height:	20 Feet
Basement:	None
Gross Building Area:	37,433 sq. ft.
Foundation:	Concrete Block
Superstructure:	Concrete Block
Roof:	Flat
Exterior Walls:	Masonry / Brick
Interior Walls:	Masonry
Ceilings:	Unfinished
Floors:	Masonry
HVAC:	Gas Fired Unit Heaters
Elevator:	None
Plumbing and Drainage:	Public water and sewer mains are attached to the building.
Sprinklers:	None
Parking:	On-site parking

**PHOTOGRAPHS OF THE SUBJECT PROPERTY**

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**FRONT VIEW**



**SIDE VIEW**

**PHOTOGRAPHS OF THE SUBJECT PROPERTY, CONTINUED**

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**SIDE VIEW**



**REAR VIEW**

**PHOTOGRAPHS OF THE SUBJECT PROPERTY, CONTINUED**

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**SIDE VIEW**



**ENTRANCE**

**PHOTOGRAPHS OF THE SUBJECT PROPERTY, CONTINUED**

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**STREET VIEW**



**STREET VIEW**

Essex County, which contains a total area of approximately 129.631 square miles (126.212 square miles of land and 3.419 square miles of water), is located in the north eastern portion of the State of New Jersey. The county is bounded on the north by Passaic County, on the east by Bergen and Hudson Counties, on the south by Union County, and on the west by Morris County. It is the second-most populated county in the state after Hudson County. The eastern region of Essex County tends to be poorer and more urbanized while the western parts tend to be more affluent and suburban.

The county is traversed by an extensive system of U.S., state, county, and interstate roadways including U.S. 1/9, 22, and 46, State Routes 7, 10, 21, 23, 24, 27, 124, and 159, Interstate Routes 78, 80 and 280, and the Garden State Parkway. Essex County has ready access to the roadways that provide entry to lower and midtown New York City via the Lincoln Tunnel and the Holland Tunnel, as well as access to the George Washington Bridge as a “gateway” to the New England states. In addition to the extensive system of roadways, transportation facilities include commuter bus and rail service. Regularly scheduled commuter rail service to New York City is provided by New Jersey Transit. As well, Newark Liberty International Airport is located in the southeast section of the county.

As of the United States 2010 Census, there were 783,969 people in the county with a resulting population density of 6,211 inhabitants per square mile. As well, there were 283,712 households and 189,236 families residing in the county.

The county is governed by a county executive and a nine-member Board of Chosen Freeholders. The members are elected concurrently, one from each of five districts and four “at large”. Four Federal Congressional Districts are covered in the county, including portions of the 7<sup>th</sup>, 8<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup> districts.

Essex County has five public and four private institutions of higher education. The public institutions include Essex County College, Montclair State University, New Jersey Institute of Technology, Rutgers, Technology, Rutgers, and University of Medicine and Dentistry of New Jersey. Private institutions include Berkeley College, Bloomfield College, Caldwell College, Seton Hall University, and Seton Hall University School of Law.

Resident buying income is reflected in the 2010 annual per capita personal income estimate of approximately \$32,149 and the median household money income of \$69,490.

Utilities including water, sewer, natural gas, electricity, and telephone services are available throughout the county. Garbage removal is either provided for by the various municipalities or a private service.

A range of recreational facilities, museums, historic sites, and entertainment activities are offered. As well, private facilities and parks provide a variety of activities including boating, picnicking, fishing, hiking, ice skating, riding, snowshoeing, athletic fields, and sightseeing.

Generally, the county offers those elements needed to attract residential, commercial, and industrial development. In addition to the county's proximity to New York City, the county is located in the "Middle Atlantic" region of the United States representing a multi-billion dollar market area that stretches from Boston to Northern Virginia.

Newark is the largest city (by population) in the state of New Jersey, and the county seat of Essex County. One of the nation's major air, shipping, and rail hubs, the city had a population of 277,140 in 2010.

Located in the heart of New Jersey's Gateway Region, Newark is the second largest city in the New York metropolitan area, approximately 8 miles west of Manhattan. Port Newark, the major container shipping terminal in the Port of New York and New Jersey, is the largest on the East Coast. Newark Liberty International Airport was the first municipal commercial airport in the United States and today one of its busiest.

Newark is headquarters to numerous corporations, such as Prudential Financial and PSEG. It is also home to several universities, including Rutgers–Newark, the New Jersey Institute of Technology, and Seton Hall University's Law School. Among others, it is cultural, and sports venues include: the New Jersey Performing Arts Center, the Prudential Center, and the Bears & Eagles Riverfront Baseball Stadium.

Newark is divided into five geographical wards, and contains neighborhoods ranging in character from bustling urban districts to quiet suburban enclaves. Newark's Branch Brook Park is the oldest county park in the United States and is home to the nation's largest collection of cherry blossom trees, which number about 4,300.

According to the United States Census Bureau, the city had a total area of 26.107 square miles, of which, 24.187 square miles of it is land and 1.920 square miles of it is water. The city had a population of 277,140 in 2010. After reaching a peak of 442,337 residents counted in the 1930 Census, the city's population saw a decline of nearly 40% as residents moved to surrounding suburbs, with the increase in 2010 of 3,594 (+1.3%) from the 273,546 counted in the 2000 Census marking the second census in 70 years in which the city's population had grown from the previous enumeration.

As of the 2010 United States Census, there were 277,140 people, 94,542 households, and 61,641 families residing in the city. The population density was 11,458.3 inhabitants per square mile. There were 109,520 housing units at an average density of 4,528.1 per square mile. The racial makeup of the city was 26.31% (72,914) White, 52.35% (145,085) Black or African American, 0.61% (1,697) Native American, 1.62% (4,485) Asian, 0.04% (118) Pacific Islander, 15.22% (42,181) from other races, and 3.85% (10,660) from two or more races. Hispanic or Latino of any race was 33.83% (93,746) of the population.

There were 94,542 households out of which 33.7% had children under the age of 18 living with them, 28.0% were married couples living together, 28.9% had a female householder with no husband present, and 34.8% were non-families. 27.9% of all households were made up of individuals and 8.2% had someone living alone who was 65 years of age or older. The average household size was 2.76 and the average family size was 3.36.

The Census Bureau's 2006-2010 American Community Survey showed the median household income was \$35,659 and the median family income was \$41,684. Males had a median income of \$34,350 versus \$32,865 for females. The per capita income for the city was \$17,367. About 22.0% of families and 25.0% of the population were below the poverty line, including 34.9% under age 18 and 22.4% age 65 or over.

Effective as of July 1, 1954, the voters of the city of Newark, by a referendum held on November 3, 1953 and under the Optional Municipal Charter Law (commonly known as the Faulkner Act), adopted the Faulkner Act (Mayor-Council) Plan C as the form of local government. There are nine council members elected on a nonpartisan basis at the regular municipal election or at the general election for terms of four years: one council member from each of five wards and four council members on an at-large basis. The mayor is also elected for a term of four years.

Newark is the third-largest insurance center in the United States, after New York City and Hartford. The Prudential Financial and Mutual Benefit Life companies originated in the city. The former, one of the largest insurance companies in the world, is still headquartered in Newark. Many other companies are headquartered in the city, including IDT Corporation, New Jersey Transit, Public Service Enterprise Group (PSEG), Manischewitz, Horizon Blue Cross and Blue Shield of New Jersey, and Audible.com. Panasonic plans to leave its longtime North American headquarters in nearby Secaucus, New Jersey and move to a 250,000 square feet space in Newark in 2013.

Though Newark is not the industrial colossus of the past, the city does have a considerable amount of industry. The southern portion of the Ironbound, also known as the Industrial Meadowlands, has seen many factories built since World War II, including a large Anheuser-Busch brewery. The service industry is also growing rapidly, replacing those in the manufacturing industry, which was once Newark's primary economy. In addition, transportation has become a large business in Newark, accounting for more than 17,000 jobs in 2011.

Port Newark is the part of Port Newark-Elizabeth Marine Terminal and the largest cargo facility in the Port of New York and New Jersey. Located on Newark Bay, it is run by the Port Authority of New York and New Jersey and serves as the principal container ship facility for goods entering and leaving the New York metropolitan region and the northeastern quadrant of North America.

Newark is the home of the New Jersey Institute of Technology (NJIT), Rutgers-Newark, Seton Hall University School of Law, the University of Medicine and Dentistry of New Jersey (Newark Campus), Essex County College, and a Berkeley College campus. Most of Newark's academic institutions are located in the city's University Heights district. The colleges and universities have worked together to help revitalize the area, which serves more than 40,000 students and faculty.

The Newark Public Schools, a state-operated school district, is the largest school system in New Jersey. The district is one of 31 Abbott districts statewide, which are now referred to as "SDA Districts" based on the requirement for the state to cover all costs for school building and renovation projects in these districts under the supervision of the New Jersey Schools Development Authority. As of the 2009-10 school year, the district's 75 schools had an enrollment of 39,443 students and 2,685 classroom teachers, for a student–teacher ratio of 14.69.

The city's public schools are among the lowest-performing in the state, leading to a takeover by the state government in 1995 with the intention of improvement. The school district continues to struggle with low high school graduation rates and low standardized test scores. Charter schools in Newark include the Robert Treat Academy Charter School, a National Blue Ribbon School drawing students from all over Newark. University Heights Charter School is another charter school, serving children in grades K-5, Gray Charter School, like Robert Treat, also won a Blue Ribbon Award. Also, Newark Collegiate Academy (NCA) opened in August 2007.

The city hosts three high schools as part of the Roman Catholic Archdiocese of Newark. The coeducational Christ The King Prep, founded in 2007, is part of the Cristo Rey Community; Saint Benedict's Preparatory School is an all-boys Roman Catholic high school founded in 1868 and conducted by the Benedictine monks of Newark Abbey, whose campus has grown to encompass both sides of MLK Jr. Blvd. near Market Street and includes a dormitory for boarding students; and Saint Vincent Academy, is an all-girls Roman Catholic high school founded and sponsored by the Sisters of Charity of Saint Elizabeth and operated continuously since 1869.

Newark is a hub of air, road, rail, and ship traffic, making it a significant gateway into the New York metropolitan area and the northeastern United States. Newark Liberty International Airport, the second-busiest airport in the New York region and the 14th-busiest in the United States (in terms of passenger traffic), had 403,429 plane movements, transported 33,107,041 passengers, 860,845 tons of cargo and processed 82,479 tons of airmail in 2010.

Newark is served by numerous highways including the New Jersey Turnpike (Interstate 95), Interstate 280, Interstate 78, the Garden State Parkway, U.S. Route 1/9, U.S. Route 22, and Route 21. Newark is connected to the Holland Tunnel and Lower Manhattan by the Pulaski Skyway.

Newark Penn Station, situated just east of downtown, is the city's major train station, connecting the interurban PATH system (which links Newark to Manhattan) with three New Jersey Transit commuter rail lines and Amtrak service to Philadelphia and Washington, D.C. Only one mile north, the Newark Broad Street Station is served by two commuter rail lines. The two train stations are linked by the Newark Light Rail system, which also provides services from Newark Penn Station to Newark's northern communities and into the neighboring towns of Belleville and Bloomfield. The city's third train station, Newark Liberty International Airport, connects the Northeast Corridor and North Jersey Coast Line to the airport via AirTrain Newark. Bus service in Newark is provided by New Jersey Transit, CoachUSA contract operators and DeCamp in North Newark.

Newark is served by New Jersey Transit bus routes 1, 5, 11, 13, 21, 25, 27, 28, 29, 34, 37, 39, 40, 41, 42, 43, 59, 62, 65, 66, 67, 70, 71, 72, 73, 74, 75, 76, 78, 79, 90, 92, 93, 94, 96, 99, 107, and 108. Bus route 308 is an express bus route to Six Flags Great Adventure from Newark Penn Station while 319 is an express service to Atlantic City. The *go bus* 25 and *go bus* 28 are bus rapid transit lines through the city to Irvington, Bloomfield, and Newark Liberty.

The immediate area of the subject property is characterized by industrial and commercial uses with residential uses in the surrounding area. The subject property is located just south of West Side Park.

The property is within close proximity to Springfield Avenue, Interstates 78 and 280 and the Garden State Parkway. Thus, the location of the subject is considered to be good.

The subject property has been valued, according to proper appraisal techniques, in terms of its highest and best use.

Highest and Best use may be defined as:

“the reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported and financially feasible and that results in the highest value.”<sup>3</sup>

The definition immediately above applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

Implied within this definition is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser’s judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternative term would be most profitable use.

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<sup>3</sup> “The Appraisal of Real Estate”, Thirteenth Edition, Page 277-278, published by the Appraisal Institute 2008.

**AS VACANT**

**Legally Permissible**

The subject property is located in the R “Residential” district of the Ken/Brenner/Springfield redevelopment zoning district which permits various residential uses in addition to childcare centers, adults day care centers, schools, parks, and places of worship.

**Physical Possibility**

We have considered all readily available information pertaining to the physical characteristics of the site including its size, shape, access, topography, flood plain encroachment, and soil characteristics. Based upon our analysis, development of the subject site consistent with uses allowed in the zoning district is physically possible.

**Financial Feasibility**

In order to determine financial feasibility, an appraiser typically estimates the income that can be expected from each potential highest and best use of the property. In order to be financially feasible, revenue from the proposed development must be sufficient to satisfy the required rate of return on the investment. Essentially, a proposed development would be financially feasible if the income to be derived from selling or renting the end product will be sufficient to satisfy the costs of development and the entrepreneurial profit required for such development. The demand for the various permitted uses in this marketplace is stable and construction of facilities consistent with zoning is possible. Therefore, it is our opinion that development of the subject property for uses consistent with existing zoning is financially feasible.

**Maximally Productive**

Various permitted uses meet the first three tests of highest and best use. We have considered which use would support the highest land value. The immediate area is characterized by industrial, commercial, and residential uses.

Based upon my investigation, the maximally productive use of the subject property is for residential development consistent with zoning.

**AS IMPROVED**

**Legal Permissibility**

The subject property, an industrial / warehouse facility, does not conform to the zoning requirements in the “R” zoning district. Therefore, it is legal, non-conforming.

**Physical Possibility**

It is clear that the existing improvements are physically possible. We are unaware of any subsoil or other building conditions which would prevent the continued use of the property for its present utilization.

**Financial Feasibility**

Financial Feasibility is defined as the ability of a project to produce sufficient revenue to pay all expenses and charges plus provide a return on and return of capital invested in the project. Alternatively stated, the revenue from the project must be sufficient to satisfy the required rate of return on the investment. The subject property is improved with an industrial / warehouse facility. It has the potential to generate a net cash flow and was designed to meet the expectations of investors and owner / users. Therefore, the existing improvements appear to represent a financially feasible use.

**Maximally Productive**

Having found that the existing use does meet the first three tests of a property's highest and best use, we examined other alternative uses and development possibilities of the site. We are unaware of any alternate use that would economically justify the removal of the existing improvements. Therefore, continuation of the existing use embodies the most profitable and productive use of the property as improved.

Conclusion

After careful consideration of all factors including the property's physical, legal, and economic characteristics, it is our opinion that the highest and best use of the subject site, if vacant, is for residential development consistent with zoning.

The highest and best use of the subject site as improved is for the continuation of its use as an industrial/warehouse facility.

There are three (3) approaches to the problem of finding market value. All data utilized in these approaches must come from the marketplace. The approaches are commonly referred to as the Cost, Income, and Sales Comparison.

The Cost Approach is utilized by estimating, utilizing market costs, the replacement cost of a building and other improvements, deducting depreciation, which is a loss in value from all causes, and adding this depreciated value to the value of the land upon which the improvements are constructed. Depreciation may come from actual physical deterioration, loss in value due to functional inutility, or through a loss in value resulting from economic reasons such as factors in the marketplace which would cause the property to rent for an amount not adequate to justify the investment in the improvements.

