



AmberGlen Community Economic & Financial Feasibility Factors

July 2011

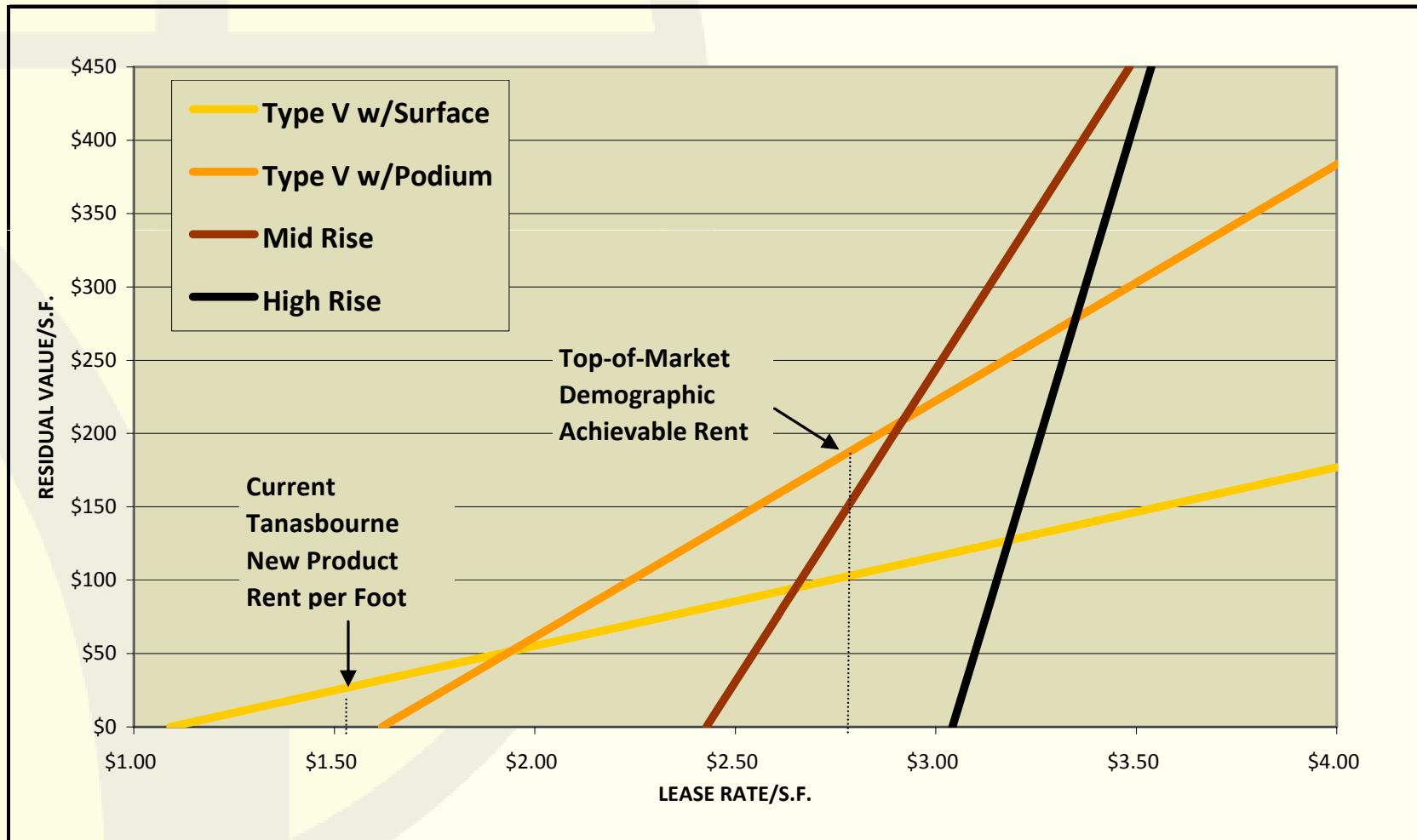
Economic & Feasibility Issues

- Baseline Market & Economic Factors
- Baseline Financial Feasibility of Planned Forms
 - Transitional Density Types (Type V w/Surface Parking or w/Podium)
 - Mid-Rise Construction (4-7 Stories, Steel Frame, Structured Parking)
 - High-Rise Construction (8+ Stories, Concrete/Steel, Structured Parking)
- Market Interventions & Development Feasibility Impact
 - Achievable Pricing (District Amenities)
 - Cost of Development (Entitlement Process, SDCs, etc.)