The Income Approach to value is utilized by estimating potential gross income, deducting an amount for vacancies and other rent loss, and deducting all expenses in order to apply an appropriate capitalization rate to the resulting net income in order to find market value. All income estimates, expense items and capitalization rates must be obtained from the market. In order to derive pertinent income and expense data, appraisers try to obtain all income and expense data from the income-producing properties used as comparables.”<sup>4</sup>

The Sales Comparison is sometimes referred to as the Direct Comparison Approach to value. Sales of similar properties are compared to the property under appraisal in order to arrive at an estimate of value. Units of comparison in appraising income producing property include location, age, time of sale and other characteristics of the property that may influence value. Adjustments made in making this comparison must have a basis in market experience.

In essence, all approaches to value (particularly when the purpose of the appraisal is to establish market value) are market data approaches since the data inputs are presumably market derived.

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<sup>4</sup> "The Appraisal of Real Estate" Thirteenth Edition, Page 473 published by the Appraisal Institute 2008.

In this report all three approaches to value were considered. The cost approach to value was considered however, it was not utilized in this report.

The cost approach to value was not utilized due to the difficulty in estimating entrepreneurial profit and depreciation from all causes.

Since facilities like the subject property type are bought and sold based on their income producing capabilities and owner / users, it is my opinion that the Income and Sales Comparison Approaches would produce the most reliable indicators of value.

The Sales Comparison Approach is based on the premise that the informed prudent and rational person (investor or user) applying the principle of substitution will pay no more for a property than the cost of acquiring a similar or comparable property with the same utility as of the valuation date. This approach is predicated on the assumption that there is, in fact, an active market for the type of property being appraised; and that data on recent sales of comparable properties in the same market, representing bona fide arm's-length transactions, are an appropriate guide to the market value of the subject property.

Application of the Sales Comparison Approach requires the comparing and rating of other comparable properties to the property appraised. That is, to develop an indication of what they would have sold for if they had possessed all of the basic and pertinent physical and economic characteristics of the subject property. Indications of such adjusted sales prices are developed for several comparable sales. These indications hopefully fall into a pattern clustering around one figure which, when appropriately rounded, provides an indication of the market value of the subject property as of the date of appraisal.

In addition, the Sales Comparison Approach takes into account such important, but frequently overlooked, market elements as the effect of financing terms on sales prices and sales commissions. Market price is the basic guide to market value in the Sales Comparison Approach. It includes whatever constitutes the cost to the typical informed purchaser.

Sales of properties, as they appear on the following pages, have been assembled for the purpose of providing a comparative basis for the value estimate of the subject property.

## COMPARABLE SALE ONE

## PROPERTY DATA

*Location:* 11-21 Wright Street  
Newark, Essex County, New Jersey

*Block/Lot:* 2801 / 32

*Property Type:* Industrial

## PROPERTY DATA

*Date of Sale:* October 31, 2019

*Deed Book/Page:* 20191 / 14981

*Grantor:* Wright Street Realty Partners LLC

*Grantee:* 1239 Broad Street LLC

*Consideration:* \$1,750,000

*Property Rights:* Leased Fee

*Conditions of Sale:* Cash to Seller

*Verification:* Deed / Co-Star / Assessor's Records

## SITE INFORMATION

*Land Area:* 0.4399± acres / 19,166± square feet

*Shape:* Slightly Irregular

*Topography:* Generally Level

*Zoning:* C-2

*Utilities:* All

## BUILDING INFORMATION

*Building Type:* Warehouse

*Building Size:* 18,954 square foot

<i>Floor Area Ratio:</i>	0.98
<i>Unit Price:</i>	\$92.33 per square foot
<i>Year Built:</i>	1965±
<i>Construction Quality:</i>	Average
<i>Physical Condition:</i>	Average

**COMMENTS:**

Sale of a single-story warehouse building containing 18,954± square feet.

**PHOTOGRAPH**



## COMPARABLE SALE TWO

## PROPERTY DATA

*Location:* 123-137 Manchester Place  
Newark, Essex County, New Jersey

*Block/Lot:* 851 / 1

*Property Type:* Industrial

## PROPERTY DATA

*Date of Sale:* February 4, 2020

*Deed Book/Page:* 20200 / 26091

*Grantor:* A&A Realty Partnership

*Grantee:* Lilac Development Group, LLC

*Consideration:* \$1,400,000

*Property Rights:* Leased Fee

*Conditions of Sale:* Cash to Seller

*Verification:* Deed / Co-Star / Assessor's Records

## SITE INFORMATION

*Land Area:* 1.0 ± acres / 43,560± square feet

*Shape:* Irregular

*Topography:* Generally Level

*Zoning:* MX-2

*Utilities:* All

## BUILDING INFORMATION

*Building Type:* Warehouse

*Building Size:* 20,000± Square Foot

*Floor Area Ratio:* 0.46  
*Unit Price:* \$70 per square foot  
*Year Built:* 1975  
*Construction Quality:* Average  
*Physical Condition:* Average

**COMMENTS:**

Sale of a one-story warehouse building containing 20,000± square feet.

**PHOTOGRAPH**



## COMPARABLE SALE THREE

## PROPERTY DATA

*Location:* 676-680 South 14<sup>th</sup> Street  
Newark, Essex County, New Jersey

*Block/Lot:* 361 / 31

*Property Type:* Industrial

## PROPERTY DATA

*Date of Sale:* February 21, 2020

*Deed Book/Page:* 20200 / 28367

*Grantor:* 565 13<sup>th</sup> Ave Estates LLC

*Grantee:* 676 S 14<sup>th</sup> Limited Liability Company

*Consideration:* \$800,000

*Property Rights:* Leased Fee

*Conditions of Sale:* Cash to Seller

*Verification:* Deed / Co-Star / Assessors Records

## SITE INFORMATION

*Land Area:* 0.1107± acres / 4,822± square feet

*Shape:* Slightly Irregular

*Topography:* Generally Level

*Zoning:* RDV

*Utilities:* All

## BUILDING INFORMATION

*Building Type:* Industrial

*Building Size:* 11,958± square feet

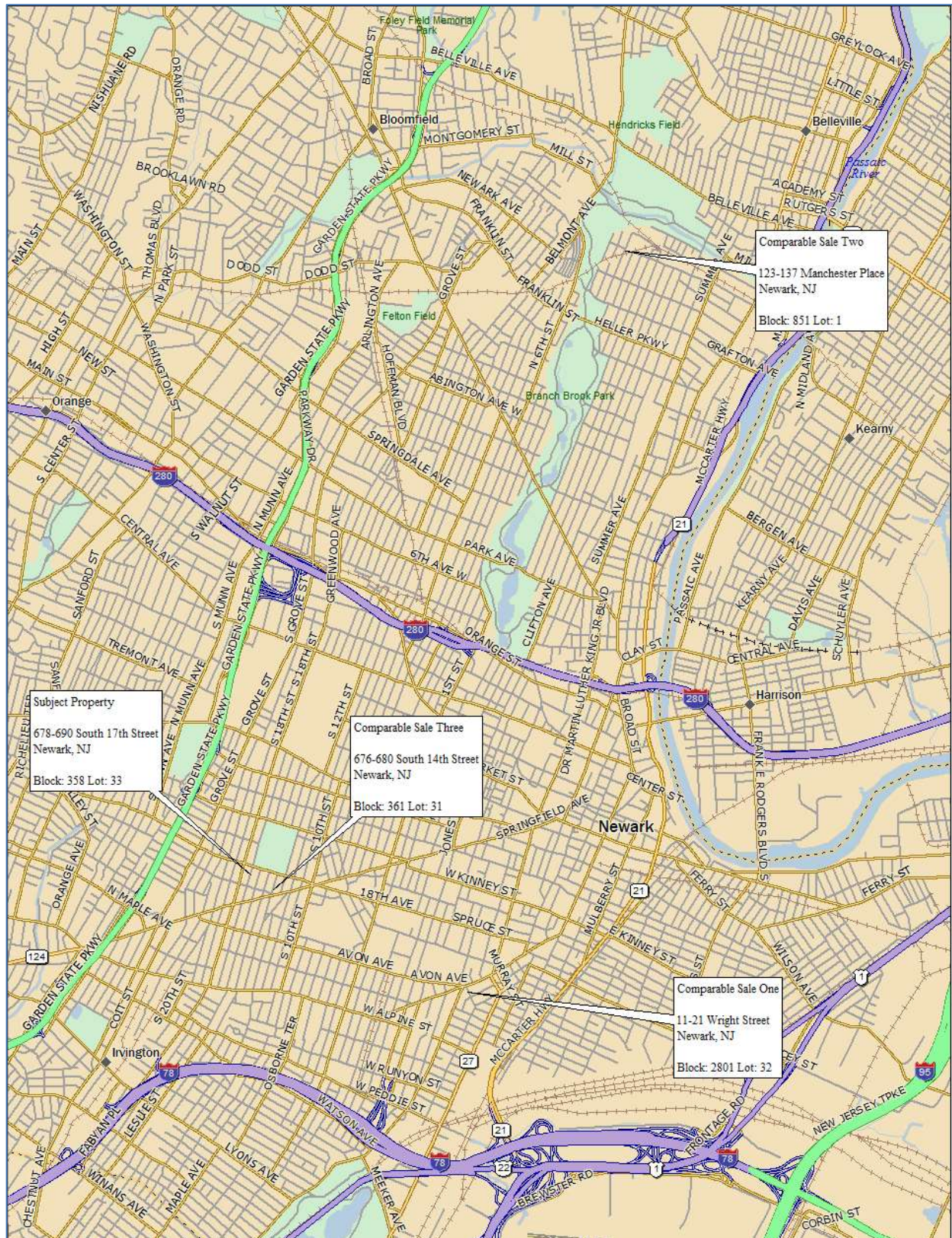
<i>Floor Area Ratio:</i>	2.47
<i>Unit Price:</i>	\$66.90 per square foot
<i>Year Built:</i>	1996
<i>Construction Quality:</i>	Average
<i>Physical Condition:</i>	Average

**COMMENTS:**

Sale of an industrial building containing 11,958 ± square feet.

**PHOTOGRAPH**





**SALES SUMMARY AND ADJUSTMENT GRID**

	SUBJECT	COMPARABLE SALE 1	COMPARABLE SALE 2	COMPARABLE SALE 3
Location:	678-690 South 17 <sup>th</sup> Street Newark	11-21 Wright Street Newark	123-137 Manchester Place Newark	676-680 South 14 <sup>th</sup> St Newark
Block/Lot:	358 / 33	2801 / 32	851 / 1	361 / 31
Sale Date:		October 31, 2019	February 4, 2020	February 21, 2020
Sale Price:		\$1,750,000	\$1,400,000	\$800,000
Unit Price per Square Foot:		\$92.33	\$70.00	\$66.90
Market Adjustment:				
Property Rights/Adjustment:		Leased Fee / 0%	Leased Fee / 0%	Leased Fee / 0%
Condition/Adjustment:		Market / 0%	Market / 0%	Market / 0%
Time Adjustment:		15 months / 0%	11 months / 0%	10 months / 0%
Adjusted Price:		\$1,750,000	\$1,400,000	\$800,000
Adjusted Unit Price:		\$92.33	\$70.00	\$66.90
Other Adjustment:				
Location/Adjustment:	Average	Superior / (5%)	Similar / 0%	Similar / 0%
Building Size/Adjustment:	37,433 sf	18,954 sf / 0%	20,000 sf / 0%	11,958 sf / 0%
FAR/Adjustment:	2.02	0.98 / 0%	0.46 / (10%)	2.47 / 0%
Quality/Condition/Adjustment:	Fair	Superior / (10%)	Superior / (20%)	Superior / (20%)
On-Site Parking/Adjustment:	On-Site	Inferior / 5%	Similar / 0%	Inferior / 5%
Net Adjustment:		-10%	-30%	-15%
Adjusted Price:		\$1,575,000	\$980,000	\$680,000
Adjusted Unit Price:		\$83.09	\$49.00	\$56.87

Our analysis of the comparable sales considers adjustments for date of sale, financing/terms of sale, location, age/condition, and any other discernible physical characteristics. A comparable building sales adjustment grid is presented on the previous page. The following paragraphs explain the basis for the adjustments.

*Property Rights Conveyed*

All of the sales were leased fee estate. All comparable sales had leases in place that were in-line with the current market.

*Terms of Sale/Financing*

All of the sales transferred under normal conditions of sale with none of the parties under undue duress or with any unusual circumstances or atypical financing that would affect property value. Therefore, no adjustments were warranted to the sales.

*Market Conditions (Time)*

The sales occurred between October 2019 and February 2020. Our research of the subject market segment has revealed that prices had been stable from 2019 to current date. Therefore, no adjustments were warranted.

*Location*

The subject is situated in an average location on 17<sup>th</sup> Street in Newark. Comparable sale two and three are similarly located and did not require adjustment. Comparable sale one is considered to be superior in location as they are within close proximity to Route 21 and Interstate 78 and warranted downward adjustment.

*Building Size*

The subject property comprises approximately 37,433 square feet of building area. The comparables range in size from 11,958± square feet to 20,000± square feet. Our analysis has revealed adjustments for size were not warranted.

Lot Size/FAR

The subject property has a floor area ratio of 202%. The comparables range in FAR from 46% to 247%. Comparable sale two required adjustment.

Quality/Condition

The subject property is an industrial / warehouse facility in fair condition. All of the comparable sales were deemed to be superior to the subject property, albeit to varying degrees. Therefore, adjustments were utilized.

On-Site Parking

The subject property and comparable sale two have on-site parking and did not require adjustment. Comparable sales one and three do not enjoy on-site parking and required adjustment.

Summary

Prior to adjustments, the unit sales prices of the comparable buildings range from \$66.90 per square foot to \$92.33 per square foot. After making adjustments to these sales prices for the differences described, the indicated market values range from \$49.00 per square foot to \$83.09 per square foot.

Based on our analysis of the sales, we estimate the market value of the subject property, as of January 19, 2021, to be \$60 per square foot for the first floor space and \$30 per square foot for the upper floor space. The overall value of the subject can be calculated as follows:

16,500 square feet	x	\$60 per square foot	=	\$990,000
20,933 square feet	x	\$30 per square foot	=	\$627,990
			=	\$1,617,990
		<b>Rounded</b>	=	<b>\$1,615,000</b>

The Income Approach is based on several appraisal principals. However, the principal of anticipation and change is fundamental to this approach. In the Income Approach, “All income capitalization methods, techniques, and procedures attempt to consider anticipated future benefits and estimate their present value. This may involve either forecasting the anticipated future income or estimating a capitalization rate that implicitly reflects the anticipated pattern of change in income over time”.<sup>5</sup>

The Direct Capitalization method is utilized in this report to estimate the leased fee estate value of the subject property via the income approach. This method is used to convert an estimate of potential net income expectancy into an indication of value by dividing the net income estimate by an appropriate capitalization rate. In using this method the appraiser must follow several steps:

1. Estimate the potential gross income by determining market or economic rent.
2. Deduct appropriate amount for vacancy and rent loss to ascertain the effective gross income.
3. Deduct appropriate amount for operating and fixed expenses to produce an estimate of net income.
4. Select an appropriate market derived capitalization rate and apply this rate to the net income in order to obtain an indication of value.

Economic rent was determined by analyzing the leases of the subject property and rentals of similar type properties. These comparables are summarized on the following pages followed by an analysis thereof.

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<sup>5</sup> “The Appraisal of Real Estate”, Thirteenth Edition, Page 446 – published by the Appraisal Institute – 2008.

## COMPARABLE RENTAL ONE

## PROPERTY INFORMATION

<i>Location:</i>	489-495 Frelinghuysen Avenue Newark, NJ
<i>Block/Lot:</i>	3544 / 10
<i>Property Type:</i>	Industrial

## LEASE INFORMATION

<i>Lessor:</i>	Shamrock Real Estate Invest. Co
<i>Lessee:</i>	Paracha Brothers Inc.
<i>Lease Date:</i>	August 2019
<i>Commence Date:</i>	August 2019
<i>Leased Area:</i>	8,000 square feet
<i>Occupancy:</i>	Warehouse
<i>Rental per Year:</i>	\$64,000
<i>Rental per Square Foot:</i>	\$8.00 psf
<i>Lease Terms/Options:</i>	Not Specified
<i>Expense Allocation:</i>	Net Lease
<i>Data Source:</i>	Lease Abstract

## COMMENTS

Lease of 8,000 square feet in an industrial facility.

## COMPARABLE RENTAL TWO

## PROPERTY INFORMATION

*Location:* 36-54 Freeman Avenue  
Newark, NJ

*Block/Lot:* 2471 / 1.01

*Property Type:* Industrial

## LEASE INFORMATION

*Lessor:* Real Pro Realty, LLC

*Lessee:* Trenton Corp

*Lease Date:* July 2020

*Commence Date:* September 2020

*Leased Area:* 17,250 square feet

*Occupancy:* Warehouse

*Rental per Year:* \$146,625

*Rental per Square Foot:* \$8.50 psf

*Lease Terms/Options:* Not Specified

*Expense Allocation:* Net Lease

*Data Source:* Lease Abstract

## COMMENTS

Lease of 17,250 square feet in an industrial facility. On-site parking is available.

**COMPARABLE RENTAL THREE****PROPERTY INFORMATION**

<i>Location:</i>	220-262 Passaic Street Newark, NJ
<i>Block/Lot:</i>	435 / 1
<i>Property Type:</i>	Industrial

**LEASE INFORMATION**

<i>Lessor:</i>	250 Passaic LLC
<i>Lessee:</i>	VRC Companies
<i>Lease Date:</i>	January 2019
<i>Commence Date:</i>	February 2020
<i>Leased Area:</i>	6,600 square feet
<i>Occupancy:</i>	Warehouse
<i>Rental per Year:</i>	\$49,500
<i>Rental per Square Foot:</i>	\$7.50 psf
<i>Lease Terms/Options:</i>	Not Specified
<i>Expense Allocation:</i>	Net Lease
<i>Data Source:</i>	Lease Abstract

**COMMENTS**

Lease of 6,600 square feet in an industrial facility. On-site parking is available.

**INDUSTRIAL RENTAL SUMMARY AND ADJUSTMENT GRID**

	SUBJECT	COMPARABLE LEASE ONE	COMPARABLE LEASE TWO	COMPARABLE LEASE THREE
Location:	378-690 South 17 <sup>th</sup> Street Newark	489-495 Frelinghuysen Avenue Newark	36-54 Freeman Avenue Newark	220-262 Passaic Street Newark
Block/Lot:	358 / 33	3544 / 10	2471 / 1.01	435 / 1
Lease Date:		August 2019	July 2020	January 2019
Rent per Square Foot:		\$8.00	\$8.50	\$7.50
Market Adjustment:				
Condition/Adjustment:		Market / 0%	Market / 0%	Market / 0%
Time Adjustment:		0%	0%	0%
Adjusted Rent per Sq Ft:		\$8.00	\$8.50	\$7.50
Other Adjustment:				
Location/Adjustment:	Average	Superior / (5%)	Superior / (5%)	Superior / (5%)
Size/Adjustment:	37,433 sf	8,000 sf / 0%	17,250 sf / 0%	6,600 sf / 0%
Quality/Adjustment:	Average	Similar / 0%	Similar / 0%	Similar / 0%
Condition/Adjustment:	Fair	Superior / (20%)	Superior / (20%)	Superior / (20%)
On-Site Parking/Adjust.:	On-site	Inferior / 5%	On-site / 0%	On-site / 0%
Expenses (Net) Adjust:		Similar / 0%	Similar / 0%	Similar / 0%
Net Adjustment Percentage:		-20%	-25%	-25%
Adjusted Rent per Sq Ft:		\$6.40	\$6.38	\$5.62

Our analysis of the subject and comparable leases considers adjustments for date of lease, location, age/condition, and any other discernible physical characteristics. Comparable building lease adjustment grids are presented on the previous pages. The following paragraphs explain the basis for the adjustments.

Lease Date (Time)

The leases occurred between January 2019 and July 2020. Our research of the subject market segment has revealed that industrial rental rates were stable from 2019 through current date. Therefore, no adjustments were warranted.

Location

The subject property is situated in an average location near West Side Park in Newark. All of the comparables are superior in location as they are closer to major roadways and did warrant adjustment.

Size

The subject property contains 37,433± square feet. The comparables range from 6,600 to 17,250 square feet square feet. Generally, there is an inverse relationship between size and unit price; the greater the leased area, the lower the unit price, with all other factors being equivalent. Our analysis has revealed that an adjustment for size was not warranted.

Quality

The subject is considered to be of average quality. All of the comparable rentals were deemed to be of similar quality and did not require adjustment.

Physical Condition

The subject property is considered to be in fair condition. All of the comparable rentals were deemed to be in superior condition and required adjustment.

**ANALYSIS OF COMPARABLE INDUSTRIAL LEASES, CONTINUED**

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On-Site Parking

The subject property enjoys on-site parking. Comparable rentals two and three have similar on-site parking and did not require adjustment. Comparable one has no on-site parking and required adjustment.

Expenses

The expense structure in industrial type properties are on a net basis. All of the comparables are leased on a net basis and do not require adjustment.

Summary

Prior to adjustments, the unit prices of the comparable leases range from \$7.50 per square foot to \$8.50 per square foot. After considering adjustments to these unit rates for the differences described, the indicated rentals range from \$5.62 to \$6.40 per square foot.

Based on our analysis of the comparable leases, we estimate the market retail rental as of January 19, 2021 to be \$6.00 per square foot.

Our analysis of industrial space in the subject market segment has revealed that investors were utilizing vacancy and credit loss factors ranging from 6.0% - 8.0% when analyzing investments as of Fourth Quarter 2020. Therefore, we will use a 7.5% factor for vacancy and credit loss in calculating the effective gross income of the subject property as of the effective date of valuation.

The selection of an appropriate capitalization rate for the fourth quarter of 2020 concerning industrial facilities was based upon extensive research of general market trends, economic indicators and various real estate publications which specifically address the attitude of today's real estate investor. Overall capitalization rates, interest rates, mortgage constants and other data relative to real estate investments are also addressed. I have included, as exhibits, pages from the "Price Waterhouse Cooper", and the A.C.L.I. "Investment Bulletin" for the time periods addressed in this report. An outline of my analysis can be found in the latter portion of this section of my appraisal.

The selection of an appropriate capitalization rate will be determined by an analysis of overall rates reported by investors and through the utilization of the band of investment mortgage/equity distribution. This method satisfies the basic return "of" and "on" the investment. Return of the investment and partial return on the investment is allocated and accounted for by utilization of a mortgage constant applied to the amount of the value mortgaged. By using a mortgage constant the basic assumption is that during the period of time that it takes to pay off the mortgage, the building will depreciate. However, buildings usually last at least twice as long as the normal mortgage period and the amount of physical depreciation, assuming normal maintenance, is more than offset by the appreciation in the marketplace. This residual or reversionary interest inherent in the investment accounts for investors requiring a low return on their equity investment. Therefore, an investment in mortgaged income-producing property requires two rates of return on the investment. The first is the market mortgage interest rate and the second is the return on equity.

**CAPITALIZATION RATE SELECTION – FOURTH QUARTER 2020, CONTINUED**

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Our analysis indicates investors are purchasing retail properties at “going-in” capitalization rates as low as 3.4% and as high as 7.0%. Return data shows a normal range of returns for all grades of properties. Obviously, the investments with higher risks will require the higher returns while the higher quality investments with less risk will show returns at the lower end of the scale.

The subject property is a warehouse facility situated in an average location which has the potential to produce an average quality income stream. Therefore, we estimate an overall capitalization rate of 7.2% to be appropriate for this type of investment.

**CAPITALIZATION RATE SELECTION – FOURTH QUARTER 2020, CONTINUED****INDUSTRIAL CAPITALIZATION RATE DATA – FOURTH QUARTER 2020**

I. INTEREST RATES, LOAN TO VALUE RATIOS, CONSTANT, MATURITY, AND CAP RATE SCHEDULE

ACLI - INVESTMENT BULLETIN

Table		LTV %	Int. Rate	Constant	Maturity Years	Cap Rate
1	Fixed Rate Industrial	59.1	3.17	4.9	33	5.7
3	< \$3 bil	58.4	3.14	6.1	23	5.9
8	< \$2 mil	56.8	3.65	6.3	24	6.9
8	\$2 - 4.99 mil	57.1	3.40	6.4	22	6.6
8	\$5 - 14.99 mil	60.6	3.29	5.6	27	6.2
8	\$15 - 24.99 mil	54.6	3.04	5.4	27	5.2
8	\$25 mil and over	60.1	3.12	4.2	43	5.4
9	Mid Atlantic	55.3	2.89	5.2	28	5.0
10	New Jersey	59.3	2.97	5.0	31	4.9
11A	NY-NJ-CT-PA	51.9	3.08	4.8	33	4.5
16	Less than 50,000 SF	61.8	3.76	6.5	23	6.6
16	50,000 to 100,000 SF	60.4	3.37	5.7	26	6.3
16	100,001 to 200,000 SF	60.3	3.13	5.7	26	6.2
16	More than 200,000 SF	58.5	3.11	4.6	37	5.4
16A	< \$50 / sq. ft.	53.0	3.24	6.3	22	6.3
16A	\$50.01 - \$75 / sq. ft.	58.6	3.14	4.8	33	5.2
16A	\$75.01 - \$100 / sq. ft.	60.8	3.05	4.8	33	5.5
16A	> \$100 / sq. ft.	62.6	3.34	4.2	49	6.7

**CONCLUSIONS**

INTEREST RATE: 3.50%

LOAN TO VALUE RATIO: 60%

AMORTIZATION PERIOD: 25 YEARS

MORTGAGE CONSTANT: 6.01 %

CAP RATE: 7.2%

**CAPITALIZATION RATE SELECTION – FOURTH QUARTER 2020, CONTINUED****II. EQUITY RATE SELECTION****A. ACLI - INVESTMENT BULLETIN - RETAIL PROPERTY****EXAMPLE OF EXTRACTED EQUITY RATE**

$$\begin{aligned}
 (\text{OAR} - (\text{LTV} \times \text{Mortgage Constant})) &\div \% \text{ Equity} = \text{Equity Rate} \\
 (9.6 - (.772 \times 10.1)) &\div 0.228 = \text{Equity Rate} \\
 (9.6 - 7.79) &\div 0.228 = \text{Equity Rate} \\
 1.81 &\div 0.228 = \text{Equity Rate} \\
 7.93 &= \text{Equity Rate}
 \end{aligned}$$

	<b>Table</b>	<b>Cap Rate</b>	<b>LTV %</b>	<b>Constant</b>	<b>% Equity</b>	<b>Extracted Equity Rate %</b>
1	Fixed Rate Industrial	5.7	59.1	4.9	41.0	6.77
3	< \$3 bil	5.9	58.4	6.1	41.6	5.49
8	< \$2 mil	6.9	56.8	6.3	43.2	7.67
8	\$2 - 4.99 mil	6.6	57.1	6.4	42.9	6.92
8	\$5 - 14.99 mil	6.2	60.6	5.6	39.4	7.24
8	\$15 - 24.99 mil	5.2	54.6	5.4	45.4	5.04
8	\$25 mil and over	5.4	60.1	4.2	39.9	7.15
9	Mid Atlantic	5.0	55.3	5.2	44.7	4.68
10	New Jersey	4.9	59.3	5.0	40.7	4.67
11	NY-NJ-CT-PA	4.5	51.9	4.8	48.1	4.15
16	Less than 50,000 SF	6.6	61.8	6.5	38.2	6.71
16	50,000 to 100,000 SF	6.3	60.4	5.7	39.6	7.26
16	100,001 to 200,000 SF	6.2	60.3	5.7	39.7	7.01
16	More than 200,000 SF	5.4	58.5	4.6	41.5	6.66
16A	< \$50 / sq. ft.	6.3	53.0	6.3	47.0	6.27
16A	\$50.01 - \$75 / sq. ft.	5.2	58.6	4.8	41.4	5.81
16A	\$75.01 - \$100 / sq. ft.	5.5	60.8	4.8	39.2	6.66
16A	> \$100 / sq. ft.	6.7	62.6	4.2	37.4	10.81

***Indicated Equity Rate = 9%***

**CAPITALIZATION RATE SELECTION – FOURTH QUARTER 2020, CONTINUED**

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B. OVERALL CAPITALIZATION RATE SURVEY

**INDUSTRIAL - PWC**

3.4% - 7.0%

**INDUSTRIAL - ACLI**

4.5% - 6.9%

**CAPITALIZATION DATA**

Mortgage Interest Rate: 3.5%

Loan To Value Ratio: 60%

Amortization Period: 25 Years

Mortgage Constant: 6.01%

Equity Rate: 9%

**BAND OF INVESTMENT**  
**MORTGAGE EQUITY DISTRIBUTION**

60% x 6.01% = 3.61 %

40% x 9.00% = 3.60%

Overall Rate = 7.21%

Rounded = 7.2%

**ESTIMATE POTENTIAL GROSS INCOME:**

16,500	Sq Ft of First Floor Industrial Space	@ \$6.00 per sq ft	\$99,000
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20,933	Sq Ft of Upper Floor Industrial Space	@ \$3.00 per sq ft	\$62,799
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Total PGI:	\$161,799
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Less:

Vacancy and Credit Loss (7.5%):	(12,135)
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Effective Gross Income:	\$149,664
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Less:

Operating Expenses:

Management (5%)	7,483
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Commissions (5%)	7,483
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Reserves (2%)	2,993
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(17,959)

Net Income:	\$131,705
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Overall Rate:	7.2%
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Indicated Value:	\$1,829,236
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Rounded To:	\$1,830,000
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Indicated Value / S.F.:	\$48.88
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The three approaches to value have produced the following conclusions:

Cost Approach	Not Applicable
Sales Comparison Approach	<b>\$1,615,000</b>
Income Approach	<b>\$1,830,000</b>

The Sales Comparison Approach is an indication of what similar properties in the subject market are trading for. In this report sales were analyzed and adjusted to estimate an indicated unit value.

The Income Approach is a reflection of a prudent investor's analysis of an income producing property. The income is analyzed in terms of quantity, quality, and durability. An economic rental was ascertained and well supported from the marketplace. An appropriate allowance for vacancy was deducted as were owner incurred expenses. The resulting net income was converted into value by the Capitalization Rate. This rate was well-supported in the market. In the report the Income Approach as well as the Sales Comparison Approach are both significant since facilities such as the subject are leased and financed on the open market and commonly traded.

In reconciliation of the Income Approach to value as compared to the Sales Comparison Approach to value, we have put equal weight on both approaches to value. Therefore, we have concluded that the fair market value of the subject property's fee simple estate, as of January 19, 2021, was in the amount of:

**\$1,700,000**  
**(One Million Seven Hundred Thousand Dollars)**

The appraisers assume no responsibility for matters legal in character, nor render any opinion as to title, which is assumed to be good. The legal description, if any furnished, is assumed to be correct. All existing liens and encumbrances have been disregarded and the property has been appraised as though free and clear and under responsible ownership and competent management.

A personal inspection of the property has been made. Areas and dimensions of the property have been physically measured with the exception of the lot size which was provided by the current tax map of the municipality in which the subject exists.

An analysis of local conditions and all relevant data has been made. Verification of factual matters contained in this report, has been made to the extent deemed practicable. We certify, that to the best of our knowledge and belief, such factual matters are true and correct and that no important factors affecting value of this property were knowingly overlooked or withheld. Market data has been taken from sources deemed to be reliable but may not have been able to be verified in all cases. The resultant estimate of market value is predicated on the financial structure prevailing as of the date of value.

This appraisal report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the undersigned) affecting the analysis, opinion and conclusions contained in this report.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may all or any part of the contents of this report be conveyed to the public through advertising, public relations, news, sales, or other media, without written consent and approval of the author, particularly as to value conclusions, and the identity of the appraisers or firm which they are connected.

The appraisers shall not be required to give testimony or appear in court by reason of this appraisal unless specific arrangements for these services are otherwise arranged.

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. We have conducted an inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the people signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'J. Lamicella, Jr.', with a stylized flourish at the end.