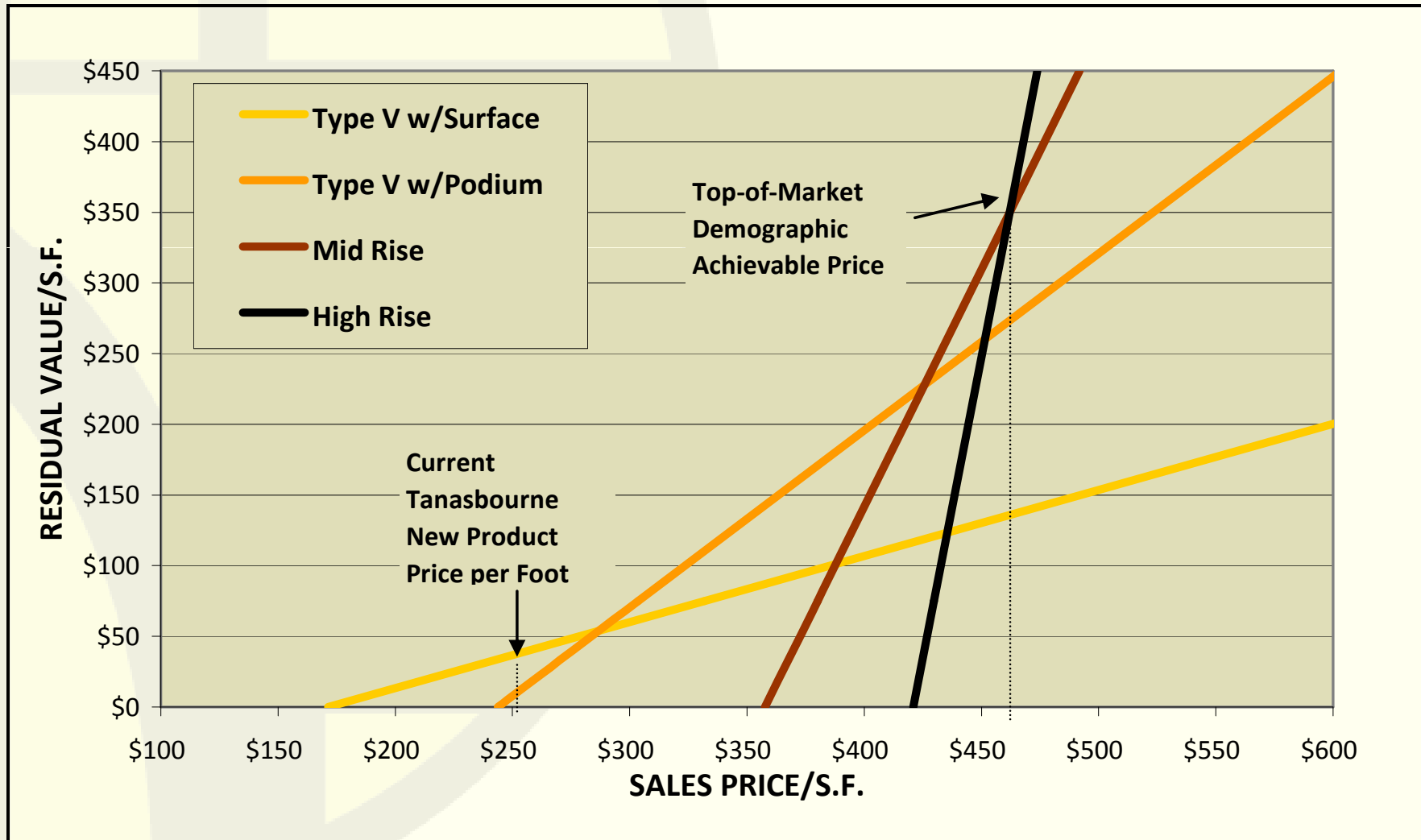
Hillsboro Residential Growth

- 49,000 New Households through 2035. Of those:
- Attached Housing Demand (Own or Rent) ~10,900
- Of the 10,900 Attached Unit Demand:
 - ~1,700 Ownership (Condominium) Units
 - ~9,200 Rental Units
- Ownership Demand Concentration: \$250,000+
- Rental Demand Concentration: \$1,250/month+

Current Financial Feasibility: Apartments



Current Feasibility: Ownership



Market Intervention: Public District Investments

| | Close to Work | Close to Recreation | Close to Services | |
|---|----------------------------|----------------------------|----------------------------|---|
| | 20% to 25% Max. Premium | 20% to 25% Max. Premium | 20% to 25% Max. Premium | |
| | | 5% to 10% Value Premiums | | Pedestrian Environment & Streetscape |
| Dedicated Park & Open Space Connection | | 5% to 15% Value Premiums | | |
| Proximity to Transit & Connectivity | | 5% to 20% Value Premiums | | |

District Investment Example: 30% Rent Premium Achieved

- Assume District Investment in Transit, Services, Recreation
- Primary Impact: Type V w/Podium Achievable for the Majority of Price Points... all else equal.
- Secondary Impact: Mid-Rise Achievable for Higher-End Demand... that has sought urban environment elsewhere.
- High-Rise: Still Extremely Difficult... for pricing reasons, but also market depth (sheer unit quantity).

Development Cost Example: 10% Development Cost Reduction

- Parking Strategy, SDC waivers, etc.
- **Primary Impact:** Type V w/Podium also Achievable for the More Price Points... all else equal.
- **Secondary Impact:** Mid-Rise Achievable for Highest-End Demand... that has sought urban environment elsewhere, though 10% incentive not sufficient for as many price points
- **High-Rise:** Still Extremely Difficult.
- **Vs. For-Sale:** Not as effective as for For-Sale Development due to Return on Sales (Cost) Measure

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Discussion