**THEODORE J. LAMICELLA, JR., SCGRE, CTA**  
*State Certified General Real Estate Appraiser*  
NJ License 42RG00189200  
Valid through 12/31/2021

**THEODORE J. LAMICELLA, JR., SCGRE, CTA**  
**STATE CERTIFIED GENERAL REAL ESTATE APPRAISER**

**EDUCATION:**

**OCEAN COUNTY COLLEGE**  
Business Administration

Additional Course Work:

- Real Property Appraisal I - Rutgers University
- Real Property Appraisal II - Rutgers University
- Property Tax Administration - Rutgers University
- General Applications - Appraisal Institute
- Advanced Income Capitalization - Appraisal Institute
- Market Analysis and Highest & Best Use - Appraisal Institute
- Advanced Applications - Appraisal Institute
- Standards of Professional Practice, Parts A & B - Appraisal Institute
- Hotel Valuation - Appraisal Institute
- Report Writing & Valuation Analysis - Appraisal Institute
- Real Estate Finance Statistics and Valuation Modeling
- Uniform Appraisal Standards for Federal Land Acquisitions
- Farmland Assessment

**EXPERIENCE:**

2010 – Present

**ASSOCIATED APPRAISAL GROUP**  
*Director, Appraisal & Litigation Services*

Responsibilities include providing professional appraisal consulting services to government/public agencies, corporation, the legal profession, financial institutions, and private individuals. Responsible for the supervision of the litigation support staff.

2016 – Present

**TOWNSHIP OF WALL**  
*Tax Assessor*

Department head responsible for the annual valuation of all real property within the Township for taxation purposes.

Analysis of all sales transactions for consideration of inclusion in annual sales study required by the State of New Jersey for measuring the deviation between sale values and assessed values.

Defending tax assessments for appeals at the Monmouth County Tax Board and the New Jersey State Tax Court.

## QUALIFICATIONS OF THE APPRAISERS, CONTINUED

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2008 – 2010

**APPRAISAL SYSTEMS, INC.**

*Senior Appraiser*

Responsible for all phases of revaluation programs relating to commercial properties, including the estimation of all property values in municipalities throughout Bergen, Essex, Hunterdon, Monmouth, Morris, Ocean, Passaic, Sussex, Union, and Warren Counties.

Narrative report writing for the Tax Court of New Jersey, condemnation matters, lending institutions, various governmental agencies, and private clients.

Expert witness at the Tax Court of New Jersey and various County Boards of Taxation.

1997 - 2008

**CERTIFIED VALUATIONS, INC.**

*Project Manager / Chief Commercial Appraiser*

Responsibilities included: supervision and training for data collection, conducting income and expense analysis, sales analysis, and valuation of commercial properties, as well as attendance at and review of informal taxpayer hearings. Responsible for training and supervising of field personnel.

Participated in the revaluations and assessments in the following municipalities: City of Atlantic City, Town of Dover, Fort Lee Borough, Harding Township, Kinnelon Borough, Lincoln Park Borough, Madison Borough, Mansfield Township, Montville Township, Morris Township, Town of Morristown, City of Newark, Parsippany-Troy Hills Township, Randolph Township, Rockaway Township, Washington Township and West Windsor Township.

Responsible for the valuation of commercial, industrial and apartment properties during the revaluation of the City of Newark.

Responsible for the valuation of Casino/Hotel properties during the revaluation of the City of Atlantic City.

1992 – 1997

**MMC, INC.**

*Commercial Appraiser*

Established data collection and valuation guidelines for commercial/industrial properties in New Jersey. Trained and supervised staff. Data collected and reviewed commercial/industrial properties in field. Analyzed sales & income and expense reports. Developed CAP rates. Built databases and wrote guidelines for income/capitalization programs.

Participated in revaluation and assessments in the following municipalities: Dover Township, Warren Township and Washington Township (Mercer County).

## QUALIFICATIONS OF THE APPRAISERS, CONTINUED

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**1990 - 1992 VITAL APPRAISAL**  
*Commercial Data Collector*

Performed data collection of commercial/industrial and residential properties. Administered quality control reports on staff. Analyzed sales ratio reports. Conducted hearings.

Participated in revaluation and assessments in the following municipalities: Brick Township, Cherry Hill Township, Marlboro Township and Mercerville.

**1988 - 1990 COLE-LAYER-TRUMBLE**  
*Crew Chief - Field Inspections*

Coordinated and supervised residential data collection. Administered quality control reports on staff. Analyzed sales ratio reports. Supervised and conducted hearings.

### EXPERT WITNESS:

Tax Court of New Jersey  
Superior Court of New Jersey  
United States District Court – District of New Jersey  
Atlantic County Board of Taxation, Bergen County Board of Taxation  
Camden County Board of Taxation, Essex County Board of Taxation  
Hudson County Board of Taxation, Hunterdon County Board of Taxation  
Middlesex County Board of Taxation, Monmouth County Board of Taxation  
Morris County Board of Taxation, Ocean County Board of Taxation  
Passaic County Board of Taxation, Sussex County Board of Taxation  
Union County Board of Taxation, Warren County Board of Taxation  
Bucks County, PA Board of Assessment

### CERTIFICATIONS AND PROFESSIONAL AFFILIATIONS:

Certified Tax Assessor - State of New Jersey  
State of New Jersey, State Certified General Real Estate Appraiser  
License Number: **42RG001892000**  
Commonwealth of Pennsylvania, State Certified Real Estate Appraiser  
License Number: **GA004258**  
Associate Member - Appraisal Institute

# BULK REQUIREMENTS

## Chapter 5. Building Bulk & Design Requirements

The Newark Zoning & Land Use Ordinance provides the rules for the bulk and design of buildings organized by *building types* such as single-family house, apartment building, and houses of worship. Once you understand the zone for a particular lot in the city and the uses that are permitted for that lot, this chapter provides the rules for which building types are permitted to contain those uses, and the rules for the physical layout and shape of the building.

### 40:5-1. Permitted Building Types by Zoning District

Table 5.1 below indicates which building types are permitted in which zones.

On the following pages, Tables 40:5-2 and 40:5-3 provide the specific bulk and design standards for each building type. Following that, graphic illustrations depict the rules for building type. In case of conflict or ambiguity, bulk and design standards provided in tables shall prevail.

Table 5.1 Building types permitted by zone																
P = permitted, see Bulk & Design requirements																
Note: This table pertains only to building design requirements and not permitted uses. For permitted uses, see Chapter 4: Permitted Uses By District.																
BUILDING TYPE	R1	R2	R3	R4	R5	R6	C1	C2	C3	I1	I2	I3	MX1	MX2	INST	EWR-S
<b>RESIDENTIAL</b>																
One-family	P	P	P	P									P	P		
Two-family		P	P	P									P	P		
Three-family			P	P									P	P		
Townhouse		P	P	P									P	P	P	
Low-rise multifamily & Four-Family				P	P	P	P						P	P	P	
Mid-rise multifamily					P	P									P	
High-rise multifamily						P										
<b>COMMERCIAL</b>																
Ground-floor commercial with commercial or residential above				P	P	P	P	P	P				P	P	P	
Detached commercial									P	P			P			P
<b>INDUSTRIAL</b>										P	P	P		P		P
<b>CIVIC/INSTITUTIONAL</b>																
University															P	
Hospital or Medical Institution															P	
Schools (Elementary, Middle, High Schools)		P	P	P	P	P	P	P	P				P		P	
Place of Worship		P	P	P	P	P	P	P	P	P			P	P	P	
Community Center, Stand-Alone Daycare or Preschool in a Non-residential Area, and other Civic Buildings				P	P	P	P	P	P				P	P	P	

**40:5-2. Bulk & Design Standards for 1-family houses in R-1**

Table 5.2 Bulk & Design Standards for 1-family houses in R-1					
	Min Lot Size for Subdivision	Min Lot Width for Subdivision	Max Building Height	Front Yard	Side Yard
<b>1-family house in R-1</b>  For accessory buildings in residential districts see Note 7 on page 114.  For fire escapes, see Note 9 on page 115.	5000 SF	50 feet	3 stories and 35 feet  For towers, cupolas, and other elements of architectural character, see Note 1 on page 114.	Front setback shall match the shorter front setback of the two closest principle buildings on each side of the project site on the same block as the site up to 50 feet. If no prevailing setback, 15 feet max and min.  For through lots, a front yard shall be provided at each street.  For corner lots, there shall be a front yard on each street-facing frontage, provided that the width of such lot for building purposes shall not be reduced to less than 25 feet and no accessory building shall project into the front yard on either street.  No front yard on the longer side of a corner need exceed 12½ feet.	One side yard must be 10 feet minimum and other must be 5 feet minimum.  For ornamental features, window sills, bay windows, and balconies, see Note 10 on page 115.  For chimneys, see Note 12 on page 115.

Table 5.2 Bulk & Design Standards for 1-family houses in R-1 (continued)					
Min Rear Yard	Min Lot Area per Dwelling	Max Lot Coverage	Max Impervious (Paved) Yard Area	Min Building Transparency	Orientation of primary entrance
30 feet  For ornamental features, window sills, bay windows, and balconies, see Note 10 on page 115.  For chimneys, see Note 12 on page 115.  When a rear yard opens onto a public alley, see Note 13 on page 115.	n/a	40%	Front Yard: 30% Rear Yard: 50%  Only one driveway no wider than 10 feet permitted in the front yard area.  A paved walkway is permitted along one side of a dwelling at the side yard.	Primary Front Façade: 30%  Street-Facing Side & Rear Façades: 20%  Non-Street-Facing Façades: 10% or the maximum allowed by construction code, whichever is greater.  All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement.	Primary street facing façade must include primary entrance.  Corner lots must include two entrances, one on each street-facing façade.

**40:5-3. General Bulk & Design Standards**

Table 5.3 General Bulk &amp; Design Standards

	Min Lot Size for Subdivision	Min Lot Width for Subdivision	Max Building Height	Front Yard	Side Yard	Min Rear Yard	Min Lot Area per Dwelling	Max Lot Coverage
<b>1-family</b>  For accessory buildings in residential districts see Note 7 on page 114.  For fire escapes, see Note 9 on page 115.	2500 square feet	25 feet	3 stories and 36 feet  For towers, cupolas, and other elements of architectural character, see Note 1 on page 114.	Front setback shall match the shorter front setback of the two closest principle buildings on each side of the project site on the same block as the site or 6 feet if no prevailing setback.  Regarding exceptions for bay windows, balconies, stoops, porches, and other elements of architectural character, see Note 2 on page 114.  For through lots, see Note 3 on page 114.  For corner lots, see Note 4 on page 114.	3 feet minimum	30 feet	n/a	50%
<b>2-family</b>  For accessory buildings in residential districts see Note 7.	2500 square feet	25 feet	3 stories and 36 feet  For towers, cupolas, and other elements of architectural character, see Note 1.	Front setback shall match the shorter front setback of the two closest principle buildings on each side of the project site on the same block as the site or 6 feet if no prevailing setback.  Regarding exceptions for bay windows, balconies, stoops, porches, and other elements of architectural character, see Note 2 on page 114.  For through lots, see Note 3 on page 114.  For corner lots, see Note 4 on page 114.  For stoops, see Note 8 on page 115.  For porches, see Note 11 on page 115.	3 feet minimum  For party walls and other exceptions, see Note 5 on page 114.  For ornamental features, window sills, bay windows, and balconies, see Note 10 on page 115.  For chimneys, see Note 12 on page 115.	30 feet  For ornamental features, window sills, bay windows, and balconies, see Note 10 on page 115.	1250 SF/du	50%

Max Impervious (Paved) Yard Area	Min Building Transparency	Orientation of primary entrance	Active Ground floor Reqs
<p>Front Yard: 65% Rear Yard: 30%</p> <p>Only one driveway no wider than 10 feet permitted in the front yard.</p> <p>A paved walkway is permitted along one side of a dwelling.</p>	<p>Primary Front Façade: 30%</p> <p>Street-Facing Side &amp; Rear Façades: 20%</p> <p>Non-Street-Facing Façades: 10% or the maximum allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement.</p>	<p>Primary street-facing façade must include primary entrance.</p> <p>Corner lots must include two entrances, one on each street-facing façade.</p>	n/a
<p>Front Yard: 60% Rear Yard: 30%</p> <p>Only one driveway no wider than 10 feet permitted in the front yard area.</p> <p>A paved walkway is permitted along one side of a dwelling at the side yard.</p>	<p>Primary Front Façade: 30%</p> <p>Street-Facing Side &amp; Rear Façades: 20%</p> <p>Non-Street-Facing Façades: 10% or the maximum allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement.</p>	<p>Primary street-facing façade must include primary entrance.</p> <p>All units must be accessible from front or side façade. Rear primary entrances are prohibited.</p>	n/a

Table 5.3 General Bulk &amp; Design Standards

	Min Lot Size for Subdivision	Min Lot Width for Subdivision	Max Building Height	Front Yard	Side Yard	Min Rear Yard	Min Lot Area per Dwelling	Max Lot Coverage
<b>3-family</b>  For accessory buildings in residential districts see Note 7 on page 114.	3500 square feet	35 feet	3 stories and 36 feet  For towers, cupolas, and other elements of architectural character, see Note 1 on page 114.	Front setback shall match the shorter front setback of the two closest principle buildings on each side of the project site on the same block as the site or 6 feet if no prevailing setback.  Regarding exceptions for bay windows, balconies, stoops, porches, and other elements of architectural character, see Note 2 on page 114.  For through lots, see Note 3 on page 114.  For corner lots, see Note 4 on page 114.	3 feet minimum  For party walls and other exceptions, see Note 5 on page 114.  For ornamental features, window sills, bay windows, and balconies, see Note 10 on page 115.	30 feet  For ornamental features, window sills, bay windows, and balconies, see Note 10 on page 115.  When a rear yard opens onto a public alley, see Note 13 on page 115.	1165 SF/du	55%
<b>Townhouse</b>  (At least 3 adjacent town houses with 1-3 families in each with shared side driveway)  For accessory buildings in residential districts see Note 7 on page 114.	7000 square feet	70 feet	3 stories and 36 feet  For towers, cupolas, and other elements of architectural character, see Note 1 on page 114.	Front setback shall match the shorter front setback of the two closest principle buildings on each side of the project site on the same block as the site or 6 feet if no prevailing setback.  Regarding exceptions for bay windows, balconies, stoops, porches, and other elements of architectural character, see Note 2 on page 114.  For through lots, see Note 3 on page 114.  For corner lots, see Note 4 on page 114.	3 feet minimum  For party walls and other exceptions, see Note 5 on page 114.  10-foot-wide driveway may be placed at side property line.	30 feet	770 SF/du	60%

Max Impervious (Paved) Yard Area	Min Building Transparency	Orientation of primary entrance	Active Ground floor Reqs
<p>Front Yard: 55% Rear Yard: 75%</p> <p>Only one driveway no wider than 10 feet permitted in the front yard area.</p> <p>A paved walkway is permitted along one side of a dwelling at the side yard.</p>	<p>Primary Front Façade: 30%</p> <p>Street-Facing Side &amp; Rear Façades: 20%</p> <p>Non-Street-Facing Façades: 10% or the maximum allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement.</p>	<p>Primary street-facing façade must include primary entrance.</p> <p>All units must be accessible from front or side façade. Rear primary entrances are prohibited.</p>	n/a
<p>Front Yard: 55% Rear Yard: 15%</p> <p>Only one driveway no wider than 10 feet permitted in the front yard area.</p> <p>A paved walkway is permitted along one side of a dwelling at the side yard.</p>	<p>Primary Front Façade: 30%</p> <p>Street-Facing Side &amp; Rear Façades: 20%</p> <p>Non-Street-Facing Façades: 10% or the maximum allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement.</p>	<p>Primary street-facing façade must include primary entrance for each town house.</p> <p>All units must be accessible from front or side façade. Rear primary entrances are prohibited.</p>	n/a

Table 5.3 General Bulk &amp; Design Standards

	Min Lot Size for Subdivision	Min Lot Width for Subdivision	Max Building Height	Front Yard	Side Yard	Min Rear Yard	Min Lot Area per Dwelling	Max Lot Coverage
<b>Low-rise multifamily</b>  For accessory buildings in residential districts see Note 7 on page 114.	10,000 square feet	100 feet	4 stories and 48 feet  For towers, cupolas, and other elements of architectural character, see Note 1 on page 114.	Front setback shall match the shorter front setback of the two closest principle buildings on each side of the project site on the same block as the site or 6 feet if no prevailing setback.  Regarding exceptions for bay windows, balconies, stoops, porches, and other elements of architectural character, see Note 2 on page 114.  For through lots, see Note 3 on page 114.  For corner lots, see Note 4 on page 114.	5 feet minimum  For party walls and other exceptions, see Note 6 on page 114.	30 feet	625 SF/du	66%
<b>Mid-rise multifamily</b>  For accessory buildings in residential districts see Note 7 on page 114.	10,000 square feet	100 feet	8 stories and 96 feet  For towers, cupolas, and other elements of architectural character, see Note 1 on page 114.	Front setback shall match the shorter front setback of the two closest principle buildings on each side of the project site on the same block as the site or 6 feet if no prevailing setback.  Regarding exceptions for bay windows, balconies, stoops, porches, and other elements of architectural character, see Note 2 on page 114.  For through lots, see Note 3 on page 114.  For corner lots, see Note 4 on page 114.	5 feet minimum  For party walls and other exceptions, see Note 6 on page 114.	30 feet	350 SF/du	60%

Max Impervious (Paved) Yard Area	Min Building Transparency	Orientation of primary entrance	Active Ground floor Reqs
Front Yard: 55% Rear Yard: 30%	<p>Primary Front Façade: 50%</p> <p>Street-Facing Side &amp; Rear Façades: 35%</p> <p>Non-Street-Facing Façades: 20% or the maximum allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement.</p> <p>If there is retail, office or personal services on the ground floor between zero (0) and 14 feet, the front façade must have 65% transparency.</p>	<p>Primary street-facing façade must include primary entrance.</p> <p>All units must be accessible from front or side façade. Rear primary entrances are prohibited.</p> <p>If there is one or more units of retail, office, or personal services on the ground floor between zero (0) and 14 feet, each unit must have its own primary entrance on the street-facing façade.</p>	<p>If there is one or more units of retail, office or personal services on the ground floor, the ground floor shall have a 14 feet max floor-to-floor height.</p>
Front Yard: 55% Rear Yard: 30%	<p>Primary Front Façade: 50%</p> <p>Street-Facing Side and Rear Façades: 35%</p> <p>Non-Street Facing Walls: 20% or the maximum amount allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement.</p> <p>If there is retail, office or personal services on the ground floor between zero (0) and 14 feet, the front façade must have 65% transparency.</p>	<p>Primary street-facing façade must include primary entrance.</p> <p>All units must be accessible from front or side façade. Rear primary entrances are prohibited.</p> <p>If there is one or more units of retail, office, or personal services on the ground floor between zero (0) and 14 feet, each unit must have its own primary entrance on the street-facing façade.</p>	<p>If there is one or more units of retail, office or personal services on the ground floor, the ground floor shall have a 14 feet max floor-to-floor height.</p>

Table 5.3 General Bulk &amp; Design Standards

	Min Lot Size for Subdivision	Min Lot Width for Subdivision	Max Building Height	Front Yard	Side Yard	Min Rear Yard	Min Lot Area per Dwelling	Max Lot Coverage
<b>High-rise multifamily</b>	10,000 square feet	100 feet	<p>10 stories and 120 feet</p> <p>An additional 1 story per 12 feet of height shall be permitted for each additional 1,000 SF of lot area up to 20,000 SF, for a maximum height of 20 stories and 243 feet.</p>	<p>Front setback shall match the shorter front setback of the two closest principle buildings on each side of the project site on the same block as the site or 6 feet if no prevailing setback.</p> <p>Regarding exceptions for bay windows, balconies, stoops, porches, and other elements of architectural character, see Note 2 on page 114.</p> <p>For through lots, see Note 3 on page 114.</p> <p>For corner lots, see Note 4 on page 114.</p>	10 feet minimum	30 feet	300 SF/du	60%
<b>Ground-floor commercial with commercial or residential above</b>	3,500 square feet	35 feet	<p>In C1 zone: 4 stories and 48 feet</p> <p>In C2 zone: 5 stories and 60 feet</p> <p>In C3 zone: 8 stories and 96 feet</p> <p>In MX-1 &amp; MX-2 zones: 4 stories and 48 feet</p>	<p>Minimum: 0 feet Maximum: 5 feet</p> <p>Regarding exceptions for bay windows, balconies, stoops, porches, and other elements of architectural character, see Note 2 on page 114.</p>	0 feet min and max	<p>Abutting a residential district or residential use: 25 feet</p> <p>Abutting a non-residential district: 20 feet</p>	<p>In C1 zone: 580 SF/du</p> <p>In C2 zone: 340 SF/du</p> <p>In C3 zone: 310 SF/du</p>	80%

Max Impervious (Paved) Yard Area	Min Building Transparency	Orientation of primary entrance	Active Ground floor Reqs
Front Yard: 55% Rear Yard: 30%	<p>Primary Front Façade: 50%</p> <p>Street-Facing Side &amp; Rear Façades: 35%</p> <p>Non-Street Facing Walls: 20% or the maximum amount allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement.</p> <p>If there is retail, office or personal services on the ground floor between zero (0) and 14 feet, the front façade must have 65% transparency.</p>	<p>Primary street-facing façade must include primary entrance.</p> <p>All units must be accessible from front or side façade. Rear primary entrances are prohibited.</p> <p>If there is one or more units of retail, office, or personal services on the ground floor between zero (0) and 14 feet, each unit must have its own primary entrance on the street-facing façade.</p>	<p>If there is one or more units of retail, office or personal services on the ground floor, the ground floor shall have a 14 feet max floor-to-floor height.</p>
Front Yard: n/a Rear Yard: 50%	<p>Ground-level street-facing façade below 14 feet in height: 65%</p> <p>Ground-level windows must allow views of indoor nonresidential space or product display areas.</p> <p>Corner uses having frontage on two streets shall meet this requirement for each of the street frontages.</p> <p>Primary Front Façade (excluding ground-level façade): 50%</p> <p>Street-Facing Side and Rear Façades: 35%</p> <p>Non-Street Facing Walls: 20% or the maximum amount allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement.</p> <p>Reflective, mirrored, smoked and dark tinted glass are prohibited on façades facing a public street.</p>	<p>Primary street-facing façade must include primary entrance.</p> <p>Buildings may have more than one principal façade and/or entry.</p> <p>Entries to non-residential uses shall have their own individual entrance from a sidewalk or walkway; mall-style interior retail entrances are prohibited.</p>	<p>Ground floor shall have a 14 feet min floor-to-floor height.</p>

Table 5.3 General Bulk &amp; Design Standards

	Min Lot Size for Subdivision	Min Lot Width for Subdivision	Max Building Height	Front Yard	Side Yard	Min Rear Yard	Min Lot Area per Dwelling	Max Lot Coverage
<b>Detached commercial</b>	5000 square feet	50 feet	In MX-1 zone: 4 stories and 48 feet  In C-3, I-1, & EWR-S zones: 8 stories and 96 feet	Minimum 0 feet Maximum 5 feet	0 feet or 5 feet	Abutting a residential district: 25 feet  Abutting a non-residential district: 20 feet	n/a	85%
<b>Industrial</b>	5000 square feet	50 feet	In MX-2 zone: 4 stories and 48 feet  In I-1, I-2, I-3 & EWR-S zones: 8 stories and 96 feet	Front setback shall match the shorter front setback of the two closest principle buildings on each side of the project site on the same block as the site or 6 feet if no prevailing setback.	3 feet minimum	50 feet abutting a residential district; 20 feet abutting a non-residential district	n/a	85%

Max Impervious (Paved) Yard Area	Min Building Transparency	Orientation of primary entrance	Active Ground floor Reqs
<p>Front Yard: 55% Rear Yard: 60%</p>	<p>Ground-level street-facing façade below 14 feet in height: 65% Ground-level windows must allow views of indoor nonresidential space or product display areas. Corner uses having frontage on two streets shall meet this requirement for each of the street frontages.</p> <p>Primary Front Façade (excluding ground-level façade): 50%</p> <p>Street-Facing Side and Rear Façades: 35%</p> <p>Non-Street Facing Walls: 20% or the maximum amount allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement. Reflective, mirrored, smoked and dark tinted glass is prohibited on façades facing a public street.</p>	<p>Primary street-facing façade must include primary entrance.</p> <p>Buildings may have more than one principal façade and/or entry. (§40:7-2-2).</p> <p>Entries to non-residential uses shall have their own individual entrance from a sidewalk or walkway; mall-style interior retail entrances are prohibited (§40:8-2-19).</p>	<p>Ground floor shall have a 14 feet min floor-to-floor height.</p> <p>Maximum 30% of primary lot frontage may be used for parking.</p> <p>Minimum 50% of primary lot frontage must be occupied by building at front setback.</p>
<p>Front Yard: 55% Rear Yard: 30%</p>	<p>Primary Front Façade: 25%</p>	<p>Primary street-facing façade must include primary entrance.</p>	<p>n/a</p>

Table 5.3 General Bulk & Design Standards								
	Min Lot Size for Subdivision	Min Lot Width for Subdivision	Max Building Height	Front Yard	Side Yard	Min Rear Yard	Min Lot Area per Dwelling	Max Lot Coverage
<b>University</b>	10,000 square feet	100 feet	20 stories, 210 feet	Minimum 5 feet Maximum 10 feet	5 feet	30 feet	n/a	80%
<b>Hospital or Medical Institution</b>	10,000 square feet	100 feet	20 stories, 210 feet	Minimum 5 feet Maximum 10 feet	5 feet	30 feet	n/a	n/a
<b>Schools</b> (elementary, middle and high school)	10,000 square feet	100 feet	Schools: 5 stories, 55 feet	Minimum 5 feet Maximum 10 feet	5 feet	30 feet	n/a	65%

Max Impervious (Paved) Yard Area	Min Building Transparency	Orientation of primary entrance	Active Ground floor Reqs
Front Yard: 55% Rear Yard: 30%	<p>Primary Front Façade: 50%</p> <p>Street-Facing Side and Rear Façades: 50%</p> <p>Non-Street Facing Walls: 35% or the maximum amount allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement. Reflective, mirrored, smoked and dark tinted glass is prohibited on façades facing a public street.</p>	<p>Primary street-facing façade must include primary entrance.</p> <p>Rear primary entrances are prohibited.</p>	n/a
Front Yard: 55% Rear Yard: 30%	<p>Primary Front Façade: 50%</p> <p>Street-Facing Side and Rear Façades: 50%</p> <p>Non-Street Facing Walls: 35% or the maximum amount allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement. Reflective, mirrored, smoked and dark tinted glass is prohibited on façades facing a public street.</p>	<p>Primary street-facing façade must include primary entrance.</p> <p>Rear primary entrances are prohibited.</p>	n/a
Front Yard: 55% Rear Yard: 30%	<p>Primary Front Façade: 50%</p> <p>Street-Facing Side and Rear Façades: 50%</p> <p>Non-Street Facing Walls: 35% or the maximum amount allowed by construction code, whichever is greater.</p> <p>All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement. Reflective, mirrored, smoked and dark tinted glass is prohibited on façades facing a public street.</p>	<p>Primary street-facing façade must include primary entrance.</p> <p>Rear primary entrances are prohibited.</p>	n/a

Table 5.3 General Bulk &amp; Design Standards

	Min Lot Size for Subdivision	Min Lot Width for Subdivision	Max Building Height	Front Yard	Side Yard	Min Rear Yard	Min Lot Area per Dwelling	Max Lot Coverage
<b>Place of Worship</b>	10,000 square feet	100 feet	2 stories and 30 feet, excluding steeple, tower or cupola element, which can be 30 feet above permitted height	Minimum 5 feet Maximum 10 feet	5 feet	20 feet	n/a	65%
<b>Community Center, Stand-Alone Daycare or Preschool in a Non-residential Area, and other Civic Buildings</b>	5,000 square feet	50 feet	Community Center, Stand-Alone Daycare or Preschool in a non-residential area: 3 stories, 35 feet	Minimum 5 feet Maximum 10 feet	5 feet	30 feet	n/a	65%

Max Impervious (Paved) Yard Area	Min Building Transparency	Orientation of primary entrance	Active Ground floor Reqs
Front Yard: 55% Rear Yard: 20%	Primary Front Façade: 50%  Street-Facing Façades and Side: 35%  Rear Façade: 20%  Non-Street Facing Façades: 20% or the maximum allowed by construction code, whichever is greater. All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement	Primary street-facing façade must include primary entrance.  Rear primary entrances are prohibited.	n/a
Front Yard: 55% Rear Yard: 30%	Primary Front Façade: 50%  Street-Facing Side and Rear Façades: 50%  Non-Street Facing Façades: 35% or the maximum allowed by construction code, whichever is greater. All transparent glazing areas on door panels count towards this requirement, but door panels themselves do not count towards this requirement.	Primary street-facing façade must include primary entrance.  Rear primary entrances are prohibited.	n/a

**Note 1** Architectural elements such as towers and cupolas may break this limit but not by greater than 6 feet.

**Note 2** Bay windows (with no wall section greater than 6 feet), balconies, stoops, and porches are permitted to encroach into the front setback area.

**Note 3** For through lots, the street frontage where the closest principal buildings on each end of the lot that have the lesser setback shall be considered the front yard.

**Note 4** For corner lots, the following special setback requirements apply to the street frontages of the two intersecting streets in R-2, R-3, R-4, MX-1, and MX-2: 1) one of the setbacks of a new structure shall match the lesser front setback of the closest principal building on that block and on that street frontage; 2) the other frontage's setback shall be 6 feet or less.

**Note 5** 1) Side yard setback is allowed to be zero instead of 3 feet if the closest building on the adjacent lot has 3 feet of setback from the common lot line; 2) The side yard setback is also allowed to be zero instead of the minimum if the closest building on the adjacent lot has a zero setback from the common lot line and the new structure's wall can be built flush with the adjacent building's wall; 3) No new construction shall encroach within 3 feet of another building's windows or other fenestrations nor block emergency access to those fenestrations. In cases where the side yard setback is to be zero, the setback area from that adjacent building's fenestrations shall only extend from the location of the fenestration to the rear of the new structure; 4) No side yard shall be of a distance between zero and 3 feet.

**Note 6** 1) The side yard setback is allowed to be zero instead of 5 feet if the closest building on the adjacent lot has 5 feet of setback from the common lot line; 2) The side yard setback is also allowed to be zero instead of the minimum if the closest building on the adjacent lot has a zero setback from the common lot line and the new structure's wall can be built flush with the adjacent building's wall; 3) No new construction shall encroach within 5 feet of another building's windows or other fenestrations nor block emergency access to those fenestrations. In cases where the side yard setback is to be zero, the setback area from that adjacent building's fenestrations shall only extend from the location of the fenestration to the rear of the new structure; 4) No side yard shall be of a distance between zero and 5 feet.

**Note 7** 1) Accessory buildings may occupy forty (40%) percent of the required area of a rear yard up to a height of eighteen (18) feet above the curb level; 2) No accessory building shall be erected or altered in any interior lot fronting upon only one (1) street so as to encroach upon that half of the lot depth nearest the street; 3) No accessory building shall be erected or altered on an interior lot fronting upon two (2) streets so as to encroach upon that fourth of the lot depth nearest either street; 4) On corner lots, no accessory buildings shall be located within three (3) feet of its rear lot line or side lot line when such line forms part of the front half of the side line of an adjacent interior lot, or nearer any street line than the setback line to be observed by adjacent buildings, and in no case, less than four (4) feet from the street line; 5) The foregoing regulations shall not prohibit any accessory building fifty (50) feet or more from any street line. A private garage may be attached to an existing

building provided the front of the garage does not extend beyond the front of the main building, and the garage shall conform to the architectural design and construction of the main building.

**Note 8** Stoops may encroach into a front yard with the following dimensions: 1) Minimum depth: four feet; 2) Minimum length: ten (10) percent of building frontage; 3) Maximum length: twenty-five (25) percent of building frontage; 4) Maximum height: ninety-six inches.

**Note 9** An open or lattice enclosed iron fire-escape, fireproof outside stairway, or solid-floored balcony to a fire tower may project not more than four (4) feet into a rear yard, except that: 1) An open or lattice-enclosed iron fire-escape may project not more than eight (8) feet into a rear yard, when it does not occupy more than twenty (20%) percent of the area of such yard; 2) The construction of fire escapes on single-family dwellings shall be prohibited at any street exposure. In every district, the construction of fire escapes on single-family dwellings shall be prohibited at any street exposure.

**Note 10** The area required in a yard at any given level shall be open from such level to the sky unobstructed, except for the following: 1) Parapets, cornices and other ornamental features may extend into a yard no greater than eighteen (18) inches; 2) Window sills and belt courses may extend into a yard no greater than four (4) inches; 3) Bay windows with no wall section wider than six feet may extend into a front yard no greater than four (4) feet; 4) Upper-story balconies may extend into a yard no greater than five (5) feet.

**Note 11** A one-story open porch may project into a required front yard for a distance not greater than eight (8) feet.

**Note 12** Chimneys or flues may be erected within a side or rear yard, provided they do not project more than two (2) feet and they shall not obstruct ventilation.

**Note 13** In computing the depth of a rear yard when the rear yard opens onto a public alley, one-half (1/2) of the width of the alley may be considered to be a portion of the rear yard.

# **ACLI & PWC FOURTH QUARTER 2020**

Commercial Mortgage Commitments - Third Quarter 2020  
Table 1 - by Type of Loan And Property Type

Weighted Average																	
Type of Loan	Property Type	Number of Loans	Total Amount (\$000)	Distribution by Amount (%)	Loan Amount (\$000)	Contract Interest Rate (%)	Bond Equivalent Yield (%)	Gross Spread	Net OAS	Debt Coverage Ratio	Loan Value (%)	Capitalization Rate (%)	Mortgage Constant (%)	Maturity (years)	Average Life (years)		
TOTAL	All Loans	523	10,097,481	100.00	19,307	*	*	*	*	2.05	57.84	5.00	4.44	9.83	7.74		
	Apartment	109	3,018,270	29.89	27,691	*	*	*	*	1.96	57.07	4.45	4.00	9.74	7.69		
	Office Building	73	2,166,188	21.45	29,674	*	*	*	*	1.88	56.09	4.84	5.03	8.66	6.90		
	Retail	100	1,097,959	10.87	10,980	*	*	*	*	1.83	55.95	4.84	5.45	13.33	11.00		
	Industrial	178	2,852,497	28.25	16,025	*	*	*	*	2.32	59.55	5.52	3.77	9.05	7.25		
	Hotel/Motel	1	3,750	0.04	3,750	*	*	*	*	*	*	*	*	*	*	*	
	Mixed Use	19	88,573	0.88	4,662	*	*	*	*	2.57	43.93	4.60	3.49	15.24	6.61		
	Other Commercial	43	870,245	8.62	20,238	*	*	*	*	2.11	63.07	5.87	5.46	10.53	7.60		
	FIXED RATE	All Loans	465	7,125,619	70.57	15,324	3.30	3.33	276	272	2.03	58.49	5.11	5.15	11.62	8.73	
		Apartment	88	1,728,820	17.12	19,646	3.09	3.13	246	244	2.06	56.05	4.67	4.67	13.66	10.27	
		Office Building	66	1,774,057	17.57	26,880	3.41	3.41	297	291	1.87	57.75	4.83	5.31	9.33	7.18	
		Retail	94	742,478	7.35	7,899	3.69	3.73	317	307	1.75	57.86	4.52	5.91	13.22	9.80	
Industrial		167	2,042,435	20.23	13,009	3.17	3.23	259	257	2.18	59.05	5.65	4.87	11.10	8.64		
Hotel/Motel		1	3,750	0.04	3,750	*	*	*	*	*	*	*	*	*	*	*	
	Mixed Use	18	50,985	0.50	2,833	3.33	3.34	280	280	2.98	30.89	4.19	5.32	24.27	9.28		
	Other Commercial	41	783,095	7.76	19,100	3.47	3.51	297	294	2.10	66.53	5.94	5.84	11.29	8.04		
	FLOATING RATE	All Loans	39	1,870,932	18.53	47,973	*	*	*	*	2.40	62.62	4.91	1.66	5.57	5.48	
		Apartment	12	655,000	6.49	54,583	*	*	*	*	2.07	63.55	4.02	1.27	4.38	4.32	
		Office Building	3	198,579	1.97	66,193	*	*	*	*	2.46	61.07	5.20	1.00	3.91	3.91	
		Retail	5	302,173	2.99	60,435	*	*	*	*	2.14	58.22	5.44	4.22	12.78	12.74	
Industrial		17	647,592	6.41	38,094	*	*	*	*	2.85	63.75	5.42	1.00	4.01	3.82		
Mixed Use		1	37,588	0.37	37,588	*	*	*	*	*	*	*	*	*	*	*	
	Other Commercial	1	30,000	0.30	30,000	*	*	*	*	*	*	*	*	*	*	*	
	ALL OTHERS	All Loans	19	1,100,931	10.90	57,944	*	*	*	*	1.63	45.47	4.45	4.52	5.41	5.14	
		Apartment	9	634,450	6.28	70,494	*	*	*	*	1.60	53.16	4.27	4.98	4.58	4.13	
		Office Building	4	193,552	1.92	48,388	*	*	*	*	1.35	35.71	4.54	6.57	7.35	7.32	
		Retail	1	53,308	0.53	53,308	*	*	*	*	*	*	*	*	*	*	*
		Industrial	4	162,471	1.61	40,618	*	*	*	*	2.00	49.11	4.33	1.00	3.44	3.44	
Other Commercial		1	57,160	0.57	57,160	*	*	*	*	*	*	*	*	*	*	*	

Notes: Participating companies represented 71% of the industry's commercial mortgage holdings.

Categories are mutually exclusive.

Fixed Rate Loans include only fixed rate mortgages with no other return provisions, also include rate loans.

All Others category includes: second mortgages, purchased money mortgages, wrap arounds, mezzanine and construction loans.

- Not applicable.

\* Data not shown for a limited number of loans.

\*\* Less than 0.05%.

Averages are weighted by dollar amounts. Averages for debt coverage ratio, Capitalization rate and mortgage constant may represent a fewer number of loans than the total for the specified category.

See appendix for Scope and Methodology of the Survey

Commercial Mortgage Commitments - Third Quarter 2020  
Table 3 - by Portfolio Size And Property Type

FIXED RATE MORTGAGES ONLY				Weighted Average												
Portfolio Size	Property Type	Number of Loans	Total Amount (\$000)	Distribution by Amount (%)	Loan Amount (\$000)	Contract Interest Rate (%)	Bond Equivalent Yield (%)	Gross Spread	Net OAS	Debt Coverage Ratio	Loan Value (%)	Capitalization Rate (%)	Mortgage Constant (%)	Maturity (years)	Average Life (years)	
TOTAL	All Loans	465	7,125,619	100.00	15,324	3.30	3.33	276	272	2.03	58.49	5.11	5.15	11.62	8.73	
	Apartment	88	1,728,820	24.26	19,646	3.09	3.13	246	244	2.06	56.05	4.67	4.67	13.66	10.27	
	Office Building	66	1,774,057	24.90	26,880	3.41	3.41	297	291	1.87	57.75	4.83	5.31	9.33	7.18	
	Retail	94	742,478	10.42	7,899	3.69	3.73	317	307	1.75	57.86	4.52	5.91	13.22	9.80	
	Industrial	157	2,042,435	28.66	13,009	3.17	3.23	259	257	2.18	59.05	5.65	4.87	11.10	8.64	
	Hotel/Motel	1	3,750	0.05	3,750	*	*	*	*	*	*	*	*	*	*	*
	Mixed Use	18	50,985	0.72	2,833	3.33	3.34	280	280	2.98	30.89	4.19	5.32	24.27	9.28	
	Other Commercial	41	783,095	10.99	19,100	3.47	3.51	297	294	2.10	66.53	5.94	5.84	11.29	8.04	
	OVER \$12 BILLION	All Loans	89	4,131,711	57.98	46,424	3.18	3.24	265	260	2.08	58.23	4.81	4.87	10.95	9.17
Apartment		34	987,470	13.86	29,043	3.06	3.10	237	234	2.12	54.14	4.62	4.67	15.38	11.98	
Office Building		14	965,182	13.55	68,942	3.10	3.14	277	267	2.09	54.62	4.82	4.99	8.17	6.68	
Retail		5	423,440	5.94	84,688	3.61	3.64	307	292	1.31	60.35	2.80	5.46	11.70	11.34	
Industrial		30	1,108,700	15.56	36,957	3.10	3.19	254	251	2.29	59.17	5.09	4.20	9.49	8.46	
Other Commercial		6	646,919	9.08	107,820	3.36	3.40	285	282	2.18	56.85	5.89	5.74	10.38	8.41	
\$5 TO \$12 BILLION		All Loans	267	1,839,996	25.82	6,891	3.59	3.60	307	306	1.85	59.68	5.44	5.53	13.11	7.52
		Apartment	30	375,252	5.27	12,508	3.03	3.06	256	254	1.91	59.01	4.49	4.43	10.25	6.42
		Office Building	37	641,475	9.00	17,337	3.84	3.80	332	332	1.46	63.26	4.46	5.68	10.43	7.22
	Retail	79	234,539	3.29	2,969	3.99	4.02	346	346	2.08	55.06	7.01	7.17	17.31	7.50	
	Industrial	70	421,920	5.92	6,027	3.39	3.42	277	276	2.20	59.49	6.83	5.11	15.03	9.31	
	Hotel/Motel	1	3,750	0.05	3,750	*	*	*	*	*	*	*	*	*	*	*
	Mixed Use	18	50,985	0.72	2,833	3.33	3.34	280	280	2.98	30.89	4.19	5.32	24.27	9.28	
	Other Commercial	32	112,076	1.57	3,502	4.10	4.14	375	369	1.54	65.21	6.25	6.54	16.60	5.52	
	UNDER \$5 BILLION	All Loans	109	1,153,912	16.19	10,586	3.24	3.26	264	262	2.10	57.55	5.67	5.57	11.65	9.08
Apartment		24	366,098	5.14	15,254	3.24	3.27	262	258	2.05	58.18	4.97	4.91	12.52	9.59	
Office Building		15	167,400	2.35	11,160	3.47	3.49	282	278	2.23	54.73	6.28	5.76	11.84	9.96	
Retail		10	84,498	1.19	8,450	3.32	3.35	280	278	3.01	53.18	6.25	4.66	9.52	8.46	
Industrial		57	511,815	7.18	8,979	3.14	3.16	257	255	1.93	58.43	5.87	6.14	11.36	8.47	
Other Commercial		3	24,100	0.34	8,033	3.47	3.48	273	271	2.50	63.95	5.90	5.41	10.96	10.02	
Notes: Participating companies represented 71% of the industry's commercial mortgage holdings.																
Categories are mutually exclusive.																
Fixed Rate Loans include only fixed rate mortgages with no other return provisions, also include rate loans.																
All Others category includes: second mortgages, purchased money mortgages, wrap arounds, mezzanine and construction loans.																
- Not applicable.																
* Data not shown for a limited number of loans.																
** Less than 0.05%.																
Averages are weighted by dollar amounts. Averages for debt coverage ratio, Capitalization rate and mortgage constant may represent a fewer number of loans than the total for the specified category.																
See appendix for Scope and Methodology of the Survey																

Commercial Mortgage Commitments - Third Quarter 2020  
Table 8 - by Property Type And Loan Size

FIXED RATE MORTGAGES ONLY										Weighted Average					
Property Type	Loan Size	Number of Loans	Total Amount (\$'000)	Distribution by Amount (%)	Loan Amount (\$'000)	Contract Interest Rate (%)	Bond Equivalent Yield (%)	Gross Spread	Net DAS	Debt Coverage Ratio	Loan Value (%)	Capitalization Rate (%)	Mortgage Constant (%)	Maturity (years)	Average Life (years)
All Loans	Total	465	7,125,619	100.00	15,324	3.30	3.33	276	272	2.03	58.49	5.11	5.15	11.62	8.73
	Less than \$2 million	121	138,014	1.94	1,141	3.77	3.80	324	324	2.02	52.77	6.39	6.81	21.89	7.86
	\$2 million - \$4,999(000)	122	397,527	5.58	3,258	3.54	3.56	303	302	2.07	54.12	6.21	6.30	18.09	7.45
	\$5 million - \$14,999(000)	125	1,030,522	14.46	8,244	3.42	3.44	285	283	2.06	58.87	6.38	5.84	13.75	8.01
	\$15 million - \$24,999(000)	38	717,130	10.06	19,920	3.26	3.28	253	250	2.02	55.61	5.48	5.46	14.49	10.89
	\$25 million and over	61	4,842,426	67.96	79,384	3.25	3.29	274	269	2.01	59.36	4.66	4.82	9.93	8.57
Apartment	Total	88	1,728,820	24.28	19,646	3.09	3.13	246	244	2.06	56.05	4.67	4.57	13.66	10.27
	Less than \$2 million	13	16,712	0.23	1,266	3.54	3.57	300	300	2.12	46.68	5.31	6.07	25.14	8.81
	\$2 million - \$4,999(000)	23	72,080	1.01	3,134	3.74	3.77	320	318	2.05	51.41	5.36	5.78	19.35	8.34
	\$5 million - \$14,999(000)	21	192,018	2.69	9,144	3.05	3.07	235	233	1.98	51.96	5.89	5.97	17.05	10.66
	\$15 million - \$24,999(000)	7	136,300	1.91	19,471	3.04	3.06	209	202	1.78	56.72	4.99	5.24	19.24	14.53
	\$25 million and over	24	1,311,700	18.41	54,654	3.08	3.10	247	245	2.10	56.96	4.41	4.34	12.13	9.88
Office Building	Total	66	1,774,057	24.90	26,880	3.41	3.41	287	291	1.87	57.75	4.83	5.31	9.33	7.18
	Less than \$2 million	14	15,170	0.21	1,084	3.79	3.81	325	325	2.15	55.97	6.75	6.44	23.94	7.50
	\$2 million - \$4,999(000)	12	43,150	0.61	3,596	3.62	3.64	309	308	1.78	63.77	6.72	6.37	18.76	7.01
	\$5 million - \$14,999(000)	21	189,955	2.65	8,999	3.57	3.59	303	296	1.92	61.22	6.98	6.03	13.74	8.18
	\$15 million - \$24,999(000)	8	163,000	2.29	20,375	3.51	3.53	279	277	1.81	55.77	6.15	5.80	14.66	9.92
	\$25 million and over	11	1,363,762	18.14	123,980	3.36	3.36	288	262	1.87	57.34	4.29	5.10	7.62	6.72
Retail	Total	94	742,478	10.42	7,899	3.68	3.73	317	307	1.75	57.86	4.52	5.91	13.22	9.80
	Less than \$2 million	48	49,393	0.69	1,029	3.94	3.97	346	346	1.73	53.60	6.82	7.88	17.87	6.70
	\$2 million - \$4,999(000)	19	60,554	0.85	3,187	3.77	3.80	329	329	2.05	56.13	6.86	7.17	17.89	7.22
	\$5 million - \$14,999(000)	23	193,751	2.72	8,424	3.82	3.85	327	326	2.45	57.23	6.75	6.14	13.75	7.80
	\$15 million - \$24,999(000)	3	53,680	0.75	17,893	3.25	3.28	270	267	3.15	50.79	6.35	4.49	10.56	9.49
	\$25 million and over	1	385,100	5.40	385,100	*	*	*	*	*	*	*	*	*	*
Industrial	Total	157	2,042,435	28.66	13,009	3.17	3.23	259	257	2.18	59.05	5.65	4.87	11.10	8.64
	Less than \$2 million	23	30,519	0.43	1,327	3.65	3.67	306	306	2.05	56.80	6.89	6.30	20.68	7.95
	\$2 million - \$4,999(000)	47	155,168	2.18	3,301	3.40	3.43	289	289	1.97	57.12	6.64	6.43	16.28	7.01
	\$5 million - \$14,999(000)	50	379,153	5.32	7,583	3.29	3.32	277	276	2.09	60.61	6.24	5.59	11.02	8.08
	\$15 million - \$24,999(000)	16	325,050	4.56	20,316	3.04	3.07	237	234	2.07	54.56	5.23	5.39	13.79	10.44
	\$25 million and over	21	1,152,545	16.17	54,883	3.12	3.21	255	252	2.27	60.12	5.40	4.24	9.42	8.56
Hotel/Motel	Total	1	3,750	0.05	3,750	*	*	*	*	*	*	*	*	*	*
	\$2 million - \$4,999(000)	1	3,750	0.05	3,750	*	*	*	*	*	*	*	*	*	*
Mixed Use	Total	18	50,985	0.72	2,833	3.33	3.34	280	280	2.98	30.89	4.19	5.32	24.27	9.28
	Less than \$2 million	5	8,120	0.11	1,624	3.22	3.24	270	270	3.50	15.40	2.75	5.25	30.00	9.60
	\$2 million - \$4,999(000)	13	42,865	0.60	3,207	3.35	3.36	281	281	2.89	33.83	4.47	5.33	23.18	9.21
Other Commercial	Total	41	783,095	10.99	19,100	3.47	3.51	297	294	2.10	68.53	5.94	5.84	11.28	8.04
	Less than \$2 million	18	18,101	0.25	1,006	3.95	3.98	339	339	1.87	63.41	7.24	6.47	24.96	7.89
	\$2 million - \$4,999(000)	7	19,950	0.28	2,850	3.40	3.42	305	305	1.91	58.07	6.60	6.35	14.67	5.74
	\$5 million - \$14,999(000)	10	76,645	1.08	7,865	3.57	3.60	311	302	1.54	65.89	5.82	5.57	19.06	9.23
	\$15 million - \$24,999(000)	2	38,100	0.65	19,550	*	*	*	*	*	*	*	*	*	*
	\$25 million and over	4	629,289	8.03	157,328	3.37	3.41	287	284	2.20	66.97	5.92	5.81	10.02	7.99

Notes: Participating companies represented 71% of the industry's commercial mortgage holdings.

Categories are mutually exclusive.

Fixed Rate Loans include only fixed rate mortgages with no other return provisions, also include rate loans.

All Other category includes: second mortgages, purchased money mortgages, wrap arounds, mezzanine and construction loans.

- Not applicable.

\* Data not shown for a limited number of loans.

\*\* Less than 0.05%.

Averages are weighted by dollar amounts. Averages for debt coverage ratio, Capitalization rate and mortgage constant may represent a lower number of loans than the total for the specified category.

See appendix for Scope and Methodology of the Survey

Commercial Mortgage Commitments - Third Quarter 2020  
Table 9 - by Property Type And Geographic Division

FIXED RATE MORTGAGES ONLY					Weighted Average										
Property Type	Geographic Division	Number of Loans	Total Amount (\$'000)	Distribution by Amount (%)	Loan Amount (\$'000)	Contract Interest Rate (%)	Bond Equivalent Yield (%)	Gross Spread	Net OAS	Debt Coverage Ratio	Loan Value (%)	Capitalization Rate (%)	Mortgage Constant (%)	Maturity (years)	Average Life (years)
All Loans	All	465	7,125,619	100.00	15,324	3.30	3.33	276	272	2.03	58.49	5.11	5.15	11.62	8.73
	New England	8	855,923	12.01	106,990	3.36	3.39	296	287	1.65	58.64	3.09	4.84	8.96	8.72
	Mid Atlantic	74	1,288,962	18.09	17,418	3.06	3.08	245	243	2.16	52.74	4.72	4.96	12.34	9.88
	East North Central	43	398,057	5.59	9,257	3.17	3.20	275	273	2.33	62.61	5.98	5.36	10.56	6.79
	West North Central	19	146,845	2.06	7,729	3.33	3.35	274	268	1.69	59.43	5.81	6.12	15.20	9.46
	South Atlantic	86	835,099	11.72	9,710	3.60	3.66	299	289	1.99	58.23	5.62	5.53	16.29	10.71
	East South Central	8	43,080	0.60	5,385	3.35	3.37	290	290	1.89	58.95	6.97	6.61	15.33	7.01
	West South Central	44	400,681	5.62	9,106	3.13	3.38	257	254	2.43	56.34	5.97	4.87	10.87	7.73
	Mountain	55	468,905	6.59	8,544	3.44	3.42	278	276	2.09	61.34	5.57	5.16	12.88	8.72
	Pacific	121	1,851,077	25.98	15,298	3.37	3.38	281	280	1.86	57.40	5.43	5.43	11.80	8.23
	Not Reported	7	836,990	11.73	119,427	3.20	3.23	275	272	2.30	67.16	5.27	4.55	7.53	7.47
Apartment	All	88	1,728,820	24.26	19,646	3.09	3.13	246	244	2.06	56.05	4.67	4.67	13.66	10.27
	New England	1	48,000	0.67	48,000	*	*	*	*	*	*	*	*	*	*
	Mid Atlantic	22	662,180	9.29	30,099	2.99	3.02	239	237	1.84	53.63	4.08	4.52	11.98	9.79
	East North Central	8	169,550	2.38	21,194	2.81	2.84	241	239	2.53	62.82	4.94	3.89	8.08	6.71
	West North Central	6	47,765	0.67	7,959	2.95	2.97	226	221	1.67	51.08	5.91	6.71	18.49	10.29
	South Atlantic	27	425,660	5.97	15,765	3.48	3.53	277	276	2.25	56.01	4.99	4.81	18.61	13.37
	East South Central	2	13,800	0.19	6,900	*	*	*	*	*	*	*	*	*	*
	West South Central	1	17,000	0.24	17,000	*	*	*	*	*	*	*	*	*	*
	Mountain	8	119,900	1.68	14,988	3.22	3.25	262	258	2.29	56.22	4.45	4.45	8.10	7.11
	Pacific	13	224,975	3.16	17,306	2.99	3.03	218	215	1.82	58.99	5.21	5.13	16.79	11.12
Office Building	All	66	1,774,057	24.90	26,880	3.41	3.41	297	291	1.87	57.75	4.83	5.31	9.33	7.18
	New England	3	416,750	5.85	138,917	3.19	3.21	290	288	1.95	57.73	3.41	4.43	6.33	6.26
	Mid Atlantic	9	196,900	2.76	21,878	3.44	3.47	276	273	2.56	52.89	6.28	5.73	12.95	12.02
	East North Central	5	38,955	0.55	7,791	3.67	3.70	302	302	1.89	66.95	7.81	6.24	17.91	8.25
	South Atlantic	7	157,572	2.21	22,510	4.04	4.17	362	312	1.54	62.19	5.98	6.33	10.27	6.87
	East South Central	1	7,000	0.10	7,000	*	*	*	*	*	*	*	*	*	*
	West South Central	5	75,800	1.06	15,160	3.54	3.57	290	286	2.24	57.69	6.09	6.21	13.94	9.75
	Mountain	11	51,625	0.72	4,693	3.46	3.48	281	281	1.78	61.11	6.11	5.82	22.80	10.39
	Pacific	25	829,455	11.64	33,178	3.35	3.32	295	294	1.71	57.34	4.63	5.31	7.96	6.06
Retail	All	94	742,478	10.42	7,899	3.69	3.73	317	307	1.75	57.86	4.52	5.91	13.22	9.80
	New England	3	388,673	5.45	129,558	3.65	3.69	312	296	1.17	59.72	2.55	5.55	11.96	11.58
	Mid Atlantic	6	28,622	0.40	4,770	3.68	3.71	302	297	1.95	50.90	5.58	5.89	13.82	11.04
	East North Central	18	74,310	1.04	4,128	3.61	3.64	315	315	2.63	57.82	6.73	6.32	15.06	7.42
	West North Central	4	20,900	0.29	5,225	3.58	3.61	298	298	2.86	48.18	6.42	6.12	12.39	9.94
	South Atlantic	22	86,167	1.21	3,917	3.83	3.86	323	323	1.94	54.14	6.73	7.40	17.38	7.89
	East South Central	1	6,045	0.08	6,045	*	*	*	*	*	*	*	*	*	*
	West South Central	15	48,521	0.68	3,235	3.49	3.52	304	301	2.95	53.47	6.75	5.65	12.94	6.74
	Mountain	8	25,360	0.36	3,170	4.59	4.64	423	423	2.04	58.72	7.26	6.74	12.65	5.68
	Pacific	17	63,880	0.90	3,758	3.69	3.72	310	309	2.46	59.86	6.79	5.35	12.48	8.13

Industrial	All	157	2,042,435	28.66	13,009	3.17	3.23	259	257	2.18	58.05	5.65	4.87	11.10	8.64
	New England	1	2,500	0.04	2,500	*	*	*	*	*	*	*	*	*	*
	Mid Atlantic	19	328,975	4.62	17,314	2.89	2.91	234	233	2.39	55.28	4.96	5.19	10.41	8.57
	East North Central	7	112,392	1.58	16,056	3.23	3.26	287	284	1.99	63.71	6.35	6.63	8.42	5.93
	West North Central	4	66,950	0.94	16,738	3.49	3.53	293	285	1.28	68.91	5.26	5.59	14.07	9.37
	South Atlantic	20	121,720	1.71	6,086	3.27	3.29	272	270	1.79	59.60	6.25	5.63	12.85	8.45
	East South Central	4	16,235	0.23	4,059	3.04	3.06	274	274	2.12	52.90	7.00	6.71	7.99	5.87
	West South Central	19	253,860	3.56	13,361	2.97	3.35	241	240	2.46	56.82	5.72	4.07	9.02	7.32
	Mountain	23	246,370	3.46	10,712	3.41	3.36	270	268	2.03	63.90	5.81	5.17	13.09	9.38
	Pacific	55	530,583	7.45	9,647	3.30	3.33	265	263	2.11	57.03	6.22	5.21	13.45	9.87
	Not Reported	5	362,850	5.09	72,570	3.10	3.12	260	257	2.35	60.58	4.83	3.41	8.23	8.24
Hotel/Motel	All	1	3,750	0.05	3,750	*	*	*	*	*	*	*	*	*	*
	South Atlantic	1	3,750	0.05	3,750	*	*	*	*	*	*	*	*	*	*
Mixed Use	All	18	50,985	0.72	2,833	3.33	3.34	280	280	2.98	30.89	4.19	5.32	24.27	9.28
	Mid Atlantic	17	46,285	0.65	2,723	3.33	3.35	278	278	3.06	27.39	3.85	5.33	26.22	9.74
	West North Central	1	4,700	0.07	4,700	*	*	*	*	*	*	*	*	*	*
Other Commercial	All	41	763,095	10.99	19,100	3.47	3.51	297	294	2.10	66.53	5.94	5.84	11.29	8.04
	Mid Atlantic	1	26,000	0.36	26,000	*	*	*	*	*	*	*	*	*	*
	East North Central	5	2,850	0.04	570	4.12	4.16	344	344	1.79	71.84	8.23	6.48	25.00	8.69
	West North Central	4	6,540	0.09	1,635	3.63	3.66	319	319	1.89	55.09	7.51	7.70	19.11	6.11
	South Atlantic	9	40,231	0.56	4,470	3.68	3.71	319	319	1.64	71.61	6.45	5.68	23.21	10.98
	West South Central	4	5,500	0.08	1,375	3.66	3.68	321	321	2.10	57.30	7.21	6.77	22.73	6.90
	Mountain	5	26,650	0.37	5,330	3.51	3.53	282	280	2.34	63.68	5.80	5.55	13.43	9.54
	Pacific	11	202,184	2.84	18,380	3.96	4.00	331	328	1.70	56.06	6.46	6.83	17.44	9.63
	Not Reported	2	473,140	6.64	236,570	*	*	*	*	*	*	*	*	*	*
Notes: Participating companies represented 71% of the industry's commercial mortgage holdings.															
Categories are mutually exclusive.															
Fixed Rate Loans include only fixed rate mortgages with no other return provisions, also include rate loans.															
All Others category includes: second mortgages, purchased money mortgages, wrap arounds, mezzanine and construction loans.															
- Not applicable.															
* Data not shown for a limited number of loans.															
** Less than 0.05%.															
Averages are weighted by dollar amounts. Averages for debt coverage ratio, Capitalization rate and mortgage constant may represent a fewer number of loans than the total for the specified category.															
See appendix for Scope and Methodology of the Survey															

Commercial Mortgage Commitments - Third Quarter 2020  
Table 10 - by Geographic Region And State

FIXED RATE MORTGAGES ONLY															Weighted Average									
Geographic Region	State	Number of Loans	Total Amount (\$'000)	Distribution by Amount (%)	Loan Amount (\$'000)	Contract Interest Rate (%)	Bond Equivalent Yield (%)	Gross Spread	Net OAS	Debt Coverage Ratio	Loan Value (%)	Capitalization Rate (%)	Mortgage Constant (%)	Maturity (years)	Average Life (years)									
New England		8	855,923	12.01	106,990	3.36	3.39	296	287	1.65	58.64	3.09	4.84	8.96	8.72									
	Connecticut	1	2,500	0.04	2,500	*	*	*	*	*	*	*	*	*	*									
	Massachusetts	6	852,398	11.96	142,066	3.36	3.39	296	287	1.64	58.70	3.07	4.83	8.92	8.73									
	Rhode Island	1	1,026	0.01	1,026	*	*	*	*	*	*	*	*	*	*									
Mid Atlantic		74	1,288,962	18.09	17,418	3.06	3.08	245	243	2.16	52.74	4.72	4.96	12.34	9.88									
	New Jersey	21	609,785	8.56	29,037	2.97	3.00	238	236	1.68	59.33	4.85	4.97	11.50	9.49									
	New York	44	552,985	7.76	12,568	3.23	3.26	261	258	2.44	45.24	4.42	4.73	13.79	10.79									
	Pennsylvania	9	126,192	1.77	14,021	2.69	2.71	215	214	3.21	53.75	5.35	5.90	10.09	7.80									
East North Central		43	398,057	5.59	9,257	3.17	3.20	275	273	2.33	62.61	5.98	5.36	10.56	6.79									
	Illinois	11	205,405	2.88	18,673	2.93	2.95	252	250	2.83	60.50	5.11	4.02	8.78	6.55									
	Indiana	4	5,702	0.08	1,426	3.99	4.02	321	321	1.44	62.33	6.71	7.61	18.19	10.55									
	Michigan	13	60,285	0.85	4,637	3.00	3.02	259	259	1.29	65.29	7.05	8.99	14.36	6.15									
	Ohio	11	83,468	1.17	7,588	3.67	3.69	310	309	1.81	65.31	7.35	6.76	14.07	8.43									
	Wisconsin	4	43,196	0.61	10,799	3.54	3.57	329	324	2.54	63.71	5.89	3.72	5.97	5.12									
West North Central		19	146,845	2.06	7,729	3.33	3.35	274	268	1.69	59.43	5.81	6.12	15.20	9.46									
	Kansas	2	19,720	0.28	9,860	*	*	*	*	*	*	*	*	*	*									
	Minnesota	11	48,042	0.67	4,367	3.31	3.33	267	266	2.11	49.67	6.04	5.62	19.04	10.48									
	Missouri	4	68,150	0.96	17,038	3.47	3.50	290	282	1.49	66.95	5.45	5.46	13.93	9.64									
	Nebraska	1	6,633	0.09	6,633	*	*	*	*	*	*	*	*	*	*									
	North Dakota	1	4,300	0.06	4,300	*	*	*	*	*	*	*	*	*	*									
South Atlantic		86	835,099	11.72	9,710	3.60	3.66	299	289	1.99	58.23	5.62	5.53	16.29	10.71									
	Delaware	3	22,300	0.31	7,433	2.90	2.92	239	238	2.36	39.19	5.86	7.32	14.13	9.30									
	District of Columbia	7	78,870	1.11	11,267	3.21	3.23	243	240	1.68	65.08	5.69	5.18	19.66	13.08									
	Florida	20	127,421	1.79	6,371	3.52	3.55	297	295	2.03	61.92	5.90	5.81	12.40	8.06									
	Georgia	15	184,932	2.60	12,329	3.10	3.13	267	265	2.33	56.83	4.80	3.90	7.86	6.71									
	Maryland	24	216,335	3.04	9,014	4.07	4.14	319	318	1.77	61.22	6.35	5.98	23.25	14.60									
	North Carolina	9	60,670	0.85	6,741	3.58	3.60	304	304	1.58	64.59	6.73	7.01	20.46	8.06									
	South Carolina	2	3,950	0.06	1,975	*	*	*	*	*	*	*	*	*	*									
	Virginia	6	140,622	1.97	23,437	3.93	4.07	350	295	2.15	48.14	4.99	5.99	16.62	12.60									

Commercial Mortgage Commitments - Third Quarter 2020  
Table 11A - by Consolidated Metropolitan Statistical Area

FIXED RATE MORTGAGES ONLY					Weighted Average									
Consolidated Metropolitan Statistical Area	Number of Loans	Total Amount (\$'000)	Distribution by Amount (%)	Loan Amount (\$'000)	Contract Interest Rate (%)	Bond Equivalent Yield (%)	Gross Spread	Net OAS	Debt Coverage Ratio	Loan Value (%)	Capitalization Rate (%)	Mortgage Constant (%)	Maturity (years)	Average Life (years)
Boston-Worcester-Lawrence, MA-NH-ME-CT	6	852,398	11.96	142,066	3.36	3.39	296	287	1.64	58.70	3.07	4.83	8.92	8.73
Chicago-Gary-Kenosha, IL-IN-WI	10	193,105	2.71	19,311	2.91	2.94	261	249	2.53	62.96	5.01	3.93	8.82	6.47
Dallas-Fort Worth, TX	9	126,906	1.78	14,101	2.82	3.57	217	217	2.59	47.21	4.87	3.20	7.61	7.03
Denver-Boulder-Greeley, CO	11	102,625	1.44	9,330	3.42	3.44	275	274	1.88	63.27	5.84	5.56	15.23	10.21
Detroit-Ann Arbor-Flint, MI	13	60,285	0.85	4,637	3.00	3.02	259	259	1.29	65.29	7.05	8.99	14.36	6.15
Houston-Galveston-Brazoria, TX	13	64,555	0.91	4,968	3.32	3.34	289	287	2.75	58.84	6.87	5.28	12.31	6.38
Los Angeles-Riverside-Orange County, CA	49	441,320	6.19	9,007	3.58	3.61	292	289	1.98	57.19	6.60	5.76	12.64	8.57
Miami-Fort Lauderdale, FL	5	25,450	0.36	5,090	2.91	2.93	237	237	2.01	54.30	6.59	6.30	14.59	9.06
New York-Northern New Jersey-Long Island, NY-NJ-CT-PA	56	1,089,665	15.29	19,458	3.08	3.10	248	246	2.05	51.87	4.48	4.79	12.75	10.21
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	9	94,960	1.33	10,551	2.66	2.68	226	226	3.29	56.49	6.26	5.48	8.68	6.57
Portland-Salem, OR-WA	15	190,225	2.67	12,682	3.41	3.44	272	271	2.08	59.13	5.61	5.16	14.99	11.10
San Francisco-Oakland-San Jose, CA	18	899,049	12.62	49,947	3.32	3.29	287	286	1.72	57.22	4.82	5.41	9.61	6.75
Seattle-Tacoma-Bremerton, WA	14	158,170	2.22	11,298	3.00	3.02	230	229	1.84	54.89	5.52	5.75	18.74	11.43
Washington-Baltimore, DC-MD-VA-WV	33	422,387	5.93	12,800	3.87	3.96	315	295	1.88	58.15	5.78	5.82	20.60	13.84
Notes: Participating companies represented 71% of the industry's commercial mortgage holdings. Categories are mutually exclusive.														
Fixed Rate Loans include only fixed rate mortgages with no other return provisions, also include rate loans.														
All Others category includes: second mortgages, purchased money mortgages, wrap arounds, mezzanine and construction loans.														
- Not applicable.														
* Data not shown for a limited number of loans.														
** Less than 0.05%.														
Averages are weighted by dollar amounts. Averages for debt coverage ratio, Capitalization rate and mortgage constant may represent a fewer number of loans than the total for the specified category.														
See appendix for Scope and Methodology of the Survey														

Commercial Mortgage Commitments - Third Quarter 2020  
Table 16 - by Property Type And Rentable Area

FIXED RATE MORTGAGES ONLY				Weighted Average														
Property Type	Rentable Area	Number of Loans	Total Amount (\$000)	Distribution by Amount (%)	Loan Amount (\$000)	Contract Interest Rate (%)	Bond Equivalent Yield (%)	Gross Spread	Net OAS	Debt Coverage Ratio	Loan Value (%)	Capitalization Rate (%)	Mortgage Constant (%)	Maturity (years)	Average Life (years)	Loan Amount Per sqft	Loan Amount Per Unit	
Apartment	All	88	1,728,820	27.48	19,646	3.09	3.13	246	244	2.06	56.05	4.67	4.67	13.66	10.27	*	6,473	
	Less than 200 units	54	487,535	7.75	9,028	3.10	3.13	232	229	1.95	57.40	5.02	4.73	15.05	10.77	*	114,017	
	201 to 400 units	24	573,585	9.12	23,899	3.19	3.23	247	245	2.28	58.22	5.37	5.28	19.09	13.31	*	85,763	
	401 to 600 units	5	455,800	7.24	91,160	2.86	2.89	251	249	1.88	57.28	4.05	3.93	6.19	6.04	*	179,874	
	Over 601 units	5	211,900	3.37	42,380	3.32	3.34	266	264	2.12	44.44	3.30	4.46	11.85	9.97	*	836	
Office Building	All	66	1,774,057	28.20	26,880	3.41	3.41	297	291	1.87	57.75	4.83	5.31	9.33	7.18	239.54	*	
	Less than 50,000 sqft	33	123,720	1.97	3,749	3.75	3.77	322	322	1.77	62.35	6.24	6.19	21.11	7.37	156.74	*	
	50,000 to 100,000 sqft	8	70,950	1.13	8,869	3.23	3.25	261	257	1.90	59.12	6.81	6.14	10.46	8.47	115.58	*	
	100,001 to 200,000 sqft	15	286,300	4.55	19,087	3.59	3.62	293	280	2.18	56.70	6.55	5.77	11.66	9.66	138.21	*	
	Over 200,000 sqft	10	1,293,087	20.55	129,309	3.34	3.34	298	291	1.81	57.47	4.20	5.09	7.62	6.55	328.92	*	
Retail	All	94	742,478	11.80	7,899	3.69	3.73	317	307	1.75	57.86	4.52	5.91	13.22	9.80	174.86	*	
	Less than 50,000 sqft	67	130,817	2.08	1,952	3.78	3.81	335	334	1.86	56.99	6.26	7.09	16.89	6.66	133.60	*	
	50,000 to 100,000 sqft	14	102,986	1.64	7,356	4.02	4.06	343	343	1.95	58.80	6.89	6.79	15.14	7.89	104.99	*	
	100,001 to 200,000 sqft	9	79,575	1.26	8,842	3.59	3.61	299	296	2.36	53.94	7.14	5.42	12.55	9.08	69.10	*	
	Over 200,000 sqft	4	429,100	6.82	107,275	3.61	3.64	308	292	1.52	58.63	2.94	5.43	11.77	11.34	378.26	*	
Industrial	All	157	2,042,435	32.46	13,009	3.17	3.23	259	257	2.18	59.05	5.65	4.87	11.10	8.64	62.21	*	
	Less than 50,000 sqft	40	97,022	1.54	2,426	3.76	3.79	326	326	1.74	61.84	6.55	6.45	17.91	7.30	88.15	*	
	50,000 to 100,000 sqft	44	216,905	3.45	4,930	3.37	3.40	284	283	1.97	60.44	6.33	5.72	13.38	7.78	67.19	*	
	100,001 to 200,000 sqft	25	179,226	2.85	7,169	3.13	3.16	259	257	1.81	60.33	6.19	5.65	11.53	8.32	53.83	*	
	Over 200,000 sqft	48	1,549,283	24.62	32,277	3.11	3.18	252	250	2.28	58.53	5.43	4.56	10.30	8.88	61.53	*	
Hotel/Motel	All	1	3,750	0.06	3,750	*	*	*	*	*	*	*	*	*	*	*	89,286	*
	Less than 200 units	1	3,750	0.06	3,750	*	*	*	*	*	*	*	*	*	*	*	89,286	*

Notes: Participating companies represented 71% of the industry's mortgage holdings. Categories are mutually exclusive.

Fixed Rate Loans include only fixed rate mortgages with no other return provisions, also include rate loans.

\* Data not shown for a limited number of loans.

\*\* Less than 0.05%.

Averages are weighted by dollar amounts. Averages for debt coverage ratio, Capitalization rate and mortgage constant may represent a fewer number of loans than the total for the specified category. See appendix for Scope and Methodology of the Survey

Commercial Mortgage Commitments - Third Quarter 2020  
Table 16A - by Property Type And Loan Amount Per Rentable Area

FIXED RATE MORTGAGES ONLY																	
		Weighted Average															
Property Type	Loan Amt Per Rentable Area	Number of Loans	Total Amount (\$'000)	Distribution by Amount (%)	Loan Amount (\$'000)	Contract Interest Rate (%)	Bond Equivalent Yield (%)	Gross Spread	Net OAS	Debt Coverage Ratio	Loan Value (%)	Capitalization Rate (%)	Mortgage Constant (%)	Maturity (years)	Average Life (years)	Loan Amount Per sqft	Loan Amount Per Unit
Apartment	All	88	1,728,820	27.48	19,646	3.09	3.13	246	244	2.06	56.05	4.67	4.67	13.66	10.27	*	6,473
	Less than \$25,000	8	53,987	0.86	6,748	3.36	3.38	283	281	1.75	55.17	5.79	6.87	17.15	8.54	*	214
	\$25,001 to \$50,000	26	216,348	3.44	8,321	3.12	3.14	254	249	1.97	50.19	5.27	5.40	12.84	8.75	*	40,492
	\$50,001 to \$75,000	9	92,260	1.47	10,251	3.17	3.19	228	228	3.17	29.19	3.38	4.97	18.11	14.84	*	55,645
	Over \$75,000	45	1,366,225	21.72	30,361	3.07	3.11	245	242	2.01	58.83	4.62	4.44	13.29	10.27	*	166,857
Office Building	All	66	1,774,057	28.20	26,880	3.41	3.41	297	281	1.87	57.75	4.83	5.31	9.33	7.18	239.54	*
	Less than \$50,000	5	11,927	0.19	2,385	3.75	3.78	314	314	2.33	60.72	8.00	6.32	19.52	7.76	33.32	*
	\$50,001 to \$75,000	8	48,405	0.77	6,051	3.53	3.55	291	291	1.84	62.13	7.22	6.75	16.86	7.87	66.61	*
	\$75,001 to \$100	7	77,925	1.24	11,132	3.03	3.05	252	247	3.41	57.50	7.02	4.01	9.47	7.96	87.93	*
	Over \$100	46	1,635,800	26.00	35,561	3.42	3.42	299	293	1.80	57.61	4.83	5.33	9.03	7.12	300.97	*
Retail	All	94	742,478	11.80	7,899	3.69	3.73	317	307	1.75	57.86	4.52	5.91	13.22	9.80	174.86	*
	Less than \$50,000	10	46,227	0.73	4,623	3.69	3.72	308	308	3.79	44.74	7.74	6.08	13.08	9.52	39.03	*
	\$50,001 to \$75,000	12	33,422	0.53	2,785	3.77	3.80	325	322	2.23	51.60	6.96	6.79	13.97	6.36	60.61	*
	\$75,001 to \$100	15	61,989	0.99	4,133	3.48	3.50	305	304	2.74	55.16	7.10	6.24	14.19	6.77	85.71	*
	Over \$100	57	600,840	9.55	10,541	3.71	3.75	318	307	1.46	59.50	3.87	5.81	13.09	10.32	336.22	*
Industrial	All	157	2,042,435	32.46	13,009	3.17	3.23	259	257	2.18	59.05	5.65	4.87	11.10	8.64	62.21	*
	Less than \$50,000	40	224,822	3.57	5,621	3.24	3.27	274	273	2.50	53.01	6.29	6.31	11.12	7.51	29.29	*
	\$50,001 to \$75,000	62	1,090,988	17.34	17,597	3.14	3.23	251	249	2.10	58.57	5.24	4.84	11.59	9.10	60.44	*
	\$75,001 to \$100	30	374,002	5.94	12,467	3.05	3.07	252	250	2.14	60.76	5.51	4.77	9.92	7.99	85.97	*
	Over \$100	25	352,623	5.60	14,105	3.34	3.37	283	280	2.25	62.56	6.65	4.16	10.83	8.64	127.98	*
Hotel/Motel	All	1	3,750	0.06	3,750	*	*	*	*	*	*	*	*	*	*	*	89,286
	Over \$75,000	1	3,750	0.06	3,750	*	*	*	*	*	*	*	*	*	*	*	89,286

Notes: Participating companies represented 71% of the industry's mortgage holdings.

Categories are mutually exclusive.

Fixed Rate Loans include only fixed rate mortgages with no other return provisions, also include rate loans.

\* Data not shown for a limited number of loans.

\*\* Less than 0.05%.

Averages are weighted by dollar amounts. Averages for debt coverage ratio, Capitalization rate and mortgage constant may represent a fewer number of loans than the total for the specified category. See appendix for Scope and Methodology of the Survey

# National Warehouse Market

At 1.6%, the national warehouse market posts the highest average forecast value change expectation of the 39 markets in the Survey this quarter. In fact, it is one of only six markets to post a positive outlook for the next 12 months.

- An optimistic, albeit cautious outlook has many investors looking for buying opportunities in this market.
- “We are searching for warehouse assets with a diverse mix of good credit tenants, varying lease terms, and functional amenities,” confirms a participant.
- While value-added offerings pique the interest of certain buyers, an unclear economic future makes pricing such deals a bit trickier compared to stabilized properties.

## FORECAST VALUE CHANGE [NEXT 12 MONTHS]:

Range: (15.0%) – 9.0%

Average: 1.6%

## KEY 3Q20 SURVEY STATS\*

### Tenant Retention Rate:

Average 69.0% ▼

Range 50.0% to 80.0%

### Months of Free Rent(1):

Average 3 ▼

Range Up to 10

% of participants using 82.0% =

### Market Conditions Favor:

Buyers 9.0% =

Sellers 55.0% ▼

Neither 36.0% ▲

\* ▼, ▲, = change from prior quarter  
(1) on a ten-year lease

Table 25

## NATIONAL WAREHOUSE MARKET

Third Quarter 2020

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
<b>DISCOUNT RATE (IRR)<sup>a</sup></b>					
Range	5.25% – 7.50%	5.25% – 7.50%	5.25% – 8.00%	5.50% – 9.00%	5.25% – 9.00%
Average	6.13%	6.14%	6.13%	6.65%	6.93%
Change (Basis Points)		– 1	0	– 52	– 80
<b>OVERALL CAP RATE (OAR)<sup>a</sup></b>					
Range	3.40% – 7.00%	3.40% – 7.00%	3.75% – 6.40%	4.00% – 6.90%	4.00% – 7.00%
Average	4.84%	4.84%	4.83%	5.22%	5.56%
Change (Basis Points)		0	+ 1	– 38	– 72
<b>RESIDUAL CAP RATE</b>					
Range	4.50% – 7.00%	4.50% – 7.00%	4.50% – 6.75%	5.00% – 7.00%	5.25% – 7.25%
Average	5.48%	5.49%	5.46%	5.96%	6.19%
Change (Basis Points)		– 1	+ 2	– 48	– 71
<b>MARKET RENT CHANGE<sup>b</sup></b>					
Range	0.00% – 5.00%	0.00% – 5.00%	0.00% – 7.00%	0.00% – 6.00%	0.00% – 6.00%
Average	0.57%	0.55%	2.78%	2.55%	2.93%
Change (Basis Points)		+ 2	– 221	– 198	– 236
<b>EXPENSE CHANGE<sup>b</sup></b>					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 3.00%	0.00% – 3.00%	2.50% – 3.00%
Average	2.23%	2.23%	2.35%	2.48%	2.98%
Change (Basis Points)		0	– 12	– 25	– 75
<b>MARKETING TIME<sup>c</sup></b>					
Range	1 – 9	1 – 9	1 – 9	1 – 9	1 – 12
Average	4.4	4.4	3.8	3.8	4.6
Change (▼, ▲, =)		=	▲	▲	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months